



Sacramento Regional Transit District Agenda

RESCHEDULED FROM MARCH 9, 2022

**QUARTERLY MEETING OF THE RETIREMENT BOARDS FOR THE EMPLOYEES AND
RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT
9:30 A.M., MONDAY, MARCH 14, 2022 via Webex**

Join from the meeting link: <https://sacrt-046d-16ae.my.webex.com/join/rmatthews>

Call in: 1-510-338-9438 Access Code: 2568 521 9530

Webex App: Join Meeting # 2568 521 9530

Online: Go to www.webex.com and click Join Meeting. Enter Meeting # 2568 521 9530

MEETING NOTE: *This is a joint and concurrent meeting of the five independent Retirement Boards for the pension plans for the employees and retirees of the Sacramento Regional Transit District. This single, combined agenda designates which items will be subject to action by which board(s). Members of each board may be present for the other boards' discussions and actions, except during individual closed sessions.*

<u>ROLL CALL</u>	ATU Retirement Board:	Directors: Li, Kennedy, Niz, McGee Lee Alternates: Valenton, Land
	IBEW Retirement Board:	Directors: Li, Kennedy, Bibbs, McCleskey Alternates: Valenton, Pickering
	AEA Retirement Board:	Directors: Li, Kennedy, Devorak, McGoldrick Alternates: Valenton, Santhanakrishnan
	AFSCME Retirement Board:	Directors: Li, Kennedy, Guimond, Thompson Alternates: Valenton, Salva
	MCEG Retirement Board:	Directors: Li, Kennedy, Bobek, Hinz Alternates: Valenton, Flores

PUBLIC ADDRESSES BOARD ON MATTERS ON CONSENT AND MATTERS NOT ON THE AGENDA

At this time the public may address the Retirement Board(s) on subject matters pertaining to Retirement Board business listed on the Consent Calendar, any Closed Sessions or items not listed on the agenda. Remarks may be limited to 3 minutes subject to the discretion of the Common Chair. Members of the public wishing to address one or more of the Boards may submit a "Public Comment Speaker Request" via e-mail to Retirement@SacRT.com. While the Retirement Boards encourage your comments, State law prevents the Boards from discussing items that are not set forth on this meeting agenda. The Boards and staff take your comments very seriously and, if appropriate, will follow up on them.

CONSENT CALENDAR

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
1. Motion:	Approving the Minutes for the February 16, 2022 Special Retirement Board Meeting (ATU). (Gobel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CONSENT CALENDAR CONTINUED

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
2. Motion:	Approving the Minutes for the February 16, 2022 Special Retirement Board Meeting (IBEW). (Gobel)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Motion:	Approving the Minutes for the February 16, 2022 Special Retirement Board Meeting (AEA). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Motion:	Approving the Minutes for the February 16, 2022 Special Retirement Board Meeting (AFSCME). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Motion:	Approving the Minutes for the February 16, 2022 Special Retirement Board Meeting (MCEG). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Motion:	Receive and File Administrative Reports for the Quarter Ended December 31, 2021 for the ATU Pension Plan (ATU). (Adelman)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Motion:	Receive and File Administrative Reports for the Quarter Ended December 31, 2021 for the IBEW Pension Plan (IBEW). (Adelman)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Motion:	Receive and File Administrative Reports for the Quarter Ended December 31, 2021 for the Salaried Pension Plan (AEA/AFSCME /MCEG). (Adelman)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
9. Motion:	Receive and File the Fiscal Year 2021 State Controller's Report for the ATU Pension Plan (ATU). (Adelman)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Motion:	Receive and File the Fiscal Year 2021 State Controller's Report for the IBEW Pension Plan (IBEW). (Adelman)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Motion:	Receive and File the Fiscal Year 2021 State Controller's Report for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
12. Motion:	Receive and File the Financial Statements with Independent Auditor's Report for the Twelve-Month Period Ended June 30, 2021 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
13. Information	Update on Roles and Responsibilities Related to Pension Administration (ALL). (Gobel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

NEW BUSINESS

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
14. Motion:	Accept Actuarial Valuation and Approve Actuarially Determined Contribution Rates for Fiscal Year 2023. (ATU) (Gobel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Motion:	Accept Actuarial Valuation and Approve Actuarially Determined Contribution Rates for Fiscal Year 2023. (IBEW) (Gobel)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Motion:	Accept Actuarial Valuation and Approve Actuarially Determined Contribution Rates for Fiscal Year 2023. (AEA/AFSCME/MCEG) (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
17. Information:	Investment Performance Review of the Real Estate Asset Class by Clarion Partners for the ATU, IBEW and Salaried Employee	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Retirement Funds for the Quarter Ended December 31, 2021 (ALL).
(Adelman)

	<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
18. Information: Investment Performance Review of the International Large Capital Equity Asset Class by Pyrford for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended December 31, 2021 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
19. Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended December 31, 2021 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

REPORTS, IDEAS AND COMMUNICATION

	<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
20. Information: Manager, Pension & Retirement Services Quarterly Verbal Update (ALL). (Gobel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

ADJOURN

NOTICE TO THE PUBLIC

It is the policy of the Boards of Directors of the Sacramento Regional Transit District Retirement Plans to encourage participation in the meetings of the Boards of Directors. At each open meeting, members of the public shall be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Boards.

Any person(s) requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Human Resources Pension and Retiree Services Administrator at 916-556-0296 or TDD 916/483-4327.

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on file with the Pension & Retirement Services Analyst at 916-216-9927 and/or Clerk to the Board of Directors of the Sacramento Regional Transit District and are available for public inspection at 1400 29th Street, Sacramento, CA. Any person who has questions concerning any agenda item may call the Retirement Services Analyst of Sacramento Regional Transit District to make inquiry.

**Sacramento Regional Transit District
Quarterly Retirement Board Meeting - AFSCME
Wednesday, February 16, 2022
MEETING MINUTES**

This meeting was held as a common meeting of the Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

The meeting was conducted via teleconference in accordance with Government Code Section 54953, as amended by Assembly Bill 361.

The Retirement Board was brought to order at 9:01 a.m. A quorum was present and comprised as follows: Directors Kennedy, Li, Thompson, and Alternate Salva. Director Guimond and Alternate Jennings were absent.

The Common Chair presided over this Retirement Board meeting.

RESOLUTION TO MEET VIA TELECONFERENCE

1. Resolution: Authorize the Boards to Conduct Their Meetings for the Next 30 Days Via Teleconference as Authorized under the Brown Act pursuant to Government Code Section 54953, as Amended by Assembly Bill 361, during the COVID-19 Pandemic (All). (Gobel)

John Gobel presented a brief overview of Assembly Bill 361 (AB 361), the urgency legislation signed by the Governor that amended the Government Code to authorize local legislative bodies to continue to meet remotely during the COVID-19 pandemic if certain conditions are met. Under AB 361, Mr. Gobel indicated that the Retirement Boards could continue to meet virtually as they had been if they made certain findings at the start of this meeting. The Boards would need to adopt these findings again in order to meet remotely after more than 30 days. In making the findings, Mr. Gobel explained that the Retirement Board was being asked to reference the social distancing requirements recommended by State agencies and the Sacramento County Health Officer's January 6, 2022 Health Order, requiring that all public meetings in the County occur virtually until further notice, and resolve to conduct the meeting remotely to protect the health and safety of the public. There were no questions from the Board nor public comment on the item.

Director Kennedy moved to adopt Agenda Item 1. The motion was seconded by Director Li. Agenda Item 1 was carried unanimously by roll call vote: Ayes – Kennedy, Li, Thompson, and Salva; Noes – None.

February 16, 2022 Meeting Minutes – Continued

CONSENT CALENDAR

6. Motion: Approve the Minutes for the December 8, 2021 Quarterly Retirement Board Meeting (AFSCME). (Gobel)

Director Kennedy moved to adopt Agenda 6. The motion was seconded by Director Li. Agenda Item 6 was carried unanimously by roll call vote: Ayes – Kennedy, Li, Thompson, and Salva; Noes – None.

NEW BUSINESS

9. Information: Receive Preliminary Results of Valuation Studies for Retirement Plans. (ALL) (Gobel)

John Gobel, Manager of Pension and Retirement Services, introduced consulting actuary Graham Schmidt of Cheiron and indicated that Mr. Schmidt would be discussing the preliminary results for the Retirement Plans ahead of submitting the final actuarial valuation reports (AVRs) for adoption by the Retirement Boards at a subsequent meeting.

Mr. Schmidt took a new approach with the discussion of the preliminary results for the July 1, 2021 valuation date. Instead of preparing three separate presentations, Mr. Schmidt addressed all of the Retirement Plans as part of a single slideshow and shared certain preliminary variables for the ATU Plan, the IBEW Plan, and the Salaried Plan.

In discussing aggregate activity for the Retirement Plans, Mr. Schmidt noted that PEPRA members represent almost half (47%) of all participating employees, but Classic members represent the bulk of pension liabilities. As of the July 1, 2021 valuation date, the market value of assets at \$377 million exceeded the actuarial value of assets at \$338 million. Mr. Schmidt explained that the current difference between the market value and actuarial value of assets was the result of actuarial smoothing, and there are approximately \$40 million dollars in net deferred investment gains which will be recognized in each plan's assets over the next four valuations. As a result of investment performance during the last valuation year, Mr. Schmidt noted that the unfunded actuarial liability (UAL) had decreased relative to the previous valuation year and Mr. Schmidt provided the following estimated funded ratios for the three plans: 74.9% for the ATU Plan, 72.4% for the IBEW Plan, and 65.6% for the Salaried Plan.

ATU Director Niz asked for clarification from Mr. Schmidt regarding the disproportionate share of pension liabilities associated with the Retirement Plans' Classic members. In response, Mr. Schmidt explained that the service accrued by Classic members was much greater than the service accrued by PEPRA members (who, depending on their plan, would not have become members any earlier than 2015 or 2016).

February 16, 2022 Meeting Minutes – Continued

Mr. Schmidt continued the discussion of year-to-year changes by explaining that estimated funded ratios had improved for the Retirement Plans and noting that investment returns had exceeded 20%, approximately 10% of which would be recognized in future valuations as part of the smoothing process. Because of the referenced returns, Mr. Schmidt also noted that the actuarially-determined contribution (ADC) rate had not increased as much as previously anticipated, and for ATU and Salaried, actually decreased. For reference, Mr. Schmidt offered the following estimates of the average or blended employer contribution rate for each plan: 26.7% for the ATU Plan, 30.2% for the IBEW Plan, and 38.6% for the Salaried Plan. Mr. Schmidt also noted that the different employee contribution rates for the Retirement Plans would remain unchanged from the prior fiscal year.

In response to a request from MCEG Director Hinz for further information regarding the breakdown of contribution rates or costs between Classic and PEPRA members, Mr. Schmidt explained that a more detailed analysis would be included with the final AVRs and provided to the Retirement Boards at a subsequent meeting.

While discussing the historical funded ratios and contribution rates for the Retirement Plans, Mr. Schmidt referenced the notable increase in UAL between the 2019 and 2020 valuation dates, and reminded the Retirement Boards that a large portion of the increase was associated with the adoption of a lower rate of return assumption or “discount rate” last year. Moving forward, however, Mr. Schmidt noted that funded ratios would be expected to improve and employer contributions rates would be expected to decrease if the Retirement Plans could consistently meet the 6.75% return assumption adopted by the Retirement Boards. Based on the premise of meeting all actuarial assumptions for an extended period of time, Mr. Schmidt noted that employer contribution rates could see steady declines and the funded status of the Retirement Plans could improve from current levels to 100% over the next ten years.

ATU Director McGee Lee asked Mr. Schmidt about the impact of increased retirement rates on the funded ratios projected for future years using current actuarial assumptions. In response, Mr. Schmidt explained that Classic members who retire earlier than anticipated are more expensive for the employer than members who retire at or beyond the ages assumed by the actuary. That being said, Mr. Schmidt indicated that investment returns are still the biggest determinant of costs for the Retirement Plans.

Common Director Li referenced the ten-year models provided with the preliminary results and asked if a funded ratio of 80 to 85% was indicative of a healthy pension plan. Mr. Schmidt responded by addressing some misconceptions about that metric and opining that 100% funding should be viewed as the ultimate goal for pension plans. In support of a 100% goal, Mr. Schmidt also discussed the concept of inter-generational

February 16, 2022 Meeting Minutes – Continued

equity among plan participants and the value of properly funding benefits during each member's period of active service.

Jamie Adelman, AVP of Finance & Treasury, reviewed the fiscal impact of the preliminary results for the July 1, 2021 valuation by presenting cost estimates for the fiscal year 2023. As part of this process, Ms. Adelman commended the Retirement Boards for deciding to reduce the discount rate to 6.75% last year and explained that her internal estimates considered the blended rates referenced in Mr. Schmidt's presentation, rather than the discrete rates expected with the final AVRs. Ms. Adelman indicated that employer contributions to the Retirement Plans for fiscal year 2023 were projected to be approximately \$26.7 million, which would be about \$828,000 higher than the fiscal year 2022.

Ms. Adelman also advised that this item is informational only, and that the Boards will be presented with final valuation reports and new employer and employee contribution rates to approve at the March meeting.

Mr. Schmidt added that the Boards are not being asked to revise any assumptions this year, that the current assumptions were extensively reviewed last year, and that demographic assumptions generally are revised only in response to the results of an experience study.

With no further business to discuss and no public comment on matters not on the agenda, the Retirement Board meeting was adjourned at 10:19 a.m.

Peter Guimond, Chair

ATTEST:

Henry Li, Secretary

By: _____

John Gobel, Assistant Secretary



RETIREMENT BOARD STAFF REPORT

DATE: March 14, 2022 Agenda Item: 8
TO: Sacramento Regional Transit Retirement Boards – AEA/AFSCME/MCEG
FROM: Jamie Adelman, AVP Finance & Treasury
SUBJ: RECEIVE AND FILE ADMINISTRATIVE REPORTS FOR THE QUARTER ENDED DECEMBER 31, 2021 FOR THE SALARIED PENSION PLAN (AEA/AFSCME/MCEG). (ADELMAN)

RECOMMENDATION

Motion to Approve

RESULT OF RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended December 31, 2021 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Table 1 below shows the employer and employee contribution rates for all of the Sacramento Regional Transit District Retirement Plans, by Plan and tier, as of the date indicated.

Table 1

**Employer Contribution Rates
As of December 31, 2021**

	ATU	IBEW	Salary
	Contribution Rate	Contribution Rate	Contribution Rate
Classic	30.65%	32.36%	43.17%
Classic w/Contribution*	30.65%		
PEPRA**	22.46%	23.75%	30.08%

*Includes members hired during calendar year 2015, employee rate 3%

**PEPRA employee rates: ATU – 7.25%, IBEW 7.00% and Salary 6.50%

Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended December 31, 2021. The financial statements are presented on an accrual basis and consist of a Statement of Fiduciary Net Position (balance sheet) (Attachment 1), a Statement of Changes in Fiduciary Net Position (income statement) for the quarter ended December 31, 2021 (Attachment 2), and a year-to-date Statement of Changes in Fiduciary Net Position (Attachment 3).

The Statement of Fiduciary Net Position includes a summary of fund assets showing the amounts in the following categories: investments, prepaid assets, and other receivables. This statement also provides amounts due from/to the District and Total Fund Equity (net position).

The Statement of Changes in Fiduciary Net Position includes activities in the following categories: investment gains/losses, dividends, interest income, unrealized gains/losses, benefit contributions/payouts, and investment management and administrative expenses.

Asset Rebalancing

Pursuant to Section IV, Asset Rebalancing Policy of the Statement of Investment Objectives and Policy Guidelines for the ATU, IBEW and Salaried Employees' Retirement Funds, the Retirement Boards have delegated authority to manage pension plan assets in accordance with the approved rebalancing policy to the District's AVP of Finance and Treasury. The AVP of Finance and Treasury is required to report asset rebalancing activity to the Boards at their quarterly meetings. Rebalancing can occur for one or more of the following reasons:

1. The Pension Plan ended the month with an accounts receivable or payable balance due to the District. A payable or receivable is the net amount of the monthly required contribution (required contribution is the percentage of covered payroll determined by the annual actuarial valuation) less the Plan's actual expenses.
2. The Pension Plan hires or removes a Fund Manager, in which case securities must be moved to a new fund manager.
3. The Pension Plan investment mix is under or over the minimum or maximum asset allocation as defined in the Statement of Investment Objectives and Policy Guidelines.

Attached hereto as Attachment 4 is the Salaried Plan's Schedule of Cash Activities for the three months ended December 31, 2021. The schedule of cash activities includes a summary of Plan activities showing the amounts in the following categories: District's pension contributions to the Plan, payments to retirees, and the Pension Plan's cash expenditures paid. This schedule also lists the rebalancing activity that occurred for the three months ended December 31, 2021. The Salaried Plan reimbursed \$373,223.12 to the District as the result of the net cash activity between the pension plan expenses and the required pension contributions.

Attached hereto as Attachment 5 is the Salaried Plan's Asset Allocation as of December 31, 2021. This statement shows the Salaried Plan's asset allocation as compared to targeted allocation percentages as defined in the Statement of Investment Objectives and Policy Guidelines.

Attached hereto as Attachment 6 is a reconciliation between the Callan Performance Report and the ATU, IBEW and Salaried Pension Plans' unaudited financial statements. The reports differ in that the unaudited financial statements reflect both investment activities and the pension fund's inflows and outflows. Callan's report only reflects the investment activities. The "Net Difference" amounts shown are the results of Callan and Northern Trust Company using different valuations for the same securities and/or litigation settlements received by the Plans.

Included also as Attachment 7 is a reconciliation between the Callan Performance Report and the Schedule of Cash Activities for payments made from/to the District. Callan's report classifies gains from trades and litigation income as "net new investments." Finance staff classifies gains from trades and litigation income in the Pension Plan's unaudited Statement of Changes in Fiduciary Net Position as "Other Income," which is combined in the category of "Interest, Dividend, & Other Inc".

Attached hereto as Attachment 8 is a schedule reflecting Fund Managers' quarterly investment returns and their investment fees. Additionally, the schedule reflects annual rates of return on investment net of investment fees for the one-year and three-year periods ended December 31, 2021 as compared to their benchmarks.

Attached hereto as Attachment 9 is a schedule reflecting transfers of plan assets from the ATU Plan to the Salaried Plan resulting from employee transfers from one union/employee group to another, as well as all retirements, and retiree deaths during the three months ended December 31, 2021.

Sacto Regional Transit District Retirement Plan - Salaried Statement of Fiduciary Net Position

Accrual Basis

As of December 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	135,760,492.33
Total Long-Term Investments	135,760,492.33
Total Checking/Savings	135,760,492.33
Accounts Receivable	
1110101 · Contribution Receivable from RT	25,501.47
1110109 · Distributions Receivable	47,350.51
Total Accounts Receivable	72,851.98
Other Current Assets	
1110120 · Prepaids	4,927.54
Total Other Current Assets	4,927.54
Total Current Assets	135,838,271.85
TOTAL ASSETS	135,838,271.85
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	11,473.47
3110122 · MetWest	22,469.27
3110124 · Boston Partners	27,875.30
3110125 · Callan	3,820.57
3110128 · Atlanta Capital	23,582.23
3110129 · S&P Index - SSgA	1,097.99
3110130 · EAFE - SSgA	628.81
3110132 · Pyrford	16,792.04
3110133 · Northern Trust	8,273.13
3110134 · Clarion	14,293.50
Total Accounts Payable	130,306.31
Total Current Liabilities	130,306.31
Total Liabilities	130,306.31
Equity	
3340101 · Retained Earnings	129,366,720.90
Net Income	6,341,244.64
Total Equity	135,707,965.54
TOTAL LIABILITIES & EQUITY	135,838,271.85

Sacto Regional Transit District Retirement Plan - Salaried Statement of Changes in Fiduciary Net Position

Accrual Basis

October through December 2021

	Oct - Dec 21	% of Income
Income		
RT Required Contribution		
6630101 · Employer Contributions	2,615,257.55	25.6%
6630110 · Employee Contribution	151,862.85	1.5%
Total RT Required Contribution	2,767,120.40	27.1%
Total Investment Earnings		
Interest, Dividend, & Other Inc		
6830101 · Dividend	263,781.43	2.6%
6830102 · Interest	139,334.74	1.4%
6830103 · Other Income	15,899.44	0.2%
6830104 · Dividend - Distributions	47,350.51	0.5%
Total Interest, Dividend, & Other Inc	466,366.12	4.6%
Investment Income		
6530900 · Gains/(Losses) - All	1,897,486.93	18.6%
6530915 · Increase(Decrease) in FV	5,065,243.36	49.7%
Total Investment Income	6,962,730.29	68.3%
Total Total Investment Earnings	7,429,096.41	72.9%
Total Income	10,196,216.81	100.0%
Cost of Goods Sold		
8531210 · AEA - Retirement Benefits Paid	831,253.46	8.2%
8531211 · AFSCME-Retirement Benefits Paid	844,058.07	8.3%
8531212 · MCEG - Retirement Benefits Paid	1,036,794.85	10.2%
8531213 · Employee Contribution Refunds	23,936.38	0.2%
8532004 · Invest Exp - MetropolitanWest	22,469.27	0.2%
8532013 · Invest Exp - Boston Partners	27,875.30	0.3%
8532020 · Invest Exp - Callan	11,450.31	0.1%
8532024 · Invest Exp - Atlanta Capital	23,582.23	0.2%
8532025 · Invest Exp - S&P Index SSgA	1,097.99	0.0%
8532026 · Invest Exp - EAFE SSgA	628.81	0.0%
8532027 · Invest Exp - AQR	14,603.23	0.1%
8532028 · Invest Exp - Pyrford	16,792.04	0.2%
8532029 · Invest Exp - Northern Trust	8,273.13	0.1%
8532030 · Invest Exp - Clarion	14,293.50	0.1%
8532031 · Invest Exp - Morgan Stanley	10,958.16	0.1%
Total COGS	2,888,066.73	28.3%
Gross Profit	7,308,150.08	71.7%
Expense		
8533002 · Admin Exp - Actuary	13,319.53	0.1%
8533003 · Admin Exp - Med Center	4,075.00	0.0%
8533007 · Admin Exp - CALPRS Dues/Courses	0.00	0.0%
8533008 · Admin Exp - Accounting Software	666.66	0.0%
8533010 · Admin Exp - Travel	0.00	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,508.17	0.0%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533026 · Admin Exp - Legal Services	17,287.79	0.2%
8533029 · Admin Exp - Administrator	27,288.11	0.3%
8533050 · Admin Exp - Misc Exp	0.00	0.0%
Total Expense	66,145.26	0.6%
Net Income	7,242,004.82	71.0%

Sacto Regional Transit District Retirement Plan - Salaried Statement of Changes in Fiduciary Net Position

Accrual Basis

July through December 2021

	Jul - Dec 21	% of Income
Income		
RT Required Contribution		
6630101 · Employer Contributions	5,186,204.41	42.4%
6630110 · Employee Contribution	302,140.63	2.5%
Total RT Required Contribution	5,488,345.04	44.9%
Total Investment Earnings		
Interest, Dividend, & Other Inc		
6830101 · Dividend	510,113.16	4.2%
6830102 · Interest	260,791.96	2.1%
6830103 · Other Income	32,120.06	0.3%
6830104 · Dividend - Distributions	94,102.45	0.8%
Total Interest, Dividend, & Other Inc	897,127.63	7.3%
Investment Income		
6530900 · Gains/(Losses) - All	7,225,723.97	59.1%
6530915 · Increase(Decrease) in FV	-1,389,567.49	-11.4%
Total Investment Income	5,836,156.48	47.8%
Total Total Investment Earnings	6,733,284.11	55.1%
Total Income	12,221,629.15	100.0%
Cost of Goods Sold		
8531210 · AEA - Retirement Benefits Paid	1,661,094.79	13.6%
8531211 · AFSCME-Retirement Benefits Paid	1,679,718.05	13.7%
8531212 · MCEG - Retirement Benefits Paid	2,045,034.17	16.7%
8531213 · Employee Contribution Refunds	60,356.49	0.5%
8532004 · Invest Exp - MetropolitanWest	43,512.79	0.4%
8532013 · Invest Exp - Boston Partners	57,825.17	0.5%
8532020 · Invest Exp - Callan	22,862.70	0.2%
8532024 · Invest Exp - Atlanta Capital	46,921.42	0.4%
8532025 · Invest Exp - S&P Index SSgA	2,267.49	0.0%
8532026 · Invest Exp - EAFE SSgA	1,257.24	0.0%
8532027 · Invest Exp - AQR	30,435.16	0.2%
8532028 · Invest Exp - Pyrford	37,286.65	0.3%
8532029 · Invest Exp - Northern Trust	16,509.88	0.1%
8532030 · Invest Exp - Clarion	27,790.04	0.2%
8532031 · Invest Exp - Morgan Stanley	16,317.40	0.1%
Total COGS	5,749,189.44	47.0%
Gross Profit	6,472,439.71	53.0%
Expense		
8533002 · Admin Exp - Actuary	20,345.95	0.2%
8533003 · Admin Exp - Med Center	4,075.00	0.0%
8533007 · Admin Exp - CALPRS Dues/Courses	0.00	0.0%
8533008 · Admin Exp - Accounting Software	666.66	0.0%
8533010 · Admin Exp - Travel	0.00	0.0%
8533014 · Admin Exp - Fiduciary Insurance	6,966.34	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533026 · Admin Exp - Legal Services	46,639.26	0.4%
8533029 · Admin Exp - Administrator	52,515.37	0.4%
8533050 · Admin Exp - Misc Exp	-13.51	-0.0%
8533051 · Admin Exp - Audit	0.00	0.0%
Total Expense	131,195.07	1.1%
Net Income	6,341,244.64	51.9%

Sacramento Regional Transit District
Retirement Fund - Salaried
Schedule of Cash Activities
For the Three Months Period Ended December 31, 2021

	October 2021	November 2021	December 2021	Quarter Totals
Beginning Balance:				
Due (from)/to District - September 30, 2021	188,764.00	132,893.58	72,314.53	188,764.00
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 30.08% - 43.17%	883,297.92	815,675.81	916,283.82	2,615,257.55
Employee Pension Contributions	49,378.46	47,221.67	55,262.72	151,862.85
Total Deposits	<u>932,676.38</u>	<u>862,897.48</u>	<u>971,546.54</u>	<u>2,767,120.40</u>
<u>Expenses</u>				
Payout to Retirees:				
AEA	(271,493.20)	(279,880.13)	(279,880.13)	(831,253.46)
AFSCME	(282,752.37)	(280,652.85)	(280,652.85)	(844,058.07)
MCEG	(350,532.35)	(343,131.25)	(343,131.25)	(1,036,794.85)
Employee Contribution Refunds	(2,814.37)	-	(21,122.01)	(23,936.38)
Payout to Retirees Subtotal	<u>(907,592.29)</u>	<u>(903,664.23)</u>	<u>(924,786.24)</u>	<u>(2,736,042.76)</u>
Fund Investment Management Expenses:				
Atlanta Capital	(23,339.19)	-	-	(23,339.19)
Boston Partners	(29,949.87)	-	-	(29,949.87)
SSgA S&P 500 Index	-	(1,169.50)	-	(1,169.50)
SSgA EAFE MSCI	-	(628.43)	-	(628.43)
Metropolitan West	(21,043.52)	-	-	(21,043.52)
Pyrford	(20,494.61)	-	-	(20,494.61)
Northern Trust	(8,236.75)	-	-	(8,236.75)
Callan	(3,803.78)	(7,614.44)	(3,817.14)	(15,235.36)
Fund Invest. Mgmt Exp. Subtotal	<u>(106,867.72)</u>	<u>(9,412.37)</u>	<u>(3,817.14)</u>	<u>(120,097.23)</u>
Administrative Expenses				
Legal Services	(14,818.22)	(7,409.11)	(4,939.34)	(27,166.67)
Pension Administration	(9,489.63)	(8,845.49)	(8,952.99)	(27,288.11)
Actuarial Services	(1,978.11)	(5,880.81)	(3,549.36)	(11,408.28)
Medical Evaluations	(4,075.00)	-	-	(4,075.00)
Administrative Exp. Subtotal	<u>(30,360.96)</u>	<u>(22,135.41)</u>	<u>(17,441.69)</u>	<u>(69,938.06)</u>
Total Expenses	<u>(1,044,820.97)</u>	<u>(935,212.01)</u>	<u>(946,045.07)</u>	<u>(2,926,078.05)</u>
Monthly Net Owed from/(to) District	(112,144.59)	(72,314.53)	25,501.47	(158,957.65)
Payment from/(to) the District	<u>(168,015.01)</u>	<u>(132,893.58)</u>	<u>(72,314.53)</u>	<u>(373,223.12)</u>
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	<u>132,893.58</u>	<u>72,314.53</u>	<u>(25,501.47)</u>	<u>(25,501.47)</u>

**RT Combined Pension Plans - ATU, IBEW and Salaried
Asset Allocation *
As of December 31, 2021**

Asset Class	Net Asset Market Value 12/31/2021	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
FUND MANAGERS:						
Domestic Equity:						
Large Cap Value - Boston Partners - Z8	\$ 66,244,321	16.82%	16.00%	0.82%	\$ 3,230,676	
Large Cap Growth - SSgA S&P 500 Index - XH	64,954,548	16.49%	16.00%	0.49%	1,940,903	
Total Large Cap Domestic Equity	131,198,870	33.31%	32.00%	1.31%	5,171,578	\$ 126,027,292
Small Cap - Atlanta Capital - XB	34,205,517	8.69%	8.00%	0.69%	2,698,694	31,506,823
International Equity:						
Large Cap Growth:						
Pyrford - ZD	35,257,923	8.95%	9.50%	-0.55%	(2,156,429)	
Large Cap Core:						
SSgA MSCI EAFE - XG	18,554,749	4.71%				
Total Core	18,554,749	4.71%	4.50%	0.21%	832,161	
Small Cap:						
AQR - ZB	20,620,814	5.24%	5.00%	0.24%	929,050	
Emerging Markets						
DFA - ZA	24,505,904	6.22%	6.00%	0.22%	875,786	
Total International Equity	98,939,390	25.12%	25.00%	0.12%	480,568	98,458,822
Fixed Income:*						
Met West - XD	94,810,736	24.07%	25.00%	-0.93%	(3,648,086)	98,458,822
Real Estate:*						
Clarion - Lion	17,761,890	4.51%	5.00%	-0.49%	(1,929,874)	
Morgan Stanley	16,918,883	4.30%	5.00%	-0.70%	(2,772,881)	
Total Real Estate	34,680,774	8.81%	10.00%	-1.19%	(4,702,755)	39,383,529
Total Combined Net Asset	\$ 393,835,286	100.00%	100.00%	0.00%	\$ -	\$ 393,835,286

Asset Allocation Policy Ranges*:	Minimum	Target	Maximum
Domestic Equity	35%	40%	45%
Large Cap (50/50 value/growth)	28%	32%	36%
Small Cap	5%	8%	11%
International Equity	20%	25%	30%
Large Cap Developed Markets	10%	14%	18%
Small Cap Developed Markets	3%	5%	7%
Emerging Markets	4%	6%	8%
Domestic Fixed Income	20.0%	25.0%	30.0%
Real Estate	6.0%	10.0%	14.0%

**Reconciliation between Callan Report
and
Consolidated Pension Fund Balance Sheet
As of December 31, 2021**

Per Both Pension Fund Balance Sheets:	
ATU Allocated Custodial Assets	178,671,679
ATU Accrued Clarion Distributions Receivable	72,094 **
IBEW Allocated Custodial Assets	79,403,115
IBEW Accrued Clarion Distributions Receivable	31,075 **
Salaried Allocated Custodial Assets	135,760,492
Salaried Accrued Clarion Distributions Receivable	47,351 **
	<u>393,985,806</u>
Total Consolidated Net Asset	<u>393,985,806</u>
Per Callan Report:	
Total Investments	<u>393,985,620</u>
Net Difference	<u>186 *</u>

* The "Net Difference" amounts shown are the results of Callan and Northern Trust using different valuations for the same securities.

**Callan includes Clarion distributions receivable in total investments and Northern Trust recognizes the balance the following quarter when cash is received.

**Reconciliation between Callan Report
and
Consolidated Pension Fund Investment Income
For the Quarter Ended December 31, 2021**

Per Both Pension Fund Income Statements:	
ATU - Investment Earnings	9,099,668
ATU - Management Fees	(56,099)
IBEW - Investment Earnings	4,169,787
IBEW - Management Fees	(24,370)
Salaried - Investment Earnings	7,429,096
Salaried - Management Fees	(39,058)
Total Investment Income	<u>20,579,024</u>
Per Callan Report:	
Investment Returns	<u>20,578,782</u>
Net Difference	<u>242 ***</u>

*** The "Net Difference" amounts shown are the results of Callan and Northern Trust using different valuations for the same securities.

Reconciliation between Callan Report and Consolidated Schedule of Cash Activities For the Quarter Ended December 31, 2021				
	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
Payments from/(to) the District				
S&P 500 Index - ATU	-	(443,266)	(198,505)	(641,771)
S&P 500 Index - IBEW	-	(134,280)	(85,449)	(219,729)
S&P 500 Index - Salaried	-	(132,894)	(72,315)	(205,208)
Atlanta Capital - ATU	(583,247)	(1,074,509)	-	(1,657,756)
Atlanta Capital - IBEW	(164,163)	(489,561)	-	(653,724)
Atlanta Capital - Salaried	(168,015)	(935,930)	-	(1,103,945)
AQR - ATU	-	(465,769)	-	(465,769)
AQR - IBEW	-	(200,893)	-	(200,893)
AQR - Salaried	-	(333,338)	-	(333,338)
DFA - ATU	-	(863,084)	-	(863,084)
DFA - IBEW	-	(360,489)	-	(360,489)
DFA - Salaried	-	(776,427)	-	(776,427)
Metropolitan West - ATU	-	2,403,362	-	2,403,362
Metropolitan West - IBEW	-	1,050,943	-	1,050,943
Metropolitan West - Salaried	-	2,045,695	-	2,045,695
Total Payments from/(to) the District	<u>(915,425)</u>	<u>(710,439)</u>	<u>(356,268)</u>	<u>(1,982,132)</u>
Transfers In/(Out) of Investment Funds				
S&P 500 Index	-	(710,439)	(356,268)	(1,066,708)
Atlanta Capital	(915,425)	(2,500,000)	-	(3,415,425)
AQR	-	(1,000,000)	-	(1,000,000)
DFA	-	(2,000,000)	-	(2,000,000)
Metropolitan West	-	5,500,000	-	5,500,000
Total Transfers In/(Out) of Investment Funds	<u>(915,425)</u>	<u>(710,439)</u>	<u>(356,268)</u>	<u>(1,982,132)</u>
Variance between Payments and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Per Callan Report:				
Net New Investment/(Withdrawals)				<u>(1,982,132)</u>
Net Difference				<u>(0)</u>

Consolidated Schedule of Cash Activities For the 12-Months December 31, 2021					
	<u>1Q21</u>	<u>2Q21</u>	<u>3Q21</u>	<u>4Q21</u>	<u>Total</u>
Payments from/(to) the District					
Boston Partners - ATU	-	-	(5,272,866)	-	(5,272,866)
Boston Partners - IBEW	-	-	(2,283,722)	-	(2,283,722)
Boston Partners - Salaried	-	-	(3,411,354)	-	(3,411,354)
S&P 500 Index - ATU	(1,317,216)	(346,532)	(4,608,568)	(641,771)	(6,914,087)
S&P 500 Index - IBEW	(499,063)	(130,841)	(2,215,511)	(219,729)	(3,065,144)
S&P 500 Index - Salaried	(280,176)	(45,164)	(4,175,921)	(205,208)	(4,706,469)
Atlanta Capital - ATU	-	-	-	(1,657,756)	(1,657,756)
Atlanta Capital - IBEW	-	-	-	(653,724)	(653,724)
Atlanta Capital - Salaried	-	-	-	(1,103,945)	(1,103,945)
AQR - ATU	-	-	-	(465,769)	(465,769)
AQR - IBEW	-	-	-	(200,893)	(200,893)
AQR - Salaried	-	-	-	(333,338)	(333,338)
DFA - ATU	-	-	-	(863,084)	(863,084)
DFA - IBEW	-	-	-	(360,489)	(360,489)
DFA - Salaried	-	-	-	(776,427)	(776,427)
Metropolitan West - ATU	(3,592,271)	(7,184,542)	5,273,320	2,403,362	(3,100,131)
Metropolitan West - IBEW	(1,548,372)	(3,096,744)	2,519,328	1,050,943	(1,074,845)
Metropolitan West - Salaried	(2,359,357)	(4,718,714)	4,707,352	2,045,695	(325,024)
Clarion - ATU	3,592,271	3,592,271	-	-	7,184,542
Clarion - IBEW	1,548,372	1,548,372	-	-	3,096,744
Clarion - Salaried	2,359,357	2,359,357	-	-	4,718,714
Morgan Stanley - ATU	-	3,592,271	3,323,762	-	6,916,033
Morgan Stanley - IBEW	-	1,548,372	1,519,087	-	3,067,459
Morgan Stanley - Salaried	-	2,359,357	2,657,151	-	5,016,508
Total Payments from/(to) the District	<u>(2,096,456)</u>	<u>(522,537)</u>	<u>(1,967,942)</u>	<u>(1,982,132)</u>	<u>(6,569,067)</u>

**Sacramento Regional Transit District
ATU, IBEW and Salaried Retirement Plans
Schedule of Fund Investment Returns and Expenses
12/31/21**

	1 Year		1 Year			3 Years		3 Years		
	1 Year	%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts	3 Years	%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts
Boston Partners										
Investment Returns	18,080,246	100.00%				30,841,648	100.00%			
Investment Expense	(337,859)	1.87%				(839,679)	2.72%			
Net Gain/(Loss)	17,742,387	98.13%	31.10%	25.16%	594.00	30,001,969	97.28%	18.36%	17.64%	72.00
S&P 500										
Investment Returns	16,556,675	100.00%				39,670,700	100.00%			
Investment Expense	(13,163)	0.08%				(52,716)	0.13%			
Net Gain/(Loss)	16,543,512	99.92%	28.63%	28.71%	(8.00)	39,617,984	99.87%	26.00%	26.07%	(7.00)
Atlanta Capital										
Investment Returns	6,344,532	100.00%				15,726,573	100.00%			
Investment Expense	(273,689)	4.31%				(690,304)	4.39%			
Net Gain/(Loss)	6,070,843	95.69%	20.28%	14.82%	546.00	15,036,269	95.61%	19.00%	20.02%	(102.00)
Pyrford										
Investment Returns	2,679,297	100.00%				9,588,960	100.00%			
Investment Expense	(221,915)	8.28%				(607,889)	6.34%			
Net Gain/(Loss)	2,457,382	91.72%	7.50%	11.26%	(376.00)	8,981,071	93.66%	10.53%	13.54%	N/A
EAFE										
Investment Returns	1,916,457	100.00%				5,984,526	100.00%			
Investment Expense	(7,149)	0.37%				(25,316)	0.42%			
Net Gain/(Loss)	1,909,308	99.63%	11.41%	11.26%	15.00	5,959,210	99.58%	13.82%	13.54%	28.00
AQR										
Investment Returns	2,410,626	100.00%				6,643,436	100.00%			
Investment Expense	(178,449)	7.40%				(413,251)	6.22%			
Net Gain/(Loss)	2,232,177	92.60%	12.57%	10.10%	247.00	6,230,185	93.78%	13.09%	15.62%	(253.00)
DFA										
Investment Returns	1,455,145	100.00%				7,881,898	100.00%			
Investment Expense	(139,285)	9.57%				(371,041)	4.71%			
Net Gain/(Loss)	1,315,860	90.43%	5.84%	-2.54%	838.00	7,510,857	95.29%	11.82%	10.94%	88.00
Metropolitan West										
Investment Returns	(692,171)	100.00%				18,679,308	100.00%			
Investment Expense	(240,848)	-34.80%				(807,908)	4.33%			
Net Gain/(Loss)	(933,019)	134.80%	-0.73%	-1.54%	81.00	17,871,400	95.67%	5.87%	4.79%	108.00
Clarion										
Investment Returns	N/A	0.00%				N/A	0.00%			
Investment Expense	N/A	0.00%				N/A	0.00%			
Net Gain/(Loss)	-	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A
Morgan Stanley										
Investment Returns	N/A	0.00%				N/A	0.00%			
Investment Expense	N/A	0.00%				N/A	0.00%			
Net Gain/(Loss)	-	-	N/A	N/A	N/A	-	-	N/A	N/A	N/A
Total Fund										
Investment Returns	48,750,807	100.00%				135,017,049	100.00%			
Investment Expense	(1,412,357)	2.90%				(3,808,104)	2.82%			
Net Gain/(Loss)	47,338,450	97.10%	15.24%	12.59%	265.00	131,208,945	97.18%	14.97%	15.61%	(64.00)

**Sacramento Regional Transit District, Retirements and Deaths
For the Time Period: October 1, 2021 - December 31, 2021**

Retirements

Emp#	Previous Position	Pension Group	Retirement Date
2777	Safety Specialist	AEA	11/1/2021
2928	Sr. Accountant	AEA	11/1/2021
3409	Light Rail Technician	IBEW	11/1/2021
3097	Government Affairs	AEA	11/1/2021
2178	Bus Maintenance	IBEW	10/1/2021
2994	Light Rail Technician	IBEW	10/1/2021
3947	AVP HR / LR	MCEG	12/1/2021
3717	LR Maintenance	IBEW	10/1/2021
5024	Survivor	ATU	11/3/2021

Deaths

Emp#	Pension Group	Type	Date of Death
2169	IBEW	Life Alone	11/1/2021
240	ATU	50% J&S	11/2/2021
2471	ATU	Life Alone	11/11/2021
602	ATU	50% J&S	11/26/2021
421	ATU	Life Alone	12/12/2021
1590	ATU	Life Alone	12/19/2021
1085	IBEW	Survivor Beneficiary	12/25/2021
67	ATU	Life Alone	12/29/2021



RETIREMENT BOARD STAFF REPORT

DATE: March 14, 2022 Agenda Item: 11

TO: Sacramento Regional Transit Retirement Boards – AEA/AFSCME/MCEG

FROM: Jamie Adelman, AVP Finance & Treasury

SUBJ: RECEIVE AND FILE THE FISCAL YEAR 2021 STATE CONTROLLER'S REPORT FOR THE SALARIED PENSION PLAN (AEA/AFSCME/MCEG). (ADELMAN)

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

Motion: Receive and File the Fiscal Year 2021 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

The financial data for the annual State Controller's Public Retirement Systems Financial Transactions Report is prepared in accordance with California Government Code Section 7504. This statute requires all state and local retirement systems to annually submit audited financial statements of their Pension Plans to the State Controller's Office by the close of each calendar year. The State Controller's Public Retirement Systems Financial Transactions Report (Attachment #1) for the fiscal year ended June 30, 2021 was filed on December 23, 2021.

**PUBLIC RETIREMENT SYSTEMS
FINANCIAL TRANSACTIONS REPORT
COVER PAGE**

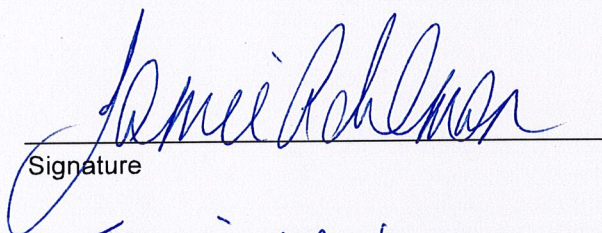
Sacramento Regional Transit District Salaried Employees' Retirement Plan

Reporting Year: **2021**ID Number: **16383440511**For the Fiscal Year Ended: 06/30/2021 (MM/DD/YYYY)

Certification:

I hereby certify that, to the best of my knowledge and belief, the report forms fairly reflect the financial transactions of the agency in accordance with the requirements as prescribed by the California State Controller.

Retirement Administrator


Signature

AVP, Finance & Treasury
Title

Jamie Adelman
Name (Please Print)

12/23/21
Date

Per Government Code section 7504, this report is due within six months after the end of the fiscal year. Public Employee Retirement Systems are also required to furnish an audited financial statement on an annual basis and, for defined benefit systems, an actuarial valuation report at least every three years. To meet the filing requirements, all portions must be received by the State Controller's Office.

If submitted manually, please complete, sign, and mail this cover page to either address below:

Mailing Address:
State Controller's Office
Local Government Programs and Services Division
Local Government Reporting Section
P.O. Box 942850
Sacramento, CA 94250

Express Mailing Address:
State Controller's Office
Local Government Programs and Services Division
Local Government Reporting Section
3301 C Street, Suite 700
Sacramento, CA 95816

The Financial Transactions Report was successfully submitted to the State Controller's Office on 12/23/2021 8:00:07 AM

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
General Information

Fiscal Year: 2021

Form #1

Mailing Address			
Street 1	<input type="text" value="1400 29th Street"/>	Type of Plan	<input type="text" value="Defined Benefit"/>
Street 2	<input type="text"/>	Retirement Administrator	<input type="text" value="John Gobel"/>
City	<input type="text" value="Sacramento"/>	Telephone	<input type="text" value="(916) 556-0296"/>
State	<input type="text" value="CA"/>	Zip	<input type="text" value="95816"/>
		Email	<input type="text" value="jgobel@sacrt.com"/> <input type="checkbox"/> Has Address Changed?

Report Prepared By			
First Name	<input type="text" value="Lynda"/>	Firm Name	<input type="text" value="Sacramento Regional Transit District"/>
Middle Initial	<input type="text"/>	Telephone	<input type="text" value="(916) 516-3441"/>
Last Name	<input type="text" value="Volk"/>	Fax No.	<input type="text" value="(916) 321-2820"/>
Title	<input type="text" value="Accountant II"/>	Email	<input type="text" value="lvolk@sacrt.com"/>

Independent Auditor			
Firm Name	<input type="text" value="Crowe LLP"/>	Street 1	<input type="text" value="400 Capitol Mall"/>
First Name	<input type="text" value="Brad"/>	Street 2	<input type="text" value="Suite 1400"/>
Middle Initial	<input type="text"/>	City	<input type="text" value="Sacramento"/> State <input type="text" value="CA"/> Zip <input type="text" value="95814"/>
Last Name	<input type="text" value="Schelle"/>	Telephone	<input type="text" value="(317) 208-2551"/>
		Email	<input type="text" value="brad.schelle@crowe.com"/>

Additional Information			
Actuary/Actuary Firm	<input type="text" value="Cheiron, Inc."/>	Street 1	<input type="text" value="3685 Mt. Diablo Blvd, Suite 250"/>
		Street 2	<input type="text"/>
Contact Name	<input type="text" value="Graham Schmidt"/>	P.O. Box	<input type="text"/>
		City	<input type="text" value="Lafayette"/> State <input type="text" value="CA"/> Zip <input type="text" value="94549"/>
Date of Valuation Report	<input type="text" value="07012020"/>	Telephone	<input type="text" value="(703) 893-1456"/>
		Email	<input type="text" value="gschmidt@cheiron.us"/>

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Comments for the Retirement Report

Fiscal Year: 2021

Form #2

Comments

None.

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Statement of Fiduciary Net Position

Fiscal Year: 2021

Form #3

Assets	
R01. Cash and Cash Equivalents	2,890,306
Receivables	
R02. Contributions	
R03. Investments	6,142,958
R04. Other Receivables	16,260
R05. Total Receivables	6,159,218
Investments, at Fair Value	
R06. Short-Term Investments	
R07. U.S. Government Obligations	16,296,651
R08. Municipal Bonds	84,373
R09. Domestic Corporate Bonds	6,258,002
R10. International Bonds	
R11. Domestic Stocks	63,570,866
R12. International Stocks	33,854,925
R13. Real Estate	8,399,409
R14. Private Equity	
R15. Hedge Funds	
R16. Other Investments	2,340,695
R17. Total Investments	130,804,921
R18. Securities Lending Collateral	
R19. Capital Assets, Net of Accumulated Depreciation	
R20. Other Assets	
R21. Total Assets	\$139,854,445
R22. Deferred Outflows of Resources	
Liabilities	
R23. Benefits Payable	
R24. Accounts Payable	386,812
R25. Investment Purchases Payable	10,100,912
R26. Securities Lending Obligation	
R27. Other Liabilities	
R28. Total Liabilities	\$10,487,724
R29. Deferred Inflows of Resources	
R30. Net Position Restricted for Pension Benefits	\$129,366,721

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Statement of Changes in Fiduciary Net Position -- Additions

Fiscal Year: 2021

Form #4

Contributions		
Employer		
R01.	General	9,807,539
R02.	Safety	
R03.	Combined	
R04.	Total Employer	9,807,539
Member		
R05.	General	466,141
R06.	Safety	
R07.	Combined	
R08.	Total Member	466,141
Other Contributions		
R09.	General	
R10.	Safety	
R11.	Combined	
R12.	Total Other Contributions	
R13.	Total Contributions	\$10,273,680
Investment Income (Loss)		
R14.	Net Appreciation (Depreciation) in Fair Value of Investments	28,093,811
R15.	Interest	611,013
R16.	Dividends	676,002
R17.	Other Investment Income	93,946
R18.	(Investment Expense)	-498,128
Securities Lending Income (Loss)		
R19.	Securities Lending Income	
R20.	(Securities Lending Expense)	
R21.	Net Securities Lending Income (Loss)	0
R22.	Net Investment Income (Loss)	\$28,976,644
R23.	Other Income	
R24.	Total Additions	\$39,250,324

Sacramento Regional Transit District Salaried Employees' Retirement Plan
 Public Retirement Systems Financial Transactions Report
 Statement of Changes in Fiduciary Net Position -- Deductions and Net Position

Fiscal Year: 2021

Form #5

Benefit Payments

Service Retirement

R01.	General	10,052,952
R02.	Safety	
R03.	Combined	
R04.	Total Service Retirement	10,052,952

Disability Retirement

R05.	General	93,017
R06.	Safety	
R07.	Combined	
R08.	Total Disability Retirement	93,017

Other Benefit Payments

R09.	General	
R10.	Safety	
R11.	Combined	
R12.	Total Other Benefit Payments	
R13.	Total Benefit Payments	10,145,969

Member Refunds

R14.	General	36,502
R15.	Safety	
R16.	Combined	
R17.	Total Member Refunds	36,502
R18.	Administrative Expenses	253,303
R19.	Other Expenses	

R20.	Total Deductions	\$10,435,774
------	-------------------------	---------------------

R21.	Net Increase (Decrease) in Net Position	28,814,550
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R22.	Net Position Restricted for Pension Benefits, Beginning of Year	100,552,171
------	--	--------------------

R23.	Adjustment 1	
------	---------------------	--

R24.	Adjustment 2	
------	---------------------	--

R25.	Net Position Restricted for Pension Benefits, End of Year	\$129,366,721
------	--	----------------------

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal Year: 2021

Form #6

Total Pension Liability	
R01. Service Cost	4,265,105
R02. Interest	11,359,811
R03. Changes of Benefit Terms	0
R04. Differences Between Expected and Actual Experience	1,861,545
R05. Changes of Assumptions	8,967,358
R06. Benefit Payments, Including Refunds of Member Contributions	-10,182,471
R07. Net Change in Total Pension Liability	16,271,348
R08. Total Pension Liability – Beginning	159,593,959
R09. Adjustments	
R10. Total Pension Liability – Ending (a)	175,865,307
Plan Fiduciary Net Position	
R11. Contributions – Employer	9,807,539
R12. Contributions – Member	466,141
R13. Contributions – Other	0
R14. Net Investment Income	28,976,644
R15. Other Income	0
R16. Benefit Payments, Including Refunds of Member Contributions	-10,182,471
R17. Administrative Expenses	-253,303
R18. Other Expenses	0
R19. Net Change in Plan Fiduciary Net Position	28,814,550
R20. Plan Fiduciary Net Position – Beginning	100,552,171
R21. Adjustments	0
R22. Plan Fiduciary Net Position – Ending (b)	129,366,721
R23. Net Pension Liability – Ending (a) - (b)	46,498,586
R24. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (%)	73.56%
R25. Covered-Employee Payroll	27,147,142
R26. Net Pension Liability as a Percentage of Covered-Employee Payroll (%)	171.28%

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Schedule of Employer Contributions

Fiscal Year: 2021

R01. Actuarially Determined Contributions	9,807,539
R02. Contributions in Relation to the Actuarially Determined Contributions	9,807,539
R03. Contribution Deficiency (Excess)	0
R04. Covered-Employee Payroll	27,147,142
R05. Contributions as a Percentage of Covered-Employee Payroll (%)	36.13%

Notes to Schedule

R06. Valuation Date

7/1/2019

Methods and assumptions used to determine contribution rates

R07. Actuarial Cost Method	Entry Age
R08. Amortization Method	Level Percentage of Payroll
R09. Remaining Amortization Period	13
R10. Asset Valuation Method	The actuarial value of Plan assets is calculated on a modified market-related value. The Market Value of Assets is recognize, over a five-year period, investment earnings which are greater than (or less than) the assumed investm on the Market Value of Assets.
R11. Inflation (%)	3
R12. Salary Increases	3.00 plus merit
R13. Investment Rate of Return (%)	7.25
R14. Other Information	

Note:

(R08) Amortization Method: Level Percentage of Payroll

(R09) Remaining Amortization Period: 13

(R12) Salary Increases: 3.00 plus merit

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Plan Membership

Fiscal Year: 2021

Form #8

Members		System Status	Active		Inactive	Retirement				Total Members
Member Type	Tier		Vested	Nonvested	Vested	Service Retired	Service Disability	Ordinary Disability	Survivors	
General	Non-PEPRA	Closed	166	2	47	310	4		26	555
General	PEPRA	Open	10	65						75
Select		Select								
Grand Total Members			176	67	47	310	4		26	630

Employers	State	Counties	Cities	Special Districts	School Districts	Other Agencies	Total
Number of Agencies				1			1
Number of Members				630			630

Members' Annual Payroll	Member Type	Tier	Annual Payroll (\$)
	General	Non-PEPRA	19,438,797
	General	PEPRA	7,353,894
Grand Total Payroll			\$26,792,691

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Contributions

Fiscal Year: 2021

Employer and Member Rates - Recommended by Actuary

Member Type Tier		Employer Rates									Member Rates			
		Normal Cost			UAAL Amortization Cost			Total Cost			Age 25	Age 35	Age 45	Six R
		Basic Rate	COLA Rate	Total Rate	Basic Rate	COLA Rate	Total Rate	Basic Rate	COLA Rate	Total Rate				
General	Non-PEPRA	16.50		16.50	22.43		22.43	38.93	0.00	38.93				
General	PEPRA	6.46		6.46	22.43		22.43	28.89	0.00	28.89				

Employer and Member Rates - Adopted by Governing Body

Member Type Tier		Employer Rates									Member Rates			
		Normal Cost			UAAL Amortization Cost			Total Cost			Age 25	Age 35	Age 45	Six R
		Basic Rate	COLA Rate	Total Rate	Basic Rate	COLA Rate	Total Rate	Basic Rate	COLA Rate	Total Rate				
General	Non-PEPRA	16.50		16.50	22.43		22.43	38.93	0.00	38.93				
General	PEPRA	6.46		6.46	22.43		22.43	28.89	0.00	28.89				

Estimated Annual Employer Contributions

Member Type	Tier	Normal Cost	UAAL Amortization	Contributions Total
General	Non-PEPRA	3,163,549	4,300,510	7,464,059
General	PEPRA	515,128	1,788,594	2,303,722
Grand Total Employer Contributions		\$3,678,677	\$6,089,104	\$9,767,781

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Plan Identification

Fiscal Year: 2021

Form #10

Economic Assumption Rates

R01. **Select Plan**

Return on Investments

R02. Real Rate of Return

R03. Inflation Component

R04. **Total Return on Investments**

Salary Scale

	Years of Service									Single Rate	
	5	10	15	20	25	30	35	40	45		50
R05. Merit, Longevity, and Productivity	<input type="text" value="2"/>	<input type="text" value="2"/>	<input type="text" value="2"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
R06. Inflation Component	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text"/>
R07. Total Salary Scale	<input type="text" value="5"/>	<input type="text" value="5"/>	<input type="text" value="5"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text" value="3"/>	<input type="text"/>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease	Current Discount Rate	1% Increase
R08. Discount Rate	<input type="text" value="5.75"/>	<input type="text" value="6.75"/>	<input type="text" value="7.75"/>
R09. Net Pension Liability	<input type="text" value="66,204,493"/>	<input type="text" value="46,498,586"/>	<input type="text" value="29,738,278"/>

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Plan Identification: Rate of Return

Fiscal Year: 2021

Form #11

	1 Year	3 Years	5 Years
R01. Money-Weighted Rate of Return (%)	28.1	11.78	11.03
R02. Time-Weighted Rate of Return (%)			

Schedule of Investment Returns

R03. Fiscal Year	2021	2020	2019	2018	2017
R04. Annual Money-Weight Rate of Return, Net of Investment Expense %	27.6	1.98	6.23	6.93	12.09

Sacramento Regional Transit District Salaried Employees' Retirement Plan
 Public Retirement Systems Financial Transactions Report
 Plan Identification: Demographic Assumption Rates - Age

Fiscal Year: 2021

Form #12a

Demographic Assumption Rates - Age

General - Male	Service Retirement Rate	Disability Retirement Rate		Mortality of Active Members Rate		Withdrawal (Termination) Rate
		Ordinary	Service	Ordinary	Service	
R01. Age 25		0.0200				8.0000
R02. Age 30		0.0300				8.0000
R03. Age 35		0.0300				3.0000
R04. Age 40		0.0400				3.0000
R05. Age 45		0.0700				2.5000
R06. Age 50	5.0000	0.1100				0.0000
R07. Age 55	5.0000	0.2000				0.0000
R08. Age 60	15.0000	0.3900				0.0000
R09. Age 65	25.0000	0.8400				0.0000
R10. Age 70	100.0000	0.0000				0.0000

General - Female	Service Retirement Rate	Disability Retirement Rate		Mortality of Active Members Rate		Withdrawal (Termination) Rate
		Ordinary	Service	Ordinary	Service	
R11. Age 25		0.0200				8.0000
R12. Age 30		0.0300				8.0000
R13. Age 35		0.0300				3.0000
R14. Age 40		0.0400				3.0000
R15. Age 45		0.0700				2.5000
R16. Age 50	5.0000	0.1100				
R17. Age 55	5.0000	0.2000				
R18. Age 60	15.0000	0.3900				
R19. Age 65	25.0000	0.8400				
R20. Age 70	100.0000	0.0000				

Safety - Male	Service Retirement Rate	Disability Retirement Rate		Mortality of Active Members Rate		Withdrawal (Termination) Rate
		Ordinary	Service	Ordinary	Service	
R21. Age 25						
R22. Age 30						
R23. Age 35						
R24. Age 40						
R25. Age 45						
R26. Age 50						
R27. Age 55						
R28. Age 60						
R29. Age 65						
R30. Age 70						

Safety - Female	Service Retirement Rate	Disability Retirement Rate		Mortality of Active Members Rate		Withdrawal (Termination) Rate
		Ordinary	Service	Ordinary	Service	
R31. Age 25						
R32. Age 30						
R33. Age 35						
R34. Age 40						
R35. Age 45						
R36. Age 50						
R37. Age 55						
R38. Age 60						
R39. Age 65						
R40. Age 70						

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Plan Identification: Demographic Assumption Rates - Years of Service

Fiscal Year: 2021

Form #12b

Demographic Assumption Rates - Years of Service

General - Male Years of Service	Service Retirement Rate	Withdrawal (Termination) Rate
R01. Year 5	0.0000	0.0000
R02. Year 10		
R03. Year 15		
R04. Year 20		
R05. Year 25		
R06. Year 30		
R07. Year 35		
R08. Year 40		
R09. Year 45		
R10. Year 50		

General - Female Years of Service	Service Retirement Rate	Withdrawal (Termination) Rate
R11. Year 5		
R12. Year 10		
R13. Year 15		
R14. Year 20		
R15. Year 25		
R16. Year 30		
R17. Year 35		
R18. Year 40		
R19. Year 45		
R20. Year 50		

Safety - Male	Service	Withdrawal
Years of Service	Retirement	(Termination)
	Rate	Rate
R21. Year 5	<input type="text"/>	<input type="text"/>
R22. Year 10	<input type="text"/>	<input type="text"/>
R23. Year 15	<input type="text"/>	<input type="text"/>
R24. Year 20	<input type="text"/>	<input type="text"/>
R25. Year 25	<input type="text"/>	<input type="text"/>
R26. Year 30	<input type="text"/>	<input type="text"/>
R27. Year 35	<input type="text"/>	<input type="text"/>
R28. Year 40	<input type="text"/>	<input type="text"/>
R29. Year 45	<input type="text"/>	<input type="text"/>
R30. Year 50	<input type="text"/>	<input type="text"/>

Safety - Female	Service	Withdrawal
Years of Service	Retirement	(Termination)
	Rate	Rate
R31. Year 5	<input type="text"/>	<input type="text"/>
R32. Year 10	<input type="text"/>	<input type="text"/>
R33. Year 15	<input type="text"/>	<input type="text"/>
R34. Year 20	<input type="text"/>	<input type="text"/>
R35. Year 25	<input type="text"/>	<input type="text"/>
R36. Year 30	<input type="text"/>	<input type="text"/>
R37. Year 35	<input type="text"/>	<input type="text"/>
R38. Year 40	<input type="text"/>	<input type="text"/>
R39. Year 45	<input type="text"/>	<input type="text"/>
R40. Year 50	<input type="text"/>	<input type="text"/>

Sacramento Regional Transit District Salaried Employees' Retirement Plan
 Public Retirement Systems Financial Transactions Report
 Statement of Funding Position and UAAL Amortization Method

Fiscal Year: 2021

Form #13

Funding Position

R01. Valuation Date (MM/DD/YYYY)	07/01/2020
R02. Name of Actuarial Firm	Cheiron Inc
R03. Actuarial Accrued Liability (AAL)	169,966,908
R04. Actuarial Value of Assets (AVA)	105,061,692
R05. Unfunded Actuarial Accrued Liability (UAAL) (AVA Basis)	64,905,216
R06. Funded Ratio (AVA Basis) (rounded to nearest hundredth; EXAMPLE: 99.99)	61.81
R07. Annual Covered Payroll (ACP)	26,792,691
R08. UAAL as a Percentage of ACP (AVA Basis)	242.25%
R09. Method Used to Determine AAL	Entry Age
R10. Please Specify "Other" Method	
R11. Market Value of Assets (MVA)	100,552,171
R12. UAAL (MVA Basis)	69,414,737
R13. Funded Ratio (MVA Basis) (rounded to nearest hundredth; EXAMPLE: 99.99)	59.16

UAAL Amortization

R14. Method Used to Amortize the Total UAAL	Level Percentage of Projected Covered Payroll
R15. Please Specify "Other" Method	
R16. Total UAAL Amortization Period (in years)	20
R17. Years Remaining in Total UAAL Amortization Period	20
R18. Year in Which the Total UAAL is Expected to be Fully Amortized	2040

Sacramento Regional Transit District Salaried Employees' Retirement Plan
 Public Retirement Systems Financial Transactions Report
 Statement of Service Retirement Benefit Policies

Fiscal Year: 2021

Form #14a

Eligibility

Member Type	Tier	Age	Years of Service	Age	Years of Service	Age	Years of Service	Age	Years of Service	Age Regardless of Service	Years of Service Regardless of Age
General	Non-PEPRA	55	5								25
General	PEPRA	52	5								

Cost of Living

Member Type	Tier	Granted Position Last Held	Index to Active Member Increase	Index to Consumer Price Index	Maximum Annual Increase	None	Other Basis
General	Non-PEPRA					Y	
General	PEPRA					Y	

Final Average Salary

Member Type	Tier	Position Last Held	Highest Year(s) Average	Final Year(s) Average	Compensation at Time of Retirement
General	Non-PEPRA		4		
General	PEPRA		4		

Percent Per Year of Service and Social Security Coverage

Member Type	Tier	Age 50	Age 55	Age 60	Age 65	Social Security Coverage
General	Non-PEPRA		2.00	2.50	2.50	Supplemental
General	PEPRA		1.30	1.80	2.00	Supplemental

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Statement of Service Retirement Benefit Policies: Benefit Comments

Fiscal Year: 2021

Form #14b

Comments

On Form 14a we changed the Final Average Salary section from "Final Year(s) Average" to "Highest Year(s) Average". This better reflects our plan as the benefits are based on the highest average monthly compensation during any consecutive 48-month period of employment. The vast majority of employees final four years salary will be their highest average monthly compensation but that is not always the case.

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Statement of Disability Benefit Policies

Fiscal Year: 2021

Form #15

Disability Benefits as a Percentage of Final Average Salary

Member Type	Tier	Nonservice Disability Per Year (%)	Nonservice Disability Maximum (%)	Service Disability Per Year (%)	Service Disability Maximum (%)
General	Non-PEPRA	<input type="text" value="2"/>	<input type="text" value="2.5"/>	<input type="text" value="2"/>	<input type="text" value="2.5"/>
General	PEPRA	<input type="text" value="1"/>	<input type="text" value="2.5"/>	<input type="text" value="1"/>	<input type="text" value="2.5"/>

Note or Special Requirements

Sacramento Regional Transit District Salaried Employees' Retirement Plan
Public Retirement Systems Financial Transactions Report
Footnotes

Fiscal Year: 2021		
FORM DESC	FIELD NAME	FOOTNOTES
NetPosition	(R01)CashandCashEquivalents	Cash equivalents amount fluctuates depending on timing of investment sales.
NetPosition	(R03)Investments	Investment receivables fluctuate based on timing of investment transactions.
NetPosition	(R04)OtherReceivables	A portion of this amount represents prepaid expense for fiduciary insurance that is amortized over a 12 month period (there is no line for prepaid expense on the SCO forms so it is included in other receivables. The remaining amount is plan manager receivables. The balance fluctuates based on timing of receipts.
NetPosition	(R07)U.S.GovernmentObligations	Investment portfolio mix amounts fluctuate depending on fund manager purchases/sales and changes in market value.
NetPosition	(R08)MunicipalBonds	Investment portfolio mix amounts fluctuate depending on fund manager purchases/sales and changes in market value. Additionally, our investment portfolio mix changed this year. We reduced our fixed income from 35% to 27.5% and transferred 7.5% to real estate investments.
NetPosition	(R09)DomesticCorporateBonds	Investment portfolio mix amounts fluctuate depending on fund manager purchases/sales and changes in market value. Additionally, our investment portfolio mix changed this year. We reduced our fixed income from 35% to 27.5% and transferred 7.5% to real estate investments.
NetPosition	(R11)DomesticStocks	Investment portfolio mix amounts fluctuate depending on fund manager purchases/sales and changes in market value.
NetPosition	(R12)InternationalStocks	Investment portfolio mix amounts fluctuate depending on fund manager purchases/sales and changes in market value.
NetPosition	(R13)RealEstate	Investment portfolio mix amounts fluctuate depending fund manager purchases/sales and changes in market value. Additionally, our investment portfolio mix changed this year. We reduced our fixed income from 35% to 27.5% and transferred 7.5% to real estate investments.
NetPosition	(R16)OtherInvestments	Other investments consist of other asset backed securities held by our domestic fixed income manager. Investment portfolio mix amounts fluctuate depending fund manager purchases/sales and changes in market value. Additionally, our investment portfolio mix changed this year and we moved 7.5% from fixed income to real estate investments.
NetPosition	(R24)AccountsPayable	Accounts payable balances fluctuate based on timing of payments. The FY21 plan reimbursements due to the District were six months in FY21 vs two months in FY20.
NetPosition	(R25)InvestmentPurchasesPayable	Investment purchases payable fluctuate based on timing of investment transactions.
Additions	(R05)Member-General	There were more PEPRA employees hired and they were required to contribute.
Additions	(R14)NetAppreciation(Depreciation)inFairValueofInvestments	Net Appreciation/Depreciation amounts fluctuate based on annual market performance and portfolio market performance.
Additions	(R15)Interest	Interest income fluctuates based on annual market performance and portfolio market performance.
Additions	(R17)OtherInvestmentIncome	The majority of other investment income consists of futures/forwards and other activity that is not specifically interest or dividend income. Other investment income fluctuates based on annual market performance and portfolio market performance.
Deductions	(R14)MemberRefund-General	Refunds were lower because there was less employee turnover in 2021.
PlanIdentification	(R08)Current-DiscountRate	The Board adopted the actuarial study dated July 1, 2020 which reduced the discount rate from 7.25% to 6.75%.

Total Footnote: 18



RETIREMENT BOARD STAFF REPORT

DATE: March 14, 2022 Agenda Item: 12
TO: Sacramento Regional Transit Retirement Boards – ALL
FROM: Jamie Adelman, AVP Finance & Treasury
SUBJ: RECEIVE AND FILE THE FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT FOR THE TWELVE MONTH
PERIOD ENDED JUNE 30, 2021 (ALL). (ADELMAN)

RECOMMENDATION

Motion to Approve

RESULT OF RECOMMENDED ACTION

Motion: Receive and File the Financial Statements with Independent Auditor's Report, Auditor's Report to the Board of Directors, and the Report on Internal Control for the Twelve-Month Period Ended June 30, 2021 (ALL). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

In accordance with California Government Code Section 7504, the Retirement Plans for employees of the Sacramento Regional Transit District (District) are required to have an annual audit performed. Crowe LLC conducted the Plans' audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The standards require that the auditors plan and perform the audit to obtain reasonable assurance that the Plans' financial statements are free of material misstatements.

For the fiscal year ended June 30, 2021, the investment assets for the ATU, IBEW and Salaried Plans were combined into one commingled investment portfolio. The balance of investments owned by the ATU, IBEW and Salaried Plans are calculated based on a percentage of ownership as determined by the ATU, IBEW and Salaried Plans' custodian.

As noted in the report (Attachment 1), the combined net position held in trust for pension benefits increased \$78,473,335 or 20.82% from the beginning-of-year balance of \$298,355,348 to the end-of-year balance of \$376,828,683. The audit confirmed that the District made 100% of its actuarially determined contribution of \$22,965,429.

The audit also determined that the Retirement Plans' financial statements are free of material misstatements and that the Retirement Plans are operated with appropriate internal controls.

Staff Recommendation

The following documents (Attachments 1-3) are submitted to the Board for receipt and filing:

- The Audited Financial Statements – Attachment 1
- Report to the Board of Directors – Attachment 2
- Report on Internal Control – Attachment 3

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

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**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES
MEMBERS OF THE RETIREMENT BOARD AND ADMINISTRATIVE STAFF**

Amalgamated Transit Union Local 256

Ralph Niz, Chairperson
Crystal Lee, Member
Gwen Land, Alternate

International Brotherhood of Electrical Workers Local 1245

Constance Bibbs, Chairperson
Jon McCleskey, Member
Neal Pickering, Alternate

Administrative Employees Association

Russel Devorak, Chairperson
Timothy McGoldrick, Member
Jayanthi Santhanakrishnan, Alternate

American Federation of State, County & Municipal Employees, Local 146, AFL-CIO

Peter Guimond, Chairperson
Lisa Thompson, Member
Danial Salva, Alternate

Management and Confidential Employees

Laura Ham, Chairperson
Craig Norman, Member
Christopher Flores, Alternate

Sacramento Regional Transit District

Patrick Kennedy, Common Chairperson
Henry Li, Member
Rick Jennings II, Alternate

Assistant Secretary

John Gobel, Manager, Pension & Retirement Services

Legal Counsel

Shayna M. van Hoften, Partner
Liz Masson, Partner
Hanson Bridgett

Finance Department

Brent Bernegger, VP Finance/CFO
Jamie Adelman, AVP Finance and Treasury
Lynda Volk, Accountant II

Pension and Retirement Services

Jessy Mathew, Retirement Services Analyst II
Ro Matthews, Retirement Services Analyst I

INDEPENDENT AUDITOR'S REPORT

Members of the Retirement Board of Directors
Sacramento Regional Transit District
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the ATU Plan, IBEW Plan and Salaried Plan for Sacramento Regional Transit District Employees (the Plans), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plans' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective fiduciary net position of the ATU Plan, IBEW Plan and the Salaried Plan for Sacramento Regional Transit District Employees as of June 30, 2021, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of Changes in the Net Pension Liability and Related Ratios, Schedules of District Contributions, and the Schedule of Investment Returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the ATU Plan's, IBEW Plan's and the Salaried Plan's basic financial statements. The accompanying Members of the Retirement Board and Administrative Staff section and Schedules of Investment and Administrative Expenses, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying Schedules of Investment and Administrative Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Investment and Administrative Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Members of the Retirement Board and Administrative Staff section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2021 on our consideration of the Plans' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plans' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plans' internal control over financial reporting and compliance.



Crowe LLP

Sacramento, California
November 17, 2021

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**STATEMENT OF PLAN NET POSITION
JUNE 30, 2021**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
Assets				
Investments:				
Equity securities	\$ 124,135,060	\$ 55,367,661	\$ 97,425,791	\$ 276,928,512
Fixed income securities	39,760,444	17,137,889	26,114,152	83,012,485
Real estate	11,061,391	4,767,777	7,264,978	23,094,146
Total investments	<u>174,956,895</u>	<u>77,273,327</u>	<u>130,804,921</u>	<u>383,035,143</u>
Cash and short-term investments	4,126,895	1,805,399	2,890,306	8,822,600
Receivables				
Securities sold	9,016,161	3,888,942	5,936,189	18,841,292
Interest and dividends	283,388	121,560	206,769	611,717
Other receivables and prepaids	17,400	14,330	16,260	47,990
Total receivables	<u>9,316,949</u>	<u>4,024,832</u>	<u>6,159,218</u>	<u>19,500,999</u>
Total assets	<u>188,400,739</u>	<u>83,103,558</u>	<u>139,854,445</u>	<u>411,358,742</u>
Liabilities				
Securities purchased payable	15,358,350	6,622,441	10,100,912	32,081,703
Accounts payable	1,497,824	563,720	386,812	2,448,356
Total liabilities	<u>16,856,174</u>	<u>7,186,161</u>	<u>10,487,724</u>	<u>34,530,059</u>
Net position restricted for pension benefits	<u>\$ 171,544,565</u>	<u>\$ 75,917,397</u>	<u>\$ 129,366,721</u>	<u>\$ 376,828,683</u>

(Schedule of Changes in the Net Position Liability and Related Ratios for the Plans are presented on pages 25 through 29.)

The accompanying notes to the financial statements are an integral part of these financial statements.

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>	<u>Total</u>
Additions				
Contributions:				
Employer	\$ 9,579,205	\$ 3,578,685	\$ 9,807,539	\$ 22,965,429
Member	1,041,899	342,404	466,141	1,850,444
Total contributions	<u>10,621,104</u>	<u>3,921,089</u>	<u>10,273,680</u>	<u>24,815,873</u>
Investment income/(expenses):				
Net appreciation in fair value of investments	35,631,385	15,927,494	28,093,811	79,652,690
Interest, dividends, and other income	1,901,994	830,764	1,380,961	4,113,719
Investment expenses	<u>(675,648)</u>	<u>(297,010)</u>	<u>(498,128)</u>	<u>(1,470,786)</u>
Net investment income/(expense)	<u>36,857,731</u>	<u>16,461,248</u>	<u>28,976,644</u>	<u>82,295,623</u>
Total additions	<u>47,478,835</u>	<u>20,382,337</u>	<u>39,250,324</u>	<u>107,111,496</u>
Deductions				
Benefits paid to participants	13,074,333	4,587,268	10,182,471	27,844,072
Administrative expenses	<u>283,989</u>	<u>256,797</u>	<u>253,303</u>	<u>794,089</u>
Total deductions	<u>13,358,322</u>	<u>4,844,065</u>	<u>10,435,774</u>	<u>28,638,161</u>
Net increase/(decrease) in plan net position	34,120,513	15,538,272	28,814,550	78,473,335
Net position restricted for pension benefits - Beginning of fiscal year	<u>137,424,052</u>	<u>60,379,125</u>	<u>100,552,171</u>	<u>298,355,348</u>
Net position restricted for pension benefits - End of fiscal year	<u>\$ 171,544,565</u>	<u>\$ 75,917,397</u>	<u>\$ 129,366,721</u>	<u>\$ 376,828,683</u>

The accompanying notes to the financial statements are an integral part of these financial statements.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

1. DESCRIPTION OF THE PLANS

The financial statements of the Retirement Plans for the Sacramento Regional Transit District Employees encompass the financial position and changes therein, for the ATU, IBEW, and Salaried Plans. The combined plans are reported as pension trust funds in the Sacramento Regional Transit District's (District) financial statements.

ATU and IBEW Plans

The Retirement Plan for Sacramento Regional Transit District Employees who are Members of ATU Local 256 (ATU Plan) and the Retirement Plan for International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO and Sacramento Regional Transit District Employees (IBEW Plan) are single employer defined benefit pension plans covering contract employees of the District. Participants should refer to their respective plan agreements for more complete information. The ATU Plan and IBEW Plan were accounted for as one plan for accounting purposes prior to 2017 (collectively, the ATU/IBEW Plan). Effective July 1, 2016, separate trust agreements and financial record keeping was created for the ATU Plan and IBEW Plan based on actuarial calculations and trustee transactions. Each trust allows for accumulation of assets solely for the payment of benefits to plan members. The changes were approved and required by the Internal Revenue Service in order to establish the individual trusts.

Salaried Plan

The Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees (Salaried Plan) is a single employer defined benefit pension plan covering full- or part-time employees in the following employee groups: Operating Engineers Local 3 which remain under the Administrative Employees Association (AEA), Management and Confidential Employees Group (MCEG), and the American Federation of State, County & Municipal Employees, Local 146, AFL-CIO (AFSCME). AFSCME is further split into two groups AFSCME-Technical and AFSCME-Supervisors. Participants should refer to the Salaried Plan agreement for more complete information. The Salaried Plan is reported as a pension trust fund in the District's financial statements.

Plan Tier Definition – As a result of labor negotiations and the court ruling on the Public Employees' Pension Reform Act of 2013 (PEPRA), Tier 2 was created in the ATU, IBEW and Salaried Plans, as well as a Tier 3 for the ATU only. The Tiers effective dates are directly affected by labor negotiations and whether the union/employee group was under a current Memorandum of Understanding (MOU). As of June 30, 2021 the following tiers apply to employees, based on their date of hire.

- ATU – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2016, Tier 3 consists of all employees hired during the time period January 1, 2015 to December 31, 2015.
- IBEW – Tier 1 consists of all employees hired on or before December 30, 2014, Tier 2 consists of all employees hired on or after December 31, 2014.
- Salaried – Tier 1 consists of all employees hired on or before December 30, 2014, Tier 2 consists of all employees hired on or after December 31, 2014.

Tier 1 and Tier 3 are closed to new entrants as all newly hired employees will be placed into the respective Tier 2 plans.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

1. DESCRIPTION OF THE PLANS (Continued)

General Provisions ATU, IBEW and Salaried Plans

Contributions to the ATU, IBEW and Salaried Plans are authorized or amended by the Retirement Board based on an actuarial basis. The authority under which benefit provisions are established and amended rests with the District's Board of Directors as a result of labor negotiations. Assembly Bill 1064, effective January 1, 2004, mandates that the Retirement Boards be comprised of equal representation of management and Bargaining Group employees. The Retirement Board shall consist of not more than 4 members and 2 alternates. Two (2) voting members and one (1) alternate shall be appointed by the District's Board of Directors and two (2) voting members and one (1) alternate shall be appointed by the ATU, IBEW, AEA, AFSCME, and MCEG member groups.

The ATU, IBEW and Salaried Plans provide defined pension, disability, and death benefits to employees who are members of the ATU, IBEW, AEA, MCEG, AFSCME-Technical, and AFSCME-Supervisors bargaining units.

Plan membership for Tier 1, Tier 2 and Tier 3, at June 30, 2021, consisted of:

	<u>ATU</u>	<u>IBEW</u>	<u>Salaried</u>
Retirees and beneficiaries currently receiving benefits	501	158	340
Terminated members entitled to but not yet collecting benefits	28	19	47
Current active members	<u>538</u>	<u>211</u>	<u>243</u>
	<u>1,067</u>	<u>388</u>	<u>630</u>

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

1. DESCRIPTION OF THE PLANS (Continued)

RETIREMENT BENEFITS

Table 1 below presents a summary of the retirement benefits for Tier 1 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans. Table 1 also includes the summary for ATU Tier 3.

Table 1

TIER 1 & TIER 3	ATU Plan	IBEW Plan	Salaried Plan			
Employee Unions/Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	MOU	MOU	MOU	MOU	MOU	MOU
Vesting Period: Years of Service - % Vested	10 - 100%	5 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 100%	5 - 100%
Vacation and sick leave sell back towards pension calculation	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 2% if age and service are not met. Vesting required					

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

1. DESCRIPTION OF THE PLANS (Continued)

Table 2 below presents a summary of the retirement benefits for Tier 2 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans.

Table 2

TIER 2	ATU Plan	IBEW Plan	Salaried Plan			
Employee Unions/Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA
Vesting Period: Years of Service - % Vested	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%
Vacation and sick sell back towards pension calculation	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 1% if age and service are not met. Vesting required					

The retirement ages, years of service and pension calculation multipliers vary by employee union/group. For Tier 1 and Tier 3 members, the multipliers and years of service range from 2% at age 55 or 25 years of service to 2.5% at age 60 or 30 or more years of service. All Tier 2 participants fall under PEPRA requirements.

The benefits for vested members begin at retirement and continue for the participant's life with no cost of living adjustment. The participant can elect to receive reduced benefits with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with the District, cannot be transferred to another job with the District, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members are required to be vested in their respective union or employee group to qualify for disability retirement. The disability benefit is equal to the retirement allowance, as defined by the ATU, IBEW or Salaried Plan, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant's life unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Pre-Retirement Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective bargaining agreements. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

1. DESCRIPTION OF THE PLANS (Continued)

Administration – The ATU, IBEW, and Salaried Plans are administered by the ATU, IBEW, and Salaried Plan's Retirement Boards. All expenses incurred in the administration of the ATU, IBEW, and Salaried Plans are paid by the respective plan.

Plan Termination – Should the ATU, IBEW or the Salaried Plan be terminated, the Plans' net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first both active and inactive, on the basis of the actuarial present value of their benefits.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and reporting guidelines set forth by the Government Accounting Standards Board (GASB). The ATU, IBEW and Salaried Plans are reported as pension trust funds which report resources that are required to be held in trust for the members and beneficiaries of the defined benefit pension plans. The ATU, IBEW and Salaried Plans are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting.

The District's contributions to the ATU, IBEW and Salaried Plans are recognized in the period in which the contributions are due pursuant to formal commitments or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the ATU, IBEW and Salaried Plans' agreements.

Cash and Short-Term Investments – The ATU, IBEW and Salaried Plans consider all highly liquid investments with an original maturity of three months or less to be short-term investments.

Investments – Investments consist of securities or other assets held primarily for the purpose of income or profit and their present service capacity is based solely on its ability to generate cash or to be sold to generate cash. Realized gains or losses on the sale of investments are recorded on the trade date as the difference between proceeds received and the fair value at the beginning of the year, or cost if acquired during the year. Net appreciation (depreciation) in fair value of investments includes net unrealized market appreciation and depreciation of investments and net realized gains and losses on the sale of investments during the period. Interest income includes dividends and interest paid on the ATU, IBEW and Salaried Plans' investments. The investment assets for the ATU, IBEW and the Salaried Plans are combined into one commingled investment portfolio. The balances of investments owned by the plans are calculated based on a percentage of ownership as determined by the Plans' custodian, Northern Trust.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires the ATU, IBEW and Salaried Plans' administrators to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

New Pronouncements – For the fiscal year ended June 30, 2021, the ATU, IBEW and Salaried Plans did not implement new GASB pronouncements as they did not apply to the ATU, IBEW and Salaried Plans' financial activity or were immaterial.

The District will evaluate the impact of new GASB pronouncements in the year they are implemented or effective.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

3. CONTRIBUTION REQUIREMENTS

EMPLOYER CONTRIBUTIONS

The ATU, IBEW and Salaried Plans' funding policies provides for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method. During the fiscal year ended June 30, 2021, the District made contributions to the ATU, IBEW and Salaried Plans of \$22,965,429, for all employees.

TIER 1 EMPLOYEES

For the fiscal year ended June 30, 2021, the actuarially determined rate for the ATU Plan was 30.74% of covered payroll, the IBEW Plan was 29.22% of covered payroll, and the Salaried Plan was 38.93% of covered payroll. No contributions are required by the ATU, IBEW and Salaried Plans' members pursuant to each respective bargaining agreement for employees hired before January 1, 2015.

TIER 2 EMPLOYEES

As of January 1, 2015, all new employees were required to contribute to their pension based upon the terms of the bargaining groups MOU or based on PEPR A.

ATU employees are required to contribute 50% of normal cost which is currently 7.25% of their annual salary. The employer portion of the actuarially determined rate for the ATU members was 21.35% of covered payroll for the fiscal year ending June 30, 2021. The total contribution by Tier 2 employees of the ATU Plan for the fiscal year ended June 30, 2021 was \$999,262.

IBEW employees are required to contribute 50% of normal cost which is currently 6.00% of their annual salary. The employer portion of the actuarially determined rate for the IBEW members was 21.32% of covered payroll for the fiscal year ending June 30, 2021. The total contribution by Tier 2 employees of the IBEW Plan for the fiscal year ended June 30, 2021 was \$342,404.

Members of AEA, MCEG, AFSCME-Supervisors, and AFSCME-Technical are required to contribute 50% of normal cost which is currently 5.75% of their annual salary. The employer portion of the actuarially determined rate for the AEA, MCEG, and AFSCME-Supervisors members was 28.89% of covered payroll for the fiscal year ending June 30, 2021. The total contribution by Tier 2 employees of the Salaried Plan for the fiscal year ended June 30, 2021 was \$466,141.

The employee contribution rates calculated in compliance with PEPR A, for the fiscal year ended June 30, 2021, were actuarially determined as part of the valuations dated July 1, 2019.

TIER 3 EMPLOYEES

ATU employees hired during the time period January 1, 2015 and December 31, 2015, are required to contribute 3% of pay. The employer portion of the actuarially determined rate for the ATU members was 30.74% of covered payroll for the fiscal year ending June 30, 2021. The total contribution by Tier 3 employees of the ATU Plan for the fiscal year ended June 30, 2021 was \$42,637.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

4. CASH AND INVESTMENTS

CASH AND SHORT-TERM INVESTMENTS

At June 30, 2021, the reported amount of cash and short-term investments of the ATU, IBEW and Salaried Plans was \$8,822,600. The amount was collateralized with securities held by the counterparty's trust department or agent in the District's name on behalf of the Retirement Plans.

INVESTMENTS

An annual Board-adopted policy, the "Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans" (Policy), governs the ATU, IBEW and Salaried Plans' investments. The Policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies and Guidelines, and the Investment Restrictions. The Retirement Boards have the authority to amend the asset allocation targets as well as establish and amend investment policies. The following was the Plans' adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
Domestic Equity Large Cap	32%
Domestic Equity Small Cap	8%
International Equity Developed Large Cap	14%
International Equity Developed Small Cap	5%
International Equity Emerging Markets	6%
Domestic Fixed Income	25%
Real Estate	10%

For the years ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 27.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

4. CASH AND INVESTMENTS (Continued)

The following table identifies the investment types that are authorized by the ATU, IBEW and Salaried Plans' Retirement Boards. The table also identifies certain provisions of the Investment Objectives and Policy that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity (1)	Minimum Rating (3)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Cash	None	N/A	None	None
U.S. Treasury Bills	None	N/A	None	None
Agency Discount Notes	None	N/A	None	None
Certificates of Deposit	None	N/A	None	None
Bankers Acceptances	None	N/A	None	None
Commercial Paper	None	A2/P2	None	None
Asset-Backed Commercial Paper	None	A2/P2	None	None
Money Market Funds and Bank Short-Term Investment Funds (STIF)	None	N/A	None	None
Repurchase Agreements	None	N/A	None	None
U.S. Government and Agency Securities	None	N/A	None	None
Credit Securities/Corporate Debt (4)	None	N/A	None	None
Securitized Investments (5)	None	N/A	None	None
Emerging Markets	None	N/A	None	None
International Fixed Income Securities	None	N/A	None	None
Other Fixed Income Securities (6)	None	N/A	None	None
Mutual Funds and Interest in Collective and Commingled Funds	N/A	N/A	25% (2)	5%
Real Estate Investment Trust	N/A	N/A	25% (2)	5%
Depository Receipt	N/A	N/A	25% (2)	5%
Stocks	N/A	N/A	25% (2)	5%
Other Equity Securities (7)	N/A	N/A	25% (2)	5%
Real Estate	None	N/A	None	None

- (1) The fixed income portion of the ATU, IBEW and Salaried Plans shall be limited in duration to between 75% and 125% of the Bloomberg Aggregate Index benchmark.
- (2) No more than 25% of the fair value on the purchase cost basis of the total common stock portfolio (equity securities) shall be invested in a single industry at the time of purchase.
- (3) The investment managers shall maintain a minimum overall portfolio quality rating of "A" equivalent or better at all times (based on market-weighted portfolio average). Minimum quality (at purchase) must be at least 80% Baa or above.
- (4) Credit Securities and Corporate Debt include: debentures, medium-term notes, capital securities, trust preferred securities, Yankee bonds, Eurodollar securities, floating rate notes and perpetual floaters, structured notes, municipal bonds, preferred stock, private placements (bank loans and 144(a) securities), and Enhanced Equipment Trust Certificates (EETCs).
- (5) Securitized investments includes: agency and non-agency mortgage-backed securities, asset-backed securities (144(a) securities), and commercial mortgage-backed securities.
- (6) Other Fixed Income Securities includes: fixed income commingled and mutual funds, futures and options, swap agreements, and reverse repurchase agreements.
- (7) Other Equity Securities include: rights and warrants.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

4. CASH AND INVESTMENTS (Continued)

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments. Such factors as interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk may affect both equity and fixed income securities.

INTEREST RATE RISK

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter duration.

The following table provides information about the interest rate risks associated with the ATU, IBEW and Salaried Plans' investments at June 30, 2021.

	Maturity in Years				Amount
	Less than 1	1 - 5	6 - 10	More than 10	
Collateralized Mortgage Obligations	\$ -	\$ -	\$ 3,483	\$ 3,602,683	\$ 3,606,166
Corporate Bonds	1,396,059	8,247,614	4,112,818	6,136,643	19,893,134
Municipal Bonds	-	-	99,344	168,866	268,210
U.S. Government Agency Obligations	141	104,510	96,172	26,262,254	26,463,077
U.S. Government Issued Obligations	-	18,320,093	1,600,132	5,421,003	25,341,228
Asset-Backed Securities	172,719	352,996	1,028,699	5,886,256	7,440,670
Total	<u>\$ 1,568,919</u>	<u>\$ 27,025,213</u>	<u>\$ 6,940,648</u>	<u>\$ 47,477,705</u>	<u>\$ 83,012,485</u>

In accordance with the ATU, IBEW and Salaried Plans' investment policy, investments may include collateralized mortgage obligations, mortgage pass-through securities, asset-backed securities, callable bonds and corporate debts that are considered to be highly sensitive to changes in interest rates.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEAR ENDED JUNE 30, 2021

4. CASH AND INVESTMENTS (Continued)

COLLATERALIZED MORTGAGE OBLIGATIONS

Collateralized mortgage obligations (CMOs) are bonds that represent claims to specific cash flow from large pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests.

CMOs are often highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise pre-pay their loans. Investors in these securities may not only be subjected to such prepayment risk, but also exposed to significant market and liquidity risks.

MORTGAGE PASS-THROUGH SECURITIES

These securities, disclosed as U.S. Government Agency Obligations in the interest rate risk table above, are issued by Government Sponsored Enterprises (GSEs) which are a group of financial services corporations created by the United States Congress. The GSEs include: the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Banks. Another institution that issues these securities is the Government National Mortgage Association (Ginnie Mae). These securities are highly sensitive to interest rate fluctuations because they are subject to early payment. In a period of declining interest rate, the resulting reduction in expected total cash flows affects the value of these securities.

ASSET-BACKED SECURITIES

Asset-backed securities generate a return based upon either the payment of interest or principal on obligations in an underlying pool. The relationship between interest rates and prepayments make the value highly sensitive to changes in interest rates.

CALLABLE BONDS

Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. The Plans must then replace the called bond with a bond that may have a lower yield than the original bond. The call feature causes the value to be highly sensitive to changes in interest rates. As of June 30, 2021, the ATU, IBEW and Salaried Plans held callable bonds with a value of \$15,601,829.

CREDIT RISK

Fixed income securities are subject to credit risk, which is the risk that a bond issuer or other counterparty to a debt instrument will not fulfill its obligation to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

4. CASH AND INVESTMENTS (Continued)

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (Moody's). The lower the rating the greater the chance, in the rating agency's opinion, the bond issuer will default, or fail to meet their payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk.

For the fiscal year ending June 30, 2021, the ATU, IBEW and Salaried Plans were in adherence with the credit risk provisions of the Statement of Investment Objectives and Policy Guidelines which require a minimum overall portfolio quality rating and a minimum credit rating at the time of purchase.

The following table provides information on the credit ratings and fair value associated with the ATU, IBEW and Salaried Plans' investments as of June 30, 2021.

Investment Rating	Amount	Percentage of Portfolio
Not Applicable	\$ 300,022,658	78.33%
Not Rated	29,563,489	7.72%
Aaa	29,561,156	7.72%
Aa1	239,398	0.06%
Aa2	730,949	0.19%
Aa3	593,858	0.16%
A1	1,063,092	0.28%
A2	2,526,831	0.66%
A3	2,252,382	0.59%
Baa1	3,257,756	0.85%
Baa2	4,275,441	1.12%
Baa3	3,082,529	0.80%
Ba1	1,368,261	0.36%
Ba2	1,389,353	0.36%
Ba3	1,138,174	0.30%
B1	101,270	0.03%
B2	184,550	0.05%
B3	728,725	0.19%
Caa1	92,796	0.02%
WR	862,475	0.21%
	\$ 383,035,143	100.00%

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

4. CASH AND INVESTMENTS (Continued)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

The investment policies of the ATU, IBEW and Salaried Plans state that an investment in each domestic or international equity fund managers' securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or of the total outstanding shares. As of June 30, 2021, the Plans did not hold more than 5% of the Plans' fiduciary net position or more than 5% of total investments in a single issuer.

CUSTODIAL CREDIT RISK

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The ATU, IBEW and Salaried Plans' investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The ATU, IBEW and Salaried Plans' investment securities are not exposed to custodial credit risk because all securities are held by the ATU, IBEW and Salaried Plans' custodian bank in the District's name.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The ATU, IBEW and Salaried Plans' investment policy states international equity securities shall be comprised of American Depository Receipts (ADR) of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents.

As of June 30, 2021, the ATU, IBEW and Salaried Plans do not have any deposits or investments in a foreign currency.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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4. CASH AND INVESTMENTS (Continued)

FAIR VALUE MEASUREMENTS

The ATU, IBEW and Salaried Plans categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The ATU, IBEW and Salaried Plans had the following recurring fair value measurements as of June 30, 2021:

	June 30, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Collateralize mortgage obligations	\$ 3,606,166	\$ -	\$ 3,606,166	\$ -
Corporate bonds	19,893,134	-	19,893,134	-
Municipals	268,210	-	268,210	-
U.S. Government Agency obligations	26,463,077	-	26,463,077	-
U.S. Government issued obligations	25,341,228	-	25,341,228	-
Asset backed obligations	7,440,670	-	7,440,670	-
Equity Securities				
Common stock	102,283,470	102,283,470	-	-
Depository receipts	1,655,866	1,655,866	-	-
Real estate investment trust	206,623	206,623	-	-
Total investments by fair value level	<u>\$ 187,158,444</u>	<u>\$ 104,145,959</u>	<u>\$ 83,012,485</u>	<u>\$ -</u>
Investments measured at the net asset value				
S&P 500 index fund	\$ 69,756,404			
MSCI EAFE index fund	18,149,802			
International large capital equity fund	34,989,760			
International small capital equity fund	21,847,100			
International emerging markets fund	28,039,487			
Real estate funds	23,094,146			
Total investments measured at NAV	<u>195,876,699</u>			
Total investments measured at fair value	<u>\$ 383,035,143</u>			

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

4. CASH AND INVESTMENTS (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Net asset value (NAV) securities are valued based on the net asset value of the pooled investments. The NAV per unit is determined by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding units of the fund.

Investment measured at the net asset value (NAV)

	June 30, 2021	Amount	Unfunded Commitments	Redemptions Frequency	Redemptions Notice Period
S&P 500 index fund ¹	\$ 69,756,404	\$ 69,756,404	\$ -	Daily	1 day
MSCI EAFE index fund ²	18,149,802	18,149,802	-	Semi-monthly	6-8 days
International large capital equity fund ³	34,989,760	34,989,760	-	Monthly	7 days
International small capital equity fund ⁴	21,847,100	21,847,100	-	Monthly	2 days
International emerging markets fund ⁵	28,039,487	28,039,487	-	Daily	1 day
Real estate funds ⁶	<u>23,094,146</u>	<u>23,094,146</u>	<u>-</u>	Daily, Quarterly	90 days, 1 quarter
Total investments measured at the NAV	<u>\$ 195,876,699</u>	<u>\$ 195,876,699</u>	<u>\$ -</u>		

1. S&P 500 index fund. This type includes an investment in a S&P 500 index fund that invests to match the S&P 500® Index. The S&P 500 is made up of primarily U.S. common stocks. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The NAV per unit of the investment are determined each business day. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

2. MSCI EAFE index fund. This type includes an investment in the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE) Index fund that invest to approximate as closely as practicable, before expenses, the performance of the MSCI EAFE Index over the long term. The MSCI EAFE Index is made up of primarily International stocks. The per unit NAV of the fund is determined as of the last business day of each month and at least one other business day during the month. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

3. International large capital equity fund. This type includes an investment in an International Equity Fund that seeks total return from long-term capital growth and income, while attempting to outperform the MSCI EAFE Index over a market cycle, gross of fees. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The Trust has one dealing day per month, which is the first business day, and units are issued based upon a valuation on the last business day of the preceding month.

4. International small capital equity fund. The fund intends to utilize a set of valuation, momentum and economic factors to generate an investment portfolio based on security selection procedures geared to assist the fund in meeting its investment objectives. The fund generally will be managed by underweighting and overweighting securities relative to the benchmark. The investment objective is to outperform the MSCI EAFE Small Cap Index over a full market cycle. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The fund has one dealing day per month, which is the first business day, and notification is required at least two business days in advance of a subscription or withdrawal.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
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4. CASH AND INVESTMENTS (Continued)

5. International emerging markets fund. This type invests substantially all of its assets in the Emerging Market Series. The Emerging Market Series purchases a broad market coverage of larger companies associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by the Advisor's Investment Committee. As a non-fundamental policy, under normal circumstances, the Emerging Markets Series will invest at least 80% of its net assets in emerging markets investments that are defined in the Prospectus as Approved Market securities. The fair values of the investments in this type have been determined using the NAV per unit of the investments. Investors may purchase or redeem units of the fund on any business day.

6. Real estate funds. Real estate investments are held in Clarion Lion Properties Fund, LP and Prime Property Fund, LLC. The funds are core-style, open-end commingled real estate investment funds diversified by property type and location. The primary performance objective is to combine an attractive income yield with long-term capital growth. The fair value of the investments have been determined using the NAV per share of the respective fund. The ability to redeem funds is subject to the availability of liquid assets. To the extent that liquid assets of the funds are insufficient to satisfy redemption requests, redemptions will be redeemed on a pro rata basis as liquid assets become available. Clarion Lion Properties Fund, LP is unable to provide an estimate on when the restriction on redemptions will be removed. The current redemption queue has been in effect since June 30, 2020. Prime Property Fund, LLC had no redemption queue at June 30, 2021.

5. NET PENSION LIABILITY

ATU Plan

The components of the net pension liability of the ATU Plan at June 30, 2021, were as follows:

Total pension liability	\$ 206,737,070
Plan fiduciary net position	<u>(171,544,565)</u>
ATU net pension liability	<u>\$ 35,192,505</u>
Plan fiduciary net position as a percentage of the total pension liability	82.98%

The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and using update procedures to roll forward the total pension liability to the pension plan's fiscal year-end:

Inflation	2.50%
Amortization growth rate	2.50%
Salary increases	2.75%, plus merit component
Investment Rate of Return	6.75%, net of investment expense
Post-retirement mortality	Cheiron ATU Healthy Annuitant mortality, adjusted by 95% for males and 105% for females, with generational improvements using Scale MP-2020 from 2016

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

5. NET PENSION LIABILITY (Continued)

The total pension liability at June 30, 2020 was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions:

Inflation	3.00%
Discount rate	7.25%
Amortization growth rate	3.00%
Salary increases	3.00%, plus merit component
Investment Rate of Return	7.25%, net of investment expense
Post-retirement mortality	RP 2014 w/ Scale MP-2015, base tables adjusted 115% for males and 130% for females

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the ATU Plan based on an actuarially determined contribution, reflecting a payment equal to annual service cost (net of any employee contributions), the expected administrative expenses, and an amount necessary to amortize the Unfunded Actuarial Liability (UAL) determined at July 1, 2019 as a level percentage of payroll over a closed period (12 years remaining as of the July 1, 2020 actuarial valuation) and a 20-year layered amortization schedule for UAL changes after 2019. The UAL is based on an Actuarial Value of Assets that recognizes differences between actual and expected investment returns on the Market Value of Assets over a five-year period.

Based on those assumptions, the ATU Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current ATU Plan members. Therefore, the long-term expected rate of return on the ATU Plan's investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the ATU Plan, calculated using the discount rate of 6.75 percent, as well as what the ATU Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 228,329,796	\$ 206,737,070	\$ 188,318,552
Plan fiduciary net position	(171,544,565)	(171,544,565)	(171,544,565)
Net pension liability	<u>\$ 56,785,231</u>	<u>\$ 35,192,505</u>	<u>\$ 16,773,987</u>
 Plan fiduciary net position as a percentage of the total pension liability	 75.13%	 82.98%	 91.09%

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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5. NET PENSION LIABILITY (Continued)

IBEW Plan

The components of the net pension liability of the IBEW Plan at June 30, 2021, were as follows:

Total pension liability		\$ 94,522,042
Plan fiduciary net position		(75,917,397)
IBEW net pension liability		\$ 18,604,645
Plan fiduciary net position as a percentage of the total pension liability		80.32%

The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and using update procedures to roll forward the total pension liability to the pension plan's fiscal year-end:

Inflation	2.50%
Amortization growth rate	2.50%
Salary increases	2.75%, plus merit component
Investment Rate of Return	6.75%, net of investment expense
Post-retirement mortality	Cheiron ATU Healthy Annuitant mortality, adjusted by 95% for males and 105% for females, with generational improvements using Scale MP-2020 from 2016

The total pension liability at June 30, 2020 was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions:

Inflation	3.00%
Discount rate	7.25%
Amortization growth rate	3.00%
Salary increases	3.00%, plus merit component
Investment Rate of Return	7.25%, net of investment expense
Post-retirement mortality	RP 2014 w/ Scale MP-2015, base tables adjusted 115% for males and 130% for females

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the IBEW Plan based on an actuarially determined contribution, reflecting a payment equal to annual service cost (net of any employee contributions), the expected administrative expenses, and an amount necessary to amortize the Unfunded Actuarial Liability (UAL) determined at July 1, 2019 as a level percentage of payroll over a closed period (12 years remaining as of the July 1, 2020 actuarial valuation) and a 20-year layered amortization schedule for UAL changes after 2019. The UAL is based on an Actuarial Value of Assets that recognizes differences between actual and expected investment returns on the Market Value of Assets over a five-year period.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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5. NET PENSION LIABILITY (Continued)

Based on those assumptions, the IBEW Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current IBEW Plan members. Therefore, the long-term expected rate of return on the IBEW Plan's investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the IBEW Plan, calculated using the discount rate of 6.75 percent, as well as what the IBEW Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 104,963,906	\$ 94,522,042	\$ 85,646,866
Plan fiduciary net position	(75,917,397)	(75,917,397)	(75,917,397)
Net pension liability	\$ 29,046,509	\$ 18,604,645	\$ 9,729,469
Plan fiduciary net position as a percentage of the total pension liability	72.33%	80.32%	88.64%

Salaried Plan

The components of the net pension liability of the Salaried Plan at June 30, 2021, were as follows:

Total pension liability	\$ 175,865,307
Plan fiduciary net position	(129,366,721)
Salaried net pension liability	\$ 46,498,586
Plan fiduciary net position as a percentage of the total pension liability	73.56%

The total pension liability was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, and using update procedures to roll forward the total pension liability to the pension plan's fiscal year-end:

Inflation	2.50%
Amortization growth rate	2.50%
Salary increases	2.75%, plus merit component
Investment Rate of Return	6.75%, net of investment expense
Post-retirement mortality	Private Retirement (Pri) 2012 Bottom Quartile Tables for Healthy Annuitants Mortality Tables projected with Scale MP-2020 published by the Society of Actuaries, with the base tables adjusted 105% for females.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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5. NET PENSION LIABILITY (Continued)

The total pension liability at June 30, 2020 was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions:

Inflation	3.00%
Discount rate	7.25%
Amortization growth rate	3.00%
Salary increases	3.00%, plus merit component
Investment Rate of Return	7.25%, net of investment expense
Post-retirement mortality	RP 2014 w/ Scale MP-2015, base tables adjusted 130% for females

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the Salaried Plan based on an actuarially determined contribution, reflecting a payment equal to annual service cost (net of any employee contributions), the expected administrative expenses, and an amount necessary to amortize the Unfunded Actuarial Liability (UAL) determined at July 1, 2019 as a level percentage of payroll over a closed period (12 years remaining as of the July 1, 2020 actuarial valuation) and a 20-year layered amortization schedule for UAL changes after 2019. The UAL is based on an Actuarial Value of Assets that recognizes differences between actual and expected investment returns on the Market Value of Assets over a five-year period.

