

SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
QUARTERLY RETIREMENT BOARD MEETING – NOTICE AND AGENDA  
10:00 A.M. ON THURSDAY, DECEMBER 17, 2020

This meeting is being held pursuant to Executive Order N-33-20 issued by California Governor Gavin Newsom on August 28, 2020. The Board of Directors will attend the meeting telephonically via Zoom Video Communications.

**Members of the public can attend the RTD Board Meeting (audio only) by dialing: (669) 900-6833. Meeting ID: 984 4619 2119, or by viewing a live broadcast of the meeting online at <https://zoom.us/j/98446192119>**

**Persons wishing to address the Board must submit a public comment request by sending an email to [BoardSupport@sjRTD.com](mailto:BoardSupport@sjRTD.com) or by calling (209) 467-6613. All comments must be received by 9:00 a.m. on Thursday, December 17, 2020.**

**RTD is committed to ensuring that all meetings are accessible regardless of an individual's ability or access method. If you need a reasonable accommodation, please contact RTD's Chief Executive Office at (209) 467-6613. For language assistance, interpreter services, please contact (209) 943-1111. Para información en Español, por favor llame al (209) 943-1111.**

1. CALL TO ORDER
2. ROLL CALL
3. CONSENT ITEMS
  - A. RESOLUTION: APPROVING THE MINUTES OF THE SEPTEMBER 17, 2020 QUARTERLY RETIREMENT BOARD MEETING  
Board approval of minutes.
  - B. RESOLUTION: APPROVING THE 2021 QUARTERLY RETIREMENT BOARD MEETING SCHEDULE  
Board approval of meeting schedule.
4. UNFINISHED BUSINESS
  - A. QUARTERLY INVESTMENT PERFORMANCE OF SEPTEMBER 30, 2020  
Team Hewins, LLC staff will provide a presentation to Board regarding the 2020 third quarter performance for the Retirement and Health Plan.
  - B. UPDATE ON RETIREMENTS  
RTD Human Resources Administrator – Benefits Ericka Franco will update the Board on recent retirements that have occurred since last reported on September 17, 2020.
5. NEW BUSINESS
  - A. RESOLUTION: APPROVING THE FY 2020 AUDITOR'S REPORT OF THE SAN JOAQUIN REGIONAL TRANSIT DISTRICT (RTD) RETIREMENT PLAN  
Board approval auditors report for fiscal year 2020.

B. RTD RETIREMENT PROCESS

Human Resources Administrator of Benefits Ericka Franco will provide a presentation to the Board regarding RTD's retirement process.

C. ELECTION OF OFFICERS

Board election of Retirement Board Chair and Vice-Chair for calendar year 2021.

PUBLIC COMMENT

Those wishing to address the Retirement Board should submit comments to the Clerk of the Board prior to the beginning of the meeting. Each person who addresses the Retirement Board shall not make slanderous or profane remarks to or about any member of the Board, staff, or general public. Any person who utters loud, threatening, personal or abusive language, who is unduly repetitious or engages in extended discussion of irrelevancies, or who engages in any disorderly conduct which disrupts, disturbs or impedes the orderly conduct of any Retirement Board meeting, shall at the discretion of the presiding officer or a majority of the Retirement Board, be barred from further audience before the Retirement Board during that meeting. All public comments shall be limited to FIVE MINUTES. In addition, applause, loud noises, or any other outbursts or disruptions from the audience are not allowed during or after a public comment. At the discretion of the presiding officer, those who are in violation of this protocol may be removed from the meeting.

6. QUESTIONS AND COMMENTS FROM THE RETIREMENT BOARD AND/OR STAFF

7. ADJOURN

NOTE: THE NEXT QUARTERLY SCHEDULED RETIREMENT BOARD MEETING WILL BE HELD ON **THURSDAY, MARCH 18, 2021 AT 10:00 A.M.**

DATE POSTED: December 11, 2020

MINUTES OF THE QUARTERLY MEETING OF THE RETIREMENT BOARD  
OF THE SAN JOAQUIN REGIONAL TRANSIT DISTRICT (RTD)  
THURSDAY, SEPTEMBER 17, 2020

Pursuant to Executive Order N-29-20 issued by California Governor Gavin Newsom on May 4, 2020, the San Joaquin Regional Transit District (RTD) Retirement Board held a Quarterly Meeting on Thursday September 17, 2020 at 10:00 a.m., telephonically via Zoom Video Communications.

1. CALL MEETING TO ORDER Chair Restuccia called the meeting to order at 10:02 a.m.
2. ROLL CALL Present: Michael Restuccia, Chair  
Ralph Niz, Vice-Chair  
Crystal Lee-McGee, Director  
Annette Bichlmeier, Director

RTD Staff Present

Gloria Salazar, Deputy CEO  
Al Warren Hoslett, RTD Legal Counsel  
Christopher Waddell, Retirement Board Legal Counsel  
Ravi Sharma, Finance Manager  
Merab Talamantes, Project Controls Manager  
Mike Thompson, Chief of Administration and Innovation  
Virginia Alcayde, Director of Finance  
Ericka Franco, Human Resources Administrator- Benefits  
Kimberly Gayle, Deputy CEO  
Alan Anguiano, Executive and Board Support Analyst  
Malika McGee, Human Resources Manager  
Cameron Isaacson, Operation Superintendent – Transportation  
George Lorente, Grants Manager  
Nancy Antonio, Risk Administrator  
Brad Menil, Operations Superintendent – Maintenance

Members of the Public Present

Thuong Thien, Team Hewins, LLC  
Deanna Van Valer, Bartel Associates, LLC

3. CONSENT ITEMS
  - A. RESOLUTION NO. 427  
RESOLUTION APPROVING THE MINUTES OF THE JUNE 18, 2020, QUARTERLY  
RETIREMENT BOARD MEETING

ACTION: MOTION: Ralph Niz SECOND: Annette Bichlmeier

Roll Call:

AYES: Restuccia, Niz, Lee-McGee, Bichlmeier NAYES: ABSTAIN:

The Board approved the minutes with the following corrections:

1. Director Annette St. Urbain's last name be changed on roll call and throughout the minutes to reflect Bichlmeier.
2. Item 4A paragraph 5: Director Bichlmeier asked if significant market moves day to day create issues in rebalancing to target values with timely trade settlement.

4. UNFINISHED BUSINESS

- A. QUARTERLY INVESTMENT PERFORMANCE OF MARCH 31, 2020  
Team Hewins, LLC Senior Financial Advisor Thuong Thien provided a presentation to Board regarding the 2020 third quarter performance for the Retirement and Health Plan.

Chair Restuccia asked staff what the actuary return is? Finance Manager Ravi Sharma responded stating that the actuary return is 6.5%.

Ms. Thien also advised the Board that Agincourt, the investment firm managing a core bond account for the District, recently signed an agreement to sell 70% of the firm to Guardian Capital. The current owners of Agincourt will retain the remaining 30% ownership interest.

This is a material change to Agincourt and Team Hewins Investment Committee has reviewed this and has no concern with this acquisition. Team Hewins recommends consenting to the transaction, which requires no action on the Districts part.

The Board did not express any concern with this matter and accepted the change.

- B. UPDATE ON RETIREMENTS  
Human Resources Administrator – Benefits Ericka Franco provided an update to the Board on retirements that had occurred between June 18, 2020 and September 17, 2020.

5. NEW BUSINESS

- A. ~~RESOLUTION: APPROVING THE INCLUSION OF A FOURTH RETIREMENT PAYOUT OPTION (10-YEAR CERTAIN & LIFE) TO THE RETIREMENT SELECTION~~

**The Board made a motion to approve the following amended resolution for item 5A. The resolution will be effective September 17, 2020.**

RESOLUTION NO. 428  
RESOLUTION TO APPROVE A 10-YEAR CERTAIN AND LIFE ALTERNATIVE UNDER EXISTING RETIREMENT OPTION No.3

ACTION: MOTION: Ralph Niz SECOND: Crystal Lee-McGee  
Roll Call:  
AYES: Restuccia, Niz, Lee-McGee, Bichlmeier NAYES: ABSTAIN:

Director Bichlmeier requested a comprehensive look at how staff is going to educate, communicate, and conduct the retirement process under this new change including what materials will be revised. Staff should address what is in the plan document regarding optional settlement 4 (social security advancement).

Staff will give provide this information in form of a presentation to the Board at the next meeting scheduled on December 17, 2020.

6. PUBLIC COMMENTS  
No public comments were made.
7. QUESTIONS AND COMMENTS FROM THE RETIREMENT BOARD AND/OR STAFF



Director Bichlmeier asked if there have been any there was anything to report regarding pension negotiations that were scheduled in July. CEO Gloria Salazar advised that there is nothing to report at this time.

8. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:08 a.m.

Respectfully submitted,

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**Michael Restuccia, Chair**

RESOLUTION NO.\_\_\_\_  
DATED: DECEMBER 17, 2020

RESOLUTION APPROVING THE MINUTES OF THE  
QUARTERLY RETIREMENT BOARD MEETING OF SEPTEMBER 17, 2020

RESOLVED AND ORDERED by the Retirement Board of the San Joaquin Regional Transit District  
that the minutes of the Quarterly Meeting held on September 17, 2020 be approved.

**RECOMMENDATION:** **APPROVE THE QUARTERLY SCHEDULE FOR THE 2021 RETIREMENT BOARD MEETINGS**

**LEAD STAFF:** **MERAB TALAMANTES  
PROJECT CONTROLS MANAGER**

**BACKGROUND:**

The 2020 Retirement Board meetings were scheduled on the third Thursday of the third month following the end of the calendar quarter, at 10:00 a.m.

**DISCUSSION:**

Staff recommends that 2021 Retirement Board meetings continue to be held quarterly on Thursdays at 10:00 a.m. The recommended schedule considers the availability of the Retirement Board and the Quarterly Investment Report from Team Hewins, LLC as follows:

<b>2021 QUARTERLY RETIREMENT BOARD MEETING SCHEDULE</b>
Thursday, March 18, 2021
Thursday, June 17, 2021
Thursday, September 16, 2021
Thursday, December 16, 2021

RESOLUTION NO. \_\_\_\_  
DATED: DECEMBER 17, 2020

RESOLUTION APPROVING THE 2021 QUARTERLY SCHEDULE  
FOR THE RETIREMENT BOARD MEETINGS

WHEREAS, the Quarterly Retirement Board of Directors meetings are usually scheduled on the third Thursday of every month; and

WHEREAS, the recommended schedule considers the availability of the Retirement Board the Quarterly Investment Report from Team Hewins, LLC; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the following meeting schedule be approved by the Retirement Board of Directors:

<b>2021 QUARTERLY RETIREMENT BOARD MEETING SCHEDULE</b>
Thursday, March 18, 2021
Thursday, June 17, 2021
Thursday, September 16, 2021
Thursday, December 16, 2021

**INFORMATION ITEM:                      QUARTERLY INVESTMENT PERFORMANCE**

**LEAD STAFF:                              TEAM HEWINS, LLC**

**FINANCIAL IMPACT:                      TO BE DISCUSSED**

**DISCUSSION:**

Team Hewins, LLC staff will provide a presentation to the Board regarding the 2020 third quarter performance analysis for the Retirement and Health Plans.

November 12, 2020

The Board of Directors  
Ms. Gloria Salazar  
San Joaquin Regional Transit District  
P.O. Box 201010  
Stockton, CA 95201

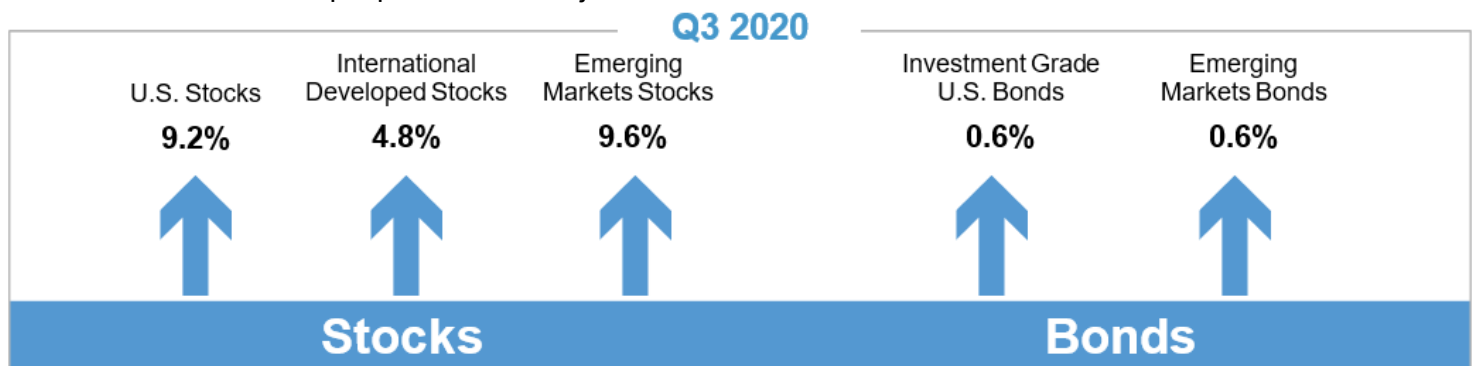
Dear Gloria and Members of the Board:

Enclosed please find the Third Quarter 2020 Performance Analysis for the Retirement Plan and Health Plan.

### *Market Review*

The third quarter felt like a roller coaster ride for investors, as optimism around lessening state restrictions and hope for another round of government stimulus sent markets higher in July and August, continuing the historic recovery seen in the second quarter. And then came September, which brought a resurgence in Covid-19 cases in both the US and Europe. Concern and uncertainty surrounding the course of the virus and government responses mounted as stimulus talks stalled, and the markets saw a significant pullback when stocks posted losses for four weeks in a row<sup>1</sup>.

Even with the September reversal in investor sentiment, equity indices still posted strong returns for the quarter. Bond returns were also positive but more modest. In fact, the second and third quarters had the best two-quarter performance for the S&P 500 since 2009<sup>2</sup>, the last time the world was recovering from a major stock market downturn. While uncertainty continues to be a mainstay of the pandemic era, there are some reasons for cautious optimism. The US continues to add jobs as businesses reopen with new guidelines, and the unemployment rate has come down from its April peak of 15% to just below 8%<sup>3</sup>.



Source: Morningstar®, data as of September 30, 2020. See disclosure page for more information.

<sup>1</sup> Gunjan Banerji and Peter Santilij, "Turbocharged Stocks Blast Off", Wall Street Journal, October 1, 2020.

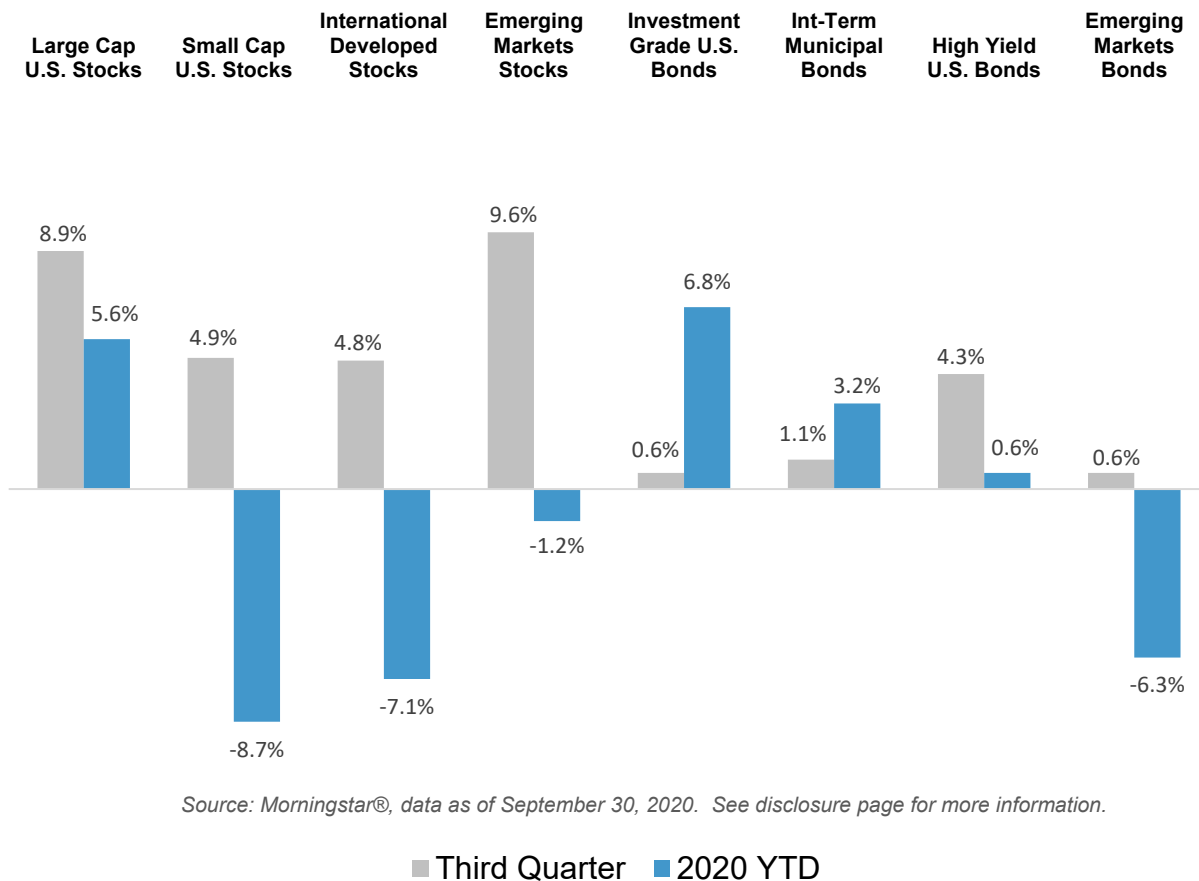
<sup>2</sup> Caroline Valetkevitch, "U.S. stocks post sharp quarterly gains, but caution continues to dog outlook", Reuters, September 30, 2020.

<sup>3</sup> Civilian unemployment rate, U.S. Bureau of Labor Statistics, accessed October 5, 2020. <https://www.bls.gov/charts/employment-situation/civilian-unemployment-rate.htm>.

In contrast to the second quarter, US small cap companies trailed their larger counterparts in the third. Larger companies are generally seen as more mature businesses with reserves to lean on during tough times. Smaller companies historically demonstrate higher growth rates, yet their perceived vulnerability has prevented them from recovering to the same extent, as they trail for the year by a wide margin.

## World Asset Classes

### Returns for the Third Quarter and Year-to-Date



Developed and emerging markets also had a strong quarter, boosted by countries like China and South Korea, which were further along in containing the virus, and a weakening US dollar. Emerging markets posted the strongest return for the quarter among all major indices covered.

Growth outperformed value in the US and overseas as technology and biotech sectors benefited from the COVID-19 economy. However, it is worth pointing out that this divergence is driven by a handful of big names, as opposed to a more systematic difference in performance between the two styles. Furthermore, the big names that have done remarkably well for the year were also among the largest detractors in the September pullback.

In fixed income, US Investment grade bonds posted modest returns in the third quarter and boasted the highest return of the major indices shown above for the year. Municipal bonds were also positive for the quarter. These high credit quality bonds have, except for a brief period of illiquidity in March, acted as a ballast in client portfolios, helping temper the volatility that has been commonplace in 2020. Lower credit quality US bonds have breached positive territory for the year as the rally that started in the second quarter continued. Emerging markets bonds were positive for the quarter but are still down for the year as lenders continue to keep an eye on countries hit particularly hard by the drop in global demand.

As COVID-19 cases continue to rise in the winter season, we expect more surprises and volatility. Over time, we expect the market to continue to advance, but the short term will probably continue to bring us surprises, one after another. Maintaining strong discipline through volatile periods and a consistent focus on long-term objectives will allow investors to get through all this in reasonably good shape.

### ***Plan Performance (Pension Portfolio)***

The Pension Portfolio continued the rally seen in the second quarter, returning 4.94% while leading the target benchmark by 0.38%. This places the Portfolio just outside of the median return of Callan's Small Fund peer group. Plan assets were approximately \$44.7 million at quarter end. Since inception, the Plan has achieved an annualized return of 9.84%, leading both its benchmark and the median return of its peers.

In the third quarter, investor sentiment continued to improve and risk assets, such as stocks and lower credit quality bonds, rose in July and August. In September, rising COVID-19 cases and withering optimism about a second round of fiscal stimulus weighed on investors, and the markets saw a meaningful pullback. Even with this turn in sentiment, the quarter still ended on a positive, if more muted, note. Elevated volatility has remained in October in November, as uncertainty around the election and the course of the virus persisted. As we write this, some very positive vaccine news was released, sending markets higher on Monday, November 9<sup>th</sup>.

Growth continued its outperformance relative to value in the third quarter, and the Vanguard Institutional Index Fund, which mirrors the S&P 500, did well (+8.92%) with its heightened exposure to the technology and communication services sectors. The DFA US Large Cap Value Fund (+5.20%) lagged relative to the Vanguard index fund, in part because of its higher allocation to face-to-face sectors such as financials and energy. While the DFA fund lagged due to its value focus, it did well relative to its peers, ranking within the top 33% of large cap value managers in the third quarter.



Small caps were no different, with the Vanguard Small Cap Growth fund (+7.74%) leading the domestic small cap stock portion of the portfolio. DFA US Small Cap Value (+3.37%) did better on a relative basis, beating its benchmark by almost 1% and outpacing the median return of its small cap value peers.

Across the pond, Vanguard International Growth (+16.27%) stood out once again, leading its growth-oriented benchmark by over 6% and the median return of its peers by even more. Stock selection drove the outperformance, with top holdings Tesla (+99%) and Alibaba Group (+36%) posting strong returns in the quarter. In emerging markets, DFA Emerging Markets Core (+8.48%) trailed its benchmark by ~1% as its greater emphasis on value stocks relative to the growth-heavy benchmark drove underperformance.

The “diversified fixed income” sectors -- high yield bonds and emerging debt -- continued the rebound seen in the third quarter and provided additional return over core bonds. Vanguard High Yield Corp (+4.27%) was slightly behind its benchmark and the median return of its peers. It emphasizes higher credit quality issuances within the high yield space, and lower-rated bonds outperformed in the third quarter. Vanguard’s cautious approach to a riskier asset class has paid off in the long-term, with the fund ranking within the top 20% of its peers in all periods in the report except for since inception. In emerging markets bonds, PIMCO EM Full Spectrum Bond (1.91%) outpaced its blended benchmark by ~40 bps.

### ***Plan Performance (Health Portfolio)***

The Health Plan grew 5.61% in the third quarter, leading its benchmark by half a percent and ranking within the top 30% of its peers. Plan assets were approximately \$6.8 million at the end of the quarter. Since the Plan’s inception it has achieved an annualized return of 5.95% and ranks in the third quartile of its Small Fund peer group.

The Health Portfolio, being smaller than the Pension Portfolio, uses mutual funds to represent the Core Fixed Income asset class. Both the Dodge & Cox Income, and the PIMCO Total Return funds returned almost 1.5%, outpacing their benchmark by ~0.90% and ranking in the top 13% of their peers.

We will more thoroughly review market conditions and Plan performance at our upcoming meeting.

Sincerely,



Thuong Thien, CFP®  
Senior Financial Advisor

**San Joaquin Regional Transit District**  
**Pension Portfolio**  
**Quarterly Investment Report**

September 30, 2020

Prepared by Team Hewins, LLC  
203 Redwood Shores Parkway, Suite 550 | Redwood City, CA 94065

## Market Overview

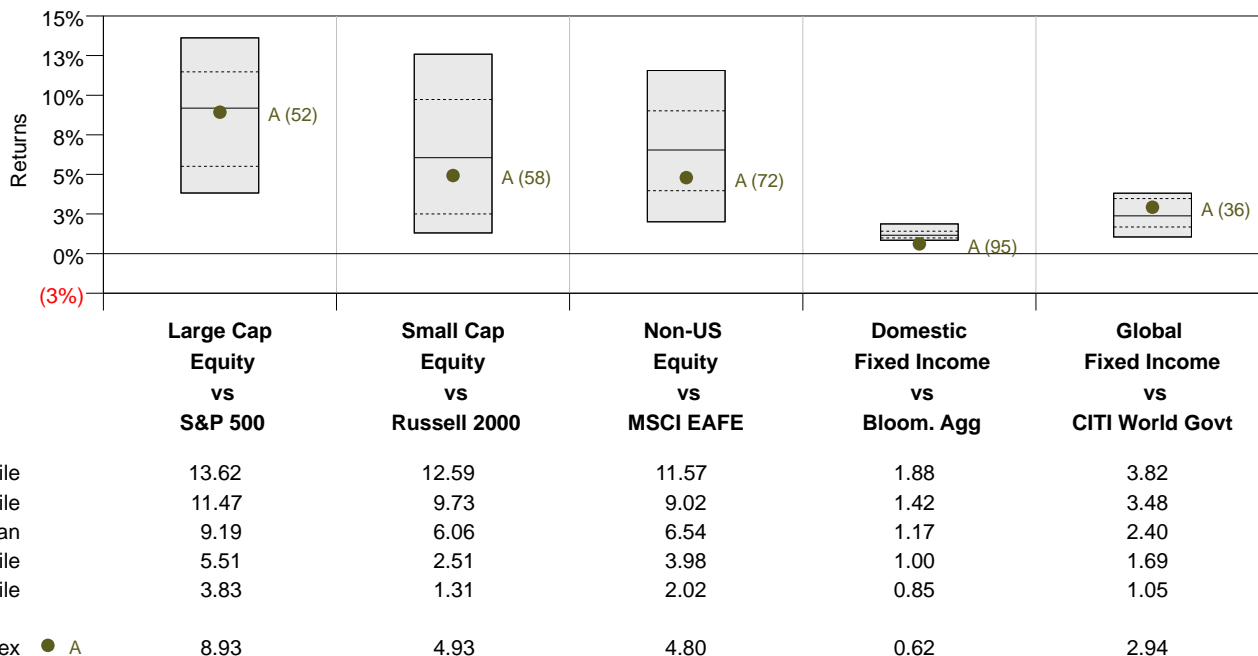
### Active Management vs Index Returns

#### Market Overview

The charts below illustrate the range of returns across managers in Callan's Mutual Fund database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity mutual funds over the last quarter. The symbol represents the S&P 500 return. The number next to the symbol represents the ranking of the S&P 500 in the domestic equity mutual fund database.

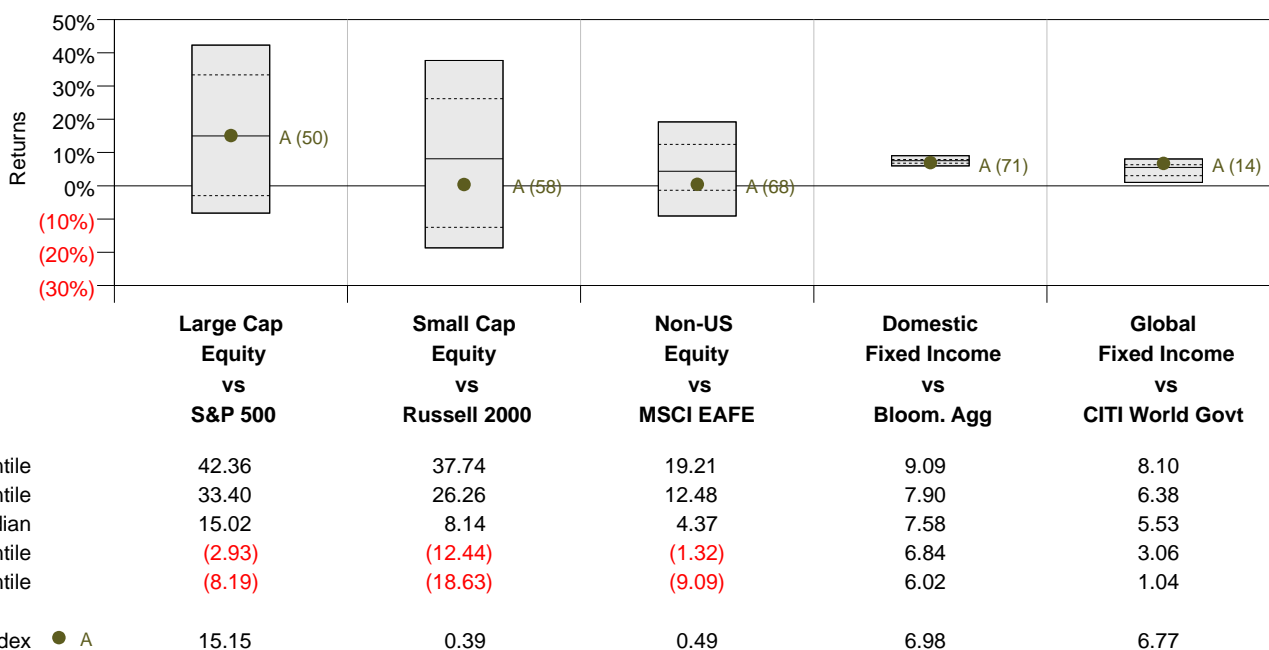
#### Range of Mutual Fund Returns by Asset Class

One Quarter ended September 30, 2020



#### Range of Mutual Fund Returns by Asset Class

One Year ended September 30, 2020



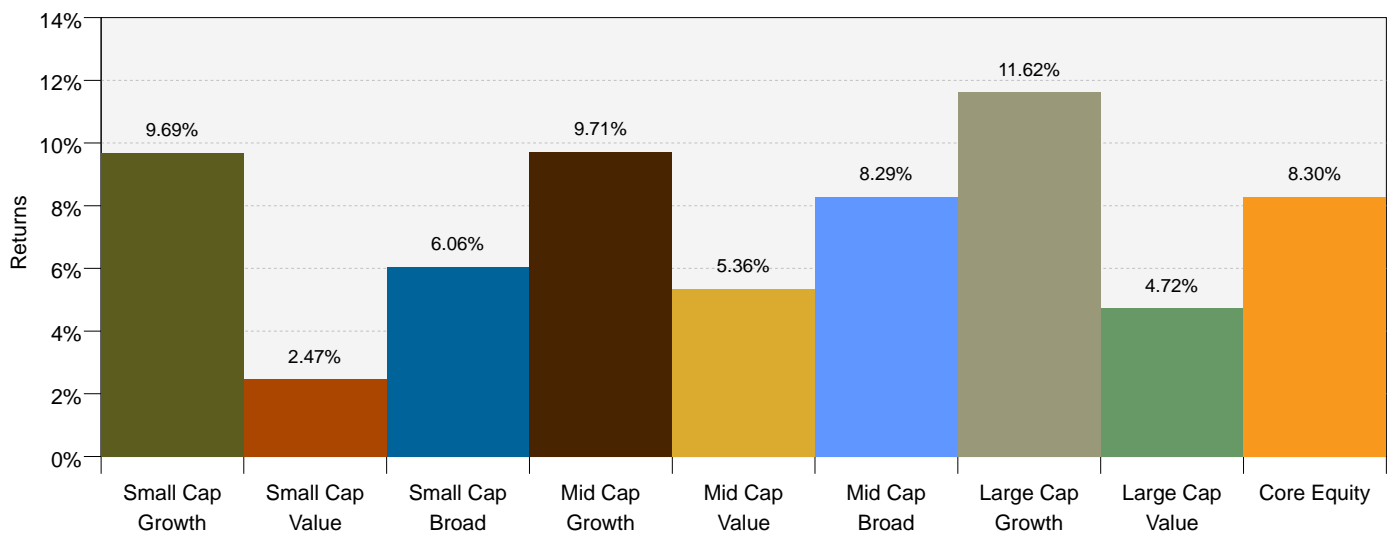
## Domestic Equity

### Active Management Overview

The S&P 500 Index was up 8.9% for the quarter. However, returns among constituents painted starkly different pictures. Consumer Discretionary (+15%) was the best performing sector while Energy (-20%) was the worst. Year-to-date, a handful of sectors remain in the red while others are up double digits. A similar and related picture emerges with style indices. The tech-heavy R1000 Growth Index (+13.2%) was again the best performer. Conversely, the R1000 Value Index was up only 5.6% in the quarter and it has lost nearly 12% this year. The dispersion between growth and value is near an all-time high and equally stark in small and midcap stocks for both the quarter and nine-month periods. Strong stock performance has been concentrated among a few names in the market. The top five stocks (Facebook, Microsoft, Amazon, Alphabet, and Apple) in the S&P 500 account for 23% of the Index and contributed 33% of the quarter's performance.

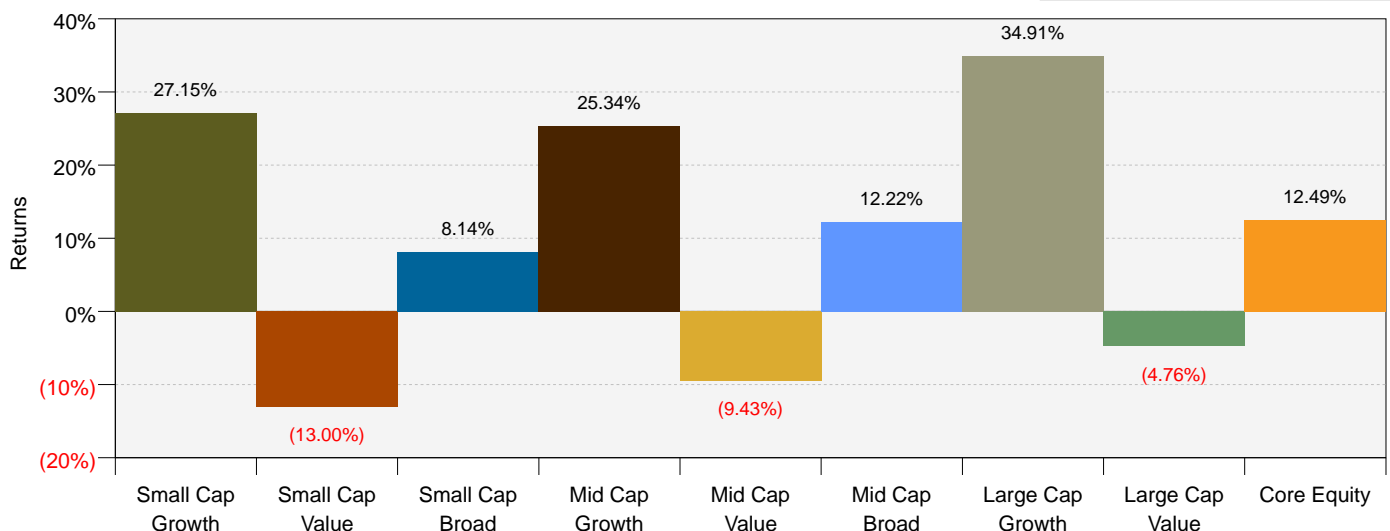
#### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

S&P 500 Index	8.93%
S&P 500 Growth	11.75%
S&P 500 Value	4.79%
S&P 400 Mid Cap	4.77%
S&P 600 Small Cap	3.17%
S&P 600 Small Cap Growth Index	4.13%
S&P 600 Small Cap Value Index	2.09%



#### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

S&P 500 Index	15.15%
S&P 500 Growth	30.64%
S&P 500 Value	(2.68%)
S&P 400 Mid Cap	(2.16%)
S&P 600 Small Cap	(8.29%)
S&P 600 Small Cap Growth Index	0.08%
S&P 600 Small Cap Value Index	(16.86%)



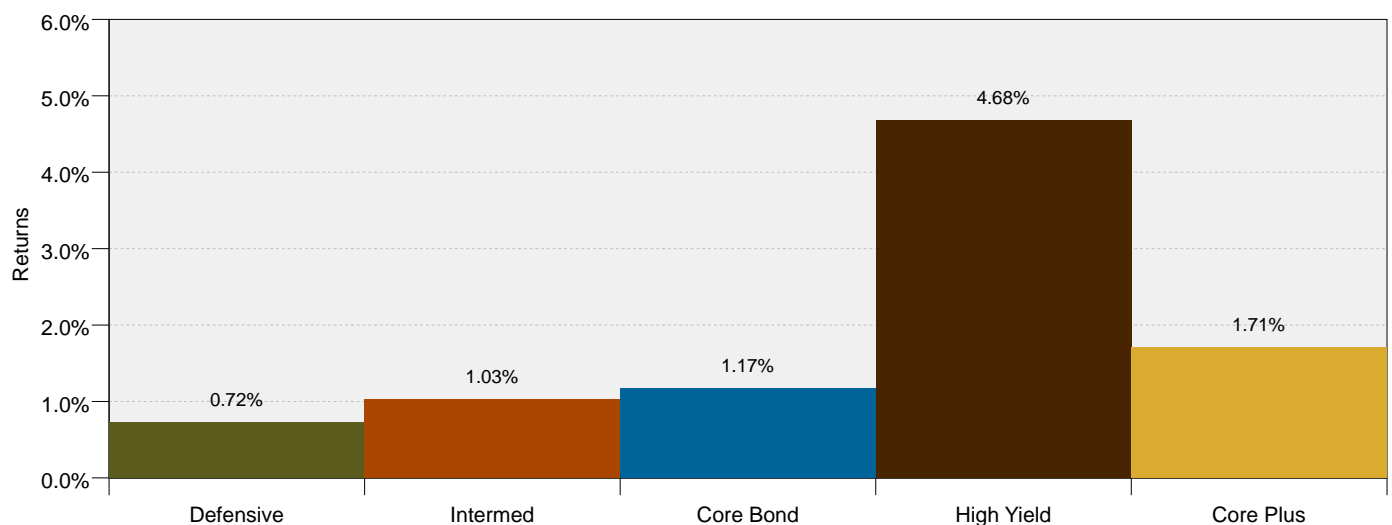
## Domestic Fixed Income

### Active Management Overview

U.S. Treasury yields were largely unchanged over the course of the third quarter. The 10-year U.S. Treasury yield closed the quarter at 0.69%; up 3 bps from June 30 but off far more sharply from the year-end level of 1.92%. Its yield hit an all-time low of 0.52% in August. TIPS (Bloomberg Barclays US TIPS: +3.0%) strongly outperformed nominal U.S. Treasuries for the quarter as 10-year breakeven spreads widened from 134 bps to 163 bps. The Bloomberg Barclays US Aggregate Bond Index gained 0.6%, with the corporate and commercial mortgage-backed sectors performing the best. Supply hit record levels as companies rushed to take advantage of ultra low interest rates. The Bloomberg Barclays High Yield Bond Index was up 4.6% and is now roughly flat y-t-d. High yield and leveraged loan default rates (5.8% and 4.3% y-o-y as of September) continued to trend higher but remain below levels reached in the GFC.

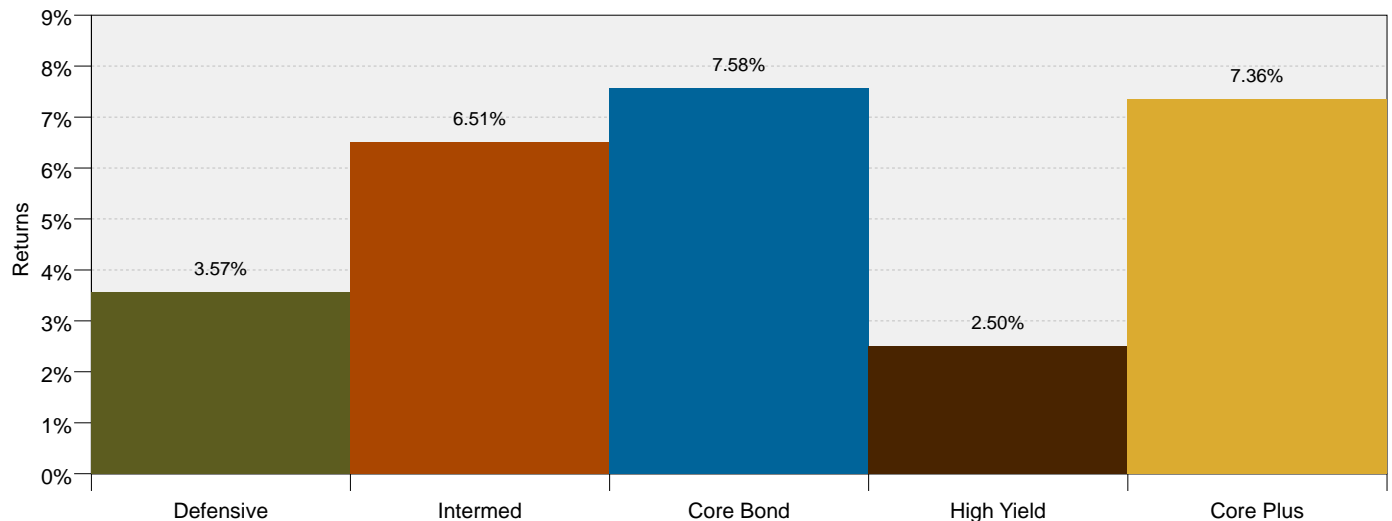
#### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

Bloomberg:US Universal	0.99%
Bloomberg:Aggregate	0.62%
Bloomberg:High Yield	4.60%



#### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

Bloomberg:US Universal	6.68%
Bloomberg:Aggregate	6.98%
Bloomberg:High Yield	3.25%



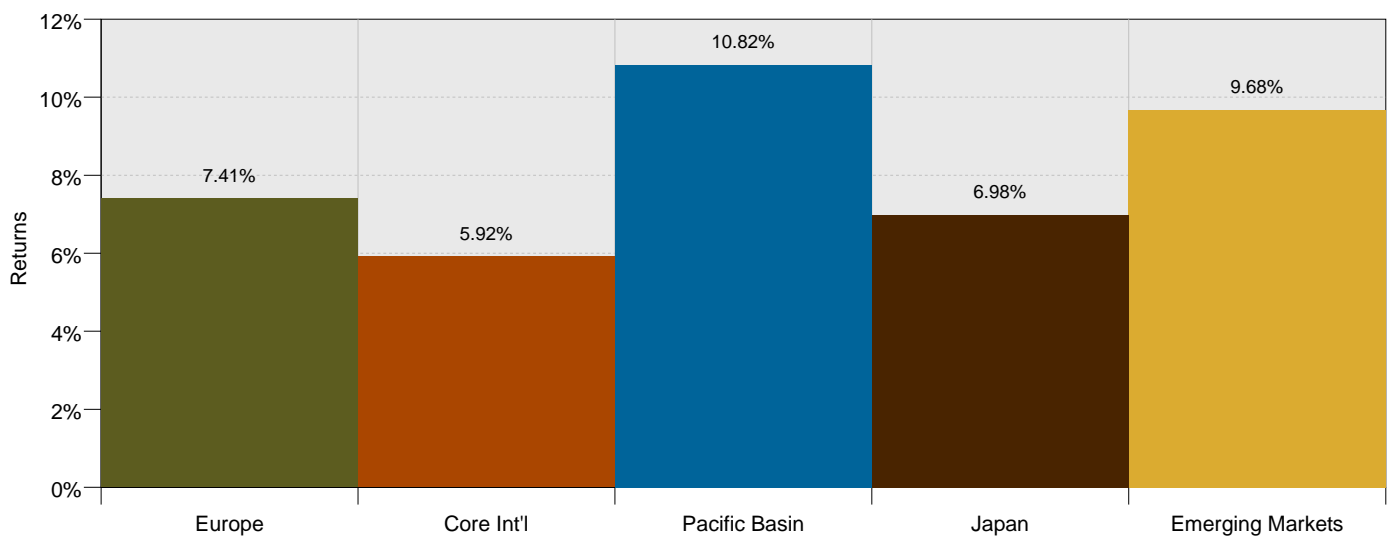
## International Equity

### Active Management Overview

Global equity index returns were positive across developed and emerging markets (MSCI ACWI: +8.1%; MSCI EM: +9.6%) but variable across styles, sectors, and countries. Growth continued to outperform value and, from a sector perspective, Technology was a top performer while Energy lagged. Regionally, The UK was roughly flat, Japan up 6.9%, and Europe ex-UK up 5.9%. Within Europe, some countries delivered double-digit returns while others suffered losses (Sweden and Denmark +16% vs Spain -4%). Similarly in emerging markets, Emerging Asia gained nearly 12% while Latin America and Emerging Europe fell 1.3% and 5.2%, respectively. BRIC country performance was also mixed (Brazil: -3%; Russia: -5%; India: +15% and China +13%). The U.S. dollar lost more than 4% vs the Australian dollar, the euro, and the British pound and 2% vs the yen. It was also down versus most emerging market currencies, with the Turkish lira (+11%) and the Brazilian real (+3%) being notable exceptions.

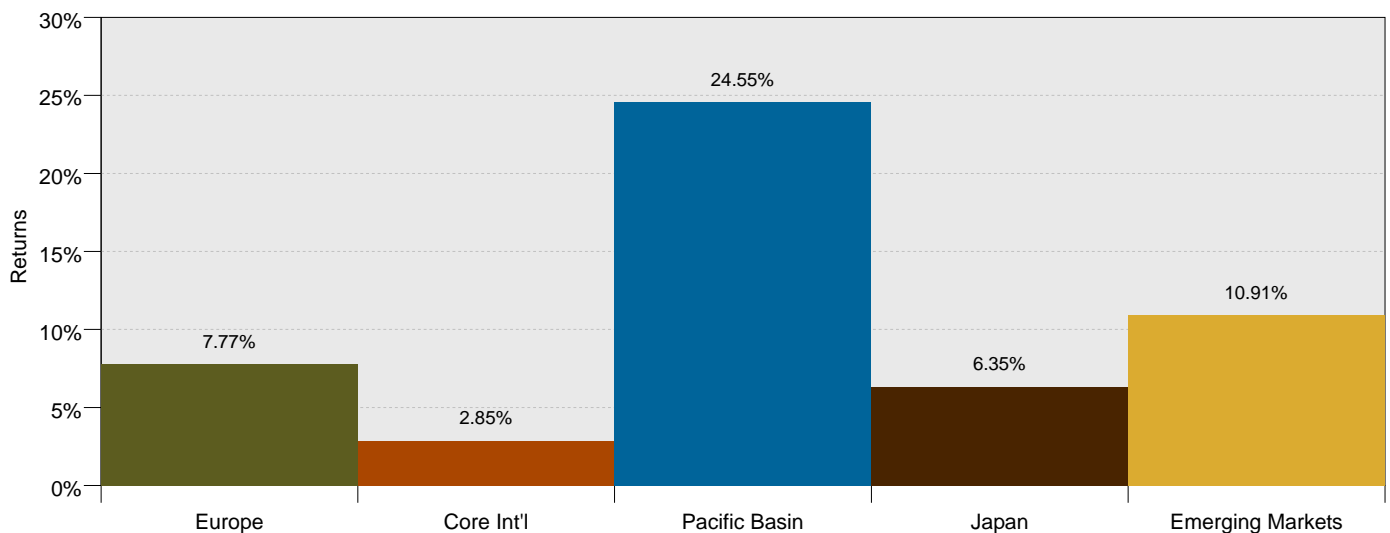
#### Mutual Fund Style Group Median Returns for Quarter Ended September 30, 2020

MSCI ACWI - Gross	8.25%
MSCI All Cntry World ExUS	6.36%
MSCI EAFE Index	4.80%
MSCI Europe	4.51%
MSCI Pacific	5.39%
MSCI Emerging Markets	9.70%



#### Mutual Fund Style Group Median Returns for Year Ended September 30, 2020

MSCI ACWI - Gross	11.00%
MSCI All Cntry World ExUS	3.45%
MSCI EAFE Index	0.49%
MSCI Europe	(0.79%)
MSCI Pacific	2.63%
MSCI Emerging Markets	10.91%



## Capital Growth

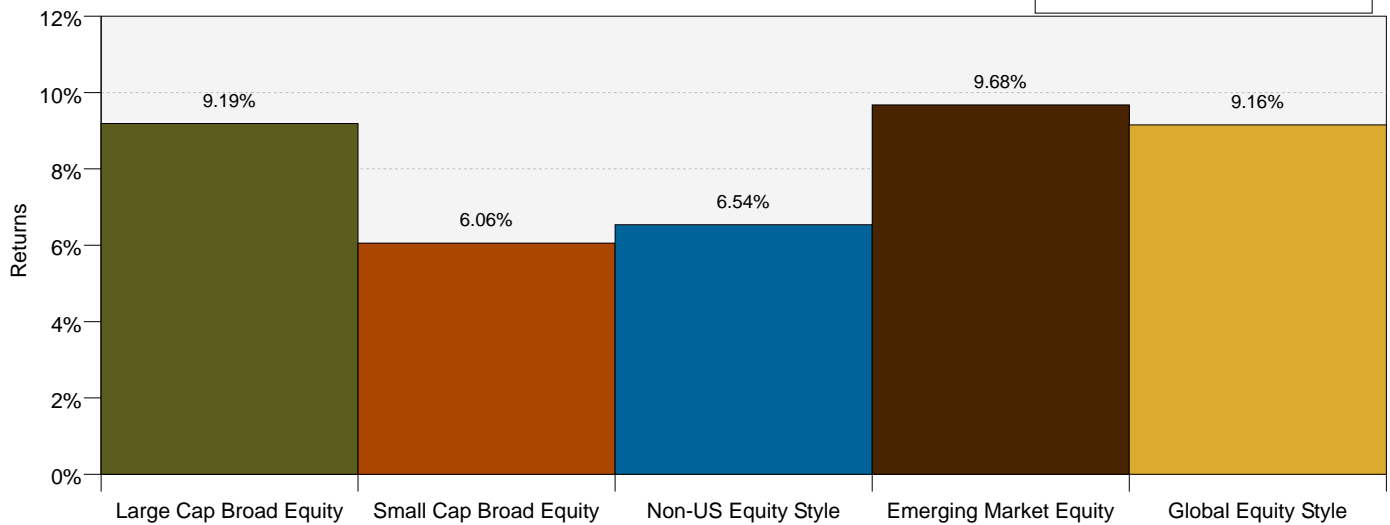
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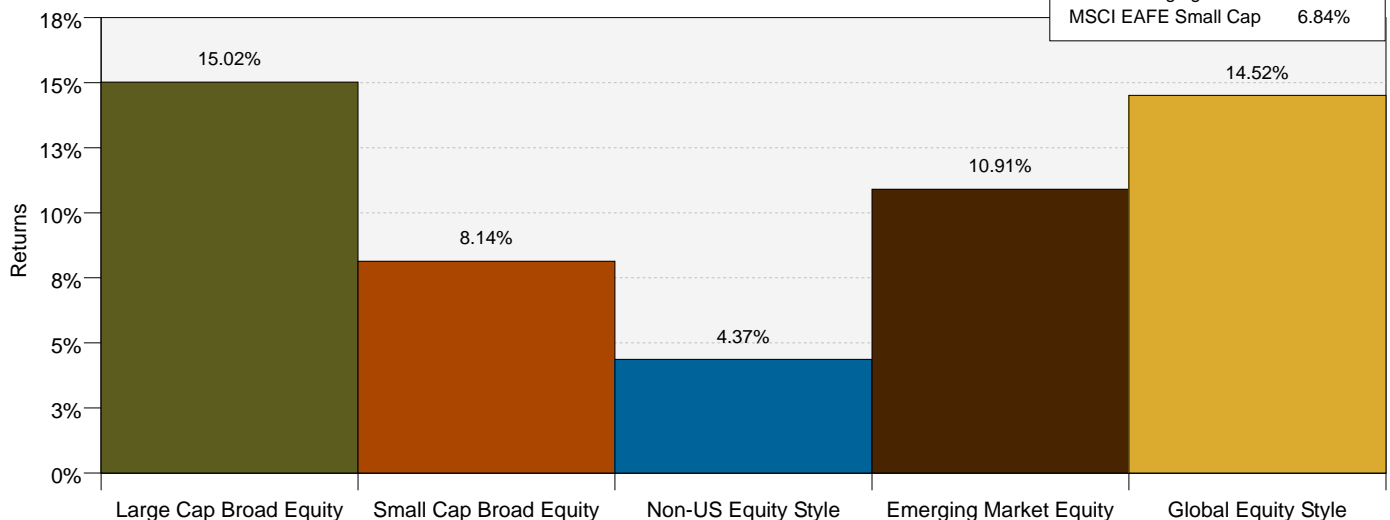
#### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

S&P 500 Index	8.93%
Russell 3000 Index	9.21%
Russell 2000 Index	4.93%
MSCI ACWI	8.13%
MSCI EAFE Index	4.80%
MSCI Emerging Markets	9.56%
MSCI EAFE Small Cap	10.25%



#### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

S&P 500 Index	15.15%
Russell 3000 Index	15.00%
Russell 2000 Index	0.39%
MSCI ACWI	10.44%
MSCI EAFE Index	0.49%
MSCI Emerging Markets	10.54%
MSCI EAFE Small Cap	6.84%



## Income

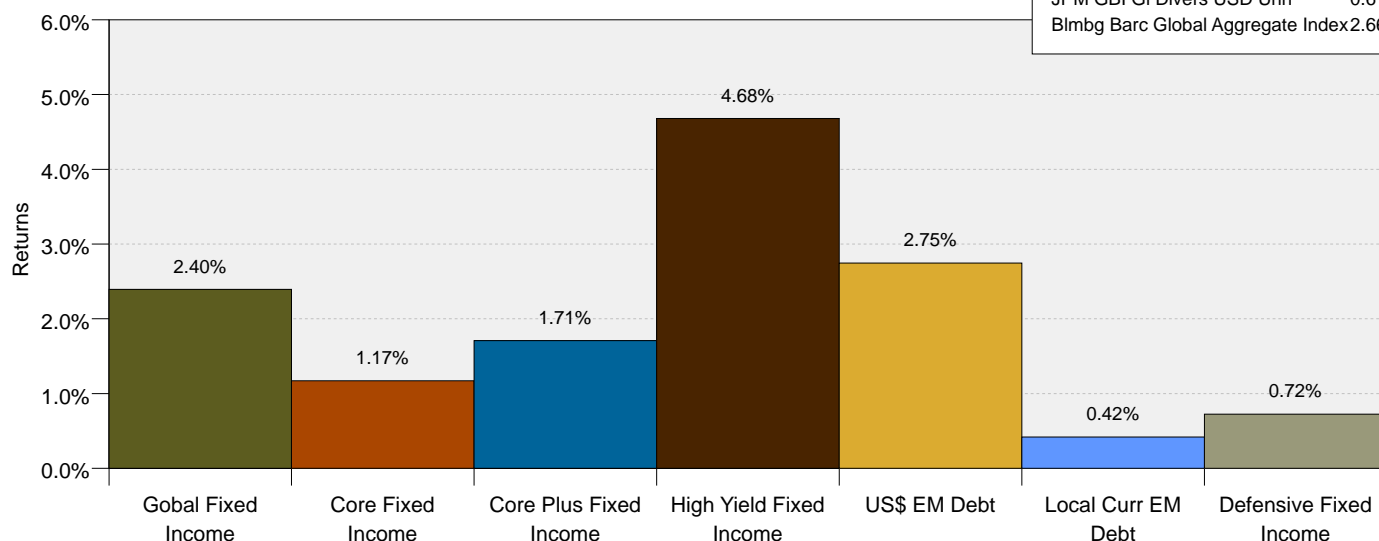
### Active Management Overview

U.S. Treasury yields were largely unchanged over the course of the third quarter. The 10-year U.S. Treasury yield closed the quarter at 0.69%; up 3 bps from June 30 but off far more sharply from the year-end level of 1.92%. Its yield hit an all-time low of 0.52% in August. TIPS (Bloomberg Barclays US TIPS: +3.0%) strongly outperformed nominal U.S. Treasuries for the quarter as 10-year breakeven spreads widened from 134 bps to 163 bps. The Bloomberg Barclays US Aggregate Bond Index gained 0.6%, with the corporate and commercial mortgage-backed sectors performing the best. Supply hit record levels as companies rushed to take advantage of ultra low interest rates. The Bloomberg Barclays High Yield Bond Index was up 4.6% and is now roughly flat y-t-d. High yield and leveraged loan default rates (5.8% and 4.3% y-o-y as of September) continued to trend higher but remain below levels reached in the GFC.

Rates were lower overseas, fueled by rate cuts across a broad swath of countries and strong performance from corporates. The Bloomberg Barclays Global Aggregate ex-US Bond Index rose 3.4% (unhedged). Emerging market debt indices posted lofty results (EMBI Global Div: +12.3%; GBI-EM GI Div: +9.8%) but remain down single digits from year-end. Returns varied widely across the index of 70+ countries but generally, lower quality/higher yielding countries outperformed in Q2 but remain sharply lower than their higher quality brethren ytd. The local currency index also reflected broad dispersion of returns across its 19 constituents, but returns were positive for the vast majority of the countries.

