



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
November 1, 2023
9:00 a.m.

Board Conference Room
1200 Concord Avenue, Suite 350
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Public Comment (3 minutes/speaker).
3. Recognition of Janet Kutrowski for 30 years of service.

CONSENT ITEMS

- 4.A All Consent Items are to be approved by one action unless a Board Member requests separate action on a specific item. (Action Item)
- I. Approve minutes from the September 27 and October 11, 2023 meetings.
 - II. Approve the following routine items:
 - a. Certifications of membership.
 - b. Service and disability allowances.
 - c. Death benefits.
 - d. Investment liquidity report.
 - III. Accept the following routine items:
 - a. Disability applications and authorize subpoenas as required.
 - b. Travel report.
 - c. Investment asset allocation report.
- 4.B Consider and take possible action on Consent Items previously removed, if any. (Action Item)

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

CLOSED SESSION

5. CONFERENCE WITH LABOR NEGOTIATORS
(Government Code Section 54957.6)

Agency designated representatives:
Christina Dunn, Acting Chief Executive Officer
Erica Grant, Human Resources Manager
Alison Flowers, CCCERA's Chief Negotiator

Employee Organization: AFSCME Local 2700

OPEN SESSION

6. Consider and take possible action to retain fiduciary counsel services. (Action Item)
a. Presentation from Nossaman LLP
b. Presentation from Reed Smith LLP
7. Private Equity Review. (Presentation item)
a. Presentation from staff
b. Presentation from StepStone
8. Review of report on growth sub-portfolio. (Presentation Item)
9. Consider and take possible action concerning the SACRS legislative proposals to be voted on at the November 2023 SACRS Fall Conference. (Action Item)
10. Pension administration system project update: (Presentation Item)
a. Update from staff
b. Presentation from Segal
c. Presentation from Sagitec
11. Consider authorizing the attendance of Board: (Action Item)
a. Markets Group 10th Annual Northern California Institutional Forum, December 5-6, 2023, Napa, CA.
12. Miscellaneous
a. Staff Report
b. Outside Professionals' Report
c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.



RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
September 27, 2023
9:00 a.m.

Board Conference Room
1200 Concord Avenue, Suite 350
Concord, California

Present: Dennis Chebotarev, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, Mike Sloan, Russell Watts, and Samson Wong

Absent: Candace Andersen and Donnie Finley

Staff: Christina Dunn, Acting Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Jasmine Lee, Member Services Manager; Erica Grant, Human Resources Manager; Henry Gudino, Accounting Manager; Erika McIntosh, Administrative Services Manager; Cherry Chang, Internal Auditor; and Son Lu, IT Manager

Outside Professional Support:	Representing:
Scott Whalen	Verus
Jesse Rivera	Segal Consulting
Aaron Mucha	Sagitec

1. Pledge of Allegiance

The Board, staff and audience joined in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

3A. Consent Item

It was **M/S/C** to approve all consent items of the August 23, 2023 meeting. (Yes: Chebotarev, Gordon, Holcombe, Kroll, MacDonald, Phillips, Watts, and Wong).

3B. Consider and take possible action on Consent Items previously removed, if any

No consent items were removed.

4. This item was tabled for a future agenda.

5. **Consider and take possible action to authorize retention of a consultant to assist with CEO recruitment**

It was **M/S/C** to authorize the retention of CPS consulting to assist with the CEO recruitment at a cost not to exceed \$30,000. (Yes: Chebotarev, Gordon, Holcombe, Kroll, MacDonald, Phillips, Watts, and Wong).

6. **Review of real estate investment performance and pacing recommendation**

Whalen presented the review of real estate investment performance and pacing recommendation.

Kwon was present for subsequent discussion and voting.

7. **Pension administration system project update**

- a. Update from Staff – Dunn gave an update on the pension administration system project.
- b. Presentation from Segal – Rivera gave an update on the project.
- c. Presentation from Sagitec – Mucha presented an update on the project.

8. **Report from Audit Committee Chair on the September 13, 2023 Audit Committee meeting**

Phillips reported on the September 13, 2023 Audit Committee meeting.

9. **Presentation of the Contra Costa County Treasurer-Tax Collector employer audit report**

Chang presented the Contra Costa County Treasurer-Tax Collector employer audit report.

10. **Presentation of the Contra Costa County Veterans Service Office employer audit report**

Dutkiewicz presented the Contra Costa County Veterans Service Office employer audit report.

11. **Miscellaneous**

- a. Staff Report – Dunn distributed annual insurance invoices to trustees. Dunn reported we received our first completed form by a member requesting a direct deposit to a bank account held in the member's trust.
Price noted that Niall Paul is leaving TT International.
- b. Outside Professionals' Report – None

September 27, 2023

- c. Trustees' Comments – MacDonald commented he attended the EQT Due Diligence Onsite visit with Brian Long and noted that it was a good experience and encouraged others to attend. MacDonald stated that he also attended IDAC Global Summit and felt the topics were interesting and should be discussed at the Board level further.

It was **M/S/C** to adjourn the meeting. (Yes: Chebotarev, Gordon, Holcombe, Kwon, Kroll, MacDonald, Phillips, Watts, and Wong)

Scott W. Gordon, Chairperson

Jerry R. Holcombe, Secretary



RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
October 11, 2023
9:00 a.m.

Board Conference Room
1200 Concord Avenue, Suite 350
Concord, California

Present: Candace Andersen, Dennis Chebotarev, Donald Finley, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, Mike Sloan, Russell Watts, and Samson Wong

Absent: None

Staff: Christina Dunn, Acting Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Jasmine Lee, Member Services Manager; Erica Grant, Human Resources Manager; Erika McIntosh, Administrative Manager; and Son Lu, IT Manager

Outside Professional Support:	Representing:
Jesse Rivera	Segal Consulting
Aaron Mucha	Sagitec

1. Pledge of Allegiance

The Board, staff and audience joined in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

3. Recognition of Rhonda Jones for 15 years of service and Kandice Walls for 5 years of service

Gordon recognized and congratulated Rhonda Jones for 15 years of service and Kandice Walls for 5 years of service.

4A. Consent Items

It was **M/S/C** to approve all consent items of the October 11, 2023 meeting. (Yes: Andersen, Chebotarev, Finley, Gordon, Holcombe, Kroll, MacDonald, Phillips, and Watts).

4B. Consider and take possible action on Consent Items previously removed, if any

No consent items were removed

CLOSED SESSION

The Board moved into Closed Session pursuant to Govt. Code Section 54957 to consider recommendations from the medical advisor and/or staff regarding the following disability retirement applications:

The Board moved into open session.

5. Disability Retirement Application:

- a. Amy Havea – Service Connected: It was **M/S/C** to accept the Medical Advisor’s recommendation and grant the disability benefits. (Yes: Andersen, Chebotarev, Finley, Gordon, Kroll, MacDonald, Phillips, and Watts. No: Holcombe).

6. Presentation of Semi-Annual Disability Retirement Report

Dunn presented the Semi-Annual Disability Retirement Report.

Wong was present for subsequent discussion and voting.

7. Pension administration system project update:

- a. Update from Staff – Dunn gave an update on the pension administration system project noting Susan Kunz will be the Lead Project Manager for the remainder of the project.
- b. Presentation from Segal – Rivera gave an update on the project.
- c. Presentation from Sagitec – Mucha provided an update on the project and explained the staff changes.

8. Miscellaneous

- a. Staff Report – Dunn reported that CCCERA Members with July retirement dates were placed on payroll within 30.18 days from their final active employer paycheck. Staff continue to do a really great job.

Price noted CCCERA received notification from Acadian Asset Management that they have parted ways with their Lead Portfolio Manager as well as four people on the implementation and trading staff. Acadian has placed Thomas Dabbler as Interim Portfolio Manager. This does have a direct impact on our strategy which grants additional due diligence conducted by the Investment Staff.

- b. Outside Professionals’ Report – None
- c. Trustees’ Comments – Sloan reported he attended the CRCEA Fall Conference in Stockton, CA and that it was a very good conference.

October 11, 2023

MacDonald noted he attended the IFEBP Annual Conference in Boston in October. He feels the conference is very worth while and encourages others to attend to help further skills as a Trustee.

It was **M/S/C** to adjourn the meeting. (Yes: Andersen, Chebotarev, Gordon, Holcombe, Kroll, MacDonald, Phillips, Watts, and Wong).

Scott W. Gordon, Chairperson

Jerry R. Holcombe, Secretary

CERTIFICATION OF MEMBERSHIPS

Meeting Date
11/01/2023
Agenda Item
#4.A-IIa.

Name	Employee Number	Tier	Membership Date	Employer
Advincula, Kelsea	93885	P5.2	09/01/23	Contra Costa County
Agoncillo, Archimedes	94012	P5.2	09/01/23	Contra Costa County
Baker, Savannah	93981	P5.2	09/01/23	Contra Costa County
Bal, Rebecca	88630	P5.2	09/01/23	Contra Costa County
Barajas, Victor	93898	P5.2	09/01/23	Contra Costa County
Barrett, Deanne	93850	P5.2	09/01/23	Contra Costa County
Belay, Tsion	91974	P5.2	09/01/23	Contra Costa County
Blake, Rena	93874	P5.2	09/01/23	Contra Costa County
Brown, Kara	93916	P5.2	09/01/23	Contra Costa County
Calma, Elgee	93819	P4.2	09/01/23	Contra Costa County Fire Protection District
Chan, Hera	93914	P5.2	09/01/23	Contra Costa County
Chorro, Vanessa	92356	P5.2	09/01/23	Contra Costa County
Chu, James	93009	P5.2	09/01/23	Contra Costa County
Chumo, Claudia	87568	P5.2	09/01/23	Contra Costa County
Collado, Ryanne	93862	P5.2	09/01/23	Contra Costa County
Contreras, Miriam	92429	P5.2	09/01/23	Contra Costa County
Cruz, Walter	D3406	P4.3	09/01/23	Central Contra Costa Sanitary District
Daco, Ryan	91804	P5.2	09/01/23	Contra Costa County
De Herrera, Ricky	93997	P5.2	09/01/23	Contra Costa County
Delos Reyes, Veronica-Mae	93875	P5.2	09/01/23	Contra Costa County
Doan, Thi	93977	P5.2	09/01/23	Contra Costa County
Domingo, Liezl Joy	93876	P5.2	09/01/23	Contra Costa County
Drazba, Sara	93897	P5.2	09/01/23	Contra Costa County
Duarte, Esmeralda	93895	P5.2	09/01/23	Contra Costa County
Dugan, Christopher	90749	P5.2	09/01/23	Contra Costa County
Earls, Nelson	93958	P5.2	09/01/23	Contra Costa County
Esteves, Jensen	93854	P5.2	09/01/23	Contra Costa County
Foster, Stephen	93858	P5.2	09/01/23	Contra Costa County
Francisco, Rico	93944	P5.2	09/01/23	Contra Costa County
Gallegos, Rene	93817	P5.2	09/01/23	Contra Costa County
Gano, Jaime	89544	P5.2	09/01/23	Contra Costa County
Garcia, Christian	94010	P5.2	09/01/23	Contra Costa County
Garcia, Richard	92643	P5.2	09/01/23	Contra Costa County
Garner, Cassandra	93845	P5.2	09/01/23	Contra Costa County
Gilbert, Paul	93995	P5.2	09/01/23	Contra Costa County

Key:

I = Tier I	P4.2 = PEPRA Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPRA Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Gomez, Roseanne	93879	P5.2	09/01/23	Contra Costa County
Gonzalez, Diego	89443	P5.2	09/01/23	Contra Costa County
Govorukhin, Dmitrii	92723	P5.2	09/01/23	Contra Costa County
Gray, Rosette	D4980	P4.3	09/01/23	Contra Costa County Employees' Retirement Association
Gresko, Anna	85075	P5.2	09/01/23	Contra Costa County
Guzman, Norma	89529	P5.2	09/01/23	Contra Costa County
Hanna, Wael	93869	P5.2	09/01/23	Contra Costa County
Harris, Sherryce	93913	P5.2	09/01/23	Contra Costa County
Hicks, Atoryana	93890	P5.2	09/01/23	Contra Costa County
Hogenboom, Jeanette	93842	P5.2	09/01/23	Contra Costa County
Houston, Stephanie	47660	III	09/01/23	Contra Costa County
Izazaga Dominguez, Flavio	93889	P5.2	09/01/23	Contra Costa County
Jauregui, Alma	93843	P5.2	09/01/23	Contra Costa County
Jenkins, Jennifer	56007	III	09/01/23	Contra Costa County
Kiruuta, Paul	93947	P5.2	09/01/23	Contra Costa County
Knox, Candace	94009	P5.2	09/01/23	Contra Costa County
Lal, Pooja	93917	P5.2	09/01/23	Contra Costa County
Lane, Oliver	93959	P5.2	09/01/23	Contra Costa County
Lara, Andrea	93960	P5.2	09/01/23	Contra Costa County
Lee, Christina	D4980	P4.3	09/01/23	Contra Costa County Employees' Retirement Association
Lee, Eunice	93857	III	09/01/23	Contra Costa County
Lieberman, Marilen	93973	P5.2	09/01/23	Contra Costa County
Lloyd, Patrick	93988	P5.2	09/01/23	Contra Costa County
Lo, Irene	93873	P5.2	09/01/23	Contra Costa County
Long, Savaughn	94023	P5.2	09/01/23	Contra Costa County
Long, Stephanie	93945	P5.2	09/01/23	Contra Costa County
Lovett-Sudduth, Kathleen	93848	P5.2	09/01/23	Contra Costa County
Luitel, Ratna	93613	P5.2	09/01/23	Contra Costa County
Luu, Anita	93851	P5.2	09/01/23	Contra Costa County
Luu, Chris	93849	P5.2	09/01/23	Contra Costa County
Massoni, Jesse	93976	P5.2	09/01/23	Contra Costa County
Mayberry, Le Mar	93908	P5.2	09/01/23	Contra Costa County
McKeever, Amelia	93956	P4.2	09/01/23	Contra Costa County Fire Protection District
Membreno, Sheila	93999	P5.2	09/01/23	Contra Costa County
Miller, Noel	93826	P5.2	09/01/23	Contra Costa County

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II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPRA Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Millison, Laura	71363	III	09/01/23	Contra Costa County
Mills, Ronald	93980	P5.2	09/01/23	Contra Costa County
Mitchell, Terri	93983	P5.2	09/01/23	Contra Costa County
Mohamadmoradi, Alireza	93986	P5.2	09/01/23	Contra Costa County
Monroy, Christina	93834	P5.2	09/01/23	Contra Costa County
Morin, Michelle	46457	III	09/01/23	Contra Costa County
Naidu, Vignesh	93982	P5.2	09/01/23	Contra Costa County
Nelson, Mikele	94008	P4.3	09/01/23	First Five of Contra Costa
Nicholas, Zachary	93881	P5.2	09/01/23	Contra Costa County
Nishimura, Kent	94000	PE.2	09/01/23	Contra Costa County
Oamilda, Elvin	93902	P5.2	09/01/23	Contra Costa County
Olwell, Lianna	93922	P5.2	09/01/23	Contra Costa County
O'Shea, Maya	93884	P5.2	09/01/23	Contra Costa County
Ostachiewicz, Kuba	93883	P5.2	09/01/23	Contra Costa County
Pacheco, Maria	93839	P5.2	09/01/23	Contra Costa County
Pamaasuren, Myadag	94014	P5.2	09/01/23	Contra Costa County
Pietszak, Scott	93838	P5.2	09/01/23	Contra Costa County
Piggee, Carmen	86646	P5.2	09/01/23	Contra Costa County
Pinelli, Hannah	93996	P5.2	09/01/23	Contra Costa County
Pinon, Alayna	90023	P4.2	09/01/23	Contra Costa County Fire Protection District
Quesenberry, Marcela	93942	P5.2	09/01/23	Contra Costa County
Reddy, Rohit	93939	P5.2	09/01/23	Contra Costa County
Reyes, Lino	91773	P5.2	09/01/23	Contra Costa County
Rodriguez, Noel	D3406	P4.3	09/01/23	Central Contra Costa Sanitary District
Seegmiller, Darwin	93824	P5.2	09/01/23	Contra Costa County
Skallet, Maria	80784	P5.2	09/01/23	Contra Costa County
Soares, Anita	93937	I	09/01/23	Contra Costa County Fire Protection District
Solorio, Brenda	94015	P5.2	09/01/23	Contra Costa County
Stevenson, Brittany	93985	P5.2	09/01/23	Contra Costa County
Teixeira, Christopher	94020	P5.2	09/01/23	Contra Costa County
Tran, Lynne	93836	P5.2	09/01/23	Contra Costa County
Tucker, Cameron	93924	P5.2	09/01/23	Contra Costa County
Twohy, Brenna	93993	P5.2	09/01/23	Contra Costa County
Ulangca, Catherine	94035	P5.2	09/01/23	Contra Costa County
Ulloa, Maria	93118	P5.2	09/01/23	Contra Costa County

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II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPRA Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

<i>Name</i>	<i>Employee Number</i>	<i>Tier</i>	<i>Membership Date</i>	<i>Employer</i>
Vaccaro, Jayme	93990	P5.2	09/01/23	Contra Costa County
Varnum, Dawnisha	93837	P5.2	09/01/23	Contra Costa County
Velasquez, Celia	93936	I	09/01/23	Contra Costa County Fire Protection District
Wang, Jason	93846	P5.2	09/01/23	Contra Costa County
Ward, Roshunda	93893	P5.2	09/01/23	Contra Costa County
Washam, Billy	93989	P5.2	09/01/23	Contra Costa County
Whitney, Shan	93861	P5.2	09/01/23	Contra Costa County
Yamamoto, Judy	D9500	P5.3	09/01/23	Contra Costa County Superior Courts
Yetner, Gina Marie	93962	P5.2	09/01/23	Contra Costa County
Young, Pamela	93901	P5.2	09/01/23	Contra Costa County
Zebley, Joshua	93941	P5.2	09/01/23	Contra Costa County
Zhang, Xutong	93891	P5.2	09/01/23	Contra Costa County

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II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPRA Tier 5 (3% COLA)	S/E = Safety Tier E

TIER CHANGES

<i>Name</i>	<i>Employee Number</i>	<i>Old Tier</i>	<i>New Tier</i>	<i>Effective Date</i>	<i>Employer</i>	<i>Reason for Change</i>
Norby, Gregory	D3406	P4.3	I	06/01/23	Central Contra Costa Sanitary District	Reciprocity Established, Age and Tier Change
Sidhu, Sukhbir	92491	P5.2	S/E	09/01/23	Contra Costa County	Promotion to Safety Tier

Key:

I = Tier I	P4.2 = PEPR Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR Tier 5 (3% COLA)	S/E = Safety Tier E

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

Meeting Date
11/01/2023
Agenda Item
#4.A-IIb.

Service and Disability Retirement Allowances:

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Tier</u>	<u>Selected</u>
Alvarado, Elizabeth	D9500	08/26/23	SR	III	Unmodified
Anderson, Tonya	46574	08/02/23	SR	II and III	Unmodified
Blackman, Colleen	D9500	09/01/23	SR	II and III	Unmodified
Graves, La Shan	63871	01/28/23	SR	II and III	Unmodified
Hampton, Janine	74294	07/31/23	SR	III	Option 1
Hernandez, Paul	3129/AP	09/27/23	SR	III	Unmodified
Jacobo, Ernesto	69511	08/01/23	SR	III	Unmodified
Morelli, Maureen	49457	08/02/23	SR	II and III	Unmodified
Recoder, David	D4980	08/19/23	SR	I and III	Unmodified
Spadaro, Christopher	67044	08/31/23	SR	Safety A	Unmodified
Tran, Elizabeth	D9990	08/07/23	SR	I	Unmodified

Option Type

NSP = Non-Specified
 SCD = Service Connected Disability
 SR = Service Retirement
 NSCD = Non-Service Connected Disability
 * = County Advance Selected w/option

Tier

I = Tier I
 II = Tier II
 III = Tier III
 S/A = Safety Tier A
 S/C = safety Tier C
 Pepra 4.2 = Pepra Tier 4 (2% COLA)
 Pepra 4.3 = Pepra Tier 4 (3% COLA)
 Pepra 5.2 = Pepra Tier 5 (2% COLA)
 Pepra 5.3 = Pepra Tier 5 (3% COLA)
 S/D = Pepra Safety Tier D
 S/E = Pepra Safety Tier E

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT

Meeting Date
11/01/2023
Agenda Item
#4.A-IIc.

Deaths:

<u>Name</u>	<u>Date of Death</u>	<u>Employer as of Date of Death</u>
Ahlquist, Karen	03/21/23	Contra Costa County
Allen, Raymond	09/12/23	Contra Costa County
Cloutier, Steven	08/20/23	Contra Costa County
Franklin, Ruby	10/07/23	Contra Costa County
Giorgi, Joseph	10/13/23	Contra Costa County
Hawkins, Sandra	10/16/23	Contra Costa County
Jensen, Peter	10/03/23	Contra Costa County
Miles, Billie	09/30/23	Contra Costa County
Selbach, Jean P.	09/16/23	Contra Costa County



Meeting Date
11/01/2023
Agenda Item
#4.A-IId.

**Contra Costa County Employees' Retirement Association
Liquidity Report – September 2023**

September 2023 Performance

	Cash Flow	Coverage Ratio
Benefit Cash Flow Projected by Model	\$50,500,000	
Liquidity Sub-Portfolio Cash Flow	\$50,500,000	100%
Actual Benefits Paid	\$51,199,355	98.6%
<i>Next Month's Projected Benefit Payment</i>	<i>\$50,500,000</i>	

Monthly Manager Positioning – September 2023

	Beginning Market Value	Liquidity Program Cash Flow	Market Value Change/Other Activity	Ending Market Value
DFA	\$402,038,994	(\$11,000,000)	\$1,284,189	\$392,323,184
Insight	\$662,096,951	(\$19,000,000)	\$763,944	\$643,860,895
Sit	\$716,645,516	(\$20,500,000)	(\$5,722,281)	\$690,423,236
Liquidity	\$1,780,781,462	(\$50,500,000)	(\$3,674,148)	\$1,726,607,314
Cash	\$81,072,152	(\$699,355)	\$67,607,306	\$147,980,104
Liquidity + Cash	\$1,861,853,614	(\$51,199,355)	\$63,933,159	\$1,874,587,418

Functional Roles

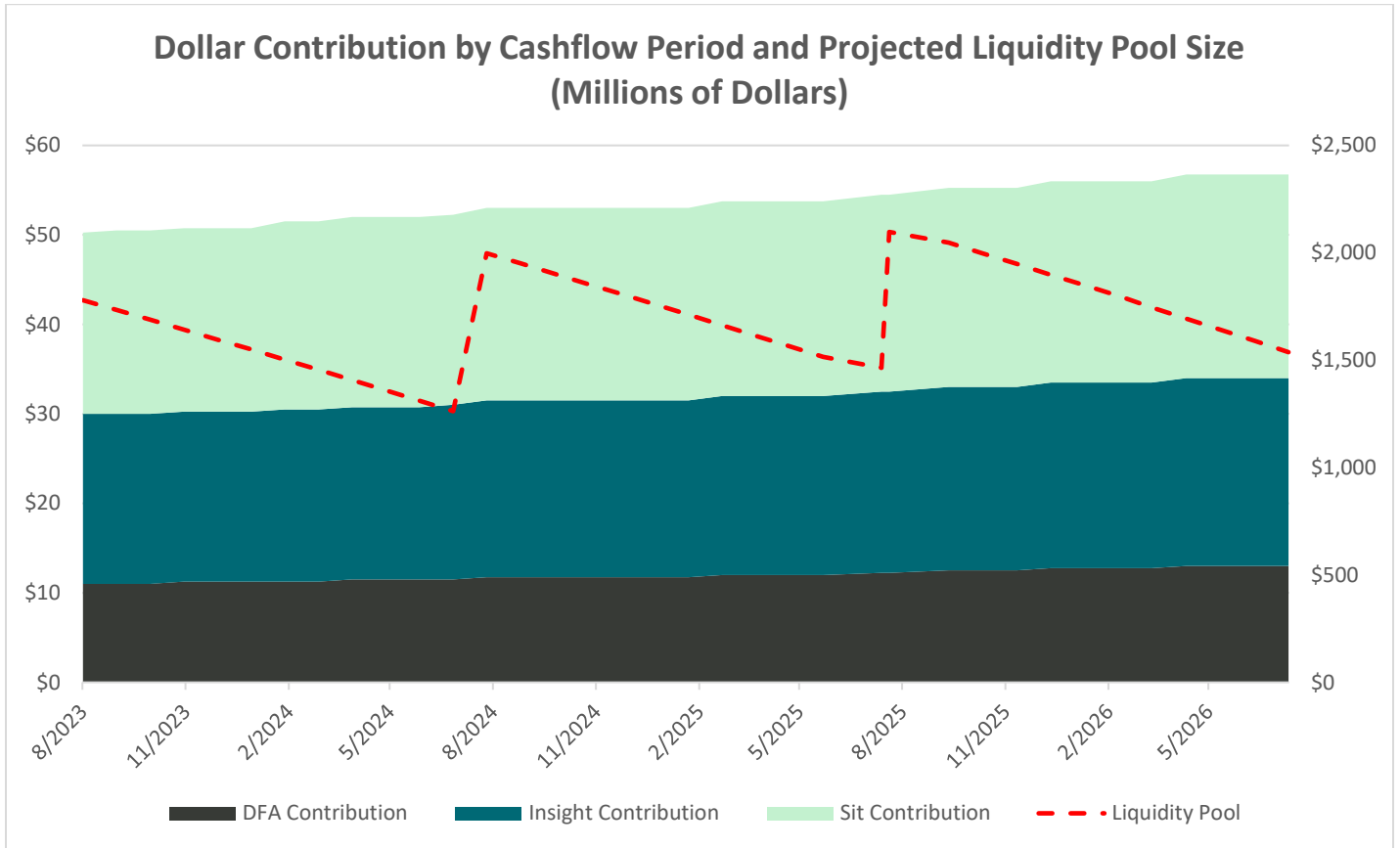
Manager	Portfolio Characteristics	Liquidity Contribution
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis.
DFA	High quality, short duration portfolio of liquid, low volatility characteristics.	Pays out a pre-determined monthly amount. DFA sources liquidity from across their portfolio.
Insight	Buy and maintain (limited trading) portfolio of high quality, short duration, primarily corporates.	Completion portfolio makes a payment through net income and bond maturities that bridges the gap between other managers and projected payment.
Cash	STIF account at custodial bank.	Buffer in the event of any Liquidity shortfall/excess.

Notes

The ninth cash flow for 2023 from the liquidity program was completed on September 22nd. The actuarial model cash flow was lower than actual experience, producing \$700 thousand less than the actual benefits paid.

Cash Flow Structure

The chart below shows the sources of cash flow for the next three years of CCCERA’s projected benefit payments. This table will change slightly as the model is tweaked and as the portfolios receive new rounds of funding each July as part of the Annual Funding Plan.



CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT

Meeting Date 11/01/2023 Agenda Item #4.A-IIIa.

Disability Retirement Applications: *The Board's Hearing Officer is hereby authorized to issue subpoenas in the following cases involving disability applications:*

<u>Name</u>	<u>Number</u>	<u>Filed</u>	<u>Type</u>
Galvan, Nick	38650	10/02/23	SCD

<u>Option Type</u>		<u>Tier</u>
NSP = Non-Specified	I = Tier I	Pepra 4.2 = Pepra Tier 4 (2% COLA)
SCD = Service Connected Disability	II = Tier II	Pepra 4.3 = Pepra Tier 4 (3% COLA)
SR = Service Retirement	III = Tier III	Pepra 5.2 = Pepra Tier 5 (2% COLA)
NSCD = Non-Service Connected Disability	S/A = Safety Tier A	Pepra 5.3 = Pepra Tier 5 (3% COLA)
* = County Advance Selected w/option	S/C = safety Tier C	S/D = Pepra Safety Tier D
		S/E = Pepra Safety Tier E

CCCERA Board of Trustees
Training & Educational Conference Expenses Paid During
Quarter 3 - 2023 (July to September)

Trustee:	Conference Name/Purpose:	Location:	Dates:	Total
Candace Andersen	NONE			
Dennis Chebotarev	NONE			
Donald Finley	NONE			
Scott Gordon	NONE			
Jerry Holcombe	NONE			
Louie Kroll	NONE			
Jay Kwon	NONE			
Lulis Lopez (for Russell Watts)	SACRS/UC Berkeley Program (Prepaid Registration reported in Q2) CALAPRS Principles of Pension Governance	Berkeley, CA Malibu, CA	July 16-19, 2023 Aug 28-31, 2023	234.32 3,495.94
David J. MacDonald	SACRS/UC Berkeley Program (Prepaid Registration reported in Q2) 2023 Public Pension Funding Forum CALAPRS Principles of Pension Governance for Trustees EQT Investment On-Site IDAC Global Summit IFEBP 69th Annual Employee Benefits Conference-PREPAID NCPERS 2023 Fall Conference-PREPAID	Berkeley, CA Chicago, IL Malibu, CA New York, NY Chicago, IL Boston, MA Las Vegas, NV	July 16-19, 2023 Aug 20-22, 2023 Aug 28-31, 2023 Sep 15, 2023 Sep 19-20, 2023 Oct 1-4, 2023 Oct 22-25, 2023	1,772.87 2,429.50 3,410.61 1,777.05 1,290.90 4,101.96 973.36
John Phillips	NONE			
Mike Sloan	NONE			
Russell V. Watts	NONE			
Samson Wong	CALAPRS Principles of Pension Governance for Trustees	Malibu, CA	Aug 28-31, 2023	3,486.24

Contra Costa County Employees' Retirement Association
 Asset Allocation as of September 30, 2023

	Market Value	Percentage of Total Fund	Current Target* Percentage	Current Target Over/(Under)	Long Term Target	Long Term Over/(Under)
Liquidity						
Dimensional Fund Advisors	392,323,184	3.7%	4.0%	-0.3%		
Insight	643,860,895	6.1%	6.5%	-0.4%		
Sit	690,423,236	6.5%	6.5%	0.0%		
Total Liquidity	1,726,607,314	16.3%	17.0%	-0.7%	17.0%	-0.7%
			Range 11-22%			
Growth						
Domestic Equity						
Boston Partners	370,891,941	3.5%	3.0%	0.5%		
BlackRock Index Fund	1,079,815,281	10.2%	10.0%	0.2%		
Emerald Advisers	202,868,375	1.9%	1.5%	0.4%		
Ceredex	202,598,903	1.9%	1.5%	0.4%		
Total Domestic Equity	1,856,174,500	17.6%	16.0%	1.6%	13.0%	4.6%
Global & International Equity						
Pyrford (Columbia)	462,794,387	4.4%	4.0%	0.4%		
William Blair	414,676,137	3.9%	4.0%	-0.1%		
First Eagle	522,190,898	4.9%	5.0%	-0.1%		
Artisan Global Opportunities	531,360,106	5.0%	5.0%	0.0%		
PIMCO/RAE Emerging Markets	228,149,004	2.2%	2.0%	0.2%		
TT Emerging Markets	213,393,005	2.0%	2.0%	0.0%		
Total Global & International Equity	2,372,563,537	22.4%	22.0%	0.4%	19.0%	3.4%
Private Equity**	1,307,216,766	12.4%	13.0%	-0.6%	18.0%	-5.6%
Private Credit	1,091,885,003	10.3%	10.0%	0.3%	13.0%	-2.7%
Real Estate - Value Add	236,909,042	2.2%	4.0%	-1.8%	5.0%	-2.8%
Real Estate - Opportunistic & Distressed	332,454,016	3.1%	4.0%	-0.9%	5.0%	-1.9%
Real Estate - REIT			2.0%	-0.3%	0.0%	1.7%
Adelante	84,432,661	0.8%				
Invesco	99,677,600	0.9%				
High Yield	147,368,701	1.4%	2.0%	-0.6%	0.0%	1.4%
Risk Parity			3.0%	0.0%	3.0%	0.0%
AQR GRP EL	165,931,550	1.6%				
PanAgora	152,980,468	1.4%				
Total Other Growth Assets	3,618,855,806	34.2%	38.0%	-3.8%	44.0%	-9.8%
Total Growth Assets	7,847,593,843	74.2%	76.0%	-1.8%	76.0%	-1.8%
			Range 65-85%			
Risk Diversifying						
AFL-CIO	211,554,044	2.0%	2.5%	-0.5%	2.5%	-0.5%
Acadian MAARS	222,658,426	2.1%	2.0%	0.1%	2.5%	-0.4%
Sit LLCAR	301,290,456	2.9%	2.5%	0.4%	2.0%	0.9%
Total Risk Diversifying	735,502,927	7.0%	7.0%	-0.0%	7.0%	-0.0%
			Range 0% - 10%			
Cash and Overlay						
Overlay (Parametric)	111,851,494	1.1%		1.1%		
Cash	147,980,104	1.4%		1.4%		
Total Cash and Overlay	259,831,598	2.5%	0.0%	2.5%	0.0%	2.5%
Total Fund	10,569,535,682	100%	100%		100%	

*Current targets and ranges reflect asset allocation targets accepted by the Board on July 12, 2023 (BOR Resolution 2023-3).

