

SAN JOAQUIN REGIONAL TRANSIT DISTRICT
QUARTERLY RETIREMENT BOARD MEETING – NOTICE AND AGENDA
10:00 A.M. ON THURSDAY, DECEMBER 15, 2022

The Retirement Board of the San Joaquin Regional Transit District (RTD) will hold a quarterly meeting at 10:00 A.M. on Thursday, December 15, 2022 in the Boardroom of RTD's Downtown Transit Center, 421 East Weber Avenue, Stockton, California. Chair Michael Restuccia will attend the meeting via videoconference at 259 N. Wilma Avenue, Ripon, CA 95366. Vice Chair Crystal McGee-Lee and Director Ralph Niz will attend the meeting via videoconference at 2776 21st Street, Sacramento, CA 95818. Please visit <https://sanjoaquinrtd.com/retirement-board/> for an electronic copy of this document.

ACCESSIBLE PUBLIC MEETINGS: RTD is committed to ensuring that all meetings are accessible regardless of an individual's ability or access method. RTD will make all reasonable accommodations for persons with disabilities to participate in this meeting. Upon request to the Chief Executive Office, RTD will provide agenda materials in appropriate alternative formats or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number, and a brief description of the requested materials, preferred alternative format, auxiliary aid, or service, at least three workdays before the meeting. Requests should be sent to RTD by mail at 421 East Weber Avenue, Stockton, CA 95202, by phone at (209) 467-6613, by fax at (209) 948-8516, or by email to BoardSupport@sjRTD.com.

For language assistance, interpreter services, please contact (209) 943-1111. Para información en Español, por favor llame al (209) 943-1111.

1. CALL MEETING TO ORDER
2. MOMENT OF SILENCE/REFLECTION
3. SAFETY ANNOUNCEMENT
4. PLEDGE OF ALLEGIANCE TO THE FLAG
5. ROLL CALL
6. PUBLIC COMMENT

All public comments shall be limited to no more than THREE MINUTES. In addition, applause, loud noises, or any other outbursts or disruptions from the audience are not allowed during or after public comment. At the presiding

officer's discretion, those who violate this protocol may be removed from the meeting.

7. CONSENT CALENDAR

- A. RESOLUTION: APPROVING THE MINUTES OF THE SEPTEMBER 15, 2022 RETIREMENT BOARD MEETING
Board approval of minutes.
- B. RESOLUTION: APPROVING THE 2023 QUARTERLY RETIREMENT BOARD MEETING SCHEDULE
Board approval of meeting schedule.

8. UNFINISHED BUSINESS

No action is required as the following items are provided for information only.

- A. UPDATE ON MARKET PERFORMANCE
Team Hewins, LLC staff will present current market performance regarding investment conditions.
- B. QUARTERLY INVESTMENT PERFORMANCE OF SEPTEMBER 30, 2022
Team Hewins, LLC staff will present the 2022 third quarter performance analysis and year to date comparisons for the Retirement and Health Plans.
- C. FISCAL YEAR SUMMARY OF RTD RETIREMENT PLAN CONTRIBUTIONS AND DISTRIBUTIONS
Team Hewins, LLC staff will present a Fiscal Year comparison over the last five years for contributions, distributions, and expenses of the Retirement Plan.
- D. FISCAL YEAR 2022 RESULTS OF THE RETIREMENT PLAN FINANCIAL STATEMENT AUDIT
Brown Armstrong staff will present the FY2022 results of the retirement plan financial statement audit.

9. DISCUSSION ITEMS

- A. ELECTION OF OFFICERS
Board election of Retirement Board Chair and Vice Chair for calendar year 2023.
- B. SELECTION OF TAX COUNSEL
Selection of Tax Counsel for Compliance Review of Retirement Plan

Following Amendments Thereto.

- C. PROPOSED RETIREMENT PLAN AMENDMENT PROVIDING FOR
ALTERNATE RETIREMENT BOARD MEMBERS
Proposed amendment to the Retirement Plan.
 - D. PROPOSED RETIREMENT PLAN BYLAWS, FIRST READING
Including Second Reading of Provisions for Alternate Retirement Board
Members.
- 10. QUESTIONS AND COMMENTS FROM THE RETIREMENT BOARD AND/OR STAFF
 - 11. ADJOURNMENT

**NOTE: THE NEXT QUARTERLY SCHEDULED RETIREMENT BOARD
MEETING WILL BE HELD ON THURSDAY, FEBRUARY 23, 2023 AT 10:00
A.M.**

DATE POSTED: DECEMBER 9, 2022



LEAD STAFF: **ALEX CLIFFORD, CEO**

I. RECOMMENDED ACTION:

Approve the minutes of the September 15, 2022 Quarterly Retirement Board meeting.

II. SUMMARY

- Staff is providing the meeting minutes of the September 15, 2022 Quarterly Retirement Board meeting.
- Meeting minutes are recorded after each meeting and will be provided for approval at the following regularly scheduled meeting.

III. DISCUSSION/BACKGROUND

Meeting minutes are prepared by staff and serve as an official public record of actions taken by the Retirement Board. Once approved, minutes are filed and will remain in RTD's archives as documentation of the board's adherence to RTD's Rules of Procedure. Minutes will be made available to any member of the public upon request.

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This recommendation aligns with the Board's Strategic Priority 4.

Strategic Priorities:

1. Employees
2. Customers
3. Financial Health
4. Operations Excellence
5. Community Relations
6. Innovation

V. FINANCIAL CONSIDERATIONS/IMPACT

None.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

None.

VIII. ATTACHMENTS

Attachment A: Draft minutes of the RTD Retirement Board Meeting of September 15, 2022

Attachment B: Resolution

Prepared by: Erica Smith, Executive and Board Support Specialist

IX. APPROVALS

Alex Clifford, CEO





Attachment A
Cover Page

MINUTES OF THE QUARTERLY MEETING OF THE RETIREMENT BOARD
OF THE SAN JOAQUIN REGIONAL TRANSIT DISTRICT
THURSDAY, SEPTEMBER 15, 2022

The San Joaquin Regional Transit District Retirement Board held a Quarterly Meeting on Thursday, September 15, 2022 at 10:00 a.m. in the Boardroom of RTD's Downtown Transit Center, 421 East Weber Avenue, Stockton, California. Chair Michael Restuccia attended the meeting via videoconference at 259 N. Wilma Avenue, Ripon, CA 95366. Vice Chair Crystal McGee-Lee and Director Ralph Niz attended the meeting via videoconference at 2776 21st Street, Sacramento, CA 95818.

- | | | |
|----|----------------------------------|--|
| 1. | CALL MEETING TO ORDER | Chair Michael Restuccia called the meeting to order at 10:01 a.m. |
| 2. | MOMENT OF SILENCE/REFLECTION | Chair Restuccia called for a moment of silence and reflection. |
| 3. | SAFETY ANNOUNCEMENT | Project Controls Manager Merab Talamantes made a Safety Announcement. |
| 4. | PLEDGE OF ALLEGIANCE TO THE FLAG | Chair Restuccia led the pledge. |
| 5. | ROLL CALL | Present: Michael Restuccia, Chair
Crystal McGee-Lee, Vice Chair
Ralph Niz, Director
Johanna Shick, Director |

RTD Staff Present

Alex Clifford, CEO

Al Warren Hoslett, RTD Legal Counsel

Christopher Waddell, Retirement Board Legal Counsel

Merab Talamantes, Project Controls Manager

Robert Kyle, CFO

Mike Thompson, Chief Administration and Innovation Officer

Virginia Alcayde, Director of Finance

Ravi Sharma, Finance Manager

Malika McGee, Human Resources Manager

Erica Smith, Executive and Board Support Specialist

Members of the Public Who Indicated They Were Present

Christopher Anderson, Team Hewins, LLC

Ka Tye Koo, Team Hewins, LLC

Kristen Rogers, Olson Remcho (joined at 10:50 am)

6. PUBLIC COMMENTS
No public comments were made.
 7. CONSENT ITEMS
 - A. RESOLUTION NO. 450: APPROVING THE MINUTES OF THE JULY 27, 2022 SPECIAL RETIREMENT BOARD MEETING

ACTION: MOTION: Ralph Niz SECOND: Johanna Shick
Roll Call:
AYES: Restuccia, McGee-Lee, Niz, Shick
NAYES: ABSTAIN: ABSENT:
 8. INFORMATION ITEM
Reports were provided for information only. Staff was available to answer any questions.
 - A. UPDATE ON RETIREMENTS
Report of retirements since March 17, 2022.
 9. UNFINISHED BUSINESS
No action was required as the following items were provided for information only.
 - A. QUARTERLY INVESTMENT PERFORMANCE OF JUNE 30, 2022
Christopher Anderson of Team Hewins, LLC presented a report on the 2022 second quarter performance for the Retirement and Health Plans.
 - B. UPDATE ON MARKET PERFORMANCE
Christopher Anderson of Team Hewins, LLC presented current market performance regarding investment conditions.
 - C. FISCAL YEAR SUMMARY OF RTD RETIREMENT PLAN CONTRIBUTIONS AND DISTRIBUTIONS
Christopher Anderson of Team Hewins, LLC presented a Fiscal Year comparison over the last five years for contributions, distributions and lump sums, and expenses of the Retirement Plan.
- Near 10:47 am Mr. Hoslett lost connection to the meeting and returned near 10:57 am.
10. DISCUSSION ITEMS
 - A. DISCUSSION OF POTENTIAL APPOINTMENT OF ALTERNATE BOARD MEMBERS

Retirement Board Legal Counsel Christopher Waddell led a discussion concerning the process for the appointment of alternative Board members.

B. DISCUSSION OF CONTINUATION OF SPECIAL MEETINGS

The Retirement Board Members discussed their preference to continue holding special meetings in order to review preliminary quarterly performance for the Retirement and Health Plans.

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

12. ADJOURNMENT

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



Attachment B
Cover Page

RESOLUTION NO.____
DATED DECEMBER 15, 2022

RESOLUTION APPROVING THE MINUTES OF THE
QUARTERLY RETIREMENT BOARD MEETING OF SEPTEMBER 15, 2022

RESOLVED AND ORDERED by the Retirement Board of the San Joaquin Regional Transit District that the minutes of the Quarterly Meeting held on September 15, 2022 be approved.



LEAD STAFF: MERAB TALAMANTES, PROJECT CONTROLS MANAGER

I. RECOMMENDED ACTION:

Approve the 2023 quarterly schedule for the Retirement Board meetings.

II. SUMMARY

- RTD's Retirement Board Bylaws require that the Board adopt a quarterly meeting schedule.
- Staff proposes the Retirement Board Meetings be held on the fourth Thursday of the month scheduled at 10:00 A.M.
- The proposed dates coincide with the Retirement and Health Plan Investment Performance Report date.

III. DISCUSSION/BACKGROUND

Per RTD's Retirement Board Bylaws, the Retirement Board approves the schedule of meeting dates, times, and locations for the following calendar year no later than December 31st of each year. RTD Retirement Board meetings are held on a quarterly basis at 10:00 a.m. in the Boardroom of the Downtown Transit Center. The 2022 calendar year meetings were scheduled in March, June, September, and December on the third Thursday of the month.

The proposed meeting schedule for the 2023 calendar year moves the meetings to the fourth Thursday of the month. Proposed meeting dates coincide with the Retirement and Health Plan Investment Performance Report date, allowing the Board to review the most current data. Special Retirement Board meetings may be called by the Chair, Vice Chair, or a majority of the Board per the Retirement Board Bylaws.

Staff recommends the 2023 Quarterly Retirement Board Meetings be held at 10:00 a.m. on the following dates unless otherwise approved by the RTD Retirement Board:

Thursday, February 23, 2023
Thursday, May 25, 2023
Thursday, August 24, 2023
Thursday, November 30, 2023

IV. STRATEGIC PLAN PRIORITIES ALIGNMENT

This recommendation aligns with the Board's Strategic Priority 4.

Strategic Priorities:

1. Employees
2. Customers
3. Financial Health
4. Operations Excellence
5. Community Relations
6. Innovation

V. FINANCIAL CONSIDERATIONS/IMPACT

None.

VI. CHANGES FROM COMMITTEE

N/A

VII. ALTERNATIVES CONSIDERED

None.

VIII. ATTACHMENTS

Attachment A: Resolution

Prepared by: Merab Talamantes, Project Controls Manager

IX. APPROVALS

Alex Clifford, CEO





Attachment A
Cover Page

RESOLUTION NO. _____
DATED: DECEMBER 15, 2022

RESOLUTION APPROVING THE 2023 QUARTERLY RETIREMENT BOARD MEETING
SCHEDULE

WHEREAS, the Quarterly Retirement Board of Directors meetings are usually scheduled on the third Thursday of the third month following the end of the calendar quarter; and

WHEREAS, moving the Quarterly Retirement Board meetings to the following months: February, May, August, and November will allow for more current data to be presented and discussed; and

WHEREAS, the recommended schedule considers the availability of the Board of Directors.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Retirement Board of the San Joaquin Regional Transit District that the following meeting schedule be approved:

1. That the quarterly meetings of the RTD Retirement Board of Directors shall be held on the fourth Thursday of the month scheduled at 10:00 A.M.
2. That notwithstanding the above, the 2023 Retirement Board of Directors Quarterly Meeting Schedule shall be held at the scheduled time and place on the following dates, unless otherwise approved by the RTD Board of Directors:

2023 QUARTERLY RETIREMENT BOARD MEETING SCHEDULE

Thursday, February 23, 2023

Thursday, May 25, 2023

Thursday, August 24, 2023

Thursday, November 30, 2023



LEAD STAFF: TEAM HEWINS, LLC

REPORTS:

- A. UPDATE ON MARKET PERFORMANCE**
- B. QUARTERLY INVESTMENT PERFORMANCE OF SEPTEMBER 30, 2022**
- C. FISCAL YEAR SUMMARY OF RTD RETIREMENT PLAN CONTRIBUTIONS AND DISTRIBUTIONS**

I. SUMMARY

- An analysis of RTD's Retirement and Health Plan Investment Performance is prepared quarterly and presented to the Retirement Board at the regularly scheduled quarterly meetings.
- Team Hewins has prepared the attached analysis for review prior to the meeting.
- An abbreviated presentation summarizing the entire report will be given to the Board by Team Hewins at the meeting.
- Information about current market performance regarding investment conditions will also be presented.
- Team Hewins will also present a Fiscal Year comparison over the last five years for Retirement Plan contributions, distributions and lump sums, and expenses.

II. DISCUSSION/BACKGROUND

Team Hewins, LLC staff will provide a presentation to Board regarding the 2022 third quarter performance analysis and year to date comparison for the Retirement and Health Plans. Current market performance regarding investment conditions will be presented. Team Hewins, LLC staff A Fiscal Year comparison over the last five years for Retirement Plan contributions, distributions and lump sums, and expenses.

III. STRATEGIC PLAN PRIORITIES ALIGNMENT

This recommendation aligns with the Board's Strategic Priorities 1, 3, and 4.
Strategic Priorities:

1. Employees
2. Customers
3. Financial Health
4. Operations Excellence
5. Community Relations
6. Innovation

IV. FINANCIAL CONSIDERATIONS/IMPACT

To be discussed.

V. CHANGES FROM COMMITTEE

N/A

VI. ALTERNATIVES CONSIDERED

None.

VII. ATTACHMENTS

Attachment A: Market Performance Update

Attachment B: Third Quarter Performance Analysis

Attachment C: Retirement Plan Contributions and Distributions Fiscal Year
Summary

Prepared by: Team Hewins, LLC



Attachment A
Cover Page



Annual returns and intra-year declines

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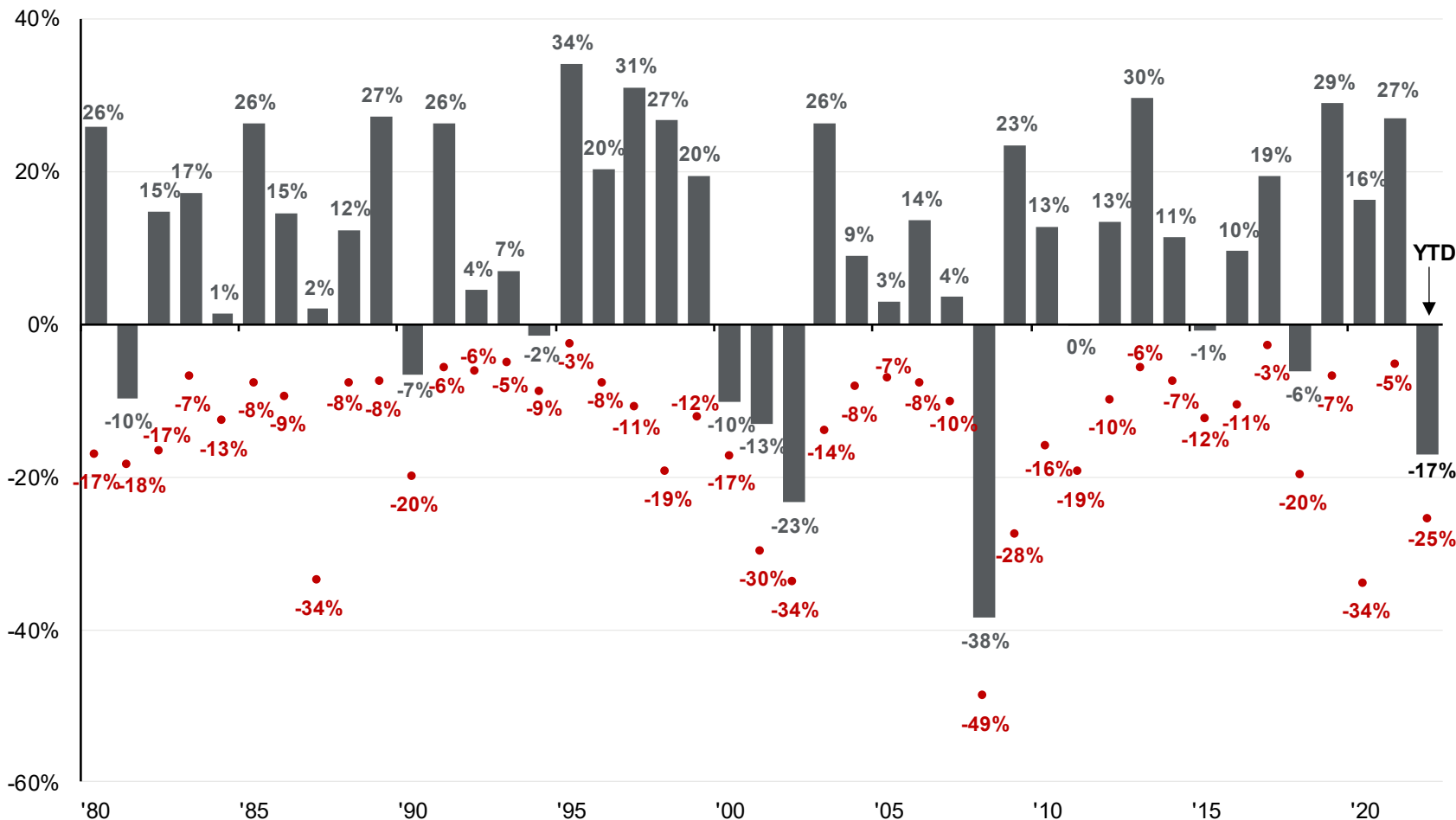
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Equities

S&P intra-year declines vs. calendar year returns

Despite average intra-year drops of 14.0%, annual returns were positive in 32 of 42 years



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.

Returns are based on price index only and do not include dividends. Intra-year drops refers to the largest market drops from a peak to a trough during the year. For illustrative purposes only. Returns shown are calendar year returns from 1980 to 2021, over which time period the average annual return was 9.4%.

Guide to the Markets – U.S. Data are as of November 21, 2022.