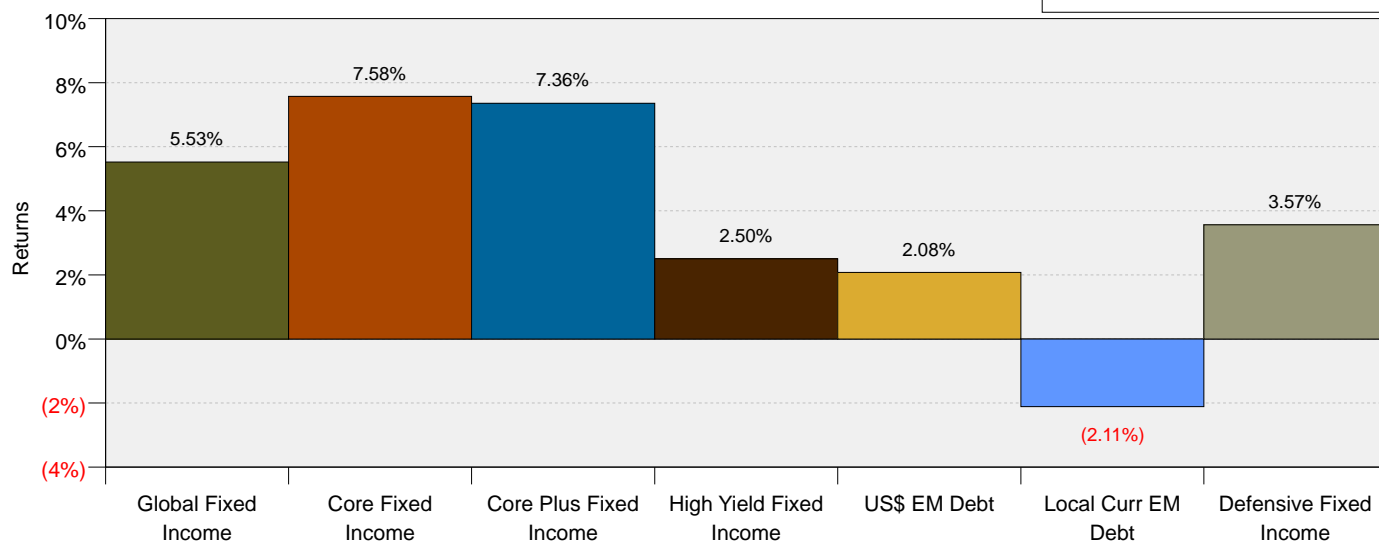
#### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

Bimbg Barc Agg Index	0.62%
Bimbg Barc High Yield Corp	4.60%
Bimbg Barc Global Agg Hedged	0.73%
JPM EMBI Global Dvsfd	2.32%
JPM GBI GI Divers USD Unh	0.61%
Bimbg Barc Global Aggregate Index	2.66%



#### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

Bimbg Barc Agg Index	6.98%
Bimbg Barc High Yield Corp	3.25%
Bimbg Barc Global Agg Hedged	4.14%
JPM EMBI Global Dvsfd	1.29%
JPM GBI GI Divers USD Unh	(1.45%)
Bimbg Barc Global Aggregate Index	6.24%





## Portfolio Holdings

Description	Symbol	Value	Weight
EQUITY			
Large Cap U.S. Equity			
DFA US Large Cap Value I	DFLVX	\$1,979,803	4.5%
Accrued Income		\$11,752	
Vanguard Institutional Index I	VINIX	\$8,949,224	20.0%
<b>Large Cap U.S. Equity Total</b>		<b>\$10,940,779</b>	<b>24.5%</b>
Small Cap U.S. Equity			
DFA US Small Cap Value I	DFSVX	\$1,868,706	4.2%
Accrued Income		\$7,176	
Vanguard Small Cap Growth Index Admiral	VSGAX	\$1,510,711	3.4%
<b>Small Cap U.S. Equity Total</b>		<b>\$3,386,593</b>	<b>7.6%</b>
International Equity			
DFA International Small Company I	DFISX	\$1,844,708	4.1%
Accrued Income		\$4,343	
DFA International Value I	DFIVX	\$2,985,109	6.7%
Accrued Income		\$18,300	
Vanguard International Growth Adm	VWILX	\$2,565,148	5.7%
<b>International Equity Total</b>		<b>\$7,417,608</b>	<b>16.6%</b>
Emerging Markets Equity			
DFA Emerging Markets Core Equity I	DFCEX	\$2,424,273	5.5%
Accrued Income		\$20,521	
<b>Emerging Markets Equity Total</b>		<b>\$2,444,794</b>	<b>5.5%</b>
Real Estate			
DFA Global Real Estate Securities Port	DFGEX	\$2,455,081	5.5%
<b>Real Estate Total</b>		<b>\$2,455,081</b>	<b>5.5%</b>
<b>EQUITY Total</b>		<b>\$26,644,855</b>	<b>59.6%</b>
FIXED INCOME			
Core Fixed Income			
Agincourt Core Fixed Income	xxxxxx8807	\$12,162,199	27.4%
Accrued Income		\$64,836	
<b>Core Fixed Income Total</b>		<b>\$12,227,035</b>	<b>27.4%</b>
<b>FIXED INCOME Total</b>		<b>\$12,227,035</b>	<b>27.4%</b>
DIVERSIFIED FIXED INCOME			
High Yield Fixed Income			
Vanguard High-Yield Corporate Adm	VWEAX	\$3,226,271	7.2%
Accrued Income		\$12,477	
<b>High Yield Fixed Income Total</b>		<b>\$3,238,749</b>	<b>7.2%</b>

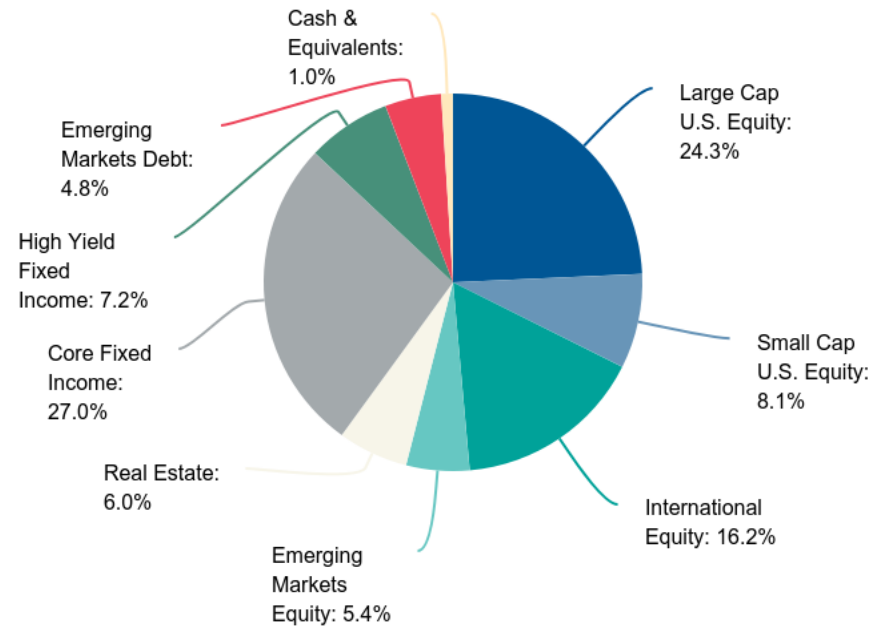
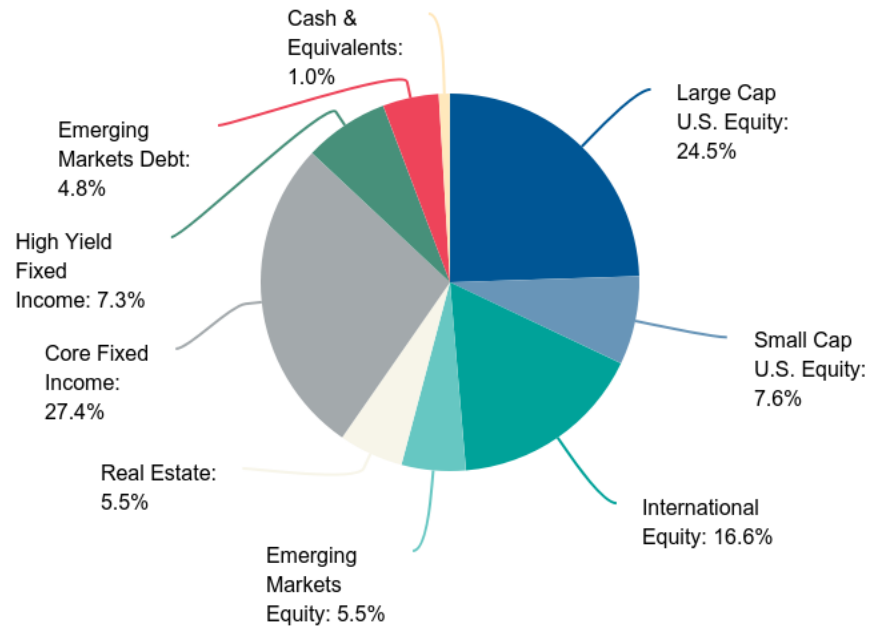
## Portfolio Holdings

Description	Symbol	Value	Weight
DIVERSIFIED FIXED INCOME			
Emerging Markets Debt			
PIMCO Emerg Mkts Full Spectrum Bd Instl	PFSIX	\$2,132,620	4.8%
Accrued Income		\$8,051	
<b>Emerging Markets Debt Total</b>		<b>\$2,140,670</b>	<b>4.8%</b>
<b>DIVERSIFIED FIXED INCOME Total</b>		<b>\$5,379,419</b>	<b>12.0%</b>
CASH AND EQUIVALENTS			
Cash & Equivalents			
Cash Portfolio (US Bank)	xxxxxx8800	\$424,373	0.9%
<b>Cash &amp; Equivalents Total</b>		<b>\$424,373</b>	<b>0.9%</b>
<b>CASH AND EQUIVALENTS Total</b>		<b>\$424,373</b>	<b>0.9%</b>
<b>Total</b>		<b>\$44,675,682</b>	<b>100.0%</b>

## Portfolio Activity Summary

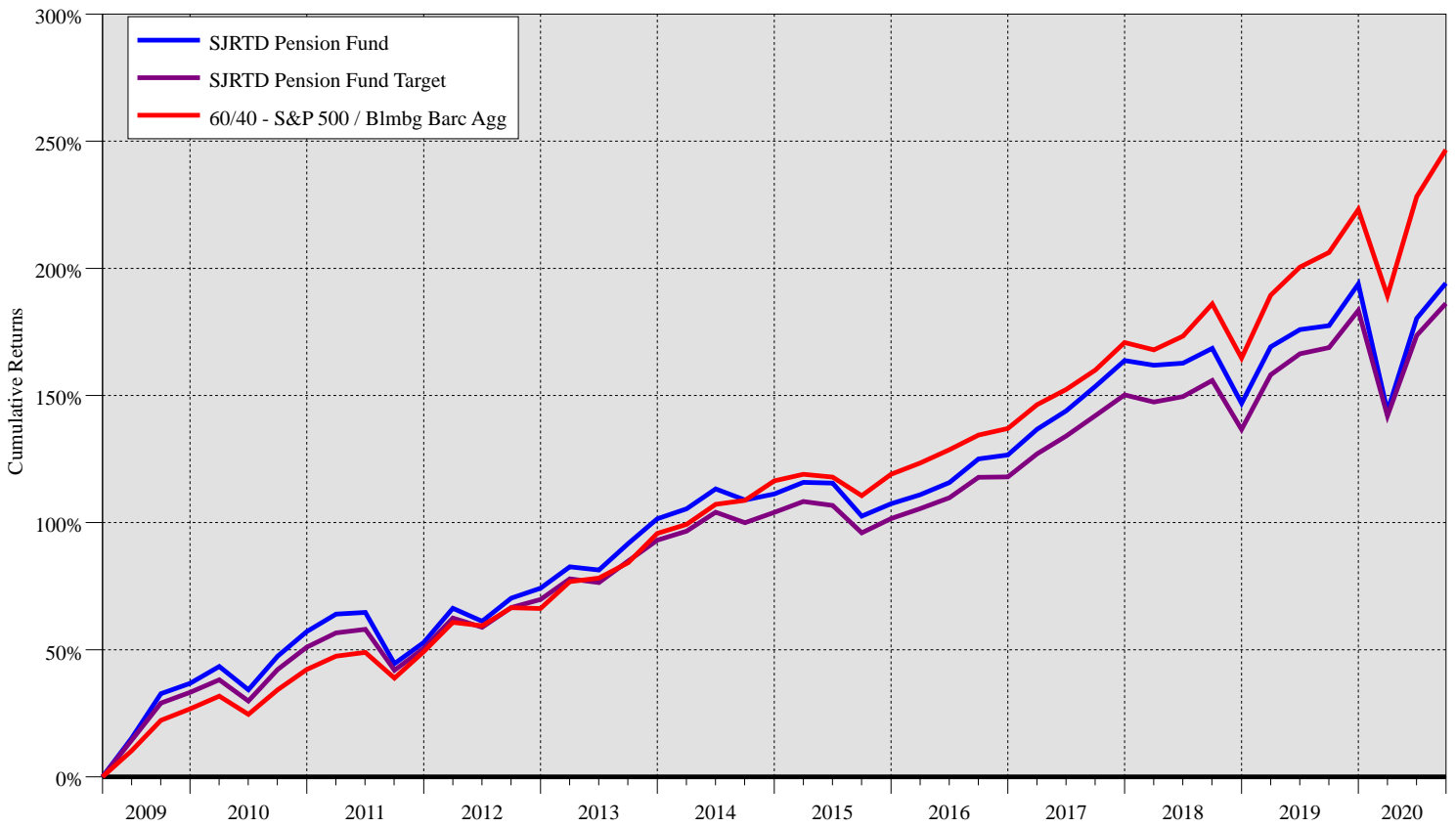
	Quarter to Date	Year to Date	Inception to Date (2/10/2009)
Beginning Value	\$42,738,044	\$45,217,697	\$0
Net Contribution	(\$141,312)	(\$440,927)	\$13,096,781
Transfers	\$0	\$0	\$423
Capital Appreciation	\$1,855,535	(\$774,013)	\$19,939,441
Dividend Income	\$172,015	\$405,161	\$7,875,311
Interest Income	\$95,843	\$302,524	\$5,160,762
Management Fees	(\$23,455)	(\$68,919)	(\$798,017)
Other Expenses	(\$7,581)	(\$20,868)	(\$363,069)
Change in Accrued	(\$13,407)	\$55,026	(\$235,527)
Ending Value	\$44,675,682	\$44,675,682	\$44,675,682
Investment Gain	\$2,078,950	(\$101,089)	\$31,578,901

## Actual vs. Target Asset Allocation

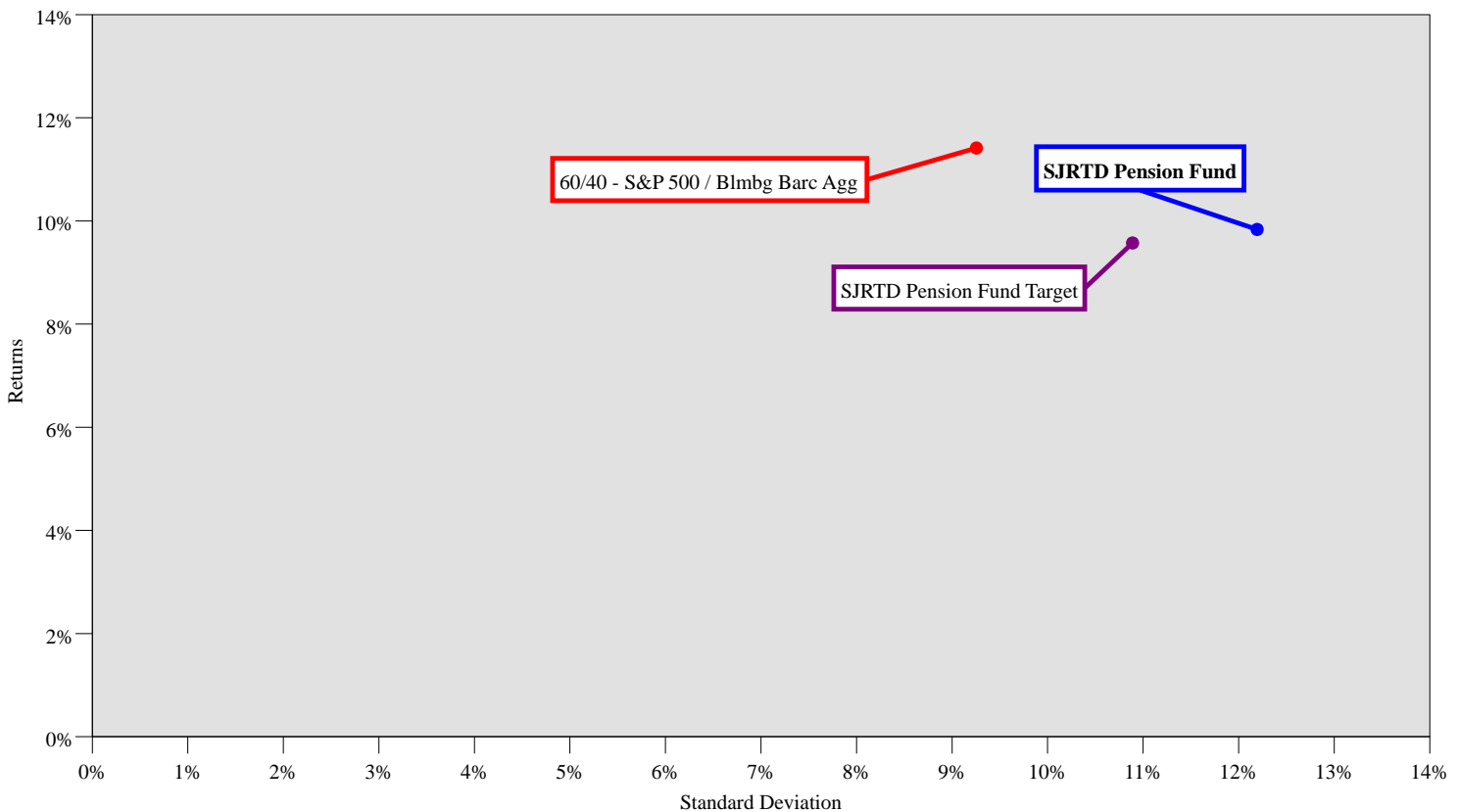


Sector	Current Value	Current Percent	Target Allocation Value	Target Allocation Percent	Dollar Variance	Percent Variance
Large Cap U.S. Equity	\$10,940,779	24.5%	\$10,856,191	24.3%	\$84,588	0.2%
Small Cap U.S. Equity	\$3,386,593	7.6%	\$3,618,730	8.1%	(\$232,137)	(0.5%)
International Equity	\$7,417,608	16.6%	\$7,237,460	16.2%	\$180,148	0.4%
Emerging Markets Equity	\$2,444,794	5.5%	\$2,412,487	5.4%	\$32,307	0.1%
Real Estate	\$2,455,081	5.5%	\$2,680,541	6.0%	(\$225,460)	(0.5%)
Core Fixed Income	\$12,227,035	27.4%	\$12,062,434	27.0%	\$164,601	0.4%
High Yield Fixed Income	\$3,238,749	7.2%	\$3,216,649	7.2%	\$22,099	0.0%
Emerging Markets Debt	\$2,140,670	4.8%	\$2,144,433	4.8%	(\$3,762)	0.0%
Cash & Equivalents	\$424,373	0.9%	\$446,757	1.0%	(\$22,384)	(0.1%)
<b>Total</b>	<b>\$44,675,682</b>	<b>100.0%</b>	<b>\$44,675,682</b>	<b>100.0%</b>		

Cumulative Returns | SJRTD Pension Fund vs. Targets  
Beginning April 1, 2009 | Ending September 30, 2020

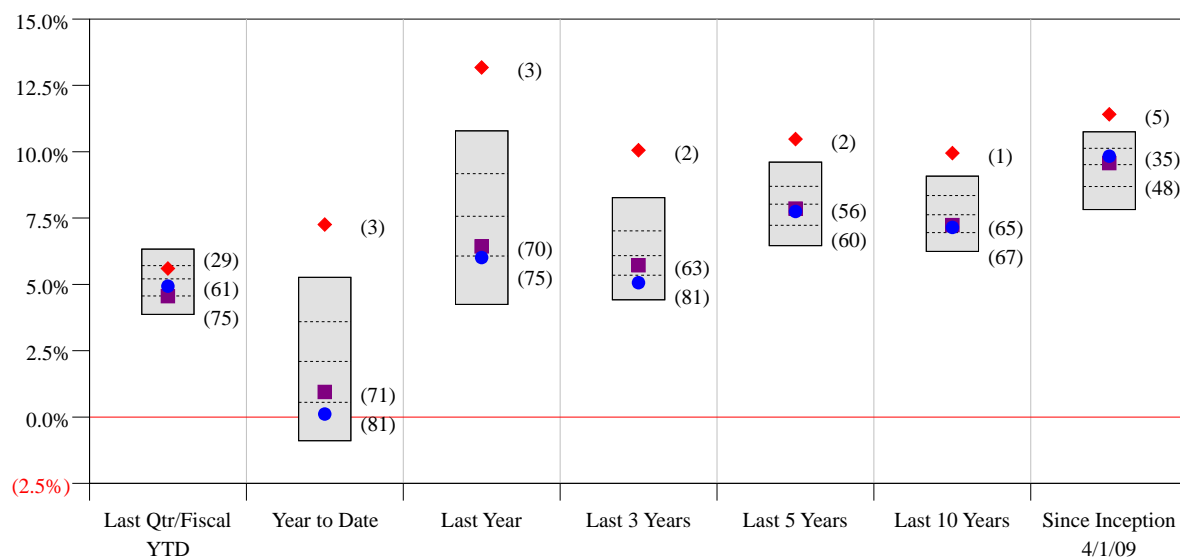


Risk vs Return | SJRTD Pension Fund Target vs. Targets  
Beginning April 1, 2009 | Ending September 30, 2020



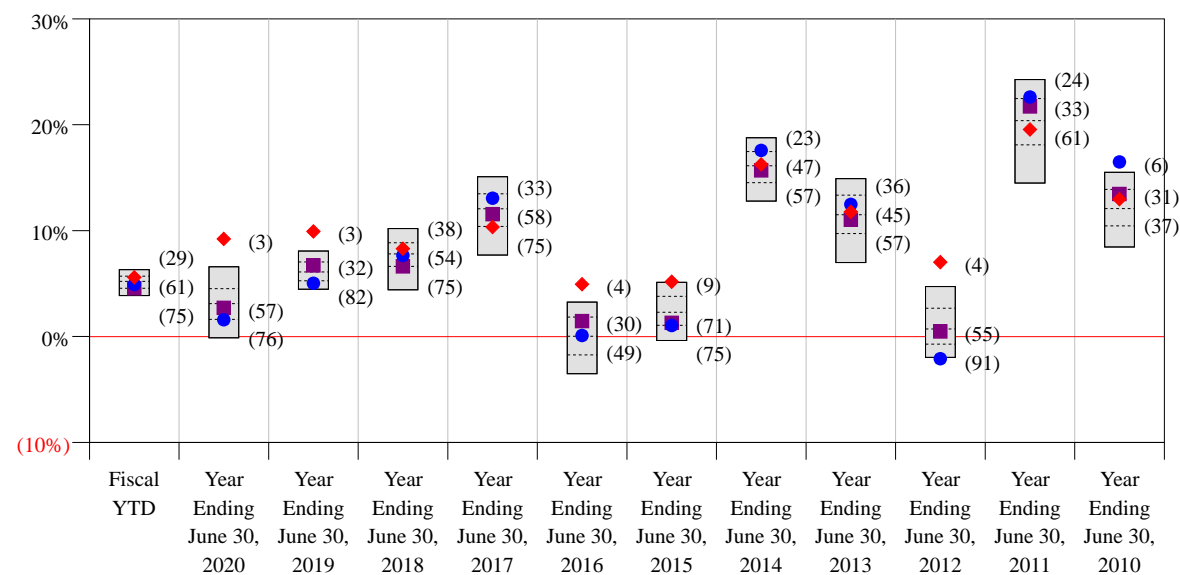
Source: Callan. Past performance is not indicative of future results. See important disclosures.

Performance vs. Callan Fund Sponsors - Small DB (<100M)  
Periods Ended September 30, 2020



	Last Qtr/Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Since Inception 4/1/09
10th Percentile	6.33	5.27	10.79	8.28	9.61	9.08	10.75
25th Percentile	5.71	3.59	9.18	7.02	8.70	8.35	10.13
<b>Median</b>	<b>5.21</b>	<b>2.10</b>	<b>7.57</b>	<b>6.09</b>	<b>8.03</b>	<b>7.63</b>	<b>9.52</b>
75th Percentile	4.57	0.56	6.07	5.35	7.23	6.96	8.70
90th Percentile	3.88	(0.89)	4.25	4.42	6.47	6.25	7.82
<b>SJRTD Pension Fund</b>	<b>4.94</b>	<b>0.12</b>	<b>6.02</b>	<b>5.07</b>	<b>7.75</b>	<b>7.15</b>	<b>9.84</b>
SJRTD Pension Fund Target	4.56	0.95	6.43	5.72	7.86	7.24	9.57
60/40 - S&P 500 / Blmbg Barc Agg	5.61	7.26	13.18	10.06	10.48	9.95	11.42

Fiscal Year Performance vs. Callan Fund Sponsors - Small DB (<100M)



	Fiscal YTD	Year Ending June 30, 2020	Year Ending June 30, 2019	Year Ending June 30, 2018	Year Ending June 30, 2017	Year Ending June 30, 2016	Year Ending June 30, 2015	Year Ending June 30, 2014	Year Ending June 30, 2013	Year Ending June 30, 2012	Year Ending June 30, 2011	Year Ending June 30, 2010
10th Percentile	6.33	6.60	8.09	10.20	15.11	3.27	5.13	18.78	14.93	4.73	24.28	15.52
25th Percentile	5.71	4.53	7.06	8.86	13.50	1.84	3.81	17.48	13.37	2.68	22.49	13.92
<b>Median</b>	<b>5.21</b>	<b>3.12</b>	<b>6.10</b>	<b>7.81</b>	<b>12.08</b>	<b>0.04</b>	<b>2.31</b>	<b>16.14</b>	<b>11.52</b>	<b>0.72</b>	<b>20.39</b>	<b>12.10</b>
75th Percentile	4.57	1.63	5.28	6.64	10.41	(1.72)	1.07	14.55	9.73	(0.71)	18.12	10.46
90th Percentile	3.88	(0.11)	4.48	4.42	7.70	(3.50)	(0.35)	12.80	6.99	(1.95)	14.51	8.47
<b>SJRTD Pension Fund</b>	<b>4.94</b>	<b>1.59</b>	<b>5.05</b>	<b>7.67</b>	<b>13.07</b>	<b>0.11</b>	<b>1.06</b>	<b>17.58</b>	<b>12.50</b>	<b>(2.08)</b>	<b>22.62</b>	<b>16.50</b>
SJRTD Pension Fund Target	4.56	2.73	6.73	6.63	11.57	1.47	1.30	15.71	11.05	0.49	21.75	13.47
60/40 - S&P 500 / Blmbg Barc Agg	5.61	9.23	9.94	8.30	10.36	4.94	5.18	16.27	11.79	7.03	19.57	12.98

Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Returns for Periods Ended September 30, 2020

	Last Qtr/ Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 11 1/2 Years
<b>Large Cap Equity</b>							
Vanguard Inst'l Index I	8.92	5.57	15.13	12.25	14.12	13.71	15.69
DFA US Large Cap Value	5.20	(16.14)	(8.54)	(0.04)	6.69	10.09	13.65
<i>S&amp;P 500 Index</i>	<i>8.93</i>	<i>5.57</i>	<i>15.15</i>	<i>12.28</i>	<i>14.15</i>	<i>13.74</i>	<i>15.70</i>
<i>Russell 1000 Value</i>	<i>5.59</i>	<i>(11.58)</i>	<i>(5.03)</i>	<i>2.63</i>	<i>7.66</i>	<i>9.95</i>	<i>12.51</i>
<i>Russell 1000 Growth</i>	<i>13.22</i>	<i>24.33</i>	<i>37.53</i>	<i>21.67</i>	<i>20.10</i>	<i>17.25</i>	<i>18.92</i>
<b>Small Cap Equity</b>							
DFA US Small Cap Value	3.37	(22.94)	(15.86)	(7.29)	1.60	6.80	11.34
Vanguard Small Cap Gr Idx Adm*	7.74	8.53	18.68	12.85	13.69	13.33	17.00
<i>Russell 2000 Index</i>	<i>4.93</i>	<i>(8.69)</i>	<i>0.39</i>	<i>1.77</i>	<i>8.00</i>	<i>9.85</i>	<i>13.23</i>
<i>Russell 2000 Value</i>	<i>2.56</i>	<i>(21.54)</i>	<i>(14.88)</i>	<i>(5.13)</i>	<i>4.11</i>	<i>7.09</i>	<i>10.68</i>
<i>Russell 2000 Growth</i>	<i>7.16</i>	<i>3.88</i>	<i>15.71</i>	<i>8.18</i>	<i>11.42</i>	<i>12.34</i>	<i>15.52</i>
<i>CRSP US Sm Cap Growth</i>	<i>7.77</i>	<i>8.58</i>	<i>18.73</i>	<i>12.87</i>	<i>13.67</i>	<i>12.76</i>	<i>16.32</i>
<b>International Equity</b>							
DFA International Value	2.00	(19.92)	(13.66)	(6.95)	1.45	1.56	6.21
Vanguard Int'l Growth Adm	16.27	30.65	49.32	16.07	18.58	10.93	14.65
DFA Intl Small Company	9.68	(7.39)	3.96	(1.02)	6.10	6.18	10.65
<i>MSCI EAFE Index</i>	<i>4.80</i>	<i>(7.09)</i>	<i>0.49</i>	<i>0.62</i>	<i>5.26</i>	<i>4.62</i>	<i>8.03</i>
<i>MSCI World ex US Value</i>	<i>1.35</i>	<i>(18.88)</i>	<i>(12.74)</i>	<i>(5.88)</i>	<i>1.38</i>	<i>1.99</i>	<i>5.90</i>
<i>MSCI ACWI ex US Growth</i>	<i>10.16</i>	<i>7.27</i>	<i>17.54</i>	<i>7.33</i>	<i>10.16</i>	<i>6.39</i>	<i>10.05</i>
<i>MSCI World Sm Cap ex US</i>	<i>10.12</i>	<i>(4.05)</i>	<i>6.88</i>	<i>1.42</i>	<i>7.35</i>	<i>6.55</i>	<i>11.35</i>
<b>Emerging Markets Equity</b>							
DFA Emerging Markets Core	8.48	(6.09)	3.82	(0.18)	7.17	1.81	8.55
<i>MSCI Emerging Markets</i>	<i>9.56</i>	<i>(1.16)</i>	<i>10.54</i>	<i>2.42</i>	<i>8.97</i>	<i>2.51</i>	<i>8.33</i>
<b>REITs</b>							
DFA Global Real Estate Securities	1.95	(15.78)	(14.42)	1.91	4.45	7.19	13.15
<i>S&amp;P Global REIT Index</i>	<i>2.37</i>	<i>(19.22)</i>	<i>(18.58)</i>	<i>(1.23)</i>	<i>2.20</i>	<i>5.58</i>	<i>11.45</i>
<b>Core Fixed Income</b>							
Agincourt Core Fixed Income	0.84	8.36	8.59	6.14	4.98	4.33	5.37
<i>Blmbg Barc Agg Index</i>	<i>0.62</i>	<i>6.79</i>	<i>6.98</i>	<i>5.24</i>	<i>4.18</i>	<i>3.64</i>	<i>4.35</i>
<i>Blmbg Barc Gov/Credit Bond Idx</i>	<i>0.78</i>	<i>8.04</i>	<i>8.03</i>	<i>5.86</i>	<i>4.66</i>	<i>3.87</i>	<i>4.65</i>

\*Investor shares used as a proxy prior to 10/2011. Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Returns for Periods Ended September 30, 2020

	Last Qtr/ Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 11 1/2 Years
<b>High Yield Fixed Income</b>							
Vanguard High Yield Corp Adm	4.27	0.72	3.27	4.32	6.12	6.22	8.97
<i>ICE BofA High Yield CP BB-B Cons</i>	<i>4.34</i>	<i>0.62</i>	<i>3.21</i>	<i>4.43</i>	<i>6.61</i>	<i>6.30</i>	<i>9.42</i>
<b>Emerging Markets Debt</b>							
PIMCO EM Full Spectrum Bd I	1.91	(3.64)	0.76	1.87	5.70	--	--
<i>50/25/25 EM Debt Index**</i>	<i>1.53</i>	<i>(2.38)</i>	<i>1.18</i>	<i>2.19</i>	<i>5.60</i>	<i>3.02</i>	<i>6.20</i>
<i>50/50 EM Debt Index***</i>	<i>1.46</i>	<i>(3.44)</i>	<i>(0.06)</i>	<i>1.89</i>	<i>5.52</i>	<i>3.02</i>	<i>6.10</i>
<b>Total Fund</b>							
SJRTD Pension Fund	4.94	0.12	6.02	5.07	7.75	7.15	9.84
<i>SJRTD Pension Fund Target</i>	<i>4.56</i>	<i>0.95</i>	<i>6.43</i>	<i>5.72</i>	<i>7.86</i>	<i>7.24</i>	<i>9.57</i>

\*\*50/25/25 Em Debt Index is a blended benchmark comprised of 50% JPM GBI-EM Global Diversified Index (local bonds), 25% JPM EMBI Global Index (external sovereigns), and 25% JPM CEMBI Diversified Index (corporate bonds).

\*\*\* 50/50 EM Debt Index is a blended benchmark comprised of 50% JPM GBI-EM Global Diversified Index (local bonds), and 50% JPM EMBI Global Diversified Index (external bonds).

Current Quarter Target = 1.0% 3-Month Treasury Bill, 27.0% Bloomberg Barclays Aggregate Index, 6.0% S&P Global REIT Index, 2.4% JPM GBI EM GI Divers USD Unh, 2.4% JPM EMBI Global Diversified, 7.2% ICE BofAML High Yield CP BB-B Cons, 16.2% MSCI EAFE Index, 5.4% MSCI Emerging Markets, 8.1% Russell 2000 Index, 24.3% S&P 500 Index.

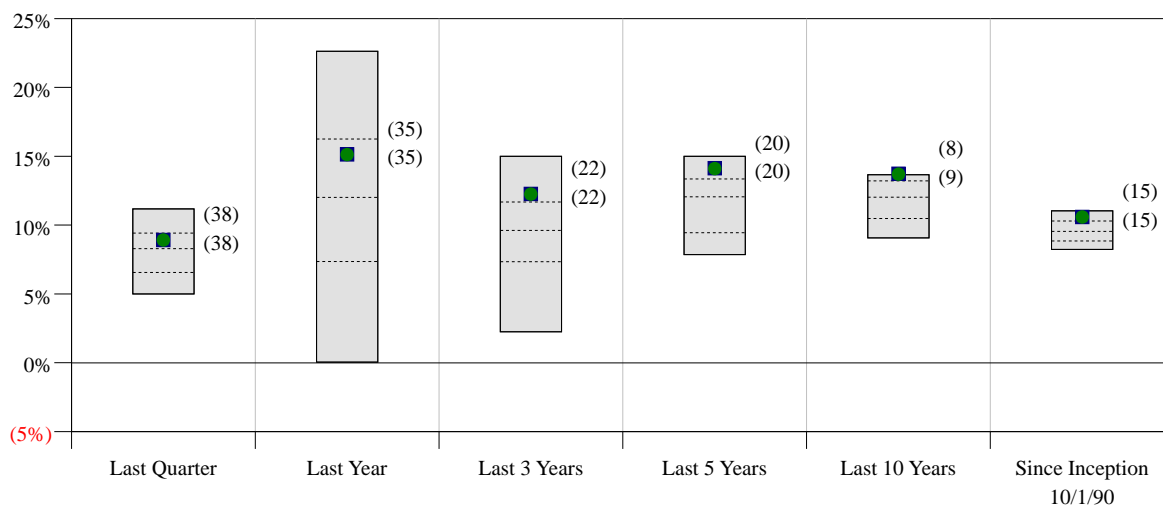
Source: Callan. Past performance is not indicative of future results. See important disclosures.



## Investment Philosophy:

Core Equity Style mutual funds have characteristics similar to those of the broader market as represented by the Standard & Poor's Index. Their objective is to add value over and above the index, typically from sector or issue selection.

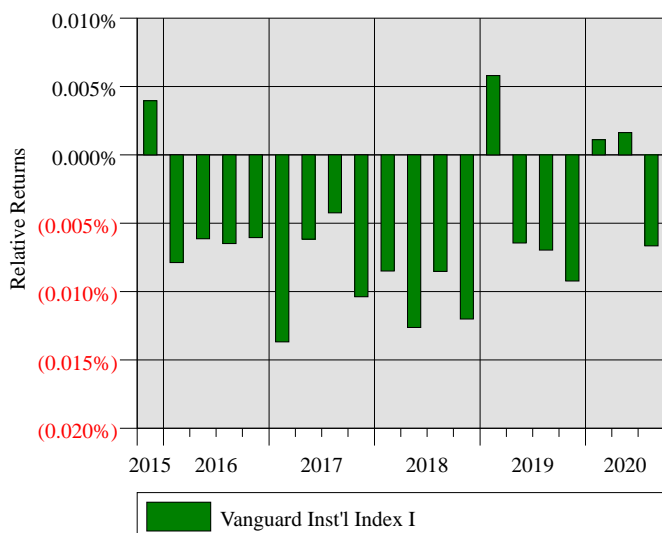
### Vanguard Inst'l Index I (VINIX) Performance vs. Callan Large Cap Core Mutual Funds Periods ending: September 30, 2020



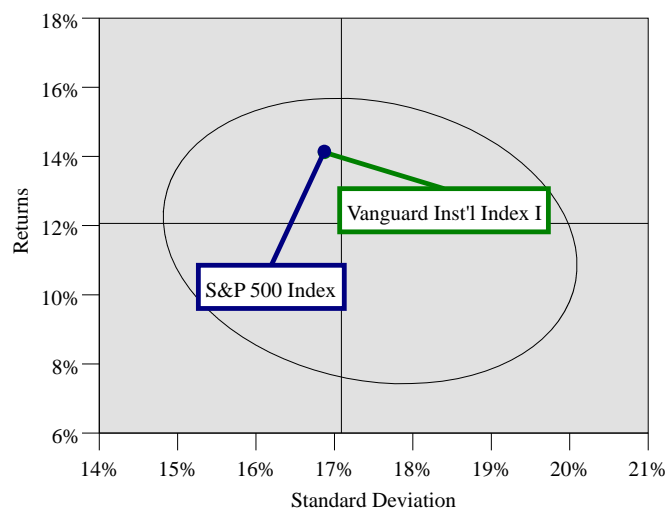
10th Percentile	11.19	22.63	15.01	15.01	13.66	11.04
25th Percentile	9.42	16.26	11.68	13.36	13.23	10.31
<b>Median</b>	<b>8.30</b>	<b>12.02</b>	<b>9.62</b>	<b>12.07</b>	<b>12.04</b>	<b>9.55</b>
75th Percentile	6.56	7.36	7.34	9.45	10.49	8.86
90th Percentile	5.00	0.05	2.25	7.87	9.08	8.25
<b>Vanguard Inst'l Index I</b>	<b>8.92</b>	<b>15.13</b>	<b>12.25</b>	<b>14.12</b>	<b>13.71</b>	<b>10.60</b>
<b>S&amp;P 500 Index</b>	<b>8.93</b>	<b>15.15</b>	<b>12.28</b>	<b>14.15</b>	<b>13.74</b>	<b>10.59</b>

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Vanguard Inst'l Index I</b>	<b>5.57</b>	<b>31.46</b>	<b>(4.42)</b>	<b>21.79</b>	<b>11.93</b>	<b>1.37</b>	<b>13.65</b>	<b>32.35</b>	<b>15.98</b>	<b>2.09</b>	<b>15.05</b>
<b>S&amp;P 500 Index</b>	<b>5.57</b>	<b>31.49</b>	<b>(4.38)</b>	<b>21.83</b>	<b>11.96</b>	<b>1.38</b>	<b>13.69</b>	<b>32.39</b>	<b>16.00</b>	<b>2.11</b>	<b>15.06</b>

#### Relative Returns vs. S&P 500 Index



#### Callan Large Cap Core Mutual Funds | 5 Years Ended 9/30/20

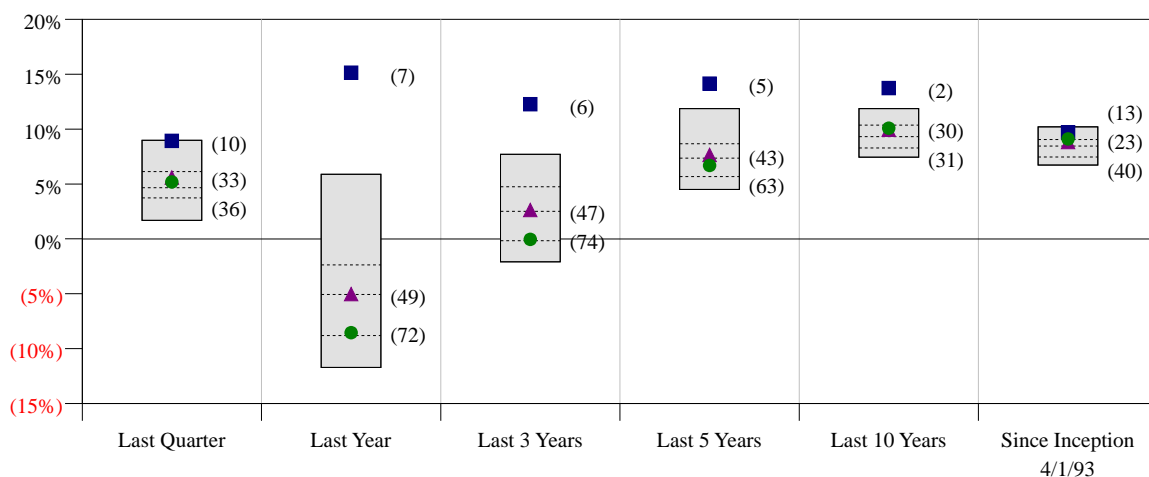


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Large Cap Value Equity Style mutual funds invest in predominantly large cap companies believed to be currently undervalued in the general market. The companies are expected to have a near-term earnings rebound and eventual realization of expected value.

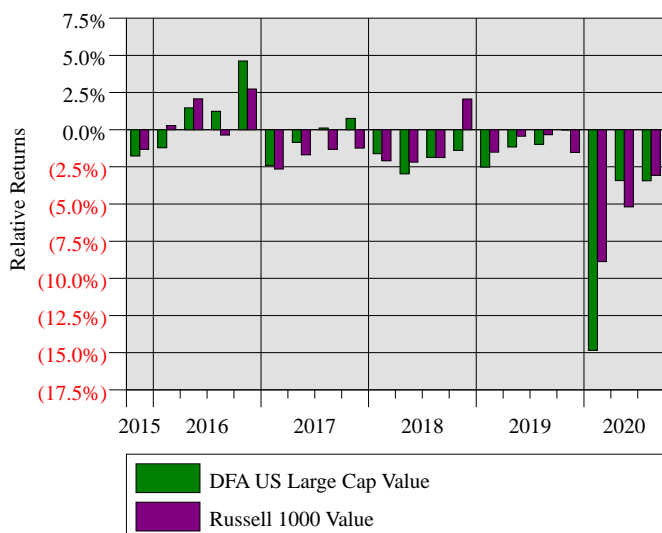
### DFA US Large Cap Value (DFLVX) Performance vs. Callan Large Cap Value Mutual Funds Periods ending: September 30, 2020



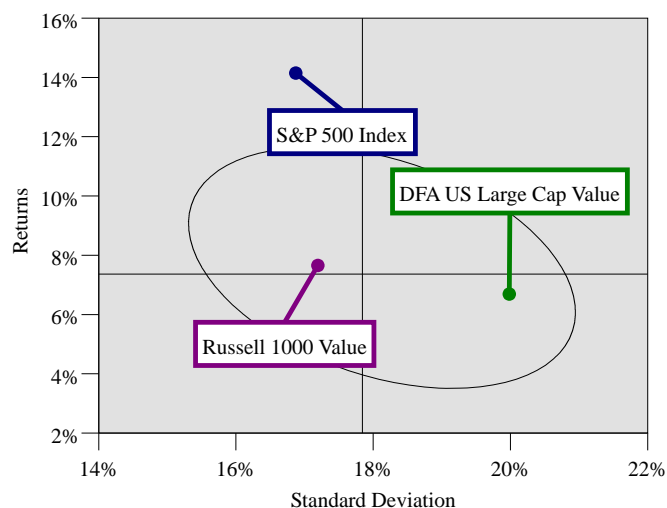
10th Percentile	8.99	5.90	7.72	11.88	11.87	10.21
25th Percentile	6.13	(2.36)	4.75	8.68	10.38	9.05
<b>Median</b>	<b>4.67</b>	<b>(5.06)</b>	<b>2.51</b>	<b>7.37</b>	<b>9.33</b>	<b>8.46</b>
75th Percentile	3.75	(8.80)	(0.15)	5.69	8.30	7.46
90th Percentile	1.69	(11.71)	(2.09)	4.51	7.46	6.73
<b>DFA US Large Cap Value</b>	<b>5.20</b>	<b>(8.54)</b>	<b>(0.04)</b>	<b>6.69</b>	<b>10.09</b>	<b>9.11</b>
S&P 500 Index	8.93	15.15	12.28	14.15	13.74	9.73
Russell 1000 Value	5.59	(5.03)	2.63	7.66	9.95	8.84

3 Qtrs.		2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
2020											
<b>DFA US Large Cap Value</b>	<b>(16.14)</b>	<b>25.45</b>	<b>(11.65)</b>	<b>18.97</b>	<b>18.89</b>	<b>(3.49)</b>	<b>10.07</b>	<b>40.32</b>	<b>22.05</b>	<b>(3.14)</b>	<b>20.17</b>
S&P 500 Index	5.57	31.49	(4.38)	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06
Russell 1000 Value	(11.58)	26.54	(8.27)	13.66	17.34	(3.83)	13.45	32.53	17.51	0.39	15.51

#### Relative Returns vs. S&P 500 Index



#### Callan Large Cap Value Mutual Funds | 5 Years Ended 9/30/20

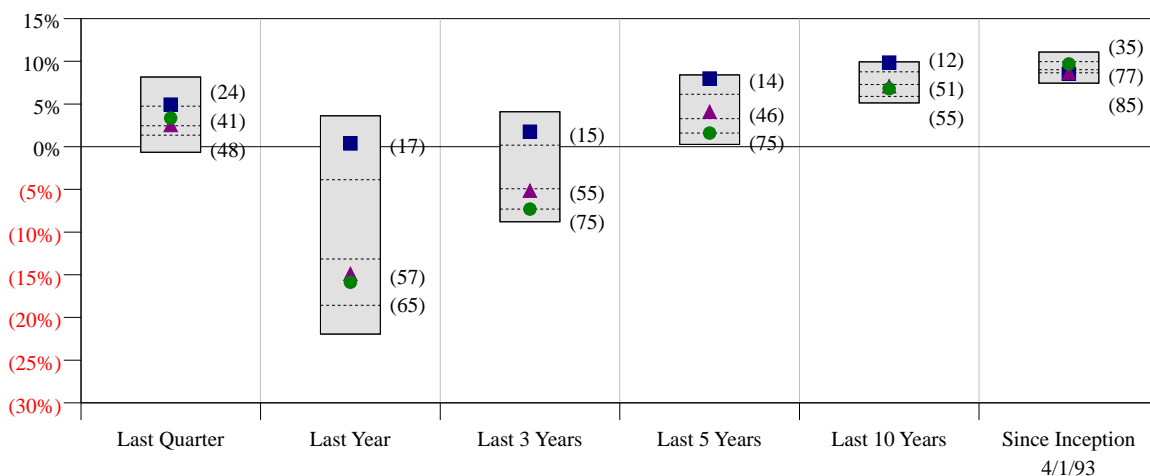


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Small Cap Value Equity Style mutual funds invest in small cap companies that are believed to be currently undervalued in the general market. The companies are expected to have a near-term earnings rebound and eventual realization of expected value.

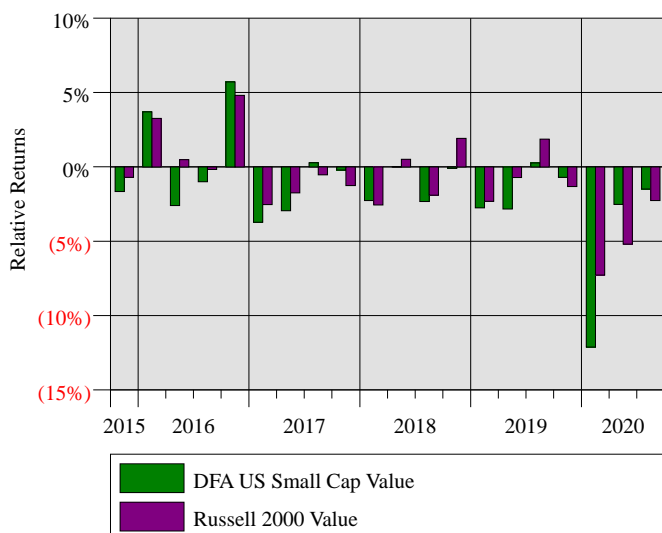
### DFA US Small Cap Value (DFSVX) Performance vs. Callan Small Cap Value Mutual Funds Periods ending: September 30, 2020



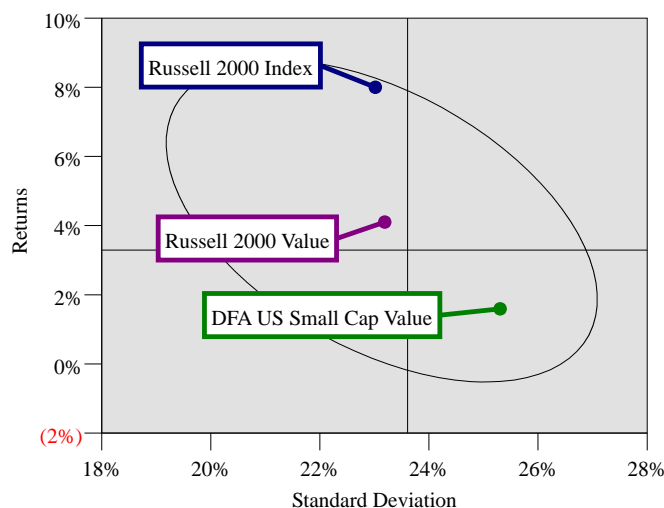
10th Percentile	8.17	3.62	4.10	8.42	9.95	11.09
25th Percentile	4.77	(3.85)	0.18	6.15	8.79	9.98
<b>Median</b>	<b>2.47</b>	<b>(13.14)</b>	<b>(4.91)</b>	<b>3.29</b>	<b>7.30</b>	<b>9.04</b>
75th Percentile	1.36	(18.57)	(7.29)	1.60	5.91	8.67
90th Percentile	(0.64)	(21.95)	(8.78)	0.28	5.13	7.46
<b>DFA US Small Cap Value</b>	<b>3.37</b>	<b>(15.86)</b>	<b>(7.29)</b>	<b>1.60</b>	<b>6.80</b>	<b>9.71</b>
Russell 2000 Index	4.93	0.39	1.77	8.00	9.85	8.55
Russell 2000 Value	2.56	(14.88)	(5.13)	4.11	7.09	8.64

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>DFA US Small Cap Value</b>	<b>(22.94)</b>	<b>18.12</b>	<b>(15.13)</b>	<b>7.21</b>	<b>28.26</b>	<b>(7.81)</b>	<b>3.48</b>	<b>42.38</b>	<b>21.72</b>	<b>(7.55)</b>	<b>30.90</b>
Russell 2000 Index	(8.69)	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82	16.35	(4.18)	26.85
Russell 2000 Value	(21.54)	22.39	(12.86)	7.84	31.74	(7.47)	4.22	34.52	18.05	(5.50)	24.50

#### Relative Returns vs. Russell 2000 Index



#### Callan Small Cap Value Mutual Funds | 5 Years Ended 9/30/20

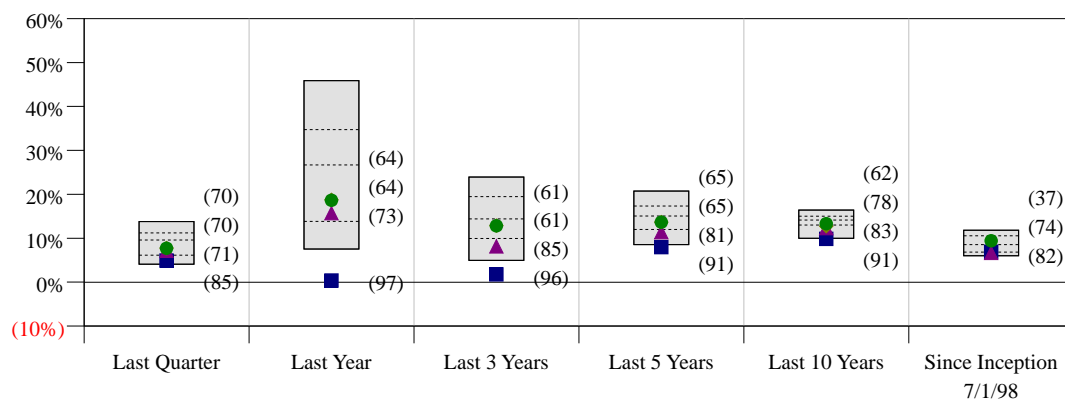


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Small Cap Growth Equity Style mutual funds invest in small cap companies that are expected to have above average prospects for long-term growth in earnings and profitability.

### Vanguard Small Cap Gr Idx Adm\* (VSGAX) Performance vs. Callan Small Cap Growth Mutual Funds Periods ending: September 30, 2020

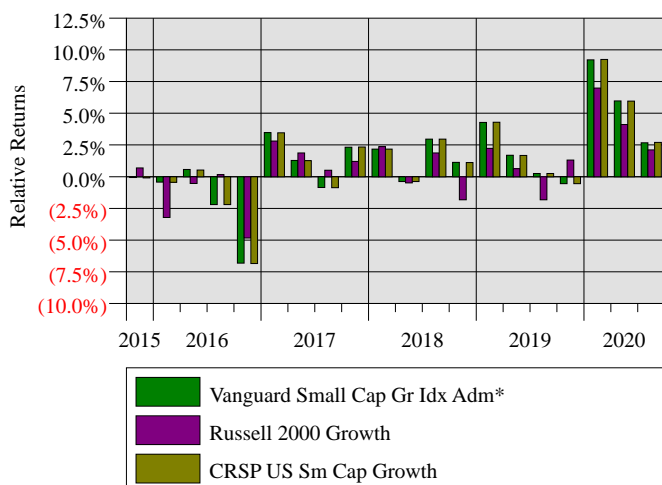


10th Percentile	13.79	45.91	23.97	20.74	16.43	11.86
25th Percentile	11.21	34.73	19.49	17.36	15.05	10.59
<b>Median</b>	<b>9.62</b>	<b>26.70</b>	<b>14.43</b>	<b>15.06</b>	<b>14.16</b>	<b>8.56</b>
75th Percentile	6.15	13.87	9.94	11.99	13.01	6.84
90th Percentile	4.10	7.56	4.97	8.56	10.02	6.04
<b>Vanguard Small Cap Gr Idx Adm*</b>	<b>7.74</b>	<b>18.68</b>	<b>12.85</b>	<b>13.69</b>	<b>13.33</b>	<b>9.45</b>
Russell 2000 Index	4.93	0.39	1.77	8.00	9.85	6.93
Russell 2000 Growth	7.16	15.71	8.18	11.42	12.34	6.69
CRSP US Sm Cap Growth	7.77	18.73	12.87	13.67	12.76	--

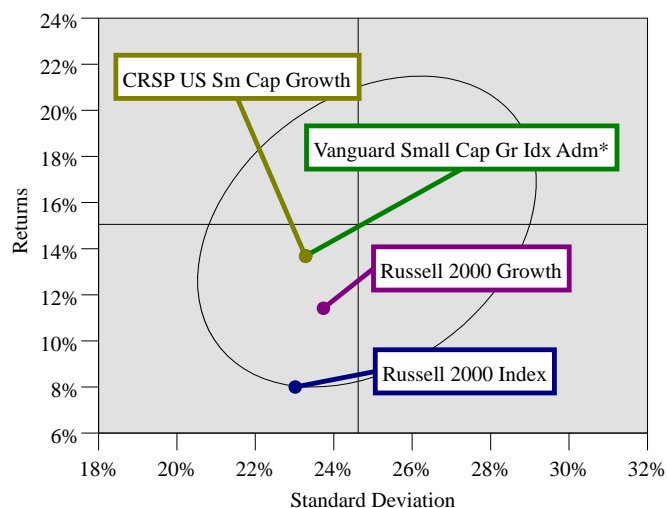
Vanguard switched to CRSP US Sm Cap Growth Index on April 17, 2013.

