



# Sacramento Regional Transit District Agenda

**COMBINED MEETING OF THE RETIREMENT BOARDS FOR THE EMPLOYEES AND  
RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT  
WEDNESDAY, SEPTEMBER 11, 2024 AT 1:00 P.M.  
SACRAMENTO REGIONAL TRANSIT Q STREET AUDITORIUM  
1102 Q STREET, 4<sup>TH</sup> FLOOR, SUITE 4600  
(13th Street Light Rail Station)**

**Website Address: [www.sacrt.com](http://www.sacrt.com)**

**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.*

**ROLL CALL**

ATU Retirement Board: Directors: Li, Kennedy, McGee Lee, Scott  
Alternates: Valenton, Smith

IBEW Retirement Board: Directors: Li, Kennedy, Bibbs, Pickering  
Alternates: Valenton, D. Thompson

AEA Retirement Board: Directors: Li, Kennedy, Devorak, McGoldrick  
Alternates: Valenton, Santhanakrishnan

AFSCME Retirement Board: Directors: Li, Kennedy, Guimond, L. Thompson  
Alternates: Valenton, Elder

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 Card" to the Assistant Secretary. 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 June 12, 2024 Quarterly Retirement Board Meeting (ATU). (Gobel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Motion:	Approving the Minutes for the June 12, 2024 Quarterly 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 June 12, 2024 Quarterly Retirement Board Meeting (AEA). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**AGENDA FOR 9/11/2024 MEETING OF THE RETIREMENT BOARDS FOR THE EMPLOYEES AND RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT**

- 4. Motion: Approving the Minutes for the June 12, 2024 Quarterly Retirement Board Meeting (AFSCME). (Gobel)
- 5. Motion: Approving the Minutes for the June 12, 2024 Quarterly Retirement Board Meeting (MCEG). (Gobel)
- 6. Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2024 for the ATU Pension Plan (ATU). (Johnson)
- 7. Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2024 for the IBEW Pension Plan (IBEW). (Johnson)
- 8. Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2024 for the Salaried Pension Plan (AEA/AFSCME/ MCEG). (Johnson)
- 9. Information: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Gobel)

**NEW BUSINESS**

- |  | <u>ATU</u>                          | <u>IBEW</u>                         | <u>AEA</u>                          | <u>AFSCME</u>                       | <u>MCEG</u>                         |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 10. Information: Investment Performance Review by Atlanta Capital for the ATU, IBEW and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended June 30, 2024 (ALL). (Johnson) | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. Information: Investment Performance Review by AQR for the ATU, IBEW and Salaried Retirement Funds for the International Small Cap Equity Asset Class for the Quarter Ended June 30, 2024 (ALL). (Johnson)        | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 12. Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2024 (ALL). (Johnson)  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 13. Information: Review Fiduciary Liability Policy and Coverage Limits for Retirement Board Members (ALL). (Gobel)   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| 14. Motion: Adopt Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (ALL). (Gobel)  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |

**REPORTS, IDEAS AND COMMUNICATIONS**

- |  | <u>ATU</u>                          | <u>IBEW</u>                         | <u>AEA</u>                          | <u>AFSCME</u>                       | <u>MCEG</u>                         |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| 15. Information: Senior 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"/> |
| 16. Motion: Commend IBEW Retirement Board Chair Constance Bibbs (IBEW). (Gobel)                        | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |

**ADJOURN**

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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.

## **AGENDA FOR 9/11/2024 MEETING OF THE RETIREMENT BOARDS FOR THE EMPLOYEES AND RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT**

This agenda may be amended up to 72 hours prior to the meeting. An agenda, in final form, is posted to SacRT's website at [www.sacrt.com](http://www.sacrt.com) and at the front of the Sacramento Regional Transit District's administration building on 1102 Q Street, Sacramento, CA. Persons requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Retirement Services Administrator at (916) 556-0296 (voice) or (916) 483-4327 (TDD) at least 72 business hours in advance of the Board meeting.

Any staff reports or other documentation submitted for items on the agenda are available online at [www.sacrt.com](http://www.sacrt.com), on file with the Retirement Services Administrator and the Clerk to the Board of Directors of the Sacramento Regional Transit District, and available for public inspection at 1102 Q Street, Sacramento, CA. Persons with questions regarding those materials should contact the Retirement Services Administrator (916) 556-0296.

**Sacramento Regional Transit District  
Quarterly Retirement Board Meeting (IBEW)  
Wednesday, June 12, 2024  
Meeting Minutes**

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

The Retirement Board was brought to order at 1:03 p.m. A quorum was present and comprised as follows: Director Kennedy, Director Li, Director Pickering, and Alternate David Thompson. Director Bibbs and Alternate Valenton were absent.

Director Kennedy presided over this meeting as Common Chair of the Retirement Boards.

**PUBLIC COMMENT**

John Gobel, Senior Manager of Pension and Retirement Services, asked if there were any comments from the public regarding items on the consent calendar or matters not on the agenda. There were none.

**CONSENT CALENDAR**

- 2. Motion: Approving the Minutes for the March 13, 2024 Quarterly Retirement Board Meeting (IBEW). (Gobel)
- 7. Motion: Receive and File Administrative Reports for the Quarter Ended March 31, 2024, for the IBEW Pension Plan (IBEW). (Johnson)
- 9. Information: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Gobel)

Director Kennedy moved to adopt Agenda Items 2, 7, and 9. The motion was seconded by Director Li. Agenda Items 2, 7, and 9 were carried unanimously by roll call vote: Ayes – Pickering, D. Thompson, Kennedy, and Li; Noes – None.

**NEW BUSINESS**

- 10. Information: Investment Performance Review of the Real Estate Asset Class by Morgan Stanley for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended March 31, 2024 (ALL). (Johnson)

Jason Johnson, Vice President, Finance/CFO, authored the staff report on the investment performance of the Morgan Stanley Prime Property Fund, one of the Retirement Plans' Real Estate investments, and Mr. Gobel introduced relationship manager Samantha Magargee and Co-Deputy Portfolio Manager Cheyenne Sparrow. While Ms. Magargee appeared at the meeting in-person, Ms. Sparrow participated via videoconference.

## June 12, 2024 Meeting Minutes – Continued

Ms. Magargee began the discussion by providing an overview of the Prime Property Fund. In doing so, she indicated that the core open-end fund was established in 1973 and holds \$41.2 billion in assets across 536 properties. Of those properties, 94% are leased with consolidated leverage of 25.4% (which is about 200 basis points lower than the NFI-ODCE benchmark). For the period ended March 31, 2024, Ms. Magargee reported a quarterly return of -1.3% and a twelve-month return of -5.9% (both of which outperformed the benchmark net of fees). She cited the mark-down of office properties in the portfolio as a driver of negative returns.

In response to a question from AEA Director McGoldrick regarding the disparate performance data between private real estate and real estate investment trusts (REITs), Ms. Sparrow explained that leverage is the largest difference between private real estate assets and REITs (which tend to be more highly levered and more volatile), and noted that publicly-traded REITs are more correlated with movement of the S&P 500 Index. Ms. Sparrow also confirmed that every asset in the Prime Property Fund is appraised quarterly.

While reviewing the composition of the portfolio, Ms. Sparrow noted that the Prime Property Fund has been adversely affected by rising interest rates, but consistently outperformed the benchmark in every sector except retail. She also referenced the positive impact of the portfolio's industrial properties and alternative properties, which represent about 16% of the portfolio and include student housing, self-storage, and healthcare. Ms. Sparrow also explained that sector allocation has changed over time by noting that office properties represented 41% of portfolio holdings in 2011 compared to 16% today.

In response to a question from MCEG Director Hinz regarding the assessment of competing managers and the performance of other funds, Ms. Sparrow cited the importance of the NFI-ODCE Index for private real estate investors.

11. Motion:                   Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2024 (ALL). (Johnson)

Mr. Gobel introduced the Retirement Boards' investment consultant, Anne Heaphy from Callan, who provided a market update for the Retirement Boards and reviewed total fund performance for the Retirement Plans.

During the capital market update, Ms. Heaphy referenced the continued attention to inflation metrics and the possibility of future rate cuts by the Federal Reserve. In doing so, Ms. Heaphy cited data released from the Bureau of Labor Statistics in June, which showed a slight decrease in the headline inflation rate (from 3.5% to 3.4%) and a decrease in the core inflation rate (from 3.8% to 3.4%). Ms. Heaphy also noted that the federal unemployment rate had increased to 4% in May. Finally, Ms. Heaphy referenced

## June 12, 2024 Meeting Minutes – Continued

positive returns for most asset classes as of March 31, 2024, as well as a year-to-date increase for the S&P 500 Index of 13.4% as of June 11<sup>th</sup>.

During the performance review, Ms. Heaphy reported that the Retirement Plans held approximately \$410 million in assets as of March 31, 2024 – which represented a new high-water mark – and achieved total returns of 4.52% for the quarter and 13.31% for the trailing one-year period. In addressing quarterly performance (which exceeded the policy target by 13 basis points), Ms. Heaphy noted the absence of a dedicated large cap growth manager and the negative returns reported for the Retirement Plans’ fixed income and real estate managers.

While commenting on individual managers, Ms. Heaphy referenced the placement of TCW on the Watch List, discussed the longer duration of their portfolio relative to the benchmark, and indicated that the Retirement Boards may wish to consider other fixed income managers. Ms. Heaphy also discussed the recent departure of Josh Myerberg from the Morgan Stanley Prime Property Fund, while noting that Scott Brown remained at the helm as Global Head of Prime and reporting that the fund continued to perform well relative to the benchmark.

In response to a question from AEA Director McGoldrick regarding the comparison of real estate managers that may be marking down assets at different rates, Ms. Heaphy acknowledged that the write-down process can be somewhat subjective, but referenced the possibility of different managers having stronger core properties and/or a superior sector allocation among properties.

During the discussion of private real estate, AEA Director Devorak also asked about different managers writing down properties at different paces and ATU Director Scott asked if the concern was more about individual managers or the broader asset class. While responding to those questions, Ms. Heaphy affirmed there is a subjective component to the pace and degree of write-downs, but noted that the Retirement Plans’ real estate managers have lower leverage than the benchmark and arrange for properties to be appraised quarterly.

Director Kennedy moved to approve Agenda Item 11. The motion was seconded by Director Li. The motion carried unanimously by roll call vote: Ayes – Pickering, D. Thompson, Kennedy, and Li; Noes – None.

12. Motion:               Receive and File Asset/Liability Study and Amend Statement of Investment Objectives and Policy Guidelines (ALL). (Johnson)

Mr. Gobel welcomed Gary Chang from Callan’s Capital Markets Research Group. In doing so, Mr. Gobel indicated that the materials presented for discussion included an Asset/Liability Study for the Retirement Plans and an amended Statement of Investment Objectives and Policy Guidelines.

## June 12, 2024 Meeting Minutes – Continued

For introduction, Mr. Chang explained that the Asset/Liability Study considered the Retirement Plans' current asset allocation (by asset type or class) – as well as the liabilities, funded ratios, and contributions projected for future years. By utilizing today's capital market assumptions (which are higher than they were when the last study was conducted five years ago) and accounting for actuarial trends, the Asset/Liability Study charts the direction of the Retirement Plans' assets under the current investment mix and illustrates the potential benefits and risks of alternative mixes.

To summarize the results of the 2024 Asset/Liability Study, Mr. Chang shared Callan's view that the existing asset allocation – in combination with the ongoing stream of actuarially-determined contributions – is sufficient for the Retirement Plans to reach full funding in ten years. In communicating his perspective that the Retirement Plans are on the right track in terms of their asset allocation and funding progress, Mr. Chang explained that the expected return for the current asset allocation is 7.40%, which is higher than the 6.75% discount rate for the Retirement Plans (which is the assumed rate of return that the Retirement Boards adopted three years ago for purposes of preparing the Retirement Plans' actuarial valuation reports).

While discussing take-aways from the Asset/Liability Study, Mr. Chang noted that the Retirement Plans receive approximately \$30 million in contributions per year and confirmed that is an important factor in driving down unfunded liabilities over time. Mr. Chang also referenced the long-term capital market assumptions presented on page 8 of the study and noted that projected returns have increased slightly for equities and more significantly for core fixed income (where the 5.25% return considered in the 2024 Asset/Liability Study is 100 basis points higher than the return considered in the 2023 Asset Allocation Review). Consistent with those factors, Mr. Chang maintained that it would be reasonable and prudent to keep the current investment mix, but opined that the Retirement Boards could also consider reducing risk by looking at different investment mixes.

In response to a question from ATU Director Scott about the difference between Callan's fixed income projections and the Retirement Plans' fixed income returns over the past few years, Mr. Chang explained that when bonds decrease in value, forward-looking expectations tend to move higher (as the asset class becomes relatively cheaper and average yields move higher).

In response to a question from MCEG Director Bobek about why none of the alternate investment mixes considered a lower real estate allocation, Mr. Chang explained that Callan places a limit on private real estate when preparing the Asset/Liability Study. Absent that approach, which in the case of the Retirement Plans recognizes the target allocation of 10%, Mr. Chang explained that the range of investment mixes developed by Callan would have included some higher allocations to real estate.

Ahead of requesting a vote by the Retirement Boards, Mr. Gobel asked Callan to clarify the impact of this matter by sharing his understanding that the Retirement Boards would be voting to accept the completed study, but retaining the right to confer with Callan at a

## **June 12, 2024 Meeting Minutes – Continued**

future date about alternative investment mixes. Mr. Chang responded to this question by confirming that Mr. Gobel's understanding was correct.

Director Kennedy moved to approve Agenda Item 12. The motion was seconded by Director Li. The motion carried unanimously by roll call vote: Ayes – Pickering, D. Thompson, Kennedy, and Li; Noes – None.

The AFSCME Retirement Board meeting adjourned at 2:28 p.m. with the departure of Director Kennedy. Thereafter, the other four Boards (ATU Retirement Board, IBEW Retirement Board, AEA Retirement Board, and MCEG Retirement Board) maintained their quorums, continued the conversation with Mr. Chang, and remained in session through the conclusion of Item 14.

### **REPORTS, IDEAS AND COMMUNICATION**

13. Information: Conference Report Out - CALAPRS Training (ALL). (Gobel)

Mr. Gobel noted that ATU Director Scott and AEA Director McGoldrick attended the CALAPRS' Advanced Principles of Pension Governance for Trustees at UCLA from March 27<sup>th</sup> to 29<sup>th</sup>. Consistent with the Retirement Board Member and Staff Education and Travel Policy, Mr. Gobel asked the Directors to share information about and impressions of this program with the Retirement Boards.

AEA Director McGoldrick characterized the advanced program as a good way to reinforce best practices for retirement trustees and a fantastic opportunity for networking with peers from larger retirement systems. He had very positive comments regarding a discussion about cognitive bias among boards and expressed an interest in learning more about different metrics for evaluating investment performance.

ATU Director Scott concurred with the assessment offered by Director McGoldrick and also appreciated the interaction with other retirement plan trustees from throughout the state. Looking toward the next session, he encouraged other trustees to invest a few days of their time to attend this training and opined that it was a high-value event.

14. Information: Senior Manager, Pension & Retirement Services Quarterly Verbal Update (ALL). (Gobel)

Mr. Gobel cited the staffing progress addressed in recent staff reports on "Roles and Responsibilities," confirmed that the Retirement Services Analyst I recruitment concluded with a new hire on April 1<sup>st</sup>, and introduced Margaret Dugger to the Retirement Boards.

Mr. Gobel announced that the agenda for the next quarterly Retirement Board meeting would include an educational presentation on fiduciary liability insurance. In doing so, Mr. Gobel reported that a representative from SacRT's insurance broker, Alliant, would present information regarding the coverage provided to Directors and Alternate Directors



## **June 12, 2024 Meeting Minutes – Continued**

of the Retirement Boards and discuss other options for the Retirement Boards' consideration ahead of the next insurance renewal cycle (in May 2025).

Mr. Gobel provided another update on the direct deposit issues experienced in February 2024 by noting that 25 pensioners had received further correspondence on April 30<sup>th</sup>, as well as a copy of the Retirement Boards' Policy for Correcting Retirement Plan Overpayments and Underpayments. In doing so, Mr. Gobel explained that staff would be reducing retirement allowances for persons who did not elect to reimburse the Retirement Plans and that any required reductions would go into effect with the June 25<sup>th</sup> payment date.

Mr. Gobel reported that staff would be mailing semi-annual "progress reports" to all Directors and Alternative Directors in July. As a reminder, Mr. Gobel explained that the purpose of these reports is to measure individual progress toward the goal articulated in the Retirement Board Member and Staff Education and Travel Policy, which is 24 hours of retirement and investment-related education over a two-year period.

### **ADJOURN**

With no further business to discuss and no public comment on matters not on the agenda, the meeting of the ATU Retirement Board, IBEW Retirement Board, AEA Retirement Board, and MCEG Retirement Board adjourned at 2:52 p.m.

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Constance Bibbs, Board Chair

ATTEST:

Henry Li, Secretary

By: \_\_\_\_\_  
John Gobel, Assistant Secretary



# RETIREMENT BOARD STAFF REPORT

**DATE:** September 11, 2024 Agenda Item: 7  
**TO:** Sacramento Regional Transit Retirement Board – IBEW  
**FROM:** Jason Johnson, VP, Finance/CFO  
**SUBJ:** RECEIVE AND FILE ADMINISTRATIVE REPORTS FOR THE QUARTER ENDED JUNE 30, 2024 FOR THE IBEW PENSION PLAN (IBEW). (JOHNSON)

## **RECOMMENDATION**

Motion to Approve

## **RESULT OF RECOMMENDED ACTION**

Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2024 for the IBEW Pension Plan (IBEW). (Johnson)

## **FISCAL IMPACT**

None.

## **DISCUSSION**

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

Table 1

<b>Employer Contribution Rates As of June 30, 2024</b>	
	<b>IBEW</b>
	Contribution Rate
Classic	35.62%
PEPRA*	27.34%

\*PEPRA employee rates: 7.00%

## Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended June 30, 2024. 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 June 30, 2024 (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 Sacramento Regional Transit District Retirement Plans (Statement of Investment Objectives and Policy Guidelines), the Retirement Boards have delegated authority to manage pension plan assets in accordance with the approved rebalancing policy to the District's VP, Finance/CFO or designee. The VP, Finance/CFO 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 IBEW Plan's Schedule of Cash Activities for the three months ended June 30, 2024. 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 June 30, 2024. The IBEW Plan reimbursed \$111,913.85 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 IBEW Plan's Asset Allocation as of June 30, 2024. This statement shows the IBEW 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 (Attachment 2) 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 June 30, 2024 as compared to their benchmarks.

## Sacramento Regional Transit District Retirement Plan - IBEW Statement of Fiduciary Net Position

Accrual Basis

As of June 30, 2024

	Jun 30, 24
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
100000 · Long-Term Investments	82,699,304.60
<b>Total Checking/Savings</b>	82,699,304.60
<b>Accounts Receivable</b>	
1110108 · Distributions Receivable	30,064.10
<b>Total Accounts Receivable</b>	30,064.10
<b>Other Current Assets</b>	
1110120 · Prepaids	12,633.61
<b>Total Other Current Assets</b>	12,633.61
<b>Total Current Assets</b>	82,742,002.31
<b>TOTAL ASSETS</b>	<b>82,742,002.31</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
3110102 · Administrative Expense Payable	14,969.16
3110110 · Other Pay - Due to RT	64,329.25
3110122 · TCW	13,071.67
3110124 · Boston Partners	17,741.51
3110125 · Callan	2,220.81
3110128 · Atlanta Capital	13,354.34
3110129 · SSgA - S&P Index	719.04
3110130 · SSgA - EAFE	399.10
3110132 · Pyrford	12,851.32
3110133 · Northern Trust	4,808.98
3110134 · Clarion	8,819.16
<b>Total Accounts Payable</b>	153,284.34
<b>Total Current Liabilities</b>	153,284.34
<b>Total Liabilities</b>	153,284.34
<b>Equity</b>	
3340100 · Retained Earning	45,066,750.96
3340101 · Retained Earnings	29,393,318.88
Net Income	8,128,648.13
<b>Total Equity</b>	82,588,717.97
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>82,742,002.31</b>

## Sacramento Regional Transit District Retirement Plan - IBEW Statement of Changes in Fiduciary Net Position

Accrual Basis

April through June 2024

	<u>Apr - Jun 24</u>	<u>% of Income</u>
<b>Income</b>		
RT Required Contribution		
6630101 · Employer Contributions	1,265,509.88	63.4%
6630110 · Employee Contributions	170,453.05	8.5%
<b>Total RT Required Contribution</b>	<b>1,435,962.93</b>	<b>72.0%</b>
<b>Total Investment Earnings</b>		
Interest, Dividend, & Other Inc		
6830101 · Dividend	130,826.67	6.6%
6830102 · Interest	203,950.26	10.2%
6830103 · Other Income	0.00	0.0%
6830104 · Dividend - Distributions	30,064.10	1.5%
<b>Total Interest, Dividend, &amp; Other Inc</b>	<b>364,841.03</b>	<b>18.3%</b>
Investment Income		
6530900 · Gains/(Losses) - All	289,498.80	14.5%
6530915 · Increase(Decrease) in FV	(94,991.18)	(4.8)%
<b>Total Investment Income</b>	<b>194,507.62</b>	<b>9.7%</b>
<b>Total Total Investment Earnings</b>	<b>559,348.65</b>	<b>28.0%</b>
<b>Total Income</b>	<b>1,995,311.58</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531201 · IBEW - Retirement Benefits Paid	1,464,252.68	73.4%
8531203 · EE Contribution Refunds	2,012.75	0.1%
8532004 · Invest Exp - TCW	13,071.67	0.7%
8532013 · Invest Exp - Boston Partners	17,741.51	0.9%
8532020 · Invest Exp - Callan	6,664.97	0.3%
8532024 · Invest Exp - Atlanta Capital	13,354.34	0.7%
8532025 · Invest Exp - S&P Index - SSgA	719.04	0.0%
8532026 · Invest Exp - EAFE - SSgA	399.10	0.0%
8532027 · Invest Exp - AQR	9,931.72	0.5%
8532028 · Invest Exp - Pyrford	12,851.32	0.6%
8532029 · Invest Exp - Northern Trust	4,808.98	0.2%
8532030 · Invest Exp - Clarion	8,819.16	0.4%
8532031 · Invest Exp - Morgan Stanley	9,962.69	0.5%
<b>Total COGS</b>	<b>1,564,589.93</b>	<b>78.4%</b>
<b>Gross Profit</b>	<b>430,721.65</b>	<b>21.6%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	12,747.48	0.6%
8533008 · Admin Exp - Accounting Software	982.67	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,738.47	0.2%
8533021 · Admin Exp - Legal Services	16,800.00	0.8%
8533029 · Admin Exp - Administrator	24,807.66	1.2%
8533030 · Admin Exp - Audit	0.00	0.0%
8533050 · Miscellaneous	13.08	0.0%
<b>Total Expense</b>	<b>59,089.36</b>	<b>3.0%</b>
<b>Net Income</b>	<b>371,632.29</b>	<b>18.6%</b>

## Sacramento Regional Transit District Retirement Plan - IBEW Statement of Changes in Fiduciary Net Position

Accrual Basis

July 2023 through June 2024

	Jul '23 - Jun '24	% of Income
<b>Income</b>		
<b>RT Required Contribution</b>		
6630101 · Employer Contributions	5,263,039.50	36.4%
6630110 · Employee Contributions	685,609.56	4.7%
<b>Total RT Required Contribution</b>	<b>5,948,649.06</b>	<b>41.2%</b>
<b>Total Investment Earnings</b>		
<b>Interest, Dividend, &amp; Other Inc</b>		
6830101 · Dividend	542,114.10	3.8%
6830102 · Interest	744,642.59	5.2%
6830103 · Other Income	2,760.27	0.0%
6830104 · Dividend - Distributions	121,719.15	0.8%
<b>Total Interest, Dividend, &amp; Other Inc</b>	<b>1,411,236.11</b>	<b>9.8%</b>
<b>Investment Income</b>		
6530900 · Gains/(Losses) - All	1,022,723.83	7.1%
6530915 · Increase(Decrease) in FV	6,060,146.08	42.0%
<b>Total Investment Income</b>	<b>7,082,869.91</b>	<b>49.0%</b>
<b>Total Total Investment Earnings</b>	<b>8,494,106.02</b>	<b>58.8%</b>
<b>Total Income</b>	<b>14,442,755.08</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531201 · IBEW - Retirement Benefits Paid	5,700,491.37	39.5%
8531203 · EE Contribution Refunds	2,282.22	0.0%
8532004 · Invest Exp - TCW	50,485.74	0.3%
8532013 · Invest Exp - Boston Partners	67,126.36	0.5%
8532020 · Invest Exp - Callan	27,467.00	0.2%
8532024 · Invest Exp - Atlanta Capital	52,954.03	0.4%
8532025 · Invest Exp - S&P Index - SSgA	2,658.56	0.0%
8532026 · Invest Exp - EAFE - SSgA	1,501.09	0.0%
8532027 · Invest Exp - AQR	36,388.28	0.3%
8532028 · Invest Exp - Pyrford	49,489.72	0.3%
8532029 · Invest Exp - Northern Trust	19,244.67	0.1%
8532030 · Invest Exp - Clarion	37,212.22	0.3%
8532031 · Invest Exp - Morgan Stanley	39,134.72	0.3%
<b>Total COGS</b>	<b>6,086,435.98</b>	<b>42.1%</b>
<b>Gross Profit</b>	<b>8,356,319.10</b>	<b>57.9%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	36,687.01	0.3%
8533007 · Admin Exp - CALPRS Dues/Courses	4,463.73	0.0%
8533008 · Admin Exp - Accounting Software	1,682.67	0.0%
8533014 · Admin Exp - Fiduciary Insurance	14,598.68	0.1%
8533021 · Admin Exp - Legal Services	65,599.98	0.5%
8533025 · Admin Exp - Information Service	321.49	0.0%
8533029 · Admin Exp - Administrator	95,198.52	0.7%
8533030 · Admin Exp - Audit	9,019.66	0.1%
8533050 · Miscellaneous	99.23	0.0%
<b>Total Expense</b>	<b>227,670.97</b>	<b>1.6%</b>
<b>Net Income</b>	<b>8,128,648.13</b>	<b>56.3%</b>

**Sacramento Regional Transit District  
Retirement Fund - IBEW  
Schedule of Cash Activities  
For the Three Months Period Ended June 30, 2024**

	April 2024	May 2024	June 2024	Quarter Totals
Beginning Balance:				
Due (from)/to District - March 31, 2024	(3,079.47)	51,407.31	60,506.56	(3,079.47)
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 27.34% - 35.62%	434,144.55	438,296.88	393,068.45	1,265,509.88
Employee Pension Contributions	55,962.53	59,931.81	54,558.71	170,453.05
Total Deposits	490,107.08	498,228.69	447,627.16	1,435,962.93
<u>Expenses</u>				
Payout to Retirees	(475,995.14)	(494,050.48)	(494,207.06)	(1,464,252.68)
Employee Contribution Refunds	-	(2,012.75)	-	(2,012.75)
Payout to Retirees Subtotal	(475,995.14)	(496,063.23)	(494,207.06)	(1,466,265.43)
Fund Investment Management Expenses:				
Atlanta Capital	(13,638.78)	-	-	(13,638.78)
Boston Partners	(17,046.71)	-	-	(17,046.71)
SSgA S&P 500 Index	-	(691.79)	-	(691.79)
SSgA EAFE MSCI	-	(390.05)	-	(390.05)
TCW	-	(13,077.64)	-	(13,077.64)
Pyrford	-	(12,655.98)	-	(12,655.98)
Northern Trust	(4,812.48)	-	-	(4,812.48)
Callan	(2,222.43)	(2,222.27)	(2,221.89)	(6,666.59)
Fund Invest. Mgmt Exp. Subtotal	(37,720.40)	(29,037.73)	(2,221.89)	(68,980.02)
Administrative Expenses				
Legal Services	(11,200.00)	(5,600.00)	-	(16,800.00)
Pension Administration	(6,272.26)	(9,173.95)	(9,361.45)	(24,807.66)
Actuarial Services	(4,373.32)	(3,761.66)	(5,216.66)	(13,351.64)
Fiduciary Insurance	-	(15,098.67)	33.33	(15,065.34)
Audit Fees	(9,019.66)	-	-	(9,019.66)
Accounting Software	-	-	(982.67)	(982.67)
Miscellaneous	(13.08)	-	-	(13.08)
Administrative Exp. Subtotal	(30,878.32)	(33,634.28)	(15,527.45)	(80,040.05)
Total Expenses	(544,593.86)	(558,735.24)	(511,956.40)	(1,615,285.50)
Monthly Net Owed from/(to) District	(54,486.78)	(60,506.55)	(64,329.24)	(179,322.57)
Payment from/(to) the District	-	(51,407.30)	(60,506.55)	(111,913.85)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	51,407.31	60,506.56	64,329.25	64,329.25



**RT Combined Pension Plans - ATU, IBEW and Salaried  
Asset Allocation \*  
As of June 30, 2024**

Asset Class	Net Asset Market Value 6/30/2024	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
<b>FUND MANAGERS:</b>						
<b>Domestic Equity:</b>						
Large Cap Value - Boston Partners - Z8	\$ 70,628,606	17.11%	16.00%	1.11%	\$ 4,592,721	
Large Cap Growth - SSgA S&P 500 Index - XH	74,536,680	18.06%	16.00%	2.06%	8,500,796	
<b>Total Large Cap Domestic Equity</b>	<b>145,165,286</b>	<b>35.17%</b>	<b>32.00%</b>	<b>3.17%</b>	<b>13,093,517</b>	<b>\$ 132,071,769</b>
<b>Small Cap - Atlanta Capital - XB</b>	<b>33,327,905</b>	<b>8.08%</b>	<b>8.00%</b>	<b>0.08%</b>	<b>309,962</b>	<b>33,017,942</b>
<b>International Equity:</b>						
Large Cap Growth:						
Pyrford - ZD	38,640,443	9.36%	9.50%	(0.14)%	(568,363)	
Large Cap Core:						
SSgA MSCI EAFE - XG	19,950,342	4.83%				
Total Core	19,950,342	4.83%	4.50%	0.33%	1,377,750	
Small Cap:						
AQR - ZB	23,222,410	5.63%	5.00%	0.63%	2,586,196	
Emerging Markets						
DFA - ZA	25,568,952	6.20%	6.00%	0.20%	805,495	
<b>Total International Equity</b>	<b>107,382,147</b>	<b>26.02%</b>	<b>25.00%</b>	<b>1.02%</b>	<b>4,201,077</b>	<b>103,181,070</b>
<b>Fixed Income:*</b>						
<b>TCW- XD</b>	<b>94,889,177</b>	<b>22.99%</b>	<b>25.00%</b>	<b>(2.01)%</b>	<b>(8,291,893)</b>	<b>103,181,070</b>
<b>Real Estate:*</b>						
Clarion - Lion	15,299,403	3.71%	5.00%	(1.29)%	(5,336,811)	
Morgan Stanley	16,660,361	4.04%	5.00%	(0.96)%	(3,975,853)	
<b>Total Real Estate</b>	<b>31,959,764</b>	<b>7.74%</b>	<b>10.00%</b>	<b>(2.26)%</b>	<b>(9,312,664)</b>	<b>41,272,428</b>
<b>Total Combined Net Asset</b>	<b>\$ 412,724,280</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$ -</b>	<b>\$ 412,724,280</b>

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

\* Per the Statement of Investment Objectives and Policy Guidelines as of 6/12/2024.

**Reconciliation between Callan Report  
and  
Consolidated Pension Fund Balance Sheet  
As of June 30, 2024**

<b>Per Both Pension Fund Balance Sheets:</b>	
ATU Allocated Custodial Assets	182,691,818
ATU Accrued Clarion Distributions Receivable	69,397 **
IBEW Allocated Custodial Assets	82,699,305
IBEW Accrued Clarion Distributions Receivable	30,064 **
Salaried Allocated Custodial Assets	147,333,157
Salaried Accrued Clarion Distributions Receivable	46,164 **
	<u>412,869,904</u>
<b>Total Consolidated Net Asset</b>	<u>412,869,904</u>
 <b>Per Callan Report:</b>	
Total Investments	<u>412,869,893</u>
 <b>Net Difference</b>	 <u>11 *</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 June 30, 2024**

<b>Per Both Pension Fund Income Statements:</b>	
ATU - Investment Earnings	1,191,407
ATU - Management Fees	(66,426)
IBEW - Investment Earnings	559,349
IBEW - Management Fees	(29,063)
Salaried - Investment Earnings	1,127,443
Salaried - Management Fees	(47,067)
<b>Total Investment Income</b>	<u>2,735,642</u>
 <b>Per Callan Report:</b>	
Investment Returns	<u>2,735,587</u>
 <b>Net Difference</b>	 <u>55 ***</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 June 30, 2024**

	<u>April</u>	<u>May</u>	<u>June</u>	<u>Total</u>
<b>Payments from/(to) the District</b>				
Boston Partners - ATU	-	(285,861)	-	(285,861)
Boston Partners - IBEW	-	(51,407)	-	(51,407)
Boston Partners - Salaried	-	126,863	-	126,863
S&P 500 Index - ATU	-	-	(137,060)	(137,060)
S&P 500 Index - IBEW	-	-	(60,507)	(60,507)
S&P 500 Index - Salaried	-	-	58,862	58,862
<b>Total Payments from/(to) the District</b>	<u>-</u>	<u>(210,405)</u>	<u>(138,705)</u>	<u>(349,110)</u>
<b>Transfers In/(Out) of Investment Funds</b>				
Boston Partners	-	(210,405)	-	(210,405)
S&P 500 Index	-	-	(138,705)	(138,705)
<b>Total Transfers In/(Out) of Investment Funds</b>	<u>-</u>	<u>(210,405)</u>	<u>(138,705)</u>	<u>(349,110)</u>
<b>Variance between Payments and Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Per Callan Report:</b>				
Net New Investment/(Withdrawals)				<u>(349,110)</u>
<b>Net Difference</b>				<u><u>-</u></u>

**Consolidated Schedule of Cash Activities  
For the 12-Months June 30, 2024**

	<u>3Q23</u>	<u>4Q23</u>	<u>1Q24</u>	<u>2Q24</u>	<u>Total</u>
<b>Payments from/(to) the District</b>					
Boston Partners - ATU	(397,584)	(2,171,665)	-	(285,861)	(2,855,110)
Boston Partners - IBEW	(86,767)	(874,568)	-	(51,407)	(1,012,742)
Boston Partners - Salaried	(10,297)	(1,484,612)	-	126,863	(1,368,046)
S&P 500 Index - ATU	-	(1,021,455)	(97,149)	(137,060)	(1,255,664)
S&P 500 Index - IBEW	-	(422,688)	(28,715)	(60,507)	(511,910)
S&P 500 Index - Salaried	-	(778,480)	45,776	58,862	(673,842)
Atlanta Capital - ATU	-	(807,532)	-	-	(807,532)
Atlanta Capital - IBEW	-	(381,787)	-	-	(381,787)
Atlanta Capital - Salaried	-	(810,681)	-	-	(810,681)
TCW - ATU	-	3,314,252	(133,031)	-	3,181,221
TCW - IBEW	-	1,578,453	82,430	-	1,660,883
TCW - Salaried	-	3,107,295	266,112	-	3,373,407
<b>Total Payments from/(to) the District</b>	<u>(494,648)</u>	<u>(753,467)</u>	<u>135,422</u>	<u>(349,110)</u>	<u>(1,461,803)</u>

**Sacramento Regional Transit District  
ATU, IBEW and Salaried Retirement Plans  
Schedule of Fund Investment Returns and Expenses  
06/30/24**

	1 Year		Net of Fees Returns	1 Year Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts	3 Years		Net of Fees Returns	3 Years Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts
	Investment Returns	Investment Expense				Investment Returns	Investment Expense			
<b>Boston Partners</b>										
Investment Returns	12,838,405	100.00%				17,871,545	100.00%			
Investment Expense	(334,855)	2.61%				(973,663)	5.45%			
Net Gain/(Loss)	12,503,550	97.39%	21.29%	13.06%	823.00	16,897,882	94.55%	9.20%	5.52%	368.00
<b>S&amp;P 500</b>										
Investment Returns	14,813,524	100.00%				19,288,296	100.00%			
Investment Expense	(13,262)	0.09%				(36,851)	0.19%			
Net Gain/(Loss)	14,800,262	99.91%	24.52%	24.56%	(4.00)	19,251,445	99.81%	9.96%	10.01%	(5.00)
<b>Atlanta Capital</b>										
Investment Returns	2,742,769	100.00%				5,716,751	100.00%			
Investment Expense	(264,155)	9.63%				(767,539)	13.43%			
Net Gain/(Loss)	2,478,614	90.37%	8.22%	10.06%	(184.00)	4,949,212	86.57%	5.40%	(2.58)%	798.00
<b>Pyrford</b>										
Investment Returns	2,348,136	100.00%				3,645,087	100.00%			
Investment Expense	(246,875)	10.51%				(705,064)	19.34%			
Net Gain/(Loss)	2,101,261	89.49%	5.77%	11.54%	(577.00)	2,940,023	80.66%	2.72%	2.89%	(17.00)
<b>EAFE</b>										
Investment Returns	2,104,460	100.00%				1,800,539	100.00%			
Investment Expense	(7,488)	0.36%				(20,973)	1.16%			
Net Gain/(Loss)	2,096,972	99.64%	11.68%	11.54%	14.00	1,779,566	98.84%	3.11%	2.89%	22.00
<b>AQR</b>										
Investment Returns	3,879,911	100.00%				2,375,309	100.00%			
Investment Expense	(181,133)	4.67%				(507,743)	21.38%			
Net Gain/(Loss)	3,698,778	95.33%	19.23%	7.78%	1,145.00	1,867,566	78.62%	3.45%	(3.35)%	680.00
<b>DFA</b>										
Investment Returns	3,300,229	100.00%				(470,534)	100.00%			
Investment Expense	(90,129)	2.73%				(264,173)	-56.14%			
Net Gain/(Loss)	3,210,100	97.27%	14.82%	12.55%	227.00	(734,707)	156.14%	(0.45)%	(5.07)%	462.00
<b>TCW</b>										
Investment Returns	2,649,613	100.00%				(7,853,109)	100.00%			
Investment Expense	(251,842)	9.50%				(725,585)	-9.24%			
Net Gain/(Loss)	2,397,771	90.50%	2.55%	2.63%	(8.00)	(8,578,694)	109.24%	(3.20)%	(3.02)%	(18.00)
<b>Clarion</b>										
Investment Returns	(1,812,251)	100.00%				(291,108)	100.00%			
Investment Expense	(180,248)	-9.95%				(582,950)	-200.25%			
Net Gain/(Loss)	(1,992,499)	109.95%	(10.75)%	(9.25)%	(150.00)	(874,058)	-100.25%	(0.71)%	1.90%	(261.00)
<b>Morgan Stanley</b>										
Investment Returns	(676,328)	100.00%				1,660,364	100.00%			
Investment Expense	(191,325)	-28.29%				(553,766)	33.35%			
Net Gain/(Loss)	(867,653)	128.29%	(4.65)%	(9.25)%	460.00	1,106,598	133.35%	4.14%	1.90%	224.00
<b>Total Fund</b>										
Investment Returns	42,188,468	100.00%				43,743,140	100.00%			
Investment Expense	(1,761,313)	4.17%				(5,138,308)	11.75%			
Net Gain/(Loss)	40,427,155	95.83%	10.97%	10.93%	4.00	38,604,832	88.25%	3.51%	2.56%	95.00



# RETIREMENT BOARD STAFF REPORT

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**DATE:** September 11, 2024 Agenda Item: 9  
**TO:** Sacramento Regional Transit Retirement Board – ALL  
**FROM:** John Gobel, Senior Manager, Pension and Retirement Services  
**SUBJ:** UPDATE ON ROLES AND RESPONSIBILITIES RELATED TO PENSION ADMINISTRATION - QUARTER ENDED JUNE 30, 2024 (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. The reports prepared for the quarter ended June 30, 2024 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

For the quarter ended June 30<sup>th</sup> (which considers new pension payments effected between April 10<sup>th</sup> and June 25<sup>th</sup>), staff processed pensions for 11 new retirees and the average waiting period for initial payment was 41 days. That activity represents a decrease from the prior quarter, when staff processed a total of 14 new retirements (with an average waiting period of 47 days). It also represents a decrease from the same period one year earlier, when staff processed a total of 13 new retirements (with an average waiting period of 51 days).

For the current quarter ending September 30<sup>th</sup> (which is still in progress and presently considers new pension payments effected between July 10<sup>th</sup> and August 23<sup>rd</sup>), staff has processed pensions for 8 new retirees with an average waiting period of 41 days.

As reported to the Retirement Boards at the last meeting, the previously vacant position of Retirement Services Analyst I was filled on April 1<sup>st</sup>. As our new team member is exposed to more operational areas within Retirement Services over the next few months (including the processing of new retirement applications), the attached matrix of Staff Roles and Responsibilities will be updated accordingly.

## Pension Administration Staff Roles and Responsibilities

### Pension Plan Member Relations:

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Respond to Employee and Retiree Inquiries	Retirement Services Analyst (I & II), Administrative Assistant II	Manager - Pension & Retirement
Conduct Educational Sessions	Manager - Pension & Retirement	Retirement Services Analyst II
Create Pension Estimates	Retirement Services Analyst II	Retirement Services Analyst I
Process Disability Retirements	Retirement Services Analyst II	Manager - Pension & Retirement
Process Employee and Retiree Deaths	Retirement Services Analyst I	Retirement Services Analyst II
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 Manager
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)	Retirement Services Analysts (I & II)
Process Lump-Sum Distribution or "Refund" of Employee Contributions for Terminated PEPRA Members	Retirement Services Analyst I	Manager - Pension & Retirement
Retrieve Undeliverable Retiree Mail and Facilitate Required Changes of Address	Administrative Assistant II	Retirement Services Analyst I
Conduct Lost Participant Searches and Related Processes for Returned Checks/stubs	Retirement Services Analyst I	Administrative Assistant II
Retiree Medical – Initial Enrollment	HR Analyst II	HR Department
Print, Stuff and Mail Pay Stubs	Payroll Analyst	Payroll Manager
Manage Stale and Lost Check Replacement	Payroll Analyst	Payroll Manager
Issue Copies of Retiree Pay Stubs and 1099-R Forms	Payroll Analyst	Payroll Manager

### Plan Documents:

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Negotiate Benefits, Provisions	VP, Employee Development and Engagement	Senior Manager, Labor Relations
Incorporate Negotiated Benefits/Provisions into Plan Documents	Chief Counsel, RT	External Counsel
Interpret Plan Provisions	Manager – Pension & Retirement,	External Counsel

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

**Contracting & Contract Administration:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Contract Management, including Oversight of RFP Processes	Manager – Pension & Retirement	VP - Finance
Legal Services (Hanson Bridgett) Contract Procurement	Manager – Pension & Retirement	VP - Finance
Actuarial Services (Cheiron) Contract Procurement	Manager – Pension & Retirement	VP - Finance
Investment Manager Services (Callan) Contract Procurement	Accountant II	VP - Finance
Ensure Adherence to Contract Provisions	Manager – Pension & Retirement	VP - Finance
Process Retirement Board Vendor Invoices	Retirement Services Analyst II	Manager - Pension & Retirement
Pay Invoices	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:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Manage Retirement Board Meeting Content and Process	Manager - Pension & Retirement	VP – Finance
Draft Staff Reports and Resolutions, Compile Attachments	Staff Presenting Issue to Board	Manager – Pension & Retirement, VP - Finance
Post Retirement Board Agenda Materials	Retirement Services Analyst I	Administrative Assistant II
Moderate Retirement Board Meetings	Manager - Pension & Retirement	VP - Finance

**Retirement Board Administration:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Train Staff/Board Members	Manager – Pension & Retirement	Staff/Vendor with Subject Matter Expertise
Prepare and Process Travel Arrangements for Retirement Board Members for Training	Retirement Services Analyst I	Administrative Assistant II
Facilitate Annual Fiduciary Liability Insurance Renewal	Manager – Pension & Retirement	VP – Finance
Renew Fiduciary Liability Coverage & Communicate Waiver of Recourse Info. to Retirement Board Members	Manager - Pension & Retirement	VP – Finance
Develop and Administer Retirement Board Policies	Manager – Pension & Retirement	VP - Finance



Respond to Public Records Act Requests	Manager – Pension & Retirement	Retirement Service Analysts (I & II)
--	--------------------------------	--------------------------------------

**Coordinate Actuarial Activities:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Valuation Study and Establish Contribution Rates (annual)	Manager – Pension & Retirement	VP - Finance
Experience Study (every 3-5 years)	Manager – Pension & Retirement	VP - Finance

**Asset Management:**

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

Pension Administration Costs  
For the Time Period: April 1, 2024 to June 30, 2024

Sum of Value TranCurr WBS Element	Source object name	Per	Total	
SAXXXX.PENATU	Accounting & Treasury / Cruz Mendoza, Jessic	010	1,106.45	
		011	1,202.93	
		012	544.71	
	Accounting & Treasury / Gobel, John	010	3,712.61	
		011	3,789.93	
		012	1,701.62	
	Accounting & Treasury / Mathew, Jessica	010	2,920.70	
		011	2,799.00	
		012	3,829.36	
	Accounting & Treasury / Dugger, Margaret	010	317.48	
		011	36.08	
		012	36.08	
<b>SAXXXX.PENATU Total</b>			<b>21,996.95</b>	
SAXXXX.PENIBEW	Accounting & Treasury / Cruz Mendoza, Jessic	010	211.66	
		011	65.26	
		012	232.64	
	Accounting & Treasury / Gobel, John	010	1,108.61	
		011	1,160.19	
		012	1,418.01	
	Accounting & Treasury / Mathew, Jessica	010	649.05	
		011	2,198.65	
		012	1,614.50	
	Accounting & Treasury / Dugger, Margaret	010	93.80	
		011	79.37	
	<b>SAXXXX.PENIBEW Total</b>			<b>8,831.74</b>
SAXXXX.PENSALA	Accounting & Treasury / Cruz Mendoza, Jessic	010	481.17	
		011	304.70	
		012	327.42	
	Accounting & Treasury / Gobel, John	010	502.74	
		011	876.58	
		012	876.60	
	Accounting & Treasury / Mathew, Jessica	010	267.74	
		011	1,947.13	
		012	1,565.83	
	Accounting & Treasury / Dugger, Margaret	011	72.15	
		012	36.08	
	<b>SAXXXX.PENSALA Total</b>			<b>7,258.14</b>
SAXXXX.PENSION	Board Support / Smith, Tabetha	012	88.50	
		Accounting & Treasury / Cruz Mendoza, Jessic	010	1,461.07
			011	1,497.94
	012		1,829.88	
	Accounting & Treasury / Gobel, John	010	5,865.40	
		011	7,012.72	
		012	9,139.73	
	Accounting & Treasury / Limon, Brenda	010	369.48	
		011	266.03	
		012	117.04	
	Accounting & Treasury / Mathew, Jessica	010	1,582.05	
		011	1,452.24	
		012	1,809.22	
	Accounting & Treasury / Mouton, Wendy	010	329.73	
		011	549.56	
		012	549.55	
	Accounting & Treasury / Volk, Lynda	010	2,817.65	
		011	3,714.19	
		012	2,356.59	
	Accounting & Treasury / Dugger, Margaret	010	202.04	
		011	2,121.24	
		012	2,067.11	
	Accounting & Treasury / Selenis, Paul	011	397.53	
		012	331.28	
<b>SAXXXX.PENSION Total</b>			<b>47,927.77</b>	
<b>Grand Total</b>			<b>86,014.60</b>	

**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 (SacRT) Retirement Boards during the Quarter ended June 30, 2024.

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. Prepare for and participate in special Board Meeting, including review and markup of agenda materials.
3. Provide counsel on issues including, but not limited to:
  - a. Actuarial services contract extension;
  - b. Retiree communications;
  - c. QDRO policy and model;
  - d. Plan document restatement project; and
  - e. Resolution of direct deposit issues.

Respectfully Submitted,

/s/ Shayna M. van Hoften



# RETIREMENT BOARD STAFF REPORT

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**DATE:** September 11, 2024 Agenda Item: 10

**TO:** Sacramento Regional Transit Retirement Boards – ALL

**FROM:** Jason Johnson, VP, Finance/CFO

**SUBJ:** Investment Performance Review by Atlanta Capital for the ATU, IBEW, and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended June 30, 2024 (ALL). (Johnson)

## **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 periodically 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.

Atlanta Capital is the Retirement Boards' Domestic Small Capitalization Equity fund manager. Atlanta Capital's portfolio consists of U.S. small cap companies. They use a fundamental, bottom-up approach to select high quality stocks that have above-average earnings stability, high levels of free cash flow, strong balance sheets, and capable and experienced management teams. Their objective is to generate a stable, consistent rate of return while protecting capital during periods of uncertainty. The portfolio consists of approximately 60-70 stocks and annual turnover is generally low (10-20%). Given their high-quality approach, their portfolio typically protects capital in down markets but may lag in strong up markets. Atlanta Capital has been a manager for SacRT since 2010.

Their annualized return since inception in 2010 is 12.8%. The return of their benchmark for that time period, the Russell 2000 Index, is 9.0%. Performance has been strong and consistent with their process overall. Atlanta Capital will be presenting performance results for the quarter ended June 30, 2024, shown in Attachment 1, and answering any questions.

A photograph of a city skyline with several tall skyscrapers, partially obscured by a semi-transparent blue horizontal band. The foreground shows green trees.

# Sacramento Regional Transit District

High Quality Small Cap  
Second Quarter 2024  
Portfolio Review

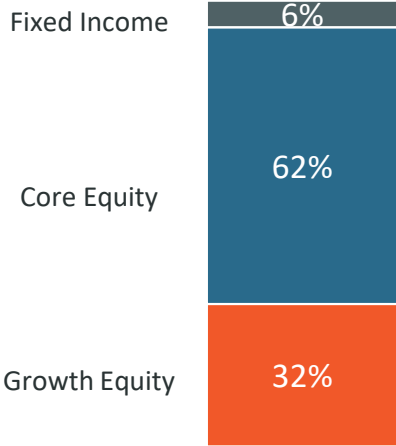
September 11, 2024

Michael Jaje, CFA  
Managing Director  
(404) 682-2498  
[michael.jaje@atlcap.com](mailto:michael.jaje@atlcap.com)

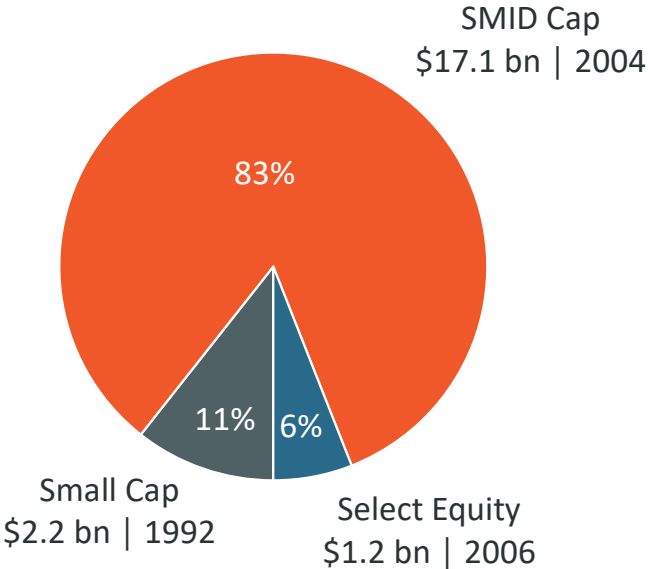
# Atlanta Capital Management Co., LLC

As of June 30, 2024

## Investment Franchises (\$33.2 Billion)



## Core Equity Management (\$20.5 Billion)



- Founded in 1969 in Atlanta, Georgia
- Singular focus on High Quality stocks and bonds
- Employs 36 professionals
- Part of Morgan Stanley Investment Management, the asset management division of Morgan Stanley

Assets under management | inception date of strategy

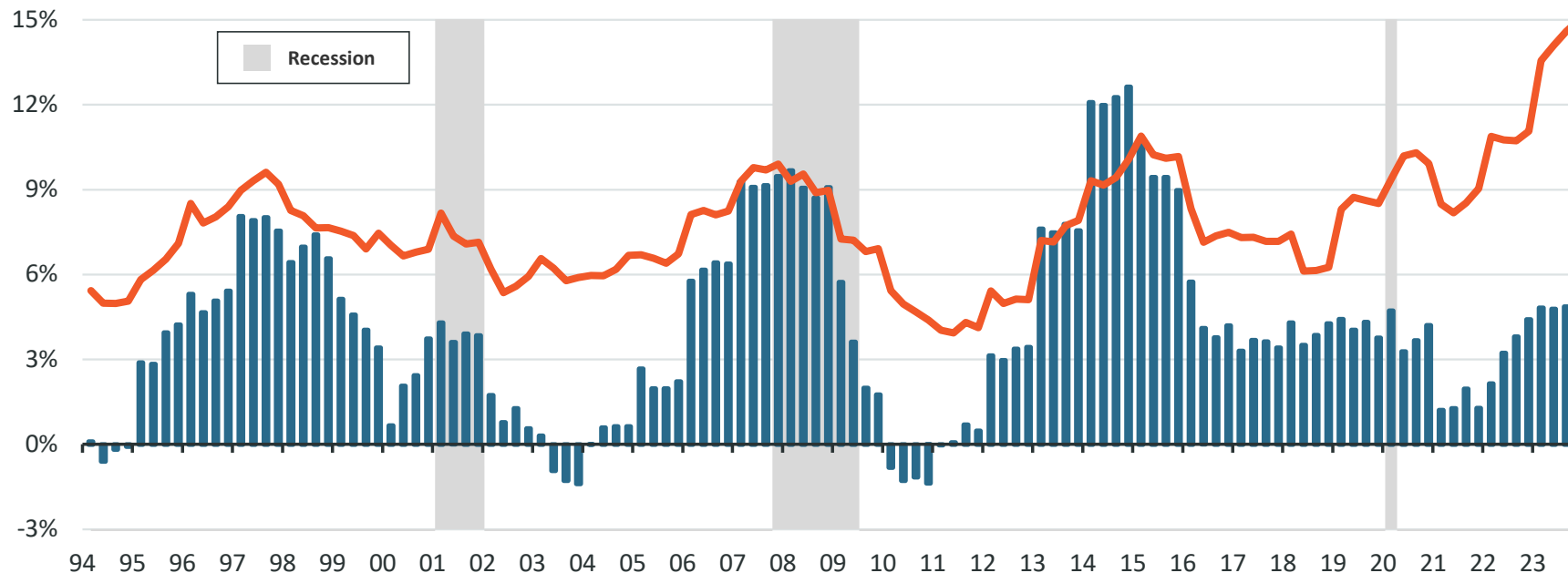
Assets under management are approximate. Source: Atlanta Capital as of June 30, 2024.



# Consistent Growth & Stability in Earnings

## Key Tenet of Our Investment Philosophy

Five-Year Rolling CAGR of As Reported Earnings  
Russell 2000® Index by Earnings Stability



	<b>Earnings Stability</b>	<b>Avg. 5-Year CAGR</b>	<b>Earnings Variability</b>	<b># Positive Periods</b>	<b># Negative Periods</b>
<span style="color: orange;">■</span>	<b>High Quality Portfolio</b>	<b>7.7%</b>	<b>2.1%</b>	<b>120 or 100%</b>	<b>0 or 0%</b>
<span style="color: blue;">■</span>	<b>Low Quality Portfolio</b>	<b>4.2%</b>	<b>3.3%</b>	<b>109 or 91%</b>	<b>11 or 9%</b>

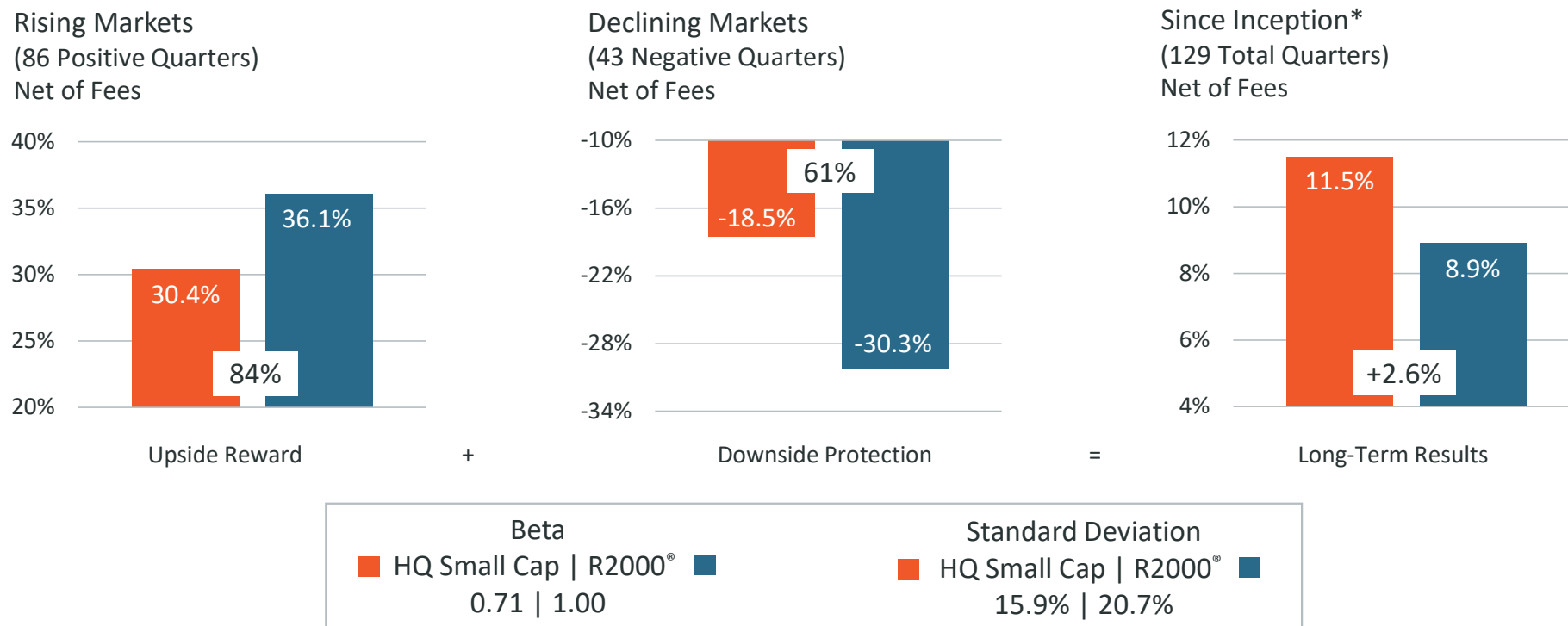
Time period: January 1, 1994 – December 31, 2023. This information is provided for general illustrative purposes only. The High Quality and Low Quality Research portfolios are provided to compare the aggregate earnings stability of all companies in the index with High Quality SPGMI Quality Rankings (B+ or Better) to those with Low Quality SPGMI Quality Rankings (B or Below). The High Quality Research and Low Quality Research portfolios are model portfolios formed and rebalanced monthly by Atlanta Capital. The universe includes all Russell 2000® Index constituents with SPGMI Quality Rankings and prices greater than \$1. Five-year historical earnings growth rates are calculated using a market capitalization-weighted methodology. The Russell 2000® Index is an unmanaged index of 2,000 US small-cap stocks. Historical performance of the index and Research portfolios illustrates market trends and does not represent past or future performance of the strategy. The material is based upon information that Atlanta Capital considers to be reliable, however no assurances are provided. The material should not be considered investment advice or a recommendation to invest in a particular strategy. Reproduction or redistribution of this page in any form without express permission from Atlanta Capital is prohibited. The views expressed herein are those of the investment team, are not necessarily indicative of Morgan Stanley, are subject to change, and may not necessarily come to pass. Past performance is not a reliable indicator of future results. Sources: FTSE Russell, S&P Global, Wilshire Atlas, Atlanta Capital as of December 31, 2023.



# High Quality Small Cap Investment Objective

April 1, 1992 – June 30, 2024

Our objective is to participate in rising markets, protect capital during declining markets, and outperform over the long-term without the volatility typically associated with small cap investing.



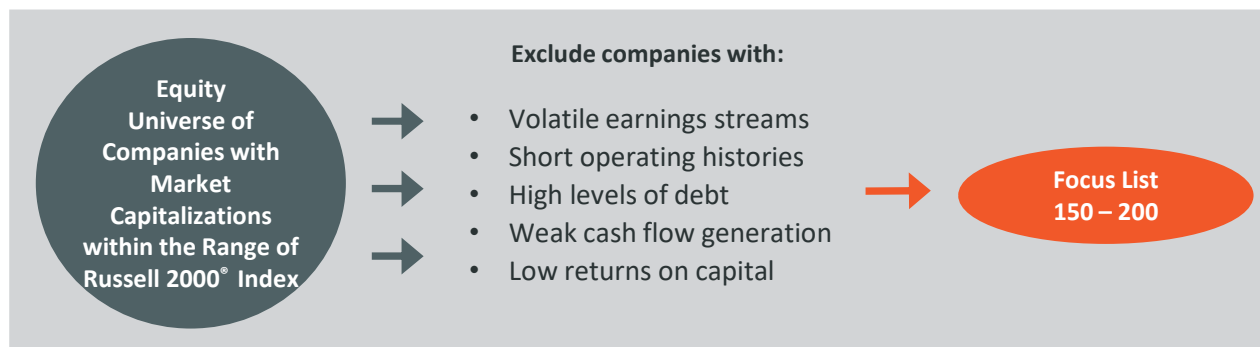
\*The inception date of the High Quality Small Capitalization Composite is April 1, 1992. For illustrative purposes only. The charts above illustrate the average (annualized) return of the High Quality Small Capitalization Composite during both rising and declining markets since inception. Results for other time periods may differ from the long-term trend shown above. Rising markets are defined as quarters where the return of the Russell 2000<sup>®</sup> index was positive. Declining markets are defined as quarters where the return of the Russell 2000<sup>®</sup> index was negative. These positive and negative quarters are separated out from the intervening quarters, cumulated across the period, and annualized. Long-term investment returns include both rising and declining periods. Composite performance is calculated in US dollars and reflects reinvestment of all income and capital gains. Composite performance is shown net of investment advisory fees using a maximum annual investment management fee of 0.80% applied monthly; client results will be reduced by custody fees and other client expenses. Performance during certain periods reflects strong stock market performance that is not typical and may not be repeated. Individual client returns will vary due to fees, client-imposed investment constraints and client inception date. Beta measures the historical sensitivity of portfolio excess returns to movements in the excess return of the market index. Standard Deviation is a measure of absolute volatility of returns. The Russell 2000<sup>®</sup> index is unmanaged and does not incur management fees or other expenses associated with managed accounts. It is not possible to directly invest in an index. Please see the Composite's GIPS<sup>®</sup> compliant presentation at the end of this presentation for important additional information and disclosure. Past performance does not predict future results. Source: eVestment and Atlanta Capital as of June 30, 2024.

# Disciplined Investment Process

## High Quality Small Cap Equity

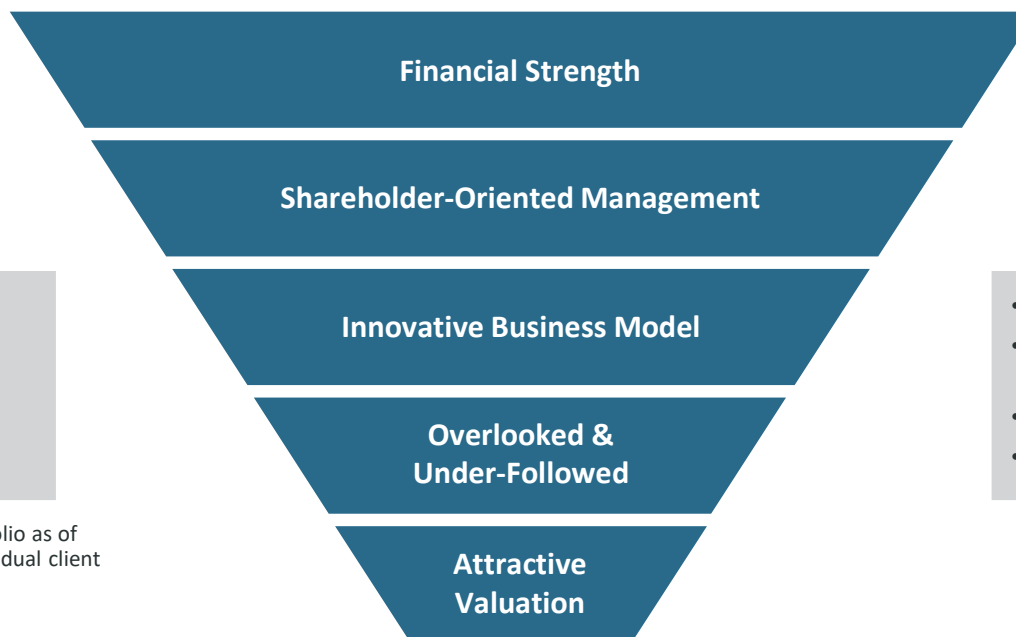
### Step 1

#### Create a 'Focus List' of High Quality Companies



### Step 2

#### Conduct 'Onsite' Fundamental Research



### Step 3

#### Construct a Focused Yet Well-Diversified Portfolio

- Generally 60 – 70 holdings
- 5% max position sizes
- 30% absolute sector weights
- 11% 3-year average turnover\*
- Russell 2000® Index

### Step 4

#### Monitor Holdings & Review Focus List

- Prudent profit taking
- Change in management or business strategy
- Deterioration of financial quality
- Excessive valuation

\* Turnover based on representative client portfolio as of December 31, 2023 and subject to change; individual client results will vary.

# Annualized Performance

## Sacramento Regional Transit District

Total Returns (%)	QTD	YTD	1 Yr	3 Yrs*	5 Yrs*	7 Yrs*	10 Yrs*	Since Inception*
High Quality Small Cap	-2.01	0.32	9.06	6.13	9.62	11.08	11.11	12.84
Russell 2000® Index	-3.28	1.73	10.06	-2.58	6.94	6.85	7.00	8.97

Account Summary	
Performance Inception Date:	April 22, 2010
Net Investment Contributions:	-\$6,332,150
Investment Dollars Earned:	\$39,655,773
Market Value (06/30/24):	\$33,323,623

\*Performance returns over one year are annualized. The unmanaged benchmark index returns are shown for comparative purposes only and do not reflect the subtraction of any fees or transaction costs. It is not possible to directly invest in an index. Portfolio returns are gross of management fees unless otherwise noted. The deduction of an advisory fee would reduce an investor's return. Past performance is not indicative of future results. All investments subject to loss. Please refer to the disclosures at the end of this presentation.

Source: ICE Data Services and Atlanta Capital as of June 30, 2024.



# Performance Drivers & Detractors

## Sacramento Regional Transit District



**Stock Selection + Sector Allocation = Excess Return**

Source: Factset and Atlanta Capital as of June 30, 2024.

The above attribution results are based on each day's ending holdings, and linked to generate attribution over longer periods. Cash in the portfolio is included in the analysis. Portfolio returns do not reflect applicable expenses and trading costs, or variations in transaction prices from end of day values. Past performance does not predict future results.

# Portfolio Transactions for the Quarter

## Sacramento Regional Transit District

New Purchases	Sector	
Alarm.com Hldgs.	Information Technology	Provides wireless/web-enabled security system and smart home services to residential and commercial clients. Expect growth from subscription, interactive monitoring, and international expansion.
PJT Partners CL A	Financials	Provides investment advisory services to corporate and public clients. Expect above average revenue and margin growth driven by investment in talent and normalizing banking volumes.
Verra Mobility Corp. CL A	Industrials	A leading provider of camera-based traffic/toll and video parking solutions. Durable growth in rental car and government segments with strong client retention should drive stable earnings.
Complete Sales	Sector	
Monro Inc	Consumer Discretionary	Operates a networks of automotive repair centers. We sold the position to fund other investments.
Columbia Banking System	Financials	A bank holding company geographically focused on the pacific northwest of the United States. We sold the position to fund other investments.
Houlihan Lokey CL A	Financials	Provides investment advisory services to corporate and public clients. We sold the position as the company's market capitalization appreciated to the high end of our range.

Any investment views, opinions/analyses, and forecasts expressed constitute judgments as of the date of this presentation and are subject to change at any time without notice. Future results may differ from forecasts. Source: Atlanta Capital as of June 30, 2024.

# Portfolio Characteristics

## Sacramento Regional Transit District

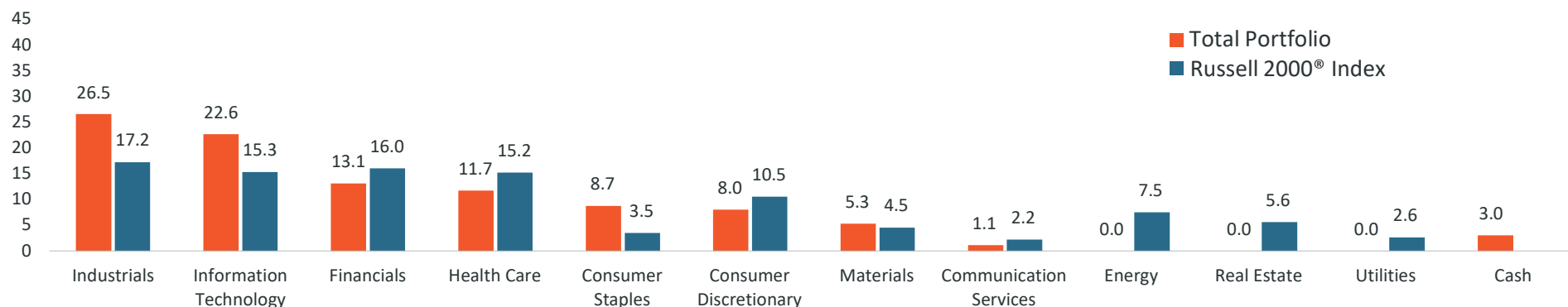
### Top Ten Holdings (%)

Inter Parfums	4.4
Insight Enterprises	4.2
CBIZ	3.8
Beacon Roofing Supply	3.5
Moog Inc. CL A	3.5
Selective Insurance Group	3.4
Blackbaud	3.3
Perficient	3.1
Dorman Products	2.5
Qualys	2.4

### Portfolio Metrics

Portfolio Metrics	Russell 2000® Index	Total Portfolio
# of Holdings	1,921	65
Wtd. Avg. Mkt. Cap (billions)	\$4.5	\$4.1
Historical Earnings Growth	17%	12%
Forecasted Earnings Growth	14%	12%
Return on Equity	8%	15%
P/E (NTM, Excl. Neg. Earn.)	14.4x	18.0x
Dividend Yield	1.4%	0.7%

### Sector Exposure



Source: FactSet and Atlanta Capital as of June 30, 2024.

# Current Portfolio Holdings

## Sacramento Regional Transit District

Consumer Discretionary (%)			Health Care (%)			Communication Services (%)		
CHH	Choice Hotels International	1.7	ATRI	Atrion Corp.	1.0	TTGT	TechTarget	1.1
COLM	Columbia Sportswear Company	1.6	ENOV	Enovis Corp.	1.1	<b>Information Technology (%)</b>		
DORM	Dorman Products	2.5	NVST	Envista Hldgs. Corp.	0.4	ACIW	ACI Worldwide	1.3
FTDR	Frontdoor	0.7	ICUI	ICU Medical	1.4	ALRM	Alarm.com Hldgs.	1.0
SBH	Sally Beauty Hldgs.	0.6	IART	Integra LifeSciences Hldgs. Corp.	1.0	BLKB	Blackbaud	3.3
WINA	Winmark Corp.	0.9	MMSI	Merit Medical Systems	1.9	CVLT	Commvault Systems	2.1
Consumer Staples (%)			Industrials (%)			ENV	Envestnet	1.6
CENT	Central Garden & Pet Company	0.9	OMCL	Omnicell	0.2	PLUS	ePlus inc.	1.7
IPAR	Inter Parfums	4.3	PDCO	Patterson Companies	0.7	NSIT	Insight Enterprises	4.2
JJSF	J & J Snack Foods Corp.	1.8	PBH	Prestige Consumer Healthcare Inc	1.0	PRFT	Perficient	3.1
LANC	Lancaster Colony Corp.	0.8	SLP	Simulations Plus	0.6	PLXS	Plexus Corp.	0.8
SFM	Sprouts Farmers Market	0.8	UFPT	UFP Technologies	0.8	POWI	Power Integrations	1.1
Energy (%)			AAON	AAON	0.7	QLYS	Qualys	2.4
			ALG	Alamo Group Inc.	1.4	Materials (%)		
			BECN	Beacon Roofing Supply	3.5	BCPC	Balchem Corp	1.5
			CBZ	CBIZ	3.8	FUL	H.B. Fuller Company	1.2
			CSWI	CSW Industrials	1.6	SLGN	Silgan Hldgs. Inc.	1.8
			EXPO	Exponent	1.0	SCL	Stepan Co	0.9
			FCN	FTI Consulting	0.8	Real Estate (%)		
			HURN	Huron Consulting Group Inc.	1.9			
			KAI	Kadant Inc.	0.5	Utilities (%)		
			KEX	Kirby Corp.	1.7			
			LSTR	Landstar System	1.6	Cash (%)		
			MGRC	McGrath RentCorp	1.7			
			MOG/A	Moog Inc. CL A	3.5			
			SSD	Simpson Manufacturing Co.	0.8			
			UNF	UniFirst Corp.	1.0			
			VRRM	Verra Mobility Corp. CL A	1.0			

Source: FactSet and Atlanta Capital as of June 30, 2024.

■ High Quality Small Cap  
■ Russell 2000® Index

# Investment Outlook & Strategy

## High Quality Small Cap

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### Investment Outlook

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- U.S. equity market returns were heavily influenced by market cap in the 2nd quarter of 2024. The market cap weighted large cap Russell 1000® index gained +3.6% in the quarter, with the largest names in the index significantly outperforming. Absolute returns were more challenged in smaller market cap benchmarks with the Small Cap Russell 2000® declining -3.3%, and the SMID Cap Russell 2500™ index down -4.3% in the quarter.
- There has been a clear focus on the perceived safety of the “mega-cap” trade as markets continue to discuss the impact of inflation, interest rates, and slowing job growth on future corporate earnings. While U.S. GDP growth remains positive and inflation continues to moderate, a series of softening U.S. employment and sentiment reports in June caused some to consider the future underlying strength in consumer demand.
- We continue to focus the portfolio on high quality companies that should perform well in good economic periods and offer a level of protection in times of market uncertainty.

### Portfolio Positioning

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- During the quarter, we purchased three new holdings and sold three.
- At quarter end, the representative portfolio held 65 stocks representing eight of the eleven economic sectors in the Russell 2000®.
- Relative to the benchmark, the portfolio was overweight Industrials, Technology, Staples, Materials.
- The portfolio was underweight Financials, Health Care, Consumer Discretionary, and Communication Services. There were no positions in Utilities, Energy, or Real Estate.

Any investment views, opinions/analyses, and forecasts expressed constitute judgments as of the date of this presentation and are subject to change at any time without notice. Future results may differ from forecasts. Source: Atlanta Capital as of June 30, 2024.



# Core Equity Team Biographies

As of June 30, 2024

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## Charles B. Reed, CFA

Mr. Reed is a Managing Director for the Core Equity team. He serves as a portfolio manager for Atlanta Capital's Small Cap, SMID Cap and Select Equity portfolios. Prior to joining the firm in 1998, Mr. Reed was a portfolio manager with the Florida State Board of Administration where he was responsible for managing their internal special situation equity fund. Mr. Reed holds the Chartered Financial Analyst designation and is a graduate of Florida State University where he earned a Bachelor of Science degree in Finance.

## William O. Bell, IV, CFA

Mr. Bell is a Managing Director for the Core Equity team. He serves as a portfolio manager for Atlanta Capital's High Quality Small Cap, SMID Cap and Select Equity portfolios. Prior to joining the firm in 1999, Mr. Bell was a portfolio manager with the Florida State Board of Administration where he was responsible for managing their internal special situation equity fund. Mr. Bell holds the Chartered Financial Analyst designation and is a graduate of Florida State University where he earned a Bachelor of Science degree in Business.

## W. Matt Hereford, CFA

Mr. Hereford is a Managing Director for the Core Equity team. He serves as a portfolio manager for Atlanta Capital's High Quality Small Cap, SMID Cap and Select Equity portfolios. Prior to joining the firm in 2002, Mr. Hereford worked for five years at Invesco where he was responsible for managing their Concentrated Equity Portfolio. Mr. Hereford holds the Chartered Financial Analyst designation and is a graduate of the University of Mississippi, where he earned a Bachelor of Business Administration degree in International Business. Mr. Hereford is also a member of the CFA Society Atlanta.

## J. Michael Jaje, Jr., CFA

Mr. Jaje is a Managing Director for the Core Equity team. He serves as an investment specialist for the firm. Prior to joining the firm in 2014, Mr. Jaje was a Partner and Marketing and Client Service representative with Buckhead Capital Management. Prior to Buckhead Capital, he was responsible for product management at Earnest Partners, served as an Institutional Equity Salesperson for Donaldson, Lufkin & Jenrette and Credit Suisse First Boston, and was a Regional Marketing Coordinator for the Managed Accounts Group of Invesco. Mr. Jaje holds the Chartered Financial Analyst designation and is a graduate of Vanderbilt University where he earned a Bachelor of Science degree in English.

# GIPS® Performance Information and Disclosure

## High Quality Small Capitalization Composite

As of December 31, 2023

Period	Composite Gross Return (%)	Composite Net Return (%)	Russell 2000® Return (%)	Composite 3-yr Std. Dev. (%) <sup>2</sup>	Russell 2000® 3-yr Std. Dev. (%)	Number of Portfolios	Internal Dispersion (%) <sup>2</sup>	Composite Assets (\$mil)	Firm Assets (\$mil)
2023 <sup>1</sup>	21.69	20.74	16.93	16.07	21.11	39	0.46	2,109	31,290
2022	-11.51	-12.22	-20.44	20.26	26.02	42	0.27	1,767	25,734
2021	20.70	19.75	14.82	18.40	23.35	43	0.32	2,337	29,908
2020	11.82	10.93	19.96	19.91	25.27	46	0.68	2,161	28,933
2019	27.08	26.09	25.53	12.67	15.71	44	0.18	1,712	25,479
2018	1.66	0.85	-11.01	11.99	15.79	46	0.29	1,490	19,188
2017	14.77	13.87	14.65	10.95	13.91	49	0.21	1,551	20,606
2016	19.00	18.07	21.31	12.69	15.76	53	0.19	1,544	17,646
2015	5.12	4.29	-4.41	12.68	13.96	54	0.16	1,259	16,054
2014	3.60	2.78	4.89	10.52	13.12	56	0.24	1,235	16,707

<sup>1</sup>Period 01/01/2023 through 12/31/2023. Past performance does not predict or guarantee future results.

<sup>2</sup>Internal Dispersion and Composite 3-yr Standard Deviation are calculated using Gross of Fee Returns.

Atlanta Capital Management Company, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Atlanta Capital Management has been independently verified for the periods January 1, 1999 through December 31, 2023.

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. The High Quality Small Capitalization Composite has had a performance examination for the periods January 1, 1999 through December 31, 2023. The verification and performance examination reports are available upon request.

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.

**Firm Definition:** Atlanta Capital Management Company, LLC (Atlanta Capital or the Firm) is an SEC-registered investment adviser located in Atlanta, Georgia. The Firm became a majority-owned subsidiary of Eaton Vance Corp. in 2001. On March 1, 2021 Eaton Vance and its affiliates which included Atlanta Capital Management became a part of Morgan Stanley Investment Management, a division of Morgan Stanley. Atlanta Capital provides professional investment advisory services to a broad range of institutional and individual clients, and sub-advisory investment management to mutual funds and separately managed wrap fee programs. Atlanta Capital includes all discretionary accounts under management in its composites; total firm assets include discretionary and nondiscretionary accounts for which the firm has investment responsibility.

**Composite Description:** The investment objective of this style is to seek long-term capital growth. Accounts in this composite invest in common stocks of companies having market capitalizations within the range of companies comprising the Russell 2000®. Management seeks to invest in quality companies in strong financial condition whose equities are priced below their estimate of fair value. Characteristics of high quality companies include a history of sustained growth in earnings and operating cash flow, high returns on capital, attractive profit margins and leading industry positions. Investments are determined based primarily on fundamental analysis of a company's financial trends, products and services, and other factors. Financial quality rankings provided by nationally-recognized rating services may be utilized as part of the investment analysis but are not solely relied upon. The portfolios are broadly diversified. All fully discretionary accounts that are managed in this style and do not pay a bundled or SMA wrap fee are eligible for inclusion in the composite. Individual accounts in the composite may contain account specific investment restrictions or features that may lead to differences in the holdings and performance of each account but are still eligible for inclusion in the composite.

**Risk Considerations:** The value of investments held by the strategy may increase or decrease in response to economic, and financial events (whether real, expected or perceived) in the U.S. and global markets. The value of equity securities is sensitive to stock market volatility. Small capitalization companies are generally subject to greater price fluctuations, limited liquidity, higher transaction costs and higher investment risk than larger, more established companies. The strategy is exposed to liquidity risk when trading volume, lack of a market maker or trading partner, large position size, market conditions, or legal restrictions impair its ability to sell particular investments or to sell them at advantageous market prices.



Benchmark: The composite's benchmark is the Russell 2000® Index, a widely accepted measure of the small-cap segment of the U.S. equity universe. The index includes the smallest 2000 companies in the Russell 3000®. Prior to July 1, 2005, the composite was also compared to the Russell 2000® Value Index as the portfolio construction process produced both core and value characteristics. Our high quality investment philosophy tends to be defensive in nature and does consider valuation metrics, but it is more consistent with the philosophy and process of a core manager than a value manager. As of July 1, 2015, to clarify our process for potential clients, we determined that it was most appropriate to benchmark our performance results against the Russell 2000® Index only. The investment process for this strategy is not limited by the relative weights of a benchmark. Strategy deviations from the benchmark may include but are not limited to such factors as active management, exclusion/inclusion of securities held/not held in the index, over/underweighting specific sectors or securities, limitations in market cap, and/or client constraints. Indexes include the reinvestment of dividends and earnings, are unmanaged, and do not incur management fees, transaction costs or other expenses associated with separately managed accounts. It is not possible to directly invest in an index.

Gross and Net Returns: Performance reflects reinvestment of all income and capital gains. Composite returns and market values are reported in U.S. dollars. Gross-of-fees performance returns are presented before management and custodial fees but after all trading expenses. Certain accounts in the composite do not pay commissions. Returns are presented net of withholding taxes. Net-of-fees performance returns are calculated by deducting the highest management fee of 0.80% from the monthly gross-of-fees returns. Other expenses will reduce a client's returns. The annual fee schedule for this composite is as follows: 0.80% on the first \$50 million in assets; 0.70% on the next \$50 million in assets; 0.60% on the next \$150 million. Actual management fees incurred by clients may vary.

Composite Dispersion: The annual internal composite dispersion is calculated using the asset-weighted standard deviation of annual gross of fee returns of those portfolios that were included in the composite for the entire year. Internal dispersion is shown only for composites that held at least six accounts for the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

Notes to Composite: The creation date of this composite is July 1992. Effective July 1, 2010, the composite was redefined to include both taxable and tax-exempt institutional accounts. The composite up to that time included only tax-exempt institutional accounts. The change provides increased transparency to prospective clients by reducing the number of separate composites maintained for this strategy. There has been no change in investment objective or management style. Clients or prospective clients should not assume that they will have an investment experience similar to that indicated by past performance results, as shown on the Schedule. Returns may vary based upon differences in account size, timing of transactions and market conditions at the time of investment. Performance during certain time periods reflects the strong stock market performance and/or the strong performance of stocks held during those periods. This performance is not typical and may not be repeated. Investing entails risks and there is always the possibility of loss.

Other Matters: The Firm's list of composite descriptions and policies for valuing investments, calculating performance and preparing GIPS Reports are available upon request. To request any additional information, please contact the Atlanta Capital Management Performance Department at 404-876-9411 or write to Atlanta Capital Management Company, LLC, 1075 Peachtree Street NE, Suite 2100, Atlanta, Georgia 30309, Attention Performance Department. **Past performance does not predict future results.**

	Annualized Returns (%) for Periods Ending December 31, 2023						Cumulative (%)	
	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception*	Since Inception*	
Atlanta Capital High Quality Small Capitalization Composite								
Composite Gross of Fees	21.69	9.13	13.05	11.59	10.82	12.60	4226.86	
Composite Net of Fees	20.74	8.27	12.16	10.71	9.94	11.71	3261.23	
Russell 2000® Index	16.93	2.22	9.97	7.33	7.16	8.99	1440.13	

\*Inception date is April 1, 1992.  
E7 6.26.24

# Additional Important Information and Disclosures

For Financial Professionals/Institutional Clients only.