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Corporate profits and sources of total return

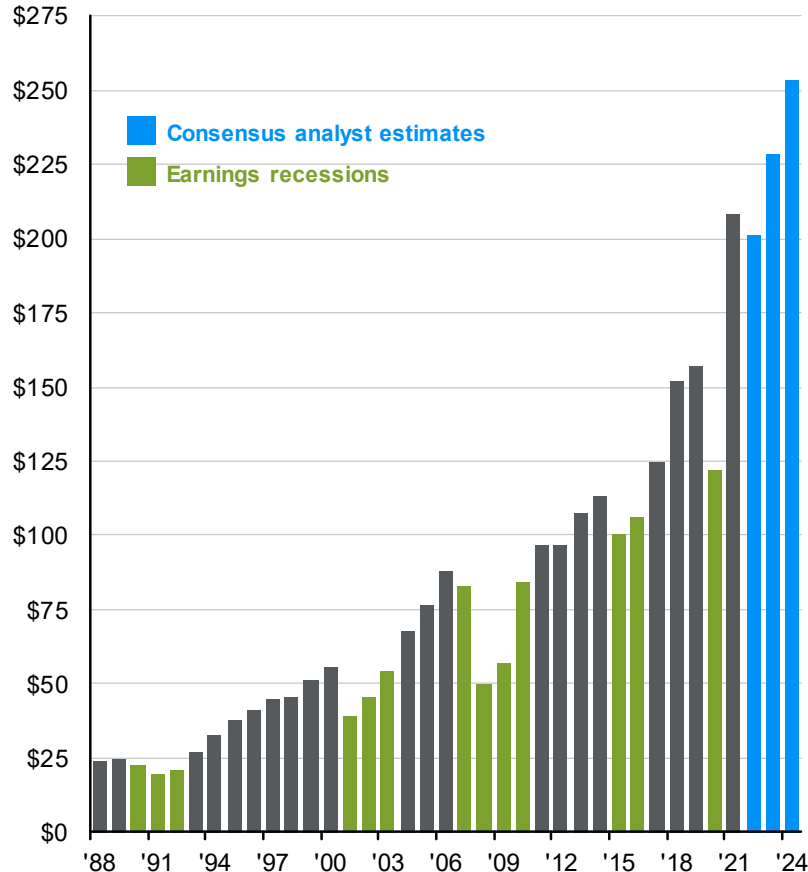
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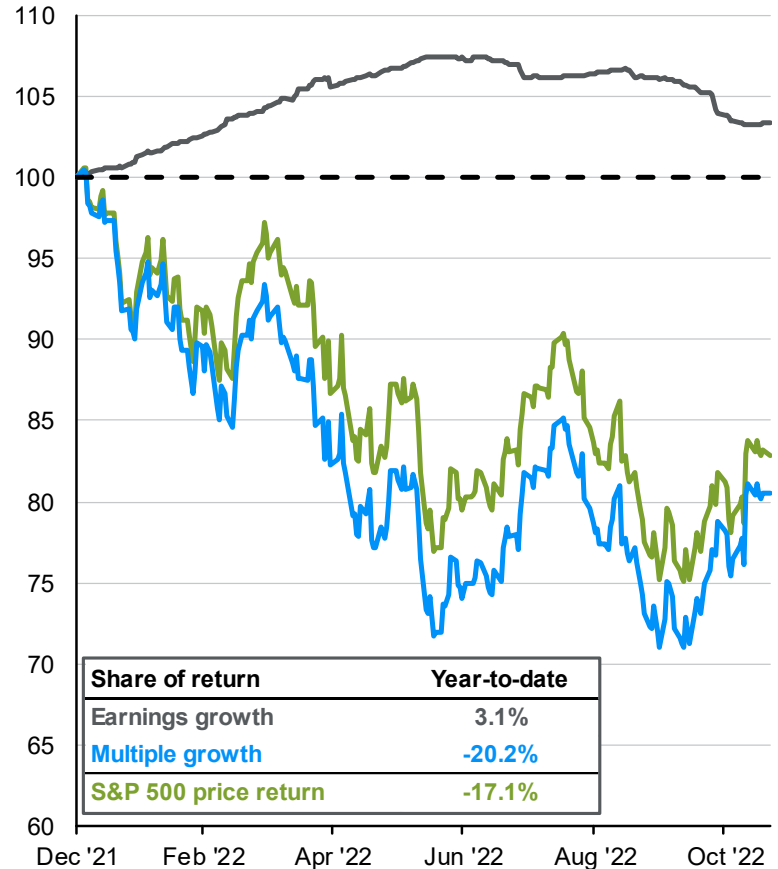
S&P 500 earnings per share

Index annual operating earnings



Percent change in S&P 500, earnings and valuations*

Year-to-date, indexed to 100



Source: Compustat, FactSet, Standard & Poor's, J.P. Morgan Asset Management.

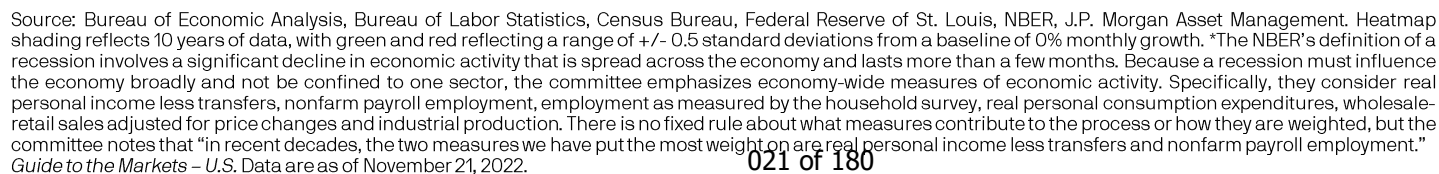
Historical EPS levels are based on annual operating earnings per share. Earnings estimates are based on estimates from Standard & Poor's and FactSet Market Aggregates. *Earnings and multiple growth are both year-to-date percent changes of next 12-month estimates. Past performance is not indicative of future returns.

Guide to the Markets – U.S. Data are as of November 21, 2022.



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% change month-over-month



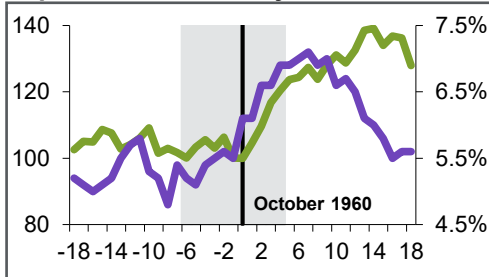
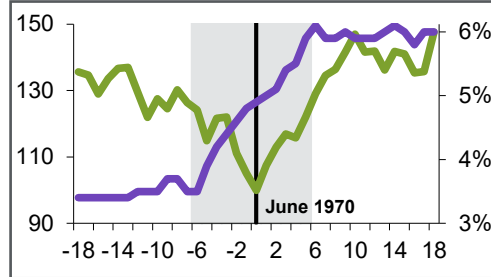
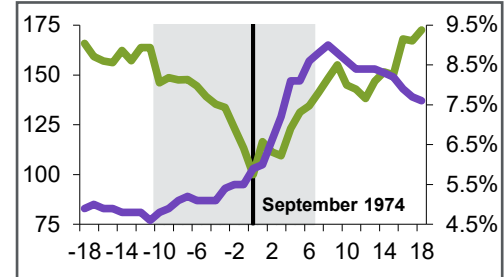
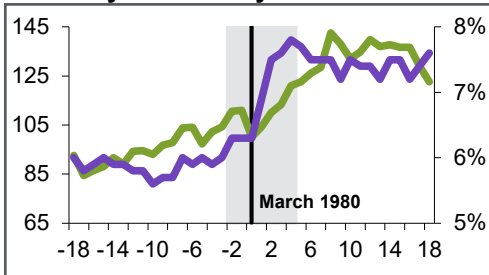
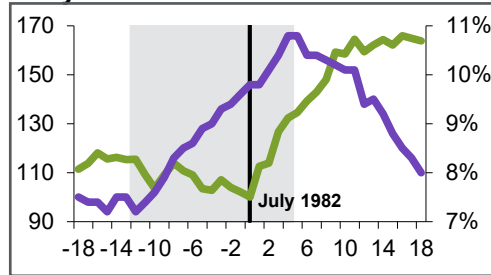
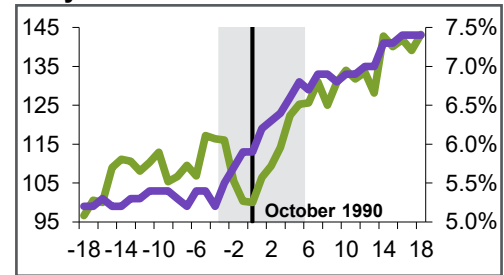
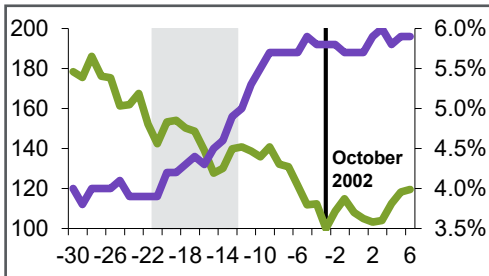
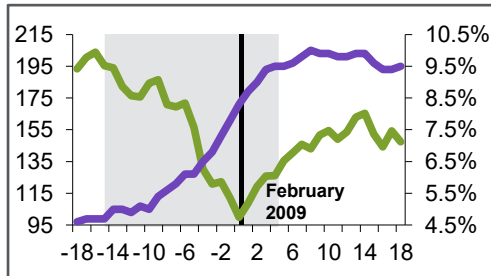
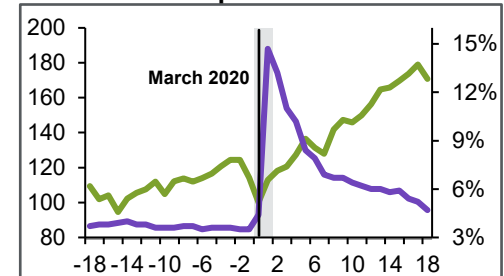


Market inflection points, recessions and the unemployment rate

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April 1960 – February 1961**December 1969 – November 1970****November 1973 – March 1975****January 1980 – July 1980****July 1981 – November 1982****July 1990 – March 1991****March 2001 – November 2001****December 2007 – June 2009****March 2020 – April 2020**

— Unemployment Rate
— S&P 500 Total Return
■ Recession
— Market Low

Source: BLS, Ibbotson, J.P. Morgan Asset Management. Time zero represents the numeric low of the S&P 500 Total Return Index associated with the recessionary period defined by the shaded grey area; data shown in months. S&P 500 Index is rebased to 100 at time zero.
Guide to the Markets – U.S. Data are as of November 21, 2022.



Inflation drivers and expectations

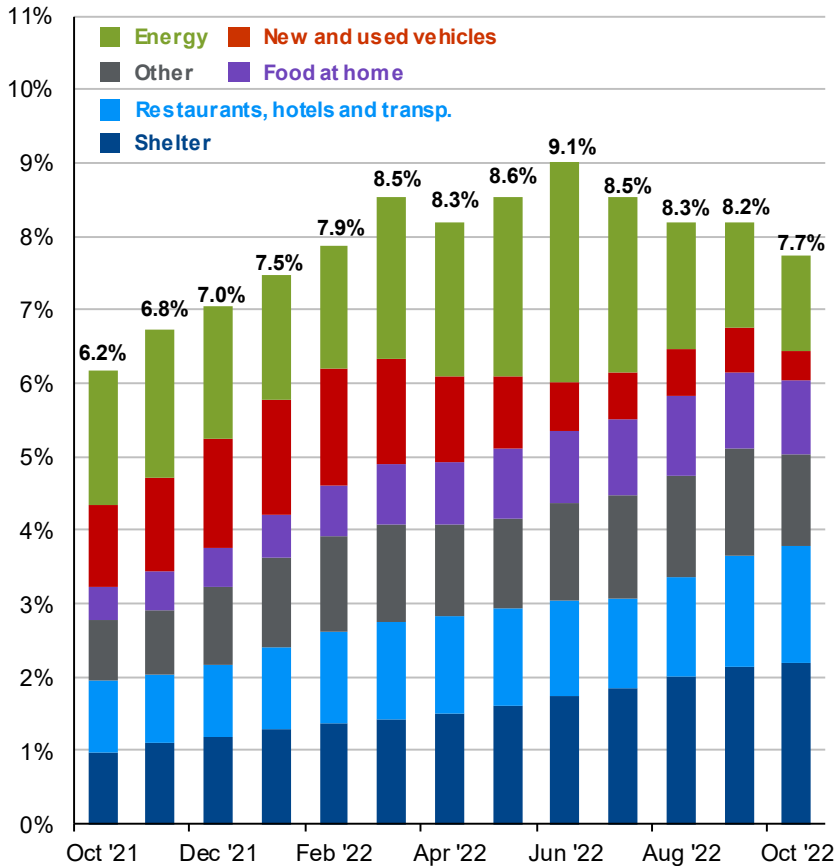
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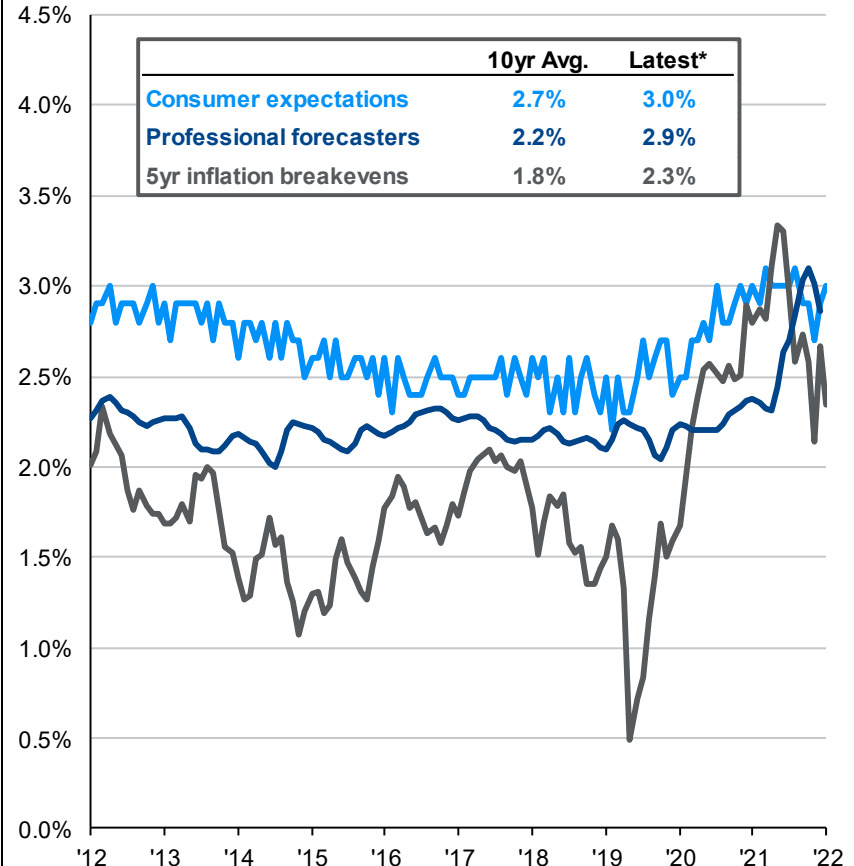
Contributors to headline inflation

Contribution to y/y % change in CPI, not seasonally adjusted



Inflation expectations, next 5 years

% change vs. prior year, non-seasonally adjusted



Source: Bureau of Labor Statistics, FactSet, Federal Reserve Bank of Philadelphia, University of Michigan, J.P. Morgan Asset Management. Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. "Shelter" includes owners equivalent rent and rent of primary residence. "Other" primarily reflects household furnishings, apparel, education and communication services, medical care services and other personal services. *Reflects the latest daily 5yr/5yr breakevens, preliminary or final Consumer Sentiment survey, and the quarterly Survey of Professional Forecasters interpolated to a monthly series. The Survey of Professional Forecasters reflects the median estimate by professional forecasters of average CPI inflation over the next 5 years. The series has been adjusted by J.P. Morgan Asset Management to exclude realized inflation readings within the forecast window.



Yield curve

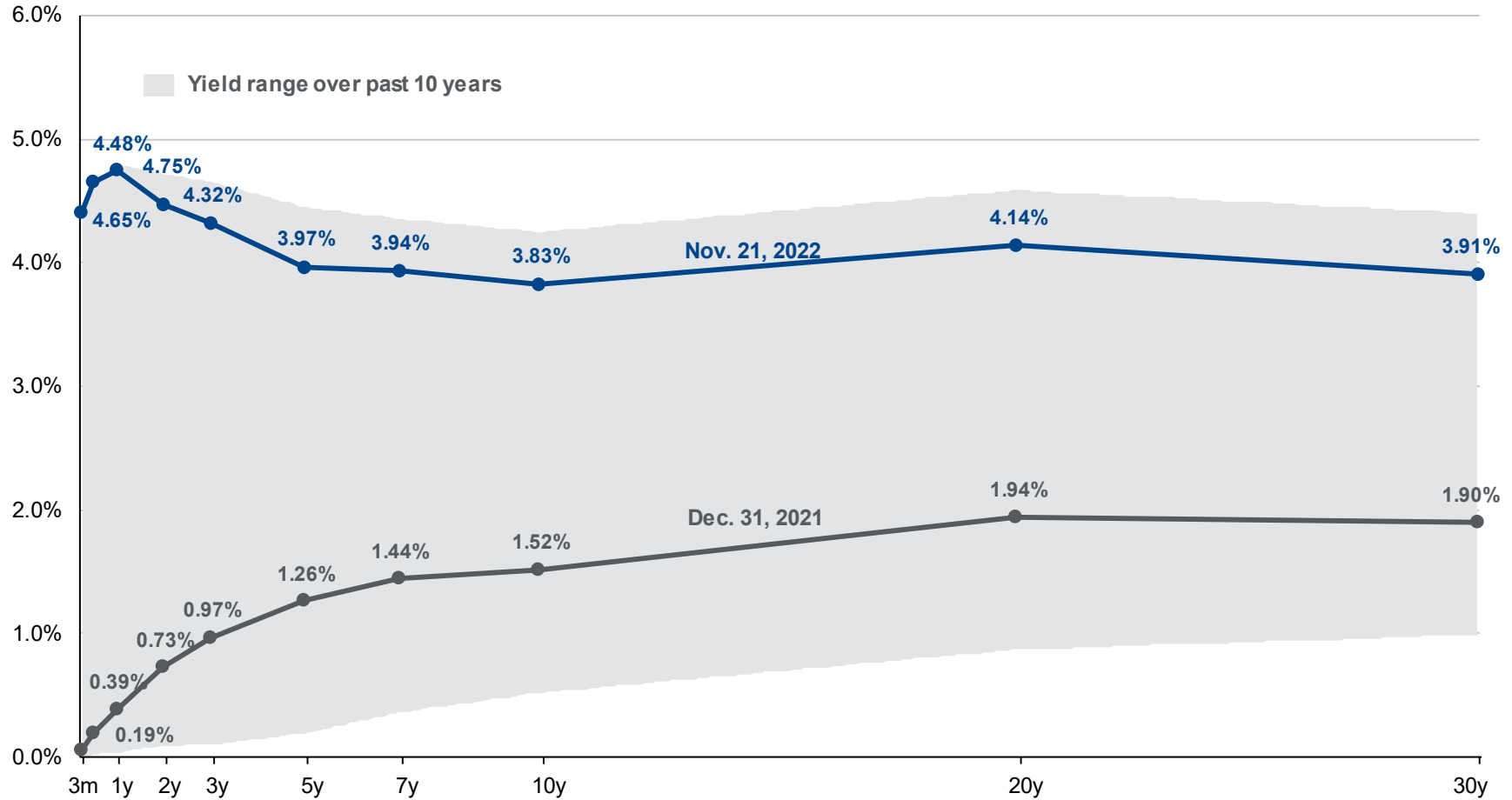
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Fixed Income

U.S. Treasury yield curve



Source: FactSet, Federal Reserve, J.P. Morgan Asset Management.
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Global supply chains and inflation