	3 Qtrs.	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Vanguard Small Cap Gr Idx Adm*</b>		<b>8.53</b>	<b>32.76</b>	<b>(5.68)</b>	<b>21.92</b>	<b>10.73</b>	<b>(2.52)</b>	<b>4.02</b>	<b>38.22</b>	<b>17.66</b>	<b>(1.42)</b>	<b>30.87</b>
Russell 2000 Index		(8.69)	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82	16.35	(4.18)	26.85
Russell 2000 Growth		3.88	28.48	(9.31)	22.17	11.32	(1.38)	5.60	43.30	14.59	(2.91)	29.09
CRSP US Sm Cap Growth		8.58	32.75	(5.68)	21.90	10.62	(2.60)	3.98	38.44	15.39	(3.08)	29.43

#### Relative Returns vs. Russell 2000 Index



#### Callan Small Cap Growth Mutual Funds | 5 Years Ended 9/30/20



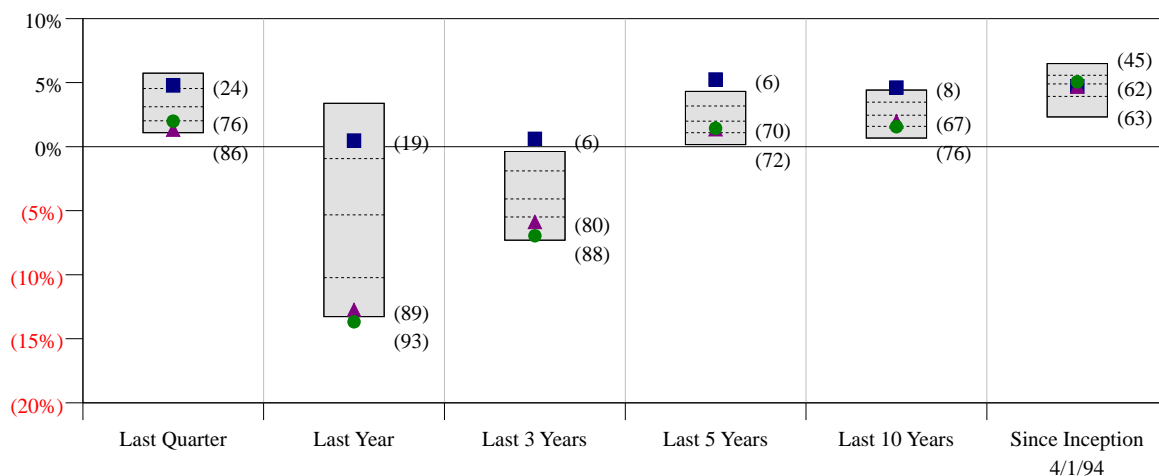
\*Investor shares used as a proxy prior to 10/2011.

Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

International Value Equity mutual funds invest predominantly in Non-U.S. companies believed to be currently undervalued in the general market. The companies are expected to have a near-term earnings rebound and eventual realization of expected value.

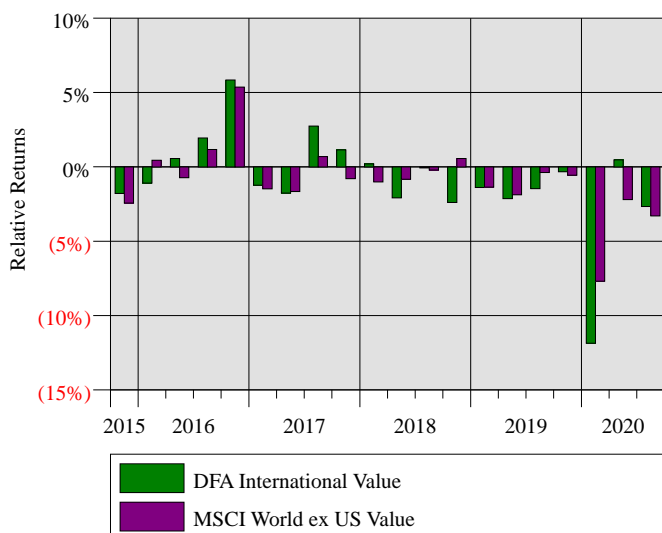
### DFA International Value (DFIVX) Performance vs. Callan International Large Cap Value MFs Periods ending: September 30, 2020



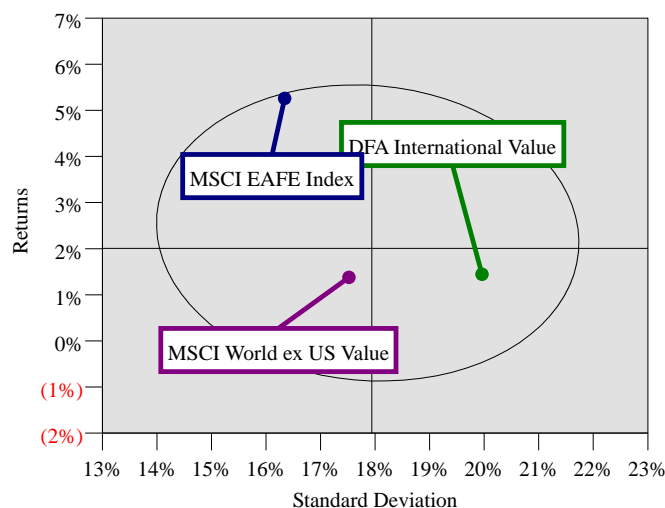
10th Percentile	5.75	3.40	(0.36)	4.33	4.44	6.51
25th Percentile	4.55	(0.92)	(1.89)	3.18	3.48	5.59
<b>Median</b>	<b>3.13</b>	<b>(5.32)</b>	<b>(4.07)</b>	<b>2.01</b>	<b>2.47</b>	<b>4.91</b>
75th Percentile	2.04	(10.22)	(5.48)	1.11	1.60	3.94
90th Percentile	1.10	(13.27)	(7.29)	0.17	0.68	2.34
<b>DFA International Value</b>	<b>2.00</b>	<b>(13.66)</b>	<b>(6.95)</b>	<b>1.45</b>	<b>1.56</b>	<b>5.08</b>
MSCI EAFE Index	4.80	0.49	0.62	5.26	4.62	4.72
MSCI World ex US Value	1.35	(12.74)	(5.88)	1.38	1.99	4.70

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>DFA International Value</b>	<b>(19.92)</b>	<b>15.67</b>	<b>(17.49)</b>	<b>26.09</b>	<b>8.41</b>	<b>(6.31)</b>	<b>(6.99)</b>	<b>23.12</b>	<b>16.61</b>	<b>(16.85)</b>	<b>10.57</b>
MSCI EAFE Index	(7.09)	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78	17.32	(12.14)	7.75
MSCI World ex US Value	(18.88)	17.02	(15.06)	21.04	7.39	(7.68)	(5.41)	21.47	17.29	(11.69)	4.82

#### Relative Returns vs. MSCI EAFE Index



#### Callan International Large Cap Value MFs | 5 Years Ended 9/30/20

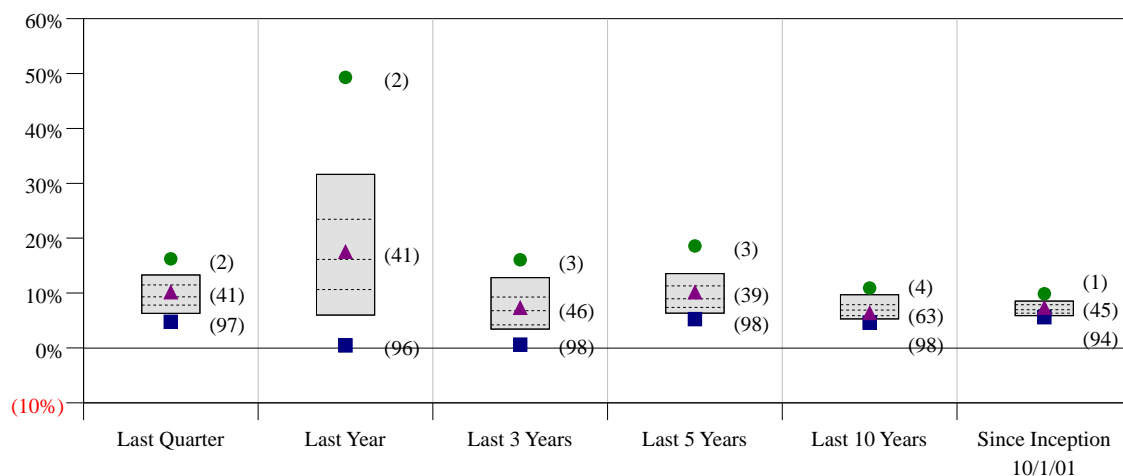


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

International Growth Equity Style mutual funds invest predominantly in companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in stock selection.

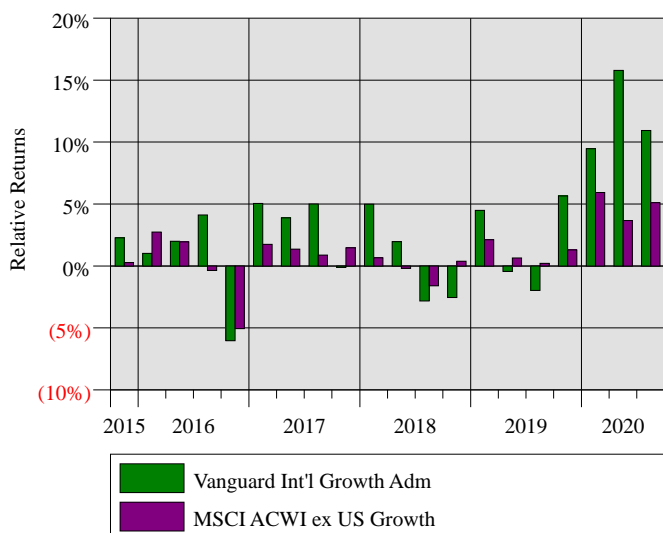
### Vanguard Int'l Growth Adm (VWILX) Performance vs. Callan Intl Large Cap Growth MFs Periods ending: September 30, 2020



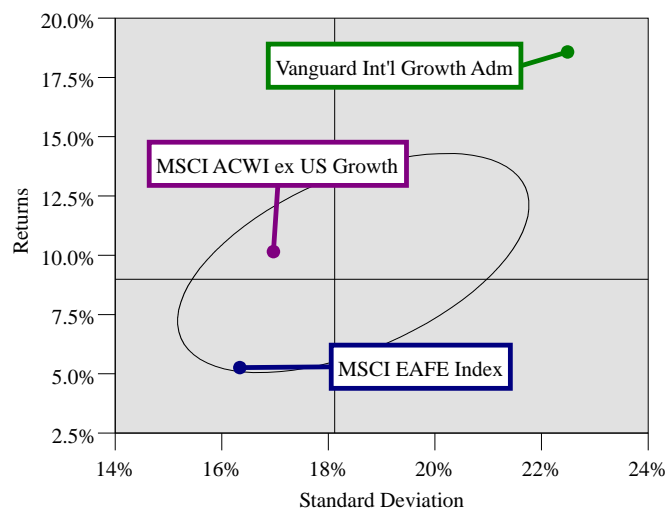
10th Percentile	13.32	31.64	12.83	13.55	9.72	8.55
25th Percentile	11.50	23.45	9.30	11.31	7.88	7.90
<b>Median</b>	<b>9.32</b>	<b>16.15</b>	<b>6.82</b>	<b>8.99</b>	<b>6.91</b>	<b>6.99</b>
75th Percentile	7.82	10.67	4.21	7.40	5.90	6.37
90th Percentile	6.32	5.99	3.46	6.36	5.32	5.88
<b>Vanguard Int'l Growth Adm</b>	<b>16.27</b>	<b>49.32</b>	<b>16.07</b>	<b>18.58</b>	<b>10.93</b>	<b>9.88</b>
MSCI EAFE Index	4.80	0.49	0.62	5.26	4.62	5.63
MSCI ACWI ex US Growth	10.16	17.54	7.33	10.16	6.39	7.38

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Vanguard Int'l Growth Adm</b>	<b>30.65</b>	<b>31.48</b>	<b>(12.58)</b>	<b>43.16</b>	<b>1.84</b>	<b>(0.54)</b>	<b>(5.51)</b>	<b>23.12</b>	<b>20.18</b>	<b>(13.58)</b>	<b>15.81</b>
MSCI EAFE Index	(7.09)	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78	17.32	(12.14)	7.75
MSCI ACWI ex US Growth	7.27	27.34	(14.43)	32.01	0.12	(1.25)	(2.65)	15.49	16.67	(14.20)	14.45

#### Relative Returns vs. MSCI EAFE Index



#### Callan Intl Large Cap Growth MFs | 5 Years Ended 9/30/20

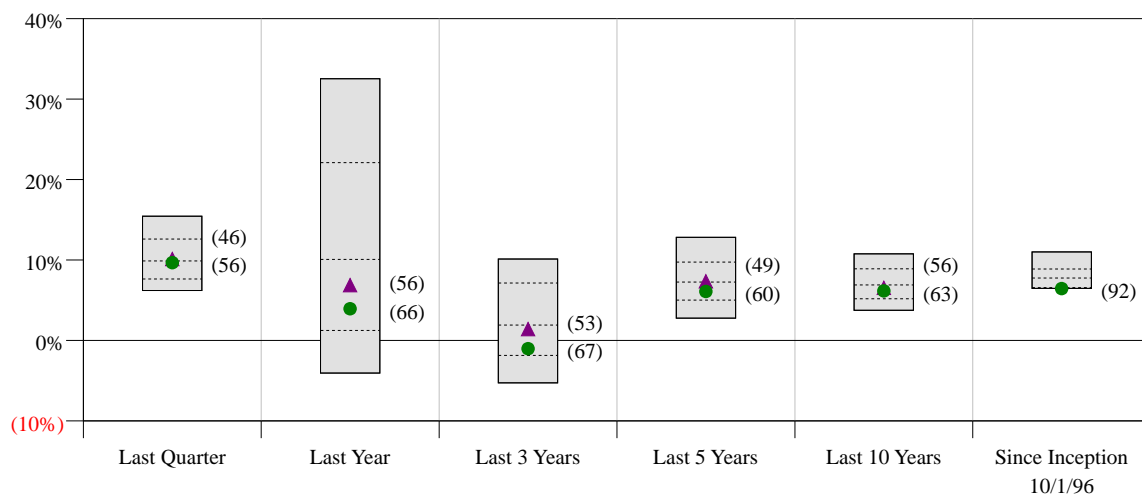


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

International Small Cap funds invest at least 65% of their assets in equity securities of non-United States companies with a market capitalization of less than US \$1 billion at the time of purchase.

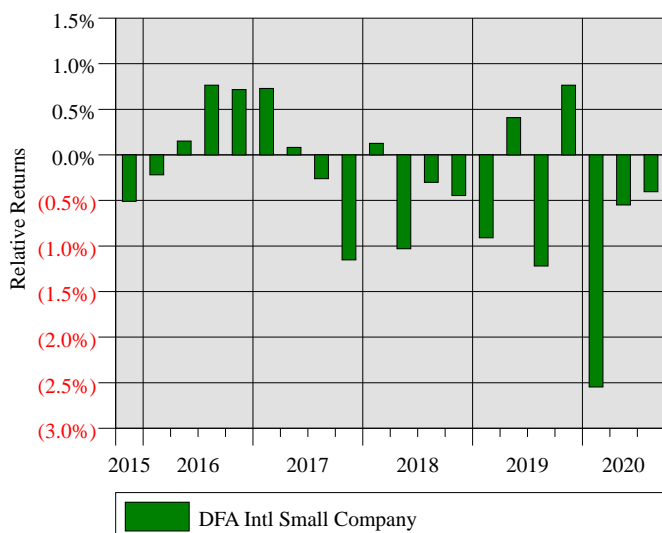
### DFA Intl Small Company (DFISX) Performance vs. Callan International Small Cap Mut Funds Periods ending: September 30, 2020



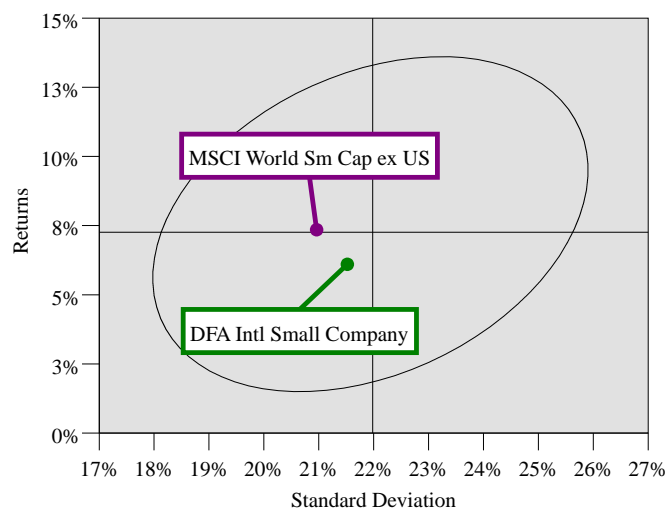
		10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile
DFA Intl Small Company	●	9.68	10.12	9.90	12.60	15.45
MSCI World Sm Cap ex US	▲	6.45	6.55	6.92	7.27	7.76

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
DFA Intl Small Company	(7.39)	24.20	(19.42)	30.24	5.80	5.91	(6.30)	27.44	18.86	(15.35)	23.91
MSCI World Sm Cap ex US	(4.05)	25.41	(18.07)	31.04	4.32	5.46	(5.35)	25.55	17.48	(15.81)	24.51

#### Relative Returns vs. MSCI World Sm Cap ex US



#### Callan International Small Cap Mut Funds | 5 Years Ended 9/30/20

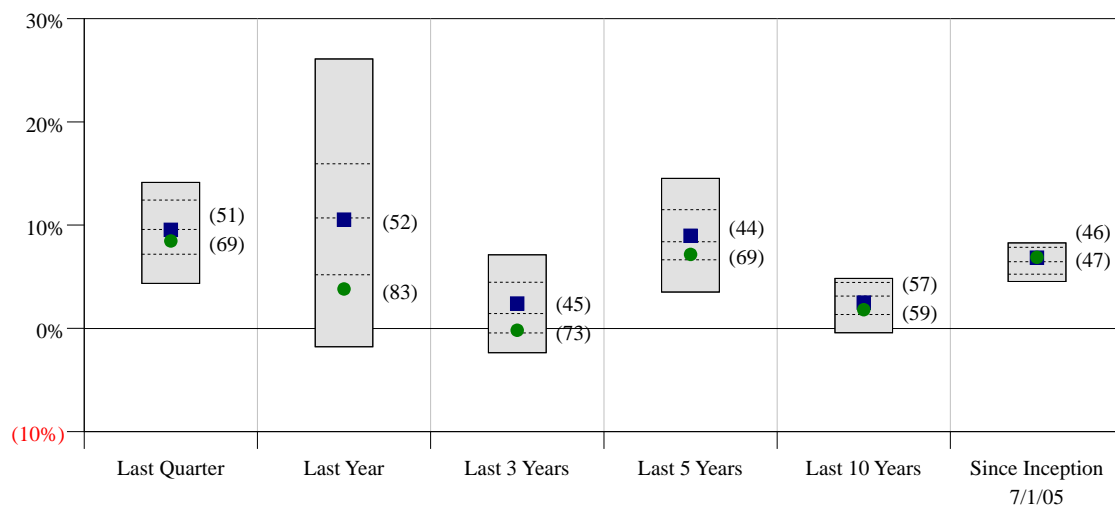


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

The International Emerging Markets Equity Database consists of all mutual fund international equity products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and South America.

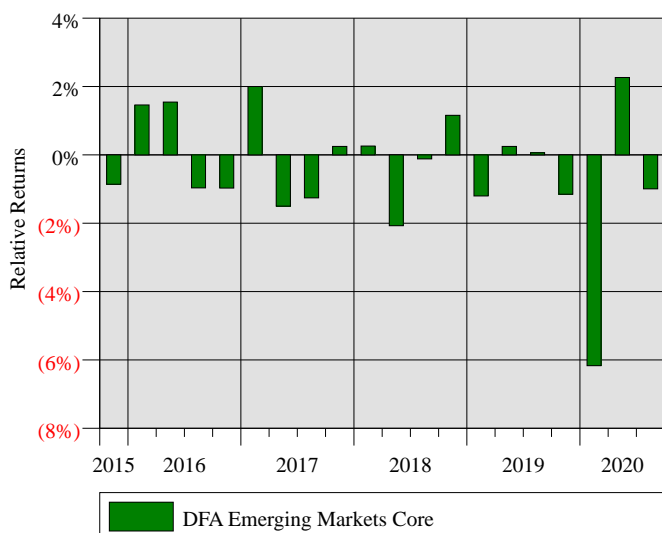
### DFA Emerging Markets Core (DFCEX) Performance vs. Callan Emerging Markets Equity Mut Funds Periods ending: September 30, 2020



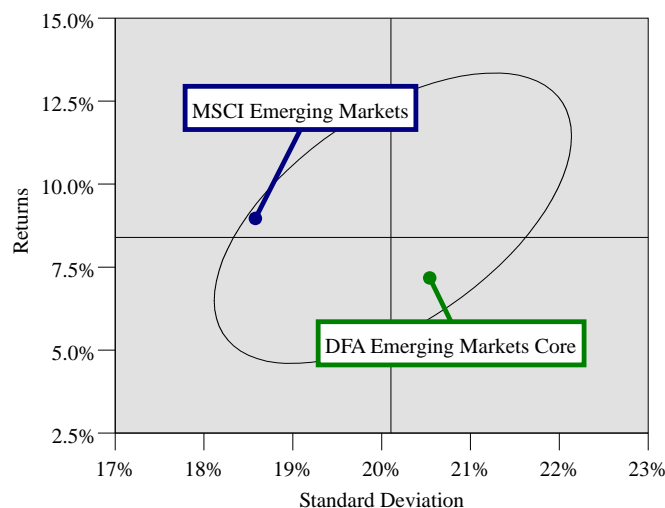
10th Percentile	14.15	26.10	7.13	14.54	4.84	8.29
25th Percentile	12.43	15.96	4.48	11.50	4.46	7.85
<b>Median</b>	<b>9.58</b>	<b>10.70</b>	<b>1.44</b>	<b>8.40</b>	<b>3.14</b>	<b>6.47</b>
75th Percentile	7.20	5.20	(0.43)	6.66	1.35	5.26
90th Percentile	4.36	(1.77)	(2.34)	3.54	(0.42)	4.55
<b>DFA Emerging Markets Core</b>	<b>8.48</b>	<b>3.82</b>	<b>(0.18)</b>	<b>7.17</b>	<b>1.81</b>	<b>6.89</b>
MSCI Emerging Markets	9.56	10.54	2.42	8.97	2.51	6.86

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>DFA Emerging Markets Core</b>	<b>(6.09)</b>	<b>16.04</b>	<b>(15.25)</b>	<b>36.55</b>	<b>12.35</b>	<b>(14.86)</b>	<b>(0.91)</b>	<b>(2.64)</b>	<b>20.49</b>	<b>(20.65)</b>	<b>23.62</b>
MSCI Emerging Markets	(1.16)	18.44	(14.57)	37.28	11.19	(14.92)	(2.19)	(2.60)	18.23	(18.42)	18.88

#### Relative Returns vs. MSCI Emerging Markets



#### Callan Emerging Markets Equity Mut Funds | 5 Years Ended 9/30/20



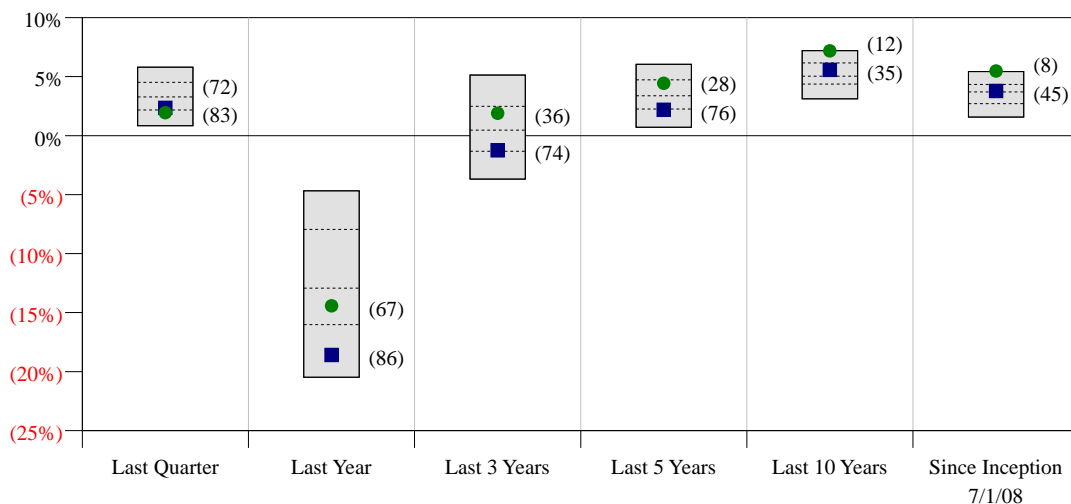
Source: Callan. Past performance is not indicative of future results. See important disclosures.



## Investment Philosophy:

Global real estate portfolios invest primarily in non-U.S. real estate securities but may also invest in U.S. real estate securities. Securities that these portfolios purchase include: debt securities, equity securities, convertible securities, and securities issued by real estate investment trusts and REIT-like entities. Portfolios in this category also invest in real estate operating companies.

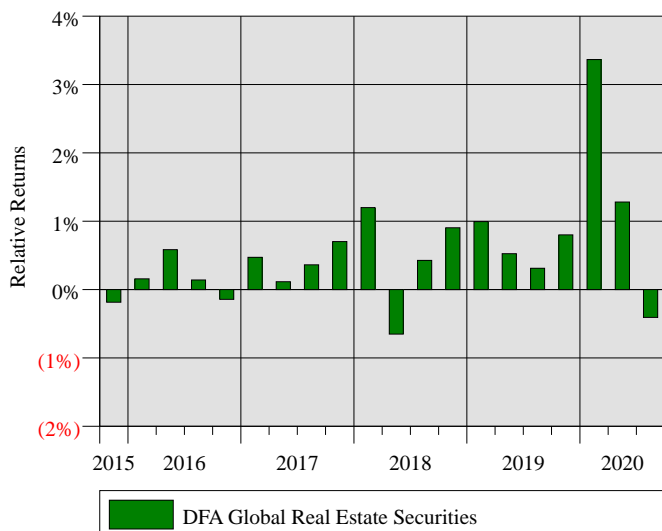
### DFA Global Real Estate Securities (DFGEX) Performance vs. Morningstar Global Real Estate Funds Periods ending: September 30, 2020



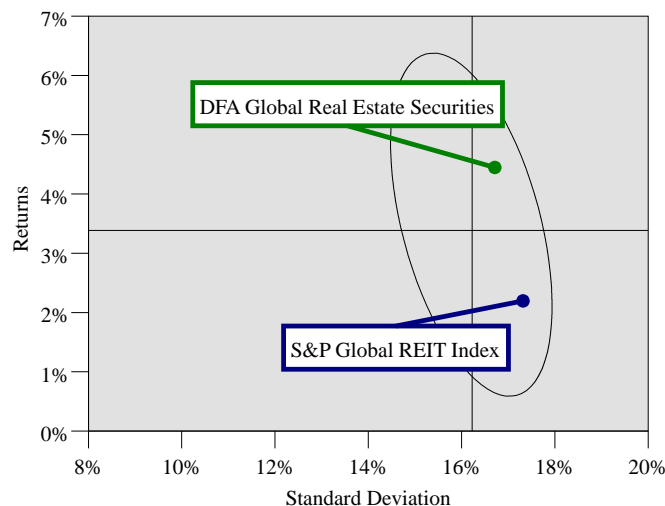
10th Percentile	5.81	(4.68)	5.15	6.05	7.21	5.43
25th Percentile	4.52	(7.95)	2.49	4.74	6.17	4.34
<b>Median</b>	<b>3.28</b>	<b>(12.91)</b>	<b>0.47</b>	<b>3.39</b>	<b>5.04</b>	<b>3.71</b>
75th Percentile	2.18	(16.01)	(1.31)	2.26	4.37	2.72
90th Percentile	0.85	(20.47)	(3.68)	0.72	3.13	1.58
<b>DFA Global Real Estate Securities</b>	<b>1.95</b>	<b>(14.42)</b>	<b>1.91</b>	<b>4.45</b>	<b>7.19</b>	<b>5.49</b>
S&P Global REIT Index	2.37	(18.58)	(1.23)	2.20	5.58	3.80

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>DFA Global Real Estate Securities</b>	<b>(15.78)</b>	<b>26.40</b>	<b>(4.15)</b>	<b>9.20</b>	<b>6.56</b>	<b>0.69</b>	<b>22.74</b>	<b>1.77</b>	<b>23.17</b>	<b>1.81</b>	<b>23.79</b>
S&P Global REIT Index	(19.22)	23.12	(5.93)	7.41	5.77	(0.44)	21.54	1.73	22.39	0.61	22.09

#### Relative Returns vs. S&P Global REIT Index



#### Morningstar Global Real Estate Funds | 5 Years Ended 9/30/20

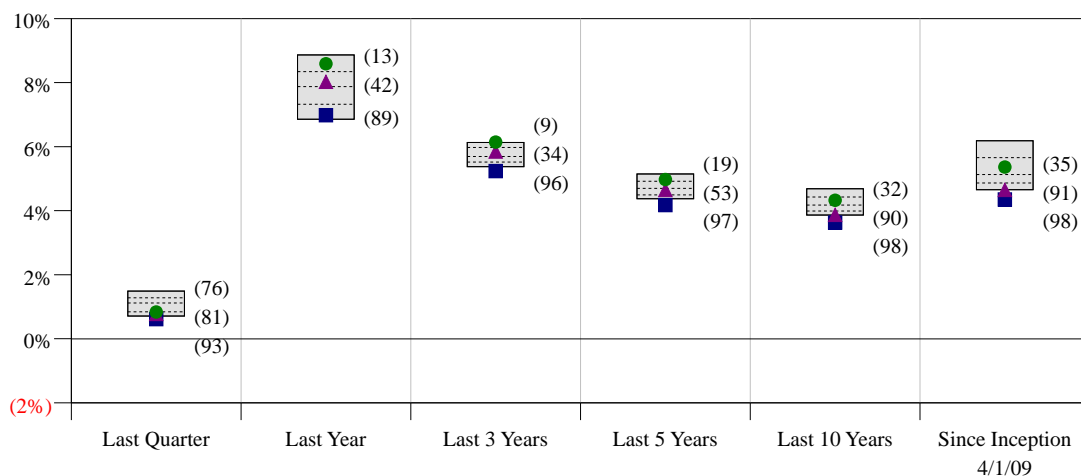


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Core Bond peer group includes managers that are typically benchmarked versus a domestic, investment grade fixed income index and generally will not make meaningful investments in securities outside of the benchmark.

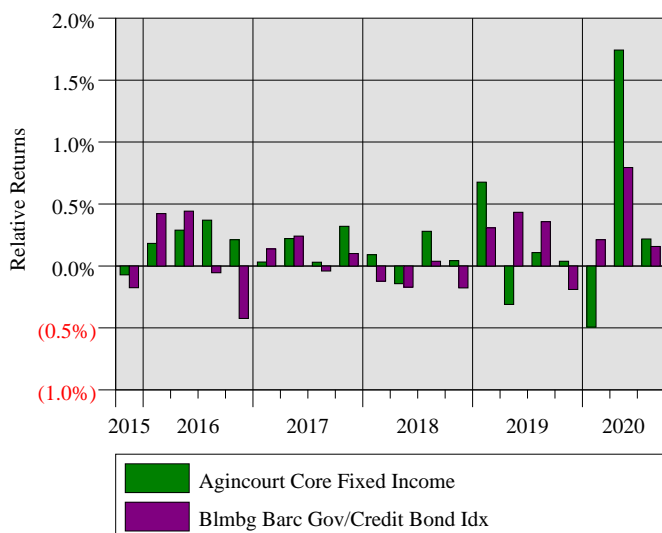
### Agincourt Core Fixed Income Performance vs. Callan Core Bond Fixed Income Periods ending: September 30, 2020



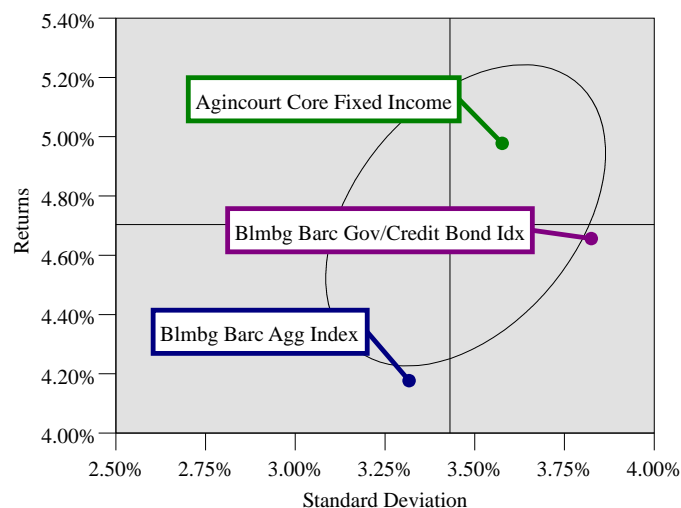
10th Percentile	1.50	8.87	6.14	5.15	4.69	6.19
25th Percentile	1.28	8.35	5.98	4.92	4.43	5.66
<b>Median</b>	<b>1.12</b>	<b>7.88</b>	<b>5.70</b>	<b>4.70</b>	<b>4.18</b>	<b>5.14</b>
75th Percentile	0.84	7.33	5.52	4.50	3.99	4.87
90th Percentile	0.71	6.86	5.38	4.38	3.87	4.66
<b>Agincourt Core Fixed Income</b>	<b>0.84</b>	<b>8.59</b>	<b>6.14</b>	<b>4.98</b>	<b>4.33</b>	<b>5.37</b>
Blmbg Barc Agg Index	0.62	6.98	5.24	4.18	3.64	4.35
Blmbg Barc Gov/Credit Bond Idx	0.78	8.03	5.86	4.66	3.87	4.65

	3 Qtrs.										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Agincourt Core Fixed Income</b>	<b>8.36</b>	<b>9.28</b>	<b>0.29</b>	<b>4.17</b>	<b>3.73</b>	<b>0.64</b>	<b>6.07</b>	<b>(1.45)</b>	<b>5.68</b>	<b>8.11</b>	<b>7.43</b>
Blmbg Barc Agg Index	6.79	8.72	0.01	3.54	2.65	0.55	5.97	(2.02)	4.21	7.84	6.54
Blmbg Barc Gov/Credit Bond Idx	8.04	9.71	(0.42)	4.00	3.05	0.15	6.01	(2.35)	4.82	8.74	6.59

#### Relative Returns vs. Blmbg Barc Agg Index



#### Callan Core Bond Fixed Income | 5 Years Ended 9/30/20

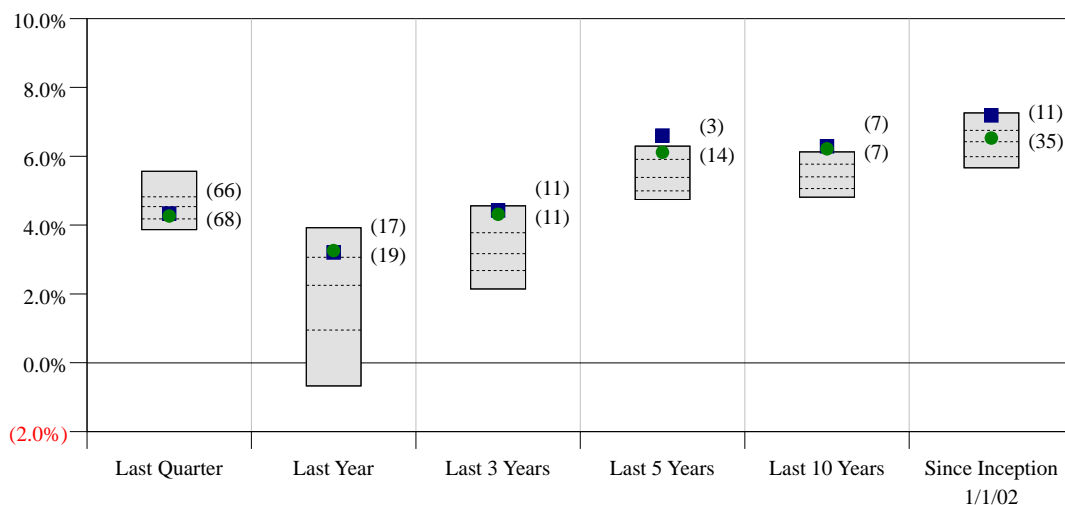


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

High Yield Style mutual funds invest primarily in non-investment grade fixed-income securities with the objective of obtaining high current income. Due to increased level of default risk, security selection focuses on credit-risk analysis.

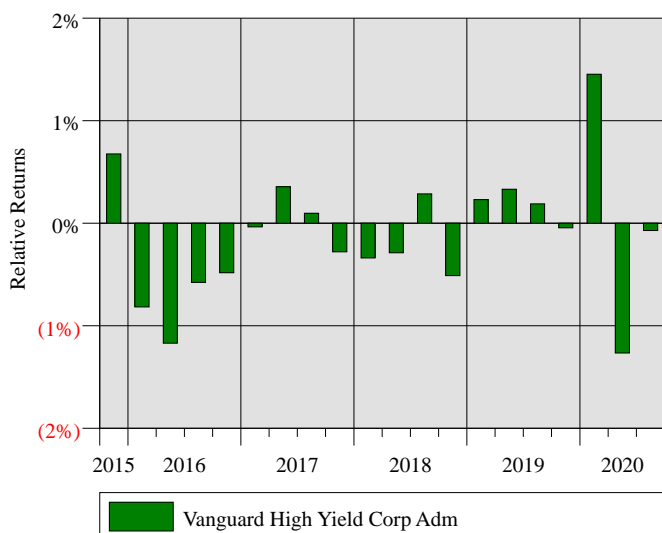
### Vanguard High Yield Corp Adm (VWEAX) Performance vs. Callan High Yield Mutual Funds Periods ending: September 30, 2020



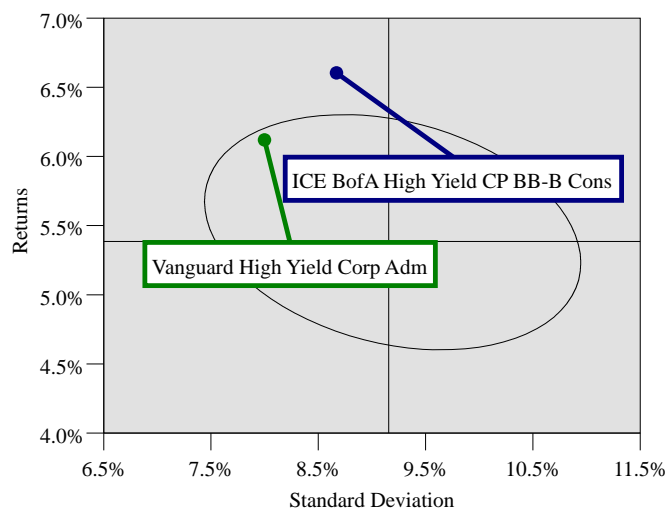
10th Percentile	5.57	3.93	4.56	6.30	6.13	7.27
25th Percentile	4.83	3.07	3.78	5.92	5.77	6.75
<b>Median</b>	<b>4.54</b>	<b>2.25</b>	<b>3.17</b>	<b>5.39</b>	<b>5.41</b>	<b>6.43</b>
75th Percentile	4.18	0.95	2.68	5.00	5.07	5.99
90th Percentile	3.87	(0.67)	2.15	4.75	4.82	5.67
<b>Vanguard High Yield Corp Adm</b> ●	<b>4.27</b>	<b>3.27</b>	<b>4.32</b>	<b>6.12</b>	<b>6.22</b>	<b>6.53</b>
ICE BofA High Yield CP BB-B Cons ■	4.34	3.21	4.43	6.61	6.30	7.19

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Vanguard High Yield Corp Adm</b>	<b>0.72</b>	<b>15.91</b>	<b>(2.87)</b>	<b>7.13</b>	<b>11.30</b>	<b>(1.30)</b>	<b>4.69</b>	<b>4.64</b>	<b>14.47</b>	<b>7.24</b>	<b>12.53</b>
ICE BofA High Yield CP BB-B Cons	0.62	15.09	(2.04)	6.98	14.76	(2.82)	3.48	6.29	14.58	5.43	14.25

#### Relative Returns vs. ICE BofA High Yield CP BB-B Cons



#### Callan High Yield Mutual Funds | 5 Years Ended 9/30/20

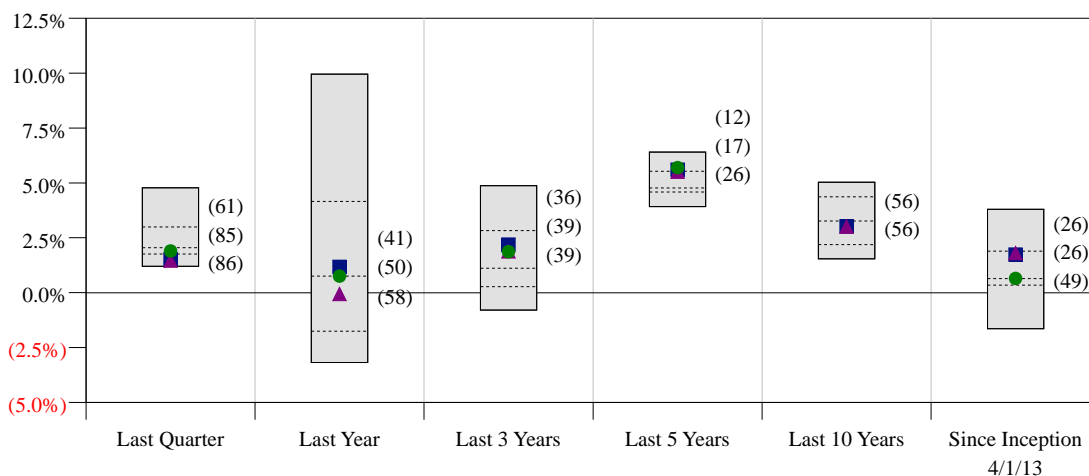


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

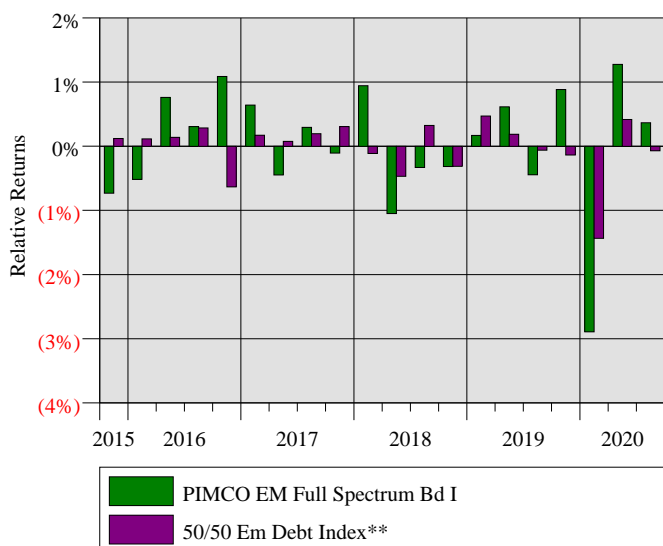
Emerging Markets Debt mutual funds that are benchmarked versus a blend of US\$ denominated and local currency indices.

### PIMCO EM Full Spectrum Bd I (PFSIX) Performance vs. Callan Emerging Mkts Debt Blend MFs Periods ending: September 30, 2020

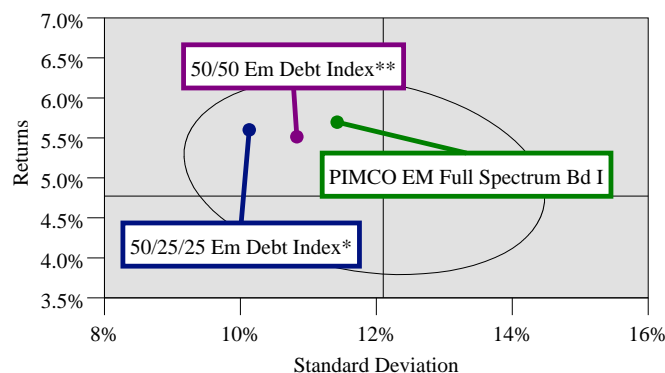


	3 Qtrs.	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
PIMCO EM Full Spectrum Bd I	(3.64)	15.16	(5.28)	12.30	12.01	(11.09)	(3.82)	--	--	--	--	--
50/25/25 Em Debt Index*	(2.38)	13.77	(4.56)	11.88	10.20	(7.07)	(0.15)	(6.59)	17.28	2.04	14.26	
50/50 Em Debt Index**	(3.44)	14.30	(5.10)	12.72	10.10	(7.07)	0.72	(7.10)	17.15	2.78	13.99	

Relative Returns vs. 50/25/25 Em Debt Index\*



Callan Emerging Mkts Debt Blend MFs | 5 Years Ended 9/30/20



\* 50/25/25 Em Debt Index is a blended benchmark comprised of 50% JPM GBI-EM Global Diversified Index (local bonds), 25% JPM EMBI Global Index (external sovereigns), and 25% JPM CEMBI Diversified Index (corporate bonds).

\*\* 50/50 Em Debt Index is a blended benchmark comprised of 50% JPM GBI-EM Global Diversified Index (local bonds), and 50% JPM EMBI Global Diversified Index (external bonds).

Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Important Disclosure Information

Team Hewins, LLC ("Team Hewins") is an SEC registered investment adviser; however, such registration does not imply a certain level of skill or training, and no inference to the contrary should be made. We provide this information with the understanding that we are not engaged in rendering legal, accounting, or tax services. We recommend that all investors seek out the services of competent professionals in any of the aforementioned areas.

Certain performance results included in this presentation are hypothetical returns which have been compiled by Team Hewins. The performance results are based upon a hypothetical model. Hypothetical performance results may have inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those provided. There are numerous other factors related to the markets in general or to the implementation of any specific trading strategy which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. These returns should not be considered as indicative of the skills of the investment adviser.

Index and fund information has been compiled solely by Team Hewins from sources deemed reliable, and has not been independently verified. Index and fund performance information reflects the reinvestment of dividends. Fund returns presented are net of mutual fund management, administration and other costs taken out of fund assets but do not reflect the deduction of account-level transaction or investment advisory fees, the incurrence of which would have the effect of decreasing the historical performance results. Team Hewins maintains all information supporting the performance results in accordance with regulatory requirements.

The account performance shown prior to June 1, 2018, reflects the results when the account was managed by Hewins Financial Advisors, LLC, now known as Wipfli Financial Advisors, LLC. In May 2018, certain principals, including Roger Hewins and other personnel amicably left Hewins Financial Advisors, LLC and formed Team Hewins. There has been no material change in investment personnel managing your account or the investment decision making process.

Target returns represent weighted averages of index returns that Team Hewins considers appropriate to represent the strategic asset allocation as stated in the client's Investment Policy Statement ("IPS"). The Current Quarter Target is comprised of indexes as follows: 1.0% 3-Month Treasury Bill, 27.0% Bloomberg Barclays Aggregate Index, 6.0% S&P Global REIT Index, 2.4% JPM GBI EM GI Divers USD Unh, 2.4% JPM EMBI Global Diversified, 7.2% ICE BofAML High Yield CP BB-B Cons, 16.2% MSCI EAFE Index, 5.4% MSCI Emerging Markets, 8.1% Russell 2000 Index, 24.3% S&P 500 Index. The underlying composition of the benchmark has changed over time; nonetheless, performance information for the Target Benchmark reflects the annualized returns of the benchmark given its applicable underlying indices for the corresponding time period.

The volatilities of any comparative indices included in this presentation may be materially different from the individual performance attained by a specific client in a Team Hewins strategy. In addition, client holdings may differ significantly from the securities that comprise the indices. The indices have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison to the performances of certain well-known and widely recognized indices. The indices are unmanaged, include reinvestment of dividends, capital gain distributions or other earnings and do not reflect any fees or expenses. Indices cannot be invested in directly. Set forth below are descriptions of the indices included in the presentation.

## Index Definitions:

**S&P 500 (Large Cap Equity):** The Standard & Poor's 500 Stock Index (S&P 500) is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S. The index includes the stocks of 500 leading U.S. publicly traded companies from a broad range of industries.

**Russell 2000 (Small Cap Equity):** The Russell 2000 Index is an unmanaged index that measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index, representing approximately 10% of the total market capitalization of that index and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. Russell Investment Group owns the Russell Index data, including all applicable trademarks and copyrights.

**MSCI EAFE (International Equity, Developed):** The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada. The MSCI EAFE Index consists of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

**MSCI Emerging Markets (International Equity, Emerging):** The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

**S&P Global REIT Index: (International, Real Estate Investment Trusts):** The S&P Global REIT serves as a comprehensive benchmark of publicly traded equity real estate investment trusts (REITs) listed in both developed and emerging markets.

**Bloomberg Barclays Aggregate (Core Fixed Income):** The Barclays Capital U.S. Aggregate Index provides a broad-based measure of the domestic investment-grade fixed income market. It is an unmanaged index of taxable, investment-grade, U.S. dollar-denominated fixed-income securities of domestic issuers having a maturity greater than one year.

**ICE BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained (High Yield Fixed Income):** BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained Index tracks the performance of US dollar-denominated below-investment-grade (BBB rated) corporate debt publicly issued in the US domestic market. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis.

**Bloomberg Barclays Gov/Credit Bond (US Fixed Income):** The Barclays Capital U.S. Government/Credit Bond Index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year.

**JPM EMBI Global Diversified (Emerging Markets Fixed Income):** The JP Morgan EMBI Global Diversified is a uniquely weighted index that tracks total returns for U.S. dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities. The index limits the weights of countries with larger debt stocks by only including a specified portion of these countries' eligible current face amounts of debt outstanding.

**JPM GBI EM Global Diversified USD Unh (Emerging Markets Fixed Income):** A comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate domestic currency government bonds.

**3 Month T-Bill:** 3 Month Treasury Bill is a short-term debt obligation backed by the U.S. government with a maturity of 90 days.

**San Joaquin Regional Transit District**  
**Health Portfolio**  
**Quarterly Investment Report**

September 30, 2020

Prepared by Team Hewins, LLC  
203 Redwood Shores Parkway, Suite 550 | Redwood City, CA 94065

## Market Overview

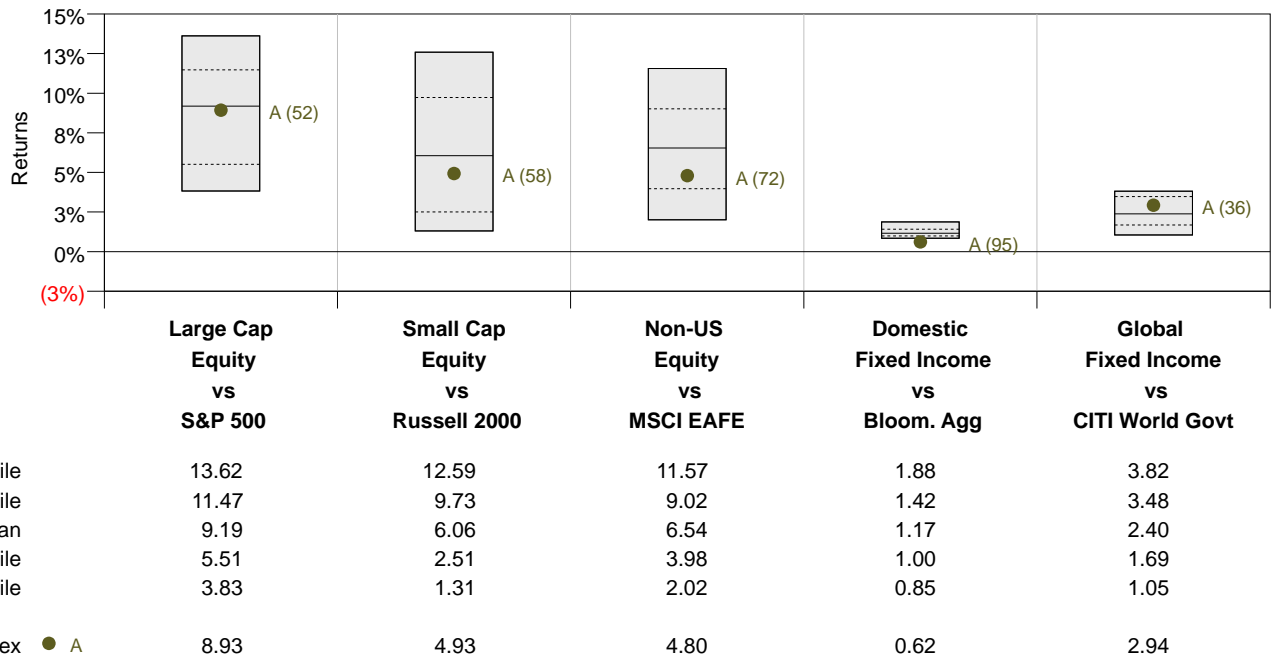
### Active Management vs Index Returns

#### Market Overview

The charts below illustrate the range of returns across managers in Callan's Mutual Fund database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity mutual funds over the last quarter. The symbol represents the S&P 500 return. The number next to the symbol represents the ranking of the S&P 500 in the domestic equity mutual fund database.

