Notice of Public Meeting

The Board of Retirement

of the San Mateo County Employees' Retirement Association will meet on

Tuesday, June 2, 2026, at 10:00 A.M.

1. Call to Order, Roll Call and Miscellaneous Business

1.1 Appointment by Chair of Ad Hoc Nominating Committee for Board Officers

2. Oral Communications

2.1 Oral Communications from the Board

2.2 Oral Communications from the Public

3. Approval of the Minutes

3.1 Approval of Board Meeting Minutes from April 28, 2026

4. Approval of the Consent Agenda*

4.1 Disability Retirements (0)

4.2 Survivor Death Benefits

4.3 Service Retirements

4.4 Continuances

4.5 Deferred Retirements

4.6 Member Account Refunds

4.7 Member Account Rollovers

4.8 Member Account Redeposits

4.9 Acceptance of Trustees' Reports of Educational Activities

4.10 Report on Prepayment of County Contributions for Fiscal Year 2026-27

4.11 Acceptance of Semi-Annual Financial Report for the Six Months Ended December 31, 2025

5. Benefit & Actuarial Services

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

5.2 Review of Funding Dashboard

5.3 Approval of Economic Assumptions to be used in the June 30, 2026 Actuarial Valuation

6. Investment Services

6.1 Report on Quarterly Investment Performance for the Period Ended March 31, 2026

6.2 Report on Preliminary Monthly Portfolio Performance for the Period Ended April 30, 2026

6.3 Report on Semi-Annual Private Markets Investment Performance for Period Ended December 31, 2025

6.4 Report on Real Estate Manager Annual Reviews

6.5 Presentation of Asset-Liability Study: Part II

7. Board & Management Support

7.1 Approval of Resolution Ratifying County Supplemental Funding MOU
7.2 Acceptance of Updated Semi-Annual Budget Report for the Six Months Ended December 31, 2025
7.3 Adoption of SamCERA's Fiscal Year 2026-27 Budget

8. Management Reports

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

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

C1 Consideration of Disability Items, if any, removed from the Consent Agenda
C2 Threat to Public Services or Facilities (pursuant to Gov. Code § 54957)
Consultation with: Retirement Technology Officer Diane Webster

9. Report on Actions Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Najdawi, Nena	March 22, 2026	Health Services
Gingerich, David	April 4, 2026	Technology Services
Brasseur, Thomas	April 16, 2026	Mental Health
Reed, Edward	April 16, 2026	Mental Health
Cirina, Mary Lou	April 17, 2026	Elections
Erickson, Joan	April 17, 2026	Hospital
Warren, Gary	April 12, 2026	Planning and Building
Sheldon, Philip	April 15, 2026	Sheriff's Office
Dominguez, Felisita	April 16, 2026	Aging & Adult Services
Bustichi, Robert	April 21, 2026	Public Safety Communications
Todd, Shirley	April 25, 2026	Courts
Woods, Robert	April 25, 2026	Mental Health
Fucilla, Robert	April 28, 2026	Medical Center
Salgado, Sandra	April 30, 2026	Human Services
Clayton, Arthur	May 1, 2026	Sheriff's Office
Okada Carter, Nancy	May 6, 2026	Probations
Montes, Luisito	May 7, 2026	Courts

Paul A. Okada

Posted: May 27, 2026

Paul A. Okada, Chief Executive Officer

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

Notice of Public Meeting

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

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

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 1.1

TO: Board of Retirement

FROM: Paul A. Okada, Chief Executive Officer

SUBJECT: Appointment by Chair of Ad Hoc Nominating Committee for Board Officers

Recommendation
Accept the Chair's report on the appointment of an Ad Hoc Committee to nominate Board officers for the 2026-27 fiscal year to be presented for election at the July meeting. The Chair appoints Rachel Perkel, Alma Salas, and Kurt Hoefer, Chair to the Ad Hoc Nominating Committee.

Background
In general, at or around the last meeting of the fiscal year (typically in May or June), the Chair appoints an Ad Hoc Committee to nominate Board officers for the next fiscal year. The election of Board officers takes place at the first meeting in July. Article 1 of the *Regulations of the Board of Retirement* provides for the election of three Board officers: Chair, Vice Chair and Secretary, as follows:

> **1.1. Election of Chair:** At the first regular meeting in July, the Board of Retirement shall elect one of its members chair for a term of one year or until his or her successor is duly elected and qualified. The Chair shall preside at all meetings of the Board, shall appoint all committees and shall perform all duties incidental to that office.
>
> **1.2. Election of Vice Chair:** At the first regular meeting in July, the Board of Retirement shall elect one of its members vice chair for a term of one year or until his or her successor is duly elected and qualified. In the Chair's absence or inability to act, the Vice Chair shall take the place and perform the duties of that office.
>
> **1.3. Election of Secretary:** At the first regular meeting in July, the Board of Retirement shall elect one of its members secretary for a term of one year or until his or her successor is duly elected and qualified. The Secretary shall attest to Resolutions and other such documents for the Board. In the Chair's and Vice Chair's absence or inability to act, the Secretary shall take the place and perform the duties of the Chair.

Board officers traditionally serve one-year terms. Also, by tradition, the Board attempts to alternate between appointed and elected trustees in each officer position. In general, the officers tend to move up "through the steps" to eventually become Chair. Exceptions have occurred when a trustee does not serve a full term or does not continue on the Board for an additional term. (See the table below.)

SamCERA Board Officer History

	Chair	Vice-Chair	Secretary
2001-02	Bill Cottle	Tom Bryan	Bette Stuart
2002-03	Tom Bryan	Donna Colson	Alma Salas
2003-04	Donna Colson	Alma Salas	Bette Stuart
2004-05	Alma Salas	Ken Lewis	Tom Bryan
2005-06	Ken Lewis	Tom Bryan	Emily Tashman
2006-07	Tom Bryan	Emily Tashman	Bette Stuart
2007-08	Tom Bryan	Emily Tashman	Jim Hooley
2008-09	Emily Tashman	David Wozniak	Sandie Arnott
2009-10	Margaret Jadallah	Al David	Sandie Arnott
2010-11*	Al David	Sandie Arnott	Natalie Kwan Lloyd
2011-12	Al David	Sandie Arnott	Natalie Kwan Lloyd
2012-13	Sandie Arnott	Natalie Kwan Lloyd	Lauryn Agnew
2013-14	Natalie Kwan Lloyd	Lauryn Agnew	Paul Hackleman
2014-15	Lauryn Agnew	Paul Hackleman	Michal Settles
2015-16	Paul Hackleman	Michael Settles	Natalie Kwan Lloyd
2016-17	Paul Hackleman	Mark Battey	Shirley Tourel
2017-18	Mark Battey	Shirley Tourel	David Spinello
2018-19	Sandie Arnott	Kurt Hoefer	Al David
2019-20	Kurt Hoefer	Al David	Robert Raw
2020-21	Al David	Robert Raw	Katherine O'Malley
2021-22	Robert Raw	Katherine O'Malley	Mark Battey
2022-23	Katherine O'Malley	Mark Battey	Alma Salas
2023-24	Mark Battey	Alma Salas	Elaine Orr
2024-25	Alma Salas	Kimathi Marangu	Sandie Arnott
2025-26	Kimathi Marangu	Sandie Arnott	Elaine Orr

*Beginning October 2010

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
APRIL 28, 2026 – REGULAR BOARD MEETING MINUTES

2604.1.0 **Call to Order, Roll Call and Miscellaneous Business**

Call to Order: Kimathi Marangu, Chair, called the Regular Meeting of the Board of Retirement to order at 10:05 a.m.

Roll Call:
Present: April DeCarsky, Laurel Finnegan, Kurt Hoefer, Kimathi Marangu, Elaine Orr (arrived at 10:17 a.m.), Rachel Perkel, and Alma Salas.
Absent: Sandie Arnott and Katherine O'Malley.
Alternates: Al David.
Staff: Michael Coultrip, Lili Dames, Jenny Lukan, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Paul Okada, Gladys Smith, and Daniel Valim.
Consultants and Speakers: Leo Festino, Paola Nealon, and Maya Ortiz de Montellano (Meketa)

2604.2.1 **Oral Communications from the Board:** None.

2604.2.2 **Oral Communications from the Public:** Mr. Okada informed the Board that Ms. O'Malley's father passed away this morning and expressed his condolences.

2604.3.1 **Approval of Board Meeting Minutes from March 24, 2026:** Mr. Marangu asked if there were any changes or corrections, or objections, to the minutes from the regular meeting held on March 24, 2026. There were no changes, corrections, or objections presented.

Action: Mr. Hoefer moved to approve the minutes from the March 24, 2026 regular Board meeting. The motion was seconded by Ms. Salas and carried with a vote of 6-0-0, with trustees DeCarsky, Finnegan, Hoefer, Marangu, Perkel, and Salas all in favor; none opposed; none abstained.

2643.4.0 **Approval of the Consent Agenda:** Mr. Marangu asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

Action: Ms. Finnegan moved to approve the remaining items on the Consent Agenda. The motion was seconded by Ms. Perkel and carried with a vote of 6-0-0, with trustees DeCarsky, Finnegan, Hoefer, Marangu, Perkel, and Salas all in favor; none opposed; none abstained.

2603.4.1 **Disability Retirements:**

a) The Board found that **Zorina Atienza** (1) is permanently incapacitated from the performance of her usual and customary duties as an Office Assistant II, (2) found that her disability was the result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

b) The Board terminated the hearing request submitted by **Maria Isabel Hernandez** and the Board's initial decision to deny her service-connected disability was deemed as final and binding per Article VI, section 6.2 (C) of the Board Regulations regarding Disability Retirement.

c) The Board (1) approved and adopted the proposed findings of the Hearing Officer, Barbara Kong-Brown, that **Romel Horace** is permanently incapacitated from the performance of her usual and customary duties as a Therapy Aide, and that her disability was not a result of an

injury/illness arising out of and in the course of her employment, and (2) approved and adopted the Hearing Officer's recommendation to deny her application for a service-connected disability, and granted her a non-service-connected disability retirement.

d) The Board found that **David Spinello** (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) that his disability was the result of an injury arising out of and in the course of his employment and (3) granted his application for a service-connected disability retirement.

2604.4.2 **Survivor Death Benefits:** None.

2604.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Dunkin, Eddie	March 1, 2026	Sheriff's Office
Espino, Lauren	February 28, 2026	Probation
Hughes, Eric	February 23, 2026	QDRO of Hughes, Suzanne
Hutchinson, Jason	February 28, 2026	Sheriff's Office
Jones, Vernon	February 7, 2026	Public Works
Murray-Laden, Theresa	March 1, 2026	Human Services Agency
Patterson, Manon	February 14, 2026	Public Works
Perez, Maria P	February 21, 2026	Assessor's-Clerk-Recorder-Elections
Quintanilla-Recinos, Ana	February 25, 2026	Deferred - San Mateo County Health
Reed, Mark R	February 28, 2026	Sheriff's Office
Sparks, Dawn	March 1, 2026	Human Services Agency
Tourel, Shirley	February 11, 2026	Deferred - Controller's Office
Viola, Marife	February 27, 2026	Human Resources
Wossne, Ghazi	February 28, 2026	Probation
Yuson, Anthony	February 14, 2026	Technology Services Dept

2604.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Spillane, Dennis	Spillane, Bernadette
Taylor, Wendy	Sweetin, Ellen

2604.4.5 **Deferred Retirements:**

Name	Retirement Plan Type
Andrade, Avana	G7, Vested
Arteaga, Ortencia	G4, Vested
Eastwood, Heather	G7, Vested
Filleybrown, Heather	G7, Non-Vested - Auto Defer – Code 31700
Gutierrez, Veronica	G7, Vested - Auto Defer – Code 31700
Hundal, Amritpal	G7, Vested - Auto Defer – Code 31700
Jakubowski, Susan	G4, Vested - Reciprocity
Jimenez, Bryan	G7, Vested - Auto Defer – Code 31700
Lin, Emily	G7, Non-Vested - Reciprocity
Macale, Alvin	G7, Non-Vested - Reciprocity
Noland, Sean	G7, Vested - Auto Defer – Code 31700

Recinos Vides, Lilian	G7, Vested - Reciprocity
Schindler, James	G7, Vested - Auto Defer – Code 31700
Sorrell, John	G5, Vested
Takhar, Amandeep	G7, Vested - Auto Defer – Code 31700
Tsang, Jonathan	G7, Non-Vested - Reciprocity

2604.4.6 **Member Account Refunds:**

Name	**Retirement Plan Type**
Besio, Kristine	G7, Non-vested
Borisenko, Vitalii	G7, Non-vested
Davila, Cristobal	G4, Non-vested
Gonzalez, Estefan	S7, Non-vested
Houseman, Theresa	G7, Non-vested
Howard, Eric (FBO: Igafo, Sophia)	P4, Vested
Latimore, Latasha	G7, Non-vested
McDaniels, Ebony	G7, Non-vested
Palad, Natividad	G7, Non-vested
Schrader, Carol	G7, Non-vested
Scott, Joshua	G7, Non-vested
Sutton, Ashley	G7, Vested

2604.4.7 **Member Account Rollovers:**

Name	**Retirement Plan Type**
Barnes, Raeesha	G7, Non-vested
Meraz Carrasco, Edith	G7, Non-vested
Thorsby, James	S2, Non-vested
Vargas, Yvette	P7, Non-vested

2604.4.8 **Member Account Redeposits:** None.

2604.4.9 **Acceptance of Trustees' Reports of Education Activities:** None.

2604.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2604.6.1 **Preliminary Monthly Portfolio Performance Report for the Period Ended March 31, 2026:** Mr. Coultrip reported that SamCERA's preliminary return for March was -3.1%, bringing the preliminary trailing twelve-month net return ending March to 12.4%. SamCERA's actuarial funded ratio (Actuarial Value Assets (AVA) / Actuarial Value Liabilities (AVL)) as of June 30, 2025 was 89.3%. The estimated market value as of the end of March was $7.612 billion, bringing the market value funded ratio (MVA/AVL) to 98%. This item was informational and for discussion only, no action was taken.

Ms. Orr joined the Board meeting at 10:17 a.m.

2604.6.2 **Report on Currency Hedge Manager Annual Review:** Ms. Dames reviewed the meeting notes of the annual review of SamCERA's currency hedge manager, Record Currency Management Limited. The meeting took place on March 16 and included a firm/organizational update, investment process review, and performance review and attribution. The firm discussed the appointments of the new Group CIO and RCML CEO-Elect, both of whom joined Record over the past year. This item was informational and for discussion only, no action was taken.

2604.6.3 **Report on Cash Overlay (Parametric) Annual Review:** Ms. Dames reviewed the meeting notes of the annual review of SamCERA's overlay manager, Parametric Portfolio Associates. The meeting took place on March 16 and included a firm/organizational update, investment process review, and performance review and attribution. The firm discussed the retirement of a member of the Executive Committee and her replacement. This item was informational and for discussion only, no action was taken.

2604.6.4 **Report on Custodian (Northern Trust) Annual Review:** Ms. Dames reviewed the meeting notes of the annual review of SamCERA's custodian bank, Northern Trust. The meeting took place on March 16 and included a firm/organizational update, global custody overview, and a service performance review. Overall, Northern Trust continues to provide consistent and reliable levels of service to staff. There were no major concerns identified during the review. This item was informational and for discussion only, no action was taken.

2604.6.5 **Report on SamCERA's Annual Portfolio Review:** Mr. Coultrip presented the SamCERA Annual Portfolio Review report for calendar year 2025. The review covered the following areas: Total Portfolio Absolute Performance, Total Portfolio Relative Performance, Composite Relative Performance, Total Fund Historical Performance and Risk, Two-Stage Portfolio Assessment, Investment Manager Dashboard, and Summary of Rebalancing Activities. This item was informational and for discussion only, no action was taken.

2604.6.6 **Report on Meketa Work Plan for 2026:** Mr. Festino and Ms. Nealon from Meketa presented the report detailing the timeline for consultant-led projects for the remainder of 2026. This item was informational and for discussion only, no action was taken.

2604.7.1 **Approval of Resolution Adopting Artificial Intelligence Policy:** Mr. Okada and Mr. Valim presented SamCERA's recommended "Policy for the Use and Deployment of Artificial Intelligence Technologies" (the "Artificial Intelligence Policy"). Mr. Marangu called for a motion to approve a resolution adopting the Artificial Intelligence Policy.

Action: Ms. DeCarsky moved to approve a resolution adopting the Artificial Intelligence Policy. The motion was seconded by Ms. Salas and carried with a vote of 7-0-0, with trustees DeCarsky, Finnegan, Hoefer, Marangu, Orr, Perkel, and Salas all in favor; none opposed; none abstained.

2604.7.2 **Presentation and Discussion of Disability Retirement Process:** Ms. LeNguyen presented an overview of SamCERA's disability retirement application process. This item was informational and for discussion only, no action was taken.

2604.7.3 **Approval of Resolution Calling for a Special Election Utilizing Electronic Voting:** Ms. Smith presented staff's recommendation to call a Special Election to fill the vacancy in the Seventh Seat of the Board of Retirement and approving the use of electronic voting for such election. Mr. Marangu called for a motion to approve a resolution calling a Special Election to fill the vacancy in the Seventh Seat of the Board of Retirement and approving the use of electronic voting for such election.

Action: Mr. Hoefer moved to approve a resolution calling a Special Election to fill the vacancy in the Seventh Seat of the Board of Retirement and approving the use of electronic voting for such election. The motion was seconded by Ms. Finnegan and carried with a vote of 6-0-1, with trustees Finnegan, Hoefer, Marangu, Orr, Perkel, and Salas all in favor; none opposed; DeCarsky abstained.

2604.7.4 **Selection of and Direction for SamCERA Voting Delegates at the SACRS Spring Business Meeting:** Mr. Okada presented staff's recommendation to designate April DeCarsky, Board Trustee, as the Voting Delegate and himself as the Alternate Voting Delegate to cast SamCERA's votes at the SACRS business meeting on May 15, 2026, and to vote as set forth in the accompanying memo. Mr. Marangu called for a motion to approve staff's recommendation to designate April DeCarsky, Board Trustee, as the Voting Delegate and Paul Okada, CEO, as the Alternate Voting Delegate to cast SamCERA's votes at the SACRS business meeting on May 15, 2026, to vote in favor of the nominated slate of the SACRS Board of Directors and to vote in such other matters as may be in SamCERA's best interests.

Action: Mr. Marangu moved to approve staff's recommendation to designate April DeCarsky, Board Trustee, as the Voting Delegate and Paul Okada, CEO, as the Alternate Voting Delegate to cast SamCERA's votes at the SACRS business meeting on May 15, 2026, to vote in favor of the nominated slate of the SACRS Board of Directors and to vote in such other matters as may be in SamCERA's best interests. The motion was seconded by Ms. Perkel and carried with a vote of 7-0-0, with trustees DeCarsky, Finnegan, Hoefer, Marangu, Orr, Perkel, and Salas all in favor; none opposed; none abstained.

Ms. Finnegan departed at 12:52 p.m. Mr. David took her place at the Board table to act on her behalf.

2605.8.1 **Chief Executive Officer's Report:** Mr. Okada reported to the Board that the next meeting will include the funding dashboard update, Milliman's presentation of the economic assumptions for the actuarial valuation for the period ending June 30, 2026 for Board approval, and Ms. Webster's cybersecurity update presentation in Closed Session.

2605.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported to the Board that the deadline for submissions for the new pension system RFP has closed and staff received five responses. Ms. Smith reported on the timeline and next steps in the process which includes the selection of finalists on May 21st and presentations/demonstrations on or about June 11. Ms. Lukan reminded the Board about the renewal of the fiduciary insurance and for each trustee to provide her with payment of $50 for their portion of the Waiver of Recourse endorsement, via cash or check. Ms. Lukan also reported on upcoming education opportunities including the IFEBP Institutes and GFOA in June, SACRS UC Berkeley program in July, and NCPERS Public Pension Funding Forum and CALAPRS Principles of Pension Governance for Trustees in August. Ms. Lukan will send an email with the information mentioned. Lastly, Ms. Smith notified the Board that she sent out individual emails to those Board members attending the IFEBP 2026 Annual Conference with their enrollment and hotel confirmations.

2605.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported to the Board that on Monday, April 6, staff along with Mr. Marangu and Meketa utilized the delegation of authority to make a $20 million commitment to Ares Pathfinder III, which is an asset-backed private credit fund. Mr. Coultrip thanked Mr. Valim and Ms. Ng for going above and beyond given the tight timeline to close. Mr. Coultrip also reported to the Board that the next round of Manager Annual Reviews will take place on May 5, with INVESCO at 10:30 a.m. and Stockbridge at 1:00 p.m., and on May 19, with DE Shaw at 10:30 a.m., BlackRock at 11:45 a.m., and PGIM Quantitative at 1:30 p.m.

2605.8.4 **Chief Legal Counsel's Report:** Mr. Valim reported to the Board that there is an update in the LACERA case – oral arguments before the California Supreme Court have been scheduled for May 6 and a decision will likely be published within 90 days. Mr. Valim and Ms. Smith reported that there is an update on Mr. Valim's previous report from earlier this year about the new required financial training – the County will be providing the training online through WorkDay Learning and more information will be coming. Ms. Smith will work with San Mateo County Human Resources to add the Board to the training distribution.

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

C2 **Conference with Real Property Negotiators (Cal. Govt Code § 54956.8)**
Property: 100 Marine Parkway, Suites 125 & 160, Redwood City, CA
Agency Negotiator: Chief Executive Officer
Negotiating Parties: SamCERA; 1 Twin Property Owner LLC
Under Negotiation: Price and Terms

The Board entered Closed Session at 1:07 p.m. in order to meet with its real property negotiator regarding the following:

Property: 100 Marine Parkway, Suites 125 & 160, Redwood City, CA
Agency Negotiator: Chief Executive Officer
Negotiating Parties: SamCERA; 1 Twin Property Owner LLC
Under Negotiation: Price and terms

There were no other matters heard at this time and the Board exited Closed Session at 1:24 p.m.

2604.9.0 **Reports on Actions Taken in Closed Session:** Regarding Item C2, Mr. Valim reported that no reportable action was taken. There were no additional closed session items.

2604.10 **Adjournment:** Mr. Marangu adjourned the meeting at 1:25 p.m. in memory of the deceased members listed below.

Jones, Betty	March 4, 2026	Hospital
Grinnell, Jeffrey	March 5, 2026	Library
Walker, H Jean	March 5, 2026	District Attorney
Gomez, Rebecca	March 12, 2026	Human Services
Reay, Norma	March 14, 2026	Courts
Nelson, Thor	March 18, 2026	Sheriff's Office
Coppola, Pauline	March 20, 2026	Hospital
Dunn, Faye	March 22, 2026	Hospital
Young, Roger	March 22, 2026	Public Works
Ritter, Bernard	March 23, 2026	Hospital
Pang, Mitsue	March 23, 2026	Courts
Williams, Versie	March 26, 2026	Hospital
Wilches, Jairo	April 3, 2026	Behavioral Health
Love, Martin	April 12, 2026	Sheriff's Office

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Kimathi Marangu
Board Chair

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Items 4.1- 4.9

TO: Board of Retirement

FROM: Elizabeth LeNguyen, Retirement Benefits Manager

SUBJECT: Approval of Consent Agenda Items 4.1 – 4.9

4.1 Disability Retirements

None.

4.2 Survivor Death Benefits

None.

4.3 Service Retirements

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

Name	Effective Retirement Date	Department
Abi Chahine, Rabina	March 28, 2026	Aging & Disability Services
Baez, Silvia	March 28, 2026	San Mateo County Health
Brewer, Christina	April 25, 2026	Human Services Agency
Burns, Carolyn	April 30, 2026	Human Resources
Carlos, Luis	March 28, 2026	Public Works
Casey, Dermot	March 28, 2026	Environmental Health
Castro, Maria T	March 27, 2026	Human Services Agency
Chaikind, Janet	March 28, 2026	San Mateo County Health
Chavez, Juan	March 28, 2026	San Mateo County Health
Cheng, Sophia	March 28, 2026	Health Information Systems
Chow, Rita K	March 31, 2026	Public Health
Davis, Jamie	March 31, 2026	Human Services Agency
Deang, Patrice	March 21, 2026	Courts
DeGiovanni, Melina	March 28, 2026	San Mateo County Health
Dell, Peter	May 1, 2026	Mental Health

Demetria, Jr, Deogracias	March 28, 2026	Technology Services Dept
Festejo, Carol	March 23, 2026	Deferred - Behavioral Health
Forshey, Heather	March 28, 2026	San Mateo County Health
Fregoso, Luz M	March 28, 2026	Human Services Agency
Garcia, Juan	March 28, 2026	Human Services Agency
Garcia, Rigoberto	March 28, 2026	Probation Dept
Gomez, Maria E	March 28, 2028	Public Works
Greenberg, Susan	March 20, 2026	Deferred - Courts
Guituan, Leoncio	March 17, 2026	Sheriff's Office
Harwood, Anthony R	March 28, 2026	Public Works
Hernandez, Ednalina	April 22, 2026	Deferred - Human Services Agency
Herrera, Elia	March 25, 2026	Environmental Health
Hollender, Christine	March 31, 2026	Public Safety Communications
Hood, Robin S	March 31, 2026	SamCERA
Jensen, Dirk	March 31, 2026	Environmental Health
Jordan, Wendy	March 28, 2026	Human Services Agency
Kozul, Michelle	March 28, 2026	Probation
Lampkin, Darryl	March 28, 2026	Public Health
Lirone, Sahara	March 28, 2026	Behavioral Health
Lona, Isabel	March 28, 2026	San Mateo County Health
Lopez, Maritza	March 28, 2026	San Mateo County Health
Marquez, Miguel	April 17, 2026	Deferred - County Counsel
Martin-Davis, Lauryl	March 28, 2026	Housing
McGhee, Lynne	April 1, 2026	Deferred - Courts
Miller, James V	March 28, 2026	San Mateo County Health
Mitchell, Erin	March 28, 2026	Human Services
Moreno, Regina	March 28, 2026	Behavioral Health
Munoz, Abraham	March 28, 2026	Sheriff's Office
Murphy, Robin	March 14, 2026	Deferred - Library
Nieves, Nancy	March 7, 2026	Children and Family Services
Ostrea, Andrelyn	March 28, 2026	Health Information Systems
Ow, Jennifer	March 22, 2026	Deferred - District Attorney's Office

Pacini, Jeffrey J	March 28, 2026	Public Works
Parra, Jesus	March 29, 2026	Sheriff's Office
Po-Madueno, Elizabeth	March 17, 2026	San Mateo County Health
Raw, Robert	March 27, 2026	Sheriff's Office
Reyla, Rodolfo	March 29, 2026	San Mateo County Health
Rucker, Johnny	March 29, 2026	Probation
Rzepa, Renate	March 27, 2026	Human Services Agency
Sandoval, Perla	March 28, 2026	Human Services Agency
Schoof, Carla	March 28, 2026	Parks Dept
Senior, Ronald	March 31, 2026	San Mateo County Health
Silberman, David	May 1, 2026	County Attorney's Office
Singh, Rohanda	March 31, 2026	San Mateo County Health
Stillman, Ann	March 31, 2026	Public Works
Stump, Steven	March 28, 2026	Sheriff's Office
Tafoya, Desi	March 28, 2026	Human Services Agency
Tong, Sio	March 21, 2026	Behavioral Health
Tonga, Amelia	March 28, 2026	Human Services Agency
Toonnachat, Kannika	March 28, 2026	Behavioral Health
Trillo, Carlos	March 28, 2026	Human Services Agency
Vasquez, Sonia	March 28, 2026	Behavioral Health
Vassallo, Joseph	March 27, 2026	Public Works
Ver Linden, Daniel	March 27, 2026	Public Works
Walden, La Tosha	March 7, 2026	Deferred - Probation
Wilches, Jairo	March 31, 2026	Behavioral Health
Xiao, Chuanfu	March 28, 2026	Technology Services Dept

4.4 Continuances

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

Survivor's Name	Beneficiary of:
Boocock, Victor	Boocock, Susan
Cirina, Joseph	Cirina, Mary Lou
Dirain, Gloria	Dirain, Maty

Eglington, Shirley	Grinnell, Jeffrey
Love, Lynn	Love, Martin
Nelson, Jo A	Nelson, Thor
Pronske, Florence	Pronske, Ervin
Sarmiento, Luis	Lucana, Sonia
Schauer, Sharon	Schauer, Boyd
Velasquez, David	Velasquez, Silvia
Young, Victoria	Young, Roger

4.5 Deferred Retirements

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

Name	Retirement Plan Type
Amaral, Maura	G7, Non-Vested - Reciprocity
Banagan, Kyle	S7, Vested
Carter, Ana	G7, Vested - Auto Defer – Code 31700
Davila, Ana	P7, Vested - Auto Defer – Code 31700
Gonzalez, Camilo	G7, Vested- Auto Defer – Code 31700
Harris, Travis	P7, Vested - Auto Defer – Code 31700
Heron-Carmignani, Simone	G7, Vested
Javier, Marylu	G7, Vested- Auto Defer – Code 31700
Johnson, Ryan	S4, Vested - Reciprocity
Ma, Sandra	G7, Vested- Auto Defer – Code 31700
Posada, Max	G7, Vested - Reciprocity
Ruiz Haro, Marisol	G7, Vested - Reciprocity
Quiney, Gina	G4, Vested
Quintero, Liza	G4, Vested
Unzueta, Daisy	G7, Non-Vested - Reciprocity
Victor, Kriste	G7, Non-Vested - Reciprocity
Virgen, Francisco	G7, Non-vested - Reciprocity

4.6 Member Account Refunds

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

Name	Retirement Plan Type
Bautista, Bryan	G4, Vested
Fahey, Amanda	G7, Non-vested
Gasco, Juanita	G7, Vested
Giussi, Victoria	G7, Vested
Howard, Eric (FBO: Howard, Angelica)	P4, Vested
Jackson, Patrick	G7, Non-vested
Krubiner, Todd	G4, Non-vested
Lopez-Matus, Edward	G7, Non-vested
Manneh, Khalil	S7, Non-vested
Moreno, Angela P	G7, Non-vested
Morris, Carmelia	G7, Non-vested
Prasad, Ranjana	G7, Vested
Silva, Taranjit	G7, Non-vested
Toledo, Danica Charmaine	G7, Non-vested
Whitson, Alexander	G7, Non-vested

4.7 Member Account Rollovers

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

Name	Retirement Plan Type
Baza, Noe	S7, Non-vested
Gatti, Praful	G7, Non-vested
Henrick, Erin	G4, Vested
Johnston, Susan	G7, Non-vested
LaCroix, Catherine	G7, Vested
Perea, Daniel	S7, Non-vested
Yates, Sedona	G7, Non-vested

4.8 Member Account Redeposits

None.

4.9 Acceptance of Trustees' Reports of Educational Activities

See attached.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 4.9

TO: Board of Retirement

FROM: Jenny Lukan, Retirement Executive Secretary

SUBJECT: Trustees' Reports of Educational Activities

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

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

Discussion
Rachel Perkel attended the following educational event and her report is attached:
Milken Global Conference, May 3-6, 2026

April DeCarsky attended the following educational event and her report is attached:
SACRS Spring Conference, May 12-15, 2026

Al David attended the following educational event and his report is attached:
IFEBP Washington Legislative Update, May 18-19, 2026

Attachments
Trustees' Education Proof of Participation Certificate and Summary

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

Trustee Name	**Date(s) of Event**
Rachel Perkel	5/3-5/6
Education Event Name	
Milken Global Conference	
Event Provider	
Milken Institute	

Type of Participation:	**Eligible Credit:**
Attended Event ☑ Listened to Audio/Watched Video ☐	Total hours for sessions you participated in: 18 *(Staff may adjust hours if the provider issues an education certificate that reflects different hours.)*

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

Topic: *(Check all that apply)*

- ☑ Fiduciary responsibilities
- ☐ Ethics
- ☐ Benefits administration
- ☐ Actuarial matters
- ☑ Pension funding
- ☑ Pension fund investments and investment program management
- ☐ Disability evaluation
- ☐ Fair hearings
- ☐ Pension fund governance
- ☐ New board member orientation
- ☑ Other: Global investment outlook
  Private investments
  Political and investment thought leadership
  Regulatory developments
  AI

Summary Report

What concepts or information did you learn about?

current trends + perspectives from leading PE firms
How AI is impacting the investment industry + key corporate AI trends
Regulatory changes that may impact access to private investments
National security/defense sector implications for investment opportunities

Would you recommend this event to other trustees?

☑ Yes ☐ No ☐ Maybe

You may provide additional comments to SamCERA's CEO.

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

Trustee Signature *(print this form and sign)*	Date
Rachel Perkel	5/11/2026

NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

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

Trustee Name	Date(s) of Event
APRIL DECARSKY	5/12-5/15/26
Education Event Name SACRS SPRING CONFERENCE	
Event Provider SACRS	
Type of Participation: Attended Event ☒ Listened to Audio/Watched Video ☐	**Eligible Credit:** Total hours for sessions you participated in: 11.5 *(Staff may adjust hours if the provider issues an education certificate that reflects different hours.)*

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

Topic: *(Check all that apply)*

- ☒ Fiduciary responsibilities
- ☐ Ethics
- ☐ Benefits administration
- ☒ Actuarial matters
- ☒ Pension funding
- ☒ Pension fund investments and investment program management
- ☐ Disability evaluation
- ☐ Fair hearings
- ☒ Pension fund governance
- ☐ New board member orientation
- ☐ Other: _____

Summary Report

What concepts or information did you learn about?
GEOPOLITICAL CHALLENGES, EMERGING MARKET DEBT PRIVATE CREDIT - LIQUIDITY, RISK, AND OPPORTUNITY IN MATURE MARKET, SAFETY BREAKOUT/UPDATES, CHINA THE GREAT DISRUPTER, NON PROFIT AFFORDABLE HOUSING INVESTMENTS CHIEF INVESTMENT OFFICER PERSPECTIVES, BRAND & CYBER SECURITY AG VALUE CHAIN, COST OF DOING BUSINESS

Would you recommend this event to other trustees?

☒ Yes ☐ No ☐ Maybe

You may provide additional comments to SamCERA's CEO.

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

Trustee Signature *(print this form and sign)*	Date
[signature]	5/18/2026

NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

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

Trustee Name Albert David	**Date(s) of Event** **May 17 -May 20, 2026**
Education Event Name Washington Legislative Update	
Event Provider IFEPB	
Type of Participation: Attended Event ☒ Listened to Audio/Watched Video ☐	**Eligible Credit:** Total hours for sessions you participated in: ____16___ *(Staff may adjust hours if the provider issues an education certificate that reflects different hours.)*

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

Topic: *(Check all that apply)*

☒ Fiduciary responsibilities
☐ Ethics
☐ Benefits administration
☐ Actuarial matters
☒ Pension funding Mgt
☐ Disability evaluation
☐ Fair hearings
☒ Pension fund governance
☐ New board member orientation
☒ Other: _Legislation and political state

Summary Report

What concepts or information did you learn about? The Conference highlighted the rapidly evolving business environment, with strong emphasis on regulatory uncertainty, and the growing need for adaptable strategies. Key takeaways include:

- Political and regulatory changes are creating ongoing uncertainty for plan administrators and trustees
- Artificial intelligence is emerging as a new tool in benefits administration and claims processing
- Retirement plans continue evolving through state programs and changing investment strategies
- Economic pressures including inflation and interest rates are impacting long-term benefits planning

Would you recommend this event to other trustees?

☒ Yes ☐ No ☐ Maybe

You may provide additional comments to SamCERA's CEO.

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

Trustee Signature *(print this form and sign)*	Date 5/20/2026

NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 4.10

TO: Board of Retirement

FROM: Tat-Ling Chow, Finance Officer

SUBJECT: Report on Prepayment of County Contributions for Fiscal Year 2026-27

Recommendation
Accept the report on the prepayment of County contributions totaling $221 million for fiscal year 2026-27.

Background
The County's statutory contribution rates for fiscal year 2026-27 were recommended by Milliman Inc. through the 2025 valuation.

Discussion
The prepayment for fiscal year 2026-27 is estimated at $221 million, based on the adopted contribution rates and the projected annual payroll of the fiscal year. The County prepays its pension contributions via two semi-annual installments with the first installment due in July and the second in January. Installments received are held in the County Advance Contribution Account.

After each pay period, the County Controller notifies SamCERA of the County's required contribution based on the actual payroll. SamCERA then transfers the amount provided from the County Advance Contribution Account (where the prepayment is temporarily held) to the Employer Contribution Account (where the actual required contribution is recorded). The carrying balance in the County Advance Contribution Account is entitled to interest of 6.25% per annum, the assumed rate of return.

If the overall prepayment received is insufficient to satisfy the annual required contributions, the County will make up for the shortfall. If the overall prepayment exceeds the annual required contribution, the overage will be recorded as a credit.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Board of Retirement

June 2, 2026 Agenda Item 4.11

TO: Board of Retirement

FROM: Tat-Ling Chow, Finance Officer
Chezelle Milan, Senior Accountant
Lili Dames, Investment Analyst

SUBJECT: Semi-Annual Financial Report for the Six-Months Ended December 31, 2025

Staff Recommendation

Accept the Semi-Annual Financial Report for the Six-Months Ended December 31, 2025.

Background

The Semi-Annual Financial Report provides financial information on SamCERA's financial position as of December 31, 2025, and its operating results for the six months then ended.

Staff historically submitted this report to the Board each February. With the expansion of alternative investments over recent years, and following discussion with the Audit Committee, staff is shifting the report submission from February to May to align with the delayed availability of alternative investment data, which is generally not available until April. This adjustment is deemed prudent and necessary to ensure the Board receives comprehensive rather than preliminary information.

The *Statement of Changes in Fiduciary Net Position* (income statement) reports additions to, and deductions from, SamCERA's fiduciary net position for the six-months ended December 31, 2025. "Additions" consist of contributions from plan sponsors and members, investment income net of investment expenses, and other additions. "Deductions" include retiree benefit payments, member refunds, administrative expenses, and information technology expenses.

Summary

SamCERA's financial position improved modestly by 6% during the first half of the fiscal year. Its net position increased by $422.7 million to $7.6 billion, predominantly from investment income (realized and unrealized).

Statement of Fiduciary Net Position

The table below presents SamCERA's Statement of Fiduciary Net Position (balance sheet) as of December 31, 2025. Its assets and liabilities were compared to those on June 30, 2025, to reflect changes over the first six months of the fiscal year.

	12/31/25	6/30/25	Increase (Decrease) Amount	Increase (Decrease) Percentage
ASSETS:				
Cash and Short-Term Investments				
Cash and Cash Equivalents	$ 143,525,403	$ 176,526,096	$ (33,000,693)	-19%
Cash Management Overlay	17,824,163	24,107,344	(6,283,181)	-26%
Securities Lending Cash Collateral	156,632,342	147,227,953	9,404,389	6%
Total Cash and Short-Term Investments	317,981,908	347,861,393	(29,879,485)	-9%
Receivables				
Contributions	-	2,149,698	(2,149,698)	-100%
Due from Broker for Investments Sold	18,046,488	29,653,095	(11,606,607)	-39%
Investment Income	14,320,090	15,053,624	(733,534)	-5%
Securities Lending Income	45,206	41,959	3,247	8%
Other	3,722,459	3,786,415	(63,956)	-2%
Total Receivables	36,134,243	50,684,791	(14,550,548)	-29%
Prepaid Expenses	154,373	352,961	(198,588)	-56%
Investments at Fair Value				
Public Equity	3,185,650,184	2,942,232,634	243,417,550	8%
Fixed Income	1,732,196,761	1,657,028,556	75,168,205	5%
Alternatives	955,116,329	929,757,697	25,358,632	3%
Inflation Hedge	1,318,326,307	1,268,470,245	49,856,062	4%
Liquidity	300,256,766	226,534,129	73,722,637	33%
Total Investments at Fair Value	7,491,546,347	7,024,023,261	467,523,086	7%
Lease Assets	3,325,962	3,325,962	-	0%
Less: Accumulated Amortization	(2,302,614)	(2,046,768)	(255,846)	13%
Lease Assets, Net of Accumulated Amortization	1,023,348	1,279,194	(255,846)	-20%
Capital Assets	8,677,651	8,677,651	-	0%
Less: Accumulated Depreciation	(7,602,673)	(7,169,245)	(433,428)	6%
Capital Assets, Net of Accumulated Depreciation	1,074,978	1,508,406	(433,428)	-29%
TOTAL ASSETS	7,847,915,197	7,425,710,006	422,205,191	6%
LIABILITIES:				
Investment Management Fees Payable	1,993,619	2,013,970	(20,351)	-1%
Due to Broker for Investments Purchased	50,086,994	51,645,646	(1,558,652)	-3%
Securities Lending Cash Collateral - Due to Borrowers	156,632,342	147,227,953	9,404,389	6%
Lease Liability	1,181,263	1,451,699	(270,436)	-19%
Other	1,502,789	9,570,074	(8,067,285)	-84%
TOTAL LIABILITIES	211,397,007	211,909,342	(512,335)	0%
NET POSITION RESTRICTED FOR PENSIONS	$ 7,636,518,190	$ 7,213,800,664	$ 422,717,526	6%

Assets. SamCERA's total assets increased by $422.2 million or 6%, compared to six months ago. Significant changes include the following:

- *Cash and Cash Equivalents* decreased by $33.0 million or 19%. In June 2025, SamCERA generated $19.0 million by liquidating its low-volatility fund. Along with $14 million in

existing manager accounts, a total of $33.0 million was deployed during the 1st half of the fiscal year to finance various investment opportunities.

- *Cash Management Overlay* decreased by $6.3 million or 26%. About $6 million was reallocated from the cash overlay program to cover margin requirements for downsized overlay futures positions. The program uses derivatives to optimize cash efficiency, manage risks, and boost returns.

- *Securities Lending Cash Collateral* increased by $9.4 million or 6%. Following the 2024 securities lending program guidelines update, SamCERA expanded its securities lending activity. The expansion resulted in higher period-end loan balances and collateral balances in line with overall borrower demand.

- *Receivables overall* decreased by $14.6 million or 29%, driven largely by the settlement of $11.5 million receivable in a fixed income fund and $0.7 million in the custodial account.

- *Prepaid Expenses* decreased by $0.2 million or 56%, primarily due to ongoing depletion of pre-purchased service hours from Vitech and Amazon Web Services to support operational needs.

- *Investments overall* increased by $467.5 million or 7%, which spread across the portfolio due to the following factors:

  - The portfolio deployed $224.0 million in new capital, funded primarily by realized investment income. This amount was allocated across Fixed Income ($45.0 million), Alternatives ($47.0 million), Inflation Hedge ($60 million), and Liquidity ($72.0 million).

  - The portfolio generated a net market appreciation of $225.0 million. Gains were led by Public Equity ($234.0 million) and Fixed Income ($30 million), offset by a combined $39 million in losses across Alternatives ($21 million) and Inflation Hedge strategies ($18 million).

Liabilities. SamCERA's total liabilities decreased slightly by $0.5 million compared to six months ago. Key drivers include the following:

- *Securities Lending Cash Collateral - Due to Borrowers* rose by $9.4 million, or 6%, corresponding to the increase in Securities Lending Cash Collateral discussed above.

- *Other Liabilities* fell by $8.1 million or 84% due to the settlement of prior year-end payables in various areas.

Statement of Changes in Fiduciary Net Position

The table below presents SamCERA's Statement of Changes in Fiduciary Net Position (income statement) for the six months ended December 31, 2025.

	7/1/25 - 12/31/25	7/1/24 - 12/31/24	Increase (Decrease) Amount	Increase (Decrease) Percentage
ADDITIONS:				
Contributions				
Employer	$ 122,410,175	$ 110,057,652	$ 12,352,523	11%
Member	42,615,757	40,209,762	2,405,995	6%
Total Contributions	165,025,932	150,267,414	14,758,518	10%
Investment Income				
Interest, Dividends, and Other Investment Income	88,724,339	81,998,857	6,725,482	8%
Net Increase (Decrease) in the Fair Value of Investments	391,773,385	254,758,261	137,015,124	54%
Securities Lending Income				
Earnings	3,517,645	2,636,961	880,684	33%
Rebates		-	-	0%
Less: Expenses	(3,330,533)	(2,512,023)	(818,510)	33%
Net Securities Lending Income	187,112	124,938	62,174	50%
Total Investment Income	480,684,836	336,882,056	143,802,780	43%
Investment Expense	(40,253,300)	(45,412,488)	5,159,188	-11%
Net Investment Income	440,431,536	291,469,568	148,961,968	51%
Total Additions	605,457,468	441,736,982	163,720,486	37%
DEDUCTIONS:				
Benefits				
Service Retirement Benefits	156,090,463	147,427,491	8,662,972	6%
Disability Retirement Benefits	18,072,680	17,277,740	794,940	5%
Survivor, Death and Other Benefits	608,199	705,317	(97,118)	-14%
Total Benefits	174,771,342	165,410,548	9,360,794	6%
Member Refunds	2,642,807	2,307,922	334,885	15%
Administrative Expenses	4,396,314	3,864,872	531,442	14%
Information Technology Expenses	929,479	855,412	74,067	9%
Total Deductions	182,739,942	172,438,754	10,301,188	6%
Net increase (decrease) in net position	$ 422,717,526	$ 269,298,228	$ 153,419,298	57%

Additions. SamCERA's total additions increased by $163.7 million or 37%, compared to the same period for the prior fiscal year. Significant changes include the following:

- *Total Contributions* increased by $14.8 million or 10%, driven entirely by a $23.7 million or 7% growth in pensionable income. This growth offset slight declines in both member and employer contribution rates.
- *Total Investment Income* increased substantially by $143.8 million or 43%. Positive market conditions generated a $214.0 million gain across Public Equity, Public Real Assets, and Fixed Income, which was partially offset by $71.0 million losses in Private Equity, Real Estate, and Liquidity portfolios.

- *Investment Expenses* fell by $5.2 million or 11%. While lower returns in Private Equity resulted in $8.5 million decline in performance fees, this was partially offset by a $1.7 million rise in management fees from new funds.

Deductions. SamCERA's total deductions increased by $10.3 million or 6%, compared to the same period for the prior fiscal year. Significant changes include the following:

- *Total Benefits* increased by $9.4 million or 6%, largely driven by a 3% cost of living adjustment and 128 new additions to the service retirement payroll.
- *Member Refunds* rose by $0.3 million or 15%. While the number of refunds stayed about the same, the total amount refunded was higher than in the last period.
- *Administrative expenses* increased by $0.5 million or 14%, primarily due to a scheduled 4% salary increase and the hiring of temporary staff to support the new Pension Administration System Software (PASS) implementation starting in July 2026, prior to sunsetting the legacy system in December 2028.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 5.2

TO: Board of Retirement

FROM: Paul A. Okada, Chief Executive Officer Paul A. Okada

SUBJECT: Report on Quarterly Funding Progress for the Period Ended March 31, 2026

Recommendation
Accept the quarterly funding update report for the period ended March 31, 2026.

Discussion
Milliman Inc. developed a funding dashboard by which two data points could be projected for the coming fiscal year based on the fund's assumptions, investment performance and certain economic and demographic data for the period measured. The two data points that can be projected are the funded ratio and the employer contribution rate. Subsequent to the initial dashboard, Milliman added the ability to project out for the next nine years for the same data points.

Attached is the FY 2025-26 Q3 dashboard showing the projected funded status and employer contribution rate utilizing current data and assuming all assumptions are met for the remainder of the fiscal year. The second page shows a ten-year projection utilizing the same data.

Based on information as of March 31, 2026, the fiscal year estimated return declined from 7.10% to 6.80%, thereby decreasing the projected funded ratio at year end from 92.3% (projected as of Q2) to 92.1%. The Q3 return also lengthens the projection of when the fund is expected to reach 100% funded status by one year from 2029 to 2030.

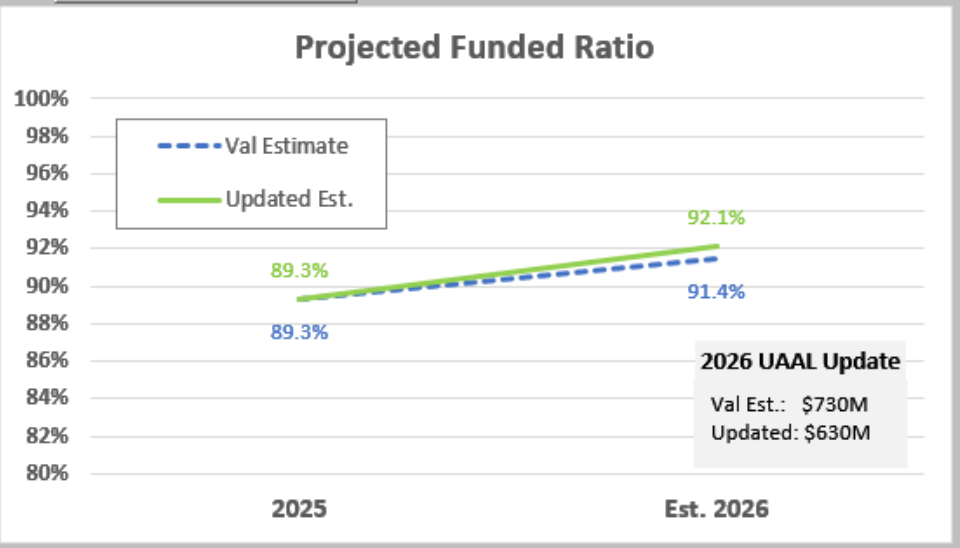
Below the graphs are charts of the factors that impact each of the data points and the amount each factor has on the projection.

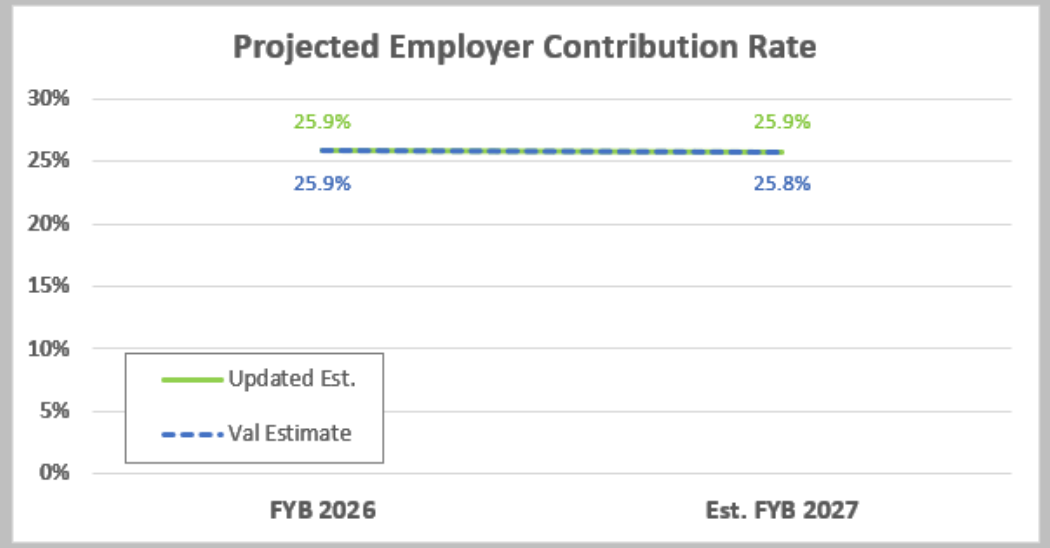
Attachments
Q3 2026 Funding Dashboard

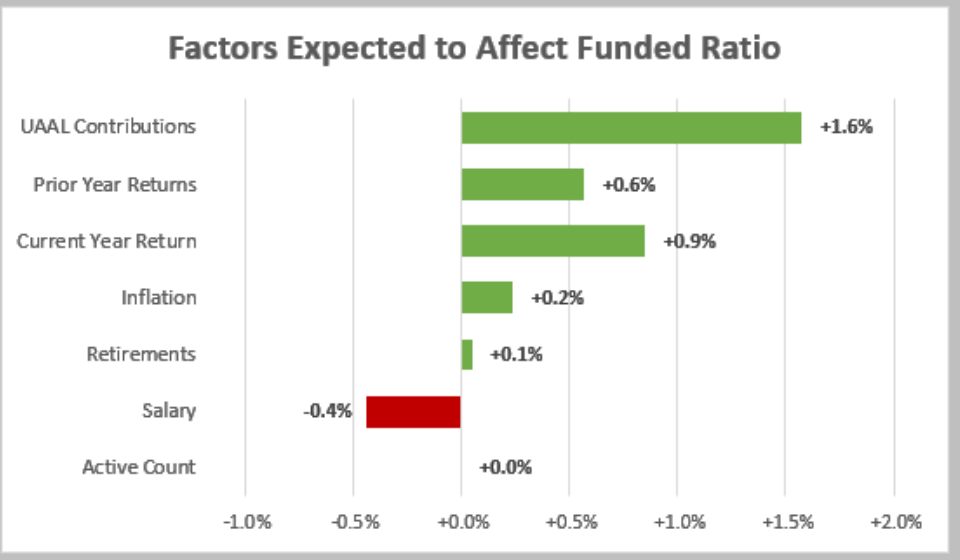
SamCERA Funding Dashboard

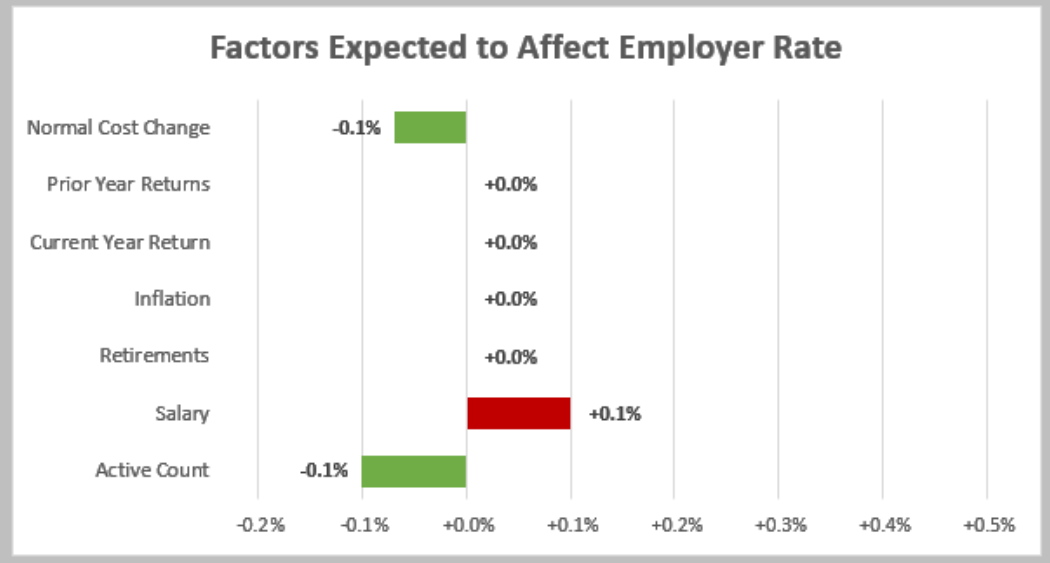
Update Graph Formats

SamCERA Projected Funding for June 30, 2026 Valuation (based on Information as of March 31, 2026)









Estimates are subject to the variance of a regular projection; **actual results will vary** from those shown.

Store Results | **Hide / Show Prior**

Input

Completed Quarter	3/31
Est. Return FYTD	6.80%
Est. Return (1st Half)	7.10%
Service Retirements to Date	107
Active Member Count	5,558

CPI 2025

Aug	Oct	Dec	Annual
357.992	358.28	358.568	356.005

Investment Return Assuption	6.25%
Supplemental Contrib ($mil.)	-

Post-Valuation Data

Return

Fiscal Year - First Half	7.10%
Fiscal Year- Full Year (Est.)	8.44%

Inflation for 2025

Assumed	2.50%	Actual	2.06%

Service Retirements in Fiscal Year

Assumed	265	Est.	157

Salary Increase

Assumed	3.25%	Est.	4.22%

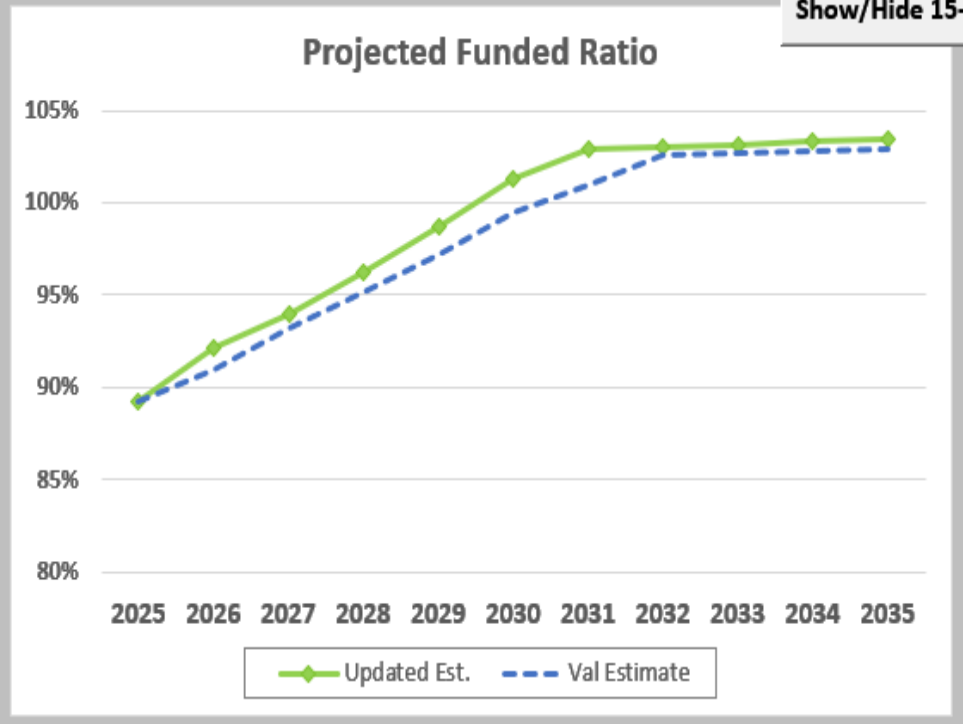
Active Members

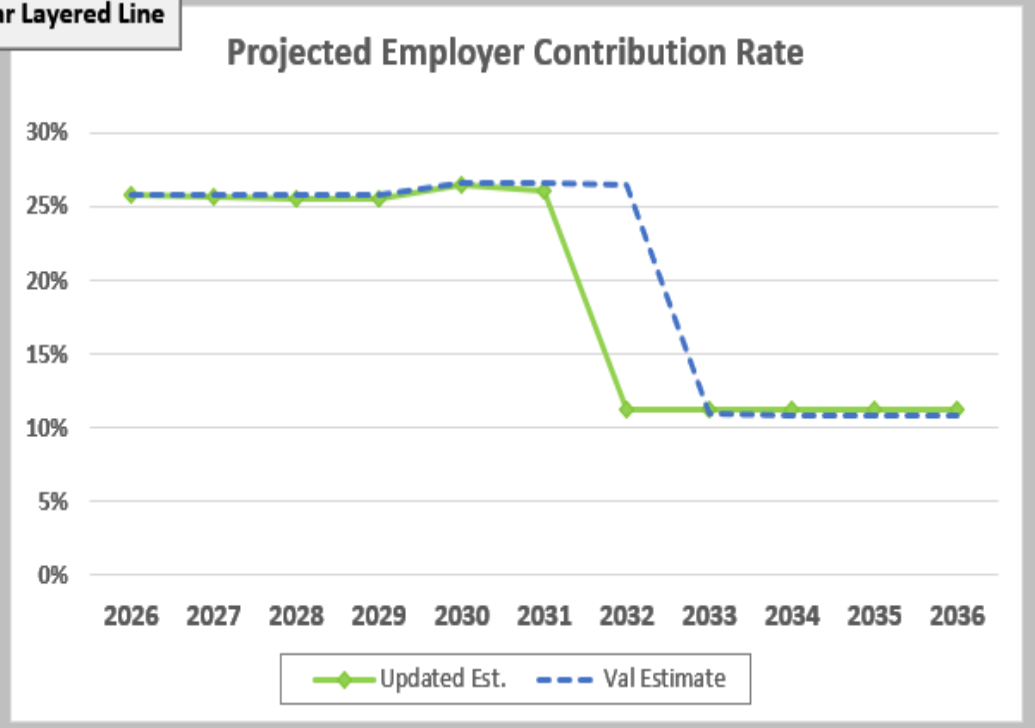
Assumed	5,674	Est.	5,558

SamCERA Funding Dashboard, cont

10-Year Projection

Show/Hide 15-Year Layered Line





10-Year Projection Input	Return	Ann. CPI
FYE2026	8.44%	2.06%
FYE2027	6.25%	2.75%
FYE2028	6.25%	2.75%
FYE2029	6.25%	2.75%
FYE2030	6.25%	2.75%

All estimates shown are based on the June 30, 2025 actuarial valuation and the post-valuation data shown below. Please see Milliman's June 30, 2025 actuarial valuation for SamCERA for additional cavets and limitations.

These estimates are subject to the variance of a regular projection and actual results will vary from those shown.

Year UAAL is projected to be fully paid off:

Valuation Estimate:	**2031**
Updated Estimate:	**2030**

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 5.3

TO: Board of Retirement

FROM: Paul A. Okada, Chief Executive Officer Paul A. Okada

SUBJECT: Approval of Economic Assumptions to be Used in the June 30, 2025, Actuarial Valuation

Recommendation
Approve the economic actuarial assumptions to be used by Milliman, Inc. ("Milliman") in the June 30, 2026 actuarial valuation. Staff concurs with Milliman's recommendation that no changes be made to the assumptions used for last year's valuation and the following assumptions be used:

- The economic assumptions be set at: investment return at 6.25%, local inflation at 2.75%, wage growth at 3.25%, and payroll growth at 3.25%.
- The COLA assumption for Plans 1 and 2 be set in accordance with the inflation assumption.

Discussion
The Board will be asked to approve economic actuarial assumptions which provide guidance to Milliman, Inc. regarding the assumptions to be used in its June 30, 2026, annual actuarial valuation of the system. Milliman will provide a presentation on investment return, inflation, wage and payroll growth assumptions and how indicators have moved over the past year. Last year, the Board made no changes to the economic assumptions.

For this coming valuation, Milliman recommends no changes to the existing assumptions. All economic and demographic assumptions will be reviewed in detail next year during the Investigation of Experience Study. Staff concurs with Milliman's recommendation.

Attachment
Milliman's June 2026 Presentation on Economic Assumptions for the 2026 Valuation

SamCERA

2026 Experience Study
Economic Assumptions Discussion

Craig Glyde

JUNE 2, 2026

Milliman

Tentative Schedule of Pension Projects for 2026

February 2026 Audit Committee: General discussion on economic assumptions

June 2026 Board meeting:

1) Discussion and analysis of economic assumptions;
2) Reach general consensus on economic assumptions

Today's meeting

July 2026 Board meeting:

1) Any follow-up on economic assumptions;
2) Analysis of demographic assumptions;
3) Experience study report with estimated financial impact;
4) Adopt assumptions and methods

September 2026 Board meeting:

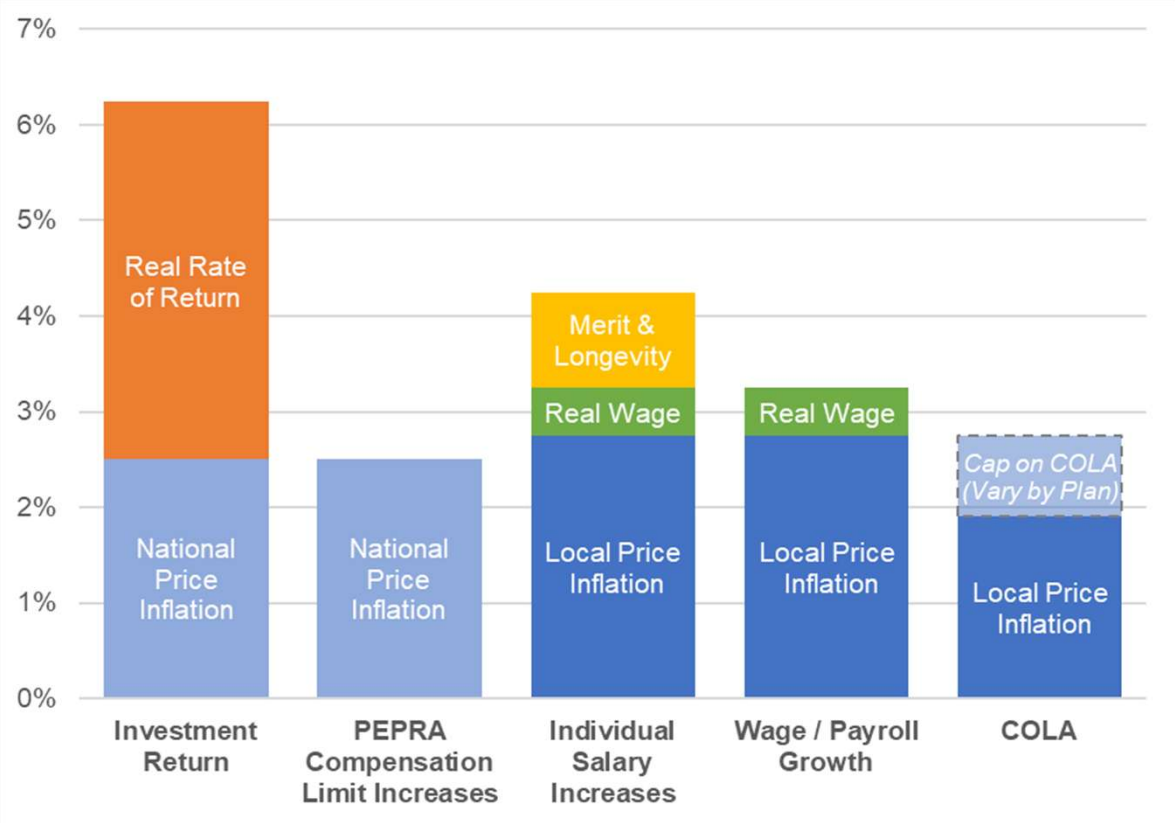
1) Valuation results;
2) Adopt contribution rates for fiscal year beginning July 1, 2027



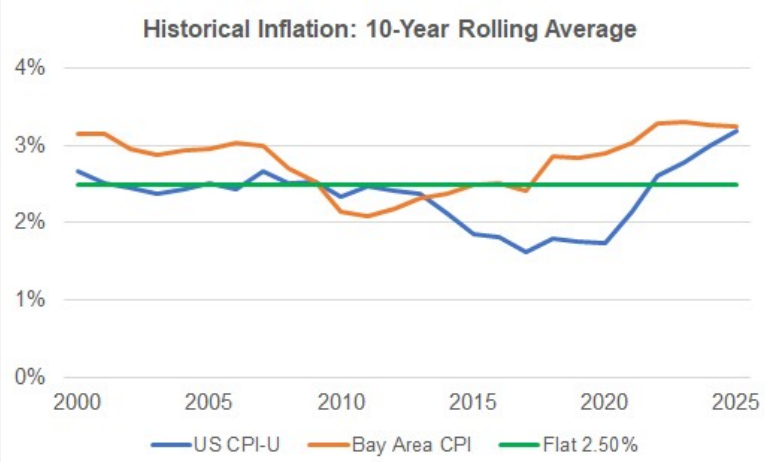
Economic Assumptions – Overview

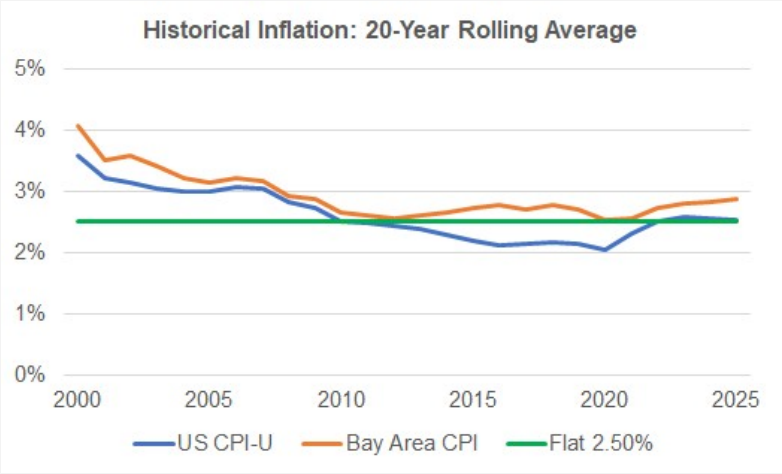
Investment Return (Discount Rate): Used in the valuation to "discount" future payment stream to present value. Generally, the most significant assumption in allocation of future contributions.	**General Wage Growth:** Used in the valuation to project salaries used and therefore affects future benefit amounts. Equal to local price inflation plus an additional amount (if any) for real wage growth.
National Price Inflation: Directly used in the valuation to project PEPRA compensation limit. Indirectly considered as part of investment return assumption.	**Payroll Growth:** Used in the valuation to project payroll used in the Unfunded Actuarial Accrued Liability (UAAL) amortization calculation.
Local Price Inflation: A key component of assumptions for COLAs, wage and payroll. Indirect affect on the valuation.	**Future Retiree COLAs:** Used in the valuation to project current and future retiree benefits. Generally equal to lesser of local price inflation and maximum COLA amount. Caps on maximum COLA and COLA banks considered.