Based on those assumptions, the Salaried Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current Salaried Plan members. Therefore, the long-term expected rate of return on Salaried Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the Salaried Plan, calculated using the discount rate of 6.75 percent, as well as what the Salaried Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	\$ 195,571,214	\$ 175,865,307	\$ 159,104,999
Plan fiduciary net position	(129,366,721)	(129,366,721)	(129,366,721)
Net pension liability	<u>\$ 66,204,493</u>	<u>\$ 46,498,586</u>	<u>\$ 29,738,278</u>
 Plan fiduciary net position as a percentage of the total pension liability	 66.15%	 73.56%	 81.31%

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

5. NET PENSION LIABILITY (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation. Actuarial methods and assumptions used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effect of legal or contractual funding limitations.

ATU, IBEW and Salaried Plan

The ATU, IBEW, and Salaried Plans' investments are invested as one comingled fund for economies of scale. The long-term expected rate of return on pension plan's investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity Large Cap	7.85%
Domestic Equity Small Cap	8.75%
International Equity Developed	8.25%
International Equity Emerging	9.80%
Domestic Fixed Income	1.80%
Real Estate	6.60%

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256**

FOR THE FISCAL YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018 AND 2017

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability					
Service Cost	\$ 5,457,843	\$ 5,197,253	\$ 5,084,840	\$ 4,765,696	\$ 4,835,944
Interest (includes interest on service cost)	13,411,008	13,012,883	12,664,533	12,761,359	12,885,195
Changes of benefit terms	-	-	-	-	(11,268)
Difference between expected and actual experience	1,531,462	(87,109)	(519,304)	(261,689)	(5,577,742)
Change of assumptions	10,690,055	-	(172,948)	3,663,543	-
Change in bargaining group	-	-	(314,880)	(5,129,398)	-
Benefit payments, including refunds of member contributions	(13,074,333)	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Net change in total pension liability	18,016,035	5,667,205	5,196,869	4,495,399	1,355,143
Total pension liability - beginning	188,721,035	183,053,830	177,856,961	173,361,562	172,006,419
Total pension liability - ending	\$ 206,737,070	\$ 188,721,035	\$ 183,053,830	\$ 177,856,961	\$ 173,361,562
Plan fiduciary net position					
Contributions - employer	\$ 9,579,205	\$ 8,783,426	\$ 8,533,307	\$ 7,863,420	\$ 7,987,367
Contributions - member	1,041,899	766,861	493,597	337,009	168,463
Change in bargaining group	-	-	(343,707)	(2,638,467)	-
Net investment income	36,857,731	2,523,724	8,012,792	8,591,810	14,419,708
Benefit payments, including refunds of member contributions	(13,074,333)	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Administrative expense	(283,989)	(243,847)	(279,016)	(260,006)	(306,539)
Net change in plan fiduciary net position	34,120,513	(625,658)	4,871,601	2,589,654	11,492,013
Plan fiduciary net position - beginning	137,424,052	138,049,710	133,178,109	130,588,455	119,096,442
Plan fiduciary net position - ending	\$ 171,544,565	\$ 137,424,052	\$ 138,049,710	\$ 133,178,109	\$ 130,588,455
Net pension liability - ending	\$ 35,192,505	\$ 51,296,983	\$ 45,004,120	\$ 44,678,852	\$ 42,773,107
Plan fiduciary net position as a percentage of the total pension liability	82.98%	72.82%	75.41%	74.88%	75.33%
Covered payroll	\$ 35,334,877	\$ 34,174,428	\$ 30,125,788	\$ 31,575,118	\$ 30,212,311
Net pension liability as a percentage of covered payroll	99.60%	150.10%	149.39%	141.50%	141.58%

Notes to Schedule: Payroll amounts are based on actual pensionable compensation from the employer

-FY2017: the ATU and IBEW Plans were separated; previous years not available.

-FY2018: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

-FY2019: amounts are reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPR members to account for missed pay periods.

-FY2021: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75% and updated demographic and economic assumptions that were adopted following an experience study.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
IBEW LOCAL 1245**

FOR THE FISCAL YEARS ENDED JUNE 30, 2021, 2020, 2019, 2018 AND 2017

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability					
Service Cost	\$ 1,935,920	\$ 1,806,472	\$ 1,792,845	\$ 1,596,227	\$ 1,640,651
Interest (includes interest on service cost)	6,010,122	5,716,051	5,449,300	5,338,451	4,742,855
Changes of benefit terms	-	-	-	-	(105,379)
Difference between expected and actual experience	(149,316)	845,009	499,642	(978,363)	2,420,299
Changes of assumptions	7,111,874	-	(98,047)	1,630,101	-
Benefit payments, including refunds of member contributions	<u>(4,587,268)</u>	<u>(4,169,979)</u>	<u>(3,779,076)</u>	<u>(3,621,685)</u>	<u>(3,281,167)</u>
Net change in total pension liability	10,321,332	4,197,553	3,864,664	3,964,731	5,417,259
Total pension liability - beginning	<u>84,200,710</u>	<u>80,003,157</u>	<u>76,138,493</u>	<u>72,173,762</u>	<u>66,756,502</u>
Total pension liability - ending	<u>\$ 94,522,042</u>	<u>\$ 84,200,710</u>	<u>\$ 80,003,157</u>	<u>\$ 76,138,493</u>	<u>\$ 72,173,761</u>
Plan fiduciary net position					
Contributions - employer	\$ 3,578,685	\$ 3,230,879	\$ 3,299,013	\$ 3,195,912	\$ 3,315,379
Contributions - member	342,404	304,593	209,531	103,415	39,287
Net investment income	16,461,248	1,082,659	3,482,632	3,629,568	5,332,230
Benefit payments, including refunds of member contributions	<u>(4,587,268)</u>	<u>(4,169,979)</u>	<u>(3,779,076)</u>	<u>(3,621,685)</u>	<u>(3,281,167)</u>
Administrative expense	<u>(256,797)</u>	<u>(218,135)</u>	<u>(229,569)</u>	<u>(225,752)</u>	<u>(239,188)</u>
Net change in plan fiduciary net position	15,538,272	230,017	2,982,531	3,081,458	5,166,541
Plan fiduciary net position - beginning	<u>60,379,125</u>	<u>60,149,108</u>	<u>57,166,577</u>	<u>54,085,119</u>	<u>48,918,578</u>
Plan fiduciary net position - ending	<u>\$ 75,917,397</u>	<u>\$ 60,379,125</u>	<u>\$ 60,149,108</u>	<u>\$ 57,166,577</u>	<u>\$ 54,085,119</u>
Net pension liability - ending	<u>\$ 18,604,645</u>	<u>\$ 23,821,585</u>	<u>\$ 19,854,049</u>	<u>\$ 18,971,916</u>	<u>\$ 18,088,642</u>
Plan fiduciary net position as a percentage of the total pension liability	80.32%	71.71%	75.18%	75.08%	74.94%
Covered payroll	\$ 13,777,698	\$ 14,166,689	\$ 13,300,633	\$ 13,137,945	\$ 12,473,480
Net pension liability as a percentage of covered payroll	135.03%	168.15%	149.27%	144.41%	145.02%

Notes to Schedule:

- Payroll amounts are based on actual pensionable compensation from the employer
- FY2017: the ATU and IBEW Plans were separated; previous years not available.
- FY2018: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.
- FY2019: amounts are reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRAs members to account for missed pay periods.
- FY2021: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75% and updated demographic and economic assumptions that were adopted following an experience study.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW 1245
FOR THE FISCAL YEARS ENDED JUNE 30, 2016, 2015 AND 2014**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability			
Service Cost	\$ 5,760,060	\$ 5,753,143	\$ 5,599,479
Interest	16,758,356	16,384,487	15,740,342
Difference between expected and actual returns	(1,456,639)	(2,941,777)	-
Changes of assumptions	8,176,501	1,621,574	-
Change in bargaining group	-	-	(174,166)
Benefit payments, including refunds of member contributions	<u>(13,180,874)</u>	<u>(13,157,985)</u>	<u>(12,877,177)</u>
Net change in total pension liability	16,057,404	7,659,442	8,288,478
Total pension liability - beginning	<u>222,705,517</u>	<u>215,046,075</u>	<u>206,757,597</u>
Total pension liability - ending	<u>\$ 238,762,921</u>	<u>\$ 222,705,517</u>	<u>\$ 215,046,075</u>
Plan fiduciary net position			
Contributions - employer	\$ 10,447,190	\$ 10,343,620	\$ 9,711,107
Contributions - member	54,714	3,682	22,425
Net investment income/(expense)	(1,121,417)	4,609,506	22,631,819
Change in bargaining group	-	-	(174,166)
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)	(12,877,177)
Administrative expense	<u>(290,647)</u>	<u>(190,442)</u>	<u>(230,365)</u>
Net change in plan fiduciary net position	(4,091,034)	1,608,381	19,083,643
Plan fiduciary net position - beginning	<u>172,106,054</u>	<u>170,497,673</u>	<u>151,414,030</u>
Plan fiduciary net position - ending	<u>\$ 168,015,020</u>	<u>\$ 172,106,054</u>	<u>\$ 170,497,673</u>
Net pension liability - ending	<u>\$ 70,747,901</u>	<u>\$ 50,599,463</u>	<u>\$ 44,548,402</u>
Plan fiduciary net position as a percentage of the total pension liability	70.37%	77.28%	79.28%
Covered payroll	\$ 39,996,326	\$ 37,950,269	\$ 38,857,668
Net pension liability as a percentage of covered payroll	176.89%	133.33%	114.65%

Notes to Schedule:

-Beginning in FY2015, payroll amounts are based on actual pensionable compensation from the employer. In prior years, payroll amounts are projected payroll from the actuarial valuation reports
-FY2015: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.75% to 7.65%
-FY2016: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study
-FY2017: the ATU and IBEW Plans were separated; combined disclosures are not available going forward. See schedules of the individual plans on pages 24 and 25.

Information prior to 2014 is not available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
SALARIED EMPLOYEES
LAST 10 FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total pension liability				
Service Cost	\$ 4,265,105	\$ 4,024,291	\$ 3,831,831	\$ 3,647,115
Change in bargaining group	-	-	474,438	5,129,398
Interest (includes interest on service cost)	11,359,811	10,794,658	10,288,390	9,485,966
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	1,861,545	2,669,480	1,215,057	1,856,563
Changes of assumptions	8,967,358	-	(17,295)	3,291,931
Benefit payments, including refunds of member contributions	<u>(10,182,471)</u>	<u>(9,453,326)</u>	<u>(8,373,494)</u>	<u>(7,779,366)</u>
Net change in total pension liability	16,271,348	8,035,103	7,418,927	15,631,607
Total pension liability - beginning	<u>159,593,959</u>	<u>151,558,856</u>	<u>144,139,929</u>	<u>128,508,322</u>
Total pension liability - ending	<u>\$ 175,865,307</u>	<u>\$ 159,593,959</u>	<u>\$ 151,558,856</u>	<u>\$ 144,139,929</u>
Plan fiduciary net position				
Contributions - employer	\$ 9,807,539	\$ 9,159,513	\$ 8,503,815	\$ 7,669,178
Contributions - member	466,141	360,051	193,293	143,094
Change in bargaining group	-	-	343,707	2,638,467
Net investment income/(expense)	28,976,644	1,526,151	5,649,123	6,073,483
Benefit payments, including refunds of member contributions	<u>(10,182,471)</u>	<u>(9,453,326)</u>	<u>(8,373,494)</u>	<u>(7,779,366)</u>
Administrative expense	<u>(253,303)</u>	<u>(226,310)</u>	<u>(260,441)</u>	<u>(247,077)</u>
Net change in plan fiduciary net position	28,814,550	1,366,079	6,056,003	8,497,779
Plan fiduciary net position - beginning	<u>100,552,171</u>	<u>99,186,092</u>	<u>93,130,089</u>	<u>84,632,310</u>
Plan fiduciary net position - ending	<u>\$ 129,366,721</u>	<u>\$ 100,552,171</u>	<u>\$ 99,186,092</u>	<u>\$ 93,130,089</u>
Net pension liability - ending	<u>\$ 46,498,586</u>	<u>\$ 59,041,788</u>	<u>\$ 52,372,764</u>	<u>\$ 51,009,840</u>
Plan fiduciary net position as a percentage of the total pension liability	73.56%	63.00%	65.44%	64.61%
Covered payroll	\$ 27,147,142	\$ 26,295,215	\$ 22,220,418	\$ 24,283,580
Net pension liability as a percentage of covered payroll	171.28%	224.53%	235.70%	210.06%

Notes to Schedule:

-FY2015: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.75% to 7.65%.

-FY2016: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study.

-FY2018: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

-FY2019: amounts reported as changes of assumptions resulted from a normal cost load of 0.57% for PEPRA members to account for missed pay periods.

-FY2021: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75% and updated demographic and economic assumptions that were adopted following an experience study.

-Beginning in FY2015, payroll amounts are based on actual pensionable compensation from the employer. In prior years, payroll amounts are projected payroll from the actuarial valuation reports.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
SALARIED EMPLOYEES
LAST 10 FISCAL YEARS (Continued)**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability				
Service Cost	\$ 3,873,148	\$ 3,594,919	\$ 3,476,103	\$ 3,321,337
Change in bargaining group	-	-	-	174,166
Interest (includes interest on service cost)	8,960,042	8,807,953	8,434,365	7,978,675
Changes of benefit terms	(298,430)	-	-	-
Difference between expected and actual experience	2,062,482	(852,040)	(753,076)	-
Changes of assumptions	-	(680,161)	930,863	-
Benefit payments, including refunds of member contributions	<u>(7,179,362)</u>	<u>(6,190,981)</u>	<u>(5,502,144)</u>	<u>(5,664,400)</u>
Net change in total pension liability	7,417,880	4,679,690	6,586,111	5,809,778
Total pension liability - beginning	<u>121,090,442</u>	<u>116,410,752</u>	<u>109,824,641</u>	<u>104,014,863</u>
Total pension liability - ending	<u>\$ 128,508,322</u>	<u>\$ 121,090,442</u>	<u>\$ 116,410,752</u>	<u>\$ 109,824,641</u>
Plan fiduciary net position				
Contributions - employer	\$ 7,321,138	\$ 7,576,866	\$ 7,335,308	\$ 6,609,083
Contributions - member	53,706	21,014	261	1,678
Change in bargaining group	-	-	-	174,166
Net investment income/(expense)	9,388,876	(396,556)	2,132,136	9,297,644
Benefit payments, including refunds of member contributions	(7,179,362)	(6,190,981)	(5,502,144)	(5,664,400)
Administrative expense	<u>(289,067)</u>	<u>(269,624)</u>	<u>(194,209)</u>	<u>(176,367)</u>
Net change in plan fiduciary net position	9,295,291	740,719	3,771,352	10,241,804
Plan fiduciary net position - beginning	<u>75,337,019</u>	<u>74,596,300</u>	<u>70,824,948</u>	<u>60,583,144</u>
Plan fiduciary net position - ending	<u>\$ 84,632,310</u>	<u>\$ 75,337,019</u>	<u>\$ 74,596,300</u>	<u>\$ 70,824,948</u>
Net pension liability - ending	<u>\$ 43,876,012</u>	<u>\$ 45,753,423</u>	<u>\$ 41,814,452</u>	<u>\$ 38,999,693</u>
Plan fiduciary net position as a percentage of the total pension liability	65.86%	62.22%	64.08%	64.49%
Covered payroll	\$ 23,435,642	\$ 24,341,878	\$ 23,022,281	\$ 22,008,809
Net pension liability as a percentage of covered payroll	187.22%	187.96%	181.63%	177.20%

Notes to Schedule:

-FY2015: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.75% to 7.65%.
-FY2016: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study.
-FY2018: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.
-FY2019: amounts reported as changes of assumptions resulted from a normal cost load of 0.57% for PEPRA members to account for missed pay periods.
-FY2021: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75% and updated demographic and economic assumptions that were adopted following an experience study.
-Beginning in FY2015, payroll amounts are based on actual pensionable compensation from the employer. In prior years, payroll amounts are projected payroll from the actuarial valuation reports.
This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256
FOR THE FISCAL YEARS ENDING JUNE 30, 2021, 2020, 2019, 2018 AND 2017
(Dollar amounts in thousands)**

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 9,579	\$ 8,783	\$ 8,533	\$ 7,863	\$ 7,987
Contributions in relation to the actuarially determined contribution	9,579	8,783	8,533	7,863	7,987
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 35,335	\$ 34,174	\$ 30,126	\$ 31,575	\$ 30,212
Contributions as a percentage of covered payroll	27.11%	25.70%	28.33%	24.90%	26.44%

Notes to Schedule

Valuation Date 7/1/2019 (to determine FY20-21 contribution)
 Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year.

Key methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age
 Amortization method Level percentage of payroll, closed 13 year period as of 6/30/2019
 Asset valuation method 5-year smoothed market
 Discount Rate 7.25%
 Amortization growth rate 3.00%
 Price inflation 3.00%
 Salary Increases 3.00%, plus merit component on employee classification and years of service
 Mortality Healthy annuitants: RP 2014 Combined Healthy Blue Collar Mortality w/ Scale MP-2015, base tables adjusted 115% for males and 130% for females Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2015, base tables adjusted 120% for males

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2021, can be found in the July 1, 2019 actuarial valuation report. The financial reporting for the ATU and IBEW Plans' was split during FY2017, previous years information is not available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
IBEW LOCAL 1245
FOR THE FISCAL YEARS ENDING JUNE 30, 2021, 2020, 2019, 2018 AND 2017
(Dollar amounts in thousands)**

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 3,579	\$ 3,231	\$ 3,299	\$ 3,196	\$ 3,315
Contributions in relation to the actuarially determined contribution	3,579	3,231	3,299	3,196	3,315
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,778	\$ 14,167	\$ 13,301	\$ 13,138	\$ 12,473
Contributions as a percentage of covered payroll	25.98%	22.81%	24.80%	24.33%	26.58%

Notes to Schedule

Valuation Date 7/1/2019 (to determine FY20-21 contribution)
 Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 13 year period as of 6/30/2019
Asset valuation method	5-year smoothed market
Discount Rate	7.25%
Amortization growth rate	3.00%
Price inflation	3.00%
Salary Increases	3.00%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: RP 2014 w/ Scale MP-2015, base tables adjusted 115% for males and 130% for females. Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2015, base tables adjusted 120% for males

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2021, can be found in the July 1, 2019 actuarial valuation report. The financial reporting for the ATU and IBEW Plans' was split during FY2017, previous years information is not available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
FOR THE FISCAL YEARS ENDING JUNE 30, 2016, 2015, 2014, 2013, 2012, AND 2011
(Dollar amounts in thousands)**

	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 10,447	\$ 10,344	\$ 9,711	\$ 8,694	\$ 7,885
Contributions in relation to the actuarially determined contribution	10,447	10,344	9,711	8,694	7,885
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 39,996	\$ 37,950	\$ 38,858	\$ 37,110	\$ 38,558
Contributions as a percentage of covered payroll	26.12%	27.26%	24.99%	23.43%	20.45%

Note: Beginning in FYE2015, payroll amounts are based on actual total payroll of the District. In previous years the schedule used covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule

Valuation Date 7/1/2014 (to determine FY15-16 contribution)
 Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age
 Amortization method Level percentage of payroll, closed 18 year period as of 6/30/2014
 Asset valuation method 5-year smoothed market
 Discount Rate 7.65%
 Amortization growth rate 3.15%
 Price inflation 3.15%
 Salary Increases 3.15%, plus merit component on employee classification and years of service
 Mortality Sex Distinct RP-2000 Combined Blue Collar Mortality, 3 year setback for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2016, can be found in the July 1, 2014 actuarial valuation report. The financial reporting for the ATU and IBEW Plans' was split during FY2017, no additional information will be available for the combined Plans.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
SALARIED EMPLOYEES
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 9,808	\$ 9,160	\$ 8,504	\$ 7,669	\$ 7,321	\$ 7,577	\$ 7,335	\$ 6,609	\$ 5,800	\$ 4,580
Contributions in relation to the actuarially determined contribution	9,808	9,160	8,504	7,669	7,321	7,577	7,335	6,609	5,800	4,580
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 27,147	\$ 26,295	\$ 22,220	\$ 24,284	\$ 24,342	\$ 23,022	\$ 22,009	\$ 19,627	\$ 19,105	\$ 19,466
Contributions as a percentage of covered payroll	36.13%	34.84%	38.27%	31.58%	30.08%	32.91%	33.33%	33.67%	30.36%	23.53%

Note: Beginning in FYE2015, payroll amounts are based on actual total payroll of the District. In previous years the schedule used covered payroll which is different than actual payroll and therefore the contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule

Valuation Date 7/1/2019 (to determine FY20-21 contribution)
 Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age
 Amortization method Level percentage of payroll, closed 13 year period as of 6/30/2019
 Asset valuation method 5-year smoothed market
 Discount Rate 7.25%
 Amortization growth rate 3.00%
 Price inflation 3.00%
 Salary Increases 3.00%, plus merit component on employee classification and years of service
 Mortality Healthy annuitants: RP 2014 w/ Scale MP-2015, base tables adjusted 130% for females. Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2015, base tables adjusted 130% for males and 115% for females.

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2021, can be found in the July 1, 2019 actuarial valuation report.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**SCHEDULE OF INVESTMENT RETURNS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
AND SALARIED EMPLOYEES
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)**

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	27.60%	1.98%	6.23%	6.93%	12.09%	-0.19%	3.25%	15.64%

Note: To achieve economies of scale, assets are combined and invested as one pool for the ATU, IBEW and Salaried Plans. Information prior to 2014 was not available.

SUPPLEMENTAL SCHEDULES

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Investment Expenses:

Vendor Names	Type of Services	Amount
Boston Partners Investment Management	Asset Management	\$ 140,269
Atlanta Capital Management Co.	Asset Management	115,486
Metropolitan West Asset Management, L.L.C.	Asset Management	114,947
Pyrford	Asset Management	99,390
AQR	Asset Management	73,252
Clarion	Asset Management	19,678
SSgA S&P 500	Asset Management	5,653
SSgA MSCI EAFE	Asset Management	2,963
Northern Trust Company	Custodian Services	43,966
Callan Associates, Inc.	Investment Advisor	60,044
Total		<u>\$ 675,648</u>

Administrative Expenses:

Vendor Names	Type of Services	Amount
Sacramento Regional Transit District	Plan Administration	\$ 117,859
Hanson Bridgett	Consulting Services	88,054
Cheiron EFI	Actuarial Services	51,076
Alliant Insurance Services, Inc.	Fiduciary Insurance	13,618
Sacramento Area Council of Governments	Audit Services	8,480
Other	Misc	4,902
Total		<u>\$ 283,989</u>

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
EMPLOYEES WHO ARE MEMBERS OF
IBEW LOCAL 1245
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Investment Expenses:

<u>Vendor Names</u>	<u>Type of Services</u>	<u>Amount</u>
Boston Partners Investment Management	Asset Management	\$ 61,860
Atlanta Capital Management Co.	Asset Management	50,929
Metropolitan West Asset Management, L.L.C.	Asset Management	50,671
Pyrford	Asset Management	43,826
AQR	Asset Management	31,595
Clarion	Asset Management	8,482
SSgA S&P 500	Asset Management	2,493
SSgA MSCI EAFE	Asset Management	1,307
Northern Trust Company	Custodian Services	19,385
Callan Associates, Inc.	Investment Advisor	26,462
Total		<u>\$ 297,010</u>

Administrative Expenses:

<u>Vendor Names</u>	<u>Type of Services</u>	<u>Amount</u>
Hanson Bridgett	Consulting Services	\$ 95,178
Sacramento Regional Transit District	Plan Administration	88,893
Cheiron EFI	Actuarial Services	45,278
Alliant Insurance Services, Inc.	Fiduciary Insurance	13,568
Sacramento Area Council of Governments	Audit Services	8,480
Other	Misc	5,400
Total		<u>\$ 256,797</u>

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
SALARIED EMPLOYEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Investment Expenses:

Vendor Names	Type of Services	Amount
Boston Partners Investment Management	Asset Management	\$ 104,268
Atlanta Capital Management Co.	Asset Management	85,835
Metropolitan West Asset Management, L.L.C.	Asset Management	85,292
Pyrford	Asset Management	73,837
AQR	Asset Management	52,425
Clarion	Asset Management	12,926
SSgA S&P 500	Asset Management	4,200
SSgA MSCI EAFE	Asset Management	2,202
Northern Trust Company	Custodian Services	32,649
Callan Associates, Inc.	Investment Advisor	44,494
Total		<u>\$ 498,128</u>

Administrative Expenses:

Vendor Names	Type of Services	Amount
Sacramento Regional Transit District	Pension Administration	\$ 93,999
Hanson Bridgett	Consulting Services	80,930
Cheiron EFI	Actuarial Services	50,090
Alliant Insurance Services, Inc.	Fiduciary Insurance	13,568
Sacramento Area Council of Governments	Audit Services	8,480
Other	Miscellaneous	6,236
Total		<u>\$ 253,303</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Retirement Board of Directors
Sacramento Regional Transit District
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the ATU Plan, IBEW Plan and Salaried Plan for Sacramento Regional Transit District Employees (the Plans), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements as listed in the table of contents, and have issued our report thereon dated November 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plans' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plans' internal control. Accordingly, we do not express an opinion on the effectiveness of Plans' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Plans' financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Sacramento, California
November 17, 2021



Crowe LLP
Independent Member Crowe Global

Members of the Retirement Board of Directors
Sacramento Regional Transit District
Sacramento, California

Professional standards require that we communicate matters related to our audit of the financial statements of the ATU Plan, IBEW Plan, and Salaried Plan for Sacramento Regional Transit District Employees (“the Plans”) that we consider significant and relevant to the responsibilities of Those Charged with Governance in overseeing the financial reporting process. Those Charged with Governance includes the person(s) with responsibility for overseeing the strategic direction of and obligations related to the accountability of the Plans. We cover such matters below.

AUDITOR’S RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA

Our responsibility is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. The audit of the financial statements does not relieve you of your responsibilities and does not relieve management of their responsibilities. Refer to our engagement letter with the Plans for further information on the responsibilities of management and of Crowe LLP.

AUDITOR’S RESPONSIBILITY UNDER GOVERNMENT AUDITING STANDARDS

As part of obtaining reasonable assurance about whether the Plans’ financial statements are free of material misstatement, we performed tests of the Plans’ compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts or disclosures. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

COMMUNICATIONS REGARDING OUR INDEPENDENCE FROM THE PLANS

Auditing standards generally accepted in the United States of America require independence for all audits, and we confirm that we are independent auditors with respect to the Plans under the independence requirements established by the American Institute of Certified Public Accountants.

Additionally, we wish to communicate that we have no relationships with the Plans that, in our professional judgment, may reasonably be thought to bear on our independence and that we gave significant consideration to in reaching the conclusion that our independence has not been impaired.

PLANNED SCOPE AND TIMING OF THE AUDIT

We are to communicate an overview of the planned scope and timing of the audit. Accordingly, the following matters regarding the planned scope and timing of the audit were discussed with you.

- How we proposed to address the significant risks of material misstatement, whether due to fraud or error.
- Our approach to internal control relevant to the audit.
- The concept of materiality in planning and executing the audit, focusing on the factors considered rather than on specific thresholds or amounts.
- The nature and extent of specialized skills or knowledge needed to plan and evaluate the results of the audit, including the use of an auditor's expert.
- Where the entity has an internal audit function, the extent to which the auditor will use the work of internal audit, and how the external and internal auditors can best work together.
- Your views and knowledge of matters you consider warrant our attention during the audit, as well as your views on:
 - The allocation of responsibilities between you and management.
 - The entity's objectives and strategies, and the related business risks that may result in material misstatements.
 - Significant communications between the entity and regulators.
 - Other matters you believe are relevant to the audit of the financial statements.

SIGNIFICANT ACCOUNTING POLICIES AND MANAGEMENT JUDGMENTS AND ACCOUNTING ESTIMATES

Significant Accounting Policies: Those Charged with Governance should be informed of the initial selection of and changes in significant accounting policies or their application. Also, Those Charged with Governance should be aware of methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas where there is a lack of authoritative consensus. We believe management has the primary responsibility to inform Those Charged with Governance about such matters. There were no such accounting changes or significant policies requiring communication.

Management Judgments and Accounting Estimates: Further, accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are based upon knowledge and experience about past and current events and assumptions about future events. Certain estimates are particularly sensitive because of their significance and because of the possibility that future events affecting them may differ markedly from management's current judgments and may be subject to significant change in the near term.

The following describes the significant accounting estimates reflected in the Plans' year-end financial statements, the process used by management in formulating these particularly sensitive accounting estimates and the primary basis for our conclusions regarding the reasonableness of those estimates.

Significant Accounting Estimate	Process Used by Management	Basis for Our Conclusions
Fair Values of Investments	The recording of investments at fair value requires management to use certain assumptions and estimates pertaining to the fair value of its investments.	We reviewed the reasonableness of these estimates and assumptions.
Classification of Investment Securities Within the Fair Value Hierarchy	GASB Statement No. 72, Fair Value Measurements and Application requires the reporting of by classification level within a fair value hierarchy.	We reviewed the documentation maintained by management and performed procedures to test the reasonableness of management's judgments and accounting estimates related to the classification levels of investments within the fair value hierarchy as defined by GASB 72.
Actuarial Present Value of Accumulated Plan Benefits	The actuarial present value of accumulated plan benefits is determined by the Plans' actuary and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for disability, withdrawal or retirement) between the valuation date and the expected date of payment.	We reviewed the reasonableness of the actuarial assumptions.

AUDITOR'S JUDGMENTS ABOUT QUALITATIVE ASPECTS OF SIGNIFICANT ACCOUNTING PRACTICES

We are to discuss with you our comments about the following matters related to the Plans' accounting policies and financial statement disclosures. Accordingly, these matters will be discussed during our meeting with you.

- The appropriateness of the accounting policies to the particular circumstances of the Plans, considering the need to balance the cost of providing information with the likely benefit to users of the Plans' financial statements.
- The overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- The effect of the timing of transactions in relation to the period in which they are recorded.
- The potential effect on the financial statements of significant risks and exposures, and uncertainties that are disclosed in the financial statements.
- The extent to which the financial statements are affected by unusual transactions including nonrecurring amounts recognized during the period, and the extent to which such transactions are separately disclosed in the financial statements.
- The issues involved, and related judgments made, in formulating particularly sensitive financial statement disclosures.
- The factors affecting asset and liability carrying values, including the Plans' basis for determining useful lives assigned to tangible and intangible assets.

- The selective correction of misstatements, for example, correcting misstatements with the effect of increasing reported earnings, but not those that have the effect of decreasing reported earnings.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Corrected Misstatements: We are to inform you of material corrected misstatements that were brought to the attention of management as a result of our audit procedures.

There were no such misstatements.

Uncorrected Misstatements: We are to inform you of uncorrected misstatements that were aggregated by us during the current engagement and pertaining to the latest and prior period(s) presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. For your consideration, we have distinguished misstatements between known misstatements and likely misstatements.

There were no such misstatements.

OTHER COMMUNICATIONS

Communication Item	Results
<p>Other Information Included in an Annual Report Information may be prepared by management that accompanies or includes the financial statements. To assist your consideration of this information, you should know that we are required by audit standards to read such information and consider whether a material inconsistency exists between the other information and the financial statements. We are also to remain alert for indications that:</p> <ul style="list-style-type: none"> • Material inconsistency exists between the other information and the auditor's knowledge obtained in the audit; or • A material misstatement of fact exists, or the other information is otherwise misleading. <p>If we identify a material inconsistency between the other information and the financial statements, we are to seek a resolution of the matter.</p>	<p>We understand that management has not prepared other information to accompany the audited financial statements.</p>
<p>Significant Difficulties Encountered During the Audit We are to inform you of any significant difficulties encountered in dealing with management related to the performance of the audit.</p>	<p>There were no significant difficulties encountered in dealing with management related to the performance of the audit.</p>
<p>Disagreements with Management We are to discuss with you any disagreements with management, whether or not satisfactorily resolved, about matters that individually or in the aggregate could be significant to the Plans' financial statements or the auditor's report.</p>	<p>During our audit, there were no such disagreements with management.</p>

Communication Item	Results
<p>Difficulties or Contentious Matters We are required to discuss with the Those Charged with Governance any difficulties or contentious matters for which we consulted outside of the engagement team.</p>	<p>During the audit, there were no such issues for which we consulted outside the engagement team.</p>
<p>Circumstances that Affect the Form and Content of the Auditor's Report We are to discuss with you any circumstances that affect the form and content of the auditor's report, if any.</p>	<p>There are no such circumstances that affect the form and content of the auditor's report.</p>
<p>Consultations with Other Accountants If management consulted with other accountants about auditing and accounting matters, we are to inform you of such consultation, if we are aware of it, and provide our views on the significant matters that were the subject of such consultation.</p>	<p>We are not aware of any instances where management consulted with other accountants about auditing or accounting matters since no other accountants contacted us, which they are required to do by Statement on Auditing Standards No. 50, before they provide written or oral advice.</p>
<p>Representations the Auditor Is Requesting from Management We are to provide you with a copy of management's requested written representations to us.</p>	<p>We direct your attention to a copy of the letter of management's representation to us provided separately.</p>
<p>Significant Issues Discussed, or Subject to Correspondence, With Management We are to communicate to you any significant issues that were discussed or were the subject of correspondence with management.</p>	<p>There were no such significant issues discussed, or subject to correspondence, with management.</p>
<p>Significant Related Party Findings or Issues We are to communicate to you significant findings or issues arising during the audit in connection with the Plans' related parties.</p>	<p>There were no such findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>
<p>Other Findings or Issues We Find Relevant or Significant We are to communicate to you other findings or issues, if any, arising during the audit that are, in our professional judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>	<p>There were no such other findings or issues that are, in our judgment, significant and relevant to you regarding your oversight of the financial reporting process.</p>

We are pleased to serve the Plans as their independent auditors and look forward to our continued relationship. We provide the above information to assist you in performing your oversight responsibilities and would be pleased to discuss this letter or any matters further, should you desire. This letter is intended solely for the information and use by you and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.



Crowe LLP

Sacramento, California
November 17, 2021



Crowe LLP
Independent Member Crowe Global

Members of the Retirement Board of Directors
Sacramento Regional Transit District
Sacramento, California

In planning and performing our audit of the financial statements of the ATU Plan, IBEW Plan, and Salaried plan for Sacramento Regional Transit District Employees ("the Plans") as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Plans' internal control over financial reporting ("internal control") as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plans' internal control. Accordingly, we do not express an opinion on the effectiveness of the Plans' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of management, members of the Retirement Board of Directors and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Crowe LLP".

Crowe LLP

Sacramento, California
November 17, 2021



RETIREMENT BOARD STAFF REPORT

DATE: March 14, 2022 Agenda Item: 13
TO: Sacramento Regional Transit Retirement Board – ALL
FROM: John Gobel, Manager, Pension and Retirement Services
SUBJ: UPDATE ON ROLES AND RESPONSIBILITIES RELATED TO PENSION
ADMINISTRATION - QUARTER ENDED DECEMBER 31, 2021 (ALL).
(Gobel)

RECOMMENDATION

No Recommendation - Information Only

RESULT OF RECOMMENDED ACTION

No recommended action.

FISCAL IMPACT

There is no fiscal impact associated with this action.

DISCUSSION

Every quarter, three reports are distributed to apprise the Retirement Boards of functions performed by Staff and Legal Counsel in support of the pension plans. For reference, the reports prepared for the quarter ended December 31, 2021 are attached for review and identified below:

Attachment A – Pension Administration Staff Roles and Responsibilities

Attachment B – RT Staff Costs Attributable and Charged to RT Pension Plans

Attachment C – Summary of Legal Services Provided for the Quarter Ended
December 31, 2021

With regard to retirement activity for the latest 90-day processing period (December 11, 2021 to March 10, 2022), staff effected pensions for 4 new retirees and noted that the average wait time for initial payments was 44 days. Given that staff is currently working to issue pension payments for 8 other members who requested retirement dates between February 1st and March 1st, we expect to report increased activity at the next quarterly meeting and hope that average processing times will remain within our 45-day target.

With regard to Staff Roles, we added an Administrative Assistant II position to the Retirement Services team recently and hired Jessica Cruz Mendoza from the General Manager's office in January 2022. Because of Jessica's administrative background, her familiarity with SacRT's enterprise system, and her experience working with public agency boards, she is already being assigned to projects involving SacRT's defined benefit and defined contribution plans. As those assignments expand, we expect to update the matrix of roles and responsibilities for the pension plans and share that information with the Retirement Boards in the near future.

Pension Administration Staff Roles and Responsibilities

Pension Plan Member Relations:

Task	Primary Responsibility	Back Up Responsibility
Respond to Employee and Retiree Inquiries	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Research and Address Benefit Discrepancies	Manager - Pension & Retirement	Retirement Services Analysts (I & II)
Conduct Educational Sessions	Manager - Pension & Retirement	Retirement Services Analyst II
Create Pension Estimates	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Process Disability Retirements	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Process Employee and Retiree Deaths	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Administer Active and Term Vested Retirement Process	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Prepare 48-Month Salary Calculations	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Verify Retiree Wages: gross pay, net wages, no pre-tax deductions, taxes	Retirement Service Analysts (I & II), Payroll Analyst	Payroll Supervisor
Facilitate Employees' Required Contributions (per contracts and/or PEPRA)	Retirement Services Analysts (I & II)	Manager - Pension & Retirement
Convert Employees to Retirees in SAP	Retirement Services Analysts (I & II)	Sr. HR Analyst - HRIS
Conduct Lost Participant Searches and Related Processes for Returned Checks/stubs	Retirement Services Analyst I	Retirement Services Analyst II
Retiree Medical – Initial Enrollment	Sr. HR Analyst	HR Department
Print, Stuff and Mail Pay Stubs	Payroll Analyst	Payroll Supervisor
Manage Stale and Lost Check Replacement	Payroll Analyst	Payroll Supervisor
Issue Copies of Retiree Pay Stubs and 1099-R Forms	Payroll Analyst	Payroll Supervisor

Plan Documents:

Task	Primary Responsibility	Back Up Responsibility
Negotiate Benefits, Provisions	Director, Labor Relations	To be determined
Incorporate Negotiated Benefits/Provisions into Plan Documents	Chief Counsel, RT	External Counsel
Interpret Plan Provisions	Manager – Pension & Retirement, Hanson Bridgett	Chief Counsel, RT

Provide Guidance to Staff Regarding New Plan Provisions & Regulations	Manager – Pension & Retirement, Hanson Bridgett	Chief Counsel, RT
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Contracting & Contract Administration:

Task	Primary Responsibility	Back Up Responsibility
Contract Management, including Oversight of RFP Processes	Manager – Pension & Retirement, AVP - Finance & Treasury	VP - Finance
Legal Services (Hanson Bridgett) Contract Procurement	Manager – Pension & Retirement, AVP - Finance & Treasury	VP - Finance
Actuarial Services (Cheiron) Contract Procurement	Manager – Pension & Retirement, AVP - Finance & Treasury	VP - Finance
Investment Manager Services (Callan) Contract Procurement	Accountant II, AVP - Finance & Treasury	VP - Finance
Ensure Adherence to Contract Provisions	Manager – Pension & Retirement, AVP - Finance & Treasury	VP - Finance
Process Retirement Board Vendor Invoices	Retirement Services Analyst II	Manager - Pension & Retirement
Pay Invoices	AVP - Finance & Treasury, Manager – Pension & Retirement	VP - Finance
Collect Form 700 Statements of Economic Interests from Retirement Board Vendors	Retirement Services Analyst I	Manager - Pension & Retirement

Retirement Board Meetings:

Task	Primary Responsibility	Back Up Responsibility
Manage Retirement Board Meeting Content and Process	Manager - Pension & Retirement	AVP - Finance & Treasury
Draft Staff Reports and Resolutions, Compile Attachments	Staff Presenting Issue to Board, Hanson Bridgett	Manager – Pension & Retirement, AVP - Finance & Treasury
Develop and Post Retirement Board Agenda Materials	Retirement Services Analyst I	Manager - Pension & Retirement
Set-up and Moderate Retirement Board Meetings	Retirement Services Analyst I	Manager - Pension & Retirement

Retirement Board Administration:

Task	Primary Responsibility	Back Up Responsibility
Train Staff/Board Members	Manager – Pension & Retirement, AVP - Finance & Treasury	Staff/Vendor Subject Matter Expert
Prepare and Process Travel Arrangements for Retirement Board Members for Training	Retirement Services Analyst I	Manager - Pension & Retirement
Facilitate Annual Fiduciary Liability Insurance Renewal	Manager – Pension & Retirement	AVP - Finance & Treasury

Collect Fiduciary Insurance Payments from Retirement Board Members	Retirement Services Analyst I	Manager - Pension & Retirement
Develop and Administer Retirement Board Policies	Manager – Pension & Retirement, AVP - Finance & Treasury, Hanson Bridgett	VP - Finance
Respond to Public Records Act Requests	Manager – Pension & Retirement	AVP - Finance & Treasury

Coordinate Actuarial Activities:

Task	Primary Responsibility	Back Up Responsibility
Valuation Study and Establish Contribution Rates (annual)	Manager – Pension & Retirement, AVP - Finance & Treasury	VP - Finance
Experience Study (every 3-5 years)	Manager – Pension & Retirement, AVP - Finance & Treasury	VP - Finance

Asset Management:

Task	Primary Responsibility	Back Up Responsibility
Asset Rebalancing	Accountant II	AVP - Finance & Treasury
Account Reconciliations	Accountant II	AVP - Finance & Treasury
Cash Transfers	Accountant II	AVP - Finance & Treasury
Fund Accounting	Accountant II	AVP - Finance & Treasury
Investment Management	Accountant II	AVP - Finance & Treasury
Financial Statement Preparation	Accountant II	AVP - Finance & Treasury
Annual Audit	Accountant II	AVP - Finance & Treasury
State Controller's Office Reporting	Accountant II	AVP - Finance & Treasury
U.S. Census Bureau Reporting	Accountant II	AVP - Finance & Treasury
Work with Investment advisors (Callan), Custodian (Northern Trust), Fund Managers, Auditors, and Actuary (Cheiron)	Accountant II	AVP - Finance & Treasury
Review Monthly Asset Rebalancing	Accountant II	AVP - Finance & Treasury
Review/Update of Statement of Investment Objectives and Policy Guidelines management (at least annually)	Accountant II	AVP - Finance & Treasury

Pension Administration Costs
For the Time Period: October 1, 2021 to December 31, 2021

Sum of Value TranCurr WBS Element	Source object name	Per	Total
SAXXXX.PENATU	Finance And Treasury / Matthews, Rosalie	004	756.20
		005	711.75
		006	756.23
	Finance And Treasury / Gobel, John	004	1,887.02
		005	396.76
		006	793.52
	Finance And Treasury / Mathew, Jessica	004	1,463.54
		005	1,528.73
		006	1,934.46
SAXXXX.PENATU Total			10,228.21
SAXXXX.PENIBEW	Finance And Treasury / Matthews, Rosalie	004	1,156.57
		005	563.45
		006	474.51
	Finance And Treasury / Gobel, John	004	841.90
		005	880.63
		006	725.79
	Finance And Treasury / Mathew, Jessica	004	1,296.89
		005	1,398.33
		006	405.74
SAXXXX.PENIBEW Total			7,743.81
SAXXXX.PENSALA	Finance And Treasury / Matthews, Rosalie	004	622.77
		005	578.29
		006	504.16
	Finance And Treasury / Gobel, John	004	2,477.32
		005	1,490.25
		006	1,258.04
	Finance And Treasury / Mathew, Jessica	004	1,622.91
		005	594.12
		006	1,304.13
SAXXXX.PENSALA Total			10,451.99
SAXXXX.PENSION	Finance And Treasury / Adelman, Jamie	004	1,668.44
		005	1,888.80
		006	2,172.12
	Finance And Treasury / Volk, Lynda	004	4,112.61
		005	4,500.99
		006	2,353.33
	Finance And Treasury / Matthews, Rosalie	004	3,217.58
		005	4,181.37
		006	4,715.18
	Finance And Treasury / Gobel, John	004	3,203.10
		005	6,870.69
		006	6,754.53
	Finance And Treasury / Mathew, Jessica	004	804.22
		005	775.24
		006	753.49
	Finance And Treasury / Mouton, Wendy	004	1,293.92
		005	331.40
		006	911.35
SAXXXX.PENSION Total			50,508.36
Grand Total			78,932.37

**HANSON BRIDGETT LLP &
SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS**

LEGAL SERVICES SUMMARY

Set forth below is a broad summary report of significant legal matters addressed by Hanson Bridgett LLP for the Sacramento Regional Transit District Retirement Boards during the Quarter ended December 31, 2021.

1. Weekly client conference calls and as-needed client and internal conferences on pending matters, upcoming Board meetings and follow-up from prior Board meetings.
2. Preparation for and participation in quarterly and special Retirement Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Review and advise on Plan participant communications with staff.
4. Review and revise draft restatements of Plan documents.
5. Provide counsel on issues including, but not limited to:
 - a. Benefit questions and disputes;
 - b. Audit procedures;
 - c. Disability retirement applications and examinations;
 - d. Treatment of various pay elements as Pensionable Compensation for PEPRA members;
 - e. Performance of fiduciary duties.

Respectfully Submitted,

/s/ Shayna M. van Hoften



RETIREMENT BOARD STAFF REPORT

DATE: March 14, 2022 Agenda Item: 16
TO: Sacramento Regional Transit Retirement Boards– AEA, AFSCME & MCEG
FROM: John Gobel - Manager, Pension and Retirement Services
SUBJ: Accept Actuarial Valuation and Approve Actuarially Determined Contribution Rates for Fiscal Year 2023 (Salaried). (Gobel)

RECOMMENDATION

Adopt the attached Resolution(s)

RESULT OF RECOMMENDED ACTION

Accept the actuarial valuation report (AVR) for the July 1, 2021 valuation date and approve the actuarially determined contribution (ADC) rates for Fiscal Year (FY) 2023.

FISCAL IMPACT

The estimated fiscal impact to the Salaried Plan of the proposed ADC rates for FY 2023 is \$10,508,872, which is the annual employer contribution presented in the current AVR (as of July 1, 2021) and represents a \$80,724 increase over the phase-in amount presented in the prior AVR (as of July 1, 2020). The actual fiscal impact will be determined by applying the discrete contribution rates recommended for Classic members and PEPRA members to the covered payroll for FY 2023.

DISCUSSION

During the special Retirement Board meeting on February 16, 2022, Graham Schmidt of Cheiron presented the preliminary results of the annual actuarial valuation process for all three Retirement Plans, which are commonly referred to as the ATU Plan, the IBEW Plan, and the Salaried Plan. A recap of Mr. Schmidt's presentation to and discussion with the Retirement Boards is provided with the draft minutes for last month's meeting, which are included for approval on the agenda for this Quarterly Retirement Board Meeting. Of note, Mr. Schmidt did not recommend any changes in the assumptions used to prepare the AVR for the July 1, 2021 valuation date.

As a reminder, the annual AVR measures the current and projected assets and liabilities of a defined benefit plan, and those measures are used to determine the plan's funded ratio. The Plan's funded ratio and the normal costs associated with benefits prescribed

by the Plan are used to establish the ADC and expressed as a percentage of covered payroll.

Within the AVR for the Salaried Plan, Cheiron offers an Executive Summary and reviews data points and developments for the July 1, 2021 valuation date. Some of these items are highlighted and referenced below:

- The Plan's funded ratio, the ratio of actuarial assets over Actuarial Liability, increased from 61.8% as of July 1, 2020 to 65.6% as of July 1, 2021.
- The Plan experienced a decrease in the UAL from \$64,905,216 to \$60,673,194 as of July 1, 2021. This decrease in the UAL was primarily due to better than expected investment returns.
- During the year ended June 30, 2021, the return on Plan assets was 28.84% on a market value basis net of investment expenses, as compared to the 6.75% assumption. This resulted in a market value gain on investments of \$22,194,754.
- [T]here are unrecognized investment gains (approximately \$13.9 million, primarily due to the FYE 2021 asset experience) that will be reflected in the smoothed value in future years.

By accepting the AVR, the Retirement Board is accepting the funded ratio determined by the actuary and adopting the contribution rates (for both the employer and employees, in the case of PEPRA members) for the next fiscal year. Per Section V, Table V-4 of the AVR for the July 1, 2021 valuation date, Cheiron is recommending new contribution rates for the Salaried Plan for the fiscal year beginning July 1, 2022:

Classic Members

Employer Contribution Rate	43.28%
Member Contribution Rate	N/A

PEPRA Members

Employer Contribution Rate	30.30%
Member Contribution Rate	6.50% (unchanged from FY 2022)

RESOLUTION NO. 2022-03-225

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of AEA on this date:

March 9, 2022

**Accept Actuarial Valuation and Approve
Actuarially Determined Contribution Rates for Fiscal Year 2023**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF AEA AS FOLLOWS:

THAT the Retirement Board hereby accepts the Actuarial Valuation Report as of July 1, 2021 for the Retirement Plan for Regional Transit Employees who are Members of AEA, which is attached as Exhibit A.

THAT the Retirement Board hereby approves new Actuarially Determined Contribution Rates defined in the Actuarial Valuation Report for the Retirement Plan for Regional Transit Employees who are Members of AEA, to be effective July 1, 2022, as follows:

Classic Members

Employer Contribution Rate	43.28%
Member Contribution Rate	N/A

PEPRA Members

Employer Contribution Rate	30.30%
Member Contribution Rate	6.50%

Russel Devorak, Chair

ATTEST:

Henry Li, Secretary

By:

John Gobel, Assistant Secretary

RESOLUTION NO. 2022-03-192

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of AFSCME on this date:

March 9, 2022

**Accept Actuarial Valuation and Approve
Actuarially Determined Contribution Rates for Fiscal Year 2023**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF AFSCME AS FOLLOWS:

THAT the Retirement Board hereby accepts the Actuarial Valuation Report as of July 1, 2021 for the Retirement Plan for Regional Transit Employees who are Members of AFSCME, which is attached as Exhibit A.

THAT the Retirement Board hereby approves new Actuarially Determined Contribution Rates defined in the Actuarial Valuation Report for the Retirement Plan for Regional Transit Employees who are Members of AFSCME, to be effective July 1, 2022, as follows:

Classic Members

Employer Contribution Rate	43.28%
Member Contribution Rate	N/A

PEPRA Members

Employer Contribution Rate	30.30%
Member Contribution Rate	6.50%

Peter Guimond, Chair

ATTEST:

Henry Li, Secretary

By:

John Gobel, Assistant Secretary

RESOLUTION NO. 2022-03-229

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of MCEG on this date:

March 9, 2022

**Accept Actuarial Valuation and Approve
Actuarially Determined Contribution Rates for Fiscal Year 2023**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF MCEG AS FOLLOWS:

THAT the Retirement Board hereby accepts the Actuarial Valuation Report as of July 1, 2021 for the Retirement Plan for Regional Transit Employees who are Members of MCEG, which is attached as Exhibit A.

THAT the Retirement Board hereby approves new Actuarially Determined Contribution Rates defined in the Actuarial Valuation Report for the Retirement Plan for Regional Transit Employees who are Members of MCEG, to be effective July 1, 2022, as follows:

Classic Members

Employer Contribution Rate	43.28%
Member Contribution Rate	N/A

PEPRA Members

Employer Contribution Rate	30.30%
Member Contribution Rate	6.50%

Sandy Bobek, Chair

ATTEST:

Henry Li, Secretary

By:

John Gobel, Assistant Secretary



Retirement Plan for Sacramento Regional Transit District Salaried Employees

**Actuarial Valuation Report
as of July 1, 2021**

Produced by Cheiron

March 2022

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March 2, 2022

Retirement Boards of
Sacramento Regional Transit District
2830 G Street
Sacramento, CA 95816

Dear Members of the Boards:

At your request, we have conducted an actuarial valuation of the Retirement Plan for Salaried Employees of the Sacramento Regional Transit District Employees (SacRT, the Fund, the Plan) as of July 1, 2021. This report contains information on the Plan's assets and liabilities. This report also discloses employer contribution levels. Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report.

The purpose of this report is to present the results of the annual actuarial valuation of the Plan. This report is for the use of the Retirement Boards and the auditors in preparing financial reports in accordance with applicable law and accounting requirements.

This report was prepared solely for the Retirement Boards for the purposes described herein, and for the use by the plan auditor in completing an audit related to the matters herein. Other users of this report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

Sincerely,
Cheiron



Graham A. Schmidt, ASA, EA, FCA, MAAA
Consulting Actuary



Anne D. Harper, FSA, EA, MAAA
Principal Consulting Actuary

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

FOREWORD

Cheiron has performed the actuarial valuation of the Retirement Plan for Sacramento Regional Transit District Employees (SacRT, the Fund, the Plan) as of July 1, 2021. The valuation is organized as follows:

- In Section I, the **Executive Summary**, we describe the purpose of an actuarial valuation, summarize the key results found in this valuation, and disclose important trends.
- In Section II, **Disclosures Related to Risk**, we review the primary risks facing the District, and quantify these using various risk and maturity measures.
- The **Main Body** of the report presents details on the Plan's
 - Section III – Assets
 - Section IV – Liabilities
 - Section V – Contributions
- In the **Appendices**, we conclude our report with detailed information describing plan membership (Appendix A), actuarial assumptions and methods employed in the valuation (Appendix B), a summary of pertinent plan provisions (Appendix C), and a glossary of key actuarial terms (Appendix D).

Future results may differ significantly from the results of the current valuation presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and, changes in plan provisions or applicable law.

In preparing our report, we relied on information (some oral and some written) supplied by the District's staff. This information includes, but is not limited to, plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION I – EXECUTIVE SUMMARY

The primary purpose of the actuarial valuation and this report is to measure, describe, and identify the following as of the valuation date:

- The financial condition of the Plan,
- Past and expected trends in the financial progress of the Plan,
- Employer and member contribution rates for Plan Year 2022-2023, and
- An assessment and disclosure of key risks.

The information required under GASB Statements (Nos. 67 and 68) is included in a separate report, with the report for the Fiscal Year Ending June 30, 2021 provided to the Boards in September 2021.

In the balance of this Executive Summary, we present (A) the basis upon which this year's valuation was completed, (B) the key findings of this valuation including a summary of all key financial results, (C) changes in Plan cost, (D) an examination of the historical trends, and (E) the projected financial outlook for the Plan.

A. Valuation Basis

This valuation determines the employer and PEPRAs member contributions for the plan year.

The Plan's funding policy is for the District to contribute an amount equal to the sum of:

- The normal cost under the Entry Age Normal Cost Method, net of any contributions by the members,
- Amortization of the Unfunded Actuarial Liability, and
- The Plan's expected administrative expenses.

This valuation was prepared based on the plan provisions shown in Appendix C. There have been no changes in plan provisions since the prior valuation.

A summary of the assumptions and methods used in the current valuation are shown in Appendix B. There have been no changes in assumptions or methods since the prior valuation.

SECTION I – EXECUTIVE SUMMARY

B. Key Findings of this Valuation

The key results of the July 1, 2021 actuarial valuation are as follows:

- The actuarially determined employer contribution rate decreased from 39.59% of payroll last year to 38.57% of payroll for the current valuation, which does reflect an adjustment for the second year of the three-year phase in of the amortization payment for the increase in the Unfunded Actuarial Liability (UAL) due to the assumptions adopted for the July 1, 2020 valuation. Without the phase in, the employer contribution rate would be 39.34% of payroll.
- The Plan's funded ratio, the ratio of actuarial assets over Actuarial Liability, increased from 61.8% as of July 1, 2020 to 65.6% as of July 1, 2021. As a point of comparison, a funding ratio of 63.3% or more is required just to fund the liabilities of the inactive members: retired, disabled, terminated with vested benefits, and their beneficiaries. This ratio is sometimes referred to as the Inactive Funded Ratio.
- The Unfunded Actuarial Liability (UAL) is the excess of the Plan's Actuarial Liability over the Actuarial Value of Assets. The Plan experienced a decrease in the UAL from \$64,905,216 to \$60,673,194 as of July 1, 2021. This decrease in the UAL was primarily due to better than expected investment returns.
- During the year ended June 30, 2021, the return on Plan assets was 28.84% on a market value basis net of investment expenses, as compared to the 6.75% assumption. This resulted in a market value gain on investments of \$22,194,754. The Actuarial Value of Assets recognizes 20% of the annual difference between the expected and actual return on the Market Value of Assets (MVA). This method of smoothing the asset gains and losses returned 10.08% on the smoothed value of assets, an actuarial asset gain of \$3,497,592.
- The Actuarial Value of Assets is currently 89.3% of the market value. Since actuarial assets are below market assets, there are unrecognized investment gains (approximately \$13.9 million, primarily due to the FYE 2021 asset experience) that will be reflected in the smoothed value in future years.
- The Plan experienced a liability loss of \$290,705 due primarily to lower mortality rates than expected among inactive participants. The Plan experienced a \$17,251 gain from expenses being less than expected, and a loss of \$835,808 from contributions being less than the actuarial cost. Combining the losses on liability and contributions with the gain on assets and expenses, the Plan experienced a total gain of \$2,388,330.
- There were 26 new hires and rehires since July 1, 2020 and the total active population increased by eight. Total projected payroll increased 3.60% from \$26,792,691 to \$27,758,461 for 2021-2022.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION I – EXECUTIVE SUMMARY

- The impact of PEPRA continued to lower the employer cost. As more PEPRA members are hired, the average normal cost rate declines, because PEPRA members have lower benefits than the non-PEPRA members and they contribute approximately 50% of the PEPRA Normal Cost. As of June 30, 2021, PEPRA members make up about 40% of the active workforce.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION I – EXECUTIVE SUMMARY

Table I-1 summarizes the key results of the valuation with respect to membership, assets and liabilities, and contributions. The results are presented and compared for both the current and prior plan year.

Table I-1				
Summary of Principal Plan Results				
Valuation Date	July 1, 2020	July 1, 2021	% Change	
<u>Participant Counts</u>				
Active Participants	168	148	-11.90%	
Participants Receiving a Benefit	333	356	6.91%	
Terminated Vested Participants	53	54	1.89%	
Transferred Participants	3	2	-33.33%	
Non-Vested Participants Due Refund	<u>7</u>	<u>4</u>	-42.86%	
Total	564	564	0.00%	
Annual Pay of Active Members	\$ 26,792,691	\$ 27,758,461	3.60%	
<u>Assets and Liabilities</u>				
Actuarial Liability (AL)	\$ 169,966,908	\$ 176,156,667	3.64%	
Actuarial Value of Assets (AVA)	<u>105,061,692</u>	<u>115,483,473</u>	9.92%	
Unfunded Actuarial Liability (UAL)	\$ 64,905,216	\$ 60,673,194	-6.52%	
Funded Ratio (AVA)	61.8%	65.6%	3.74%	
Market Value of Assets (MVA)	\$ 100,552,171	\$ 129,366,721	28.66%	
Funded Ratio (MVA)	59.2%	73.4%	14.28%	
Inactive Funded Ratio	59.7%	63.3%	3.60%	
<u>Contributions</u>				
Employer Contribution Payable Monthly	\$ 10,829,988	\$ 10,722,528	-0.99%	
Employer Contribution (after phase in)	\$ \$10,428,148	\$ 10,508,872		
Employer Contribution as a Percentage of Payroll	41.09%	39.34%	-1.75%	
Employer Contribution as a Percentage of Payroll (after phase in)	39.59%	38.57%	-1.02%	

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION I – EXECUTIVE SUMMARY

C. Changes in Contributions

Table I-2 summarizes the impact of actuarial experience on contributions.

Table I-2 Employer Contribution Reconciliation				
Item	Total	Normal Cost	UAL Amortization	Admin Expense
FYE 2022 Employer Contribution Rate	39.59%	16.09%	22.49%	1.01%
Change due to phase-in of assumption changes	0.84%	0.00%	0.84%	0.00%
Change due to asset gains	-0.92%	0.00%	-0.92%	0.00%
Change due to PEPRA	-1.17%	-1.17%	0.00%	0.00%
Change due to demographic losses	0.20%	0.14%	0.06%	0.00%
Change due to amortization payroll	-0.19%	0.00%	-0.18%	-0.01%
Change due to contribution/expense shortfall	<u>0.22%</u>	<u>0.00%</u>	<u>0.22%</u>	<u>0.00%</u>
Total Change	-1.02%	-1.03%	0.02%	-0.01%
FYE 2023 Employer Contribution Rate	38.57%	15.06%	22.51%	1.00%

Employer contribution rates include Phase-In

An analysis of the cost changes from the prior valuation reveals the following:

- Asset experience produced an investment gain on an actuarial basis.

The actuarial return on assets was 10.08%, which is more than the assumed rate of 6.75%. This resulted in a decrease in the contribution rate by 0.92% of payroll.

The Market Value of Assets is greater than the actuarial value; there are approximately \$13.9 million in deferred asset gains.

- Demographic experience (including PEPRA new hires) resulted in a net decrease in cost.

The demographic experience of the Plan – rates of retirement, death, disability, and termination – was close to that predicted by the actuarial assumptions in aggregate, causing an actuarial loss that increased the contribution rate by 0.20% of payroll. In particular, there were losses caused by lower mortality rates than expected among retirees.

This was offset by the fact that the employer portion of the normal cost for the new hires under the PEPRA benefit formula is lower than the normal cost for the non-PEPRA membership. The growth in the PPERA membership resulted in a decrease in the average employer normal cost rate of 1.17% of payroll.

The net impact on the contribution rate from changes in demographics was a decrease of 0.97% of payroll.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION I – EXECUTIVE SUMMARY

- Overall payroll growth was greater than expected.

Greater than expected growth in the projected payroll decreased the contribution rate by 0.19% of pay, since it results in the Plan’s Unfunded Actuarial Liability and administrative expenses being spread over a larger payroll base.

- Contributions fell short of the actuarially determined cost.

Actual contributions were less than the total actuarially determined cost (including expenses), which resulted in an increase in the contribution rate by 0.22%.

The total impact on employer Plan cost from all changes is a decrease of 1.02% of pay, after incorporating the remaining impact of the continued phase-in of the 2020 assumption changes.

Table I-3 summarizes the impact on Plan cost of phasing in the 2020 UAL assumption change amortization payment over three years. Please see Section E for the assumptions used in the projections below.

Item	Full Contribution	Phased Contribution
FYE 2023 Employer Contribution Rate	39.34%	38.57%
FYE 2024 Employer Contribution Rate	37.00%	37.00%
FYE 2025 Employer Contribution Rate	35.42%	35.48%

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

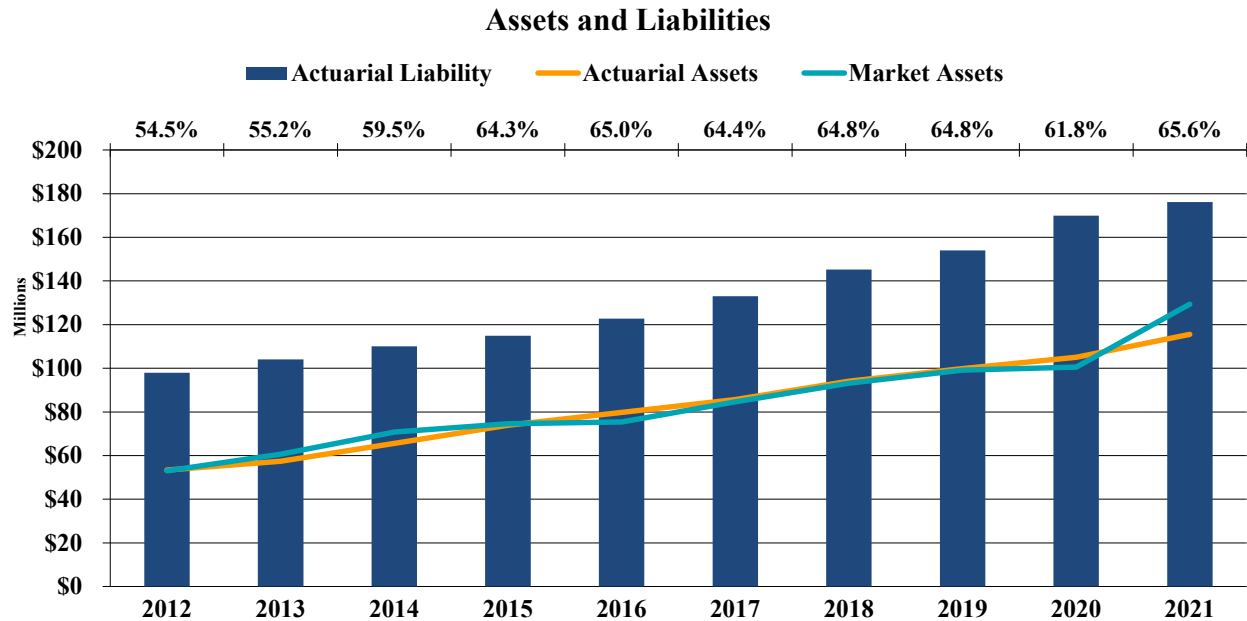
SECTION I – EXECUTIVE SUMMARY

D. Historical Trends

Despite the fact that for most retirement plans the greatest attention is given to the current valuation results and in particular, the size of the current Unfunded Actuarial Liability and the employer contribution, it is important to remember that each valuation is merely a snapshot in the long-term progress of a pension fund. It is more important to judge a current year’s valuation result relative to historical trends, as well as trends expected into the future.

Assets and Liabilities

The chart compares the Market Value of Assets (MVA) and Actuarial Value of Assets (AVA) to the Actuarial Liabilities. The percentage shown in the chart below the graph is the ratio of the Actuarial Value of Assets to the Actuarial Liability (the funded ratio). The funded ratio increased from 54.5% in 2012 to 64.3% in 2015 but has remained relatively flat since through 2019, as a result of the recovery of investment markets and contributions made to the Plan offset by assumption changes which have increased the estimates of the liabilities. In 2020 the funded ratio decreased to 61.8% due to the assumption changes adopted as part of the 2020 Experience Study and in 2021 the funded ratio recovered to 65.6%, the highest over the ten-year period, due to highly favorable returns on the assets.



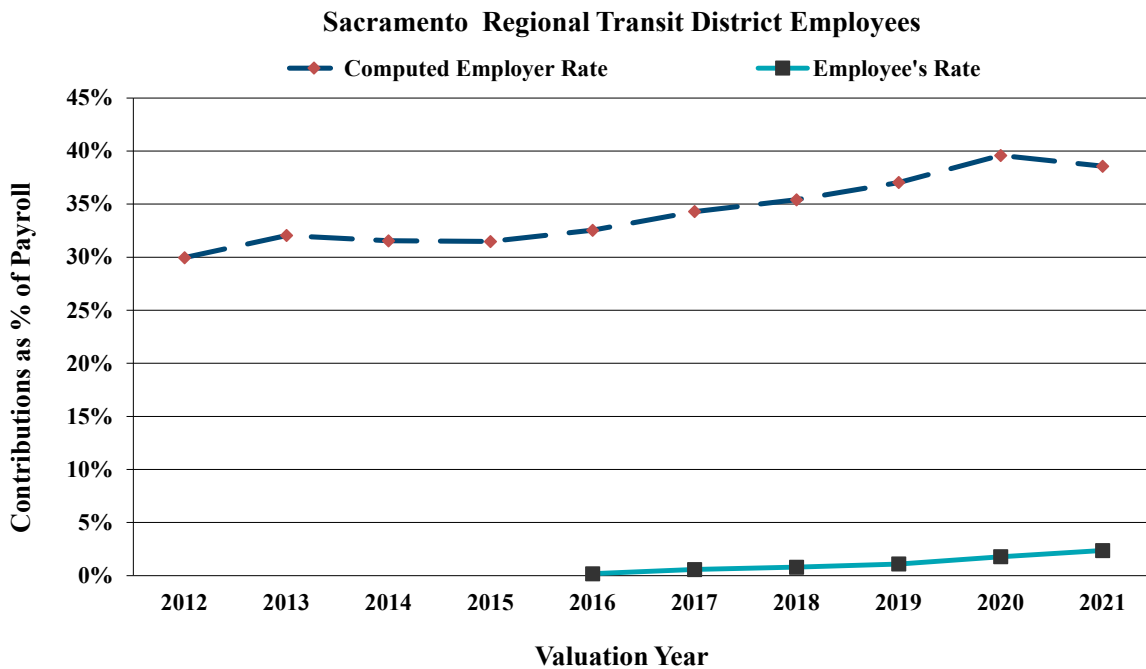
RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021

SECTION I – EXECUTIVE SUMMARY

Contribution Trends

In the following chart, we present the Plan’s historical actuarially determined contribution rates and employee contribution rates. Employer contribution rates increased from 2012 to 2013 as losses from the 2009 Fiscal Year were recognized and assumptions were changed. Contribution rates remained relatively stable from 2013 to 2016, with an increase in 2017 due to the change in assumptions as well as a decrease in projected payroll. The contribution rate increased in 2020 primarily due to assumption changes proposed as part of the 2020 experience study. The contribution rate decreased in 2021 due to the positive investment performance. The employer rates shown include the three-year phase-in of the impact of the assumption changes on the UAL payment.

The average employee contribution rate continues to increase as more PEPRA members enter and contribute to the plan.



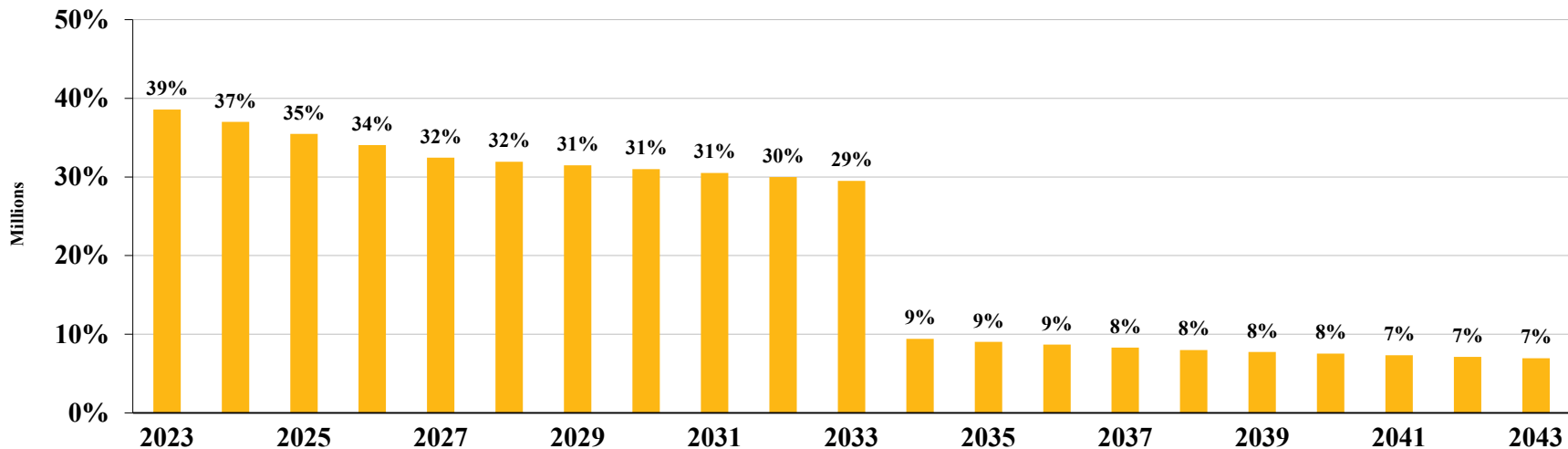
**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
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SECTION I – EXECUTIVE SUMMARY

E. Future Expected Financial Trends

The analysis of projected financial trends is perhaps the most important component of this valuation. In this section, we present our assessment of the implications of the July 1, 2021 valuation results in terms of benefit security (assets over liabilities) and contribution levels. All the projections in this section are based on the assumption that the Plan will exactly achieve the 6.75% assumption each year, which is clearly an impossibility. We have also assumed future salary increases of 2.75% per year. We have included the impact of the continued phase-in of the 2020 UAL assumption changes into this chart.

Projection of Employer Contributions 6.75% return each year



The contribution rate graph shows that the District’s contributions are expected to decline over the next few years as the deferred asset gains are recognized and as the employer-paid portion of the normal cost decreases as PEPRA membership increases. The employer contribution rate is expected to decline substantially in FYE 2034, once the existing unfunded liability from the prior valuation is fully amortized.

The dollar actuarial cost for the District is expected to be approximately \$11.0 million in 2022-2023, and to stay relatively level as payroll grows and rates decline, then is expected to drop significantly the following years once the largest layer of the unfunded

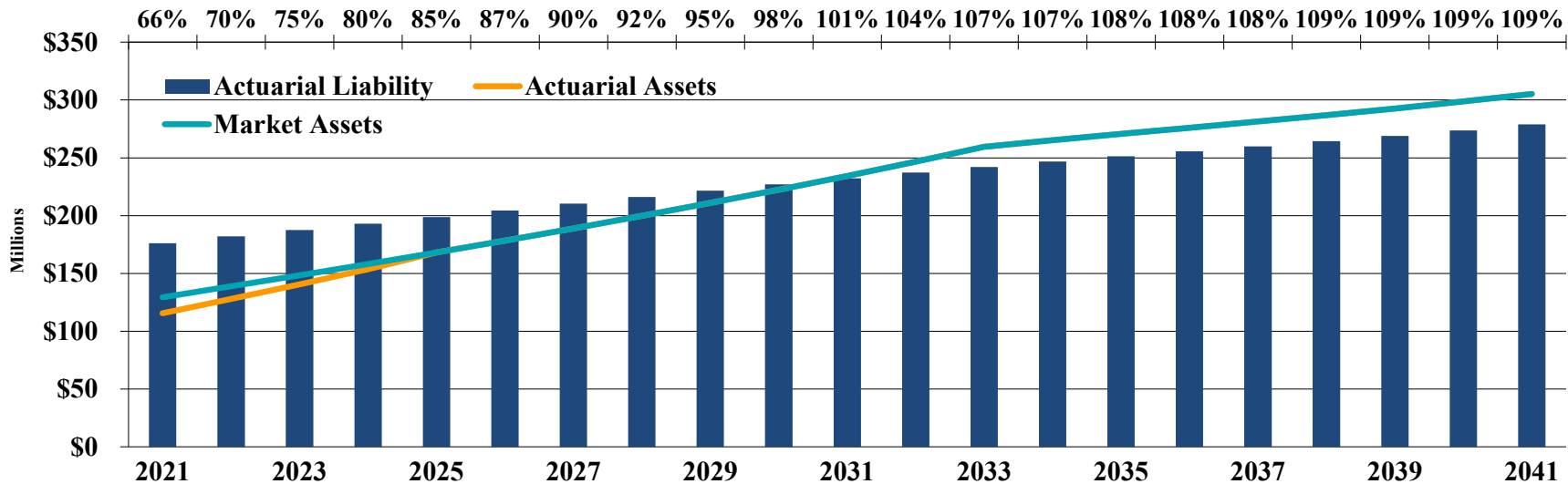
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liability (the UAL that existed as of June 30, 2019) is fully amortized. Note that the graph on the prior page does not forecast any actuarial gains or losses or changes to the assumptions or funding policy.

The following graph shows the projection of assets and liabilities assuming that assets will earn the 6.75% assumption each year during the projection period. The graph shows that the funded status is expected to increase steadily over the next 10 years as the existing unfunded liability is fully amortized, assuming the actuarial assumptions are achieved. The Plan is expected to be fully funded in 2031, nine years earlier than in the July 1, 2020 valuation. However, it is primarily the actual return on Plan assets that will determine the future funding status and contribution rate to the Plan.

Projection of Assets and Liabilities 6.75% return each year



SECTION II – DISCLOSURES RELATED TO RISK

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. These assumptions represent a reasonable estimate of future experience, but actual future experience will undoubtedly be different and may vary significantly.

Actuarial Standard of Practice (ASOP 51) requires actuaries to identify and assess risks that “may reasonably be anticipated to significantly affect the plan’s future financial condition.” This section of the report is intended to identify the primary risks to the Plan, provide some background information about those risks, and provide an assessment of those risks.

Identification of Risks

The fundamental risk to a pension plan is that the contributions needed to pay the benefits become unaffordable. Even in the case that the Plan remains affordable, the contributions needed to support the Plan may differ significantly from expectations. While there are a number of factors that could lead to contribution amounts deviating from expectations, we believe the primary risks are:

- Investment risk,
- Assumption change risk,
- Longevity and other demographic risk, and
- Contribution risk.

Other risks that we have not identified may also turn out to be important.

Investment Risk is the potential for investment returns to be different than expected. Lower investment returns than anticipated will increase the Unfunded Actuarial Liability necessitating higher contributions in the future unless there are other gains that offset these investment losses. The potential volatility of future investment returns is determined by the Plan’s asset allocation and the affordability of the investment risk is determined by the amount of assets invested relative to the size of the plan sponsor or other contribution base.

Assumption change risk is the potential for the environment to change such that future valuation assumptions are different than the current assumptions. For example, declines in interest rates over the last three decades resulted in higher investment returns for fixed-income investments, but lower expected future returns necessitating either a change in investment policy, a reduction in discount rate, or some combination of the two. Assumption change risk is an extension of the other risks identified, but rather than capturing the risk as it is experienced, it captures the cost of recognizing a change in environment when the current assumption is no longer reasonable.

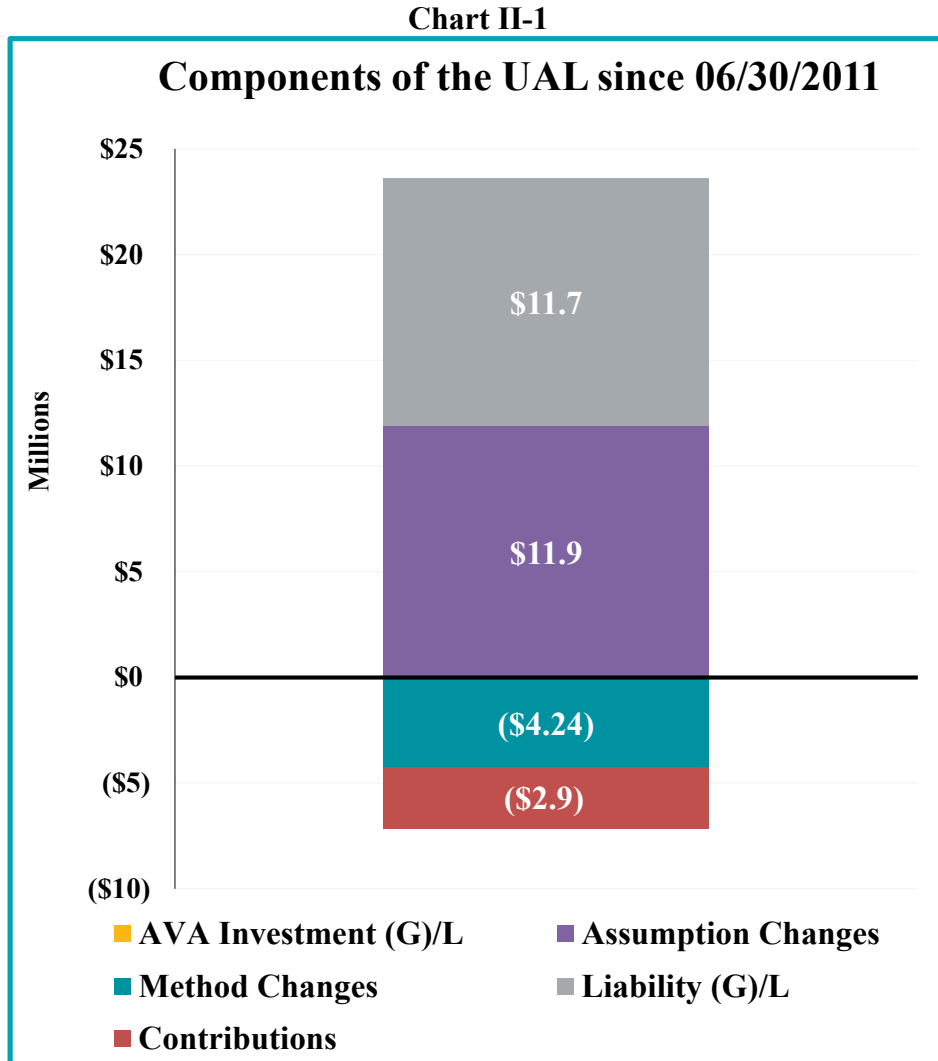
Longevity and other demographic risks are the potential for mortality or other demographic experience to be different than expected. Generally, longevity and other demographic risks emerge slowly over time and are often dwarfed by other changes, particularly those due to investment returns. However, for this plan there have been substantial liability losses over the last five years, driven by higher-than-expected pay increases for continuing active members.

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Contribution risk is the potential for actual future contributions to deviate from expected future contributions. There are different sources of contribution risk ranging from the sponsor choosing to not make contributions in accordance with the funding policy to material changes in the contribution base (e.g., covered employees, covered payroll, sponsor revenue) that affect the amount of contributions the Plan can collect.

The chart below shows the components contributing to the Unfunded Actuarial Liability (UAL) from June 30, 2011 through June 30, 2021. Over the last 10 years, the UAL has increased by approximately \$16.4 million. The assumption changes (purple bar) resulting in a total UAL increase of \$11.9 million is the largest source of UAL growth, followed by liability losses (\$11.7 million, gray bar). Net investment gain and losses have offset each other over the ten-year period.



Each year, the UAL is expected to increase for benefits earned in the current year (the normal cost), administrative expenses, and interest on the UAL. This expected increase is referred to as

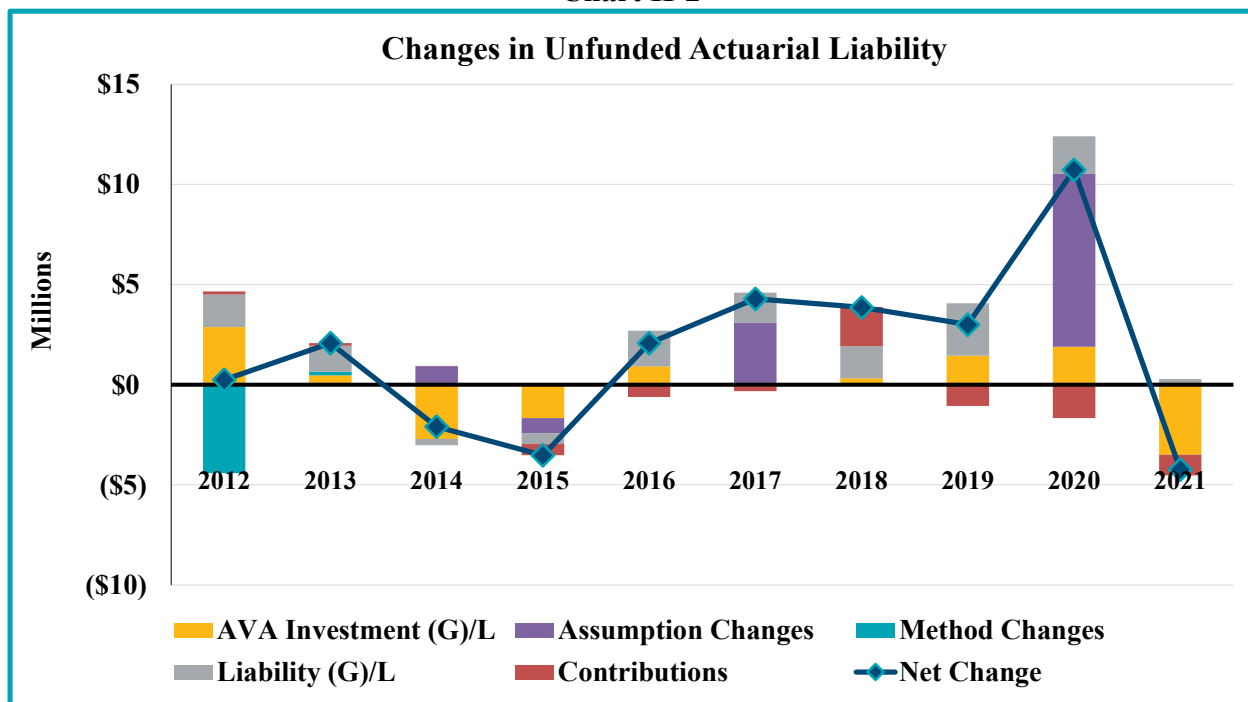
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SECTION II – DISCLOSURES RELATED TO RISK

the tread water level. If contributions are greater than the tread water level, the UAL is expected to decrease. Conversely, if contributions are less than the tread water level, the UAL is expected to increase. The amortization policy (as well as the contribution-timing lag) can impact whether or not the contributions exceed the tread water level. Contributions above the “tread-water” level (red bar) have decreased the UAL by \$2.9 million. In addition, method changes (teal bar) have decreased the UAL by \$4.2 million since June 30, 2011.

Chart II-2 below details the annual sources of the UAL change (colored bars) for each valuation year. The net UAL change for each year is represented by the blue diamonds.

Chart II-2



The impact of all assumption changes is represented by the purple bars. In 2015 and 2020, there were experience studies performed. The experience study in 2015 resulted in a slight reduction in the liabilities. In 2020, significant increases were primarily due to salary merit and retirement rate changes and reductions in the discount rate. The assumed rate of return was also reduced in 2014 and 2017. In 2012, the liabilities decreased due to the actuarial method change from Entry-Age-to-Decrement to Entry Age Actuarial Cost method.

On the liability side (gray bars), the Plan has mostly experienced losses, increasing the UAL by approximately \$11.7 million over the 10-year period resulting from participants retiring, terminating, becoming disabled and dying at rates different from the actuarial assumptions as well as unexpected changes in salaries. Most of this type of activity is normal in the course of Plan experience. However, the Plan has recently experienced some significant liability losses, which indicated the potential need to update some of the assumptions, which was done as part of the 2020 experience study.

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The shortening of the amortization period has resulted in UAL reductions from contributions over the last several years, except in 2018, where the shortfall was due to the phase-in of the 2017 assumption change impact.

While the net investment gains and losses have not been the largest driver of UAL changes over the past 10 years, the year-to-year investment volatility can have a large impact on the UAL and is unpredictable. For example, the actuarial investment gain in 2021 was \$3.5 million compared to the \$2.9 million actuarial loss in the 2012 valuation.

Table II-1 below shows the same information as Chart II-2, but the annual source of the UAL change is shown numerically.

Table II-1 Unfunded Actuarial Liability (UAL) Change by Source						
Valuation Year	Assumption Changes	Method Changes	Contributions	Investment Experience	Liability Experience	Total UAL Change
2012	0	(4,417,135)	158,728	2,883,165	1,623,268	248,026
2013	0	181,918	127,112	467,927	1,299,355	2,076,312
2014	933,160	0	5,520	(2,704,686)	(323,933)	(2,089,939)
2015	(757,047)	0	(562,761)	(1,662,717)	(541,993)	(3,524,518)
2016	0	0	(614,979)	917,324	1,775,915	2,078,260
2017	3,108,901	0	(229,830)	(85,065)	1,495,305	4,289,311
2018	(18,542)	0	1,958,532	321,313	1,603,565	3,864,868
2019	0	0	(1,060,592)	1,451,131	2,611,134	3,001,672
2020	8,637,242	0	(1,661,284)	1,894,074	1,867,525	10,737,558
2021	0	0	(1,025,135)	(3,497,592)	290,705	(4,232,022)
Total	\$ 11,903,714	\$ (4,235,217)	\$ (2,904,689)	\$ (15,126)	\$ 11,700,846	\$ 16,449,528

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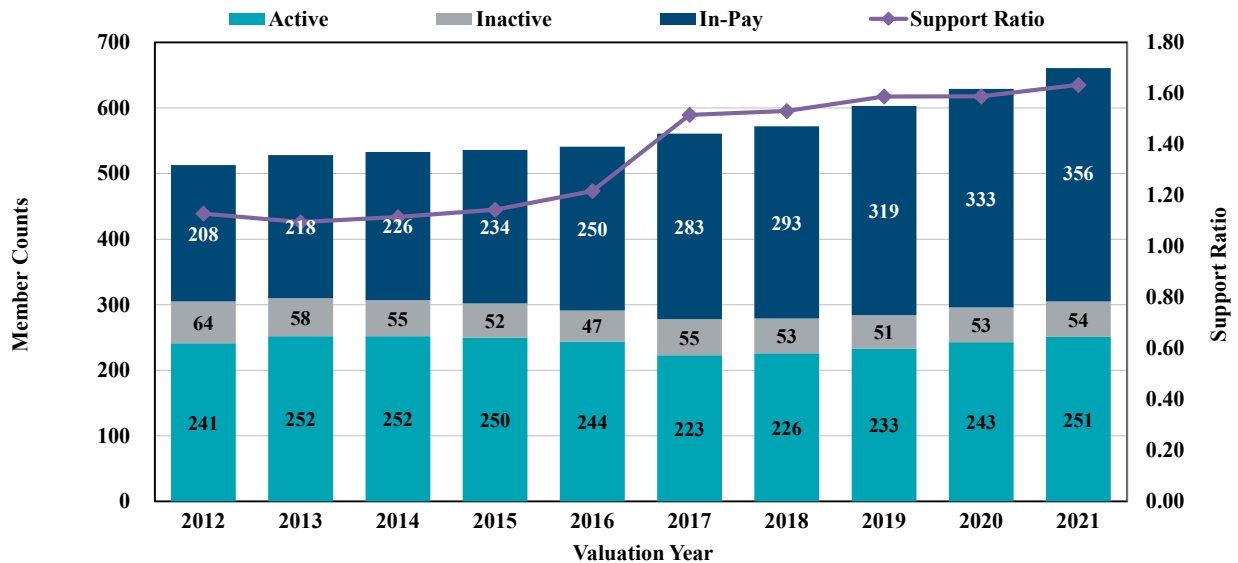
Plan Maturity Measures

The future financial condition of a mature pension plan is more sensitive to each of the risks identified above than a less mature plan. Before assessing each of these risks, it is important to understand the maturity of the plan compared to other plans and how the maturity has changed over time.

Plan maturity can be measured in a variety of ways, but they all get at one basic dynamic – the larger the plan is compared to the contribution or revenue base that supports it; the more sensitive the plan will be to risk. The measures on the following pages have been selected as the most important in understanding the primary risks identified for the plan.

Inactives per Active (Support Ratio)

One simple measure of plan maturity is the ratio of the number of inactive members (those receiving benefits or inactives – those entitled to a deferred benefit) to the number of active members. The Support Ratio is expected to increase gradually as a plan matures. The chart below shows the Support Ratio remaining fairly level from 2012 to 2016 as the number of active members increased and the number of retirees also increased. However, the Support Ratio increased rapidly from 2016 to 2017 as the active population declined while the retiree population grew. The Support Ratio has been relatively stable from 2017 to 2021.



Leverage Ratios

Leverage or volatility ratios measure the size of the plan compared to its revenue base more directly. The asset leverage ratio is simply the Market Value of Assets to active member payroll and indicates the sensitivity of the Plan to investment returns. The liability leverage ratio is the

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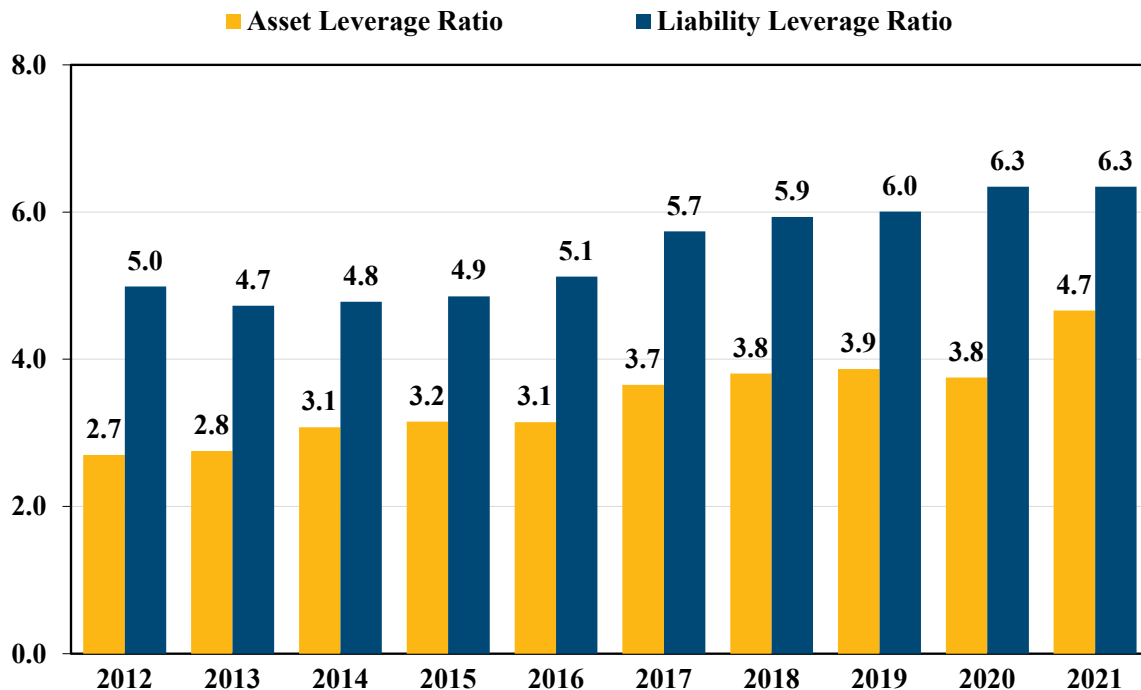
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Plan’s Actuarial Liability to active member payroll and indicates the sensitivity of the Plan to assumption changes or demographic experience.

The Plan assets are currently close to five times covered payroll. As the Plan becomes better funded, the asset leverage ratio will increase, and if it was 100% funded, the asset leverage ratio would be over six and equal the Actuarial Liability (AL) leverage ratio. Although both of these ratios are lower than those of many other public plans, the increase in the asset leverage ratio expected to accompany an improvement in the Plan’s funding still represents a substantial increase in the volatility of the contributions.

An asset leverage ratio of 4.7 means that if the Plan’s assets lose 10% of their value (a 16.75% actuarial loss compared to the expected return of 6.75%), the loss is about 78% of payroll (4.7 x 16.75%). Based on the proposed amortization policy, the contribution rate would ultimately increase by approximately 5.9% of payroll if asset smoothing were not applied and the loss were amortized over 20 years. The same investment loss if the Plan were 100% funded would be around 106% of payroll and an ultimate contribution rate increase of about 8.0% of payroll, if amortized over 20 years.

The chart below shows the historical leverage ratios of the Plan. Both leverage ratios have increased since 2012. The large increase in the Asset Leverage Ratio for 2021 is due to the favorable investment experience for FYE 2021.



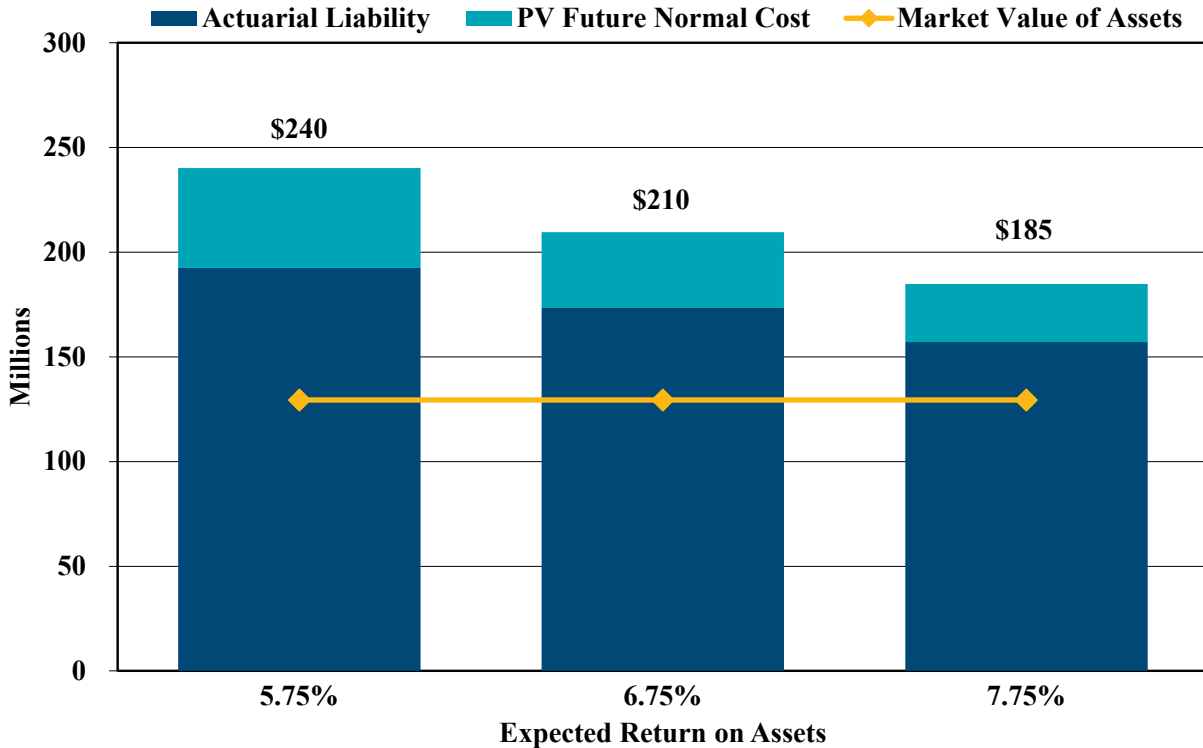
SECTION II – DISCLOSURES RELATED TO RISK

Assessing Costs and Risks

Sensitivity to Investment Returns

The chart below compares assets to the present value of all projected future benefits discounted at the current expected rate of return and at an investment return 100 basis points above and below the expected rate of return. The present value of future benefits is shown as a bar with the portion attributable to past service in dark blue (Actuarial Liability) and the portion attributable to future service in teal (Present Value of Future Normal Costs). The Market Value of Assets is shown by the gold line.

Present Value of Future Benefits versus Assets



If investments return 6.75% annually, the Plan would need approximately \$210 million in assets today to pay all projected benefits compared to current assets of \$129 million. If investment returns are only 5.75%, the Plan would need approximately \$240 million in assets today, and if investment returns are 7.75%, the Plan would need approximately \$185 million in assets today.

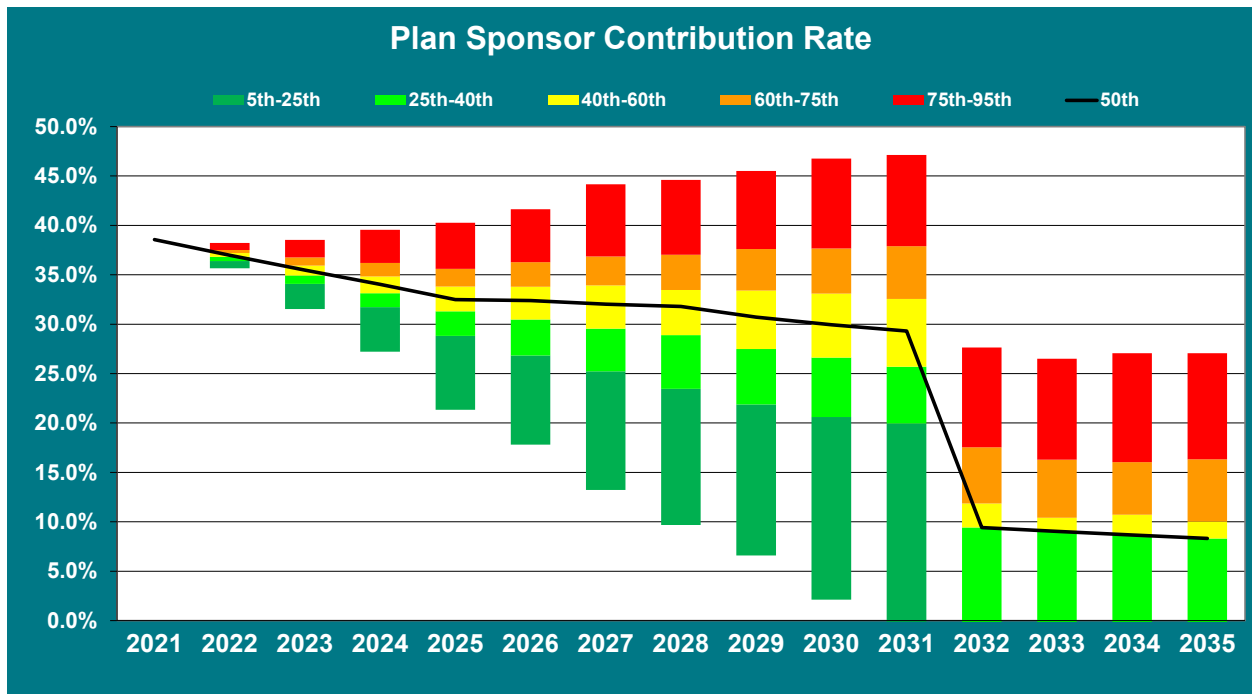
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Stochastic Projections

Stochastic projections serve to show the range of probable outcomes of various measurements. The chart below and on the following page show the projected range of the employer contribution rate and of the funded ratio on an Actuarial Value of Assets basis. The range in both scenarios is driven by the volatility of investment returns (assumed to be based on a 12.4% standard deviation of annual returns, as provided by the Plan’s investment consultant and described in the 2020 Experience Study Report). The stochastic projections of investment returns are based on an assumption that each future year’s investment return is independent from all other years and is identically distributed according to a lognormal distribution. This assumption may result in an unrealistically wide range of compound investment returns over longer periods.

Stochastic Projection of Employer Contributions as a Percent of Pay

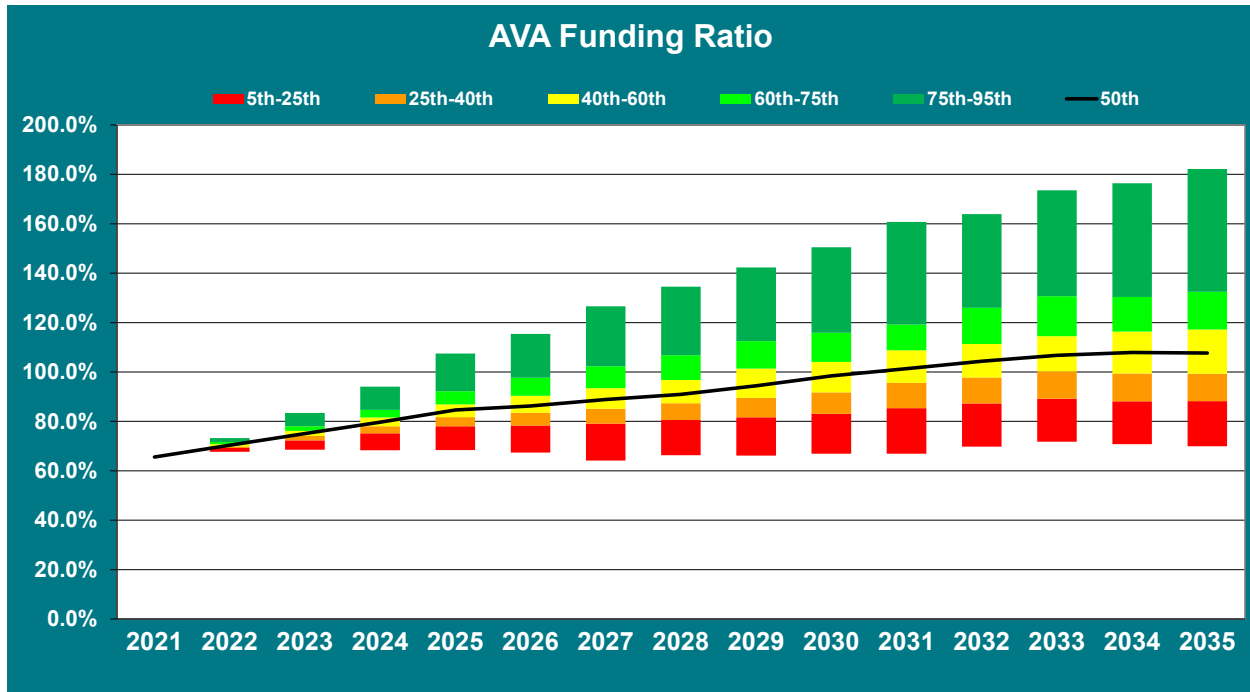


The stochastic projection of employer contributions, shown here as of the valuation date and payable the following fiscal year, shows the probable range of future contribution rates as a percent of pay. The baseline contribution rate (black line), which is based on the median of the simulations using an average return of 6.75%, aligns closely with the projections discussed in subsection D of the Executive Summary of this report. In the most pessimistic scenario shown, the 95th percentile, the projected employer contribution rate is about 47% of pay for the 2031 valuation (FYE 2033). Conversely, the most optimistic scenario shown, the 5th percentile, the projected employer contribution falls below 10% starting with the 2028 (FYE 2030). We note that these projections set the employer contribution to not fall below the normal cost unless the funded ratio exceeds 120%, as required under PEPRA.