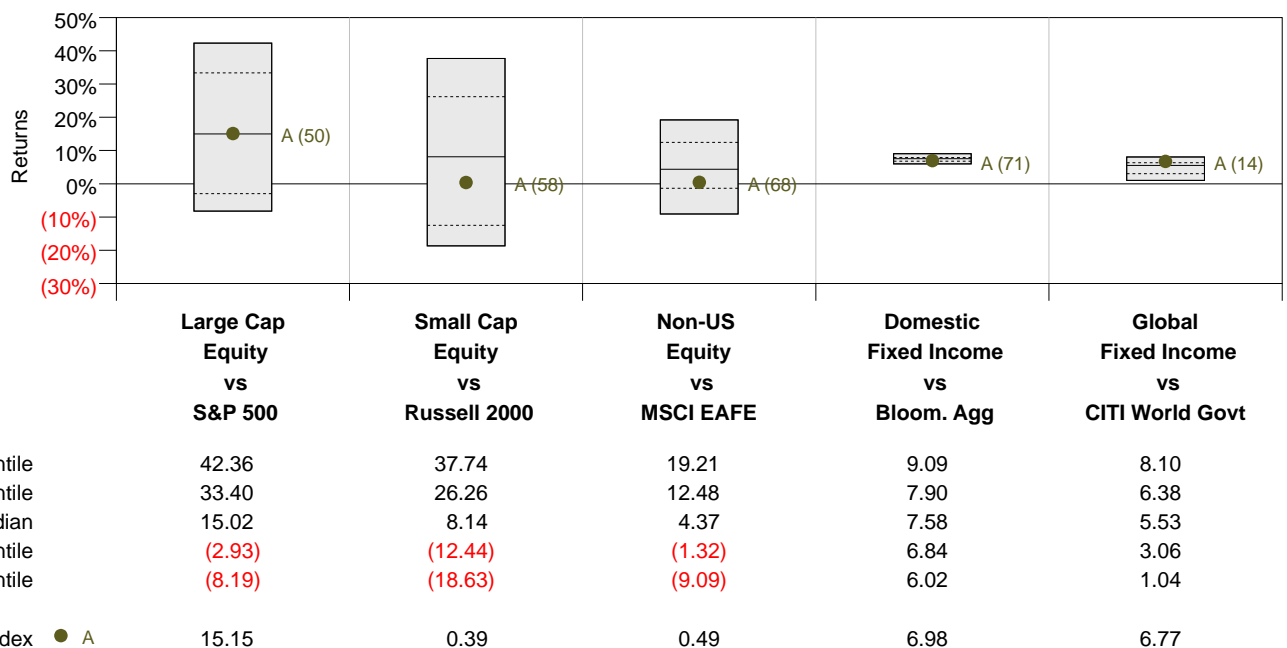
#### Range of Mutual Fund Returns by Asset Class

One Quarter ended September 30, 2020



#### Range of Mutual Fund Returns by Asset Class

One Year ended September 30, 2020





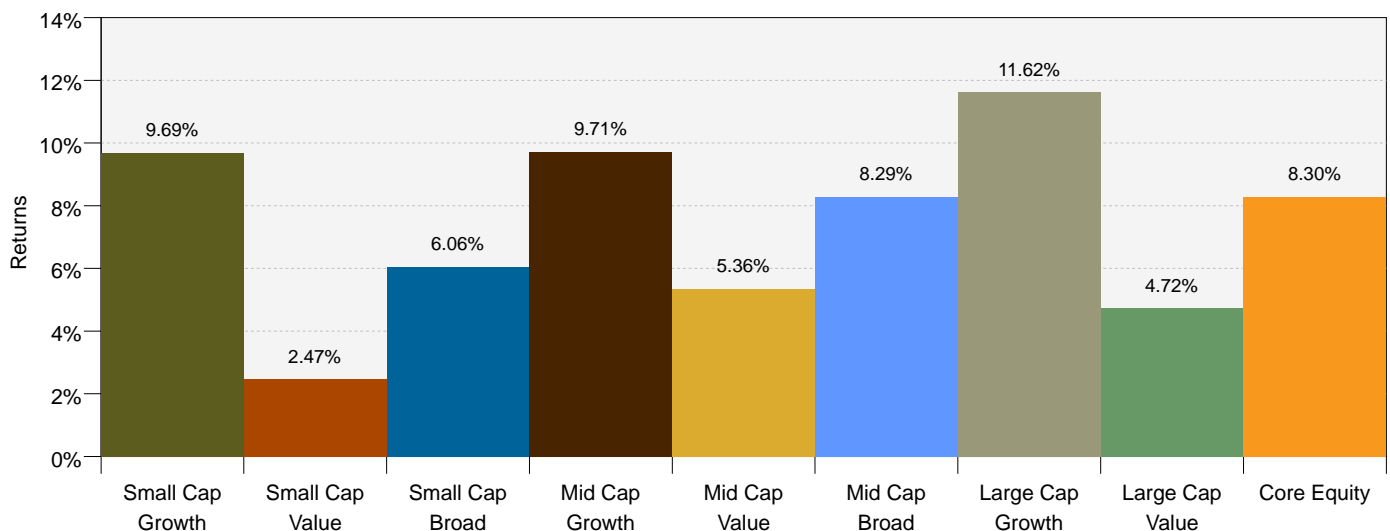
## Domestic Equity

### Active Management Overview

The S&P 500 Index was up 8.9% for the quarter. However, returns among constituents painted starkly different pictures. Consumer Discretionary (+15%) was the best performing sector while Energy (-20%) was the worst. Year-to-date, a handful of sectors remain in the red while others are up double digits. A similar and related picture emerges with style indices. The tech-heavy R1000 Growth Index (+13.2%) was again the best performer. Conversely, the R1000 Value Index was up only 5.6% in the quarter and it has lost nearly 12% this year. The dispersion between growth and value is near an all-time high and equally stark in small and midcap stocks for both the quarter and nine-month periods. Strong stock performance has been concentrated among a few names in the market. The top five stocks (Facebook, Microsoft, Amazon, Alphabet, and Apple) in the S&P 500 account for 23% of the Index and contributed 33% of the quarter's performance.

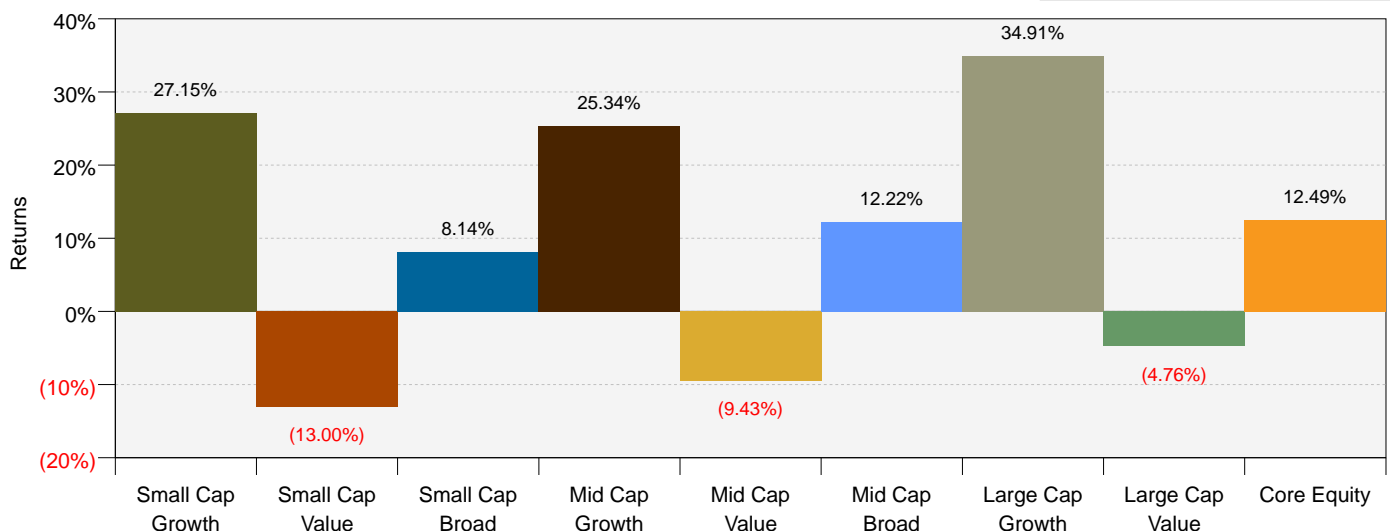
#### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

S&P 500 Index	8.93%
S&P 500 Growth	11.75%
S&P 500 Value	4.79%
S&P 400 Mid Cap	4.77%
S&P 600 Small Cap	3.17%
S&P 600 Small Cap Growth Index	4.13%
S&P 600 Small Cap Value Index	2.09%



#### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

S&P 500 Index	15.15%
S&P 500 Growth	30.64%
S&P 500 Value	(2.68%)
S&P 400 Mid Cap	(2.16%)
S&P 600 Small Cap	(8.29%)
S&P 600 Small Cap Growth Index	0.08%
S&P 600 Small Cap Value Index	(16.86%)



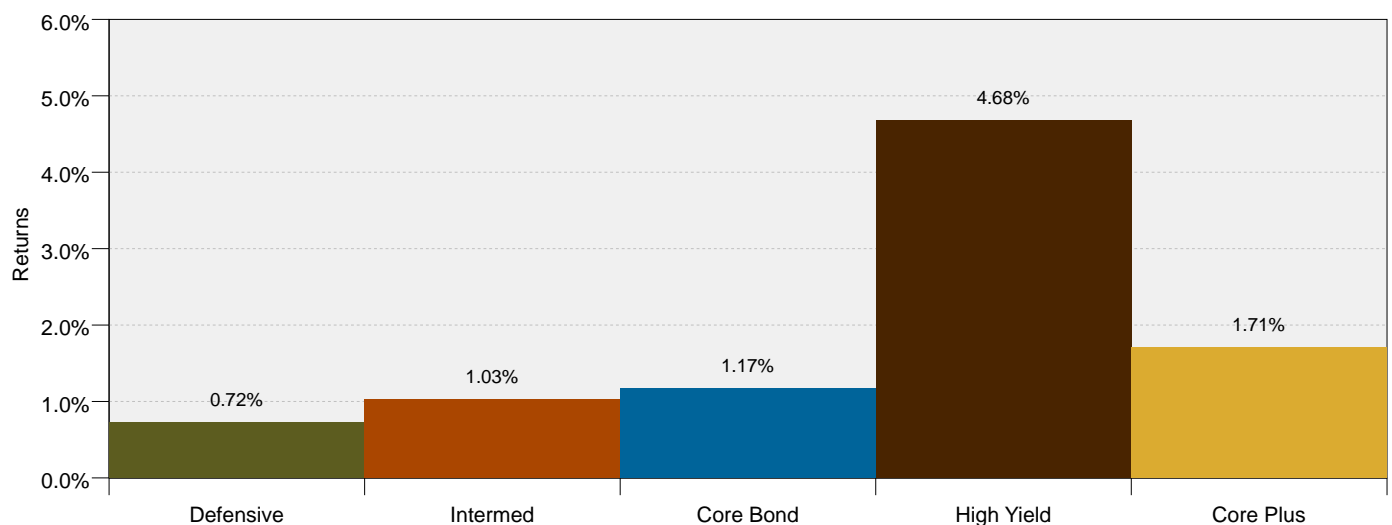
## Domestic Fixed Income

### Active Management Overview

U.S. Treasury yields were largely unchanged over the course of the third quarter. The 10-year U.S. Treasury yield closed the quarter at 0.69%; up 3 bps from June 30 but off far more sharply from the year-end level of 1.92%. Its yield hit an all-time low of 0.52% in August. TIPS (Bloomberg Barclays US TIPS: +3.0%) strongly outperformed nominal U.S. Treasuries for the quarter as 10-year breakeven spreads widened from 134 bps to 163 bps. The Bloomberg Barclays US Aggregate Bond Index gained 0.6%, with the corporate and commercial mortgage-backed sectors performing the best. Supply hit record levels as companies rushed to take advantage of ultra low interest rates. The Bloomberg Barclays High Yield Bond Index was up 4.6% and is now roughly flat y-t-d. High yield and leveraged loan default rates (5.8% and 4.3% y-o-y as of September) continued to trend higher but remain below levels reached in the GFC.

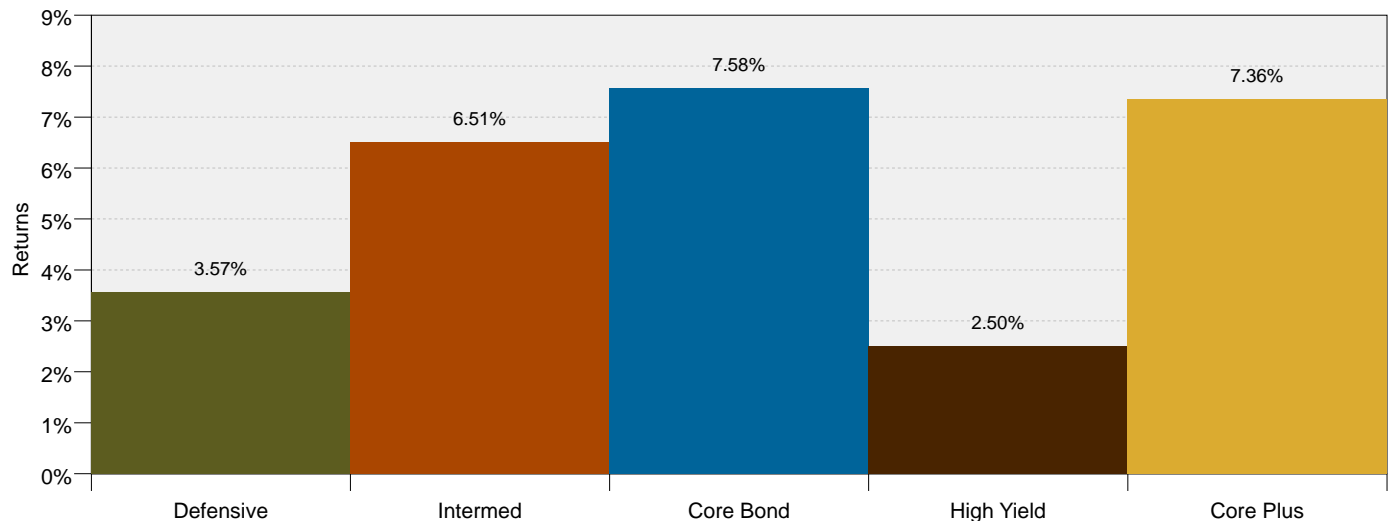
#### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

Bloomberg:US Universal	0.99%
Bloomberg:Aggregate	0.62%
Bloomberg:High Yield	4.60%



#### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

Bloomberg:US Universal	6.68%
Bloomberg:Aggregate	6.98%
Bloomberg:High Yield	3.25%



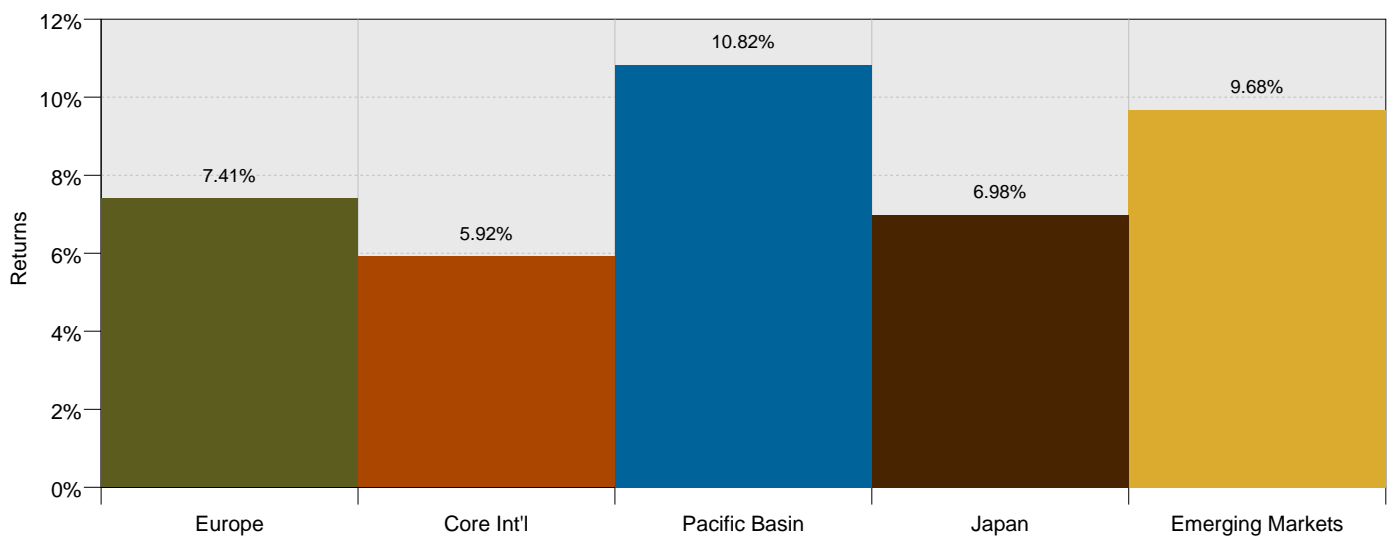
## International Equity

### Active Management Overview

Global equity index returns were positive across developed and emerging markets (MSCI ACWI: +8.1%; MSCI EM: +9.6%) but variable across styles, sectors, and countries. Growth continued to outperform value and, from a sector perspective, Technology was a top performer while Energy lagged. Regionally, The UK was roughly flat, Japan up 6.9%, and Europe ex-UK up 5.9%. Within Europe, some countries delivered double-digit returns while others suffered losses (Sweden and Denmark +16% vs Spain -4%). Similarly in emerging markets, Emerging Asia gained nearly 12% while Latin America and Emerging Europe fell 1.3% and 5.2%, respectively. BRIC country performance was also mixed (Brazil: -3%; Russia: -5%; India: +15% and China +13%). The U.S. dollar lost more than 4% vs the Australian dollar, the euro, and the British pound and 2% vs the yen. It was also down versus most emerging market currencies, with the Turkish lira (+11%) and the Brazilian real (+3%) being notable exceptions.

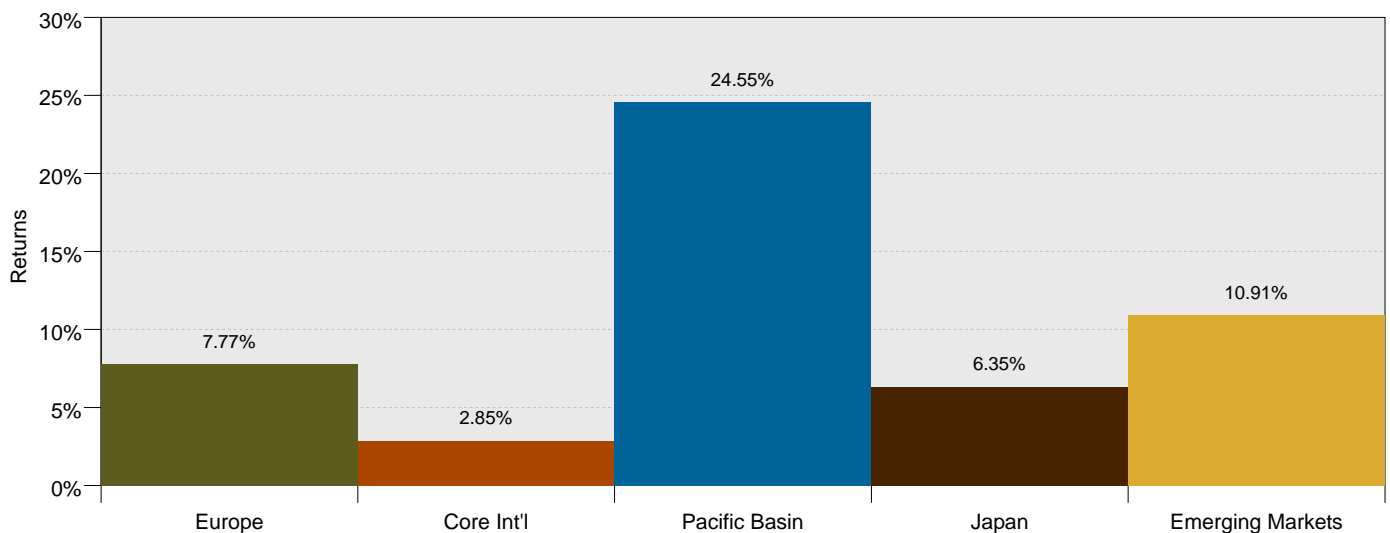
#### Mutual Fund Style Group Median Returns for Quarter Ended September 30, 2020

MSCI ACWI - Gross	8.25%
MSCI All Cntry World ExUS	6.36%
MSCI EAFE Index	4.80%
MSCI Europe	4.51%
MSCI Pacific	5.39%
MSCI Emerging Markets	9.70%



#### Mutual Fund Style Group Median Returns for Year Ended September 30, 2020

MSCI ACWI - Gross	11.00%
MSCI All Cntry World ExUS	3.45%
MSCI EAFE Index	0.49%
MSCI Europe	(0.79%)
MSCI Pacific	2.63%
MSCI Emerging Markets	10.91%



## Capital Growth

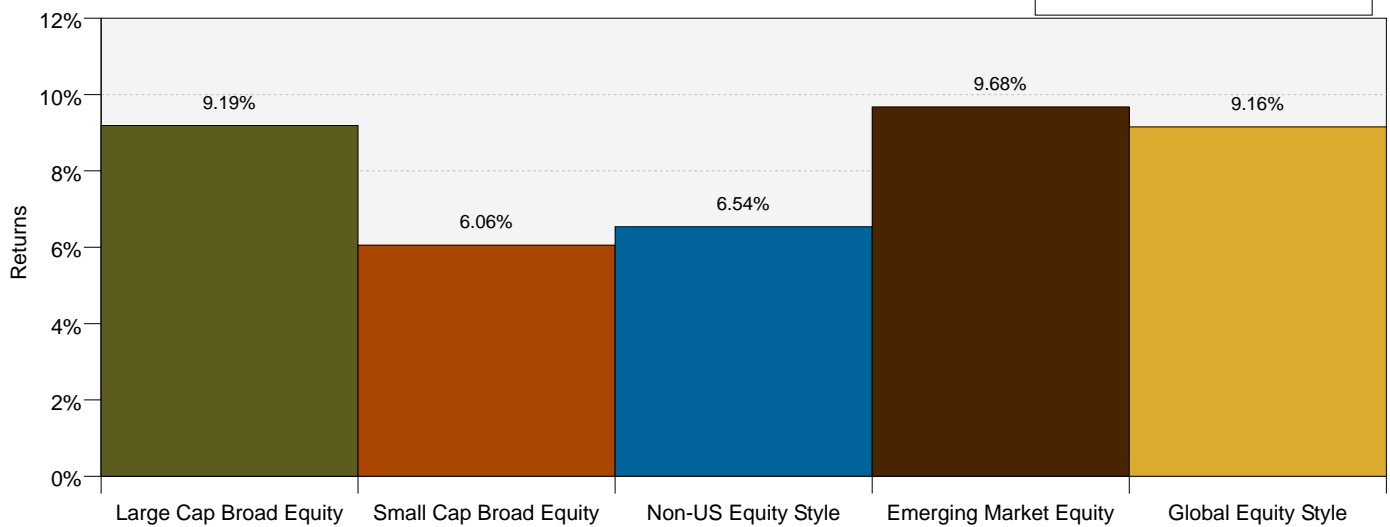
### Active Management Overview

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Global equity index returns were positive across developed and emerging markets (MSCI ACWI: +8.1%; MSCI EM: +9.6%) but variable across styles, sectors, and countries. Growth continued to outperform value and, from a sector perspective, Technology was a top performer while Energy lagged. Regionally, The UK was roughly flat, Japan up 6.9%, and Europe ex-UK up 5.9%. Within Europe, some countries delivered double-digit returns while others suffered losses (Sweden and Denmark +16% vs Spain -4%). Similarly in emerging markets, Emerging Asia gained nearly 12% while Latin America and Emerging Europe fell 1.3% and 5.2%, respectively. BRIC country performance was also mixed (Brazil: -3%; Russia: -5%; India: +15% and China +13%). The U.S. dollar lost more than 4% vs the Australian dollar, the euro, and the British pound and 2% vs the yen. It was also down versus most emerging market currencies, with the Turkish lira (+11%) and the Brazilian real (+3%) being notable exceptions.

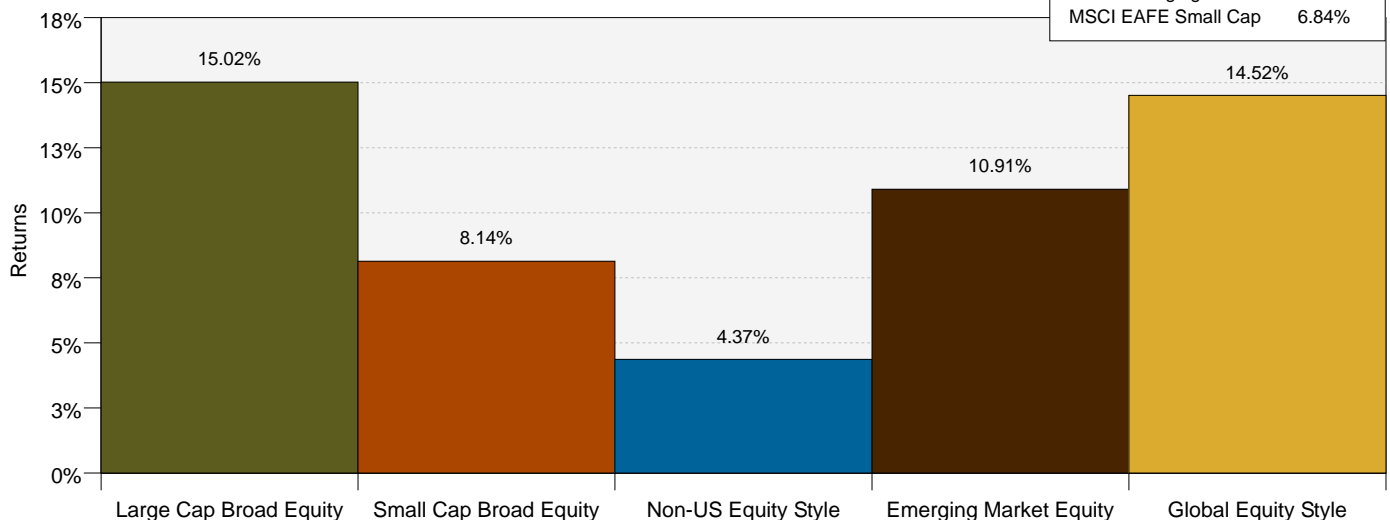
### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

S&P 500 Index	8.93%
Russell 3000 Index	9.21%
Russell 2000 Index	4.93%
MSCI ACWI	8.13%
MSCI EAFE Index	4.80%
MSCI Emerging Markets	9.56%
MSCI EAFE Small Cap	10.25%



### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

S&P 500 Index	15.15%
Russell 3000 Index	15.00%
Russell 2000 Index	0.39%
MSCI ACWI	10.44%
MSCI EAFE Index	0.49%
MSCI Emerging Markets	10.54%
MSCI EAFE Small Cap	6.84%



## Income

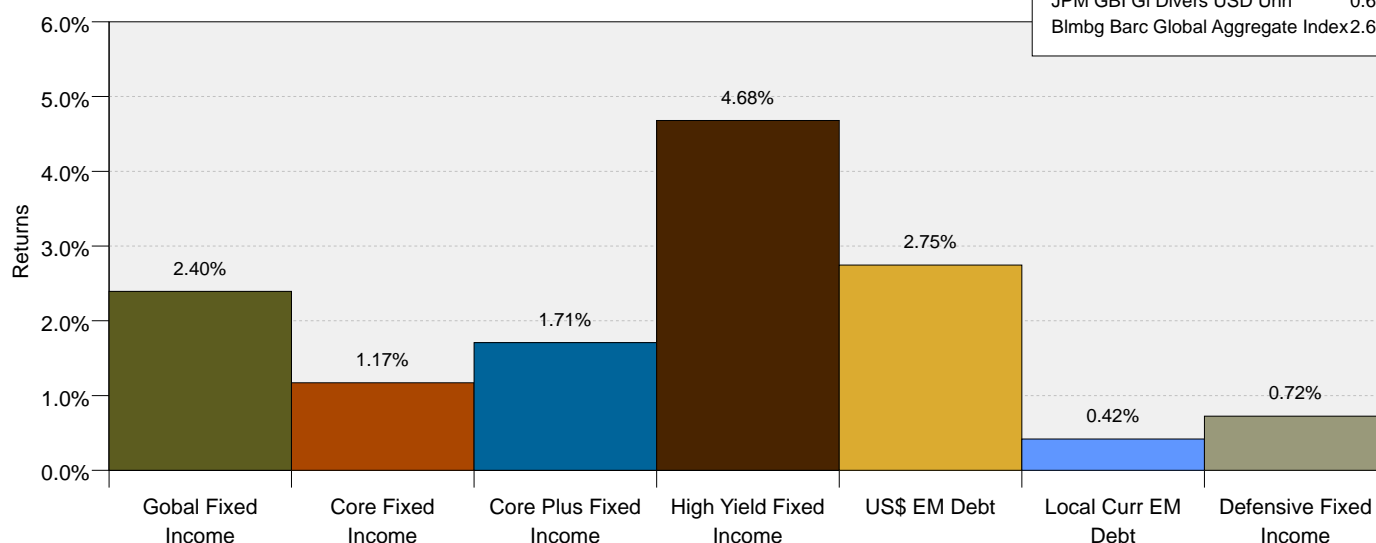
### Active Management Overview

U.S. Treasury yields were largely unchanged over the course of the third quarter. The 10-year U.S. Treasury yield closed the quarter at 0.69%; up 3 bps from June 30 but off far more sharply from the year-end level of 1.92%. Its yield hit an all-time low of 0.52% in August. TIPS (Bloomberg Barclays US TIPS: +3.0%) strongly outperformed nominal U.S. Treasuries for the quarter as 10-year breakeven spreads widened from 134 bps to 163 bps. The Bloomberg Barclays US Aggregate Bond Index gained 0.6%, with the corporate and commercial mortgage-backed sectors performing the best. Supply hit record levels as companies rushed to take advantage of ultra low interest rates. The Bloomberg Barclays High Yield Bond Index was up 4.6% and is now roughly flat y-t-d. High yield and leveraged loan default rates (5.8% and 4.3% y-o-y as of September) continued to trend higher but remain below levels reached in the GFC.

Rates were lower overseas, fueled by rate cuts across a broad swath of countries and strong performance from corporates. The Bloomberg Barclays Global Aggregate ex-US Bond Index rose 3.4% (unhedged). Emerging market debt indices posted lofty results (EMBI Global Div: +12.3%; GBI-EM GI Div: +9.8%) but remain down single digits from year-end. Returns varied widely across the index of 70+ countries but generally, lower quality/higher yielding countries outperformed in Q2 but remain sharply lower than their higher quality brethren ytd. The local currency index also reflected broad dispersion of returns across its 19 constituents, but returns were positive for the vast majority of the countries.

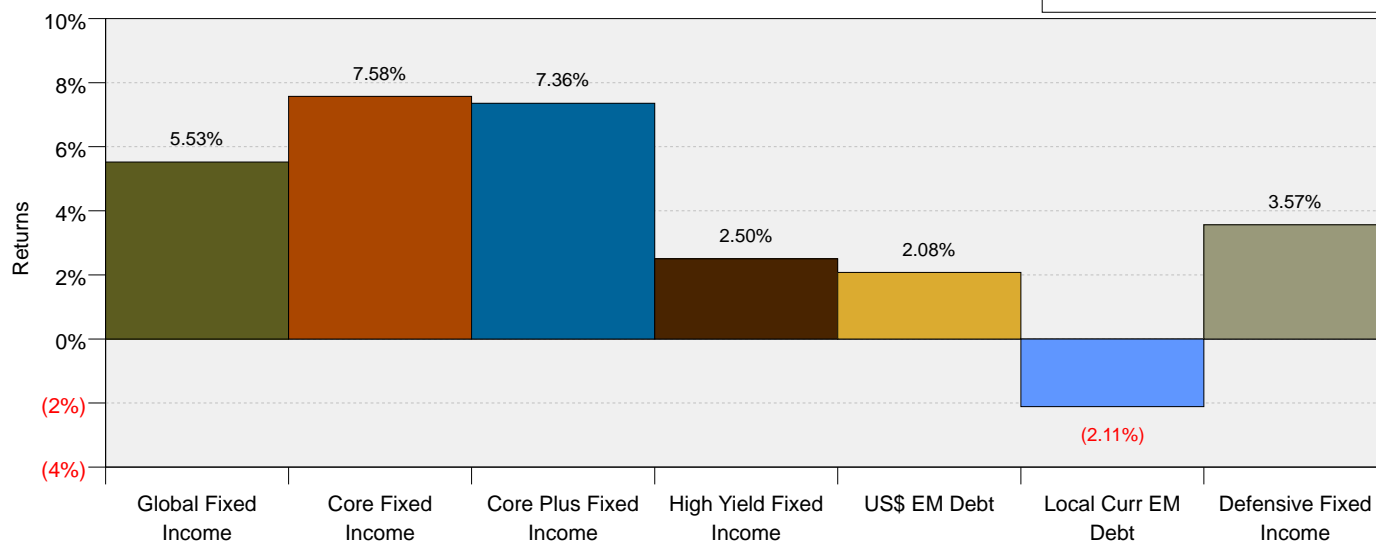
#### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

Bimbg Barc Agg Index	0.62%
Bimbg Barc High Yield Corp	4.60%
Bimbg Barc Global Agg Hedged	0.73%
JPM EMBI Global Dvsfd	2.32%
JPM GBI GI Divers USD Unh	0.61%
Bimbg Barc Global Aggregate Index	2.66%



#### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

Bimbg Barc Agg Index	6.98%
Bimbg Barc High Yield Corp	3.25%
Bimbg Barc Global Agg Hedged	4.14%
JPM EMBI Global Dvsfd	1.29%
JPM GBI GI Divers USD Unh	(1.45%)
Bimbg Barc Global Aggregate Index	6.24%



## Portfolio Holdings

Description	Symbol	Value	Weight
EQUITY			
Large Cap U.S. Equity			
DFA US Large Cap Value I	DFLVX	\$347,831	5.2%
Accrued Income		\$2,065	
Vanguard 500 Index Admiral	VFIAX	\$1,563,496	23.0%
<b>Large Cap U.S. Equity Total</b>		<b>\$1,913,393</b>	<b>28.2%</b>
Small Cap U.S. Equity			
DFA US Small Cap Value I	DFSVX	\$336,114	5.0%
Accrued Income		\$1,291	
Vanguard Small Cap Growth Index Admiral	VSGAX	\$263,708	3.9%
<b>Small Cap U.S. Equity Total</b>		<b>\$601,113</b>	<b>8.8%</b>
International Equity			
DFA International Small Company I	DFISX	\$336,973	5.0%
Accrued Income		\$793	
DFA International Value I	DFIVX	\$512,610	7.6%
Accrued Income		\$3,143	
Vanguard International Growth Adm	VWILX	\$452,296	6.7%
<b>International Equity Total</b>		<b>\$1,305,815</b>	<b>19.2%</b>
Emerging Markets Equity			
DFA Emerging Markets Core Equity I	DFCEX	\$433,032	6.4%
Accrued Income		\$3,665	
<b>Emerging Markets Equity Total</b>		<b>\$436,697</b>	<b>6.4%</b>
Real Estate			
DFA Global Real Estate Securities Port	DFGEX	\$429,906	6.3%
<b>Real Estate Total</b>		<b>\$429,906</b>	<b>6.3%</b>
<b>EQUITY Total</b>		<b>\$4,686,924</b>	<b>69.0%</b>
FIXED INCOME			
Core Fixed Income			
Dodge & Cox Income	DODIX	\$671,412	9.9%
PIMCO Total Return Instl	PTTRX	\$676,982	10.0%
Accrued Income		\$1,233	
<b>Core Fixed Income Total</b>		<b>\$1,349,627</b>	<b>19.9%</b>
<b>FIXED INCOME Total</b>		<b>\$1,349,627</b>	<b>19.9%</b>
DIVERSIFIED FIXED INCOME			
High Yield Fixed Income			
Vanguard High-Yield Corporate Adm	VWEAX	\$377,331	5.6%
Accrued Income		\$1,459	
<b>High Yield Fixed Income Total</b>		<b>\$378,790</b>	<b>5.6%</b>

## Portfolio Holdings

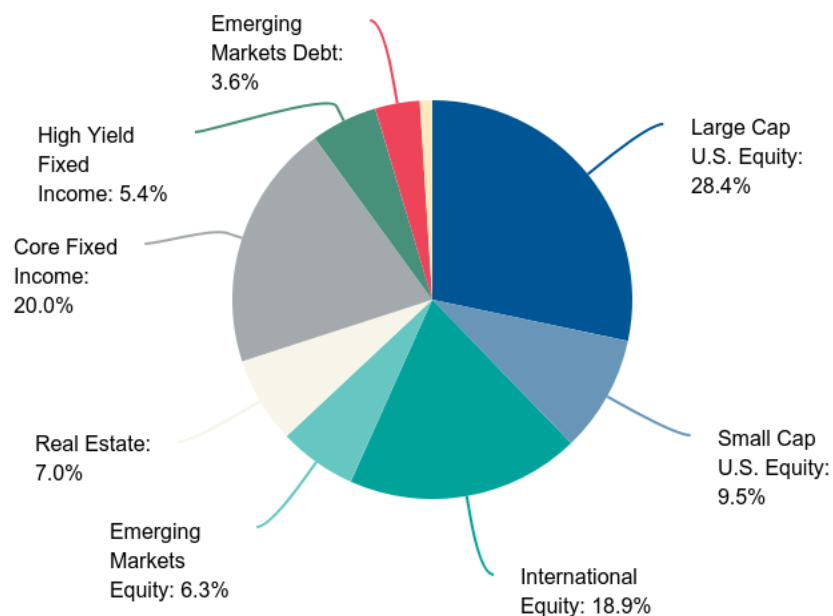
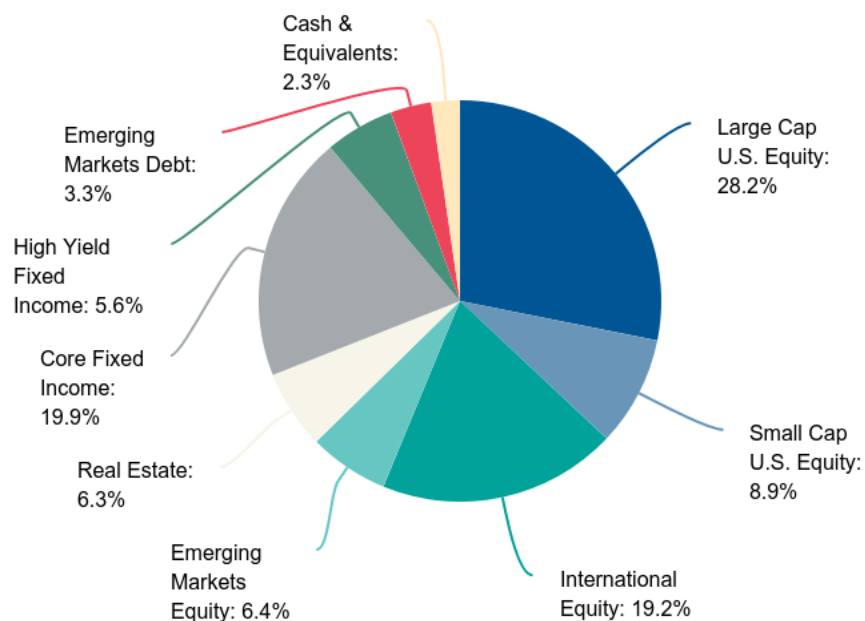
Description	Symbol	Value	Weight
DIVERSIFIED FIXED INCOME			
Emerging Markets Debt			
PIMCO Emerg Mkts Full Spectrum Bd Instl	PFSIX	\$222,240	3.3%
Accrued Income		\$839	
<b>Emerging Markets Debt Total</b>		<b>\$223,079</b>	<b>3.3%</b>
<b>DIVERSIFIED FIXED INCOME Total</b>		<b>\$601,869</b>	<b>8.9%</b>
CASH AND EQUIVALENTS			
Cash & Equivalents			
Cash	CASH	\$155,268	2.3%
<b>Cash &amp; Equivalents Total</b>		<b>\$155,268</b>	<b>2.3%</b>
<b>CASH AND EQUIVALENTS Total</b>		<b>\$155,268</b>	<b>2.3%</b>
<b>Total</b>		<b>\$6,793,688</b>	<b>100.0%</b>

## Portfolio Activity Summary

	Quarter to Date	Year to Date	Inception to Date (7/13/2014)
Beginning Value	\$6,414,185	\$6,757,236	\$1,172
Net Contribution	\$22,722	\$97,910	\$5,097,512
Capital Appreciation	\$327,838	(\$150,162)	\$809,097
Dividend Income	\$33,935	\$83,722	\$933,448
Interest Income	\$16	\$751	\$7,569
Management Fees	(\$3,519)	(\$10,258)	(\$68,427)
Other Expenses	\$0	\$0	\$0
Change in Accrued	(\$1,489)	\$14,488	\$13,317
Ending Value	\$6,793,688	\$6,793,688	\$6,793,688
Investment Gain	\$356,781	(\$61,459)	\$1,695,004

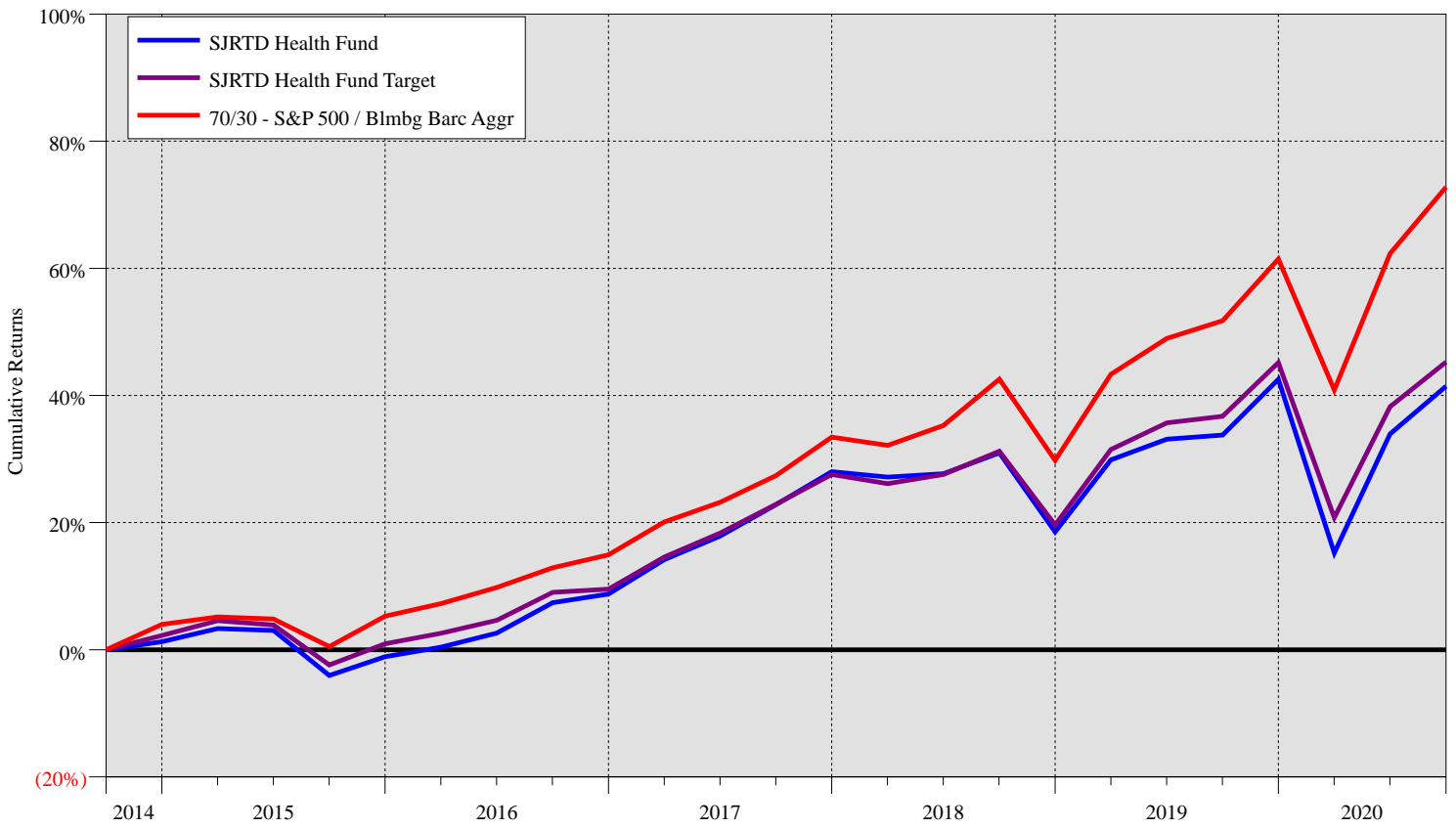


## Actual vs. Target Asset Allocation

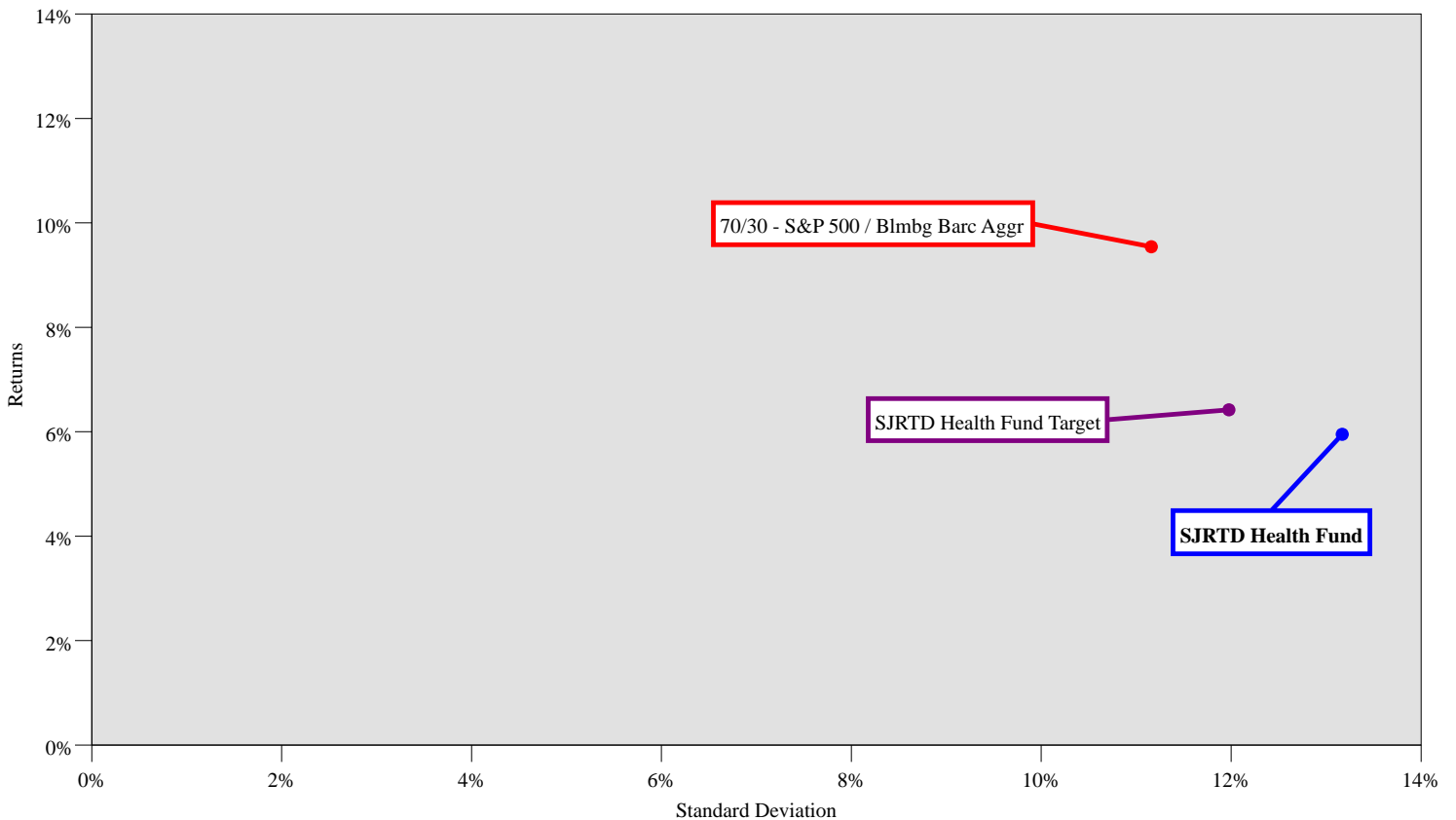


Sector	Current Value	Current Percent	Target Allocation Value	Target Allocation Percent	Dollar Variance	Percent Variance
Large Cap U.S. Equity	\$1,913,393	28.2%	\$1,926,011	28.4%	(\$12,618)	(0.2%)
Small Cap U.S. Equity	\$601,113	8.8%	\$642,004	9.5%	(\$40,890)	(0.6%)
International Equity	\$1,305,815	19.2%	\$1,284,007	18.9%	\$21,808	0.3%
Emerging Markets Equity	\$436,697	6.4%	\$428,002	6.3%	\$8,695	0.1%
Real Estate	\$429,906	6.3%	\$475,558	7.0%	(\$45,652)	(0.7%)
Core Fixed Income	\$1,349,627	19.9%	\$1,358,738	20.0%	(\$9,110)	(0.1%)
High Yield Fixed Income	\$378,790	5.6%	\$366,859	5.4%	\$11,931	0.2%
Emerging Markets Debt	\$223,079	3.3%	\$244,573	3.6%	(\$21,494)	(0.3%)
Cash & Equivalents	\$155,268	2.3%	\$67,937	1.0%	\$87,331	1.3%
<b>Total</b>	<b>\$6,793,688</b>	<b>100.0%</b>	<b>\$6,793,688</b>	<b>100.0%</b>		

Cumulative Returns | SJRTD Health Fund vs. Targets  
Beginning October 1, 2014 | Ending September 30, 2020

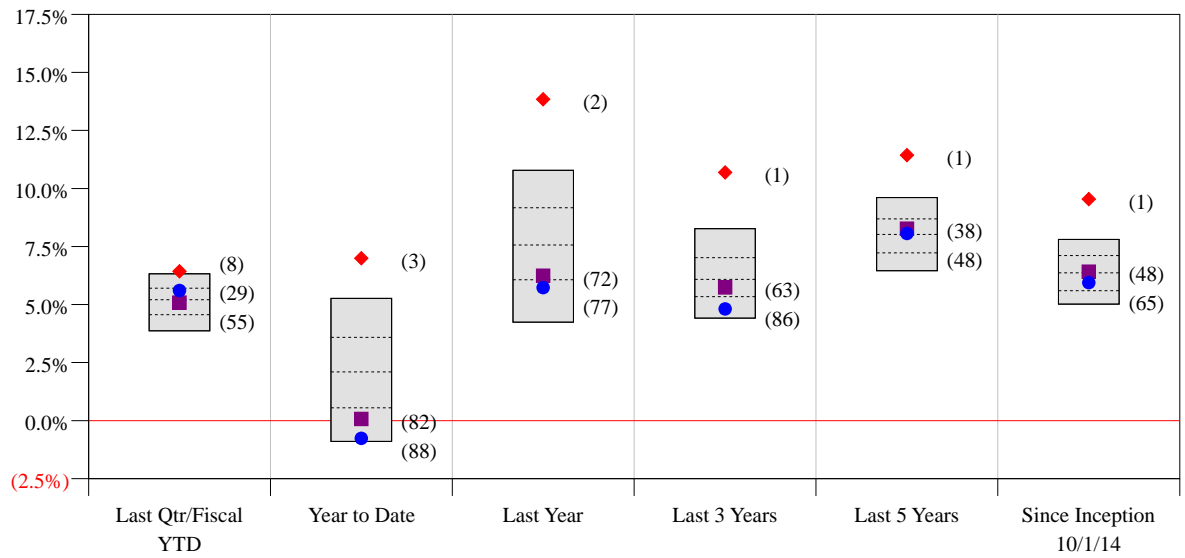


Risk vs Return | SJRTD Health Fund vs. Targets  
Beginning October 1, 2014 | Ending September 30, 2020



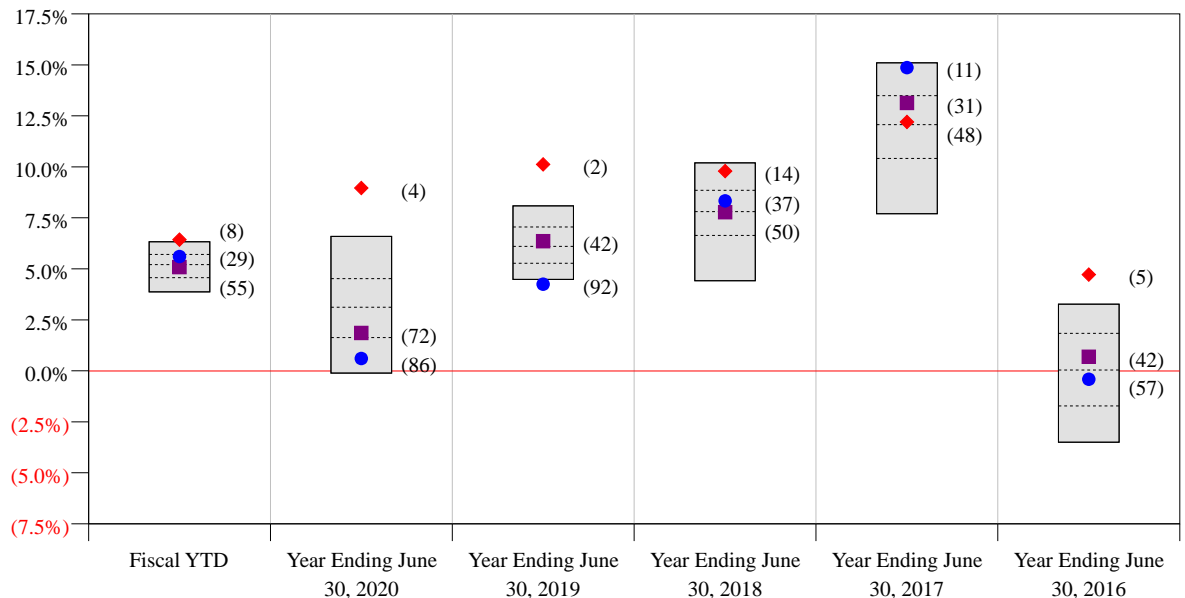
Source: Callan. Past performance is not indicative of future results. See important disclosures.

Performance vs. Callan Fund Sponsors - Small DB (<100M)  
Periods Ended September 30, 2020



10th Percentile  
25th Percentile  
**Median**  
75th Percentile  
90th Percentile  
  
**SJRTD Health Fund**  
  
SJRTD Health Fund Target  
70/30 - S&P 500 / Blmbg Barc Aggr

Fiscal Year Performance vs. Callan Fund Sponsors - Small DB (<100M)



10th Percentile  
25th Percentile  
**Median**  
75th Percentile  
90th Percentile  
  
**SJRTD Health Fund**  
  
SJRTD Health Fund Target  
70/30 - S&P 500 / Blmbg Barc Aggr

Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Returns for Periods Ended September 30, 2020

	Last Qtr/Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 6 Years
<b>Large Cap Equity</b>						
Vanguard 500 Index Adm	8.92	5.55	15.11	12.24	14.11	11.51
DFA US Large Cap Value	5.20	(16.14)	(8.54)	(0.04)	6.69	4.51
<i>S&amp;P 500 Index</i>	<i>8.93</i>	<i>5.57</i>	<i>15.15</i>	<i>12.28</i>	<i>14.15</i>	<i>11.54</i>
<i>Russell 1000 Value</i>	<i>5.59</i>	<i>(11.58)</i>	<i>(5.03)</i>	<i>2.63</i>	<i>7.66</i>	<i>5.54</i>
<i>Russell 1000 Growth</i>	<i>13.22</i>	<i>24.33</i>	<i>37.53</i>	<i>21.67</i>	<i>20.10</i>	<i>17.10</i>
<b>Small Cap Equity</b>						
DFA US Small Cap Value	3.37	(22.94)	(15.86)	(7.29)	1.60	0.74
Vanguard Small Cap Gr Idx Adm*	7.74	8.53	18.68	12.85	13.69	11.19
<i>Russell 2000 Index</i>	<i>4.93</i>	<i>(8.69)</i>	<i>0.39</i>	<i>1.77</i>	<i>8.00</i>	<i>6.85</i>
<i>Russell 2000 Value</i>	<i>2.56</i>	<i>(21.54)</i>	<i>(14.88)</i>	<i>(5.13)</i>	<i>4.11</i>	<i>3.13</i>
<i>Russell 2000 Growth</i>	<i>7.16</i>	<i>3.88</i>	<i>15.71</i>	<i>8.18</i>	<i>11.42</i>	<i>10.16</i>
<i>CRSP US Sm Cap Growth</i>	<i>7.77</i>	<i>8.58</i>	<i>18.73</i>	<i>12.87</i>	<i>13.67</i>	<i>11.16</i>
<b>International Equity</b>						
DFA International Value	2.00	(19.92)	(13.66)	(6.95)	1.45	(1.27)
Vanguard Int'l Growth Adm	16.27	30.65	49.32	16.07	18.58	13.29
DFA Intl Small Company	9.68	(7.39)	3.96	(1.02)	6.10	4.41
<i>MSCI EAFE Index</i>	<i>4.80</i>	<i>(7.09)</i>	<i>0.49</i>	<i>0.62</i>	<i>5.26</i>	<i>2.80</i>
<i>MSCI World ex US Value</i>	<i>1.35</i>	<i>(18.88)</i>	<i>(12.74)</i>	<i>(5.88)</i>	<i>1.38</i>	<i>(1.42)</i>
<i>MSCI ACWI ex US Growth</i>	<i>10.16</i>	<i>7.27</i>	<i>17.54</i>	<i>7.33</i>	<i>10.16</i>	<i>6.88</i>
<i>MSCI World Sm Cap ex US</i>	<i>10.12</i>	<i>(4.05)</i>	<i>6.88</i>	<i>1.42</i>	<i>7.35</i>	<i>5.43</i>
<b>Emerging Markets Equity</b>						
DFA Emerging Markets Core	8.48	(6.09)	3.82	(0.18)	7.17	2.36
<i>MSCI Emerging Markets</i>	<i>9.56</i>	<i>(1.16)</i>	<i>10.54</i>	<i>2.42</i>	<i>8.97</i>	<i>3.65</i>
<b>REITs</b>						
DFA Global Real Estate Securities	1.95	(15.78)	(14.42)	1.91	4.45	4.68
<i>S&amp;P Global REIT Index</i>	<i>2.37</i>	<i>(19.22)</i>	<i>(18.58)</i>	<i>(1.23)</i>	<i>2.20</i>	<i>2.51</i>
<b>Core Fixed Income</b>						
Dodge & Cox Income	1.48	6.80	7.70	5.49	5.22	4.36
PIMCO Total Return Inst	1.49	7.74	7.42	5.21	4.74	4.21
<i>Blmbg Barc Agg Index</i>	<i>0.62</i>	<i>6.79</i>	<i>6.98</i>	<i>5.24</i>	<i>4.18</i>	<i>3.97</i>
<i>Blmbg Barc Gov/Credit Bond Idx</i>	<i>0.78</i>	<i>8.04</i>	<i>8.03</i>	<i>5.86</i>	<i>4.66</i>	<i>4.33</i>
<b>High Yield Fixed Income</b>						
Vanguard High Yield Corp Adm	4.27	0.72	3.27	4.32	6.12	5.11
<i>ICE BofA High Yield CP BB-B Cons</i>	<i>4.34</i>	<i>0.62</i>	<i>3.21</i>	<i>4.43</i>	<i>6.61</i>	<i>5.11</i>

\* Investor shares used as a proxy prior to 10/2011.

Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Returns for Periods Ended September 30, 2020

	Last Qtr/Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 6 Years
<b>Emerging Markets Debt</b>						
PIMCO EM Full Spectrum Bd I	1.91	(3.64)	0.76	1.87	5.70	1.61
<i>50/25/25 Em Debt Index*</i>	<i>1.53</i>	<i>(2.38)</i>	<i>1.18</i>	<i>2.19</i>	<i>5.60</i>	<i>2.67</i>
<i>50/50 Em Debt Index**</i>	<i>1.46</i>	<i>(3.44)</i>	<i>(0.06)</i>	<i>1.89</i>	<i>5.52</i>	<i>2.65</i>
<b>Total Fund</b>						
SJRTD Health Fund	5.61	(0.76)	5.73	4.82	8.07	5.95
<i>SJRTD Health Fund Target</i>	<i>5.09</i>	<i>0.07</i>	<i>6.24</i>	<i>5.74</i>	<i>8.28</i>	<i>6.42</i>

\* 50/25/25 Em Debt Index is a blended benchmark comprised of 50% JPM GBI-EM Global Diversified Index (local bonds), 25% JPM EMBI Global Index (external sovereigns), and 25% JPM CEMBI Diversified Index (corporate bonds).

\*\* 50/50 EM Debt Index is a blended benchmark comprised of 50% JPM GBI-EM Global Diversified Index (local bonds), and 50% JPM EMBI Global Diversified Index (external bonds).

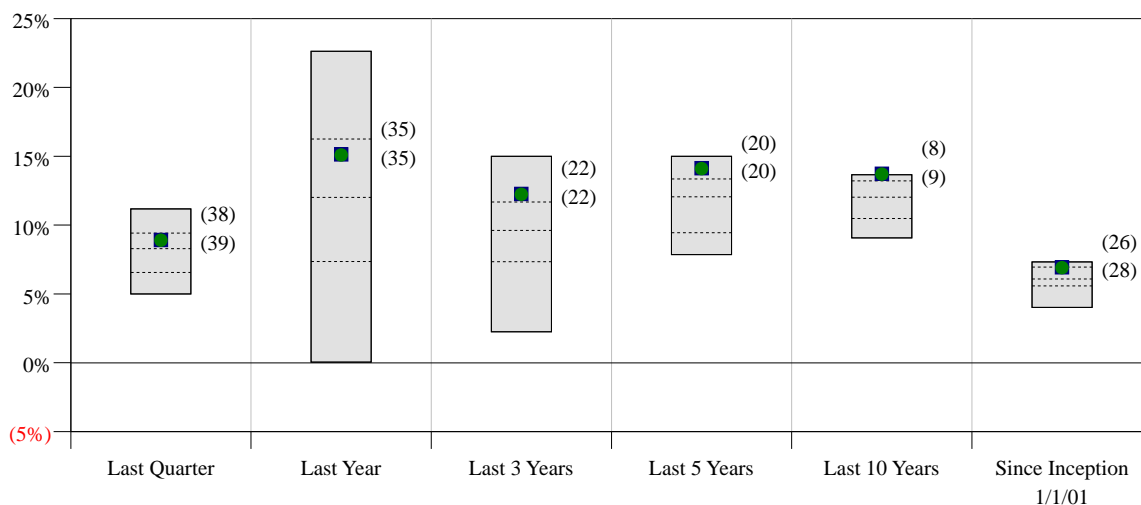
Current Quarter Target = 1.0% 3-Month Treasury Bill, 20.0% Bloomberg Barclays Aggregate Index, 7.0% S&P Global REIT Index, 1.80% JPM GBI EM Global Divers USD (UH), 1.80% JPM EMBI Global Diversified, 5.4% ICE BofAML High Yield CP BB-B Cons, 18.9% MSCI EAFE Index, 6.30% MSCI Emerging Markets, 9.45% Russell 2000 Index, 28.35% S&P 500 Index.

Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Core Equity Style mutual funds have characteristics similar to those of the broader market as represented by the Standard & Poor's Index. Their objective is to add value over and above the index, typically from sector or issue selection.

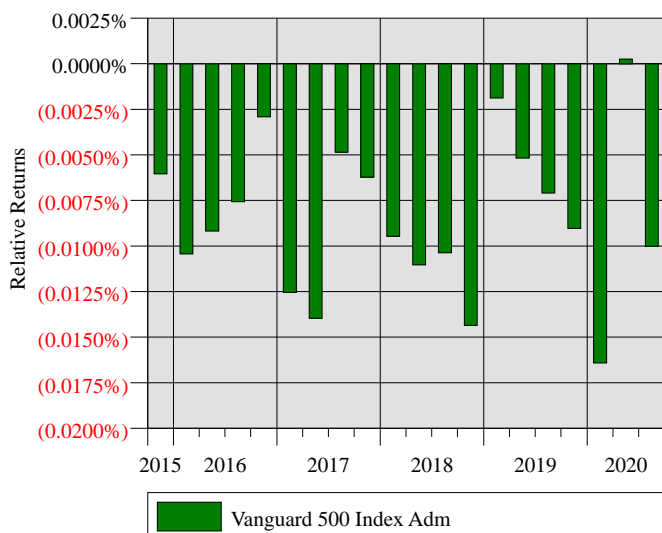
### Vanguard 500 Index Adm (VFIAX) Performance vs. Callan Large Cap Core Mutual Funds Periods ending: September 30, 2020



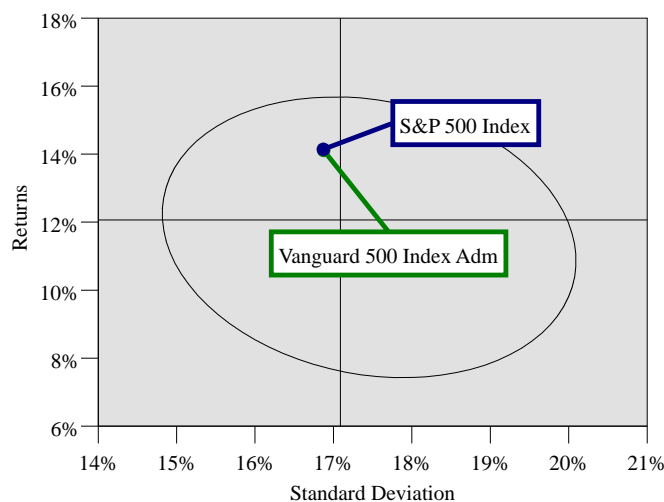
10th Percentile	11.19	22.63	15.01	15.01	13.66	7.33
25th Percentile	9.42	16.26	11.68	13.36	13.23	6.96
<b>Median</b>	<b>8.30</b>	<b>12.02</b>	<b>9.62</b>	<b>12.07</b>	<b>12.04</b>	<b>6.09</b>
75th Percentile	6.56	7.36	7.34	9.45	10.49	5.60
90th Percentile	5.00	0.05	2.25	7.87	9.08	4.03
<b>Vanguard 500 Index Adm</b> ●	<b>8.92</b>	<b>15.11</b>	<b>12.24</b>	<b>14.11</b>	<b>13.71</b>	<b>6.92</b>
S&P 500 Index ■	8.93	15.15	12.28	14.15	13.74	6.94

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Vanguard 500 Index Adm</b>	<b>5.55</b>	<b>31.46</b>	<b>(4.43)</b>	<b>21.79</b>	<b>11.93</b>	<b>1.36</b>	<b>13.64</b>	<b>32.33</b>	<b>15.96</b>	<b>2.08</b>	<b>15.05</b>
S&P 500 Index	5.57	31.49	(4.38)	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06

#### Relative Returns vs. S&P 500 Index



#### Callan Large Cap Core Mutual Funds | 5 Years Ended 9/30/20

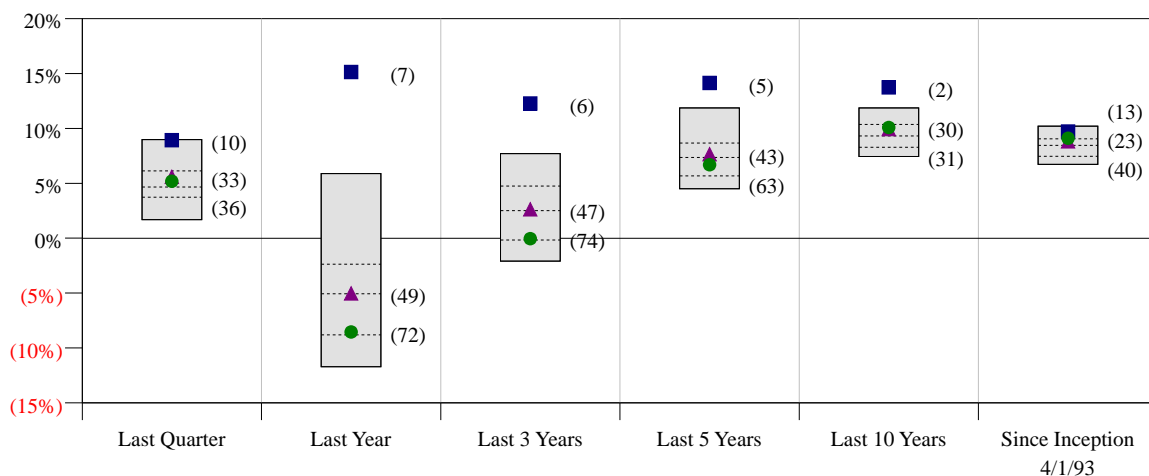


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Large Cap Value Equity Style mutual funds invest in predominantly large cap companies believed to be currently undervalued in the general market. The companies are expected to have a near-term earnings rebound and eventual realization of expected value.

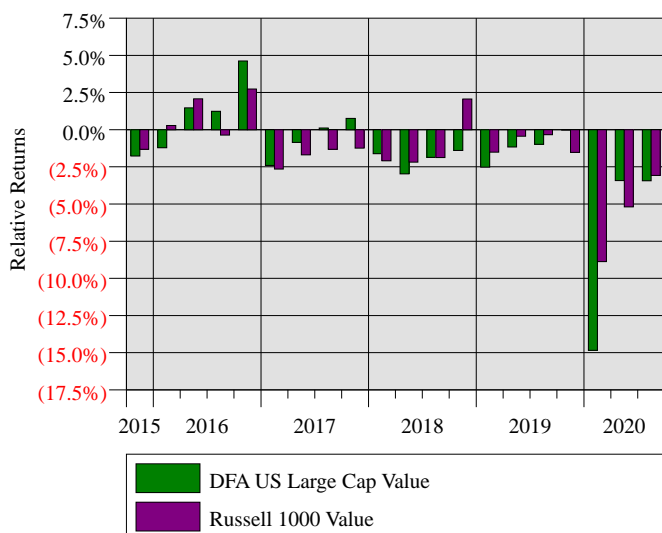
### DFA US Large Cap Value (DFLVX) Performance vs. Callan Large Cap Value Mutual Funds Periods ending: September 30, 2020



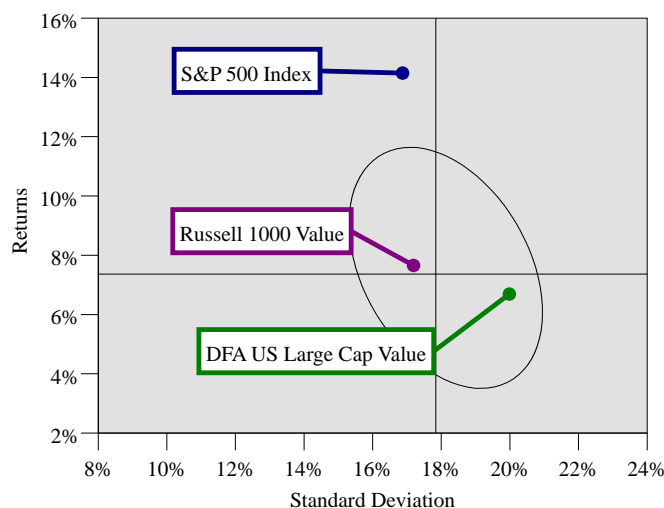
10th Percentile	8.99	5.90	7.72	11.88	11.87	10.21
25th Percentile	6.13	(2.36)	4.75	8.68	10.38	9.05
<b>Median</b>	<b>4.67</b>	<b>(5.06)</b>	<b>2.51</b>	<b>7.37</b>	<b>9.33</b>	<b>8.46</b>
75th Percentile	3.75	(8.80)	(0.15)	5.69	8.30	7.46
90th Percentile	1.69	(11.71)	(2.09)	4.51	7.46	6.73
<b>DFA US Large Cap Value</b>	<b>5.20</b>	<b>(8.54)</b>	<b>(0.04)</b>	<b>6.69</b>	<b>10.09</b>	<b>9.11</b>
S&P 500 Index	8.93	15.15	12.28	14.15	13.74	9.73
Russell 1000 Value	5.59	(5.03)	2.63	7.66	9.95	8.84

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>DFA US Large Cap Value</b>	<b>(16.14)</b>	<b>25.45</b>	<b>(11.65)</b>	<b>18.97</b>	<b>18.89</b>	<b>(3.49)</b>	<b>10.07</b>	<b>40.32</b>	<b>22.05</b>	<b>(3.14)</b>	<b>20.17</b>
S&P 500 Index	5.57	31.49	(4.38)	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06
Russell 1000 Value	(11.58)	26.54	(8.27)	13.66	17.34	(3.83)	13.45	32.53	17.51	0.39	15.51

#### Relative Returns vs. S&P 500 Index



#### Callan Large Cap Value Mutual Funds | 5 Years Ended 9/30/20

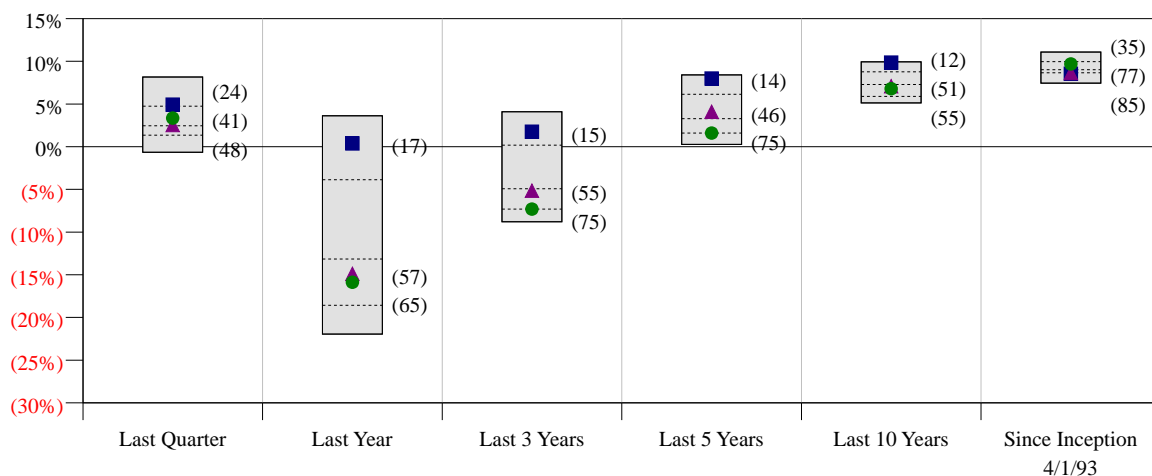


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Small Cap Value Equity Style mutual funds invest in small cap companies that are believed to be currently undervalued in the general market. The companies are expected to have a near-term earnings rebound and eventual realization of expected value.

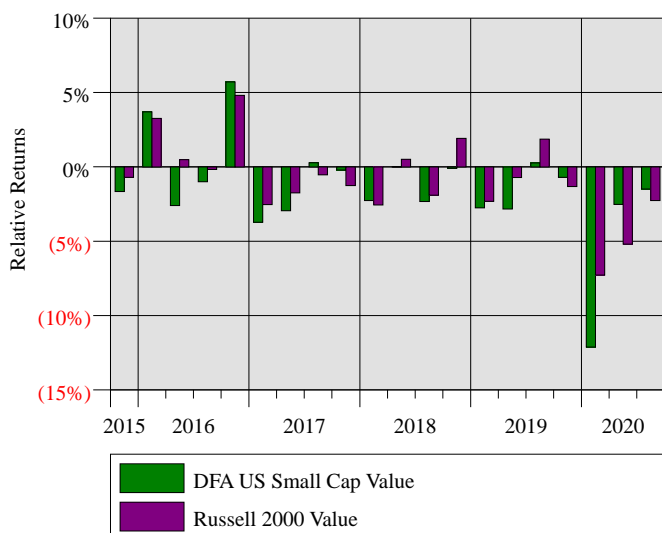
### DFA US Small Cap Value (DFSVX) Performance vs. Callan Small Cap Value Mutual Funds Periods ending: September 30, 2020



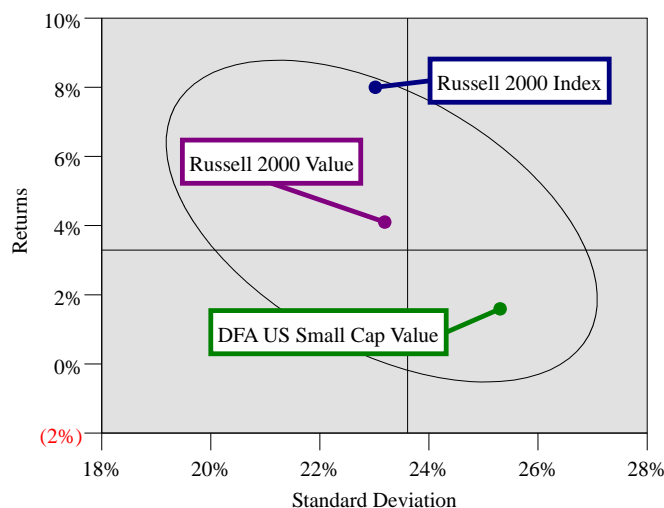
10th Percentile	8.17	3.62	4.10	8.42	9.95	11.09
25th Percentile	4.77	(3.85)	0.18	6.15	8.79	9.98
<b>Median</b>	<b>2.47</b>	<b>(13.14)</b>	<b>(4.91)</b>	<b>3.29</b>	<b>7.30</b>	<b>9.04</b>
75th Percentile	1.36	(18.57)	(7.29)	1.60	5.91	8.67
90th Percentile	(0.64)	(21.95)	(8.78)	0.28	5.13	7.46
<b>DFA US Small Cap Value</b>	<b>3.37</b>	<b>(15.86)</b>	<b>(7.29)</b>	<b>1.60</b>	<b>6.80</b>	<b>9.71</b>
Russell 2000 Index	4.93	0.39	1.77	8.00	9.85	8.55
Russell 2000 Value	2.56	(14.88)	(5.13)	4.11	7.09	8.64

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>DFA US Small Cap Value</b>	<b>(22.94)</b>	<b>18.12</b>	<b>(15.13)</b>	<b>7.21</b>	<b>28.26</b>	<b>(7.81)</b>	<b>3.48</b>	<b>42.38</b>	<b>21.72</b>	<b>(7.55)</b>	<b>30.90</b>
Russell 2000 Index	(8.69)	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82	16.35	(4.18)	26.85
Russell 2000 Value	(21.54)	22.39	(12.86)	7.84	31.74	(7.47)	4.22	34.52	18.05	(5.50)	24.50

#### Relative Returns vs. Russell 2000 Index



#### Callan Small Cap Value Mutual Funds | 5 Years Ended 9/30/20



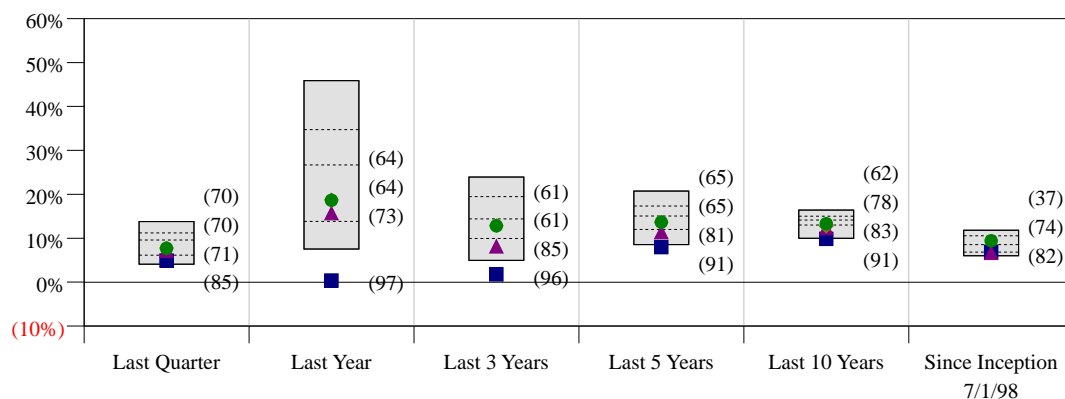
Source: Callan. Past performance is not indicative of future results. See important disclosures.



## Investment Philosophy:

Small Cap Growth Equity Style mutual funds invest in small cap companies that are expected to have above average prospects for long-term growth in earnings and profitability.

### Vanguard Small Cap Gr Idx Adm\* (VSGAX) Performance vs. Callan Small Cap Growth Mutual Funds Periods ending: September 30, 2020

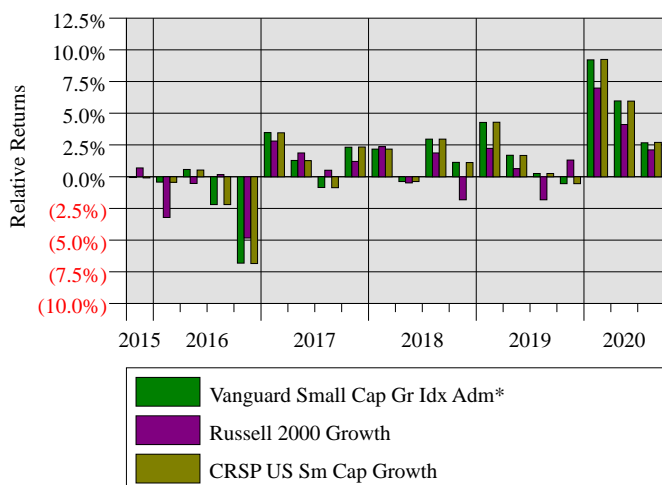


	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile	
	13.79	11.21	9.62	6.15	4.10	
	45.91	34.73	26.70	13.87	7.56	
	23.97	19.49	14.43	9.94	4.97	
	20.74	17.36	15.06	11.99	8.56	
	16.43	15.05	14.16	13.01	10.02	
	11.86	10.59	8.56	6.84	6.04	
<b>Vanguard Small Cap Gr Idx Adm*</b>	<b>7.74</b>	<b>18.68</b>	<b>12.85</b>	<b>13.69</b>	<b>13.33</b>	<b>9.45</b>
Russell 2000 Index	4.93	0.39	1.77	8.00	9.85	6.93
Russell 2000 Growth	7.16	15.71	8.18	11.42	12.34	6.69
CRSP US Sm Cap Growth	7.77	18.73	12.87	13.67	12.76	--

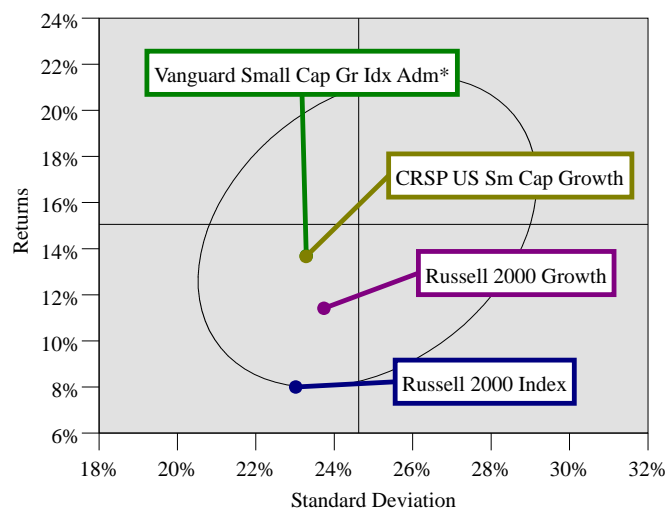
Vanguard switched to CRSP US Sm Cap Growth Index on April 17, 2013.

	3 Qtrs.	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Vanguard Small Cap Gr Idx Adm*</b>	<b>8.53</b>	<b>32.76</b>	<b>(5.68)</b>	<b>21.92</b>	<b>10.73</b>	<b>(2.52)</b>	<b>4.02</b>	<b>38.22</b>	<b>17.66</b>	<b>(1.42)</b>	<b>30.87</b>	
Russell 2000 Index	(8.69)	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82	16.35	(4.18)	26.85	
Russell 2000 Growth	3.88	28.48	(9.31)	22.17	11.32	(1.38)	5.60	43.30	14.59	(2.91)	29.09	
CRSP US Sm Cap Growth	8.58	32.75	(5.68)	21.90	10.62	(2.60)	3.98	38.44	15.39	(3.08)	29.43	

#### Relative Returns vs. Russell 2000 Index



#### Callan Small Cap Growth Mutual Funds | 5 Years Ended 9/30/20



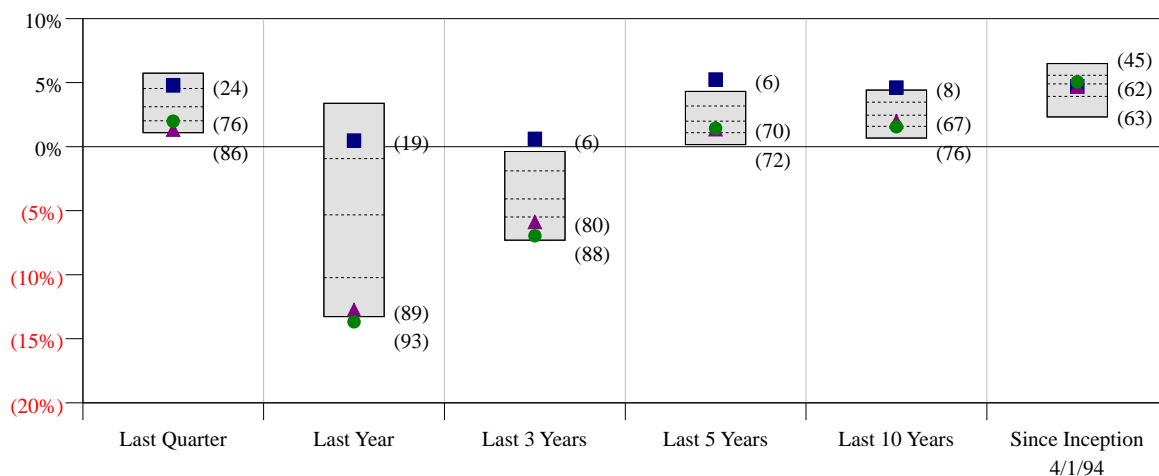
\*Investor shares used as a proxy prior to 10/2011.

Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

International Value Equity mutual funds invest predominantly in Non-U.S. companies believed to be currently undervalued in the general market. The companies are expected to have a near-term earnings rebound and eventual realization of expected value.

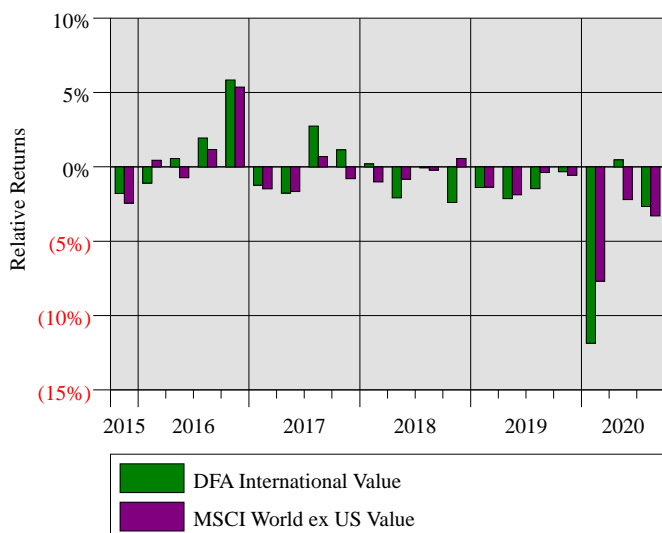
### DFA International Value (DFIVX) Performance vs. Callan International Large Cap Value MFs Periods ending: September 30, 2020



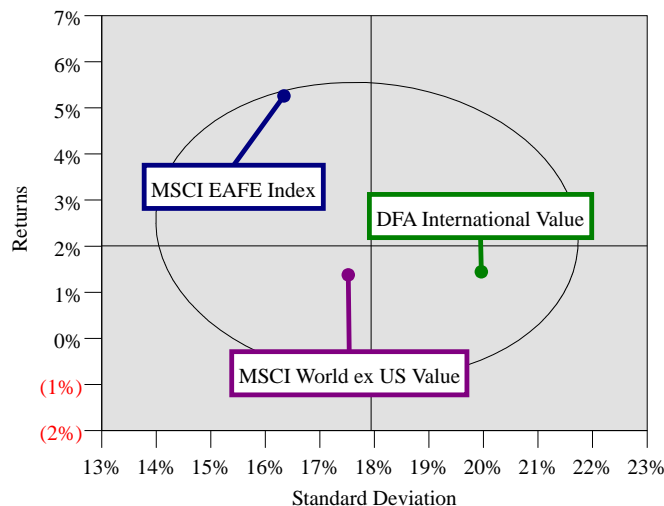
10th Percentile	5.75	3.40	(0.36)	4.33	4.44	6.51
25th Percentile	4.55	(0.92)	(1.89)	3.18	3.48	5.59
<b>Median</b>	<b>3.13</b>	<b>(5.32)</b>	<b>(4.07)</b>	<b>2.01</b>	<b>2.47</b>	<b>4.91</b>
75th Percentile	2.04	(10.22)	(5.48)	1.11	1.60	3.94
90th Percentile	1.10	(13.27)	(7.29)	0.17	0.68	2.34
<b>DFA International Value</b>	<b>2.00</b>	<b>(13.66)</b>	<b>(6.95)</b>	<b>1.45</b>	<b>1.56</b>	<b>5.08</b>
MSCI EAFE Index	4.80	0.49	0.62	5.26	4.62	4.72
MSCI World ex US Value	1.35	(12.74)	(5.88)	1.38	1.99	4.70

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>DFA International Value</b>	<b>(19.92)</b>	<b>15.67</b>	<b>(17.49)</b>	<b>26.09</b>	<b>8.41</b>	<b>(6.31)</b>	<b>(6.99)</b>	<b>23.12</b>	<b>16.61</b>	<b>(16.85)</b>	<b>10.57</b>
MSCI EAFE Index	(7.09)	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78	17.32	(12.14)	7.75
MSCI World ex US Value	(18.88)	17.02	(15.06)	21.04	7.39	(7.68)	(5.41)	21.47	17.29	(11.69)	4.82

#### Relative Returns vs. MSCI EAFE Index



#### Callan International Large Cap Value MFs | 5 Years Ended 9/30/20

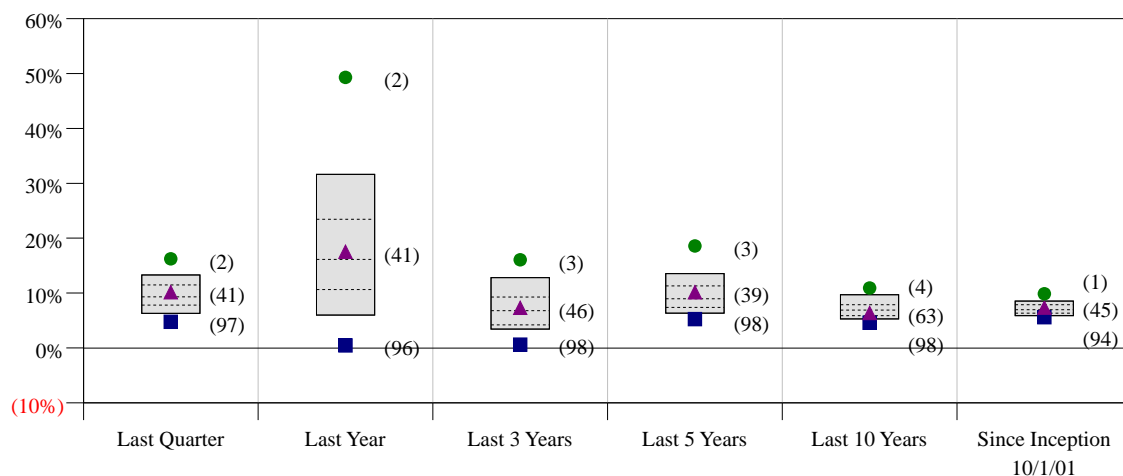


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

International Growth Equity Style mutual funds invest predominantly in companies that are expected to have above average prospects for long-term growth in earnings and profitability. Future growth prospects take precedence over valuation levels in stock selection.

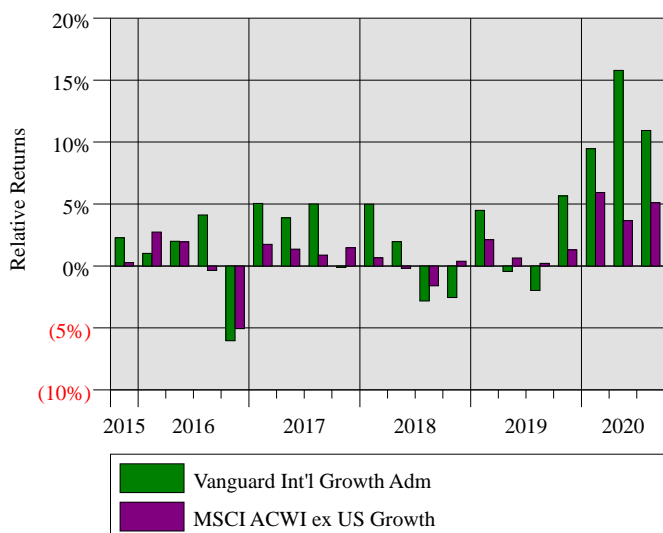
### Vanguard Int'l Growth Adm (VWILX) Performance vs. Callan Intl Large Cap Growth MFs Periods ending: September 30, 2020



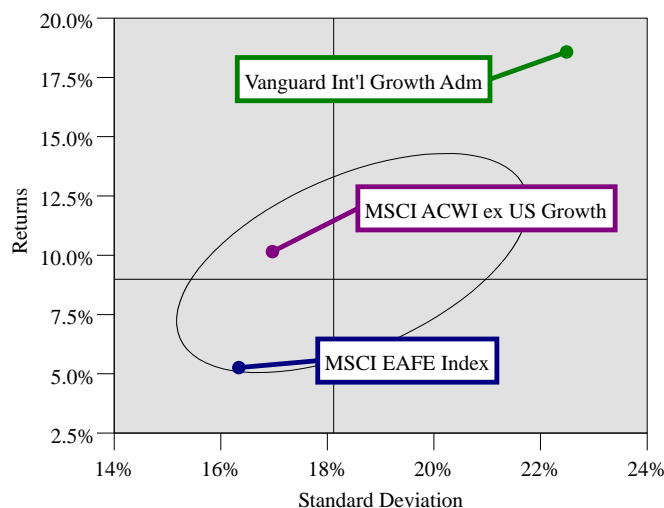
10th Percentile	13.32	31.64	12.83	13.55	9.72	8.55
25th Percentile	11.50	23.45	9.30	11.31	7.88	7.90
<b>Median</b>	<b>9.32</b>	<b>16.15</b>	<b>6.82</b>	<b>8.99</b>	<b>6.91</b>	<b>6.99</b>
75th Percentile	7.82	10.67	4.21	7.40	5.90	6.37
90th Percentile	6.32	5.99	3.46	6.36	5.32	5.88
<b>Vanguard Int'l Growth Adm</b>	<b>16.27</b>	<b>49.32</b>	<b>16.07</b>	<b>18.58</b>	<b>10.93</b>	<b>9.88</b>
MSCI EAFE Index	4.80	0.49	0.62	5.26	4.62	5.63
MSCI ACWI ex US Growth	10.16	17.54	7.33	10.16	6.39	7.38

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Vanguard Int'l Growth Adm</b>	<b>30.65</b>	<b>31.48</b>	<b>(12.58)</b>	<b>43.16</b>	<b>1.84</b>	<b>(0.54)</b>	<b>(5.51)</b>	<b>23.12</b>	<b>20.18</b>	<b>(13.58)</b>	<b>15.81</b>
MSCI EAFE Index	(7.09)	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78	17.32	(12.14)	7.75
MSCI ACWI ex US Growth	7.27	27.34	(14.43)	32.01	0.12	(1.25)	(2.65)	15.49	16.67	(14.20)	14.45

#### Relative Returns vs. MSCI EAFE Index



#### Callan Intl Large Cap Growth MFs | 5 Years Ended 9/30/20

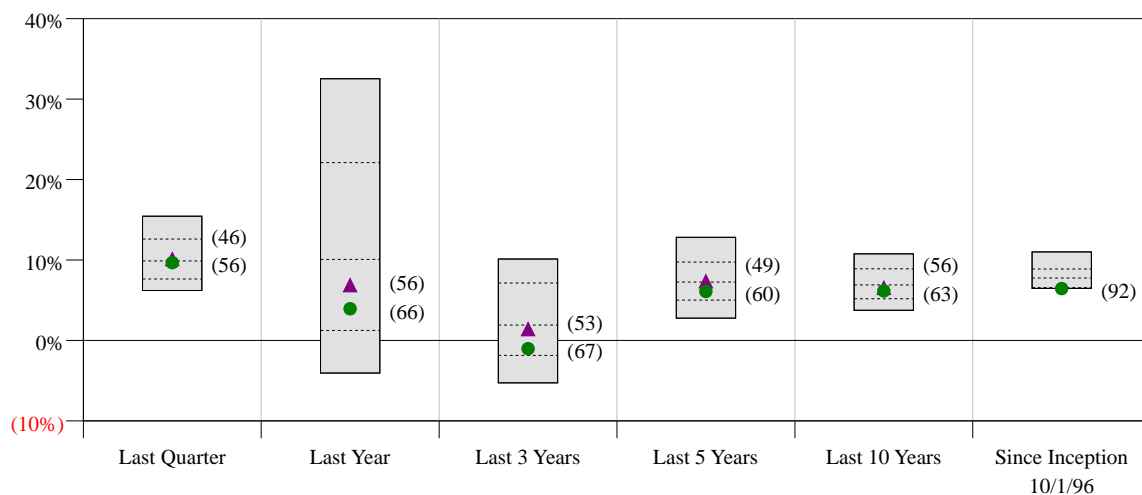


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

International Small Cap funds invest at least 65% of their assets in equity securities of non-United States companies with a market capitalization of less than US \$1 billion at the time of purchase.

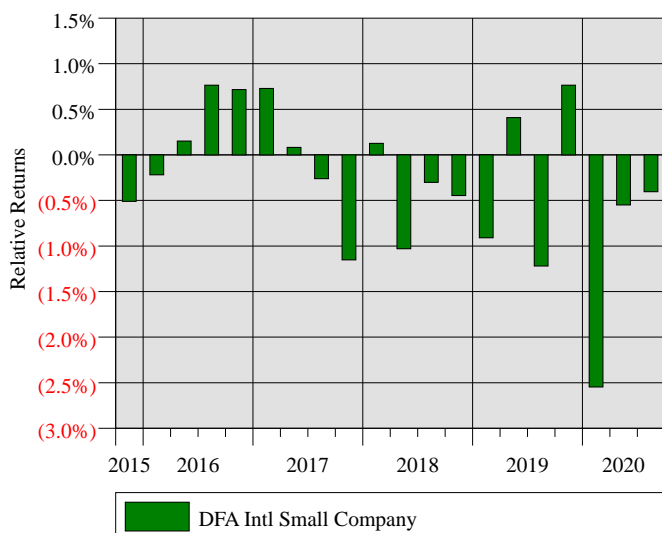
### DFA Intl Small Company (DFISX) Performance vs. Callan International Small Cap Mut Funds Periods ending: September 30, 2020



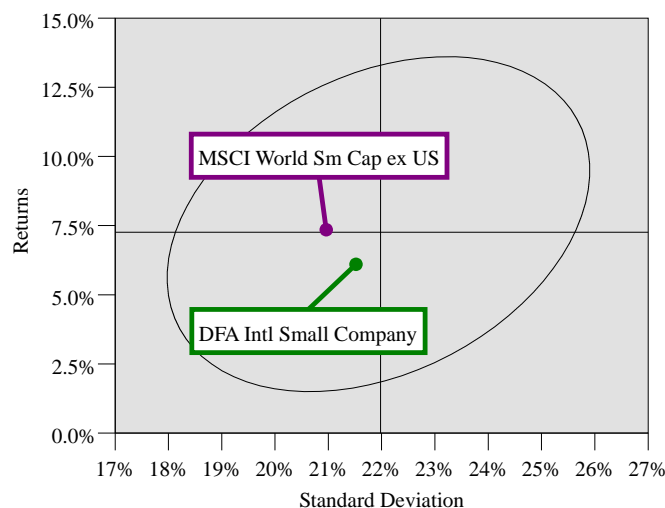
10th Percentile	15.45	32.54	10.13	12.83	10.78	11.01
25th Percentile	12.60	22.12	7.14	9.74	8.91	8.89
<b>Median</b>	<b>9.90</b>	<b>10.08</b>	<b>1.92</b>	<b>7.27</b>	<b>6.92</b>	<b>7.76</b>
75th Percentile	7.65	1.24	(1.86)	5.02	5.19	6.57
90th Percentile	6.23	(4.05)	(5.27)	2.77	3.76	6.48
<b>DFA Intl Small Company</b>	<b>9.68</b>	<b>3.96</b>	<b>(1.02)</b>	<b>6.10</b>	<b>6.18</b>	<b>6.45</b>
MSCI World Sm Cap ex US	10.12	6.88	1.42	7.35	6.55	--

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>DFA Intl Small Company</b>	<b>(7.39)</b>	<b>24.20</b>	<b>(19.42)</b>	<b>30.24</b>	<b>5.80</b>	<b>5.91</b>	<b>(6.30)</b>	<b>27.44</b>	<b>18.86</b>	<b>(15.35)</b>	<b>23.91</b>
MSCI World Sm Cap ex US	(4.05)	25.41	(18.07)	31.04	4.32	5.46	(5.35)	25.55	17.48	(15.81)	24.51

#### Relative Returns vs. MSCI World Sm Cap ex US



#### Callan International Small Cap Mut Funds | 5 Years Ended 9/30/20

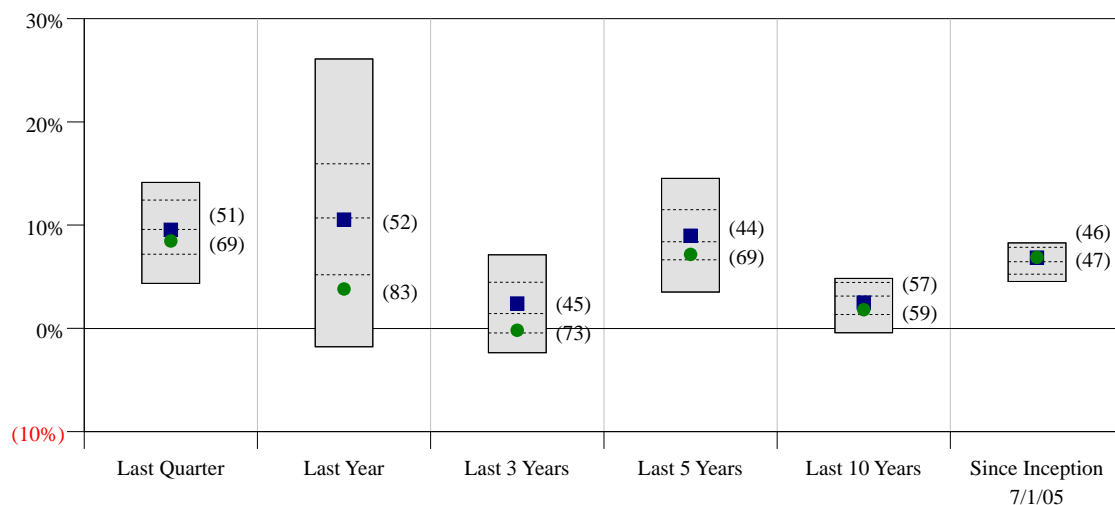


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

The International Emerging Markets Equity Database consists of all mutual fund international equity products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and South America.

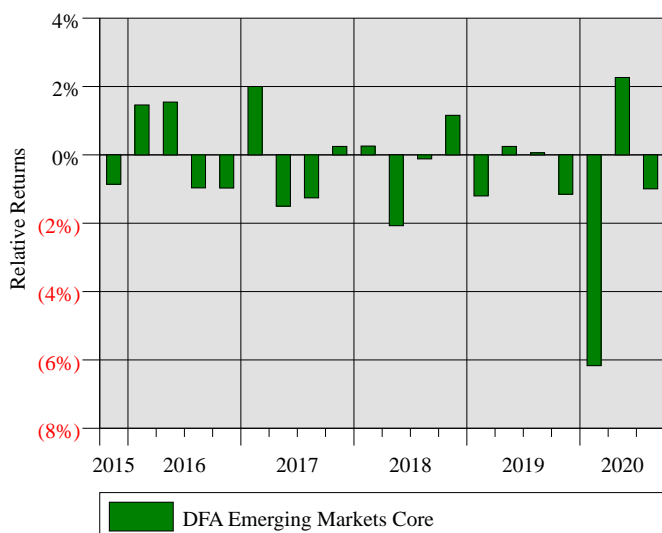
### DFA Emerging Markets Core (DFCEX) Performance vs. Callan Emerging Markets Equity Mut Funds Periods ending: September 30, 2020



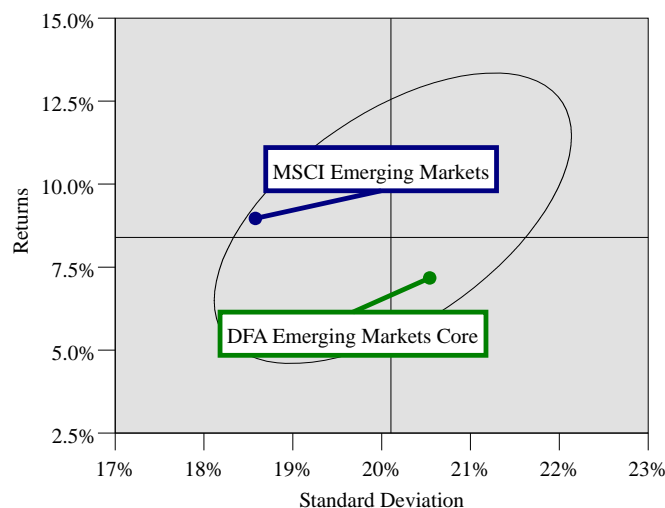
10th Percentile	14.15	26.10	7.13	14.54	4.84	8.29
25th Percentile	12.43	15.96	4.48	11.50	4.46	7.85
<b>Median</b>	<b>9.58</b>	<b>10.70</b>	<b>1.44</b>	<b>8.40</b>	<b>3.14</b>	<b>6.47</b>
75th Percentile	7.20	5.20	(0.43)	6.66	1.35	5.26
90th Percentile	4.36	(1.77)	(2.34)	3.54	(0.42)	4.55
<b>DFA Emerging Markets Core</b>	<b>8.48</b>	<b>3.82</b>	<b>(0.18)</b>	<b>7.17</b>	<b>1.81</b>	<b>6.89</b>
<b>MSCI Emerging Markets</b>	<b>9.56</b>	<b>10.54</b>	<b>2.42</b>	<b>8.97</b>	<b>2.51</b>	<b>6.86</b>

	3 Qtrs.	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
	2020										
<b>DFA Emerging Markets Core</b>	<b>(6.09)</b>	<b>16.04</b>	<b>(15.25)</b>	<b>36.55</b>	<b>12.35</b>	<b>(14.86)</b>	<b>(0.91)</b>	<b>(2.64)</b>	<b>20.49</b>	<b>(20.65)</b>	<b>23.62</b>
<b>MSCI Emerging Markets</b>	<b>(1.16)</b>	<b>18.44</b>	<b>(14.57)</b>	<b>37.28</b>	<b>11.19</b>	<b>(14.92)</b>	<b>(2.19)</b>	<b>(2.60)</b>	<b>18.23</b>	<b>(18.42)</b>	<b>18.88</b>

#### Relative Returns vs. MSCI Emerging Markets



#### Callan Emerging Markets Equity Mut Funds | 5 Years Ended 9/30/20

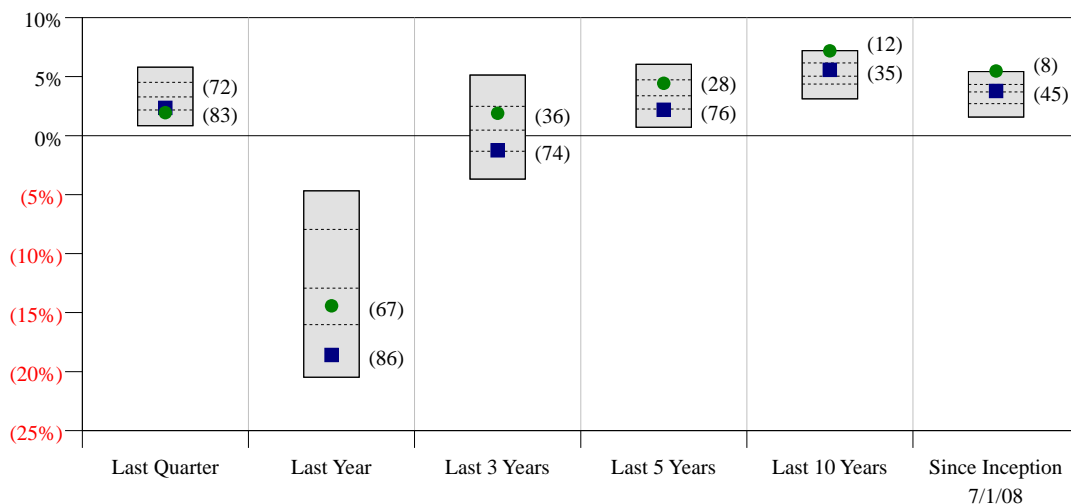


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Global real estate portfolios invest primarily in non-U.S. real estate securities but may also invest in U.S. real estate securities. Securities that these portfolios purchase include: debt securities, equity securities, convertible securities, and securities issued by real estate investment trusts and REIT-like entities. Portfolios in this category also invest in real estate operating companies.

### DFA Global Real Estate Securities (DFGEX) Performance vs. Morningstar Global Real Estate Funds Periods ending: September 30, 2020

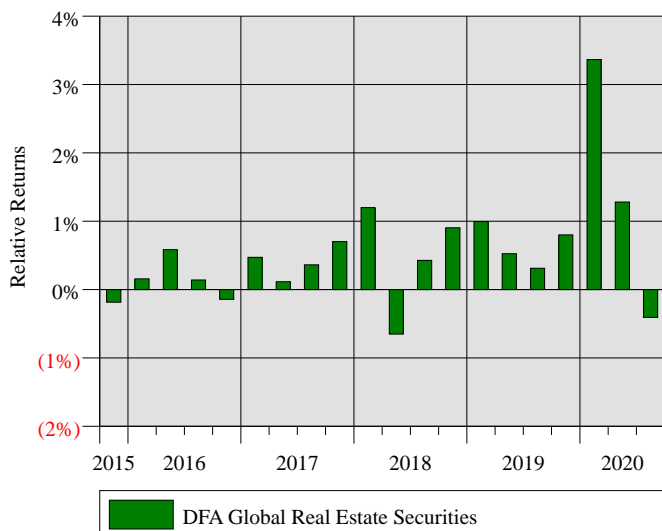


	10th Percentile	25th Percentile	Median	75th Percentile	90th Percentile	DFA Global Real Estate Securities	S&P Global REIT Index
Last Quarter	5.81	4.52	3.28	2.18	0.85	1.95	2.37
Last Year	(4.68)	(7.95)	(12.91)	(16.01)	(20.47)	(14.42)	(18.58)
Last 3 Years	5.15	2.49	0.47	(1.31)	(3.68)	1.91	(1.23)
Last 5 Years	6.05	4.74	3.39	2.26	0.72	4.45	2.20
Last 10 Years	7.21	6.17	5.04	4.37	3.13	7.19	5.58
Since Inception 7/1/08	5.43	4.34	3.71	2.72	1.58	5.49	3.80

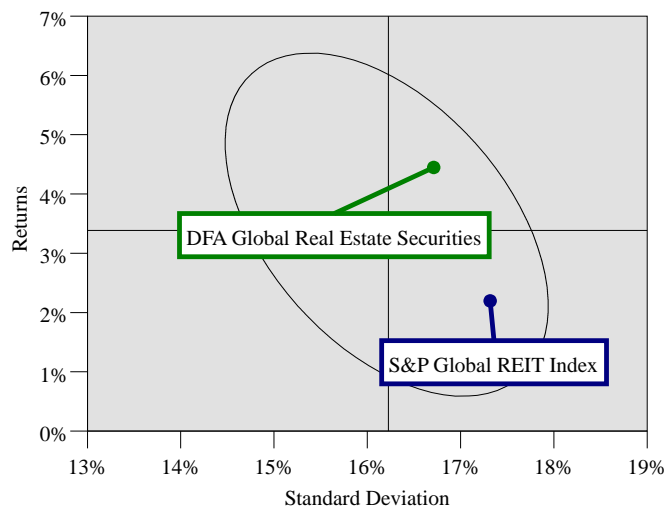
  

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
DFA Global Real Estate Securities	(15.78)	26.40	(4.15)	9.20	6.56	0.69	22.74	1.77	23.17	1.81	23.79
S&P Global REIT Index	(19.22)	23.12	(5.93)	7.41	5.77	(0.44)	21.54	1.73	22.39	0.61	22.09

#### Relative Returns vs. S&P Global REIT Index



#### Morningstar Global Real Estate Funds | 5 Years Ended 9/30/20

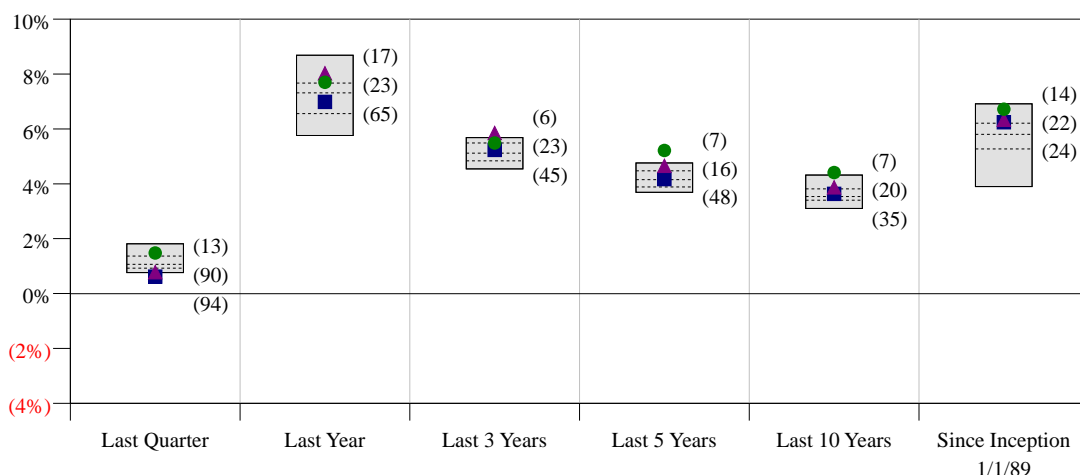


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Core Bond Style mutual funds aim to achieve value added from sector and/or issue selection. Funds are constructed to approximate the investment results of the Barclays Gov/Corp Index or the Barclays Aggregate Index with little duration variability around the index.