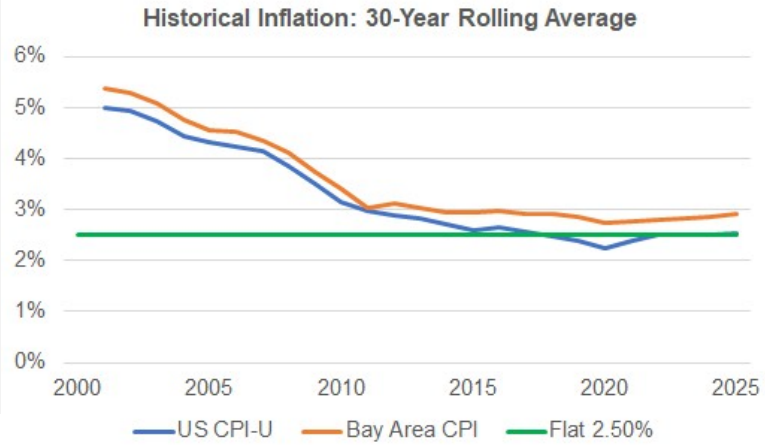
Economic Assumptions - Components



Price Inflation / CPI







20-Year Forecasts	
Source	**Forecast**
Social Security	2.4%
Cleveland Fed	2.4%
Implied from TIPS	2.4%
Milliman	2.3%
Meketa	2.7%

Current assumption

- National / CPI-U -> 2.50%
- Local Price Inflation -> 2.75%

Other systems CPI-U assumption

- CalPERS is at 2.30%
- CalSTRS is at 2.75%
- Median for 100 largest systems is 2.50%

General Wage and Payroll Growth

- Valuation includes assumptions for:
  - Payroll Growth – the growth rate of SamCERA's total active employee population payroll
  - General Wage growth – the growth rate of continuing active employee population wages due to local inflation and real wage growth
    - Real wage growth for continuing members reflects increases in salary levels on top of price inflation due to productivity and market adjustments
- The payroll growth assumption is used in the calculation of the UAAL contribution rate
- The general wage growth assumption is used to project active member wages and to determine their Final Average Compensation (FAC)
- Fairly standard among public retirement systems to have payroll growth equal to general wage growth
- Current assumption is 3.25% for payroll and general wage growth
  - 2.75% local inflation + 0.50% real wage growth

General Wage and Payroll Growth (continued)

Average annual national statistics

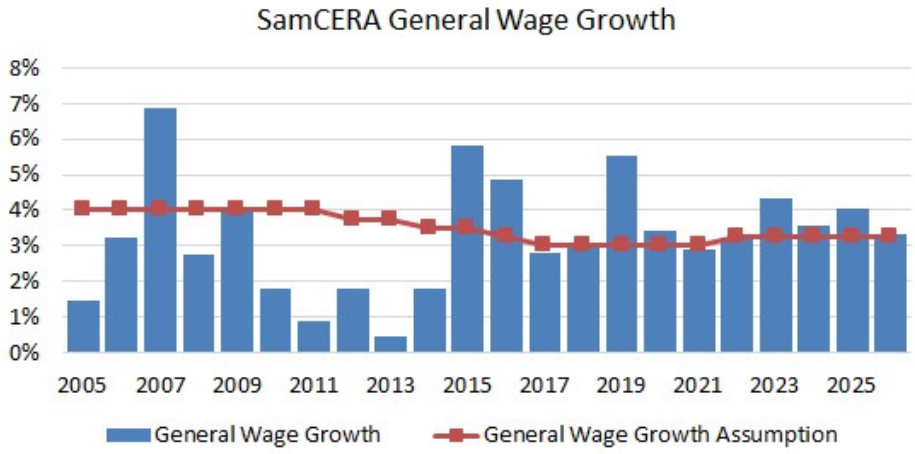
Period	Wage Growth	CPI Increase	Real Wage Inflation
2016-2025	4.1%	3.2%	0.9%
2006-2025	3.4%	2.5%	0.9%
1996-2025	3.6%	2.5%	1.1%
1986-2025	3.7%	2.8%	0.9%
1976-2025	4.3%	3.6%	0.7%

- Over last 20 years SamCERA general wage growth has been close to actual Bay Area CPI + 0.5%
- Social Security intermediate long-term assumption for real wage growth is 1.14%
- Over the last 20 years, SamCERA's:
  - Active member population has increased about 6% (300 members)
  - Covered payroll has approximately doubled, equivalent to average annual increases of about 3.5% (about 3.2% when normalized for count)

Average annual SamCERA statistics

Period	General Wage Growth*	=	Local CPI Increase	+	Real Wage Inflation
2016 - 2025	3.8%		3.3%		0.5%
2006 - 2025	3.3%		2.8%		0.5%

** Does not include merit & longevity component, estimated about 2.2% from 2016 - 2025*



** 2026 is estimated based on data through April 30, 2026*

Total Wage Growth (preliminary)

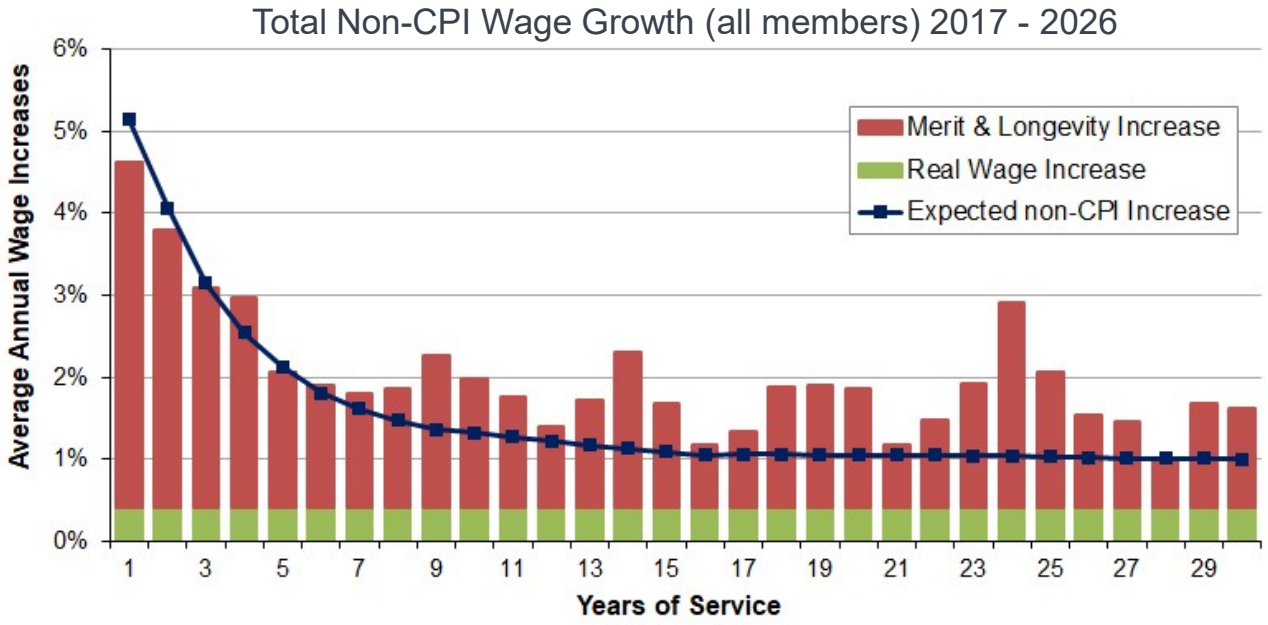
- An individual <u>continuing</u> active member's assumed annual salary increase is composed of:
  - Local inflation (current assumption is 2.75%)
  - Real wage growth (current assumption is 0.50%)
    - Additional increase due to productivity and market adjustments
  - Individual merit / longevity (demographic assumption) – typically varies based on length of service



- Average annual Bay Area CPI of 3.34% (2017 – 2026) has exceeded the assumed 2.75% increase
- Average annual Real Wage Growth of 0.36% (2017 – 2026) has lagged the assumed 0.5% increase

Non-CPI related Wage Growth (preliminary)
(i.e. Real Wage Growth + Merit & Longevity Increases)

- Non-CPI components of wage growth:
  - Average annual real wage growth (0.36% over from 2017 to 2026) has lagged the 0.50% assumption
  - Individual merit / longevity (demographic assumption) has largely made up the difference



- Over rolling 15-year periods since 2004 Real Wage Growth has been in the range 0.1% - 0.6%
- Propose retaining the 0.50% real wage growth assumption and making adjustments to merit & longevity such that the total non-CPI wage growth increase continues to be appropriate
- Merit & longevity assumption will be studied separately for General and Safety member classes

Expected Return – 2026 Capital Market Assumptions

- Current assumption for annual average investment return is 6.25% net of investment and administrative expenses
- Milliman calculated the median expected return for SamCERA's target portfolio using the 2026 capital market outlook assumptions from three sources:
  - Meketa (expected returns provided by Meketa)
  - Milliman
  - 2025 Horizon survey of capital market assumptions (survey of about 40 investment advisors)

Expected Return based on 2026 Capital Market Assumptions

	Meketa	Milliman	Horizon Survey
10-Year Horizon			
Median Annualized Return	**6.2%**	**6.1%**	**6.6%**
Inflation Assumption included	2.3%	2.4%	2.4%
20-Year Horizon			
Median Annualized Return	**7.5%**	**6.5%**	**7.0%**
Inflation Assumption included	2.7%	2.3%	2.4%

Notes:

1. *Returns are net of assumed expenses of 0.20% of assets.*
2. *Milliman and Meketa expected returns are as of January 2026. Horizon Survey is January 2025.*
3. *The Horizon Survey reports a limited number of asset classes. In cases where there was not a corresponding asset class in the survey, Milliman's assumptions for the corresponding time horizon were used.*
4. *Horizon 10-year assumptions include some consultants with less than 10 years. Horizon 20-year assumptions include some consultants with more than 20 years and are based on a subset of the full group.*

Summary of Economic Assumption and Preliminary Recommendations

Economic Assumptions	Current	Preliminary Recommendation	Comment
National Price Inflation	2.50%	No Change	Recent inflation levels are elevated and closer to 3.8% year over year. Rolling 20 and 30-year periods are close to 2.5%. Most long-term forecasts are 2.5% or less.
Local Price Inflation	National + 0.25% (2.75%)	No Change	Reflects that historical Bay Area inflation has tyically exceeded national inflation.
Future COLAs	Plan 1 = 2.75%; Plan 2 = 2.65%; Plan 3 = n/a; Other = 1.90%	No Change	Plan 1: Future impact of bank is to be reflected; Other Plans: Modelling was done to reflect that COLAs are not symmetrical. For example, Plan 4 COLA can never be greater than 2% but can be less than 2%, so expect average will be less than 2%.
Wage Growth	Local Price Inflation + Real Wage Growth (3.25%)	No Change	Historical SamCERA experience has been close to current assumption of 0.5% real wage growth over local price inflation.
Payroll Growth	Equal to Wage Growth (3.25%)	No Change	Assumes stable active population and non-material impact of PEPRA compensation cap on aggregate payroll. This assumption is consistent with covered payroll growth when normalized for increase in headcount over 20 years.
Investment Return (Discount Rate)	6.25%	No Change	Current expected returns for SamCERA portfolio at or above 6.50% over 20+ year horizon. 6.25% assumption reflects some conservatism and margin for adverse experience. We also note there is potential for strategic asset allocation changes that could impact this assumption.

Milliman

Thank you

Milliman

Certification

This presentation is intended as a high-level discussion of an actuarial experience study. The statements of reliance and limitations on the use of this material is reflected in our most recent actuarial report (June 30, 2025) and still apply to this presentation. These statements include reliance on data provided, on actuarial certification, and the purpose of the report.

Milliman's work product was prepared exclusively for SamCERA for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning SamCERA's operations, and uses SamCERA's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third-party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to its own specific needs.

The results of the actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. As an example, investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these potential differences when making decisions that may affect the future financial health of the Plan, or the Plan's participants..

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 6.1

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer Michael R. Coultrip

SUBJECT: Report on Quarterly Investment Performance Report for the Period Ended March 31, 2026

Recommendation
Accept Meketa's quarterly performance report for the period ended March 31, 2026.

Discussion
The 1st quarter net total return for the SamCERA portfolio was -0.3%, resulting in an investment loss of $22.6 million during the quarter. SamCERA experienced negative net cash flows of $1 million during the quarter, and the ending market value was $7.602 billion.

The portfolio return was 40 bps lower than the 0.1% policy benchmark return. As can be seen on pages 17 and 18, the growth portfolio (private equity) was the primary performance detractor during the quarter, while diversifying (absolute return) was the primary contributor.

Leo Festino will present the report to the Board and will be available for questions.

Attachment
Meketa Quarterly Performance Report Ending 03/31/2026

MEKETA

San Mateo County Employees' Retirement Association

June 2, 2026

Q1 Performance Report

Executive Summary

- **Total Fund assets as of March 31, 2026, were $7,602.0 million.**
- During the first quarter of 2026, the Fund realized a net decrease of $23.6 million which included $1.0 million in net cash outflows and a net investment loss of $22.6 million
- Over the quarter, the Total Fund returned -0.3% and ranked in the 48th percentile among other public plans greater than $1 billion. It lagged the policy index return of 0.1%. The Total Fund ex Overlay returned -0.3% for the quarter.
  - The Total Fund one-year return of 11.9% lagged the policy index return of 14.3% and ranked in the 59th percentile of its peer universe.
  - The Total Fund three-year return of 9.6% lagged the policy index return of 11.5% and ranked in the 53rd percentile of its peer universe.

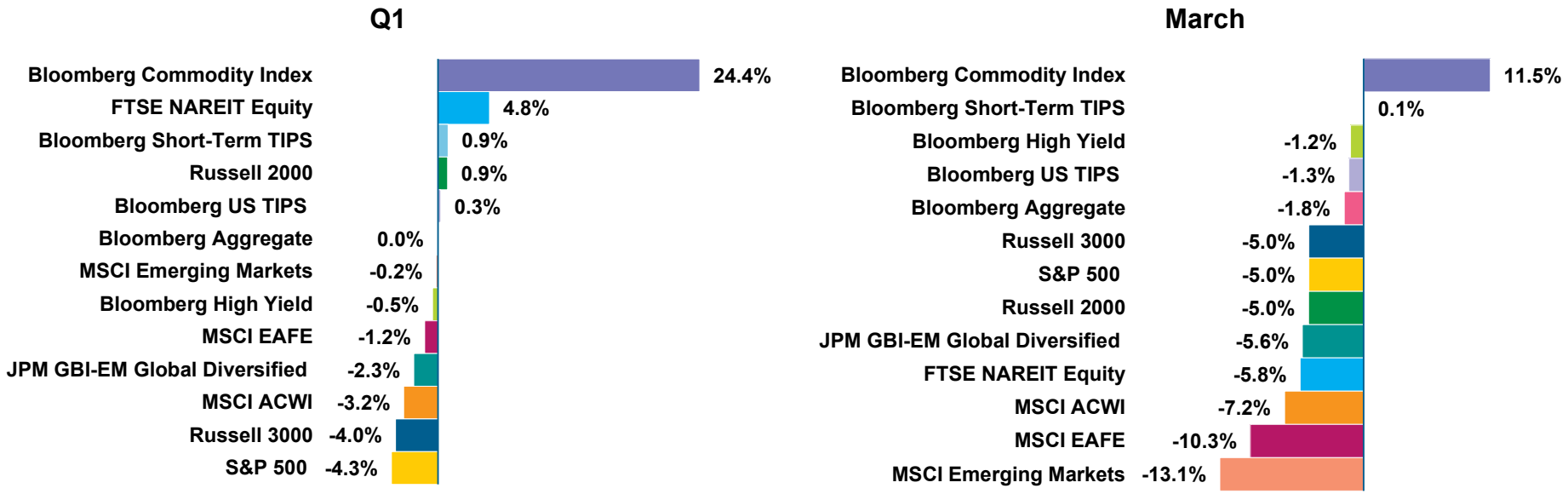
Q1 2026 Contributors

- US Equity tracked its benchmark, as alpha from PGIM Quant Solutions was modestly offset by underperformance at DE Shaw.
- Opportunistic Credit outperformed its benchmark, with positive contributions from One William Street and Eaton Vance EMD, supported by a constructive environment for spread assets.
- Absolute Return strategies outperformed the benchmark by 250 basis points, narrowly missing the top decile.

Q1 2026 Detractors

- Private Equity was the largest detractor for the quarter, underperforming its public market equivalent (PME) benchmark by 4.5%, primarily due to one-quarter lagged valuations amid strong public equity market performance. Despite near-term weakness, the strategy remains top-quintile relative to peers across all other trailing periods, with the exception of the five-year period.

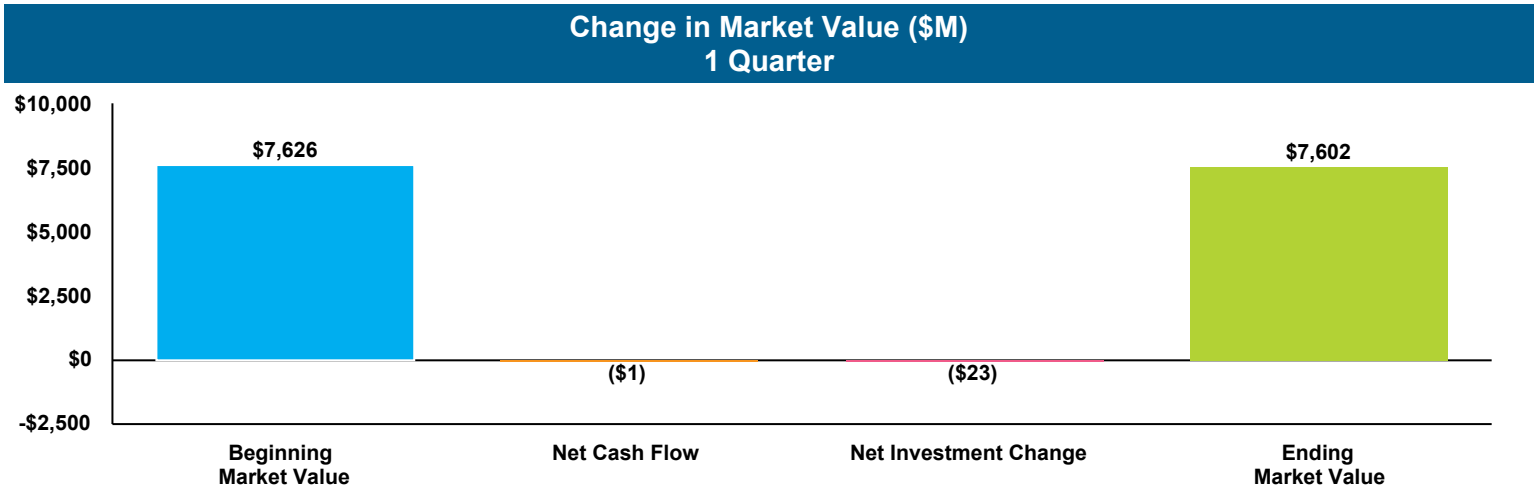
Index Returns[1]



- → In the first quarter of 2026, commodities led performance, significantly outperforming as geopolitical tensions drove oil prices higher. US REITs also had a strong quarter as investors rotated out of large-cap tech into defensive, income-generating assets, with data centers and healthcare properties driving results.
- → In contrast, risk assets broadly lagged, with US equities declining, led by large-cap stocks, while international equities also posted negative returns amid continued concerns around technology valuations and energy related worries from the conflict in the Middle East.

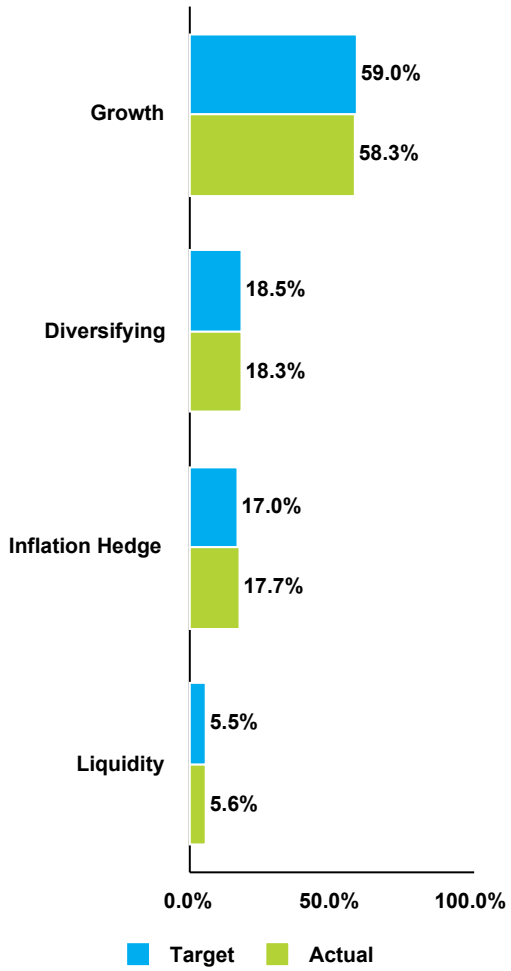
[1] Source: Bloomberg. Data is as of March 31, 2026.

Portfolio Reconciliation	QTD
Beginning Market Value	**$7,625,626,348**
Net Cash Flow	-$1,035,737
Net Investment Change	-$22,566,487
Ending Market Value	**$7,602,024,125**



Asset Allocation Compliance | As of March 31, 2026

Actual vs. Target Allocation (%)



Allocation vs. Targets and Policy

	Balance ($)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)	Within IPS Range?
Growth	**4,435,536,910**	**58.3**	**59.0**	**-0.7**	**56.0 - 62.0**	**Yes**
Public Equity	3,072,116,116	40.4	41.0	-0.6	38.0 - 44.0	Yes
Private Equity	531,875,118	7.0	7.0	0.0	5.0 - 9.0	Yes
Opportunistic Credit	831,545,676	10.9	11.0	-0.1	9.0 - 13.0	Yes
Diversifying	**1,394,679,385**	**18.3**	**18.5**	**-0.2**	**16.5 - 20.5**	**Yes**
Defensive Fixed Income	925,631,935	12.2	12.5	-0.3	10.5 - 14.5	Yes
Absolute Return	469,047,450	6.2	6.0	0.2	4.0 - 8.0	Yes
Inflation Hedge	**1,345,745,569**	**17.7**	**17.0**	**0.7**	**15.0 - 19.0**	**Yes**
Real Estate	562,053,627	7.4	9.0	-1.6	7.0 - 11.0	Yes
Private Real Assets	438,152,849	5.8	5.0	0.8	3.0 - 7.0	Yes
Public Real Assets	345,539,094	4.5	3.0	1.5	1.0 - 5.0	Yes
Liquidity	**426,062,261**	**5.6**	**5.5**	**0.1**	**N/A**	**Yes**
Cash Flow-Matched Liquidity	331,780,683	4.4	4.5	-0.1	N/A	Yes
Cash & Cash Overlay	94,281,578	1.2	1.0	0.2	0.0 - 3.0	Yes
Total	**7,602,024,125**	**100.0**	**100.0**	**0.0**		

Trailing Net Performance | As of March 31, 2026

Asset Class Performance Summary

	Market Value ($)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund*	**7,602,024,125**	**100.0**	**-0.3**	**6.8**	**11.9**	**9.6**	**9.6**	**6.4**	**7.6**
Policy Index			*0.1*	*8.7*	*14.3*	*11.0*	*11.5*	*7.5*	*8.6*
Simple Benchmark			*-1.3*	*6.1*	*13.8*	*9.5*	*10.0*	*6.1*	*8.0*
Total Fund ex Overlay**	**7,585,239,516**	**99.8**	**-0.3**	**6.8**	**11.8**	**9.5**	**9.5**	**6.3**	**7.5**
Policy Index			*0.1*	*8.7*	*14.3*	*11.0*	*11.5*	*7.5*	*8.6*
Simple Benchmark			*-1.3*	*6.1*	*13.8*	*9.5*	*10.0*	*6.1*	*8.0*
Growth Portfolio	**4,455,077,284**	**58.6**	**-2.1**	**7.6**	**15.6**	**11.9**	**13.0**	**--**	**--**
Blended Growth Index			*-1.4*	*9.5*	*17.8*	*13.4*	*16.0*	*--*	*--*
US Equity	**1,809,513,515**	**23.8**	**-4.0**	**6.9**	**17.4**	**13.1**	**16.9**	**11.1**	**12.8**
Blended US Equity Index			*-4.0*	*6.4*	*18.1*	*12.5*	*17.9*	*10.9*	*--*
International Equity	**1,282,142,974**	**16.9**	**-1.3**	**9.2**	**20.7**	**13.1**	**12.7**	**6.1**	**8.2**
Blended International Equity Index			*0.1*	*13.1*	*25.0*	*15.3*	*15.4*	*8.4*	*9.2*
International Equity ex Currency Overlay	**1,281,805,931**	**16.9**	**-1.5**	**8.9**	**21.6**	**13.5**	**12.5**	**6.0**	**8.2**
Blended International Equity Index			*0.1*	*13.1*	*25.0*	*15.3*	*15.4*	*8.4*	*9.2*
Private Equity***	**531,875,118**	**7.0**	**-1.3**	**11.6**	**12.7**	**13.0**	**9.9**	**8.2**	**16.5**
Blended Private Equity Index			*3.2*	*24.5*	*19.8*	*23.2*	*25.1*	*16.1*	*17.1*
Secondary CA PE Index			*3.0*	*8.8*	*10.3*	*8.9*	*7.9*	*10.9*	*14.7*
Opportunistic Credit	**831,545,676**	**10.9**	**0.3**	**4.3**	**6.9**	**7.3**	**8.1**	**--**	**--**
Opportunistic Credit Index			*0.0*	*3.9*	*6.7*	*7.1*	*8.6*	*--*	*--*
Public Credit	**587,778,751**	**7.7**	**-0.3**	**4.2**	**7.1**	**7.9**	**8.8**	**5.1**	**6.6**
Blmbg. U.S. Corp: High Yield Index			*-0.5*	*3.4*	*7.0*	*7.4*	*8.6*	*4.2*	*6.1*
Private Credit***	**243,766,926**	**3.2**	**1.7**	**4.5**	**6.4**	**5.7**	**6.3**	**5.5**	**--**
S&P Leveraged Loan Index 1 Qtr Lag			*1.2*	*5.3*	*5.9*	*7.5*	*9.3*	*6.4*	*--*

See appendix for custom Policy Benchmark descriptions.
* Total Fund and asset class aggregates are ranked in InvMetrics universes. Managers are ranked in eVestment universes.
** Excludes Parametric.
*** The fair market values reflect the most recently reported NAVs published by the manager (12/31/2025), adjusted for subsequent cash flows (where applicable) throughout the reported end date.

Trailing Net Performance | As of March 31, 2026

	Market Value ($)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Diversifying Portfolio	**1,407,862,299**	**18.5**	**1.9**	**5.5**	**5.7**	**5.0**	**4.9**	**--**	**--**
Blended Diversifying Index			*0.5*	*3.9*	*4.9*	*5.3*	*4.6*	*--*	*--*
Defensive Fixed Income	**938,814,849**	**12.3**	**0.0**	**3.0**	**4.0**	**4.2**	**3.5**	**0.2**	**2.0**
Blended Defensive Fixed Income Benchmark			*-0.1*	*2.9*	*3.4*	*3.7*	*2.5*	*-0.3*	*1.4*
Absolute Return	**469,047,450**	**6.2**	**6.5**	**11.6**	**9.8**	**6.6**	**7.8**	**6.2**	**1.5**
Absolute Return Custom Index			*1.9*	*6.1*	*8.1*	*8.6*	*8.9*	*7.5*	*6.4*
Inflation Hedge	**1,345,745,569**	**17.7**	**3.4**	**6.7**	**8.3**	**7.8**	**4.3**	**6.5**	**5.0**
Blended Inflation Hedge Index			*4.1*	*11.5*	*14.7*	*10.3*	*5.3*	*7.6*	*6.6*
Real Estate	**562,053,627**	**7.4**	**1.5**	**-1.6**	**-1.1**	**-0.8**	**-3.6**	**1.6**	**4.0**
NCREIF ODCE			*1.2*	*2.9*	*4.0*	*3.0*	*-2.0*	*3.2*	*4.7*
Private Real Assets* **	**438,152,849**	**5.8**	**-0.8**	**5.6**	**6.7**	**11.4**	**9.7**	**11.5**	**5.7**
Blended Private Real Assets Index			*4.2*	*20.8*	*28.2*	*19.2*	*14.7*	*13.1*	*8.9*
Blended Secondary CA Private RA Index			*6.9*	*13.1*	*15.1*	*10.9*	*9.2*	*12.8*	*9.4*
Public Real Assets	**345,539,094**	**4.5**	**13.2**	**24.2**	**28.4**	**18.7**	**12.4**	**10.7**	**--**
Blended Public Real Asset Index			*12.8*	*23.4*	*27.4*	*18.1*	*12.2*	*10.5*	*--*
Liquidity	**393,338,973**	**5.2**	**0.6**	**3.0**	**4.4**	**4.8**	**4.9**	**3.5**	**--**
Blended Liquidity Index			*0.4*	*2.7*	*4.0*	*4.7*	*4.4*	*--*	*--*
Cash Flow-Matched Liquidity	**331,780,683**	**4.4**	**0.3**	**2.7**	**4.2**	**4.6**	**4.7**	**--**	**--**
Bloomberg U.S. Gov/Credit 1-3 Year Index			*0.3*	*2.7*	*4.0*	*4.8*	*4.3*	*--*	*--*
Bloomberg U.S. Credit 1-3 Year Index			*0.3*	*2.9*	*4.5*	*5.3*	*5.1*	*--*	*--*
Cash & Cash Overlay	**94,280,757**	**1.2**	**1.0**	**3.2**	**4.3**	**4.8**	**5.2**	**3.7**	**2.3**
90 Day U.S. Treasury Bill			*0.8*	*2.9*	*4.0*	*4.5*	*4.7*	*3.3*	*2.3*

See appendix for custom Policy Benchmark descriptions.

*** The fair market values reflect the most recently reported NAVs published by the manager (12/31/2025), adjusted for subsequent cash flows (where applicable) throughout the reported end date.

Trailing Net Performance | As of March 31, 2026

Calendar Year Performance Summary

	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)
Total Fund	**13.7**	**9.6**	**9.1**	**-7.8**	**11.9**
Policy Index	*14.6*	*12.4*	*12.1*	*-9.7*	*13.8*
Simple Benchmark	*15.1*	*9.7*	*11.2*	*-12.5*	*13.6*
Total Fund ex Overlay*	**13.6**	**9.5**	**8.9**	**-7.8**	**12.0**
Policy Index	*14.6*	*12.4*	*12.1*	*-9.7*	*13.8*
Simple Benchmark	*15.1*	*9.7*	*11.2*	*-12.5*	*13.6*
Growth Portfolio	**18.5**	**13.6**	**14.9**	**--**	**--**
Blended Growth Index	*18.9*	*17.9*	*20.3*	*--*	*--*
US Equity	**18.5**	**23.0**	**19.3**	**-13.5**	**23.9**
Blended US Equity Index	*17.1*	*23.8*	*26.0*	*-19.2*	*25.7*
International Equity	**26.8**	**6.7**	**16.0**	**-16.5**	**9.1**
Blended International Equity Index	*29.4*	*8.9*	*16.2*	*-13.4*	*11.0*
International Equity ex Currency Overlay	**29.7**	**4.5**	**15.5**	**-16.5**	**9.1**
Blended International Equity Index	*29.4*	*8.9*	*16.2*	*-13.4*	*11.0*
Private Equity**	**18.0**	**8.0**	**6.5**	**-10.6**	**26.1**
Blended Private Equity Index	*20.1*	*38.2*	*23.5*	*-14.6*	*34.9*
Secondary CA PE Index	*9.5*	*7.7*	*2.5*	*-1.6*	*61.0*
Opportunistic Credit	**7.8**	**8.6**	**9.1**	**--**	**--**
Opportunistic Credit Index	*7.6*	*8.6*	*13.2*	*--*	*--*
Public Credit	**9.2**	**9.0**	**10.4**	**-6.6**	**7.1**
Blmbg. U.S. Corp: High Yield Index	*8.6*	*8.2*	*13.4*	*-11.2*	*5.3*
Private Credit**	**4.6**	**7.6**	**5.1**	**3.7**	**7.6**
S&P Leveraged Loan Index 1 Qtr Lag	*7.1*	*9.7*	*12.5*	*-2.6*	*8.5*

See appendix for custom Policy Benchmark descriptions.
* Excludes Parametric.
**The fair market values reflect the most recently reported NAVs published by the manager (12/31/2025), adjusted for subsequent cash flows (where applicable) throughout the reported end date.

Trailing Net Performance | As of March 31, 2026

	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)
Diversifying Portfolio	**6.6**	**2.8**	**5.0**	**--**	**--**
Blended Diversifying Index	*7.4*	*2.6*	*6.2*	*--*	*--*
Defensive Fixed Income	**7.2**	**0.2**	**6.5**	**-13.3**	**-1.2**
Blended Core Fixed Income Benchmark	*6.9*	*-0.6*	*4.6*	*-13.0*	*-1.5*
Absolute Return	**5.2**	**8.7**	**1.5**	**7.2**	**2.2**
Absolute Return Custom Index	*8.3*	*9.3*	*9.2*	*5.7*	*4.0*
Inflation Hedge	**7.6**	**4.7**	**-3.7**	**7.6**	**18.3**
Blended Inflation Hedge Index	*10.7*	*7.2*	*-4.4*	*5.2*	*23.2*
Real Estate	**-2.4**	**-2.0**	**-9.5**	**7.4**	**16.5**
NCREIF ODCE	*3.8*	*-1.4*	*-12.0*	*7.5*	*22.2*
Private Real Assets**	**11.2**	**14.3**	**4.3**	**15.1**	**28.7**
Blended Private Real Asset Index	*17.9*	*25.7*	*9.3*	*-0.8*	*28.8*
Blended Secondary CA Private RA Index	*7.8*	*8.1*	*8.4*	*17.0*	*23.4*
Public Real Assets	**21.0**	**4.1**	**-0.1**	**4.3**	**17.7**
Blended Public Real Asset Index	*20.3*	*4.1*	*0.1*	*4.2*	*17.8*
Liquidity	**5.1**	**4.8**	**5.5**	**1.3**	**0.3**
Blended Liquidity Index	*5.1*	*4.5*	*4.7*	*--*	*--*
Cash Flow-Matched Liquidity	**5.1**	**4.6**	**5.2**	**--**	**--**
Bloomberg U.S. Gov/Credit 1-3 Year Index	*5.3*	*4.4*	*4.6*	*--*	*--*
Bloomberg U.S. Credit 1-3 Year Index	*5.8*	*5.1*	*5.3*	*--*	*--*
Cash & Cash Overlay	**4.5**	**5.5**	**5.6**	**1.8**	**0.3**
90 Day U.S. Treasury Bill	*4.2*	*5.3*	*5.0*	*1.5*	*0.0*

See appendix for custom Policy Benchmark descriptions.
**The fair market values reflect the most recently reported NAVs published by the manager (12/31/2025), adjusted for subsequent cash flows (where applicable) throughout the reported end date.

Trailing Net Performance | As of March 31, 2026

Fund Performance Summary

	Market Value ($)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund*	**7,602,024,125**	**100.0**	**-0.3 (48)**	**6.8 (29)**	**11.9 (59)**	**9.6 (27)**	**9.6 (53)**	**6.4 (52)**	**7.6 (79)**
Policy Index			*0.1 (25)*	*8.7 (2)*	*14.3 (14)*	*11.0 (6)*	*11.5 (14)*	*7.5 (14)*	*8.6 (27)*
Simple Benchmark			*-1.3 (84)*	*6.1 (54)*	*13.8 (21)*	*9.5 (29)*	*10.0 (43)*	*6.1 (64)*	*8.0 (52)*
InvMetrics Public DB > $1B Median			-0.5	6.2	12.3	8.9	9.8	6.5	8.0
Total Fund ex Overlay**	**7,585,239,516**	**99.8**	**-0.3 (47)**	**6.8 (29)**	**11.8 (61)**	**9.5 (28)**	**9.5 (59)**	**6.3 (56)**	**7.5 (82)**
Policy Index			*0.1 (25)*	*8.7 (2)*	*14.3 (14)*	*11.0 (6)*	*11.5 (14)*	*7.5 (14)*	*8.6 (27)*
Simple Benchmark			*-1.3 (84)*	*6.1 (54)*	*13.8 (21)*	*9.5 (29)*	*10.0 (43)*	*6.1 (64)*	*8.0 (52)*
InvMetrics Public DB > $1B Median			-0.5	6.2	12.3	8.9	9.8	6.5	8.0
Growth Portfolio	**4,455,077,284**	**58.6**	**-2.1**	**7.6**	**15.6**	**11.9**	**13.0**	**--**	**--**
Blended Growth Index			*-1.4*	*9.5*	*17.8*	*13.4*	*16.0*	*--*	*--*
US Equity	**1,809,513,515**	**23.8**	**-4.0 (47)**	**6.9 (33)**	**17.4 (38)**	**13.1 (23)**	**16.9 (47)**	**11.1 (42)**	**12.8 (51)**
Blended US Equity Index			*-4.0 (46)*	*6.4 (36)*	*18.1 (30)*	*12.5 (28)*	*17.9 (37)*	*10.9 (47)*	*--*
Russell 3000 Index			*-4.0 (46)*	*6.4 (36)*	*18.1 (30)*	*12.5 (28)*	*17.9 (37)*	*10.9 (47)*	*13.7 (29)*
BlackRock Russell 1000	1,298,245,995	17.1	-4.2 (49)	6.0 (40)	17.8 (34)	12.7 (27)	18.1 (33)	11.3 (37)	--
DE Shaw	347,483,296	4.6	-6.2 (83)	5.9 (42)	20.1 (22)	17.8 (3)	21.1 (7)	13.2 (11)	14.7 (7)
Russell 1000 Index			*-4.2 (49)*	*6.0 (41)*	*17.7 (34)*	*12.7 (27)*	*18.1 (33)*	*11.3 (37)*	*14.0 (22)*
eV US Large Cap Core Equity Median			-4.2	4.8	15.4	10.7	16.5	10.6	12.8
PGIM Quant Solutions	156,382,497	2.1	3.1 (20)	17.8 (17)	25.3 (23)	10.6 (20)	14.7 (18)	8.0 (17)	--
Russell 2000 Index			*0.9 (50)*	*15.9 (23)*	*25.7 (22)*	*9.9 (26)*	*13.0 (27)*	*3.8 (67)*	*--*
eV US Small Cap Core Equity Median			0.8	9.8	18.1	6.8	11.0	5.0	10.1
International Equity	**1,282,142,974**	**16.9**	**-1.3 (56)**	**9.2 (48)**	**20.7 (58)**	**13.1 (53)**	**12.7 (56)**	**6.1 (55)**	**8.2 (62)**
Blended International Equity Index			*0.1 (42)*	*13.1 (31)*	*25.0 (43)*	*15.3 (41)*	*15.4 (37)*	*8.4 (31)*	*9.2 (38)*
International Equity ex Currency Overlay	**1,281,805,931**	**16.9**	**-1.5**	**8.9**	**21.6**	**13.5**	**12.5**	**6.0**	**8.2**
Blended International Equity Index			*0.1*	*13.1*	*25.0*	*15.3*	*15.4*	*8.4*	*9.2*
Baillie Gifford	261,897,581	3.4	-7.2 (74)	-3.1 (61)	7.3 (73)	3.8 (67)	3.9 (82)	-2.6 (89)	5.6 (91)
MSCI AC World ex USA Index			*-0.6 (21)*	*11.8 (8)*	*25.6 (13)*	*15.7 (7)*	*15.1 (14)*	*7.6 (10)*	*8.9 (34)*
MSCI AC World ex USA Growth			*-3.5 (44)*	*4.7 (23)*	*19.2 (25)*	*10.0 (33)*	*10.5 (33)*	*3.6 (34)*	*7.9 (59)*
Mondrian	340,080,661	4.5	0.8 (65)	14.4 (51)	26.8 (61)	19.1 (43)	16.6 (57)	8.8 (69)	7.9 (81)
MSCI AC World ex USA Index			*-0.6 (83)*	*11.8 (71)*	*25.6 (64)*	*15.7 (74)*	*15.1 (70)*	*7.6 (82)*	*8.9 (58)*
MSCI AC World ex USA Value			*2.2 (48)*	*19.3 (27)*	*32.1 (34)*	*21.8 (24)*	*19.9 (25)*	*11.6 (26)*	*9.7 (37)*
BlackRock MSCI ACWI EX-US IMI	667,689,044	8.8	-0.4 (44)	11.5 (33)	25.8 (34)	15.4 (44)	14.6 (37)	7.1 (44)	--
MSCI AC World ex USA IMI (Net)			*-0.7 (47)*	*11.2 (36)*	*25.3 (38)*	*15.0 (45)*	*14.4 (42)*	*6.8 (50)*	*--*

See appendix for custom Policy Benchmark descriptions.
* Total Fund and asset class aggregates are ranked in InvMetrics universes. Managers are ranked in eVestment universes.
** Excludes Parametric.

Trailing Net Performance | As of March 31, 2026

	Market Value ($)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Private Equity* **	**531,875,118**	**7.0**	**-1.3 (97)**	**11.6 (10)**	**12.7 (15)**	**13.0 (7)**	**9.9 (11)**	**8.2 (61)**	**16.5 (3)**
Blended Private Equity Index			*3.2 (12)*	*24.5 (2)*	*19.8 (4)*	*23.2 (1)*	*25.1 (1)*	*16.1 (2)*	*17.1 (3)*
Secondary CA PE Index			*3.0 (13)*	*8.8 (20)*	*10.3 (24)*	*8.9 (24)*	*7.9 (26)*	*10.9 (30)*	*14.7 (13)*
Opportunistic Credit	**831,545,676**	**10.9**	**0.3**	**4.3**	**6.9**	**7.3**	**8.1**	**--**	**--**
Opportunistic Credit Index			*0.0*	*3.9*	*6.7*	*7.1*	*8.6*	*--*	*--*
Public Credit	**587,778,751**	**7.7**	**-0.3**	**4.2**	**7.1**	**7.9**	**8.8**	**5.1**	**6.6**
Blmbg. U.S. Corp: High Yield Index			*-0.5*	*3.4*	*7.0*	*7.4*	*8.6*	*4.2*	*6.1*
Beach Point Select	126,265,935	1.7	-2.3 (99)	-0.9 (99)	2.1 (98)	5.8 (86)	8.2 (39)	5.7 (5)	7.9 (2)
Brigade Capital	114,991,093	1.5	-0.1 (23)	3.1 (62)	6.4 (65)	7.6 (13)	8.8 (16)	4.7 (21)	6.8 (7)
Diameter Dislocation Onshore Fund III	9,365,977	0.1	1.2 (1)	6.2 (3)	9.3 (2)	--	--	--	--
GoldenTree Select Partners	66,920,836	0.9	0.5 (4)	6.9 (2)	8.7 (5)	--	--	--	--
One William Street	76,169,539	1.0	1.5 (1)	5.4 (3)	7.6 (15)	8.0 (7)	--	--	--
PIMCO Diversified	116,381,533	1.5	-0.9 (87)	4.4 (7)	7.3 (25)	7.2 (25)	7.8 (59)	2.6 (100)	--
Blmbg. U.S. Corp: High Yield Index			*-0.5 (56)*	*3.4 (43)*	*7.0 (39)*	*7.4 (21)*	*8.6 (22)*	*4.2 (38)*	*--*
Eaton Vance Emerging Markets Debt Opportunities Fund	77,683,837	1.0	1.3 (5)	11.2 (4)	15.1 (7)	13.2 (4)	--	--	--
JPM EMB (JEMB) Hard Currency/Local Currency 50-50			*-1.5 (59)*	*4.7 (84)*	*10.0 (74)*	*7.8 (67)*	*--*	*--*	*--*
eV Emg Mkts Fixed Inc - Blended Currency Median			-1.4	6.0	11.6	8.2	9.2	3.0	3.9
Private Credit* **	**243,766,926**	**3.2**	**1.7 (1)**	**4.5 (6)**	**6.4 (65)**	**5.7 (88)**	**6.3 (97)**	**5.5 (6)**	**--**
S&P Leveraged Loan Index 1 Qtr Lag			*1.2 (1)*	*5.3 (3)*	*5.9 (78)*	*7.5 (16)*	*9.3 (7)*	*6.4 (3)*	*--*
Diversifying Portfolio	**1,407,862,299**	**18.5**	**1.9**	**5.5**	**5.7**	**5.0**	**4.9**	**--**	**--**
Blended Diversifying Index			*0.5*	*3.9*	*4.9*	*5.3*	*4.6*	*--*	*--*
Defensive Fixed Income	**938,814,849**	**12.3**	**0.0**	**3.0**	**4.0**	**4.2**	**3.5**	**0.2**	**2.0**
Blended Defensive Fixed Income Benchmark			*-0.1*	*2.9*	*3.4*	*3.7*	*2.5*	*-0.3*	*1.4*
DoubleLine	309,372,726	4.1	0.2 (92)	3.5 (82)	4.9 (89)	5.3 (91)	4.5 (68)	0.6 (66)	--
Blmbg. U.S. Aggregate Index			*0.0 (98)*	*3.1 (95)*	*4.3 (96)*	*4.6 (98)*	*3.6 (98)*	*0.3 (87)*	*--*
eV US Securitized Fixed Inc Median			0.5	4.1	5.6	6.0	5.8	1.4	2.4
FIAM Bond	203,184,617	2.7	0.2 (7)	3.3 (33)	4.7 (24)	4.9 (30)	4.2 (23)	0.8 (18)	2.5 (7)
NISA Core Bond	308,471,382	4.1	-0.1 (56)	3.1 (58)	4.2 (77)	4.6 (73)	3.7 (71)	0.5 (47)	--
Blmbg. U.S. Aggregate Index			*0.0 (49)*	*3.1 (52)*	*4.3 (64)*	*4.6 (72)*	*3.6 (80)*	*0.3 (78)*	*--*
eV US Core Fixed Inc Median			0.0	3.1	4.5	4.8	3.9	0.5	2.0
NISA Long Treasury	104,603,210	1.4	-0.4	2.0	0.5	0.9	--	--	--
Blmbg. U.S. Treasury: Long			*-0.4*	*2.0*	*0.5*	*0.9*	*--*	*--*	*--*

See appendix for custom Policy Benchmark descriptions.
*** The fair market values reflect the most recently reported NAVs published by the manager (12/31/2025), adjusted for subsequent cash flows (where applicable) throughout the reported end date.

Trailing Net Performance | As of March 31, 2026

	Market Value ($)	% of Portfolio	QTD (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Absolute Return	**469,047,450**	**6.2**	**6.5 (11)**	**11.6 (26)**	**9.8 (46)**	**6.6 (64)**	**7.8 (64)**	**6.2 (53)**	**1.5 (96)**
Absolute Return Custom Index			*1.9 (39)*	*6.1 (49)*	*8.1 (58)*	*8.6 (49)*	*8.9 (53)*	*7.5 (44)*	*6.4 (62)*
CFM Systematic Global Macro	149,606,223	2.0	11.5 (3)	14.2 (20)	20.4 (19)	17.0 (14)	12.4 (28)	10.3 (26)	--
Farallon	70,815,056	0.9	-0.2 (61)	6.1 (50)	--	--	--	--	--
Graham Quant Macro	106,796,029	1.4	6.4 (11)	2.9 (71)	-6.5 (98)	-9.2 (100)	-0.6 (97)	2.5 (84)	--
PIMCO MAARS Fund LP	141,830,141	1.9	3.3 (25)	17.9 (13)	15.9 (27)	13.2 (25)	15.5 (17)	13.0 (14)	--
Absolute Return Custom Index			*1.9 (39)*	*6.1 (49)*	*8.1 (58)*	*8.6 (49)*	*8.9 (53)*	*7.5 (44)*	*--*
eV Alt All Multi-Strategy Median			0.8	6.0	9.2	8.3	9.1	6.5	7.1
Inflation Hedge	**1,345,745,569**	**17.7**	**3.4**	**6.7**	**8.3**	**7.8**	**4.3**	**6.5**	**5.0**
Blended Inflation Hedge Index			*4.1*	*11.5*	*14.7*	*10.3*	*5.3*	*7.6*	*6.6*
Real Estate	**562,053,627**	**7.4**	**1.5**	**-1.6**	**-1.1**	**-0.8**	**-3.6**	**1.6**	**4.0**
NCREIF ODCE			*1.2*	*2.9*	*4.0*	*3.0*	*-2.0*	*3.2*	*4.7*
Private Real Assets	**438,152,849**	**5.8**	**-0.8**	**5.6**	**6.7**	**11.4**	**9.7**	**11.5**	**5.7**
Blended Private Real Asset Index			*4.2*	*20.8*	*28.2*	*19.2*	*14.7*	*13.1*	*8.9*
Blended Secondary CA Private RA Index			*6.9*	*13.1*	*15.1*	*10.9*	*9.2*	*12.8*	*9.4*
Private Real Assets***	300,999,168	4.0	-1.4	6.1	6.8	11.7	9.9	11.6	5.8
Brookfield Super-Core Infrastructure Partners***	70,938,345	0.9	0.0	4.3	6.4	8.4	8.9	--	--
KKR Diversified Core Infrastructure Fund (DCIF)	66,215,336	0.9	1.2	5.0	7.0	7.9	7.3	--	--
Public Real Assets	**345,539,094**	**4.5**	**13.2**	**24.2**	**28.4**	**18.7**	**12.4**	**10.7**	**--**
Blended Public Real Asset Index			*12.8*	*23.4*	*27.4*	*18.1*	*12.2*	*10.5*	*--*
SSgA Custom Real Asset	345,539,094	4.5	13.2	24.2	28.4	18.7	12.4	10.7	--
SSgA Custom Real Asset Index			*12.8*	*23.4*	*27.4*	*18.1*	*12.2*	*10.5*	*--*
Liquidity	**393,338,973**	**5.2**	**0.6**	**3.0**	**4.4**	**4.8**	**4.9**	**3.5**	**--**
Blended Liquidity Index			*0.4*	*2.7*	*4.0*	*4.7*	*4.4*	*--*	*--*
Cash Flow-Matched Liquidity	**331,780,683**	**4.4**	**0.3**	**2.7**	**4.2**	**4.6**	**4.7**	**--**	**--**
Bloomberg U.S. Gov/Credit 1-3 Year Index			*0.3*	*2.7*	*4.0*	*4.8*	*4.3*	*--*	*--*
Bloomberg U.S. Credit 1-3 Year Index			*0.3*	*2.9*	*4.5*	*5.3*	*5.1*	*--*	*--*
Insight Investment	312,284,843	4.1	0.4	2.7	4.1	4.8	4.8	--	--
Bloomberg U.S. Credit 1-3 Year Index			*0.3*	*2.9*	*4.5*	*5.3*	*5.1*	*--*	*--*
County Treasury Pool	19,495,840	0.3	0.3	2.5	5.3	4.2	4.3	3.0	2.6
90 Day U.S. Treasury Bill			*0.8*	*2.9*	*4.0*	*4.5*	*4.7*	*3.3*	*2.3*
Cash & Cash Overlay	**94,280,757**	**1.2**	**1.0**	**3.2**	**4.3**	**4.8**	**5.2**	**3.7**	**2.3**
90 Day U.S. Treasury Bill			*0.8*	*2.9*	*4.0*	*4.5*	*4.7*	*3.3*	*2.3*
General Account	77,496,148	1.0	1.1	3.2	4.4	4.9	5.2	3.8	3.1
90 Day U.S. Treasury Bill			*0.8*	*2.9*	*4.0*	*4.5*	*4.7*	*3.3*	*2.3*

See appendix for custom Policy Benchmark descriptions.

*** The fair market values reflect the most recently reported NAVs published by the manager (12/31/2025), adjusted for subsequent cash flows (where applicable) throughout the reported end date.

Benchmark History		
From Date	To Date	Benchmark
Total Plan Policy Index		
01/01/2025	Present	25.0% Russell 3000, 16.0% MSCI Custom International Hedged Index, 9.5% Bloomberg Aggregate, 11.0% Blended Opportunistic Index, 9.0% NCREIF ODCE, 7.0% Russell 3000 +3% 1Q Lag (PE), 6.0% SOFR +4% (HF), 5.0% Blended Private Real Assets, 4.5% Bloomberg US Govt/Credit 1-3 Yr. TR, 3.0% Bloomberg Long Treasury, 3.0% Blended Public Real Assets, 1.0% 91 Day T-Bills
07/01/2023	12/31/2024	23.0% Russell 3000, 18.0% MSCI Custom International Hedged Index, 9.5% Bloomberg Aggregate, 11.0% Blended Opportunistic Index, 9.0% NCREIF ODCE, 7.0% Russell 3000 +3% 1Q Lag (PE), 6.0% SOFR +4% (HF), 5.0% Blended Private Real Assets, 4.5% Bloomberg US Govt/Credit 1-3 Yr. TR, 3.0% Bloomberg Long Treasury, 3.0% Blended Public Real Assets, 1.0% 91 Day T-Bills
03/01/2023	06/30/2023	21.0% Russell 3000, 19.0% MSCI Custom International Hedged Index, 12.5% Bloomberg Aggregate, 10.0% Bloomberg BA Intermediate HY, 9.0% NCREIF ODCE, 7.0% SOFR +4% (HF), 7.0% Russell 3000 +3% 1Q Lag (PE), 5.0% Blended Private Real Assets, 4.5% Bloomberg US Govt/Credit 1-3 Yr. TR, 4.0% Blended Public Real Assets, 1.0% 91 Day T-Bills
10/01/2022	02/28/2023	21.0% Russell 3000, 19.0% MSCI Custom International Hedged Index, 13.5% Bloomberg Aggregate, 10.0% Bloomberg BA Intermediate HY, 9.0% NCREIF ODCE, 7.0% SOFR +4% (HF), 7.0% Russell 3000 +3% 1Q Lag (PE), 4.5% Bloomberg US Govt/Credit 1-3 Yr. TR, 4.0% Blended Public Real Assets, 4.0% Blended Private Real Assets, 1.0% 91 Day T-Bills
07/01/2022	09/30/2022	21.0% Russell 3000, 19.0% MSCI Custom International Hedged Index, 16.5% Bloomberg Aggregate, 10.0% Bloomberg BA Intermediate HY, 9.0% NCREIF ODCE, 7.0% SOFR +4% (HF), 7.0% Russell 3000 +3% 1Q Lag (PE), 4.0% Blended Public Real Assets, 4.0% Blended Private Real Assets, 1.5% Bloomberg US Govt/Credit 1-3 Yr. TR, 1.0% 91 Day T-Bills
02/01/2021	06/30/2022	22.0% Russell 3000, 19.0% MSCI Custom International Hedged Index, 18.0% Bloomberg Aggregate, 10.0% Bloomberg BA Intermediate HY, 9.0% NCREIF ODCE, 7.0% SOFR +4% (HF), 6.0% Russell 3000 +3% 1Q Lag (PE), 4.0% Blended Public Real Assets, 4.0% Blended Private Real Assets, 1.0% 91 Day T-Bills
01/01/2021	01/31/2021	21.0% Russell 3000, 21.0% Bloomberg Aggregate, 18.0% MSCI Custom International Hedged Index, 10.0% Bloomberg BA Intermediate HY, 10.0% NCREIF ODCE, 6.0% SOFR +4% (HF), 6.0% Russell 3000 +3% 1Q Lag (PE), 4.0% Blended Public Real Assets, 3.0% Blended Private Real Assets, 1.0% 91 Day T-Bills
07/01/2020	12/31/2020	21.0% Russell 3000, 21.0% Bloomberg Aggregate, 18.0% MSCI Custom International Hedged Index, 10.0% Bloomberg BA Intermediate HY, 10.0% NCREIF ODCE, 6.0% Libor +4% (HF), 6.0% Russell 3000 +3% 1Q Lag (PE), 4.0% Blended Public Real Assets, 3.0% Blended Private Real Assets, 1.0% 91 Day T-Bills
04/01/2020	06/30/2020	22.0% Russell 3000, 18.0% Bloomberg Aggregate, 18.0% MSCI Custom International Hedged Index, 9.0% NCREIF ODCE, 8.0% Bloomberg BA Intermediate HY, 6.0% Blended Public Real Assets, 6.0% Libor +4% (HF), 6.0% Russell 3000 +3% 1Q Lag (PE), 4.0% 60/40 MSCI World/Bloomberg Global Aggregate (RP), 2.0% Blended Private Real Assets, 1.0% 91 Day T-Bills

Benchmark History | As of March 31, 2026

From Date	To Date	Benchmark
10/01/2019	03/31/2020	22.0% Russell 3000, 18.0% MSCI Custom International Hedged Index, 14.0% Bloomberg Aggregate, 8.0% 60/40 MSCI World/Bloomberg Global Aggregate (RP), 8.0% Bloomberg BA Intermediate HY, 8.0% NCREIF ODCE, 6.0% Blended Public Real Assets, 6.0% Libor +4% (HF), 6.0% Russell 3000 +3% 1Q Lag (PE), 2.0% Blended Private Real Assets, 1.0% Bloomberg TIPS, 1.0% 91 Day T-Bills
10/01/2018	09/30/2019	22.0% Russell 3000, 19.0% MSCI Custom International Hedged Index, 14.0% Bloomberg Aggregate, 8.0% 60/40 MSCI World/Bloomberg Global Aggregate (RP), 8.0% NCREIF ODCE, 7.0% Bloomberg BA Intermediate HY, 6.0% Blended Public Real Assets, 6.0% Libor +4% (HF), 6.0% Russell 3000 +3% 1Q Lag (PE), 2.0% Bloomberg TIPS, 2.0% Blended Private Real Assets
04/01/2018	09/30/2018	21.0% Russell 3000, 19.0% MSCI ACWI ex-US IMI (Net), 14.0% Bloomberg Aggregate, 8.0% 60/40 MSCI World/Bloomberg Global Aggregate (RP), 8.0% NCREIF ODCE, 7.0% Bloomberg BA Intermediate HY, 7.0% Russell 3000 +3% 1Q Lag (PE), 6.0% Blended Public Real Assets, 6.0% Libor +4% (HF), 2.0% Bloomberg TIPS, 2.0% Blended Private Real Assets
10/01/2017	03/31/2018	21.0% Russell 3000, 19.0% MSCI ACWI ex-US IMI (Net), 14.0% Bloomberg Aggregate, 8.0% 60/40 MSCI World/Bloomberg Global Aggregate (RP), 8.0% NCREIF ODCE, 8.0% Blended Private Real Assets, 7.0% Russell 3000 +3% (PE), 7.0% Bloomberg BA Intermediate HY, 6.0% Libor +4% (HF), 2.0% Bloomberg TIPS
Simple Benchmark		
07/01/2023	Present	59.0% MSCI ACWI IMI, 18.5% Bloomberg Aggregate, 17.0% NCREIF ODCE, 5.5% Blmbg. 1-3 Yr Govt/Credit Index
03/01/2023	06/30/2023	57.0% MSCI ACWI IMI, 19.5% Bloomberg Aggregate, 18.0% NCREIF ODCE, 5.5% Blmbg. 1-3 Yr Govt/Credit Index
10/01/2022	02/28/2023	57.0% MSCI ACWI IMI, 20.5% Bloomberg Aggregate, 17.0% NCREIF ODCE, 5.5% Blmbg. 1-3 Yr Govt/Credit Index
07/01/2022	09/30/2022	57.0% MSCI ACWI IMI, 23.5% Bloomberg Aggregate, 17.0% NCREIF ODCE, 2.5% Blmbg. 1-3 Yr Govt/Credit Index
02/01/2021	06/30/2022	57.0% MSCI ACWI IMI, 25.0% Bloomberg Aggregate, 17.0% NCREIF ODCE, 1.0% Blmbg. 1-3 Yr Govt/Credit Index
10/01/2019	01/31/2021	58.8% MSCI ACWI IMI, 23.2% Bloomberg Aggregate, 17.0% NCREIF ODCE, 1.0% Blmbg. 1-3 Yr Govt/Credit Index
10/01/2017	09/30/2019	58.8% MSCI ACWI IMI, 23.2% Bloomberg Aggregate, 18.0% NCREIF ODCE
02/01/2017	09/30/2017	59.8% MSCI ACWI IMI, 24.2% Bloomberg Aggregate, 16.0% NCREIF ODCE
01/01/2016	01/31/2017	64.8% MSCI ACWI IMI, 21.2% Bloomberg Aggregate, 14.0% NCREIF ODCE
08/01/2012	12/31/2015	66.8% MSCI ACWI IMI, 20.2% Bloomberg Aggregate, 13.0% NCREIF ODCE
06/01/2000	07/31/2012	65.0% MSCI ACWI IMI, 29.0% Bloomberg Aggregate, 6.0% NCREIF ODCE
01/01/1990	05/31/2000	60.0% MSCI ACWI IMI, 40.0% Bloomberg Aggregate

Benchmark History | As of March 31, 2026

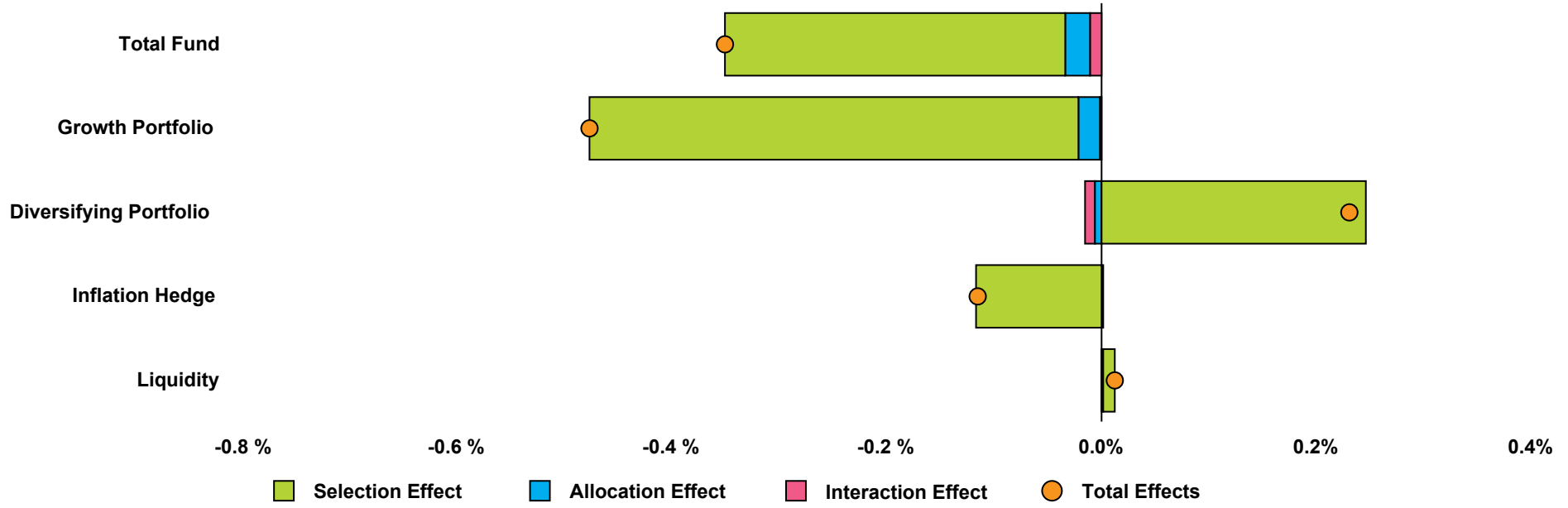
From Date	To Date	Benchmark
Public Equity Benchmark		
01/01/2025	Present	61.0% Russell 3000, 19.5% MSCI ACWI ex US IMI 100% Hedged (Net), 19.5% MSCI ACWI ex US IMI (Net)
07/01/2023	12/31/2024	56.1% Russell 3000, 22.0% MSCI ACWI ex US IMI 100% Hedged (Net), 22.0% MSCI ACWI ex US IMI (Net)
07/01/2022	06/30/2023	52.5% Russell 3000, 23.8% MSCI ACWI ex US IMI 100% Hedged (Net), 23.8% MSCI ACWI ex US IMI (Net)
02/01/2021	06/30/2022	53.7% Russell 3000, 23.2% MSCI ACWI ex US IMI 100% Hedged (Net), 23.2% MSCI ACWI ex US IMI (Net)
07/01/2020	01/31/2021	53.9% Russell 3000, 23.1% MSCI ACWI ex US IMI 100% Hedged (Net), 23.1% MSCI ACWI ex US IMI (Net)
10/01/2019	06/30/2020	55.0% Russell 3000, 22.5% MSCI ACWI ex US IMI 100% Hedged (Net), 22.5% MSCI ACWI ex US IMI (Net)
07/01/2019	09/30/2019	53.7% Russell 3000, 18.5% MSCI ACWI ex US IMI 100% Hedged (Net), 27.8% MSCI ACWI ex US IMI (Net)
04/01/2019	06/30/2019	53.7% Russell 3000, 13.9% MSCI ACWI ex US IMI 100% Hedged (Net), 32.4% MSCI ACWI ex US IMI (Net)
01/01/2019	03/31/2019	53.7% Russell 3000, 9.3% MSCI ACWI ex US IMI 100% Hedged (Net), 37.0% MSCI ACWI ex US IMI (Net)
10/01/2018	12/31/2018	53.7% Russell 3000, 4.6% MSCI ACWI ex US IMI 100% Hedged (Net), 41.7% MSCI ACWI ex US IMI (Net)
10/01/2017	09/30/2018	52.5% Russell 3000, 47.5% MSCI ACWI ex-US IMI
02/01/2017	09/30/2017	54.8% Russell 3000, 45.2% MSCI ACWI ex-US IMI
10/01/2016	01/31/2017	59.6% Russell 3000, 40.4% MSCI ACWI ex-US IMI
09/01/2016	09/30/2016	58.3% Russell 3000, 41.7% MSCI ACWI ex-US IMI
01/01/2016	08/31/2016	50.0% Russell 1000, 8.3% Russell 2000, 41.7% MSCI ACWI ex-US IMI
01/01/2014	12/31/2015	48.0% Russell 1000, 12.0% Russell 2000, 40.0% MSCI ACWI ex-US IMI
10/01/2010	12/31/2013	52.8% Russell 1000, 13.2% Russell 2000, 34.0% MSCI ACWI ex-US
05/01/2007	09/30/2010	55.2% Russell 1000, 13.5% Russell 2000, 31.3% MSCI ACWI ex-US
06/01/2000	04/30/2007	61.5% Russell 1000, 15.4% Russell 2000, 23.1% MSCI ACWI ex-US
03/01/1999	05/31/2000	35.5% Russell 1000, 8.0% Russell 1000 Value, 24.2% Russell 2000, 32.3% MSCI EAFE
09/01/1998	02/28/1999	33.3% Russell 1000, 8.4% Russell 1000 Value, 25.0% Russell 2000, 33.3% MSCI EAFE
01/01/1996	08/31/1998	33.3% Russell 1000, 25.0% Russell 2000, 8.4% S&P 500, 33.3% MSCI EAFE
US Equity Benchmark		
09/01/2016	Present	100.0% Russell 3000
01/01/2016	08/31/2016	85.7% Russell 1000, 14.3% Russell 2000
06/01/2000	12/31/2015	80.0% Russell 1000, 20.0% Russell 2000
03/01/1999	05/31/2000	52.0% Russell 1000, 12.0% Russell 1000 Value, 36.0% Russell 2000
09/01/1998	02/28/1999	50.0% Russell 1000, 12.5% Russell 1000 Value, 37.5% Russell 2000
07/01/1996	08/31/1998	50.0% Russell 1000, 37.5% Russell 2000, 12.5% S&P 500
01/01/1995	06/30/1996	69.0% Russell 1000, 14.0% Russell 2000, 17.0% S&P 500

Public Markets Annual Expense Analysis
As of March 31, 2026

	Fee Schedule	Market Value ($)	Estimated Expense ($)	Estimated Annual Fee (%)
US Equity		**1,809,513,515**	**2,299,088**	**0.13**
BlackRock Russell 1000	0.01 % of Assets	1,298,245,995	129,825	0.01
PGIM Quant Solutions	0.55 % of First $100 M 0.53 % of Next $100 M 0.49 % Thereafter	156,382,497	848,827	0.54
International Equity		**1,282,142,974**	**2,695,317**	**0.21**
Baillie Gifford	0.60 % of First $25 M 0.50 % of Next $50 M 0.40 % of Next $225 M 0.30 % of Next $300 M 0.25 % of Next $1900 M 0.23 % Thereafter	261,897,581	1,147,590	0.44
Mondrian	1.00 % of First $50 M 0.19 % of Next $150 M 0.33 % Thereafter	340,080,661	1,247,266	0.37
BlackRock MSCI ACWI EX-US IMI	0.05 % of Assets	667,689,044	300,460	0.05
Public Credit		**587,778,751**	**4,080,335**	**0.68**
PIMCO Diversified	0.75 % of Assets	116,381,533	942,690	0.75
Eaton Vance Emerging Markets Debt Opportunities Fund	0.59 % of Assets	77,683,837	458,335	0.59
Defensive Fixed Income		**938,814,849**	**1,933,999**	**0.21**
DoubleLine	0.30 % of First $250 M 0.23 % of Next $500 M 0.20 % Thereafter	309,372,726	886,557	0.29
FIAM Bond	0.25 % of First $100 M 0.20 % of Next $100 M 0.13 % of Next $200 M 0.10 % Thereafter	203,184,617	453,981	0.22
NISA Core Bond	0.15 % of First $1000 M 0.13 % of Next $2000 M 0.11 % of Next $2000 M 0.09 % of Next $3000 M 0.07 % Thereafter	308,471,382	462,707	0.15
NISA Long Treasury	0.13 % of Assets	104,603,210	130,754	0.13

Fee schedules and fees for managers not listed in the table are confidential.