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Stochastic Projection of Funded Ratio on an Actuarial Value of Assets Basis



The graph above shows the projection of the funded ratio based on the Actuarial Value of Assets. It is based on the Plan’s layered amortization policy, where the UAL as of July 1, 2019 is paid off over 11 years, and all future gains or losses are amortized over a new closed 20-year period. While the baseline-funded ratio (black line) is projected to be nearly 100% at the end of the period shown here, there is a wide range of potential outcomes. Good investment returns have the likelihood of bringing the funded ratio well over 100%.

Under both the current funding policy of the Plan, even in scenarios with unfavorable investment returns the Plan is projected to remain close to 65% funded on an Actuarial Value of Assets basis, as long as the actuarially determined contributions continue to be made.

Contribution Risk

While investment returns are typically the dominant factor in volatility, contribution rates can also be sensitive to future salary increases and the hiring of new members. When member payroll growth stagnates or even declines, the dollar level of contributions made to the Plan also stagnates or declines since contributions are based on payroll levels, though this will generally only present a funding issue if there is an extended period of payroll reductions.

There is also a risk of the contribution rate increasing even higher when payroll decreases since the Plan’s funding policy amortizes the UAL as a level percentage of pay. This means that the UAL payments increase at the assumed payroll growth rate of 2.75%, so that the payment is expected to remain constant as a percentage of payroll. If payroll growth is less than the expected

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2.75% or there is a decline in payroll, the UAL payments are spread over a smaller payroll base and the contribution rate as a percentage of pay increases, making the Plan less affordable for those sponsors with declining payroll bases.

For example, the UAL Amortization rate as of June 30, 2021 for the FYE 2023 is 22.51% after reflecting the phase in. If the projected payroll for FYE 2023 were 2.75% lower, all else being equal, the UAL Amortization rate would increase to 23.14%.

More Detailed Assessment

While a more detailed assessment is always valuable to enhance the understanding of the risks identified above, we believe the scenarios illustrated above cover the primary risks facing the Plan at this time. We would be happy to provide the Board with a more in-depth analysis at their request.

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SECTION III – ASSETS

Pension Plan assets play a key role in the financial operation of the Plan and in the decisions the Board may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, employer contributions, and the ultimate security of participants’ benefits.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of Plan assets as of June 30, 2020 and June 30, 2021
- Statement of the **changes** in market values during the year
- Development of the **Actuarial Value of Assets**

Disclosure

There are two types of asset values disclosed in the valuation, the Market Value of Assets and the Actuarial Value of Assets. The market value represents “snap-shot” or “cash-out” values, which provide the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. As a result, market values are usually not as suitable for long-range planning as are the Actuarial Value of Assets, which reflect smoothing of annual investment returns.

Table III-1 discloses and compares each component of the market asset value as of June 30, 2020 and June 30, 2021.

Table III-1 Statement of Assets at Market Value June 30,			
Investments		2020	2021
Cash and Cash Equivalents	\$	4,959,859	\$ 2,890,306
Equity Securities		69,569,341	97,425,791
Fixed Income Securities		29,090,368	26,114,152
Real Estate		0	7,264,978
Total Investments	\$	103,619,568	\$ 133,695,227
Receivables:			
Securities Sold	\$	4,016,792	\$ 5,936,189
Interest and Dividends		138,053	206,769
Other Receivable		12,912	16,260
Total Receivables	\$	4,167,757	\$ 6,159,218
Payables			
Accounts Payable	\$	(294,500)	\$ (386,812)
Benefits Payable		0	0
Other Payable		(6,940,654)	(10,100,912)
Total Payables	\$	(7,235,154)	\$ (10,487,724)
Market Value of Assets	\$	100,552,171	\$ 129,366,721

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SECTION III – ASSETS

Changes in Market Value

The components of asset change are:

- Contributions (employer and employee)
- Benefit payments
- Expenses (investment and administrative)
- Investment income (realized and unrealized)

Table III-2 shows the components of a change in the Market Value of Assets during 2020 and 2021.

Table III-2 Changes in Market Values		
	<u>2020</u>	<u>2021</u>
Contributions		
Employer's Contribution	\$ 9,159,513	\$ 9,807,539
Members' Contributions	360,051	466,141
Total Contributions	<u>\$ 9,519,564</u>	<u>\$ 10,273,680</u>
Investment Income		
Interest & Dividends	\$ 1,690,593	\$ 1,380,961
Realized & Unrealized Gain/(Loss)	292,359	28,093,811
Other Investment Income	0	0
Investment Expenses	(456,801)	(498,128)
Total Investment Income	<u>\$ 1,526,151</u>	<u>\$ 28,976,644</u>
Disbursements		
Benefit Payments	\$ (9,453,326)	\$ (10,182,471)
Administrative Expenses	(226,310)	(253,303)
Transfer from/(to) Union Plans	0	0
Total Disbursements	<u>\$ (9,679,636)</u>	<u>\$ (10,435,774)</u>
Net increase (Decrease)	\$ 1,366,079	\$ 28,814,550
Net Assets Held in Trust for Benefits:		
Beginning of Year	\$ 99,186,092	\$ 100,552,171
End of Year	<u>\$ 100,552,171</u>	<u>\$ 129,366,721</u>
Approximate Return	1.54%	28.84%
Administrative Expenses as a Percentage of Mean Assets	0.23%	0.20%

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SECTION III – ASSETS

Actuarial Value of Assets (AVA)

The Actuarial Value of Assets represents a “smoothed” value developed by the actuary to reduce the volatile results that could develop due to short-term fluctuations in the Market Value of Assets. For this Plan, the Actuarial Value of Assets is calculated on a modified market-related value. The Market Value of Assets is adjusted to recognize, over a five-year period, investment earnings which are greater than (or less than) the assumed investment return.

Table III-3 Development of Actuarial Value of Assets as of July 1, 2021							
	(a)	(b)	(c)	(d)	(e) = (d) – (c)	(f)	(g) = (e) x (f)
	Total	Total	Expected	Actual	Additional	Not	Unrecognized
Year	Contributions	Disbursements	Return	Return	Earnings	Recognized	Earnings
2016-2017	7,374,844	(7,468,429)	5,646,767	9,388,876	3,742,109	0%	0
2017-2018	7,812,272	(5,387,976)	6,223,723	6,073,483	(150,240)	20%	(30,048)
2018-2019	8,697,108	(8,290,228)	6,766,681	5,649,123	(1,117,558)	40%	(447,023)
2019-2020	9,519,564	(9,679,636)	7,185,291	1,526,151	(5,659,140)	60%	(3,395,484)
2020-2021	10,273,680	(10,435,774)	6,781,890	28,976,644	22,194,754	80%	<u>17,755,803</u>
1. Total Unrecognized Dollars							13,883,248
2. Market Value of Assets as of June 30, 2021							129,366,721
3. Actuarial Value of Assets as of June 30, 2021: [(2) - (1)]							115,483,473
4. Ratio of Actuarial Value to Market Value [(3) ÷ (2)]							89.27%

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SECTION III – ASSETS

Investment Performance

The following table calculates the investment related gain/loss for the plan year on both a market value and an actuarial value basis. The market value gain/loss is an appropriate measure for comparing the actual asset performance to the previous valuation’s long-term 6.75% assumption.

Table III-4 Asset Gain/(Loss)		
	Market Value	Actuarial Value
July 1, 2020 value	\$ 100,552,171	\$ 105,061,692
Employer Contributions	9,807,539	9,807,539
Employee Contributions	466,141	466,141
Benefit Payments and Expenses	(10,435,774)	(10,435,774)
Expected Investment Earnings (6.75%)	6,781,890	7,086,283
Expected Value June 30, 2021	\$ 107,171,967	\$ 111,985,881
Investment Gain / (Loss)	22,194,754	3,497,592
July 1, 2021 value	\$ 129,366,721	\$ 115,483,473
Return	28.84%	10.08%

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SECTION IV – LIABILITIES

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities on July 1, 2020 and July 1, 2021
- Statement of **changes** in these liabilities during the year

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them. Note that these liabilities are not applicable for settlement purposes, including the purchase of annuities and the payment of lump sums.

- **Present Value of Future Benefits:** Used for measuring all future Plan obligations, represents the amount of money needed today to fully fund all benefits of the Plan both earned as of the valuation date and those to be earned in the future by current plan participants, under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations, the normal cost rate is equal to the total projected value of benefits at entry age, divided by present value of future salary at entry age. The dollar amount of the normal cost equal to the normal cost rate multiplied by each member’s projected pay. The Actuarial Liability is the portion of the present value of future benefits not covered by future expected normal costs. This method is called **Entry Age to Final Decrement (EAFD)**.
- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Actuarial Value of Assets.

Table IV-1 discloses each of these liabilities for the current and prior valuations.

Table IV-1			
Liabilities/Net (Surplus)/Unfunded			
	July 1, 2020		July 1, 2021
<u>Present Value of Future Benefits</u>			
Active Participant Benefits	\$	105,150,390	\$ 102,458,018
Retiree and Inactive Benefits		<u>101,450,848</u>	<u>111,486,485</u>
Present Value of Future Benefits (PVB)	\$	206,601,238	\$ 213,944,503
<u>Actuarial Liability</u>			
Present Value of Future Benefits (PVB)	\$	206,601,238	\$ 213,944,503
Present Value of Future Normal Costs (PVFNC)		<u>36,634,330</u>	<u>37,787,836</u>
Actuarial Liability (AL = PVB – PVFNC)	\$	169,966,908	\$ 176,156,667
Actuarial Value of Assets (AVA)		<u>105,061,692</u>	<u>115,483,473</u>
Net (Surplus)/Unfunded (AL – AVA)	\$	64,905,216	\$ 60,673,194

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION IV – LIABILITIES

Changes in Liabilities

Each of the Liabilities disclosed in the prior table are expected to change at each valuation. The components of that change, depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments increasing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method or software
- Transfers of liabilities from one plan to another

Unfunded liabilities will change because of all of the above, and also due to changes in Plan assets resulting from:

- Employer contributions different than expected
- Investment earnings different than expected
- A change in the method used to measure plan assets
- Transfer of assets from one plan to another

Table IV-2		
Changes in Actuarial Liability		
Actuarial Liability at July 1, 2020	\$	169,966,908
Actuarial Liability at July 1, 2021	\$	176,156,667
Liability Increase (Decrease)		6,189,759
Change due to:		
Actuarial Methods / Software Changes	\$	0
Plan Changes		0
Assumption Changes		0
Transfer In / (Out) from ATU		0
Accrual of Benefits		4,787,854
Actual Benefit Payments		(10,182,471)
Interest		11,293,671
Actuarial (Gain)/Loss		290,705

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION IV – LIABILITIES

Table IV-3 Development of Actuarial Gain / (Loss)	
1. Unfunded Actuarial Liability at Start of Year (not less than zero)	\$ 64,905,216
2. Employer Normal Cost at Middle of Year	4,787,854
3. Interest on 1. and 2. to End of Year	4,540,054
4. Expected Contributions, Admin Expenses and Transfers in Prior Year	10,812,632
5. Interest on 4. to End of Year	358,968
6. Change in Unfunded Actuarial Liability Due to Changes in Actuarial Methods	0
7. Change in Unfunded Actuarial Liability Due to Changes in Assumptions	0
8. Change in Unfunded Actuarial Liability Due to Changes in Plan Design	0
9. Expected Unfunded Actuarial Liability at End of Year [1. + 2. + 3. – 4. – 5. + 6. + 7. + 8.]	\$ 63,061,524
10. Actual Unfunded Actuarial Liability at End of Year (not less than zero)	60,673,194
11. Actuarial Gain / (Loss) [9. – 10.]	\$ 2,388,330
Actuarial Gain / (Loss) From Liabilities more than expected	(290,705)
Actuarial Gain / (Loss) From Actuarial Asset returns more than expected	3,497,592
Actuarial Gain / (Loss) From Expenses less than expected	17,251
Actuarial Gain / (Loss) From Contributions less than Actuarial Cost	(835,808)

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
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SECTION V – CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level (if any) of contributions is needed to properly maintain the funding status of the Plan. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

For this Plan, the actuarial funding method used to determine the normal cost and the Unfunded Actuarial Liability is the **Entry Age to Final Decrement (EAFD)** cost method.

The normal cost rate for each member is determined with the normal cost percentage equal to the total projected value of benefits at entry age, divided by present value of future salary at entry age. Normal cost contributions are assumed to be made throughout the year, or on average mid-year.

The Unfunded Actuarial Liability is the difference between the EAFD Actuarial Liability and the Actuarial Value of Assets. The UAL rate is based on a 11-year level percentage of payroll amortization of the remainder of the Unfunded Actuarial Liability as of July 1, 2019, again assuming mid-year payment to reflect the fact that employer contributions are made throughout the year. Effective July 1, 2020, changes in the UAL are amortized over new closed 20-year schedules, known as layered amortization. The payment for the UAL layer associated with the assumption changes adopted as part of the July 1, 2020 actuarial valuation is being phased-in over a three-year period.

Beginning with the July 1, 2013 actuarial valuation, an amount equal to the expected administrative expenses for the Plan is added directly to the actuarial cost calculation. Previously, this cost was implicitly included in the calculation of the normal cost and unfunded liability payment, based on the use of a discount rate that was net of anticipated administrative expenses.

Members hired on or after January 1, 2015 will contribute half of the normal cost of the Plan rounded to the nearest 0.25%. Once established, contribution rate for New Members will be adjusted to reflect a change in the normal cost rate, but only if the normal cost rate changed by more than 1% of payroll. For the current year, the contribution rate for PEPRA members was 6.5% of payroll (1/2 of 13.08%, rounded to the nearest quarter). The normal cost rate for the PEPRA members as of the July 1, 2021 valuation is 13.29%, and since the increase is less than 1%, the rate for the following fiscal year will not change. Table V-2 contains the details of this calculation.

The tables on the following pages present the employer contributions for the Plan for the current and prior valuations as well as details on the amortization of the UAL.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION V – CONTRIBUTIONS

Table V-1		
Development of Employer Contribution Amount		
	July 1, 2020	July 1, 2021
1. Entry Age Normal Cost (Middle of Year)		
a. Termination	\$ 412,561	\$ 399,011
b. Retirement	4,054,873	4,073,623
c. Disability	-	-
d. Death	96,616	97,683
e. Refunds	25,736	37,369
f. Total Normal Cost (a) + (b) + (c) + (d) + (e)	\$ 4,589,786	\$ 4,607,686
2. Entry Age Actuarial Liability		
<u>Active Members</u>		
a. Termination	\$ 273,276	\$ 331,139
b. Retirement	67,201,180	63,418,002
c. Disability	-	-
d. Death	1,086,717	1,011,782
e. Refunds	(45,113)	(90,741)
f. Total Active Liability: (a) + (b) + (c) + (d) + (e)	\$ 68,516,060	\$ 64,670,182
<u>Inactive Members</u>		
g. Termination	\$ 6,874,624	\$ 7,497,854
h. Retirement	89,293,356	98,062,876
i. Disability	526,675	584,816
j. Death	4,623,179	5,307,557
k. Non-Vested Due Refund	72,076	21,320
l. Transfer	60,938	12,062
m. Total Inactive Liability: (g) + (h) + (i) + (j) + (k) + (l)	\$ 101,450,848	\$ 111,486,485
n. Total Entry Age Actuarial Liability: (2f) + (2m)	\$ 169,966,908	\$ 176,156,667
3. Actuarial Value of Assets	\$ 105,061,692	\$ 115,483,473
4. Unfunded Actuarial Liability: (2n) - (3)	\$ 64,905,216	\$ 60,673,194
5. Unfunded Actuarial Liability Amortization at Middle of Year as a Level Percentage of Payroll	\$ \$6,426,618	\$ 6,461,387
6. Expected Administrative Expenses	\$ 270,000	\$ 276,750
7. Expected Member Contributions	\$ (456,417)	\$ (623,295)
8. Employer Contribution Payable in Monthly Installments: (1f) + (5) + (6) + (7)	\$ 10,829,988	\$ 10,722,528
9. Covered Payroll (Normal Cost)	\$ 25,687,715	\$ 26,445,336
10. Covered Payroll (UAL Amort and Expenses)	\$ 26,792,691	\$ 27,758,461
11. Employer Contribution as a Percent of Covered Payroll: [(1f) + (7)] / (9) + [(5) + (6)] / (10)	41.09%	39.34%
12. Employer Net Phased-in Contribution as a Percent of Covered Payroll	39.59%	38.57% ¹

¹ The District will begin paying this percentage of payroll July 1, 2022.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION V – CONTRIBUTIONS

Table V-2 Development of Amortization Payment							
<u>Type of Base</u>	<u>Date Established</u>	<u>Initial Amount</u>	<u>Initial Amortization Years</u>	<u>07/01/2021 Outstanding Balance</u>	<u>Remaining Amortization Years</u>	<u>Amortization Amount without Phase-In</u>	<u>Amortization Amount with Phase-In</u>
Remaining UAL as of 2019	07/01/2019	\$ 54,167,658	13	\$ 50,296,752	11	\$ 5,676,740	\$ 5,676,740
2020 Experience	07/01/2020	3,804,295	20	3,776,180	19	283,333	283,333
Assumption changes ¹	07/01/2020	8,637,242	20	8,988,591	19	674,429	460,773
2021 Experience	07/01/2021	(2,388,330)	20	(2,388,330)	20	(173,115)	(173,115)
Total Unfunded Actuarial Liability (UAL)				\$ 60,673,193		\$ 6,461,387	\$ 6,247,731

¹ The 3-year phase in is only applicable to the assumption changes effective July 1, 2020

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION V – CONTRIBUTIONS

Table V-3 shows the allocation of the cost among groups both before and after implementing the phase in.

Table V-3 Allocation of Liabilities, Assets, and Cost among Groups						
	AEA	AFSCME	MCEG	AFST	PEPRA	Total
Actuarial Liability						
Active	6,353,274	25,995,021	23,316,622	5,591,516	3,413,749	64,670,182
Inactive	<u>38,357,996</u>	<u>23,594,467</u>	<u>43,692,998</u>	<u>5,688,013</u>	<u>153,009</u>	<u>111,486,485</u>
Total Actuarial Liability	44,711,270	49,589,488	67,009,620	11,279,529	3,566,758	176,156,665
Market Value of Assets						129,366,721
Actuarial Value of Assets						115,483,473
Unfunded Actuarial Liability (UAL)						60,673,192
UAL Amortization (Middle of Year)	400,908	2,088,477	1,257,651	370,522	2,343,829	6,461,387
Total Normal Cost (Middle of Year)	309,098	1,802,196	955,293	266,307	1,274,792	4,607,686
Expected Employee Contributions	0	0	0	0	(623,295)	(623,295)
Administrative Expense	<u>17,171</u>	<u>89,452</u>	<u>53,867</u>	<u>15,870</u>	<u>100,389</u>	<u>276,750</u>
Employer Contribution Payable Monthly	727,177	3,980,126	2,266,810	652,699	3,095,715	10,722,527
Covered Payroll (Normal Cost)	1,650,896	8,605,396	5,257,241	1,342,649	9,589,154	26,445,336
Covered Payroll (UAL Amort and Admin)	1,722,322	8,972,208	5,402,934	1,591,782	10,069,215	27,758,461
Total Normal Cost as a % of Payroll	18.72%	20.94%	18.17%	19.83%	13.29%	17.42%
Employee Contribution Rate	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>(6.50%)</u>	<u>(2.36%)</u>
Employer Normal Cost as a % of Payroll	18.72%	20.94%	18.17%	19.83%	6.79%	15.07%
UAL Amortization Rate	23.28%	23.28%	23.28%	23.28%	23.28%	23.28%
Administrative Expense Rate	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
Total Contribution as a % of Payroll	43.00%	45.22%	42.45%	44.11%	31.07%	39.34%
Total Phased-in Contribution as a % of Payroll	42.23%	44.45%	41.68%	43.34%	30.30%	38.57% ¹

¹ The District will begin paying this percentage of payroll July 1, 2022.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

SECTION V – CONTRIBUTIONS

Table V-4 shows the allocation of the cost calculation between PEPRA and Non-PEPRA members both before and after the phase in.

Table V-4 Salaried PEPRA/Non-PEPRA Summary			
	Non-PEPRA	PEPRA	Total
1. Entry Age Normal Cost (Middle of Year)	\$ 3,332,894	\$ 1,274,792	\$ 4,607,686
2. Covered Payroll (Normal Cost)	\$ 16,856,182	\$ 9,589,154	\$ 26,445,336
3. Normal Cost as a Percent of Covered Payroll: (1) / (2)	19.77%	13.29%	17.42%
4. Expected Employee Contributions as a Percent of Covered Payroll	0.00%	(6.50%)	(2.36%)
5. Entry Age Actuarial Liability	\$ 172,742,918	\$ 3,413,749	\$ 176,156,667
6. Actuarial Value of Assets			\$ 115,483,473
7. Unfunded Actuarial Liability: (5) - (6)			\$ 60,673,194
8. Unfunded Actuarial Liability Amortization at Middle of Year as a Level Percentage of Payroll	\$ 4,117,557	\$ 2,343,829	\$ 6,461,387
9. Expected Administrative Expenses	\$ 176,361	\$ 100,389	\$ 276,750
10. Expected Employee Contributions	\$ 0	\$ (623,295)	\$ (623,295)
11. Employer Contribution Payable in Monthly Installments: (1) + (8) + (9) + (10)	\$ 7,626,812	\$ 3,095,716	\$ 10,722,528
12. Covered Payroll (UAL Amort and Expenses)	\$ 17,689,246	\$ 10,069,215	\$ 27,758,461
13. Total Contribution as a Percent of Covered Payroll: [(1) + (10)] / (2) + [(8) + (9)] / (12)	44.05%	31.07%	39.34%
14. Total Phased-in Contribution as a Percent of Covered Payroll	43.28%	30.30%	38.57% ¹

¹ The District will begin paying this percentage of payroll July 1, 2022.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

The data for this valuation was provided by the Sacramento Regional District Transit staff as of July 1, 2021.

Active Participants	July 1, 2020	July 1, 2021
Classic	168	148
PEPRA	75	103
Total Number	<u>243</u>	<u>251</u>
Number Vested	169	162
Average Age	49.3	48.2
Average Service	11.9	10.9
Average Pay	\$107,185	\$110,591
Retired		
Number	310	330
Average Age	68.1	68.4
Average Annual Benefit	\$28,176	\$29,222
Beneficiaries		
Number	19	21
Average Age	68.5	68.5
Average Annual Benefit	\$25,122	\$25,805
Disabled		
Number	4	5
Average Age	71.5	67.9
Average Annual Benefit	\$17,592	\$15,464
Term Vested		
Number	53	54
Average Age	47.0	48.0
Average Annual Benefit	\$15,316	\$15,538
Transferred		
Number	3	2
Average Age	50.0	51.8
Average Annual Benefit	\$1,938	\$646
Terminated Due Refund of Employee Contributions		
Number	7	4
Average Estimated Refund	\$10,297	\$5,330

Data pertaining to active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan Administrator on electronic media.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

Changes in Plan Membership: AEA								
	Actives	Actives with Transfer Service ¹	Non-Vested Terms with Funds on Account	Vested Terminations	Disabled	Retired	Beneficiaries ²	Total
July 1, 2020	27	1	2	20	3	178	9	240
New Entrants	5	0	0	0	0	0	0	5
Rehires	0	0	0	0	0	0	0	0
Disabilities	0	(1)	0	0	0	0	0	(1)
Retirements	(1)	0	0	(2)	0	3	0	0
Vested Terminations	(1)	0	0	1	0	0	0	0
Died, With Beneficiary, QDRO	0	0	0	0	0	(1)	1	0
Transfers	0	0	0	0	0	0	0	0
Died, No Beneficiary, & Other Terminations	(1)	0	1	0	0	(3)	0	(3)
Transfer Retirement	0	0	0	0	1	3	0	4
Beneficiary Deaths	0	0	0	0	0	0	0	0
Funds Transferred	0	0	0	0	0	0	0	0
Refund of Contributions	0	0	(2)	0	0	0	0	(2)
Data Corrections	0	0	0	0	0	0	0	0
July 1, 2021	29	0	1	19	4	180	10	243

¹ Transfers with service from another Non-Contract group will be excluded from the Actives with Transfer Service count.

² Beneficiary counts do not include DROs where benefits are paid over the member's lifetime.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

Changes in Plan Membership: AFSC								
	Actives	Actives with Transfer Service ¹	Non-Vested Terms with Funds on Account	Vested Terminations	Disabled	Retired	Beneficiaries ²	Total
July 1, 2020	97	2	1	6	1	51	1	159
New Entrants	5	0	0	0	0	0	0	5
Rehires	0	0	0	0	0	0	0	0
Disabilities	0	0	0	0	0	0	0	0
Retirements	(8)	0	0	0	0	8	0	0
Vested Terminations	(1)	0	0	1	0	0	0	0
Died, With Beneficiary, QDRO	0	0	0	0	0	0	0	0
Transfers	7	0	0	0	0	0	0	7
Died, No Beneficiary, & Other Terminations	(2)	0	2	0	0	0	0	0
Transfer Retirement	0	0	0	0	0	1	0	1
Beneficiary Deaths	0	0	0	0	0	0	0	0
Funds Transferred	0	0	0	0	0	0	0	0
Refund of Contributions	0	0	(1)	0	0	0	0	(1)
Data Corrections	0	0	0	0	0	0	0	0
July 1, 2021	98	2	2	7	1	60	1	171

¹ Transfers with service from another Non-Contract group are excluded from the Actives with Transfer Service count.

² Beneficiary counts do not include DROs where benefits are paid over the member's lifetime.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

Changes in Plan Membership: AFST								
	Actives	Actives with Transfer Service ¹	Non-Vested Terms with Funds on Account	Vested Terminations	Disabled	Retired	Beneficiaries ²	Total
July 1, 2020	34	0	0	8	0	15	1	58
New Entrants	4	0	0	0	0	0	0	4
Rehires	1	0	0	(1)	0	0	0	0
Disabilities	0	0	0	0	0	0	0	0
Retirements	(3)	0	0	0	0	3	0	0
Vested Terminations	0	0	0	0	0	0	0	0
Died, With Beneficiary, QDRO	0	0	0	0	0	0	0	0
Transfers	2	0	0	0	0	0	0	2
Died, No Beneficiary, & Other Terminations	0	0	0	0	0	0	0	0
Transfer Retirement	0	0	0	0	0	1	0	1
Beneficiary Deaths	0	0	0	0	0	0	0	0
Funds Transferred	0	0	0	0	0	0	0	0
Refund of Contributions	0	0	0	0	0	0	0	0
Data Corrections	0	0	0	0	0	0	0	0
July 1, 2021	38	0	0	7	0	19	1	65

¹ Transfers with service from another Non-Contract group are excluded from the Actives with Transfer Service count.

² Beneficiary counts do not include DROs where benefits are paid over the member's lifetime.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

Changes in Plan Membership: MCEG								
	Actives	Actives with Transfer Service ¹	Non-Vested Terms with Funds on Account	Vested Terminations	Disabled	Retired	Beneficiaries ²	Total
July 1, 2020	85	0	4	19	0	66	8	182
New Entrants	11	0	0	0	0	0	0	11
Rehires	0	0	0	0	0	0	0	0
Disabilities	0	0	0	0	0	0	0	0
Retirements	(5)	0	0	0	0	5	0	0
Vested Terminations	(2)	0	0	2	0	0	0	0
Died, With Beneficiary, QDRO	(1)	0	0	0	0	0	0	(1)
Transfers	1	0	0	0	0	0	0	1
Died, No Beneficiary, & Other Terminations	(2)	0	1	0	0	0	1	0
Transfer Retirement	0	0	0	0	0	0	0	0
Beneficiary Deaths	0	0	0	0	0	0	0	0
Funds Transferred	0	0	0	0	0	0	0	0
Refund of Contributions	(1)	0	(4)	0	0	0	0	(5)
Data Corrections	0	0	0	0	0	0	0	0
July 1, 2021	86	0	1	21	0	71	9	188

¹ Transfers with service from another Non-Contract group excluded from the Actives with Transfer Service count.

² Beneficiary counts do not include DROs where benefits are paid over the member's lifetime.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

Changes in Plan Membership: All Non-Contract								
	Actives	Actives with Transfer Service ¹	Non-Vested Terms with Funds on Account	Vested Terminations	Disabled	Retired	Beneficiaries ²	Total
July 1, 2020	243	3	7	53	4	310	19	639
New Entrants	25	0	0	0	0	0	0	25
Rehires	1	0	0	(1)	0	0	0	0
Disabilities	0	(1)	0	0	0	0	0	(1)
Retirements	(17)	0	0	(2)	0	19	0	0
Vested Terminations	(4)	0	0	4	0	0	0	0
Died, With Beneficiary, QDRO	(1)	0	0	0	0	(1)	1	(1)
Transfers	10	0	0	0	0	0	0	10
Died, No Beneficiary, & Other Terminations	(5)	0	4	0	0	(3)	1	(3)
Transfer Retirement	0	0	0	0	1	5	0	6
Beneficiary Deaths	0	0	0	0	0	0	0	0
Funds Transferred	0	0	0	0	0	0	0	0
Refund of Contributions	(1)	0	(7)	0	0	0	0	(8)
Data Corrections	0	0	0	0	0	0	0	0
July 1, 2021	251	2	4	54	5	330	21	667

¹ Transfers with service from another Non-Contract group are excluded from the Actives with Transfer Service count.

² Beneficiary counts do not include DROs where benefits are paid over the member's lifetime.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

**Age / Service Distribution Of Non-Union Active Participants
As of July 1, 2021**

Age	Service												Total	
	Under 1	1	2	3	4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 to 24	1	0	0	0	0	0	0	0	0	0	0	0	0	1
25 to 29	1	3	1	1	0	0	0	0	0	0	0	0	0	6
30 to 34	4	4	4	0	0	5	0	0	0	0	0	0	0	17
35 to 39	5	2	3	3	0	10	3	3	0	0	0	0	0	29
40 to 44	4	2	5	4	2	8	4	10	3	0	0	0	0	42
45 to 49	3	4	1	3	0	5	5	11	5	1	0	0	0	38
50 to 54	3	6	3	0	2	8	4	15	12	2	0	0	0	55
55 to 59	3	5	1	1	0	3	4	12	4	3	0	0	0	36
60 to 64	0	0	2	0	1	2	0	5	6	1	1	0	0	18
65 to 69	0	0	0	1	1	0	1	1	2	1	1	0	0	8
70 & up	0	0	0	0	0	0	1	0	0	0	0	0	0	1
Total	24	26	20	13	6	41	22	57	32	8	2	0	0	251

Average Age = 48.2

Average Service = 10.9

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

Payroll Distribution Of Non-Union Active Participants As of July 1, 2021														
Age	Service												Total	
	Under 1	1	2	3	4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 to 24	62,724	0	0	0	0	0	0	0	0	0	0	0	0	62,724
25 to 29	56,584	50,814	78,394	81,093	0	0	0	0	0	0	0	0	0	61,419
30 to 34	86,680	97,964	112,810	0	0	107,138	0	0	0	0	0	0	0	101,500
35 to 39	75,891	58,283	84,468	68,264	0	100,359	97,316	122,296	0	0	0	0	0	90,229
40 to 44	114,471	90,999	111,703	106,970	133,498	102,574	84,971	111,145	78,625	0	0	0	0	104,788
45 to 49	102,966	104,517	87,643	98,823	0	104,933	94,786	146,118	138,193	134,635	0	0	0	119,541
50 to 54	106,748	105,935	125,612	0	108,783	96,927	126,580	127,565	134,590	127,322	0	0	0	120,276
55 to 59	83,469	105,907	100,113	101,296	0	123,566	128,253	109,556	127,069	152,724	0	0	0	115,172
60 to 64	0	0	129,539	0	119,727	91,470	0	132,946	115,033	136,077	173,405	0	0	123,675
65 to 69	0	0	0	58,627	151,813	0	74,343	125,353	127,837	153,386	187,293	0	0	125,811
70 & up	0	0	0	0	0	0	47,417	0	0	0	0	0	0	47,417
Total	90,955	93,311	108,261	90,012	126,017	102,770	102,130	124,629	124,877	142,114	180,349	0	0	110,591

Average Salary = \$ 110,591

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX A – MEMBERSHIP INFORMATION

Service Retired Participants and Beneficiaries

Age	Number	Average Monthly Benefit
35-39	0	\$0
40-44	0	\$0
45-49	1	\$2,546
50-54	7	\$3,189
55-59	40	\$2,203
60-64	71	\$2,266
65-69	98	\$2,987
70-74	77	\$2,402
75-79	28	\$1,747
80-84	16	\$1,523
85-89	9	\$2,376
90-94	3	\$786
95+	1	\$193
Total	351	\$2,418

Disabled Participants

Age	Number	Average Monthly Benefit
35-39	0	\$0
40-44	0	\$0
45-49	1	\$579
50-54	0	\$0
55-59	1	\$1,739
60-64	0	\$0
65-69	0	\$0
70-74	2	\$1,770
75-79	0	\$0
80-84	0	\$0
85-89	1	\$586
90-94	0	\$0
95+	0	\$0
Total	5	\$1,289

Terminated Vested Participants

Age	Number	Average Monthly Benefit
25-29	0	\$0
30-34	1	\$637
35-39	6	\$661
40-44	12	\$750
45-49	12	\$1,479
50-54	19	\$1,953
55-59	3	\$403
60-64	0	\$0
65-69	1	\$263
70-74	0	\$0
75-79	0	\$0
80-84	0	\$0
85-89	0	\$0
90+	0	\$0
All Ages	54	\$1,295

Transferred Participants

Age	Number	Average Monthly Benefit
25-29	0	\$0
30-34	0	\$0
35-39	0	\$0
40-44	1	\$72
45-49	0	\$0
50-54	0	\$0
55-59	0	\$0
60-64	1	\$35
65-69	0	\$0
70-74	0	\$0
75-79	0	\$0
80-84	0	\$0
85-89	0	\$0
90+	0	\$0
All Ages	2	\$54

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

The assumptions and methods used in the actuarial valuation as of July 1, 2021 are:

Actuarial Method

The normal cost (and resulting Actuarial Liability) is determined as a single result for each individual, with the normal cost percentage equal to the total projected value of benefits at entry age, divided by the present value of future salary at entry age.

The excess of the Actuarial Liability over Plan assets is the Unfunded Actuarial Liability. As of July 1, 2007, the amortization period was reset to a 30-year period, decreasing two years with each valuation until a 20-year amortization period was achieved, at which point the amortization period was reduced by one year annually. The amortization period as of July 1, 2021 is 11 years for the UAL determined as of July 1, 2019 with 20-year layered amortization for UAL changes after 2019. The payment for the UAL layer associated with the assumption changes adopted as part of the July 1, 2020 actuarial valuation is being phased-in over a three-year period.

The total Plan cost is the sum of the normal cost, the amortization of the Unfunded Actuarial Liability, and the expected administrative expenses.

Actuarial Value of Plan Assets

The actuarial value of Plan assets is calculated on a modified market-related value. The Market Value of Assets is adjusted to recognize, over a five-year period, investment earnings which are greater than (or less than) the assumed investment return on the Market Value of Assets.

Modeling

Cheiron utilizes ProVal actuarial valuation software leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation.

Deterministic and stochastic projections in this valuation report were developed using R-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the Plan. R-scan uses standard roll-forward techniques that implicitly assume a stable active population. Because R-scan does not automatically capture how changes in one variable affect all other variables, some scenarios may not be consistent. We have relied on Cheiron colleagues who developed the tool, and we have used the tool in accordance with its purpose.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

The actuarial assumptions were developed based on an experience study covering the period from July 1, 2015 through June 30, 2020.

1. Rate of Return

The annual rate of return on all Plan assets is assumed to be 6.75% for the current valuation net of investment, but not administrative, expenses.

2. Cost of Living

The cost of living as measured by the Consumer Price Index (CPI) is assumed to increase at the rate of 2.50% per year.

3. Increases in Pensionable Payroll / Amortization Payments

Overall pensionable compensation (used in the calculation of amortization payments) is expected to grow by 2.75% per year.

4. Plan Expenses

Administrative expenses are assumed to be \$276,750 for Fiscal Year 2022-23 and are added directly to the actuarial cost calculation. The expenses are assumed to increase with CPI in future years.

5. Increases in Pay

Assumed pay increases for active Participants consist of increases due to wage inflation and those due to longevity and promotion.

Based on an analysis of pay levels and service for the Salaried Plan Participants, we assume that pay increases due to longevity and promotion will occur in accordance with the following table:

Pay Increases	
Base Increase	2.75%
Longevity & Promotion	2.50%
Total (Compound)	5.32%

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

6. Family Composition

85% of participants are assumed to be married. Males are assumed to be three years older than their spouses, and females are assumed to be three years younger than their spouses. This assumption is applied to active members, as well as retired members with a joint and survivor benefit where the data is missing the beneficiary date of birth.

7. Terminal Payments

Retirement benefits are assumed to be increased by 7% due to the application of payments for unused vacation and sick leave to Average Final Monthly Earnings.

No liability adjustment for retirement is used for members who joined the plan on or after January 1, 2015.

8. Bridging Service

The Plan has been modified to enable members who are rehired after a previous period of non-vested service to use this prior service for benefit and eligibility purposes. As the impact on the liabilities and contribution level of the Plan is expected to be minor and will depend on the number of members actually rehired (if any), no additional liability is currently being included for this provision.

9. Missed Pay Periods

A 0.57% load is applied to the normal cost for Salaried PEPRA members to adjust for the missed pay periods in which service is credited yet no contributions are made by the member.

10. Employment Status

No Plan Participants are assumed to transfer between the Salaried Plan and the ATU/IBEW Plan.

11. Rates of Termination

Rates of termination for all Participants from causes other than death, disability, and service retirement are based on the Participant's age, service, and sex.

Representative rates are shown in the following table on the next page:

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

Termination Rates¹	
Years of Service	Rate
0-4	10.00%
5-9	5.00%
10-19	3.00%
20+	1.50%

¹ No terminations are assumed after eligibility for normal retirement or after 25 years of service for non-PEPRA members. PEPRA members terminating with at least five years of service are expected to receive a deferred annuity benefit; those terminating with less than five years of service are expected to receive a refund of contributions (with interest).

12. Rates of Disability

No assumed incidence of disability.

13. Rates of Mortality for Active Healthy Lives

Rates of mortality for active Participants are given by the Retired Pensioners (RP) 2014 Male and Female Employee Mortality Tables projected with Scale MP-2020 published by the Society of Actuaries, with the base tables adjusted 130% for females.

14. Rates of Mortality for Disabled Retirees

Rates of mortality for all disabled Participants are given by Retired Pensioners (RP) 2014 Male and Female Disabled Retiree Mortality Tables projected with Scale MP-2020 published by the Society of Actuaries, with the base tables adjusted 130% for males and 115% for females.

15. Retired Member and Beneficiary Mortality

Rates of mortality for retired Participants and their beneficiaries are given by the Private Retirement (Pri) 2012 Bottom Quartile Tables for Healthy Annuitants Mortality Tables projected with Scale MP-2020 published by the Society of Actuaries, with the base tables adjusted 105% for females.

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX B – STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

16. Rates of Retirement

Rates of service retirement among all Participants eligible to retire are given by the following table:

Rates of Retirement ¹					
Age	Years of Service				
	5-9	10-19	20-24	25-29	30+
Under 55	0.00%	0.00%	0.00%	10.00%	15.00%
55-59	5.00%	5.00%	10.00%	10.00%	15.00%
60	15.00%	15.00%	20.00%	25.00%	35.00%
61-64	8.25%	15.00%	20.00%	25.00%	35.00%
65+	25.00%	25.00%	20.00%	35.00%	35.00%

¹ The rate of service retirement among all Participants eligible to retire with 30 or more years of service is assumed to be 25.0% per year, and 100% per year for all Participants 70 or older. PEPRAs members are assumed to begin retiring at age 52, with at least five years of service.

17. Since Last Valuation

None

RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021

APPENDIX C – SUMMARY OF PLAN PROVISIONS

1. Definitions

Average Final
Monthly
Earnings:

A Participant's Average Final Monthly Earnings is the highest average consecutive 48 months' Compensation paid. Payments for accumulated vacation or sick leave not actually taken prior to retirement are included in computing Average Final Monthly Earnings if the last 48 months of compensation are used in the calculation, except for PEPRA members.

Compensation:

A Participant's Compensation is the earnings paid in cash to the participant during the applicable period of employment with the District.

PEPRA member's Compensation is computed using base salary, without overtime or other special compensation such as terminal payments. Pensionable compensation is limited to an amount not to exceed a specific capped amount, originally tied to the Social Security Taxable Wage Base in 2013, and subsequently adjusted annually by the increase in the CPI-U.

Service:

Service is computed from the date in which the Participant becomes a full or part-time employee and remains in continuous employment to the date employment ceases. Service includes time with the District or predecessor companies immediately prior to August 1, 1968 and subsequent to hire. For AFSCME employees, service earned prior to January 1, 2015 is measured in completed quarters of a year and completed months for service earned on or after January 1, 2015. For MCEG and AEA employees, service is measured in completed months.

2. Participation

Eligibility:

Any person employed by the District in a full or part-time position in an authorized job classification covered by one of the defined employee groups of (i) Non-union Management and Confidential Employees, (ii) Employee members of the Administrative Employee Association (AEA), or (iii) Employee members of American Federation of State, County and Municipal Employees (AFSCME), is eligible to participate in the Plan.

Any member joining the Plan for the first time on or after January 1, 2015 is a New Member and will follow PEPRA provisions. Employees who transfer from and are eligible for reciprocity with another public employer will not be New Members if the service in the reciprocal system was under a pre-PEPRA plan.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

3. Retirement Benefit

Eligibility: Prior to January 1, 2006, a Participant is eligible for normal service retirement upon attaining age 55 and completing nine or more years of service.

On and after January 1, 2006, a Participant is eligible for normal service retirement upon attaining age 55 and completing five or more years of service.

Effective January 1, 2000, employees with 25 years of credited service will be eligible for an early retirement option.

PEPRA members are eligible upon attaining age 52 and completing five or more years of service.

Benefit Amount: The normal service retirement benefit is the greater of the benefit accrued under the plan provisions in effect prior to February 1, 1994 or the Participant's benefit under the current plan provisions. Under the current plan provision, the member would receive a percentage of the Participant's Average Final Monthly Earnings multiplied by the Participant's service at retirement. For AFSCME members with at least five but less than nine years of service, a vesting schedule is applied unless the member has reached age 62.

For retirements and terminations prior to January 1, 2005, the percentage is equal to:

- 2.0%, if the member retires prior to age 65, and
- 2.5%, if the member retires at age 65 or later.

For AEA and MCEG retirements and terminations on and after July 1, 2006 and prior to January 1, 2008, the percentage is equal to:

- 2.0%, if the member retires at age 55 or with 25 years of service,
- 2.125%, if the member retires at age 56 or with 26 years of service,
- 2.25%, if the member retires between the ages of 57 and 64 or with 27 or more years of service, and
- 2.5%, if the member retires at age 65 or later.

For retirements and terminations on and after January 1, 2008 (July 1, 2006 for AFSCME members), the percentage is equal to:

- 2.0%, if the member retires at age 55 or with 25 years of service,
- 2.1%, if the member retires at age 56 or with 26 years of service,
- 2.2%, if the member retires at age 57 or with 27 years of service,

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX C – SUMMARY OF PLAN PROVISIONS

- 2.3%, if the member retires at age 58 or with 28 years of service,
- 2.4%, if the member retires at age 59 or with 29 years of service, and
- 2.5%, if the member retires at age 60 or later or with 30 or more years of service.

For PEPRA members, the benefit multiplier will be 1% at age 52, increasing by 0.1% for each year of age to 2.5% at 67. In between exact ages, the multiplier will increase by 0.025% for each quarter year increase in age.

Form of Benefit: The benefit begins at retirement and continues for the Participant's life with no cost-of-living adjustments. A Participant may elect to receive reduced benefits in the form of a contingent annuity with 50% or 100% continuing to a beneficiary after death, or in the form of an increased benefit prior to receiving Social Security benefits, and a reduced benefit thereafter.

4. Disability Benefit

Eligibility: A Participant is eligible for a disability benefit if the Participant is unable to perform the duties of his or her job with the District, cannot be transferred to another job with the District, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Nine years of service is required to qualify for disability. Effective January 1, 2006, five years of service is needed to qualify for disability retirement for AEA and MCEG members.

Benefit Amount: For AEA and MCEG members, the disability benefit is equal to the Normal Retirement Benefit, using the Participant's Average Final Monthly Earnings and service accrued through the date of disability. For AFSCME members, the disability benefit is equal to 2% of the Participant's Average Final Monthly Earnings multiplied by service accrued through the date of disability. The disability benefit cannot exceed the Retirement Benefit the member would be entitled to on the basis of Average Final Monthly Earnings determined at the date of disability multiplied by the service the member would have attained had employment continued until age 62.

Form of Benefit: The benefit begins at disability and continues until recovery or for the Participant's life with no cost-of-living adjustments. A Participant may elect to receive reduced benefits in the form of a contingent annuity with 50% or 100% continuing to a beneficiary after death, or in the form of an increased benefit prior to receiving Social Security benefits, and a reduced benefit thereafter.

APPENDIX C – SUMMARY OF PLAN PROVISIONS

5. Pre-Retirement Death Benefit

Eligibility: For deaths prior to January 1, 2006, a Participant's surviving spouse, Domestic Partner or minor dependent child is eligible for a pre-retirement death benefit if the Participant has completed nine years of service with the District.

For deaths on and after January 1, 2006, a Participant's surviving spouse, Domestic Partner, or minor dependent child is eligible for a pre-retirement death benefit if the Participant has completed five years of service with the District.

Benefit Amount: The pre-retirement death benefit is the actuarial equivalent of the Normal Retirement Benefit, as if the member retired on the day prior to his/her death. The amount payable to the spouse or Domestic Partner is equal to the Life benefit payable under Article V of the Plan document.

Form of Benefit: The death benefit begins when the Participant dies and continues for the life of the surviving spouse or Domestic Partner, or until the death, marriage, or attainment of 21 years of age of a dependent minor child. No optional form of benefit may be elected. No cost-of-living increases are payable.

6. Termination Benefit

Eligibility: A Participant is eligible for a termination benefit after earning five years of service. The Participant will be eligible to commence benefits at age 55.

Benefit Amount: For AFSCME terminations, and AEA and MCEG terminations prior to January 1, 2006, the benefit payable to a vested terminated Participant is a percentage of the Normal Retirement Benefit earned on the date of termination, based on the age, service, and Average Final Monthly Earnings accrued by the Participant at that point. The percentage is based on the Participant's service with the District, as shown in the table below:

Service	Vested Percentage
5	20%
6	40%
7	60%
8	80%
9 or more	100%

For AEA and MCEG terminations on and after January 1, 2006, a Participant is eligible after earning five years of service for the full Normal Retirement Benefit earned on the date of termination, based on the age,

**RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES:
SALARIED ACTUARIAL VALUATION REPORT AS OF JULY 1, 2021**

APPENDIX C – SUMMARY OF PLAN PROVISIONS

service, and Average Final Monthly Earnings accrued by the Participant at that point.

PEPRA members are eligible after earning five years of service for the full Normal Retirement Benefit earned on the date of termination, based on the service and Average Final Monthly Earnings accrued by the Participant at that point, and using the factor based on the age at which the benefit commences.

Form of Benefit: The termination benefit is payable for the life of the Participant only beginning at age 55. For PEPRA members the benefit can begin as early as age 52. No cost-of-living increases are payable.

7. Reciprocity Benefit

Eligibility: A Participant who transfers from this Plan to the RT Union Plan, and who is vested under this Plan, is eligible for a retirement benefit from this Plan.

Benefit Amount: The benefit payable to a vested transferred Participant is equal to the Normal Retirement Benefit based on service earned under this Plan to the date of transfer and based on Average Final Earnings computed under this Plan and the Union Plan together, as if the plans were a single plan.

Form of Benefit: The reciprocity benefit begins at retirement and continues for the Participant's life with no cost-of-living adjustments. A Participant may elect to receive reduced benefits in the form of a contingent annuity with 50% or 100% continuing to a beneficiary after death, or in the form of an increased benefit prior to receiving Social Security benefits, and a reduced benefit thereafter.

8. Funding

Members hired on or after January 1, 2015 will contribute half of the normal cost of the Plan rounded to the nearest 0.25%. Once established, contribution rate for New Members will be adjusted to reflect a change in the normal cost rate, but only if the normal cost rate changed by more than 1% of payroll. For the current year, the contribution rate for PEPRA members was 6.50% of payroll (1/2 of 13.08%, rounded to the nearest quarter). The normal cost rate for the PEPRA members as of the July 1, 2021 valuation is 13.29%, and since the increase is less than 1%, the rate for the following fiscal will not change.

The remaining cost of the Plan is paid by the District.

9. Changes in Plan Provisions

None

APPENDIX D – GLOSSARY

1. Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs such as mortality, withdrawal, disability, retirement, changes in compensation, and rates of investment return.

2. Actuarial Cost Method

A procedure for determining the actuarial present value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a normal cost and an Actuarial Liability.

3. Actuarial Gain (Loss)

The difference between actual experience and that expected based upon a set of actuarial Assumptions during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

4. Actuarial Liability

The portion of the actuarial present value of projected benefits that will not be paid by future normal costs. It represents the value of the past normal costs with interest to the valuation date.

5. Actuarial Present Value (Present Value)

The value as of a given date of a future amount or series of payments. The actuarial present value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made.

6. Actuarial Valuation

The determination, as of a specified date, of the normal cost, Actuarial Liability, Actuarial Value of Assets, and related actuarial present values for a pension plan.

7. Actuarial Value of Assets

The value of cash, investments, and other property belonging to a pension plan as used by the actuary for the purpose of an actuarial valuation. The purpose of an Actuarial Value of Assets is to smooth out fluctuations in market values.

8. Actuarially Equivalent

Of equal actuarial present value, determined as of a given date, with each value based on the same set of actuarial assumptions.

APPENDIX D – GLOSSARY

9. Amortization Payment

The portion of the pension plan contribution, which is designed to pay interest and principal on the Unfunded Actuarial Liability in order to pay for that liability in a given number of years.

10. Entry Age Normal Actuarial Cost Method

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages.

11. Funded Ratio

The ratio of the Actuarial Value of Assets to the Actuarial Liabilities.

12. Normal Cost

That portion of the actuarial present value of pension plan benefits and expenses that is allocated to a valuation year by the actuarial cost method.

13. Projected Benefits

Those pension plan benefit amounts which are expected to be paid in the future under a particular set of actuarial assumptions, taking into account such items as increases in future compensation and service credits.

14. Unfunded Actuarial Liability

The excess of the Actuarial Liability over the Actuarial Value of Assets. The Unfunded Actuarial Liability is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligation in the event of a plan termination or other similar action. However, it is an appropriate measure for assessing the need for or the amount of future contributions.



Classic Values, Innovative Advice



RETIREMENT BOARD STAFF REPORT

DATE: March 14, 2022

Agenda Item: 17

TO: Sacramento Regional Transit Retirement Boards – ALL

FROM: Jamie Adelman, AVP Finance & Treasury

SUBJ: Investment Performance Review of the Real Estate Asset Class by Clarion Partners for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended December 31, 2021 (ALL). (Adelman)

RECOMMENDATION

No Recommendation – For Information Only.

RESULT OF RECOMMENDED ACTION

Information Only

FISCAL IMPACT

None.

DISCUSSION

Retirement funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines (Policy) adopted by each Retirement Board (Board). Under the Policy, the Boards meet at least once every eighteen (18) months with each investment manager to review the performance of the manager's investment, the manager's adherence to the Policy, and any material changes to the manager's organization. The Policy also establishes the Retirement Funds' asset allocation policy and the asset classes in which the Plans funds are invested. The asset classes established by the Policy are (1) Domestic Large Capitalization Equity, (2) Domestic Small Capitalization Equity, (3) International Large Capitalization Equity, (4) International Small Capitalization Equity, (5) International Emerging Markets, (6) Domestic Fixed-Income, and (7) Real Estate.

Clarion Partners is one of the Retirement Boards' Real Estate fund managers. Clarion Partners will be presenting performance results for the quarter ended December 31, 2021, shown in Attachment 1, and answering any questions.



Clarion Lion Properties Fund

Sacramento Regional Transit District | 09 March 2022

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Firm Overview

Section I

Firm Highlights

One of the largest pure-play real estate investment managers

39-Year History of Stability and Growth

Partnership structure: 18% Firm equity ownership spread broadly across ~100 senior employees

Co-investment: Over \$481 million invested by employees in our Firm and its products

Diversification: Broad client base with over 500 investors globally

Stability: Specialist investment manager of Franklin Templeton

International Operating Platform

Focus: 110 acquisitions and asset management team members with presence and expertise in local markets across the U.S. and Europe.

Scale: Over \$30 billion of deals reviewed annually to generate equity and debt investment opportunities across all property sectors

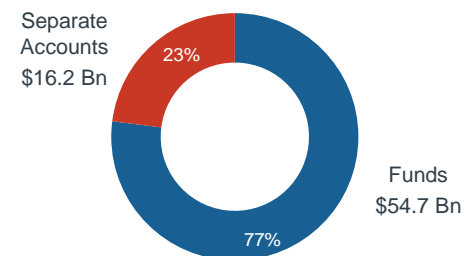
Long-Term Outperformance

Discipline: In-house research group informs investment strategy and execution

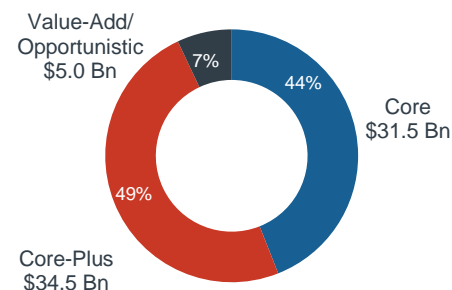
Consistency: Successful management through market cycles

Results: Firm-level property performance since inception exceeds NCREIF Property Index by 96 bps²

INVESTMENT FORMAT¹



RISK PROFILE¹



As of December 31, 2021.

Please see the important disclosures at the end of this presentation.

¹Diversification percentages are based on Gross Asset Value (GAV) at share.

²Gross of Fees.

GAV, Gross Real Estate Value (GRE) and AUM are defined at the end of this presentation.

Global Investment Management Platform with Local Execution

\$71.0

AUM (\$bn)

1,417

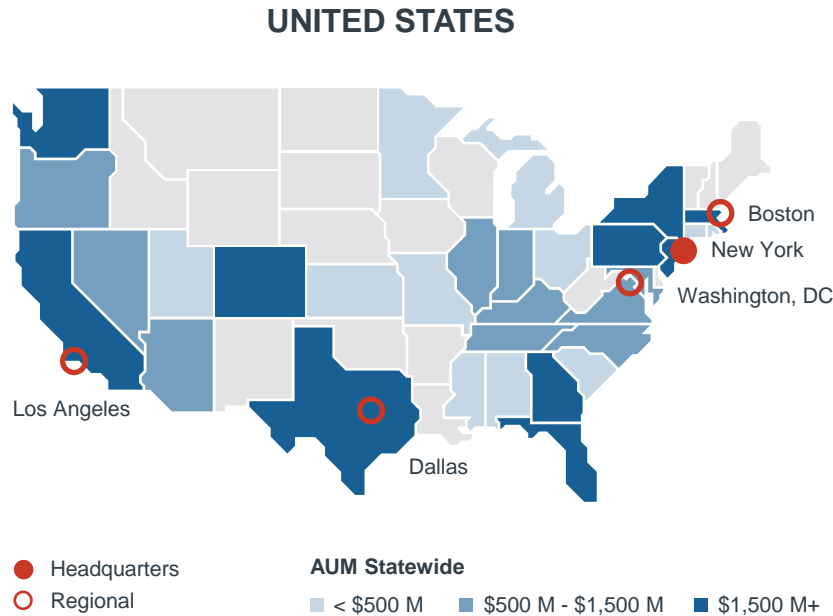
ASSETS

9

OFFICES

303

EMPLOYEES



INVESTMENT RESEARCH	ACQUISITIONS	ASSET MANAGEMENT
9	34	76
TEAM MEMBERS	TEAM MEMBERS	TEAM MEMBERS

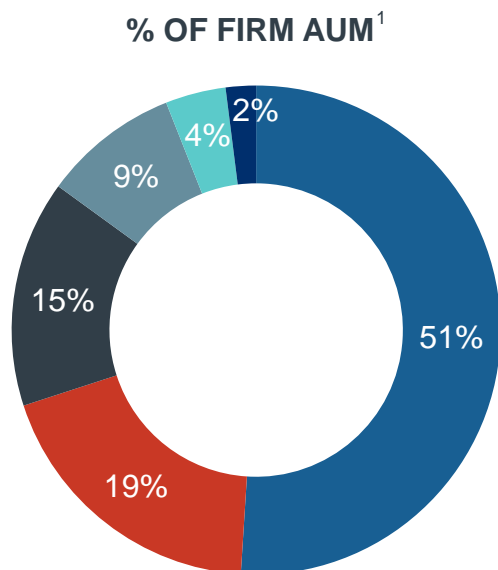
As of December 31, 2021.

Geographic information represents GRE; compared to Firm-level GAV. Please see the important disclosures at the end of this presentation.



Scale Across All Property Types

Scale enhances deal flow and tenant relationships across all major sectors



INDUSTRIAL **\$34.8 billion, 901 properties, 46 markets**

- Includes a \$26.0 billion² open-end, sector-focused fund; one of the largest private, pure-play industrial funds in the U.S.
- Growing European industrial presence through acquisition and development of logistics properties

MULTIFAMILY **\$13.4 billion, 182 properties, 42 markets**

- Spans spectrum: apartments, student housing, condominium projects
- Includes a \$5.4 billion² open-end, sector-focused fund operated by a vertically integrated, 39-year old operating company with over 27,000 owned/managed units in the U.S.

OFFICE **\$9.9 billion, 91 properties, 20 markets**

- Over 940 tenant relationships
- Investments in 20 MSAs nationwide

RETAIL **\$6.4 billion, 139 properties, 33 markets**

- Proven execution through JVs with public companies and direct investment
- Partner relationships include Brookfield Properties Retail Group, Simon, Kimco & New England Development

LIFE SCIENCES **\$2.9 billion, 15 properties, 3 markets**

- Early Investor in the sector, with first transaction closed in 2012
- Strategic market exposure, including Boston, San Francisco, and Seattle, and strong operator relationships

HOTEL **\$1.0 billion, 54 properties, 36 markets**

- Diversified portfolio of upper-scale branded hotels catering to business travel

As of December 31, 2021. Dollar values and diversification percentages are GRE. Please see the important disclosures at the end of this presentation.

¹Excludes Land and Other Investments. ²Based on Fund's GAV at December 31, 2021.

Clarion Partners Management: Proven Industry Leaders

Senior management averages 29 years of experience and 16 years tenure with the Firm



¹Patrick Tully has announced his intention to retire effective March 31, 2022. Heather Hopkins will assume Patrick's position as the Chief Financial Officer. ²Sue Ansel's tenure represents her tenure with Gables Residential. Her participation on the Investment Committee is limited to multifamily investments. Data as of January 1, 2022. Numbers in parentheses represent tenure with the Firm/years in the industry. Staff counts are inclusive of administrative personnel but exclude the offices of the CEO & CIO as well as the non-executive Chairman. Corporate Support includes Information Technology and Human Resources staff members.





Lion Properties Fund

Section II

Clarion Lion Properties Fund – Executive Summary

LPF HIGHLIGHTS:

- High-quality, growth-oriented portfolio difficult to replicate
- Current strategy investments have been accretive and outperform investments made in the ODCE benchmark over the same period



245 First Street, Cambridge, MA



Fourth & Madison, Seattle, WA



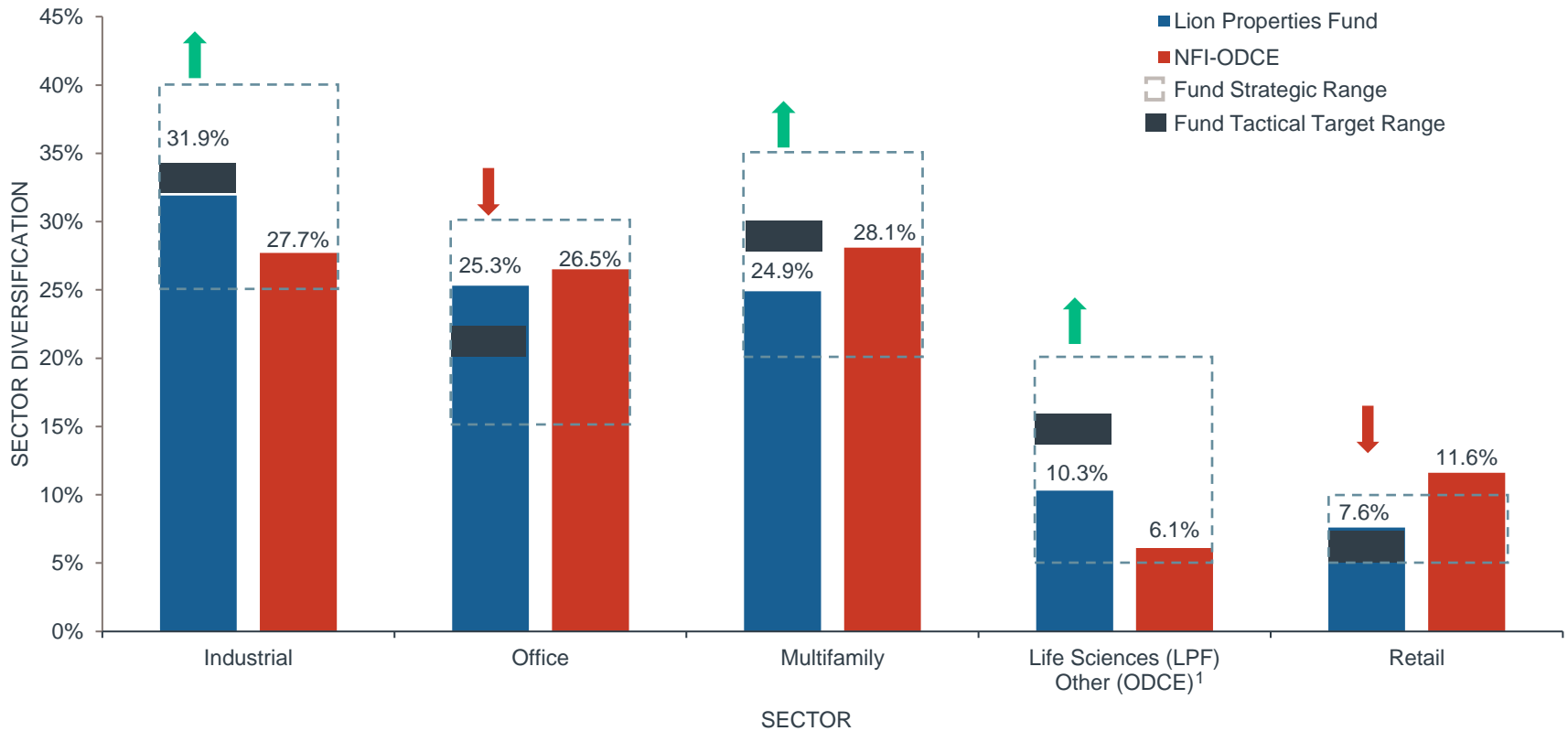
South River Road, South Brunswick, NJ



Watermark Seaport, Boston, MA

As of December 31, 2021. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Property Type Diversification

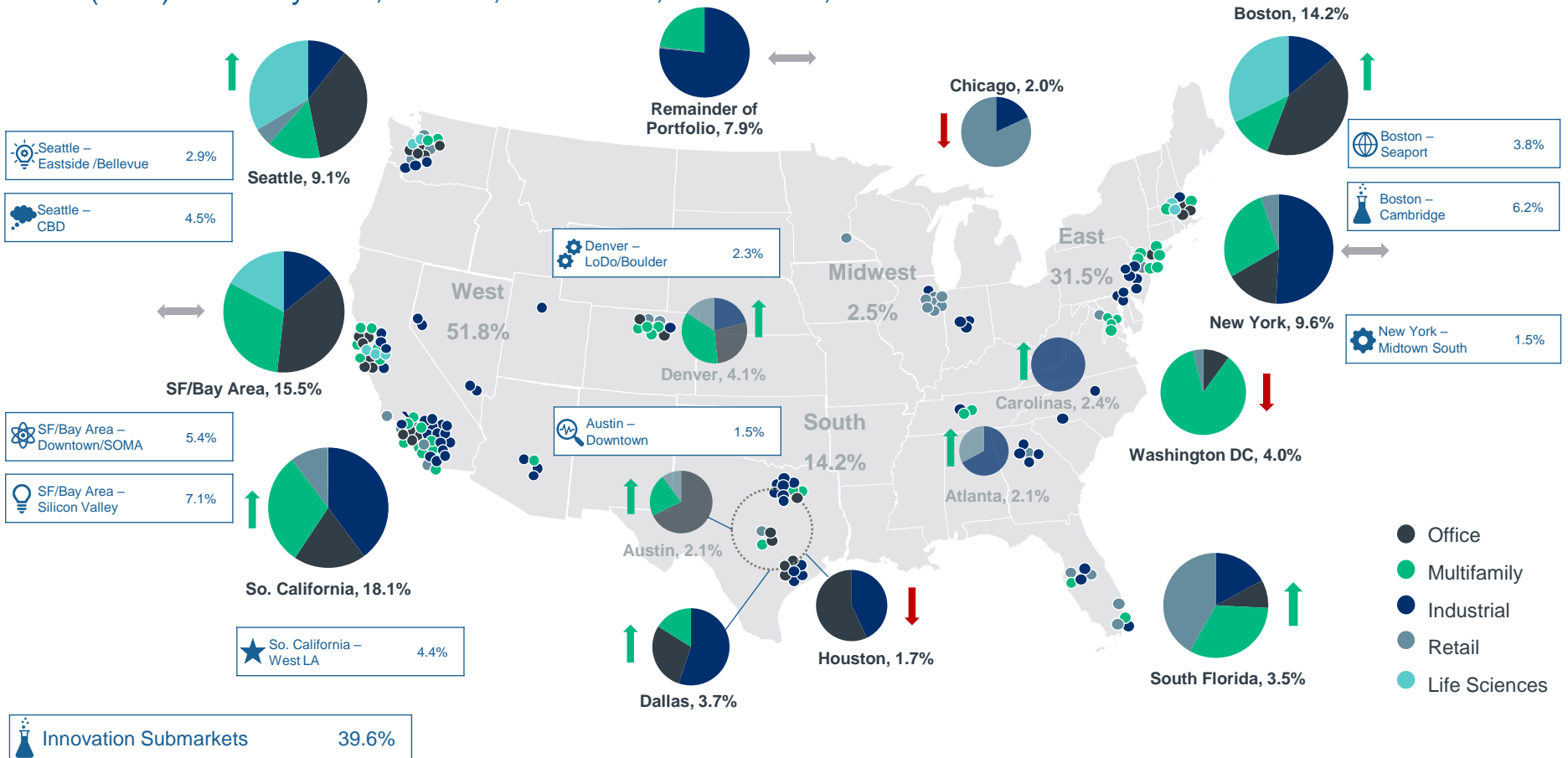


¹“Other” represents any asset not in the four major property types listed above. In LPF’s portfolio, “Other” includes only life sciences and a de minimis amount of land. Data is as of December 31, 2021. Percentages represent Gross Real Estate Value at share. Arrows indicate intended portfolio property type diversification targets. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.



Geographic Diversification

Major market fund (84% in Top 10 markets) with key strategic overweight to “innovation submarkets” (40%) driven by tech, biotech, healthcare, new media, and education



As of December 31, 2021. Percentages represent Gross Real Estate Value at share. Arrows indicate intended portfolio geographic diversification targets.

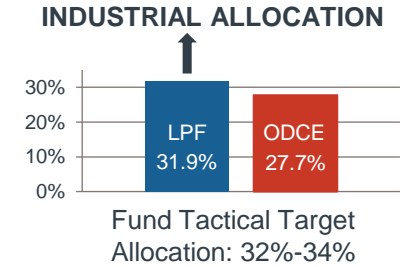
Portfolio Composition and Strategy: Industrial

Positioning:

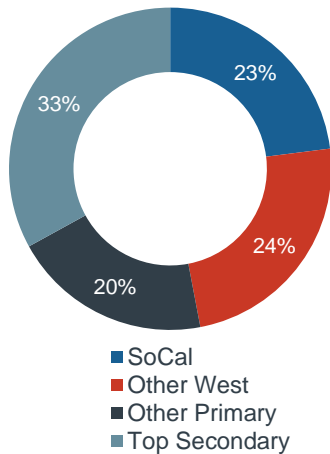
- Strong overweight bias; focus on both top primary distribution markets and strong secondary markets
- Tenant credit generally strong; weighted average lease term of 5.2 years

Recent Performance:

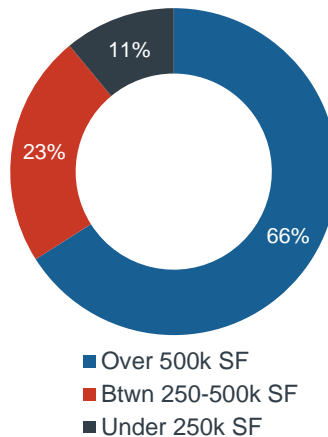
- Sector remains healthy, with e-commerce continuing its rapid expansion; strong leasing activity in most markets with rents generally higher than pre-COVID levels
- Strong transaction activity; widespread investor demand



GEOGRAPHIC ALLOCATION



BUILDING SIZE



Data as of December 31, 2021. Chart percentages represent Gross Real Estate Value. Arrows indicate intended portfolio diversification targets. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

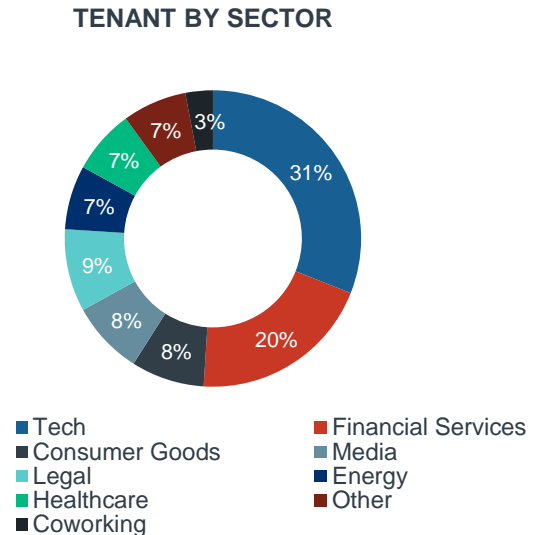
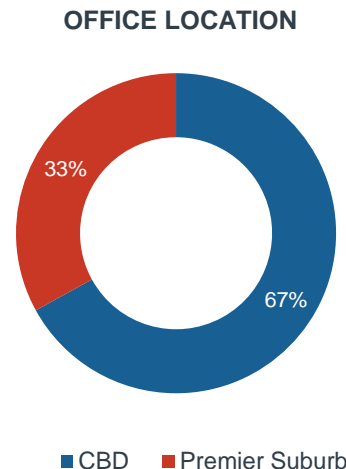
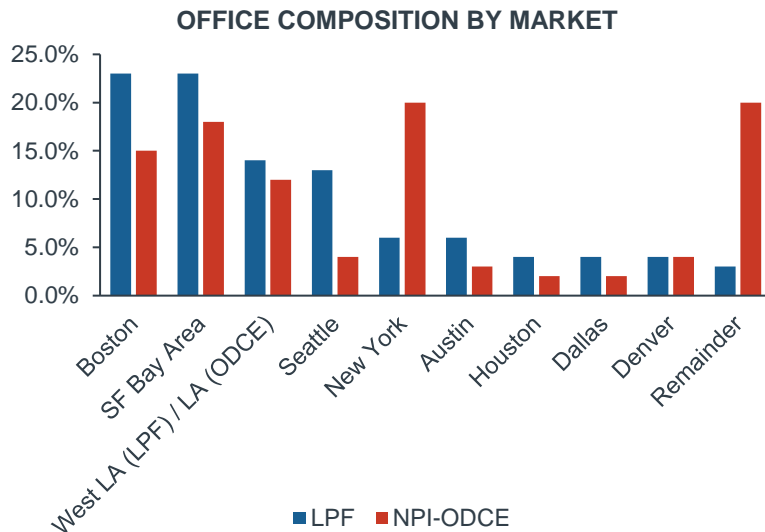
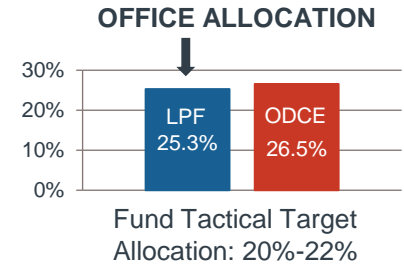
Portfolio Composition and Strategy: Office

Positioning:

- Long-term underweight bias; the sector overall has underperformed with higher volatility than other major property types
- Major focus on growth-oriented “innovation submarkets” led by technology, life sciences/healthcare, education clusters, etc.
- Tenant credit generally strong; weighted average lease term of 4.4 years

Recent Performance:

- Valuations have fallen modestly during COVID; leasing activity is still very muted in most markets; very little transaction activity
- Tenants are now starting to return to the office as states reopen



Data as of December 31, 2021. Chart percentages represent Gross Real Estate Value. Arrows indicate intended portfolio diversification targets. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Portfolio Composition and Strategy: Multifamily

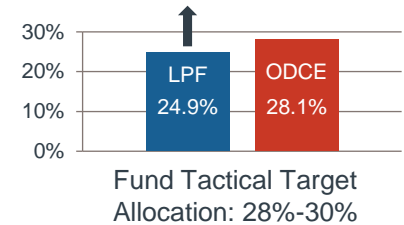
Positioning:

- Long-term overweight bias; sector has had consistent strong performance with low volatility relative to other major property types
- Portfolio diversified by multifamily class/rent level

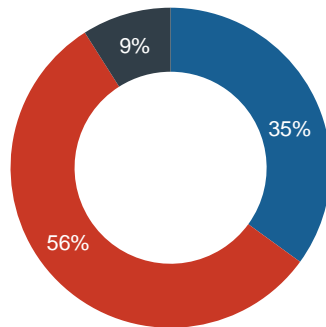
Recent Performance:

- Operations now improving strongly in most markets, with rents rising and concessions decreasing
- Suburban locations generally stronger than urban locations, though both continue to improve
- Very strong transaction activity with values generally higher than pre-COVID

MULTIFAMILY ALLOCATION

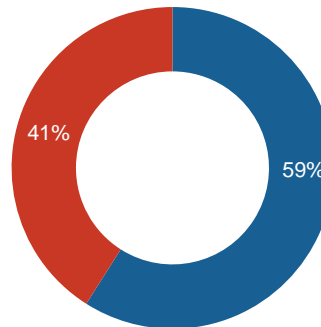


MULTIFAMILY TYPE



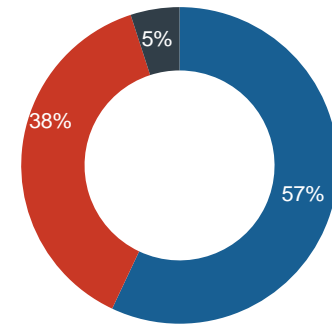
- Class A Luxury
- Class A- / B+ (Garden-Style / Mid-Rise)
- Rent Stabilized

LOCATION TYPE



- Suburban
- Urban

LIFECYCLE



- Stabilized
- Unit Renovation
- Build-to-Core Development

Data as of December 31, 2021. Chart percentages represent Gross Real Estate Value. Arrows indicate intended portfolio diversification targets. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

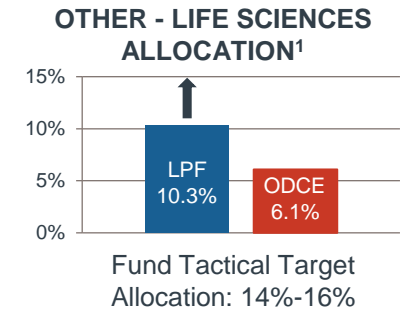
Portfolio Composition and Strategy: Life Sciences

Positioning:

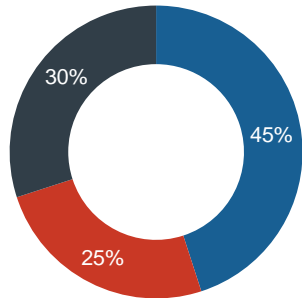
- Demographics driving long-term structural demand
- Fund's portfolio is in the top healthcare submarkets: East Cambridge, South San Francisco, and Seattle (Lake Union)

Recent Performance:

- Sector remains strong, with active capital markets and investor interest; increased R&D funding for drug development
- Solid fundamentals in major “clusters” are leading to outperforming rent growth and returns



LIFE SCIENCES LOCATION



- East Cambridge
- South San Francisco
- Seattle (Lake Union)



¹“Other” represents any asset not in the four major property types listed above. In LPF’s portfolio, “Other” includes only life sciences and a de minimis amount of land. Data as of December 31, 2021. 400 Dexter is in a 70%/30% joint venture with Alexandria Real Estate Equities, Inc. (“ARE”) with the above images being provided courtesy of ARE. Chart percentages represent Gross Real Estate Value. Arrows indicate intended portfolio diversification targets. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Portfolio Composition and Strategy: Retail

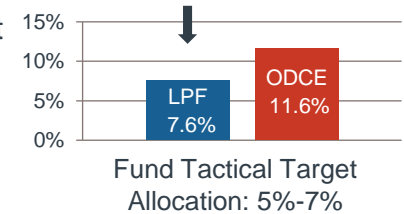
Positioning:

- Strong underweight bias given retail headwinds
- Focus on grocery and neighborhood shopping centers, which are likely to remain resilient in the face of e-commerce competition
- Low portfolio exposure to power centers; no exposure to mall sector

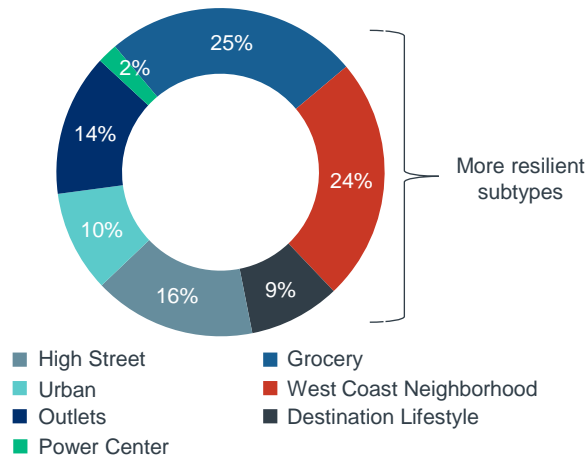
Recent Performance:

- Significant impact across sector, though increasing sense in the market that the sector may have “bottomed;” leasing activity has been picking up for better assets
- Grocers and necessity retailers remain strong, with elevated sales; apparel, fitness, and restaurants now rebounding given states have reopened and eased restrictions

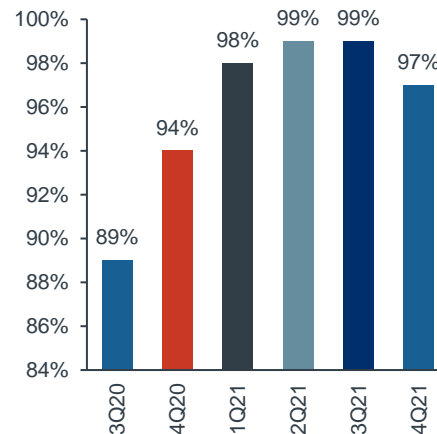
RETAIL ALLOCATION



RETAIL FORMAT



RENT COLLECTIONS¹



¹Rent collection data as of December 20, 2021. Rent collections for 4Q21 are in-line with 3Q21 collections at this point in the quarter.

Data as of December 31, 2021. Chart percentages represent Gross Real Estate Value. Arrows indicate intended portfolio diversification targets. Past performance is not indicative of future results. Please see the important disclosures at the end of this presentation.

Representative Properties



215 Fremont Street, San Francisco, CA



One Marina Park Drive, Boston, MA



Redlands Business Center, Redlands, CA



500 Forbes Blvd, South San Francisco, CA



Park 5940 MD, Dallas, TX



Cortland Boca Raton, Boca Raton, FL



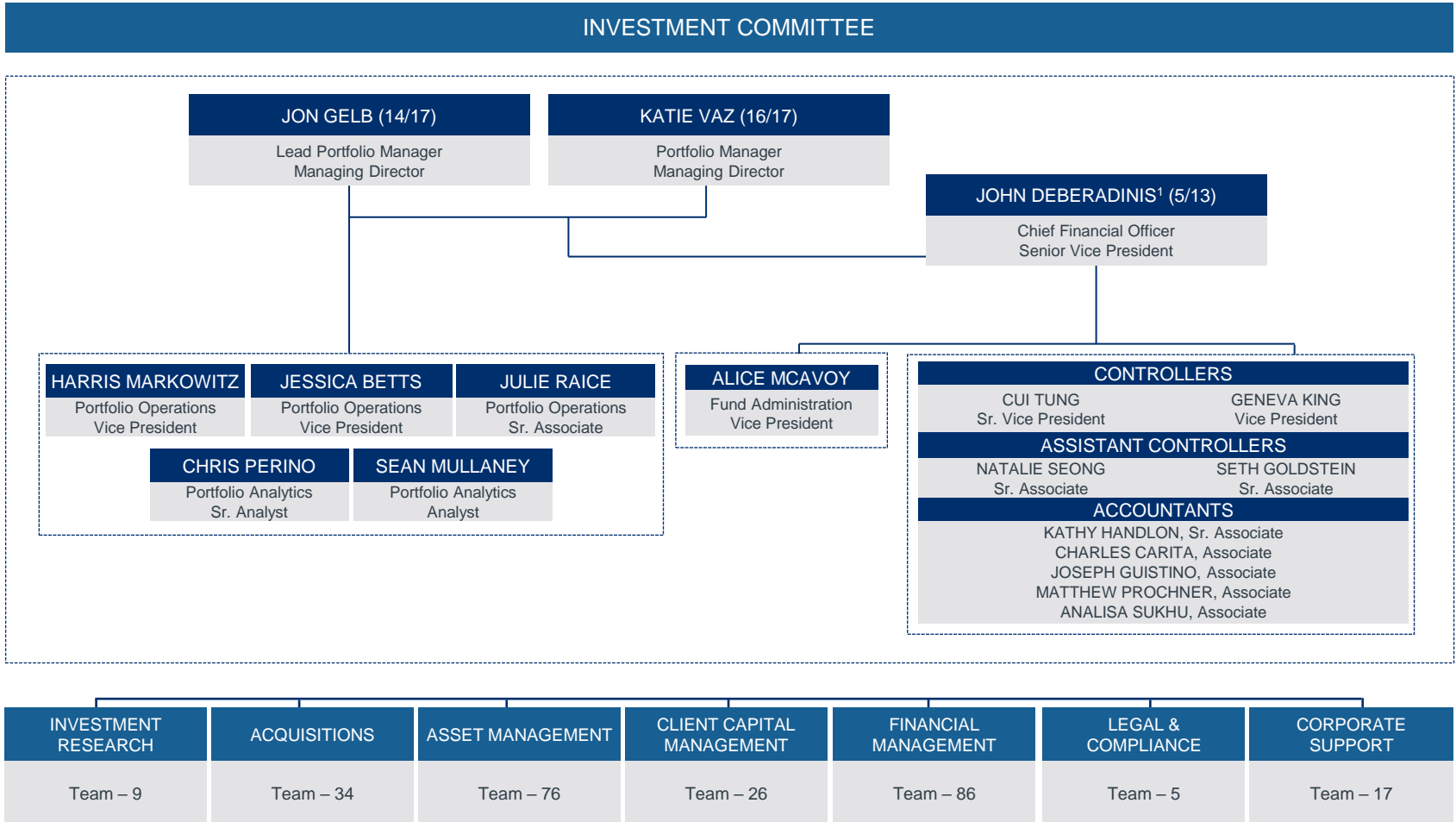
Eastlake Life Sciences Campus, Seattle, WA



Biographies

Appendix A

Fund Management and Resources



¹Effective March 31, 2022

As of January 1, 2022. Numbers in parentheses represent tenure with the Firm/years in the industry. Staff counts are inclusive of administrative personnel.

Biographies



JON GELB

Managing Director, Lion Properties Fund Lead Portfolio Manager

Jon Gelb, equity owner and Managing Director, is the lead Portfolio Manager for the Lion Properties Fund. Jon shares responsibility for all facets of Fund management including acquisitions and dispositions, asset management and investor communications. He joined the Fund in 2014. Prior to 2014, Jon served as Assistant Portfolio Manager on the Firm's open-end value-added fund. Prior to working in portfolio management, Jon worked in the Firm's Acquisitions Group, where he underwrote East Coast transactions. Jon joined the Firm in 2007 and began working in the real estate industry in 2005.

Prior Experience

Cushman & Wakefield, New York, NY
Transaction Consultant (2005-2007)

Education

Harvard Business School, M.B.A. (2005)
Wesleyan University, B.A. (1997)

Biographies



KATIE VAZ

Managing Director, Lion Properties Fund Portfolio Manager

Katie Vaz, equity owner and Managing Director, is a Portfolio Manager for the Lion Properties Fund and a member of the Firm's Investment Committee. Katie shares responsibility for all facets of Fund management including acquisitions and dispositions, asset management and investor communications. Previously, she served as a portfolio manager for three of Clarion's separate account portfolios and also spent several years as a portfolio management associate for Clarion's multifamily fund. Prior to focusing on portfolio management, she was an asset manager of office product in the New York tri-state and Florida markets. Katie is a member of Clarion's ESG Committee and is the founder and co-chair of Clarion Partners' Women's Leadership Network. Katie joined Clarion in 2005 and has 17 years of experience in the real estate industry.

Prior Experience

Pharmacia Corporation, Peapack, NJ
Manager of Sales Analytics (2001-2003)

ZS Associates, Princeton, NJ
Analyst (2000-2001)

Education

New York University, Stern School of
Business, M.B.A (2005)

Princeton University, B.A. (2000)

Biographies



JOHN DEBERADINIS, CPA

Senior Vice President, Lion Properties Fund Chief Financial Officer*

John DeBeradinis is a Senior Vice President and will assume the Chief Financial Officer role for the Lion Properties Fund on March 31, 2022. In his current role as a Controller for the Fund, John is responsible for accounting and financial reporting of the Fund. John joined Clarion in 2016, began working in the real estate industry in 2009 and held management positions at firms that specialized in both retail and residential real estate before joining Clarion. John is a Certified Public Accountant with the State of New York.

Prior Experience

Pretium Partners, New York, NY
Vice President, Controller (2013-2016)

Brixmor Property Group, New York, NY
Financial Accounting Manager (2009-2013)

Health Systems Solutions, New York, NY
Senior Financial Analyst (2008-2009)

KPMG, Stamford, CT
Senior Associate (2006-2008)

Education

Loyola University Maryland, BBA in
Accounting (2006)

*Effective March 31, 2022.

Biographies



CUI TUNG, CPA

Senior Vice President, Lion Properties Fund Controller

Cui Tung is a Senior Vice President and a Controller for the Lion Properties Fund at Clarion Partners. Cui shares responsibility for accounting and financial reporting of the Fund. She joined Clarion Partners in 2006 and began working in the real estate industry in 2003. Cui is a Certified Public Accountant with the State of New York.

Prior Experience

Deloitte & Touche, New York, NY
Audit Senior (2003-2006)

Education

Rutgers University, BS in Accounting (2003)

Biographies



GENEVA KING

Vice President, Lion Properties Fund Controller

Geneva King is a Vice President and a Controller for the Lion Properties Fund at Clarion Partners. Geneva shares responsibility for accounting and financial reporting of the Fund. She joined Clarion Partners in 2006 and began working in the real estate industry in 2006.

Prior Experience

PricewaterhouseCoopers, New York, NY
Senior Associate (2001-2006)

Education

Baruch College, BBA in Accounting (2001)

Biographies



HARRIS MARKOWITZ, CPA

Vice President, Portfolio Management

Harris Markowitz is a Vice President on the Lion Properties Fund Portfolio Management Team at Clarion Partners. Harris is responsible for the quarterly property valuations, return calculations and performance reporting. Harris also is an asset manager for several of the Lion Properties Fund's assets. He also has portfolio management oversight responsibilities for the Fund's Baltimore-area, Midwest and Mountain region assets. He joined Clarion Partners in 2012 and began working in the real estate industry in 2005. Harris is a Certified Public Accountant with the State of New York.

Prior Experience

Goldman, Sachs & Co., Jersey City, NJ
Senior Associate (2010-2012)

Ernst & Young, New York, NY
Audit Senior (2005-2010)

Education

The George Washington University,
Bachelor of Accountancy (2005)

Biographies



JESSICA BETTS

Vice President, Portfolio Operations

Jessica Betts, Vice President is responsible for Portfolio Operations of West Coast assets for the Lion Properties Fund. Jessica serves as asset manager for a portfolio of office properties in Los Angeles and the Bay Area, totaling 1 million square feet. In addition, Jessica provides portfolio oversight of the Fund's West Coast assets. Jessica joined the Firm in 2011 and previously had asset management and acquisitions responsibilities for other Clarion portfolios.

Prior Experience

Waronzof Associates (2010-2011)

Education

University of Southern California, B.S. (2010)



Notes

Appendix B

Notes

The information provided herein has been provided at the request of Sacramento Regional Transit District in order to permit Sacramento Regional Transit District to comply with its obligations under applicable California laws. The information is provided for informational purposes only and does not constitute an offer to sell, or solicitation of offers to buy or convert, securities in any existing or to-be-formed issuer. The information provided with respect to Sacramento Regional Transit District's investment in a Clarion fund is highly dependent upon the terms of its investment (including the size and timing of its investment) and is not indicative of the performance of any other investor in the fund or indicative of the performance of an investment in any other Clarion product. Participation in Clarion's private funds generally is limited to qualified, institutional investors who meet minimum eligibility standards.



RETIREMENT BOARD STAFF REPORT

DATE: March 14, 2022 Agenda Item: 18

TO: Sacramento Regional Transit Retirement Boards – ALL

FROM: Jamie Adelman, AVP Finance & Treasury

SUBJ: Investment Performance Review of the International Large Capital Equity Asset Class by Pyrford for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended December 31, 2021 (ALL).
(Adelman)

RECOMMENDATION

No Recommendation – For Information Only.

RESULT OF RECOMMENDED ACTION

Information Only

FISCAL IMPACT

None.

DISCUSSION

Retirement funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines (Policy) adopted by each Retirement Board (Board). Under the Policy, the Boards meet at least once every eighteen (18) months with each investment manager to review the performance of the manager's investment, the manager's adherence to the Policy, and any material changes to the manager's organization. The Policy also establishes the Retirement Funds' asset allocation policy and the asset classes in which the Plans funds are invested. The asset classes established by the Policy are (1) Domestic Large Capitalization Equity, (2) Domestic Small Capitalization Equity, (3) International Large Capitalization Equity, (4) International Small Capitalization Equity, (5) International Emerging Markets, (6) Domestic Fixed-Income, and (7) Real Estate.

Pyrford is the Retirement Boards' International Large Capital Equity fund manager. Pyrford will be presenting performance results for the quarter ended December 31, 2021, shown in Attachment 1, and answering any questions.



Presentation to: Sacramento Regional Transit District

South LaSalle International Equities Trust

Presented by:



Luke Casey, CFA CAIA
Senior Client Portfolio Manager
Pyrford International
01144 20 3650 6567
luke.casey@pyrford.co.uk



Troy M Rossow, CFP® CIMA®
Director, Institutional Relationship Management
Columbia Threadneedle Investments
T: 612 671 1047
troy.rossow@columbiathreadneedle.com

For one-to-one presentation to institutional investors only

Presentation date 09 February 2022

Data at 31 December 2021

Reference: 2022-42

Part of

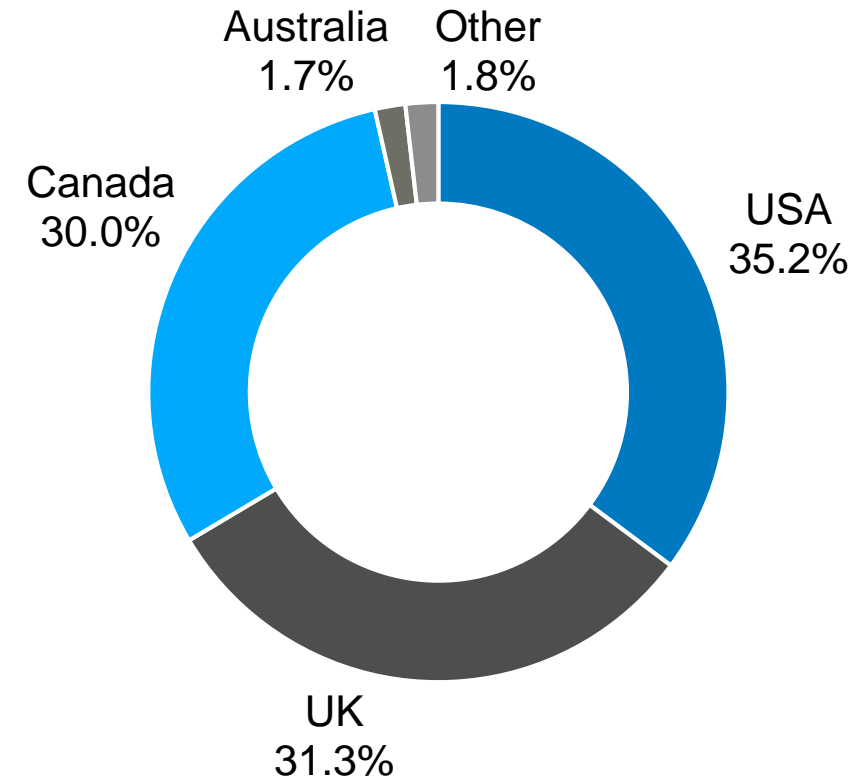


Assets under management breakdown

As at 31 December 2021

Product	USD	No. of investors
International Equities	5.49bn	34
Global Absolute Return	3.35bn	35
Global Equities	3.32bn	15
Total	12.16bn	84

Assets Under Management – Investor Domicile



These figures include investors in pooled investment vehicles.

Pyrford's organisational overview

As at 31 December 2021

- Established 1987
- Stable professional staff
- 15 investment professionals
- 84 investors¹ (US\$12.16billion AUM as at 31 December 2021)
- On 08 November 2021, Ameriprise Financial Inc. acquired the EMEA and APAC asset management business of BMO Financial Group including Pyrford International Ltd

Name	Role	Years with Pyrford	Years in industry
Tony Cousins, CFA	Chief Executive & Chief Investment Officer	33	36
Paul Simons, CFA	Head of Portfolio Management – Asia-Pacific	25	25
Daniel McDonagh, CFA	Head of Portfolio Management – Europe	24	24
Suhail Arain, CFA	Head of Portfolio Management – the Americas	13	24
Bruce Campbell	Strategic Investment Advisor	35	52

¹ These figures include investors in pooled investment vehicles.

Responsibilities of Pyrford's investment professionals

As at 31 December 2021

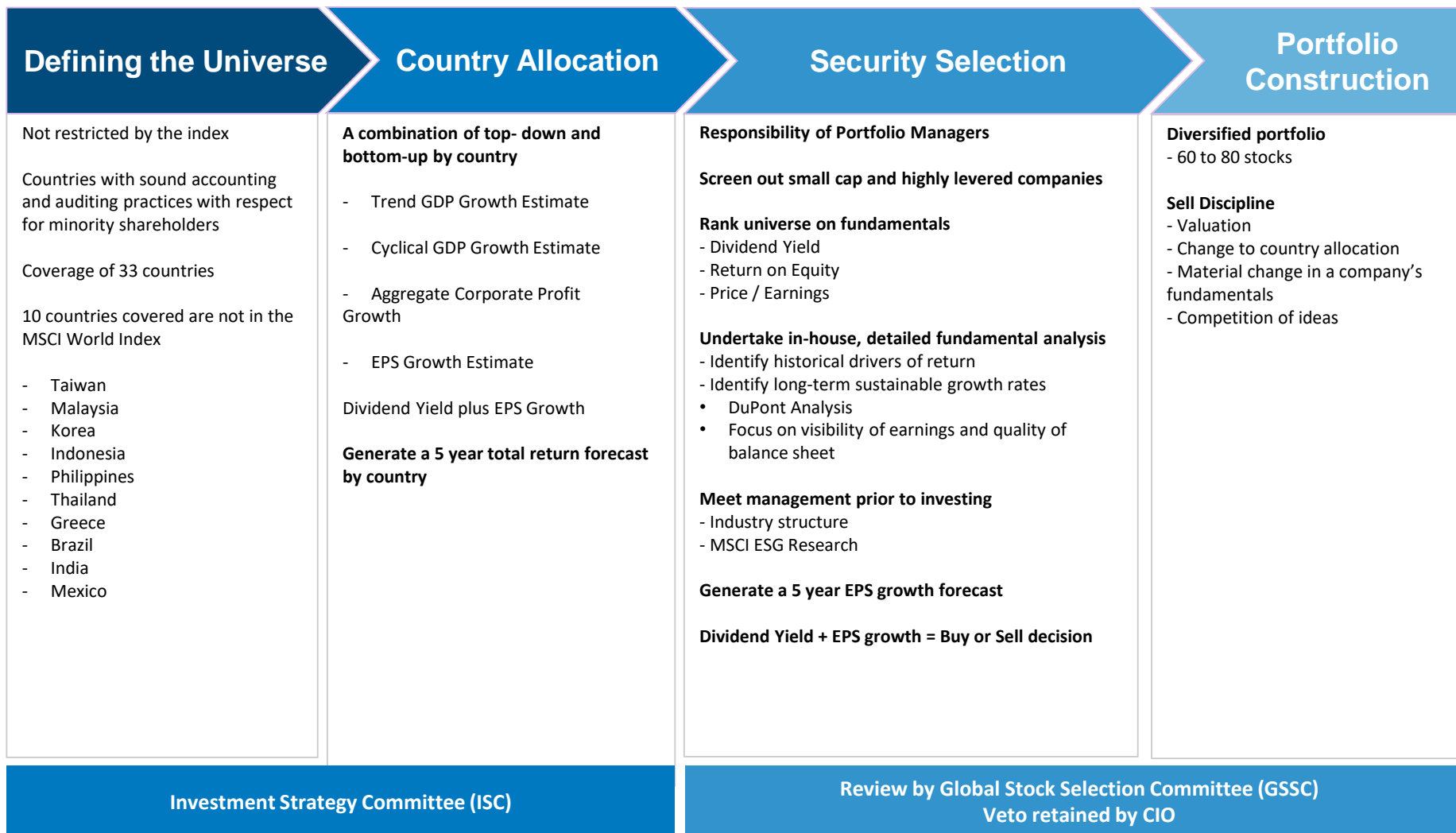
			Years with Pyrford	Years in Industry	
	Tony Cousins	Investment Strategy	Chairman of Global Stock Selection Committee and Investment Strategy Committee	33	37
	Bruce Campbell	Investment Strategy	Strategic Investment Advisor	35	52
	Faazil Hussain	Investment Strategy	Economics & Investment Strategy Analyst	2	2
Asian Team	Head of Asia	Discretion	Australia; New Zealand; Malaysia; Hong Kong; China, Taiwan	25	25
	Paul Simons	Analysis	Japan; Philippines; Indonesia; South Korea; Thailand		
	Jun Yu	Discretion	India	13	22
		Analysis	Hong Kong; China, Taiwan		
	Stefan Bain	Discretion	Japan; Philippines, South Korea	10	20
	Roderick Lewis	Discretion	Singapore; Indonesia; Thailand	8	20
		Analysis	Taiwan		
	Laura Drummond	Discretion	n/a	2	2
		Analysis	Asia		
European Team	Head of Europe	Discretion	UK	24	24
	Daniel McDonagh	Analysis	Europe		
	Peter Moran	Discretion	Eurozone (Netherlands; Spain; Belgium; Portugal; Finland; Ireland; Greece); Sweden; Norway; Israel	18	18
	Nabil Irfan	Discretion	Eurozone (Germany; France; Italy; Austria); Denmark	16	21
	Anneka Desai	Discretion	Switzerland	6	6
		Analysis	Europe		
Americas Team	Head of Americas	Discretion	USA	13	24
	Suhail Arain	Analysis	Canada; Mexico		
	Andrew Sykes	Discretion	Canada; Brazil; Mexico	8	14
		Analysis	USA		
	Henrietta Brooks	Analysis	USA; Canada; Brazil	7	7
	Joshua Hubbard	Analysis	US, Canada, Mexico, Brazil	2	2
Client PM	Lars Nielsen		Senior Client Portfolio Manager	13	33
	Luke Casey		Senior Client Portfolio Manager	7	19

Discretion: authority to make investment decisions subject to CIO veto.

Analysis: authority to make investment recommendations subject to veto by investment professional with discretion or CIO.



Investment process

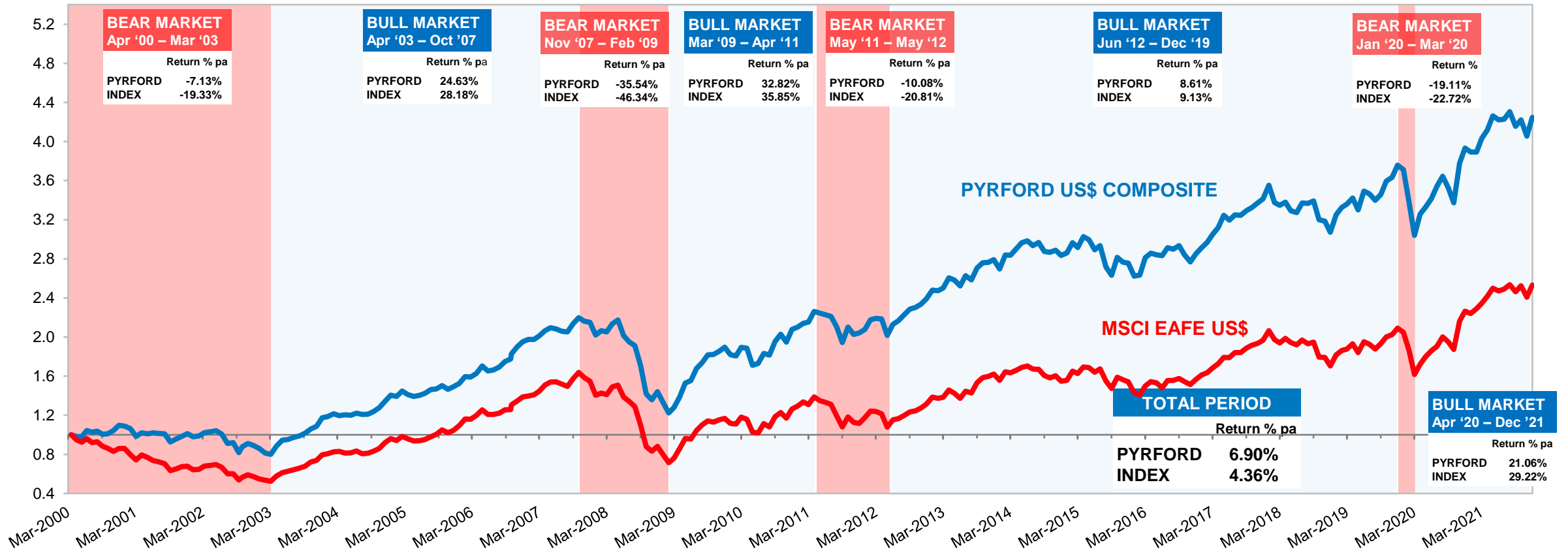


International Equity (EAFE) Strategy

Effective downside protection – enjoy the upside

Growth of a Unit Value US\$, 31 March 2000 – 31 December 2021. Bull & Bear Markets

31 Mar 2000 – 31 Dec 2021 (quarterly data)	
Downside Capture	66.69%
Upside Capture	85.84%



Past performance does not guarantee future results. Capital is at risk and an investor may receive back less than the original investment. The performance figures are shown gross of fees. The effect of fees or costs will be to lower the figures shown.