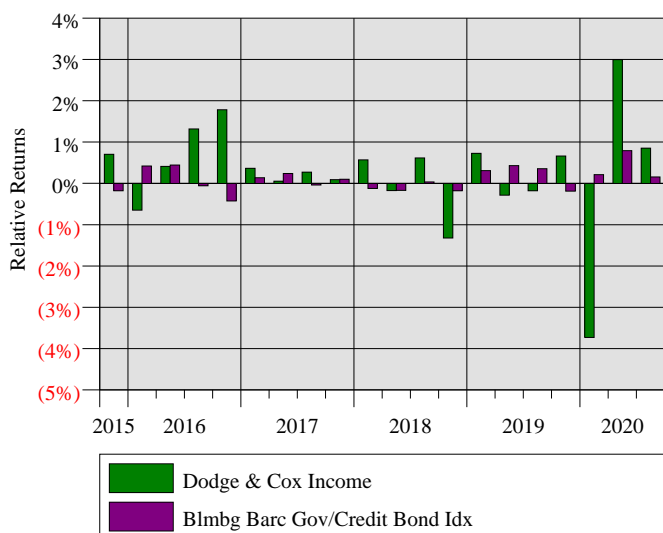
### Dodge & Cox Income (DODIX) Performance vs. Callan Core Bond Mutual Funds Periods ending: September 30, 2020



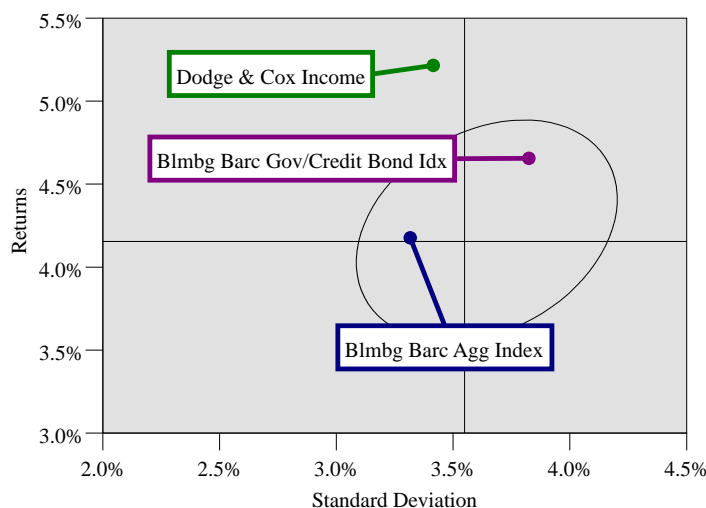
10th Percentile	1.82	8.69	5.68	4.76	4.32	6.92
25th Percentile	1.37	7.67	5.49	4.48	3.82	6.21
<b>Median</b>	<b>1.07</b>	<b>7.31</b>	<b>5.12</b>	<b>4.16</b>	<b>3.54</b>	<b>5.81</b>
75th Percentile	0.93	6.56	4.84	3.89	3.40	5.27
90th Percentile	0.77	5.76	4.55	3.69	3.11	3.91
<b>Dodge &amp; Cox Income</b>	<b>1.48</b>	<b>7.70</b>	<b>5.49</b>	<b>5.22</b>	<b>4.41</b>	<b>6.72</b>
Blmbg Barc Agg Index	0.62	6.98	5.24	4.18	3.64	6.25
Blmbg Barc Gov/Credit Bond Idx	0.78	8.03	5.86	4.66	3.87	6.34

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Dodge &amp; Cox Income</b>	<b>6.80</b>	<b>9.73</b>	<b>(0.31)</b>	<b>4.36</b>	<b>5.61</b>	<b>(0.59)</b>	<b>5.48</b>	<b>0.64</b>	<b>7.94</b>	<b>4.76</b>	<b>7.17</b>
Blmbg Barc Agg Index	6.79	8.72	0.01	3.54	2.65	0.55	5.97	(2.02)	4.21	7.84	6.54
Blmbg Barc Gov/Credit Bond Idx	8.04	9.71	(0.42)	4.00	3.05	0.15	6.01	(2.35)	4.82	8.74	6.59

#### Relative Returns vs. Blmbg Barc Agg Index



#### Callan Core Bond Mutual Funds | 5 Years Ended 9/30/20

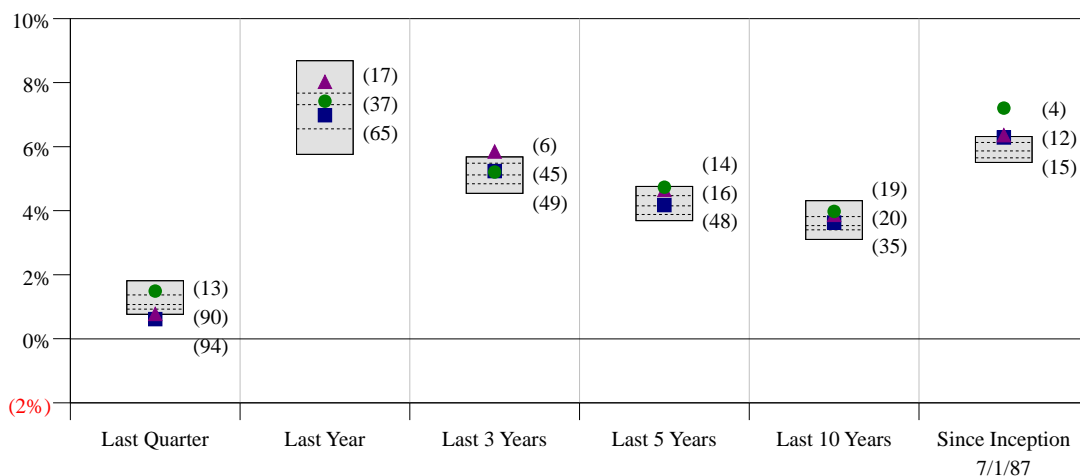


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

Core Bond Style mutual funds aim to achieve value added from sector and/or issue selection. Funds are constructed to approximate the investment results of the Barclays Gov/Corp Index or the Barclays Aggregate Index with little duration variability around the index.

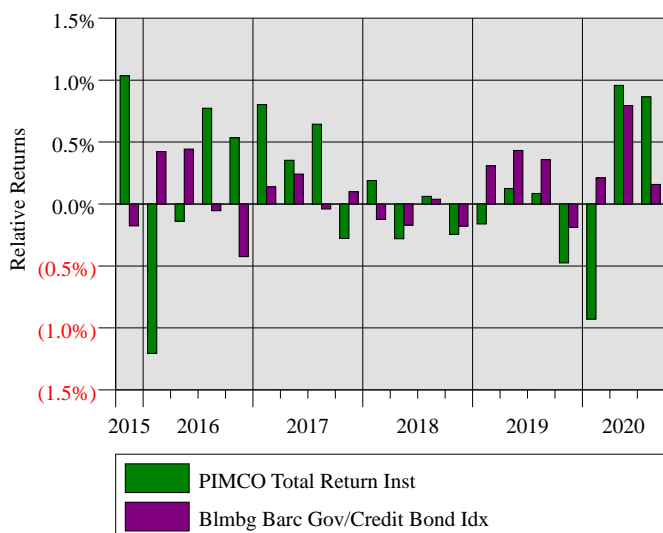
### PIMCO Total Return Inst (PTTRX) Performance vs. Callan Core Bond Mutual Funds Periods ending: September 30, 2020



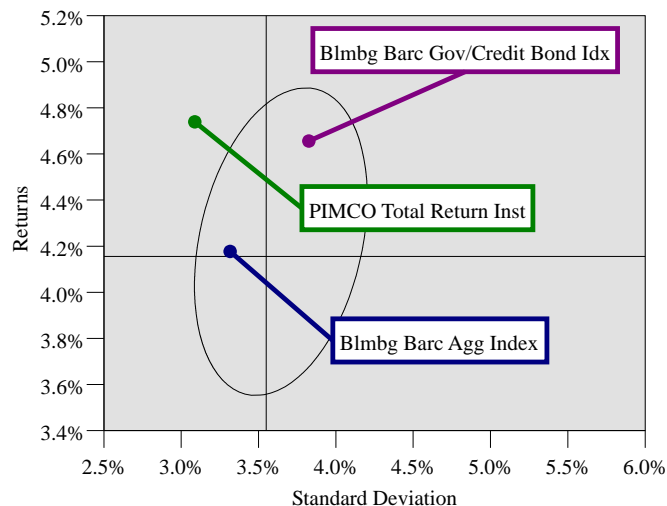
10th Percentile	1.82	8.69	5.68	4.76	4.32	6.32
25th Percentile	1.37	7.67	5.49	4.48	3.82	6.13
<b>Median</b>	<b>1.07</b>	<b>7.31</b>	<b>5.12</b>	<b>4.16</b>	<b>3.54</b>	<b>5.87</b>
75th Percentile	0.93	6.56	4.84	3.89	3.40	5.65
90th Percentile	0.77	5.76	4.55	3.69	3.11	5.51
<b>PIMCO Total Return Inst</b>	<b>1.49</b>	<b>7.42</b>	<b>5.21</b>	<b>4.74</b>	<b>3.98</b>	<b>7.21</b>
Blmbg Barc Agg Index	0.62	6.98	5.24	4.18	3.64	6.29
Blmbg Barc Gov/Credit Bond Idx	0.78	8.03	5.86	4.66	3.87	6.36

	3 Qtrs.										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>PIMCO Total Return Inst</b>	<b>7.74</b>	<b>8.26</b>	<b>(0.26)</b>	<b>5.13</b>	<b>2.60</b>	<b>0.72</b>	<b>4.69</b>	<b>(1.92)</b>	<b>10.35</b>	<b>4.16</b>	<b>8.86</b>
Blmbg Barc Agg Index	6.79	8.72	0.01	3.54	2.65	0.55	5.97	(2.02)	4.21	7.84	6.54
Blmbg Barc Gov/Credit Bond Idx	8.04	9.71	(0.42)	4.00	3.05	0.15	6.01	(2.35)	4.82	8.74	6.59

#### Relative Returns vs. Blmbg Barc Agg Index



#### Callan Core Bond Mutual Funds | 5 Years Ended 9/30/20



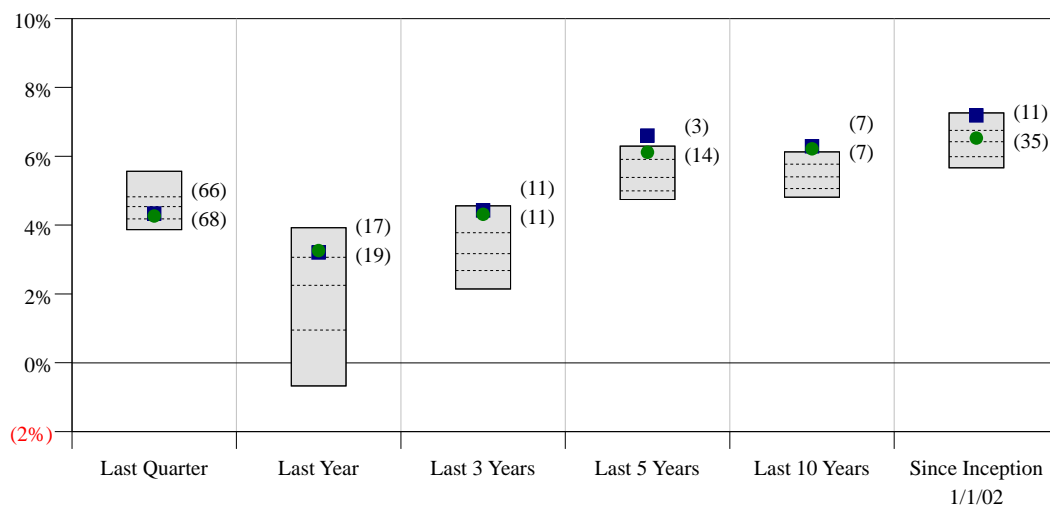
Source: Callan. Past performance is not indicative of future results. See important disclosures.



## Investment Philosophy:

High Yield Style mutual funds invest primarily in non-investment grade fixed-income securities with the objective of obtaining high current income. Due to increased level of default risk, security selection focuses on credit-risk analysis.

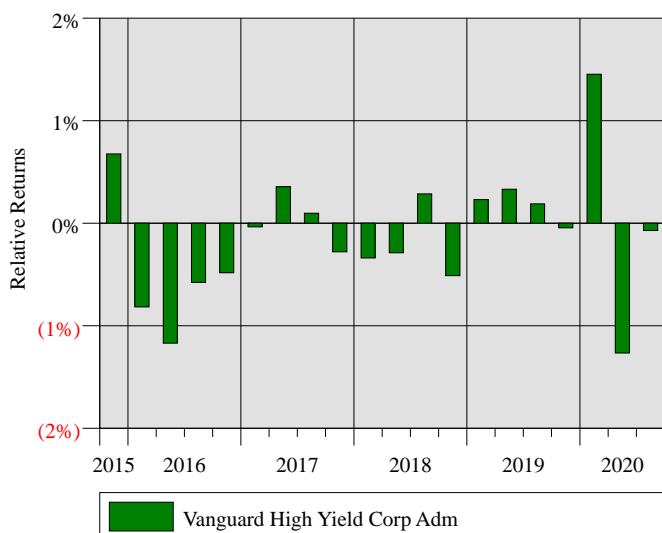
### Vanguard High Yield Corp Adm (VWEAX) Performance vs. Callan High Yield Mutual Funds Periods ending: September 30, 2020



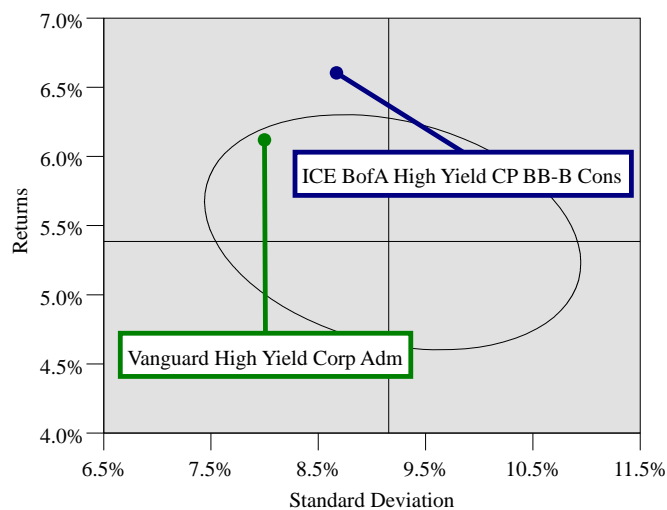
10th Percentile	5.57	3.93	4.56	6.30	6.13	7.27
25th Percentile	4.83	3.07	3.78	5.92	5.77	6.75
<b>Median</b>	<b>4.54</b>	<b>2.25</b>	<b>3.17</b>	<b>5.39</b>	<b>5.41</b>	<b>6.43</b>
75th Percentile	4.18	0.95	2.68	5.00	5.07	5.99
90th Percentile	3.87	(0.67)	2.15	4.75	4.82	5.67
<b>Vanguard High Yield Corp Adm</b> ●	<b>4.27</b>	<b>3.27</b>	<b>4.32</b>	<b>6.12</b>	<b>6.22</b>	<b>6.53</b>
<b>ICE BofA High Yield CP BB-B Cons</b> ■	<b>4.34</b>	<b>3.21</b>	<b>4.43</b>	<b>6.61</b>	<b>6.30</b>	<b>7.19</b>

	3 Qtrs. 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Vanguard High Yield Corp Adm</b>	<b>0.72</b>	<b>15.91</b>	<b>(2.87)</b>	<b>7.13</b>	<b>11.30</b>	<b>(1.30)</b>	<b>4.69</b>	<b>4.64</b>	<b>14.47</b>	<b>7.24</b>	<b>12.53</b>
<b>ICE BofA High Yield CP BB-B Cons</b>	<b>0.62</b>	<b>15.09</b>	<b>(2.04)</b>	<b>6.98</b>	<b>14.76</b>	<b>(2.82)</b>	<b>3.48</b>	<b>6.29</b>	<b>14.58</b>	<b>5.43</b>	<b>14.25</b>

#### Relative Returns vs. ICE BofA High Yield CP BB-B Cons



#### Callan High Yield Mutual Funds | 5 Years Ended 9/30/20

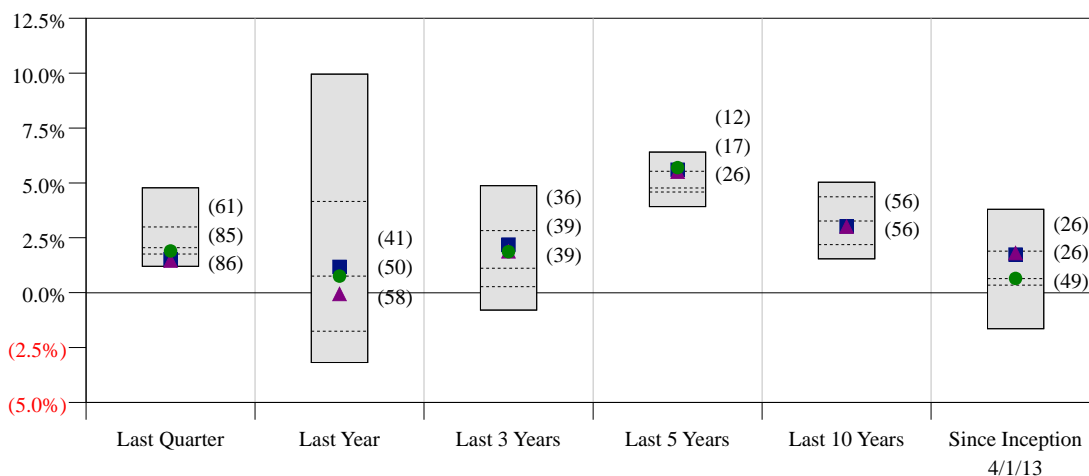


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

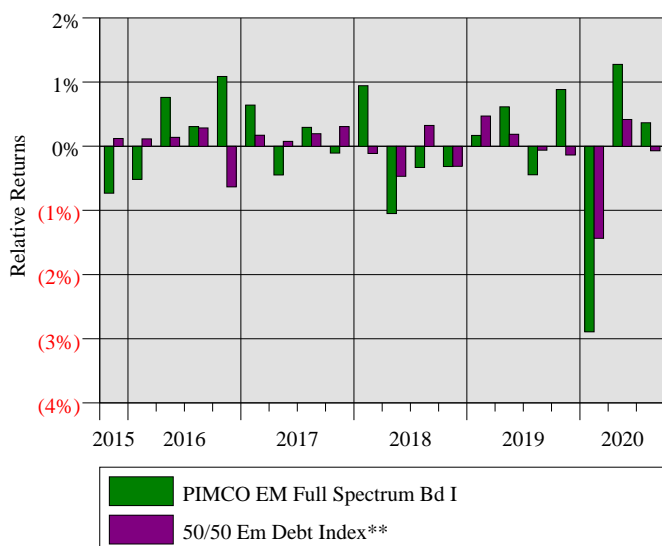
Emerging Markets Debt mutual funds that are benchmarked versus a blend of US\$ denominated and local currency indices.

### PIMCO EM Full Spectrum Bd I (PFSIX) Performance vs. Callan Emerging Mkts Debt Blend MFs Periods ending: September 30, 2020

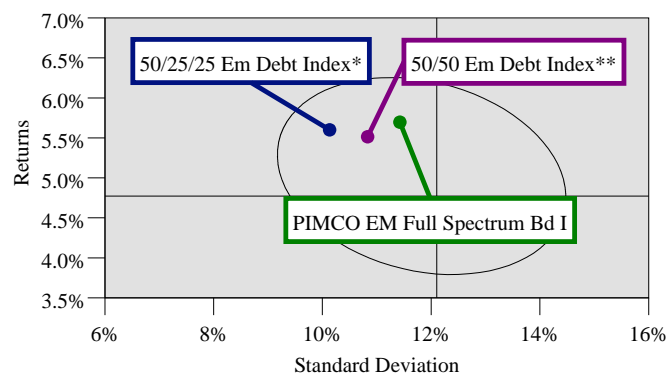


	3 Qtrs.										
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>PIMCO EM Full Spectrum Bd I</b>	<b>(3.64)</b>	<b>15.16</b>	<b>(5.28)</b>	<b>12.30</b>	<b>12.01</b>	<b>(11.09)</b>	<b>(3.82)</b>	--	--	--	--
50/25/25 Em Debt Index*	(2.38)	13.77	(4.56)	11.88	10.20	(7.07)	(0.15)	(6.59)	17.28	2.04	14.26
50/50 Em Debt Index**	(3.44)	14.30	(5.10)	12.72	10.10	(7.07)	0.72	(7.10)	17.15	2.78	13.99

Relative Returns vs. 50/25/25 Em Debt Index\*



Callan Emerging Mkts Debt Blend MFs | 5 Years Ended 9/30/20



\* 50/25/25 Em Debt Index is a blended benchmark comprised of 50% JPM GBI-EM Global Diversified Index (local bonds), 25% JPM EMBI Global Index (external sovereigns), and 25% JPM CEMBI Diversified Index (corporate bonds).

\*\* 50/50 Em Debt Index is a blended benchmark comprised of 50% JPM GBI-EM Global Diversified Index (local bonds), and 50% JPM EMBI Global Diversified Index (external bonds).

Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Important Disclosure Information

Team Hewins, LLC ("Team Hewins") is an SEC registered investment adviser; however, such registration does not imply a certain level of skill or training, and no inference to the contrary should be made. We provide this information with the understanding that we are not engaged in rendering legal, accounting, or tax services. We recommend that all investors seek out the services of competent professionals in any of the aforementioned areas.

Certain performance results included in this presentation are hypothetical returns which have been compiled by Team Hewins. The performance results are based upon a hypothetical model. Hypothetical performance results may have inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those provided. There are numerous other factors related to the markets in general or to the implementation of any specific trading strategy which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. These returns should not be considered as indicative of the skills of the investment adviser.

Index and fund information has been compiled solely by Team Hewins from sources deemed reliable, and has not been independently verified. Index and fund performance information reflects the reinvestment of dividends. Fund returns presented are net of mutual fund management, administration and other costs taken out of fund assets but do not reflect the deduction of account-level transaction or investment advisory fees, the incurrence of which would have the effect of decreasing the historical performance results. Team Hewins maintains all information supporting the performance results in accordance with regulatory requirements.

The account performance shown prior to June 1, 2018, reflects the results when the account was managed by Hewins Financial Advisors, LLC, now known as Wipfli Financial Advisors, LLC. In May 2018, certain principals, including Roger Hewins and other personnel amicably left Hewins Financial Advisors, LLC and formed Team Hewins. There has been no material change in investment personnel managing your account or the investment decision making process.

Target returns represent weighted averages of index returns that Team Hewins considers appropriate to represent the strategic asset allocation as stated in the client's Investment Policy Statement ("IPS"). The Current Quarter Target is comprised of indexes as follows: 1.0% 3-Month Treasury Bill, 20.0% Bloomberg Barclays Aggregate Index, 7.0% S&P Global REIT Index, 1.80% JPM GBI EM Global Divers USD (UH), 1.80% JPM EMBI Global Diversified, 5.4% ICE BofAML High Yield CP BB-B Cons, 18.9% MSCI EAFE Index, 6.30% MSCI Emerging Markets, 9.45% Russell 2000 Index, 28.35% S&P 500 Index. The underlying composition of the benchmark has changed over time; nonetheless, performance information for the Target Benchmark reflects the annualized returns of the benchmark given its applicable underlying indices for the corresponding time period.

The volatilities of any comparative indices included in this presentation may be materially different from the individual performance attained by a specific client in a Team Hewins strategy. In addition, client holdings may differ significantly from the securities that comprise the indices. The indices have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison to the performances of certain well-known and widely recognized indices. The indices are unmanaged, include reinvestment of dividends, capital gain distributions or other earnings and do not reflect any fees or expenses. Indices cannot be invested in directly. Set forth below are descriptions of the indices included in the presentation.

## Index Definitions:

**S&P 500 (Large Cap Equity):** The Standard & Poor's 500 Stock Index (S&P 500) is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S. The index includes the stocks of 500 leading U.S. publicly traded companies from a broad range of industries.

**Russell 2000 (Small Cap Equity):** The Russell 2000 Index is an unmanaged index that measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index, representing approximately 10% of the total market capitalization of that index and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. Russell Investment Group owns the Russell Index data, including all applicable trademarks and copyrights.

**MSCI EAFE (International Equity, Developed):** The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada. The MSCI EAFE Index consists of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

**MSCI Emerging Markets (International Equity, Emerging):** The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

**S&P Global REIT Index: (International, Real Estate Investment Trusts):** The S&P Global REIT serves as a comprehensive benchmark of publicly traded equity real estate investment trusts (REITs) listed in both developed and emerging markets.

**Bloomberg Barclays Aggregate (Core Fixed Income):** The Barclays Capital U.S. Aggregate Index provides a broad-based measure of the domestic investment-grade fixed income market. It is an unmanaged index of taxable, investment-grade, U.S. dollar-denominated fixed-income securities of domestic issuers having a maturity greater than one year.

**ICE BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained (High Yield Fixed Income):** ICE BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained Index tracks the performance of US dollar-denominated below-investment-grade (BBB rated) corporate debt publicly issued in the US domestic market. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis.

**Bloomberg Barclays Gov/Credit Bond (US Fixed Income):** The Barclays Capital U.S. Government/Credit Bond Index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year.

**JPM EMBI Global Diversified (Emerging Markets Fixed Income):** The JP Morgan EMBI Global Diversified is a uniquely weighted index that tracks total returns for U.S. dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities. The index limits the weights of countries with larger debt stocks by only including a specified portion of these countries' eligible current face amounts of debt outstanding.

**JPM GBI EM Global Diversified USD Unh (Emerging Markets Fixed Income):** A comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate domestic currency government bonds.

**3 Month T-Bill:** 3 Month Treasury Bill is a short-term debt obligation backed by the U.S. government with a maturity of 90 days.

**San Joaquin Regional Transit District**  
**Pension Portfolio**  
**Quarterly Investment Report**

September 30, 2020

Prepared by Team Hewins, LLC  
203 Redwood Shores Parkway, Suite 550 | Redwood City, CA 94065

## Market Overview

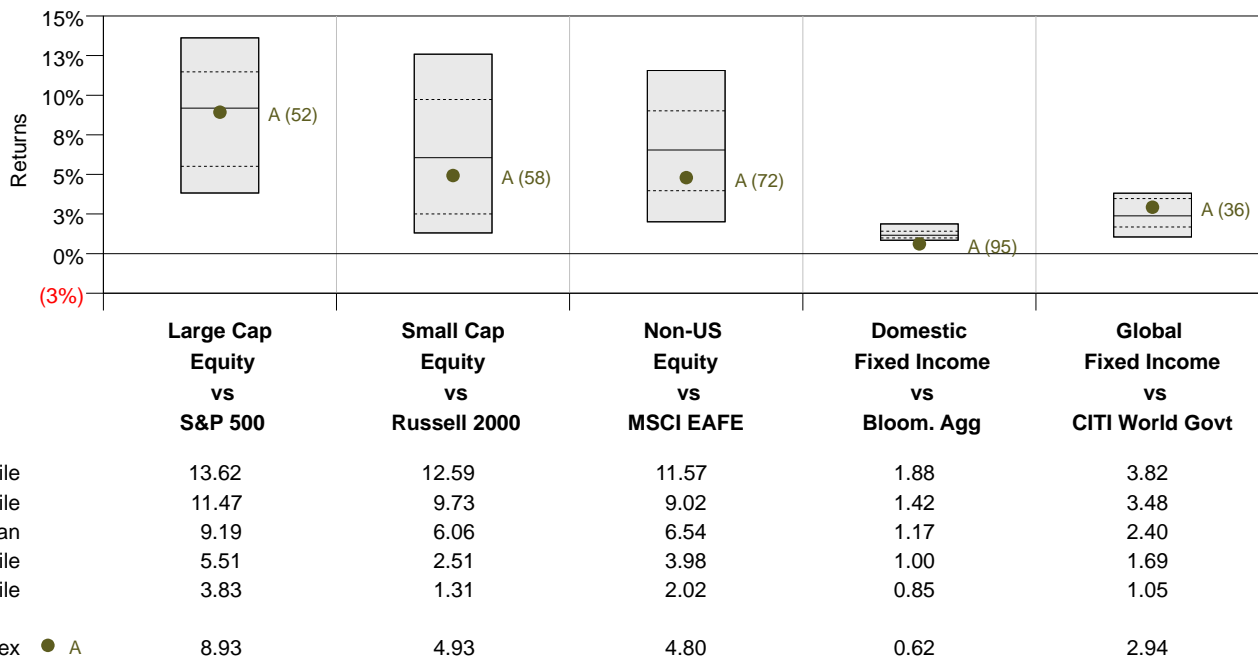
### Active Management vs Index Returns

#### Market Overview

The charts below illustrate the range of returns across managers in Callan's Mutual Fund database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity mutual funds over the last quarter. The symbol represents the S&P 500 return. The number next to the symbol represents the ranking of the S&P 500 in the domestic equity mutual fund database.

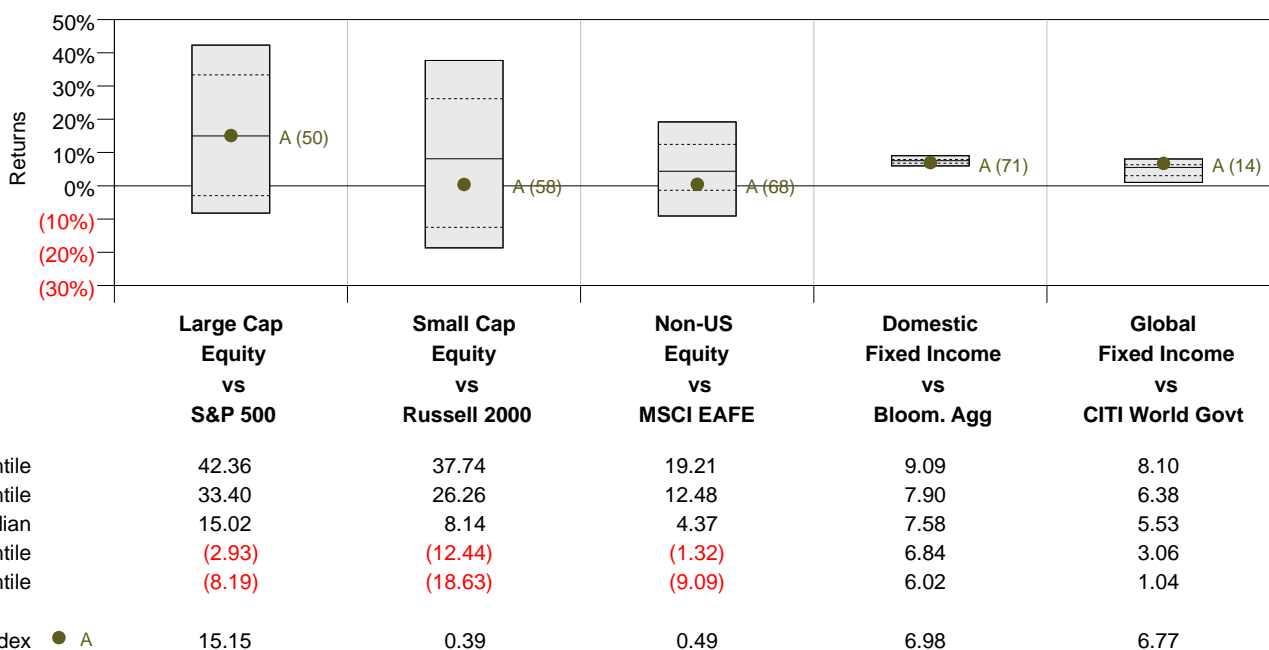
#### Range of Mutual Fund Returns by Asset Class

One Quarter ended September 30, 2020



#### Range of Mutual Fund Returns by Asset Class

One Year ended September 30, 2020



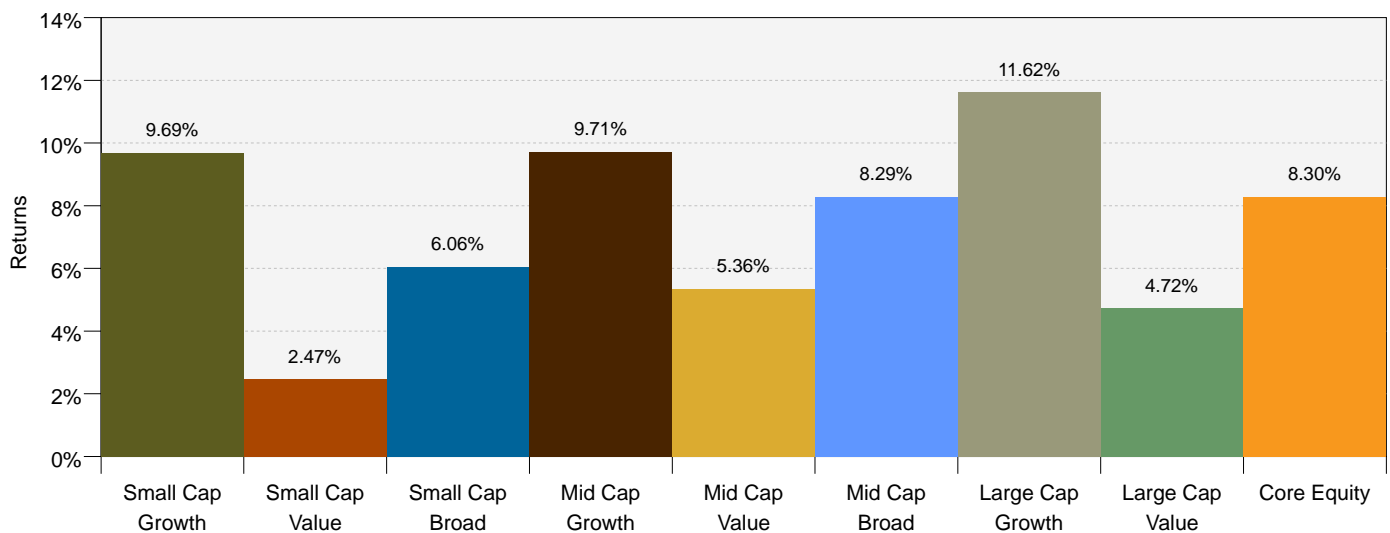
## Domestic Equity

### Active Management Overview

The S&P 500 Index was up 8.9% for the quarter. However, returns among constituents painted starkly different pictures. Consumer Discretionary (+15%) was the best performing sector while Energy (-20%) was the worst. Year-to-date, a handful of sectors remain in the red while others are up double digits. A similar and related picture emerges with style indices. The tech-heavy R1000 Growth Index (+13.2%) was again the best performer. Conversely, the R1000 Value Index was up only 5.6% in the quarter and it has lost nearly 12% this year. The dispersion between growth and value is near an all-time high and equally stark in small and midcap stocks for both the quarter and nine-month periods. Strong stock performance has been concentrated among a few names in the market. The top five stocks (Facebook, Microsoft, Amazon, Alphabet, and Apple) in the S&P 500 account for 23% of the Index and contributed 33% of the quarter's performance.

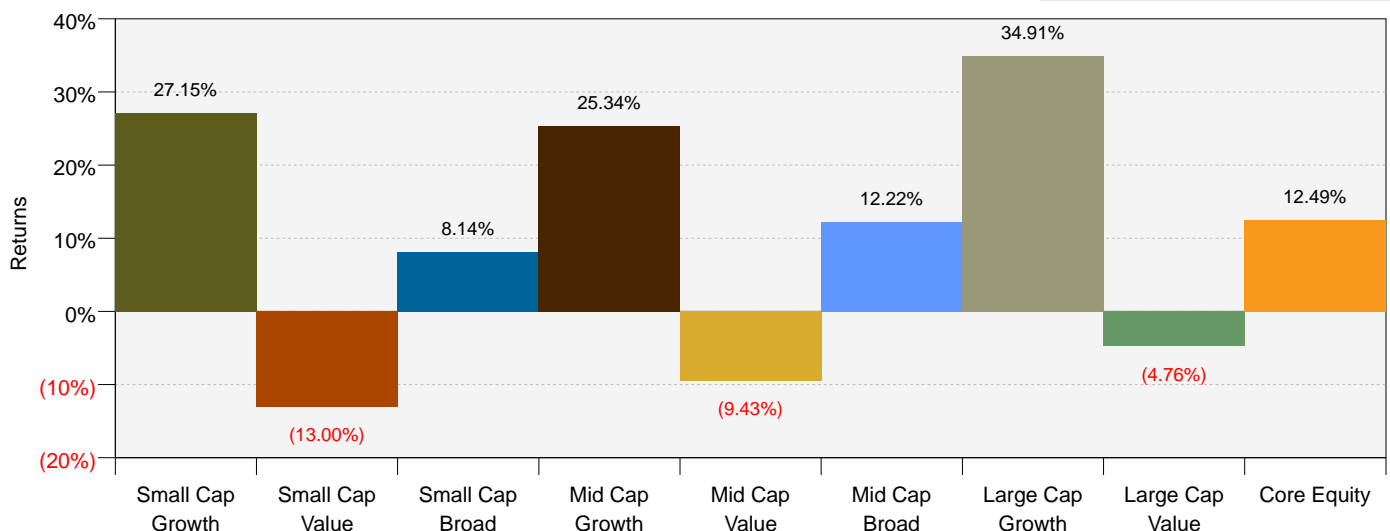
#### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

S&P 500 Index	8.93%
S&P 500 Growth	11.75%
S&P 500 Value	4.79%
S&P 400 Mid Cap	4.77%
S&P 600 Small Cap	3.17%
S&P 600 Small Cap Growth Index	4.13%
S&P 600 Small Cap Value Index	2.09%



#### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

S&P 500 Index	15.15%
S&P 500 Growth	30.64%
S&P 500 Value	(2.68%)
S&P 400 Mid Cap	(2.16%)
S&P 600 Small Cap	(8.29%)
S&P 600 Small Cap Growth Index	0.08%
S&P 600 Small Cap Value Index	(16.86%)



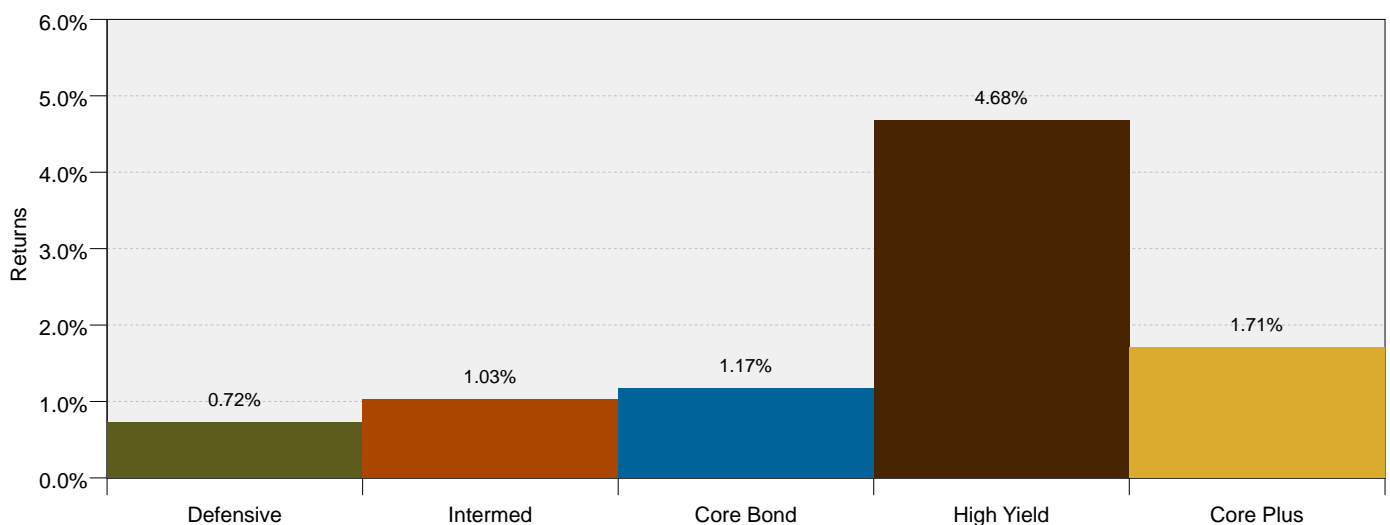
## Domestic Fixed Income

### Active Management Overview

U.S. Treasury yields were largely unchanged over the course of the third quarter. The 10-year U.S. Treasury yield closed the quarter at 0.69%; up 3 bps from June 30 but off far more sharply from the year-end level of 1.92%. Its yield hit an all-time low of 0.52% in August. TIPS (Bloomberg Barclays US TIPS: +3.0%) strongly outperformed nominal U.S. Treasuries for the quarter as 10-year breakeven spreads widened from 134 bps to 163 bps. The Bloomberg Barclays US Aggregate Bond Index gained 0.6%, with the corporate and commercial mortgage-backed sectors performing the best. Supply hit record levels as companies rushed to take advantage of ultra low interest rates. The Bloomberg Barclays High Yield Bond Index was up 4.6% and is now roughly flat y-t-d. High yield and leveraged loan default rates (5.8% and 4.3% y-o-y as of September) continued to trend higher but remain below levels reached in the GFC.

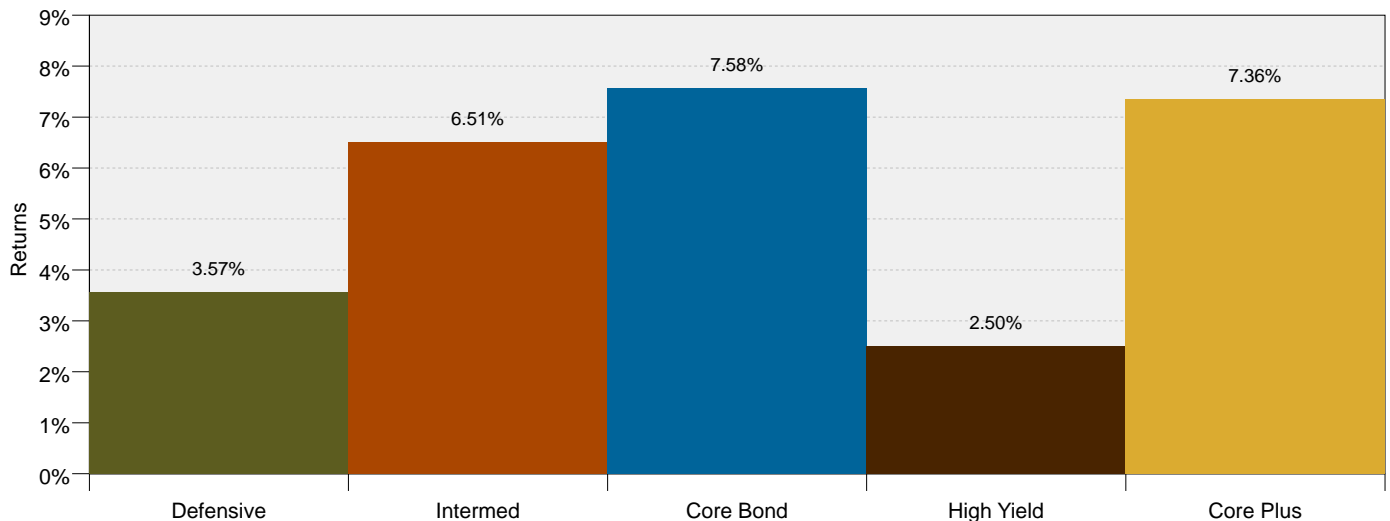
#### Mutual Fund Style Group Median Returns for Quarter ended September 30, 2020

Bloomberg:US Universal	0.99%
Bloomberg:Aggregate	0.62%
Bloomberg:High Yield	4.60%



#### Mutual Fund Style Group Median Returns for One Year ended September 30, 2020

Bloomberg:US Universal	6.68%
Bloomberg:Aggregate	6.98%
Bloomberg:High Yield	3.25%





## Portfolio Holdings

Description	Symbol	Value	Weight
EQUITY			
Large Cap U.S. Equity			
DFA US Large Cap Value I	DFLVX	\$1,979,803	4.5%
Accrued Income		\$11,752	
Vanguard Institutional Index I	VINIX	\$8,949,224	20.0%
<b>Large Cap U.S. Equity Total</b>		<b>\$10,940,779</b>	<b>24.5%</b>
Small Cap U.S. Equity			
DFA US Small Cap Value I	DFSVX	\$1,868,706	4.2%
Accrued Income		\$7,176	
Vanguard Small Cap Growth Index Admiral	VSGAX	\$1,510,711	3.4%
<b>Small Cap U.S. Equity Total</b>		<b>\$3,386,593</b>	<b>7.6%</b>
International Equity			
DFA International Small Company I	DFISX	\$1,844,708	4.1%
Accrued Income		\$4,343	
DFA International Value I	DFIVX	\$2,985,109	6.7%
Accrued Income		\$18,300	
Vanguard International Growth Adm	VWILX	\$2,565,148	5.7%
<b>International Equity Total</b>		<b>\$7,417,608</b>	<b>16.6%</b>
Emerging Markets Equity			
DFA Emerging Markets Core Equity I	DFCEX	\$2,424,273	5.5%
Accrued Income		\$20,521	
<b>Emerging Markets Equity Total</b>		<b>\$2,444,794</b>	<b>5.5%</b>
Real Estate			
DFA Global Real Estate Securities Port	DFGEX	\$2,455,081	5.5%
<b>Real Estate Total</b>		<b>\$2,455,081</b>	<b>5.5%</b>
<b>EQUITY Total</b>		<b>\$26,644,855</b>	<b>59.6%</b>
FIXED INCOME			
Core Fixed Income			
Agincourt Core Fixed Income	xxxxxx8807	\$12,162,199	27.4%
Accrued Income		\$64,836	
<b>Core Fixed Income Total</b>		<b>\$12,227,035</b>	<b>27.4%</b>
<b>FIXED INCOME Total</b>		<b>\$12,227,035</b>	<b>27.4%</b>
DIVERSIFIED FIXED INCOME			
High Yield Fixed Income			
Vanguard High-Yield Corporate Adm	VWEAX	\$3,226,271	7.2%
Accrued Income		\$12,477	
<b>High Yield Fixed Income Total</b>		<b>\$3,238,749</b>	<b>7.2%</b>

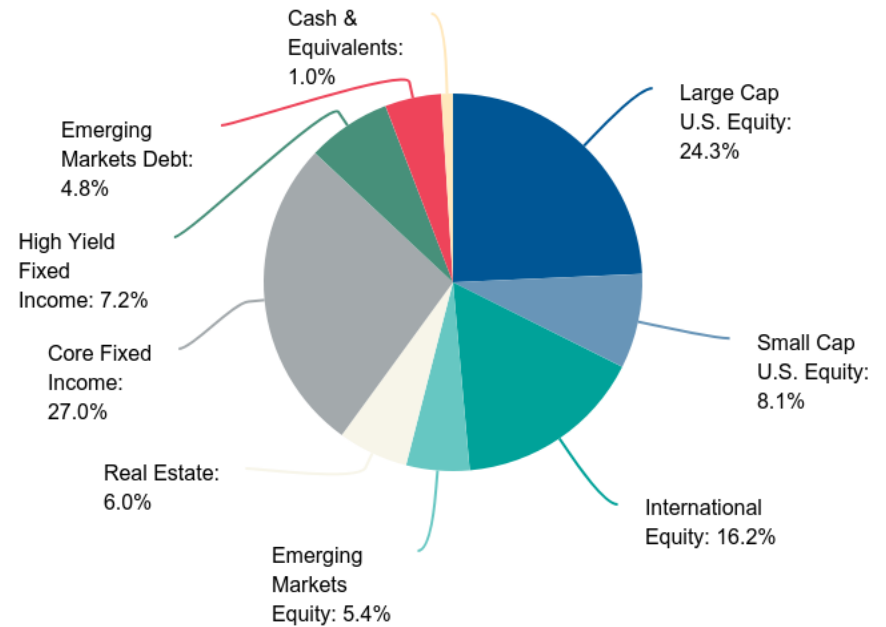
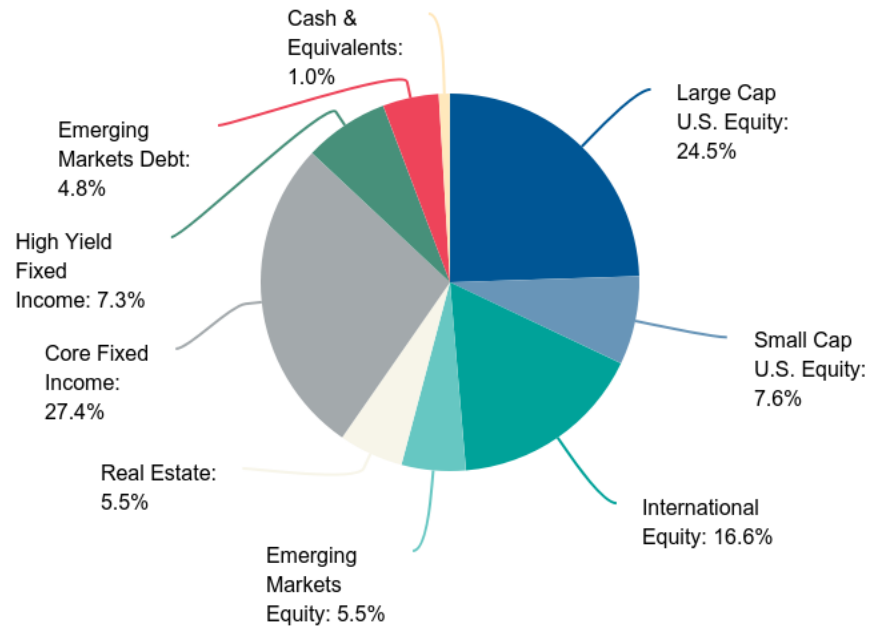
## Portfolio Holdings

Description	Symbol	Value	Weight
DIVERSIFIED FIXED INCOME			
Emerging Markets Debt			
PIMCO Emerg Mkts Full Spectrum Bd Instl	PFSIX	\$2,132,620	4.8%
Accrued Income		\$8,051	
<b>Emerging Markets Debt Total</b>		<b>\$2,140,670</b>	<b>4.8%</b>
<b>DIVERSIFIED FIXED INCOME Total</b>		<b>\$5,379,419</b>	<b>12.0%</b>
CASH AND EQUIVALENTS			
Cash & Equivalents			
Cash Portfolio (US Bank)	xxxxxx8800	\$424,373	0.9%
<b>Cash &amp; Equivalents Total</b>		<b>\$424,373</b>	<b>0.9%</b>
<b>CASH AND EQUIVALENTS Total</b>		<b>\$424,373</b>	<b>0.9%</b>
<b>Total</b>		<b>\$44,675,682</b>	<b>100.0%</b>

## Portfolio Activity Summary

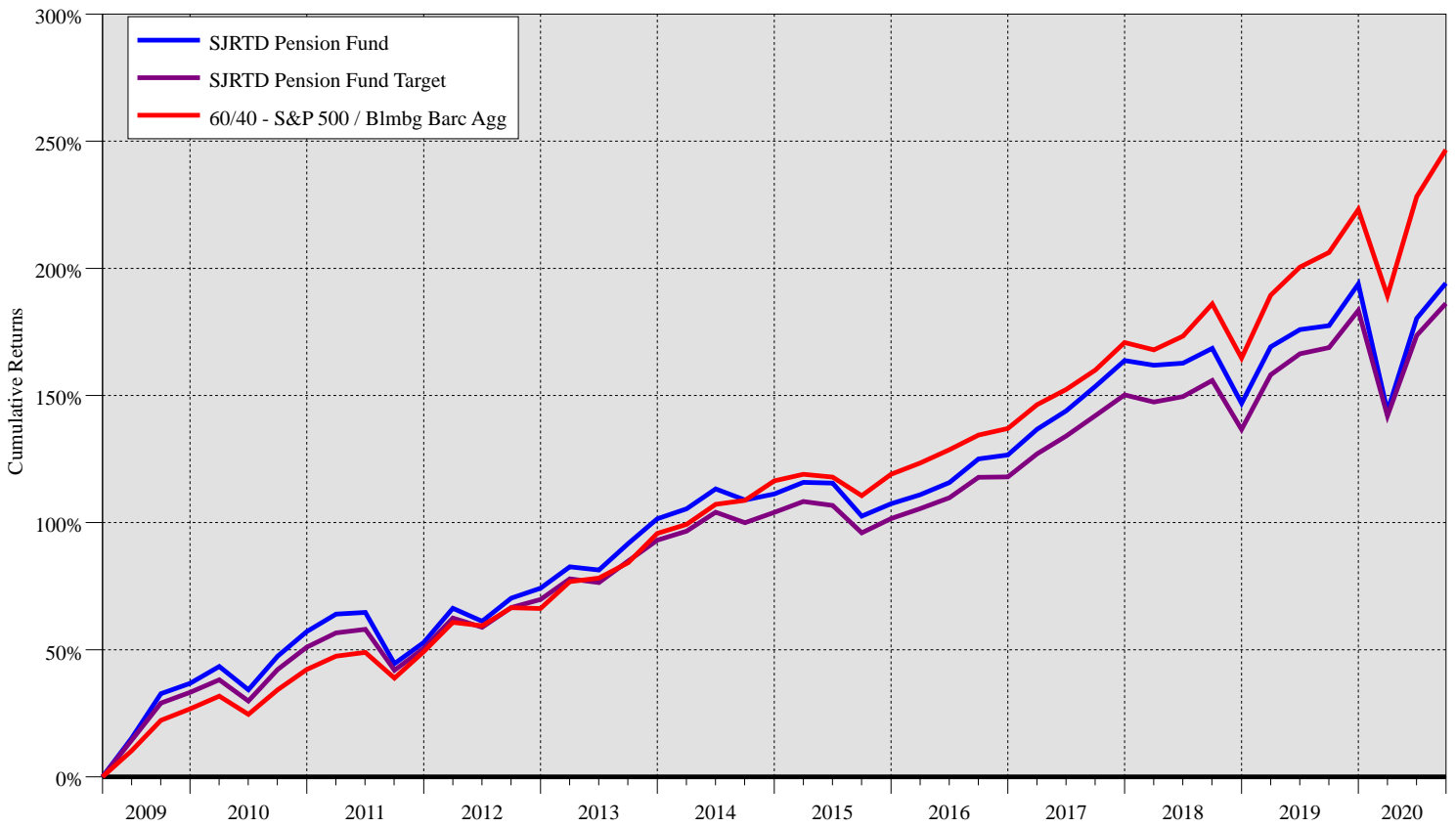
	Quarter to Date	Year to Date	Inception to Date (2/10/2009)
Beginning Value	\$42,738,044	\$45,217,697	\$0
Net Contribution	(\$141,312)	(\$440,927)	\$13,096,781
Transfers	\$0	\$0	\$423
Capital Appreciation	\$1,855,535	(\$774,013)	\$19,939,441
Dividend Income	\$172,015	\$405,161	\$7,875,311
Interest Income	\$95,843	\$302,524	\$5,160,762
Management Fees	(\$23,455)	(\$68,919)	(\$798,017)
Other Expenses	(\$7,581)	(\$20,868)	(\$363,069)
Change in Accrued	(\$13,407)	\$55,026	(\$235,527)
Ending Value	\$44,675,682	\$44,675,682	\$44,675,682
Investment Gain	\$2,078,950	(\$101,089)	\$31,578,901