Attribution Effects
1 Quarter Ending March 31, 2026

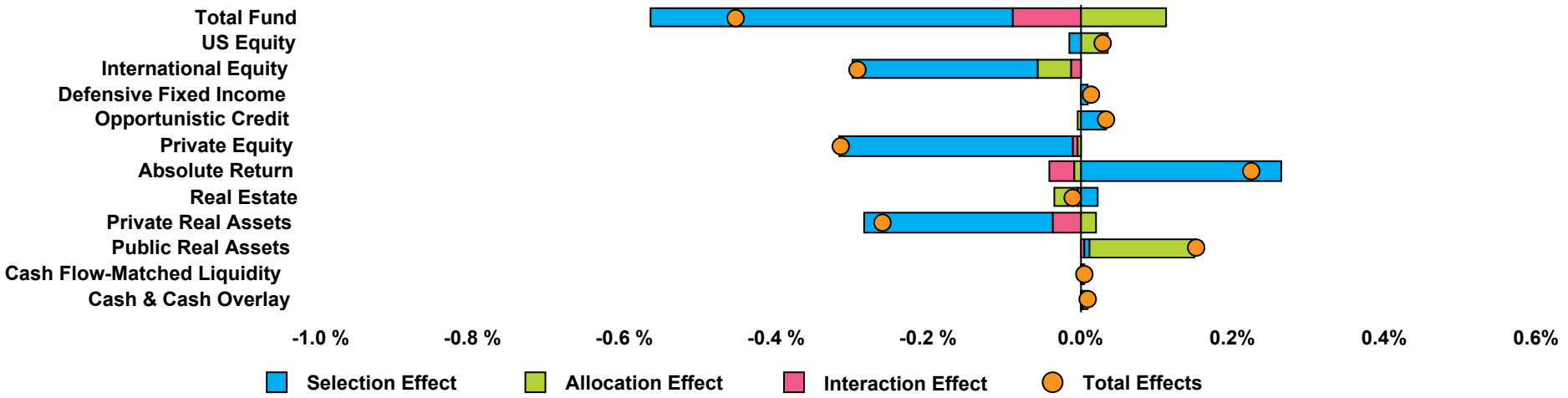


Attribution Summary
1 Quarter Ending March 31, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effect (%)	Total Effect (%)
Growth Portfolio	-2.1	-1.4	-0.8	-0.5	0.0	0.0	-0.5
Diversifying Portfolio	1.9	0.5	1.4	0.2	0.0	0.0	0.2
Inflation Hedge	3.4	4.1	-0.7	-0.1	0.0	0.0	-0.1
Liquidity	0.6	0.4	0.2	0.0	0.0	0.0	0.0
Total Fund	**-0.3**	**0.0**	**-0.4**	**-0.3**	**0.0**	**0.0**	**-0.4**

Total Fund Attribution | As of March 31, 2026

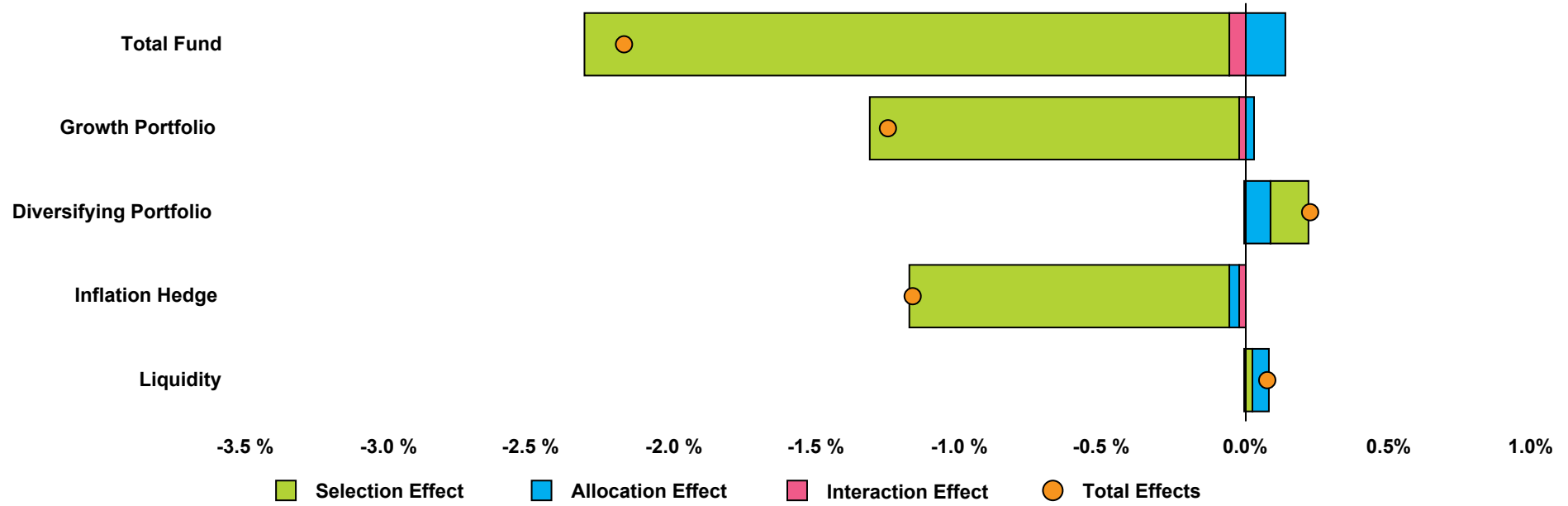
Attribution Effects
1 Quarter Ending March 31, 2026



Attribution Summary
1 Quarter Ending March 31, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effect (%)	Total Effect (%)
US Equity	-4.0	-4.0	0.0	0.0	0.0	0.0	0.0
International Equity	-1.3	0.1	-1.4	-0.2	0.0	0.0	-0.3
Defensive Fixed Income	0.0	-0.1	0.1	0.0	0.0	0.0	0.0
Opportunistic Credit	0.3	0.0	0.3	0.0	0.0	0.0	0.0
Private Equity	-1.3	3.2	-4.5	-0.3	0.0	0.0	-0.3
Absolute Return	6.5	1.9	4.6	0.3	0.0	0.0	0.2
Real Estate	1.5	1.2	0.3	0.0	0.0	0.0	0.0
Private Real Assets	-0.8	4.2	-5.0	-0.2	0.0	0.0	-0.3
Public Real Assets	13.2	12.8	0.3	0.0	0.1	0.0	0.2
Cash Flow-Matched Liquidity	0.3	0.3	0.1	0.0	0.0	0.0	0.0
Cash & Cash Overlay	1.0	0.8	0.2	0.0	0.0	0.0	0.0
Total Fund	**-0.3**	**0.1**	**-0.5**	**-0.5**	**0.1**	**-0.1**	**-0.5**

Attribution Effects
1 Year Ending March 31, 2026

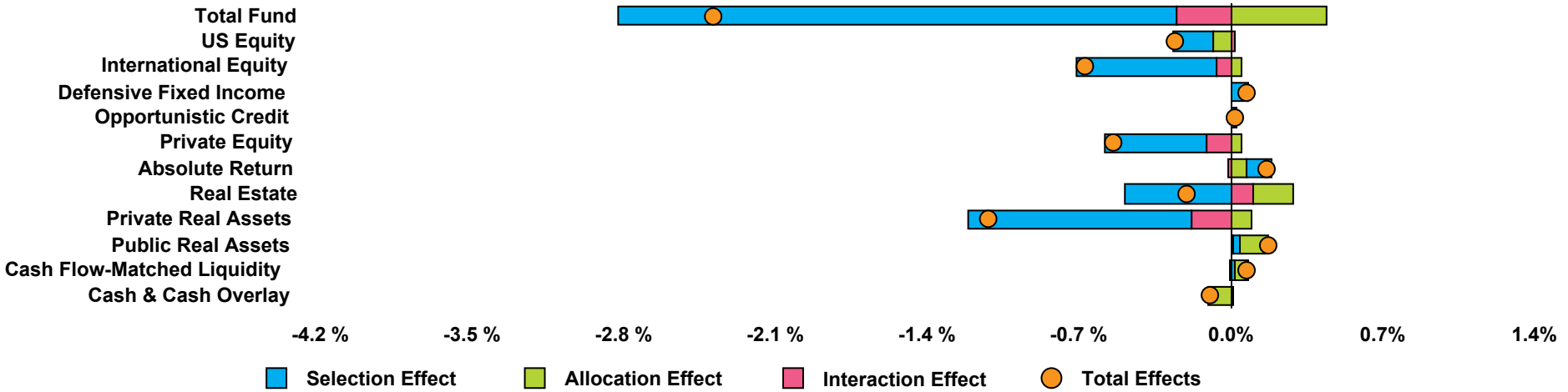


Attribution Summary
1 Year Ending March 31, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effect (%)	Total Effect (%)
Growth Portfolio	15.6	17.8	-2.2	-1.3	0.0	0.0	-1.3
Diversifying Portfolio	5.7	4.9	0.7	0.1	0.1	0.0	0.2
Inflation Hedge	8.3	14.7	-6.5	-1.1	0.0	0.0	-1.2
Liquidity	4.4	4.0	0.5	0.0	0.1	0.0	0.1
Total Fund	**11.9**	**14.1**	**-2.2**	**-2.3**	**0.1**	**-0.1**	**-2.2**

Total Fund Attribution | As of March 31, 2026

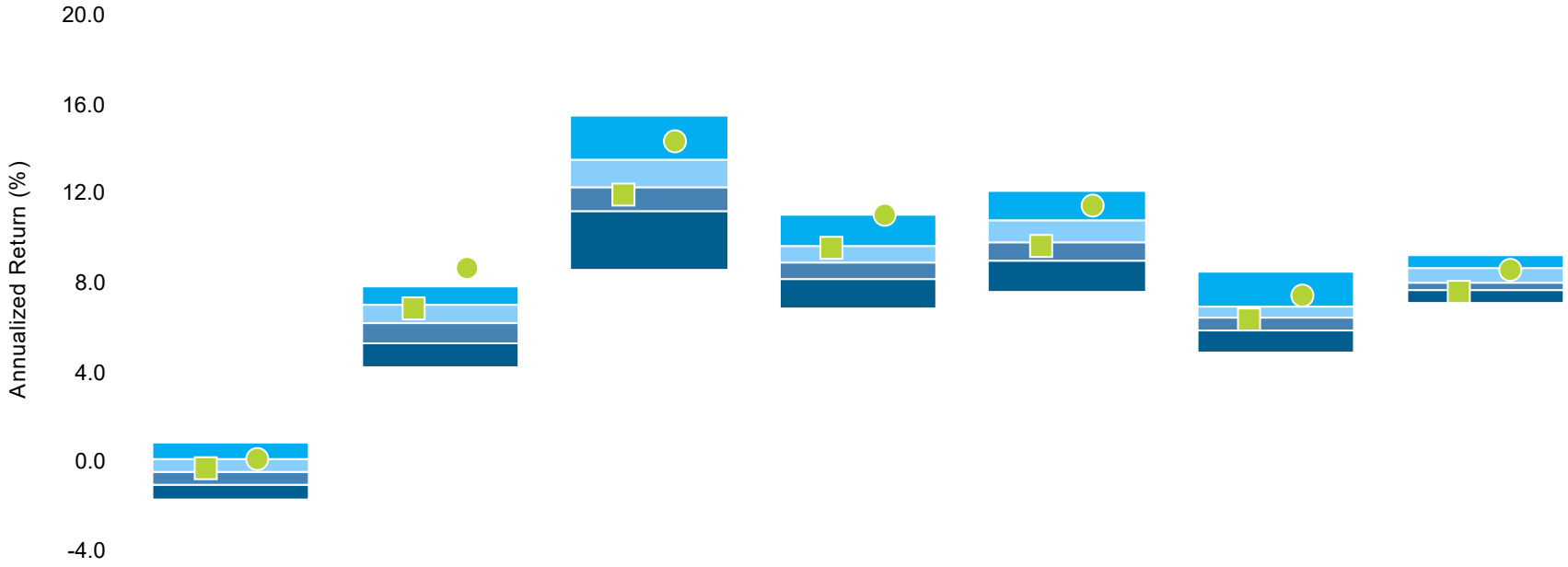
Attribution Effects
1 Year Ending March 31, 2026



Attribution Summary
1 Year Ending March 31, 2026

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effect (%)	Total Effect (%)
US Equity	17.4	18.1	-0.7	-0.2	-0.1	0.0	-0.3
International Equity	20.7	25.0	-4.3	-0.7	0.0	-0.1	-0.7
Defensive Fixed Income	4.0	3.4	0.5	0.1	0.0	0.0	0.1
Opportunistic Credit	6.9	6.7	0.1	0.0	0.0	0.0	0.0
Private Equity	12.7	19.8	-7.1	-0.5	0.0	-0.1	-0.5
Absolute Return	9.8	8.1	1.7	0.1	0.1	0.0	0.2
Real Estate	-1.1	4.0	-5.1	-0.5	0.2	0.1	-0.2
Private Real Assets	6.7	28.2	-21.4	-1.0	0.1	-0.2	-1.1
Public Real Assets	28.4	27.4	1.0	0.0	0.1	0.0	0.2
Cash Flow-Matched Liquidity	4.2	4.0	0.2	0.0	0.1	0.0	0.1
Cash & Cash Overlay	4.3	4.0	0.3	0.0	-0.1	0.0	-0.1
Total Fund	**11.9**	**14.3**	**-2.4**	**-2.6**	**0.4**	**-0.3**	**-2.4**

Trailing Period Return Summary vs. InvMetrics All Public DB > $1B

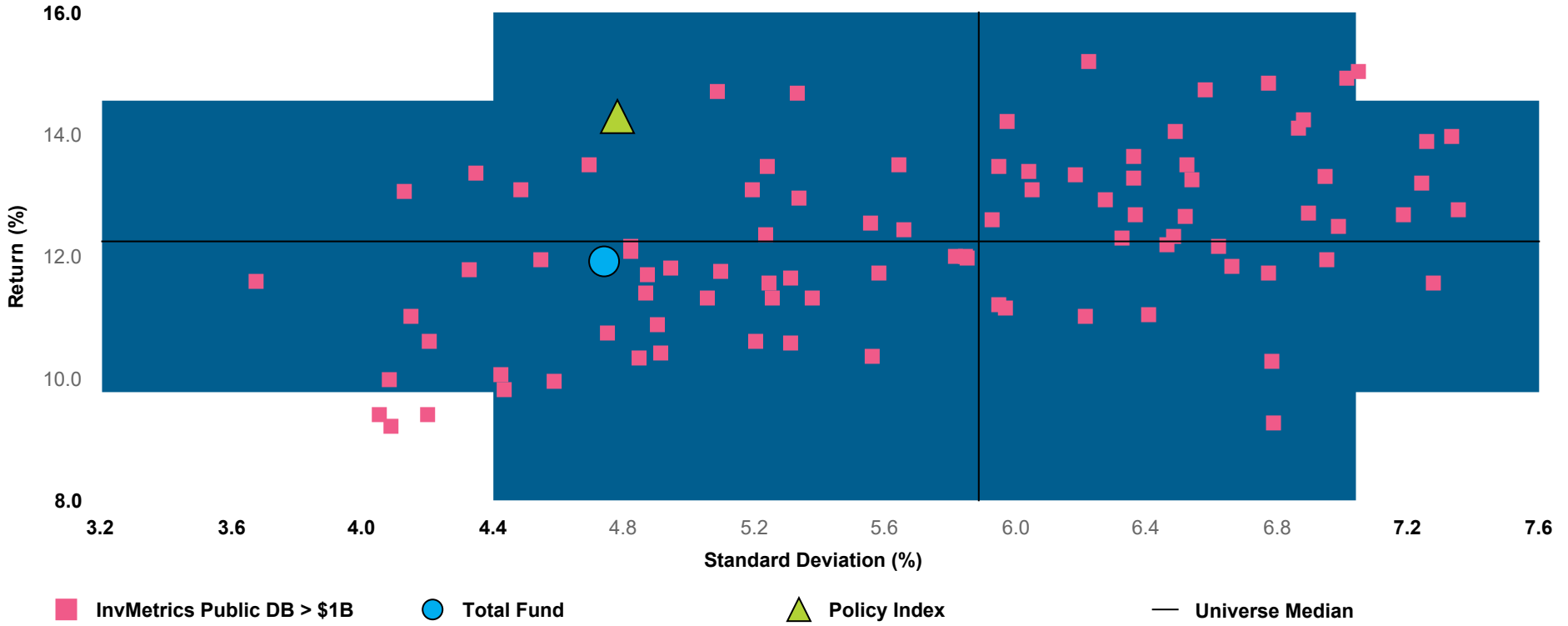


	QTD (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	-0.3 (48)	6.8 (29)	11.9 (59)	9.6 (27)	9.6 (53)	6.4 (52)	7.6 (79)
Policy Index	0.1 (25)	8.7 (2)	14.3 (14)	11.0 (6)	11.5 (14)	7.5 (14)	8.6 (27)
5th Percentile	0.9	7.8	15.5	11.0	12.1	8.5	9.2
1st Quartile	0.1	7.0	13.5	9.6	10.8	6.9	8.7
Median	-0.5	6.2	12.3	8.9	9.8	6.5	8.0
3rd Quartile	-1.0	5.3	11.2	8.2	8.9	5.8	7.7
95th Percentile	-1.7	4.2	8.6	6.9	7.6	4.9	7.1
Population	**106**	**106**	**106**	**106**	**105**	**101**	**96**

Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Total Fund Risk vs. Return | As of March 31, 2026

1 Year Ending March 31, 2026
vs. InvMetrics All Public DB >$1B

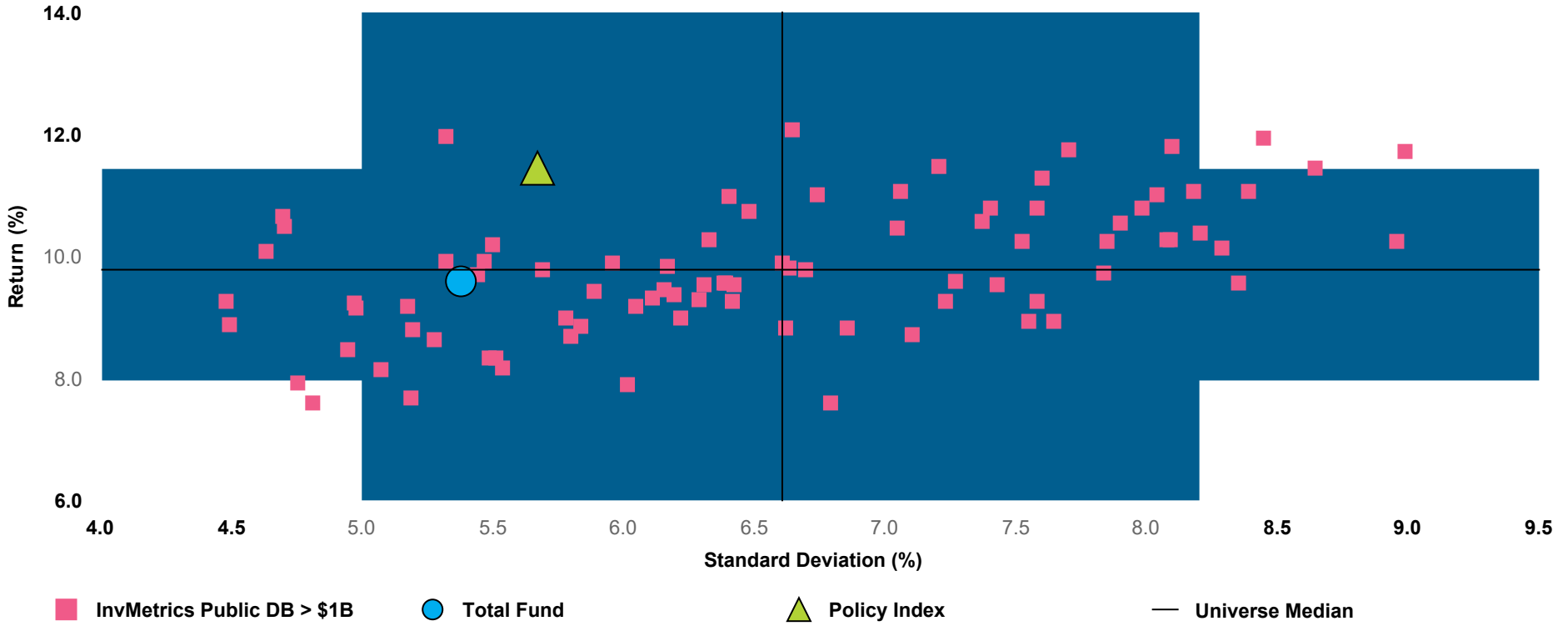


	1 Year Return	1 Year Standard Deviation	1 Year Sharpe Ratio	1 Year Information Ratio
Total Fund	11.9 (59)	4.7 (20)	1.6 (20)	-1.6 (69)
Policy Index	14.3 (14)	4.8 (21)	2.0 (3)	-
InvMetrics Public DB > $1B Median	12.3	5.9	1.4	-0.9
Population	**106**	**106**	**106**	**106**

Parentheses contain percentile rankings from 1-100, with 1 being the highest rank and 100 the lowest rank.

Total Fund Risk vs. Return | As of March 31, 2026

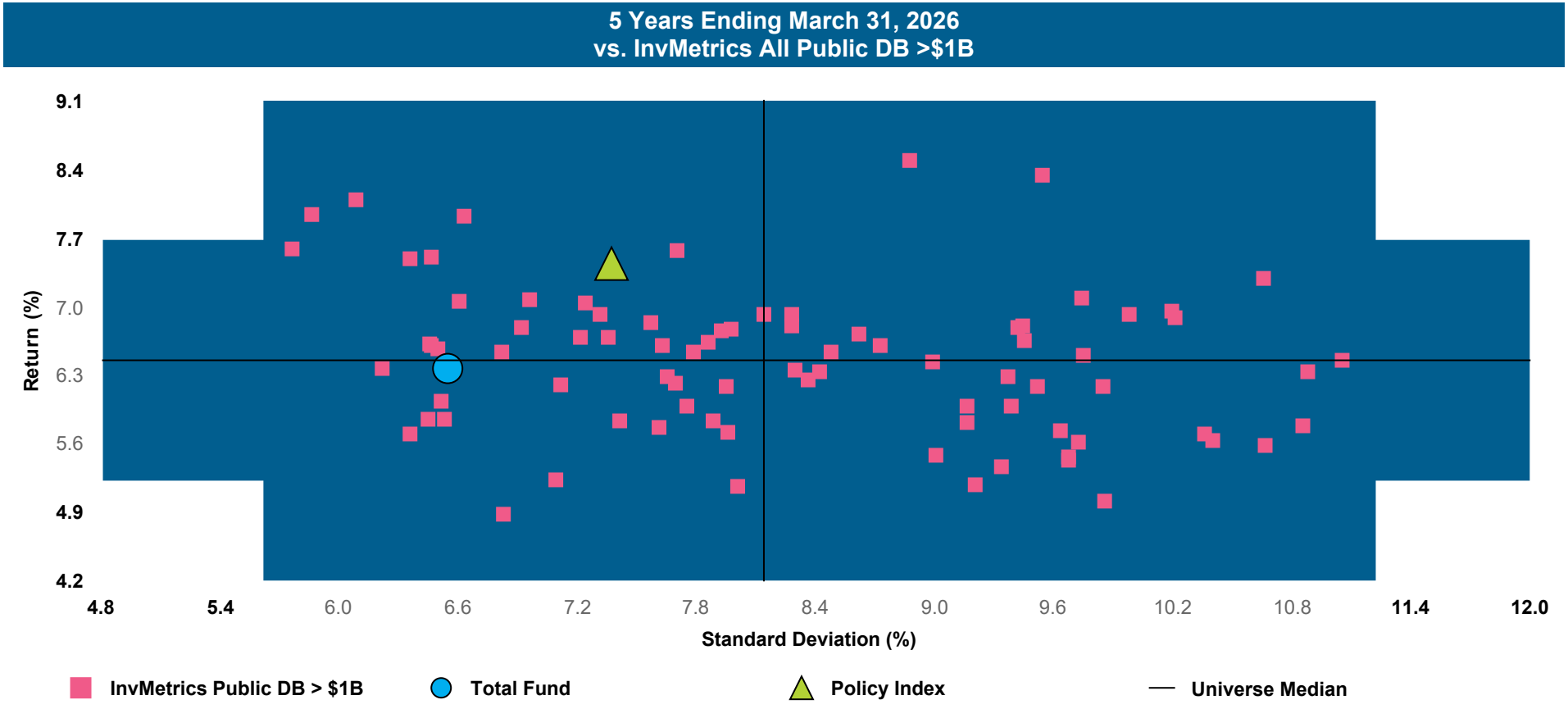
3 Years Ending March 31, 2026
vs. InvMetrics All Public DB >$1B



	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Information Ratio
Total Fund	9.6 (53)	5.4 (22)	0.9 (19)	-1.1 (70)
Policy Index	11.5 (14)	5.7 (28)	1.1 (3)	-
InvMetrics Public DB > $1B Median	9.8	6.6	0.7	-0.7
Population	**105**	**105**	**105**	**105**

Parentheses contain percentile rankings from 1-100, with 1 being the highest rank and 100 the lowest rank.

Total Fund Risk vs. Return | As of March 31, 2026



	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Information Ratio
Total Fund	6.4 (52)	6.5 (20)	0.5 (31)	-0.6 (82)
Policy Index	7.5 (14)	7.4 (32)	0.6 (16)	-
InvMetrics Public DB > $1B Median	6.5	8.1	0.4	-0.3
Population	**101**	**101**	**101**	**101**

Parentheses contain percentile rankings from 1-100, with 1 being the highest rank and 100 the lowest rank.

Risk Return Statistics	3 Yrs (%) Total Fund	5 Yrs (%) Total Fund
Return Summary Statistics		
Maximum Return	4.3	4.3
Minimum Return	-3.1	-4.6
Return	9.6	6.4
Excess Return	4.7	3.1
Excess Performance	-1.8	-1.1
Risk Summary Statistics		
Beta	0.9	0.9
Upside Risk	5.3	5.4
Downside Risk	2.8	4.1
Risk/Return Summary Statistics		
Standard Deviation	5.4	6.5
Sortino Ratio	1.4	0.7
Alpha	-0.7	0.0
Sharpe Ratio	0.9	0.5
Excess Risk	5.4	6.5
Tracking Error	1.6	1.9
Information Ratio	-1.1	-0.6
Correlation Statistics		
R-Squared	0.9	0.9
Actual Correlation	1.0	1.0

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 6.2

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer Michael R. Coultrip

SUBJECT: Preliminary Monthly Portfolio Performance Report for the Period Ended April 30, 2026

Recommendation
Accept the preliminary performance report dated April 30, 2026.

Background
The preliminary report is intended to provide a high-level view of the portfolio and its trends. It is not intended to provide short-term performance upon which the Board would act. The quarterly performance metrics are not yet available for our private equity, private credit, private real asset, and real estate portfolios. The performance for these portfolios will be reflected in the quarterly performance report generated by our investment consultant.

The fund's preliminary return for April was 4.3%, bringing the preliminary trailing twelve-month net return ending April to 16.7%. SamCERA's actuarial funded ratio (Actuarial Value Assets (AVA) / Actuarial Value Liabilities (AVL)) as of June 30, 2025 was 89.3%. The estimated market value as of the end of April was $7.916 billion, bringing the hybrid market value funded ratio (MVA/AVL) to just over 100%.

Discussion
Risk assets rallied in April as solid first quarter earnings (especially AI and technology-related) and a fragile cease fire in the Middle East turbo-charged investor sentiment as investors looked through higher energy prices and inflation, on-going geopolitical uncertainty, and higher interest rates.

The U.S. equity market (as measured by the S&P 500 Index) was up an impressive 10.5% (recovering all the first quarter's decline), while small-capitalization stocks were up 12.2%. Developed international equity (as measured by MSCI EAFE) was up 7.5%, while emerging markets were up 14.7%.

U.S. economic activity was resilient in April. Manufacturing remained in expansion territory for the fourth consecutive month, with the ISM Manufacturing PMI ending at 52.7 (a reading over 50 signals expansion). The headline labor market report was stronger than expected in April, gaining 115,000 jobs during the month, which was higher than expectations. The headline unemployment rate stayed at 4.3%. Inflation (as measured by the Consumer Price Index - All Urban Consumers)

increased 3.8% for the 12 months ending April, which was significantly higher than the 3.3% gain in March.

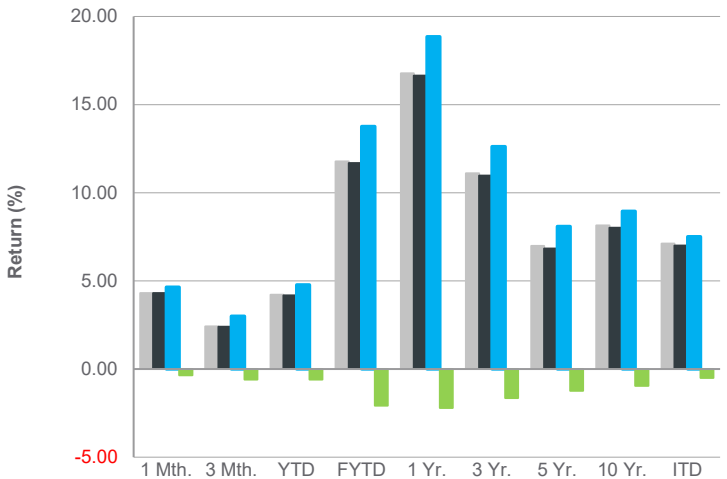
The general U.S. fixed income market was up a modest 0.1% in April as credit spreads narrowed whole interest rates increased across the board. The 10-year U.S. Treasury yield was 5 bps higher during the month and ended at 4.37%. Commodities were up 4.2% in April.

Attachments
Northern Trust Monthly Preliminary Performance Report
Meketa Capital Market Update

San Mateo County
Composite Return Summary
April 30,2026

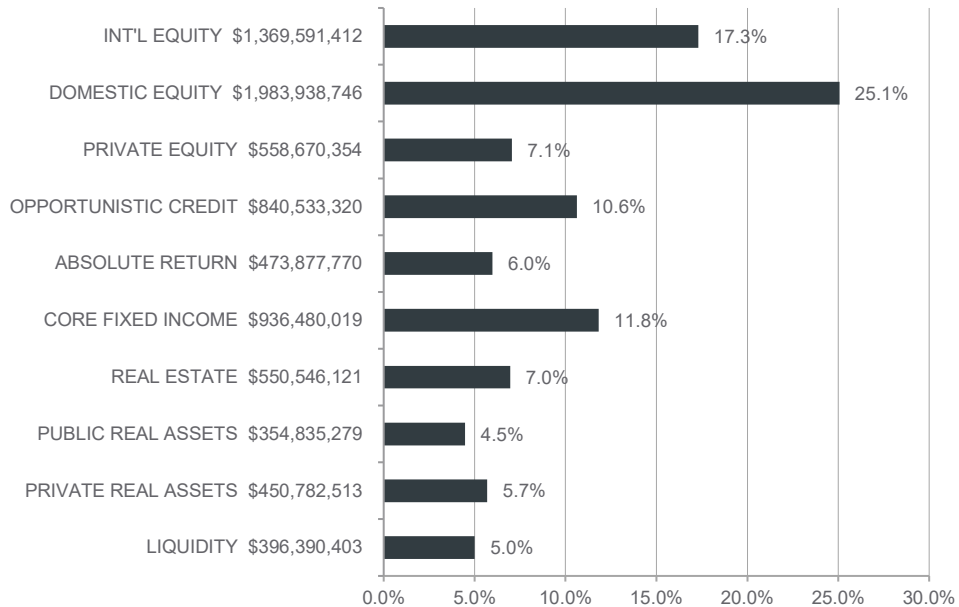
SamCERA

Total Fund Performance

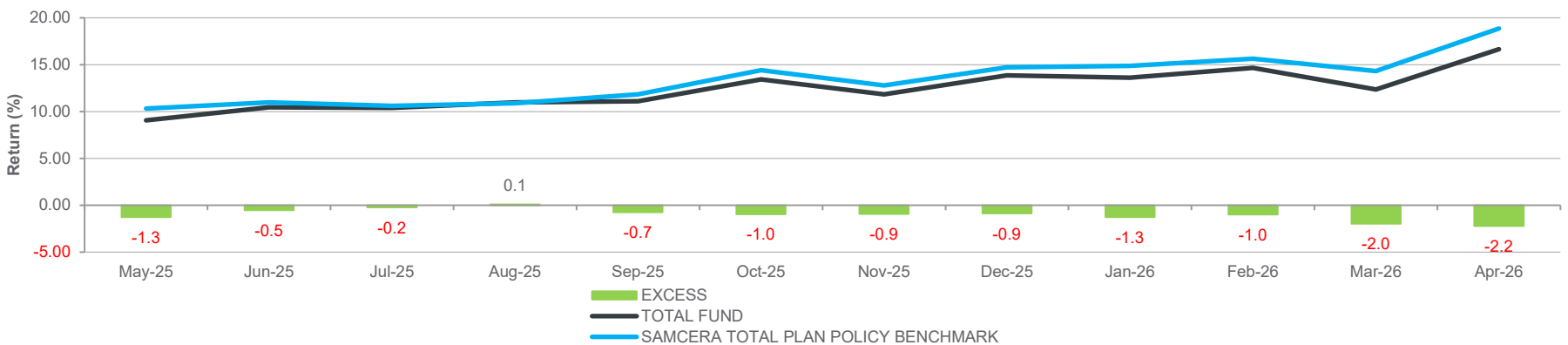


	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	ITD
TOTAL FUND - Gross	4.3	2.4	4.2	11.8	16.8	11.1	7.0	8.1	7.1
TOTAL FUND - Net	4.3	2.4	4.2	11.7	16.7	11.0	6.8	8.0	7.0
SAMCERA PLAN BENCHMARK	4.6	3.0	4.8	13.8	18.9	12.6	8.1	9.0	7.5
Excess (Net)	-0.3	-0.6	-0.6	-2.1	-2.2	-1.6	-1.2	-0.9	-0.5

Asset Allocation

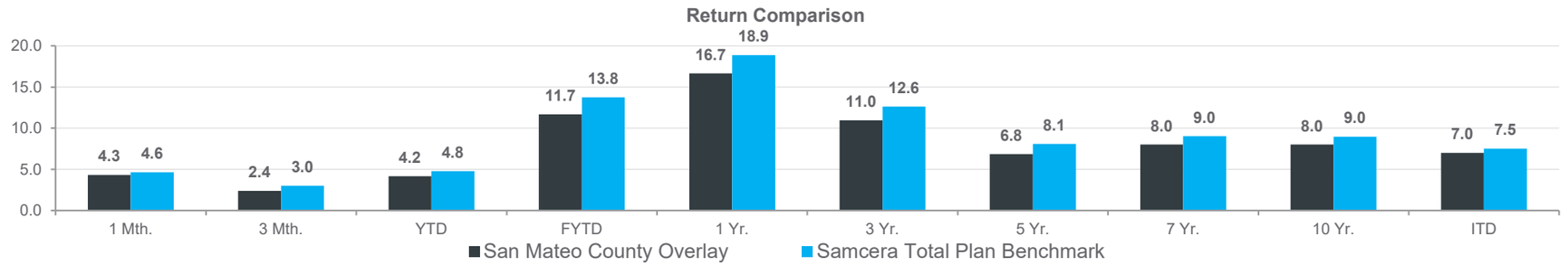


Rolling Month End Annual Returns



Northern Trust

San Mateo County
Composite Return Summary
April 30,2026



Composite Returns (Net of Manager Fees)	Market Value ($)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County Overlay	7,915,645,935	4.3	2.4	4.2	11.7	16.7	11.0	6.8	8.0	8.0	7.0
Samcera Total Plan Benchmark		4.6	3.0	4.8	13.8	18.9	12.6	8.1	9.0	9.0	7.5
Excess		-0.3	-0.6	-0.6	-2.1	-2.2	-1.6	-1.2	-1.0	-0.9	-0.5
San Mateo Ex-Clifton Overlay	7,897,689,213	4.3	2.4	4.2	11.7	16.6	10.9	6.8	8.0	7.9	6.9
Samcera Total Plan Benchmark		4.6	3.0	4.8	13.8	18.9	12.6	8.1	9.0	9.0	7.5
Excess		-0.4	-0.6	-0.6	-2.1	-2.3	-1.7	-1.3	-1.0	-1.0	-0.6
Growth	4,752,733,830	6.8	2.5	4.7	15.1	22.9	--	--	--	--	15.0
Samcera Growth Portfolio BM		7.2	3.3	5.9	17.9	25.8	--	--	--	--	18.0
Excess		-0.4	-0.8	-1.2	-2.8	-2.9	--	--	--	--	-3.0
Diversifying	1,410,357,789	0.1	1.5	2.2	5.8	7.1	--	--	--	--	5.5
SamCera Diversifying Port BM		0.2	0.5	0.7	4.1	4.9	--	--	--	--	4.9
Excess		-0.0	1.0	1.5	1.8	2.2	--	--	--	--	0.5
Inflation Hedge	1,356,163,913	1.6	3.4	5.4	8.8	10.2	4.5	6.2	4.7	5.2	5.4
SamCERA Inflation Hedge Index		2.2	5.1	6.3	13.8	16.2	5.5	7.9	7.0	6.8	--
Excess		-0.6	-1.6	-0.9	-5.0	-6.0	-1.0	-1.6	-2.4	-1.6	--
Liquidity	396,390,403	0.5	0.7	1.0	3.8	4.6	5.3	3.8	--	--	3.2
Liquidity Composite Benchmark		0.2	0.4	0.6	3.0	3.5	4.4	--	--	--	--
Excess		0.2	0.3	0.4	0.8	1.1	0.9	--	--	--	--

San Mateo County
Composite Return Summary
April 30,2026

SamCERA

Composite Returns (NET)	Market Value ($)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Public Equity	3,353,530,157	9.5	3.3	6.3	18.0	28.8	18.0	10.0	11.9	11.8	8.7
Samcera Total Equity BM		9.7	4.0	7.2	19.7	32.0	19.7	10.9	12.8	12.8	9.4
Excess		-0.2	-0.7	-0.8	-1.7	-3.3	-1.7	-0.9	-0.9	-1.1	-0.7
Domestic Equity	1,983,938,746	10.5	4.4	6.2	18.1	30.9	20.7	12.4	14.2	14.2	10.0
Samcera Dom. Equity Benchmark		10.2	4.2	5.8	17.2	31.0	21.3	11.9	14.8	14.8	10.4
Excess		0.3	0.2	0.3	0.9	-0.1	-0.6	0.5	-0.6	-0.6	-0.4
Large Cap Equity	1,815,651,005	10.3	4.0	5.3	16.9	29.4	20.6	12.5	14.3	14.4	10.6
Russell 1000		10.1	4.1	5.5	16.7	30.4	21.5	12.3	15.1	15.0	11.0
Excess		0.2	-0.1	-0.2	0.2	-1.0	-0.9	0.2	-0.8	-0.6	-0.4
Blackrock Russell 1000	1,429,458,070	10.1	4.1	5.5	16.7	30.4	21.5	12.3	15.2	--	15.0
Russell 1000		10.1	4.1	5.5	16.7	30.4	21.5	12.3	15.1	--	14.9
Excess		0.0	0.0	0.0	0.0	0.0	0.0	-0.0	0.1	--	0.1
DE Shaw Commingled Fund	386,192,935	11.1	3.5	4.4	17.7	32.4	25.7	14.4	16.4	15.8	14.3
Russell 1000		10.1	4.1	5.5	16.7	30.4	21.5	12.3	15.1	15.0	13.4
Excess		1.0	-0.5	-1.1	1.0	2.0	4.3	2.1	1.3	0.8	0.9
Panagora Defuseq -SL	0	--	--	--	--	--	--	--	--	--	--
Russell 1000		--	--	--	--	--	--	--	--	--	--
Excess		--	--	--	--	--	--	--	--	--	--
Small Cap Equity	165,471,648	12.5	9.6	16.2	32.7	46.8	19.9	10.1	11.1	10.5	7.5
Russell 2000		12.2	7.5	13.2	30.0	44.4	18.2	5.7	9.9	11.0	8.4
Excess		0.3	2.1	3.0	2.7	2.3	1.7	4.3	1.2	-0.5	-0.9
QMA US Small Cap	165,471,648	12.5	9.6	16.2	32.7	46.8	19.9	10.1	11.1	--	10.7
Russell 2000		12.2	7.5	13.2	30.0	44.4	18.2	5.7	9.9	--	10.3
Excess		0.3	2.1	3.0	2.7	2.3	1.7	4.3	1.2	--	0.4
Domestic Equity Overlay	2,816,093	10.5	7.2	21.8	15287.3	17749.5	517.6	279.8	--	--	265.5
ICE BofA 3 month US Trsy Bill		0.3	0.9	1.1	3.2	3.9	4.7	3.4	--	--	2.8
Excess		10.2	6.3	20.7	15284.1	17745.5	512.9	276.4	--	--	262.7
International Equity	1,369,591,412	8.1	1.8	6.6	17.9	25.9	15.1	7.3	9.3	8.9	6.4
SamCERA Custom Hedge Intl		9.0	3.4	9.0	23.3	33.3	18.1	9.8	10.5	9.8	6.3
Excess		-0.9	-1.6	-2.4	-5.3	-7.4	-3.0	-2.4	-1.3	-0.9	0.1

San Mateo County
Composite Return Summary
April 30,2026

SamCERA

Composite Returns (NET)	Market Value ($)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Developed Markets Equity	1,359,480,947	8.1	1.7	6.6	17.9	25.9	15.2	6.1	9.0	8.7	5.6
Dev Mrkts Equity Curr Hedge	6,415,027	--	--	--	--	--	--	--	--	--	--
Dev Mrkts Equity Ex Curr Hedge	1,365,895,973	8.8	1.8	7.1	18.4	26.8	15.2	6.1	9.0	8.7	5.6
MS AC WIdxUS IMI Nt		9.7	2.7	8.9	22.0	32.5	17.3	8.1	9.5	9.0	6.0
Excess		-0.9	-0.9	-1.8	-3.6	-5.7	-2.1	-2.0	-0.5	-0.3	-0.4
Baillie Gifford	288,149,234	10.0	-1.0	2.1	6.5	13.3	7.2	-1.4	5.3	6.5	6.6
MSCI ACWI ex USA Growth		11.2	1.6	7.3	16.4	27.3	14.1	5.0	8.7	8.9	--
Excess		-1.2	-2.6	-5.2	-9.9	-13.9	-6.8	-6.4	-3.4	-2.4	--
Blackrock MSCI ACWI ex US IMI	717,194,541	9.6	2.9	9.3	22.3	32.9	17.5	8.4	--	--	11.9
MS AC WIdxUS IMI Nt		9.7	2.7	8.9	22.0	32.5	17.3	8.1	--	--	11.7
Excess		-0.0	0.2	0.3	0.4	0.4	0.2	0.2	--	--	0.2
Mondrian Investment Partners	360,552,199	6.0	1.7	6.9	21.2	27.1	17.9	9.6	8.9	8.4	6.5
MSCI ACWI xUSA Value		8.4	4.1	10.8	29.3	38.7	22.1	12.9	11.2	10.2	7.1
Excess		-2.4	-2.4	-3.9	-8.1	-11.5	-4.2	-3.3	-2.3	-1.8	-0.6
Int'l Equity Overlay	10,110,465	7.3	8.2	8.3	18.3	27.9	--	--	--	--	--
ICE BofA 3 month US Trsy Bill		0.3	0.9	1.1	3.2	3.9	--	--	--	--	4.6
Excess		7.0	7.4	7.2	15.1	23.9	--	--	--	--	--
Private Equity	558,670,354	1.1	0.3	0.4	13.7	14.2	10.6	7.8	17.7	16.3	-2.9
Samcera PE Benchmark		1.8	2.5	5.0	27.3	18.3	23.1	16.6	18.6	17.3	16.9
Excess		-0.7	-2.3	-4.6	-13.6	-4.1	-12.5	-8.8	-0.9	-1.0	-19.8
Opportunistic Credit	840,533,320	0.6	0.9	1.4	5.4	8.0	8.4	4.8	5.3	6.1	7.4
Samcera Opp Credit Bench		1.2	0.7	1.1	5.1	7.8	8.5	4.4	5.3	5.5	6.4
Excess		-0.6	0.2	0.3	0.3	0.2	-0.2	0.4	0.1	0.6	1.0
Public Credit	594,380,190	0.7	0.4	1.2	5.6	8.6	--	--	--	--	8.9
BBG US Corp High Yield		1.7	0.7	1.2	5.1	8.8	--	--	--	--	9.1
Excess		-1.0	-0.2	-0.0	0.5	-0.3	--	--	--	--	-0.3
Beach Point Select Fund	128,080,781	1.4	-0.7	-0.7	0.5	3.8	8.4	5.7	7.8	7.9	7.7
BBG US Corp High Yield		1.7	0.7	1.2	5.1	8.8	8.9	4.4	5.1	5.9	5.4
Excess		-0.3	-1.4	-1.9	-4.6	-5.0	-0.5	1.3	2.7	2.0	2.3
Brigade Cap Mngmt	116,639,775	1.4	0.7	1.3	4.6	8.7	8.9	4.7	5.7	6.3	6.1
BBG US Corp High Yield		1.7	0.7	1.2	5.1	8.8	8.9	4.4	5.1	5.9	6.2
		-0.3	-0.0	0.1	-0.6	-0.1	0.0	0.4	0.6	0.4	-0.2

San Mateo County
Composite Return Summary
April 30,2026

SamCERA

Composite Returns (NET)	Market Value ($)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Diameter Dislocation III	9,577,859	2.3	1.7	3.7	8.3	11.5	--	--	--	--	10.6
BBG US Corp High Yield		1.7	0.7	1.2	5.1	8.8	--	--	--	--	8.1
Excess		0.6	1.0	2.5	3.2	2.7	--	--	--	--	2.5
Eaton Vance EM	77,683,835	-3.2	1.3	3.3	13.1	15.1	--	--	--	--	12.2
BBG US Corp High Yield		1.7	0.7	1.2	5.1	8.8	--	--	--	--	8.0
Excess		-4.9	0.6	2.1	8.0	6.2	--	--	--	--	4.2
Golden Tree Select PA	67,262,133	0.6	0.4	1.1	7.7	9.8	--	--	--	--	--
BBG US Corp High Yield		1.7	0.7	1.2	5.1	8.8	--	--	--	--	7.0
Excess		-1.1	-0.3	-0.1	2.6	0.9	--	--	--	--	--
One William Street	76,893,150	1.0	1.8	2.6	6.4	8.6	--	--	--	--	--
BBG US Corp High Yield		1.7	0.7	1.2	5.1	8.8	8.9	--	--	--	8.9
Excess		-0.7	1.1	1.4	1.3	-0.2	--	--	--	--	--
PIMCO Div. Income Fund	118,242,657	1.6	0.0	0.6	6.1	9.0	8.3	2.7	3.5	--	3.6
BBG US Corp High Yield		1.7	0.7	1.2	5.1	8.8	8.9	4.4	5.1	--	5.0
Excess		-0.1	-0.7	-0.5	1.0	0.1	-0.6	-1.6	-1.6	--	-1.4
Private Credit	246,153,129	0.2	2.0	2.0	4.9	6.7	--	--	--	--	6.7
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	8.6
Excess		0.5	1.3	1.0	-0.2	1.8	--	--	--	--	-1.9
AG CSF I	4,042,715	0.0	3.5	3.6	6.2	4.6	10.3	9.5	--	--	12.3
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	--
Excess		0.3	2.9	2.7	1.2	-0.3	--	--	--	--	--
AG CSF ADF II	1,325,405	0.0	19.6	19.6	2.0	-3.1	8.2	--	--	--	--
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	--
Excess		0.3	19.0	18.7	-3.0	-8.0	--	--	--	--	--
AG CSF II	22,468,439	0.0	4.5	4.5	10.4	11.5	15.3	--	--	--	9.1
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	--
Excess		0.3	3.9	3.6	5.4	6.6	--	--	--	--	--
Blackrock Direct Lending Feede	32,952,870	0.0	-0.8	-0.8	0.8	2.3	4.8	4.7	--	--	3.8
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	--
Excess		0.3	-1.4	-1.7	-4.2	-2.6	--	--	--	--	--

San Mateo County
Composite Return Summary
April 30,2026

Composite Returns (NET)	Market Value ($)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Comvest Credit Partners VII	37,659,350	-0.7	2.1	2.1	6.9	7.1	--	--	--	--	-0.0
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	--
Excess		-0.4	1.5	1.2	1.9	2.2	--	--	--	--	--
Pimco Private Income	49,681,677	0.0	1.5	1.5	5.7	8.0	7.9	6.8	7.2	--	7.1
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	--
Excess		0.3	0.9	0.6	0.7	3.1	--	--	--	--	--
TCP Direct Lending VIII	502,063	0.0	2.3	2.5	25.6	25.2	12.2	8.8	8.2	--	--
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	--
Excess		0.3	1.7	1.6	20.6	20.3	--	--	--	--	--
AG CSF III	8,080,805	0.3	-0.3	-0.3	-1.7	74.0	--	--	--	--	--
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	6.2
Excess		0.6	-0.9	-1.2	-6.7	69.0	--	--	--	--	--
400 Capital Mgmt Fund IV	28,167,858	2.6	5.4	5.4	11.5	16.6	--	--	--	--	--
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	6.0
Excess		2.9	4.8	4.5	6.5	11.7	--	--	--	--	--
White Oak Yield Spec	30,565,626	0.0	1.7	1.7	6.0	7.4	8.3	6.8	6.6	--	--
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	--
Excess		0.3	1.1	0.8	1.0	2.5	--	--	--	--	--
White Oak YSF V	30,706,321	0.0	0.6	0.6	0.6	0.6	1.4	1.1	--	--	1.1
Credit Suisse Lev Loan 1 QTR L		-0.3	0.6	0.9	5.0	4.9	--	--	--	--	--
Excess		0.3	-0.0	-0.3	-4.4	-4.3	--	--	--	--	--
Absolute Return	473,877,770	0.3	5.4	7.7	12.8	15.4	8.2	6.3	2.8	1.6	2.8
Samcera SOFR + 4%		0.6	1.9	2.5	6.7	8.2	8.9	7.6	6.8	6.4	5.7
Excess		-0.3	3.5	5.1	6.1	7.2	-0.7	-1.3	-4.1	-4.8	-2.9
CFM SYS Global Macro Fund	152,961,757	2.2	7.6	14.0	16.7	21.5	13.4	10.0	--	--	11.4
Samcera SOFR +4%		0.6	1.9	2.5	6.7	8.2	8.9	7.6	--	--	7.2
Excess		1.6	5.7	11.5	10.0	13.3	4.5	2.4	--	--	4.2
Graham Global Investment	106,795,637	-3.0	6.4	6.4	2.9	3.7	-0.4	1.9	--	--	2.4
Samcera SOFR +4%		0.6	1.9	2.5	6.7	8.2	8.9	7.6	--	--	6.9
Excess		-3.6	4.5	3.8	-3.8	-4.4	-9.3	-5.6	--	--	-4.5

San Mateo County
Composite Return Summary
April 30,2026

SamCERA

Composite Returns (NET)	Market Value ($)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
PIMCO MAARS Fund L.P.	141,117,135	-0.5	2.4	2.8	17.3	19.1	14.7	13.3	--	--	11.2
Samcera SOFR +4%		0.6	1.9	2.5	6.7	8.2	8.9	7.6	--	--	7.0
Excess		-1.1	0.5	0.2	10.6	11.0	5.9	5.8	--	--	4.2
Farallon Cap	73,003,241	3.1	2.7	2.9	9.3	--	--	--	--	--	--
Samcera SOFR + 4%		0.6	1.9	2.6	6.8	--	--	--	--	--	--
Excess		2.5	0.8	0.3	2.5	--	--	--	--	--	--
Core Fixed Income	936,480,019	0.0	-0.1	-0.0	3.0	3.7	3.3	0.0	1.5	1.9	4.2
BBG US Aggregate		0.1	-0.0	0.1	3.2	4.1	3.5	0.2	1.6	1.7	4.0
Excess		-0.1	-0.1	-0.1	-0.2	-0.3	-0.1	-0.2	-0.1	0.3	0.3
Core Fixed Income ex Overlay	925,838,683	0.0	-0.1	0.0	3.1	3.9	3.4	0.1	1.6	2.0	4.2
BBG US Aggregate		0.1	-0.0	0.1	3.2	4.1	3.5	0.2	1.6	1.7	4.0
Excess		-0.1	-0.1	-0.0	-0.1	-0.2	-0.0	-0.1	0.0	0.3	0.3
DoubleLine	309,608,764	0.1	-0.1	0.3	3.6	4.5	4.3	0.5	--	--	1.0
BBG US Aggregate		0.1	-0.0	0.1	3.2	4.1	3.5	0.2	--	--	0.3
Excess		-0.0	-0.0	0.2	0.4	0.5	0.8	0.3	--	--	0.7
FIAM B Core Bond	203,532,152	0.2	0.1	0.2	3.4	4.4	3.8	0.5	2.2	2.3	2.6
BBG US Aggregate		0.1	-0.0	0.1	3.2	4.1	3.5	0.2	1.6	1.7	1.8
Excess		0.1	0.2	0.1	0.2	0.4	0.3	0.3	0.7	0.7	0.8
NISA Core Bond	308,806,299	0.1	-0.1	0.0	3.2	3.9	3.5	0.4	--	--	0.4
BBG US Aggregate		0.1	-0.0	0.1	3.2	4.1	3.5	0.2	--	--	0.1
Excess		-0.0	-0.0	-0.0	-0.0	-0.1	0.1	0.2	--	--	0.3
NISA Long Treasury	103,891,468	-0.7	-0.6	-1.1	1.3	0.9	--	--	--	--	-1.0
Bloomberg US Long Tsy		-0.7	-0.6	-1.1	1.3	0.9	--	--	--	--	-1.1
Excess		-0.0	-0.0	-0.0	-0.0	0.0	--	--	--	--	0.1
Core Fixed Income Overlay	10,641,336	-0.4	-0.9	-1.3	-0.7	1.0	0.2	--	--	--	--
ICE BofA 3 month US Trsy Bill		0.3	0.9	1.1	3.2	3.9	4.7	3.4	--	--	2.8
Excess		-0.7	-1.8	-2.4	-3.9	-2.9	-4.5	--	--	--	--
Real Estate	550,546,121	0.9	1.8	1.4	-1.9	-1.7	-3.8	1.4	2.0	3.9	4.0
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	-2.0	3.2	3.3	4.7	4.7
Excess		0.9	0.5	0.1	-4.8	-5.7	-1.8	-1.8	-1.3	-0.8	-0.7

San Mateo County
Composite Return Summary
April 30,2026

SamCERA

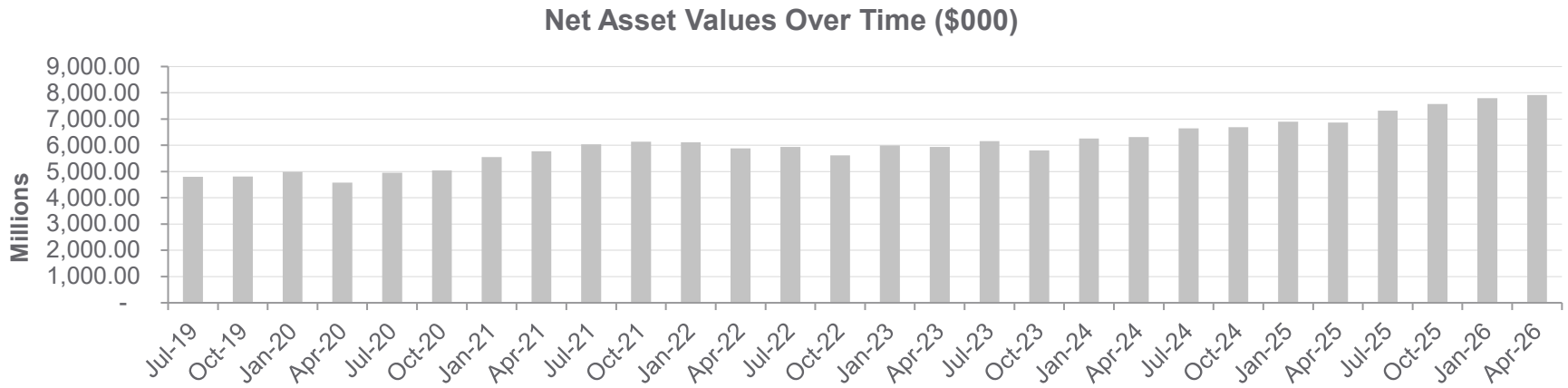
Composite Returns (NET)	Market Value ($)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Beach Point Cap	20,315,988	-0.0	3.0	5.4	10.9	10.9	--	--	--	--	11.9
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	--	--	--	--	3.9
Excess		-0.0	1.8	4.1	8.0	7.0	--	--	--	--	8.0
Harrison Street Core Property	104,360,717	-0.3	-0.3	0.7	2.3	2.3	-0.7	2.8	--	--	2.9
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	-2.0	3.2	--	--	3.1
Excess		-0.3	-1.6	-0.6	-0.6	-1.7	1.3	-0.4	--	--	-0.1
Invesco Core Real Estate	262,024,840	1.7	2.2	1.7	-6.4	-6.3	-7.2	-0.4	0.3	2.7	5.4
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	-2.0	3.2	3.3	4.7	6.4
Excess		1.7	0.9	0.4	-9.3	-10.2	-5.2	-3.7	-3.0	-2.0	-1.0
Invesco US Val IV	1,331	0.0	-8.9	-8.9	-10.3	-10.3	-25.3	-28.3	-19.7	-11.5	-10.2
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	-2.0	3.2	3.3	4.7	5.1
Excess		0.0	-10.1	-10.1	-13.2	-14.2	-23.3	-31.5	-23.0	-16.2	-15.2
Invesco US VAL V	20,667,827	1.4	1.4	-10.3	-12.4	-12.4	-14.0	-5.6	-1.1	--	-1.7
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	-2.0	3.2	3.3	--	--
Excess		1.4	0.2	-11.5	-15.3	-16.3	-12.0	-8.9	-4.4	--	--
Invesco Value-Add Fund	28,422,682	0.0	5.3	5.3	6.2	3.3	-4.3	--	--	--	-3.0
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	-2.0	--	--	--	-3.7
Excess		0.0	4.1	4.1	3.3	-0.6	-2.3	--	--	--	0.7
PGIM Real Estate US Debt Fund	71,755,616	0.0	1.7	2.1	5.4	7.3	6.8	6.4	6.1	--	5.8
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	-2.0	3.2	3.3	--	4.2
Excess		0.0	0.4	0.9	2.5	3.3	8.8	3.2	2.8	--	1.6
Stockbridge VAL FD V	17,594,190	3.9	4.7	4.7	8.0	9.2	--	--	--	--	-0.6
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	-2.0	3.2	3.3	--	4.2
Excess		3.9	3.4	3.4	5.1	5.2	--	--	--	--	-4.8
Stockbridge Value IV	25,402,929	0.3	0.4	0.4	-4.3	-4.0	-4.8	1.2	--	--	1.2
Samcera NCREIF ODCE (gross)		0.0	1.2	1.2	2.9	4.0	-2.0	3.2	--	--	3.2
Excess		0.3	-0.9	-0.9	-7.2	-8.0	-2.8	-2.0	--	--	-2.0
Public Real Assets	354,835,279	2.7	9.0	16.2	27.5	33.3	13.1	10.5	6.5	--	--
SamCera Liquid Real Asset Inde		2.1	7.7	15.2	26.0	31.4	12.7	10.1	8.5	7.6	8.3
Excess		0.5	1.3	1.0	1.5	1.9	0.4	0.4	-1.9	--	--

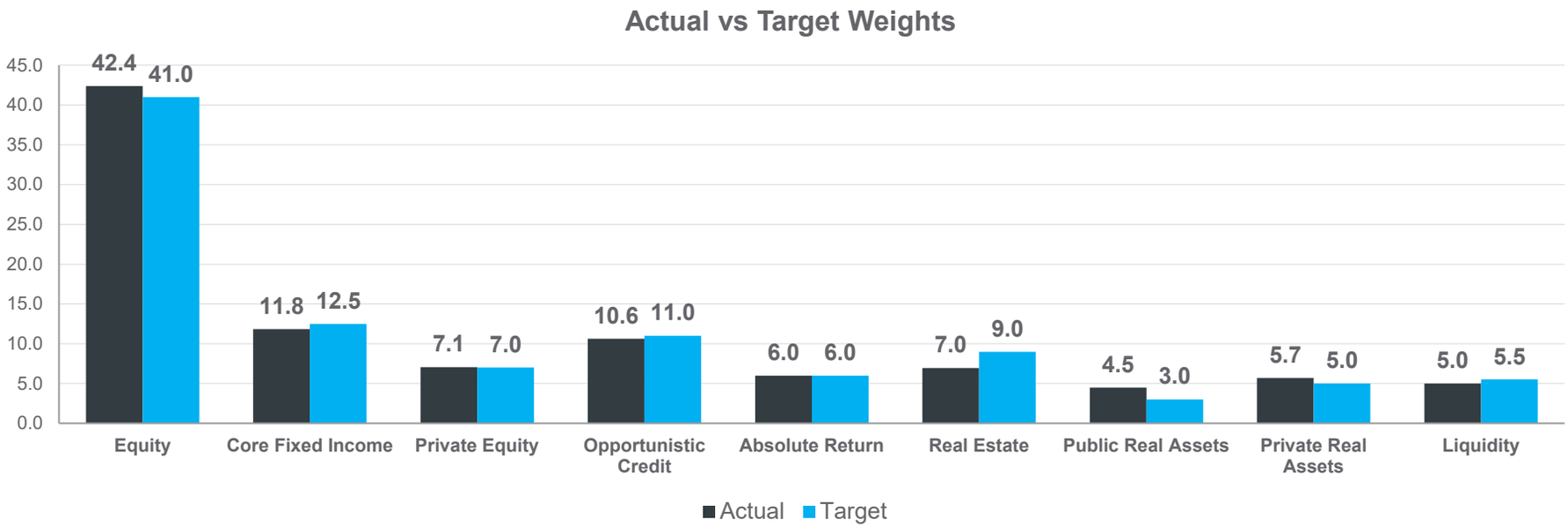
San Mateo County
Composite Return Summary
April 30,2026

Composite Returns (NET)	Market Value ($)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
SSGA CST Real Assets NL	354,835,279	2.7	9.0	16.2	27.5	33.3	13.1	10.5	8.7	--	--
SamCera Liquid Real Asset Inde		2.1	7.7	15.2	26.0	31.4	12.7	10.1	8.5	--	7.8
Excess		0.5	1.3	1.0	1.5	1.9	0.4	0.4	0.2	--	--
Private Real Assets	450,782,513	1.5	1.4	2.9	10.3	10.4	10.2	11.1	9.9	8.5	9.9
SamCERA Private Real Asset Idx		6.1	10.5	10.3	27.9	31.3	14.7	14.6	11.7	12.9	12.4
Excess		-4.5	-9.1	-7.4	-17.6	-20.9	-4.5	-3.4	-1.8	-4.4	-2.5
Liquidity	396,390,403	0.5	0.7	1.0	3.8	4.6	5.3	3.8	--	--	3.2
Liquidity Composite Benchmark		0.2	0.4	0.6	3.0	3.5	4.4	--	--	--	--
Excess		0.2	0.3	0.4	0.8	1.1	0.9	--	--	--	--
Cash Flow - Match Liquidity	327,215,588	0.5	0.5	0.8	3.2	3.9	4.7	--	--	--	4.3
BBG US Agg Govt Credit 1-3		0.2	0.3	0.5	2.9	3.4	4.3	--	--	--	3.7
Excess		0.3	0.2	0.3	0.3	0.4	0.4	--	--	--	0.6
County Treasury Pool	13,883,074	2.3	2.3	2.6	4.8	4.8	4.3	3.4	2.9	2.4	2.7
91 Day T-Bill		0.3	0.9	1.1	3.2	3.9	4.7	3.4	2.7	2.3	--
Excess		2.0	1.4	1.5	1.6	0.9	-0.4	0.0	0.2	0.2	--
Insight Investment	313,332,513	0.3	0.4	0.7	3.1	3.8	4.8	--	--	--	4.1
BBG US Credit 1-3 Yrs		0.3	0.3	0.7	3.3	4.2	5.0	--	--	--	4.4
Excess		-0.0	0.0	0.0	-0.2	-0.4	-0.2	--	--	--	-0.2
Cash & Cash Overlay	92,742,709	0.3	0.9	1.2	3.4	4.2	4.9	--	--	--	--
91 Day T-Bill		0.3	0.9	1.1	3.2	3.9	4.7	3.4	2.7	2.3	--
Excess		0.0	0.1	0.1	0.2	0.2	0.2	--	--	--	--
Cash Overlay	17,956,721	0.3	0.9	1.3	3.5	4.3	4.8	3.2	--	--	2.7
ICE BofA 3 month US Trsy Bill		0.3	0.9	1.1	3.2	3.9	4.7	3.4	--	--	2.8
Excess		0.0	0.1	0.1	0.3	0.4	0.1	-0.2	--	--	-0.1
General Account	74,785,164	0.3	0.9	1.2	3.4	4.2	4.9	3.6	2.8	2.4	2.2
Transition Account	823	--	--	--	--	--	--	--	--	--	--
Futures Offsets	23,567,893	0.1	0.1	0.0	0.0	0.0	0.1	-0.0	--	--	0.0
ICE BofA 3 month US Trsy Bill		0.3	0.9	1.1	3.2	3.9	4.7	3.4	--	--	2.8
Excess		-0.2	-0.8	-1.1	-3.2	-3.9	-4.7	-3.4	--	--	-2.8

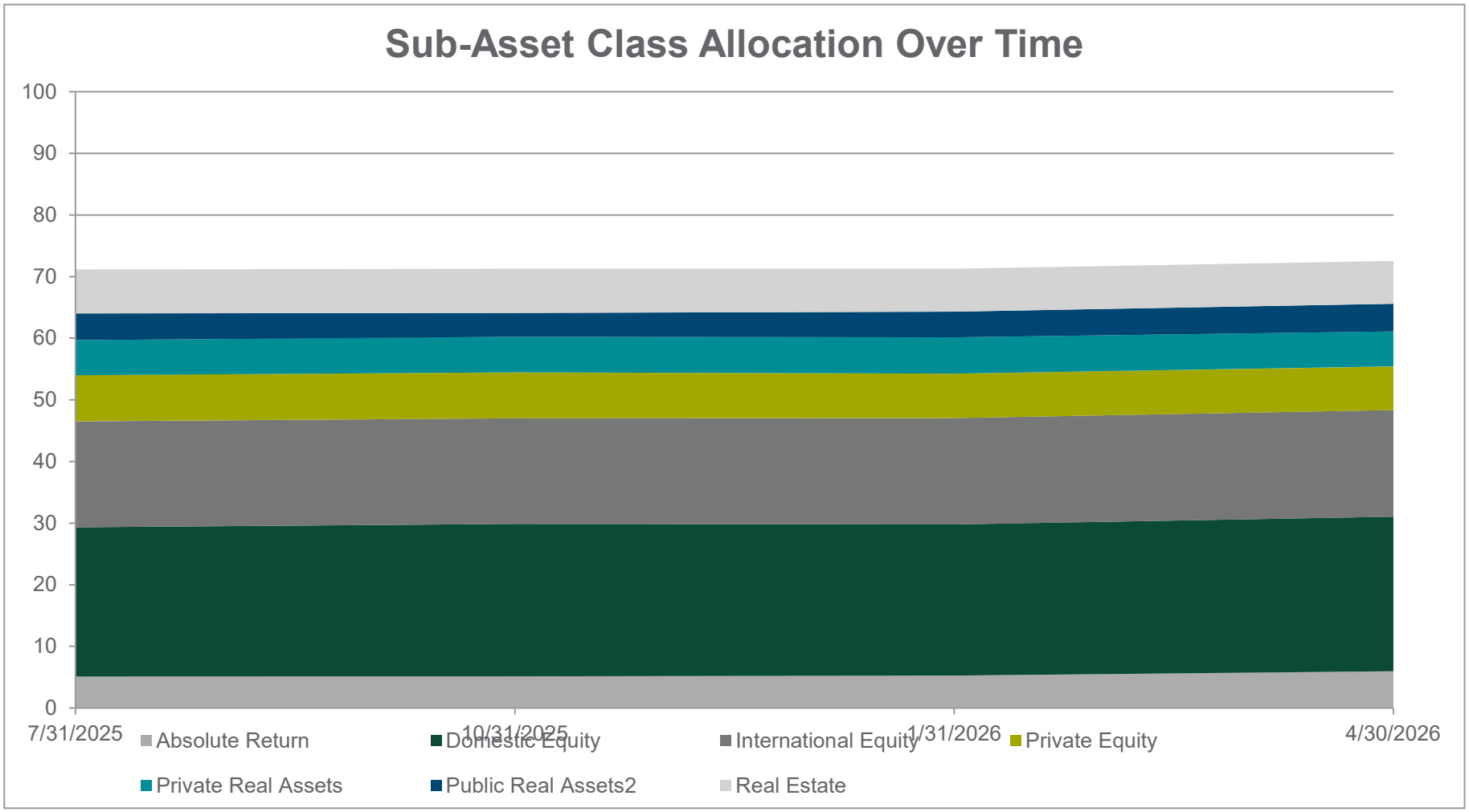
Record of Asset Growth

	Three Months	One Year
TOTAL FUND		
Beginning Market Value	7,800,239,279	6,862,632,085
Contributions	21,873,082	278,684,712
Withdrawals	-94,193,194	-376,137,167
Income Received	37,868,998	142,727,550
Gain/Loss	150,191,080	1,009,036,295
Ending Market Value	7,915,645,935	7,915,645,935





	Min	Actual	Target	Deviation	Max
Equity	38.0	42.4	41.0	1.4	44.0
Core Fixed Income	10.5	11.8	12.5	-0.7	14.5
Private Equity	5.0	7.1	7.0	0.1	9.0
Opportunistic Credit	9.0	10.6	11.0	-0.4	13.0
Absolute Return	4.0	6.0	6.0	0.0	8.0
Real Estate	7.0	7.0	9.0	-2.0	11.0
Public Real Assets	1.0	4.5	3.0	1.5	5.0
Private Real Assets	3.0	5.7	5.0	0.7	7.0
Liquidity		5.0	5.5	-0.5	


Sub-Asset Class Allocation Over Time
100
90
80
70
60
50
40
30
20
10
0
7/31/2025
10/31/2025
1/31/2026
4/30/2026
Absolute Return
Domestic Equity
International Equity
Private Equity
Private Real Assets
Public Real Assets2
Real Estate

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MEKETA

Economic and Market Update

April 2026 Report

Commentary

Strong first-quarter earnings from technology companies reignited enthusiasm for AI-linked growth stocks in April, driving a sharp global equity rebound, even as inflation accelerated to its highest level since May 2023 and the Federal Reserve signaled rates would remain on hold.

→ US equities (Russell 3000) surged 10.2% in April, recovering all the first-quarter decline and posting the broad market's strongest monthly gain in several years. Growth stocks reasserted leadership as Q1 earnings from some mega-cap technology companies demonstrated that AI investment is increasingly flowing through to revenue though surging capex guidance tempered enthusiasm around return timelines.

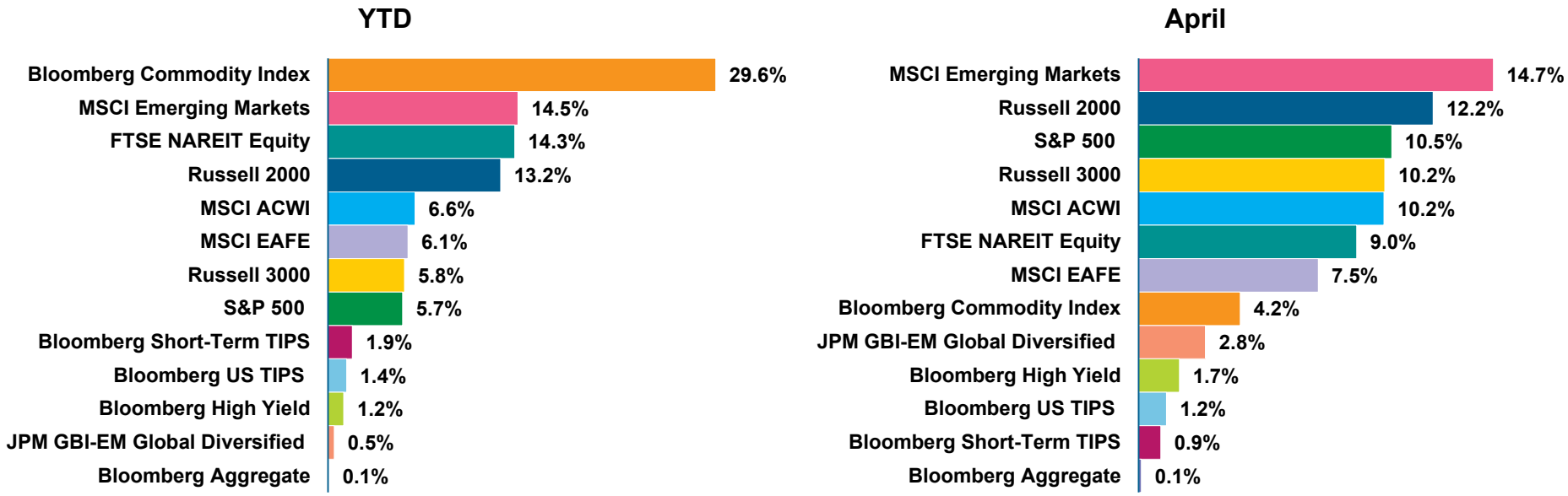
→ Emerging markets lead the global rally in April. A weaker US dollar, continued semiconductor and hardware demand across parts of Asia, and a broad improvement in risk appetite drove gains across regions, even as elevated energy prices continued to weigh on net oil importers.

- Non-US developed stocks (MSCI EAFE) rose 7.5% in April.
- Emerging markets (MSCI Emerging Markets) gained 14.7% in April. South Korea and Taiwan were among the strongest performers, while China lagged the broader rebound.

→ Fixed income returns were mixed in April as yields edged higher and inflation surprised to the upside. Inflation-protected securities and higher-yielding credit outperformed, while long-duration Treasuries declined modestly. The persistent energy price shock kept upward pressure on nominal yields and eliminated any remaining market expectations for Federal Reserve rate cuts in 2026.

→ Looking ahead, markets will be focused on how the trajectory of energy prices and the duration of the Middle East conflict feed into the inflation outlook, whether the Federal Reserve's increasingly divided committee signals any shift from its extended hold, and whether corporate earnings growth can sustain the equity rally amid rising input costs and softening consumer purchasing power.

Index Returns[1]



- In April, equities led performance across all asset classes globally, with emerging markets and US small cap (Russell 2000) stocks posting the strongest results. The return of risk appetite following strong first-quarter corporate earnings, a fragile ceasefire in the Middle East, and a weaker US dollar, were the primary catalysts for the broad rebound.
- Bonds lagged in April as high energy prices and above expectation inflation caused yields to rise across the curve and erased expectations for the Fed to lower rates.

[1] Source: Bloomberg. Data is as of April 30, 2026.