Founded in 1969, Atlanta Capital Management Company, LLC is an SEC-registered investment advisory firm that specializes in managing high quality stock and bond portfolios on behalf of institutional and individual investors. The Firm became a majority-owned subsidiary of Eaton Vance Corp. in 2001. On March 1, 2021, Eaton Vance and its affiliates which included Atlanta Capital Management became a part of Morgan Stanley Investment Management, a division of Morgan Stanley.

The firm continues to operate as Atlanta Capital Management Company, LLC and is located in Atlanta, Georgia. Atlanta Capital claims compliance with the Global Investment Performance Standards (GIPS®). Please contact the Performance Department at 404-876-9411 to request a complete list and descriptions of Atlanta Capital's composites and/or a GIPS Report that adheres to the GIPS® standards.

This material is presented for informational and illustrative purposes only and should not be construed as investment advice, a recommendation to purchase or sell specific instruments, or to adopt any particular investment strategy. Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. This material has been prepared on the basis of publicly available information, internally developed data and other third party sources believed to be reliable, however, no assurances are provided and Atlanta Capital has not sought to independently verify information taken from public and third party sources. Information contained in this material is current as of the date indicated and is subject to change at any time without notice. Please contact Atlanta Capital if you require further clarification on the source or calculation methodology of any data or information presented within this material. Future results may differ significantly from those stated, depending on factors such as changes in instruments or financial markets or general economic conditions. Investing entails risks and there can be no assurance that Atlanta Capital will achieve profits or avoid incurring losses. Atlanta Capital does not provide legal, tax and/or accounting advice or services. Clients should consult with their own tax or legal advisor prior to entering into any transaction or strategy described herein.

Specific securities, sectors and portfolio characteristics mentioned are included only to provide a snap-shot illustrative sample based upon the portfolio management team's current investment strategy as of the date indicated. There is no assurance that any securities or portfolio characteristics mentioned in this document are currently held or will remain in the portfolio at the time you receive this report or that securities have not been sold or repurchased. The specific securities mentioned are not representative of all the securities purchased, sold or recommended for advisory clients. It should not be assumed that any of the securities/sectors were or will be profitable, or that any recommendations in the future will be profitable or will equal the performance of the listed securities. Actual portfolio holdings and performance will vary for each client. This is no guarantee that a particular client's account will hold any, or all, of the securities/sectors mentioned.

NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT





# RETIREMENT BOARD STAFF REPORT

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**DATE:** September 11, 2024 Agenda Item: 11

**TO:** Sacramento Regional Transit Retirement Boards – ALL

**FROM:** Jason Johnson, VP, Finance/CFO

**SUBJ:** Investment Performance Review by AQR for the ATU, IBEW and Salaried Retirement Funds for the International Small Capitalization Equity Asset Class for the Quarter Ended June 30, 2024 (ALL).  
(Johnson)

## **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 periodically 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.

AQR is the Retirement Boards' International Small Capitalization Equity fund manager. AQR's portfolio consists of non-U.S. small cap companies. AQR employs a systematic process leveraging a bottom-up stock selection model to construct the portfolio. Their model evaluates stocks across a number of signals including value, momentum, earnings quality, investor sentiment, sustainability of growth and management factors. The outcome is a broadly diversified, risk-controlled, relative value strategy holding between 450-800 names with higher annual turnover (50%-100%). It is overweight cheap securities with good momentum and underweight expensive securities with poor

momentum. AQR does not actively manage country selection or currency in this strategy. Country and currency views are considered but implemented through stock selection. AQR has been a manager for SacRT since 2016. Their annualized return since inception in 2016 is 7.8%. The return of their benchmark for that time period, the MSCI EAFE Small Cap Index, is 5.3%. Performance has been strong and consistent with their process overall. AQR will be presenting performance results for the quarter ended June 30, 2024, shown in Attachment 1, and answering any questions.

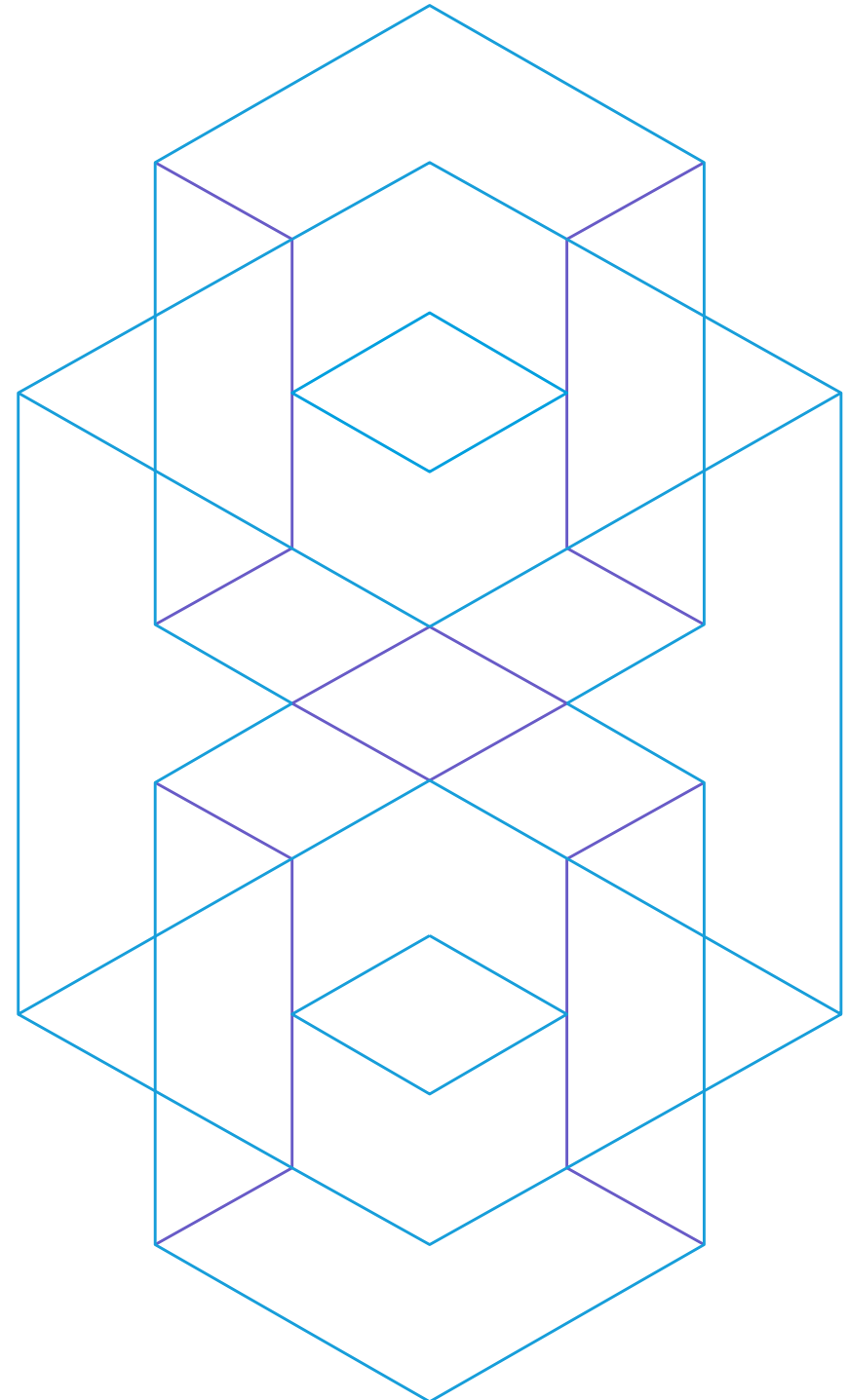
# AQR International Small Cap Review

Prepared exclusively for Sacramento Regional Transit District and Callan LLC

**Private and Confidential**

FOR CLIENT REVIEW USE ONLY

**September 11, 2024**



# Disclosures

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You have requested certain performance information in connection with your due diligence review of the AQR International Small Cap Equity Fund, L. P. (the “Fund”). All information disclosed by AQR to you will be deemed Confidential Information and may be used only for informational, due diligence purposes. In consideration of AQR’s making the Confidential Information available to you, you agree that you will not: (i) reproduce, summarize or otherwise use any Confidential Information for any purpose other than for Recipient’s internal evaluation of establishing a relationship with AQR or investing in the Fund; or (ii) disclose the Confidential Information to any third party. You agree and acknowledge that the Confidential Information is and shall remain the property of AQR and AQR has not granted and will not grant you any license, copyright or similar right with respect to any of the Confidential Information.

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The views expressed reflect the current views as of the date hereof and neither the speaker nor AQR undertakes to advise you of any changes in the views expressed herein. It should not be assumed that the speaker or AQR will make investment recommendations in the future that are consistent with the views expressed herein, or use any or all of the techniques or methods of analysis described herein in managing client accounts. AQR and its affiliates may have positions (long or short) or engage in securities transactions that are not consistent with the information and views expressed in this presentation.

The information contained herein is only as current as of the date indicated, and may be superseded by subsequent market events or for other reasons. Charts and graphs provided herein are for illustrative purposes only. The information in this presentation has been developed internally and/or obtained from sources believed to be reliable; however, neither AQR nor the speaker guarantees the accuracy, adequacy or completeness of such information. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision.

There can be no assurance that an investment strategy will be successful. Historic market trends are not guarantees of actual future market behavior or future performance of any particular investment which may differ materially, and should not be relied upon as such. Target allocations contained herein are subject to change. There is no assurance that the target allocations will be achieved, and actual allocations may be significantly different than that shown here. This presentation should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy. For one-on-one presentation use only.

The information in this presentation may contain projections or other forward-looking statements regarding future events, targets, forecasts or expectations regarding the strategies described herein, and is only current as of the date indicated. There is no assurance that such events or targets will be achieved, and may be significantly different from that shown here. The information in this presentation, including statements concerning financial market trends, is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. Performance of all cited indices is calculated on a total return basis with dividends reinvested.

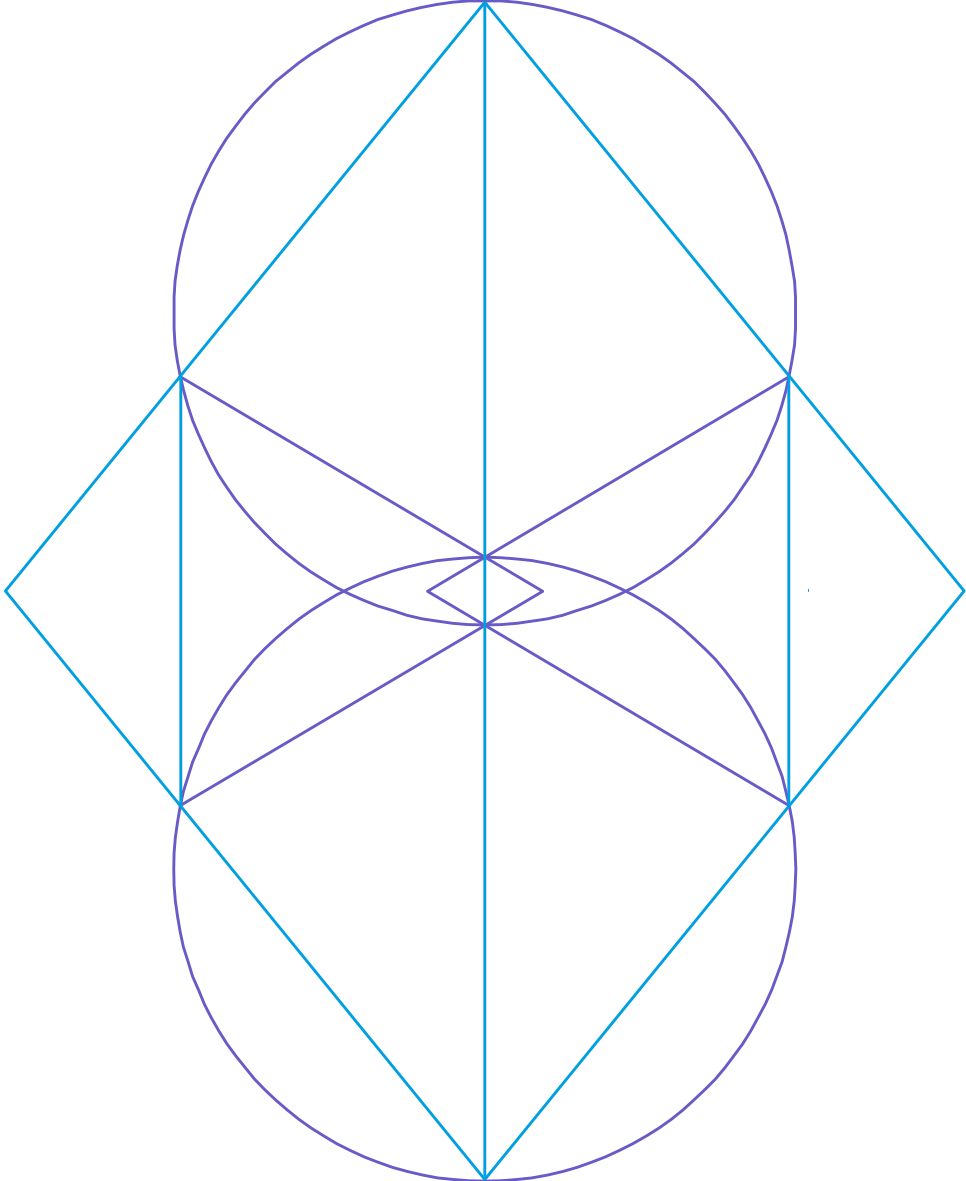
The investment strategy and themes discussed herein may not be in the best interest of investors depending on their specific investment objectives and financial situation. Please note that changes in the rate of exchange of a currency may affect the value, price or income of an investment adversely.

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# Firm Overview



# Our Firm

## AQR: Applied Quantitative Research

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### Systematic investing grounded in economic theory

- Academic roots and research-driven approach
- Innovation at the intersection of technology, data and behavioral finance
- Alternative and equity strategies
- Large and sophisticated investors around the globe



# Our Capabilities

## Alternative and equity strategies

	← Traditional Long-Only	→ Alternatives		
<b>Equity</b>	<ul style="list-style-type: none"> <li>• Styles</li> <li>• Enhanced</li> <li>• Adaptive</li> </ul>	<ul style="list-style-type: none"> <li>• Relaxed Constraint</li> <li>• 3-Alpha</li> <li>• Portable Alpha</li> </ul>	<ul style="list-style-type: none"> <li>• Long/Short Equity</li> <li>• Equity Market Neutral</li> </ul>	\$73.5B AUM
<b>Macro</b>		<ul style="list-style-type: none"> <li>• Multi-Asset</li> <li>• Commodities</li> </ul>	<ul style="list-style-type: none"> <li>• Global Macro</li> <li>• Trend-Following</li> </ul>	\$20.3B AUM
<b>Arbitrage</b>			<ul style="list-style-type: none"> <li>• Merger Arbitrage</li> <li>• Convertible Arbitrage</li> <li>• Event Driven</li> </ul>	\$2.3B AUM
<b>Multi-Strategy</b>			<ul style="list-style-type: none"> <li>• Diversified portfolios incorporating stock selection, macro and arbitrage</li> </ul>	\$14.0B AUM



# AQR's Investment Team

Achieving investment objectives starts with building the right organization

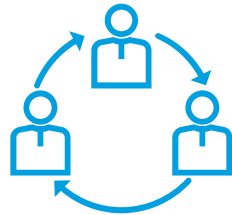
*Fundamental Investing, Systematically Applied*

**WELL-RESOURCED**



Deep bench of professionals with fundamental expertise and technical skill

**COLLABORATIVE**



Sharing of ideas and results improves robustness and broader applicability

**FOCUSED**



Specialization based on asset class and functional strengths facilitates deeper insights

**INCENTIVIZED**

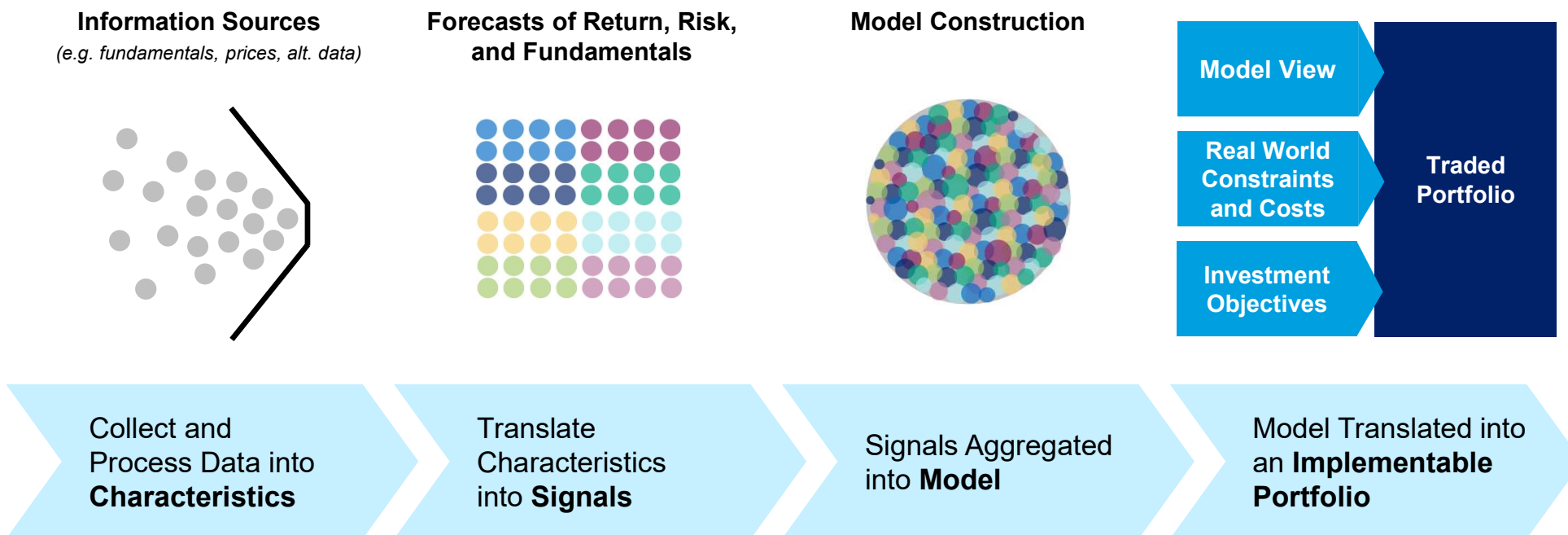


Differentiated approach to evaluating employees aligns their interests with investors'



# Investment Process

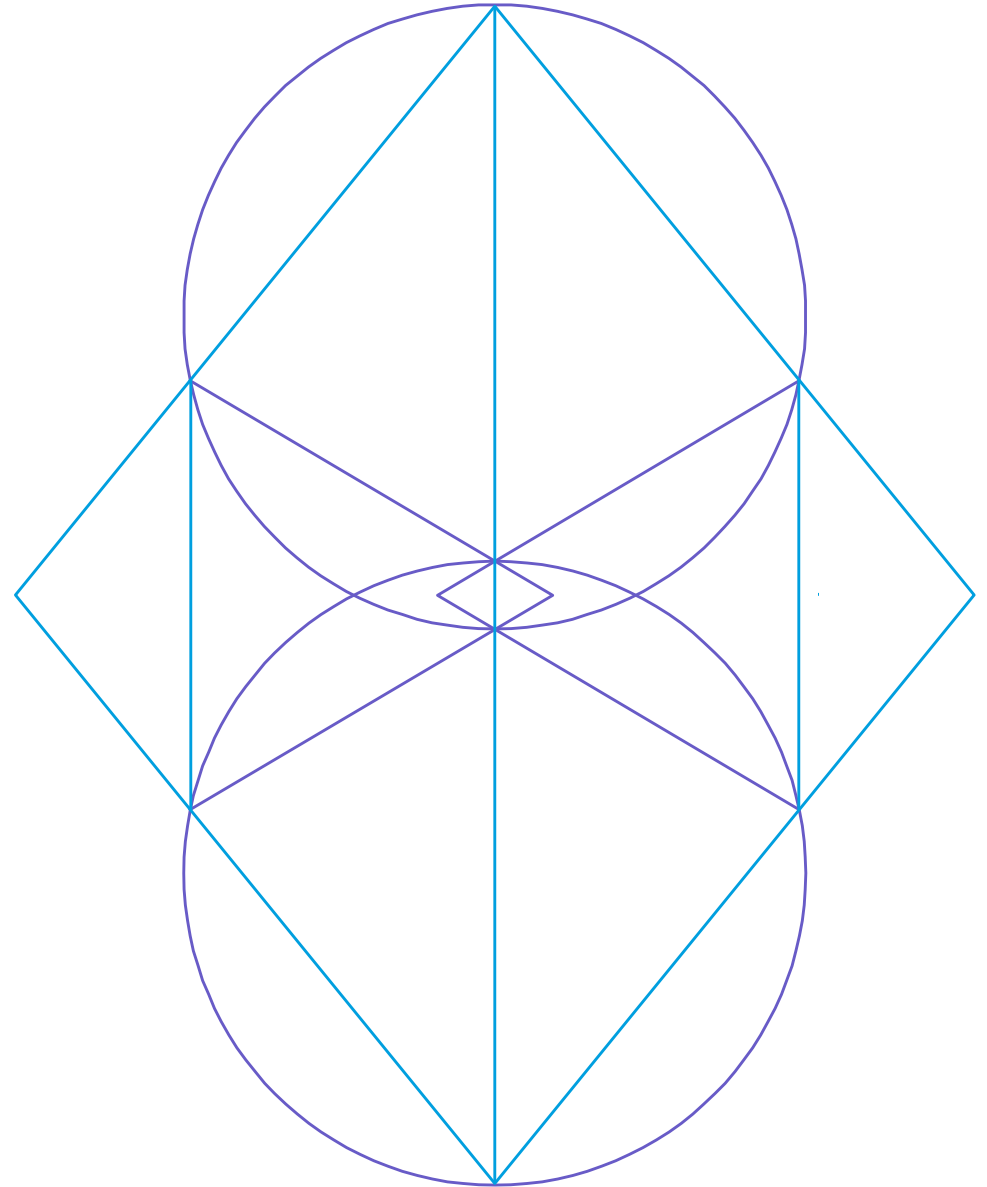
Each process stage reflects 25+ years of research



Source: AQR. As of June 30, 2024. Investment process is subject to change at any time without notice. Please read important disclosures in the Appendix. For illustrative purposes only.

# Market Performance Overview

The following slides include information regarding the client's specific investment in the AQR International Small Cap Equity Fund, L. P. (the "Fund"). All information disclosed by AQR to you will be deemed Confidential Information and may be used only for informational, due diligence purposes. In consideration of AQR's making the Confidential Information available to you, you agree that you will not: (i) reproduce, summarize or otherwise use any Confidential Information for any purpose other than for Recipient's internal evaluation of establishing a relationship with AQR or investing in the Fund; or (ii) disclose the Confidential Information to any third party. You agree and acknowledge that the Confidential Information is and shall remain the property of AQR and AQR has not granted and will not grant you any license, copyright or similar right with respect to any of the Confidential Information.

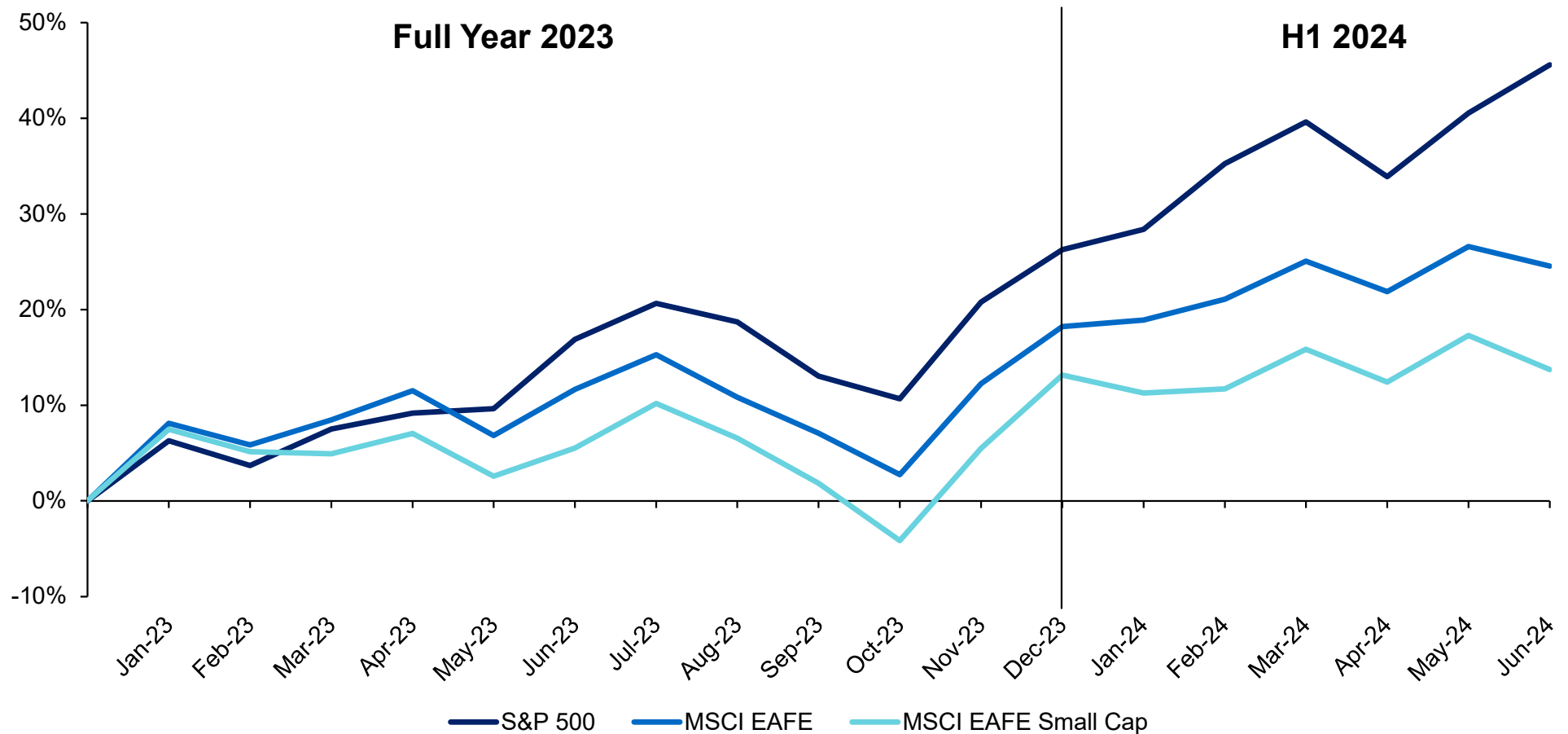


# Markets Have Seen Strong Performance Over the Past 18 Months

Though diversifying international markets have underperformed the U.S.

## Cumulative Performance of Market Indices

January 1, 2023 - June 30, 2024



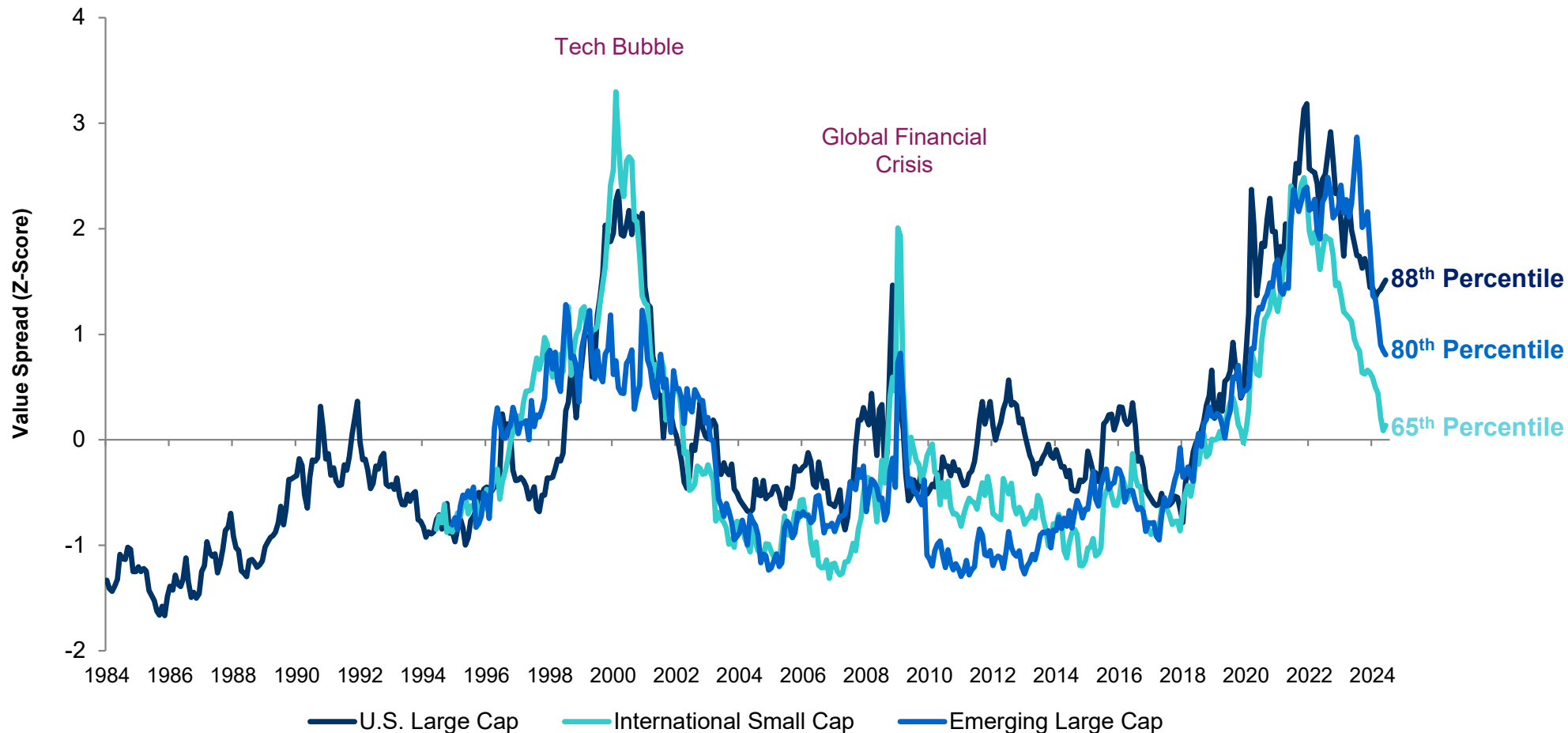
Source: AQR, Bloomberg. Data from January 1, 2024 - June 30, 2024. Gross performance does not reflect the deduction of investment advisory fees and other expenses, which would reduce an investor's actual return. For illustrative purposes only. Please read important disclosures in the Appendix

# Value Spreads Have Begun to Normalize

International small cap spreads are farthest down this path

## Value Spreads for Hypothetical Industry-and-Dollar-Neutral Value Portfolios\*

January 1, 1984 – June 30, 2024



\*Spreads are constructed using the Hypothetical AQR Value portfolio as described below, and are adjusted to be dollar-neutral, but not necessarily beta-neutral through time.

Source: AQR. Hypothetical value composite includes five value measures: book-to-price, earnings-to-price, forecast earnings-to-price, sales-to-enterprise value, and cash flow-to-enterprise value; spreads are measured based on ratios. To construct industry-neutrality, the value spreads are constructed by comparing the aforementioned value measures within each industry, which are then aggregated up to represent an entire portfolio. Hypothetical data has inherent limitations, some of which are disclosed in the Appendix. Please see the Hypothetical U.S., Developed and Emerging Value Factor Description in the Appendix. For illustrative purposes only and not representative of an actual portfolio AQR currently manages. Please read the Appendix for important disclosures.





# The Growth Bubble Has Burst, but Mispricings Always Remain

## Opportunities are sourced across many company characteristics

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Cheap, improving companies with attractive fundamentals and positive sentiment have outperformed

### Characteristics of Hypothetical International Small Cap Portfolios that Have Outperformed or Underperformed in 2023

As of December 2023

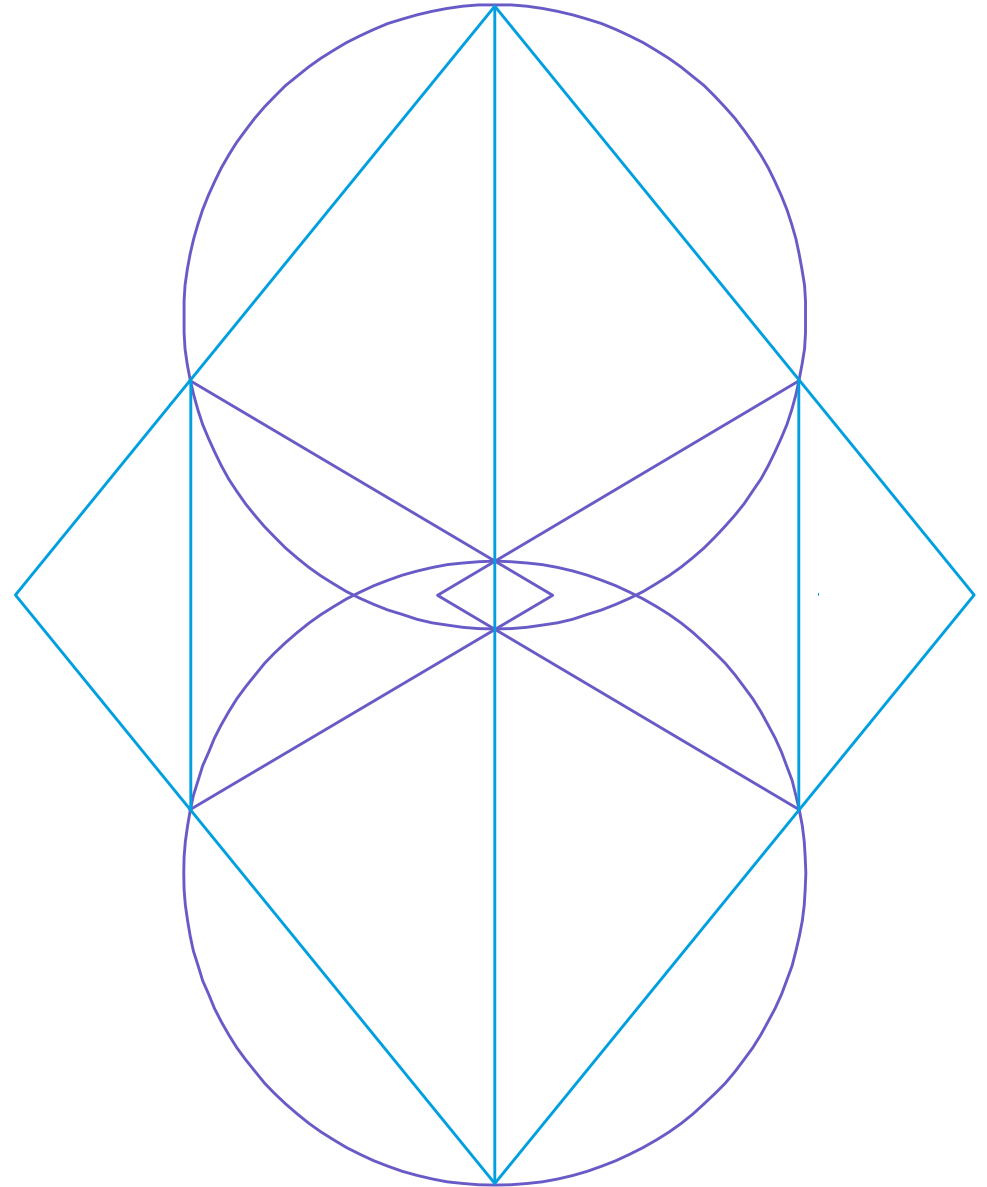
	Outperformers	Underperformers	Hypothetical Average*
<b>Forward Price-to-Earnings</b>	14.7	19.0	16.5
<b>Prior 12 Mo. Return**</b>	29.1%	15.3%	22.5%
<b>Analyst Revisions</b>	1.4%	-2.6%	-0.6%
<b>Earnings Growth (5-year)</b>	7.7	3.3	5.6
<b>Return on Assets (1-year)</b>	4.8	4.3	4.6
<b>Short Demand</b>	-1.4	-2.0	-1.7



(\*) Average corresponds to a simple average of the universe. (\*\*) Prior 12-month returns are expressed in USD.  
Source: AQR, XpressFeed, IBES. Hindsight portfolio is constructed to maximize total returns of developed small cap stocks over calendar year period subject to market and industry neutrality. Please see the Hypothetical Hindsight Factor Description in the Appendix. For illustrative purposes only and not representative of an actual portfolio AQR currently manages. Hypothetical data has inherent limitations, some of which are listed in the Disclosures. Please read the Disclosures for important information.

# Performance Review

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# Performance Review

## Since inception performance

### AQR International Small Cap Equity Fund, L.P.

August 1, 2007 - June 30, 2024

	Portfolio Return (Gross)	Benchmark*	Gross Excess Return	Contribution to Gross Excess Return			
				Europe	UK	Japan	Australia & Asia ex- Japan
2023	20.4%	13.2%	7.3%	1.7%	0.7%	4.1%	0.7%
Q1 2024	7.0%	2.4%	4.6%	1.3%	0.7%	2.1%	0.6%
Q2 2024	0.0%	-1.8%	1.9%	2.1%	0.2%	0.2%	-0.7%
<b>2024 YTD</b>	<b>7.1%</b>	<b>0.5%</b>	<b>6.6%</b>	<b>3.5%</b>	<b>0.9%</b>	<b>2.3%</b>	<b>-0.1%</b>

#### Summary Sacramento Regional Transit District (since August 1, 2016)

Since Inception (Cuml)	81.3%	50.1%	31.2%	8.3%	13.1%	10.6%	-0.9%
Since Inception (Annl)	7.8%	5.3%	2.5%	0.7%	1.1%	0.9%	-0.1%

#### Summary (since August 1, 2007)

1 Year	21.3%	7.8%	13.5%	6.4%	1.8%	4.2%	1.2%
3 Years (Annl)	4.8%	-3.4%	8.2%	3.0%	1.2%	3.6%	0.4%
5 Years (Annl)	9.6%	4.2%	5.4%	2.1%	1.8%	1.8%	-0.3%
7 Years (Annl)	6.8%	3.7%	3.1%	0.9%	1.3%	1.2%	-0.4%
10 Years (Annl)	6.6%	4.3%	2.3%	0.7%	1.1%	0.6%	-0.1%
Since Inception (Cuml)	177.9%	81.5%	96.4%	35.7%	38.8%	21.6%	0.3%
Since Inception (Annl)	6.2%	3.6%	2.6%	1.0%	1.1%	0.6%	0.0%
Tracking Error			3.0%				
Information Ratio**			0.9				

Period	Initial Contribution (\$K)	Contributions (\$K)	Withdrawals (\$K)	Investment Earnings (\$K)	Ending Balance (\$K)
Since Inception	\$ 12,202	\$3,050	\$ 1,704	\$ 9,674	\$ 23,222



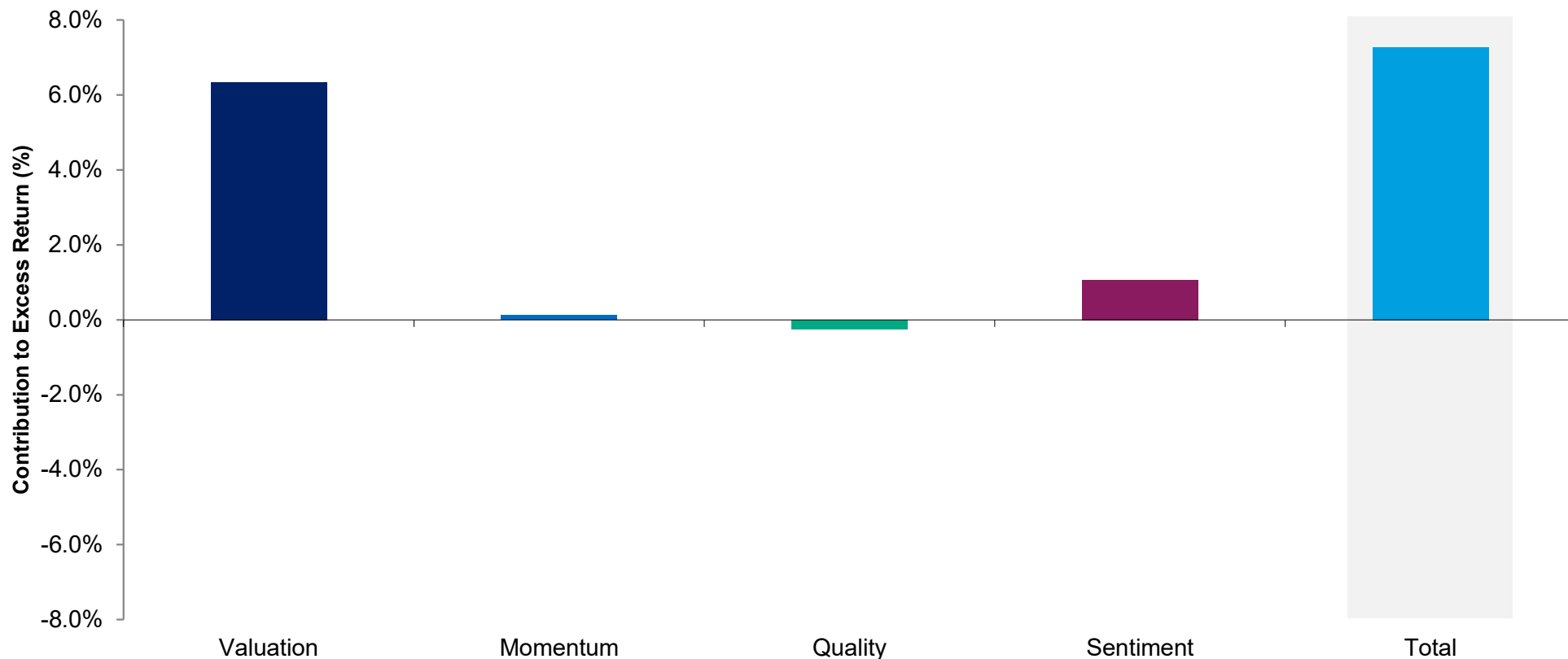
Source: AQR. Performance figures herein represent unaudited estimates of realized and unrealized gains and losses prepared by AQR. Gross performance does not reflect the deduction of investment advisory fees and other expenses, which would reduce an investor's actual return. Please see the Appendix for important risk and performance disclosures. Excess returns are calculated as portfolio returns minus the benchmark. \*Benchmark: MSCI EAFE Small Cap Net Index USD End of Day. Past performance is not a guarantee of future performance. Please refer to the monthly statements provided by your custodian or administrator for actual returns. Attributions are subject to change without notice. \*\*Information Ratio is calculated as the Annualized Excess Return divided by Tracking Error.

# Performance Review

## Relatively cheap stocks performed well in 2023

### Contributions to Gross Excess Returns by Investment Theme

January 1, 2023 - December 31, 2023



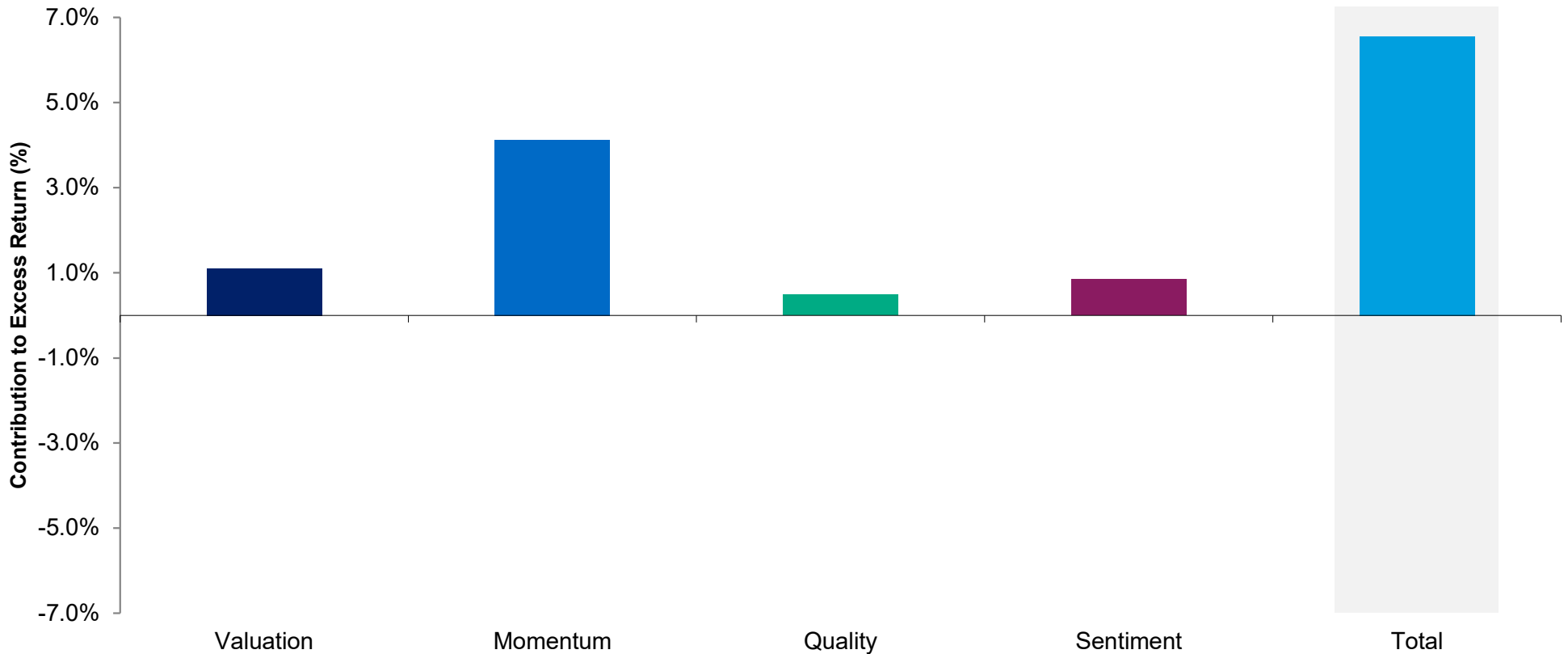
Source: AQR. Data from January 1, 2023 - December 31, 2023. Contributions to Excess Returns are in USD, gross of fees, and based on AQR's internal profit and loss reporting system. Past performance is not a guarantee of future performance. Gross performance does not reflect the deduction of investment advisory fees and other expenses, which would reduce an investor's actual return. Please see additional performance disclosures in the Appendix. Excess returns are calculated as portfolio returns minus the benchmark. Benchmark is MSCI EAFE Small Cap Net Index USD End of Day. Please refer to the monthly statements provided by custodian and administrator for actual returns. Attributions are subject to change without notice.

# Performance Review

## Momentum signals have done particularly well in 2024

### Contributions to Gross Excess Returns by Investment Theme

January 1, 2024 - June 30, 2024



Source: AQR. Data from January 1, 2024 - June 30, 2024. Contributions to Excess Returns are in USD, gross of fees, and based on AQR's internal profit and loss reporting system. Past performance is not a guarantee of future performance. Gross performance does not reflect the deduction of investment advisory fees and other expenses, which would reduce an investor's actual return. Please see additional performance disclosures in the Appendix. Excess returns are calculated as portfolio returns minus the benchmark. Benchmark is MSCI EAFE Small Cap Net Index USD End of Day. Please refer to the monthly statements provided by custodian and administrator for actual returns. Attributions are subject to change without notice.

# Performance Review

## 2024 YTD Sector attribution

	Average Sector Weight			Excess Return		
	Portfolio	Benchmark	Active	Sector Selection	Stock Selection	Total
Communication Services	3.6%	4.0%	-0.4%	0.0%	0.5%	0.5%
Consumer Discretionary	15.1%	12.8%	2.3%	-0.1%	-0.4%	-0.5%
Consumer Staples	2.9%	6.4%	-3.4%	0.1%	0.3%	0.4%
Energy	7.3%	3.2%	4.1%	0.3%	0.4%	0.8%
Financials	18.0%	12.2%	5.8%	0.6%	1.4%	2.0%
Health Care	2.5%	6.0%	-3.5%	0.1%	0.4%	0.5%
Industrials	24.4%	23.4%	0.9%	0.0%	1.5%	1.5%
Information Technology	8.9%	9.8%	-1.0%	-0.2%	1.3%	1.1%
Materials	7.3%	9.6%	-2.3%	0.0%	0.1%	0.1%
Real Estate	9.1%	10.1%	-1.0%	0.1%	-0.1%	0.0%
Utilities	1.0%	2.5%	-1.5%	-0.1%	0.3%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.9%</b>	<b>5.7%</b>	<b>6.6%</b>



Source: AQR. From January 1, 2024 – June 30, 2024. Performance figures herein represent unaudited estimates of realized and unrealized gains and losses prepared by AQR. Gross performance does not reflect the deduction of investment advisory fees and other expenses, which would reduce an investor's actual return. Past performance is not a guarantee of future performance. Please see the Appendix for important risk and performance disclosures. Excess returns are calculated excess of designated benchmark: MSCI EAFE Small Cap Net Index USD End of Day. Please refer to the monthly statements provided by your custodian or administrator for actual returns. Attributions are subject to change without notice.

# Performance Review

## Portfolio characteristics

### Portfolio Characteristics

June 30, 2024

	Portfolio	Benchmark
<b>Number of Stocks</b>	440	2,117
<b>Weighted Avg Market Cap (\$M)</b>	2,469	2,991
<b>Median Market Cap (\$M)</b>	1,653	1,287
<b>P/E (trailing)</b>	9.9	16.6
<b>P/E (forward)</b>	11.2	16.0
<b>P/B</b>	1.0	1.4
<b>P/CF</b>	5.9	9.5
<b>ROE (5-yr)</b>	9.2	9.5
<b>Debt/EQ</b>	0.7	0.7
<b>Sales/EV</b>	1.1	0.7
<b>Earnings Growth (5 yr trailing)</b>	8.7	5.4
<b>12 Month Return of Holdings*</b>	35.2%	18.7%

### Sector Exposure

June 30, 2024

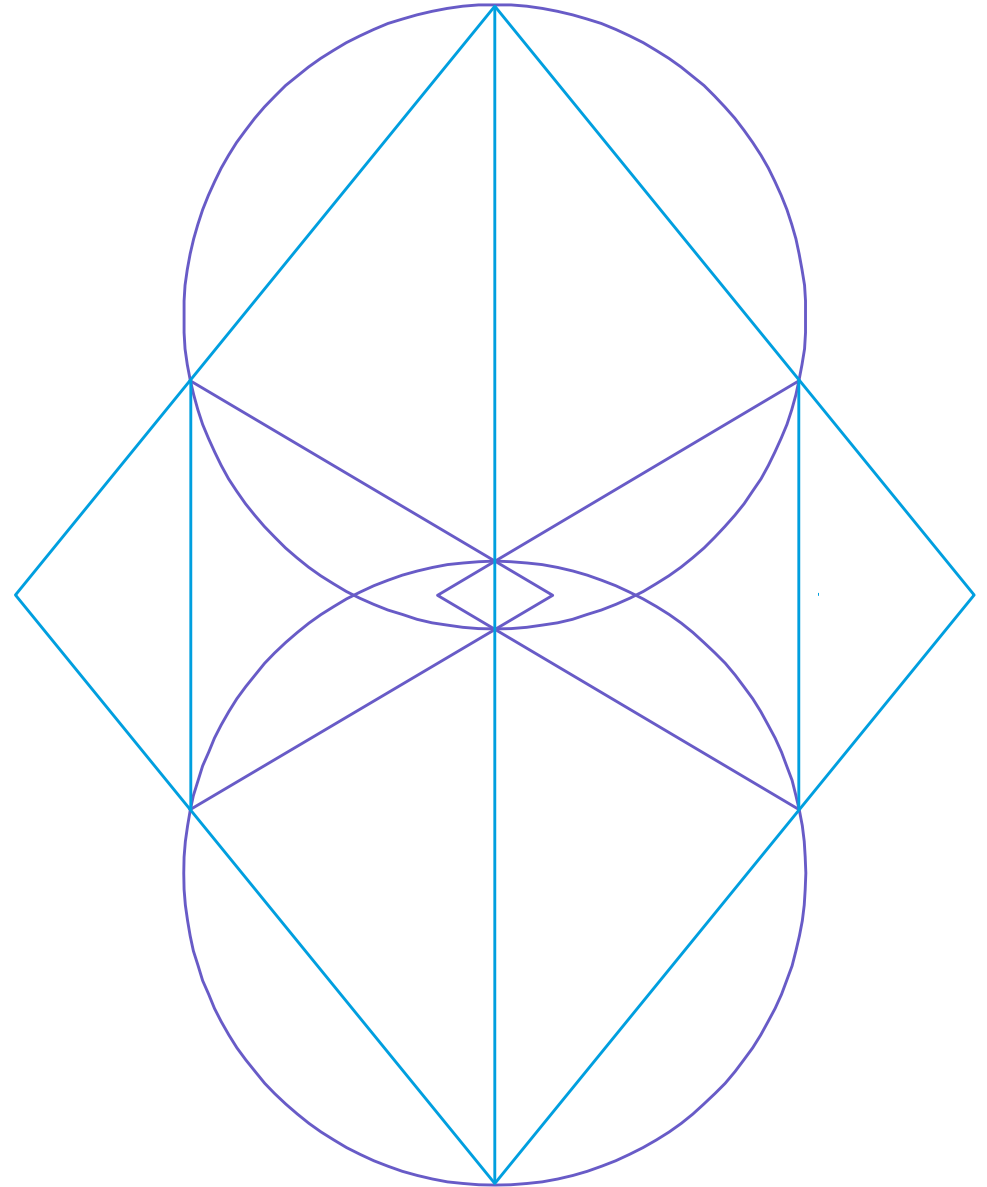
	Portfolio	Benchmark	Active Weight	Active Weight				
				Under	Over			
	Portfolio	Benchmark	Active Weight	Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
Communication Services	4.1%	3.7%	0.3%					
Consumer Discretionary	14.5%	12.5%	2.0%					
Consumer Staples	3.2%	6.2%	-3.0%					
Energy	8.1%	3.3%	4.8%					
Financials	18.4%	12.4%	6.0%					
Health Care	3.3%	5.9%	-2.7%					
Industrials	21.8%	23.3%	-1.5%					
Information Technology	6.6%	9.9%	-3.3%					
Materials	9.8%	9.4%	0.4%					
Real Estate	9.6%	10.6%	-1.0%					
Utilities	0.6%	2.6%	-2.0%					
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>					

Sources: AQR, Compustat, Datastream, Bloomberg, Worldscope and IBES. Average P/E ratios of the stocks in the portfolios exclude individual stock price-to-earnings ratios that are negative and the top and bottom 1 percentile of the remaining. Average P/B ratios of the stocks in the portfolios exclude individual stock price-to-book ratios that are negative and the top and bottom 1 percentile of the remaining. Average Sales/EV ratios of the portfolios exclude individual stocks that have sales-to-enterprise values that are negative and the top and bottom 1 percentile of the remaining. Portfolio characteristics are subject to change. Past performance is not a guarantee of future performance. Benchmark: MSCI EAFE Small Cap Net Index USD End of Day.

\*12 Month Return of Holdings is representative of how stocks held in the account or benchmark would have performed over the previous 12 months in USD, gross of fees and weighted as of the date reported. This performance is not representative of the actual performance of the benchmark, account, or any other portfolio that AQR manages.



# Appendix: Investment Philosophy and Process Detail





# Evaluating Attractiveness of Stocks

Model assesses stocks across a variety of signals

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We collect data from a wide variety of traditional and non-traditional, public and proprietary sources.

Our model uses **several hundred signals** over **multiple time horizons** to generate forecasts of:

- Individual stock price movements
- Fundamentals changes
- Stock price risk

Our factors typically exhibit **relatively low correlation** to one another, contributing to **portfolio diversification**.

We deploy insights from academic research as well as proprietary factors, which we believe are **not widely known** and/or are difficult to exploit using commonly-deployed investment approaches.

Signals are selected based on their **economic intuition**, **historical efficacy** in forecasting returns, **statistical and economic significance** and **effectiveness across equity universes and market environments**.

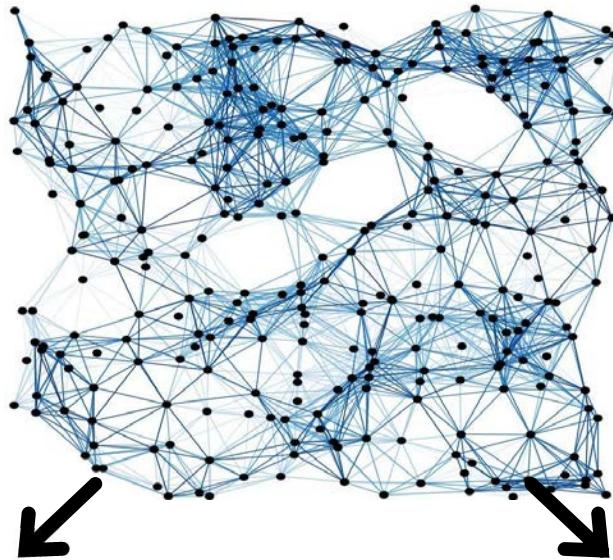


# Evaluating Attractiveness of Stocks

## We model direct and indirect effects

We evaluate stocks through a variety of **direct effects** (forecasts relative to peers) and **indirect effects** (shocks through company networks, industries or countries)

### Proprietary Global Network

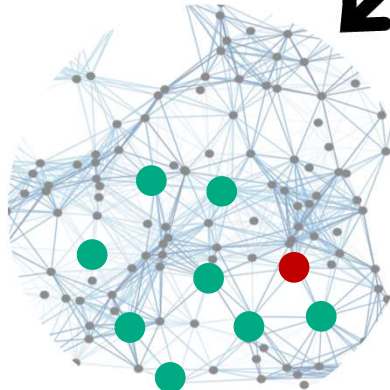


### Direct Effects

We build custom peer groups for each company in our universe

#### Example

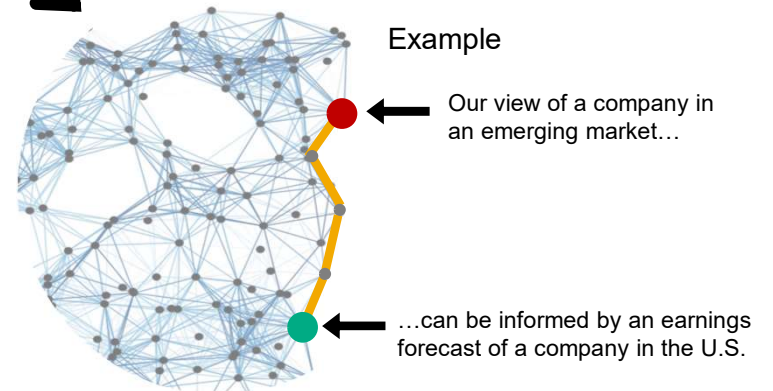
- Company A
- Companies sharing the same suppliers as Company A



### Indirect Effects

Shocks propagate through the economy

#### Example



# Model Construction

## Multi-faceted approach to combine multiple signals

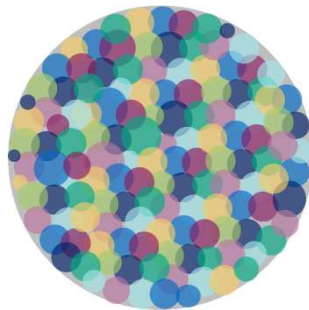
### Considerations

- Economic intuition
- Non-performance based evidence
- Signal efficacy on standalone basis
- Evidence of diversification with the rest of the model

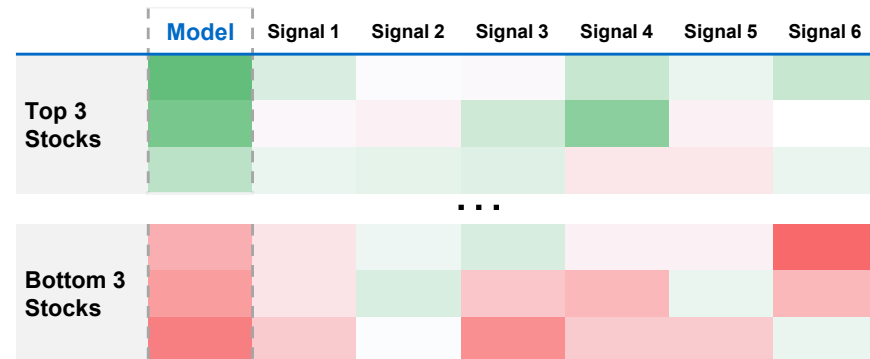
### Methodologies

- Bayesian learning models
- Shorter term forecasts of signal performance
- Machine learning methods

Model



Model generally prefers stocks with agreement across signals



# Portfolio Construction, Trading and Risk Management

## Prudent design transforms our model into a portfolio

---

AQR applies a careful approach towards **implementing, trading** and **monitoring** client portfolios

### Portfolio Construction

- Construct model as idealized position weights
- Optimization process tailored to maximize our investment views while directly incorporating uncertainty

### Trading

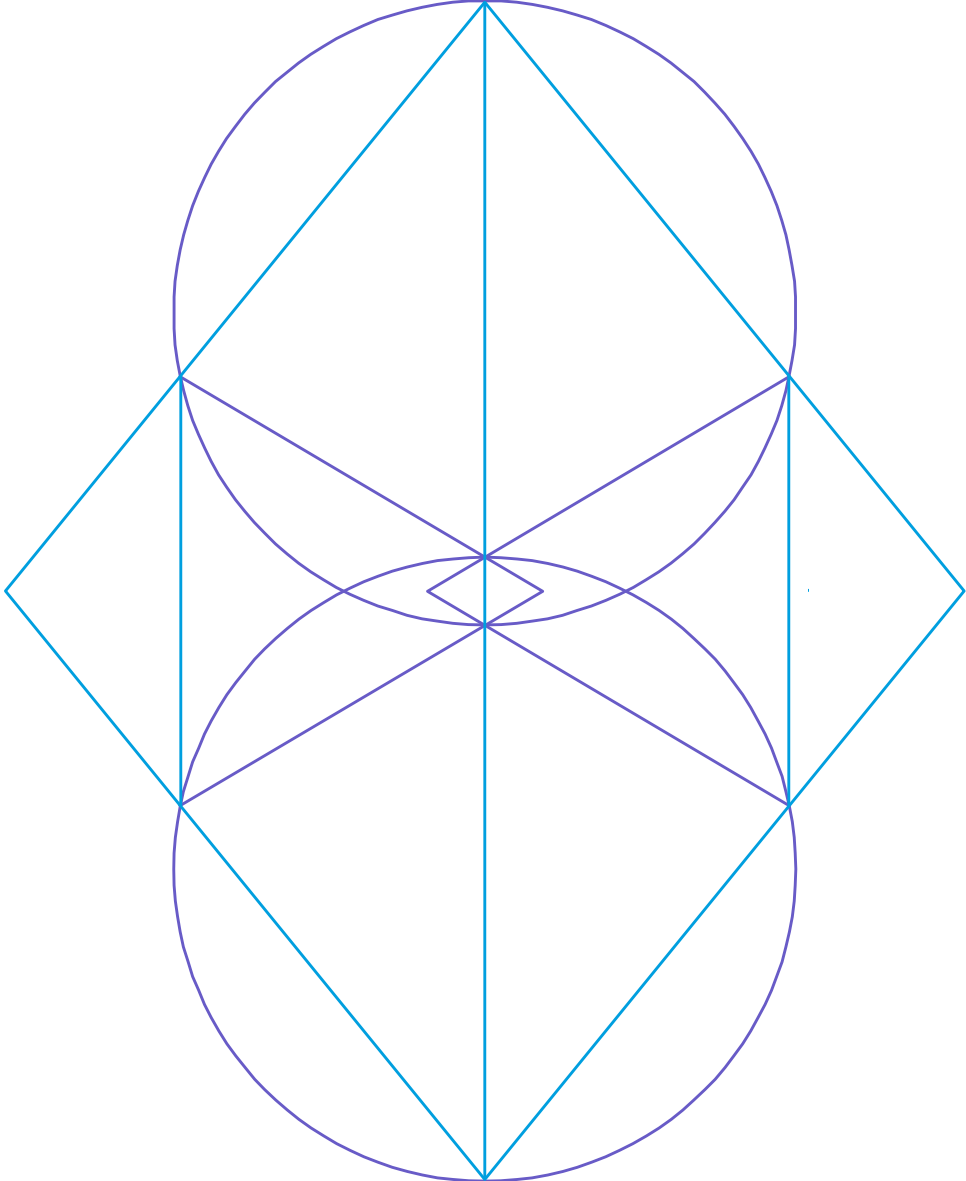
- Reduce intermediaries, using low-touch process
- Optimize trading speed to match alpha profile
- Use techniques to prevent trade information leakage

### Risk Management

- Portfolio construction incorporates limits and explicit controls for possible risks
- Specialized Risk team monitors and seeks to manage financial and non-financial risk dynamics



# Disclosures



# Disclosures

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All performance figures contained herein reflect the reinvestment of dividends and all other earnings and represent unaudited estimates of realized and unrealized gains and losses prepared by AQR Capital Management, LLC. There is no guarantee as to the above information's accuracy or completeness. Past performance is not an indication of future performance. Existing Investors, please refer to the monthly statements provided by your custodian or administrator for actual returns.

The interests in the fund referenced herein (the "Fund") have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or by the securities regulatory authority of any state or of any other jurisdiction. The interests have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any other state or the securities laws of any other jurisdiction, nor is such registration contemplated. The Fund will not be registered as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). Consequently, limited partners of the Fund are not afforded the protections of the 1940 Act.

The following information includes risks, tax considerations and other important disclosures related to an investment in the Fund. This information is not exhaustive and is subject to the more complete disclosures in the Fund's offering documents, which must be reviewed carefully prior to making an investment decision.

The Investment Manager has total trading authority over the Fund and the Fund is not registered as an investment company under 1940 Act, and therefore, will not be required to adhere to certain operational restrictions and requirements under the Company Act. The Fund's investment activities will be carried out in the manner deemed advisable by the Investment Manager. The trading methods employed on behalf of the Fund are proprietary to the Investment Manager, therefore an investor will not be able to determine any details of such methods or whether they are being followed. There are no material limitations or restrictions on the particular categories or the magnitude of the Fund's investments, or on the investment strategies, techniques and financial instruments to be utilized by the Investment Manager, which may from time to time differ from those which are described herein.

The Fund's investment program is speculative and entails substantial risks, including a complete loss of capital. There can be no assurance that the Fund's investment objectives will be achieved or that significant losses will not be incurred. The Fund may utilize a variety of investment techniques, each of which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Fund's investment portfolio may be subject. The Fund may be deemed to be a highly speculative investment, involving a high degree of risk and is not suitable or desirable for all investors. The Fund is designed for sophisticated investors who can bear the economic risk of the loss of their investment in the Fund, and who have a limited need for liquidity in their investment. The Fund has a limited operating history upon which prospective investors can evaluate its performance.

There are significant restrictions on withdrawals and transfers from the Fund (which may be settled in securities rather than cash). The net asset value of the Fund may be determined by its administrator in consultation with its Investment Manager, and may include valuations for unrealized investments. Actual performance may differ substantially from the unrealized values presented; no interests will be listed on an exchange, there is no secondary market for an investor's investment in the Fund and none is expected to develop. Consequently, investors may not be able to liquidate their investment readily in the event of an emergency or for any other reason.

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund could incur material losses even if the Investment Manager reacts quickly to difficult market conditions, and there can be no assurance that the Fund will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future.



# Disclosures

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HYPOTHETICAL PERFORMANCE RESULTS HAVE MANY INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW. NO REPRESENTATION IS BEING MADE THAT ANY FUND OR ACCOUNT WILL OR IS LIKELY TO ACHIEVE PROFITS OR LOSSES SIMILAR TO THOSE SHOWN HEREIN. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL PERFORMANCE RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY REALIZED BY ANY PARTICULAR TRADING PROGRAM. ONE OF THE LIMITATIONS OF HYPOTHETICAL PERFORMANCE RESULTS IS THAT THEY ARE GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. IN ADDITION, HYPOTHETICAL TRADING DOES NOT INVOLVE FINANCIAL RISK, AND NO HYPOTHETICAL TRADING RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THE ABILITY TO WITHSTAND LOSSES OR TO ADHERE TO A PARTICULAR TRADING PROGRAM IN SPITE OF TRADING LOSSES ARE MATERIAL POINTS THAT CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. THERE ARE NUMEROUS OTHER FACTORS RELATED TO THE MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF ANY SPECIFIC TRADING PROGRAM WHICH CANNOT BE FULLY ACCOUNTED FOR IN THE PREPARATION OF HYPOTHETICAL PERFORMANCE RESULTS, ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL TRADING RESULTS. The hypothetical performance results contained herein represent the application of the quantitative models as currently in effect on the date first written above and there can be no assurance that the models will remain the same in the future or that an application of the current models in the future will produce similar results because the relevant market and economic conditions that prevailed during the hypothetical performance period will not necessarily recur. Discounting factors may be applied to reduce suspected anomalies. This backtest's return, for this period, may vary depending on the date it is run. Hypothetical performance results are presented for illustrative purposes only. In addition, our transaction cost assumptions utilized in backtests, where noted, are based on AQR Capital Management, LLC's, ("AQR")'s historical realized transaction costs and market data. Certain of the assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the hypothetical returns presented. Actual advisory fees for products offering this strategy may vary.

The investment program of the Fund involves numerous risks including, without limitation, risks associated with concentration, leverage, the use of speculative investment strategies and techniques, interest rates, volatility, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Investment Manager (e.g., use of direct leverage or indirectly through leveraged investments) can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject.

Although diversification is considered by the Investment Manager as part of its overall portfolio risk management process, the Fund may not be fully diversified at all times. In addition, the Investment Manager is not restricted as to the percentage of the Fund's assets that may be invested in any particular issuer, industry, instrument, market or strategy. hedge Funds may involve a complex tax structure, which should be reviewed carefully, and may involve structures or strategies that may cause delays in important tax information being sent to investors or cause investors to incur tax liabilities during a year in which they have not received a distribution of any cash from the Fund.

A hedge fund's fees and expenses—which may be substantial regardless of any positive return—can offset trading profits. Hedge funds are not required to provide periodic pricing or valuation information to investors. Although AQR will attempt to limit its transactions to counterparties which are established, well-capitalized and creditworthy, the Fund will be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Fund to substantial losses.

The Investment Manager is subject to various conflicts of interest that are further disclosed in the Fund's offering documents and AQR's Form ADV.

There is a risk of substantial loss associated with trading commodities, futures, options and leverage. Before investing carefully consider your financial position and risk tolerance to determine if the proposed trading style is appropriate. Investors should realize that when engaging in leverage, trading futures, commodities and/or granting/writing options one could lose the full balance of their account. It is also possible to lose more than the initial deposit when engaging in leverage, trading futures and/or granting/writing options. All funds committed should be purely risk capital.

**Hypothetical AQR U.S., International Large Cap, Emerging Large Cap and Developed Industry Neutral / Dollar Neutral Value Spreads Description:**

Hypothetical value composite includes five value measures: book-to-price, earnings-to-price, forecast earnings-to-price, sales-to-enterprise value and cash flow-to-enterprise value; spreads are measured based on ratios. To construct industry-neutrality, the value spreads are constructed by comparing the aforementioned value measures within each industry, which are then aggregated up to represent an entire portfolio.



# Disclosures

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Broad-based securities indices are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly in an index.

The **MSCI ACWI ex USA Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The **MSCI U.S. Total Return Index** measures the price performance of markets with the income from constituent dividend payments. The MSCI Daily Total Return (DTR) Methodology reinvests an index constituent's dividends at the close of trading on the day the security is quoted ex-dividend (the ex-date).

The **MSCI Emerging Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

The **MSCI Emerging Small Cap Index** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging small cap markets across the world.

The **MSCI EAFE Index** is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The **MSCI EAFE Small Cap Index** is designed to measure the equity market performance of small cap indices across the world, excluding the U.S. and Canada.

The **MSCI World Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

The **MSCI World ex USA Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

The **MSCI World Small Cap Index** provides an exhaustive representation of the small cap size segment. The indexes target companies that are in the Investable Market Index (IMI) but that are not in the Standard Index in each market.

The **Russell 1000 Index** is a market capitalization-weighted index that represents the highest-ranking 1000 stocks in the Russell 3000 Index

The **Russell 2000 Index** is a free float-adjusted market capitalization weighted index that is designed to measure the performance of the Small Cap segment of the U.S. equity universe.

## **Hypothetical Hindsight Factor**

The Hypothetical Hindsight Factor is constructed to maximize total returns of market index over calendar year period subject to market, dollar and industry neutrality. It goes long the stocks that had the largest total return over the subsequent 12 months, and short the stocks that had the smallest total return over the subsequent 12 months, while seeking to ensure the portfolio is market-, industry and dollar-neutral. This is a factor that is used to illustrate the characteristics that were well rewarded over the subsequent 12 months. The investment universe includes a broad set of liquid small cap stocks within the relevant region.

Request ID: 389559









# RETIREMENT BOARD STAFF REPORT

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**DATE:** September 11, 2024 Agenda Item: 12  
**TO:** Sacramento Regional Transit Retirement Boards – ALL  
**FROM:** Jason Johnson, VP, Finance/CFO  
**SUBJ:** RECEIVE AND FILE INVESTMENT PERFORMANCE RESULTS FOR THE ATU, IBEW AND SALARIED EMPLOYEE RETIREMENT PLANS FOR THE QUARTER ENDED JUNE 30, 2024 (ALL). (JOHNSON)

## **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 June 30, 2024 (ALL). (Johnson)

## **FISCAL IMPACT**

None.

## **DISCUSSION**

### **Executive Summary**

While the Retirement Boards' Statement of Investment Objectives and Policy Guidelines emphasizes the long-term nature and importance of the Retirement Plans' asset allocation, Actuarial Valuation Reports (AVRs) still need to compare investment performance for the one-year period ended June 30<sup>th</sup> to the Retirement Plans' investment assumption (which is presently 6.75%). In addition to any other differences between plan experience and assumptions, differences between actual and assumed investment returns for the Retirement Plans are considered in the AVRs and can have a positive or negative impact on the funded status reported therein.

For the fiscal year ended June 30, 2024, the annual return reported for the Retirement Plans is 11.45%, gross of fees, and 10.97%, net of fees. Although individual returns reported for the ATU Plan, IBEW Plan, and Salaried Plan will vary slightly as a result of differing administrative expenses, the actual return for the commingled trust is significantly higher than the 6.75% assumption that is considered for the AVR. Consistent with the Retirement Plans' funding policy, the annual return for each plan in excess of 6.75% will be recognized over a five-year period and "smoothed" across the corresponding AVRs, beginning with the July 1, 2024 valuation date.

## Administrative Review

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 Second Quarter 2024 Market Update (Attachment 1) and the second is the Investment Measurement Service Quarterly Review as of June 30, 2024 (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 June 30, 2024. 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 June 30, 2024, there was a compliance breach reported; however, the report was investigated and it was determined that the breach report was due to restructuring of a company held by the Plans' fixed income manager (Intelsat, held by TCW) as part of a corporate action. Northern Trust's compliance monitoring settings were set to flag equity common stock as a compliance breach. The Intelsat investments were originally purchased as Corporate Bonds so this incident is not a violation of the investment policy. The current equity common stock will continue to be monitored until TCW disposes of the security. The final attached report includes the monitoring summary (Attachment 3).

The table below provides an overview of the quarter performance, quarter ending June 30, 2024 – 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	(2.17)%	<b>(.90)%</b>	\$(645,923)	\$(210,406)
S&P 500 Index (large cap value) S&P 500	4.28%	<b>4.29%</b>	\$3,068,190	\$(138,705)
Atlanta Capital (small cap) Russell 2000	(3.28)%	<b>(2.02)%</b>	\$(686,522)	-
Pyrford (international equities) MSCI EAFE	(.42)%	<b>.21%</b>	\$79,764	-
MSCI EAFE Index (international equities) MSCI EAFE	(.42)%	<b>(.31)%</b>	\$(62,956)	-
AQR (small cap international equities) MSCI EAFE SC	(1.84)%	<b>(.35)%</b>	\$(48,896)	-
Dimensional Fund Advisors (emerging markets) MSCI EM	5.00%	<b>5.68%</b>	\$1,350,020	-
TCW (fixed income) Bloomberg Agg.	.07%	.03%	\$25,725	-
Clarion Lion Properties (real estate) NCREIF NFI-ODCE	(.45)%	(1.72)%	\$(314,207)	-
Morgan Stanley Prime Property Fund (real estate)	(.45)%	<b>(.18)%</b>	\$(29,606)	-
Total Plan	1.25%	.68%	\$2,735,589	\$(349,910)

**Bold** – fund exceeding respective benchmark

The table below provides an overview of the year to date performance, as of June 30, 2024 – gross 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	13.06%	<b>21.91%</b>	\$12,838,405	\$(5,235,898)
S&P 500 Index (large cap value) S&P 500	24.56%	<b>24.58%</b>	\$14,813,524	\$(2,441,416)
Atlanta Capital (small cap) Russell 2000	10.06%	9.08%	\$2,742,769	\$(2,000,000)
Pyrford (international equities) MSCI EAFE	11.54%	6.47%	\$2,348,136	-
MSCI EAFE Index (international equities) MSCI EAFE	11.54%	<b>11.79%</b>	\$2,104,460	-
AQR (small cap international equities) MSCI EAFE SC	7.78%	<b>20.15%</b>	\$3,879,911	-
Dimensional Fund Advisors (emerging markets) MSCI EM	12.55%	<b>15.27%</b>	\$3,300,229	-
TCW (fixed income) Bloomberg Agg.	2.63%	<b>2.76%</b>	\$2,649,613	\$8,215,511
Clarion Lion Properties (real estate) NCREIF NFI-ODCE	(9.25)%	(9.76)%	\$(1,812,251)	-
Morgan Stanley Prime Property Fund (real estate)	(9.25)%	<b>(3.77)%</b>	\$(676,328)	-
Total Plan	10.93%	<b>11.45%</b>	\$42,188,468	\$(1,461,803)

**Bold** – fund exceeding respective benchmark

# Callan



September 11, 2024

**Sacramento Regional  
Transit District**

2Q24 Market Update

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**Anne Heaphy**

Senior Vice President  
Fund Sponsor Consulting

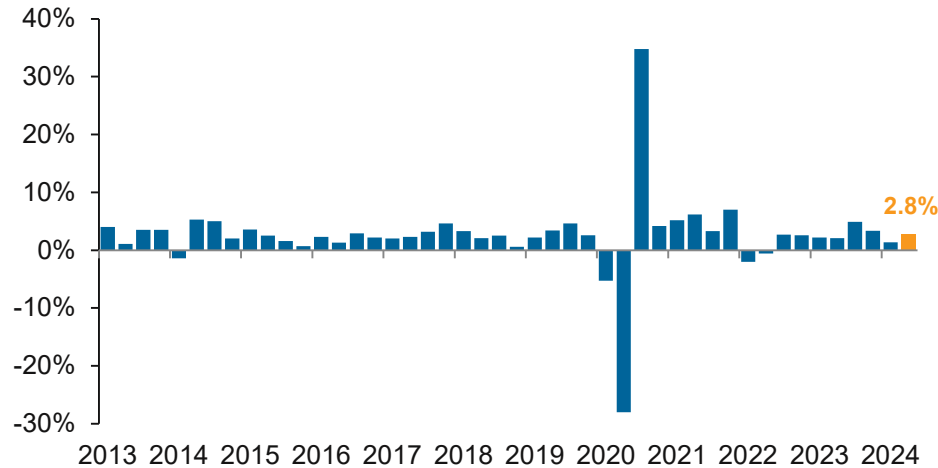
**Uvan Tseng, CFA**

Senior Vice President  
Fund Sponsor Consulting

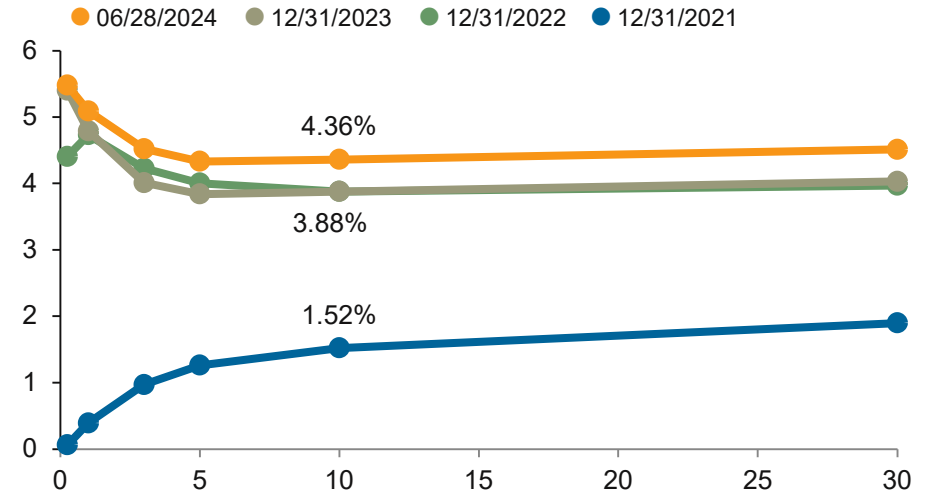
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# Economic Commentary

## Quarterly Real GDP Growth



## U.S. Treasury Yield Curves

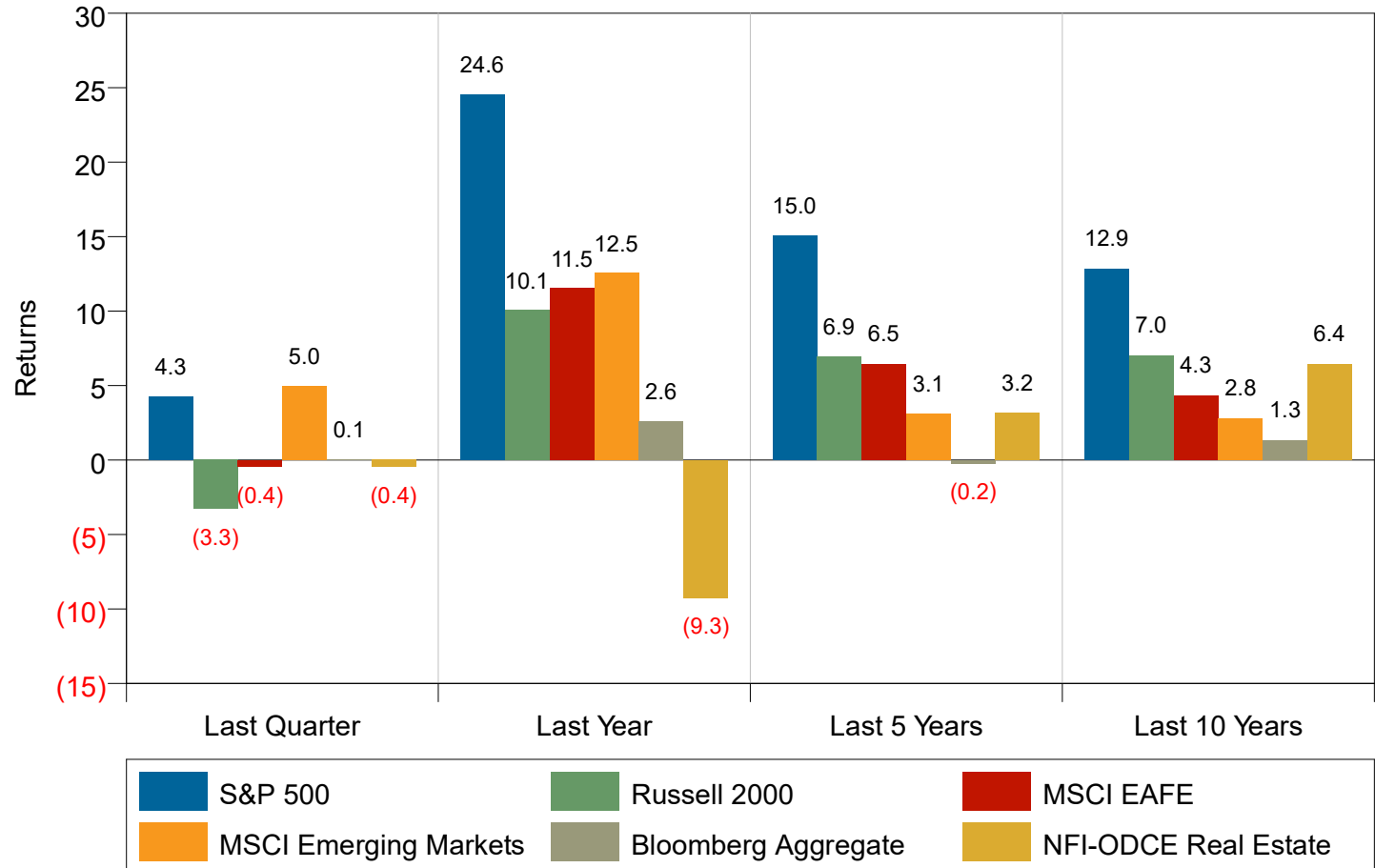


- U.S. real GDP rose 2.8% in 2Q according to the “advance” estimate. The estimate exceeded expectations and was an increase from the 1Q reading of 1.4%.
- Headline CPI increased 3.0% year-over-year in June, while core CPI (ex food and energy) increased 3.3% over the same period.
- The Fed held short-term rates steady at the June FOMC meeting, with a current target range of 5.25-5.50%.
- The unemployment rate was 4.1% in June, a slight increase from the May reading of 4.0%. In July, job growth slowed to 114,000 jobs and the unemployment rate rose to 4.3%.