**Private Equity long-term target includes Real Assets/Infrastructure (see Asset Allocation Mix 5 adopted December 9, 2020).

**Private Market Investments
As of September 30, 2023**

REAL ESTATE - Value Add

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Blackstone Strategic Partners Real Estate VIII	11/18/22	11/18/32				80,000,000	0	0.00%	80,000,000
Invesco IREF IV	12/01/14	12/01/21				35,000,000	651,414	0.01%	4,453,599
Invesco IREF V	09/11/18	09/11/25				75,000,000	80,339,243	0.76%	6,581,100
Invesco IREF VI	09/21/22	09/22/29				100,000,000	42,710,901	0.40%	54,368,747
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	864,705	0.01%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	29,556,147	0.28%	
Long Wharf LREP VI	02/05/20	02/05/28				50,000,000	33,681,520	0.32%	361,552
Long Wharf LREP VII	05/15/23	03/31/32				50,000,000	4,492,324	0.04%	44,545,577
LaSalle Income & Growth Fund VI	01/31/12	01/31/19				75,000,000	12,516,418	0.12%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	32,096,370	0.30%	87,245
						860,000,000	236,909,042	2.24%	194,343,820
Outstanding Commitments							194,343,820		
Total							431,252,862		

REAL ESTATE -Opportunistic & Distressed

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Blackstone BREP X	06/30/22	06/30/32				100,000,000	3,718,035	0.04%	96,642,602
Cross Lake Real Estate Fund IV	04/11/23	04/11/33				60,000,000	0	0.00%	60,000,000
DLJ Real Estate Capital Partners, L.P. III	06/30/05	06/30/14	in full liq.			75,000,000	12,524,664	0.12%	4,031,338
DLJ Real Estate Capital Partners, L.P. IV	12/31/07	09/30/18				100,000,000	44,238,815	0.42%	1,876,084
DLJ Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	27,990,415	0.26%	1,648,000
DLJ Real Estate Capital Partners, L.P. VI	02/28/19	01/31/29				50,000,000	30,315,296	0.29%	12,652,562
Oaktree Real Estate Opportunities Fund V	02/01/11	02/01/21				50,000,000	345,437	0.00%	25,750,000
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	18,349,102	0.17%	18,400,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	40,746,119	0.39%	16,120,000
PCCP Equity IX	04/11/22	04/01/30				75,000,000	55,426,565	0.52%	23,031,770
Siguler Guff Distressed Real Estate Opp. Fund	07/30/11	07/30/22				75,000,000	13,490,594	0.13%	5,625,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/25				70,000,000	27,528,984	0.26%	8,015,000
Siguler Guff Distressed Real Estate Opp. II Co-Inv	01/31/16	10/31/25				25,000,000	12,769,424	0.12%	3,722,138
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	12,728,327	0.12%	654,377
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	11,304,234	0.11%	12,334,302
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	20,978,005	0.20%	7,572,500
						1,065,000,000	332,454,016	3.11%	298,075,673
Outstanding Commitments							298,075,673		
Total							630,529,689		

PRIVATE CREDIT

	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	4,340,654	0.04%	0
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	7,283,320	0.07%	15,000,000
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				16,500,000	1,943,985	0.02%	2,319,783
CCCERA StepStone	12/01/17	11/30/27				1,170,000,000	1,078,317,044	10.20%	281,771,908
						1,321,500,000	1,091,885,003	10.33%	299,091,691
Outstanding Commitments							299,091,691		
Total							1,390,976,694		

**Private Market Investments
As of September 30, 2023**

PRIVATE EQUITY	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	12/22/25				269,565,614	122,274,275	1.16%	16,316,834
Adams Street Secondary II	12/31/08	12/31/20				30,000,000	3,563,265	0.03%	1,635,000
Adams Street Secondary V	10/31/12	10/31/22				40,000,000	10,910,858	0.10%	9,154,125
Adams Street Venture Innovation Fund	03/09/16	03/09/28				75,000,000	164,243,863	1.55%	5,719,749
AE Industrial Partners Fund II	05/18/18	05/18/28				35,000,000	39,395,693	0.37%	9,752,530
Altaris Health Partners VI	07/28/23	07/28/33				50,000,000	0	0.00%	50,000,000
Bay Area Equity Fund	06/14/04	12/31/14	2nd 2 YR	LP	12/31/2017	10,000,000	0	0.00%	0
Bay Area Equity Fund II	2/29/09	12/31/19				10,000,000	10,957,892	0.10%	0
Carpenter Community BancFund	10/31/09	10/31/19				30,000,000	0	0.00%	0
EIF USPF II	06/15/05	06/15/15	3rd 1 YR	LP	06/15/18	50,000,000	74,281	0.00%	0
EIF USPF III	02/28/07	02/28/17	1st 1 YR	LP	02/28/18	65,000,000	2,222,867	0.02%	0
EIF USPF IV	06/28/10	06/28/20				50,000,000	18,670,665	0.18%	4
Ares EIF V	09/09/15	11/19/25				50,000,000	30,989,973	0.29%	3,888,697
EQT X	11/17/22	11/17/32				100,000,000	7,583,159	0.07%	89,115,696
Genstar Capital Partners IX	02/18/19	02/18/29				50,000,000	64,885,421	0.61%	7,691,476
Genstar Capital Partners X	04/01/31	04/01/31				42,500,000	30,641,729	0.29%	12,581,032
Genstar Capital Partners XI	04/26/23	04/26/33				75,000,000	0	0.00%	75,000,000
GTCR XIII	10/27/20	12/31/36				50,000,000	25,212,013	0.24%	24,022,247
GTCR XIV	01/12/23					100,000,000	0	0.00%	100,000,000
Hellman & Friedman Capital Partners X	05/10/21	05/10/31				75,000,000	57,531,505	0.54%	20,899,940
Hellman & Friedman Capital Partners XI	12/16/22	12/16/32				100,000,000	0	0.00%	100,000,000
Leonard Green - Green Equity Investors IX	03/01/22	02/28/32				60,000,000	537,400	0.01%	59,423,024
Leonard Green - Jade Equity Investors II	03/01/22	02/28/32				15,000,000	0	0.00%	15,000,000
Oaktree Private Investment Fund 2009	02/28/10	12/15/19				40,000,000	346,099	0.00%	6,308,961
Ocean Avenue Fund II	05/07/14	05/07/24				30,000,000	26,571,966	0.25%	3,000,000
Ocean Avenue Fund III	12/09/15	12/09/25				50,000,000	53,102,901	0.50%	3,500,000
Paladin III	08/15/08	08/15/18				25,000,000	9,296,925	0.09%	387,482
Pathway	11/09/98	05/31/21				125,000,000	2,599,734	0.02%	10,505,046
Pathway 2008	12/26/08	12/26/23				30,000,000	11,430,503	0.11%	2,643,911
Pathway 6	05/24/11	05/24/26				40,000,000	29,033,025	0.27%	3,662,242
Pathway 7	02/07/13	02/07/23				70,000,000	64,815,312	0.61%	5,220,452
Pathway 8	11/23/15	11/23/25				50,000,000	65,142,149	0.62%	3,082,757
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				200,000,000	130,818,672	1.24%	28,597,500
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				50,000,000	0	0.00%	0
Siris Partners IV	05/18/18	05/18/28				35,000,000	42,726,335	0.40%	5,333,827
Symphony Technology Group VII	12/21/22	12/21/32				50,000,000	0	0.00%	50,000,000
TA XIV	05/27/21	05/27/31				50,000,000	30,483,765	0.29%	15,500,000
TA XV	03/30/23	03/31/33				90,000,000	0	0.00%	90,000,000
TPG Healthcare Partners, L.P.	06/27/19	06/27/29				24,000,000	24,456,796	0.23%	3,216,776
TPG Healthcare Partners II	06/30/22	06/30/32				35,000,000	3,238,561	0.03%	31,809,756
TPG Partners IX	06/30/22	06/30/32				65,000,000	931,819	0.01%	62,946,953
Trident VIII, L.P.	05/24/19	05/24/29				40,000,000	46,302,690	0.44%	4,777,416
Trident IX, L.P.	09/17/21	09/17/31				50,000,000	21,967,306	0.21%	26,798,510
Real Assets									
Aether III & III Surplus	11/30/13	11/30/20				75,000,000	57,900,936	0.55%	1,983,197
Aether IV	01/01/16	01/01/28				50,000,000	53,562,382	0.51%	3,832,805
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				50,000,000	34,216,311	0.32%	2,350,007
Wastewater Opportunity Fund	12/31/15	11/30/22				25,000,000	8,577,720	0.08%	521,541
						2,826,065,614	1,307,216,766	13.52%	966,179,493
Outstanding Commitments							966,179,493		
Total							2,273,396,259		

Market value equals the most recent reported net asset value, plus capital calls after net asset value date, less distributions after net asset value date.
The Target Termination column is the beginning of liquidation of the fund, however, some funds may be extended for an additional two or three years.



MEMORANDUM

Date: November 1, 2023
 To: CCCERA Board of Retirement
 From: Karen Levy, General Counsel
 Subject: Consider and take possible action to retain fiduciary counsel services.

Background

CCCERA received two responses to its Request For Proposals (RFP) for fiduciary counsel services. Fiduciary counsel law firms provide legal advice and representation related to a defined benefit public employee retirement plan. The two law firms who responded are:

- Nossaman LLP, and
- Reed Smith LLP

The Board may retain one or more law firms for this purpose. Several CERL systems have a panel of several fiduciary counsel law firms, and others have one. Both models appear to work well. CCCERA has engaged a panel of multiple law firms in the areas of labor and employment law, tax law, disability law and investment legal services.

Summary of RFP Responses

The RFP responses contained the following information:

Topic	Nossaman LLP	Reed Smith LLP
Lead Attorney	Ashley Dunning, Partner San Francisco Office	Maytak Chin, Partner San Francisco Office
Experience	25 years	9 years
Fees (discounted)	\$715/hr (partner) \$560/hr (associate)	\$695/hr (partner) \$560/hr (associate)
Number of lawyers and offices of the firm	More than 150 attorneys 9 offices in the U.S.	More than 1,700 lawyers 31 offices worldwide
Other attorneys identified in the response	<ul style="list-style-type: none"> • Michelle McCarthy, Partner 	<ul style="list-style-type: none"> • Harvey Leiderman, Senior Advisor (retiring)

	<ul style="list-style-type: none"> • Yuliya Oryol, Partner • Aalia Taufiq, Associate • Alexander Westerfield, Associate 	<ul style="list-style-type: none"> • Edward Klees, Partner • Mariah Fairley, Associate • Sheherezade Malik, Associate
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Process For November 1, 2023 Presentations to the Board

Both law firms have been invited to make finalists presentations to the Board and respond to Board questions. Each law firm will have a 30-minute interview with the Board as follows:

- The firm not being interviewed will be asked to leave the room during the other firm's interview;
- The candidate will be asked to make a general presentation about the firm for about 5 minutes;
- The Board will ask the candidate questions. Candidates are asked to keep their responses to each question to no longer than 5 minutes;
- The candidates will be asked to leave the room during the Board's deliberations and potential action. Staff will contact the candidates after the conclusion of the meeting and notify them of the Board's decision.

Each law firm has been asked to provide written answers to the following additional questions. Their written responses have been included. The length of the response was not limited, however, we noted that the CCCERA Board values brevity. Legal citations were not required to be included. The supplemental questions are as follows:

1. In your view, what is the most significant issue that California public retirement systems are currently facing?
2. Describe your view of the fiduciary duty related to the actuarial soundness of the public retirement system.
3. How would you handle the following hypothetical situation: Shortly before a Board meeting starts, the Chief Executive Officer tells you that one of the trustees has a personal or business interest in an agenda item up for a vote.

Recommendation

Both candidates are experienced and well regarded in their field. After review, the Board may retain one or both law firms for fiduciary counsel services. Based on market data and the candidates' credentials, fees for the assigned partner(s) should not exceed \$675 per hour for 2024, with a \$10 per hour increase each year for the following four years.

Meeting Date
11/01/2023
Agenda Item
#6a.



Ashley Dunning
Partner



Michelle McCarthy
Partner

Presentation of Qualifications for Fiduciary Counsel

Board of Retirement

Contra Costa County Employees' Retirement Association

November 1, 2023

Overview

- Introduction to Team
- Experience providing Fiduciary Counsel
- Firm's approach to scope of services



Ashley Dunning | Team Lead



- Partner, Co-Chair, Pensions, Benefits & Investments Group
 - More than 25 years providing fiduciary and governance advice to boards and staff of public retirement systems
 - Fiduciary advisor to over 25 public retirement plans
 - Past Chair of Fiduciary & Governance Section, and Past President of National Association of Public Pension Attorneys (NAPPA)
 - Named a Top 100 Lawyer by *Daily Journal*, 2023, 2022, and 2020
 - Frequent speaker at NCPERS, CALAPRS, SACRS, NAPPA and other public retirement system conferences

Michelle McCarthy | Team Co-Lead



- Partner, Pensions, Benefits & Investments Group
 - More than 20 years experience serving as trustee-appointed advisor, providing fiduciary, governance, benefits and tax-compliance advice, to some of the largest and highest-profile pension, health and welfare funds in the nation
 - Represents pension, health and welfare plans and their boards before regulatory agencies on matters pertaining to boards' compliance with fiduciary obligations, federal tax law, and plan governance
 - Preparation, review and revision of board fiduciary and governance policies and procedures, assist boards and administrative staff with their implementation and oversight of plan documents, policies and procedures, and provide periodic fiduciary, including tax-compliance, training

Yuliya Oryol | Fiduciary Counsel Resource on Investments



- Partner, Co-Chair Pensions, Benefits & Investments Group
 - More than two decades of experience representing institutional investors and government agencies in a broad range of investment, corporate, and real estate matters
 - Provides oversight on issues related to investments and works with investment officers and in-house counsel on investment-related transactions
 - Extensive experience in representing investors in domestic and off-shore commingled vehicles, co-investments, joint ventures, strategic alliances, captive funds, funds of one, separate accounts, and secondary transactions

Nossaman Fiduciary Counsel Clients

Partial List of **Fiduciary Counsel** Clients

- Alameda County Employees' Retirement Association
- California Public Employees' Retirement System
- Kern County Employees' Retirement Association
- Los Angeles County Employees Retirement Association
- Marin County Employees' Retirement Association
- Mendocino County Employees' Retirement Association
- Merced County Employees' Retirement Association
- Sacramento County Employees' Retirement System
- San Bernardino County Employees' Retirement Association
- San Diego County Employees' Retirement Association
- San Francisco City Employees' Retirement System
- San Joaquin County Employees' Retirement Association
- Sonoma County Employees' Retirement Association
- Tulare County Employees' Retirement Association
- Ventura County Employees' Retirement Association

Our Approach to Providing Fiduciary Counsel Services

1. Receive input from Board, CEO and General Counsel on services sought from Fiduciary Counsel
2. Timely respond to all written and oral questions posed by Board and staff on fiduciary and related topics, interacting with system point person on particular matters
3. Provide trainings on general and specific fiduciary topics, as requested
4. Attend Board and/or Committee meetings, when requested
5. Provide all other client communications that may be of interest, including, without limitation, e-alerts, podcasts, webinars and invitation to annual Nossaman Fiduciaries' Forum

Thank you for your time



Ashley Dunning

Co-Chair, Pensions, Benefits & Investments Group
Nossaman LLP
415.438.7228
adunning@nossaman.com



Michelle McCarthy

Partner, Pensions, Benefits & Investments Group
Nossaman LLP
213.612.7841
mmccarthy@nossaman.com



BY EMAIL
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Ashley K. Dunning
D 415.438.7228
adunning@nossaman.com

Refer To File # 000013-0984

October 24, 2023

Christina Dunn
Acting Chief Executive Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520

Re: Additional Questions re CCCERA's Request for Proposals for Fiduciary Counsel Services

Dear Ms. Dunn:

Thank you for your letter dated October 16, 2023, inviting our firm to participate in finalist interviews during the CCCERA Board of Retirement meeting on November 1, 2023, and asking that we respond to three supplemental questions in advance of the interviews.

Following are the questions posed, and our summary responses to those questions (reflecting the brevity requested, and without legal citations as permitted, in your letter):

1. "In your view, what is the most significant issue that California public retirement systems are currently facing?"

In our view, the most significant issue that California public retirement systems are currently facing is legal compliance in an increasingly complex environment. Legal compliance in this context is complicated by four primary factors: (1) reciprocity rules under California law and their application among the over 30 different retirement systems subject to them in California; (2) the interaction between PEPRA requirements and pre-existing statutory plan provisions, which need to be interpreted and, where possible, harmonized in accordance with case law; (3) federal tax qualification and related rules, including changes resulting from SECURE 2.0, and potential impact on public retirement systems; and (4) continuing efforts by plaintiffs' attorneys to expand the scope of public pension plans' fiduciary duties, and thus alleged breaches thereof, by trustees and executives of such systems.

2. "Describe your view of the fiduciary duty related to the actuarial soundness of the public retirement system."

The fiduciary duties of prudence and loyalty require, most importantly as pertains to public retirement systems, that the systems have the funds on hand necessary to

provide promised benefits to members and their beneficiaries in a timely manner and in accordance with the terms of the plan. Under California case law, this primary duty to members and beneficiaries also implicates members' "vested right" to an "actuarially sound" retirement system.

In order to comply with the fiduciary duty to maintain an actuarially sound system that follows from this legal framework, trustees should take all of the following measures: (i) adopt reasonable actuarial assumptions and methodologies in accordance with the recommendations of the retirement system actuary, (ii) develop policies and procedures that provide reasonable assurance that the cost of retirement and other post-employment CCCERA benefits will be funded in an equitable and sustainable manner and will result in the payment of timely contributions by participating employers and employees at the rates set forth in the system's annual valuation, and (iii) conduct periodic and regular experience studies to assess whether adjustments to such assumptions, methodologies, and policies and procedures are warranted.

3. "How would you handle the following hypothetical situation: Shortly before a Board meeting starts, the Chief Executive Officer tells you that one of the trustees has a personal or business interest in an agenda item up for a vote."

Because the participation of a trustee on an agenda item in which that trustee has a personal or business interest could undermine the validity of the Board's vote on the matter and also lead to other significant risks to the organization (as well as to the implicated trustee, the Board's other trustees and the system's officers), it would be critical to postpone consideration of the agenda item until the CEO is able to provide sufficient details to CCCERA counsel (general and fiduciary) ("Counsel") regarding the nature of the interest. Counsel would need to then determine whether the Board may lawfully consider the agenda item and, in particular, whether the Political Reform Act, Government Code section 1090, or common law conflict of interest rules are implicated. If any of those laws are implicated by the trustee's interest in the agenda item, then Counsel would also need to assess and advise as to whether the conflict of interest may be resolved by the trustee's recusal.

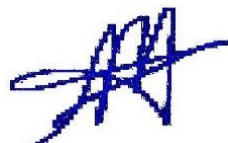
We thank you for the opportunity to be considered by the CCCERA Board of Retirement for the important position of Fiduciary Counsel.

We look forward to introducing ourselves to the Board and staff in person, and responding to all additional questions that may be posed to us, on November 1.

Sincerely,



Ashley K. Dunning
Nossaman LLP
62324239.v2



Michelle M. McCarthy
Nossaman LLP

Meeting Date
11/01/2023
Agenda Item
#6b.

ReedSmith

Fiduciary Counsel Presentation

Contra Costa County Employees' Retirement Association

November 1, 2023

Maytak Chin, *Partner, Reed Smith*

ReedSmith
Driving progress
through partnership

Agenda

- Our Core Fiduciary Team for CCCERA
- The Public Retirement System Clients We Serve
- The Value We Bring

Who We Are & Our History with CCCERA

- Harvey Leiderman and Reed Smith have served CCCERA prior to and since 2008
- Maytak Chin has worked on CCCERA fiduciary counseling and litigation matters for over 8 years
- Mariah Fairley has assisted Maytak on CCCERA matters for the past 3 years
- Services provided involve fiduciary counseling, litigation, statutory interpretation and advisory memos
- Assisted CCCERA in revising its 2013 Compensation Earnable Policy
- Successfully defended CCCERA's Compensation Earnable Policy and set state legal standards
- Strong fiduciary counseling services for both public and private clients
- Sterling reputation for expertise, responsiveness, creativity and integrity
- Wide access to variety of practice areas for special projects (e.g. PAS software contracting)

Lead Fiduciary Counsel for CCCERA



Maytak Chin

Lead Partner
101 Second Street, Suite 1800
San Francisco, CA 94105
+1 415 659 5937
mchin@reedsmith.com

Provides fiduciary counseling to public pension funds on:

- Interpretations of governing laws
- Conflict-of-interest issues
- Open meeting laws and Board governance
- Benefit determinations under CERL and PEPRA
- Board and system policies and procedures
- Funding and liability issues re long-term stability of the fund
- Litigation services

Cases handled for CCCERA:

- AB 197 & “Straddling” Litigation
- *Wilmot* – Felony Forfeiture
- *Nowicki* – Benefit Enhancement
- *Richards* – Recoupment of Benefit Payments

Reed Smith Team for CCCERA



Edward Klees

Partner

1301 K St NW # 1100E,

Washington, DC 20005

+1 202 414 9371

eklees@reedsmith.com

Leader in fiduciary aspects of institutional investment issues:

- Former general counsel of the University of Virginia Investment Management Company (UVIMCO)
- Member of the Institutional Limited Partners Association's (ILPA) steering committee on adoption of:
 - model limited partnership forms and
 - model non-disclosure agreement
- More than 25 years of experience in investment management, regulatory oversight, risk management, operations, and compliance and ethics programs for both institutional investors and investment advisors
- Expertise in custodial bank issues and investment contracts, especially fiduciary duty obligations documented in side letters

Reed Smith Team for CCCERA



Mariah Fairley

Associate

101 Second Street, Suite 1800

San Francisco, CA 94105

+1 415 659 4845

mfairley@reedsmith.com

- Represents public pension funds in providing:
 - Legal research on statutory interpretation issues
 - Litigation and case management support for pending cases
- Strong working relationship with Lead Partner
- Worked for the City of Richmond as:
 - Public Policy Intern with the City Council
 - Management Analyst with the City Manager's Office

The California Public Retirement Systems We Serve

Current California Public Retirement System Clients	Dates of Service ¹
California Public Employees' Retirement System	7/1/2006 to present
Alameda County Employees' Retirement Association	7/1/2006 to present
Contra Costa County Employees' Retirement Association	2008 to present
Fresno County Employees' Retirement Association	7/1/2006 to present
Kern County Employees' Retirement Association	1/26/2015 to present
Los Angeles City Fire and Police Pensions	4/12/2010 to present
Orange County Employees' Retirement System	7/1/2006 to present
Sacramento County Employees' Retirement System	7/2022 to present
San José Federated City Employees' Retirement System	3/27/2012 to present
San José Police and Fire Department Retirement Plan	3/27/2012 to present
Santa Barbara County Employees' Retirement System	7/1/2006 to present
Sonoma County Employees' Retirement Association	7/13/2023 to present
Stanislaus County Employees' Retirement Association	3/19/2009 to present

¹ For service dates as of July 1, 2006, that was the date Mr. Leiderman joined Reed Smith. Representation of some of these clients preceded this date.

The Value We Bring

- Deep understanding of CCCERA through decades of representation
- Peripheral vision on issues based on work with other systems
- Collaborative working relationship with Board and Staff
- A “yes, if” rather than a “no, but” perspective
- Fresh and creative ideas for addressing new issues
- Proven ability to view issues with fairness and neutrality
- Strong dedication to public service
- International law firm with a global reach and extraordinary expertise
- Law firm leader on artificial intelligence, cybersecurity and insurance issues

Maytak Chin
Direct Phone: +1 415 659 5937
Email: mchin@reedsmith.com

October 23, 2023

Submitted via E-Mail

Christina Dunn, Acting Chief Executive Officer
Contra Costa County Employees' Retirement Association
1200 Concord Avenue, Suite 300
Concord, CA 94520
info@cccera.org

Re: Responses to Additional Questions for CCCERA's Request for Proposals for Fiduciary Counsel Services

Dear Ms. Dunn,

We are pleased to provide written answers to the additional questions you presented by letter, dated October 16, 2023. Our answers follow each question:

1. In your view, what is the most significant issue that California public retirement systems are currently facing?

Our experience with a broad spectrum of California systems leads us to believe that the most significant issue that our public retirement systems are facing is the timely payment of the promised benefits, as challenged by (1) the increasing complexity of the benefit plans they administer and (2) funding issues.

1. Increasing Complexity of Benefit Plans: Public employee retirement plans are growing in complexity; each system now administers various benefit plan formulas for multiple employers and multiple tiers of membership. CCCERA's system presents a prime example of this complexity. The complexity is compounded by several legal rulings that have up-ended long-held practices and expectations, requiring most systems to correct and revise both past and future benefit payments to retirees. These complications have so far proven to be immune to effective and efficient IT solutions, and more often than not require intensive manual work of an overburdened retirement staff.

Much of how a public retirement system administers its various benefit plans depends on experienced and dedicated staff with the institutional knowledge of the intimate details of each plan within the system. However, since the inception of the COVID-19 pandemic, we have witnessed a disproportionate loss of talent at precisely the time when it is needed the most. With that loss comes the loss of the institutional knowledge that aids in the administration for the timely payment of the promised benefits, giving rise for the need to develop processes that otherwise capture that institutional knowledge. Part of our work as fiduciary counsel is to provide guidance on how best to prudently navigate these administrative challenges.

2. Funding Issues: Inherent to the administration of an intergenerational public retirement system is achieving a dynamic balance of maintaining sufficient liquidity to pay benefits due today while reserving sufficient assets that will grow over time at the assumed rate of return so as to meet our benefit targets in the future. There are three key elements that impact this balance from a funding perspective:

- Demographic changes. Increasing lifespans of members and beneficiaries coupled with decreasing active employee rolls is upending the balance between contributions and benefit payments. Actuaries describe this phenomenon as "maturing," but the rate at which our systems are maturing is far greater than the actuaries prepared us for. The rate of refilling jobs has not kept pace with the rate of retirement. Not only does this put pressure on both employer and employee contributions, it also leads to accelerated cash flow deficits, potentially triggering the need for greater liquidity than the asset allocation and assumed rate of return may anticipate.
- Volatile capital markets. At the same time, the market volatility is increasing. This has created a greater impact on expected returns as systems have increased their allocations to private market investments. As private market returns revert to the mean, bond markets begin to look more attractive. Investment staff and their governing boards will need to be attuned in implementing both tactical and strategic decisions to mitigate risks and capitalize on fleeting opportunities. Short term decision will have outsized impacts on long-term funding goals.

- **Plan sponsor budgetary constraints.** Recent years have demonstrated that our plan sponsors are facing both fiscal and political challenges to their revenue sources. A vocal segment of the public is demanding a re-ordering of funding priorities, with pension obligations being subordinated to faltering infrastructure and social services demands. Retirement systems like CCCERA will continue to face risks over plan sponsors' ability and willingness to timely fund their obligations.

These challenges require enhanced vision, judgment and cooperation among retirement board members to make prudent decisions that are stable enough to assure members of the security of their future benefits and nimble enough to adapt to a changing fiscal landscape. Fiduciary counsel can be an active participant with the Board in meeting these challenges, by providing comprehensive advice, creative options and new perspectives for the Board's consideration, and by assuring a sound process which can be successfully defended if challenged in court.

2. Describe your view of the fiduciary duty related to the actuarial soundness of the public retirement system.

The goal of actuarial soundness for a public retirement system is to have enough money to pay out the promised benefits in a timely manner, now and in the future. Actuaries help us predict what future liabilities may be through their valuations based on actuarial assumptions and methodologies the Board approves, which in turn informs the level of contributions to collect, considering those predicted liabilities. California Constitution, article 16, § 17(e), provides boards of retirement with the "sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system."