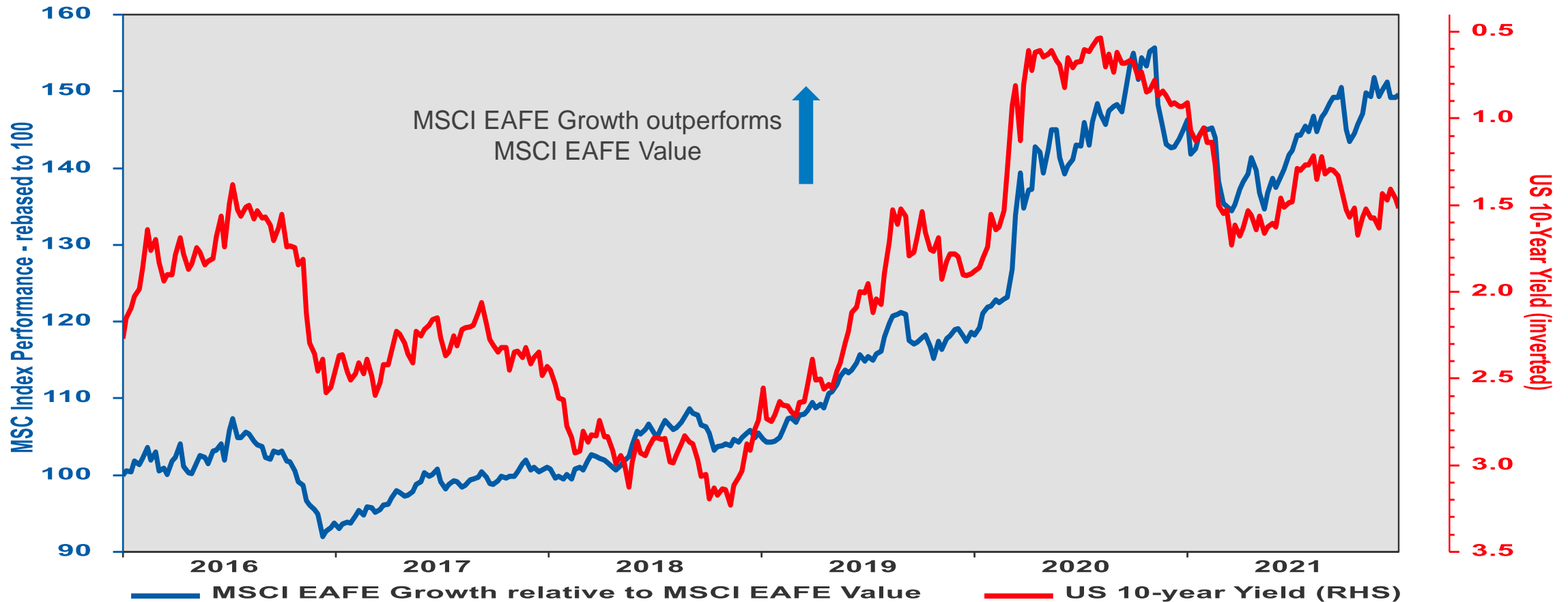
Performance relates to the gross of fees Pyrford International Ltd 'International Equity (Base Currency US\$) Composite'. This is supplementary information. Please see complete GIPS compliant presentation at the end of this document.

Source: Pyrford International / MSCI EAFE



Outperformance of Growth supported by low yields

Data at 31 December 2021



Past performance does not guarantee future results.

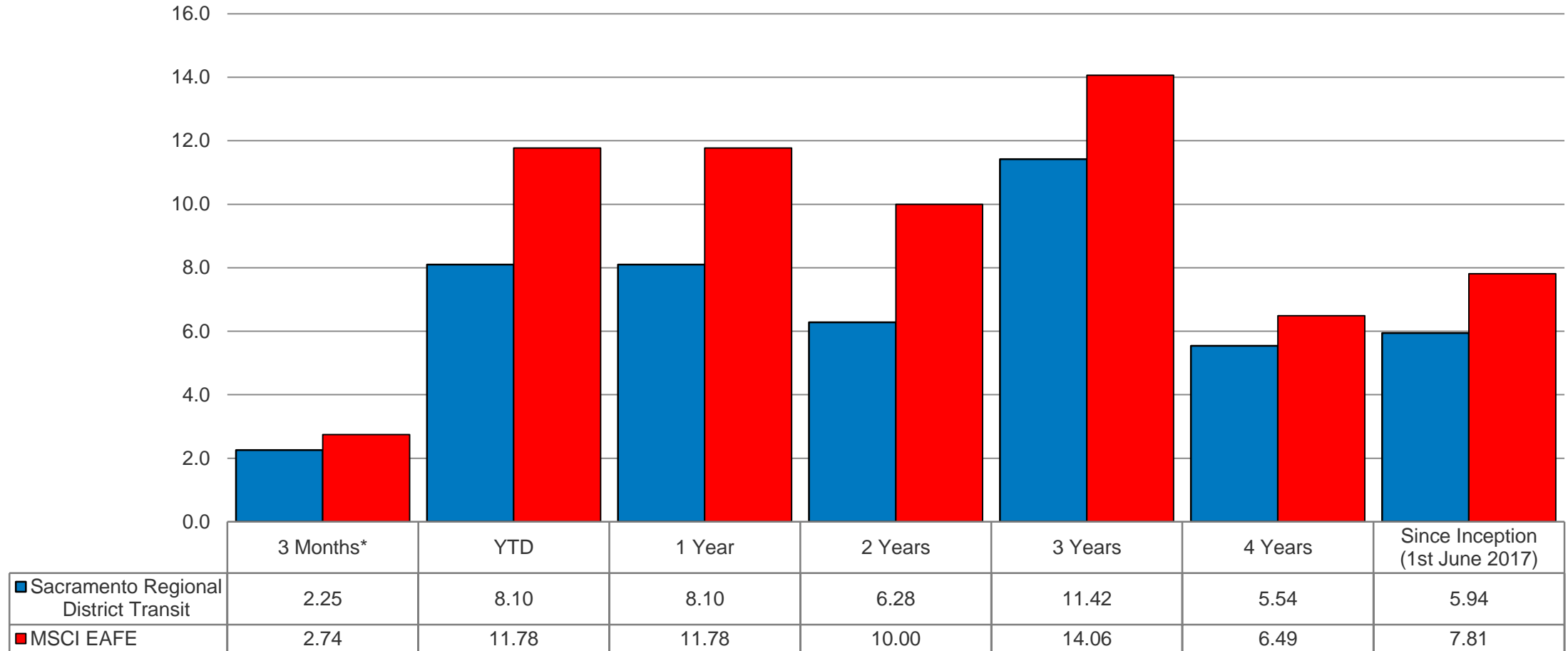
For illustrative purposes only

Source: Refinitiv Datastream



Sacramento Regional Transit District - Performance

South LaSalle International Equities Trust (US\$). Annualised Returns – Gross of Fees (%) to 31 December 2021



Performance shown is gross of fees and in % US dollar terms

* Not annualised



Sacramento Regional Transit District - Performance

South LaSalle International Equities Trust (US\$). Annualised Returns – Gross of Fees (%) to 31 December 2021

Market Value Reconciliation	
Beginning MV (5/31/2017)	25,953,818
Withdrawals	-
Contributions	-
Market Appreciation (Depreciation)	9,298,508
Ending MV (12/31/2021)	35,252,326

Period	Sacramento Regional Transit District (%)	MSCI EAFE (%)	Out / Under
3 months*	2.56	2.74	-0.18
1 year	8.23	11.78	-3.55
Since inception (01 June 2017)	11.18	14.08	-2.90

*Not annualised

Past performance does not guarantee future results.

Please note that the above returns have been calculated internally by Pyrford International Ltd. They have not been verified by a third party and are intended as a guide only.

Source: Pyrford International / MSCI EAFE



Key drivers of 3 month fund performance

As at 31 December 2021

Net Management Effects				
Fund = 2.25%	Currency	Country Allocation	Stock Selection	Total
Index = 2.74%	0.78	-0.26	-1.01	-0.49

Key Drivers				
Europe				Positive – UK stock selection Negative – Eurozone stock selection
Currency	Country Allocation	Stock Selection	Total	
0.24	-0.31	-0.19	-0.26	
Asia Pacific				Positive – Underweight Japan Negative – Japan stock selection – Overweight Singapore
Currency	Country Allocation	Stock Selection	Total	
0.50	0.18	-0.82	-0.14	

Past performance does not guarantee future results. Capital is at risk and an investor may receive back less than the original investment. The performance figures are shown gross of fees. The effect of fees or costs will be to lower the figures shown.

Source: Pyrford International / MSCI EAFE

Key drivers of 12 month fund performance

As at 31 December 2021

Net Management Effects				
Fund = 8.10%	Currency	Country Allocation	Stock Selection	Total
Index = 11.78%	2.02	-1.73	-3.97	-3.67

Key Drivers				
Europe				Negative – Eurozone stock selection – Switzerland stock selection
Currency	Country Allocation	Stock Selection	Total	
0.44	-0.49	-3.38	-3.43	
Asia Pacific				Positive – Underweight Japan – Underweight Japanese Yen – Hong Kong stock selection Negative – Japan stock selection – Overweight Singapore
Currency	Country Allocation	Stock Selection	Total	
1.36	-0.66	-0.59	0.12	

Past performance does not guarantee future results. Capital is at risk and an investor may receive back less than the original investment. The performance figures are shown gross of fees. The effect of fees or costs will be to lower the figures shown.

Source: Pyrford International / MSCI EAFE

How the fund is positioned going forward

As at 31 December 2021

Europe

Remain defensively positioned:

- positioned in “core” Europe
- zero exposure to European banks

UK

- thin post Brexit trade agreement reached
- dividend payouts have been reset to more sustainable levels

Asia Pacific

Defensive positioning:

- no direct exposure to real estate
- modest exposure to high quality emerging markets
- niche businesses where quality and reliability is more important than price

Underweight Japan:

- a greater focus on shareholder returns and increases in labour force participation have been positive, but major economic headwinds (poor demographics, weak public finances and low productivity growth) remain

Overweight South-East Asia and Taiwan:

- compelling demographics and well-established legal frameworks make these areas attractive for foreign direct investors which helps drive economic growth

Overweight Australia

- consumer debt is a concern but low public debt, steady population growth and good capital discipline amongst corporates are all positives

International Equity (EAFE) Strategy - portfolio characteristics

As at 31 December 2021

	Composite	MSCI EAFE
Dividend yield %	3.6	2.7
Debt to equity	67.4	177.7
Return on equity (1 year average %)	12.5	11.3

Past performance does not guarantee future results. Capital is at risk and an investor may receive back less than the original investment. The performance figures are shown gross of fees. The effect of fees or costs will be to lower the figures shown.

Dividends are not guaranteed and are subject to change or elimination.

Based on equity holdings of a representative account. This is supplementary information. Please see full GIPS compliant performance disclosure at the end of this document.

Source: Pyrford International using Bloomberg



International Equity (EAFE) Strategy Model Portfolio - % allocations

As at 31 December 2021

European Equities		European Equities		Asia-Pacific Equities		Asia-Pacific Equities	
Euro Area	25.00%	Switzerland	11.50%	Australia	10.50%	Japan	14.00%
Air Liquide SA (France)	2.00%	Geberit	0.58%	Brambles Ltd	2.21%	ABC-Mart	1.54%
Brenntag AG (Germany)	1.75%	Givaudan	0.58%	Computershare Ltd	1.79%	Japan Tobacco	3.22%
Bureau Veritas (France)	1.50%	Nestle SA	2.88%	Endeavour Group Ltd	0.29%	KDDI Corp	2.24%
Deutsche Post AG (Germany)	1.75%	Novartis AG	2.36%	QBE Insurance Group Ltd	1.42%	Mitsubishi Electric Corp	2.24%
Fielmann AG (Germany)	1.25%	Roche Holding AG	2.65%	Rio Tinto Ltd	1.05%	Nabtesco	1.26%
Fuchs Petrolub AG (Germany)	1.75%	Schindler Holding	0.58%	Woodside Petroleum Ltd	1.89%	Nihon Kohden	1.68%
GEA Group (Germany)	1.00%	SGS	0.69%	Woolworths Ltd	1.86%	Sumitomo Rubber Industries	1.12%
Kone (Finland)	1.00%	Zurich Insurance Group AG	1.21%	Hong Kong	5.00%	Toyota Tsusho Corp	0.70%
Koninklijke Philips NV (The Netherlands)	1.00%	UK	16.50%	AIA Group	1.10%	Singapore	6.00%
Legrand SA (France)	1.25%	BP plc	0.99%	China Mobile Ltd	1.70%	ComfortDelGro Corp Ltd	1.44%
Rubis (France)	1.00%	British American Tobacco plc	1.90%	Power Assets Holdings Ltd	1.15%	Singapore Tech Engineering	0.72%
Sampo (Finland)	1.75%	Bunzl plc	1.16%	VTech Holdings Ltd	1.05%	Singapore Telecommunications	1.98%
Sanofi (France)	1.75%	GlaxoSmithKline plc	1.98%	Indonesia	2.00%	United Overseas Bank Ltd	1.86%
SAP AG (Germany)	2.00%	IMI plc	0.83%	Bank Rakyat Indonesia	1.00%	Taiwan	3.00%
Unilever plc (The Netherlands)	2.00%	Imperial Brands	1.32%	Telekomunikasi Indonesia	1.00%	Advantech Co Ltd	0.60%
Vopak (The Netherlands)	1.50%	Legal & General Group plc	1.98%	Malaysia	3.00%	Chunghwa Telecom Co Ltd	1.05%
Wolters Kluwer (The Netherlands)	0.75%	National Grid plc	1.98%	Axiata Group Bhd	1.05%	Merida Industry Co Ltd	0.15%
Norway	2.00%	Reckitt Benckiser plc	1.65%	Malayan Banking Bhd	1.95%	Taiwan Semiconductor Manufacturing	1.20%
Telenor ASA	2.00%	Royal Dutch Shell plc 'B'	1.16%				
Sweden	1.50%	Vodafone Group plc	1.57%				
Assa Abloy AB	0.45%						
Atlas Copco AB	0.45%						
Essity Aktiebolag-B	0.60%						

For illustration purposes only. Not a solicitation or recommendation to buy, sell, or hold any security.

Source: Pyrford International

International Equity (EAFE) Strategy Model Portfolio - sector allocations

As at 31 December 2021

Industry Group	Pyrford model weighting (%)		MSCI EAFE weighting (%)	
Communication Services	12.6%		5.0%	
Media & Entertainment		0.0%		1.8%
Telecommunication Services		12.6%		3.2%
Consumer Discretionary	4.1%		12.5%	
Automobiles & Components		1.1%		3.9%
Consumer Durables & Apparel		1.7%		5.2%
Consumer Services		0.0%		1.4%
Retailing		1.3%		2.0%
Consumer Staples	15.7%		10.3%	
Food & Staples Retailing		2.2%		1.4%
Food Beverage & Tobacco		11.3%		6.2%
Household & Personal Products		2.3%		2.6%
Energy	5.5%		3.4%	
Energy		5.5%		3.4%
Financials	12.3%		16.8%	
Banks		4.8%		8.4%
Diversified Financials		0.0%		3.7%
Insurance		7.5%		4.7%
Healthcare	11.4%		12.7%	
Healthcare Equipment & Services		2.7%		2.9%
Pharmaceuticals, Biotechnology & Life Sciences		8.7%		9.8%
Industrials	22.3%		16.2%	
Capital Goods		14.0%		11.6%
Commercial & Professional Services		5.1%		2.2%
Transportation		3.2%		2.4%
Information Technology	6.6%		9.6%	
Semiconductors & Semiconductor Equipment		1.2%		3.5%
Software & Services		3.8%		3.4%
Technology Hardware & Equipment		1.7%		2.7%
Materials	5.4%		7.5%	
Materials		5.4%		7.5%
Real Estate	0.0%		2.8%	
Real Estate		0.0%		2.8%
Utilities	4.1%		3.4%	
Utilities		4.1%		3.4%

For illustration purposes only. Not a solicitation or recommendation to buy, sell, or hold any security.

Source: Pyrford International / MSCI EAFE



Pyrford's current views

31 January 2022

- Looking at the prospects ahead for 2022, we know **economic growth will decelerate** as fiscal and monetary support is withdrawn. The extent and pace of the drop however is highly uncertain and dependent upon several factors. The persistence of supply chain disruptions, higher than expected inflation and the emergence of new variants prolonging the pandemic. We can also add a spike in geopolitical risk to that list as tensions build up between Russia and Ukraine.
- The current **inflation** surge is both cost-push and demand-pull. Demand-pull because the 'free' money handed out in one form or another pushed up savings rates and gave many people more liquidity than they had experienced in years – perhaps ever. Ultimately, the money started to chase goods and services. Cost-push because global supply chains were massively disrupted, ships and other forms of carriage were taken off-line, and many people left those industries.
- We maintain our view that whilst inflationary pressures are broadening, sustained inflation will not emerge until the ample levels of spare capacity in the global economy are used up. On the question of **temporary** or permanent inflation, we come down on the side of the inflation scare being temporary – but 'temporary' may still be as long as several years. It means that central banks must navigate a journey through a confused economic narrative.
- Global stocks remain close to all-time highs, supported by robust corporate earnings. **Heightened volatility** is expected to be a feature of markets until further clarity on the new variant's impact on economic growth is clear. Equity markets have continually tested new highs, with investors willing to buy the dip. Increased volatility will test this willingness.
- **Stock valuations are elevated**, and many investors wonder if the rally will continue. Given valuations, expectations for further upside mainly resides in continued earnings growth. However, much of this earnings growth seems priced into US valuations, less so outside the US.
- The comfort and safety of the "Fed put" is being called into question now that inflation in the US, and many other economies, is running at worryingly high levels. The "put" was possible because inflation was benign, providing scope for the Fed to support growth. The weakening of this safety net has seen volatility in the most **overvalued** risky assets with investors reassessing the valuations they have been paying and the durability of the business models they have been invested in.
- **Overvaluation** is always corrected. This could start tomorrow or it could take years since the normal rules of valuation have been suspended by the 'gaming' of the system by the central banks. Bubbles, of all kinds, are inevitable when interest rates are set at zero.

This is not intended to serve as a complete analysis of every material fact regarding any company, industry or security. The opinions expressed here reflect our judgement at this date are subject to change. Information has been obtained from sources we consider to be reliable, but we cannot guarantee the accuracy.

Pyrford seeks to deliver:

- Excellent long-term historical performance with low absolute volatility of returns
- A focus on absolute returns – benchmark agnostic
- Effective downside protection
- Disciplined, consistent approach
- Comprehensive macro and micro economic analysis
- Integrity and independence
- Committed and personal level of service

Supplementary information

Fund attribution detail by asset

3 months ended 31 December 2021. International Equity (USD)

Cumulative Results	Portfolio		Policy		Currency Return	Net Management Effects			
	Weight	Return	Weight	Return		Ccy	Market	Select	Total
Top level	100.0	2.25	100.0	2.74	-1.17	0.78	-0.26	-1.01	-0.49
Equity	96.8	2.30	100.0	2.74	-1.17	0.72	-0.14	-1.01	-0.43
Europe	54.9	5.78	64.9	5.72	-0.79	0.24	-0.31	-0.19	-0.26
Euro-zone	23.4	1.58	33.2	3.72	-1.87	0.07	-0.16	-0.52	-0.61
Denmark	N/A	N/A	2.7	5.81	-1.90	0.02	-0.10	0.00	-0.08
Norway	1.8	-4.83	0.7	0.03	-1.01	0.01	-0.03	-0.11	-0.13
Sweden	1.5	7.49	3.8	6.54	-3.37	0.05	-0.14	0.02	-0.07
Switzerland	11.4	11.43	10.0	12.83	2.38	0.05	0.08	-0.14	0.00
United Kingdom	16.7	9.18	14.5	5.63	0.45	0.04	0.03	0.56	0.63
Pacific Basin	41.8	-2.10	34.5	-2.70	-1.96	0.50	0.18	-0.82	-0.14
Pacific Basin ex Japan	28.8	1.66	11.2	-0.07	0.43	0.31	-0.33	0.02	0.01
Australia	10.1	-0.25	6.9	2.14	0.65	0.08	-0.06	-0.27	-0.26
Hong Kong	4.7	-0.20	2.9	-3.55	-0.14	0.02	-0.14	0.16	0.05
Malaysia	2.9	5.94	N/A	N/A	0.49	0.05	0.04	0.00	0.09
New Zealand	N/A	N/A	0.2	-3.92	-0.75	0.00	0.02	0.00	0.02
Singapore	6.0	-1.22	1.2	-3.37	0.54	0.08	-0.38	0.13	-0.16
Taiwan	3.0	7.55	N/A	N/A	0.70	0.06	0.09	0.00	0.14
Indonesia	2.1	9.15	N/A	N/A	0.40	0.03	0.10	0.00	0.14
Japan	13.0	-10.02	23.2	-3.94	-3.11	0.19	0.51	-0.85	-0.15
Israel	N/A	N/A	0.7	7.22	2.16	-0.02	-0.01	0.00	-0.03
Cash & Currency Hedging	3.2	0.00	N/A	N/A	0.00	0.06	-0.12	0.00	-0.06

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Source: Pyrford International / MSCI EAFE

Fund attribution detail by asset

12 months ended 31 December 2021. International Equity (USD)

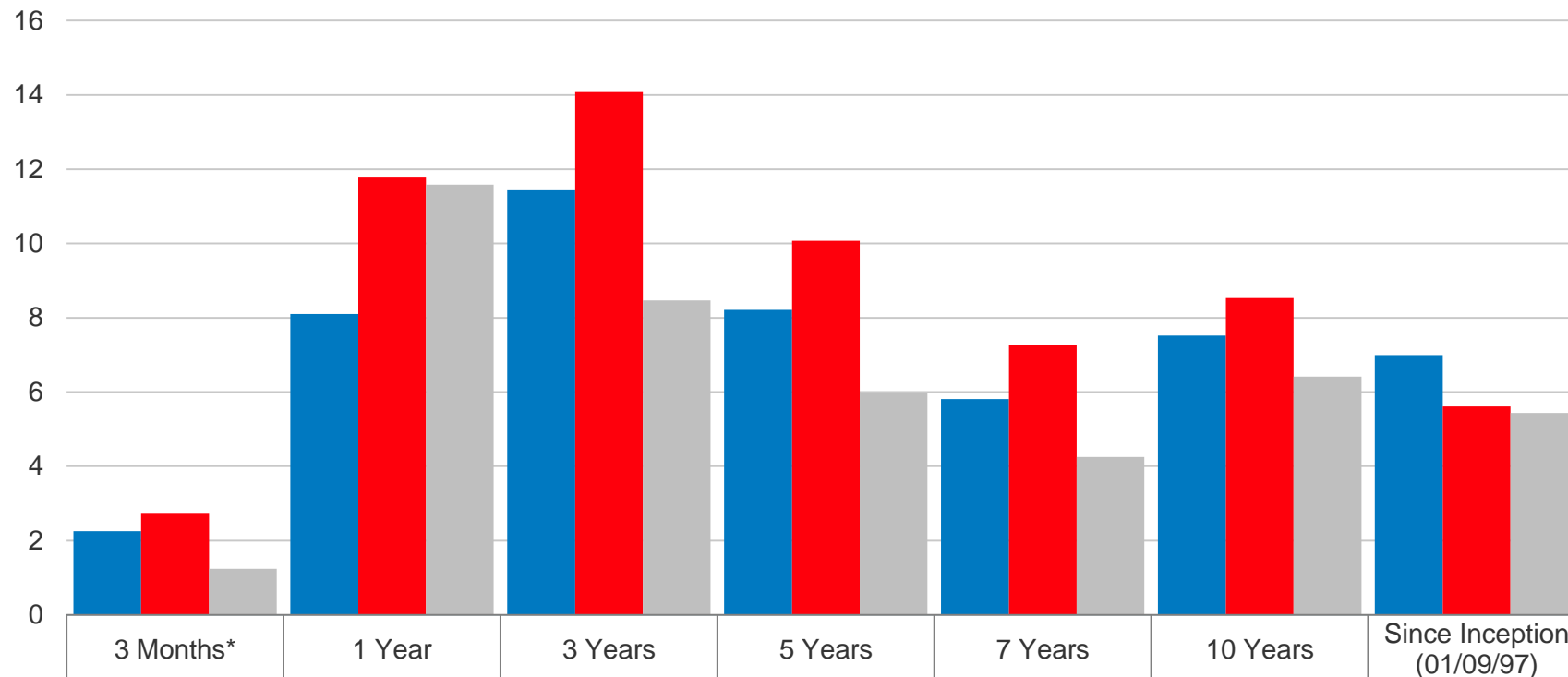
Cumulative Results	Portfolio		Policy		Currency Return	Net Management Effects			
	Weight	Return	Weight	Return		Ccy	Market	Select	Total
Top level	100.0	8.10	100.0	11.78	-6.27	2.02	-1.73	-3.97	-3.67
Equity	96.8	8.36	100.0	11.78	-6.27	1.75	-1.12	-3.97	-3.33
Europe	54.9	11.31	64.8	16.97	-5.15	0.44	-0.49	-3.38	-3.43
Euro-zone	23.5	5.37	33.2	14.27	-7.04	0.09	-0.24	-2.22	-2.37
Denmark	N/A	N/A	2.7	19.50	-6.98	0.02	-0.22	0.00	-0.20
Norway	1.8	-3.27	0.7	23.45	-2.91	0.06	0.11	-0.54	-0.37
Sweden	1.5	18.50	3.8	23.52	-9.29	0.09	-0.30	-0.07	-0.28
Switzerland	11.4	14.26	10.0	20.35	-2.99	0.08	0.08	-0.63	-0.47
United Kingdom	16.7	18.94	14.4	18.53	-0.91	0.10	0.07	0.09	0.26
Pacific Basin	41.8	4.40	34.6	2.89	-8.35	1.36	-0.66	-0.59	0.12
Pacific Basin ex Japan	28.8	8.86	11.3	4.79	-3.98	0.84	-1.21	0.41	0.04
Australia	10.1	9.50	7.0	9.57	-5.78	0.02	-0.05	-0.02	-0.06
Hong Kong	4.7	8.22	2.9	-3.91	-0.51	0.11	-0.39	0.64	0.36
Malaysia	2.9	5.52	N/A	N/A	-3.53	0.10	-0.30	0.00	-0.20
New Zealand	N/A	N/A	0.2	-16.80	-4.91	-0.01	0.09	0.00	0.08
Singapore	6.0	2.39	1.2	5.72	-1.99	0.24	-0.53	-0.20	-0.49
Taiwan	3.0	17.68	N/A	N/A	1.54	0.27	0.00	0.00	0.27
Indonesia	2.1	12.51	N/A	N/A	-1.51	0.11	-0.04	0.00	0.07
Japan	13.0	-5.02	23.3	2.04	-10.34	0.52	0.56	-1.00	0.08
Israel	N/A	N/A	0.7	15.60	1.96	-0.06	0.03	0.00	-0.02
Cash & Currency Hedging	3.2	-0.54	N/A	N/A	0.08	0.27	-0.61	0.00	-0.34

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Source: Pyrford International / MSCI EAFE

South LaSalle International Equities Trust (US\$) - Performance

Annualised Returns – Gross of Fees (%) to 31 December 2021



■ South LaSalle International Equities Trust	2.25	8.10	11.43	8.22	5.81	7.52	6.99
■ MSCI EAFE	2.74	11.78	14.08	10.07	7.26	8.53	5.61
■ MSCI EAFE Value	1.25	11.58	8.47	5.97	4.25	6.42	5.44

* Not annualised.

Please note that the above returns have been calculated internally by Pyrford International Ltd. They have not been verified by a third party and are intended as a guide only.

International Equity Composite US\$ - Disclosures

Calendar Year	Gross-of-fees Composite Return, TWR %	Net-of-fees Composite Return, TWR %	Benchmark MSCI EAFE Return %	Gross-of-fees Composite 3-Yr Ann. Std Dev (%)	Benchmark 3-Yr Ann. Std Dev (%)	Number of Accounts at period end	Composite Assets at period end (US\$ m)	Total Firm Assets at period end (US\$ m)	% of Total Firm Assets	Internal Dispersion (%)	Returns %		
											High	Low	Median
1996 H2	9.8	9.4	1.6	n/a	n/a	1	71	868	8.2	n/a	n/a	n/a	n/a
1997	0.8	0.1	2.1	n/a	n/a	1	71	1,162	6.1	n/a	n/a	n/a	n/a
1998	15.2	14.4	20.3	n/a	n/a	1	82	1,143	7.2	n/a	n/a	n/a	n/a
1999	14.2	13.4	27.2	13.1	15.9	1	151	1,229	12.3	n/a	n/a	n/a	n/a
2000	3.7	3.0	(14.0)	12.9	15.7	1	22	843	2.6	n/a	n/a	n/a	n/a
2001	(7.8)	(8.5)	(21.2)	12.1	15.2	1	20	1,187	1.7	n/a	n/a	n/a	n/a
2002	(12.0)	(12.6)	(15.7)	14.8	16.0	5	152	1,328	11.4	n/a	n/a	n/a	n/a
2003	31.9	31.0	39.2	16.3	17.8	7	387	2,133	18.1	0.19	32.9	31.1	31.6
2004	19.7	18.9	20.7	14.9	15.5	7	354	2,697	13.1	0.12	20.1	18.9	19.8
2005	8.6	7.8	14.0	10.8	11.4	7	514	2,610	19.7	0.21	9.4	7.9	8.9
2006	28.0	27.1	26.9	7.4	9.3	6	555	3,076	18.0	0.23	28.3	27.8	28.0
2007	10.1	9.4	11.6	7.1	9.4	5	385	2,992	12.9	0.33	10.4	9.4	10.0
2008	(32.9)	(33.4)	(43.1)	15.7	19.3	4	170	2,009	8.5	0.58	(31.7)	(33.4)	(32.6)
2009	31.6	30.6	32.5	18.8	23.7	4	208	2,583	8.1	0.40	32.1	31.2	31.5
2010	9.5	8.8	8.2	21.0	26.3	5	269	3,123	8.6	0.29	9.9	9.2	9.6
2011	(1.7)	(2.4)	(11.7)	17.1	22.5	9	476	3,510	13.6	0.64	(0.5)	(2.4)	(1.4)
2012	17.2	16.4	17.9	14.3	19.3	11	1,046	7,263	14.4	0.40	18.0	16.9	17.3
2013	17.2	16.3	23.3	11.4	16.2	12	2,451	11,446	21.4	0.63	17.9	15.7	17.4
2014	1.6	0.9	(4.5)	9.4	13.0	13	3,443	12,706	27.1	0.38	2.7	1.4	1.8
2015	(2.8)	(3.5)	(0.4)	10.2	12.5	12	3,617	11,073	32.7	0.16	(2.2)	(3.1)	(2.7)
2016	3.4	2.7	1.5	10.6	12.5	8	1,941	9,670	20.1	0.40	4.2	2.9	3.4
2017	19.8	19.0	25.6	10.2	11.9	11	2,586	10,492	24.6	0.15	20.1	19.6	19.9
2018	(10.0)	(10.7)	(13.4)	9.3	11.3	12	2,279	10,709	21.3	0.18	(9.7)	(10.4)	(9.9)
2019	22.4	21.5	22.7	9.3	10.8	12	2,657	11,985	22.2	0.19	22.7	22.0	22.2
2020	4.7	3.9	8.3	15.1	17.9	13	2,731	12,481	21.9	0.31	5.4	3.5	4.8
2021	8.0	7.2	11.8	14.6	16.9	11	1,865	12,183	15.3	0.24	8.6	7.6	8.0

Past performance does not guarantee future results. Capital is at risk and an investor may receive back less than the original investment.

Source: Pyrford International / MSCI



GIPS Disclosures

Pyrford International Ltd claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Pyrford International Ltd has been independently verified for the period January 1, 1994 to December 31, 2019 by Grant Thornton UK LLP. The verification report is available upon request.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards.

Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Notes to the performance presentation

Pyrford International is a wholly-owned subsidiary of Columbia Threadneedle Investments UK International Limited, whose direct parent is Ameriprise Inc., a company incorporated in the United States. Based in the United Kingdom, Pyrford International provides international asset management services for its clients. As at December 31, 2021, Pyrford International Ltd had total firm assets of US\$12,183m; this comprises all discretionary and non-discretionary assets for which Pyrford International Ltd has investment management responsibility. For the purpose of measuring and presenting investment performance, all discretionary fee paying accounts of Pyrford International Ltd are allocated to a composite and a complete list and description of the composites is available on request. Additional information regarding the firm's policies and procedures for valuing investments, calculating performance and preparing GIPS reports is available upon request. A list of composite descriptions and a list of broad distribution pooled funds are available upon request.

The Pyrford International Ltd "International Equity (Base Currency US\$) composite" comprises all fully discretionary, international equity accounts with a market value greater than US\$10m, a base currency of US\$ and no hedging restrictions. The composite was first created on July 1, 1996, and the inception date is July 1, 1996. On April 1, 2002 the composite construction criteria were redefined to allow the inclusion of pooled funds, taxable funds and funds of between US\$10 – 15 million on the basis that these do not materially impact the returns generated. Foreign investing involves risks due to factors such as increased volatility, currency fluctuation and political uncertainties. The benchmark for the composite is the MSCI EAFE Index.

All returns are calculated in US\$ terms on a time-weighted basis. Effective May 1, 2013, portfolio returns are calculated daily. Prior to this date, portfolio returns were calculated monthly using the Modified Dietz method. Monthly composite returns are calculated by weighting each account's monthly return by its relative beginning market value. All returns are presented in US\$ terms.

The internal dispersion is calculated using the asset-weighted standard deviation of account gross returns included in the composite for the full year. For those periods with five or fewer accounts included for the entire year, "n/a" is noted because the dispersion is not considered meaningful.

The three-year annualised standard deviation measures the variability of the gross-of-fees composite returns over the preceding 36-month period.

The accounts in this composite are unleveraged and derivatives are used solely for currency hedging purposes.

As at December 31, 2021, 8.0% of the composite assets were invested in Indonesia, Malaysia, Thailand and Taiwan which are not included in the MSCI EAFE Index. Historically the composite has invested between 2.4% and 13.0% in these countries.

Performance results are presented gross of management and custodial fees, but net of transaction costs and before taxes (except for non-reclaimable withholding tax). The standard management fee schedule for segregated management is as follows: 0.70% per annum on the first US\$50 million; 0.50% on the next US\$50 million, and thereafter 0.35% per annum.

Net-of-fees performance has been calculated using the highest management fee of 0.70% per annum, as described in the firm's fee schedule shown above.

Returns will be reduced by advisory fees and other expenses, and the effect of these fees will compound over time. As a hypothetical example, if an account generated a 10% return each year for five years, it would have appreciated by 61%. If such an account paid a 1% annual fee, the appreciation on the fund would be 54%, or seven percentage points lower after five years.

There have been no significant events within the firm (such as ownership or changes to personnel and the investment process) which have materially impacted the historical investment performance. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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Disclosures

Risk disclosure

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The material contained in this document is for general information only and is not intended to serve as a complete analysis of every material fact regarding any company, industry or security. The opinions expressed here reflect our judgment at this date and are subject to change. Information has been obtained from sources we consider to be reliable, but we cannot guarantee the accuracy. The material may contain forward-looking statements and investors are cautioned not to place undue reliance on such statements, as actual results could differ materially due to various risks and uncertainties.

This material does not constitute investment advice and is not intended as an endorsement of any specific investment. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and should understand that statements regarding future prospects may not realise. Market conditions and trends will fluctuate. The value of an investment as well as income associated with investments may rise or fall. Accordingly, investors may receive back less than originally invested. Foreign investing involves special risks due to factors such as increased volatility, currency fluctuation and political uncertainties.

Portfolio holdings and sector allocations may not be representative of the portfolio manager's current or future investment and are subject to change at any time. The holdings identified do not represent all of the securities purchased, sold, or recommended and you should not assume that these investments were or will be profitable.

Regulatory disclosure

Pyrford International Ltd is a wholly-owned subsidiary of Columbia Threadneedle Investments UK International Limited, whose direct parent is Ameriprise Inc., a company incorporated in the United States.

Financial promotions are issued for marketing and information purposes; in the United Kingdom by Pyrford International Ltd, which is authorised and regulated by the Financial Conduct Authority; in the USA by Pyrford International Ltd, registered by the Securities and Exchange Commission as an Investment Adviser, in Canada by Pyrford International Ltd. where it is registered in Ontario, Alberta, British Columbia, Manitoba and Quebec as a portfolio manager conducting business Canada, in the EU by BMO Asset Management Netherlands B.V., which is regulated by the Dutch Authority for the Financial Markets (AFM); and in Switzerland by BMO Global Asset Management (Swiss) GmbH, acting as representative office of BMO Asset Management Limited.

Pyrford International Ltd is authorised and regulated by the Financial Conduct Authority, entered on the Financial Services Register under number 122137. In the USA Pyrford is registered as an investment adviser with the Securities and Exchange Commission. In Australia Pyrford is exempt from the requirement to hold a financial services license under the Corporations Act in respect of financial services it provides to wholesale investors in Australia. In Canada Pyrford is registered in Alberta, British Columbia, Manitoba, Ontario and Quebec as a Portfolio Manager that conducts business outside Canada.

Disclaimer

In November 2021, Ameriprise Financial, Inc. acquired BMO Financial Group's (BMO) EMEA Asset Management business.

Effective December 16, 2021, Columbia Management Investment Advisers, LLC (CMIA), an investment adviser with the U.S. Securities and Exchange Commission, became the investment adviser of the South LaSalle International Equities Trust ("Fund"). Pyrford International Ltd continues to provide services to the Fund in a subadvisory capacity. The investment adviser and subadviser are both affiliates of Ameriprise Financial, Inc.

This material has been prepared by the Fund's subadviser and may contain composite and representative account information that represents the subadviser's experience managing the investment strategy it uses to manage the Fund; however, Fund performance, holdings, and portfolio characteristics may differ.

Index definitions

- **MSCI EAFE Index**

The MSCI EAFE Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of securities across Developed Markets countries around the world, excluding the US and Canada.

- **MSCI EAFE Value Index**

The MSCI EAFE Value Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of securities exhibiting overall value style characteristics across Developed Markets countries around the world, excluding the US and Canada.

- **MSCI World Index**

The MSCI World Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of securities across Developed Markets countries around the world.

- **MSCI AC World Index**

The MSCI AC World Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of countries around the world.

- **MSCI AC World Value Index**

The MSCI AC World Value Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of securities exhibiting overall value style characteristics of countries around the world.

- **MSCI AC Asia Pacific Index**

The MSCI AC Asia Pacific Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of Asia and Pacific region.

- **MSCI ACWI ex USA Index**

The MSCI ACWI Ex US Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of countries around the world, excluding the US.

- **MSCI Emerging Markets Index**

The MSCI Emerging Markets Index is a market capitalisation weighted index comprised of over 800 companies representative of the market structure of the emerging countries in Europe, Latin America, Africa, Middle East and Asia. Prior to January 1, 2002, the returns of the MSCI Emerging Markets Index were presented before application of withholding taxes.

- **MSCI European Monetary Union Index**

The MSCI EMU (European Economic and Monetary Union) Index is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of countries within EMU.

- **FTSE All-World Index**

The FTSE All-World Index is a market-capitalisation weighted index representing the performance of the large and mid cap stocks from the FTSE Global Equity Index Series and covers 90-95% of the investable market capitalisation. The index covers Developed and Emerging markets and is suitable as the basis for investment products, such as funds, derivatives and exchange-traded funds.

Investments cannot be made in an index.



RETIREMENT BOARD STAFF REPORT

DATE: March 14, 2022 Agenda Item: 19
TO: Sacramento Regional Transit Retirement Boards – ALL
FROM: Jamie Adelman, AVP Finance & Treasury
SUBJ: RECEIVE AND FILE INVESTMENT PERFORMANCE RESULTS FOR THE ATU, IBEW AND SALARIED EMPLOYEE RETIREMENT PLANS FOR THE QUARTER ENDED DECEMBER 31, 2021 (ALL). (ADELMAN)

RECOMMENDATION

Motion to Approve

RESULT OF RECOMMENDED ACTION

Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended December 31, 2021 (ALL). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Pension funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines adopted by each Retirement Board. Attached are the two investment performance reports prepared by the Boards' pension investment consultants. The first report is the Fourth Quarter 2021 Market Update (Attachment 1) and the second is the Investment Measurement Service Quarterly Review as of December 31, 2021 (Attachment 2). These reports provide a detailed analysis of the performance of each of the investment managers retained by the Retirement Boards to manage the Retirement Funds for the quarter ended December 31, 2021. The second report compares the performance of each investment manager with benchmark indices, other fund managers of similarly invested portfolios and other indices.

Investment Compliance Monitoring

In accordance with the Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (Investment Policy), Northern Trust Company performs daily investment compliance monitoring on the

Plans' three (3) actively managed funds. As of December 31, 2021, there were no compliance warnings or alerts to be reported; therefore, the investments are in compliance with the Investment Policy. The final attached report includes the monitoring summary (Attachment 3).

The table below provides an overview of the quarter performance, quarter ending December 31, 2021 – gross of investment management fees:

Investment Manager - Description - Benchmark	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/ (Losses)	Pension Fund Contributions/ (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	7.77%	9.49%	\$5,744,022	-
S&P 500 Index (large cap value) S&P 500	11.03%	11.04%	\$6,538,663	\$(1,066,708)
Atlanta Capital (small cap) Russell 2000	2.14%	11.30%	\$3,618,258	\$(3,415,425)
Pyrford (international equities) MSCI EAFE	2.69%	2.56%	\$878,845	-
MSCI EAFE Index (international equities) MSCI EAFE	2.69%	2.72%	\$490,766	-
AQR (small cap international equities) MSCI EAFE SC	0.07%	1.29%	\$225,528	\$(1,000,000)
Dimensional Fund Advisors (emerging markets) MSCI EM	(1.31)%	0.97%	\$221,248	\$(2,000,000)
Metropolitan West (fixed income) Bloomberg Agg.	.01%	0.13%	\$123,909	\$5,500,000
Clarion Lion Properties (real estate) NCREIF NFI-ODCE	7.97%	7.83%	\$1,255,576	-
Morgan Stanley Prime Property Fund	7.97%	9.83%	\$1,481,967	-
Totals	4.58%	5.54%	\$20,578,782	\$(1,982,133)

Bold – fund exceeding respective benchmark

The table below provides an overview of the year to date performance, as of December 31, 2021 – net of investment management fees:

Investment Manager - Description - Benchmark	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/(Loss)	Pension Fund Contributions/ (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	25.16%	31.10%	\$17,742,387	\$(10,967,942)
S&P 500 Index (large cap value) S&P 500	28.71%	28.63%	\$16,543,512	\$(14,685,700)
Atlanta Capital (small cap) Russell 2000	14.82%	20.28%	\$6,070,843	\$(3,415,425)
Pyrford (international equities) MSCI EAFE	11.26%	7.50%	\$2,457,382	-
MSCI EAFE Index (international equities) MSCI EAFE	11.26%	11.41%	\$1,909,308	-
AQR (small cap international equities) MSCI EAFE SC	10.10%	12.57%	\$2,232,177	\$(1,000,000)
Dimensional Fund Advisors (emerging markets) MSCI EM	(2.54)%	5.84%	\$1,315,860	\$(2,000,000)
Metropolitan West (fixed income) Bloomberg Agg.	(1.54)%	(.73)%	\$(933,019)	\$(4,500,000)
Clarion Lion Properties (real estate) NCREIF NFI-ODCE	N/A	N/A	N/A	\$15,000,000
Morgan Stanley Prime Property Fund	N/A	N/A	N/A	\$15,000,000
Totals	12.59%	15.24%	\$47,338,450	\$(6,569,067)

Bold – fund exceeding respective benchmark

Callan

March 9, 2022



**Sacramento Regional
Transit District**

2021 Market Update

Anne Heaphy

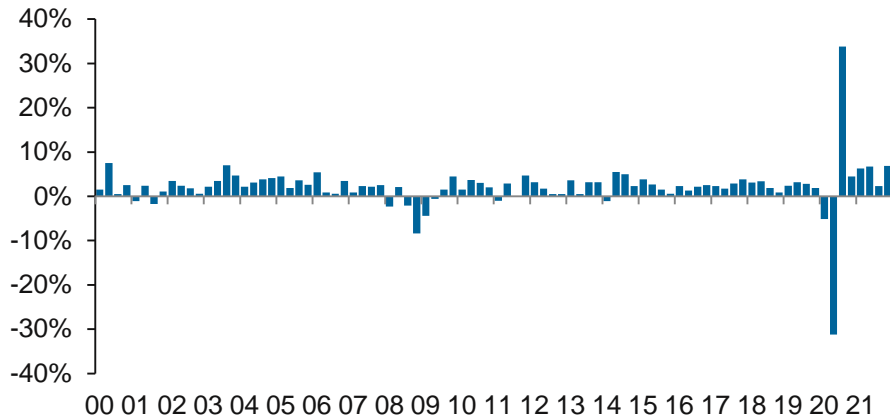
Fund Sponsor Consulting

Uvan Tseng, CFA

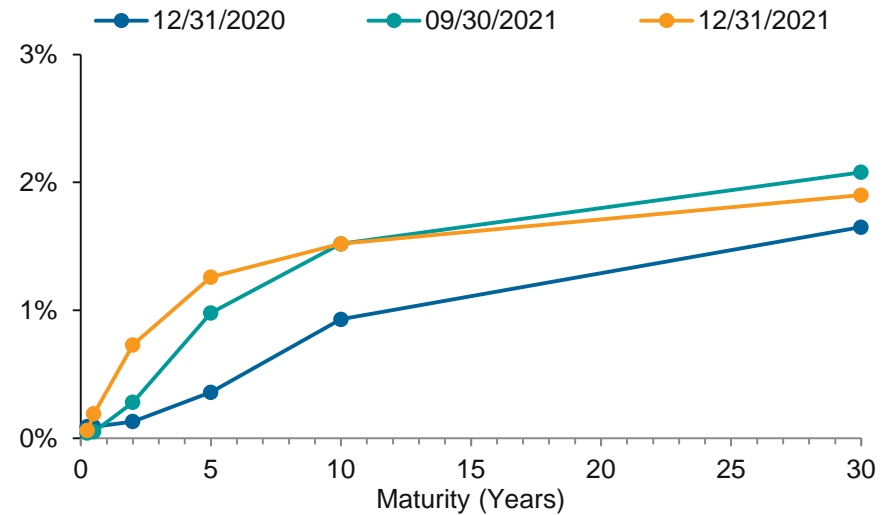
Fund Sponsor Consulting

Economic Commentary

Quarterly Real GDP Growth



U.S. Treasury Yield Curves



Economic recovery looking strong in 2021 but plenty of headwinds

- 4Q GDP hit a robust 6.9%, after dropping in 3Q, which translates to annual growth of 5.7% over 2020.
- While the recovery appears to still be solid, supply chain issues and sentiment surrounding the end of fiscal stimulus, the Omicron variant, and the Fed taper continued to be top of mind for investors.
- Additionally, tight labor market and mismatch between jobs and job seekers is vexing employers.
- Inflation spiked and printed a 7% reading for the first time in decades.

The shape of the Treasury yield curve has steepened since the beginning of 2021.

- The short end of the curve has started to rise with inflation expectations and in anticipation of an increase in the federal funds rate.

Sources: Bloomberg, Bureau of Labor Statistics, Callan, HIS Ma3kit

*Preliminary estimate for 4Q21. Sources: Bloomberg, Bureau of Labor Statistics, Callan, IHS Markit

Asset Class Performance

Periods Ended December 31, 2021

Asset Class Performance
for Periods Ended December 31, 2021



YTD as of 3/08/2022:

S&P 500:

Russell 2000:

MSCI EAFE:

MSCI Emerging Markets:

Bloomberg Aggregate:

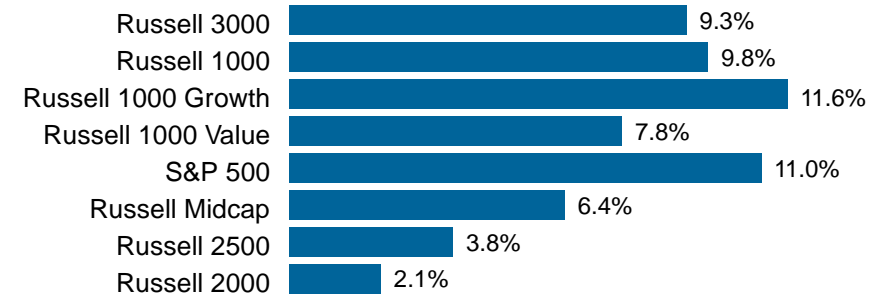
Bloomberg TIPS:

U.S. Equity Performance: 4Q21

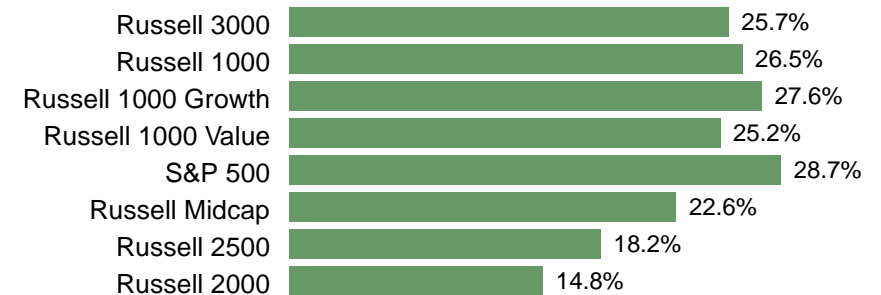
Returns grind higher despite mounting concerns

- S&P 500 posted a strong 11.0% gain in 4Q21; large cap growth (Russell 1000 Growth) was the top performer, which contrasted with the worst-performing asset class, small cap growth (Russell 2000 Growth).
- The new Omicron variant, continued supply chain disruptions, and renewed fears of persistent inflation pushed investors into the perceived safety of the largest stocks during the quarter.
- S&P 500 sector results were mixed, with Real Estate (+17.5%) posting the top returns alongside Technology (+16.7%) and Materials (+15.2%); Communication Services (0.0%) and Financials (+4.6%) lagged broad returns.
- In 2021, small value outperformed small growth by over 2,500 bps (RUS2V 28.3% vs. RUS2G 2.8%), a stark reversal from 2020 and a pattern consistent with periods of robust GDP growth.

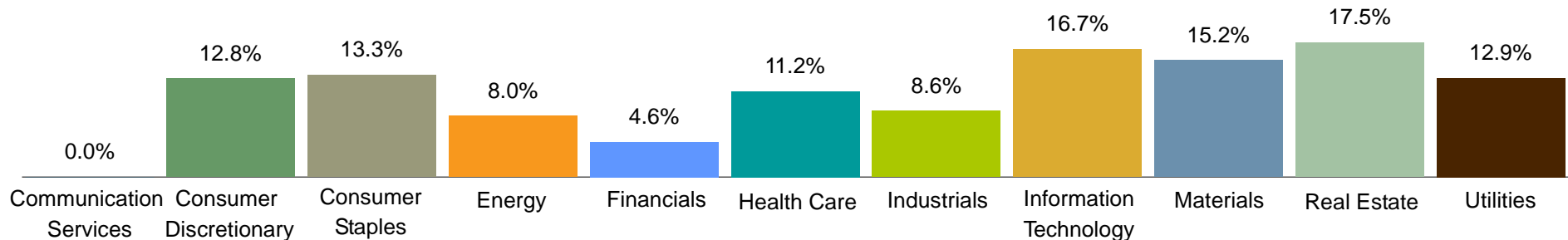
U.S. Equity: Quarterly Returns



U.S. Equity: One-Year Returns



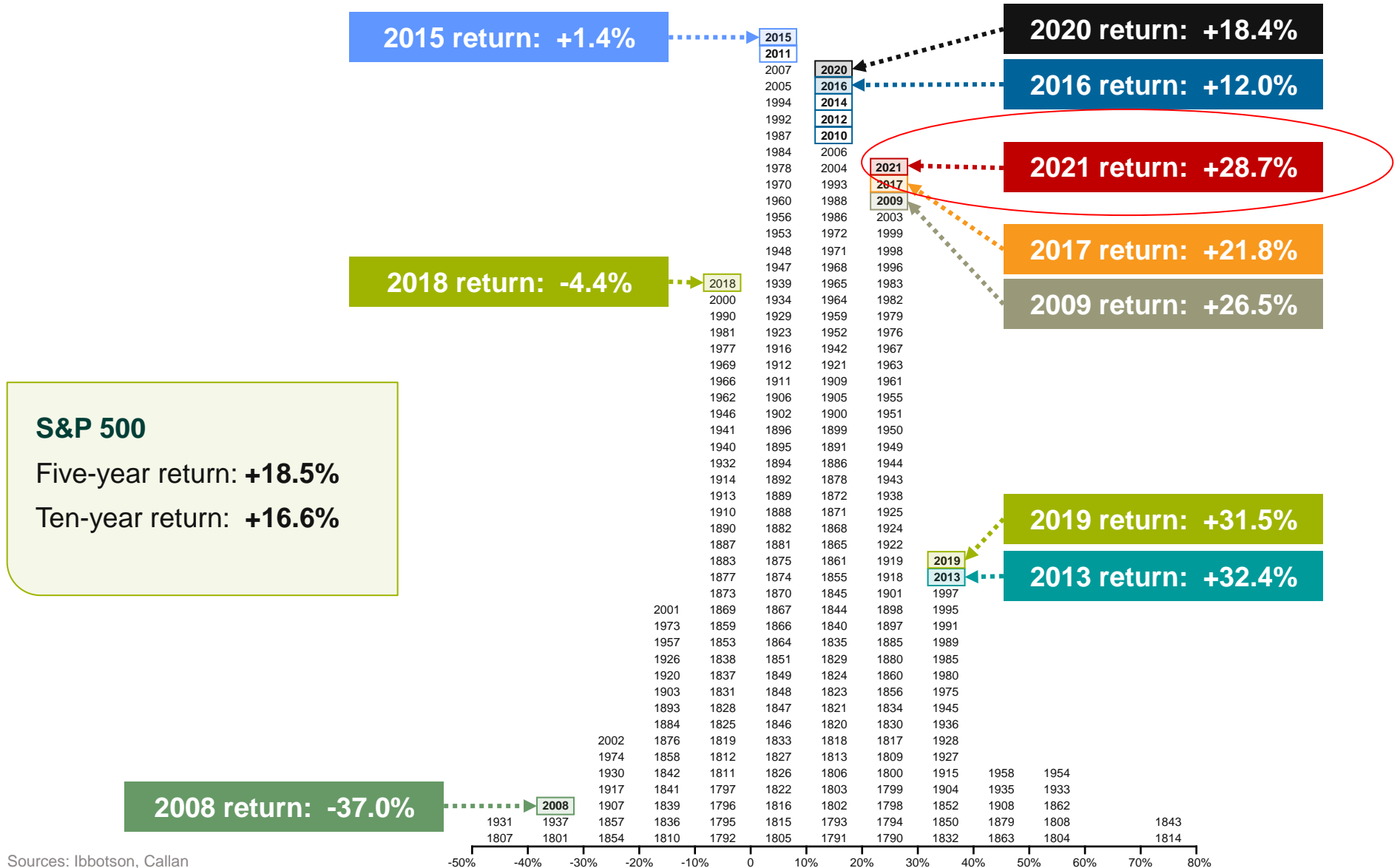
Industry Sector Quarterly Performance (S&P 500)



Sources: FTSE Russell, S&P Dow Jones Indices

Stock Market Returns by Calendar Year

2021 performance in perspective: History of the U.S. stock market (232 years of returns)



Sources: Ibbotson, Callan

Global ex-U.S. Equity Performance: 4Q21

Omicron takes center stage

- A recovery-driven market shifted back to COVID favorites, boosting Information Technology stocks.
- Small cap underperformed large amid global growth concerns.
- Emerging markets struggled relative to developed markets as China experienced significant pressure from an economic slowdown and its regulatory crackdown.

Stalled recovery

- As the new variant took hold, Energy and Communication Services lagged on fear of restrained growth.
- Japan suffered from both supply chain issues and economic constraints from COVID-19.
- Growth and momentum factors outperformed in developed markets but not in emerging markets.

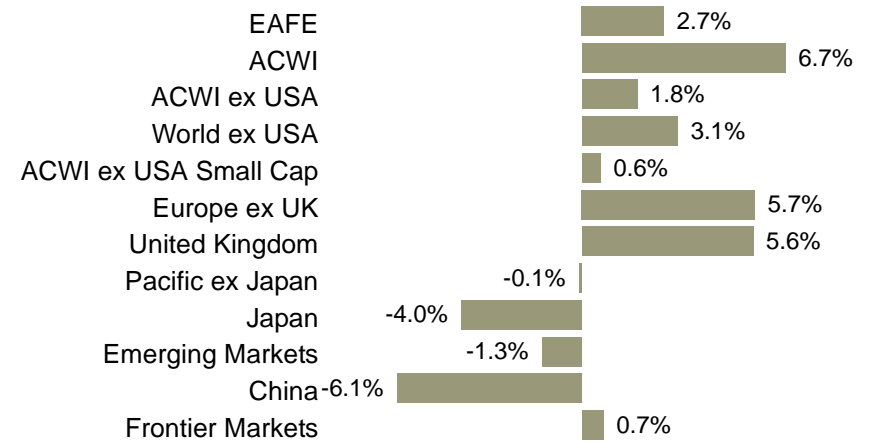
U.S. dollar vs. other currencies

- The U.S. dollar rose against other major currencies as tapering accelerated alongside the expectation for 2022 rate hikes, which notably detracted from global ex-U.S. results.

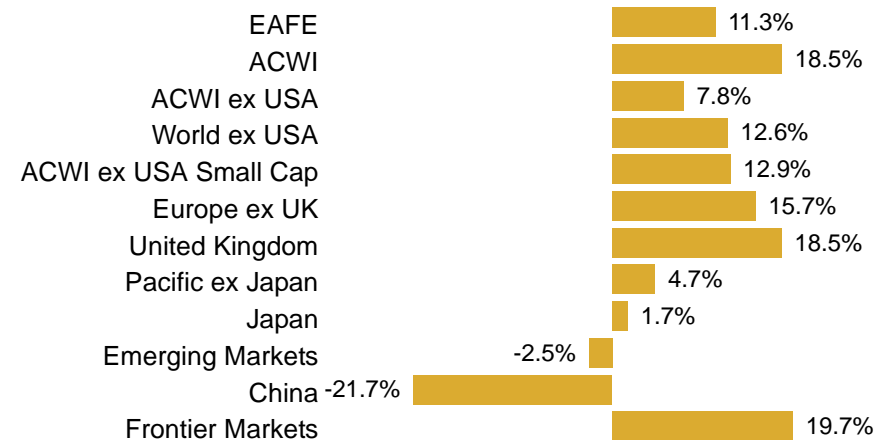
Growth vs. value

- Inflationary pressures and the ultimate rebound from COVID-19 supported value's leadership for the full year, despite the shift to growth in 4Q21.

Global Equity: Quarterly Returns



Global Equity: One-Year Returns



Source: MSCI

U.S. Fixed Income Performance: 4Q21

Treasury yields again unchanged

- 10-year at 1.52% at 9/30 and 12/31, up from 1.45% on 6/30
- TIPS outperformed nominal Treasuries and 10-year breakeven spreads widened to 2.56%.
- Real yields remain solidly in negative territory.

Bloomberg Aggregate was literally flat in 4Q

- Spread sectors (Agencies, ABS, CMBS, MBS, and Credit) all underperformed UST by a modest amount (but positive YTD).
- One of four years with negative returns for the Agg dating back to 1976
- Yield curve flattened; curve positioning had a meaningful impact on returns in 4Q.

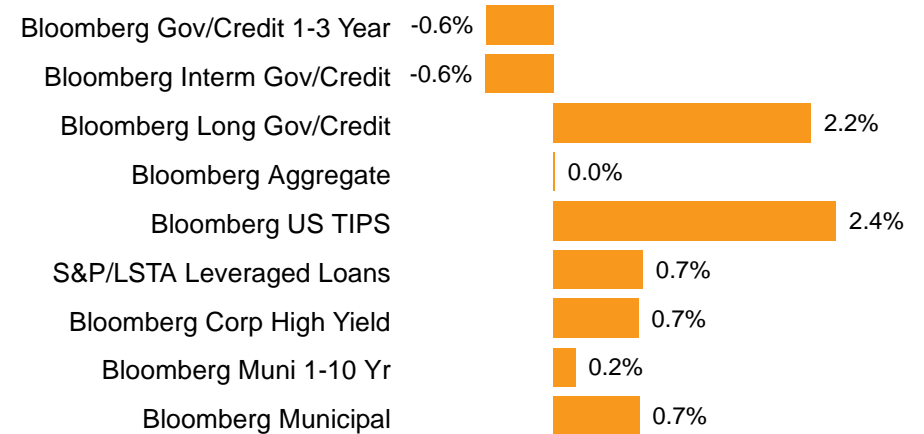
High yield and leveraged performed relatively well

- Spreads remain near historic tights.
- High yield issuers' default rate declined to a record low in December (J.P. Morgan).
- New issuance hit a record for the second year in a row as issuers looked to finance at relatively low rates.

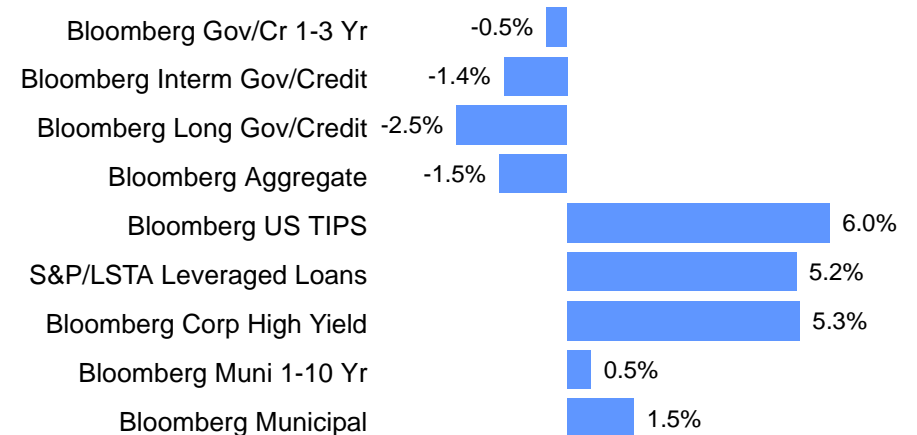
Munis outperformed Treasuries

- Lower-quality bonds continued their trend of outperformance as investors sought yield.

U.S. Fixed Income: Fourth Quarter Returns



U.S. Fixed Income: 2021 Returns



Source: Bloomberg

Callan Periodic Table of Investment Returns

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Real Estate 27.73%	Small Cap Equity 38.82%	Real Estate 15.02%	Large Cap Equity 1.38%	Small Cap Equity 21.31%	Emerging Market Equity 37.28%	U.S. Fixed Income 0.01%	Large Cap Equity 31.49%	Small Cap Equity 19.96%	Large Cap Equity 28.71%
Emerging Market Equity 18.23%	Large Cap Equity 32.39%	Large Cap Equity 13.69%	U.S. Fixed Income 0.55%	High Yield 17.13%	Dev ex-U.S. Equity 24.21%	High Yield -2.08%	Small Cap Equity 25.52%	Large Cap Equity 18.40%	Real Estate 26.09%
Dev ex-U.S. Equity 16.41%	Dev ex-U.S. Equity 21.02%	U.S. Fixed Income 5.97%	Real Estate -0.79%	Large Cap Equity 11.96%	Large Cap Equity 21.83%	Global ex-U.S. Fixed Income -2.15%	Dev ex-U.S. Equity 22.49%	Emerging Market Equity 18.31%	Small Cap Equity 14.82%
Small Cap Equity 16.35%	High Yield 7.44%	Small Cap Equity 4.89%	Dev ex-U.S. Equity -3.04%	Emerging Market Equity 11.19%	Small Cap Equity 14.65%	Large Cap Equity -4.38%	Real Estate 21.91%	Global ex-U.S. Fixed Income 10.11%	Dev ex-U.S. Equity 12.62%
Large Cap Equity 16.00%	Real Estate 3.67%	High Yield 2.45%	Small Cap Equity -4.41%	Real Estate 4.06%	Global ex-U.S. Fixed Income 10.51%	Real Estate -5.63%	Emerging Market Equity 18.44%	Dev ex-U.S. Equity 7.59%	High Yield 5.28%
High Yield 15.81%	U.S. Fixed Income -2.02%	Emerging Market Equity -2.19%	High Yield -4.47%	Dev ex-U.S. Equity 2.75%	Real Estate 10.36%	Small Cap Equity -11.01%	High Yield 14.32%	U.S. Fixed Income 7.51%	U.S. Fixed Income -1.54%
U.S. Fixed Income 4.21%	Emerging Market Equity -2.60%	Global ex-U.S. Fixed Income -3.08%	Global ex-U.S. Fixed Income -6.02%	U.S. Fixed Income 2.65%	High Yield 7.50%	Dev ex-U.S. Equity -14.09%	U.S. Fixed Income 8.72%	High Yield 7.11%	Emerging Market Equity -2.54%
Global ex-U.S. Fixed Income 4.09%	Global ex-U.S. Fixed Income -3.08%	Dev ex-U.S. Equity -4.32%	Emerging Market Equity -14.92%	Global ex-U.S. Fixed Income 1.49%	U.S. Fixed Income 3.54%	Emerging Market Equity -14.57%	Global ex-U.S. Fixed Income 5.09%	Real Estate -9.04%	Global ex-U.S. Fixed Income -7.05%

Sources: ● Bloomberg Barclays Aggregate ● Bloomberg Barclays Corp High Yield ● Bloomberg Barclays Global Aggregate ex US
● FTSE EPRA Nareit Developed ● MSCI World ex USA ● MSCI Emerging Markets ● Russell 2000 ● S&P 500



**Sacramento Regional
Transit District**

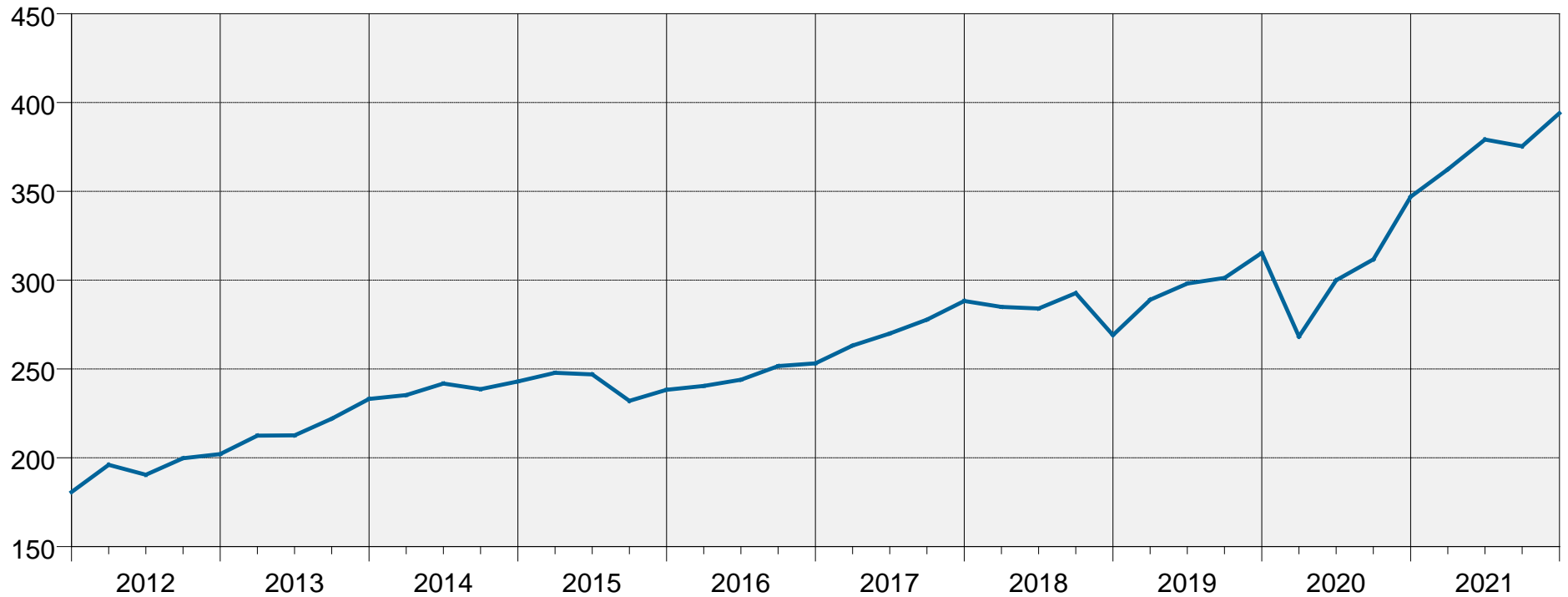
Total Fund Overview

Regional Transit Portfolio

As of December 31, 2021

- The RT portfolio grew from \$180.7M to \$394.0M over the last 10 years.
- Investment gains totaled \$256.2M for the period, while outflows totaled \$43.0M.

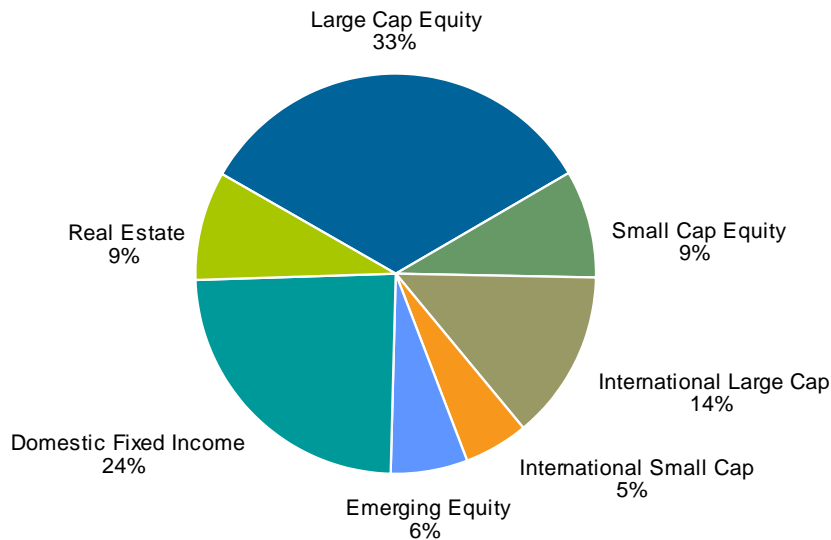
RT Portfolio Market Value \$MM
for 10 Years Ended December 31, 2021



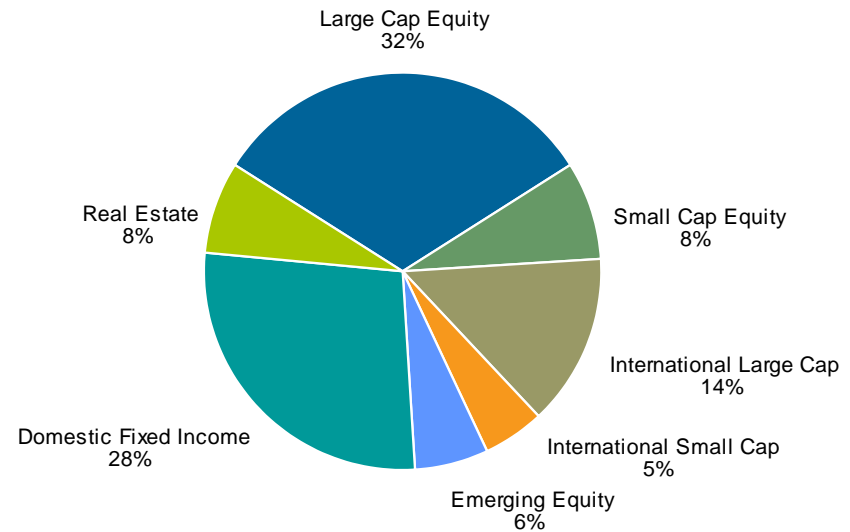
RT Asset Allocation

As of December 31, 2021

Actual Asset Allocation



Target Asset Allocation



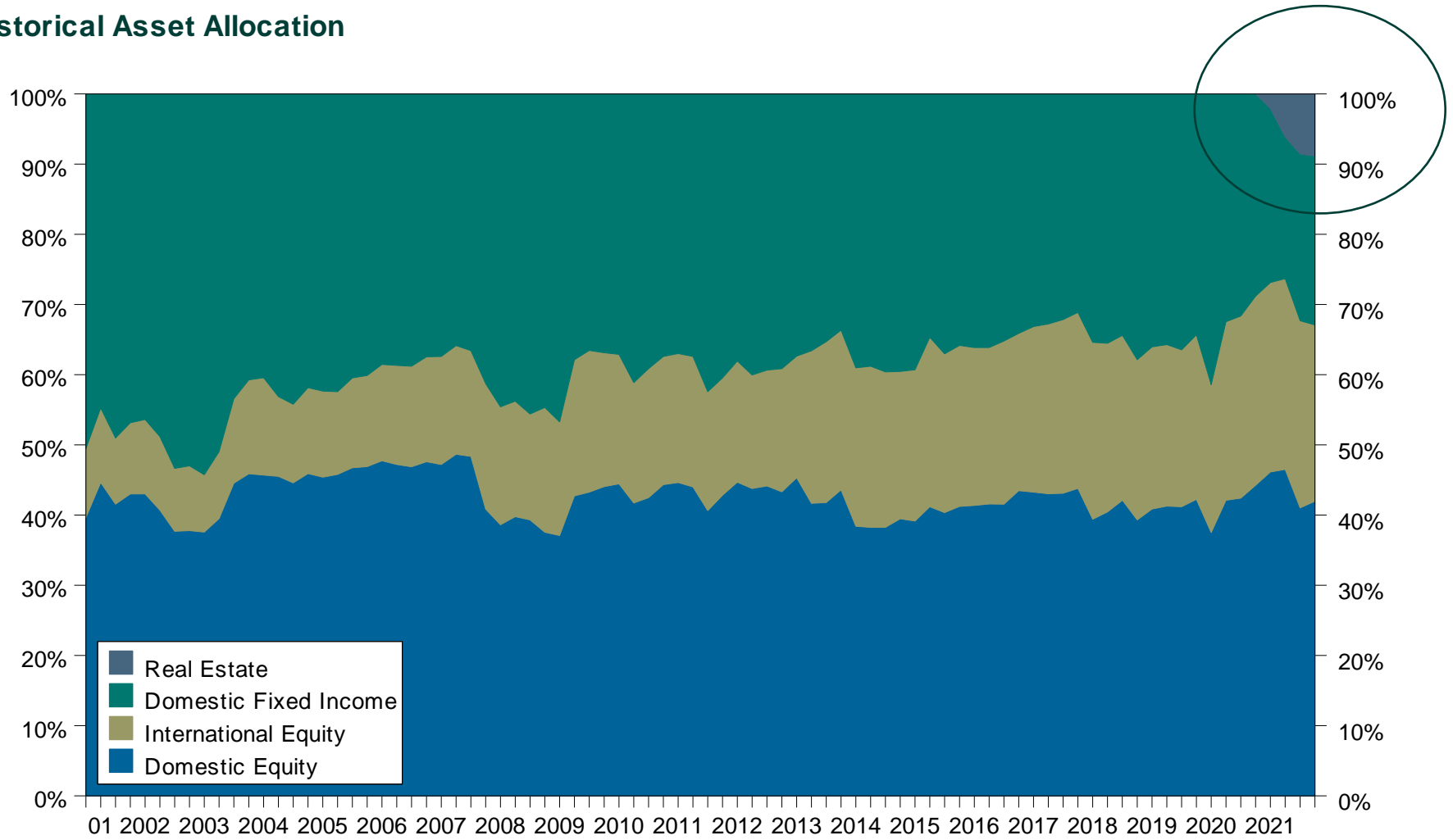
Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	131,199	33.3%	32.0%	1.3%	5,123
Small Cap Equity	34,206	8.7%	8.0%	0.7%	2,687
International Large Cap	53,813	13.7%	14.0%	(0.3%)	(1,345)
International Small Cap	20,621	5.2%	5.0%	0.2%	922
Emerging Equity	24,506	6.2%	6.0%	0.2%	867
Domestic Fixed Income	94,811	24.1%	27.5%	(3.4%)	(13,535)
Real Estate	34,831	8.8%	7.5%	1.3%	5,282
Total	393,986	100.0%	100.0%		

The Addition of Real Estate

- Every year, Callan provides the Boards with an asset allocation update; this update shows the revised projected return and risk for the target allocation using Callan's current capital market assumptions, as well as how the projected return and risk changes with the introduction of new asset classes, such as real estate.
- Following the June 2019 asset allocation study presentation, the Board expressed an interest in potentially pursuing the addition of real estate.
- Callan conducted multiple educational sessions on real estate for the Board, following which, the Board instructed Callan to conduct a search.
- Finals presentations were held in early 2020 and Clarion (Lion Property Fund) and Morgan Stanley (Prime Property) were selected.
- 50% of Clarion's allocation was funded on March 1, 2021 and the other 50% was funded on May 3, 2021. 50% of Morgan Stanley's allocation was funded June 29, 2021 and the remaining 50% was funded on September 29, 2021.
- The fourth quarter of 2021 is the first full quarter with the 10% real estate allocation.

Regional Transit Historical Asset Allocation

Actual Historical Asset Allocation



Total Fund

Performance Attribution

Relative Attribution Effects for Quarter ended December 31, 2021

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	10.27%	11.03%	(0.23%)	0.03%	(0.20%)
Small Cap Equity	9%	8%	11.30%	2.14%	0.77%	(0.00%)	0.77%
International Large Cap	14%	14%	2.61%	2.69%	(0.01%)	(0.01%)	(0.02%)
International Small Cap	5%	5%	1.29%	0.07%	0.06%	(0.03%)	0.04%
Emerging Equity	6%	6%	0.97%	(1.31%)	0.15%	(0.03%)	0.12%
Domestic Fixed Income	25%	28%	0.13%	0.01%	0.03%	0.14%	0.17%
Real Estate	8%	8%	8.79%	7.97%	0.08%	0.03%	0.11%
Total			5.54%	4.58%	+ 0.84%	+ 0.12%	0.96%

One Year Relative Attribution Effects

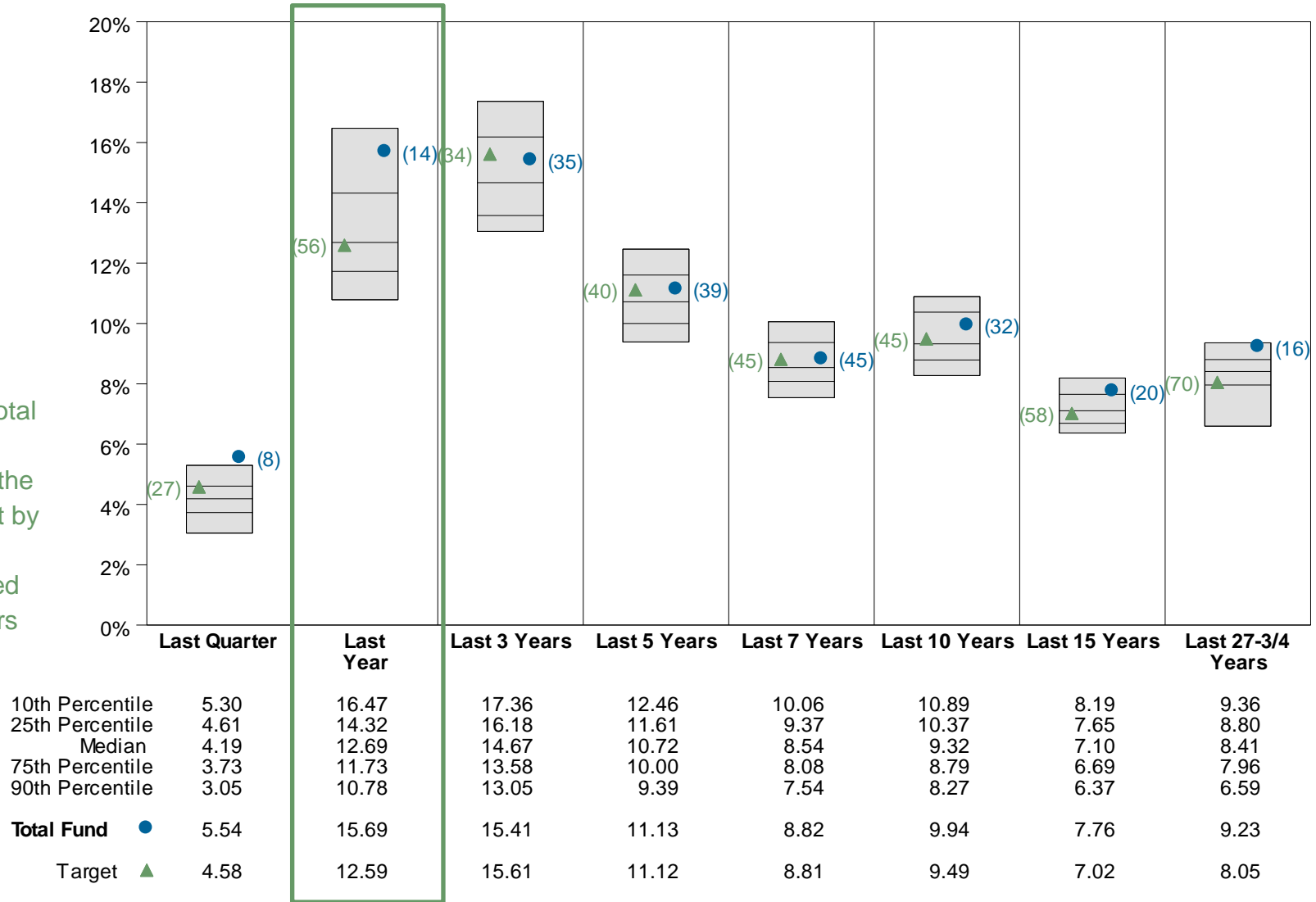
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	36%	32%	30.18%	28.71%	0.38%	0.47%	0.86%
Small Cap Equity	9%	8%	21.00%	14.82%	0.46%	0.04%	0.51%
International Large Cap	14%	14%	9.34%	11.26%	(0.28%)	(0.03%)	(0.31%)
International Small Cap	6%	5%	13.52%	10.10%	0.18%	(0.02%)	0.16%
Emerging Equity	7%	6%	6.25%	(2.54%)	0.68%	(0.17%)	0.51%
Domestic Fixed Income	24%	30%	(0.46%)	(1.54%)	0.31%	0.87%	1.18%
Real Estate	4%	5%	21.36%	20.51%	0.20%	(0.01%)	0.19%
Total			15.69%	12.59%	+ 1.94%	+ 1.15%	3.09%

Total Fund

Performance as of December 31, 2021

Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)

The 2021 Total Fund gross return beat the policy target by 3.1% and outperformed 86% of peers



Total Fund

Manager Asset Allocation

	December 31, 2021			December 31, 2020
	Market Value	Net New Inv.	Inv. Return	Market Value
Consolidated Plan				
Domestic Equity	\$165,404,205	\$(29,069,067)	\$40,980,911	\$153,492,361
Large Cap	\$131,198,691	\$(25,653,642)	\$34,636,393	\$122,215,940
Boston Partners	66,244,082	(11,490,479)	18,079,718	59,654,843
SSgA S&P 500	64,954,609	(14,163,163)	16,556,675	62,561,097
Small Cap	\$34,205,514	\$(3,415,425)	\$6,344,518	\$31,276,420
Atlanta Capital	34,205,514	(3,415,425)	6,344,518	31,276,420
International Equity	\$98,939,386	\$(3,000,000)	\$8,461,527	\$93,477,859
International Large Cap	\$53,812,668	\$0	\$4,595,755	\$49,216,913
SSgA EAFE	18,554,745	0	1,916,458	16,638,287
Pyrford	35,257,923	0	2,679,297	32,578,626
International Small Cap	\$20,620,814	\$(1,000,000)	\$2,410,627	\$19,210,188
AQR	20,620,814	(1,000,000)	2,410,627	19,210,188
Emerging Equity	\$24,505,904	\$(2,000,000)	\$1,455,145	\$25,050,758
DFA Emerging Markets	24,505,904	(2,000,000)	1,455,145	25,050,758
Fixed Income	\$94,810,736	\$(4,500,000)	\$(692,172)	\$100,002,908
Metropolitan West	94,810,736	(4,500,000)	(692,172)	100,002,908
Real Estate	\$34,831,293	\$30,000,000	\$4,831,293	-
Clarion Lion Fund	17,912,410	15,000,000	2,912,410	-
Morgan Stanley	16,918,883	15,000,000	1,918,883	-
Total Plan - Consolidated	\$393,985,620	\$(6,569,067)	\$53,581,560	\$346,973,127

Total Fund

Manager Returns as of December 31, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	10.47%	28.28%	22.12%	15.78%	13.22%
Domestic Equity Benchmark**	9.21%	25.93%	24.97%	17.26%	14.18%
Large Cap Equity	10.27%	30.18%	22.69%	15.94%	12.96%
Boston Partners	9.49%	31.78%	18.92%	13.17%	10.79%
Russell 1000 Value Index	7.77%	25.16%	17.64%	11.16%	9.73%
SSgA S&P 500	11.04%	28.70%	26.06%	18.47%	14.96%
S&P 500 Index	11.03%	28.71%	26.07%	18.47%	14.93%
Small Cap Equity	11.30%	21.00%	19.84%	15.04%	14.14%
Atlanta Capital	11.30%	21.00%	19.84%	15.04%	14.14%
Russell 2000 Index	2.14%	14.82%	20.02%	12.02%	10.76%
International Equity	1.90%	9.37%	12.76%	9.62%	6.51%
International Benchmark***	1.20%	7.67%	13.46%	10.03%	6.88%
International Large Cap	2.61%	9.34%	12.24%	9.01%	6.38%
SSgA EAFE	2.72%	11.52%	13.94%	9.93%	7.12%
Pyrford	2.56%	8.22%	11.27%	-	-
MSCI EAFE Index	2.69%	11.26%	13.54%	9.55%	6.76%
International Small Cap	1.29%	13.52%	14.05%	9.70%	-
AQR	1.29%	13.52%	14.05%	9.70%	-
MSCI EAFE Small Cap Index	0.07%	10.10%	15.62%	11.04%	9.52%
Emerging Markets Equity	0.97%	6.25%	12.34%	10.65%	7.00%
DFA Emerging Markets	0.97%	6.25%	12.34%	10.65%	7.00%
MSCI Emerging Markets Index	(1.31%)	(2.54%)	10.94%	9.88%	6.11%
Domestic Fixed Income	0.13%	(0.46%)	6.16%	4.60%	3.76%
Met West	0.13%	(0.46%)	6.16%	4.60%	3.76%
Bloomberg Aggregate Index	0.01%	(1.54%)	4.79%	3.57%	3.00%
Real Estate	8.79%	-	-	-	-
Clarion Lion Fund	7.83%	-	-	-	-
Morgan Stanley	9.83%	-	-	-	-
NCREIF NFI-ODCE Val Wt Gr	7.97%	22.17%	9.20%	8.74%	9.62%
Total Plan	5.54%	15.69%	15.41%	11.13%	8.82%
Target*	4.58%	12.59%	15.61%	11.12%	8.81%

*Current Quarter Target=27.5% Bloomberg Aggregate Index, 32.0% S&P 500 Index, 14.0% MSCI EAFE Index, 8.0% Russell 2000 Index, 6.0% MSCI Emerging Markets Index, 5.0% MSCI EAFE Small Cap Index, and 7.5% NCREIF ODCE Equal Weight Gross Index.

**Domestic Equity Benchmark=80.95% S&P500+19.05% Russell 2000 until 6/30/2010, 80.95% S&P500+19.05% Russell 2500 until 6/30/2013, 81.08% S&P500+18.92% Russell 2000 until 4/30/2015, and 80% S&P500+20% Russell 2000 thereafter.

***International Benchmark=MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE+21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE+24% MSCI EM until 7/31/2016, and 56% MSCI EAFE+24% MSCI EM+20% MSCI EAFE Small Cap thereafter.

Total Fund

Manager Calendar Year Returns

	2021	2020	2019	2018	2017
Domestic Equity	28.28%	11.16%	27.71%	(4.64%)	19.78%
Domestic Equity Benchmark**	25.93%	18.94%	30.32%	(5.69%)	20.41%
Large Cap Equity	30.18%	11.03%	27.77%	(6.33%)	21.10%
Boston Partners	31.78%	2.99%	23.91%	(8.27%)	20.32%
Russell 1000 Value Index	25.16%	2.80%	26.54%	(8.27%)	13.66%
SSgA S&P 500	28.70%	18.36%	31.50%	(4.39%)	21.86%
S&P 500 Index	28.71%	18.40%	31.49%	(4.38%)	21.83%
Small Cap Equity	21.00%	11.67%	27.38%	1.78%	15.01%
Atlanta Capital	21.00%	11.67%	27.38%	1.78%	15.01%
Russell 2000 Index	14.82%	19.96%	25.52%	(11.01%)	14.65%
International Equity	9.37%	8.48%	20.83%	(13.93%)	28.25%
International Benchmark***	7.67%	11.39%	21.78%	(14.76%)	29.51%
International Large Cap	9.34%	5.71%	22.34%	(11.25%)	22.63%
SSgA EAFE	11.52%	8.27%	22.49%	(13.49%)	25.47%
Pyrford	8.22%	4.09%	22.30%	(10.31%)	-
MSCI EAFE Index	11.26%	7.82%	22.01%	(13.79%)	25.03%
International Small Cap	13.52%	7.35%	21.73%	(19.94%)	33.76%
AQR	13.52%	7.35%	21.73%	(19.94%)	33.76%
MSCI EAFE Small Cap Index	10.10%	12.34%	24.96%	(17.89%)	33.01%
Emerging Markets Equity	6.25%	14.40%	16.64%	(14.80%)	37.32%
DFA Emerging Markets	6.25%	14.40%	16.64%	(14.80%)	37.32%
MSCI Emerging Markets Index	(2.54%)	18.31%	18.44%	(14.57%)	37.28%
Domestic Fixed Income	(0.46%)	9.85%	9.41%	0.75%	3.89%
Met West	(0.46%)	9.85%	9.41%	0.75%	3.89%
Bloomberg Aggregate Index	(1.54%)	7.51%	8.72%	0.01%	3.54%
Total Plan	15.69%	11.42%	19.25%	(5.05%)	16.14%
Target*	12.59%	13.82%	20.58%	(5.82%)	16.39%

* Current Quarter Target = 27.5% Bloomberg Aggregate Index, 32.0% S&P 500 Index, 14.0% MSCI EAFE Index, 8.0% Russell 2000 Index, 6.0% MSCI Emerging Markets Index, 5.0% MSCI EAFE Small Cap Index, and 7.5% NCREIF ODCE Equal Weight Net Index..

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

*** International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Watch List

Status Guideline:



Cautionary/Continue to Monitor



Terminate/Replacement Search

Status	Manager/ Mandate	Date Added to Watch	Reason	Original Recommended Action	Comments
	AQR – International Small Cap	Added Q1 2020	<ul style="list-style-type: none"> ➤ AQR considers themselves fundamental investors who employ quantitative tools to maintain a diversified portfolio that is overweight cheap securities with good momentum and underweight expensive securities with poor momentum. The strategy struggled to keep up with its benchmark and peer group for several years. 	<ul style="list-style-type: none"> ➤ The performance of the investment manager will be monitored by the Boards and the investment consultant on a quarterly and annual basis for a minimum of two years. 	<ul style="list-style-type: none"> ➤ The Fund outperformed for the quarter and year versus its benchmark and peer group.
	DFA – Emerging Markets	Added Q1 2020	<ul style="list-style-type: none"> ➤ DFA employs a transparent systematic process that utilizes factors such as size, style, and profitability. Although outperforming its benchmark over the longer term, the strategy has lagged the benchmark and peer group in recent years. 	<ul style="list-style-type: none"> ➤ The performance of the investment manager will be monitored by the Boards and the investment consultant on a quarterly and annual basis for a minimum of two years. 	<ul style="list-style-type: none"> ➤ DFA continued to show improvement, outperforming its benchmark for the 5th quarter in a row. As of Q4 2021, performance exceeded the benchmark over longer-term 3-, 5-, and 7-year periods; the fund however remained below median relative to peers.



December 31, 2021

A decorative graphic consisting of two vertical bars. The left bar is orange and the right bar is green. They are positioned to the left of the main title text.

**Sacramento Regional Transit District
Retirement Plans**

**Investment Measurement Service
Quarterly Review**

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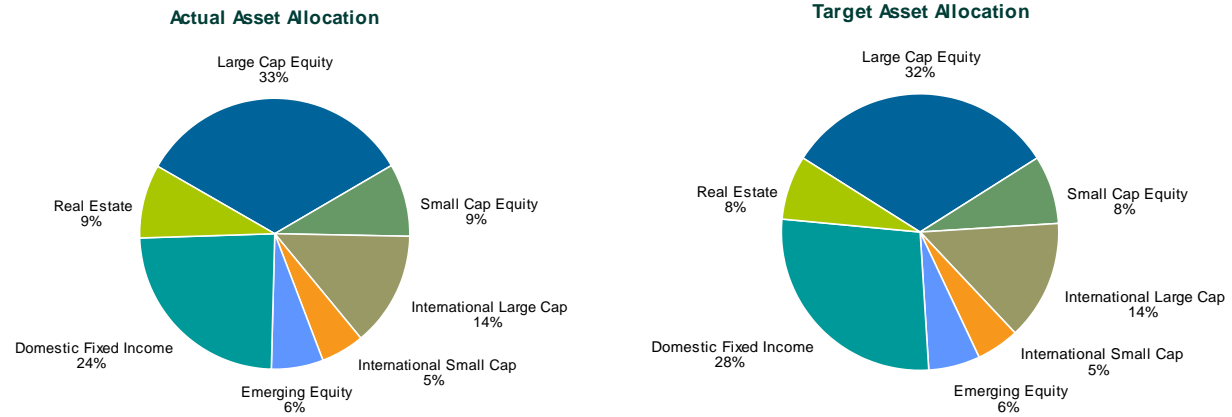
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Sacramento Regional Transit District
Executive Summary for Period Ending December 31, 2021

Asset Allocation



Performance

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Total Plan	5.54%	15.69%	15.41%	11.13%	8.82%
Target*	4.58%	12.59%	15.61%	11.12%	8.81%

Recent Developments

N/A

Organizational Issues

N/A

Manager Performance

Manager	Peer Group Ranking		
	Last Year	Last 3 Years	Last 7 Years
Boston Partners	18	50	36
Atlanta Capital	61	71	30
Pyrford	74	89	[92]
AQR	43	80	[75]
DFA	21	74	75
MetWest	61	47	71
Clarion	[49]	[46]	[42]
Morgan Stanley	[56]	[52]	[42]

Brackets indicate performance linked with manager's composite

Watch List

AQR and DFA were added to the watch list in 1Q20 as performance lags both their respective benchmarks and peer groups over mid-to-longer term periods.

*Current quarter target = 27.5% Bloomberg Barclays Aggregate Index, 32% S&P 500 Index, 8% Russell 2000 Index, 14% MSCI EAFE Index, 5% MSCI EAFE Small Cap Index, 6% MSCI Emerging Markets Index and 7.5% NCREIF NFI-ODCE Eq Wt Net Index. The policy target will be incrementally adjusted over the next few quarters to account for the funding up of the real estate allocation until it hits the 10% target allocation.

U.S. EQUITY

Returns grind higher despite mounting concerns

- S&P 500 posted a strong 11.0% gain in 4Q21; large cap growth (Russell 1000 Growth) was the top performer, which contrasted with the worst-performing asset class, small cap growth (Russell 2000 Growth).
- The new Omicron variant, continued supply chain disruptions, and renewed fears of persistent inflation pushed investors into the perceived safety of the largest stocks.
- S&P 500 sector results were mixed, with Real Estate (+17.5%) posting the top returns alongside Technology (+16.7%) and Materials (+15.2%); Communication Services (0.0%) and Financials (+4.6%) lagged broad returns.
- In 2021, small value outperformed small growth by over 2,500 bps (Russell 2000 Value: 28.3% vs. Russell 2000 Growth: 2.8%), a stark reversal from 2020 and a pattern consistent with periods of robust GDP growth.

Index concentration driving positive returns...

- The 10 largest stocks in the S&P 500 comprised 30.5% of the index but accounted for 65% of the 2021 return.
- During 4Q21, top 10 weights accounted for ~40% of return.

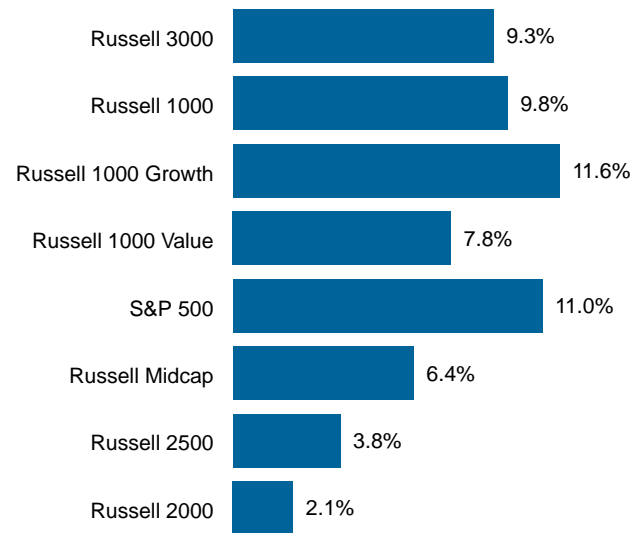
...but this may be hiding underlying weakness

- Nearly 10% of Russell 3000 stocks fell by 35% or more in 2021, which is unusual for a year when market returns were in excess of 25%.

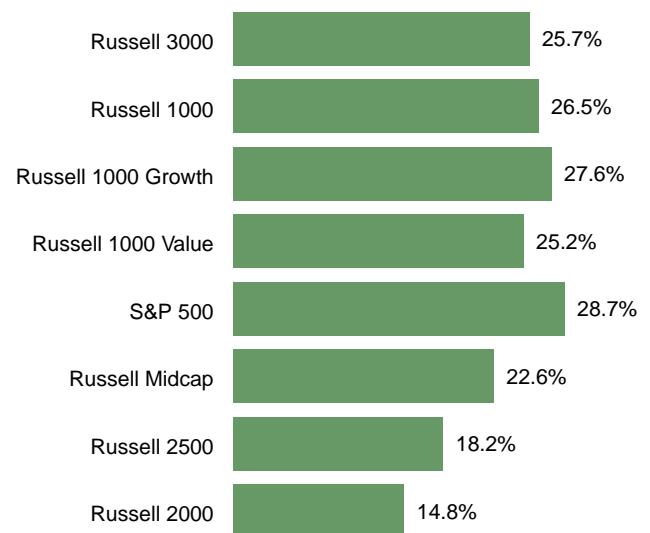
Market capitalization, style driving divergence in returns

- Mega-cap growth (Russell Top 200 Growth) was the strongest performer in both 4Q21 and 2021.
- Growth style returns highly correlated with market capitalization in both 4Q21 and 2021 (higher market capitalization = high return).
- Within micro-, small-, and smid-cap growth, Health Care (especially biotech/pharma) was biggest detractor to returns.
- Value returns correlated with market capitalization in 4Q21; for 2021, value returns did not experience much divergence.

U.S. Equity: Quarterly Returns

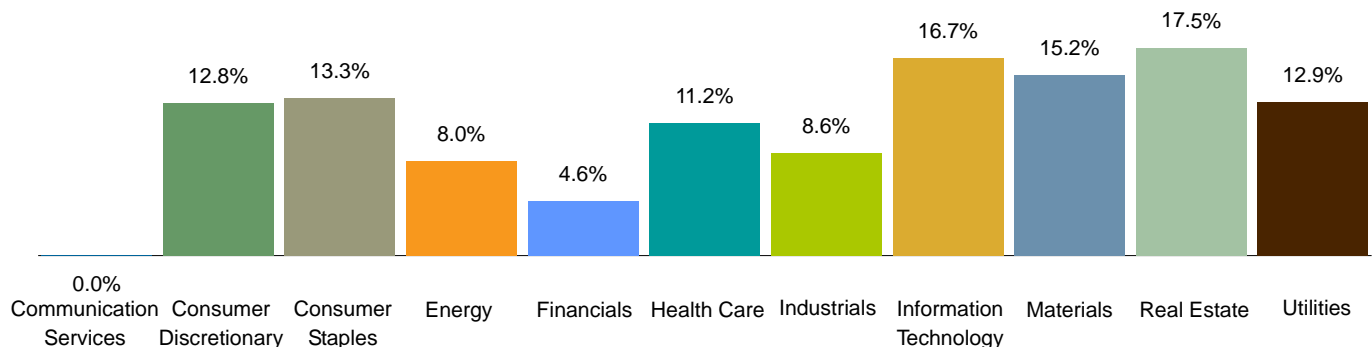


U.S. Equity: One-Year Returns



Sources: FTSE Russell, S&P Dow Jones Indices

S&P Sector Returns, Quarter Ended 12/31/21



Source: S&P Dow Jones Indices

GLOBAL EQUITY

Omicron takes center stage

- A recovery-driven market shifted back to COVID favorites, boosting Information Technology stocks.
- Small cap underperformed large amid global growth concerns.
- Emerging markets struggled relative to developed markets as China experienced significant pressure from an economic slowdown and its regulatory crackdown.

Stalled recovery

- As the new variant took hold, Energy and Communication Services lagged on fear of restrained growth.
- Japan suffered from both supply chain issues and economic constraints from COVID-19.
- Growth and momentum factors outperformed in developed markets but not in emerging markets.

U.S. dollar vs. other currencies

- The U.S. dollar rose against other major currencies as tapering accelerated alongside the expectation for 2022 rate hikes, which notably detracted from global ex-U.S. results.

Growth vs. value

- Inflationary pressures and the ultimate rebound from COVID-19 supported value's leadership for the full year, despite the shift to growth in 4Q21.

Regulation has spooked Chinese market

- Although regulation is not new in China, the duration, scope, and intensity of the current regime are unprecedented.
- Regulations have been centered on antitrust, financial markets, data/national security, and social welfare to enhance sustainability of its economy.
- Regulatory uncertainty should subside as China focuses on implementation.

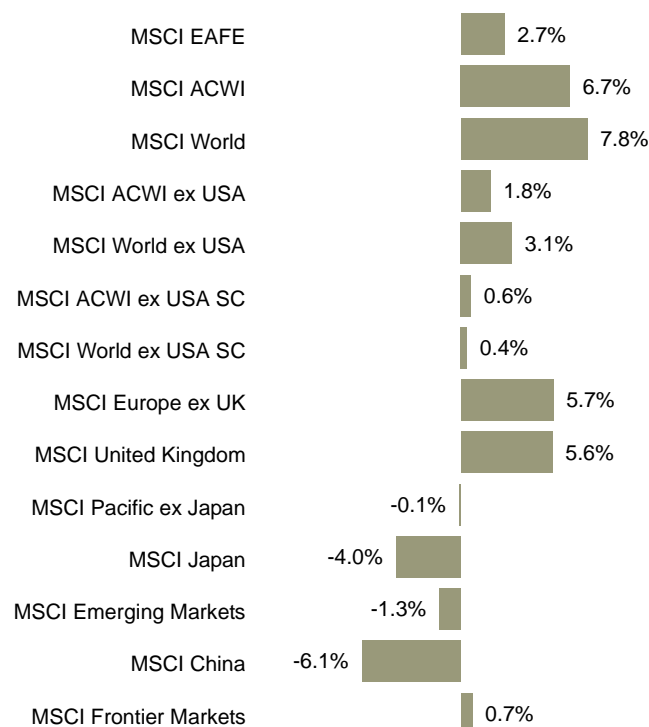
Inflation is expected to normalize in a few years

- Forecasted year-over-year core CPI is expected to reach its peak between 1Q22 and 2Q22.
- Inflationary environment by and large has shifted central banks to contractionary policy.