Sources: Bloomberg, Bureau of Labor Statistics, Callan

# Asset Class Performance

Asset Class Performance  
for Periods Ended June 30, 2024



YTD as of 09/10/2024:

S&P 500:

Russell 2000:

MSCI EAFE:

MSCI Emerging Markets:

Bloomberg Aggregate:

# Equity and Bond Markets Mixed in 2Q24

## S&P 500 climbed 4.3% in 2Q24

- Emerging markets and non-U.S. small cap equities also posted gains but U.S. small cap and developed non-U.S. stocks fell.

## Core fixed income eked out a gain

- The Bloomberg Aggregate rose 0.1% despite rates rising over the quarter.
- Long duration fixed income and non-U.S. bonds fell.
- Interest rates have been volatile as the markets assess when and how swiftly the Fed will begin easing.
- CPI-U came in at 3.0% (year-over-year) in 2Q, falling sharply from last quarter's 3.5%, and improving the prospects for a rate cut later this year.

## First signs of cooling for economy

- The final reading for 1Q24 GDP growth came in at 1.4%, down slightly from the prior estimate of 1.6%.

Returns for Periods ended 6/30/24

	Quarter	1 Year	3 Years	5 Years	10 Years	25 Years
<b>U.S. Equity</b>						
Russell 3000	3.22	23.13	8.05	14.14	12.15	7.82
S&P 500	4.28	24.56	10.01	15.05	12.86	7.67
Russell 2000	-3.28	10.06	-2.58	6.94	7.00	7.60
<b>Global ex-U.S. Equity</b>						
MSCI World ex USA	-0.60	11.22	2.82	6.55	4.27	4.63
MSCI Emerging Markets	5.00	12.55	-5.07	3.10	2.79	--
MSCI ACWI ex USA Small Cap	0.66	11.26	-1.45	6.13	4.44	6.74
<b>Fixed Income</b>						
Bloomberg Aggregate	0.07	2.63	-3.02	-0.23	1.35	3.88
90-day T-Bill	1.32	5.40	3.03	2.16	1.51	1.91
Bloomberg Long Gov/Credit	-1.73	-1.58	-8.51	-2.22	1.65	5.29
Bloomberg Global Agg ex-US	-2.11	-0.66	-7.48	-3.56	-1.86	2.46
<b>Real Estate</b>						
NCREIF Property	-0.98	-6.22	2.08	3.24	6.00	7.72
FTSE Nareit Equity	0.06	7.79	0.30	3.90	5.90	9.06
<b>Alternatives</b>						
Cambridge Private Equity*	2.61	5.95	10.41	15.39	13.70	13.62
Cambridge Senior Debt*	4.15	9.97	6.40	6.88	6.90	4.25
HFRI Fund Weighted	0.54	9.80	2.87	6.67	4.77	6.00
Bloomberg Commodity	2.89	5.00	5.65	7.25	-1.29	2.69
<b>CPI-U</b>	<b>0.59</b>	<b>2.97</b>	<b>4.96</b>	<b>4.17</b>	<b>2.80</b>	<b>2.58</b>

\*Cambridge Private Equity and Cambridge Senior Debt data as of 12/31/23.

Returns greater than one year are annualized. Sources: Bloomberg, Callan, Cambridge, FTSE Russell, HFRI, MSCI, NCREIF, S&P Dow Jones Indices



# U.S. Equity Performance: 2Q24

Broad indices exhibited a strong start to 2024, but performance was uneven

## Strong first half of 2024

- The S&P 500 hit 31 record highs over the first six months of 2024 and gained 15.3%.
- Index returns continue to be driven by a handful of stocks, especially the “Magnificent Seven,” which comprised 33% of the S&P 500 as of quarter-end. As a group, the cohort gained 33% in the first six months of the year, far exceeding the S&P 493 gain of only 5%.

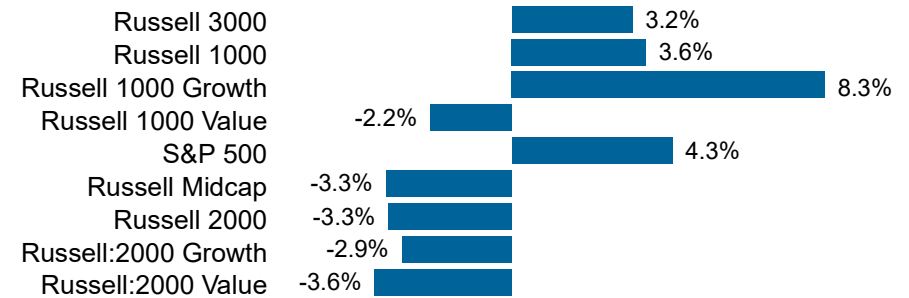
## Sector Performance

- 2Q returns for the broad index were modest at 4.3%, but sector performance was quite mixed, ranging from -4.5% (Materials) to +13.8% (Technology), with 6 of the 11 S&P 500 sectors posting negative returns during the period.

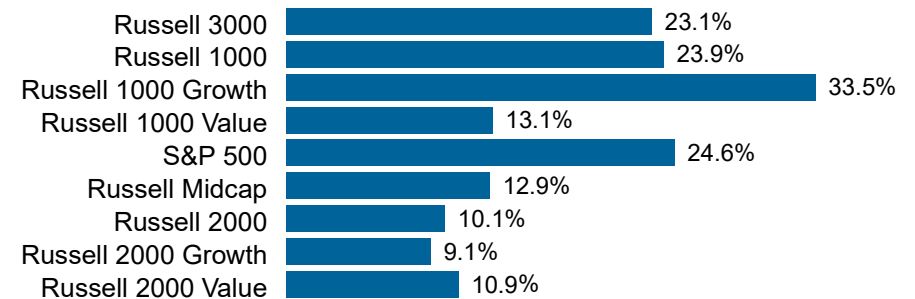
## Growth vs. Value

- During 2Q, value continued to underperform growth and small cap continued to underperform large cap.
- In the first half of 2024, the 12.5% performance difference in small cap (Russell 2000:+1.7%) versus large cap (Russell 1000:+14.2% ) was the widest since 1973.

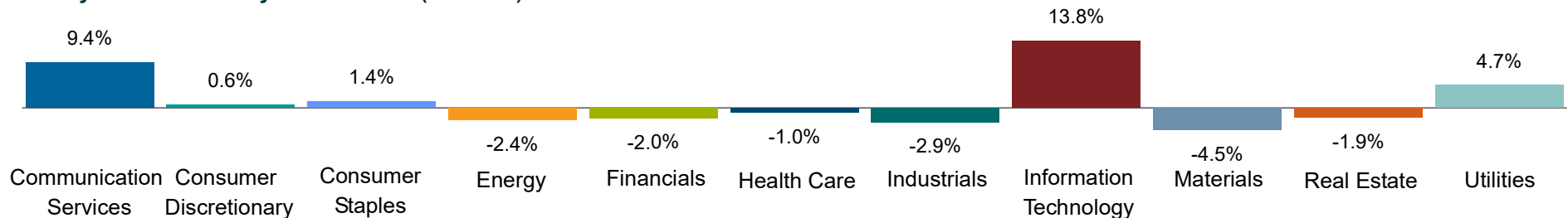
## U.S. Equity: Quarter Ended 6/30/24



## U.S. Equity: One Year Ended 6/30/24



## Industry Sector Quarterly Performance (S&P 500) as of 6/30/24



Sources: FTSE Russell, S&P Dow Jones Indices

# Global ex-U.S. Equity Performance: 2Q24

Reversal as China snaps back and Japan lags; India continues to outperform

## Broad market

- The U.S. continued its lead over developed non-U.S. markets resulting in a positive ACWI return.
- Developed non-U.S. markets struggled with growing uncertainty on future economic growth, political instability, and divergent central bank policies.
- Small caps once again trailed large caps in a higher interest rate environment and amid exchange rate volatility.

## Emerging markets

- Emerging markets rebounded, snapping a two-quarter losing streak relative to developed markets as both China and India produced strong returns.
- China’s GDP growth exceeded expectations with a rebound in industrial production, manufacturing, and exports. Further, the Chinese government implemented several measures to support capital markets.

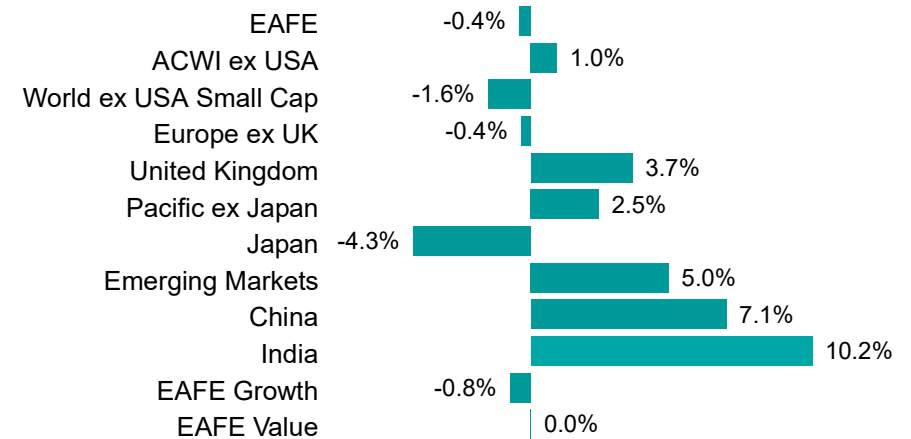
## Growth vs. value

- Growth and value saw little difference, as much of the caution was driven around macro concerns about future growth and a growing risk of a recession.

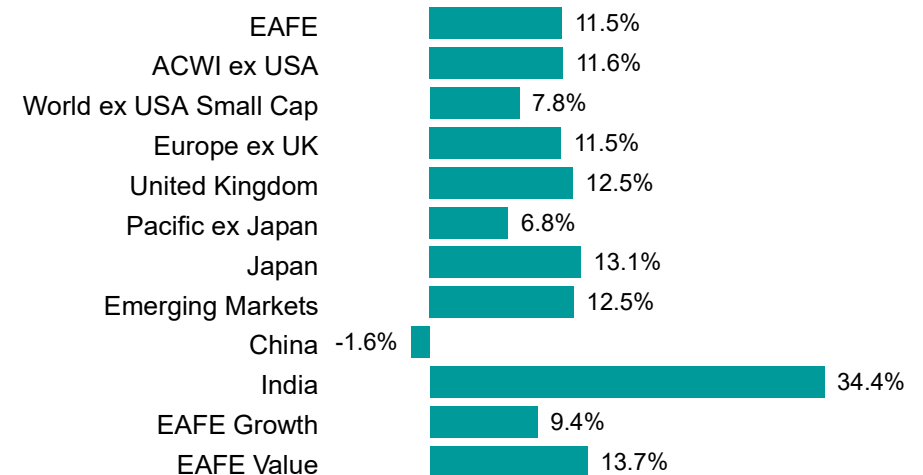
## U.S. dollar strength

- The U.S. Dollar Index (DXY), was relatively flat in 2Q due to a balancing act of increased global uncertainty but a more likely 2024 U.S. central bank rate cut.

Global Equity Returns: Quarter Ended 6/30/24



Global Equity Returns: One Year Ended 6/30/24



Source: MSCI

# U.S. Fixed Income Performance: 2Q24

## Muted performance across the board

### Macro environment

- Fed on hold awaiting more evidence that inflation is under control as economy remained resilient.
- The 10-year U.S. Treasury yield up modestly from 4.21% to 4.36%.
- Yield curve remained inverted.

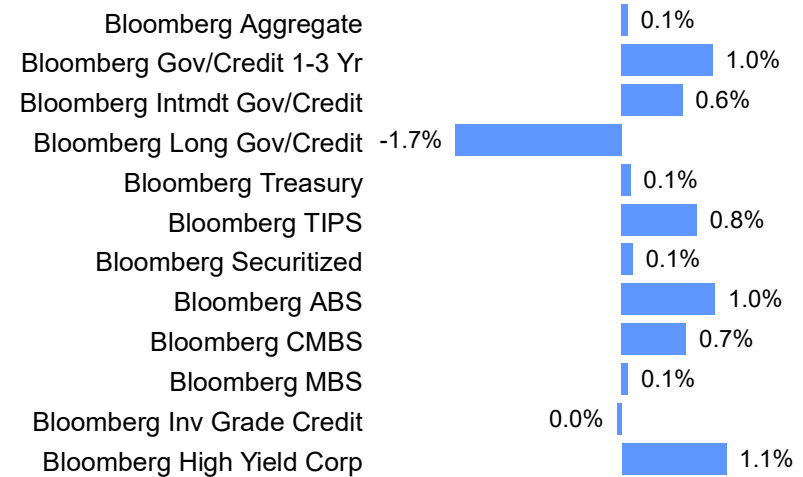
### Performance and drivers

- The Bloomberg US Aggregate Index rose 0.1% despite higher rates.
- Corporates and most securitized sectors were roughly flat vs. U.S. Treasuries on a duration-adjusted basis.
- Lower quality outperformed, with high yield corporates posting the best returns.
- Longer maturity underperformed short and intermediate strategies as the curve steepened from 5 years out to 30.

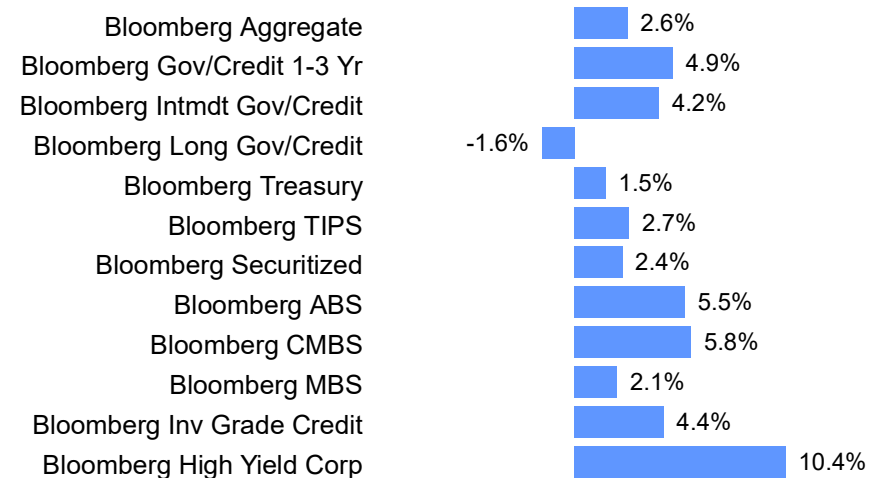
### Valuations

- Corporate credit remains rich with spreads near historical tights.
- Corporate bond issuance remained robust.
- Investment grade corporate new issuance slowed from record highs in 1Q but remained robust with \$349 billion in new debt, bringing the year-to-date total to \$886 billion.
- High yield new issuance in 2Q nearly matched 1Q with \$83 billion, bringing the year-to-date total to \$172 billion.
- Both were met with strong investor demand.

### U.S. Fixed Income Returns: Quarter Ended 6/30/24



### U.S. Fixed Income Returns: One Year Ended 6/30/24



Sources: Bloomberg, Callan, S&P Dow Jones Indices

# U.S. Private Real Estate Performance: 2Q24

Appreciation returns negative once again

## Valuations reflect higher interest rates

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

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
<b>NCREIF ODCE</b>	-0.7%	-10.0%	1.0%	2.3%	5.5%
Income	0.8%	3.1%	2.8%	2.9%	3.2%
Appreciation	-1.5%	-12.8%	-1.8%	-0.7%	2.2%
<b>NCREIF Property Index</b>	-0.3%	-5.5%	2.3%	3.4%	6.1%
Income	1.2%	4.6%	4.2%	4.3%	4.5%
Appreciation	-1.4%	-9.8%	-1.8%	-0.8%	1.5%

Returns are geometrically linked

## NCREIF Property Index Quarterly Returns by Region and Property Type



Source: NCREIF; ODCE return is net

Callan

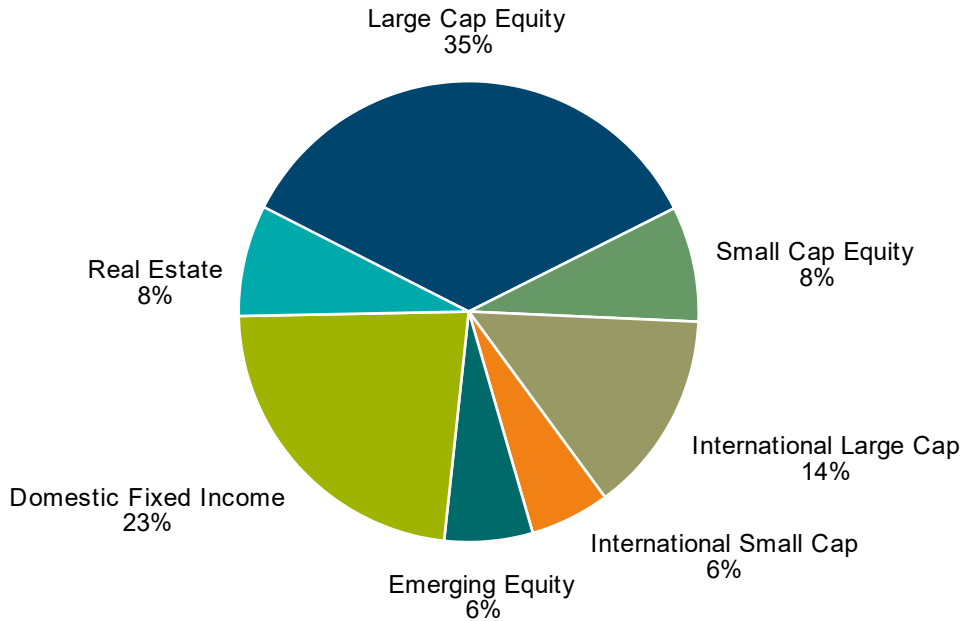
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**Total Fund Overview**

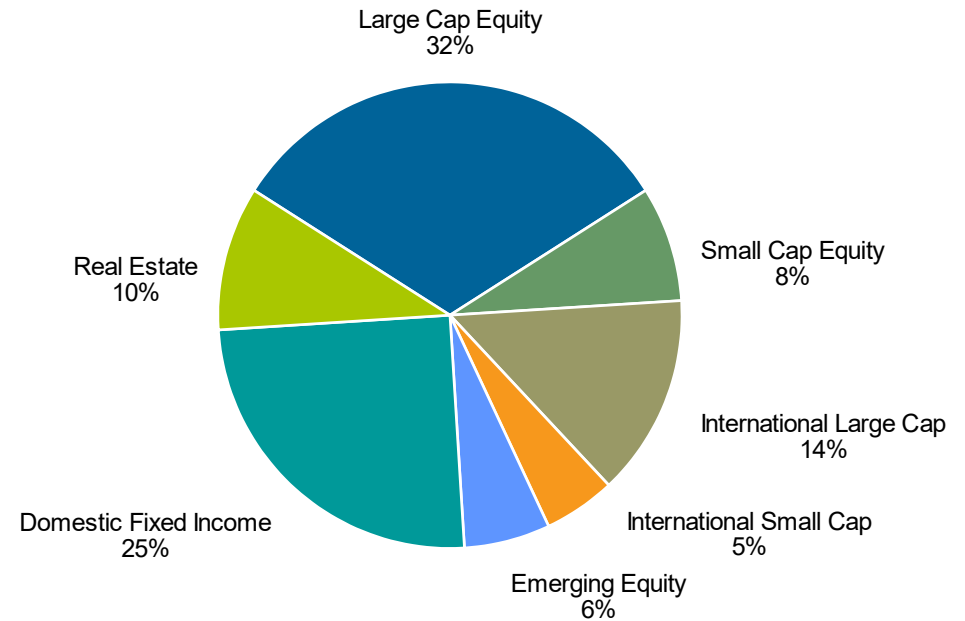
# RT Asset Allocation

As of June 30, 2024

### Actual Asset Allocation



### Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	145,165	35.2%	32.0%	3.2%	13,047
Small Cap Equity	33,328	8.1%	8.0%	0.1%	298
International Large Cap	58,591	14.2%	14.0%	0.2%	789
International Small Cap	23,222	5.6%	5.0%	0.6%	2,579
Emerging Equity	25,569	6.2%	6.0%	0.2%	797
Domestic Fixed Income	94,889	23.0%	25.0%	(2.0%)	(8,328)
Real Estate	32,105	7.8%	10.0%	(2.2%)	(9,182)
<b>Total</b>	<b>412,870</b>	<b>100.0%</b>	<b>100.0%</b>		

## Total Fund – Performance Attribution

### Relative Attribution Effects for Quarter ended June 30, 2024

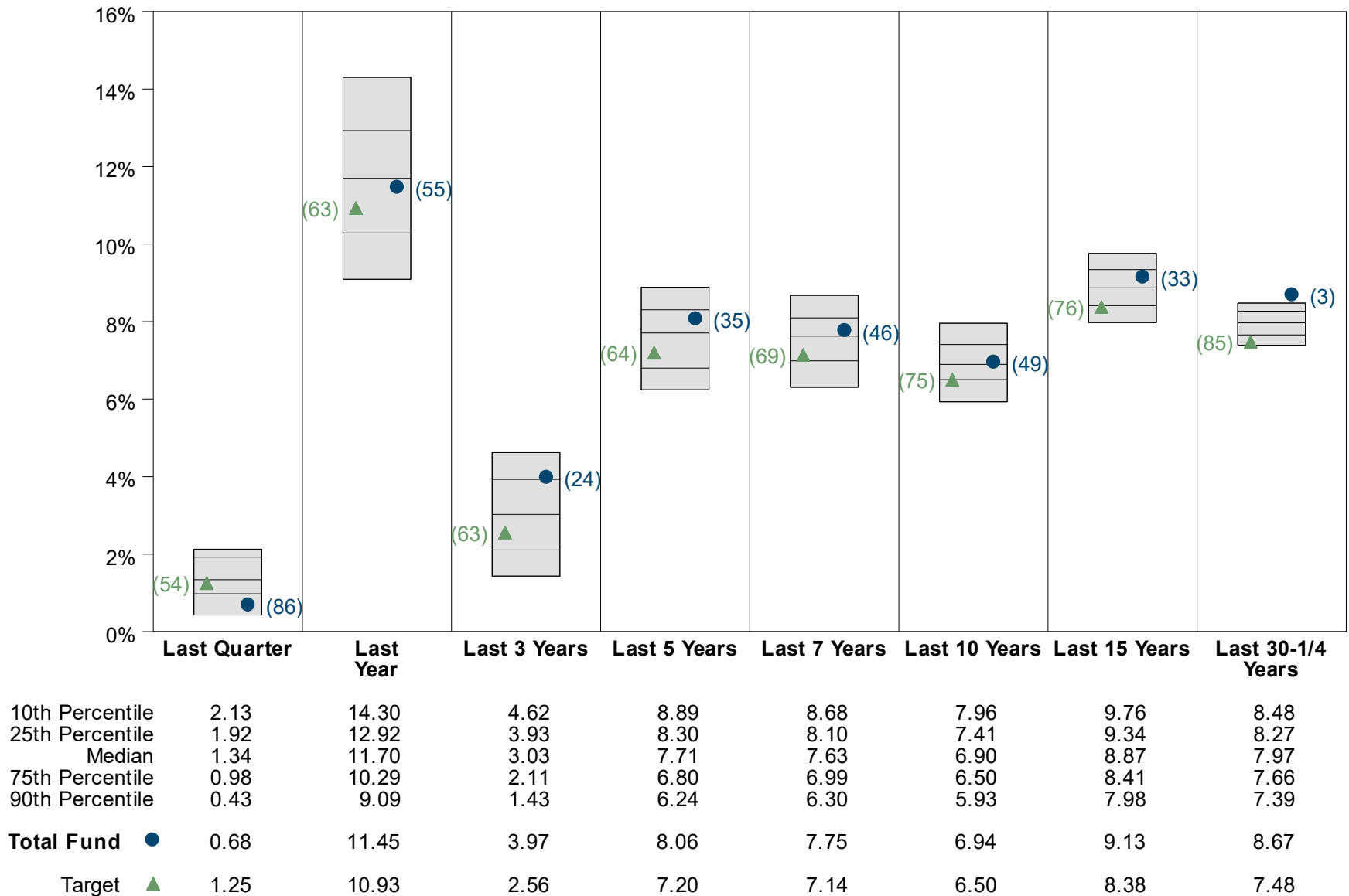
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	35%	32%	1.70%	4.28%	(0.89%)	0.08%	(0.82%)
Small Cap Equity	8%	8%	(2.02%)	(3.28%)	0.10%	(0.01%)	0.09%
International Large Cap	14%	14%	0.03%	(0.42%)	0.06%	(0.01%)	0.06%
International Small Cap	6%	5%	(0.35%)	(1.84%)	0.09%	(0.03%)	0.06%
Emerging Equity	6%	6%	5.68%	5.00%	0.04%	(0.01%)	0.03%
Domestic Fixed Income	23%	25%	0.03%	0.07%	(0.01%)	0.02%	0.01%
Real Estate	8%	10%	(0.93%)	(0.45%)	(0.04%)	0.03%	(0.01%)
<b>Total</b>			<b>0.68%</b>	<b>= 1.25%</b>	<b>+ (0.65%)</b>	<b>+ 0.07%</b>	<b>(0.58%)</b>

### 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	34%	32%	23.28%	24.56%	(0.43%)	0.21%	(0.22%)
Small Cap Equity	8%	8%	9.08%	10.06%	(0.10%)	(0.05%)	(0.15%)
International Large Cap	14%	14%	8.22%	11.54%	(0.49%)	(0.01%)	(0.49%)
International Small Cap	6%	5%	20.15%	7.78%	0.66%	(0.04%)	0.63%
Emerging Equity	6%	6%	15.27%	12.55%	0.15%	(0.02%)	0.13%
Domestic Fixed Income	23%	25%	2.76%	2.63%	0.04%	0.08%	0.12%
Real Estate	9%	10%	(6.76%)	(9.25%)	0.31%	0.21%	0.51%
<b>Total</b>			<b>11.45%</b>	<b>= 10.93%</b>	<b>+ 0.13%</b>	<b>+ 0.39%</b>	<b>0.52%</b>

# Total Fund – Performance as of June 30, 2024

## Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)





## Total Fund – Manager Asset Allocation

	June 30, 2024		Net New Inv.	Inv. Return	March 31, 2024	
	Market Value	Weight			Market Value	Weight
<b>Domestic Equity</b>	<b>\$178,493,191</b>	<b>43.23%</b>	<b>\$(349,110)</b>	<b>\$1,735,744</b>	<b>\$177,106,557</b>	<b>43.15%</b>
<b>Large Cap</b>	<b>\$145,165,286</b>	<b>35.16%</b>	<b>\$(349,110)</b>	<b>\$2,422,267</b>	<b>\$143,092,130</b>	<b>34.86%</b>
Boston Partners	70,628,606	17.11%	(210,406)	(645,923)	71,484,935	17.41%
SSgA S&P 500	74,536,680	18.05%	(138,705)	3,068,190	71,607,195	17.44%
<b>Small Cap</b>	<b>\$33,327,905</b>	<b>8.07%</b>	<b>\$0</b>	<b>\$(686,522)</b>	<b>\$34,014,427</b>	<b>8.29%</b>
Atlanta Capital	33,327,905	8.07%	0	(686,522)	34,014,427	8.29%
<b>International Equity</b>	<b>\$107,382,147</b>	<b>26.01%</b>	<b>\$0</b>	<b>\$1,317,931</b>	<b>\$106,064,216</b>	<b>25.84%</b>
<b>International Large Cap</b>	<b>\$58,590,785</b>	<b>14.19%</b>	<b>\$0</b>	<b>\$16,808</b>	<b>\$58,573,978</b>	<b>14.27%</b>
SSgA EAFE	19,950,342	4.83%	0	(62,956)	20,013,298	4.88%
Py rford	38,640,443	9.36%	0	79,764	38,560,680	9.39%
<b>International Small Cap</b>	<b>\$23,222,410</b>	<b>5.62%</b>	<b>\$0</b>	<b>\$(48,896)</b>	<b>\$23,271,306</b>	<b>5.67%</b>
AQR	23,222,410	5.62%	0	(48,896)	23,271,306	5.67%
<b>Emerging Equity</b>	<b>\$25,568,952</b>	<b>6.19%</b>	<b>\$0</b>	<b>\$1,350,020</b>	<b>\$24,218,933</b>	<b>5.90%</b>
DFA Emerging Markets	25,568,952	6.19%	0	1,350,020	24,218,933	5.90%
<b>Fixed Income</b>	<b>\$94,889,177</b>	<b>22.98%</b>	<b>\$0</b>	<b>\$25,725</b>	<b>\$94,863,452</b>	<b>23.11%</b>
TCW	94,889,177	22.98%	0	25,725	94,863,452	23.11%
<b>Real Estate</b>	<b>\$32,105,377</b>	<b>7.78%</b>	<b>\$0</b>	<b>\$(343,813)</b>	<b>\$32,449,191</b>	<b>7.91%</b>
Clarion Lion Fund	15,445,016	3.74%	0	(314,207)	15,759,223	3.84%
Morgan Stanley	16,660,361	4.04%	0	(29,606)	16,689,968	4.07%
<b>Total Fund</b>	<b>\$412,869,893</b>	<b>100.0%</b>	<b>\$(349,110)</b>	<b>\$2,735,587</b>	<b>\$410,483,416</b>	<b>100.0%</b>

## Total Fund – Returns as of June 30, 2024

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equity</b>	<b>0.98%</b>	<b>20.35%</b>	<b>9.23%</b>	<b>13.19%</b>	<b>12.60%</b>
Domestic Equity Benchmark**	2.75%	21.66%	7.48%	13.51%	12.86%
<b>Large Cap Equity</b>	<b>1.70%</b>	<b>23.28%</b>	<b>9.96%</b>	<b>14.07%</b>	<b>12.95%</b>
Boston Partners	(0.90%)	21.91%	9.77%	12.78%	11.36%
Russell 1000 Value Index	(2.17%)	13.06%	5.52%	9.01%	8.61%
SSgA S&P 500	4.29%	24.58%	10.02%	15.04%	14.28%
S&P 500 Index	4.28%	24.56%	10.01%	15.05%	14.28%
<b>Small Cap Equity</b>	<b>(2.02%)</b>	<b>9.08%</b>	<b>6.18%</b>	<b>9.66%</b>	<b>11.09%</b>
Atlanta Capital	(2.02%)	9.08%	6.18%	9.66%	11.09%
Russell 2000 Index	(3.28%)	10.06%	(2.58%)	6.94%	6.85%
<b>International Equity</b>	<b>1.23%</b>	<b>12.27%</b>	<b>2.63%</b>	<b>6.91%</b>	<b>5.89%</b>
International Benchmark***	0.62%	11.14%	(0.19%)	5.33%	4.92%
<b>International Large Cap</b>	<b>0.03%</b>	<b>8.22%</b>	<b>3.31%</b>	<b>6.23%</b>	<b>5.66%</b>
SSgA EAFE	(0.31%)	11.79%	3.21%	6.82%	6.09%
Pyrford	0.21%	6.47%	3.36%	5.85%	5.38%
MSCI EAFE Index	(0.42%)	11.54%	2.89%	6.46%	5.73%
<b>International Small Cap</b>	<b>(0.35%)</b>	<b>20.15%</b>	<b>4.30%</b>	<b>9.14%</b>	<b>6.52%</b>
AQR	(0.35%)	20.15%	4.30%	9.14%	6.52%
MSCI EAFE Small Cap Index	(1.84%)	7.78%	(3.35%)	4.19%	3.74%
<b>Emerging Markets Equity</b>	<b>5.68%</b>	<b>15.27%</b>	<b>(0.06%)</b>	<b>6.35%</b>	<b>5.60%</b>
DFA Emerging Markets	5.68%	15.27%	(0.06%)	6.35%	5.60%
MSCI Emerging Markets Index	5.00%	12.55%	(5.07%)	3.10%	3.54%
<b>Domestic Fixed Income</b>	<b>0.03%</b>	<b>2.76%</b>	<b>(2.96%)</b>	<b>0.44%</b>	<b>1.54%</b>
TCW	0.03%	2.76%	(2.96%)	0.44%	1.54%
Bloomberg Aggregate Index	0.07%	2.63%	(3.02%)	(0.23%)	0.86%
<b>Real Estate</b>	<b>(0.93%)</b>	<b>(6.76%)</b>	<b>2.70%</b>	-	-
Clarion Lion Fund	(1.72%)	(9.76%)	0.38%	-	-
Morgan Stanley	(0.18%)	(3.77%)	5.04%	-	-
NCREIF NFI-ODCE Value Weight	(0.45%)	(9.25%)	1.90%	3.16%	4.38%
<b>Total Plan</b>	<b>0.68%</b>	<b>11.45%</b>	<b>3.97%</b>	<b>8.06%</b>	<b>7.75%</b>
Target*	1.25%	10.93%	2.56%	7.20%	7.14%

## Total Fund – Calendar Year Returns

	12/2023- 6/2024	2023	2022	2021	2020
<b>Domestic Equity</b>	<b>10.70%</b>	<b>20.03%</b>	<b>(10.71%)</b>	<b>28.28%</b>	<b>11.16%</b>
Domestic Equity Benchmark**	12.50%	24.55%	(18.54%)	25.93%	18.94%
<b>Large Cap Equity</b>	<b>13.38%</b>	<b>19.32%</b>	<b>(10.60%)</b>	<b>30.18%</b>	<b>11.03%</b>
Boston Partners	11.44%	13.26%	(3.17%)	31.78%	2.99%
Russell 1000 Value Index	6.62%	11.46%	(7.54%)	25.16%	2.80%
SSgA S&P 500	15.28%	26.29%	(18.10%)	28.70%	18.36%
S&P 500 Index	15.29%	26.29%	(18.11%)	28.71%	18.40%
<b>Small Cap Equity</b>	<b>0.32%</b>	<b>22.65%</b>	<b>(11.15%)</b>	<b>21.00%</b>	<b>11.67%</b>
Atlanta Capital	0.32%	22.65%	(11.15%)	21.00%	11.67%
Russell 2000 Index	1.73%	16.93%	(20.44%)	14.82%	19.96%
<b>International Equity</b>	<b>4.98%</b>	<b>16.93%</b>	<b>(11.12%)</b>	<b>9.38%</b>	<b>8.48%</b>
International Benchmark***	4.96%	15.23%	(17.10%)	7.67%	11.39%
<b>International Large Cap</b>	<b>3.14%</b>	<b>16.16%</b>	<b>(9.11%)</b>	<b>9.34%</b>	<b>5.71%</b>
SSgA EAFE	5.55%	18.60%	(14.08%)	11.52%	8.27%
Pyrford	1.94%	14.97%	(6.49%)	8.22%	4.09%
MSCI EAFE Index	5.34%	18.24%	(14.45%)	11.26%	7.82%
<b>International Small Cap</b>	<b>6.16%</b>	<b>20.15%</b>	<b>(10.51%)</b>	<b>13.52%</b>	<b>7.35%</b>
AQR	6.16%	20.15%	(10.51%)	13.52%	7.35%
MSCI EAFE Small Cap Index	0.51%	13.16%	(21.39%)	10.10%	12.34%
<b>Emerging Markets Equity</b>	<b>8.30%</b>	<b>15.91%</b>	<b>(16.06%)</b>	<b>6.25%</b>	<b>14.40%</b>
DFA Emerging Markets	8.30%	15.91%	(16.06%)	6.25%	14.40%
MSCI Emerging Markets Index	7.49%	9.83%	(20.09%)	(2.54%)	18.31%
<b>Domestic Fixed Income</b>	<b>(0.92%)</b>	<b>6.24%</b>	<b>(13.48%)</b>	<b>(0.46%)</b>	<b>9.85%</b>
TCW	(0.92%)	6.24%	(13.48%)	(0.46%)	9.85%
Bloomberg Aggregate Index	(0.71%)	5.53%	(13.01%)	(1.54%)	7.51%
<b>Real Estate</b>	<b>(2.97%)</b>	<b>(10.65%)</b>	<b>8.39%</b>	-	-
Clarion Lion Fund	(4.40%)	(15.71%)	9.69%	-	-
Morgan Stanley	(1.60%)	(5.19%)	7.02%	-	-
NCREIF NFI-ODCE Value Weight	(2.80%)	(12.02%)	7.47%	22.17%	1.19%
<b>Total Plan</b>	<b>5.22%</b>	<b>12.70%</b>	<b>(9.79%)</b>	<b>15.71%</b>	<b>11.42%</b>
Target*	5.70%	13.45%	(14.03%)	12.81%	13.82%

## Watch List

Manager/ Mandate	Date Added to Watch List	Reason	Recommended Action
<b>Atlanta Capital/ Small Cap</b>	Q2 2024	Atlanta Capital announced that Bill Bell, a portfolio manager for the Small Cap Equity strategy, will retire at the end of 2024. The team consists of three members: Bill Bell, Chip Reed, and Matt Hereford, all of whom have worked together for over 20 years. In anticipation of Bell's retirement, Jeff Wilson has joined the firm as a portfolio manager. He has nearly 20 years of experience and will work closely with Bell and the team to ensure a smooth transition. Callan will continue to monitor the strategy during this transition but is not overly concerned given the tenure of the team.	Callan is not overly concerned given the tenure of the team and the long-standing succession plan. However, the Boards and Callan will continue to closely monitor the strategy as they move through this transition.
<b>Boston Partners/ Large Cap Value</b>	Q1 2024	Boston Partners announced that David Pyle, a portfolio manager for over 15 years on the Large Cap Value strategy, will step away from his portfolio manager duties in September 2024; though he will remain at Boston Partners for some time. The team consists of four members: David Pyle, Mark Donovan, Josh White, and David Cohen. Pyle and Donovan (who founded Boston Partners) represent the more veteran, seasoned portfolio managers on the strategy. Boston Partners has incrementally promoted White and Cohen into portfolio management roles over the last decade to plan for these eventual transitions. Pyle's responsibilities will be primarily assumed by White and Cohen.	Callan is not overly concerned given the tenure of the team and the long-standing succession plan. However, the Boards and Callan will continue to closely monitor the strategy as they move through this transition.
<b>TCW/ Fixed Income</b>	Q3 2023	TCW/MetWest announced senior fixed income leadership transitions in 2023. Laird Landmann and Steve Kane are Generalist Portfolio Managers and were part of the original team that came to TCW from MetWest in 2010. Landmann retired at the end of 2023 and Kane will retire at the end of 2024. Ruben Hovhannisyan, Associate Generalist Portfolio Manager, and Jerry Cudzil, Global Head of Credit Trading, joined Co-CIO Bryan Whalen as Generalists. Whalen joined TCW in 2010 from MetWest alongside Landmann, Kane, and Tad Rivelle who retired in 2021. Cudzil has been with TCW since 2012, and Hovhannisyan since 2007. TCW's performance has also been mixed with peer group rankings well below median for numerous time periods.	Callan continues to monitor the strategy and team. Performance continues to be challenged especially versus peers. Callan suggests looking at other managers to potentially complement or replace TCW.

Callan

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**Callan Research & Events Updates**

# Published Research Highlights: 2Q24

## Quantifying Sequence-of-Returns Risk



## Sector-Specialist Strategies and Large LPs' Portfolios



## 2024 Asset Manager DEI Study



## 2024 Defined Contribution Trends Survey



## Recent Blog Posts

**Commercial Real Estate Capital Markets and Institutional Investors**

Christine Mays

**A Look at How We Did With Our Capital Markets Assumptions**

Greg Allen and  
Julia Moriarty

**Is This a Time for Active Managers to Shine?**

Tony Lissuzzo

## Additional Reading

Active vs. Passive quarterly charts  
*Capital Markets Review* quarterly newsletter  
Monthly Updates to the Periodic Table  
*Market Pulse Flipbook* quarterly markets update  
Market Intelligence (clients-only)  
*Real Estate Indicators* market outlook

# Callan Institute Events

Upcoming conferences, workshops, and webinars

## Callan College

### Intro to Investments—Learn the Fundamentals

This course is for institutional investors, including trustees and staff members of public plans, corporate plans, and nonprofits. This session familiarizes trustees and staff with basic investment theory, terminology, and practices.

– September 24-26, 2024 – Virtual Session via Zoom

Please visit our website at [callan.com/events-education](https://callan.com/events-education) as we add dates to our 2024 calendar!

## Mark Your Calendar

### 2024 Regional Workshops

October 22, 2024 – Denver

October 23, 2024 – Chicago

*Watch your email for further details and an invitation.*

## 2025 National Conference

### Mark your calendars for this event in Scottsdale on April 27-29, 2025

Our annual conference will feature mainstage speakers and Callan lead workshops on a variety of topics.

This year we welcome Zanny Minton Beddoes to the stage.

*Registration for this event will open in January 2025!*

# Introducing CODE: Callan On-Demand Education

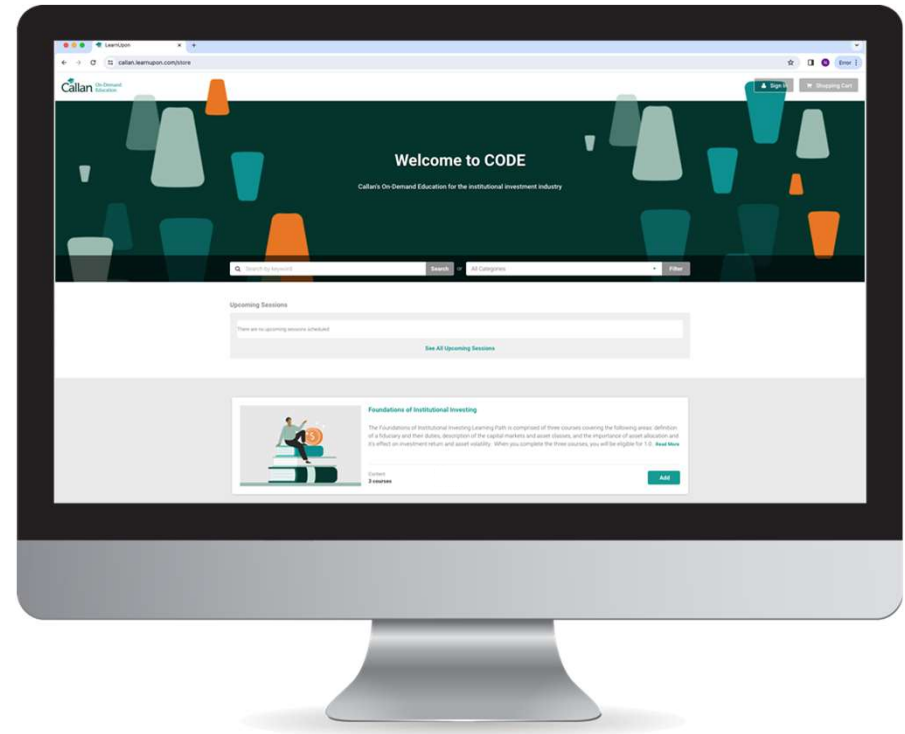


- ▶ Variety of educational courses
- ▶ Interactive and engaging
- ▶ Self-guided modules
- ▶ Eligible for continuing education credits
- ▶ Learning at your own pace

**CODE** courses are designed for investment professionals of all levels—and they're self-guided. Access them anytime, from anywhere, and get continuing education credits for each completed course.

**CODE** is for you, your colleagues, your new hires, and your interns. It's for anyone interested in learning about institutional investing.

[callan.com/code](https://callan.com/code)



## 3 Reasons to Take CODE Courses

- 1 Become a better fiduciary
- 2 Showcase your skills and knowledge
- 3 Learn from Callan's investment experts



# Callan Updates

Firm updates by the numbers, as of June 30, 2024

**Total Associates:** ~200

**Company Ownership:**

- ▶ 100% employees
- ▶ ~70% of employees are equity owners
- ▶ ~55% of shareholders identify as women or minority

Total General and Investment Consultants: 50+

Total Specialty and Research Consultants: 65+

Total CFA/CAIA/FRMs: 60+

Total Institutional Investor Clients: 475+

Provides advisory services to institutional investor clients with assets over \$4+ trillion

## **OUT NOW: Callan's First Diversity, Equity & Belonging (DEB) Advancement Report**

Our inaugural report highlights Callan's commitment to advancing diversity, equity, and belonging (DEB) within the institutional investment community. While we've achieved many milestones in this area since the firm's founding over five decades ago, our recent work is a testament to our steadfast dedication to promoting DEB in all aspects of our business.

**“Not only is our DEB initiative critical to Callan's success, but we hope it will ultimately influence our entire industry. Supporting this initiative from the position of CEO is the best way for me to ensure its success. As the executive sponsor, I can make sure our team has the support and resources to effect real change.”**

— Greg Allen, CEO, Chief Research Officer and the executive sponsor of Callan's DEB program



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Past performance is no guarantee of future results.

# Callan

June 30, 2024



## Sacramento Regional Transit District Retirement Plans

Investment Measurement Service  
Quarterly Review

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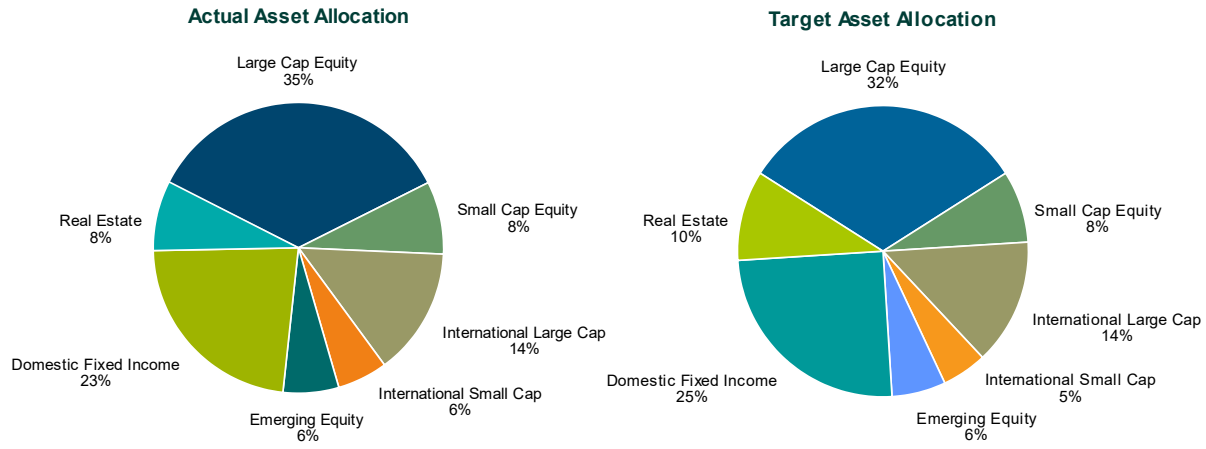
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**Sacramento Regional Transit District**  
Executive Summary for Period Ending June 30, 2024

**Asset Allocation**



**Performance**

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Total Plan</b>	<b>0.68%</b>	<b>11.45%</b>	<b>3.97%</b>	<b>8.06%</b>	<b>7.75%</b>
Target*	1.25%	10.93%	2.56%	7.20%	7.14%

**Recent Developments**

Atlanta Capital announced that Bill Bell, a portfolio manager for the Small Cap Equity strategy, will retire at the end of 2024. The team consists of three members: Bill Bell, Chip Reed, and Matt Hereford, all of whom have worked together for over 20 years. In anticipation of Bell's retirement, Jeff Wilson has joined the firm as a portfolio manager. He has nearly 20 years of experience and will work closely with Bell and the team to ensure a smooth transition. Callan will continue to monitor the strategy during this transition but is not overly concerned given the tenure of the team.

**Organizational Issues**

N/A

**Manager Performance**

Manager	Peer Group Ranking		
	Last Year	Last 3 Years	Last 7 Years
Boston Partners	10	11	17
Atlanta Capital	68	7	18
Pyrford	92	34	72
AQR	5	5	18
DFA	39	13	20
TCW	95	88	76
Clarion	31	72	[72]
Morgan Stanley	4	3	[1]

*Brackets indicate performance linked with manager's composite*

**Watch List**

TCW is on the watch list to monitor the performance, portfolio manager transitions, and senior leadership retirements. Boston Partners is on the watch list to monitor portfolio manager transitions. Atlanta Capital will be added to the watch list to monitor portfolio manager transitions.

\* Current Quarter Target = 32.0% S&P 500, 25.0% Bloomberg Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Value Weighted, 8.0% Russell 2000 Index, 6.0% MSCI Emerging Markets, and 5.0% MSCI EAFE Small Cap.



**U.S. EQUITIES**

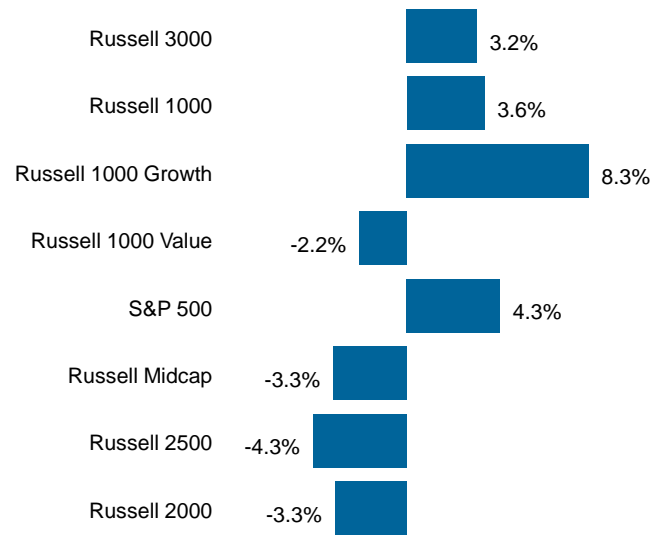
**Broad indices exhibit strong start to 2024**

- The U.S. equity markets had an exceptional start with the S&P 500 hitting 31 record highs over the first six months of 2024 and gaining 15.3%.
- Index returns continue to be driven by a handful of stocks, especially the “Magnificent Seven,” which comprised 33% of the S&P 500 as of quarter-end. As a group, the cohort gained 33% in the first six months of the year, far exceeding the S&P 493 gain of only 5%.

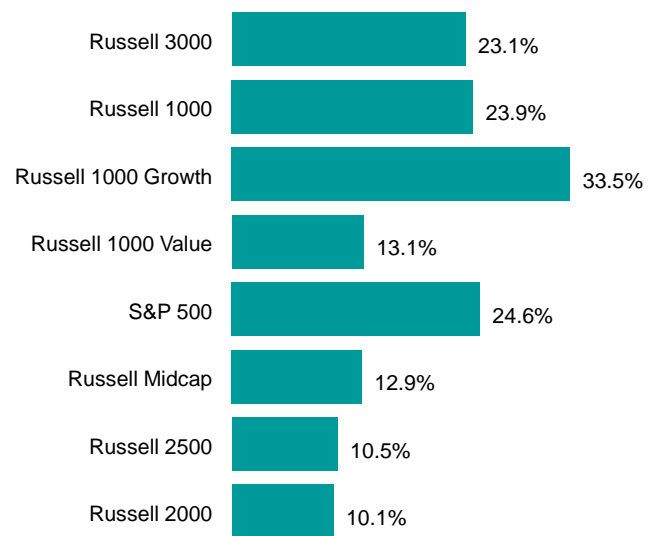
**Performance underlying indices is uneven**

- 2Q returns for the broad index were modest at 4.3%, but sector performance was quite mixed, ranging from -4.5% (Materials) to +13.8% (Technology), with 6 of the 11 S&P 500 sectors posting negative returns during the period.
- During 2Q, value (R1000V: -2.2%) continued to underperform growth (R1000G: +8.3%) and small cap (R2000: -3.3%) continued to underperform large cap (R1000: +3.6%).
- The “Magnificent Seven” stocks pushed large cap indices to record highs while the rest of the market traded sideways.
- Magnificent Seven stocks accounted for 116% of S&P 500 total return in 2Q24.
- YTD 2024, the bucket of Magnificent Seven stocks handily outperformed the equal weight S&P 500 Index and small cap Russell 2000 Index returns.
- Magnificent Seven returns over the trailing 3½ years (dating back to 2021) drove a large contribution of total index returns relative to the remaining ~493 stocks in the S&P 500.
- Market concentration has hit its highest level since 1972. The top 10 stocks have broken away from stocks #11-#50 to an even greater degree than in the tech bubble in 2000-01.
- The largest and most successful stocks were generating more earnings, earnings growth, and cash relative to the smaller stocks in the index. Price appreciation for the largest stocks is supported by strong earnings growth and robust economic profits.

**U.S. Equity: Quarterly Returns**

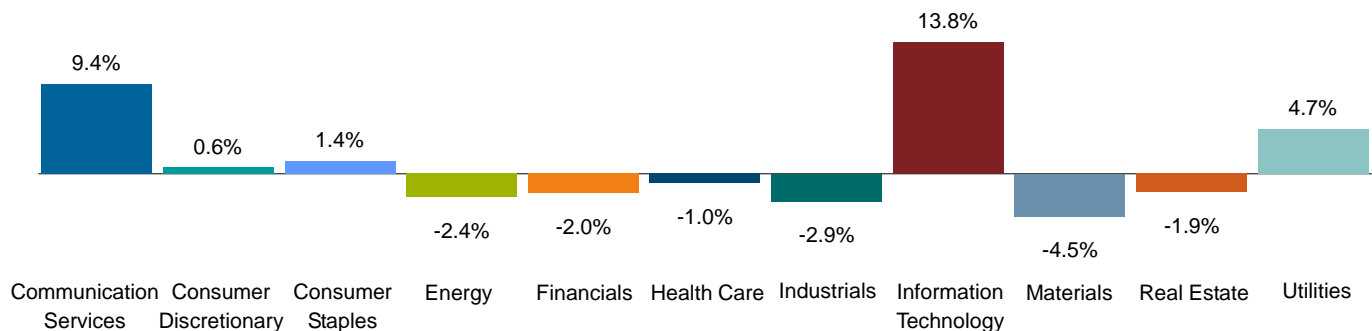


**U.S. Equity: One-Year Returns**



Sources: FTSE Russell, S&P Dow Jones Indices

**S&P Sector Returns, Quarter Ended 6/30/24**



Source: S&P Dow Jones Indices



**GLOBAL EQUITIES**

**Broad market**

- The U.S. continued its lead over developed non-U.S. markets resulting in a positive ACWI return.
- Developed non-U.S. markets struggled with growing uncertainty on future economic growth, political instability, and divergent central bank policies.
- Small caps once again trailed large caps in a higher interest rate environment and amid exchange rate volatility.

**Emerging markets**

- Emerging markets rebounded, snapping a two-quarter losing streak relative to developed markets as both China and India produced strong returns.
- China’s GDP growth exceeded expectations with a rebound in industrial production, manufacturing, and exports. Further, the Chinese government implemented several measures to support capital markets.

**Growth vs. value**

- Growth and value saw little difference, as much of the caution was driven around macro concerns about future growth and a growing risk of a recession.

**U.S. dollar strength**

- The U.S. Dollar Index (DXY), was relatively flat in 2Q due to a balancing act of increased global uncertainty but a more likely 2024 U.S. central bank rate cut.

**China experiences significant decline**

- Mainland China’s allocation within the MSCI EM Index and active EM equity strategies has steadily declined since peaking in 2020. Sluggish growth with weak home sales and deflationary pressures combined with heightened geopolitical risks have been contributors.

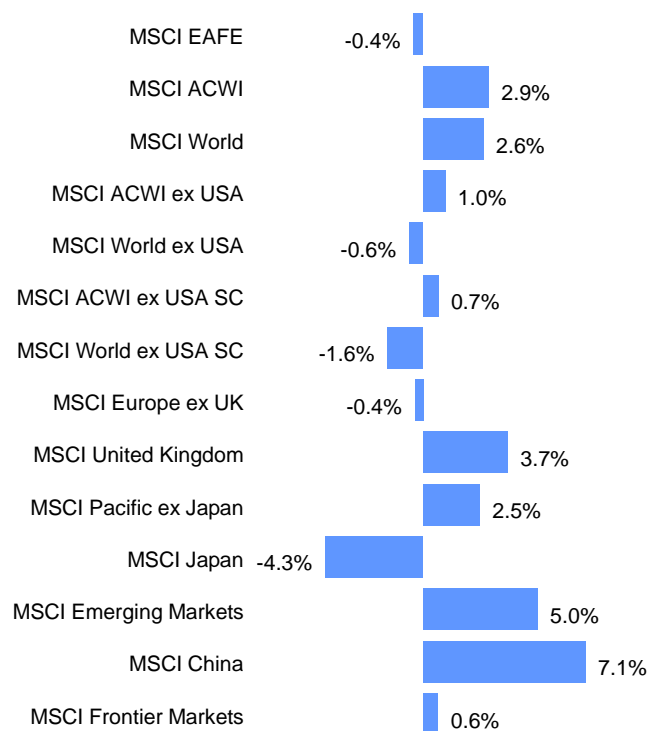
**Taiwan increases with Taiwan Semiconductor strength**

- Despite Taiwan’s related geopolitical concerns to mainland China, Taiwan has seen increasing allocations in the index and across managers. The largest stock in the MSCI Taiwan Index, Taiwan Semiconductor, which accounts for ~50% of the index, continues to exhibit robust growth as the global leader in semiconductor manufacturing.

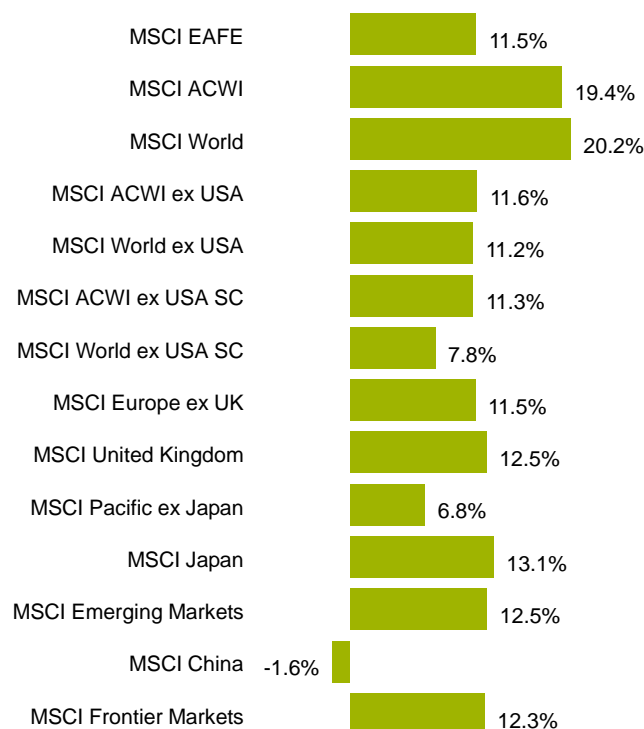
**India continues rapid growth**

- Benefiting from positive demographics with a large growing working population, India has experienced one of the highest real GDP growth rates globally in recent years when compared to other major countries/regions.
- India’s growth within the MSCI EM Index and manager allocations has been nearly the mirror image to China’s allocations since 2020.

**Global Equity: Quarterly Returns**



**Global Equity: One-Year Returns**



Source: MSCI

**U.S. FIXED INCOME**

**Macro environment**

- Fed on hold awaiting more evidence that inflation is under control as economy remained resilient
- 10-year U.S. Treasury yield up modestly from 4.21% to 4.36%
- Curve remained inverted

**Performance and drivers**

- The Bloomberg US Aggregate Index rose 0.1% amid higher rates.
- Corporates and most securitized sectors were roughly flat vs. U.S. Treasuries on a duration-adjusted basis.
- Lower quality outperformed, with high yield corporates and leveraged loans posting the best returns.
- Longer maturity underperformed short and intermediate strategies as curve steepened from 5 years out to 30.

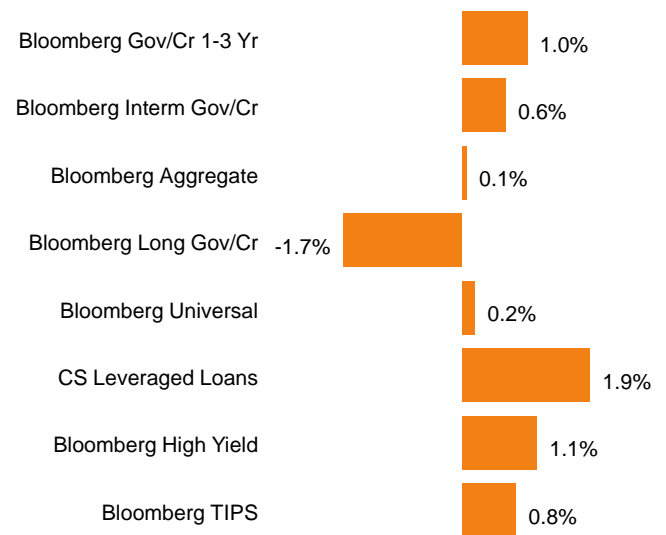
**Valuations**

- Corporate credit remains rich with spreads near historical tight.
- Default rates fell to just 1.2% for HY and 1.1% for bank loans.
- Corporate bond issuance remained robust
- IG corporate new issuance slowed from record highs in 1Q but remained robust with \$349 billion in new debt, bringing YTD total to \$886 billion.
- HY new issuance in 2Q nearly matched 1Q with \$83 billion, bringing YTD total to \$172 billion.
- Both were met with strong investor demand.

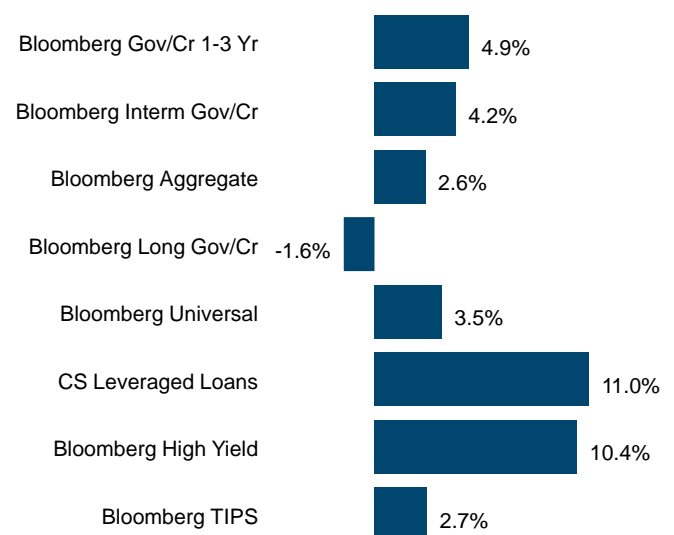
**Rate cut expectations**

- Strong April jobs reports and sticky inflation readings initially drove intermediate- and long-term rates higher, sending the 10-year Treasury 50 bps higher and reducing the 2s10s inversion to just -24 bps.
- Markets reacted with reduced expectations for Fed rate cuts. Entering 2024, Fed Funds futures priced in at least six cuts for the year; that declined to around one as of April.
- However, subsequent data, including easing inflation, brought rates back close to where they started, with the 10-year Treasury ending the quarter 16 bps higher.

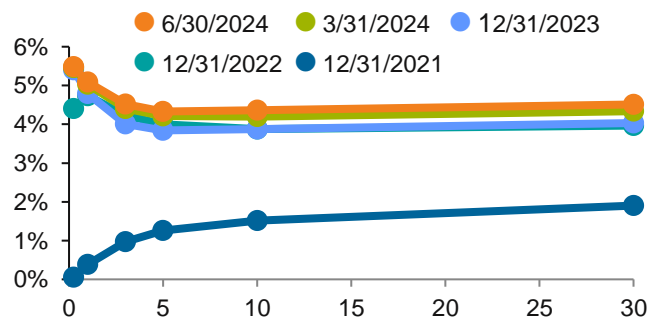
**U.S. Fixed Income: Quarterly Returns**



**U.S. Fixed Income: One-Year Returns**



**U.S. Treasury Yield Curves**



Sources: Bloomberg, Credit Suisse

**MUNICIPAL BONDS**

**Higher quality municipal bonds post flat returns in 2Q**

- Muni bond yields climbed more than U.S. Treasury yields.
- 10-year AAA municipal bond yield rose 33 bps to 2.84%.
- 10-year U.S. Treasury yield ended 2Q at 4.36% from 4.21%.
- YTD issuance (\$235 billion, up 37% YOY) has been met by strong demand with \$11.4 billion in positive flows to municipal bond funds.

**BBB performs best for the quarter and year**

- AAA: -0.28%
- AA: -0.11%
- A: +0.22%
- BBB: +0.68%

**Muni valuations vs. U.S. Treasuries remain rich**

- 10-year AAA Muni/10-year U.S. Treasury yield ratio increased to 65%, but remains below the 10-year median
- Fundamentals for state and local governments remain sound as upgrades continue to surpass downgrades.
- The need for increased infrastructure spending could benefit municipal bond issuance in years to come.

**GLOBAL FIXED INCOME**

**Macro environment**

- Developed market rates rose further in 2Q.
- In June, the Bank of Canada lowered its overnight rate, and the European Central bank cut rates for the first time in five years as growth and inflation moderated.
- Japan's 10-year government bond yield rose above 1% for the first time since 2013.

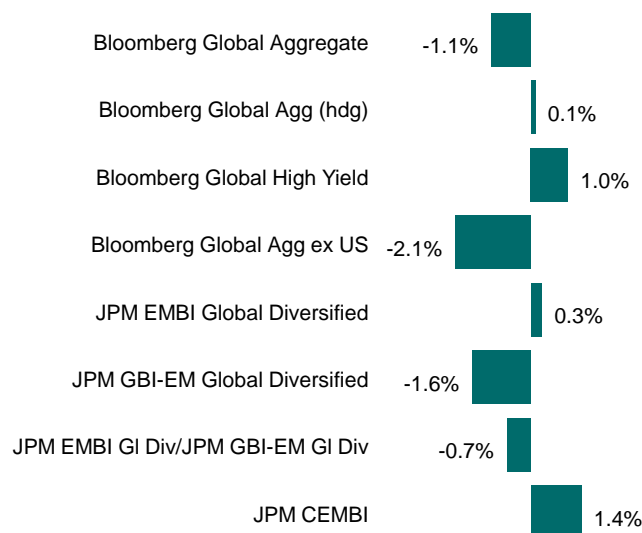
**U.S. dollar continues to strengthen**

- Major currencies generally continued to weaken relative to the U.S. dollar, albeit at a slower pace from 2Q, detracting from unhedged returns.
- Hedged investors were flat for the quarter following the increase in yields.

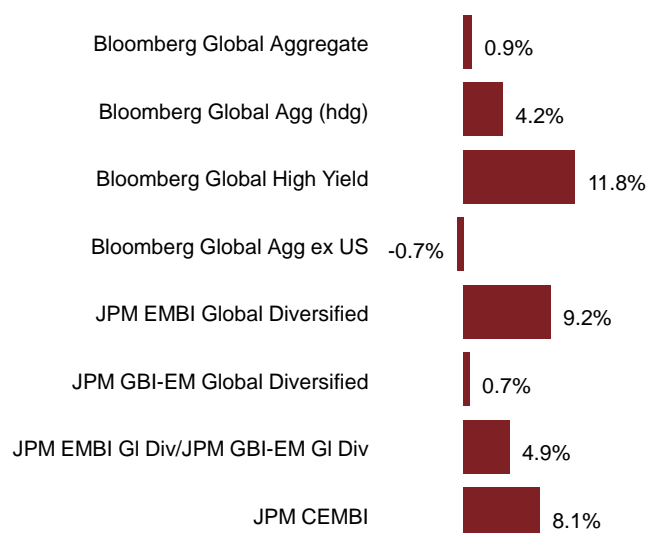
**Emerging market debt is similarly lackluster**

- India was added to the JPM GBI-EM suite of indices in June.
- EM hard currency rose 0.3% while the local currency JPM EMBI Global Diversified Index declined 1.6% as the U.S. dollar generally if modestly strengthened relative to local currencies.

**Global Fixed Income: Quarterly Returns**

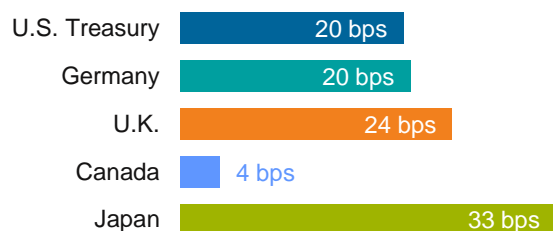


**Global Fixed Income: One-Year Returns**



**Change in 10-Year Global Government Bond Yields**

**1Q24 to 2Q24**



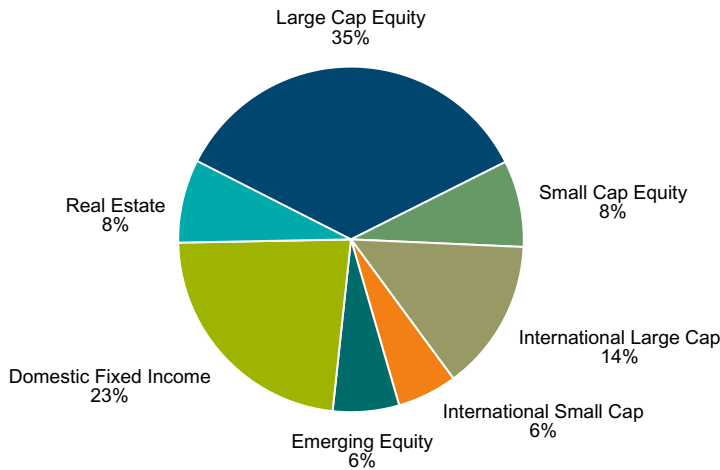
Sources: Bloomberg, JP Morgan



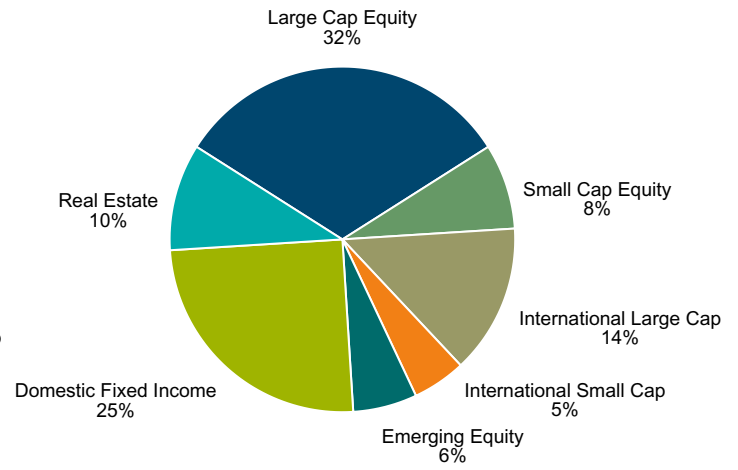
## Actual vs Target Asset Allocation As of June 30, 2024

The top left chart shows the Fund's asset allocation as of June 30, 2024. 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).

### Actual Asset Allocation

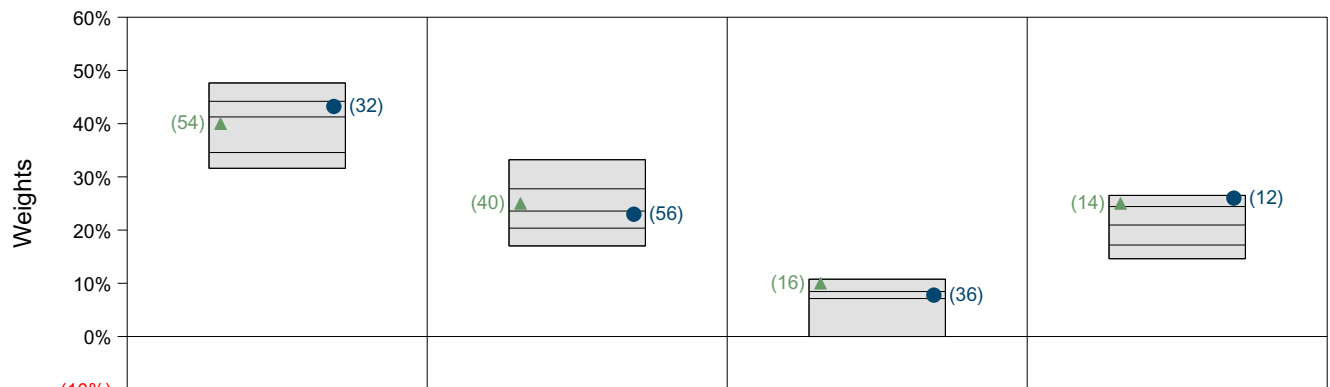


### Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	145,165	35.2%	32.0%	3.2%	13,047
Small Cap Equity	33,328	8.1%	8.0%	0.1%	298
International Large Cap	58,591	14.2%	14.0%	0.2%	789
International Small Cap	23,222	5.6%	5.0%	0.6%	2,579
Emerging Equity	25,569	6.2%	6.0%	0.2%	797
Domestic Fixed Income	94,889	23.0%	25.0%	(2.0%)	(8,328)
Real Estate	32,105	7.8%	10.0%	(2.2%)	(9,182)
Total	412,870	100.0%	100.0%		

### Asset Class Weights vs Callan Public Fund Spons- Mid (100M-1B)



10th Percentile	47.65	33.23	10.77	26.52
25th Percentile	44.20	27.76	8.45	24.42
Median	41.27	23.58	7.13	20.95
75th Percentile	34.57	20.37	0.00	17.19
90th Percentile	31.61	17.02	0.00	14.62

<b>Fund</b> ●	43.23	22.98	7.78	26.01
<b>Target</b> ▲	40.00	25.00	10.00	25.00

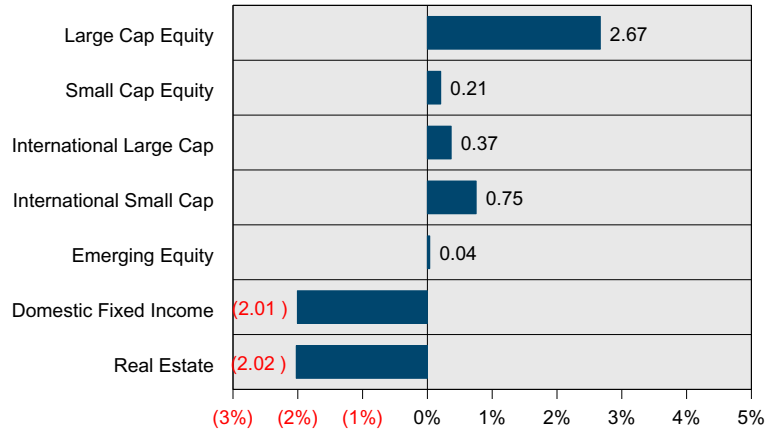
% Group Invested	100.00%	100.00%	69.44%	97.22%
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\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

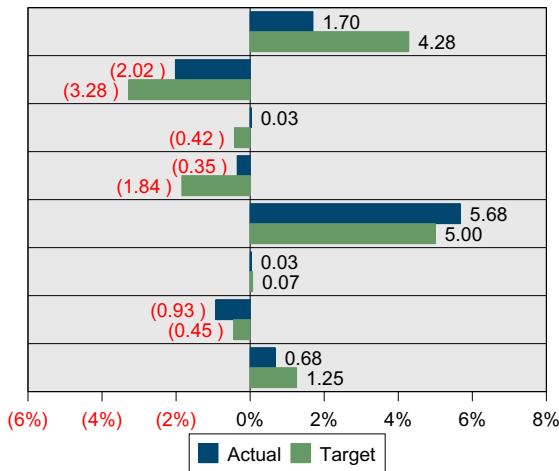
## Quarterly Total Fund Relative Attribution - June 30, 2024

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.

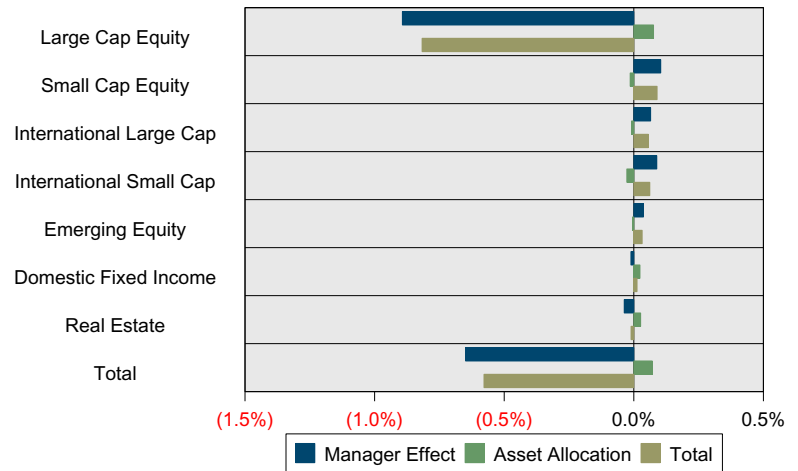
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended June 30, 2024

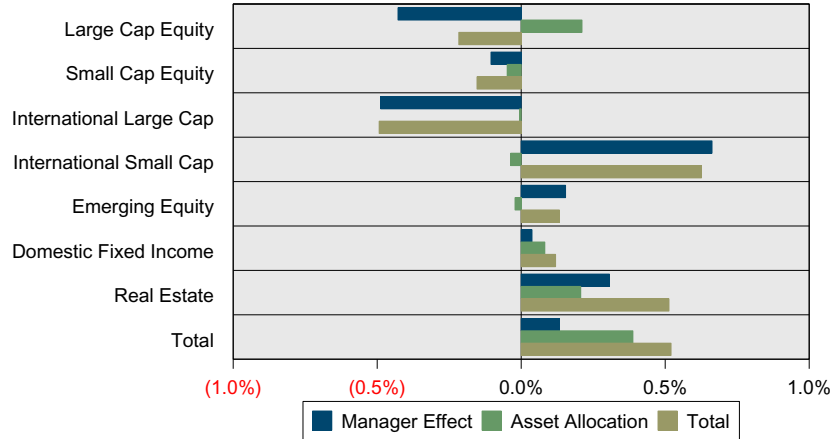
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	35%	32%	1.70%	4.28%	(0.89%)	0.08%	(0.82%)
Small Cap Equity	8%	8%	(2.02%)	(3.28%)	0.10%	(0.01%)	0.09%
International Large Cap	14%	14%	0.03%	(0.42%)	0.06%	(0.01%)	0.06%
International Small Cap	6%	5%	(0.35%)	(1.84%)	0.09%	(0.03%)	0.06%
Emerging Equity	6%	6%	5.68%	5.00%	0.04%	(0.01%)	0.03%
Domestic Fixed Income	23%	25%	0.03%	0.07%	(0.01%)	0.02%	0.01%
Real Estate	8%	10%	(0.93%)	(0.45%)	(0.04%)	0.03%	(0.01%)
<b>Total</b>			<b>0.68%</b>	<b>1.25%</b>	<b>(0.65%)</b>	<b>0.07%</b>	<b>(0.58%)</b>

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

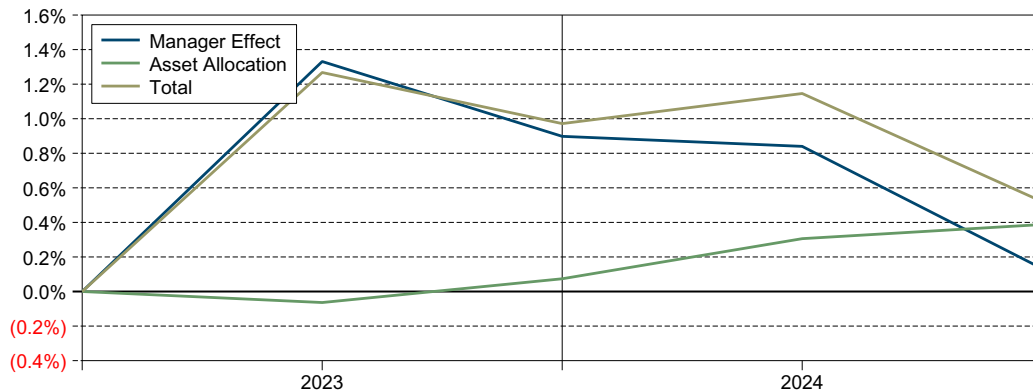
## Cumulative Total Fund Relative Attribution - June 30, 2024

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

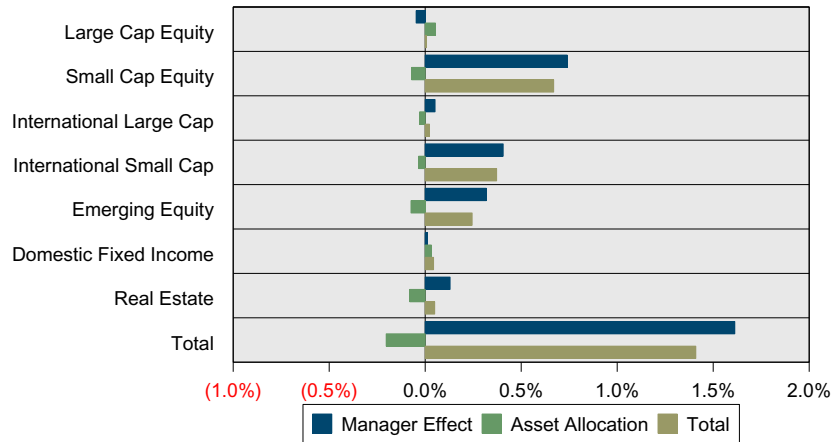
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	23.28%	24.56%	(0.43%)	0.21%	(0.22%)
Small Cap Equity	8%	8%	9.08%	10.06%	(0.10%)	(0.05%)	(0.15%)
International Large Cap	14%	14%	8.22%	11.54%	(0.49%)	(0.01%)	(0.49%)
International Small Cap	6%	5%	20.15%	7.78%	0.66%	(0.04%)	0.63%
Emerging Equity	6%	6%	15.27%	12.55%	0.15%	(0.02%)	0.13%
Domestic Fixed Income	23%	25%	2.76%	2.63%	0.04%	0.08%	0.12%
Real Estate	9%	10%	(6.76%)	(9.25%)	0.31%	0.21%	0.51%
<b>Total</b>			<b>11.45%</b>	<b>10.93%</b>	<b>+ 0.13%</b>	<b>+ 0.39%</b>	<b>0.52%</b>

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

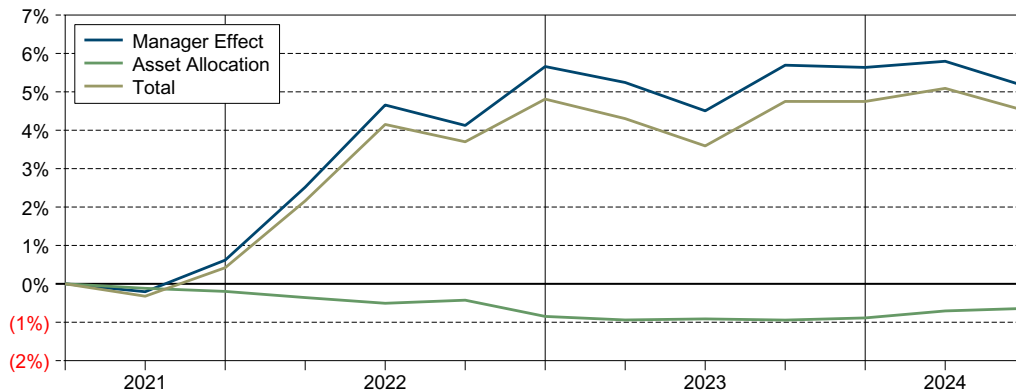
## Cumulative Total Fund Relative Attribution - June 30, 2024

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	33%	32%	9.96%	10.01%	(0.05%)	0.05%	0.01%
Small Cap Equity	9%	8%	6.18%	(2.58%)	0.74%	(0.07%)	0.67%
International Large Cap	14%	14%	3.31%	2.89%	0.05%	(0.03%)	0.02%
International Small Cap	5%	5%	4.30%	(3.35%)	0.41%	(0.03%)	0.37%
Emerging Equity	6%	6%	(0.06%)	(5.07%)	0.32%	(0.07%)	0.24%
Domestic Fixed Income	23%	25%	(2.96%)	(3.02%)	0.01%	0.03%	0.04%
Real Estate	9%	10%	2.70%	1.90%	0.13%	(0.08%)	0.05%
<b>Total</b>			<b>3.97%</b>	<b>2.56%</b>	<b>+ 1.61%</b>	<b>+ (0.20%)</b>	<b>1.41%</b>

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.



