

AGENDA
INVESTMENT COMMITTEE MEETING
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)

One McInnis Parkway, 1st Floor
Retirement Board Chambers
San Rafael, CA

December 6, 2023 – 9:00 a.m.

This meeting will be held at the address listed above and will be accessible via videoconference and conducted in accordance with Government Code section 54953 and 54954.2 through December 31, 2025. Instructions for watching the meeting and/or providing public comment, as well as the links for access, are available on the [Watch & Attend Meetings](https://www.mcera.org/retirementboard/agendas-minutes/watchmeetings) page of MCERA's website. Please visit <https://www.mcera.org/retirementboard/agendas-minutes/watchmeetings> for more information.

The Board of Retirement encourages a respectful presentation of public views to the Board. The Board, staff and public are expected to be polite and courteous, and refrain from questioning the character or motives of others. Please help create an atmosphere of respect during Board meetings.

CALL TO ORDER

ROLL CALL

**CONSIDER ANY BOARD MEMBER REQUESTS TO TELECONFERENCE FOR
"JUST CAUSE" OR "EMERGENCY," AS SET FORTH ON THIS AGENDA BELOW**

A. OPEN TIME FOR PUBLIC EXPRESSION

Note: The public may also address the Committee regarding any agenda item when the Committee considers the item.

Open time for public expression, from three to five minutes per speaker, on items not on the Committee Agenda. While members of the public are welcome to address the Committee during this time on matters within the Committee's jurisdiction, except as otherwise permitted by the Ralph M. Brown Act (Government Code Sections 54950 et seq.), no deliberation or action may be taken by the Committee concerning a non-agenda item. Members of the Committee may (1) briefly respond to statements made or questions posed by persons addressing the Committee, (2) ask a question for clarification, or (3) provide a reference to staff for factual information.

B. MANAGER REPORTS

1. Manager Overview – Jim Callahan, Callan LLC
2. AEW – Real Estate – Lily Kao, Candida Hoeberichts
TIME CERTAIN: 9:05 a.m.

C. NEW BUSINESS

1. Watch Period Review – Callan LLC – Jim Callahan, Anne Heaphy
 - a. Invesco Balanced-Risk Commodities Fund (ACTION)
Consider and take possible action regarding Watchlist status
 - b. Wellington Core Plus Fixed Income (ACTION)
Consider and take possible action regarding Watchlist status
2. International Equity Allocation – Passive Manager (ACTION)
Consider and take possible action to select passive manager
3. Investment Policy Statement updates (ACTION)
Consider and take possible action on recommended amendments to the Investment Policy Statement.
 - a. Investment Goal Statement: Add PEPRA reference
 - b. Investment Goal Statement: Update rebalancing procedure
 - c. Appendix A – Long-Term Strategic Asset Allocation Targets and Ranges: Update rebalancing procedures
4. Future Meetings

D. INVESTMENT CONSULTANT QUARTERLY REPORT

1. Summary Report as of September 30, 2023
 - a. Flash Performance Update as of October 31, 2023

Note on Process: Items designated for information are appropriate for Committee action if the Committee wishes to take action.

Note on Voting: As provided by statute, the Alternate Safety Member votes in the absence of the Elected General or Safety Member, and in the absence of both the Retired and Alternate Retired Members. The Alternate Retired Member votes in the absence of the Elected Retired Member. If both Elected General Members, or the Safety Member and an Elected General Member, are absent, then the Elected Alternate Retired Member may vote in place of one absent Elected General Member.

Note on Board Member requests to participate by teleconference under Government Code section 54953, subdiv. (f): At least a quorum of the Committee must be present together physically at the meeting to invoke this provision. The provision is limited to “just cause” and “emergency” circumstances, as follows:

“Just cause” is only: (1) a childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse or domestic partner that requires them to participate remotely; (2) a contagious illness that prevents a member from attending in person; (3) a need related to a physical or mental disability, as defined; or (4) travel while on official business of MCERA or another state or local agency. A Board member invoking “just cause” must provide a general description of the circumstances relating to their need to appear remotely at a given meeting, and it may not be invoked by a Board member for more than two meetings in a calendar year.

“Emergency circumstances” is only: “a physical or family medical emergency that prevents a member from attending in person.” The Board member invoking this provision must provide a general description of the basis for the request, which shall not require the member to disclose personal medical information. Unlike with “just cause,” the Board must by majority vote affirm that an “emergency circumstance” situation exists.

As to both of the above circumstances, the Board member “shall publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member and the general nature of the member’s relationship with any such individuals.” Also, the Board member “shall participate through both audio and visual technology,” and thus be both audible and visible to those attending. Finally, no Board member may invoke these teleconference rules for more than three consecutive months or 20 percent of the regular meetings of the Board.



Agenda material is provided upon request. Requests may be submitted by email to MCERABoard@marincounty.org, or by phone at (415) 473-6147.

MCERA is committed to assuring that its public meetings are accessible to persons with disabilities. If you are a person with a disability and require an accommodation to participate in a County program, service, or activity, requests may be made by calling (415) 473-4381 (Voice), Dial 711 for CA Relay, or by email at least five business days in advance of the event. We will do our best to fulfill requests received with less than five business days’ notice. Copies of documents are available in alternative formats upon request.

The agenda is available on the Internet at <http://www.mcera.org>

B.1 Manager Overview

This is a discussion with no backup.

AEW Core Property Fund

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION | DECEMBER 2023

AEW Core Property Fund ("CPT or "the Fund"), which is not a legal entity, consists of two combined parallel funds, AEW Core Property (U.S.), L.P. and AEW Core Property (U.S.) Lux Parallel, L.P. Nothing contained herein shall constitute an offer to sell or solicitation of an offer. Any such offer will be made only to qualified investors pursuant to an offering document.

— AEW Attendees



LILY KAO

Senior Portfolio Manager

Ms. Kao is a Managing Director at AEW and Head of Asset Management for the firm's Private Equity Group. In this capacity, she is responsible for the oversight of all asset management activities across all funds and separate accounts. Ms. Kao is also a Senior Portfolio Manager for the firm's open-end core property fund, the AEW Core Property strategy, where she is responsible for overseeing all aspects of the Fund's investments and operations as well as working closely with investor relations on marketing and providing support to the Fund's investors. She has been with the firm since 1998 and is a member of AEW's Risk Management Committee, and Diversity Equity & Inclusion Committee. Ms. Kao serves as a Council Member for the Urban Land Institute (ULI). She holds a B.S. in business administration from the University of Southern California.



CANDIDA HOEBERICHTS

Investor Relations

Ms. Hoeberichts is a Director in AEW Investor Relations with responsibility for marketing AEW's investment services and for developing and maintaining client and consultant relationships in the western United States. Based in San Francisco, Ms. Hoeberichts has over 26 years of institutional real estate experience. Prior to joining AEW, she led the West Coast client service and business development effort for Metropolitan Real Estate Equity Management. Prior to her position at Metropolitan, Ms. Hoeberichts was a portfolio manager at Deutsche Bank Asset & Wealth Management (formerly RREEF), where her responsibilities included designing and executing strategies for separate account clients. She has also held positions at KPMG, Merrill Lynch and Cushman & Wakefield. Ms. Hoeberichts earned her B.S. from Syracuse University and a Master of Science in Real Estate Finance from New York University.

AEW CORE PROPERTY FUND

Time-Tested and Experienced Team



SARA CASSIDY
SENIOR PORTFOLIO MANAGER
23 years of experience
5 years at AEW



LILY KAO
SENIOR PORTFOLIO MANAGER
25 years of experience
25 years at AEW



STEPHEN REISSFELDER
DIRECTOR OF FINANCE
23 years of experience
18 years at AEW



ELIZABETH LANE
PORTFOLIO CONTROLLER
19 years of experience
15 years at AEW



MICHAEL ACTON
HEAD OF AEW RESEARCH
38 years of experience
33 years at AEW



1801 E 6TH
Austin, TX

AEW CORE PROPERTY FUND

Portfolio Overview

Gross Property Value **\$9.6 Billion**

Net Asset Value **\$7.2 Billion**

Properties **169**

LTV **28%**

As of September 30, 2023. Past performance is not indicative of future results. Returns are compared to the NCREIF Fund Index – Open-End Diversified Core Equity (NFI-ODCE) which is a leveraged, net of fee, time weighted index. Investors may or may not receive an interest in the properties pictured.

¹Since inception total return outperformance is on a net of fee basis.

²Since the beginning of 2021.

B.2

CPT has delivered **TOTAL RETURN OUTPERFORMANCE** since inception¹



95%
FUND OCCUPANCY

13+

CONSECUTIVE YEARS
OF NET INCOME
OUTPERFORMANCE



69%
SECTOR POSITIONING
Logistics & Housing

 **1,300 bps**
INDUSTRIAL OVERWEIGHT

1,500 bps
REDUCED OFFICE EXPOSURE² 



9%
Y-O-Y NOI GROWTH



LIMITED DEBT
MATURITY RISK

AEW CORE PROPERTY FUND

Historical Outperformance Driven by Sector Allocation and Asset Selection

TOTAL ANNUALIZED RETURN NET-OF-FEES						
	Q3 2023	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION 16 YEARS
INCOME	0.9%	3.3%	3.3%	3.4%	4.0%	4.5%
APPRECIATION	-1.9%	-15.6%	3.4%	1.8%	3.2%	0.7%
TOTAL	-1.0%	-12.8%	6.9%	5.3%	7.3%	5.2%
OVER/(UNDER) PERFORMANCE	+107 BPS	+10 BPS	+70 BPS	+59 BPS	+6 BPS	+69 BPS



**13+ Consecutive Years of
Income Return Outperformance**







**Income Return Outperformance has Widened
to 66 bps Over the Past 1 Year Period**

As of September 30, 2023. The inception date of the Fund is October 1, 2007. AEW fund level performance represents leveraged, fund level net of fee returns for the AEW Core Property Fund. Net returns reflect the deduction of management fees at the blended average of fee rates incurred by investors in the Fund, and accordingly individual investors will pay higher or lower fees; actual investor returns therefore will be higher or lower depending upon an individual investor's fee rate. Returns are compared to the NCREIF Fund Index - Open-End Diversified Core Equity (NFI-ODCE) which is a leveraged, time-weighted index. Past performance is not indicative of future results. FX exchange may affect return in local currency.

AEW CORE PROPERTY FUND

Despite Strong Income Growth, Valuations Have Adjusted to Reflect Higher Yield Environment

One Year Returns by Property Type¹

	INDUSTRIAL 	RETAIL 	RESIDENTIAL 	OFFICE 
INCOME	3.3%	5.7%	3.5%	6.0%
APPRECIATION	-5.2%	-7.4%	-18.8%	-36.1%
TOTAL GROSS	-2.1%	-2.1%	-15.9%	-32.1%
TOTAL NET	-3.2%	-3.2%	-17.0%	-33.2%

YOY same store NOI growth of 7%, exceeds index by 200 bps



Average Discount Rate Across the Fund increased 100 bps over past 1 Year period to 7.2%

INDUSTRIAL



7%
OFF PEAK

RETAIL



18%
OFF PEAK

RESIDENTIAL



16%
OFF PEAK

OFFICE



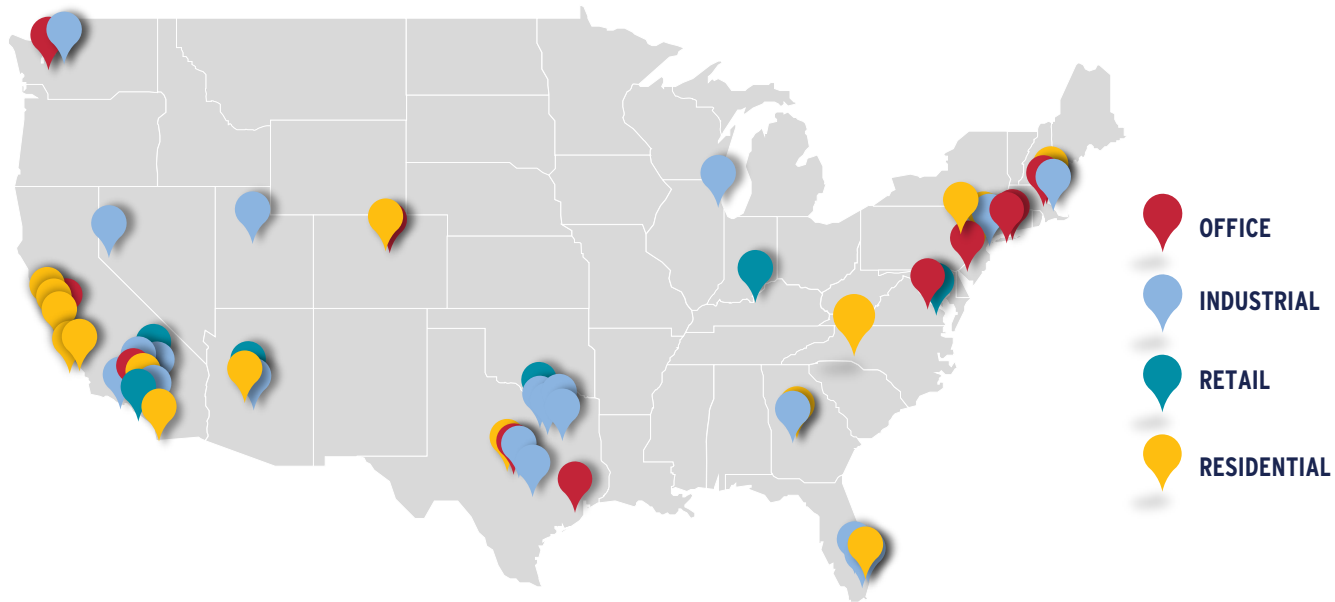
26%
OFF PEAK

As of September 30, 2023. Past performance is not indicative of future results.

¹One Year Returns by Property Type reflect a composite of extracted performance information for fund investments related to the Fund's property type strategies. Returns by property type are leveraged, investment level returns. Net of fee returns by property type presented herein reflect the highest potential fee rate of 110 bps per annum an individual investor could pay; individual investors may pay lower fees, impacting their individual performance. FX exchange rate may affect return in local currency.

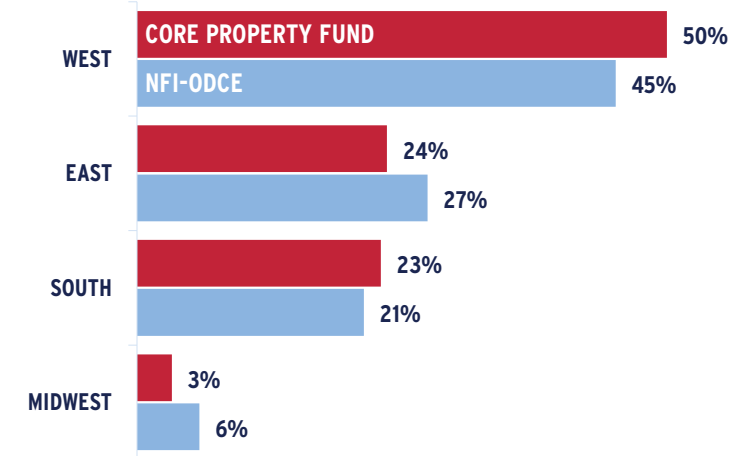
AEW CORE PROPERTY FUND

Diversified Portfolio

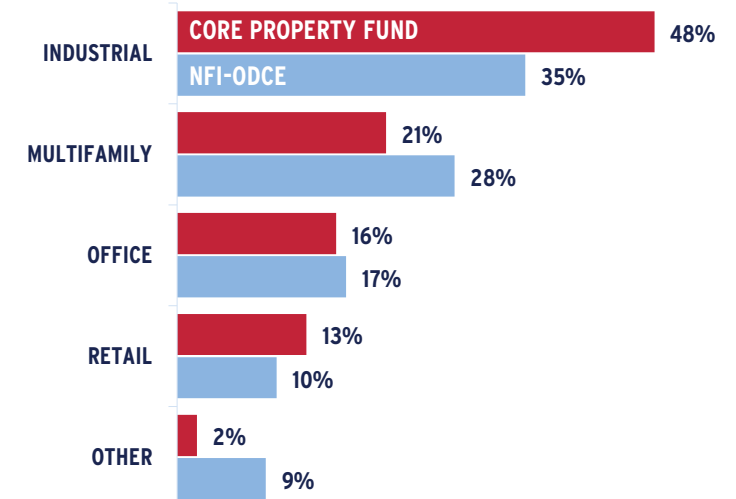


- Over 70% invested in West/South
- Nearly 70% invested in Industrial and Residential
- Residential allocation projected to increase with delivery and lease-up of units
- 5% of the Fund is invested in Cold Storage (Industrial) and Healthcare (Office)

DIVERSIFICATION BY REGION



DIVERSIFICATION BY PROPERTY TYPE

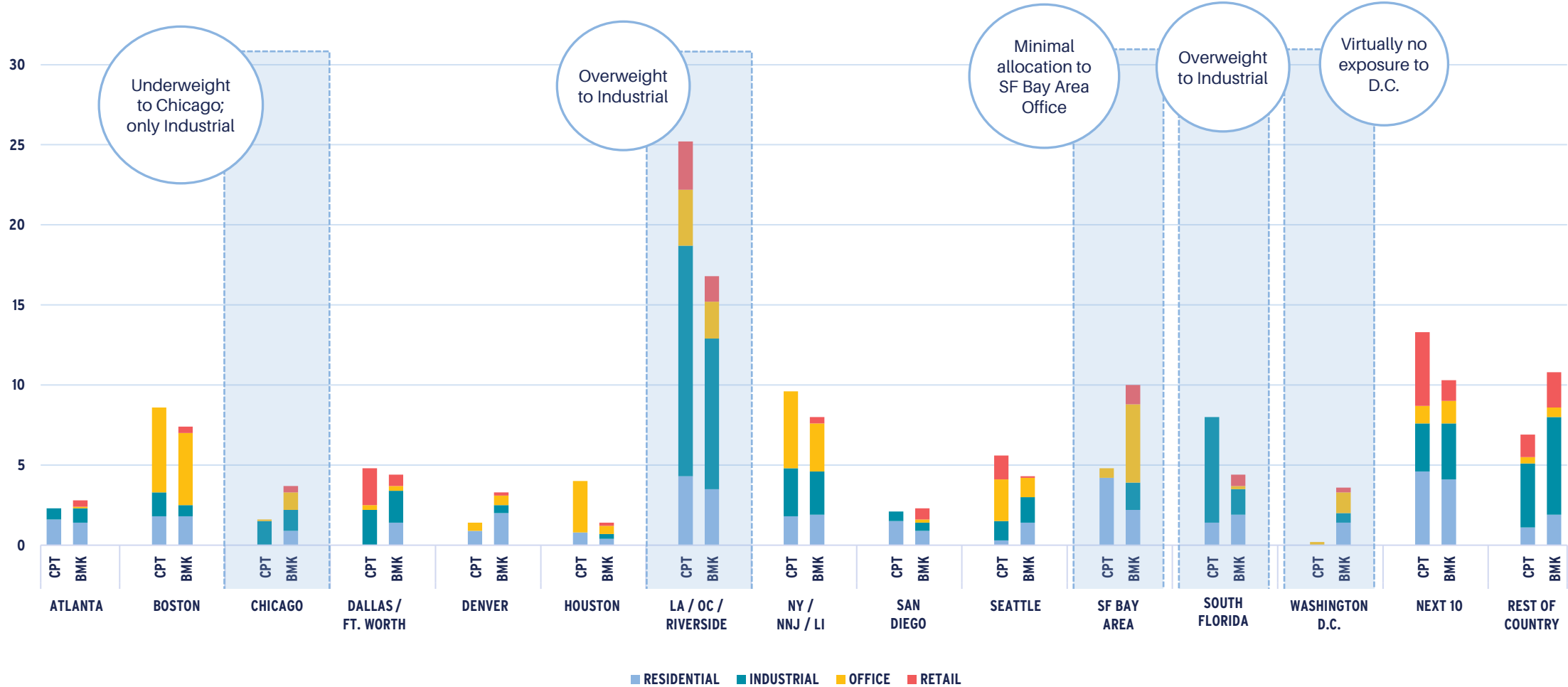


AEW CORE PROPERTY FUND

Portfolio Positioning Has Driven Performance

AVERAGE CAPITAL EMPLOYED BY METRO AREA BY GAV

CPT vs. MSCI ACOE



As of September 30, 2023.

AEW CORE PROPERTY FUND

Improved Portfolio Construction Through Transaction Activity

PAST 18 MONTHS

Acquisitions

\$63M Total

5.9% Cap Rate¹



INDUSTRIAL

\$25M GPV



HEALTHCARE

\$39M GPV

Dispositions

\$428M Total

6.1% Gross IRR²

5.0% Net IRR²



INDUSTRIAL

\$52M GPV



RESIDENTIAL

\$205M GPV



RETAIL

\$171M GPV

ACQUISITION

OMP LAMB & CARTIER

Las Vegas, NV

DISPOSITION

LINCOLN PLAZA

Hingham, MA

DISPOSITION

NIC ON 5TH

Minneapolis, MN





Transaction activity over the last eighteen months ended September 30, 2023. These transactions are presented to show representative investments of AEW Core Property Fund. While these transactions represent the type we may pursue in the future, no representation is made that similar opportunities will be available. Past performance is not indicative of future results. For pre-development projects, GPV represents land cost.

¹Cap Rate is calculated by dividing the projected year one net operating income by the gross purchase price of the property. IRR presented is the return to the fund and not the return to the investor.

²IRR is calculated based on final net proceeds from the disposition after taking into account all closing costs, credits and other adjustments to the gross disposition price. Net IRR reflects the highest potential fee rate of 110 bps per annum an individual investor could pay; individual investors may pay lower fees, impacting their individual performance. Additional information on fees can be found in the Key Fund Terms.

AEW CORE PROPERTY FUND

Fund Operations

	Q2 OCCUPANCY	WEIGHTED-AVERAGE LEASE TERM
 Office	87% 300 BPS HIGHER THAN ODCE	6.4 years
 Industrial	98%	4.7 years
 Retail	92%	4.6 years
 Residential	95%	N/A
Fund Average	95%	4.9 years

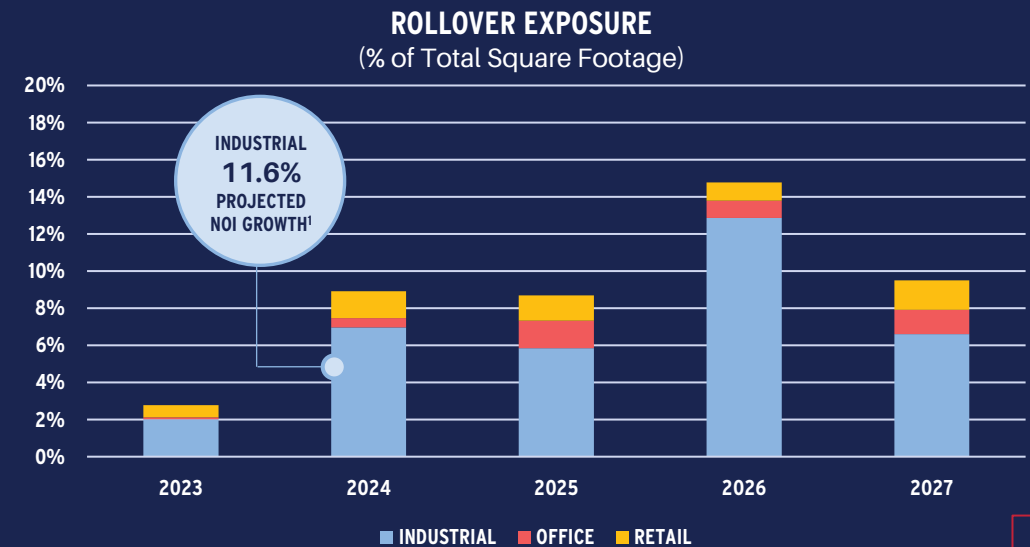
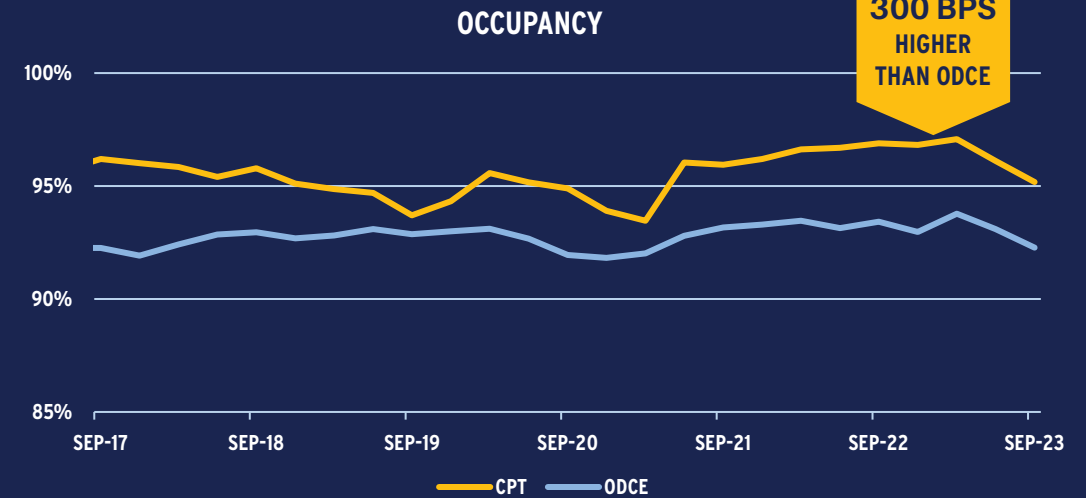
As of September 30, 2023.

NCREIF Fund Index - Open End Diversified Core Equity (NFI-ODCE) is a leveraged, net of fee, time weighted index. There is no assurance that any prediction, projection or forecast will be realized.

¹Projected NOI growth is hypothetical and has certain inherent limitations and risk. Unlike actual NOI record, simulated NOI does not represent actual results. The hypothetical projected NOI is based on the underwriting done by AEW and is calculated using an estimate of the amount and timing of future cash flows. Cash flow projections have been determined by AEW for the purpose of these materials and do not necessarily reflect amounts that ultimately will be received. Actual results may be better or worse than the results presented. No independent party has audited the hypothetical NOI growth.

B.2

95% average Fund occupancy



AEW CORE PROPERTY FUND

Fund Operations

$$1.9 \text{ msf} = 70\%$$

YTD 2023 LEASING COMPLETED OF BUDGET

MAJOR LEASING ACTIVITY IN 2023

Office

✓ **65%**
of budget
completed

+5% TTM
NOI Growth



Boardwalk
50,000 sf of new lease



Civica Commons
47,000 sf of renewal lease

Retail

✓ **80%**
of budget
completed

+4% TTM
NOI Growth

Sales within
portfolio are
+20% higher
than 2019
levels



Tempe Marketplace
60,000 sf new and renewal



Arlington Highlands
70,000 sf of new and renewal

Industrial

✓ **65%**
of budget
completed

+11% TTM
NOI Growth

56%
ytd actual
MTM



Boston Business Park
215,000 sf of renewal and expansion
131% MTM



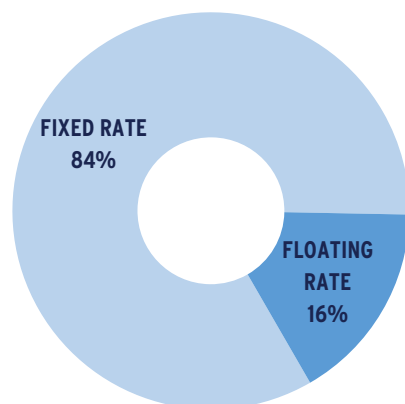
Flagler Station I
270,000 sf of renewal and expansion
70% MTM

AEW CORE PROPERTY FUND

Debt Profile

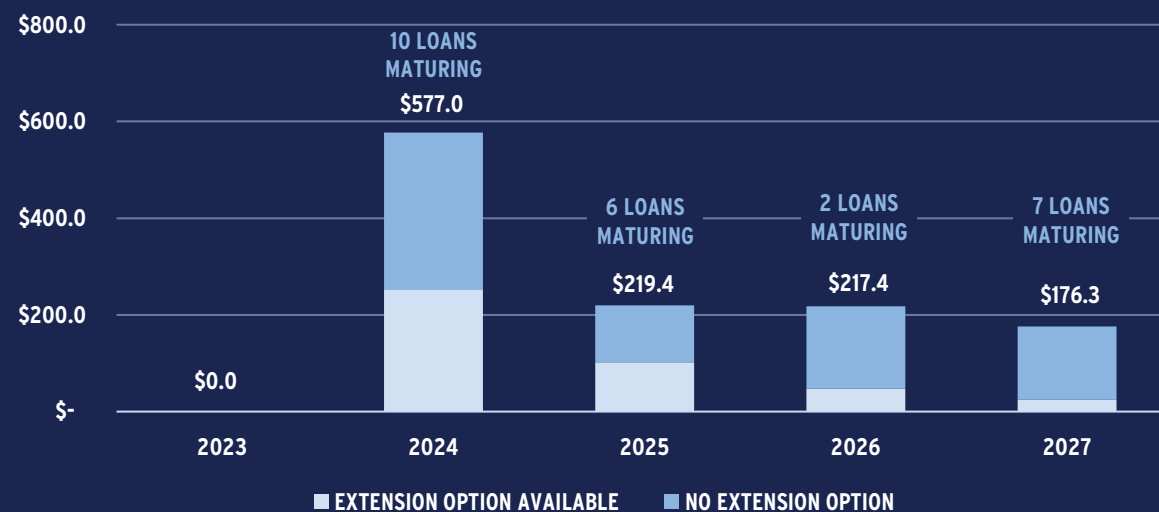
LTV	28%
Weighted Avg. Interest Rate	4.7%
Weighted Avg. Maturity	4.5 years
Secured/Unsecured Allocation	83% / 17%
Line of Credit	\$400M (FULL CAPACITY AVAILABLE)

FIXED/FLOATING ALLOCATION



As of September 30, 2023. There is no assurance that any prediction, projection, or forecast will be realized.

B.2 LOAN MATURITIES (\$ MILLIONS)



MATURITIES

2023

- All maturities addressed; no paydowns required

2024

- 2 loans under LOI for permanent refinancing (35% of maturities)
- 2 loans in preliminary discussion for permanent refinancing (25% of maturities)
- 6 loans with extension options (45% of maturities)
 - One potential partial paydown, max exposure of \$20M
 - All other extension options currently met

2025

- Loans are collateralized by Residential or Industrial properties

AEW CORE PROPERTY FUND

Resilience Commitment



ENVIRONMENTAL

Efficiency & Opportunity



SOCIAL

Investment & Engagement



GOVERNANCE

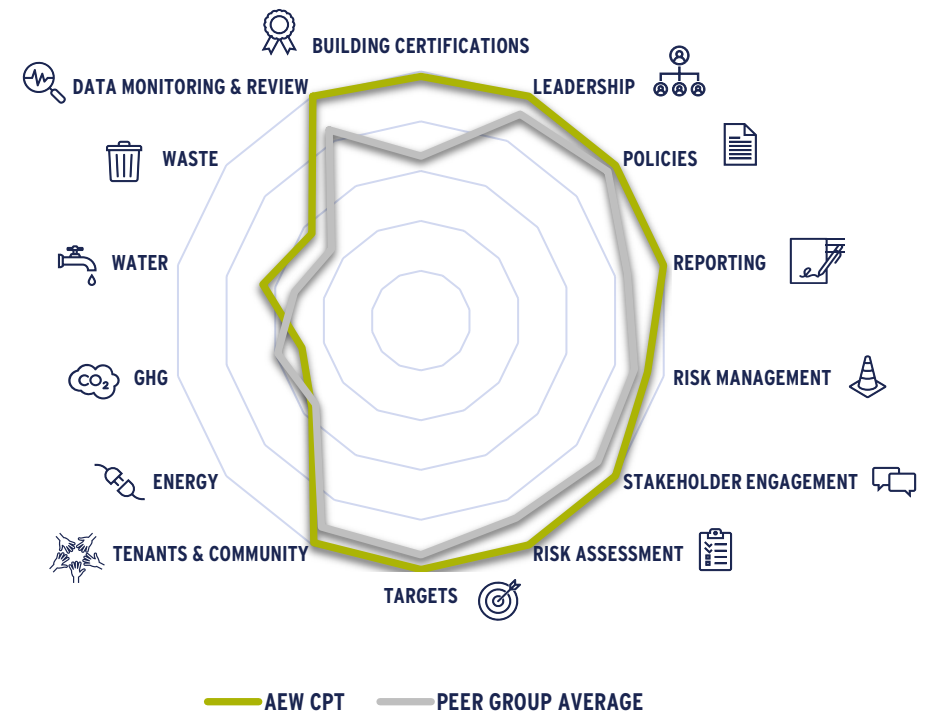
Transparency & Accountability



GRESB



UNITED STATES OF AMERICA
DIVERSIFIED / CORE
OUT OF 56



The 2022 GRESB assessment structure fundamentally changed, establishing a new baseline for measuring performance. This affects the comparability of benchmark scores with previous years. The GRESB score for CPT was received in October 2022 based on the evaluation of 2021 ESG performance data. The score is valid for one year until the release of the 2023 GRESB assessment scoring in October 2023. GRESB is the third party conducting the scoring. CPT paid a membership and assessment fee for its participation and paid an additional fee for a response check (initial review by GRESB) ahead of the submission of the rating. For more information on AEW's resiliency practices and a list of definitions, please see the Additional Notes section in the back of this presentation.

AEW CORE PROPERTY FUND

Final Comments

- High quality, diversified and differentiated portfolio has delivered long-term income growth and outperformance
- Sector and geographic allocations coupled with strong selection have driven total return outperformance
- Low risk portfolio; limited business plan execution risk or debt maturity risk
- Liquidity remains constrained; bid/ask spread (or valuation adjustments) present opportunities going forward

As of September 30, 2023.

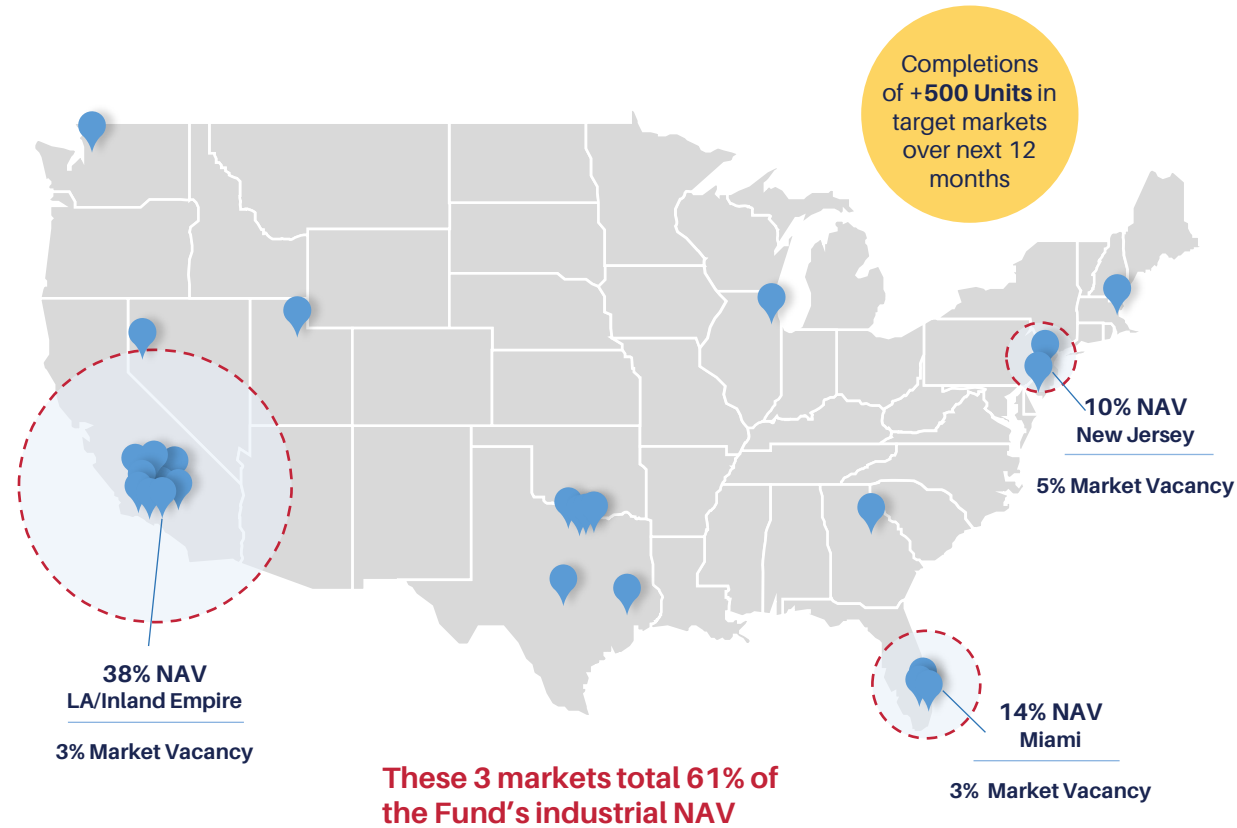


1801 E. 6TH STREET
Austin, TX

Appendix

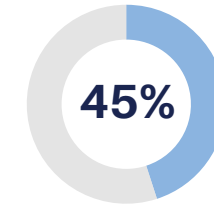
AEW CORE PROPERTY FUND

Industrial Portfolio

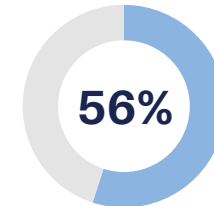


As of September 30, 2023. There can be no assurance the Fund will achieve its objectives. The above information is presented to show recent activity of the Core Property Fund. Past performance is not indicative of future results.

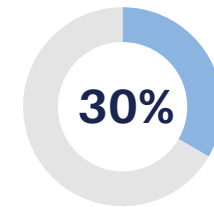
2023 BUDGETED MARK TO MARKET



2023 YTD ACTUAL MARK TO MARKET



AVERAGE MARK TO MARKET ACROSS PORTFOLIO



COLD STORAGE PORTFOLIO

7% of Industrial Portfolio

8 investments

\$340M GPV



INVESTMENT COUNT	28
% OF CPT PORTFOLIO	48%
OCCUPANCY	98%
WTD. AVG. LEASE TERM	4.7 YRS

STRATEGY

- Maintain overweight
- Continue to expand Cold Storage exposure
- Acquire
 - Last mile serving e-commerce needs
 - Distribution assets in traditional gateway markets

RECENT ACTIVITY

- SoCal Irwindale, an industrial development in the Inland Empire, reached stabilization in Q1 with the execution of a 185,000 sf lease resulting in a ROC of 8.4%
- Completed 150,000 sf renewal with HD Supply at Boston Business Park
- Completed 1.35msf of leasing YTD with an average mark to market of 56%

AEW CORE PROPERTY FUND

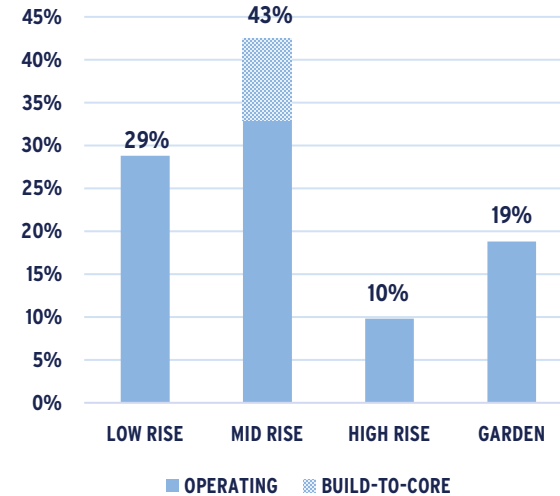
Residential Portfolio



**Increase
Allocation**

**+540 units in target markets
over a 2-year period**

EXPOSURE BY TYPE



TOTAL UNITS	6,662
INVESTMENT COUNT	22
% OF CPT PORTFOLIO	21%
OCCUPANCY	95%

STRATEGY

- Increase exposure over long-term
- Acquire
 - Growth markets with employment strength and economic diversity
 - Outer urban and infill suburban markets with access to amenities and transportation

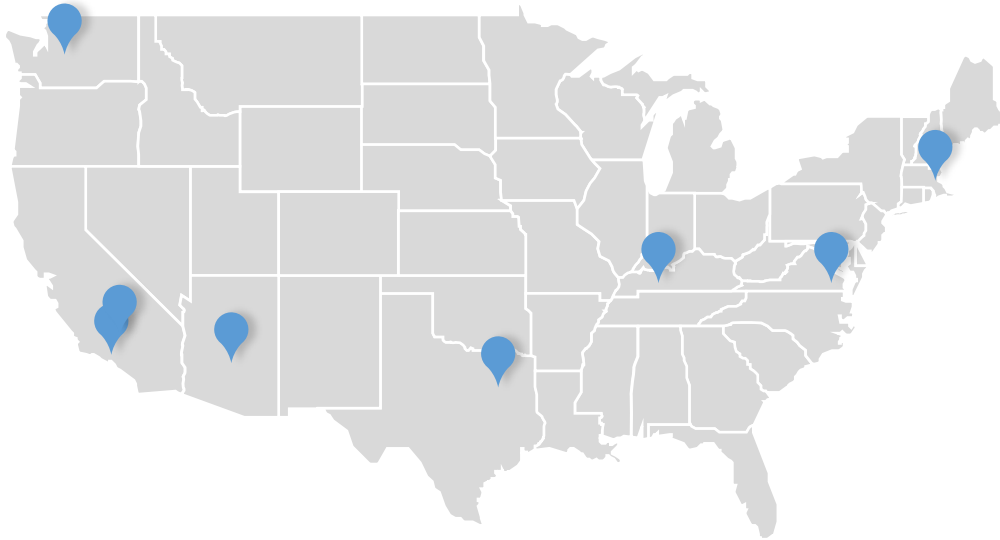
RECENT ACTIVITY

- Completed the sale of Nic on 5th (Minneapolis) in Q3, returning approximately \$70 million of proceeds to the Fund
- Delivered Modera Cherry Creek (95 units) in Q1 and as of September, have achieved 91% leasing at rents that exceeded underwriting

AEW CORE PROPERTY FUND

Retail Portfolio

RETAIL PORTFOLIO

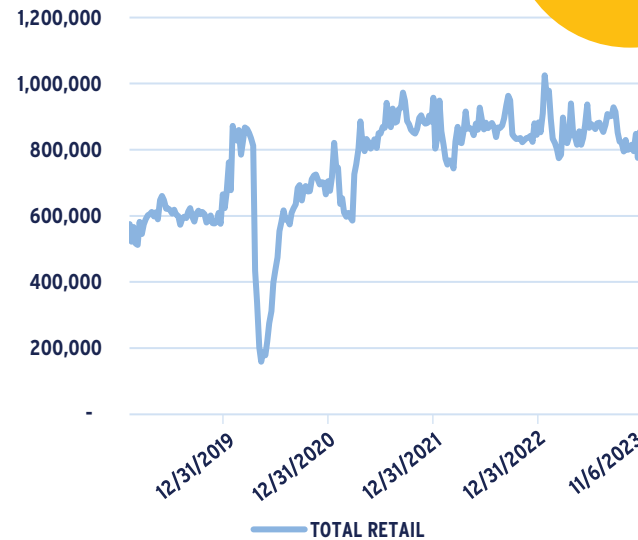


- **Half of CPT's retail assets have a grocer**
- Diversified tenant roster with no tenant exposure greater than 0.4% of portfolio rent
- Primarily located in South and West: locations driven by in-migration and stronger than average disposable income growth

As of September 30, 2023. Source: Placer.ai, VTS

¹IRR presented is the return to the fund and not the return to the investor. IRR is calculated based on final net proceeds from the disposition after taking into account all closing costs, credits and other adjustments to the gross disposition price. Net IRR reflects the highest potential fee rate of 110 bps per annum an individual investor could pay; individual investors may pay lower fees, impacting their individual performance. Past performance is not indicative of future results. More information on AEW's office portfolio can be found in the Appendix. Additional information on fees can be found in the Key Fund Terms. There can be no assurance the Fund will achieve its objectives. The above information is presented to show recent activity of the Core Property Fund. Past performance is not indicative of future results.