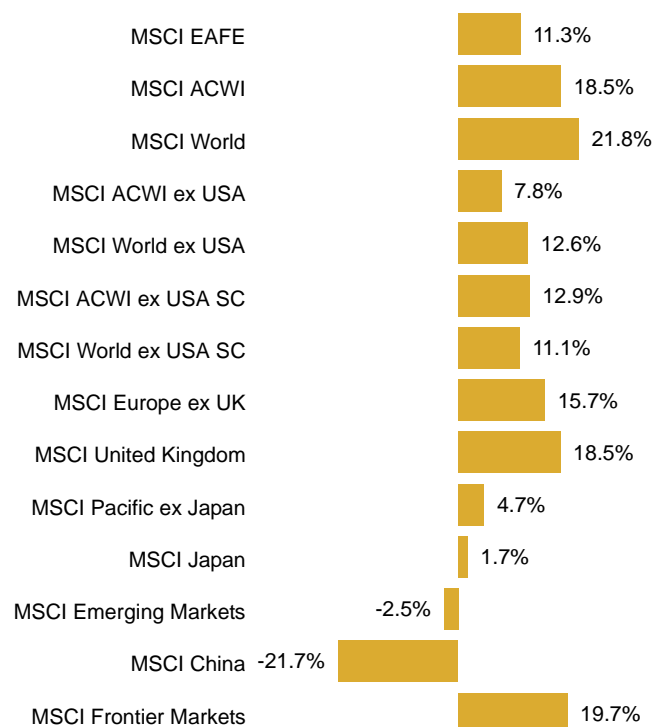
Rise in inflation expectations tends to stoke value

- Correlation between cyclical sectors and inflation/interest rate expectations generally has been positive.
- Growth relative to value is more vulnerable as interest rates normalize.
- Global recovery from COVID and deficit in Energy should support value.

Global Equity: Quarterly Returns



Global Equity: One-Year Returns



Source: MSCI

U.S. FIXED INCOME

Treasury yields again unchanged

- 10-year at 1.52% at 9/30 and 12/31, up slightly from 1.45% on 6/30.
- TIPS outperformed nominal Treasuries and 10-year breakeven spreads widened to 2.56%.
- Real yields remain solidly in negative territory.

Bloomberg Aggregate was flat, literally

- Spread sectors (Agencies, ABS, CMBS, MBS, and Credit) all underperformed UST by a modest amount (but positive YTD).
- Yield curve flattened; curve positioning had a meaningful impact on returns in 4Q.

High yield and leveraged performed relatively well

- Spreads remain near historic tights.
- High yield issuers' default rate declined to a record low in December (J.P. Morgan).
- New issuance hit a record for the second year in a row as issuers looked to finance at relatively low rates.

Munis outperformed Treasuries

- Lower-quality bonds continued their trend of outperformance as investors sought yield.

Inflation is being felt, indicated by several measures

- Annual CPI jumped to 7.0% in December—its eighth consecutive reading above 5% and the largest 12-month increase since the period ending June 1982.
- Increases for shelter and for used cars/trucks were the largest contributors to the seasonally adjusted all-items increase.
- Even service inflation, which had declined initially, has since recovered and is on an upward trend.

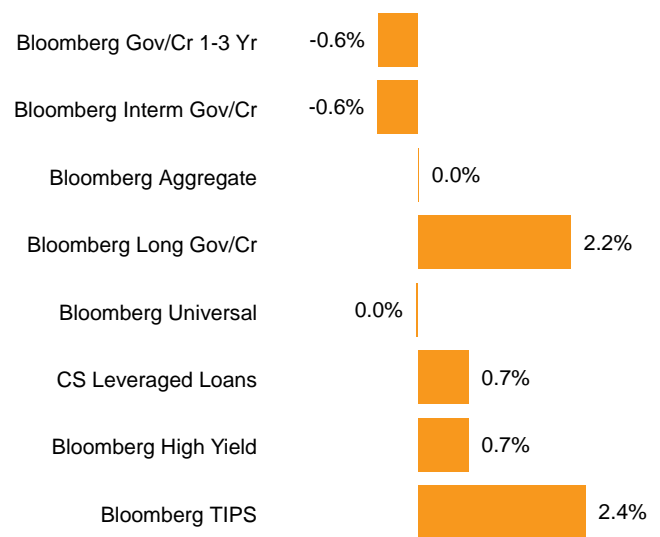
Fed has turned more hawkish than expected

- Fed announced a doubling of the pace of tapering and an upward revision to the anticipated path of rate hikes.
- FOMC participants now expect three rate hikes in 2022 to bring the targeted range to 0.75%-1.0% by year-end.

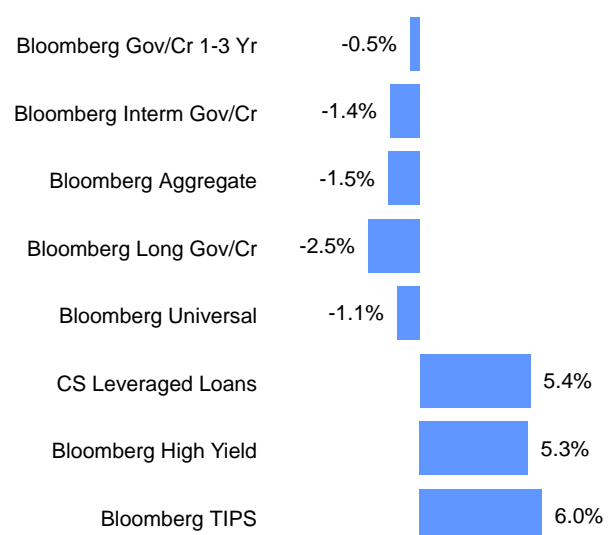
Spreads have returned to tights

- Fundamentals remain strong and default expectations low.
- Revenue, profits, and free cash flow at or near cycle highs.
- Gross and net leverage trending lower while interest coverage trends higher.

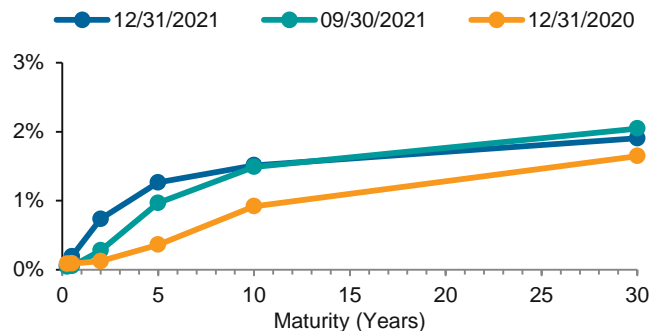
U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: One-Year Returns



U.S. Treasury Yield Curves



Sources: Bloomberg, Credit Suisse

GLOBAL FIXED INCOME

Global fixed income flat on a hedged basis

- Returns were muted and U.S. dollar strength eroded returns for unhedged U.S. investors in both 4Q and 2021.
- Yen was a notable underperformer in developed markets, falling 10% for the year.

Emerging market debt posted negative returns

- Emerging market debt indices underperformed most other fixed income sectors in 2021.
- Currencies fared the worst vs. the U.S. dollar; the Turkish lira sank 44% on spiking inflation.

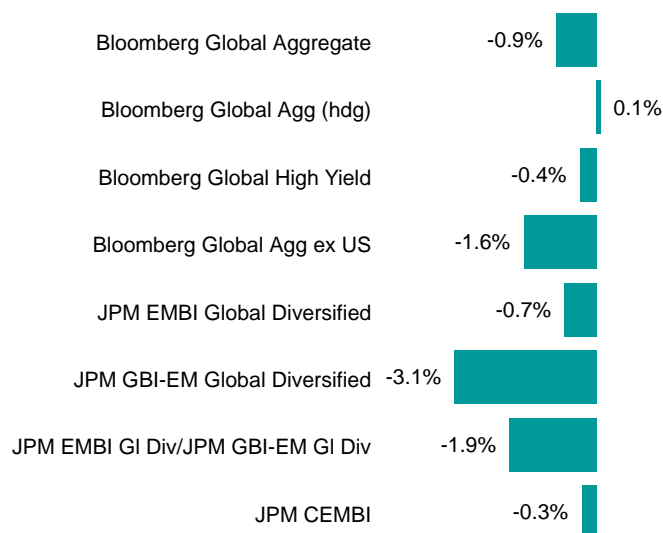
Global outlook may shift lower with regional variance

- Moderating and differentiated outlook for various regions reflects certain DM and EM economies shifting to tightening balanced by others managing legacy issues.

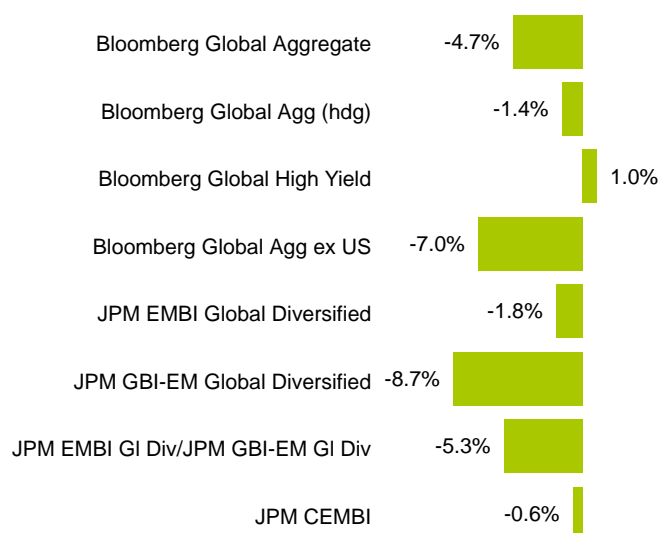
Central bank policy is mixed

- The U.K. has led the way with interest rate hikes as the BOE expects inflation to peak in April 2022.
- Europe and Japan continue to have below-target inflation and are expected to maintain relatively accommodating monetary policy.
- EM central banks, having moved early to battle inflation, may be moving to a more late-cycle posture.

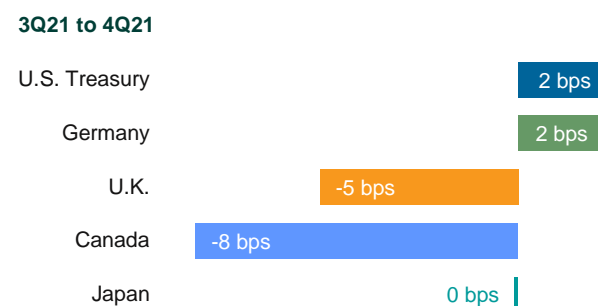
Global Fixed Income: Quarterly Returns



Global Fixed Income: One-Year Returns



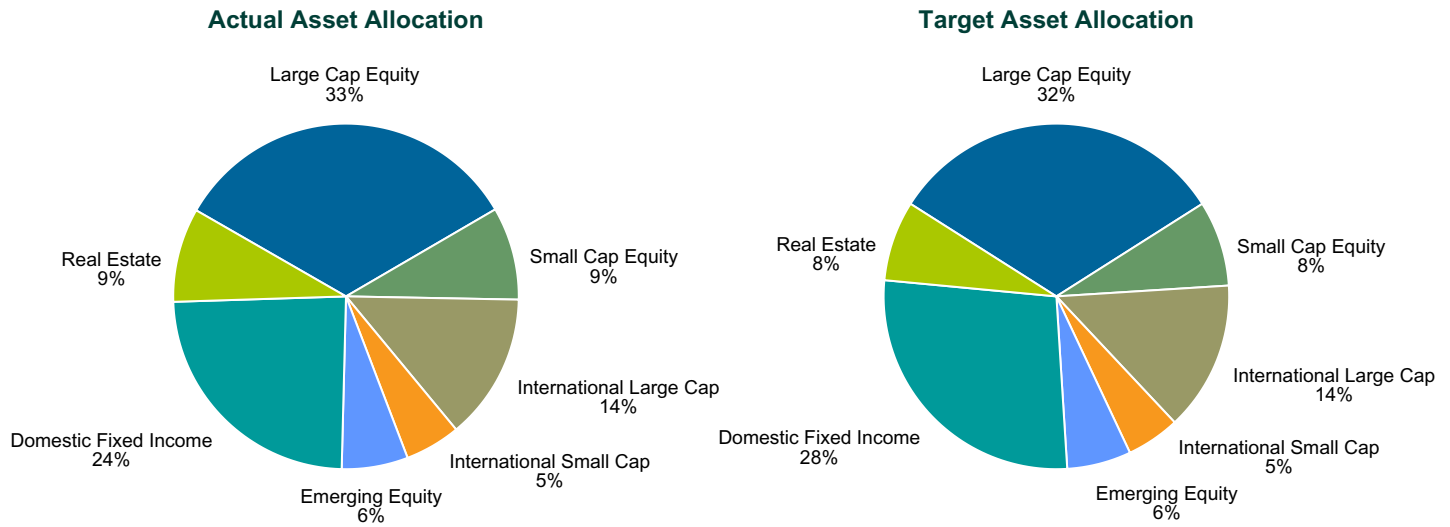
Change in 10-Year Global Government Bond Yields



Sources: Bloomberg, JP Morgan

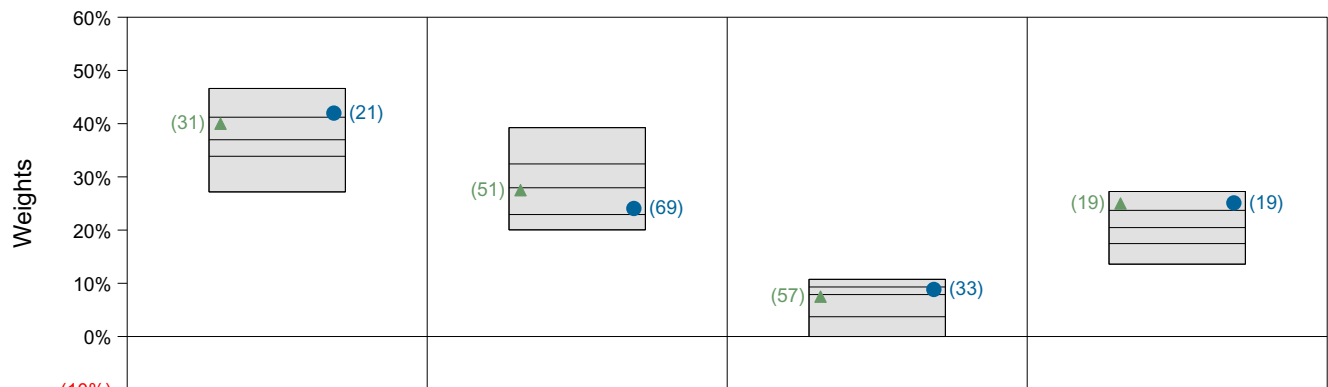
Actual vs Target Asset Allocation As of December 31, 2021

The top left chart shows the Fund's asset allocation as of December 31, 2021. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Callan Public Fund Spons- Mid (100M-1B).



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	131,199	33.3%	32.0%	1.3%	5,123
Small Cap Equity	34,206	8.7%	8.0%	0.7%	2,687
International Large Cap	53,813	13.7%	14.0%	(0.3%)	(1,345)
International Small Cap	20,621	5.2%	5.0%	0.2%	922
Emerging Equity	24,506	6.2%	6.0%	0.2%	867
Domestic Fixed Income	94,811	24.1%	27.5%	(3.4%)	(13,535)
Real Estate	34,831	8.8%	7.5%	1.3%	5,282
Total	393,986	100.0%	100.0%		

Asset Class Weights vs Callan Public Fund Spons- Mid (100M-1B)



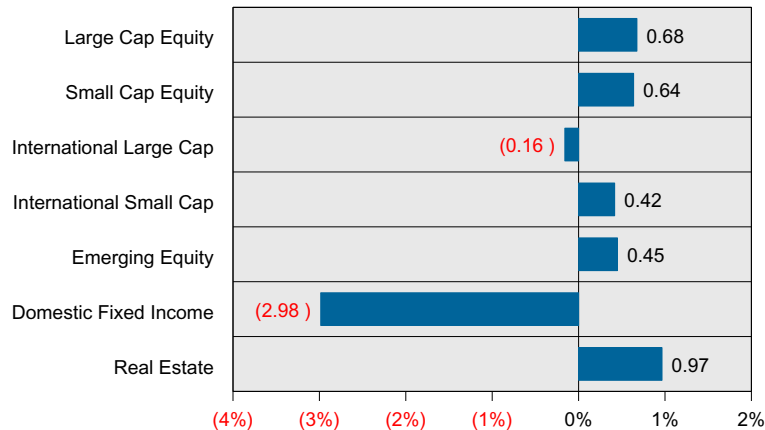
	Domestic Broad Eq	Domestic Fixed Income	Real Estate	Intl Equity
10th Percentile	46.62	39.25	10.74	27.25
25th Percentile	41.21	32.43	9.31	23.70
Median	36.98	27.95	7.88	20.47
75th Percentile	33.87	22.92	3.72	17.46
90th Percentile	27.18	20.04	0.00	13.60
Fund ●	41.98	24.06	8.84	25.11
Target ▲	40.00	27.50	7.50	25.00
% Group Invested	96.36%	100.00%	76.36%	92.73%

* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

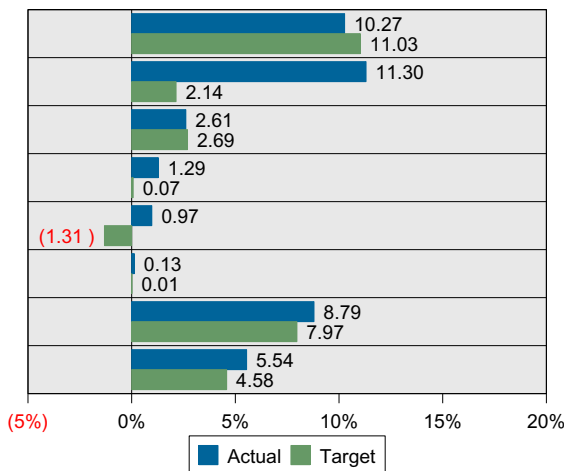
Quarterly Total Fund Relative Attribution - December 31, 2021

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

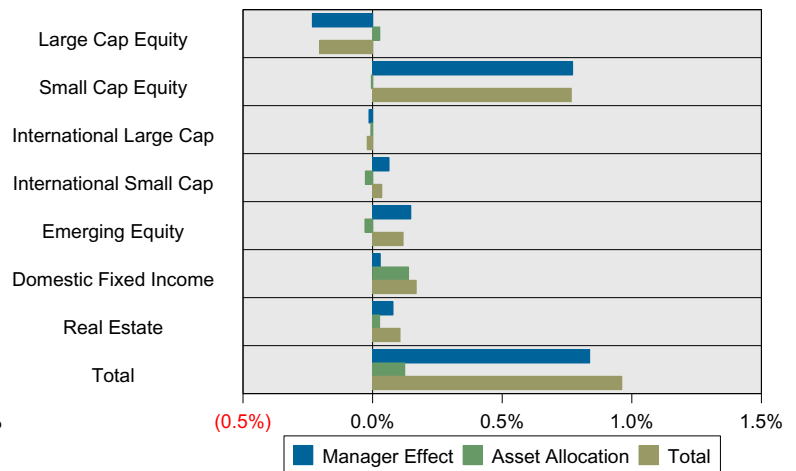
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended December 31, 2021

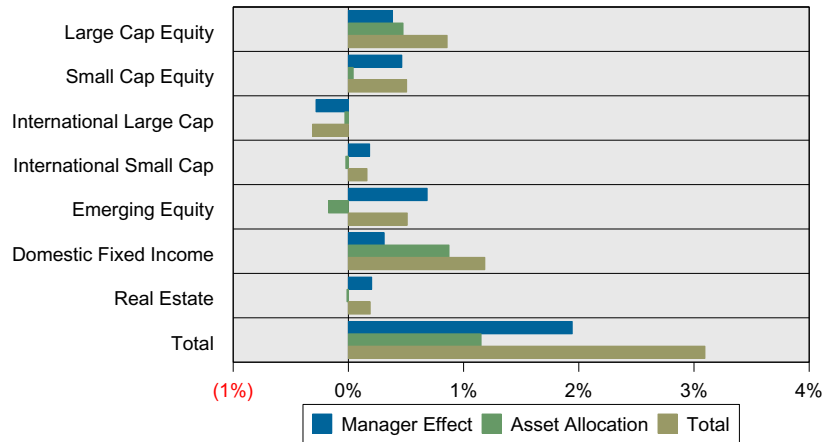
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	10.27%	11.03%	(0.23%)	0.03%	(0.20%)
Small Cap Equity	9%	8%	11.30%	2.14%	0.77%	(0.00%)	0.77%
International Large Cap	14%	14%	2.61%	2.69%	(0.01%)	(0.01%)	(0.02%)
International Small Cap	5%	5%	1.29%	0.07%	0.06%	(0.03%)	0.04%
Emerging Equity	6%	6%	0.97%	(1.31%)	0.15%	(0.03%)	0.12%
Domestic Fixed Income	25%	28%	0.13%	0.01%	0.03%	0.14%	0.17%
Real Estate	8%	8%	8.79%	7.97%	0.08%	0.03%	0.11%
Total			5.54%	4.58%	+ 0.84%	+ 0.12%	0.96%

* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

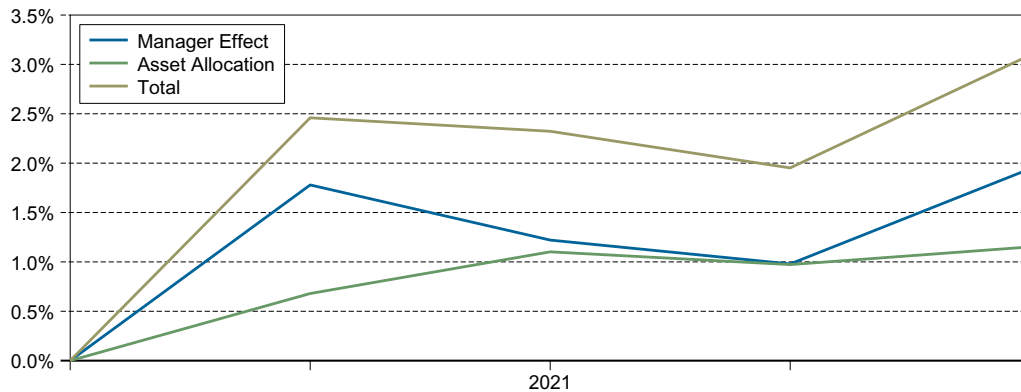
Cumulative Total Fund Relative Attribution - December 31, 2021

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

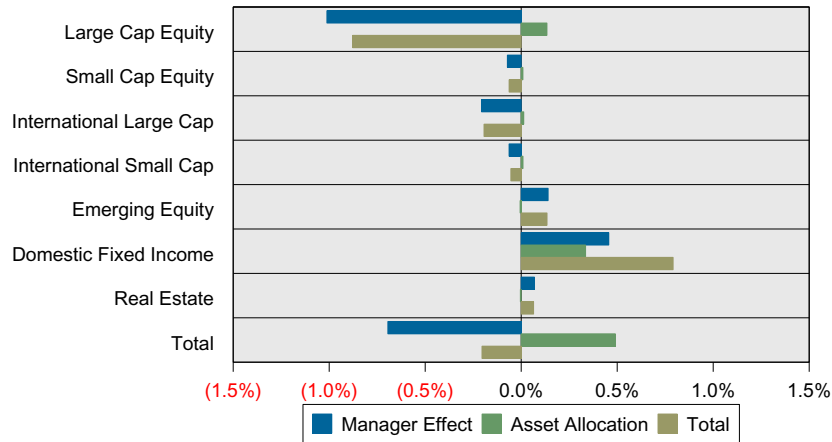
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	36%	32%	30.18%	28.71%	0.38%	0.47%	0.86%
Small Cap Equity	9%	8%	21.00%	14.82%	0.46%	0.04%	0.51%
International Large Cap	14%	14%	9.34%	11.26%	(0.28%)	(0.03%)	(0.31%)
International Small Cap	6%	5%	13.52%	10.10%	0.18%	(0.02%)	0.16%
Emerging Equity	7%	6%	6.25%	(2.54%)	0.68%	(0.17%)	0.51%
Domestic Fixed Income	24%	30%	(0.46%)	(1.54%)	0.31%	0.87%	1.18%
Real Estate	4%	5%	21.36%	20.51%	0.20%	(0.01%)	0.19%
Total			15.69%	12.59%	+ 1.94%	+ 1.15%	3.09%

* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

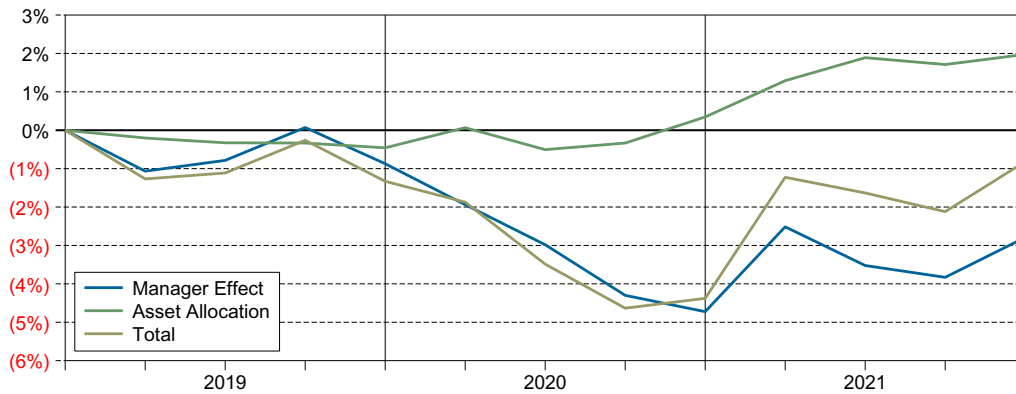
Cumulative Total Fund Relative Attribution - December 31, 2021

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Three Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Three Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	22.69%	26.07%	(1.01%)	0.13%	(0.88%)
Small Cap Equity	9%	8%	19.84%	20.02%	(0.07%)	0.01%	(0.06%)
International Large Cap	14%	14%	12.24%	13.54%	(0.21%)	0.01%	(0.19%)
International Small Cap	5%	5%	14.05%	15.62%	(0.06%)	0.01%	(0.05%)
Emerging Equity	6%	6%	12.34%	10.94%	0.14%	(0.01%)	0.13%
Domestic Fixed Income	31%	33%	6.16%	4.79%	0.46%	0.34%	0.79%
Real Estate	1%	2%	-	-	0.07%	(0.00%)	0.06%
Total			15.41%	15.61%	+ (0.69%)	+ 0.49%	(0.20%)

* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

Total Fund

Period Ended December 31, 2021

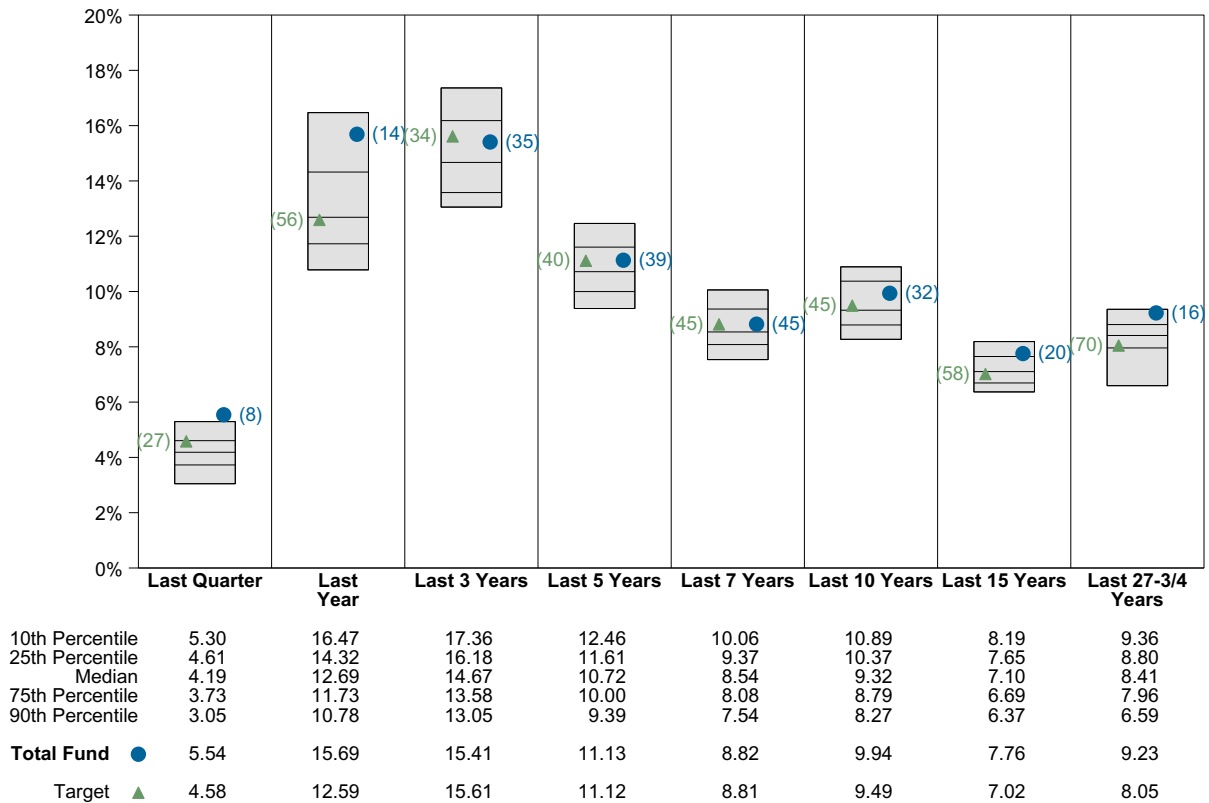
Investment Philosophy

* Current Quarter Target = 30.0% Blmbg Aggregate, 32.0% S&P 500 Index, 5.0% NFI-ODCE Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

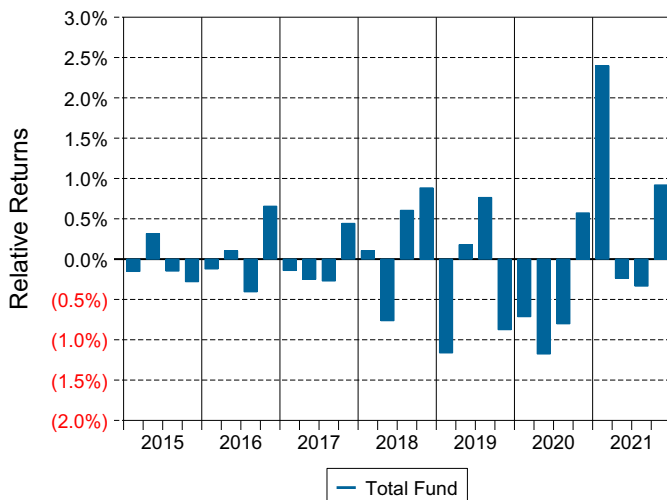
Quarterly Summary and Highlights

- Total Fund's portfolio posted a 5.54% return for the quarter placing it in the 8 percentile of the Callan Public Fund Spons- Mid (100M-1B) group for the quarter and in the 14 percentile for the last year.
- Total Fund's portfolio outperformed the Target by 0.96% for the quarter and outperformed the Target for the year by 3.09%.

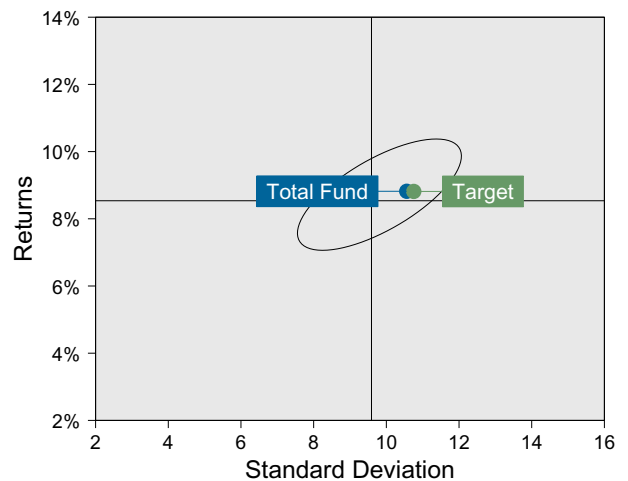
Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)



Relative Return vs Target



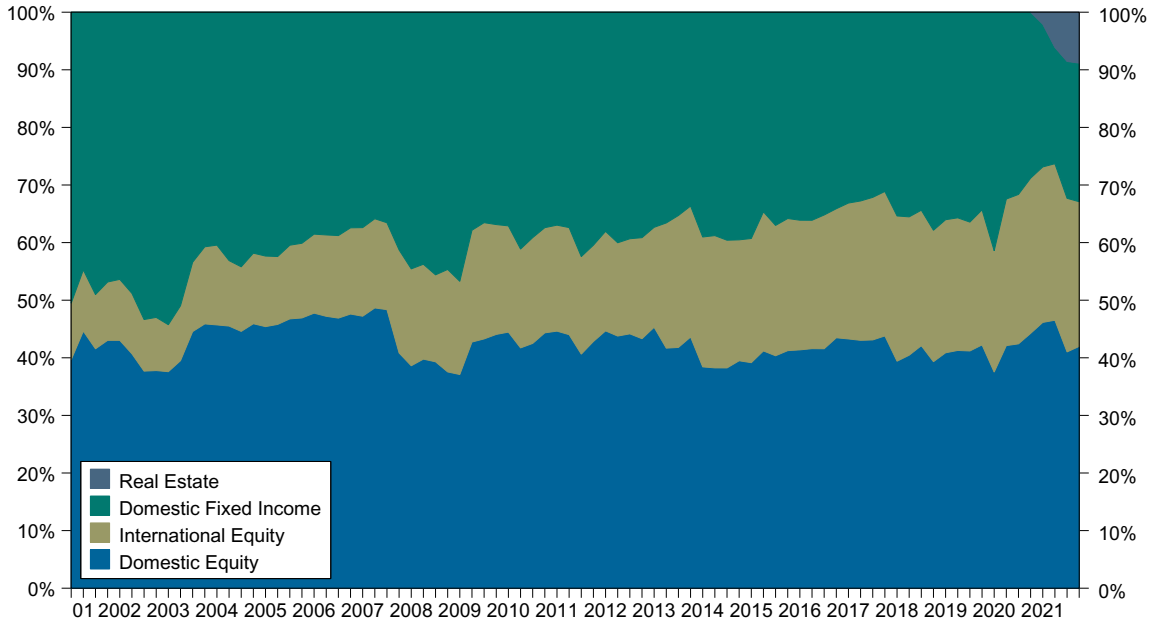
Callan Public Fund Spons- Mid (100M-1B) (Gross) Annualized Seven Year Risk vs Return



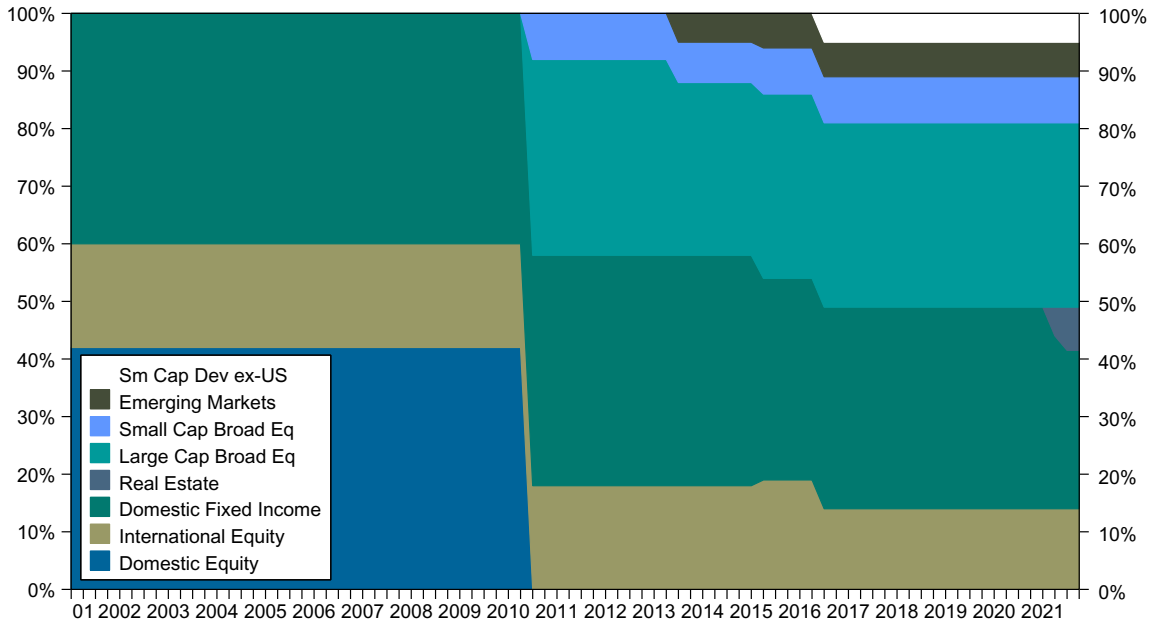
Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, and the fund's historical target asset allocation.

Actual Historical Asset Allocation



Target Historical Asset Allocation



* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2021, with the distribution as of September 30, 2021. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	December 31, 2021			September 30, 2021
	Market Value	Net New Inv.	Inv. Return	Market Value
Consolidated Plan				
Domestic Equity	\$165,404,205	\$(4,482,132)	\$15,900,943	\$153,985,394
Large Cap	\$131,198,691	\$(1,066,708)	\$12,282,685	\$119,982,713
Boston Partners	66,244,082	0	5,744,022	60,500,060
SSgA S&P 500	64,954,609	(1,066,708)	6,538,663	59,482,653
Small Cap	\$34,205,514	\$(3,415,425)	\$3,618,258	\$34,002,681
Atlanta Capital	34,205,514	(3,415,425)	3,618,258	34,002,681
International Equity	\$98,939,386	\$(3,000,000)	\$1,816,388	\$100,122,998
International Large Cap	\$53,812,668	\$0	\$1,369,611	\$52,443,057
SSgA EAFE	18,554,745	0	490,766	18,063,979
Pyrford	35,257,923	0	878,845	34,379,078
International Small Cap	\$20,620,814	\$(1,000,000)	\$225,528	\$21,395,286
AQR	20,620,814	(1,000,000)	225,528	21,395,286
Emerging Equity	\$24,505,904	\$(2,000,000)	\$221,248	\$26,284,655
DFA Emerging Markets	24,505,904	(2,000,000)	221,248	26,284,655
Fixed Income	\$94,810,736	\$5,500,000	\$123,909	\$89,186,827
Metropolitan West	94,810,736	5,500,000	123,909	89,186,827
Real Estate	\$34,831,293	\$0	\$2,737,543	\$32,093,751
Clarion Lion Fund	17,912,410	0	1,255,576	16,656,834
Morgan Stanley	16,918,883	0	1,481,967	15,436,917
Total Plan - Consolidated	\$393,985,620	\$(1,982,132)	\$20,578,782	\$375,388,970

Sacramento Regional Transit District Asset Growth

Ending December 31, 2021 (\$ Thousands)	Ending Market Value	=	Beginning Market Value	+	Net New Investment	+	Investment Return
Total Plan							
1/4 Year Ended 12/2021	393,985.6		375,389.0		(1,982.1)		20,578.8
1/4 Year Ended 9/2021	375,389.0		379,228.3		(1,967.9)		(1,871.4)
1/4 Year Ended 6/2021	379,228.3		362,366.9		(522.5)		17,384.0
1/4 Year Ended 3/2021	362,366.9		346,973.1		(2,096.5)		17,490.2
1/4 Year Ended 12/2020	346,973.1		311,751.8		(339.6)		35,560.9
1/4 Year Ended 9/2020	311,751.8		299,942.5		(1,344.8)		13,154.1
1/4 Year Ended 6/2020	299,942.5		268,251.1		(1,217.2)		32,908.6
1/4 Year Ended 3/2020	268,251.1		315,424.7		(567.1)		(46,606.5)
1/4 Year Ended 12/2019	315,424.7		301,283.6		(1,479.0)		15,620.2
1/4 Year Ended 9/2019	301,283.6		298,139.2		(1,322.2)		4,466.6
1/4 Year Ended 6/2019	298,139.2		289,020.0		(1,111.4)		10,230.6
1/4 Year Ended 3/2019	289,020.0		269,114.0		(1,021.9)		20,927.9
1/4 Year Ended 12/2018	269,114.0		292,722.5		(1,066.5)		(22,541.9)
1/4 Year Ended 9/2018	292,722.5		284,083.7		(1,081.0)		9,719.8
1/4 Year Ended 6/2018	284,083.7		284,995.0		(1,267.6)		356.3
1/4 Year Ended 3/2018	284,995.0		288,314.8		(1,183.4)		(2,136.5)
1/4 Year Ended 12/2017	288,314.8		277,835.6		(1,419.7)		11,899.0
1/4 Year Ended 9/2017	277,835.6		270,017.7		(1,582.3)		9,400.2
1/4 Year Ended 6/2017	270,017.7		263,189.7		(1,149.1)		7,977.1
1/4 Year Ended 3/2017	263,189.7		253,159.1		(930.2)		10,960.7

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2021. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended December 31, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	10.47%	28.28%	22.12%	15.78%	13.22%
Domestic Equity Benchmark**	9.21%	25.93%	24.97%	17.26%	14.18%
Large Cap Equity	10.27%	30.18%	22.69%	15.94%	12.96%
Boston Partners	9.49%	31.78%	18.92%	13.17%	10.79%
Russell 1000 Value Index	7.77%	25.16%	11.64%	11.16%	9.73%
SSgA S&P 500	11.04%	28.70%	26.06%	18.47%	14.96%
S&P 500 Index	11.03%	28.71%	26.07%	18.47%	14.93%
Small Cap Equity	11.30%	21.00%	19.84%	15.04%	14.14%
Atlanta Capital	11.30%	21.00%	19.84%	15.04%	14.14%
Russell 2000 Index	2.14%	14.82%	20.02%	12.02%	10.76%
International Equity	1.90%	9.37%	12.76%	9.62%	6.51%
International Benchmark***	1.20%	7.67%	13.46%	10.03%	6.88%
International Large Cap	2.61%	9.34%	12.24%	9.01%	6.38%
SSgA EAFE	2.72%	11.52%	13.94%	9.93%	7.12%
Pyrford	2.56%	8.22%	11.27%	-	-
MSCI EAFE Index	2.69%	11.26%	13.54%	9.55%	6.76%
International Small Cap	1.29%	13.52%	14.05%	9.70%	-
AQR	1.29%	13.52%	14.05%	9.70%	-
MSCI EAFE Small Cap Index	0.07%	10.10%	15.62%	11.04%	9.52%
Emerging Markets Equity	0.97%	6.25%	12.34%	10.65%	7.00%
DFA Emerging Markets	0.97%	6.25%	12.34%	10.65%	7.00%
MSCI Emerging Markets Index	(1.31%)	(2.54%)	10.94%	9.88%	6.11%
Domestic Fixed Income	0.13%	(0.46%)	6.16%	4.60%	3.76%
Met West	0.13%	(0.46%)	6.16%	4.60%	3.76%
Bloomberg Aggregate Index	0.01%	(1.54%)	4.79%	3.57%	3.00%
Real Estate	8.79%	-	-	-	-
Clarion Lion Fund	7.83%	-	-	-	-
Morgan Stanley	9.83%	-	-	-	-
NCREIF NFI-ODCE Val Wt Gr	7.97%	22.17%	9.20%	8.74%	9.62%
Total Plan	5.54%	15.69%	15.41%	11.13%	8.82%
Target*	4.58%	12.59%	15.61%	11.12%	8.81%

* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

*** International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2021. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended December 31, 2021				
	Last 10 Years	Last 15 Years	Last 20 Years	Last 27-3/4 Years
Domestic Equity	15.70%	10.69%	9.77%	-
Domestic Equity Benchmark**	15.97%	10.39%	9.62%	11.04%
Russell 1000 Value Index	12.97%	7.51%	8.34%	10.08%
S&P 500 Index	16.55%	10.66%	9.52%	11.04%
Russell 2000 Index	13.23%	8.69%	9.36%	9.68%
International Equity	7.44%	3.36%	6.75%	-
MSCI EAFE Index	8.03%	3.60%	6.33%	5.47%
Domestic Fixed Income	4.08%	5.47%	5.42%	-
Met West	4.08%	5.47%	5.42%	-
Bloomberg Aggregate Index	2.90%	4.09%	4.33%	5.21%
Total Plan	9.94%	7.76%	7.78%	9.23%
Target*	9.49%	7.02%	7.27%	8.05%

* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	2021	2020	2019	2018	2017
Domestic Equity	28.28%	11.16%	27.71%	(4.64%)	19.78%
Domestic Equity Benchmark**	25.93%	18.94%	30.32%	(5.69%)	20.41%
Large Cap Equity	30.18%	11.03%	27.77%	(6.33%)	21.10%
Boston Partners	31.78%	2.99%	23.91%	(8.27%)	20.32%
Russell 1000 Value Index	25.16%	2.80%	26.54%	(8.27%)	13.66%
SSgA S&P 500	28.70%	18.36%	31.50%	(4.39%)	21.86%
S&P 500 Index	28.71%	18.40%	31.49%	(4.38%)	21.83%
Small Cap Equity	21.00%	11.67%	27.38%	1.78%	15.01%
Atlanta Capital	21.00%	11.67%	27.38%	1.78%	15.01%
Russell 2000 Index	14.82%	19.96%	25.52%	(11.01%)	14.65%
International Equity	9.37%	8.48%	20.83%	(13.93%)	28.25%
International Benchmark***	7.67%	11.39%	21.78%	(14.76%)	29.51%
International Large Cap	9.34%	5.71%	22.34%	(11.25%)	22.63%
SSgA EAFE	11.52%	8.27%	22.49%	(13.49%)	25.47%
Pyrford	8.22%	4.09%	22.30%	(10.31%)	-
MSCI EAFE Index	11.26%	7.82%	22.01%	(13.79%)	25.03%
International Small Cap	13.52%	7.35%	21.73%	(19.94%)	33.76%
AQR	13.52%	7.35%	21.73%	(19.94%)	33.76%
MSCI EAFE Small Cap Index	10.10%	12.34%	24.96%	(17.89%)	33.01%
Emerging Markets Equity	6.25%	14.40%	16.64%	(14.80%)	37.32%
DFA Emerging Markets	6.25%	14.40%	16.64%	(14.80%)	37.32%
MSCI Emerging Markets Index	(2.54%)	18.31%	18.44%	(14.57%)	37.28%
Domestic Fixed Income	(0.46%)	9.85%	9.41%	0.75%	3.89%
Met West	(0.46%)	9.85%	9.41%	0.75%	3.89%
Bloomberg Aggregate Index	(1.54%)	7.51%	8.72%	0.01%	3.54%
Total Plan	15.69%	11.42%	19.25%	(5.05%)	16.14%
Target*	12.59%	13.82%	20.58%	(5.82%)	16.39%

* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.
Returns are for annualized calendar years.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

*** International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	2016	2015	2014	2013	2012
Domestic Equity	14.58%	0.06%	10.85%	36.44%	19.19%
Domestic Equity Benchmark**	13.85%	0.26%	12.07%	33.61%	16.09%
Boston Partners	14.71%	(3.75%)	11.87%	37.52%	21.95%
Russell 1000 Value Index	17.34%	(3.83%)	13.45%	32.53%	17.51%
S&P 500 Index	11.96%	1.38%	13.69%	32.39%	16.00%
Russell 2000 Index	21.31%	(4.41%)	4.89%	38.82%	16.35%
International Equity	2.55%	(4.17%)	(3.72%)	16.66%	17.28%
MSCI EAFE Index	1.00%	(0.81%)	(4.90%)	22.78%	17.32%
Domestic Fixed Income	2.87%	0.51%	6.37%	(1.03%)	9.48%
Met West	2.87%	0.51%	6.37%	(1.03%)	9.48%
Bloomberg Aggregate Index	2.65%	0.55%	5.97%	(2.02%)	4.21%
Total Plan	7.65%	(0.97%)	5.61%	17.71%	14.80%
Target*	7.40%	(0.71%)	5.82%	15.99%	11.68%

* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

Returns are for annualized calendar years.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2021. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended December 31, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Net of Fee Returns					
Domestic Equity	10.41%	27.84%	21.69%	15.37%	-
Domestic Equity Benchmark**	9.21%	25.93%	24.97%	17.26%	14.18%
Large Cap Equity	10.19%	29.81%	22.38%	15.65%	-
Boston Partners	9.35%	31.10%	18.36%	12.61%	10.24%
Russell 1000 Value Index	7.77%	25.16%	17.64%	11.16%	9.73%
SSgA S&P 500	11.03%	28.63%	26.00%	18.42%	14.90%
S&P 500 Index	11.03%	28.71%	26.07%	18.47%	14.93%
Small Cap Equity	11.30%	20.28%	19.00%	14.19%	-
Atlanta Capital	11.30%	20.28%	19.00%	14.19%	13.28%
Russell 2000 Index	2.14%	14.82%	20.02%	12.02%	10.76%
International Equity	1.76%	8.80%	12.11%	8.97%	-
International Equity Benchmark***	1.20%	7.67%	13.46%	10.03%	6.88%
International Large Cap	2.49%	8.82%	11.70%	8.47%	-
SSgA EAFE	2.69%	11.41%	13.82%	9.82%	7.01%
Pyrford	2.38%	7.50%	10.53%	-	-
MSCI EAFE Index	2.69%	11.26%	13.54%	9.55%	6.76%
International Small Cap	1.07%	12.57%	13.09%	8.73%	-
AQR	1.07%	12.57%	13.09%	8.73%	-
MSCI EAFE Small Cap Index	0.07%	10.10%	15.62%	11.04%	9.52%
Emerging Markets Equity	0.87%	5.84%	11.82%	10.10%	-
DFA Emerging Markets	0.87%	5.84%	11.82%	10.10%	6.43%
MSCI Emerging Markets Index	(1.31%)	(2.54%)	10.94%	9.88%	6.11%
Domestic Fixed Income	0.06%	(0.73%)	5.87%	4.31%	-
Met West	0.06%	(0.73%)	5.87%	4.31%	3.48%
Bloomberg Aggregate Index	0.01%	(1.54%)	4.79%	3.57%	3.00%
Real Estate	8.53%	-	-	-	-
Clarion Lion Fund	7.54%	-	-	-	-
Morgan Stanley	9.60%	-	-	-	-
NCREIF NFI-ODCE Val Wt Gr	7.97%	22.17%	9.20%	8.74%	9.62%
Total Plan	5.44%	15.24%	14.97%	10.71%	8.42%
Target*	4.58%	12.59%	15.61%	11.12%	8.81%

* Current Quarter Target = 32.0% S&P 500 Index, 27.5% Blmbg Aggregate, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 7.5% NCREIF NFI-ODCE Val Wt Gr, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

*** International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Domestic Equity Period Ended December 31, 2021

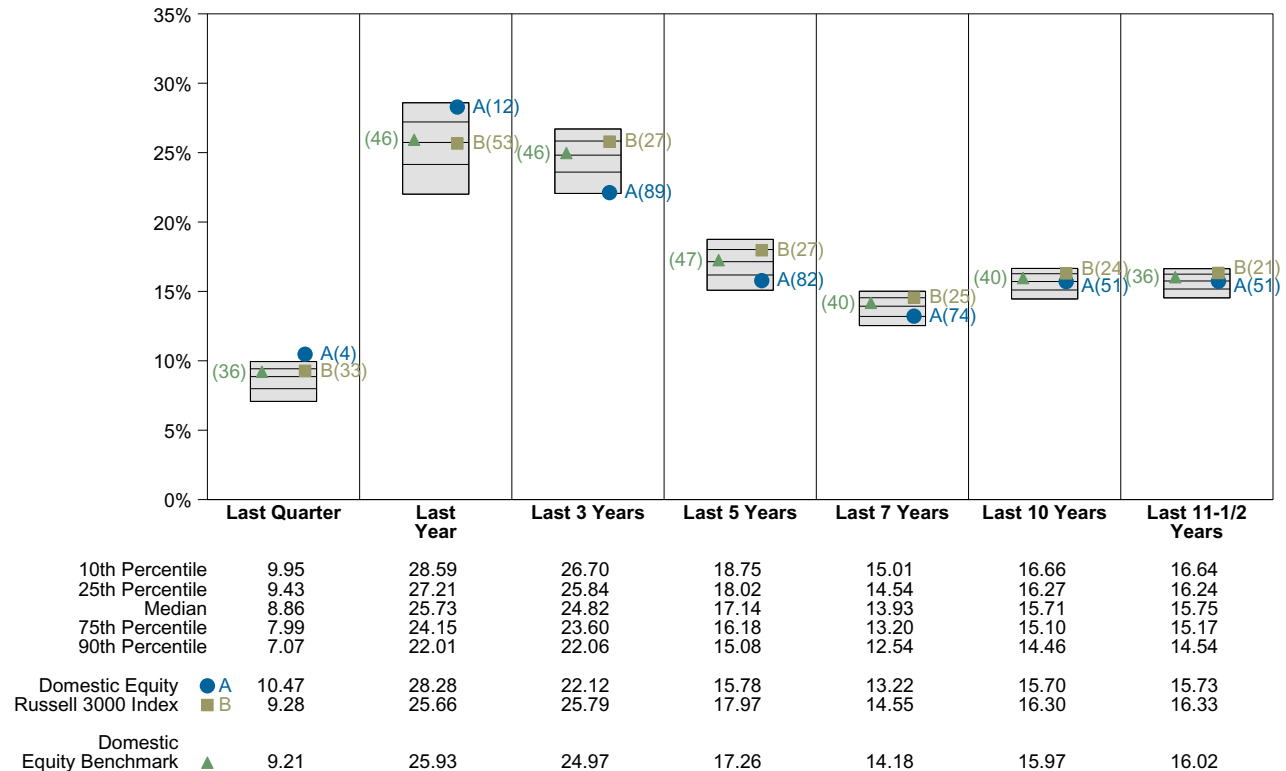
Investment Philosophy

Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

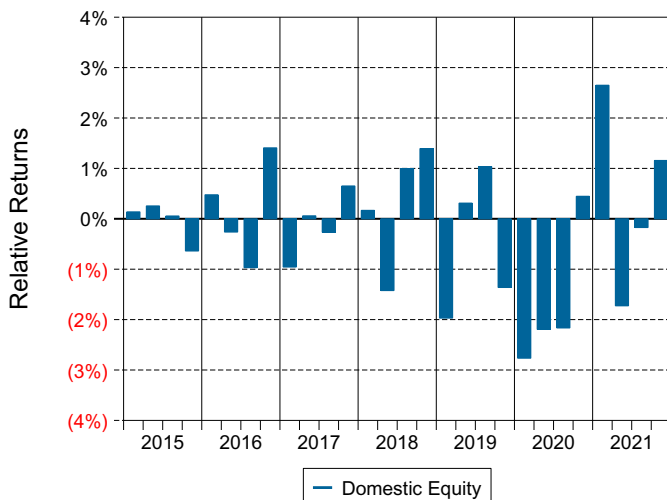
Quarterly Summary and Highlights

- Domestic Equity's portfolio posted a 10.47% return for the quarter placing it in the 4 percentile of the Fund Sponsor - Domestic Equity group for the quarter and in the 12 percentile for the last year.
- Domestic Equity's portfolio outperformed the Domestic Equity Benchmark by 1.26% for the quarter and outperformed the Domestic Equity Benchmark for the year by 2.35%.

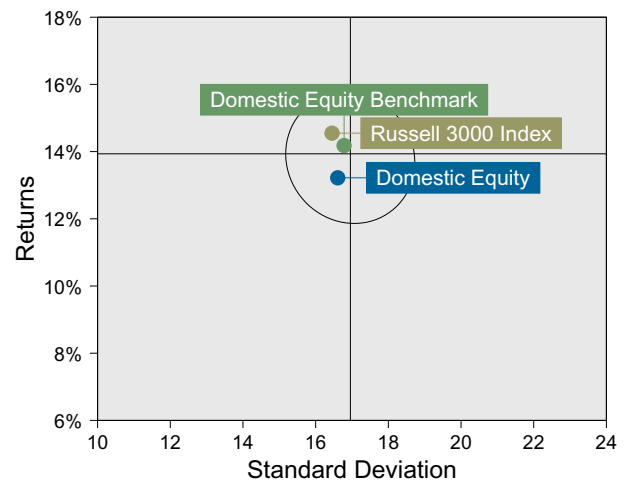
Performance vs Fund Sponsor - Domestic Equity (Gross)



Relative Returns vs Domestic Equity Benchmark



Fund Sponsor - Domestic Equity (Gross) Annualized Seven Year Risk vs Return

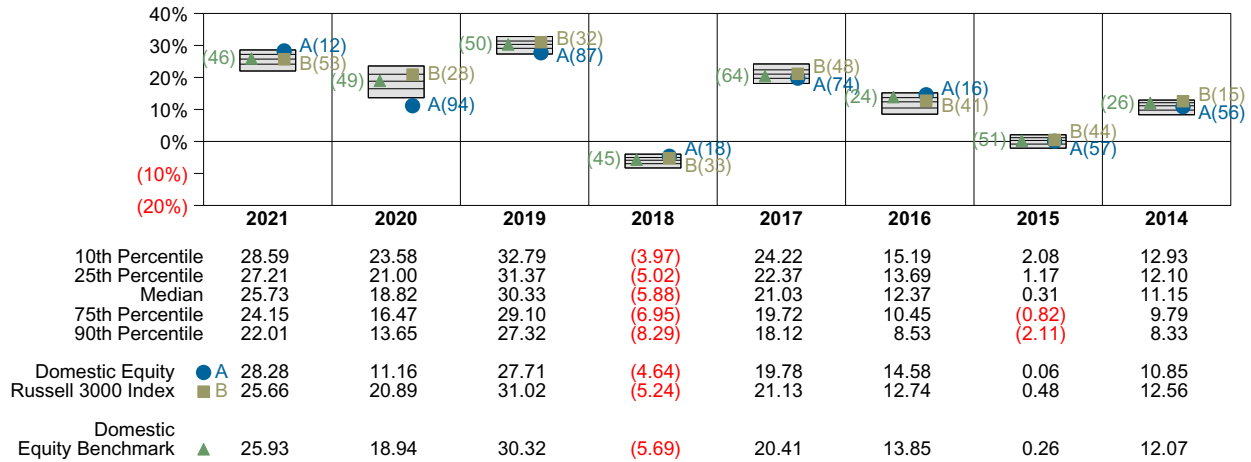


Domestic Equity Return Analysis Summary

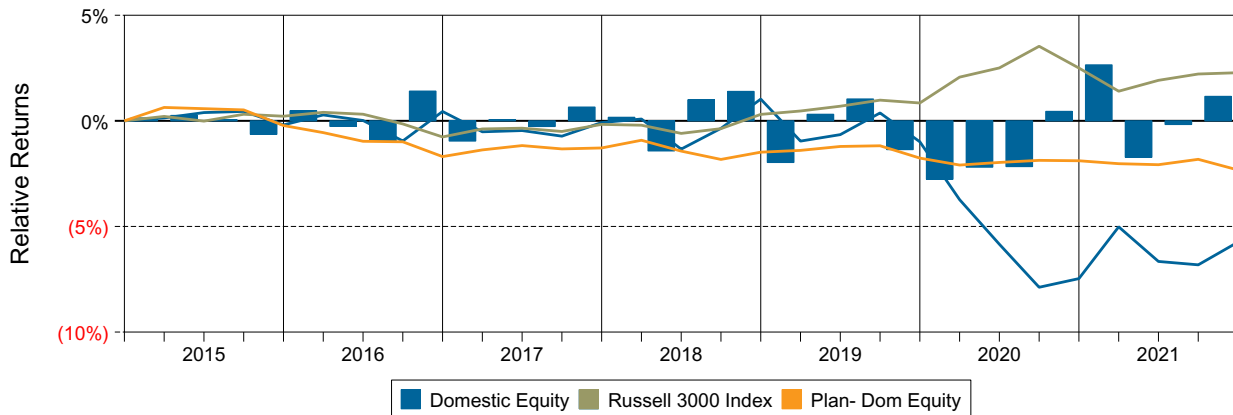
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

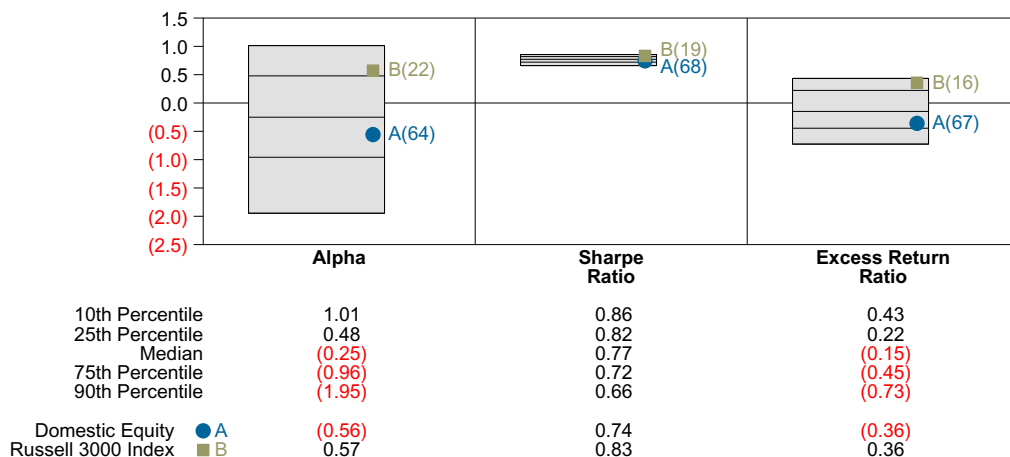
Performance vs Fund Sponsor - Domestic Equity (Gross)



Cumulative and Quarterly Relative Return vs Domestic Equity Benchmark



Risk Adjusted Return Measures vs Domestic Equity Benchmark Rankings Against Fund Sponsor - Domestic Equity (Gross) Seven Years Ended December 31, 2021



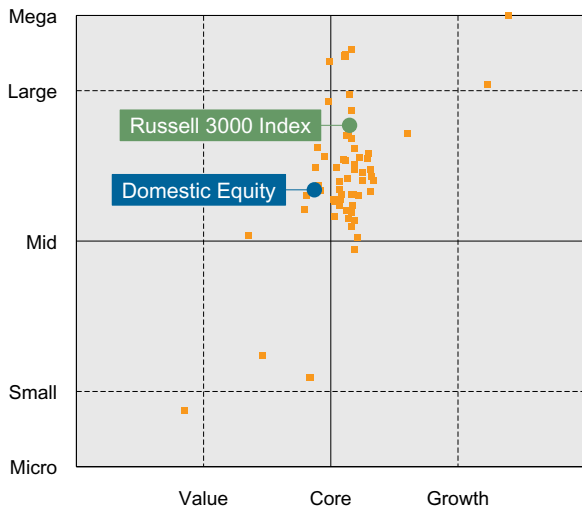
Current Holdings Based Style Analysis

Domestic Equity

As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

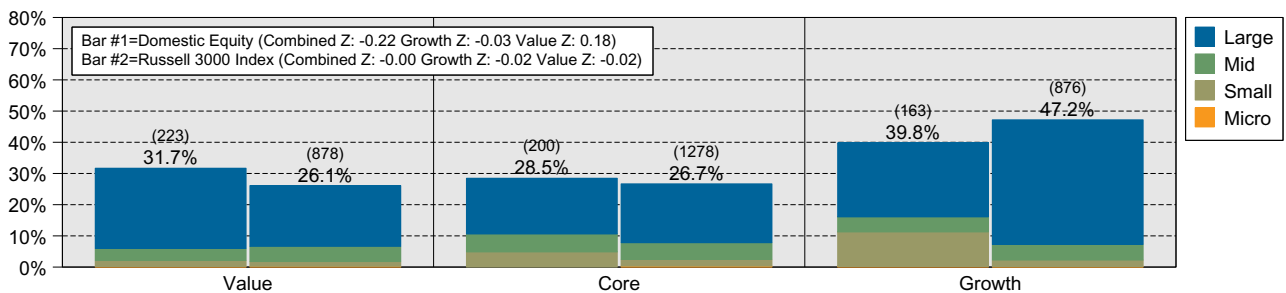
Style Map vs Plan- Dom Equity Holdings as of December 31, 2021



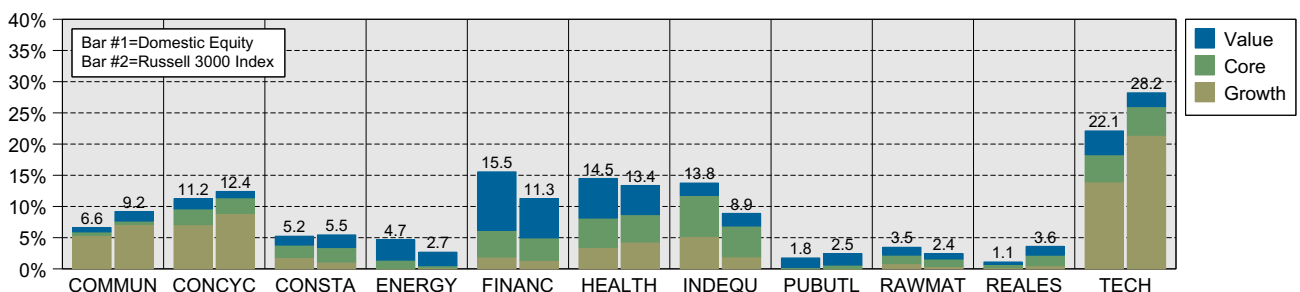
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Large	25.7% (104)	17.9% (96)	23.7% (80)	67.3% (280)
	19.5% (104)	18.9% (96)	39.9% (103)	78.2% (303)
Mid	3.9% (109)	5.8% (85)	4.8% (52)	14.5% (246)
	4.9% (178)	5.3% (223)	5.1% (205)	15.3% (606)
Small	2.0% (9)	4.9% (19)	11.0% (30)	17.8% (58)
	1.5% (296)	2.2% (513)	2.1% (404)	5.8% (1213)
Micro	0.2% (1)	0.0% (0)	0.3% (1)	0.4% (2)
	0.3% (300)	0.3% (446)	0.2% (164)	0.7% (910)
Total	31.7% (223)	28.5% (200)	39.8% (163)	100.0% (586)
	26.1% (878)	26.7% (1278)	47.2% (876)	100.0% (3032)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



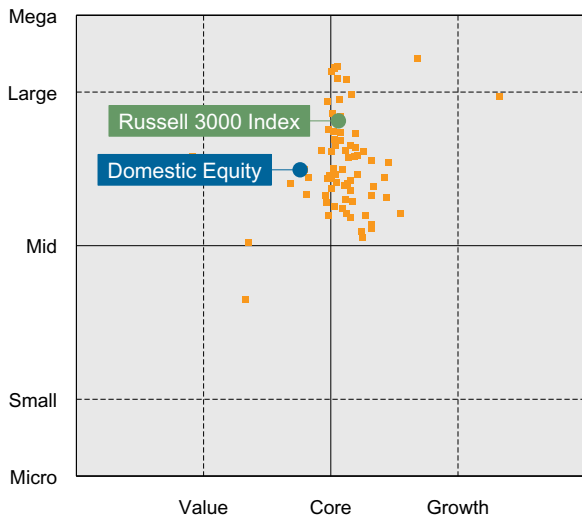
Sector Weights Distribution Holdings as of December 31, 2021



Historical Holdings Based Style Analysis Domestic Equity For Five Years Ended December 31, 2021

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

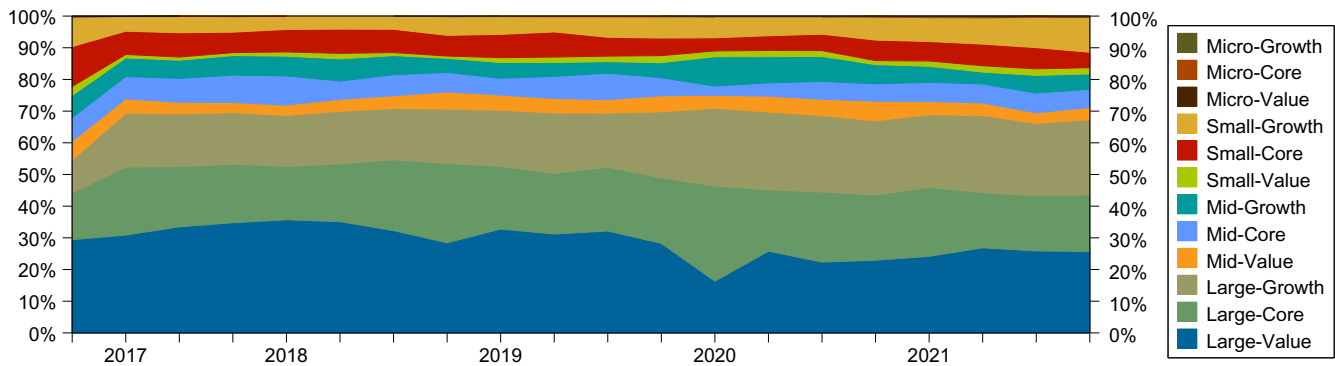
Average Style Map vs Plan- Dom Equity Holdings for Five Years Ended December 31, 2021



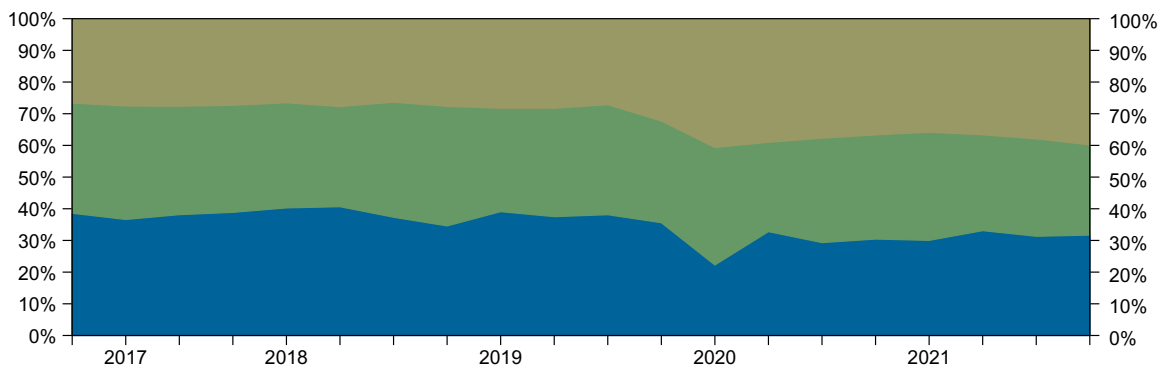
Average Style Exposure Matrix Holdings for Five Years Ended December 31, 2021

	28.7% (98)	20.1% (93)	19.6% (85)	68.4% (276)
Large	23.3% (101)	20.8% (96)	32.2% (101)	76.3% (298)
Mid	4.4% (93)	6.3% (83)	5.8% (56)	16.6% (232)
	4.7% (168)	5.7% (211)	5.9% (219)	16.3% (598)
Small	1.6% (10)	6.7% (23)	6.4% (19)	14.7% (52)
	1.8% (317)	2.6% (492)	2.1% (386)	6.6% (1195)
Micro	0.0% (0)	0.1% (1)	0.1% (0)	0.2% (1)
	0.3% (313)	0.3% (387)	0.2% (191)	0.8% (891)
Total	34.8% (201)	33.3% (200)	31.9% (160)	100.0% (561)
	30.1% (899)	29.5% (1186)	40.4% (897)	100.0% (2982)
	Value	Core	Growth	Total

Domestic Equity Historical Cap/Style Exposures



Domestic Equity Historical Style Only Exposures

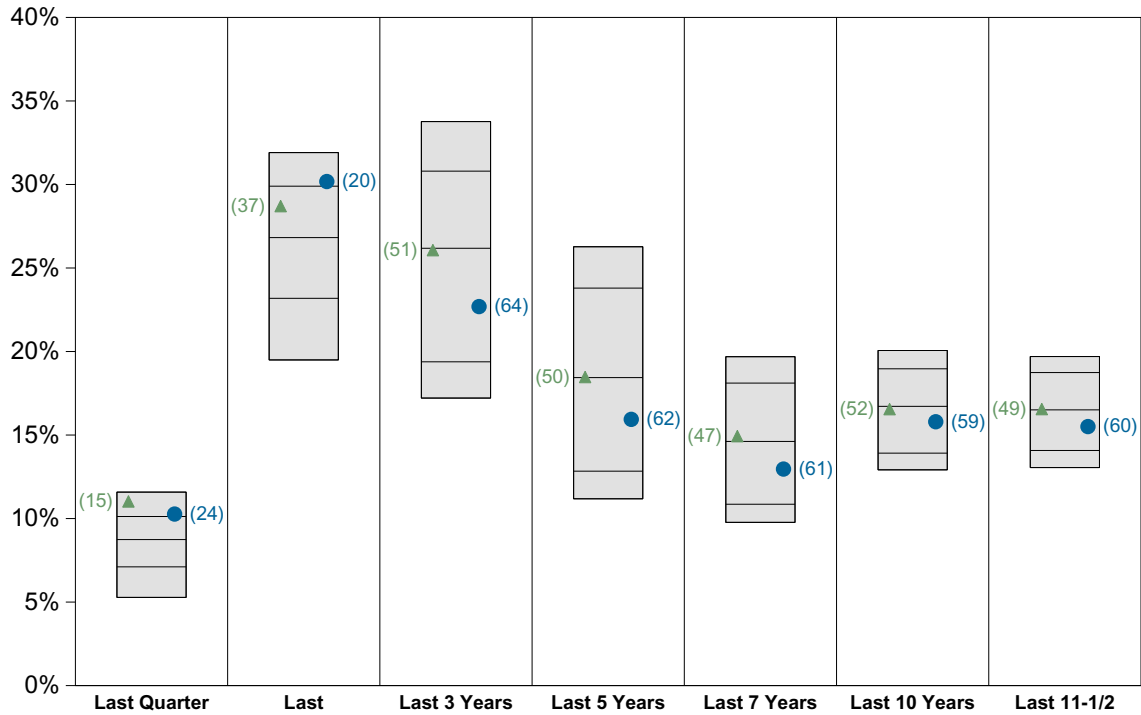


Large Cap Period Ended December 31, 2021

Quarterly Summary and Highlights

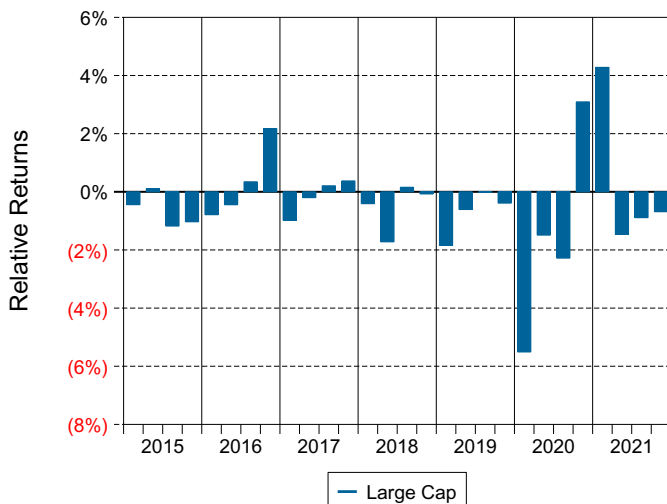
- Large Cap's portfolio posted a 10.27% return for the quarter placing it in the 24 percentile of the Callan Large Capitalization group for the quarter and in the 20 percentile for the last year.
- Large Cap's portfolio underperformed the S&P 500 Index by 0.76% for the quarter and outperformed the S&P 500 Index for the year by 1.47%.

Performance vs Callan Large Capitalization (Gross)

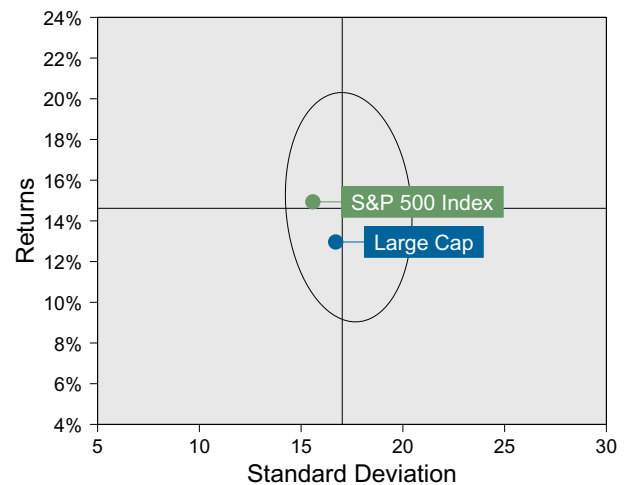


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 11-1/2 Years
10th Percentile	11.58	31.91	33.77	26.27	19.69	20.06	19.70
25th Percentile	10.12	29.90	30.80	23.80	18.11	18.96	18.74
Median	8.74	26.82	26.18	18.44	14.62	16.72	16.51
75th Percentile	7.11	23.19	19.38	12.84	10.86	13.92	14.08
90th Percentile	5.28	19.50	17.21	11.18	9.77	12.92	13.05
Large Cap ●	10.27	30.18	22.69	15.94	12.96	15.80	15.51
S&P 500 Index ▲	11.03	28.71	26.07	18.47	14.93	16.55	16.55

Relative Return vs S&P 500 Index



Callan Large Capitalization (Gross)
Annualized Seven Year Risk vs Return

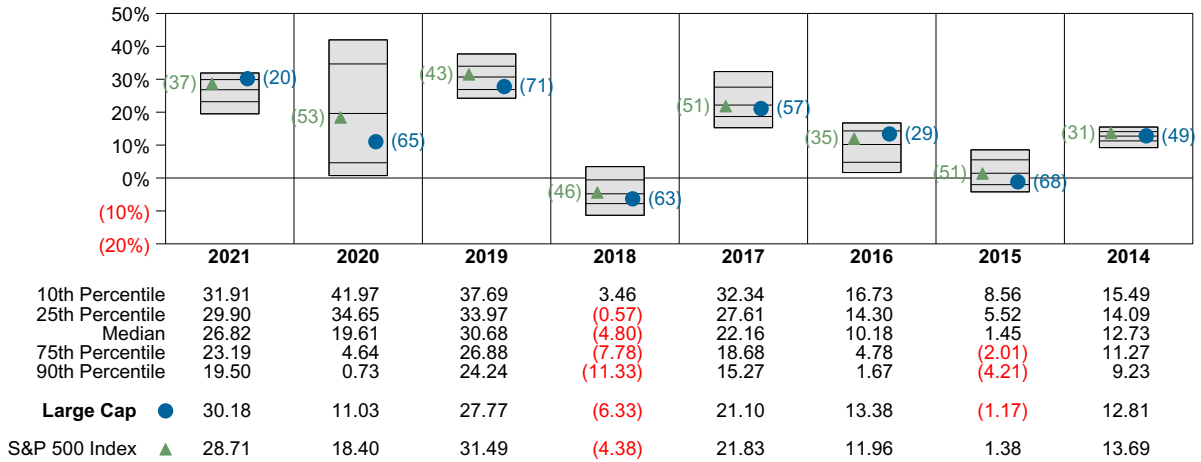


Large Cap Return Analysis Summary

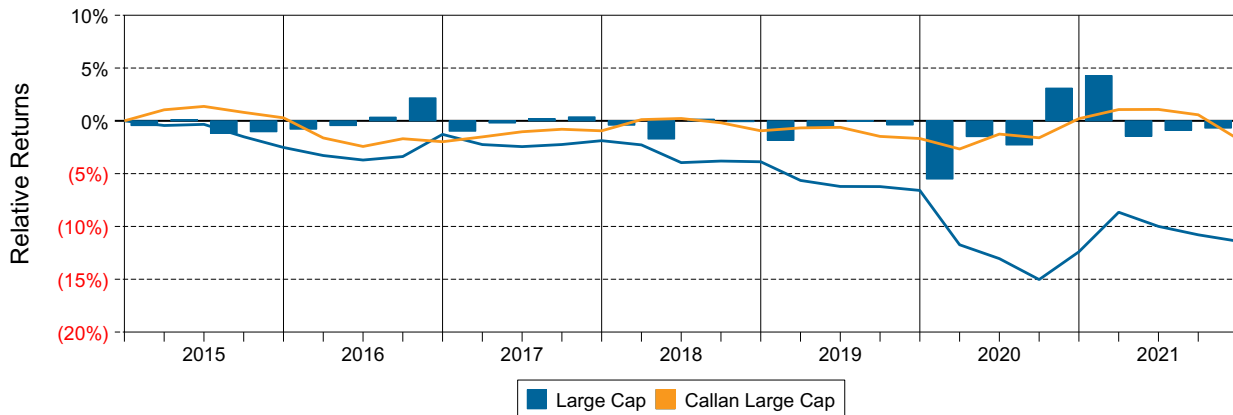
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

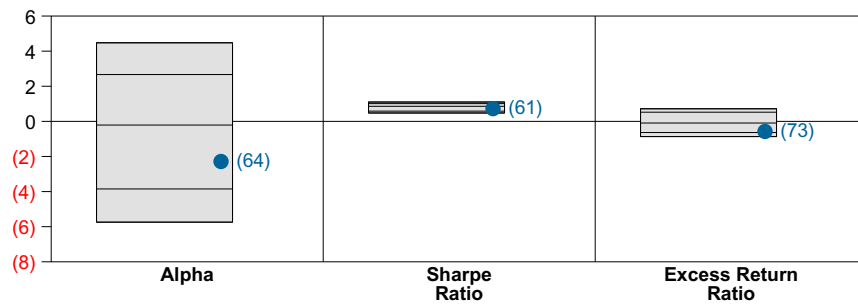
Performance vs Callan Large Capitalization (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Capitalization (Gross) Seven Years Ended December 31, 2021



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	4.48	1.10	0.72
25th Percentile	2.67	1.01	0.52
Median	(0.21)	0.86	(0.09)
75th Percentile	(3.85)	0.58	(0.64)
90th Percentile	(5.74)	0.48	(0.87)
Large Cap	(2.29)	0.72	(0.57)

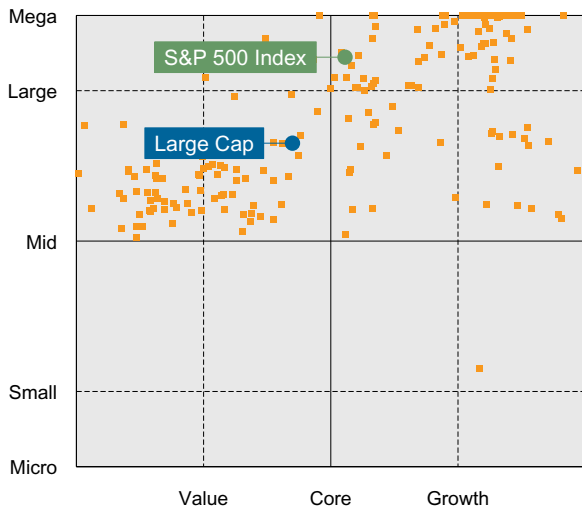
Current Holdings Based Style Analysis

Large Cap

As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

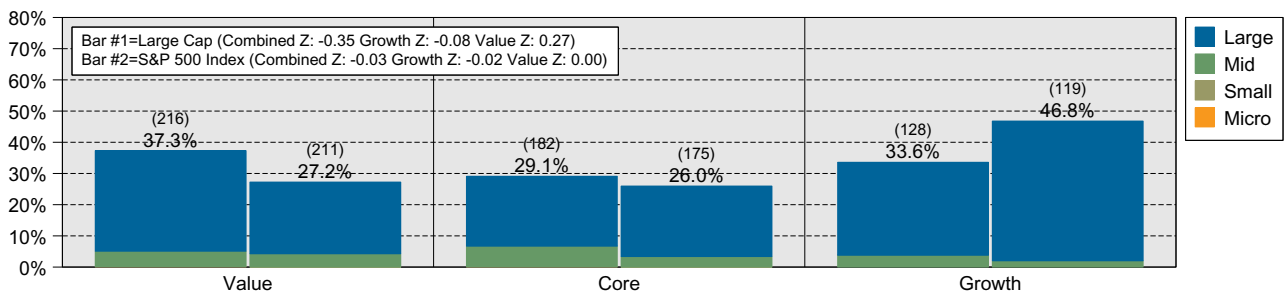
Style Map vs Callan Large Cap Holdings as of December 31, 2021



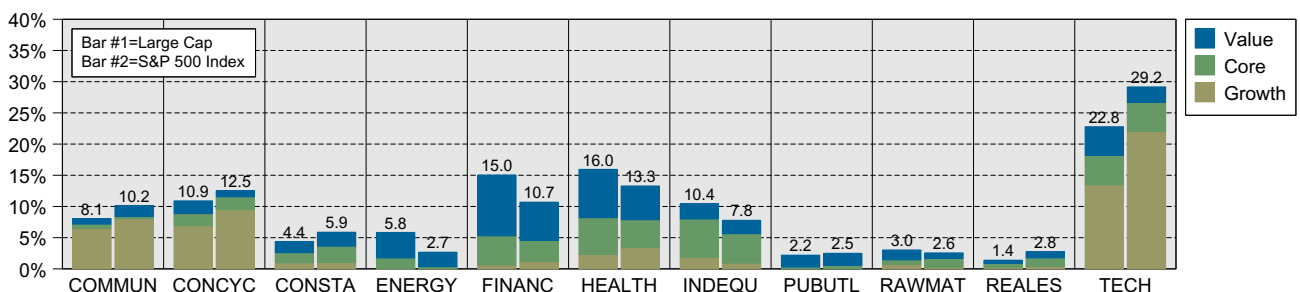
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Large	32.2% (104)	22.4% (96)	29.8% (80)	84.4% (280)
	23.0% (103)	22.6% (95)	44.8% (78)	90.3% (276)
Mid	4.9% (109)	6.5% (83)	3.8% (48)	15.2% (240)
	4.2% (106)	3.4% (78)	2.0% (41)	9.6% (225)
Small	0.2% (3)	0.2% (3)	0.0% (0)	0.4% (6)
	0.0% (2)	0.0% (2)	0.0% (0)	0.0% (4)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	37.3% (216)	29.1% (182)	33.6% (128)	100.0% (526)
	27.2% (211)	26.0% (175)	46.8% (119)	100.0% (505)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



Sector Weights Distribution Holdings as of December 31, 2021



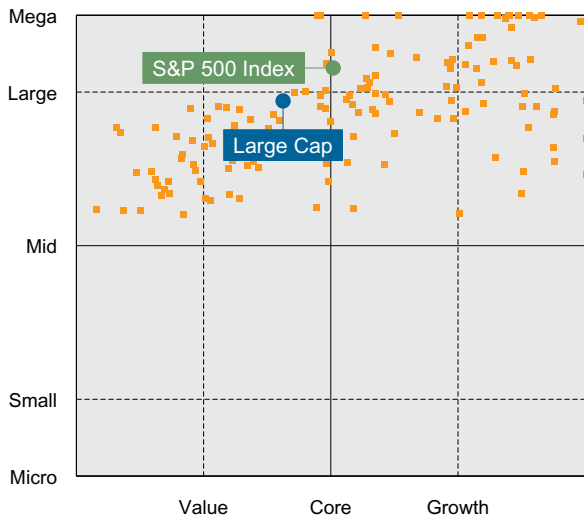
Historical Holdings Based Style Analysis

Large Cap

For Five Years Ended December 31, 2021

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

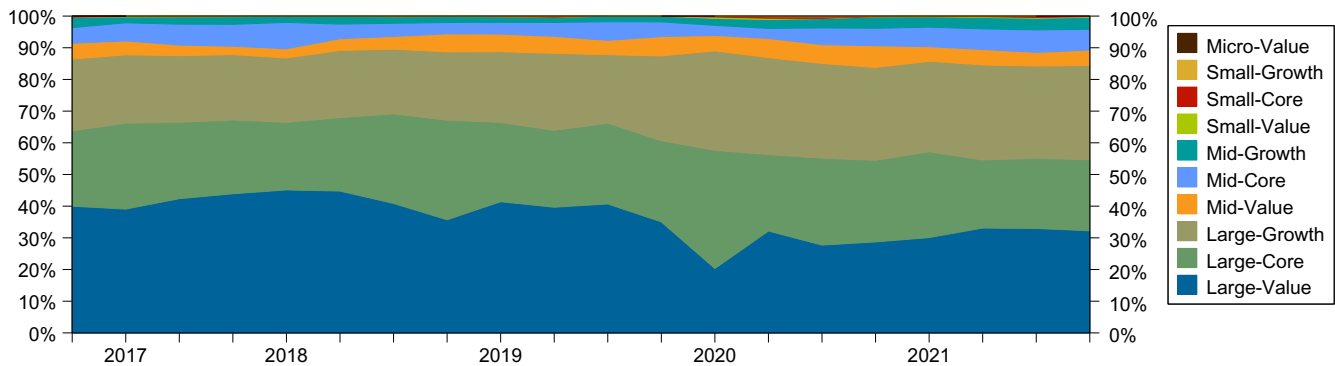
Average Style Map vs Callan Large Cap Holdings for Five Years Ended December 31, 2021



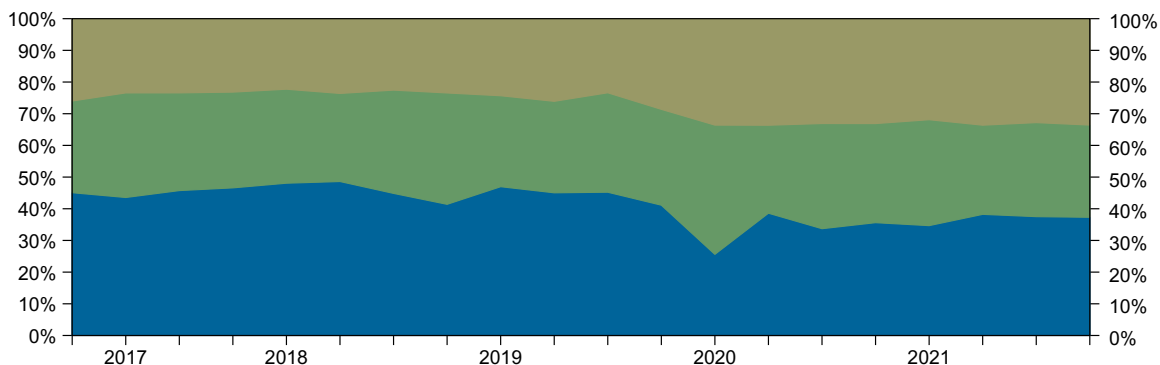
Average Style Exposure Matrix Holdings for Five Years Ended December 31, 2021

Large	36.3% (102)	25.5% (96)	25.2% (89)	87.0% (287)
	27.9% (100)	25.0% (94)	37.1% (86)	89.9% (280)
Mid	4.8% (94)	5.3% (83)	2.6% (50)	12.7% (227)
	3.9% (92)	3.7% (79)	2.4% (47)	10.0% (218)
Small	0.1% (4)	0.2% (2)	0.1% (2)	0.3% (8)
	0.0% (4)	0.0% (1)	0.0% (1)	0.1% (6)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	41.2% (200)	31.0% (181)	27.8% (141)	100.0% (522)
	31.8% (196)	28.7% (174)	39.5% (134)	100.0% (504)
	Value	Core	Growth	Total

Large Cap Historical Cap/Style Exposures



Large Cap Historical Style Only Exposures



SSgA S&P 500

Period Ended December 31, 2021

Investment Philosophy

SSGA believes that their passive investment strategy can provide market-like returns with minimal transaction costs. Returns prior to 6/30/2012 are linked to a composite history.

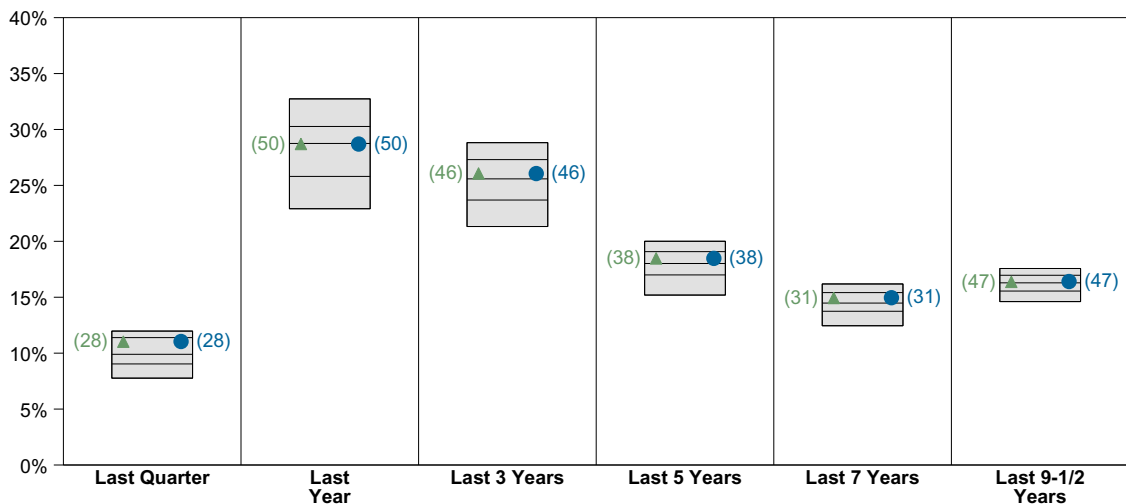
Quarterly Summary and Highlights

- SSgA S&P 500's portfolio posted a 11.04% return for the quarter placing it in the 28 percentile of the Callan Large Cap Core group for the quarter and in the 50 percentile for the last year.
- SSgA S&P 500's portfolio outperformed the S&P 500 Index by 0.02% for the quarter and underperformed the S&P 500 Index for the year by 0.01%.

Quarterly Asset Growth

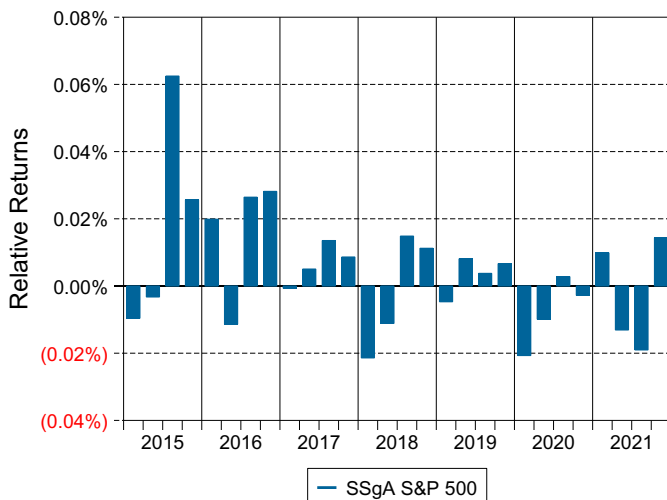
Beginning Market Value	\$59,482,653
Net New Investment	\$-1,066,708
Investment Gains/(Losses)	\$6,538,663
Ending Market Value	\$64,954,609

Performance vs Callan Large Cap Core (Gross)

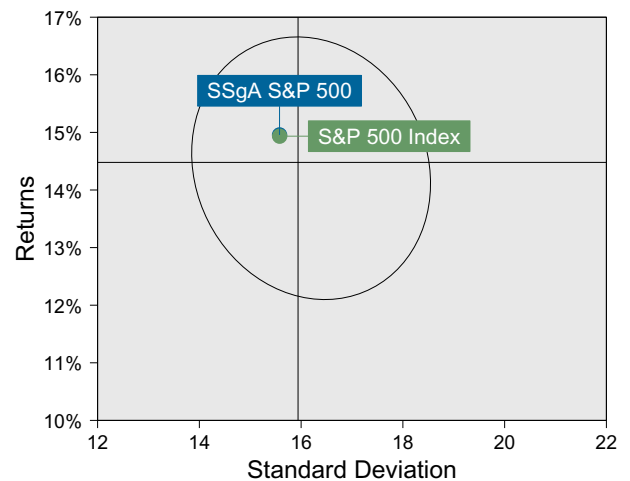


10th Percentile	11.98	32.74	28.82	20.00	16.19	17.57
25th Percentile	11.39	30.27	27.31	19.08	15.42	16.97
Median	9.90	28.75	25.58	18.02	14.48	16.29
75th Percentile	9.04	25.80	23.69	17.00	13.75	15.55
90th Percentile	7.77	22.91	21.32	15.19	12.45	14.61
SSgA S&P 500	● 11.04	28.70	26.06	18.47	14.96	16.40
S&P 500 Index	▲ 11.03	28.71	26.07	18.47	14.93	16.38

Relative Return vs S&P 500 Index



Callan Large Cap Core (Gross) Annualized Seven Year Risk vs Return

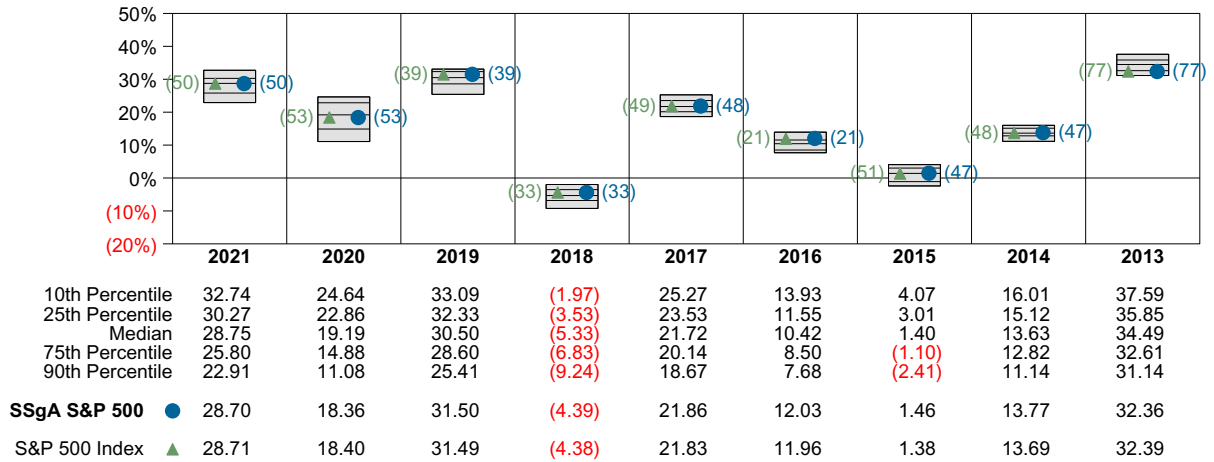


SSgA S&P 500 Return Analysis Summary

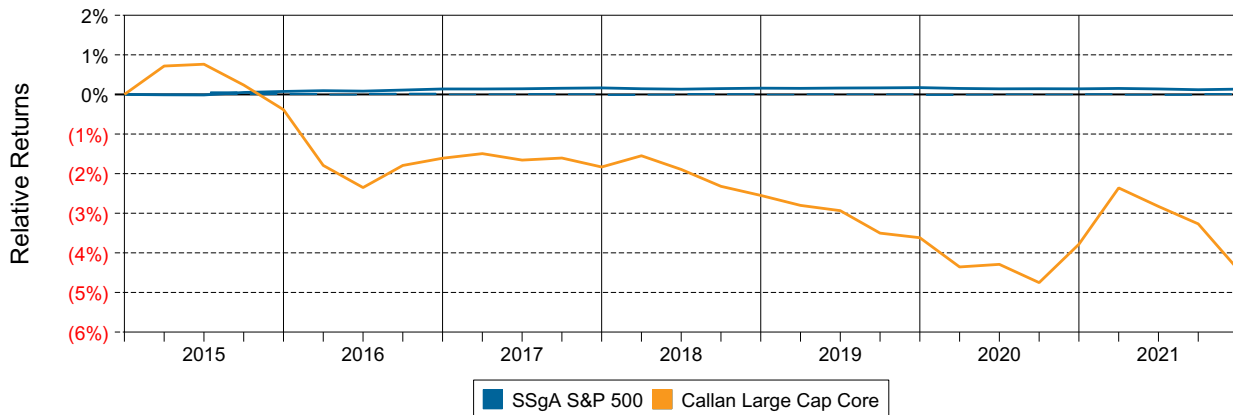
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

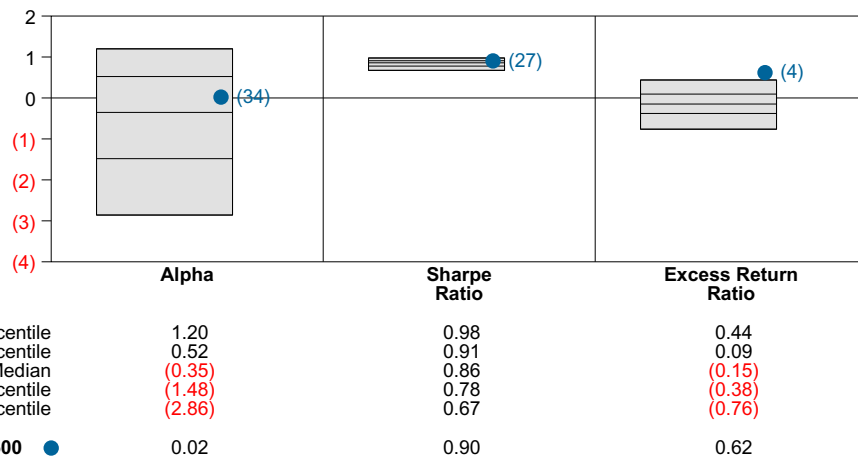
Performance vs Callan Large Cap Core (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Cap Core (Gross) Seven Years Ended December 31, 2021

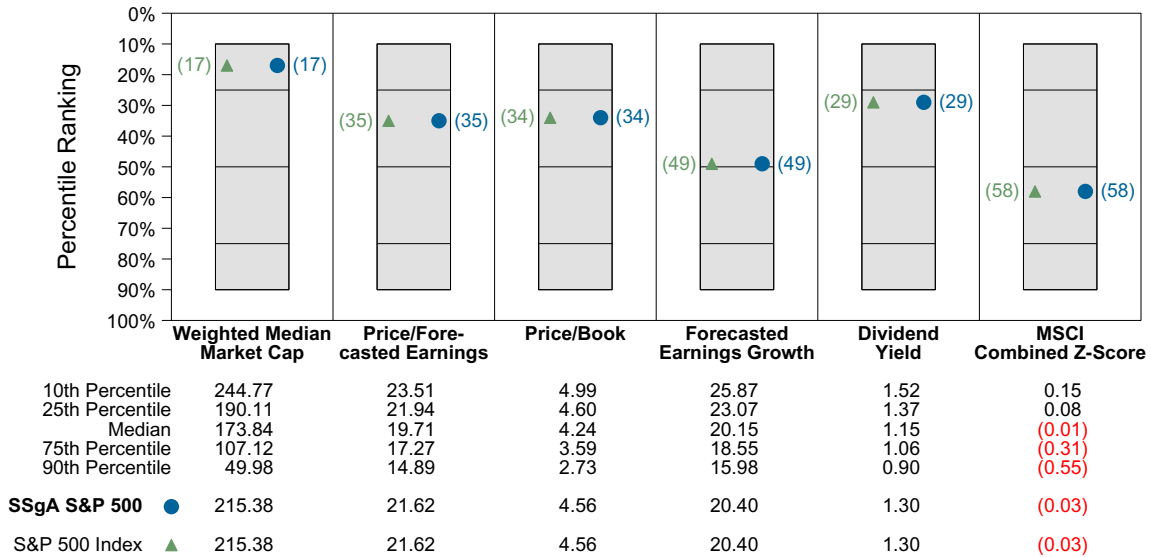


SSgA S&P 500 Equity Characteristics Analysis Summary

Portfolio Characteristics

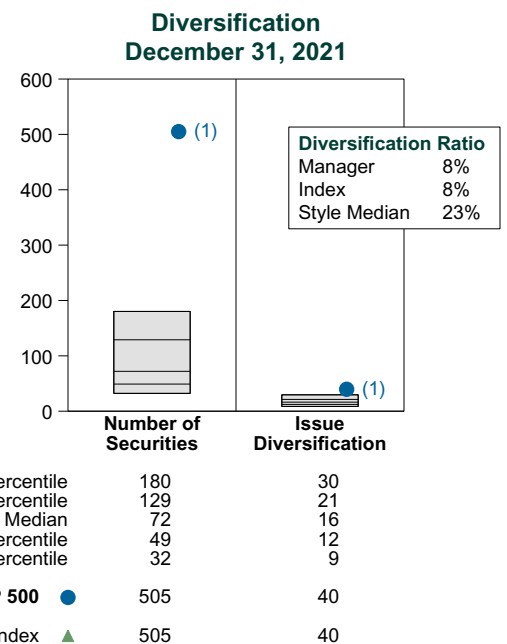
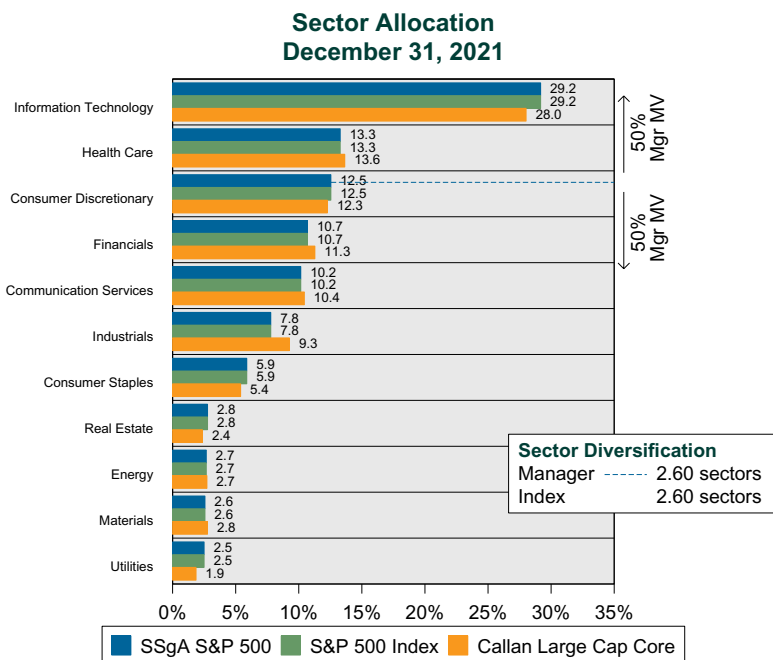
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Core as of December 31, 2021



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



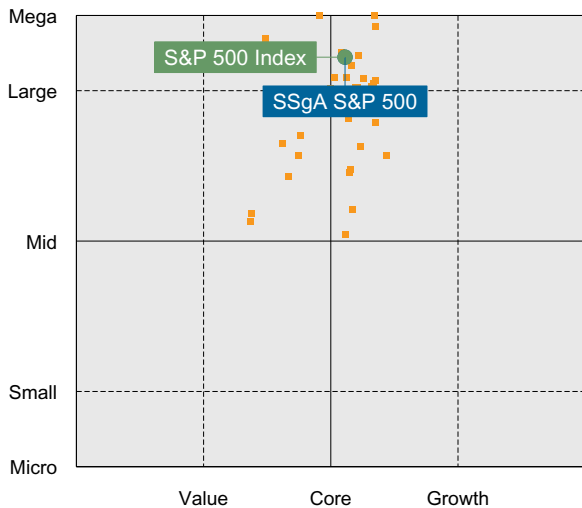
Current Holdings Based Style Analysis

SSgA S&P 500

As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

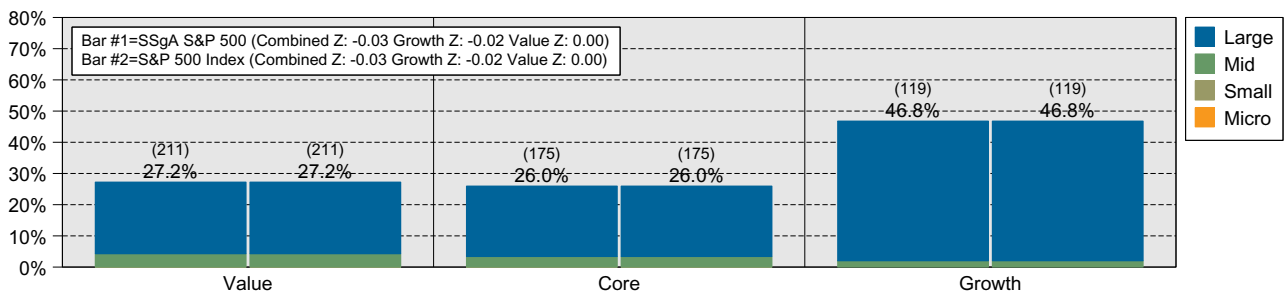
Style Map vs Callan Large Cap Core Holdings as of December 31, 2021



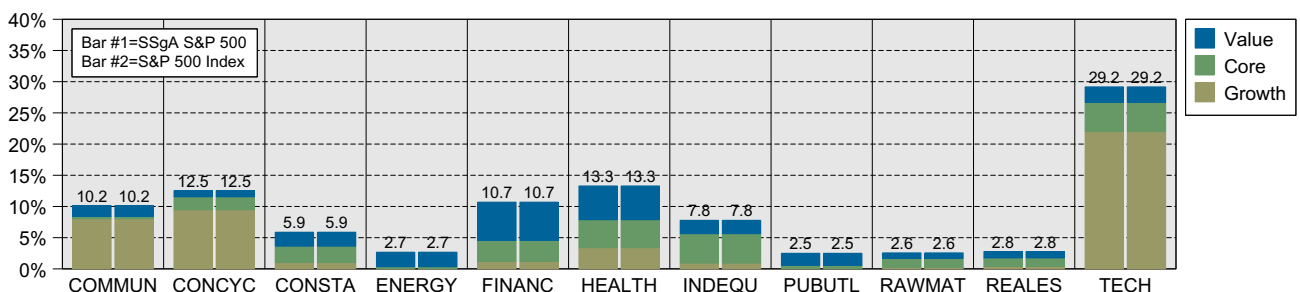
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Large	23.0% (103)	22.6% (95)	44.8% (78)	90.3% (276)
Mid	4.2% (106)	3.4% (78)	2.0% (41)	9.6% (225)
Small	0.0% (2)	0.0% (2)	0.0% (0)	0.0% (4)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	27.2% (211)	26.0% (175)	46.8% (119)	100.0% (505)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



Sector Weights Distribution Holdings as of December 31, 2021



Boston Partners Period Ended December 31, 2021

Investment Philosophy

Boston Partners attempts to implement a disciplined investment process designed to find undervalued securities issued by companies with sound fundamentals and positive business momentum. Boston Partners was funded 6/27/05. The first full quarter for this portfolio is 3rd quarter 2005.