# Total Fund Period Ended June 30, 2024

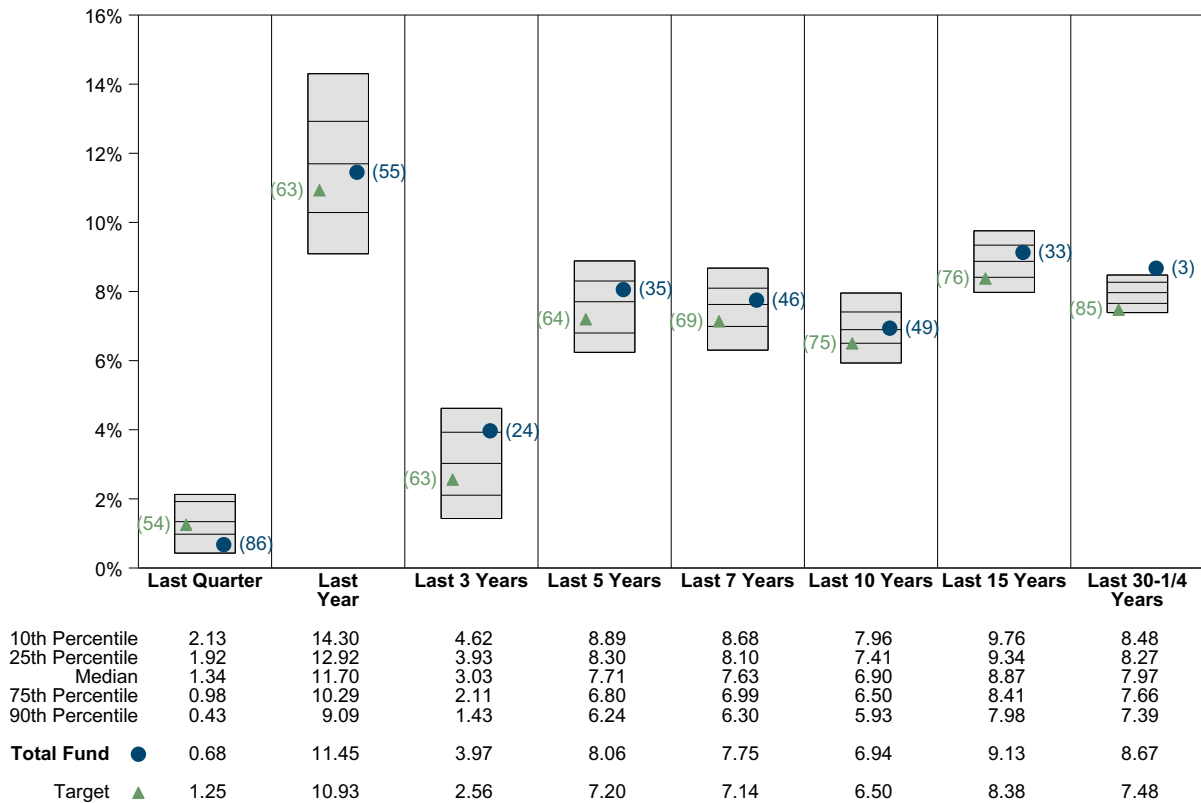
## Investment Philosophy

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Bloomberg Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Value Weight Gross, 8.0% Russell 2000 Index, 6.0% MSCI Emerging Markets and 5.0% MSCI EAFE Small.

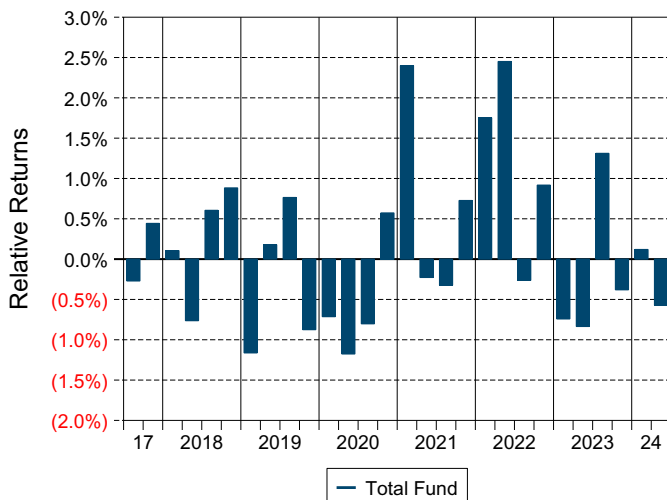
## Quarterly Summary and Highlights

- Total Fund's portfolio posted a 0.68% return for the quarter placing it in the 86 percentile of the Callan Public Fund Spons- Mid (100M-1B) group for the quarter and in the 55 percentile for the last year.
- Total Fund's portfolio underperformed the Target by 0.58% for the quarter and outperformed the Target for the year by 0.52%.

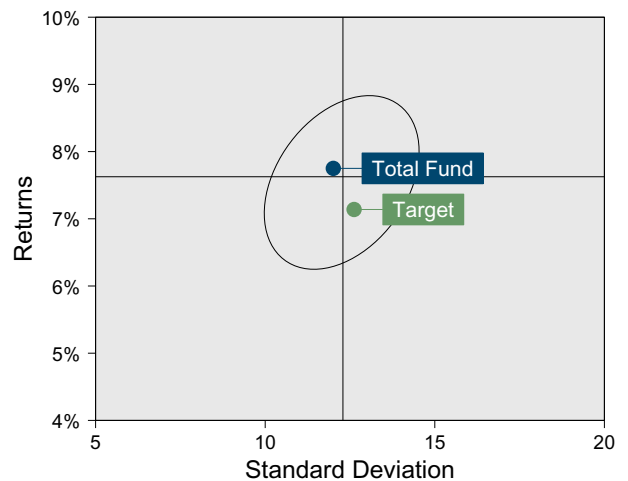
## Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)



## Relative Return vs Target



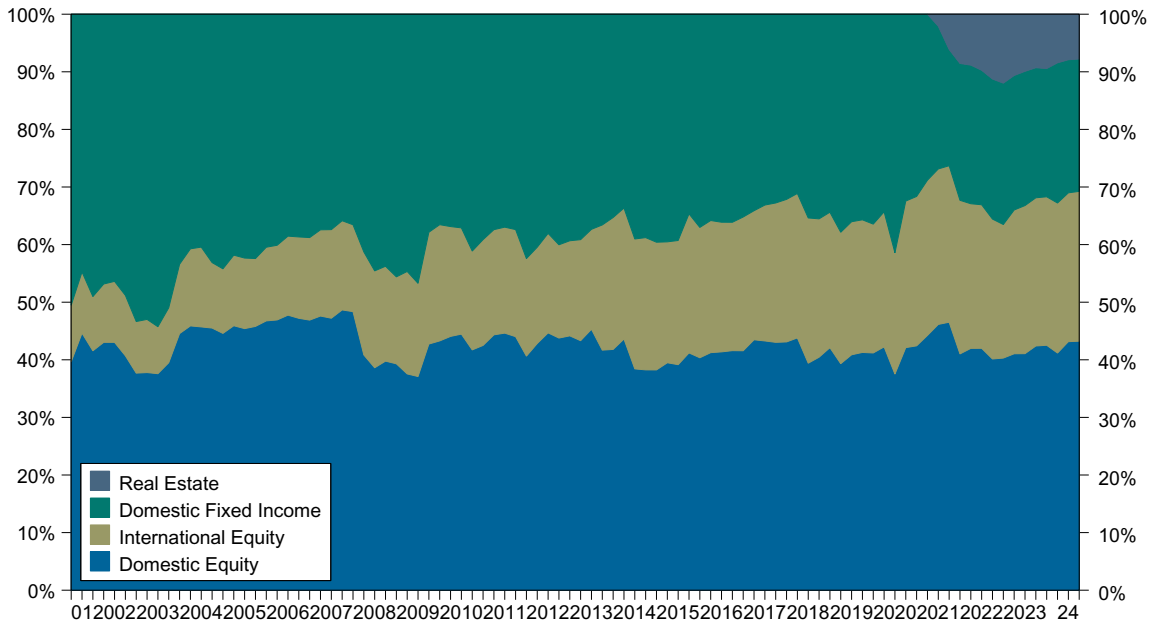
## Callan Public Fund Spons- Mid (100M-1B) (Gross) Annualized Seven Year Risk vs Return



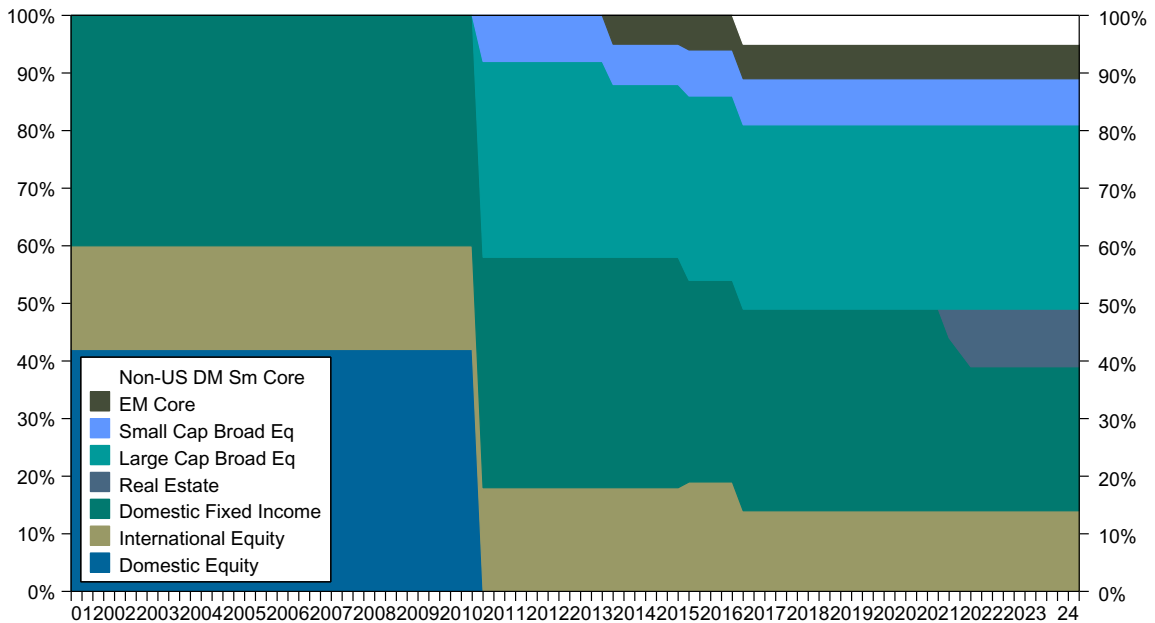
## Actual vs Target Historical Asset Allocation

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, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2024, with the distribution as of March 31, 2024. 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

	June 30, 2024		Net New Inv.	Inv. Return	March 31, 2024	
	Market Value	Weight			Market Value	Weight
<b>Domestic Equity</b>	<b>\$178,493,191</b>	<b>43.23%</b>	<b>\$(349,110)</b>	<b>\$1,735,744</b>	<b>\$177,106,557</b>	<b>43.15%</b>
<b>Large Cap</b>	<b>\$145,165,286</b>	<b>35.16%</b>	<b>\$(349,110)</b>	<b>\$2,422,267</b>	<b>\$143,092,130</b>	<b>34.86%</b>
Boston Partners	70,628,606	17.11%	(210,406)	(645,923)	71,484,935	17.41%
SSgA S&P 500	74,536,680	18.05%	(138,705)	3,068,190	71,607,195	17.44%
<b>Small Cap</b>	<b>\$33,327,905</b>	<b>8.07%</b>	<b>\$0</b>	<b>\$(686,522)</b>	<b>\$34,014,427</b>	<b>8.29%</b>
Atlanta Capital	33,327,905	8.07%	0	(686,522)	34,014,427	8.29%
<b>International Equity</b>	<b>\$107,382,147</b>	<b>26.01%</b>	<b>\$0</b>	<b>\$1,317,931</b>	<b>\$106,064,216</b>	<b>25.84%</b>
<b>International Large Cap</b>	<b>\$58,590,785</b>	<b>14.19%</b>	<b>\$0</b>	<b>\$16,808</b>	<b>\$58,573,978</b>	<b>14.27%</b>
SSgA EAFE	19,950,342	4.83%	0	(62,956)	20,013,298	4.88%
Pyrford	38,640,443	9.36%	0	79,764	38,560,680	9.39%
<b>International Small Cap</b>	<b>\$23,222,410</b>	<b>5.62%</b>	<b>\$0</b>	<b>\$(48,896)</b>	<b>\$23,271,306</b>	<b>5.67%</b>
AQR	23,222,410	5.62%	0	(48,896)	23,271,306	5.67%
<b>Emerging Equity</b>	<b>\$25,568,952</b>	<b>6.19%</b>	<b>\$0</b>	<b>\$1,350,020</b>	<b>\$24,218,933</b>	<b>5.90%</b>
DFA Emerging Markets	25,568,952	6.19%	0	1,350,020	24,218,933	5.90%
<b>Fixed Income</b>	<b>\$94,889,177</b>	<b>22.98%</b>	<b>\$0</b>	<b>\$25,725</b>	<b>\$94,863,452</b>	<b>23.11%</b>
TCW	94,889,177	22.98%	0	25,725	94,863,452	23.11%
<b>Real Estate</b>	<b>\$32,105,377</b>	<b>7.78%</b>	<b>\$0</b>	<b>\$(343,813)</b>	<b>\$32,449,191</b>	<b>7.91%</b>
Clarion Lion Fund	15,445,016	3.74%	0	(314,207)	15,759,223	3.84%
Morgan Stanley	16,660,361	4.04%	0	(29,606)	16,689,968	4.07%
<b>Total Fund</b>	<b>\$412,869,893</b>	<b>100.0%</b>	<b>\$(349,110)</b>	<b>\$2,735,587</b>	<b>\$410,483,416</b>	<b>100.0%</b>

## Sacramento Regional Transit District Asset Growth

Ending June 30, 2024 (\$ Thousands)	Ending Market Value	=	Beginning Market Value	+	Net New Investment	+	Investment Return
<b>Total Plan</b>							
1/4 Year Ended 6/2024	412,869.9		410,483.4		(349.1)		2,735.6
1/4 Year Ended 3/2024	410,483.4		392,619.4		135.4		17,728.6
1/4 Year Ended 12/2023	392,619.4		363,810.4		(753.5)		29,562.5
1/4 Year Ended 9/2023	363,810.4		372,143.2		(494.6)		(7,838.2)
1/4 Year Ended 6/2023	372,143.2		364,299.7		(579.6)		8,423.2
1/4 Year Ended 3/2023	364,299.7		351,308.1		(747.2)		13,738.8
1/4 Year Ended 12/2022	351,308.1		327,300.8		(985.8)		24,993.1
1/4 Year Ended 9/2022	327,300.8		347,657.9		(997.6)		(19,359.4)
1/4 Year Ended 6/2022	347,657.9		382,375.5		(994.6)		(33,723.0)
1/4 Year Ended 3/2022	382,375.5		393,985.6		(384.8)		(11,225.3)
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

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2024. 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 June 30, 2024

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equity</b>	<b>0.98%</b>	<b>20.35%</b>	<b>9.23%</b>	<b>13.19%</b>	<b>12.60%</b>
Domestic Equity Benchmark**	2.75%	21.66%	7.48%	13.51%	12.86%
<b>Large Cap Equity</b>	<b>1.70%</b>	<b>23.28%</b>	<b>9.96%</b>	<b>14.07%</b>	<b>12.95%</b>
Boston Partners	(0.90%)	21.91%	9.77%	12.78%	11.36%
Russell 1000 Value Index	(2.17%)	13.06%	5.52%	9.01%	8.61%
SSgA S&P 500	4.29%	24.58%	10.02%	15.04%	14.28%
S&P 500 Index	4.28%	24.56%	10.01%	15.05%	14.28%
<b>Small Cap Equity</b>	<b>(2.02%)</b>	<b>9.08%</b>	<b>6.18%</b>	<b>9.66%</b>	<b>11.09%</b>
Atlanta Capital	(2.02%)	9.08%	6.18%	9.66%	11.09%
Russell 2000 Index	(3.28%)	10.06%	(2.58%)	6.94%	6.85%
<b>International Equity</b>	<b>1.23%</b>	<b>12.27%</b>	<b>2.63%</b>	<b>6.91%</b>	<b>5.89%</b>
International Benchmark***	0.62%	11.14%	(0.19%)	5.33%	4.92%
<b>International Large Cap</b>	<b>0.03%</b>	<b>8.22%</b>	<b>3.31%</b>	<b>6.23%</b>	<b>5.66%</b>
SSgA EAFE	(0.31%)	11.79%	3.21%	6.82%	6.09%
Pyrford	0.21%	6.47%	3.36%	5.85%	5.38%
MSCI EAFE Index	(0.42%)	11.54%	2.89%	6.46%	5.73%
<b>International Small Cap</b>	<b>(0.35%)</b>	<b>20.15%</b>	<b>4.30%</b>	<b>9.14%</b>	<b>6.52%</b>
AQR	(0.35%)	20.15%	4.30%	9.14%	6.52%
MSCI EAFE Small Cap Index	(1.84%)	7.78%	(3.35%)	4.19%	3.74%
<b>Emerging Markets Equity</b>	<b>5.68%</b>	<b>15.27%</b>	<b>(0.06%)</b>	<b>6.35%</b>	<b>5.60%</b>
DFA Emerging Markets	5.68%	15.27%	(0.06%)	6.35%	5.60%
MSCI Emerging Markets Index	5.00%	12.55%	(5.07%)	3.10%	3.54%
<b>Domestic Fixed Income</b>	<b>0.03%</b>	<b>2.76%</b>	<b>(2.96%)</b>	<b>0.44%</b>	<b>1.54%</b>
TCW	0.03%	2.76%	(2.96%)	0.44%	1.54%
Bloomberg Aggregate Index	0.07%	2.63%	(3.02%)	(0.23%)	0.86%
<b>Real Estate</b>	<b>(0.93%)</b>	<b>(6.76%)</b>	<b>2.70%</b>	-	-
Clarion Lion Fund	(1.72%)	(9.76%)	0.38%	-	-
Morgan Stanley	(0.18%)	(3.77%)	5.04%	-	-
NCREIF NFI-ODCE Value Weight	(0.45%)	(9.25%)	1.90%	3.16%	4.38%
<b>Total Plan</b>	<b>0.68%</b>	<b>11.45%</b>	<b>3.97%</b>	<b>8.06%</b>	<b>7.75%</b>
Target*	1.25%	10.93%	2.56%	7.20%	7.14%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

\*\* 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 June 30, 2024. 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 June 30, 2024

	Last 10 Years	Last 15 Years	Last 20 Years	Last 30-1/4 Years
<b>Domestic Equity</b>	<b>11.58%</b>	<b>14.18%</b>	<b>10.41%</b>	-
Domestic Equity Benchmark**	11.77%	14.20%	9.93%	10.57%
Russell 1000 Value Index	8.23%	11.78%	8.13%	9.55%
S&P 500 Index	12.86%	14.82%	10.29%	10.72%
Russell 2000 Index	7.00%	11.24%	7.85%	8.65%
<b>International Equity</b>	<b>4.54%</b>	<b>6.53%</b>	<b>5.62%</b>	-
MSCI EAFE Index	4.33%	6.76%	5.63%	5.23%
<b>Domestic Fixed Income</b>	<b>1.88%</b>	<b>4.08%</b>	<b>4.26%</b>	-
TCW	1.88%	4.08%	4.26%	-
Bloomberg Aggregate Index	1.35%	2.50%	3.12%	4.45%
<b>Total Plan</b>	<b>6.94%</b>	<b>9.13%</b>	<b>7.47%</b>	<b>8.67%</b>
Target*	6.50%	8.38%	6.73%	7.48%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

\*\* 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.

	12/2023- 6/2024	2023	2022	2021	2020
<b>Domestic Equity</b>	<b>10.70%</b>	<b>20.03%</b>	<b>(10.71%)</b>	<b>28.28%</b>	<b>11.16%</b>
Domestic Equity Benchmark**	12.50%	24.55%	(18.54%)	25.93%	18.94%
<b>Large Cap Equity</b>	<b>13.38%</b>	<b>19.32%</b>	<b>(10.60%)</b>	<b>30.18%</b>	<b>11.03%</b>
Boston Partners	11.44%	13.26%	(3.17%)	31.78%	2.99%
Russell 1000 Value Index	6.62%	11.46%	(7.54%)	25.16%	2.80%
SSgA S&P 500	15.28%	26.29%	(18.10%)	28.70%	18.36%
S&P 500 Index	15.29%	26.29%	(18.11%)	28.71%	18.40%
<b>Small Cap Equity</b>	<b>0.32%</b>	<b>22.65%</b>	<b>(11.15%)</b>	<b>21.00%</b>	<b>11.67%</b>
Atlanta Capital	0.32%	22.65%	(11.15%)	21.00%	11.67%
Russell 2000 Index	1.73%	16.93%	(20.44%)	14.82%	19.96%
<b>International Equity</b>	<b>4.98%</b>	<b>16.93%</b>	<b>(11.12%)</b>	<b>9.38%</b>	<b>8.48%</b>
International Benchmark***	4.96%	15.23%	(17.10%)	7.67%	11.39%
<b>International Large Cap</b>	<b>3.14%</b>	<b>16.16%</b>	<b>(9.11%)</b>	<b>9.34%</b>	<b>5.71%</b>
SSgA EAFE	5.55%	18.60%	(14.08%)	11.52%	8.27%
Pyrford	1.94%	14.97%	(6.49%)	8.22%	4.09%
MSCI EAFE Index	5.34%	18.24%	(14.45%)	11.26%	7.82%
<b>International Small Cap</b>	<b>6.16%</b>	<b>20.15%</b>	<b>(10.51%)</b>	<b>13.52%</b>	<b>7.35%</b>
AQR	6.16%	20.15%	(10.51%)	13.52%	7.35%
MSCI EAFE Small Cap Index	0.51%	13.16%	(21.39%)	10.10%	12.34%
<b>Emerging Markets Equity</b>	<b>8.30%</b>	<b>15.91%</b>	<b>(16.06%)</b>	<b>6.25%</b>	<b>14.40%</b>
DFA Emerging Markets	8.30%	15.91%	(16.06%)	6.25%	14.40%
MSCI Emerging Markets Index	7.49%	9.83%	(20.09%)	(2.54%)	18.31%
<b>Domestic Fixed Income</b>	<b>(0.92%)</b>	<b>6.24%</b>	<b>(13.48%)</b>	<b>(0.46%)</b>	<b>9.85%</b>
TCW	(0.92%)	6.24%	(13.48%)	(0.46%)	9.85%
Bloomberg Aggregate Index	(0.71%)	5.53%	(13.01%)	(1.54%)	7.51%
<b>Real Estate</b>	<b>(2.97%)</b>	<b>(10.65%)</b>	<b>8.39%</b>	-	-
Clarion Lion Fund	(4.40%)	(15.71%)	9.69%	-	-
Morgan Stanley	(1.60%)	(5.19%)	7.02%	-	-
NCREIF NFI-ODCE Value Weight	(2.80%)	(12.02%)	7.47%	22.17%	1.19%
<b>Total Plan</b>	<b>5.22%</b>	<b>12.70%</b>	<b>(9.79%)</b>	<b>15.71%</b>	<b>11.42%</b>
Target*	5.70%	13.45%	(14.03%)	12.81%	13.82%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

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.

	2019	2018	2017	2016	2015
<b>Domestic Equity</b>	<b>27.71%</b>	<b>(4.64%)</b>	<b>19.78%</b>	<b>14.58%</b>	<b>0.06%</b>
Domestic Equity Benchmark**	30.32%	(5.69%)	20.41%	13.85%	0.26%
Boston Partners	23.91%	(8.27%)	20.32%	14.71%	(3.75%)
Russell 1000 Value Index	26.54%	(8.27%)	13.66%	17.34%	(3.83%)
S&P 500 Index	31.49%	(4.38%)	21.83%	11.96%	1.38%
Russell 2000 Index	25.52%	(11.01%)	14.65%	21.31%	(4.41%)
<b>International Equity</b>	<b>20.83%</b>	<b>(13.93%)</b>	<b>28.25%</b>	<b>2.55%</b>	<b>(4.17%)</b>
MSCI EAFE Index	22.01%	(13.79%)	25.03%	1.00%	(0.81%)
<b>Domestic Fixed Income</b>	<b>9.41%</b>	<b>0.75%</b>	<b>3.89%</b>	<b>2.87%</b>	<b>0.51%</b>
TCW	9.41%	0.75%	3.89%	2.87%	0.51%
Bloomberg Aggregate Index	8.72%	0.01%	3.54%	2.65%	0.55%
<b>Total Plan</b>	<b>19.25%</b>	<b>(5.05%)</b>	<b>16.14%</b>	<b>7.65%</b>	<b>(0.97%)</b>
Target*	20.58%	(5.82%)	16.39%	7.40%	(0.71%)

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

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 June 30, 2024. 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 June 30, 2024					
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Net of Fee Returns</b>					
<b>Domestic Equity</b>	<b>0.89%</b>	<b>19.90%</b>	<b>8.82%</b>	<b>12.77%</b>	<b>12.19%</b>
Domestic Equity Benchmark**	2.75%	21.66%	7.48%	13.51%	12.86%
<b>Large Cap Equity</b>	<b>1.63%</b>	<b>22.94%</b>	<b>9.64%</b>	<b>13.76%</b>	<b>12.65%</b>
Boston Partners	(1.03%)	21.29%	9.20%	12.23%	10.80%
Russell 1000 Value Index	(2.17%)	13.06%	5.52%	9.01%	8.61%
SSgA S&P 500	4.27%	24.52%	9.96%	14.99%	14.22%
S&P 500 Index	4.28%	24.56%	10.01%	15.05%	14.28%
<b>Small Cap Equity</b>	<b>(2.21%)</b>	<b>8.22%</b>	<b>5.40%</b>	<b>8.84%</b>	<b>10.25%</b>
Atlanta Capital	(2.21%)	8.22%	5.40%	8.84%	10.25%
Russell 2000 Index	(3.28%)	10.06%	(2.58%)	6.94%	6.85%
<b>International Equity</b>	<b>1.12%</b>	<b>11.69%</b>	<b>2.11%</b>	<b>6.34%</b>	<b>5.30%</b>
International Equity Benchmark***	0.62%	11.14%	(0.19%)	5.33%	4.92%
<b>International Large Cap</b>	<b>(0.09%)</b>	<b>7.71%</b>	<b>2.85%</b>	<b>5.75%</b>	<b>5.16%</b>
SSgA EAFE	(0.34%)	11.68%	3.11%	6.71%	5.99%
Pyrford	0.04%	5.77%	2.72%	5.19%	4.70%
MSCI EAFE Index	(0.42%)	11.54%	2.89%	6.46%	5.73%
<b>International Small Cap</b>	<b>(0.49%)</b>	<b>19.23%</b>	<b>3.45%</b>	<b>8.24%</b>	<b>5.61%</b>
AQR	(0.49%)	19.23%	3.45%	8.24%	5.61%
MSCI EAFE Small Cap Index	(1.84%)	7.78%	(3.35%)	4.19%	3.74%
<b>Emerging Markets Equity</b>	<b>5.57%</b>	<b>14.82%</b>	<b>(0.45%)</b>	<b>5.90%</b>	<b>5.12%</b>
DFA Emerging Markets	5.57%	14.82%	(0.45%)	5.90%	5.12%
MSCI Emerging Markets Index	5.00%	12.55%	(5.07%)	3.10%	3.54%
<b>Domestic Fixed Income</b>	<b>(0.04%)</b>	<b>2.55%</b>	<b>(3.20%)</b>	<b>0.17%</b>	<b>1.28%</b>
TCW	(0.04%)	2.55%	(3.20%)	0.17%	1.28%
Bloomberg Aggregate Index	0.07%	2.63%	(3.02%)	(0.23%)	0.86%
<b>Real Estate</b>	<b>(1.21%)</b>	<b>(7.70%)</b>	<b>1.70%</b>	-	-
Clarion Lion Fund	(1.99%)	(10.75%)	(0.71%)	-	-
Morgan Stanley	(0.47%)	(4.65%)	4.14%	-	-
NCREIF NFI-ODCE Value Weight	(0.45%)	(9.25%)	1.90%	3.16%	4.38%
<b>Total Plan</b>	<b>0.57%</b>	<b>10.97%</b>	<b>3.51%</b>	<b>7.61%</b>	<b>7.31%</b>
Target*	1.25%	10.93%	2.56%	7.20%	7.14%

\* Current Quarter Target = 32.0% S&P 500 Index, 25.0% Blmbg:Aggregate, 14.0% MSCI EAFE, 10.0% NCREIF NFI-ODCE Val Wt Gr, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small.

\*\* 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 June 30, 2024

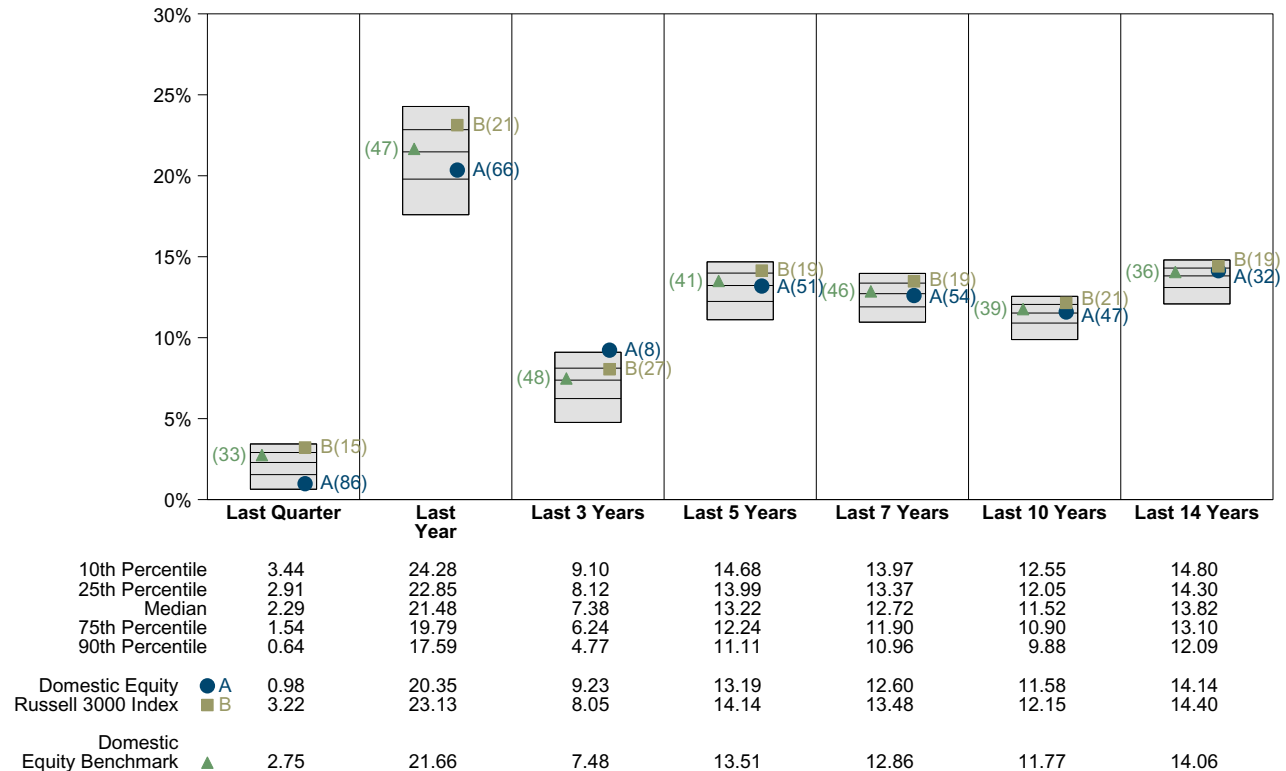
## Investment Philosophy

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.

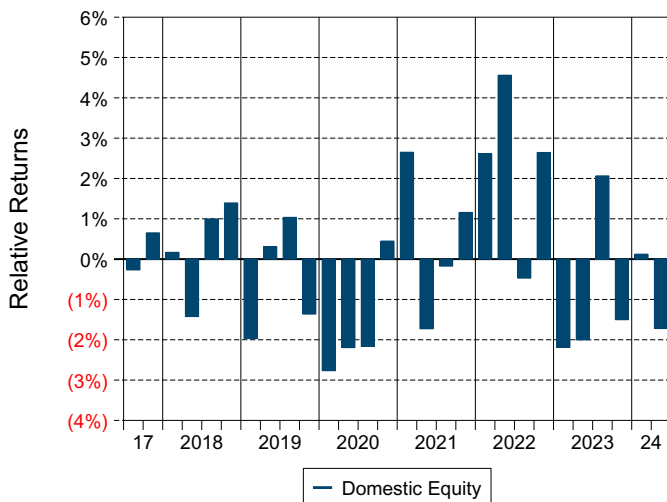
## Quarterly Summary and Highlights

- Domestic Equity's portfolio posted a 0.98% return for the quarter placing it in the 86 percentile of the Fund Sponsor - Domestic Equity group for the quarter and in the 66 percentile for the last year.
- Domestic Equity's portfolio underperformed the Domestic Equity Benchmark by 1.77% for the quarter and underperformed the Domestic Equity Benchmark for the year by 1.31%.

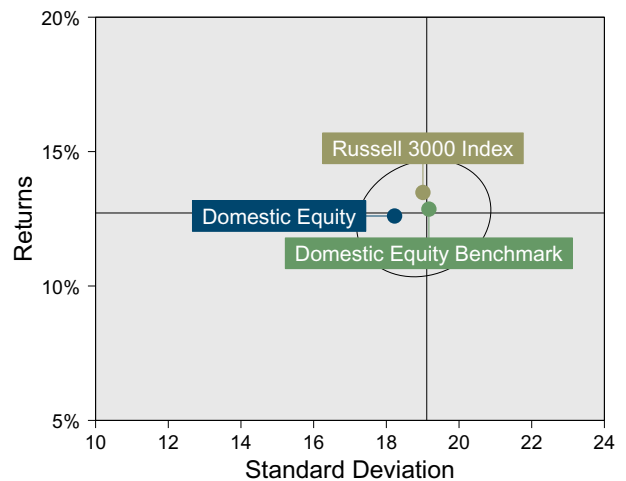
## Performance vs Fund Sponsor - Domestic Equity (Gross)



## Relative Returns vs Domestic Equity Benchmark



## Fund Sponsor - Domestic Equity (Gross) Annualized Seven Year Risk vs Return

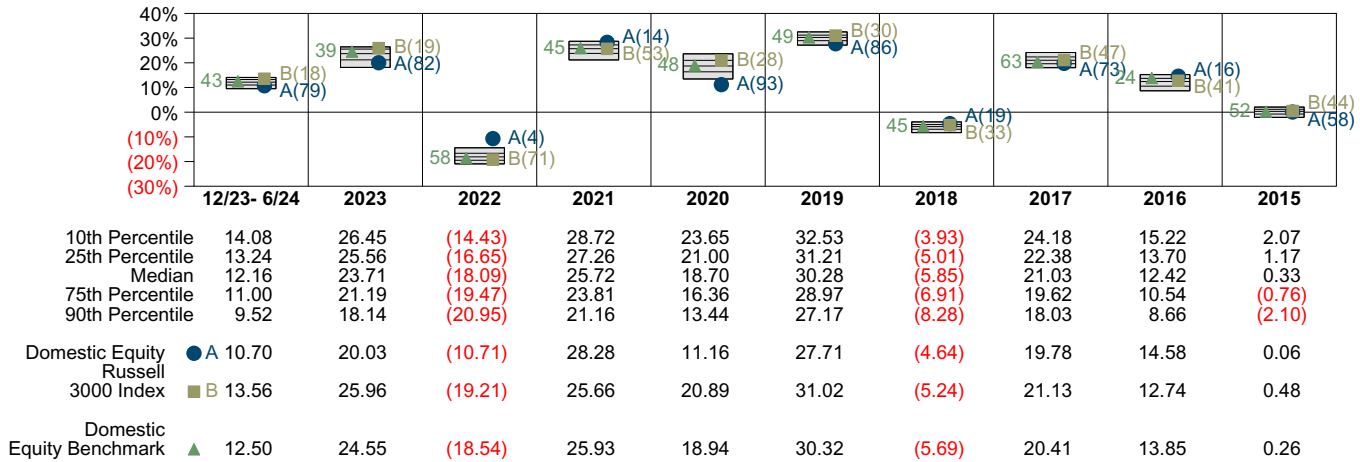


# Domestic Equity Return Analysis Summary

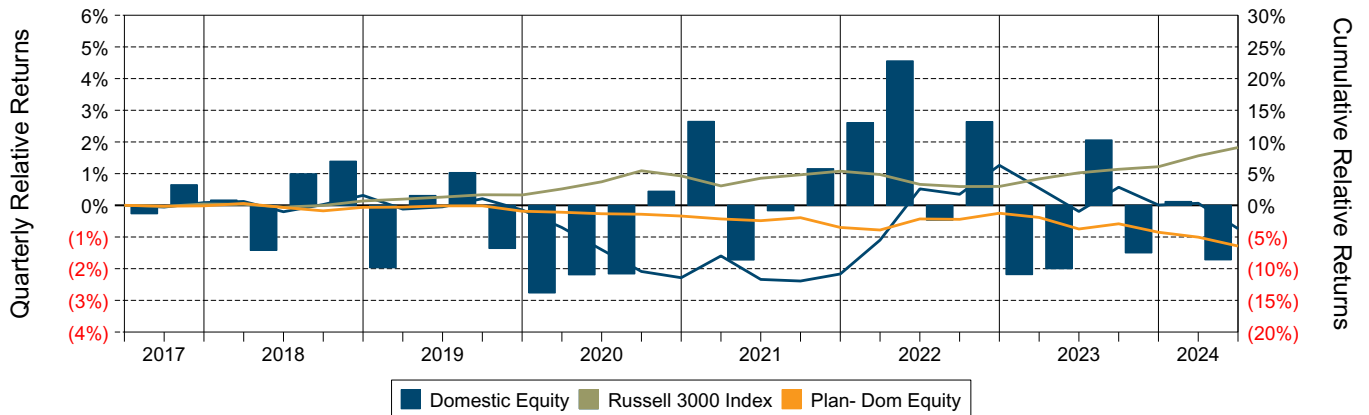
## Return Analysis

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.

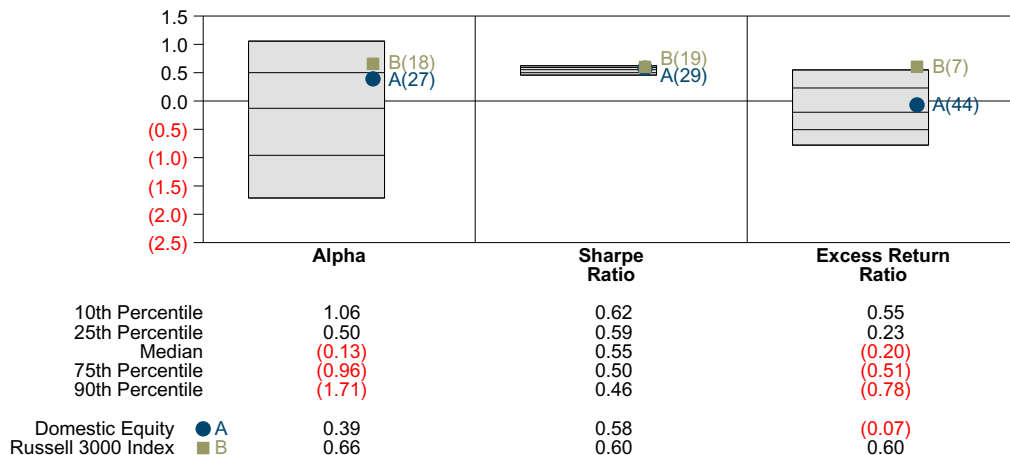
### Performance vs Fund Sponsor - Domestic Equity (Gross)



### Cumulative and Quarterly Relative Returns vs Domestic Equity Benchmark



### Risk Adjusted Return Measures vs Domestic Equity Benchmark Rankings Against Fund Sponsor - Domestic Equity (Gross) Seven Years Ended June 30, 2024



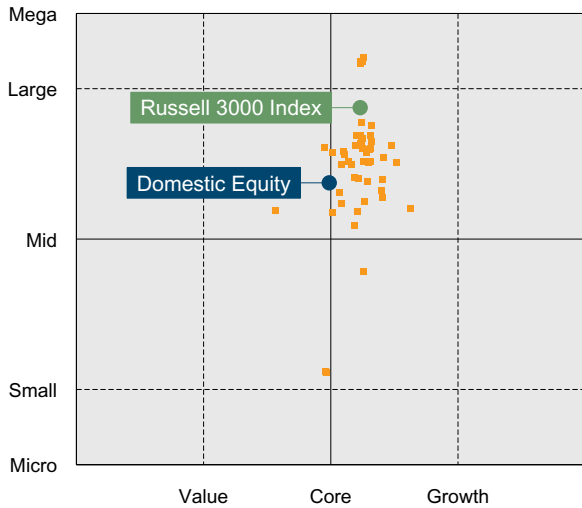
# Current Holdings Based Style Analysis

## Domestic Equity

### As of June 30, 2024

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.

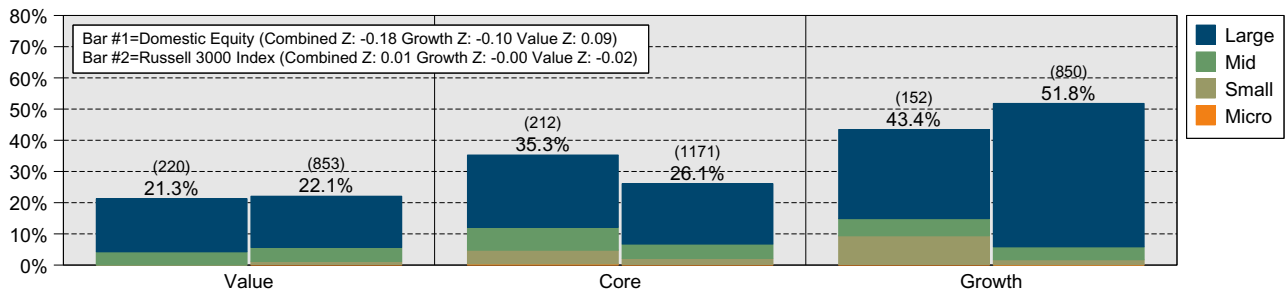
**Style Map vs Plan- Dom Equity Holdings as of June 30, 2024**



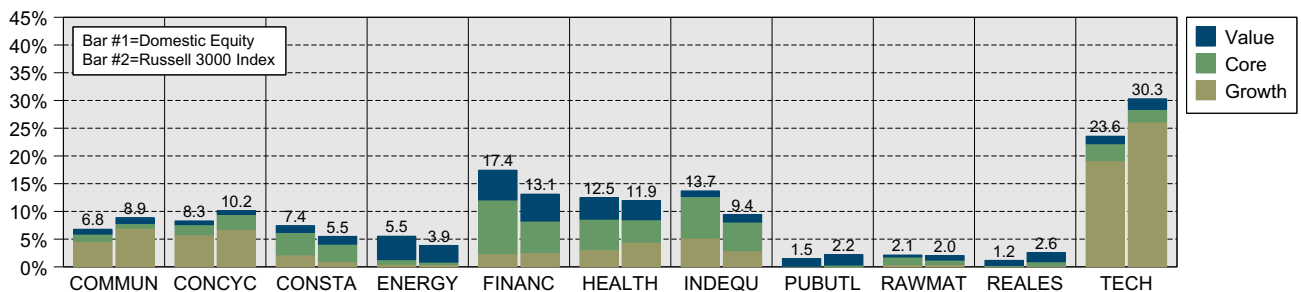
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Large	17.0% (101)	23.2% (93)	28.6% (80)	68.8% (274)
	16.4% (101)	19.4% (93)	46.0% (93)	81.7% (287)
Mid	4.2% (117)	7.4% (96)	5.5% (43)	17.0% (256)
	4.5% (166)	4.6% (203)	4.1% (207)	13.3% (576)
Small	0.1% (2)	4.4% (21)	9.2% (28)	13.7% (51)
	1.0% (261)	2.0% (508)	1.6% (381)	4.6% (1150)
Micro	0.0% (0)	0.3% (2)	0.2% (1)	0.5% (3)
	0.2% (325)	0.2% (367)	0.1% (169)	0.4% (861)
<b>Total</b>	<b>21.3% (220)</b>	<b>35.3% (212)</b>	<b>43.4% (152)</b>	<b>100.0% (584)</b>
	<b>22.1% (853)</b>	<b>26.1% (1171)</b>	<b>51.8% (850)</b>	<b>100.0% (2874)</b>

### Combined Z-Score Style Distribution Holdings as of June 30, 2024



### Sector Weights Distribution Holdings as of June 30, 2024



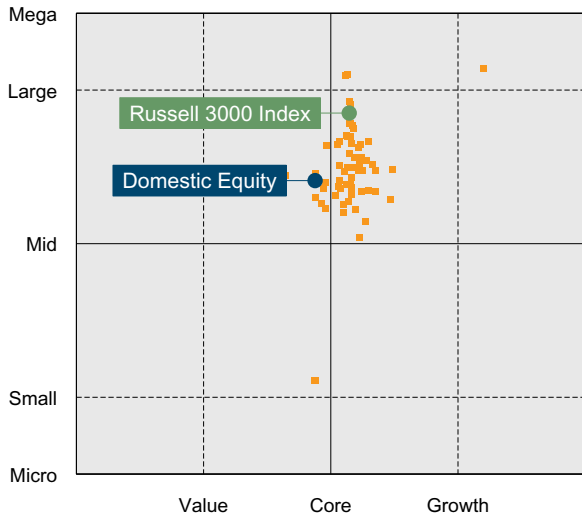
# Historical Holdings Based Style Analysis

## Domestic Equity

### For Five Years Ended June 30, 2024

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.

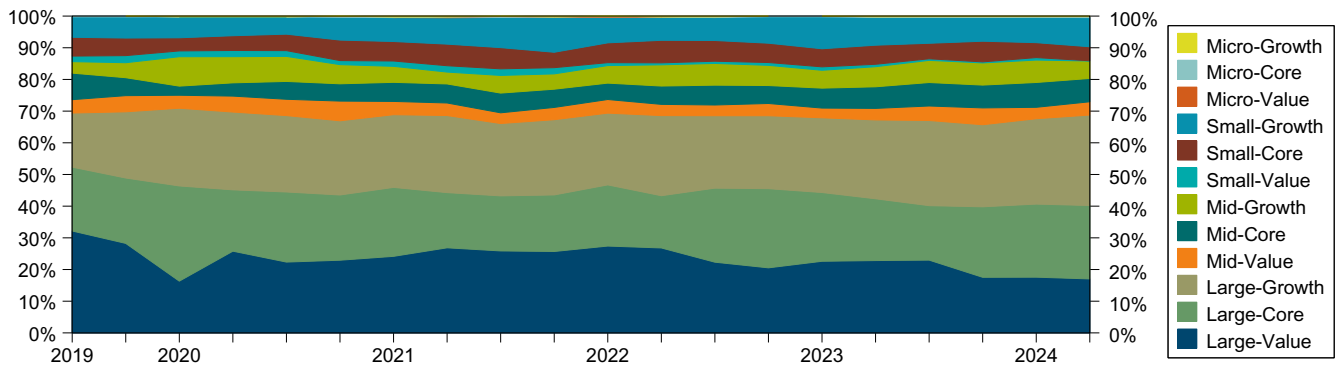
**Average Style Map vs Plan- Dom Equity Holdings for Five Years Ended June 30, 2024**



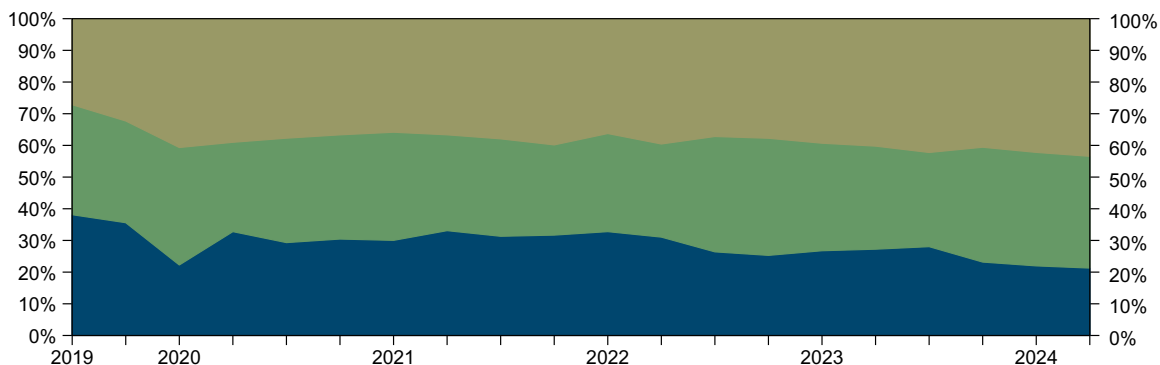
**Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2024**

Large	23.4% (96)	20.9% (96)	23.9% (87)	<b>68.3% (279)</b>
	19.3% (97)	20.6% (96)	38.6% (103)	<b>78.5% (296)</b>
Mid	4.2% (105)	6.1% (84)	6.2% (57)	<b>16.5% (246)</b>
	4.6% (164)	5.1% (207)	5.5% (223)	<b>15.2% (594)</b>
Small	1.3% (10)	5.7% (21)	7.9% (24)	<b>14.9% (55)</b>
	1.5% (298)	2.3% (506)	2.0% (383)	<b>5.7% (1187)</b>
Micro	0.0% (0)	0.2% (1)	0.1% (1)	<b>0.4% (2)</b>
	0.2% (314)	0.3% (415)	0.1% (162)	<b>0.7% (891)</b>
Total	<b>28.9% (211)</b>	<b>32.9% (202)</b>	<b>38.1% (169)</b>	<b>100.0% (582)</b>
	<b>25.6% (873)</b>	<b>28.3% (1224)</b>	<b>46.2% (871)</b>	<b>100.0% (2968)</b>
	Value	Core	Growth	Total

### Domestic Equity Historical Cap/Style Exposures



### Domestic Equity Historical Style Only Exposures

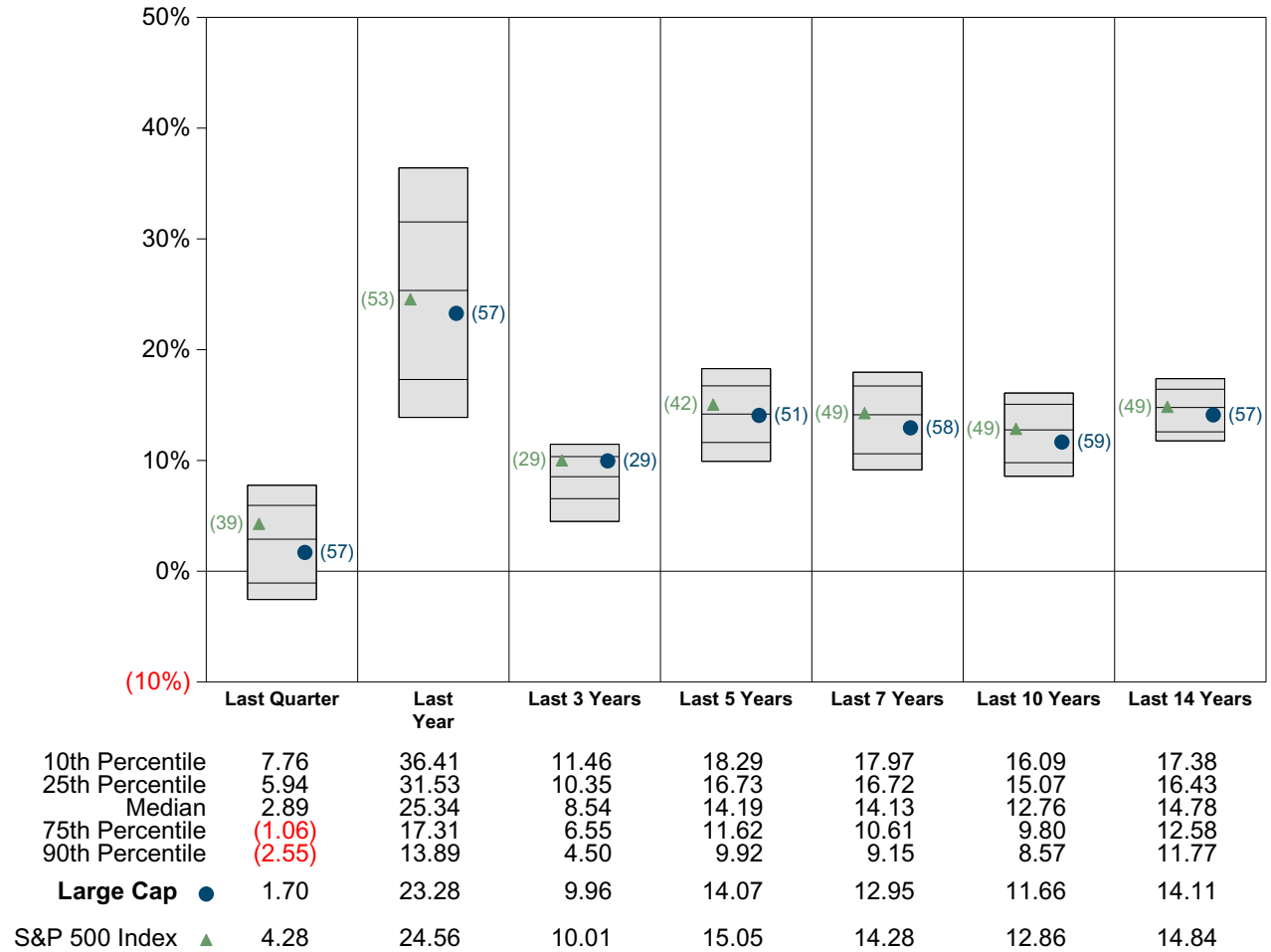


# Large Cap Period Ended June 30, 2024

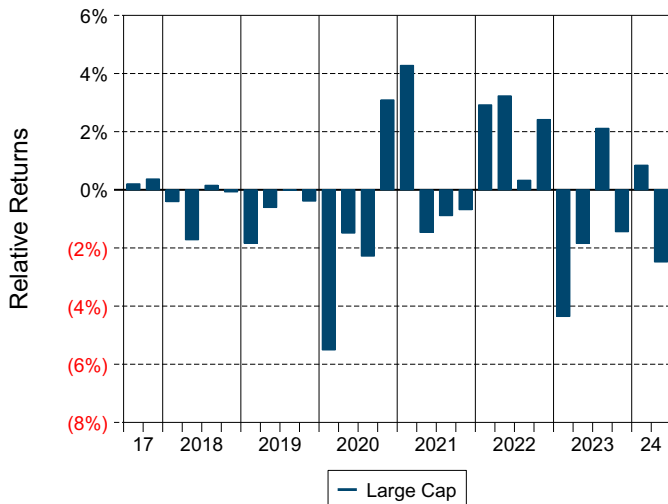
## Quarterly Summary and Highlights

- Large Cap's portfolio posted a 1.70% return for the quarter placing it in the 57 percentile of the Callan Large Capitalization group for the quarter and in the 57 percentile for the last year.
- Large Cap's portfolio underperformed the S&P 500 Index by 2.59% for the quarter and underperformed the S&P 500 Index for the year by 1.28%.

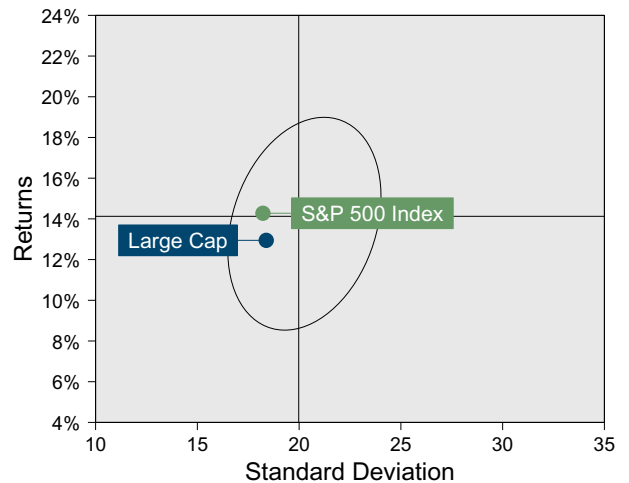
## Performance vs Callan Large Capitalization (Gross)



Relative Return vs S&P 500 Index



Callan Large Capitalization (Gross)  
Annualized Seven Year Risk vs Return

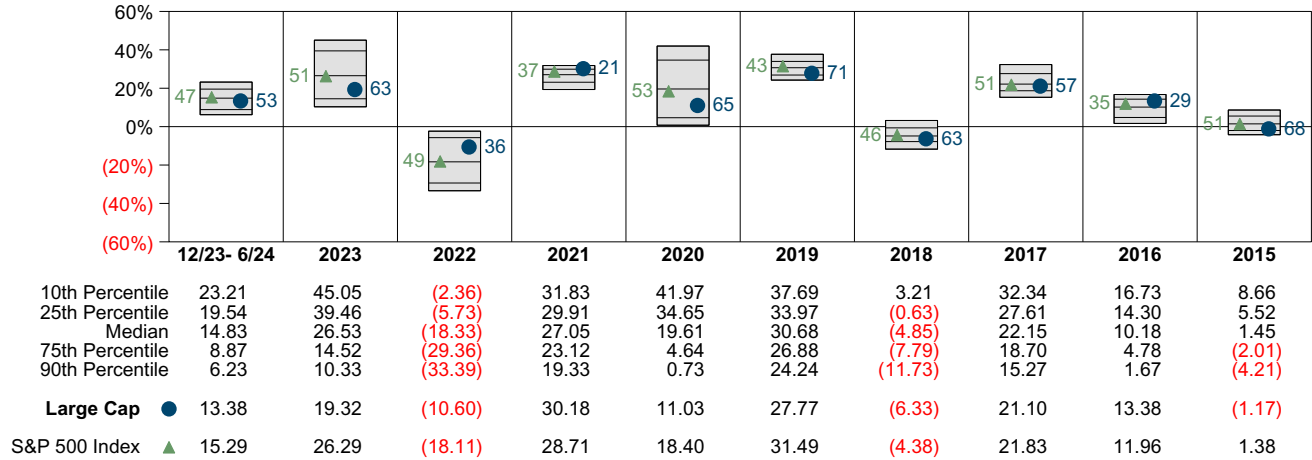


# Large Cap Return Analysis Summary

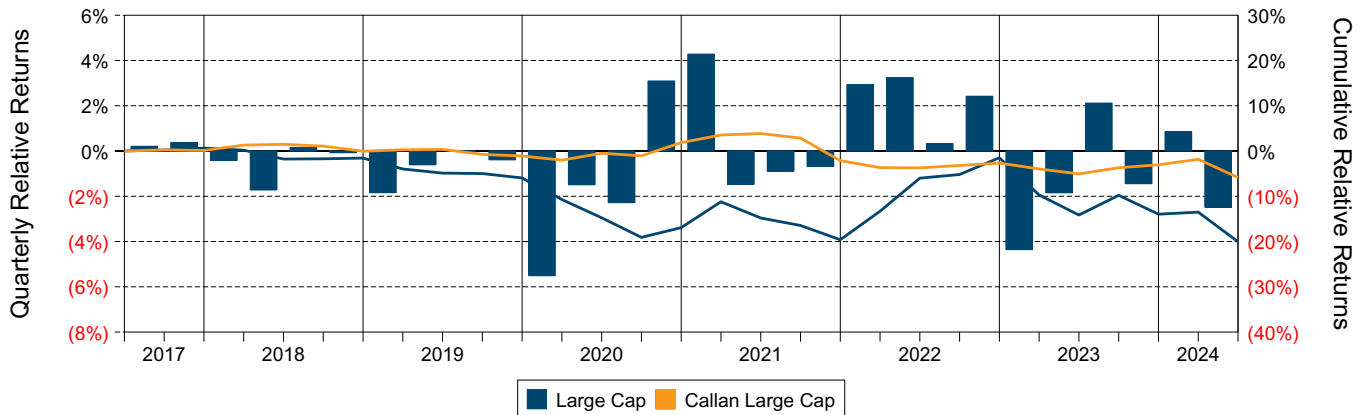
## Return Analysis

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.

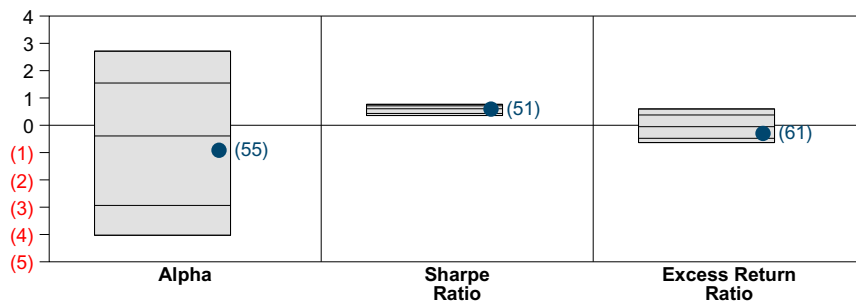
### Performance vs Callan Large Capitalization (Gross)



### Cumulative and Quarterly Relative Returns vs S&P 500 Index



### Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Capitalization (Gross) Seven Years Ended June 30, 2024



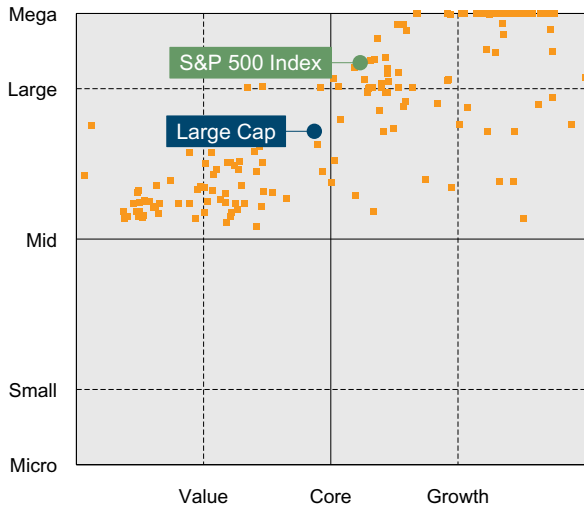


# Current Holdings Based Style Analysis

## Large Cap As of June 30, 2024

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.

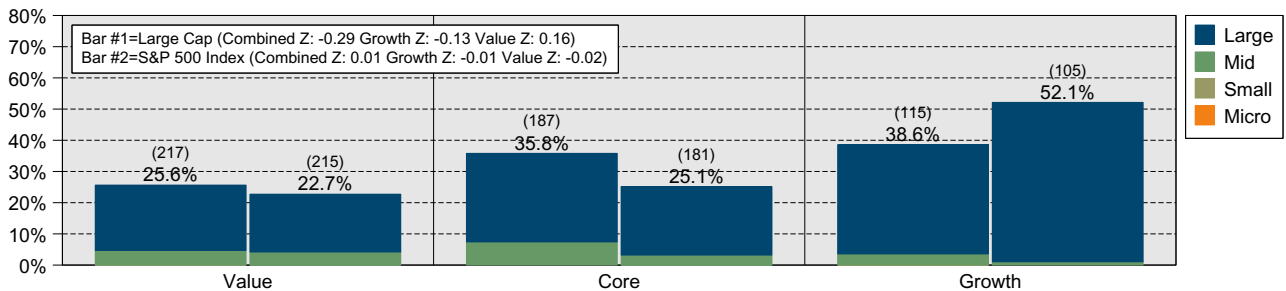
**Style Map vs Callan Large Cap Holdings as of June 30, 2024**



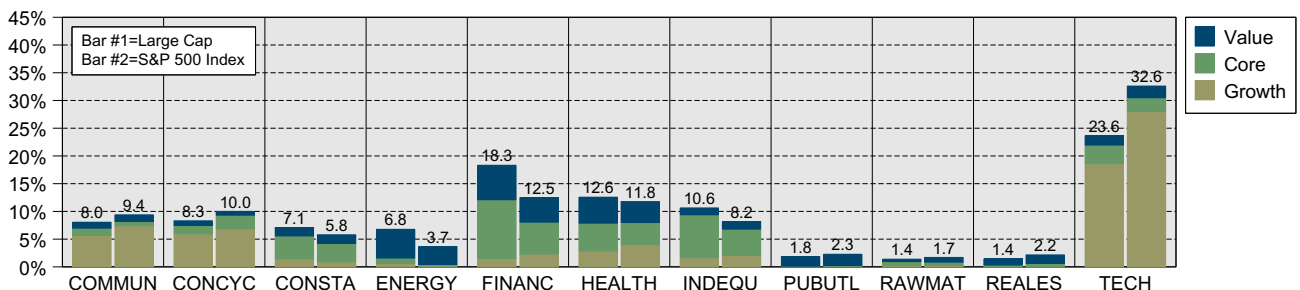
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Large	20.9% (101)	28.4% (93)	35.0% (80)	84.2% (274)
	18.5% (101)	21.9% (93)	51.1% (77)	91.5% (271)
Mid	4.8% (115)	7.4% (94)	3.5% (34)	15.7% (243)
	4.2% (114)	3.2% (88)	1.1% (28)	8.5% (230)
Small	0.0% (1)	0.0% (0)	0.1% (1)	0.1% (2)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
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	25.6% (217)	35.8% (187)	38.6% (115)	100.0% (519)
	22.7% (215)	25.1% (181)	52.1% (105)	100.0% (501)

### Combined Z-Score Style Distribution Holdings as of June 30, 2024



### Sector Weights Distribution Holdings as of June 30, 2024



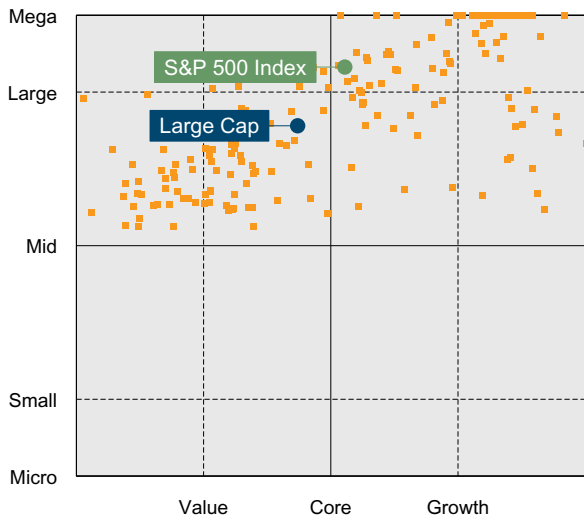
# Historical Holdings Based Style Analysis

## Large Cap

### For Five Years Ended June 30, 2024

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.

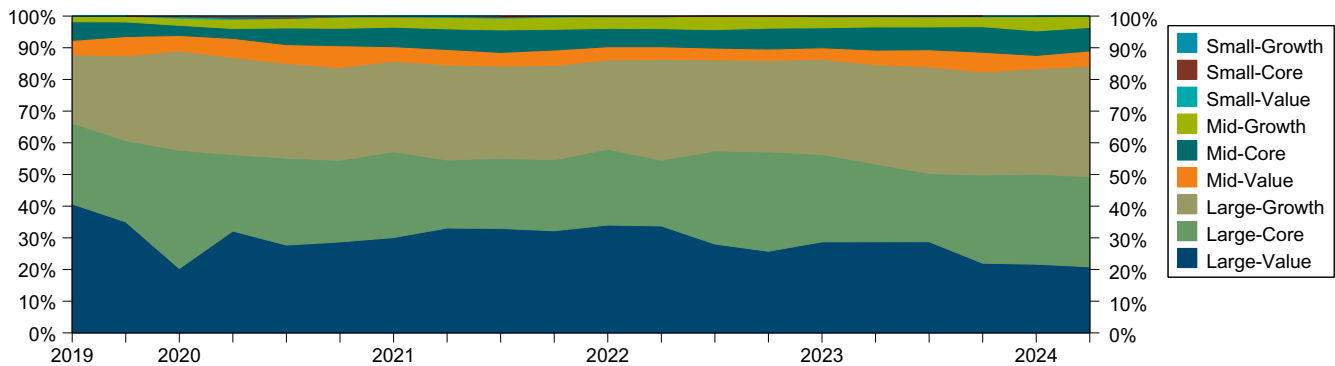
**Average Style Map vs Callan Large Cap Holdings for Five Years Ended June 30, 2024**



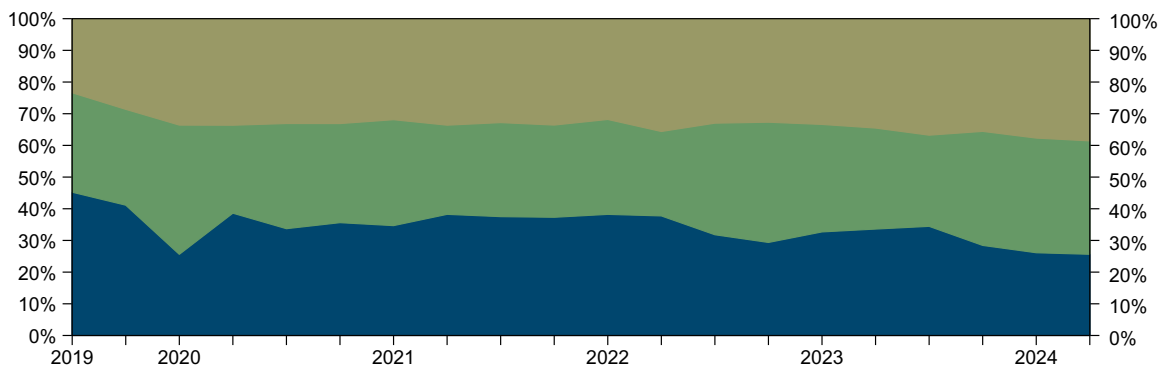
**Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2024**

Large	29.3% (96)	26.1% (96)	30.0% (87)	<b>85.4% (279)</b>
	22.7% (96)	24.2% (94)	43.5% (85)	<b>90.4% (275)</b>
Mid	4.9% (103)	6.1% (81)	3.3% (49)	<b>14.3% (233)</b>
	4.1% (102)	3.3% (76)	2.1% (45)	<b>9.5% (223)</b>
Small	0.2% (4)	0.1% (2)	0.0% (1)	<b>0.3% (7)</b>
	0.0% (4)	0.0% (2)	0.0% (1)	<b>0.1% (7)</b>
Micro	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
Total	<b>34.3% (203)</b>	<b>32.4% (179)</b>	<b>33.3% (137)</b>	<b>100.0% (519)</b>
	<b>26.8% (202)</b>	<b>27.5% (172)</b>	<b>45.6% (131)</b>	<b>100.0% (505)</b>
	Value	Core	Growth	Total

**Large Cap Historical Cap/Style Exposures**



**Large Cap Historical Style Only Exposures**



# SSgA S&P 500

## Period Ended June 30, 2024

### Investment Philosophy

Returns prior to 6/30/2012 are linked to a composite history.

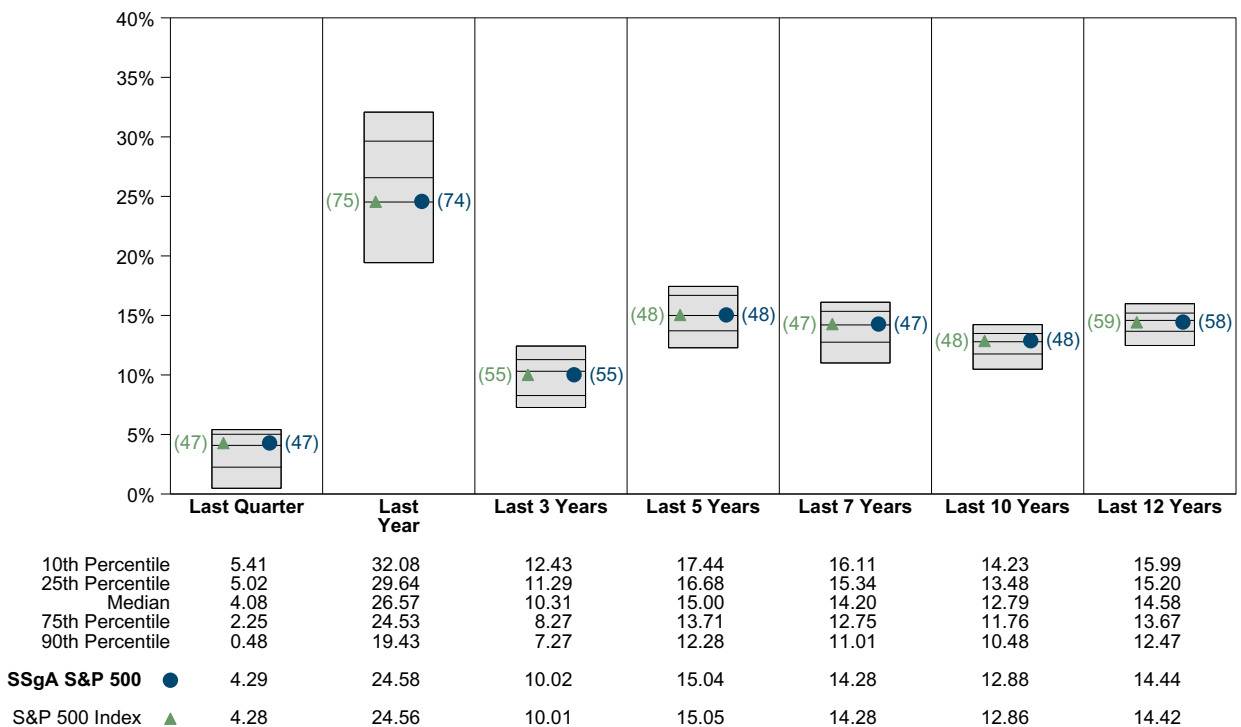
### Quarterly Summary and Highlights

- SSgA S&P 500's portfolio posted a 4.29% return for the quarter placing it in the 47 percentile of the Callan Large Cap Core group for the quarter and in the 74 percentile for the last year.
- SSgA S&P 500's portfolio outperformed the S&P 500 Index by 0.00% for the quarter and outperformed the S&P 500 Index for the year by 0.02%.

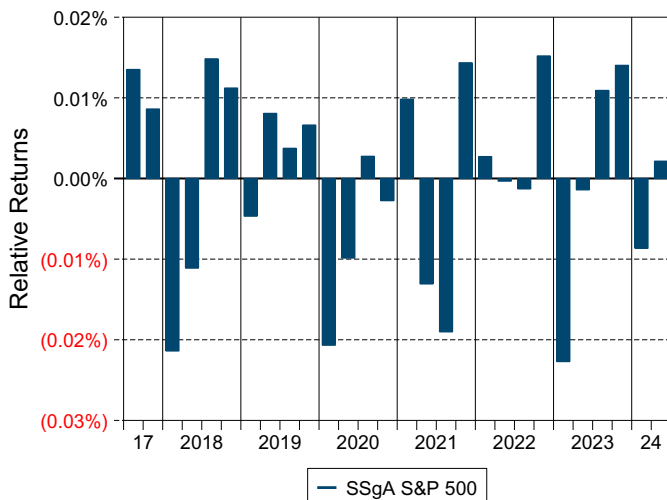
### Quarterly Asset Growth

Beginning Market Value	\$71,607,195
Net New Investment	\$-138,705
Investment Gains/(Losses)	\$3,068,190
Ending Market Value	\$74,536,680

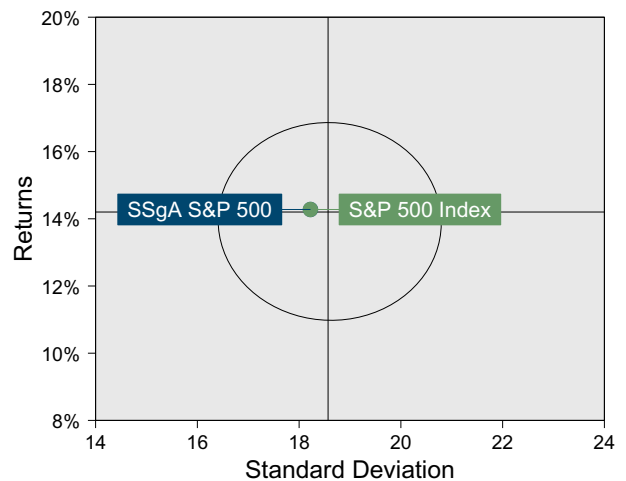
### Performance vs Callan Large Cap Core (Gross)



### Relative Return vs S&P 500 Index



### Callan Large Cap Core (Gross) Annualized Seven Year Risk vs Return

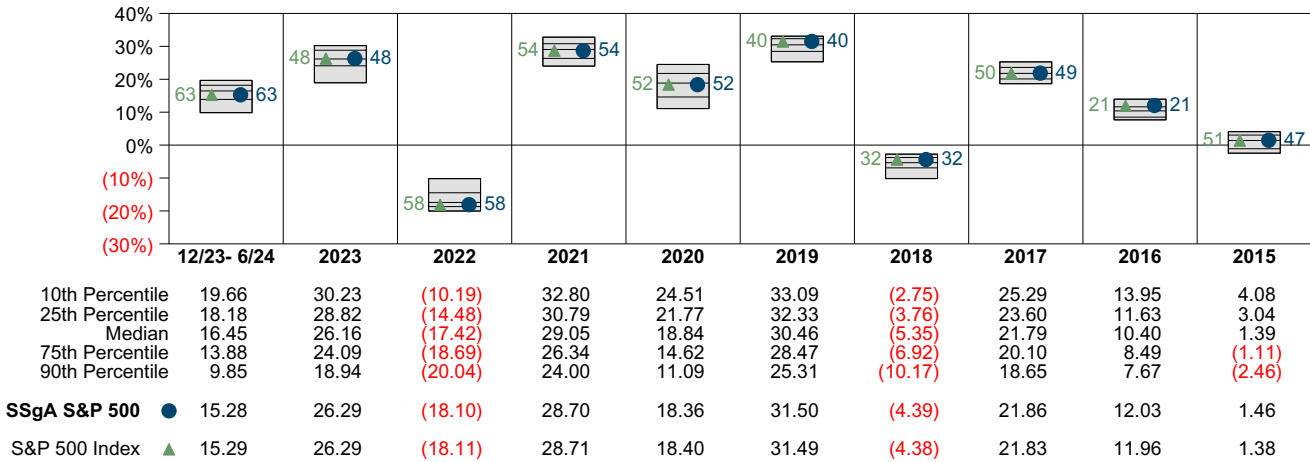


# SSgA S&P 500 Return Analysis Summary

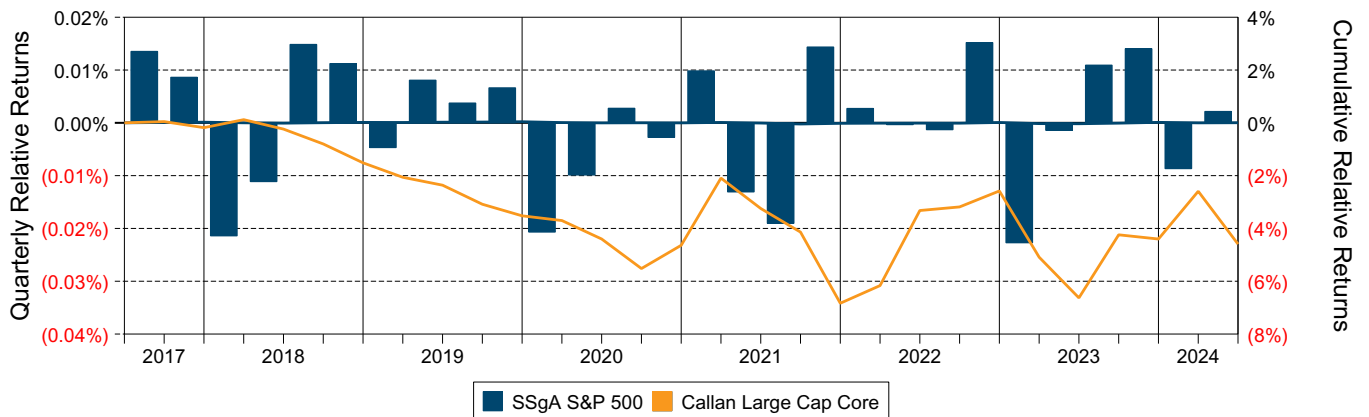
## Return Analysis

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.

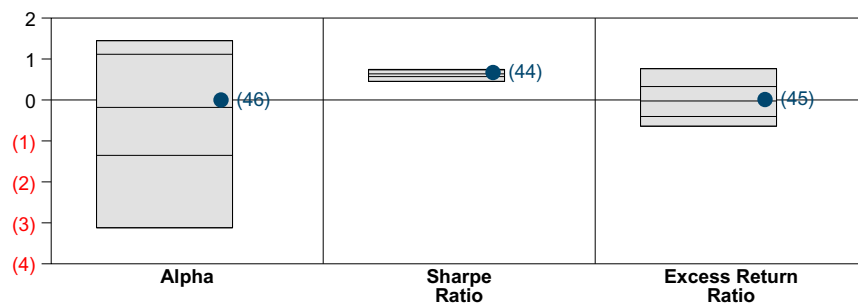
### Performance vs Callan Large Cap Core (Gross)



### Cumulative and Quarterly Relative Returns vs S&P 500 Index



### Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Cap Core (Gross) Seven Years Ended June 30, 2024



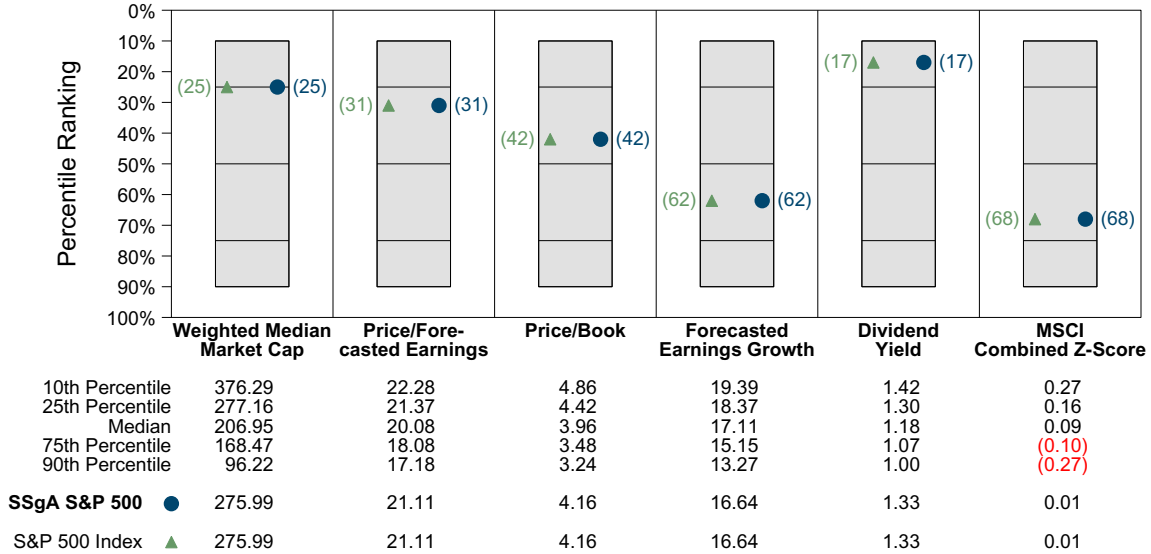
10th Percentile	1.45	0.74	0.76
25th Percentile	1.12	0.73	0.33
Median	(0.18)	0.64	(0.02)
75th Percentile	(1.35)	0.57	(0.40)
90th Percentile	(3.12)	0.45	(0.64)
<b>SSgA S&amp;P 500</b>	● (0.00)	0.67	0.01

# SSgA S&P 500 Equity Characteristics Analysis Summary

## Portfolio Characteristics

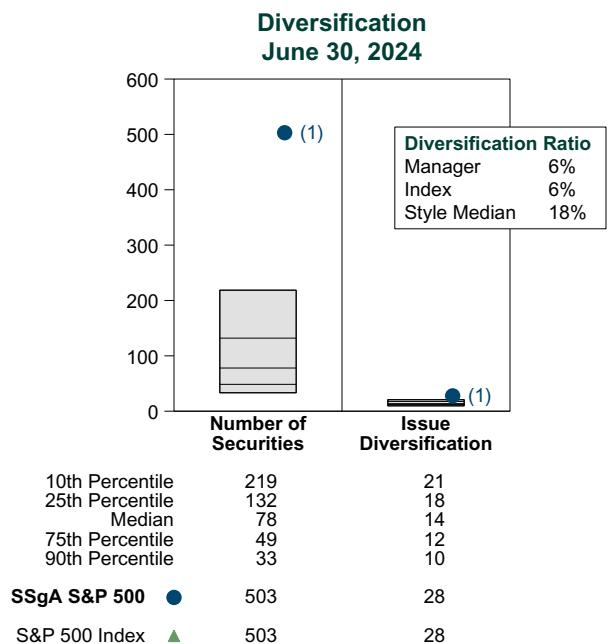
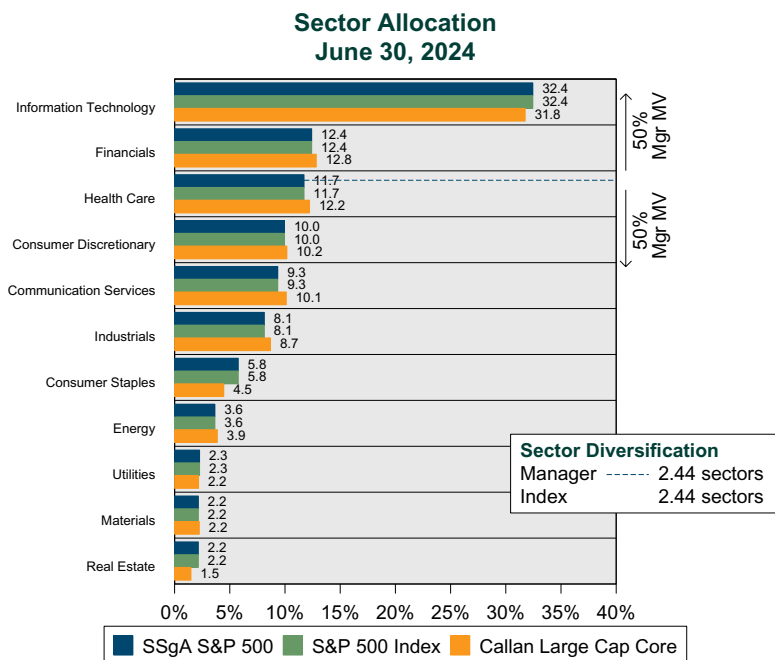
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Core as of June 30, 2024



## 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.



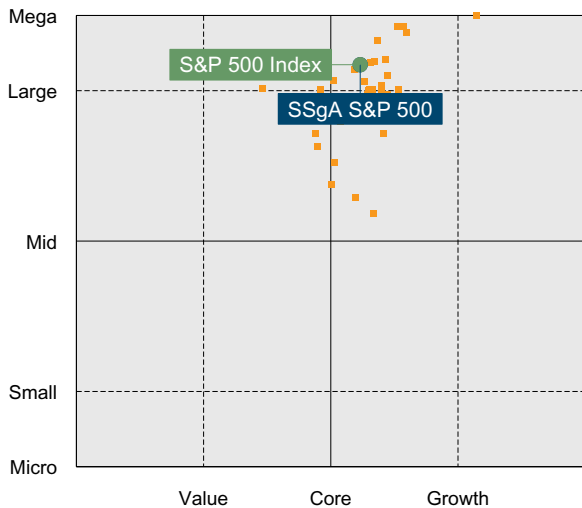
# Current Holdings Based Style Analysis

## SSgA S&P 500

### As of June 30, 2024

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.