Domestic Equity Returns[1]

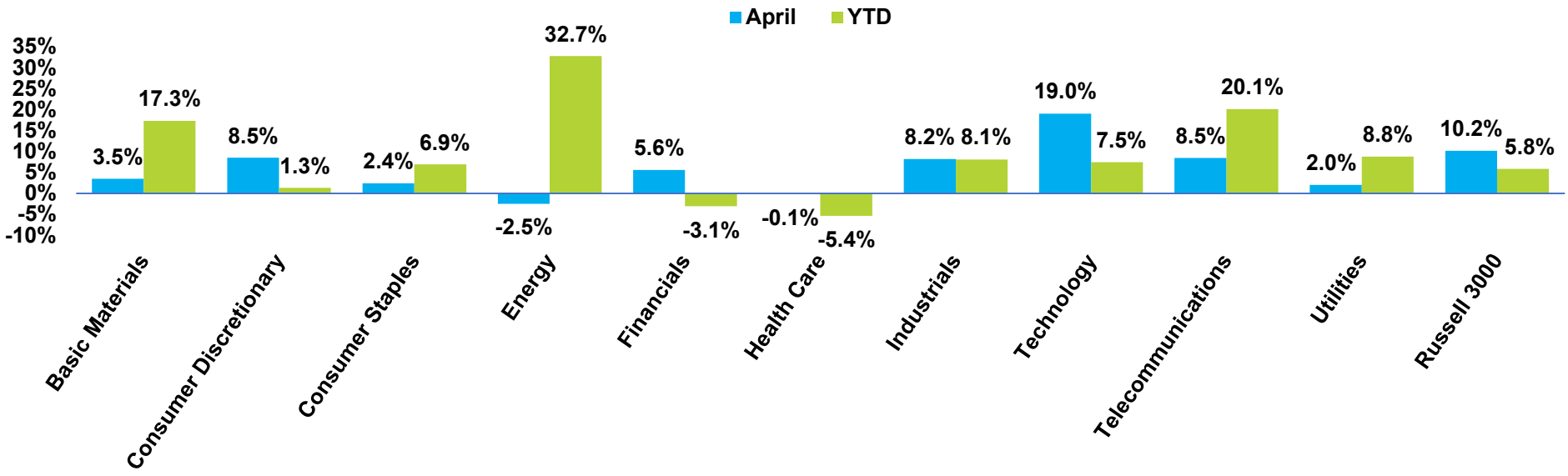
Domestic Equity	April (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
S&P 500	10.5	5.7	31.1	21.6	13.1	15.2
Russell 3000	10.2	5.8	31.0	21.2	11.9	14.7
Russell 1000	10.1	5.5	30.4	21.4	12.3	15.0
Russell 1000 Growth	11.9	1.0	30.6	25.3	13.8	18.2
Russell 1000 Value	8.2	10.4	29.3	16.7	10.3	11.2
Russell MidCap	7.3	8.7	25.8	16.2	7.7	11.6
Russell MidCap Growth	6.5	-0.3	12.9	15.6	5.5	12.4
Russell MidCap Value	7.6	11.5	29.8	15.9	8.5	10.3
Russell 2000	12.2	13.2	44.4	18.1	5.7	11.0
Russell 2000 Growth	14.7	11.5	42.6	17.9	4.0	11.2
Russell 2000 Value	9.7	15.1	46.3	18.3	7.3	10.4

US Equities: The Russell 3000 index rose 10.2% in April, bringing the year-to-date return to 5.8%.

- → Growth stocks resumed leadership in April for the first time in several months in large and small cap. The Russell 1000 Growth Index gained 11.9% versus an 8.2% advance for the Russell 1000 Value Index, as strong AI-related earnings from mega-cap technology companies revived enthusiasm for these companies after a prolonged period of underperformance. Small caps had the strongest results, with the Russell 2000 rising 12.2%, as the ceasefire-driven pullback in oil prices disproportionately relieved cost pressures on domestically focused firms.
- → Several members of the “Magnificent Seven” posted sharp rebounds (Google +33.2%, Amazon +27.3%, NVIDIA +14.4%) in April, contributing positively to index performance given their significant weight. First-quarter earnings from Microsoft, Alphabet, and Amazon broadly exceeded expectations, helping to reassure investors about the return on AI infrastructure investment.

[1] Source: Bloomberg. Data is as of April 30, 2026.

Russell 3000 Sector Returns[1]



Sector results were broadly positive in April with technology significantly leading gains. Strong first-quarter earnings and renewed AI optimism drove a sharp reversal of the first quarter's rotation into defensive and energy-sensitive names.

- → Technology's strong rebound in April from first-quarter weakness was driven by large cloud and AI earnings exceeding expectations, reinforcing confidence in the AI capex cycle. Telecommunications and consumer discretionary also advanced, signaling improved risk appetite and renewed momentum in growth segments.
- → Energy retraced part of its first-quarter surge as oil prices stabilized and price gains slowed, while healthcare showed continued weakness on drug pricing policy uncertainty, research cuts, and the ACA subsidy expiration. Utilities and consumer staples lagged as the earlier defensive rotation unwound and investors moved back into cyclical and growth names.

[1] Source: Bloomberg. Data is as of April 30, 2026.

Foreign Equity Returns[1]

Foreign Equity	April (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
MSCI ACWI Ex US	9.7	8.9	32.2	17.3	8.4	9.1
MSCI EAFE	7.5	6.1	24.6	15.3	8.8	8.8
MSCI EAFE (Local Currency)	5.1	5.2	23.4	14.2	10.7	9.7
MSCI EAFE Small Cap	8.9	7.6	29.3	15.1	5.4	8.1
MSCI Emerging Markets	14.7	14.5	46.7	20.6	6.0	9.2
MSCI Emerging Markets (Local Currency)	13.3	15.7	48.2	22.3	8.5	10.9
MSCI EM ex China	18.5	22.2	61.2	25.0	11.1	11.0
MSCI China	3.6	-5.6	12.4	9.7	-4.5	5.5

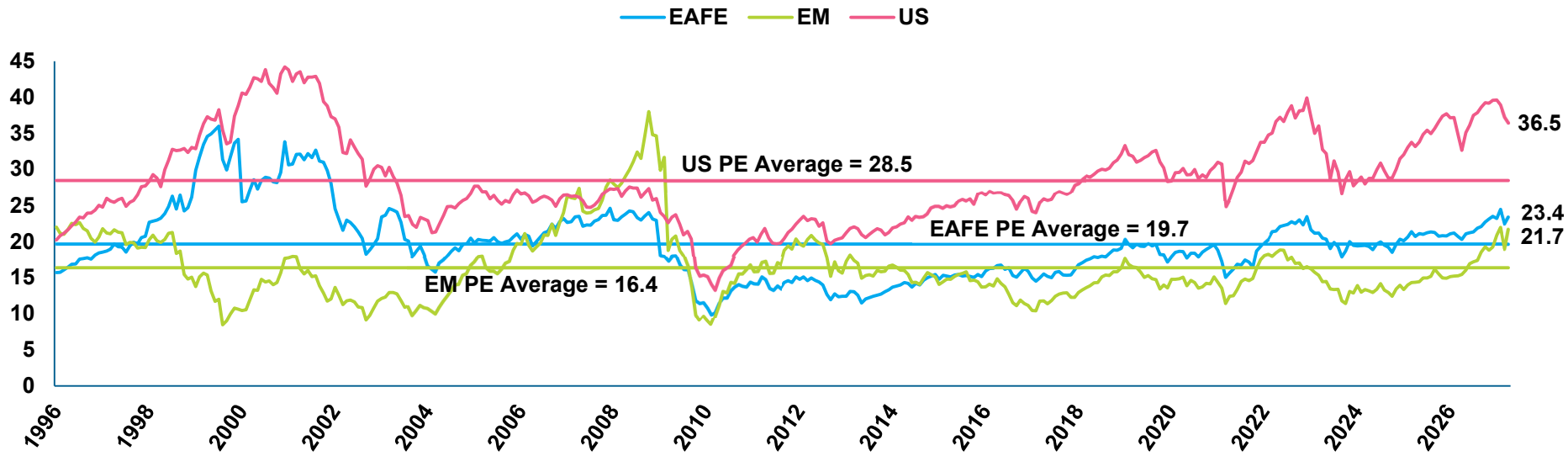
Developed international equities (MSCI EAFE) returned 7.5% in April and emerging markets equities (MSCI Emerging Markets) rose 14.7%.

→ Developed market equities rose in April, supported by improved risk sentiment and a weaker US dollar, which boosted returns by 2.4% for the month for dollar-based investors. Europe benefited from the US/Iran ceasefire as did Japan. Resilient earnings and AI-driven semiconductor demand also drove Japan's strong results as well as firmer interest rate expectations.

→ Emerging markets outperformed their developed market peers, led by South Korea and Taiwan on strong tech demand. China lagged, with the 3.6% April return for the MSCI China Index not enough to offset year to date declines. Entrenched deflation, a still-deteriorating property sector, US tariffs, and growing energy supply risk from the Iran conflict have all weighed on China equities this year.

[1] Source: Bloomberg. Data is as of April 30, 2026.

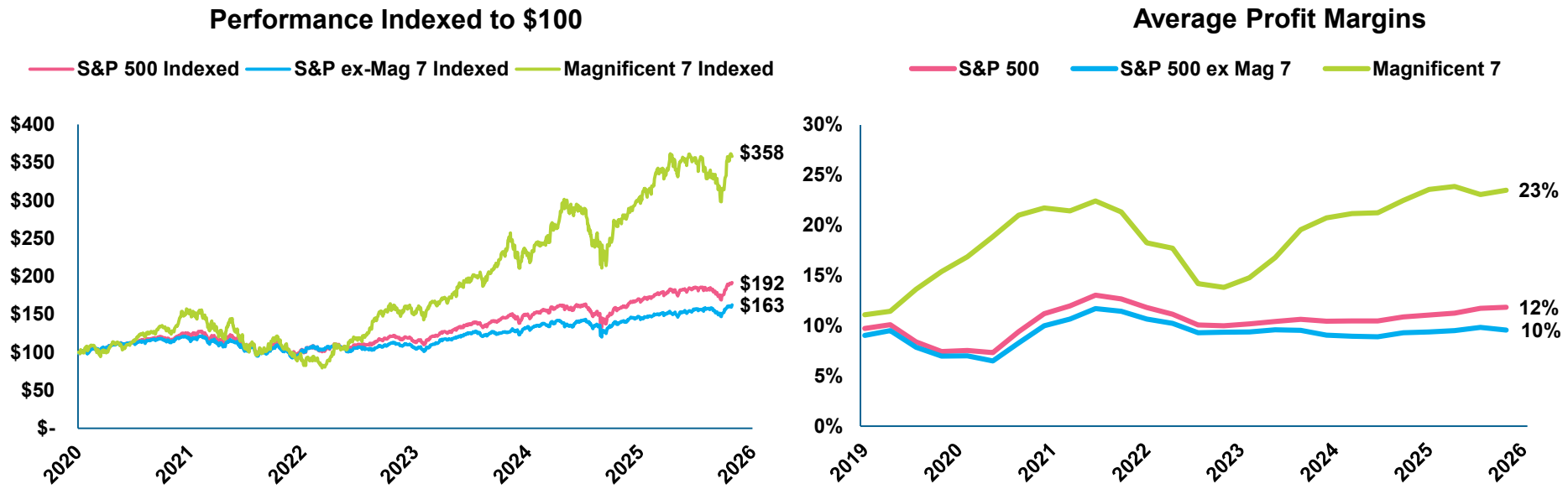
Equity Cyclically Adjusted P/E Ratios[1]



- → Cyclically adjusted US equity valuations fell marginally in April despite strong returns as trailing earnings grew at a faster pace than prices and weaker previous earnings dropped out of the calculation. The US valuation level of 36.5 remains well above its long-run average of 28.5.
- → Non-US developed market valuations (EAFE) rose modestly during April's strong performance, reaching 23.4 versus a long-run average of 19.7. Despite continuing to trade above historical norms valuations remain considerably cheaper relative to the US.
- → Emerging market valuations increased the most in April (19.0 to 21.7), with the EM CAPE moving further above its long-run average of 16.4. The multiple expansion reflects elevated investor confidence in AI-related hardware and semiconductor demand across developing markets.

[1] US Equity Cyclically Adjusted P/E on S&P 500 Index. Source: Robert Shiller, Yale University, and Meketa Investment Group. Developed and Emerging Market Equity (MSCI EAFE and EM Index) Cyclically Adjusted P/E Source: Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of April 2026. The average line is the long-term average of the US, EM, and EAFE PE values from April 1998 to the recent month-end, respectively.

Performance and Profit Margins: S&P 500 and "Magnificent 7"[1]



- → After dragging on US equity returns through Q1 2026 the "Magnificent Seven" reversed sharply in April gaining a combined $4.8 trillion in market value as strong earnings helped to validate significant capex spending.
- → Earnings growth and profit margins roughly double the remaining 493 companies continue to underpin, and entrench, their dominant index weight.

[1] Source: Bloomberg. Data is as of April 30, 2026, for index prices and March 31, 2026, for profit margins.

Fixed Income Returns[1]

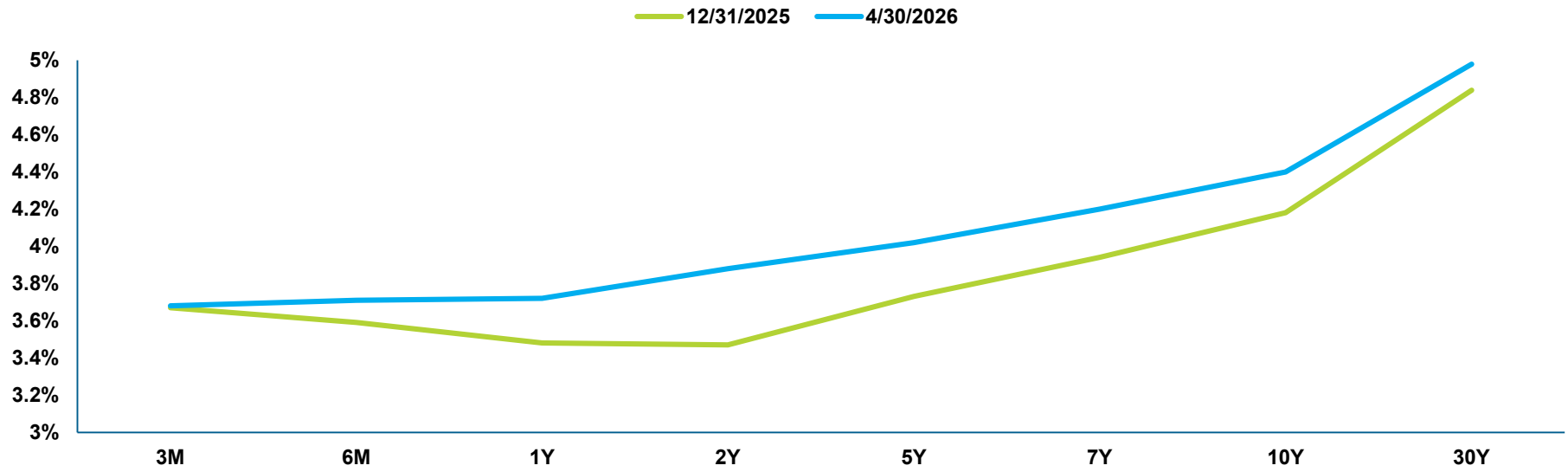
Fixed Income	April (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Current Yield (%)	Duration (Years)
Bloomberg Universal	0.3	0.2	4.6	4.1	0.5	2.1	4.8	5.7
Bloomberg Aggregate	0.1	0.1	4.1	3.5	0.2	1.7	4.6	5.9
Bloomberg US TIPS	1.2	1.4	4.1	3.5	1.4	2.7	4.3	6.6
Bloomberg Short-term TIPS	0.9	1.9	4.0	4.9	3.5	3.2	3.8	2.5
Bloomberg US Long Treasury	-0.7	-1.1	0.9	-1.9	-5.1	-0.8	5.0	14.2
Bloomberg High Yield	1.7	1.2	8.8	8.8	4.3	5.9	7.0	3.2
JPM GBI-EM Global Diversified (USD)	2.8	0.5	11.3	7.5	2.2	2.6	--	--

Fixed Income: The Bloomberg Universal index rose 0.3% in April.

- → Fixed income faced headwinds in April as energy prices remained elevated, inflation surprised higher, and the Fed held rates steady for a third straight meeting (April 29), with a notably split committee. Given the renewed inflation pressures and the relatively stable labor market, investors are largely pricing out interest rate cuts this year.
- → Rising yields pressured longer dated bonds, while improved risk sentiment supported riskier bonds like high yield (+1.7%) and EM debt (+2.8%).
- → Long Treasuries fell modestly (-0.7%) as yields rose on stronger inflation. TIPS outperformed (Bloomberg US TIPS +1.2%; Bloomberg Short-term TIPS +0.9%) other high-quality bonds, reflecting renewed concern over persistent, energy-driven inflation.

[1] Source: Bloomberg. Data is as of April 30, 2026. The yield and duration data from Bloomberg is defined as the index's yield to worst and modified duration, respectively. JPM GBI-EM data is from J.P. Morgan. Current yield and duration data is not available.

US Yield Curve[1]

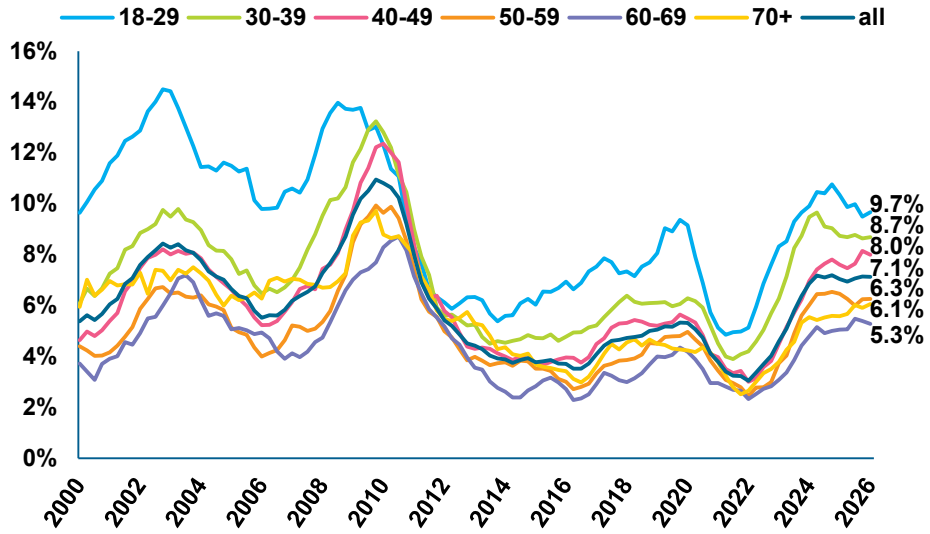


- → Treasury yields continued to rise in April across most of the yield curve, driven by inflation concerns related to the energy price shock from the Middle East conflict and corresponding expectations for the Fed to hold interest rates steady for the rest of the year.
- → The policy-sensitive 2-year nominal Treasury yield increased from 3.80% to 3.87%. The 10-year nominal Treasury yield rose from 4.32% to 4.37%, while the 30-year nominal Treasury yield increased from 4.91% to 4.97%.
- → As the front end of the yield curve has increased this year more than longer-dated yields, the spread between the two-year and ten-year Treasury has declined from 69.8 basis points to 50.4 basis points.

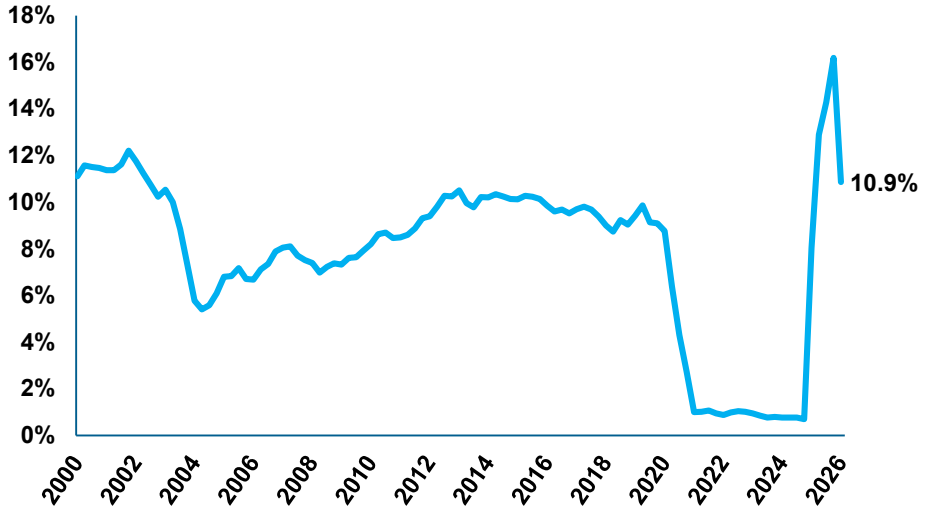
[1] Source: Bloomberg. Data is as of April 30, 2026.

Stress is Building Among Some US Consumers[1]

Transition into Serious Delinquency for Credit Cards by Age



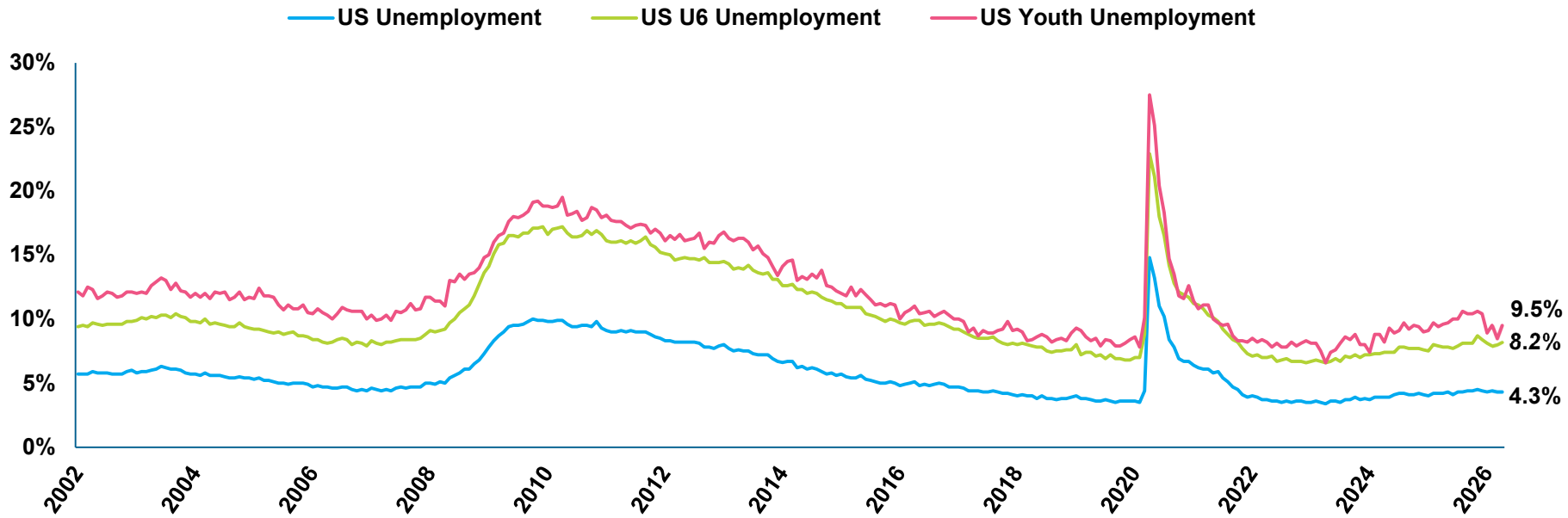
Transition Into Serious Delinquency (90+ Days) for Student Loans[2]



- → US consumer trends remain increasingly K-shaped: higher-income households show resilience, while younger, rate-sensitive borrowers face mounting pressure from elevated rates, persistent inflation, and rising energy costs.
- → Delinquencies remain high relative to pandemic lows, driven by lower-income and younger cohorts. While aggregate levels are near pre-pandemic norms, dispersion in household financial health is widening materially.
- → Student loan repayments have re-emerged as a key pressure point, with millions of borrowers missing payments and close to 11% of balances now seriously delinquent, weighing on consumption for younger cohorts.

[1] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. See also FRED. Data is as of March 31, 2026.
[2] Source: New York Federal Reserve, Quarterly Household Debt and Credit Report. Percent of student loan holders transitioning in serious default (90-days or more) based on four quarter moving average. Delays in reporting may cause fluctuations. Data is as of March 31, 2026.

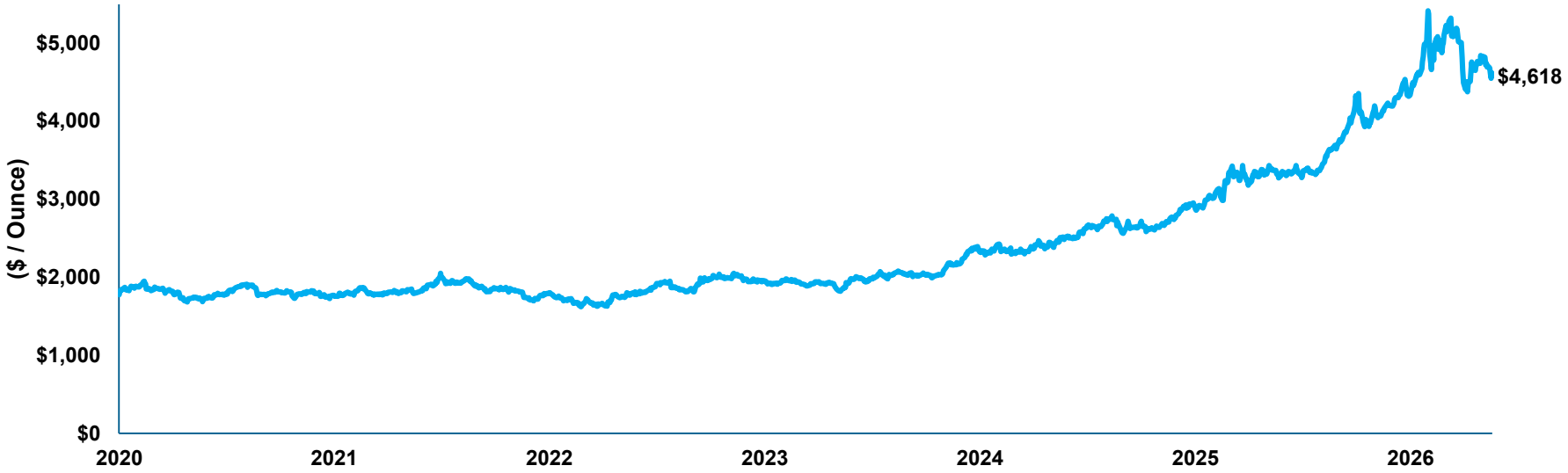
US Unemployment[1]



- → The US added 115,000 jobs in April, exceeding expectations (65,000) and marking a second straight month of jobs being added to the economy. The unemployment rate held steady at 4.3%, consistent with a labor market that is cooling but not weakening materially.
- → Job gains were led by health care (+37,000), transportation/warehousing (+30,000), and retail (+22,000). Federal (-9,000) and information (-13,000) continued to contract.
- → Some broader indicators softened: participation fell slightly from 61.9% to 61.8% (lowest level since Oct 2021), and involuntary part-time workers rose (+445,000 to 4.9M), signaling underlying slack.

[1] Source: FRED and BLS. Data is as of April 30, 2026. U-3: Total unemployed, as a percent of the civilian labor force (official unemployment rate), U-6: Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

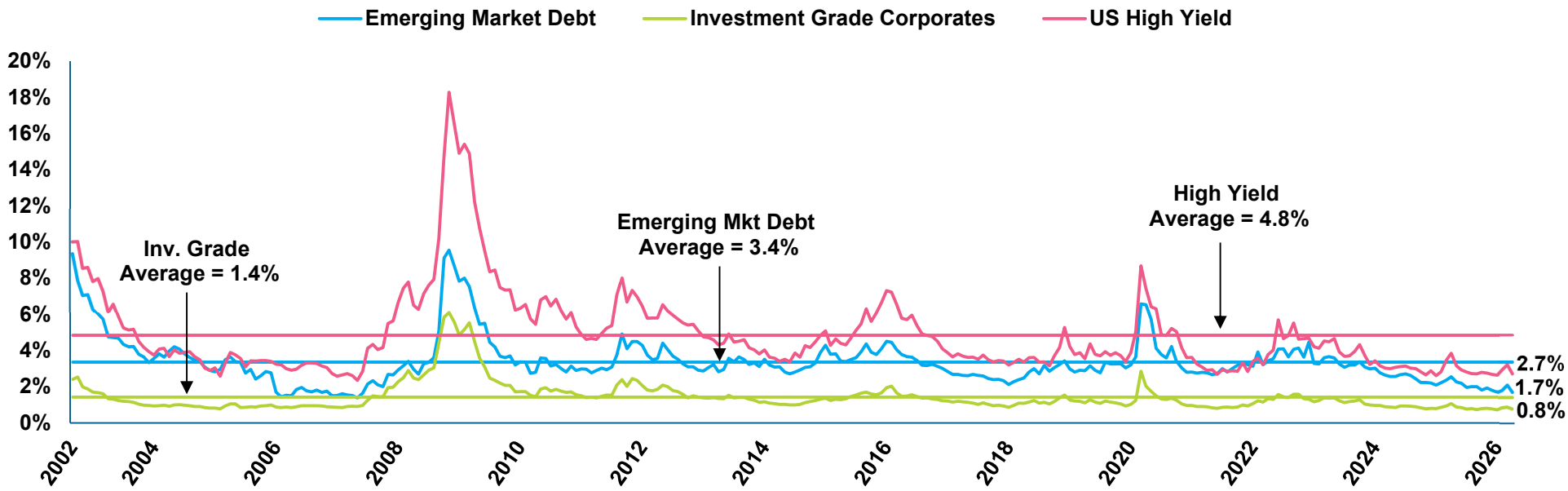
Gold[1]



- → Gold declined in April from $4,668/oz to $4,618/oz as expectations for interest rates to remain higher for longer made holding the non-yielding gold less appealing.
- → Structural support remains intact, driven by persistent inflation risks, large fiscal deficits, and ongoing reserve diversification. Upside catalysts include renewed geopolitical risk (e.g., a more persistent Middle East conflict) or a return of rate-cut expectations, either of which could quickly lift prices.

[1] Source: Bloomberg. Data is as of April 30, 2026. Gold Spot Price is quoted as US Dollars per Troy Ounce.

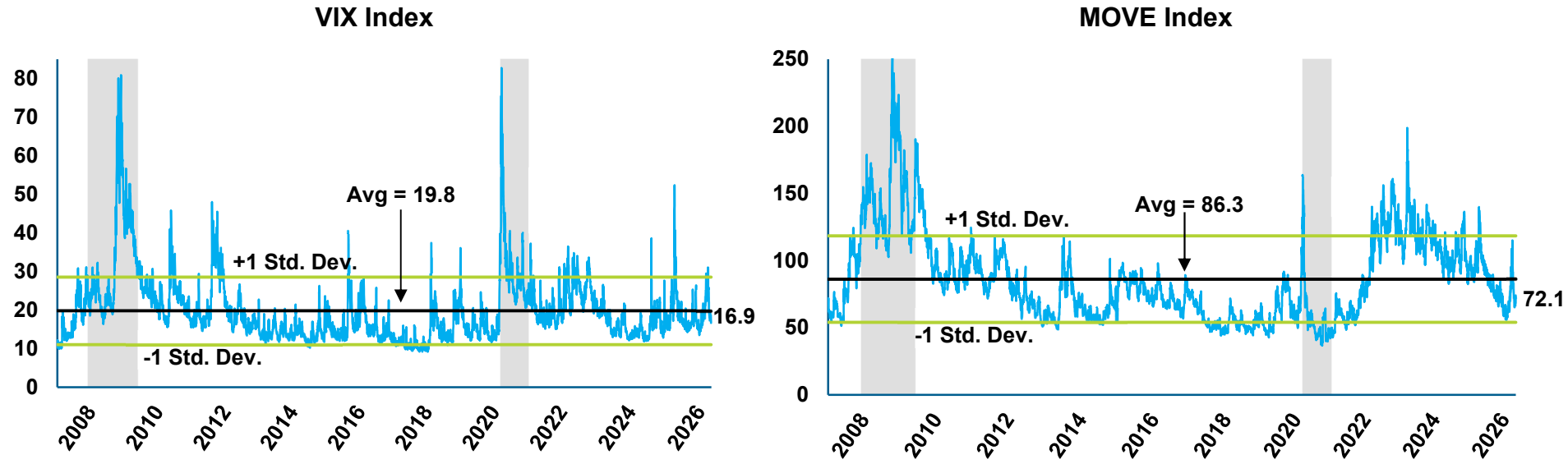
Credit Spreads vs. US Treasury Bonds[1]



- → Credit spreads tightened broadly in April, driven by robust risk appetite, and cautious optimism around a potential Middle East resolution, despite elevated oil prices and rate uncertainty.
- → Investment grade spreads tightened slightly to 0.8% (from 0.9% at end of March), well inside the 1.4% long-run average, supported by persistent demand for high-quality credit.
- → High yield spreads tightened meaningfully from 3.2% to 2.7% (versus a 4.8% long-run average), while EM debt spreads tightened from 2.1% to 1.7% (versus a 3.4% long-run average).

[1] Source: Bloomberg. Data is as of April 30, 2026. Average lines denote the average of the investment grade, high yield, and emerging market spread values from September 2002 to the recent month-end, respectively.

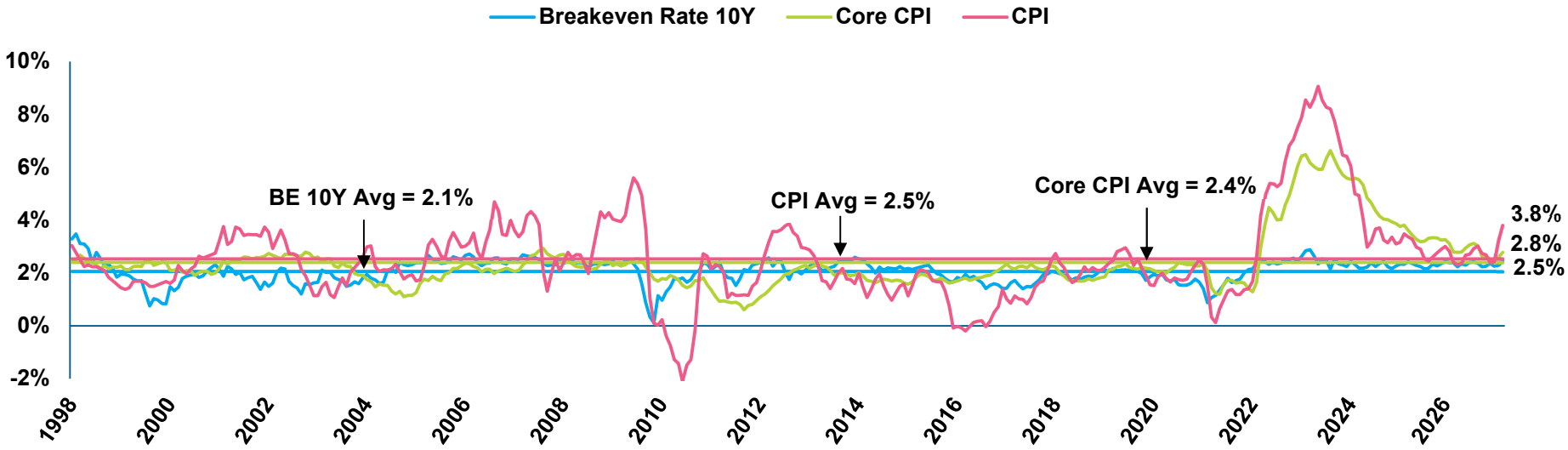
Equity and Fixed Income Volatility[1]



- → Volatility declined sharply across equities and fixed income in April, reversing much of Q1's spike as strong earnings and a ceasefire in the Middle East improved sentiment and reduced uncertainty.
- → Equity volatility (VIX) fell to 16.9, below its long-run average (19.8) and well off the Q1 highs above 30, driven by strong earnings particularly in the technology sector.
- → Bond volatility (MOVE) compressed sharply in April finishing the month at 72.1 (compared to an 86.3 average) as the ceasefire announcement reduced near-term rate uncertainty and markets consolidated around a Fed-on-hold base case.

[1] Equity Volatility – Source: FRED. Fixed Income Volatility – Source: Bloomberg. Implied volatility as measured using VIX Index for equity markets and the MOVE Index to measure interest rate volatility for fixed income markets. Data is as of April 30, 2026. The average line indicated is the average of the VIX and MOVE values between January 2007 and April 2026.

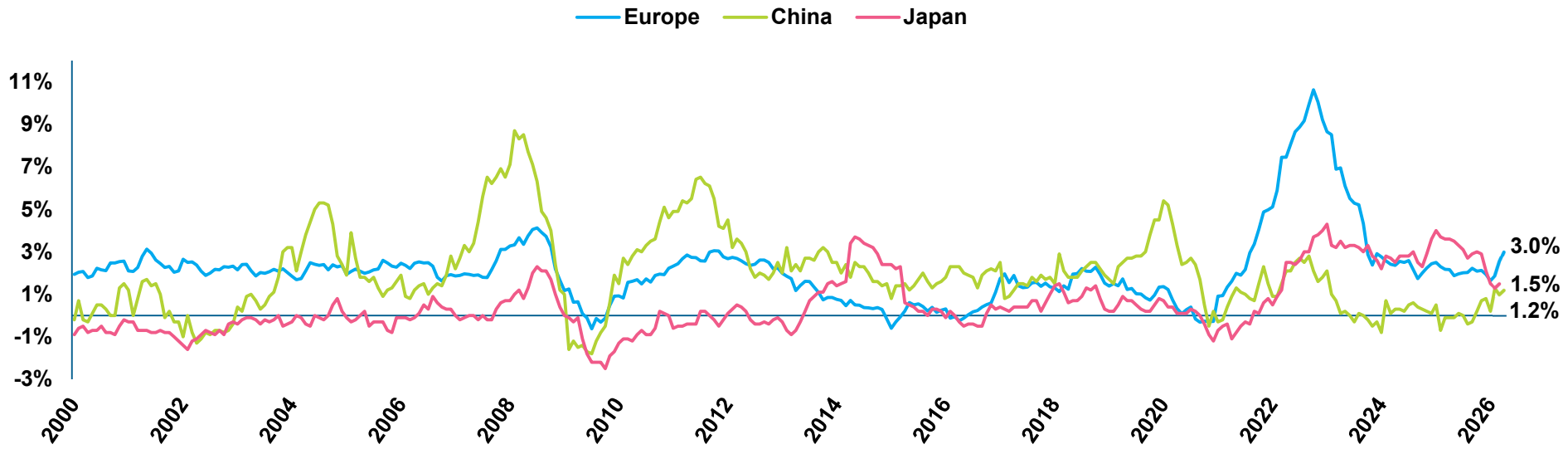
US Inflation[1]



- → Headline inflation rose to 3.8% YoY in April (versus 3.3% in March), above expectations, with a 0.6% monthly gain. Energy was the primary driver, increasing 17.9% YoY and 3.8% for the month, with food prices increasing for the same periods, 3.2% and 0.5%, respectively.
- → Core inflation rose from 2.6% to 2.8% (above expectations) YoY, with monthly gains accelerating from 0.2% to 0.4%. Shelter prices remained the main contributor, with the monthly rate of growth rising from 0.3% in March to 0.6% in April with the YoY increase rate at 3.3%.
- → Long-term inflation expectations increased, with 10-year breakevens rising from 2.3% to 2.5%, reflecting concerns that energy-driven pressures may persist.

[1] Source: FRED. Data is as of April 30, 2026.

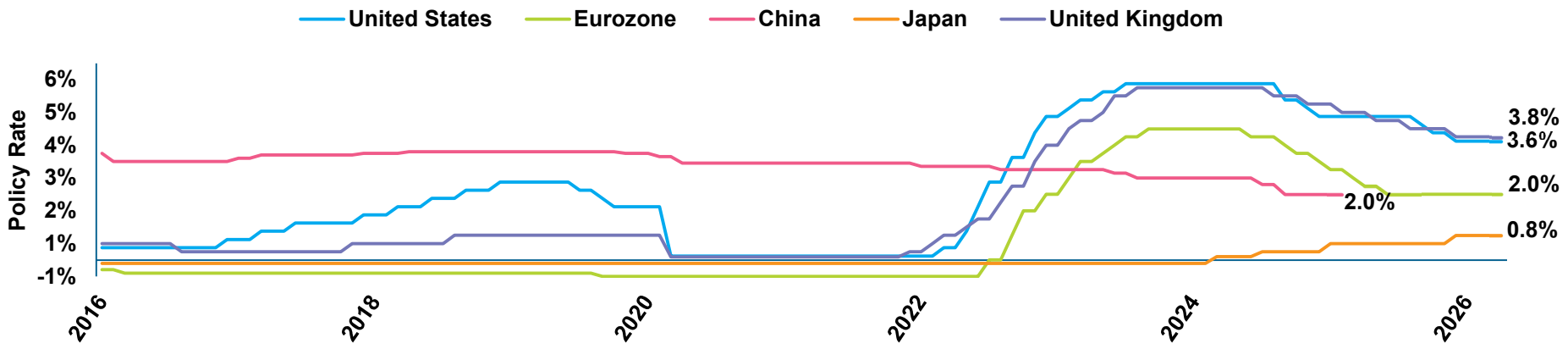
Global Inflation (CPI Trailing Twelve Months)[1]



- → Eurozone inflation rose to 3.0% YoY in April, remaining above the ECB's 2% target, driven by soaring energy prices.
- → Japan's inflation rose from 1.3% to 1.5% but remains below the BOJ's 2.0% target. The increase was driven by the transport and communication sector.
- → China's inflation edged up to 1.2% as the US/Iran conflict caused transport costs to experience a significant annual increase from 0.9% to 4.6%.

[1] Source: Bloomberg. Data is as of April 2026 except Japan which is as of March.

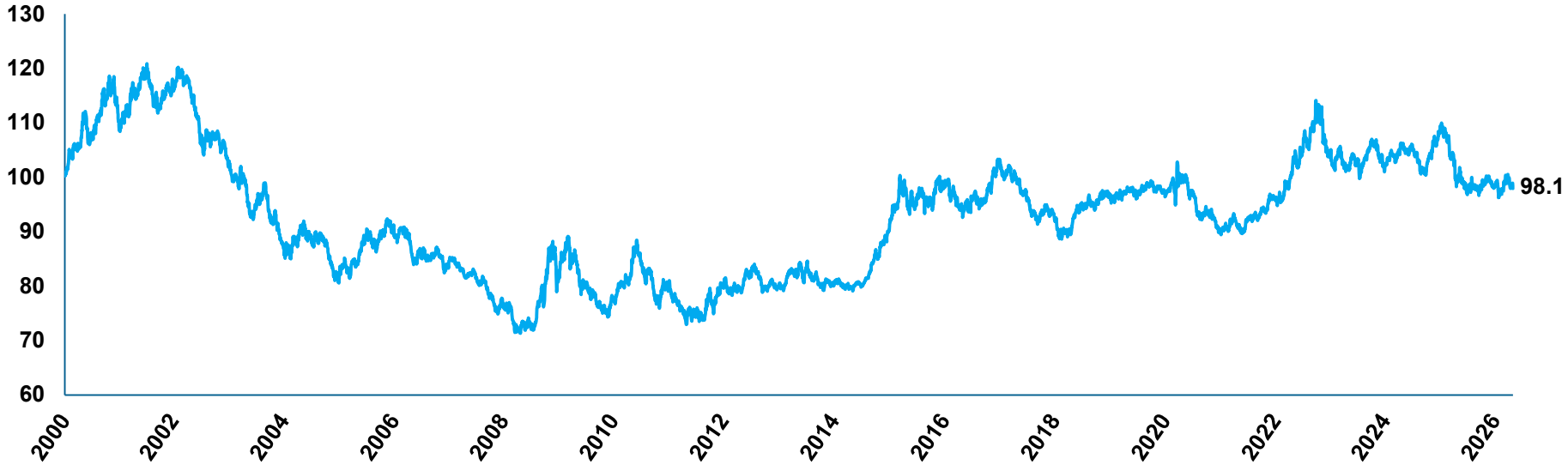
Global Policy Rates[1]



- → Global monetary policy diverged further in April as the European Central Bank (ECB) and Bank of England (BOE) signaled a tightening bias in response to energy-driven inflation, while the Fed held rates steady amid record internal dissent and a looming leadership change.
- → The Fed held rates at 3.5%–3.75% for a third meeting (April 29), amid the highest dissent since 1992. Instead of cuts, markets are now expecting a rate hike by the end of 2026 into early 2027.
- → The ECB and BOE are expected to raise policy rates 2-3 times this year, given the impact of higher oil prices on inflation in their regions. Both economies are net importers of oil, making them particularly exposed to the ongoing supply disruption through the Strait of Hormuz.
- → The Bank of Japan is also expected to increase rates further this year though the Iran-conflict and yen weakness have introduced meaningful uncertainty around both timing and magnitude.
- → China is expected to remain accommodative, with subdued inflation and weak domestic momentum warranting policy support.

[1] Source: Bloomberg. Data is as of April 30, 2026, except China which is as of February 28, 2025. United States rate is the mid-point of the Federal Funds Target Rate range. Eurozone rate is the ECB Deposit Facility Announcement Rate. Japan rate is the Bank of Japan Unsecured Overnight Call Rate Expected. China rate is the China Central Bank 1-Year Medium Term Interest Rate. UK rate is the UK Bank of England Official Bank Rate.

US Dollar vs. Broad Currencies[1]

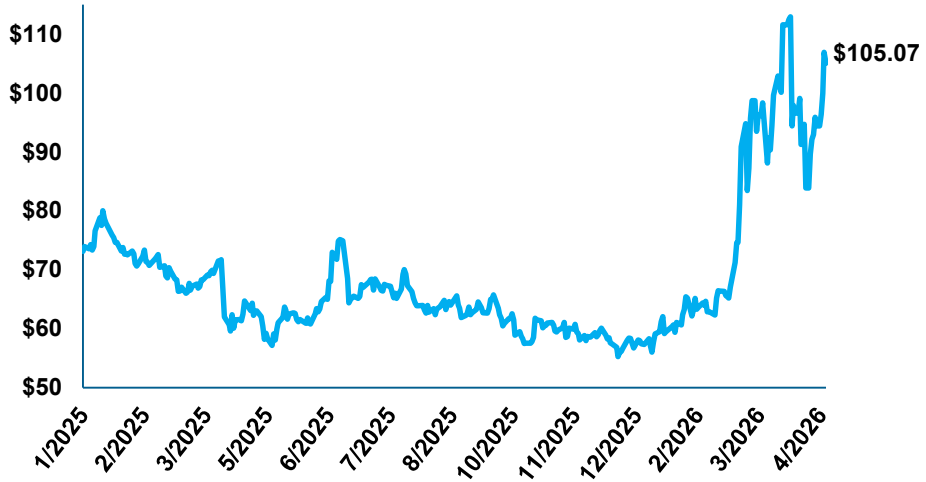


- → Despite higher interest rates the US dollar weakened in April, with the DXY falling from 100.0 to 98.1.
- → The decline reflected improved sentiment, easing geopolitical risk premiums, concerns over the dissent within the Fed, and ongoing worries around the US fiscal outlook. A softer dollar provided a tailwind for US investments abroad.
- → The outlook remains sensitive to geopolitical developments and Fed policy expectations, with the upcoming leadership transition adding near-term uncertainty for currency markets.

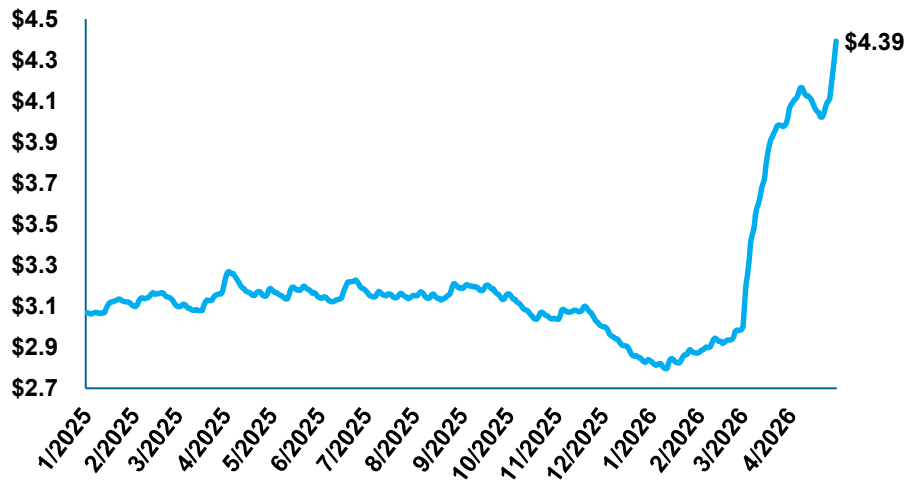
[1] Source: Bloomberg. Data is as of April 30, 2026.

Gas and Oil[1]

WTI Crude



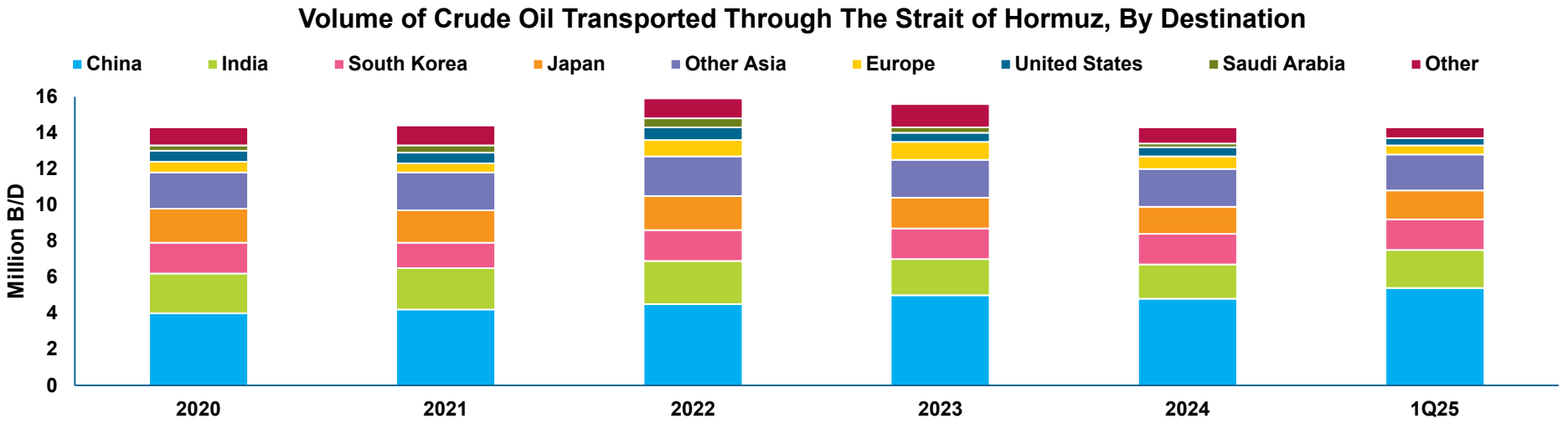
Avg. Retail Gas Price



- → Oil prices rose 15% in April as Strait of Hormuz disruptions persisted, with WTI finishing the month at $105/barrel. Saudi Arabian production fell to its lowest level since 1990, and if demand holds and non-OPEC supply does not offset the decline, global inventories could reach critical levels by late summer.
- → US gasoline prices increased to $4.39/gallon in April, materially contributing to higher CPI. The impact is most acute for lower-income households, where energy comprises a larger spending share; gasoline prices have risen nearly 50% since late February, creating a sustained strain on consumer finances.

[1] Source: Bloomberg. Data is as of April 30, 2026.

Volume of Crude Oil[1]



- → The impact of the conflict remains uneven, driven by oil dependence and trade flows. The Strait of Hormuz is a critical chokepoint; disruptions constrain supply from key exporters (Saudi Arabia, Iraq, UAE) and limit global distribution.
- → China remains heavily reliant on Iranian oil (~90% of exports), while Japan, South Korea, and India depend on broader Gulf supply, amplifying vulnerability to disruptions.
- → Strong US production provides a partial buffer, limiting WTI upside relative to global benchmarks. However, the IEA warns markets may remain undersupplied into at least October, with volatility elevated through peak summer demand.
- → The duration of the conflict remains the key macro variable, shaping inflation and growth. Sustained de-escalation could ease price pressures and reopen the path for policy reassessment.

[1] Source: Apollo Academy. Data is as of March 31, 2025.

Key Trends

- Global growth expectations have been downgraded given the conflict in the Middle East. Even assuming a contained conflict, the IMF's April 2026 WEO cut projected global growth to 3.1% (from 3.3%). Downside risks dominate, with an extended escalation potentially pushing growth toward 2.0%, consistent with recessionary conditions.
- The key macro risk is an energy-driven inflation shock from Middle East conflict, where tight inventories and constrained supply could entrench price pressures, complicating the Fed's already uncertain policy path and challenging both growth and risk assets. The Fed's recent most divided meeting since 1992 underscores uncertainty around the policy path, compounded by leadership transition risk.
- US consumers show increasing strain at the lower end compounded by recent increases in energy prices with gasoline prices over $4/gallon. Spending has outpaced wage growth, highlighting increased use of credit with delinquencies remaining elevated. Job growth (115k) exceeded fears, but rising involuntary part-time work, slow hiring, and falling participation signal underlying weakness.
- US equity performance has been strong given above-expectation earnings. Performance has broadened on a YTD basis, despite April's AI-led rebound. Energy, consumer staples, and industrials remain strongly performing sectors reflecting the Iran conflict's commodity impulse. Small cap stocks continue to lead the way in 2026 given earlier expectations of rate cuts and recently their domestic revenue orientation has insulated them from Iran conflict supply chain disruptions that have weighed on globally exposed large caps.

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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 6.3

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst

SUBJECT: Report on Semi-Annual Private Markets Investment Performance for Period Ended December 31, 2025

Recommendation
Accept and review Meketa's semi-annual private markets performance report as of December 31, 2025.

Background
Meketa provides a semi-annual private markets performance report as of June 30th and December 31st each year.

Discussion
As of December 31, 2025, SamCERA's total market value exposure to private markets consisted of $551.4 million to private equity (7.2% of SamCERA's total fund), $457.4 million to private real assets (6% of SamCERA's total fund), $251.6 million to private credit (3.3% of SamCERA's total fund) and $555.9 million to real estate (7.3% of SamCERA's total fund) with respective long-term, strategic allocations of 8% to private equity, 5% to private real assets, 3% to private credit and 9% to real estate.

The private equity portfolio's net IRR since inception is 17.8%, 120 bps above the same cash flow invested in the Russell 3000 Total Return Index + 300 bps return of 16.6%. For the six-month period from July 1, 2025 through December 31, 2025, SamCERA's board approved 1 additional commitment in private equity, totaling $15 million. As of December 31st, SamCERA has made a total of $998.6 million in private equity commitments across fifty-four funds and thirty-four investment managers.

The private real assets portfolio's net IRR since inception is 7.9%. For the six-month period from July 1, 2025 through December 31, 2025, SamCERA's board approved no additional commitments in private real assets. As of December 31st, SamCERA has made a total of $519.8 million in private real assets commitments across 23 funds and 15 investment managers.

The private credit portfolio's net IRR since inception is 6.7%. For the six-month period from July 1, 2025 through December 31, 2025, SamCERA's board approved 1 additional commitment in private credit, totaling $10 million. As of December 31st, SamCERA has made a total of $403.75 million in private credit commitments across 13 funds and 6 investment managers.

The real estate portfolio's net IRR since inception is 7.4%. For the six-month period from July 1, 2025 through December 31, 2025, SamCERA's board approved no additional commitments in real estate. As of December 31st, SamCERA has made a total of $590 million in real estate commitments across 10 funds and 6 investment managers.

Maya Ortiz de Montellano will review the performance report with the Board and be available for questions.

Attachment
Meketa Semi-Annual Private Markets Performance Report for Period Ending 12/31/2025

MEKETA

San Mateo County Employees Retirement Association

Fourth Quarter 2025

Private Markets Program

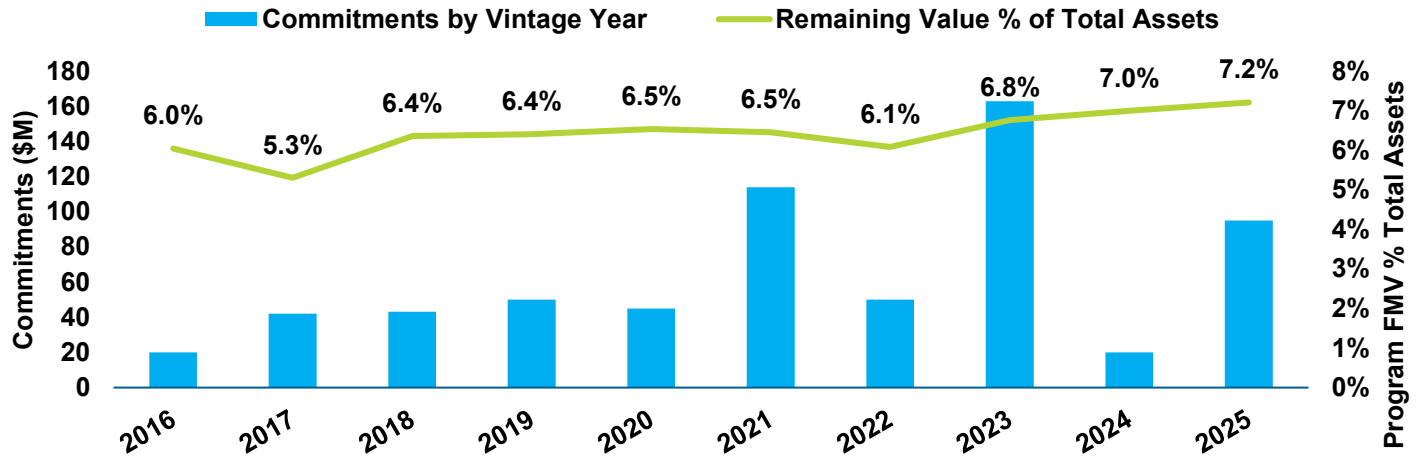
Table of Contents

1. Private Equity Program
2. Private Debt Program
3. Real Assets
4. Real Estate Program
5. Market & Industry Analysis
6. Appendices

Private Equity Program

Introduction

San Mateo Employees' Retirement Association Private Equity Program has a 7% target allocation across a mix of Buyout, Debt-Related/Special Situations, and Venture Capital strategies. As of December 31, 2025, the Private Equity Program represented 7.2% of total assets. As of the end of Q4 2025, 54 Private Equity fund commitments totaling $998.6 million have been made in the program



Program Status

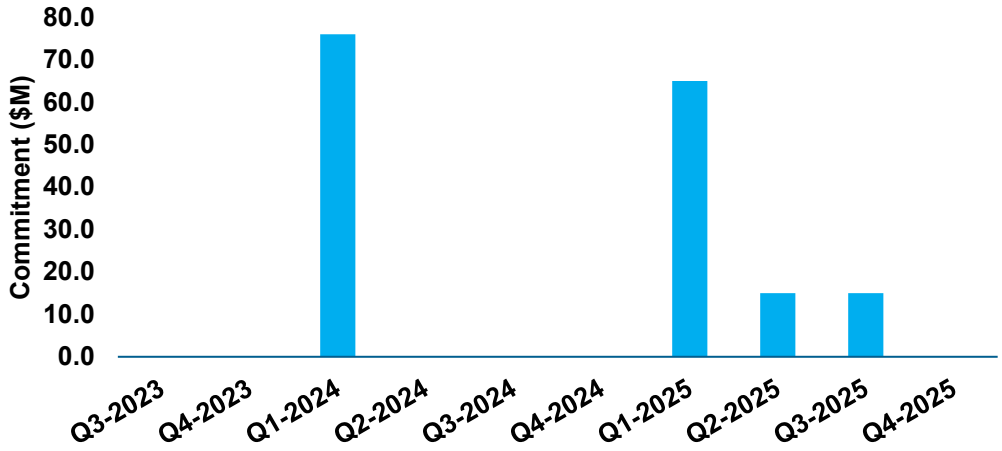
No. of Investments	54
Committed ($M)	998.6
Contributed ($M)	744.6
Distributed ($M)	787.3
Remaining Value ($M)	551.4

Performance Since Inception

	Program
DPI	1.06x
TVPI	1.80x
IRR	17.8%

Commitments

Recent Quarterly Commitments



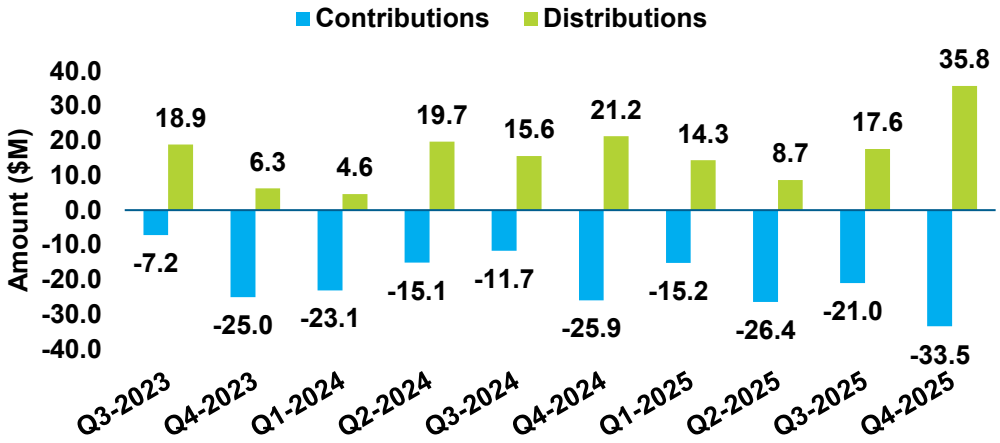
Commitments This Quarter

Fund	Strategy	Region	Amount ($M)

None to report.