## Actual vs. Target Asset Allocation

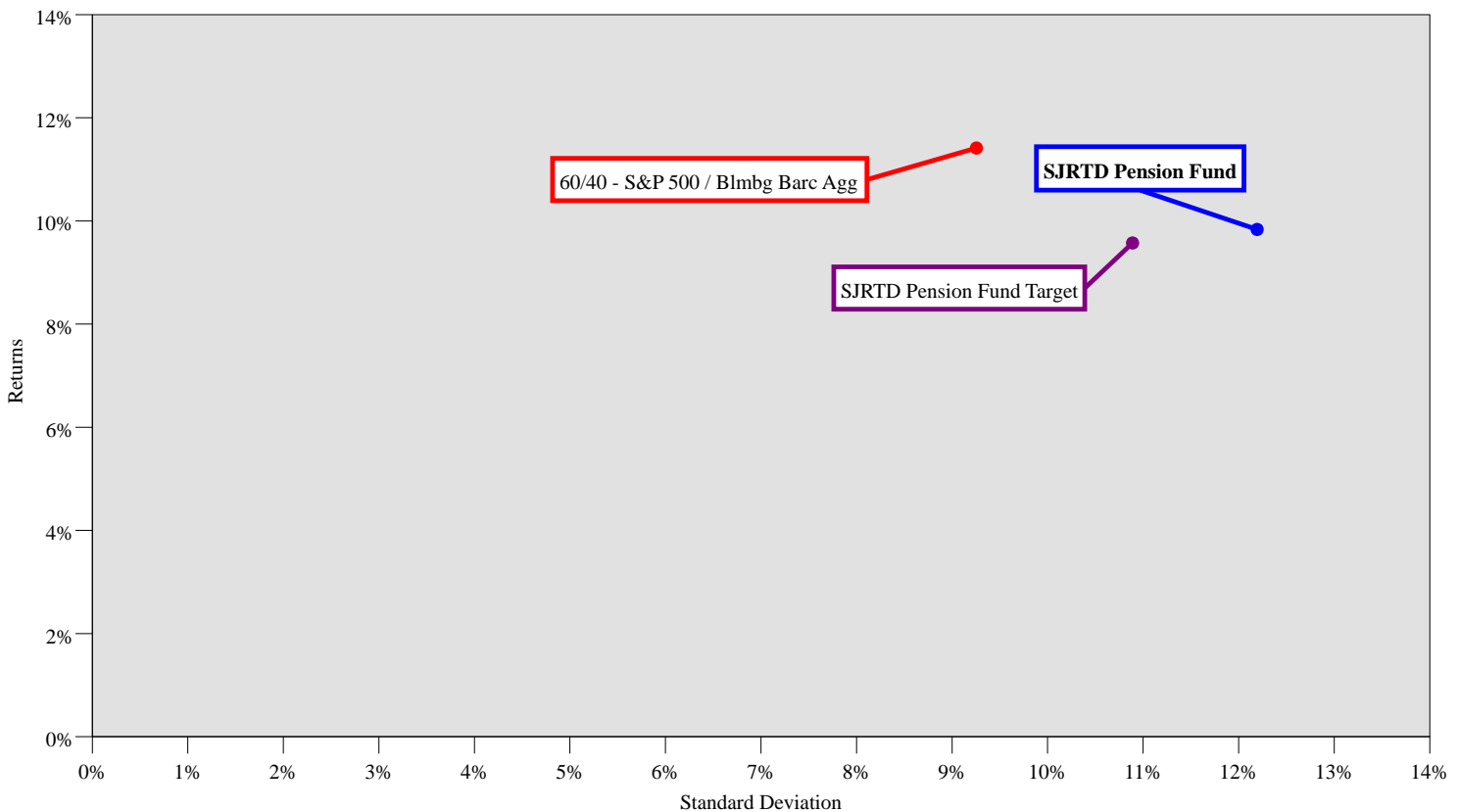


Sector	Current Value	Current Percent	Target Allocation Value	Target Allocation Percent	Dollar Variance	Percent Variance
Large Cap U.S. Equity	\$10,940,779	24.5%	\$10,856,191	24.3%	\$84,588	0.2%
Small Cap U.S. Equity	\$3,386,593	7.6%	\$3,618,730	8.1%	(\$232,137)	(0.5%)
International Equity	\$7,417,608	16.6%	\$7,237,460	16.2%	\$180,148	0.4%
Emerging Markets Equity	\$2,444,794	5.5%	\$2,412,487	5.4%	\$32,307	0.1%
Real Estate	\$2,455,081	5.5%	\$2,680,541	6.0%	(\$225,460)	(0.5%)
Core Fixed Income	\$12,227,035	27.4%	\$12,062,434	27.0%	\$164,601	0.4%
High Yield Fixed Income	\$3,238,749	7.2%	\$3,216,649	7.2%	\$22,099	0.0%
Emerging Markets Debt	\$2,140,670	4.8%	\$2,144,433	4.8%	(\$3,762)	0.0%
Cash & Equivalents	\$424,373	0.9%	\$446,757	1.0%	(\$22,384)	(0.1%)
<b>Total</b>	<b>\$44,675,682</b>	<b>100.0%</b>	<b>\$44,675,682</b>	<b>100.0%</b>		

Cumulative Returns | SJRTD Pension Fund vs. Targets  
Beginning April 1, 2009 | Ending September 30, 2020

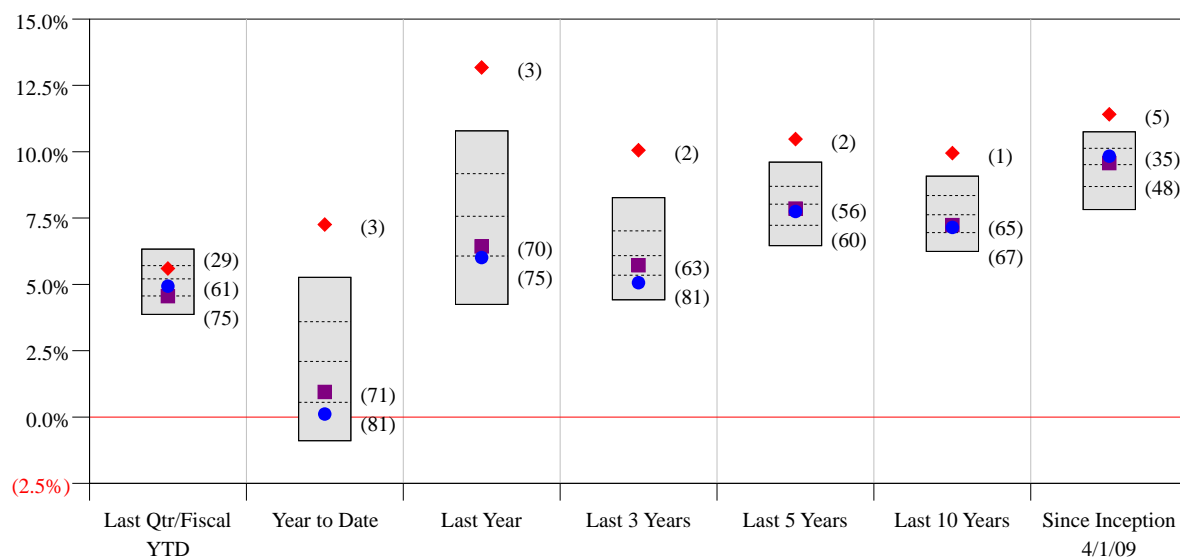


Risk vs Return | SJRTD Pension Fund Target vs. Targets  
Beginning April 1, 2009 | Ending September 30, 2020



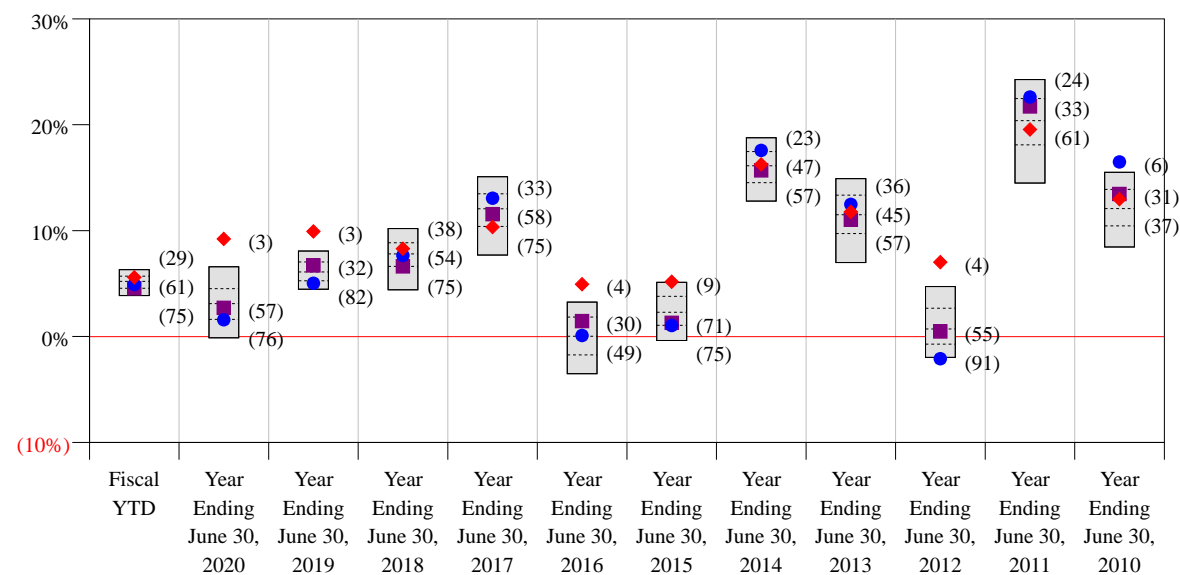
Source: Callan. Past performance is not indicative of future results. See important disclosures.

Performance vs. Callan Fund Sponsors - Small DB (<100M)  
Periods Ended September 30, 2020



	Last Qtr/Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Since Inception 4/1/09
10th Percentile	6.33	5.27	10.79	8.28	9.61	9.08	10.75
25th Percentile	5.71	3.59	9.18	7.02	8.70	8.35	10.13
<b>Median</b>	<b>5.21</b>	<b>2.10</b>	<b>7.57</b>	<b>6.09</b>	<b>8.03</b>	<b>7.63</b>	<b>9.52</b>
75th Percentile	4.57	0.56	6.07	5.35	7.23	6.96	8.70
90th Percentile	3.88	(0.89)	4.25	4.42	6.47	6.25	7.82
<b>SJRTD Pension Fund</b>	<b>4.94</b>	<b>0.12</b>	<b>6.02</b>	<b>5.07</b>	<b>7.75</b>	<b>7.15</b>	<b>9.84</b>
SJRTD Pension Fund Target	4.56	0.95	6.43	5.72	7.86	7.24	9.57
60/40 - S&P 500 / Blmbg Barc Agg	5.61	7.26	13.18	10.06	10.48	9.95	11.42

Fiscal Year Performance vs. Callan Fund Sponsors - Small DB (<100M)



	Fiscal YTD	Year Ending June 30, 2020	Year Ending June 30, 2019	Year Ending June 30, 2018	Year Ending June 30, 2017	Year Ending June 30, 2016	Year Ending June 30, 2015	Year Ending June 30, 2014	Year Ending June 30, 2013	Year Ending June 30, 2012	Year Ending June 30, 2011	Year Ending June 30, 2010
10th Percentile	6.33	6.60	8.09	10.20	15.11	3.27	5.13	18.78	14.93	4.73	24.28	15.52
25th Percentile	5.71	4.53	7.06	8.86	13.50	1.84	3.81	17.48	13.37	2.68	22.49	13.92
<b>Median</b>	<b>5.21</b>	<b>3.12</b>	<b>6.10</b>	<b>7.81</b>	<b>12.08</b>	<b>0.04</b>	<b>2.31</b>	<b>16.14</b>	<b>11.52</b>	<b>0.72</b>	<b>20.39</b>	<b>12.10</b>
75th Percentile	4.57	1.63	5.28	6.64	10.41	(1.72)	1.07	14.55	9.73	(0.71)	18.12	10.46
90th Percentile	3.88	(0.11)	4.48	4.42	7.70	(3.50)	(0.35)	12.80	6.99	(1.95)	14.51	8.47
<b>SJRTD Pension Fund</b>	<b>4.94</b>	<b>1.59</b>	<b>5.05</b>	<b>7.67</b>	<b>13.07</b>	<b>0.11</b>	<b>1.06</b>	<b>17.58</b>	<b>12.50</b>	<b>(2.08)</b>	<b>22.62</b>	<b>16.50</b>
SJRTD Pension Fund Target	4.56	2.73	6.73	6.63	11.57	1.47	1.30	15.71	11.05	0.49	21.75	13.47
60/40 - S&P 500 / Blmbg Barc Agg	5.61	9.23	9.94	8.30	10.36	4.94	5.18	16.27	11.79	7.03	19.57	12.98

Source: Callan. Past performance is not indicative of future results. See important disclosures.

**San Joaquin Regional Transit District**  
**Health Portfolio**  
**Quarterly Investment Report**

September 30, 2020

Prepared by Team Hewins, LLC  
203 Redwood Shores Parkway, Suite 550 | Redwood City, CA 94065

## Portfolio Holdings

Description	Symbol	Value	Weight
<b>EQUITY</b>			
Large Cap U.S. Equity			
DFA US Large Cap Value I	DFLVX	\$347,831	5.2%
Accrued Income		\$2,065	
Vanguard 500 Index Admiral	VFIAX	\$1,563,496	23.0%
<b>Large Cap U.S. Equity Total</b>		<b>\$1,913,393</b>	<b>28.2%</b>
Small Cap U.S. Equity			
DFA US Small Cap Value I	DFSVX	\$336,114	5.0%
Accrued Income		\$1,291	
Vanguard Small Cap Growth Index Admiral	VSGAX	\$263,708	3.9%
<b>Small Cap U.S. Equity Total</b>		<b>\$601,113</b>	<b>8.8%</b>
International Equity			
DFA International Small Company I	DFISX	\$336,973	5.0%
Accrued Income		\$793	
DFA International Value I	DFIVX	\$512,610	7.6%
Accrued Income		\$3,143	
Vanguard International Growth Adm	VWILX	\$452,296	6.7%
<b>International Equity Total</b>		<b>\$1,305,815</b>	<b>19.2%</b>
Emerging Markets Equity			
DFA Emerging Markets Core Equity I	DFCEX	\$433,032	6.4%
Accrued Income		\$3,665	
<b>Emerging Markets Equity Total</b>		<b>\$436,697</b>	<b>6.4%</b>
Real Estate			
DFA Global Real Estate Securities Port	DFGEX	\$429,906	6.3%
<b>Real Estate Total</b>		<b>\$429,906</b>	<b>6.3%</b>
<b>EQUITY Total</b>		<b>\$4,686,924</b>	<b>69.0%</b>
<b>FIXED INCOME</b>			
Core Fixed Income			
Dodge & Cox Income	DODIX	\$671,412	9.9%
PIMCO Total Return Instl	PTTRX	\$676,982	10.0%
Accrued Income		\$1,233	
<b>Core Fixed Income Total</b>		<b>\$1,349,627</b>	<b>19.9%</b>
<b>FIXED INCOME Total</b>		<b>\$1,349,627</b>	<b>19.9%</b>
<b>DIVERSIFIED FIXED INCOME</b>			
High Yield Fixed Income			
Vanguard High-Yield Corporate Adm	VWEAX	\$377,331	5.6%
Accrued Income		\$1,459	
<b>High Yield Fixed Income Total</b>		<b>\$378,790</b>	<b>5.6%</b>



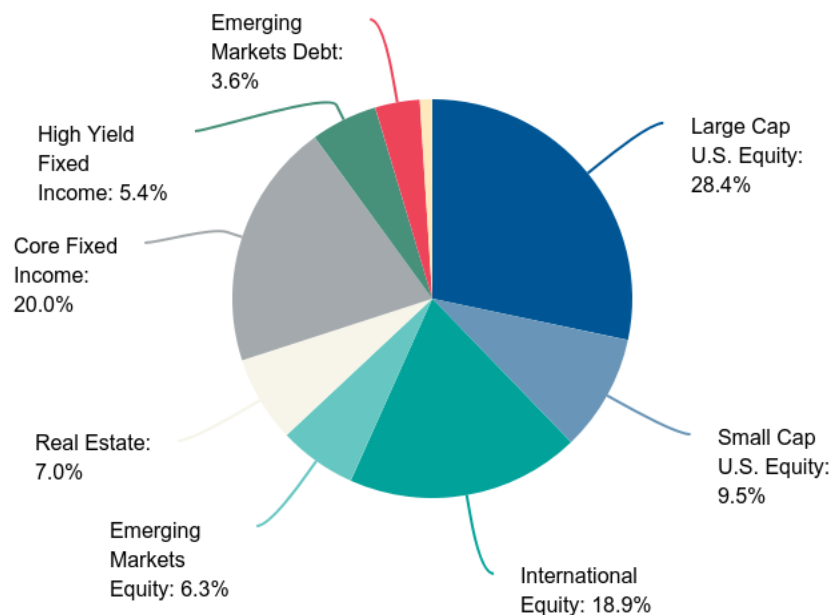
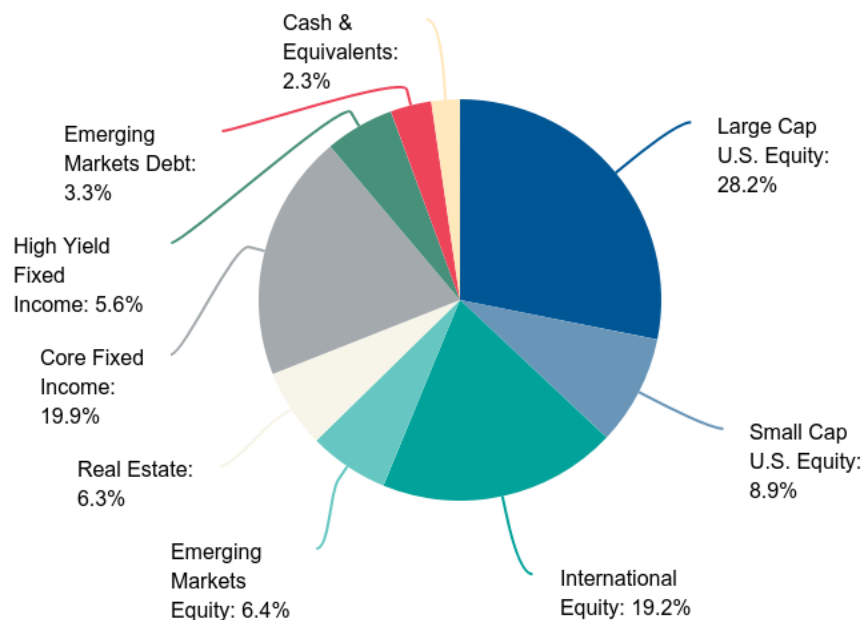
## Portfolio Holdings

Description	Symbol	Value	Weight
DIVERSIFIED FIXED INCOME			
Emerging Markets Debt			
PIMCO Emerg Mkts Full Spectrum Bd Instl	PFSIX	\$222,240	3.3%
Accrued Income		\$839	
<b>Emerging Markets Debt Total</b>		<b>\$223,079</b>	<b>3.3%</b>
<b>DIVERSIFIED FIXED INCOME Total</b>		<b>\$601,869</b>	<b>8.9%</b>
CASH AND EQUIVALENTS			
Cash & Equivalents			
Cash	CASH	\$155,268	2.3%
<b>Cash &amp; Equivalents Total</b>		<b>\$155,268</b>	<b>2.3%</b>
<b>CASH AND EQUIVALENTS Total</b>		<b>\$155,268</b>	<b>2.3%</b>
<b>Total</b>		<b>\$6,793,688</b>	<b>100.0%</b>

## Portfolio Activity Summary

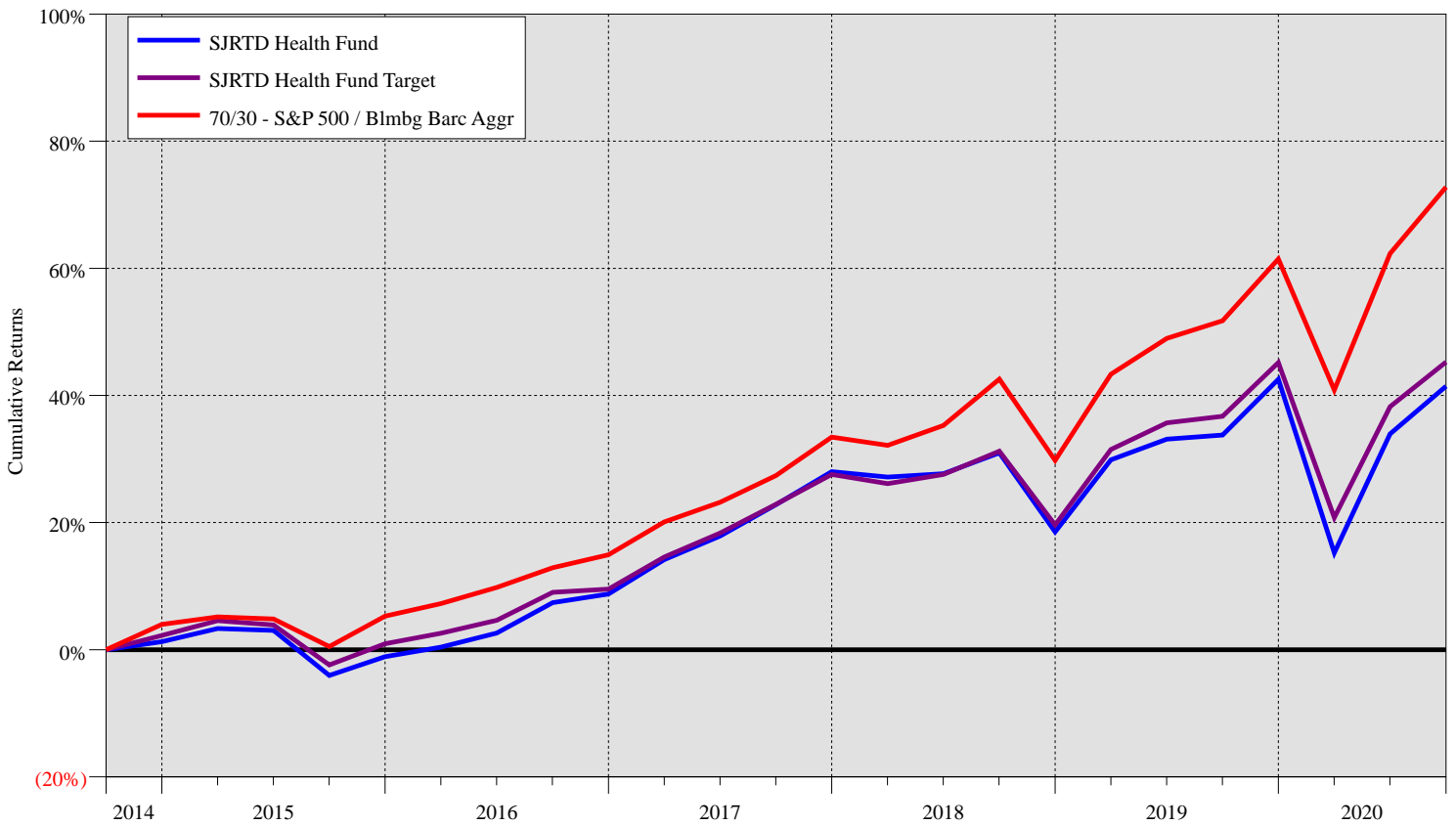
	Quarter to Date	Year to Date	Inception to Date (7/13/2014)
Beginning Value	\$6,414,185	\$6,757,236	\$1,172
Net Contribution	\$22,722	\$97,910	\$5,097,512
Capital Appreciation	\$327,838	(\$150,162)	\$809,097
Dividend Income	\$33,935	\$83,722	\$933,448
Interest Income	\$16	\$751	\$7,569
Management Fees	(\$3,519)	(\$10,258)	(\$68,427)
Other Expenses	\$0	\$0	\$0
Change in Accrued	(\$1,489)	\$14,488	\$13,317
Ending Value	\$6,793,688	\$6,793,688	\$6,793,688
Investment Gain	\$356,781	(\$61,459)	\$1,695,004

## Actual vs. Target Asset Allocation

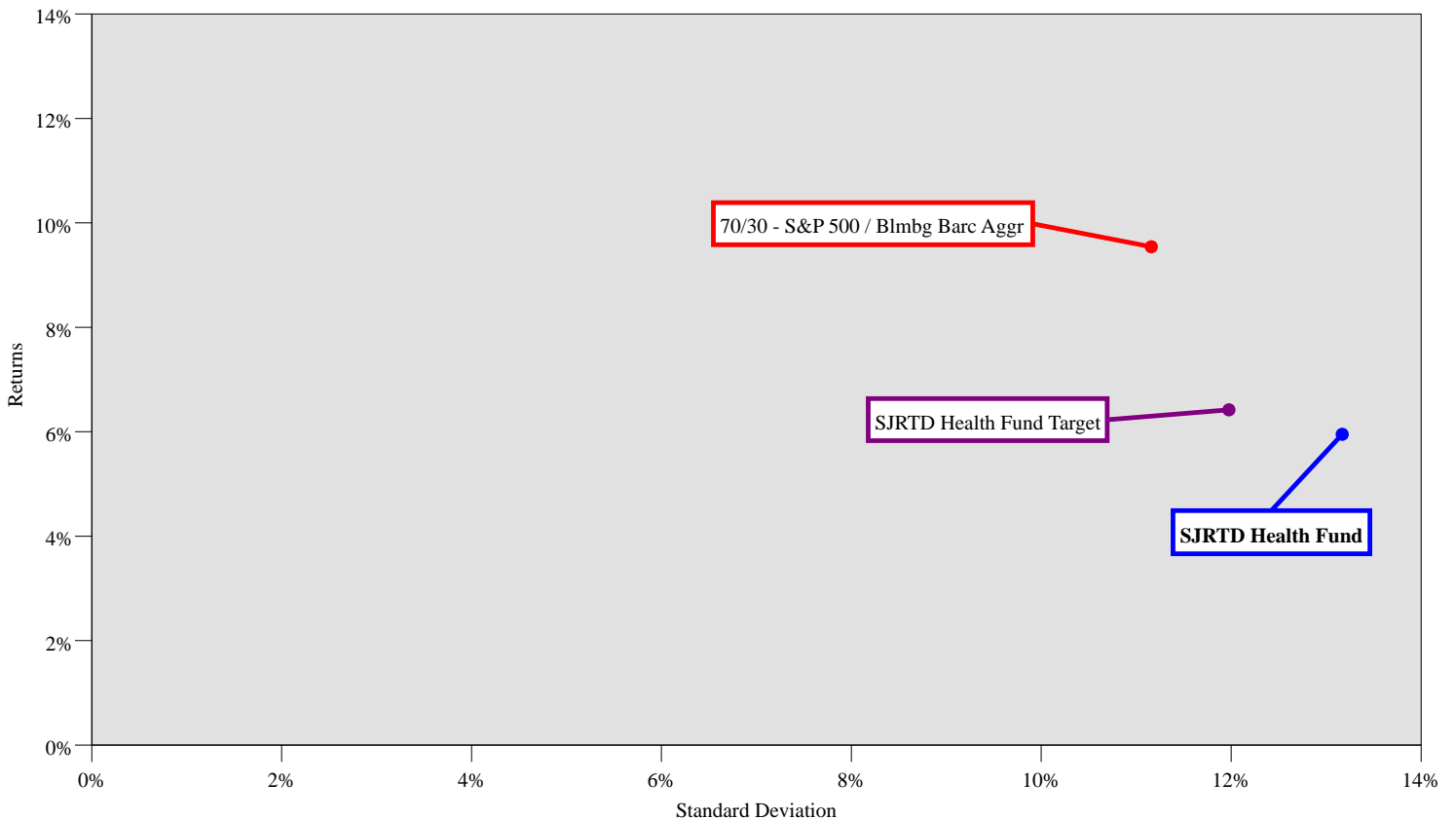


Sector	Current Value	Current Percent	Target Allocation Value	Target Allocation Percent	Dollar Variance	Percent Variance
Large Cap U.S. Equity	\$1,913,393	28.2%	\$1,926,011	28.4%	(\$12,618)	(0.2%)
Small Cap U.S. Equity	\$601,113	8.8%	\$642,004	9.5%	(\$40,890)	(0.6%)
International Equity	\$1,305,815	19.2%	\$1,284,007	18.9%	\$21,808	0.3%
Emerging Markets Equity	\$436,697	6.4%	\$428,002	6.3%	\$8,695	0.1%
Real Estate	\$429,906	6.3%	\$475,558	7.0%	(\$45,652)	(0.7%)
Core Fixed Income	\$1,349,627	19.9%	\$1,358,738	20.0%	(\$9,110)	(0.1%)
High Yield Fixed Income	\$378,790	5.6%	\$366,859	5.4%	\$11,931	0.2%
Emerging Markets Debt	\$223,079	3.3%	\$244,573	3.6%	(\$21,494)	(0.3%)
Cash & Equivalents	\$155,268	2.3%	\$67,937	1.0%	\$87,331	1.3%
<b>Total</b>	<b>\$6,793,688</b>	<b>100.0%</b>	<b>\$6,793,688</b>	<b>100.0%</b>		

Cumulative Returns | SJRTD Health Fund vs. Targets  
Beginning October 1, 2014 | Ending September 30, 2020

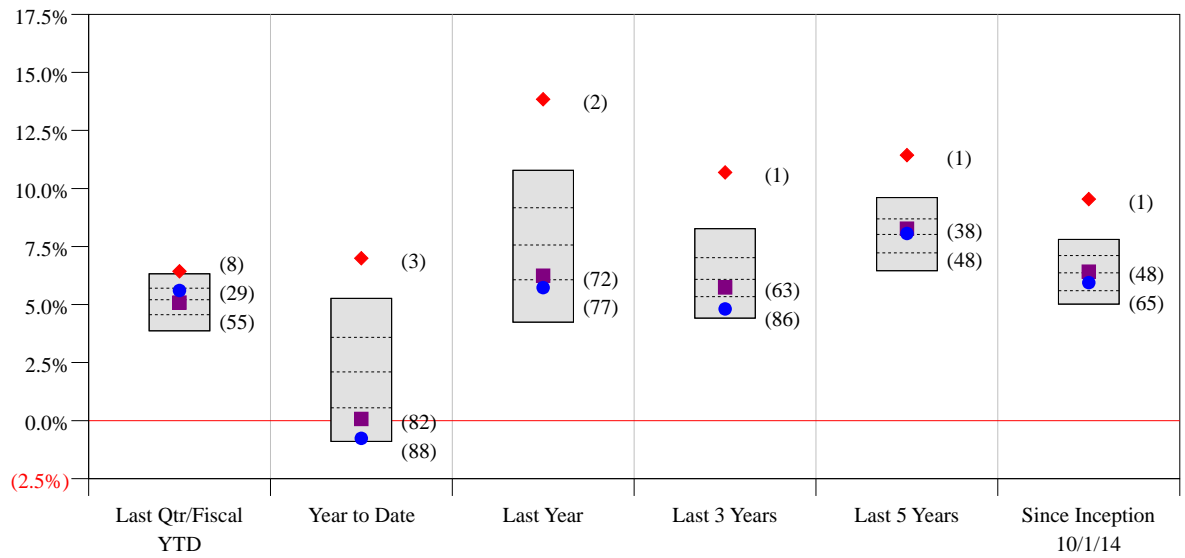


Risk vs Return | SJRTD Health Fund vs. Targets  
Beginning October 1, 2014 | Ending September 30, 2020



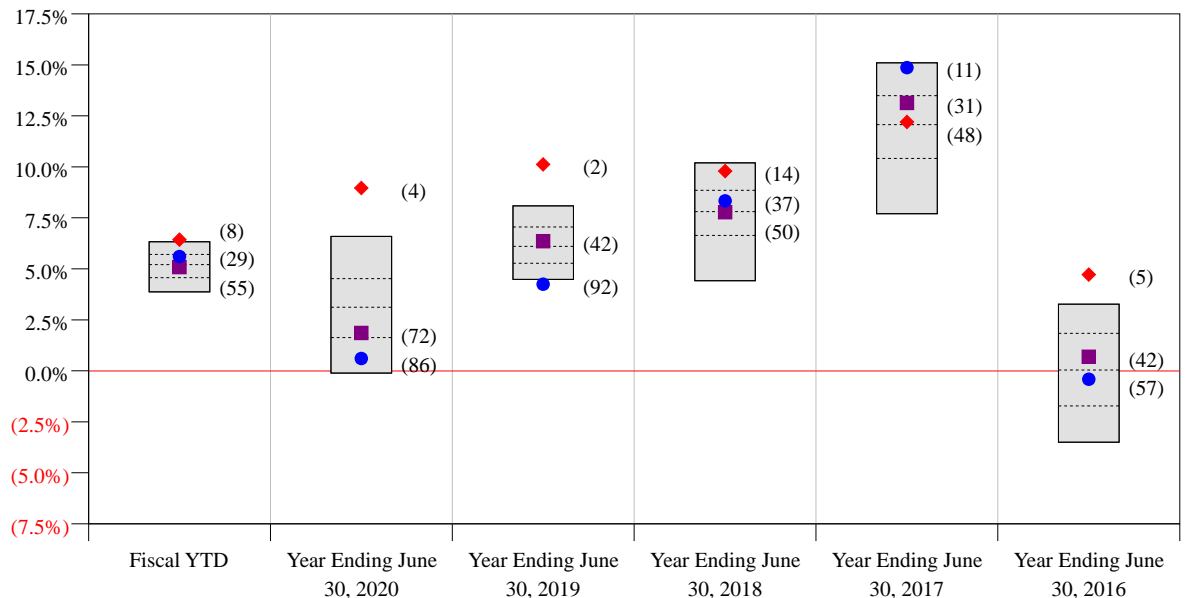
Source: Callan. Past performance is not indicative of future results. See important disclosures.

Performance vs. Callan Fund Sponsors - Small DB (<100M)  
Periods Ended September 30, 2020



10th Percentile  
25th Percentile  
**Median**  
75th Percentile  
90th Percentile  
  
**SJRTD Health Fund**  
  
SJRTD Health Fund Target  
70/30 - S&P 500 / Blmbg Barc Aggr

Fiscal Year Performance vs. Callan Fund Sponsors - Small DB (<100M)



10th Percentile  
25th Percentile  
**Median**  
75th Percentile  
90th Percentile  
  
**SJRTD Health Fund**  
  
SJRTD Health Fund Target  
70/30 - S&P 500 / Blmbg Barc Aggr

Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Important Disclosure Information

Team Hewins, LLC ("Team Hewins") is an SEC registered investment adviser; however, such registration does not imply a certain level of skill or training, and no inference to the contrary should be made. We provide this information with the understanding that we are not engaged in rendering legal, accounting, or tax services. We recommend that all investors seek out the services of competent professionals in any of the aforementioned areas.

Certain performance results included in this presentation are hypothetical returns which have been compiled by Team Hewins. The performance results are based upon a hypothetical model. Hypothetical performance results may have inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those provided. There are numerous other factors related to the markets in general or to the implementation of any specific trading strategy which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. These returns should not be considered as indicative of the skills of the investment adviser.

Index and fund information has been compiled solely by Team Hewins from sources deemed reliable, and has not been independently verified. Index and fund performance information reflects the reinvestment of dividends. Fund returns presented are net of mutual fund management, administration and other costs taken out of fund assets but do not reflect the deduction of account-level transaction or investment advisory fees, the incurrence of which would have the effect of decreasing the historical performance results. Team Hewins maintains all information supporting the performance results in accordance with regulatory requirements.

The account performance shown prior to June 1, 2018, reflects the results when the account was managed by Hewins Financial Advisors, LLC, now known as Wipfli Financial Advisors, LLC. In May 2018, certain principals, including Roger Hewins and other personnel amicably left Hewins Financial Advisors, LLC and formed Team Hewins. There has been no material change in investment personnel managing your account or the investment decision making process.

Target returns represent weighted averages of index returns that Team Hewins considers appropriate to represent the strategic asset allocation as stated in the client's Investment Policy Statement ("IPS"). The Current Quarter Target is comprised of indexes as follows: 1.0% 3-Month Treasury Bill, 20.0% Bloomberg Barclays Aggregate Index, 7.0% S&P Global REIT Index, 1.80% JPM GBI EM Global Divers USD (UH), 1.80% JPM EMBI Global Diversified, 5.4% ICE BofAML High Yield CP BB-B Cons, 18.9% MSCI EAFE Index, 6.30% MSCI Emerging Markets, 9.45% Russell 2000 Index, 28.35% S&P 500 Index. The underlying composition of the benchmark has changed over time; nonetheless, performance information for the Target Benchmark reflects the annualized returns of the benchmark given its applicable underlying indices for the corresponding time period.

The volatilities of any comparative indices included in this presentation may be materially different from the individual performance attained by a specific client in a Team Hewins strategy. In addition, client holdings may differ significantly from the securities that comprise the indices. The indices have not been selected to represent an appropriate benchmark to compare an investor's performance, but rather are disclosed to allow for comparison to the performances of certain well-known and widely recognized indices. The indices are unmanaged, include reinvestment of dividends, capital gain distributions or other earnings and do not reflect any fees or expenses. Indices cannot be invested in directly. Set forth below are descriptions of the indices included in the presentation.

## Index Definitions:

**S&P 500 (Large Cap Equity):** The Standard & Poor's 500 Stock Index (S&P 500) is an unmanaged index of 500 stocks that is generally representative of the performance of larger companies in the U.S. The index includes the stocks of 500 leading U.S. publicly traded companies from a broad range of industries.

**Russell 2000 (Small Cap Equity):** The Russell 2000 Index is an unmanaged index that measures the performance of the small-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index, representing approximately 10% of the total market capitalization of that index and includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership. Russell Investment Group owns the Russell Index data, including all applicable trademarks and copyrights.

**MSCI EAFE (International Equity, Developed):** The MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S. & Canada. The MSCI EAFE Index consists of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

**MSCI Emerging Markets (International Equity, Emerging):** The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

**S&P Global REIT Index: (International, Real Estate Investment Trusts):** The S&P Global REIT serves as a comprehensive benchmark of publicly traded equity real estate investment trusts (REITs) listed in both developed and emerging markets.

**Bloomberg Barclays Aggregate (Core Fixed Income):** The Barclays Capital U.S. Aggregate Index provides a broad-based measure of the domestic investment-grade fixed income market. It is an unmanaged index of taxable, investment-grade, U.S. dollar-denominated fixed-income securities of domestic issuers having a maturity greater than one year.

**ICE BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained (High Yield Fixed Income):** ICE BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained Index tracks the performance of US dollar-denominated below-investment-grade (BBB rated) corporate debt publicly issued in the US domestic market. Qualifying bonds are capitalization-weighted provided the total allocation to an individual issuer does not exceed 2%. Issuers that exceed the limit are reduced to 2% and the face value of each of their bonds is adjusted on a pro-rata basis.

**Bloomberg Barclays Gov/Credit Bond (US Fixed Income):** The Barclays Capital U.S. Government/Credit Bond Index measures the performance of U.S. Dollar denominated U.S. Treasuries, government-related and investment grade U.S. corporate securities that have a remaining maturity of greater than one year.

**JPM EMBI Global Diversified (Emerging Markets Fixed Income):** The JP Morgan EMBI Global Diversified is a uniquely weighted index that tracks total returns for U.S. dollar-denominated Brady bonds, Eurobonds, traded loans, and local market debt instruments issued by sovereign and quasi-sovereign entities. The index limits the weights of countries with larger debt stocks by only including a specified portion of these countries' eligible current face amounts of debt outstanding.

**JPM GBI EM Global Diversified USD Unh (Emerging Markets Fixed Income):** A comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate domestic currency government bonds.

**3 Month T-Bill:** 3 Month Treasury Bill is a short-term debt obligation backed by the U.S. government with a maturity of 90 days.

**INFORMATION ITEM: UPDATE ON RETIREMENTS**

**LEAD STAFF: ERICKA FRANCO,  
HUMAN RESOURCES ADMINISTRATOR – BENEFITS**

**FINANCIAL IMPACT: NONE**

**DISCUSSION:**

The following persons have retired since the last update to the Retirement Board:

<b>Name</b>	<b>Position</b>	<b>Age</b>	<b>Years of Service</b>	<b>Retirement Date</b>	<b>Type of Retirement</b>
Sharon Miller	Director of Procurement	60	19.00	10/2/2020	<b>Early Retirement</b>



**RECOMMENDATION:** **APPROVING THE FY 2020 AUDITOR'S REPORT OF THE  
SAN JOAQUIN REGIONAL TRANSIT DISTRICT (RTD)  
RETIREMENT PLAN**

**LEAD STAFF:** **VIRGINIA ALCAYDE  
DIRECTOR OF FINANCE**

**FINANCIAL IMPACT:** **NONE**

**DISCUSSION:**

Brown Armstrong Accountancy Corporation will provide a presentation on the FY 2020 Audit Report for Board approval. This report must be submitted to the California State Controller by January 31, 2021.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN**

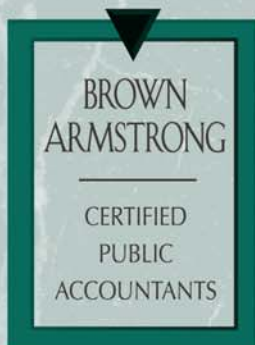
**REPORT TO THE RETIREMENT BOARD**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
JUNE 30, 2020**

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# BROWN ARMSTRONG

*Certified Public Accountants*

## **REQUIRED COMMUNICATION TO THE RETIREMENT BOARD IN ACCORDANCE WITH PROFESSIONAL STANDARDS (SAS 114)**

To the Retirement Board of the  
San Joaquin Regional Transit District Retirement Plan  
Stockton, California

We have audited the financial statements of the San Joaquin Regional Transit District Retirement Plan (the Plan) for the fiscal year ended June 30, 2020, and have issued our report dated November 9, 2020. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 15, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Matters**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Plan are described in Note 2, Summary of Significant Accounting Policies, to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2020. We noted no transactions entered into by the Plan during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Plan's financial statements were:

- Management's estimate of the fair value of investments, which was derived by various methods as detailed in the notes to the financial statements. We evaluated the key factors and assumptions used to develop the estimate of the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.
- The contribution amounts, net pension liability (NPL), and net other post-employment benefits (OPEB) liability (NOL) as detailed in the notes to the financial statements, which are based on the actuarially-presumed interest rate and assumptions. We evaluated the key factors and assumptions used to develop the estimates of the contribution amounts, NPL, and NOL in determining that they are reasonable in relation to the financial statements taken as a whole.

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Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosures for investments in Notes 2 and 4 to the financial statements, Summary of Significant Accounting Policies, and Cash and Investments, respectively, were derived from the Plan's investment policy. Management's estimate of the fair value of investments was derived by various methods as detailed in the notes to the financial statements.
- Additionally, the disclosures related to the contributions in Note 3, NPL in Note 5, and NOL in Note 6 were derived from actuarial valuations, which involved estimates of the value of reported amounts and probabilities about the occurrence of future events far into the future.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 9, 2020.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Plan's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Plan's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### *Other Matters*

We applied certain limited procedures to the Schedule of Changes in the District's Net Pension Liability and Related Ratios, Schedule of Investment Returns - Pension, Schedule of District Pension Contributions, Notes to the Required Supplementary Information (RSI) - Pension, Schedule of Changes in the District's Net OPEB Liability and Related Ratios, Schedule of Investment Returns - OPEB, Schedule of District OPEB Contributions, and Notes to RSI - OPEB, which are RSI that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

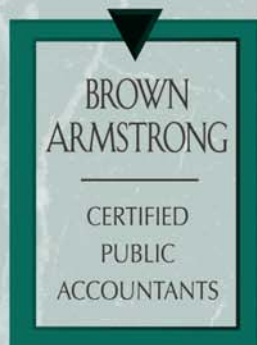
**Restriction on Use**

This information is intended solely for the use of the Retirement Board and management of the Plan and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
November 9, 2020



# BROWN ARMSTRONG

*Certified Public Accountants*

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

To the Retirement Board of the  
San Joaquin Regional Transit District Retirement Plan  
Stockton, California

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Joaquin Regional Transit District Retirement Plan (the Plan) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated November 9, 2020.

### **Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
November 9, 2020



**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN**

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

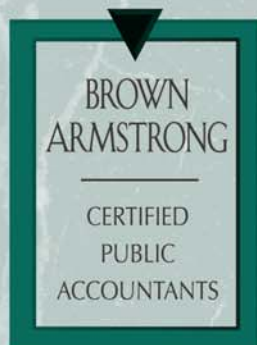
**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2020**

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN**

**FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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# BROWN ARMSTRONG

*Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

To the Retirement Board of the  
San Joaquin Regional Transit District Retirement Plan  
Stockton, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the single-employer defined benefit pension plan (Pension Trust) and the defined benefit postemployment healthcare plan (OPEB Trust) of the San Joaquin Regional Transit District Retirement Plan (the Plan) as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

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## Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Pension Trust and OPEB Trust of the Plan as of June 30, 2020, and the changes in fiduciary net position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

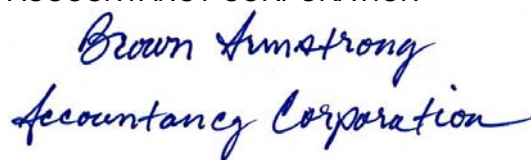
### *Required Supplementary Information*

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

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2020, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California  
November 9, 2020

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2020**

The following discussion and analysis of the financial performance and activity of San Joaquin Regional Transit District (the District) Retirement Plan (the Plan) provides an introduction and understanding of the basic financial statements of the Plan for the fiscal years ended June 30, 2020 and 2019. We encourage readers to take into account the information presented here in conjunction with additional information we have furnished in the financial statements.

The Plan covers the single-employer defined benefit pension (Pension) plan and the defined benefit postemployment healthcare (OPEB) plan; both plans are fiduciary funds defined as pension and other employee benefit trust funds, respectively, and are accounted for separately.

The Retirement Board is responsible for the general administration and management of the Plan. This Plan shall be administered by the Retirement Board, which shall be composed of five (5) members, two (2) members as representatives of the District (one being a member of the District Board of Directors and one Non-Represented Employee representative) and two (2) representatives of the Amalgamated Transit Union, Local 256 (Union), and one Umpire Member (who shall only participate as a member of the Retirement Board when there is a deadlock vote of the other four members). Each Retirement Board Member is appointed to a four-year term of office. Members' terms of office are to be staggered, so that the term of one member appointed by the District Board of Directors and the term of one member elected by the employees expire at the end of every other calendar year. Members of the Retirement Board may be reappointed or reelected.

The Plan is a single-employer contributory defined benefit pension plan covering substantially all full-time employees of the District. All full-time non-represented employees vested as of December 31, 2016, and represented employees of the District who are employed full-time will be members of this Plan and hereafter each person entering the employment of the District as a represented employee will become a member on the first day of full-time employment.

**FINANCIAL HIGHLIGHTS**

**Pension Trust**

**Statements of Fiduciary Net Position**

	2020	2019	Change Increase/ (Decrease)	%Change Increase/ (Decrease)
Cash and short-term investments	\$ 1,213,109	\$ 512,609	\$ 700,500	136.7%
Investments at fair value	41,455,798	41,855,805	(400,007)	-1.0%
Receivables	176,171	188,160	(11,989)	-6.4%
Total Assets	42,845,078	42,556,574	288,504	0.7%
Accrued plan expenses and interfund transfers payable	23,540	21,240	2,300	10.8%
Plan benefits payable	7,395	7,395	-	0.0%
Total Liabilities	30,935	28,635	2,300	8.0%
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS</b>	<b>\$ 42,814,143</b>	<b>\$ 42,527,939</b>	<b>\$ 286,204</b>	<b>0.7%</b>

## Statements of Changes in Fiduciary Net Position

	2020	2019	Change Increase/ (Decrease)	%Change Increase/ (Decrease)
<b>Additions</b>				
Employer contributions	\$ 2,487,603	\$ 2,366,564	\$ 121,039	5.1%
Member contributions	1,682,817	1,556,433	126,384	8.1%
Net investment income	493,519	1,954,518	(1,460,999)	-74.7%
<b>Total Additions</b>	<b>4,663,939</b>	<b>5,877,515</b>	<b>(1,213,576)</b>	<b>-20.6%</b>
<b>Deductions</b>				
Benefits paid to members	3,766,710	3,475,497	291,213	8.4%
Member withdrawals from Plan	505,996	403,617	102,379	25.4%
Administrative expenses	103,839	103,209	630	0.6%
<b>Total Deductions</b>	<b>4,376,545</b>	<b>3,982,323</b>	<b>394,222</b>	<b>9.9%</b>
<b>Transfers</b>	<b>(1,190)</b>	<b>-</b>	<b>(1,190)</b>	<b>-100.0%</b>
<b>Net Increase in Net Position</b>	<b>286,204</b>	<b>1,895,192</b>	<b>(1,608,988)</b>	<b>-84.9%</b>
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS BEGINNING OF YEAR</b>	<b>42,527,939</b>	<b>40,632,747</b>	<b>1,895,192</b>	<b>4.7%</b>
<b>NET POSITION - RESTRICTED FOR PENSION BENEFITS END OF YEAR</b>	<b>\$ 42,814,143</b>	<b>\$ 42,527,939</b>	<b>\$ 286,204</b>	<b>0.7%</b>

Net Position Restricted for Pension Benefits, as reported in the Statement of Fiduciary Net Position, totaled \$42,814,143, an increase of \$286,204 or 0.7% from the prior year of \$42,527,939. This is mostly due to an increase in employer and member contributions.

Net pension investment income decreased by \$1,460,999 from \$1,954,518 in the fiscal year ended June 30, 2019, to \$493,519 in the fiscal year ended June 30, 2020. The decrease is related to overall market conditions.

Pension contributions, employer and member, increased by \$247,423 from the fiscal year ended June 30, 2019, to \$4,170,420 (\$2,487,603 from employer and \$1,682,817 from members) in the fiscal year ended June 30, 2020. The change is due to an increase in employer and member contribution rates.

Pension benefit payments increased by \$291,213 or 8.4% from the fiscal year ended June 30, 2019, to \$3,766,710 in the fiscal year ended June 30, 2020. The increase is related to an increase of retirees and beneficiaries receiving payments.

**OPEB Trust****Statements of Fiduciary Net Position**

	2020	2019	Change Increase/ (Decrease)	%Change Increase/ (Decrease)
Cash and short-term investments	\$ 145,060	\$ 155,389	\$ (10,329)	-6.6%
Investments at fair value	6,269,134	6,023,703	245,431	4.1%
Receivables	31,933	37,654	(5,721)	-15.2%
Total Assets	6,446,127	6,216,746	229,381	3.7%
Accrued plan expenses	1,704	1,482	222	15.0%
Total Liabilities	1,704	1,482	222	15.0%
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS</b>	<b>\$ 6,444,423</b>	<b>\$ 6,215,264</b>	<b>\$ 229,159</b>	<b>3.7%</b>

**Statements of Changes in Fiduciary Net Position**

	2020	2019	Change Increase/ (Decrease)	%Change Increase/ (Decrease)
<b>Additions</b>				
Employer contributions	\$ 439,636	\$ 460,514	\$ (20,878)	-4.5%
Member contributions	363,388	381,694	(18,306)	-4.8%
Net investment income	13,250	248,984	(235,734)	-94.7%
Total Additions	816,274	1,091,192	(274,918)	-25.2%
<b>Deductions</b>				
Benefits paid to members	477,916	443,079	34,837	7.9%
Member withdrawals from Plan	103,973	78,432	25,541	32.6%
Administrative expenses	6,416	6,142	274	4.5%
Total Deductions	588,305	527,653	60,652	11.5%
<b>Transfers</b>	1,190	-	1,190	100.0%
Net Increase in Net Position	229,159	563,539	(334,380)	-59.3%
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS BEGINNING OF YEAR</b>	<b>6,215,264</b>	<b>5,651,725</b>	<b>563,539</b>	<b>10.0%</b>
<b>NET POSITION - RESTRICTED FOR OPEB BENEFITS END OF YEAR</b>	<b>\$ 6,444,423</b>	<b>\$ 6,215,264</b>	<b>\$ 229,159</b>	<b>3.7%</b>

Net Position Restricted for OPEB Benefits, as reported in the Statement of Fiduciary Net Position, totaled \$6,444,423, an increase of \$229,159 or 3.7% from the prior year of \$6,215,264. The Net Increase in Net Position in the current year is due to employer and member contributions exceeding current year deductions.

Net OPEB investment income decreased by \$235,734 from \$248,984 in the fiscal year ended June 30, 2019, to \$13,250 in the fiscal year ended June 30, 2020. The decrease is related to overall market conditions.

OPEB contributions, employer and member, decreased by \$39,184 from the fiscal year ended June 30, 2019, to \$803,024 (\$439,636 from employer and \$363,388 from members) in the fiscal year ended June 30, 2020. The change is due to a decrease in employer and member contribution rates.

OPEB benefit payments increased by \$34,837 or 7.9% from the fiscal year ended June 30, 2019, to \$477,916 in the fiscal year ended June 30, 2020. The increase is related to an increase of retirees and beneficiaries receiving payments.

### **Overview of the Financial Statements**

The Basic Financial Statements and required disclosures are prepared in accordance with accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB). The Plan's Basic Financial Statements are comprised of the following:

#### **Statement of Fiduciary Net Position**

The Statement of Fiduciary Net Position is a snapshot of account balances at fiscal year-end. It presents major categories of assets and liabilities at fiscal year-end. The difference between assets and liabilities, "Fiduciary Net Position," represents funds available to pay benefits. Increases and decreases in "Fiduciary Net Position," when analyzed over time, may serve as an indicator of whether the Plan's financial position is improving or deteriorating.

#### **Statement of Changes in Fiduciary Net Position**

The Statement of Changes in Fiduciary Net Position provides information on the financial activities that increased and decreased Fiduciary Net Position. This statement covers the activity over a one-year period of time.

#### **Notes to the Basic Financial Statements**

The Notes to the Basic Financial Statements are an integral part of the basic financial statements and provide background and detailed information regarding the Plan's policies, programs, and activities.

#### **Required Supplementary Information**

The Required Supplementary Information consists of the Management's Discussion and Analysis (MD&A) and supporting schedules which GASB requires to accompany the basic financial statements. These schedules provide a broad range of financial information, including a Pension and OPEB liability measurement and changes to the liabilities, contributions, and money-weighted investment return.



## **Financial Analysis**

Table #1 below and Table #2 on the following page compare and summarize the Plan's financial activity as a whole for the current and prior fiscal year.