RETAIL TRAFFIC AT CPT SHOPPING CENTERS



Sales have recovered across the portfolio and are now **+20% Higher** than 2019 levels

INVESTMENT COUNT	8
% OF CPT PORTFOLIO	13%
OCCUPANCY	92%
WTD. AVG. LEASE TERM	4.6 YRS

STRATEGY

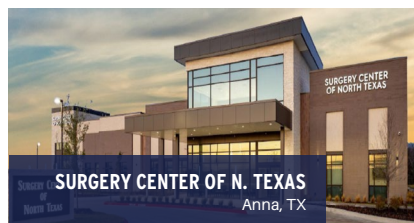
- Reduce exposure with selective dispositions
- Own open-air dominant assets in trade area
- No Mall exposure
- Prioritize necessity-based, off price, food/grocer and e-commerce resistant merchandising mix

RECENT ACTIVITY

- Increased occupancy 200 bps YOY to 99% at Tempe Marketplace, the Fund's largest retail center totaling over 1 msf
- Reduced allocation by 140 bps through sales in the Boston and Sacramento area averaging 8.5% gross and 7.4% net IRR¹

AEW CORE PROPERTY FUND

Office Portfolio



URBAN/SUBURBAN ALLOCATION 48%

- East Austin
- Bellevue (Seattle)
- Longwood Medical Area (Boston)
- Irvine
- San Jose

89%
OCCUPANCY

5.5 yrs
WTD AVG LEASE TERM

**5
Properties**

CBD ALLOCATION 42%

- Boston
- Denver
- Houston
- New York City
- Washington, D.C.

80%
OCCUPANCY

7.2 yrs
WTD AVG LEASE TERM

**6
Properties**

MEDICAL OFFICE ALLOCATION 10%

- Longwood Medical Area (Boston)
- Various

100%
OCCUPANCY

7.3 yrs
WTD AVG LEASE TERM

**10
Properties**

INVESTMENT COUNT	14
% OF CPT PORTFOLIO	16%
OCCUPANCY	87%
WTD. AVG. LEASE TERM	6.4 YRS

STRATEGY

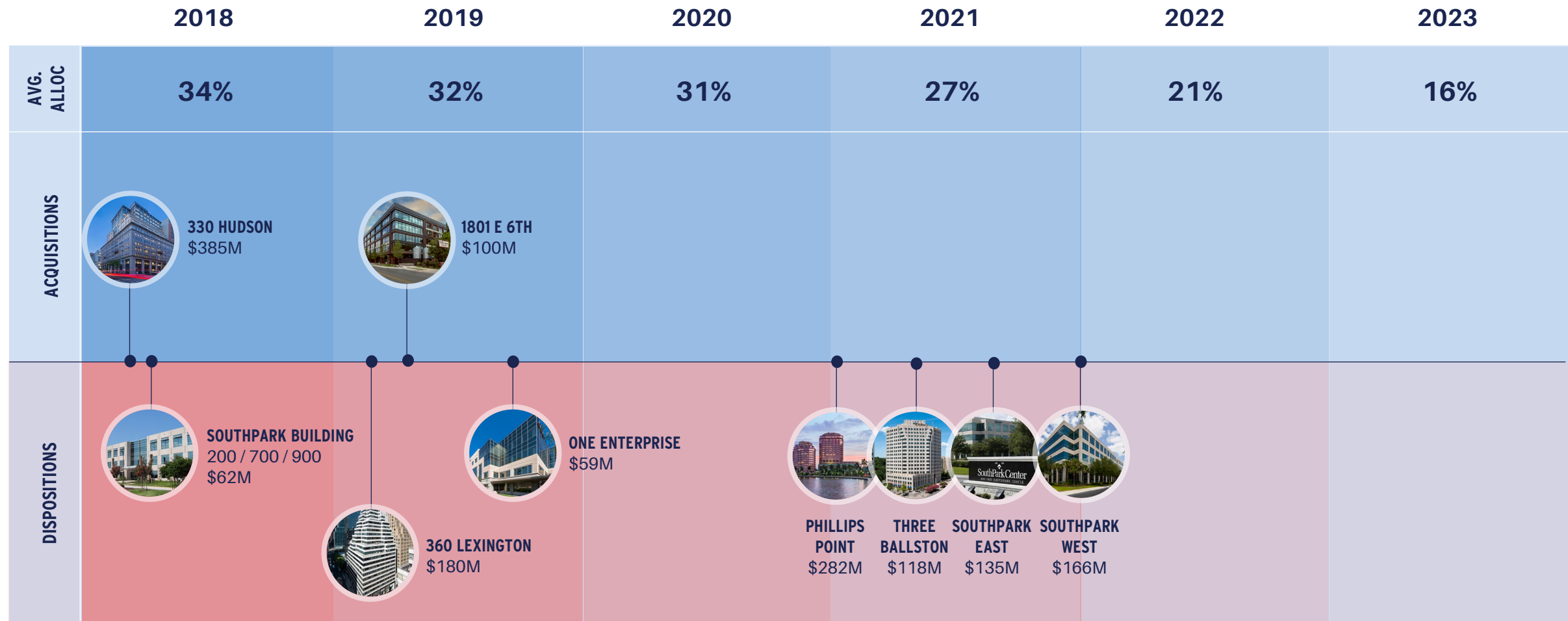
- Long-term underweight
- Prioritize high quality, differentiated product
- Purpose built office = Life Science, Medical Office
- Target locations with access to an educated workforce to attract innovative businesses

RECENT ACTIVITY

- Reduced exposure from 32% in 4q20
- Aggregated MOB portfolio totaling \$125M
- Completed 50,000 sf renewal at Civica Commons (Bellevue) further solidifying the property's 99% occupancy
- Replaced Fund's only WeWork exposure with 53,000 sf CBRE lease, solidifying 95% occupancy at The Boardwalk (Orange County)

AEW CORE PROPERTY FUND

Significant Reduction in Office Exposure Through Sales



As of September 30, 2023. There can be no assurance the Fund will achieve its objectives. The above information is presented to show recent activity of the Core Property Fund.

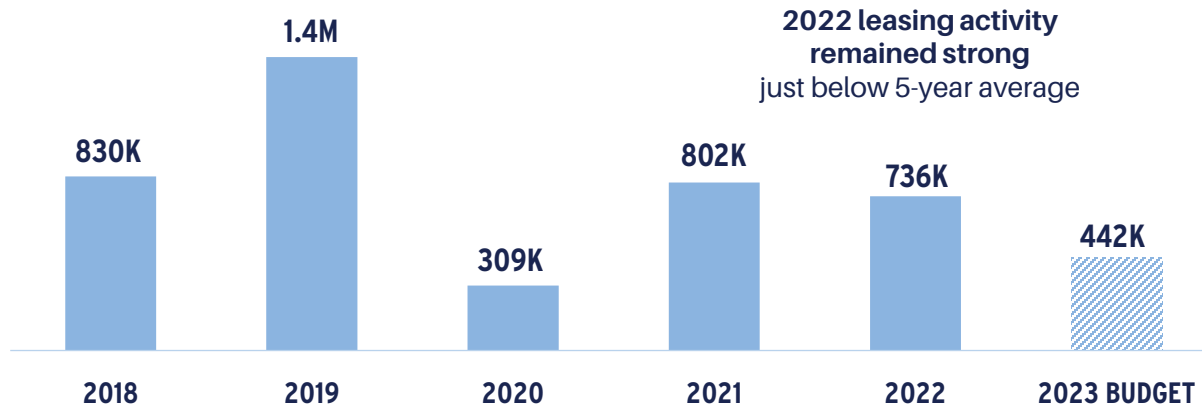
¹IRR presented is the return to the fund and not the return to the investor. IRR is calculated based on final net proceeds from the disposition after taking into account all closing costs, credits and other adjustments to the gross disposition price. Net IRR reflects the highest potential fee rate of 110 bps per annum an individual investor could pay; individual investors may pay lower fees, impacting their individual performance.

Past performance is not indicative of future results. More information on AEW's office portfolio can be found in the Appendix. Additional information on fees can be found in the Key Fund Terms.

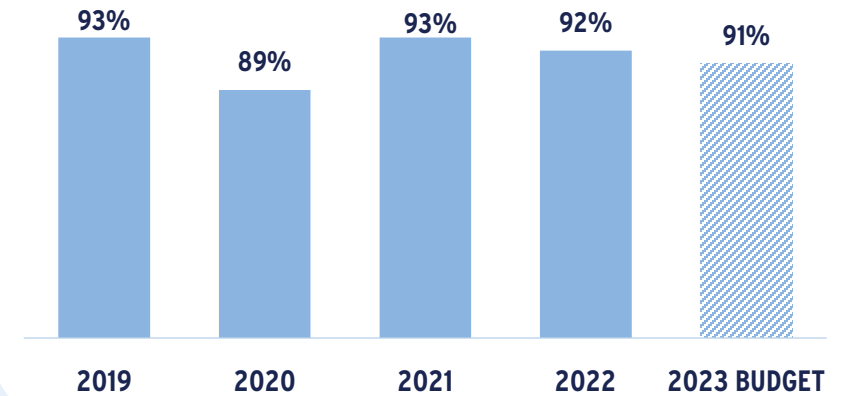
AEW CORE PROPERTY FUND

Office Portfolio Dashboard¹

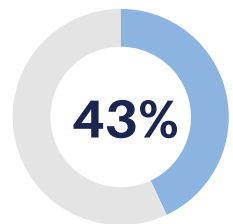
LEASING ACTIVITY



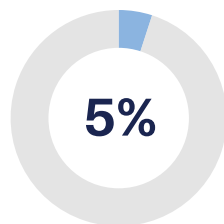
OFFICE PORTFOLIO HISTORICAL OCCUPANCY



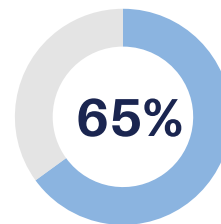
OFFICE PORTFOLIO LTV



AVERAGE PORTFOLIO SUBLEASE²



AVERAGE MID-WEEK UTILIZATION



LEASE ROLLOVER

1.0%	0.9%	1.4%
2023	2024	2025

Reduced 2023 exposure by
34%

¹Excluding Medical Office Properties

²Excluding sublease in place prior to Covid
Preliminary as of September 30, 2023.

Non-Core
4%¹

AEW CORE PROPERTY FUND

Non-Core Investments

Non-Core Execution

Past 5 Years

RESIDENTIAL DEVELOPMENT

1,570 units delivered
95% leased
\$760M GPV

\$60M Appreciation
750 bps contribution to allocation

INDUSTRIAL DEVELOPMENT

2.5M SF delivered
100% leased
\$550M GPV

\$275M appreciation
930 bps contribution to allocation

INDUSTRIAL ACQUIRED VACANCY

1M SF acquired
88% leased
\$240M GPV

\$90M Appreciation
290 bps contribution to allocation

Today

Under Construction

- 2 Residential projects
- 540 units
- \$285M GPV

Lease-Up

- 1 Industrial property
- 250,000 SF
- 50% Leased





BOSTON

DENVER

LOS ANGELES

LONDON

PARIS

DÜSSELDORF

HONG KONG

SINGAPORE

SYDNEY

TOKYO

SEOUL

|

AEW.COM

Memorandum

To: MCERA Board of Trustees
From: Jim Callahan, CFA
Anne Heaphy
Date: December 6, 2023
Subject: MCERA Watchlist Qualification
Manager: Invesco – Balanced-Risk Commodities Portfolio
No Longer Qualifies for Watchlist

MCERA's Criteria for Investment Manager Termination and Watchlist in the Investment Policy Statement states:

MCERA understands the cyclical nature of investment performance and the potential for its investment managers not to meet objectives over short-term periods. While it is not the Board's intention to terminate a manager for short-term underperformance relative to objectives, the Board has implemented the following process as a means of monitoring and evaluating managers that have experienced performance difficulties in the short-term to assess the impact on longer-term performance.

If a manager trails its relevant benchmark by more than 100 basis points (net of fees) and ranks in the bottom quartile of its peer universe (gross of fees ranking) for the trailing three years, or if a manager trails its relevant benchmark (net of fees) or ranks below median of its peer universe (gross of fees ranking) for the trailing five years, then the manager may be placed on the Watchlist.

If the underperformance of a manager on the Watchlist persists over a reasonable period in the future (as defined by the Staff, Board and Consultant based on the unique circumstances surrounding the manager and current market conditions), the Board may and will consider termination.

The Watchlist provisions have also established a one-year watch period to assess whether a manager should be removed from the Watchlist, have the watch period extended, or be terminated.

Procedures Following the Initiation of Watch Status

The watch period will be established for a one-year total duration. If at the end of the watch period, performance has improved to above-benchmark and/or above the manager median over a market cycle, the manager will be removed from the Watchlist.

If at the end of the watch period, the manager is underperforming the manager may be terminated or remain on the Watchlist for a period defined by the Investment Committee.

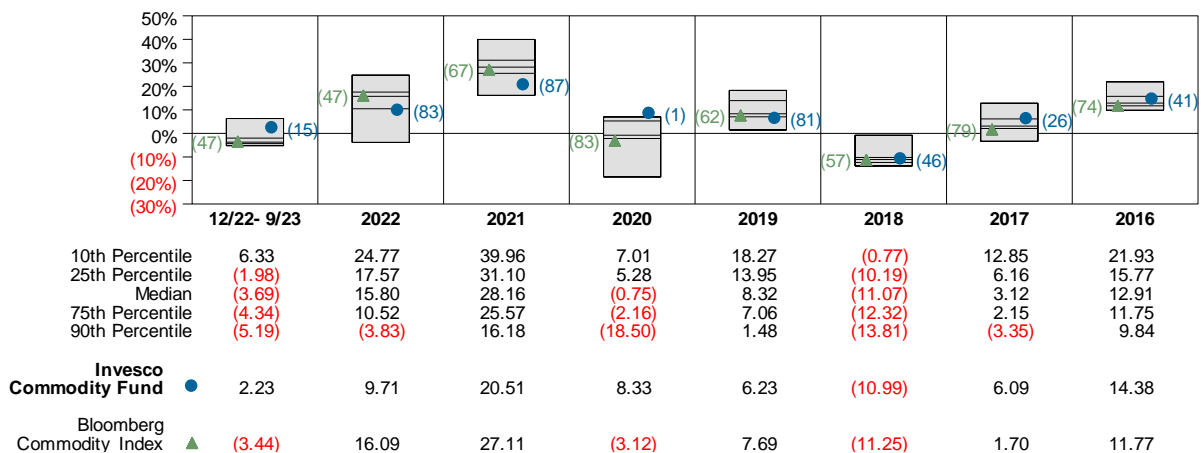
C.1.a

Invesco was notified of its Watchlist status in January 2022 but no longer qualifies for the Watchlist based on the quantitative criteria. Although Invesco's three year net of fee return trails the benchmark by 60 basis points, it is less than the required 100 basis point marker. All other metrics exceed the Watchlist criteria.

Callan is comfortable with Invesco's Balanced-Risk Commodity portfolio. Approximately 50% of the risk in the benchmark comes from energy related commodities. Invesco seeks to correct this concentration by gaining risk balanced exposures to the different commodity complexes which include energy, agriculture, precious metals, and industrial metals. Invesco's investment strategy focuses on four key drivers of commodity returns: storage difficulty, equal risk exposure, optimal roll yield, and tactical allocation. The portfolio construction process begins by selecting representative assets for each commodity exposure based on attractive correlations, projected long-term excess returns, and liquidity. The portfolio is then examined to determine how each commodity complex contributes to overall portfolio risk and is optimized to balance the risk contributions. Tactical allocations are then made based on optimal roll and absolute and relative attractiveness of various factors such as: supply and demand, economic environment, and price trends.

Commodities as a whole have done quite well since the start of 2021, as the asset class posted strong returns on prospects for a robust recovery. Invesco experienced relative underperformance during the second and third quarters of 2021 due to their strategic underweight to energy, including natural gas and oil whose prices soared during this time frame. Commodities continued to do well into 2022 given war-induced supply concerns, but more recently, commodities have declined amid concerns of slowing global growth and a strong dollar. Invesco has outperformed amidst the downturn. Commodities by their very nature are a volatile asset class, and it is likely this portfolio may be on and off the Watchlist frequently.

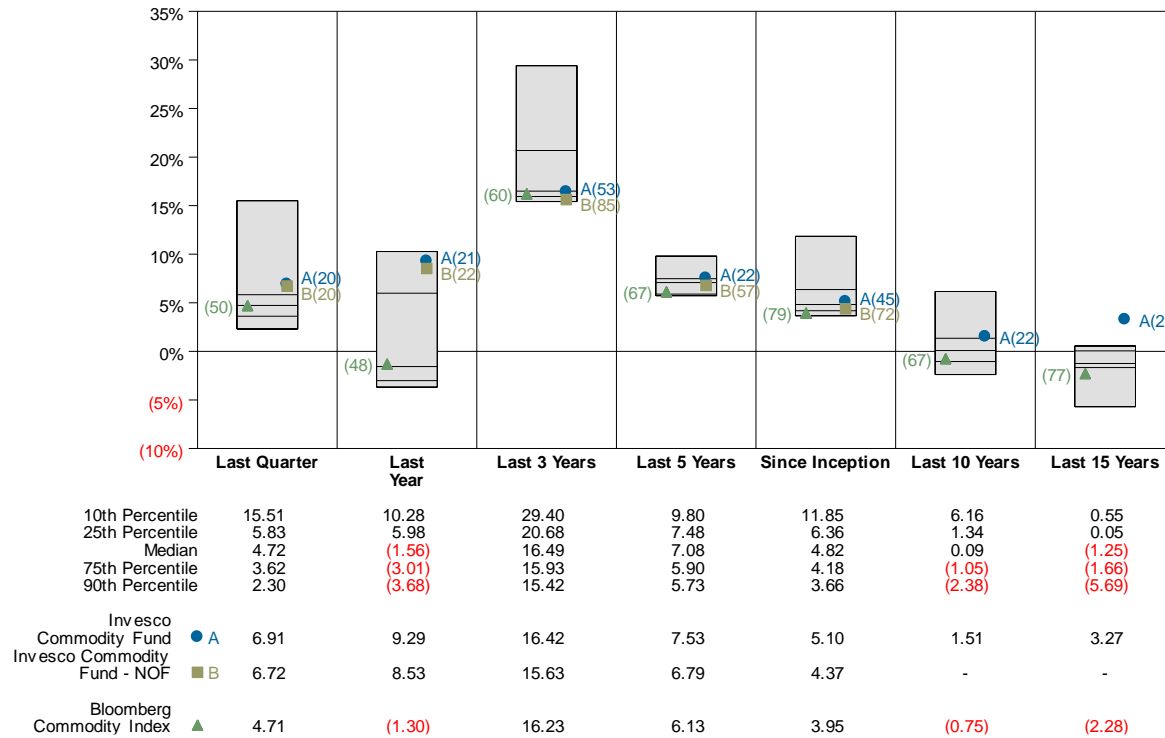
Performance vs Callan Commodities (Gross)



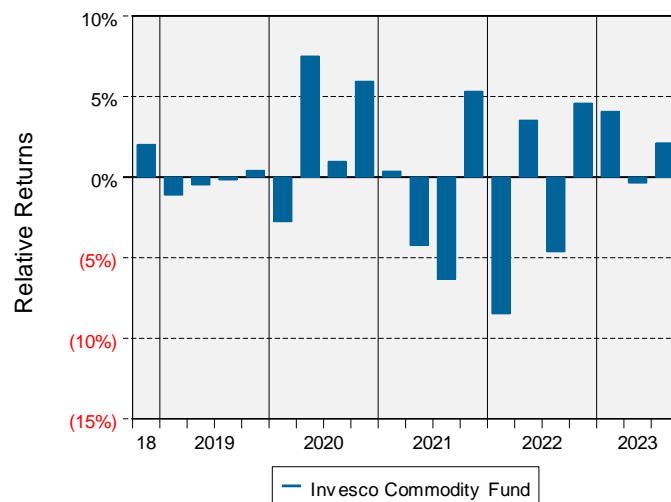
C.1.a

Periods Ending September 30, 2023

Performance vs Callan Commodities (Gross)



Relative Returns vs Bloomberg Commodity Index



Recommendation

Callan recommends that the Investment Committee remove Invesco from the Watchlist.

Memorandum

To: MCERA Board of Trustees
From: Jim Callahan, CFA
 Anne Heaphy
Date: December 6, 2023
Subject: MCERA Watchlist Qualification
 Manager: Wellington – Core Plus Fixed Income Portfolio
 On Watchlist due to: Peer Group Rankings
 Placed on Watchlist: Fourth Quarter 2023

MCERA's Criteria for Investment Manager Termination and Watchlist in the Investment Policy Statement states:

MCERA understands the cyclical nature of investment performance and the potential for its investment managers not to meet objectives over short-term periods. While it is not the Board's intention to terminate a manager for short-term underperformance relative to objectives, the Board has implemented the following process as a means of monitoring and evaluating managers that have experienced performance difficulties in the short-term to assess the impact on longer-term performance.

If a manager trails its relevant benchmark by more than 100 basis points (net of fees) and ranks in the bottom quartile of its peer universe (gross of fees ranking) for the trailing three years, or if a manager trails its relevant benchmark (net of fees) or ranks below median of its peer universe (gross of fees ranking) for the trailing five years, then the manager may be placed on the Watchlist.

If the underperformance of a manager on the Watchlist persists over a reasonable period in the future (as defined by the Staff, Board and Consultant based on the unique circumstances surrounding the manager and current market conditions), the Board may and will consider termination.

The Watchlist provisions have also established a one-year watch period to assess whether a manager should be removed from the Watchlist, have the watch period extended, or be terminated.

Procedures Following the Initiation of Watch Status

The watch period will be established for a one-year total duration. If at the end of the watch period, performance has improved to above-benchmark and/or above the manager median over a market cycle, the manager will be removed from the Watchlist.

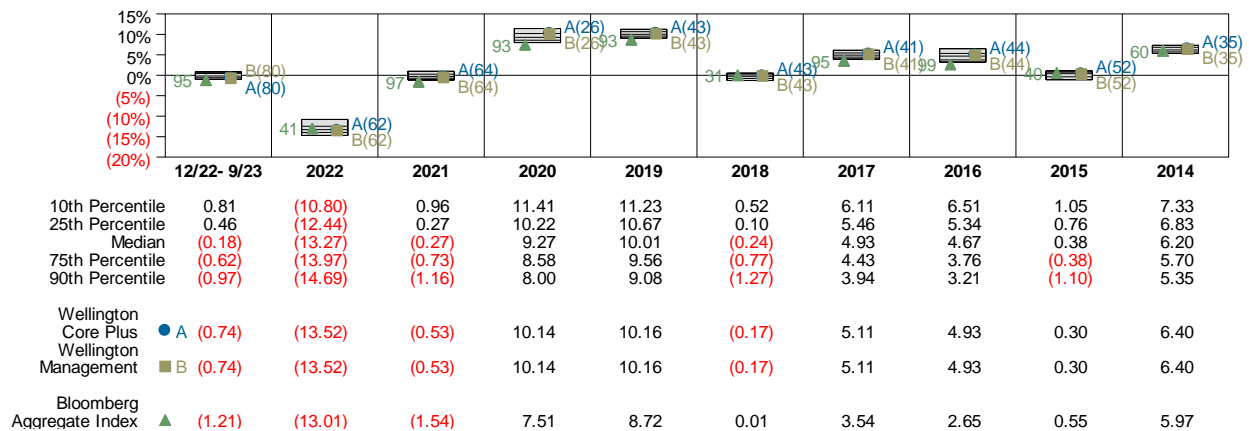
If at the end of the watch period, the manager is underperforming the manager may be terminated or remain on the Watchlist for a period defined by the Investment Committee.

C.1.b

Wellington now qualifies for the Watchlist based on its five year peer group ranking. Its five year net of fee return exceeds the benchmark; however, the five year gross of fee peer group ranking is below median (55th percentile).

Callan is comfortable with Wellington's core plus fixed income portfolio. Wellington's fixed income process focuses on fundamental research, diversification, and risk control. The firm's orientation is toward intensive, bottom-up research. The Broad Market team determines top-down sector and duration positioning. Sector specialist teams conduct bottom-up fundamental research, and ideas are drawn from these teams. Individual portfolio managers make issue selection decisions that are consistent with the guidelines established by the team's objectives. The portfolio provides exposure to the broad U.S. fixed income market, and Wellington seeks small, incremental gains on a consistent basis, rather than outsized gains in any one time period. There has been more dispersion in peer group returns since 2020 partially due to duration calls. A manager's duration positioning, particularly since the Fed began raising rates in 2022, has impacted performance. Versus the peer group, Wellington maintains a higher duration position. Wellington is currently at 6.97 years versus the peer group median at 6.13 years. This has been a more recent headwind to relative and peer performance for Wellington.

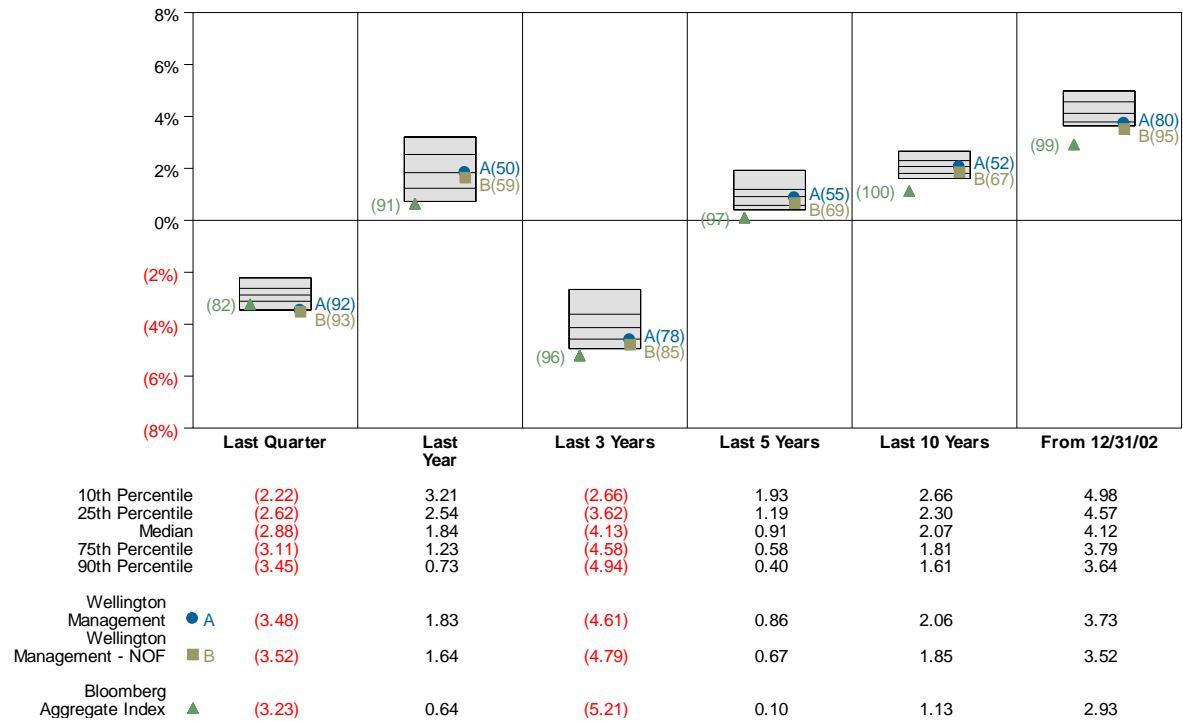
Performance vs Callan Core Plus Fixed Income (Gross)



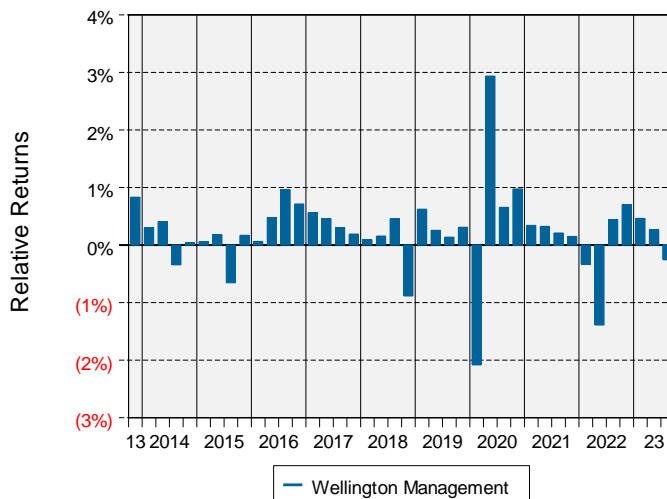
C.1.b

Periods Ending September 30, 2023

Performance vs Callan Core Plus Fixed Income (Gross)



Relative Returns vs Bloomberg Aggregate Index



Recommendation

Based on the quantitative criteria, Callan recommends that the Investment Committee add Wellington to the Watchlist. Wellington will be re-evaluated in one year unless the Investment Committee determines a different course of action is required before then.

Callan

December 6, 2023



**Marin County Employees'
Retirement Association**

International Equity Allocation –
Passive Manager

Jim Callahan, CFA
President

Anne Heaphy
Fund Sponsor Consulting

Important Disclosures regarding the use of this document are included at the end of this document. These disclosures are an integral part of this document and should be considered by the user.

Overview

- MCERA has an overall 22% target allocation to Non-US equity.
- Within Non-US equity, the current target allocations are:
 - 30% Active Non-US Developed Value
 - 30% Active Non-US Developed Growth
 - 20% Active Non-US Small Cap
 - 20% Active Emerging Markets
- At the last meeting, it was decided to move to the following structure:
 - 50% Passive Non-US Developed
 - 25% Active Non-US Small Cap
 - 25% Active Emerging Markets
- Candidates for the passive Non-US Developed portfolio were narrowed down to SSGA and BlackRock. Further information and fee proposals were requested from the managers.
 - Bundled fee proposals were also gathered from SSGA and BlackRock to manage all of MCERA's passive assets and are provided in the appendix for comparison. Please note due diligence of the passive strategies for either provider that are not part of their current management has not been conducted.

MCERA Non-US Equity Structure

Assets as of October 31, 2023

Current Structure

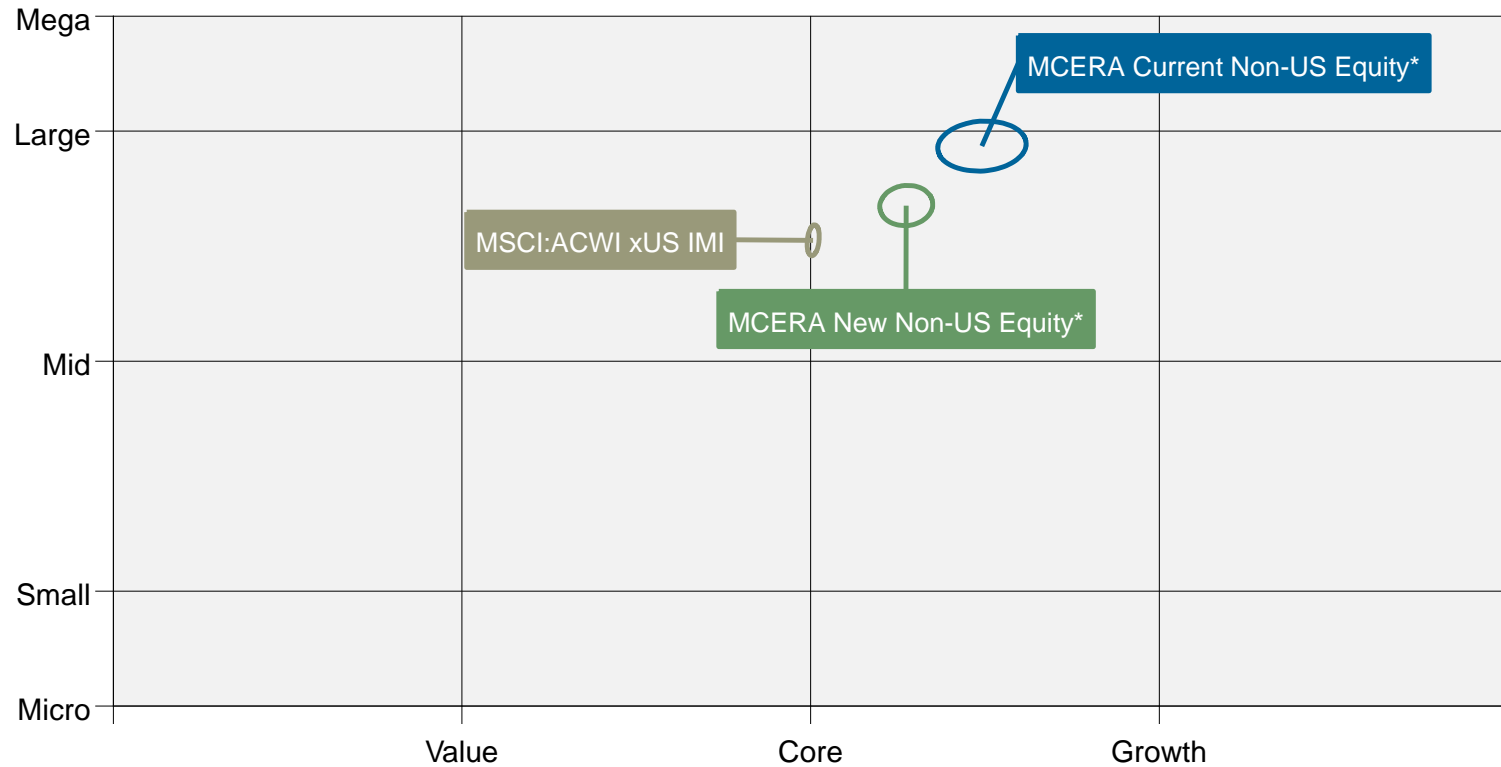
Manager	Allocation	Benchmark	Target Allocation (%)	Current Allocation (%)	Current Allocation (\$)
Morgan Stanley	Active Non-US Developed Value	MSCI EAFE	30%	34%	\$186,816,819
Artisan	Active Non-US Developed Growth	MSCI EAFE	30%	33%	\$181,624,727
TimesSquare	Active Non-US Small Cap	MSCI EAFE Small Cap	20%	17%	\$92,215,516
FIAM	Active Emerging Markets	MSCI Emerging Markets Equity	20%	17%	\$95,197,479
Total Non-US Equity					\$555,854,542

New Structure

Manager	Allocation	Benchmark	Target Allocation (%)	Target Allocation (\$)
To Be Determined	Passive Non-US Developed	MSCI World ex-US	50%	\$277,927,271
TimesSquare	Active Non-US Small Cap	MSCI EAFE Small Cap	25%	\$138,963,635
FIAM	Active Emerging Markets	MSCI Emerging Markets Equity	25%	\$138,963,635
Total Non-US Equity				\$555,854,542

MCERA Current vs. New Non-US Equity Structure

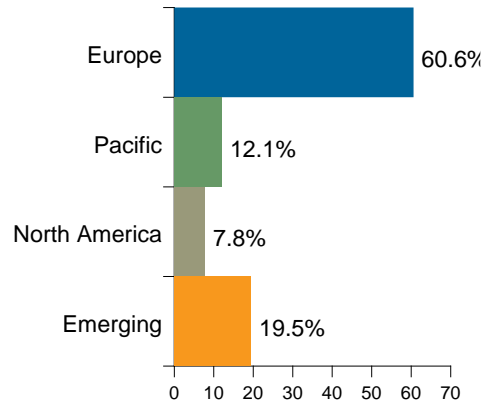
International Equity Style Map
for 5 Years Ended September 30, 2023



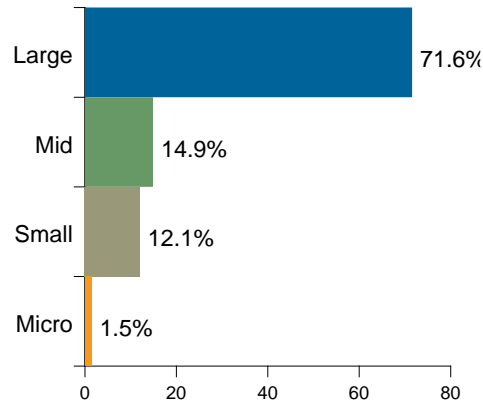
MCERA Current vs. New Non-US Equity Structure

Allocations as of September 30, 2023

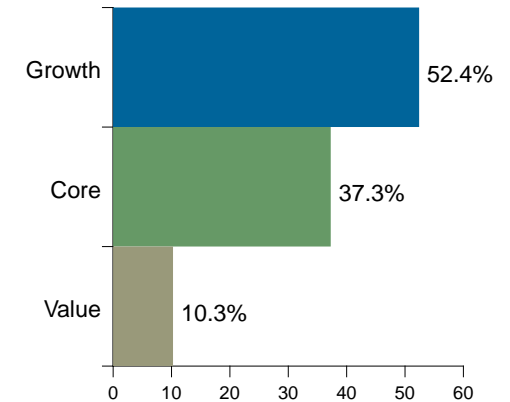
All Regions: MCERA Current



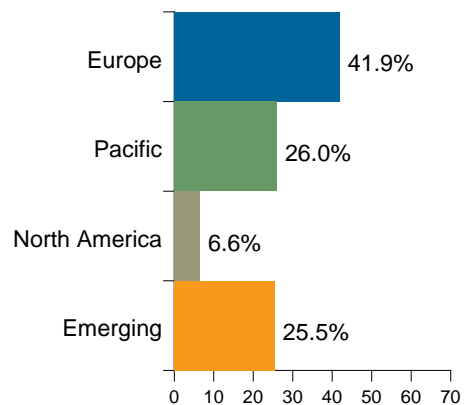
All Caps: MCERA Current



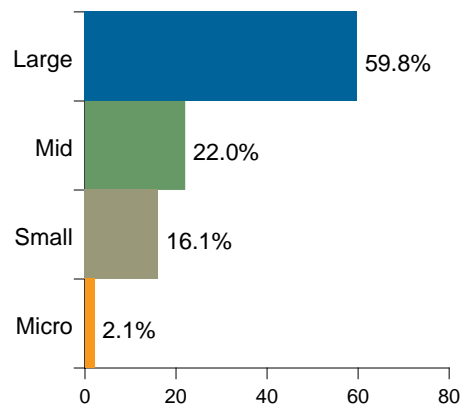
All Styles: MCERA Current



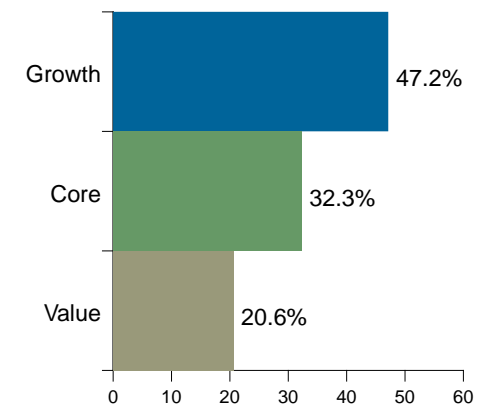
All Regions: MCERA New



All Caps: MCERA New



All Styles: MCERA New



Current Passive Portfolios and Fees

- MCERA currently has three passive portfolios (current assets and fees are listed below):
 - SSGA Russell 1000 Index Separate Account
 - BlackRock US TIPS Index Fund
 - BlackRock US REITs Index Fund
- The World ex-US Index Fund will be added.
- Fee proposals were gathered from SSGA and BlackRock.

SSGA Current Fees

Russell 1000 Index Separate Account

Assets as of 10/31/23: \$702,296,016

Fees (bps)	Break Points	Fees (\$)
5.00	on first \$50,000,000	\$25,000
4.00	on next \$50,000,000	\$20,000
2.00	on balance over \$100,000,000	\$120,459
2.36		\$165,459
Minimum annual fee:		\$175,000

BlackRock Current Fees

TIPS Index Fund - Lending

Assets as of 10/31/23: \$55,062,339

Fees (bps)	Fees (\$)
3.00 on all assets	\$16,519
0.37 fund operating expense	\$2,037
3.37	\$18,556

REITs Index Fund - Lending

Assets as of 10/31/23: \$48,039,409

Fees (bps)	Fees (\$)
6.00 on all assets	\$28,824
1.16 fund operating expense	\$5,573
7.16	\$34,396

Proposed Fees - SSGA

Current Portfolio

Russell 1000 Index Separate Account

Assets as of 10/31/23: \$702,296,016

Fees (bps)		Fees (\$)
2.00	on all assets	\$140,459
2.00		\$140,459
Minimum annual fee: \$0		

Add: World ex-US Index Fund

World ex-US Index Fund - Lending

Assets as of 10/31/23: \$277,927,271

Fees (bps)		Fees (\$)
1.25	on all assets	\$34,741
2.80	fund operating expense	\$77,820
4.05		\$112,561

-OR-

World ex-US Index Fund - Non-Lending

Assets as of 10/31/23: \$277,927,271

Fees (bps)		Fees (\$)
2.00	on all assets	\$55,585
2.80	fund operating expense	\$77,820
4.80		\$133,405

- Fees for the Russell 1000 Index Separate Account were reduced to 2 basis points on all assets and the \$175,000 minimum annual fee was removed. The fees would decline by approximately \$35,000 per year.
 - This reduced fee is only available if SSGA is selected for the World ex-US Index Fund. The Russell 1000 fees will not be reduced if BlackRock is selected.

Proposed Fees - BlackRock

Current Portfolios

TIPS Index Fund - Lending

Assets as of 10/31/23: \$55,062,339

Fees (bps)		Fees (\$)
3.00	on all assets	\$16,519
0.37	l operating expense	\$2,037
3.37		\$18,556

REITs Index Fund - Lending

Assets as of 10/31/23: \$48,039,409

Fees (bps)		Fees (\$)
6.00	on all assets	\$28,824
1.16	fund operating expense	\$5,573
7.16		\$34,396

Add: World ex-US Index Fund

World ex-US Index Fund - Lending Only

Assets as of 10/31/23: \$277,927,271

Fees (bps)		Fees (\$)
2.50	on all assets	\$69,482
1.26	fund operating expense	\$35,019
3.76		\$104,501

- No change to the TIPS and REITs fees.