When faced with actuarial issues, the twin constitutional duties of loyalty and prudence come into play to help steer the Board towards achieving actuarial soundness.

The duty of loyalty helps the Board maintain its actuarial independence. This is important, especially when faced with pressure from plan sponsors to change the amortization schedules/methodology, or discount rate assumption, to ease employer contributions in fiscally constrained circumstances. By requiring that the Board put the system's members first and to act in their best interest, the duty of loyalty keeps the Board's focus on the ultimate goal, which is to ensure the sufficient funding to meet our liability targets.

The duty of prudence aids the Board in conducting appropriate due diligence when making actuarial decisions. It counsels the Board to consider the appropriateness of the suggested action based on the information the actuaries have analyzed and presented to the Board. The actuarial assumptions provide the building blocks for the public retirement systems' valuation of its liabilities and requires thoughtful selection of those assumptions. One challenge, however, is how to balance the constitutional measure of prudence based on the "circumstances then prevailing" with the Board's long term funding goals and actual experience. To address that challenge, the Board should act thoughtfully with a diligent and documented process to substantiate its actions in satisfaction of the duty of prudence. We have guided several California systems successfully through legal challenges to their actuarial funding decisions and have made strong state law on the subject of board prudence.

3. How would you handle the following hypothetical situation: Shortly before a Board meeting starts, the Chief Executive Officer tells you that one of the trustees has a personal or business interest in an agenda item up for a vote.

It is far preferable to avoid a risk to the system than to unwind one. Thus, in a situation like the one posed, we would not let the clock prejudice the Board's interests, or the interests of the members and beneficiaries of the system. We would counsel that due diligence must be conducted to evaluate the reported interest before the Board takes any action on the agenda item – including even discussing the item while the potentially interested trustee is present. More specifically:

The first action we would take is to confer privately with the CEO to quickly understand the concern, and then advise the Board Chair privately before the meeting starts. If there is prima facie evidence that a conflict may exist, we would ask the Chair to pull the item from the agenda until all necessary information has been developed. The Chair need only state that a matter has arisen concerning the agenda item and it is being pulled out of order to address the matter before the item is heard.

During a break in the meeting, I would then speak to the trustee at issue to confirm whether they indeed have a personal or business interest in the agenda item, and to understand the nature of the interest. The rules for conflicts in government contracting and under the Political Reform Act restrict conduct and action where a trustee has a financial interest in the matter pending before the Board. Therefore, it is important to determine whether the trustee's personal or business interest is financial in nature as a threshold question.

- If the interest the trustee at issue describes is not financial in nature (for example, a personal bias, political leaning, etc.), then we would advise the trustee to disclose their interest before the Board takes action, but they would be allowed to still participate in the agenda item or abstain, if they so choose. We would inform the Board Chair of the same and advise that the item can be placed back on the agenda.
- If we were unable to fully determine whether the trustee's interest was financial in nature, I would then advise the Board Chair during the break that we need more time to address the situation before the Board takes action and ask that the item be postponed to the next meeting (note, the analysis we would undergo is explained below once we determine that there is indeed a financial interest).
- If we were able to determine with sufficient certainty that the trustee's interest was financial in nature, then we would evaluate whether the agenda item involved a government contract:
 - a. If the agenda item involved a government contract, we would ask the Board Chair to pull the item from the agenda so that we could further evaluate the matter under Government Code §§ 1090 *et seq.*'s prohibitions and exceptions before it comes before the Board. The rules for conflicts in government contracting are complicated and arcane, and it takes time to evaluate whether the financial interest is remote or qualifies as a statutory non-interest under the law. The reason why we would ask for the item to be pulled instead of having the trustee recuse themselves is because if a trustee with the financial interest is on a governing body, the prohibition under Government Code §§ 1090 *et seq.* on acting on the government contract extends to the entire governing body. Thus, we would want the additional time to fully evaluate whether the rules around conflicts in government contracting allow the Board to take action on the agenda item at all, in light of the financial interest of the trustee. Otherwise, if the Board takes action on the agenda item and it turns out Government Code § 1090 prohibits the contract, then the contract will be rendered void and have to be unwound.
 - b. If the agenda item did not involve a government contract, then the conflict would fall within the realm of the Political Reform Act, and I would advise the trustee to disclose their personal or business financial interest on the record and to refrain from participating in any way in the matter, including discussing and voting on the item.

Conflict issues often arise at the last minute and put time pressure on the decision maker to act quickly. However, as shown above, the prudent review of a potential conflict is a multi-faceted inquiry that requires patient and thorough action on the part of the Board, staff and counsel. Part of our fiduciary duty to the members and beneficiaries is to follow the law and administer the public retirement system prudently, which requires that the Board takes the time to avoid any conflicts before the Board takes action on an agenda item.

Thank you for the opportunity to address these additional questions.



Maytak Chin, Partner
Reed Smith LLP

Meeting Date
11/01/2023
Agenda Item
#7a.



Contra Costa County Employees'
Retirement Association

Brian Long, CFA

Senior Investment Officer

Private Equity Review

November 1, 2023

Overview

- CCCERA Private Equity Program
- CCCERA Private Equity Strategy
- Key Takeaways

CCCERA Private Equity Program

Role of Private Equity in CCCERA Portfolio

CCCERA Long-Term Asset Allocation Targets

Growth
(76%)

Range = 65-85%

Liquidity
(17%)

Range = 11-22%

Risk Diversifying
(7%)

Range = 0-10%

Public Equity (32%)

Public Debt (17%)

Low Beta
Strategies
(7%)

Private Equity (15%)

Private Credit (13%)

Real Estate (10%)

Real Assets (3%)

Risk Parity (3%)



CCCERA Private Equity Program – Key Participants

CCCERA

Manages the Private Equity Program – top-down strategy selection, bottom-up investment manager evaluation, and monitoring of investment managers

**Managers
(General
Partners)**

Source, evaluate, execute, and manage private equity investments primarily within commingled drawdown funds

Stepstone

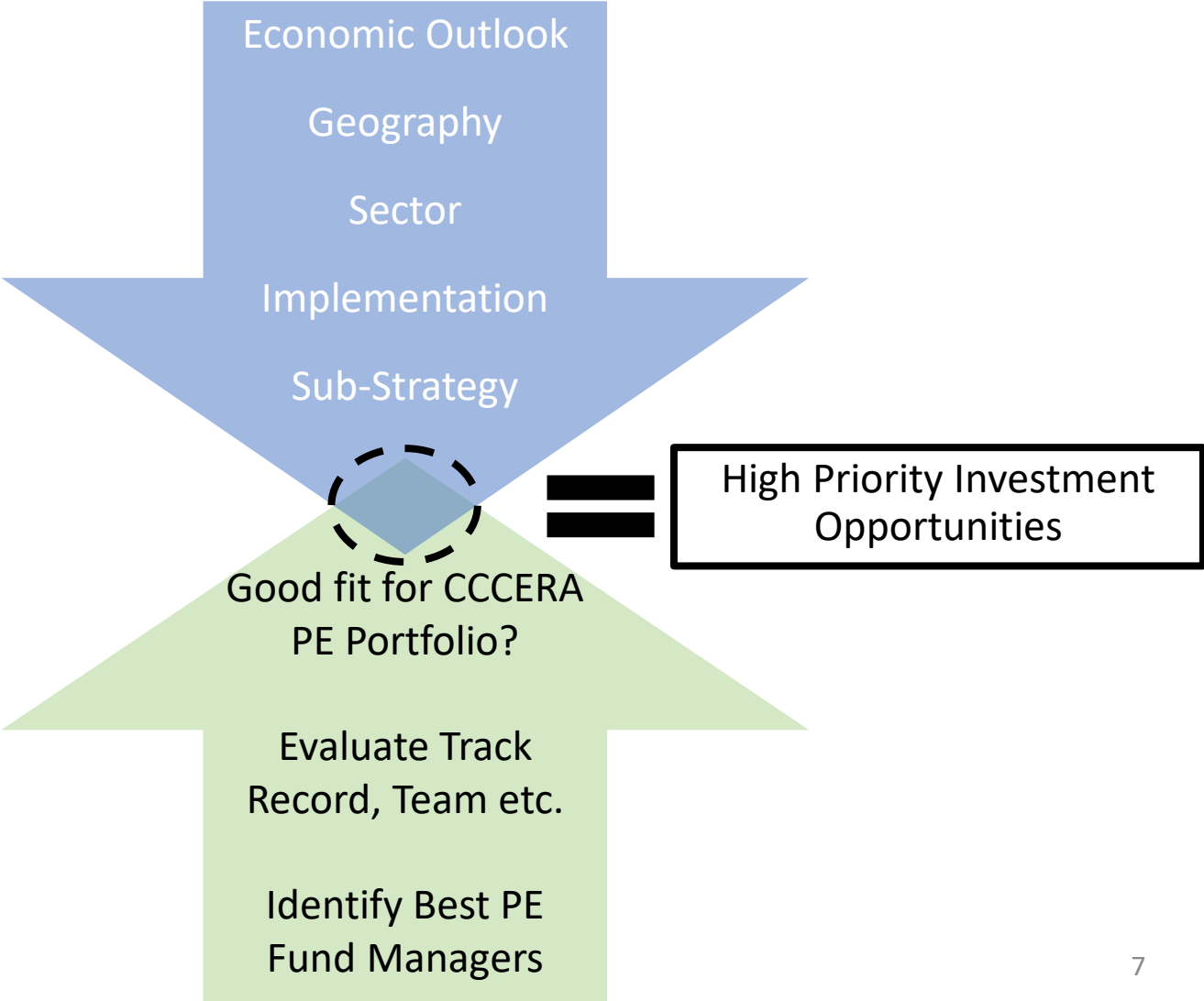
Provides advice and resources to CCCERA on Private Equity - responsible for pacing analysis, portfolio monitoring, and reporting



CCCERA Private Equity Strategy

CCCERA Approach to Private Equity Investing

Investment Pacing Plan



Opportunity Set

Geography	North America	Europe	Asia	Rest of World
Sector	IT	Healthcare	Financial Services	
Implementation	Fund of Funds	Primary Funds	Secondaries	
Sub-Strategy	Buyouts	Growth Equity	Venture	Other



Represents current areas of focus for CCCERA's Private Equity Program

2023 Activity

<u>Closed Funds:</u>		
GTCR XIV	\$100 million	
TA XV	\$90 million	
Genstar XI	\$75 million	
Altaris Health Partners VI	<u>\$50 million</u>	
Total Closed		\$315 million
<u>Current Active Diligence:</u>		
1 Fund Under Review		
Fund A	<u>\$100 million</u>	
Potential Total		\$100 million
Total 2023 Commitments (Projected)		\$415 million

2024 Projected

- Re-Up Activity
 - Anticipate ~1-2 of our existing General Partners will launch their next Fund
- Continued Sourcing of New Relationships/GP's
 - Potentially 2-3 new relationships
- Projected Pacing Commitment - \$350-\$450 million

Key Takeaways

- Consistent and disciplined PE investment strategy
- Proactive, multi-year approach to relationship-building and sourcing

Meeting Date
11/01/2023
Agenda Item
#7b.



CCCERA Board Presentation
Private Equity Update

NOVEMBER 2023



Disclosure



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On September 20, 2021, StepStone Group Inc. acquired Greenspring Associates, Inc. ("Greenspring"). Upon the completion of this acquisition, the management agreement of each Greenspring vehicle was assigned to StepStone Group LP.

The presentation is being made based on the understanding that each recipient has sufficient knowledge and experience to evaluate the merits and risks of investing in private market products. All expressions of opinion are intended solely as general market commentary and do not constitute investment advice or a guarantee of returns. All expressions of opinion are as of the date of this document, are subject to change without notice and may differ from views held by other businesses of StepStone.

All valuations are based on current values calculated in accordance with StepStone's Valuation Policies and may include both realized and unrealized investments. Due to the inherent uncertainty of valuation, the stated value may differ significantly from the value that would have been used had a ready market existed for all of the portfolio investments, and the difference could be material. The long-term value of these investments may be lesser or greater than the valuations provided.

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Prospective investors should inform themselves and take appropriate advice as to any applicable legal requirements and any applicable taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of any investments. Each prospective investor is urged to discuss any prospective investment with its legal, tax and regulatory advisors in order to make an independent determination of the suitability and consequences of such an investment.

An investment involves a number of risks and there are conflicts of interest.

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In relation to Switzerland only, this document may qualify as "advertising" in terms of Art. 68 of the Swiss Financial Services Act (FinSA). To the extent that financial instruments mentioned herein are offered to investors by SCAI, the prospectus/offering document and key information document (if applicable) of such financial instrument(s) can be obtained free of charge from SCAI or from the GP or investment manager of the relevant collective investment scheme(s). Further information about SCAI is available in the SCAI Information Booklet which is available from SCAI free of charge.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ACTUAL PERFORMANCE MAY VARY.



TOM KECK, PARTNER, HEAD OF RESEARCH, LA JOLLA

Mr. Keck leads StepStone's global research activities and the development of SPI. He is also involved in the Firm's ESG and risk management initiatives.

Prior to co-founding StepStone, Mr. Keck was a managing director at Pacific Corporate Group, a private equity investment firm that oversaw over US\$15 billion of private equity commitments for institutional investors. Before that he was a principal with Blue Capital, a middle-market buyout firm.

Mr. Keck graduated cum laude with a BA from the George Washington University and received his MBA with high honors from the University of Chicago Booth School of Business. He served in the US Navy as a Naval Flight Officer, receiving numerous decorations flying EA-6Bs off the USS Nimitz (CVN-68).



JOSE FERNANDEZ, PARTNER, CO-COO, LA JOLLA

Mr. Fernandez is the Co-COO of StepStone Group and a member of the private equity team where he focuses on US-based small-market managers and Latin American investments. He is also involved in the Firm's ESG and diversity initiatives, as well as various investment activities.

Prior to co-founding StepStone, Mr. Fernandez was a managing director of Pacific Corporate Group, a private equity investment firm for institutional investors. Mr. Fernandez previously worked with Latham and Watkins LLP's private equity/investment fund group, a practice focused on joint ventures and the structuring, negotiation and operation of pooled investment vehicles such as private equity funds.

Mr. Fernandez received his BA from the University of Michigan, Ann Arbor and JD from Stanford Law School.



NATALIE WALKER, PARTNER, LA JOLLA

Ms. Walker is a member of the private equity team, focusing on US-based small-market managers and secondary investments.

Prior to StepStone, Ms. Walker was a research analyst at Oppenheimer & Co., a leading national investment bank and full-service investment firm offering investment banking, financial advisory services, capital markets services, asset management, wealth management, and related products and services worldwide. Ms. Walker was a member of Oppenheimer's private equity team, where she conducted due diligence and research on private equity funds, secondary investments and co-investments. Before that she worked for a private equity backed start-up and Women-owned Business Enterprise, Sundance Energy.

Ms. Walker received her BA from Georgetown University McDonough School of Business.

Agenda

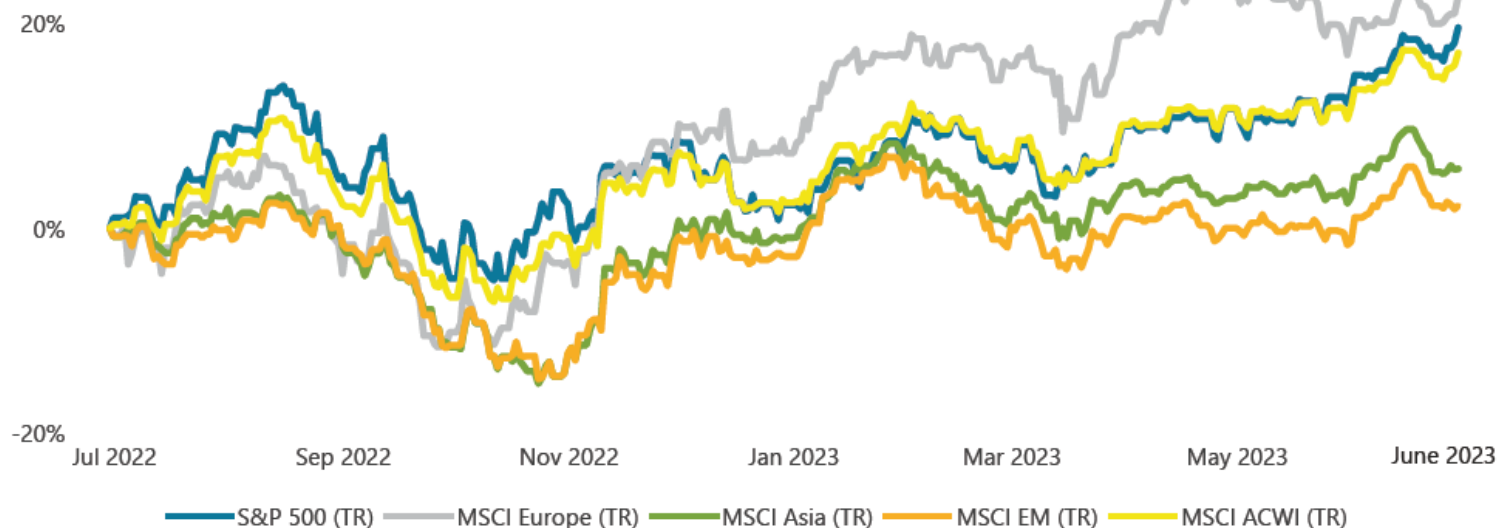


- I. Market Update
- II. Pacing Analysis
- III. Portfolio Performance

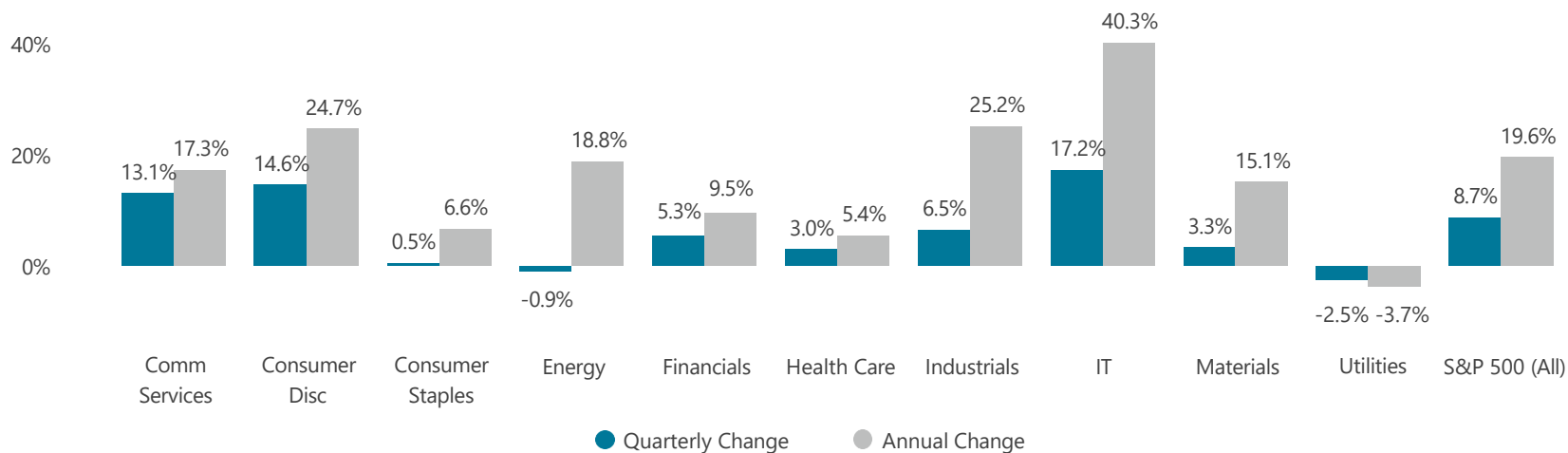
I. MARKET UPDATE

Global Public Indices Returns

One-Year Global Public Indices Returns



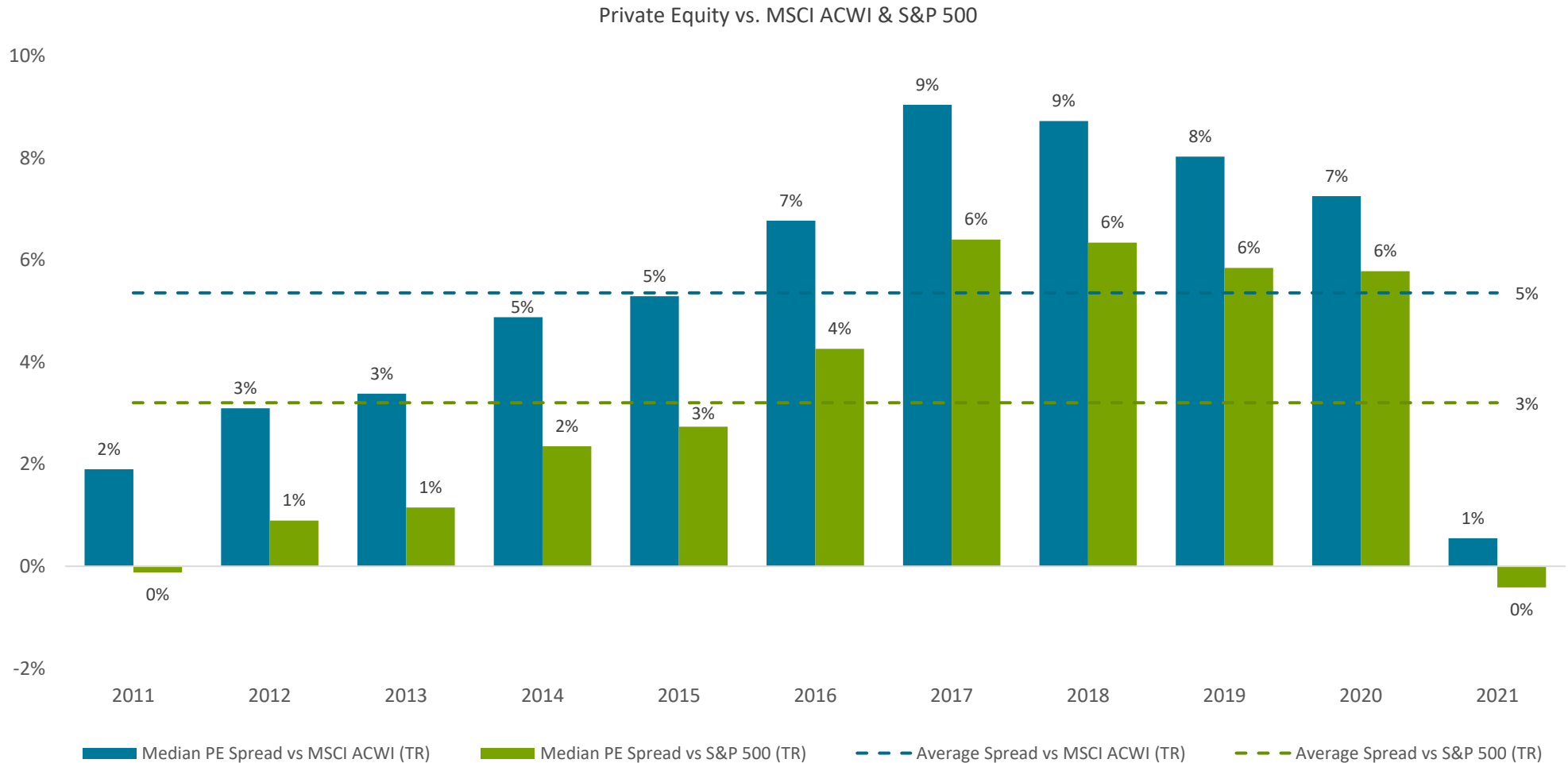
S&P 500 Quarterly Performance by Industry



Source: Capital IQ. Note: Returns for time periods greater than one year are annualized.

Private Equity Direct Alpha

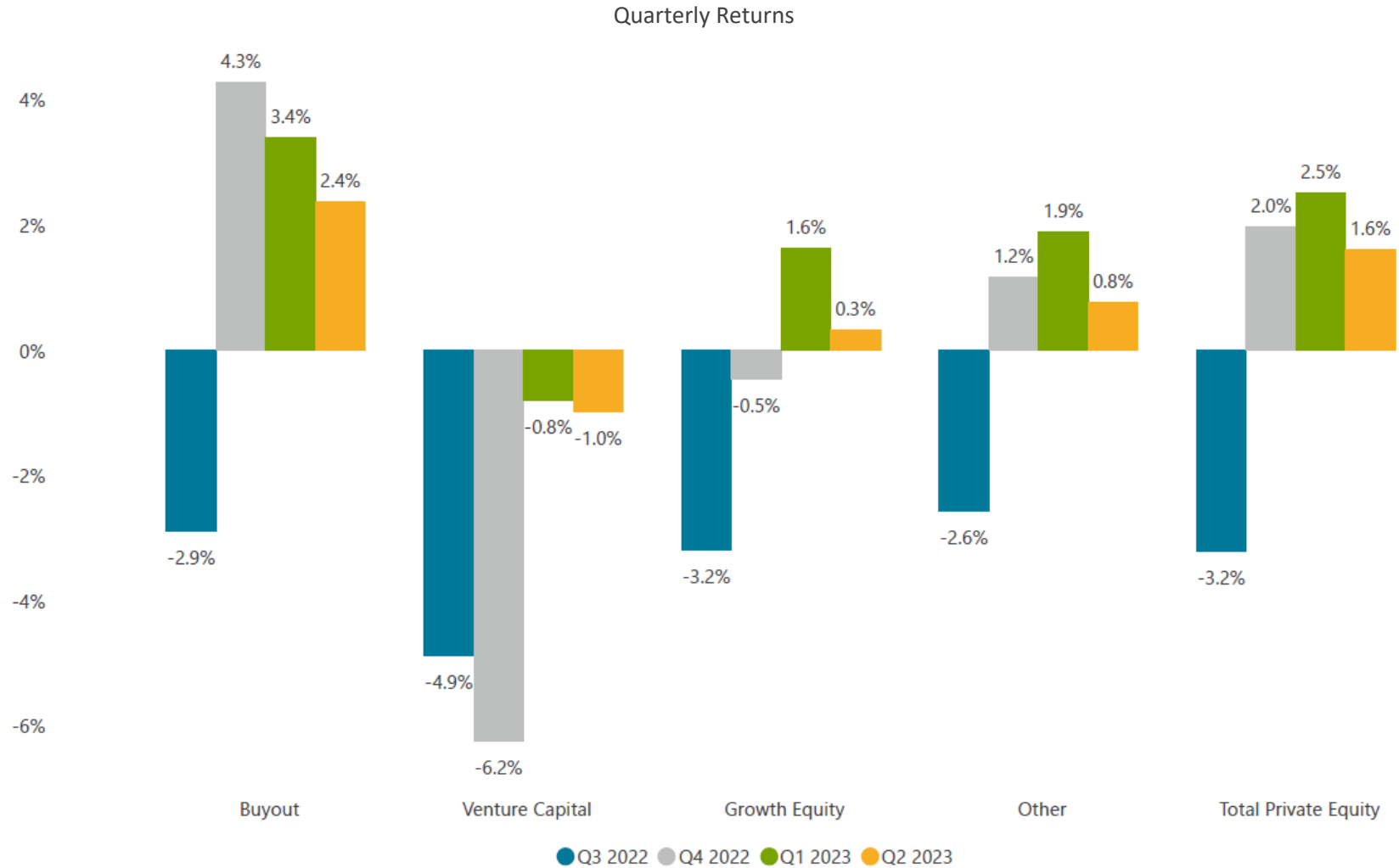
- Private equity has consistently outperformed both US and global equity markets. Between 2011-2021 the average spread between private equity and the MSCI ACWI is approximately 500 bps while the average spread to the S&P 500 is approximately 300 bps.



Source: Private IQ, as of 6/30/23; PE Returns includes Generalists, Equity and Distressed Funds. The Direct Alpha method formalizes the calculation of the exact alpha (in a continuous time log-return sense) that a PE portfolio has generated relative to the chosen reference benchmark; The referenced indices are shown for the general market comparison and are no meant to represent any particular fund. An investor cannot directly invest in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented.

Private Equity Performance

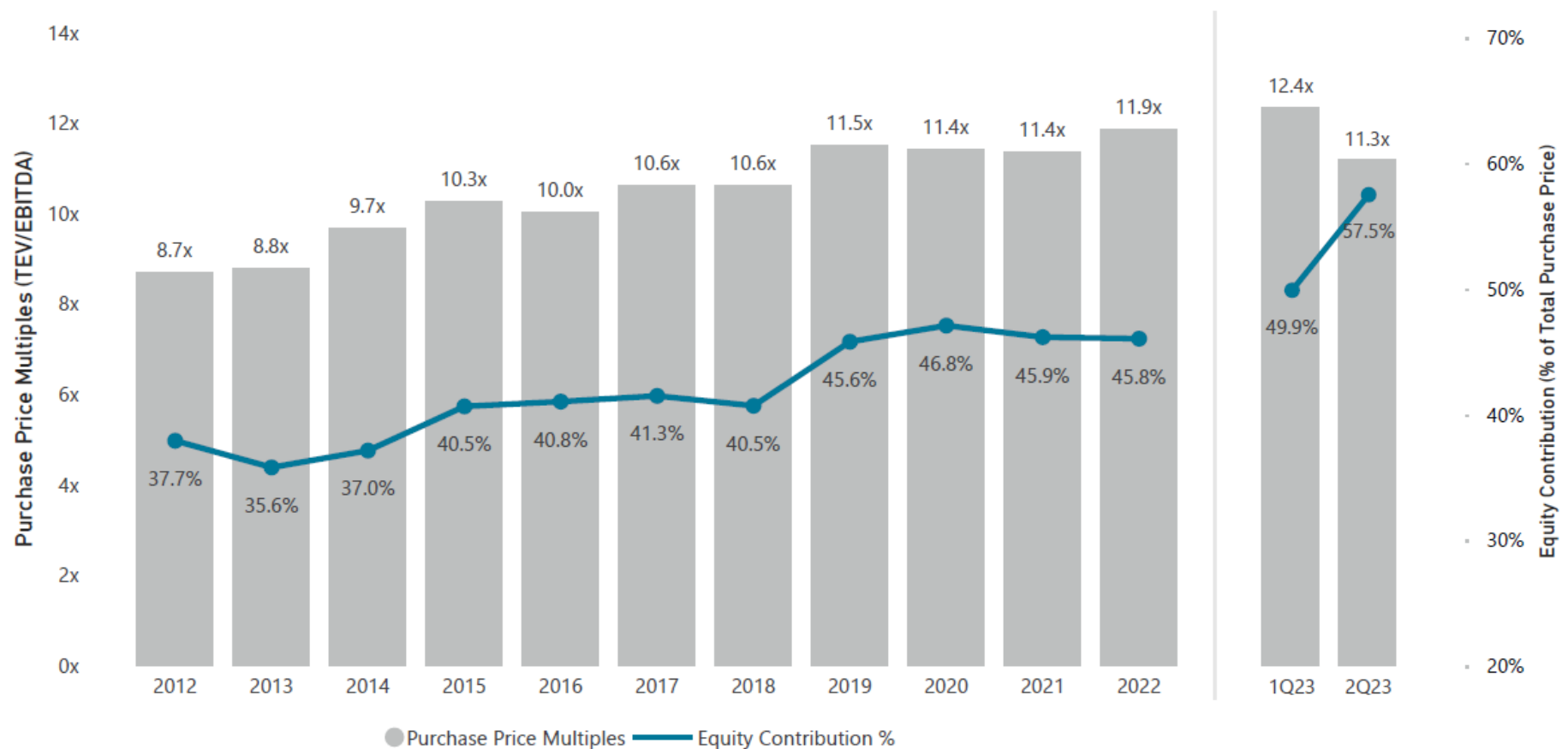
- Private equity returns for Q2 2023 ended the quarter at 1.6% compared to 2.5% the prior quarter.
- Buyout funds continued to post the highest quarterly performance, generating a gain of 2.4% during the quarter.