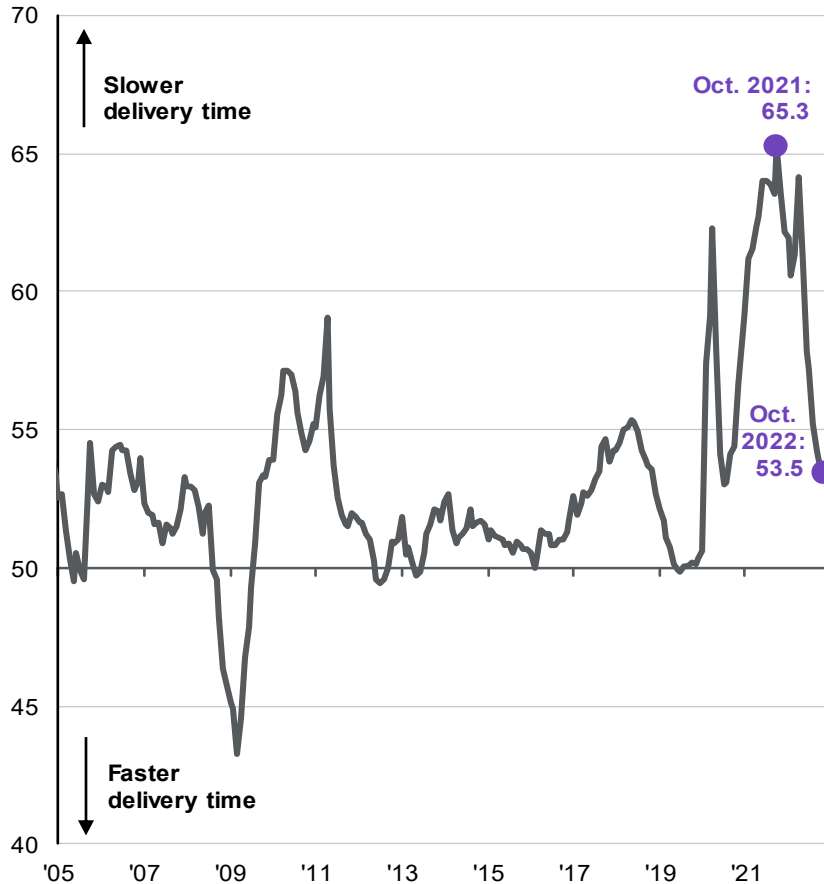
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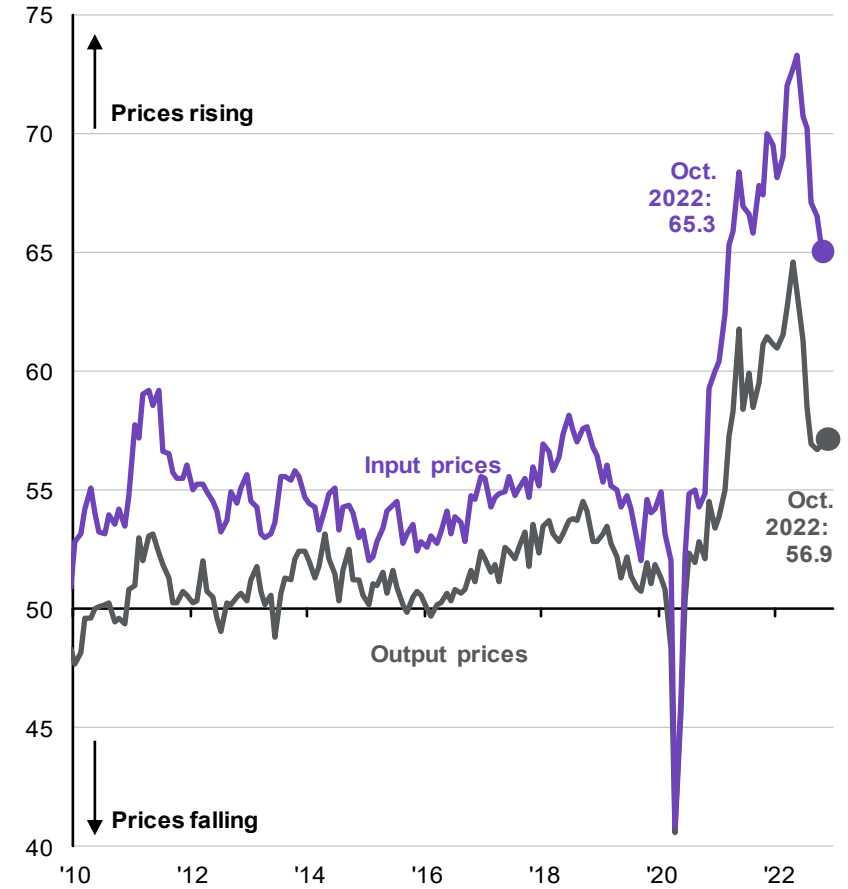
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Global PMI suppliers' delivery times index*

Figure shown is 100 - Global PMI suppliers' delivery times index



Global PMI input and output prices**



Source: Standard & Poor's, J.P. Morgan Asset Management.

*Participants in Standard & Poor's PMI business surveys, conducted in 44 countries, are asked: "Are your suppliers' delivery times slower, faster or unchanged on average than one month ago?". Index includes the manufacturing and construction sectors. PMI score reflected above is 100 - PMI report by Standard & Poor's. A reading of 50 = no change, <50 = faster delivery time, >50 = slower delivery time.**Participants are asked: "Are input/output prices the same, higher or lower?". Values shown reflect the composite index, which includes both manufacturing and services. A reading of 50 = no change, >50 = price increase, <50 = price decrease.

Guide to the Markets - U.S. Data are as of November 21, 2022.

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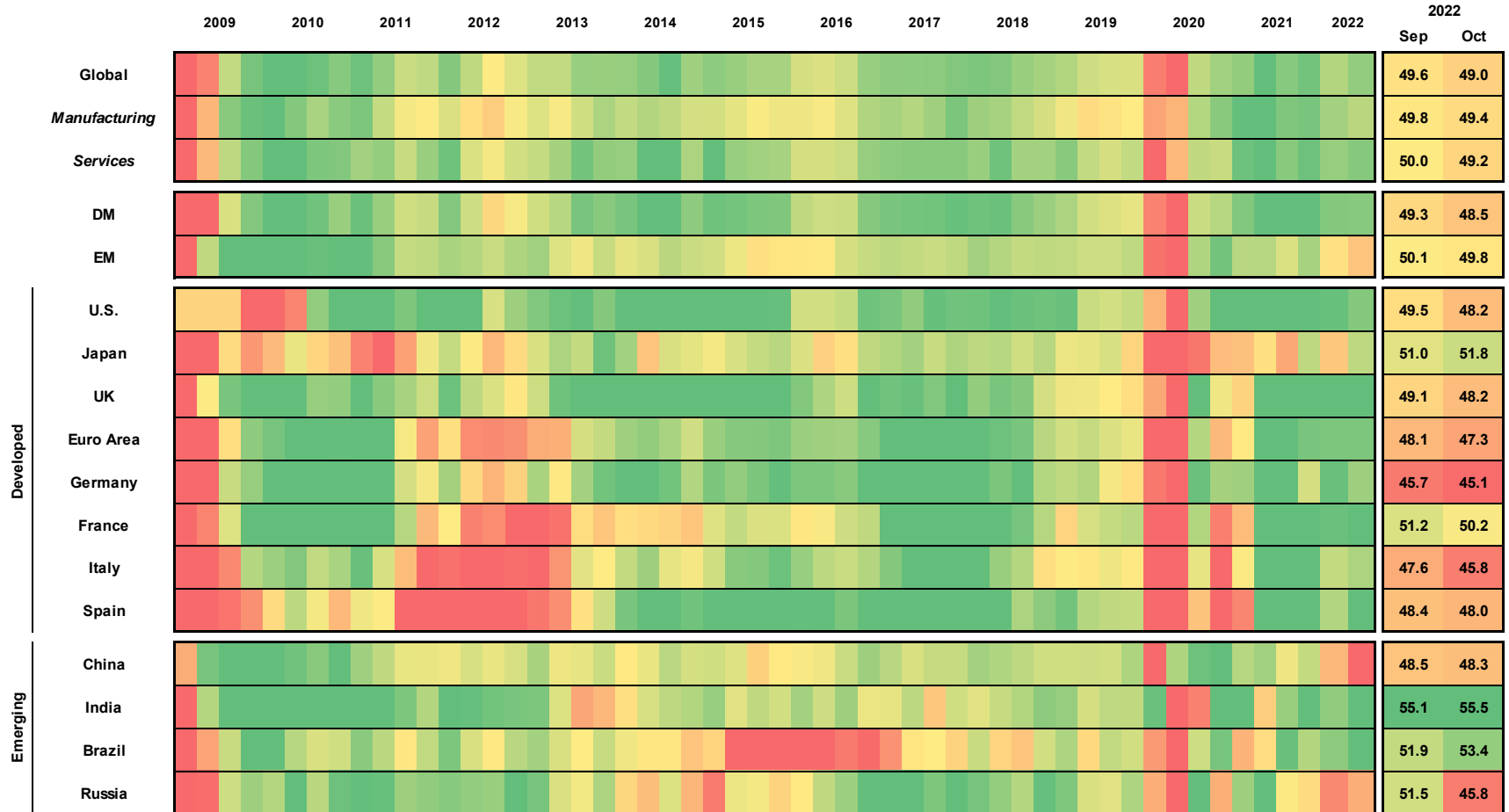
Global economic activity momentum

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Global Composite (manufacturing & services combined) Purchasing Managers' Index, quarterly



Source: Standard & Poor's, J.P. Morgan Asset Management.

The Composite PMI includes both manufacturing and services sub-indices. Heatmap colors are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the time period shown. Heatmap is based on quarterly averages, with the exception of the two most recent figures, which are single month readings. Data for the U.S. are back-tested and filled in from December 2007 to September 2009 due to lack of existing PMI figures. DM and EM represent developed markets and emerging markets, respectively.

Guide to the Markets – U.S. Data are as of November 21, 2022.

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Global commodities

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Bloomberg Commodity Index

Since index inception, total returns



Commodity prices

Bloomberg commodity index constituents

Bloomberg Commodity Index			
Constituents	Current price level	YTD change	Change since 6/9/2022*
Sub-indices			
Energy	\$47.68	54.3%	-23.1%
WTI crude oil	\$79.73	5.8%	-34.4%
Natural gas	\$0.28	83.8%	-25.5%
Brent crude	\$491.53	40.2%	-19.0%
Low sulphur gas oil	\$307.86	77.0%	-19.3%
RBOB gasoline	\$456.94	40.9%	-25.4%
ULS diesel	\$5.31	47.0%	-4.1%
Grains	\$47.79	13.6%	-15.1%
Corn	\$13.36	17.8%	-9.8%
Soybeans	\$89.41	38.5%	-6.9%
Soybean meal	\$792.61	10.4%	2.3%
Wheat	\$40.38	-0.9%	-26.7%
Soybean oil	\$87.54	16.6%	-21.6%
HRW wheat	\$151.03	24.6%	-9.7%
Industrial metals	\$154.14	-10.8%	-16.3%
Copper	\$320.65	-20.5%	-18.7%
Aluminum	\$33.42	-16.1%	-14.1%
Zinc	\$94.04	-14.8%	-20.4%
Nickel	\$236.52	19.8%	-11.8%
Precious metals	\$502.48	-5.4%	-4.9%
Gold	\$188.11	-6.6%	-7.1%
Silver	\$186.45	-11.9%	-5.2%
Softs	\$44.24	-7.8%	-17.0%
Sugar	\$102.31	8.9%	3.8%
Coffee	\$10.10	-26.6%	-29.2%
Cotton	\$29.13	-12.7%	-34.5%
Livestock	\$23.69	5.6%	7.1%
Live cattle	\$57.34	1.8%	5.1%
Lean hogs	\$4.50	13.9%	10.1%

Source: Bloomberg, FactSet, J.P. Morgan Asset Management. All the Bloomberg subsectors and constituents are represented by the respective Bloomberg subindex except ULS Diesel, which is represented by the EIA composite for U.S. ULS diesel prices. *The Bloomberg Commodity Index peaked on June 9, 2022. Guide to the Markets – U.S. Data are as of November 21, 2022.



International equity earnings and valuations

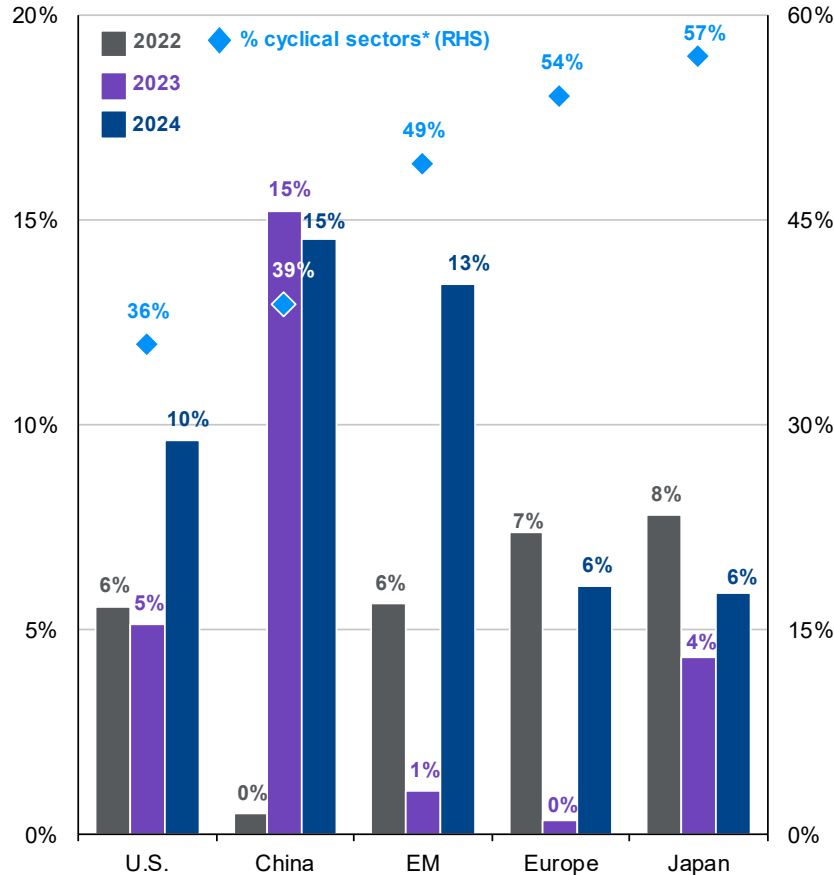
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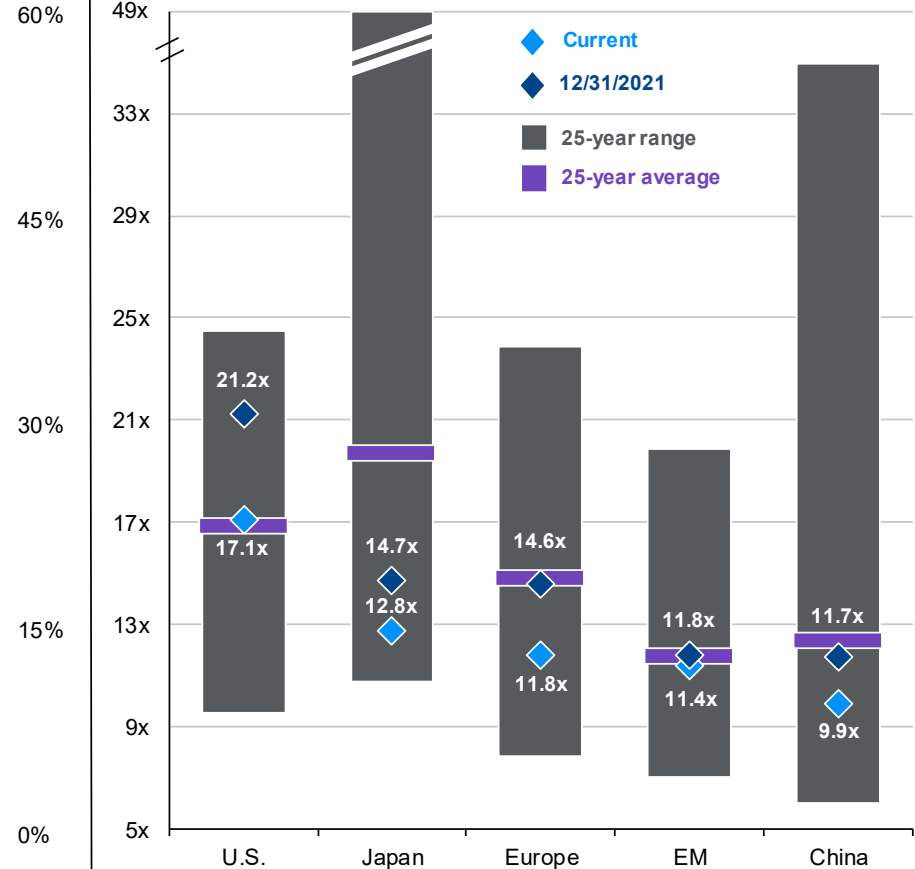
Global earnings growth

Calendar year consensus estimates



Global valuations

Current and 25-year next 12 months price-to-earnings ratio



Source: FactSet, MSCI, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management.

*Cyclical sectors include consumer discretionary, financials, industrials, energy and materials. The Internet and direct marketing subsector has been removed from the cyclical calculation. In our judgement, companies in this space do not yet fit into the cyclical category, as they are still in a transitional growth phase and are not being directly impacted by the business cycle. Valuation and earnings charts use MSCI indices for all regions/countries, except for the U.S., which is the S&P 500. All indices use IBES aggregate earnings estimates, which may differ from earnings estimates used elsewhere in the book. MSCI Europe includes the eurozone as well as countries not in the currency bloc, such as Norway, Sweden, Switzerland and the UK (which collectively make up 44% of the overall index). Past performance is not a reliable indicator of current and future results. Guide to the Markets – U.S. Data are as of November 21, 2022.