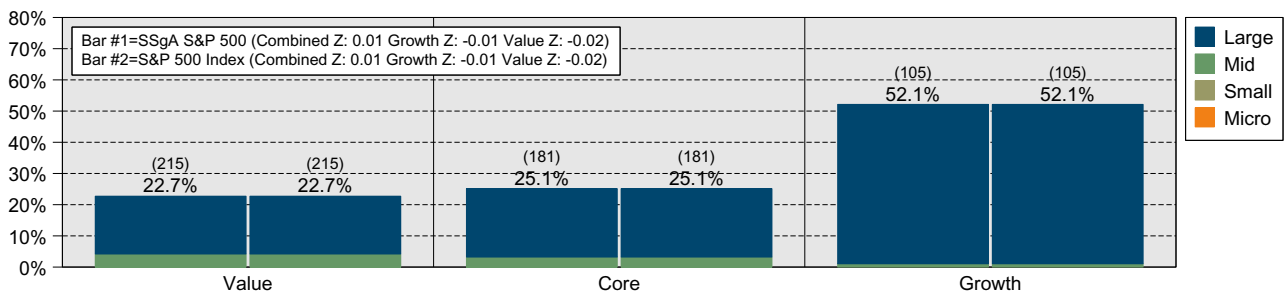
**Style Map vs Callan Large Cap Core Holdings as of June 30, 2024**



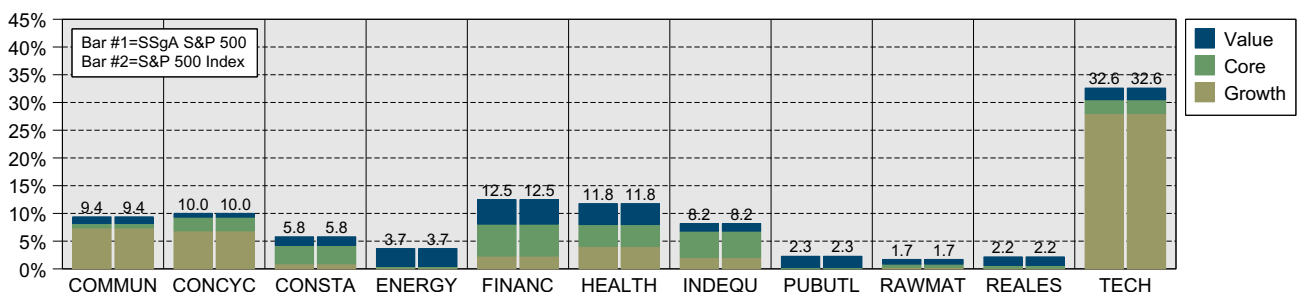
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Large	18.5% (101)	21.9% (93)	51.1% (77)	91.5% (271)
Mid	4.2% (114)	3.2% (88)	1.1% (28)	8.5% (230)
Small	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>22.7% (215)</b>	<b>25.1% (181)</b>	<b>52.1% (105)</b>	<b>100.0% (501)</b>

**Combined Z-Score Style Distribution Holdings as of June 30, 2024**



**Sector Weights Distribution Holdings as of June 30, 2024**



# Boston Partners Period Ended June 30, 2024

## Investment Philosophy

Boston Partners was funded 6/27/05. The first full quarter for this portfolio is 3rd quarter 2005.

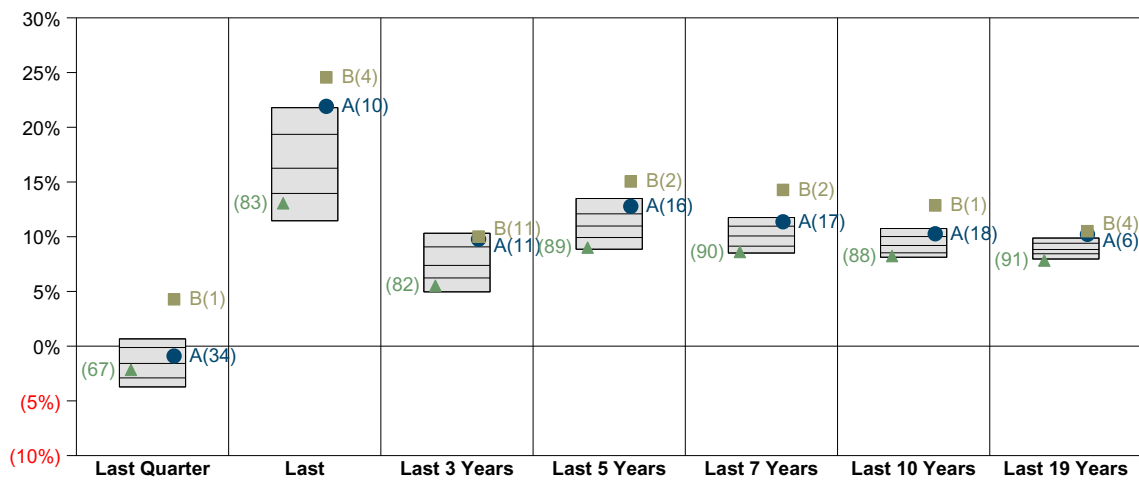
## Quarterly Summary and Highlights

- Boston Partners's portfolio posted a (0.90)% return for the quarter placing it in the 34 percentile of the Callan Large Cap Value group for the quarter and in the 10 percentile for the last year.
- Boston Partners's portfolio outperformed the Russell 1000 Value Index by 1.26% for the quarter and outperformed the Russell 1000 Value Index for the year by 8.86%.

## Quarterly Asset Growth

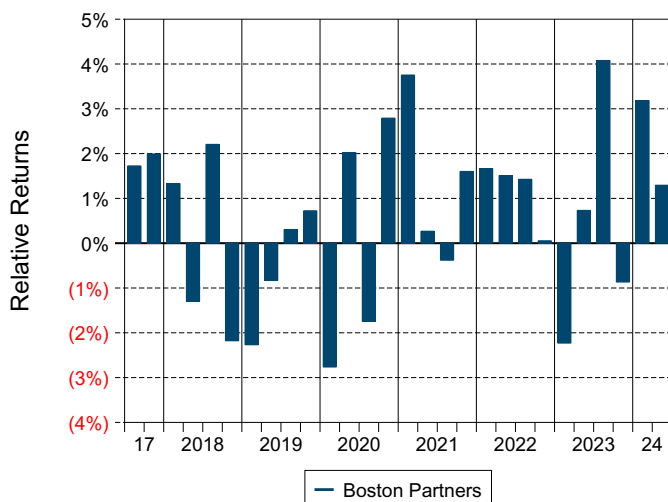
Beginning Market Value	\$71,484,935
Net New Investment	\$-210,406
Investment Gains/(Losses)	\$-645,923
Ending Market Value	\$70,628,606

## Performance vs Callan Large Cap Value (Gross)

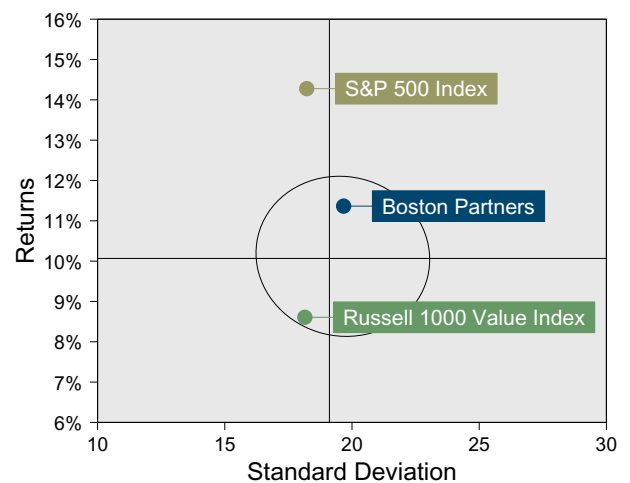


10th Percentile	0.67	21.79	10.32	13.49	11.75	10.75	9.88
25th Percentile	(0.12)	19.35	9.07	12.09	10.96	10.02	9.40
Median	(1.58)	16.26	7.38	10.98	10.07	9.20	8.83
75th Percentile	(2.90)	13.96	6.23	9.93	9.14	8.53	8.44
90th Percentile	(3.73)	11.46	4.96	8.85	8.51	8.12	7.96
Boston Partners	● A (0.90)	21.91	9.77	12.78	11.36	10.27	10.21
S&P 500 Index	■ B 4.28	24.56	10.01	15.05	14.28	12.86	10.50
Russell 1000 Value Index	▲ (2.17)	13.06	5.52	9.01	8.61	8.23	7.83

## Relative Return vs Russell 1000 Value Index



## Callan Large Cap Value (Gross) Annualized Seven Year Risk vs Return

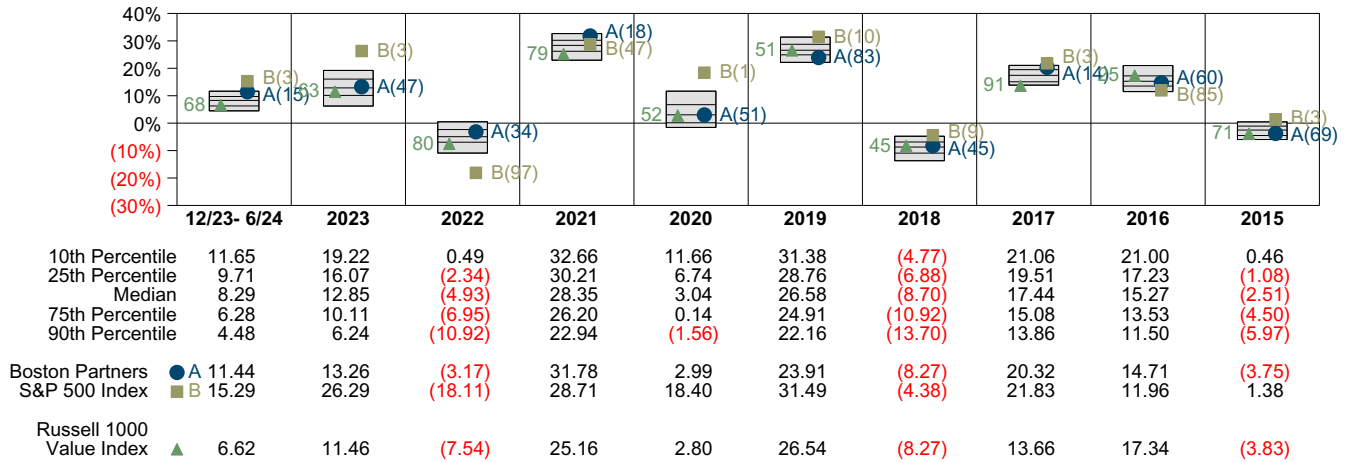


# Boston Partners Return Analysis Summary

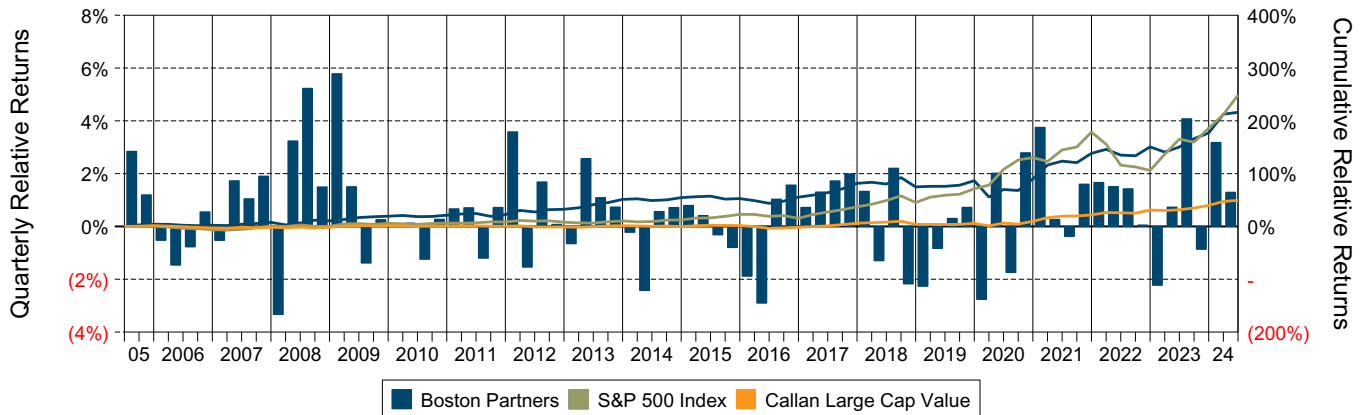
## Return Analysis

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.

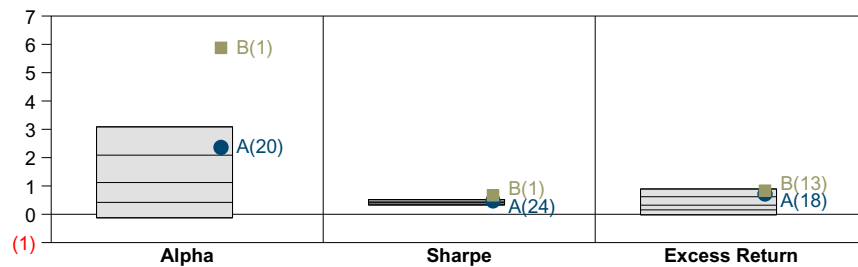
### Performance vs Callan Large Cap Value (Gross)



### Cumulative and Quarterly Relative Returns vs Russell 1000 Value Index



### Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended June 30, 2024



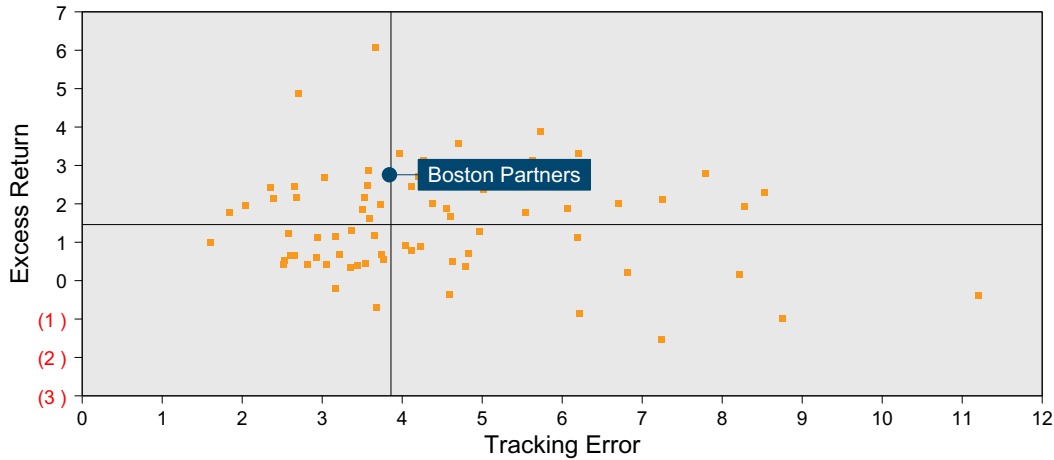


# Boston Partners Risk Analysis Summary

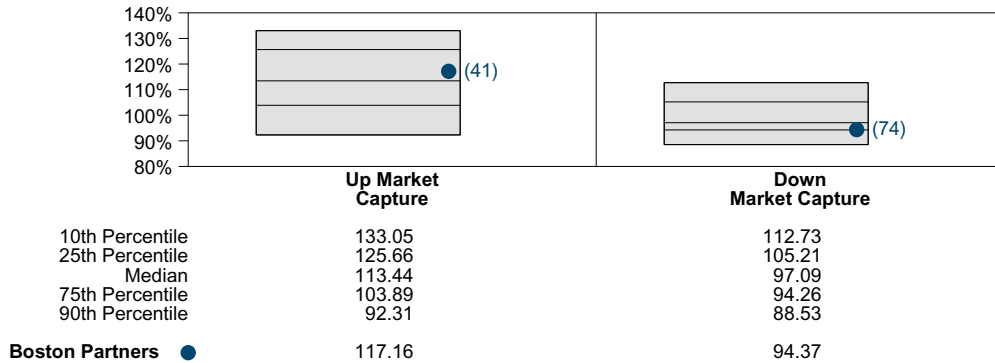
## Risk Analysis

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.

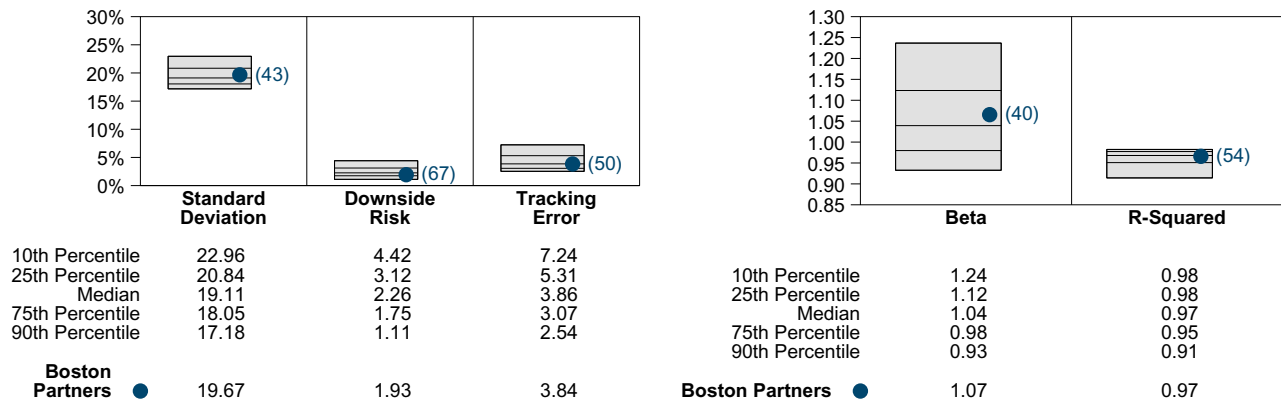
### Risk Analysis vs Callan Large Cap Value (Gross) Seven Years Ended June 30, 2024



### Market Capture vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended June 30, 2024



### Risk Statistics Rankings vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended June 30, 2024

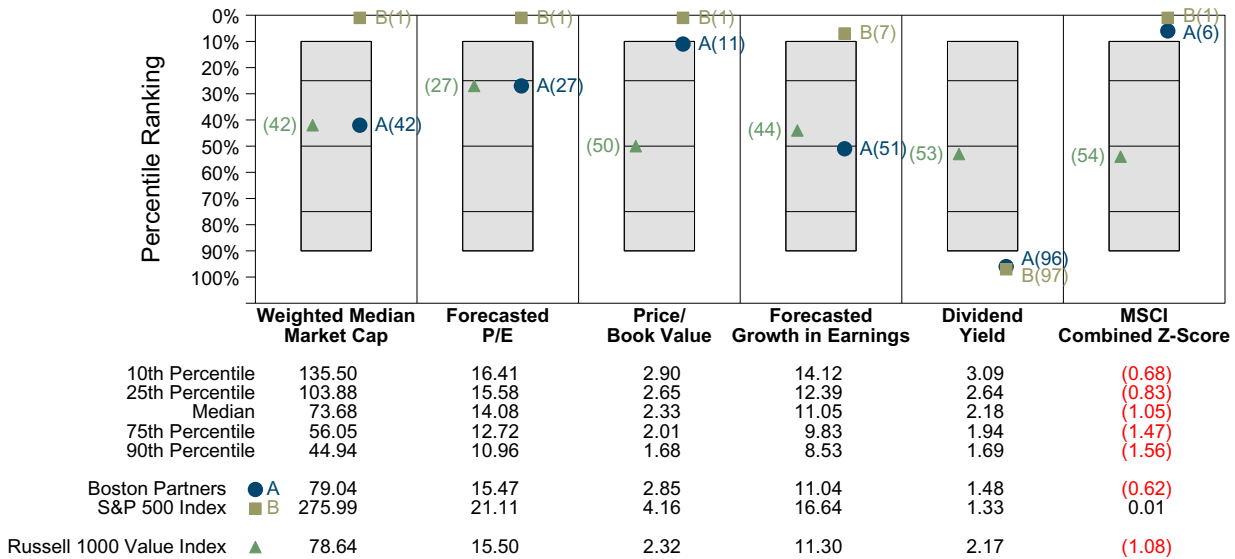


# Boston Partners Equity Characteristics Analysis Summary

## Portfolio Characteristics

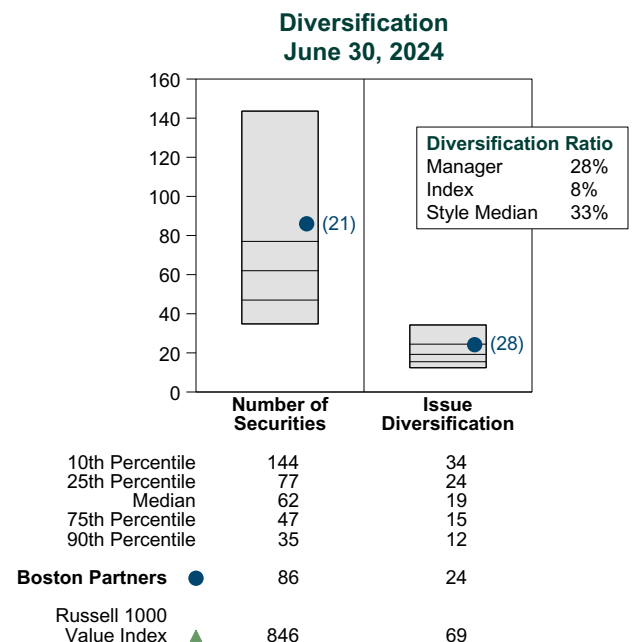
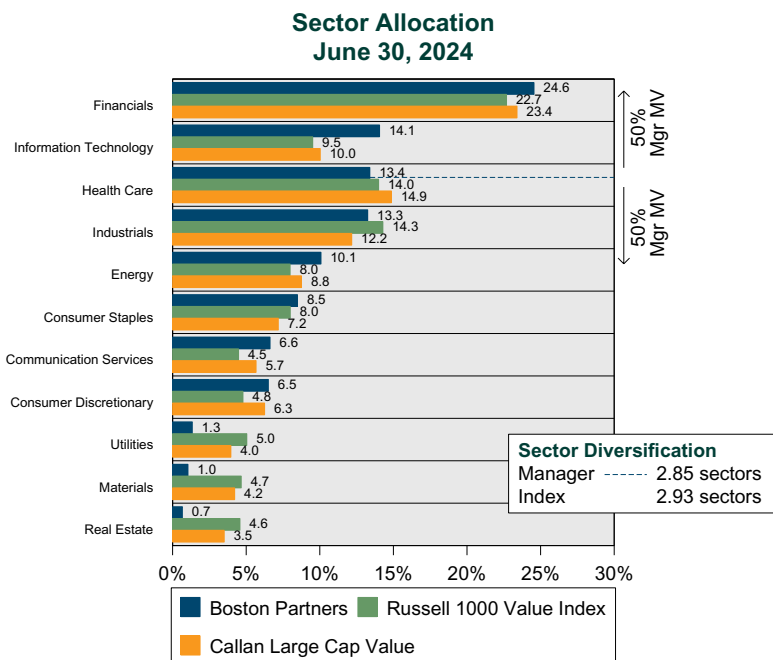
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Value as of June 30, 2024



## 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.



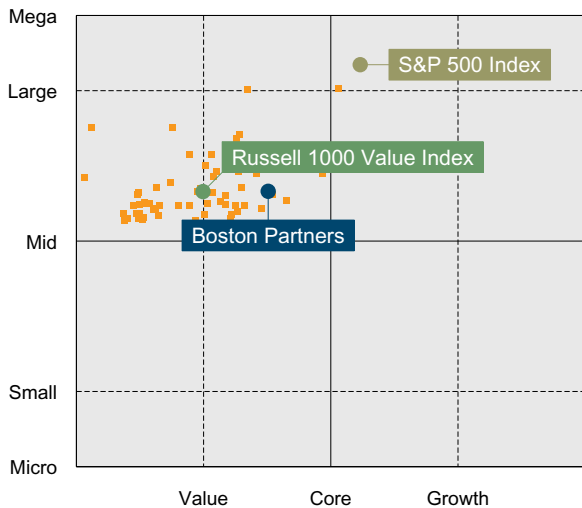
# Current Holdings Based Style Analysis

## Boston Partners

### As of June 30, 2024

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.

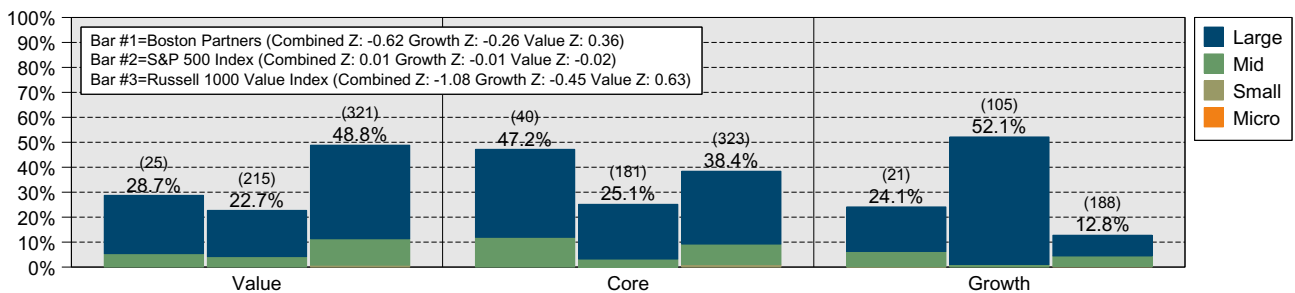
**Style Map vs Callan Large Cap Value Holdings as of June 30, 2024**



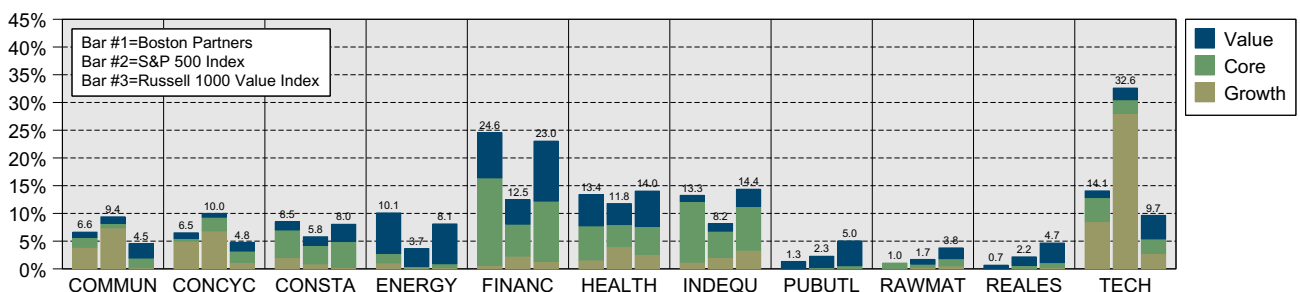
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Large	23.3% (18)	35.3% (24)	17.8% (12)	<b>76.4% (54)</b>
	18.5% (101)	21.9% (93)	51.1% (77)	<b>91.5% (271)</b>
	37.5% (100)	29.2% (78)	8.3% (39)	<b>75.0% (217)</b>
Mid	5.4% (7)	11.9% (16)	6.1% (8)	<b>23.4% (31)</b>
	4.2% (114)	3.2% (88)	1.1% (28)	<b>8.5% (230)</b>
	10.6% (162)	8.1% (168)	4.1% (115)	<b>22.7% (445)</b>
Small	0.0% (0)	0.0% (0)	0.1% (1)	<b>0.1% (1)</b>
	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
	0.8% (59)	1.1% (77)	0.4% (34)	<b>2.3% (170)</b>
Micro	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
<b>Total</b>	<b>28.7% (25)</b>	<b>47.2% (40)</b>	<b>24.1% (21)</b>	<b>100.0% (86)</b>
	<b>22.7% (215)</b>	<b>25.1% (181)</b>	<b>52.1% (105)</b>	<b>100.0% (501)</b>
	<b>48.8% (321)</b>	<b>38.4% (323)</b>	<b>12.8% (188)</b>	<b>100.0% (832)</b>

**Combined Z-Score Style Distribution Holdings as of June 30, 2024**



**Sector Weights Distribution Holdings as of June 30, 2024**



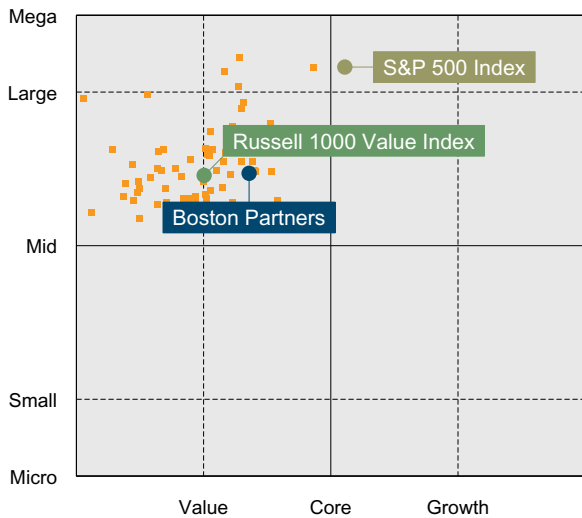
# Historical Holdings Based Style Analysis

## Boston Partners

### For Five Years Ended June 30, 2024

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.

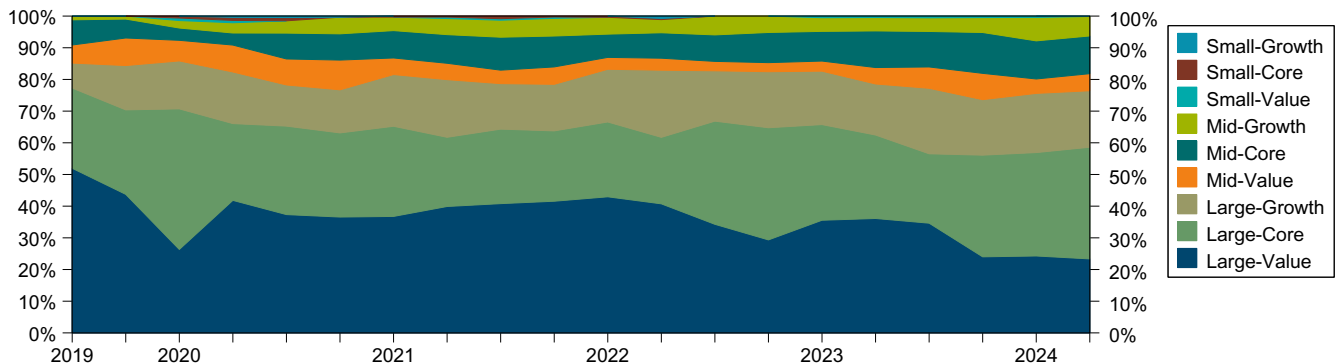
**Average Style Map vs Callan Large Cap Value Holdings for Five Years Ended June 30, 2024**



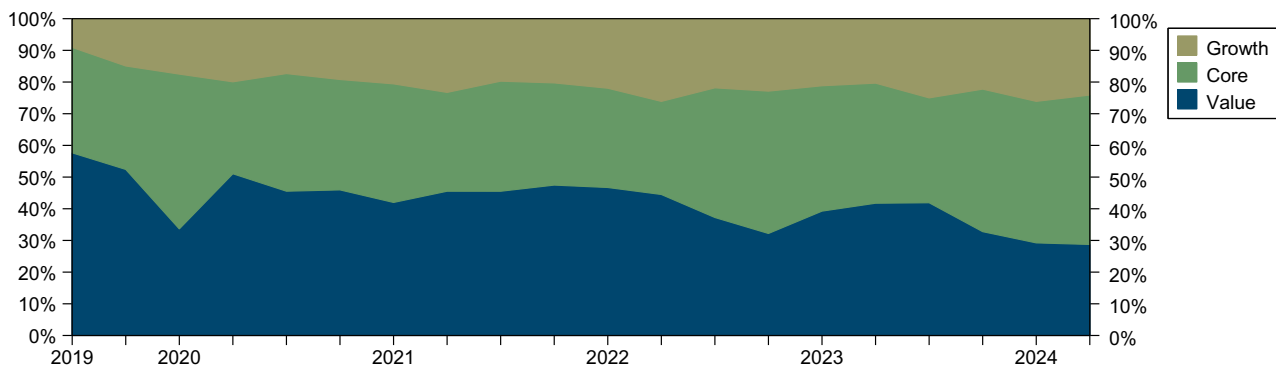
**Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2024**

	Value	Core	Growth	Total
Large	36.1% (22)	28.1% (22)	16.1% (12)	80.3% (56)
	22.7% (96)	24.2% (94)	43.5% (85)	90.4% (275)
Mid	39.3% (96)	28.2% (85)	8.4% (43)	75.8% (224)
	5.7% (8)	8.9% (13)	4.4% (6)	19.0% (27)
Small	4.1% (102)	3.3% (76)	2.1% (45)	9.5% (223)
	9.6% (158)	8.4% (178)	3.8% (112)	21.8% (448)
Micro	0.3% (1)	0.3% (1)	0.1% (0)	0.6% (2)
	0.0% (4)	0.0% (2)	0.0% (1)	0.1% (7)
Total	0.9% (56)	1.0% (64)	0.4% (34)	2.3% (154)
	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	42.1% (31)	37.3% (36)	20.7% (18)	100.0% (85)
	26.8% (202)	27.5% (172)	45.6% (131)	100.0% (505)
Total	49.8% (310)	37.6% (327)	12.6% (189)	100.0% (826)

**Boston Partners Historical Cap/Style Exposures**



**Boston Partners Historical Style Only Exposures**



# Atlanta Capital Period Ended June 30, 2024

## Investment Philosophy

Returns prior to 6/30/2010 are linked to a composite history.

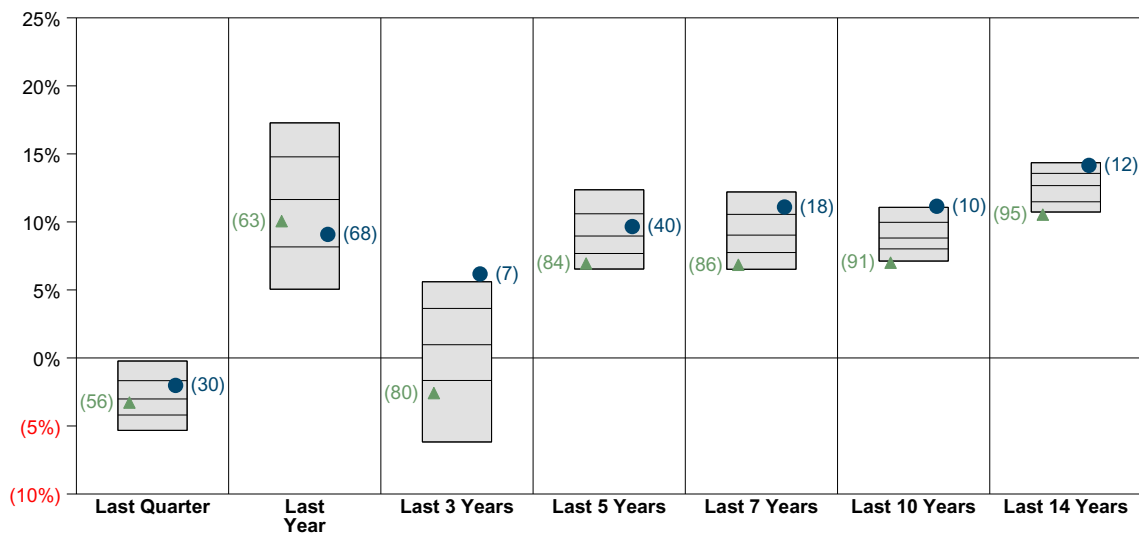
### Quarterly Summary and Highlights

- Atlanta Capital's portfolio posted a (2.02)% return for the quarter placing it in the 30 percentile of the Callan Small Capitalization group for the quarter and in the 68 percentile for the last year.
- Atlanta Capital's portfolio outperformed the Russell 2000 Index by 1.26% for the quarter and underperformed the Russell 2000 Index for the year by 0.97%.

### Quarterly Asset Growth

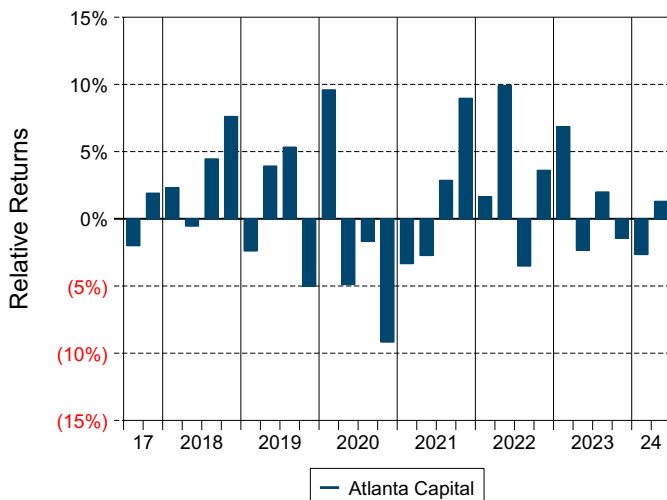
Beginning Market Value	\$34,014,427
Net New Investment	\$0
Investment Gains/(Losses)	\$-686,522
Ending Market Value	\$33,327,905

### Performance vs Callan Small Capitalization (Gross)

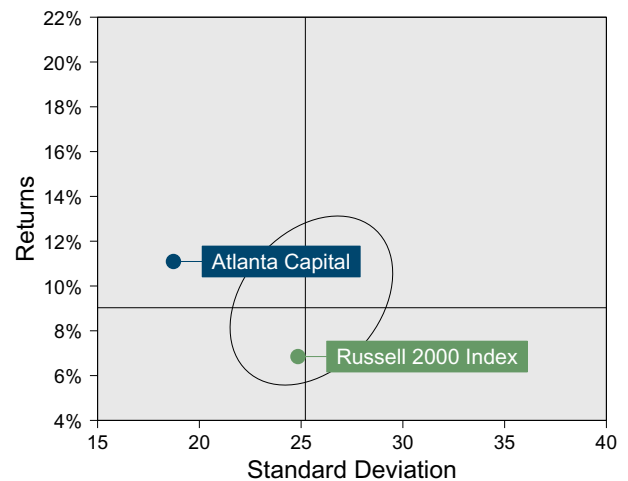


10th Percentile	(0.23)	17.28	5.60	12.36	12.20	11.07	14.35
25th Percentile	(1.67)	14.78	3.64	10.60	10.55	9.97	13.57
Median	(3.01)	11.65	0.97	8.96	9.03	8.82	12.67
75th Percentile	(4.19)	8.16	(1.66)	7.68	7.75	8.02	11.48
90th Percentile	(5.32)	5.05	(6.18)	6.53	6.52	7.12	10.73
<b>Atlanta Capital</b>	● (2.02)	9.08	6.18	9.66	11.09	11.15	14.16
Russell 2000 Index	▲ (3.28)	10.06	(2.58)	6.94	6.85	7.00	10.54

### Relative Return vs Russell 2000 Index



### Callan Small Capitalization (Gross) Annualized Seven Year Risk vs Return

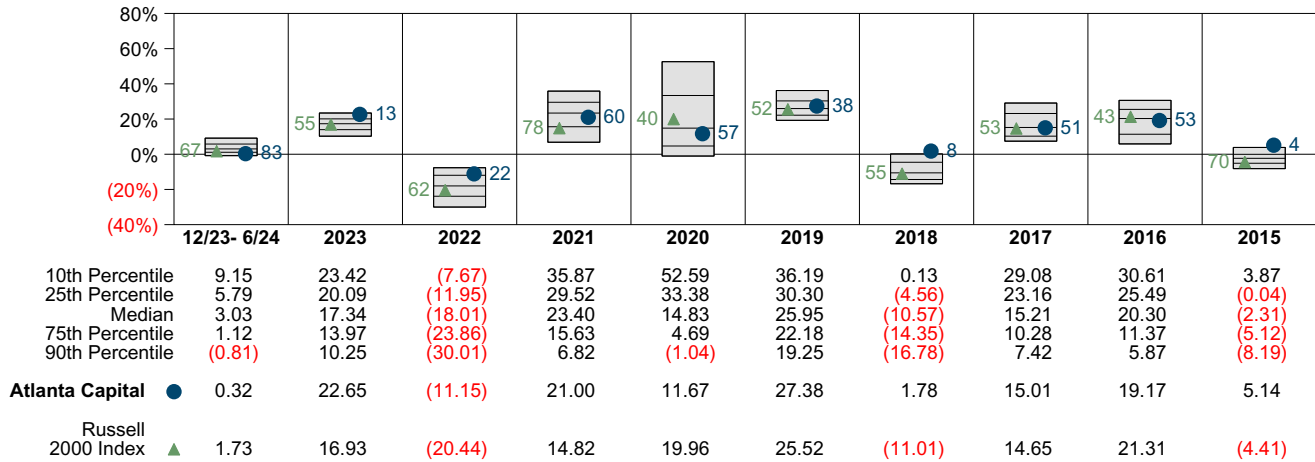


# Atlanta Capital Return Analysis Summary

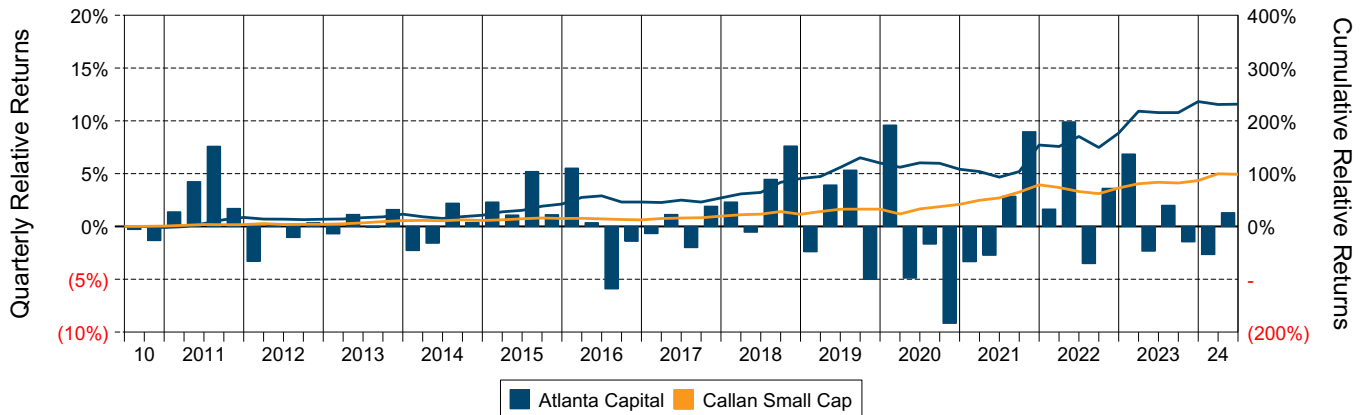
## Return Analysis

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.

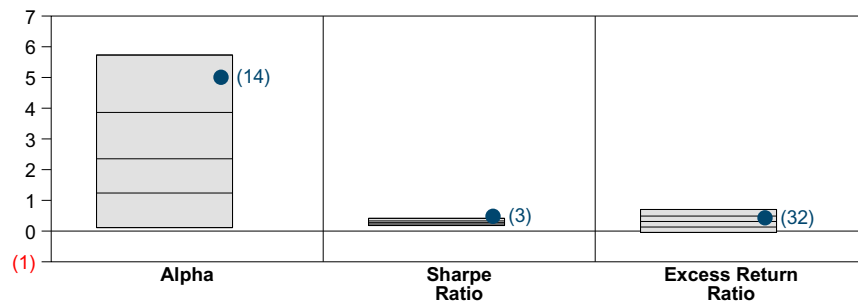
### Performance vs Callan Small Capitalization (Gross)



### Cumulative and Quarterly Relative Returns vs Russell 2000 Index



### Risk Adjusted Return Measures vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended June 30, 2024



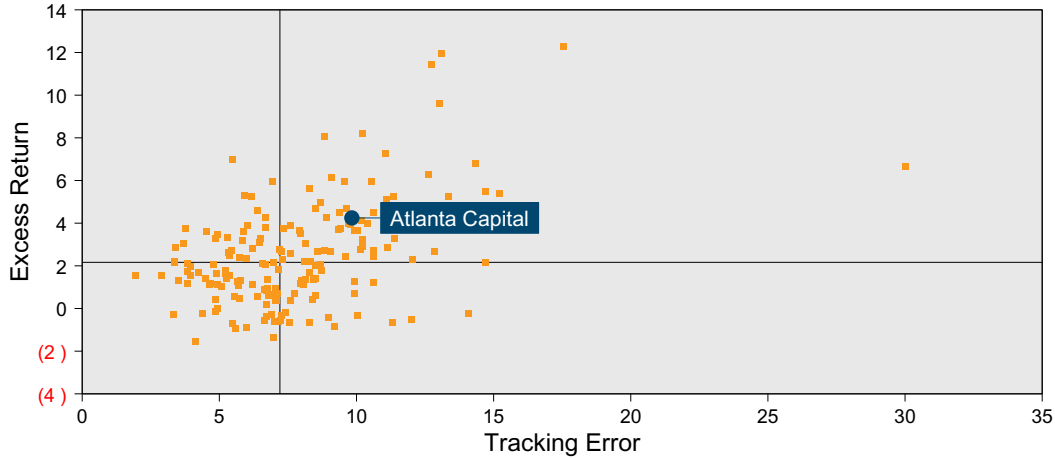
10th Percentile	5.73	0.42	0.70
25th Percentile	3.86	0.33	0.49
Median	2.35	0.27	0.31
75th Percentile	1.24	0.23	0.13
90th Percentile	0.11	0.18	(0.04)
<b>Atlanta Capital</b>	● 5.01	0.48	0.43

# Atlanta Capital Risk Analysis Summary

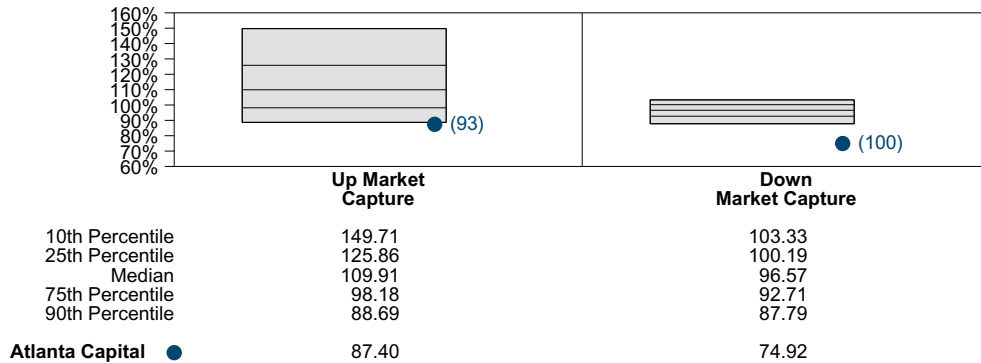
## Risk Analysis

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.

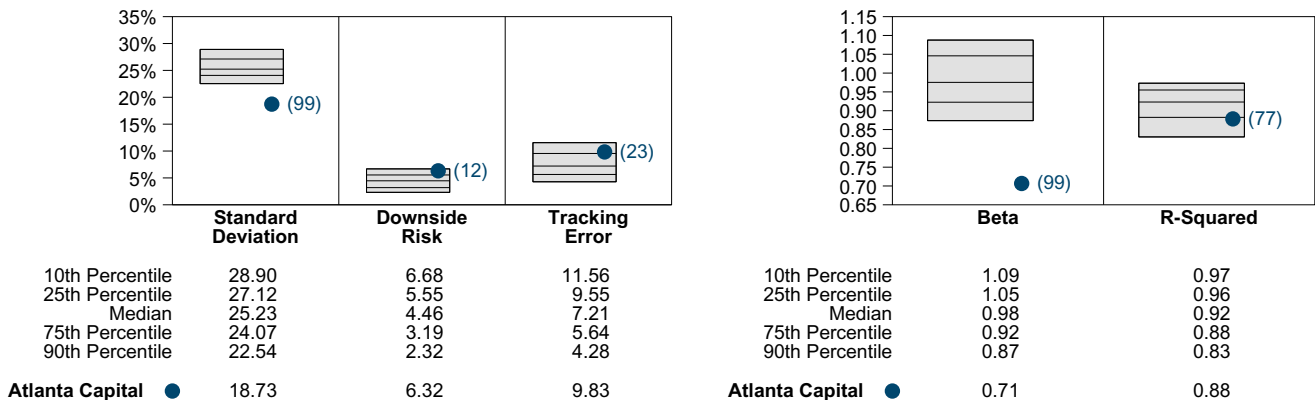
### Risk Analysis vs Callan Small Capitalization (Gross) Seven Years Ended June 30, 2024



### Market Capture vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended June 30, 2024



### Risk Statistics Rankings vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended June 30, 2024

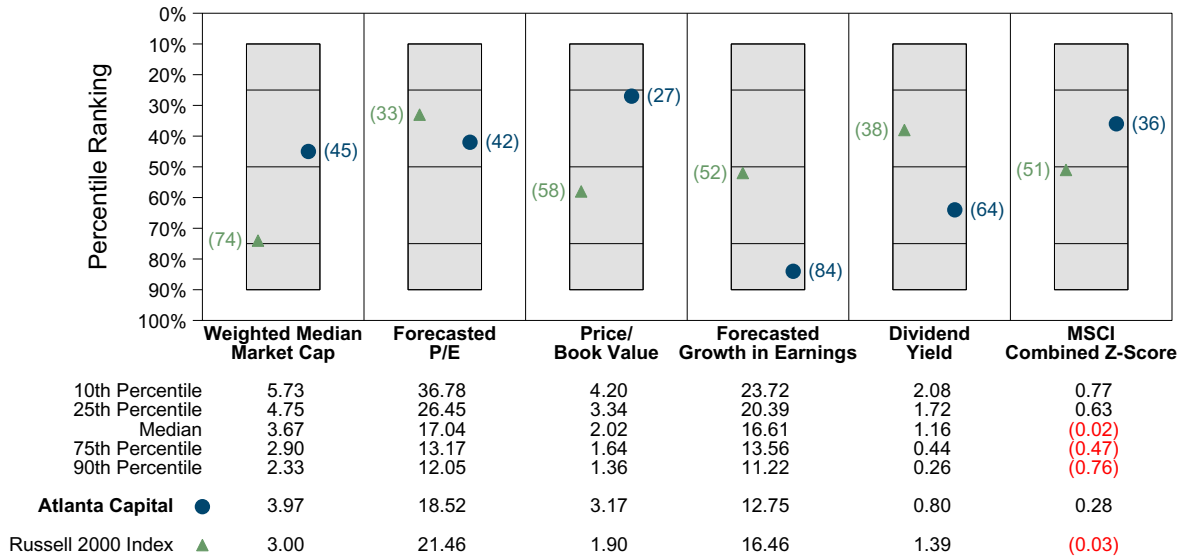


# Atlanta Capital Equity Characteristics Analysis Summary

## Portfolio Characteristics

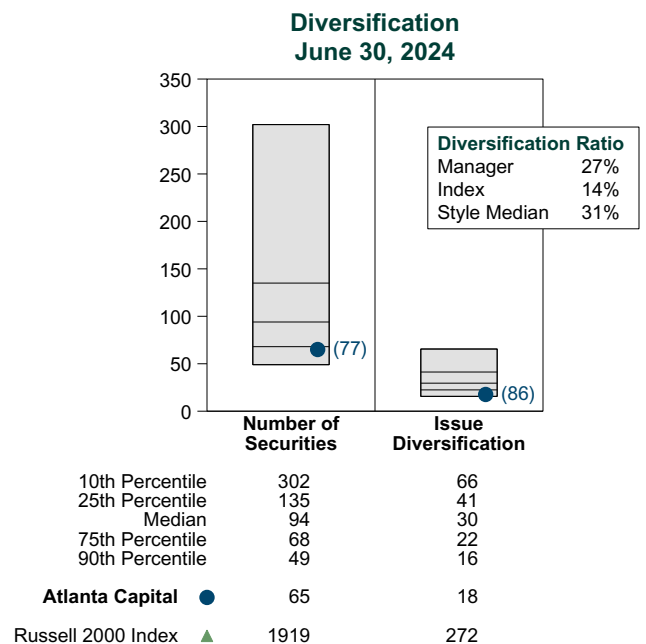
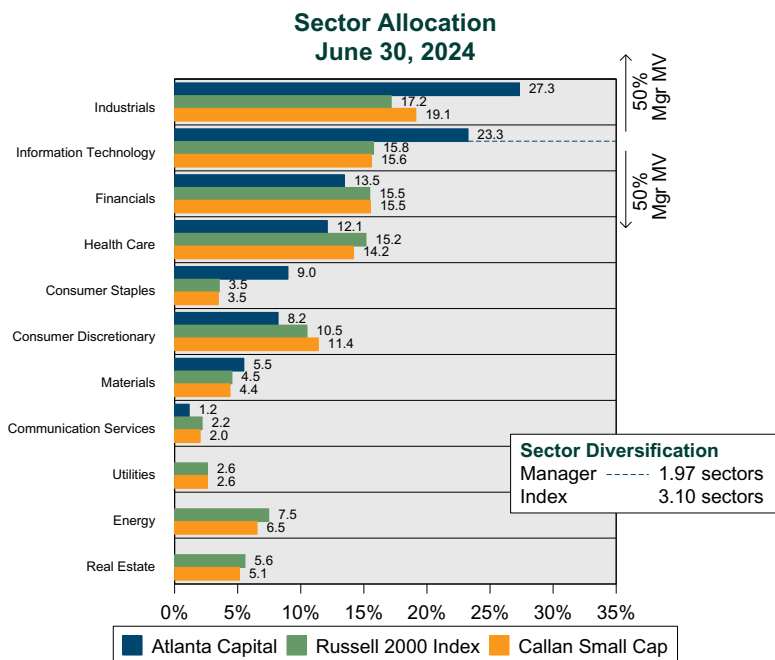
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Small Capitalization as of June 30, 2024



## 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.





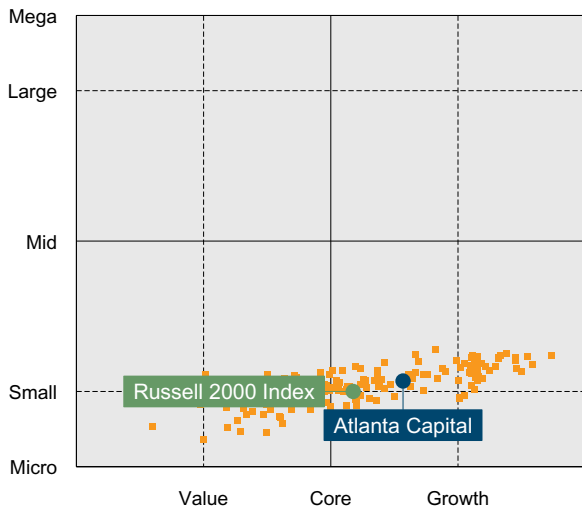
# Current Holdings Based Style Analysis

## Atlanta Capital

### As of June 30, 2024

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.

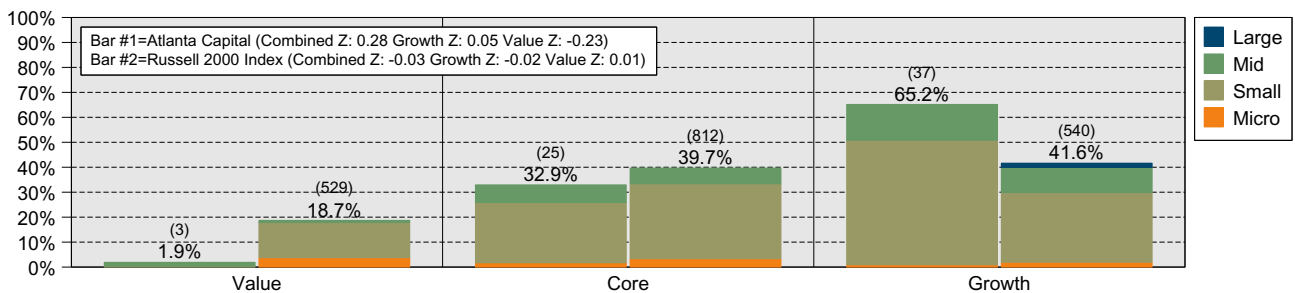
**Style Map vs Callan Small Cap Holdings as of June 30, 2024**



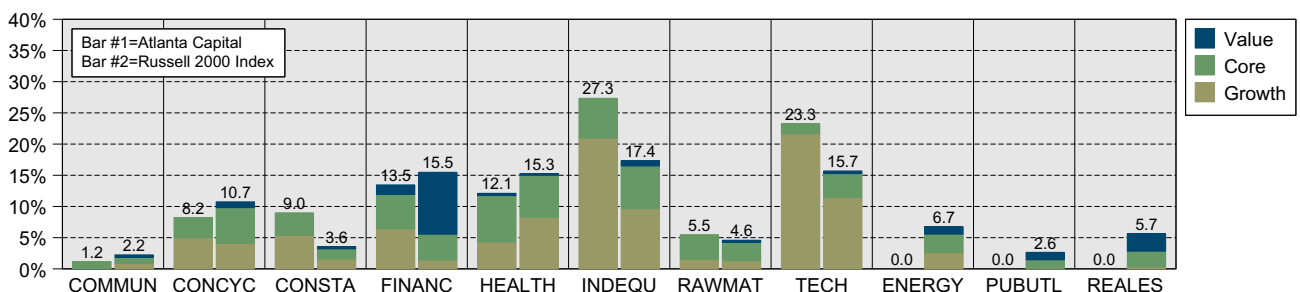
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	1.7% (1)	1.7% (1)
Mid	1.5% (2)	7.1% (2)	14.4% (9)	23.0% (13)
	0.9% (3)	6.3% (23)	10.1% (36)	17.3% (62)
Small	0.4% (1)	24.1% (21)	49.9% (27)	74.4% (49)
	14.1% (202)	30.0% (424)	27.9% (336)	72.0% (962)
Micro	0.0% (0)	1.7% (2)	0.9% (1)	2.6% (3)
	3.8% (324)	3.3% (365)	1.9% (167)	9.0% (856)
<b>Total</b>	<b>1.9% (3)</b>	<b>32.9% (25)</b>	<b>65.2% (37)</b>	<b>100.0% (65)</b>
	18.7% (529)	39.7% (812)	41.6% (540)	100.0% (1881)

**Combined Z-Score Style Distribution Holdings as of June 30, 2024**



**Sector Weights Distribution Holdings as of June 30, 2024**



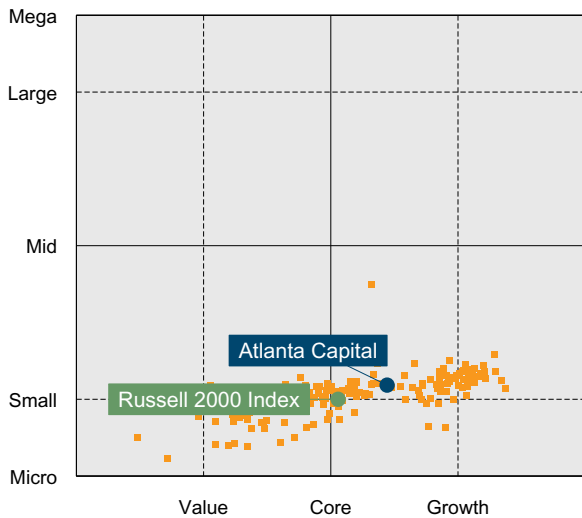
# Historical Holdings Based Style Analysis

## Atlanta Capital

### For Five Years Ended June 30, 2024

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.

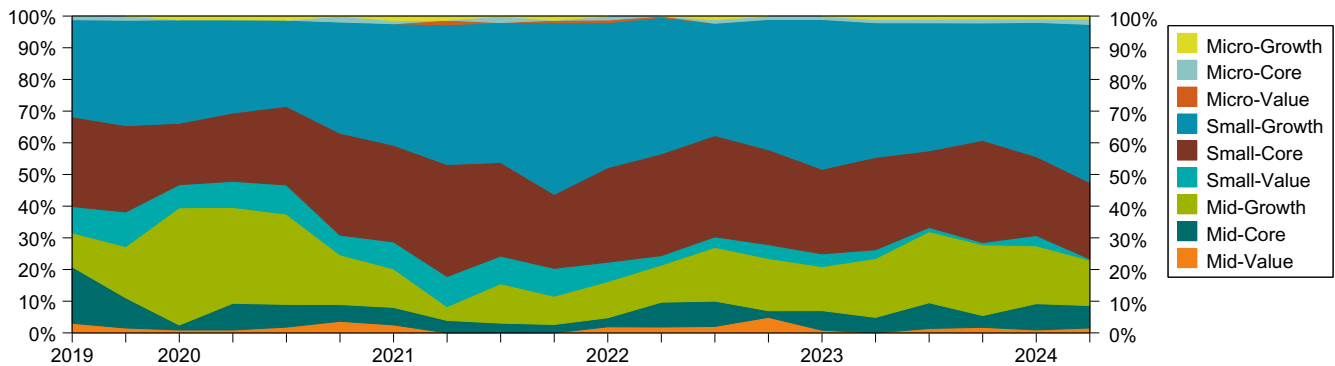
**Average Style Map vs Callan Small Cap Holdings for Five Years Ended June 30, 2024**



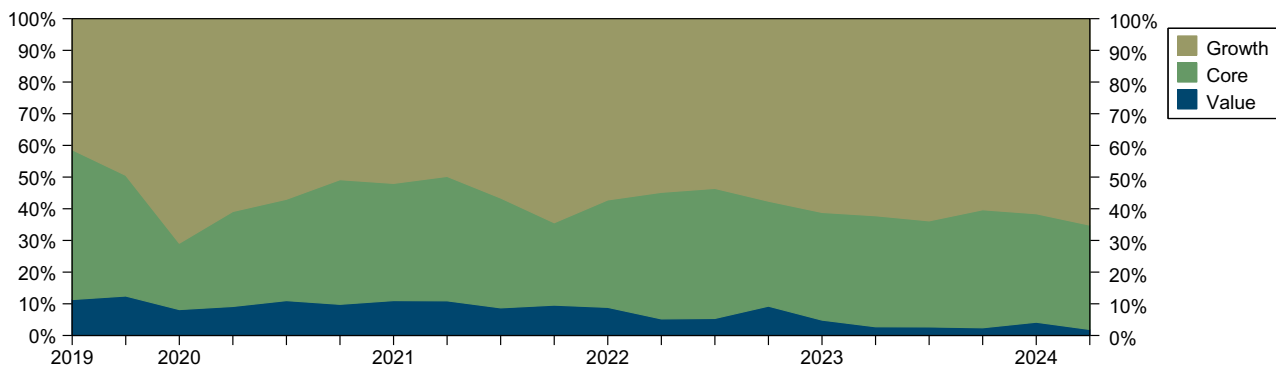
**Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2024**

	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
Large	0.0% (0)	0.0% (0)	0.2% (0)	<b>0.2% (0)</b>
Mid	1.6% (1)	6.2% (3)	17.1% (8)	<b>24.9% (12)</b>
	1.1% (5)	4.1% (18)	8.9% (36)	<b>14.0% (59)</b>
Small	5.7% (5)	27.9% (19)	39.7% (23)	<b>73.3% (47)</b>
	17.3% (241)	29.9% (438)	27.6% (339)	<b>74.7% (1018)</b>
Micro	0.2% (0)	0.9% (1)	0.7% (1)	<b>1.8% (2)</b>
	4.0% (313)	4.8% (414)	2.3% (161)	<b>11.1% (888)</b>
<b>Total</b>	<b>7.5% (6)</b>	<b>35.0% (23)</b>	<b>57.5% (32)</b>	<b>100.0% (61)</b>
	<b>22.3% (559)</b>	<b>38.7% (870)</b>	<b>39.0% (536)</b>	<b>100.0% (1965)</b>
	Value	Core	Growth	<b>Total</b>

**Atlanta Capital Historical Cap/Style Exposures**



**Atlanta Capital Historical Style Only Exposures**





# International Equity Period Ended June 30, 2024

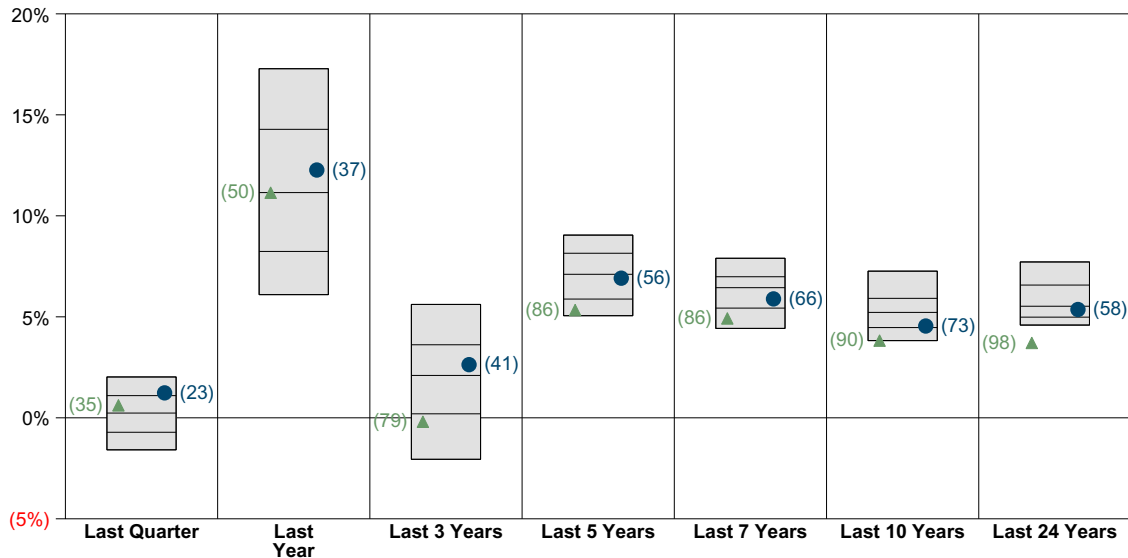
## Investment Philosophy

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

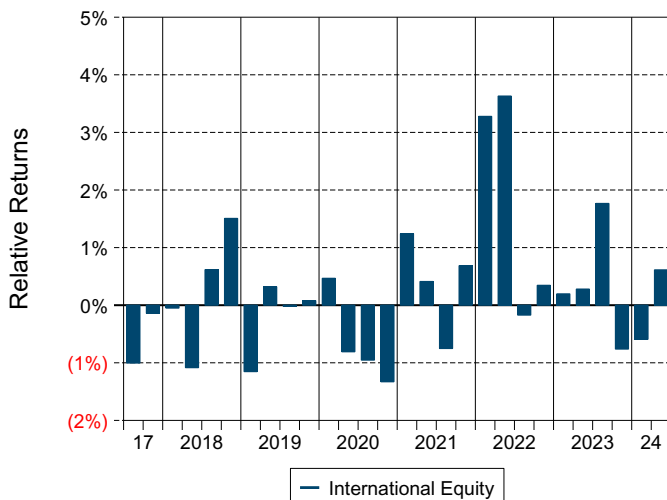
- International Equity's portfolio posted a 1.23% return for the quarter placing it in the 23 percentile of the Callan Non-US Equity group for the quarter and in the 37 percentile for the last year.
- International Equity's portfolio outperformed the International Benchmark by 0.62% for the quarter and outperformed the International Benchmark for the year by 1.12%.

## Performance vs Callan Non-US Equity (Gross)

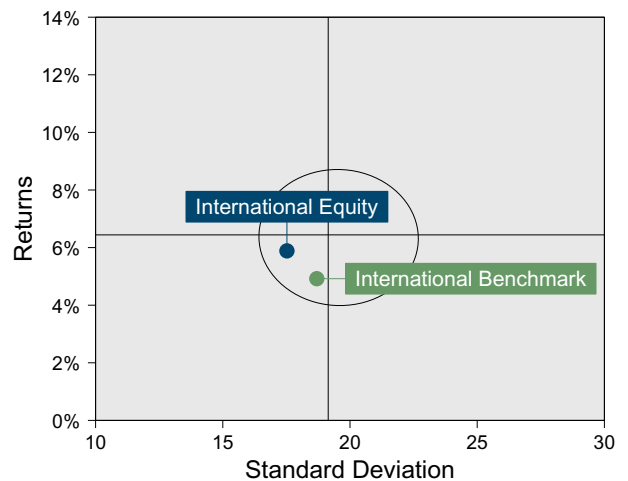


10th Percentile	2.02	17.28	5.61	9.05	7.90	7.26	7.72
25th Percentile	1.10	14.28	3.62	8.15	6.98	5.91	6.57
Median	0.23	11.15	2.10	7.10	6.44	5.22	5.52
75th Percentile	(0.72)	8.24	0.20	5.88	5.43	4.47	4.98
90th Percentile	(1.59)	6.10	(2.05)	5.06	4.43	3.82	4.59
<b>International Equity</b>	● 1.23	12.27	2.63	6.91	5.89	4.54	5.36
International Benchmark	▲ 0.62	11.14	(0.19)	5.33	4.92	3.82	3.71

Relative Return vs International Benchmark



Callan Non-US Equity (Gross)  
Annualized Seven Year Risk vs Return

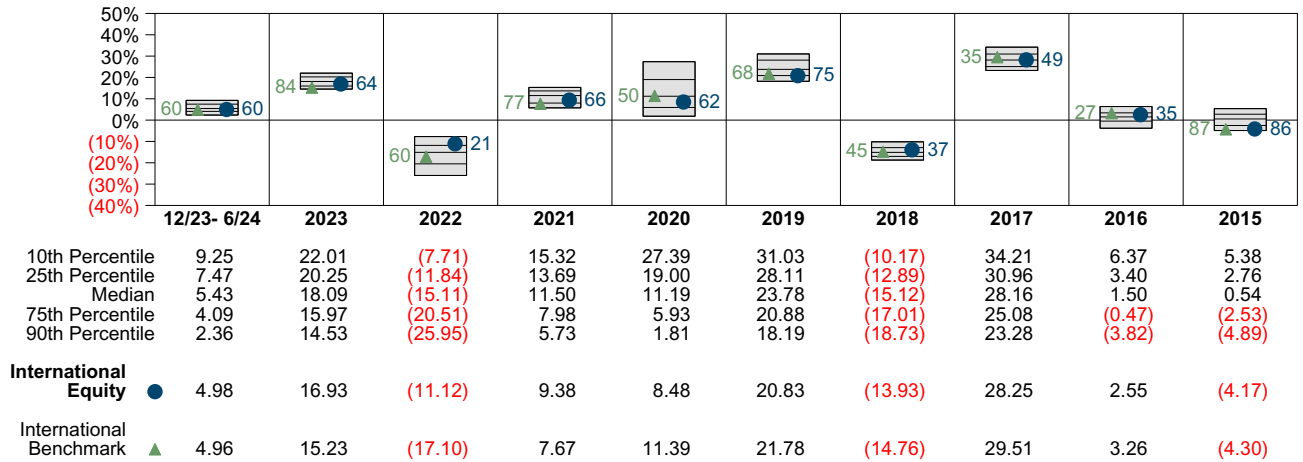


# International Equity Return Analysis Summary

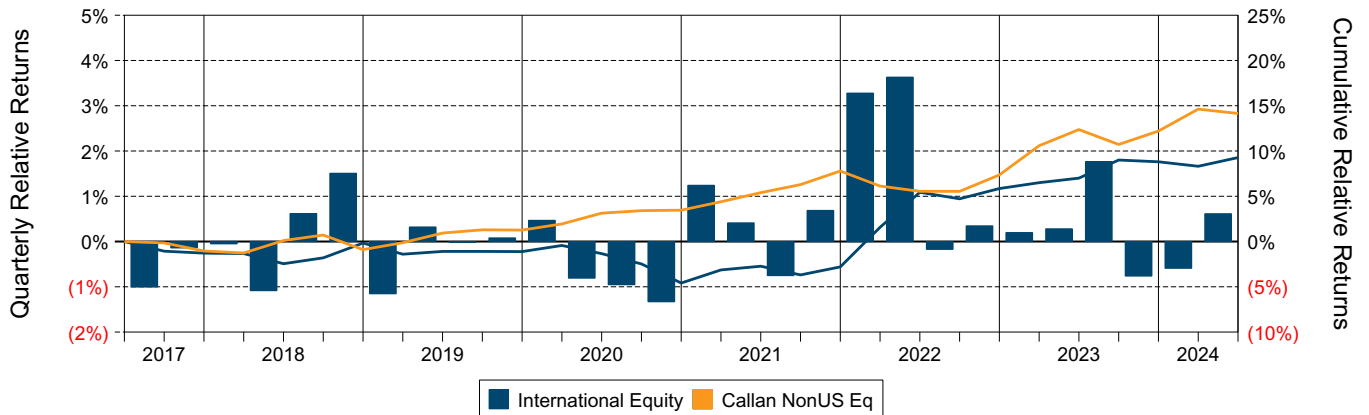
## Return Analysis

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.

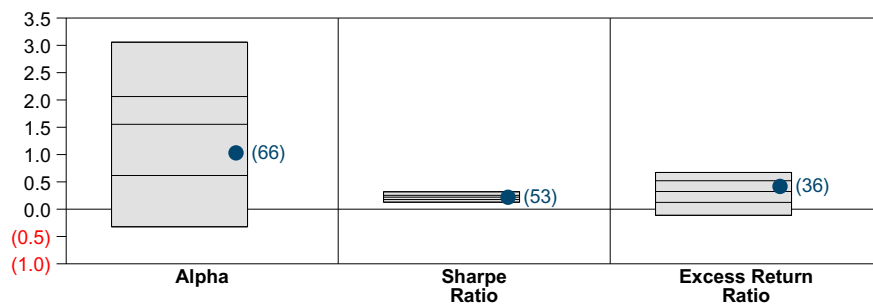
### Performance vs Callan Non-US Equity (Gross)



### Cumulative and Quarterly Relative Returns vs International Benchmark



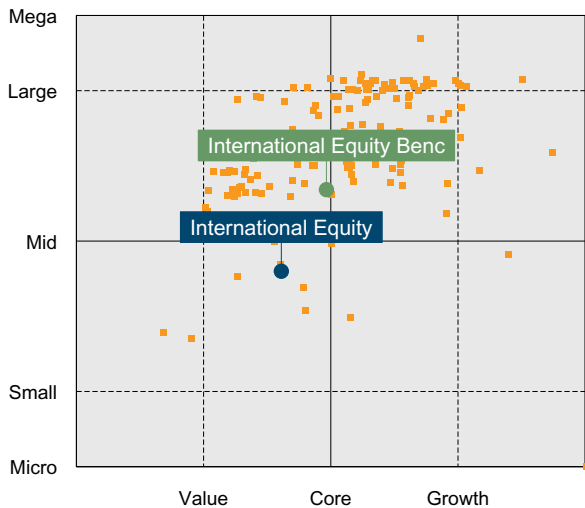
### Risk Adjusted Return Measures vs International Benchmark Rankings Against Callan Non-US Equity (Gross) Seven Years Ended June 30, 2024



# Current Holdings Based Style Analysis International Equity As of June 30, 2024

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.

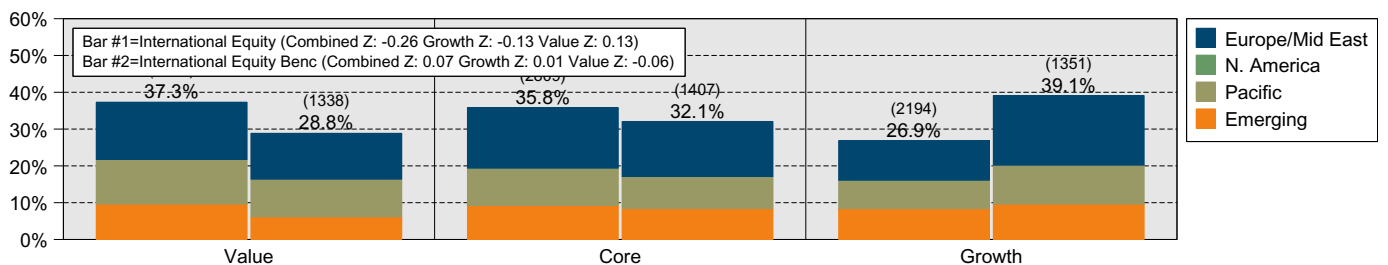
**Style Map vs Callan NonUS Eq Holdings as of June 30, 2024**



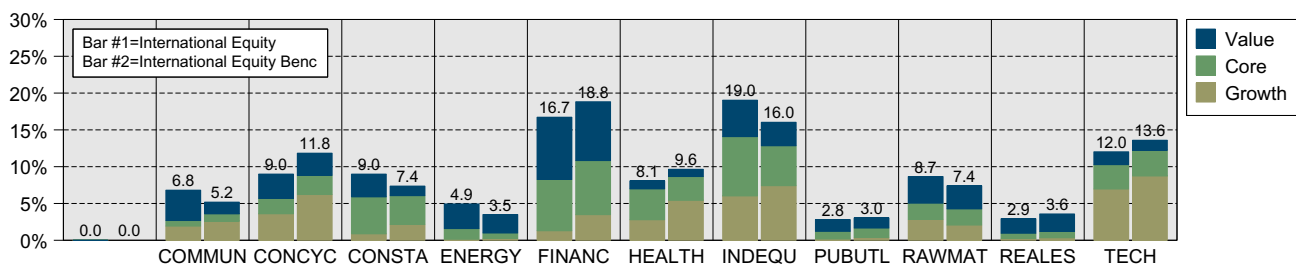
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Europe/ Mid East	15.6% (242)	16.4% (212)	10.8% (161)	42.7% (615)
N. America	0.0% (2)	0.0% (15)	0.0% (1)	0.0% (18)
Pacific	12.1% (272)	10.1% (185)	7.7% (163)	29.9% (620)
Emerging	9.6% (2769)	9.3% (2397)	8.4% (1869)	27.3% (7035)
<b>Total</b>	<b>37.3% (3285)</b>	<b>35.8% (2809)</b>	<b>26.9% (2194)</b>	<b>100.0% (8288)</b>
	28.8% (1338)	32.1% (1407)	39.1% (1351)	100.0% (4096)

**Combined Z-Score Style Distribution Holdings as of June 30, 2024**



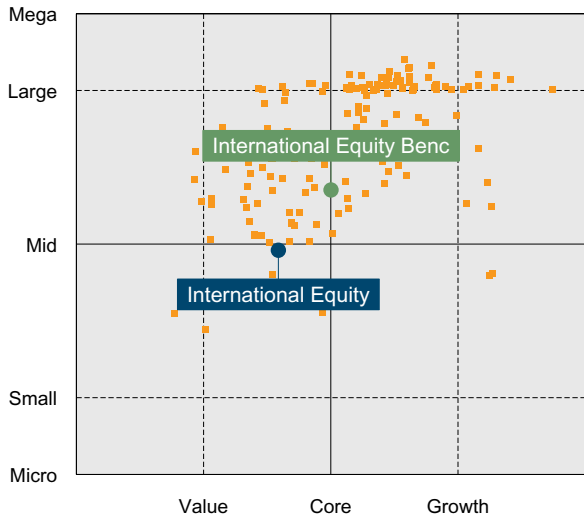
**Sector Weights Distribution Holdings as of June 30, 2024**



# Historical Holdings Based Style Analysis International Equity For Five Years Ended June 30, 2024

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.