Purchase Prices

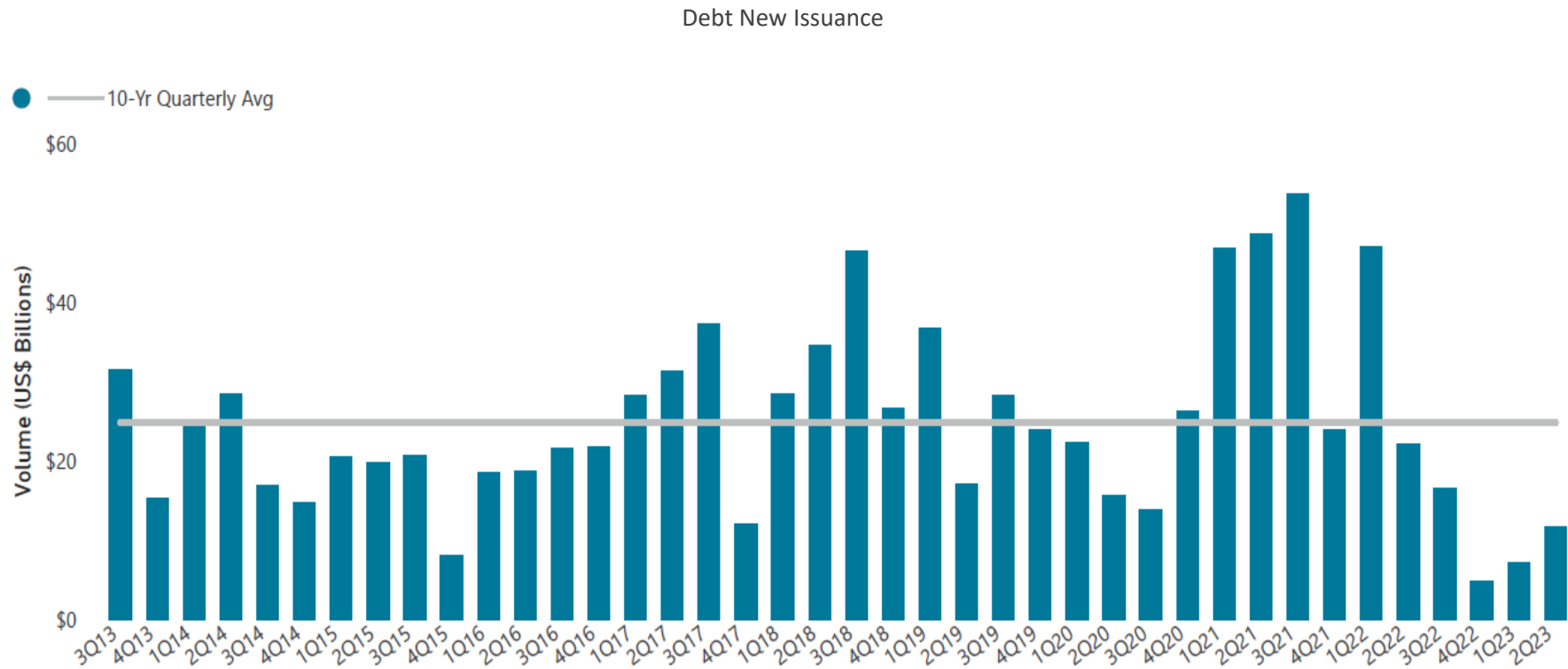
- Purchase prices have remained elevated despite the weaker macro environment driven by flight to quality. Q2 2023 purchase price of 11.3x compared to 12.4x in Q1 2023 indicates early signs of correction.
- Equity contribution has increased to 50%+ as debt markets have tightened.

Purchase Price Multiples and Equity Contribution for all LBOs



Debt Markets

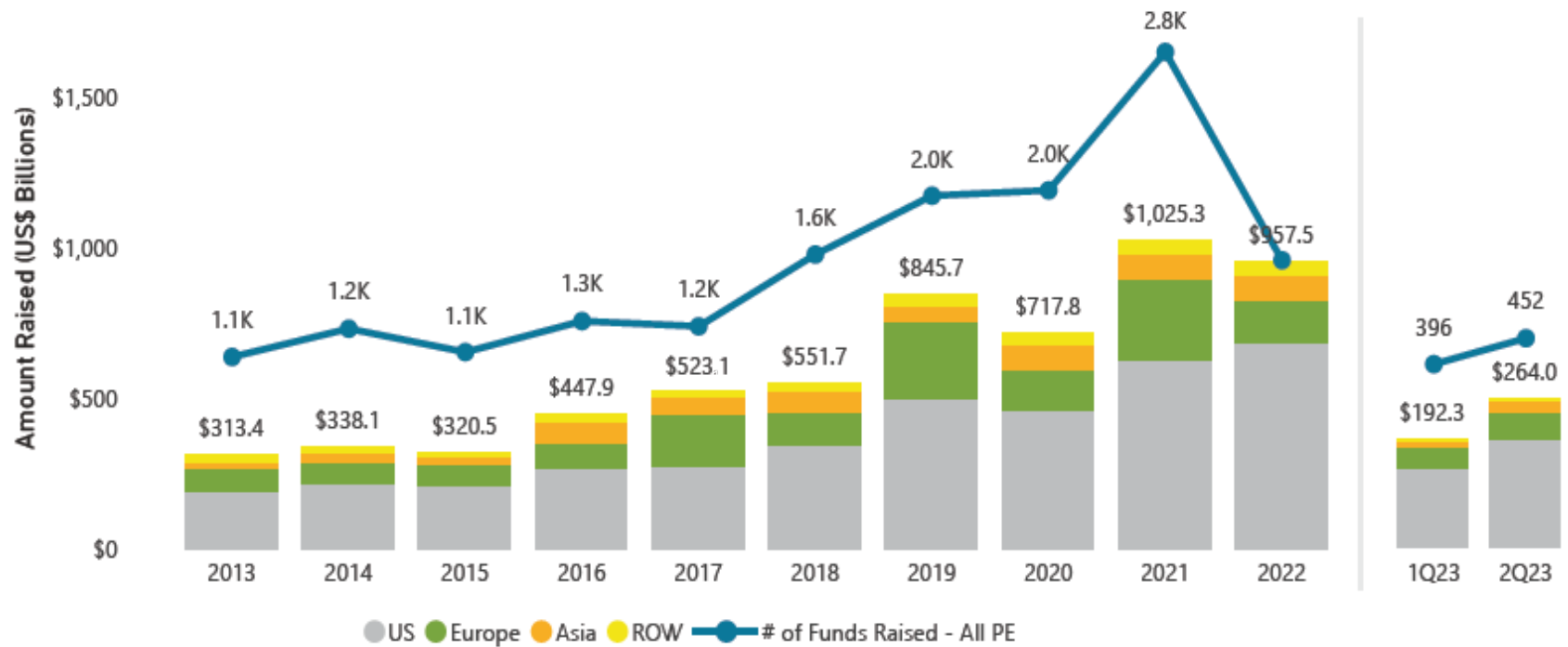
- US LBO debt volume totaled US\$11.6 billion during Q2 2023, 62% more than the previous quarter and 48% less than Q2 2022.
- Q2 volume is 53% lower than the 10-year quarterly average of US\$24.8 billion.



Fundraising by Geography

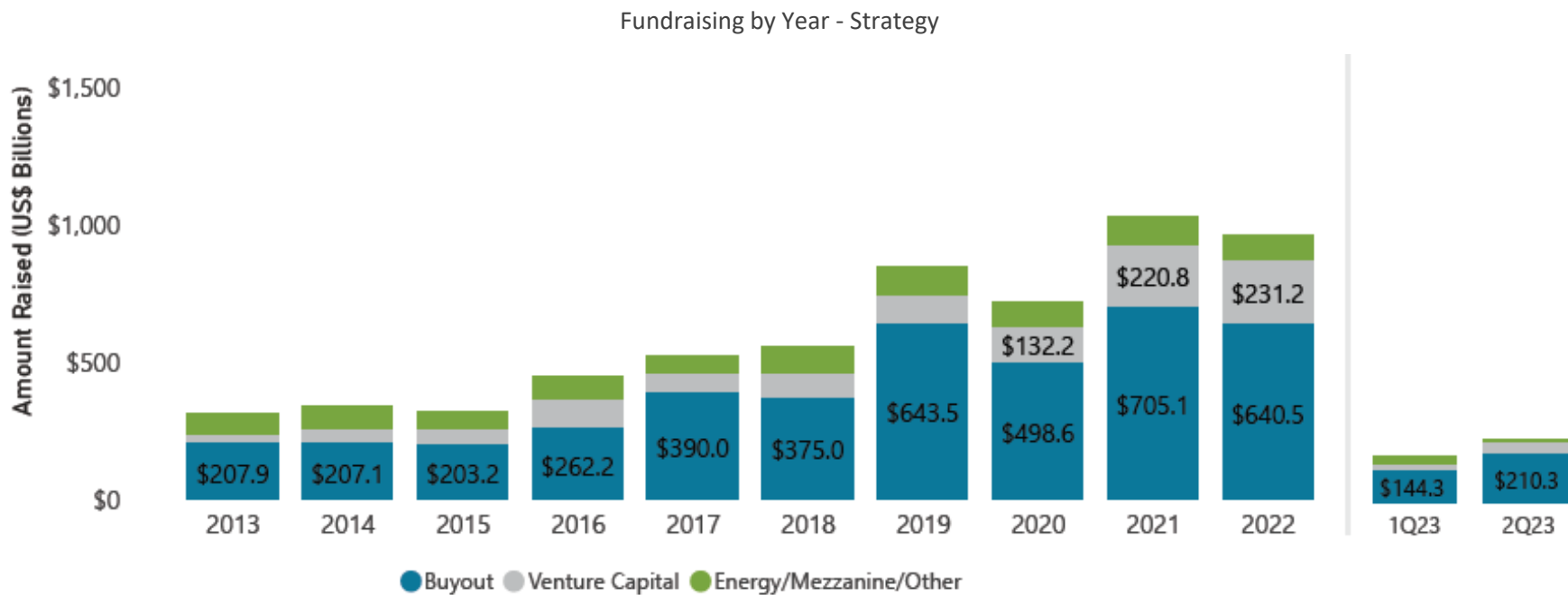
- Global private equity fundraising totaled US\$264 billion during Q2 2023, 37% more than the Q1 2023 and 1% more than Q2 2022.
- On an annualized basis, 2023 fundraising is down 5% compared to 2022.

Fundraising by Year - Geography



Fundraising by Strategy

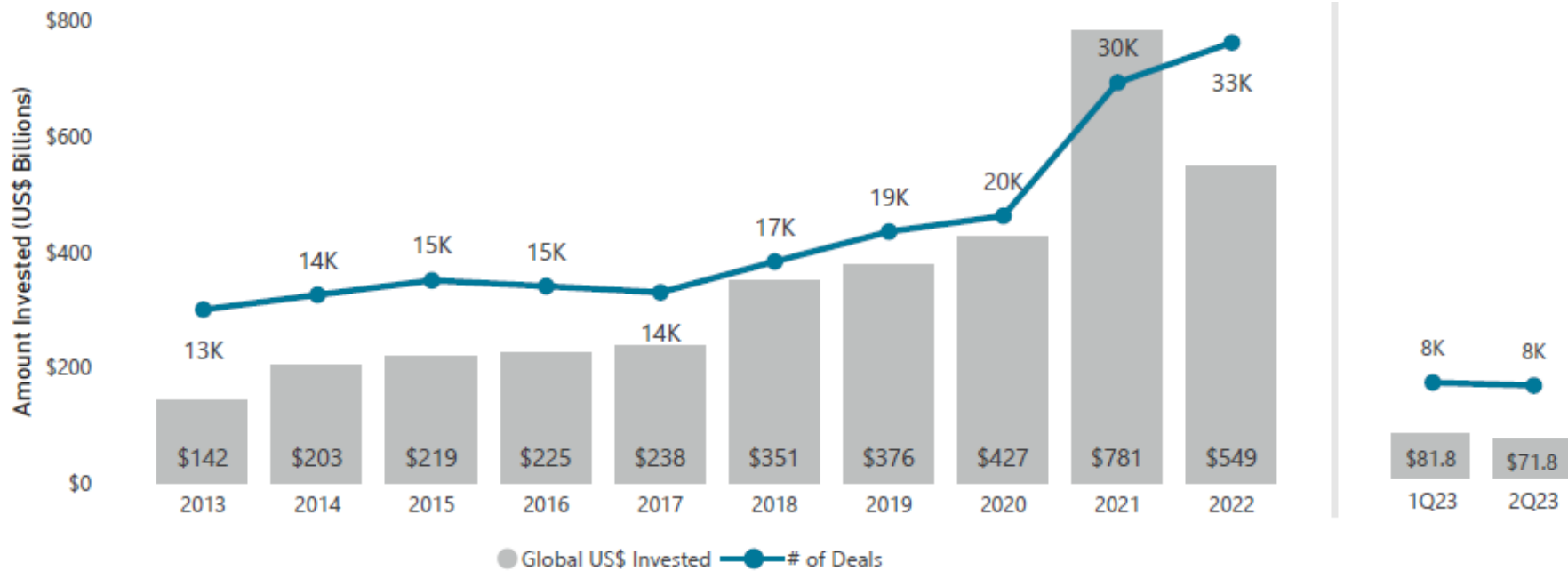
- Buyout represented 80% of the total amount raised for the quarter, totaling US\$210.3 billion, an increase of 46% from the prior quarter and 25% compared to the prior year period.
- Venture Capital raised US\$44.3 billion in Q2, an increase of 101% QoQ and a decrease of 28% compared to Q2 2022.



Investment Activity

- Private equity funds invested US\$71.8 billion during Q2 2023, a decrease of 12% QoQ and a decrease of 48% from Q2 2022.
- The average investment size during the quarter was US\$9.5 million, a decrease of 47% compared to US\$18 million in Q2 2022.

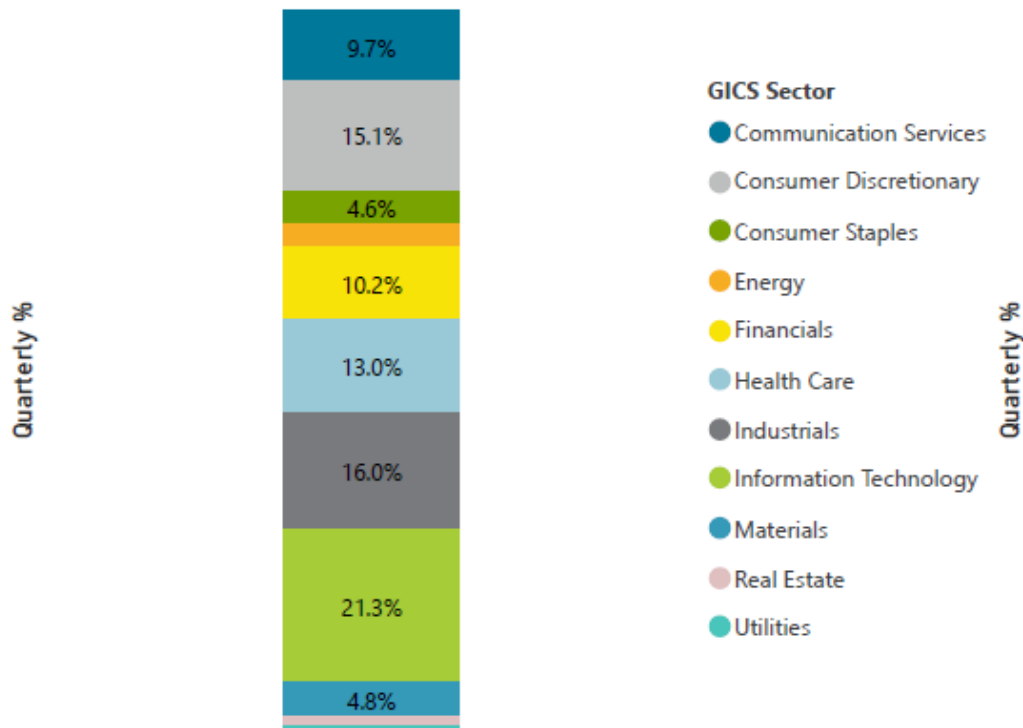
Investment Activity – All Private Equity



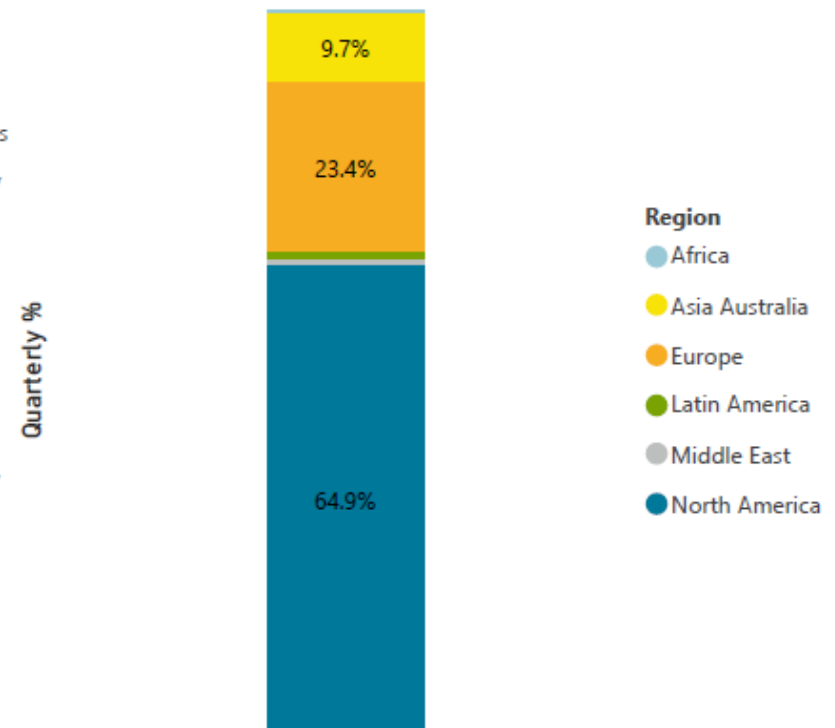
Sector & Geographic Exposure

- Companies operating in the Information Technology sector accounted for 21% of total market value exposed, followed by Industrials (16%), and Consumer Discretionary (15%), and Healthcare (13%).
- Geographically, North America comprised 65% of total market value, with European investments accounting for 23%.

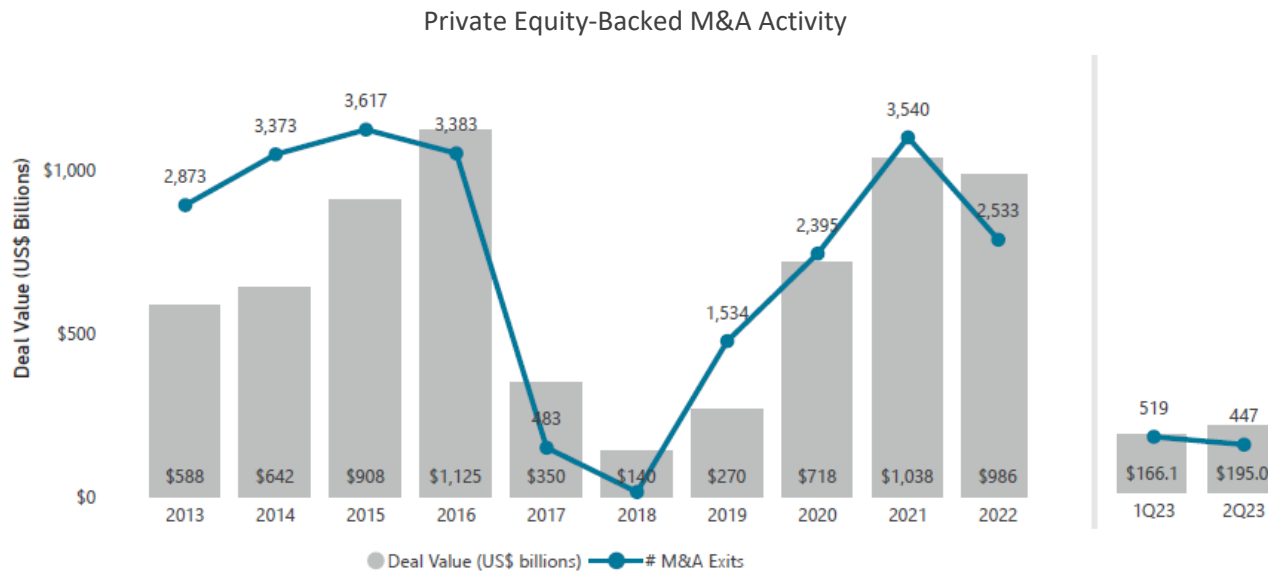
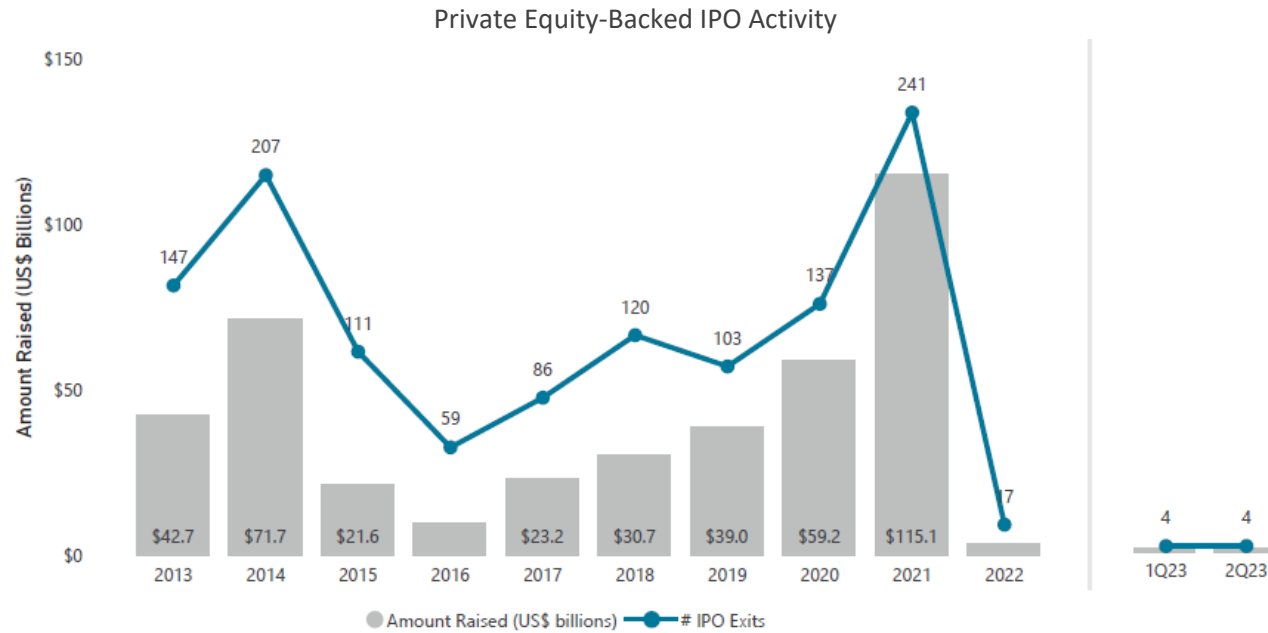
Sector Exposure by FMV



Geographic Exposure by FMV



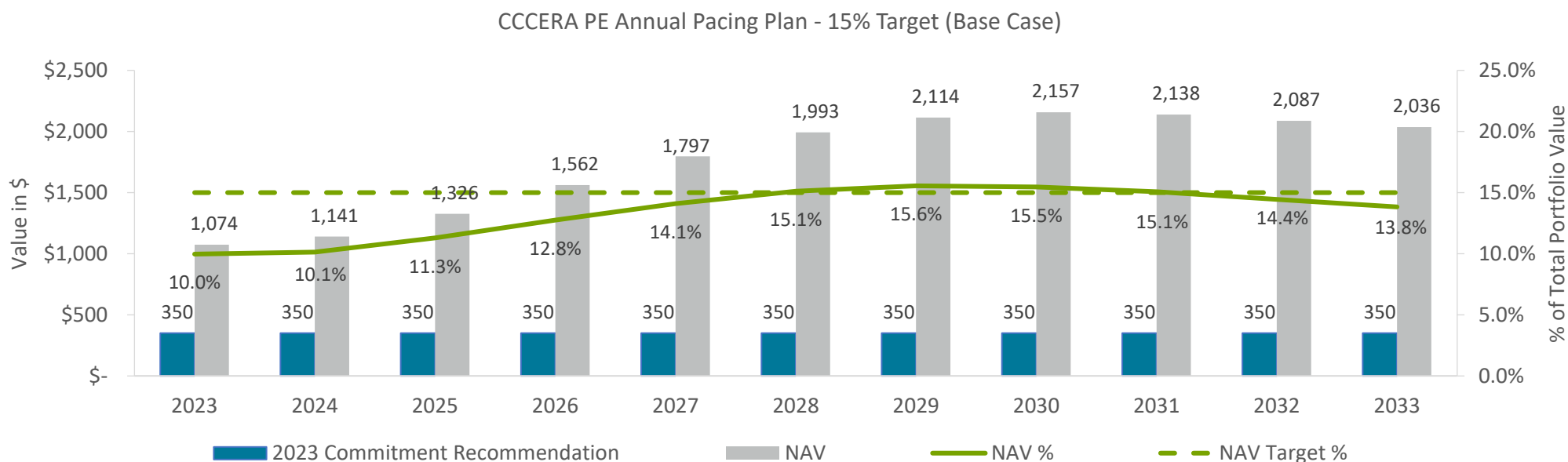
Exit Environment



II. PACING ANALYSIS

Private Equity Pacing Analysis

- StepStone updated its pacing analysis for CCCERA’s private equity portfolio based on a starting total portfolio FMV of \$10.8 billion and a private equity FMV of \$1.1 billion, as of September 30, 2023.¹
- CCCERA increased its target private equity allocation from 11.0% to 15.0% in 2021.
 - To achieve a target allocation of 15.0% over 10 years, StepStone recommends committing \$350 million (+/- 20%) per annum based on market opportunities and conditions.



¹ Private equity FMV reflects June 30, 2023 valuations cash flow adjusted for contributions and distributions through September 30, 2023.

While Stepstone currently believes that the assumptions on which the analysis are based are reasonable under the circumstances, there is no guarantee that the conditions on which such assumptions are based will materialize or otherwise be applicable. Plan level projections provided by CCCERA.

Target returns are hypothetical and are neither guarantees nor predictions or projections of future performance. Future performance indications and financial market scenarios are no guarantee of current or future performance. There can be no assurance that such target net IRRs will be achieved or that the investment will be able to implement its investment strategy, achieve its investment objectives or avoid substantial losses. Further information regarding target net IRR calculations is available upon request.

III. PORTFOLIO PERFORMANCE

Private Equity Performance Summary



- CCCERA private equity portfolio (the “PE Portfolio”) includes \$2.3 billion in commitments to 63 primary and fund-of-funds investments
 - The market value of the PE Portfolio was \$1.1 billion as of June 30, 2023.
- Over the twelve-month period ended June 30, 2023, the PE Portfolio drew \$100.0 million and received \$106.1 million in distributions.
- The PE Portfolio generated a net loss of \$30.8 million year-over-year, leading to a 1-year IRR of -2.7%.
- The PE Portfolio generated a since-inception¹ IRR of 12.7% as of June 30, 2023.

US\$ in millions

	INCEPTION TO JUNE 30, 2023	INCEPTION TO MARCH 31, 2023	INCEPTION TO JUNE 30, 2022	QUARTERLY CHANGE	ANNUAL CHANGE
Number of Managers	20	20	18	-	2
Number of Investments	63	62	58	1	5
Committed Capital	\$2,331.1	\$2,256.1	\$1,816.1	\$75.0	\$515.0
Contributed Capital ²	1,445.6	1,430.9	1,345.5	14.7	100.0
Distributed Capital	1,530.1	1,510.1	1,424.0	20.0	106.1
Market Value	1,097.3	1,100.7	1,134.2	(3.3)	(36.8)
Total Value	\$2,627.5	\$2,610.8	\$2,558.2	\$16.7	\$69.3
Total Gain/(Loss)	1,181.9	1,179.9	1,212.7	2.0	(30.8)
Unfunded Commitment	939.5	877.8	513.6	61.6	425.8
Total Exposure	2,036.8	1,978.5	1,647.8	58.3	389.0
DPI ³	1.06x	1.06x	1.06x	0.00x	0.00x
TVPI ⁴	1.82x	1.82x	1.90x	(0.01)x	(0.08)x
NET IRR ⁵	12.7%	12.9%	13.5%	-14 bps	-76 bps

1. Inception represents date of first capital call on 3/18/1996.

2. Total Gross Contributed represents total contributions to underlying investments including capitalized legal and other transaction fees and expenses.