J.P.Morgan
ASSET MANAGEMENT

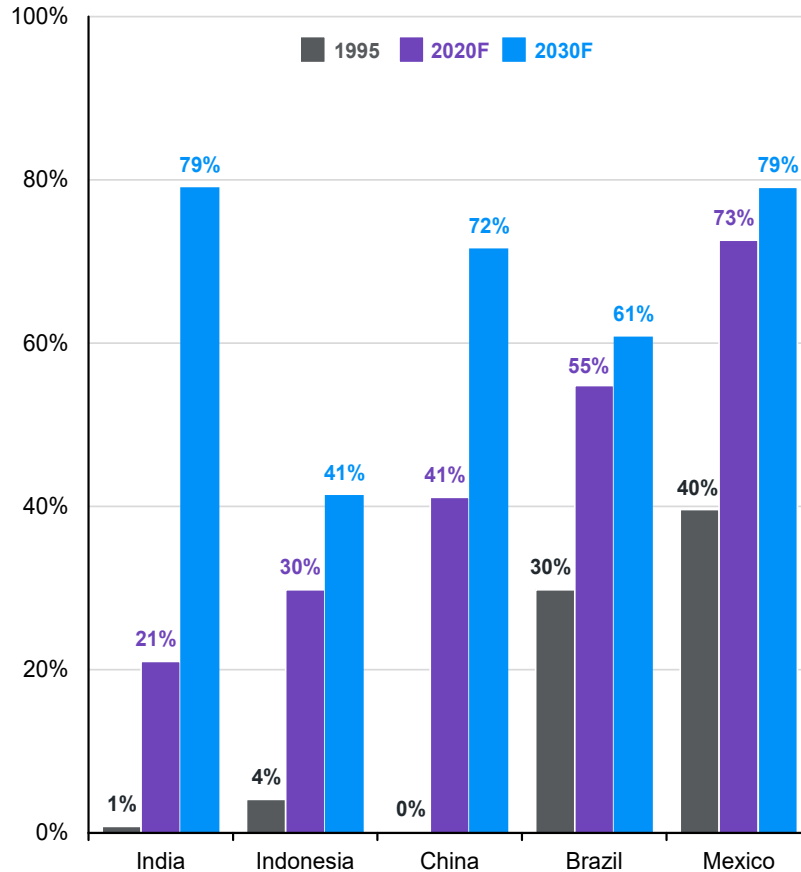


The emergence of the EM middle class

GTM U.S. 54

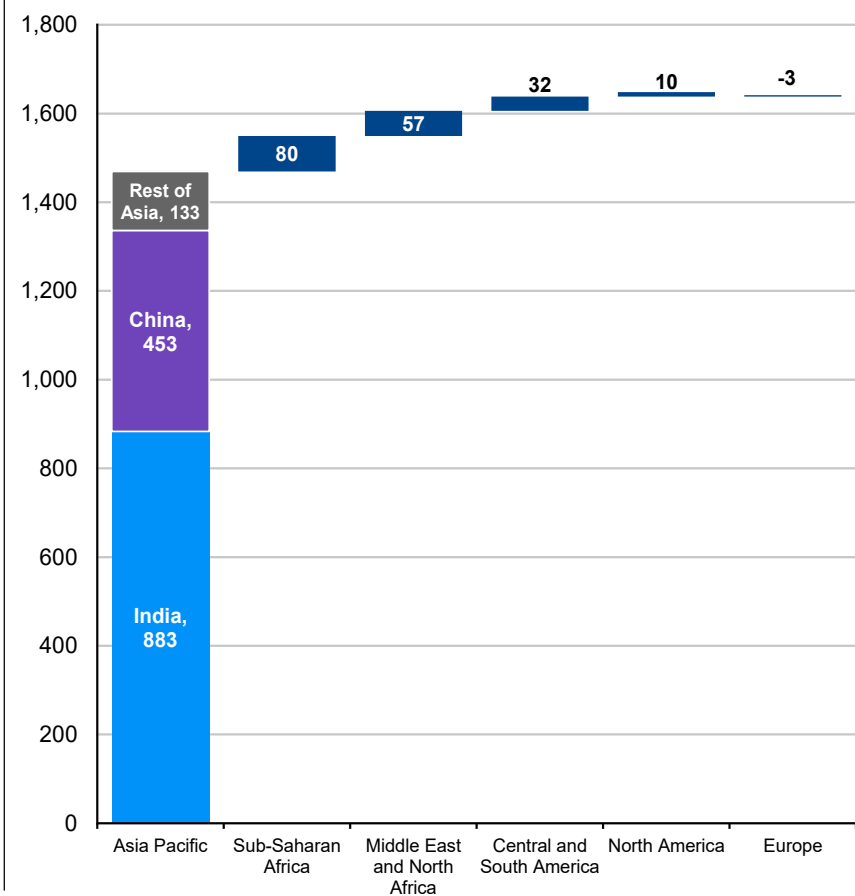
Growth of the middle class

Percent of total population



Regional contribution to middle class growth: 2020 to 2030

Millions of people

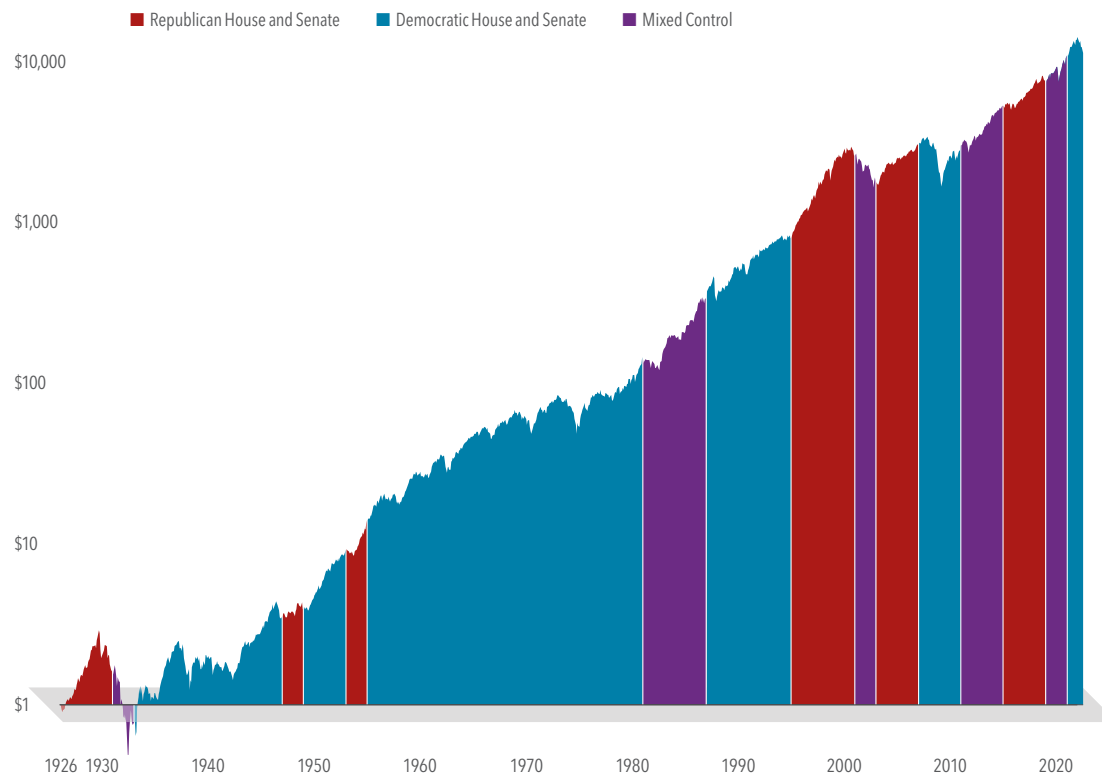


Source: Brookings Institution, J.P. Morgan Asset Management. Estimates for regional contribution are from Kharas, Homi. The Unprecedented Expansion of the Global Middle Class, An Update. Brookings Institution, 2017. Middle class is defined as households with per capita incomes between \$11 and \$110 per person per day in 2011 PPP terms. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.
Guide to the Markets – U.S. Data are as of November 21, 2022.

J.P.Morgan
ASSET MANAGEMENT

What History Tells Us about the Market and Control of US Congress

HYPOTHETICAL GROWTH OF \$1 INVESTED IN S&P 500 INDEX
January 1, 1926–June 30, 2022



Nearly a century of US stock market returns suggests that making investment decisions based on control of the chambers of Congress is unlikely to lead to better investment outcomes.

- From 1926 to 2022, stocks trended higher regardless of whether Democrats or Republicans controlled the House and the Senate, or whether control was mixed.
- Actions by Congress and the other branches of the federal government may impact returns, but other factors like geopolitical events, interest rate changes, and technological advances do too. Decades of research suggest that current market prices incorporate all of this information.
- Shareholders invest in companies, not a political party, and companies focus on serving their customers and growing their businesses, regardless of what happens in Washington.

Stocks tend to reward disciplined investors no matter who has the upper hand in the House and Senate—a useful lesson about the benefits of a long-term investment approach.

Past performance is not a guarantee of future results. Indices are not available for direct investment. Their performance does not reflect the expenses associated with the management of an actual portfolio.

In US dollars. Growth of wealth shows the growth of a hypothetical investment of \$1 in the securities in the S&P 500 Index. S&P data © 2022 S&P Dow Jones Indices LLC, a division of S&P Global. All rights reserved. Data presented in the growth of wealth chart is hypothetical and assumes reinvestment of income and no transaction costs or taxes. The chart is for illustrative purposes only and is not indicative of any investment.

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Investment products: • Not FDIC Insured • Not Bank Guaranteed • May Lose Value
Dimensional Fund Advisors does not have any bank affiliates.

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dimensional.com





Attachment B
Cover Page

November 16, 2022

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

Dear Members of the Board:

Enclosed please find the Third Quarter 2022 Performance Analysis for the Retirement Plan and Health Plan.

Market Review

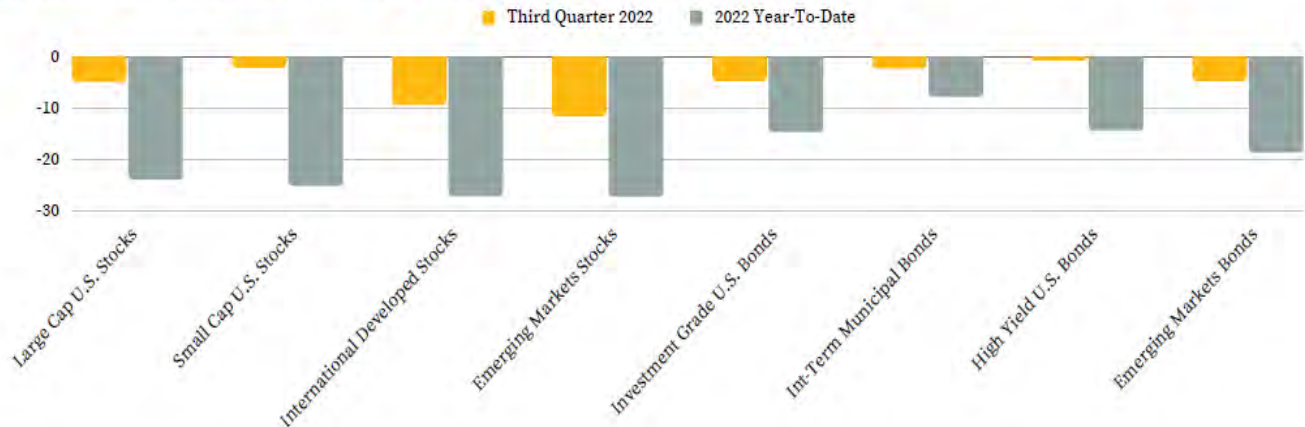
After a promising July and August that saw inflation come down from its June high of 9.1%, investors may have been feeling optimistic about how this challenging year would end. US stocks were strongly positive, with small cap stocks up 8.2% through the first two months of the quarter.ⁱ All that changed when markets reversed in September, wiping out the previous months' gains and then some.

The August inflation reading released in September showed a decline on a year-over-year basis but was unexpectedly up from the previous month behind climbing housing prices. The Federal Reserve reiterated that they would do everything in their power to combat inflation and that they will need to see multiple months of "good" data before they will consider changing course. Hopes that the Fed might ease up on their tightening policy turned to thoughts that we might see rates rise well above 4%, and possibly before the year was through. Markets are seeing many challenges coming out of stubborn inflation and the Fed's attempt to cure it, and they could remain volatile until more clarity is achieved.

How bad was September? Both US large and small company stocks lost almost 10%, driving both indices negative for the quarter. International stocks, which had been largely flat in July and August, fell by similar amounts, with emerging market stocks down 12% in the third quarter. A surging US dollar, which has gained over 16% year to date, hammered international returns for US investors. While nothing is "working" in the market right now, there are pockets of relative resilience. Large cap US value stocks are down "only" 17.8% for the year, while their growth counterparts are down almost 31%. Similar differences between growth and value stocks persist across other areas of the stock market.ⁱⁱ

world asset classes

RETURNS FOR THE THIRD QUARTER OF 2022 AND YEAR-TO-DATE



Source: Morningstar Direct, as of 9/30/2022.

See disclosure page for more information.

Investment grade bonds, often seen as the anchor in the portfolio, are on track for their worst year since 1976.ⁱⁱⁱ While it is worth noting that bonds are down much less than stocks, it is still no easy pill to swallow. The silver lining is that the drop in bond returns is due to a significant rise in yields, a rise that many thought could take almost a decade, but instead took just nine short months. Bondholders will be able to quickly realize higher income payments, an important component of bond returns.

Even with the negative sentiment today, there are reasons for optimism in the outlook for investors. Valuations for US stocks, which were fairly high by historical standards (especially in the US large cap portion of the market), have come down significantly and by some measures are below their long-term averages.^{iv} Bond investors, who saw the yield on the 10-year Treasury bond go from around half a percent to almost 4% in just over a year, are set to get coupon payments that they haven't seen in decades, as Fed actions have begun to normalize the yield curve after years of easy money. Finally, while low consumer sentiment readings may sound ominous, these levels have been followed historically by strong equity returns over the subsequent 12 months.^v

Conditions are very challenging right now, and markets are volatile. We can't know if the positive start to the fourth quarter (S&P 500 +5.7% in the first two days) is a temporary bounce or a harbinger of things to come.^{vi} But we do know that when the inevitable recovery occurs, we need to be in the market to participate and those on the sidelines will pay a heavy price.

Plan Performance (Pension Portfolio)

The Pension Plan fell 5.75% in the third quarter, matching the target while trailing the median return of its peers (-4.28%). The Plan is well ahead of its target for the year, while trailing the median return of its peers through a turbulent market environment. Plan assets were approximately \$44 million at quarter end. Since inception, the Plan has achieved an annualized return of 8.30%, leading its benchmark while hovering around the median return of its peers.

International stocks fell the most in the third quarter behind a strengthening US dollar, but no part of the market was safe, with only small cap growth stocks hovering around flat returns for the quarter depending on which index you look at. In the US, smaller company stocks were more resilient than their larger counterparts. Avantis US Small Cap Value, which was added to the portfolio this year, ranked within the top 30% of its peers for the quarter. The fund has done very well relative to its peers and value-oriented benchmark since its inception in 2020.

Overseas, all four international equity funds had similar returns on an absolute basis, but differing comparisons to their respective peers and benchmarks. Vanguard International Growth has underperformed the median return of its peers and benchmark this year. Vanguard International Growth is the only true active equity fund in the portfolio, and it takes a more aggressive approach to growth investing, showing the ability to outperform the market and peers by wide margins over longer periods. Even with recent underperformance, the fund ranks within the top 10% of its peers in all longer periods shown.

DFA Emerging Markets Core on the other hand, has done well on a relative basis more recently. The fund's underweight to China and bigger growth stocks has helped this year, with the fund outperforming its benchmark by over 4% and ranking in the top 6% of its peers.

As we mentioned in the letter above, bonds have had a challenging year behind a historically quick increase in rates. Agincourt Core Fixed Income (-4.64%) is slightly ahead of its benchmark while just outside of the median return of its peers. While the immediate result of this rate increase is a sharp decline in bond returns, the outlook for bonds going forward is brighter than it has been in a decade, with intermediate term yields well above 4%.

Plan Performance (Health Portfolio)

The Health Plan fell -6.03% for the quarter, slightly more than the Pension Plan because of its higher equity allocation. Plan assets were approximately \$8.9 million at the end of the quarter. The Health Plan was just behind its target in the third quarter, while outperforming in every other period shown. Since inception, the Plan returned 4.75%, ahead of its benchmark while slightly trailing the median return of its peers.

In core fixed income, Dodge & Cox Income (-3.98) outpaced its benchmark (-4.75%) and the median return of its peers by a wide margin for bonds. Dodge & Cox took an underweight duration position relative to its benchmark in 2021, a decision which has paid off as it ranks in the top 15% of its peers over all periods shown while doing even better on a relative basis in more recent periods.

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

Sincerely,



Thuong Thien, CFP®

Principal, Senior Financial Advisor

ⁱ JPM Guide to the markets, slide 29.

ⁱⁱ Morningstar. Data as of 9/30/2022.

ⁱⁱⁱ Wallerstein, Eric. "Battered Investors Struggle To Find Havens Amid Tumult." The Wall Street Journal, Aug. 2020, p. B11.
<https://www.wsj.com/>.

^{iv} JPM Guide to the markets, slide 5.

^v JPM Guide to the markets, slide 25.

^{vi} Morningstar. Data as of 10/04/2022.



San Joaquin Regional Transit District
Pension Portfolio
Quarterly Investment Report
September 30, 2022

Market Overview

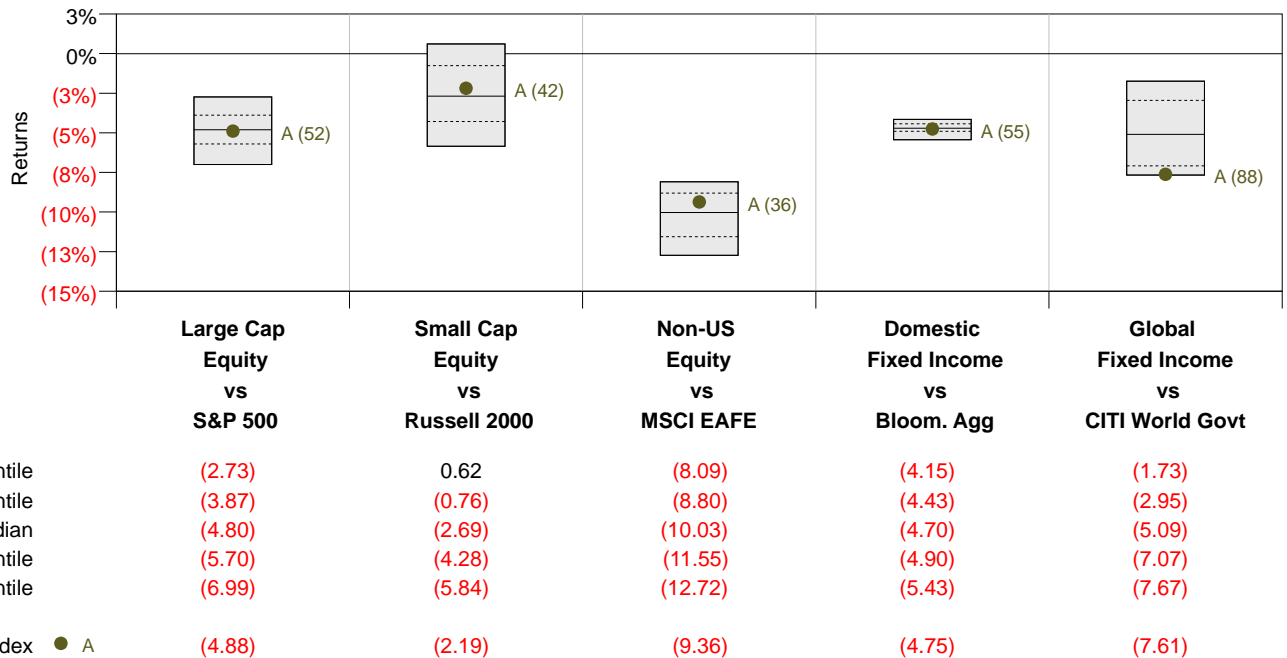
Active Management vs Index Returns

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.