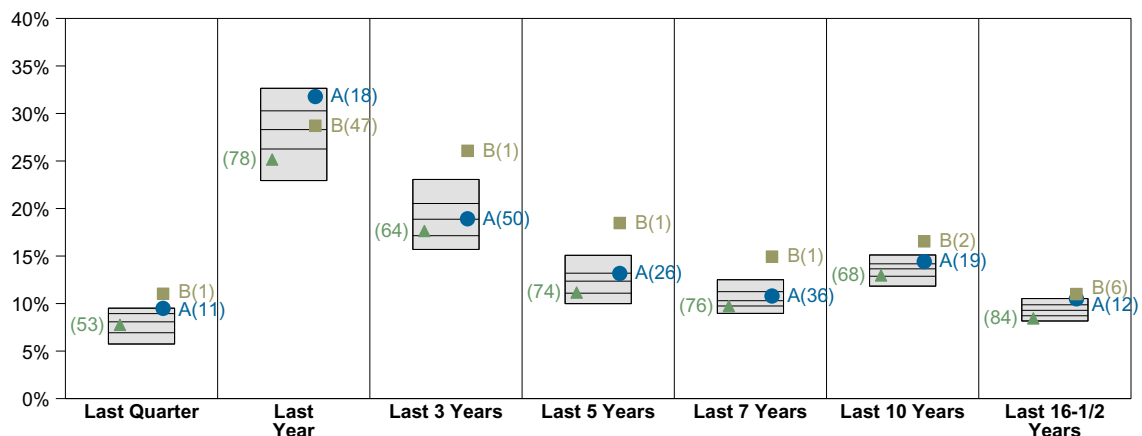
Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 9.49% return for the quarter placing it in the 11 percentile of the Callan Large Cap Value group for the quarter and in the 18 percentile for the last year.
- Boston Partners's portfolio outperformed the Russell 1000 Value Index by 1.72% for the quarter and outperformed the Russell 1000 Value Index for the year by 6.62%.

Quarterly Asset Growth

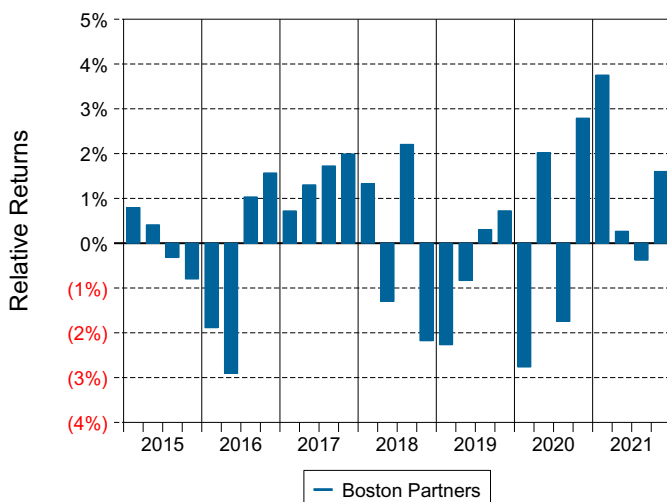
Beginning Market Value	\$60,500,060
Net New Investment	\$-0
Investment Gains/(Losses)	\$5,744,022
Ending Market Value	\$66,244,082

Performance vs Callan Large Cap Value (Gross)

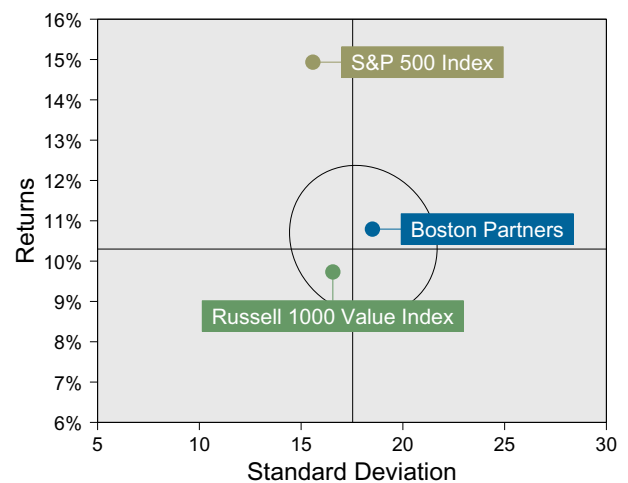


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 16-1/2 Years
10th Percentile	9.52	32.65	23.06	15.08	12.51	15.11	10.53
25th Percentile	8.94	30.28	20.53	13.20	11.25	14.18	9.87
Median	8.08	28.30	18.87	12.36	10.30	13.65	9.29
75th Percentile	6.93	26.26	17.14	11.09	9.75	12.87	8.72
90th Percentile	5.74	22.94	15.69	9.99	8.97	11.83	8.17
Boston Partners	● A 9.49	31.78	18.92	13.17	10.79	14.42	10.50
S&P 500 Index	■ B 11.03	28.71	26.07	18.47	14.93	16.55	11.00
Russell 1000 Value Index	▲ 7.77	25.16	17.64	11.16	9.73	12.97	8.44

Relative Return vs Russell 1000 Value Index



Callan Large Cap Value (Gross) Annualized Seven Year Risk vs Return

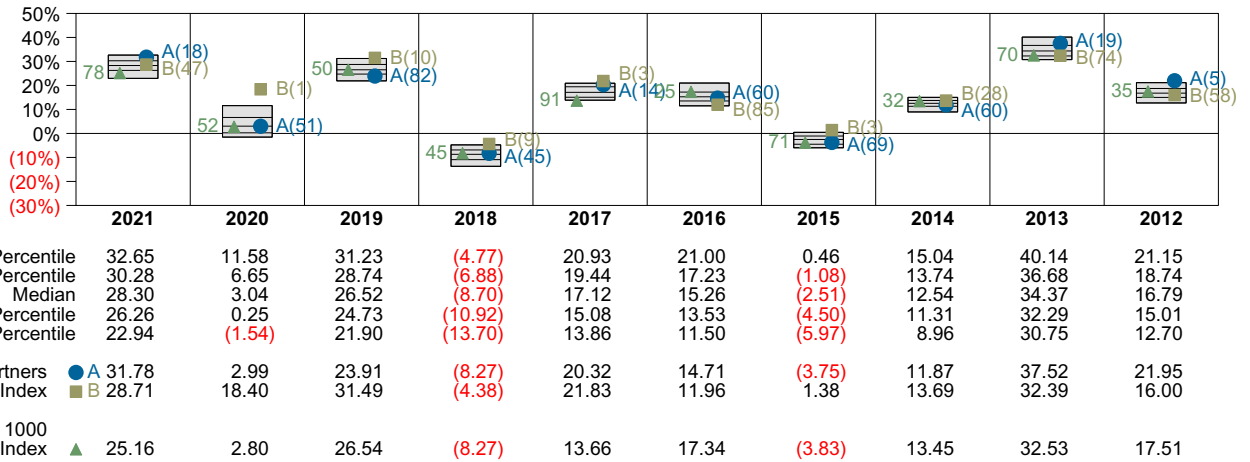


Boston Partners Return Analysis Summary

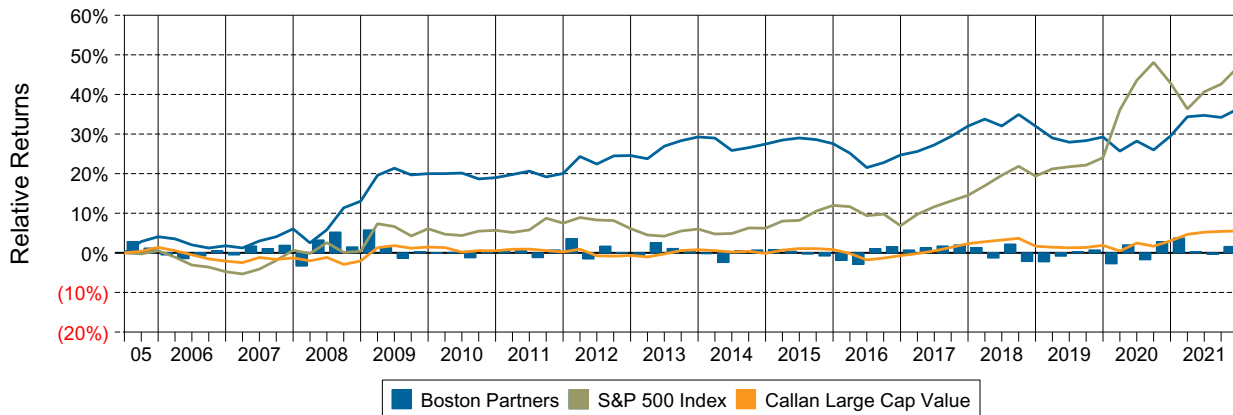
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

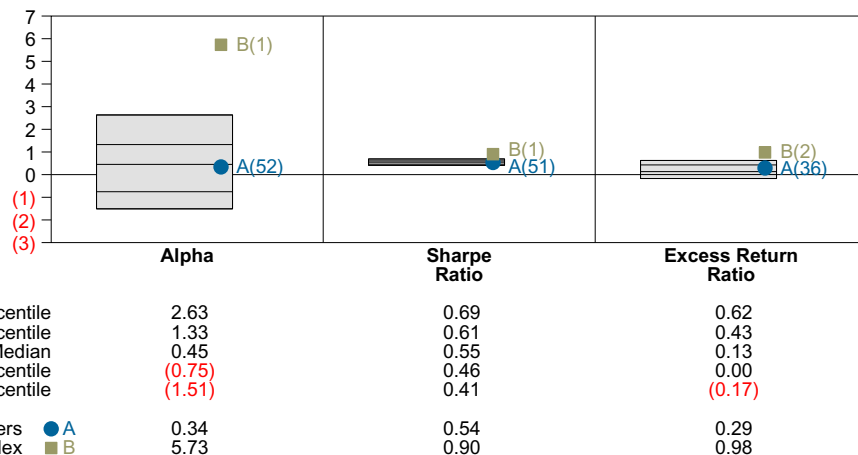
Performance vs Callan Large Cap Value (Gross)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended December 31, 2021

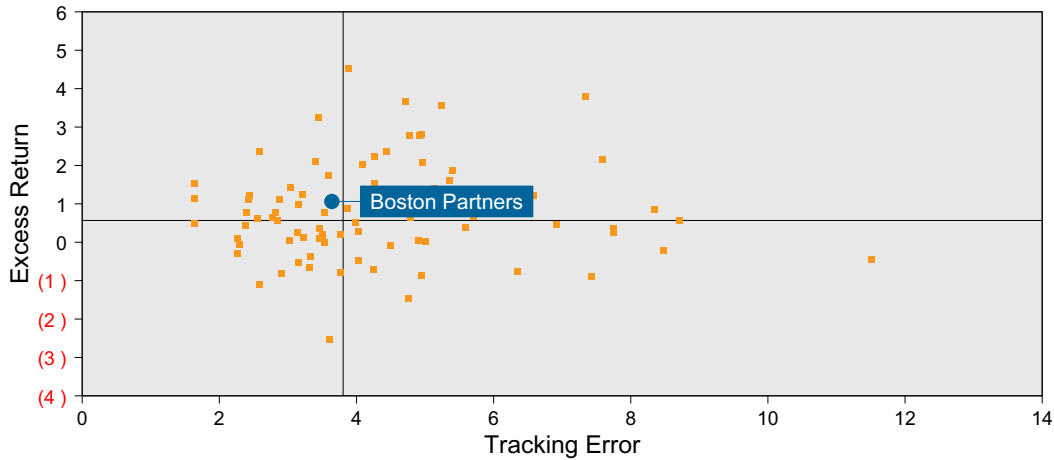


Boston Partners Risk Analysis Summary

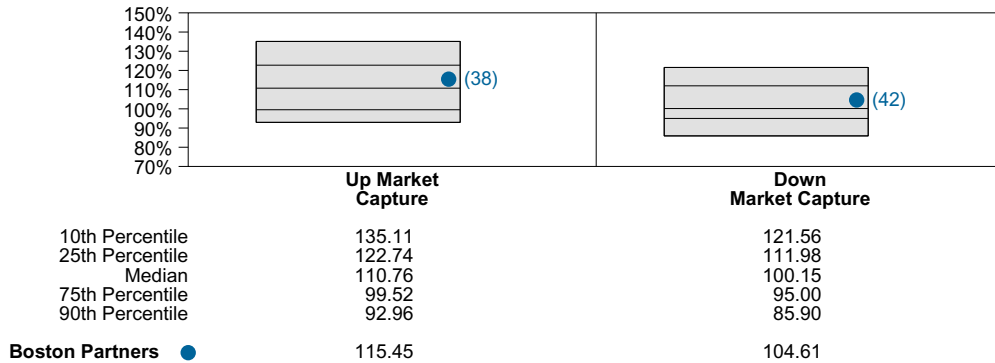
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

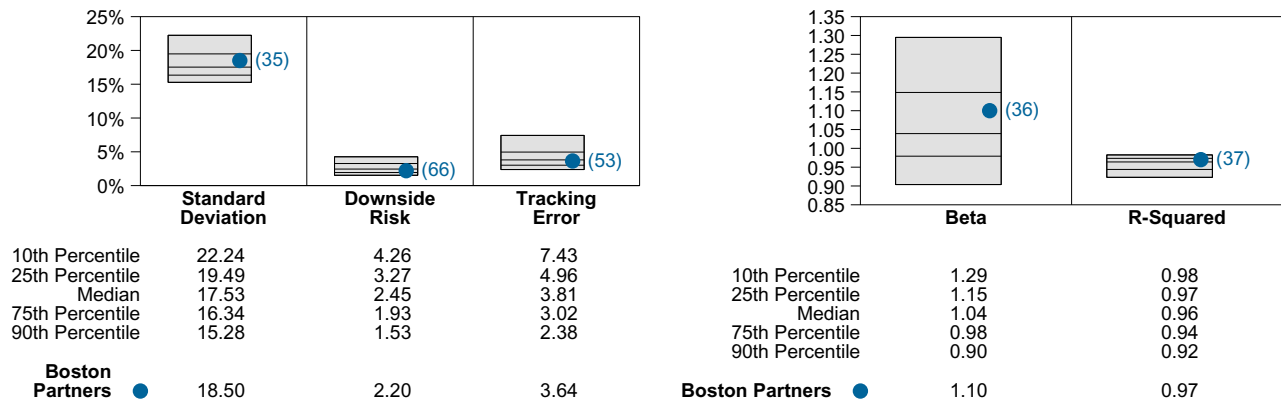
Risk Analysis vs Callan Large Cap Value (Gross) Seven Years Ended December 31, 2021



Market Capture vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended December 31, 2021



Risk Statistics Rankings vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended December 31, 2021

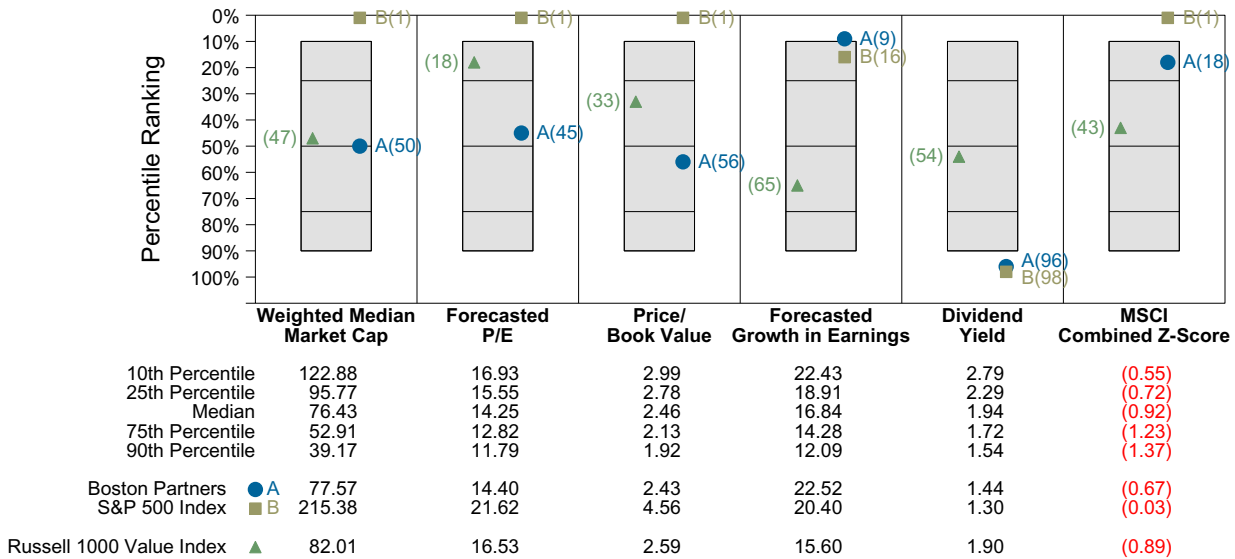


Boston Partners Equity Characteristics Analysis Summary

Portfolio Characteristics

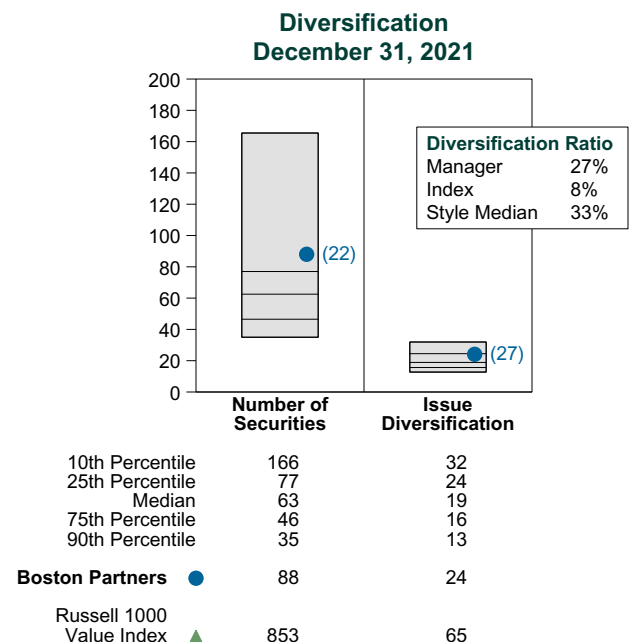
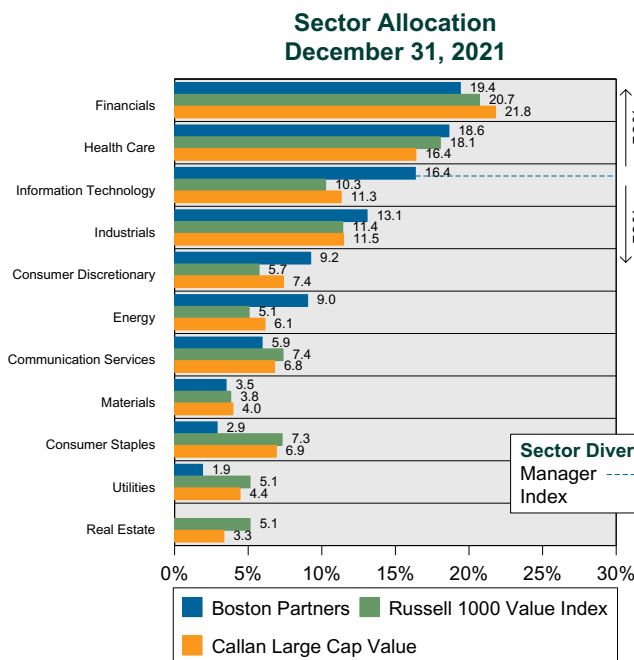
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Value as of December 31, 2021



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



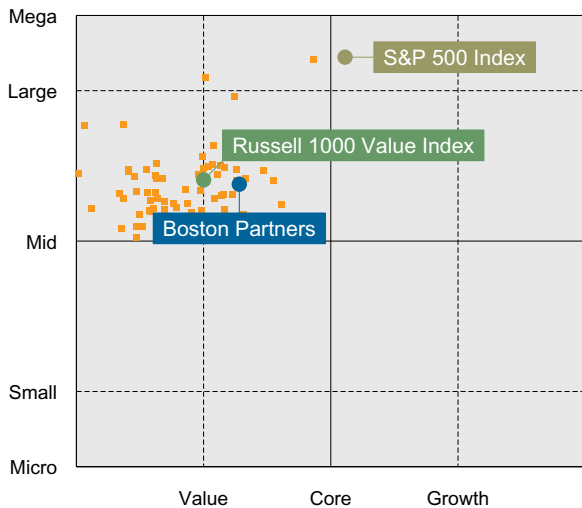
Current Holdings Based Style Analysis

Boston Partners

As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

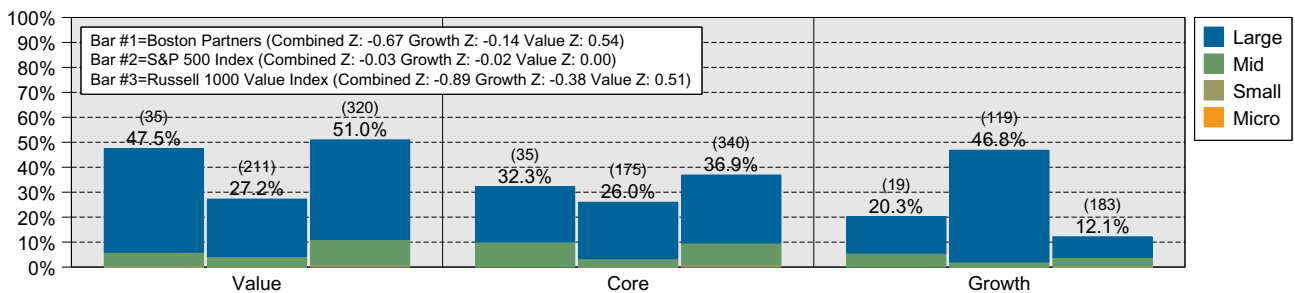
Style Map vs Callan Large Cap Value Holdings as of December 31, 2021



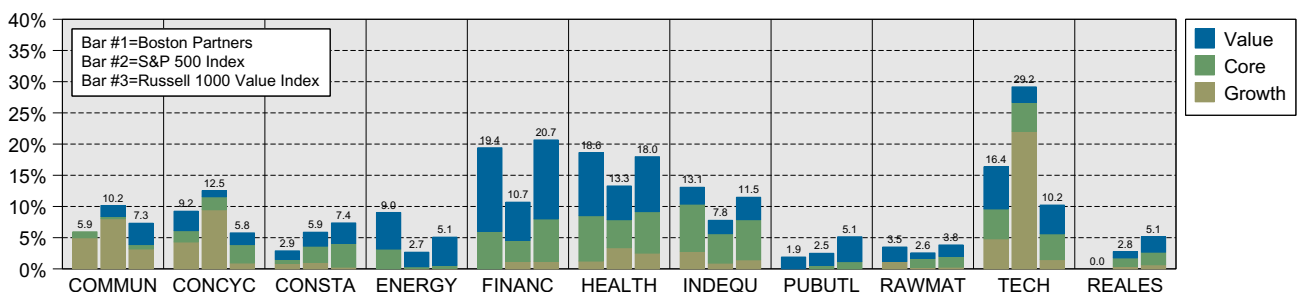
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Large	41.6% (26)	22.2% (19)	14.7% (11)	78.5% (56)
	23.0% (103)	22.6% (95)	44.8% (78)	90.3% (276)
	39.9% (103)	27.2% (83)	8.2% (45)	75.4% (231)
Mid	5.5% (8)	9.8% (15)	5.6% (8)	20.8% (31)
	4.2% (106)	3.4% (78)	2.0% (41)	9.6% (225)
	10.1% (169)	8.8% (193)	3.5% (97)	22.4% (459)
Small	0.4% (1)	0.3% (1)	0.0% (0)	0.7% (2)
	0.0% (2)	0.0% (2)	0.0% (0)	0.0% (4)
	0.9% (48)	0.9% (64)	0.4% (41)	2.2% (153)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	47.5% (35)	32.3% (35)	20.3% (19)	100.0% (89)
	27.2% (211)	26.0% (175)	46.8% (119)	100.0% (505)
	51.0% (320)	36.9% (340)	12.1% (183)	100.0% (843)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



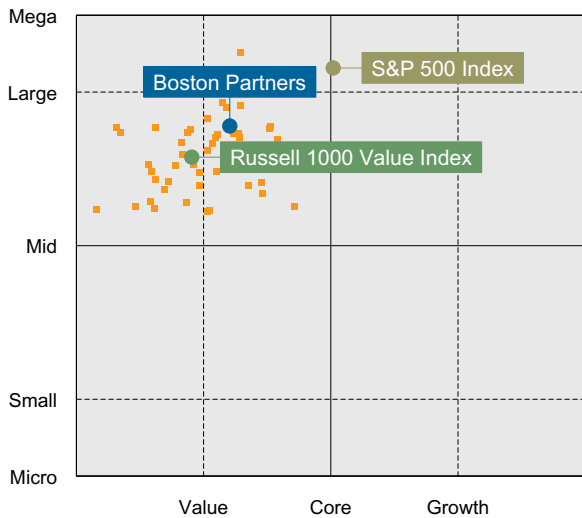
Sector Weights Distribution Holdings as of December 31, 2021



Historical Holdings Based Style Analysis Boston Partners For Five Years Ended December 31, 2021

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

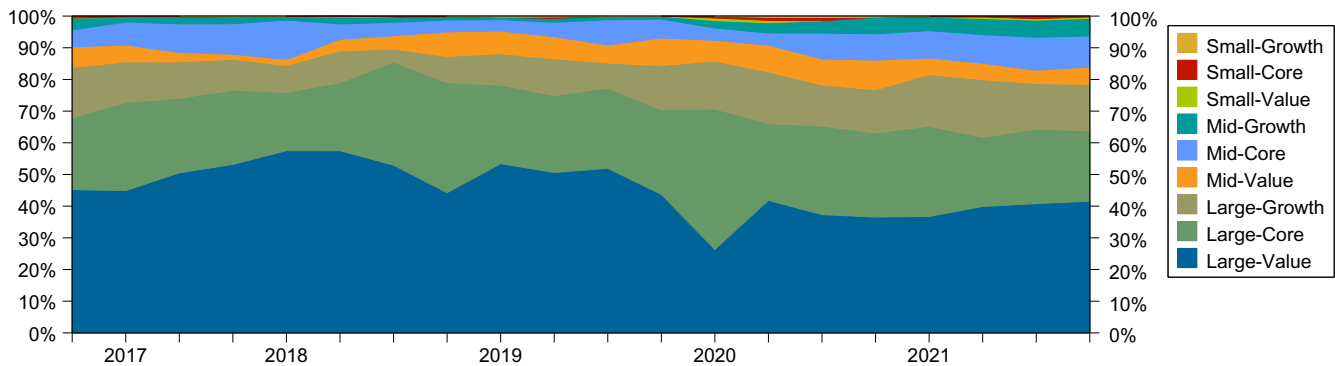
Average Style Map vs Callan Large Cap Value Holdings for Five Years Ended December 31, 2021



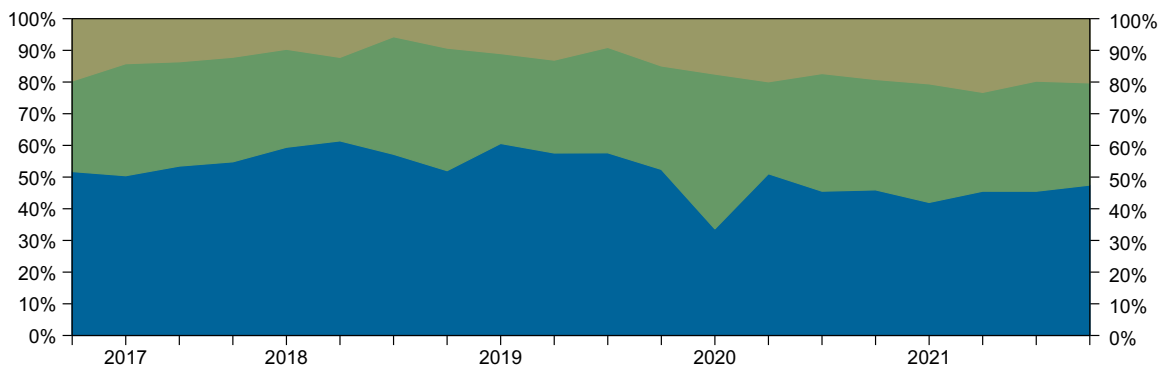
Average Style Exposure Matrix Holdings for Five Years Ended December 31, 2021

	Value	Core	Growth	Total
Large	45.3% (29)	26.2% (20)	12.3% (12)	83.9% (61)
	27.9% (100)	25.0% (94)	37.1% (86)	89.9% (280)
Mid	45.8% (99)	25.7% (80)	5.4% (32)	76.8% (211)
	5.8% (9)	7.0% (11)	2.7% (5)	15.5% (25)
Small	3.9% (92)	3.7% (79)	2.4% (47)	10.0% (218)
	9.6% (160)	8.1% (168)	3.1% (90)	20.8% (418)
Micro	0.2% (0)	0.3% (1)	0.1% (0)	0.6% (1)
	0.0% (4)	0.0% (1)	0.0% (1)	0.1% (6)
Total	1.1% (59)	0.9% (52)	0.3% (25)	2.3% (136)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	51.3% (38)	33.6% (32)	15.1% (17)	100.0% (87)
	31.8% (196)	28.7% (174)	39.5% (134)	100.0% (504)
Total	56.5% (318)	34.6% (300)	8.9% (147)	100.0% (765)

Boston Partners Historical Cap/Style Exposures



Boston Partners Historical Style Only Exposures



Boston Partners vs Russell 1000 Value Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended December 31, 2021

Manager Holdings with Largest (+ or -) Contribution to Performance

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Qualcomm Inc	Information Technology	1.62%	92	-	42.33%	-	0.59%	0.45%
Micron Technology Inc	Information Technology	1.79%	92	0.36%	31.35%	31.38%	0.54%	0.28%
Unitedhealth Group	Health Care	1.94%	92	1.91%	28.92%	28.92%	0.52%	(0.00)%
Autozone	Consumer Discretionary	2.25%	92	0.15%	23.28%	23.46%	0.51%	0.30%
Cisco Sys Inc	Information Technology	2.38%	92	1.17%	17.15%	17.22%	0.39%	0.09%
Centene Corp Del	Health Care	1.26%	92	0.20%	31.66%	32.24%	0.37%	0.23%
Pfizer	Health Care	1.18%	68	1.33%	20.55%	38.51%	0.36%	(0.04)%
Cigna Corp New	Health Care	2.00%	92	0.34%	15.28%	15.28%	0.31%	0.13%
Dowdupont Inc	Materials	1.55%	92	0.19%	19.27%	19.27%	0.29%	0.14%
Berkshire Hathaway Inc Del Cl B New	Financials	2.87%	92	2.57%	9.55%	9.55%	0.27%	0.00%

Index Holdings with Largest (+ or -) Contribution to Performance

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Index Perf	Contrib Excess Return
Unitedhealth Group	Health Care	1.94%	92	1.91%	28.92%	28.92%	0.50%	(0.00)%
Pfizer	Health Care	1.18%	68	1.33%	20.55%	38.51%	0.45%	(0.04)%
Procter & Gamble Co	Consumer Staples	-	-	1.74%	-	17.74%	0.30%	(0.17)%
Berkshire Hathaway Inc Del Cl B New	Financials	2.87%	92	2.57%	9.55%	9.55%	0.25%	0.00%
Cisco Sys Inc	Information Technology	2.38%	92	1.17%	17.15%	17.22%	0.20%	0.09%
Thermo Fisher Scientific Inc	Health Care	-	-	1.08%	-	16.84%	0.17%	(0.09)%
Chevron Corp New	Energy	-	-	1.06%	-	17.02%	0.17%	(0.09)%
Prologis Inc Com	Real Estate	-	-	0.53%	-	34.75%	0.16%	(0.12)%
Nextera Energy Inc	Utilities	-	-	0.82%	-	19.42%	0.15%	(0.09)%
Johnson & Johnson	Health Care	3.05%	92	2.09%	6.49%	6.63%	0.14%	(0.01)%

Positions with Largest Positive Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Qualcomm Inc	Information Technology	1.62%	92	-	42.33%	-	0.59%	0.45%
Autozone	Consumer Discretionary	2.25%	92	0.15%	23.28%	23.46%	0.51%	0.30%
Micron Technology Inc	Information Technology	1.79%	92	0.36%	31.35%	31.38%	0.54%	0.28%
Centene Corp Del	Health Care	1.26%	92	0.20%	31.66%	32.24%	0.37%	0.23%
Disney Walt Co Com Disney	Communication Services	-	-	1.35%	-	(8.44)%	-	0.21%
Comcast Corp A (New)	Communication Services	-	-	1.16%	-	(9.62)%	-	0.21%
Medtronic Plc Shs	Health Care	-	-	0.76%	-	(16.96)%	-	0.19%
Abbvie Inc Com	Health Care	1.04%	92	-	27.02%	-	0.27%	0.19%
Applied Matls Inc	Information Technology	1.24%	92	-	22.48%	-	0.25%	0.15%
McKesson Corp	Health Care	1.02%	92	0.14%	24.94%	24.94%	0.24%	0.14%

Positions with Largest Negative Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Fidelity Natl Information Sv	Information Technology	1.47%	92	0.34%	(10.65)%	(9.96)%	(0.17)%	(0.20)%
Capital One Finl Corp	Financials	1.38%	92	0.33%	(10.07)%	(10.08)%	(0.15)%	(0.19)%
Procter & Gamble Co	Consumer Staples	-	-	1.74%	-	17.74%	-	(0.17)%
Fleetcor Technologies Inc	Information Technology	0.74%	92	0.07%	(14.74)%	(14.33)%	(0.11)%	(0.14)%
Citigroup Inc	Financials	1.33%	92	0.65%	(13.27)%	(13.32)%	(0.17)%	(0.14)%
Global Pmts Inc	Information Technology	0.87%	92	0.20%	(14.86)%	(14.05)%	(0.12)%	(0.14)%
Charter Communications Inc N Cl A	Communication Services	0.71%	92	0.02%	(10.50)%	(10.39)%	(0.08)%	(0.13)%
United Rentals Inc	Industrials	1.23%	92	0.08%	(5.26)%	(5.31)%	(0.04)%	(0.13)%
Prologis Inc Com	Real Estate	-	-	0.53%	-	34.75%	-	(0.12)%
Facebook Inc Cl A	Communication Services	1.34%	92	-	(0.90)%	-	(0.01)%	(0.12)%

Atlanta Capital Period Ended December 31, 2021

Investment Philosophy

Atlanta Capital Managements approach with its small cap product is to focus on high quality companies with an overall portfolio risk exposure tied to the Russell 2000 Index. Key characteristics of this portfolio include: (1) stocks rated B+ or better by S&P, (2) equally weighting 75 stocks, (3) sector concentrations similar to that of the benchmark. A group of ten analysts is in charge of screening the Russell 2000 to identify companies they believe have strong price appreciation potential and good business fundamentals. These analysts present the ideas to the portfolio management team, led by Chip Reed, who makes the final decisions on the inclusion of stocks. In general, stocks are sold from the portfolio if the B+ or better financial rating is no longer met, there is an adverse change in the fundamental business, or because of regular portfolio maintenance to ensure broad diversification. Returns prior to 6/30/2010 are linked to a composite history.

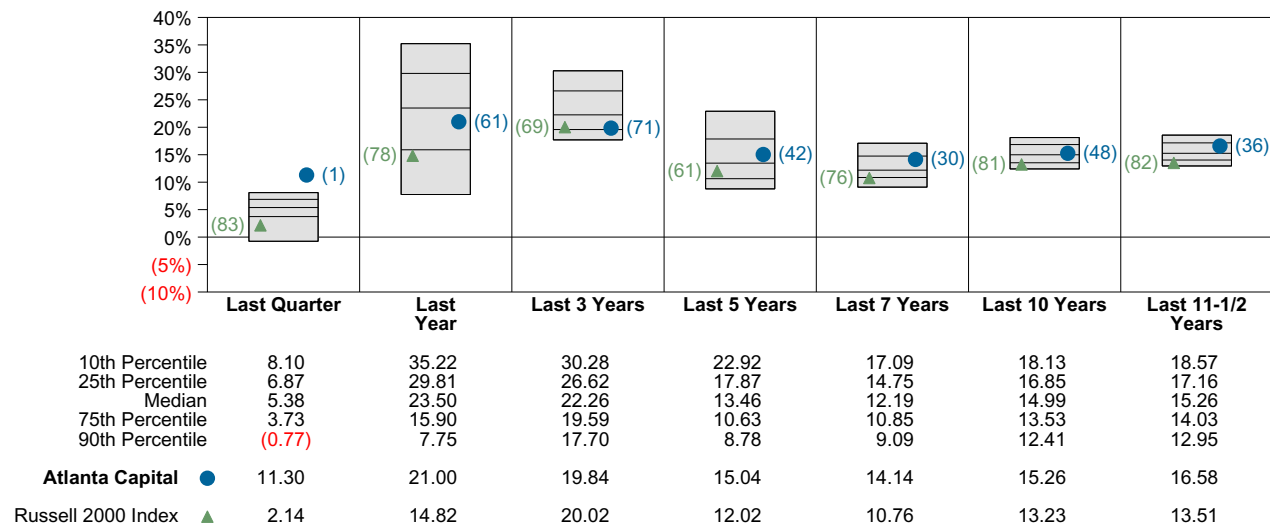
Quarterly Summary and Highlights

- Atlanta Capital's portfolio posted a 11.30% return for the quarter placing it in the 1 percentile of the Callan Small Capitalization group for the quarter and in the 61 percentile for the last year.
- Atlanta Capital's portfolio outperformed the Russell 2000 Index by 9.16% for the quarter and outperformed the Russell 2000 Index for the year by 6.19%.

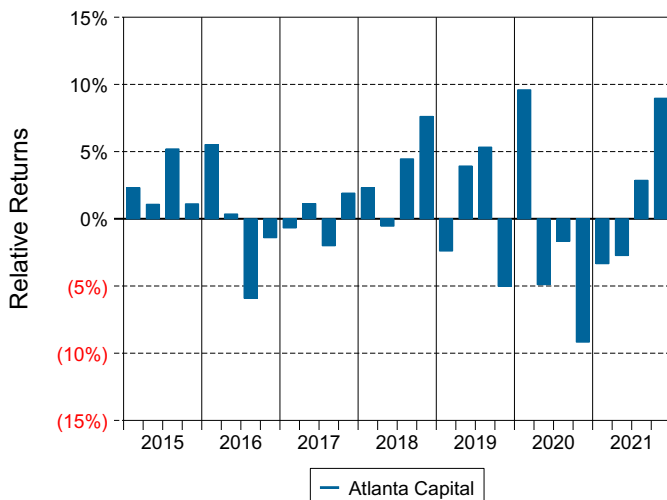
Quarterly Asset Growth

Beginning Market Value	\$34,002,681
Net New Investment	\$-3,415,425
Investment Gains/(Losses)	\$3,618,258
Ending Market Value	\$34,205,514

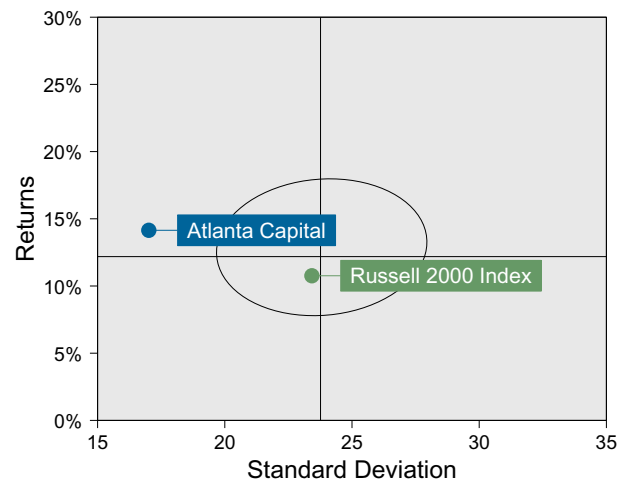
Performance vs Callan Small Capitalization (Gross)



Relative Return vs Russell 2000 Index



Callan Small Capitalization (Gross) Annualized Seven Year Risk vs Return

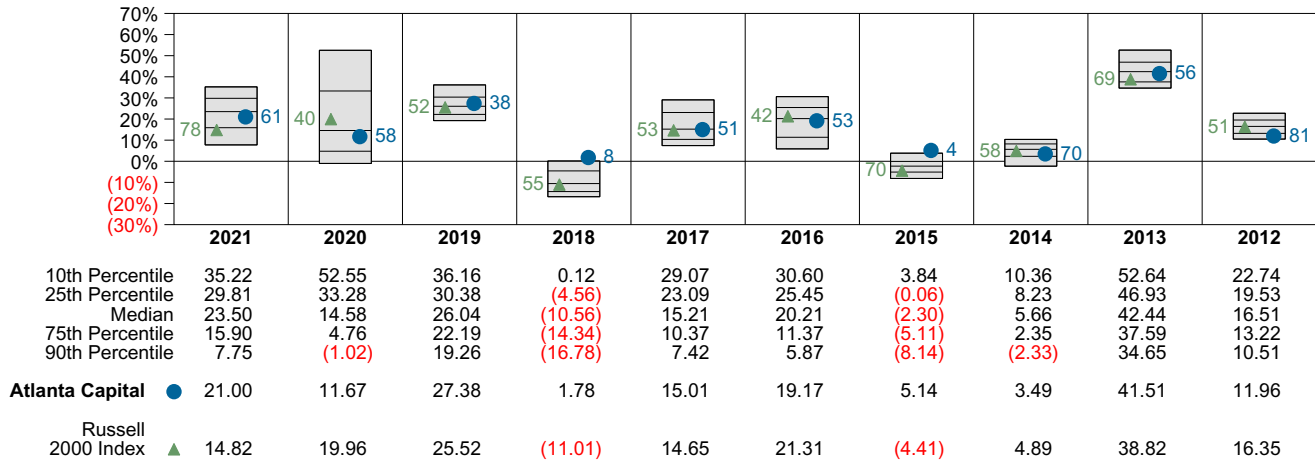


Atlanta Capital Return Analysis Summary

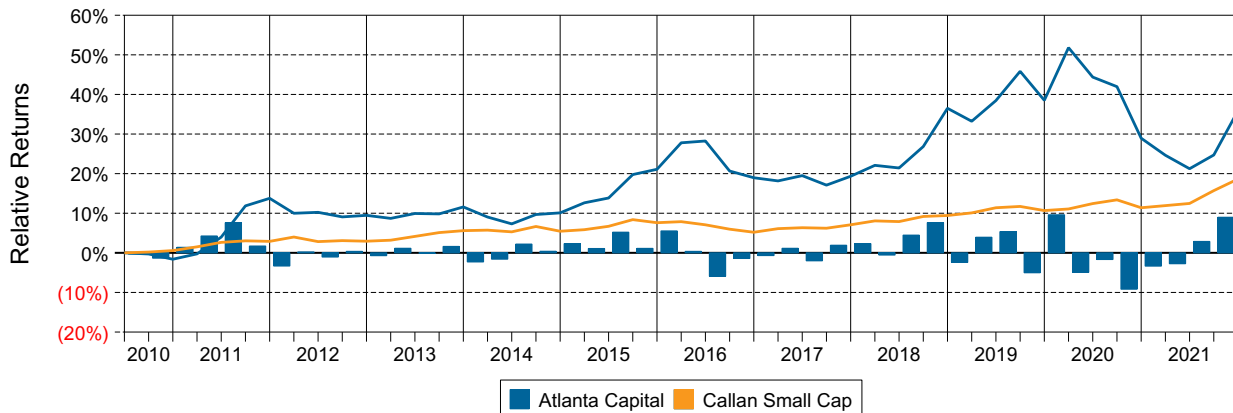
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

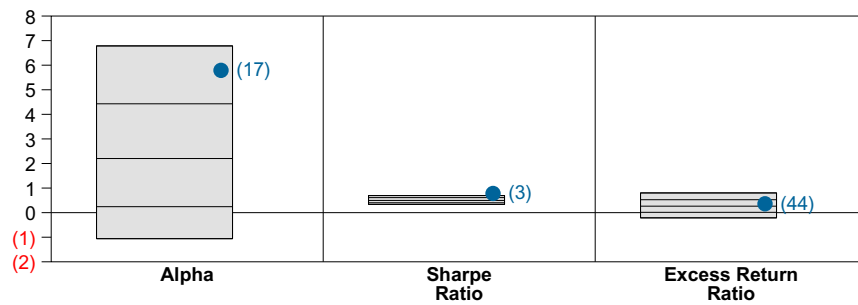
Performance vs Callan Small Capitalization (Gross)



Cumulative and Quarterly Relative Return vs Russell 2000 Index



Risk Adjusted Return Measures vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended December 31, 2021

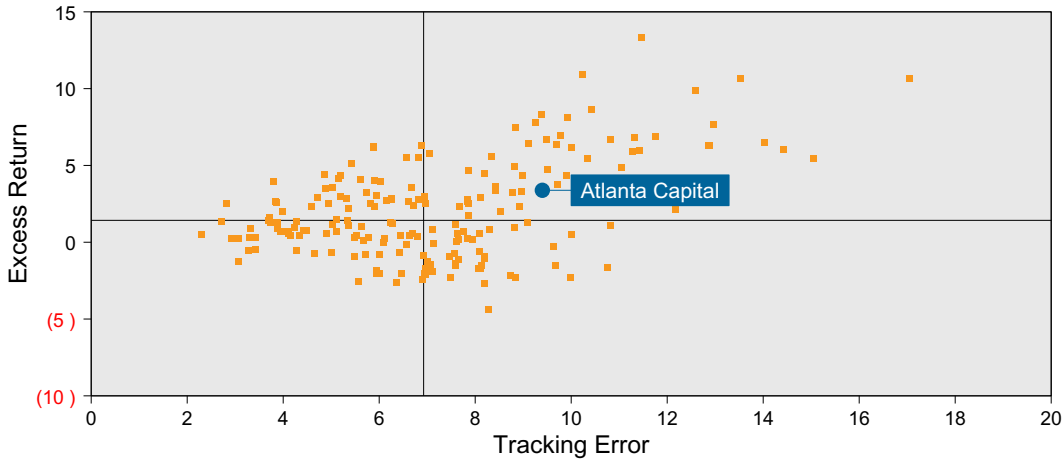


Atlanta Capital Risk Analysis Summary

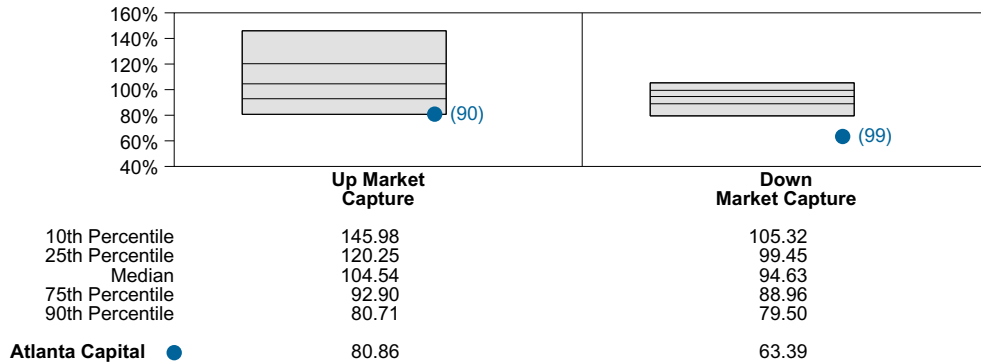
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

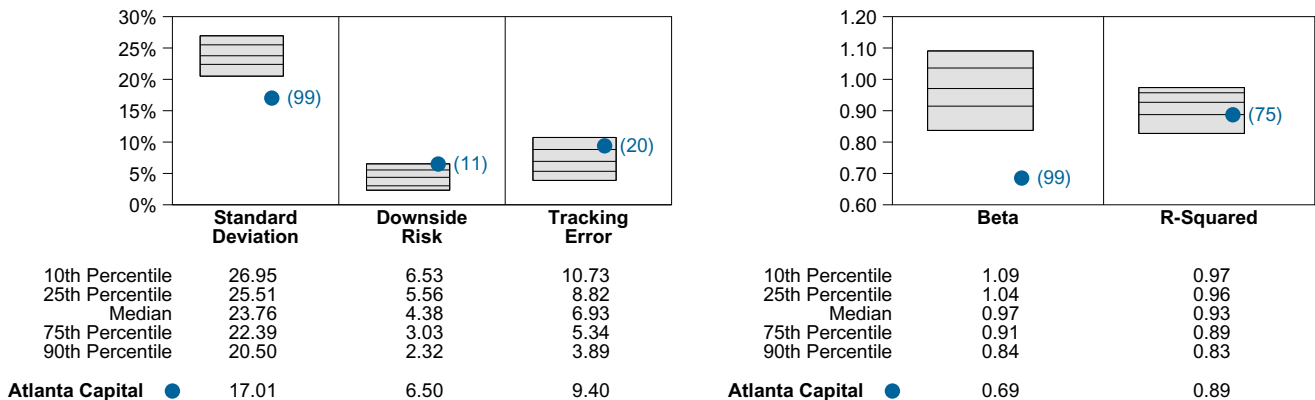
Risk Analysis vs Callan Small Capitalization (Gross) Seven Years Ended December 31, 2021



Market Capture vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended December 31, 2021



Risk Statistics Rankings vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended December 31, 2021

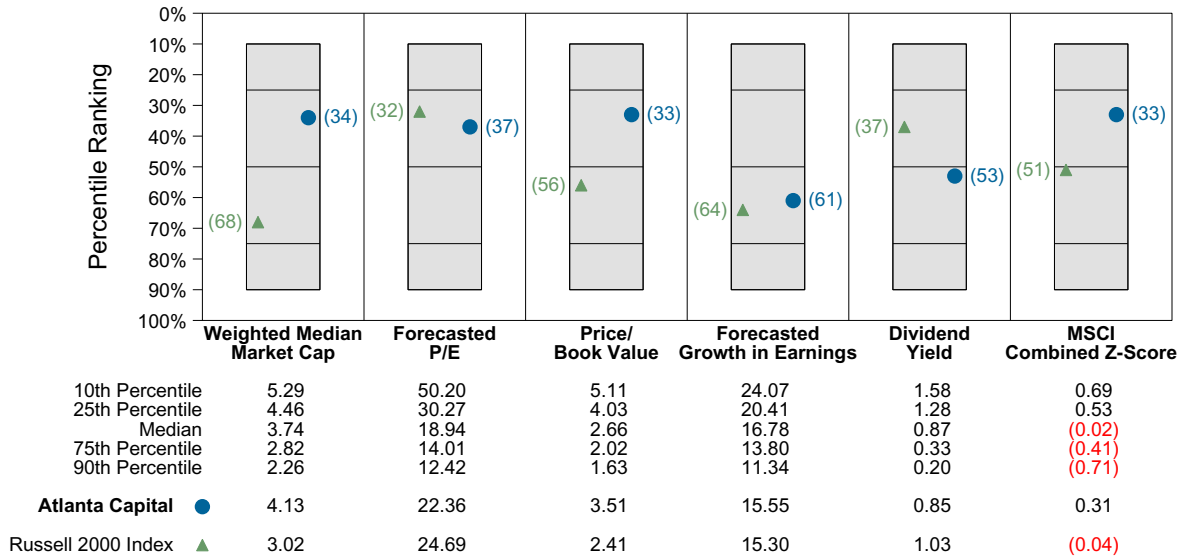


Atlanta Capital Equity Characteristics Analysis Summary

Portfolio Characteristics

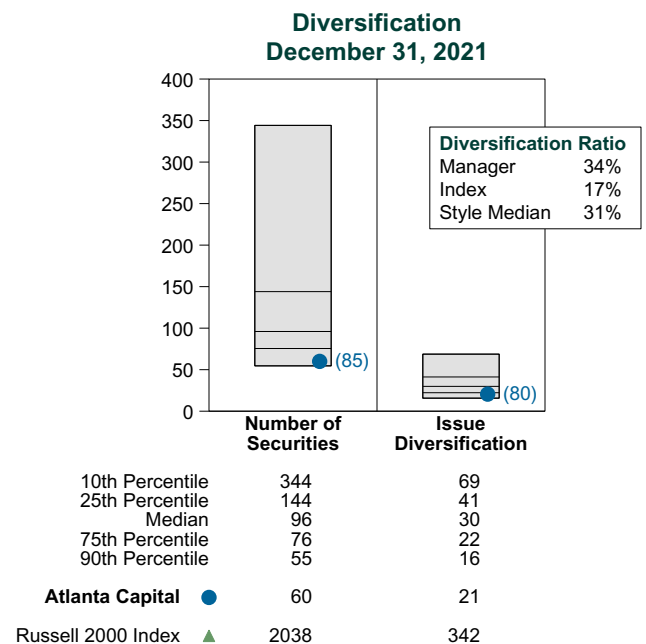
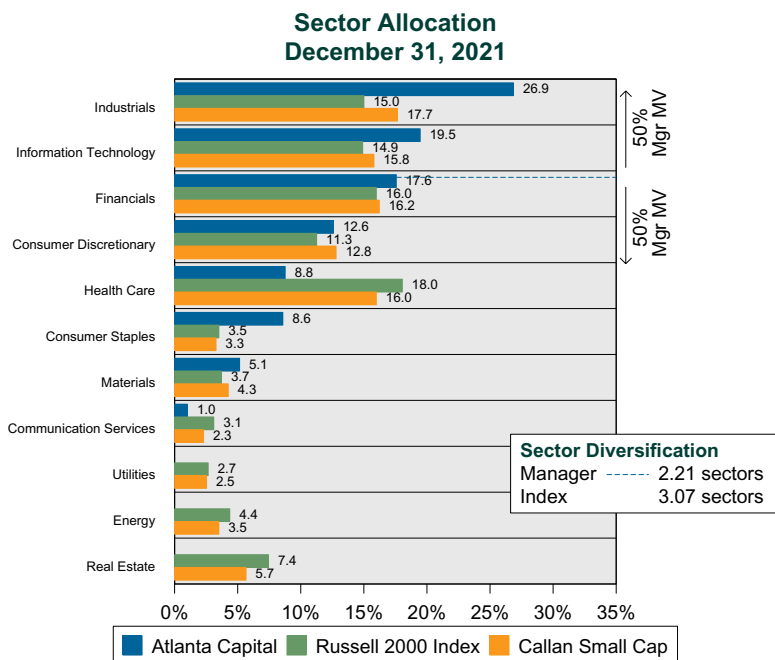
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan Small Capitalization as of December 31, 2021



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



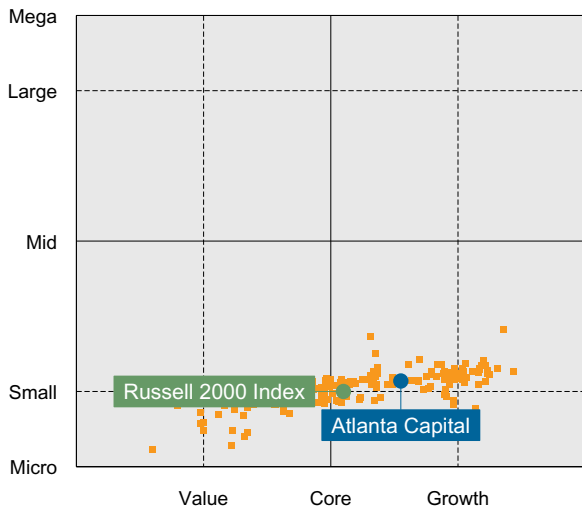
Current Holdings Based Style Analysis

Atlanta Capital

As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

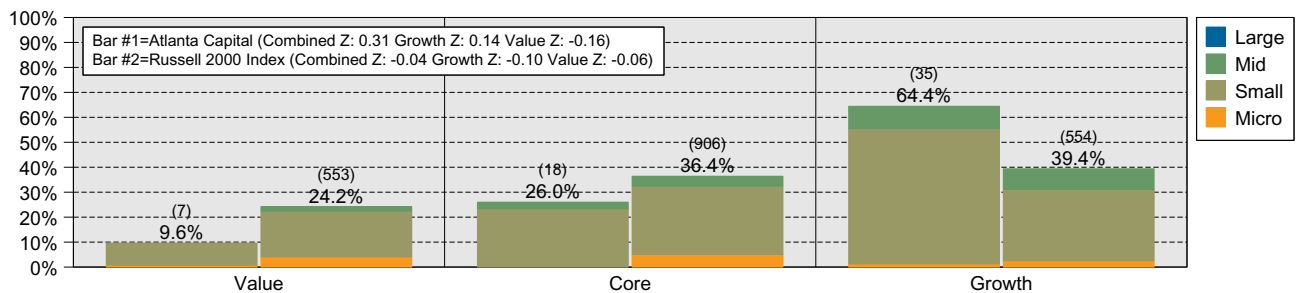
Style Map vs Callan Small Cap Holdings as of December 31, 2021



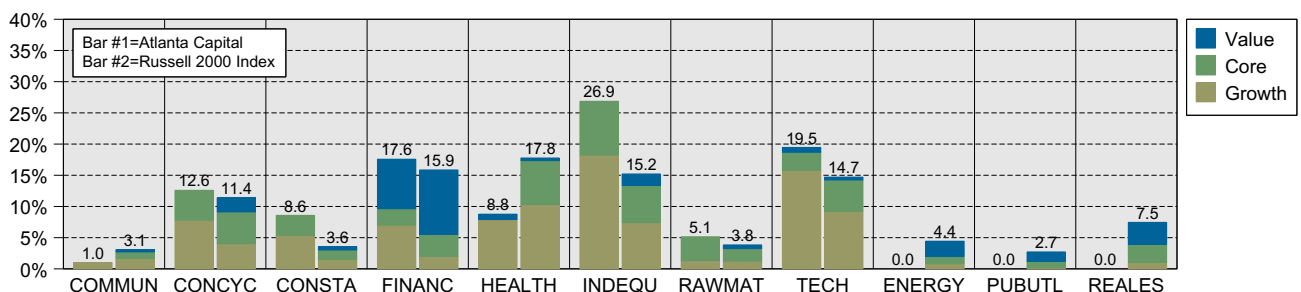
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	0.0% (0)	2.7% (2)	8.9% (4)	11.6% (6)
Small	8.8% (6)	23.3% (16)	54.2% (30)	86.3% (52)
Micro	0.8% (1)	0.0% (0)	1.3% (1)	2.1% (2)
Total	9.6% (7)	26.0% (18)	64.4% (35)	100.0% (60)
	24.2% (553)	36.4% (906)	39.4% (554)	100.0% (2013)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



Sector Weights Distribution Holdings as of December 31, 2021



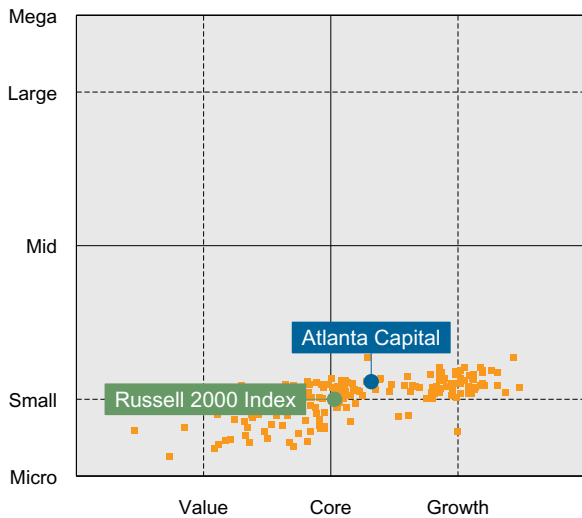
Historical Holdings Based Style Analysis

Atlanta Capital

For Five Years Ended December 31, 2021

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

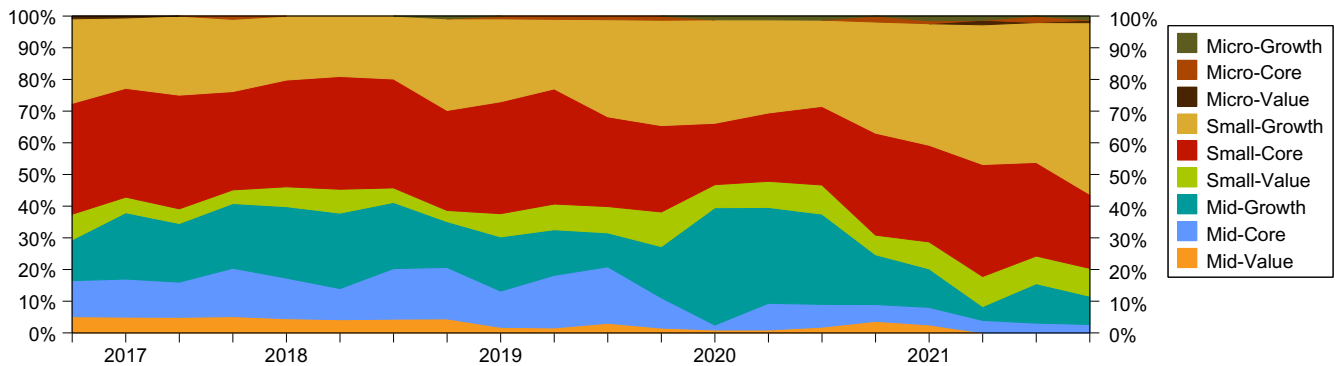
Average Style Map vs Callan Small Cap Holdings for Five Years Ended December 31, 2021



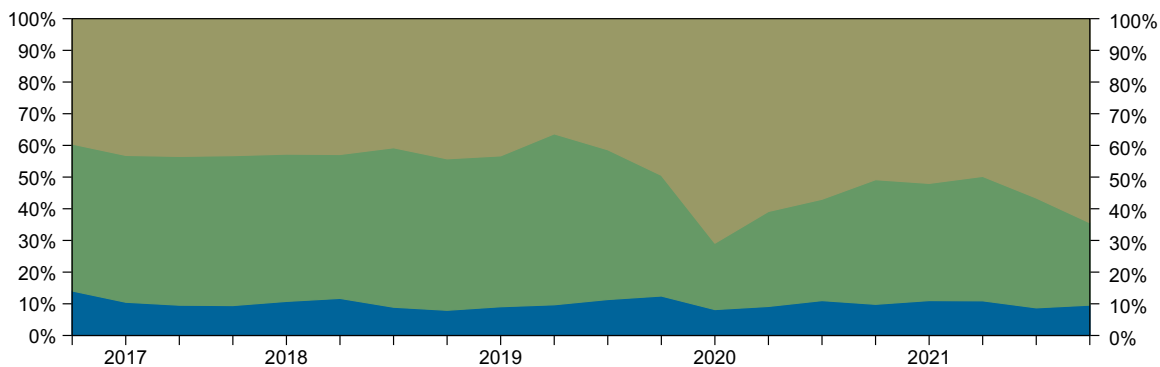
Average Style Exposure Matrix Holdings for Five Years Ended December 31, 2021

Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	2.8% (2)	9.9% (4)	18.1% (8)	30.8% (14)
Small	7.2% (6)	30.8% (21)	30.1% (17)	68.1% (44)
Micro	0.2% (0)	0.5% (1)	0.4% (0)	1.1% (1)
Total	10.2% (8)	41.2% (26)	48.6% (25)	100.0% (59)
	23.7% (576)	38.8% (839)	37.5% (577)	100.0% (1992)
	Value	Core	Growth	Total

Atlanta Capital Historical Cap/Style Exposures



Atlanta Capital Historical Style Only Exposures



Atlanta Capital vs Russell 2000 Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended December 31, 2021

Manager Holdings with Largest (+ or -) Contribution to Performance

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Kinsale Cap Group Inc	Financials	3.27%	92	0.14%	47.20%	47.20%	1.35%	1.23%
Inter Parfums Inc	Consumer Staples	2.55%	92	0.05%	42.51%	43.35%	0.99%	0.93%
Forward Air Corp	Industrials	2.00%	92	0.09%	46.04%	46.15%	0.83%	0.75%
Choice Hotels Intl Inc	Consumer Discretionary	3.06%	92	-	23.32%	-	0.68%	0.60%
Qualys Inc	Information Technology	2.63%	92	0.14%	23.33%	23.30%	0.56%	0.48%
Simpson Manufacturing Co Inc	Industrials	1.73%	92	0.17%	30.29%	30.30%	0.51%	0.42%
Rogers Corp	Information Technology	1.16%	92	0.15%	46.40%	46.40%	0.46%	0.37%
Dorman Products Inc	Consumer Discretionary	2.49%	92	0.10%	19.62%	19.37%	0.45%	0.38%
Beacon Roofing Supply Inc	Industrials	2.30%	92	0.10%	20.08%	20.08%	0.44%	0.38%
Houlihan Lokey Inc Cl A	Financials	2.52%	92	0.18%	12.68%	12.86%	0.34%	0.33%

Index Holdings with Largest (+ or -) Contribution to Performance

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Index Perf	Contrib Excess Return
Amc Entmt Hldgs Inc Cl A Com	Communication Services	-	-	0.61%	-	(28.53)%	(0.19)%	0.19%
Avis Budget Group	Industrials	-	-	0.35%	-	77.98%	0.15%	(0.28)%
Synaptics	Information Technology	-	-	0.28%	-	61.08%	0.13%	(0.15)%
Allakos Inc	Health Care	-	-	0.10%	-	(90.75)%	(0.12)%	0.09%
Bridgebio Pharma Inc Common Stock	Health Care	-	-	0.15%	-	(64.41)%	(0.11)%	0.10%
Silicon Laboratories Inc	Information Technology	-	-	0.27%	-	47.27%	0.10%	(0.10)%
Saia Inc	Industrials	-	-	0.27%	-	41.59%	0.09%	(0.09)%
Invitae Corp	Health Care	-	-	0.15%	-	(46.29)%	(0.09)%	0.08%
Eastgroup Pptys Inc	Real Estate	-	-	0.27%	-	37.40%	0.09%	(0.08)%
Asana Inc Cl A	Information Technology	-	-	0.26%	-	(28.21)%	(0.07)%	0.04%

Positions with Largest Positive Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Kinsale Cap Group Inc	Financials	3.27%	92	0.14%	47.20%	47.20%	1.35%	1.23%
Inter Parfums Inc	Consumer Staples	2.55%	92	0.05%	42.51%	43.35%	0.99%	0.93%
Forward Air Corp	Industrials	2.00%	92	0.09%	46.04%	46.15%	0.83%	0.75%
Choice Hotels Intl Inc	Consumer Discretionary	3.06%	92	-	23.32%	-	0.68%	0.60%
Qualys Inc	Information Technology	2.63%	92	0.14%	23.33%	23.30%	0.56%	0.48%
Simpson Manufacturing Co Inc	Industrials	1.73%	92	0.17%	30.29%	30.30%	0.51%	0.42%
Dorman Products Inc	Consumer Discretionary	2.49%	92	0.10%	19.62%	19.37%	0.45%	0.38%
Beacon Roofing Supply Inc	Industrials	2.30%	92	0.10%	20.08%	20.08%	0.44%	0.38%
Rogers Corp	Information Technology	1.16%	92	0.15%	46.40%	46.40%	0.46%	0.37%
Houlihan Lokey Inc Cl A	Financials	2.52%	92	0.18%	12.68%	12.86%	0.34%	0.33%

Positions with Largest Negative Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Avis Budget Group	Industrials	-	-	0.35%	-	77.98%	-	(0.28)%
Frontdoor Inc Com	Consumer Discretionary	1.11%	92	-	(12.53)%	-	(0.15)%	(0.18)%
Synaptics	Information Technology	-	-	0.28%	-	61.08%	-	(0.15)%
Power Integrations Inc	Information Technology	1.75%	92	0.20%	(6.43)%	(6.03)%	(0.09)%	(0.13)%
Integra Lifesciences Hldgs C	Health Care	2.34%	92	-	(1.85)%	-	(0.04)%	(0.12)%
Wolverine World Wide Inc	Consumer Discretionary	1.86%	92	0.09%	(3.24)%	(3.12)%	(0.07)%	(0.10)%
Commvault Systems Inc	Information Technology	0.95%	92	0.10%	(8.48)%	(8.48)%	(0.09)%	(0.10)%
Silicon Laboratories Inc	Information Technology	-	-	0.27%	-	47.27%	-	(0.10)%
Arena Pharmaceuticals Inc	Health Care	-	-	0.13%	-	56.07%	-	(0.10)%
Saia Inc	Industrials	-	-	0.27%	-	41.59%	-	(0.09)%

International Equity

Period Ended December 31, 2021

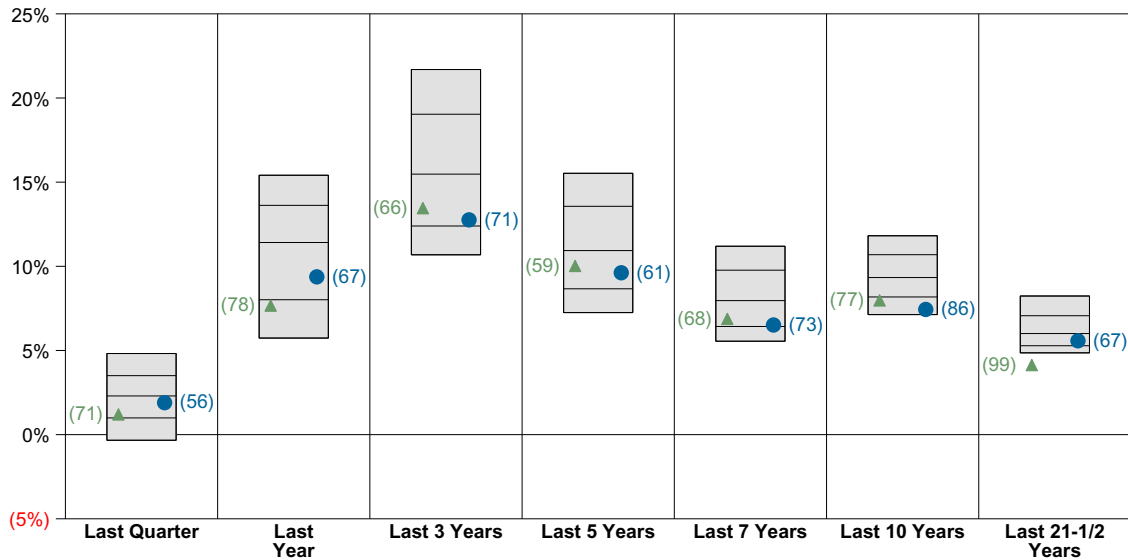
Investment Philosophy

International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Quarterly Summary and Highlights

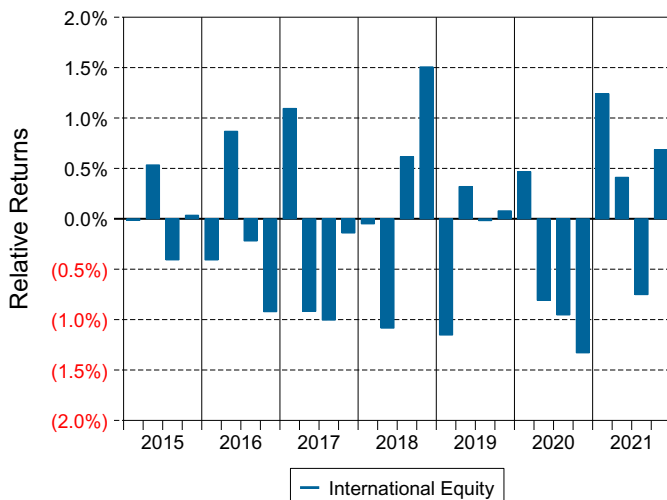
- International Equity's portfolio posted a 1.90% return for the quarter placing it in the 56 percentile of the Callan Non-US Equity group for the quarter and in the 67 percentile for the last year.
- International Equity's portfolio outperformed the International Benchmark by 0.69% for the quarter and outperformed the International Benchmark for the year by 1.71%.

Performance vs Callan Non-US Equity (Gross)

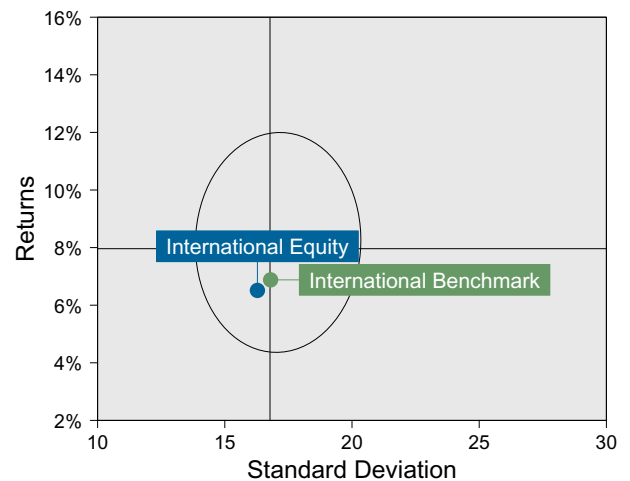


10th Percentile	4.82	15.41	21.69	15.53	11.19	11.82	8.24
25th Percentile	3.51	13.62	19.04	13.56	9.77	10.69	7.06
Median	2.30	11.41	15.48	10.93	7.96	9.33	6.01
75th Percentile	0.99	8.02	12.40	8.66	6.43	8.18	5.28
90th Percentile	(0.33)	5.74	10.68	7.25	5.55	7.13	4.86
International Equity	● 1.90	9.37	12.76	9.62	6.51	7.44	5.58
International Benchmark	▲ 1.20	7.67	13.46	10.03	6.88	7.98	4.14

Relative Return vs International Benchmark



Callan Non-US Equity (Gross) Annualized Seven Year Risk vs Return

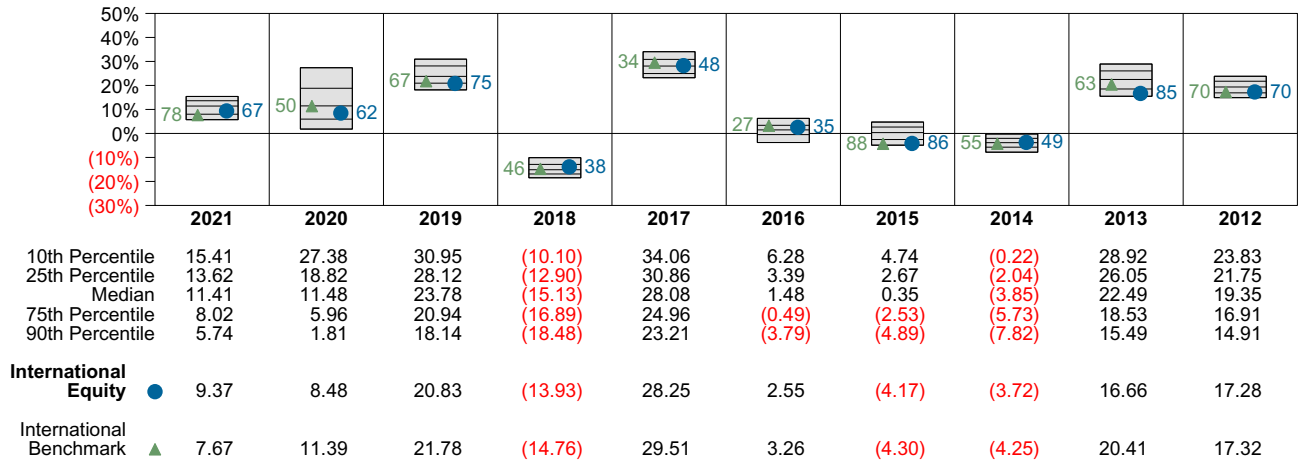


International Equity Return Analysis Summary

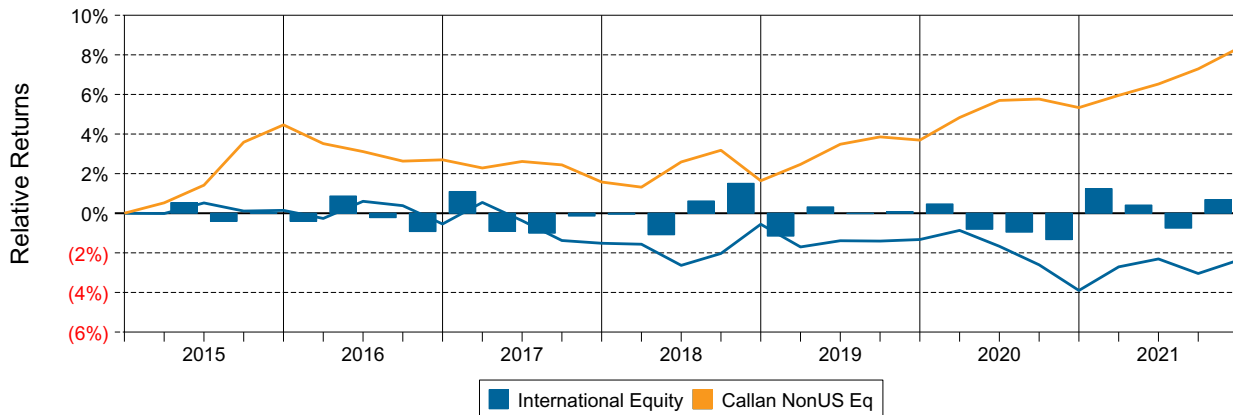
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

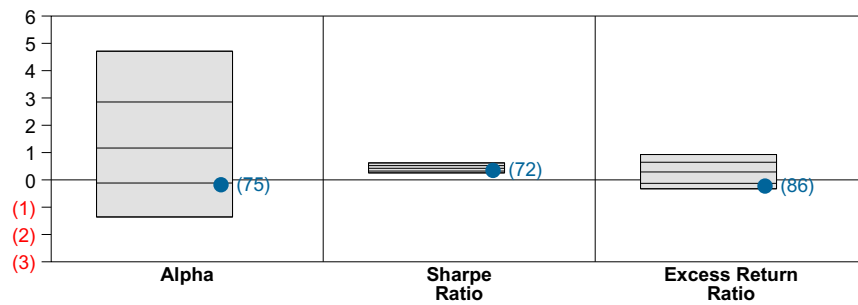
Performance vs Callan Non-US Equity (Gross)



Cumulative and Quarterly Relative Return vs International Benchmark



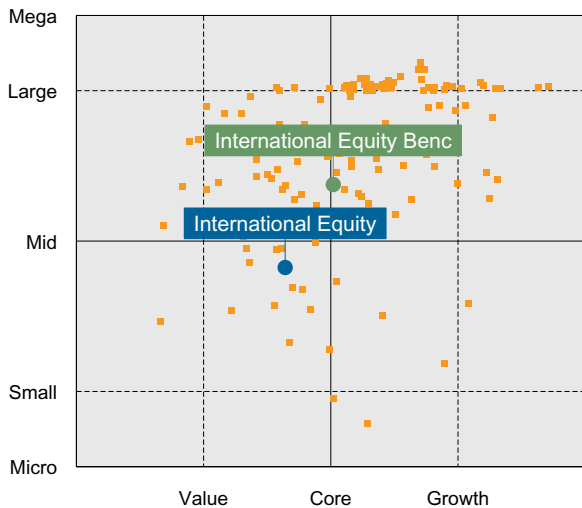
Risk Adjusted Return Measures vs International Benchmark Rankings Against Callan Non-US Equity (Gross) Seven Years Ended December 31, 2021



Current Holdings Based Style Analysis International Equity As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left chart illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

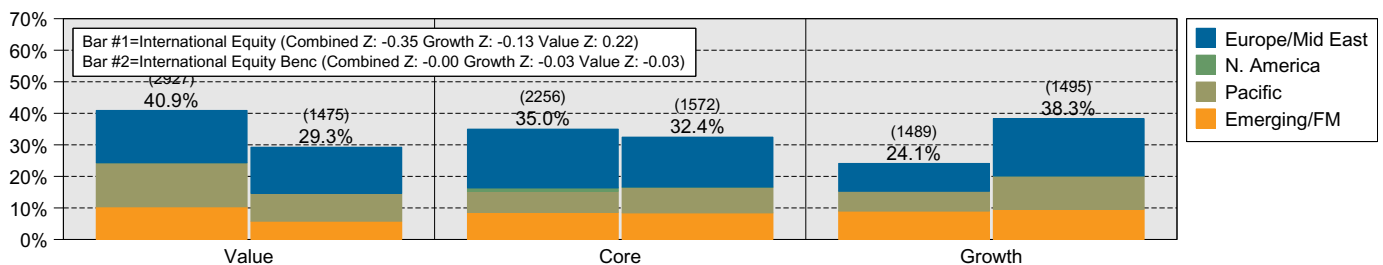
Style Map vs Callan NonUS Eq Holdings as of December 31, 2021



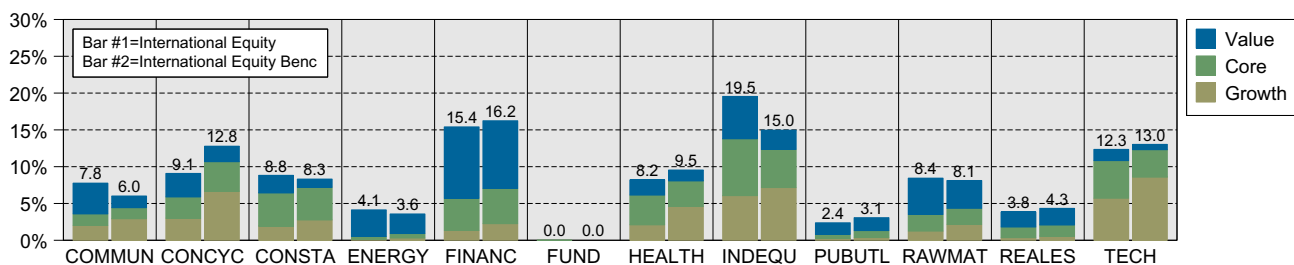
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Europe/ Mid East	16.6% (252)	18.7% (213)	8.8% (195)	44.1% (660)
N. America	14.6% (491)	15.8% (567)	18.2% (521)	48.6% (1579)
Pacific	0.0% (3)	1.0% (5)	0.0% (0)	1.0% (8)
Emerging/ FM	0.0% (0)	0.1% (9)	0.0% (1)	0.1% (10)
Total	40.9% (2927)	35.0% (2256)	24.1% (1489)	100.0% (6672)
	29.3% (1475)	32.4% (1572)	38.3% (1495)	100.0% (4542)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



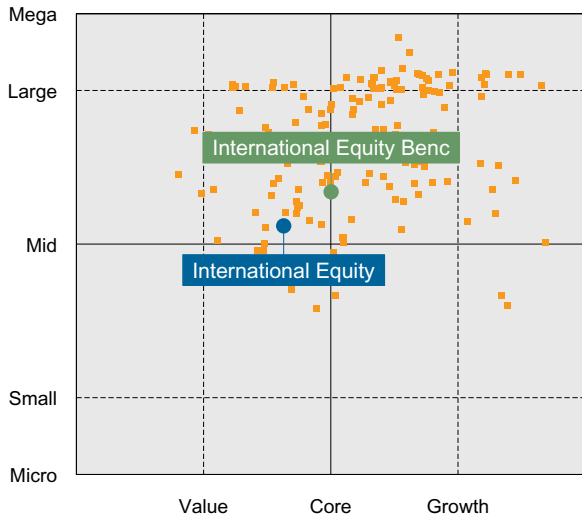
Sector Weights Distribution Holdings as of December 31, 2021



Historical Holdings Based Style Analysis International Equity For Five Years Ended December 31, 2021

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

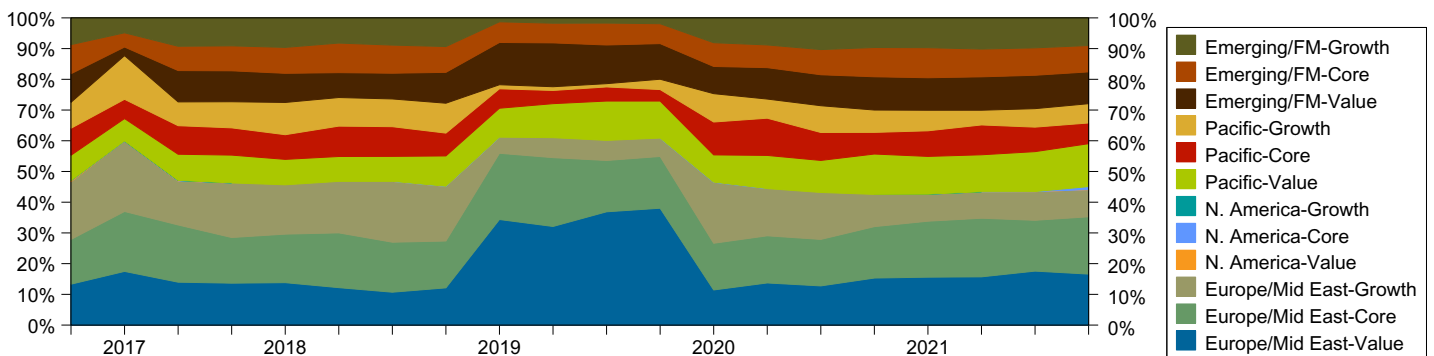
Average Style Map vs Callan NonUS Eq Holdings for Five Years Ended December 31, 2021



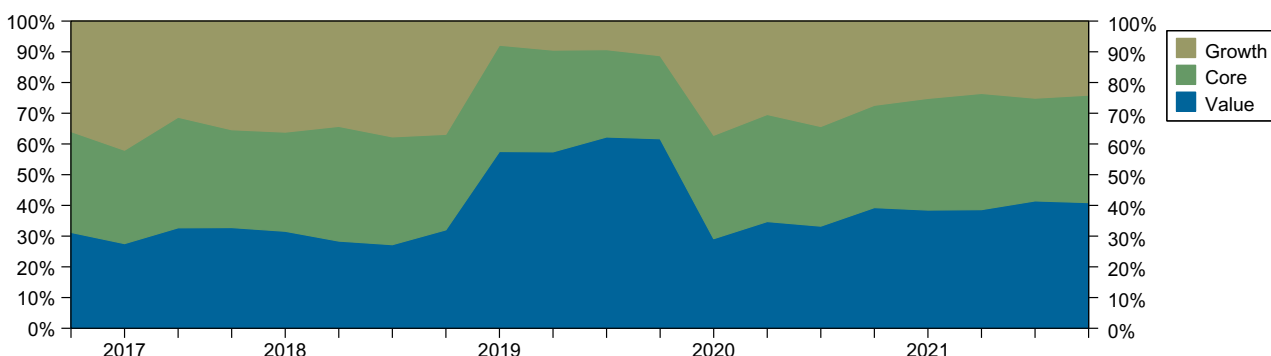
Average Style Exposure Matrix Holdings for Five Years Ended December 31, 2021

Europe/ Mid East	18.4% (231)	17.3% (229)	13.3% (238)	48.9% (698)
	13.7% (451)	14.8% (523)	18.3% (510)	46.8% (1484)
N. America	0.0% (1)	0.1% (3)	0.0% (0)	0.1% (4)
	0.0% (0)	0.0% (2)	0.0% (0)	0.0% (2)
Pacific	10.4% (294)	7.9% (258)	7.0% (230)	25.3% (782)
	9.4% (583)	9.0% (574)	10.9% (564)	29.4% (1721)
Emerging/ FM	10.2% (1938)	8.1% (1602)	7.5% (1155)	25.7% (4695)
	6.8% (423)	7.2% (369)	9.8% (365)	23.8% (1157)
Total	38.9% (2464)	33.4% (2092)	27.7% (1623)	100.0% (6179)
	29.9% (1457)	31.0% (1468)	39.1% (1439)	100.0% (4364)
	Value	Core	Growth	Total

International Equity Historical Region/Style Exposures



International Equity Historical Style Only Exposures



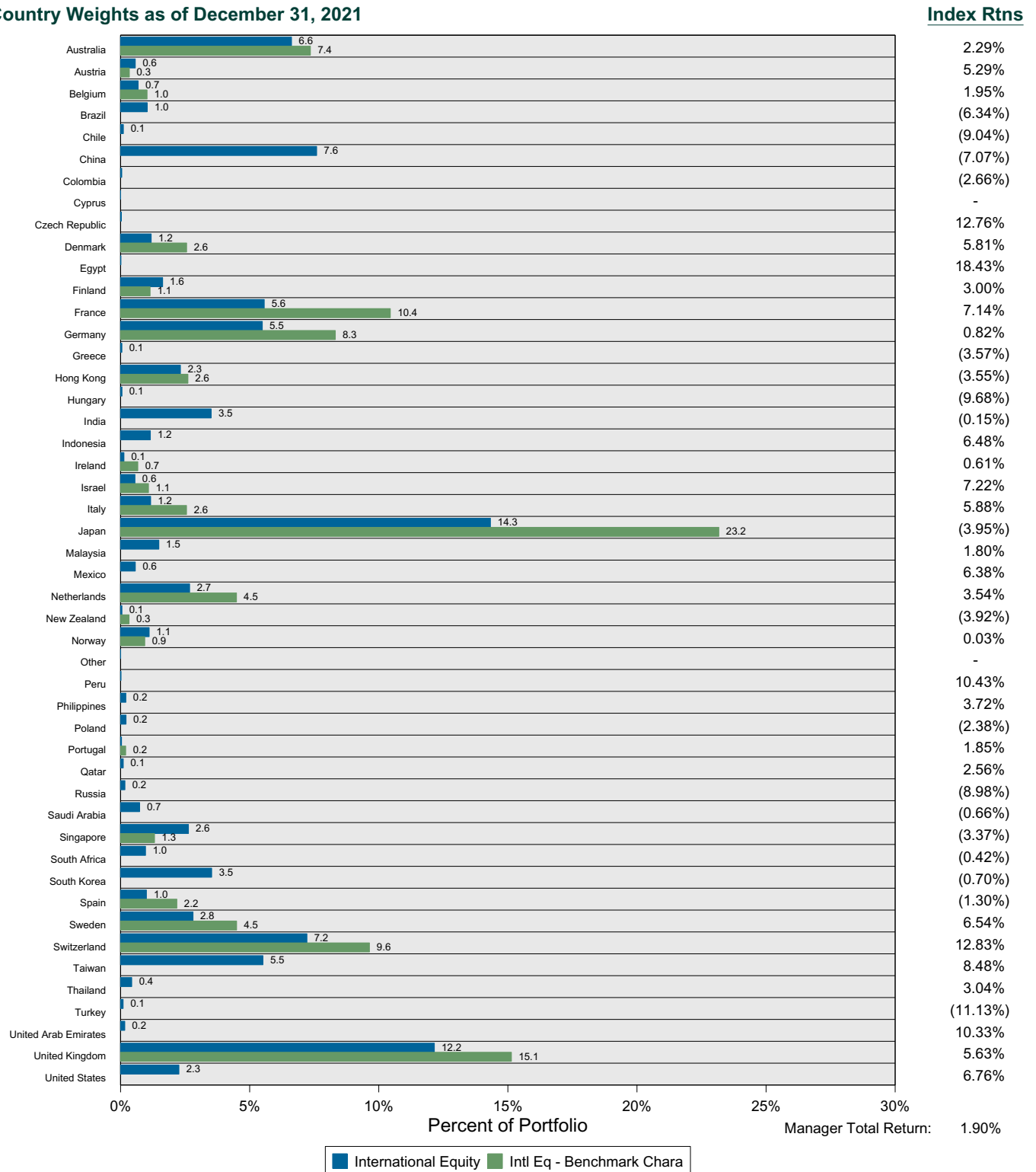
Country Allocation

International Equity VS Intl Eq - Benchmark Characteristics

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of December 31, 2021. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of December 31, 2021



SSgA EAFE

Period Ended December 31, 2021

Investment Philosophy

SSGA's objective is to provide the most cost-effective implementation of passive investing with stringent risk control and tracking requirements through a replication method. Returns prior to 6/30/2012 are linked to a composite history.

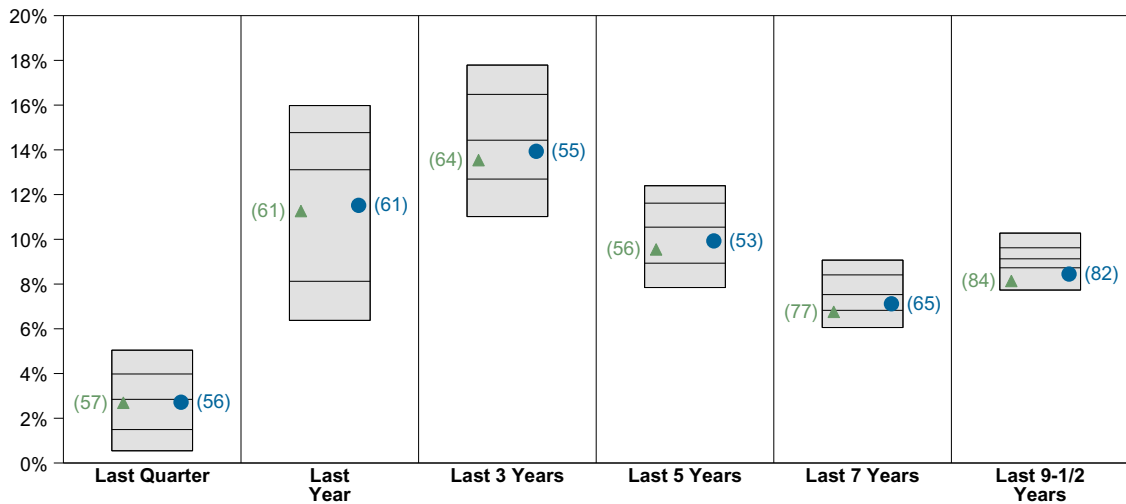
Quarterly Summary and Highlights

- SSgA EAFE's portfolio posted a 2.72% return for the quarter placing it in the 56 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 61 percentile for the last year.
- SSgA EAFE's portfolio outperformed the MSCI EAFE Index by 0.02% for the quarter and outperformed the MSCI EAFE Index for the year by 0.26%.