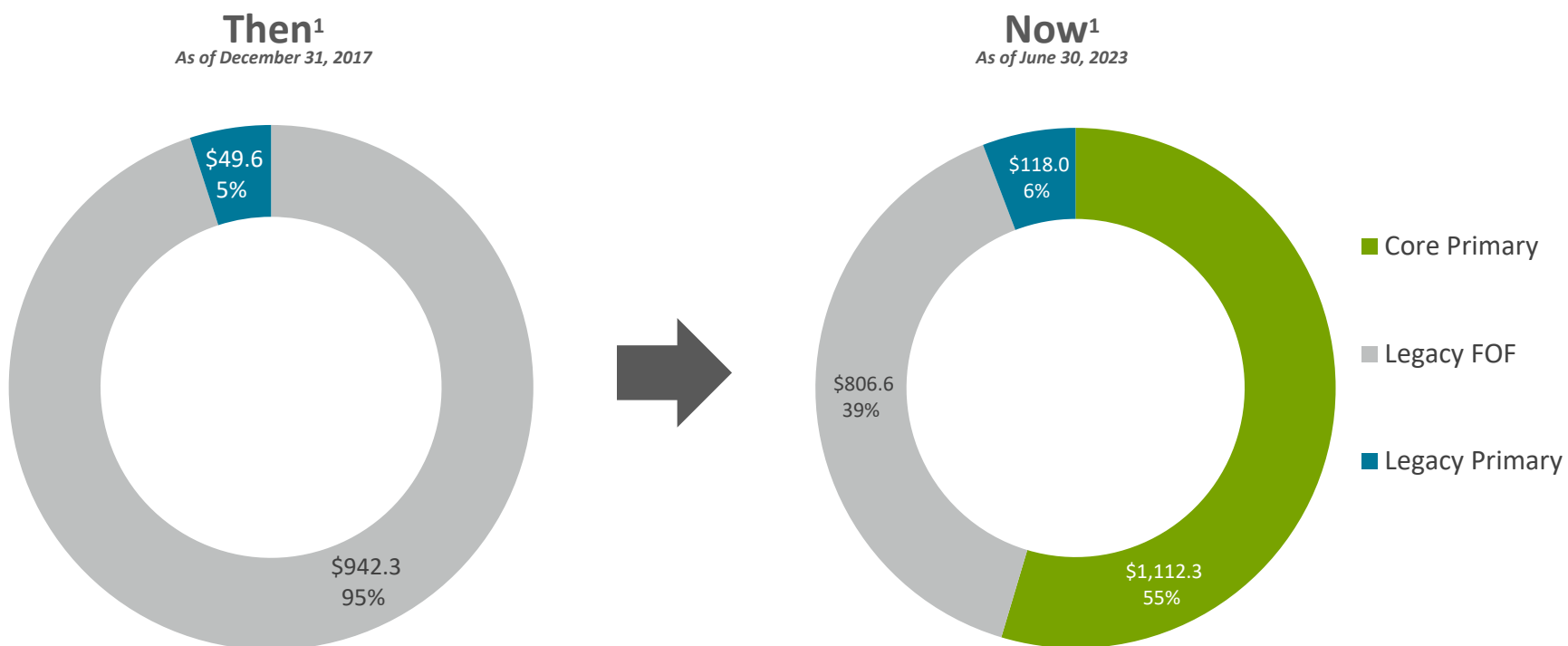
3. Distributions to Paid-in Capital (DPI) represents total gross distributions received by the Fund from underlying investments (including distributions used to offset drawdowns for investments) divided by total gross contributions.

4. Total Value to Paid in Multiple (TVPI) is net of management fees and expenses related to the underlying investments, and represent the aggregate net asset value of underlying investments plus gross distributions received by the Fund from those investments, divided by total gross contributions.

5. Internal Rate of Return (IRR) is calculated based on the Portfolio’s daily cash flows and market value as of quarter-end. IRR is net of manager’s fees, expenses and carried interest, but not net of StepStone Advisory fees. IRR and TVPI for certain vehicles may have been impacted by Stepstone’s or the underlying GPs’ use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.

Private Equity Exposure by Sub-Portfolio

- Since 2017, CCCERA has pursued direct primary commitments to private equity funds (the “Core Primary Fund Portfolio”).
- Historical private equity investments include legacy fund-of-funds (the “Legacy FOF Portfolio”) and legacy primary funds (the “Legacy Primary Fund Portfolio”).



1. Breakdown based on exposure, calculated as market value plus unfunded commitment.

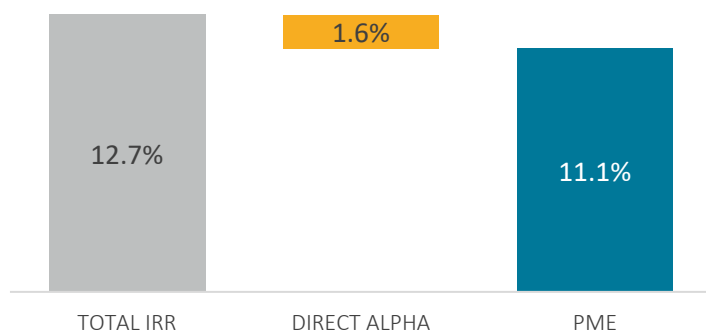
Private Equity Performance by Sub-Portfolio

- Although early in the Core Primary Fund Portfolio development, performance has been strong, generating a since-inception¹ IRR of 17.4%⁵. Over time, anticipate the Total Value to Paid in Multiple (“TVPI”) and the Distributions to Paid-In Capital (“DPI”) to increase as portfolio value is created.
- As the size of the Core Primary Fund Portfolio increases, the Legacy FOF and Legacy Primary Fund Portfolios should be less meaningful drivers of CCCERA’s total PE Portfolio performance.

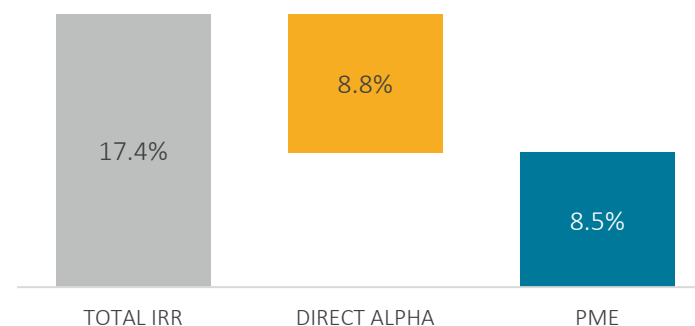
As of June 30, 2023 (US\$ in millions)

	NO. OF FUNDS	COMMITTED CAPITAL	CONTRIBUTED CAPITAL	DISTRIBUTED CAPITAL	UNFUNDED COMMITMENT	MARKET VALUE	TOTAL VALUE	TVPI	DPI	NET IRR	PME
CCCERA PE Portfolio											
Legacy Portfolio	46	1,259.6	1,179.4	1,490.3	121.4	803.1	2,293.5	1.94x	1.26x	12.7%	11.1%
Core Primary Fund Portfolio	18	1,071.5	266.2	39.8	818.1	294.2	334.0	1.25x	0.15x	17.4%	8.5%
Total	64	2,331.1	1,445.6	1,530.1	939.5	1,097.3	2,627.5	1.82x	1.06x	12.7%	11.0%

LEGACY PORTFOLIO PME BRIDGE



CORE PRIMARY PORTFOLIO PME BRIDGE



1. Inception represents date of first capital call on 2/21/2019.
2. Total Gross Contributed represents total contributions to underlying investments including capitalized legal and other transaction fees and expenses.
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6. Legacy Portfolio combines the Legacy FOF and Legacy Primary funds.
7. PME based on Kaplan & Schoar PME analysis relative to the S&P 500 (TR)

Private Equity Performance by Vintage Year



As of June 30, 2023 (US\$ in millions)

VINTAGE YEAR	COMMIT	CONT	DIST	NAV	TOTAL VALUE	UNFUNDED	DPI	TVPI	IRR	PME
1996	11.9	11.5	21.1	0.0	21.1	0.4	1.8x	1.8x	15.4%	9.7%
1997	3.3	3.3	13.5	0.0	13.5	0.0	4.1x	4.1x	71.6%	20.4%
1998	7.4	7.4	11.3	0.0	11.3	0.0	1.5x	1.5x	7.6%	1.2%
1999	131.7	132.7	198.2	2.7	200.9	10.8	1.5x	1.5x	8.0%	7.7%
2000	5.3	5.0	7.8	0.0	7.8	0.3	1.5x	1.5x	7.1%	2.8%
2001	20.9	23.7	23.0	0.1	23.0	0.3	1.0x	1.0x	-0.5%	6.6%
2002	8.0	7.7	14.3	0.1	14.4	0.3	1.8x	1.9x	13.1%	8.1%
2003	7.3	6.9	12.2	0.1	12.3	0.4	1.8x	1.8x	12.1%	6.7%
2004	28.8	27.8	65.1	0.5	65.5	0.9	2.3x	2.4x	14.9%	7.1%
2005	15.0	14.2	21.4	0.5	21.8	0.8	1.5x	1.5x	6.4%	8.5%
2007	40.0	38.2	68.5	7.0	75.5	1.8	1.8x	2.0x	10.9%	11.4%
2008	55.0	64.2	120.3	9.4	129.7	0.4	1.9x	2.0x	10.8%	13.3%
2009	160.0	149.2	223.7	52.0	275.7	14.8	1.5x	1.8x	11.4%	13.6%
2011	40.0	39.5	51.6	30.7	82.3	3.7	1.3x	2.1x	14.4%	13.1%
2012	80.0	67.1	74.3	43.8	118.2	12.9	1.1x	1.8x	10.9%	12.7%
2013	100.0	96.5	127.7	93.7	221.4	8.3	1.3x	2.3x	17.4%	13.5%
2014	250.0	221.2	252.0	194.5	446.4	32.5	1.1x	2.0x	16.6%	13.8%
2015	50.0	48.1	35.6	69.1	104.7	4.1	0.7x	2.2x	19.3%	14.3%
2016	100.0	76.5	97.0	53.9	150.8	3.5	1.3x	2.0x	30.9%	15.7%
2017	75.0	67.5	32.7	165.7	198.4	7.5	0.5x	2.9x	33.2%	15.4%
2018	70.0	64.1	19.2	79.5	98.7	17.7	0.3x	1.5x	19.3%	12.4%
2019	74.0	70.2	29.5	91.4	120.9	12.2	0.4x	1.7x	31.4%	11.3%
2020	90.0	63.6	8.6	71.2	79.8	29.2	0.1x	1.3x	14.3%	8.7%
2021	217.5	130.4	0.1	131.7	131.8	87.1	0.0x	1.0x	1.1%	NM
2022	325.0	2.0	1.6	-0.1	1.5	324.6	0.8x	0.7x	NM	NM
2023	365.0	0.0	0.0	0.0	0.0	365.0	NM	NM	NM	NM
Total	\$2,331.1	\$1,445.6	\$1,530.1	\$1,097.3	\$2,627.5	\$939.5	1.1x	1.8x	12.7%	11.0%

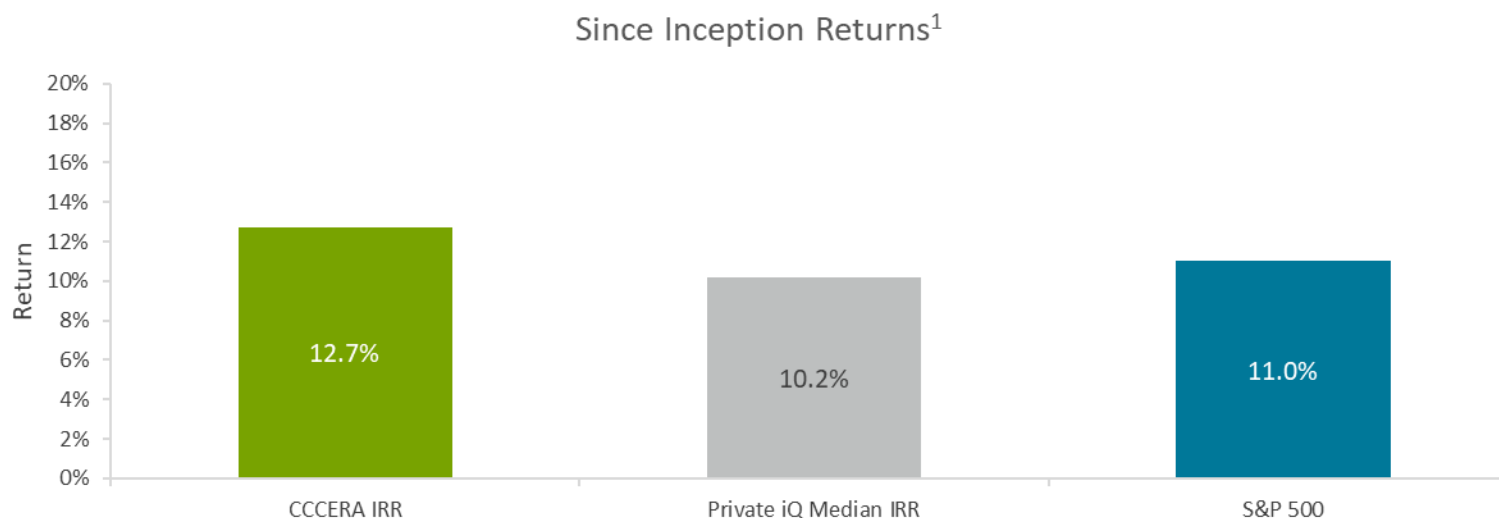
Initiation of StepStone Core Primary program

1. Total Gross Contributed represents total contributions to underlying investments including capitalized legal and other transaction fees and expenses.
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4. Internal Rate of Return (IRR) is calculated based on the Portfolio's daily cash flows and market value as of quarter-end. IRR is net of manager's fees, expenses and carried interest, but not net of StepStone Advisory fees. IRR and TVPI for certain vehicles may have been impacted by StepStone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.
5. PME based on Kaplan & Schoar PME analysis relative to the S&P 500 (TR)
6. Total contributions include \$6.9 million from Brinson Aggregate Fee Vehicle.

Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve its objectives or avoid substantial losses

Private Equity Performance versus Benchmarks

- PE Portfolio performance is measured against two benchmarks: (i) Burgiss Private iQ and (ii) the S&P 500 index.
- The PE Portfolio's overall since inception IRR of 12.7% outperformed the median private market benchmark and the S&P 500 index, by 255 bps and 174 bps, respectively.



<i>Period ending June 30, 2023</i>	QTD	1-Year	3-Year	5-Year	10-Year	Since Inception
CCCERA PE Portfolio IRR²	0.2%	(2.7%)	23.5%	18.7%	15.7%	12.7%
Private iQ Median IRR Benchmark^{1,3}	0.0%	-0.9%	11.4%	9.3%	10.7%	10.2%
S&P 500 Index⁴	8.6%	19.1%	15.4%	12.6%	13.1%	11.0%

1. Primary fund benchmark data includes CCCERA specific vintage years and strategies. Please note that CCCERA's Fund-of-Funds include a double layer of fees and compose a majority of commitments CCCERA has made to date.

2. IRR Performance is net of underlying partnership fees, but not net of StepStone Advisory fees. IRR and TVPI for certain vehicles may have been impacted by Stepstone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.

3. Published by Burgiss Private iQ, All Private Equity Median IRRs, for Vintages 1996 - 2005, 2007- 2009, & 2011-2023, as of June 30, 2023. This benchmark data is continuously updated and therefore subject to change.

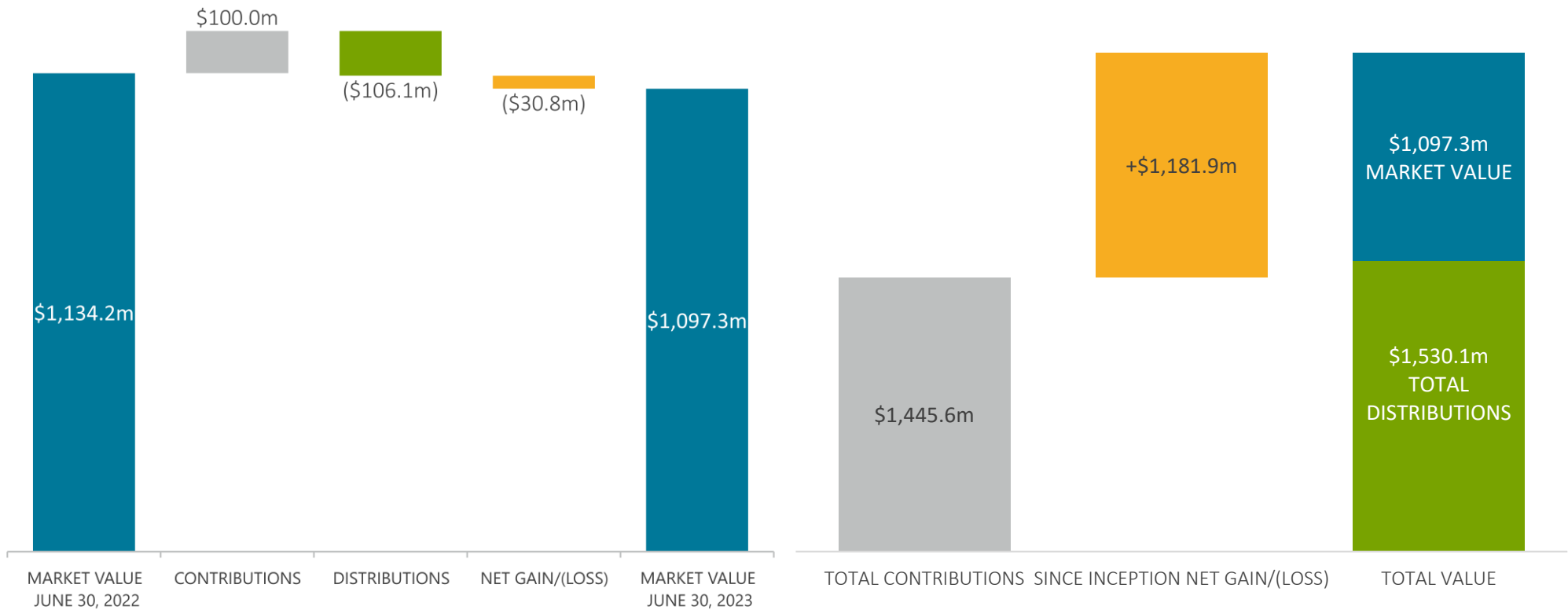
4. S&P 500 Total Return (TR) index is shown for general market comparison and is not meant to represent any particular fund. An investor cannot directly invest in an index. Moreover, indices do not reflect commissions or fees that may be charged to an investment product based on the index, which may materially affect the performance data presented. Returns under one year are unannualized. QTD includes +100 bps premium (400 bps / 4).

Private Equity Valuation Bridge

- For the twelve months ended June 30, 2023, the PE Portfolio recorded a loss of \$30.8 million.
- Since-inception net gain through June 30, 2023, was \$1.2 billion.

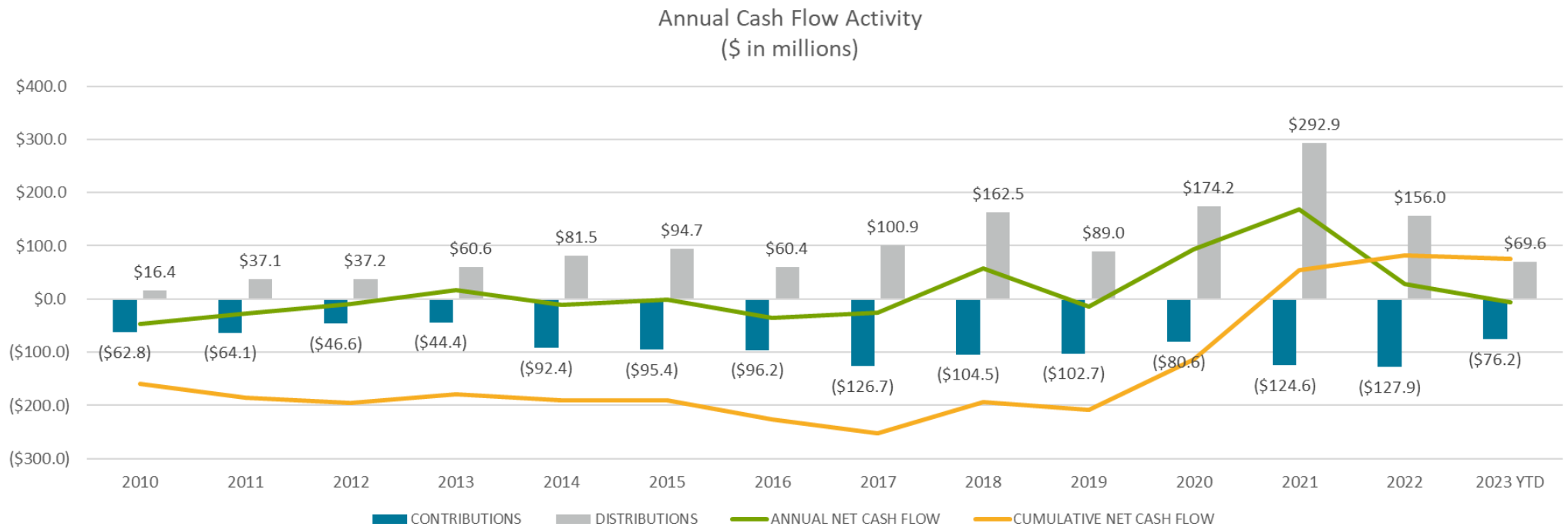
ANNUAL CHANGE IN MARKET VALUE

TOTAL FUNDED TO TOTAL VALUE



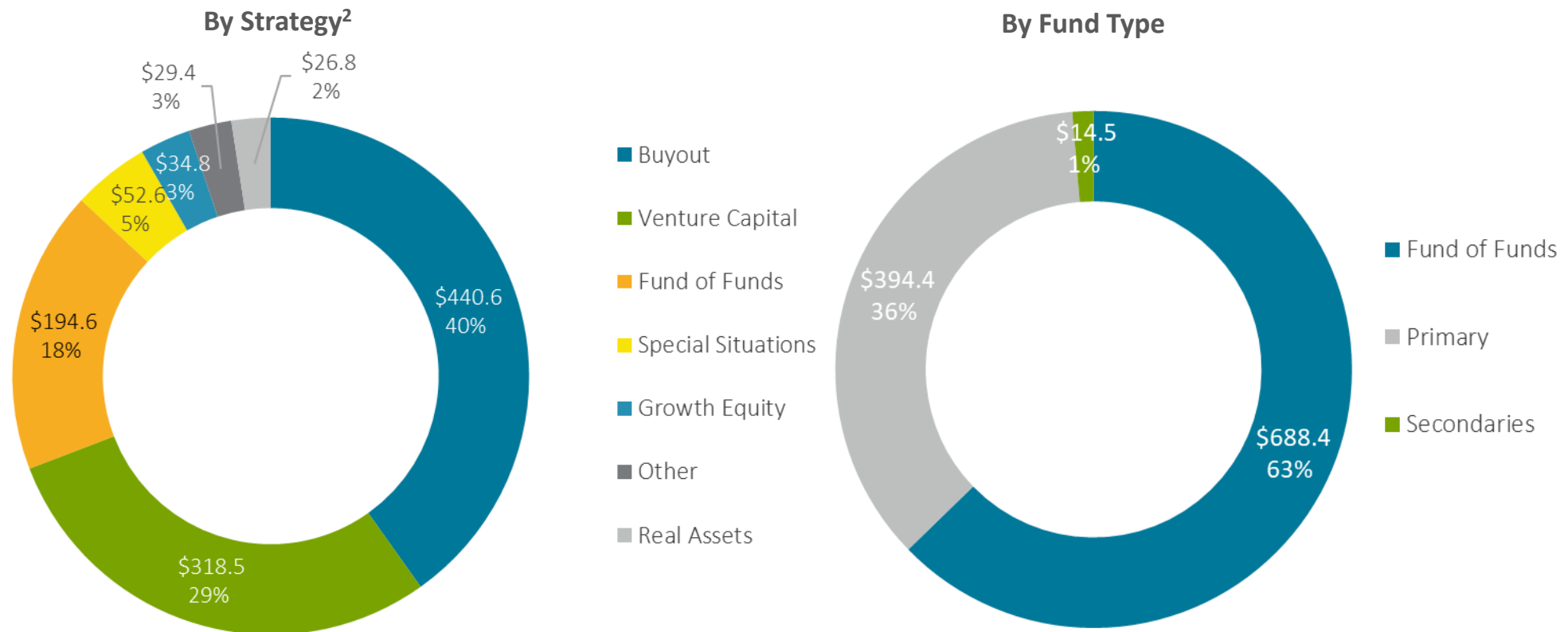
Private Equity Cash Flow Analysis

- Year-to-date, the PE portfolio has received \$69.6 million in distributions compared to \$76.2 million in contributions as of September 30, 2023.
- The PE Portfolio received record annual net cash inflows in 2021. Net cash flows in 2022 were positive, but down year over year.



Private Equity Diversification¹

- The PE portfolio has broad exposure by strategy with the largest exposures to Buyout (40%) and Venture Capital (29%).
- The PE Portfolio is highly concentrated in fund-of-funds, but is expected to be weighted towards primary commitments on a go-forward basis.



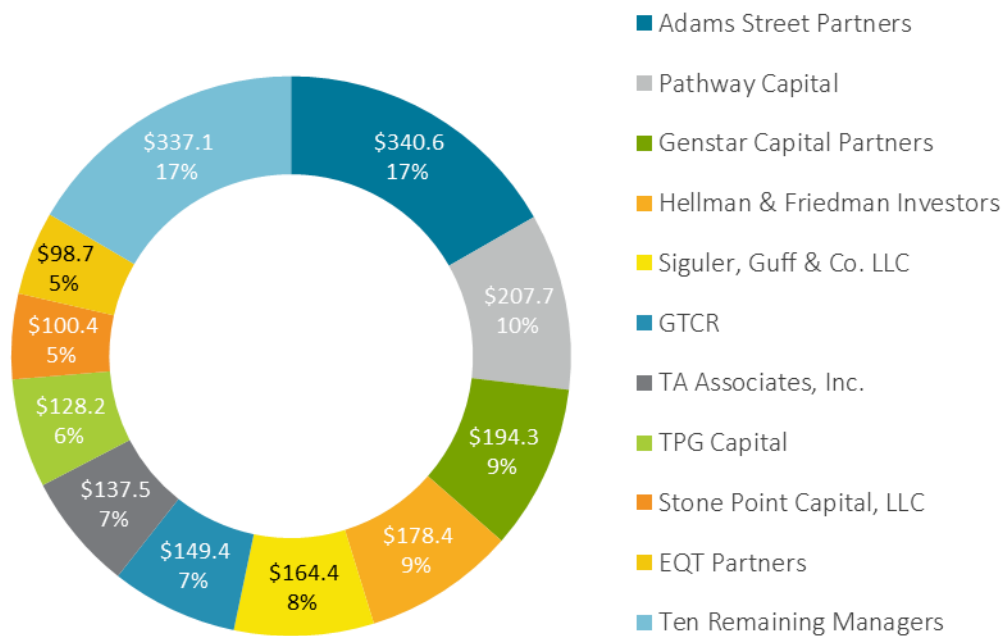
1. Breakdown calculated off market value.

2. Strategy includes look through of Fund of Funds to underlying strategies. Other includes Co-investment, Private Debt and Real Estate strategies.

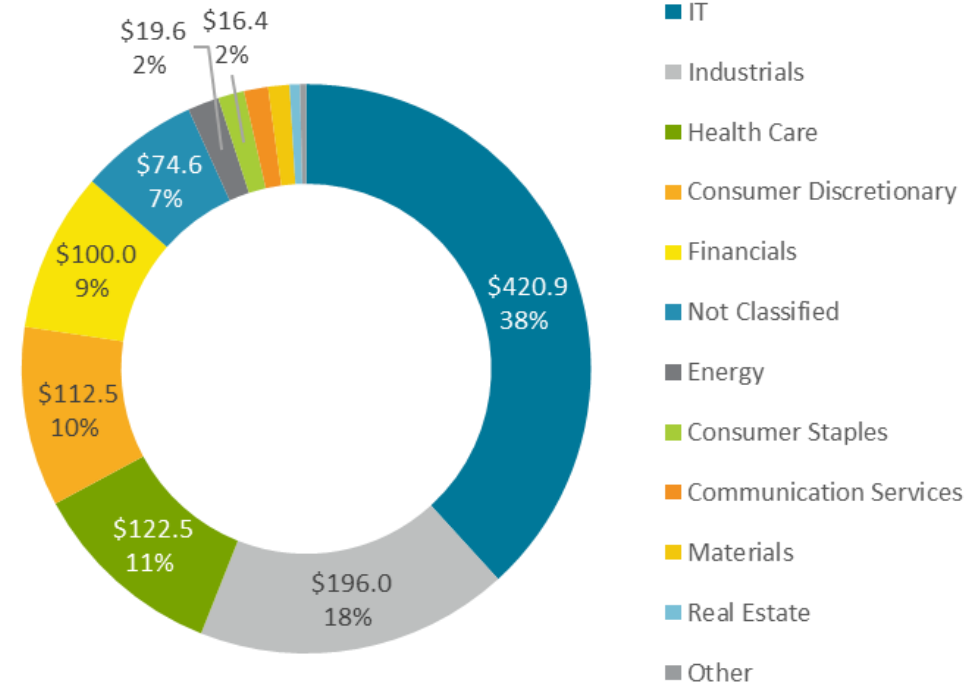
Private Equity Diversification (cont.)

- By Investment Manager, over 36% of the PE Portfolio’s exposure resides with three legacy fund-of-funds managers.
- By Industry, the PE Portfolio is balanced with the largest exposures to IT (38%), Industrials (18%) and Health Care (11%).

By Investment Manager¹



By Industry^{2,3}



1. Breakdown based on exposure, calculated as market value plus unfunded commitment.
 2. Not Classified includes Siguler Guff CCCERA Opportunities Fund and Siguler Guff Secondary Opportunities Fund. Other includes undisclosed industry designation by the managers.
 3. Industry graph represents CCCERA’s exposed market value to underlying asset level holdings.

Real Assets Performance Summary



- CCCERA’s real assets portfolio (“RA Portfolio”) includes \$460.0 million in commitments to 11 primary and fund-of-funds investments.
 - The market value of CCCERA’s RA Portfolio was \$208.4 million as of June 30, 2023.
- Over the twelve-month period ended June 30, 2023, the RA Portfolio drew \$5.4 million and received \$46.7 million in distributions.
- The RA Portfolio generated a net gain of \$1.3 million year-over-year, leading to a 1-year IRR of 0.59%.
- The RA Portfolio generated a since-inception¹ IRR of 4.8% as of June 30, 2023.