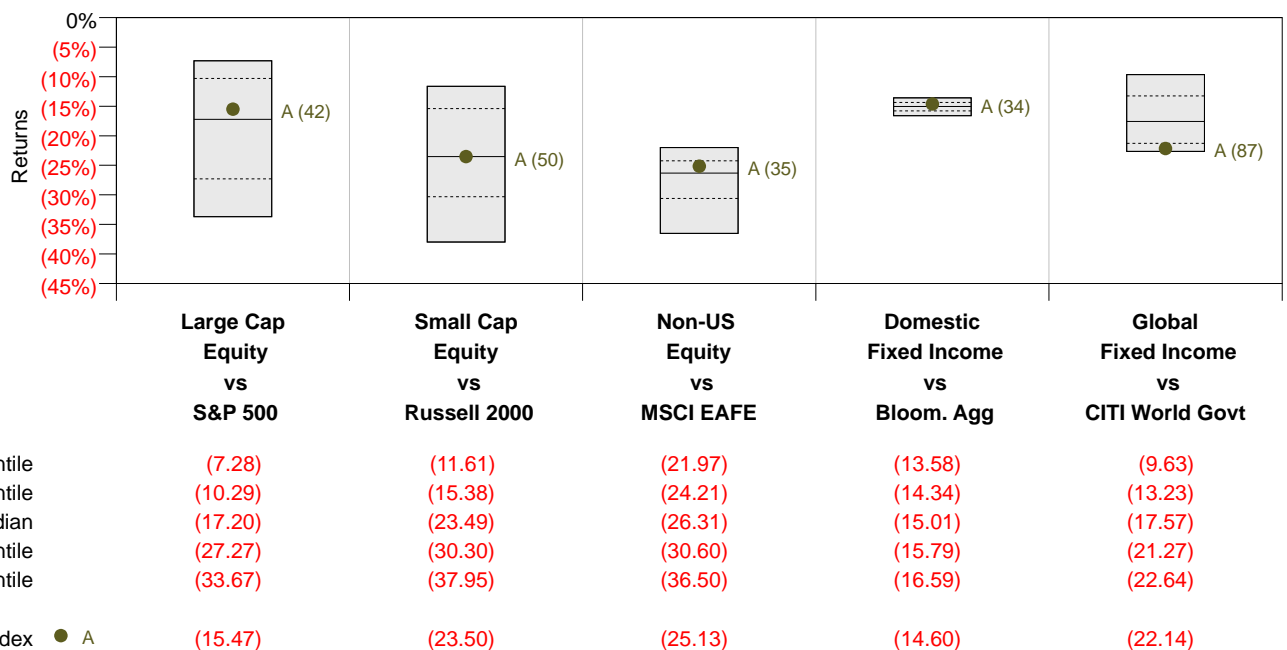
Range of Mutual Fund Returns by Asset Class

One Quarter ended September 30, 2022



Range of Mutual Fund Returns by Asset Class

One Year ended September 30, 2022



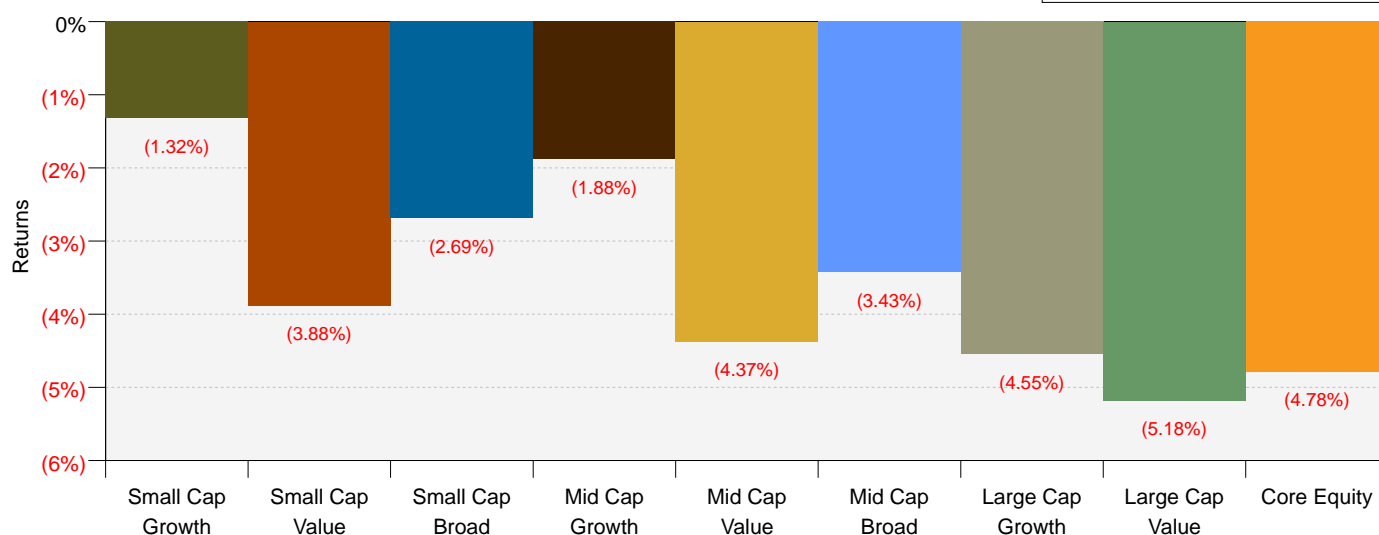
Domestic Equity

Active Management Overview

The S&P 500 Index sank 4.9% in 3Q and is down 23.9% year-to-date (YTD). Returns were quite mixed across sectors with Energy (+2.3%) and Consumer Discretionary (+4.4%) posting positive results and Communication Services (-12.7%) and Real Estate (-11.0%) delivering the lowest returns. Somewhat counterintuitively, value underperformed growth (Russell 1000 Value:-5.6%; Russell 1000 Growth: -3.6%), but value remains ahead on a YTD basis (Russell 1000 Value:-17.8%; Russell 1000 Growth: -30.7%). Small caps outperformed large (Russell 2000: -2.2%; Russell 1000: -4.6%), narrowing the YTD differential (Russell 2000: -25.1%; Russell 1000: -24.6%).

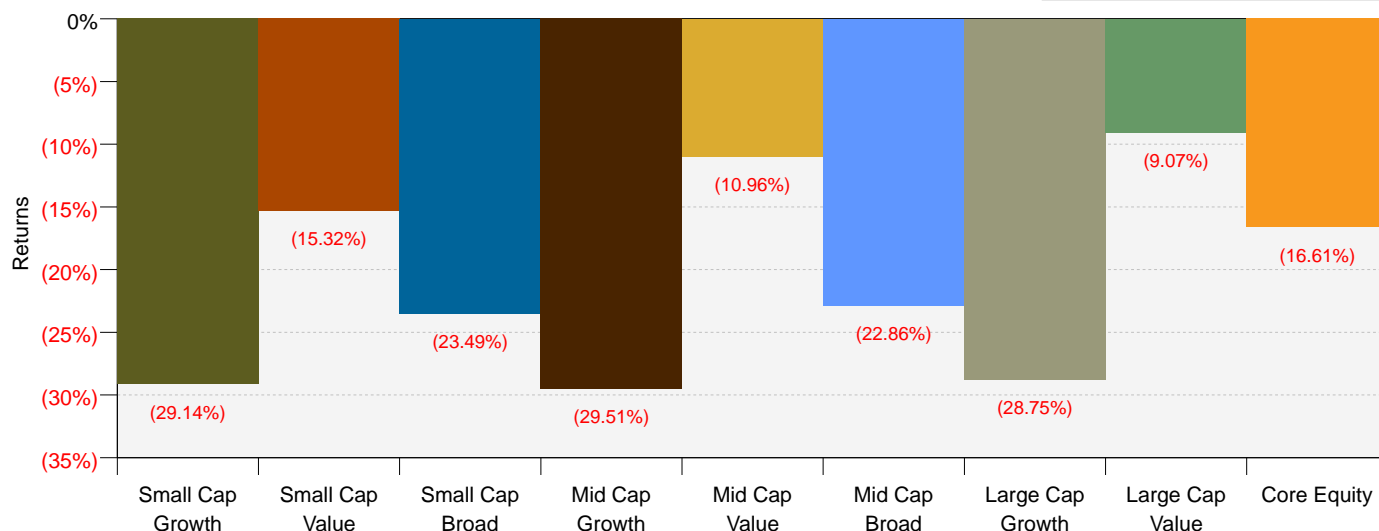
Mutual Fund Style Group Median Returns for Quarter ended September 30, 2022

S&P 500 Index	(4.88%)
S&P 500 Growth	(3.86%)
S&P 500 Value	(5.82%)
S&P 400 Mid Cap	(2.46%)
S&P 600 Small Cap	(5.20%)
S&P 600 Small Cap Growth Index	(3.38%)
S&P 600 Small Cap Value Index	(6.78%)



Mutual Fund Style Group Median Returns for One Year ended September 30, 2022

S&P 500 Index	(15.47%)
S&P 500 Growth	(21.11%)
S&P 500 Value	(9.63%)
S&P 400 Mid Cap	(15.25%)
S&P 600 Small Cap	(18.83%)
S&P 600 Small Cap Growth Index	(21.17%)
S&P 600 Small Cap Value Index	(16.41%)



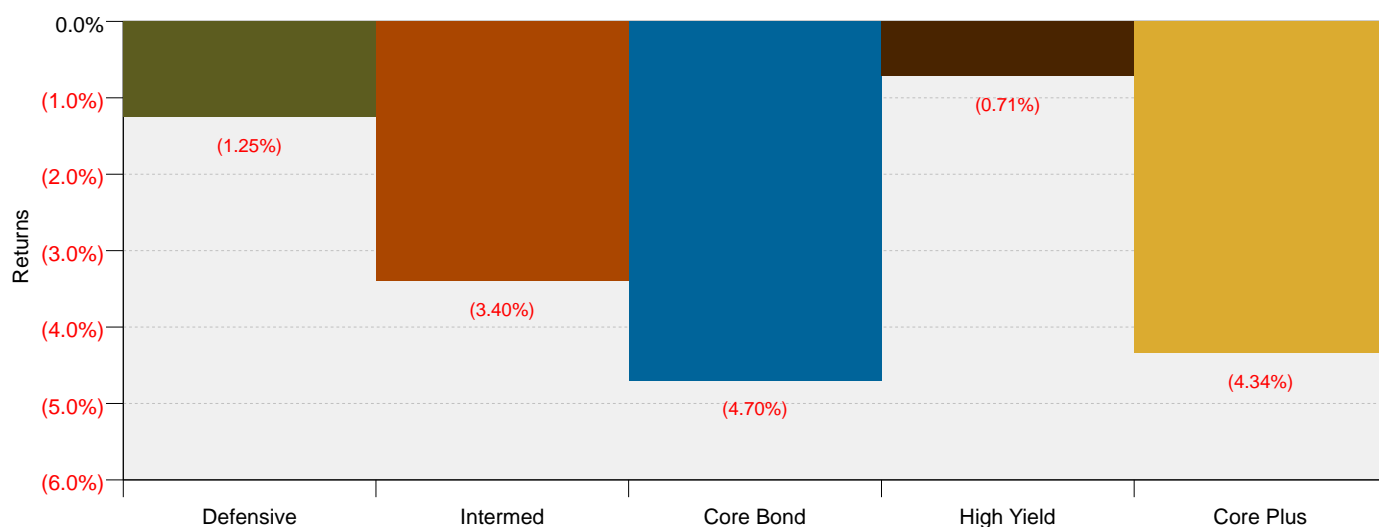
Domestic Fixed Income

Active Management Overview

The 10-year U.S. Treasury briefly touched an intra-quarter high of 4.0% in late September, the highest since 2008, before closing the quarter at 3.83%. At quarter-end, the yield curve was inverted by about 40 bps. with the 10-year at 3.8% and the 2-year at 4.2%. The Bloomberg US Aggregate Bond Index fell 4.8% in 3Q, bringing its YTD loss to 14.6%, a historical worst for the first nine months of a year. Mortgages and corporates underperformed U.S. Treasuries, with mortgage-backed securities doing especially poorly, underperforming like-duration U.S. Treasuries by 160 bps on poor technicals and rising rates. The yield-to-worst of the Aggregate Index climbed to 4.75%, up sharply from 1.75% at the beginning of the year. TIPS (Bloomberg TIPS: -5.1%; -13.6% YTD) were not immune from the sell-off. High yield corporates (Bloomberg High Yield: -0.6%) fared better, but the Index is down a similar 14.7% YTD.

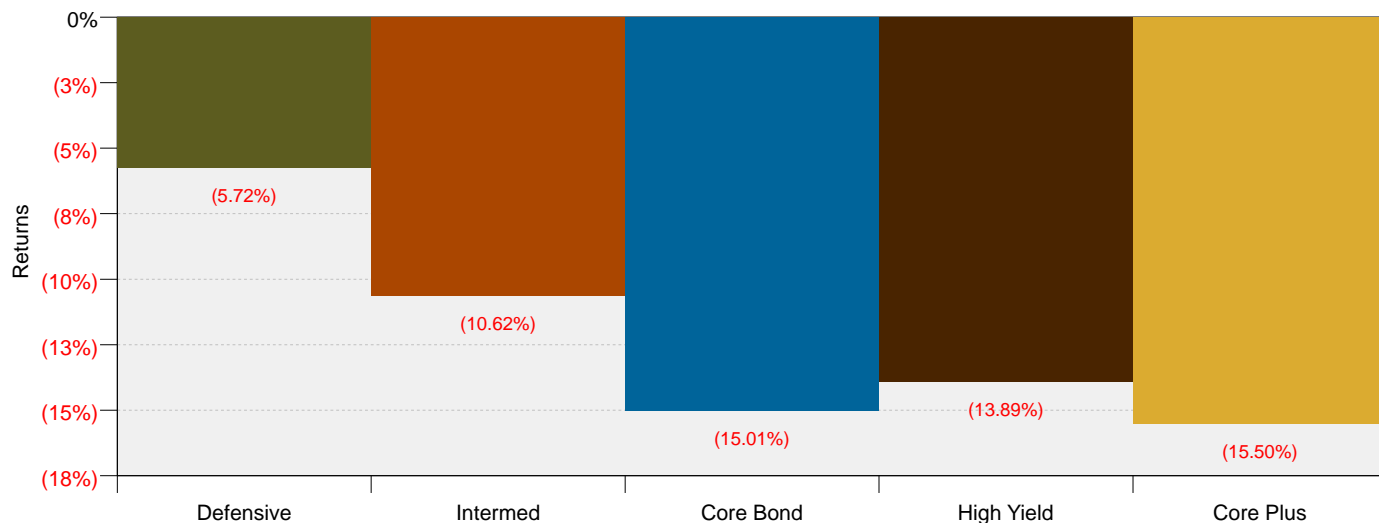
Mutual Fund Style Group Median Returns for Quarter ended September 30, 2022

Bloomberg:US Universal	(4.45%)
Bloomberg:Aggregate	(4.75%)
Bloomberg:High Yield	(0.65%)



Mutual Fund Style Group Median Returns for One Year ended September 30, 2022

Bloomberg:US Universal	(14.92%)
Bloomberg:Aggregate	(14.60%)
Bloomberg:High Yield	(14.14%)



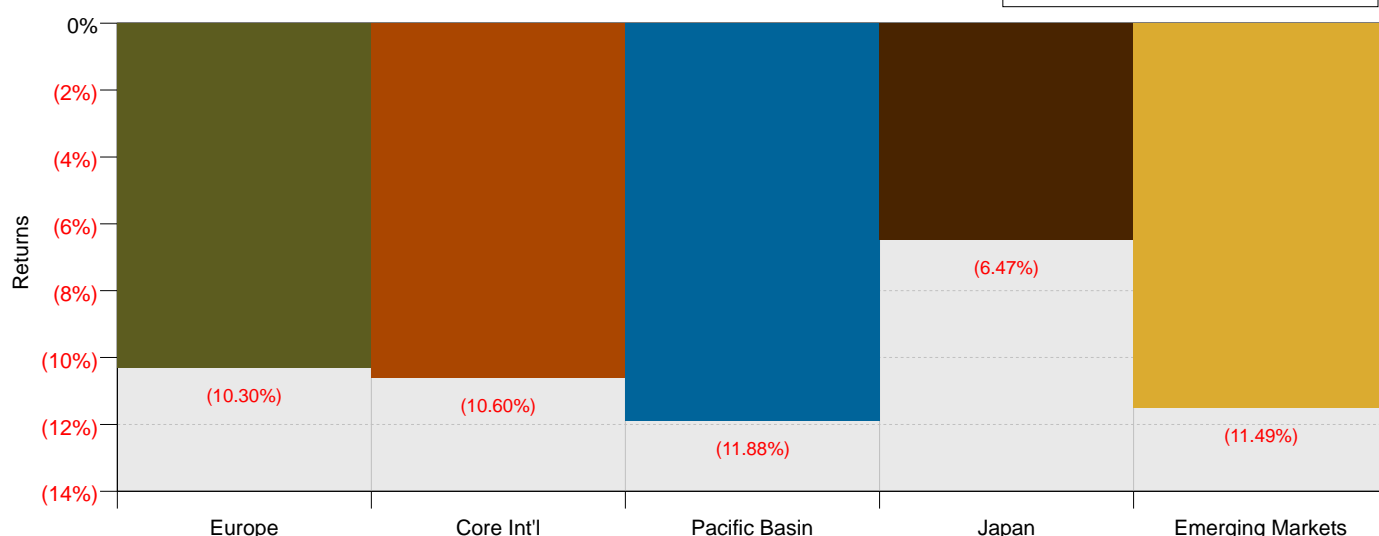
International Equity

Active Management Overview

The MSCI ACWI ex USA Index fell 9.9% (Local: -4.9%), bringing its YTD loss to 26.5% (Local: -16.2%). The U.S. dollar continued to strengthen, benefiting from its "safe haven" status as well as attractive interest rates relative to other developed markets. The yen and euro lost 6% versus the greenback and the British pound fell 8%. Across developed market countries, losses were broad-based with several posting double-digit declines. As in the U.S., value (MSCI ACWI ex USA Value: -10.4%) underperformed growth (MSCI ACWI ex USA Growth: -9.4%). Unlike the U.S., no sectors delivered a positive return in 3Q. Emerging markets (MSCI Emerging Markets: -11.6%; Local: -8.2%) underperformed developed markets for the quarter but returns were mixed across countries. China (MSCI China: -22.5%) was one of the worst performers while several countries posted positive returns; two of the best were India (+6.5%) and Brazil (+8.5%). Returns were also mixed across regions: Latin America (+3.6%), Emerging Europe (-12.4%), and Emerging Asia (-14.0%).

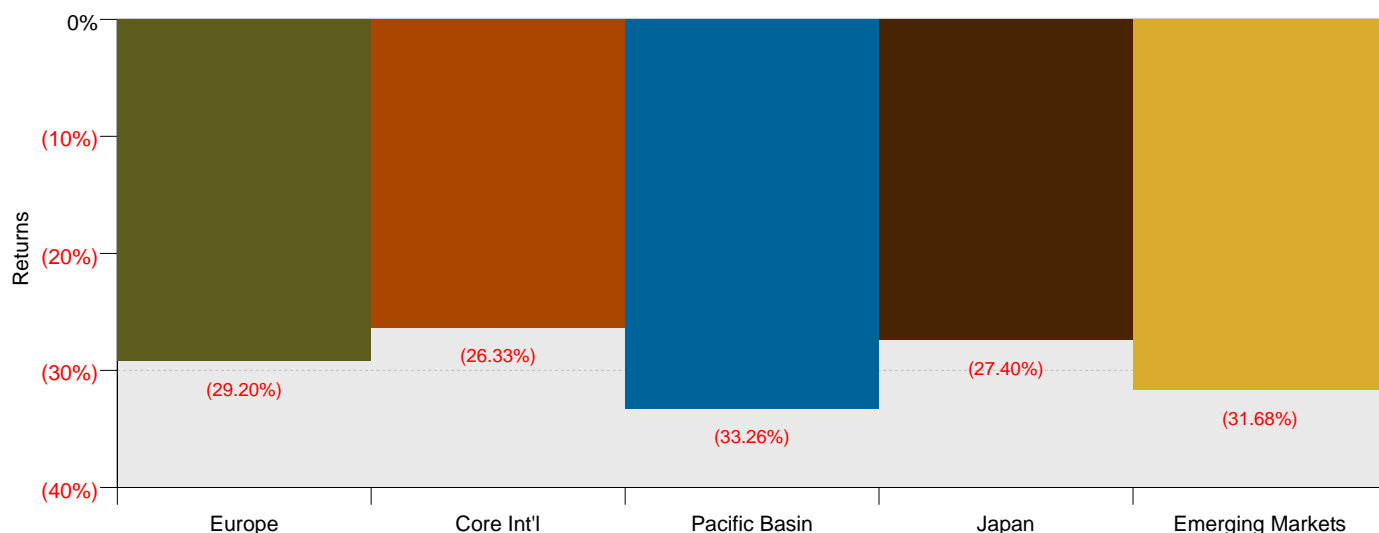
Mutual Fund Style Group Median Returns for Quarter Ended September 30, 2022

MSCI ACWI - Gross	(6.71%)
MSCI All Cntry World ExUS	(9.80%)
MSCI EAFE Index	(9.36%)
MSCI Europe	(10.15%)
MSCI Pacific	(8.09%)
MSCI Emerging Markets	(11.42%)



Mutual Fund Style Group Median Returns for Year Ended September 30, 2022

MSCI ACWI - Gross	(20.29%)
MSCI All Cntry World ExUS	(24.79%)
MSCI EAFE Index	(25.13%)
MSCI Europe	(24.80%)
MSCI Pacific	(25.87%)
MSCI Emerging Markets	(27.80%)



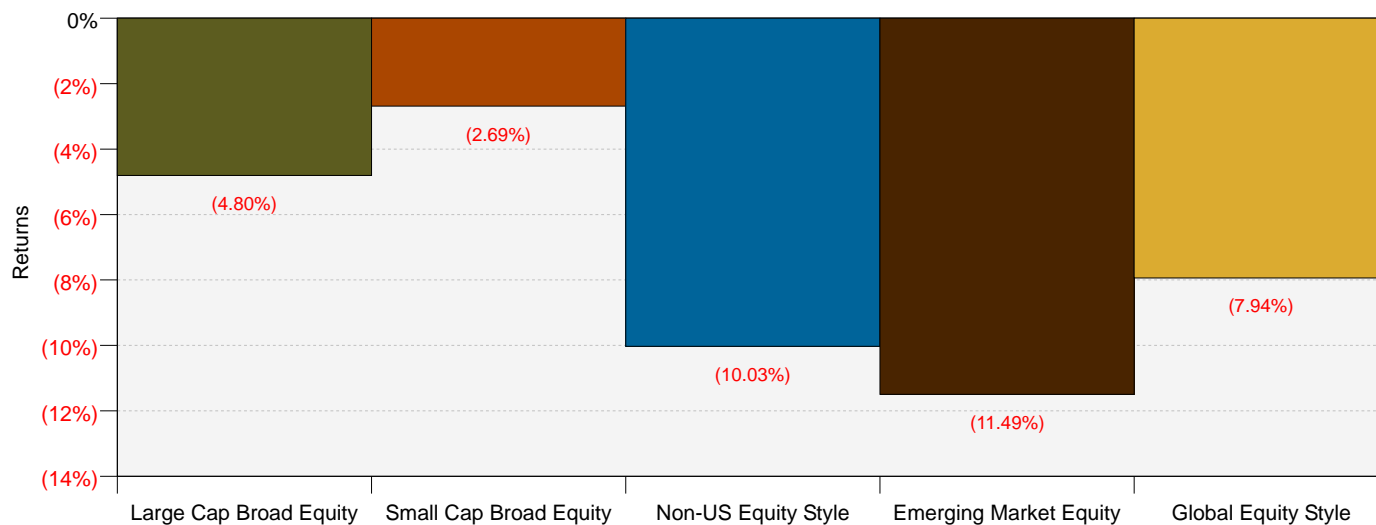
Capital Growth

Active Management Overview

The S&P 500 Index sank 4.9% in 3Q and is down 23.9% year-to-date (YTD). Returns were quite mixed across sectors with Energy (+2.3%) and Consumer Discretionary (+4.4%) posting positive results and Communication Services (-12.7%) and Real Estate (-11.0%) delivering the lowest returns. Somewhat counterintuitively, value underperformed growth (Russell 1000 Value: -5.6%; Russell 1000 Growth: -3.6%) but value remains ahead on a YTD basis (Russell 1000 Value: -17.8%; Russell 1000 Growth: -30.7%). Global ex-U.S. markets fared worse, driven mostly by U.S. dollar strength. The MSCI ACWI ex USA Index fell 9.9% (Local: -4.9%), bringing its YTD loss to 26.5% (Local: -16.2%). The U.S. dollar continued to strengthen, benefiting from its "safe haven" status as well as attractive interest rates relative to other developed markets. The yen and euro lost 6% versus the greenback and the British pound fell 8%. Across developed market countries, losses were broad-based with several posting double-digit declines. As in the U.S., value (MSCI ACWI ex USA Value: -10.4%) underperformed growth (MSCI ACWI ex USA Growth: -9.4%). Unlike the U.S., no sectors delivered a positive return in 3Q.