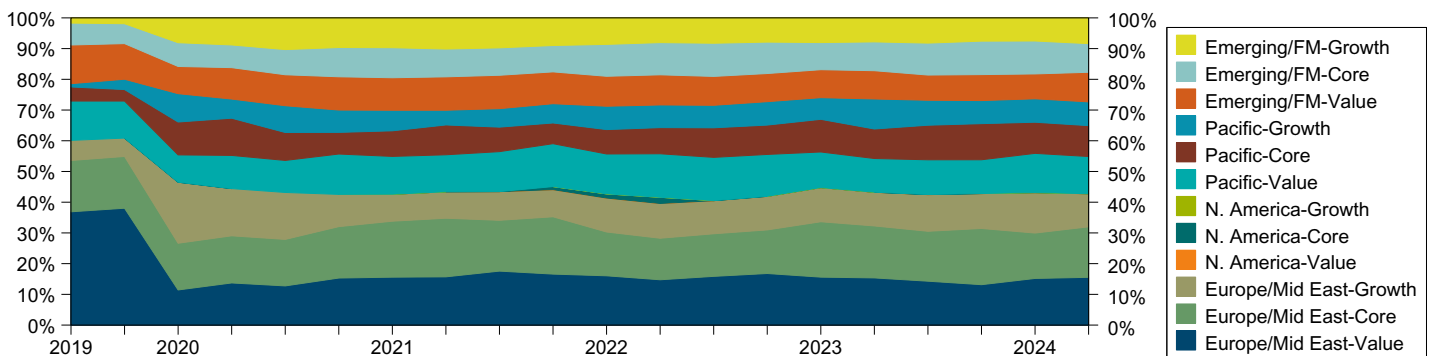
**Average Style Map vs Callan NonUS Eq Holdings for Five Years Ended June 30, 2024**



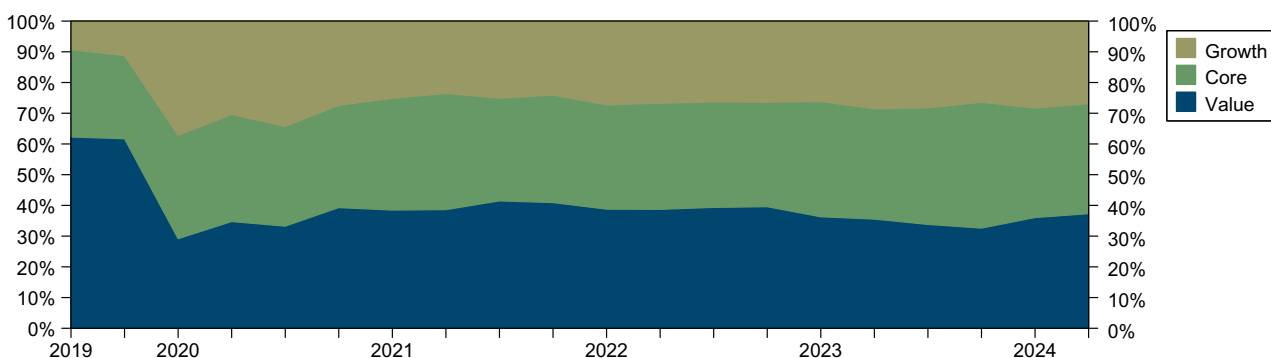
**Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2024**

	Value	Core	Growth	Total
Europe/ Mid East	17.3% (238) 13.2% (466)	16.3% (198) 14.6% (522)	11.1% (187) 18.7% (489)	44.7% (623) 46.5% (1477)
N. America	0.0% (1) 0.0% (1)	0.2% (6) 0.0% (4)	0.0% (0) 0.0% (1)	0.2% (7) 0.0% (6)
Pacific	12.2% (274) 9.3% (544)	9.0% (212) 9.5% (550)	6.9% (173) 10.8% (526)	28.0% (659) 29.6% (1620)
Emerging/ FM	9.9% (2328) 6.2% (451)	9.2% (1949) 7.8% (427)	8.0% (1372) 9.9% (447)	27.1% (5649) 23.9% (1325)
<b>Total</b>	<b>39.4% (2841)</b> <b>28.7% (1462)</b>	<b>34.7% (2365)</b> <b>31.9% (1503)</b>	<b>26.0% (1732)</b> <b>39.4% (1463)</b>	<b>100.0% (6938)</b> <b>100.0% (4428)</b>

**International Equity Historical Region/Style Exposures**



**International Equity Historical Style Only Exposures**



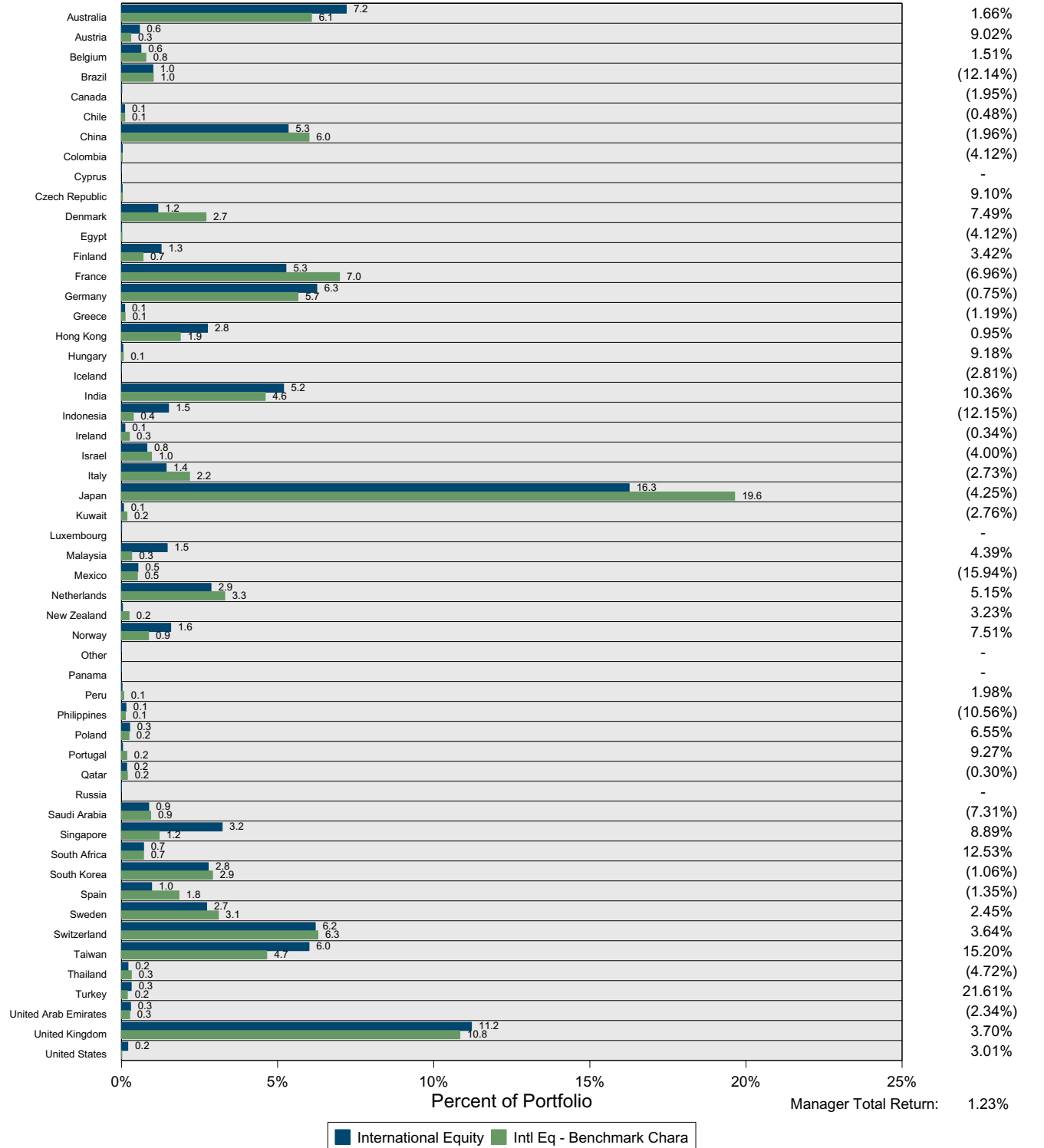
# Country Allocation

## 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 June 30, 2024. 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 June 30, 2024





# SSgA EAFE

## Period Ended June 30, 2024

### Investment Philosophy

Returns prior to 6/30/2012 are linked to a composite history.

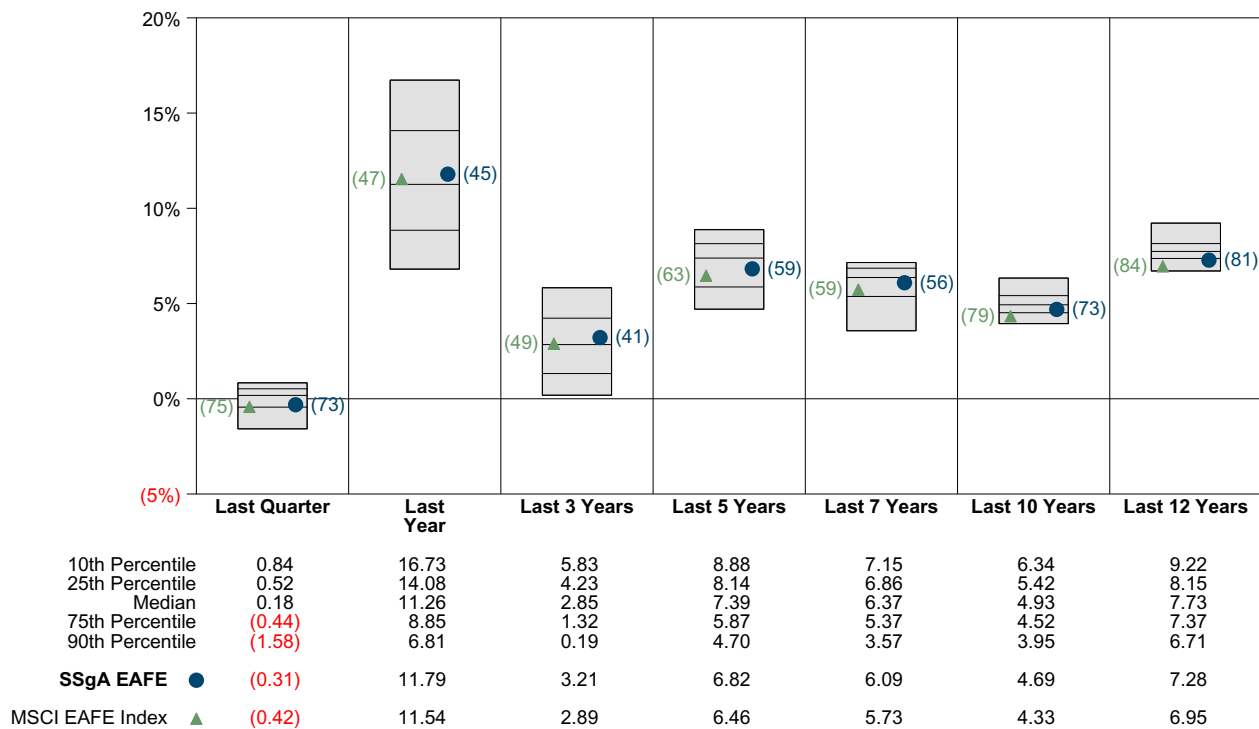
### Quarterly Summary and Highlights

- SSgA EAFE's portfolio posted a (0.31)% return for the quarter placing it in the 73 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 45 percentile for the last year.
- SSgA EAFE's portfolio outperformed the MSCI EAFE Index by 0.11% for the quarter and outperformed the MSCI EAFE Index for the year by 0.26%.

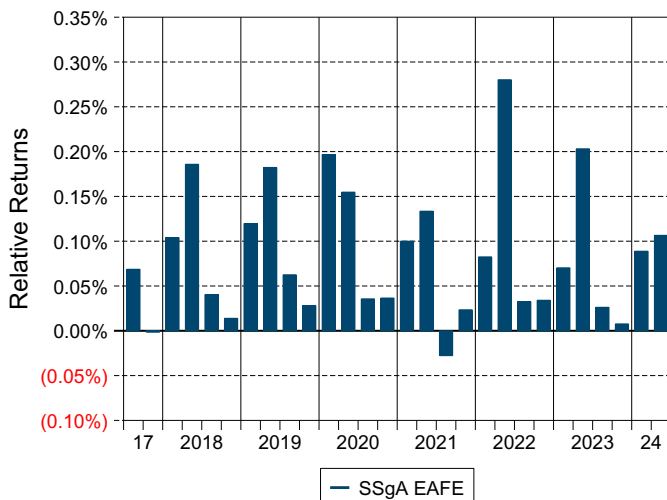
### Quarterly Asset Growth

Beginning Market Value	\$20,013,298
Net New Investment	\$0
Investment Gains/(Losses)	\$-62,956
Ending Market Value	\$19,950,342

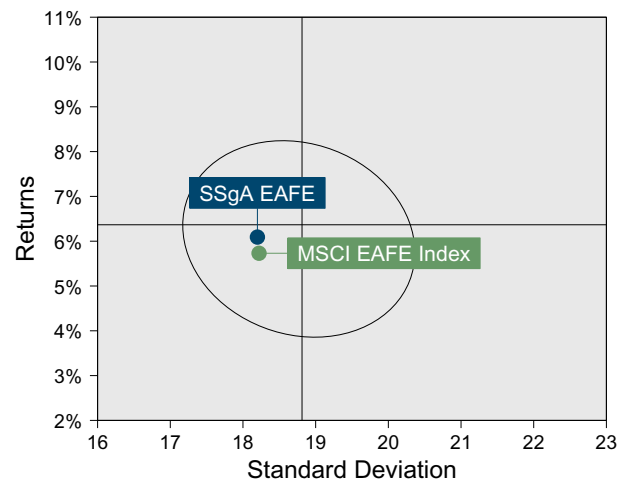
### Performance vs Callan Non-US Developed Core Equity (Gross)



### Relative Return vs MSCI EAFE Index



### Callan Non-US Developed Core Equity (Gross) Annualized Seven Year Risk vs Return

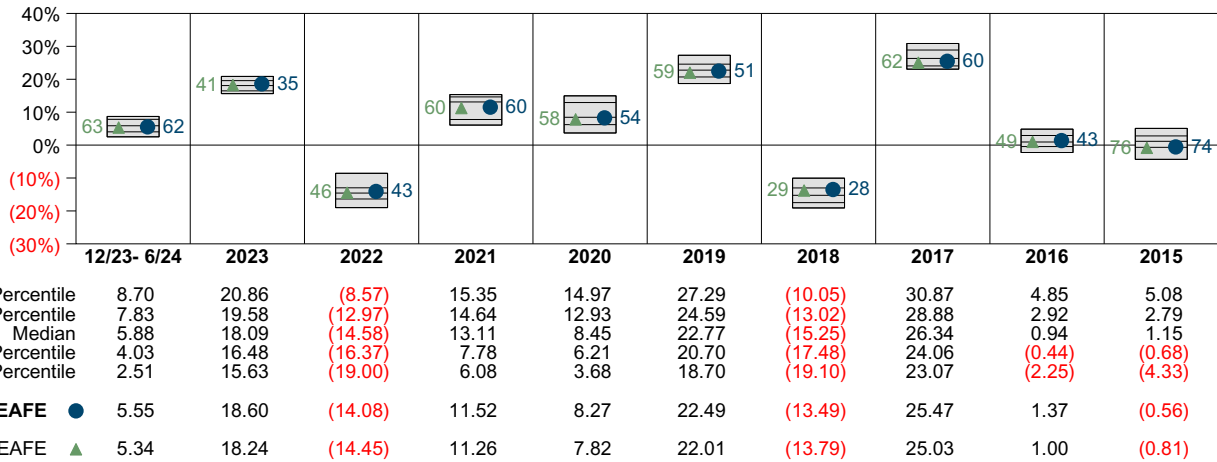


# SSgA EAFE Return Analysis Summary

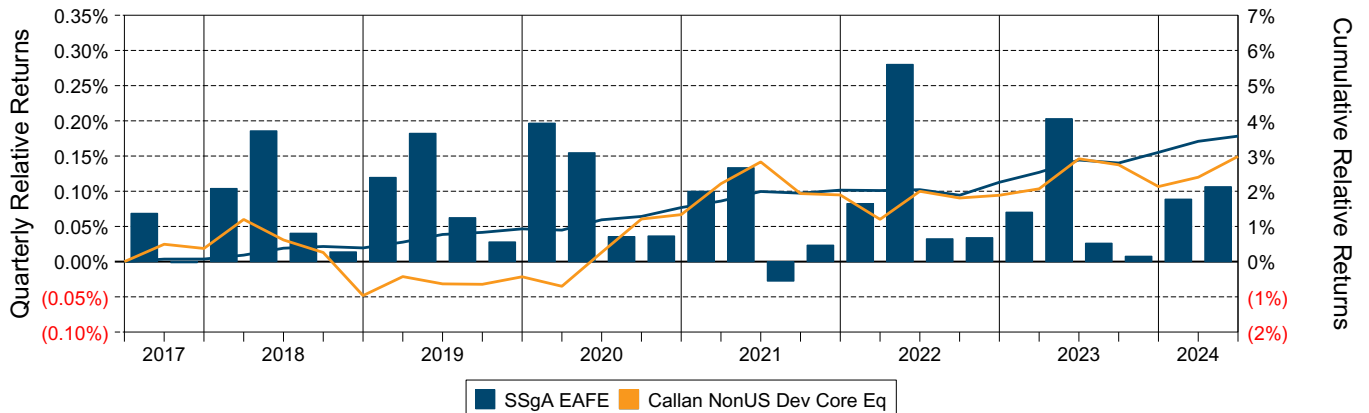
## Return Analysis

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.

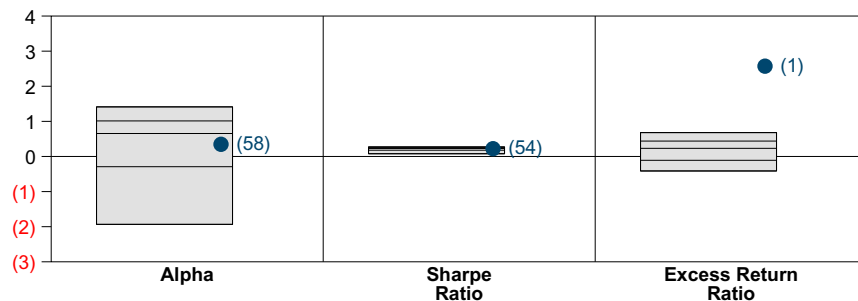
### Performance vs Callan Non-US Developed Core Equity (Gross)



### Cumulative and Quarterly Relative Returns vs MSCI EAFE



### Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2024



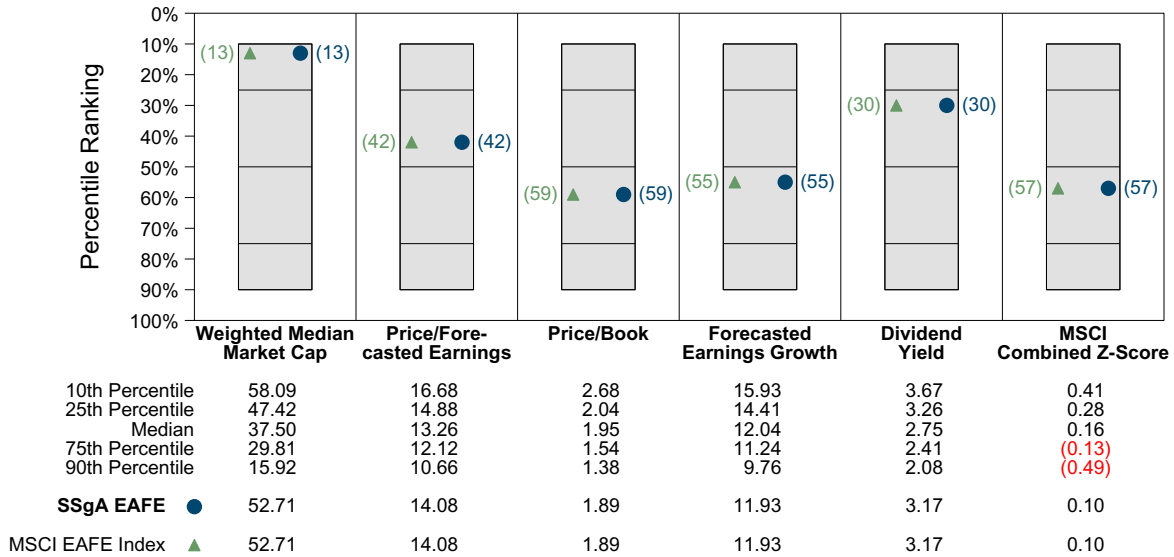
10th Percentile	1.41	0.27	0.68
25th Percentile	1.01	0.25	0.44
Median	0.65	0.23	0.23
75th Percentile	(0.29)	0.18	(0.11)
90th Percentile	(1.93)	0.08	(0.41)
<b>SSgA EAFE</b>	● 0.35	0.22	2.57

# SSgA EAFE Equity Characteristics Analysis Summary

## Portfolio Characteristics

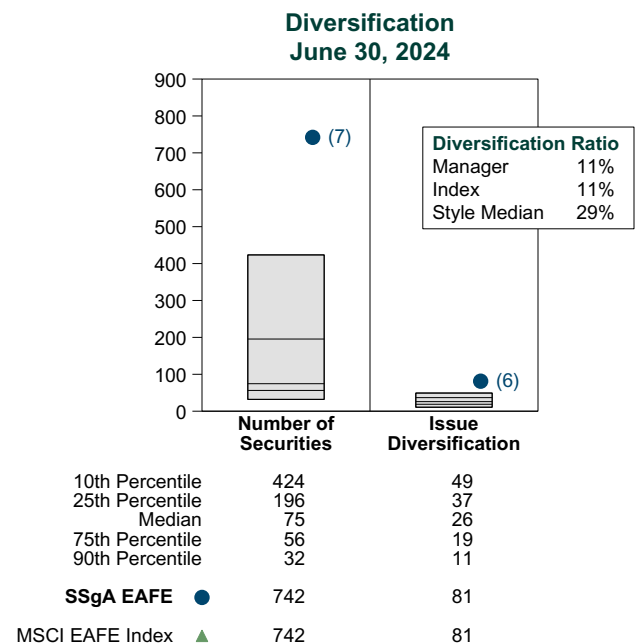
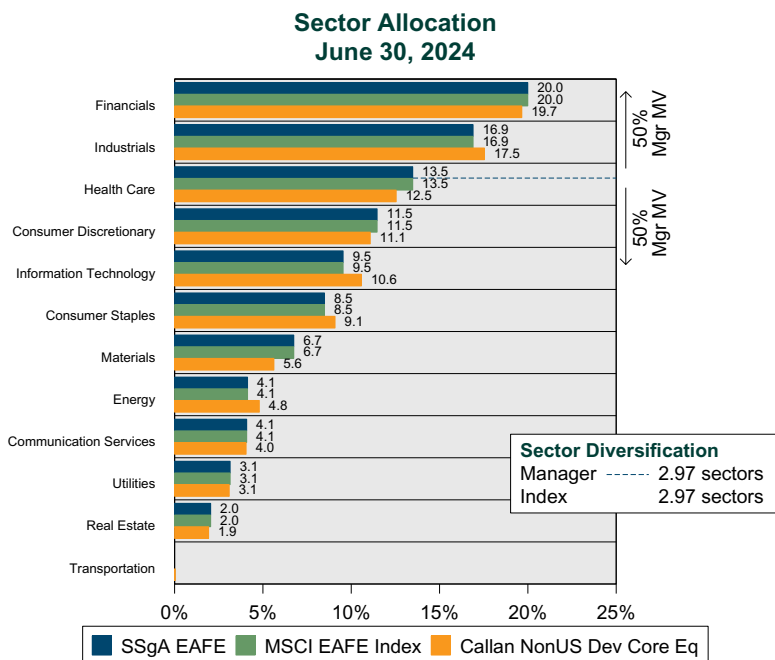
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of June 30, 2024



## 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.



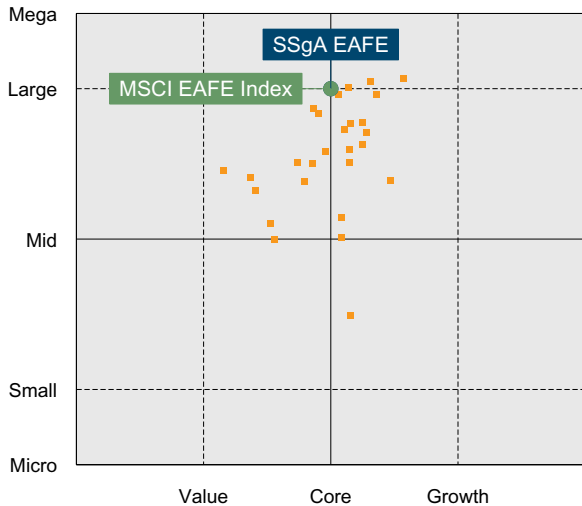
# Current Holdings Based Style Analysis

## SSgA EAFE

### As of June 30, 2024

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.

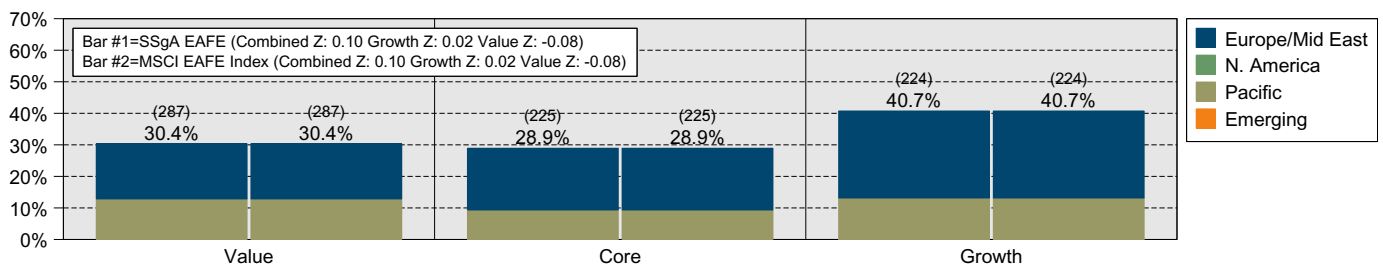
**Style Map vs Callan NonUS Dev Core Eq Holdings as of June 30, 2024**



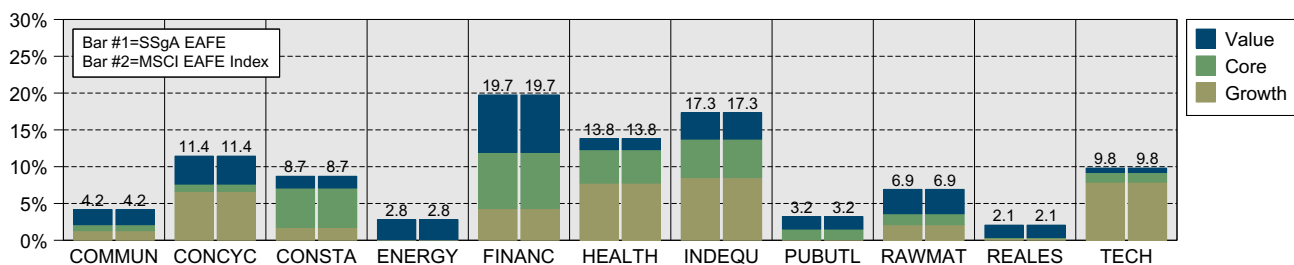
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Europe/ Mid East	17.5% (158)	19.6% (140)	27.6% (127)	64.6% (425)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	12.9% (129)	9.4% (85)	13.1% (96)	35.3% (310)
Emerging	0.0% (0)	0.0% (0)	0.0% (1)	0.0% (1)
<b>Total</b>	<b>30.4% (287)</b>	<b>28.9% (225)</b>	<b>40.7% (224)</b>	<b>100.0% (736)</b>

**Combined Z-Score Style Distribution Holdings as of June 30, 2024**



**Sector Weights Distribution Holdings as of June 30, 2024**



# Country Allocation

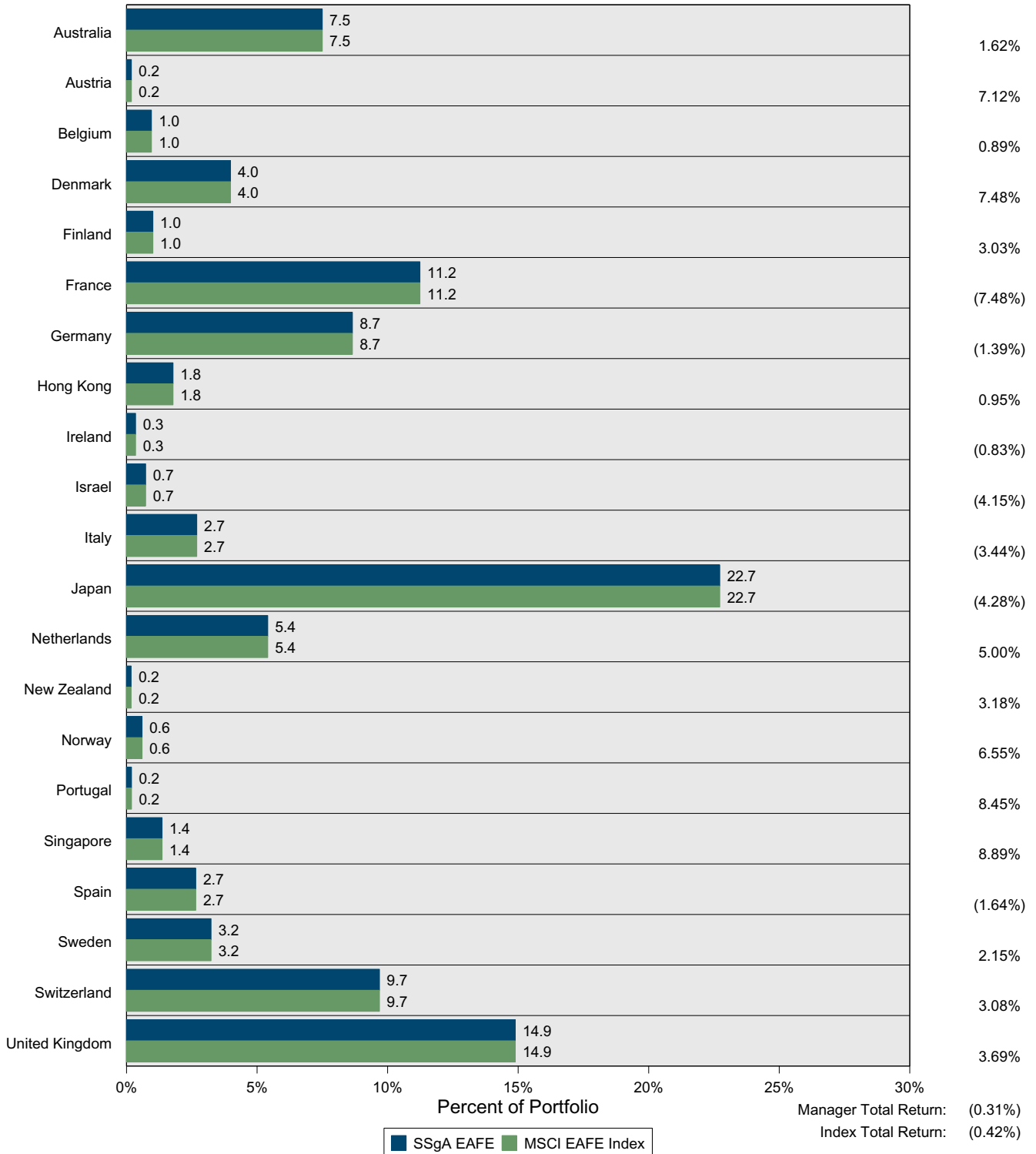
## SSgA EAFE VS MSCI EAFE Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2024. 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 June 30, 2024

Index Rtns



## SSgA EAFE Top 10 Portfolio Holdings Characteristics as of June 30, 2024

### 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
Novo-Nordisk A S Almindelig Aktie	Health Care	\$568,741	2.9%	13.26%	489.94	37.98	0.93%	28.35%
Asml Holding N V Asml Rev Stk Spl	Information Technology	\$497,954	2.5%	7.46%	412.93	39.25	0.63%	20.25%
Nestle S A Shs Nom New	Consumer Staples	\$328,646	1.6%	(0.92)%	267.42	17.78	3.27%	5.80%
Astrazeneca Plc Ord	Health Care	\$291,995	1.5%	15.79%	242.14	17.84	1.86%	12.00%
Toyota Motor Corp	Consumer Discretionary	\$261,558	1.3%	(17.41)%	323.05	9.70	2.28%	(2.70)%
Sap Se Shs	Information Technology	\$255,778	1.3%	5.07%	248.56	36.23	1.17%	12.30%
Novartis	Health Care	\$254,370	1.3%	10.33%	234.36	14.15	3.43%	9.40%
Lvmh Moet Hennessy Lou Vuitt Ord	Consumer Discretionary	\$254,341	1.3%	(14.26)%	382.51	21.31	1.82%	8.29%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$235,239	1.2%	8.87%	195.06	13.24	3.85%	4.25%
Hsbc Holdings (Gb)	Financials	\$196,844	1.0%	14.77%	160.91	6.95	0.00%	23.74%

### 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
Hargreaves Lansdown Plc Bris Shs	Financials	\$6,139	0.0%	53.91%	6.79	17.10	3.71%	1.12%
Sitc International Holdings Shs	Industrials	\$4,392	0.0%	52.97%	7.29	11.36	5.19%	13.02%
Pro Medicus Ltd Shs	Health Care	\$6,627	0.0%	41.46%	9.99	142.59	24.43%	32.56%
Siemens Energy Ag	Industrials	\$18,835	0.1%	41.13%	20.79	40.27	0.00%	-
Ap Moller Maersk B	Industrials	\$9,394	0.0%	38.83%	10.56	31.36	4.25%	(23.84)%
Ap Moller Maersk A	Industrials	\$6,211	0.0%	38.12%	16.57	193.87	4.36%	-
Sea Ltd Adr	Communication Services	\$31,545	0.2%	32.42%	37.77	61.68	0.00%	-
Solvay Sa Act	Materials	\$8,005	0.0%	31.23%	3.73	8.02	7.39%	7.59%
Royal Philips NV Shs	Health Care	\$24,513	0.1%	30.12%	23.76	15.74	3.44%	16.47%
Galp Energia	Energy	\$11,845	0.1%	29.53%	15.11	15.88	2.74%	7.30%

### 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
Koninklijke Dsm NV Shs	Materials	\$25,382	0.1%	(66.40)%	0.30	-	5.95%	41.08%
Carl Zeiss Meditec Ag Akt	Health Care	\$3,415	0.0%	(44.36)%	6.33	23.93	1.67%	20.62%
Sartorius Stedim Biotech Aub Ord	Health Care	\$5,785	0.0%	(42.29)%	15.99	29.98	0.45%	15.10%
Sartorius Ag Vorz Akt	Health Care	\$7,418	0.0%	(40.41)%	8.81	38.99	0.34%	18.02%
Neste Oil	Energy	\$9,090	0.0%	(34.27)%	13.71	9.40	7.22%	3.56%
Nice Systems Ltd Shs	Information Technology	\$12,399	0.1%	(34.18)%	10.85	15.02	0.00%	17.30%
So-Net M3	Health Care	\$5,074	0.0%	(32.49)%	6.47	21.37	1.37%	19.04%
Nitori Holdings Co Ltd Shs New	Consumer Discretionary	\$10,204	0.1%	(32.28)%	12.09	19.66	0.87%	9.00%
Screen Hldgs Co Ltd Shs New	Information Technology	\$8,834	0.0%	(31.37)%	9.16	17.90	1.54%	23.60%
Adyen NV Common Stock	Financials	\$31,268	0.2%	(29.55)%	37.04	34.97	0.00%	22.74%

# Pyrford

## Period Ended June 30, 2024

### Investment Philosophy

Returns prior to 6/30/2017 are linked to a composite history.

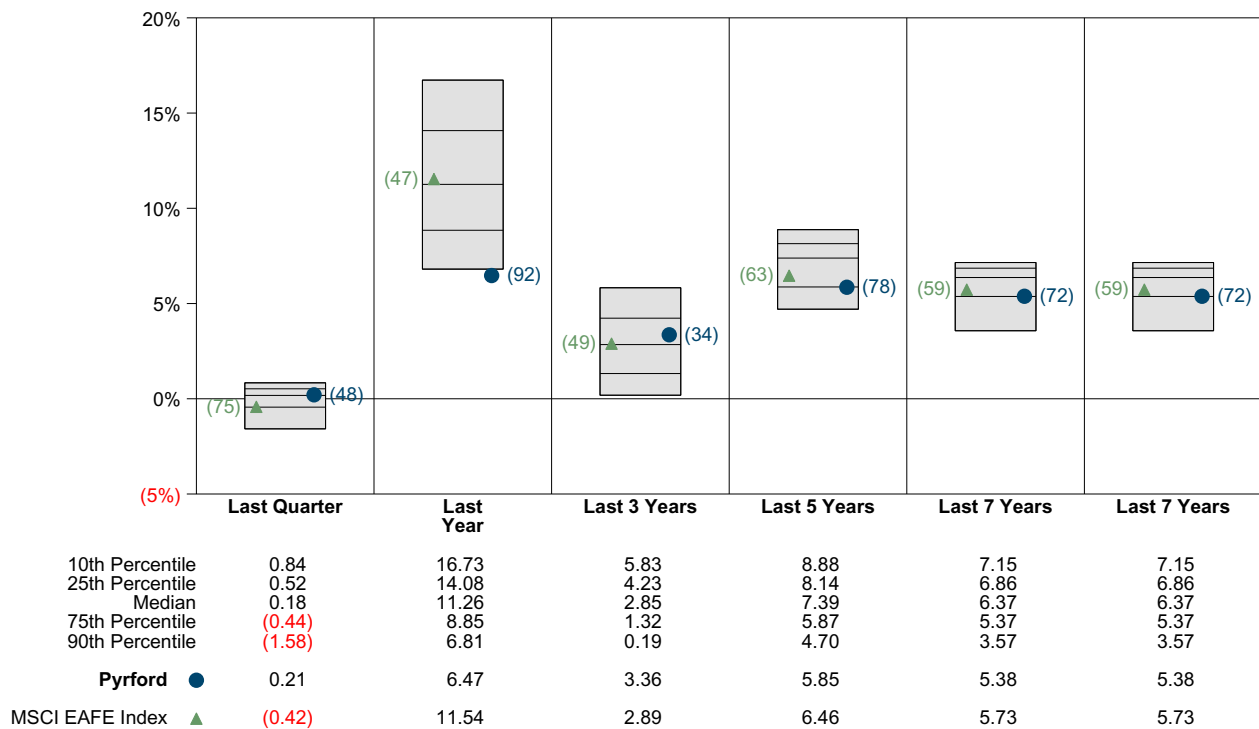
### Quarterly Summary and Highlights

- Pyrford's portfolio posted a 0.21% return for the quarter placing it in the 48 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 92 percentile for the last year.
- Pyrford's portfolio outperformed the MSCI EAFE Index by 0.63% for the quarter and underperformed the MSCI EAFE Index for the year by 5.07%.

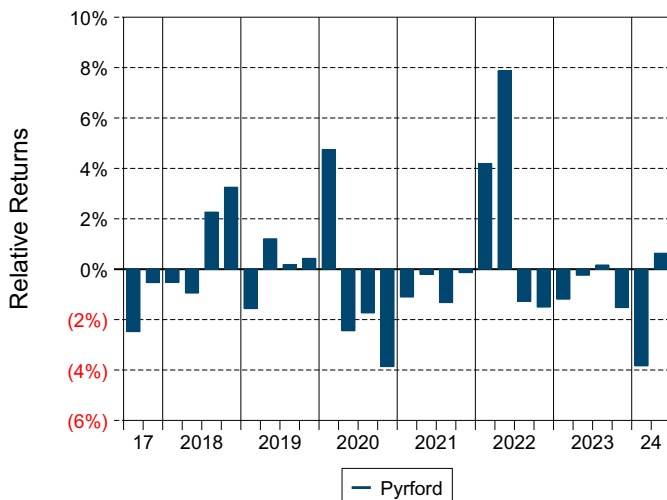
### Quarterly Asset Growth

Beginning Market Value	\$38,560,680
Net New Investment	\$0
Investment Gains/(Losses)	\$79,764
Ending Market Value	\$38,640,443

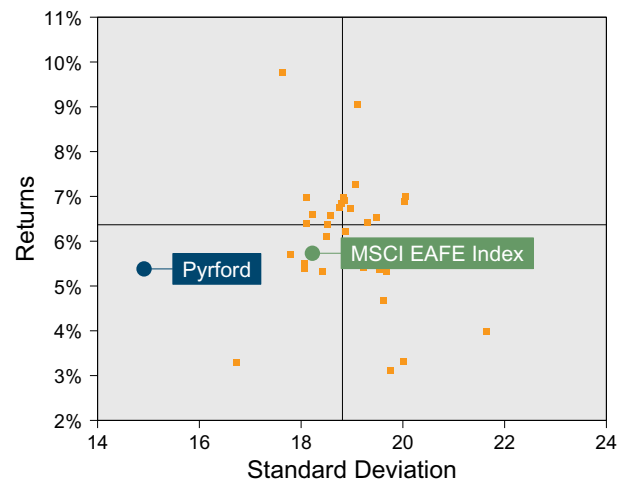
### Performance vs Callan Non-US Developed Core Equity (Gross)



### Relative Return vs MSCI EAFE Index



### Callan Non-US Developed Core Equity (Gross) Annualized Seven Year Risk vs Return

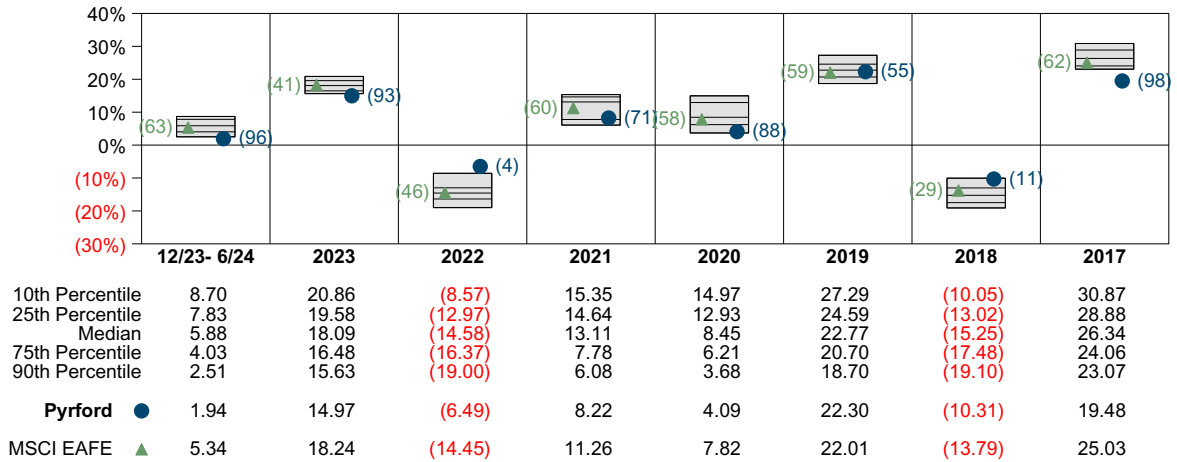


# Pyrford Return Analysis Summary

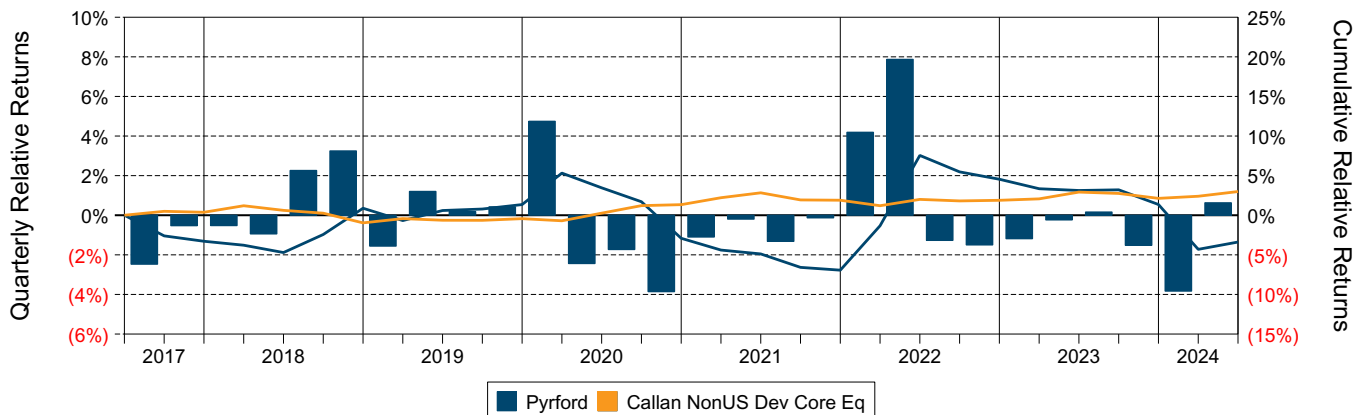
## Return Analysis

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.

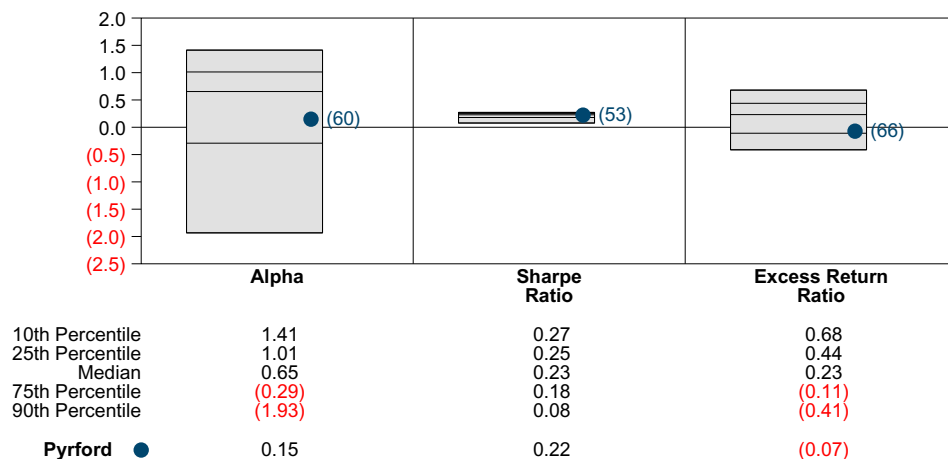
### Performance vs Callan Non-US Developed Core Equity (Gross)



### Cumulative and Quarterly Relative Returns vs MSCI EAFE



### Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2024



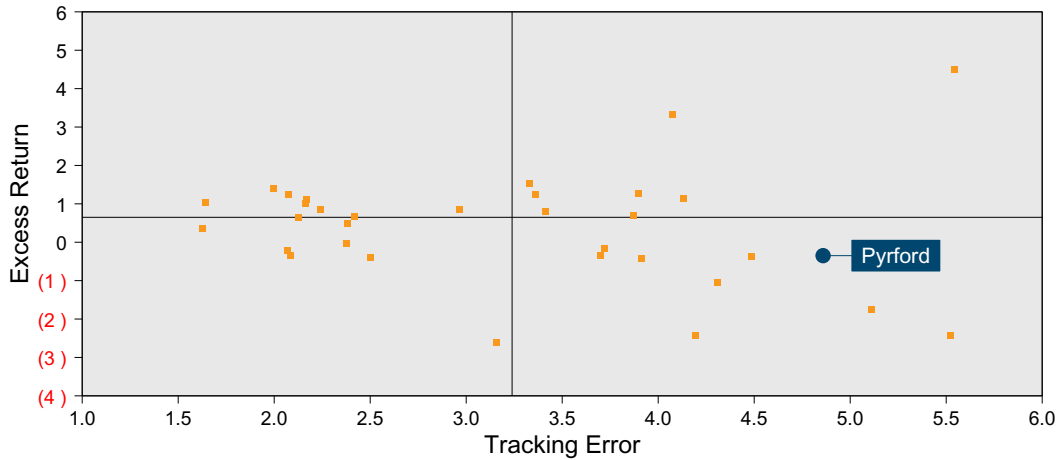


# Pyrford Risk Analysis Summary

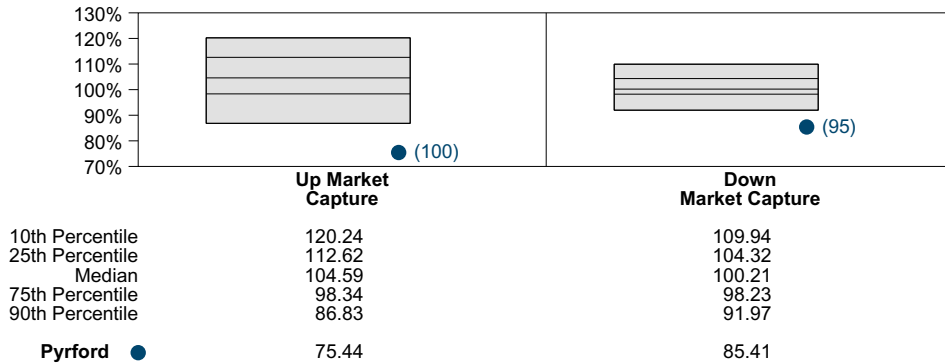
## Risk Analysis

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.

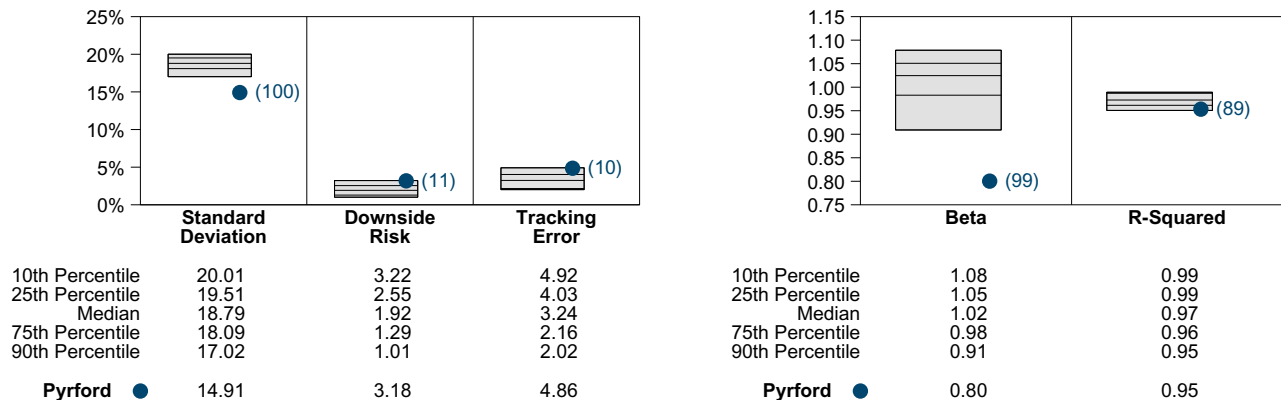
### Risk Analysis vs Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2024



### Market Capture vs MSCI EAFE (Net) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2024



### Risk Statistics Rankings vs MSCI EAFE (Net) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2024

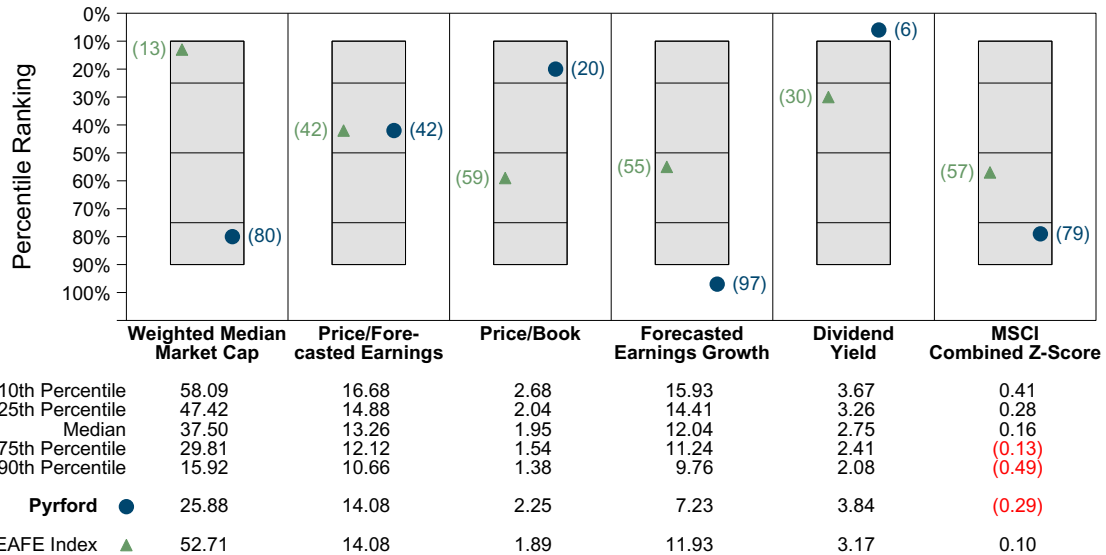


# Pyrford Equity Characteristics Analysis Summary

## 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.

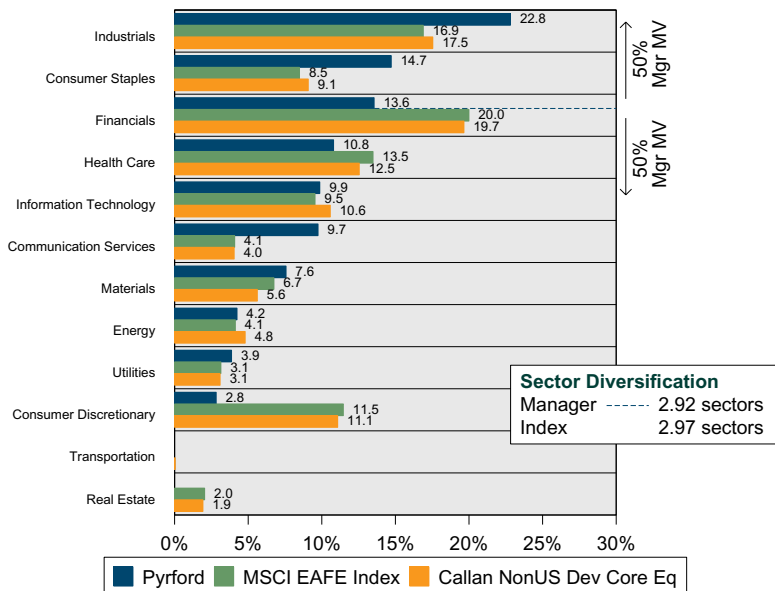
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of June 30, 2024



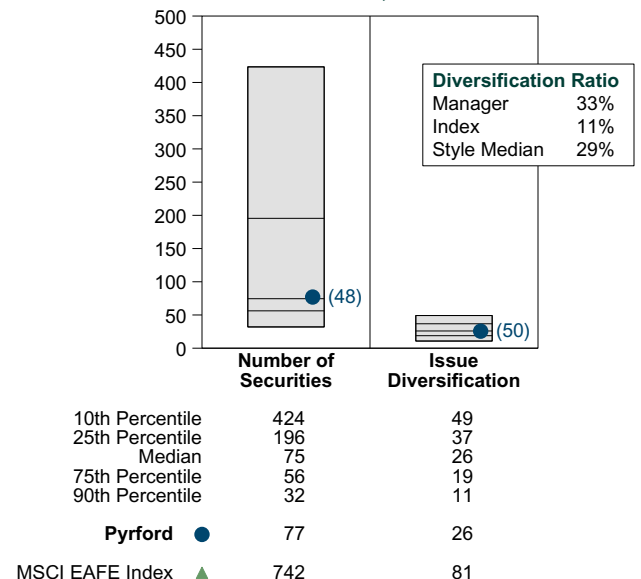
## Sector Weights

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.

### Sector Allocation June 30, 2024



### Diversification June 30, 2024



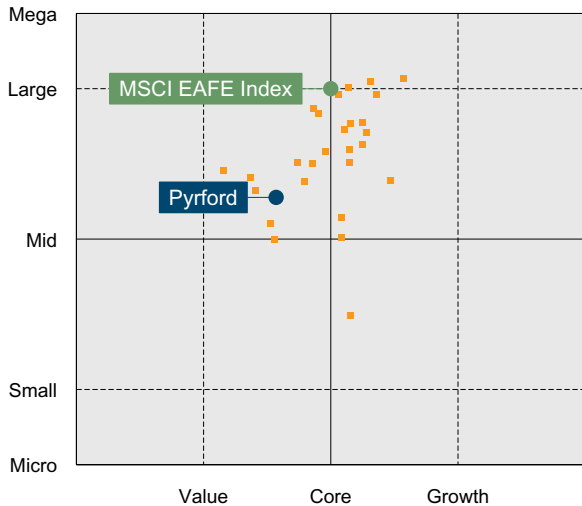
# Current Holdings Based Style Analysis

## Pyrford

### As of June 30, 2024

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.

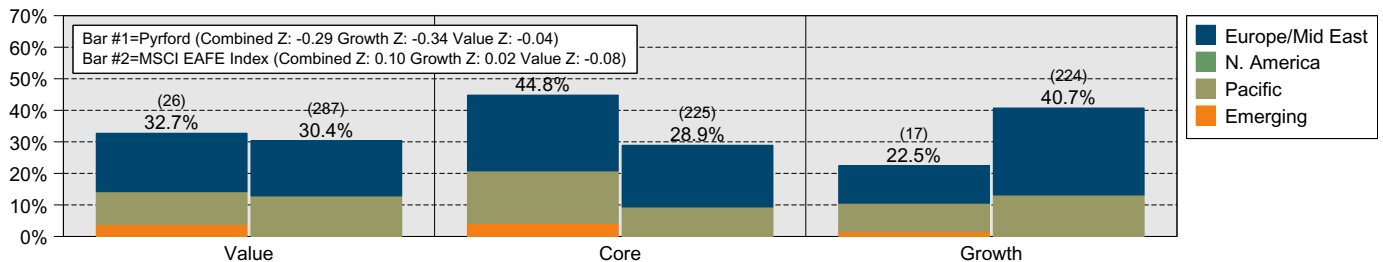
**Style Map vs Callan NonUS Dev Core Eq Holdings as of June 30, 2024**



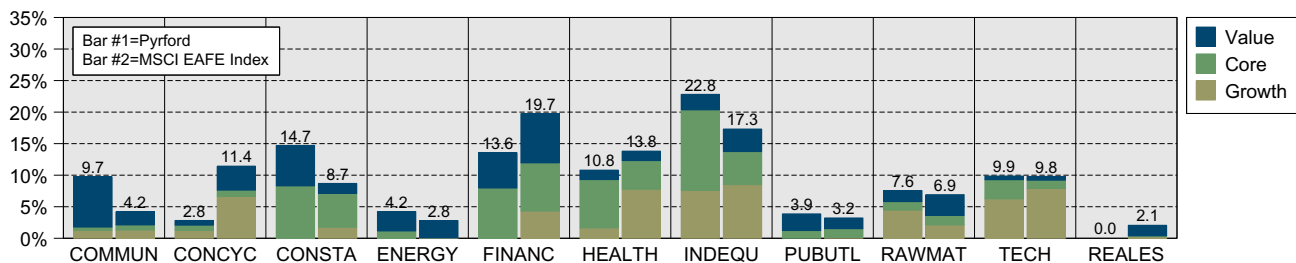
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Europe/ Mid East	18.5% (15)	24.0% (19)	11.9% (10)	54.5% (44)
N. America	17.5% (158)	19.6% (140)	27.6% (127)	64.6% (425)
Pacific	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Emerging	10.3% (7)	16.6% (11)	9.1% (6)	36.0% (24)
	12.9% (129)	9.4% (85)	13.1% (96)	35.3% (310)
Emerging	3.9% (4)	4.2% (4)	1.5% (1)	9.6% (9)
	0.0% (0)	0.0% (0)	0.0% (1)	0.0% (1)
<b>Total</b>	<b>32.7% (26)</b>	<b>44.8% (34)</b>	<b>22.5% (17)</b>	<b>100.0% (77)</b>
	<b>30.4% (287)</b>	<b>28.9% (225)</b>	<b>40.7% (224)</b>	<b>100.0% (736)</b>

**Combined Z-Score Style Distribution Holdings as of June 30, 2024**



**Sector Weights Distribution Holdings as of June 30, 2024**



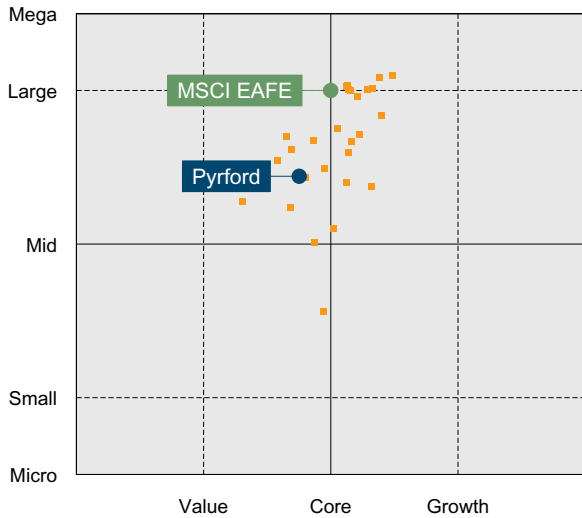
# Historical Holdings Based Style Analysis

## Pyrford

### For Five Years Ended June 30, 2024

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.

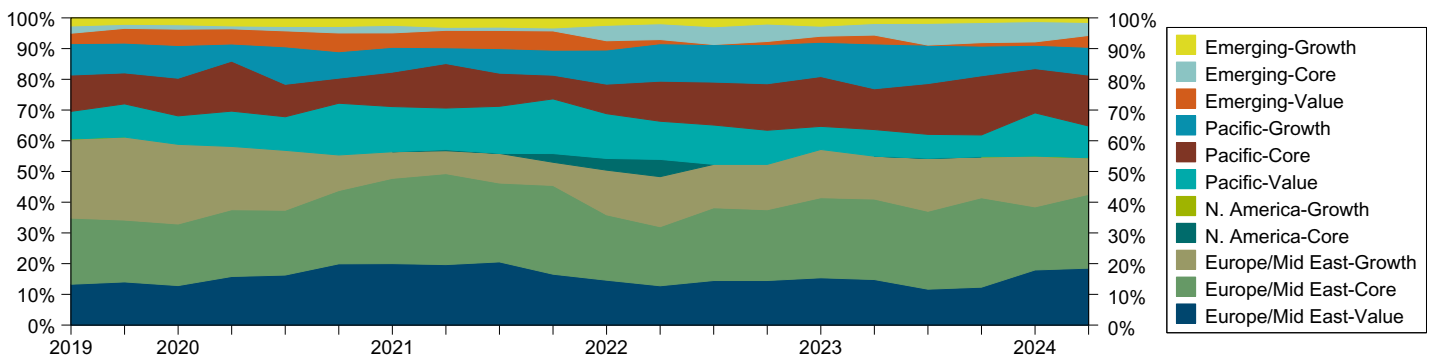
**Average Style Map vs Callan NonUS Dev Core Eq Holdings for Five Years Ended June 30, 2024**



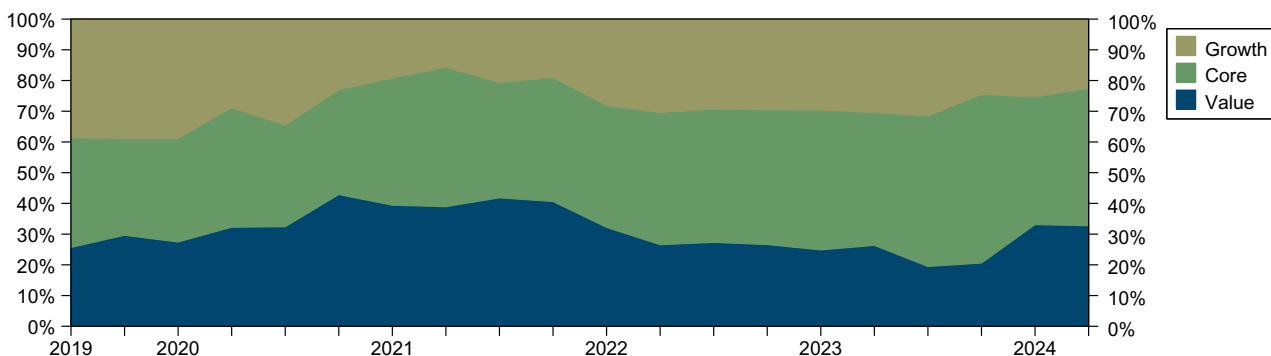
**Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2024**

	Value	Core	Growth	Total
Europe/ Mid East	15.8% (11) 18.4% (148)	23.9% (16) 18.6% (127)	15.6% (13) 26.3% (163)	55.3% (40) 63.4% (438)
N. America	0.0% (0) 0.0% (0)	0.6% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.6% (0) 0.0% (0)
Pacific	11.8% (7) 11.8% (142)	13.1% (9) 11.1% (120)	10.0% (7) 13.7% (132)	34.8% (23) 36.6% (394)
Emerging	3.4% (2) 0.0% (0)	3.4% (3) 0.0% (0)	2.3% (3) 0.0% (0)	9.2% (8) 0.0% (0)
<b>Total</b>	<b>31.0% (20)</b> <b>30.2% (290)</b>	<b>41.1% (28)</b> <b>29.7% (247)</b>	<b>27.9% (23)</b> <b>40.0% (295)</b>	<b>100.0% (71)</b> <b>100.0% (832)</b>

**Pyrford Historical Region/Style Exposures**



**Pyrford Historical Style Only Exposures**



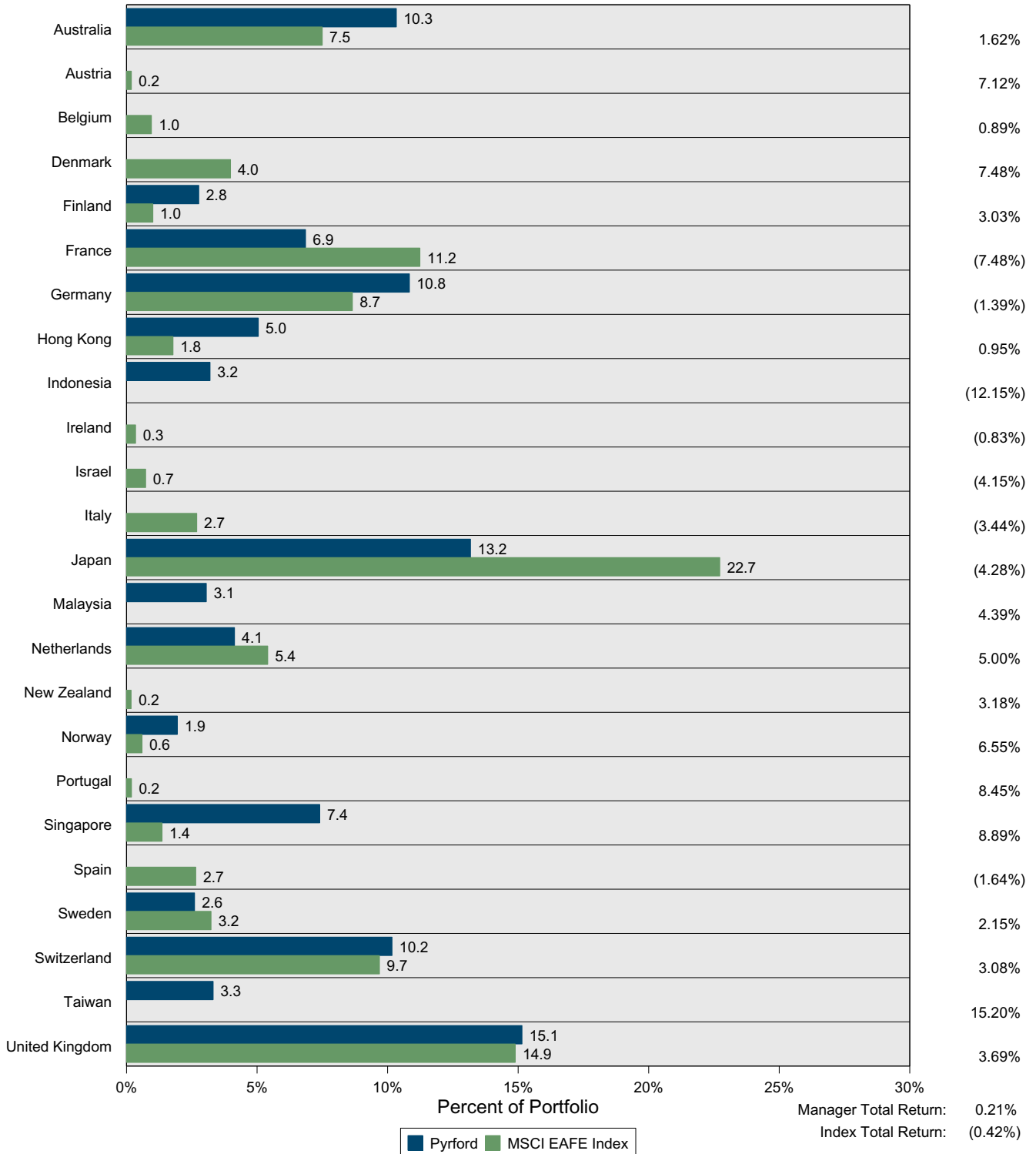
# Country Allocation Pyrford VS MSCI EAFE Index

## Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2024. 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 June 30, 2024

Index Rtns



## Pyrford Top 10 Portfolio Holdings Characteristics as of June 30, 2024

### 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
United Overseas Bk Ltd Shs	Financials	\$999,553	2.6%	9.41%	38.97	8.78	5.41%	1.65%
Japan Tobacco Inc Ord	Consumer Staples	\$893,182	2.3%	3.15%	54.06	15.06	4.53%	6.89%
Nestle S A Shs Nom New	Consumer Staples	\$881,087	2.3%	(0.92)%	267.42	17.78	3.27%	5.80%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$846,890	2.2%	8.87%	195.06	13.24	3.85%	4.25%
Unilever Plc Shs	Consumer Staples	\$845,939	2.2%	10.31%	137.20	18.05	3.39%	6.92%
Sap Se Shs	Information Technology	\$828,978	2.1%	5.07%	248.56	36.23	1.17%	12.30%
Mitsubishi Elec Corp Shs	Industrials	\$820,288	2.1%	(3.84)%	34.27	16.69	1.95%	10.10%
Novartis	Health Care	\$804,945	2.1%	10.33%	234.36	14.15	3.43%	9.40%
Brambles Ltd Npv	Industrials	\$800,992	2.1%	(7.18)%	13.51	16.20	3.09%	11.64%
Kddi	Communication Services	\$789,117	2.0%	(10.70)%	57.96	12.08	3.29%	8.63%

### 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
Royal Philips NV Shs	Health Care	\$317,902	0.8%	30.12%	23.76	15.74	3.44%	16.47%
Vtech Holdings Ltd Shs New	Information Technology	\$531,255	1.4%	23.38%	1.89	9.74	8.69%	(3.56)%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$559,571	1.4%	22.80%	772.22	21.55	1.45%	20.75%
Imperial Brands Plc Shs	Consumer Staples	\$467,750	1.2%	15.75%	21.92	6.47	7.30%	8.45%
Telekom Malaysia Bhd Shs	Communication Services	\$193,329	0.5%	13.23%	5.50	15.92	3.70%	21.68%
Atlas Copco Ab Shs A	Industrials	\$312,485	0.8%	12.06%	63.16	30.94	1.41%	8.16%
Koninklijke Vopak NV Rotterd Shs	Energy	\$353,920	0.9%	12.01%	5.22	11.74	3.87%	9.84%
Asm Pacific Technology Ltd Ord	Information Technology	\$333,823	0.9%	11.83%	5.78	24.38	0.80%	7.12%
Novartis	Health Care	\$804,945	2.1%	10.33%	234.36	14.15	3.43%	9.40%
Unilever Plc Shs	Consumer Staples	\$845,939	2.2%	10.31%	137.20	18.05	3.39%	6.92%

### 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
Croda Intl Plc Ord	Materials	\$300,770	0.8%	(18.38)%	6.97	23.86	2.76%	(10.51)%
Sumitomo Rubber Ind	Consumer Discretionary	\$280,276	0.7%	(18.26)%	2.62	9.09	5.12%	32.45%
Brenntag Ag Muehlheim/Ruhr Shs New	Industrials	\$475,196	1.2%	(16.87)%	9.83	12.01	3.31%	6.00%
Nissan Chemical Ind	Materials	\$509,397	1.3%	(16.24)%	4.40	17.07	3.22%	6.10%
Rubis Ord Shs	Utilities	\$309,753	0.8%	(14.60)%	2.93	7.34	7.54%	15.36%
Kddi	Communication Services	\$789,117	2.0%	(10.70)%	57.96	12.08	3.29%	8.63%
Gsk Plc Ord	Health Care	\$523,892	1.4%	(9.67)%	80.14	9.08	3.86%	8.10%
Advantech Co	Information Technology	\$219,171	0.6%	(9.65)%	9.81	28.52	2.70%	8.10%
Bureau Veritas Registre Inte Shs	Industrials	\$521,091	1.3%	(9.26)%	12.58	18.40	3.21%	7.60%
Abc-Mart	Consumer Discretionary	\$476,977	1.2%	(8.30)%	4.35	16.57	2.48%	2.40%

# AQR

## Period Ended June 30, 2024

### Investment Philosophy

Returns prior to 9/30/2016 are linked to a composite history.

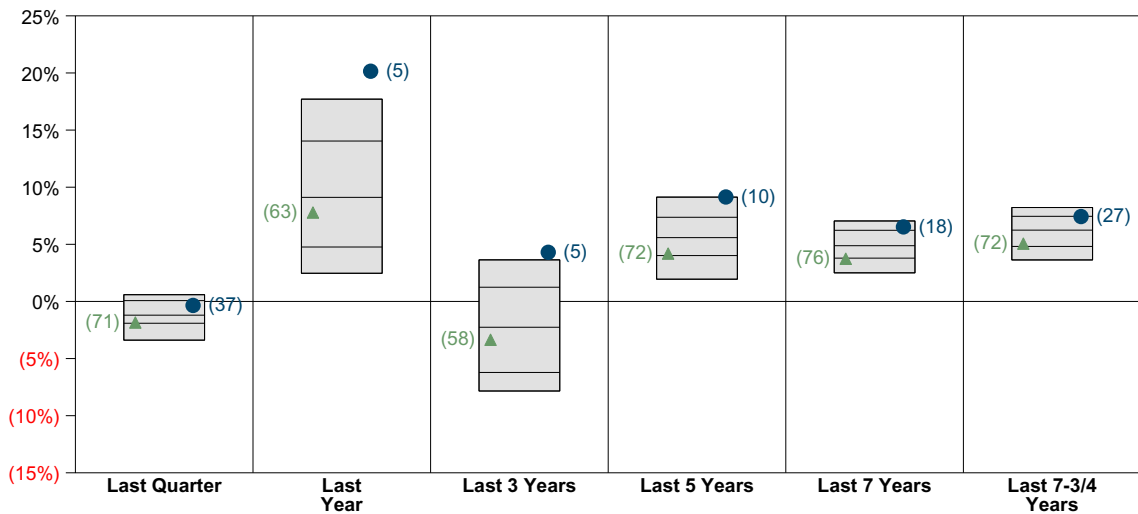
### Quarterly Summary and Highlights

- AQR's portfolio posted a (0.35)% return for the quarter placing it in the 37 percentile of the Callan International Small Cap group for the quarter and in the 5 percentile for the last year.
- AQR's portfolio outperformed the MSCI EAFE Small Cap Index by 1.50% for the quarter and outperformed the MSCI EAFE Small Cap Index for the year by 12.37%.

### Quarterly Asset Growth

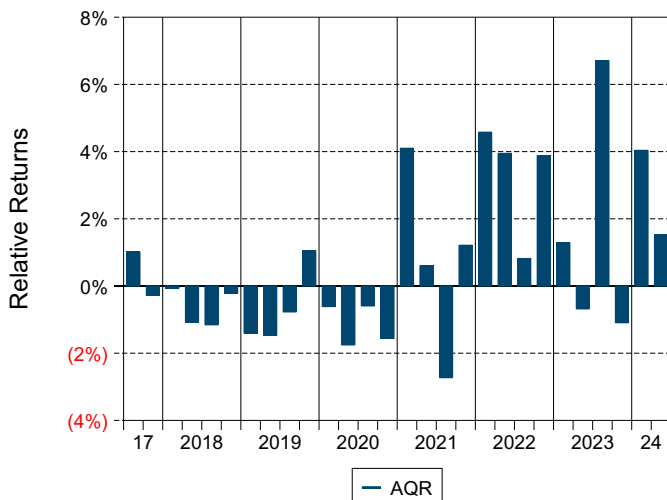
Beginning Market Value	\$23,271,306
Net New Investment	\$0
Investment Gains/(Losses)	\$-48,896
Ending Market Value	\$23,222,410

### Performance vs Callan International Small Cap (Gross)

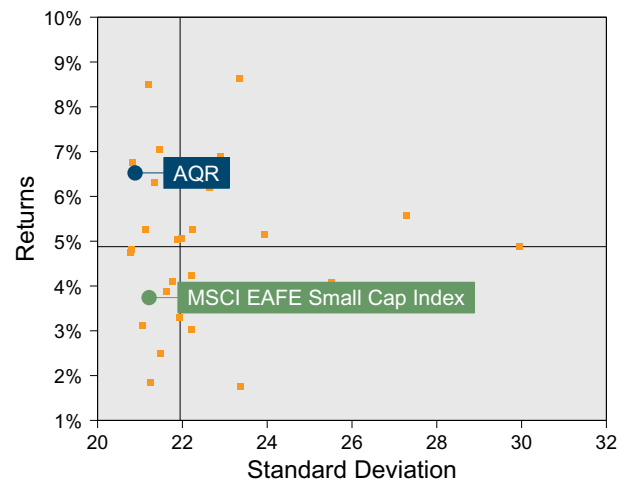


10th Percentile	0.59	17.71	3.64	9.13	7.04	8.22
25th Percentile	0.07	14.04	1.24	7.37	6.23	7.45
Median	(1.20)	9.11	(2.26)	5.59	4.88	6.24
75th Percentile	(1.91)	4.76	(6.22)	4.01	3.79	4.82
90th Percentile	(3.39)	2.47	(7.84)	1.95	2.50	3.63
<b>AQR</b> ●	<b>(0.35)</b>	<b>20.15</b>	<b>4.30</b>	<b>9.14</b>	<b>6.52</b>	<b>7.43</b>
MSCI EAFE Small Cap Index ▲	<b>(1.84)</b>	<b>7.78</b>	<b>(3.35)</b>	<b>4.19</b>	<b>3.74</b>	<b>5.06</b>

### Relative Returns vs MSCI EAFE Small Cap Index



### Callan International Small Cap (Gross) Annualized Seven Year Risk vs Return

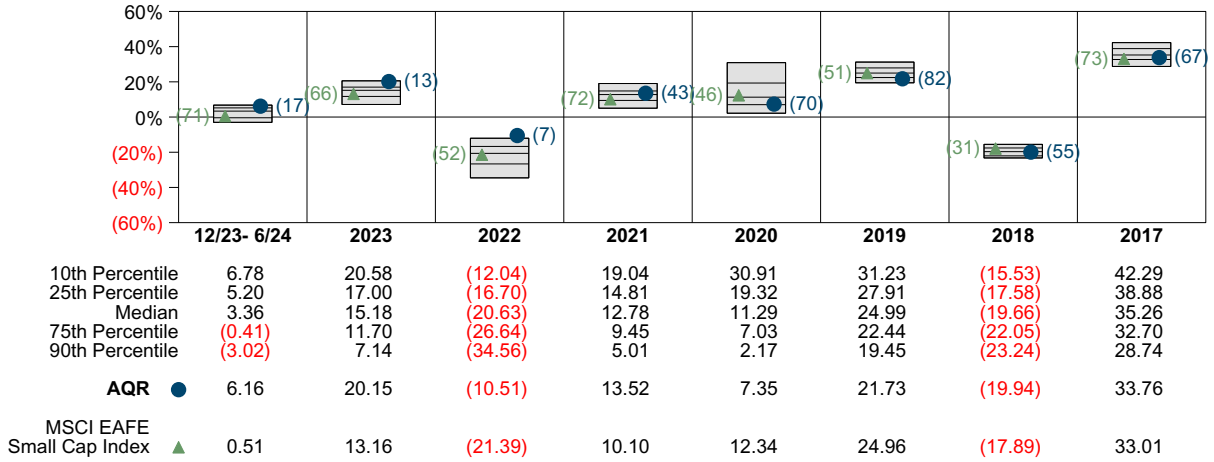


# AQR Return Analysis Summary

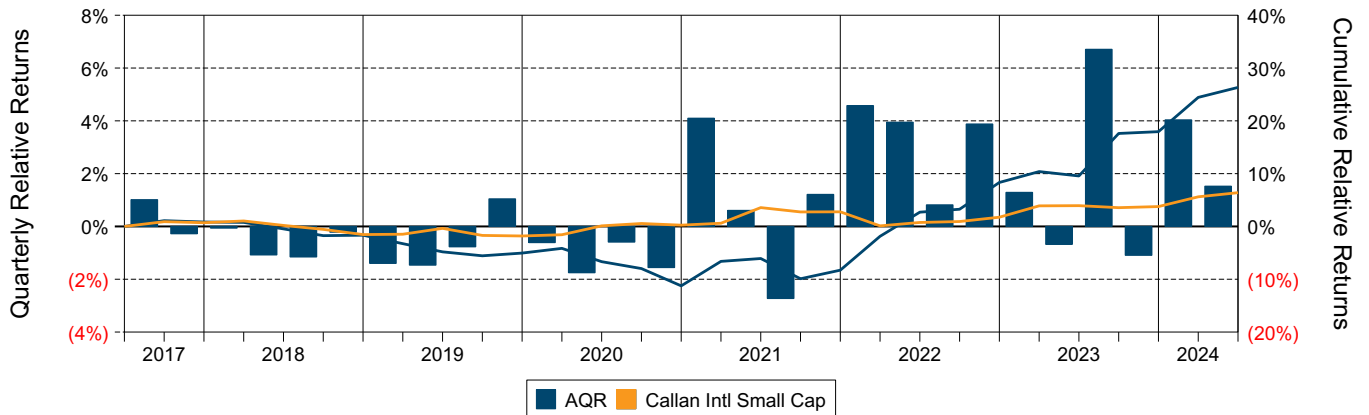
## Return Analysis

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.

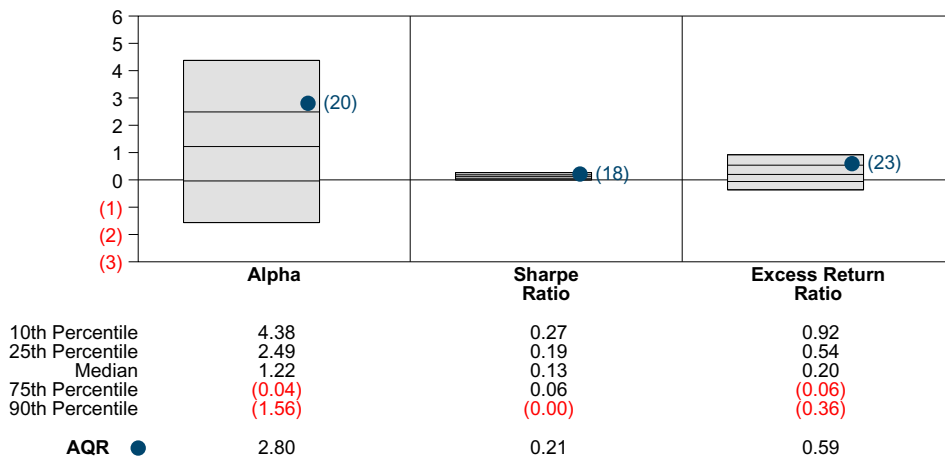
### Performance vs Callan International Small Cap (Gross)



### Cumulative and Quarterly Relative Returns 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 June 30, 2024



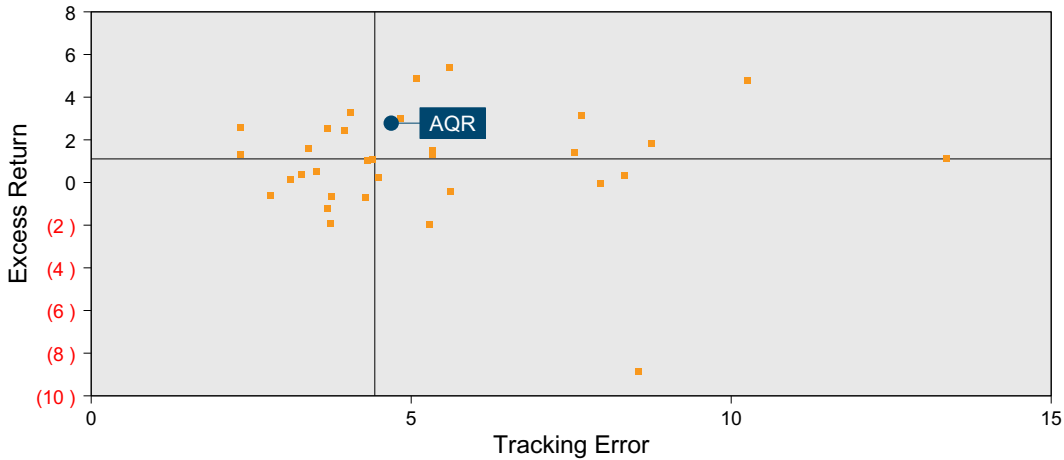


# AQR Risk Analysis Summary

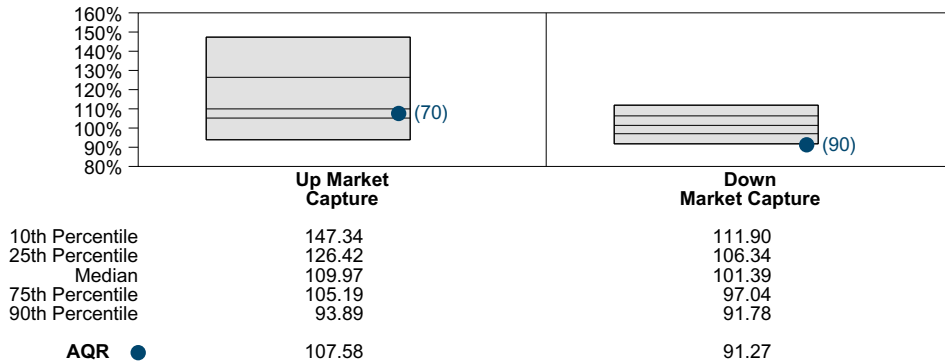
## Risk Analysis

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.