Proposed Fees – Adding World ex-US

Add SSGA World ex-US (Lending)

Mandate	Vehicle	Assets as of 10/31/23	Investment Management Fee (bps)	Current Operating Expense (bps)	Total (bps)	Total (\$)
SSGA Russell 1000	Separately Managed Account	\$702,296,016	2.00	N/A	2.00	\$140,459
SSGA MSCI World Ex-US	Lending Commingled Fund	\$277,927,271	1.25	2.80	4.05	\$112,561
BlackRock TIPS	Lending Commingled Fund	\$55,062,339	3.00	0.37	3.37	\$18,556
BlackRock REITs	Lending Commingled Fund	\$48,039,409	6.00	1.16	7.16	\$34,396
Total						\$305,972

Add SSGA World ex-US (Non-Lending)

Mandate	Vehicle	Assets as of 10/31/23	Investment Management Fee (bps)	Current Operating Expense (bps)	Total (bps)	Total (\$)
SSGA Russell 1000	Separately Managed Account	\$702,296,016	2.00	N/A	2.00	\$140,459
SSGA MSCI World Ex-US	Non Lending Commingled Fund	\$277,927,271	2.00	2.80	4.80	\$133,405
BlackRock TIPS	Lending Commingled Fund	\$55,062,339	3.00	0.37	3.37	\$18,556
BlackRock REITs	Lending Commingled Fund	\$48,039,409	6.00	1.16	7.16	\$34,396
Total						\$326,817

Add BlackRock World ex-US (Lending)

Mandate	Vehicle	Assets as of 10/31/23	Investment Management Fee (bps)	Current Operating Expense (bps)	Total (bps)	Total (\$)
SSGA Russell 1000	Separately Managed Account	\$702,296,016	2.36	N/A	2.36	\$165,459
\$175,000 minimum annual fee						\$175,000
BlackRock MSCI World Ex-US	Lending Commingled Fund	\$277,927,271	2.50	1.26	3.76	\$104,501
BlackRock TIPS	Lending Commingled Fund	\$55,062,339	3.00	0.37	3.37	\$18,556
BlackRock REITs	Lending Commingled Fund	\$48,039,409	6.00	1.16	7.16	\$34,396
Total						\$332,453

Summary

- MCERA to decide on SSGA or BlackRock to manage a passive World ex-US Index Fund mandate:
 - SSGA World ex-US Index Fund – lending or non-lending available
 - BlackRock World ex-US Index Fund – lending only available
- Staff and Callan will coordinate the documentation and various transitions to achieve the new structure.

Callan

Appendix

Bundled Fee Proposals - SSGA

All Mandates - 2 bps on all AUM

Russell 1000 Index Separate Account

Assets as of 10/31/23: \$702,296,016

Fees (bps)		Fees (\$)
2.00	on all assets	\$140,459
2.00		\$140,459
Minimum annual fee: \$0		

World ex-US Index Fund - Lending or Non-Lending

Assets as of 10/31/23: \$277,927,271

Fees (bps)		Fees (\$)
2.00	on all assets	\$55,585
2.80	fund operating expense	\$77,820
4.80		\$133,405

TIPS Index Fund - Lending or Non-Lending

Assets as of 10/31/23: \$55,062,339

Fees (bps)		Fees (\$)
2.00	on all assets	\$11,012
1.00	fund operating expense	\$5,506
3.00		\$16,519

REITs Index Fund - Non-Lending Only

Assets as of 10/31/23: \$48,039,409

Fees (bps)		Fees (\$)
2.00	on all assets	\$9,608
1.00	fund operating expense	\$4,804
3.00		\$14,412

Bundled Fee Proposals - BlackRock

All Mandates

Russell 1000 Index Separate Account

Assets as of 10/31/23: \$702,296,016

Fees (bps)	Fees (\$)
2.00 on all assets	\$140,459
2.00	\$140,459
Minimum annual fee:	\$150,000

World ex-US Index Fund - Lending Only

Assets as of 10/31/23: \$277,927,271

Fees (bps)	Fees (\$)
2.50 on all assets	\$69,482
1.26 fund operating expense	\$35,019
3.76	\$104,501

TIPS Index Fund - Lending

Assets as of 10/31/23: \$55,062,339

Fees (bps)	Fees (\$)
3.00 on all assets	\$16,519
0.37 fund operating expense	\$2,037
3.37	\$18,556

REITs Index Fund - Lending

Assets as of 10/31/23: \$48,039,409

Fees (bps)	Fees (\$)
6.00 on all assets	\$28,824
1.16 fund operating expense	\$5,573
7.16	\$34,396

Proposed Fees – All Passive Assets to One Manager

All Passive Assets to SSGA

Mandate	Vehicle	Assets as of 10/31/23	Investment Management Fee (bps)	Current Operating Expense (bps)	Total (bps)	Total (\$)
SSGA Russell 1000	Separately Managed Account	\$702,296,016	2.00	N/A	2.00	\$140,459
SSGA MSCI World Ex-US	Non Lending or Lending	\$277,927,271	2.00	2.80	4.80	\$133,405
SSGA TIPS	Non Lending or Lending	\$55,062,339	2.00	1.00	3.00	\$16,519
SSGA REITs	Non Lending Commingled Fund	\$48,039,409	2.00	1.00	3.00	\$14,412
Total						\$304,795

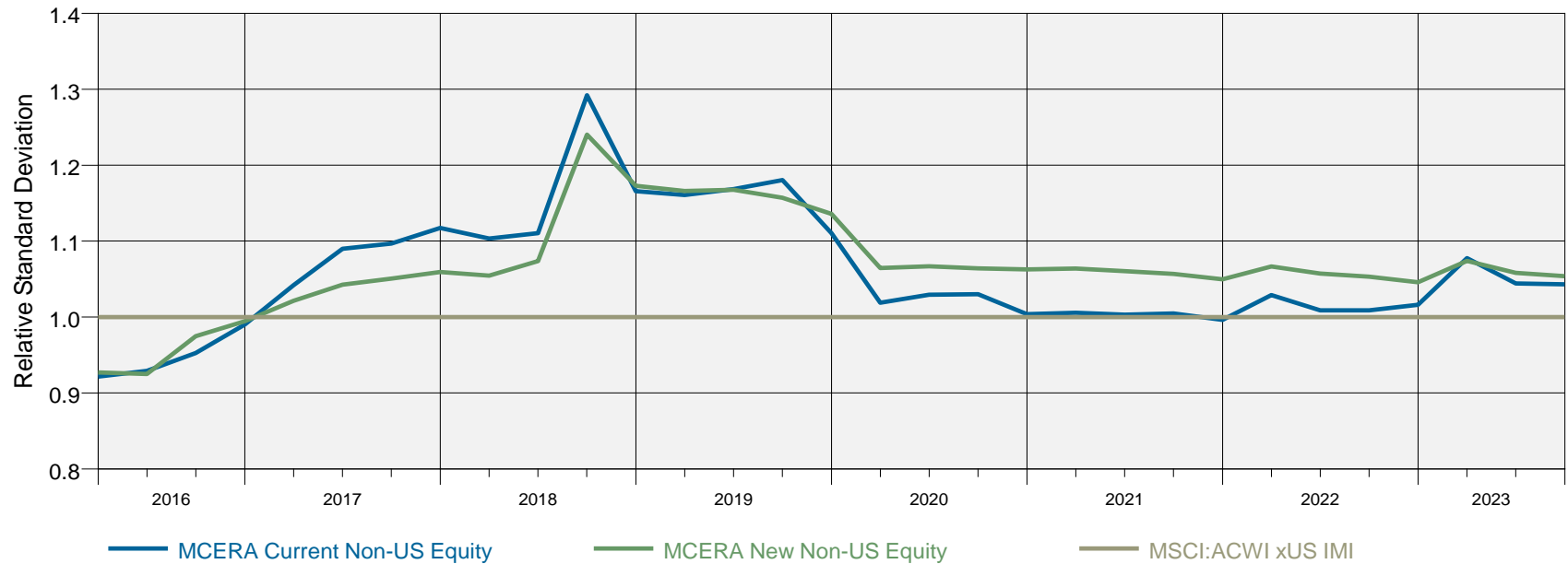
All Passive Assets to BlackRock

Mandate	Vehicle	Assets as of 10/31/23	Investment Management Fee (bps)	Current Operating Expense (bps)	Total (bps)	Total (\$)
BlackRock Russell 1000	Separately Managed Account	\$702,296,016	2.00	N/A	2.00	\$140,459
				\$150,000 minimum annual fee		\$150,000
BlackRock MSCI World Ex-US	Lending Commingled Fund	\$277,927,271	2.50	1.26	3.76	\$104,501
BlackRock TIPS	Lending Commingled Fund	\$55,062,339	3.00	0.37	3.37	\$18,556
BlackRock REITs	Lending Commingled Fund	\$48,039,409	6.00	1.16	7.16	\$34,396
Total						\$307,453

MCERA Current vs. New Non-US Equity Structure

Rolling Three Year Standard Deviation

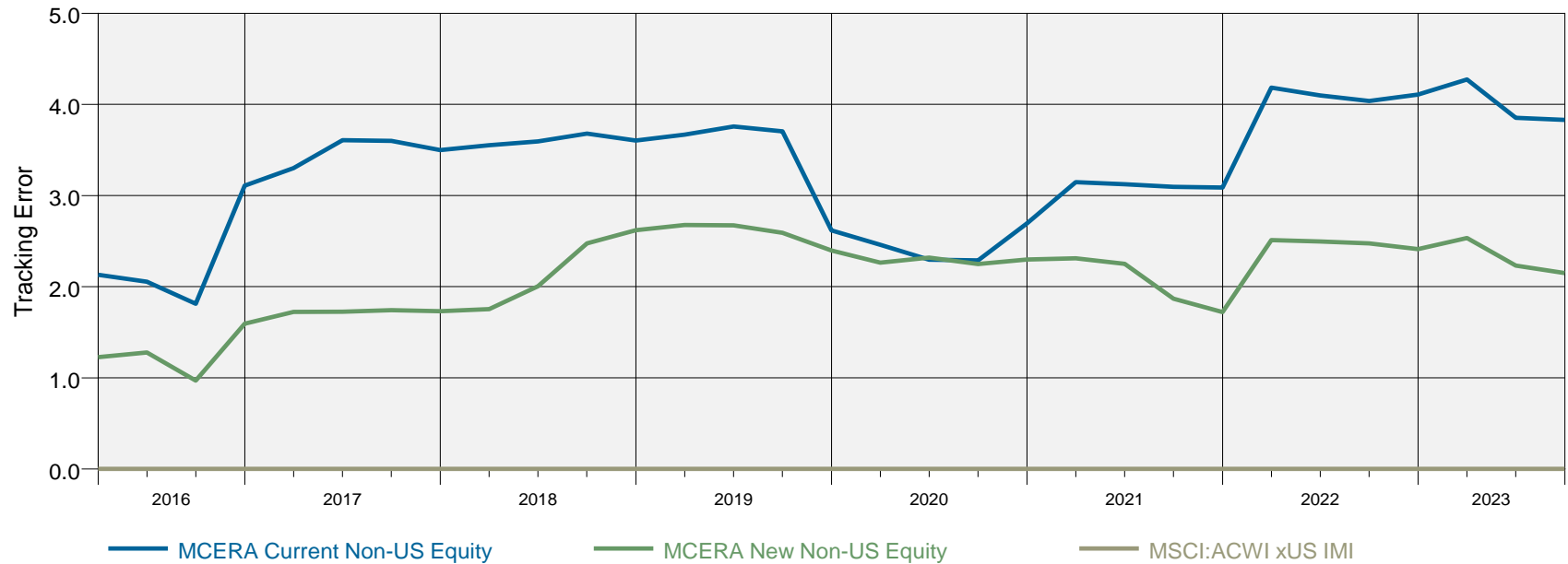
Rolling 3 Year Relative Standard Deviation vs. MSCI:ACWI xUS IMI
for 7 1/2 Years Ended September 30, 2023



MCERA Current vs. New Non-US Equity Structure

Rolling Three Year Tracking Error

Rolling 3 Year Tracking Error vs. MSCI:ACWI xUS IMI
for 7 1/2 Years Ended September 30, 2023



Important Disclosures

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The content of this document is particular to the client and should not be relied upon by any other individual or entity. There can be no assurance that the performance of any account or investment will be comparable to the performance information presented in this document.

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Past performance is no guarantee of future results.



November 2023
**Marin County Employees'
Retirement Association**
Investment Manager Search
Passive International Developed Equity

Manager Evaluation

	Investment Manager	Strategy
The following investment manager organizations have submitted information to Callan regarding their investment management capabilities. The information has been summarized in this report for the consideration of Marin County Employees' Retirement Association.	BlackRock	MSCI World ex US Index Fund
	State Street Global Advisors	MSCI World ex US

The investment manager organizations contained herein have submitted information to Callan regarding their investment management capabilities, for which information Callan has not necessarily verified the accuracy or completeness of or updated. The information provided to Callan has been summarized in this report for your consideration. Unless otherwise noted, performance figures reflect a commingled fund or a composite of discretionary accounts. All written comments in this report are based on Callan's standard evaluation procedures which are designed to provide objective comments based upon facts provided to Callan. The appropriateness of the candidate investment vehicle(s) discussed herein is based on Callan's understanding of the client's portfolio as of the date hereof. Certain operational topics may be addressed in this investment evaluation for information purposes. Unless Callan has been specifically engaged to do so, Callan has not conducted due diligence of the operations of the candidate or investment vehicle(s), as may be typically performed in an operational due diligence evaluation assignment. The investment evaluation and any related due diligence questionnaire completed by the candidate may contain highly confidential information that is covered by a non-disclosure or other related agreement with the candidate which must be respected by the client and its representatives. The client agrees to adhere to the conditions of any applicable confidentiality or non-disclosure agreement.

Table of Contents

Search Process, Profile & Summary	Section I
<ul style="list-style-type: none">- Manager Search Process- Candidate Profile	
Candidate Firm Information	Section II
Candidate Product Information	Section III
Candidate Performance	Section IV
Appendix	Section V
<ul style="list-style-type: none">- Disclosures	



Search Process, Profile & Summary

Search Process

Steps in the Manager Search Process

1 Client & Candidate
Profiles

2 Quantitative
Analysis

3 Qualitative
Assessment

4 Manager Search
Committee

5 Semi-Finalist Review

Finalists

Candidate Profile

1. Manager Type

Only qualified investment counselors or organizations registered under the Investment Advisers Act of 1940 that are currently managing assets will be considered. This includes investment counselors and investment counseling subsidiaries of banks, brokerage houses and insurance companies. Diverse-, Woman-, Disabled-Owned (DWDO) firms will be included as candidates in this search assuming product availability.

2. Investment Style

MCERA is seeking a passive international equity manager benchmarked to the MSCI World ex-US Index to add to their international equity structure.

3. Managed Assets

It is preferred that candidates have a minimum of \$500 million in MSCI World ex-US Index strategies. MCERA is also willing to consider otherwise qualified, compelling and viable strategies with a lower asset base on a case by case basis.

4. Professional Staff

Investment staff should be stable and of sufficient depth and breadth to perform the ongoing duties of the firm and to ensure continuity of the investment process. Additionally, there should be a sufficient number of client service professionals relative to the firm's client base to ensure that the client has reasonable access to the firm.

5. Portfolio Manager Structure & Experience

Team approach is preferred but not required. It is preferred that key professionals have at least 8 years of investment experience and have worked together for at least three years. Firms that do not meet this criterion will be evaluated on a case by case basis.

6. Investment Vehicle

MCERA will consider commingled funds and mutual funds. This is a public, defined benefit plan and non-ERISA. Lending and non-lending vehicles can be included. If a firm offers both, please list both.

7. Historical Performance & Risk Criteria

Performance over multiple cumulative, annual and rolling periods will be evaluated relative to the appropriate peer group and index. Risk-adjusted measures and holdings-based portfolio characteristics will also be considered. A track record of at least three years is preferred, and performance records from previous firms will be evaluated on a case-by-case basis.

Candidate Profile (continued)

8. Qualities Specifically Sought

- The firm must be a viable, ongoing business
- Organizational infrastructure to support institutional client base
- Disciplined investment process
- Low turnover of personnel
- Low dispersion of returns within appropriate composite
- Commitment to client service and an ability to effectively articulate their investment process
- Willingness to visit client as needed – MCERA's managers are required to provide an annual portfolio review to the Investment Committee.
- Transparent index construction methodology and rebalancing schedule.

9. Qualities To Be Avoided

- Candidates currently involved in a merger, acquisition, or recent transaction impacting the firm's senior executives
- Excessive recent personnel turnover
- High, unexplainable tracking error

10. Specific Client Requests & Additional Considerations

Please include their current passive managers, SSGA and BlackRock.

Proposed Vehicle Information

Organization	Index	Proposed Vehicle	Securities Lending Split % (Fund/Manager)	% of Assets on Loan (2022 average)	2022 Net Basis Point Return from Lending	Investment Mgmt. Fee (bps)	Operating Expense (bps)	Total Fee (bps)	Product Assets as of 9/30/23 (\$mm)	Vehicle Assets as of 9/30/23 (\$mm)
BlackRock MSCI World ex-US Index Fund	MSCI World ex-US	CIT (Lending)	50/50	2.10%	0.9	2.50	1.26	3.76	\$32,338	\$13,985
SSGA Fund exposure will be created using the MSCI EAFE and MSCI Canada Index Funds										
SSGA MSCI World ex-US	MSCI World ex-US	CTF (Lending)	70/30	N/A	N/A	1.25	2.80	4.05	\$32,700	N/A
	<i>MSCI EAFE Index</i>	<i>CTF (Lending)</i>	<i>70/30</i>	<i>3.40%</i>	<i>1.0</i>				<i>\$35,600</i>	<i>\$4,764</i>
	<i>MSCI Canada Index</i>	<i>CTF (Lending)</i>	<i>70/30</i>	<i>11.30%</i>	<i>1.8</i>				<i>\$3,200</i>	<i>\$563</i>
SSGA MSCI World ex-US	MSCI World ex-US	CTF (Non-Lending)	70/30	N/A	N/A	2.00	2.80	4.80	\$32,700	N/A
	<i>MSCI EAFE Index</i>	<i>CTF (Non-Lending)</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>				<i>\$35,600</i>	<i>\$4,377</i>
	<i>MSCI Canada Index</i>	<i>CTF (Non-Lending)</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>				<i>\$3,200</i>	<i>\$601</i>



Candidate Firm Information

Firm Overview: BlackRock

BlackRock was founded in 1988. In February 1995, BlackRock became a wholly-owned subsidiary of The PNC Financial Services Group, Inc. and a member of the PNC Asset Mgmt. Group. In 1998, PNC consolidated its asset management subsidiary names under BlackRock. BlackRock completed an IPO in 1999 for 16% of its equity. In 2005, BlackRock acquired SSRM Holdings Inc., the holding company of State Street Research and Management and State Street Realty. In 2006, BlackRock, Inc. and Merrill Lynch Investment Managers merged to create an independent company operating under the BlackRock name. In October 2007, BlackRock acquired Quellos Group. In December 2009, BlackRock completed the acquisition of Barclays Global Investors (BGI) including its iShares exchange-traded funds.

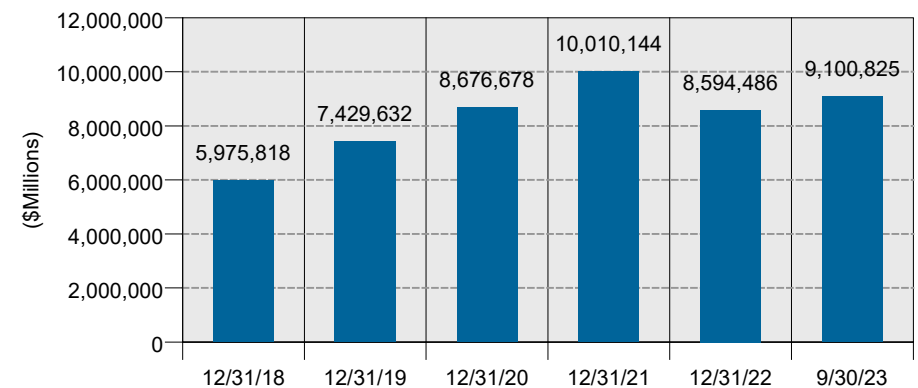
Firm	Contact
BlackRock 50 Hudson Yards New York, NY 10001	Julia Dunnigan (415) 670-6788 julia.dunnigan@blackrock.com

Ownership	Founded	Portfolio Managers	Analysts
Publicly Owned	1988	1,306	714

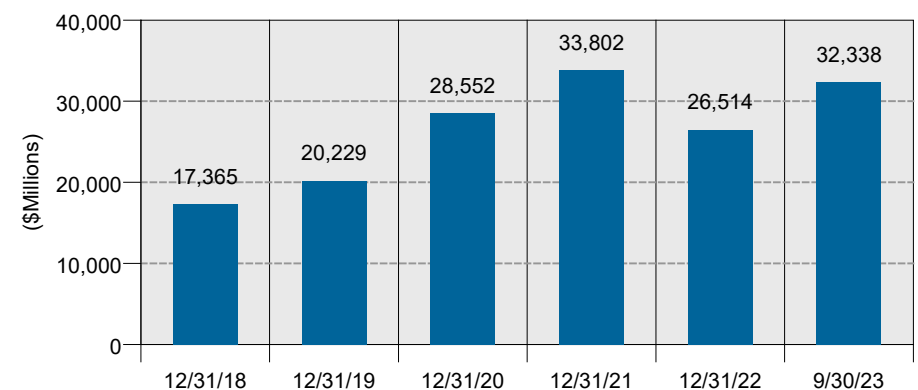
Total Firm Asset Breakdown

Domestic	\$(mm)	Client Type	\$(mm)
Equity	3,154,885	Corporate	2,287,074
Fixed Income	1,493,928	Public(Govt)	1,461,940
Balanced	525,681	Union/Multi-Employer	147,737
Alternatives	125,303	Superannuation	21,400
Other	512,525	Foundation/Endowment	34,473
Total	5,812,322	Health Care	34,533
		Insurance	503,835
Global	\$(mm)	High Net Worth	38,717
Equity	1,586,406	Wrap Account	174,912
Fixed Income	1,082,273	Sub-Advised	207,269
Balanced	263,193	Superanationals	13,530
Alternatives	145,474	Sovereign Wealth Funds	90,495
Other	211,157	Other	4,084,911
Total	3,288,504	Total Org Assets	9,100,825
		Total Defined Contribution	694,974

Total Firm Asset Growth (\$mm) as of September 30, 2023



Total Product Asset Growth (\$mm) as of September 30, 2023



Firm Overview: State Street Global Advisors

State Street Global Advisors (SSGA) is the investment management division of State Street Bank and Trust Company and began managing tax-exempt assets for U.S. clients in 1978 when its predecessor, State Street Asset Management, was established. As part of the firm's overall global expansion, SSGA was created in 1990 in order to organize all of State Street's investment related business units under one umbrella. State Street Bank and Trust Company was formed in 1792 and is a wholly owned subsidiary of State Street Corporation, which is publicly traded on the NYSE under the ticker symbol "STT." On January 10, 2011, SSGA completed its acquisition of Bank of Ireland Asset Management, which is now known as State Street Global Advisors Ireland Limited. In July 2016, SSGA completed the acquisition of GE Asset Management.

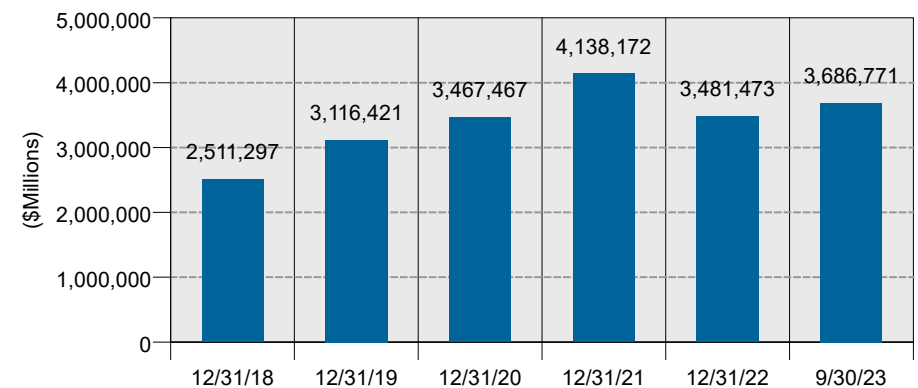
Firm	Contact
State Street Global Advisors One Iron Street, 6th Floor Boston, MA 02210	Jacqueline Gentile jacqueline_gentile@ssga.com

Ownership	Founded	Portfolio Managers	Analysts
Publicly Owned	1895	230	22

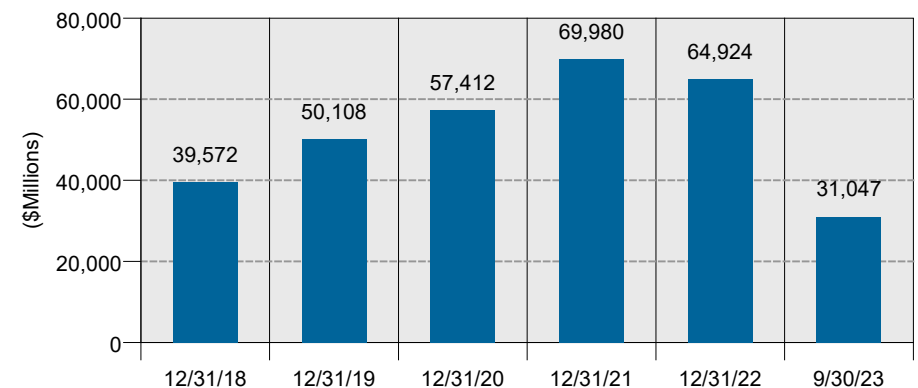
Total Firm Asset Breakdown

Domestic	\$(mm)	Client Type	\$(mm)
Equity	1,321,702	Corporate	878,083
Fixed Income	347,696	Public(Govt)	633,921
Balanced	3,332	Union/Multi-Employer	46,465
Other	61	Superannuation	76,153
Total	1,672,791	Foundation/Endowment	140,038
		Health Care	27,755
Global	\$(mm)	Insurance	96,212
Equity	889,478	High Net Worth	9,734
Fixed Income	236,314	Sub-Advised	104,617
Balanced	242,262	Superannationals	5,292
Alternatives	208,287	Sovereign Wealth Funds	38,281
Other	437,640	Other	1,630,220
Total	2,013,981	Total Org Assets	3,686,771
		Total Defined Contribution	797,186

Total Firm Asset Growth (\$mm) as of September 30, 2023



Total Product Asset Growth (\$mm) as of September 30, 2023



Candidate Firm Summary

	BlackRock	State Street Global Advisors
Headquarters	New York, NY	Boston, MA
Ownership / Parent	Publicly Owned / None	Publicly Owned / State Street Corporation
Minority / Women / Disabled - Owned	No	No
Total Firm Assets (\$mm)	9,100,825	3,686,771
Have any open regulatory exams/investigations been escalated to enforcement?	No	No
Date of Last SEC Exam	1/17/2017	N/A
GIPS Compliant	Yes	Yes
E&O Insurance	Yes	Yes
Disaster Recovery Plan in Place	Yes	Yes
Firm-Wide ESG Policy in Place	Yes	Yes
Publishes quarterly or annual sustainability or responsible investing report	Yes	Yes
UNPRI Signatory	Yes	Yes

Candidate Firm Summary
Diversity, Equity & Inclusion (DEI)

	BlackRock	State Street Global Advisors
Formal Diversity, Equity and Inclusion policy	Yes	Yes
Recruitment initiatives for women and people of color	Yes	Yes
Policies to increase gender and racial diversity within leadership and investment teams	Yes	Yes
Mentoring of women, people of color and other under-represented groups	Yes	Yes
Offer firm-wide training programs on DEI and/or unconscious biases	Yes	Yes
Formal pay-parity policy	Yes	Yes

Candidate Firm Summary

Race, Ethnicity and Gender Profile

The data below shows the breakdown of each firm by both race/ethnicity and gender. The weights are calculated based on the total number of employees who have disclosed their information. The gray columns show the percentage of employees that have disclosed race and/or gender as well as each firm's total employee count. Low disclosure rates could render the corresponding weights less meaningful.

	Race/Ethnicity								Gender			Total Firm Employees		
	Asian	Black or African American	Hispanic or Latinx	Middle Eastern or N. African	Native Amer/ Alaskan Native/ Indigenous	Native Hawaiian/ Pac. Islander	White/ Caucasian	Two or more races	Male	Female	Non-binary/ Third Gender	Race Disclosed	Gender Disclosed	Total Firm Count
BlackRock	27%	7%	7%	0%	0%	0%	56%	2%	59%	41%	0%	100%	100%	8,475
State Street Global Advisors	17%	3%	4%	0%	0%	0%	75%	0%	60%	40%	0%	96%	99%	992

Managers not reporting DEI information chose not to report due to internal privacy policies, laws governing the countries they operate in or due to lack of granular data.



Candidate Product Information

Key Investment Professionals

Blackrock

Key Professionals	Started with Product	Joined Firm	Investment Experience
Alan Mason - PM	2006	1991	1991

SSGA

Key Professionals	Started with Product	Joined Firm	Investment Experience
Dwayne Hancock - PM	1997	1996	1994
Mike Feehily - PM	2010	2010	1992

Candidate Product Summary
ESG Integration

	BlackRock	State Street Global Advisors
Product Name	MSCI World ex US Index Fund	MSCI World ex US
Dedicated ESG strategy; ESG considerations are primary objective	No	No
Not a dedicated ESG strategy; ESG considerations are part of investment framework	No	No
Strategy utilizes proprietary scoring (or metrics) for ESG research	No	No
Reports provided to clients that highlight holdings' ESG metrics (impact, scoring, etc)	Yes	No

Candidate Product Summary

Race, Ethnicity and Gender Profile

The data below shows the breakdown of each product team by both race/ethnicity and gender. The weights are calculated based on the total number of employees who have disclosed their information. The gray columns show the percentage of team employees that have disclosed race and/or gender as well as each product's total employee count. Low disclosure rates could render the corresponding weights less meaningful.

	Race/Ethnicity								Gender			Total Product Employees		
	Asian	Black or African American	Hispanic or Latinx	Middle Eastern or N. African	Native Amer/ Alaskan Native/ Indigenous	Native Hawaiian/ Pac. Islander	White/ Caucasian	Two or more races	Male	Female	Non-binary/ Third Gender	Race Disclosed	Gender Disclosed	Total Product Count
BlackRock	--	--	--	--	--	--	--	--	--	--	--	--	--	--
State Street Global Advisors	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Managers not reporting DEI information chose not to report due to internal privacy policies, laws governing the countries they operate in or due to lack of granular data.



Candidate Performance (EAFE)

Returns - Trailing Periods

Returns for Periods Ended September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Blackrock	(4.05)	24.55	6.56	3.87	5.82
SSGA *	(4.10)	23.91	6.03	3.38	5.33
SSGA **	(4.10)	23.89	6.02	3.37	5.32
MSCI World ex US	(4.10)	24.00	6.07	3.44	5.38

* SSGA's hypothetical net-of-fee performance stream at a fee of 1.25 bps

** SSGA's hypothetical net-of-fee performance stream at a fee of 2.00 bps

*** Manager candidate performance shown is net-of-fees unless otherwise noted.

**** Blackrock and SSGA's products are shown as a hypothetical net-of-fee return stream

Returns - Calendar Years

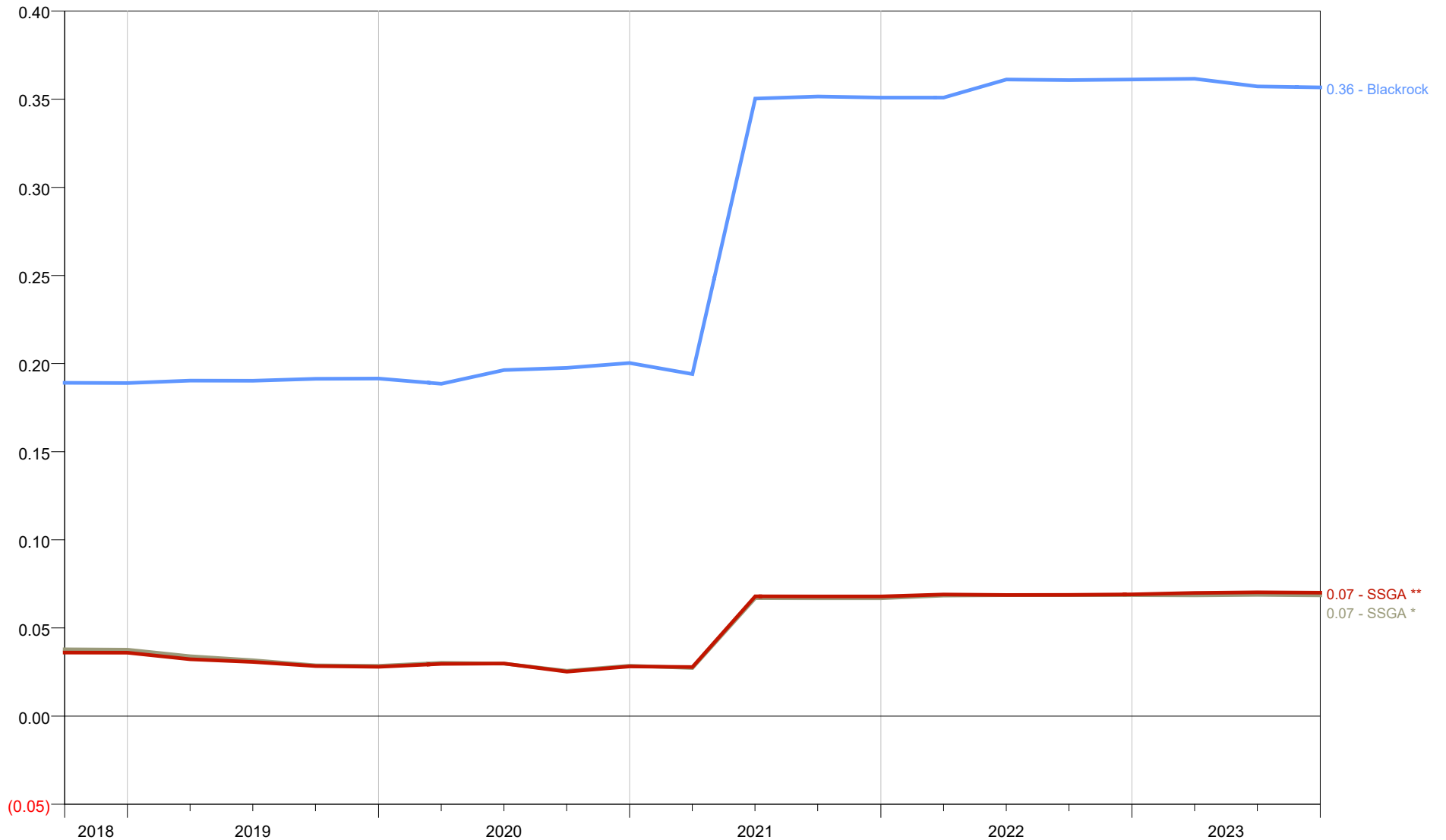
Returns for Periods Ended September 30, 2023

	3 Qtrs. 2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Blackrock	7.16	(13.87)	13.07	7.98	22.99	(13.74)	24.70	3.20	(2.72)	(4.05)
SSGA *	6.67	(14.30)	12.59	7.49	22.39	(14.14)	24.17	2.64	(3.11)	--
SSGA **	6.66	(14.32)	12.58	7.49	22.38	(14.15)	24.15	2.64	(3.11)	--
MSCI World ex US	6.73	(14.29)	12.62	7.59	22.49	(14.09)	24.21	2.75	(3.04)	(4.32)

Tracking Error - Rolling Three-Year Periods

The chart below illustrates Tracking Error relative to the MSCI World xUS (Net) for different managers over various rolling three-year periods.

Tracking Error Relative to the MSCI World xUS (Net)

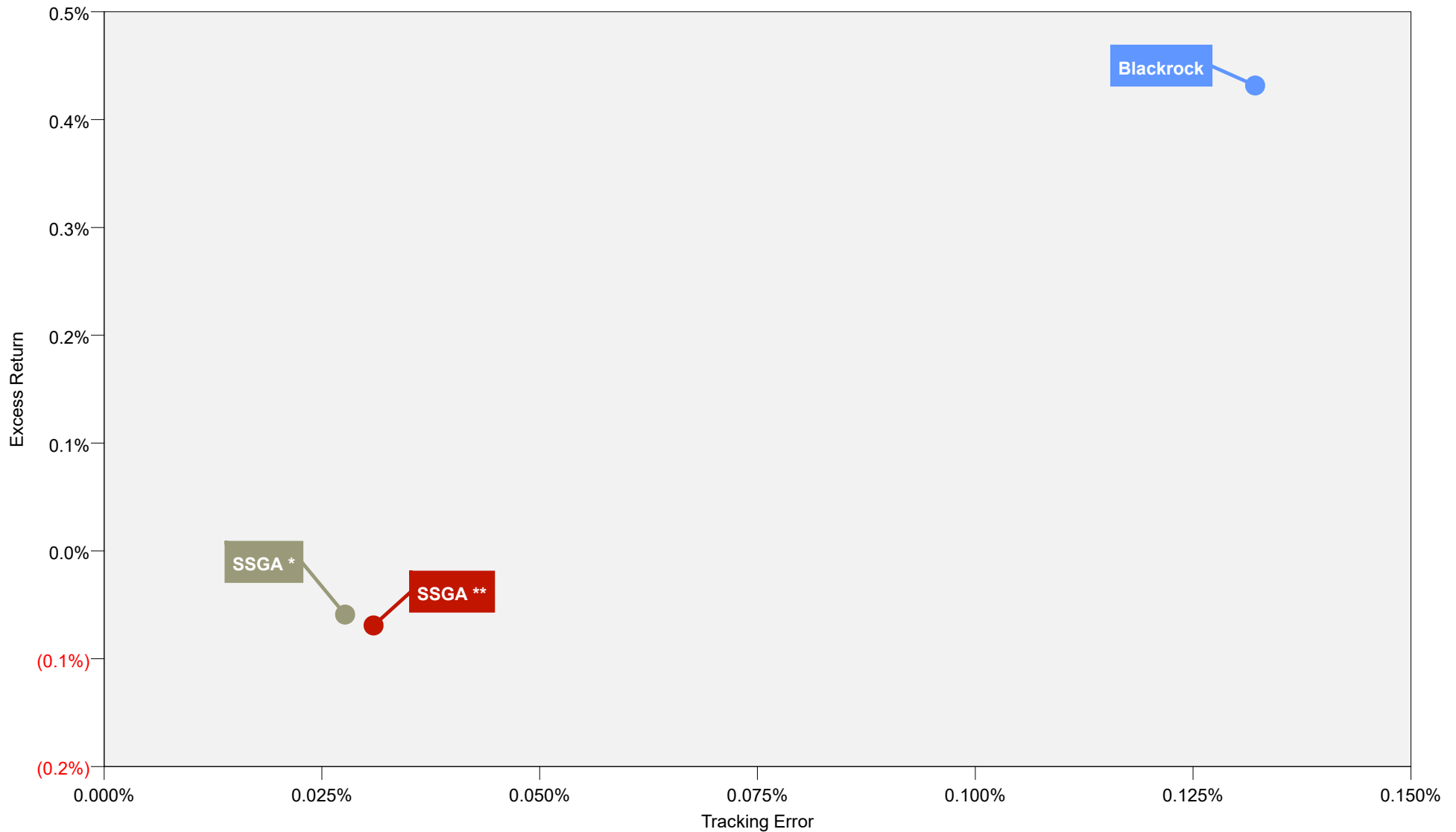


Excess Return vs. Tracking Error

Excess Return vs Tracking Error for Five Years Ended September 30, 2023

Benchmark: MSCI World xUS (Net)

Group: (Ellipse with Median at Central Axis)

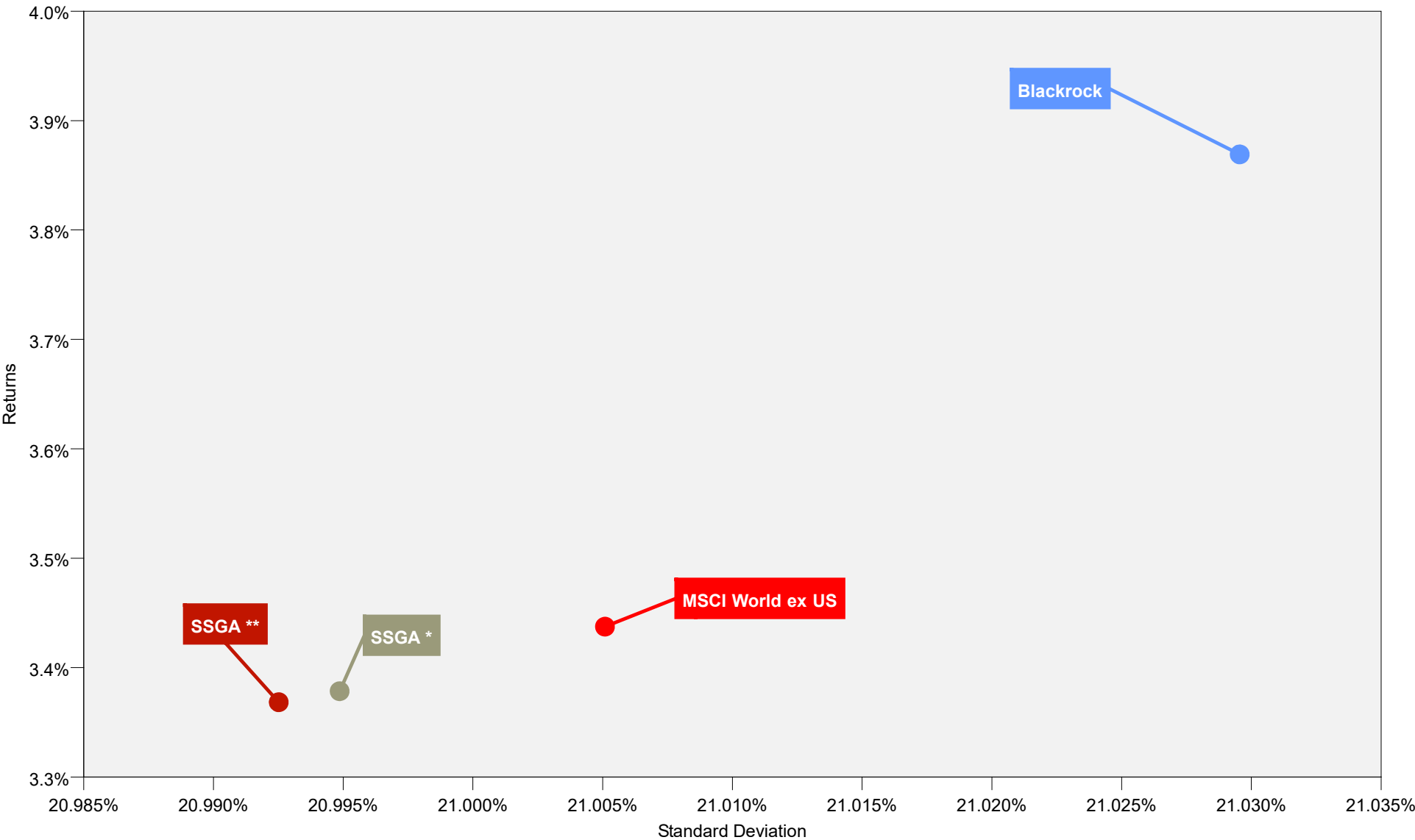


Manager candidate performance shown is -of-fees unless otherwise noted.

Risk/Reward Structure

Risk/Reward for Five Years Ended September 30, 2023

Group: (Ellipse with Median at Central Axis)



Manager candidate performance shown is -of-fees unless otherwise noted.