US\$ in millions

	INCEPTION TO JUNE 30, 2023	INCEPTION TO MARCH 31, 2023	INCEPTION TO JUNE 30, 2022	QUARTERLY CHANGE	ANNUAL CHANGE
Number of Managers	5	5	5	-	-
Number of Investments	11	11	11	-	-
Committed Capital	\$460.0	\$460.0	\$460.0	\$0.0	\$0.0
Contributed Capital ²	533.1	532.5	527.7	0.6	5.4
Distributed Capital	454.2	443.9	407.5	10.3	46.7
Market Value	208.4	220.4	248.3	(12.0)	(39.9)
Total Value	\$662.6	\$664.3	\$655.8	(1.7)	\$6.7
Total Gain/(Loss)	129.4	131.8	128.1	(2.3)	1.3
Unfunded Commitment	15.4	15.9	17.2	(0.5)	(1.9)
Total Exposure	223.7	236.2	265.5	(12.5)	(41.8)
DPI ³	0.85x	0.83x	0.77x	0.02x	0.08x
TVPI ⁴	1.24x	1.25x	1.24x	(0.00)x	0.00x
NET IRR ⁵	4.8%	4.9%	5.0%	-13 bps	-26 bps

1. Inception represents date of first capital call on 1/25/1996.

2. Total Gross Contributed represents total contributions to underlying investments including capitalized legal and other transaction fees and expenses.

3. Distributions to Paid-in Capital (DPI) represents total gross distributions received by the Fund from underlying investments (including distributions used to offset drawdowns for investments) divided by total gross contributions.

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Risks and Other Considerations



Risks Associated with Investments. Identifying attractive investment opportunities and the right underlying fund managers is difficult and involves a high degree of uncertainty. There is no assurance that the investments will be profitable and there is a substantial risk that losses and expenses will exceed income and gains.

Restrictions on Transfer and Withdrawal; Illiquidity of Interests; Interests Not Registered. The investment is highly illiquid and subject to transfer restrictions and should only be acquired by an investor able to commit its funds for a significant period of time and to bear the risk inherent in such investment, with no certainty of return. Interests in the investment have not been and will not be registered under the laws of any jurisdiction. Investment has not been recommended by any securities commission or regulatory authority. Furthermore, the aforementioned authorities have not confirmed the accuracy or determined the adequacy of this document.

Limited Diversification of Investments. The investment opportunity does not have fixed guidelines for diversification and may make a limited number of investments.

Reliance on Third Parties. StepStone will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents and failure by any of these third parties to perform their duties could have a material adverse effect on the investment.

Reliance on Managers. The investment will be highly dependent on the capabilities of the managers.

Risk Associated with Portfolio Companies. The environment in which the investors directly or indirectly invests will sometimes involve a high degree of business and financial risk. StepStone generally will not seek control over the management of the portfolio companies in which investments are made, and the success of each investment generally will depend on the ability and success of the management of the portfolio company.

Uncertainty Due to Public Health Crisis. A public health crisis, such as the recent outbreak of the COVID-19 global pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can, in turn, negatively impact StepStone and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, have the ability to adversely impact the businesses of StepStone's investments. In addition, such disruptions can negatively impact the ability of StepStone's personnel to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of COVID-19 has contributed to, and could continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect StepStone's ability to raise funds, find financing or identify potential purchasers of its investments, all of which could have material and adverse impact on StepStone's performance. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to StepStone's performance.

Taxation. An investment involves numerous tax risks. Please consult with your independent tax advisor.

Conflicts of Interest. Conflicts of interest may arise between StepStone and investors. Certain potential conflicts of interest are described below; however, they are by no means exhaustive. There can be no assurance that any particular conflict of interest will be resolved in favor of an investor.

Allocation of Investment Opportunities. StepStone currently makes investments, and in the future will make investments, for separate accounts having overlapping investment objectives. In making investments for separate accounts, these accounts may be in competition for investment opportunities.

Existing Relationships. StepStone and its principals have long-term relationships with many private equity managers. StepStone clients may seek to invest in the pooled investment vehicles and/or the portfolio companies managed by those managers.

Carried Interest. In those instances where StepStone and/or the underlying portfolio fund managers receive carried interest over and above their basic management fees, receipt of carried interest could create an incentive for StepStone and the portfolio fund managers to make investments that are riskier or more speculative than would otherwise be the case. StepStone does not receive any carried interest with respect to advice provided to, or investments made on behalf, of its advisory clients.

Other Activities. Employees of StepStone are not required to devote all of their time to the investment and may spend a substantial portion of their time on matters other than the investment.

Material, Non-Public Information. From time to time, StepStone may come into possession of material, non-public information that would limit their ability to buy and sell investments.

ESG Integration. While StepStone seeks to integrate certain ESG factors into its investment process and firm operations, there is no guarantee that StepStone's ESG strategy will be successfully implemented or that any investments or operations will have a positive ESG impact. Applying ESG factors to investment decisions involves qualitative and subjective decisions and there is no guarantee the criteria used by StepStone to formulate decisions regarding ESG, or StepStone's judgment regarding the same, will be reflected in the beliefs or values of any particular client or investor. There are significant differences in interpretation of what constitutes positive ESG impact and those interpretations are rapidly changing. The description of ESG integration herein is provided to illustrate StepStone's intended approach to investing and firm operations; however, there is no guarantee that the processes will be followed in every circumstance or at all.

Performance Information. No investment decisions may be made in reliance on this document. In considering performance information herein, readers should bear in mind that past performance is not necessarily indicative of future results and that actual results may vary. There can be no assurance that any StepStone fund will be able to successfully implement its investment strategy or avoid losses. Performance shown herein may include investments across different StepStone funds. The aggregate returns are not indicative of the returns an individual investor would receive from these investments. No individual investor received such aggregate returns as the investments were made across multiple funds and accounts over multiple years.

Meeting Date
11/01/2023
Agenda Item
#8



Contra Costa County Employees'
Retirement Association

Timothy Price, CFA

Chief Investment Officer

Mitchell Taylor, CFA

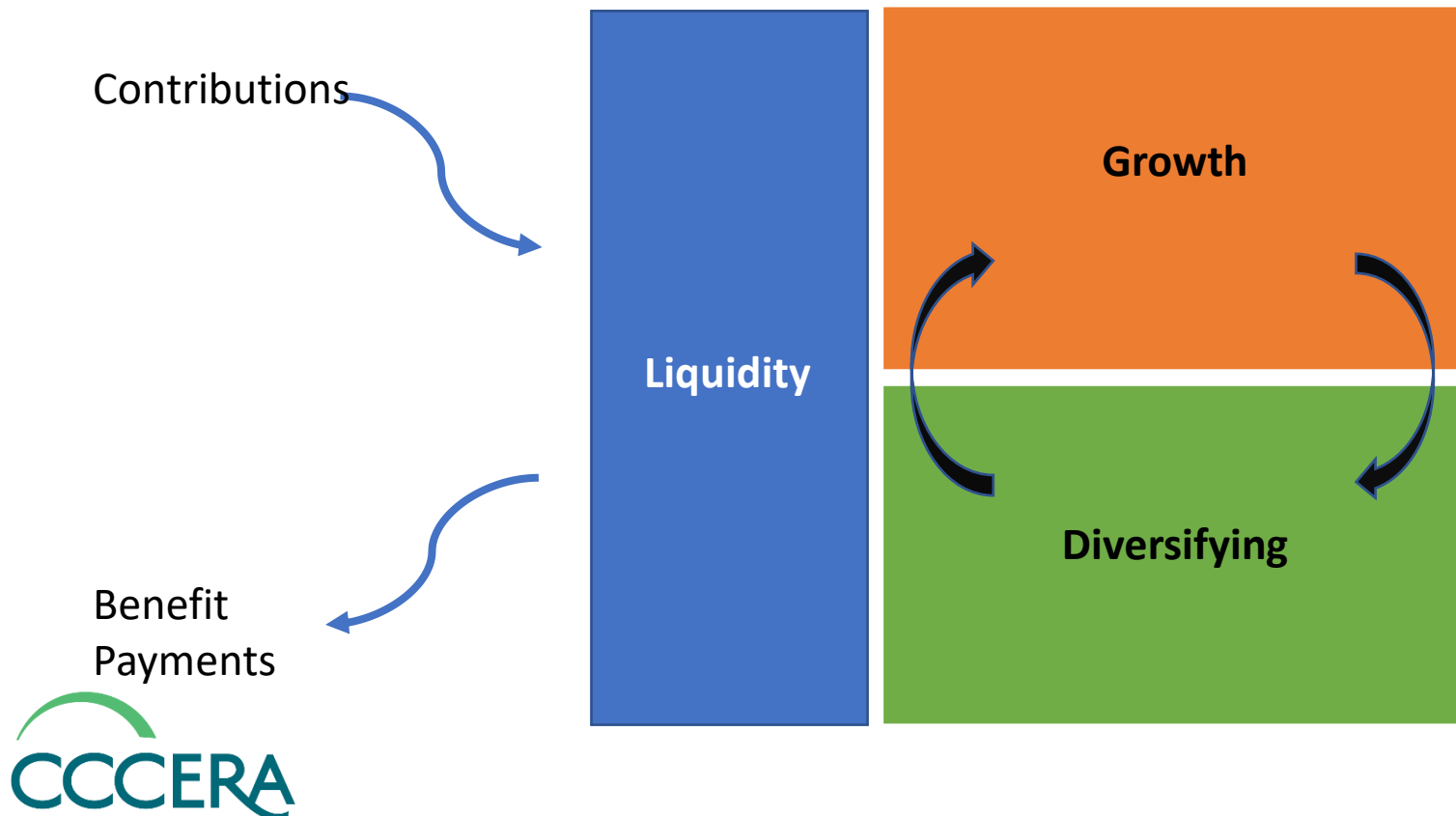
Investment Officer

Growth Public Markets Sub-Portfolio Review

November 1, 2023

Role of Growth in CCCERA Portfolio

- Expected to be the dominant engine to fund future benefit payments.
- Provide truly long-term capital appreciation.



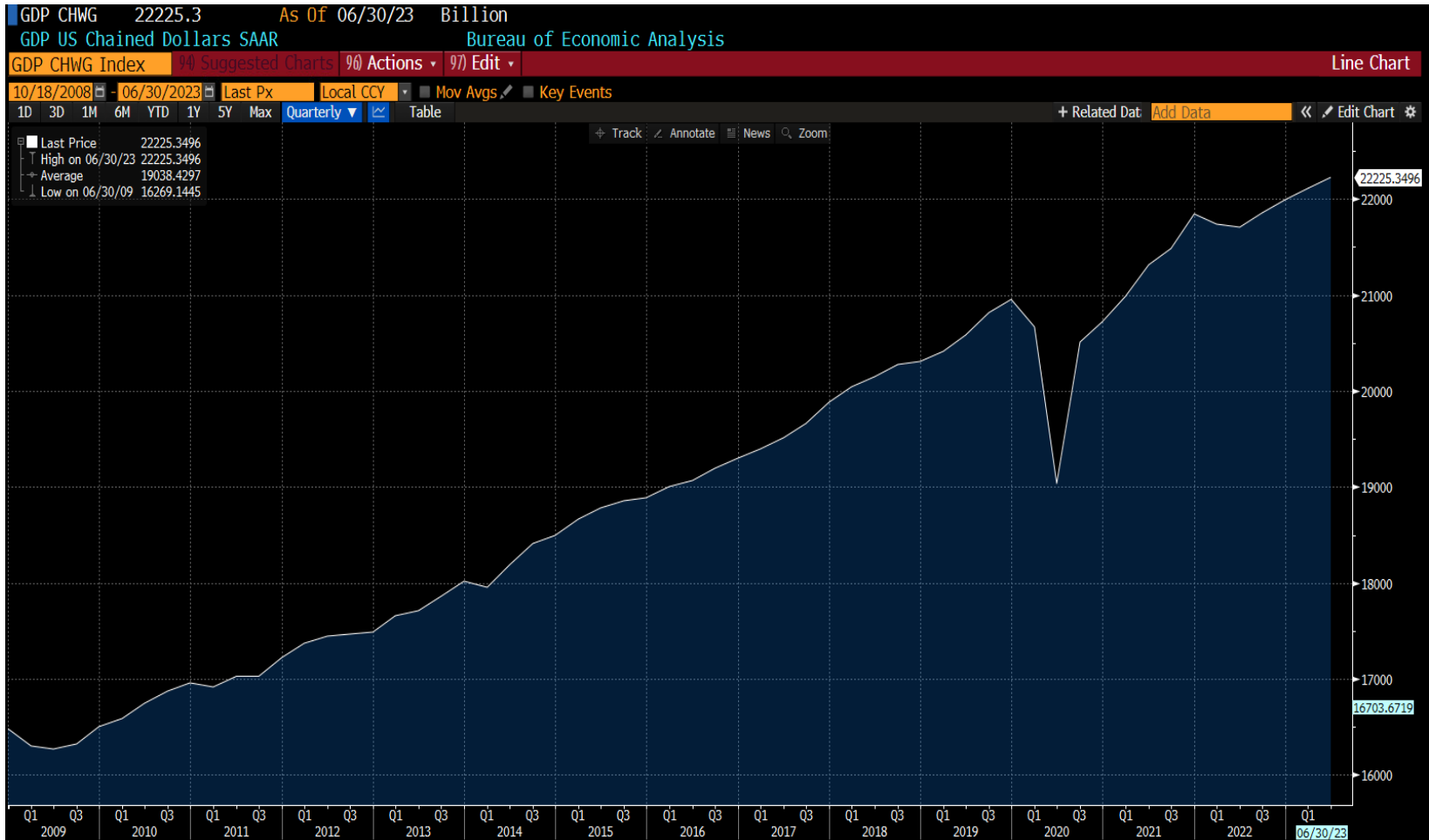
Agenda

- Macro Overview
- Growth Outlook. Potential outcomes recession, inflation, soft landing and consensus forecasts
- Review of 2023 Growth Portfolio
 - Asset Allocation
 - CCCERA Performance 2023 vs 2022
 - Risk/return vs benchmarks and forecasts
- Outlook 2023/2024 and Equity Drivers

Macro Overview

Review Economic Indicators:
Lagging, Leading, and Coincident

GDP: Growth Back to Trend

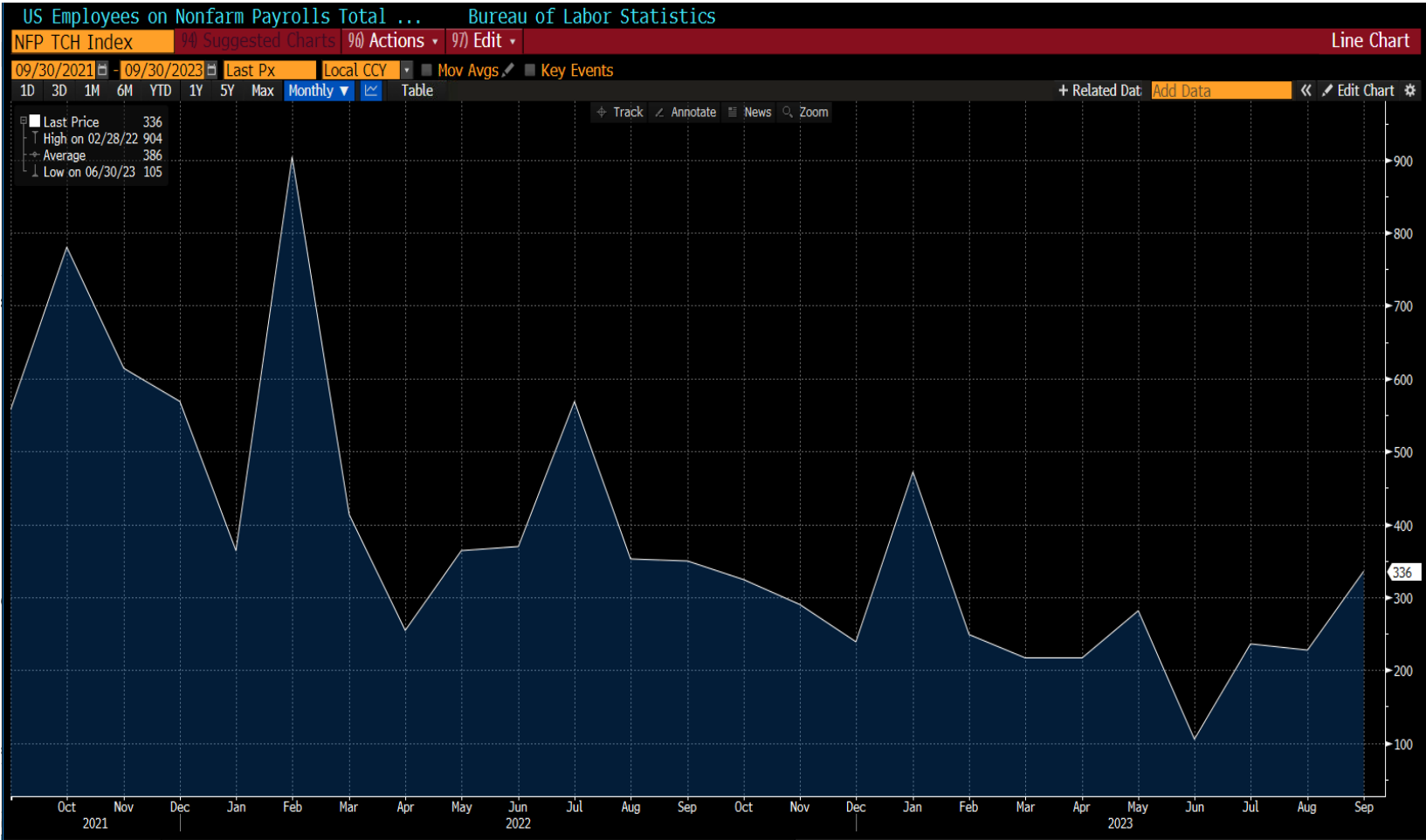


Source: Bloomberg



Non-Farm Payrolls

September 336K



Source: Bloomberg



Personal Disposable Income Inflation-adjusted dollars

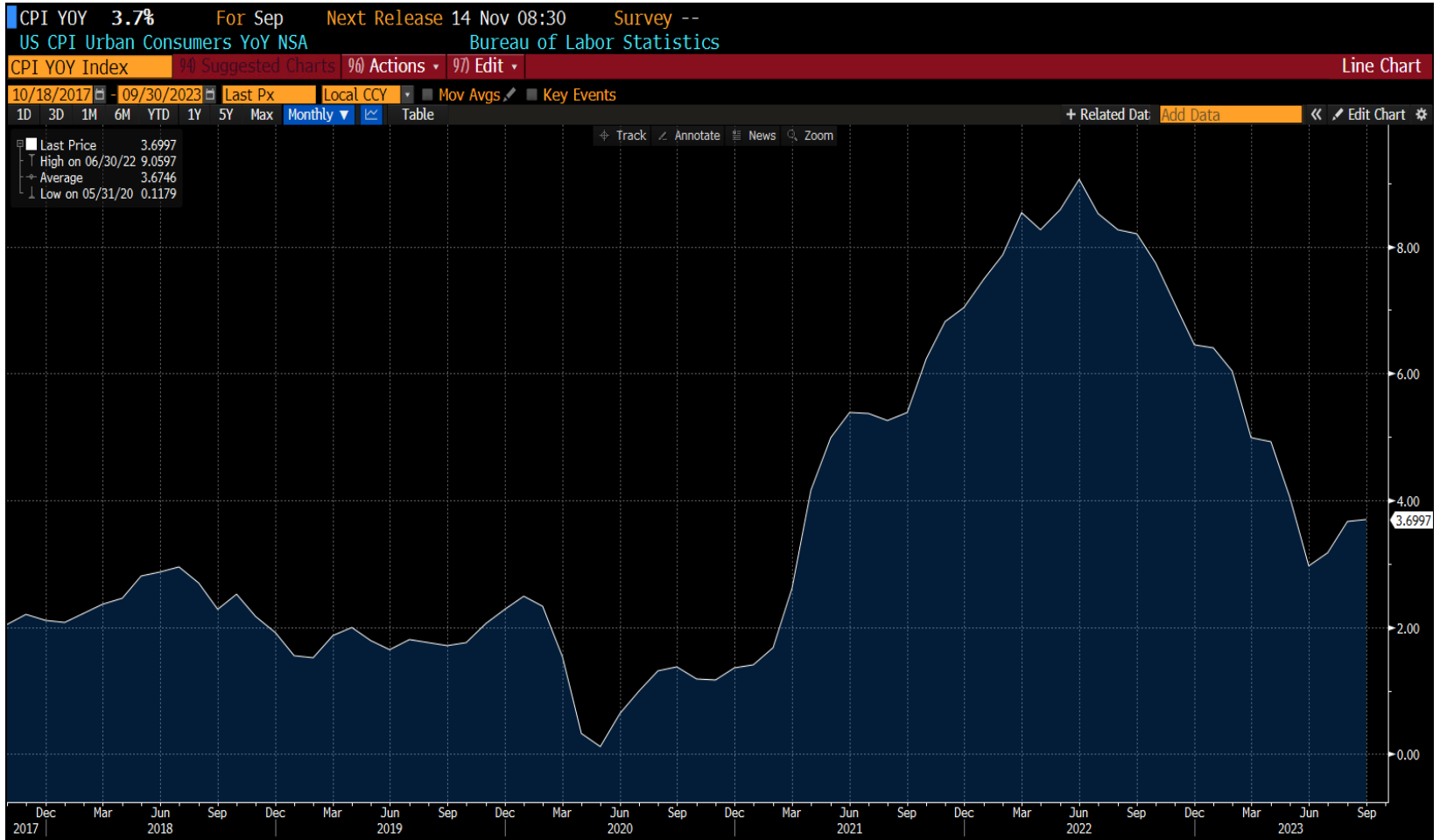


Source: Bloomberg



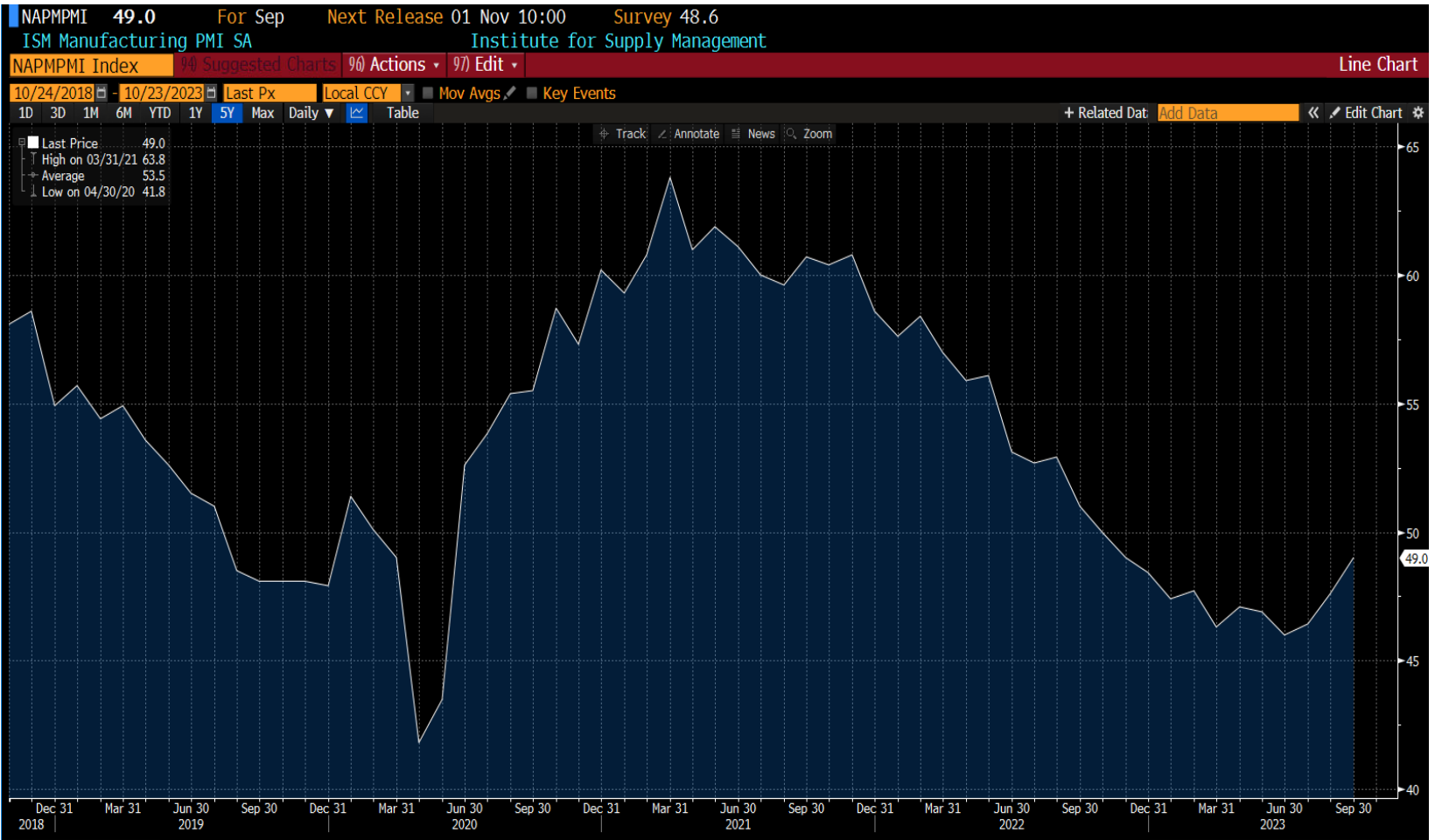
Inflation

Headline CPI declines from 9.1% to 3.7%



ISM MFG PMI

Contractionary Last 11 Months



Source: Bloomberg



S&P 500

8% off 2023 High



Source: Bloomberg



US Treasury Curve Remains Inverted

10s less 2s: Oct 18, 2023, 4.92% less 5.22%, or -0.30%



Source: Bloomberg



Monetary Policy: Fed Funds up 225bps y/y

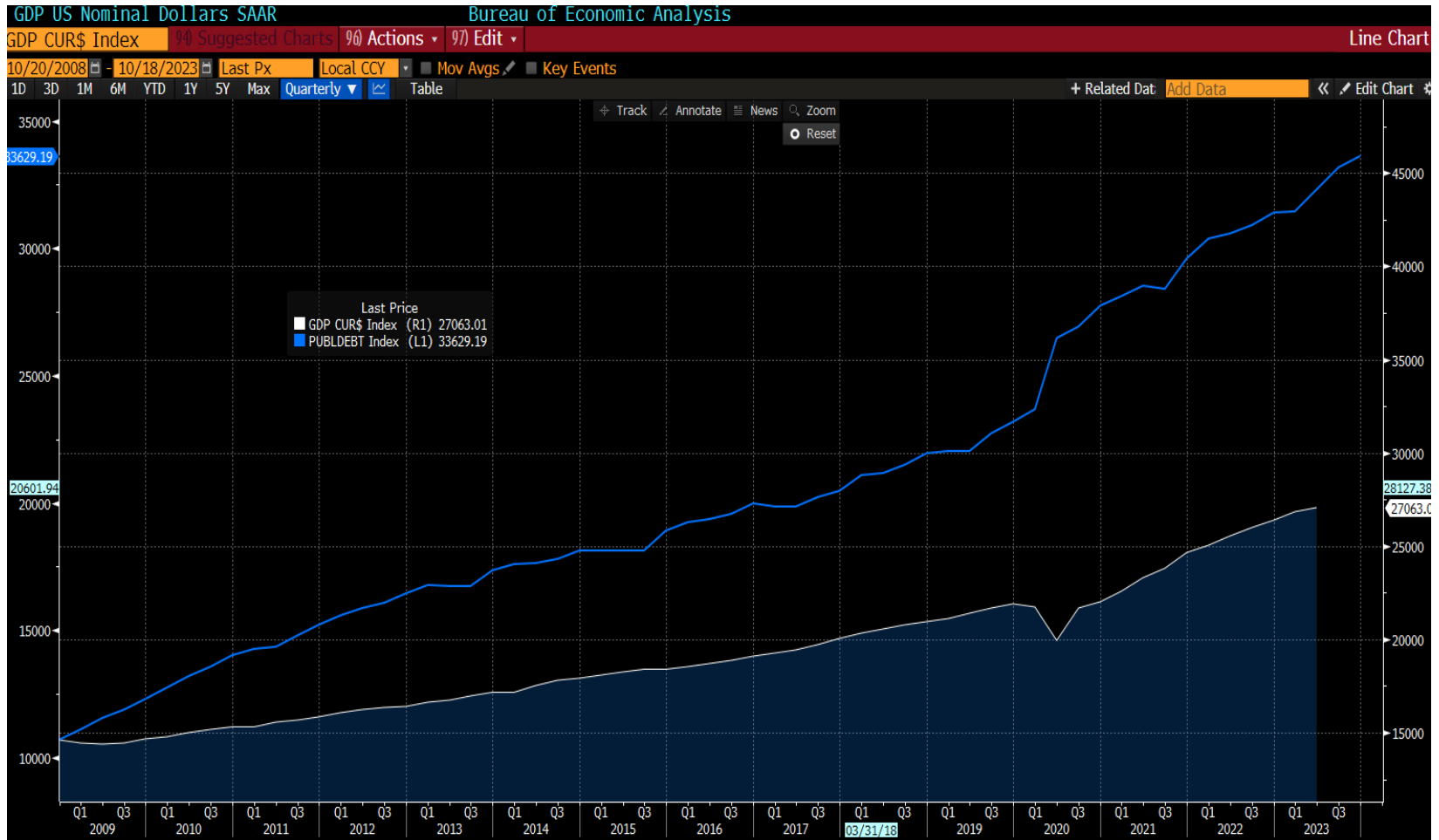
Rates: US 10-Year Treasury backs up another 140bps



Source: Bloomberg



US GDP (white line) vs US Debt (blue line)

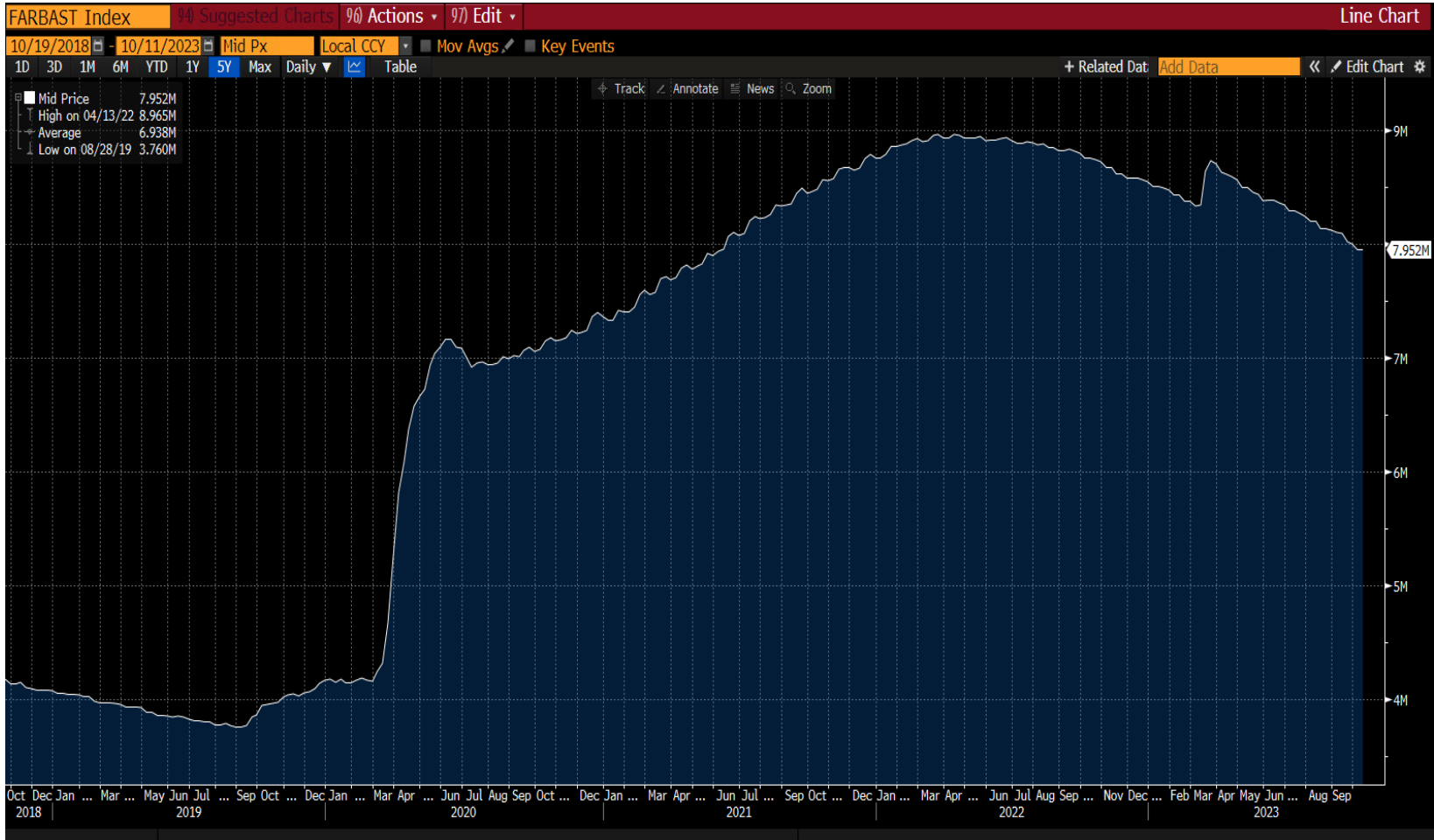


Source: Bloomberg



Fiscal Policy

Federal Reserve Balance Sheet Contracts: \$90Bn/month



Source: Bloomberg



Growth Outlook

- Path of Rates, Inflation less uncertain
- Recession Risk

What has Changed Year over Year?