**Table #1: Combined Statement of Fiduciary Net Position  
June 30, 2020 and 2019**

	2020	2019	Change Increase/ (Decrease)	%Change Increase/ (Decrease)
Cash and short-term investments	\$ 1,358,169	\$ 667,998	\$ 690,171	103.3%
Investments at fair value	47,724,932	47,879,508	(154,576)	-0.3%
Receivables	208,104	225,814	(17,710)	-7.8%
<b>Total Assets</b>	<b>49,291,205</b>	<b>48,773,320</b>	<b>517,885</b>	<b>1.1%</b>
Accrued plan expenses and interfund transfers payable	25,244	22,722	2,522	11.1%
Plan benefits payable	7,395	7,395	-	0.0%
<b>Total Liabilities</b>	<b>32,639</b>	<b>30,117</b>	<b>2,522</b>	<b>8.4%</b>
<b>NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS</b>	<b>\$ 49,258,566</b>	<b>\$ 48,743,203</b>	<b>\$ 515,363</b>	<b>1.1%</b>

**Table #2: Combined Statement of Changes in Fiduciary Net Position  
For the Fiscal Years Ended June 30, 2020 and 2019**

	2020	2019	Change Increase/ (Decrease)	%Change Increase/ (Decrease)
<b>Additions</b>				
Employer contributions	\$ 2,927,239	\$ 2,827,078	\$ 100,161	3.5%
Member contributions	2,046,205	1,938,127	108,078	5.6%
Net investment income	506,769	2,203,502	(1,696,733)	-77.0%
<b>Total Additions</b>	<b>5,480,213</b>	<b>6,968,707</b>	<b>(1,488,494)</b>	<b>-21.4%</b>
<b>Deductions</b>				
Benefits paid to members	4,244,626	3,918,576	326,050	8.3%
Member withdrawals from Plan	609,969	482,049	127,920	26.5%
Administrative expenses	110,255	109,351	904	0.8%
<b>Total Deductions</b>	<b>4,964,850</b>	<b>4,509,976</b>	<b>454,874</b>	<b>10.1%</b>
<b>Net Increase in Net Position</b>	<b>515,363</b>	<b>2,458,731</b>	<b>(1,943,368)</b>	<b>-79.0%</b>
<b>NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS BEGINNING OF YEAR</b>	<b>48,743,203</b>	<b>46,284,472</b>	<b>2,458,731</b>	<b>5.3%</b>
<b>NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS END OF YEAR</b>	<b>\$ 49,258,566</b>	<b>\$ 48,743,203</b>	<b>\$ 515,363</b>	<b>1.1%</b>

### **Additions to Fiduciary Net Position**

The primary sources to finance the benefits the Plan provides to its members are accumulated through income on investments and through the collection of member and employer contributions. These income sources for the fiscal years ended June 30, 2020 and 2019, totaled \$5,480,213 and \$6,968,707, respectively. The decrease in additions from 2019 to 2020 can be attributed primarily to a decrease in net investment income. Employer contributions and member contributions increased, resulting in a net increase in total contributions. Total net position increased from \$48,743,203 in fiscal year 2019 to \$49,258,566 in fiscal year 2020.

### **Deductions from Fiduciary Net Position**

The primary uses of the Plan assets are the payment of benefits to retirees and their beneficiaries, refunds of contributions to terminated members, and the cost of administering the Plan. These deductions for the fiscal years ended June 30, 2020 and 2019, were \$4,964,850 and \$4,509,976, respectively. The primary reason for this change was an increase in benefits paid to retirees and member withdrawals from the Plan.

### **Schedule of Net Pension and OPEB Liabilities**

	Pension Trust		OPEB Trust	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Total Pension or OPEB Liability (TPL or TOL)	\$ 77,566,000	\$ 75,449,000	\$ 12,580,000	\$ 13,119,000
Less Fiduciary Net Position (FNP)	42,814,000	42,528,000	6,444,000	6,215,000
Net Pension or OPEB Liability (NPL or NOL)	<u>\$ 34,752,000</u>	<u>\$ 32,921,000</u>	<u>\$ 6,136,000</u>	<u>\$ 6,904,000</u>
FNP as a percentage of TPL or TOL	55.2%	56.4%	51.2%	47.4%

GASB Statements No. 67 and No. 74 require that the Plan report the TPL or TOL and the NPL or NOL as calculated by the Plan's actuary. These liabilities are solely calculated for financial reporting purposes and are not intended to provide information about the funding of the Plan's benefits.

The TPL as of June 30, 2020, was \$77,566,000. The TPL increased 2.8% from \$75,449,000 as of June 30, 2019. The Plan's NPL as of June 30, 2020, was \$34,752,000, representing an increase of 5.6% from \$32,921,000 as of June 30, 2019. The \$1,831,000 increase in the NPL is primarily due to lower investment returns generating lower FNP.

For the fiscal years ended June 30, 2020, and June 30, 2019, the FNP as a percentage of the TPL is reported as 55.2% and 56.4%, respectively. The change is a 0.8% decrease and is due to the asset gains and impact of increased contributions.

The TOL as of June 30, 2020, was \$12,580,000. The TOL decreased 4.1% from \$13,119,000 as of June 30, 2019. The Plan's NOL as of June 30, 2020, was \$6,136,000, representing a decrease of 11.1% from \$6,904,000 as of June 30, 2019. The \$768,000 decrease in the NOL is primarily due to additions overall are more than total deductions.

For the fiscal years ended June 30, 2020, and June 30, 2019, the FNP as a percentage of the TOL was reported as 51.2% and 47.4%, respectively. The change in FNP is a 3.8% increase and is due to the asset gains and impact of increased contributions.

### **Investment Analysis**

The Plan's investment performance is a function of the underlying financial markets for the period measured, asset allocation, and individual investment manager performance. The Plan follows a Retirement Board adopted investment policy that provides structure and guidance for the management of the investment portfolio. All of the Plan's assets are externally managed. The Plan's total Pension and OPEB portfolio gained 1.2% and 0.3% (net of fees) over the twelve month period ended June 30, 2020, respectively. The overall net investment income was \$506,769 (net of fees) and fair value of investments decreased by \$154,576 from June 30, 2019.

### Pension Rates of Return

<u>Fiscal Year Ending</u>	<u>Total Pension Investment Portfolio Fair Value</u>	<u>Total Fund Money- Weighted Return</u>
June 30, 2020	\$ 41,455,798	1.2%
June 30, 2019	\$ 41,855,805	4.8%

The table above provides a two-year history of the pension total investment fair value and actual returns. The money-weighted rate of return is presented as an expression of investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2020, the annual money-weighted rate of return on plan investments was 1.2%.

### OPEB Rates of Return

<u>Fiscal Year Ending</u>	<u>Total OPEB Investment Portfolio Fair Value</u>	<u>Total Fund Money- Weighted Return</u>
June 30, 2020	\$ 6,269,134	0.3%
June 30, 2019	\$ 6,023,703	4.2%

The table above displays the OPEB total investment at fair value and actual returns. The money-weighted rate of return is presented as an expression of investment performance, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2020, the annual money-weighted rate of return on OPEB plan investments was 0.3%. The Plan collects premiums from members and pays the insurance vendors and the employer funds the OPEB Plan to pay the benefits.

## **BASIC FINANCIAL STATEMENTS**

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2020**

	<b>Pension Trust</b>	<b>OPEB Trust</b>	<b>June 30, 2020 Total</b>
<b>ASSETS</b>			
Cash and short-term investments	\$ 1,213,109	\$ 145,060	\$ 1,358,169
Investments at fair value:			
U.S. government and agency obligations	4,558,181	-	4,558,181
International fixed income	1,051,982	-	1,051,982
Domestic corporate bonds	5,723,427	-	5,723,427
Mutual funds	30,122,208	6,269,134	36,391,342
Total investments at fair value	41,455,798	6,269,134	47,724,932
Total cash and investments	42,668,907	6,414,194	49,083,101
Receivables:			
Employer contributions	105,623	16,845	122,468
Member contributions	70,484	13,890	84,374
Interfund transfers	-	1,190	1,190
Interest	64	8	72
Total receivables	176,171	31,933	208,104
Total assets	42,845,078	6,446,127	49,291,205
<b>LIABILITIES</b>			
Accrued plan expenses	22,350	1,704	24,054
Interfund transfers payable	1,190	-	1,190
Plan benefits payable	7,395	-	7,395
Total liabilities	30,935	1,704	32,639
<b>NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS</b>	<b>\$ 42,814,143</b>	<b>\$ 6,444,423</b>	<b>\$ 49,258,566</b>

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

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Pension Trust</b>	<b>OPEB Trust</b>	<b>June 30, 2020 Total</b>
<b>ADDITIONS</b>			
Additions to net position attributed to:			
Investment income:			
Interest and dividends	\$ 1,278,152	\$ 173,338	\$ 1,451,490
Net increase in fair value of investments	(664,405)	(146,505)	(810,910)
Less investment expense	(120,228)	(13,583)	(133,811)
Net investment income	493,519	13,250	506,769
Contributions:			
Employer contributions	2,487,603	439,636	2,927,239
Member contributions	1,682,817	363,388	2,046,205
Total contributions	4,170,420	803,024	4,973,444
Total additions	4,663,939	816,274	5,480,213
<b>DEDUCTIONS</b>			
Deductions from net position attributed to:			
Benefits paid to members	3,766,710	477,916	4,244,626
Member withdrawals from Plan	505,996	103,973	609,969
Administrative expenses	103,839	6,416	110,255
Total deductions	4,376,545	588,305	4,964,850
<b>TRANSFERS</b>			
Transfers in	-	1,190	1,190
Transfers out	(1,190)	-	(1,190)
Total deductions	(1,190)	1,190	-
Net increase in net position	286,204	229,159	515,363
<b>NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS BEGINNING OF YEAR</b>	42,527,939	6,215,264	48,743,203
<b>NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS END OF YEAR</b>	\$ 42,814,143	\$ 6,444,423	\$ 49,258,566

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

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – DESCRIPTION OF PLAN**

Reporting Entity

The San Joaquin Regional Transit District Retirement Plan (hereafter referred to as “the Plan”), with its own governing board of directors, the Retirement Board, is an independent governmental entity separate and distinct from the San Joaquin Regional Transit District (the District). These financial statements cover the single-employer defined benefit pension (Pension) plan and the defined benefit postemployment healthcare (OPEB) plan; both plans are fiduciary funds defined as pension and other employee benefit trust funds, respectively, and are accounted for separately. The financial statements for the Plan are included in the District’s Comprehensive Annual Financial Report in the “Notes to Financial Statements” section. The following brief description of the Plan for employees of the District is provided for general information purposes only. Members should refer to the Plan documents for more complete information.

Administration

The Retirement Board is responsible for the general administration and management of the Plan. This Plan shall be administered by the Retirement Board, which shall be composed of five (5) members, two (2) members as representatives of the District (one being a member of the District Board of Directors and one Non-Represented Employee representative) and two (2) representatives of the Amalgamated Transit Union, Local 276 (Union), and one Umpire Member (who shall only participate as a member of the Retirement Board when there is a deadlock vote of the other four members). Each Retirement Board Member is appointed to a four-year term of office. Members' terms of office are to be staggered so that the term of one member appointed by the District Board of Directors and the term of one member elected by the employees expire at the end of every other calendar year. Members of the Retirement Board may be reappointed or reelected.

Membership

The Plan is a single-employer contributory defined benefit pension plan covering substantially all full-time employees of the District. All full-time non-represented employees vested as of December 31, 2016, and represented employees of the District who are employed full-time will be members of this Plan and hereafter each person entering the employ of the District as a represented employee will become a Member on the first day of full-time employment.

On October 21, 2016, the Board of Directors for the District approved to transition all active retirement members who are non-represented and not vested in the current plan as of December 31, 2016, to a 401(a) Retirement Savings Plan effective January 1, 2017. All non-represented future hires will be under the 401(a) Retirement Savings Plan. All represented and vested non-represented members will remain in the current defined benefit pension plan. The current plan will still be open for represented new hires.

The District provides benefits for both Pension and OPEB. At June 30, 2020, the Pension benefit portion of the Plan for District membership consisted of:

Retirees or beneficiaries currently receiving benefit payments	150
Inactives vested, but not receiving benefits payments	17
Inactives non-vested	15
Active members	<u>137</u>
Total	<u><u>319</u></u>

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – DESCRIPTION OF PLAN** (Continued)

Membership (Continued)

At June 30, 2020, the OPEB portion of the Plan for District membership consisted of:

Retirees or beneficiaries currently receiving benefit payments	63
Inactives entitled to but not receiving benefits payments	-
Active members	<u>137</u>
Total	<u><u>200</u></u>

Pension Benefits

Members with five or more years of service are entitled to monthly Pension benefits beginning at normal retirement age (62) equal to 2% of the monthly final compensation multiplied by years of credited service. (Members may be entitled to Pension benefits at 55 if they have at least 10 years of credited service.) Retirements at other ages are in accordance with a table included in the Plan document. Final compensation is the average of the 36 consecutive months with the highest earnings. In lieu of the retirement allowance, a member may elect to receive a cash refund of all contributions plus interest.

In addition to the above, all Pension and disability benefits for those members who retire at any age are increased by \$40 per month.

Retirees are entitled to annual cost of living adjustments, based on the change in the Consumer Price Index (CPI) (Pacific Cities and U.S. City Average, All Item Indexes, All Urban Consumers, West B/C) during the calendar year preceding each determination date. The increase in benefits will be subject to limits based on the market value rate of return as shown in the most recent actuarial valuation report.

If members are terminated before completing five years of service, they forfeit the right to receive the portion of their accumulated Plan benefits attributable to the District's contribution, but receive a cash refund of all of their contributions plus interest.

Disability Benefits

Active members who become totally disabled receive monthly disability benefits equal to 2% of final compensation multiplied by years of service. The maximum disability benefit is the normal retirement benefit based on final monthly compensation at the date of disability.

OPEB Healthcare Plan

The Plan also administers a defined benefit healthcare postemployment plan, the terms of which are included in the Plan documents. Each plan's assets may be used only for the payment of benefits to members of the Plan in accordance with the terms of the Plan. Because both plans originate from the same agreement, the preceding information about the Plan applies equally to the defined benefit pension plan and the defined benefit healthcare postemployment plan, as described above. Information related to the defined benefit pension plan and the defined benefit healthcare postemployment plan is presented in the financial statements in the column headings "Pension" and "OPEB," respectively.



**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – DESCRIPTION OF PLAN** (Continued)

Plan Termination

It is the intention of the District to continue the Plan indefinitely. However, should the Plan terminate at some future time, its net position shall be used first to provide for the retirement benefits payable to retired members. Any remaining assets will then be allocated to active members on the basis of the actuarial reserves for their retirement benefits, oldest first.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The Plan follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB).

The financial statements are prepared on an accrual basis of accounting which recognizes income when earned and expenses when the obligation is incurred. Plan member contributions are recognized in the period in which the contributions are withheld from the related payroll. Employer contributions are recognized when due, pursuant to formal commitments as well as statutory or contractual requirements. Investment income is recognized as revenue when earned. Retirement benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Other expenses are recognized when the corresponding liabilities are incurred. The net appreciation (depreciation) in fair value of investments consists of realized and unrealized gains and losses on those investments. The following are the significant accounting policies applied by the Plan in preparation of the accompanying financial statements:

The Pension and OPEB Statements of Fiduciary Net Position and Changes in Fiduciary Net Position were split between Pension and OPEB for financial statement presentation purposes in accordance with GASB Standards. The split was calculated beginning with the addition of the OPEB plan on July 1, 2000, using contribution rates from the Plan's actuarial studies in each respective year. This method of calculation is in accordance with accounting principles generally accepted in the United States of America. On July 1, 2014, the investments were physically segregated.

Cash and Short-Term Investments

Cash equivalents include deposits in the Plan's custodian bank. Short-term investments with the custodian bank include foreign currencies, cash held in short-term investment funds, and other short-term, highly liquid investments. Short-term investments considered cash equivalents are recorded at cost, which approximates fair value.

Receivables

Receivables consist primarily of interest, dividends, investments in transition (i.e., traded but not yet settled), and contributions owed by the District as of June 30, 2020.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Fair Value of Investments

Plan investments are presented at fair value, except for short-term investments. Short-term investments are carried at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate bonds not traded on a national or international exchange are based on equivalent values of comparable securities with similar yield and risk. Fair value is determined by the Plan's management based on information provided by the investment managers and the custodian bank.

Investment Income

Dividend income is recognized based on the ex-dividend date and interest income is recognized on the accrual basis as earned. Fair value changes are recorded as investment income or loss. Purchases and sales of investments are recorded as of the trade date (the date upon which the transaction is initiated).

Interfund Transfers

Transfers were made to reimburse the OPEB fund for deposits made into the Pension fund.

Use of Estimates

The preparation of the Plan's financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

The Plan qualifies as an exempt plan under Section 401(a) of the Internal Revenue Code (IRC). Accordingly, no provision for income taxes has been made in the accompanying financial statements, as the Plan is exempt from federal and state income taxes under the provisions of the IRC Section 501 and California Revenue and Taxation Code Section 23701, respectively.

Administrative Costs

Administrative costs of the Plan are financed through investment earnings and by the District.

**NOTE 3 – CONTRIBUTIONS**

The contributions required of members of the Plan are established and amended by the Retirement Board who administers the Plan. The employer contributions are made at a level which, together with contributions from members of the Plan, are adequate to finance the benefits provided by the Plan on a sound actuarial basis.

Funding Policy

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. Level percentage of payroll employer contribution rates are determined using the entry age normal with frozen initial liability actuarial funding method. The contribution rate in each calendar year is based on the actuarial valuation performed the previous July 1.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 3 – CONTRIBUTIONS** (Continued)

Funding Policy (Continued)

The actuarially determined contribution rates as a percentage of covered payroll which were used to determine the contributions reported in the Statement of Changes in Fiduciary Net Position held in trust for benefits are as follows:

As of July 1, 2018 (Effective for 2019/20 fiscal year) for Pre-California Public Employees' Pension Reform Act (PEPRA) Members

	<u>Classic Member</u>	<u>Employer</u>	<u>Total</u>
Pension Plan	17.72%	25.86%	43.58%
OPEB Plan	3.77%	4.56%	8.33%
Total	<u>21.49%</u>	<u>30.42%</u>	<u>51.91%</u>

As of July 1, 2018 (Effective for 2019/20 fiscal year) for PEPRA Members

	<u>PEPRA Member</u>	<u>Employer</u>	<u>Total</u>
Pension Plan	19.74%	25.86%	45.60%
OPEB Plan	3.77%	4.56%	8.33%
Total	<u>23.51%</u>	<u>30.42%</u>	<u>53.93%</u>

**NOTE 4 – CASH AND INVESTMENTS**

Asset Allocation Policy and Expected Long-Term Rate of Return by Asset Class

The Retirement Board has adopted an Investment Policy Statement (IPS), which provides the framework for the management of the Plan's investments. The IPS establishes the Plan's investment objectives and defines the principal duties of the Retirement Board, the custodian bank, and the investment managers. The asset allocation plan is an integral part of the IPS and is designed to provide an optimum and diversified mix of asset classes with return expectations to satisfy expected liabilities while minimizing risk exposure. The Plan currently employs external investment managers to manage its assets subject to the provisions of the policy. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS** (Continued)

Investment Policy

It is the policy of the Retirement Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Retirement Board has the following target allocation by asset class as shown below:

<b><u>Asset Class - Pension:</u></b>	<b><u>Target Allocation</u></b>	<b><u>Expected Long- Term Real Rate of Return*</u></b>
Large Cap U.S. Equity	24.30%	
Small Cap U.S. Equity	8.10%	
International U.S. Equity	16.20%	
Emerging Markets U.S. Equity	5.40%	
Total Equities	54.00%	4.82%
Real Estate Investment Trusts (REITs)	6.00%	3.76%
Core Fixed Income	27.00%	
High Yield Fixed Income	7.20%	
Emerging Markets Fixed Income	4.80%	
Total Fixed Income	39.00%	1.47%
Cash	1.00%	0.06%
Total Equities, Fixed Income, and Cash	100.00%	

<b><u>Asset Class - OPEB:</u></b>	<b><u>Target Allocation</u></b>	<b><u>Expected Long- Term Real Rate of Return*</u></b>
Large Cap U.S. Equity	28.35%	
Small Cap U.S. Equity	9.45%	
International U.S. Equity	18.90%	
Emerging Markets U.S. Equity	6.30%	
Total Equities	63.00%	4.82%
REITs	7.00%	3.76%
Core Fixed Income	20.00%	
High Yield Fixed Income	5.40%	
Emerging Markets Fixed Income	3.60%	
Total Fixed Income	29.00%	1.47%
Cash	1.00%	0.06%
Total Equities, Fixed Income, and Cash	100.00%	

\* Presented as geometric means.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS** (Continued)

Money-Weighted Rate of Return

For the fiscal year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment management expense, for the Pension Plan was 1.21% and the OPEB Plan was 0.28%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Derivatives

The Plan's IPS permits the use of derivative instruments to minimize the exposure of certain investments to adverse fluctuations in financial and currency markets and enhance yields. The Plan does not use derivatives for speculative use or to create leverage.

During the fiscal year ended June 30, 2020, the Plan owned no derivatives directly in its portfolio.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Plan would not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the Plan's name, and held by the counterparty. The Plan's investment securities are not exposed to custodial credit risk because all securities are either held by the Plan's custodial bank in the Plan's account or held directly with investment companies in the Plan's name.

The Plan's custodial bank maintains insurance to help protect against losses due to negligence, theft, and other related events.

Except for a statement that duties of the Retirement Board, the Plan officers, and employees shall be discharged with care, skill, prudence, and diligence, the Plan has no formal policy for managing custodial credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit. International portfolio managers are permitted to use defensive currency hedging to mitigate foreign currency risk through the use of forward currency contracts and currency futures as long as they are implemented in a timely and cost-effective manner. The Plan's international portfolio managers are allowed to invest in authorized countries. The Plan owns commingled investment vehicles and does not have direct exposure to foreign currency risk. Although the Plan does not have a specific policy regarding foreign currency risk, the Plan seeks to mitigate this risk through its IPS constraints.

Investment Concentrations

Concentration of credit risk is the risk of loss due to a large concentration of investments in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements. As of June 30, 2020, for separately managed investment accounts, the Plan did not have investments in any one issuer representing 5% or more of the total portfolio.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS** (Continued)

Market and Credit Risk

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. In cases where credit ratings differ among rating agencies, the manager shall use the lowest of the ratings provided. The Plan's investment manager provided ratings by Moody's Investors Service (Moody's) and Standard & Poor's (S&P). All fixed-income securities held in the portfolio, other than securities of the U.S. government or agencies, shall have a Moody's credit quality rating of no less than "Baa" and/or the equivalent Standard & Poor's or Fitch's credit quality rating at time of purchase. U.S. Treasury and U.S. government agencies, which are unrated securities, are qualified for inclusion in the portfolio. No more than 20% of the market value of the manager's allocation of Plan assets shall be rated less than single "A" quality, unless the manager has specific written authorization from the Retirement Board.

The following table shows the quality of the Plan's Pension investments in fixed income (U.S. government and agency obligations, international fixed income, and domestic corporate bonds) securities:

<b>S&amp;P/Moody's Credit Rating Category</b>	<b>Fair Value</b>
Aaa / AAA	\$ 576,842
Aa1 / AA+	4,590,183
Aa2 / AA-	288,469
Aa3 / A+	71,785
A1 / A+	153,583
A2 / A	249,064
A3 / A-	1,302,530
A1 / AA-	47,059
Baa1 / BBB+	1,812,142
Baa2 / BBB	1,677,981
Baa3 / BBB-	472,171
Ba1 / BBB-	21,533
Ca / AAA	1,640
N/A	68,608
<b>Total</b>	<b>\$ 11,333,590</b>

N/A represents securities that are not rated.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS** (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates.

The following table for the Plan's Pension investments presents the weighted average duration of fixed income securities by investment category as of June 30, 2020:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Weighted Average Duration (in Years)</u>
U.S. government and agency obligations	\$ 4,558,181	10.73
International fixed income	1,051,982	5.12
Domestic corporate bonds	5,723,427	6.66
<b>Total</b>	<b>\$ 11,333,590</b>	

Fair Value Measurement of Investments

Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. GASB Statement No. 72, *Fair Value Measurement and Application*, was adopted by the Plan and was issued to address accounting and financial reporting issues related to fair value measurement. The Plan classifies the fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The fair value measurements are classified according to the following hierarchy:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2:

Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement. The inputs into the determination of fair value are based upon the best information in the circumstances and may require management's judgment or estimation.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS** (Continued)

Fair Value Measurement of Investments (Continued)

The following is a description of the valuation methodologies used for investments measured at fair value:

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 of the fair value hierarchy are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Repurchase Agreements, Negotiable Certificates of Deposit, and Collateralized Debt Obligations: matrix pricing based on the securities' relationship to benchmark quoted prices;
- Bond and Equity Mutual Funds: published fair value per share (unit) for each fund; and
- Commingled and High-Yield Equity Investments: valued using matrix pricing techniques or quoted prices for similar securities in active markets.

Commingled mutual funds are valued using the net asset value (NAV) which is the fair value of all securities owned by the fund, minus its total liabilities, divided by the number of shares issued. Funds that are valued using the NAV are usually not reported within the fair value hierarchy. However, the Plan's commingled funds are supported by audited financial statements which provide observable market data. Commingled funds are legally or contractually required to redeem at the NAV and therefore are classified as Level 2.

Investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Plan's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. There were no investments to be reported at NAV as of June 30, 2020.

The following table set forth by level, within the fair value hierarchy, the Plan's Pension investments at fair value as of June 30, 2020:

	Investments at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
<b>Investments by fair value level:</b>				
Domestic corporate bonds	\$ -	\$ 5,723,427	\$ -	\$ 5,723,427
International fixed income	-	1,051,982	-	1,051,982
Mutual funds	-	30,122,208	-	30,122,208
U.S. Government and agency obligations	885,314	3,672,867	-	4,558,181
<b>Total investments by fair value level</b>	<b>\$ 885,314</b>	<b>\$ 40,570,484</b>	<b>\$ -</b>	<b>41,455,798</b>
<b>Investments measured at the NAV:</b>				-
<b>Total investments measured at fair value level and NAV</b>				<b>\$ 41,455,798</b>



**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 4 – CASH AND INVESTMENTS** (Continued)

Fair Value Measurement of Investments (Continued)

The following table set forth by level, within the fair value hierarchy, the Plan's OPEB investments at fair value as of June 30, 2020:

	Investments at Fair Value as of June 30, 2020			
	Level 1	Level 2	Level 3	Total
<b>Investments by fair value level:</b>				
Mutual funds	\$ -	\$ 6,269,134	\$ -	\$ 6,269,134
Total investments by fair value level	<u>\$ -</u>	<u>\$ 6,269,134</u>	<u>\$ -</u>	<u>6,269,134</u>
<b>Investments measured at the NAV:</b>				-
<b>Total investments measured at fair value level and NAV</b>				<u>\$ 6,269,134</u>

**NOTE 5 – NET PENSION LIABILITY (NPL)**

GASB Statement No. 67 requires public pension plans to measure and report a NPL. The NPL is measured as the total pension liability (TPL) less the amount of the Plan's fiduciary net position (FNP). The NPL is an accounting measurement for financial statement reporting purposes. The components of the NPL as of the most recent actuarial valuation dates are as follows:

<u>Net Pension Liability</u>	<u>June 30, 2020</u>
Discount Rate	6.50%
TPL	\$ 77,566,000
Less: FNP	<u>42,814,000</u>
NPL	<u>\$ 34,752,000</u>
FNP as a percentage of TPL (FNP/TPL)	55.2%

Discount Rate

The discount rate used to measure the TPL was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's FNP was projected to be available to make all projected future benefit payments of current Plan members. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 5 – NET PENSION LIABILITY (NPL) (Continued)**

Discount Rate (Continued)

The 6.50% long-term expected rate of return was derived based on the inflation assumption of 2.75%, a long-term asset allocation of 54% equities, 6% REITs, 39% fixed income, and 1% cash and geometric real rate of return assumptions for equities, REITs, fixed income, and cash of 4.82%, 3.76%, 1.47%, and 0.06%, respectively.

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

The following presents the sensitivity of the NPL, calculated using the discount rate of 6.50%, as well as what the NPL would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	5.50%	\$ 44,602,000
Current discount rate	6.50%	\$ 34,752,000
1% increase	7.50%	\$ 26,534,000

Additional information as of the latest actuarial valuation follows:

Valuation Date	July 1, 2019
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level percentage of payroll
Remaining Amortization Period	19 years
Asset Valuation Method	Five year smoothed market
Actuarial Assumptions: Discount Rate	6.50%, net of investment expenses. Equals long-term expected rate of return on Plan investments.
Projected Salary Increase (includes inflation at 2.75%)	3.00% plus merit/longevity increases based on entry age and service (California Public Employees Retirement System (CalPERS) 1997-2011 Experience Study for Miscellaneous public agency employees)
Cost of Living Increases	0.92% per year
Interest on Member Contributions	2.75%
Termination	Rates vary by service and hire age. Based on CalPERS 1997-2011 Experience Study for Miscellaneous public agencies table.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
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JUNE 30, 2020**

**NOTE 5 – NET PENSION LIABILITY (NPL) (Continued)**

Additional information as of the latest actuarial valuation follows: (Continued)

Retirement	Rates vary based on retirement age and service. Examination of plan experience was conducted in 2014, but no change to the existing assumption was made as rates were consistent with experience.
Mortality	Based on The Society of Actuaries RP-2014 Table with Blue and White Collar adjustment for Represented and non-Represented employees, respectively, projected for future mortality improvement using Society of Actuaries mortality improvement scale MP-2018.
Discount Rate Derivation Assumptions	Employer and members will continue to contribute actuarially determined contribution rates. No “crossover” occurs. Discount rate is set equal to expected long term rate of return on Plan assets.

**NOTE 6 – NET OPEB LIABILITY (NOL)**

GASB Statement No. 74 requires public pension plans to measure and report a NOL. The NOL is measured as the total OPEB liability (TOL) less the amount of the Plan's FNP. The NOL is an accounting measurement for financial statement reporting purposes. The components of the NOL as of the most recent actuarial valuation dates are as follows:

<u>Net OPEB Liability:</u>	<u>June 30, 2020</u>
Discount Rate	6.50%
TOL	\$ 12,580,000
Less: FNP	<u>6,444,000</u>
NOL	<u>\$ 6,136,000</u>
FNP as a percentage of TOL (FNP/TOL)	51.2%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of changes in the District's NOL and related ratios, presented as required supplementary information following the notes to the financial statements, present multiyear trend information about whether the actuarial values of Plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
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**NOTE 6 – NET OPEB LIABILITY (NOL)** (Continued)

Discount Rate

The discount rate used to measure the TOL was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's FNP was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL.

The 6.50% long-term expected rate of return was derived based on the inflation assumption of 2.75%, a long-term asset allocation of 63% equities, 7% REITs, 29% fixed income, and 1% cash and geometric real rate of return assumptions for equities, REITs, fixed income, and cash of 4.82%, 3.76%, 1.47%, and 0.06%, respectively.

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

The following presents the sensitivity of the NOL, calculated using the current discount rate of 6.50%, as well as what the NOL would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<u>Discount Rate</u>	<u>NOL</u>
1% decrease	5.50%	\$ 8,076,000
Current discount rate	6.50%	\$ 6,136,000
1% increase	7.50%	\$ 4,561,000

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the sensitivity of the NOL to changes in the healthcare cost trend rates, calculated using the current healthcare cost trend rates, as well as what the NOL would be if it were calculated using the healthcare cost trend rates that is one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>Net OPEB Liability</u>
1% decrease*	\$ 4,315,000
Current trend rates*	\$ 6,136,000
1% increase*	\$ 8,415,000

\*Current trend rates: Non-Medicare 7.00% for 2020, decreasing to an ultimate rate of 4.0% in 2075 and later years; Medicare 6.10% for 2021, decreasing to an ultimate rate of 4.0% in 2075 and later years; and 3.75% for Dental and Vision cost.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 6 – NET OPEB LIABILITY (NOL) (Continued)**

Actuarial Assumptions

The TOL was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2019
Discount Rate	6.50%, net of investment expenses. Equals long-term expected rate of return on plan investments.
Inflation Rate	2.75%
Salary Increase	3.00% merit/longevity increases based on entry age and service (CalPERS 1997 - 2011 Experience Study for Miscellaneous public agency employees).
Mortality Rate Table	Based on The Society of Actuaries RP-2014 Table with Blue and White Collar adjustment for Represented and non-Represented employees, respectively, projected for future mortality improvement utilizing Society of Actuaries Scale mortality improvement scale MP-2018.
Medical Trend	Future increases begin in 2021 at 7.00% for Non-Medicare and 6.10% for Medicare, decreasing over the next 54 years to an ultimate rate of 4.0% in 2075 for both Medicare and Non-Medicare.
Public Employees' Medical and Hospital Act (PEMHCA) Minimum Increase	4.25%
Dental and Vision Trend	3.75%
Participation at Retirement	100% in medical, dental, and vision for actives retiring with 25 years of service. 10% in medical grading up to 50% over 20 years, if enrolled in medical plan while active and retiring while eligible only for the PEMHCA minimum benefit. 5% in medical, if waived medical plan while active and retiring while eligible only for the PEMHCA minimum benefit.
Retirement	Rates vary by age and service. Examination of Plan experience was conducted in 2014, but no change to the existing assumption was made as rates were consistent with experience.
Termination	Rates vary by service and hire age. CalPERS 1997 - 2011 Experience Study for Miscellaneous public agencies.
Discount Rate Derivation Assumptions	Employer and members will contribute actuarially determined contribution rates. No "crossover" occurs. Discount rate is set equal to expected long-term rate of return on Plan assets.

**NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 9, 2020, which is the date the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION – PENSION**

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
NET PENSION LIABILITY AND RELATED RATIOS\***

<b>Fiscal Year</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
<b>Total Pension Liability:</b>							
Service cost	\$ 1,582,000	\$ 1,536,000	\$ 1,524,000	\$ 1,856,000	\$ 1,912,000	\$ 1,702,000	\$ 1,397,000
Interest	4,868,000	4,675,000	4,698,000	4,534,000	4,610,000	4,033,000	3,837,000
Changes of benefit terms (removal of 401(a) plan members)	-	-	-	(757,000)	-	-	-
Differences between expected and actual experience	145,000	787,000	82,000	(3,150,000)	2,111,000	-	414,000
Changes of assumptions	(205,000)	-	2,255,000	-	3,461,000	-	1,718,000
Benefit payments, including refunds of member contributions	(4,273,000)	(3,879,000)	(3,623,000)	(3,832,000)	(3,457,000)	(3,045,000)	(2,905,000)
<b>Net Change in Total Pension Liability</b>	<b>2,117,000</b>	<b>3,119,000</b>	<b>4,936,000</b>	<b>(1,349,000)</b>	<b>8,637,000</b>	<b>2,690,000</b>	<b>4,461,000</b>
<b>Total Pension Liability at Beginning of Year</b>	<b>75,449,000</b>	<b>72,330,000</b>	<b>67,394,000</b>	<b>68,743,000</b>	<b>60,106,000</b>	<b>57,416,000</b>	<b>52,955,000</b>
<b>Total Pension Liability at End of Year</b>	<b>\$ 77,566,000</b>	<b>\$ 75,449,000</b>	<b>\$ 72,330,000</b>	<b>\$ 67,394,000</b>	<b>\$ 68,743,000</b>	<b>\$ 60,106,000</b>	<b>\$ 57,416,000</b>
<b>Fiduciary Net Position:</b>							
Contributions - employer	\$ 2,488,000	\$ 2,367,000	\$ 1,934,000	\$ 1,952,000	\$ 1,970,000	\$ 1,703,000	\$ 1,576,000
Contributions - member	1,683,000	1,556,000	1,402,000	1,594,000	1,662,000	1,383,000	1,269,000
Net investment income	492,000	1,954,000	2,880,000	4,308,000	(86,000)	272,000	4,989,000
Benefit payments, including refunds of member contributions	(4,273,000)	(3,879,000)	(3,623,000)	(3,832,000)	(3,457,000)	(3,045,000)	(2,905,000)
Administrative expenses	(104,000)	(103,000)	(104,000)	(79,000)	(199,000)	(112,000)	(122,000)
Other changes - net transfers	-	-	-	-	-	(21,000)	-
<b>Net Change in Fiduciary Net Position</b>	<b>286,000</b>	<b>1,895,000</b>	<b>2,489,000</b>	<b>3,943,000</b>	<b>(110,000)</b>	<b>180,000</b>	<b>4,807,000</b>
<b>Fiduciary Net Position at Beginning of Year</b>	<b>42,528,000</b>	<b>40,633,000</b>	<b>38,144,000</b>	<b>34,201,000</b>	<b>34,311,000</b>	<b>34,131,000</b>	<b>29,324,000</b>
<b>Fiduciary Net Position at End of Year</b>	<b>\$ 42,814,000</b>	<b>\$ 42,528,000</b>	<b>\$ 40,633,000</b>	<b>\$ 38,144,000</b>	<b>\$ 34,201,000</b>	<b>\$ 34,311,000</b>	<b>\$ 34,131,000</b>
<b>Net Pension Liability at End of Year</b>	<b>\$ 34,752,000</b>	<b>\$ 32,921,000</b>	<b>\$ 31,697,000</b>	<b>\$ 29,250,000</b>	<b>\$ 34,542,000</b>	<b>\$ 25,795,000</b>	<b>\$ 23,285,000</b>
<b>Fiduciary Net Position as Percentage of Total Pension Liability</b>	<b>55.2%</b>	<b>56.4%</b>	<b>56.2%</b>	<b>56.6%</b>	<b>49.8%</b>	<b>57.1%</b>	<b>59.4%</b>
<b>Covered Payroll<sup>1</sup></b>	<b>\$ 9,157,000</b>	<b>\$ 9,539,000</b>	<b>\$ 8,122,000</b>	<b>\$ 8,672,000</b>	<b>\$ 11,389,000</b>	<b>\$ 10,355,000</b>	<b>\$ 9,960,000</b>
<b>Net Pension Liability as Percentage of Covered Payroll</b>	<b>379.5%</b>	<b>345.1%</b>	<b>390.3%</b>	<b>337.3%</b>	<b>303.3%</b>	<b>249.1%</b>	<b>233.8%</b>

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

<sup>1</sup> In accordance with Statement No. 82 of the Governmental Accounting Standards Board (GASB), Covered Payroll is the payroll on which contributions are based.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN**

**SCHEDULE OF INVESTMENT RETURNS – PENSION\***

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	1.21%	4.76%	7.40%	12.74%	-0.16%	0.81%	17.23%

**SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS\***

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Actuarially determined contributions	\$ 2,488,000	\$ 2,367,000	\$ 1,934,000	\$ 1,952,000	\$ 2,028,000	\$ 1,703,000	\$ 1,576,000
Contributions in relation to the actuarially determined contributions	<u>2,488,000</u>	<u>2,367,000</u>	<u>1,934,000</u>	<u>1,952,000</u>	<u>2,028,000</u>	<u>1,703,000</u>	<u>1,576,000</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll <sup>1</sup>	\$ 9,157,000	\$ 9,539,000	\$ 8,122,000	\$ 8,672,000	\$ 11,389,000	\$ 10,355,000	\$ 9,960,000
Contributions as a percentage of covered payroll	27.2%	24.8%	23.8%	22.5%	17.8%	16.4%	15.8%

\* These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

<sup>1</sup> In accordance with Statement No. 82 of the GASB, Covered Payroll is the payroll on which contributions are based.



**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION  
JUNE 30, 2020**

**NOTE 1 – SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

The total pension liability contained in this schedule was obtained from the San Joaquin Regional Transit District Retirement Plan's (the Plan) actuary, Bartel Associates, LLC.

The service cost is based on the previous year's valuation, meaning the June 30, 2020 values are based on the valuation as of July 1, 2019.

Covered payroll shown represents Compensation Earnable and Pensionable Compensation. Only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement benefits are included.

**Change in Assumptions**

The Plan's population was determined to be too small for a complete, valid experience study to be performed. Based on a review of the Plan's demographic experience, we selected actuarial assumptions for employment termination, salary increases, and disability mortality based on those used by California Public Employees Retirement System (CalPERS) for plans with similar benefit formulas, since CalPERS assumptions are based on experience studies of California public agencies. The rates of retirement and disablement have been selected based on the Plan's experience. The Plan's governing board of directors (Retirement Board) adopted new economic assumptions effective with the July 1, 2017 valuation. These key methods and assumption changes included adjusting the investment return from 7.00% to 6.50%; adjusting inflation from 3.25% to 2.75%; and mortality rate table changes. There were no new changes in the current year. See Note 5 to the financial statements for details on the current actuarial methods and assumptions used in the July 1, 2019 actuarial valuation.

**NOTE 2 – SCHEDULE OF INVESTMENT RETURNS**

The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NOTE 3 – ACTUARIAL ASSUMPTIONS USED IN DETERMINING THE ACTUARIALLY DETERMINED CONTRIBUTIONS**

The actuarial determined contribution rates for the year ending June 30, 2020, are calculated based on the July 1, 2018 actuarial valuation (two years prior to the end of the fiscal year in which contributions are reported). Details of the significant actuarial methods and assumptions used for the valuation are as follows:

<b>Actuarial Assumptions</b>	
Valuation Date	July 1, 2018
Actuarial Cost Method	Entry-Age Normal Cost
Amortization Method	20-year level percentage of pay
Asset Valuation Method	Five year smoothed market
Discount Rate	6.50%, net of investment expenses.
Inflation rate	2.75%
Salary Increase	3.00% merit/longevity increases based on entry age and service.
Cost of Living Increases	0.92% annual future increases assumed.
Long-Term Investment Rate of Return	6.50% net of investment expenses based on the 2.75% inflation assumption, a long-term asset allocation of 60% equities, 39% fixed income, and 1% cash and geometric real rate of return assumptions for equities, fixed income, and cash of 4.82%, 1.47%, and 0.06% respectively.
All Other Assumptions	Same as those used in the July 1, 2018 funding actuarial valuation.

**REQUIRED SUPPLEMENTARY INFORMATION – OPEB**

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
SCHEDULE OF CHANGES IN THE DISTRICT'S  
NET OPEB LIABILITY AND RELATED RATIOS\***

<b>Fiscal Year</b>	<b><u>June 30, 2020</u></b>	<b><u>June 30, 2019</u></b>	<b><u>June 30, 2018</u></b>	<b><u>June 30, 2017</u></b>
<b>Total OPEB Liability:</b>				
Service cost	\$ 270,000	\$ 274,000	\$ 262,000	\$ 310,000
Interest	848,000	858,000	818,000	790,000
Changes of benefit terms	-	-	-	(117,000)
Difference between expected and actual experience	(892,000)	(621,000)	145,000	-
Change in assumptions	(47,000)	-	918,000	-
Benefit payments - Cash	(582,000)	(522,000)	(507,000)	(523,000)
Benefit payments - Implied Subsidy	(136,000)	(123,000)	(122,000)	(137,000)
<b>Net Change in Total OPEB Liability</b>	<b>(539,000)</b>	<b>(134,000)</b>	<b>1,514,000</b>	<b>323,000</b>
<b>Total OPEB Liability at Beginning of Year</b>	<b><u>13,119,000</u></b>	<b><u>13,253,000</u></b>	<b><u>11,739,000</u></b>	<b><u>11,416,000</u></b>
<b>Total OPEB Liability at End of Year (a)</b>	<b><u>\$ 12,580,000</u></b>	<b><u>\$ 13,119,000</u></b>	<b><u>\$ 13,253,000</u></b>	<b><u>\$ 11,739,000</u></b>
<b>Fiduciary Net Position:</b>				
Contributions - employer	\$ 440,000	\$ 461,000	\$ 371,000	\$ 202,000
Contributions - employer (Implied Subsidy benefit payments)	136,000	123,000	122,000	137,000
Contributions - member	363,000	381,000	330,000	188,000
Net investment income	14,000	249,000	424,000	651,000
Benefit payments - Cash	(582,000)	(522,000)	(507,000)	(523,000)
Benefit payments - Implied Subsidy	(136,000)	(123,000)	(122,000)	(137,000)
Administrative expense	(6,000)	(6,000)	(6,000)	(3,000)
<b>Net Change in Fiduciary Net Position</b>	<b>229,000</b>	<b>563,000</b>	<b>612,000</b>	<b>515,000</b>
<b>Fiduciary Net Position at Beginning of Year</b>	<b><u>6,215,000</u></b>	<b><u>5,652,000</u></b>	<b><u>5,040,000</u></b>	<b><u>4,525,000</u></b>
<b>Fiduciary Net Position at End of Year (b)</b>	<b><u>\$ 6,444,000</u></b>	<b><u>\$ 6,215,000</u></b>	<b><u>\$ 5,652,000</u></b>	<b><u>\$ 5,040,000</u></b>
<b>Net OPEB Liability at End of Year (a) - (b)</b>	<b>\$ 6,136,000</b>	<b>\$ 6,904,000</b>	<b>\$ 7,601,000</b>	<b>\$ 6,700,000</b>
<b>Fiduciary Net Position as Percentage of Total OPEB Liability</b>	<b>51.2%</b>	<b>47.4%</b>	<b>42.6%</b>	<b>42.9%</b>
<b>Covered Payroll<sup>1</sup></b>	<b>\$ 9,303,000</b>	<b>\$ 9,824,000</b>	<b>\$ 8,220,000</b>	<b>\$ 8,739,000</b>
<b>Net OPEB Liability as Percentage of Covered Payroll</b>	<b>66.0%</b>	<b>70.3%</b>	<b>92.5%</b>	<b>76.7%</b>

\* This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

<sup>1</sup> In accordance with Statement No. 82 of the Governmental Accounting Standards Board (GASB), Covered Payroll is the payroll on which contributions are based. The difference between Pension and OPEB covered payroll is that OPEB contributions are not subject to the California Public Employees' Pension Reform Act (PEPRA) limitations.

See accompanying notes to required supplementary information.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN**

**SCHEDULE OF INVESTMENT RETURNS – OPEB\***

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	0.28%	4.21%	8.04%	14.62%	-0.51%	0.59%

**SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS\***

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Actuarially determined contributions	\$ 440,000	\$ 461,000	\$ 371,000	\$ 202,000
Contributions in relation to the actuarially determined contributions <sup>2</sup>	<u>576,000</u>	<u>584,000</u>	<u>493,000</u>	<u>339,000</u>
Contribution deficiency / (excess)	<u><u>\$ (136,000)</u></u>	<u><u>\$ (123,000)</u></u>	<u><u>\$ (122,000)</u></u>	<u><u>\$ (137,000)</u></u>
Covered payroll <sup>1</sup>	\$ 9,303,000	\$ 9,824,000	\$ 8,220,000	\$ 8,739,000
Contributions as a percentage of covered payroll	6.2%	5.9%	6.0%	3.9%

\* These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

<sup>1</sup> In accordance with Statement No. 82 of the GASB, Covered Payroll is the payroll on which contributions are based. The difference between Pension and OPEB covered payroll is that OPEB contributions are not subject to PEPRAs limitations.

<sup>2</sup> Includes implied subsidy benefit payments not reimbursed from the trust.

See accompanying notes to required supplementary information.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
RETIREMENT PLAN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - OPEB  
JUNE 30, 2020**

**NOTE 1 – SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS**

The total OPEB liability contained in this schedule was obtained from the San Joaquin Regional Transit District Retirement Plan's (the Plan) actuary, Bartel Associates, LLC. The service cost is based on the previous year's valuation, meaning the 2020 values are based on the valuation as of July 1, 2019.

Covered payroll shown represents Compensation Earnable and Pensionable Compensation. Only Compensation Earnable and Pensionable Compensation that would go into the determination of retirement health benefits are included.

**Change in Assumptions**

The Plan's population was determined to be too small for a complete, valid experience study to be performed. Based on a review of the Plan's demographic experience we selected actuarial assumptions for employment termination, salary increases, and disability mortality based on those used by California Public Employees Retirement System (CalPERS) for plans with similar benefit formulas, since CalPERS assumptions are based on experience studies of California public agencies. The rates of retirement and disablement have been selected based on the Plan's experience. The Plan's governing board of directors (Retirement Board) adopted new economic assumptions effective with the July 1, 2017 valuation. These key methods and assumption changes included adjusting the investment return from 7.00% to 6.50%; adjusting inflation from 3.25% to 2.75%; and mortality rate table changes. There were no new changes in the current year. See Note 6 for details on the current actuarial methods and assumptions used in the July 1, 2018 actuarial valuation.

**NOTE 2 – SCHEDULE OF INVESTMENT RETURNS**

The money-weighted return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**NOTE 3 – ACTUARIAL ASSUMPTIONS USED IN DETERMINING THE ACTUARIALLY DETERMINED CONTRIBUTIONS**

The actuarial determined contribution rates for the year ending June 30, 2020, are calculated based on the July 1, 2018 actuarial valuation (two years prior to the end of the fiscal year in which contributions are reported). Details of the significant actuarial methods and assumptions used for the valuation are as follows:

<b>Actuarial Assumption</b>	
Valuation Date	July 1, 2018
Discount Rate	6.50%, net of investment expenses.
Admin Expenses	Average: Prior 3 Years
Inflation Rate	2.75%
Salary Increase	3.00% merit/longevity increases based on entry age and service (CalPERS 1997 - 2011 Experience Study for Miscellaneous public agency employees)
Employer and Member Contributions	Total contributions are shared evenly between employer and member.
Actuarial Cost Method	Entry-Age Normal Cost

**NOTE 3 – ACTUARIAL ASSUMPTIONS USED IN DETERMINING THE ACTUARIALLY DETERMINED CONTRIBUTIONS** (Continued)

Amortization Method	20-year level percentage of pay.
Mortality Rate Table	Based on The Society of Actuaries RP-2014 Table with Blue and White Collar adjustment for Represented and non-Represented employees, respectively, projected for future mortality improvement utilizing Society of Actuaries Scale mortality improvement scale MP-2017.
Medical Trend	Non-Medicare 7.25% for 2020, decreasing to an ultimate rate of 4.0% in 2075 and later years. Medicare 6.3% for 2020, decreasing to an ultimate rate of 4.0% in 2075 and later years.
PEMHCA Minimum Increase	4.25%
Dental and Vision Trend	3.75%
Participation at Retirement	100% in medical, dental, and vision for actives retiring with 25 years of service. 10% in medical grading up to 50% over 20 years, if enrolled in medical plan while active and retiring while eligible only for the PEMHCA minimum benefit. 5% in medical, if waived medical plan while active and retiring while eligible only for the PEMHCA minimum benefit.
Retirement	Rates vary by age and service. Examination of plan experience was conducted in 2014, but no change to the existing assumption was made as rates were consistent with experience.
Termination	Rates vary by service and hire age. CalPERS 1997 - 2011 Experience Study for Miscellaneous public agencies.
Discount Rate Derivation Assumptions	Employer and members will contribute actuarially determined contribution rates. No “crossover” occurs. Discount rate is set equal to expected long-term rate of return on plan assets.



# Results of SJRTD Retirement Plan Financial Statement Audit for the Fiscal Year Ended June 30, 2020

**Brown Armstrong**

**Accountancy Corporation**

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**BROWN ARMSTRONG**  
Certified Public Accountants

December 17, 2020

The Retirement Board of the  
San Joaquin Regional Transit District Retirement Plan  
Stockton, California

We are pleased to present to you the results of our audit of the San Joaquin Regional Transit District Retirement Plan (the Plan) financial statements for the fiscal year ended June 30, 2020.

We look forward to presenting the results of the audit and addressing your questions.

Sincerely,

Ashley L. Casey, CPA,  
*Partner*

Brown Armstrong Accountancy Corporation



**BROWN ARMSTRONG**  
Certified Public Accountants



# Agenda

- ▶ Audit Timeline/Critical Dates List
- ▶ Results of the Audit
  - Required Communication to the Board of Retirement and Audit Committee in Accordance with Professional Standards (SAS 114)
  - Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
  - Audit Opinion on Financial Statements
- ▶ Financial Statement Review Process
- ▶ Thank Staff/Questions?

# Audit Timeline/Critical Dates

- Audit Planning Information Request – July 13, 2020
- Populations provided for sampling – August 18, 2020
- Fieldwork onsite – August 26, 2020
  - Walkthroughs and Understanding of Key Accounting Areas
  - Testing of Internal Controls
  - Update Minutes and Agreements
  - Substantiate all Accounts and Balances
  - Review Confirmation Responses from actuary, custodian, investment managers, and consultants
- Draft Actuary Valuations received – September 29, 2020
- Draft Financial Statements and Audit Reports – September/October 2020
- Audit Opinions Issued – November 9, 2020
- Reports presented to Board of Directors – December 17, 2020

# Results of the Audit

Report	Summary of Opinion / Required Communication
Required Communication to the Board of Retirement and Audit Committee in Accordance with Professional Standards (SAS 114)	<ul style="list-style-type: none"><li>• Auditor Responsibility in Relation to the Financial Statement Audit</li><li>• Qualitative Aspects of Accounting Practices<ul style="list-style-type: none"><li>• No new accounting policies</li><li>• Significant Accounting Estimates and Sensitive Financial Statement Disclosures<ul style="list-style-type: none"><li>• Fair Value of Investments</li><li>• Contributions and Net Pension Liability, and Net OPEB Liability<ul style="list-style-type: none"><li>✓ Based on actuary assumptions</li></ul></li></ul></li></ul></li><li>• Significant Difficulties Encountered in Performing the Audit – None</li><li>• Corrected and Uncorrected Misstatements – None</li><li>• Disagreements with Management – None</li><li>• Other Audit Findings or Issues – None</li><li>• Other Information in the Documents containing Audited Financial Statements</li></ul>

# Results of the Audit (Continued)

Report	Summary of Opinion / Required Communication
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	<ul style="list-style-type: none"> <li>• No noncompliance noted</li> <li>• No material weaknesses, significant deficiencies, or control deficiencies identified</li> </ul>
Report on Financial Statements (Opinion)	<p>Framework</p> <ul style="list-style-type: none"> <li>• Financial Statements: <ul style="list-style-type: none"> <li>– U.S. Generally Accepted Accounting Principles</li> </ul> </li> <li>• Audit Standards: <ul style="list-style-type: none"> <li>– U.S. Generally Accepted Auditing Standards</li> <li>– <i>Government Auditing Standards</i></li> </ul> </li> </ul> <p>Unmodified (Clean) Opinion on Financial Statements</p>

# Financial Statement Review

- ▶ Review Process
  - Administrative Review
  - Engagement Team Review
  - Quality Control Review

# Thank Staff/Questions?



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**BROWN ARMSTRONG**  
Certified Public Accountants

RESOLUTION NO.\_\_\_\_  
DATED: DECEMBER 17, 2020

APPROVING THE FY 2020 AUDITOR'S REPORT OF THE  
SAN JOAQUIN REGIONAL TRANSIT DISTRICT (RTD) RETIREMENT PLAN

RESOLVED AND ORDERED by the Retirement Board of the San Joaquin Regional Transit District that the FY 2020 Audit Report, as submitted by Brown Armstrong Accountancy Corporation, be and is hereby accepted.

**INFORMATION ITEM:** **RTD RETIREMENT PROCESS**

**L LEAD STAFF:** **ERICKA FRANCO,  
HUMAN RESOURCES ADMINISTRATOR – BENEFITS**

**FINANCIAL IMPACT:** **NONE**

**DISCUSSION:**

Human Resources Administrator – Benefits Ericka Franco will provide a presentation to the Board regarding RTD's retirement process.



**RECOMMENDATION:** **ELECTION OF THE CHAIR AND VICE-CHAIR OF THE SAN JOAQUIN REGIONAL TRANSIT DISTRICT (RTD) RETIREMENT PLAN BOARD OF DIRECTORS FOR THE CALENDAR YEAR 2021**

**LEAD STAFF:** **CHRISTOPHER WADDELL  
RTD RETIREMENT BOARD LEGAL COUNSEL**

**FINANCIAL IMPACT:** **NONE**

**BACKGROUND:**

Section 3.10 of the San Joaquin Regional Transit Retirement Plan Restated Effective August 1, 2010 states:

"The members of the Retirement Board shall elect one Retirement Board member as Chair and one as Vice-Chair. When the Chair is an RTD representative, the Vice-Chair must be a Union representative, and vice-versa. The terms of the Chair and Vice-Chair shall be one year. The Chair shall alternate yearly between an RTD representative and a Union representative."

**DISCUSSION:**

The Retirement Plan Board of Directors, at its meeting on June 18, 2020, elected a Chair who was an RTD representative, and a Vice-Chair, who was a Union representative. Since the Chair and Vice-Chair serve a calendar year term, an election for said positions is necessary. For the calendar year of 2020, the Chair shall be a Union Representative and the Vice-Chair shall be an RTD representative.