Definitions

Alpha measures a portfolio's return in excess of the market return adjusted for risk. It is a measure of the manager's contribution to performance with reference to security selection. A positive alpha indicates that a portfolio was positively rewarded for the residual risk which was taken for that level of market exposure.

Beta measures the sensitivity of rates of portfolio returns to movements in the market index. A portfolio's beta measures the expected change in return per 1% change in the return on the market. If a beta of a portfolio is 1.5, a 1 percent increase in the return on the market will result, on average, in a 1.5 percent increase in the return on the portfolio. The converse would also be true.

Combined Z Score is the difference between the MSCI Growth Z Score and the MSCI Value Z Score (Growth - Value). A significant positive Combined Z Score implies significant "growthiness" in the stock or portfolio. A Combined Z Score close to 0.00 (positive or negative) implies "core-like" style characteristics, and a significantly negative Combined Z Score implies more "valueyness" in the stock or portfolio.

Correlation measures the degree to which two variables are associated. Correlation is a commonly used tool for constructing a well-diversified portfolio. Traditionally, equities and fixed-income asset returns have not moved closely together. The asset returns are not strongly correlated. A balanced fund with equities and fixed-income assets represents a diversified portfolio that attempts to take advantage of the low Correlation between the two asset classes. The value for Correlation ranges from +1.0 to -1.0. A positive Correlation means that the two variables move, to a degree, in the same manner or direction, and a negative Correlation means that the variables move, to a degree, in the opposite manner or direction. A Correlation of +1.0 (-1.0) means the two variables move in exactly the same (opposite) direction.

Coupon Rate is the market value weighted average coupon of all securities in the portfolio. The total coupon payments per year are divided by the total portfolio par value.

Dividend Yield reflects the total amount of dividends paid out for a stock over the proceeding twelve months divided by the closing price of a share of the common stock.

Downside Risk differentiates between "good risk" (upside volatility) and "bad risk" (downside volatility). Whereas standard deviation captures both upside and downside volatility, downside risk measures only the volatility of returns below the target. Returns above the target are assigned a deviation of zero. Both the frequency and magnitude of underperformance affect the amount of downside risk.

Effective Yield is the actual total annualized return that would be realized if all securities in the portfolio were held to their expected maturities. Effective yield is calculated as the internal rate of return, using the current market value and all expected future interest and principal cash flows.

Effective Duration is one measure of the portfolio's exposure to interest rate risk. Generally, the higher a portfolio's duration, the more that its value will change in response to interest rate changes. The option adjusted duration for each security in the portfolio is calculated using models which determine the expected stream of cash-flows for the security based on various interest rate scenarios.

Definitions (continued)

Excess Correlation is the correlation of a portfolio's excess return to another portfolio's excess return. Excess return is the portfolio return minus the benchmark return. For instance Excess Correlation could measure the correlation of Manager A's return in excess of a benchmark with Manager B's return in excess of the same benchmark. Excess Correlation is used to indicate whether different managers outperform a market index at the same time.

Excess Return is the portfolio return minus the benchmark return.

Excess Return Ratio is a measure of risk adjusted relative return. This ratio captures the amount of active management performance (value added relative to an index) per unit of active management risk (tracking error against the index.) It is calculated by dividing the manager's annualized cumulative excess return relative to the index by the standard deviation of the individual quarterly excess returns. The Excess Return Ratio can be interpreted as the manager's active risk/reward tradeoff for diverging from the index when the index is mandated to be the "riskless" market position.

Forecasted Growth in Earnings is a measure of a company's expected long-term success in generating future year-over-year earnings growth. This growth rate is a market value weighted average of the consensus (mean) analysts' long-term earnings growth rate forecast for each company in the portfolio. The definition of long-term varies by analyst but is limited to a 3-8 year range. This value is expressed as the expected average annual growth of earnings in percent.

Forecasted P/E is a forward-looking valuation measure of a company's common stock. It encapsulates the amount of earnings estimated for next year per dollar of current share price. This value is calculated by dividing the present stock price of each company in the portfolio by the consensus (mean) analysts' earnings forecasts for the next year. These earnings estimates are for recurring, non-extraordinary earnings per primary common share. The individual P/E stock ratios are then weighted by their respective portfolio market values in order to calculate a weighted average representative of the portfolio as a whole.

Growth Z Score is a holdings-based measure of the "growthiness" of an individual stock or portfolio of stocks based on fundamental financial ratio analysis. The MSCI Growth Z Score is an aggregate score based on the growth score of five separate financial fundamentals: Long Term Forward Earnings Growth, Short Term Forward Earnings Growth, Current Internal Growth ($\text{ROE} * (1 - \text{payout ratio})$), Long Term Historical Earnings Growth, and Long Term Historical Sales Growth.

Information Ratio measures the manager's market risk-adjusted excess return per unit of residual risk relative to a benchmark. It is computed by dividing alpha by the residual risk over a given time period. Assuming all other factors being equal, managers with lower residual risk achieve higher values in the information ratio. Managers with higher information ratios will add value relative to the benchmark more reliably and consistently.

Issue Diversification is the number of stocks (largest holdings) making up half of the market value of the total portfolio.

Market Capitalization (Weighted Median / Weighted Average) - Market capitalization is the market value of a company's outstanding shares. This figure is found by taking the stock price and multiplying it by the total number of shares outstanding. The weighted median market cap is the point at which half of the market value of the portfolio is invested in stocks with a greater market cap, and consequently the other half is invested in stocks with a lower market cap. Weighted average market cap for a portfolio is defined as the sum of each of the security's weight in the portfolio multiplied by its intrinsic market capitalization.

Definitions (continued)

Price to Earnings Ratio (P/E) is a measure of value for a company. It is equal to the price of a share of common stock divided by the earnings per share for a twelve-month period.

Price to Book Value (P/B) is a measure of value for a company. It is equal to the market value of all the shares of common stock divided by the book value of the company. The book value is the sum of capital surplus, common stock, and retained earnings.

Quality Rating is a way to measure the credit quality as determined by the individual security ratings. The ratings for each security are compiled into a composite rating for the whole portfolio. Quality symbols range from AAA (highest investment quality and lowest credit risk) to D (lowest investment quality and highest credit risk).

R-Squared (R²) is a statistical measure that indicates the extent to which the variability of a security or portfolio's returns is explained by the variability of the market. The value will be between 0 and 1. The higher the number, the greater the extent to which portfolio returns are related to market return.

Residual Risk is the unsystematic, firm-specific, or diversifiable risk of a security or portfolio that can be reduced by including assets that do not have similar unique risk. It is the portion of the total risk of a security or portfolio that is unique to the security or portfolio itself and is not related to the overall market.

Return on Equity (ROE) is a measure of a company's profitability, specifically relating profits to the equity investment employed to achieve the profits. Return on Equity focuses on the returns accruing to the residual owners of a company, the equity holders. It is equal to income divided by total common equity. Income is after all expenses, including income taxes and minority interest, but before provision for dividends, extraordinary items, and discontinued operations. Common equity includes common stock outstanding, capital surplus, and retained earnings.

Rising/Declining Periods is determined by evaluating the cumulative relative sub-asset class index performance to that of the broader asset class index. For example, in determining the Growth Style cycle, the S&P 500 Growth Index (sub-asset class) performance is compared to that of the S&P 500 Index (broader asset class). The analysis determines if a significant "cycle reversal" has occurred over a period. If the magnitude of the cumulative relative return is greater than one standard deviation when the number of periods is four or more quarters-or two standard deviations for periods less than 4 quarters-a significant reversal has occurred. The process is repeated until all the different combinations of recent periods are evaluated, and a break point is determined.

Sharpe Ratio is a measure of risk-adjusted return. It is calculated by subtracting the "risk-free" return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting "excess return" by the portfolio's risk level (standard deviation). The result is a measure of return gained per unit of risk taken.

Stability Score is calculated as the difference between the Defensive and Dynamic scores and can range from -1 to +1. A stability score of +1 indicates a Low Risk and High Quality portfolio (or stock), whereas, a stability score of -1 indicates a High Risk and Low Quality portfolio (or stock). The underlying variables that drive the stability scores are Total Return Volatility, Debt/Equity Ratio, Earnings Volatility and Return on Assets and together encompass both observed price risk and current balance sheet risk.

Definitions (continued)

Standard Deviation is a statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (i.e., has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

Style Map (Holdings Based) - Morgan Stanley Capital International (MSCI) has developed security-level style scores which are based on multiple fundamental ratios that classify stocks as "value" or "growth." On a relative basis we can match these to a manager's portfolio holdings to get a score for the portfolio that is more reliable and current than traditional returns-based regression analysis. Using the combined Z score and weighted median market cap, the holdings based style map allows for viewing manager style in a two dimensional space.

Tracking Error is a statistical measure of a portfolio's risk relative to an index. It reflects the standard deviation of a portfolio's individual quarterly or monthly returns from the index's returns. Typically, the lower the Tracking Error, the more "index-like" the portfolio.

Up Market (Down Market) Capture is a measure of relative performance in up-markets (down-markets). It is determined by the index which has an Up Capture (Down Capture) ratio of 100% when the index is performing positively (negatively). If a manager captures more than 100% of the rising (declining) market it is said to be "offensive" ("defensive").

Value Z Score is a holdings-based measure of the "valueyness" of an individual stock or portfolio of stocks based on fundamental financial ratio analysis. The MSCI Value Z Score is an aggregate score based on the value scores of three separate financial fundamentals: Price/Book, Price/Forward Earnings, and Dividend Yield.

Weighted Average Life is the weighted average time remaining until the principal is paid off for all securities in a portfolio.

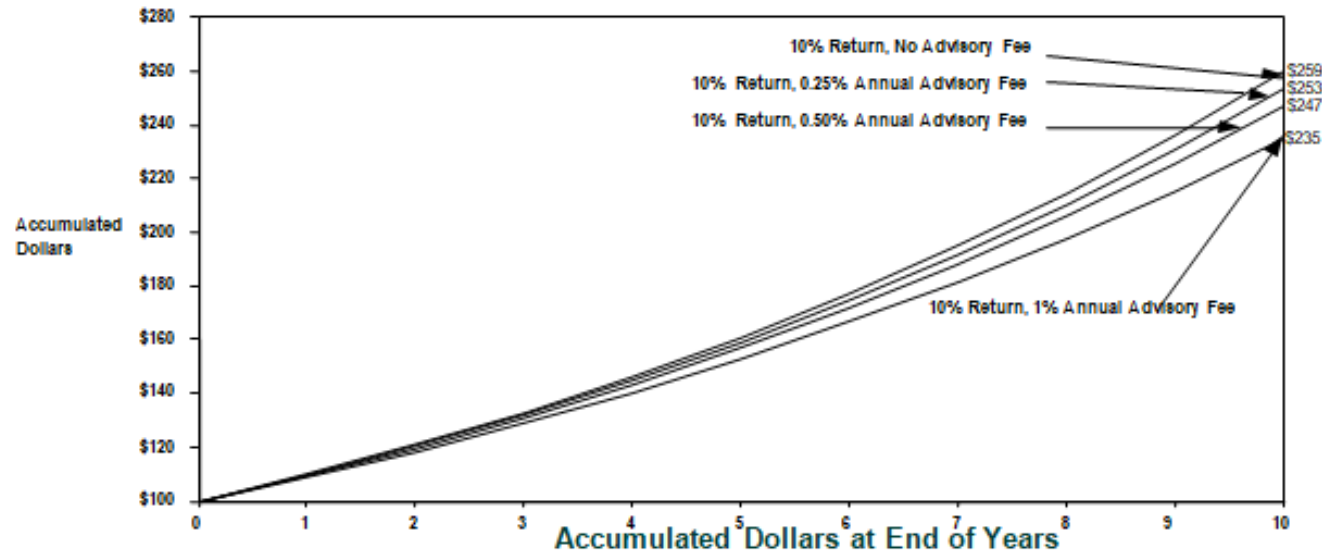
Advisory Fee Disclosure Statement

The preceding report has been prepared for the exclusive use of the Marin County Employees' Retirement Association. Unless otherwise noted, performance returns contained in this report do not reflect the deduction of investment advisory fees. The returns in this report will be reduced by the advisory fees and any other expenses incurred in the management of an investment account. The investment advisory fees applicable to the advisors listed in this report are described in Part II of each advisor's form ADV.

The following graphical and tabular example illustrates the cumulative effect of investment advisory fees on a \$100 investment growing at 10% over ten years. Fees are assumed to be paid monthly.

In addition to asset-based investment advisory fees, some strategies may include performance-based fees ("carry") that may further lower the returns realized by investors. These performance-based fees can be substantial, are most prevalent in "Alternative" strategies like hedge funds and many types of private markets, but can occur elsewhere. The effects of performance-based fees are dependent on investment outcomes and are not included in the example below.

The Cumulative Effect of Advisory Fees



	1	2	3	4	5	6	7	8	9	10
No Fee	110.0	121.0	133.1	146.4	161.1	177.2	194.9	214.4	235.8	259.4
25 Basis Points	109.7	120.4	132.1	145.0	159.1	174.5	191.5	210.1	230.6	253.0
50 Basis Points	109.5	119.8	131.1	143.5	157.1	172.0	188.2	206.0	225.5	246.8
100 Basis Points	108.9	118.6	129.2	140.7	153.3	166.9	181.8	198.0	215.6	234.9

10% Annual Return Compounded Monthly, Annual Fees Paid Monthly.

Callan Client Disclosure

The table below indicates whether one or more of the candidates listed in this report is, itself, a client of Callan as of the date of the most recent quarter end. These clients pay Callan for educational, software, database and/or reporting products and services; refer to our Form ADV 2A for additional information. Given the complex corporate and organizational ownership structures of investment management firms and/or trust/custody or securities lending firms, the parent and affiliate firm relationships are not listed here if they don't separately contract with Callan.

The client list below may include parent companies who allow their affiliates to use some of the services included in their client contract (eg, educational services including published research and attendance at conferences and workshops). Because Callan's investment manager client list changes periodically, the information below may not reflect changes since the most recent quarter end. Fund sponsor clients are welcome to request a complete list of Callan's investment manager clients at any time.

As a matter of policy, Callan follows strict procedures so that investment manager client relationships do not affect the outcome or process by which Callan's searches or evaluations are conducted.

Firm	Is an Investment Manager Client of Callan*	Is not an Investment Manager Client of Callan
BlackRock	X	
State Street Global Advisors	X	

*Based upon Callan manager clients as of the most recent quarter end.

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The statements made herein may include forward-looking statements regarding future results. The forward-looking statements herein: (i) are best estimations consistent with the information available as of the date hereof and (ii) involve known and unknown risks and uncertainties. Actual results may vary, perhaps materially, from the future result projected in this document. Undue reliance should not be placed on forward-looking statements.

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Callan undertakes no obligation to update the information contained herein except as specifically requested by the client.

Past performance is no guarantee of future results.

**Investment Policy Statement
For**

Marin County Employees' Retirement Association

Mcera



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December 2023

MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT POLICY STATEMENT

Table of Contents

Introduction.....	1
Policies and Procedures	2
Investment Goal Statement	3
General Objectives and Guidelines	8
Investment Management Policy	13
Private Equity Policy	17
Duties of Responsible Parties	20
Policy Review	25

Appendices:

Appendix A	Strategic Asset Allocation
Appendix B	Individual Manager Guidelines
Appendix C	Individual Private Equity Sponsor Guidelines
Appendix D	Placement Agent Payment Disclosure Policy

INTRODUCTION

The Marin County Employees' Retirement Association ("MCERA") was established to provide retirement benefits to county employees and other local public agencies. The Board of Retirement (the "Board" and/or the "Board of Retirement") is comprised of the County Director of Finance, four members appointed by the County Board of Supervisors, four members elected by the membership, plus one alternate retiree and one alternate safety member. The Director of Finance may also designate a deputy, who is employed under the Director of Finance's authority, to act in his or her place and stead on the Board or any of its committees.

MCERA was organized in accordance with the provisions of California's 1937 County Employees Retirement Law ("1937 Act"). The powers and duties of the Board of Retirement are set forth in the 1937 Act and in Article XVI, section 17, of the State Constitution. This document provides a framework for the investment of the assets of MCERA. The Board of Retirement has established a standing Investment Committee, which is composed of all members of the Board of Retirement ("Investment Committee" or "Committee"). As set forth in the Investment Committee's Charter, the Committee has been delegated all investment authority of MCERA as set forth therein. The purpose of the Investment Policy is to assist the Board, through the Investment Committee, in effectively supervising and monitoring the assets of MCERA (the "Plan" or the "Fund"). Specifically, it will address the following issues:

- The general goals of the investment program;
- The policies and procedures for the management of the investments;
- Specific asset allocations, rebalancing procedures and investment guidelines;
- Performance objectives; and
- Responsible parties.

The Investment Committee establishes this investment policy in accordance with applicable local, State, and Federal laws. The Board and Committee members exercise authority and control over the Plan, by setting policy which the Staff executes either internally or through the use of external prudent experts. The Board and Committee oversee and guide the Plan subject to the following basic fiduciary responsibilities:

- Solely in the interest of, and for the exclusive purpose of, providing benefits to participants and their beneficiaries, minimizing contributions thereto, and defraying reasonable expenses of administering the Plan.
- Invest and manage Fund assets as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the Fund. In satisfying this standard of care, the trustees shall exercise reasonable care, skill, and caution.
- Diversify the investments of the Plan so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so. Diversification is applicable to the deployment of the assets as a whole.

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This policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure prudence and care in the execution of the investment program.

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POLICIES AND PROCEDURES

The policies and procedures of MCERA's investment program are designed to maximize the probability that the investment goals will be fulfilled. Investment policies will evolve as Fund conditions change and as investment conditions warrant.

Asset Allocation Policy

MCERA adopts and implements an asset allocation policy that is predicated on a number of factors, including:

- A projection of actuarial assets, liabilities and benefit payments and the cost of contributions;
- Historical and expected long-term capital market risk and return behavior;
- An assessment of future economic conditions, including inflation and interest rate levels; and
- The current and projected funding status of the Plan.

This policy provides for diversification of assets in an effort to maximize the investment return of the Plan consistent with market conditions. Asset allocation modeling identifies asset classes the Plan will utilize and the percentage that each class represents of the total Fund. Due to the fluctuation of market values, positioning within a specified range is acceptable and constitutes compliance with the policy. It is anticipated that an extended period of time may be required to fully implement the asset allocation policy, and that periodic revisions will occur. MCERA's Staff and external consultants will monitor and assess the actual asset allocation versus policy and will evaluate any variation deemed significant.

The Board and Committee will implement the asset allocation policy (i) through the use of investment managers to invest the assets of MCERA in accordance with the investment guidelines incorporated into the investment management agreements executed with MCERA and/or (ii) through its investment in limited liability partnerships, limited liability corporations, commingled funds, group trusts or other commonly used investment vehicles, which invest allocated assets in accordance with the governing documents for the investment vehicle. When appropriate, passive management strategies may also be utilized.

INVESTMENT GOAL STATEMENT

The Plan's general investment goals are broad in nature. The objective shall be to efficiently allocate and manage the assets dedicated to the payment of Plan benefits and administrative expenses. The following goals, consistent with the above described purpose, are adopted:

- The overall goal of MCERA's investments is to provide Plan participants with retirement, disability, and death and survivor benefits as provided for under the County Employees Retirement Law of 1937 ([CERL](#)) and [California Public Employees' Pension Reform Act of 2013 \(PEPRA\)](#), as applicable. This will be accomplished through a carefully planned and executed long-term investment program.
- MCERA's assets will be managed on a total return basis. While MCERA recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns.
- The total portfolio over the long term will be expected to:
 1. Meet or exceed a long-term total portfolio real (above inflation) return commensurate with the target asset allocation contained in Appendix A to this document (annualized, net of fees, over a full market cycle, normally defined as 5-7 years);
 2. Meet or exceed the assumed actuarial rate of return over long-term periods; and
 3. Meet or exceed a weighted index of the total Plan's asset allocation policy and component benchmarks over rolling five-year periods by an appropriate amount (annualized, net of fees, over a full market cycle).
- MCERA's Investment Policy has been designed to produce a total portfolio, long-term real return. Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification to meet this goal. The investment activities are designed and executed in a manner that serves the best interests of the members and beneficiaries of the Association.
- All transactions undertaken will be for the sole benefit of MCERA's members and beneficiaries and for the exclusive purpose of providing benefits to them, minimizing contributions to the Plan and defraying reasonable associated administrative expenses.
- MCERA has a long-term investment horizon, and utilizes an asset allocation plan that encompasses a strategic, long-run perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the Plan's investment performance.

Investment recommendations and subsequent actions are expected to comply with "prudent expert" standards. Board and Committee members are expected to comply with "prudent investor" standards.

Manager Utilization and Selection

The selection of investment managers is accomplished in accordance with all applicable local, State and Federal laws and regulations. Each investment manager and consultant functions under a formal contract which delineates responsibilities and appropriate performance expectations. A formal set of investment guidelines and investment administrative requirements for each investment manager has been established and is provided as an addendum to this document. With regard to investment in limited liability partnerships, limited liability corporations, commingled funds, group trusts or other commonly used investment vehicles, the management of the relevant investment vehicle and the investment guidelines will be as set forth in the fund's legal documentation.

Manager Authority

The Plan's investment managers, unless otherwise noted in their contract, shall have designated discretion to direct and manage the investment and reinvestment of assets allocated to their accounts in accordance with this document; applicable local, State and Federal statutes and regulations; and individual management investment plans and executed contracts. Commingled investments, including but not limited to investments in mutual funds, trusts, limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles, are expected to comply with the guidelines established in the governing documents or fund prospectus.

The Board, Committee, and Staff will consider the comments and recommendations of consultants in conjunction with other available information in making informed, prudent decisions.

Proxy Voting

MCERA acknowledges that the ownership of equities requires proxies to be voted. MCERA commits to managing its proxy voting rights with the same care, skill, diligence and prudence as is exercised in managing its other assets. As responsible fiduciaries, the Board of Retirement will exercise its proxy voting rights in the sole interest of the Plan's members and beneficiaries in accordance with all applicable statutes and MCERA's Proxy Voting and Corporate Governance Policy.

Securities Lending

The Board and/or Committee may authorize the execution of a "Securities Lending Program" which will be performed by the Plan custodian or qualified third-party securities lending agent(s). The program will be established by a written agreement authorized by the Board and/or Committee and monitored and reviewed by the Staff.

The following are the general guidelines for the securities lending program:

1. The lending program may be implemented through the use of agent lenders or principal lenders;

2. The lenders may lend financial securities including, but not limited to, U.S. and non-U.S. equities, corporate bonds, and U.S. and non-U.S. government securities;
3. If an agent program is implemented, the agent shall have full discretion over the selection of borrowers and shall continually review the creditworthiness of potential borrowers through extensive analysis of relevant information;
4. All loans shall be fully collateralized with cash, government securities or irrevocable bank letters of credit;
5. Cash collateral received from securities borrowers will be deposited upon receipt in a pre-approved short-term investment vehicle or vehicles;
6. Loans of U.S. securities are initially collateralized at 102% of the market value of the borrowed securities if the borrowed securities and the collateral are denominated in the same currency and at 105% if the borrowed securities and the collateral are denominated in different currencies. As the market value of the collateral falls below 102% (105%) of the market value of the borrowed securities, the borrower is marked to market each business day using yesterday's closing prices, subject to the lending agent's de minimis rules of change;
7. Securities on loan should be marked-to-market on a daily basis to assess adequacy of collateralization;
8. The lender shall provide periodic performance reports to MCERA;
9. The securities lending program should in no way inhibit the portfolio management activities of the other investment managers of the system;
10. Staff shall be responsible for making an annual report to the Board and/or Committee on securities lending activity; and
11. All other operational aspects of MCERA's securities lending program are hereby delegated to Staff.

Derivatives and Leverage

MCERA's investment managers may be permitted under the terms of individual investment guidelines to use derivative instruments to implement market decisions and security positions and to control portfolio risk. Derivatives are contracts or securities whose returns are derived from the returns of other securities, indices or instruments including, but not limited to, futures, forwards, options, swaps and options on futures. Examples of appropriate applications of derivative strategies include hedging interest rate and currency risk, rebalancing portfolio exposures, securitizing Fund level and manager cash, maintaining exposure to a desired asset class while effecting asset allocation changes and adjusting portfolio duration for fixed income. Portfolio liabilities associated with investments (i.e. mortgage forward bond purchases, futures, in-the-money short puts, reverse repurchase agreements, etc.) shall be backed by cash equivalents or deliverable securities.

MCERA's investment managers are not allowed to utilize derivatives for speculative purposes. All derivatives must be backed by collateral in the form of deliverable securities equal to or greater than the value of the total derivative exposure. In no circumstances can individual managers borrow funds to purchase derivatives. No derivatives positions can be established that create portfolio characteristics outside of portfolio guidelines. Managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions.

Rebalancing

~~Staff shall, on an ongoing basis in accordance with market fluctuations, rebalance the Fund's portfolio so as to remain within the range of targeted allocations and distributions among investment managers and asset allocations.~~ MCERA has a long-term investment horizon and utilizes an asset allocation plan that encompasses a strategic, long-run perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the Plan's investment performance. MCERA's overlay manager reviews the plans strategic asset allocation on a daily basis and automatically rebalances the allocation back to target ranges.

In addition to the overlay program, staff will monitor asset weights in the Fund's portfolio and conduct a physical rebalance as necessary to remain within the ranges of the targeted asset allocations identified in the Fund's asset allocation plan.

~~MCERA will not attempt to time rises or falls in equity or bond markets by moving away from long-term targets.~~

~~Systematic rebalancing, implemented~~The fund will systematically rebalance when the asset classes move outside their target ranges or when significant cash flows occur.; Rebalancing will not be used to maintain or to move asset allocations within these appropriate ranges ~~time rises or falls in equity or bond markets by moving away from long-term targets.~~

GENERAL INVESTMENT OBJECTIVES AND GUIDELINES

Equity Portfolios

Each equity investment manager retained by MCERA will follow a specific investment style and will be evaluated against a specific market index that represents their investment style. In addition, in the case of active managers, investment results may also be compared to returns of a peer group of managers with similar styles. Benchmarks for the various equity portfolios may include the following indices as well as those proposed by the managers reviewed by the Staff and approved by the Investment Committee or Board:

Domestic Equity Portfolio – Russell 3000 Index

Large Cap Stocks – Russell 1000 Index

Small Cap Stocks – Russell 2000 Index

International Equity Portfolio – MSCI ACWI ex-US IMI Index

International Large Cap Stocks – MSCI EAFE Index

International Small Cap Stocks – MSCI EAFE Small Cap Index

International Emerging Markets Stocks – MSCI Emerging Markets Free Index

General equity guidelines for active managers include the following:

- American Depositary Receipts (ADRs) and foreign securities listed on a major US stock exchange or on the NASDAQ are permitted if specified in the manager's guidelines.
- Convertible securities may be held in equity portfolios and shall be considered equity holdings.
- Securities must be traded on a regulated stock exchange, or listed on the NASDAQ or a comparable foreign market operation.
- Forward or futures contracts for foreign currencies may be entered into for hedging purposes or pending the selection and purchase of suitable investments in, or the settlement of, any such securities transactions only in international equity portfolios.
- The following transactions are not permitted unless specifically authorized in the investment manager agreement or in the specific manager guidelines in the appendix:
 - The use of borrowed funds
 - Short sales or margin sales
 - Private placements (except 144As)
 - Futures, options, currency forwards and futures, and other derivative securities.

Fixed Income Portfolios

The fixed income portfolios will be managed on a total return basis, following specific investment styles and evaluated against specific market indices that represent a specific investment style or market segment. In addition, investment results may also be compared to returns of a peer group of managers investing with a similar style. The benchmarks for the various fixed income portfolios may include the following indices:

Fixed Income Portfolio – Bloomberg U.S. Aggregate Bond Index

U.S. Core Plus Fixed Income – Bloomberg U.S. Aggregate Bond Index

General fixed income guidelines include the following:

- Unless specified in the manager’s guidelines, the minimum average quality rating of the securities in any portfolio will maintain an average weighted credit quality of not more than 2 rating notches below the benchmark’s average weighted credit quality, at all times. For the avoidance of doubt, if the benchmark is rated AA-, then 2 notches below would be A.
- Ratings method: The ratings method used to test both the benchmark’s average credit rating and the portfolio’s average credit rating will be “split to the highest rating” of the three major rating agencies.
- Derivatives, including forward or futures contracts for foreign currencies, may be used to hedge the portfolio, or to effect portfolio management decisions in a timely, cost-effective manner. Borrowed funds shall not be used.
- An individual investment manager’s portfolio shall have an effective duration between 75% - 125% of the effective duration of the appropriate index, unless a broader range is permitted with the specific manager guidelines in the Appendix.
- The following transactions are prohibited unless specifically authorized by the Investment Committee or Board or by the specific manager guidelines in the Appendix:
 - Private placements (except 144As);
 - Interest Only CMOs, Principal Only CMOs, inverse floaters and any tranche that has a leveraged component embedded in the structure.

Real Estate Portfolios

The Real Estate portfolios will be managed on a total return basis, through a combination of income and appreciation, following specific investment styles and evaluated against a specific market index. In addition, investment results may also be compared to returns of a peer group of managers investing with a similar style. The benchmark for the various Real Estate portfolios may include the following index:

Real Estate Portfolio – NFI-ODCE Equal Weighted Index (Net)

Core Real Estate – NFI-ODCE Equal Weighted Index (Net)

- All investments in real estate shall be managed by external advisors.
- MCERA may invest in real estate through diversified institutional commingled vehicles. The vehicles can be limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles.
- The vehicle's manager(s) will have discretion with respect to the management of the fund's investment program, operating within the parameters delineated in the fund's legal documentation.

Real Assets Portfolio

The real assets portfolio will be managed on a total return basis, following specific investment styles and evaluated against specific market indices that represent a specific investment style or market segment. In addition, investment results may also be compared to returns of a peer group of managers investing with a similar style. The benchmarks for the various real assets portfolios may include the following indices:

Real Assets Portfolio – Blended Benchmark (25% Bloomberg U.S. TIPS Index, 25% Bloomberg Commodities Index, 25% S&P Global Natural Resources Index, 25% Dow Jones U.S. Select Real Estate Securities Index)

Treasury Inflation Protected Securities – Bloomberg U.S. TIPS Index

Commodities – Bloomberg Commodities Index

Global Natural Resources Equity – S&P Global Natural Resources Index

Real Estate Investment Trusts – Dow Jones U.S. Select Real Estate Securities Index

- MCERA may invest in real assets through separate accounts or diversified institutional commingled vehicles.
- The vehicle's manager(s) will have discretion with respect to the management of the fund's investment program, operating within the parameters delineated in the fund's legal documentation.

- The investment objective of the real assets program is to create a portfolio of high-quality real assets investments that will enhance long-term investment performance, meet inflation objectives, and diversify the asset base for the entire MCERA investment portfolio.

Private Equity Portfolios

MCERA will invest in private equity through institutional closed-end, finite-life commingled private equity fund-of-funds vehicles. The fund-of-funds vehicles will be limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles.

- Private equity investments will consist primarily of limited partnership investments in diversified private equity portfolios (e.g., venture capital, acquisition, special situation, subordinated debt, restructuring funds, and others).
- The vehicle's manager(s) will have discretion with respect to the management of the fund-of-funds investment program, operating within the parameters delineated in the investment vehicle's legal documents.
- The investment objective of the private equity allocation is to achieve consistent positive real returns and to maximize long-term total return net of fees within prudent levels of risk through capital appreciation and diversification.
- While the investment guidelines of each investment vehicle will be determined by the fund-of-funds legal documentation, the fund's manager, in managing the portfolio, should take prudent care.

Opportunistic Portfolio

MCERA may invest in opportunistic investments that will vary by assignment. Performance objectives or guidelines will be defined by MCERA in its retention of managers or selection of suitable investments and will be evaluated to test progress toward attainment of longer-term goals.

- MCERA may invest in opportunistic investments through separate accounts and diversified institutional commingled vehicles which may include limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles.
- The manager(s) will have discretion with respect to the management of the separate account or fund's investment program, operating within the parameters delineated in the separate account or fund's legal documentation.
- The investment objective of the opportunistic allocation is to achieve consistent positive real returns and to maximize long-term total return net of fees within prudent levels of risk through capital appreciation and diversification.

Short Term Investment/Cash Equivalents

MCERA is restricted from investing short term funds and cash equivalents in investment vehicles other than the Treasurer's Pool, the State Pool and the STIF funds maintained at the custodian bank. Retirement funds shall be invested in investments with an average maturity of one year or less.

Any exemption from these general guidelines requires prior written approval from the Board or Investment Committee.

Policy Implementation Overlay

The Board or Investment Committee may retain a "policy overlay manager" to rebalance portfolio exposures, bridge exposure gaps during transitions, 'securitize' Fund level cash, and securitize residual cash positions held by each manager. The policy overlay manager may use futures or swaps, when appropriate, to gain market exposure on existing cash positions. The manager will not use futures or other derivative instruments for speculative purposes.

INVESTMENT MANAGEMENT POLICY

MCERA will utilize externally managed portfolios based on specific styles and methodologies. The manager will acknowledge in writing, as more particularly set forth in Appendix B, that they are fiduciaries to MCERA with respect to the assets they manage and/or invest on MCERA's behalf, and will have discretion and authority to determine investment strategy, security selection and timing within their asset class and subject to the Policy guidelines and any other guidelines specific to their portfolio. Performance of the portfolio will be monitored and evaluated on a regular basis relative to each portfolio component's benchmark return and relative to peer groups of managers with similar investment styles where applicable.

Investment managers, as prudent experts, will be expected to know MCERA's investment policies (as outlined in this document) and any specific guidelines for their portfolios, and to comply with those policies and guidelines. It is each manager's responsibility to identify policies that may have an adverse impact on performance, and to initiate discussion with Staff toward possible amendment to said policies through Board or Investment Committee action.

The Investment Committee and Staff will also review each investment manager's adherence to its investment policy, and any material changes in the manager's organization (e.g., personnel changes, new business developments, etc.). The investment managers retained by MCERA will be responsible for informing the Investment Committee and Staff of all such material changes on a timely basis.

Investment managers under contract with MCERA shall have discretion to establish and execute transactions with established regional and national securities broker/dealers as needed. Unless otherwise authorized by the Board or Investment Committee, these investment managers must obtain the best available prices and most favorable executions with respect to all of the portfolio transactions as market conditions permit.

Unless specifically authorized by the Board or Investment Committee, the following transactions will be prohibited: short sales; selling on margin; "prohibited transactions" as defined under the Employee Retirement Income Security Act of 1974 (ERISA); transactions that involve a broker acting as a "principal", where such broker is also the investment manager who is making the transaction, and any or all investment activities forbidden by the SEC or other applicable governing bodies.

Selection Criteria for Investment Managers

Criteria will be established for each manager search undertaken by MCERA, and will be tailored to MCERA's needs in such a search. In general, eligible managers will possess attributes including, but not limited to, the following:

- The firm must be experienced in managing money for institutional clients in the asset class/product category/investment style specified by MCERA.

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- The firm must display a record of stability in retaining and attracting qualified investment professionals, as well as a record of managing asset growth effectively, both in gaining and retaining clients.
- The firm must have an asset base sufficient to accommodate MCERA's portfolio. In general, managers should have at least \$100 million of discretionary institutional assets under management, and MCERA's portfolio should make up no more than 20% of the firm's total asset base. Exceptions shall be made on a case-by-case basis.
- The firm must demonstrate adherence to the investment style sought by MCERA, and adherence to the firm's stated investment discipline.
- The firm's fees should be competitive with industry standards for the product category.
- The firm must comply with the "Duties of the investment managers" outlined herein and conform to the CFA Institute standards for performance reporting.

Criteria for Investment Manager Termination and Watchlist

MCERA reserves the unilateral right to terminate a manager at any time for any reason. The occurrence of certain events will result in specific actions being taken. This section describes these events, the course of action that will be taken and the responsible parties. It also establishes a "Watchlist" as a means of monitoring and evaluating managers who meet any of the items identified under the Criteria For Investment Manager Termination. If a manager is on the Watchlist no additional assets will be allocated to the manager until the manager has been removed from the Watchlist, provided however that if the Investment Committee determines, after review and discussion with staff and its Investment Consultant, that it is appropriate and in alignment with the other goals established under this policy to make additional funds to a manager on the Watchlist then the Committee can vote to direct the staff to take this action. The Investment Committee will determine where to invest any additional assets that would otherwise have been allocated to the manager. Each manager on the Watchlist will be monitored closely by Staff and the Consultant and may be required to make special presentations to the Investment Committee and Staff if requested. MCERA may place a manager on the Watchlist at any time and when it is deemed warranted due to improved conditions, a manager may be removed from the Watchlist.

Illegal or Unethical Practice. The manager will report this event in writing to the Retirement Administrator not later than the close of the business day following discovery of the illegal or unethical practice. The Retirement Administrator will inform the Investment Committee in writing of this practice as soon as administratively possible. If the illegal or unethical practice has a material adverse effect upon the MCERA portfolio, or any attempt was made by the manager to hide this practice, the manager will normally be terminated upon review and action by the Investment Committee. If the practice is procedural and has been properly referred to the appropriate regulatory authorities, the Retirement Administrator will recommend to the Investment Committee whether or not to terminate the manager.

Guideline Violation. The manager will report any guideline violation in writing to the Retirement Administrator not later than the close of the second business day following discovery along with the manager's proposed remedy. If the violation results in a loss to MCERA, the manager will compensate MCERA for this loss. If the manager refuses to correct this violation, or if other violations occur, the Retirement Administrator may recommend termination of the manager to the Investment Committee. Guideline violations that have been corrected will be reported to the Investment Committee at their next regular meeting. Violations that have not been corrected, or violations that persist, will be reported to the Investment Committee as soon as administratively possible.

Deviation from Investment Process. If the Retirement Administrator determines that the manager has deviated materially from its stated investment process or philosophy, the Retirement Administrator will report to the Chair of the Investment Committee as soon as possible. The Retirement Administrator may also recommend termination of the manager, as soon as administratively possible, to the Investment Committee.

Loss of Key Personnel or Change in Ownership. The manager will inform the Retirement Administrator in writing within 24 hours following the loss of key personnel or a change in ownership. Loss of key personnel may result in termination of the manager. A material change in the ownership of the manager may result in the termination of the manager. The Retirement Administrator will make a recommendation regarding termination to the Investment Committee as soon as administratively possible.

Lack of Cooperation with Reasonable Requests. The manager is required to provide information, attend meetings and comply with other reasonable requests. Failure to do so may result in a recommendation to terminate the manager.

Underperformance. MCERA understands the cyclical nature of investment performance and the potential for its investment managers not to meet objectives over short-term periods. While it is not the Investment Committee's intention to terminate a manager for short-term underperformance relative to objectives, the Investment Committee has implemented the following process as a means of monitoring and evaluating managers that have experienced performance difficulties in the short-term to assess the impact on longer-term performance.

If a manager trails its relevant benchmark by more than 100 basis points (net of fees) and ranks in the bottom quartile of its peer universe (gross of fees ranking) for the trailing three years, or if a manager trails its relevant benchmark (net of fees) or ranks below median of its peer universe (gross of fees ranking) for the trailing five years, then the manager may be placed on the Watchlist.

If the underperformance of a manager on the Watchlist persists over a reasonable period in the future (as defined by the Staff, Investment Committee and Consultant based on the unique circumstances surrounding the manager and current market conditions), the Investment Committee may and will consider termination.

Procedures Following the Initiation of Watch Status.

The watch period will be established for a one-year total duration.

If at the end of the watch period, performance has improved to above-benchmark and/or above the manager median over a market cycle, the manager will be removed from the Watchlist.

If at the end of the watch period, the manager is underperforming the manager may be terminated or remain on the Watchlist for a period defined by the Investment Committee.

Unlike open-end funds and separate accounts for public market securities which are more easily liquidated, exiting open-end or closed-end commingled funds for private markets may have liquidity constraints. For these reasons, the Watchlist and terminating procedures used for traditional public market vehicles are not applicable for private market vehicles. Staff with the assistance of the Investment Consultant will make appropriate recommendations for exiting such positions.

PRIVATE EQUITY POLICY

MCERA's private equity investments allocation will consist primarily of limited partnership investments in diversified private equity portfolios (e.g., venture capital, acquisition, special situation, subordinated debt, and restructuring funds and others). MCERA will invest in private equity through institutional closed-end, finite-life commingled private equity fund-of-funds vehicles. The fund-of-funds vehicles will be limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles. Investments directly in stand-alone corporate finance limited partnerships and direct investments in companies are not currently considered appropriate. The vehicle's manager(s) will have discretion with respect to the management of the fund-of-funds investment program, operating within the parameters delineated in the fund's legal documentation. The investment manager of the fund-of-funds will acknowledge in writing by side letter or otherwise that they are Plan fiduciaries and will acknowledge having read and understood the guidelines set forth in this section of the Investment Policy Statement and any other guidelines specific to their portfolio as more particularly set forth in Appendix C.

To maintain an appropriate funded status on a net asset value basis, MCERA may be required to make periodic commitments to additional fund-of-funds vehicles managed by either the same or different fund-of-funds managers. MCERA's staff will work with the investment consultant and the managers to determine appropriate commitment timing and amounts and present a recommended plan to the Investment Committee annually.

To ensure adequate access and diversification, MCERA may utilize multiple fund-of-funds providers. There is no specific limit on the number of vendors to be utilized. However, to avoid unnecessary administrative burdens, MCERA will limit the number of vendors employed to the extent practical. Only those firms committed to providing ongoing access to the private equity arena through fund-of-funds offerings, who have a demonstrated record of investing client funds in top tier private equity partnerships and who limit assets accepted for management to sums that can in fact be committed in top tier funds will be considered.

MCERA recognizes that many well-qualified fund-of-funds providers make direct private equity investments within the fund-of-funds vehicle (e.g. secondary or co-investments). Such investments are permissible provided that they constitute a comparatively small portion of the total fund-of-funds' asset base (typically less than 35%).

Investment Objectives

The investment objective of the private equity allocation is to achieve consistent positive real returns and to maximize long-term total return within prudent levels of risk through capital appreciation and diversification. MCERA's holdings will be professionally managed on a cash-to-cash basis and will have broad exposure to key private corporate finance strategies (e.g., venture capital, acquisition, special situation, etc.), with allocations to the various strategies diversified in a manner consistent with institutional private equity programs generally.

Selection Criteria for Private Equity

Partnership Selection

As requested by MCERA, the investment consultant shall develop a proposed “Manager Candidate Profile” that will serve as the basis for evaluation of potential fund-of-funds providers consistent with MCERA’s investment policy. This document will specify the minimum selection criteria for potential vendors and also detail preferred characteristics. The consultant will then evaluate prospective candidates and submit a listing of those firms that appear to best meet the requirements and preferences. Staff and consultant will discuss these candidates and identify those that should be advanced for Board and/or Investment Committee consideration. Ultimately, the Investment Committee will determine which firms shall be retained.

The targeted private equity investments will be fund-of-funds vehicles that are commingled, closed-end, and finite-life limited liability entities.