Quarterly Asset Growth

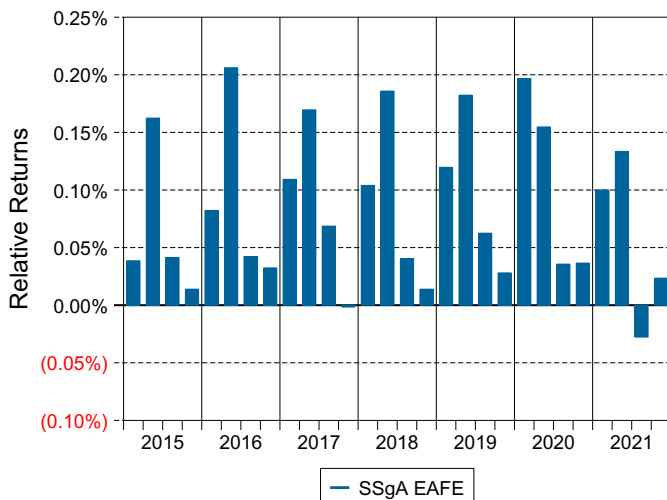
Beginning Market Value	\$18,063,979
Net New Investment	\$0
Investment Gains/(Losses)	\$490,766
Ending Market Value	\$18,554,745

Performance vs Callan Non-US Developed Core Equity (Gross)

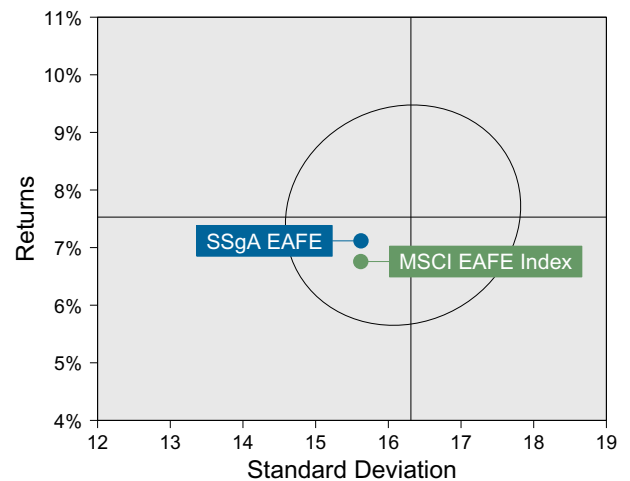


10th Percentile	5.04	15.98	17.79	12.40	9.07	10.28
25th Percentile	3.98	14.77	16.48	11.62	8.41	9.62
Median	2.85	13.11	14.43	10.54	7.53	9.13
75th Percentile	1.50	8.12	12.69	8.93	6.83	8.73
90th Percentile	0.55	6.38	11.02	7.84	6.06	7.73
SSgA EAFE ●	2.72	11.52	13.94	9.93	7.12	8.45
MSCI EAFE Index ▲	2.69	11.26	13.54	9.55	6.76	8.14

Relative Return vs MSCI EAFE Index



Callan Non-US Developed Core Equity (Gross) Annualized Seven Year Risk vs Return

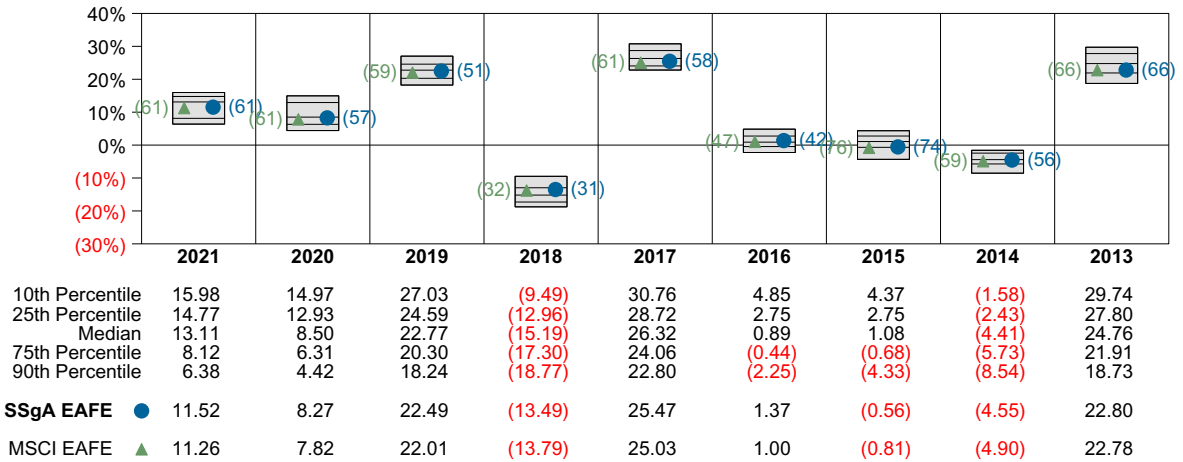


SSgA EAFE Return Analysis Summary

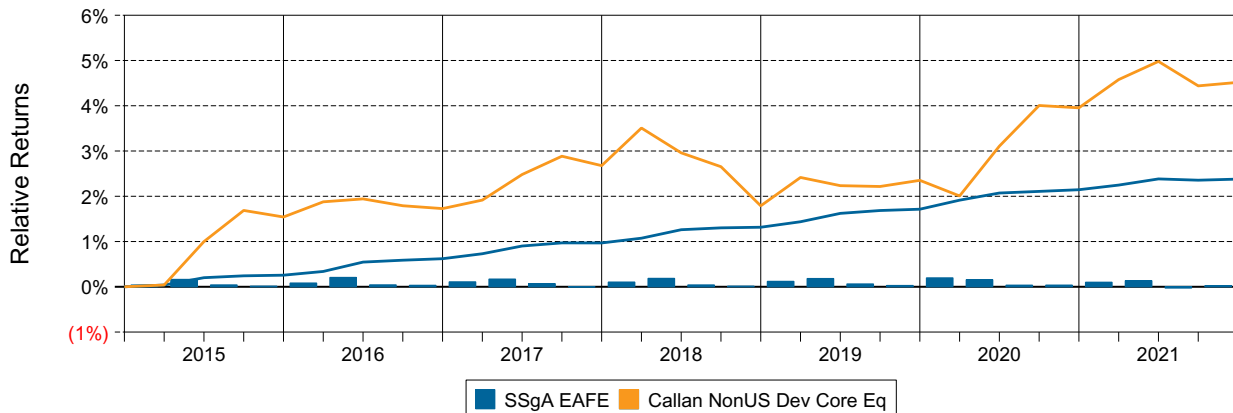
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

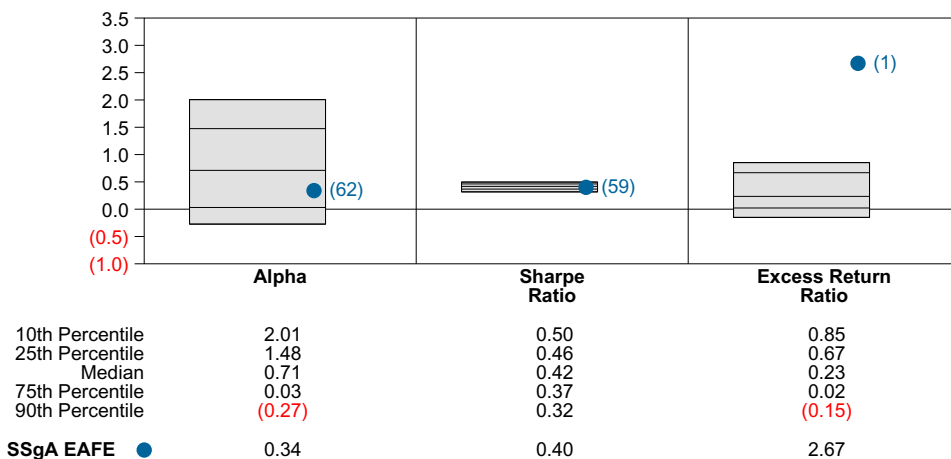
Performance vs Callan Non-US Developed Core Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE



Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended December 31, 2021

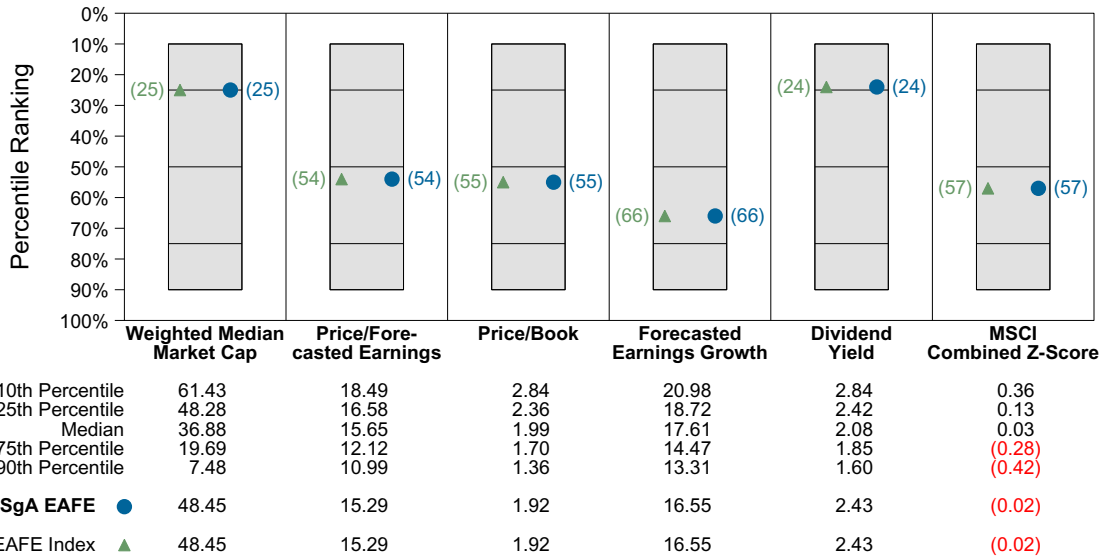


SSgA EAFE Equity Characteristics Analysis Summary

Portfolio Characteristics

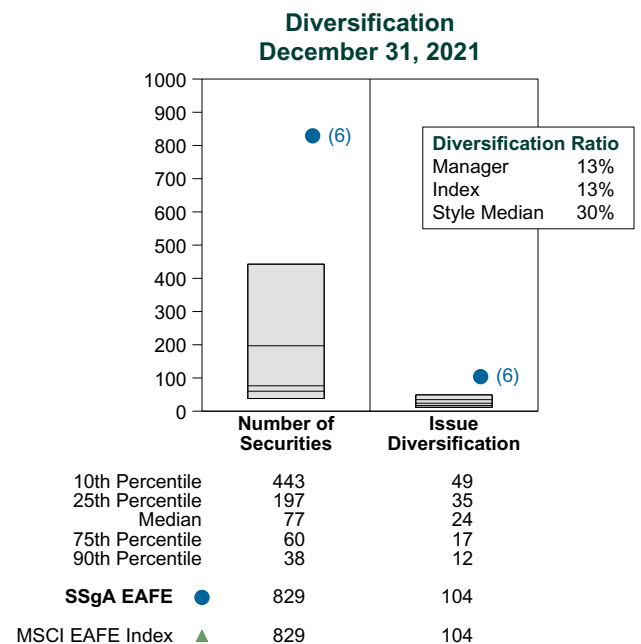
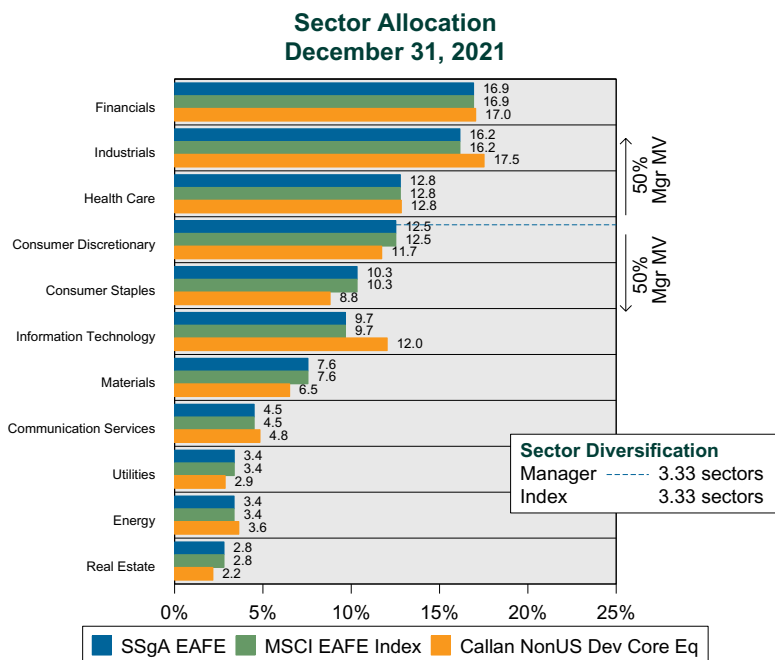
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of December 31, 2021



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



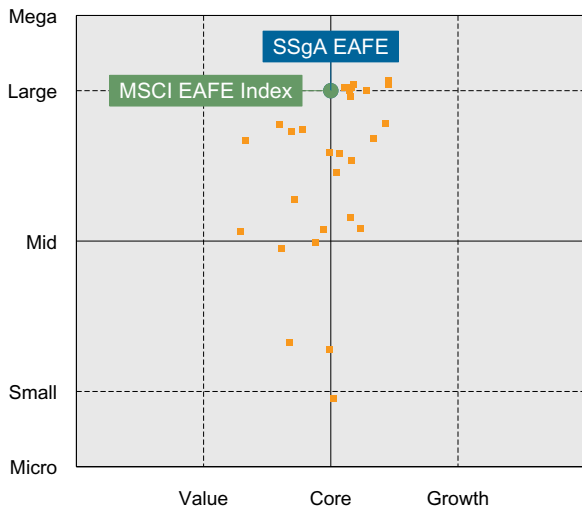
Current Holdings Based Style Analysis

SSgA EAFE

As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

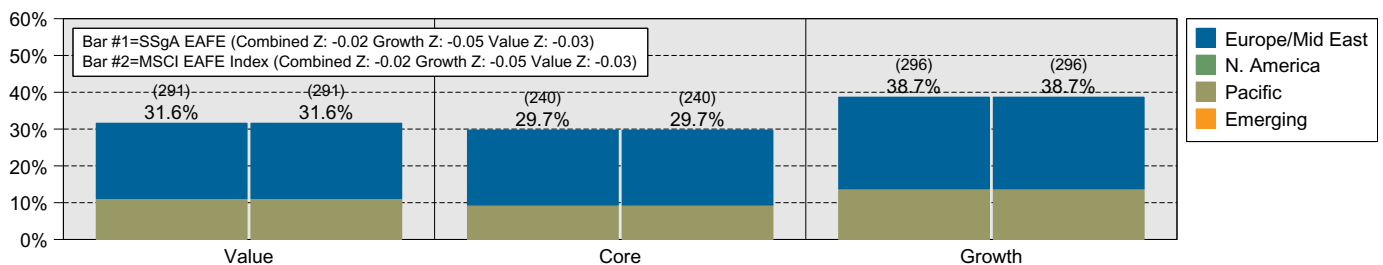
Style Map vs Callan NonUS Dev Core Eq Holdings as of December 31, 2021



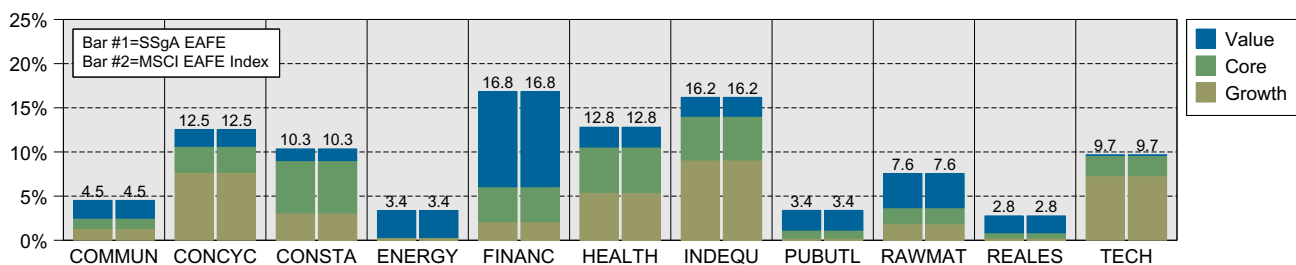
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Europe/ Mid East	20.4% (151)	20.4% (124)	24.9% (169)	65.7% (444)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	11.2% (140)	9.3% (115)	13.8% (127)	34.3% (382)
Emerging	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
Total	31.6% (291)	29.7% (240)	38.7% (296)	100.0% (827)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



Sector Weights Distribution Holdings as of December 31, 2021



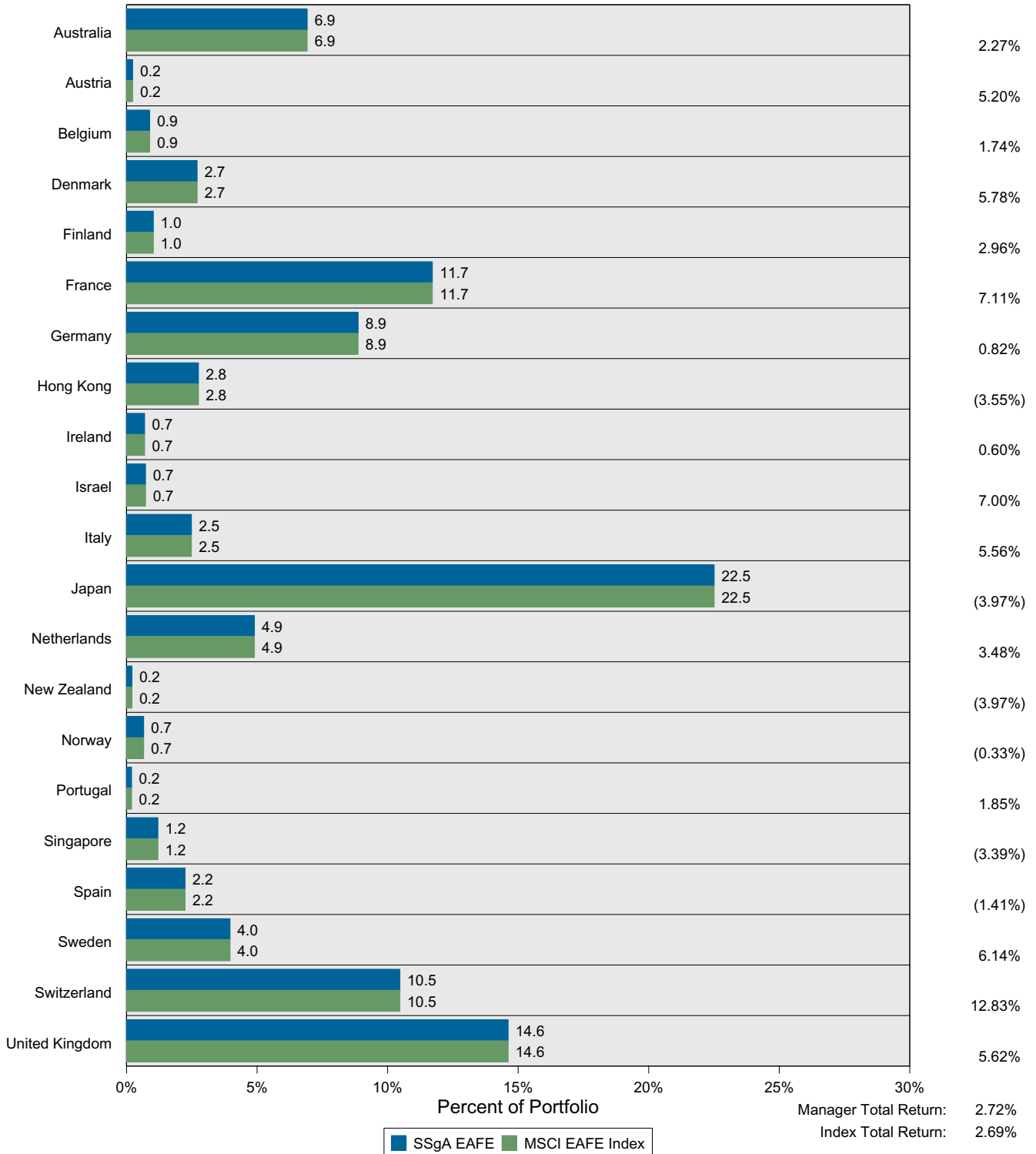
Country Allocation SSgA EAFE VS MSCI EAFE Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of December 31, 2021. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of December 31, 2021

Index Rtns



SSgA EAFE Top 10 Portfolio Holdings Characteristics as of December 31, 2021

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Nestle S A Shs Nom New	Consumer Staples	\$422,572	2.3%	13.18%	393.73	26.63	2.16%	6.17%
Asml Holding N V Asml Rev Stk Spl	Information Technology	\$356,513	1.9%	7.65%	326.67	42.88	0.47%	30.67%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$313,730	1.7%	11.86%	292.32	18.21	2.40%	6.00%
Lvmh Moet Hennessy Lou Vuitt Ord	Consumer Discretionary	\$246,333	1.3%	13.59%	417.30	31.00	0.96%	36.70%
Toyota Motor Corp	Consumer Discretionary	\$208,103	1.1%	2.06%	298.30	9.65	2.42%	18.36%
Novartis	Health Care	\$207,187	1.1%	6.98%	214.49	13.35	3.74%	7.10%
Novo Nordisk B	Health Care	\$203,107	1.1%	12.00%	199.20	32.01	1.27%	11.35%
Astrazeneca Plc Ord	Health Care	\$195,422	1.1%	(5.87)%	182.09	17.64	2.33%	21.40%
Sony Corp	Consumer Discretionary	\$170,129	0.9%	13.29%	158.52	20.92	0.41%	(6.40)%
Sap Se Shs	Information Technology	\$159,185	0.9%	1.39%	173.71	23.84	1.49%	3.90%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Cnp Assurances Act	Financials	\$4,557	0.0%	114.91%	16.98	9.68	3.54%	3.69%
Reece Limited Ord	Industrials	\$6,131	0.0%	43.19%	12.69	47.24	0.67%	12.13%
Cie Financiere Richemont Ag Units	Consumer Discretionary	\$84,207	0.5%	42.83%	78.46	28.81	1.46%	31.28%
Ntt Data Corp Shs	Information Technology	\$14,505	0.1%	42.38%	30.03	24.33	0.75%	26.08%
Crown Resorts Lim Shs	Consumer Discretionary	\$3,476	0.0%	41.38%	5.89	76.95	2.51%	21.88%
Bank Leumi Le-Israel	Financials	\$16,759	0.1%	39.05%	15.61	11.62	4.11%	16.15%
Fuji Electric Co Ltd Shs	Industrials	\$7,428	0.0%	38.09%	8.14	17.70	1.43%	10.39%
Allied Mining & Proc.	Materials	\$25,384	0.1%	34.88%	43.00	9.77	18.64%	(28.29)%
Icl Group Ltd Shs	Materials	\$7,309	0.0%	34.07%	12.38	11.60	2.29%	(3.87)%
Husqvarna Ab Shs B	Industrials	\$7,185	0.0%	33.09%	7.44	19.78	1.66%	10.63%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Futu Hldgs Ltd Sponsored Ads	Financials	\$2,366	0.0%	(52.50)%	3.67	13.74	0.00%	-
Pan Pac Intl Hldgs Corp Shs	Consumer Discretionary	\$6,098	0.0%	(36.27)%	8.74	15.77	1.01%	10.89%
Fiverr International	Consumer Discretionary	\$3,568	0.0%	(35.49)%	4.16	308.97	0.00%	-
Clx Communications	Information Technology	\$7,127	0.0%	(35.00)%	9.77	58.57	0.00%	15.11%
Mitsubishi Gas Chemical Co I Ord	Materials	\$2,869	0.0%	(33.92)%	3.82	7.76	3.59%	8.00%
Umicore Group Shs	Materials	\$8,601	0.0%	(33.87)%	10.02	16.07	1.47%	11.10%
Ryohin Keikaku Co Ltd Shs	Consumer Discretionary	\$4,131	0.0%	(32.25)%	4.28	13.60	2.28%	4.51%
Worldline	Information Technology	\$14,260	0.1%	(31.35)%	15.63	19.94	0.00%	15.50%
Afterpay Touch Group	Information Technology	\$14,093	0.1%	(31.13)%	17.91	1403.54	0.00%	-
Asahi Intecc Co	Health Care	\$4,993	0.0%	(30.79)%	5.83	53.38	0.46%	19.90%

Pyrford

Period Ended December 31, 2021

Investment Philosophy

Pyrford's investment strategy is based on a value-driven, absolute return approach, with both top-down and bottom-up elements. At the country level they seek to invest in countries that offer an attractive market valuation relative to their long-term prospects. At the stock level they identify companies that offer excellent value relative to in-house forecasts of long-term (5 years) earnings growth. This approach is characterized by low absolute volatility and downside protection. Returns prior to 6/30/2017 are linked to a composite history.

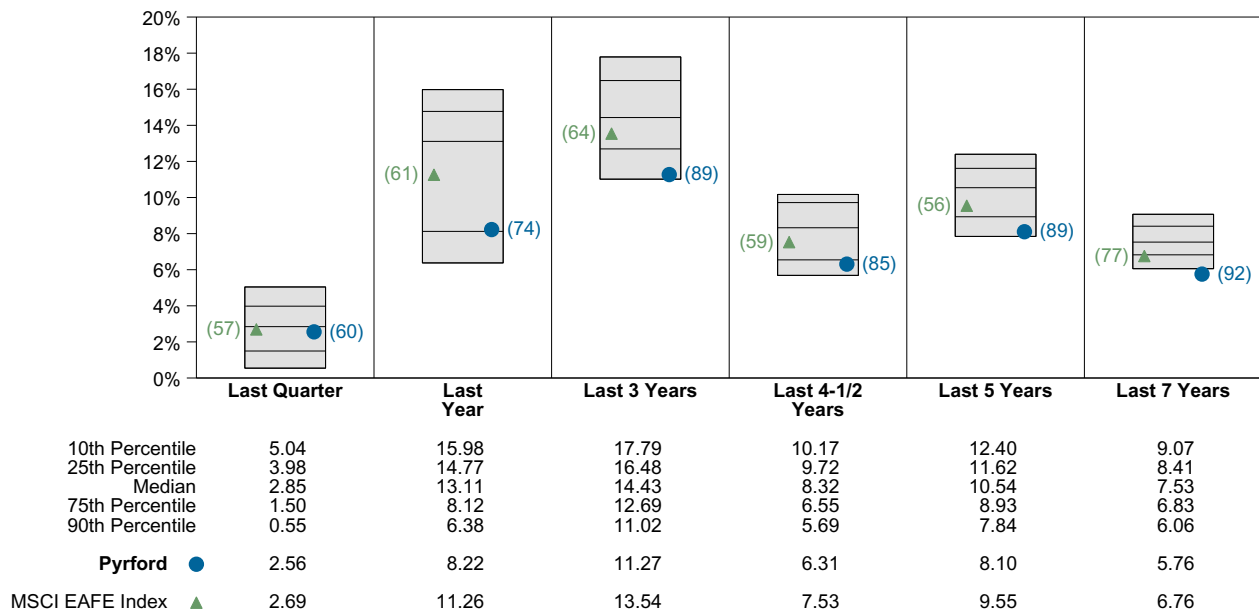
Quarterly Summary and Highlights

- Pyrford's portfolio posted a 2.56% return for the quarter placing it in the 60 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 74 percentile for the last year.
- Pyrford's portfolio underperformed the MSCI EAFE Index by 0.14% for the quarter and underperformed the MSCI EAFE Index for the year by 3.04%.

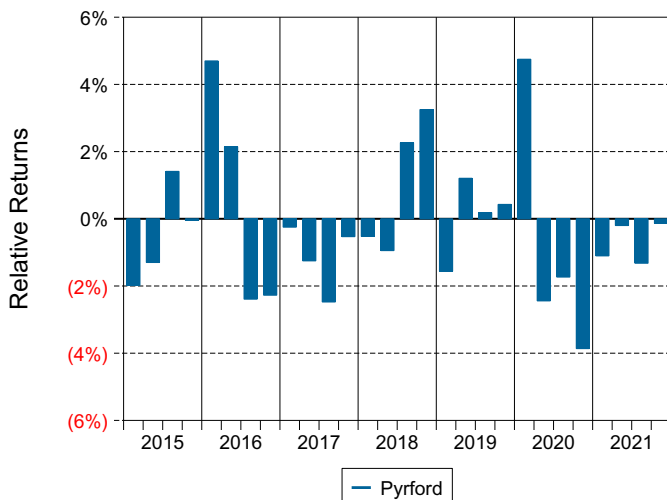
Quarterly Asset Growth

Beginning Market Value	\$34,379,078
Net New Investment	\$0
Investment Gains/(Losses)	\$878,845
Ending Market Value	\$35,257,923

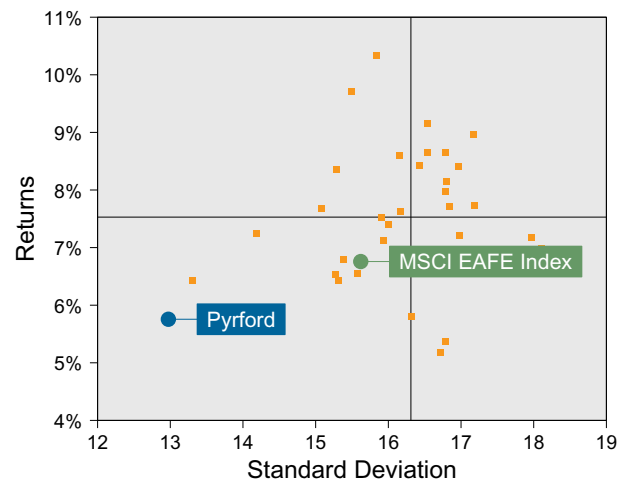
Performance vs Callan Non-US Developed Core Equity (Gross)



Relative Return vs MSCI EAFE Index



Callan Non-US Developed Core Equity (Gross) Annualized Seven Year Risk vs Return

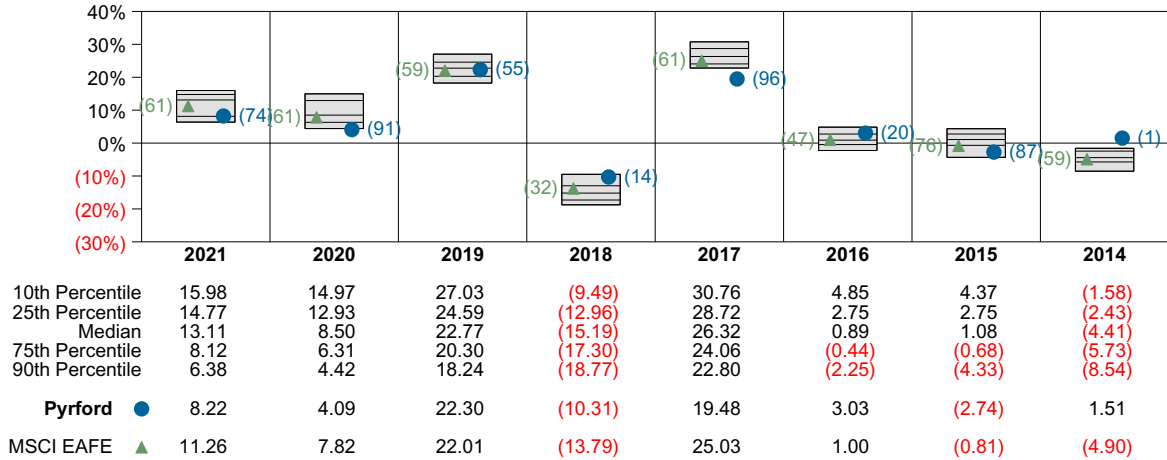


Pyrford Return Analysis Summary

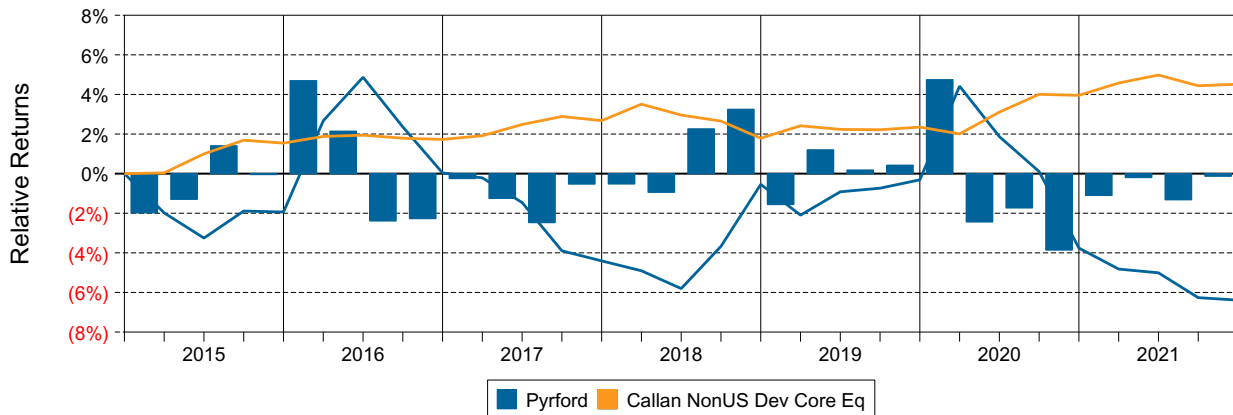
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

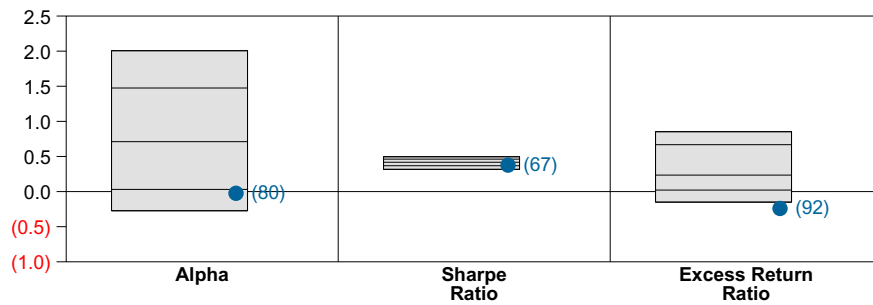
Performance vs Callan Non-US Developed Core Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE



Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended December 31, 2021



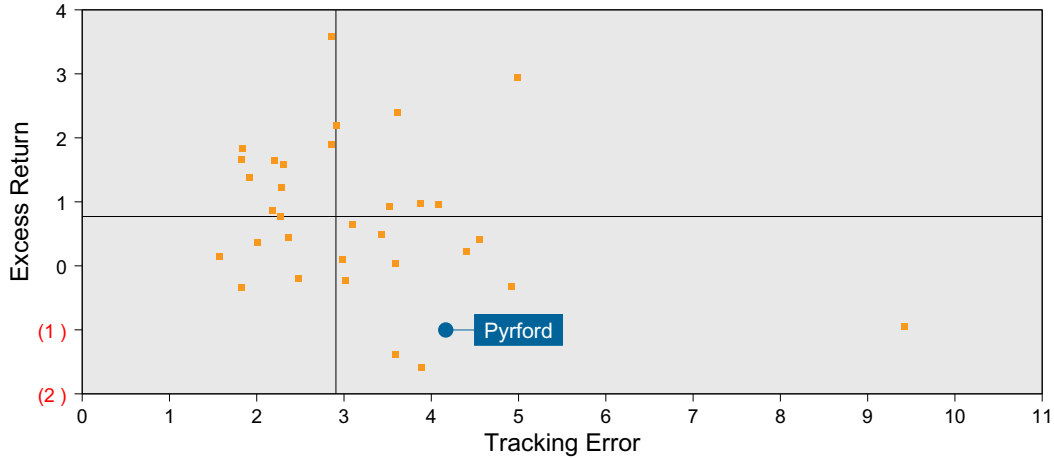
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	2.01	0.50	0.85
25th Percentile	1.48	0.46	0.67
Median	0.71	0.42	0.23
75th Percentile	0.03	0.37	0.02
90th Percentile	(0.27)	0.32	(0.15)
Pyrford	(0.02)	0.38	(0.24)

Pyrford Risk Analysis Summary

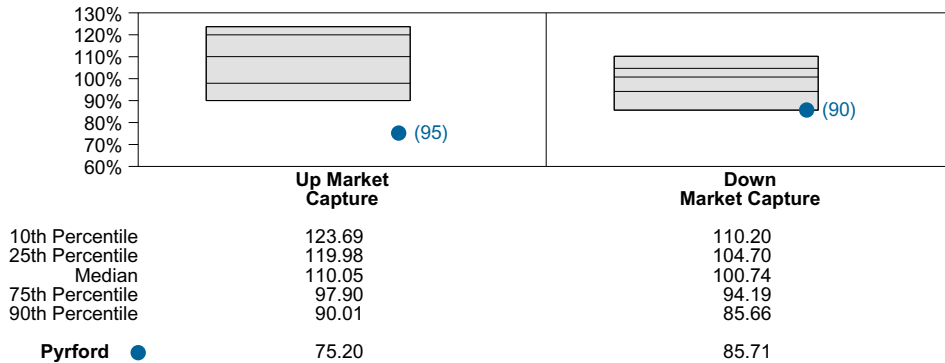
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

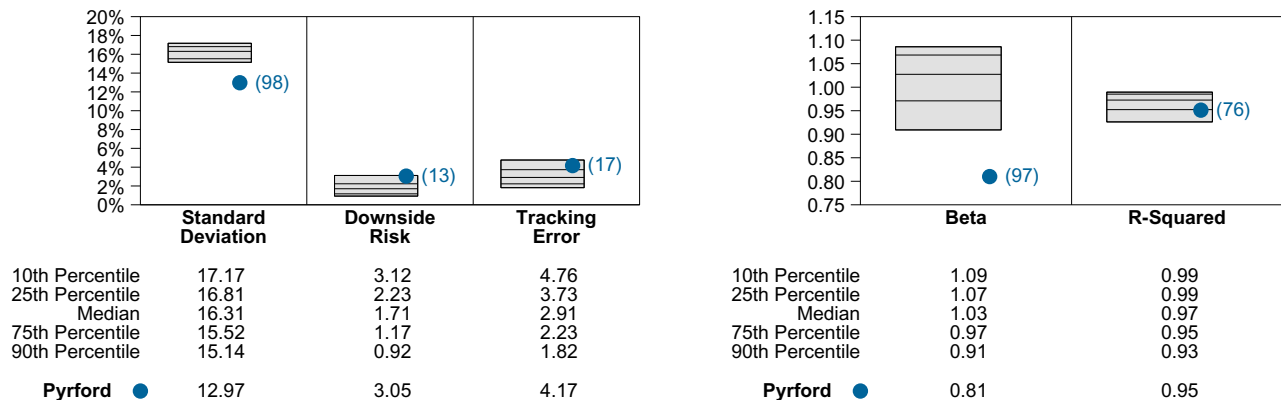
Risk Analysis vs Callan Non-US Developed Core Equity (Gross) Seven Years Ended December 31, 2021



Market Capture vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended December 31, 2021



Risk Statistics Rankings vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended December 31, 2021

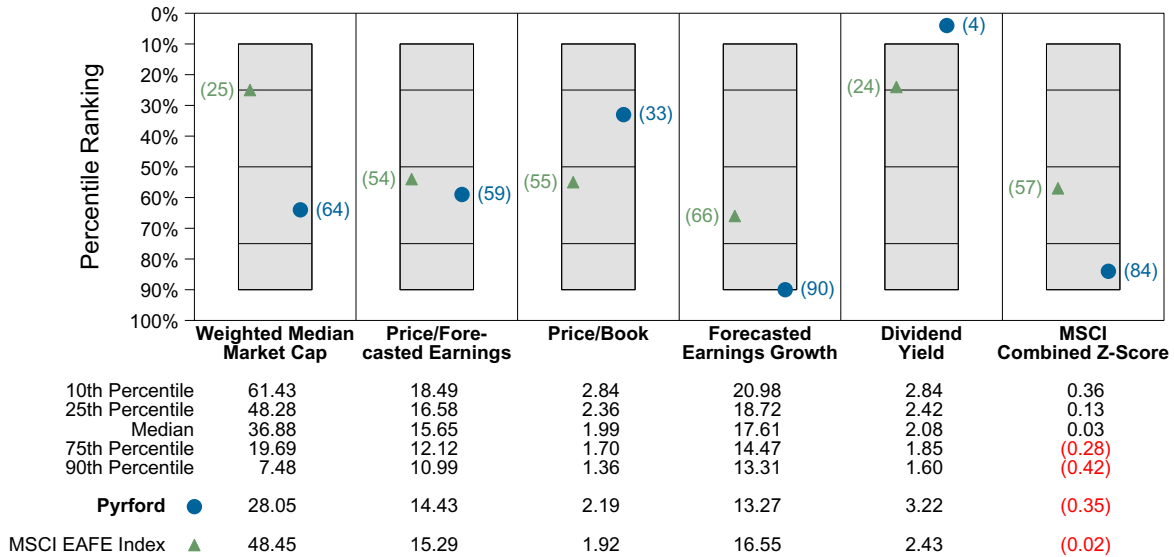


Pyrford Equity Characteristics Analysis Summary

Portfolio Characteristics

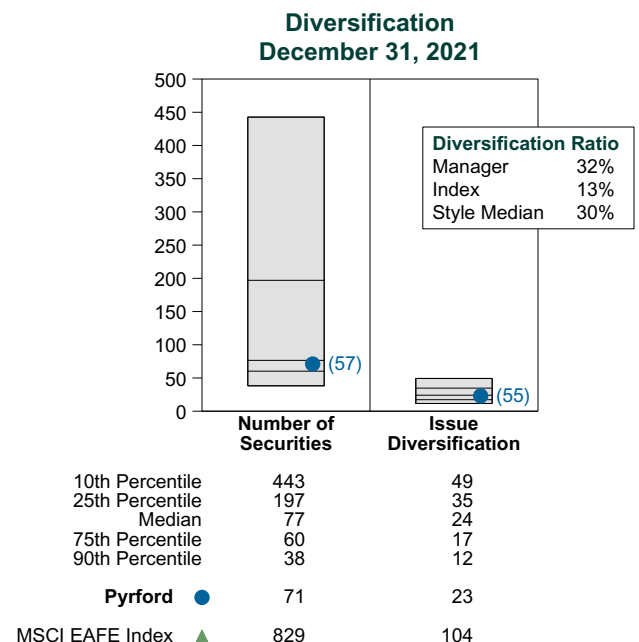
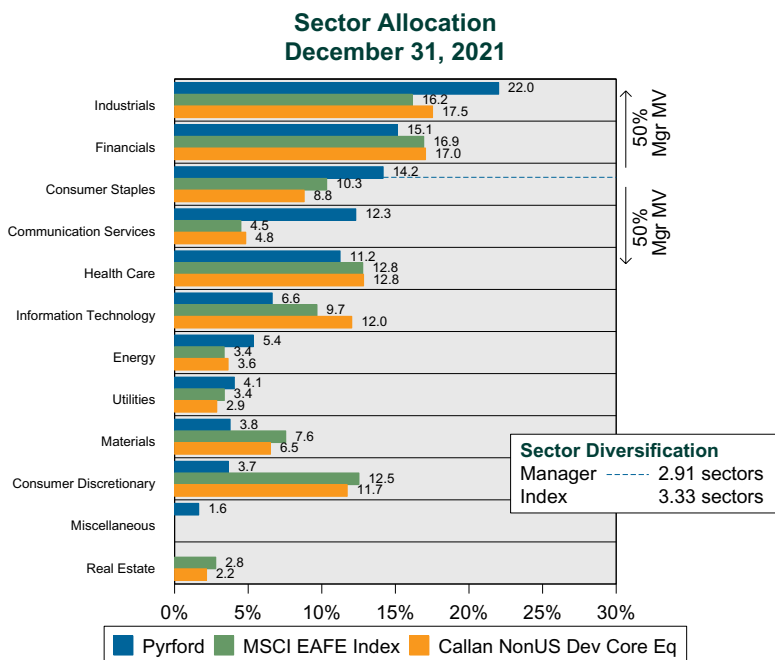
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of December 31, 2021



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



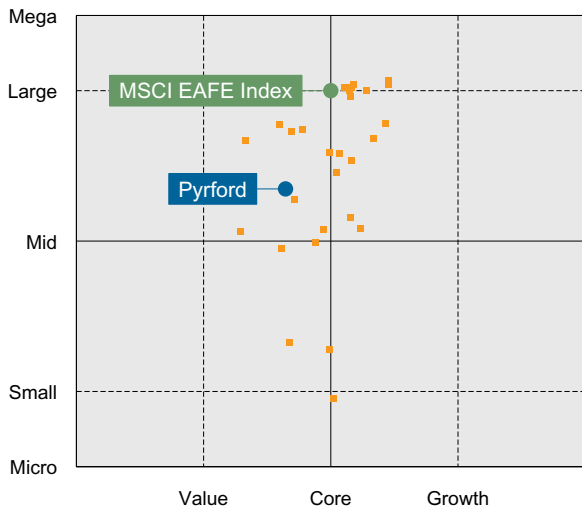
Current Holdings Based Style Analysis

Pyrford

As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left chart illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

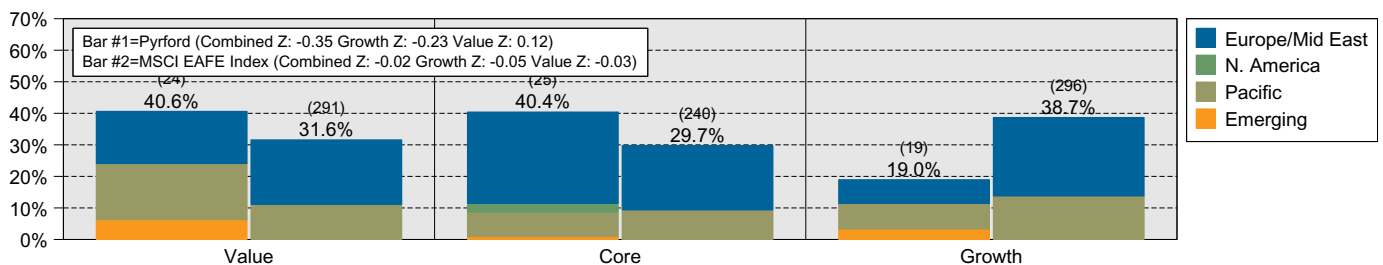
Style Map vs Callan NonUS Dev Core Eq Holdings as of December 31, 2021



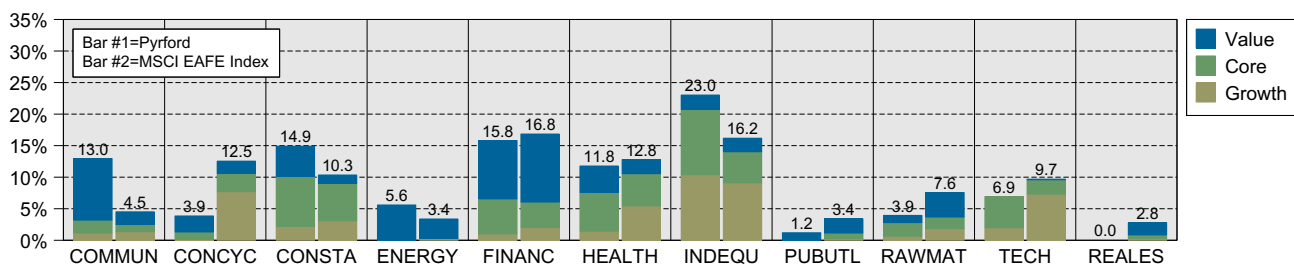
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Europe/ Mid East	16.6% (10) 20.4% (151)	28.9% (17) 20.4% (124)	7.5% (9) 24.9% (169)	53.0% (36) 65.7% (444)
N. America	0.0% (0) 0.0% (0)	2.8% (1) 0.0% (0)	0.0% (0) 0.0% (0)	2.8% (1) 0.0% (0)
Pacific	17.8% (10) 11.2% (140)	7.7% (6) 9.3% (115)	8.1% (6) 13.8% (127)	33.6% (22) 34.3% (382)
Emerging	6.3% (4) 0.0% (0)	1.0% (1) 0.0% (1)	3.3% (4) 0.0% (0)	10.5% (9) 0.0% (1)
Total	40.6% (24) 31.6% (291)	40.4% (25) 29.7% (240)	19.0% (19) 38.7% (296)	100.0% (68) 100.0% (827)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



Sector Weights Distribution Holdings as of December 31, 2021



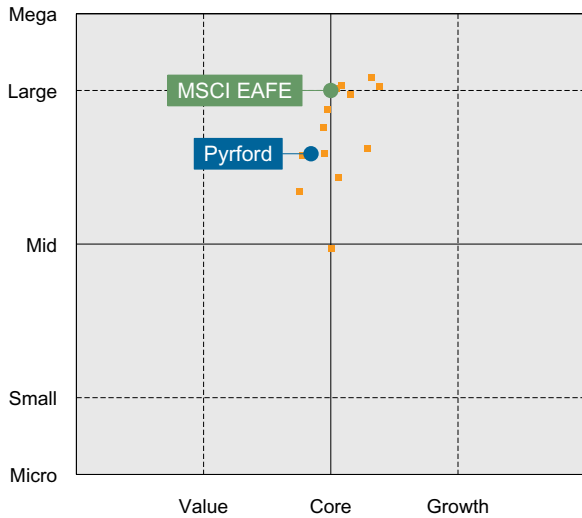
Historical Holdings Based Style Analysis

Pyrford

For Five Years Ended December 31, 2021

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

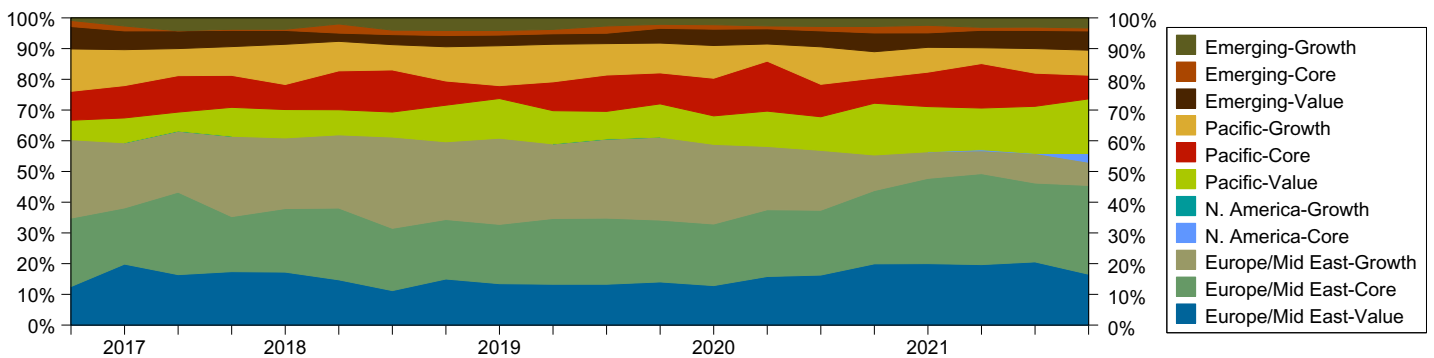
Average Style Map vs Callan NonUS Dev Core Eq Holdings for Five Years Ended December 31, 2021



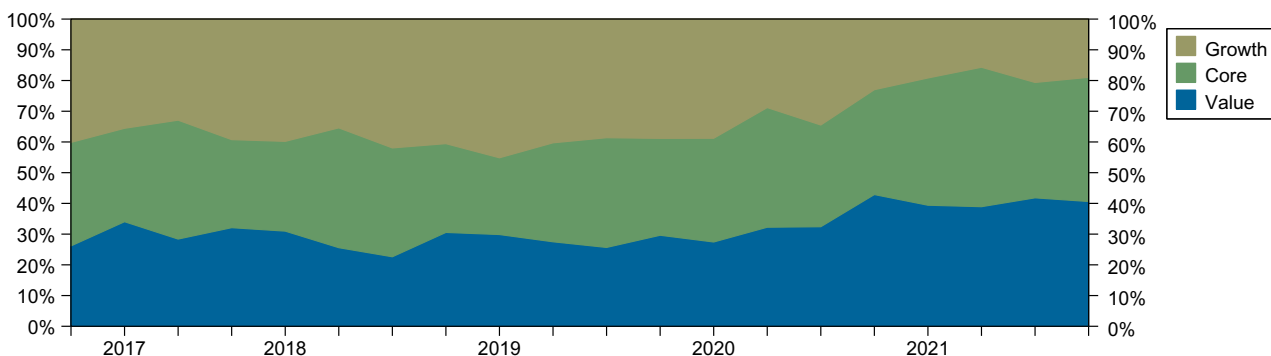
Average Style Exposure Matrix Holdings for Five Years Ended December 31, 2021

	Value	Core	Growth	Total
Europe/ Mid East	16.0% (11) 19.1% (137)	22.5% (14) 18.5% (127)	20.5% (15) 25.2% (183)	59.0% (40) 62.8% (447)
N. America	0.0% (0) 0.0% (0)	0.2% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.2% (0) 0.0% (0)
Pacific	11.0% (7) 12.4% (148)	10.6% (7) 10.7% (141)	9.9% (7) 14.1% (163)	31.5% (21) 37.2% (452)
Emerging	4.9% (3) 0.0% (0)	1.4% (1) 0.0% (0)	3.0% (3) 0.0% (0)	9.3% (7) 0.0% (0)
Total	31.9% (21) 31.4% (285)	34.7% (22) 29.2% (268)	33.4% (25) 39.4% (346)	100.0% (68) 100.0% (899)

Pyrford Historical Region/Style Exposures



Pyrford Historical Style Only Exposures



Country Allocation

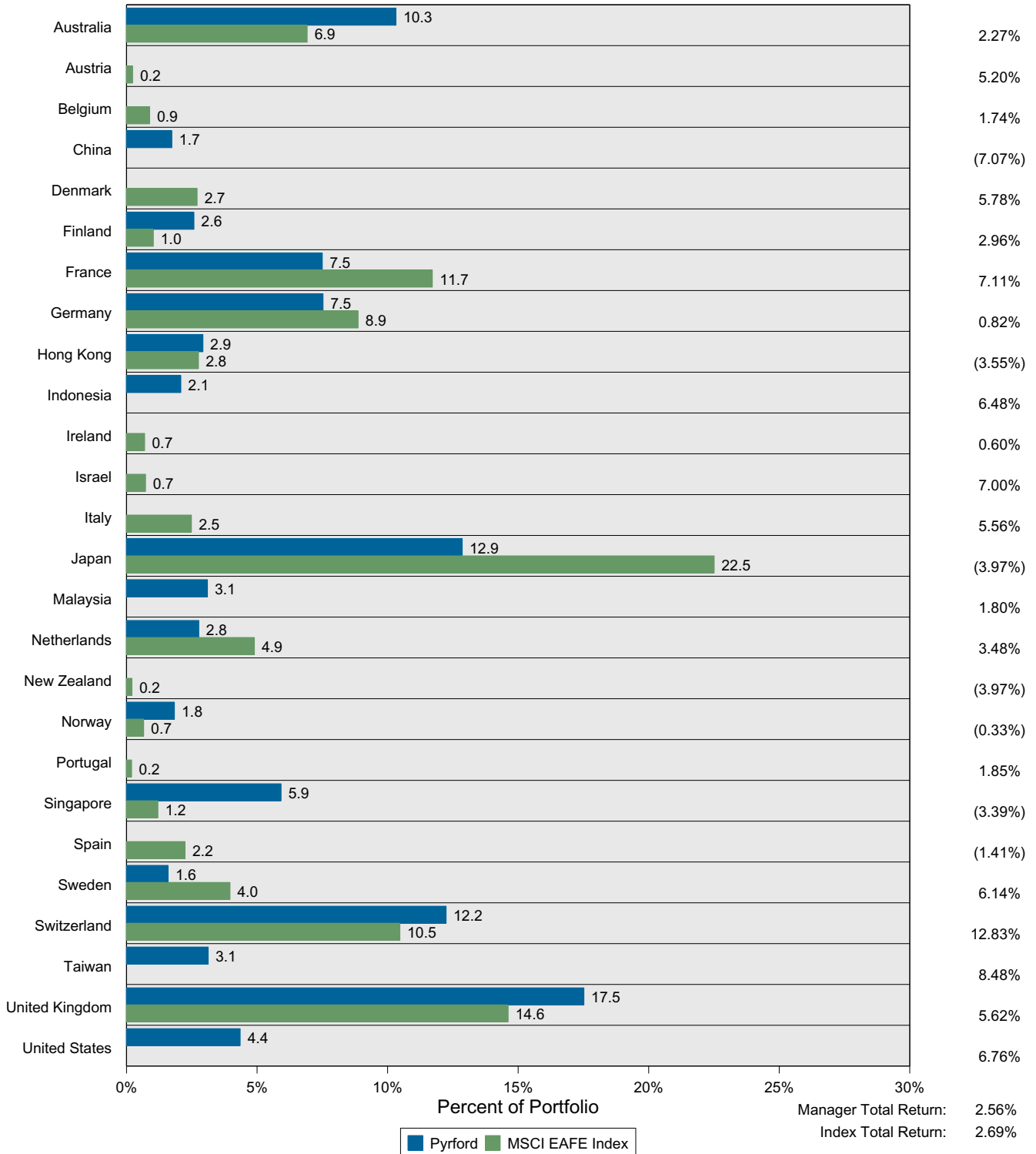
Pyrford VS MSCI EAFE Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of December 31, 2021. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of December 31, 2021

Index Rtns



Pyrford Top 10 Portfolio Holdings Characteristics as of December 31, 2021

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Nestle S A Shs Nom New	Consumer Staples	\$1,122,418	3.2%	13.18%	393.73	26.63	2.16%	6.17%
Japan Tobacco Inc Ord	Consumer Staples	\$1,079,758	3.1%	3.78%	40.34	11.06	6.11%	(6.79)%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$996,110	2.8%	11.86%	292.32	18.21	2.40%	6.00%
Meta Finl Group Inc	Financials	\$935,558	2.7%	13.78%	1.82	11.96	0.34%	26.99%
Novartis	Health Care	\$788,553	2.2%	6.98%	214.49	13.35	3.74%	7.10%
Glaxosmithkline Plc Ord	Health Care	\$770,165	2.2%	13.93%	109.49	13.95	4.98%	4.00%
Brambles Ltd Npv	Industrials	\$765,136	2.2%	(5.76)%	11.09	18.85	2.57%	9.94%
Legal & General Group	Financials	\$760,010	2.2%	7.58%	24.06	8.86	5.91%	5.00%
Kddi	Communication Services	\$740,360	2.1%	(12.58)%	67.27	11.04	3.57%	3.63%
Mitsubishi Elec Corp Shs	Industrials	\$733,832	2.1%	(9.74)%	27.20	12.50	2.74%	11.50%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Bunzl Pub Ltd Co Shs	Industrials	\$432,916	1.2%	15.41%	13.18	19.08	1.88%	(2.90)%
Atlas Copco Ab Shs A	Industrials	\$161,988	0.5%	14.04%	58.02	34.37	1.14%	15.18%
Glaxosmithkline Plc Ord	Health Care	\$770,165	2.2%	13.93%	109.49	13.95	4.98%	4.00%
Meta Finl Group Inc	Financials	\$935,558	2.7%	13.78%	1.82	11.96	0.34%	26.99%
Nestle S A Shs Nom New	Consumer Staples	\$1,122,418	3.2%	13.18%	393.73	26.63	2.16%	6.17%
Merida Industry Co.	Consumer Discretionary	\$53,705	0.2%	12.75%	3.54	19.97	2.14%	12.83%
Givaudan Ag Duebendorf Ord	Materials	\$212,914	0.6%	12.56%	48.56	43.94	1.34%	7.24%
Mg Technologies	Industrials	\$431,712	1.2%	12.17%	9.90	25.07	1.76%	29.41%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$996,110	2.8%	11.86%	292.32	18.21	2.40%	6.00%
Reckitt Benckiser Group Plc	Consumer Staples	\$608,209	1.7%	11.00%	61.36	20.69	2.75%	1.57%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Abc-Mart	Consumer Discretionary	\$437,958	1.2%	(26.33)%	3.53	16.40	3.45%	13.73%
Nabtesco Corp Tokyo Shs	Industrials	\$386,295	1.1%	(24.05)%	3.58	16.31	2.11%	16.07%
Sumitomo Rubber Ind	Consumer Discretionary	\$398,154	1.1%	(23.42)%	2.68	9.91	5.12%	16.85%
Nihon Kohden Corp Shs	Health Care	\$476,040	1.4%	(18.10)%	2.43	16.92	1.17%	(3.51)%
Royal Philips NV Shs	Health Care	\$251,013	0.7%	(15.73)%	32.93	17.69	2.59%	10.80%
Woodside Petroleum	Energy	\$587,509	1.7%	(14.57)%	15.46	8.33	2.63%	34.89%
Comfortdelgro Corporation Lt Shs	Industrials	\$453,356	1.3%	(14.49)%	2.25	13.66	2.52%	55.52%
Kddi	Communication Services	\$740,360	2.1%	(12.58)%	67.27	11.04	3.57%	3.63%
Brenntag Ag Muehlheim/Ruhr Shs New	Industrials	\$535,009	1.5%	(12.06)%	13.91	17.32	1.70%	16.08%
Aia Group Ltd Com Par Usd 1	Financials	\$328,449	0.9%	(11.60)%	121.96	16.05	1.76%	12.56%

AQR

Period Ended December 31, 2021

Investment Philosophy

Returns prior to 9/30/2016 are linked to a composite history.

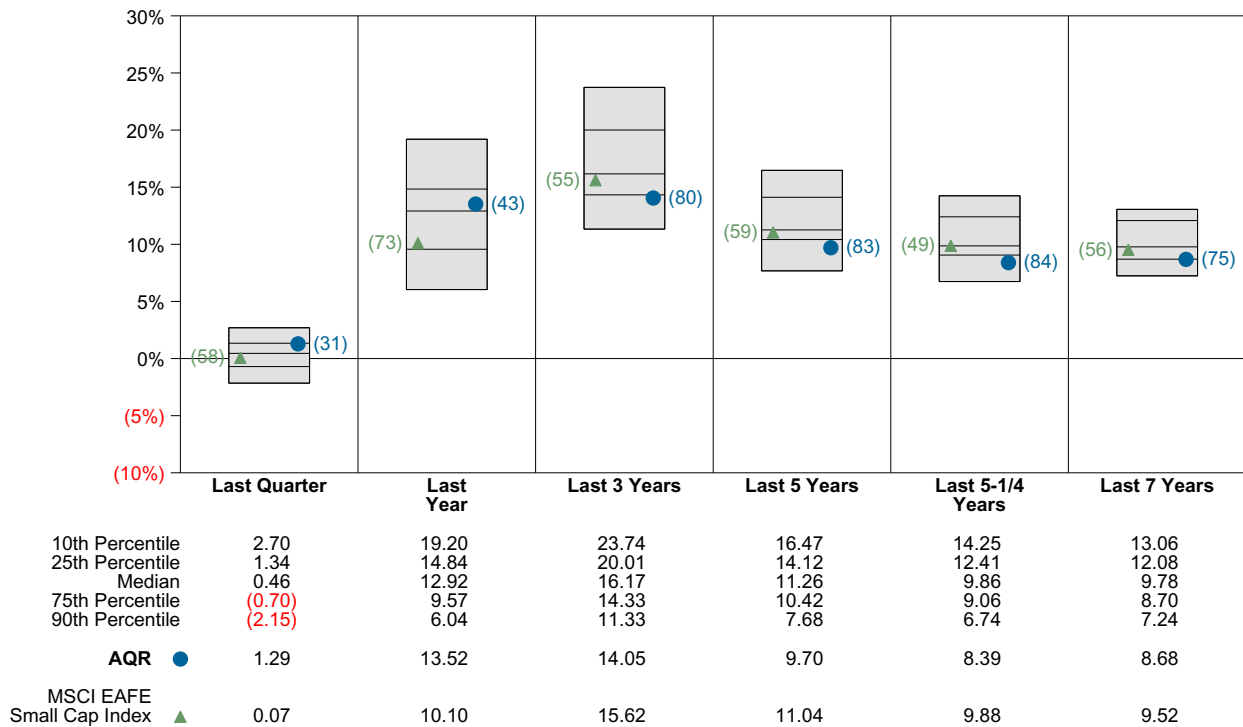
Quarterly Summary and Highlights

- AQR's portfolio posted a 1.29% return for the quarter placing it in the 31 percentile of the Callan International Small Cap group for the quarter and in the 43 percentile for the last year.
- AQR's portfolio outperformed the MSCI EAFE Small Cap Index by 1.21% for the quarter and outperformed the MSCI EAFE Small Cap Index for the year by 3.42%.

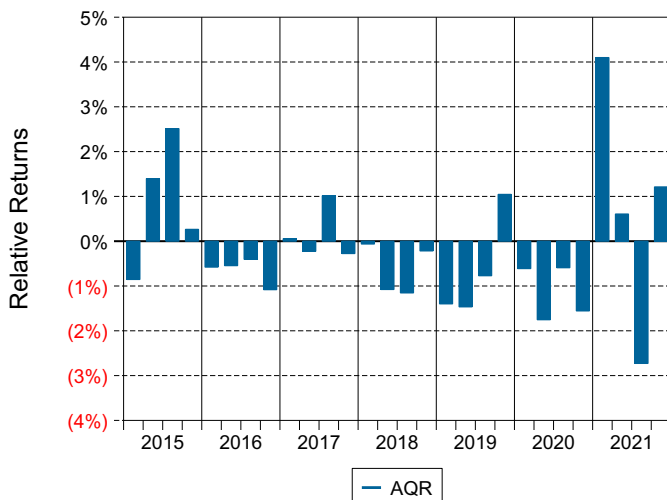
Quarterly Asset Growth

Beginning Market Value	\$21,395,286
Net New Investment	\$-1,000,000
Investment Gains/(Losses)	\$225,528
Ending Market Value	\$20,620,814

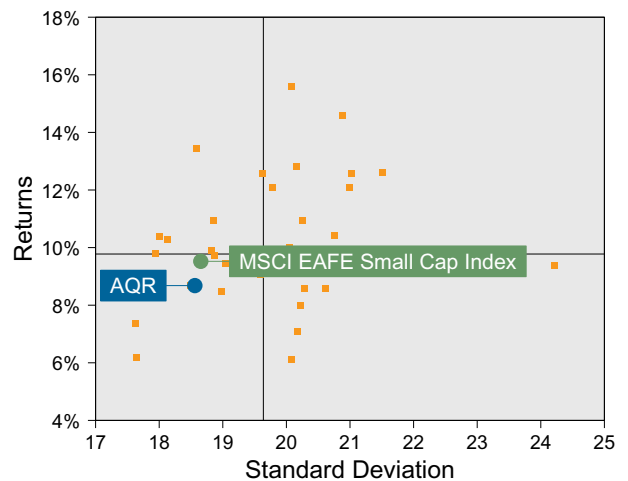
Performance vs Callan International Small Cap (Gross)



Relative Returns vs MSCI EAFE Small Cap Index



Callan International Small Cap (Gross) Annualized Seven Year Risk vs Return

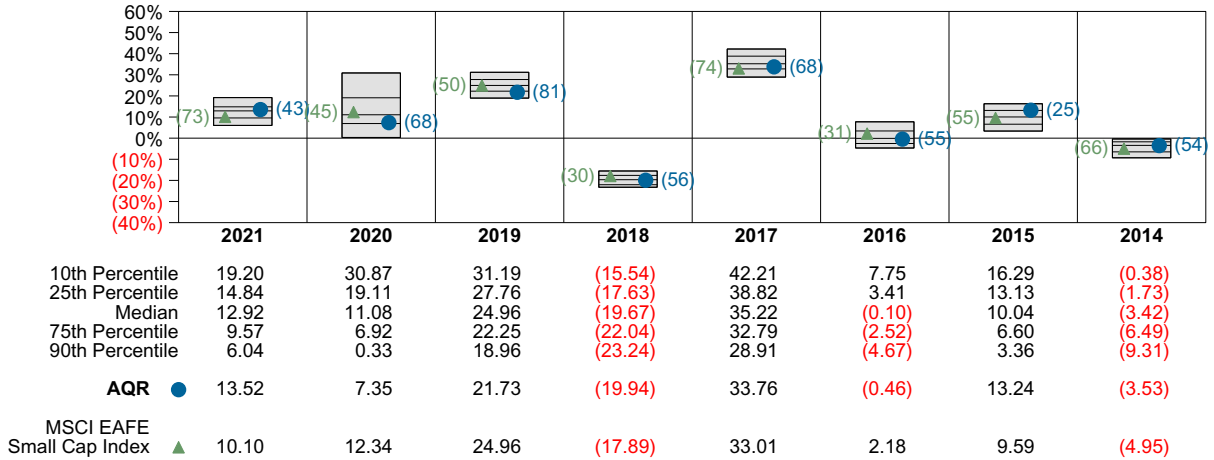


AQR Return Analysis Summary

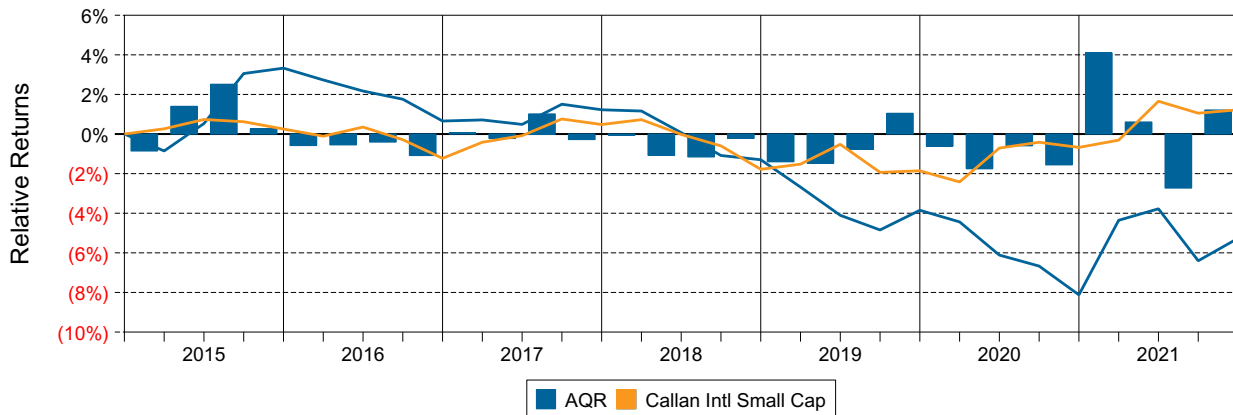
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

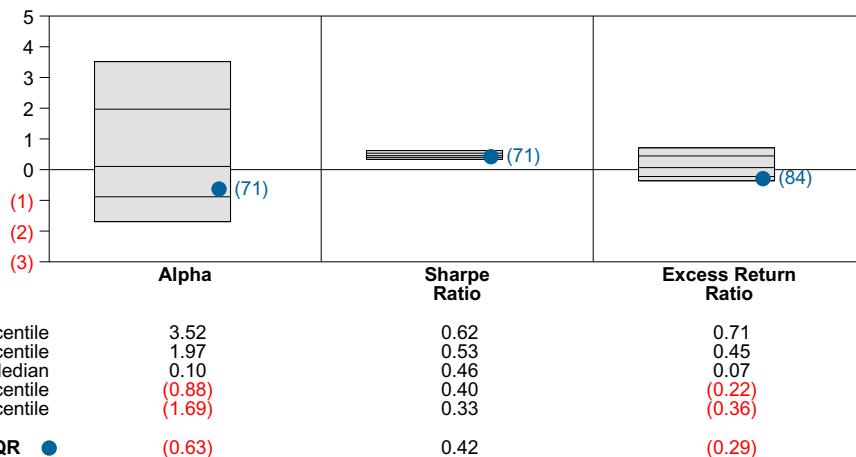
Performance vs Callan International Small Cap (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE Small Cap Index



Risk Adjusted Return Measures vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended December 31, 2021

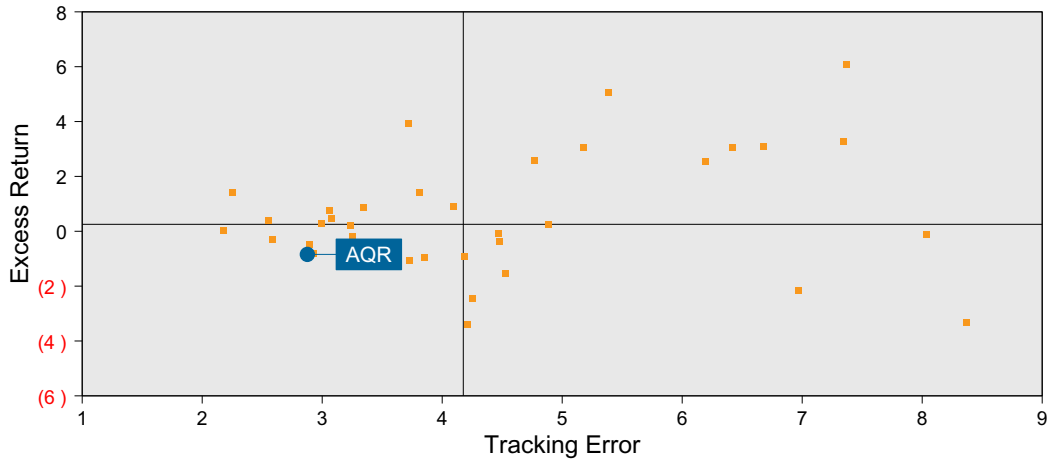


AQR Risk Analysis Summary

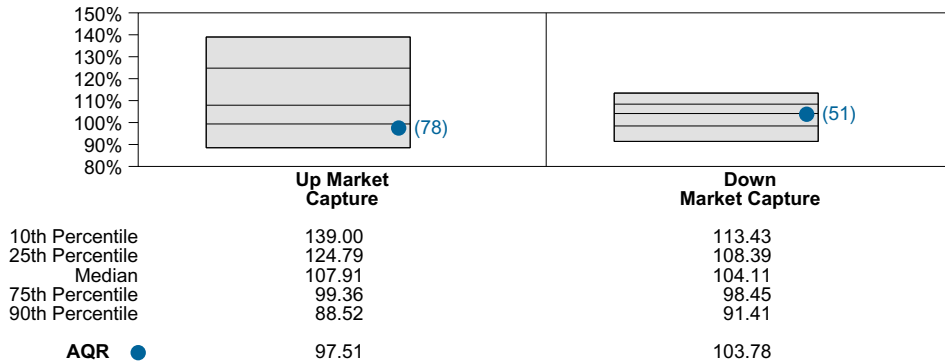
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

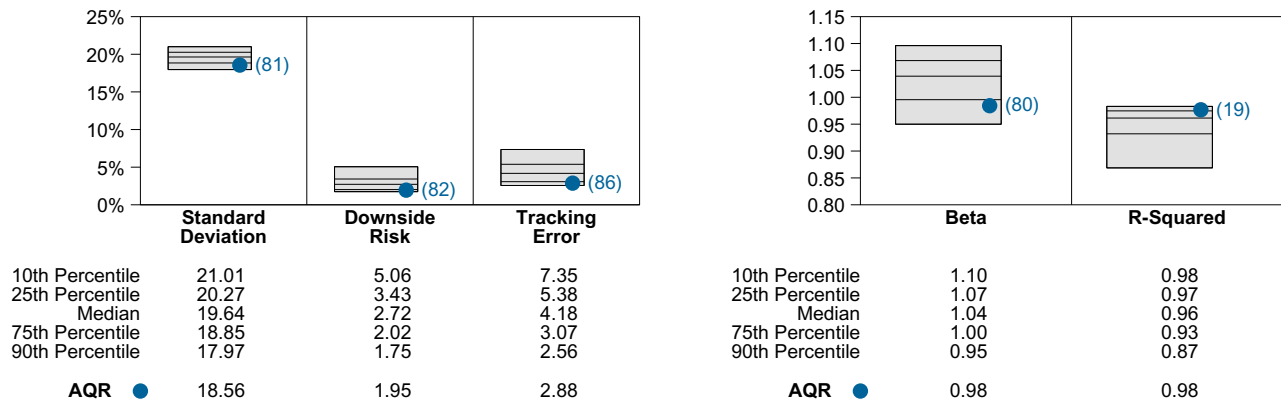
Risk Analysis vs Callan International Small Cap (Gross) Seven Years Ended December 31, 2021



Market Capture vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended December 31, 2021



Risk Statistics Rankings vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended December 31, 2021

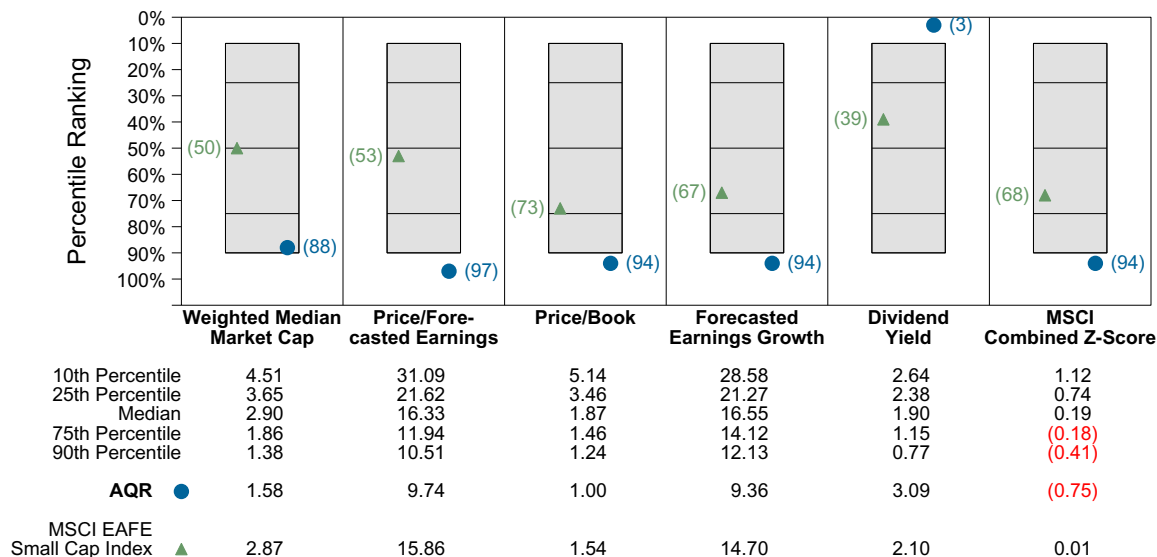


AQR Equity Characteristics Analysis Summary

Portfolio Characteristics

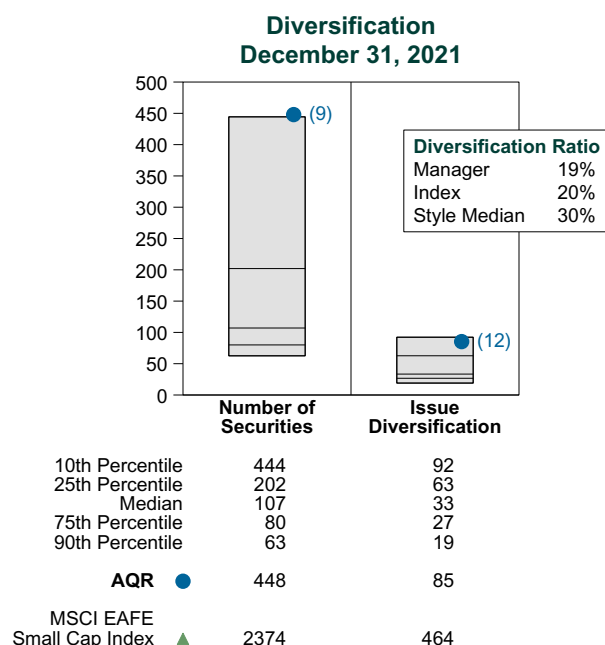
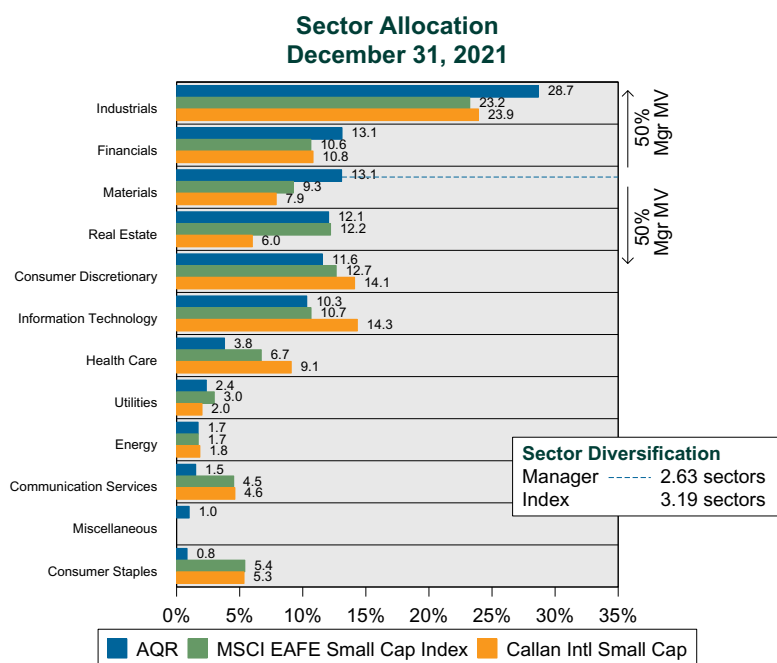
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan International Small Cap as of December 31, 2021



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



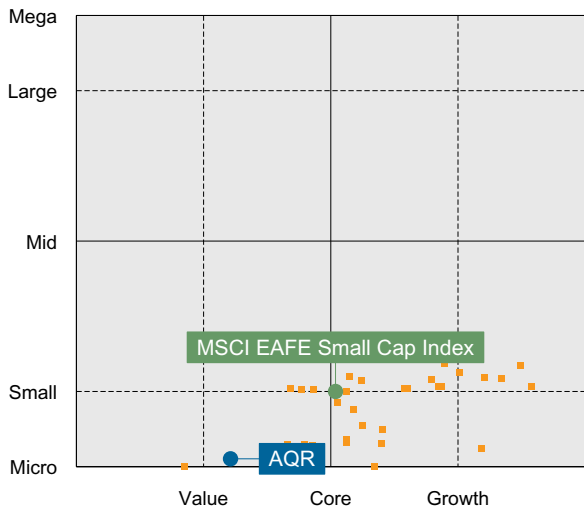
Current Holdings Based Style Analysis

AQR

As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

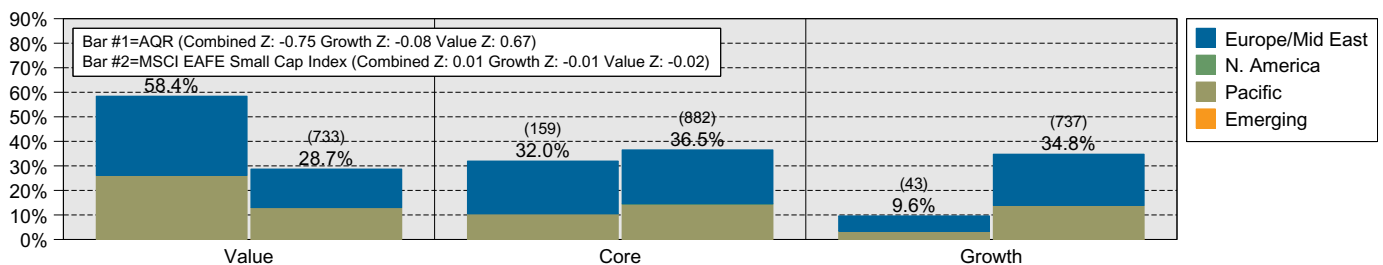
Style Map vs Callan Intl Small Cap Holdings as of December 31, 2021



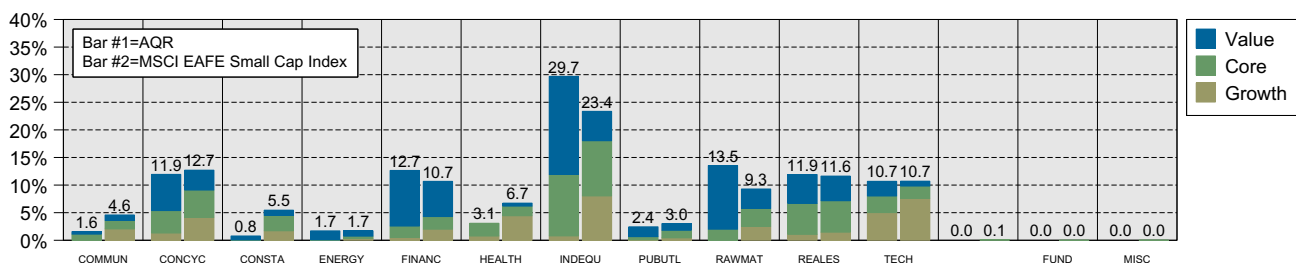
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Europe/ Mid East	32.2% (99)	21.5% (87)	6.2% (25)	60.0% (211)
N. America	15.7% (340)	22.0% (443)	20.9% (351)	58.6% (1134)
Pacific	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Emerging	0.0% (0)	0.1% (7)	0.0% (0)	0.1% (7)
Total	58.4% (226)	32.0% (159)	9.6% (43)	100.0% (428)
	28.7% (733)	36.5% (882)	34.8% (737)	100.0% (2352)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



Sector Weights Distribution Holdings as of December 31, 2021



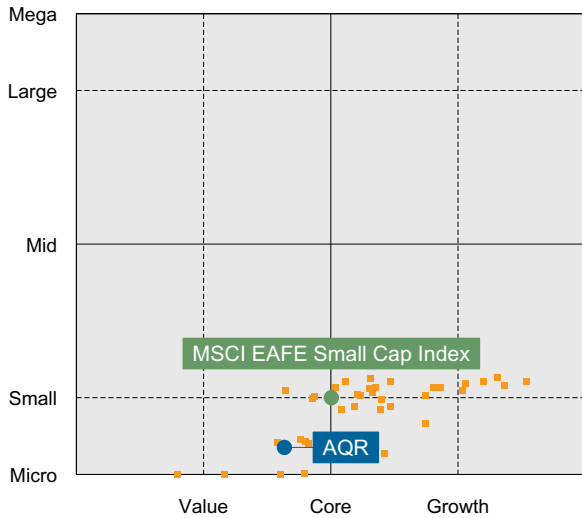
Historical Holdings Based Style Analysis

AQR

For Five Years Ended December 31, 2021

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

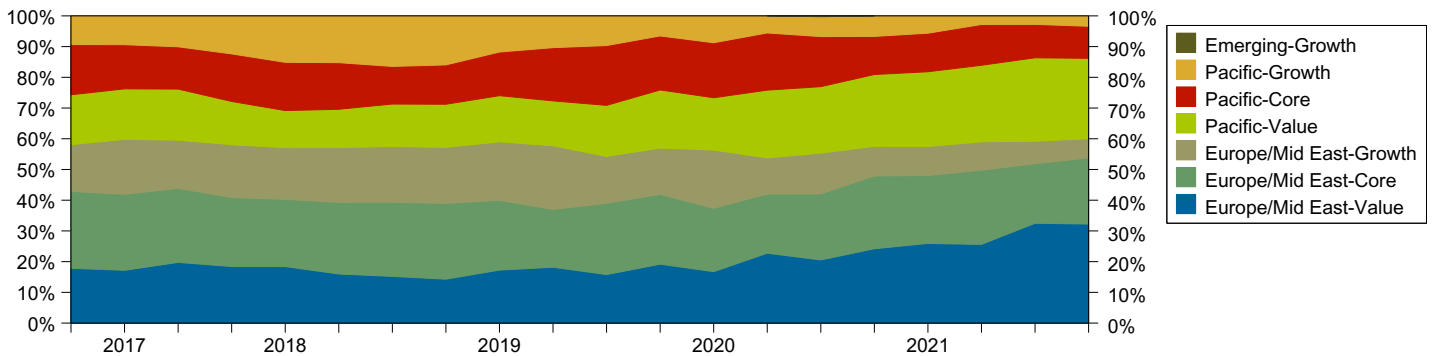
Average Style Map vs Callan Intl Small Cap Holdings for Five Years Ended December 31, 2021



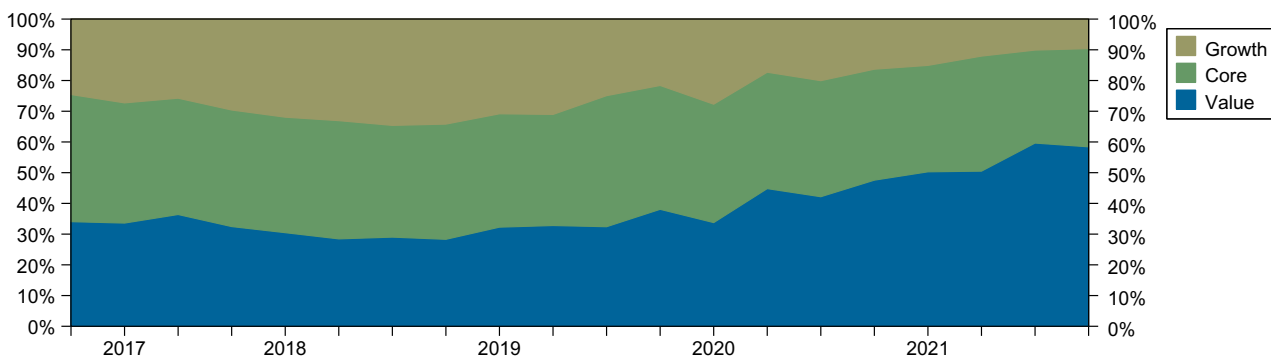
Average Style Exposure Matrix Holdings for Five Years Ended December 31, 2021

	Value	Core	Growth	Total
Europe/Mid East	20.4% (98) 14.4% (314)	22.5% (103) 21.9% (396)	14.6% (61) 20.7% (326)	57.5% (262) 57.1% (1036)
N. America	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (1)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (1)
Pacific	18.4% (133) 12.8% (435)	14.8% (99) 15.0% (433)	9.2% (58) 15.0% (401)	42.4% (290) 42.9% (1269)
Emerging	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)
Total	38.8% (231) 27.3% (749)	37.3% (202) 37.0% (830)	23.9% (119) 35.8% (727)	100.0% (552) 100.0% (2306)

AQR Historical Region/Style Exposures



AQR Historical Style Only Exposures



Country Allocation

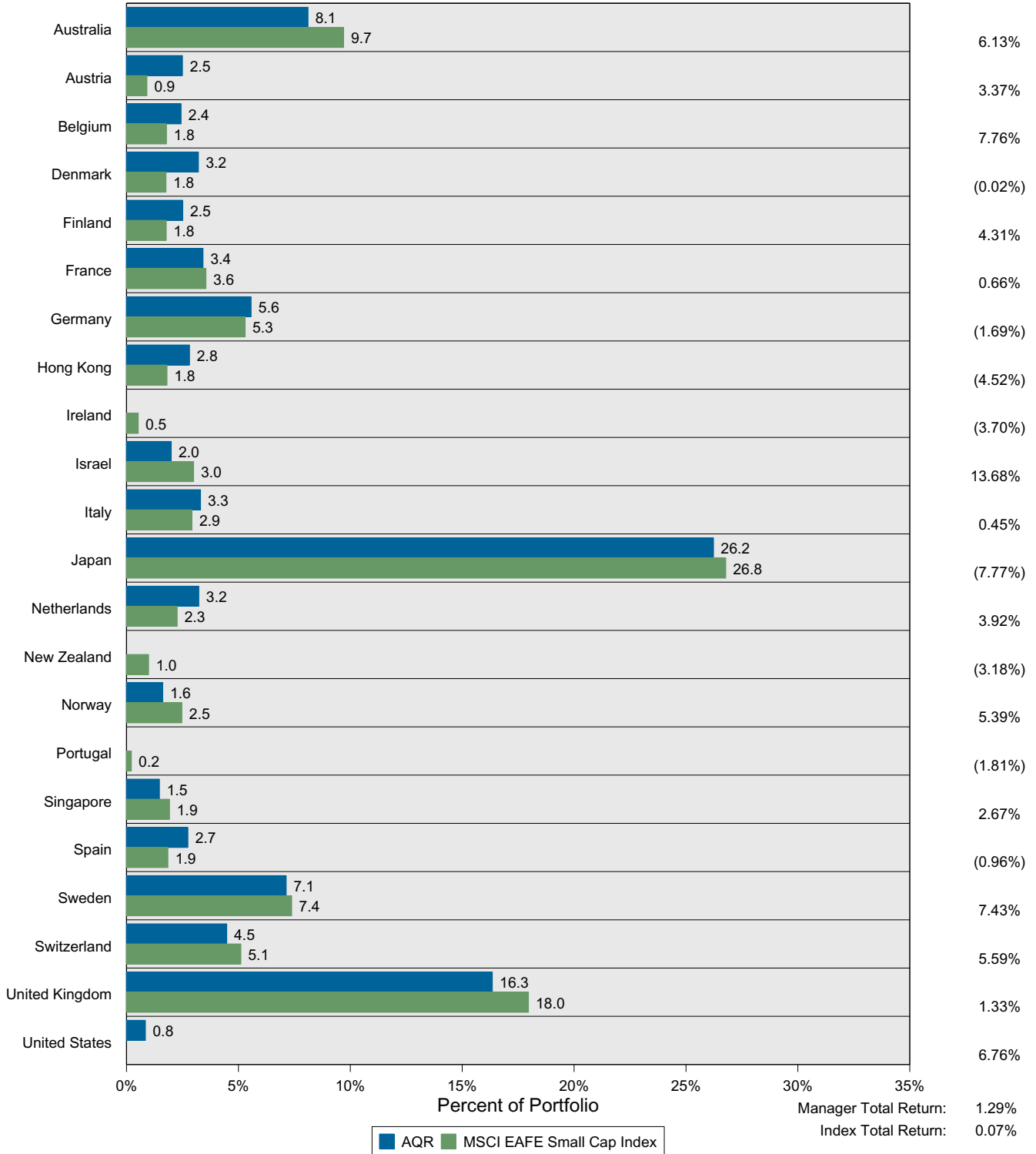
AQR VS MSCI EAFE Small Cap Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of December 31, 2021. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of December 31, 2021

Index Rtns



AQR Top 10 Portfolio Holdings Characteristics as of December 31, 2021

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Logista Hold	Industrials	\$226,199	1.1%	(16.85)%	2.65	10.50	7.07%	1.82%
Airtel Africa	Communication Services	\$221,417	1.1%	36.26%	6.81	11.46	2.44%	38.70%
Draegerwerk Ag & Co Kga a Pref Shs No	Health Care	\$215,572	1.0%	(22.09)%	0.53	12.37	0.35%	(20.37)%
Morgan Sindall Plc Shs	Industrials	\$205,989	1.0%	7.52%	1.58	12.22	2.78%	23.39%
Kandenko Co	Industrials	\$205,650	1.0%	(10.71)%	1.53	7.83	3.27%	15.20%
Inaba Denkisangyo Co	Industrials	\$189,178	0.9%	(4.10)%	1.32	12.95	3.70%	13.98%
Ferrexpo Plc London Shs	Materials	\$178,479	0.9%	(3.32)%	2.39	4.90	11.54%	2.13%
Nippon Steel Trading	Industrials	\$177,608	0.9%	(3.61)%	1.41	5.49	5.38%	15.29%
Serco Group Plc Ord	Industrials	\$173,598	0.8%	(7.67)%	2.22	13.09	1.63%	9.70%
Hokkaido Electric Pwr Co Inc Shs	Utilities	\$171,870	0.8%	(7.09)%	0.96	6.36	4.87%	(16.53)%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Wilhs.Wilhelmsen	Industrials	\$64,928	0.3%	52.99%	2.43	7.39	0.00%	(25.97)%
Intertrust Group Holding	Industrials	\$14,392	0.1%	52.27%	2.02	12.28	0.00%	6.01%
Megachips Corp Osaka Shs	Information Technology	\$52,284	0.3%	48.07%	1.03	10.47	0.68%	(11.19)%
Shinko Electric Industries C Shs	Information Technology	\$52,505	0.3%	42.23%	6.44	17.50	0.59%	32.65%
Nick Scali	Consumer Discretionary	\$9,347	0.0%	39.10%	0.90	17.17	4.23%	27.10%
Airtel Africa	Communication Services	\$221,417	1.1%	36.26%	6.81	11.46	2.44%	38.70%
Beijer Alma B	Industrials	\$15,812	0.1%	33.02%	1.63	24.20	1.09%	8.78%
Kenon Holdings	Utilities	\$57,850	0.3%	31.32%	2.83	5.26	3.54%	-
Nobina	Industrials	\$41,458	0.2%	31.29%	1.04	18.88	3.52%	10.64%
Elmos Semiconductor Nmbc	Information Technology	\$90,445	0.4%	28.07%	1.15	22.63	0.91%	82.64%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Adler Group S A Shs	Real Estate	\$6,618	0.0%	(43.12)%	1.45	10.90	4.23%	39.53%
Nippon Sheet Glass Co Ltd Ord	Industrials	\$10,190	0.0%	(40.39)%	0.41	4.37	0.00%	29.68%
Japan Hotel Reit Invt Corp Shs	Real Estate	\$9,923	0.0%	(35.34)%	2.18	27.13	0.73%	(45.25)%
Yue Yuen Industrial	Consumer Discretionary	\$30,465	0.1%	(33.83)%	2.70	8.28	0.00%	(6.45)%
Pact Group Hldgs Ltd	Materials	\$30,944	0.2%	(32.81)%	0.63	10.16	2.37%	1.89%
Mount Gibson Iron Ltd Shs	Materials	\$6,823	0.0%	(31.62)%	0.37	4.35	4.71%	1.85%
Bt Investment Man.	Financials	\$18,209	0.1%	(30.99)%	1.55	10.30	7.36%	6.80%
Hunting Plc Ord	Energy	\$10,599	0.1%	(30.57)%	0.38	33.19	2.61%	(6.98)%
Integrated Research Ltd Shs	Information Technology	\$4,867	0.0%	(27.43)%	0.16	18.55	5.80%	17.78%
Kobe Steel Ltd Shs	Materials	\$8,405	0.0%	(26.66)%	1.99	4.94	3.47%	2.06%

DFA Emerging Markets Period Ended December 31, 2021

Investment Philosophy

Returns prior to 6/30/2013 are linked to a composite history.

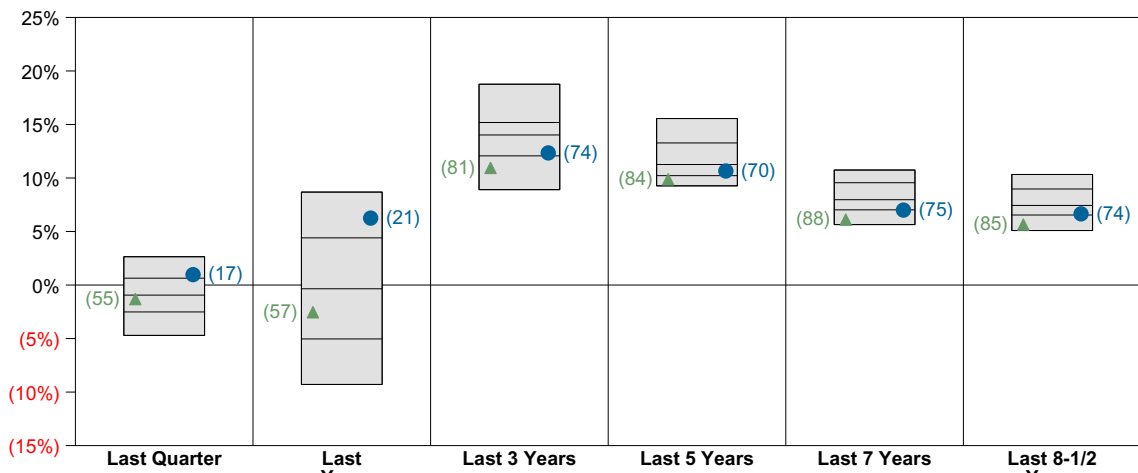
Quarterly Summary and Highlights

- DFA Emerging Markets's portfolio posted a 0.97% return for the quarter placing it in the 17 percentile of the Callan Emerging Markets Equity Mut Funds group for the quarter and in the 21 percentile for the last year.
- DFA Emerging Markets's portfolio outperformed the MSCI Emerging Markets Index by 2.28% for the quarter and outperformed the MSCI Emerging Markets Index for the year by 8.79%.