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($M)
Gridiron CF V	2023	Buyout	North America	10.25
Altas Partners III	2022	Buyout	North America	3.38
Kinderhook Fund 8	2024	Buyout	North America	3.06

Largest Distributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($M)
General Catalyst VI	2012	Venture Capital	North America	23.81
Great Hill VI	2017	Buyout	North America	2.68
ABRY SE VI	2021	Debt-Related/Special Situations	North America	1.81

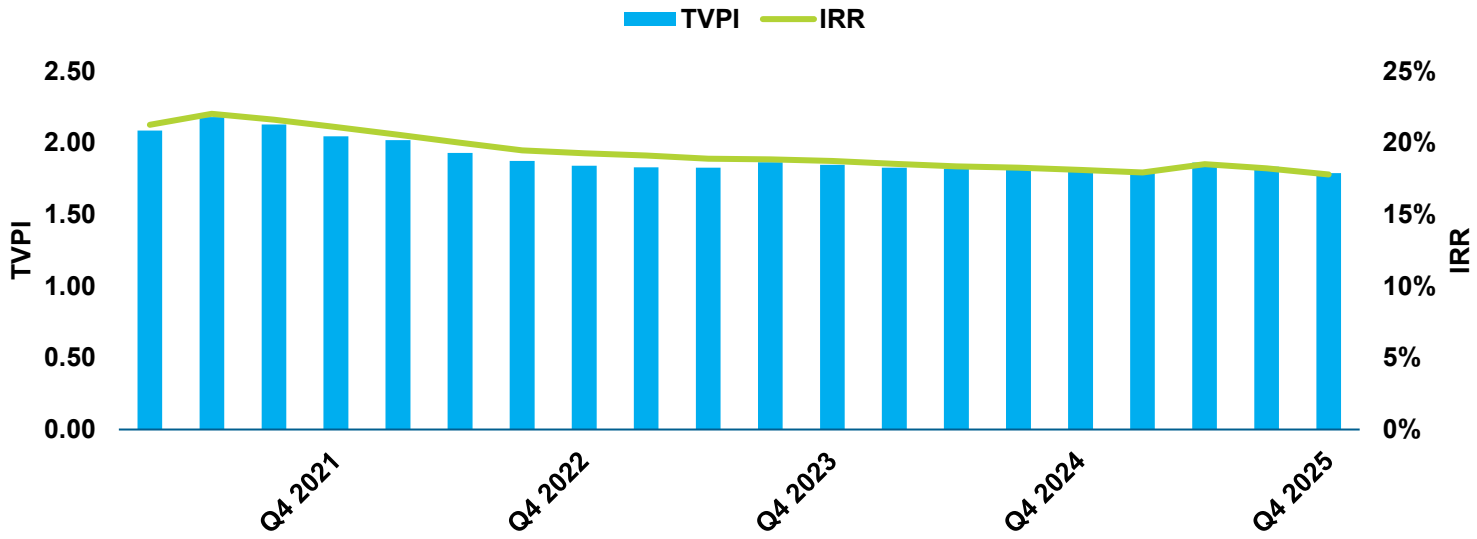
By Strategy

Group	Number	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	Exposure ($M)	DPI (X)	TVPI (X)	IRR (%)
Buyout	29	634.1	467.1	233.6	415.9	350.5	584.1	0.89	1.64	14.5
Debt-Related/Special Situations	12	214.5	194.8	56.4	122.7	112.0	168.4	0.63	1.20	6.5
Venture Capital	13	150.0	82.8	67.3	248.8	88.9	156.2	3.01	4.08	34.6
Total	**54**	**998.6**	**744.6**	**357.3**	**787.3**	**551.4**	**908.7**	**1.06**	**1.80**	**17.8**

By Vintage

Group	Number	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	Exposure ($M)	DPI (X)	TVPI (X)	IRR (%)
Open-End Fund	1	25.0	18.0	13.0	6.0	16.0	29.0	0.33	1.22	12.2
2011	4	75.0	84.9	11.7	115.5	14.3	26.0	1.36	1.53	14.0
2012	3	28.0	26.9	1.1	221.5	38.2	39.3	8.22	9.64	38.3
2013	3	75.0	77.8	0.0	135.6	7.9	7.9	1.74	1.84	10.8
2014	4	87.5	94.8	5.5	124.5	34.6	40.1	1.31	1.68	12.6
2015	3	38.0	39.1	6.3	30.1	16.5	22.8	0.77	1.19	4.3
2016	2	20.0	14.9	7.2	18.5	3.3	10.5	1.24	1.46	14.0
2017	3	42.0	46.3	3.2	56.2	60.2	63.3	1.21	2.51	31.0
2018	2	43.1	46.6	12.9	27.6	44.9	57.8	0.59	1.56	16.7
2019	3	50.0	56.6	9.7	38.7	39.8	49.5	0.68	1.39	12.4
2020	2	45.0	38.1	7.6	1.9	42.1	49.8	0.05	1.15	4.4
2021	8	114.0	92.9	24.3	5.3	112.0	136.3	0.06	1.26	10.2
2022	2	50.0	35.3	15.9	1.2	40.0	55.8	0.03	1.17	13.8
2023	8	163.0	62.5	105.2	4.6	69.7	174.8	0.07	1.19	16.3
2024	2	48.0	4.4	43.6	0.0	6.4	50.1	0.00	NM	NM
2025	4	95.0	5.2	90.1	0.0	5.5	95.7	0.00	1.06	NM
Total	**54**	**998.6**	**744.6**	**357.3**	**787.3**	**551.4**	**908.7**	**1.06**	**1.80**	**17.8**

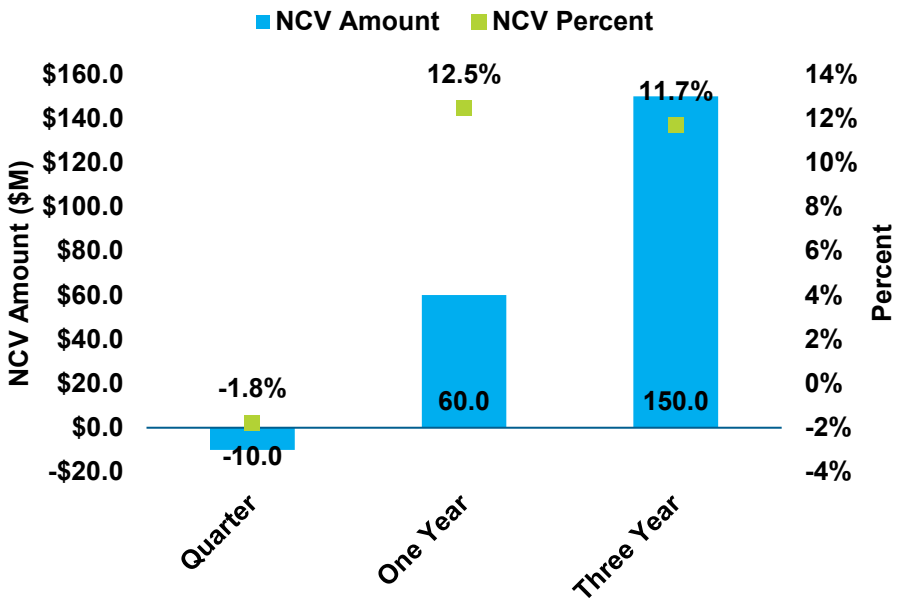
Since Inception Performance Over Time



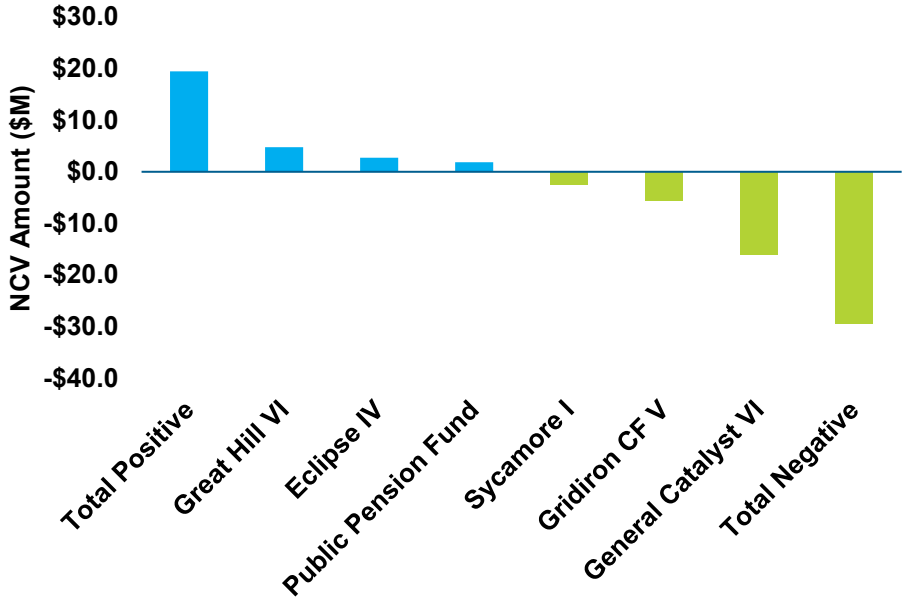
Horizon IRRs

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	12.5	10.5	11.2	19.0	17.8
Russell 3000 +3%	19.2	26.1	19.3	18.0	16.6

Periodic NCV



1 Quarter Drivers Of NCV



Fund Performance: Sorted By Vintage And Strategy[1]

By Investment	Vintage	Strategy	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	TVPI (X)	IRR (%)
Sixth Street TAO C	Open-End	Debt-Related/Special Situations	25.0	18.0	13.0	6.0	16.0	1.22	12.2
ABRY Partners VII	2011	Buyout	10.0	11.3	0.2	16.9	1.2	1.60	12.0
Sycamore I	2011	Buyout	25.0	35.2	9.9	53.6	12.8	1.89	23.7
ABRY Adv Sec II	2011	Debt-Related/Special Situations	20.0	19.3	0.7	24.1	0.2	1.26	6.9
Regiment SS V	2011	Debt-Related/Special Situations	20.0	19.2	0.9	20.9	0.0	1.09	6.5
Emergence CP III	2012	Venture Capital	8.0	7.4	0.6	127.0	14.9	19.08	59.8
General Catalyst VI	2012	Venture Capital	10.0	9.9	0.2	68.1	23.3	9.27	30.7
NEA 14	2012	Venture Capital	10.0	9.7	0.4	26.5	0.0	2.74	17.0
Cevian Cap II	2013	Buyout	25.0	25.0	0.0	45.9	0.0	1.84	7.7
Warburg Pincus XI	2013	Buyout	40.0	42.8	0.0	65.2	7.3	1.69	11.3
Third Rock III	2013	Venture Capital	10.0	10.0	0.0	24.5	0.6	2.51	23.1
Great Hill V	2014	Buyout	25.0	25.0	0.0	51.9	19.0	2.84	23.2
JLL Fund VII	2014	Buyout	15.0	15.0	3.4	28.6	0.0	1.90	17.8
Sycamore II	2014	Buyout	25.0	27.2	2.1	16.9	15.5	1.19	4.0
ABRY Adv Sec III	2014	Debt-Related/Special Situations	22.5	27.6	0.0	27.2	0.0	0.98	-0.4
ABRY Partners VIII	2015	Buyout	15.0	17.7	0.5	21.8	2.1	1.35	8.7
Catalyst Limited V	2015	Debt-Related/Special Situations	15.0	13.7	5.6	6.7	9.2	1.16	3.6
Emergence CP IV	2015	Venture Capital	8.0	7.7	0.3	1.5	5.2	0.87	-2.1
Angeles Equity I	2016	Buyout	10.0	8.4	3.7	12.1	0.0	1.43	19.3

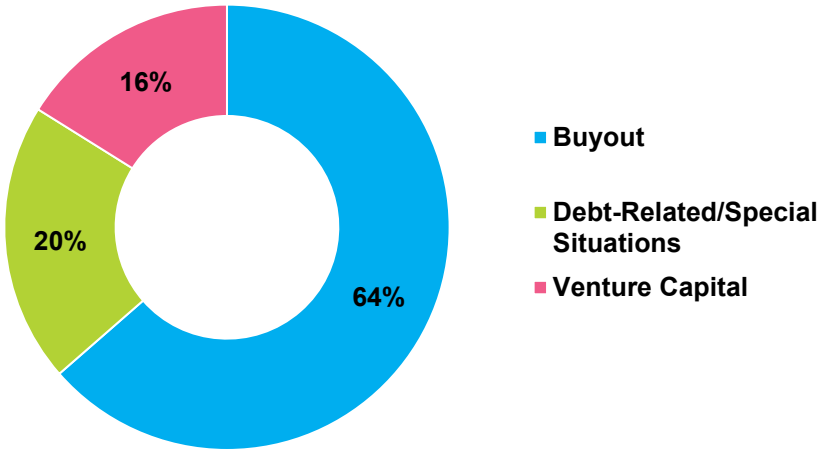
[1] Secondary Sale Funds include: JLL Partners Fund VII (17.8% IRR and 1.90 TVPI and DPI), Angeles Equity Partners I (19.3% IRR and 1.43 TVPI and DPI), and New Enterprise Associates 14 (17.0% IRR and 2.74 TVPI and DPI)

By Investment	Vintage	Strategy	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	TVPI (X)	IRR (%)
OHA Credit II	2016	Debt-Related/Special Situations	10.0	6.5	3.5	6.4	3.3	1.48	9.9
BCP II	2017	Buyout	15.0	19.9	1.9	9.2	26.7	1.81	21.8
Great Hill VI	2017	Buyout	20.0	18.9	1.1	40.9	27.5	3.62	41.0
ABRY SE V	2017	Debt-Related/Special Situations	7.0	7.5	0.2	6.1	5.9	1.59	11.8
CapVest IV	2018	Buyout	23.1	16.3	10.0	14.4	17.1	1.93	20.7
Sycamore III	2018	Buyout	20.0	30.3	2.9	13.2	27.8	1.35	13.2
Altas Partners II	2019	Buyout	10.0	9.2	1.3	2.6	11.3	1.50	9.5
Great Hill VII	2019	Buyout	20.0	20.0	0.0	15.6	17.4	1.65	24.3
ABRY Adv Sec IV	2019	Debt-Related/Special Situations	20.0	27.4	8.3	20.6	11.2	1.16	6.3
CD&R XI	2020	Buyout	30.0	26.2	4.6	0.8	32.2	1.26	7.2
Canvas Ventures 3	2020	Venture Capital	15.0	11.9	3.1	1.2	9.9	0.93	-2.2
Endeavour Cap VIII	2021	Buyout	20.0	15.5	4.5	1.9	17.0	1.22	8.7
Genstar CP X	2021	Buyout	15.0	15.3	0.4	0.6	16.9	1.15	5.0
Genstar X Opp Fund I	2021	Buyout	5.0	4.5	0.6	0.3	5.8	1.35	10.3
Great Hill VIII	2021	Buyout	25.0	19.3	5.7	0.0	18.4	0.95	-3.8
ABRY SE VI	2021	Debt-Related/Special Situations	15.0	12.1	5.3	2.4	13.2	1.29	10.5
SVP SSF V	2021	Debt-Related/Special Situations	15.0	12.4	2.7	0.1	18.7	1.51	15.1
Eclipse IV	2021	Venture Capital	9.0	8.2	0.8	0.0	15.7	1.92	25.9
Summit Growth XI	2021	Venture Capital	10.0	5.7	4.3	0.0	6.4	1.12	6.7
Altas Partners III	2022	Buyout	25.0	12.0	13.0	0.0	13.1	1.09	10.3
DK Opp Fund VI	2022	Debt-Related/Special Situations	25.0	23.3	2.9	1.2	26.8	1.20	15.1

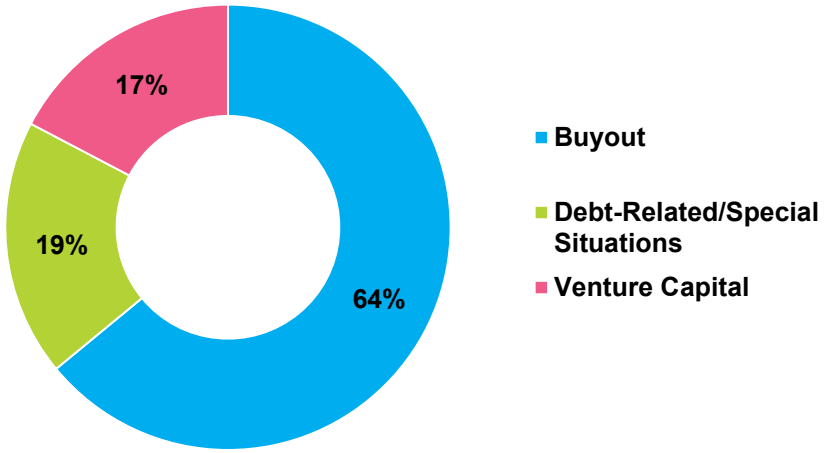
By Investment	Vintage	Strategy	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	TVPI (X)	IRR (%)
CD&R XII	2023	Buyout	30.0	12.8	20.1	2.9	15.6	1.45	35.3
Charlesbank Tech II	2023	Buyout	20.0	7.5	12.6	0.0	8.0	1.08	8.5
Genstar CP XI	2023	Buyout	20.0	2.8	17.4	0.2	3.3	1.27	28.2
Gridiron CF V	2023	Buyout	25.0	22.1	3.3	0.4	25.6	1.18	13.1
Peak Rock IV	2023	Buyout	28.0	0.3	27.7	0.0	0.3	1.05	21.7
MGG SSF II	2023	Debt-Related/Special Situations	20.0	7.7	13.3	1.0	7.4	1.10	8.6
DCVC Bio III	2023	Venture Capital	10.0	3.5	6.5	0.0	3.0	0.85	-13.0
Eclipse V	2023	Venture Capital	10.0	5.8	4.2	0.0	6.4	1.10	16.1
Kinderhook Fund 8	2024	Buyout	28.0	4.4	23.6	0.0	6.4	1.47	NM
Summit Growth XII	2024	Venture Capital	20.0	0.0	20.0	0.0	0.0	NM	NM
Great Hill IX	2025	Buyout	30.0	0.0	30.0	0.0	0.0	NM	NM
Public Pension Fund	2025	Buyout	35.0	2.3	33.1	0.0	2.0	0.88	NM
DCVC VII	2025	Venture Capital	15.0	2.9	12.1	0.0	3.7	1.27	NM
Left Lane III	2025	Venture Capital	15.0	0.0	15.0	0.0	NM	NM	NM
Total			**998.6**	**744.6**	**357.3**	**787.3**	**551.4**	**1.80**	**17.8**

By Strategy

Percent of FMV

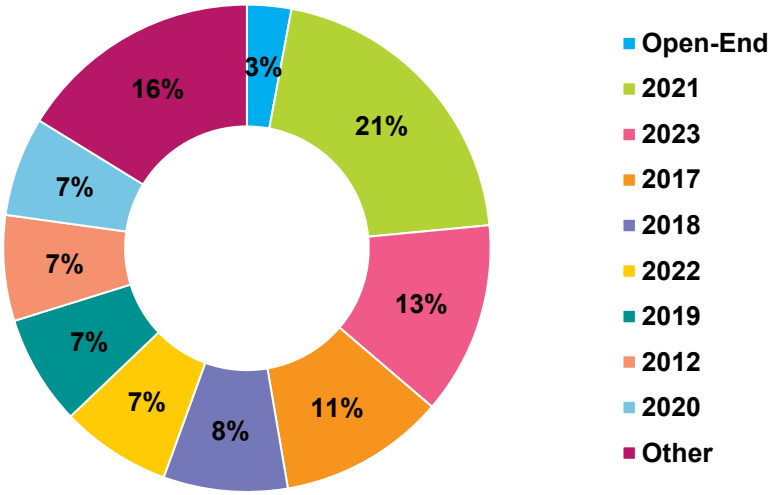


Percent of Exposure

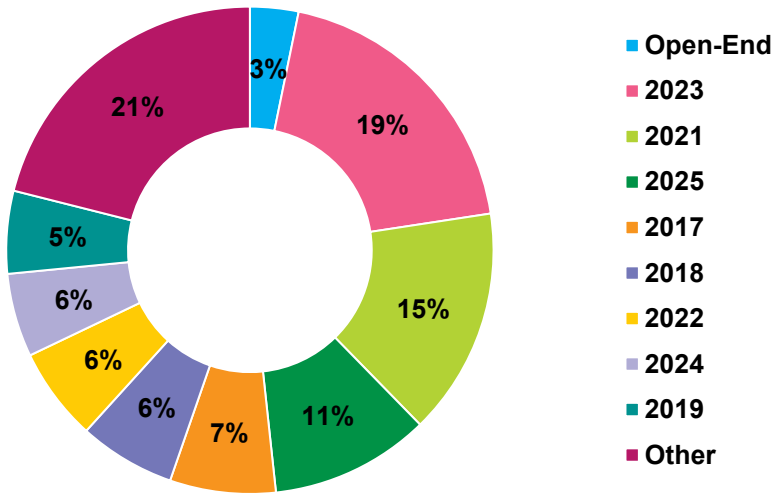


By Vintage

Percent of FMV

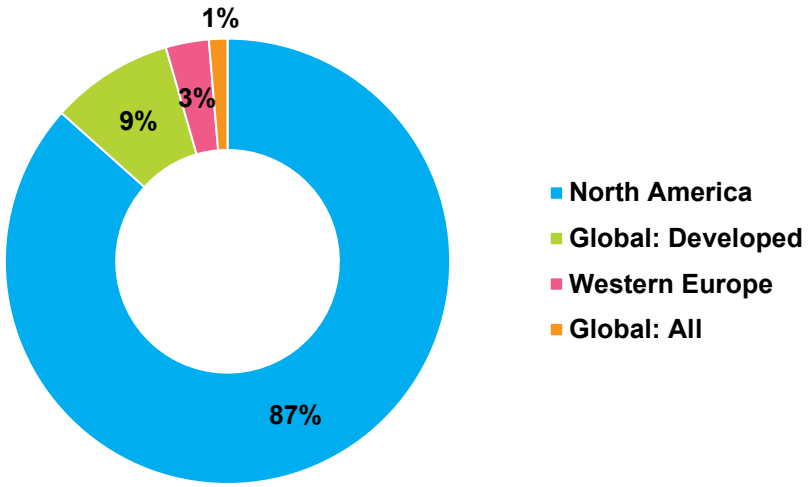


Percent of Exposure

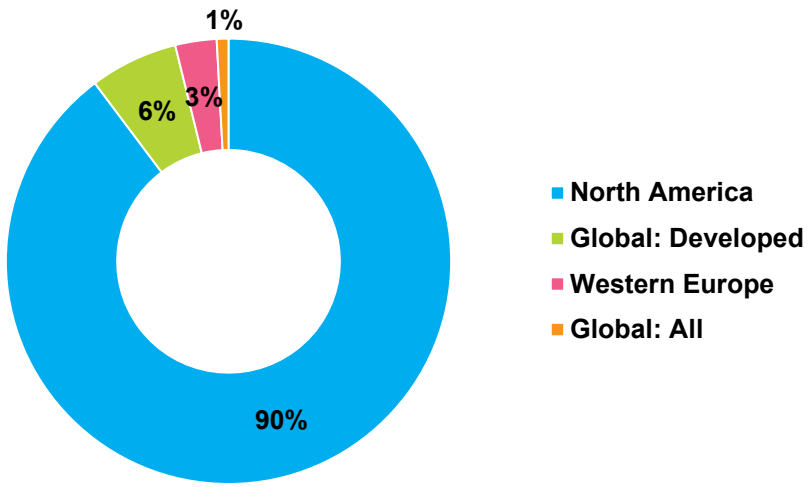


By Geographic Focus

Percent of FMV



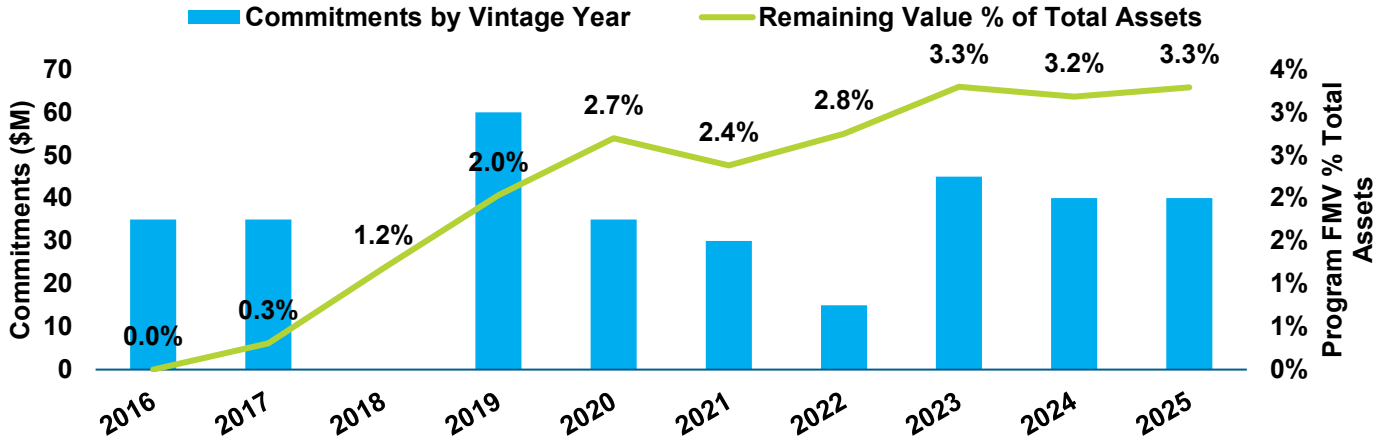
Percent of Exposure



Private Debt Program

Introduction

San Mateo Employees' Retirement Association Private Debt Program has an 3% target allocation across a mix of Direct Lending, Asset-Based, and Opportunistic strategies. As of December 31, 2025, the Private Debt Program represented 3.3% of total assets. As of the end of Q4 2025, 12 Private Debt fund commitments totaling $385 million have been made in the program.



Program Status

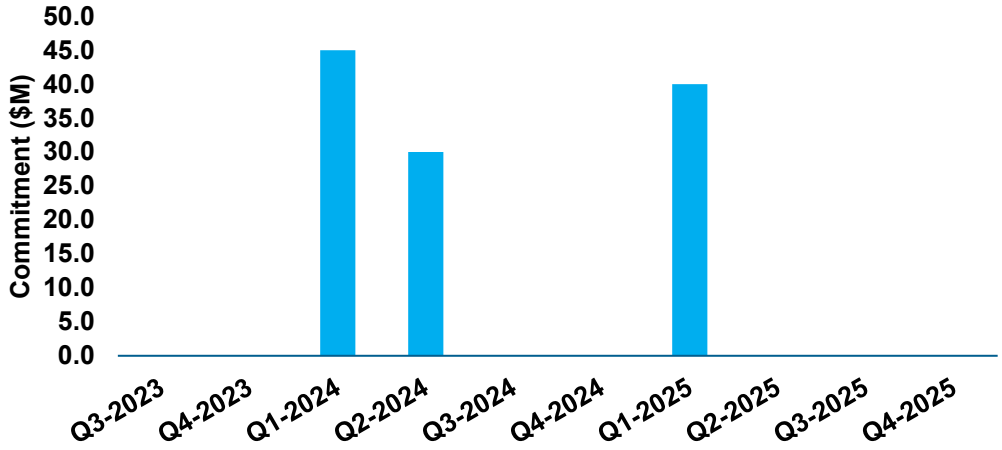
No. of Investments	12
Committed ($M)	385.0
Contributed ($M)	351.7
Distributed ($M)	179.7
Remaining Value ($M)	251.6

Performance Since Inception

	Program
DPI	0.51x
TVPI	1.23x
IRR	6.7%

Commitments

Recent Quarterly Commitments

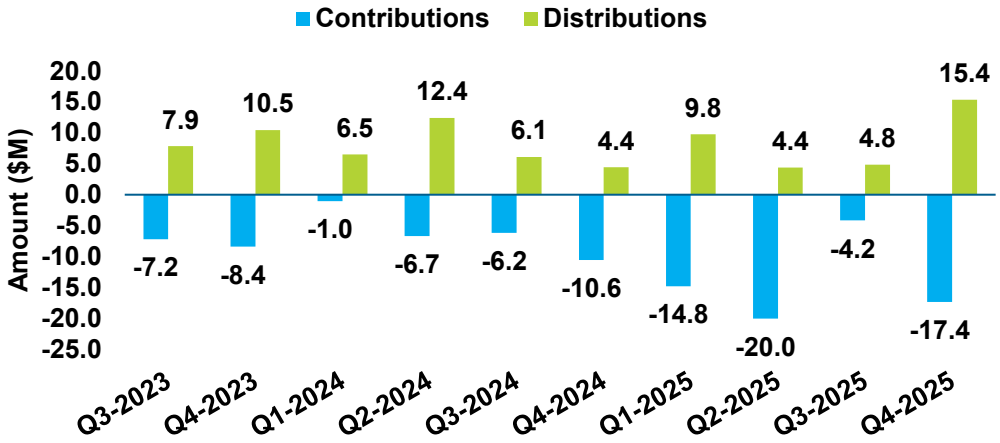


Commitments This Quarter

Fund	Strategy	Region	Amount ($M)
None to report.			

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($M)
400 Capital ABTF IV	2024	Asset-Based	North America	10.86
ComVest CP VII	2023	Direct Lending	North America	5.44
TPG AG Credit III	2025	Opportunistic	Global: All	0.95

Largest Distributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($M)
BlackRock DLF IX	2019	Direct Lending	North America	4.93
TCP DL VIII	2016	Direct Lending	North America	3.95
AG Credit Fund II	2021	Opportunistic	North America	1.93

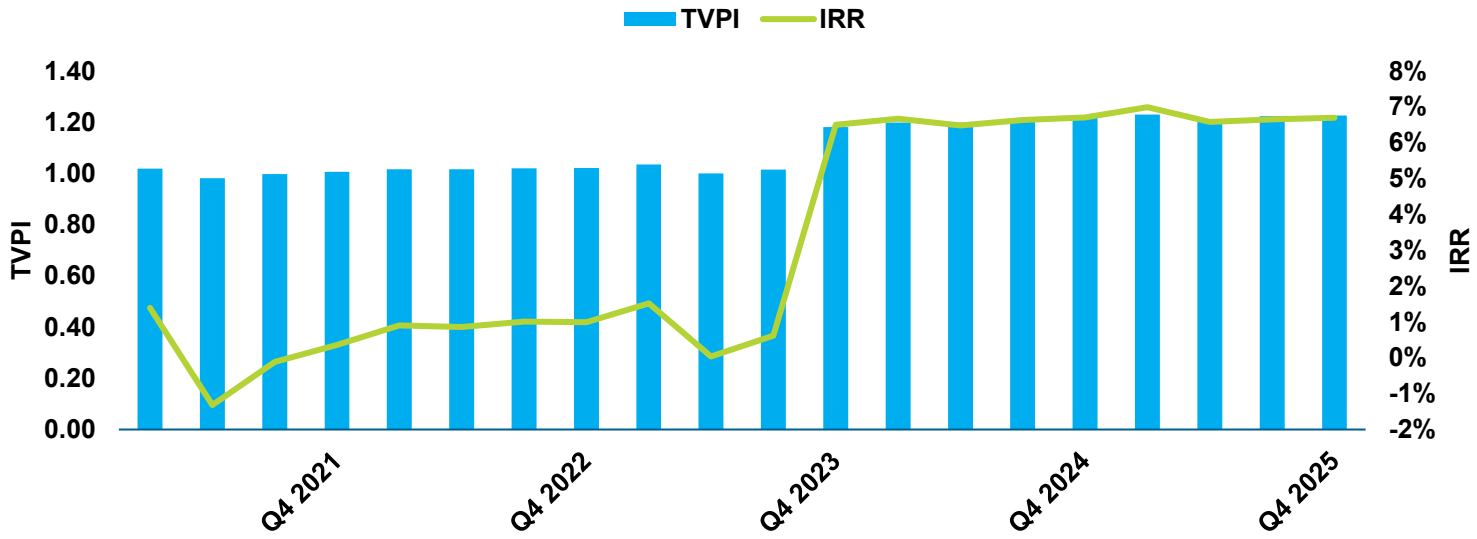
By Strategy

Group	Number	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	Exposure ($M)	DPI (X)	TVPI (X)	IRR (%)
Asset-Based	2	50.0	25.3	24.9	0.0	27.4	52.4	0.00	1.08	NM
Direct Lending	3	125.0	117.5	48.2	67.5	69.8	118.0	0.57	1.17	5.7
Opportunistic	7	210.0	208.9	36.6	112.2	154.4	191.0	0.54	1.28	7.0
Total	**12**	**385.0**	**351.7**	**109.8**	**179.7**	**251.6**	**361.4**	**0.51**	**1.23**	**6.7**

By Vintage

Group	Number	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	Exposure ($M)	DPI (X)	TVPI (X)	IRR (%)
Open-End Fund	1	50.0	50.0	0.0	21.7	50.7	50.7	0.43	1.45	7.7
2016	1	35.0	35.0	37.2	43.4	0.7	37.9	1.24	1.26	5.8
2017	1	35.0	54.6	3.0	37.9	32.1	35.1	0.69	1.28	6.5
2019	2	60.0	61.1	0.6	36.8	39.1	39.7	0.60	1.24	6.9
2020	1	35.0	44.0	0.0	15.2	30.9	30.9	0.35	1.05	1.4
2021	1	30.0	29.4	4.1	10.3	27.8	31.8	0.35	1.30	12.2
2022	1	15.0	10.1	4.9	10.4	1.3	6.2	1.02	1.16	13.2
2023	1	45.0	36.4	11.0	4.1	34.6	45.6	0.11	1.06	8.1
2024	1	40.0	25.3	14.9	0.0	27.4	42.4	0.00	1.08	NM
2025	2	40.0	5.7	34.0	0.0	7.0	41.0	0.00	1.22	NM
Total	**12**	**385.0**	**351.7**	**109.8**	**179.7**	**251.6**	**361.4**	**0.51**	**1.23**	**6.7**

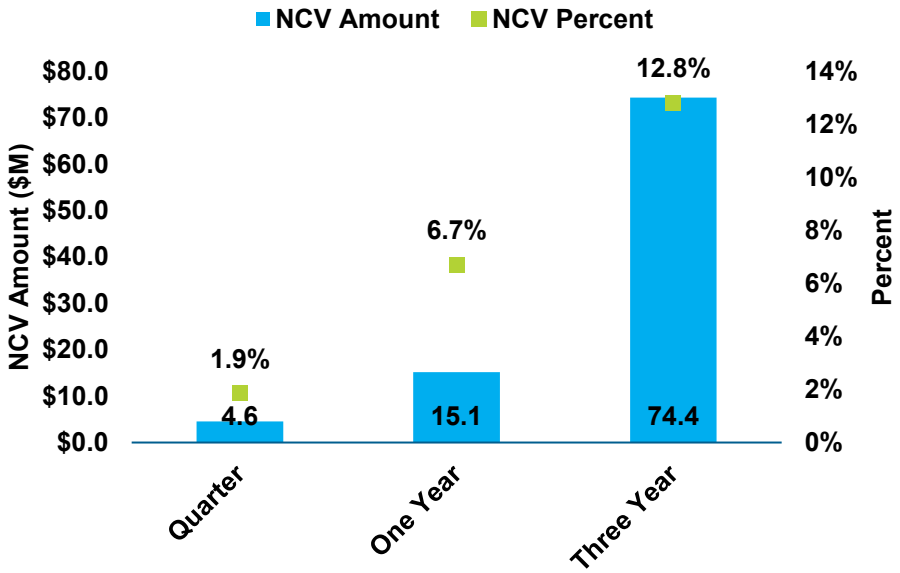
Since Inception Performance Over Time



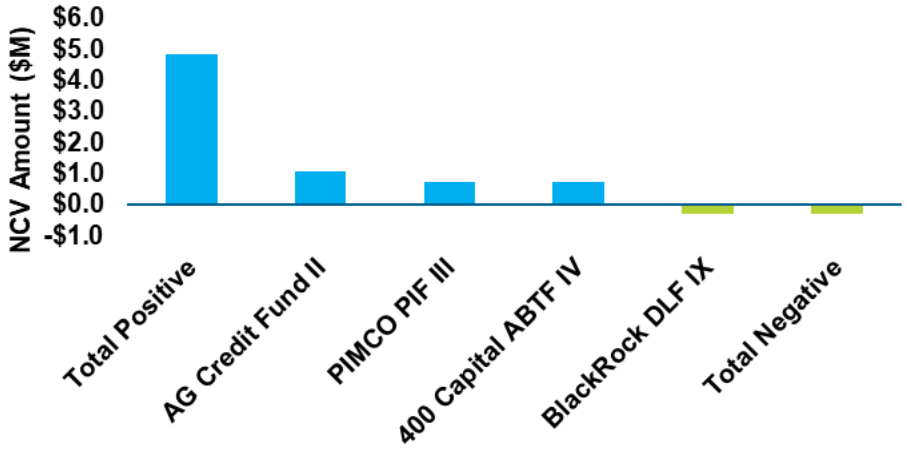
Horizon IRRs

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	6.7	13.5	8.8	NM	6.7

Periodic NCV



1 Quarter Drivers Of NCV



Net Change in Value (NCV) reflects appreciation or depreciation over the time period neutralized for cash flows during the time period.

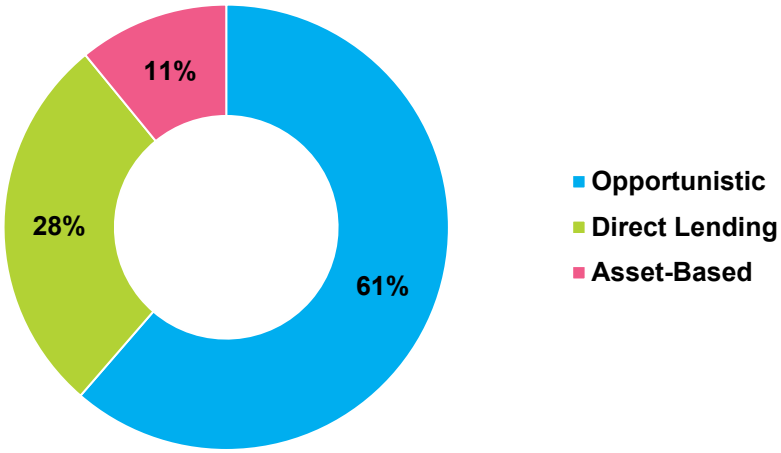
Fund Performance: Sorted By Vintage And Strategy[1]

By Investment	Vintage	Strategy	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	TVPI (X)	IRR (%)
PIMCO PIF III	Open-End	Opportunistic	50.0	50.0	0.0	21.7	50.7	1.45	7.7
TCP DL VIII	2016	Direct Lending	35.0	35.0	37.2	43.4	0.7	1.26	5.8
White Oak YS Fund	2017	Opportunistic	35.0	54.6	3.0	37.9	32.1	1.28	6.5
BlackRock DLF IX	2019	Direct Lending	45.0	46.1	0.0	20.0	34.5	1.18	5.3
AG Credit Fund	2019	Opportunistic	15.0	15.0	0.6	16.8	4.5	1.42	11.6
White Oak Spectrum V	2020	Opportunistic	35.0	44.0	0.0	15.2	30.9	1.05	1.4
AG Credit Fund II	2021	Opportunistic	30.0	29.4	4.1	10.3	27.8	1.30	12.2
AG CSF2A Fund	2022	Opportunistic	15.0	10.1	4.9	10.4	1.3	1.16	13.2
ComVest CP VII	2023	Direct Lending	45.0	36.4	11.0	4.1	34.6	1.06	8.1
400 Capital ABTF IV	2024	Asset-Based	40.0	25.3	14.9	0.0	27.4	1.08	NM
400 Cap ABF IV Annex	2025	Asset-Based	10.0	0.0	10.0	0.0	0.0	NM	NM
TPG AG Credit III	2025	Opportunistic	30.0	5.7	24.0	0.0	7.0	1.22	NM
Total			**385.0**	**351.7**	**109.8**	**179.7**	**251.6**	**1.23**	**6.7**

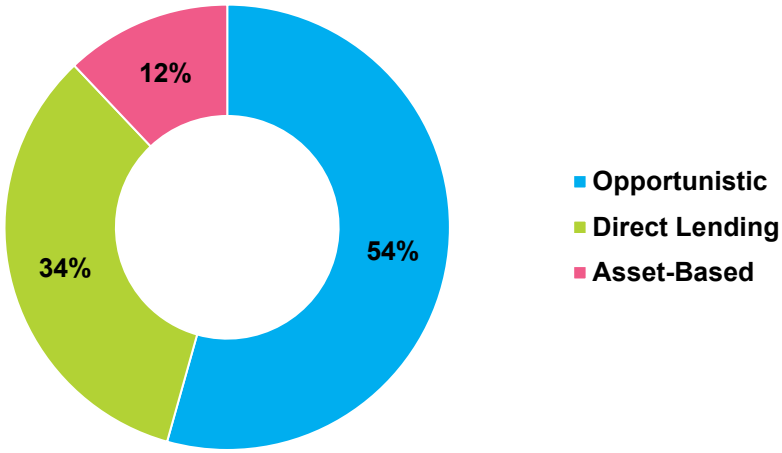
[1] AG CSF1A (Annex) Dislocation Fund, L.P. is fully realized and not incorporated into the portfolio currently, but will be included for future reports. As of the final capital account statement dated November 8, 2021, AG CSF1A (Annex) Dislocation Fund, L.P. generated a 26.3% net IRR and 1.25x net MOIC, as reported by the GP.

By Strategy

Percent of FMV

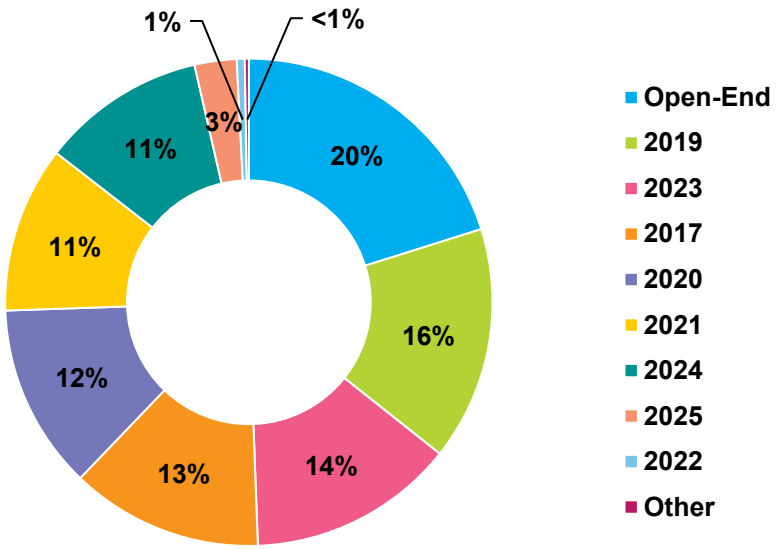


Percent of Exposure

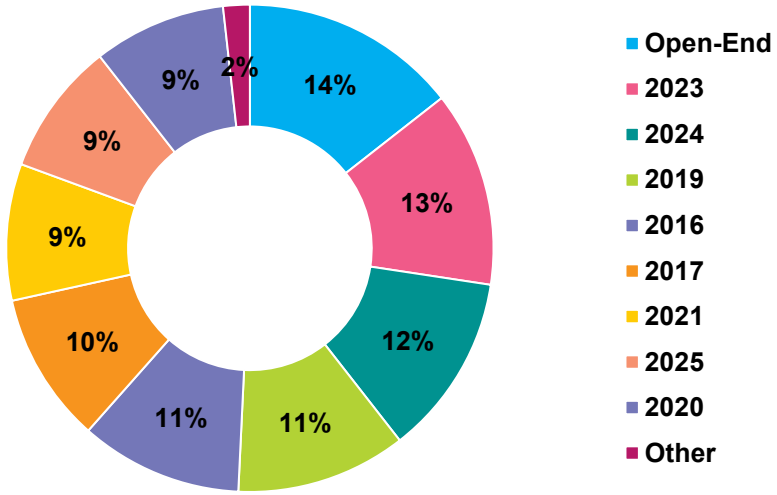


By Vintage

Percent of FMV

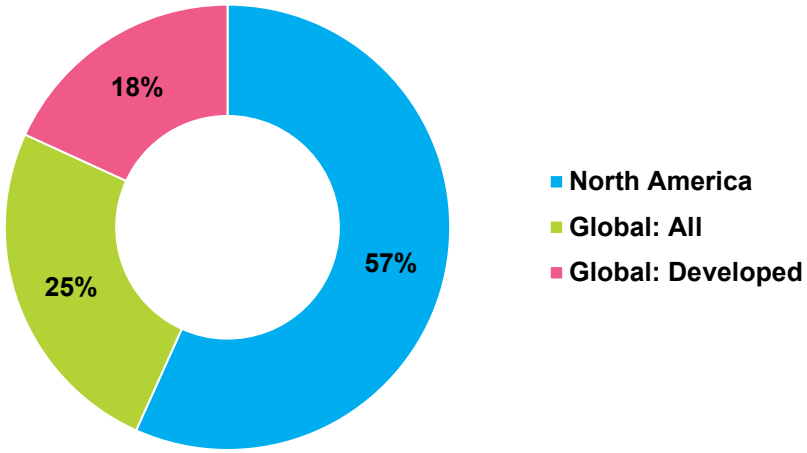


Percent of Exposure

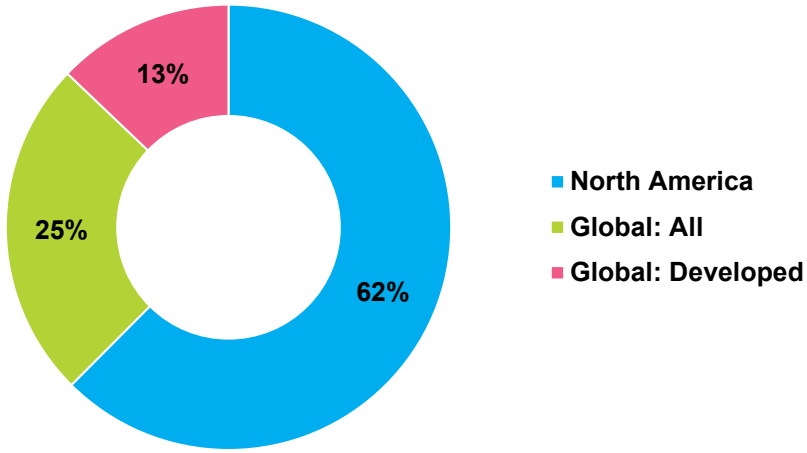


By Geographic Focus

Percent of FMV



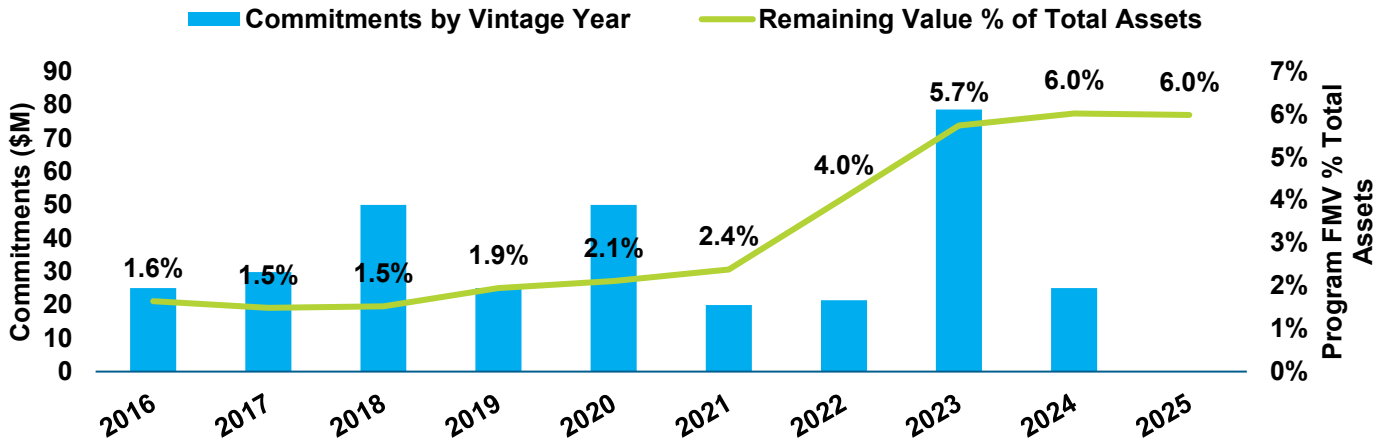
Percent of Exposure



Real Assets

Introduction

San Mateo Employees' Retirement Association Real Assets Program has a 5% target allocation across a mix of Infrastructure, Natural Resources, and Real Estate strategies. As of December 31, 2025, the Real Assets Program represented 6.0% of total assets within the (+/-2%) range for the asset class. As of the end of Q4 2025, 23 Real Assets fund commitments totaling $519.8 million have been made in the program.



Program Status

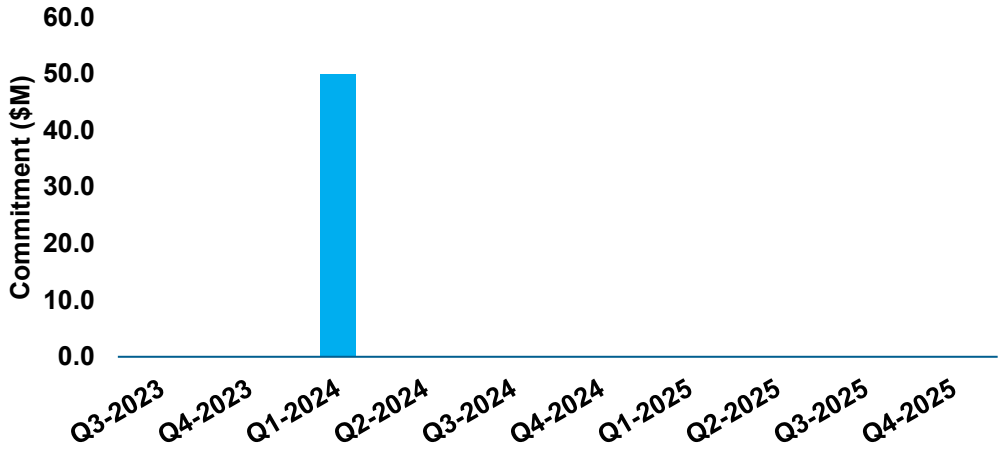
No. of Investments	23
Committed ($M)	519.8
Contributed ($M)	481.7
Distributed ($M)	180.6
Remaining Value ($M)	457.4

Performance Since Inception

	Program	Program (Ex-Sheridan)
DPI	0.37x	0.39x
TVPI	1.32x	1.38x
IRR	7.9%	10.4%

Commitments

Recent Quarterly Commitments

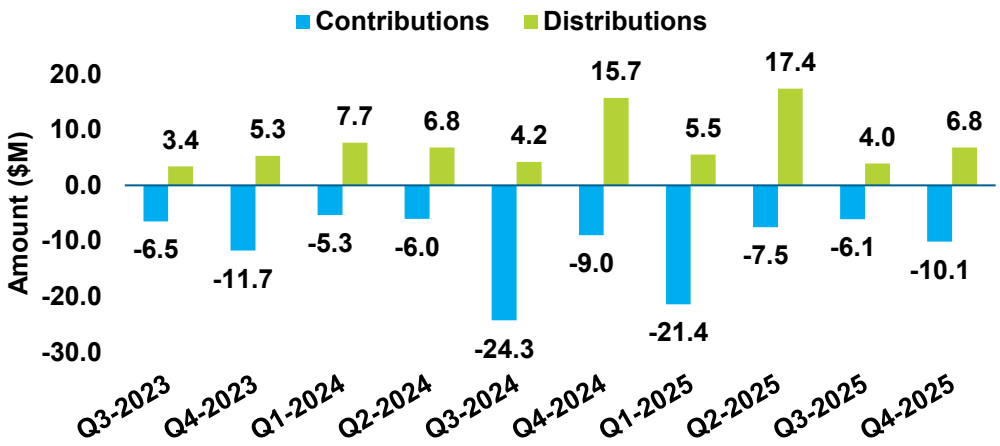


Commitments This Quarter

Fund	Strategy	Region	Amount ($M)
None to report.			

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($M)
Tiger Infra IV	2023	Infrastructure	Global: Developed	3.61
Quantum Energy VIII	2022	Natural Resources	North America	2.52
VR Sustain Asset III	2021	Infrastructure	North America	1.01

Largest Distributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($M)
Quantum Energy VIII	2022	Natural Resources	North America	1.89
Quantum VII	2017	Natural Resources	North America	0.78
KKR Diversified Core	2020	Infrastructure	Global: All	0.76

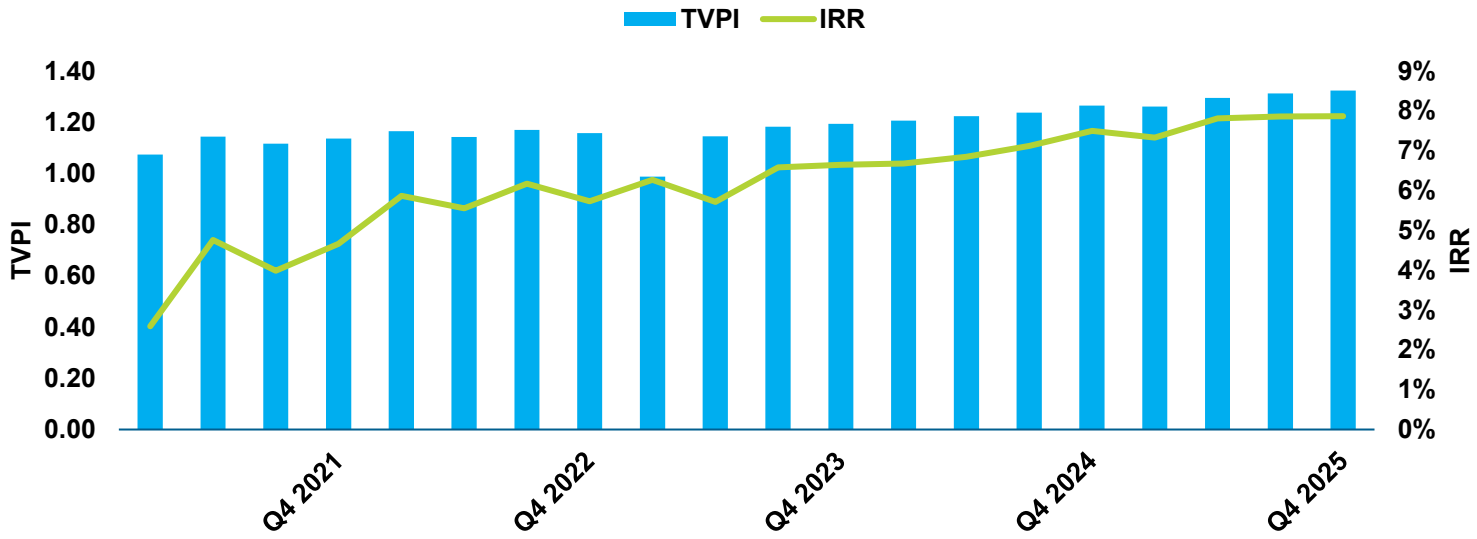
By Strategy

Group	Number	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	Exposure ($M)	DPI (X)	TVPI (X)	IRR (%)
Infrastructure	11	325.0	300.0	49.7	68.2	352.2	401.9	0.23	1.40	10.0
Natural Resources	10	144.8	159.2	37.1	112.4	83.6	120.8	0.71	1.23	5.3
Real Estate	2	50.0	22.5	27.7	0.0	21.5	31.3	0.00	0.96	-3.1
Total	**23**	**519.8**	**481.7**	**114.5**	**180.6**	**457.4**	**571.8**	**0.37**	**1.32**	**7.9**
Total (Ex-Sheridan)	***22***	***499.8***	***461.0***	***114.5***	***179.2***	***457.4***	***571.8***	***0.39***	***1.38***	***10.4***

By Vintage

Group	Number	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	Exposure ($M)	DPI (X)	TVPI (X)	IRR (%)
Open-End Fund	2	120.0	120.2	0.0	16.3	136.2	136.2	0.14	1.27	7.9
2010	1	20.0	20.7	0.0	1.4	0.0	0.0	0.07	0.07	NM
2013	1	10.0	11.5	0.4	15.6	2.1	2.5	1.35	1.53	10.8
2014	2	35.0	48.9	7.5	39.6	28.3	35.8	0.81	1.39	8.8
2015	1	10.0	10.0	0.0	2.0	18.7	18.7	0.20	2.06	7.6
2016	1	25.0	26.7	0.0	9.2	34.2	34.2	0.35	1.63	9.4
2017	3	29.8	31.8	9.5	33.5	13.9	23.5	1.05	1.49	14.3
2018	2	50.0	53.9	7.8	29.5	65.6	73.4	0.55	1.76	15.5
2019	1	25.0	23.1	12.0	16.9	18.2	30.2	0.73	1.51	18.8
2020	2	50.0	47.3	11.1	8.4	53.4	64.4	0.18	1.30	10.3
2021	1	20.0	17.4	2.6	0.0	17.5	20.1	0.00	1.00	0.1
2022	1	21.4	20.0	6.4	4.8	18.0	24.4	0.24	1.14	14.9
2023	4	78.6	35.6	43.9	0.8	33.8	77.7	0.02	0.97	-2.5
2024	1	25.0	14.5	13.3	2.8	17.6	30.9	0.19	1.41	NM
Total	**23**	**519.8**	**481.7**	**114.5**	**180.6**	**457.4**	**571.8**	**0.37**	**1.32**	**7.9**
Total (Ex-Sheridan)	***22***	***499.8***	***461.0***	***114.5***	***179.2***	***457.4***	***571.8***	***0.39***	***1.38***	***10.4***

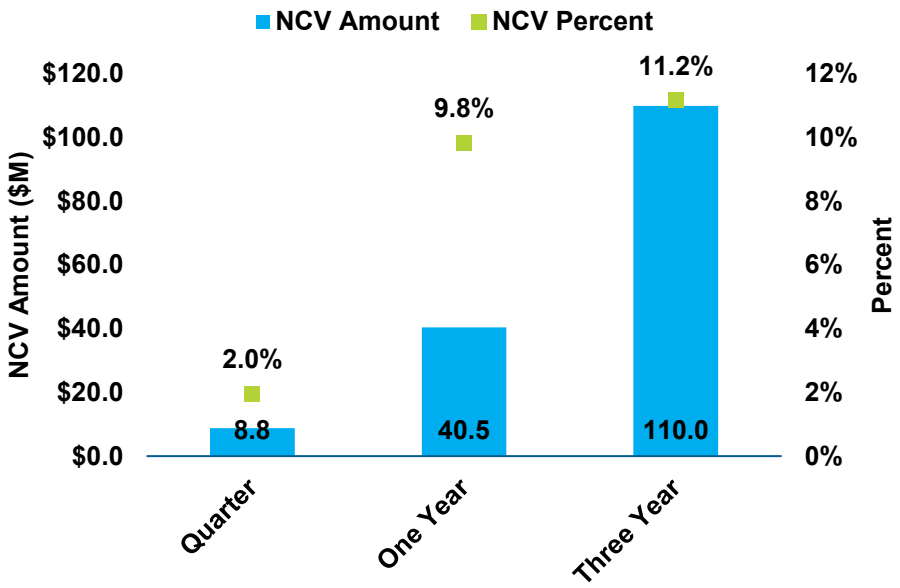
Since Inception Performance Over Time



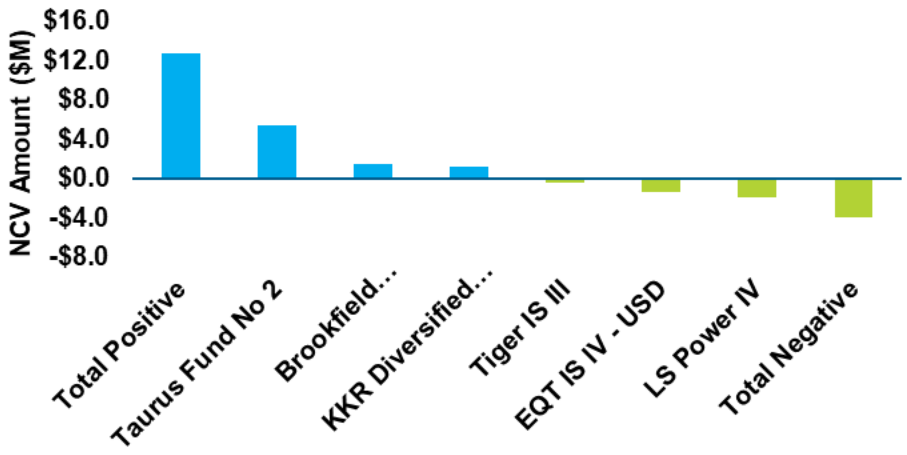
Horizon IRRs

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	9.7	10.2	10.9	9.9	7.9

Periodic NCV



1 Quarter Drivers Of NCV



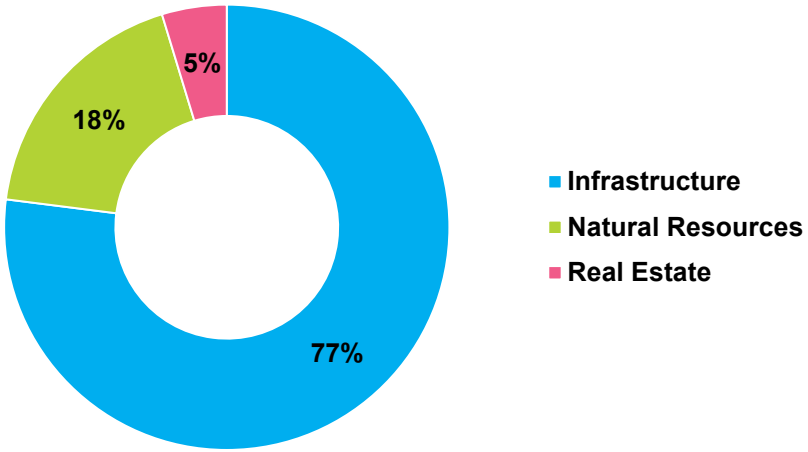
Fund Performance: Sorted By Vintage And Strategy

By Investment	Vintage	Strategy	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	TVPI (X)	IRR (%)
Brookfield SuperCore	Open-End	Infrastructure	60.0	60.2	0.0	9.2	70.8	1.33	8.4
KKR Diversified Core	Open-End	Infrastructure	60.0	60.0	0.0	7.1	65.4	1.21	7.2
Sheridan Partners II	2010	Natural Resources	20.0	20.7	0.0	1.4	0.0	0.07	NM
EnCap IX	2013	Natural Resources	10.0	11.5	0.4	15.6	2.1	1.53	10.8
Blue Road Capital	2014	Natural Resources	15.0	25.2	1.9	12.2	28.3	1.61	9.5
Taurus Mining Fund	2014	Natural Resources	20.0	23.7	5.6	27.3	0.0	1.15	7.1
EverStream Fund I	2015	Infrastructure	10.0	10.0	0.0	2.0	18.7	2.06	7.6
CIM IS Fund II	2016	Infrastructure	25.0	26.7	0.0	9.2	34.2	1.63	9.4
Quantum VII	2017	Natural Resources	18.0	20.9	1.5	20.0	12.9	1.57	13.5
Quantum VII Co-Inv.	2017	Natural Resources	1.8	1.5	0.7	1.5	1.0	1.72	15.8
Taurus Mining Annex	2017	Natural Resources	10.0	9.4	7.3	12.0	0.0	1.27	17.3
EQT IS IV - USD	2018	Infrastructure	30.0	32.2	5.9	9.9	36.6	1.44	8.9
LS Power IV	2018	Infrastructure	20.0	21.7	1.8	19.6	29.0	2.24	26.9
Taurus Fund No 2	2019	Natural Resources	25.0	23.1	12.0	16.9	18.2	1.51	18.8
EQT Infrastructure V	2020	Infrastructure	25.0	25.6	4.7	5.3	28.0	1.30	9.6
Tiger IS III	2020	Infrastructure	25.0	21.7	6.3	3.1	25.4	1.31	11.4
VR Sustain Asset III	2021	Infrastructure	20.0	17.4	2.6	0.0	17.5	1.00	0.1
Quantum Energy VIII	2022	Natural Resources	21.4	20.0	6.4	4.8	18.0	1.14	14.9
Tiger Infra IV	2023	Infrastructure	25.0	10.1	14.9	0.0	9.2	0.91	-14.4
Quantum VIII Co-Inv.	2023	Natural Resources	3.6	3.1	1.3	0.8	3.1	1.28	31.1
KSL VI	2023	Real Estate	20.0	7.8	12.2	0.0	5.6	0.72	-18.1

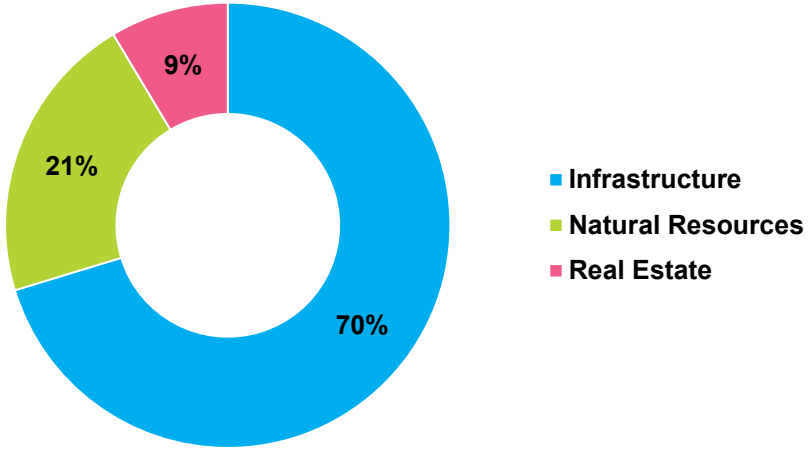
By Investment	Vintage	Strategy	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	TVPI (X)	IRR (%)
Cerberus IREP VI	2023	Real Estate	30.0	14.7	15.5	0.0	15.9	1.08	5.8
LS Power V	2024	Infrastructure	25.0	14.5	13.3	2.8	17.6	1.41	NM
Total			**519.8**	**481.7**	**114.5**	**180.6**	**457.4**	**1.32**	**7.9**
Total (Ex-Sheridan)			***499.8***	***461.0***	***114.5***	***179.2***	***457.4***	***1.38***	***10.4***

By Strategy

Percent of FMV

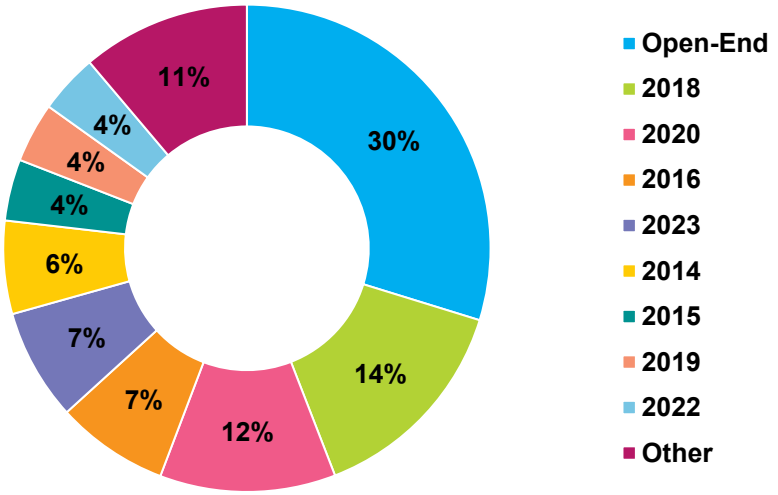


Percent of Exposure

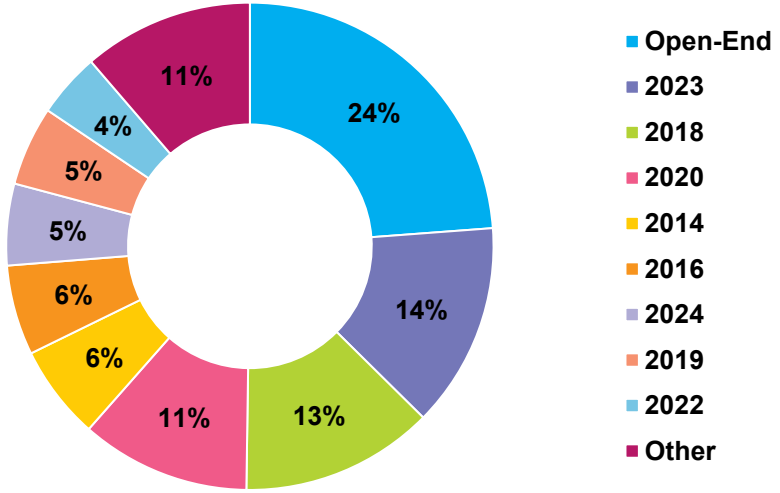


By Vintage

Percent of FMV

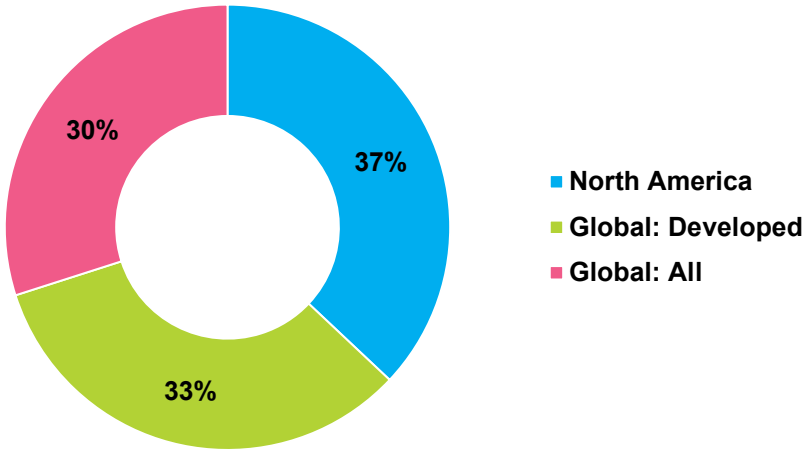


Percent of Exposure

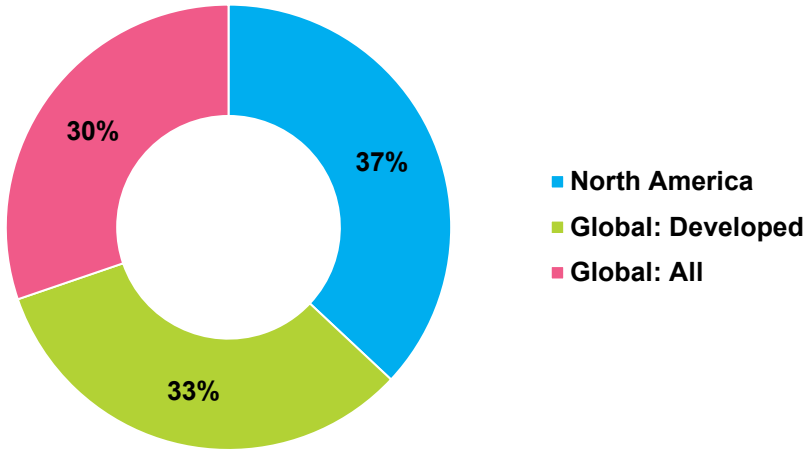


By Geographic Focus

Percent of FMV



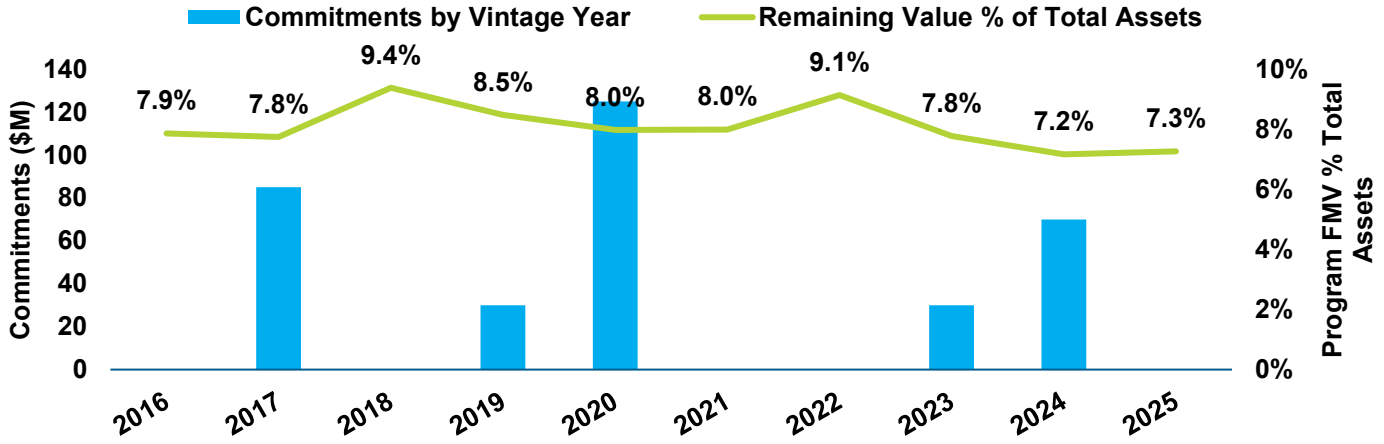
Percent of Exposure



Real Estate Program

Introduction

San Mateo Employees' Retirement Association Real Estate Program has an 9% target allocation across a mix of Core, Debt, and Value-Added strategies. As of December 31, 2025, the Real Estate Program represented 7.3% of total assets. As of the end of Q4 2025, 10 Real Estate fund commitments totaling $590.0 million have been made in the program.



Program Status

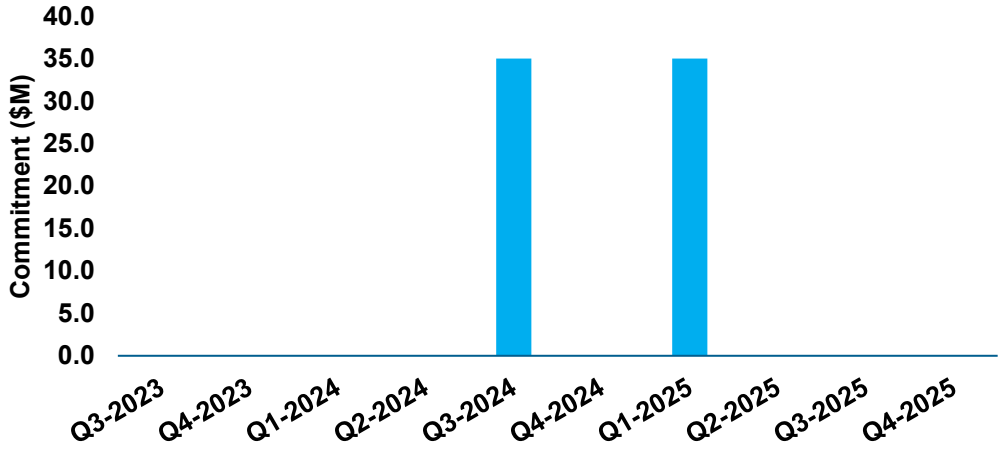
No. of Investments	10
Committed ($M)	590.0
Contributed ($M)	529.0
Distributed ($M)	297.6
Remaining Value ($M)	555.9

Performance Since Inception

	Program
DPI	0.56x
TVPI	1.61x
IRR	7.4%

Commitments

Recent Quarterly Commitments

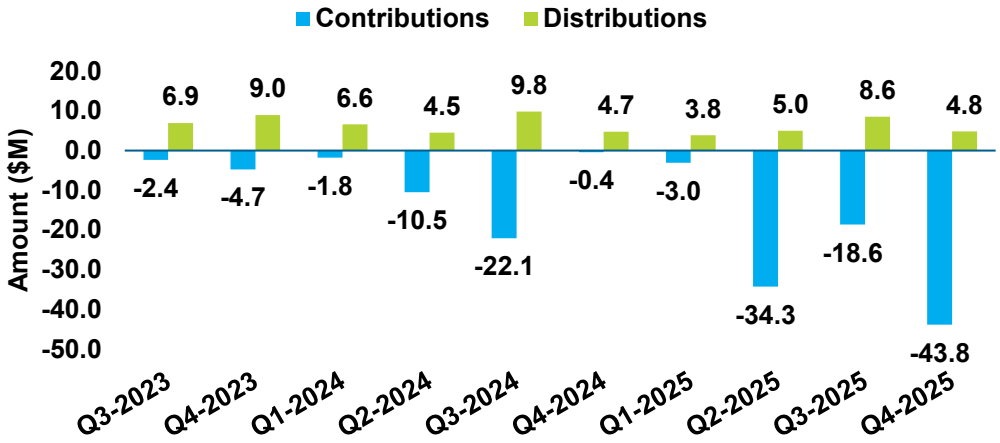


Commitments This Quarter

Fund	Strategy	Region	Amount ($M)
None to report.			