Due to the inevitability of short-term market fluctuations that may cause variations in the investment performance, it is intended that the performance objectives outlined below will be achieved by the fund-of-funds over the life of the vehicle(s), generally 15 years. The Investment Committee will evaluate the Funds’ interim performance to test progress toward attainment of these longer-term goals. However, it is understood that there are likely to be short-term periods during which performance will deviate from expectations. Minimum expectations are as follows:

- For policy benchmarking purposes, over the long-term (rolling 10-year periods) the private equity portfolio is expected to generate returns in excess of the combined benchmark, consisting of 60% Russell 3000 and 40% MSCI ACWI ex-US IMI, employing a time-weighted return calculation.
- The private equity portfolio and manager returns will also be measured employing a dollar-weighted, internal rate of return (IRR) calculation and benchmarked against relevant peer group information from a recognized private equity database provider. The portfolio will also be benchmarked employing standard private equity performance ratio measures: Total Value to Paid-In Capital (TVPI) and Distributed Value to Paid-In Capital (DPI). IRR and ratio performance should be above median relative to recognized private equity industry peer database returns. Measures should be focused on returns net of all partnership fees and expenses.

Attainment of these objectives does not guarantee future investment by the Investment Committee in a specific manager’s fund-of-funds vehicles, nor does failure to achieve these guidelines ensure a lack of future investment support for follow-on vehicles. Providers are selected at the discretion of the Investment Committee.

In addition, the following stipulation(s) apply:

C.3

- The investment manager of the fund-of-funds vehicle shall be a Bank or a registered investment advisor under the Investment Advisors Act of 1940 (1940 Act).
- If the fund-of-funds vehicle provides distributions in cash or securities, the Fund will opt to receive cash.

Reporting Requirements

Reporting requirements will be governed by the fund-of-funds legal documentation, which at a minimum will provide for quarterly unaudited financial statement and other relevant investment holdings related exhibits, and annual audited financial statements and relevant investment holdings-related exhibits.

It is expected that the fund-of-funds investment managers will meet with the Board or Investment Committee as reasonably requested and at least annually.

Coordination with Total Fund Performance Reporting

MCERA relies on its custodian to generate short-term time-weighted performance statistics. This information is utilized by the Fund's investment consultant to evaluate ongoing investment performance. An integral part of the performance evaluation is a comparison of the total Fund's return in relation to a policy benchmark index comprised of market indices weighted in the same manner as the Fund's strategic asset allocation policy.

Given the private market nature of private equity investments and the long lead-time associated with such investments, a public market equity index shall be used in lieu of the private equity database return set forth in Appendix B for the private equity component of the total portfolio. The index used shall be a composite of the equity component of MCERA's total policy benchmark: 60% Russell 3000 and 40% MSCI ACWI ex-US IMI.

DUTIES OF RESPONSIBLE PARTIES

Duties of the MCERA Board of Retirement and Investment Committee

The Board of Retirement has the responsibility for administration of MCERA for the benefit of plan participants. The County Employees Retirement Law of 1937, Government Code Chapter 3, Part 3, Division 4, Title 3, Article 5, permits the Board of Retirement at its discretion to invest the assets of the Plan through the purchase, holding or sale of any form or type of investment, financial instrument or financial transaction when prudent in the informed opinion of the Board. In the interest of efficient and prudent administration of MCERA and investment of its assets, the Board of Retirement has delegated its responsibilities with respect to the investments to the Investment Committee, which consists of all members of the Board of Retirement. Although it is not the intent of the Investment Committee to become involved in the day-to-day investment decisions, the Investment Committee or its designee(s) will adhere to the following procedures in the management of MCERA's assets:

- The Investment Committee develops and approves guidelines for the execution of MCERA's investment program. Only the Board, through the Investment Committee, in its sole discretion can delegate its decision-making authority regarding the investment program. Staff is responsible for the timely implementation and administration of these decisions.
- A formal review of MCERA's investment structure, asset allocation and financial performance will be conducted annually or more frequently as the need arises. The review will include recommended adjustments to the long-term strategic asset allocation to reflect any changes in applicable regulations, long-term capital market assumptions, actuarial assumptions or MCERA's financial condition.
- The Investment Committee shall review MCERA's investments quarterly, or as needed, to ensure that policy guidelines continue to be met. The Investment Committee shall monitor investment returns on both an absolute basis and relative to appropriate benchmarks and peer group comparisons. The source of information for these reviews shall come from Staff, outside consultants, the custodian and MCERA's investment managers.
- The Investment Committee is comprised of all Board members.
- The Investment Committee may retain investment consultants to provide services such as conducting performance reviews, asset allocation, manager reviews and investment research. The comments and recommendations of the consultants will be considered in conjunction with other available information to aid the Investment Committee in making informed, prudent decisions.
- Trustees shall direct questions from managers regarding MCERA's Investment Policy or other matters relating to the Plan to the Retirement Administrator and/or investment consultant.

C.3

- The Investment Committee shall be responsible for taking appropriate action if investment objectives are not being met or if policies and guidelines are not being followed. Reviews for separate portfolios managed by external managers will focus on:
 1. Material changes in the managers' organizations, such as investment philosophy, personnel changes, acquisitions or losses of major accounts, etc. The managers will be responsible for keeping MCERA advised of any material changes in personnel, investment strategy, or other pertinent information potentially affecting performance.
 2. Investment performance relative to each manager's stated performance benchmark(s) as set forth in the manager's investment guidelines.
- The Investment Committee shall expect Staff to administer MCERA's investments in a cost-effective manner subject to Committee approval. These costs include, but are not limited to, management, consulting and custodial fees, transaction costs and other administrative costs chargeable to MCERA.
- The Board shall be responsible for selecting a qualified custodian with advice from Staff.
- The Investment Committee shall perform due diligence on each new manager prior to funding, and on each existing manager in accordance with the Due Diligence policy found at: <https://www.mcera.org/retirementboard/governance-policies>
- To maintain and strengthen the investment management of MCERA's Plan, Staff and Board/Investment Committee members shall be expected to participate in educational conferences/seminars related to their direct responsibility for the investment activities of MCERA in accordance with the Education Policy found at:
 - <https://www.mcera.org/retirementboard/governance-policies>

Duties of the Staff

The Retirement Staff, as designated by the Board and/or Investment Committee, plays a significant role in the management and oversight of the Plan. Staff duties include:

- Authority to invest the Fund's cash without requiring Board or Investment Committee permission, and as set forth elsewhere in MCERA's Investment Policy.
- Monitoring investment managers for adherence to appropriate policies and guidelines.
- Evaluating and managing the relationships with the consultants to the Fund to ensure that they are providing all the necessary assistance to Staff, Investment Committee, and the Board as set forth in their service contracts.
- Conducting manager searches, as set forth in this document, with necessary assistance from consultants as directed by the Board or Investment Committee.

C.3

- Restructuring portfolios following manager terminations with the assistance of consultants and managers, as needed.
- Organizing and/or participating in any special research required to manage the Plan more effectively or in response to any questions raised by Board/Investment Committee members.
- Supporting the Board or Investment Committee in the development and approval of the Investment Plan, implementing and monitoring the Plan, and reporting at least monthly on investment activity and matters of significance.
- Assisting with the negotiation of investment manager fees when needed.
- Ensuring that investment managers conform to the terms of their contracts and that their performance monitoring systems are sufficient to provide the Board or Investment Committee with timely, accurate and useful information.

Duties of the Public Markets Investment Managers

The following duties apply to managers investing in public market securities:

- Provide the Plan with a written agreement to invest within the guidelines established in the Investment Policy.
- Provide the Plan with proof of liability and fiduciary insurance coverage. Updated policy information will be provided to MCERA upon renewal and/or changes to the policy.
- Be an SEC-Registered Investment Advisor under the 1940 Act, and be recognized as providing demonstrated expertise over a number of years in the management of institutional, tax-exempt assets within a defined investment specialty.
- Adhere to the investment management style concepts and principles for which they were retained, including, but not limited to, developing portfolio strategy, performing research, developing buy, hold and sell lists, and purchasing and selling securities.
- Execute all transactions for the benefit of the Plan with brokers and dealers qualified to execute institutional orders on an ongoing basis at the best net cost to the Plan.
- Reconcile monthly accounting, transaction and asset summary data with custodian valuations, and communicate and resolve any significant discrepancies with the custodian.
- Submit written acknowledgement to the Retirement Administrator of these investment guidelines at the time of hire or upon any contract renewal or amendment.
- Maintain frequent and open communication with Staff and the Board or Investment Committee on all significant matters pertaining to the Investment Policy, including, but not limited to, the following:

- Major changes in the investment manager’s investment outlook, investment strategy and portfolio structure;
 - Significant changes in ownership, organizational structure, financial condition or senior personnel;
 - Any changes in the portfolio manager or client servicing personnel assigned to the Plan;
 - All pertinent issues which the investment manager deems to be of significant interest or material importance.
- Meet with the Board, Investment Committee or their designee(s) on an as-needed basis.

Duties of the Private Markets Investment Managers

The following duties apply to managers investing in private markets:

- Be a SEC-Registered Investment Advisor under the 1940 Act.
- Adhere to the investment management style concepts and principles set forth in the legal documentation of the relevant investment vehicle.
- Provide reporting as specified by the legal documentation of the relevant investment vehicle.
- Meet with the Board, Investment Committee or their designee(s) on an as-needed basis.

Duties of the Master Custodian

The master custodian shall be responsible for the following:

- Provide complete global custody and depository services for the designated accounts.
- Manage, if directed by the Board or Investment Committee, a Short Term Investment Fund (STIF) for investment of any cash not invested by managers, and ensure that all available cash is invested. If the cash reserves are managed externally, full cooperation must be provided.
- Provide in a timely and effective manner a monthly report of the investment activities implemented by the investment managers. If certain portfolios are custodied elsewhere, full cooperation must be provided.
- Collect all income and principal realizable and properly report it on the periodic statements.
- Provide monthly and fiscal year-end accounting statements for the portfolio, including all transactions; these should be based on accurate security values for both cost and market. These reports should be provided within acceptable time frames.

C.3

- Report to MCERA situations where accurate security pricing, valuation and accrued income is either not possible or subject to considerable uncertainty.
- Provide assistance to the Plan to complete such activities as the annual audit, transaction verification or other issues as required by the Board or Investment Committee.
- Manage a securities lending program to enhance income if directed by the Board or Investment Committee. If the securities lending program is managed externally, full cooperation must be provided.
- Securities transactions shall be settled under the contractual method.
- The use of due bills or substitute securities is expressly forbidden.

Duties of the General Investment Consultant

The investment consultant will act as a fiduciary for all services provided to MCERA. The Investment Consultant shall be responsible for the following:

- Make recommendations to the Board or Investment Committee regarding investment policy and strategic asset allocation.
- Assist MCERA in the selection of qualified investment managers and sponsors of limited liability partnerships, limited liability corporations, group trusts or other commonly used investment vehicles and assist in the oversight of existing managers and said sponsors, including monitoring changes in personnel, ownership and their investment process.
- Assist in the selection of a qualified custodian (including a securities lending agent and/or a cash manager) if necessary.
- Prepare a quarterly performance report including performance attribution on MCERA's managers and total assets and adherence to investment style and discipline.
- Provide topical research and education on investment subjects that are relevant to MCERA.
- Assist with the negotiation of investment management and custodian assignment and fees.

POLICY REVIEW

The Investment Committee will review this Policy at least every year to ensure that it remains relevant and appropriate. The Policy may be amended at any time by majority vote.

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APPENDIX A**MCERA'S LONG-TERM STRATEGIC ASSET ALLOCATION TARGETS AND RANGES**

The strategic asset allocation targets have been developed as a function of the returns and risks of various asset classes and a rigorous analysis of MCERA's liabilities, taking into account the Board and Investment Committee's risk tolerance and long-term objectives. As asset class values change over time, deviations from the asset allocation targets may occur. Rebalancing the portfolio may be necessary to return the asset class allocations to targeted weights so as to ensure that the Board's intended strategy is consistently maintained over time. Rebalancing actions are the responsibility of the Staff and shall be reported to the Board or Investment Committee on a periodic basis.

Staff is authorized and directed (in the normal course of events) to act in accordance with this policy. Where particular circumstances arise and Staff determines rebalancing is not prudent, because doing so may generate unnecessary costs or otherwise not be in the best interests of MCERA, a full report of the actions taken or not taken shall be made to the Board or Investment Committee at the earliest opportunity.

MCERA's actual asset allocation shall be reviewed at the end of each quarter at a minimum and shall be based on current asset valuations. Estimated values may be used when current asset valuations are not available.

By using statistical models and employing a diversified portfolio strategy, MCERA seeks to create an efficient frontier, which is an optimal portfolio profile that accomplishes the lowest possible level of risk for a certain level of return. While asset allocation targets are an essential part of MCERA's investment policy, the inputs used to develop these benchmarks are not known with certainty. Indeed, the targets were derived using estimates of future returns and estimates of the risk of loss for each asset class. Because future results are only estimates based on historical returns and volatility for each asset class, a range of different allocations other than the target percentage may be statistically identical in risk-return terms to the targeted benchmark even though the actual allocations may be outside of the targeted percent. Thus, the efficient frontier is really a range of targeted allocations, rather than a strict target percent of asset allocations in a portfolio. In other words, the portfolio is on the efficient frontier if the allocations to each asset class are within a range around the target allocations.

C.3

The strategic policy asset allocation and rebalancing triggers are set out in the table below:

Asset Class	Target Percent	Allowable Range
<i>US Equity</i>	32.0%	28.0% - 36.0%
Large Cap Core	24.0%	21.0% - 27.0%
Small Cap Core	8.0%	6.0% - 10.0%
<i>Non-US Equities</i>	22.0%	19.0% - 25.0%
International Large Cap Value	6.6%	5.6% - 7.6%
International Large Cap Growth	6.6%	5.6% - 7.6%
International Small Cap Core	4.4%	3.9% - 4.9%
International Emerging Markets	4.4%	3.9% - 4.9%
<i>Fixed Income</i>	23.0%	20.0% - 26.0%
U.S. Core Plus Fixed Income	23.0%	20.0% - 26.0%
<i>Real Assets</i>	7.0%	4.0% - 10.0%
Treasury Inflation Protected Securities	1.75%	1.5% - 2.0%
Commodities	1.75%	1.5% - 2.0%
Global Natural Resources Equity	1.75%	1.5% - 2.0%
Real Estate Investment Trusts	1.75%	1.5% - 2.0%
<i>Real Estate</i>	8.0%	4.0% - 12.0%
<i>Private Equity</i>	8.0%	0.0% - 12.0%*
<i>Opportunistic</i>	0.0%	0.0% - 5.0%

* MCERA acknowledges that because of the nature of private equity investment, it may take several years to fund the private equity allocations and during the initial funding period, its allocation to private equity in market value terms may fall below the 8% target. During the initial funding period, as a proxy for private equity, MCERA intends to keep the assets committed to private equity partnerships invested in domestic and international equity. The result will be overweights in both of these asset classes relative to the long-term targets described above.

The following principles apply when asset allocations are outside the allowable ranges noted above:

1. Cash held by MCERA and cash awaiting investment in private equity investments or other alternative investments may be securitized with exchange-traded futures to a Fund policy mix by MCERA's overlay manager. The use of derivative instruments is

C.3

permitted as long as it does not create economic leverage in the portfolio and the instruments comply with the Derivatives section of this investment policy.

2. In order to rebalance as efficiently as possible and save transactions costs, allocations may be brought back within the allowable range rather than exactly to the target percentage. On the first business day of each month, target allocations will be reviewed to determine if they have been materially breached. If a reallocation is required staff will, within one business day, notify the impacted manager(s) and implement required rebalancing subject to any requirements by the fund.
3. Private market portfolios, such as Real Estate, Private Equity, and certain Opportunistic allocations, because of their illiquid nature, are very costly to rebalance. MCERA's Staff will make reasonable attempts to keep these asset classes within the allowable ranges defined above. Given their illiquidity, the risk of these asset classes moving outside of the allowable ranges for an extended period is heightened. In these cases, MCERA's Staff will document a plan to rebalance the allocations within the allowable ranges in the most timely and cost-efficient manner possible given market and other conditions. ~~It is noteworthy that the risk of these asset classes drifting outside of the efficient frontier is mitigated by the relatively small exposure to these classes as a percentage of the entire portfolio.~~
4. When physical securities are traded, assets will be moved between investment managers in accordance with the following principles:
 - a) Assets will be taken from investment managers in the overweight asset class(es) with consideration given to asset class structure, investment manager target weights, and confidence in the investment managers themselves. With respect to private market allocations, the illiquid nature of these classes will be taken into account and trading will normally be avoided where possible.
 - b) Primary emphasis should be on significantly different asset classes (e.g. equity vs. fixed income).
 - c) Assets will be directed to investment managers in the underweight asset class(es) with consideration given to the same factors listed above.

APPENDIX B - 1
STATE STREET GLOBAL ADVISORS (SSGA)
RUSSELL 1000 INDEX STRATEGY (LARGE CAP CORE)
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The objective of the Russell 1000 Index strategy is to provide returns consistent with the US equity market as measured by the Russell 1000 Index.

MCERA Performance Objectives

- Match the return, gross of management fees, of the Russell 1000 Index over a complete market cycle.
- Minimize tracking error relative to the Russell 1000 Index.

Investment Guidelines

- All investments shall be managed in a diversified and prudent manner, subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees' Retirement Association as set forth in this Appendix B-1 and the Statement of Investment Policies, Objectives and Guidelines set forth in the Investment Management Agreement between MCERA and SSGA, dated January 11, 2019, as amended from time to time (the "SSGA Agreement").
- Sector and security selection, portfolio structure and timing of purchase and sales are delegated to SSGA subject to the SSGA Agreement.
- The following transactions are prohibited: short sales, selling on margin, writing options other than covered options, and "prohibited transactions" as defined under the Employee Retirement Income Security Act (ERISA), unless in reliance on an applicable Prohibited Transaction Exemption.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.

C.3

- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- Review every month transaction data with custodian reports, and communicate and seek to resolve any significant discrepancies with the custodian.
- State Street Global Advisors will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- State Street Global Advisors will keep MCERA apprised of relevant information regarding its organization and personnel. To the extent legally possible, SSGA will use its best efforts to promptly notify MCERA of any change in the lead personnel assigned to manage the account.

APPENDIX B - 2
DIMENSIONAL FUND ADVISORS (DFA)
DOMESTIC SMALL CAP EQUITY
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The strategy will be invested in a broadly diversified portfolio of companies that are generally in the lowest 10% of total market capitalization or companies whose market capitalizations are smaller than the 1,000th largest U.S. company, whichever results in the higher market capitalization break, in each case as reasonably determined by Manager at the time of purchase. In general, with respect to companies eligible for purchase the higher the relative market capitalization of the U.S. small cap company, the greater its representation in the Managed Assets. Manager may also adjust the representation within the Managed Assets of an eligible company, or exclude a company, after considering such factors as market capitalization, free float, momentum, trading strategies, liquidity, profitability, and other factors that Manager determines to be appropriate, given market conditions.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the Russell 2000 Index (the “Benchmark”) over a complete market cycle.
- Perform in the top half of a peer universe of small cap core equity managers over a complete market cycle.

Investment Guidelines

- All investments shall be managed in a diversified and prudent manner, subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees’ Retirement Association.
- Sector and security selection, portfolio structure and timing of purchase and sales are delegated to the manager subject to the investment management contract.
- The following transactions are prohibited: short sales, selling on margin, writing options other than covered options, and “prohibited transactions” as defined under the Employee Retirement Income Security Act (ERISA).
- Transactions shall be executed on the basis of seeking “best price and execution” and pursuant to Investment Manager’s best execution and trading policies for the sole benefit of the Marin County Employees’ Retirement Association.
- The use of foreign equity instruments which trade on U.S.-based exchanges or on NASDAQ, including American Depositary Receipts (ADRs), are acceptable as domestic equity investments

C.3

but shall not constitute more than 15% of the portfolio (at market). Companies headquartered in the US will be considered domestic even if they are incorporated in a foreign jurisdiction.

- Securities in the Benchmark are permitted.
- Any security purchased or received in a corporate action is permitted.
- If not otherwise permitted herein, the use of other non-U.S. equity securities is prohibited. Notwithstanding the foregoing, securities of companies listed on exchanges or markets in the United States are permitted.
- The portfolio is expected to remain fully invested in that cash holdings should not exceed 10% of the market value in the portfolio; provided that such limit may be exceeded in situations where substantial withdrawals or inflows occur.
- DFA shall not purchase stock (or securities convertible into stock) of any single issuer if the purchase would cause this portfolio to include more than 5% of the outstanding voting stock, or more than 5% in (market) value of all outstanding securities of single issuer (assuming all shares are converted).
- Other than in connection with a corporate action, DFA shall not purchase private placements unless authorized in writing by the Board or Investment Committee.

Any material violation of these Investment Manager Guidelines shall be corrected promptly upon discovery and provided that a reasonable market exists.

Any material violation of these Investment Manager Guidelines shall be corrected promptly upon discovery, provided that in the event that the correction requires the buying and/or selling of securities, the Manager shall execute such purchase or sell trades of the applicable securities in an orderly fashion based upon prevailing market conditions.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- Review every month transaction data with custodian reports, and communicate and seek to resolve any significant discrepancies with the custodian.

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- DFA will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. One of the lead portfolio managers will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- DFA will keep MCERA apprised of relevant information regarding its organization and personnel. DFA will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

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APPENDIX B - 3
MORGAN STANLEY INVESTMENT MANAGEMENT
NON U.S. VALUE EQUITY
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Morgan Stanley uses a bottom-up approach to build a diversified portfolio of primarily non US companies to generate long-term outperformance with an emphasis on reducing downside participation. The portfolio consists of a combination of high-quality companies characterized by their high returns on operating capital employed and strong free cash flow generation, and more cyclical companies with improving or mis-priced fundamentals, the mix of which varies over time based on valuations and company prospects.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the MSCI EAFE Index over a complete market cycle.
- Perform in the top half of a peer universe of Non-U.S. value equity managers over a complete market cycle.

Investment Guidelines

- The Morgan Stanley International Equity Trust is subject to provisions of the Employee Retirement Income Security Act, as amended (“ERISA”). The Agreement governs all aspects of investment with respect to the Trust, including an ERISA-mandated standard of care.
- MCERA is responsible for determining that its investment in the Trust is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees’ Retirement Association. The Manager shall invest within the scope of its style as stated in the Agreement.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA’s Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs (to be provided annually). These will be sent to MCERA’s Retirement Administrator and MCERA’s Investment Consultant.
- Morgan Stanley will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of Morgan Stanley will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- Morgan Stanley will keep MCERA apprised of relevant information regarding its organization and personnel. Morgan Stanley will notify MCERA promptly of any change in the lead personnel assigned to manage the account.

APPENDIX B - 4
ARTISAN PARTNERS
NON U.S. GROWTH EQUITY
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Artisan uses a fundamental bottom-up investment process to construct a diversified portfolio of international growth companies regardless of market capitalization, concentrating on industries or themes that the investment team believes present long-term growth opportunities and companies that are well positioned to capitalize on that growth. The portfolio has a primary emphasis on developed markets but also invests in emerging markets and is constructed without regard to index weightings.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the MSCI EAFE Index over a complete market cycle.
- Perform in the top half of a peer universe of Non-U.S. growth equity managers over a complete market cycle.

Reporting Requirements

- Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA’s Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception. These will be sent to MCERA’s Retirement Administrator and MCERA’s Investment Consultant.
- Artisan will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the fund and its performance.
- Artisan will keep MCERA apprised of relevant information regarding its organization and personnel. Artisan will notify MCERA promptly of any change in the lead personnel assigned to manage the account.

APPENDIX B - 5

**TIMESQUARE CAPITAL MANAGEMENT COLLECTIVE INVESTMENT TRUST
TIMESQUARE INTERNATIONAL SMALL CAP FUND
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES**

Investment Approach

TimesSquare Capital Management believes fundamental equity growth research with a particular emphasis on the assessment of management quality, an in-depth understanding of superior business models, and valuation discrepancies enables them to create a diversified international small cap fund that will generate quality risk-adjusted returns.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the MSCI EAFE Small Cap Index over a complete market cycle.
- Perform in the top half of a peer universe of International Small Cap equity managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in the TimesSquare International Small Cap Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. TimesSquare shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- A representative of TimesSquare will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the fund and its performance.

- TimesSquare will keep MCERA apprised of relevant information regarding its organization and personnel. The fund or its representative will notify MCERA promptly of any change in the lead personnel assigned to manage the account.

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APPENDIX B - 6
FIDELITY INSTITUTIONAL ASSET MANAGEMENT (FIAM)
SELECT EMERGING MARKETS EQUITY
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Fidelity Institutional Asset Management's (FIAM) investment philosophy is based on the premise that international and emerging markets are semi-efficient and pricing anomalies exist. The strategy seeks to exploit these inefficiencies through bottom-up stock selection based on fundamental company research, implemented within a framework of quantitative risk control.

MCERA Performance Objectives

- Exceed the return, net of management fees, of MSCI Emerging Markets Index (net) over a complete market cycle.
- Perform in the top half of a peer universe of emerging markets equity managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in FIAM's Select Emerging Markets Equity commingled pool is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. FIAM shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Asset (portfolio) statement and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- A representative of FIAM will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the fund and its performance.

- FIAM will keep MCERA apprised of relevant information regarding its organization and personnel. FIAM will notify MCERA promptly of any change in the lead personnel assigned to manage the account.

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APPENDIX B - 7
WELLINGTON MANAGEMENT COMPANY
CORE PLUS FIXED INCOME
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Wellington will invest in a diversified portfolio of investment grade and below investment grade fixed income securities. Wellington will add value primarily from sector and issue selection decisions. Interest rate anticipation and duration management will play a limited role in the portfolio.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the Bloomberg U.S. Aggregate Index over a complete market cycle.
- Perform in the top half of a peer universe of core plus fixed income managers over a complete market cycle.

Investment Guidelines

- All investments are subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees' Retirement Association, with applicable State and Federal statutes, and shall be managed in a diversified and prudent manner. The manager shall invest within the scope of their stated style.
- Sector and security selection, portfolio structure and timing of purchase and sales are delegated to the manager subject to the investment management contract.
- The following transactions are prohibited: short sales where securities are borrowed solely for the purpose of shorting, selling on margin, and "prohibited transactions" as defined under the Employee Retirement Income Security Act (ERISA).
- Transactions shall be executed on the basis of "best price and execution" for the sole benefit of the Marin County Employees' Retirement Association's beneficiaries.
- The duration on the portfolio shall range between 75% - 125% of the duration on the Bloomberg U.S. Aggregate Index.
- MCERA expects its domestic fixed income investment managers to maintain diversified portfolios by sector and by issuer. No more than 5% of the portfolio shall be invested with a single investment grade issuer other than obligations of the US Government and its agencies. No more than 2% of the portfolio shall be invested with a single below investment grade issuer.

C.3

- Futures, options, swaps, forwards and other derivative securities are permitted investments. Any use of these instruments by Wellington will be in a non-leveraged manner, defined as follows:
 - The use of financial leverage is prohibited. The Account will not be considered leveraged as a result of authorized derivative positions provided the Account maintains cash and securities at least equal to the value of the obligations created by its net derivative positions in order to cover the obligations created by such positions.
- Wellington may invest up to 20% of the portfolio in securities rated below investment grade by all three of the major credit rating agencies. In the case of split ratings in which the three agencies have different ratings, the highest rating will be used in determining the credit rating of the security. If an issue is unrated, then an equivalent credit rating, as deemed by Wellington Management, may be used.
- Wellington may invest up to 20% of the portfolio in non-dollar denominated securities and currencies. The Portfolio may take currency positions unrelated to underlying portfolio holdings.
 - Non-dollar securities may be held on a currency hedged or un-hedged basis. The portfolio may invest in currency exchange transactions on a spot or forward basis. Both long and short currency exposures are permissible.
 - With respect to the 20% non-dollar investment limitation listed above, the Investment Manager may take effective foreign currency exposure up to 20% of the total portfolio (e.g. the entire non-dollar portfolio may be unhedged). Foreign currency exposure will be based on the absolute value of all positions (long and short) versus the dollar, except in the case of same country and currency exposures where these can be netted. Both long and short foreign currency positions may be held without owning securities denominated in such currencies.
- Wellington may invest up to 20% of the portfolio in private placements, including those issued pursuant to Rule 144A and/or Reg S and other restricted securities, the liquidity of which Wellington Management deems consistent with the Portfolio's investment objective.
- Wellington may invest up to 5% of the portfolio in U.S. and non-U.S. preferred and perpetual securities.
- Wellington will maintain an average weighted credit quality of not more than 2 rating notches below the benchmark's average weighted credit quality, at all times. For the avoidance of doubt, if the benchmark is rated AA-, then 2 notches below would be A.
 - Ratings method: The ratings method used to test both the benchmark's average credit rating and the portfolio's average credit rating will be "split to the highest rating" of the three major rating agencies.
- Investment in mortgage interest only (IO), principal only (PO), inverse floaters or other CMO derivatives that have highly uncertain or volatile duration or price movements are limited to 5% of the market value of the portfolio.

- Bank loans are permitted investments.
- All percentage limits refer to “at time of purchase.”

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA’s Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA’s Retirement Administrator and MCERA’s Investment Consultant.
- Review every month transaction data with custodian reports, and communicate and resolve any significant discrepancies with the custodian.
- Wellington will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. One of the lead portfolio managers will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- Wellington will keep MCERA apprised of relevant information regarding its organization and personnel. Wellington will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B - 8
WESTERN ASSET MANAGEMENT COMPANY
CORE PLUS FIXED INCOME
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

In adhering to these guidelines, Western will invest in a diversified portfolio of investment grade and below investment grade fixed income securities. Western will add value primarily from sector and issue selection decisions. Interest rate anticipation and duration management will play a limited role in the portfolio.

Performance Objectives

- Exceed the return, net of management fees, of the Bloomberg U.S. Aggregate Index over a complete market cycle.
- Perform in the top half of a peer universe of core plus fixed income managers over a complete market cycle.

Investment Guidelines

- All investments are subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees' Retirement Association, with applicable State and Federal statutes; accordingly, as of the date of this amendment these guidelines conform to all applicable rules and regulations and the Client will notify Western if any change thereof materially impact these guidelines. Moreover, the portfolio shall be managed in a diversified and prudent manner. The manager shall invest within the scope of their stated style.
- Sector and security selection, portfolio structure and timing of purchase and sales are delegated to the manager subject to the investment management contract. For the avoidance of doubt, the following are Eligible Investments:
 - UST, US Agencies and US GSEs
 - Sovereigns/non-US
 - International Agencies
 - Non-US Local Authorities
 - US Munis
 - Suprasnationals
 - Corporates, including convertibles and preferreds
 - Bank Loans
 - Mortgage-backed (agency and non-agency, including CMBS), Asset-backed and CLO/CDO/CBO
 - Cash and Cash equivalents, including REPO and STIF
 - Futures, Options and Swaps

C.3

- Currency Forwards
 - Credit linked notes (max 3%)
 - Commingled vehicles (excluding Western Asset affiliated Registered Investment Companies)
 - Pure privates, including 144a, Reg S and 4(2) Commercial Paper
 - Equity (only related to corporate actions, tenders and workouts and exchanges)
 - At time of purchase illiquids are ineligible (illiquids defined as securities that cannot be sold within 7 days at or around the carry).
- The following transactions are prohibited: short sales where securities are borrowed solely for the purpose of shorting, selling on margin, and “prohibited transactions” as defined under the Employee Retirement Income Security Act (ERISA).
 - Transactions shall be executed on the basis of “best price and execution” for the sole benefit of the Marin County Employees’ Retirement Association’s beneficiaries.
 - The duration on the portfolio shall range between 75% - 125% of the duration on the Bloomberg U.S. Aggregate Index.
 - MCERA expects its domestic fixed income investment managers to maintain diversified portfolios by rating and by issuer. To this end, the following limits apply:
 - Max 5% per issuer in issues rated investment grade (other than obligations of the US Government and its agencies and excluding STIF) and,
 - Max 2% per issuer in issues rated below investment grade.
 - Futures, options, swaps, forwards and other derivative securities are permitted investments. Any use of these instruments by Western will be in a non-leveraged manner, defined as follows:
 - The use of financial leverage is prohibited. The Account will not be considered leveraged as a result of authorized derivative positions provided the Account maintains cash and securities at least equal to the value of the obligations created by its net derivative positions in order to cover the obligations created by such positions.
 - Western may invest up to 20% of the portfolio in securities rated below investment grade. In the case of split ratings in which the three agencies have different ratings, the highest rating will be used in determining the credit rating of the security. If an issue is unrated, then an equivalent credit rating, as deemed by Western, may be used.
 - Western may invest up to 20% of the portfolio in non-USD denominated securities and up to 20% of the portfolio may be invested in non-USD exposure via unhedged non-USD securities and foreign currency transactions. The Portfolio may take currency positions unrelated to underlying portfolio holdings.

C.3

- Non-dollar securities may be held on a currency hedged or un-hedged basis. The portfolio may invest in currency exchange transactions on a spot or forward basis. Both long and short currency exposures are permissible.
- Western will net within currencies and the resulting value will contribute to the max percentage permitted. Both long and short foreign currency positions may be held without owning securities denominated in such currencies.
- Western may invest up to 20% of the portfolio in private placements, including those issued pursuant to Rule 144A and/or Reg S and 4(2) commercial paper, the liquidity of which Western deems consistent with the Portfolio's investment objective.
- Western may invest up to 5% of the portfolio in U.S. and non-U.S. preferred and perpetual securities.
- Western will maintain an average weighted credit quality of not more than 4 rating notches below the benchmark's average weighted credit quality, at all times. For the avoidance of doubt, if the benchmark is rated AA-, then 4 notches below would be BBB+.
- Ratings method: The ratings method of the portfolio, including to test both the benchmark's average credit rating and the portfolio's average credit rating, will be "split to the highest rating" of the three major rating agencies (S&P, Moody's, Fitch), for unrated ok to use Manager's internally generated rating.
- Investment in mortgage interest only (IO), principal only (PO), inverse floaters or other CMO derivatives that have highly uncertain or volatile duration or price movements are limited to 5% of the market value of the portfolio.
- All percentage limits refer to "at time of purchase."

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus written certification of compliance with guidelines, performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.

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- Review every month transaction data with custodian reports, and communicate and resolve any significant discrepancies with the custodian.
- Western will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. One of the lead portfolio managers will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- Western will keep MCERA apprised of relevant information regarding its organization and personnel. Western will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

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APPENDIX B - 9
BLACKROCK
US TREASURY INFLATION PROTECTED SECURITIES FUND
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The objectives of the US Treasury Inflation Protected Securities Fund are to provide returns consistent with the US TIPS market as measured by the Bloomberg US TIPS Index.

MCERA Performance Objectives

- Match the return as closely as practicable, gross of management fees, of the Bloomberg US TIPS Index over a complete market cycle.
- Minimize tracking error relative to the Bloomberg US TIPS Index.

Investment Guidelines

- MCERA is responsible for determining that its investment in the US Treasury Inflation Protected Securities Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. BlackRock shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus, performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- BlackRock will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of BlackRock will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

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- BlackRock will keep MCERA apprised of relevant information regarding its organization and personnel. BlackRock will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

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APPENDIX B - 10
INVESCO
BALANCED-RISK COMMODITY
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The Invesco Balanced-Risk Commodity strategy uses an active approach to commodity investing due to some of the unique return sources available in the commodity markets. The investment strategy focuses on four key drivers of commodity returns: term structure weighting, equal risk contribution, optimal roll, and tactical allocation.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the Bloomberg Commodities Index over a complete market cycle.
- Perform in the top half of a peer universe of commodity managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in Invesco's Balanced-Risk Commodity Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. Invesco shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- Invesco will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of Invesco will be available to meet with MCERA

annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

- Invesco will keep MCERA apprised of relevant information regarding its organization and personnel. Invesco will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

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APPENDIX B - 11
KBI GLOBAL INVESTORS
GLOBAL RESOURCE SOLUTIONS
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

KBI Global Investors' (KBIGI) Global Resource Solutions strategy invests in companies providing solutions to the greatest global resource challenges. There are compelling investment opportunities in companies providing solutions to resource scarcity across water, food and energy.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the S&P Global Natural Resources Index over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in the KBIGI Global Resource Solutions Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. KBIGI shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- KBIGI will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of KBIGI will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

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- KBIGI will keep MCERA apprised of relevant information regarding its organization and personnel. KBIGI will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

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APPENDIX B - 12
BLACKROCK
REIT INDEX FUND
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The objectives of the REIT Index Fund are to provide returns consistent with the US REIT market as measured by the Dow Jones US Select Real Estate Securities Index.

MCERA Performance Objectives

- Match the return as closely as practicable, gross of management fees, of the Dow Jones US Select Real Estate Securities Index over a complete market cycle.
- Minimize tracking error relative to the Dow Jones US Select Real Estate Securities Index.

Investment Guidelines

- MCERA is responsible for determining that its investment in the REIT Index Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. BlackRock shall invest within the scope of its style as stated in the governing documents for the fund.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio and benchmark for the month will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio and benchmark for the quarter, year-to-date, one year, three years, five years and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- BlackRock will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. A representative of BlackRock will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

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- BlackRock will keep MCERA apprised of relevant information regarding its organization and personnel. BlackRock will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

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APPENDIX B - 13
UBS
CORE REAL ESTATE
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

UBS Trumbull Property Fund is an open-ended core real estate commingled fund. UBS strives to invest predominantly in income producing properties diversified by both geographical region and by property type.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the NCREIF Open-Ended Core Diversified Equity (ODCE) Index over a complete market cycle.
- Perform in the top half of a peer universe of Open-Ended Core Real Estate managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in the UBS Trumbull Property Fund is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. UBS shall invest within the scope of its style as stated in the governing documents for the UBS Trumbull Property Fund.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Quarterly – Performance of the portfolio and benchmark for the quarter, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- UBS will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. Members of the investment team will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- UBS will keep MCERA apprised of relevant information regarding its organization and personnel. UBS will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B - 14
AEW CAPITAL MANAGEMENT
CORE REAL ESTATE
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

AEW Core Property Trust is an open-ended core real estate commingled fund. AEW strives to invest predominantly in income producing properties diversified by both geographical region and by property type.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the NCREIF Open-Ended Core Diversified Equity (ODCE) Index over a complete market cycle.
- Perform in the top half of a peer universe of Open-Ended Core Real Estate managers over a complete market cycle.

Investment Guidelines

- MCERA is responsible for determining that its investment in the AEW Core Property Trust is in compliance with its Investment Guidelines (other than this document) for the Marin County Employees' Retirement Association. AEW shall invest within the scope of its style as stated in the governing documents for the AEW Core Property Trust.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Quarterly – Performance of the portfolio and benchmark for the quarter, one year, three years, five years and since inception. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- AEW will meet with the MCERA Board and/or Investment Committee as often as deemed necessary by MCERA. Members of the investment team will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- AEW will keep MCERA apprised of relevant information regarding its organization and personnel. AEW will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX B-15
CARVAL INVESTORS
CREDIT VALUE FUND V LP
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

CarVal Investors Credit Value Fund V LP is a closed-end fund that will make investments in distressed and credit-intensive assets within loan portfolios, corporate securities, structured credit, hard assets, and special opportunities.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the S&P/LSTA Leveraged Loan Index + 250 basis points over a complete market cycle.

Investment Guidelines

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.

Reporting Requirements

- Reporting requirements will be governed by the Partnership's legal documentation.
- A representative of CarVal will generally be available to meet or have discussions with MCERA, the Board of Retirement and/or Investment Committee, or their designee(s) as reasonably necessary to review the portfolio and its performance.

Any and all legal obligations related to MCERA's investment in the Partnership would be governed by the Partnership's legal documentation, notwithstanding anything in this Investment Policy Statement and any related appendices to the contrary.

APPENDIX B-16
FORTRESS INVESTMENT GROUP
FORTRESS CREDIT OPPORTUNITIES FUNDS V EXPANSION
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Fortress Credit Opportunities Funds V Expansion is a closed-end fund that will make investments in a range of distressed and undervalued credit investments.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the S&P/LSTA Leveraged Loan Index + 250 basis points over a complete market cycle.

Investment Guidelines

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.

Reporting Requirements

- Reporting requirements will be governed by the Partnership's legal documentation.
- A representative of Fortress will generally be available to meet or have discussions with MCERA, the Board of Retirement and/or Investment Committee, or their designee(s) as reasonably necessary to review the portfolio and its performance.

Any and all legal obligations related to MCERA's investment in the Partnership would be governed by the Partnership's legal documentation, notwithstanding anything in this Investment Policy Statement and any related appendices to the contrary.

APPENDIX B-17
VÄRDE MANAGEMENT, L.P
THE VÄRDE DISLOCATION FUND
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The Värde Dislocation Fund is a closed-end fund that will make investments in a broad universe of mispriced, stressed, and distressed credit opportunities.

MCERA Performance Objectives

- Exceed the return, net of management fees, of the S&P/LSTA Leveraged Loan Index + 250 basis points over a complete market cycle.

Investment Guidelines

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.

Reporting Requirements

- Reporting requirements will be governed by the Partnership's legal documentation.
- A representative of Värde will generally be available to meet or have discussions with MCERA, the Board of Retirement and/or Investment Committee, or their designee(s) as reasonably necessary to review the portfolio and its performance.

Any and all legal obligations related to MCERA's investment in the Partnership would be governed by the Partnership's legal documentation, notwithstanding anything in this Investment Policy Statement and any related appendices to the contrary.

APPENDIX B - 18
PARAMETRIC PORTFOLIO ASSOCIATES
POLICY IMPLEMENTATION OVERLAY SERVICE
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

Parametric Portfolio Associates will use futures contracts to “securitize” cash investments in the portfolio, bridge exposure gaps during transitions, and to rebalance portfolio exposures.

MCERA Performance Objectives

- Produce returns approximately equal to the Fund’s guideline-based overlay portfolio benchmark.

Investment Guidelines

- All investments are subject to compliance with the Investment Policies, Objectives and Guidelines for the Marin County Employees’ Retirement Association, with applicable State and Federal statutes, and shall be managed in a diversified and prudent manner. The manager shall invest within the scope of their stated style.
- Security selection and timing of purchase and sales are delegated to the manager subject to the investment management contract.
- The following transactions are prohibited: writing options other than covered options, and “prohibited transactions” as defined under the Employee Retirement Income Security Act (ERISA).
- Transactions shall be executed on the basis of “best price and execution” for the sole benefit of the Marin County Employees’ Retirement Association’s beneficiaries.
- Futures contracts, including short positions, are permitted in order to “securitize” existing cash positions, bridge exposure gaps during transitions, and to rebalance portfolio exposures. Futures are not to be used for speculative purposes.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

Reporting Requirements

- Monthly – Transaction statement, asset (portfolio) statement, and performance for the portfolio will be sent to the MCERA Retirement Administrator and MCERA's Investment Consultant.
- Quarterly – Same as monthly plus performance of the portfolio for the quarter, year-to-date and since inception, and review of transactions costs. These will be sent to MCERA's Retirement Administrator and MCERA's Investment Consultant.
- Review every month transaction data with custodian reports, and communicate and resolve any significant discrepancies with the custodian.
- Parametric Portfolio Associates will meet with the MCERA Board and/or the Investment Committee as often as deemed necessary by MCERA. One of the lead portfolio managers will be available to meet with MCERA annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.
- Parametric Portfolio Associates will keep MCERA apprised of relevant information regarding its organization and personnel. Parametric Portfolio Associates will notify MCERA within 24 hours of any change in the lead personnel assigned to manage the account.