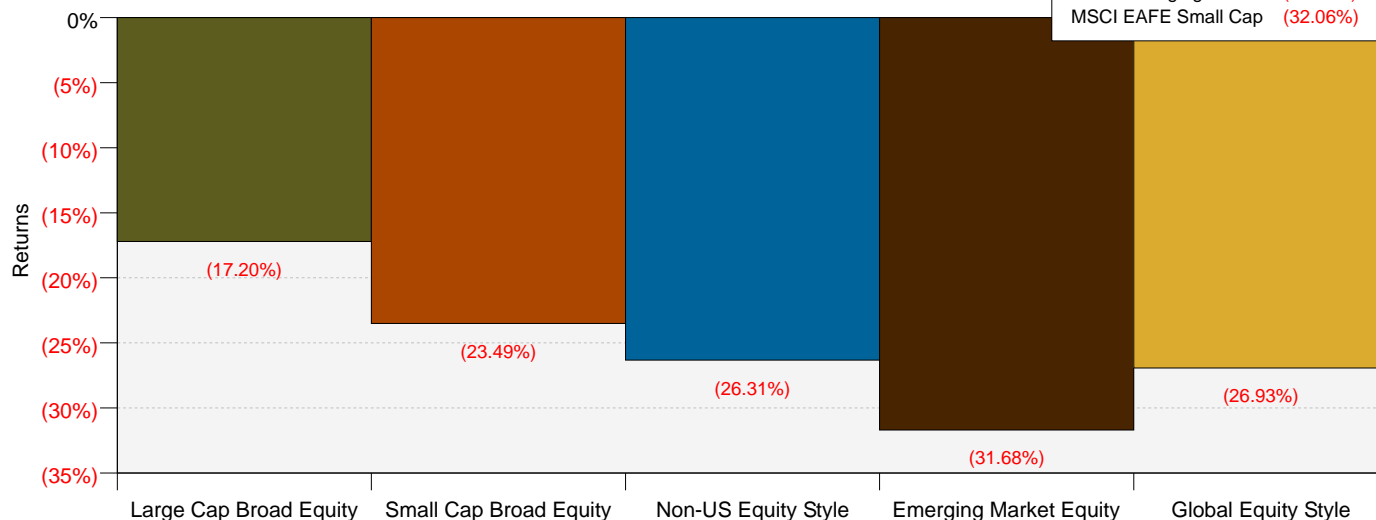
Mutual Fund Style Group Median Returns for Quarter ended September 30, 2022

S&P 500 Index	(4.88%)
Russell 3000 Index	(4.46%)
Russell 2000 Index	(2.19%)
MSCI ACWI	(6.82%)
MSCI EAFE Index	(9.36%)
MSCI Emerging Markets	(11.57%)
MSCI EAFE Small Cap	(9.83%)



Mutual Fund Style Group Median Returns for One Year ended September 30, 2022

S&P 500 Index	(15.47%)
Russell 3000 Index	(17.63%)
Russell 2000 Index	(23.50%)
MSCI ACWI	(20.66%)
MSCI EAFE Index	(25.13%)
MSCI Emerging Markets	(28.11%)
MSCI EAFE Small Cap	(32.06%)



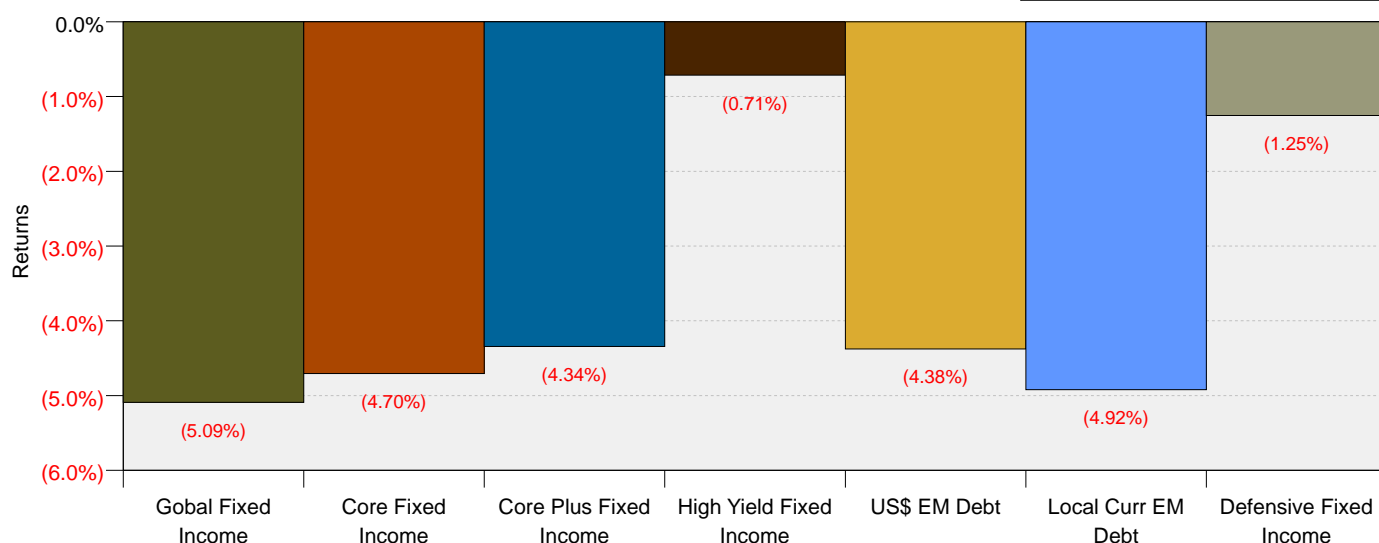
Income

Active Management Overview

Interest rates rose overseas as central banks hiked rates in a concerted effort to combat inflation, and the U.S. dollar continued to strengthen. The Bloomberg Global Aggregate ex USD fell 8.8% (hedged: -2.2%). The YTD differential for hedged and unhedged investors is nearly 14 percentage points (unhedged: -23.9%; hedged: -9.9%). Losses were broad-based but the U.K. fell the most sharply; 13.2% in local currency terms and 20.2% in US dollar terms in response to announced plans for massive fiscal stimulus in the form of unfunded tax cuts.

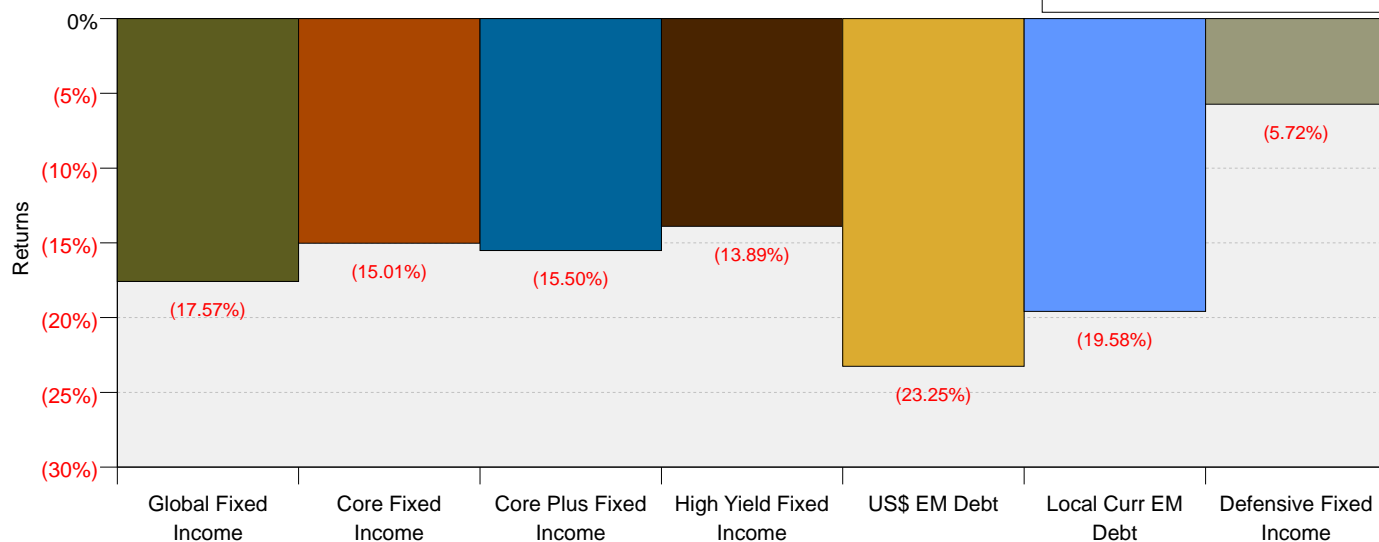
Mutual Fund Style Group Median Returns for Quarter ended September 30, 2022

Blmbg Barc Agg Index	(4.75%)
Blmbg Barc High Yield Corp	(0.65%)
Blmbg Barc Global Agg Hedged	(3.34%)
JPM EMBI Global Dvsfd	(4.57%)
JPM GBI GI Divers USD Unh	(4.73%)
Blmbg Barc Global Aggregate Index	(6.94%)



Mutual Fund Style Group Median Returns for One Year ended September 30, 2022

Blmbg Barc Agg Index	(14.60%)
Blmbg Barc High Yield Corp	(14.14%)
Blmbg Barc Global Agg Hedged	(12.05%)
JPM EMBI Global Dvsfd	(24.28%)
JPM GBI GI Divers USD Unh	(20.63%)
Blmbg Barc Global Aggregate Index	(20.43%)



Portfolio Holdings

Description	Symbol	Value	Weight
EQUITY			
Large Cap U.S. Equity			
DFA US Large Cap Value I	DFLVX	\$2,178,284	5.0%
Accrued Income		\$13,759	
Vanguard Institutional Index I	VINIX	\$8,589,751	19.5%
Large Cap U.S. Equity Total		\$10,781,794	24.5%
Small Cap U.S. Equity			
Avantis US Small Cap Value Fund I	AVUVX	\$2,433,038	5.5%
Vanguard Small Cap Growth Index Admiral	VSGAX	\$1,179,196	2.7%
Small Cap U.S. Equity Total		\$3,612,234	8.2%
International Equity			
DFA International Small Company I	DFISX	\$1,555,308	3.6%
Accrued Income		\$13,164	
DFA International Value I	DFIVX	\$3,265,484	7.5%
Accrued Income		\$30,294	
Vanguard International Growth Adm	VWILX	\$1,558,234	3.5%
International Equity Total		\$6,422,483	14.6%
Emerging Markets Equity			
DFA Emerging Markets Core Equity I	DFCEX	\$2,098,287	4.9%
Accrued Income		\$44,259	
Emerging Markets Equity Total		\$2,142,547	4.9%
Real Estate			
DFA Global Real Estate Securities Port	DFGEX	\$2,523,605	5.7%
Real Estate Total		\$2,523,605	5.7%
EQUITY Total		\$25,482,663	57.9%
FIXED INCOME			
Core Fixed Income			
Agincourt Core Fixed Income	xxxxxx8807	\$12,278,481	28.1%
Accrued Income		\$79,869	
Core Fixed Income Total		\$12,358,349	28.1%
FIXED INCOME Total		\$12,358,349	28.1%
DIVERSIFIED FIXED INCOME			
High Yield Fixed Income			
Vanguard High-Yield Corporate Adm	VWEAX	\$3,289,983	7.5%
Accrued Income		\$15,633	
High Yield Fixed Income Total		\$3,305,616	7.5%

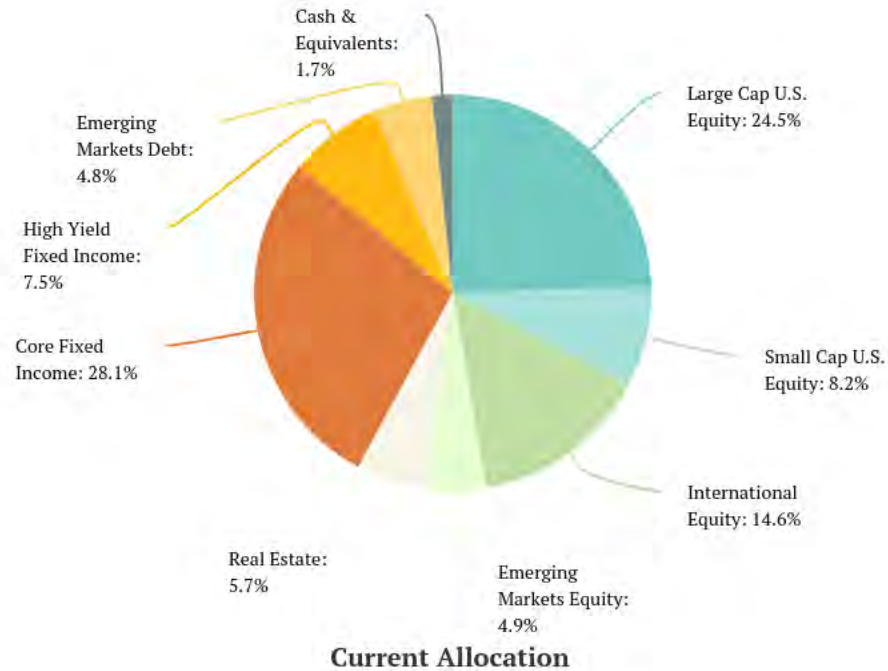
Portfolio Holdings

Description	Symbol	Value	Weight
DIVERSIFIED FIXED INCOME			
Emerging Markets Debt			
PIMCO Emerg Mkts Full Spectrum Bd Instl	PFSIX	\$2,110,317	4.8%
Accrued Income		\$8,848	
Emerging Markets Debt Total		\$2,119,165	4.8%
DIVERSIFIED FIXED INCOME Total		\$5,424,781	12.3%
CASH AND EQUIVALENTS			
Cash & Equivalents			
Cash Portfolio (US Bank)	xxxxxx8800	\$731,254	1.7%
Cash & Equivalents Total		\$731,254	1.7%
CASH AND EQUIVALENTS Total		\$731,254	1.7%
Total		\$43,997,048	100.0%

Portfolio Activity Summary

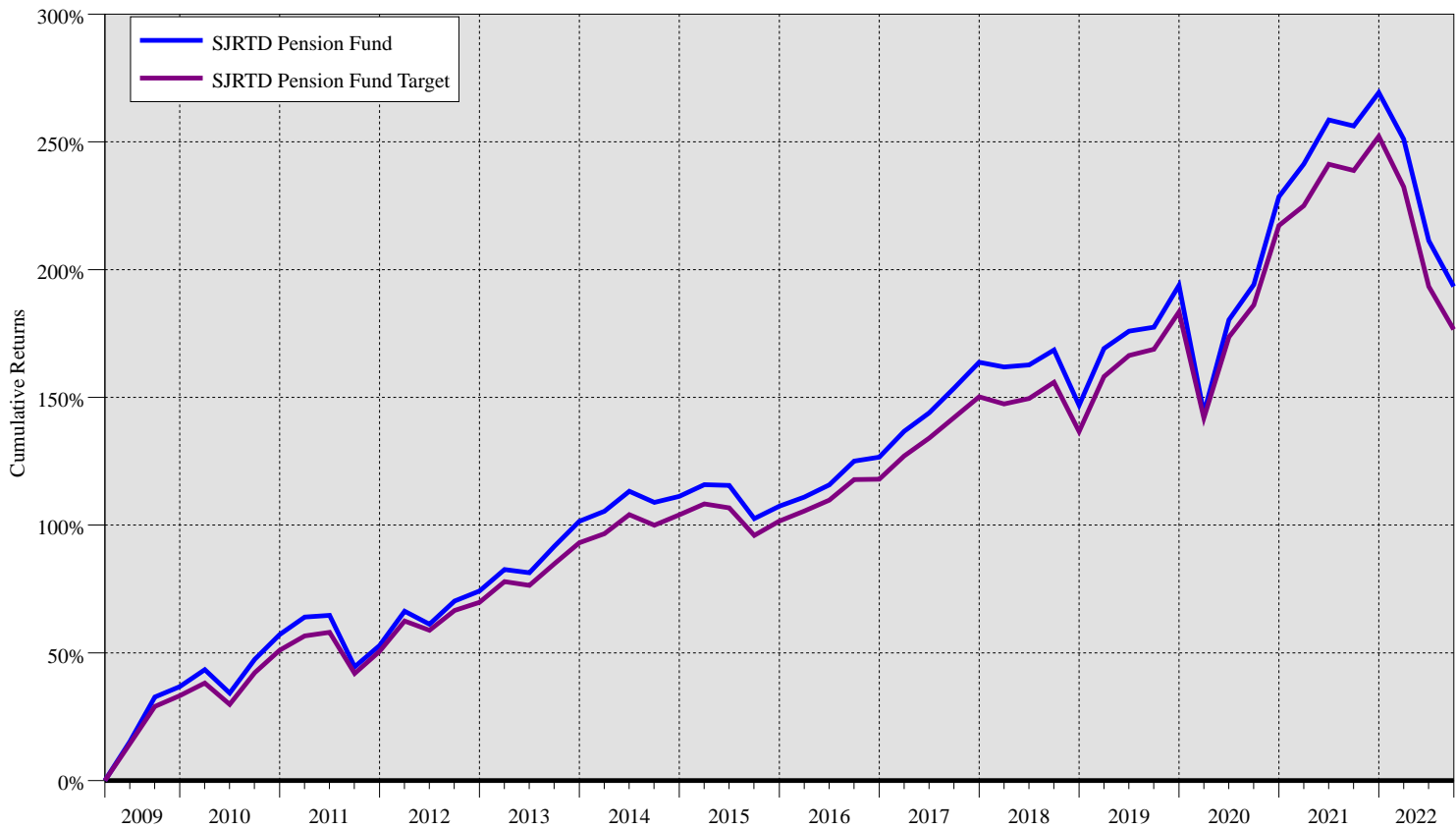
	Quarter to Date	Year to Date	Inception to Date (2/10/2009)
Beginning Value	\$46,848,341	\$56,569,543	\$0
Net Contribution	(\$137,728)	(\$1,018,141)	\$12,844,984
Transfers	\$0	\$0	\$423
Capital Appreciation	(\$3,008,880)	(\$12,397,820)	\$15,789,266
Dividend Income	\$223,063	\$512,914	\$10,955,057
Interest Income	\$111,301	\$341,082	\$6,093,059
Management Fees	(\$25,692)	(\$86,195)	(\$1,024,517)
Other Expenses	(\$8,277)	(\$26,565)	(\$432,380)
Change in Accrued	(\$5,080)	\$102,230	(\$228,421)
Ending Value	\$43,997,048	\$43,997,048	\$43,997,048
Investment Gain	(\$2,713,566)	(\$11,554,354)	\$31,152,063