Cash Flows

Recent Quarterly Cash Flows



Largest Contributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($M)
Invesco Core RE	2004	Core	North America	30.00
Harrison St Core	2011	Core	North America	10.82
BPC RE Fund	2023	Debt	North America	2.98

Largest Distributions This Quarter

Fund	Vintage	Strategy	Region	Amount ($M)
Invesco Core RE	2004	Core	North America	2.17
PGIM RE US DF	2017	Debt	North America	1.41
Harrison St Core	2011	Core	North America	1.06

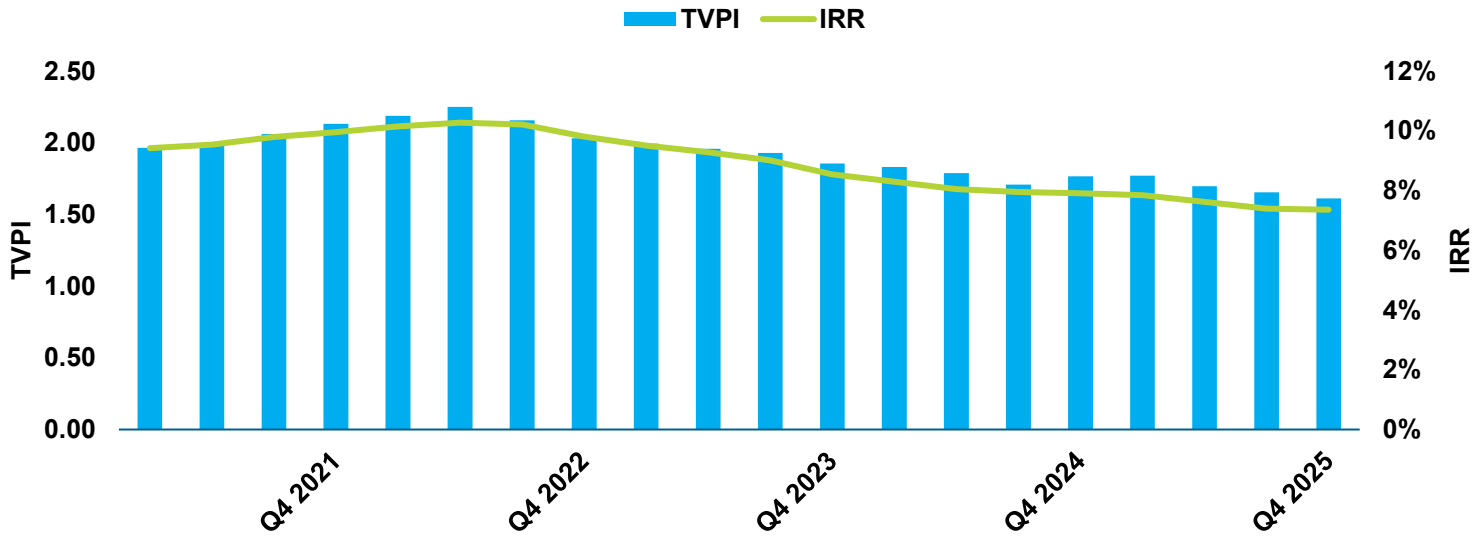
By Strategy

Group	Number	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	Exposure ($M)	DPI (X)	TVPI (X)	IRR (%)
Core	2	265.0	280.7	0.0	201.9	360.1	360.1	0.72	2.00	7.9
Debt	2	120.0	105.8	14.2	52.1	93.4	107.6	0.49	1.37	6.2
Value-Added	6	205.0	142.6	64.0	43.7	102.4	166.3	0.31	1.02	0.9
Total	**10**	**590.0**	**529.0**	**78.2**	**297.6**	**555.9**	**634.0**	**0.56**	**1.61**	**7.4**

By Vintage

Group	Number	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	Exposure ($M)	DPI (X)	TVPI (X)	IRR (%)
Open-End Fund	3	350.0	365.7	0.0	251.2	432.3	432.3	0.69	1.87	7.7
2015	1	30.0	26.2	3.8	34.4	0.1	3.9	1.32	1.32	9.7
2019	2	60.0	56.5	3.5	6.2	45.7	49.2	0.11	0.92	-2.1
2022	2	80.0	48.5	32.9	2.9	43.3	76.2	0.06	0.95	-2.4
2023	1	35.0	20.8	14.2	2.8	21.2	35.4	0.13	1.15	14.7
2024	1	35.0	11.4	23.8	0.1	13.3	37.1	0.01	1.18	NM
Total	**10**	**590.0**	**529.0**	**78.2**	**297.6**	**555.9**	**634.0**	**0.56**	**1.61**	**7.4**

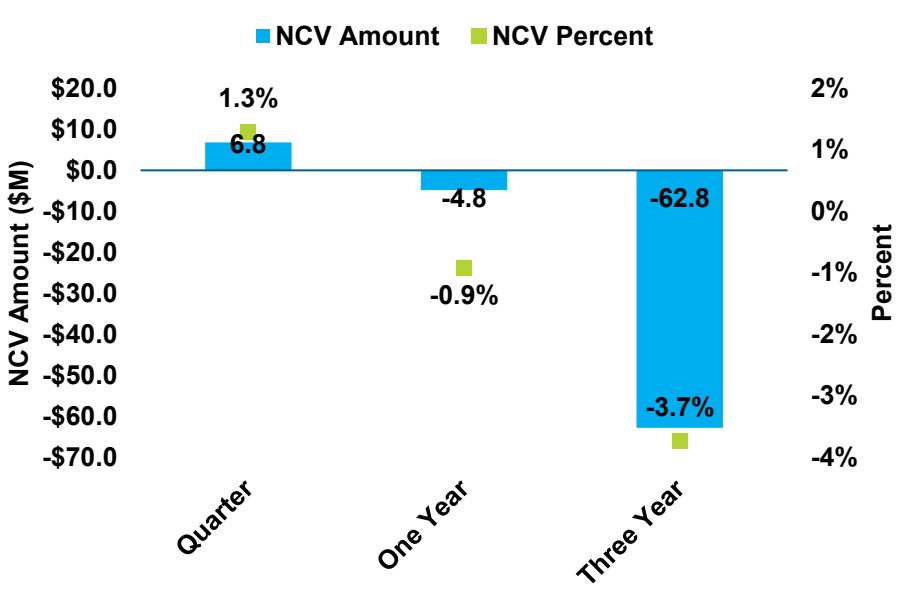
Since Inception Performance Over Time



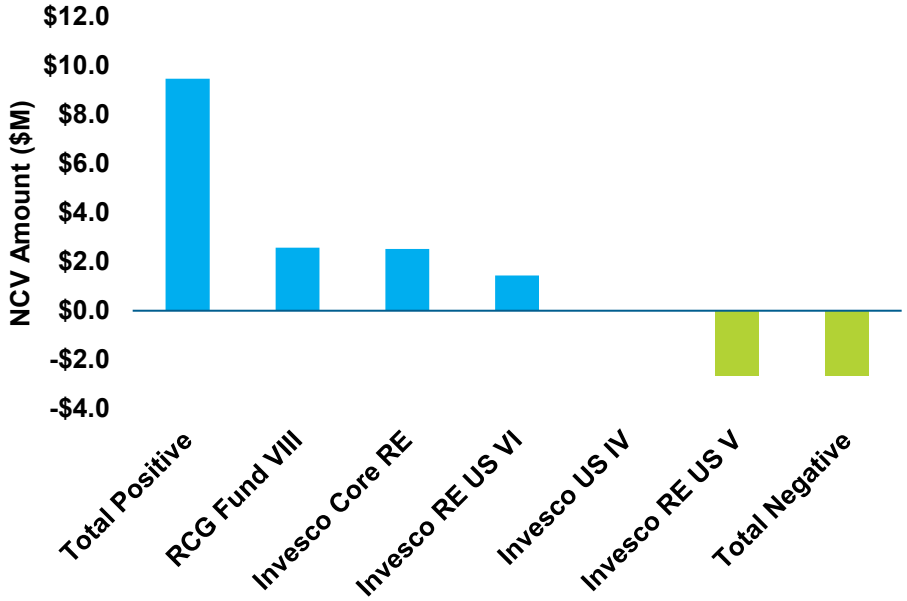
Horizon IRRs

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	-0.9	-4.0	2.1	4.1	7.4

Periodic NCV



1 Quarter Drivers Of NCV

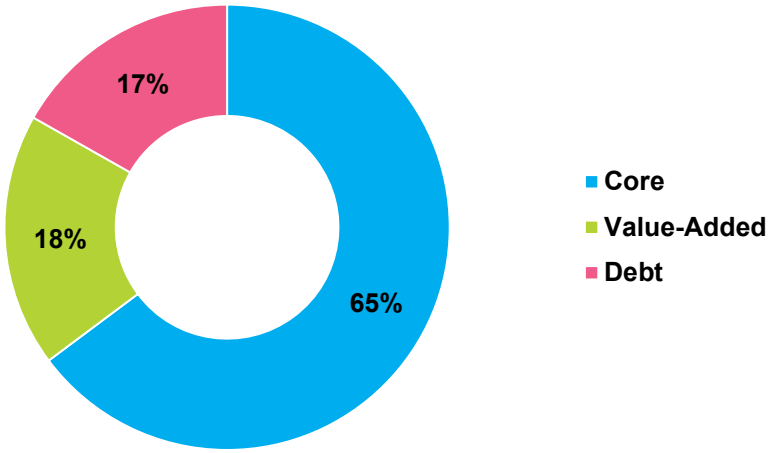


Fund Performance: Sorted By Vintage And Strategy

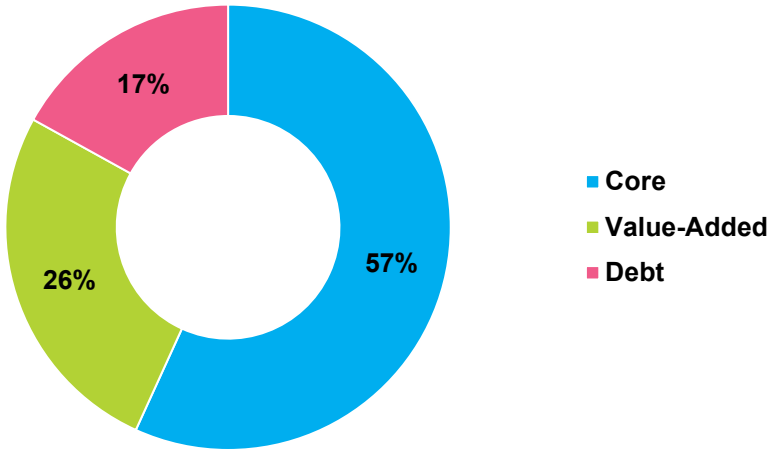
By Investment	Vintage	Strategy	Committed ($M)	Contributed ($M)	Unfunded ($M)	Distributed ($M)	Remaining Value ($M)	TVPI (X)	IRR (%)
Harrison St Core	Open-End	Core	95.0	108.4	0.0	17.8	103.7	1.12	3.1
Invesco Core RE	Open-End	Core	170.0	172.3	0.0	184.0	256.4	2.56	8.3
PGIM RE US DF	Open-End	Debt	85.0	85.0	0.0	49.3	72.1	1.43	6.0
Invesco US IV	2015	Value-Added	30.0	26.2	3.8	34.4	0.1	1.32	9.7
Invesco RE US V	2019	Value-Added	30.0	29.2	0.8	3.7	20.4	0.82	-4.2
Stockbridge Fund IV	2019	Value-Added	30.0	27.3	2.7	2.5	25.3	1.02	0.6
Invesco RE US VI	2022	Value-Added	50.0	31.2	20.1	2.6	26.3	0.92	-2.9
Stockbridge Fund V	2022	Value-Added	30.0	17.3	12.7	0.3	17.0	1.00	0.3
BPC RE Fund	2023	Debt	35.0	20.8	14.2	2.8	21.2	1.15	14.7
RCG Fund VIII	2024	Value-Added	35.0	11.4	23.8	0.1	13.3	1.18	NM
Total			**590.0**	**529.0**	**78.2**	**297.6**	**555.9**	**1.61**	**7.4**

By Strategy

Percent of FMV

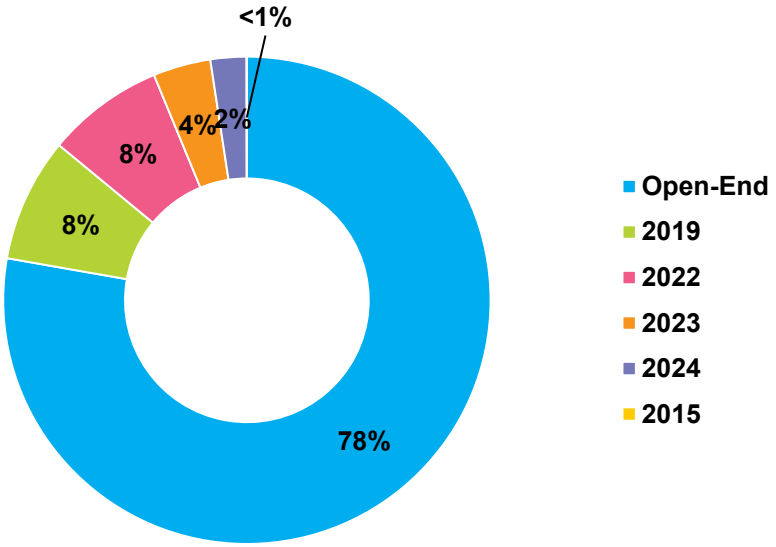


Percent of Exposure

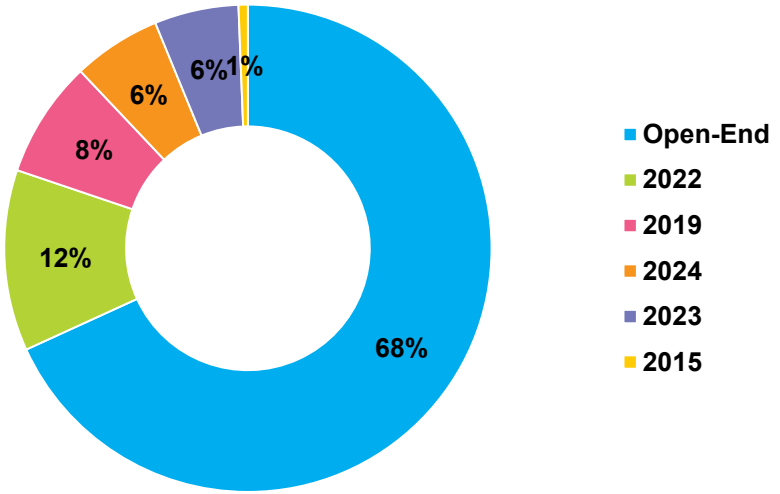


By Vintage

Percent of FMV

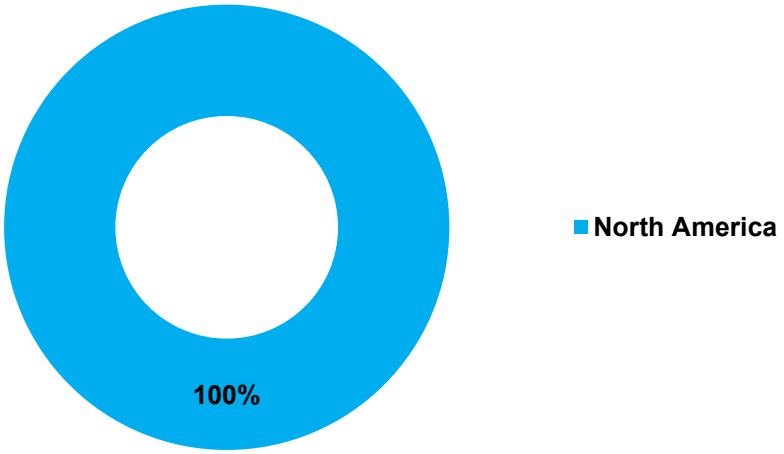


Percent of Exposure

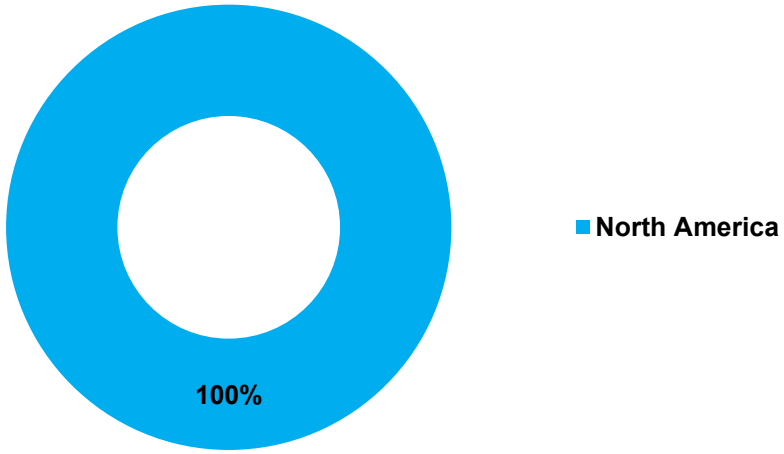


By Geographic Focus

Percent of FMV

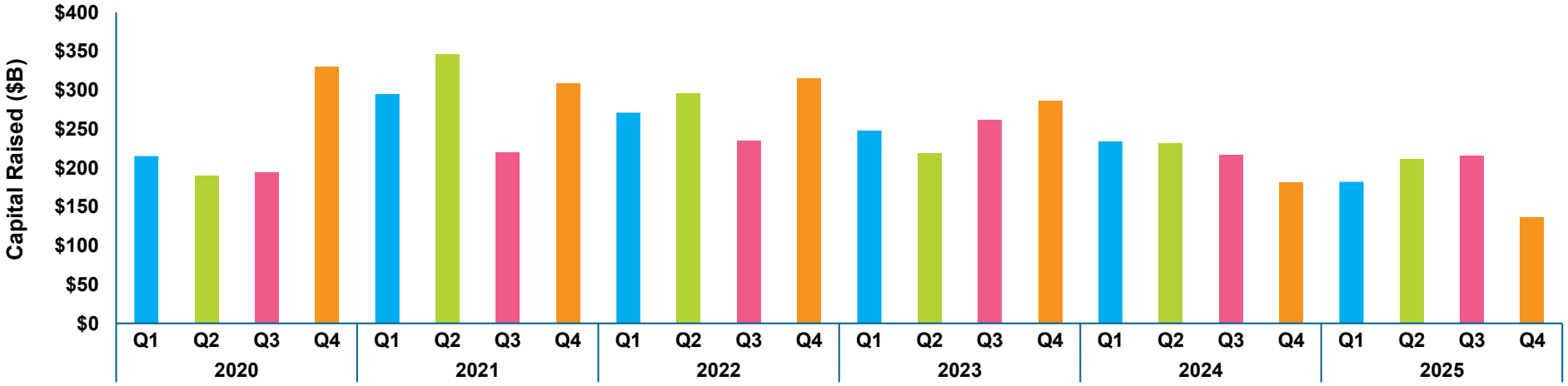


Percent of Exposure



Market & Industry Analysis

Private Equity
Global Fundraising[1]



→ Fundraising activity for private equity funds in the fourth quarter of 2025 decreased by 37% quarter-over-quarter ("QoQ") and 25% year-over-year ("YoY") with $136.4 billion raised. Overall, private equity fundraising was down 14% in 2025 compared to the prior year, and the number of funds closed during the year fell 28%, reflecting an ongoing trend toward fund concentration.

→ As highlighted in recent quarters, slower deal and exit activity, particularly in primary markets, has resulted in reduced capital returned to investors, which continues to apply liquidity pressure on limited partners, limiting new fundraising efforts. Investors remain selective and conservative in deploying new capital.

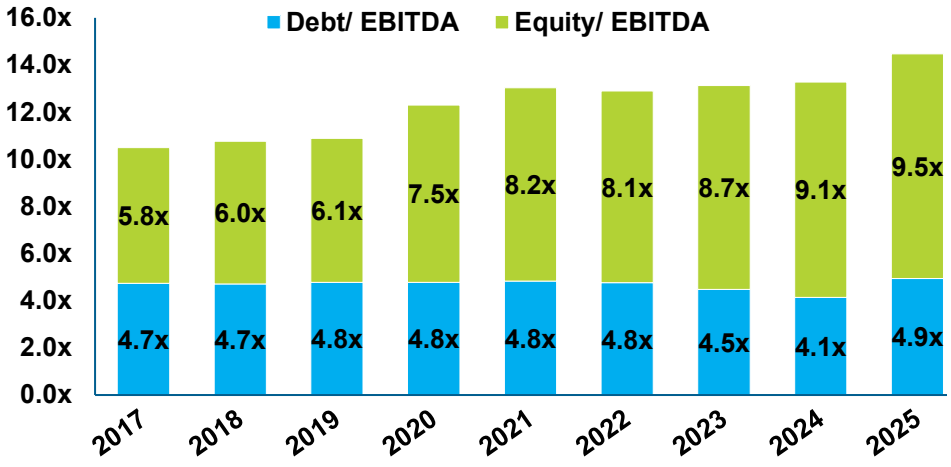
→ Deal activity (by number) was down 18% compared to the prior quarter while aggregate deal value was down 33%. For the year, deals were down 7% in 2025 but deal value was up 12% compared to 2024, largely driven by several mega deals in the third quarter.

→ Exit activity (by number) was down 21% compared to the prior quarter while the aggregate exit value was up 1%. For the year, exits were down 18% in 2025 compared to 2024 despite aggregate exit value down only 1%. These statistics reveal that premium assets, especially at the larger end of the market, are still trading in today's market.

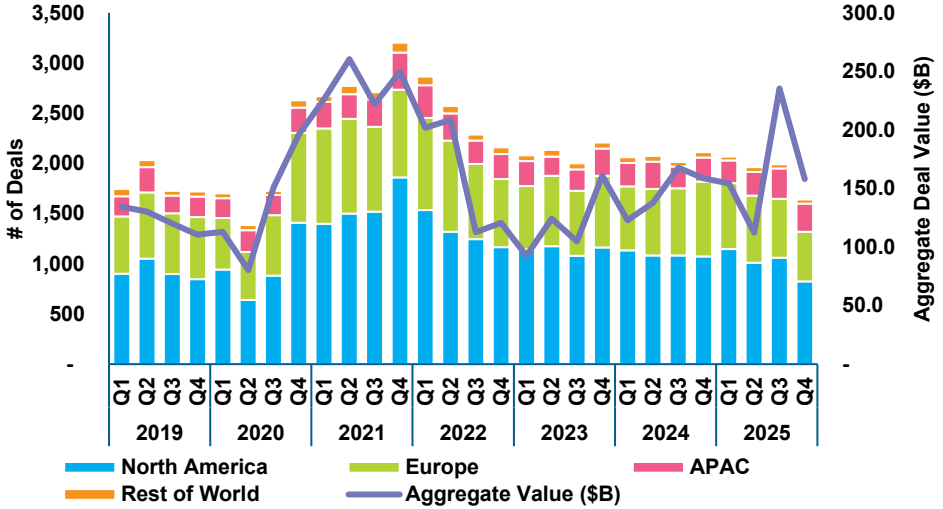
→ The Federal Reserve (the "Fed") last cut interest rates in December to a target range of 3.50% to 3.75%, which has held steady in early 2026. Private equity relies heavily on current interest rates, which tie directly to cost of capital and asset valuations. Valuation mismatches, macro uncertainty and volatility, and delayed interest rate cuts have continued to mute exit activity at large.

[1] Preqin

Purchase Price Breakdown, All LBOs[1]



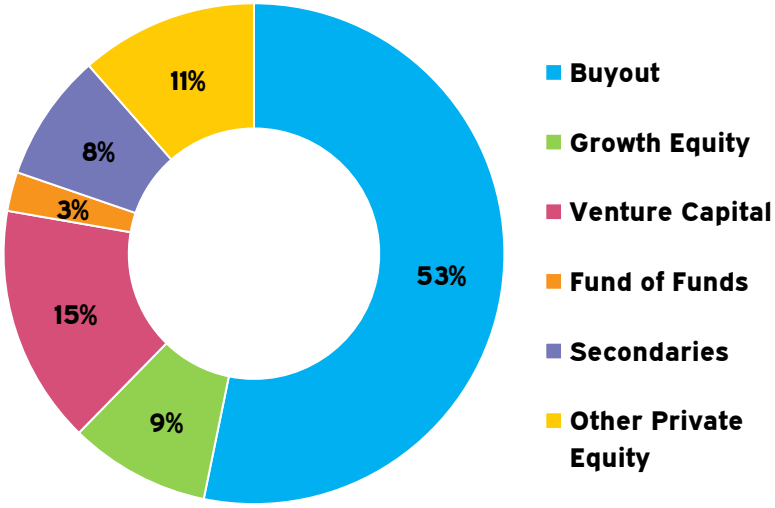
Private Equity Buyout Deals by Region[2]



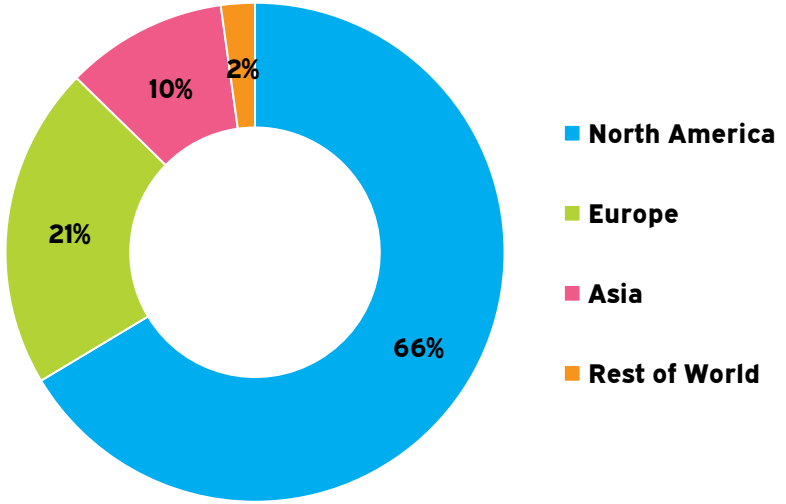
- → Compared to 2024, the global median private equity buyout purchase price multiple increased from 13.3x EBITDA to 14.5x EBITDA in 2025. This represents a 9.0% increase from 2024 relative to the 1.1% increase observed in 2024 from 2023.
- → Due to today's higher interest rate environment, recent deals, in aggregate, have been financed with more equity capital, as well. From 2023 through 2025, the median equity contribution ranged from 66-69%, compared to mid-50s% from 2017 to 2019.
- → Overall, the increase in purchase price multiples through 2025 shows resilience to the downward pressure of higher interest rates and sellers' resistance to exit deals at lower valuations despite the continued imbalance between expectations of buyers and sellers throughout the market.
- → Deal activity of late has largely comprised prized assets still trading at premium valuations and smaller deals that are less reliant on debt financing and more insulated from macroeconomic dynamics.
- → Deal volume has continued to trend downward since peak M&A activity in 2021. In Q4 2025, the number of buyout deals completed decreased by approximately 18% and 22% QoQ and YoY, respectively. For the year, deal count was down 7% from the 2024 total.
- → Aggregate deal value has also decreased since 2021 with a sharp drop in 2022 into H1 2023 before a slight rebound in late 2023 and 2024. After a decrease in deal value in H1 2025 following tariff announcements and related uncertainty, in Q3 2025, deal value jumped as several mega deals inflated aggregate deal value for the quarter. Aggregate deal value dropped 33% QoQ in the fourth quarter but outpaced the average quarterly deal value over the past three years.

[1] Preqin: Transaction Intelligence. Data pulled on March 25, 2026.
[2] Preqin.

Capital Raised by Strategy[1]



Capital Raised by Geography[2]



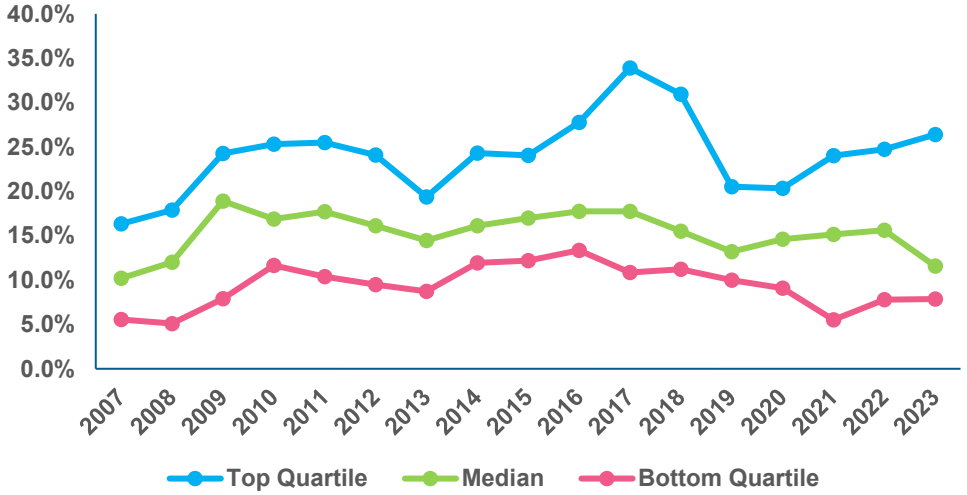
- → Buyout (53% of all private equity capital raised) and Venture Capital (15%) represented the private equity sub-strategies with the most capital raised during the fourth quarter of 2025.
- → Compared to 2024, fundraising by strategy for the full year remained relatively consistent with no primary strategy type changing by more than 3% from 2024 to 2025. Buyout represented 48% of total capital raised in 2025 (down 3%), followed by Growth Equity (16%), Venture Capital (13%), and Secondaries (10%). Other Private Equity increased from 4% of total capital raised in 2024 to 9% in 2025, which partly reflects an increased appetite for co-investments.
- → North America-focused vehicles represented the majority of aggregate capital raised during the fourth quarter, representing 66% of total capital and 65% of the total number of funds closed. The share of commitments to Europe increased quarter-over-quarter from 9% of capital raised (and 9% of funds closed) to 21% of capital raised (and 13% of funds closed) during the fourth quarter. Asia-focused funds accounted for approximately 10% of total capital raised, an increase of 7% relative to the prior quarter.
- → Compared to 2024, North America's share of private equity fundraising increased by 11% to 68% of total capital raised in 2025. Conversely, Europe represented 24% of total capital raised in 2025, down 2%, and Asia accounted for 5% of total capital raised, down 5%.

[1] Preqin
[2] Preqin

Private Equity Performance by Horizon[1]

Horizon	Private Equity	Buyout	Venture Capital	Growth Equity
1 Year to 9/2025	8.4%	7.4%	14.1%	11.3%
3 Years to 9/2025	6.4	7.2	0.2	7.3
5 Years to 9/2025	13.3	13.9	9.2	12.0
10 Years to 9/2025	13.4	14.2	10.5	13.3

Private Equity Performance by Vintage Year[2]



- → As of September 30, 2025, one-year private equity returns increased from the prior quarter, generating an 8.4% IRR over the trailing 12 months through Q3 2025. This compares to the trailing 12-month return of 7.4% as of Q2 2025 and a one-year return of 6.4% at Q3 2024. Overall, private equity returns have proven resilient but remain below the highs of recent years.
- → In general, performance has been strong in each vintage year since the Global Financial Crisis. Buyout, Venture, and Growth funds have all generally performed well over the various time horizons on an absolute basis, with Buyout outperforming both Growth and Venture funds across longer time periods as of Q3 2025.
- → The spread between first and third quartile performance in private equity has increased slightly since the Global Financial Crisis but has averaged approximately 15% through 2023 vintage funds, supporting the importance of manager selection when allocating to the asset class. Additionally, private equity returns have declined slightly since the late 2010s with top quartile returns dipping down to ~20% net IRR across 2019 and 2020 vintage funds, in part due to the higher cost of leverage and a decline in asset values from their peak in the early 2020s.
- → Deals remain competitive, keeping multiples high. Higher debt costs make it more difficult to capture value through leverage. A consistent, differentiated value creation model and clear strategies for maintaining growth and performance over the long term are more important than ever.

[1] Preqin Indices Private Equity Quarterly Performance through September 30, 2025. Data as of December 31, 2025, is not yet available.
[2] Preqin, Private Equity – All, Quartile Returns as of December 31, 2025. Data pulled on March 25, 2026.

Private Credit: Performance Update (Q4-25)

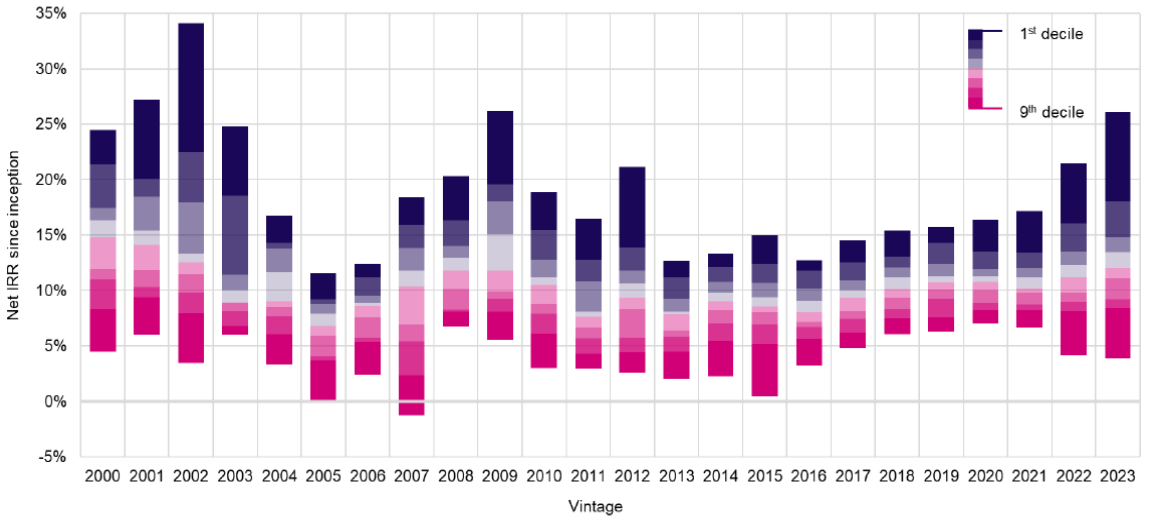
→ The most recent available Preqin All Private Debt index performance through June 2025 shows a downward movement of horizon performance compared to data as of December 31, 2024 (Chart 1)[1].

→ Through November 2025, performance dispersion in private credit increased to the highest level in a decade for the 2023 vintage, leading to a potential increase in the importance of manager selection (Chart 2)[2].

Preqin All Private Debt Index (a/o June 2025) (Chart 1)

Trailing Time Period	Horizon IRR (%)
1 year	4.7
3 years	6.7
5 years	8.8
10 years	6.7

Private Debt Manager Dispersion (Chart 2)



Source: Preqin. Data as of November 2025

[1] Preqin All Private Debt Index (a/o 6/30/2025)
[2] Preqin State of the Market: H1 2026

Private Credit: Market Environment Headlines

→ Deals in 2021 and early 2022 vintages are beginning to experience more stress compared to other recent vintages. Businesses in these cohorts have been the most impacted by the change in interest rates with limited time for EBITDA growth (Chart 1)[1].

→ While interest coverage ratios have improved off recent 2024 lows, interest coverage ratios remain near post-covid lows (Chart 2)[2].

→ Publicly traded BDCs have experienced recent volatility related to investor outflows, though data back to 2016 shows BDCs volatility of annual returns being relatively higher compared to equities and the BSL market (Chart 3)[3]. These strategies are generally viewed as retail strategies that trade more similarly to stocks with equity-like volatility due to the different risk profile compared to institutional direct lending funds. These BDCs can be 2X levered and may include CLO equity and/or junior debt, leading to the different risk profile.

Chart 1: Stressed Deals by Year

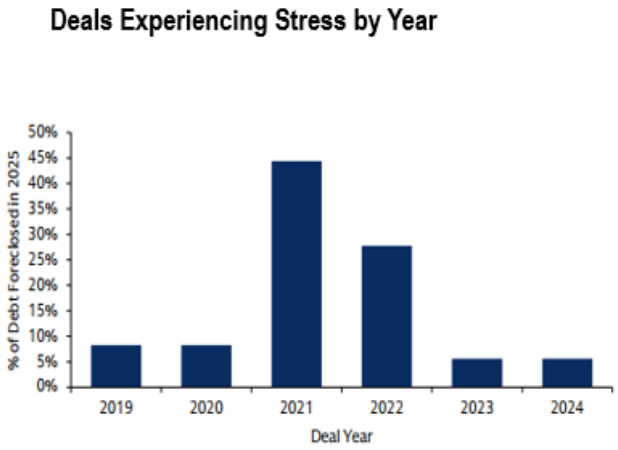


Chart 2: Interest Coverage Ratios

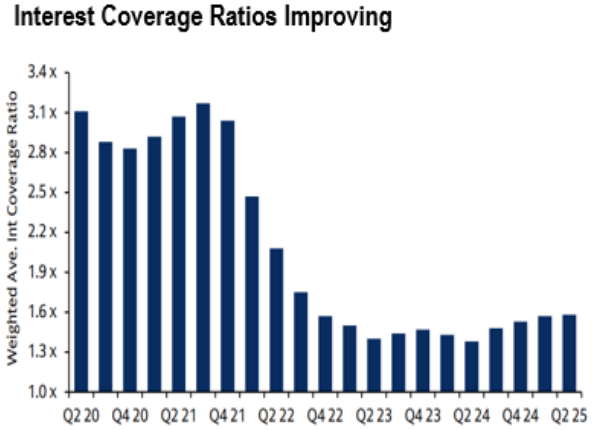
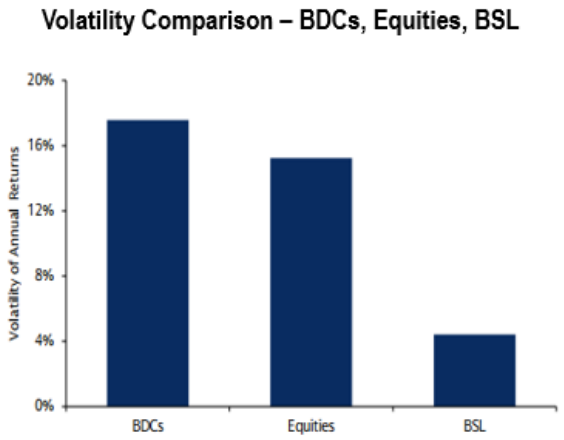


Chart 3: Volatility Comparison of BDCs, Equities, and BSL



[1] Source: Lincoln a/o Q3 2025
[2] Source: Houlihan Lockey a/o Q2 2025
[3] S&P Global (BDCs), MSCI World (Equities), LSTA (BSL). Volatility of annual returns 2016-2025

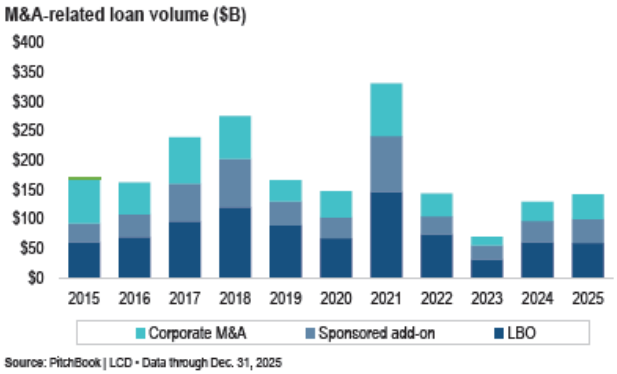
Private Credit: Deal Activity and Spreads

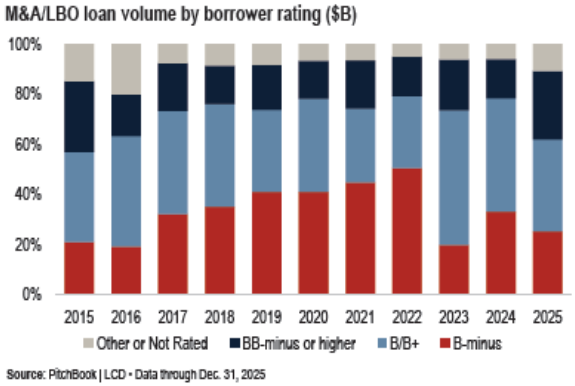
→ Even with a slow start to 2025, M&A related loan volume slightly increased year-over-year from 2024 by 9% to $142B, just below 2022 levels of $144B (Chart 1)[1].

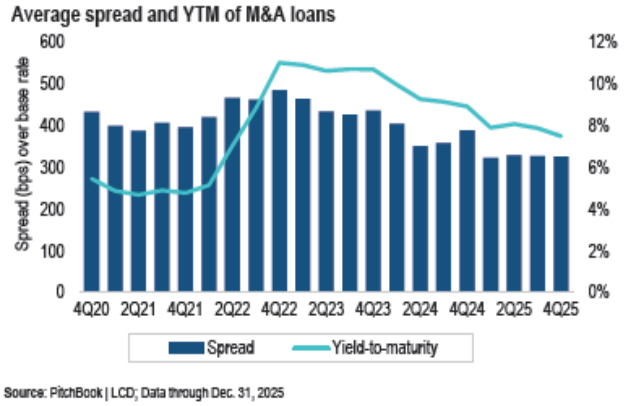
→ Across M&A and LBO loan activity, the distribution of issuance by borrower rating reflects a move toward higher credit quality. Companies rated BB-minus or better accounted for 27% of loan volume financing buyout and M&A deals in 2025, which is the highest level in the past decade and notably above the 19% post-GFC average (Chart 2)[1].

→ New-issue spreads in buyouts and other M&A activity tightened in 2025 to around S+325 bps, down from the ~350-400 bps range in 2024. Spreads remain near post-covid lows. Three rate cuts in 2025 further compressed yields, with yield-to-maturity falling to 7.49% in Q4 2025, down from 8.92% in Q4 2024 (Chart 3).[1]

M&A-Related Loan Volume ($B) (Chart 1)	M&A/LBO Loan Volume by Borrower Rating ($B) (Chart 2)	Average Spread and YTM of M&A Loans (Chart 3)







[1] Pitchbook | LCD US Credit Markets Q4 2025 Wrap

Direct Lending Market Environment (Q4 2025)

→ While below 2024 levels, Direct Lending activity remained robust in 2025 compared to the past 5-years. Data through February 2026 shows a slight increase in volume compared to the same time period in 2025, though lower deal count, reflecting larger average deal size. (Chart 1)[1].

→ Credit spreads have compressed, but remained stable, over the quarter at S+475bps for new issue acquisition-related transactions, which is the most competitive segment of the direct lending market. Through February 2026, Pitchbook data shows the narrowest delta between BSL and direct lending spreads dating back to at least 2020.[2]

→ Chart 2 below shows the average bid of first-lien loans in the S&P UBS Leveraged Loan Index across the entire index and for the software/IT sector. Loan prices in the software/IT sector have been falling since early January 2026, with loan prices now below their April 2025 lows, compared to the broader market where loan prices remain above 2025 lows. S&P Global Ratings estimates that on a dollar-weighted basis, software representation in BDCs is ~20%.[3]

Chart 1: Direct Lending Deal Volume and Count (Sponsor-Backed Borrowers)

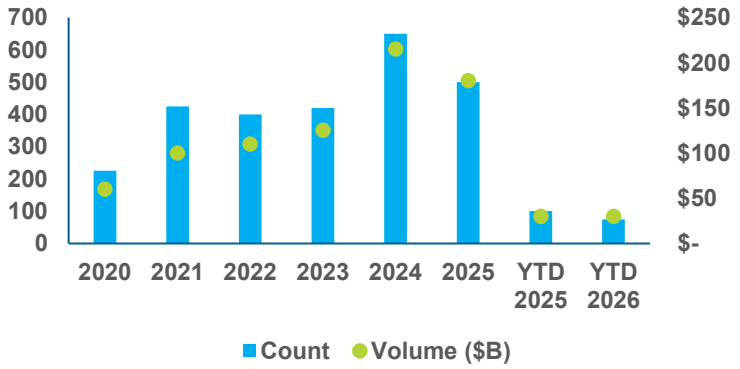
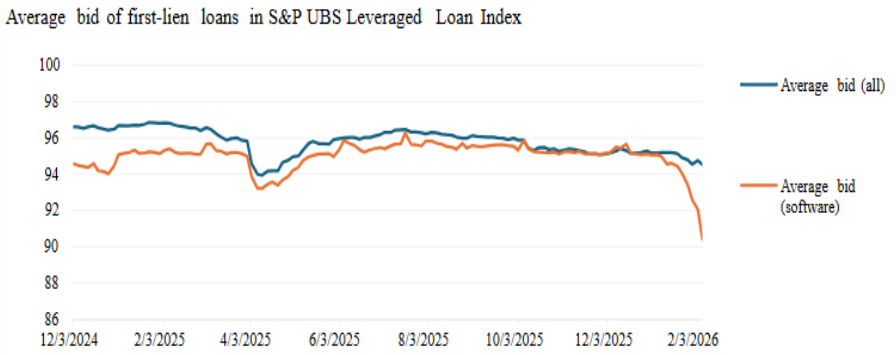
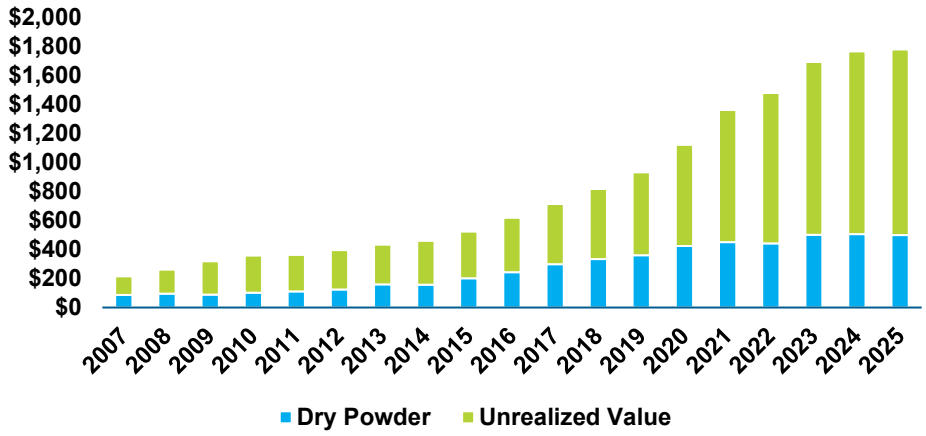


Chart 2: Drop in Software Loan Prices

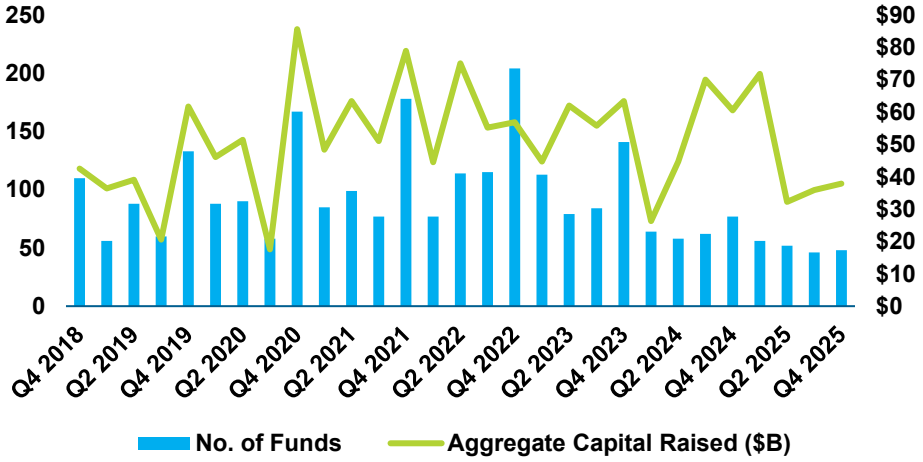


[1] Pitchbook|CD: US Private Credit Monitor (February 2026)
[2] Pitchbook|CD: US Private Credit Monitor (February 2026)
[3] S&P Global Market Intelligence Loan Pricing Data and S&P Global Ratings Private Markets Analytics.

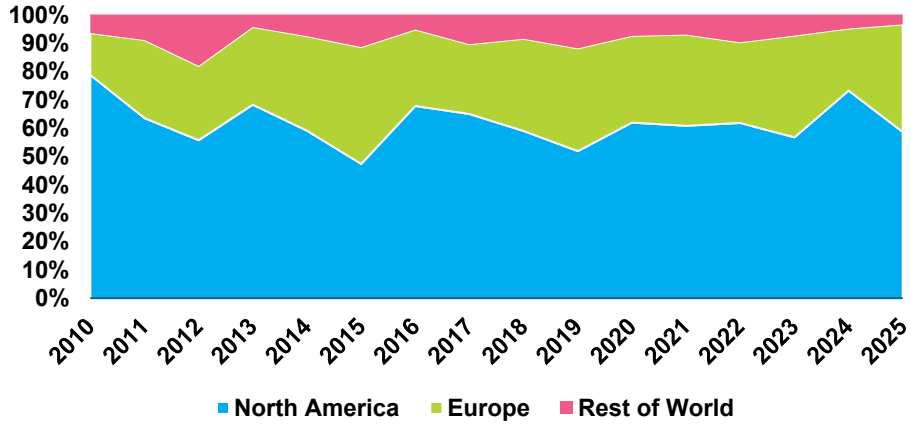
Global Private Debt AUM, as of June 2025 ($B)



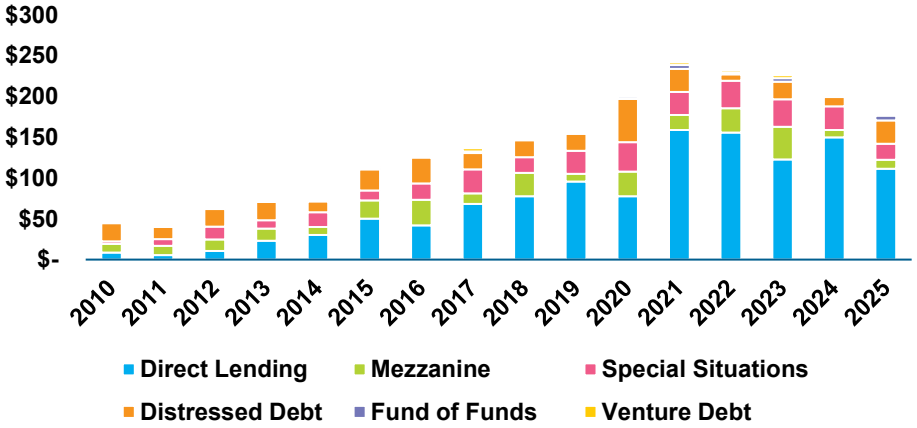
Global Private Debt Fundraising



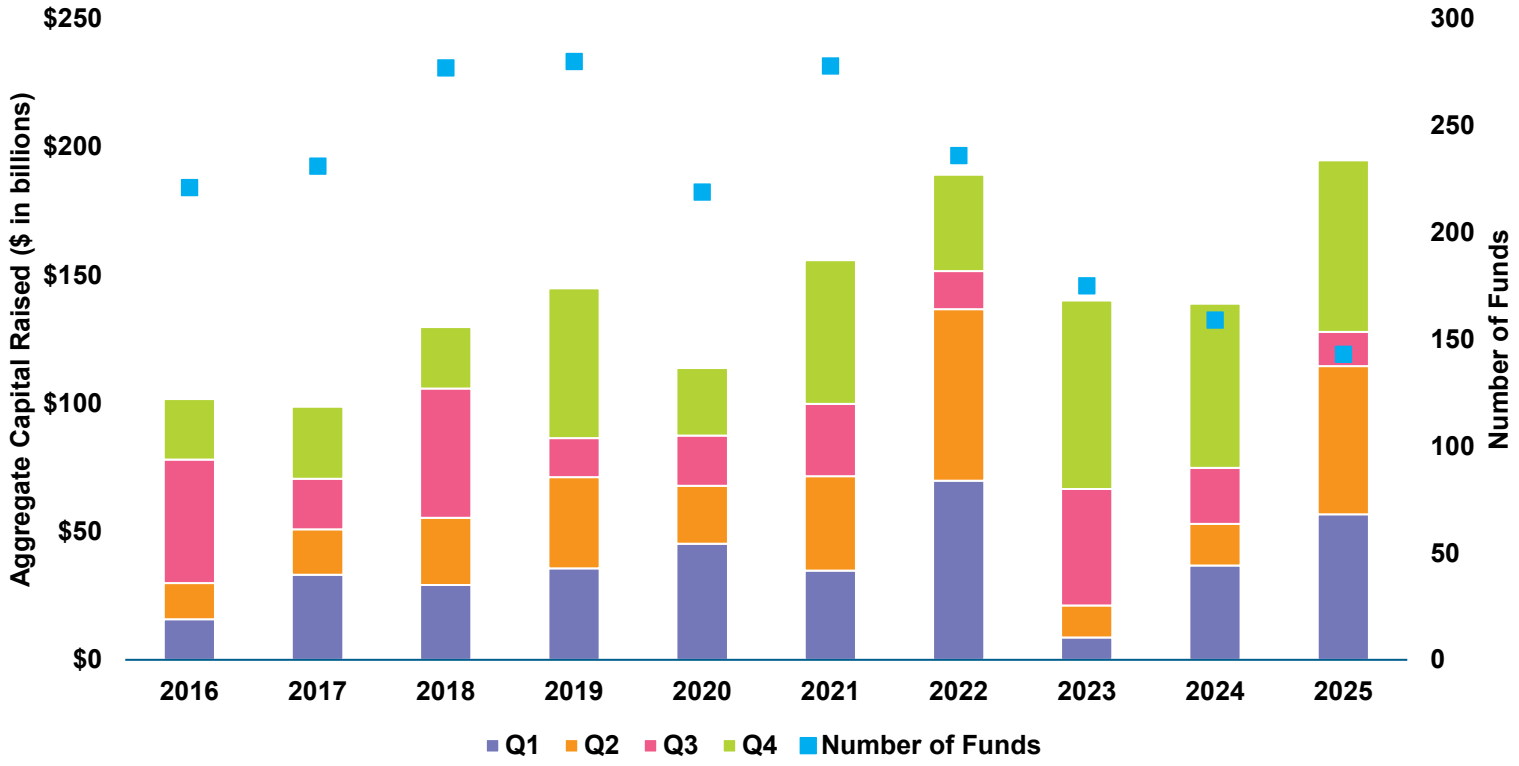
Global Private Debt Fundraising, by Primary Region



Global Private Debt Fund Raising, by Fund Strategy



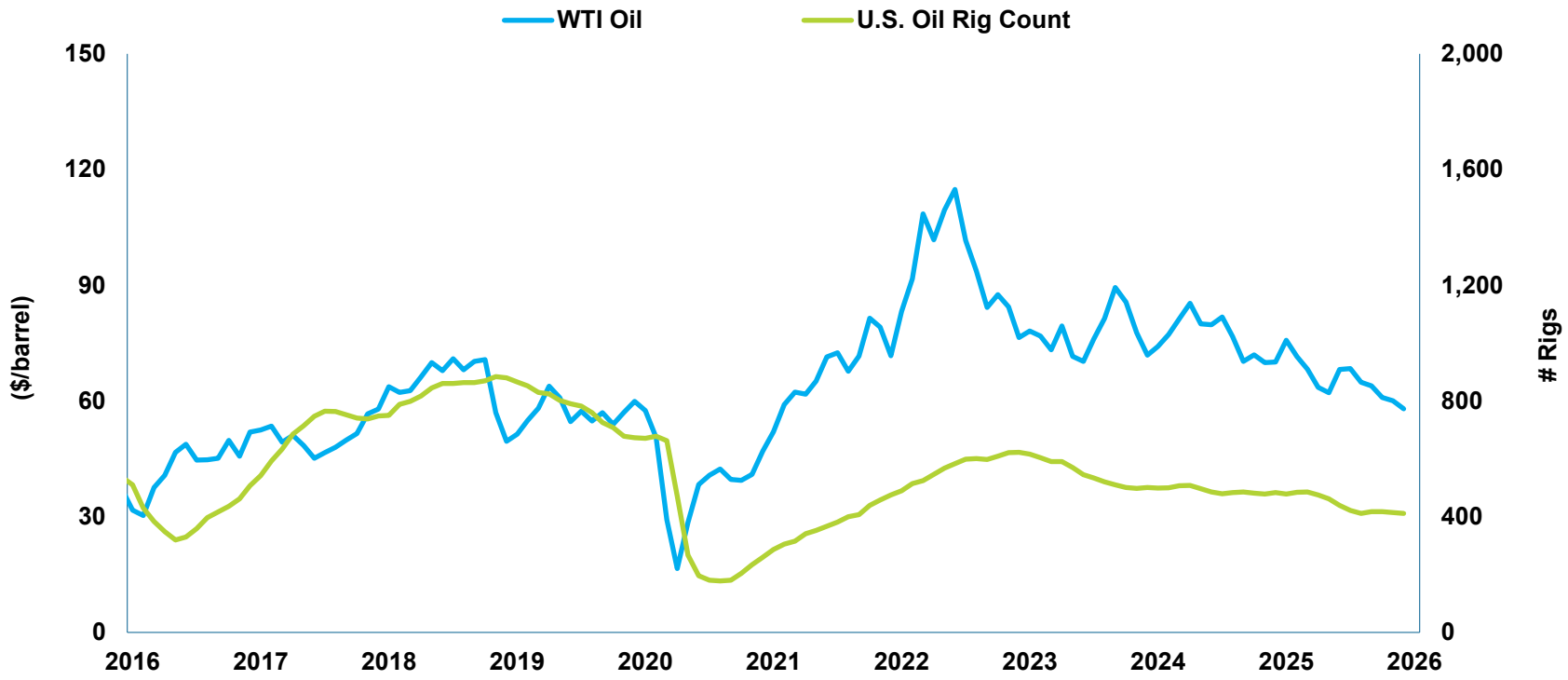
Global Quarterly Unlisted Natural Resources Fundraising[1]



Approximately $66.8 billion was raised during the fourth quarter of 2025 across 40 natural resources funds with an average fund size of approximately $1.7 billion of commitments. While fewer funds were raised in 2025 relative to prior years, the total amount of capital raised for natural resources funds had its strongest year with a total of $195 billion raised.

[1] Source: Preqin Private Capital Fundraising Update, 4Q 2025.

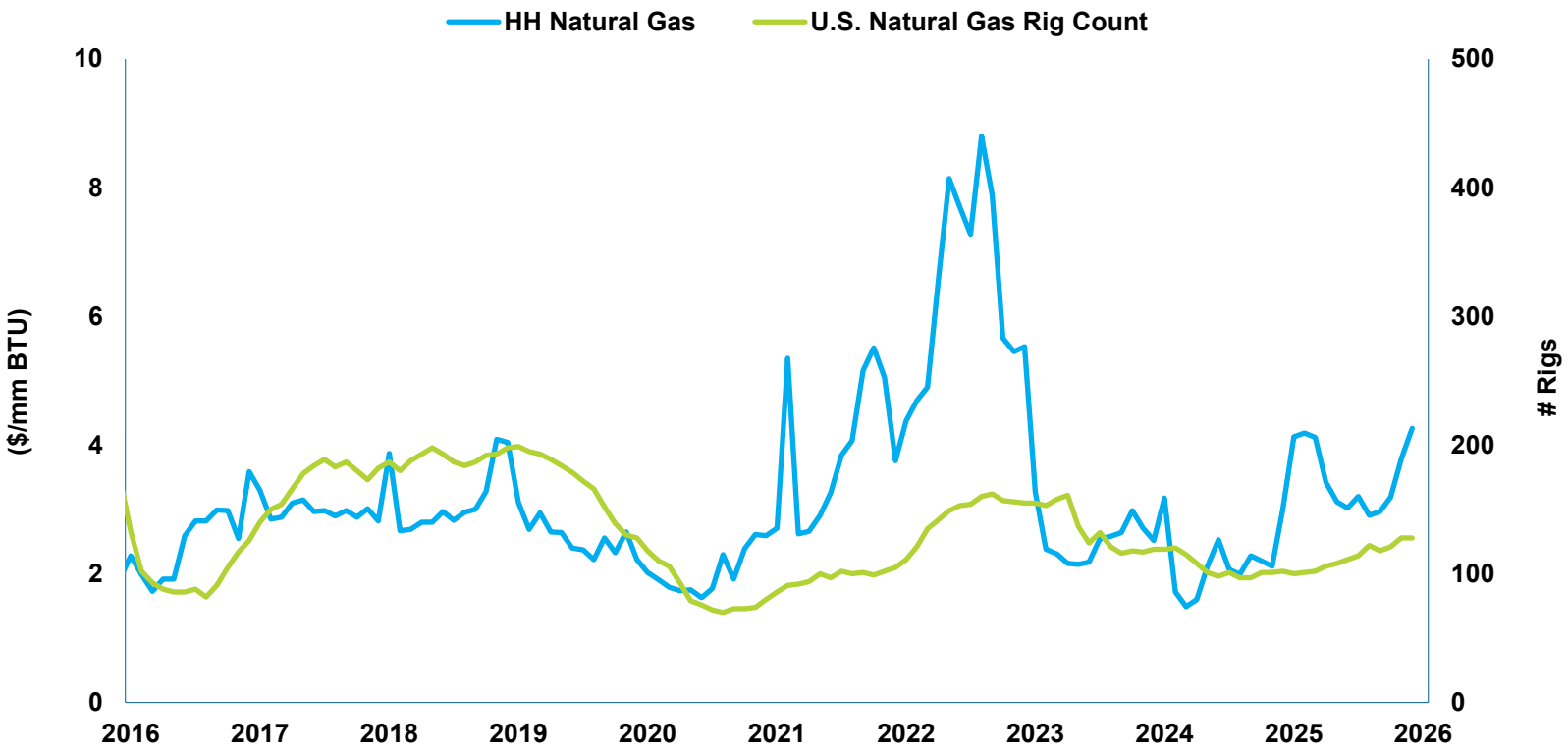
Oil Price vs. Active US Rigs[1]



During the quarter, oil prices continued to weaken on a deepening global supply surplus, rising non-OPEC production, and softer demand growth from global economic uncertainty. WTI oil prices decreased by 9% to end the quarter at approximately $58.0 per barrel. Brent oil prices fell by 8% and ended the quarter at approximately $62.5 per barrel. During the quarter, the oil rig count decreased by seven to 411. The US set another record of production in October with over 13.8 million boepd production. Gasoline prices for regular blend in the US decreased by 8% during the quarter to an average of $3.16 per gallon.

[1] Source: EIA and Baker Hughes.

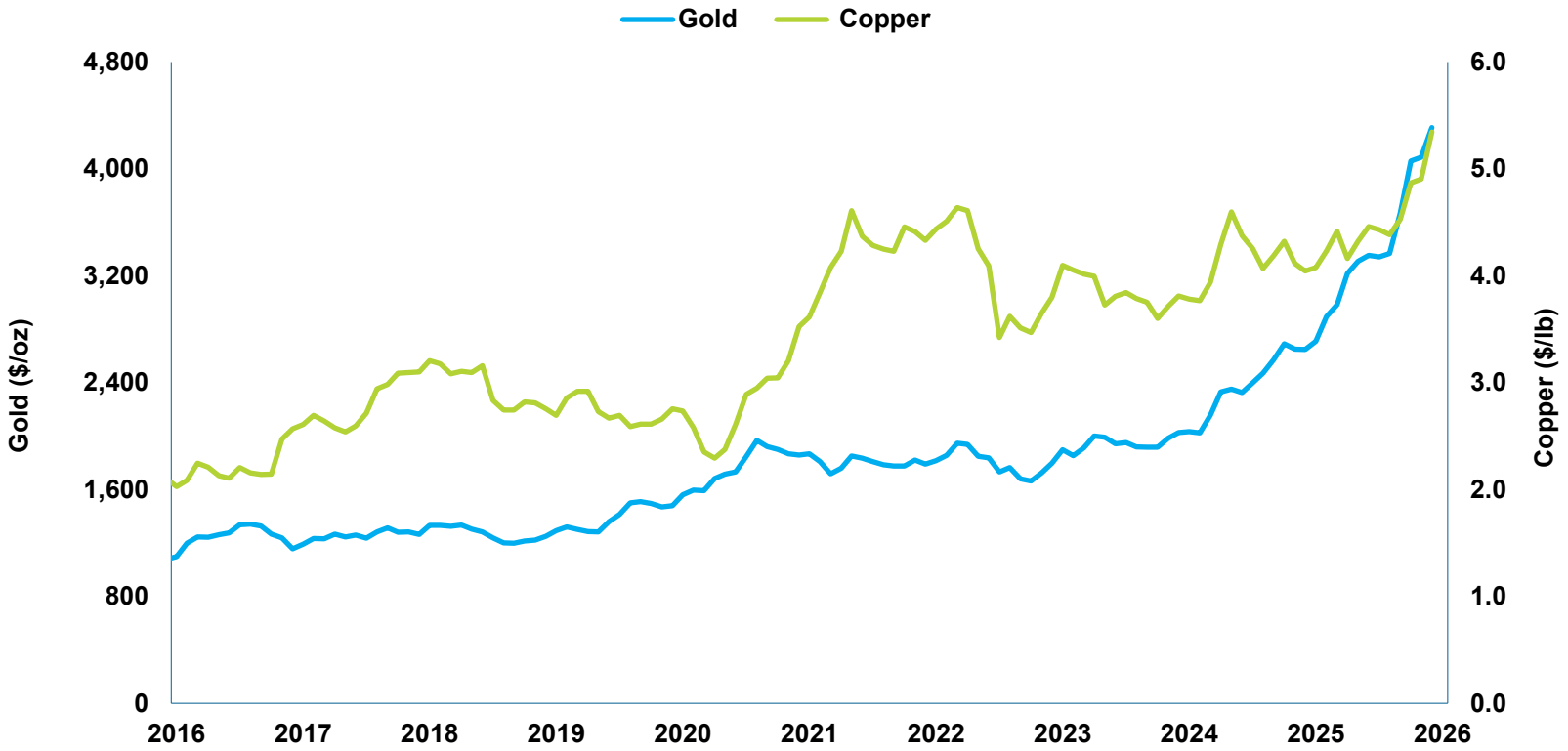
Natural Gas Price vs. Active US Rigs[1]



Natural gas prices materially increased during the quarter driven by early season cold weather and strong heating demand. US inventories entered the quarter at elevated levels but larger than expected withdrawals decreased that buffer. Henry Hub prices increased by 43% during the quarter to $4.26 per MMBTU and were up 42% from one year prior. Ten natural gas rigs were added during the quarter, which brought the total to 128. Natural gas production continues to set records and reached an all-time high of 126.6 billion cubic feet of natural gas per day in December 2025.

[1] Source: EIA and Baker Hughes.

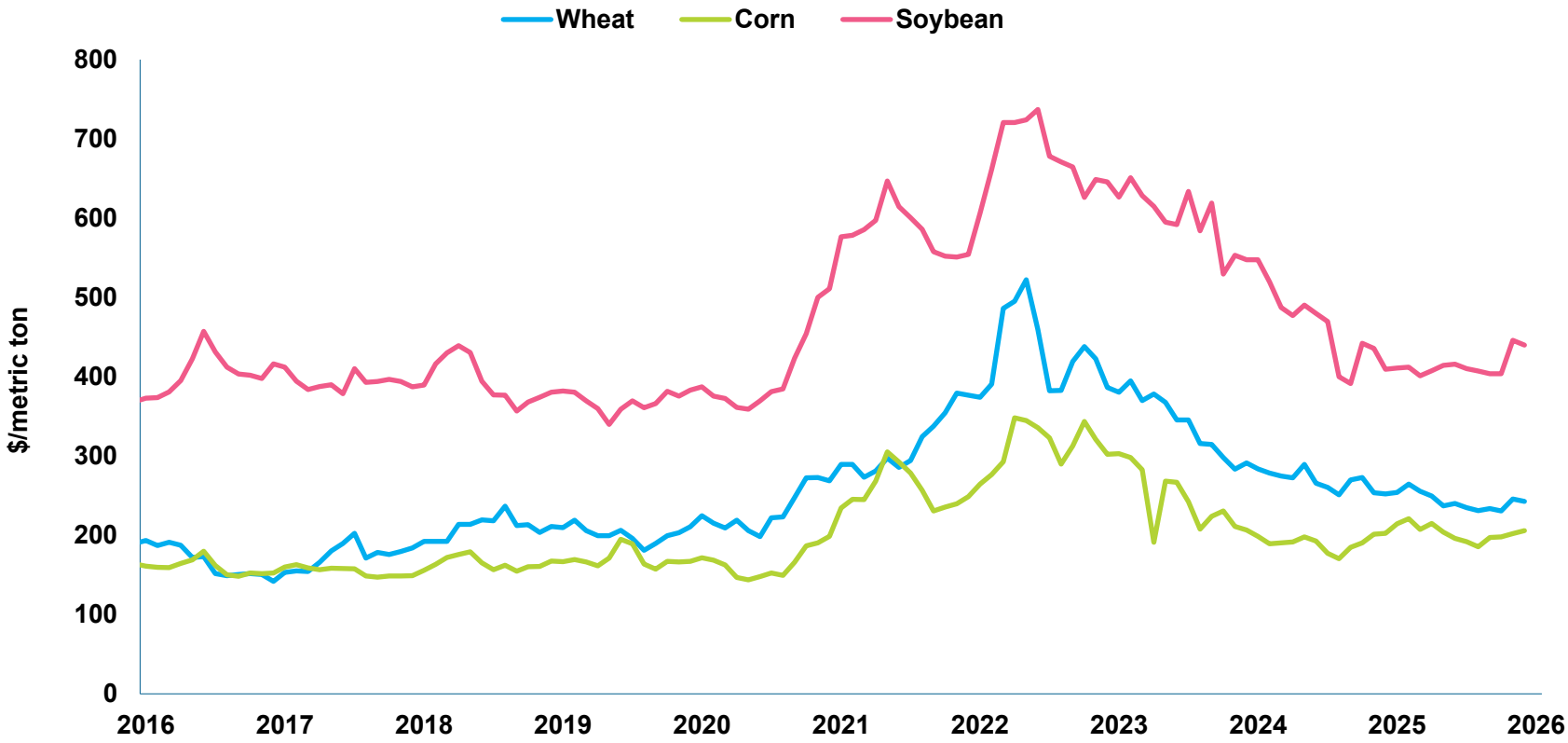
Metals Prices[1]



Increasing geopolitical risk and global economic growth concerns helped drive precious metals prices higher. Gold, often viewed as a safe-haven asset and store of value, increased to $4,309 representing a quarterly increase of 17% and an annual increase of 63%. Additionally, silver increased by almost 46% during the quarter to $62 per ounce. Copper's critical role in electrification, grid expansion, and energy transition power generation in the US helped drive positive sentiment. Copper increased by 18% to $5.34 per pound during the quarter and was up 32% from one year prior.

[1] Source: World Bank

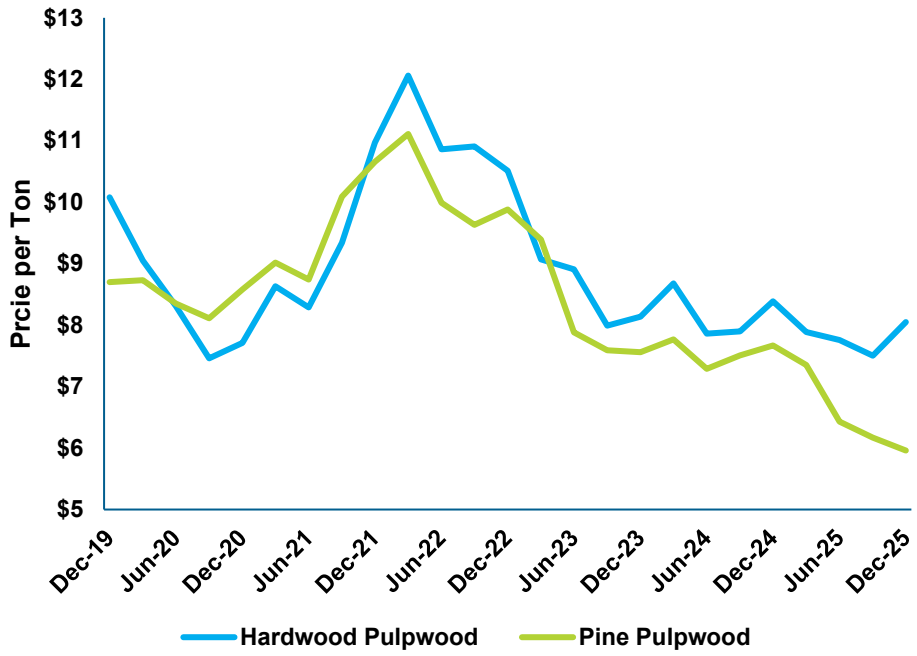
Wheat, Corn, and Soybean[1]

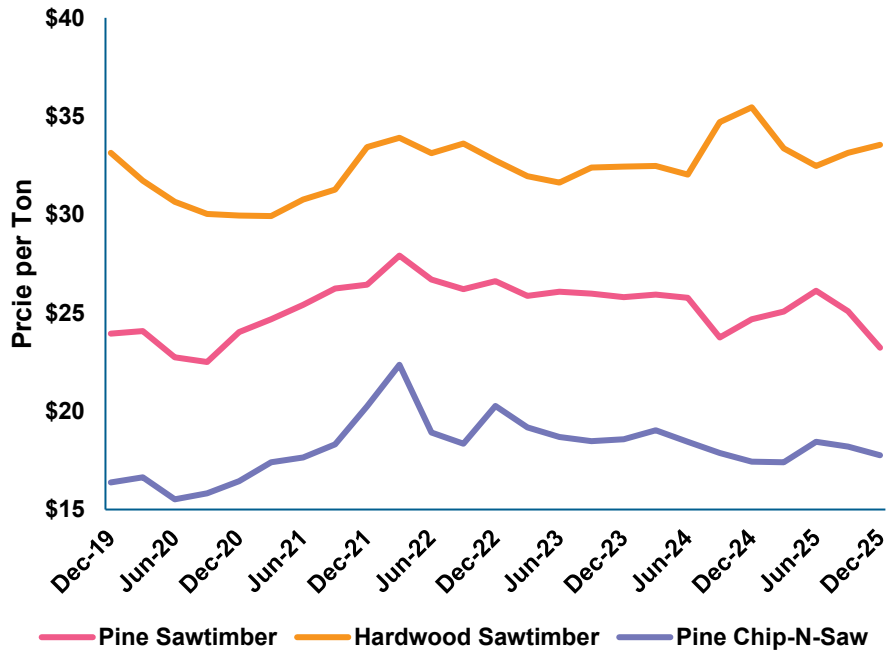


Wheat, corn, and soybean prices increased by 4%, 4%, and 9% during the quarter, respectively. Wheat and corn were influenced by tighter supplies from the Black Sea region and South America. As part of a trade truce, China agreed to purchase 12 million tons of US soybeans during the last two months of 2025. The NCREIF Farmland index returned -0.5% during the quarter, with income returns of 1.0% offsetting asset depreciation of 1.7%.