APPENDIX C-1
PATHWAY CAPITAL MANAGEMENT
PATHWAY PRIVATE EQUITY FUND 2008 (PPEF 2008)
PATHWAY PRIVATE EQUITY FUND INVESTORS 7 (PPEF I-7)
PATHWAY PRIVATE EQUITY FUND INVESTORS 8 (PPEF I-8)
PATHWAY PRIVATE EQUITY FUND INVESTORS 9 (PPEF I-9)
PATHWAY PRIVATE EQUITY FUND INVESTORS 10 (PPEF I-10)
PATHWAY PRIVATE EQUITY FUND INVESTORS 11 (PPEF I-11)
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The Partnership's investment strategy is to create a diversified portfolio of private equity funds that pursue a variety of investment strategies, including but not limited to, buyouts, venture capital, and special situations.

MCERA Performance Objectives

- Produce returns approximately equal to or in excess of the Refinitiv/Cambridge (All Regions) All Private Equity Index as provided and set forth in the legal documentation of the Partnership.

Investment and other Guidelines

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.
- The investment manager shall at all times be a SEC-Registered Investment Advisor under the Investment Advisors Action of 1940, as amended.

Reporting Requirements

- Reporting requirements will be governed by the Partnership's legal documentation.
- The investment manager shall meet or shall cause the General Partner of the Partnership to meet with the Board and/or the Investment Committee or their designee(s) annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

APPENDIX C-2
ABBOTT CAPITAL MANAGEMENT
ABBOTT PRIVATE EQUITY FUND VI, LP (ACE VI)
ABBOTT PRIVATE EQUITY FUND VII, LP (ACE VII)
ABBOTT ANNUAL PROGRAM 2016, LP (AP 2016)
ABBOTT ANNUAL PROGRAM 2017, LP (AP 2017)
ABBOTT ANNUAL PROGRAM 2021, LP (AP 2021)
ABBOTT ANNUAL PROGRAM 2023, LP (AP 2023)
STATEMENT OF OBJECTIVES, GUIDELINES & PROCEDURES

Investment Approach

The Partnership's investment strategy is to create a diversified portfolio of private equity funds that pursue a variety of investment strategies, including but not limited to growth equity buyouts, venture capital, and special situations.

MCERA Performance Objectives

- Produce returns approximately equal to or in excess of the Refinitiv/Cambridge (All Regions) All Private Equity Index as provided and set forth in the legal documentation of the Partnership.

Investment and other Guidelines

- All investments are subject to compliance with the investment management style concepts and principles set forth in the legal documentation of the Partnership.
- The investment manager shall at all times be a SEC-Registered Investment Advisor under the Investment Advisors Action of 1940, as amended.

Any material violation of these Investment Manager Guidelines shall be corrected immediately upon discovery.

Reporting Requirements

- Reporting requirements will be governed by the Partnership' legal documentation.
- The investment manager shall meet or shall cause the General Partner of the Partnership to meet with the Board, and/or the Investment Committee, or their designee(s) annually, or more often if deemed necessary by MCERA, to review the portfolio and its performance.

APPENDIX D
RESOLUTION 2010/11-03
MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)
PLACEMENT AGENT PAYMENT DISCLOSURE RESOLUTION AND POLICY

Adopted: December 9, 2009
Amended: February 9, 2011
Amended: November 2, 2011
Reviewed: May 6, 2015
Reviewed: May 9, 2018
Amended: May 5, 2021

WHEREAS, California Government Code section 7513.85, chaptered on October 11, 2009 to be effective immediately ("Section 7513.85"), requires all California public retirement systems to develop and implement, on or before June 30, 2010, a policy requiring the disclosure of payments to placement agents made in connection with system investments in or through external managers ("Placement Agent Payment Disclosure Policy" or "Policy").

WHEREAS, placement agent as described in this Policy includes all those identified in California Government Code section 7513.8, as amended.

WHEREAS, the Board of Retirement ("Board") of the Marin County Employees' Retirement Association ("MCERA") has determined, upon the recommendation of the MCERA Governance Committee, that adoption of a Placement Agent Payment Disclosure Policy is consistent with the Board's fiduciary responsibilities.

WHEREAS, Section 7513.85 requires the Placement Agent Payment Disclosure Policy to include, but not be limited to, six of the requirements enumerated in the Policy, and new California Government Code section 7513.9 requires additional disclosures that also are enumerated in this Policy.

WHEREAS, the MCERA Governance Committee has recommended, and the Board has determined, that the Placement Agent Payment Disclosure Policy or similar acknowledgement must be agreed to in writing, and a report shall be filed annually, by all of MCERA's current and future external investment managers.

WHEREAS, in compliance with Section 7513.85, any external investment manager or Placement Agent that violates this Policy shall not solicit new investments from MCERA for five years after the violation is committed, unless the Board decides, in open session by majority vote, to waive the five year prohibition upon a showing of good cause.

WHEREAS, the Board reserves the right to impose an additional penalty of a fine on a external investment manager who violates this Policy, and does not establish good cause therefore to the reasonable satisfaction of the Board; provided, however, that said fine may not exceed the fees due from MCERA to the manager from the date of the violation to the date of the fee's imposition.

NOW, THEREFORE, BE IT RESOLVED, THAT:

Prior to MCERA investing with any external investment manager, and contemporaneous with required annual filings of Statements of Economic Interests (Form 700) or similar disclosures with respect to all MCERA existing external investment managers, MCERA shall be provided with a written representation from the investment manager, in a form acceptable to MCERA's legal counsel, stating that (1) the external investment manager agrees with the disclosure and penalty provisions set forth in this Policy and (2) it has not used a Placement Agent in connection with MCERA's investment, or if the manager has used a Placement Agent, it will disclose the following:

1. The name of the Placement Agent(s) and the relationship between the external investment manager and Placement Agent(s).
2. A resume for each officer, partner, or principal of the Placement Agent detailing the person's education, professional designations, regulatory licenses, and investment and work experience.
3. A description of any and all compensation of any kind provided, or agreed to be provided, to the Placement Agent.
4. A representation that the compensation provided is the sole obligation of the external investment manager and not of MCERA or the limited partnership.
5. A description of the services performed, and to be performed, by the Placement Agent.
6. A statement whether the Placement Agent, or any of its affiliates, are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, or any similar regulatory agent in a country other than the United States, and the details of that registration or explanation as to why no registration is required.
7. A statement whether the Placement Agent, or any of its affiliates, is registered as a lobbyist with any state or national government.
8. All campaign contributions made by the Placement Agent to any elected member of the Board, and to any member of the Marin County Board of Supervisors, during the prior 24-month period, which disclosure shall be amended if any campaign contributions are made during the time the Placement Agent is receiving compensation in connection with a system investment.
9. All gifts, as defined in Government Code section 82028, given by the Placement Agent to any member of the Board, or to the Board's investment consultant, during the time the Placement Agent is receiving compensation in connection with a system investment.
10. All current or former MCERA Board members, employees, or consultants or

11. A member of the immediate family of any such person who are either employed or receiving compensation from the Placement Agent.
12. The names of any current or former MCERA Board members, employees, or consultants who suggested the retention of the Placement Agent.

Policy Review

The Board shall review this Placement Agent Payment Disclosure Policy at least every three years to assure its efficacy and relevance. This Policy may be amended from time to time by majority vote of the Board.

Retirement Administrator's Certificate

I, Jeff Wickman, the duly appointed Retirement Administrator of the Marin County Employees' Retirement Association, hereby certify the amendment of this Policy.

Dated: May 5, 2021



Retirement Administrator

C.4 Future Meetings

This is a discussion with no backup.

Callan

December 6, 2023



**Third Quarter 2023
Summary Investment
Presentation**

Jim Callahan, CFA
President

Anne Heaphy
Senior Vice President

Important Disclosures regarding the use of this document are included at the end of this document. These disclosures are an integral part of this document and should be considered by the user.

Callan

Economic and Capital Markets Review

Equity Markets Down in 3Q, Following Rebound in First Half of 2023

Stocks and bonds still have ground to make up after declines in 2022

S&P 500 down 3.3% in 3Q23

- Loss through first three quarters of 2022 was 23.9%; rebound in the following three quarters reduced the loss to 2.9% by June, but decline in 3Q shows S&P is still over 4% below 1/2022 high-water mark

Fixed income recovered in first half of 2023 as high inflation began to ease; speculation about interest rate cuts evaporated in 2Q

- Bloomberg Aggregate: up 3% in 1Q, but declined 0.8% in 2Q and another 3.2% in 3Q as Fed continued to raise rates
- CPI-U: +3.7% year-over year for 3Q, and still up 5.8% since the start of 2022

Economic data defied expectations of recession in 2023; GDP growth came in at 2.1% in 1Q and 2.2% in 2Q, and surged to a stunning 4.9% in 3Q

- Job market remains solid, providing support to Fed efforts to fight inflation

Returns for Periods ended 9/30/23

	Quarter	YTD	Since 1/2022	5 Years	10 Years	25 Years
U.S. Equity						
Russell 3000	-3.25	12.39	-5.36	9.14	11.28	8.09
S&P 500	-3.27	13.07	-4.30	9.92	11.91	7.92
Russell 2000	-5.13	2.54	-10.98	2.40	6.65	8.00
Global ex-U.S. Equity						
MSCI World ex USA	-4.10	6.73	-4.97	3.44	3.84	4.98
MSCI Emerging Markets	-2.93	1.82	-11.12	0.56	2.07	--
MSCI ACWI ex USA Small Cap	-1.70	5.03	-9.45	2.58	4.35	7.41
Fixed Income						
Bloomberg Aggregate	-3.23	-1.21	-8.29	0.10	1.13	3.59
90-day T-Bill	1.31	3.60	2.89	1.72	1.11	1.89
Bloomberg Long Gov/Credit	-9.37	-5.40	-19.12	-1.21	1.94	4.67
Bloomberg Global Agg ex-US	-4.00	-3.20	-12.79	-3.10	-1.73	2.04
Real Estate						
NCREIF Property	-1.98	-5.66	-0.26	5.13	7.33	8.29
FTSE Nareit Equity	-7.13	-2.14	-15.80	2.77	5.96	8.49
Alternatives						
CS Hedge Fund Index	1.81	3.71	2.72	4.77	4.08	5.96
Cambridge Private Equity*	1.59	3.71	0.39	15.37	14.91	13.67
Bloomberg Commodity	4.71	-3.44	6.74	6.13	-0.75	2.45
Gold Spot Price	-3.28	2.18	1.17	9.30	3.47	7.60
Inflation - CPI-U	0.88	3.70	5.81	4.04	2.77	2.56

*Cambridge PE data as of 2Q23

Sources: Bloomberg, Callan, Cambridge, Credit Suisse, FTSE Russell, MSCI, NCREIF, S&P Dow Jones Indices

U.S. Equity Performance: 3Q23

The U.S. equity markets cooled in 3Q after an exuberant start to the year

All U.S. equity indices posted losses during 3Q23.

- August and September were marked by investor fears about the potential of a “higher for longer” interest rate environment, leading to broader market declines.

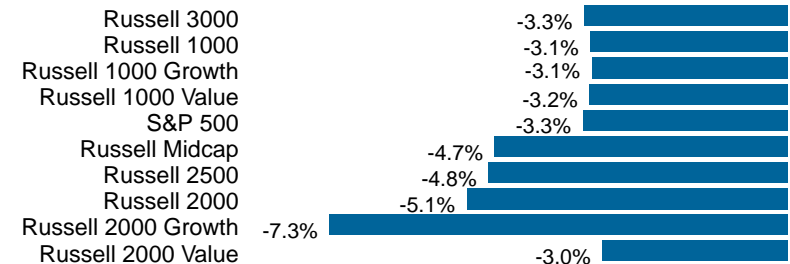
Small cap value led

- While all indices were negative, the Russell 2000 Value Index led the pack during the quarter, a reversal of the previous two quarters when the Russell 1000 Growth Index led.

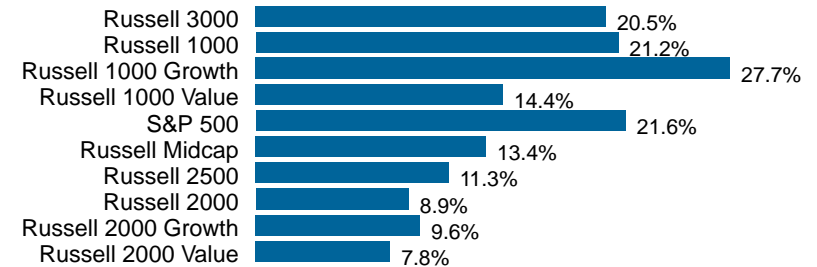
Energy was the strongest sector

- Only two of the 11 S&P 500 Index sectors generated positive 3Q returns; Energy was up 12% and Communication Services was up 3%. However, on a year-to-date basis, six sectors generated positive returns, with Information Technology, Communication Services and Consumer Discretionary substantially leading the group.

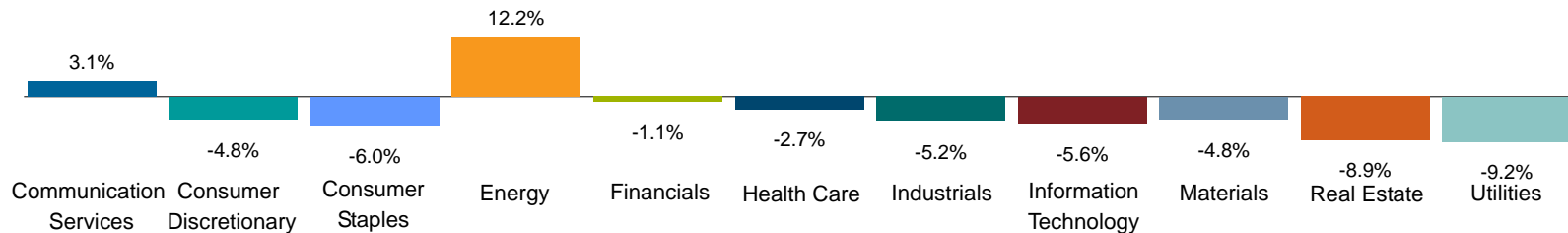
U.S. Equity: Quarter Ended 9/30/23



U.S. Equity: One-Year Returns Ended 9/30/23



Industry Sector Quarterly Performance (S&P 500) as of 9/30/23



Sources: FTSE Russell, S&P Dow Jones Indices

Global/Global ex-U.S. Equity Performance: 3Q23

Global growth concerns

Most global markets were in the red for 3Q23.

- Global markets retreated in 3Q23 amid fears of a global recession driven by higher interest rates and slowing growth in regions outside the U.S.
- Emerging markets outperformed developed markets, buoyed by good results from India, whose economy grew nearly 8% on the heels of supportive infrastructure spending.
- Japan was strong again in local currency as it continues to benefit from post-COVID exuberance, easy monetary policy, and a new economic stimulus plan.

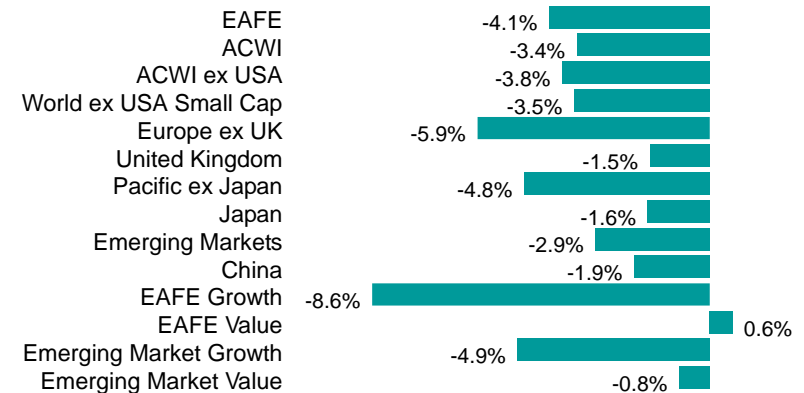
Growth vs. value

- With energy as a strong outperformer on the heels of oil price increases, value outpaced growth by a wide margin in global ex-U.S. markets.

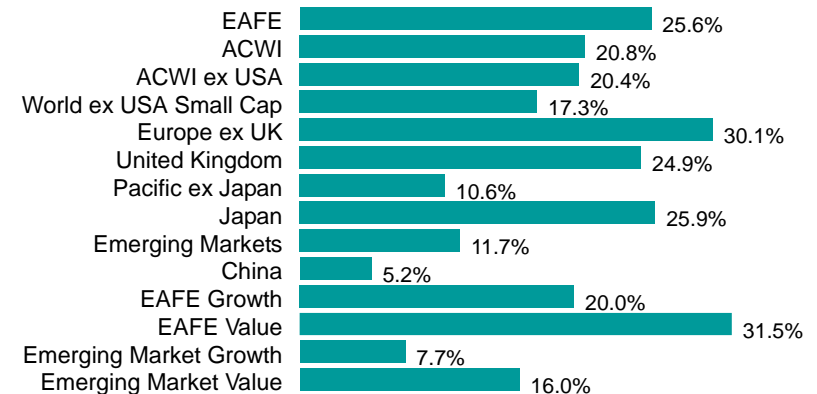
U.S. dollar vs. other currencies

- The stronger U.S. dollar, which gained 3% over the quarter, was a notable headwind for the period.

Global Equity Returns: Quarter Ended 9/30/23



Global Equity Returns: One Year Ended 9/30/23



Source: MSCI

U.S. Fixed Income Performance: 3Q23

Yields continue to march upward as spreads remain range-bound

U.S. fixed income fell for a second straight quarter

- The Bloomberg Aggregate Index is on track for a third calendar year of negative returns, with the rise in yields continuing to detract from performance.

U.S. Treasury 10-year yield climbed roughly 80 bps

- 10-year ended the quarter at 4.59%, its highest level since 2007.
- The yield curve's inversion narrowed as long-term rates rose more than short-term rates.

TIPS outperformed nominal Treasuries

- 10-year break-even spreads widened over 10 bps.

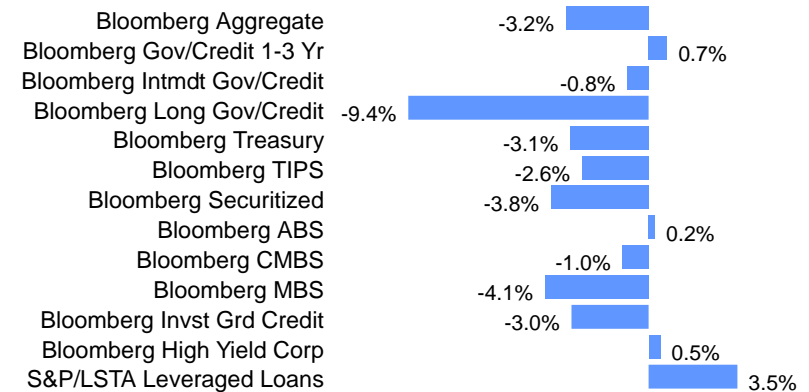
Fed policy rate held to 5.25%-5.50%

- The updated dot plot suggested an additional rate hike may be in the cards before year-end.

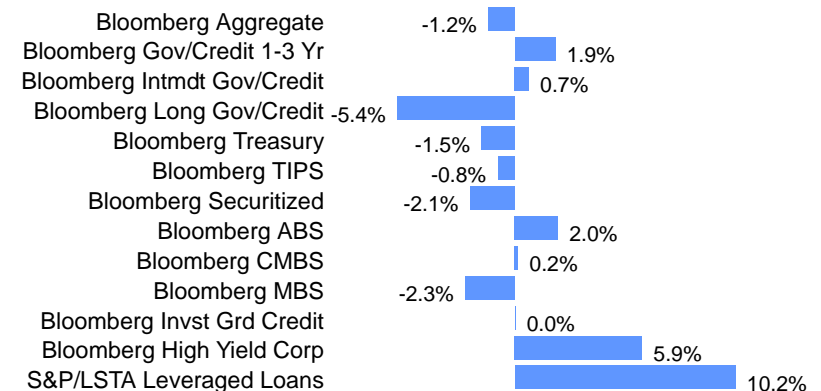
Lower-quality credit continued to outperform

- High yield spreads were flat, but the sector was buoyed by strong performance in July. Additionally, a combination of higher yields and no duration continued to drive bank loan outperformance.
- IG corporate spreads tightened slightly and remained close to their 10-year average.
- Agency RMBS underperformed other securitized sectors as interest rate volatility weighed on the sector.

U.S. Fixed Income Returns: Quarter Ended 9/30/23



U.S. Fixed Income Returns: YTD Ending 9/30/23



Sources: Bloomberg, S&P Dow Jones Indices

U.S. Private Real Estate Performance: 3Q23

Income returns positive but appreciation returns negative once again

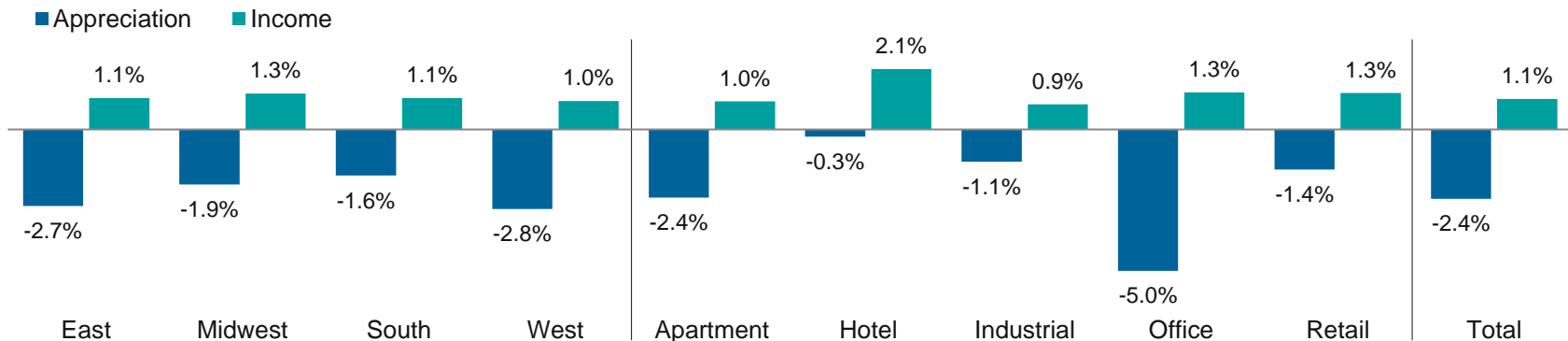
Valuations reflect higher interest rates

- Income returns were positive across sectors and regions.
- All property sectors and regions experienced negative appreciation.
- Valuations are reflective of higher interest rates, which have put upward pressure on capitalization rate and discount rate assumptions.
- Return dispersion by manager within the ODCE Index was due to the composition of underlying portfolios.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
NCREIF ODCE	-2.1%	-12.9%	6.2%	4.7%	7.2%
Income	0.7%	2.0%	2.8%	3.0%	3.3%
Appreciation	-2.8%	-15.2%	3.3%	1.7%	3.8%
NCREIF Property Index	-1.4%	-8.4%	6.0%	5.3%	7.4%
Income	1.1%	4.1%	4.1%	4.2%	4.6%
Appreciation	-2.4%	-12.1%	1.9%	1.0%	2.7%

Returns are geometrically linked

NCREIF Property Index Quarterly Returns by Region and Property Type



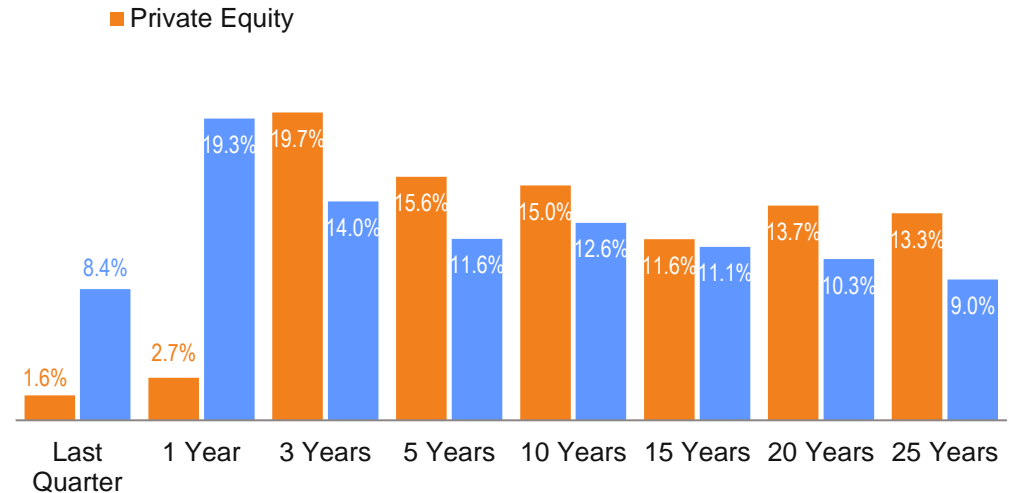
Source: NCREIF, ODCE return is net

Private Equity Performance

Volatility enhances differences in short-term private and public equity returns

- The strong recovery in public equity indices led by the “Magnificent 7” technology stocks left private equity returns in its wake (along with most other public stocks).
- During short-term periods in both up and down markets, the appraisal smoothing effect will tend to make private equity returns lag in magnitude of movement.
- Over longer periods (3-year horizon-plus) broad private equity has consistently outperformed public equity.
- After peaking at exuberant valuations in late 2021, venture capital continues to decline, with 2Q being modestly negative. Buyouts and other corporate finance strategies continued their rally for a third consecutive quarter.
- Portfolio companies are typically valued internally by the manager on a quarterly basis. Valuations are based on the operating metrics of the company, recent comparable transactions, and public market comps.

Pooled Horizon Net IRRs as of 06/30/23



Net IRRs by Strategy as of 06/30/23

Strategy	Last Quarter	1 Year	3 Years	5 Years	10 Years	20 Years
Venture Capital	-0.7%	-9.3%	20.2%	18.9%	18.2%	12.6%
Growth Equity	1.3%	-0.3%	17.2%	15.6%	15.0%	14.1%
Buyouts	2.6%	8.1%	21.1%	15.7%	15.3%	14.8%
Mezzanine	3.2%	10.7%	15.0%	11.1%	11.2%	11.3%
Credit Opportunities	1.4%	7.4%	11.9%	7.1%	7.6%	9.4%
Control-Oriented Distressed	1.2%	4.9%	22.4%	13.6%	12.0%	11.7%
Total Private Equity	1.6%	2.7%	19.7%	15.6%	15.0%	13.7%

Source: Refinitiv/Cambridge

Private Equity Overview

Fundraising remains steady

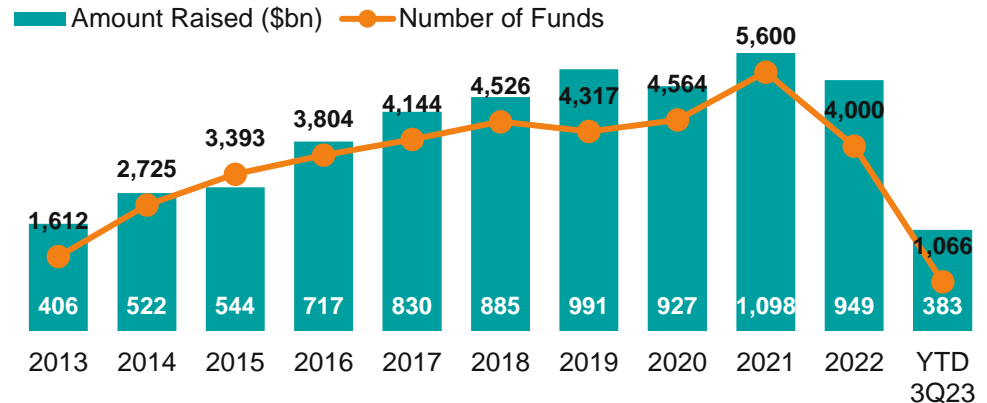
Fundraising varies by strategy type

- 2023 will be another down year for fundraising after a frenzied peak in the last two years.
- 3Q23 is showing some signs of improvement as dollar volumes closely match 2Q, rather than dropping further. However, the number of GPs funded continues to fall.
- LPs are being selective as portfolio consolidations continue. The current period offers LPs a good opportunity to add previously hard-to-access top-tier GPs.
- GPs are reticent to come to market given commitment scarcity, so only the highly confident and those that must be are in the market.

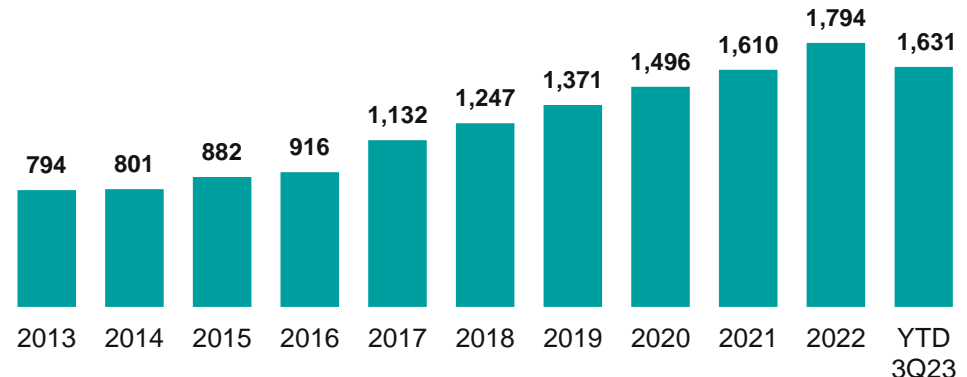
Dry powder is declining

- Level of dry powder influenced by two factors: fundraising and capital deployment.
- Uncalled commitments are declining from surfeit levels peaking in 2022, which may ultimately provide a healthier environment for new investments.

Funds Holding Final Closes by Year



Dry Powder (\$billions)

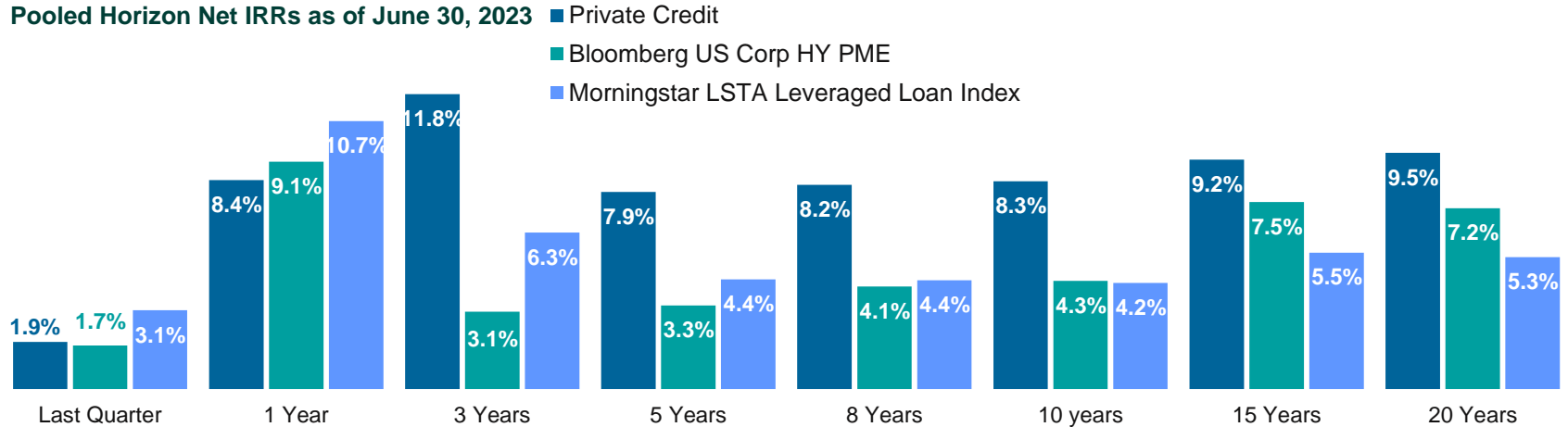


Source: PitchBook

Private Credit Market Overview

Performance over time and compared to relevant indices

Pooled Horizon Net IRRs as of June 30, 2023



Pooled Horizon Net IRRs by Strategy as of June 30, 2023

Strategy	Last Quarter	1 Year	3 Years	5 Years	8 Years	10 Years	15 Years	20 Years
Senior Debt	1.9	8.6	8.0	6.3	6.9	6.8	7.0	N/A
Subordinated Credit	3.2	10.7	15.0	11.1	11.2	11.2	10.7	10.6
Credit Opportunities	1.4	7.4	11.9	7.1	7.4	7.6	9.2	8.9
Total Private Credit	1.9	8.4	11.8	7.9	8.2	8.3	9.2	9.0

Private credit performance varies across sub-asset class and underlying return drivers. Over the past three years, the asset class has generated a net IRR of 11.8%, outperforming leveraged loans as of June 30, 2023. Higher-risk strategies have performed better than lower-risk strategies.

Source: Refinitiv/Cambridge

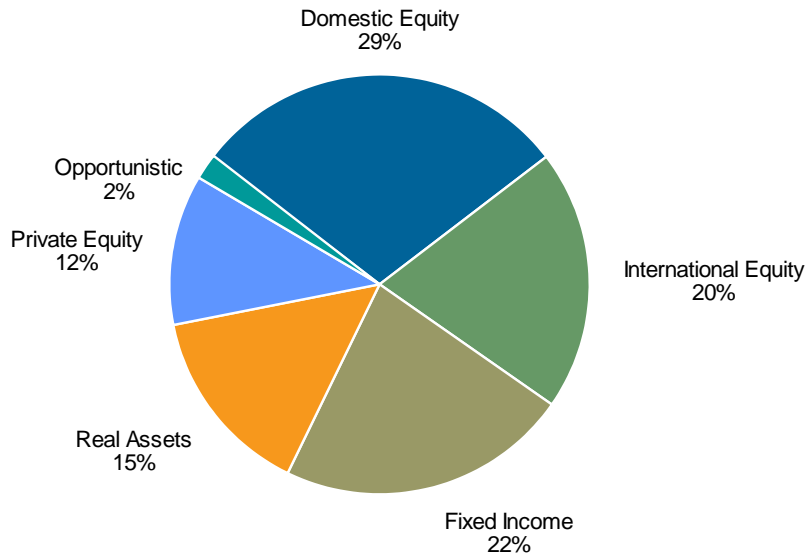
Callan

MCERA Total Fund Review

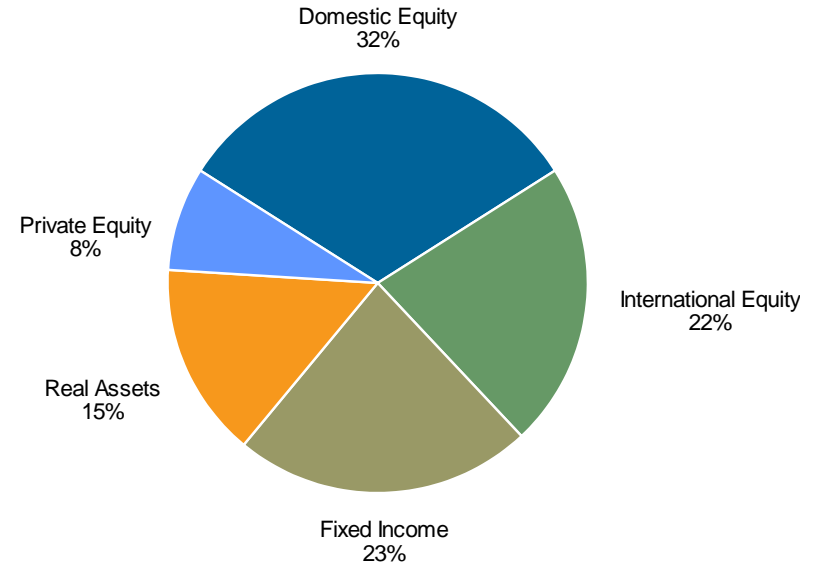
Total Fund Asset Allocation

As of September 30, 2023

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Min Target	Target	Max Target	Percent Difference	\$000s Difference
Domestic Equity	878,150	29.2%	28.0%	32.0%	36.0%	(2.8%)	(85,558)
International Equity	603,677	20.0%	19.0%	22.0%	25.0%	(2.0%)	(58,872)
Fixed Income	676,260	22.5%	20.0%	23.0%	26.0%	(0.5%)	(16,405)
Real Assets	443,537	14.7%	12.0%	15.0%	18.0%	(0.3%)	(8,201)
Private Equity	348,540	11.6%	0.0%	8.0%	12.0%	3.6%	107,613
Opportunistic	61,423	2.0%	0.0%	0.0%	5.0%	2.0%	61,423
Total	3,011,588	100.0%		100.0%			

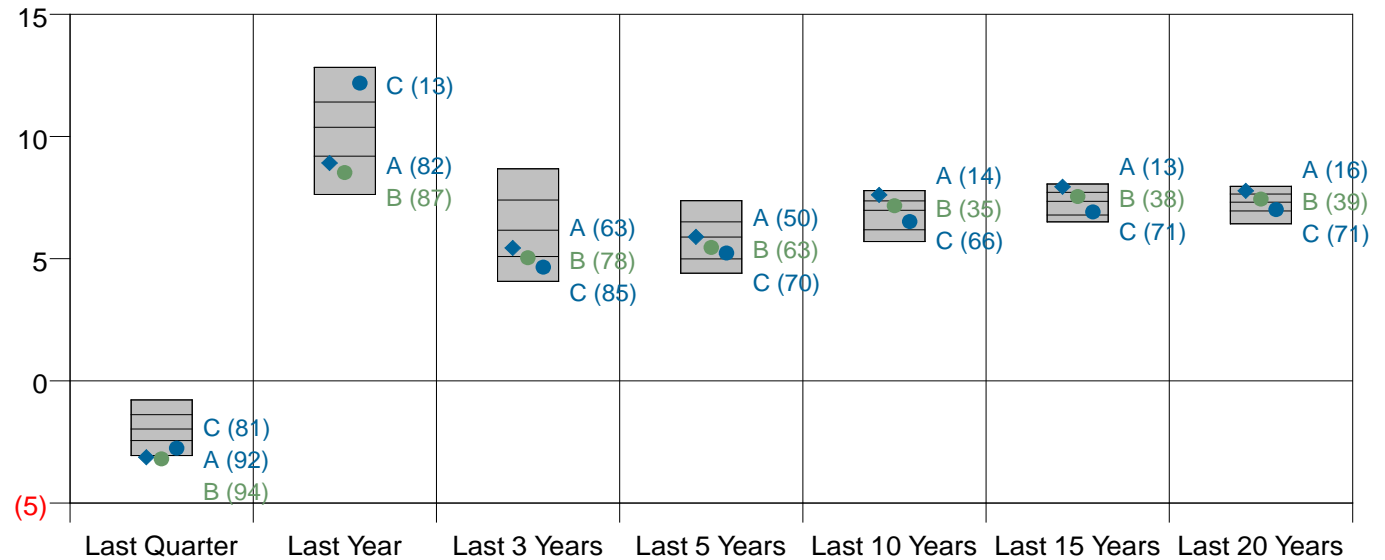
Total Fund Asset Distribution

	September 30, 2023			June 30, 2023		
	Market Value	Weight	Net New Inv.	Inv. Return	Market Value	Weight
Domestic Equity	\$878,150,373	29.16%	\$(35,140,086)	\$(28,362,860)	\$941,653,319	30.12%
Parametric Domestic Equity Futures (1)	-72,226,415	(2.40%)	(31,432,284)	2,953,746	-43,747,877	(1.40%)
SSGA Russell 1000 Index (2)	720,449,629	23.92%	(2,851,976)	(23,244,858)	746,546,463	23.88%
DFA Small Cap Core	229,927,159	7.63%	(855,827)	(8,071,748)	238,854,734	7.64%
International Equity	\$603,677,379	20.05%	\$7,485,028	\$(34,783,708)	\$630,976,059	20.18%
Morgan Stanley Value	193,197,925	6.42%	0	(16,046,956)	209,244,881	6.69%
Artisan Partners Growth	186,217,692	6.18%	0	(8,240,319)	194,458,010	6.22%
TimesSquare Intl Small Cap	97,181,608	3.23%	(219,021)	(4,748,061)	102,148,690	3.27%
FIAM Select Emerging Equity	98,236,740	3.26%	0	(4,248,429)	102,485,168	3.28%
Parametric International Equity Futures	28,843,414	0.96%	7,704,049	(1,499,944)	22,639,309	0.72%
Fixed Income	\$676,259,970	22.46%	\$19,437,197	\$(27,171,986)	\$683,994,759	21.88%
Wellington Core Plus	270,267,526	8.97%	(2,141,083)	(9,731,409)	282,140,018	9.03%
Western Core Plus	284,895,465	9.46%	(2,852,520)	(11,788,305)	299,536,290	9.58%
Parametric Fixed Income Futures	121,096,979	4.02%	24,430,800	(5,652,272)	102,318,451	3.27%
Real Assets	\$443,537,399	14.73%	\$(2,213,874)	\$(9,191,453)	\$454,942,726	14.55%
Real Estate	\$227,267,599	7.55%	\$(2,116,595)	\$(2,347,790)	\$231,731,984	7.41%
Woodmont	17,099,992	0.57%	0	0	17,099,992	0.55%
UBS Trumbull Property Fund	94,838,637	3.15%	(885,277)	(1,370,085)	97,094,000	3.11%
AEW Core Property Trust	115,328,970	3.83%	(1,231,318)	(977,705)	117,537,993	3.76%
Public Real Assets	\$216,269,800	7.18%	\$(97,278)	\$(6,843,663)	\$223,210,742	7.14%
INVESCO Commodities Fund	55,899,074	1.86%	(97,278)	3,617,380	52,378,973	1.68%
BlackRock TIPS Index Fund	55,459,496	1.84%	0	(1,458,709)	56,918,205	1.82%
KBI Global Resources Fund	54,592,286	1.81%	0	(5,008,467)	59,600,752	1.91%
Blackrock REIT Index Fund	50,318,944	1.67%	0	(3,993,868)	54,312,812	1.74%
Opportunistic (3)	\$61,422,763	2.04%	\$775,481	\$1,791,549	\$58,855,733	1.88%
CarVal Credit Value V	23,871,502	0.79%	(80,617)	597,874	23,354,245	0.75%
Fortress Credit Opps Fund V	14,241,579	0.47%	927,891	309,682	13,004,006	0.42%
Varde Dislocation Fund	23,309,682	0.77%	(71,793)	883,993	22,497,482	0.72%
Private Equity (4)	\$348,539,645	11.57%	\$(7,186,691)	\$(0)	\$355,726,336	11.38%
Abbott ACE VI	34,966,002	1.16%	(2,000,000)	0	36,966,002	1.18%
Abbott ACE VII	39,753,530	1.32%	(1,400,000)	0	41,153,530	1.32%
Abbott 2016	70,262,682	2.33%	0	0	70,262,682	2.25%
Abbott 2017	20,224,254	0.67%	0	0	20,224,254	0.65%
Abbott 2021	9,984,171	0.33%	0	0	9,984,171	0.32%
Abbott 2023	2,250,000	0.07%	2,250,000	0	-	-
Pathway PPEF 2008	37,357,475	1.24%	(3,066,190)	0	40,423,665	1.29%
Pathway PE I-7	33,025,227	1.10%	(342,091)	(0)	33,367,318	1.07%
Pathway PE I-8	58,731,198	1.95%	(3,859,094)	0	62,590,292	2.00%
Pathway PE I-9	18,267,131	0.61%	(401,255)	(0)	18,668,386	0.60%
Pathway PE I-10	22,432,271	0.74%	972,983	0	21,459,288	0.69%
Pathway PE I-11	1,285,703	0.04%	658,955	0	626,748	0.02%
Total Fund	\$3,011,587,529	100.0%	\$(16,842,945)	\$(97,718,459)	\$3,126,148,933	100.0%

Total Fund Performance – Annualized

Returns for Periods Ended September 30, 2023

Group: Callan Public Fund Sponsor - Large (>1B)



10th Percentile	(0.77)	12.83	8.68	7.38	7.79	8.06	7.96
25th Percentile	(1.38)	11.42	7.40	6.51	7.37	7.72	7.65
Median	(1.96)	10.38	6.17	5.89	6.98	7.35	7.31
75th Percentile	(2.44)	9.20	5.09	5.00	6.19	6.79	6.95
90th Percentile	(3.05)	7.63	4.08	4.41	5.71	6.51	6.43

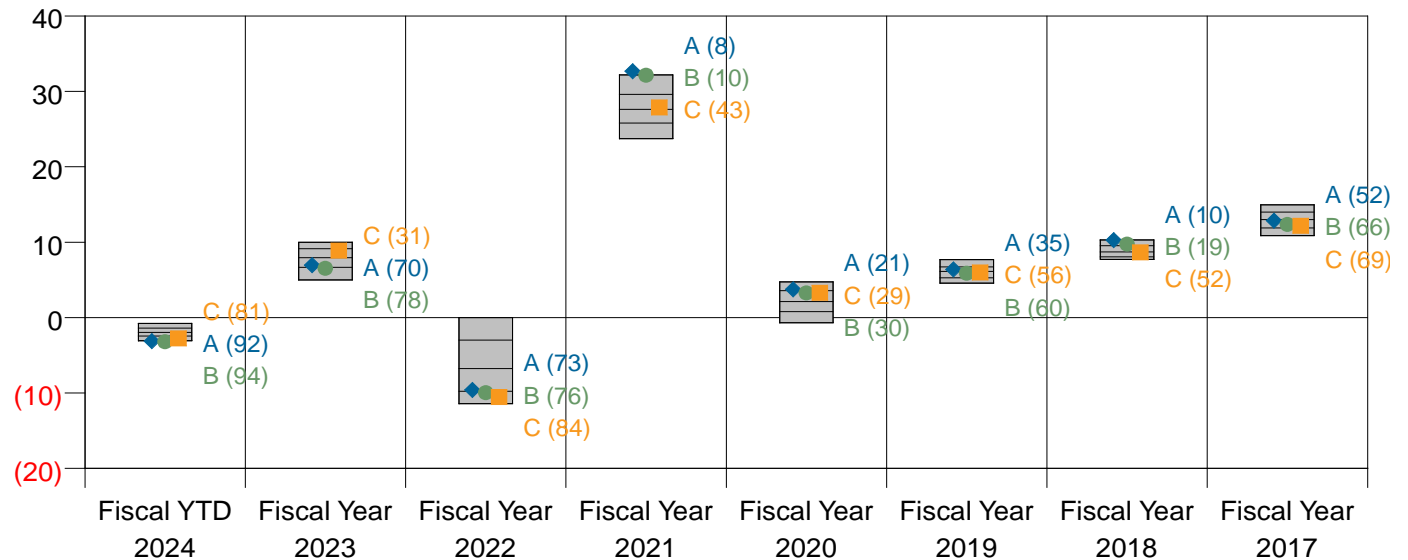
MCERA Total Fund - Gross	◆ A	(3.12)	8.92	5.44	5.90	7.61	7.94	7.78
MCERA Total Fund - Net	● B	(3.19)	8.52	5.04	5.46	7.17	7.55	7.44
Marin-Total Fund Target	● C	(2.75)	12.19	4.66	5.23	6.52	6.91	7.01

Current Quarter Target = 32.0% Russell 3000 Index, 22.0% MSCI ACWI ex US IMI Index, 23% Bloomberg Aggregate Index, 8.0% NCREIF NFI-ODCE Equal Weight Net, 1.8% Bloomberg Commodity Price Index, 1.8% S&P Global Natural Resources Index, 1.8% S&P DJ US Select REIT Index, 1.8% Bloomberg US TIPS Index, 4.8% Russell 3000 Index (Lagged) and 3.2% MSCI ACWI ex US IMI Index (Lagged).