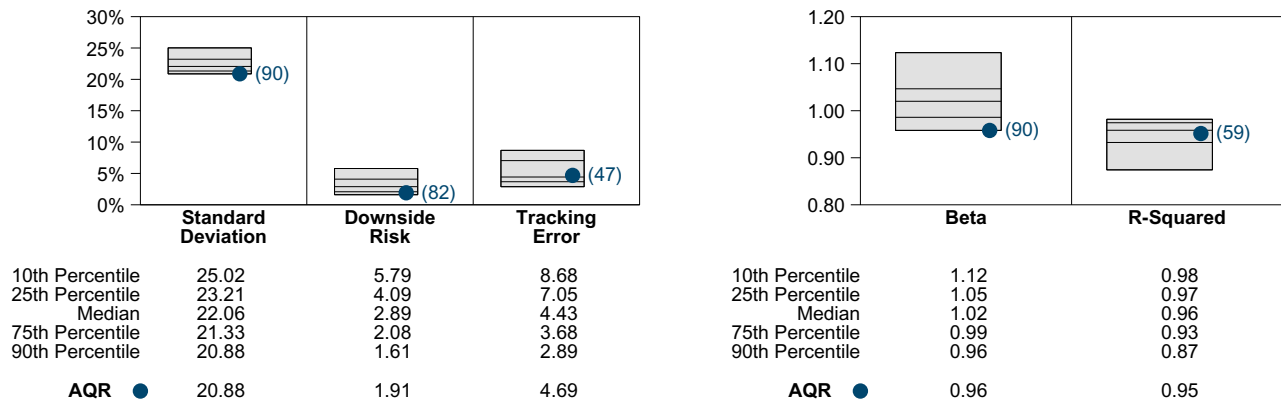
### Risk Analysis vs Callan International Small Cap (Gross) Seven Years Ended June 30, 2024



### Market Capture vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended June 30, 2024



### Risk Statistics Rankings vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended June 30, 2024

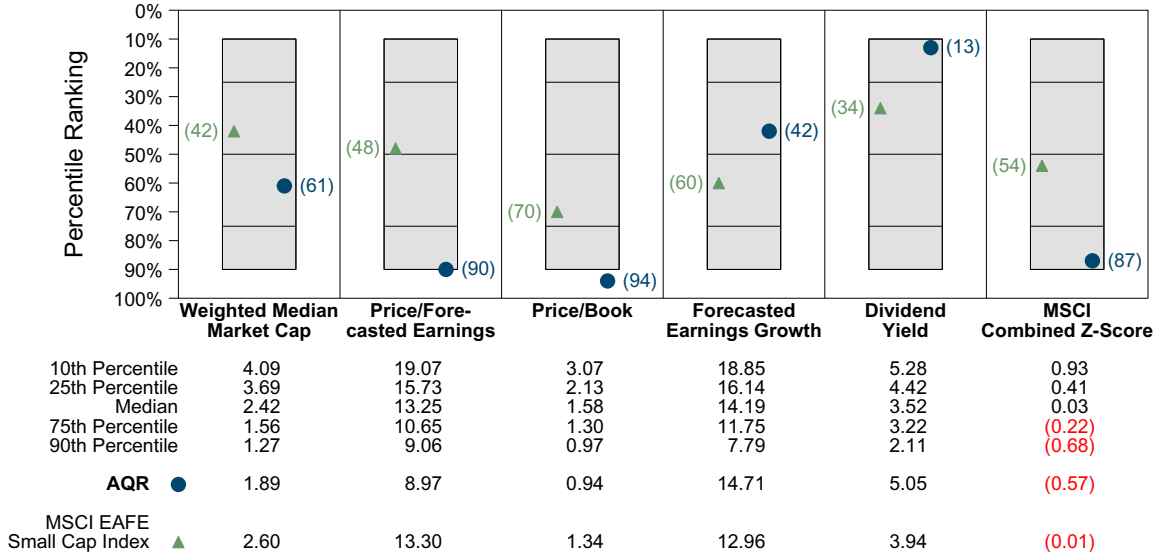


# AQR Equity Characteristics Analysis Summary

## Portfolio Characteristics

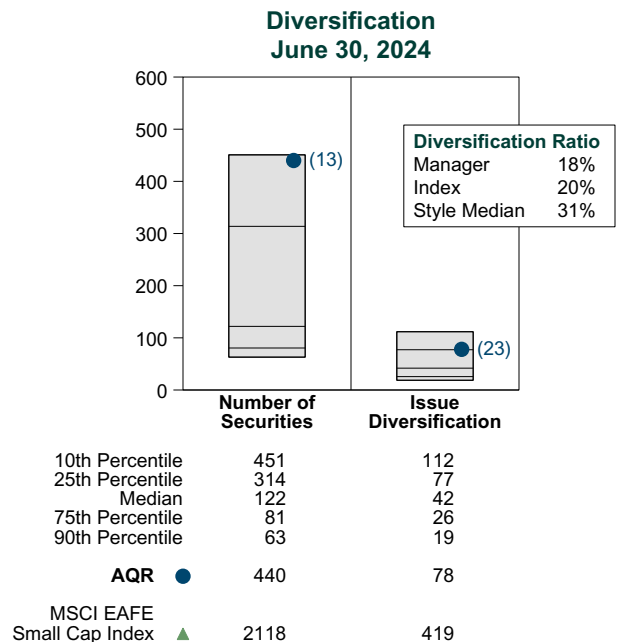
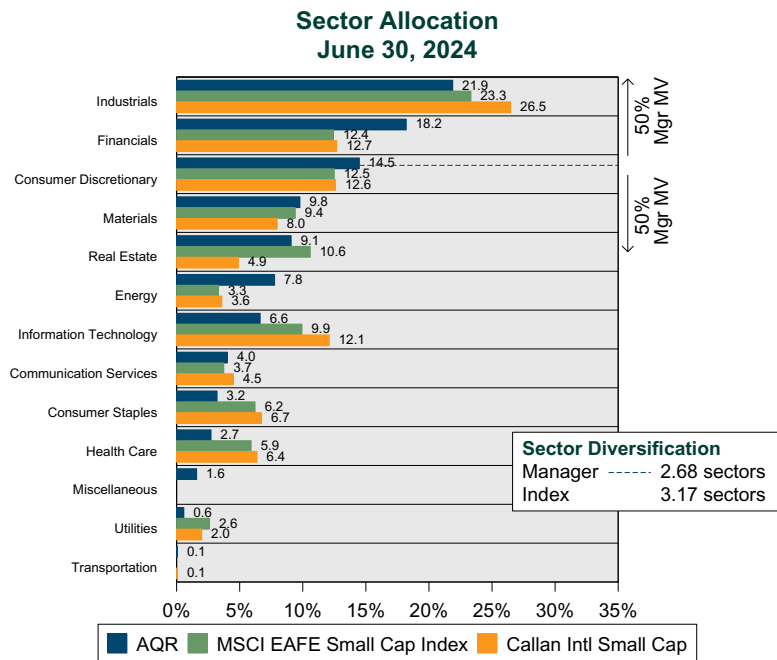
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan International Small Cap as of June 30, 2024



## 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.



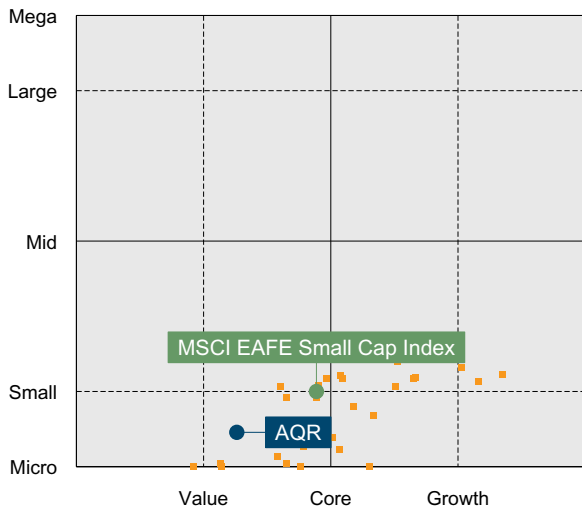
# Current Holdings Based Style Analysis

## AQR

### As of June 30, 2024

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.

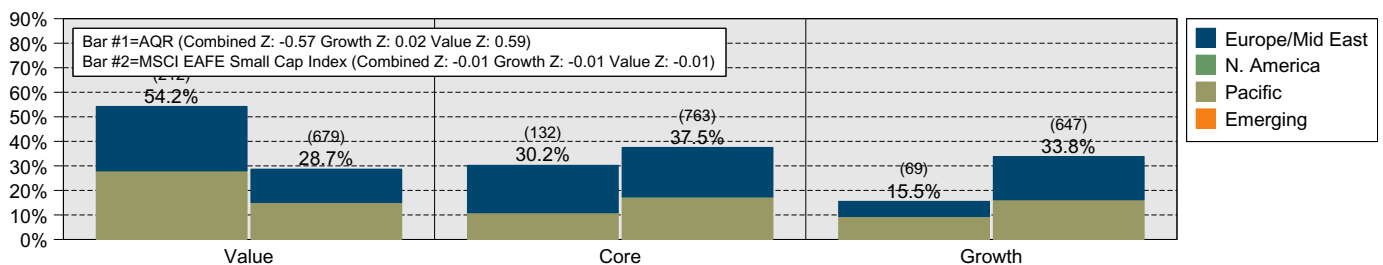
**Style Map vs Callan Intl Small Cap Holdings as of June 30, 2024**



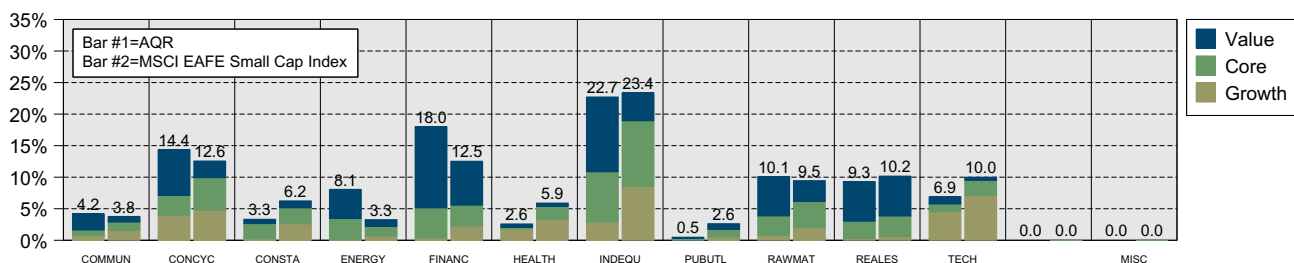
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Europe/ Mid East	26.3% (82) 13.5% (279)	19.3% (70) 20.2% (374)	6.2% (32) 17.6% (298)	51.8% (184) 51.2% (951)
N. America	0.0% (0) 0.0% (0)	0.0% (0) 0.1% (3)	0.0% (0) 0.0% (0)	0.0% (0) 0.1% (3)
Pacific	28.0% (130) 15.2% (400)	10.9% (62) 17.3% (386)	9.3% (37) 16.2% (349)	48.2% (229) 48.7% (1135)
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)
<b>Total</b>	<b>54.2% (212)</b> 28.7% (679)	<b>30.2% (132)</b> 37.5% (763)	<b>15.5% (69)</b> 33.8% (647)	<b>100.0% (413)</b> 100.0% (2089)

**Combined Z-Score Style Distribution Holdings as of June 30, 2024**



**Sector Weights Distribution Holdings as of June 30, 2024**



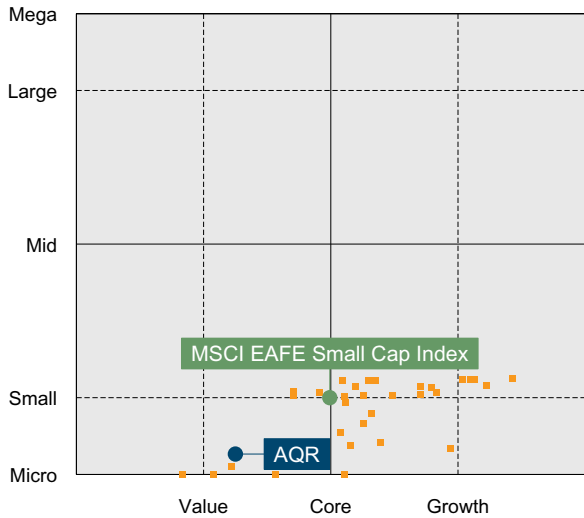
# Historical Holdings Based Style Analysis

## AQR

### For Five Years Ended June 30, 2024

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.

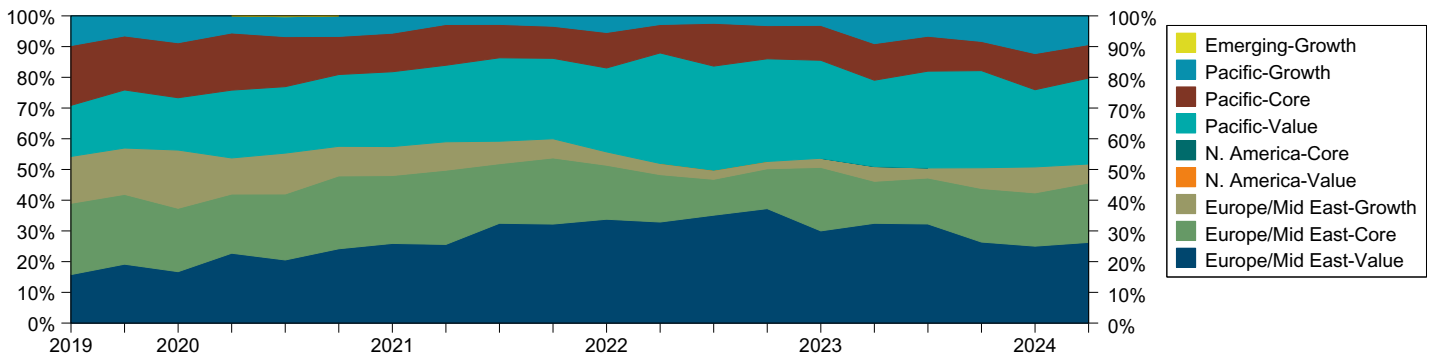
**Average Style Map vs Callan Intl Small Cap Holdings for Five Years Ended June 30, 2024**



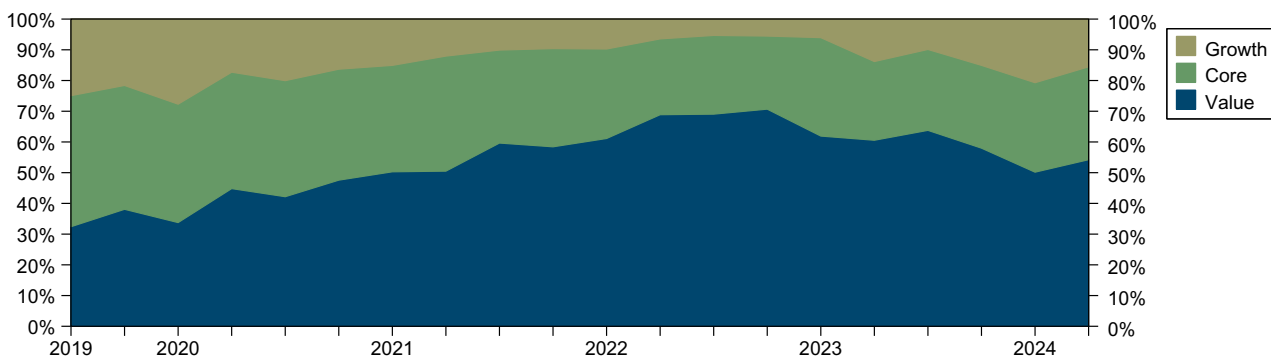
**Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2024**

	Value	Core	Growth	Total
Europe/ Mid East	27.3% (93)	19.0% (73)	8.1% (31)	54.4% (197)
	14.3% (318)	20.8% (394)	19.6% (327)	54.7% (1039)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (1)	0.1% (4)	0.0% (0)	0.1% (5)
Pacific	26.5% (121)	13.1% (71)	6.0% (30)	45.6% (222)
	13.4% (403)	16.4% (429)	15.4% (394)	45.2% (1226)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (1)	0.0% (1)	0.1% (2)
<b>Total</b>	<b>53.8% (214)</b>	<b>32.1% (144)</b>	<b>14.1% (61)</b>	<b>100.0% (419)</b>
	27.7% (722)	37.2% (828)	35.1% (722)	100.0% (2272)

### AQR Historical Region/Style Exposures



### AQR Historical Style Only Exposures



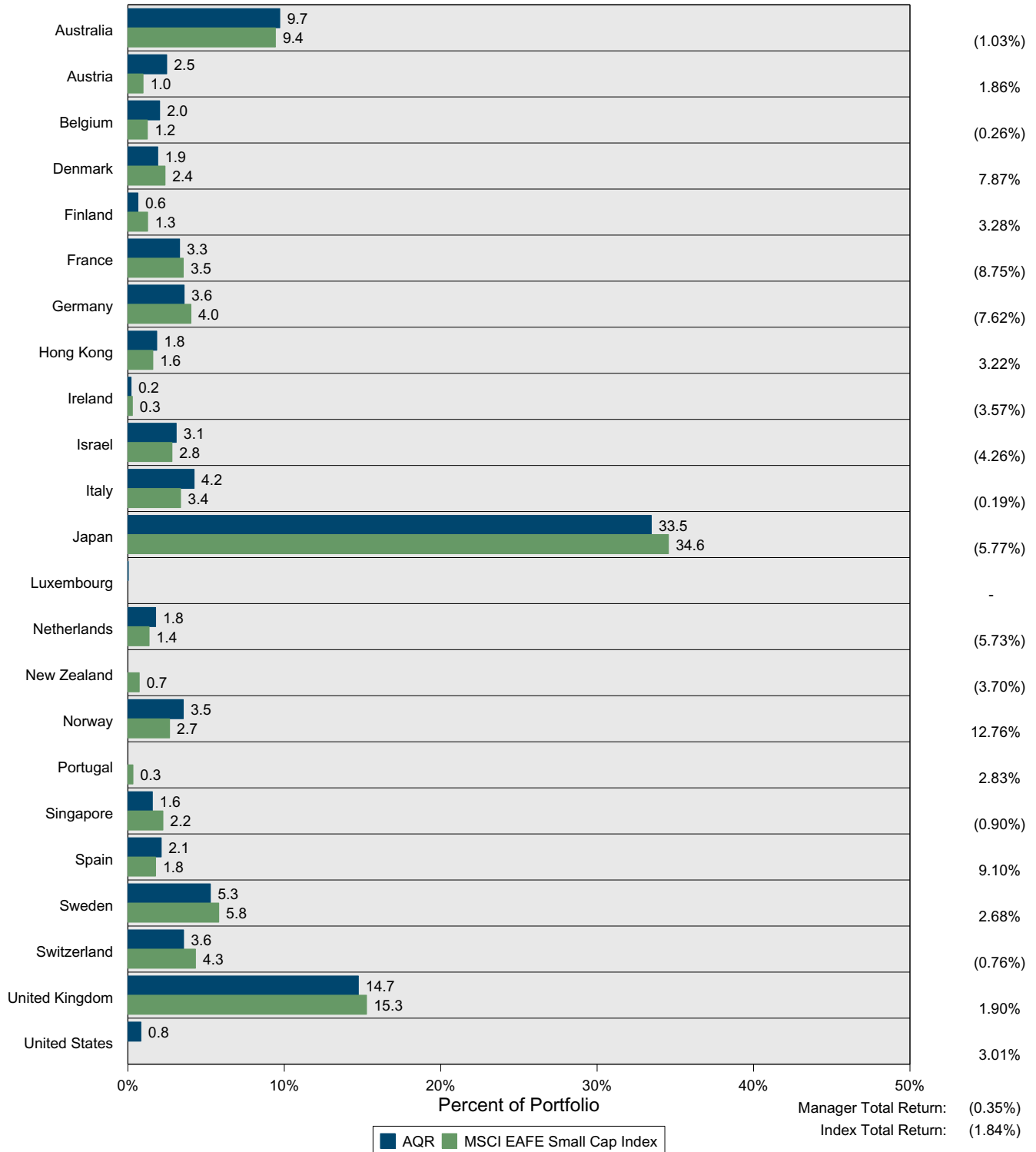
## Country Allocation AQR VS MSCI EAFE Small Cap Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2024. 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 June 30, 2024

### Index Rtns



## AQR Top 10 Portfolio Holdings Characteristics as of June 30, 2024

### 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
Sojitz Corp Shs New	Industrials	\$298,084	1.3%	(7.75)%	5.47	7.50	3.45%	26.71%
Unipol Gruppo Finanziario Sp Shs	Financials	\$260,112	1.1%	23.59%	7.14	6.64	4.12%	23.23%
Data3	Information Technology	\$250,919	1.1%	3.48%	0.86	27.14	2.93%	15.46%
Lancashire Hldgs Ltd Shs	Financials	\$225,183	1.0%	1.07%	1.89	5.79	7.09%	(8.86)%
Raiffeisen Bk Intl Ag Wien Shs	Financials	\$225,010	1.0%	(6.84)%	5.72	2.98	7.71%	(9.32)%
D Amico International Shippi Shs New	Energy	\$221,528	1.0%	18.99%	0.98	6.66	5.25%	41.81%
Temple & Webster Gp.	Consumer Discretionary	\$217,196	0.9%	(26.74)%	0.74	130.65	0.00%	41.75%
Perenti Global Ltd Shs	Materials	\$216,229	0.9%	5.00%	0.64	4.95	2.00%	5.70%
Kier Group	Industrials	\$212,423	0.9%	2.00%	0.76	6.25	126.41%	5.84%
Yamada Denki Co Ltd Japan Shs	Consumer Discretionary	\$210,392	0.9%	(5.14)%	2.60	10.47	2.77%	3.60%

### 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
Bw Lpg Ltd	Energy	\$182,550	0.8%	75.82%	2.61	8.11	18.85%	20.18%
Suess Microtec Ag Muenchen Namen -Ak	Information Technology	\$28,231	0.1%	71.09%	1.26	28.86	0.32%	43.86%
Peptidream	Health Care	\$79,790	0.3%	64.64%	2.01	27.81	0.00%	22.86%
Ceconomy Ag Shs	Consumer Discretionary	\$56,830	0.2%	60.67%	1.55	6.89	0.00%	14.40%
Avance Gas Holding	Energy	\$47,939	0.2%	57.68%	1.24	7.30	17.54%	29.14%
Camtek Ltd Ord	Information Technology	\$57,960	0.2%	51.46%	5.65	45.59	1.06%	39.39%
Hoegh Autoliners	Industrials	\$121,429	0.5%	47.55%	2.25	3.80	26.98%	-
Abacus Pr.	Real Estate	\$8,260	0.0%	44.70%	0.69	13.77	7.36%	(17.89)%
Yue Yuen Industrial	Consumer Discretionary	\$16,986	0.1%	44.66%	3.12	8.56	5.96%	(3.87)%
Hochschild Mining Plc	Materials	\$46,407	0.2%	40.60%	1.16	7.82	0.00%	(7.98)%

### 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
Orient Res. Gp.	Financials	\$18,527	0.1%	(45.36)%	1.01	2.44	0.00%	55.78%
Zur Rose	Consumer Staples	\$27,609	0.1%	(40.78)%	0.88	(12.08)	0.00%	(45.40)%
Pal	Consumer Discretionary	\$19,467	0.1%	(34.29)%	1.04	11.11	2.76%	58.48%
Rvrc Holding	Consumer Discretionary	\$50,000	0.2%	(32.54)%	0.49	14.55	1.88%	-
Nippon Shinyaku Co	Health Care	\$62,794	0.3%	(31.49)%	1.42	8.32	3.81%	(5.56)%
Oil Refineries	Energy	\$193,668	0.8%	(30.89)%	0.72	3.84	26.94%	(20.16)%
Chiyoda Corp Shs	Industrials	\$25,667	0.1%	(29.67)%	0.49	5.61	0.00%	32.19%
Micronics Japan Co Ltd Tokyo Shs	Information Technology	\$56,007	0.2%	(29.35)%	1.66	24.82	0.49%	4.23%
Gni	Health Care	\$30,180	0.1%	(28.33)%	0.74	13.46	0.00%	75.60%
Arcadium Lithium Cdi Deferred	Materials	\$12,396	0.1%	(27.85)%	1.25	12.33	0.00%	-

# DFA Emerging Markets Period Ended June 30, 2024

## Investment Philosophy

Returns prior to 6/30/2013 are linked to a composite history.

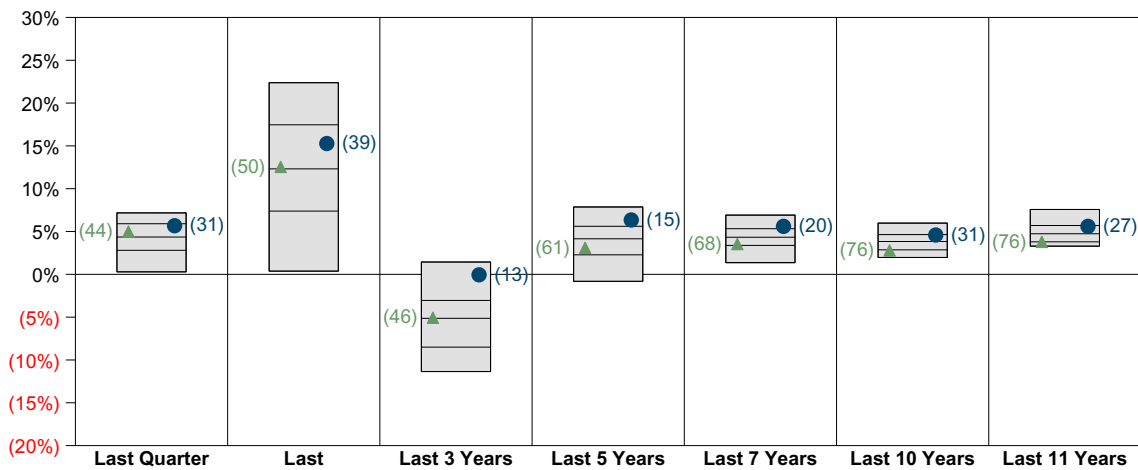
## Quarterly Summary and Highlights

- DFA Emerging Markets's portfolio posted a 5.68% return for the quarter placing it in the 31 percentile of the Callan Emerging Markets Equity Mut Funds group for the quarter and in the 39 percentile for the last year.
- DFA Emerging Markets's portfolio outperformed the MSCI Emerging Markets Index by 0.68% for the quarter and outperformed the MSCI Emerging Markets Index for the year by 2.72%.

## Quarterly Asset Growth

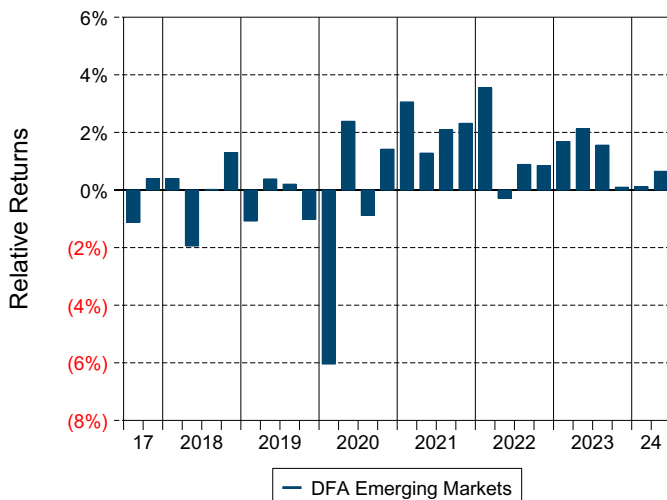
Beginning Market Value	\$24,218,933
Net New Investment	\$0
Investment Gains/(Losses)	\$1,350,020
Ending Market Value	\$25,568,952

## Performance vs Callan Emerging Markets Equity Mut Funds (Gross)

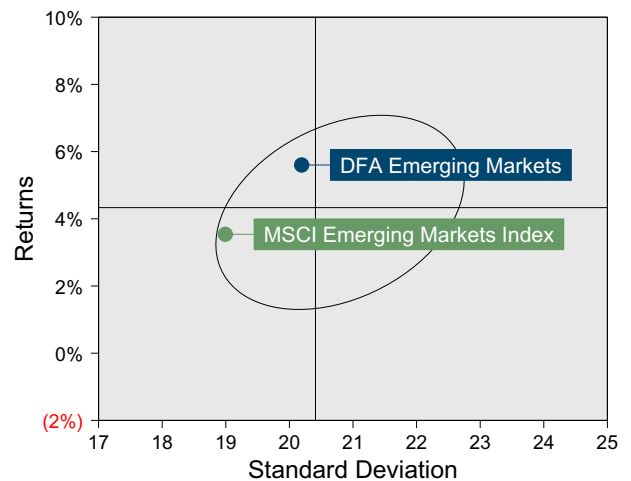


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 11 Years
10th Percentile	7.18	22.38	1.44	7.87	6.92	5.98	7.58
25th Percentile	5.91	17.46	(3.05)	5.61	5.33	4.64	5.70
Median	4.36	12.32	(5.14)	4.15	4.33	3.84	4.74
75th Percentile	2.80	7.38	(8.50)	2.28	3.38	2.86	3.79
90th Percentile	0.29	0.37	(11.35)	(0.82)	1.36	1.97	3.29
<b>DFA Emerging Markets</b> ●	5.68	15.27	(0.06)	6.35	5.60	4.59	5.60
MSCI Emerging Markets Index ▲	5.00	12.55	(5.07)	3.10	3.54	2.79	3.79

## Relative Returns vs MSCI Emerging Markets Index



## Callan Emerging Markets Equity Mut Funds (Gross) Annualized Seven Year Risk vs Return

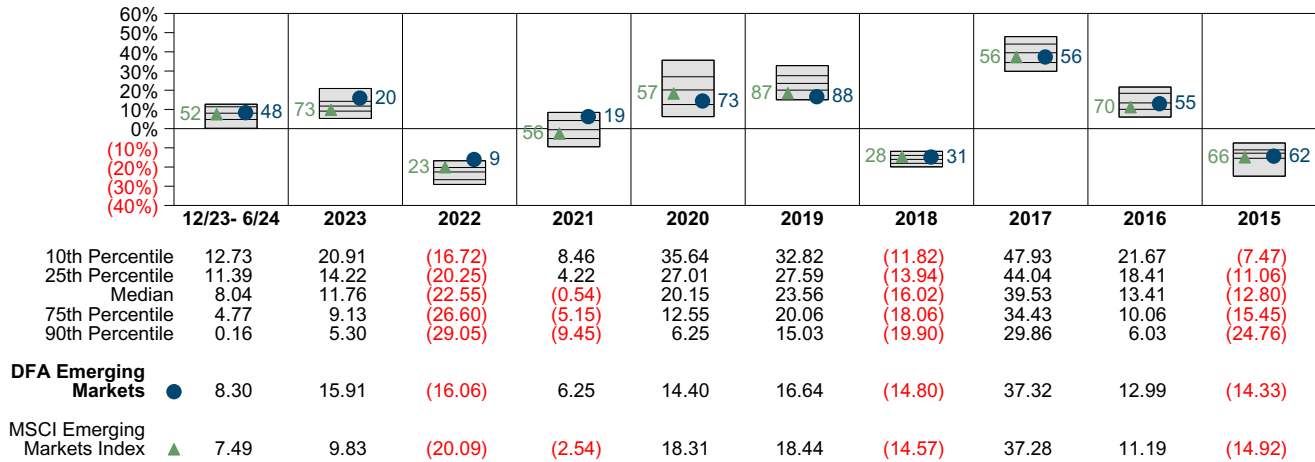


# DFA Emerging Markets Return Analysis Summary

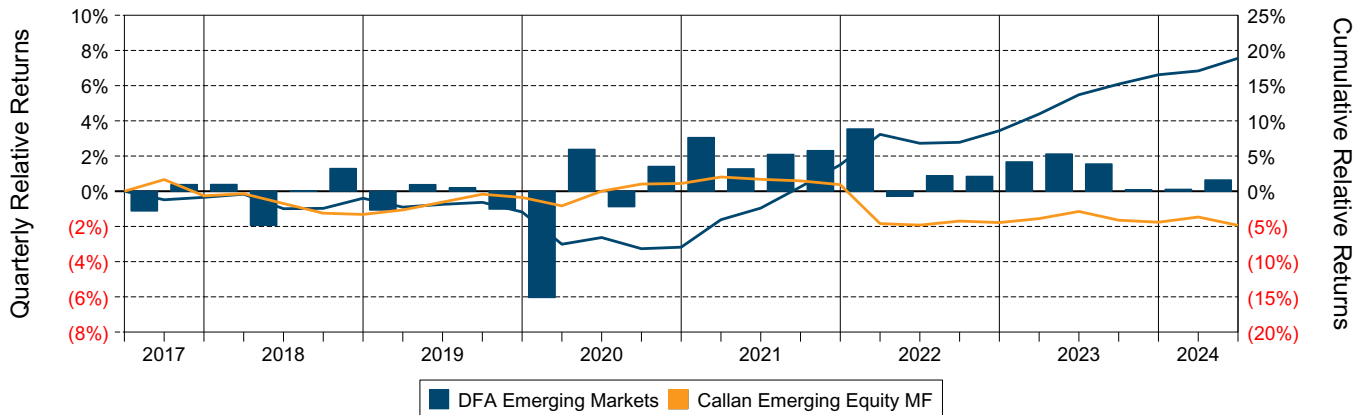
## Return Analysis

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.

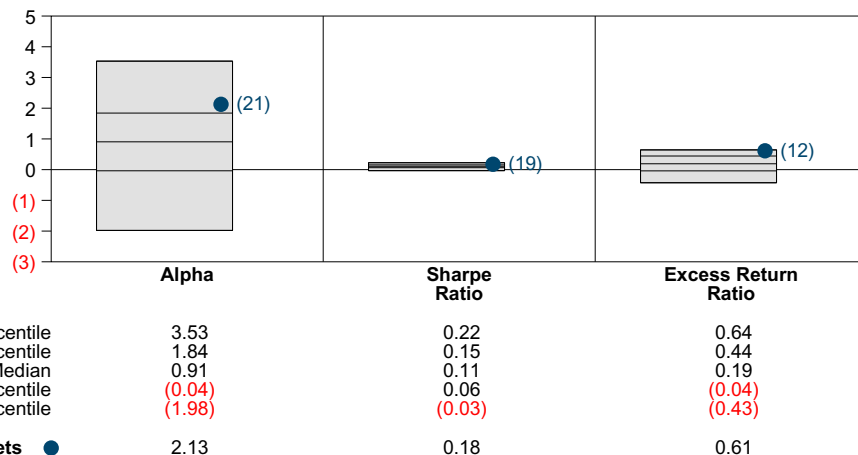
### Performance vs Callan Emerging Markets Equity Mut Funds (Gross)



### Cumulative and Quarterly Relative Returns 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 June 30, 2024



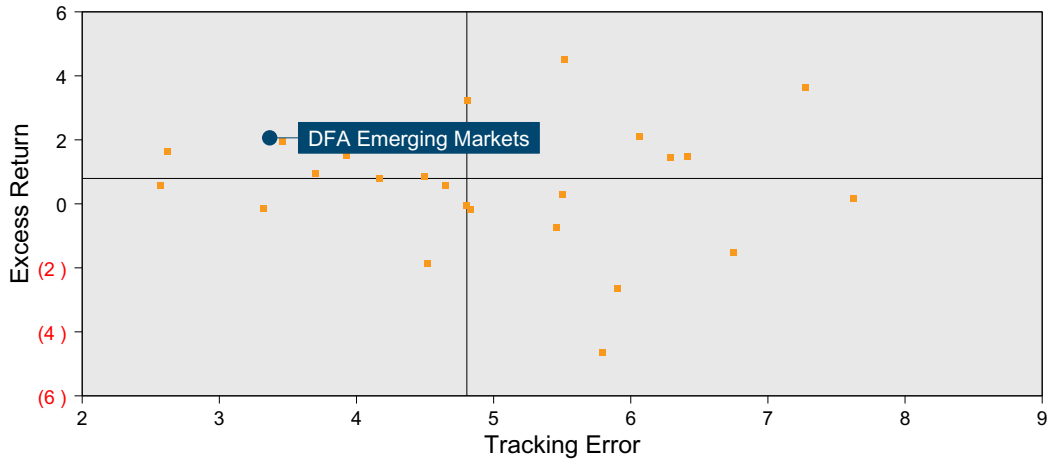


# DFA Emerging Markets Risk Analysis Summary

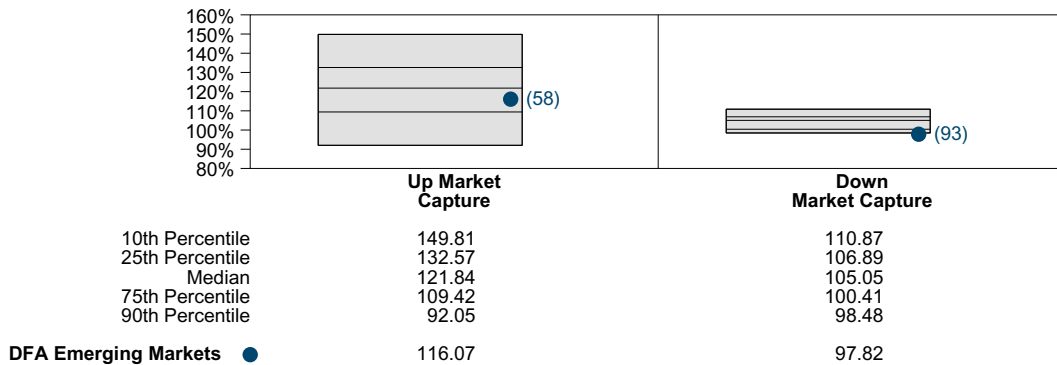
## Risk Analysis

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.

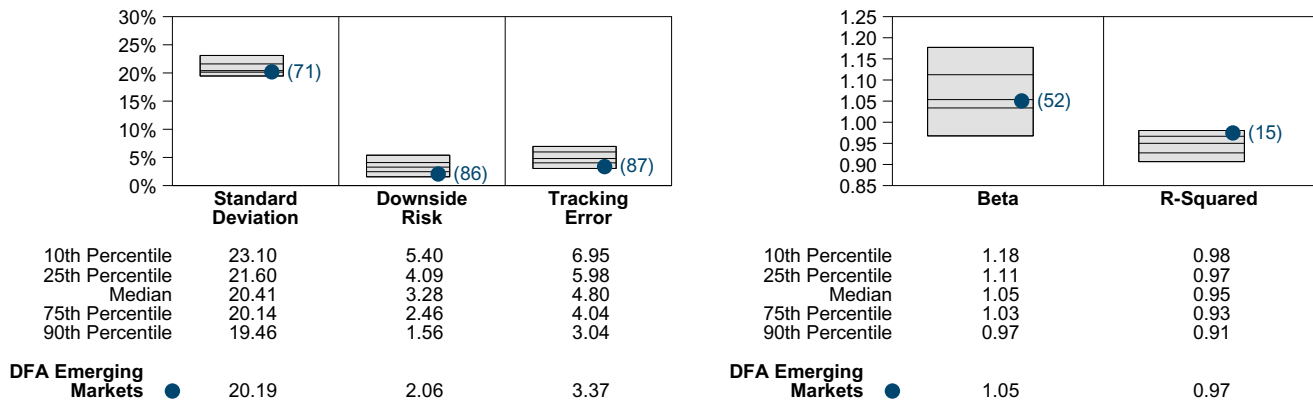
### Risk Analysis vs Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended June 30, 2024



### Market Capture vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended June 30, 2024



### Risk Statistics Rankings vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended June 30, 2024

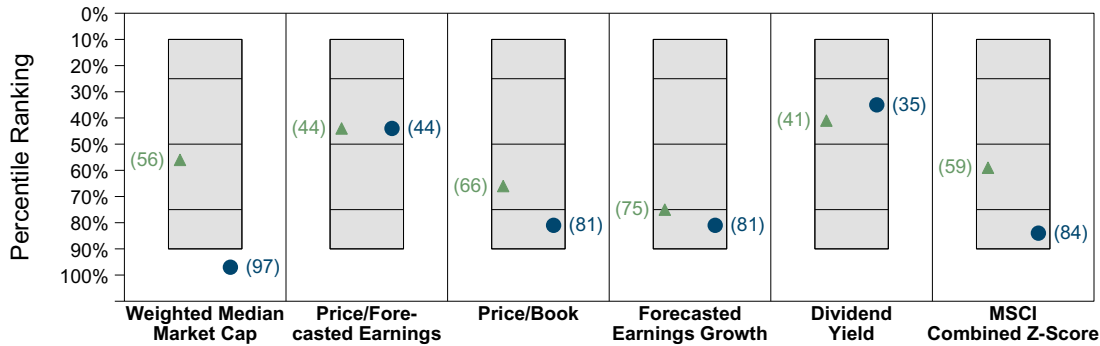


# DFA Emerging Markets Equity Characteristics Analysis Summary

## 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 June 30, 2024

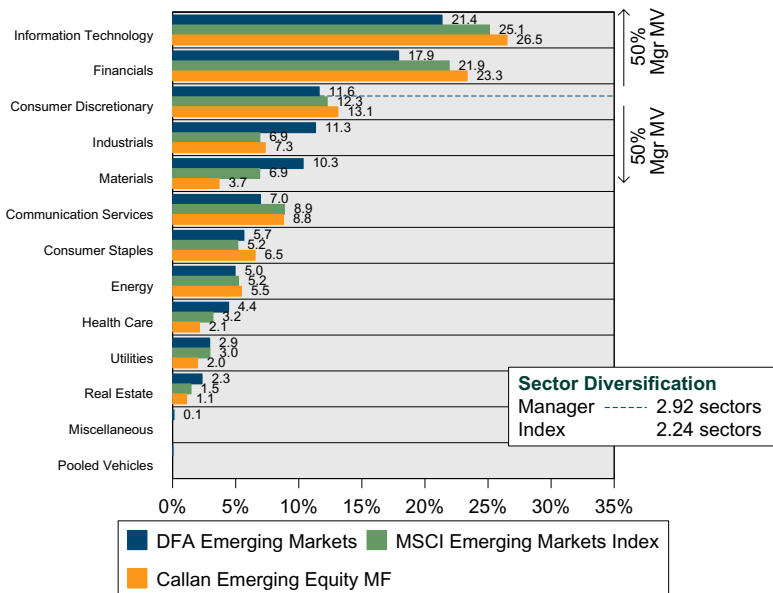


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	79.57	18.00	2.99	24.62	4.28	0.57
25th Percentile	57.34	14.52	2.46	22.54	3.36	0.42
Median	32.92	11.73	1.83	20.60	2.60	0.24
75th Percentile	23.52	10.44	1.37	17.68	2.17	(0.08)
90th Percentile	12.48	9.13	1.18	15.94	1.77	(0.51)
<b>DFA Emerging Markets</b>	8.35	11.99	1.32	16.80	3.11	(0.19)
MSCI Emerging Markets Index	31.39	12.01	1.50	17.77	2.80	0.05

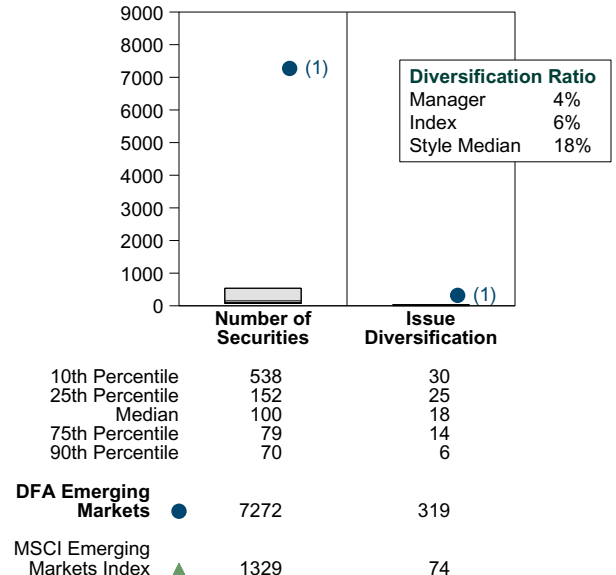
## Sector Weights

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.

### Sector Allocation June 30, 2024



### Diversification June 30, 2024



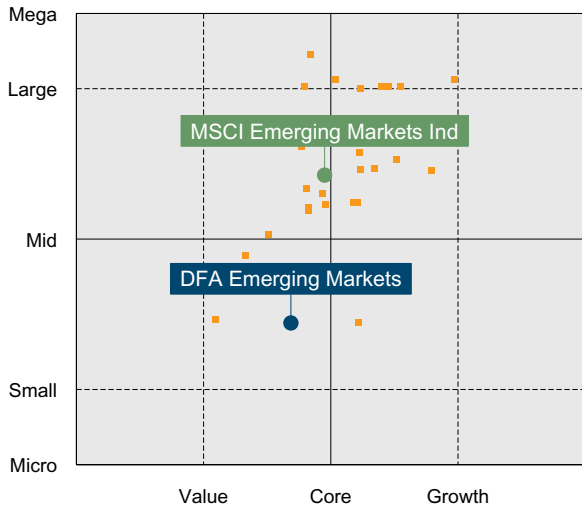
# Current Holdings Based Style Analysis

## DFA Emerging Markets

### As of June 30, 2024

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.

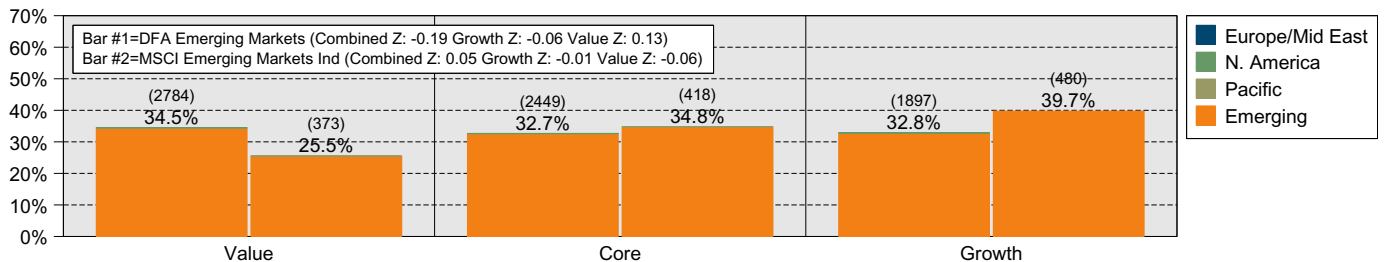
**Style Map vs Callan Emerging Equity MF Holdings as of June 30, 2024**



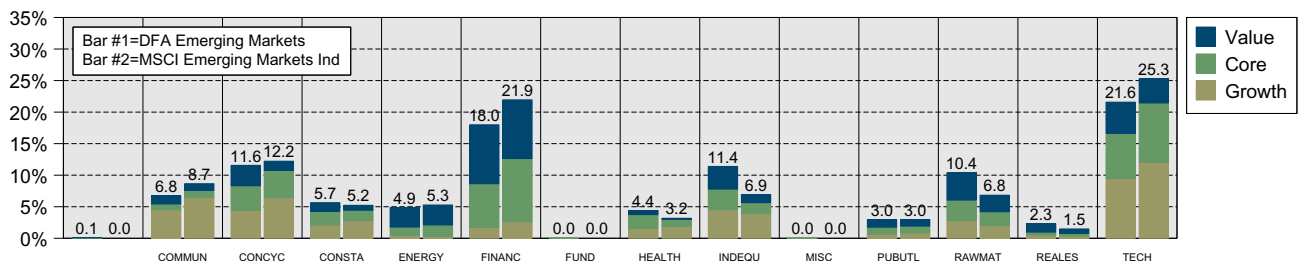
**Style Exposure Matrix Holdings as of June 30, 2024**

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
N. America	0.0% (2)	0.1% (15)	0.0% (1)	0.1% (18)
Pacific	0.0% (13)	0.1% (37)	0.1% (28)	0.2% (78)
Emerging	34.4% (2769)	32.6% (2397)	32.7% (1868)	99.7% (7034)
	25.5% (372)	34.7% (417)	39.7% (480)	99.9% (1269)
<b>Total</b>	<b>34.5% (2784)</b>	<b>32.7% (2449)</b>	<b>32.8% (1897)</b>	<b>100.0% (7130)</b>
	25.5% (373)	34.8% (418)	39.7% (480)	100.0% (1271)

**Combined Z-Score Style Distribution Holdings as of June 30, 2024**



**Sector Weights Distribution Holdings as of June 30, 2024**



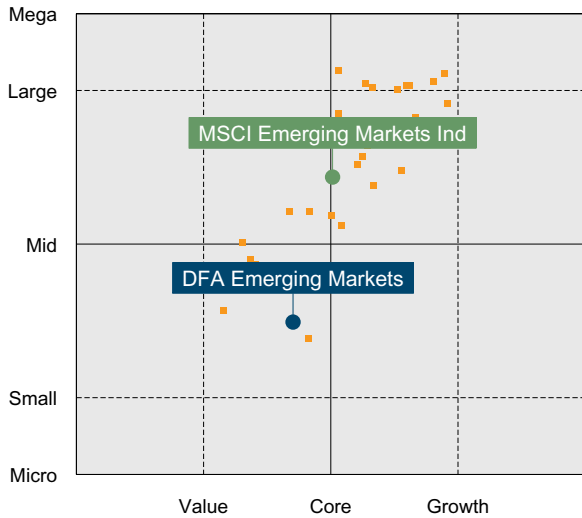
# Historical Holdings Based Style Analysis

## DFA Emerging Markets

### For Five Years Ended June 30, 2024

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.

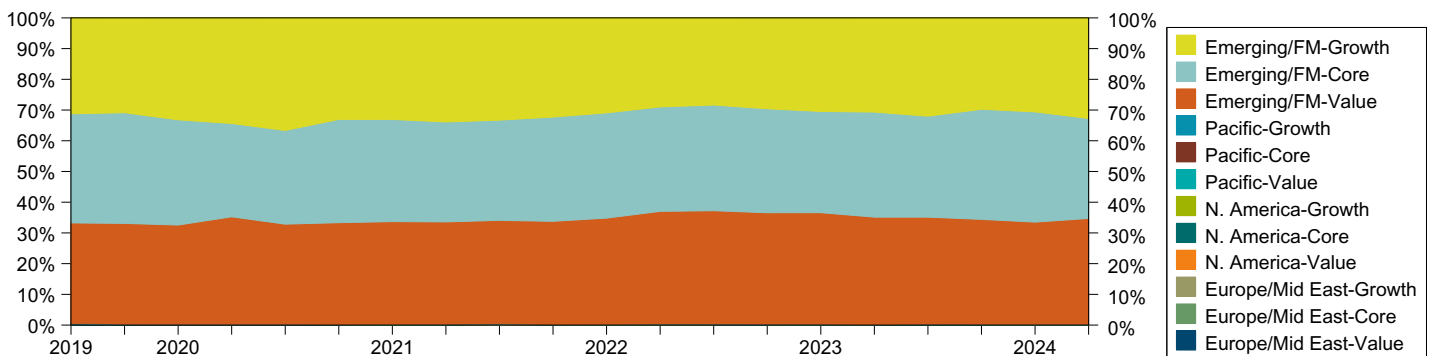
**Average Style Map vs Callan Emerging Equity MF Holdings for Five Years Ended June 30, 2024**



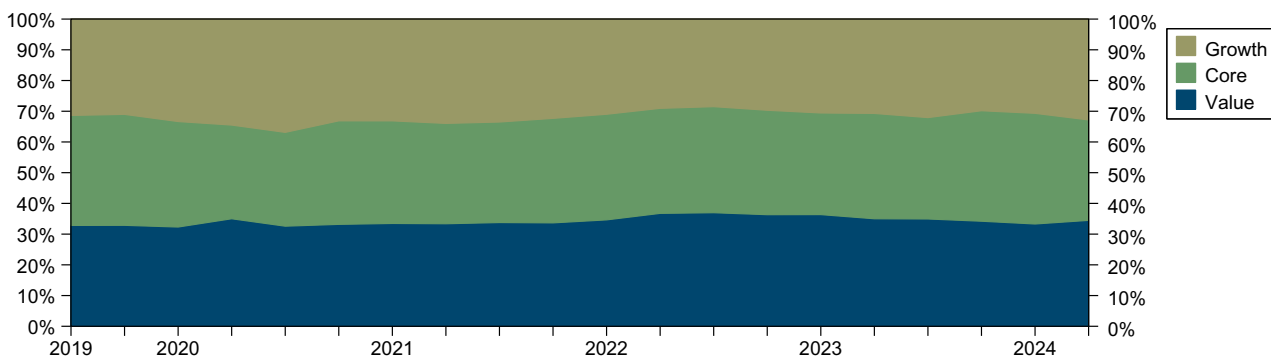
**Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2024**

	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)	0.0% (1) 0.0% (0)
N. America	0.0% (1) 0.0% (0)	0.0% (7) 0.1% (1)	0.0% (0) 0.0% (1)	0.1% (8) 0.1% (2)
Pacific	0.0% (16) 0.0% (0)	0.1% (27) 0.0% (1)	0.1% (18) 0.0% (0)	0.2% (61) 0.0% (1)
Emerging/ FM	34.2% (2328) 25.9% (451)	33.7% (1948) 32.5% (426)	31.8% (1372) 41.5% (446)	99.7% (5648) 99.9% (1323)
<b>Total</b>	<b>34.3% (2345)</b> <b>25.9% (451)</b>	<b>33.8% (1983)</b> <b>32.5% (428)</b>	<b>31.9% (1390)</b> <b>41.5% (447)</b>	<b>100.0% (5718)</b> <b>100.0% (1326)</b>

### DFA Emerging Markets Historical Region/Style Exposures



### DFA Emerging Markets Historical Style Only Exposures



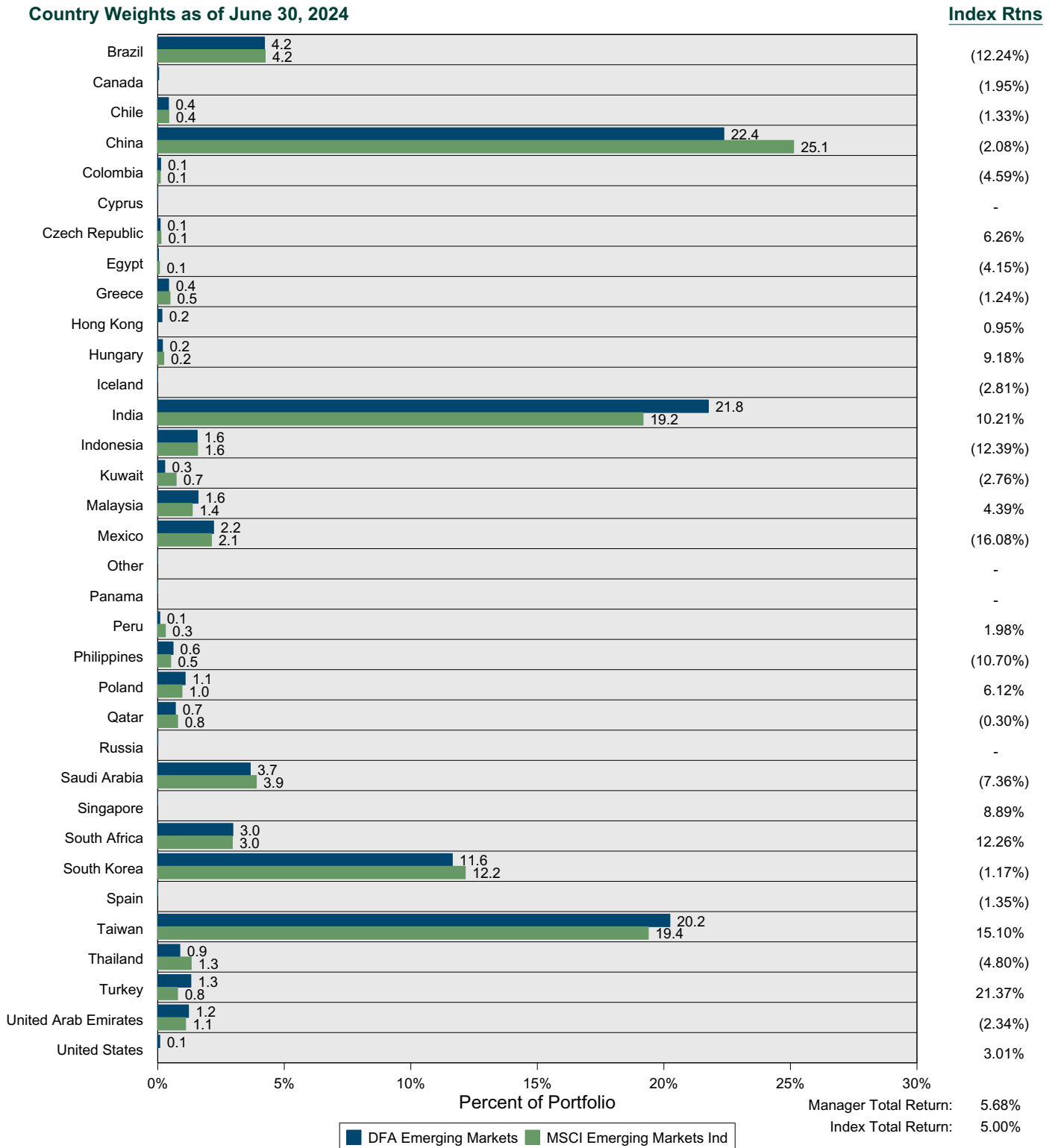
# Country Allocation

## 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 June 30, 2024. 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 June 30, 2024



## DFA Emerging Markets Top 10 Portfolio Holdings Characteristics as of June 30, 2024

### 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
Taiwan Semicond Manufac Co L Shs	Information Technology	\$1,099,965	4.3%	22.80%	772.22	21.55	1.45%	20.75%
Tencent Holdings Limited Shs Par Hkd	Communication Services	\$719,610	2.8%	22.95%	446.20	15.71	0.91%	20.87%
Samsung Electronics Co Ltd Ord	Information Technology	\$582,341	2.3%	(2.83)%	353.46	12.67	1.77%	58.60%
Taiwan Semiconductor Mfg Co Ltd Spon	Information Technology	\$434,943	1.7%	26.63%	772.22	21.55	1.45%	20.75%
Alibaba Group Holding Ltd	Consumer Discretionary	\$229,824	0.9%	1.99%	183.98	8.37	1.38%	(1.13)%
China Construction Bank Shs H	Financials	\$190,251	0.7%	21.57%	177.68	3.99	8.12%	1.20%
Reliance Industries Ltd Shs Demateri	Energy	\$181,453	0.7%	5.37%	254.02	25.00	0.29%	22.10%
Petroleo Brasileiro Sa Petro Pfd Shs	Energy	\$137,987	0.5%	1.40%	38.38	4.47	16.91%	45.09%
Infosys Technologies	Information Technology	\$137,553	0.5%	6.69%	77.80	24.06	2.43%	7.00%
Pinduoduo Inc Sponsored Ads	Consumer Discretionary	\$118,334	0.5%	13.73%	184.64	9.62	0.00%	43.96%

### 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
Samyang Foods	Consumer Staples	\$10,706	0.0%	210.83%	3.66	18.90	0.31%	(7.03)%
Daewon Cable	Industrials	\$763	0.0%	195.27%	0.24	38.67	0.00%	-
China Silver Group	Materials	\$40	0.0%	194.62%	0.08	-	0.00%	-
Anadolu Hayat Sigorta As Shs	Financials	\$1,892	0.0%	189.01%	1.66	9.21	1.81%	31.69%
Shakti Pumps India	Industrials	\$1,219	0.0%	174.85%	0.88	330.45	0.05%	47.44%
Cochin Shipyard	Industrials	\$13,674	0.1%	154.14%	6.99	87.95	0.41%	(8.49)%
Sam Wha Elec.	Information Technology	\$818	0.0%	153.90%	0.38	85.53	0.39%	40.82%
Daerim	Consumer Staples	\$1,838	0.0%	149.37%	0.39	8.87	0.38%	58.95%
Beijing Engy Intrnl Hldg Co L Shs	Information Technology	\$603	0.0%	148.87%	0.65	-	0.00%	-
Premier Explosives	Materials	\$15	0.0%	145.35%	0.48	175.49	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
Migros Turk Ticaret	Consumer Staples	\$2,100	0.0%	-	2.93	7.71	1.30%	107.10%
China Tian.Gp.Cement	Materials	\$0	0.0%	(99.07)%	0.02	0.06	-	-
Burgan Bank	Financials	\$78	0.0%	(96.90)%	2.15	12.04	3.39%	12.94%
Tiphone Mobile Indonesia	Consumer Discretionary	\$3	0.0%	(91.47)%	0.00	0.00	-	-
Can2 Termik As	Utilities	\$103	0.0%	(89.34)%	0.06	(8.57)	0.00%	-
Inner Mongolia Yili Sci.	Health Care	\$92	0.0%	(83.35)%	0.19	(2.00)	0.00%	-
Beijing Shouhang Res. Svn.'a'	Industrials	\$63	0.0%	(82.81)%	0.13	(3.57)	0.00%	-
Zhejiang Enjoyor Eltn. 'a'	Information Technology	\$72	0.0%	(77.80)%	0.19	5.85	0.00%	(7.86)%
Waskita Beton Precast	Materials	\$30	0.0%	(68.63)%	0.04	-	-	-
Angels Tech.Co.Ltd.	Industrials	\$2	0.0%	(65.86)%	0.04	-	0.00%	-



# TCW

## Period Ended June 30, 2024

### Investment Philosophy

The first full quarter for this portfolio is 3rd quarter 2001

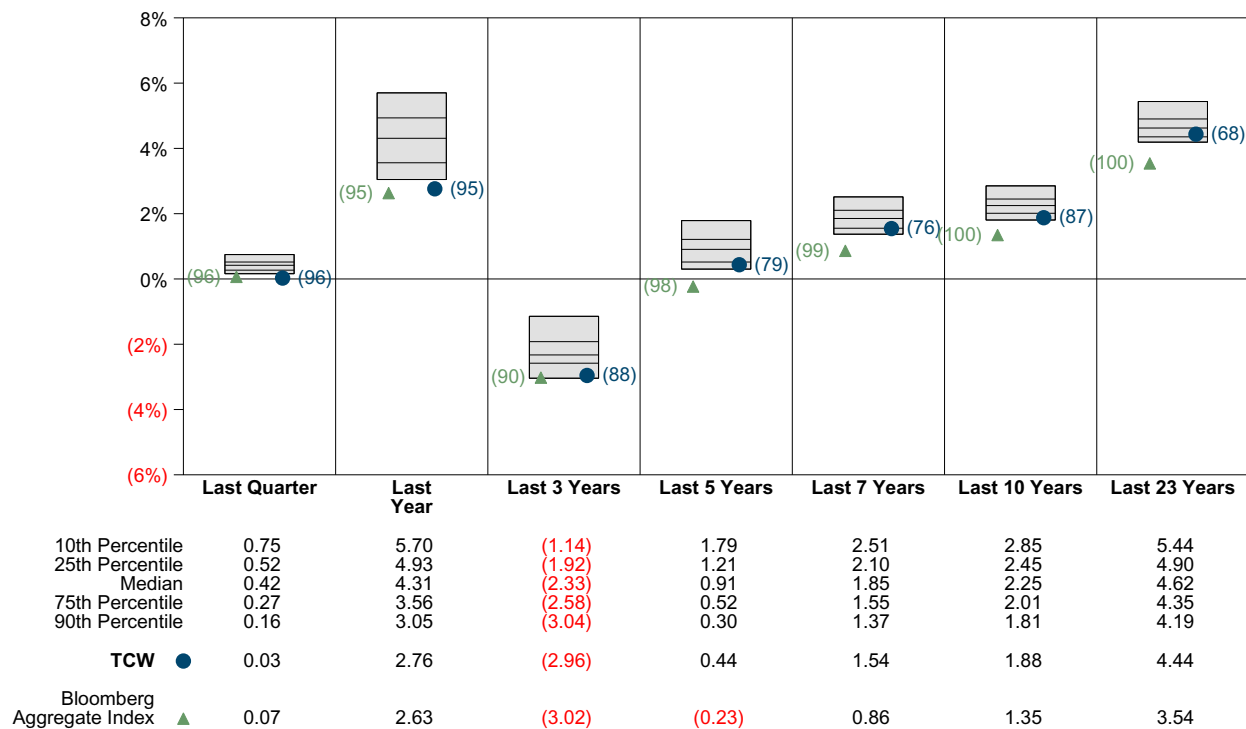
### Quarterly Summary and Highlights

- TCW's portfolio posted a 0.03% return for the quarter placing it in the 96 percentile of the Callan Core Plus Fixed Income group for the quarter and in the 95 percentile for the last year.
- TCW's portfolio underperformed the Bloomberg Aggregate Index by 0.04% for the quarter and outperformed the Bloomberg Aggregate Index for the year by 0.13%.

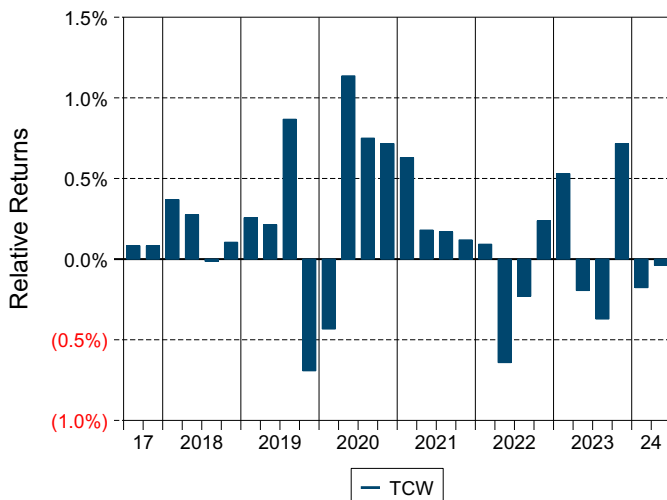
### Quarterly Asset Growth

Beginning Market Value	\$94,863,452
Net New Investment	\$0
Investment Gains/(Losses)	\$25,725
Ending Market Value	\$94,889,177

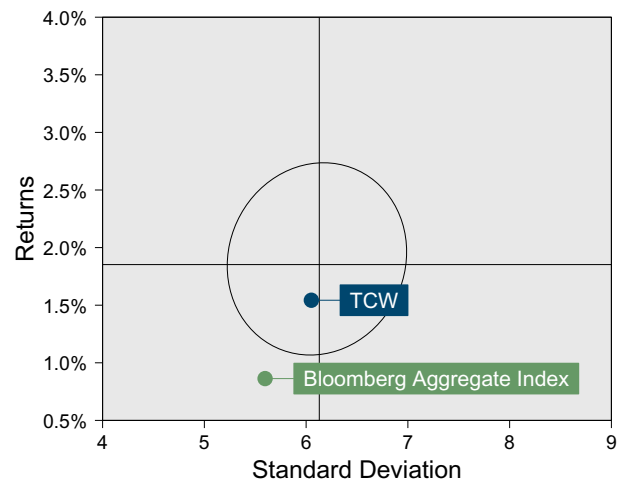
### Performance vs Callan Core Plus Fixed Income (Gross)



### Relative Returns vs Bloomberg Aggregate Index



### Callan Core Plus Fixed Income (Gross) Annualized Seven Year Risk vs Return



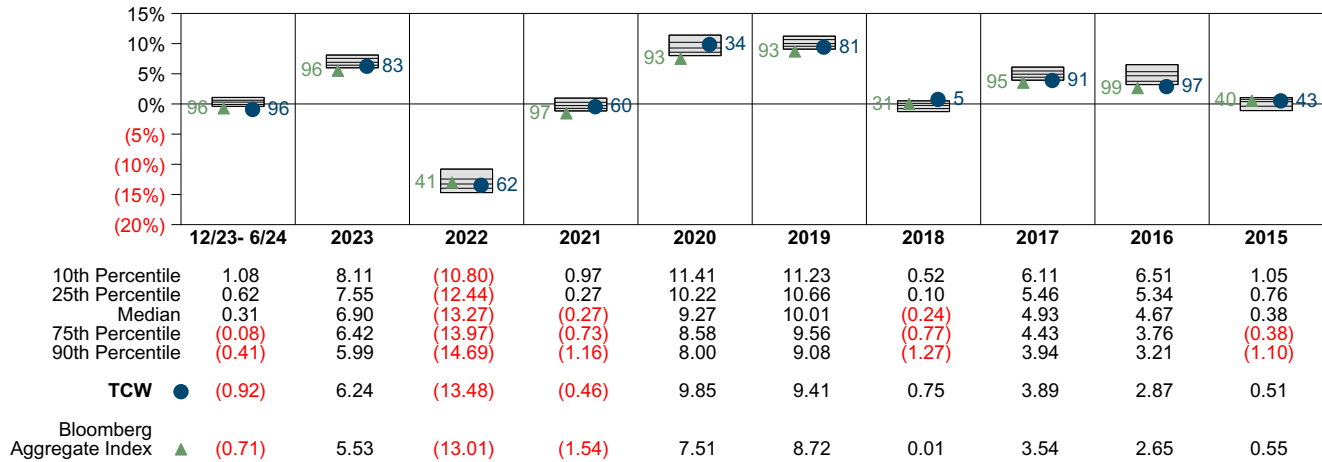


# TCW Return Analysis Summary

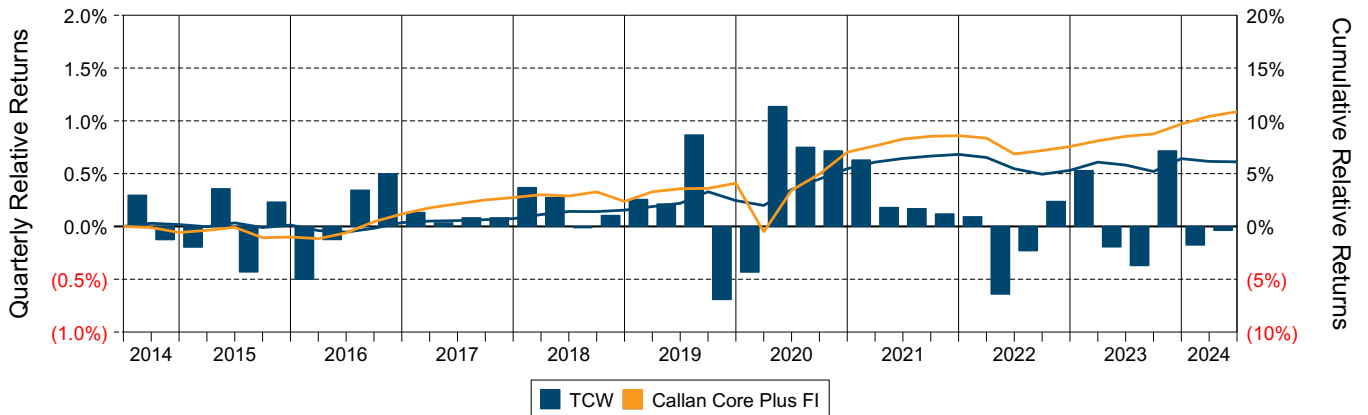
## Return Analysis

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.

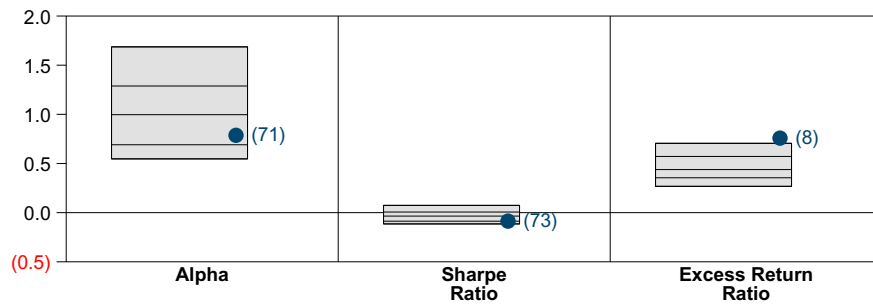
### Performance vs Callan Core Plus Fixed Income (Gross)



### Cumulative and Quarterly Relative Returns vs Bloomberg Aggregate Index



### Risk Adjusted Return Measures vs Bloomberg Aggregate Index Rankings Against Callan Core Plus Fixed Income (Gross) Seven Years Ended June 30, 2024

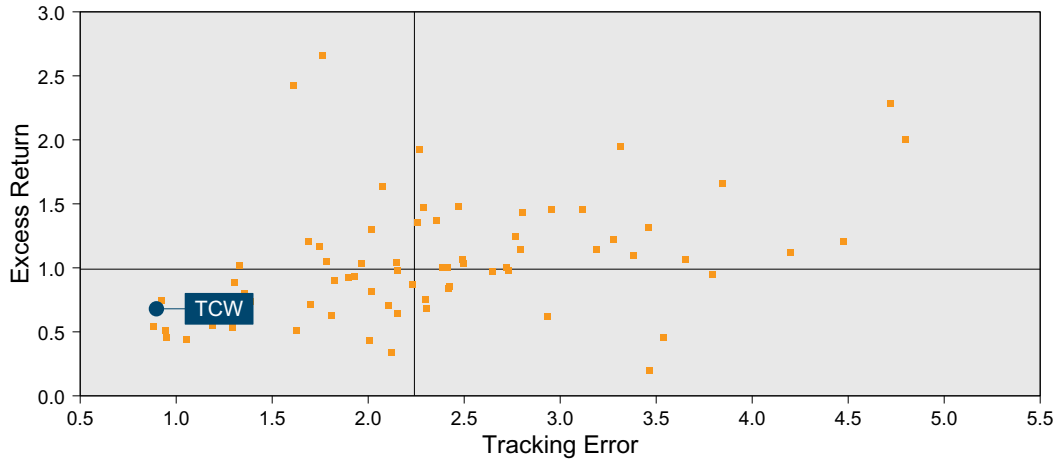


# TCW Risk Analysis Summary

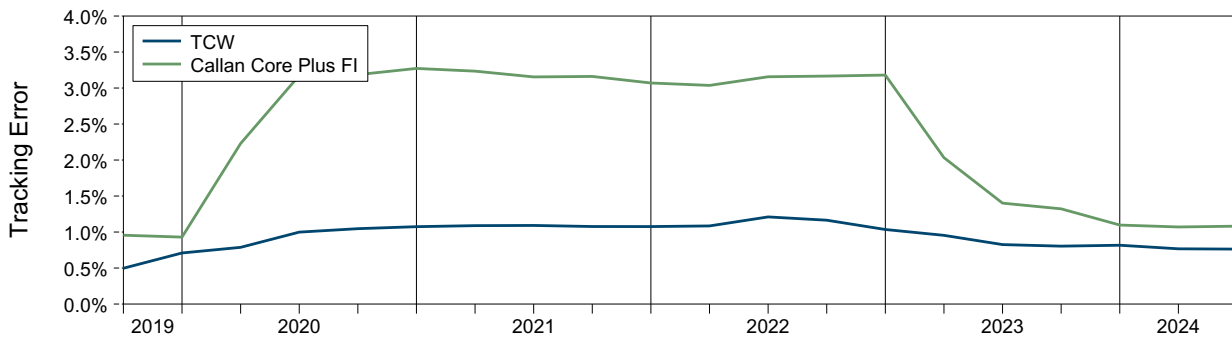
## Risk Analysis

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.

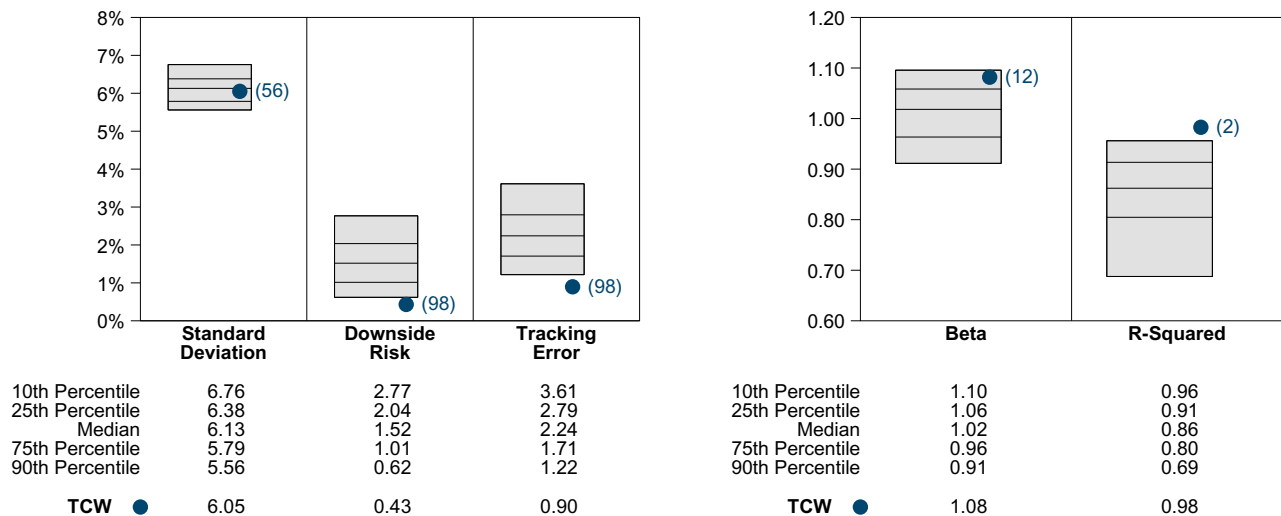
### Risk Analysis vs Callan Core Plus Fixed Income (Gross) Seven Years Ended June 30, 2024



### 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 June 30, 2024

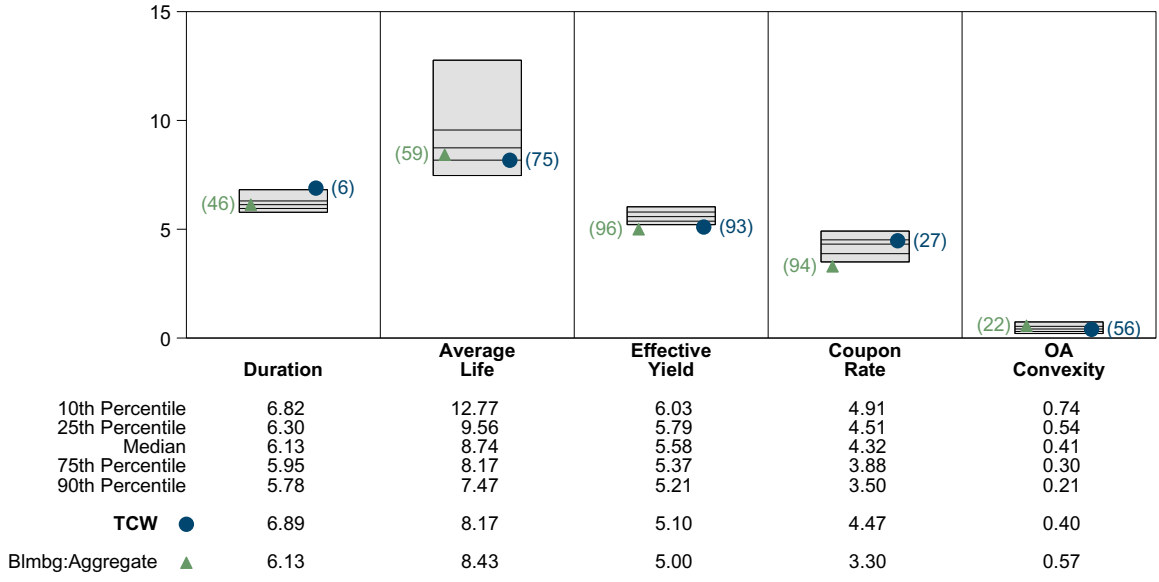


# TCW Bond Characteristics Analysis Summary

## Portfolio Characteristics

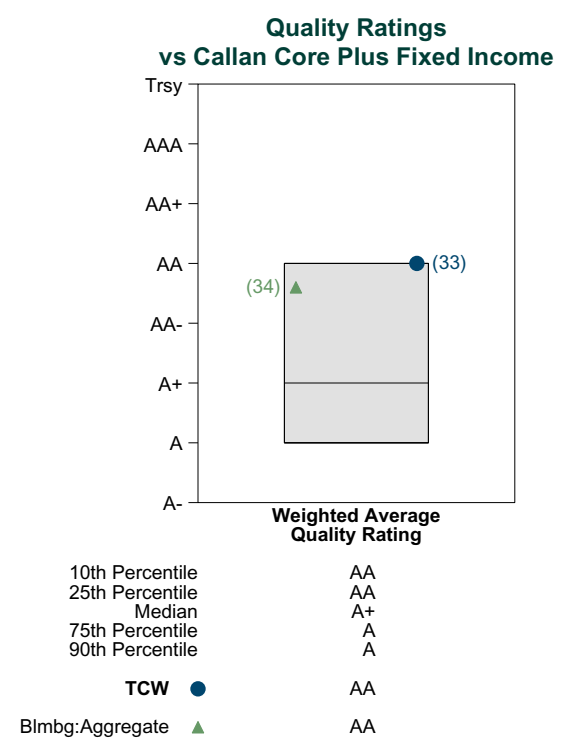
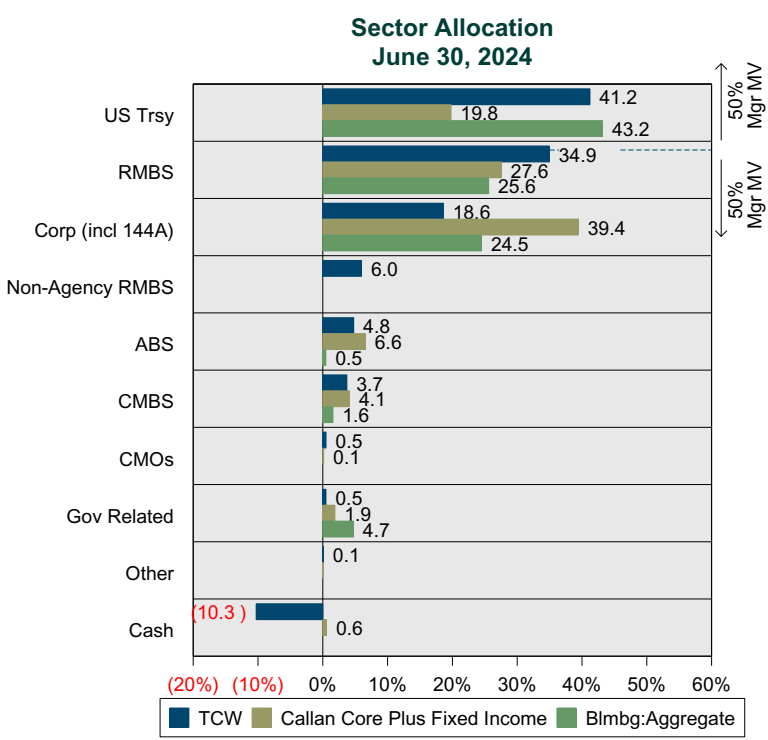
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Fixed Income Portfolio Characteristics Rankings Against Callan Core Plus Fixed Income as of June 30, 2024



## 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.

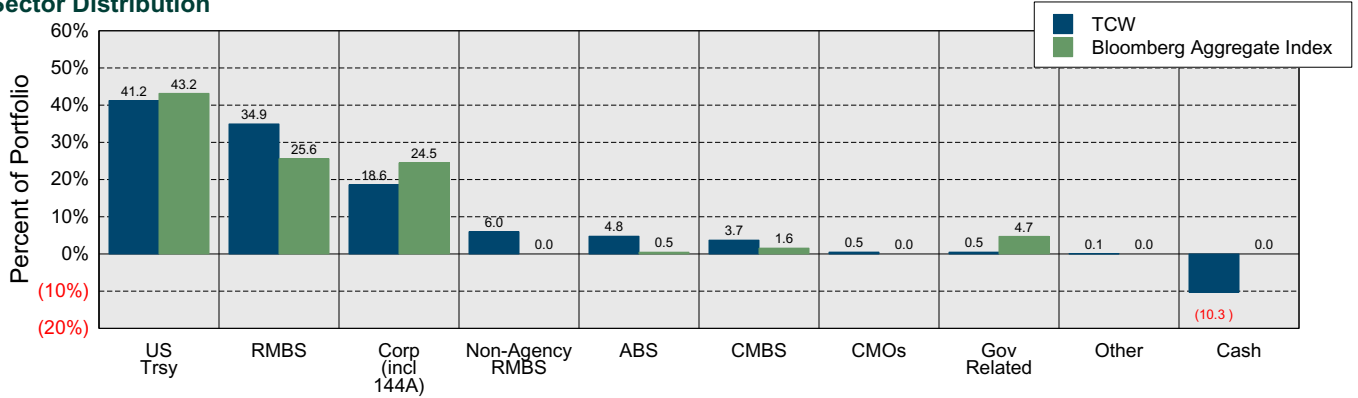


# TCW Portfolio Characteristics Summary As of June 30, 2024

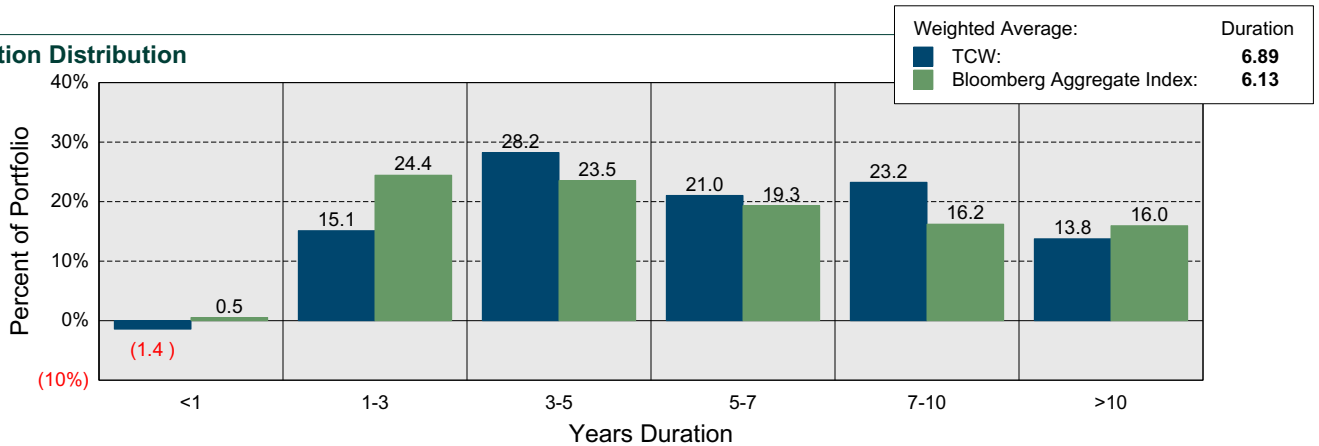
## Portfolio Structure Comparison

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.