[1] Source: World Bank and NCREIF

U.S. South Timber Prices[1]

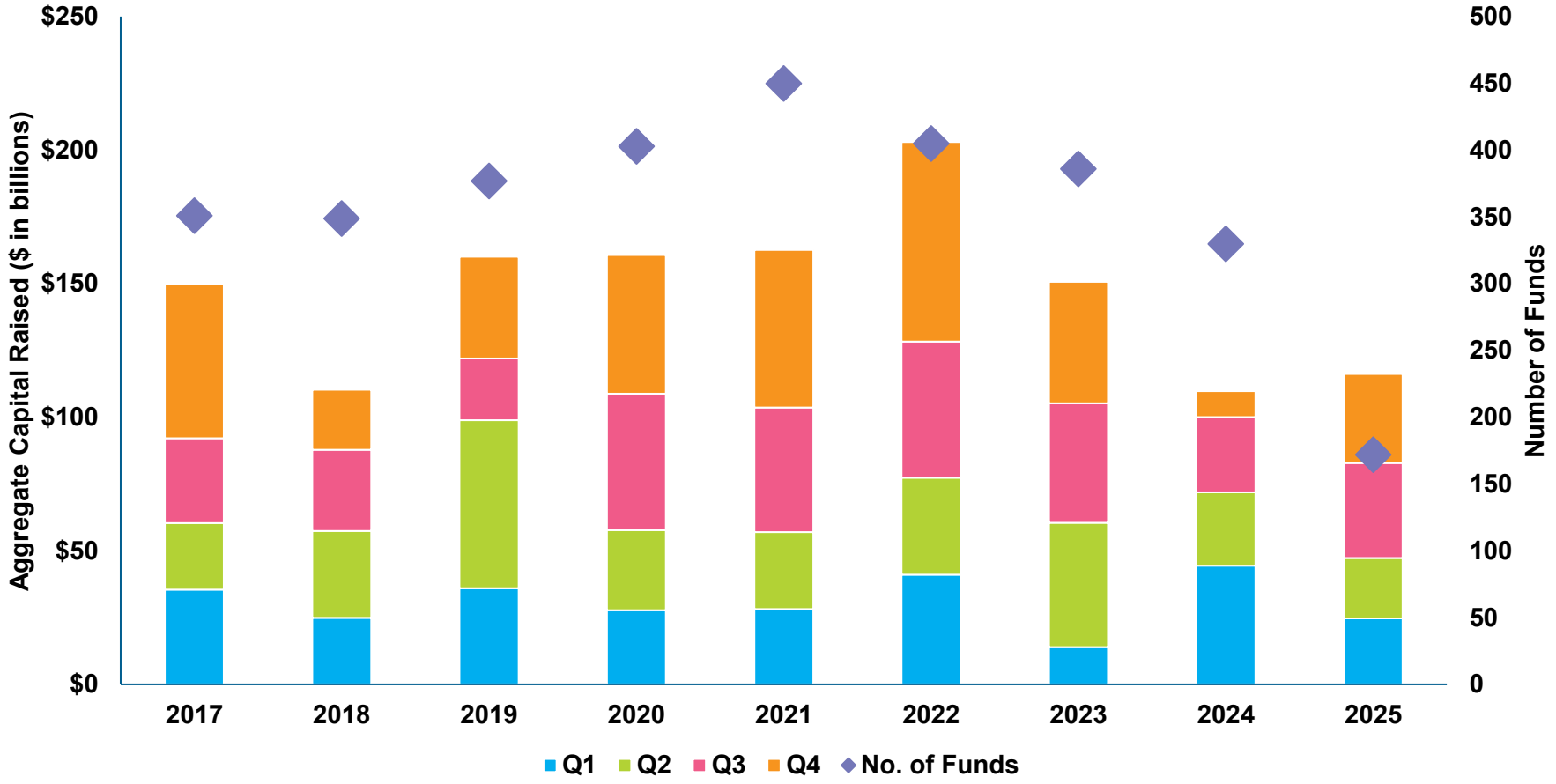




US South average timber prices were up for hardwood products and down for softwood products. For the quarter, hardwood pulpwood prices increased 7.3% while pine pulpwood prices fell by 3.4%. Sawtimber prices increased by 1.2% for hardwoods and decreased 7.4% for softwoods, while pine chip-n-saw prices were down 2.4%. The NCREIF Timberland index increased by 1.6% during the fourth quarter driven by appreciation returns of 1.2% and income returns of 0.4%.

[1] Source: Bloomberg, NCREIF, and TimberMart South

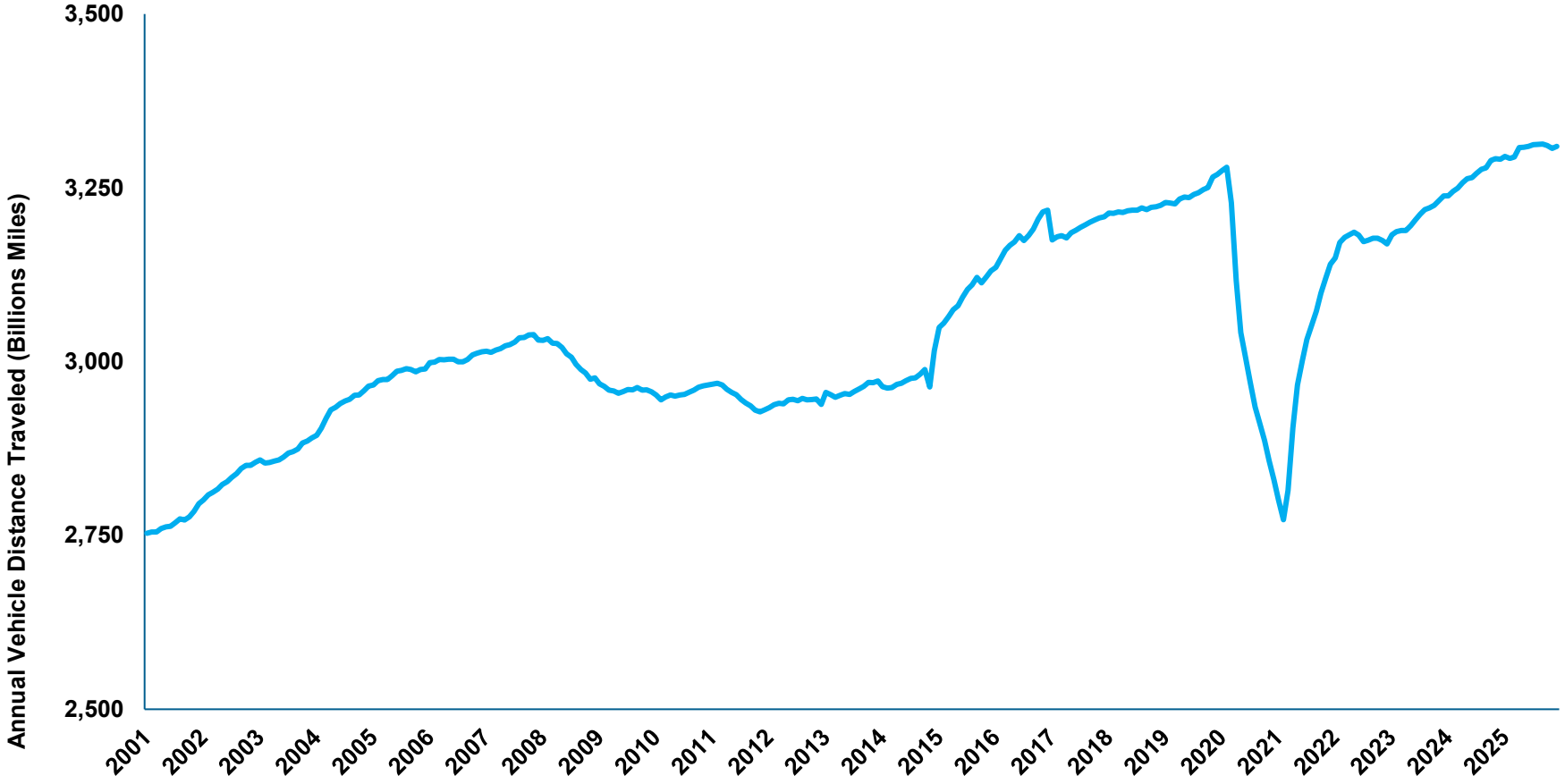
Global Quarterly Unlisted Infrastructure Fundraising[1]



→ Although an increase over 2024 capital raised, fundraising totals for 2025 were well below the average over the past eight years at $116 billion. During the fourth quarter, infrastructure managers raised $33 billion across 28 funds.

[1] Source: Preqin 4Q 2025.

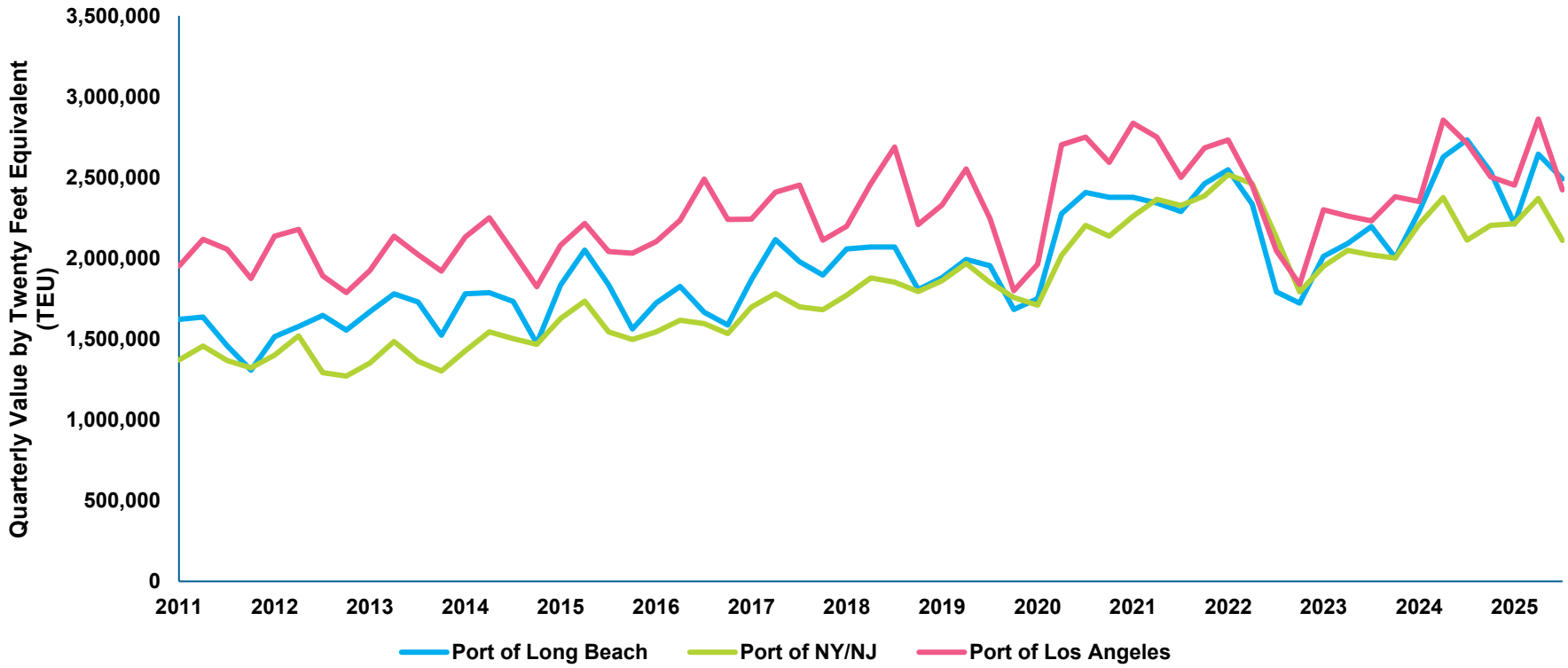
Trailing 12-month Annual Vehicle Miles on All US Roads[1]



→ The fourth quarter continued the strong annual vehicle miles totals at approximately 818 billion miles. This represented a decrease of -0.4% over the same period in 2024 but continued the high totals post-COVID.

[1] Source: US Department of Transportation, Federal Highway Administration: Office of Highway Policy Information.

US Port Activity – Container Trade in TEUs[1]

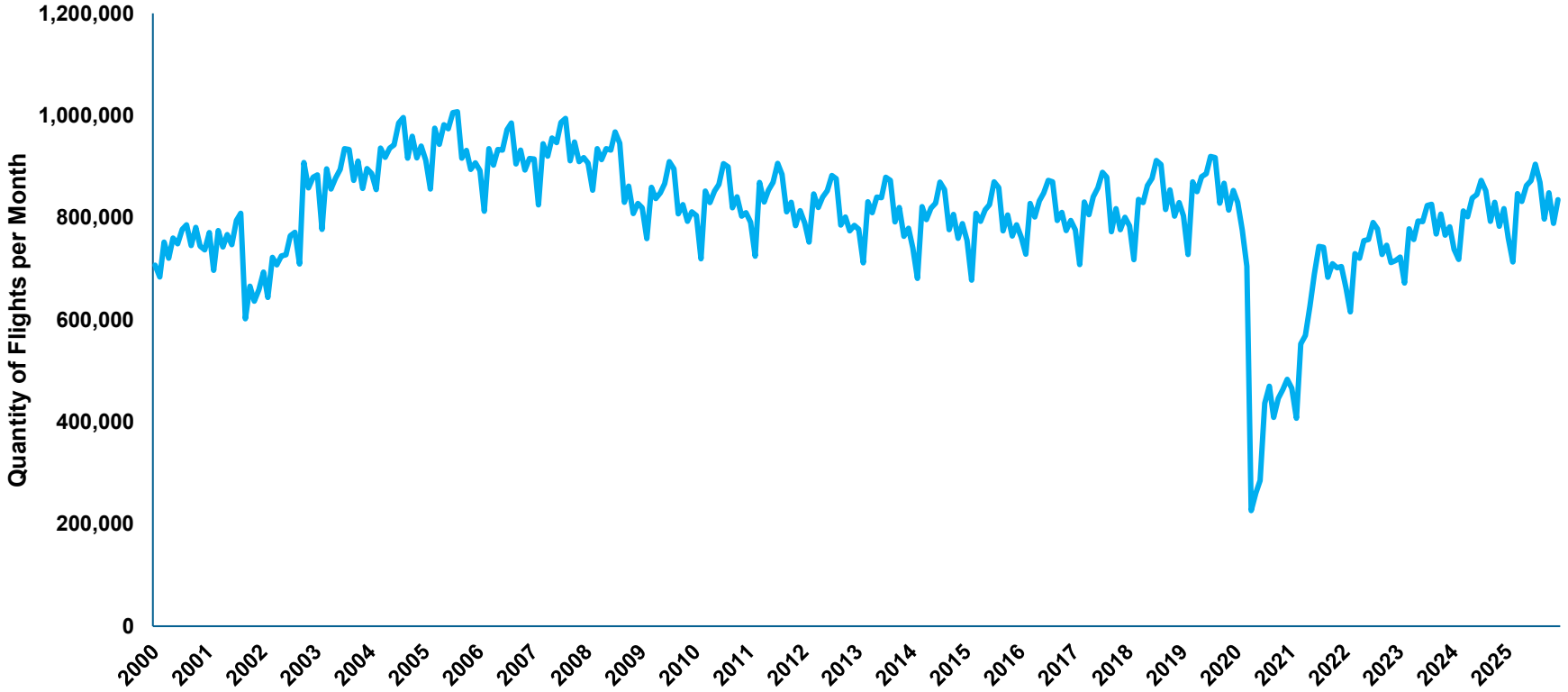


→ The chart presents the top three US ports by container volume, as measured by twenty-foot equivalent units (TEU). Activity at the three ports provides a high-level representation of the volume at US ports more broadly.

→ During the fourth quarter, volumes across the three ports decreased relative to the same period last year. On a year-over-year basis, the combined port volumes increased by 0.4 million TEUs, or 1%, over the prior 12-month period. The Port of Long Beach recorded an increase of 2% (0.2 million TEUs), the Port of NY/NJ reported an increase of 2% (0.2 million TEU), and the Port of Los Angeles recorded a decrease of 1% (0.1 million TEUs) over the prior 12 months.

[1] Source: www.polb.com, www.panynj.gov, and www.portoflosangeles.org.

Total US Domestic and International Flights[1]

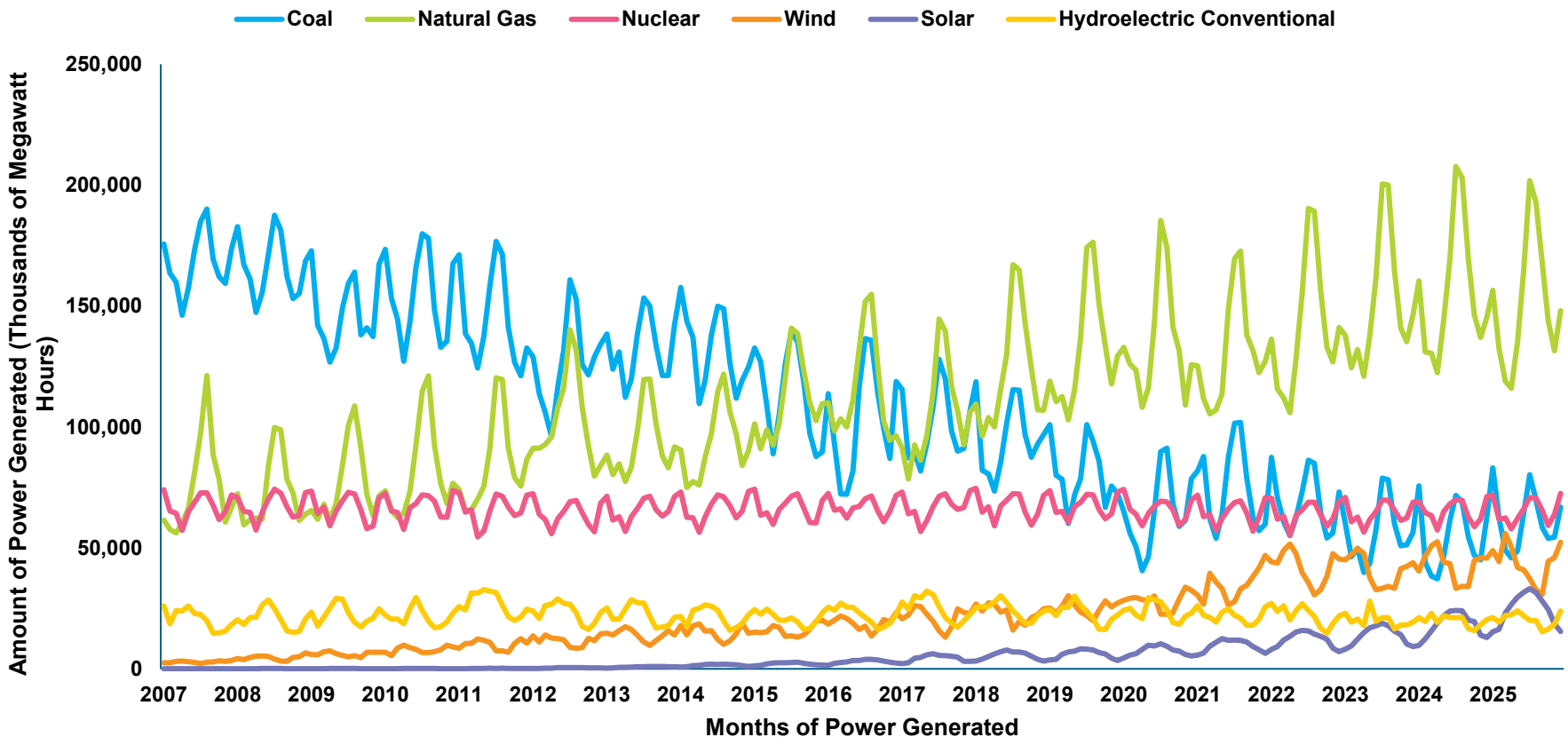


→ The chart above presents all US domestic and international flights, excluding foreign point-to-point flights by month. Historically, air traffic is cyclical with peaks in the summer months and troughs in the winter months.

→ There were 0.04 million more flights during the fourth quarter of 2025 over the same period in 2024, representing a 1.7% increase. In addition to the number of flights, the total number of passengers travelling on US and international airlines decreased year over year by -1% for the year ended December 31, 2025.

[1] Source: Bureau of Transportation Statistics: Flights, All US, and Foreign Carriers.

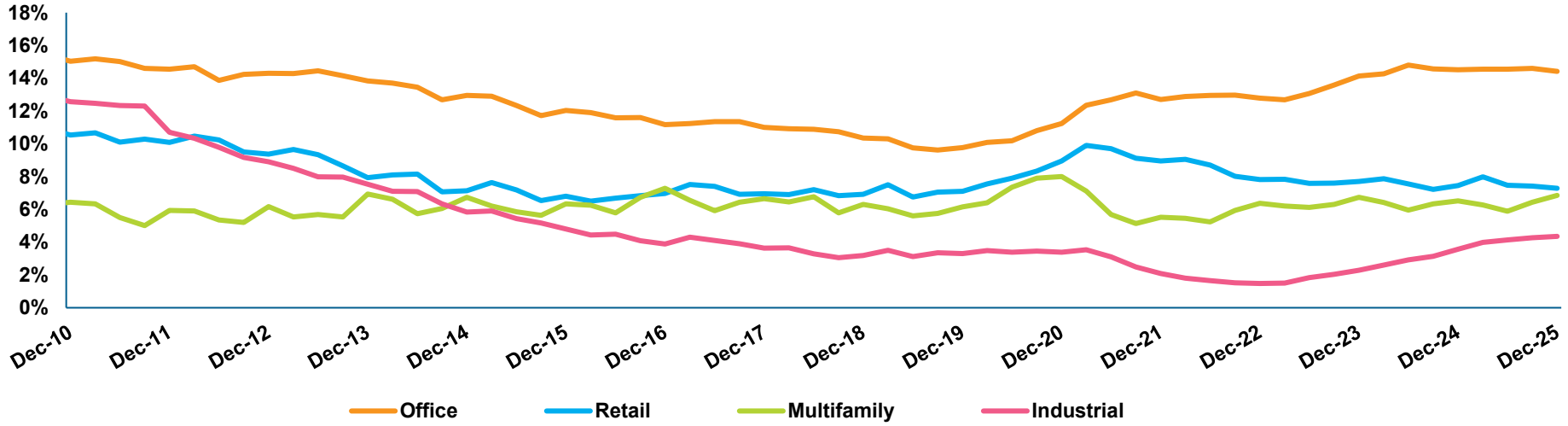
US Power Generation by Source[1]



→ In the fourth quarter 2025, total Utility Scale US power generated increased by 4% over the same period in 2024. Wind and utility-scale solar continue to make up a small portion of total net energy generation in the US, accounting for 12% and 7% of energy generation, respectively. Natural gas, coal, and nuclear accounted for 41%, 17%, and 18%, respectively.

[1] Source: US Energy Information Administration: Electric Power Monthly, December 2025.

Real Estate Fundamentals
Vacancy by Property Type[1]



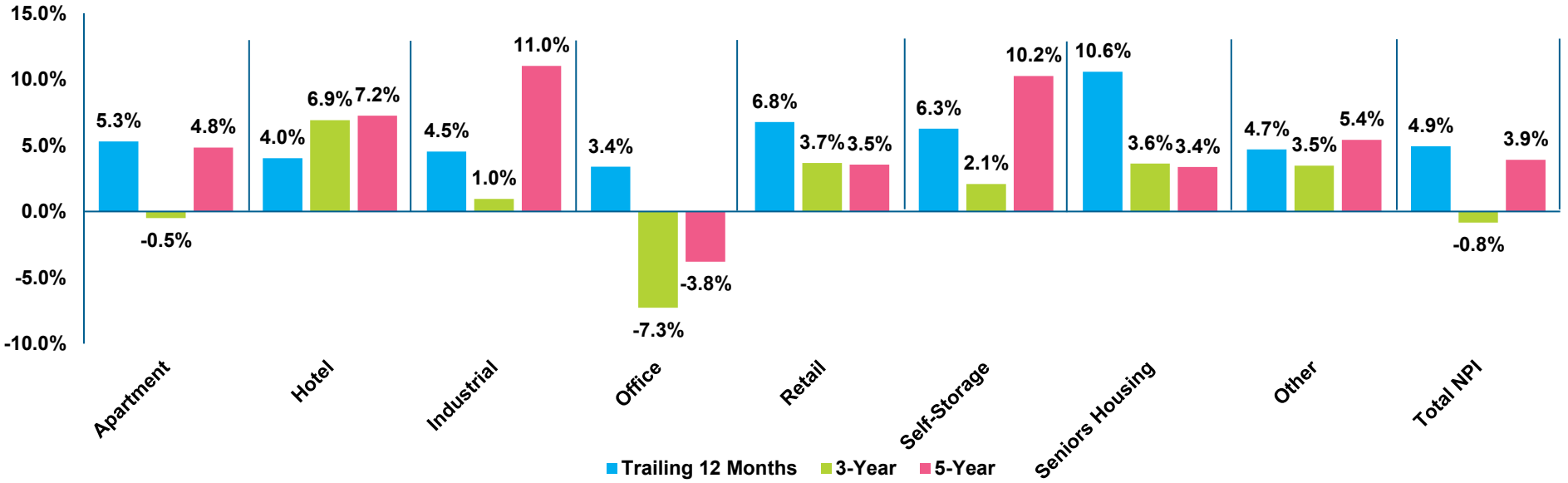
→ In the fourth quarter of 2025, the aggregate vacancy rate across all property types remained relatively stagnant around 6.7%.

→ Rising vacancies are largely driven by the office and industrial sectors, which have seen the most consistent increases in recent years. Office vacancies have continued climbing since COVID and are now at their highest level since the early 2010s, despite a recent plateau. Industrial vacancies, meanwhile, have ticked up after hitting record lows in 2022, as tenant demand normalizes and new supply continues to deliver.

→ The multifamily sector has similarly been affected by oversupply issues; however, vacancies have remained relatively stagnant year-over-year. Over the long term, multifamily real estate demonstrates the most stable vacancy trends across the four main property types, largely rooted in the necessity of housing and a growing population that continues to drive strong fundamentals in the sector.

[1] Source: NCREIF

NPI Returns by Property Type[1]



→ As of Q4 2025, the NCREIF Property Index ("NPI") generated a 4.9% trailing 12-month return, supported by strong sector performance generally.

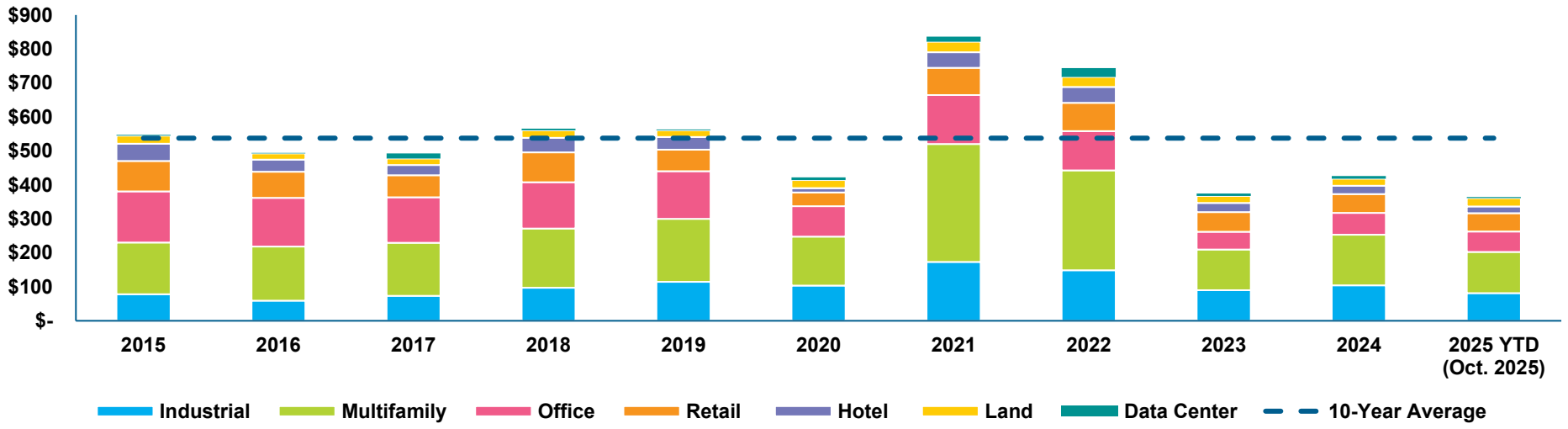
→ Office remains the only sector with pronounced negative property-level returns over the 3-year and 5-year period, although apartments also posted a slight negative return over the 3-year horizon, largely due to elevated supply during that timeframe.

→ Over the past year, seniors housing has delivered standout returns compared to other sectors, driven by steady demand and limited new supply, bolstered by underlying demographic trends.

→ Over the longer term, the industrial and self-storage sectors are clear outperformers. The post-pandemic e-commerce boom and lifestyle shifts (relocation, need for home office, etc.) contributed to both sectors' success, respectively.

[1] Source: NCREIF

Transaction Volume ($B)[1,2]



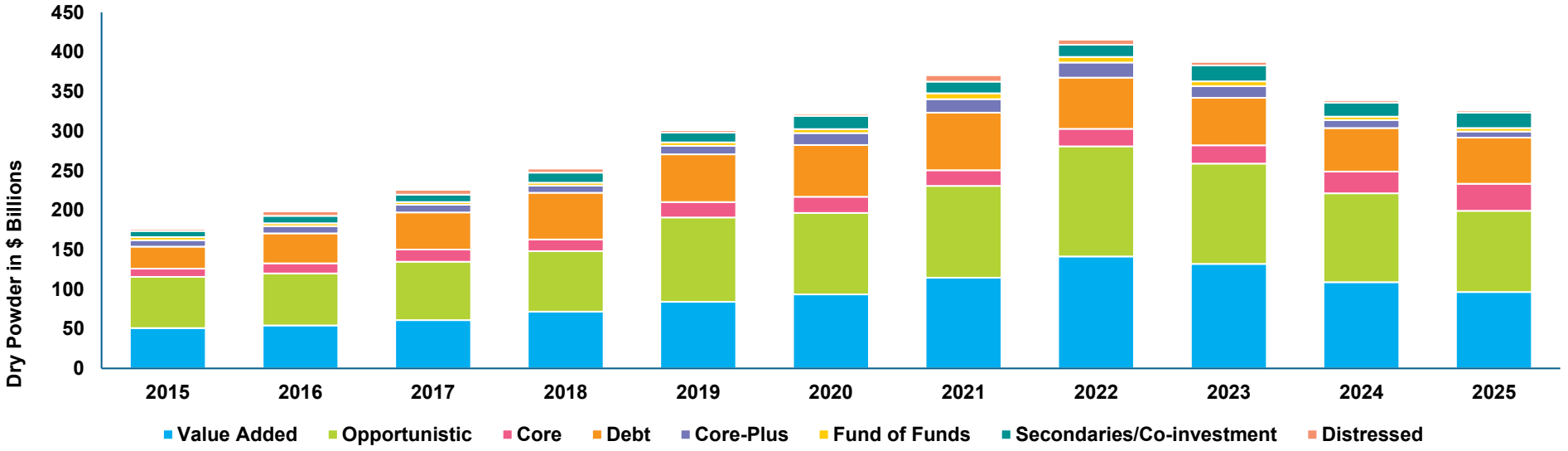
→ Commercial real estate transaction volumes declined sharply in 2023 amid rising interest rates and economic uncertainty but began a measured recovery by late 2024, despite remaining well-below the 10-year average from 2015-2024. Aggregate transaction volume in 2025 is also trending significantly below historical norms.

→ Private real estate transaction volume for properties valued over $2.5 million accelerated in October 2025 to $364 billion YTD, representing a monthly increase of over $31 billion, or 9%, from the total volume at the end of Q3 2025. Multifamily and industrial continue to drive most of the transaction activity.

→ Importantly, real estate transactions often take 60-90 days from agreement to when they close, creating a modest lag effect in the transaction data presented above.

[1] Source: PREA
[2] PREA Compendium of Statistics is pending an update through year-end. The most-up-to-date information available provides data through October 2025 for transaction volume.

Dry Powder for Real Estate Closed-end Funds ($B)[1,2]



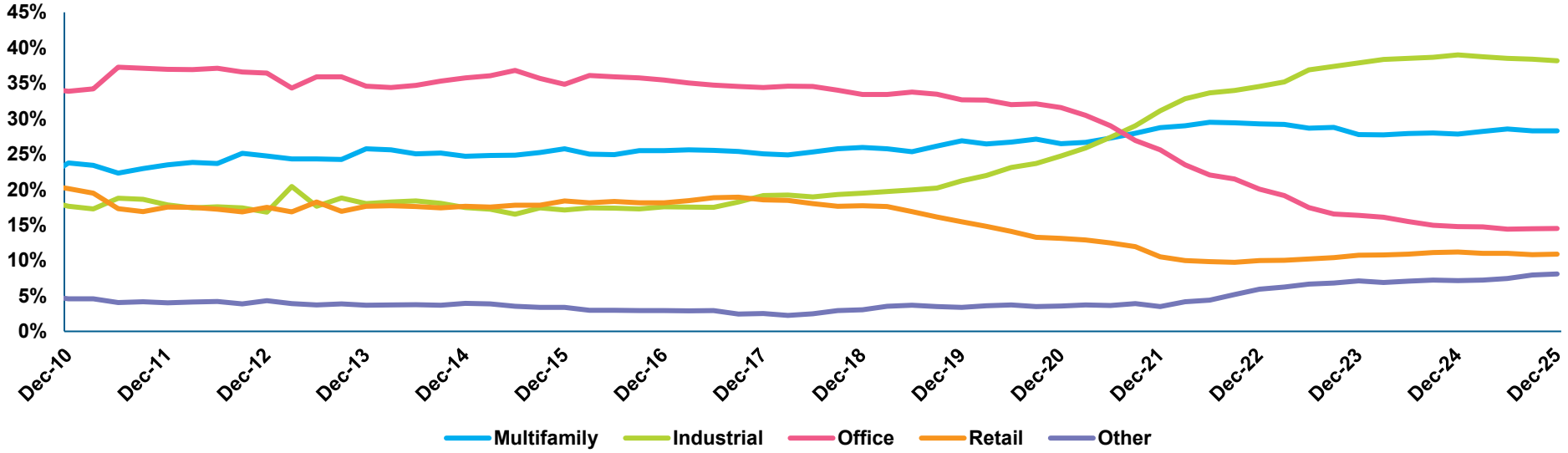
→ "Dry powder", or committed but uncalled capital, for real estate closed-end funds in North America has generally trended upwards over time, reaching peak levels in 2022 as an influx of capital flowed to the asset class due to strong performance.

→ Post-COVID, the overhang of dry powder was initially exacerbated by market uncertainty and a marked slowdown in transactions, which eventually dissipated. The low-interest rate environment and pent-up demand reignited fundraising activities, further increasing dry powder in 2021 and 2022.

→ In recent years, the amount of real estate capital to deploy within North America has declined as fundraising has slowed amidst the higher rate environment, the subsequent valuation declines, the slower pace of deployment (delaying the launch of many new closed-end funds), and poor fundraising environment overall.

[1] Source: Preqin. Data pulled as of March 2026. North America Funds. Dry Powder is defined as the capital called amount, subtracted from the fund's size/latest close size. If the capital called % metric is not reported for a given fund, a benchmark capital called % is used instead. For fundraising totals, Preqin only uses final close sizes and does not account for each close – calculations only count in the year of the final close.
[2] 2025 data represents available information through December 2025.

ODCE Property Type Allocation[1] (% of EW NAV)



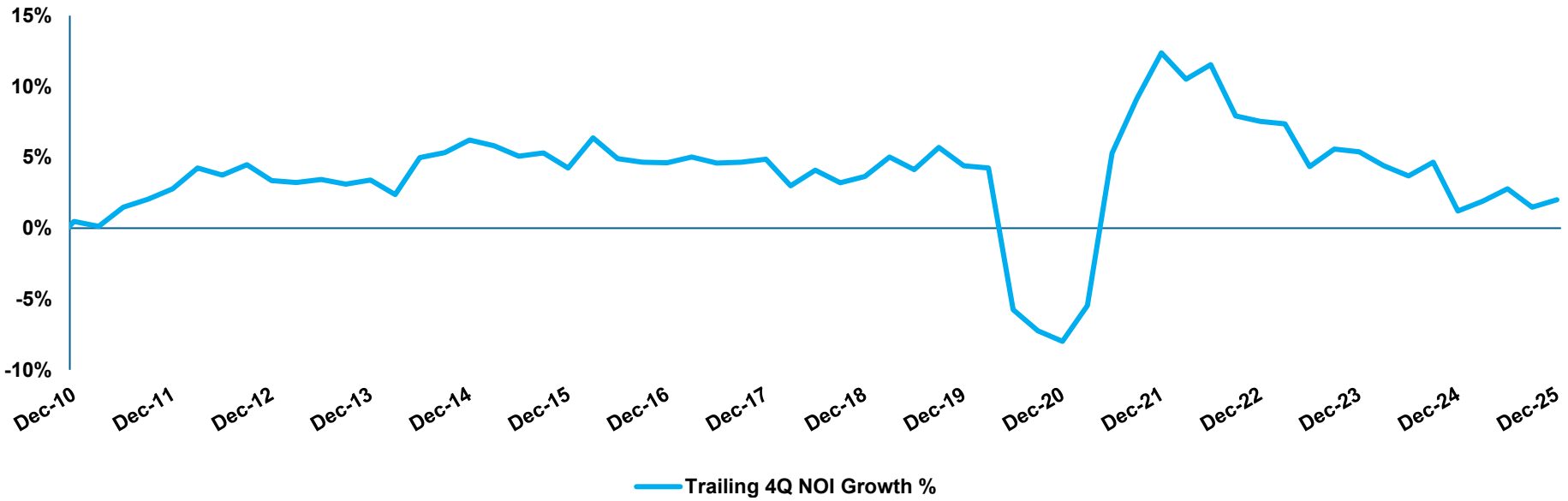
→ The NFI-ODCE Equal Weight Index currently comprises 28% multifamily, 38% industrial, 15% office, 11% retail, and 8% in other property types, based on its net asset value ("NAV") as of Q4 2025.

→ Capital flows and values began to favor the industrial sector starting around 2017, at the expense of office and retail properties. The onset of the pandemic in 2020 further accelerated the decline in office exposure which drastically dropped off in 2021 and 2022 and has continued its steady decline through present day. While retail similarly experienced an initial dip post-COVID, the sector has encountered a recent recovery given strong fundamentals, particularly in neighborhood and community centers.

→ Other property types, including self-storage, healthcare, and senior housing, have continued to gain traction over the last several years as managers seek to re-allocate office dollars and diversify their portfolios beyond traditional multifamily and industrial. The Index's single largest exposure within "Other" is currently self-storage, representing a 3.5% allocation as of Q4 2025.

[1] Source: NCREIF

NOI Growth[1]



→ Following the GFC, annual income growth rates were relatively steady, hovering in the 2% to 5% range leading up to the COVID pandemic.

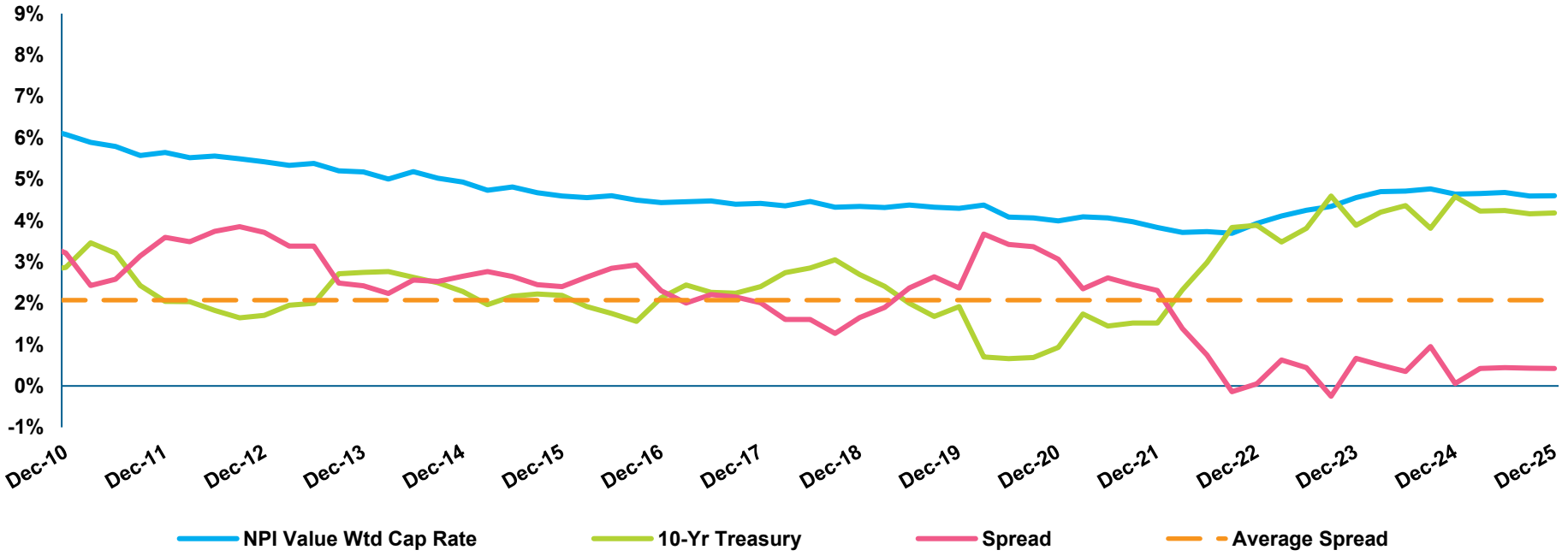
→ NOI growth turned negative in early 2020, driven by dramatic declines in in-store shopping and a surge in remote office work. Many jurisdictions also established apartment eviction moratoriums, which led some renters to remain in place without making monthly payments.

→ NOI Growth bounced back in 2021 as shoppers returned to stores, eviction moratoriums were lifted, and in-office mandates were reinstated, for most, to at least two or three days in the office per week. Over the past few years, NOI growth has steadily declined, driven by elevated interest rates and a resulting slowdown in rental income growth.

→ The overall trailing 12-month NOI growth rate accelerated in Q4 2025 to 2.0%, a 51 bps increase from the prior quarter. Both multifamily and retail experienced an increase in their respective year-over-year NOI growth rates during the fourth quarter, while office and industrial experienced a slight decline. Office exhibits the only negative trailing 4Q growth rate at -5.4%.

[1] Source: NCREIF

Real Estate Capital Markets
Cap Rates vs. 10-Year Treasury[1]

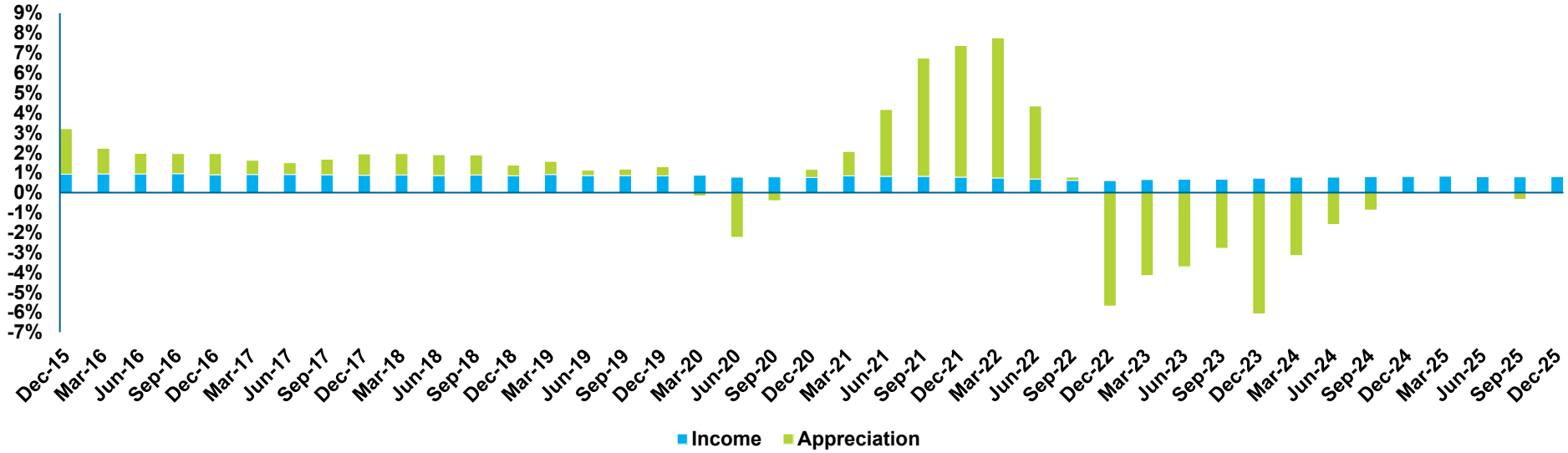


→ The NPI Value Weighted Cap Rate remained relatively unchanged over the fourth quarter at 4.60%, only increasing by a single basis point from Q3 2025.

→ The 10-year Treasury yield also remained relatively stable, rising by just two basis points in Q4 2025 to 4.18%. As both metrics saw little to no change, the cap rate spread as of Q4 2025 remained tight at 0.4%, well-below the historical average spread of 207 basis points over the last 15 years.

[1] Source: NCREIF and US Department of the Treasury

ODCE Return Components[1] (Equal Weight, Net)



→ Quarterly income returns have remained remarkably consistent in the 0.75% to 1.00% range over the last ten years.

→ Appreciation returns demonstrate greater volatility over time, spiking in 2021 and early 2022, primarily driven by the availability of inexpensive debt.

→ Appreciation returns reversed in late 2022 through the third quarter of 2024 in response to rising rates, waning demand for office, and pockets of oversupply.

→ In the fourth quarter of 2025, the NFI-ODCE EW Index reported a positive net total return, however appreciation was slightly negative at -0.03% for the quarter driven by continued softness in property valuations. Income remained steady at 0.80% during Q4 2025.

[1] Source: NCREIF

Trailing Period Returns[1]

As of December 31, 2025	Quarter	1 Year	3 Years	5 Years	10 Years
NFI-ODCE (Equal Weight, net)	0.77	2.93	-4.52	2.67	4.16
NFI-ODCE (Value Weight, net)	0.70	2.92	-4.25	2.51	3.88
Expanded NCREIF Property Index	1.14	4.94	-0.84	3.90	4.94
NAREIT Equity REIT Index	-2.15	2.27	6.12	4.85	5.73

→ NFI-ODCE EW Index net returns were positive in the fourth quarter of 2025 and slightly up from previous quarter returns (0.46% in Q3 2025).

→ Over the longer term, all ODCE Index returns remain positive, narrowing the gap with public real estate performance over the 10-year horizon.

→ Public real estate returns are generally more volatile – both up and down – than private market returns. Private real estate returns usually time-lag the public markets. The time lag in private real estate returns is due in part to valuations being heavily influenced by comparable sales appraisals. Institutional real estate is largely valued based on the sale price of similar properties. When transactions decrease significantly, appraisers have difficulty accurately estimating the values at which comparable properties would trade if listed for sale.

[1] Source: NCREIF

Below are details on specific terminology and calculation methodologies used throughout this report:

Committed	The original commitment amount made to a given fund. Some funds may be denominated in non-USD currencies, and such commitment amounts represent the sum of fund contributions translated to USD at their daily conversion rates plus the unfunded balance translated at the rate as of the date of this report.
Contributed	The amount of capital called by a fund manager against the commitment amount. Contributions may be used for new or follow-on investments, fees, and expenses, as outlined in each fund's limited partnership agreement. Some capital distributions from funds may reduce contributed capital balances. Some funds may be denominated in non-USD currencies, and such aggregate contributions represent the sum of each fund contribution translated to USD at its daily conversion rate.
Distributed	The amount of capital returned from a fund manager for returns of invested capital, profits, interest, and other investment related income. Some distributions may be subject to re-investment, as outlined in each fund's limited partnership agreement. Some funds may be denominated in non-USD currencies, and such aggregate distributions represent the sum of each fund distribution translated to USD at its daily conversion rate.
DPI	Acronym for "Distributed-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculation equals Distributed divided by Contributed. DPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa. Program-level DPIs are net of both fund fees and expenses and fees paid to Meketa attributable to the Program.
Exposure	Represents the sum of the investor's Unfunded and Remaining Value.
IRR	Acronym for "Internal Rate of Return", which is a performance measurement for Private Market investments. IRRs are calculated by Meketa based on daily cash flows and Remaining Values as of the date of this report. IRRs for funds and groupings of funds are net of all fund fees and expenses as reported by fund managers to Meketa. Program-level IRRs are net of both fund fees and expenses and fees paid to Meketa attributable to the Program.
NCV	Acronym for "Net Change in Value", which is a performance measurement for Private Market investments. The performance calculation equals the appreciation or depreciation over a time period neutralized for the impact of cash flows that occurred during the time period.
NM	Acronym for "Not Meaningful", which indicates that a performance calculation is based on data over too short a timeframe to yet be meaningful or not yet possible due to inadequate data. Meketa begins reporting IRR calculations for investments once they have reached more than two years since first capital call. NM is also used within this report in uncommon cases where the manager has reported a negative Remaining Value for an investment.

Peer Universe	The performance for a set of comparable private market funds. The peer returns used in this report are provided by Thomson ONE, based on data from Cambridge Associates as of the date of this report. Program-level peer universe performance represents the pooled return for a set of funds of corresponding vintages and strategies across all regions globally. Fund-level peer performance represents the median return for a set of funds of the same vintage and the program's set of corresponding strategies across all regions globally. Data sets that include less than five funds display performance as "NM". Meketa utilizes the following Thomson ONE strategies for peer universes: Infrastructure: Infrastructure Natural Resources: Private Equity Energy, Upstream Energy & Royalties, and Timber Private Debt: Subordinated Capital, Credit Opportunities, Senior Debt, and Control-Oriented Distressed Private Equity (including Private Debt): Venture Capital, Growth Equity, Buyout, Subordinated Capital, Credit Opportunities, Senior Debt, and Control-Oriented Distressed Private Equity (excluding Private Debt): Venture Capital, Growth Equity, and Buyout Real Assets (excluding Real Estate): Infrastructure, Private Equity Energy, Upstream Energy & Royalties, and Timber Real Assets (including Real Estate): Infrastructure, Private Equity Energy, Upstream Energy & Royalties, Timber, and Real Estate Real Estate: Real Estate
Public Market Equivalent ("PME")	A calculation methodology that seeks to compare the performance of a portfolio of private market investments with public market indices. The figures presented in this report are based on the PME+ framework, which represents a net IRR value based on the actual timing and size of the private market program's daily cash flows and the daily appreciation or depreciation of an equivalent public market index. Meketa utilizes the following indices for private market program PME+ calculations: Infrastructure: Dow Jones Brookfield Global Infrastructure Index Natural Resources: S&P Global Natural Resources Index Private Debt: Barclays Capital U.S. Corporate High Yield Bond Index Private Equity: MSCI ACWI Investable Market Index Real Assets (excluding Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index and S&P Global Natural Resources Index Real Assets (including Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index, S&P Global Natural Resources Index, and Dow Jones U.S. Select Real Estate Securities Index Real Estate: Dow Jones U.S. Select Real Estate Securities Index

Remaining Value	The investor's value as reported by a fund manager on the investor's capital account statement. All investor values in this report are as of the date of this report, unless otherwise noted. Some funds may be denominated in non-USD currencies, and such remaining values represent the fund's local currency value translated to USD at the rate as of the date of this report.
TVPI	Acronym for "Total Value-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculations represents Distributed plus Remaining Value, then divided by Contributed. TVPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa. Program-level TVPIs are net of both fund fees and expenses and fees paid to Meketa attributable to the Program.
Unfunded	The remaining balance of capital that a fund manager has yet to call against a commitment amount. Meketa updates unfunded balances for funds to reflect all information provided by fund managers provided in their cash flow notices. Some funds may be denominated in non-USD currencies, and such unfunded balances represent the fund's local currency unfunded balance translated to USD at the rate as of the date of this report.

Disclaimer | As of December 31, 2025

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Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

If we manage your assets on a discretionary basis, please contact us if there are any changes in your financial situation or investment objectives, or if you want to impose any reasonable restrictions on our management of your account or reasonably modify existing restrictions.

In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material.

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In some cases Meketa Investment Group assists the client in handling capital calls or asset transfers among investment managers. In these cases we do not make any representations as to the managers' use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the client.

Because there is no readily accessible market for private markets assets (companies and partnerships), the values placed on private markets assets are calculated by General Partners using conservative and industry standard pricing procedures. Annually, an independent auditor reviews the pricing procedures employed by the General Partner of each partnership.

The values of companies and partnerships are audited at year-end, and are not audited at other quarter-end periods. While financial information may be audited, there is some discretion as to the method employed to price private companies and, therefore, private markets partnerships. At all times, Meketa Investment Group expects General Partners to utilize conservative and industry standard pricing procedures, and requires the General Partners to disclose those procedures in their reports. However, because of the inherent uncertainty of valuation, these estimated values may differ from the values that would be used if a ready market for the investments existed, and the differences could be significant.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 6.4

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst

SUBJECT: Report on Real Estate Annual Manager Reviews

Recommendation
Accept and review the report on the annual reviews of SamCERA's real estate managers, Harrison Street, PGIM Real Estate, Beach Point Capital Real Estate, Invesco, and Stockbridge.

Background
SamCERA staff and consultant held annual review meetings with our real estate managers, Harrison Street, PGIM Real Estate, and Beach Point Capital Real Estate on April 21st. We also conducted meetings with Invesco and Stockbridge on May 5th.

Each meeting lasted approximately 1 – 1.5 hours, and consisted of a firm/organizational update, investment process review, performance review and attribution, and current positioning/market outlook.

Discussion
On April 21st, we first reviewed Harrison Street's Core Property Fund, which is an open-ended commingled fund that invests in high quality real estate assets primarily across student housing, senior housing, medical office, life sciences and self-storage sectors.

Next, we reviewed PGIM's Real Estate U.S. Debt fund, which is an open-ended commingled fund that invests primarily in senior loans secured by U.S. commercial real estate.

Lastly, we reviewed Beach Point Capital Real Estate Debt Fund, which is a closed-end commingled fund that invests primarily in senior secured and subordinate loans, structured preferred equity, secondary debt purchases and special situations.

On May 5th, we first reviewed Invesco's Core Real Estate fund, which is an open-ended commingled fund that invests primarily in institutional quality office, retail, industrial, multi-family residential and specialty sector real estate assets. In 3Q2025, the firm replaced the senior leadership on its portfolio management team for the Core fund.

Next, we reviewed Invesco's U.S. Value-Add Fund V and VI, which are closed-end funds that acquire and reposition fundamentally sound, but "broken" core real estate into institutional-quality assets across similar sectors as the Core fund.

Lastly, we reviewed Stockbridge's Value Fund IV and V, which are closed-end commingled funds that acquire real estate assets primarily in the retail, industrial and multi-family residential sectors. The value-add strategy invests in real estate assets that are undervalued, under-utilized and/or not operating to their full potential, and provides value-add through capital investment, leasing, recapitalization, renovation and/or repositioning.

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

Attachments

Harrison Street Core Property Fund Annual Review Meeting Notes
PGIM Real Estate US Debt Annual Review Meeting Notes (confidential)
Beach Point Capital Real Estate Debt Review Meeting Notes (confidential)
Invesco Core Real Estate Review Meeting Notes
Invesco Value-Add Real Estate Review Meeting Notes (confidential)
Stockbridge Value-Add Real Estate Review Meeting notes (confidential)

Meeting Date: April 21, 2026

Manager Attendees	Meketa Attendees	SamCERA Attendees
Kate Davis (PM)	Paola Nealon (Consultant)	Michael Coultrip (CIO)
Chris Brown (Client Relations)	Chris Andrulis (RE Research Analyst)	Lilibeth Dames (Analyst)
	Henry Lopez (Analyst)	Doris Ng (Analyst)

Firm

Harrison Street is a real assets investment manager focused on alternative real estate, infrastructure, and credit strategies across North America and Europe. The Firm reports approximately $108 billion in assets under management and operates a global platform supported by more than 600 employees and 19 offices. Founded in 2005, the Firm focuses on demographic-driven sectors characterized by durable demand and structural growth drivers. The platform includes multiple investment vehicles, including closed-end funds, open-end funds (such as the Core Fund), and separately managed accounts, reflecting a diversified and scaled investment platform. Ownership is anchored by a strategic partnership with Colliers, which owns a majority stake, while Firm leadership retains meaningful equity participation.

Colliers acquired a majority ownership interest in Harrison Street in 2018 and has since consolidated its investment management capabilities under the Harrison Street brand, bringing together affiliated platforms such as Rockwood Capital, Versus Capital, and Basalt Infrastructure Partners into a unified structure. Rockwood's integration into the Harrison Street platform in October 2025 further aligned these businesses under common ownership, with both firms operating as subsidiaries of Colliers and maintaining their investment teams while benefiting from shared resources and strategic direction. The integration enhances scale and connectivity across strategies, combining Harrison Street's leadership in alternative real estate sectors with Rockwood's experience in more traditional property type, particularly multifamily, as well as real estate debt investing.

Team / People

Organizational changes within the Core Fund leadership over the past 18 months have been minimal. The key leadership group consists of Christopher Merrill (Global CEO), Steve Gordon (Global COO), Zach Michaud (Global CFO), Joey Lansing (Co-President & Global Head of Portfolio Management; Co-Senior Portfolio Manager for the Core Fund; 37 years of experience), Geoff Regnery (Co-President & Global Co-Head of Investor Solutions), Jenna Sheehan (Global Co-Head of Investor Solutions), Mike Gordon (Global CIO – Real Estate; 23 years of experience), Ben Mohns (Partner & Global Head of Asset Management – Real Estate; 25 years of experience), Kate Davis (Managing Director, Core Fund Co-Senior Portfolio Manager; 22 years of experience; 100% dedicated to the Core Fund), and Erin Nahumyk (Global Chief Accounting Officer).

The Core Fund team has 14 employees fully dedicated to the Fund as of year-end 2025. Joey Lansing and Kate Davis serve as Co-Senior Portfolio Managers. Additional senior individuals key to the Fund's success, though not exclusively dedicated to it, include Mike Gordon (Global CIO – Real Estate), Michael Borchetta and Rob Korslin (Senior Managing Directors and Co-Heads of North America Transactions Group), and Ben Mohns (Global Head of Asset Management). The one notable departure over the past 18 months was Mark Burkemper, former Head of North America Transactions, who left to become CIO at one of HSAM's high-conviction senior housing operators (the Firm expects to continue working closely with him as he remains part of the HSAM ecosystem). The Firm maintains a documented succession

plan reviewed annually, with interim Co-CEO responsibilities falling to the Co-Presidents alongside the Global COO and CFO in the event of CEO incapacity.

Process and Philosophy

The Harrison Street Core Property Fund is an open-ended, diversified core real estate strategy targeting stable income and long-term appreciation through investments in demographic-driven alternative sectors. The Fund focuses on stabilized assets within senior housing, student housing, medical office, life sciences, self storage, and select digital infrastructure—sectors supported by needs-based demand rather than cyclical economic growth. The strategy emphasizes durable income generation by allocating across both short- and long-duration lease profiles. Approximately 55%–60% of the portfolio is invested in shorter-lease sectors, which provide embedded inflation protection through more frequent rent resets, while the balance is allocated to longer-duration, contractually stable income streams. This structure is intended to balance income resilience with the ability to capture market rent growth across cycles.

The portfolio is broadly diversified by asset, sector, and geography, with a granular investment approach that limits concentration risk and enhances cash flow stability. Investments typically range from $10 million to $75 million of equity per asset and extend beyond traditional gateway markets to locations supported by universities, healthcare systems, and population-driven demand. The Fund maintains a core risk profile, with the majority of exposure in stabilized assets and a modest allocation to value-add and development (generally ~5%–10%) to support return enhancement and access to high-quality assets. Leverage is employed conservatively, with a target loan-to-value ratio of 25%–30%, and an emphasis on fixed-rate or hedged debt structures to mitigate interest rate volatility. Portfolio-level financing is used selectively to improve efficiency and maintain flexibility. Investment sourcing is driven by Harrison Street's sector specialization and operating partner relationships, with a meaningful portion of opportunities sourced off-market. Asset management is integrated into the investment process, with active oversight of operations, capital allocation, and disposition decisions to optimize portfolio construction over time.

The Fund is differentiated from traditional ODCE core strategies through its focus on alternative, operationally intensive sectors with demographic demand drivers, as opposed to conventional office, retail, industrial, and multifamily exposures. As such, the strategy may provide diversification benefits to a core real estate portfolio and enhance income durability through non-correlated demand drivers. Relative to ODCE funds, the portfolio exhibits higher exposure to shorter-duration lease assets and operating businesses (e.g., senior housing, student housing), which may introduce modestly higher operational complexity but can improve inflation responsiveness and income growth potential.

Performance

Performance has been a relative strength of the Core Fund, with the strategy outperforming the NFI-ODCE Index across all measured horizons on a gross total return basis. As of December 31, 2025, the Fund posted net total returns versus ODCE as follows: 1-Year +3.7% vs. +2.9% (+76 bps), 3-Year -0.9% vs. -4.3% (+338 bps; top quartile), 5-Year +3.4% vs. +2.5% (+90 bps), 10-Year +5.4% vs. +3.9% (+155 bps; top quartile), and since inception +6.6% vs. +6.1% (+49 bps). Importantly, the Fund's income return has exceeded ODCE's in 52 of 56 quarters since inception, supporting an industry-leading distribution yield. The Fund's since-inception standard deviation of 3.1% is meaningfully lower than the ODCE's 4.9%, with a beta of 0.5 to the index, reflecting the countercyclical and diversification benefits of the strategy.

During 2025, the Fund's gross total return was 4.6%, comprised of a 4.9% income return and a -0.2% appreciation return (the latter driven by debt and derivatives mark-to-market). The peak-to-trough appreciation drawdown for the Fund during the recent cycle was -13.7%, compared with -24.8% for ODCE, illustrating the lower volatility profile. Sector-level 2025 unlevered total returns: Senior Housing 12.1% (income 6.6%, appreciation 5.2%), Self-Storage 5.5%, Medical Office 4.0%, Student Housing 3.0%, and Life Sciences 1.1%. Senior housing was the standout, with occupancy reaching 91.0% (372.0 bps year-over-year increase, the fifteenth consecutive quarter of growth) and same-store NOI growth of 18.5%. Medical office (94.7% occupancy, 8.0-year WALT) and life sciences (99.4% occupancy in the stabilized portfolio, 10.2-year WALT) maintained strong fundamentals despite cap rate pressure.

The redemption queue stood at $426.5 million at year-end 2025, of which $180 million was paid out in January 2026, bringing the queue to approximately $247 million (~2.6% of NAV). After ~$33 million of new requests and a $30 million rescission in Q1 2026, the queue stands at approximately $250 million prior to the April payout. The Fund has a contribution queue of approximately $200 million and a pipeline of approximately $1.2 billion in identified opportunities. The Fund raised $368.6 million in new capital during 2025 and anticipates matching capital raised with capital deployed within one to two quarters in 2026. For 2026, the Fund projects 7%–8% gross returns (5% income, 2%–3% appreciation) and same-store NOI growth of 5%–6%.

Strengths

- **Established, scaled platform** with dedicated focus on demographic-driven alternative real estate sectors, supported by 60 transactions professionals and deep operating partner relationships
- **Diversified portfolio** across demographic-driven sectors with durable demand drivers
- **Strong long-term track record** with consistent income generation and relative outperformance
- **Experienced** management team and institutional-quality infrastructure

Areas of Concern

- **Exposure to life sciences sector** where near-term fundamentals remain soft, including elevated vacancy and slower demand recovery
- **External ownership** through Colliers may pressure growth of AUM rather than focus on investment returns

Key Takeaways & Conclusion

The Harrison Street Core Property Fund remains a well-established open-end core strategy that has consistently delivered on its objective of providing diversified exposure to demographic-driven alternative real estate sectors. The Fund benefits from a large, institutional platform, an experienced and stable leadership team, and a disciplined investment process that has translated into consistent outperformance relative to ODCE across all measuring periods. While certain sectors (particularly life sciences) require ongoing monitoring, the portfolio's diversification and disciplined investment approach help mitigate these risks.

Overall, the Fund continues to align with the Plan's objectives for stable income and diversified real estate exposure, and continued participation remains appropriate within Meketa's monitoring framework.

Meeting Date: May 5, 2026

Manager Attendees	Meketa Attendees	SamCERA Attendees
Justin Shanahan (PM)	Mika Malone (Consultant)	Michael Coultrip (CIO)
Brooks Monroe (MD)	Chris Andrulis (RE Research Analyst)	Lilibeth Dames (Analyst)
Kevin Conroy (PM)	Henry Lopez (Analyst)	Doris Ng (Analyst)

Firm

Invesco Real Estate ("IRE") is the institutional real estate investment unit and an investment center of Invesco Advisers, Inc. ("IAI"), an indirect, wholly-owned subsidiary of Invesco Ltd. The firm operates a global, diversified platform spanning core, core-plus, value-added/opportunistic, and debt strategies. As of September 30, 2025, North America Direct AUM totaled approximately $45.1 billion, with value-added/opportunistic strategies representing approximately $6.0 billion (13%) of the total. The firm noted a gradual decline in AUM from 2022–2025, primarily reflecting broader commercial real estate valuation softening rather than client attrition. In 2025, IRE North America Direct gained 17 new clients and lost 43 clients (inclusive of monthly-liquidity retail funds).

Corporate-level activity over the past 18 months includes the August 2025 announcement of Carlyle's acquisition of intelliflo, Invesco's cloud-based practice management software business, and the January 2026 agreement under which CI GAM will assume management of Invesco's Canadian fund business (approximately C$26 billion in AUM), with Invesco affiliates retaining sub-advisory responsibilities on roughly C$13 billion of those assets. Neither transaction is expected to materially affect the U.S. real estate platform.

Team / People

Organizational changes within IRE over the past 18 months have been incremental and have not affected the Value Fund Series investment team. Key firm-level changes include: Beth Zayicek, Chief Operating Officer – Private Markets, left the firm. IRE introduced regional operational heads (Rivka Altman – North America, Marion Geniaux – EMEA, Tanita Woo – APAC). Glenn Brightman was named interim global COO for Private Markets and joined IRE's Global Executive Committee. Bert Crouch, Head of IRE North America, left the firm. Chase Bolding was promoted to Head of North America and joined the Global Executive Committee. Charlie Rose, Global Head of Credit, also assumed expanded responsibilities and joined the Global Executive Committee.

The Core Fund investment team experienced more meaningful change in 2025. In Q3 2025, IRE replaced the Fund's portfolio management leadership with Kim Hourihan (Managing Director, Co-Lead Portfolio Manager, Head of Global Strategy; 38 years of experience) and Justin Shanahan (Managing Director, Co-Lead Portfolio Manager; 11 years of experience), both of whom joined from CBRE Investment Management, where they previously worked together to build and manage that firm's flagship core fund. They are supported by Chase Bolding (Head of North America Real Estate, Chair of CIO Council) and Preston Covington (Director, Portfolio Manager). Ms. Hourihan dedicates approximately 50% of her time to the Fund (with the balance on broader IRE leadership and strategy activities), while Mr. Shanahan and Mr. Covington are each fully dedicated. Top-down sector allocation and market selection guidance is provided by IRE's CIO Council, co-chaired by Chase Bolding and Kim Hourihan. Investment decisions are governed by IRE's Investment Committee structure, with voting procedures updated in Q3 2023 to allow up to three "no" votes to stop a transaction (versus two previously), and five votes required for quorum.

Process and Philosophy

The Fund's investment objective is to provide stable income and long-term capital appreciation through a diversified portfolio of institutional-quality, stabilized real estate assets located in major US markets. The Fund targets core investments—existing, substantially leased (typically 70%+), income-producing assets in metropolitan areas with economic diversification and rent growth potential—and its investment criteria generally follow the guidelines and inclusion criteria of the NFI-ODCE ("ODCE") benchmark. The Fund targets an 8%–10% gross total return and 7%–9% net total return, with the objective of consistently outperforming the ODCE.

Portfolio construction reflects an ongoing shift in positioning over recent years, with the Manager reallocating capital away from traditional office and certain retail exposures toward sectors with more durable demand drivers and income characteristics. The Fund's target allocation orients approximately 70% of capital to traditional property types (industrial, apartments, office, retail) and approximately 30% to ODCE-defined expanded property types, including self-storage, single-family rental/build-to-rent, life science, manufactured housing, student housing, senior housing, medical office, and data centers.

Specific go-forward sector adjustments include: reducing the industrial allocation modestly (currently approximately 35%, target 30%–35%) and rebalancing geographically out of the Western US, which currently represents over 75% of industrial exposure; growing apartments (approximately 22%, target 25%) while rotating out of urban CBD mid- and high-rise into lower-density garden-style assets; reducing traditional office (approximately 14%, target 0%–5%) through prudent dispositions and dilution; and largely holding retail (approximately 13%, target 5%–10%). On the expanded side, existing positions in self-storage (6%), SFR (5%), and life science (4%) will be refined for geographic diversity, with tactical additions contemplated across student housing, senior housing, manufactured housing, medical office, and data center-adjacent investments. The Fund's non-core/development allocation, currently 9.4%), is expected to decline to below 5% by year-end 2027.

The Fund maintains a conservative balance sheet, with a 35% leverage limit and stated targeting of overall leverage in line with the ODCE index (25%–30%, excluding short-term line of credit borrowings). Approximately half of the Fund's debt (by par value) is unsecured, including a credit facility comprising a $675 million revolving line of credit and $300 million in term notes, plus private placement notes. The Fund had no outstanding balance on its revolving line of credit at quarter-end.

Performance

Performance has been challenged over recent periods, particularly relative to historical expectations for core real estate strategies. As of December 31, 2025, the Fund posted net total returns of 0.2% (Q4 2025), -9.4% (1-Year), -9.5% (3-Year), -1.0% (5-Year), 2.2% (10-Year), and 4.9% since inception (Q4 2004), versus ODCE (CW) net returns of 0.7%, 2.9%, -4.2%, 2.5%, 3.9%, and 5.5% over the same periods, respectively. The Fund has trailed the benchmark across all measured horizons, with the largest gap occurring over the trailing one-year period (-12.3% relative).

The most material drag on trailing performance occurred in Q3 2025, when valuation declines across three discrete areas of the portfolio affected 16 of the Fund's 119 assets: Southern California Industrial (-236 bps of absolute performance, driven by an 18% decline in appraisal market rents), Boston Office and Life Science (-160 bps, reflecting a 9% decrease in office appraisal rents and a 16% decrease in life science rents), and near-term disposition candidates (-257 bps, as appraisers revised cash flow and capital market assumptions to align with current market pricing).

Q4 2025 marked a meaningful inflection: the Fund delivered a +0.15% net total return (with income of 0.74% and capital of -0.59%), and all sectors except life science generated positive total returns for the first time since the onset of the Fed's rate-hiking cycle in 2022. Recent results have shown signs of stabilization, supported by income generation, leasing activity, and execution of asset-level business plans. The Manager has emphasized that improvement has been driven by operational factors rather than mark-to-market recovery, citing $2.2 billion+ of asset sales executed over the past two years (nearly 2x the MSCI benchmark average) at pricing within ±2% of appraised values, which the team views as validating current valuations and supporting the forward disposition strategy. Q1 2026 results reportedly ranked top quartile within the ODCE peer set.

The redemption queue stands at $2.38 billion (following the March 31 payment of $22.0 million). Since the market dislocation began in mid-2022, the Fund has consistently made liquidity available each quarter for redeeming investors, totaling over $1.65 billion paid and an additional $497.3 million in redemption rescissions. The Manager noted that a reduction in the redemption queue to below $1 billion would be a key inflection point, potentially enabling the Fund to resume a more active acquisition posture.

The Fund has also closed on over $600 million in new acquisitions in Q1 2026 (multifamily and senior housing), reflecting the early stages of a more offensive posture as conditions improve.

Strengths

- **Stable institutional platform**, benefiting from Invesco's scale, global resources, and integrated investment infrastructure across acquisitions, asset management, and capital markets.
- **Refreshed portfolio management leadership**, with Kim Hourihan and Justin Shanahan bringing a strong track record of collaboration from CBRE IM and providing clearer strategic direction for the Fund.
- **Strong recent performance momentum**, with Q4 2025 marking the first quarter since 2022 in which all sectors except life science generated positive total returns, and Q1 2026 results reportedly ranking top quartile within the ODCE peer set.
- **Improving portfolio execution**, with positive capital return driven by leasing progress and advancement of asset-level business plans rather than purely valuation recovery.
- **Diversified portfolio anchored by core sectors**, with meaningful exposure to industrial and multifamily supporting income durability.
- **Thoughtful portfolio repositioning underway**, including increased allocation to expanded property types, geographic rebalancing of industrial exposure, rotation of apartments out of urban high-rise into garden-style, and continued reduction of office exposure.