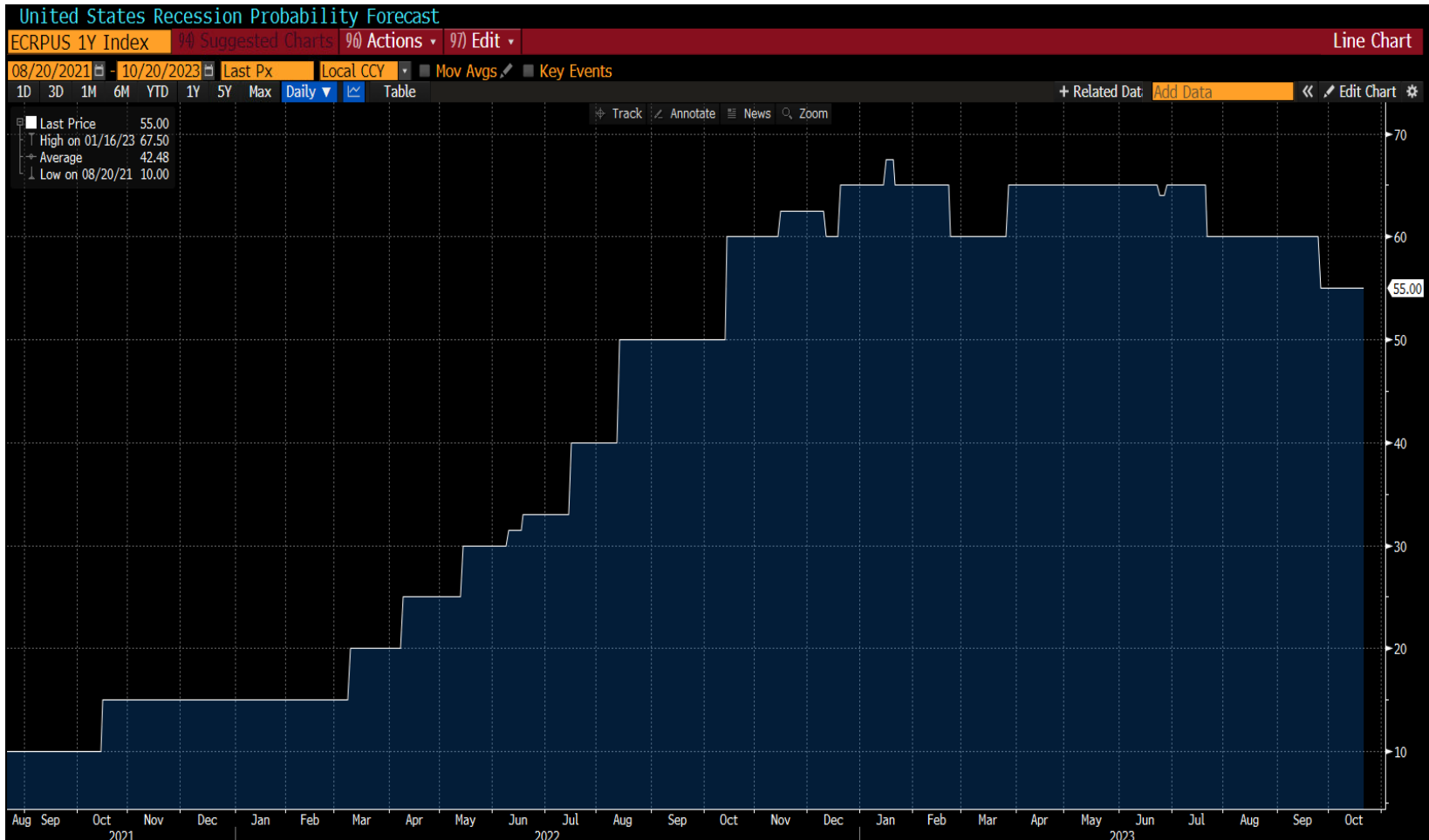
Uncertain paths less uncertain: rates near peak, inflation and growth

Index	09/2021	09/2022	09/2023	YoY 22/21	YoY 23/22
Valuations					
MSCI World (global developed)	3,006.6	2,378.7	2,853.2	-20.9%	20.0%
S&P 500	4,308	3,586	4,288	-16.8%	19.6%
S&P 500 P/E	23.9	16.5	19.5	-30.9%	18.3%
S&P 500 Earnings	180	217	220	20.5%	1.1%
Inflation					
CPI Headline	5.40	8.20	3.70	2.80	-4.50
PCE Core Y/Y	4.07	5.47	3.88	1.40	-1.60
10-Year Breakeven (traded Inflation)	2.38	2.15	2.34	-0.22	0.19
5-Year 5-Year Forward Breakeven	2.24	2.12	2.43	-0.12	0.31
U of Michigan 1 YR Inflation Expectations	4.60	4.70	3.20	0.10	-1.50
U of Michigan 5-10 YR Inflation Expectations	3.00	2.70	2.80	-0.30	0.10
Rates					
10-Year UST	1.49	3.83	4.57	2.34	0.74
1-Year UST	0.07	3.99	5.46	3.92	1.47
10-Year TIPS (Real Rate)	-0.89	1.68	2.23	2.56	0.56
Recession Indicators					
Yield Curve Inversion (10s minus 2s)	1.21	-0.45	-0.48	-1.66	-0.02
Conference Board Leading Economic Indicators	7.50	-1.60	-7.60	-9.10	-6.00
US Unemployment	4.80	3.50	3.80	-1.30	0.30
US Consumer Sentiment	72.80	58.60	68.10	-14.20	9.50
US Personal Disposable Income	18,231	18,987	20,270	4.1%	6.8%

Source: Bloomberg

Recession Probability Remains Elevated

peaked at 65%, now 55% per Bloomberg median consensus



Source: Bloomberg

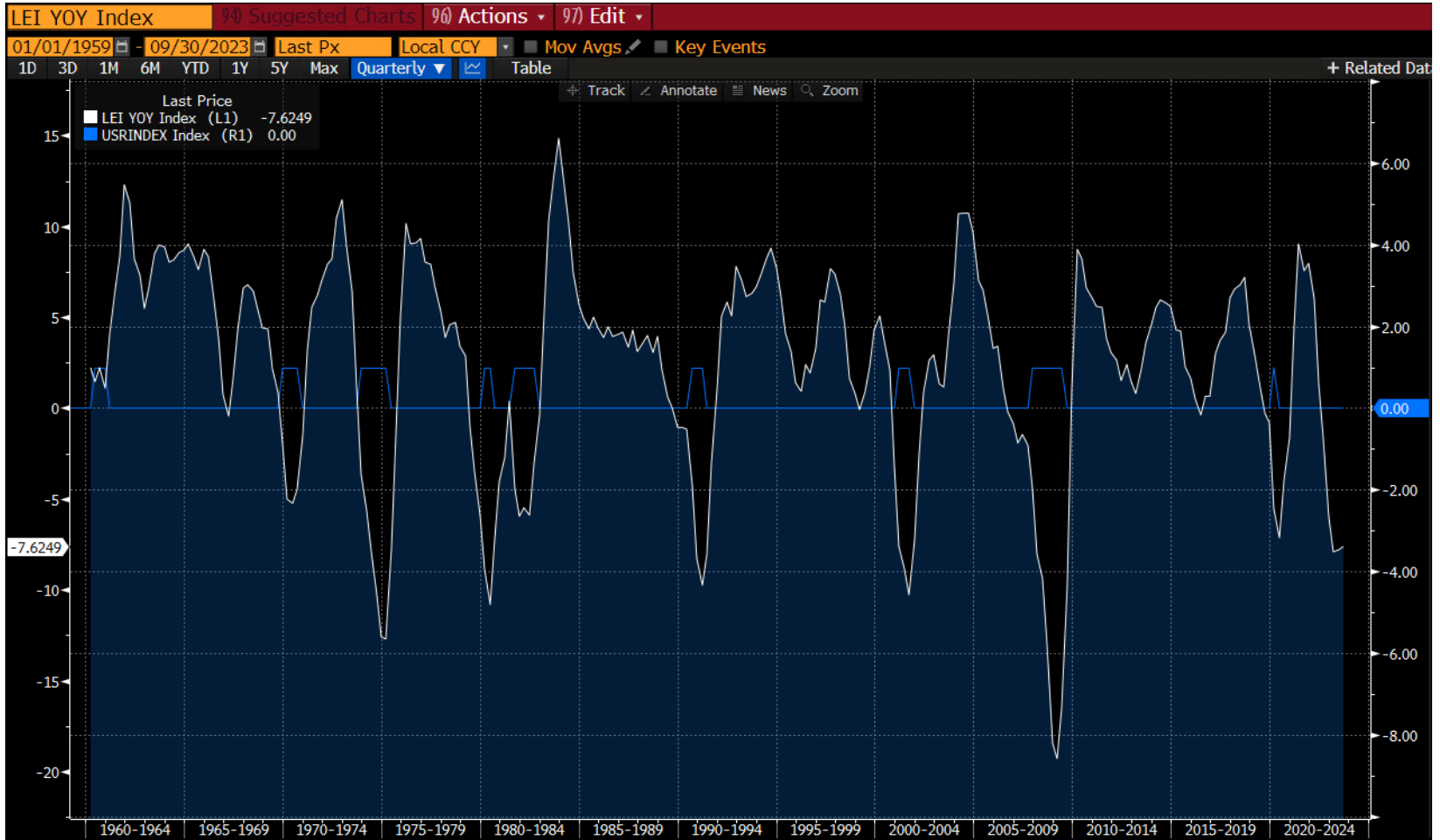


Recession Risk

- **Conference Leading Economic Indicators.** “The LEI for the US fell again in September, marking a year and a half of consecutive monthly declines. In September, negative or flat contributions from nine of the index’s ten components more than offset fewer initial claims for unemployment insurance. Although the growth rate in the LEI is somewhat less negative, and the recession signal did not sound, it still signals risk of economic weakness ahead. So far, the US economy has shown considerable resilience despite pressures from rising interest rates and high inflation. Nonetheless, The Conference Board forecasts that this trend will not be sustained for much longer, and a shallow recession is likely in the first half of 2024.”
- **Yield Curve.** San Francisco Fed research indicates the delay between rate curve inversion and recession has ranged from 6 to 24 months. The most reliable indicator is the 1-year, 10-year spread. As of September month-end the 1-year was 5.46% versus the 10-year was 4.57% for a negative 99 basis point term spread.
- **Sahm Rule.** The Sahm Rule identifies the start of a recession when the three-month moving average of the national unemployment rate rises by 0.50%, or more, relative to its low during the previous 12 months. With unemployment at a 3.8% or 0.40% off the 12-month low.

Growth Risk

Leading Economic Indicators (white) overlaid against Recession (blue)



Economic Forecast – Delayed Soft Landing

- **Consensus.** Data below are the contributor composite and contributors are global banks; consensus is slowdown delayed
- **US GDP.** GDP came in higher than survey in 2022, and looks to end 2023 at 2.2%, or well above last year’s 1.1% consensus; declines to 1.0% in 2024
- **Inflation.** Core PCE print was 5.2% in 2022 versus 4.8% consensus; declines to 2.7% in 2024
- **Unemployment Rate.** Unemployment stayed lower longer, 3.7% in 2023 versus 4.0% forecast; increases to 4.3% in 2024
- **US 10-Year.** The 10-yr US treasury higher for longer, peaked at 5.0% in October; declines to 3.6% in 2024

Economic Data							
					Forecast		
	2019	2020	2021	2022	2023	2024	2025
GDP	2.5%	-2.2%	5.8%	1.9%	2.2%	1.0%	1.8%
CPI, headline	1.8%	1.2%	4.7%	8.0%	4.2%	2.7%	2.3%
PCE, core	1.7%	1.3%	3.6%	5.2%	4.2%	2.7%	2.2%
Unemployment	3.7%	8.1%	5.4%	3.6%	3.7%	4.3%	4.2%
US 10-Year	1.9%	0.9%	1.5%	3.9%	4.5%	3.8%	3.6%

CCCERA Performance

- Asset Allocation
- CCCERA Performance 2023 vs 2022
- Risk/return vs. benchmarks and forecasts

CCCERA Growth Asset Allocation

Asset Class	Allocation as of 9/30/23	Current Target Allocation	Delta
Domestic Equity	17.6%	16.0%	1.6%
International Equity	8.3%	8.0%	0.3%
Global Equity	9.9%	10.0%	-0.1%
Emerging Markets Equity	4.2%	4.0%	0.2%
Private Equity	12.4%	13.0%	-0.6%
Private Credit	10.3%	10.0%	0.3%
Real Estate	7.1%	10.0%	-2.9%
Risk Parity	3.0%	3.0%	0.0%
High Yield	1.4%	2.0%	-0.6%

Source: CCCERA Investment Office



Global Markets: 2022 and 2023 Returns

Index	09/2021	09/2022	09/2023	YoY 21/20	YoY 22/21	YoY 23/22
MSCI World (global developed)	3,007	2,379	2,853	27.0%	-20.9%	20.0%
S&P 500	4,308	3,586	4,288	28.1%	-16.8%	19.6%
S&P Value	7,575	6,846	8,365	32.0%	-9.6%	22.2%
S&P Growth	7,772	6,132	7,347	28.9%	-21.1%	19.8%
NASDAQ	14,449	10,576	13,219	29.4%	-26.8%	25.0%
Euro Stoxx	4,048	3,318	4,175	26.8%	-18.0%	25.8%
Japan Nikkei	29,453	25,937	31,858	27.0%	-11.9%	22.8%
Hang Seng (China, Hong Kong)	24,576	17,223	17,810	4.8%	-29.9%	3.4%
CSI 300 (China, Shanghai)	4,866	3,805	3,690	6.1%	-21.8%	-3.0%
Emerging Markets	1,253	876	953	15.8%	-30.1%	8.8%
Risk Parity 10% Volatility	558	608	610	59.3%	9.0%	0.3%
Real Estate (NCREIF)	4,371	5,074	4,712	12.2%	16.1%	-7.1%
Commodities	558	608	610	59.3%	9.0%	0.3%
US Treasuries	2,496	2,173	2,155	-3.3%	-12.9%	-0.8%

Source: Bloomberg

CCCERA Growth: Rolling Returns

1-Year and 5-Year, CCCERA vs MSCI ACWI

CCCERA Growth Sub-Portfolio and MSCI ACWI 2023						
Period ended Sept. 2023	2018	2019	2020	2021	2022	2023
One-year returns						
CCCERA Growth						
Return	8.5%	3.7%	6.2%	27.4%	-12.5%	8.9%
Standard Deviation	6.0%	10.7%	12.8%	8.5%	11.1%	8.9%
Sharpe Ratio	1.2	0.1	0.4	3.2	-1.2	0.5
MSCI						
Return	9.8%	1.4%	10.4%	27.4%	-20.7%	20.8%
Standard Deviation	8.6%	17.4%	22.9%	14.2%	19.1%	15.6%
Sharpe Ratio	1.0	-0.1	0.4	1.9	-1.1	1.0
Five-year Rolling Returns						
CCCERA Growth						
Return	9.0%	7.6%	8.4%	11.7%	5.9%	6.0%
Standard Deviation	5.4%	6.7%	8.4%	8.9%	10.4%	10.7%
Sharpe Ratio	1.6	1.0	0.9	1.2	0.5	0.4
MSCI						
Return	8.7%	6.7%	10.3%	13.2%	4.4%	6.5%
Standard Deviation	9.8%	11.7%	14.4%	14.7%	17.2%	18.1%
Sharpe Ratio	0.8	0.5	0.6	0.8	0.2	0.3

Source: Northern Trust and eVestment.



CCCERA Growth: Public and Private

CCCERA Growth returns by Asset Class, ended 9/30/2023				
Asset Class	1 Year	3 Years	5 Years	10 Years
Growth	9.1%	6.6%	6.1%	7.5%
Domestic Equity	18.9%	8.7%	6.8%	9.9%
International Equity	17.8%	1.6%	3.7%	4.6%
Global Equity	17.1%	2.7%	6.4%	7.7%
Emerging Markets	17.9%	4.6%	2.3%	--
Private Equity	-2.3%	18.6%	13.9%	12.9%
Private Credit	8.3%	10.0%	8.2%	9.1%
Real Estate	-11.0%	1.8%	1.4%	6.1%
Risk Parity	1.3%	-3.0%	--	--
High Yield	9.7%	1.1%	2.4%	3.2%

Source: Northern Trust. Data unavailable for some periods given inception dates.



Actual Returns vs Forecast

7.8% vs 8.8%

CCCERA 10-Year Results vs. Verus 2015 10-year Forecast									
Actual Returns, SD, and Sharpe, 8 years ended September 2023				2015 10-Year Forecast			Delta		
Asset Class	Returns	Standard Deviation	Sharpe Ratio	Returns	Standard Deviation	Sharpe Ratio	Returns	Standard Deviation	Sharpe Ratio
Growth	7.8%	9.1%	0.71	8.8%	15.0%	0.51	-1.0%	-5.9%	0.20
MSCI ACWI	9.0%	15.4%	0.50	7.4%	16.5%	0.32	1.6%	-1.1%	0.18
Domestic Equity	10.3%	16.8%	0.53	5.7%	14.7%	0.25	4.6%	2.1%	0.28
International Equity	5.7%	14.1%	0.30	9.5%	18.2%	0.41	-3.8%	-4.1%	-0.11
Global Equity	8.9%	13.9%	0.54	7.4%	16.5%	0.32	1.5%	-2.6%	0.22
Emerging Markets	2.7%	18.9%	0.06	11.5%	23.7%	0.40	-8.8%	-4.8%	-0.34
Private Equity	12.5%	8.0%	1.39	7.7%	23.7%	0.24	4.8%	-15.7%	1.15
Private Credit	8.2%	4.4%	1.54	7.8%	10.5%	0.55	0.4%	-6.1%	0.99
Real Estate	4.1%	5.3%	0.51	5.1%	13.2%	0.23	-1.0%	-7.9%	0.28
Risk Parity	1.6%	11.5%	-0.01	7.1%	10.0%	0.50	-5.5%	1.5%	-0.51
High Yield	3.9%	7.5%	0.33	5.2%	10.5%	0.30	-1.3%	-3.0%	0.03

Source: Northern Trust and Verus.

Emerging Markets and Risk Parity data is since inception in CCCERA's plan because their track record is less than 8 years.



Equity Drivers

Review Economic and Market
Tailwinds/Headwinds

2023/2024 Equity Drivers

- **Valuation.** Limited P/E expansion as rates and inflation peak. Equity valuation is based on a discount rate that is a function of the risk-free rate and the equity risk premium. Excluding the impact of AI, growth equity to remain pressured.
 - **Rates.** Increases the discount rate.
 - **Recession.** Reduces earnings and uncertainty increases the equity risk premium.
- **Weak Earnings Growth and Margins Trough.** Earnings eroded by Inflation will begin to have easier year-over-year comparisons.
- **Strong Balance Sheets.** S&P has delevered from net debt at 1.8x cash flow in 2020 to 1.2x today, lowering the risk of default.
- **Style Matters.** Low rates, low growth favors growth stocks; high rates, high Quality and Value.

Outlook 2022/23 Revisited- Tailwinds

- **Fed inflation focus.** Fed has pivoted to an inflation focus and it appears that Fed actions have mostly kept inflation expectations well-anchored. Inflation has declined dramatically off 2022
- **Strong Balance Sheets.** Consumer and enterprise balance sheets remain strong.
- **Unemployment Rate.** Unemployment back to pre-pandemic low of 3.6%. The US economy may be able to slow the pace of job openings in a Fed engineered “soft landing” without meaningfully increasing unemployment. Last year’s scramble to post job openings was due to the fastest growing economy in decades, the generous unemployment benefits ever and the ongoing pandemic that made many workers reluctant to go back to work.

Outlook 2022/23 Revisited – Headwinds

Rates, inflation and GDP slowdown are global issues

- **Rates.** 76 central banks have raised rates year-to-date. The ECB raised rates by 50bps in July for the first time in 11 years and another 75bps in September.
- **Inflation.** UK inflation is 10.1%, the Eurozone in aggregate is at 7.8%, Lat Am in aggregate is at 18.8%, while Asia Pacific in aggregate is at 4.4%. China is the outlier at 2.2%.
- **Recession.** Largest economies in or likely headed to recession. Global GDP was 6.1% in 2021. Consensus for 2022 and 2023 is 2.9% and 2.7%, respectively.
- **Geopolitical risk persists.** Ukraine/Russia conflict pressures energy and food prices. COVID zero policy in China pressures global supply chains.
- **Valuations.** Despite the above S&P P/E still above the long-term average of ~17.0

Outlook 2023/24 – Headwinds

Rates, inflation and Slower Growth

- **Rates.** Although rates appear to have peaked, rates are likely to remain higher longer and pressures real estate, banking and US debt service; given rate back-up, equities may have not fully repriced
- **Inflation.** Although labor supply demand appears to have stabilized current Core PCE at 3.9% is still well above target
- **Recession.** Higher rates are pressuring sectors including banking and commercial & residential real estate. Unemployment up 40bps to 3.8% off January 2023 lows.
- **Geopolitical risk persists.** Ukraine/Russia, Middle East and China/US relations

Outlook 2023/24 - Tailwinds

- **Artificial Intelligence.** AI has the potential to increase economic productivity; Goldman has compared AI to the advent of electricity and the personal computer
- **Inflation and Rates.** Fed appears to be close to the peak of this rate cycle, inflation has declined significantly and inflation expectations well-anchored
- **Unemployment Rate.** Although has ticked up it remains low at 3.8%; the consumer remains strong as does real disposable income
- **Strong Balance Sheets.** Consumer and corporate balance sheets remain strong
- **Valuations.** S&P P/E at 19.5, though above the long-term average of ~17.0, skewed higher by mega tech names

Growth Portfolio Projects

Build out Private Market Allocation

Emerging Market Equity Research

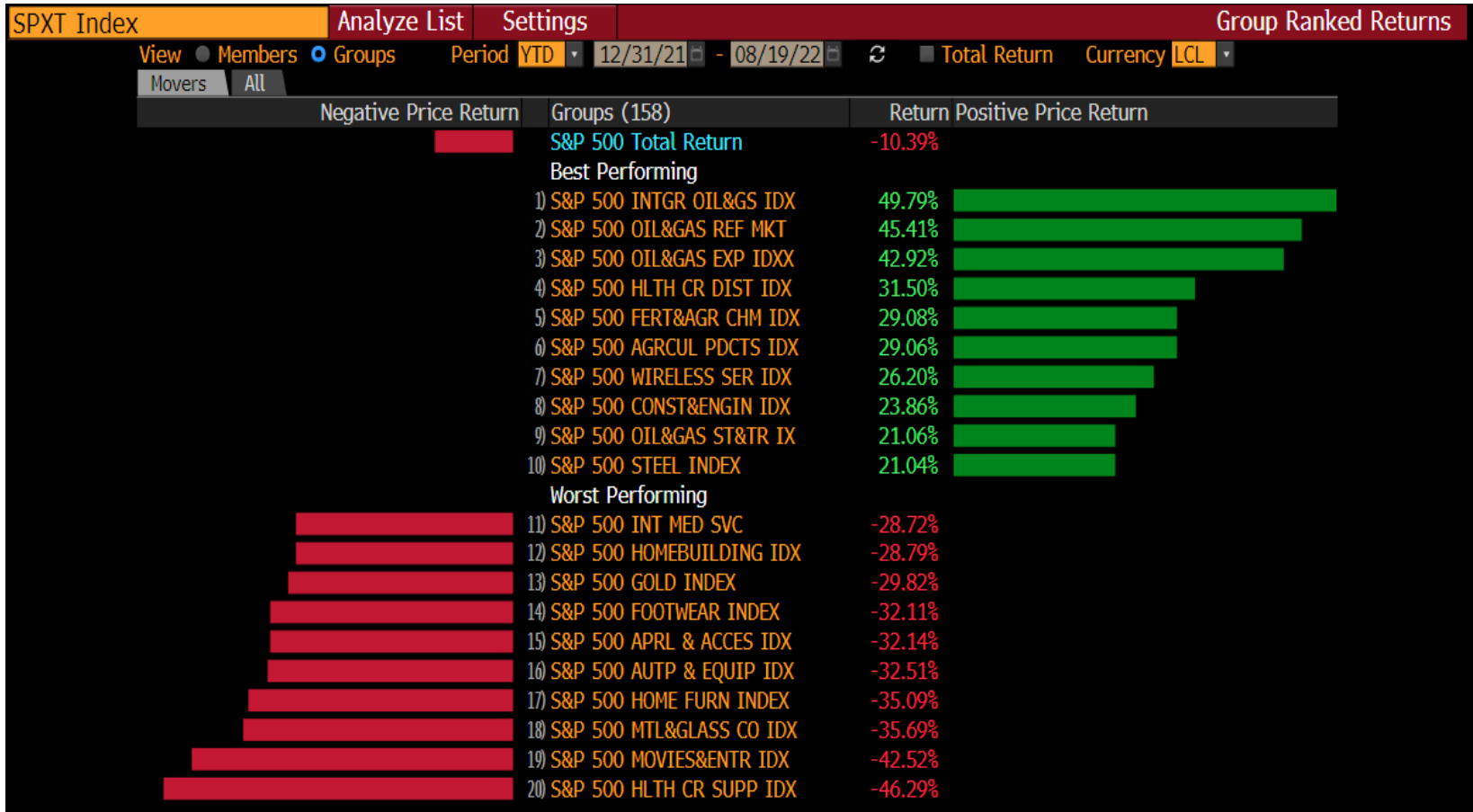
Public Debt Research

Implementation of the Portfolio Management
and Risk Platform (Burgiss Caissa)

Appendix

Industry Scorecard: 2022

Reflation/Cyclical Rotation. Commodity-based sectors outperform

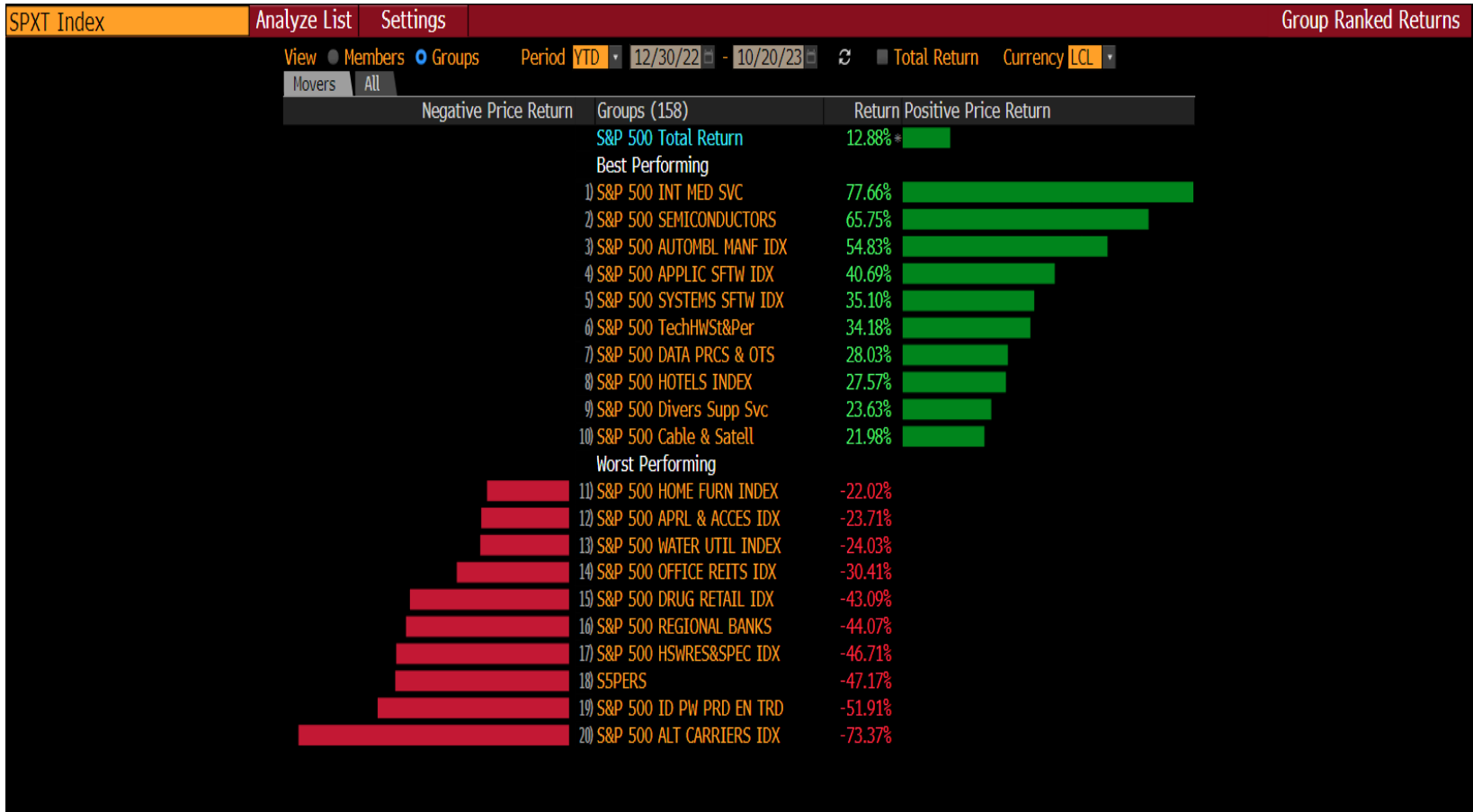


Source: Bloomberg



Industry Scorecard: 2023

AI Theme Dominates Rates and Growth on the Upside.