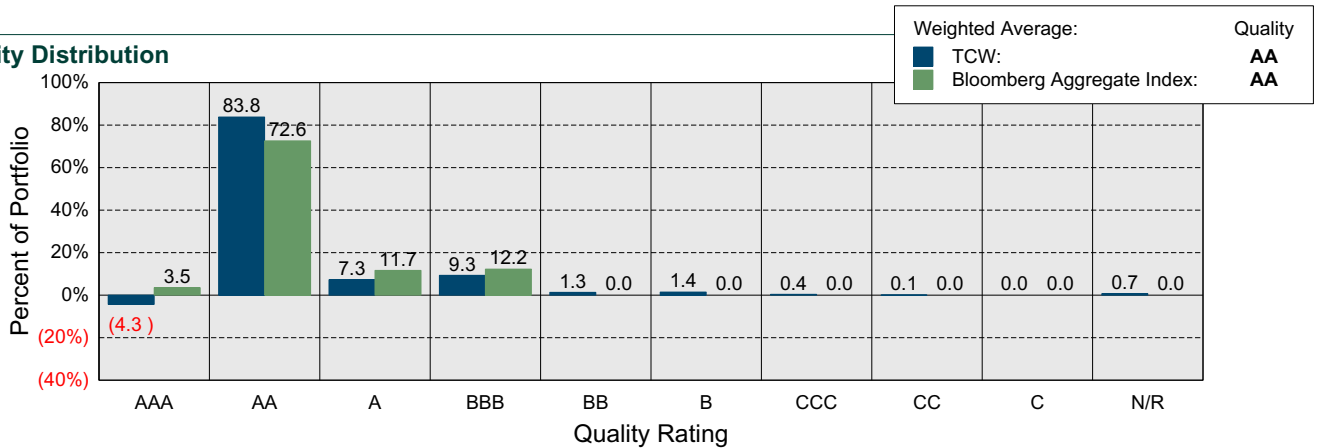
### Sector Distribution



### Duration Distribution



### Quality Distribution





# Real Estate Period Ended June 30, 2024

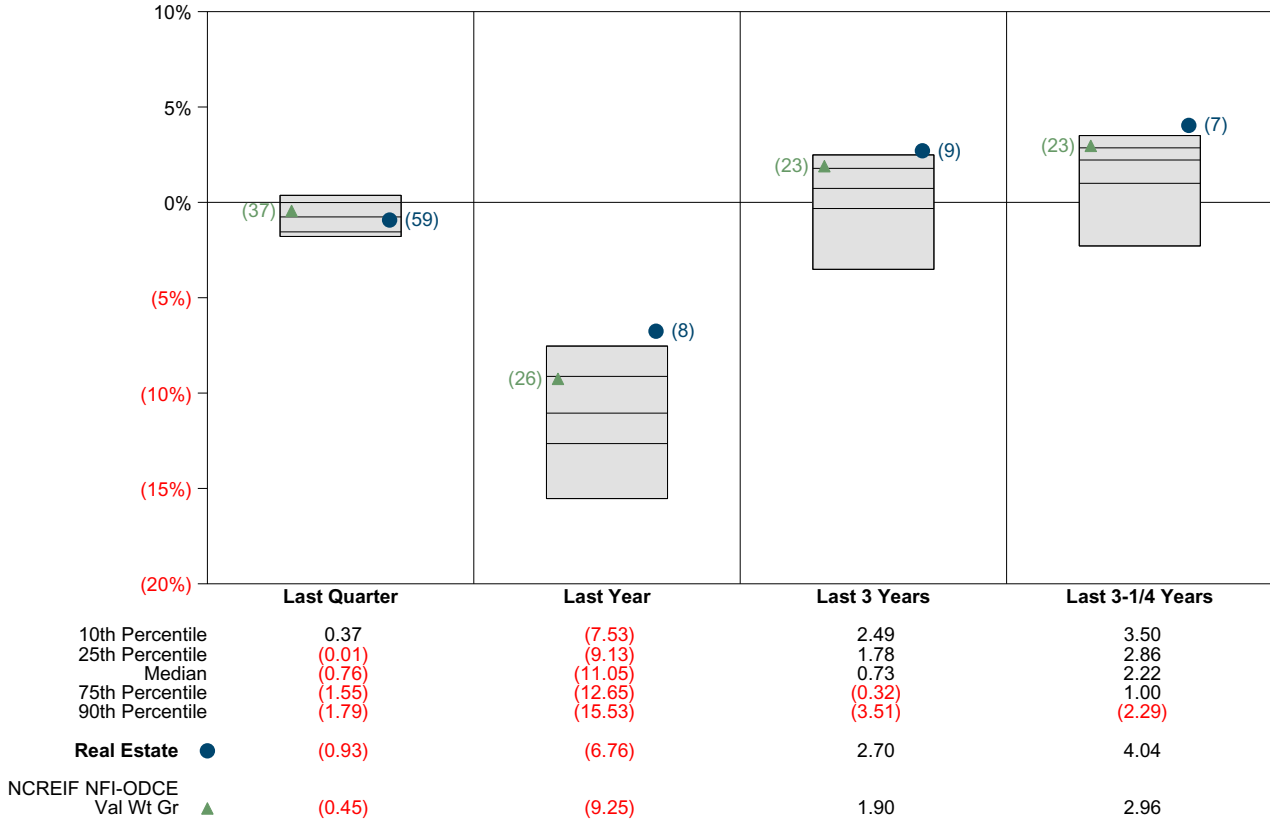
## Quarterly Summary and Highlights

- Real Estate's portfolio posted a (0.93)% return for the quarter placing it in the 59 percentile of the Callan Real Estate ODCE group for the quarter and in the 8 percentile for the last year.
- Real Estate's portfolio underperformed the NCREIF NFI-ODCE Val Wt Gr by 0.48% for the quarter and outperformed the NCREIF NFI-ODCE Val Wt Gr for the year by 2.50%.

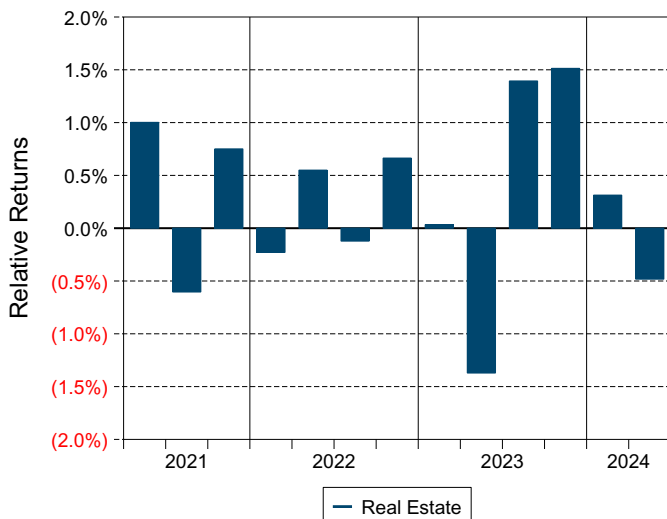
## Quarterly Asset Growth

Beginning Market Value	\$32,449,191
Net New Investment	\$0
Investment Gains/(Losses)	\$-343,813
Ending Market Value	\$32,105,377

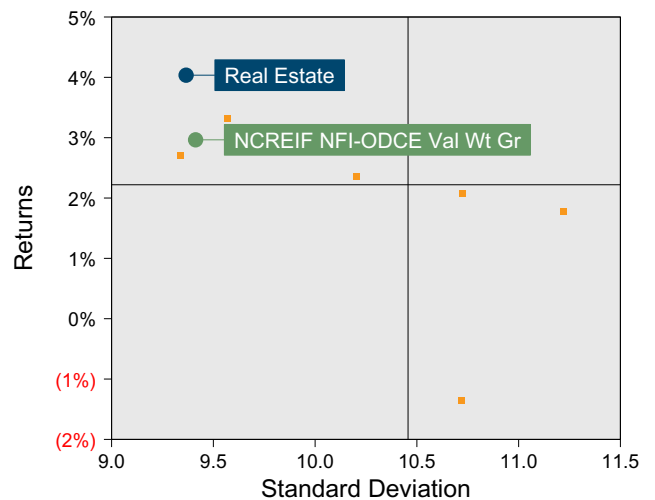
## Performance vs Callan Real Estate ODCE (Gross)



## Relative Returns vs NCREIF NFI-ODCE Val Wt Gr



## Callan Real Estate ODCE (Gross) Annualized Three and One-Quarter Year Risk vs Return

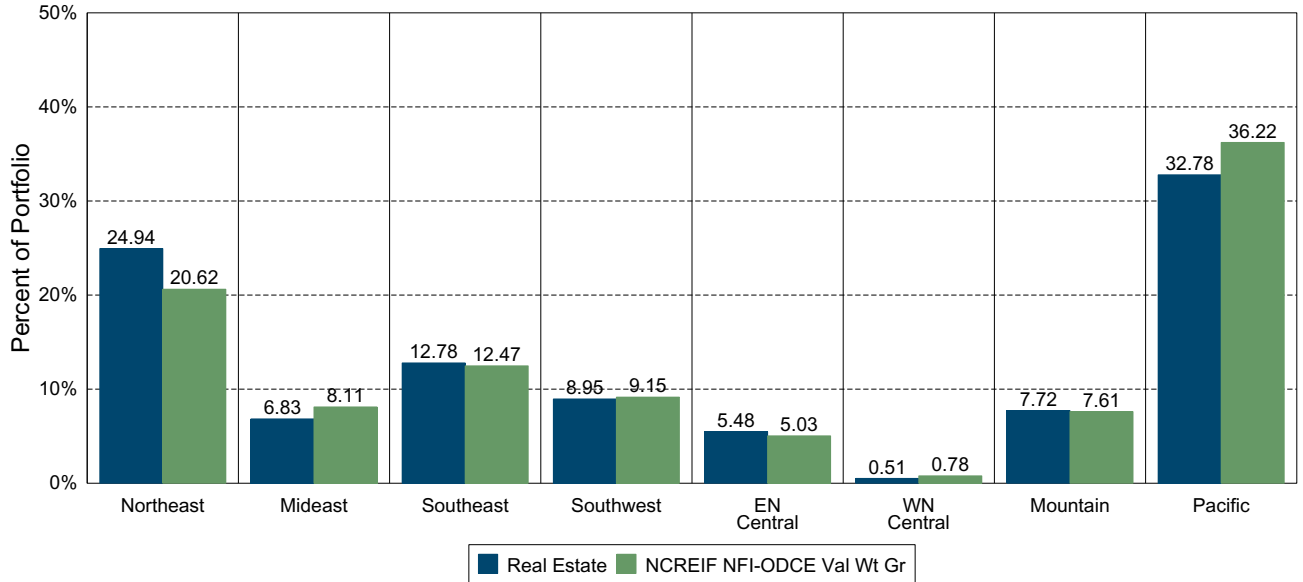


# Real Estate Diversification Analysis as of June 30, 2024

## Diversification Analysis

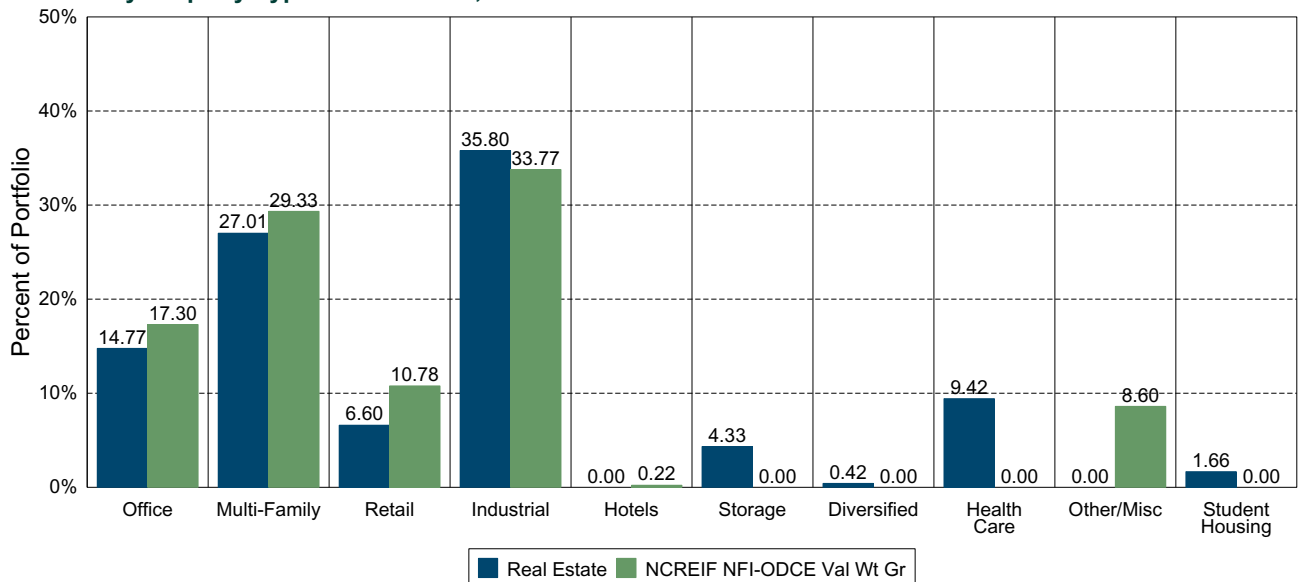
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

### Diversification by Geographic Region as of June 30, 2024



<b>Real Estate</b>	<b>24.94%</b>	<b>6.83%</b>	<b>12.78%</b>	<b>8.95%</b>	<b>5.48%</b>	<b>0.51%</b>	<b>7.72%</b>	<b>32.78%</b>
NCREIF NFI-ODCE Val Wt Gr	20.62%	8.11%	12.47%	9.15%	5.03%	0.78%	7.61%	36.22%

### Diversification by Property Type as of June 30, 2024



<b>Real Estate</b>	<b>14.77%</b>	<b>27.01%</b>	<b>6.60%</b>	<b>35.80%</b>	<b>0.00%</b>	<b>4.33%</b>	<b>0.42%</b>	<b>9.42%</b>	<b>0.00%</b>	<b>1.66%</b>
NCREIF NFI-ODCE Val Wt Gr	17.30%	29.33%	10.78%	33.77%	0.22%	0.00%	0.00%	0.00%	8.60%	0.00%

# Clarion Lion Fund

## Period Ended June 30, 2024

### Investment Philosophy

Returns prior to 3/31/2021 are linked to the fund's history.

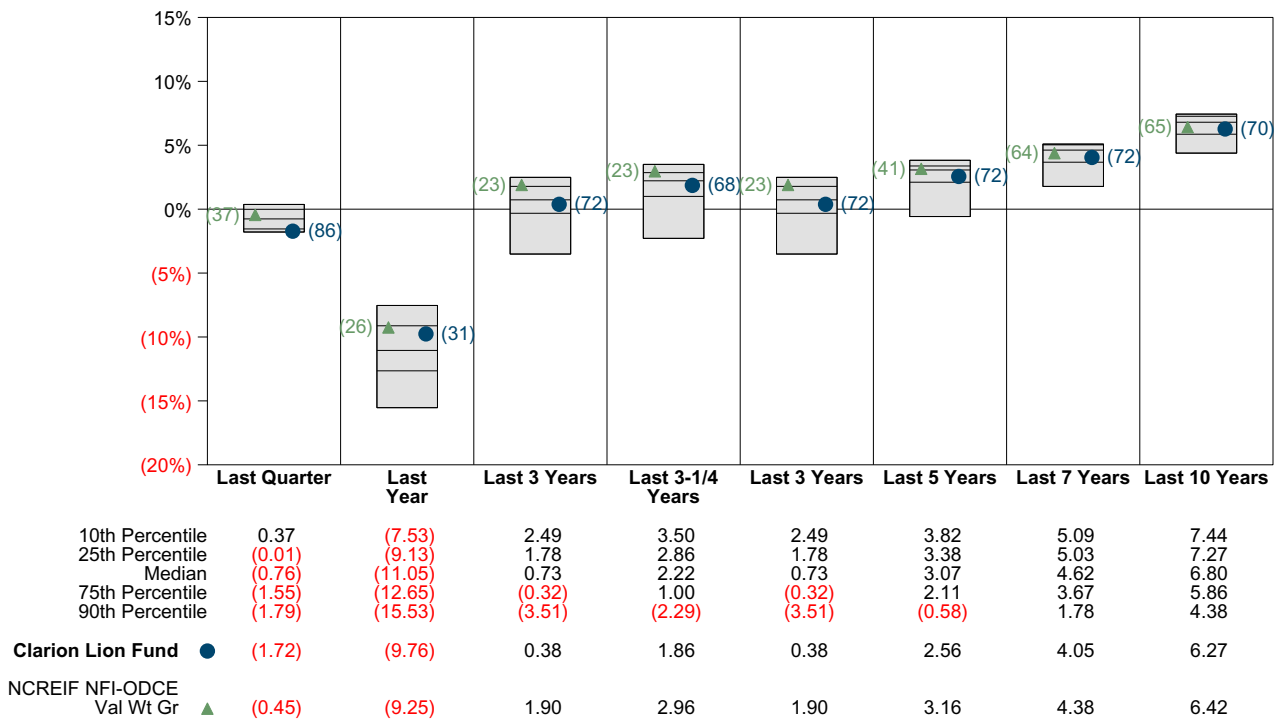
### Quarterly Summary and Highlights

- Clarion Lion Fund's portfolio posted a (1.72)% return for the quarter placing it in the 86 percentile of the Callan Real Estate ODCE group for the quarter and in the 31 percentile for the last year.
- Clarion Lion Fund's portfolio underperformed the NCREIF NFI-ODCE Val Wt Gr by 1.28% for the quarter and underperformed the NCREIF NFI-ODCE Val Wt Gr for the year by 0.51%.

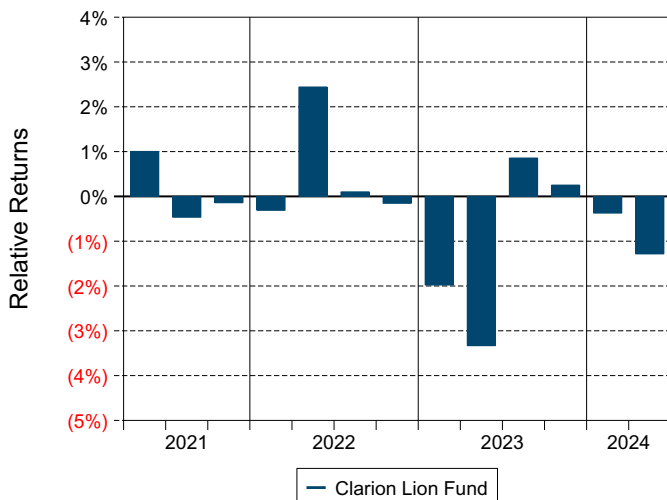
### Quarterly Asset Growth

Beginning Market Value	\$15,759,223
Net New Investment	\$0
Investment Gains/(Losses)	\$-314,207
Ending Market Value	\$15,445,016

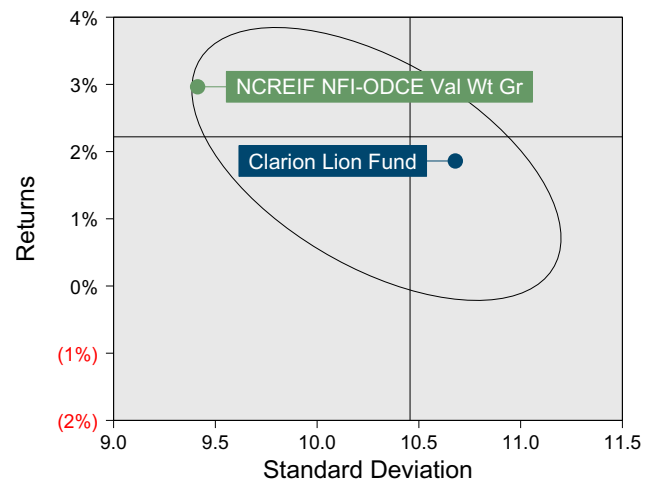
### Performance vs Callan Real Estate ODCE (Gross)



### Relative Returns vs NCREIF NFI-ODCE Val Wt Gr



### Callan Real Estate ODCE (Gross) Annualized Three and One-Quarter Year Risk vs Return



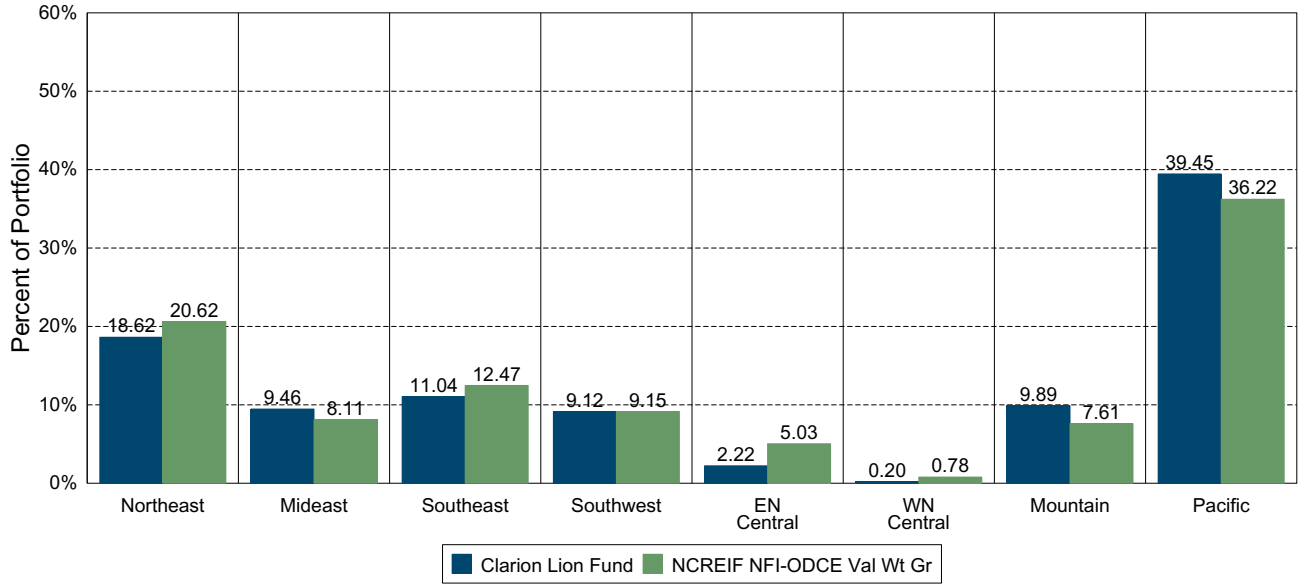


# Clarion Lion Fund Diversification Analysis as of June 30, 2024

## Diversification Analysis

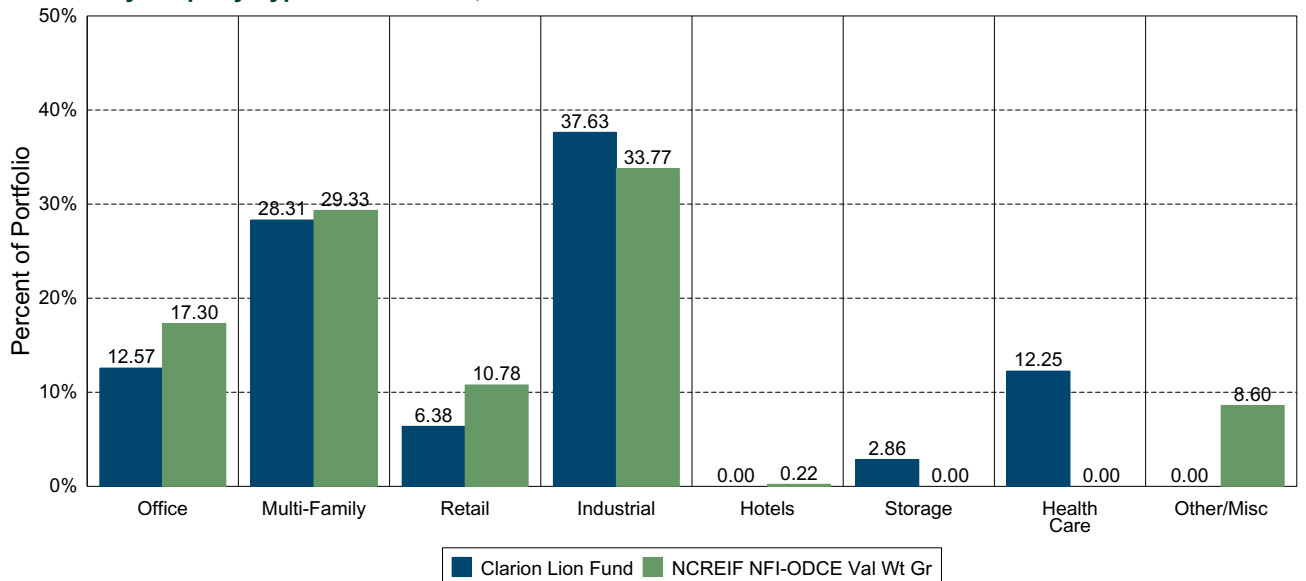
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

### Diversification by Geographic Region as of June 30, 2024



<b>Clarion Lion Fund</b>	<b>18.62%</b>	<b>9.46%</b>	<b>11.04%</b>	<b>9.12%</b>	<b>2.22%</b>	<b>0.20%</b>	<b>9.89%</b>	<b>39.45%</b>
NCREIF NFI-ODCE Val Wt Gr	20.62%	8.11%	12.47%	9.15%	5.03%	0.78%	7.61%	36.22%

### Diversification by Property Type as of June 30, 2024



<b>Clarion Lion Fund</b>	<b>12.57%</b>	<b>28.31%</b>	<b>6.38%</b>	<b>37.63%</b>	<b>0.00%</b>	<b>2.86%</b>	<b>12.25%</b>	<b>0.00%</b>
NCREIF NFI-ODCE Val Wt Gr	17.30%	29.33%	10.78%	33.77%	0.22%	0.00%	0.00%	8.60%

# Morgan Stanley Period Ended June 30, 2024

## Investment Philosophy

Returns prior to 6/30/2021 are linked to the fund's history.

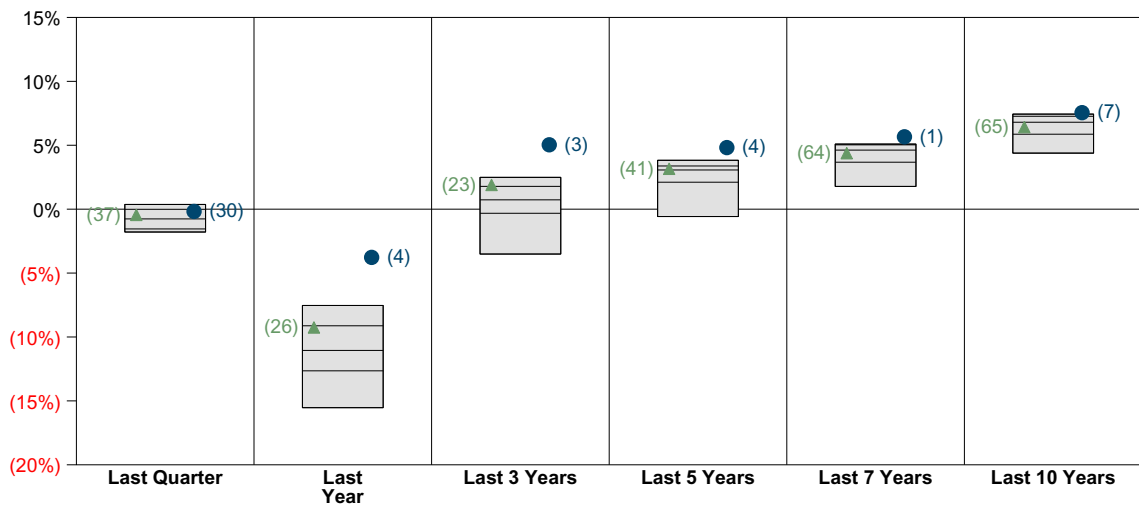
### Quarterly Summary and Highlights

- Morgan Stanley's portfolio posted a (0.18)% return for the quarter placing it in the 30 percentile of the Callan Real Estate ODCE group for the quarter and in the 4 percentile for the last year.
- Morgan Stanley's portfolio outperformed the NCREIF NFI-ODCE Val Wt Gr by 0.27% for the quarter and outperformed the NCREIF NFI-ODCE Val Wt Gr for the year by 5.48%.

### Quarterly Asset Growth

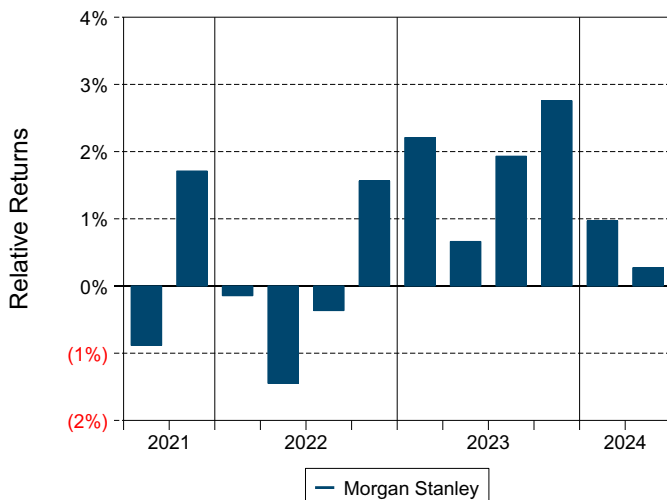
Beginning Market Value	\$16,689,968
Net New Investment	\$0
Investment Gains/(Losses)	\$-29,606
Ending Market Value	\$16,660,361

### Performance vs Callan Real Estate ODCE (Gross)

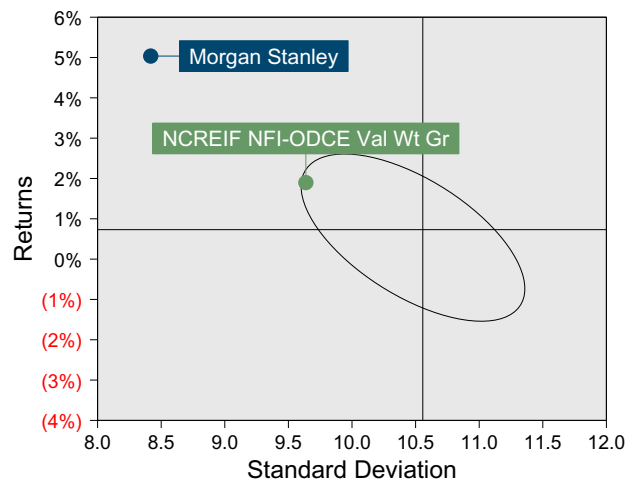


10th Percentile	0.37	(7.53)	2.49	3.82	5.09	7.44
25th Percentile	(0.01)	(9.13)	1.78	3.38	5.03	7.27
Median	(0.76)	(11.05)	0.73	3.07	4.62	6.80
75th Percentile	(1.55)	(12.65)	(0.32)	2.11	3.67	5.86
90th Percentile	(1.79)	(15.53)	(3.51)	(0.58)	1.78	4.38
<b>Morgan Stanley</b>	<b>● (0.18)</b>	<b>(3.77)</b>	<b>5.04</b>	<b>4.82</b>	<b>5.66</b>	<b>7.55</b>
<b>NCREIF NFI-ODCE Val Wt Gr</b>	<b>▲ (0.45)</b>	<b>(9.25)</b>	<b>1.90</b>	<b>3.16</b>	<b>4.38</b>	<b>6.42</b>

### Relative Returns vs NCREIF NFI-ODCE Val Wt Gr



### Callan Real Estate ODCE (Gross) Annualized Three Year Risk vs Return

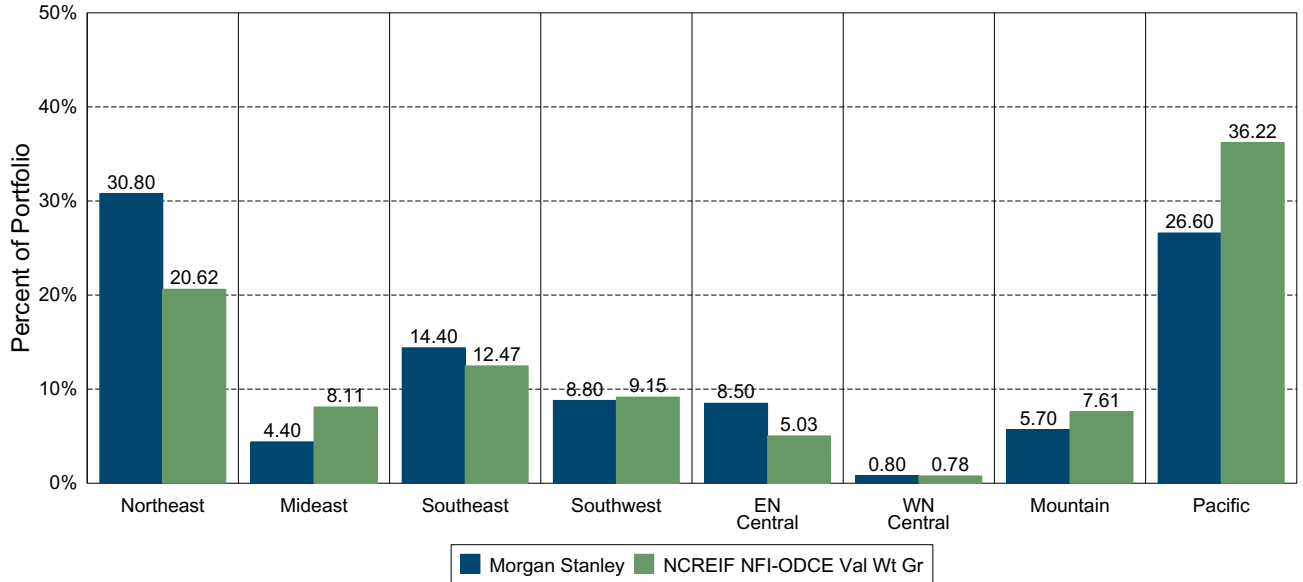


# Morgan Stanley Diversification Analysis as of June 30, 2024

## Diversification Analysis

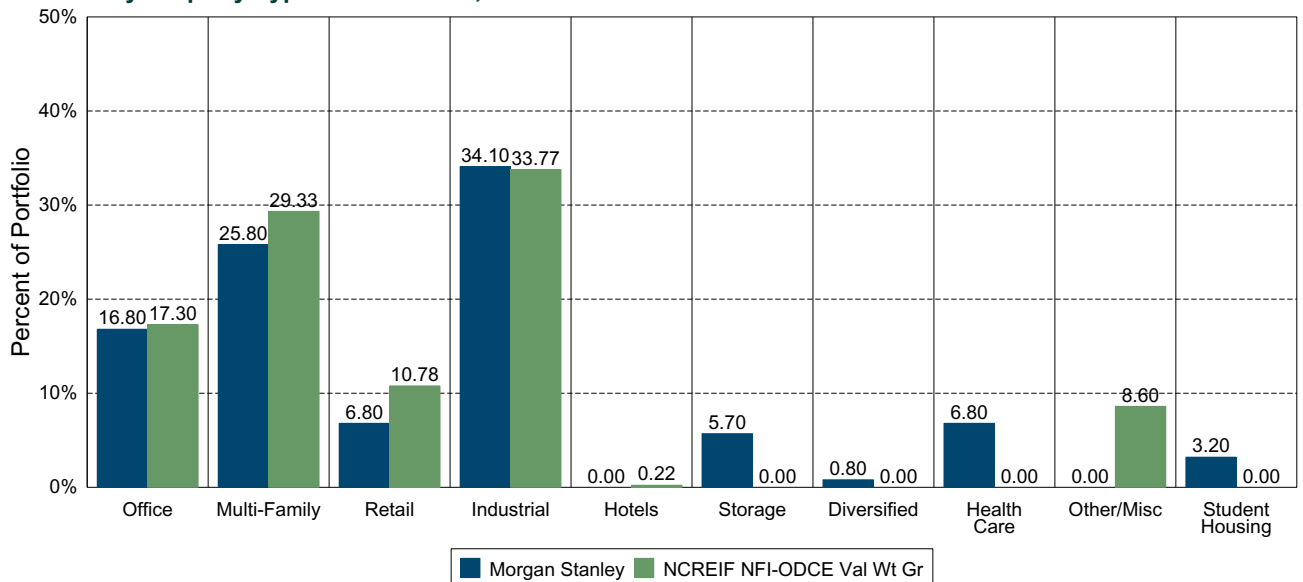
The following charts provide information on the diversification of the portfolio with regards to both Geographic Region and Property Type. Similar information is provided on the relevant market index for comparison.

### Diversification by Geographic Region as of June 30, 2024



<b>Morgan Stanley</b>	<b>30.80%</b>	<b>4.40%</b>	<b>14.40%</b>	<b>8.80%</b>	<b>8.50%</b>	<b>0.80%</b>	<b>5.70%</b>	<b>26.60%</b>
NCREIF NFI-ODCE Val Wt Gr	20.62%	8.11%	12.47%	9.15%	5.03%	0.78%	7.61%	36.22%

### Diversification by Property Type as of June 30, 2024



<b>Morgan Stanley</b>	<b>16.80%</b>	<b>25.80%</b>	<b>6.80%</b>	<b>34.10%</b>	<b>0.00%</b>	<b>5.70%</b>	<b>0.80%</b>	<b>6.80%</b>	<b>0.00%</b>	<b>3.20%</b>
NCREIF NFI-ODCE Val Wt Gr	17.30%	29.33%	10.78%	33.77%	0.22%	0.00%	0.00%	0.00%	8.60%	0.00%



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## 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.

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## 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, carefully structured educational programs to enhance the knowledge of industry professionals, and events to enhance dialogue among investing professionals. Visit [www.callan.com/research-library](http://www.callan.com/research-library) to see all of our publications, and [www.callan.com/blog](http://www.callan.com/blog) to view our blog. For more information contact Barb Gerraty at 415-274-3093 / [institute@callan.com](mailto:institute@callan.com).

## New Research from Callan's Experts

**[Quantifying Sequence-of>Returns Risk for Institutional Investors](#)** | This paper shows institutional investors how to quantify sequence-of-returns risk in a single number. The metric is flexible enough to apply to strategic asset-allocation decisions across a variety of investor types.

**[Sector-Specialist Strategies on the Rise: Do They Make Sense for Large LPs' Portfolios?](#)** | To distinguish themselves in a competitive market, more private equity general partners are offering sector-specialist strategies, which focus on investing in a specific industry.

**[2024 Asset Manager DEI Study](#)** | The study offers a high-level assessment of the degree to which asset management organizations have established diversity, equity, and inclusion (DEI) policies and procedures.

**[2024 DC Trends Survey](#)** | This survey provides extensive information for DC plan sponsors to use in improving and benchmarking their plans.

## Webinar Replays

**[Research Café: ESG Interview Series](#)** | This session features Mark Wood, Callan ESG team member, interviewing Nicole Wubbena, fellow ESG and Global Manager Research group member. Their discussion focuses on impact investing in public equity.

## Blog Highlights

**[Commercial Real Estate Capital Markets and Institutional Investors](#)** | A blog post from Christine Mays on the state of the commercial real estate capital markets.

**[Is This a Time for Active Managers to Shine?](#)** | Tony Lissuzzo of Callan's Nonprofit Group writes on how dispersion affects active management.

## Quarterly Updates

**[Private Equity Update, 1Q24](#)** | A high-level summary of private equity activity in the quarter through all the investment stages

**[Active vs. Passive Charts, 1Q24](#)** | A comparison of active managers alongside relevant benchmarks over the long term

**[Market Pulse, 1Q24](#)** | 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, 1Q24](#)** | Analysis and a broad overview of the economy and public and private markets activity each quarter across a wide range of asset classes

**[Hedge Fund Update, 1Q24](#)** | Commentary on developments for hedge funds and multi-asset class (MAC) strategies

**[Real Assets Update, 1Q24](#)** | A summary of market activity for real assets and private real estate during the quarter

**[Private Credit Update, 1Q24](#)** | A review of performance and fundraising activity for private credit during the quarter

**[Callan Target Date Index™, 1Q24](#)** | Tracks the performance and asset allocation of available target date mutual funds and CITs

**[Callan DC Index™, 1Q24](#)** | Provides underlying fund performance, asset allocation, and cash flows of more than 100 large defined contribution plans representing approximately \$400 billion in assets.



## Events

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A complete list of all upcoming events can be found on our website: [callan.com/events-education](https://callan.com/events-education).

*Please mark your calendar and look forward to upcoming invitations:*

### October Regional Workshops

**October 22, 2024 – Denver**

**October 23, 2024 – Chicago**

**For more information about events, please contact Barb Gerraty: 415-274-3093 / [gerraty@callan.com](mailto:gerraty@callan.com)**

## Education: By the Numbers

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**50+**

Unique pieces of research the Institute generates each year

**525**

Attendees (on average) of the Institute's annual National Conference

**4,845**

Total attendees of the "Callan College" since 1994

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## Education

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Founded in 1994, the "Callan College" offers educational sessions for industry professionals involved in the investment decision-making process.

### Introduction to Investments

**September 24-26, 2024 – Virtual**

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. This course is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities.

Our virtual sessions are held over two to three days with virtual modules of 2.5-3 hours, while in-person sessions run either a full day or one-and-a-half days. 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-education](https://callan.com/events-education)



**"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



## 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
abrdn
Acadian Asset Management LLC
ACR Alpine Capital Research
Adams Street Partners, LLC
Aegon Asset Management
AEW Capital Management, L.P.
AllianceBernstein
Allspring Global Investments, LLC
Altrinsic Global Advisors, LLC
American Century Investments
Amundi US, Inc.
Antares Capital LP
Apollo Global Management, Inc.
AQR Capital Management
Ares Management LLC
ARGA Investment Management, LP
Ariel Investments, LLC
Aristotle Capital Management, LLC

Manager Name
Atlanta Capital Management Co., LLC
Audax Private Debt
AXA Investment Managers
Baillie Gifford International, LLC
Baird Advisors
Barings LLC
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
BentallGreenOak
Beutel, Goodman & Company Ltd.
BlackRock
Blackstone Group (The)
Blue Owl Capital, Inc.
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
Brookfield Asset Management Inc.

**Manager Name**

Brown Brothers Harriman & Company  
Brown Investment Advisory & Trust Company  
Capital Group  
CastleArk Management, LLC  
Cercano Management LLC  
Champlain Investment Partners, LLC  
CIBC Asset Management Inc.  
CIM Group, LP  
ClearBridge Investments, LLC  
Cohen & Steers Capital Management, Inc.  
Columbia Threadneedle Investments  
Comvest Partners  
Cooke & Bieler, L.P.  
Crescent Capital Group LP  
Dana Investment Advisors, Inc.  
D.E. Shaw Investment Management, LLC  
DePrince, Race & Zollo, Inc.  
Dimensional Fund Advisors L.P.  
Doubleline  
DWS  
EARNEST Partners, LLC  
Fayez Sarofim & Company  
Federated Hermes, Inc.  
Fidelity Institutional Asset Management  
Fiera Capital Corporation  
First Eagle Investment Management, LLC  
First Hawaiian Bank Wealth Management Division  
Fisher Investments  
Franklin Templeton  
Fred Alger Management, LLC  
GAMCO Investors, Inc.  
Glenmeade Investment Management, LP  
GlobeFlex Capital, L.P.  
Goldman Sachs  
Golub Capital  
GW&K Investment Management  
Harbor Capital Group Trust  
HarbourVest Partners, LLC  
Hardman Johnston Global Advisors LLC  
Heitman LLC

**Manager Name**

Hotchkis & Wiley Capital Management, LLC  
HPS Investment Partners, LLC  
IFM Investors  
Impax Asset Management LLC  
Income Research + Management  
Insight Investment  
Intercontinental Real Estate Corporation  
Invesco  
J.P. Morgan  
Janus  
Jennison Associates LLC  
Jobs Peak Advisors  
Kayne Anderson Rudnick Investment Management, LLC  
King Street Capital Management, L.P.  
Kohlberg Kravis Roberts & Co. L.P. (KKR)  
Lazard Asset Management  
LGIM America  
Lincoln National Corporation  
Longview Partners  
Loomis, Sayles & Company, L.P.  
Lord, Abbett & Company  
LSV Asset Management  
MackKay Shields LLC  
Macquarie Asset Management  
Manulife Investment Management  
Manulife | CQS Investment Management  
Marathon Asset Management, L.P.  
Maverick Real Estate Partners  
Mawer Investment Management Ltd.  
MetLife Investment Management  
MFS Investment Management  
Mondrian Investment Partners Limited  
Montag & Caldwell, LLC  
Morgan Stanley Investment Management  
Mount Lucas Management LP  
MUFG Bank, Ltd.  
Natixis Investment Managers  
Neuberger Berman  
Newmarket Capital  
Newton Investment Management

**Manager Name**

Nipun Capital, L.P.

NISA Investment Advisors LLC

Northern Trust Asset Management

Nuveen

Oaktree Capital Management, L.P.

Orbis Investment Management Limited

P/E Investments

Pacific Investment Management Company

Parametric Portfolio Associates LLC

Partners Group (USA) Inc.

Pathway Capital Management, LP

Peavine Capital

Peregrine Capital Management, LLC

PGIM DC Solutions

PGIM Fixed Income

PGIM Quantitative Solutions LLC

Pictet Asset Management

PineBridge Investments

Polen Capital Management, LLC

PPM America, Inc.

Pretium Partners, LLC

Principal Asset Management

Raymond James Investment Management

RBC Global Asset Management

Red Cedar Investment Management

Regions Financial Corporation

S&amp;P Dow Jones Indices

Sands Capital Management

**Manager Name**

Schroder Investment Management North America Inc.

Segall Bryant &amp; Hamill

SLC Management

Star Mountain Capital, LLC

State Street Global Advisors

Strategic Global Advisors, LLC

T. Rowe Price Associates, Inc.

TD Global Investment Solutions – TD Epoch

The TCW Group, Inc.

Thompson, Siegel &amp; Walmsley LLC

TPG Angelo Gordon

Tweedy, Browne Company LLC

UBS Asset Management

VanEck

Vaughan Nelson Investment Management

Versus Capital Group

Victory Capital Management Inc.

Virtus Investment Partners, Inc.

Vontobel Asset Management

Voya

Walter Scott &amp; Partners Limited

WCM Investment Management

Wellington Management Company LLP

Western Asset Management Company LLC

Westfield Capital Management Company, LP

William Blair &amp; Company LLC

Xpionance, Inc.

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Callan's performance measurement service reports estimated returns for a portfolio and compares them against relevant benchmarks and peer groups, as appropriate; such service may also report on historical portfolio holdings, comparing them to holdings of relevant benchmarks and peer groups, as appropriate ("portfolio holdings analysis"). To the extent that Callan's reports include a portfolio holdings analysis, Callan relies entirely on holdings, pricing, characteristics, and risk data provided by third parties including custodian banks, record keepers, pricing services, index providers, and investment managers. Callan reports the performance and holdings data as received and does not attempt to audit or verify the holdings data. Callan is not responsible for the accuracy or completeness of the performance or holdings data received from third parties and such data may not have been verified for accuracy or completeness.

Callan's performance measurement service may report on illiquid asset classes, including, but not limited to, private real estate, private equity, private credit, hedge funds and infrastructure. The final valuation reports, which Callan receives from third parties, for of these types of asset classes may not be available at the time a Callan performance report is issued. As a result, the estimated returns and market values reported for these illiquid asset classes, as well as for any composites including these illiquid asset classes, including any total fund composite prepared, may not reflect final data, and therefore may be subject to revision in future quarters.

The content of this document may consist of statements of opinion, which are made as of the date they are expressed and are not statements of fact. The opinions expressed herein may change based upon changes in economic, market, financial and political conditions and other factors. Callan has no obligation to bring current the opinions expressed herein.

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

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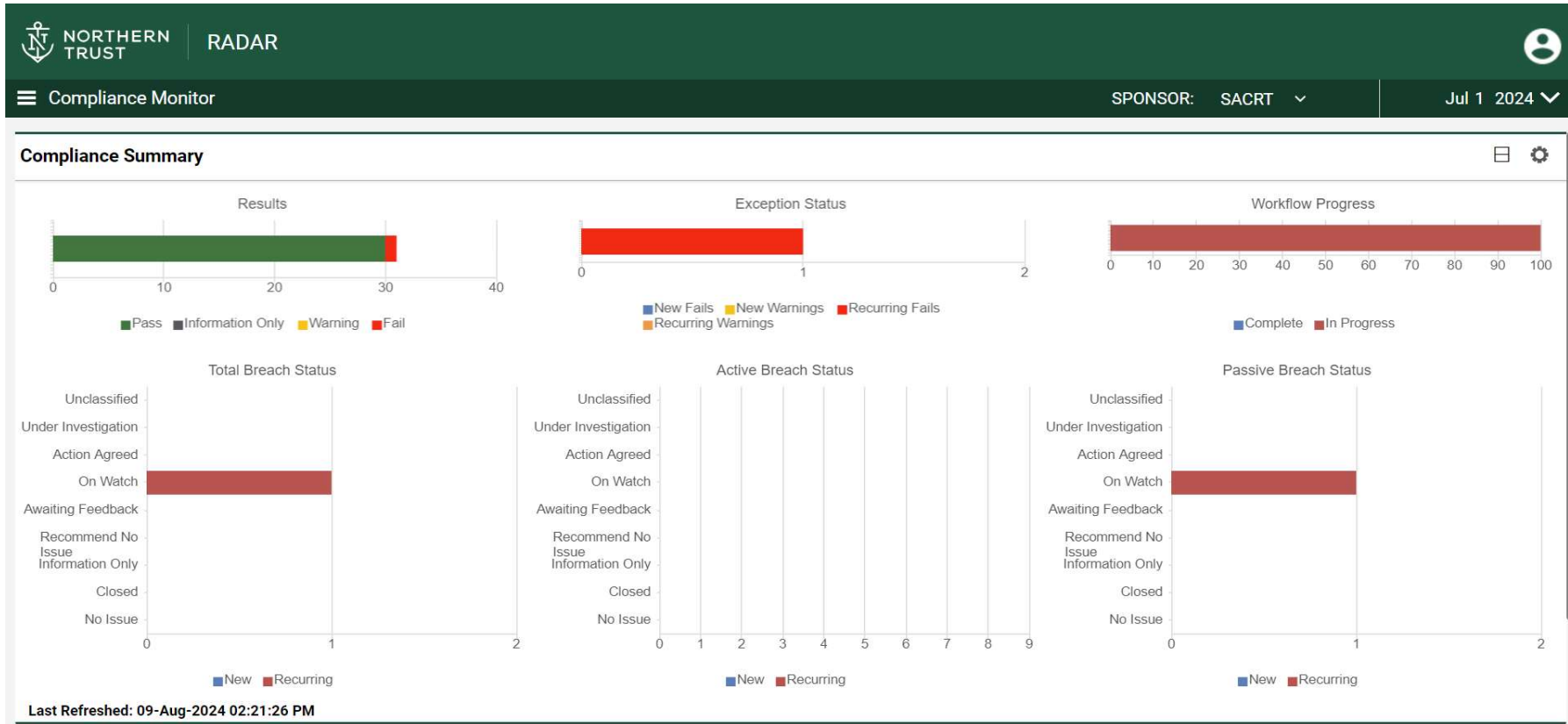
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Unless Callan has been specifically engaged to do so, Callan does not conduct background checks or in-depth due diligence of the operations of any investment manager search candidate or investment vehicle, as may be typically performed in an operational due diligence evaluation assignment and in no event does Callan conduct due diligence beyond what is described in its report to the client.

Any decision made on the basis of this document is sole responsibility of the client, as the intended recipient, and it is incumbent upon the client to make an independent determination of the suitability and consequences of such a decision.

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

Past performance is no guarantee of future results.



The compliance breach was caused by a restructuring of Intelsat, a global provider of satellite communications services (original holdings Intelsat Jackson CUSIPs 45824TAY1 and 45824TBA2 and current holding CUSIP L5217E120); which is part of TCW's portfolio holdings. As a result of the restructuring, there will be an equity line item in the portfolio for some period as TCW seeks an opportunistic disposition to maximize the realized value. In time, execution on Intelsat's business plan should improve the liquidity and value of Intelsat common shares, leading to a full liquidation from the portfolio. Northern Trust's compliance monitoring settings were set to flag equity common stock as a compliance breach. The Intelsat investments were originally purchased as Corporate Bonds so this incident is not a violation of the investment policy. The current equity common stock will continue to be monitored until TCW disposes of the securities.



Type Filters Applied:All,Fail,Information Only,Warning Breach Status Filters Applied:All,Active,Passive

Breach ID	Rule Processing Frequency	Account / Consolidation Name	Rule Name	Rule Category	Result Type	Valuation Date	Run Date	Age	Link	Active Passive Marker	Breach Cause	Breach Status	Workflow Status
SACR03.R1.655	DAILY	SACRT - METWEST	PA44271 - SACRT SACR03 Permitted Investments	Permitted Assets	Fail	1-Jul-2024	1-Jul-2024	769	Linked	Passive	Corporate Action	On Watch	Under Investigation

## Compliance Results

Breach Result Numerator: 73,978.92 Denominator: 94,233,629.97

<b>Account ID</b> SACR03	<b>Account Name</b> SACRT - METWEST	<b>Total Market Value</b> 73,978.92	<b>Securities Triggered</b> 1	<b>% Results</b> 0.08
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<b>Reference Date:</b> 01-Jul-2024	<b>Sponsor:</b> SACRT	<b>Compliance Breach Result:</b> Fail - Permitted Assets	<b>Valuation Date:</b> 01-Jul-2024
<b>Rule Name:</b> PA44271 - SACRT SACR03 Permitted Investments	<b>Rule Run Date:</b> 01-Jul-2024	<b>Rule Narrative:</b> Flags Prohibited Investments only. Please refer to IMA Language for more details.	<b>Breach Id:</b> SACR03.R1.655
<b>Benchmark:</b>	<b>Active/Passive:</b> Passive	<b>Breach Status:</b> On Watch	<b>Breach Cause:</b> Corporate Action
<b>Commentary:</b>	<b>Linked Commentary:</b>		

Asset Category/Name	Country of Risk	Security Identifier	Id Type	Shares/Par Value	Market Value Base	Security Weight %
Equities						
Common Stock						
Common Stock						
INTELSAT S.A.	Luxembourg	LU2445093128	ISIN	2,124.00	73,978.92	0.08



# RETIREMENT BOARD STAFF REPORT

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**DATE:** September 11, 2024 Agenda Item: 13  
**TO:** Sacramento Regional Transit Retirement Boards – ALL  
**FROM:** John Gobel, Senior Manager, Pension and Retirement Services  
**SUBJ:** Review Fiduciary Liability Policy and Coverage Limits for Retirement Board Members (ALL). (Gobel)

## **RECOMMENDATION**

No Recommendation - Information Only

## **RESULT OF RECOMMENDED ACTION**

No recommended action.

## **FISCAL IMPACT**

There is no fiscal impact associated with this informational presentation.

## **DISCUSSION**

As reported to the Retirement Boards each year and documented in the corresponding minutes, Directors and Alternate Directors are covered by a fiduciary liability policy that renews annually on May 6<sup>th</sup>. The Retirement Plans are represented in the policy marketing, negotiation, and binding processes by the Sacramento Regional Transit District's insurance broker, currently Alliant. Alliant, in turn, has secured ongoing coverage for the Retirement Plans through Chubb (Federal Insurance Co) with a current policy limit of \$10 million.

In accordance with resolutions adopted by the Retirement Boards on March 20, 2019, authority to bind the annual renewal of coverage is delegated to Sacramento Regional Transit District's General Manager/CEO. As provided in the resolutions, this delegation of authority does not require further action or approval by the Retirement Boards when coverage remains unchanged and the annual premium changes by no more than \$6,000. For the current policy year, the annual premium is \$45,121 and is paid from the assets of the Retirement Plans.

Although Staff report renewal of the fiduciary liability policy to the Retirement Boards each year and provide information regarding the waiver of recourse endorsement available to individual Directors and Alternate Directors, several years have passed since Alliant addressed the Retirement Boards directly.

To remind longstanding trustees and inform newer trustees about the coverage provided under the existing fiduciary liability policy, Andrew Loewen of Alliant will speak to the Retirement Boards at today's meeting. Mr. Loewen will review key components of the fiduciary liability policy, compare coverage levels purchased by peers in the industry, and encourage the Retirement Boards to ask questions and identify any changes that they would like Alliant to explore with Staff ahead of the next renewal date on May 6, 2025.

# Sacramento Regional Transit District Retirement Plans Fiduciary Liability Insurance

September 11<sup>th</sup> 2024

**Andrew Loewen**

Account Manager

Public Entity

Alliant Insurance Services, Inc.

CA License No. 0C36861

T: (949) 260-5011



# Background & Purpose of Discussion

- Alliant Insurance Services has over 40 years experience in Public Entity
  - Sac RT's Broker since 2017
    - Primarily work with Sac RT's risk department
  - Reintroduce Alliant to the fiduciaries
- Discuss fiduciary liability, limits and market options
  - DC Plans increased liability limits 2 years ago from \$1M to \$3M
  - Asset to limit ratios



# Sac RT DB Trusts/Plans Covered

- Retirement Plan for Sacramento Regional Transit District Employees who are Members of ATU Local 256 (ATU Plan)
- Retirement Plan for International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO and Sacramento Regional Transit District Employees (IBEW Plan)
- Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non Represented Employees (Salaried Plan)
- Total managed assets approximately \$400M
- Liability limits \$10M

# The Need for Fiduciary Liability Insurance

- Most governmental entities sponsor employee benefit plans for the retirement and health security of their employees [or contribute to a statewide pension system]
- Types of plans: Defined benefit; defined contribution plans; Health and welfare plans; Other Post-Employee Benefit Plans (OPEB)
- Fiduciaries of these plans have fiduciary responsibility under state or municipal law to act prudently with plans assets in the best interests of plan participants – most state fiduciary law mirrors federal ERISA fiduciary duties
- Plan fiduciaries face personal liability, and are not fully protected by sovereign immunity or governmental indemnification (good faith and scope of employment restrictions)
- Many entities have limited Employee Benefits Liability coverage in their general liability insurance programs, but this limited coverage for administration of employee benefits does not cover fiduciary responsibilities to plan participants, nor the personal liability of plan fiduciaries



# Claims and Litigation Trends

- Denial of disability benefit appeals, including for conditions such as carpal tunnel syndrome, anxiety disorders, and agoraphobia.
- Objection to contribution assessments by the plan sponsor by local municipalities.
- Challenges to the funding of the plan.
- IRS Penalty Claims.
- Participant and whistleblower claims alleging breaches of fiduciary duty for mismanagement of the plan or plan expenses.
- Challenges to changes in supplemental benefits or DROP plan benefits.
- Imprudent investment challenges to defined benefit plans.
- Excessive fee challenges to large defined contribution plans.

# Sac RT DB Plans Current Coverage

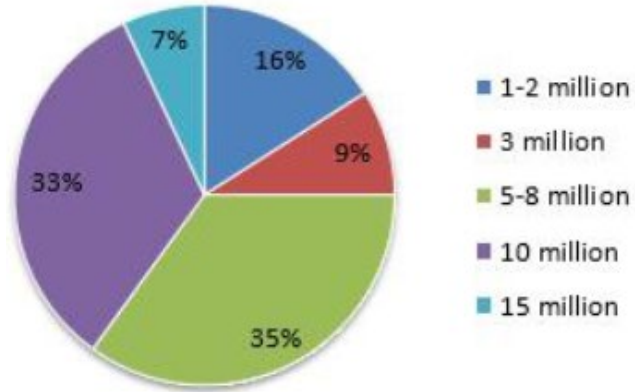
- Carrier – Chubb (Federal Insurance Co)
  - A.M. Best Rating A++ (Superior)
  - Standard & Poor's Rating AA (Very Strong)
  - Admitted
- Policy Term May 6<sup>th</sup> 2024 – 2025
  - Pending & Prior / Continuity Date April 6<sup>th</sup> 2007
- Limits / Retention
  - Each Claim Limit \$10,000,000
  - Aggregate Limit \$10,000,000
  - Retention \$25,000
- Annual Premium \$45,121
  - Waiver of Recourse \$450

# Determining Limits of Fiduciary Liability

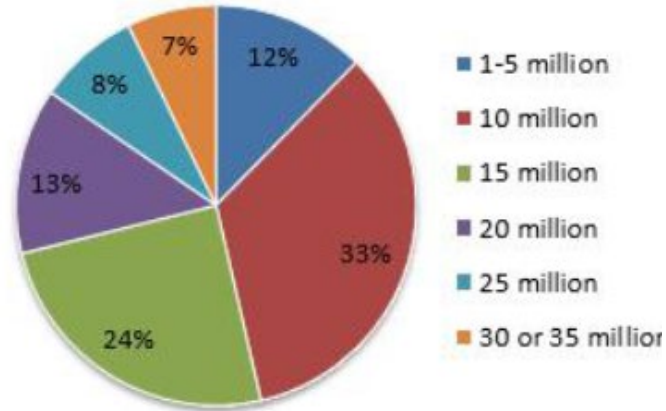
- Limits of liability is a risk calculation formulated by the fiduciaries
- Fiduciary liability covers errors and omissions (i.e. mistakes)
- How big of mistake can happen? Risk parameters can include:
  - Scope of fiduciary duties
  - Funding levels
  - Payment processes of fees
  - Performance Levels
  - Governing levels for claims activity
  - Financial stakeholder participation in plans

# Alliant Fiduciary Liability Insurance Program (FLIP ) 2020 Benchmarking Data

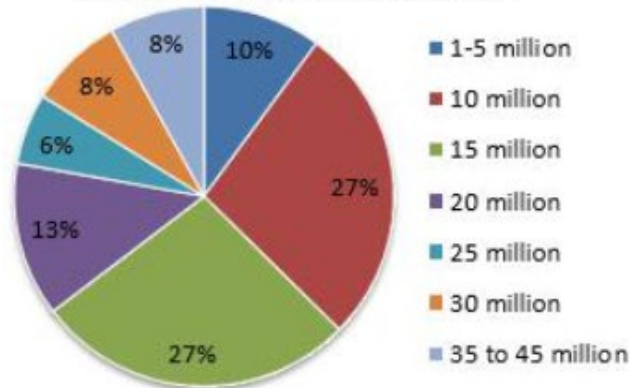
Assets size of group - \$100 to \$150 million  
Limits of Fiduciary Liability Purchased



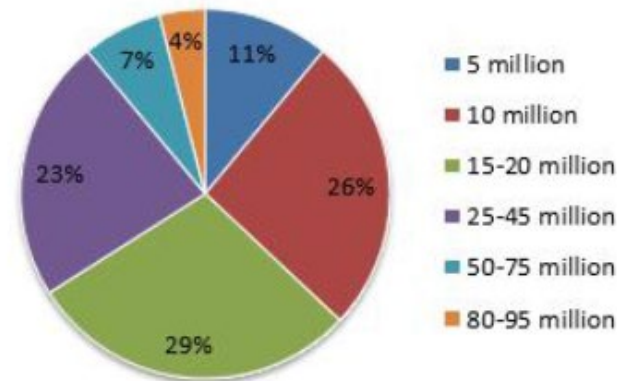
Assets size of group - \$475 to \$800 million  
Limits of Fiduciary Liability Purchased



Assets size of group - \$1 to \$1.5 billion  
Limits of Fiduciary Liability Purchased



Asset size of group -- \$2.5 billion or more  
Limit of Fiduciary Liability Purchased



# 2025-2026 DB Renewal Plan

- Alliant would like feed back from the fiduciaries on increased limits
- Increased limits can be accomplished two ways
  - Market the current policy with Alliant's FLIP program
  - Add excess limits over the current policy in the open market



# RETIREMENT BOARD STAFF REPORT

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**DATE:** September 11, 2024 Agenda Item: 14  
**TO:** Sacramento Regional Transit Retirement Board - All  
**FROM:** John Gobel – Senior Manager, Pension and Retirement Services  
**SUBJ:** ADOPT REVISED POLICY FOR CORRECTING RETIREMENT PLAN OVERPAYMENTS AND UNDERPAYMENTS (ALL). (Gobel)

## **RECOMMENDATION**

Adopt the attached Resolutions and Revised Policy for Correcting Retirement Plan Overpayments and Underpayments.

## **RESULT OF RECOMMENDED ACTION**

Adoption of the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments would update the corrective practices employed for the Retirement Plans when errors are discovered in benefit payments made to retired members and their survivors. The updated practices would align with legal changes made by the SECURE 2.0 Act to correction processes for tax-qualified retirement plans.

## **FISCAL IMPACT**

None.

## **DISCUSSION**

As plan administrator and fiduciaries of the tax-qualified defined-benefit plans sponsored by the Sacramento Regional Transit District (SacRT), the Retirement Boards are responsible for operating all three Retirement Plans in accordance with the written instruments that comprise the Plans. As a best practice, pension plan administrators are encouraged to adopt policies that provide further specificity regarding key processes and promote operational consistency with respect to correcting benefit payment errors.

Based on the recommendation of Staff and Legal Counsel to the Retirement Boards, the Boards adopted the current Policy for Correcting Retirement Plan Overpayments and Underpayments (Policy) in 2022, incorporating then-current EPCRS guidance for correcting benefit payment errors and updating the version of the Policy originally adopted by the Boards in 2015. Since 2022, the SECURE 2.0 Act was enacted, which made legal changes to the processes for correction of overpayments by tax-qualified defined-benefit

plans, including new rules for recouping inadvertent overpayments that result from administrative errors. The proposed Policy update (attached as Exhibit A in redline form to show the proposed revisions) incorporates the changes made by the SECURE 2.0 Act. As with the prior versions, the Revised Policy requires that (1) Staff confer with Legal Counsel to the Retirement Boards prior to taking any actions to correct overpayments or underpayments, and (2) Staff report overpayment and underpayment occurrences at subsequent Quarterly Retirement Board Meetings.

**RESOLUTION NO. 2024-09-359**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 14

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of ATU Local Union 256 on this date:

**September 11, 2024**

**Adopting Revised Policy for Correcting Retirement Plan  
Overpayments and Underpayments**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF ATU LOCAL 256 AS FOLLOWS:

THAT, the ATU Board of Directors (Retirement Board) of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the ATU Local 256 (Plan) adopted a revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Policy) in 2022 to update the 2015 Policy providing the Retirement Board and Staff with appropriate procedures for correcting benefit payment errors in accordance with the Plan and applicable Internal Revenue Service (IRS) guidance; and

THAT, applicable law regarding the correction of overpayments for tax-qualified retirement plans has been revised since the Retirement Board adopted the 2022 Policy; and

THAT, the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A) incorporates legal changes to processes for correcting benefit payment errors by tax-qualified defined benefit plans, including the Plan; and

THAT, the Retirement Board hereby adopts the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A).

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Crystal McGee Lee, Chair

ATTEST:  
Henry Li, Secretary

By:

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John Gobel, Assistant Secretary



**RESOLUTION NO. 2024-09-242**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 14

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of IBEW Local Union 1245 on this date:

**September 11, 2024**

**Adopting Revised Policy for Correcting Retirement Plan  
Overpayments and Underpayments**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF LOCAL UNION 1245 AS FOLLOWS:

THAT, the IBEW Board of Directors (Retirement Board) of the Retirement Plan Between International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO and Sacramento Regional Transit District (Plan) adopted a revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Policy) in 2022 to update the 2015 Policy providing the Retirement Board and Staff with appropriate procedures for correcting benefit payment errors in accordance with the Plan and applicable Internal Revenue Service (IRS) guidance; and

THAT, applicable law regarding the correction of overpayments for tax-qualified retirement plans has been revised since the Retirement Board adopted the 2022 Policy; and

THAT, the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A) incorporates legal changes to processes for correcting benefit payment errors by tax-qualified defined benefit plans, including the Plan; and

THAT, the Retirement Board hereby adopts the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A).

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Constance Bibbs, Chair

ATTEST:  
Henry Li, Secretary

By:

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John Gobel, Assistant Secretary

**RESOLUTION NO. 2024-09-239**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 14

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:

**September 11, 2024**

**Adopting Revised Policy for Correcting Retirement Plan  
Overpayments and Underpayments**

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 AEA Board of Directors (Retirement Board) of the Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees (Plan) adopted a revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Policy) in 2022 to update the 2015 Policy providing the Retirement Board and Staff with appropriate procedures for correcting benefit payment errors in accordance with the Plan and applicable Internal Revenue Service (IRS) guidance; and

THAT, applicable law regarding the correction of overpayments for tax-qualified retirement plans has been revised since the Retirement Board adopted the 2022 Policy; and

THAT, the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A) incorporates legal changes to processes for correcting benefit payment errors by tax-qualified defined benefit plans, including the Plan; and

THAT, the Retirement Board hereby adopts the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A).

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Russel Devorak, Chair

ATTEST:  
Henry Li, Secretary

By:

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John Gobel, Assistant Secretary

**RESOLUTION NO. 2024-09-206**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 14

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:

**September 11, 2024**

**Adopting Revised Policy for Correcting Retirement Plan  
Overpayments and Underpayments**

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 AFSCME Board of Directors (Retirement Board) of the Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees (Plan) adopted a revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Policy) in 2022 to update the 2015 Policy providing the Retirement Board and Staff with appropriate procedures for correcting benefit payment errors in accordance with the Plan and applicable Internal Revenue Service (IRS) guidance; and

THAT, applicable law regarding the correction of overpayments for tax-qualified retirement plans has been revised since the Retirement Board adopted the 2022 Policy; and

THAT, the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A) incorporates legal changes to processes for correcting benefit payment errors by tax-qualified defined benefit plans, including the Plan; and

THAT, the Retirement Board hereby adopts the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A).

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Peter Guimond, Chair

ATTEST:  
Henry Li, Secretary

By:

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John Gobel, Assistant Secretary

**RESOLUTION NO. 2024-09-243**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 14

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:

**September 11, 2024**

**Adopting Revised Policy for Correcting Retirement Plan  
Overpayments and Underpayments**

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 MCEG Board of Directors (Retirement Board) of the Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees (Plan) adopted a revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Policy) in 2022 to update the 2015 Policy providing the Retirement Board and Staff with appropriate procedures for correcting benefit payment errors in accordance with the Plan and applicable Internal Revenue Service (IRS) guidance; and

THAT, applicable law regarding the correction of overpayments for tax-qualified retirement plans has been revised since the Retirement Board adopted the 2022 Policy; and

THAT, the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A) incorporates legal changes to processes for correcting benefit payment errors by tax-qualified defined benefit plans, including the Plan; and

THAT, the Retirement Board hereby adopts the Revised Policy for Correcting Retirement Plan Overpayments and Underpayments (Exhibit A).

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Sandra Bobek, Chair

ATTEST:  
Henry Li, Secretary

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By:

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John Gobel, Assistant Secretary

# Sacramento Regional Transit District Retirement Boards

## Policy for Correcting Retirement Plan Overpayments and Underpayments

Effective ~~March 25, 2015~~ June 8, 2022

Proposed for Amendment June 8, 2022 September 11, 2024

### I. PURPOSE

The Sacramento Regional Transportation District maintains three retirement plans for its retirees and their beneficiaries (individually each a “Plan,” and collectively the “Plans”). The Plans’ Retirement Boards (individually each a “Board,” and collectively the “Boards”) have a fiduciary obligation to conserve fund assets and protect the integrity of Plan funds. This includes maintaining the tax-qualified status of the Plans.

Therefore, the Boards, acting through its delegated administrative staff (“Staff”), have a duty to investigate any plan overpayments or underpayments promptly and diligently, and to recover overpayments and make underpayments of retirement plan benefits, unless circumstances exist that make it unreasonable or inappropriate to do so. Accordingly, when the Boards or Staff discover that a benefit calculation or payment error has occurred that affects a retiree’s or beneficiary’s retirement benefits, these policies and procedures provide the procedures for correcting those errors.

### II. POLICY

Retirees and beneficiaries have a right to accurate retirement benefit payments in accordance with the Plans’ terms. No retiree or beneficiary has the right to receive or retain retirement benefit payments that exceed the amounts to which a retiree or beneficiary is entitled, and no retiree or beneficiary should be deprived of any benefit payments that he or she is entitled to receive. When errors are discovered, the Boards acting through its Staff will make every reasonable effort to correct the error, as established in this policy.

These policies and procedures take into consideration the correction principles that the IRS has set forth in the Employee Plans Compliance Resolution System (EPCRS) for tax-qualified plans and overpayment rules under the SECURE 2.0 Act applicable to plans tax-qualified plans, including plans governed by the Employee Retirement Income Security Act of 1974 (ERISA) (collectively, the “Applicable Rules”). In the event of any inconsistency between the ~~correction principles set forth in the EPCRS Applicable Rules~~ and these policies and procedures, the ~~EPCRS Applicable Rules~~ will take precedence. Staff will consult the Boards’ legal counsel prior to taking any corrective action under this Policy to ensure that the correction qualifies for self-correction under EPCRS, and does not require IRS approval under the Voluntary Correction Program (VCP). If legal counsel determines that correction through the VCP may be required, Staff and legal counsel will notify and seek direction from the appropriate Board(s) as soon as administratively possible and before taking any corrective action.

### III. PROCEDURES

#### A. Overpayments

1. All Overpayments of \$250 or less; overpayments of \$500 or less made to deceased retirees and beneficiaries

The EPCRS does not require plan sponsors to recover small overpayments when the total overpayment is \$250 or less. Therefore, if the total overpayment to a retiree or beneficiary is \$250 or less, the Board authorizes the Staff to forego seeking the return of the overpayment. This threshold amount will automatically update as needed for consistency with the EPCRS. In addition, because costs associated with recovery of an overpayment of \$500 or less made to a deceased retiree or beneficiary would likely exceed the value of such overpayment, any overpayment of \$500 or less made to a deceased retiree or beneficiary shall not be recouped.

2. Overpayments greater than \$250

- a. Inadvertent overpayments

An “inadvertent overpayment” means an amount paid to a retiree or beneficiary from a Plan in excess of the amount to which the retiree or beneficiary was entitled to under the terms of the Plan that results from an administrative or other inadvertent error and that does not involve retiree or beneficiary culpability. In the case of an inadvertent overpayment to a participant or beneficiary, Staff, on the advice of the Board’s legal counsel, will have the authority not to request repayment from the retiree or beneficiary, in accordance with the Applicable Rules and this Policy. If repayment from the retiree or beneficiary is requested, the following shall apply:

- i. Recoupment shall not be sought if the first overpayment occurred more than three years before the participant or beneficiary is first notified in writing of the error;
    - ii. No interest shall be sought on the overpayment;
    - iii. The amount recouped each calendar year shall not exceed 10% of the overpayment;
    - iv. Future benefit payments shall not be reduced below 90% of the amount otherwise payable under the terms of the Plan; and
    - v. If the overpayment was made to a participant, recoupment shall not be sought from any beneficiary of the participant.

- b. All other overpayments

Staff will take all reasonable steps to recover the full amount of all overpayments greater than \$250, plus interest in accordance with the EPCRS and subject to this Policy. As provided in the EPCRS, depending on the facts and circumstances,

correcting an overpayment may not need to include requesting that an overpayment be returned to the Plan by the retiree or beneficiary. ~~In the case of an overpayment to a participant or beneficiary due to an administrative error, Staff, on the advice of the Board's legal counsel, will have the authority not to request repayment from the retiree or beneficiary, in accordance with the EPCRS and this Policy.~~

### 3. Method of Repayment

~~Subject to the rules for recouping inadvertent overpayments,~~ staff will recover overpayments either by a lump sum payment from the retiree or beneficiary, if he or she so agrees, or by offsetting the amount to be recovered against future benefits over a period of time as set forth in this Policy, unless the Board determines that another method of repayment is warranted based on legal or practical considerations, including but not limited to repayment through an installment agreement. If the overpayment is recovered through offsetting against future retirement benefits, collections or garnishments mandated by statute may take precedence, including, but not limited to, payments pursuant to tax withholding orders, child support orders, court orders, and domestic relations orders.

### 4. Authority to Negotiate

Staff, on the advice of the Boards' legal counsel, will have authority to negotiate recovery of overpayments when the amount of the overpayment, not including interest, is \$5,000 or less. The Board must approve any negotiated recovery in which the amount of overpayment, without interest, is greater than \$5,000. Negotiated claims may include a different period of repayment than provided in this Policy and/or a partial forgiveness of the amounts overpaid.

When determining whether to negotiate a claim, Staff and/or the Board, as applicable, will consider all relevant information, including but not limited to: the likelihood of collection, the cost of collection, the amount of possible recovery, and hardship to the retiree or beneficiary. In situations where a retiree or beneficiary claims a hardship, the retiree or beneficiary will be required to explain, in detail, the nature of the financial hardship, and provide documentation sufficient to support the hardship request in the type and manner that the Board or Staff reasonably requires.

In cases where there is evidence in the Board's sole discretion that the overpayment resulted from fraud or dishonest conduct by the retiree or beneficiary, the Board reserves all rights to seek all amounts overpaid, plus the maximum amount of required interest.

### 5. Overpayment Procedures

~~Subject to the rules for recouping inadvertent overpayments,~~ Upon discovery of an overpayment, unless Staff, on the advice of the Boards' legal counsel, determines it is inappropriate given the facts and circumstances to attempt to collect the overpayment from the retiree or beneficiary, Staff will send a letter by certified or overnight mail to the retiree, joint annuitant, or beneficiary advising the individual about the overpayment, detailing the reason for and calculation of the overpayment and outlining repayment options and schedules, as described below. If the amount of the overpayment, without

interest, is \$5,000 or more, Staff will attempt to contact the retiree or beneficiary by phone to schedule a meeting to discuss the contents of the letter before sending the letter.

- a) The letter will request payment to the Plan of the amount overpaid, subject to the [Applicable Rules and](#) provisions of this Policy.
- b) The letter will include an Agreement to Repay Excess Benefits Form for the recipient to complete, sign and return to SacRT Retirement Services.
- c) [For inadvertent overpayments, the Agreement to Repay Excess Benefits Form will provide the following options:](#)
  - i. [Option 1 – equal offsets against future benefit payments over the longer of \(a\) 120 months, or \(2\) the period necessary to ensure that future benefit payments are not reduced below 90% of the amount otherwise payable under the terms of the Plan.](#)
  - ii. [Option 2 – lump sum payment to the Plan by check for the full amount.](#)

[The letter and Agreement to Repay Excess Benefits Form will provide that Option 1 will take effect by default if a written response from the retiree or beneficiary is not received within thirty \(30\) days following the date the letter was sent.](#)

- e)d) [For all other overpayments, the Agreement to Repay Excess Benefits Form will provide the following options:](#)
  - i. Option 1 - equal offsets against future benefits over the same length of time that the overpayments occurred, with appropriate interest applied during the overpayment period and during the repayment period.
  - ii. Option 2 - lump sum payment to the Plan by check for the full amount or a single offset to the retiree or beneficiary's current benefit, with appropriate interest applied during the overpayment period.
  - iii. Option 3 - reduction of monthly benefit to zero until the overpayment is paid in full, with appropriate interest applied during the overpayment period and during the repayment period.
  - iv. Option 4 - reduction of monthly benefit by 25% until the overpayment is paid in full with appropriate interest applied during the overpayment period and during the repayment period.
  - v. Option 5 – actuarial equivalent reduction of monthly benefit amount in accordance with the EPCRS.
- d) The letter and Agreement to Repay Excess Benefits Form will provide that Option 5 will take effect by default if a written response from the retiree or beneficiary is not received within thirty (30) days following the date the letter was sent.



- e) Subject to the rules for recouping inadvertent overpayments, the Boards may pursue all legal remedies to collect overpayments, including making a claim on an estate or trust, if appropriate.

Staff will maintain a record of all overpayments and the related repayments to the Plans. Staff will report the number of overpayment occurrences and their amounts at each quarterly Board meeting.

## **B. Underpayments**

### **1. Underpayments, Generally**

When it has been determined that the Plan has underpaid benefits, the retiree or beneficiary will be entitled to a prospective adjustment to his or her retirement benefits necessary to pay the correct benefit amount, as well as a lump sum payment for all past underpayments, with interest at the rate the Board has established in accordance with the EPCRS throughout the applicable period of underpayment. Interest will accrue on each underpayment amount from the date of the underpayment to the date of the lump sum corrective payment.

Staff will obtain approval of any lump sum corrective payment in accordance with the usual approval process for service retirements. If, however, the total underpayment for any retiree or beneficiary exceeds \$5,000, without interest, Staff will obtain the Board's approval. Once approved, Staff will pay the corrective payment as soon as administratively practicable.

No payment of "small benefits" (as defined in the EPCRS) will be made, if Staff determines that the reasonable direct costs of processing and delivering the payment to the retiree or beneficiary would exceed the amount of the payment. The definition of "small benefits" in the EPCRS is an underpayment of \$75 or less. This "small benefits" amount will automatically update as needed for consistency with the EPCRS.

### **2. Underpayments – Deceased Retiree or Beneficiary**

If a retiree or beneficiary who was underpaid benefits has died prior to payment of a corrective lump sum amount, the following additional procedures will be followed:

- a) Retiree or Beneficiary with a Designated Beneficiary
  - i. If the retiree or beneficiary had named a designated beneficiary, the payment will be made directly to the designated beneficiary.
- b) Retiree or Beneficiary without a Designated Beneficiary
  - i. In cases where there is no designated beneficiary, Staff will take reasonable measures to determine if there is an open estate and, if so, will make payment to the estate.
  - ii. If final distribution of the estate has already been made, Staff will obtain and review the order of final distribution to determine how assets that were unknown at the time of final distribution are to be distributed under the order. Payment will then be made in compliance with the order for final distribution, if possible.

- iii. If an estate was not established, the Plan will hold the funds on behalf of the deceased retiree or beneficiary. If an individual later makes claims to the funds, the Board will consider the claim on a case-by-case basis.

Staff will maintain a record of all underpayments. Staff will report the number of underpayment occurrences and their amounts at each quarterly Board meeting.



# RETIREMENT BOARD STAFF REPORT

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**DATE:** September 11, 2024 Agenda Item: 16  
**TO:** Sacramento Regional Transit Retirement Boards – ALL  
**FROM:** John Gobel, Senior Manager, Pension and Retirement Services  
**SUBJ:** Commend IBEW Retirement Board Chair Constance Bibbs (IBEW).  
(Gobel)

## **RECOMMENDATION**

Adopt the Attached Resolution.

## **RESULT OF RECOMMENDED ACTION**

Recognize Director Bibbs for her positive contributions during two periods of service on the IBEW Retirement Board and her many years of employment with the Sacramento Regional Transit District (SacRT).

## **FISCAL IMPACT**

There is no fiscal impact associated with this action.

## **DISCUSSION**

Constance Bibbs was hired by SacRT in 1986 and initially served as an Alternate Director of the IBEW Retirement Board from 2009 to 2014. She rejoined the Retirement Boards in 2017 as a Director and currently serves as Chair of the IBEW Retirement Board.

During Director Bibbs' "second tour" with the IBEW Retirement Board, the assets of the IBEW Plan have increased from \$54.1 million (as of June 30, 2017) to \$82.7 million (as of June 30, 2024). Throughout that period, Director Bibbs has had an impeccable attendance record at Board meetings, fulfilled her duties in the best interests of the IBEW Plan participants, and served as a congenial colleague for members of all Retirement Boards and Staff.

The Resolution presented for action recognizes Director Bibbs' positive impact on the IBEW Plan and offers congratulations on her upcoming retirement from SacRT.

**RESOLUTION NO. 2024-09-243**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 16

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of IBEW Local Union 1245 on this date:

**September 11, 2024**

**Commend IBEW Retirement Board Chair Constance Bibbs**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR THE SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF LOCAL UNION 1245 AS FOLLOWS:

THAT, the IBEW Board of Directors (Retirement Board) of the Retirement Plan Between International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO and Sacramento Regional Transit District (Plan) wishes to commend Retirement Board Chair Constance Bibbs for her many years of service as she prepares to retire from the Sacramento Regional Transit District, and

THAT, Director Bibbs has faithfully served on the Retirement Board for a total of 12 years and consistently acted in the best interests of the Plan participants; and

THAT, Director Bibbs is preparing to retire after working at the Sacramento Regional Transit District for 38 years; and

THAT, the Retirement Board thanks Director Bibbs for her contributions to the Retirement Board and her service to the Plan; and

THAT, the Retirement Board offers Director Bibbs best wishes for a well-deserved retirement and does so with the full support of the four other boards and of staff.

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Neal Pickering, Vice Chair

ATTEST:  
Henry Li, Secretary

By:

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John Gobel, Assistant Secretary