Areas of Concern

- **Historically challenged performance**, particularly during the recent down cycle, with valuation write-downs across certain assets and variability relative to core expectations.
- **Ongoing pressure in legacy assets**, with certain investments continuing to experience incremental write-downs, suggesting recovery remains uneven.
- **Redemption queue and liquidity constraints**, which remain a central near-term risk and limit the Fund's ability to deploy capital offensively.
- **Sector-level headwinds**, particularly in apartments due to supply dynamics and in office, where recovery remains uncertain.
- **Transitioning portfolio profile**, with ongoing shifts in sector allocation that have yet to be proven across a full cycle.

Key Takeaways & Conclusion

The Invesco Core Fund has experienced a period of underperformance relative to core benchmarks in recent years, driven in part by valuation pressure and challenges across certain legacy assets. While some of these headwinds reflect broader market conditions, the Fund's performance variability has been somewhat greater than typically expected for a core strategy, suggesting the need for ongoing monitoring.

More recently, however, there are indications that performance may be stabilizing, supported by stronger income generation and improved execution at the asset level. The addition of senior personnel from CBRE and the broader emphasis on portfolio repositioning appear to be constructive developments, with early results pointing toward incremental progress in both leasing activity and capital returns.

Liquidity remains an overhang, particularly given the ongoing redemption queue, though the Manager has outlined several initiatives to address this issue in the near term. The pace and effectiveness of these measures will be important in shaping the Fund's ability to transition back to a more active investment posture.

Overall, while the Fund's recent track record warrants a measured degree of caution, there are emerging signs that the Manager's adjustments are beginning to gain traction. Assuming continued improvement in execution and progress on liquidity, it may be reasonable to maintain exposure and assess whether these positive developments can be sustained over time.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 6.5

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer Michael R. Coultrip

SUBJECT: Presentation of Asset Liability Study, Part II

Recommendation
Provide direction to staff and consultant regarding appropriate asset allocation portfolio risk levels and characteristics.

Background
Meketa introduced the asset liability study project at the March Board retreat. They presented the Board's risk tolerance survey results, reviewed SamCERA's sources of enterprise risk, and introduced their asset class capital market assumptions.

Discussion
Today Meketa will present Part Two of the asset liability study by showing baseline financial projections for the current policy portfolio. In addition, the financial projections for several alternate mixes of asset classes on the efficient frontier spectrum will be shown in order to facilitate discussion with the Board regarding appropriate risk levels and characteristics. This feedback will be used to fine-tune the recommendation for a preferred strategy in Phase III of the ALM study.

Attachment
Asset Liability Study: Part II

MEKETA

San Mateo County Employees' Retirement Association

June 2026

Asset-Liability Study: Part II

Project Goal: To review and possibly modify the strategic asset allocation targets, reflecting the Board's objectives, risk tolerance, and investment beliefs.



Today's Topics

✓ **Modeling Phase**

- Baseline financial projections under the current allocation
- Identify and sample alternative mixes of asset classes on the efficient frontier spectrum

✓ **Risk Evaluation Phase**

- Stress testing across historical and hypothetical market environments
- Evaluating the pros and cons of strategies (e.g., glide path, liability matching, etc.)



Future Meetings

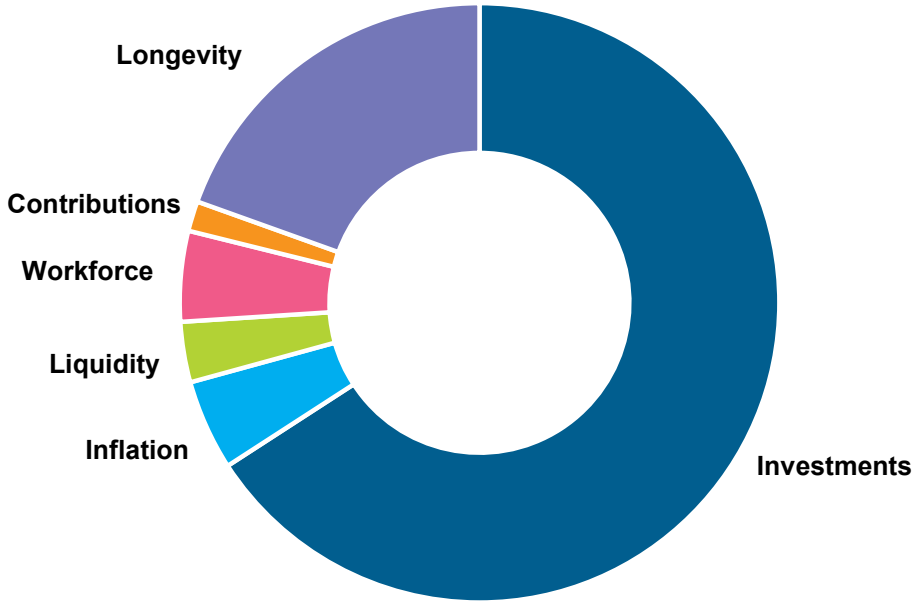
✓ **Decision Phase**

- Finalizing the preferred strategy and current asset allocation
- Implementation planning and timeline

Recap of Key Risks (March Intro to Asset-Liability Presentation)

1. **Investment risk dominates:** Investment returns are the primary driver of the long-term outcomes and funded status volatility.
2. **Longevity & liabilities:** With the Plan over 90% funded, the asset allocation should emphasize funded status stability (not just growth) and resilience to liability behavior.
3. **Liquidity (forward look):** Liquidity is manageable today, but a projected contribution "cliff" in ~5 years increases the importance of proactive liquidity planning.

Enterprise Risk Focus



Consideration: Align investment risk with liability behavior to reduce funded status volatility over time. Focus strategic discussions on:

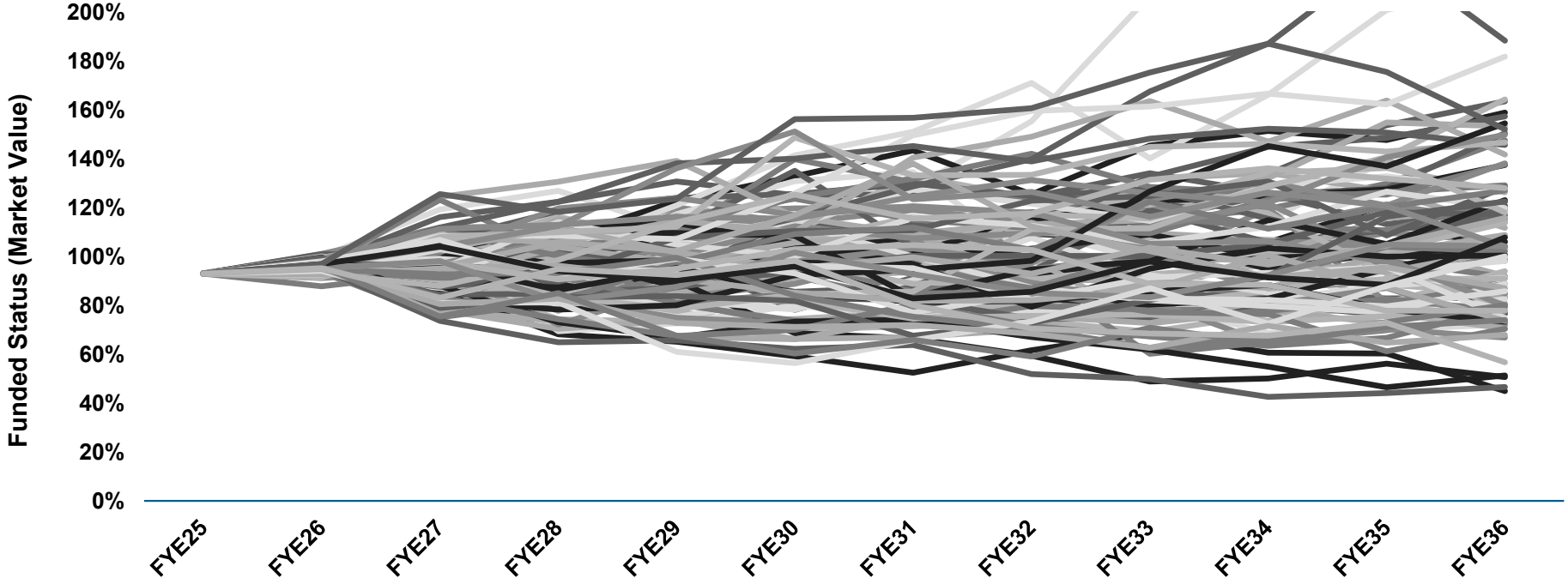
1. Allocation to "liability-matching" assets, and;
2. Growth assets wrapped around the liability-matching assets to produce a cohesive, diversified portfolio.

Asset-Liability Study – Baseline Expectations

How does Meketa optimize the asset allocation?

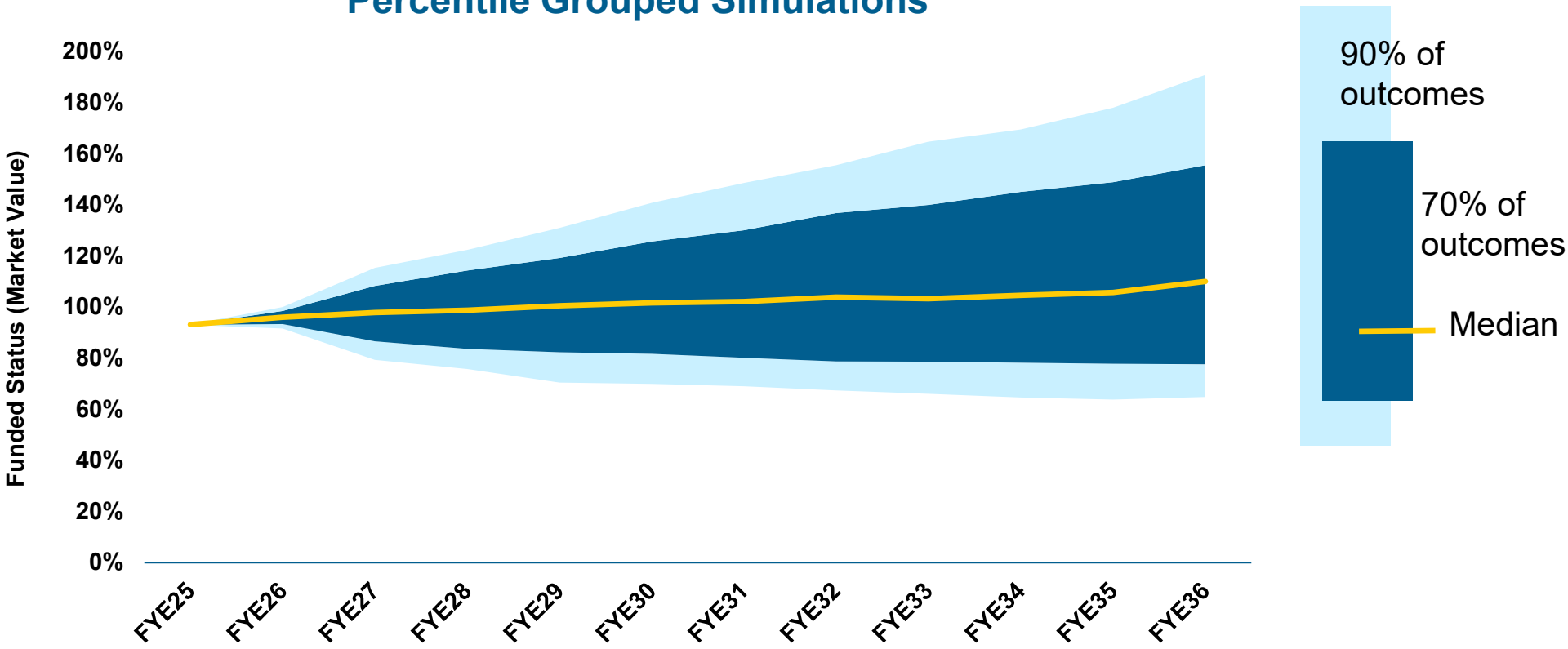
1 – Plot the Baseline	Plot the primary expectation and risk measure for the asset allocation in the Investment Policy Statement.
2 – Create Constraints	Asset classes are constrained to a minimum and maximum allocation to prevent impractical allocation recommendations.
3 – Compare Alternatives	Alternative asset allocations will be optimized according to the Board's preferred risk measures.
4 – Produce Samples	Meketa will provide samples of asset allocations that reflect the feedback received from the Board with regards to growth expectations and tolerance for volatility.
5 – Analyze Additional Risks	Repeat the process for additional risk measures that are important to the Board's decision making.

Individual Simulations



- Funded status (assets divided by liabilities) is simulated in a variety of market environments.
- Analysis reflects the current:
  - Asset allocation
  - Projected benefit payments
  - Funding policy (statutory)
  - Plan provisions
  - Actuarial assumptions
  - Meketa 2026 Capital Market Assumptions

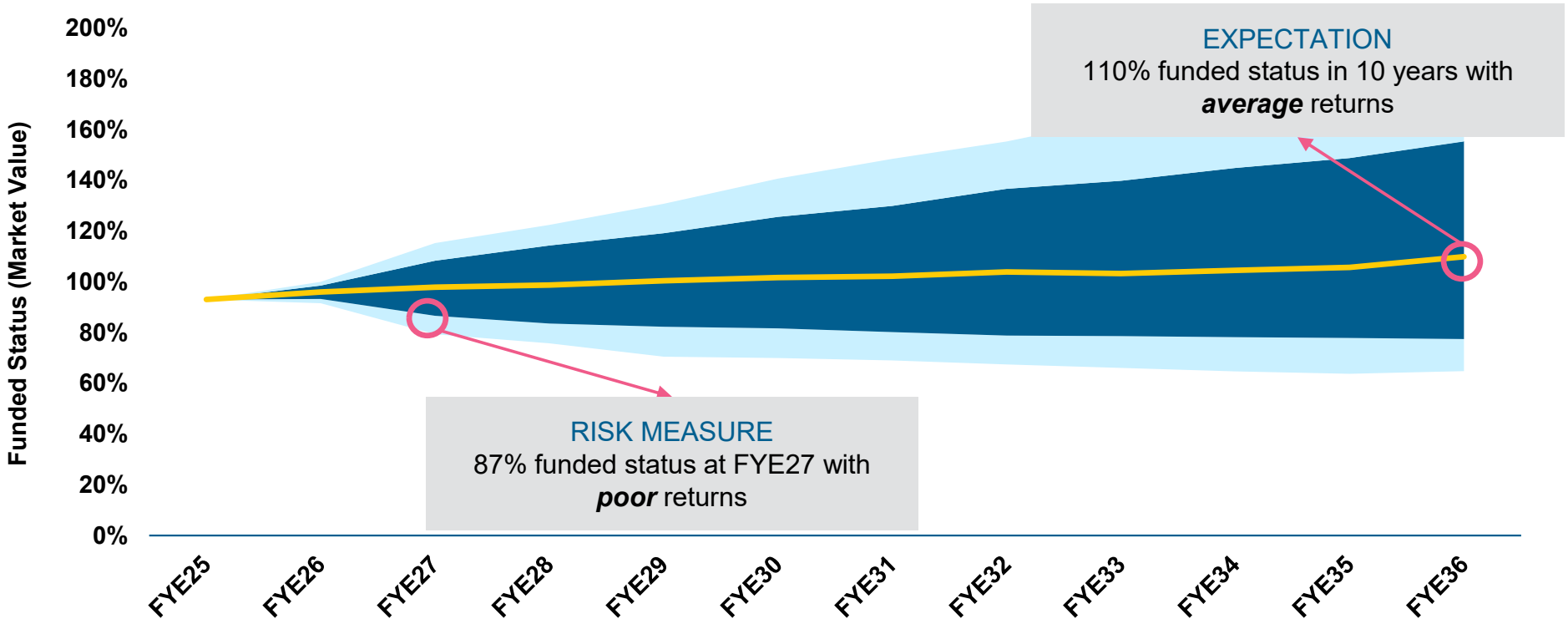
Percentile Grouped Simulations



- Simulations are summarized into percentiles, providing a quantitative analysis of the funded status, given the current asset allocation.
- As an example, the median (50th Percentile) funded status at FYE 2036 is 110% => there is a 50% probability the funded status will be greater than 110% and 50% probability it will be less than 110%.

Record Key Observations

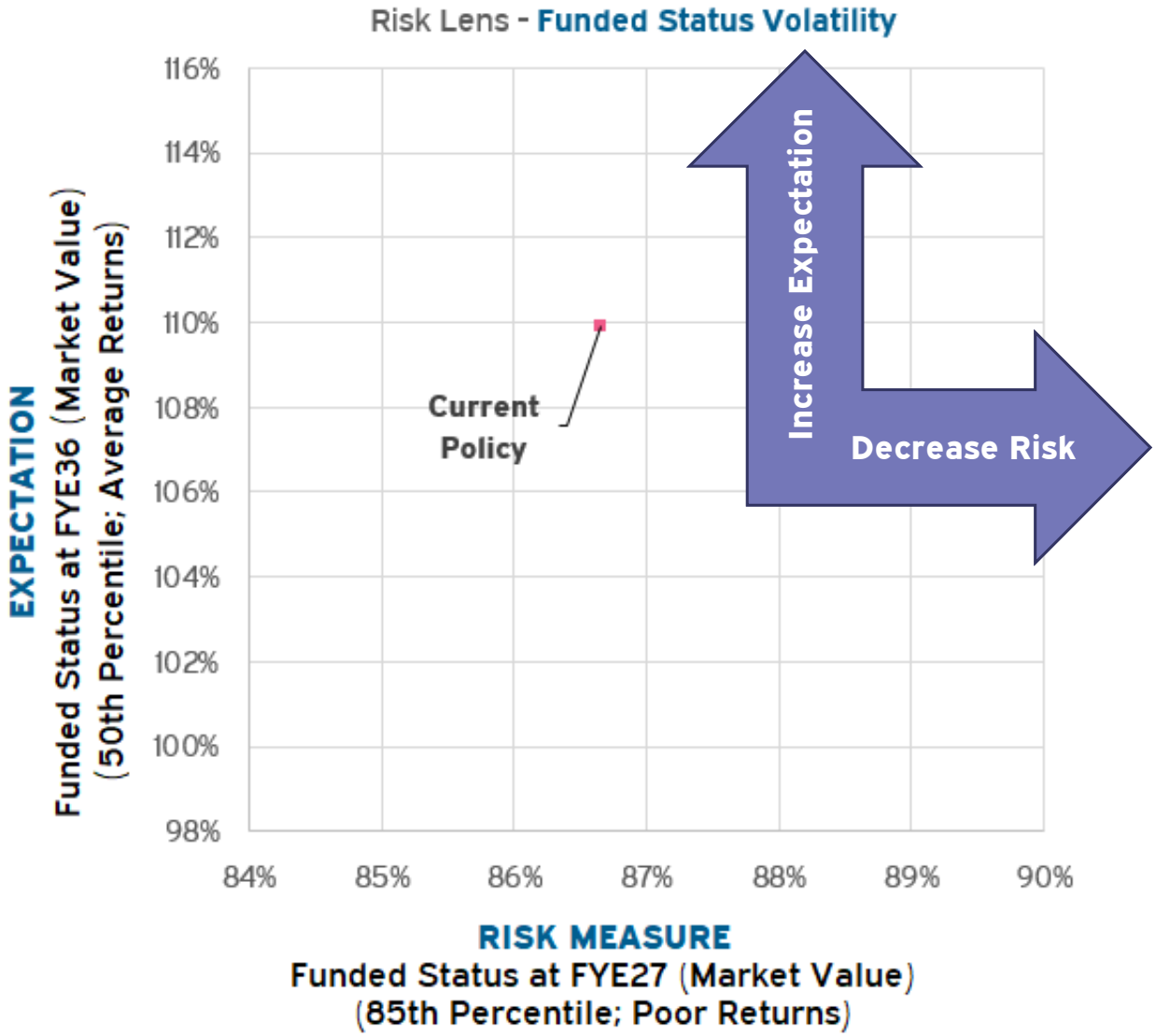
- Key observations are determined during objective setting discussion and analyzed in a "Expectation/Risk Measure" framework.
  - **Expectation** – Outcome where all the underlying assumptions prove to be accurate over the long-term (Example: 50th percentile over a 10-year time horizon).
  - **Risk Measure –** Outcome with a lower probability (Ex: 85th percentile) and detrimental impact, especially when that outcome occurs in the short-term (Ex: 1-year time horizon).



Optimization Step 1: Plot the Baseline (i.e., Current Policy)

Notes

- The goal of Optimization is to align the projected health of the system to match the objectives and risk tolerance of the Board.
- Estimated market value funded status as of 6/30/2025 = 93%



Why we set asset class constraints?

- **Liquidity reality –** caps on privates keep the fund investable and able to pay benefits; floors on cash and liquid bonds preserve solvency.
- **Implementation reality –** minimums reflect the smallest position worth governing; maximums reflect manager capacity and deployment speed.
- **Diversification discipline –** bands across equity sub-classes prevent loading up on whichever sleeve has the best recent inputs.

What do we accomplish?

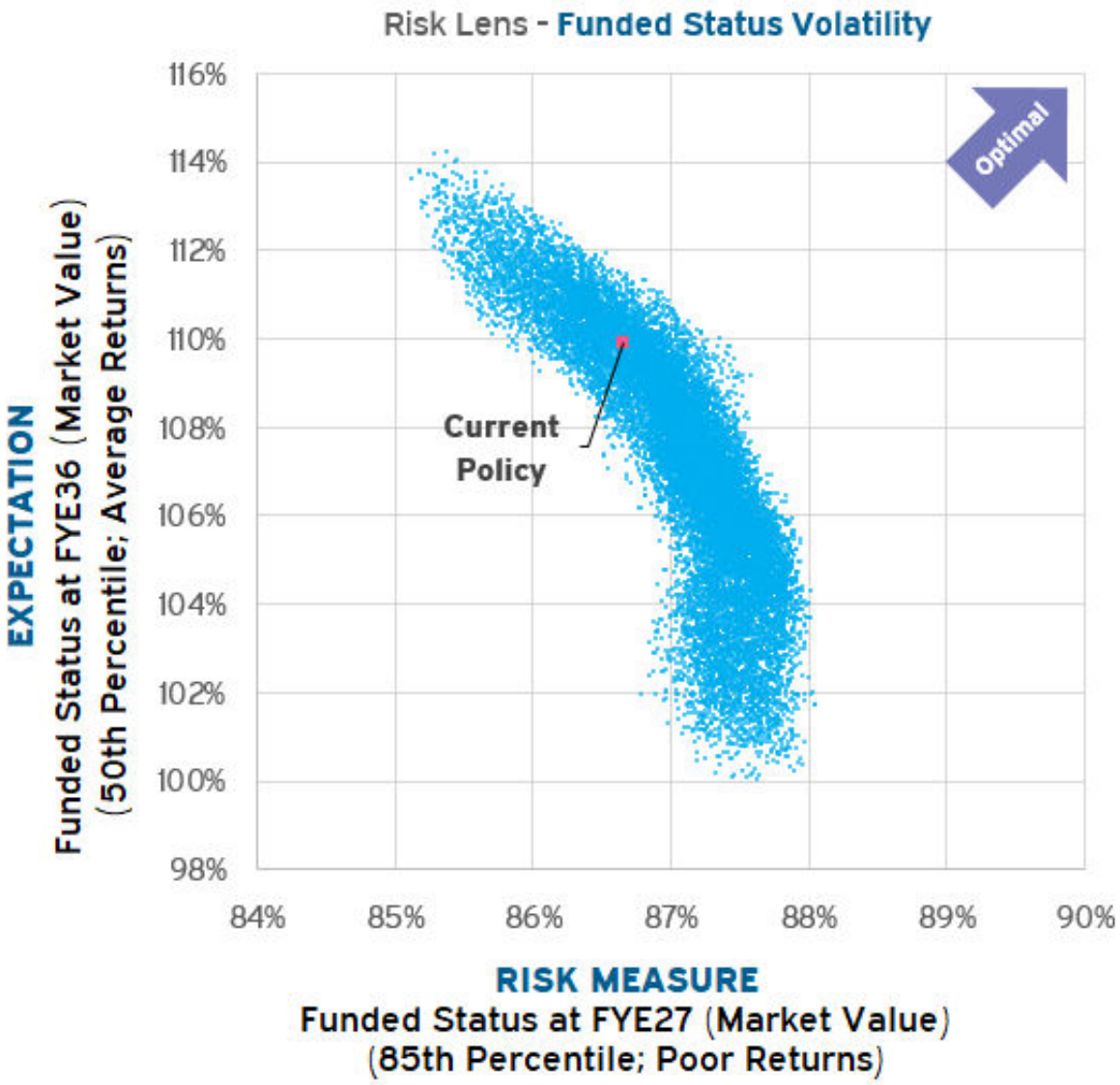
- **A menu, not a corner solution –** the optimizer generates a spectrum of candidate portfolios, each one investable and diversified.
- **Board decision-ready –** trustees choose among real, implementable policies that differ in expected return and risk **–** not theoretical optimal allocations (ie portfolios that are not practical or implementable).

* Actual constraints used in this study are provided in the appendix

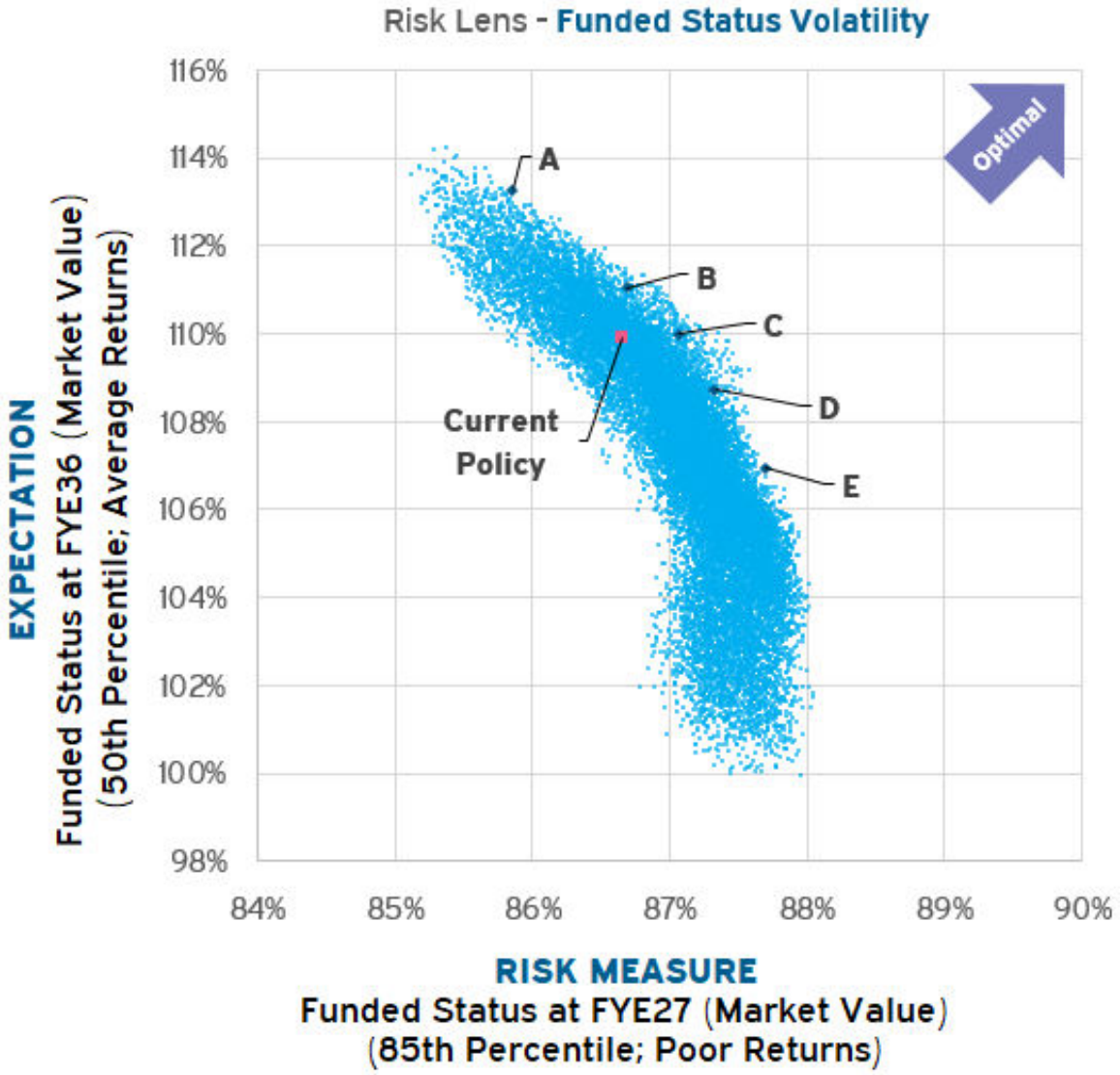
Optimization Step 3: Compare Current Policy to Alternative Asset Allocations

Notes

- The constraints are used to create thousands of combinations of asset allocations.
- The Current Policy is compared to these alternative asset allocations to determine if an alternative provides more optimal outcomes.
- Each blue dot represents a unique asset allocation within the asset class constraints shown on the prior slide.
- Est. market value funded status as of 6/30/2025 = 93%



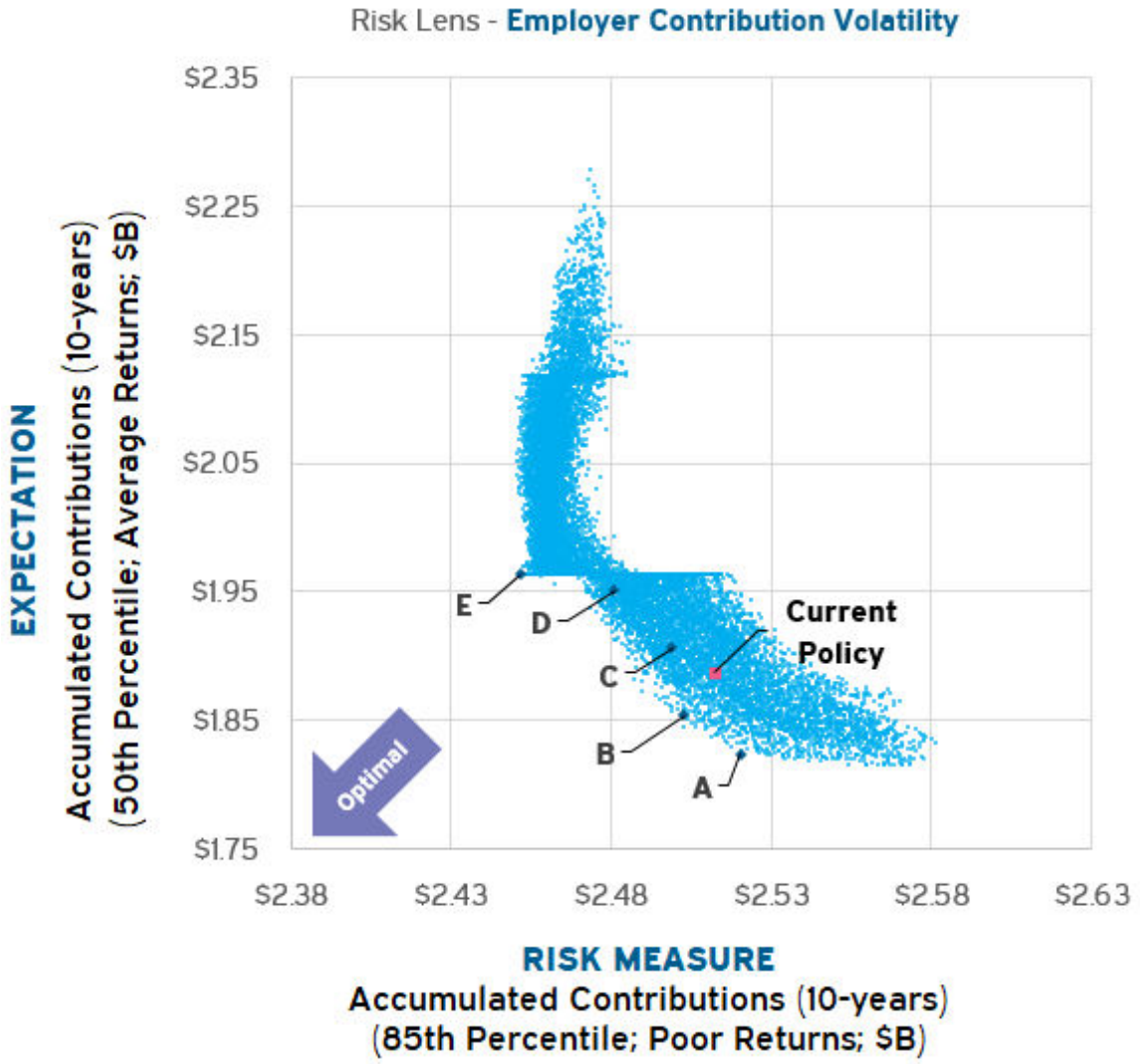
Optimization Step 4: Select Samples



Notes

- Samples are selected spanning the spectrum of expectation/risk measure.
- Sample A is an example of a higher funded status expectation relative to Policy.
- Sample E is the opposite - lower funded status volatility.
- No outcome is "better" than another given each have beneficial quantitative outcomes.

Optimization Step 5: Analyze Addition Risks – Accumulated Contributions



Notes

- This chart shows a comparison of required contributions accumulated over 10 years with *average* returns (Expectation; y-axis) vs the Risk Measure of accumulated contributions in 10 years with *poor* returns.
- For this risk measure, "optimal" is to reduce the required contributions under the average and poor return markets.

Current and Sample Portfolios

- Samples are selected for purposes of creating dialogue around quantitative preferences.
- These samples should not be interpreted as recommendations.

	Current Policy	Sample A	Sample B	Sample C	Sample D	Sample E
Return-Seeking	63%	74%	64%	54%	48%	40%
Hedging	31%	20%	30%	40%	46%	54%
Liquidity	6%	6%	6%	6%	6%	6%
Total	100%	100%	100%	100%	100%	100%
1. Expected Return (10 Years)	6.5%	6.7%	6.5%	6.4%	6.3%	6.2%
2. Expected Return (20 Years)	7.6%	7.9%	7.7%	7.6%	7.5%	7.2%
3. Standard Deviation (1st)	11.3%	12.4%	11.5%	10.6%	10.0%	9.2%
4. Sharpe Ratio	0.39	0.39	0.40	0.43	0.44	0.45
5. Expectation - Funded Status (FYE36)	110%	113%	111%	110%	109%	107%
6. Risk - Funded Status (FYE27)	87%	86%	87%	87%	87%	88%
7. Expectation - Accum. Contributions (2026-2035; $B)	$1.89	$1.82	$1.85	$1.91	$1.95	$1.96
8. Risk - Accum. Contributions (2026-2035; $B)	$2.51	$2.52	$2.50	$2.50	$2.48	$2.45
9. Est. FYE27 Income ($M)*	90	87	93	128	143	189
10. Retiree Liability Hedge Ratio**	27%	32%	34%	41%	50%	88%

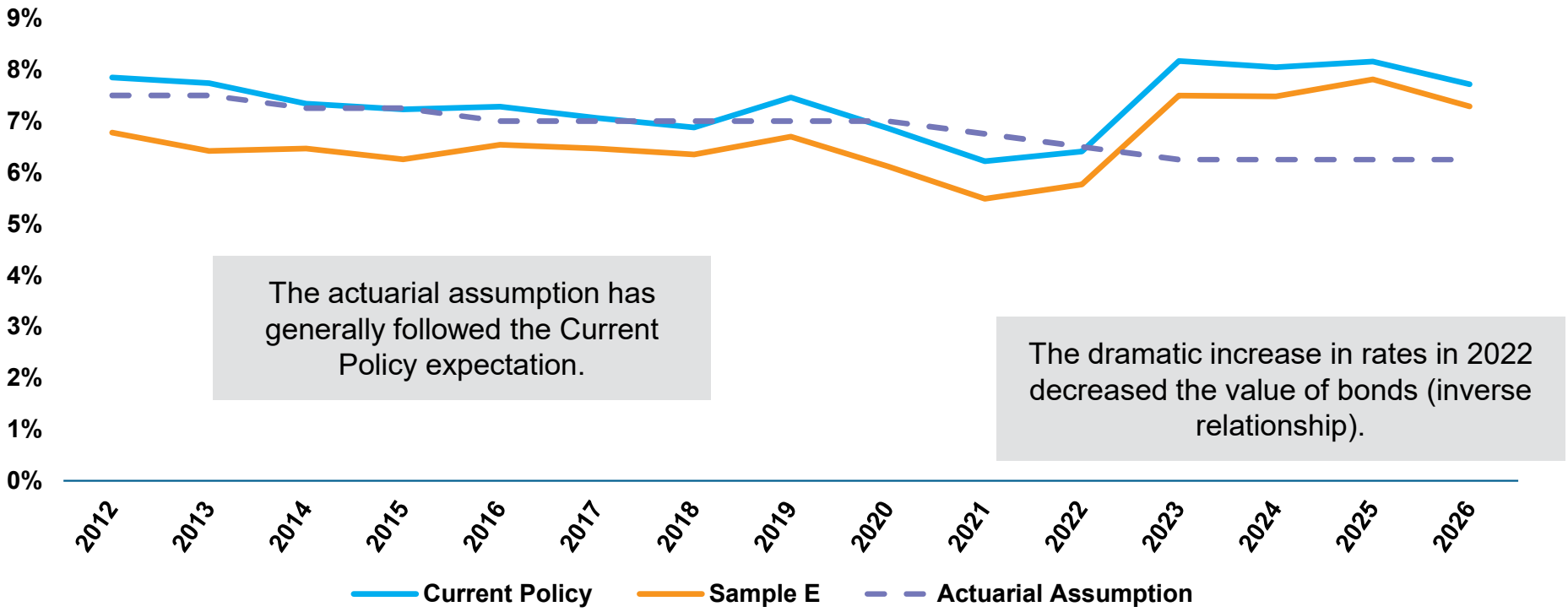
* For comparative purposes to the estimated investment grade income statistic, the estimated FY2027 benefit payments are $392M; source: June30,2025 actuarial valuation results. Income calculated using yields and estimated cap rates for the following asset classes – cash equivalents, investment grade bonds (intermediate and long), core private infrastructure and real estate

** Retiree liability hedge ratio assumes the retiree liability comprises ~60% of the total liability with a duration of 10 years. Because the liability is not anticipated to automatically fluctuate with interest rate movements, this statistic is conceptual in nature. The higher the hedge ratio, the more optionality the Board is anticipated to have with regards to setting the liability discount rate.

Asset-Liability Study: Part I – Follow-up

- Treasury rate changes have a high correlation with capital market expectation changes.
- Capital market expectations are a guide for the actuarial assumption.
- Portfolios with a high allocation to fixed income will have optionality to offset portfolio gains/losses with actuarial assumption changes.

20-year Expectations vs Actuarial Assumption



The actuarial assumption has generally followed the Current Policy expectation.

The dramatic increase in rates in 2022 decreased the value of bonds (inverse relationship).

* Source: Capital market expectations are based on Meketa historical 20-year capital market assumptions

Next Steps

Next Steps

1. Finalize the preferred strategy and asset allocation
2. Discuss implementation planning and timeline

Appendix – Assumptions, Methods, Disclaimers

- Capital Market Assumptions: Meketa 2026 Capital Market Expectations – 10- and 20-year assumptions.
- Assets: Market value of assets of $7.2 billion as of June 30, 2025, adjusted with returns through September 30, 2025.
- Asset Rebalancing: annual.
- Liabilities and normal cost: The normal cost and expected benefit payments used in this study were provided by Milliman as of June 30, 2025. Liabilities are then forecasted assuming all accruals and benefit payments occur as projected along with a 6.25% annual growth rate.
- Funding policy: As detailed in the actuarial valuation report as of June 30, 2025, issued by Milliman.
- Plan Provisions and Additional Assumptions: Additional details regarding provisions and assumptions are documented in the June 30, 2025, actuarial valuation report issued by Milliman.

Additional Detail on Sample Policies

	Current Policy (%)	Sample A (%)	Sample B (%)	Sample C (%)	Sample D (%)	Sample E (%)
Graph Label	Current Policy	A	B	C	D	E
Cash Equivalents	1	1	1	1	1	1
Short-term Investment Grade Bonds	5	5	5	5	5	5
Core Private Real Estate	9	4	5	9	9	4
Infrastructure (Core Private)	4	4	4	8	8	3
Investment Grade Bonds	10	2	3	9	9	1
Long-term Corporate Bonds	0	5	5	4	6	19
Long-term Government Bonds	3	5	5	4	6	19
Natural Resources (Private)	1	3	3	2	2	1
REITs	3	0	0	0	0	0
Foreign ex US Equity	16	18	15	13	11	8
US Large Cap	23	24	20	17	14	10
US Small Cap	2	3	3	2	2	1
Multi-Sector Credit	8	12	10	8	7	5
Hedge Funds	6	0	8	6	8	8
Private Equity	7	9	9	9	9	9
Private Debt	3	5	5	3	3	5
Total	100	100	100	100	100	100

* Allocations may not add to 100% due to rounding

Asset Class Constraints

- The constraints below were developed to provide a spectrum of expectation and risk measure outcomes.

Asset Class	Current Policy (%)	Min (%)	Max (%)
Cash Equivalents	1	2	2
Short-term Investment Grade Bonds	5	0	0
Core Private Real Estate	9	3	12
Infrastructure (Core Private)	4	3	10
Investment Grade Bonds	10	4	18
Long-term Corporate Bonds	0	0	30
Long-term Government Bonds	3	0	30
Natural Resources (Private)	1	1	4
REITs	3	0	0
Foreign ex US Equity	16	3	21
US Large Cap	23	4	28
US Small Cap	2	1	4
Multi-Sector Credit	8	2	14
Hedge Funds	6	0	8
Private Equity	7	5	9
Private Debt	3	1	5

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All information including, but not limited to, MIG's investment views, returns or performance, risk analysis, sample trade plans, idea filtration process, benchmarks, investment process, investment strategies, risk management, market opportunity, representative strategies, portfolio construction, capitalizations, expectations, targets, parameters, guidelines, and positions may involve our views, estimates, assumptions, facts and information from other sources that are believed to be accurate and reliable and are as of the date this information is presented—any of which may change without notice. We have no obligation (express or implied) to update any or all of the Information or to advise you of any changes; nor do we make any express or implied warranties or representations as to the completeness or accuracy or accept responsibility for errors. This information is for illustrative purposes only and does not constitute an exhaustive explanation of the investment process, investment allocation strategies or risk management.

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Certain information contained in this document constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Funds and investments may differ materially from those reflected or contemplated in such forward-looking statements."

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 7.1

TO: Board of Retirement

FROM: Paul A. Okada**,** Chief Executive Officer Paul A. Okada

SUBJECT: Ratification of Memorandum of Understanding with the County of San Mateo for Supplemental Contributions

Recommendation
Approve a resolution ratifying the 2025 Memorandum of Understanding with the County of San Mateo (the "2025 MOU") to extend the 2025 MOU through and including June 30, 2035, and authorizing the Chief Executive Officer ("CEO) to further amend the 2025 MOU as necessary or desirable.

Background
On November 19, 2013, SamCERA and the County of San Mateo (the "County") entered into a Memorandum of Understanding (the "2013 MOU") with the goal of reducing the County's unfunded actuarial accrued liability (UAAL) by making supplemental contributions beyond its statutory obligations. On August 13, 2014, the 2013 MOU was amended to clarify the earnings method for the funds in the County Supplemental Contribution Account (CSCA).

Under the terms of the 2013 MOU, the County made a $50 million initial contribution followed by supplemental contributions of $10 million per year through FY 2022-23. Additionally, the County contributed, as a percentage of pay, the difference between 38.14% of pay and the Statutory Contribution rate, each year. The 2013 MOU provided that such supplemental contributions were to be invested with other retirement assets, at SamCERA's discretion, and were subject to the same market risk with the earnings or losses impacting the UAAL reduction and required contributions. The funds in the CSCA were to be used solely for County member benefits and administrative costs and the County, in its sole discretion, could discontinue, increase, or decrease its planned supplemental contributions for any year. Throughout the term of the MOU the County contributed in excess of $266 million. The MOU expired on June 30, 2023.

Following the expiration of the 2013 MOU, the County and SamCERA negotiated a new Memorandum of Understanding (the "2025 MOU") wherein the County again would make supplemental contributions in order to continue to reduce its pension liabilities and to stabilize its employer contribution rate. Pursuant to the 2025 MOU, the County made additional supplemental contributions to the CSCA of $50 million in FY 2024-25 and intends to make $50 million in supplemental contributions in FY 2029-30. The County also intends to pay a minimum rate of 27% of pay with any contributions made above the statutory contribution rate going into the CSCA.

As detailed in staff's memo to the Board in December 2024, the terms of the 2025 MOU are substantially the same as the 2013 MOU. Both the Board of Retirement and the County's Board of Supervisors authorized their respective Chief Executive Officers to complete negotiations of the MOU which was later executed in January 2025.

Discussion

During negotiations in 2024, both the County and SamCERA staff contemplated a five year MOU with lump-sum supplemental contributions in FY 2024-25 and FY 2029-30. In authorizing SamCERA's CEO to negotiate and execute the 2025 MOU, this Board's resolutions expressly provided that the CEO was authorized to enter into an MOU that would remain in effect "through the end of Fiscal Year 2029-30."

Subsequent to this Board's resolution, however, the County authorized its Chief Executive Officer to execute an MOU without specifying an end date to such agreement. Further, County staff contemplated, and the final 2025 MOU provisions stated, that the MOU "shall remain in effect through and including June 30, 2035." SamCERA's staff has confirmed with the County that this was the County's intent and that the County desired flexibility to extend the MOU beyond the second lump-sum supplemental contribution scheduled for FY 2029-30 through at least June 30, 2035.

Staff therefore recommends that the Board of Retirement amend its resolution in order to 1) ratify the current agreement which provides for a June 30, 2035, termination date; 2) authorize the CEO to negotiate and execute any further amendments to the 2025 MOU with respect to the extension of the termination thereof; and 3) authorize the CEO to take any further necessary or desirable action in order to effectuate the purposes of the 2025 MOU.

Attachments

Resolution Ratifying the 2025 MOU and Authorizing the CEO to Negotiate Further Amendments Thereto

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION 2026-___

RESOLUTION RATIFYING THE MEMORANDUM OF UNDERSTANDING ENTERED INTO EFFECTIVE JANUARY 15, 2025, AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO AMEND SUCH MOU TO FURTHER EXTEND THE TERM AND TO TAKE SUCH OTHER ACTION AS MAY BE NECESSARY OR DESIREABLE TO EFFECTUATE ITS TERMS

WHEREAS, the Board has the power and duty to manage and administer a retirement system (the "System") for participating current and retired employees of the County of San Mateo ("County"), the Superior Court of San Mateo ("Court") and the San Mateo County Mosquito and Vector Control District ("District") under Chapter 3 (commencing with Section 31450) of Part 3 of Division 1 of Title 3 of the Government Code ('37 Act") and the California Public Employees' Pension Reform Act of 2013 ("PEPRA") contained in Article 4 of Division 7, Title 1 (Commencing with Section 7522) Government Code; and

WHEREAS, on December 2, 2024, the Board authorized SamCERA's Chief Executive Officer (CEO) to negotiate and execute a Memorandum of Understanding with the County of San Mateo with the goal of stabilizing the County's contribution rate and reducing the County's unfunded actuarial accrued liability ("UAAL") by making supplemental contributions beyond its Statutory Contribution rate; and

WHEREAS, the Board's resolutions expressly provided the CEO with the authority to enter into an MOU that would remain in effect "through the end of Fiscal Year 2029-30"; and

WHEREAS, effective January 15, 2025, SamCERA and the County entered into an MOU (the "2025 MOU") with terms substantially the same as the prior MOU that SamCERA and the County entered into in 2013, pursuant to which the County has made a $50 million supplemental contribution to the County Supplemental Contribution Account ("CSCA") in FY 2024-25 and intends to make an additional supplemental contribution of $50 million in FY 2029-30 with the intention of paying a minimum rate of 27% of pay with any contributions made above the statutory contribution rate going into the CSCA; and

WHEREAS, it was the County's intent that the 2025 MOU remain in effect through and including June 30, 2035, and the final 2025 MOU contains such provision; and

WHEREAS, the Board desires to ratify the 2025 MOU with respect to the June 30, 2035 termination date set forth therein, as opposed to the June 30, 2030, termination date that was previously authorized in its December 2, 2024, resolutions; and

WHEREAS, the Board further desires to expressly authorize the Chief Executive Officer to negotiate and execute further amendments to the 2025 MOU to extend the termination beyond June 30, 2035, if desired by the County and to take any other action deemed necessary or desirable by the CEO to effectuate the purposes of the 2025 MOU;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Retirement hereby ratifies the 2025 Memorandum of Understanding with the County which provides for a termination date of June 30, 2035; and

BE IT FURTHER RESOLVED, that the Chief Executive Officer is hereby authorized to negotiate and execute any further extension of the 2025 MOU and is authorized to negotiate and execute any necessary subsequent amendments and minor modifications to the 2025 MOU in order to implement and administer its terms.

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on June 2, 2026.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

_____

Elaine Orr, Board Secretary
SamCERA

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 7.2

TO: Board of Retirement

FROM: Tat-Ling Chow, Finance Officer
Diane Webster, Technology Officer
Chezelle Milan, Senior Accountant

SUBJECT: Updated Semi-Annual Budget-to-Actual Report for the Six Months Ended December 31, 2025

Staff Recommendation
Accept the updated Semi-Annual Budget-to-Actual Report for the Six Months Ended December 31, 2025.

Background
In February 2026, the mid-year report for Administrative and Information Technology budgets was submitted to the Board, but information for the Professional Services budget was omitted due to the lag in reporting from alternative investment managers. With all but one of these activity statements now available, the previously omitted data has been integrated to update and complete the previously submitted report.

The semi-annual budget-to-actual expense comparison is not required by statute but has historically been provided to the Board to illustrate staff's best estimate of whether SamCERA's actual spending during the first half of the fiscal year is in line with the anticipated mid-year benchmark (*i.e.*, 50% of the adopted budget). It should be noted that this semi-annual report continues to be based on preliminary financial information as opposed to final audited financial information which is not available until after the fiscal year end.

Discussion
As noted in February, SamCERA's budget covers the following three segments:

1. Professional Services Budget – covers costs for actuarial consulting services, custodial services, investment management, investment consulting services, and outside legal services for investment related matters [Government Code §31596.1].

2. Administrative Budget – covers personnel expenses (salaries and benefits) and administrative overhead (services and supplies), which cannot exceed the mandated limit of 0.21% of the accrued actuarial liability of the retirement fund [Government Code §31580.2(a)].

3. Technology Budget – covers expenses for software, hardware, and computer technology consulting services in support of these computer products and is not subject to the mandated limit of 0.21% discussed above [Government Code §31580.2(b)].

The budget-to-actual comparison below shows if SamCERA's mid-year actual spending is on track, using the 50% mark of the adopted budget as the baseline.

	Budget Through 6/30/2026	Actual Through 12/31/2025	Percentage of Budget Used
Professional Services	$46,952,434	$25,651,345	55%
Administrative	9,207,135	4,410,904	48%
Technology	2,446,828	297,462	12%
Total	$58,606,397	$30,359,711	52%

Professional Services Budget. This budget unit includes investment management fees and other professional service fees. Mid-year actual expenses totaled $25.7 million, representing 55% of the annual budget.

Investment Management & Other Professional Services

Type of Services	Projected Fee Through 6/30/26	Actual Fee Through 12/31/25	Percentage of Projected Fee Used
Investment Management	$ 45,735,538	$ 25,073,761	55%
Other Professional Services	1,216,896	577,584	47%
Total	$ 46,952,434	$ 25,651,345	55%

- *Investment management fees* are determined by contractual agreements, relying on factors such as assets under management and portfolio performance.

Investment Management Services

Investment	Projected Fee Through 6/30/26	Actual Fee Through 12/31/25	Percentage of Projected Fee Used
Public Equity	$ 5,099,660	$ 3,936,477	77%
Fixed Income	11,401,123	7,360,507	65%
Alternative Assets	15,513,201	3,349,277	22%
Inflation Hedge	12,109,768	9,603,380	79%
Cash Overlay	1,370,892	707,245	52%
Liquidity	240,894	116,875	49%
Total	$ 45,735,538	$ 25,073,761	55%

  - *Public Equity.* Actual fees exceeded the budget due to higher-than-projected performance fees from a single manager.
  - *Fixed Income.* Actual fees exceeded the budget due to higher-than-projected performance fees across the Opportunistic Credit portfolio.

- *Alternative Assets.* Actual fees fell below the budget due to lower-than-projected performance fees across the private equity portfolio.

- *Inflation Hedge.* Actual fees exceeded the budget due to higher-than-projected performance fees across the portfolio.

(**Note:** The financial information in the following sections was submitted to the Board for its review during the February Board meeting. This information remains unchanged.)

- *Other professional service fees (*which cover actuarial consulting, actuarial audit, investment consulting, and custodial services) are primarily based on contractual agreements.

Other Professional Services

Contractor	Service	Projected Fee Through 6/30/26	Actual Fee Through 12/31/25	Percentage of Projected Fee Used
Milliman Inc.	Actuarial Consulting - Annual	$ 175,000	$ 113,593	65%
Segal Inc.	Actuarial Consulting - Triennial Audit	110,000	-	0%
Verus Investments	Investment Consulting	642,146	318,191	50%
Northern Trust	Custodian	289,750	145,800	50%
	Total	$ 1,216,896	$ 577,584	47%

Overall spending for other professional service fees was closely in line with the baseline except for the following two areas:

- *Actuarial Consulting - Annual.* Service fees were significantly above the mid-year benchmark. This was anticipated, however, insofar as most of this budget is used to fund the annual valuation and required disclosure prescribed by the Governmental Accounting Standards Board. These two projects were fully completed and paid for before December 31. Remaining budget is designated for certain agreed-upon procedures to be performed in the second half of the fiscal year.

- *Actuarial Consulting – Triennial Audit.* The budget is slated for the audit of the Triennial Experience Study beginning in May and the annual actuarial valuation in June/July. As such, it was anticipated that the funds budgeted for this item would not be incurred until later in the second half of the fiscal year.

Administrative Budget. During the first six months of the fiscal year, 48% of the administrative budget, or $4.4 million, was expended. The following table summarizes all administrative expenses, along with explanations as to why the actual expenses of certain items significantly differ from the mid-year benchmark.

	Budget Through 6/30/2026	Actual Through 12/31/2025	Percentage of Budget Used	Under Budget	Percentage of Budget Remaining
Salaries and Benefits					
Salaries	$ 4,863,139	$2,256,872	46%	$2,606,267	54%
Benefits	1,947,567	982,473	50%	965,094	50%
Total Salaries and Benefits	6,810,706	3,239,345	48%	3,571,361	52%
Services and Supplies					
Board Expenses	8,000	3,300	41%	4,700	59%
Insurance	173,500	86,153	50%	87,347	50%
Medical Record and Hearing Services	150,000	80,817	54%	69,183	46%
Member Education	75,000	31,675	42%	43,325	58%
Education and Conference	165,827	55,966	34%	109,861	66%
Transportation and Lodging	147,019	54,216	37%	92,803	63%
Property and Equipment	55,800	15,140	27%	40,660	73%
General Office Supplies	41,000	18,744	46%	22,256	54%
Postage and Printing	30,600	14,723	48%	15,877	52%
Leased Facilities	773,242	364,248	47%	408,994	53%
County Services	611,600	344,800	56%	266,800	44%
Audit Services	69,800	60,006	86%	9,794	14%
Other Services	95,041	41,771	44%	53,270	56%
Total Services and Supplies	2,396,429	1,171,559	49%	1,224,870	51%
Total	$ 9,207,135	$4,410,904	48%	$4,796,231	52%

Salaries and Benefits*.* Staff payroll was modestly below budget as the Finance division deferred the procurement of extra help needed for the new pension administration system software (PASS) implementation until a new PASS is selected. The deferral was strategic to avoid extra personnel expenses until needed.

Services and Supplies. The budget covers all administrative expenses except for salaries and benefits.

Below are the items where actual expenses were moderately or significantly below the mid-year benchmark.

- *Member Education* – The price increase for member education did not transpire as projected. In exchange for a three-year contract beginning fiscal year 2025-26, Financial Knowledge Network (the vendor providing workplace financial education and literacy services) offered to keep the first year's pricing unchanged.

- *"Education and Conference" and "Transportation and Lodging"* – Staff and trustees did not attend all training and conferences that were budgeted for, which in turn caused a noticeable decline in traveling and lodging expenses.

- *Property and Equipment* – Certain ergonomic equipment (e.g., ergonomic desk) has not yet been put in place as planned.

- *Other Services* – This budget item was predominantly designated for professional services from external entities specializing in disability determination and tax matters. The need for such services turned out to be considerably lower than expected.

Below are the items where actual expenses were moderately or significantly above the mid-year benchmark.

- *County Services* – Established fees for certain County services (e.g., human services and risk management) were paid in full for the entire fiscal year in December 2025 rather than prorated monthly.

- *Audit Services* – Majority of the fees were designated for the 2025's financial audit services and expended in July and October 2025 upon completion of services. The remaining budget is slated for the upcoming interim audit, which is scheduled to take place around May or June 2026.

Technology Budget. The table below compares actual and budgeted expenses related to information technology (IT). About 12% of the adopted budget, or $0.3 million, was expended during the first six months of the fiscal year.

	Budget Through 6/30/2026	Actual Through 12/31/2025	Percentage of Budget Used	Under Budget	Percentage of Budget Remaining
Computer Equipment and Software	$ 25,000	$ 10,695	43%	$ 14,305	57%
IT Infrastructure:					
Software License Maintenance	896,828	135,406	15%	761,422	85%
Maintenance Tools and Equipment	225,000	16,775	7%	208,225	93%
Contract IT Services	266,000	19,163	7%	246,837	93%
Imaging	25,000	-	0%	25,000	100%
Consulting Services	1,000,000	115,423	12%	884,577	88%
Technology Research and Development	9,000	-	0%	9,000	100%
Total	$2,446,828	$ 297,462	12%	$2,149,366	88%

Across all categories of the Technology Budget except "Computer Equipment and Software," actual expenses were substantially below the mid-year benchmark since most activities are expected to occur in the second half of the fiscal year.

- *Computer Equipment and Software* – The upcoming purchases mainly include an iPad refresh for the Board to improve meeting efficiency and comply with organizational security standards; updated cables and docking stations for staff to improve connectivity; a Microsoft Intune to support device/mobile app management, endpoint security, and simplified deployment.

- *Software License Maintenance* – Unspent funds will be used to cover ongoing support for PASS and upcoming license costs for Box.com.

- *Maintenance Tools and Equipment* – Infrastructure equipment, such as new cloud servers, will be purchased to support system refreshes, capacity growth, and reliability improvements in the second half.

- *Contract IT Services* – Continued contract services are underway for configuration services, IT Modernization Project, and security remediation.

- *Imaging* – The project to scan and save documents online has been initiated during the first half of the fiscal year and expected to be completed in the second half.

- *Consulting Services* – Continued efforts are undertaken to support the IT Modernization Project and PASS implementation.

- *Technology Research and Development* – Research for Artificial Intelligence (AI) governance, cybersecurity modernization, cloud optimization, and automation are expected to take place in the second half of the fiscal year.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

June 2, 2026 Agenda Item 7.3

TO: Board of Retirement

FROM: Tat-Ling Chow, Finance Officer
Diane Webster, Information Technology Officer
Lilibeth Dames, Investment Analyst

SUBJECT: SamCERA's Proposed Budget for Fiscal Year 2026-27

RECOMMENDATION

Adopt SamCERA's proposed budget for fiscal year (FY) 2026-27 totaling $75.4 million, which is 29% higher than the adopted budget for FY 2025-26.

	FY 2026-27 Proposed	FY 2025-26 Adopted	Increase	% of Change
Professional Services	$ 59,174,218	$ 46,952,434	$ 12,221,784	26%
Administrative	10,134,914	9,207,135	927,779	10%
Information Technology	6,065,943	2,446,828	3,619,115	148%
Total Budget - SamCERA	$ 75,375,075	$ 58,606,397	$ 16,768,678	29%

BACKGROUND

SamCERA's budget consists of three units: professional services, administrative, and information technology.

Professional Services Budget – covers professional fees that are authorized by Government Code §31596.1. This code authorizes the Board of Retirement (the Board) to expend funds from investment earnings of the pension trust for specific professional services, which include actuarial consulting, custodial, investment management, investment consulting, and external legal services.

SamCERA employs professional investment managers to manage its portfolio. Some management fees are performance driven, dependent primarily upon the market value of the assets under management and negotiated fee schedules. As the market values of invested assets increase, so do management fees. Other management fees are based on contractual agreements. Fees for the actuarial consulting, investment consulting, and global custodian services are either on per-service or per-retainer basis.

The Chief Investment Officer and the investment consultant periodically report the portfolio's performance to the Board. Investment staff actively monitor professional service fees against respective contractual agreements.

The **professional services budget** for FY 2026-27 is projected to be $59.2 million, a 26% increase from FY 2025-26.

	FY 2026-27 Proposed	FY 2025-26 Adopted	Increase	% of Change
Investment Management Fees	$57,962,618	$ 45,735,538	$ 12,227,080	27%
Other Professional Service Fees	1,211,600	1,216,896	(5,296)	0%
Total - Professional Services Budget	$59,174,218	$ 46,952,434	$ 12,221,784	26%

- Investment management fees consist of two components, management fees and performance fees. Management fees depend heavily on the size of assets under management, whose growth is projected by applying the latest 10-year capital market return assumptions to each asset class. Performance fees are investment management charges incurred when fund managers outperform specific benchmarks. Forecasting performance fees remains inherently challenging due to wide return disparity among managers and the reliance on unrealized valuations.

Investment Management Fees

	FY 2026-27 Proposed			FY 2025-26 Adopted	
Investment Manager	Management Fee	Performance Fee	Total	Total	% of Change
Total Public Equity	$ 5,054,777	$ 500,000	$ 5,554,777	$ 5,099,660	9%
Total Fixed Income	13,670,797	2,500,000	16,170,797	11,401,123	42%
Total Alternative Assets	15,958,170	5,000,000	20,958,170	15,513,201	35%
Total Inflation Hedge	11,487,172	2,000,000	13,487,172	12,109,768	11%
Total Cash Overlay	1,500,000	-	1,500,000	1,370,892	9%
Total Liquidity	291,702	-	291,702	240,894	21%
Total	$47,962,618	$ 10,000,000	$ 57,962,618	$ 45,735,538	27%

Investment management fees are projected to increase by $12.2 million in FY 2026-27 compared to FY 2025-26. The primary drivers of this aggregate increase are detailed below.

- Public Equity. The projected increase stems from anticipated asset growth fueled by market appreciation.
- Fixed Income. The projected increase is primarily driven by recent capital deployment into the private credit portfolio.
- Alternative Assets. Project management fee growth stems from expansions in private equity and absolute return portfolios, with performance fees modeled on historical track records.
- Inflation Hedge. The projected increase is largely driven by anticipated growth in performance fees.
- Cash Overlay. The projected increase aligns with the portfolio's projected cash balances.

- Liquidity. The projected increase reflects ongoing asset growth within the cashflow-matched portfolio.

- Other professional service fees, predominantly charged on a fee-for-service basis, are expected to remain flat compared to FY 2025-26.

Other Professional Service Fees

Contractor	Service	FY 2026-27 Proposed	FY 2025-26 Adopted	% of Change
Segal Group	Actuarial Audit	$ 110,000	$ 110,000	0%
Milliman Inc.	Actuarial Consulting	135,000	175,000	-23%
Meketa Investment Group	Investment Consulting	675,000	642,146	5%
Northern Trust Inc.	Custodian	291,600	289,750	1%
Total		$ 1,211,600	$ 1,216,896	0%

- Actuarial Audit. The Segal Group is engaged to audit Milliman's triennial experience study and annual valuation for a fixed fee of $136,000 across FY 2025-26 and FY 2026-27. The proposed budget allocates $26,000 to the experience study (May-July) and $110,000 to the annual valuation (September-October). Note that the 2025-26 budget was overstated at $110,000 instead of $26,000.

- Actuarial Consulting. The FY 2025-26 budget allocates $175,000 to cover both the experience study and the annual valuation. In contrast, the FY 2026-27 budget only requires $135,000 for the annual valuation.

- Investment Consulting. Following a competitive Request for Proposal process, SamCERA engaged Meketa as its new investment consultant in December 2025, leading to higher fees.

Administrative Budget – accounts for administrative expenses such as salaries and benefits. Government Code §31580.2(a) of the County Employees' Retirement Law of 1937 limits SamCERA's administrative budget to twenty-one hundreds of one percent (0.21%) of the accrued actuarial liability of the retirement system.

The proposed administrative budget for FY 2026-27 is $10.1 million, a 10% increase from FY 2025-26. This amount represents just 0.13% of the $7.75 billion total accrued actuarial liability as of June 30, 2025.

	FY 2026-27 Proposed	FY 2025-26 Adopted	Increase (Decrease)	% of Change
Salaries and Benefits				
Salaries	$ 5,303,035	$4,863,139	$ 439,896	9%
Benefits	2,199,718	1,947,567	252,151	13%
Total Salaries and Benefits	7,502,753	6,810,706	692,047	10%
Services, Supplies and Other Charges				
Board Expense	8,000	8,000	-	0%
Insurance	205,000	173,500	31,500	18%
Medical Record and Appeal Hearing	150,000	150,000	-	0%
Member Education	78,500	75,000	3,500	5%
Education and Conference	156,112	165,827	(9,715)	-6%
Transportation and Lodging	177,852	147,019	30,833	21%
Property and Equipment	40,000	55,800	(15,800)	-28%
General Office Supplies	41,000	41,000	-	0%
Postage and Printing	32,100	30,600	1,500	5%
Leased Facilities	965,500	773,242	192,258	25%
County Services	606,297	611,600	(5,303)	-1%
Audit Services	70,000	69,800	200	0%
Other Professional Services	101,800	95,041	6,759	7%
Total Services, Supplies, and Other Charges	2,632,161	2,396,429	235,732	10%
Total - Administrative Budget	$ 10,134,914	$9,207,135	$ 927,779	10%

Budget items with significant changes over the year are discussed below.

- Salaries are expected to increase by 9%, driven by two key factors:
  - 5% for scheduled salary increase from the latest labor negotiation.
  - 4% to fund temporary and part-time staff supporting the new Pension Administration System Software (PASS) implementation, including two full-time term employees in Benefits and IT, one intern in IT, and one part-time extra-help in Finance.
- Benefits are expected to rise by 13%, mainly driven by the addition of two full-time, fully benefited term employees. Additionally, projections from the County reflect modestly higher employer contributions to pensions and health insurance.
- Insurance premiums are expected to rise significantly by 18%, with fiduciary insurance expected to increase by 10% as SamCERA's portfolio grows. To proactively mitigate financial and legal risks from data breaches, a budget of $11,500 is allocated for cybersecurity insurance.
- Transportation and lodging expenses are expected to increase substantially by 21%. The geopolitical tension between the U.S. and Iran is exerting upward pressure on travel markets by driving up fuel prices and operational surcharges. Airlines are actively transferring these higher operating costs, such as elevated baggage fees, to passengers. Similarly, rising fuel expenses are inflating road trips and hotel costs across the hospitality sector.
- Property and equipment budget is reduced by 28%, as most obsolete office furniture and equipment have already been replaced, leading to fewer future purchases.

- Leased facilities budget is adjusted upward by 25%. The current office lease expires in December 2027, and the landlord will not extend the lease beyond December 2029. While relocation is not expected to take place in fiscal year 2027, a $200,000 budget is allocated to fund early-stage real estate expenses including broker commissions, office design, and new space deposits.

Information Technology Budget – covers projected expenses for information technology that are authorized by Government Code §31580.2(b). The Code states that "Expenditures for computer software, computer hardware, and computer technology consulting services in support of these computer products shall not be considered a cost of administration of the retirement system."

The FY 2026-27 information technology budget is projected to reach $6.1 million, a 148% increase over FY 2025-26.

	a		b	c = a-b	c/b
	FY 2026-27 Proposed	(Original) FY 2025-26 Adopted	(Reclass) FY 2025-26 Adopted	Increase (Decrease)	% of Change
Computer Equipment and Software	$ 25,000	$ 25,000	$ 25,000	$ -	0%
IT Infrastructure:					
Software License and Maintenance	724,641	896,828 [a]	762,128 [a]	(37,487)	-5%
Countywide Security Services	24,500	-	5,700 [a]	18,800	330%
Virtual Server Subscription	377,648	-	129,000 [a]	248,648	193%
Maintenance Tools and Equipment	90,000	225,000	225,000	(135,000)	-60%
Data Backup and Recovery Subscription	25,000	-	-	25,000	n/a
Contract IT Services	272,840	266,000	266,000	6,840	3%
Imaging	25,000	25,000	25,000	-	0%
Subtotal - IT Infrastructure	1,539,629	1,412,828	1,412,828	126,801	9%
Project Management Consulting Services	810,000	1,000,000	1,000,000	(190,000)	-19%
Capital Projects:					
Pension Administration System Software	3,657,314	-	-	3,657,314	n/a
Benefits Disability Application	25,000	-	-	25,000	n/a
Subtotal - Capital Projects	3,682,314	-	-	3,682,314	n/a
Technology Research and Development	9,000	9,000	9,000	-	0%
Total - Information Technology Budget	$ 6,065,943	$2,446,828	$ 2,446,828	$ 3,619,115	148%

[a] Starting fiscal year 2026-27, to improve transparency, the "Software License and Maintenance" under IT infrastructure is broken into three distinct components.

n/a - Not applicable

- IT Infrastructure – Budget items with significant changes over the fiscal year are explained below.
  - The Software License and Maintenance budget is adjusted downward because "Countywide Security Services" and "Virtual Server Subscription" are removed from this category.
  - The Countywide Security Services budget rises substantially. The County's decisions to consolidate remote access on Palo Alto Networks Global Protect and to replace Malwarebytes with Cortex XDR increases near-term costs due to transition overlap, updated vendor pricing, and expanded enterprise security capabilities. These changes support improved cybersecurity, operational efficiency, and long-term reduction of duplicative tools.
  - The Virtual Server Subscription budget increases considerably to fund Amazon Web Services (AWS) Hosting for the current pension administration system (also known as V3) and the County's updated Remote Operations Center (ROC) hosting model. V3 runs in AWS across production, development, and disaster recovery environments and depends on related cloud services that add ongoing hosting, analytics, integration, and usage-based costs. Additionally, the County's Technology Services Department virtual hosting costs increase as systems moved from the legacy on-premises data center to the secure ROC, resulting in additional charges for virtual compute, storage, network capacity, monitoring, backups, and operational support.
  - The Maintenance Tools and Equipment budget drops significantly as SamCERA modernizes its operations. By transitioning from physical, on-premises servers to a cloud-based infrastructures as a Services (IaaS) subscription on a pay-as-you-go basis, SamCERA eliminates the need to buy and maintain hardware, paying only for the IT infrastructure it uses.
- Capital projects – Striving to enhance operational efficiency and member services, SamCERA will kick off the following two capital projects in fiscal year 2026-27:
  - Vitech (which was acquired by Majesco in January 2026) officially supports the current pension administration system software (PASS) through December 2028, after which the system will be permanently sunset. To prepare, Staff released the PASS Request for Proposal in March 2026. Proposal evaluation is underway, and finalists will be selected in mid-June. While the total implementation cost is yet to be finalized, $3.7 million is allocated for FY 2026-27 to kick off this three-year project.
  - SamCERA is implementing an automated, end-to-end Benefits Disability application process to standardize workflows, increase efficiency, and improve compliance through enhanced tracking and reporting.
- Project Management Consulting Services. Linea Solutions has been engaged to provide project management and technology guidance for the new PASS project. The budget decrease aligns with anticipated expenses that will be incurred in FY 2026-27.