Quarterly Asset Growth

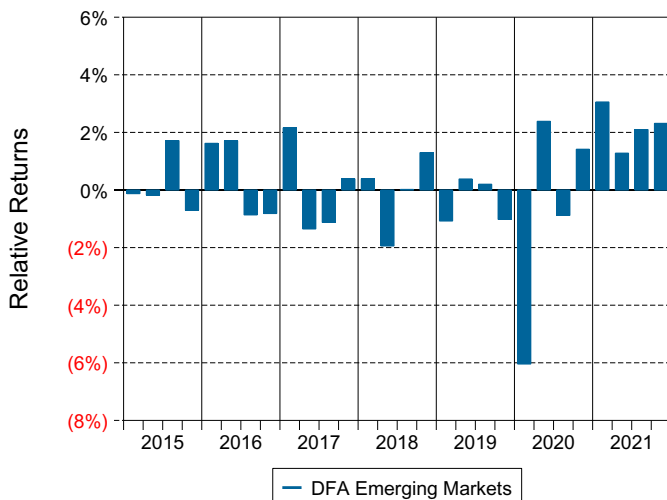
Beginning Market Value	\$26,284,655
Net New Investment	\$-2,000,000
Investment Gains/(Losses)	\$221,248
Ending Market Value	\$24,505,904

Performance vs Callan Emerging Markets Equity Mut Funds (Gross)

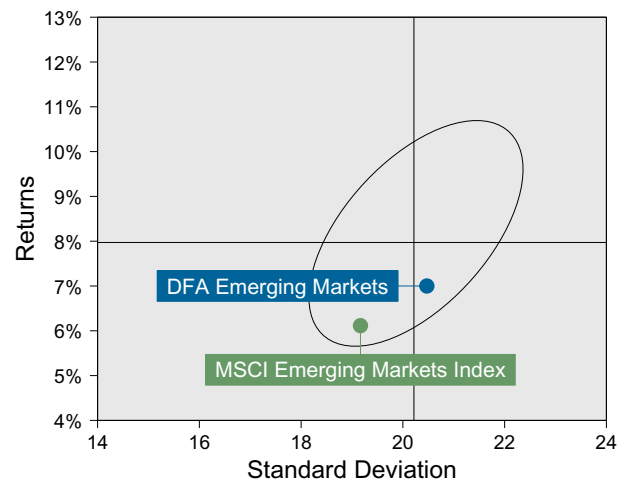


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 8-1/2 Years
10th Percentile	2.65	8.69	18.76	15.56	10.74	10.33
25th Percentile	0.64	4.41	15.18	13.28	9.56	8.97
Median	(0.94)	(0.35)	14.02	11.26	7.97	7.44
75th Percentile	(2.51)	(5.04)	12.07	10.22	7.02	6.54
90th Percentile	(4.71)	(9.29)	8.91	9.27	5.65	5.09
DFA Emerging Markets	● 0.97	6.25	12.34	10.65	7.00	6.65
MSCI Emerging Markets Index	▲ (1.31)	(2.54)	10.94	9.88	6.11	5.65

Relative Returns vs MSCI Emerging Markets Index



Callan Emerging Markets Equity Mut Funds (Gross) Annualized Seven Year Risk vs Return

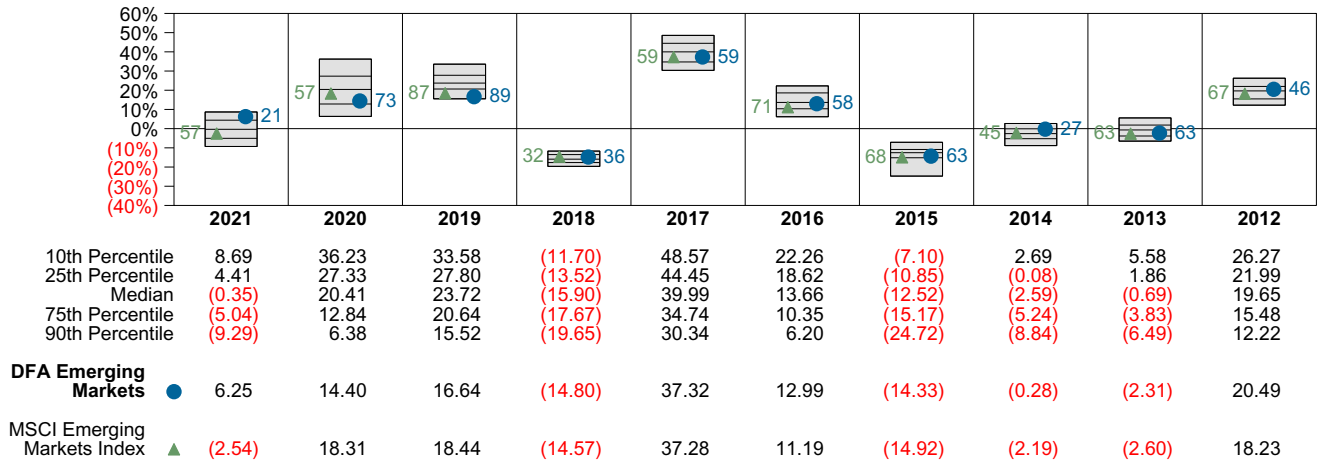


DFA Emerging Markets Return Analysis Summary

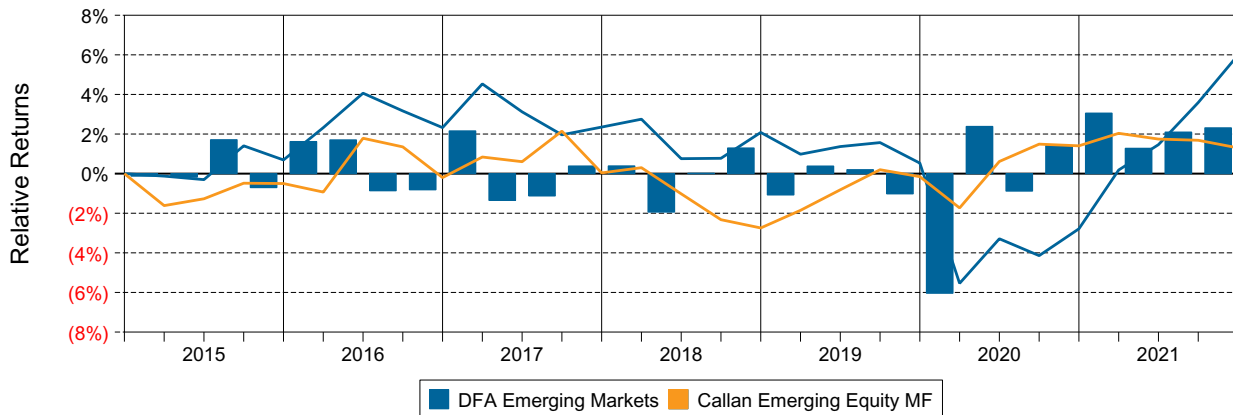
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

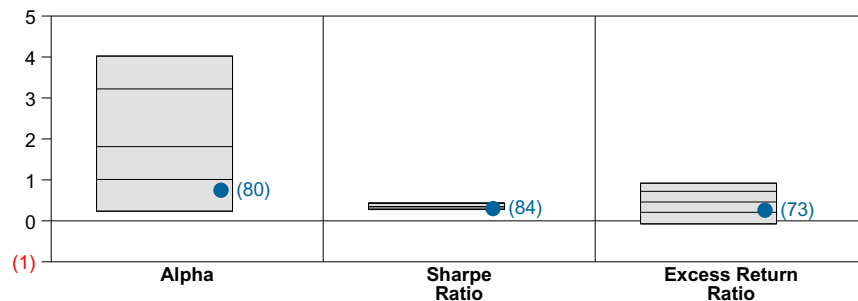
Performance vs Callan Emerging Markets Equity Mut Funds (Gross)



Cumulative and Quarterly Relative Return vs MSCI Emerging Markets Index



Risk Adjusted Return Measures vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended December 31, 2021



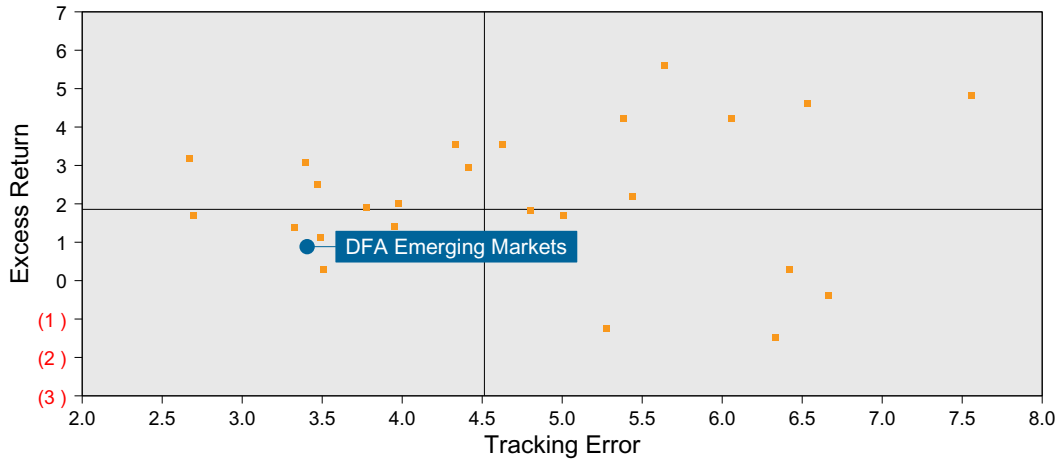
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	4.02	0.44	0.92
25th Percentile	3.22	0.42	0.72
Median	1.81	0.35	0.46
75th Percentile	1.01	0.31	0.21
90th Percentile	0.23	0.28	(0.07)
DFA Emerging Markets	● 0.75	0.30	0.26

DFA Emerging Markets Risk Analysis Summary

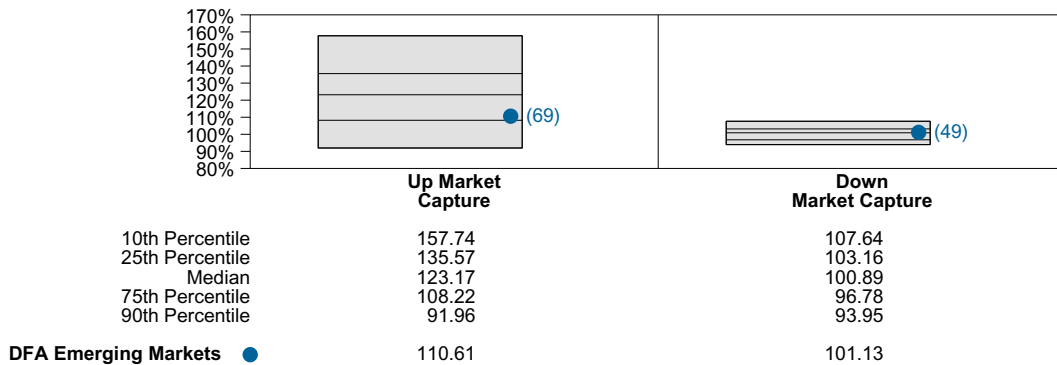
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

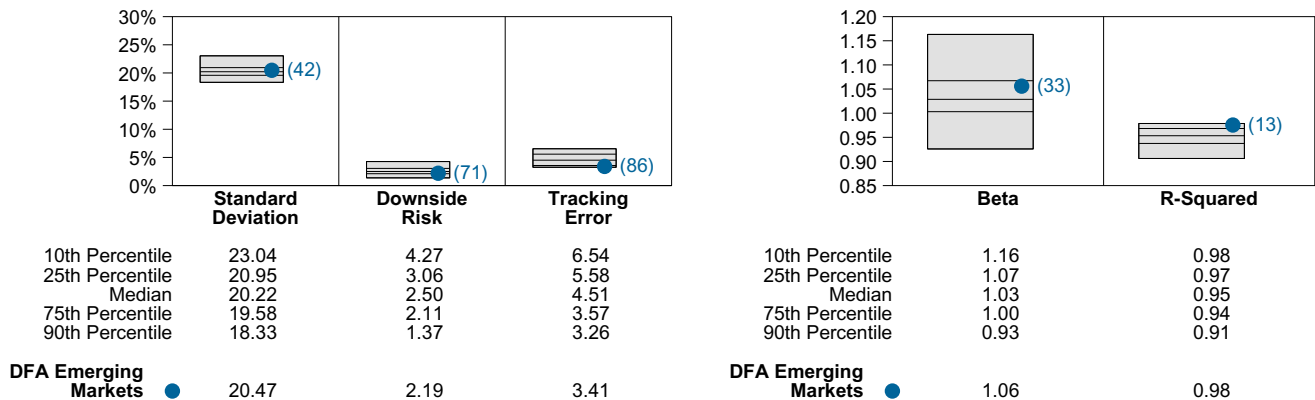
Risk Analysis vs Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended December 31, 2021



Market Capture vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended December 31, 2021



Risk Statistics Rankings vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended December 31, 2021

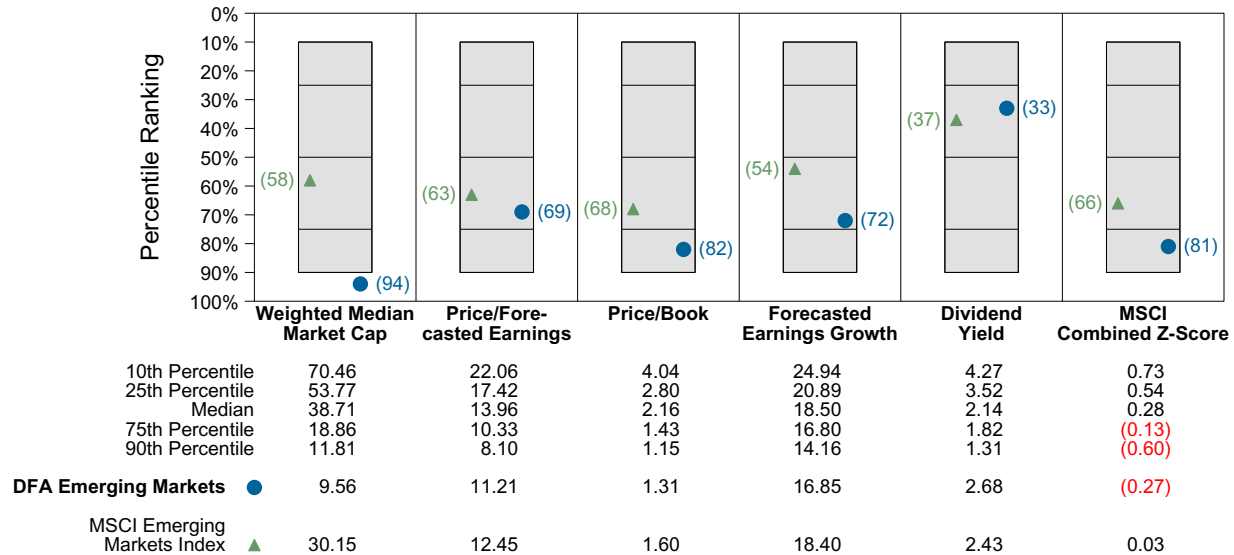


DFA Emerging Markets Equity Characteristics Analysis Summary

Portfolio Characteristics

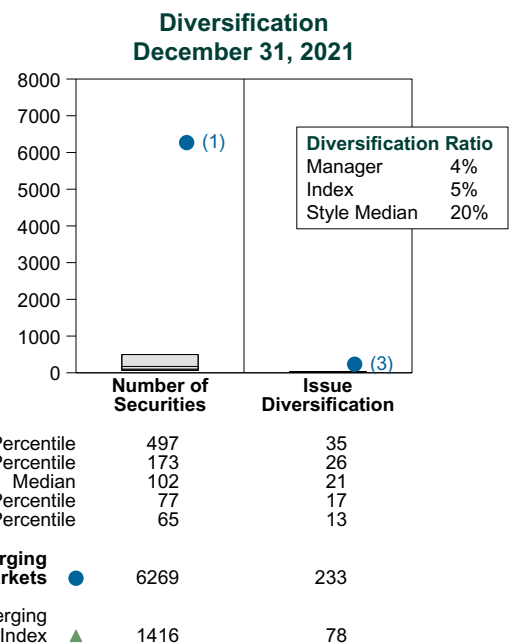
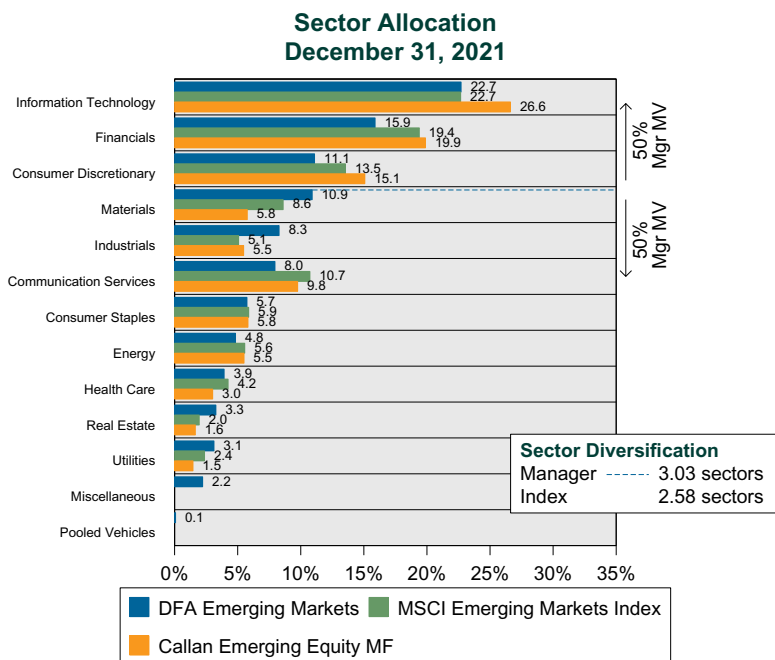
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan Emerging Markets Equity Mut Funds as of December 31, 2021



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



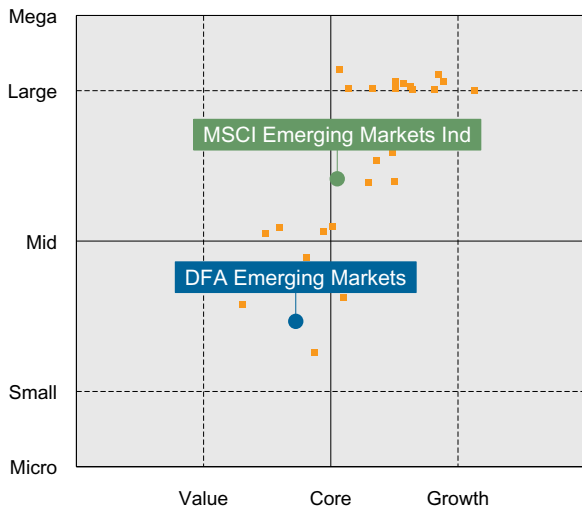
Current Holdings Based Style Analysis

DFA Emerging Markets

As of December 31, 2021

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

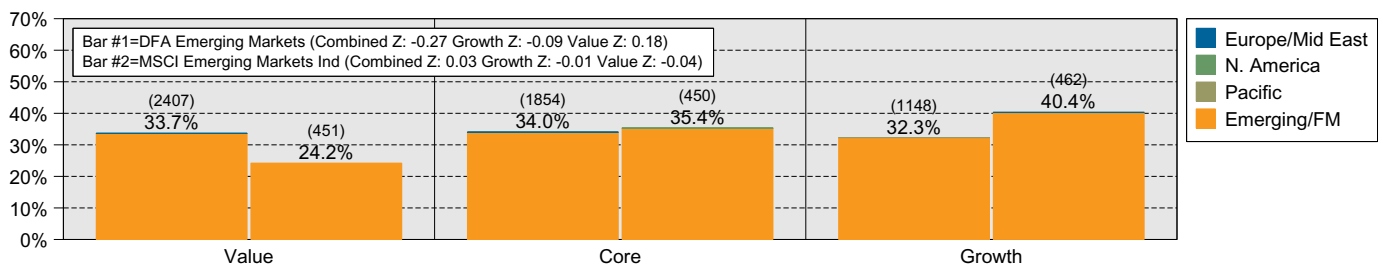
Style Map vs Callan Emerging Equity MF Holdings as of December 31, 2021



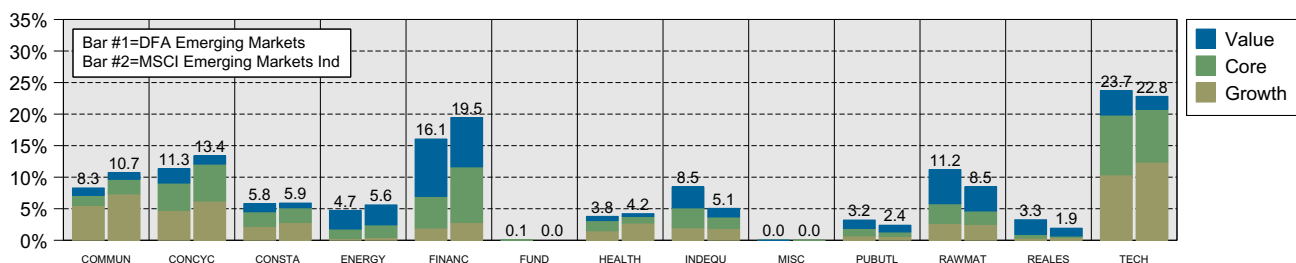
Style Exposure Matrix Holdings as of December 31, 2021

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (1) 0.0% (0)	0.0% (1) 0.0% (0)	0.0% (0) 0.1% (1)	0.0% (2) 0.1% (1)
N. America	0.0% (3) 0.0% (0)	0.0% (4) 0.2% (4)	0.0% (0) 0.0% (1)	0.0% (7) 0.2% (5)
Pacific	0.0% (16) 0.0% (0)	0.0% (26) 0.0% (3)	0.0% (18) 0.0% (0)	0.1% (60) 0.0% (3)
Emerging/ FM	33.6% (2387) 24.2% (451)	33.9% (1823) 35.2% (443)	32.3% (1130) 40.2% (460)	99.8% (5340) 99.7% (1354)
Total	33.7% (2407) 24.2% (451)	34.0% (1854) 35.4% (450)	32.3% (1148) 40.4% (462)	100.0% (5409) 100.0% (1363)

Combined Z-Score Style Distribution Holdings as of December 31, 2021



Sector Weights Distribution Holdings as of December 31, 2021



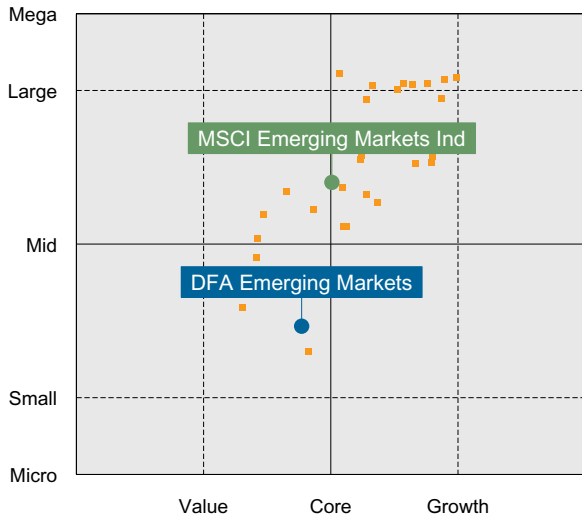
Historical Holdings Based Style Analysis

DFA Emerging Markets

For Five Years Ended December 31, 2021

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

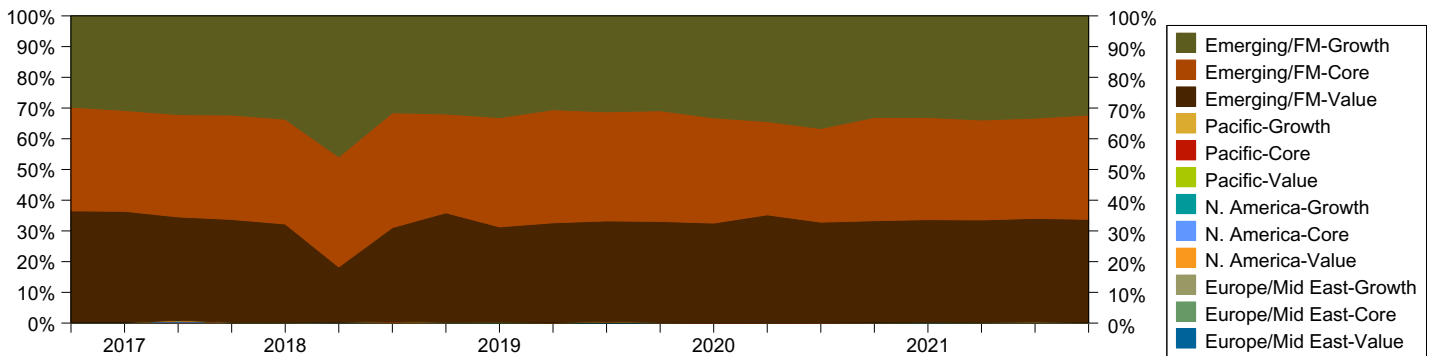
Average Style Map vs Callan Emerging Equity MF Holdings for Five Years Ended December 31, 2021



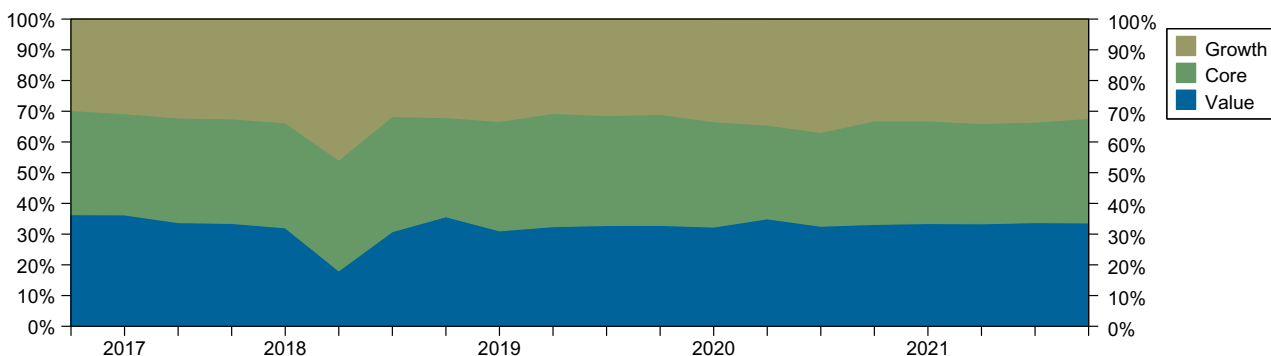
Average Style Exposure Matrix Holdings for Five Years Ended December 31, 2021

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (0) 0.0% (0)	0.0% (1) 0.0% (0)	0.0% (0) 0.0% (0)	0.1% (1) 0.0% (0)
N. America	0.0% (2) 0.0% (0)	0.1% (5) 0.0% (1)	0.0% (0) 0.0% (0)	0.1% (7) 0.1% (1)
Pacific	0.0% (16) 0.0% (0)	0.0% (22) 0.0% (1)	0.1% (14) 0.0% (0)	0.2% (52) 0.0% (1)
Emerging/ FM	32.6% (1847) 28.6% (423)	33.9% (1523) 30.0% (368)	33.2% (1097) 41.2% (364)	99.7% (4467) 99.9% (1155)
Total	32.7% (1865) 28.6% (423)	34.1% (1551) 30.1% (370)	33.3% (1111) 41.3% (364)	100.0% (4527) 100.0% (1157)

DFA Emerging Markets Historical Region/Style Exposures



DFA Emerging Markets Historical Style Only Exposures



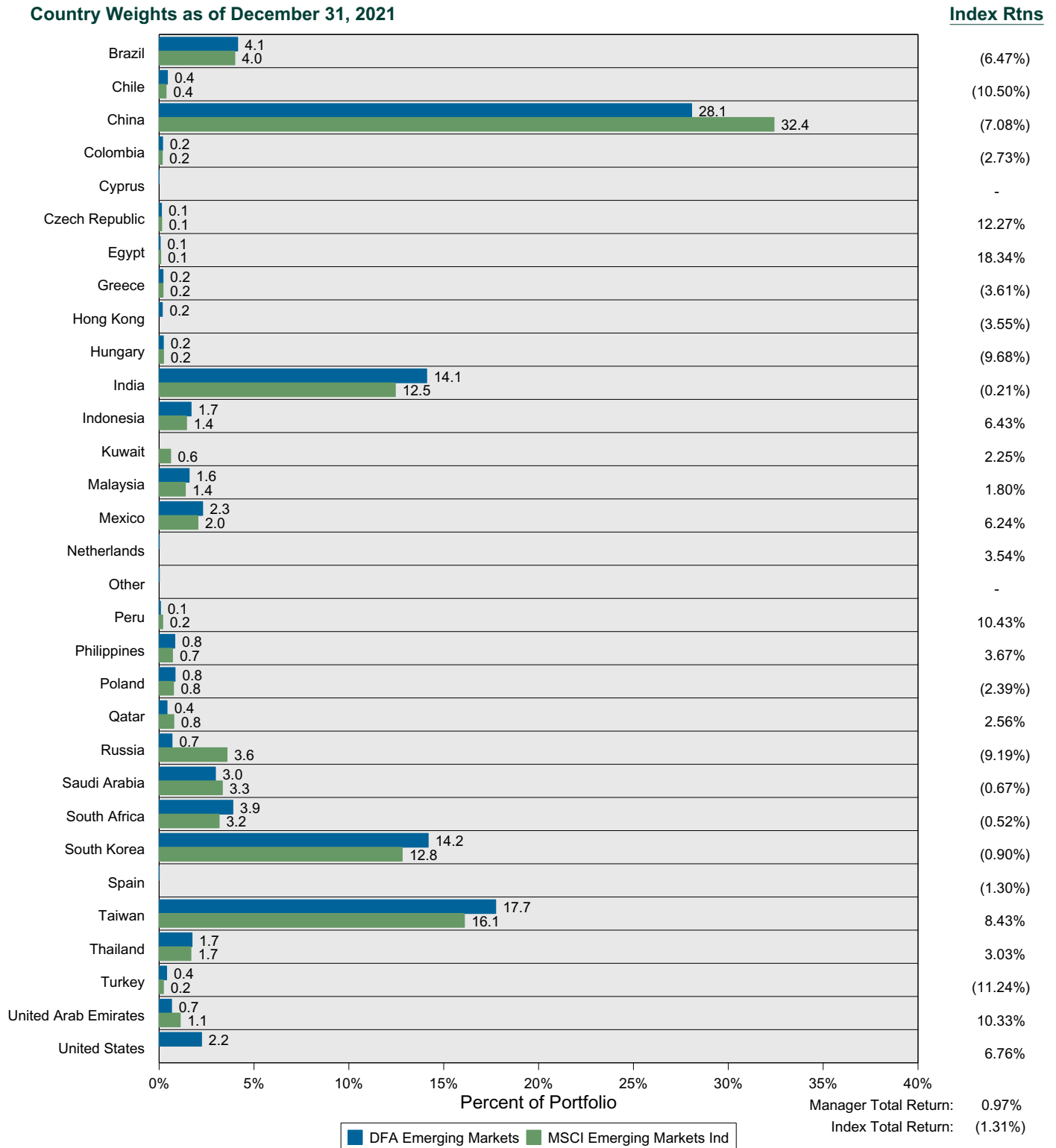
Country Allocation

DFA Emerging Markets VS MSCI Emerging Markets Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of December 31, 2021. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of December 31, 2021



DFA Emerging Markets Top 10 Portfolio Holdings Characteristics as of December 31, 2021

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Samsung Electronics Co Ltd Ord	Information Technology	\$956,127	3.9%	5.76%	393.21	11.69	3.85%	25.70%
Tencent Holdings Limited Shs Par Hkd	Communication Services	\$802,595	3.3%	0.19%	562.97	23.68	0.35%	18.29%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$781,426	3.2%	7.26%	576.40	22.41	1.75%	16.25%
Taiwan Semiconductor Mfg Co Ltd Spon	Information Technology	\$386,671	1.6%	8.72%	576.40	22.41	1.75%	16.25%
Alibaba Group Hldg Ltd Sponsored Ads	Consumer Discretionary	\$254,845	1.0%	(18.79)%	322.89	12.70	0.00%	5.32%
China Construction Bank Shs H	Financials	\$220,842	0.9%	(4.91)%	166.52	3.59	7.17%	6.57%
Reliance Industries Ltd Shs Demateri	Energy	\$217,815	0.9%	(6.13)%	202.08	22.16	0.30%	22.32%
Ping An Insurance H	Financials	\$184,526	0.8%	6.00%	53.64	5.31	4.88%	3.92%
Sk Hynix Inc Shs	Information Technology	\$183,778	0.8%	26.68%	80.23	8.67	0.89%	24.97%
Vale Sa Shs	Materials	\$183,679	0.7%	0.03%	71.84	5.56	18.79%	19.90%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Gamevil	Communication Services	\$1,759	0.0%	529.96%	1.30	44.47	0.00%	(9.98)%
Hughes Tele.Com	Communication Services	\$110	0.0%	482.88%	5.43	(20.00)	0.00%	-
Neowiz Corporation	Information Technology	\$1,699	0.0%	298.81%	0.72	12.67	0.00%	-
Diotek	Information Technology	\$644	0.0%	205.56%	0.22	102.92	0.00%	21.29%
Sintex Plastics Technology	Industrials	\$28	0.0%	195.86%	0.12	(1.36)	0.00%	-
Sunko Ink	Materials	\$241	0.0%	184.34%	0.19	(48.57)	1.78%	-
Dubai Financial Market	Financials	\$7,325	0.0%	173.08%	6.19	85.56	0.00%	(14.87)%
Amlak Finance	Financials	\$686	0.0%	170.75%	0.30	-	0.00%	-
Kb No.7 Spu.Acq.	Communication Services	\$326	0.0%	168.21%	0.31	430.00	0.00%	-
Seven Star Works Co Ltd	Information Technology	\$3,037	0.0%	164.58%	0.93	5.91	0.00%	-

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Vitro Sa De Cv Vitro Mexico Shs	Materials	\$421	0.0%	(98.45)%	0.57	12.16	0.00%	(60.56)%
China Anim.Characters	Consumer Discretionary	\$172	0.0%	(83.21)%	0.06	5.27	0.00%	9.12%
Xinyuan Real Estate Co Ltd Spons Adr	Real Estate	\$11	0.0%	(63.57)%	0.04	-	27.78%	-
Kaisa Group Holdings	Real Estate	\$2,297	0.0%	(62.66)%	0.70	0.81	18.50%	11.57%
Colour Life Services Gp.	Real Estate	\$351	0.0%	(62.29)%	0.18	2.16	11.04%	25.73%
Pollux Properti Indonesia	Real Estate	\$120	0.0%	(61.48)%	0.72	90.00	0.00%	-
Secoo Hldg Ltd Adr	Consumer Discretionary	\$13	0.0%	(60.82)%	0.03	-	0.00%	-
Mogu Inc Spon Ads	Consumer Discretionary	\$7	0.0%	(60.81)%	0.03	13.57	0.00%	-
Shimao China Hdg. Ltd.	Real Estate	\$5,292	0.0%	(60.56)%	2.48	1.10	31.37%	5.92%
Hailiang Ed Group Inc Sponsored Adr	Consumer Discretionary	\$194	0.0%	(60.32)%	0.32	9.22	0.00%	64.39%

Metropolitan West Period Ended December 31, 2021

Investment Philosophy

Metropolitan West Asset Management (MWAM) attempts to add value by limiting duration, managing the yield curve, rotating among bond market sectors and using proprietary quantitative valuation techniques.

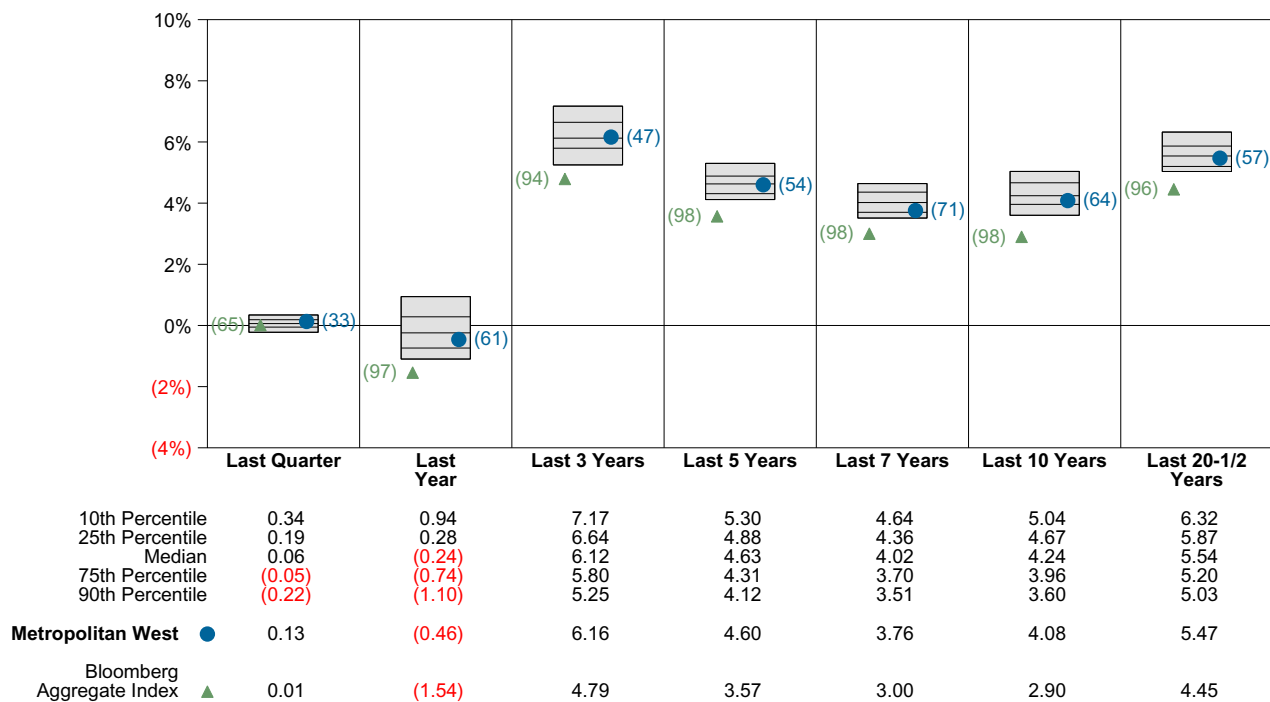
Quarterly Summary and Highlights

- Metropolitan West's portfolio posted a 0.13% return for the quarter placing it in the 33 percentile of the Callan Core Plus Fixed Income group for the quarter and in the 61 percentile for the last year.
- Metropolitan West's portfolio outperformed the Bloomberg Aggregate Index by 0.12% for the quarter and outperformed the Bloomberg Aggregate Index for the year by 1.08%.

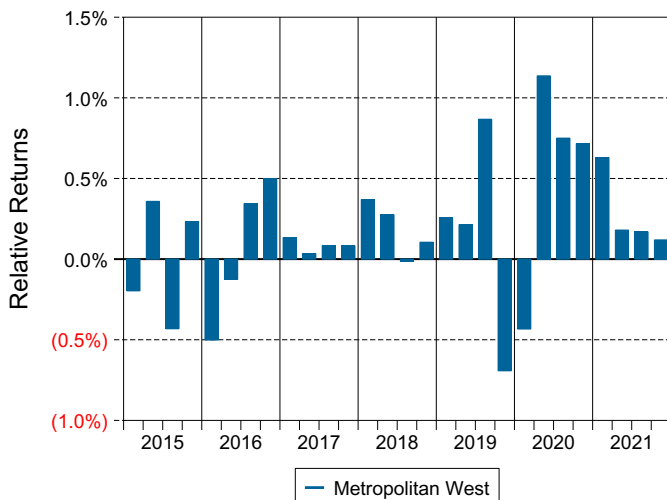
Quarterly Asset Growth

Beginning Market Value	\$89,186,827
Net New Investment	\$5,500,000
Investment Gains/(Losses)	\$123,909
Ending Market Value	\$94,810,736

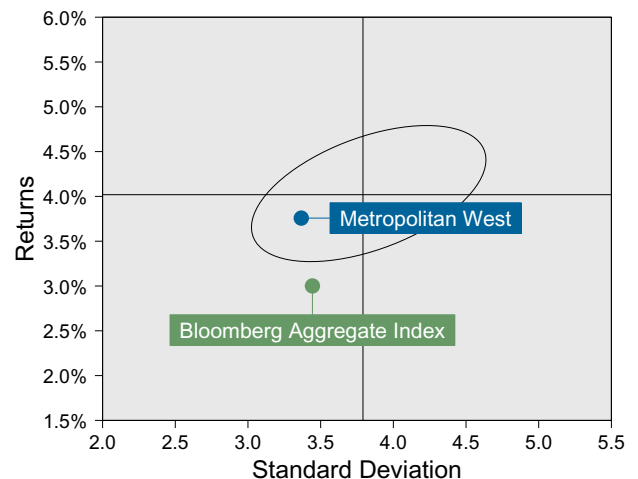
Performance vs Callan Core Plus Fixed Income (Gross)



Relative Returns vs Bloomberg Aggregate Index



Callan Core Plus Fixed Income (Gross) Annualized Seven Year Risk vs Return

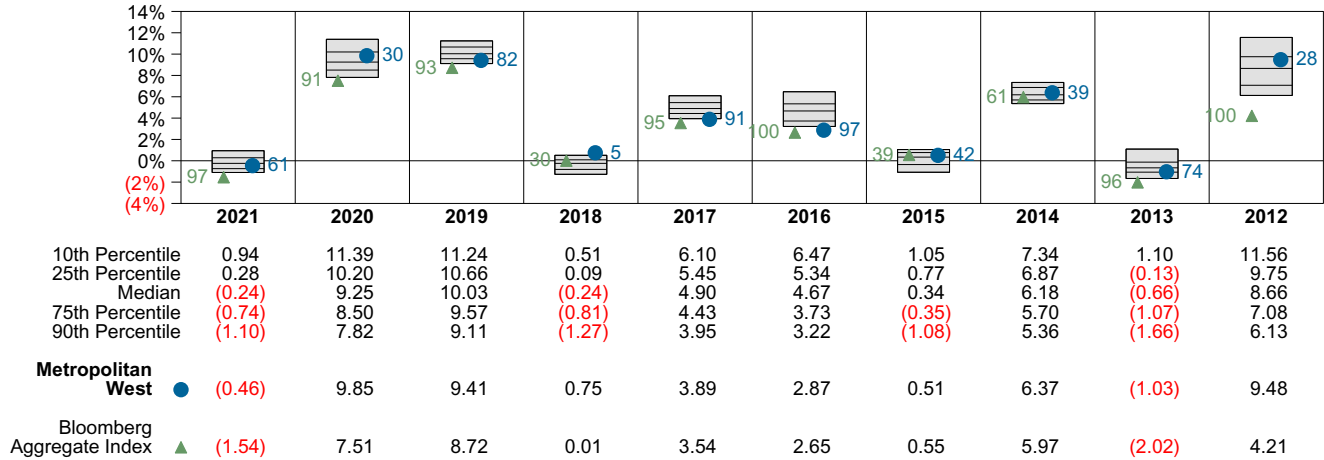


Metropolitan West Return Analysis Summary

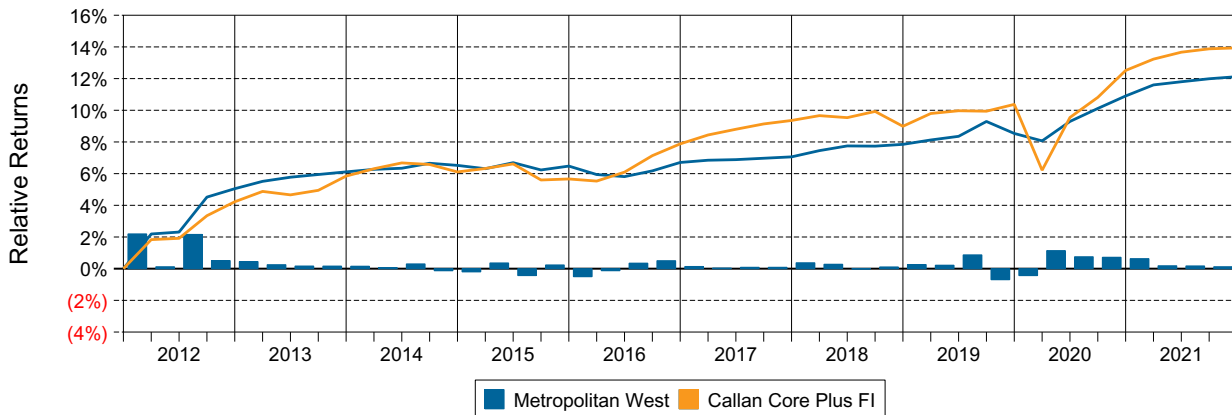
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

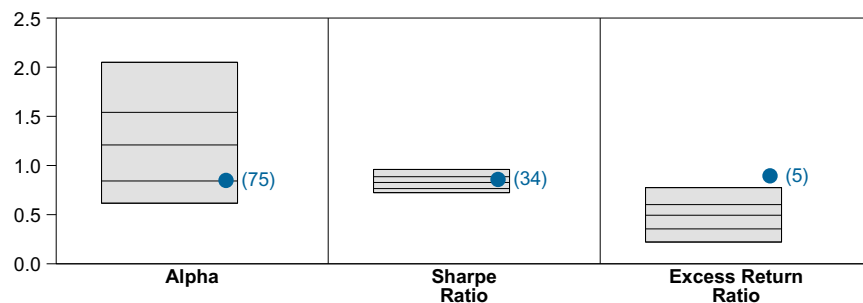
Performance vs Callan Core Plus Fixed Income (Gross)



Cumulative and Quarterly Relative Return vs Bloomberg Aggregate Index



Risk Adjusted Return Measures vs Bloomberg Aggregate Index Rankings Against Callan Core Plus Fixed Income (Gross) Seven Years Ended December 31, 2021



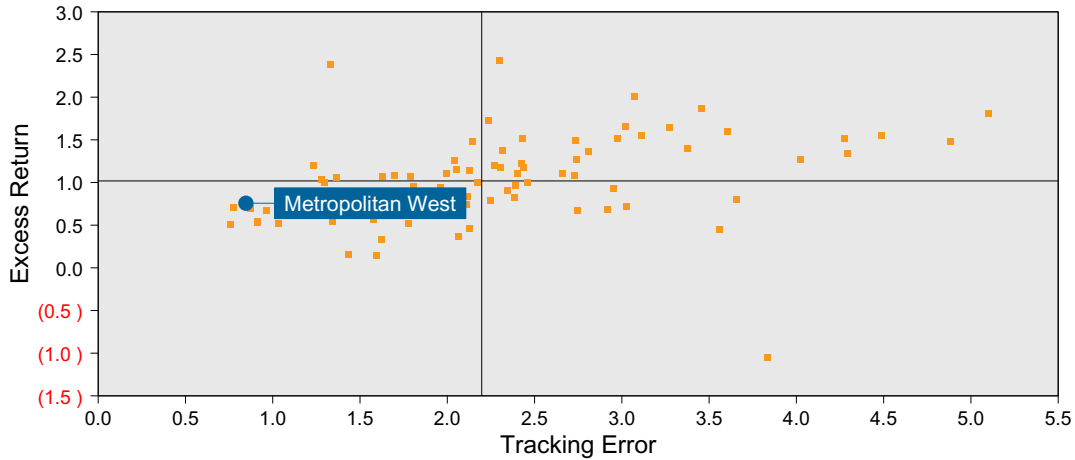
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	2.05	0.96	0.77
25th Percentile	1.54	0.89	0.60
Median	1.21	0.83	0.49
75th Percentile	0.84	0.77	0.36
90th Percentile	0.62	0.72	0.22
Metropolitan West	● 0.85	0.86	0.89

Metropolitan West Risk Analysis Summary

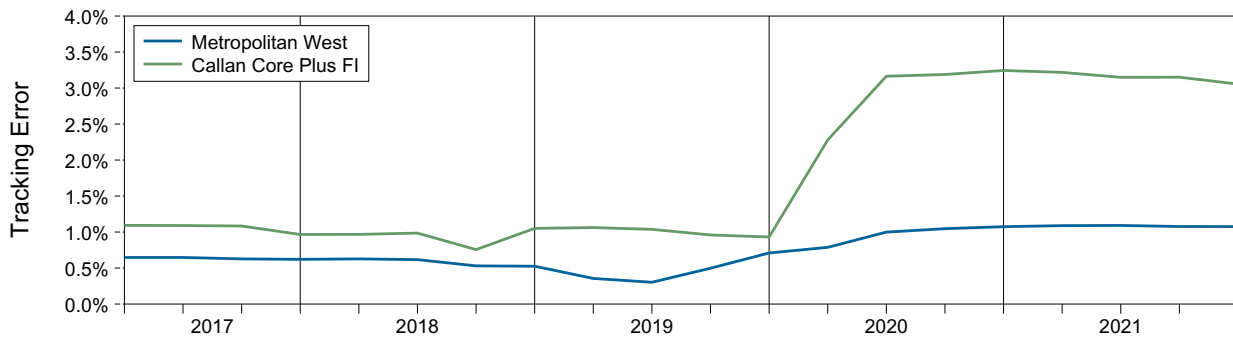
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

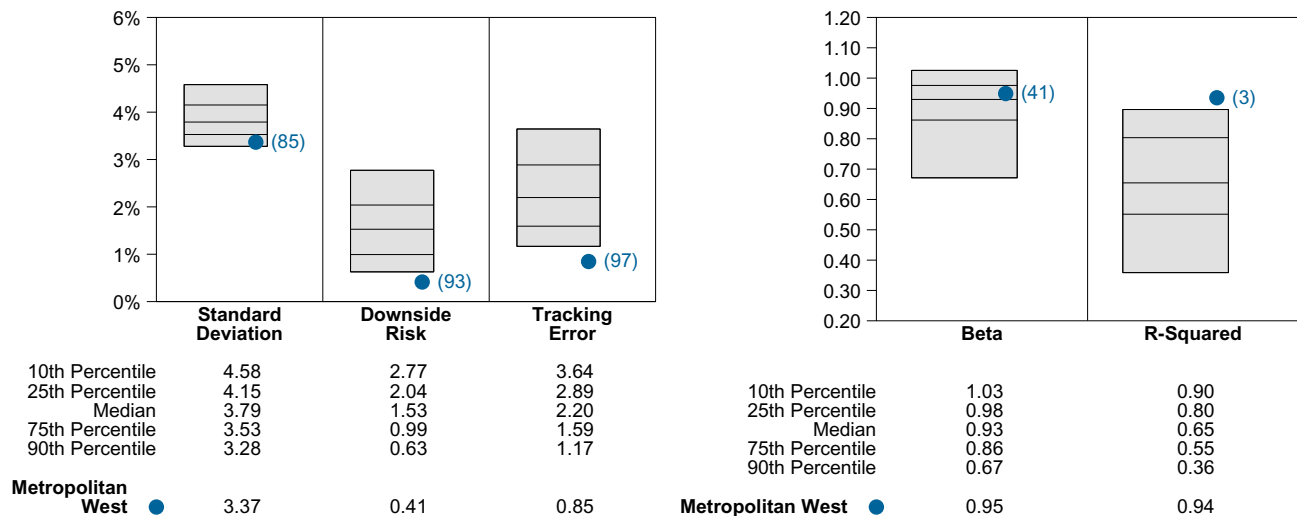
Risk Analysis vs Callan Core Plus Fixed Income (Gross) Seven Years Ended December 31, 2021



Rolling 12 Quarter Tracking Error vs Bloomberg Aggregate Index



Risk Statistics Rankings vs Bloomberg Aggregate Index Rankings Against Callan Core Plus Fixed Income (Gross) Seven Years Ended December 31, 2021

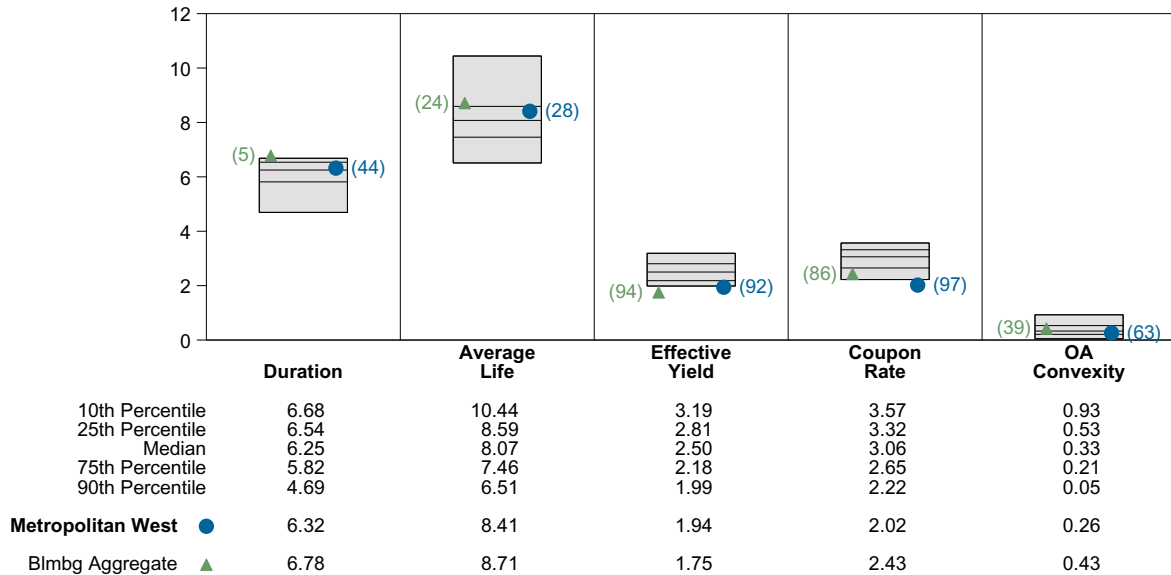


Metropolitan West Bond Characteristics Analysis Summary

Portfolio Characteristics

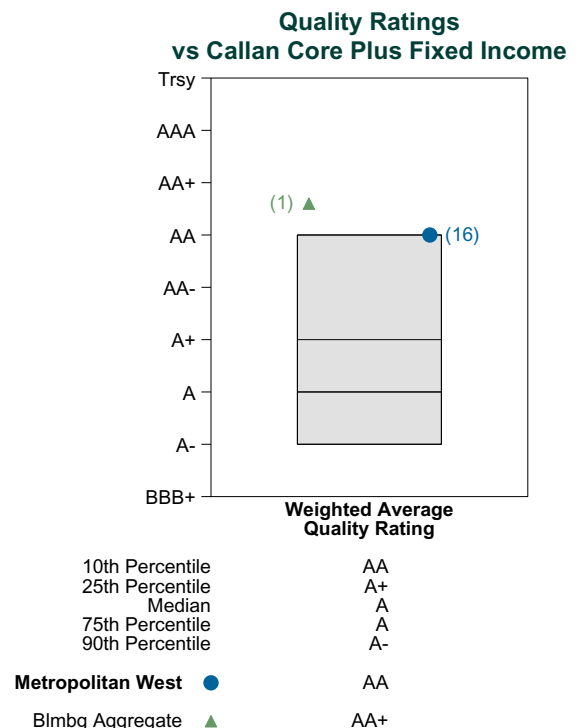
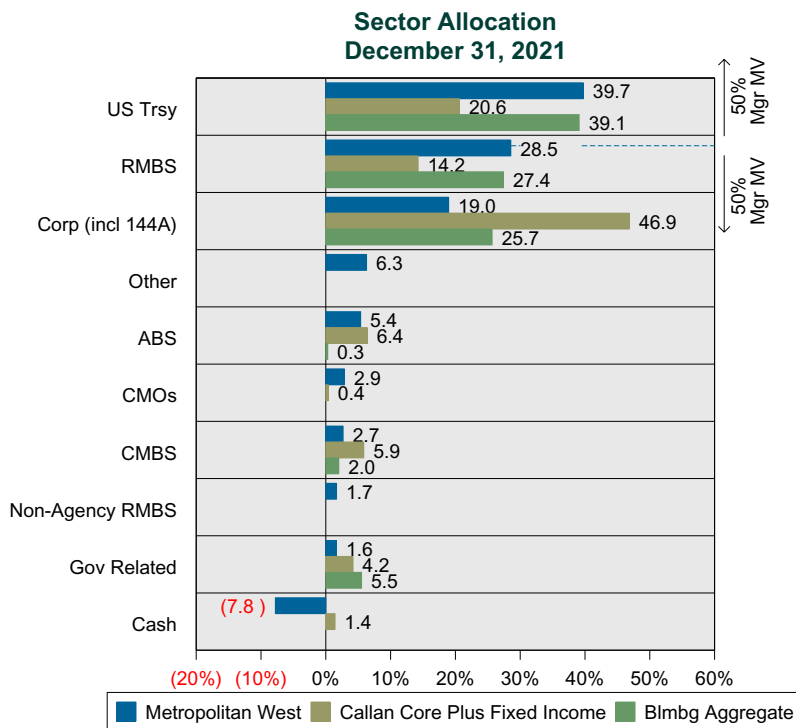
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against Callan Core Plus Fixed Income as of December 31, 2021



Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.

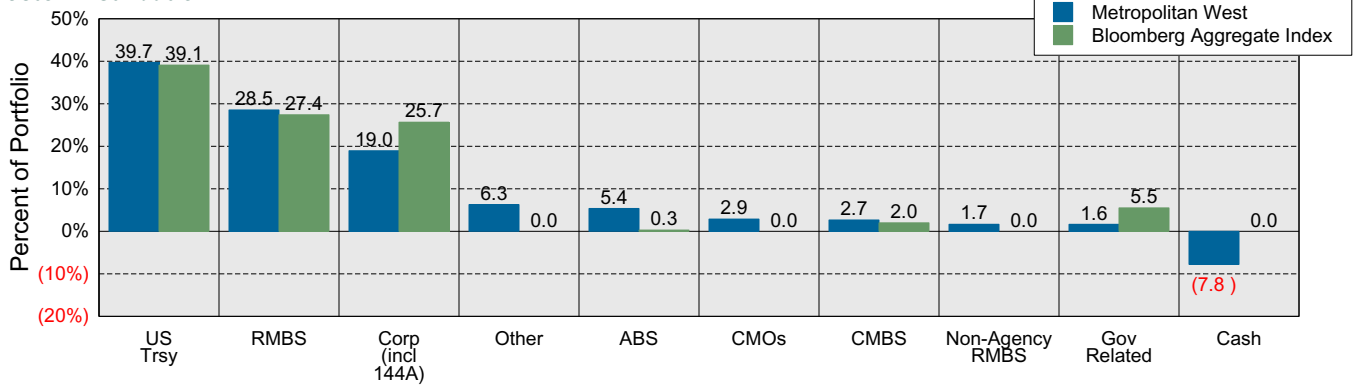


Metropolitan West Portfolio Characteristics Summary As of December 31, 2021

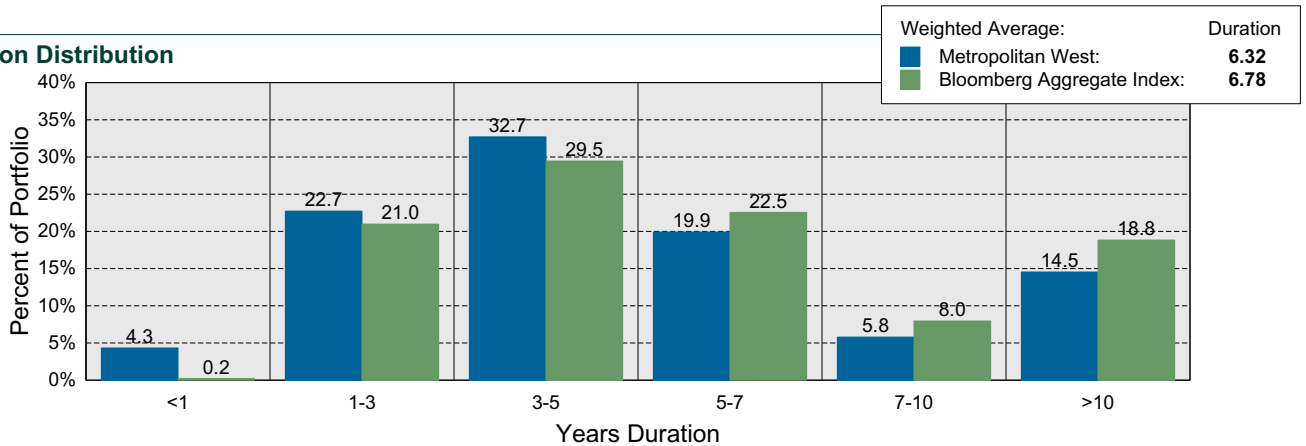
Portfolio Structure Comparison

The charts below compare the structure of the portfolio to that of the index from the three perspectives that have the greatest influence on return. The first chart compares the two portfolios across sectors. The second chart compares the duration distribution. The last chart compares the distribution across quality ratings.

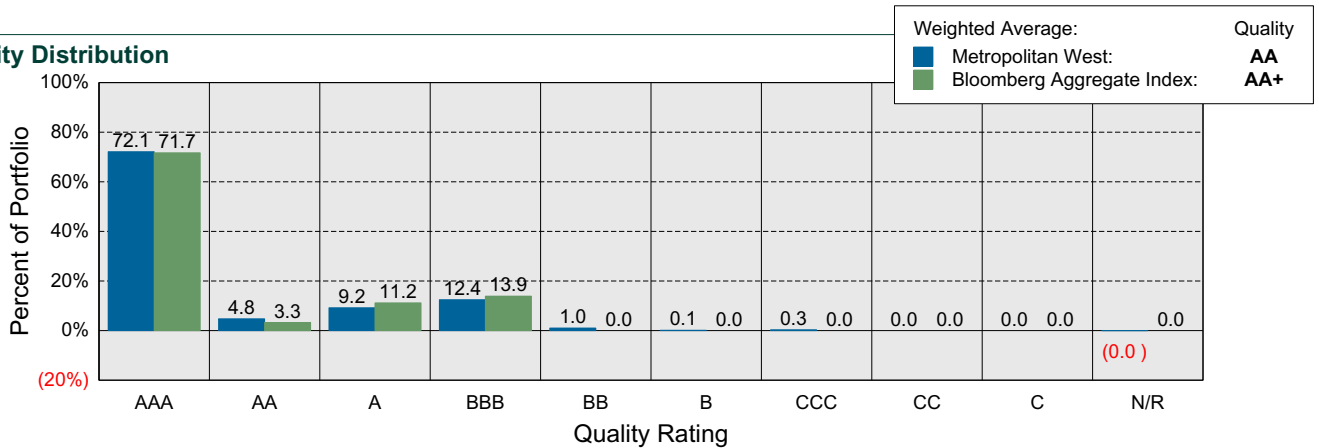
Sector Distribution



Duration Distribution



Quality Distribution



Real Estate Period Ended December 31, 2021

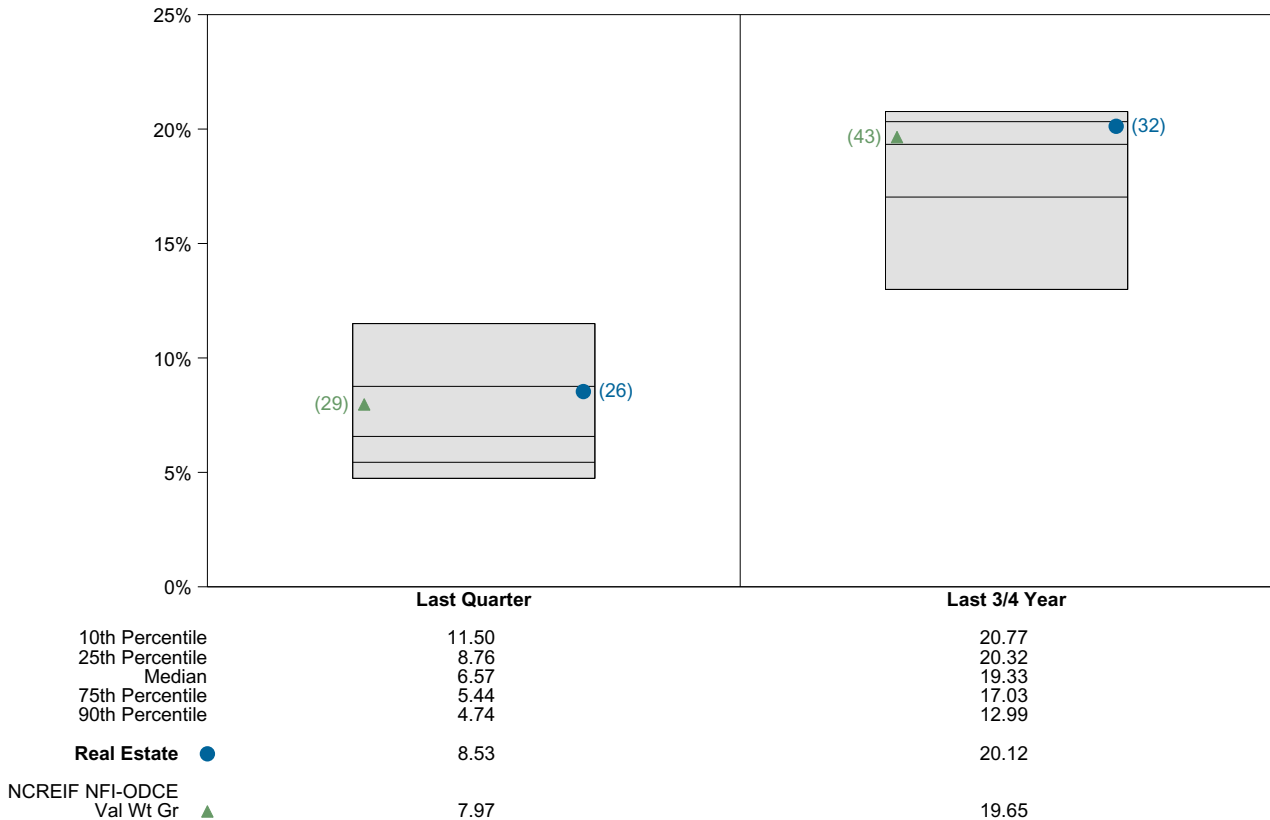
Quarterly Summary and Highlights

- Real Estate's portfolio posted a 8.53% return for the quarter placing it in the 26 percentile of the Callan Real Estate ODCE group for the quarter and in the 32 percentile for the last three-quarter year.
- Real Estate's portfolio outperformed the NCREIF NFI-ODCE Val Wt Gr by 0.56% for the quarter and outperformed the NCREIF NFI-ODCE Val Wt Gr for the three-quarter year by 0.47%.

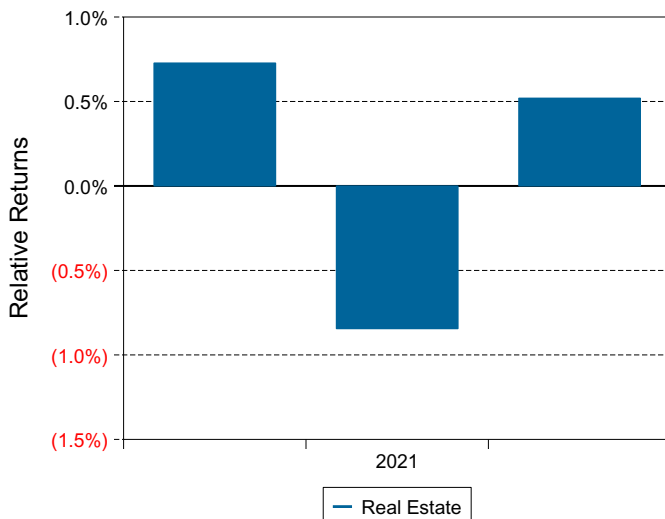
Quarterly Asset Growth

Beginning Market Value	\$32,093,751
Net New Investment	\$0
Investment Gains/(Losses)	\$2,737,543
Ending Market Value	\$34,831,293

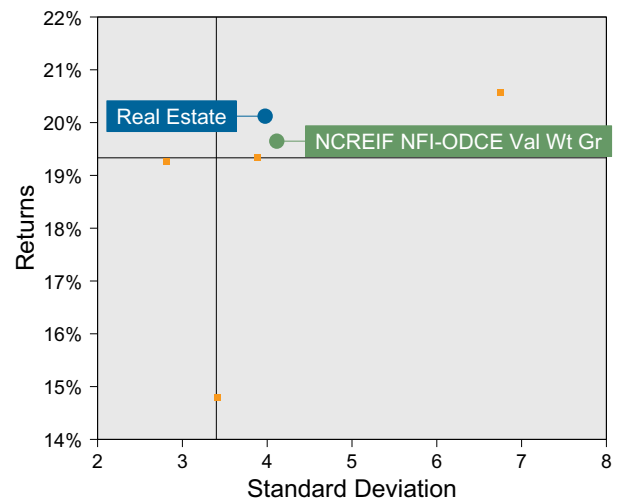
Performance vs Callan Real Estate ODCE (Gross)



Relative Returns vs NCREIF NFI-ODCE Val Wt Gr



Callan Real Estate ODCE (Gross) Three Quarters Year Risk vs Return

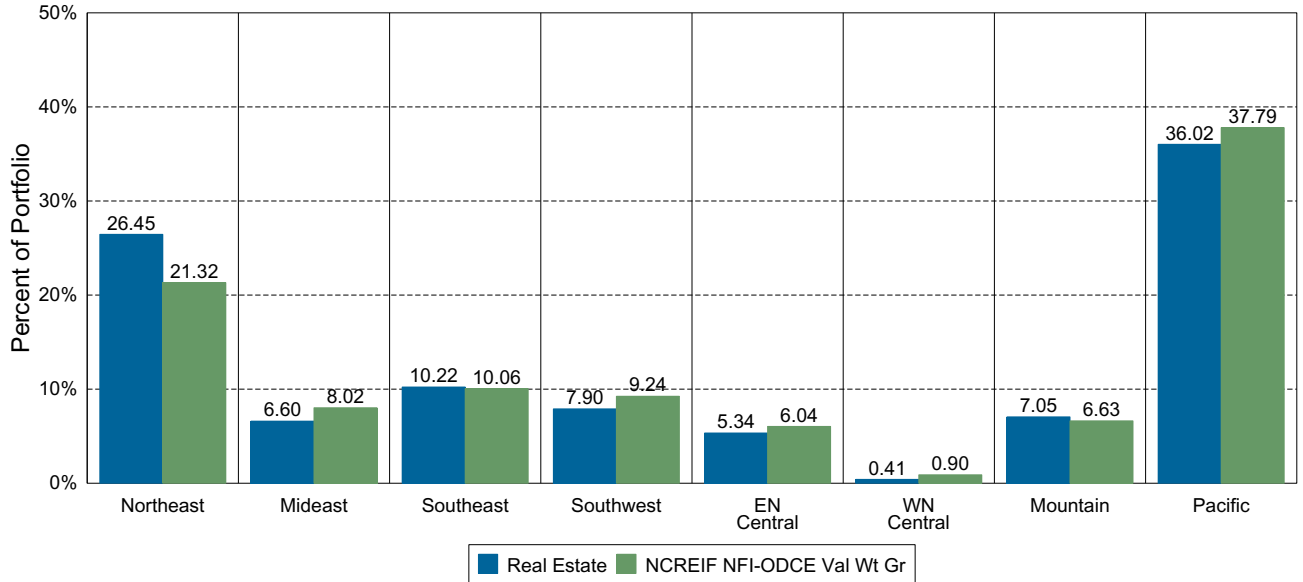


Real Estate Diversification Analysis as of December 31, 2021

Diversification Analysis

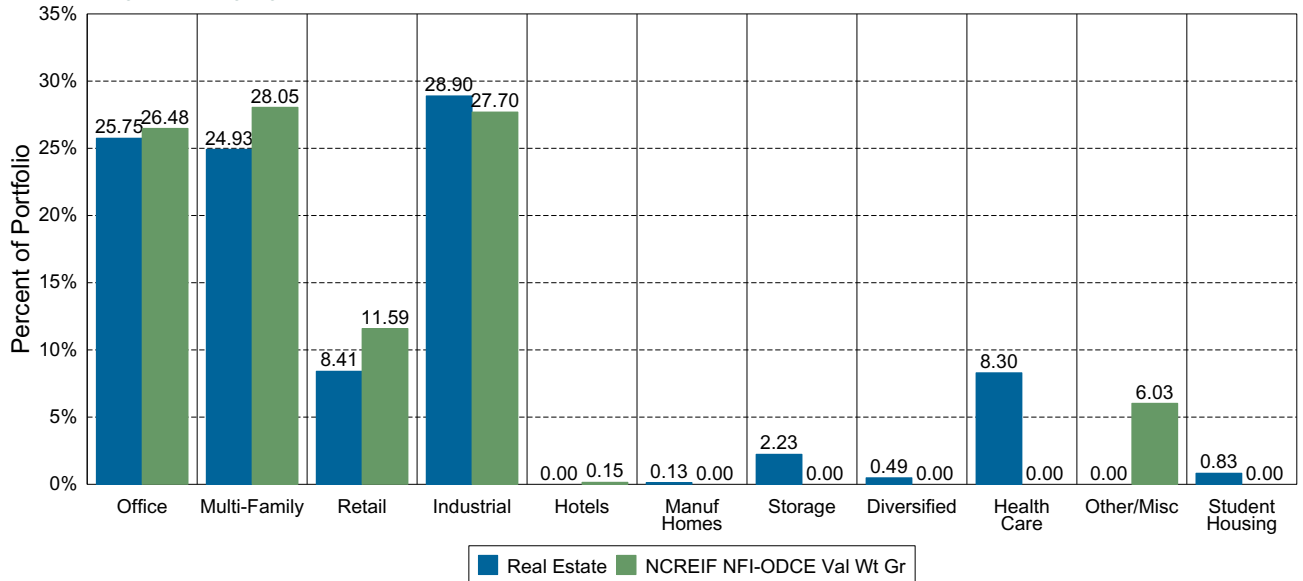
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

Diversification by Geographic Region as of December 31, 2021



Real Estate	26.45%	6.60%	10.22%	7.90%	5.34%	0.41%	7.05%	36.02%
NCREIF NFI-ODCE Val Wt Gr	21.32%	8.02%	10.06%	9.24%	6.04%	0.90%	6.63%	37.79%

Diversification by Property Type as of December 31, 2021



Real Estate	25.75%	24.93%	8.41%	28.90%	0.00%	0.13%	2.23%	0.49%	8.30%	0.00%	0.83%
NCREIF NFI-ODCE Val Wt Gr	26.48%	28.05%	11.59%	27.70%	0.15%	0.00%	0.00%	0.00%	0.00%	6.03%	0.00%

Clarion Lion Fund

Period Ended December 31, 2021

Investment Philosophy

The Lion Properties Fund is an income oriented, core, diversified fund with a research driven strategy comprising three primary elements: Returns prior to 3/31/2021 are linked to the fund's history.

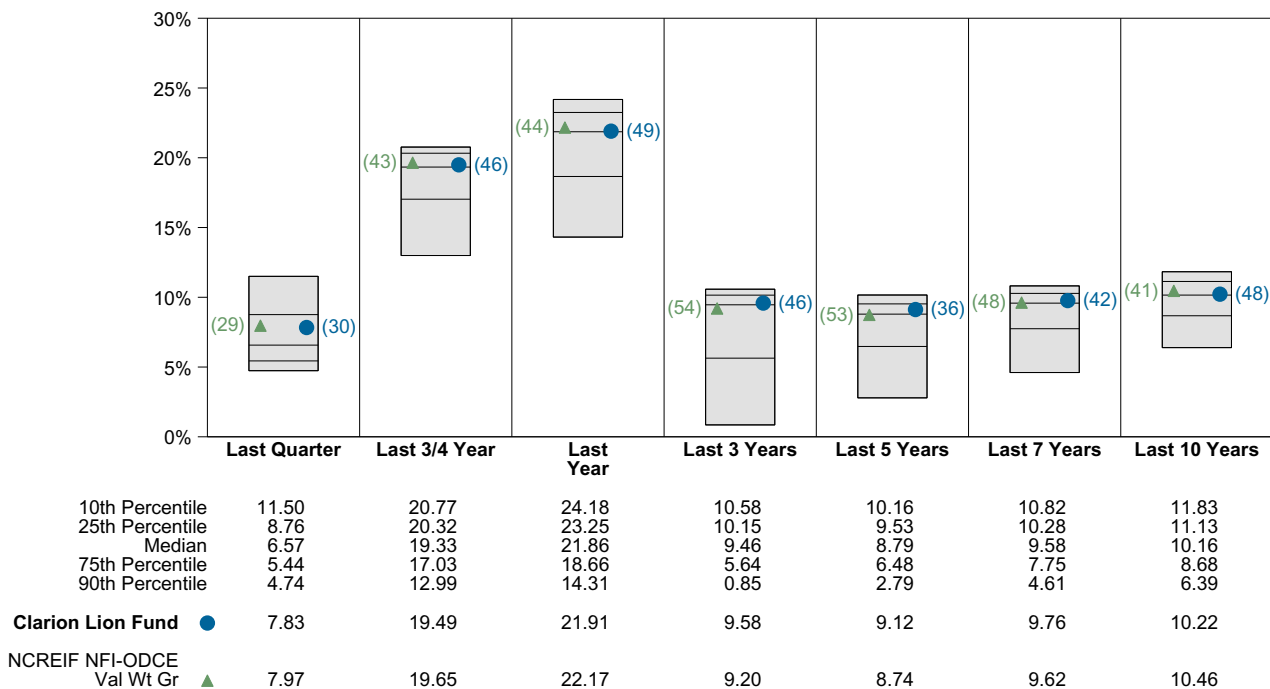
Quarterly Summary and Highlights

- Clarion Lion Fund's portfolio posted a 7.83% return for the quarter placing it in the 30th percentile of the Callan Real Estate ODCE group for the quarter and in the 49th percentile for the last year.
- Clarion Lion Fund's portfolio underperformed the NCREIF NFI-ODCE Val Wt Gr by 0.14% for the quarter and underperformed the NCREIF NFI-ODCE Val Wt Gr for the year by 0.26%.

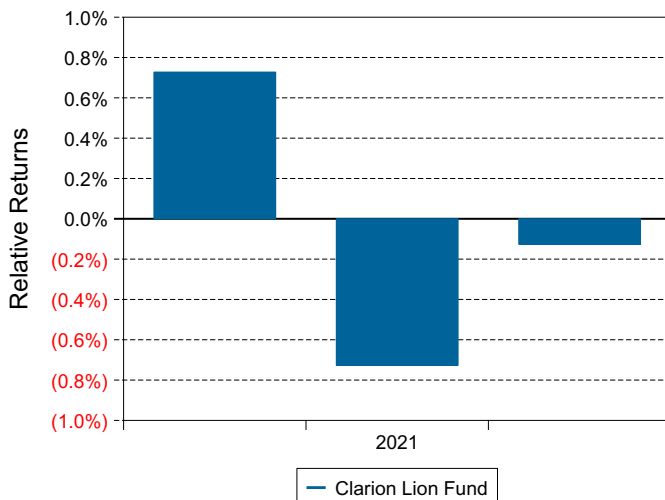
Quarterly Asset Growth

Beginning Market Value	\$16,656,834
Net New Investment	\$0
Investment Gains/(Losses)	\$1,255,576
Ending Market Value	\$17,912,410

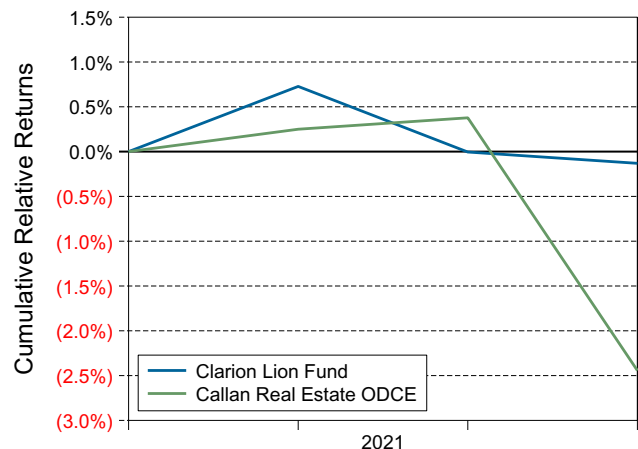
Performance vs Callan Real Estate ODCE (Gross)



Relative Returns vs NCREIF NFI-ODCE Val Wt Gr



Cumulative Returns vs NCREIF NFI-ODCE Val Wt Gr

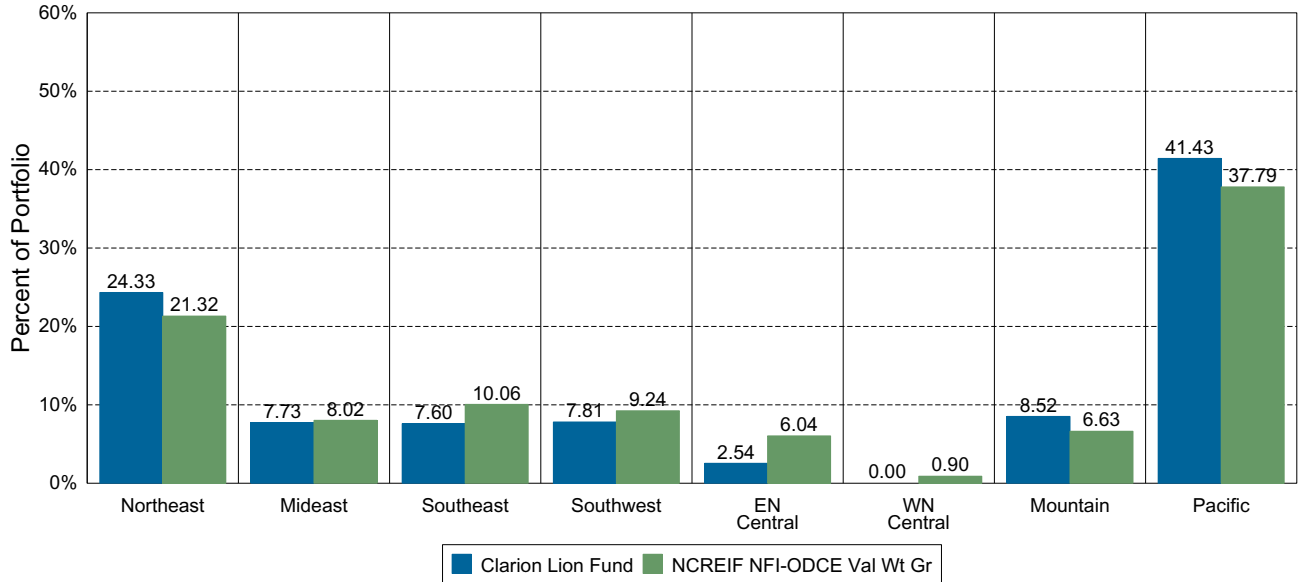


Clarion Lion Fund Diversification Analysis as of December 31, 2021

Diversification Analysis

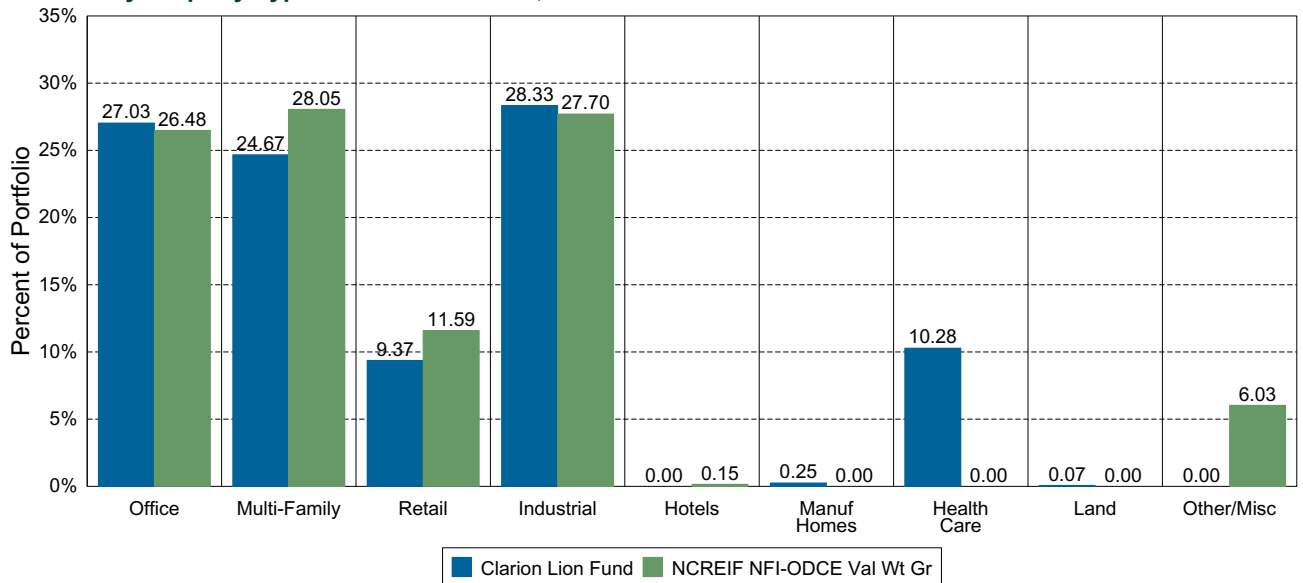
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

Diversification by Geographic Region as of December 31, 2021



Clarion Lion Fund	24.33%	7.73%	7.60%	7.81%	2.54%	0.00%	8.52%	41.43%
NCREIF NFI-ODCE Val Wt Gr	21.32%	8.02%	10.06%	9.24%	6.04%	0.90%	6.63%	37.79%

Diversification by Property Type as of December 31, 2021



Clarion Lion Fund	27.03%	24.67%	9.37%	28.33%	0.00%	0.25%	10.28%	0.07%	0.00%
NCREIF NFI-ODCE Val Wt Gr	26.48%	28.05%	11.59%	27.70%	0.15%	0.00%	0.00%	0.00%	6.03%

Morgan Stanley Period Ended December 31, 2021

Investment Philosophy

The overall strategy of Prime Property Fund is to acquire and own well located, high quality, income-producing commercial real estate in markets with proven investor demand on resale. The Fund is diversified across property types and geographic regions and targets properties with high occupancy levels to provide a relatively stable income component. Returns prior to 6/30/2021 are linked to the fund's history.

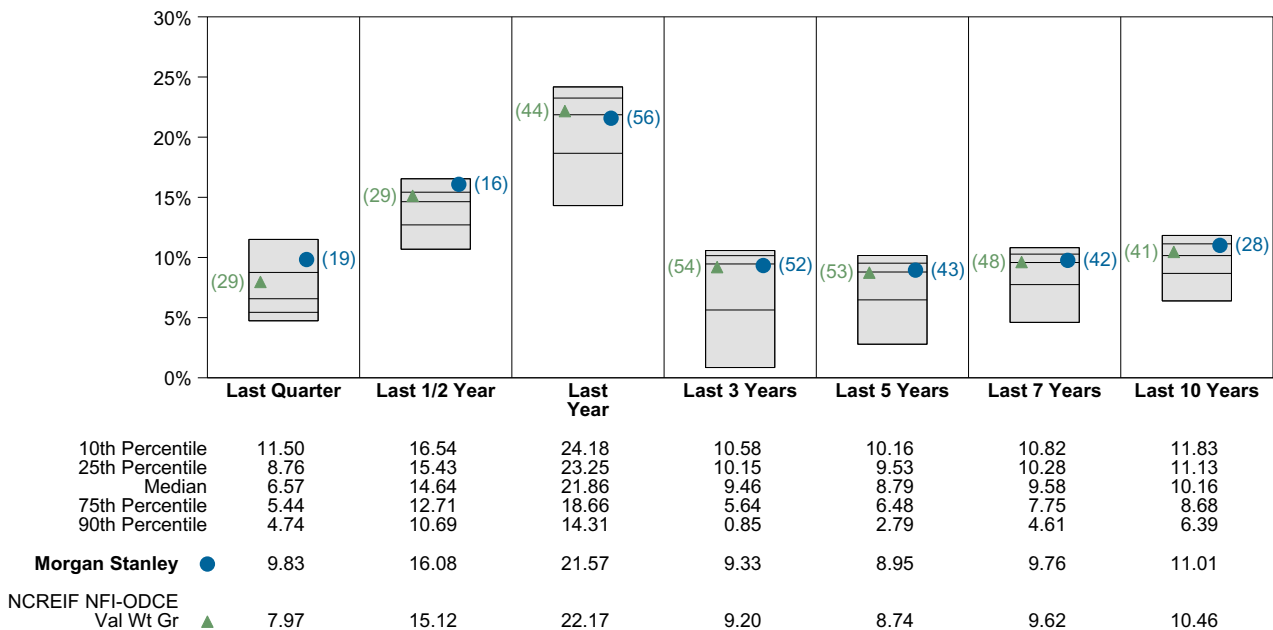
Quarterly Summary and Highlights

- Morgan Stanley's portfolio posted a 9.83% return for the quarter placing it in the 19 percentile of the Callan Real Estate ODCE group for the quarter and in the 56 percentile for the last year.
- Morgan Stanley's portfolio outperformed the NCREIF NFI-ODCE Val Wt Gr by 1.86% for the quarter and underperformed the NCREIF NFI-ODCE Val Wt Gr for the year by 0.59%.

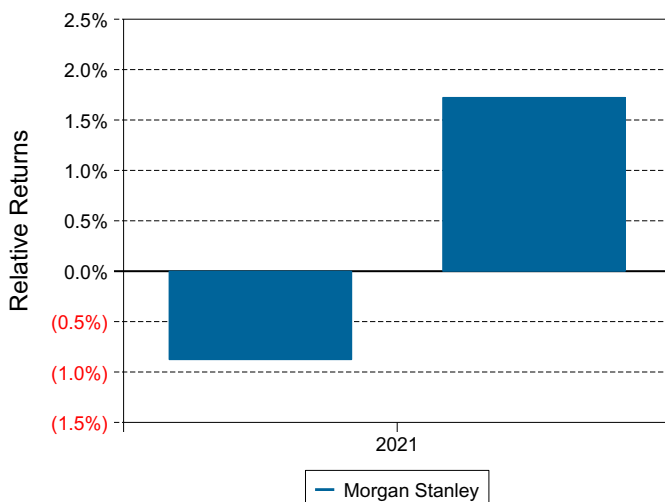
Quarterly Asset Growth

Beginning Market Value	\$15,436,917
Net New Investment	\$0
Investment Gains/(Losses)	\$1,481,967
Ending Market Value	\$16,918,883

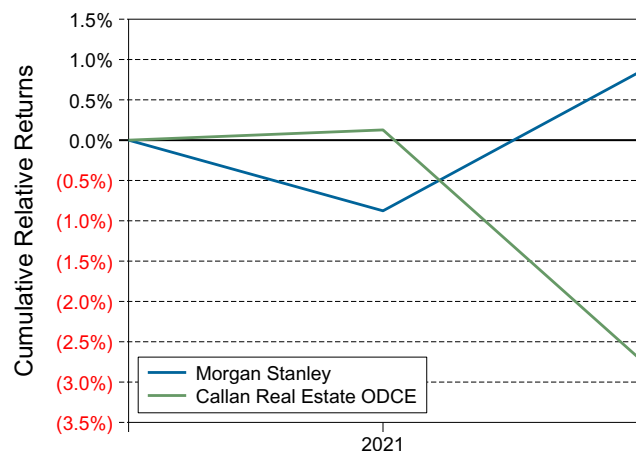
Performance vs Callan Real Estate ODCE (Gross)



Relative Returns vs NCREIF NFI-ODCE Val Wt Gr



Cumulative Returns vs NCREIF NFI-ODCE Val Wt Gr

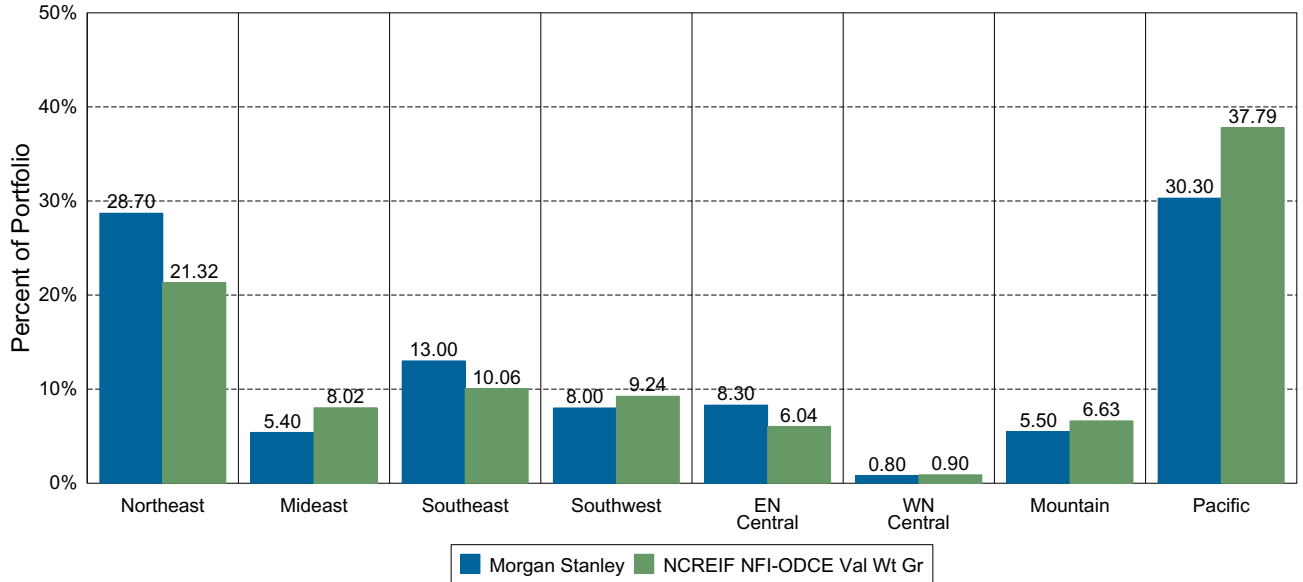


Morgan Stanley Diversification Analysis as of December 31, 2021

Diversification Analysis

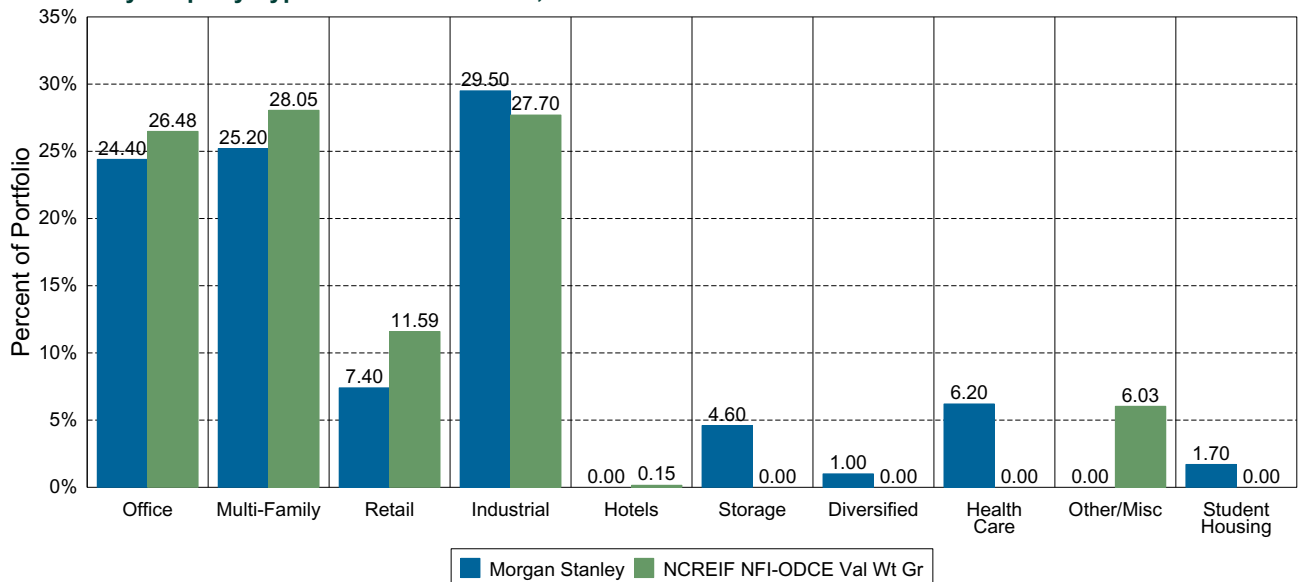
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

Diversification by Geographic Region as of December 31, 2021



Morgan Stanley	28.70%	5.40%	13.00%	8.00%	8.30%	0.80%	5.50%	30.30%
NCREIF NFI-ODCE Val Wt Gr	21.32%	8.02%	10.06%	9.24%	6.04%	0.90%	6.63%	37.79%

Diversification by Property Type as of December 31, 2021



Morgan Stanley	24.40%	25.20%	7.40%	29.50%	0.00%	4.60%	1.00%	6.20%	0.00%	1.70%
NCREIF NFI-ODCE Val Wt Gr	26.48%	28.05%	11.59%	27.70%	0.15%	0.00%	0.00%	0.00%	6.03%	0.00%

Risk/Reward Statistics

The risk statistics used in this report examine performance characteristics of a manager or a portfolio relative to a benchmark (market indicator) which assumes to represent overall movements in the asset class being considered. The main unit of analysis is the excess return, which is the portfolio return minus the return on a risk free asset (3 month T-Bill).

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

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

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

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

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

R-Squared indicates the extent to which the variability of the portfolio returns are explained by market action. It can also be thought of as measuring the diversification relative to the appropriate benchmark. An r-squared value of .75 indicates that 75% of the fluctuation in a portfolio return is explained by market action. An r-squared of 1.0 indicates that a portfolio's returns are entirely related to the market and it is not influenced by other factors. An r-squared of zero indicates that no relationship exists between the portfolio's return and the market.

Relative Standard Deviation is a simple measure of a manager's risk (volatility) relative to a benchmark. It is calculated by dividing the manager's standard deviation of returns by the benchmark's standard deviation of returns. A relative standard deviation of 1.20, for example, means the manager has exhibited 20% more risk than the benchmark over that time period. A ratio of .80 would imply 20% less risk. This ratio is especially useful when analyzing the risk of investment grade fixed-income products where actual historical durations are not available. By using this relative risk measure over rolling time periods one can illustrate the "implied" historical duration patterns of the portfolio versus the benchmark.

Residual Portfolio Risk is the unsystematic risk of a fund, the portion of the total risk unique to the fund (manager) itself and not related to the overall market. This reflects the "bets" which the manager places in that particular asset market. These bets may reflect emphasis in particular sectors, maturities (for bonds), or other issue specific factors which the manager considers a good investment opportunity. Diversification of the portfolio will reduce or eliminate the residual risk of that portfolio.

Risk/Reward Statistics

Rising Declining Periods refer to the sub-asset class cycles vis-a-vis the broader asset class. This is determined by evaluating the cumulative relative sub-asset class index performance to that of the broader asset class index. For example, to determine the Growth Style cycle, the S&P 500 Growth Index (sub-asset class) performance is compared to that of the S&P 500 Index (broader asset class).

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

Sortino Ratio is a downside risk-adjusted measure of value-added. It measures excess return over a benchmark divided by downside risk. The natural appeal is that it identifies value-added per unit of truly bad risk. The danger of interpretation, however, lies in these two areas: (1) the statistical significance of the denominator, and (2) its reliance on the persistence of skewness in return distributions.

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

Total Portfolio Risk is a measure of the volatility of the quarterly excess returns of an asset. Total risk is composed of two measures of risk: market (non-diversifiable or systematic) risk and residual (diversifiable or unsystematic) risk. The purpose of portfolio diversification is to reduce the residual risk of the portfolio.

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

Treynor Ratio represents the portfolio's average excess return over a specified period divided by the beta relative to its benchmark over that same period. This measure reflects the reward over the risk-free rate relative to the systematic risk assumed.

Note: Alpha, Total Risk, and Residual Risk are annualized.

Quarterly Highlights

The Callan Institute provides research to update clients on the latest industry trends and carefully structured educational programs to enhance the knowledge of industry professionals. Visit www.callan.com/research-library to see all of our publications, and www.callan.com/blog to view our blog. For more information contact Barb Gerraty at 415-274-3093 / institute@callan.com.

New Research from Callan's Experts

[2021 Investment Management Fee Study](#) | The purpose of this study, the ninth we have done, is to provide a detailed analysis on institutional investment management fee levels and trends across multiple asset classes and mandate sizes, for both active and passive management.

[2021 Nuclear Decommissioning Funding Study](#) | This study offers key insights into the status of nuclear decommissioning funding to make peer comparisons more accurate and relevant.

[2021 Private Equity Fees and Terms Study](#) | This study is intended to help institutional investors better evaluate private equity funds, serving as an industry benchmark when comparing a partnership's terms to its peers.

[2021 Cost of Doing Business Survey](#) | In this survey, Callan compares the costs of administering and operating funds across all types of tax-exempt and tax-qualified organizations in the U.S. We identify practices to help institutional investors manage expenses.

[A Guide to Reinsurance for Institutional Investors](#) | Reinsurance investments are a potential option for institutional investors looking to diversify both equity and rate risks while also offering attractive risk-adjusted returns. Sean Lee examines how insurance-linked securities can be incorporated into institutional investors' portfolios.

[2021 ESG Survey](#) | Callan's ninth annual survey assessing the status of environmental, social, and governance (ESG) investing in the U.S. institutional investment market.

Blog Highlights

[Rising Rates! Why the Heck Do We Own Bonds?](#) | Investment grade bonds spin off yield and participate in rising rate markets through principal reinvestment, and their return distribution

provides downside protection that counter-balances growth-oriented portfolio investments. Despite frustratingly low expected returns, IG bonds can still contribute meaningfully to the long-term investment goals of most institutional investors.

[Understanding Return Forecasts for Public DB Plans](#) | It is important for decision makers to understand that actuaries and investment consultants offer assumptions on expected return that are inherently different: Actuarial discount rates assume a static return over time with no variability, whereas investment consultants estimate a median and a range of expected returns based on expected risk.

Quarterly Periodicals

[Private Equity Trends, 3Q21](#) | A high-level summary of private equity activity in the quarter through all the investment stages

[Active vs. Passive Charts, 3Q21](#) | A comparison of active managers alongside relevant benchmarks over the long term

[Market Pulse Flipbook, 3Q21](#) | A quarterly market reference guide covering trends in the U.S. economy, developments for institutional investors, and the latest data on the capital markets

[Capital Markets Review, 3Q21](#) | Analysis and a broad overview of the economy and public and private market activity each quarter across a wide range of asset classes

[Hedge Fund Quarterly, 3Q21](#) | Commentary on developments for hedge funds and multi-asset class (MAC) strategies

[Real Assets Reporter, 3Q21](#) | A summary of market activity for real assets and private real estate during the quarter

Events

A complete list of all upcoming events can be found on our website: callan.com/events-education.

Please mark your calendar and look forward to upcoming invitations:

2022 DC Survey Results Webinar
February 23, 2022 – 9:30 am (PT)

National Conference
April 25-27, 2022, in San Francisco

For more information about events, please contact Barb Gerraty: 415-274-3093 / gerraty@callan.com

Education: By the Numbers

50+

Unique pieces of research the Institute generates each year

525

Attendees (on average) of the Institute's annual National Conference

3,700

Total attendees of the "Callan College" since 1994



"Research is the foundation of all we do at Callan, and sharing our best thinking with the investment community is our way of helping to foster dialogue to raise the bar across the industry."

Greg Allen, CEO and Chief Research Officer

Education

Founded in 1994, the "Callan College" offers educational sessions for industry professionals involved in the investment decision-making process.

Introduction to Investments

March 1-3, 2022 – Virtual

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. Our virtual session is held over three days with virtual modules of 2.5-3 hours, while the in-person session lasts one-and-a-half days. This course is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities. Virtual tuition is \$950 per person and includes instruction and digital materials. In-person tuition is \$2,350 per person and includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Additional information including registration can be found at: callan.com/events/ccintro-march/

Introductory Workshop for DC Plan Fiduciaries

March 23, 2022 – San Francisco

This one-day workshop centers on the fundamentals of administering a defined contribution (DC) plan. Designed primarily for ERISA fiduciaries and supporting staff members, attendees will gain a better understanding of the key responsibilities of an ERISA fiduciary and best practices for executing those responsibilities. Additionally, we will cover the basics of capital markets theory and DC investment menu design principles; investment manager evaluation, selection, and monitoring; best practices for evaluating fees; the regulatory and legal landscape; and industry trends. This workshop is complimentary and open to institutional investor clients.

Additional information including dates and registration can be found at: callan.com/events/mar-dc-college/

List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

Callan takes its fiduciary and disclosure responsibilities to clients very seriously. We recognize that there are numerous potential conflicts of interest encountered in the investment consulting industry, and that it is our responsibility to manage those conflicts effectively and in the best interest of our clients. At Callan, we employ a robust process to identify, manage, monitor, and disclose potential conflicts on an ongoing basis.

The list below is an important component of our conflicts management and disclosure process. It identifies those investment managers that pay Callan fees for educational, consulting, software, database, or reporting products and services. We update the list quarterly because we believe that our fund sponsor clients should know the investment managers that do business with Callan, particularly those investment manager clients that the fund sponsor clients may be using or considering using. Please note that if an investment manager receives a product or service on a complimentary basis (e.g., attending an educational event), they are not included in the list below. Callan is committed to ensuring that we do not consider an investment manager's business relationship with Callan, or lack thereof, in performing evaluations for or making suggestions or recommendations to its other clients. Please refer to Callan's ADV Part 2A for a more detailed description of the services and products that Callan makes available to investment manager clients through our Institutional Consulting Group, Independent Adviser Group, and Fund Sponsor Consulting Group. Due to the complex corporate and organizational ownership structures of many investment management firms, parent and affiliate firm relationships are not indicated on our list.

Fund sponsor clients may request a copy of the most currently available list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by particular fund manager clients. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance department.

Manager Name

abrdrn (Aberdeen Standard Investments)

Acadian Asset Management LLC

Adams Street Partners, LLC

AEGON USA Investment Management Inc.

AllianceBernstein

Allianz

Allspring Global Investments (formerly Wells Fargo Asset Mgmt)

American Century Investments

AQR Capital Management

Ares Management LLC

Ariel Investments, LLC

Aristotle Capital Management, LLC

Atlanta Capital Management Co., LLC

Aviva Investors

AXA Investment Managers

Baillie Gifford International, LLC

Baird Advisors

Barings LLC

Manager Name

Baron Capital Management, Inc.

Barrow, Hanley, Mewhinney & Strauss, LLC

BlackRock

BMO Global Asset Management

BNP Paribas Asset Management

BNY Mellon Asset Management

Boston Partners

Brandes Investment Partners, L.P.

Brandywine Global Investment Management, LLC

Brookfield Asset Management

Brown Brothers Harriman & Company

Cambiar Investors, LLC

Capital Group

Carillon Tower Advisers

CastleArk Management, LLC

Causeway Capital Management LLC

Chartwell Investment Partners

ClearBridge Investments, LLC

Manager Name

Cohen & Steers Capital Management, Inc.

Columbia Threadneedle Investments North America

Credit Suisse Asset Management, LLC

Crescent Capital Group LP

D.E. Shaw Investment Management, LLC

DePrince, Race & Zollo, Inc.

Dimensional Fund Advisors L.P.

Doubleline

Duff & Phelps Investment Management Co.

DWS

EARNEST Partners, LLC

Eaton Vance Management

Epoch Investment Partners, Inc.

Fayez Sarofim & Company

Federated Hermes, Inc.

Fidelity Institutional Asset Management

Fiera Capital Corporation

First Hawaiian Bank Wealth Management Division

First Sentier Investors (formerly First State Investments)

Fisher Investments

Franklin Templeton

GAM (USA) Inc.

GCM Grosvenor

GlobeFlex Capital, L.P.

GoldenTree Asset Management, LP

Goldman Sachs

Guggenheim Investments

GW&K Investment Management

Harbor Capital Group Trust

Heitman LLC

Hotchkis & Wiley Capital Management, LLC

Income Research + Management Inc.

Insight Investment

Intech Investment Management LLC

Intercontinental Real Estate Corporation

Invesco

J.P. Morgan

Janus

Jennison Associates LLC

Jobs Peak Advisors

Manager Name

J O Hambro Capital Management Limited

KeyCorp

Lazard Asset Management

LGIM America (formerly Legal & General Inv. Mgmt. America)

Lincoln National Corporation

Longview Partners

Loomis, Sayles & Company, L.P.

Lord Abbett & Company

LSV Asset Management

MacKay Shields LLC

Macquarie Investment Management (MIM)

Manning & Napier Advisors, LLC

Manulife Investment Management

McKinley Capital Management, LLC

Mellon

MetLife Investment Management

MFS Investment Management

MidFirst Bank

Mondrian Investment Partners Limited

Montag & Caldwell, LLC

Morgan Stanley Investment Management

MUFG Union Bank, N.A.

Natixis Investment Managers

Neuberger Berman

Newton Investment Management

Ninety One North America, Inc. (formerly Investec Asset Mgmt.)

Northern Trust Asset Management

Nuveen

P/E Investments

Pacific Investment Management Company

Parametric Portfolio Associates LLC

Partners Group (USA) Inc.

Pathway Capital Management

Peregrine Capital Management, LLC

PFM Asset Management LLC

PGIM Fixed Income

PGIM Quantitative Solutions LLC

PineBridge Investments

Polen Capital Management, LLC

Principal Global Investors

Manager Name

Putnam Investments, LLC

RBC Global Asset Management

Regions Financial Corporation

Richard Bernstein Advisors LLC

Riverbridge Partners LLC

Robeco Institutional Asset Management, US Inc.

Rothschild & Co. Asset Management US

S&P Dow Jones Indices

Schroder Investment Management North America Inc.

Securian Asset Management, Inc.

SLC Management

Smith Graham & Co. Investment Advisors, L.P.

State Street Global Advisors

Stone Harbor Investment Partners L.P.

Strategic Global Advisors, LLC

T. Rowe Price Associates, Inc.

The TCW Group, Inc.

Manager Name

Thompson, Siegel & Walmsley LLC

Thornburg Investment Management, Inc.

Tri-Star Trust Bank

UBS Asset Management

VanEck

Versus Capital Group

Victory Capital Management Inc.

Virtus Investment Partners, Inc.

Vontobel Asset Management

Voya

Waterton Associates LLC

WCM Investment Management

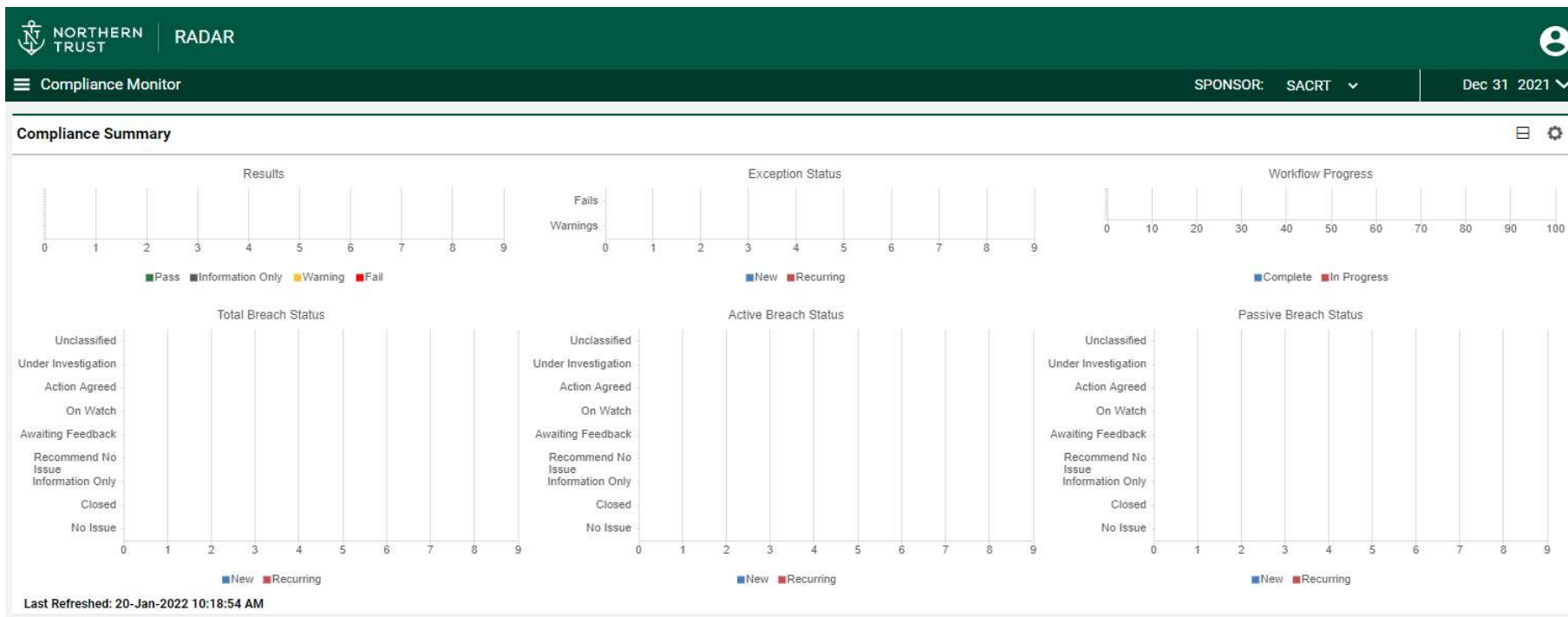
WEDGE Capital Management

Wellington Management Company, LLP

Western Asset Management Company LLC

Westfield Capital Management Company, LP

William Blair & Company LLC



NOTE: If the charts do not have populated bar graphs, there were no compliance violations.