Total Fund Performance – Fiscal Year

Fiscal Year Returns

Group: Callan Public Fund Sponsor - Large (>1B)

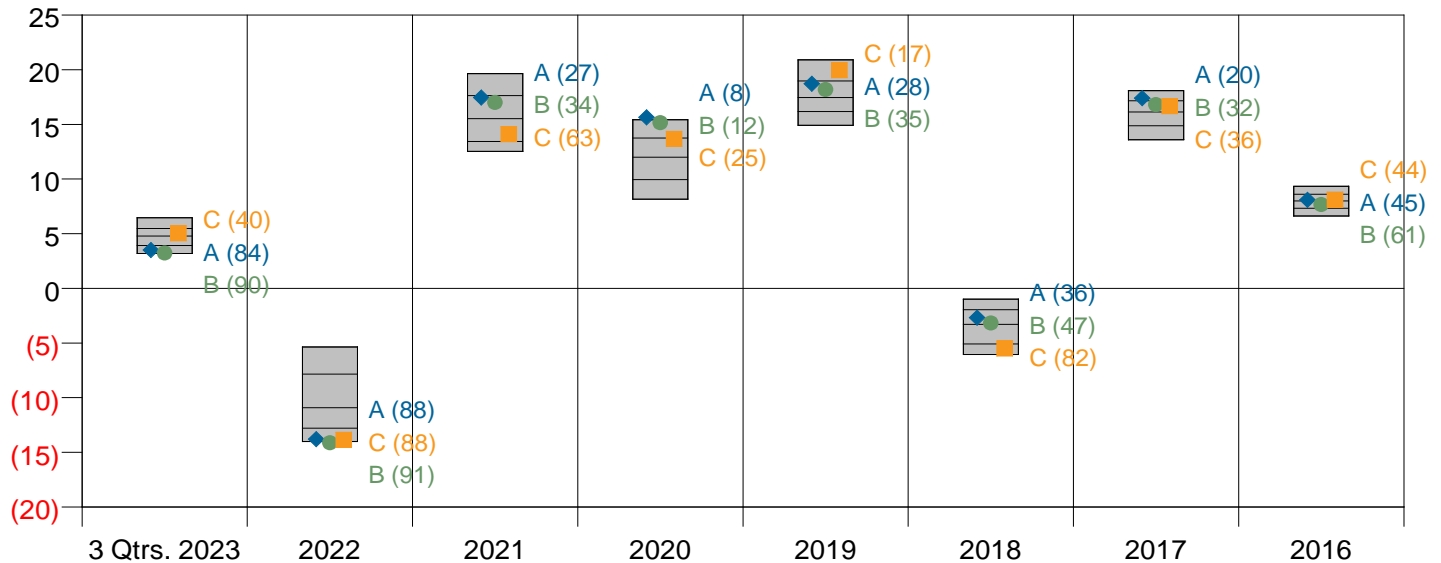


MCERA Total Fund - Gross	◆ A	(3.12)	6.95	(9.60)	32.69	3.74	6.39	10.29	12.88
MCERA Total Fund - Net	● B	(3.19)	6.53	(9.95)	32.15	3.26	5.88	9.74	12.37
MCERA Total Fund Target	■ C	(2.75)	8.89	(10.52)	27.89	3.29	5.99	8.67	12.20

Total Fund Performance – Calendar Years

Returns for Periods Ended September 30, 2023

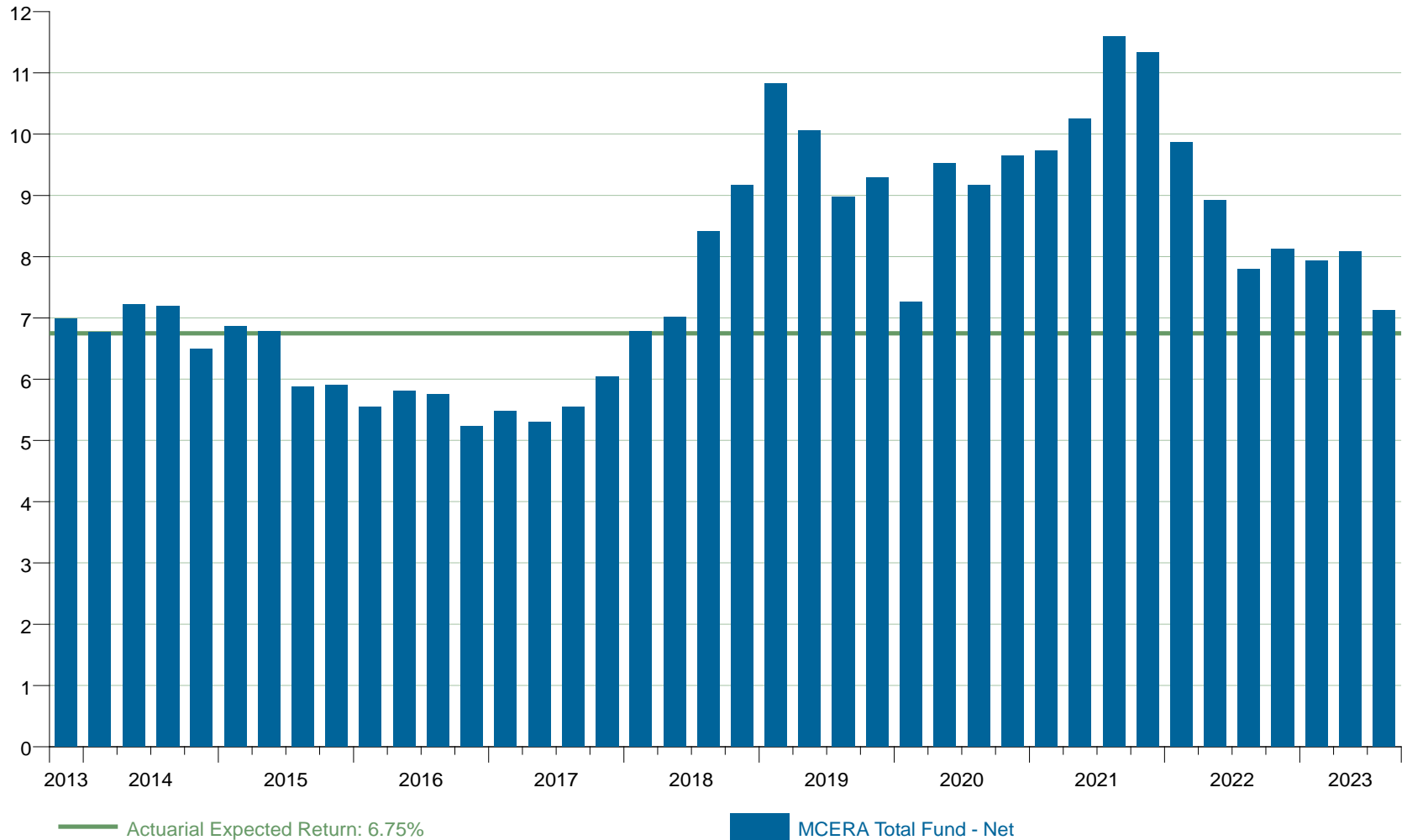
Group: Callan Public Fund Sponsor - Large (>1B)



10th Percentile	6.46	(5.36)	19.66	15.44	20.92	(0.97)	18.09	9.34
25th Percentile	5.49	(7.83)	17.63	13.77	18.98	(1.94)	17.17	8.63
Median	4.80	(10.91)	15.54	12.01	17.45	(3.28)	16.14	8.01
75th Percentile	3.93	(12.78)	13.44	9.96	16.18	(5.07)	14.89	7.33
90th Percentile	3.21	(14.01)	12.53	8.16	14.92	(6.05)	13.61	6.62

Total Fund - Gross	◆ A	3.51	(13.78)	17.47	15.66	18.73	(2.68)	17.41	8.10
MCERA Total Fund - Net	● B	3.24	(14.12)	17.01	15.16	18.19	(3.16)	16.81	7.68
Total Fund Target	■ C	5.06	(13.84)	14.12	13.68	19.97	(5.49)	16.68	8.13

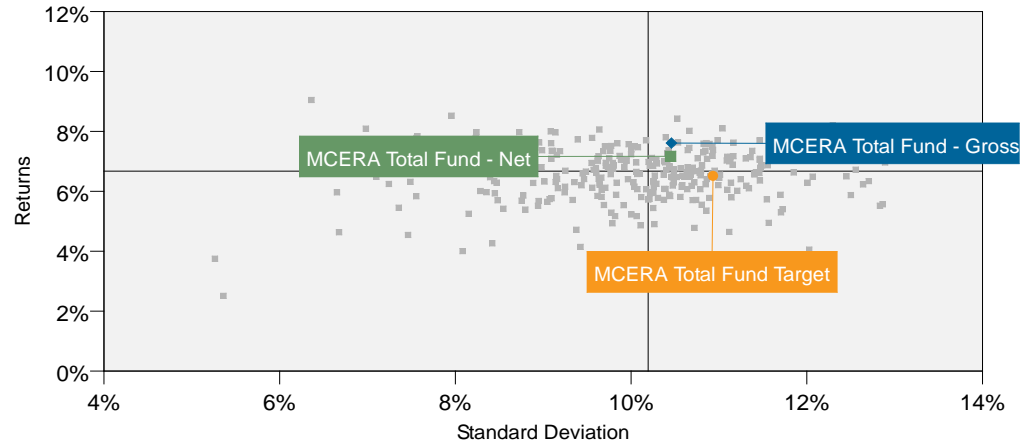
Annualized 10 Year Total Fund Net Returns (Quarterly Roll)



Total Fund – Cumulative Returns Relative to Target

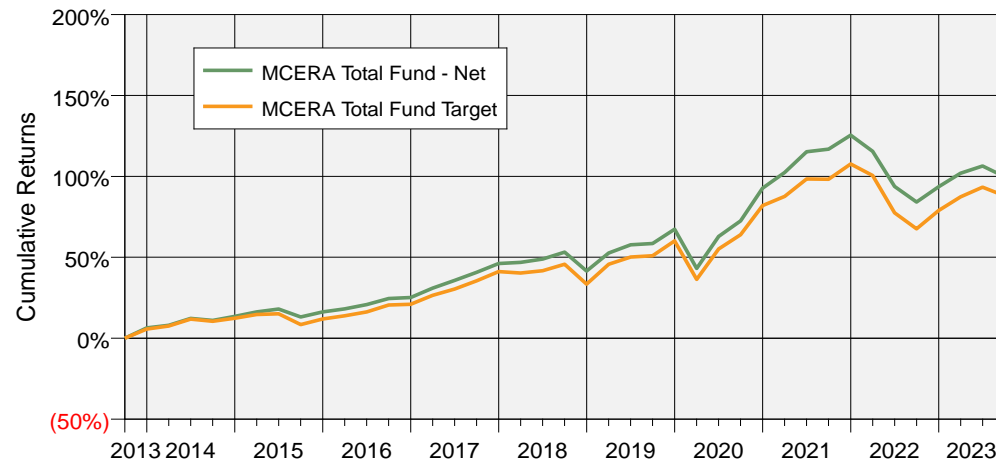
Ten Year Annualized Risk vs. Return

As of September 30, 2023



Total Fund Cumulative Returns vs. Target

10 Years Ended September 30, 2023



Watchlist

Investment Manager Monitoring Summary Report Active Managers as of September 30, 2023

Investment Manager	Organization/ Team	3 Year Performance vs Benchmark	3 Year Performance vs Peers	5 Year Performance vs Benchmark	5 Year Performance vs Peers	Qualify for Watchlist?	Date Added
DFA Small Cap Core Equity <i>Russell 2000 Index</i>				N/A	N/A		
Morgan Stanley International Value Equity <i>MSCI EAFE Index</i>						Yes	4Q17 (Terminating)
Artisan International Growth Equity <i>MSCI EAFE Index</i>						Yes	4Q17 (Terminating)
TimesSquare International Small Cap Equity <i>MSCI EAFE Small Cap Index</i>				N/A	N/A		
Fidelity Emerging Markets Equity <i>MSCI Emerging Markets Index</i>		N/A	N/A	N/A	N/A		
Wellington Core Plus Fixed Income <i>Bloomberg U.S Aggregate Index</i>						Yes	
Western Asset Core Plus Fixed Income <i>Bloomberg U.S Aggregate Index</i>		N/A	N/A	N/A	N/A		
Invesco Balanced Risk Commodity Fund <i>Bloomberg Commodity Index</i>						No Longer Qualifies	4Q20
KBI Global Natural Resources Fund <i>S&P Global Natural Resource Index</i>			N/A		N/A		
UBS Trumbull Property Fund* <i>NFI-ODCE Index</i>		N/A	N/A	N/A	N/A		4Q19

*UBS Trumbull Property Fund placed on watch for organizational concerns. Quantitative criteria for private market portfolios under review by Governance Committee.

Quantitative Criteria

If a manager trails its relevant benchmark by more than 100 basis points (net of fees) and ranks in the bottom quartile of its peer universe (gross of fees ranking) for the trailing three years, or if a manager trails its relevant benchmark (net of fees) or ranks below median of its peer universe (gross of fees ranking) for the trailing five years, then the manager may be placed on the Watchlist.

Color Code

	meets watch list criteria, no concerns, no actions recommended
	concerns exist, no actions recommended
	violates watch list criteria, concerns exist, action to be determined

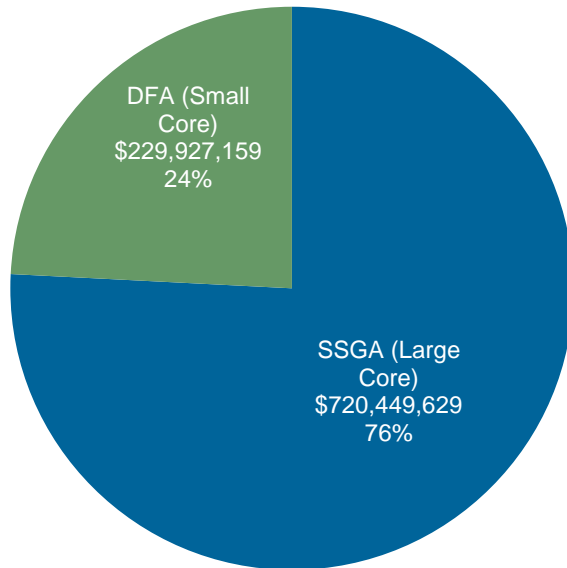
Watchlist

Investment Manager	3 Year Net Return Trails Benchmark by more than 100 bps (relative return shown in bps)	<u>AND</u>	3 Year Gross Return Ranks 75th - 100th%	<u>OR</u>	5 Year Net Return Trails Benchmark (relative return shown in bps)	<u>OR</u>	5 Year Gross Return Ranks 50th - 100th%	Qualify for Watchlist (Quantitative)
DFA Small Cap Core Equity <i>Russell 2000 Index</i>	785		13th		N/A		N/A	No
Morgan Stanley International Value Equity <i>MSCI EAFE Index</i>	-282		100th		-74		81st	Yes
Artisan International Growth Equity <i>MSCI EAFE Index</i>	-559		58th		-52		68th	Yes
TimesSquare International Small Cap Equity <i>MSCI EAFE Small Cap Index</i>	-420		75th		N/A		N/A	Yes
Fidelity Emerging Markets Equity <i>MSCI Emerging Markets Index</i>	N/A		N/A		N/A		N/A	No
Wellington Core Plus Fixed Income <i>Bloomberg U.S Aggregate Index</i>	42		78th		57		55th	Yes
Western Asset Core Plus Fixed Income <i>Bloomberg U.S Aggregate Index</i>	N/A		N/A		N/A		N/A	No
Invesco Balanced Risk Commodity Fund <i>Bloomberg Commodity Index</i>	-60		53rd		66		22nd	No
KBI Global Natural Resources Fund <i>S&P Global Natural Resource Index</i>	-749		N/A		375		N/A	No
UBS Trumbull Property Fund <i>NCREIF NFI-ODCE Index</i>	Quantitative criteria for private markets portfolios under review by Governance Committee. On watch due to organizational changes.							Under Review

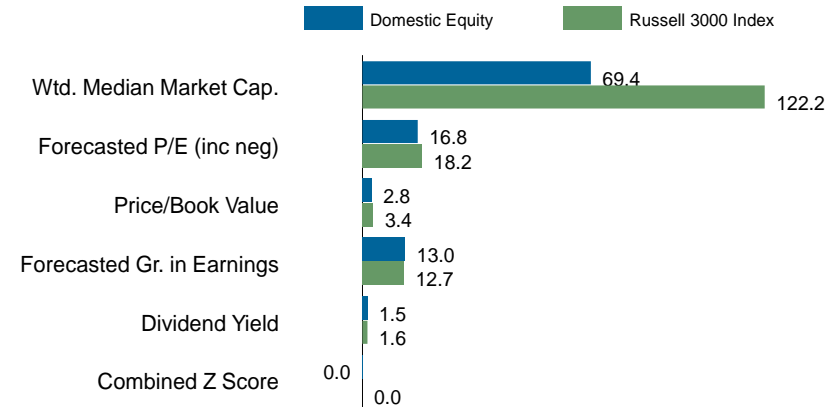
Callan

MCERA Asset Class Review

Domestic Equity Composite



Portfolio Characteristics as of September 30, 2023

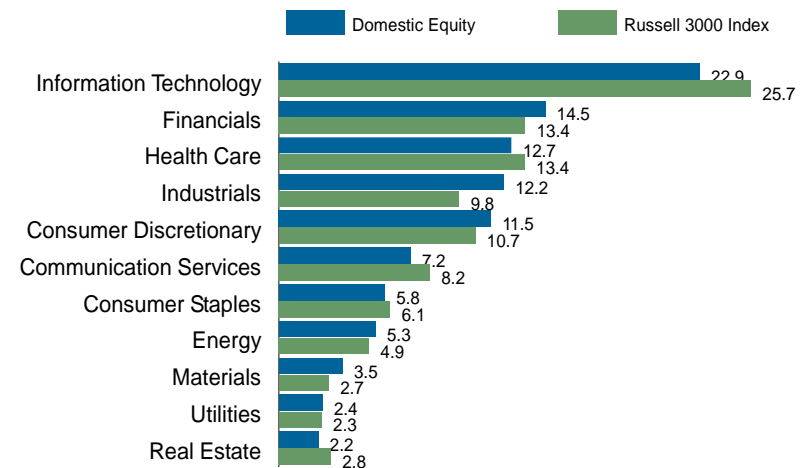


Style Exposure Matrix

Holdings as of September 30, 2023

	Value	Core	Growth	Total
Large	14.8% (90) 18.4% (90)	15.9% (98) 19.8% (98)	33.2% (108) 41.3% (108)	63.8% (296) 79.6% (296)
Mid	3.9% (159) 4.4% (159)	5.8% (219) 5.2% (219)	7.1% (214) 5.0% (215)	16.9% (592) 14.5% (593)
Small	3.6% (215) 1.3% (288)	6.9% (394) 2.2% (525)	6.2% (299) 1.8% (372)	16.7% (908) 5.3% (1185)
Micro	1.2% (367) 0.2% (312)	0.9% (239) 0.3% (425)	0.5% (122) 0.1% (152)	2.6% (728) 0.6% (889)
Total	23.5% (831) 24.3% (849)	29.5% (950) 27.4% (1267)	47.0% (743) 48.3% (847)	100.0% (2524) 100.0% (2963)

Sector Allocation as of September 30, 2023



Domestic Equity Composite

Returns and Rankings for Periods Ended September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Domestic Equity - Net	(3.22)	19.99	11.78	8.80	10.94
Domestic Equity Target	(3.25)	20.46	9.38	9.14	11.28
SSGA - Net	(3.13)	21.19	9.25	9.36	11.64
Large Cap Blended Benchmark	(3.15)	21.19	9.23	9.36	11.63
Ranking vs. Large Cap Equity	62	50	53	45	49
DFA Small Core - Net	(3.48)	14.65	15.01	--	--
Russell 2000 Index	(5.13)	8.93	7.16	2.40	6.65
Ranking vs. Small Cap Equity	28	29	13	--	--

Returns and Rankings for Calendar Years

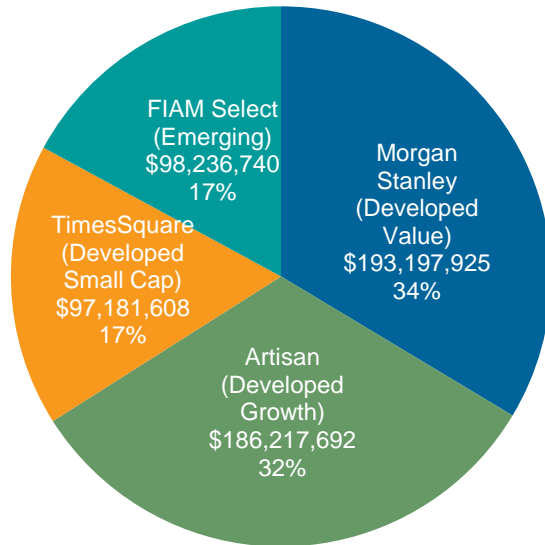
	3 Qtrs. 2023	2022	2021	2020	2019
Domestic Equity - Net	10.88	(17.43)	29.74	17.85	28.77
Domestic Equity Target	12.39	(19.21)	25.66	20.89	31.02
SSGA - Net	12.96	(19.06)	27.16	18.33	31.43
Large Cap Blended Benchmark	13.01	(19.13)	27.15	18.40	31.49
Ranking vs. Large Cap Equity	49	55	49	53	43
DFA Small Core - Net	4.00	(12.97)	29.22	11.74	21.77
Russell 2000 Index	2.54	(20.44)	14.82	19.96	25.52
Ranking vs. Small Cap Equity	47	21	21	54	71

- The domestic equity composite performed roughly in line with the benchmark over the quarter and modestly underperformed the benchmark over the last year.
- Although small cap has underperformed large cap recently, DFA's relative outperformance has been very beneficial over the last one and three years.
 - They exclude stocks with the lowest profitability and highest relative prices (high growth). At times, the market has favored the relative safety of value-oriented stocks, which has greatly benefitted returns in 2021 and 2022.

The Domestic Equity Target consists of the Russell 3000 Index.

The Large Cap Blended Benchmark consists of the S&P 500 Index to 7/31/2021 and the Russell 1000 Index thereafter.

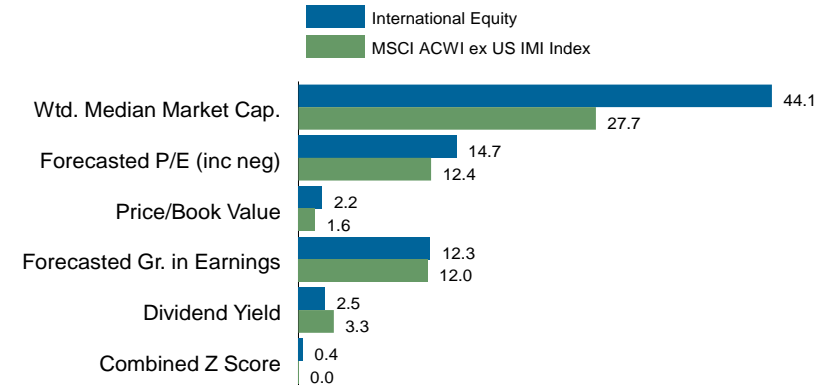
International Equity Composite



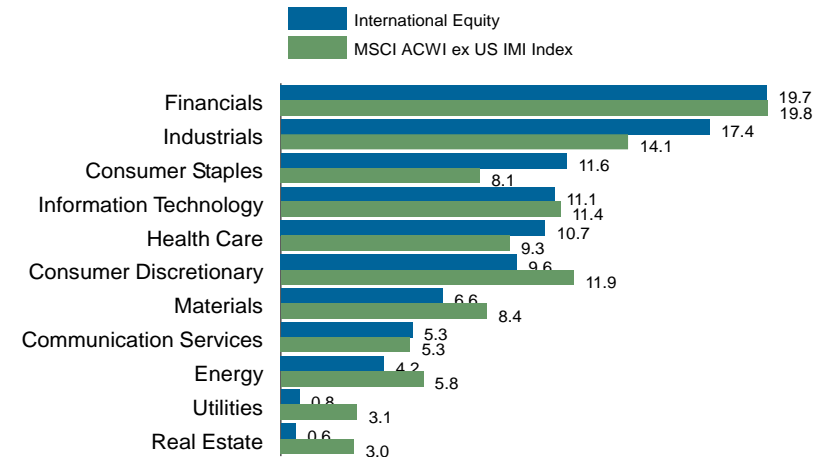
Region & Style Exposure Matrix
Holdings as of September 30, 2023

	<div> <div>International Equity</div> <div>MSCI ACWI ex US IMI Index</div> </div>			
Europe	6.8% (14)	27.8% (44)	26.9% (54)	61.5% (112)
N. America	--	2.8% (8)	3.3% (5)	6.1% (13)
Pacific	--	3.3% (10)	8.8% (28)	12.1% (38)
Emerging	2.9% (28)	6.8% (41)	10.5% (57)	20.3% (126)
Total	9.7% (42)	40.7% (103)	49.6% (144)	100.0% (289)
	Value	Core	Growth	Total

Portfolio Characteristics as of September 30, 2023



Sector Allocation as of September 30, 2023



International Equity Composite

Returns and Rankings for Periods Ended September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
International Equity - Net	(5.51)	19.57	0.40	1.32	3.05
International Equity - Target	(3.49)	20.19	3.77	2.57	3.48
MSIM - Net	(7.80)	24.74	2.93	2.50	3.31
MSCI EAFE Index	(4.11)	25.65	5.75	3.24	3.82
Ranking vs. Non-US Developed Value Equity	99	97	100	81	78
Artisan - Net	(4.24)	21.72	0.16	2.72	3.50
MSCI EAFE Index	(4.11)	25.65	5.75	3.24	3.82
Ranking vs. Non-US Developed Growth Equity	5	29	58	68	81
TimesSquare - Net	(4.66)	16.35	(3.10)	--	--
MSCI EAFE Small Cap	(3.51)	17.90	1.10	0.76	4.30
Ranking vs. International Small Cap Equity	60	64	75	--	--
FIAM Select EM - Net	(4.15)	13.01	--	--	--
MSCI Emerging Markets Index	(2.93)	11.70	(1.73)	0.56	2.07
Ranking vs. Emerging Markets Equity	65	49	--	--	--

Returns and Rankings for Periods Ended September 30, 2023

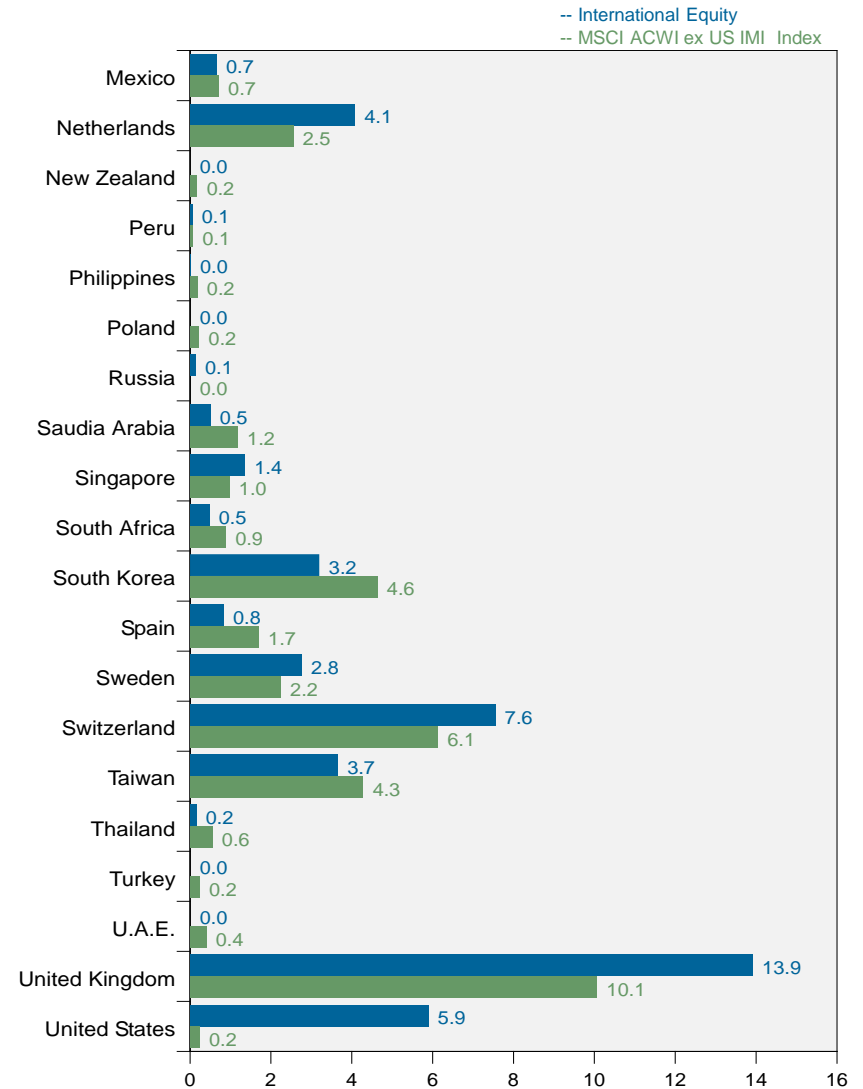
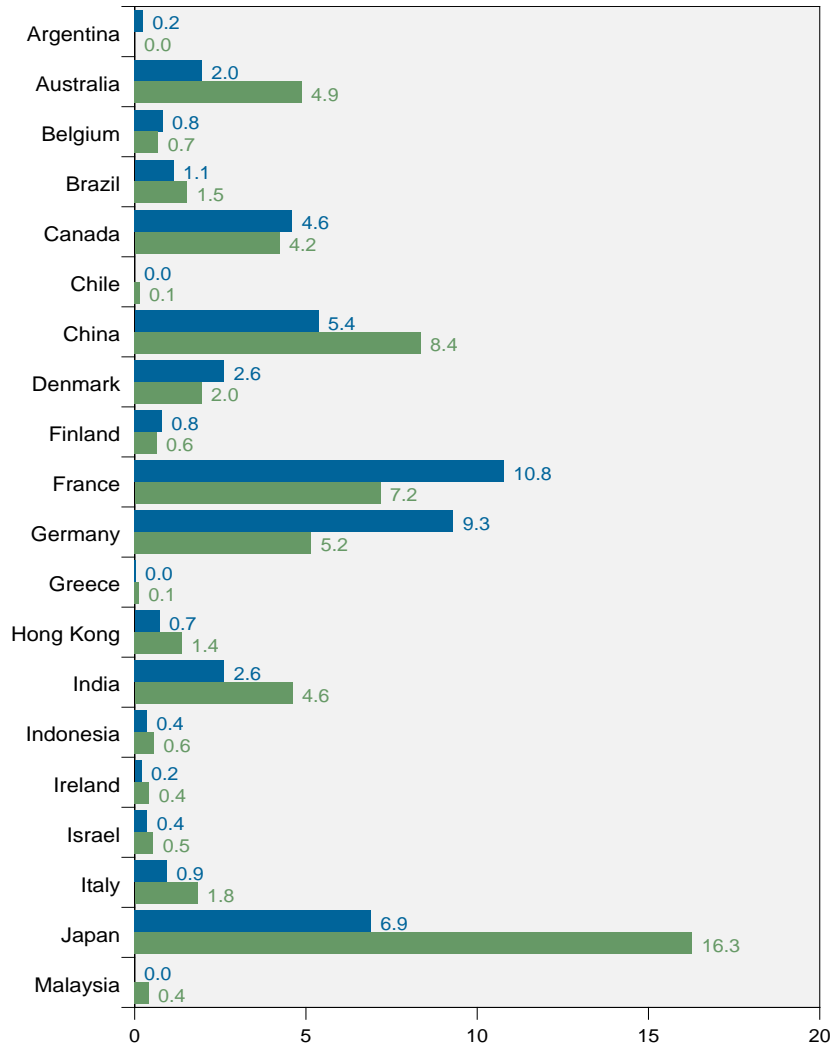
	3 Qtrs.				
	2023	2022	2021	2020	2019
International Equity - Net	4.13	(19.28)	5.28	10.79	23.52
International Equity - Target	5.30	(16.58)	8.53	11.12	21.63
MSIM - Net	5.55	(13.62)	4.70	12.00	20.93
MSCI EAFE Index	7.08	(14.45)	11.26	7.82	22.01
Ranking vs. Non-US Developed Value Equity	97	92	98	1	34
Artisan - Net	4.83	(19.08)	8.59	8.09	29.62
MSCI EAFE Index	7.08	(14.45)	11.26	7.82	22.01
Ranking vs. Non-US Developed Growth Equity	42	30	60	96	26
TimesSquare - Net	2.52	(26.82)	2.18	13.87	--
MSCI EAFE Small Cap	1.82	(21.39)	10.10	12.34	24.96
Ranking vs. International Small Cap Equity	49	74	93	40	--
FIAM Select EM - Net	2.87	(23.89)	--	--	--
MSCI Emerging Markets Index	1.82	(20.09)	(2.54)	18.31	18.44
Ranking vs. Emerging Markets Equity	49	70	--	--	--

- The International Equity composite underperformed during the quarter and over the trailing year on a relative basis.
 - Morgan Stanley: a more than 2x overweight to IT, the weakest performer in the index, dampened relative returns.
 - Artisan: weak country selection driven by an underweight to Japan was offset by strength from an overweight position to financials.
 - TimesSquare: the portfolios growth bias was the primary driver of underperformance.
 - FIAM: stock selection within financials and to a lesser extent within IT and materials hurt relative returns.

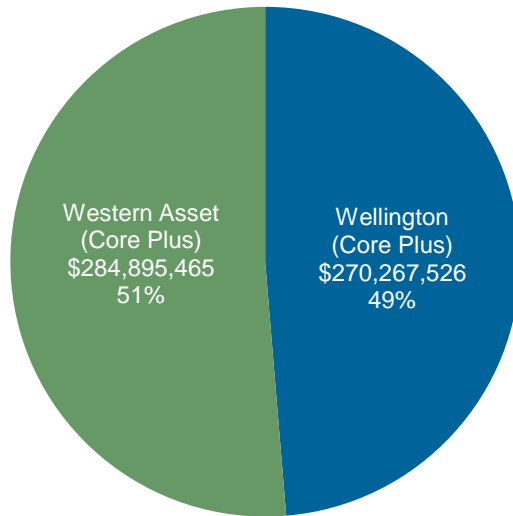
The International Equity Target is comprised of 100% MSCI EAFE Index through 06/30/2010, and 100% MSCI ACWI ex-US IMI Index thereafter.

International Equity Composite

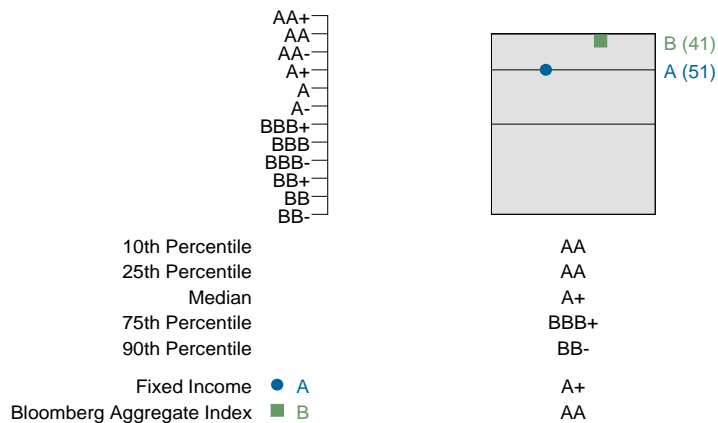
Country Allocations as of September 30, 2023



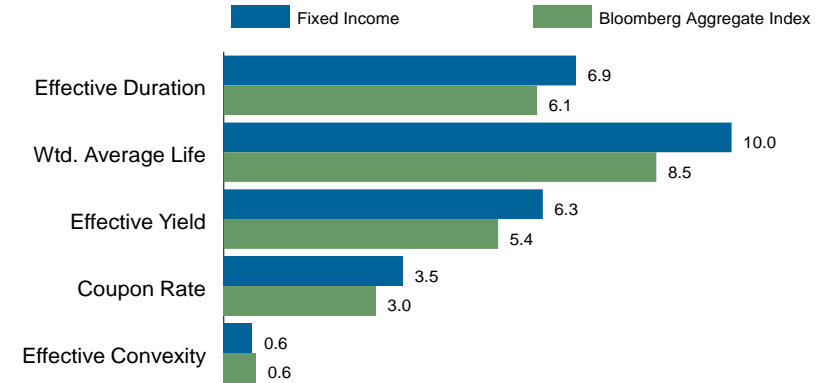
Fixed Income Composite



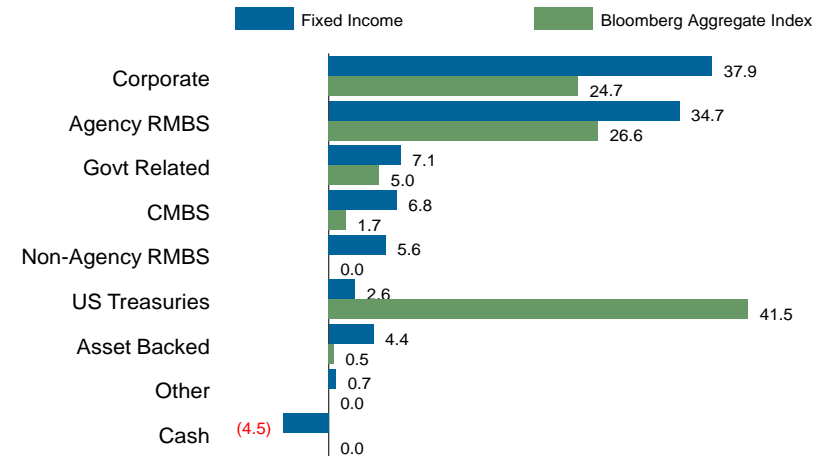
Quality Rating as of September 30, 2023 Total Domestic Fixed Income Database



Portfolio Characteristics as of September 30, 2023



Sector Allocation as of September 30, 2023



Fixed Income Composite

Returns and Rankings for Periods Ended September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Fixed Income - Net	(3.90)	(1.24)	(5.97)	(0.18)	1.13
Fixed Income Target	(3.23)	1.07	(5.58)	(0.31)	0.71
Wellington - Net	(3.52)	1.64	(4.79)	0.67	1.92
Bloomberg Aggregate Index	(3.23)	0.64	(5.21)	0.10	1.13
Ranking vs. Core Plus Fixed Income	92	50	78	55	52
Western Asset - Net	(4.02)	(0.63)	(3.61)	1.09	2.02
Western Asset Blended Benchmark	(3.23)	(0.84)	(4.04)	0.56	1.45
Ranking vs. Core Plus Fixed Income	97				

Returns and Rankings for Calendar Years

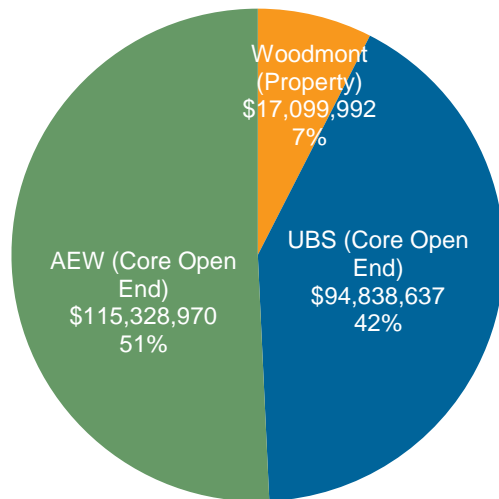
	3 Qtrs. 2023	2022	2021	2020	2019
Fixed Income - Net	(1.51)	(15.56)	(2.50)	11.47	8.60
Fixed Income Target	(1.21)	(13.58)	(2.79)	8.08	8.21
Wellington - Net	(0.87)	(13.68)	(0.71)	9.93	9.95
Bloomberg Aggregate Index	(1.21)	(13.01)	(1.54)	7.51	8.72
Ranking vs. Core Plus Fixed Income	80	62	64	26	43
Western Asset - Net	(1.00)	(11.71)	(0.43)	10.03	9.82
Western Asset Blended Benchmark	(1.21)	(11.01)	(1.03)	7.08	9.52
Ranking vs. Core Plus Fixed Income	84				

- The Fixed Income composite underperformed the benchmark during the quarter and over the trailing year. Performance over the last year still includes the Colchester Global and Western Asset Intermediate Credit portfolios (transitioned in 4Q22).
 - Wellington: higher duration and positioning on the intermediate portion of the curve dampened relative results.
 - Western Asset: higher duration and heavy overweight positioning in the 5–7-year duration portion of the yield curve challenged relative results amidst rising rates.