Actual vs. Target Asset Allocation

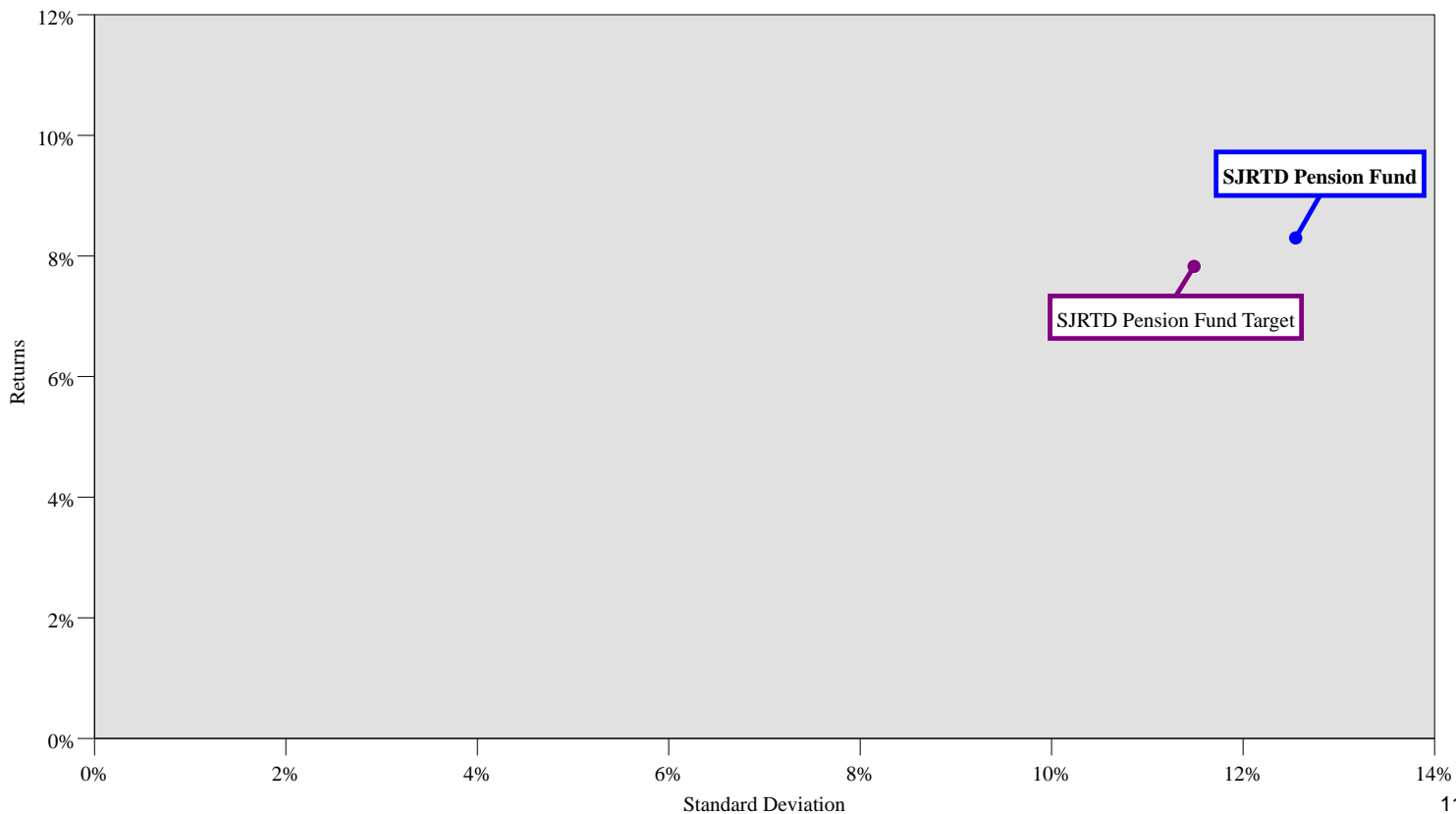


Sector	Current Value	Current Percent	Target Allocation Value	Target Allocation Percent	Dollar Variance	Percent Variance
Large Cap U.S. Equity	\$10,781,794	24.5%	\$10,691,283	24.3%	\$90,512	0.2%
Small Cap U.S. Equity	\$3,612,234	8.2%	\$3,563,761	8.1%	\$48,473	0.1%
International Equity	\$6,422,483	14.6%	\$7,127,522	16.2%	(\$705,039)	(1.6%)
Emerging Markets Equity	\$2,142,547	4.9%	\$2,375,841	5.4%	(\$233,294)	(0.5%)
Real Estate	\$2,523,605	5.7%	\$2,639,823	6.0%	(\$116,217)	(0.3%)
Core Fixed Income	\$12,358,349	28.1%	\$11,879,203	27.0%	\$479,146	1.1%
High Yield Fixed Income	\$3,305,616	7.5%	\$3,167,787	7.2%	\$137,829	0.3%
Emerging Markets Debt	\$2,119,165	4.8%	\$2,111,858	4.8%	\$7,307	0.0%
Cash & Equivalents	\$731,254	1.7%	\$439,970	1.0%	\$291,284	0.7%
Total	\$43,997,048	100.0%	\$43,997,048	100.0%		

Cumulative Returns | SJRTD Pension Fund vs. Targets
Beginning April 1, 2009 | Ending September 30, 2022

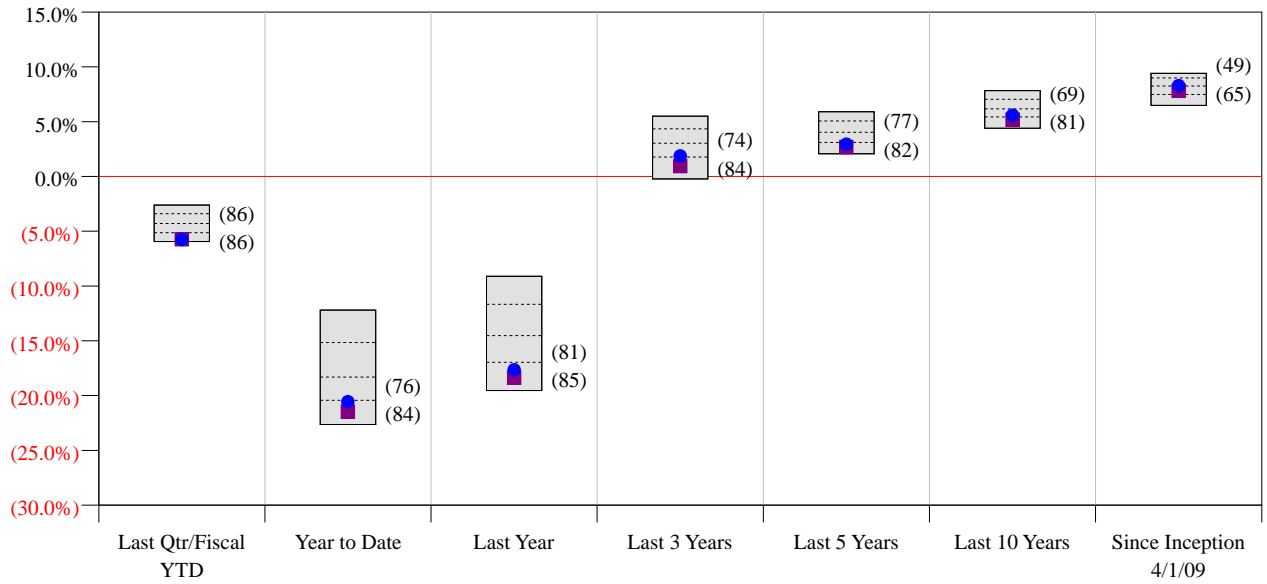


Risk vs Return | SJRTD Pension Fund Target vs. Targets
Beginning April 1, 2009 | Ending September 30, 2022



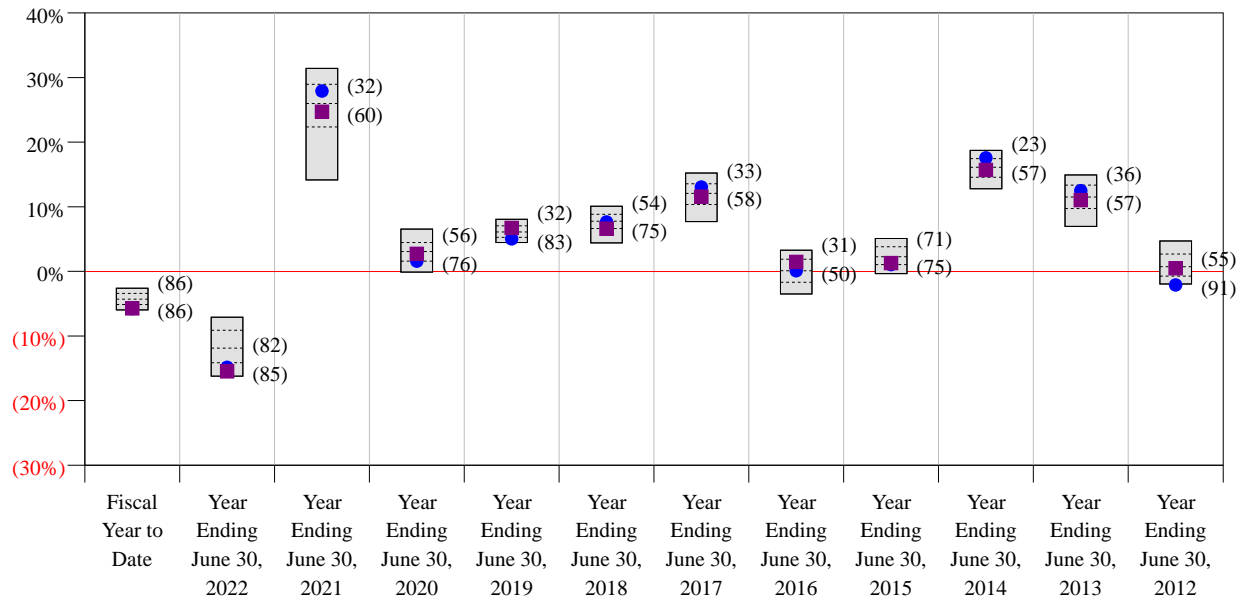
Performance vs. Callan Fund Sponsors - Small DB (<100M)

Periods Ended September 30, 2022



	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	(2.59)	(12.19)	(9.10)	5.51	5.91	7.83	9.42
25th Percentile	(3.39)	(15.15)	(11.67)	4.36	5.08	7.06	9.01
Median	(4.28)	(18.31)	(14.51)	3.04	4.03	6.18	8.26
75th Percentile	(5.12)	(20.43)	(16.95)	1.78	3.11	5.45	7.49
90th Percentile	(5.94)	(22.63)	(19.53)	(0.22)	2.08	4.40	6.49
SJRTD Pension Fund	(5.75)	(20.55)	(17.63)	1.88	2.96	5.59	8.30
SJRTD Pension Fund Target	(5.72)	(21.45)	(18.35)	0.95	2.70	5.20	7.83

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



	Fiscal Year to Date	Year Ending June 30, 2022	Year Ending June 30, 2021	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
10th Percentile	(2.59)	(7.07)	31.42	6.55	8.09	10.10	15.22	3.29	5.11	18.76	14.93	4.72
25th Percentile	(3.39)	(9.10)	28.97	4.49	7.05	8.85	13.57	1.88	3.81	17.47	13.36	2.68
Median	(4.28)	(11.87)	25.99	3.09	6.11	7.77	12.08	0.11	2.30	16.13	11.52	0.73
75th Percentile	(5.12)	(14.12)	22.36	1.61	5.28	6.64	10.37	(1.68)	1.07	14.59	9.73	(0.71)
90th Percentile	(5.94)	(16.19)	14.18	(0.09)	4.48	4.43	7.73	(3.49)	(0.32)	12.81	6.99	(1.95)
SJRTD Pension Fund	(5.75)	(14.82)	27.92	1.59	5.05	7.67	13.07	0.11	1.06	17.58	12.50	(2.08)
SJRTD Pension Fund Target	(5.72)	(15.47)	24.70	2.73	6.73	6.63	11.57	1.47	1.30	15.71	11.05	0.49

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

Returns for Periods Ended September 30, 2022

	Last Qtr/ Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 13 1/2 Years
Large Cap Equity							
Vanguard Inst'l Index I	(4.89)	(23.89)	(15.50)	8.14	9.21	11.67	14.00
DFA US Large Cap Value	(5.65)	(17.38)	(11.04)	4.68	4.61	9.79	13.40
<i>S&P 500 Index</i>	(4.88)	(23.87)	(15.47)	8.16	9.24	11.70	14.02
<i>Russell 1000 Value</i>	(5.62)	(17.75)	(11.36)	4.36	5.29	9.17	12.04
<i>Russell 1000 Growth</i>	(3.60)	(30.66)	(22.59)	10.67	12.17	13.70	15.78
Small Cap Equity							
Avantis US Small Cap Value	(3.04)	(16.21)	(11.00)	--	--	--	--
Vanguard Small Cap Gr Idx Adm*	(0.79)	(30.49)	(30.09)	2.81	5.65	9.15	13.57
<i>Russell 2000 Index</i>	(2.19)	(25.10)	(23.50)	4.29	3.55	8.55	12.18
<i>Russell 2000 Value</i>	(4.61)	(21.12)	(17.69)	4.72	2.87	7.94	11.48
<i>Russell 2000 Growth</i>	0.24	(29.28)	(29.27)	2.94	3.60	8.81	12.59
<i>CRSP US Sm Cap Growth</i>	(0.83)	(30.52)	(30.10)	2.82	5.65	9.06	13.00
International Equity							
DFA International Value	(10.28)	(19.07)	(17.06)	0.45	(1.11)	3.57	6.52
Vanguard Int'l Growth Adm	(10.16)	(38.55)	(40.24)	3.65	3.12	7.27	9.93
DFA Intl Small Company	(10.46)	(29.53)	(28.36)	(0.42)	(1.63)	5.03	8.59
<i>MSCI EAFE Index</i>	(9.36)	(27.09)	(25.13)	(1.83)	(0.84)	3.67	6.32
<i>MSCI World ex US Value</i>	(10.22)	(20.10)	(18.58)	(1.97)	(2.08)	2.53	5.61
<i>MSCI ACWI ex US Growth</i>	(9.37)	(31.84)	(30.22)	(1.38)	0.18	3.95	6.88
<i>MSCI World Sm Cap ex US</i>	(9.46)	(31.07)	(30.80)	(1.27)	(1.24)	4.78	8.74
Emerging Markets Equity							
DFA Emerging Markets Core	(10.88)	(24.36)	(23.70)	0.26	(0.70)	1.93	7.00
<i>MSCI Emerging Markets</i>	(11.57)	(27.16)	(28.11)	(2.07)	(1.80)	1.05	5.77
REITs							
DFA Global Real Estate Securities	(11.62)	(28.77)	(20.16)	(4.02)	1.80	4.88	11.36
<i>S&P Global REIT Index</i>	(11.12)	(29.23)	(20.49)	(5.20)	0.17	3.58	10.04
Core Fixed Income							
Agincourt Core Fixed Income	(4.64)	(14.67)	(14.78)	(2.84)	0.20	1.35	3.25
<i>Blmbg Barc Agg Index</i>	(4.75)	(14.61)	(14.60)	(3.26)	(0.27)	0.89	2.42
<i>Blmbg Barc Gov/Credit Bond Idx</i>	(4.56)	(15.10)	(14.95)	(3.15)	(0.05)	1.02	2.62

*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, 2022

	Last Qtr/ Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 13 1/2 Years
High Yield Fixed Income							
Vanguard High Yield Corp Adm	(0.85)	(13.20)	(12.74)	(0.90)	1.36	3.57	7.12
<i>ICE BofA High Yield CP BB-B Cons</i>	(0.75)	(14.29)	(13.66)	(0.76)	1.52	3.81	7.54
Emerging Markets Debt							
PIMCO EM Full Spectrum Bd I	(2.76)	(17.91)	(19.39)	(5.29)	(2.27)	--	--
<i>50/25/25 EM Debt Index**</i>	(4.08)	(19.09)	(20.25)	(5.76)	(2.46)	(0.29)	3.79
<i>50/50 EM Debt Index***</i>	(4.65)	(21.28)	(22.45)	(7.08)	(3.22)	(0.63)	3.47
Total Fund							
SJRTD Pension Fund	(5.75)	(20.55)	(17.63)	1.88	2.96	5.59	8.30
<i>SJRTD Pension Fund Target</i>	(5.72)	(21.45)	(18.35)	0.95	2.70	5.20	7.83

**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).

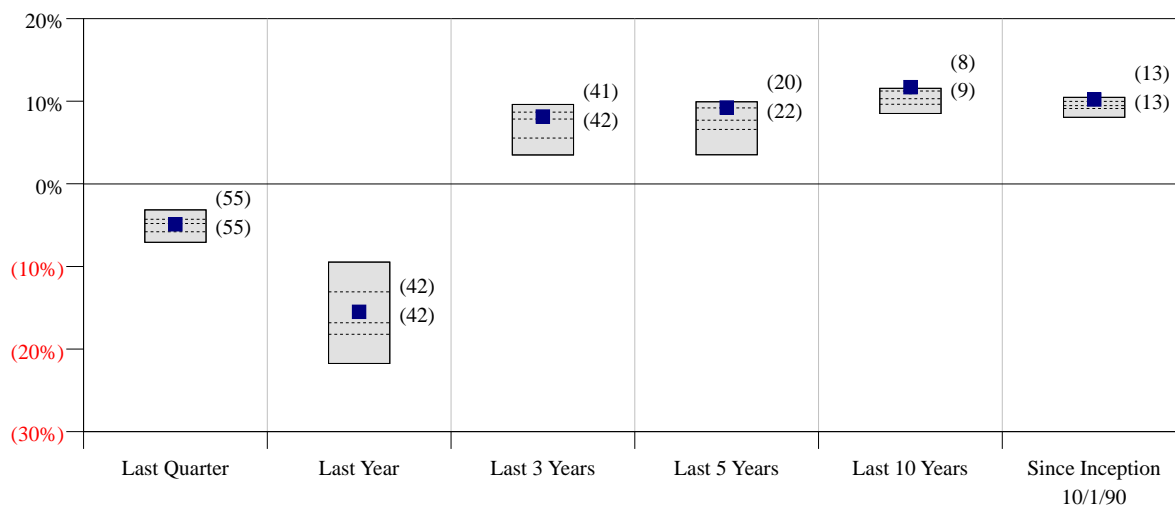
Current Quarter Target = 1.0% 3-Month Treasury Bill, 27.0% Bloomberg Barclays Aggregate Index, 6.0% S&P Global REIT Index, 2.4% JPM GBI EM GI Divers USD Unh, 2.4% JPM EMBI Global Diversified, 7.2% ICE BofAML High Yield CP BB-B Cons, 16.2% MSCI EAFE Index, 5.4% MSCI Emerging Markets, 8.1% Russell 2000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

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

Investment Philosophy:

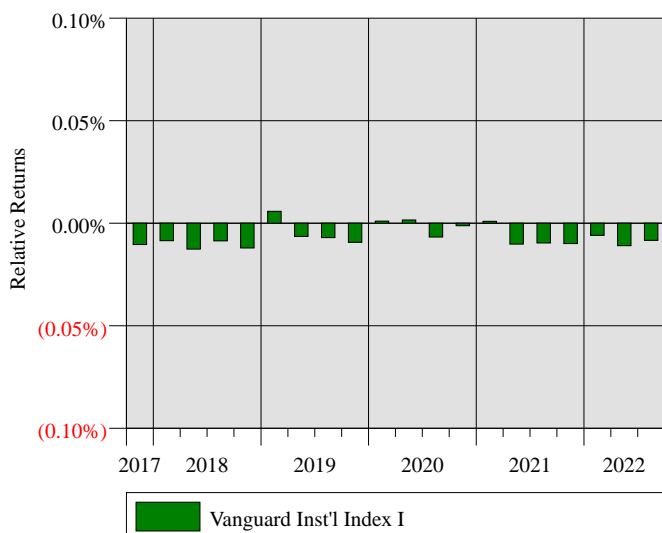
Core Equity Style mutual funds have characteristics similar to those of the broader market as represented by the Standard & Poor's Index. Their objective is to add value over and above the index, typically from sector or issue selection.