Source: Bloomberg





Meeting Date
11/01/2023
Agenda Item
#9

MEMORANDUM

Date: November 1, 2023
To: CCCERA Board of Retirement
From: Karen Levy, General Counsel
Subject: State Association of County Retirement Systems 2024 Legislative Proposal

Background

The State Association of County Retirement Systems (SACRS) Legislative Committee is recommending a legislative proposal for SACRS sponsorship for 2024. The proposal will be voted on by the SACRS member systems at the Business Meeting of the SACRS Fall Conference, Friday, November 10, 2023. SACRS member systems may vote to support, oppose, or take no position on the legislative proposal. A copy of the legislative proposals is enclosed.

Recommendation

Consider and take possible action to direct the CCCERA Board voting delegate to vote to support the 2024 SACRS legislative proposal at the November 2023 SACRS Conference.



September 15, 2023

RE: SACRS Legislative Proposals 2024

Dear SACRS Board of Directors,

The SACRS Legislative Committee has developed a legislative package for consideration in the upcoming 2024 legislative session. These proposals reflect the input of SACRS member systems and are intended to provide technical and administrative clarity to various sections of the County Employees Retirement Law of 1937 (CERL or '37 Act).

Proposed amendments to the CERL include the following:

- Clarification that a retiree's pension payment can be deposited in a trust account controlled by that member. This is not intended to change the statutory intent that an ongoing pension payment must be made to a natural person; however, the amendment provides uniformity to an issue that has been interpreted differently across the '37 Act systems. SACRS' tax counsel from the Hanson Bridgett law firm has reviewed the language for appropriateness and compliance with federal and California law.
- Authority for a Board of Retirement to make payments to retirees through a prepaid account (like a debit card). This amendment is intended to accommodate retirees who may not have a traditional checking or savings account, leaving the only option to receive regular pension payments through paper check by mail or in-person. The COVID-19 pandemic and past natural disasters have shown that the use of paper checks can be adversely affected in delivering promised benefits. This amendment only authorizes the system to utilize prepaid accounts as a payment method; it does not mandate it.
- Removal of requirement for a certified mail "return receipt" when sending notices to terminated members or beneficiaries that they have contributions or unclaimed benefits remaining with the system. Though IRS regulations require registered or certified mail for locating members and beneficiaries, the "return receipt" language found in the CERL is not an IRS requirement and reflects an outdated practice. Certified mail now allows the sender to electronically track the letter at significant cost savings.



- Direction for retirement systems to take certain actions when retired members exceed the 960-hour post-retirement employment limit. The proposed amendments would require the system to offset the member’s retirement allowance by the equivalent excess hours paid above 960 hours to ensure that the retired member is not receiving a pension and a salary outside of the prescribed limit. These amendments do not preclude retirement system from also reinstating the member into active service as the system deems necessary.

We thank the Legislative Committee for reviewing these proposals and engaging in a collaborative, deliberative process to achieve consensus on issues. Though seemingly technical, these amendments represent process improvements that will provide administrative efficiencies to retirement systems and members.

Respectfully,

/s/

David Nelsen and Eric Stern
Co-Chairs, Legislative Committee

ATTACHMENT

- SACRS Draft Language – 2024 CERL Amendments

Government Code Section 31452.6 (Amend)

31452.6. (a) The board shall comply with and give effect to a revocable written authorization signed by a retired member or beneficiary of a retired member entitled to a retirement allowance or benefit under this chapter or the California Public Employees' Pension Reform Act of 2013, authorizing the treasurer or other entity authorized by the board to deliver the monthly warrant, check, or electronic fund transfer, for the retirement allowance or benefit to any specified bank, savings and loan institution, ~~or~~ credit union, or prepaid account to be credited to the account of the retired member or survivor of a deceased retired member. That delivery is full discharge of the liability of the board to pay a monthly retirement allowance or benefit to the retired member or survivor of a deceased retired member.

(b) Any payments directly deposited by electronic fund transfer following the date of death of a person who was entitled to receive a retirement allowance or benefit under this chapter or the California Public Employees' Pension Reform Act of 2013 shall be refunded to the retirement system.

(c) In order to obtain information from a financial institution following the death of a retired member or the beneficiary of a retired member, as provided in subdivision (o) of Section 7480, the board may certify in writing to the financial institution that the retired member or the beneficiary of a retired member has died and that transfers to the account of the retired member or beneficiary of a retired member at the financial institution from the retirement system occurred after the date of death of the retired member or the beneficiary of a retired member.

(d)(1) For purposes of this section, "the account of the retired member or survivor of a deceased retired member," may include an account held in a living trust or an income only trust (Miller Trust) that is controlled by the retired member or survivor of a deceased retired member or is established for the retired member's (or survivor of a deceased retired member's) benefit in order to qualify for State Medicaid or comparable assistance.

(d)(2) For purposes of this section, the term "prepaid account" shall have the same meaning as defined in, and meet the applicable requirements of, Section 1339.1 of the Unemployment Insurance Code.

Government Code Section 31590 (Amend)

(a) All warrants, checks, and electronic fund transfers drawn on the retirement fund shall be signed or authorized by at least two board officers or employees, designated by the board or by the treasurer if designated by the board. If the treasurer is designated by the board, the board shall also designate the auditor to sign or authorize warrants, checks, and electronic fund transfers. The authorization may be by blanket authorization of all warrants, checks, or electronic fund transfers appearing on a list or register, or may be by a standing order to draw warrants, checks, or electronic fund transfers, which shall be good until revoked. If the treasurer and auditor are designated by the board, a warrant, check, or electronic fund transfer is not valid until it is signed or authorized, numbered, and recorded by the county auditor, except as provided in subdivision (c).

(b)(1) Any person entitled to the receipt of benefits may authorize the payment of the

benefits to be directly deposited by electronic fund transfer into the person's account at the financial institution of the person's choice under a program for direct deposit by electronic transfer established by the board or treasurer if authorized by the board. The direct deposit shall discharge the system's obligation in respect to that payment.

(2) Such person may also authorize the payment of their benefits to be deposited into a prepaid account under a program established by the board or treasurer if authorized by the board. The payment of the benefit into the prepaid account shall discharge the system's obligation in respect to that payment. For purposes of this paragraph, the term "prepaid account" shall have the same meaning as defined in, and meet the applicable requirements of, Section 1339.1 of the Unemployment Insurance Code.

(c) The board may, or, if authorized by the board, the treasurer shall, authorize a trust company or trust department of any state or national bank authorized to conduct the business of a trust company in this state or the Federal Reserve Bank of San Francisco or any branch thereof within this state, to process and issue payments by check or electronic fund transfer.

Government Code Section 31628 (Amend)

If the service of a member is discontinued other than by death or retirement, upon proper application submitted to the retirement board, he or she shall be paid all of his or her accumulated contributions, in accordance with this chapter, minus a withdrawal charge, if a withdrawal charge has been provided for by the regulations of the board. The board may order payment in whole or in part withheld for a period not to exceed six months after date of separation. If a member does not file the proper application, the board shall send to the member, not more than 90 days after termination of service, at his or her last known address, a registered or certified letter, ~~return receipt requested~~, stating that he or she has money to his or her credit on the books of the retirement system and that if he or she does not claim the money within 10 years after date of notice, in the case of persons first employed before January 1, 1976, or within five years in the case of persons first employed on and after January 1, 1976, the money will be deposited in and become a part of the current pension reserve fund.

Government Code Section 31680.2 (Amend)

(a) Any person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing them, for a period of time not to exceed 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend their retirement allowance, and no deductions shall be made from their salary as contributions to this system.

(b) (1) This section shall not apply to any retired person who is otherwise eligible for employment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day

of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

(3) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail, except that the limit on postretirement employment provided in subdivision (a) to the greater of 90 working days or 720 hours shall remain effective.

(c) Notwithstanding subdivision (a), the retired person's retirement allowance shall be considered an overpayment to the extent it is payable during any period in which the retired person is employed and paid for that employment in excess of 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors. Such overpayment shall be subject to collection by the retirement system. This paragraph does not preclude the retirement system from taking additional action as it deems necessary to reinstate the person as a member of the system or terminate or suspend their retirement allowance.

Government Code Section 31680.3 (Amend)

(a) Notwithstanding Section 31680.2, any member who has been covered under the provisions of Section 31751 and has retired may be reemployed in a position requiring special skills or knowledge, as determined by the county or district employing the member, for a period of time not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend the person's retirement allowance, and no deductions shall be made from the person's salary as contributions to this system.

(b) (1) This section shall not apply to any retired member who is otherwise eligible for reemployment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

(c) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail.

(d) Notwithstanding subdivision (a), the retired member's retirement allowance shall be considered an overpayment to the extent it is payable during any period in which the retired member is employed and paid for that employment in excess of 120 working days or 960 hours, whichever is greater, in any one fiscal year. Such overpayment shall be subject to collection by the retirement system. This subdivision does not preclude the retirement system from taking additional action as it deems necessary to reinstate the person as a member of the system or terminate or suspend their retirement allowance.

Government Code Section 31680.6 (Amend)

(a) Notwithstanding Section 31680.2, any county subject to Section 31680.2 may, upon adoption of a resolution by a majority vote by the board of supervisors, extend the period of time provided for in Section 31680.2 for which a person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing him or her, not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend his or her retirement allowance, and no deductions shall be made from his or her salary as contributions to this system.

(b) (1) This section shall not apply to any retired person who is otherwise eligible for employment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

(c) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail.

(d) Notwithstanding subdivision (a), the retired person's retirement allowance shall be considered an overpayment to the extent it is payable during any period in which the retired person is employed and paid for that employment in excess of 120 working days or 960 hours, whichever is greater, in any one fiscal year of any other 12-month period designated by the board of supervisors. Such overpayment shall be subject to collection by the retirement system. This section does not preclude the retirement system from taking additional action as it deems necessary to reinstate the person as a member of the system or terminate or suspend their retirement allowance.

Government Code Section 31680.9 (Add)

A retired member who is employed pursuant to Section 7522.56 shall have their retirement allowance be considered an overpayment to the extent it is payable during any period in which the retired member is employed and paid for that employment in excess of 960 hours or other equivalent limit in a calendar year or fiscal year. Such overpayment shall be subject to collection by the retirement system. This section does not preclude the retirement system from taking additional action as it deems necessary to reinstate the person as a member of the system or terminate or suspend their retirement allowance.

Government Code Section 31783.5 (Amend)

(a) Whenever a person or estate entitled to payment of a member's accumulated contributions or any other benefit fails to claim the payment or cannot be located, the amount owed from the retirement fund shall be administered in accordance with subdivision (c).

(b) The board shall attempt to locate the claimant through such means as the board in its sound discretion deems reasonable including, but not limited to, a registered or certified letter, ~~return receipt requested~~, mailed to the last known address of the claimant.

(c) Notwithstanding any provision of law to the contrary, the amounts described in subdivision (a) shall be held for the claimant. If the amounts are not claimed within five years after the last attempted contact with the claimant, the amounts shall be deposited in and become a part of the pension reserve fund. The board may at any time after transfer of unclaimed amounts, upon receipt of information satisfactory to it, authorize the return of amounts so held in reserve to the credit of the claimant. Those amounts shall be paid only to claimants who have not yet attained the age of mandatory distribution under the Internal Revenue Code



10th Annual Northern California Institutional Forum

Meeting Date

11/01/2023

Agenda Item

#11a.

An Annual Event for the Regional Institutional Investor Community Held on Tuesday, December 5th & Wednesday, December 6th, 2023

Napa Valley Marriott Hotel & Spa, 3425 Solano Ave, Napa, CA 94558

Designed For:

Pensions, Endowments, Foundations, Hospital Plans, Insurance Companies & Investment Consultants

The forum provides insight into selected areas of interest within the California regional institutional investment community.

Current Speakers Include:

Bob Maynard, *Former Chief Investment Officer, Public Retirement System of Idaho*

Richelle Sugiyama, *Chief Investment Officer, Public Retirement System of Idaho*

Mansco Perry III, *Former Executive Director, Chief Investment Officer, Minnesota State Board of Investment*

Elmer Huh, *Chief Investment Officer, M.J. Murdock Charitable Trust*

Travis Antoniono, *Investment Director, CalPERS*

LaShae Badelita, *Investment Diversity Officer, CalSTRS*

Kyle Geordan, *Senior Investment Analyst, Risk & Asset Allocation, Fire & Police Pension Association of Colorado*

Stacie Olivares, *Board Member, Federal Retirement Thrift Investment Board*

David Francl, *Managing Director, Absolute Return, San Francisco Employees' Retirement System*

Emma Norchet, *Director, Venture and Growth Equity Investments, Ontario Teachers' Pension Plan*

Philip Larrieu, *Investment Officer Stewardship, Oregon State Treasury*

Valerie Red-Horse Mohl, *Chief Financial Officer, East Bay Community Foundation*

Neeraj Rama, *Chief Investment Officer, Comprehensive Blood & Cancer Center*

Barbara Bernard, *Senior Vice President of Real Estate and Real Assets, Callan*

Rowena Lai, *Partner, Northern California Wealth Practice Leader, Mercer*

Scott Nance, *Vice President, Impact Investing, Fidelity Charitable*

Mason Williams, *Investment Director, Private Markets, NEPC*

Maggie Ralbovsky, *CFA, Managing Director, Wilshire*

Sonia Ruiz, *Head of Sustainable Investments, RVK*

William Beck, *Senior Vice President, Wilshire*

Sarah Bernstein, *Head of Sustainability, Managing Principal, Meketa Investment Group*

Alex Shivananda, *Managing Director, Head of Secondaries, Cambridge Associates*

Mike Krems, *Partner, Portfolio Strategies, Aksia*

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PGIM Fixed Income | SLC Management | Voya Investment Management | T. Rowe Price



Day 1 – Tuesday, December 5th, 2023

2:30 Early Registration

2:55 Welcome Remarks

Organizer: **Carolina Gomez-Lacazette**, Co-Head of Institutional Production | North America, Markets Group

Chair: **Kenneth Corwin**, US Business Development, BNP Paribas Asset Management

3:00 Panel Discussion: Managing currency risk in a global portfolio:

International exposure in investment portfolios has significantly increased since 2000 and currency risk cannot be ignored as part of the investment decision process. This session will cover the different approaches to currency management that create improved risk and return outcomes for a global portfolio. It discusses the right balance between reducing risk on international investments and looking to add alpha with active currency management. It will outline the benefits of using a specialist currency manager compared to alternative options.

Panelists:

Kyle Geordan, Senior Investment Analyst, Risk & Asset Allocation, Fire & Police Pension Association of Colorado

Philip Lawson, Head of Portfolio Management, Adrian Lee & Partners

3:35 Panel Discussion: Diversity, Equity & Inclusion: Investing in the Future

Identifying strategies that consistently outperform the market continues to be an imperative for allocators and managers. Finding investment partners that incorporate inclusive and equitable practices in their operations and strategies has also become critical. Recent studies have found that companies with greater diversity in leadership ranks are more likely than those with less diverse leadership to perform better than industry average on margin growth. Join us as our panelists share their views on the value of creating diverse investment and leadership teams, the catalytic role the alternatives industry can play in advancing diversity and why investing in DE&I now can lead to outperformance for years to come.

Moderator:

Rowena Lai, Partner, Norther California Wealth Practice Leader, Mercer

Panelists:

LaShae Badelita, Investment Diversity Officer, CalSTRS

Valerie Red-Horse Mohl, Chief Financial Officer, East Bay Community Foundation

Ron Taylor, Portfolio Specialist, T. Rowe Price

4:10 Panel Discussion: Middle Market Lending & Renewable Energy

Over the next 3–5 years, the U.S. is expected to represent the largest market for private energy transition investment in the world. Decades of under-investment present a generational opportunity for renewable energy project financing. Renewable energy makes up less than 15% of the U.S. power generation fleet, and the opportunity for growth remains massive. The strong growth potential for wind and solar is complemented by emerging opportunities in areas such as battery storage, green hydrogen and fleet electrification. This panel will discuss how renewable energy infrastructure investments deliver access to stable, contractual cash flows and returns that are typically less correlated to the broader economy and other asset classes.

Interviewer:

Elmer Huh, Chief Investment Officer, M.J. Murdock Charitable Trust

Interviewee:

Daniel de Boer, Head of Renewables, Americas, Allianz Capital Partners (in partnership with Voya Investment Management)

4:45 Closing Remarks

Organizer: **Carolina Gomez-Lacazette**, Co-Head of Institutional Production | North America, Markets Group

Chair: **Kenneth Corwin**, US Business Development, BNP Paribas Asset Management

4:50 Networking Cocktail Reception - hosted by Parametric Portfolio Associates



Day 2 – Wednesday, December 6th, 2023

7:30 Registration, Networking & Welcome Coffee

8:00 Breakfast Workshop: Navigating Macro Markets with Alternative Data

In the decade post the Great Financial Crisis, low interest rates combined with vast quantitative easing programs provided a tail wind to nearly all asset classes. Investors today, however, are facing more volatile markets that are being challenged by a bevy of economic and geopolitical risks, including but not limited to recession, inflation and increased Sino-US tensions. Join CFM as they discuss the key macro themes driving today's markets and how a data driven approach to macro investing can help investors to navigate them.

Presenter:

Adam Rej, *Head of Systematic Macro Research, Capital Fund Management*

8:35 Welcome Remarks

Organizer: **Carolina Gomez-Lacazette**, *Co-Head of Institutional Production | North America, Markets Group*

Chair: **Kenneth Corwin**, *US Business Development, BNP Paribas Asset Management*

8:40 Opening Presentation: The Importance of Capital Allocation In Fundamental Research

This presentation will highlight the benefits of capital allocation decisions for companies and how investors can benefit from identifying and targeting this component of long-term value creation in the Large-Cap space. The presentation will also include a discussion of S&P 500 index drivers through time, focused on the past 10 years versus a through cycle period.

Presenter:

Christian Fay, *Senior Portfolio Manager, BNP Paribas Asset Management*

9:05 Panel Discussion: Asset Allocation & Macro Outlook

In a time of macroeconomic uncertainty, geopolitical conflict, and market volatility, hear how top thinkers, strategists and investors are viewing the next 12 months. With different perspectives on the outlook for interest rates and inflation, regionally and globally, compare and how thought-leaders view the impact of monetary and fiscal policy on growth potential. The panelists will share their thoughts on the energy shock, the structural changes brought about by the war in Ukraine, the impact of ongoing trade disruption, shifts in the labor market, companies' pricing power and earning potential, and other demand and supply shocks influencing asset allocation and investment decision-making.

Moderator:

Mike Krems, *Partner, Portfolio Strategies, Aksia*

Panelists:

Stacie Olivares, *Board Member, Federal Retirement Thrift Investment Board*

David Francl, *Managing Director, Absolute Return, San Francisco Employees' Retirement System*

Neeraj Rama, *Chief Investment Officer, Comprehensive Blood & Cancer Center*

Jared Gross, *Head of Institutional Portfolio Strategy, JP Morgan Asset Management*

9:35 Panel Discussion: Portfolio Construction: Opportunities Within the Current Markets

In this unique economic environment, the status quo is continually being tested and challenged. Markets, the denominator effect, geopolitics, DEI, ESG and revised globalization have all created unique investment opportunities for investors who go beyond the traditional 60/40 portfolio construct. What will a "diversified" portfolio look like in 2023? And what will it look like over the next 5-10 years? How are investors approaching portfolio construction and allocation decisions in the current landscape? Where are they seeing opportunities across asset classes and sectors, and how is this impacting what are they looking at when working with new and existing managers?

Panelists:

Speaker, *Managing Director, Fidelity Investments*



10:05 Morning Coffee & Networking Break

10:35 Panel Discussion: Venture Capital & the Innovation Economy: Where Will Growth Come From?

Despite some recent challenges, the innovation economy continues to thrive across the globe, creating new investment opportunities and promising further advancements. What will be the next big thing in tech? How are investors and managers identifying and selecting truly transformative opportunities? What are true growth areas vs. decisions made by “fear of missing out?” How are startups dealing with the current capital climate where demand is far outstripping supply – who’s struggling and who’s thriving?

Moderator:

Emma Norchet, *Director, Venture and Growth Equity Investments, Ontario Teachers' Pension Plan*

Panelists:

Elmer Huh, *Chief Investment Officer, M.J. Murdock Charitable Trust*

Jonathan Hsu, *Co-Founder and General Partner, Tribe Capital*

11:00 Panel Discussion: Opportunities vs. Risks: Investing in Asia

What is Asia’s place in the new world order? The pace of change in many aspects of our lives and financial markets have accelerated, deeply influencing the behaviors of consumers and businesses. This is evident in the digitalization of the consumer experience, food and energy shortages, and the imperative to tackle climate change. We will explore what opportunities and risks are emerging in Asia from this change, particularly in relation to China, India, and ASEAN.

Moderator:

Maggie Ralbovsky, *CFA, Managing Director, Wilshire*

Panelists:

Speaker, *Managing Director, Krane Shares*

11:30 Panel Discussion: ESG in a Time of Crisis: Incorporating Energy, Geopolitical and Social

Long-range sustainable investing practices that incorporate new data on environmental risks, governance mismanagements and socially flawed practices are transforming portfolios. Meanwhile, ESG is challenged by shifts in government, energy, supply shortages and social practices within developing markets. ESG, SRI and impact investing opportunities and challenges continue to evolve on the global investor agenda at a time of great disruption to economies and markets and advances in data and technology. With some investors focused on building net-zero portfolios and capitalizing on ESG issues during proxy season, while some public pension plans limited by some state legislators from making investment decisions based on ESG considerations, the great challenge of marrying ESG considerations and fulfilling fiduciary duty remains. The panel will discuss and debate the impact of the complex economic, political, and social backdrop and the implications on responsible investment strategies and approaches.

Moderator:

Sarah Bernstein, *Head of Sustainability, Managing Principal, Meketa Investment Group*

Panelists:

Travis Antoniono, *Investment Director, CalPERS*

Philip Larrieu, *Investment Officer Stewardship, Oregon State Treasury*

Sonia Ruiz, *Head of Sustainable Investments, RVK*

Eric Borremans, *Head of ESG, Pictet Asset Management*

12:00 Fireside Chat: Chief Investment Officer Cross-Conversation

An intimate conversation between two top chief investment officers on how they developed their careers, portfolios, and investment offices to manage risk, diversify investments, build effective teams, choose managers, and challenge the status quo for the sake of excellence throughout their careers.

Speakers:

Richelle Sugiyama, *Chief Investment Officer, Public Retirement System of Idaho*



12:30 Networking Luncheon & Breakout Discussions

In the format of roundtables, small discussion groups are formed by topic. This is your opportunity to interact with some of our speakers and guests of the day, ask questions, and make connections.

Table 1: Capitalizing on Opportunities in Renewable Energy Infrastructure - hosted by *Voya Investment Management*

Table 2: Navigating Macro Markets with Alternative Data - hosted by *Capital Fund Management*

Table 3: The Importance of Capital Allocation In Fundamental Research -hosted by *BNP Paribas Asset Management*

Table 4: Asset Allocation & Macro Outlook – hosted by *JP Morgan Asset Management*

Table 5: Portfolio Construction: Opportunities Within the Current Markets – hosted by *Fidelity Investments*

Table 6: Venture Capital & the Innovation Economy: Where Will Growth Come From? – hosted by *Tribe Capital*

Table 7: Opportunities vs. Risks: Investing in Asia – hosted by *Krane Shares*

Table 8: ESG in a Time of Crisis: Incorporating Energy, Geopolitical and Social – hosted by *Pictet Asset Management*

Table 9: Fixed Income: Reassessing the Asset Class in Uncertain Times – hosted by *SLC Management*

Table 10: Real Estate in a Higher Rate Environment – hosted by *ArrowMark Partners*

Table 11: Alternatives & Private Market Investments – Time to Shine – hosted by *Nuveen*

Table 12: Opportunity in Multi-Sector Credit Strategies – hosted by *PGIM Fixed Income*

1:30 Panel Discussion: Fixed Income: Reassessing the Asset Class in Uncertain Times

Inflationary pressures are causing investors to consider how they are allocating to traditional fixed income. Are investors looking at riskier areas of the asset class? Where is that risk being compensated? What are the dominant forces driving yield in the sub asset classes? The panel examines new and sometimes unexpected ways of the viewing the traditional asset class.

Moderator:

William Beck, *Senior Vice President, Wilshire*

Panelists:

Matt Sturdivan, *Director, Traditional Markets Research, Principal, RVK*

Speaker, *Managing Director, SLC Management*

2:00 Panel Discussion: Real Estate in a Higher Rate Environment

Rates have risen and are beginning to create a new lending environment. As underwriting gets more conservative, institutional investors are anticipating opportunities within an increasingly constrained credit market. Some see opportunities to hedge inflation. Others are strategically aligning their liquidity with opportunity, and waiting for the right price points. Our panelists will address where the real estate industry is finding success, what prospects investors are watching, and what concerns lie ahead.

Moderator:

Barbara Bernard, *Senior Vice President of Real Estate and Real Assets, Callan*

Panelists:

Robert Brown, *Head of CRE Finance Investment Platform, Portfolio Manager, ArrowMark Partners*

2:30 Panel Discussion: Alternatives & Private Market Investments – Time to Shine

As investors search for additional sources of revenue and methods for portfolio diversification in the volatile and changing environment, alternatives stand out as an area of opportunities. The panel brings together leading alternatives investors and allocators to share the role private equity, private debt, venture capital and commodities plays in their portfolios and what they look for in managers to meet their objectives in these asset classes. Panelists will address risks and opportunities across capital structures, expected returns across the alternatives' spectrum and the operational requirements for managing the unique complexities in alternatives and private markets.

Moderator:

Alex Shivananda, *Managing Director, Head of Secondaries, Cambridge Associates*

Panelists:

Scott Nance, *Vice President, Impact Investing, Fidelity Charitable*

Dodson Worthington, *Managing Director, Churchill Asset Management*



3:00 Afternoon Coffee & Networking Break

3:20 Panel Discussion: Opportunity in Multi-Sector Credit Strategies

With interest rates and credit spreads experiencing heightened volatility, investors are seeking stability, diversification, and enhanced returns in their fixed income portfolios through multi-sector credit strategies. This presentation will focus on the opportunities in multi-sector credit investing and the reasonable range of expected returns a diversified portfolio can deliver over a cycle. Our panelists will discuss why multi-sector credit strategies that are well suited to capitalize on risks for institutional investors.

Moderator:

Jamie Gnall, *Senior Vice President, Wilshire*

Panelists:

Mike Collins, *Managing Director, Senior Portfolio Manager, PGIM Fixed Income*

3:50 Leadership Roundtable: Life after CIO - Advice from the Kings

This is a rare chance to hear from legends of the industry on what not to forget when creating effective teams, working with boards, creating intelligent succession plans, managing risks, choosing managers, diversifying portfolios, becoming board members, and enjoying the next chapter of their lives. This intimate discussion is meant to be fun while, perhaps, mentoring and answering crucial career questions about how they excelled and challenged the status quo in their former CIO roles and the new roles they will be playing in the future.

Moderator:

Christine Giordano, *Head of News and Institutional Content, Markets Group*

Panelists:

Bob Maynard, *Former Chief Investment Officer, Public Retirement System of Idaho*

Mansco Perry III, *Former Executive Director, Chief Investment Officer, Minnesota State Board of Investment*

4:30 Markets Group: Chief Investment Officer Hall of Fame Induction Ceremony

A special recognition celebration for chief investment officers of merit, gravitas, and past and present influence within our allocator community.

HOF Presenters:

Richelle Sugiyama, *Chief Investment Officer, Public Retirement System of Idaho*

Mansco Perry III, *Former Executive Director, Chief Investment Officer, Minnesota State Board of Investment*

HOF Recipient:

Bob Maynard, *Former Chief Investment Officer, Public Retirement System of Idaho*

4:50 Closing Remarks

Organizer: **Carolina Gomez-Lacazette**, *Co-Head of Institutional Production | North America, Markets Group*

Chair: **Kenneth Corwin**, *US Business Development, BNP Paribas Asset Management*

4:55 Networking Cocktail Reception – hosted by Parametric Portfolio Associates

5:55 Closing Dinner (Invitation only)