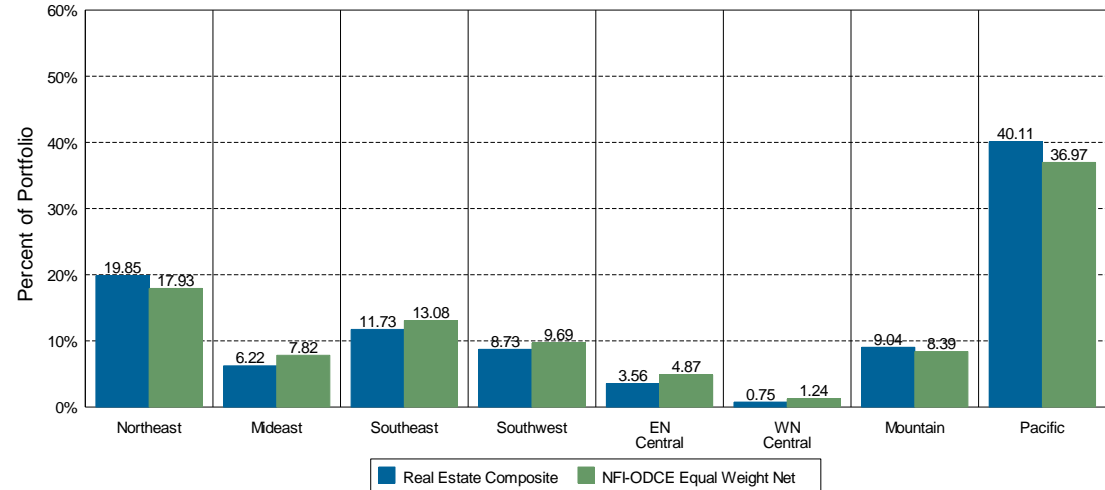
Fixed Income Target is comprised of 100% Bloomberg US Aggregate Index until March 2014, 50% Bloomberg US Aggregate Index, 25% Bloomberg US Intermediate Credit Index, and 25% FTSE World Government Bond Index until November 2022, and 100% Bloomberg US Aggregate Index thereafter.

Western Asset Blended Benchmark is comprised of the Bloomberg US Aggregate Index until March 2014, the Bloomberg US Intermediate Credit Index to 11/6/2022, and the Bloomberg US Aggregate Index thereafter.

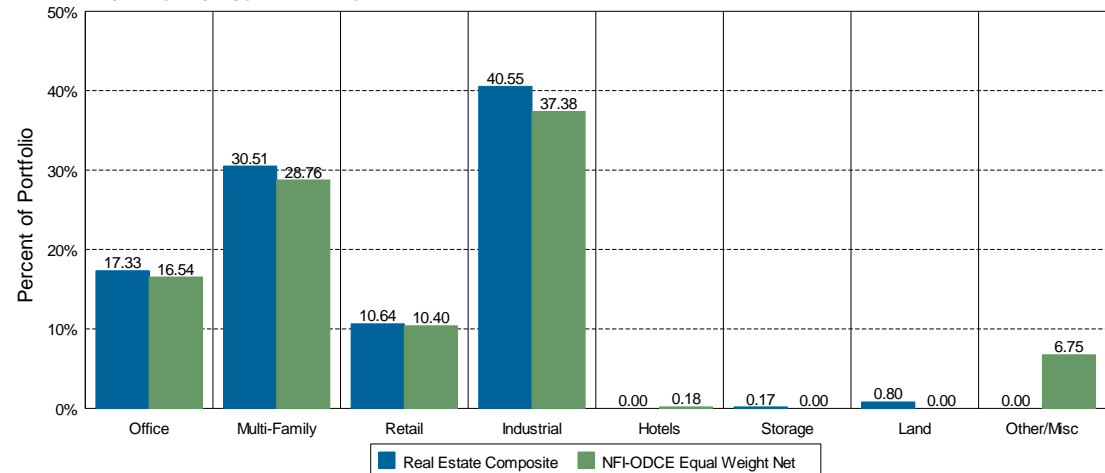
Real Estate Composite



Diversification by Geographic Region as of September 30, 2023



Diversification by Property Type as of September 30, 2023



Real Estate Composite

Returns and Rankings for Periods Ended September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Real Estate - Net	(1.19)	(13.96)	3.39	2.22	7.25
Real Estate Target	(2.12)	(13.08)	6.69	5.22	7.55
AEW Core Property Trust - Net	(1.05)	(12.84)	6.80	5.23	7.16
NFI-ODCE Equal Wt Net Index	(2.12)	(13.08)	6.69	5.22	7.55
Ranking vs. Core Open End Funds	76	62	46	56	73
UBS Trumbull Property Fund - Net	(1.58)	(16.60)	1.58	0.12	4.01
NFI-ODCE Equal Wt Net Index	(2.12)	(13.08)	6.69	5.22	7.55
Ranking vs. Core Open End Funds	79	99	92	97	96

Returns and Rankings for Calendar Years

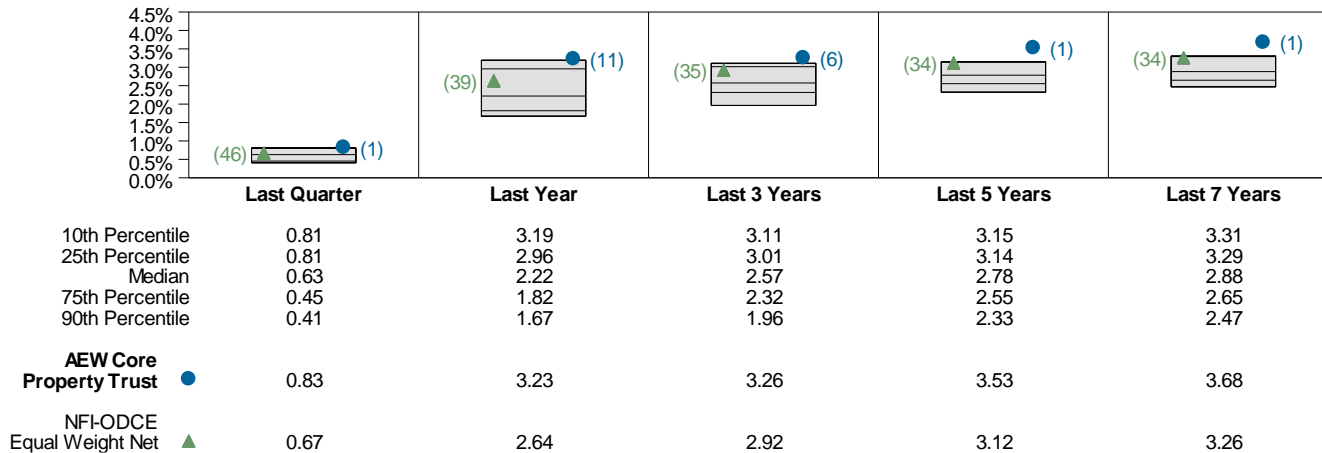
	3 Qtrs. 2023	2022	2021	2020	2019
Real Estate - Net	(9.59)	6.20	16.16	(2.29)	0.64
Real Estate Target	(8.42)	7.56	21.88	0.75	5.18
AEW Core Property Trust - Net	(8.22)	7.95	21.00	0.57	5.29
NFI-ODCE Equal Wt Net Index	(8.42)	7.56	21.88	0.75	5.18
Ranking vs. Core Open End Funds	57	54	56	66	71
UBS Trumbull Property Fund - Net	(11.88)	5.21	15.41	(4.68)	(2.88)
NFI-ODCE Equal Wt Net Index	(8.42)	7.56	21.88	0.75	5.18
Ranking vs. Core Open End Funds	93	82	89	96	96

- The AEW Core Property Trust's current leverage is 28% (NFI-ODCE leverage: 25%).
- The UBS Trumbull Property Fund's current leverage is 21%.
 - The retail and industrial sectors produced positive net returns for both funds during the quarter, whereas multifamily and office were negative.

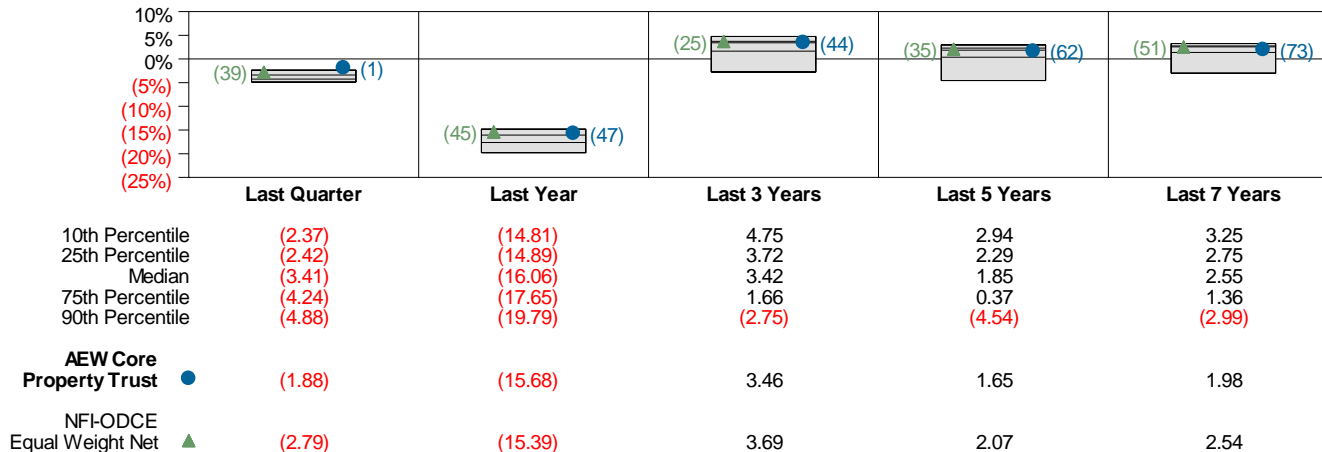
The Real Estate Target is comprised of the NCREIF Classic Index through 12/31/2004, NCREIF Total Property Index through 12/31/2014, and the NFI-ODCE Equal Weight Net thereafter.

AEW Income and Appreciation Returns

Income Rankings vs Callan Real Estate ODCE Periods ended September 30, 2023

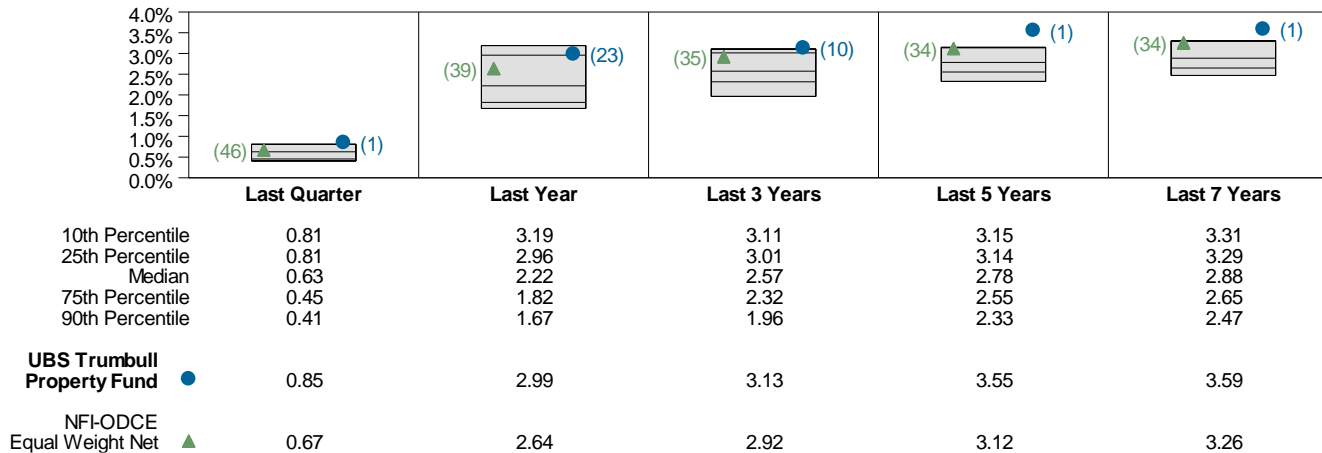


Appreciation Rankings vs Callan Real Estate ODCE Periods ended September 30, 2023

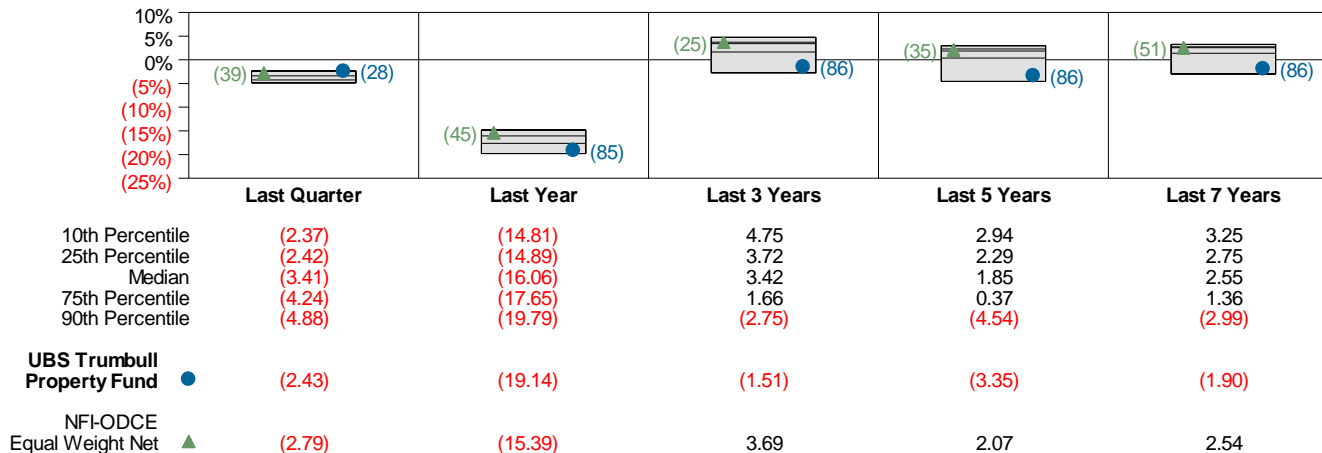


UBS Income and Appreciation Returns

Income Rankings vs Callan Real Estate ODCE Periods ended September 30, 2023



Appreciation Rankings vs Callan Real Estate ODCE Periods ended September 30, 2023



UBS Trumbull Property Fund Snapshot

As of September 30, 2023

As of 3Q 2023

Gross Asset Value	\$14.6B
Net Asset Value	\$11.5B
Leverage	20.5%
Number of Investments	132
Number of Investors	436
Redemption Queue	\$6.1 billion
3Q23 Redemption Queue Payout	\$100 million
Contribution Queue	\$0 million

Property Type Weights (Change from Prior Quarter)



- The Fund has a current redemption pool of \$6.1 billion. The Fund made a 3Q 2023 redemption payment of \$100 million after making a payment of \$125 million in 2Q and electing not to make a payment in Q1. In 2022, the Fund paid out a total of \$1.85 billion, compared to the initial target for 2022 redemption payments of \$2.5 billion. The Non-Strategic Asset portfolio began with 44 properties and now has just two assets remaining, after this quarter's dispositions of one office asset. UBS estimates, based on current capital flows and the fund's disposition program, that the fund's redemption queue will be brought into balance in 2026.
- In September 2019, the fund announced investors would have a choice between two fee incentives: Loyalty Incentive (discounted fees of 15% over 3 years or 25% over 4 years) and Top-up Incentive (\$0 base fee on additional dollars deposited). In January 2023, UBS announced they are extending these programs.
 - In 2019, MCERA elected for the 4 year/25% discount loyalty incentive on approximately \$100 million NAV (effective January 1, 2020). In 2023, MCERA again elected for the 4 year/25% discount loyalty incentive on the total NAV effective January 1, 2024.

NFI-ODCE Funds - Net of Fee Returns

As of September 30, 2023

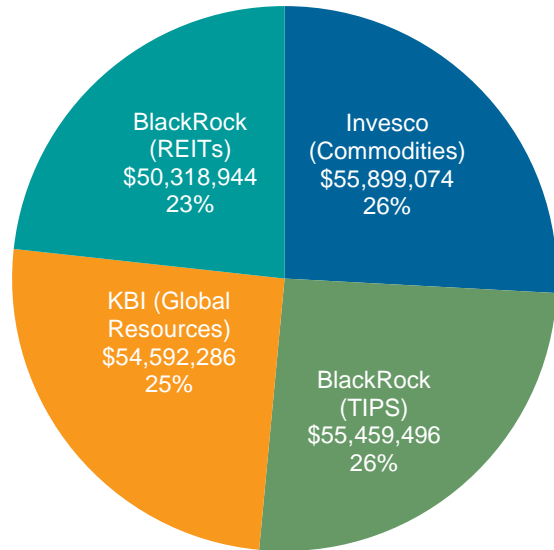
Fund Name	Last Quarter	Last Year	Last 3 Years	Last 5 Years
AEW Core Property Trust	-1.03%	-12.78%	6.89%	5.31%
ARA Core Property Fund	-2.45%	-13.37%	6.64%	5.23%
ASB Allegiance Real Estate Fund	-4.12%	-18.96%	2.21%	2.33%
Bailard Real Estate Fund	-0.85%	-5.90%	10.29%	9.02%
Barings Core Property Fund	-3.79%	-14.32%	2.73%	3.09%
BentallGreenOak BGO Diversified	-3.45%	-15.48%	6.04%	4.82%
BlackRock U.S. Core Property Fund	-3.92%	-15.30%	4.89%	4.61%
CBRE U.S. Core Partners LP	-1.58%	-12.14%	11.90%	9.34%
CIM Urban Income Investments	-2.69%	-12.98%	7.75%	5.99%
Clarion Lion Property Fund	-1.24%	-16.84%	6.03%	5.17%
DWS RREEF America REIT II	-2.44%	-13.23%	6.60%	5.44%
Heitman America Real Estate Trust	-1.92%	-12.19%	8.45%	4.85%
Intercontinental U.S. Real Estate Investment Fund	-0.99%	-16.32%	5.04%	5.05%
Invesco Core Real Estate USA	-1.75%	-13.10%	6.10%	4.41%
J.P. Morgan Strategic Property Fund	-3.36%	-12.98%	5.03%	3.73%
LaSalle US Property Fund	-2.65%	-11.88%	7.57%	5.67%
MetLife Core Property Fund	0.25%	-12.18%	9.08%	7.02%
Morgan Stanley Prime Property Fund	-0.22%	-7.23%	8.00%	6.36%
NYL Madison Core Property Fund	-1.77%	-9.56%	10.13%	7.90%
PGIM PRISA	-3.28%	-12.31%	6.41%	5.32%
Principal U.S. Core Property Account	-3.89%	-14.37%	5.88%	4.76%
Sagard Real Estate U.S. Property Fund	-2.50%	-12.52%	8.22%	5.92%
Stockbridge Smart Markets Fund	-1.04%	-10.75%	8.98%	7.29%
TA Realty	-1.76%	-8.88%	12.07%	9.74%
UBS Trumbull Property Fund	-1.60%	-16.68%	1.53%	0.08%

NFI-ODCE Funds - Gross of Fee All Sector Returns

As of September 30, 2023

Fund	Retail 3Q 2023	Apartment 3Q 2023	Industrial 3Q 2023	Office 3Q 2023
AEW	0.09%	-2.68%	2.39%	-3.20%
ARA	0.74%	-2.53%	-1.26%	-2.01%
ASB	-3.44%	-1.88%	-1.81%	-7.15%
Bailard	1.79%	-0.56%	0.60%	-3.25%
Barings	0.01%	-1.46%	-1.55%	-7.51%
BGO	2.58%	-1.25%	1.12%	-2.80%
BlackRock	-0.14%	-2.58%	-1.69%	-4.69%
CBRE	1.62%	-2.12%	1.38%	-1.68%
CIM Group	0.83%	0.87%	-2.51%	-2.20%
Clarion	0.99%	-0.59%	0.03%	-2.77%
DWS	-1.56%	-3.12%	-0.38%	-2.97%
Heitman	0.71%	-2.08%	0.29%	-3.46%
Intercontinental	-0.11%	-0.53%	-0.26%	-2.41%
Invesco	0.17%	-1.59%	-0.27%	-3.29%
JP Morgan	0.76%	-1.03%	-0.32%	-7.10%
LaSalle	0.21%	-2.98%	-0.57%	-5.09%
MetLife	0.81%	-0.47%	-0.77%	0.23%
MSIM	-0.51%	-0.74%	1.46%	-2.72%
NYLIM	0.68%	-2.02%	1.88%	-4.73%
PGIM	0.40%	-2.06%	-2.00%	-5.94%
Principal	-0.63%	-3.84%	-0.11%	-7.56%
Sagard	-1.27%	1.25%	-0.15%	-6.01%
Stockbridge	0.98%	-2.20%	-0.48%	0.09%
TA Realty	4.09%	-1.85%	-0.30%	-8.20%
UBS	0.92%	-0.59%	0.02%	-7.94%

Real Assets Composite



- The BlackRock TIPS and REITs Funds are passive.
- Invesco outperformed with energy being the largest contributor. Energy overall was the strongest area of the market.
- KBI sharply underperformed the index. The index contains traditional energy names which KBI does not own as the fund focuses on renewable energy sources. Renewable energy faced headwinds over the quarter driven by growth concerns and rate sensitivity of solar financing.

Returns and Rankings for Periods Ended September 30, 2023

	Last Quarter	Last Year	Last 3 Years	Last 5 Years
Real Assets - Net	(3.17)	5.19	8.23	5.88
Real Assets Target	(0.43)	5.05	10.08	4.68
BlackRock TIPS Index Fund - Net	(2.57)	1.32	(1.95)	2.18
Bloomberg US TIPS Index	(2.60)	1.25	(1.98)	2.12
Ranking vs. Real Returns Database	41	35	47	29
BlackRock REIT Index Fund - Net	(7.37)	2.62	6.04	1.52
S&P Dow Jones US Select REIT	(7.40)	2.61	6.12	1.56
Ranking vs. Real Estate Mutual Funds	35	24	4	80
Invesco Commodity Fund - Net	6.72	8.53	15.63	6.79
Bloomberg Commodity Index	4.71	(1.30)	16.23	6.13
Ranking vs. Commodities Funds	20	21	53	22
KBI Global Resources Fund - Net	(8.60)	8.56	10.88	9.42
S&P Global Natural Resources Index	3.55	17.00	18.37	5.67

Returns and Rankings Calendar Years

	3 Qtrs. 2023	2022	2021	2020
Real Assets - Net	(1.18)	(9.41)	23.96	11.08
Real Assets Target	(1.38)	(3.52)	25.60	0.57
BlackRock TIPS Index Fund - Net	(0.54)	(11.96)	5.92	11.17
Bloomberg US TIPS Index	(0.78)	(11.85)	5.96	10.99
Ranking vs. Real Returns Database	24	76	41	18
BlackRock REIT Index Fund - Net	(1.99)	(26.08)	45.80	(11.21)
S&P Dow Jones US Select REIT Index	(2.05)	(25.96)	45.91	(11.20)
Ranking vs. Real Estate Mutual Funds	25	51	17	96
Invesco Commodity Fund - Net	1.69	9.00	19.68	7.58
Bloomberg Commodity Index	(3.44)	16.09	27.11	(3.12)
Ranking vs. Commodities Funds	15	83	87	1
KBI Global Resources Fund - Net	(3.82)	(7.85)	24.08	29.17
S&P Global Natural Resources Index	(0.06)	9.59	24.40	(0.05)

Private Equity Portfolio (as of 6/30/23)

- 83% Paid-In through 6/30/22.
- When ranked against the Thomson-Cambridge Private Equity Database, MCERA is ranked in the second quartile for Total Value to Paid-In (TVPI) basis.
- The total portfolio is well diversified by vintage year and investment type.

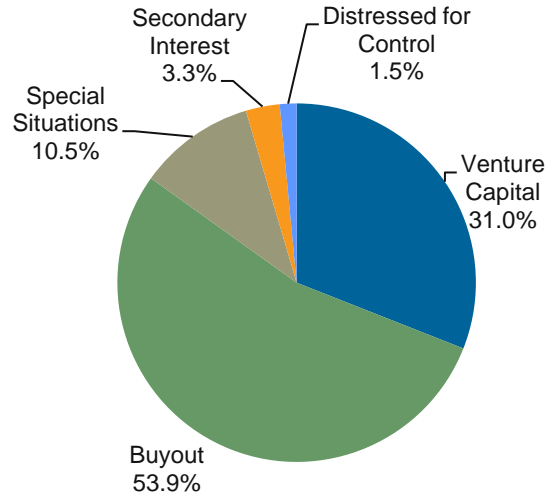
	June 30, 2023	Quarter Change	March 31, 2023
Summary			
Vintage Years	16 in 2008-2023		16 in 2008-2023
# Total Partnerships	567	17	550
# Active Partnerships	543	16	527
# Liquidated Partnerships	24	1	23
Changes in Value			
Capital Commitments	\$500,000,000	-	\$500,000,000
Paid-In Capital	\$416,631,981	\$5,594,634	\$411,037,346
Uncalled Capital	\$74,264,392	\$19,721,812	\$54,542,581
% Paid-In	83.33%	1.12%	82.21%
Distributed Capital	\$477,489,870	\$12,112,302	\$465,377,568
Net Asset Value	\$355,726,336	\$(49,416)	\$355,775,752
Total Realized and Unrealized Value	\$833,216,206	\$12,062,886	\$821,153,320
Ratios and Performance			
Distributions to Paid-In Capital (DPI)	1.15x	0.01x	1.13x
Residual Value to Paid-In Capital (RVPI)	0.85x	(0.01)x	0.87x
Total Value to Paid-In Capital (TVPI)	2.00x	0.00x	2.00x
Quartile Ranking	2 nd		2 nd
Net IRR	15.22%	(0.12%)	15.34%
Additional Performance Metrics			
Distribution Rate, as % of Beginning NAV		3.40%	
Unrealized Gain/(Loss), Dollars		\$6,468,252	
Unrealized Gain/(Loss), %		1.82%	

Quartile Rankings against the All Private Equity, All Regions Refinitiv/Cambridge Database.

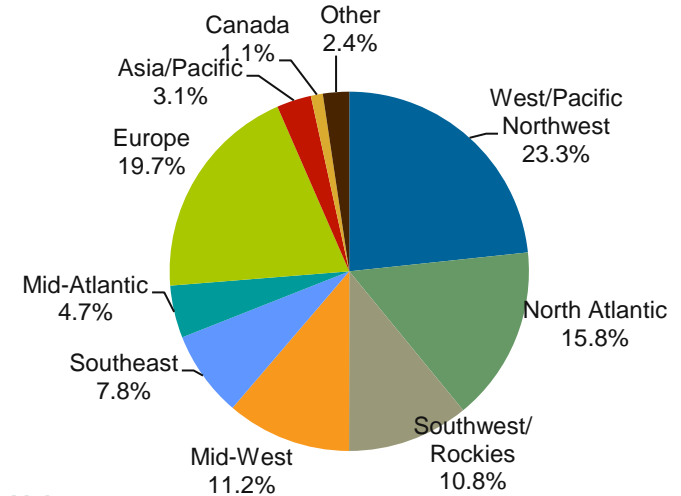
Pathway does not include capital called for fees towards the commitment. Paid-in may exceed the total commitment due to fees and/or currency effects.

Private Equity Portfolio Exposure

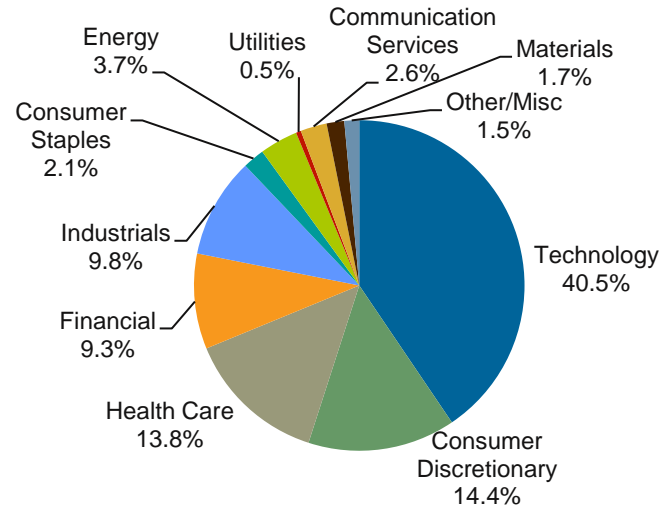
Strategy Mix by Net Asset Value



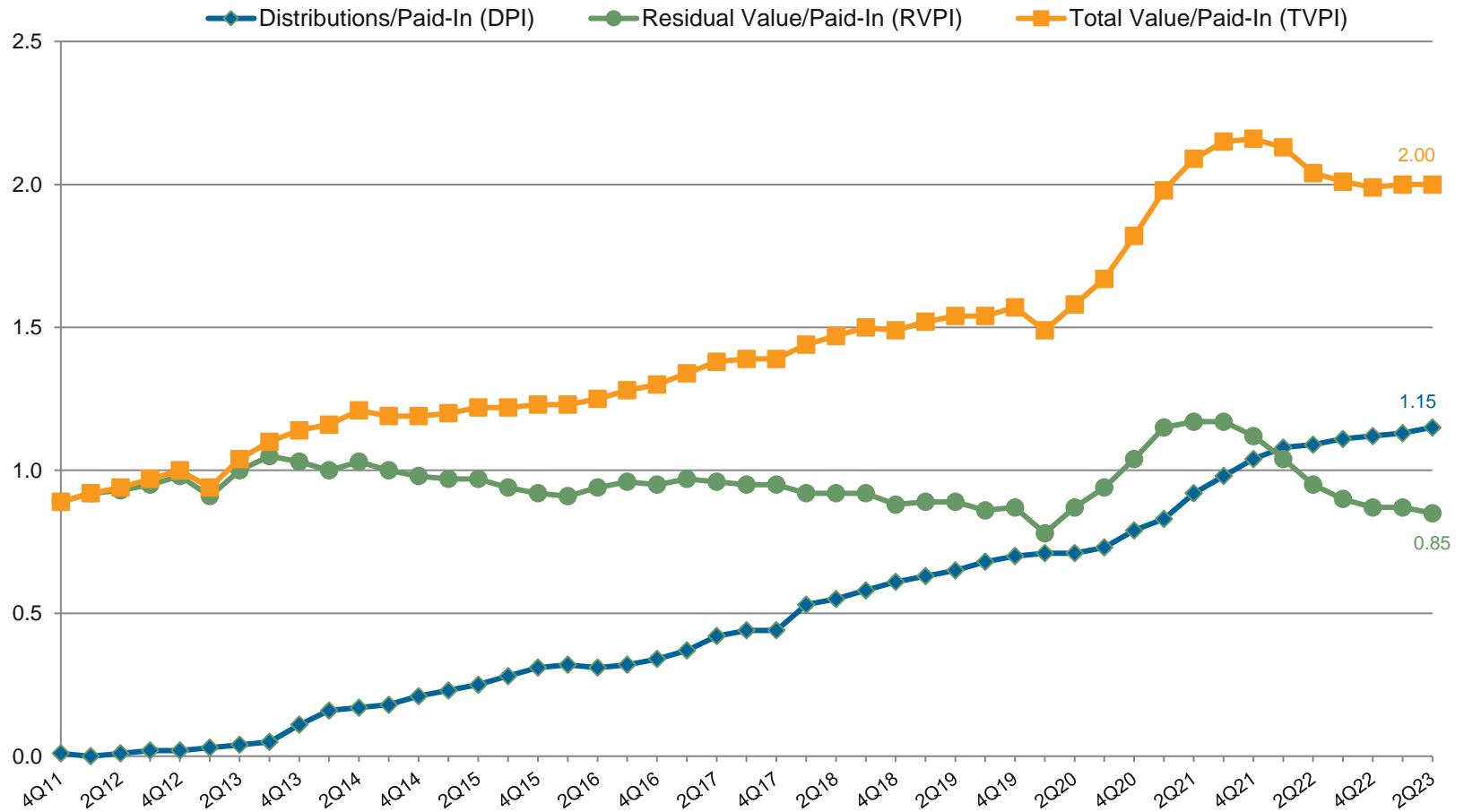
Geographic Mix by Net Asset Value



Industry Mix by Net Asset Value



Private Equity Ratios – Changes Over Time



Opportunistic Portfolio

- 65% Paid-In through 9/30/23.
- The total portfolio is diversified by industry type and geographic location.

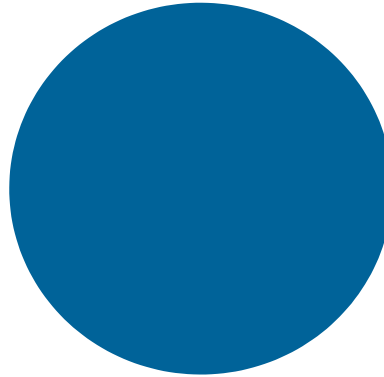
	September 30, 2023	Quarter Change	June 30, 2023
Summary			
Vintage Year	2020		2020
# Total Partnerships	193	-	193
# Active Partnerships	193	-	193
# Liquidated Partnerships	0	-	0
Changes in Value			
Capital Commitments	\$100,000,000	-	\$100,000,000
Paid-In Capital	\$65,379,923	\$2,252,563	\$63,127,360
Uncalled Capital	\$37,730,938	\$(970,611)	\$38,701,549
% Paid-In	65.38%	2.25%	63.13%
Distributed Capital	\$13,086,308	\$1,281,952	\$11,804,356
Net Asset Value	\$61,422,763	\$2,567,030	\$58,855,733
Total Realized and Unrealized Value	\$74,509,071	\$3,848,982	\$70,660,089
Ratios and Performance			
Distributions to Paid-In Capital (DPI)	0.20x	0.01x	0.19x
Residual Value to Paid-In Capital (RVPI)	0.94x	0.01x	0.93x
Total Value to Paid-In Capital (TVPI)	1.14x	0.02x	1.12x
Quartile Ranking	3rd		3rd
Net IRR	7.65%	0.44%	7.20%
Additional Performance Metrics			
Distribution Rate, as % of Beginning NAV		2.18%	
Unrealized Gain/(Loss), Dollars		\$1,596,419	
Unrealized Gain/(Loss), %		2.71%	

Quartile rankings against the 2020 vintage Control Oriented Distressed and Credit Opportunities Refinitiv/Cambridge Database.

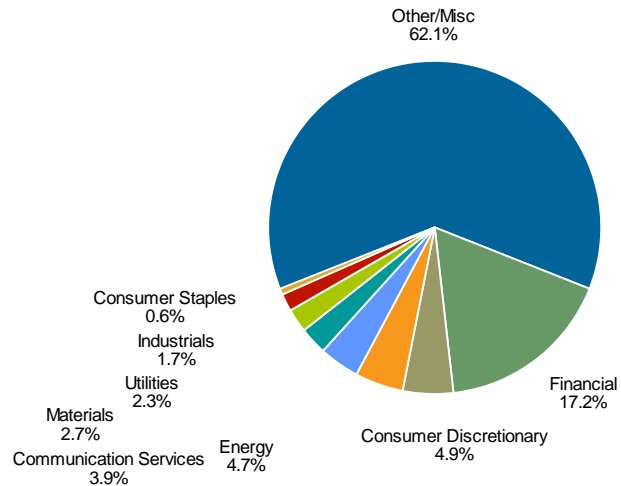
Opportunistic Portfolio Exposure

Strategy Mix by Net Asset Value

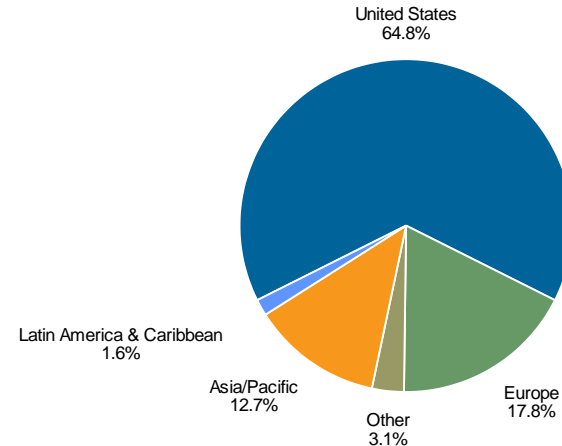
Special Situations
100.0%



Industry Mix by Net Asset Value



Geographic Mix by Net Asset Value



CarVal and Fortress do not categorize their assets by industry and therefore classify their investments as Other.

CarVal portfolio by asset class: corporate securities, loan portfolios, structured credit, and special opportunities/hard assets.

Fortress portfolio by asset class: asset backed securities, commercial real estate and debt securities, consumer loans, corporate debt and securities (distressed), corporate debt and securities (stressed), corporate loan originations, diversified credit, legal assets, preferred and common equity corporate securities, residential, and transportation assets.

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**Marin County Employees' Retirement Association
Defined Benefit Plan**

Managers	October 2023 Market Value	Fiscal Year To Date 7/1/23 - 10/31/23	Calendar Year To Date 1/1/23 - 10/31/23
Domestic Equity	\$918,073,066	-6.4%	7.1%
<i>Russell 3000 Index</i>		<i>-5.8%</i>	<i>9.4%</i>
SSGA Russell 1000 Index	\$702,296,016	-5.5%	10.3%
<i>Russell 1000 Index</i>		<i>-5.5%</i>	<i>10.3%</i>
Dimensional Fund Advisors	\$216,251,561	-9.2%	-2.1%
<i>Russell 2000 Index</i>		<i>-11.6%</i>	<i>-4.5%</i>
Parametric Domestic Equity Overlay	-\$474,511		
International Equity	\$623,384,717	-8.7%	0.9%
<i>MSCI ACWI ex-US IMI Index</i>		<i>-7.7%</i>	<i>0.7%</i>
Morgan Stanley	\$186,816,819	-10.9%	2.0%
Artisan Partners	\$181,624,727	-6.6%	2.2%
<i>MSCI EAFE Index</i>		<i>-7.3%</i>	<i>2.7%</i>
TimesSquare	\$92,215,516	-9.5%	-2.7%
<i>MSCI EAFE Small Cap Index</i>		<i>-9.2%</i>	<i>-4.2%</i>
FIAM Emerging Markets	\$95,197,479	-7.1%	-0.3%
<i>MSCI Emerging Markets Index</i>		<i>-6.7%</i>	<i>-2.1%</i>
Parametric International Equity Overlay	\$67,530,176		
Fixed Income	\$648,174,951	-5.5%	-2.3%
<i>Bloomberg US Aggregate Index</i>		<i>-4.8%</i>	<i>-2.8%</i>
Wellington	\$264,388,060	-5.3%	-2.3%
Western Asset	\$278,392,006	-5.8%	-2.3%
<i>Bloomberg US Aggregate Index</i>		<i>-4.8%</i>	<i>-2.8%</i>
Parametric Fixed Income Overlay	\$105,394,885		
Public Real Assets	\$194,149,964	-6.1%	-4.0%
<i>Blended Benchmark</i>		<i>-2.9%</i>	<i>-4.0%</i>
BlackRock TIPS Index Fund	\$55,062,339	-3.3%	-1.2%
<i>Bloomberg US TIPS Index</i>		<i>-3.3%</i>	<i>-1.5%</i>
BlackRock REIT Index Fund	\$48,039,409	-11.6%	-6.4%
<i>DJ S&P US Select REIT Index</i>		<i>-11.6%</i>	<i>-6.4%</i>
Invesco Balanced Risk Commodities Fund	\$55,395,209	5.8%	0.8%
<i>Bloomberg Commodities Index</i>		<i>5.0%</i>	<i>-3.2%</i>
KBI Global Resources Fund	\$51,281,133	-14.1%	-9.1%
<i>S&P Global Natural Resources Index</i>		<i>-1.7%</i>	<i>-5.1%</i>
Parametric Real Assets Overlay	-\$15,628,125		

All market values and returns shown are preliminary and subject to revision.

**Marin County Employees' Retirement Association
Defined Benefit Plan**

Managers	October 2023 Market Value	Fiscal Year To Date 7/1/23 - 10/31/23	Calendar Year To Date 1/1/23 - 10/31/23
Real Estate(1)	\$235,790,933	-1.6%	-10.0%
<i>NFI-ODCE Equal Weight Net(1)</i>		<i>-2.8%</i>	<i>-9.1%</i>
Woodmont	\$17,099,992	-	-
UBS Trumbull Property Fund	\$94,838,637	-	-
AEW Core Property Trust	\$115,328,970	-	-
Parametric Real Estate Overlay	\$8,523,334		
Private Equity(2)	\$257,751,757	0.0%	3.5%
Abbott ACE VI	\$34,966,002	-	-
Abbott ACE VII	\$39,753,530	-	-
Abbott AP 2016	\$70,262,682	-	-
Abbott AP 2017	\$20,224,254	-	-
Abbott AP 2021	\$9,984,171		
Abbott 2023	\$2,250,000		
Pathway PPEF 2008	\$37,357,475	-	-
Pathway PPEF I-7	\$33,025,227	-	-
Pathway PPEF I-8	\$58,731,198	-	-
Pathway PPEF I-9	\$18,267,131	-	-
Pathway PPEF I-10	\$22,432,271		
Pathway PPEF I-11	\$1,285,703		
Parametric Private Equity Overlay	-\$90,787,887		
Opportunistic(3)	\$60,185,190	3.0%	9.6%
CarVal Credit Value Fund V	\$23,871,502	-	-
Fortress Credit Opportunities Fund V Expansion	\$13,004,006	-	-
Varde Dislocation Fund	\$23,309,682	-	-
Total Fund	\$2,937,510,578	-5.2%	1.3%

(1)Market values as of September 30, 2023. FYTD and YTD returns use MCERA's and ODCE's pro-rata performance of prior quarter.

(2)Market values as of June 30, 2023. FYTD and YTD returns use MCERA's pro-rata performance of prior quarter.

(3)Market values as of September 30, 2023. FYTD and YTD returns use MCERA's pro-rata performance of prior quarter.

All market values and returns shown are preliminary and subject to revision.