Vanguard Inst'l Index I (VINIX) Performance vs. Callan Large Cap Core Mutual Funds Periods ending: September 30, 2022

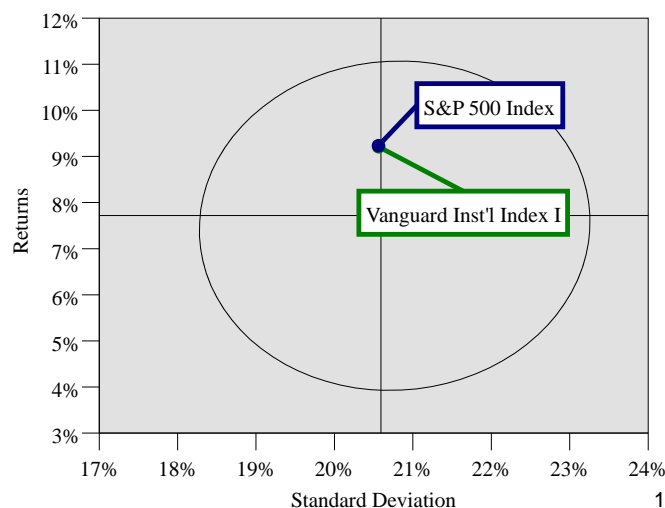


	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Vanguard Inst'l Index I	(23.89)	28.67	18.39	31.46	(4.42)	21.79	11.93	1.37	13.65	32.35	15.98
S&P 500 Index	(23.87)	28.71	18.40	31.49	(4.38)	21.83	11.96	1.38	13.69	32.39	16.00

Relative Returns vs. S&P 500 Index



Callan Large Cap Core Mutual Funds | 5 Years Ended 9/30/22

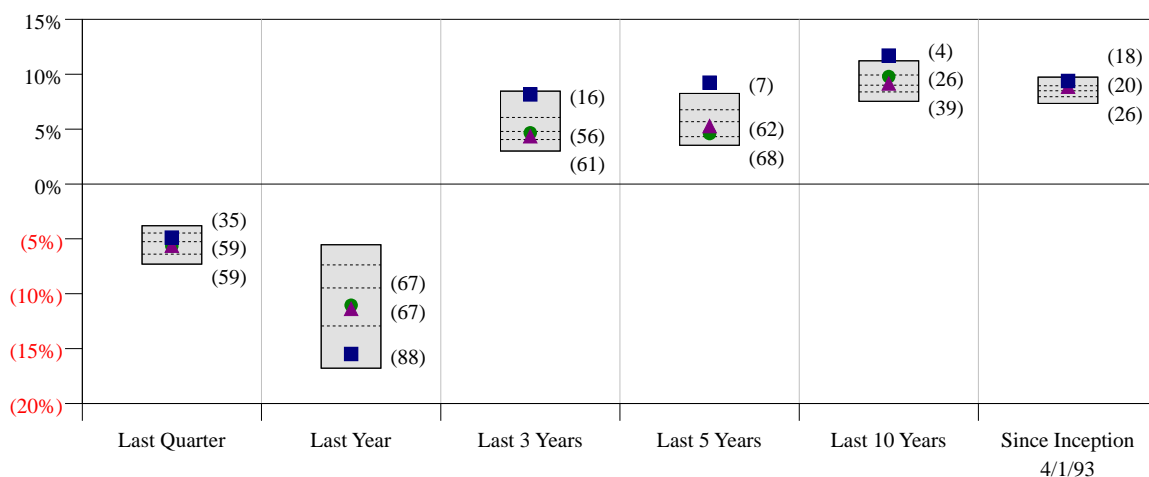


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

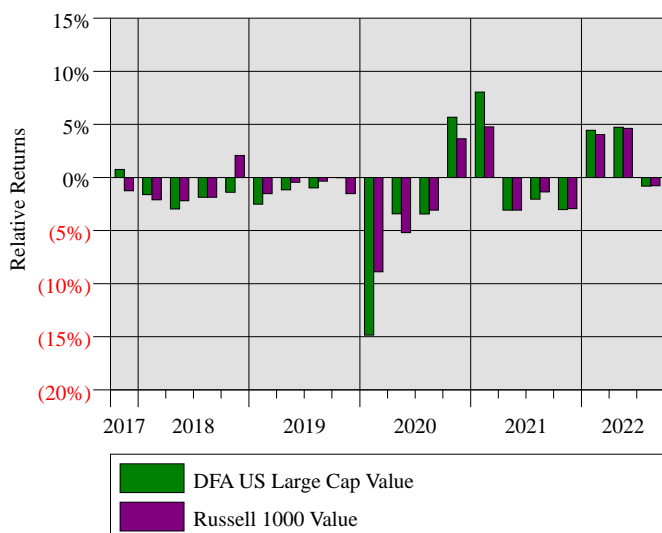
DFA US Large Cap Value (DFLVX) Performance vs. Callan Large Cap Value Mutual Funds Periods ending: September 30, 2022



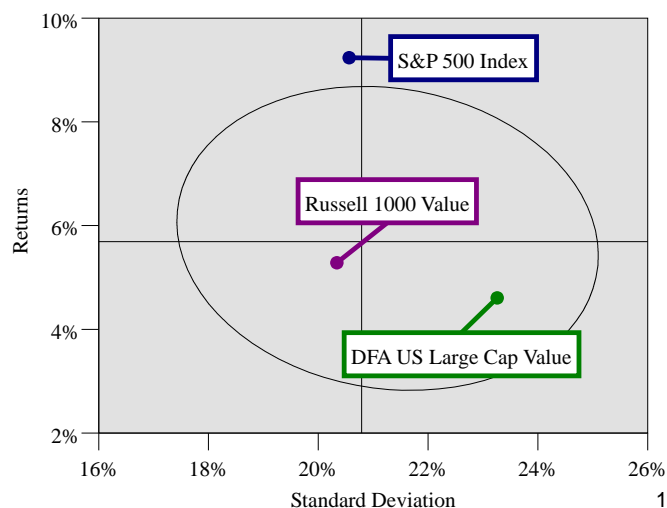
10th Percentile	(3.79)	(5.53)	8.47	8.25	11.23	9.74
25th Percentile	(4.46)	(7.35)	6.08	6.78	9.94	8.95
Median	(5.24)	(9.46)	4.80	5.69	9.02	8.50
75th Percentile	(6.38)	(12.92)	4.07	4.32	8.40	7.95
90th Percentile	(7.28)	(16.77)	3.02	3.53	7.53	7.35
DFA US Large Cap Value	(5.65)	(11.04)	4.68	4.61	9.79	9.31
S&P 500 Index	(4.88)	(15.47)	8.16	9.24	11.70	9.39
Russell 1000 Value	(5.62)	(11.36)	4.36	5.29	9.17	8.88

	3 Qtrs.	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	2022										
DFA US Large Cap Value	(17.38)	28.07	(0.61)	25.45	(11.65)	18.97	18.89	(3.49)	10.07	40.32	22.05
S&P 500 Index	(23.87)	28.71	18.40	31.49	(4.38)	21.83	11.96	1.38	13.69	32.39	16.00
Russell 1000 Value	(17.75)	25.16	2.80	26.54	(8.27)	13.66	17.34	(3.83)	13.45	32.53	17.51

Relative Returns vs. S&P 500 Index



Callan Large Cap Value Mutual Funds | 5 Years Ended 9/30/22

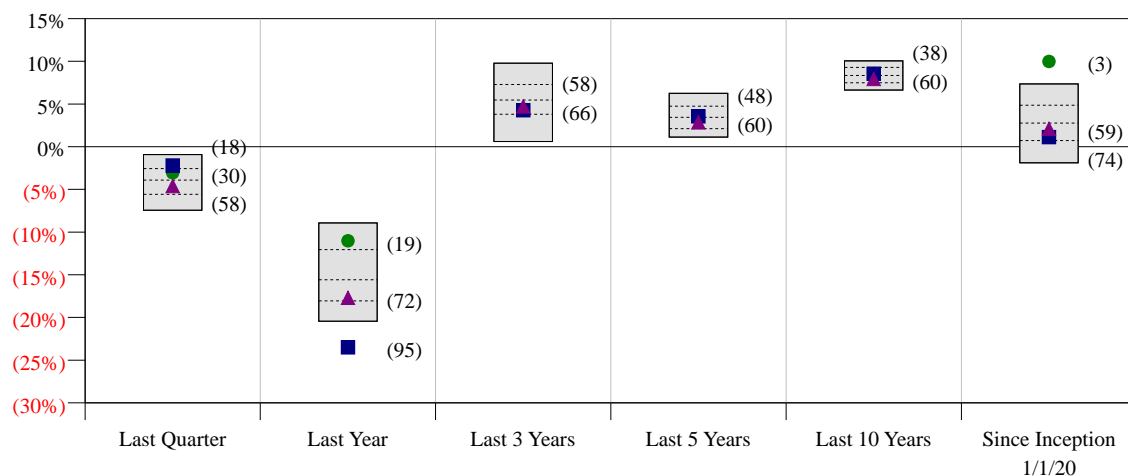


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

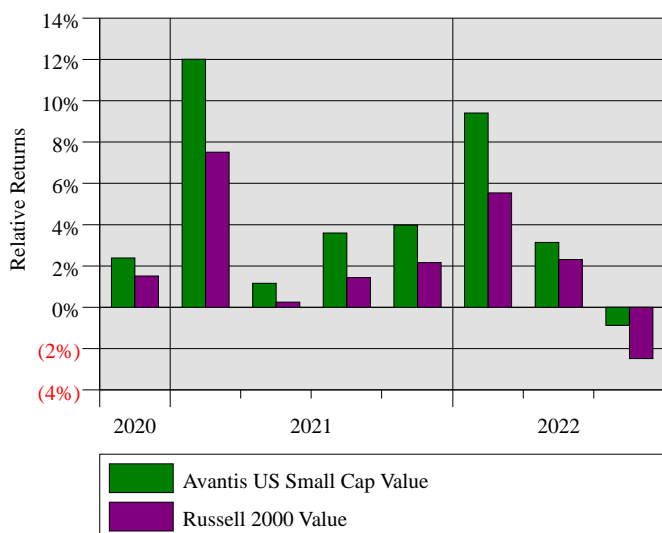
Avantis US Small Cap Value (AVUVX) Performance vs. Callan Small Cap Value Mutual Funds Periods ending: September 30, 2022



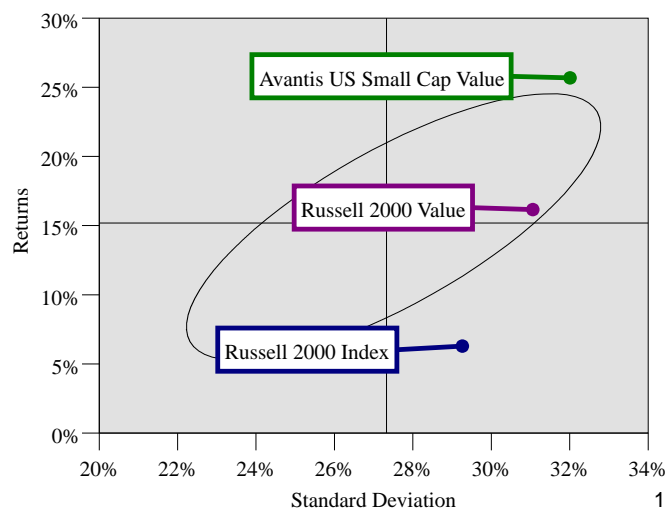
10th Percentile	(0.91)	(8.92)	9.79	6.27	10.07	7.36
25th Percentile	(2.54)	(12.04)	7.30	4.77	9.30	4.87
Median	(3.90)	(15.56)	5.47	3.45	8.36	2.78
75th Percentile	(5.57)	(18.06)	3.81	2.13	7.50	0.73
90th Percentile	(7.44)	(20.43)	0.62	1.14	6.65	(1.89)
Avantis US Small Cap Value	(3.04)	(11.00)	--	--	--	9.99
Russell 2000 Index	(2.19)	(23.50)	4.29	3.55	8.55	1.14
Russell 2000 Value	(4.61)	(17.69)	4.72	2.87	7.94	2.09

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Avantis US Small Cap Value	(16.21)	40.17	10.64	--	--	--	--	--	--	--	--
Russell 2000 Index	(25.10)	14.82	19.96	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82	16.35
Russell 2000 Value	(21.12)	28.27	4.63	22.39	(12.86)	7.84	31.74	(7.47)	4.22	34.52	18.05

Relative Returns vs. Russell 2000 Index



Callan Small Cap Value Mutual Funds | 2 Years Ended 9/30/22

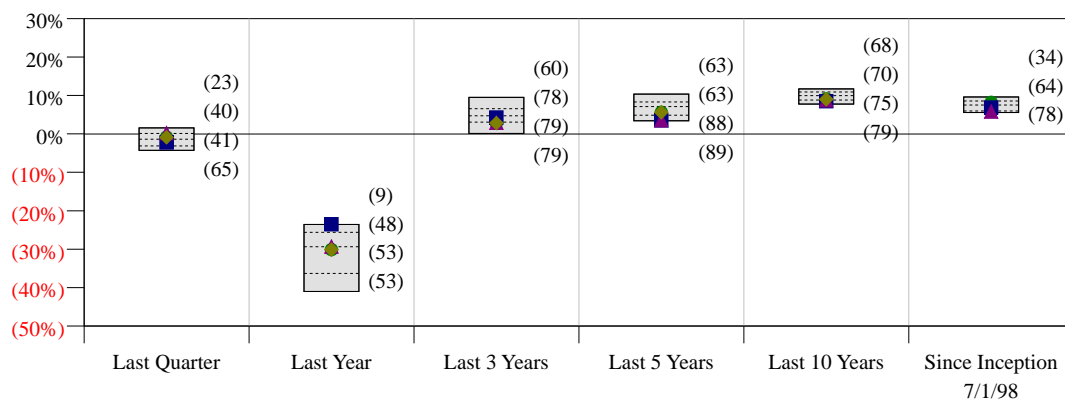


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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, 2022

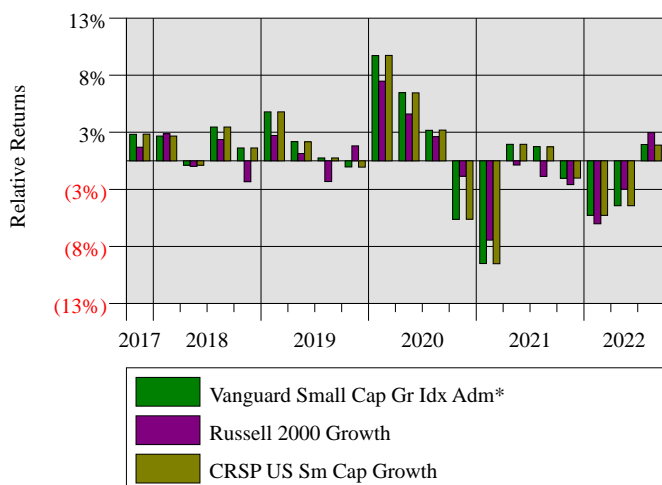


10th Percentile	1.60	(23.56)	9.56	10.38	11.71	9.64
25th Percentile	0.13	(25.57)	6.59	8.36	10.95	8.61
Median	(1.38)	(29.33)	4.75	7.16	10.00	7.55
75th Percentile	(3.08)	(36.28)	3.07	4.91	8.86	6.00
90th Percentile	(4.27)	(41.00)	0.15	3.45	7.79	5.62
Vanguard Small Cap Gr Idx Adm*	(0.79)	(30.09)	2.81	5.65	9.15	8.25
Russell 2000 Index	(2.19)	(23.50)	4.29	3.55	8.55	6.88
Russell 2000 Growth	0.24	(29.27)	2.94	3.60	8.81	5.86
CRSP US Sm Cap Growth	(0.83)	(30.10)	2.82	5.65	9.06	--

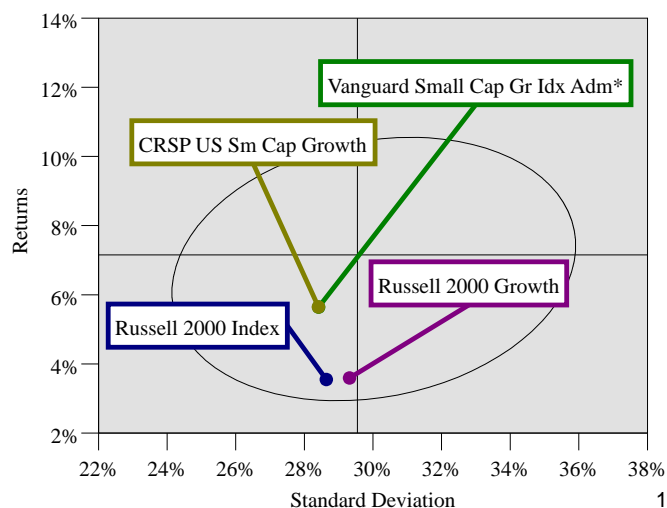
Vanguard switched to CRSP US Sm Cap Growth Index on April 17, 2013.

	3 Qtrs.	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Vanguard Small Cap Gr Idx Adm*	(30.49)	5.70	35.28	32.76	(5.68)	21.92	10.73	(2.52)	4.02	38.22	17.66	
Russell 2000 Index	(25.10)	14.82	19.96	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82	16.35	
Russell 2000 Growth	(29.28)	2.83	34.63	28.48	(9.31)	22.17	11.32	(1.38)	5.60	43.30	14.59	
CRSP US Sm Cap Growth	(30.52)	5.71	35.35	32.75	(5.68)	21.90	10.62	(2.60)	3.98	38.44	15.39	

Relative Returns vs. Russell 2000 Index



Callan Small Cap Growth Mutual Funds | 5 Years Ended 9/30/22



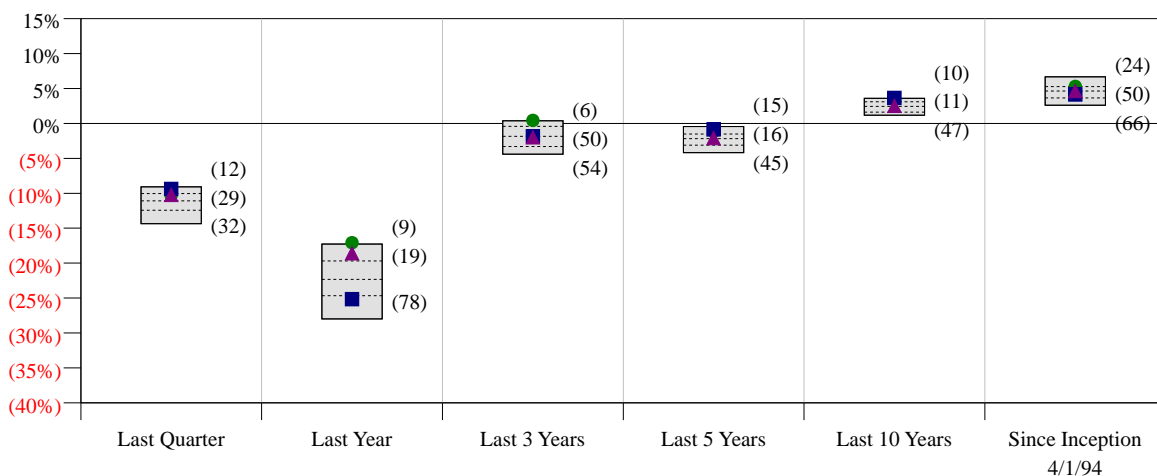
*Investor shares used as a proxy prior to 10/2011.

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

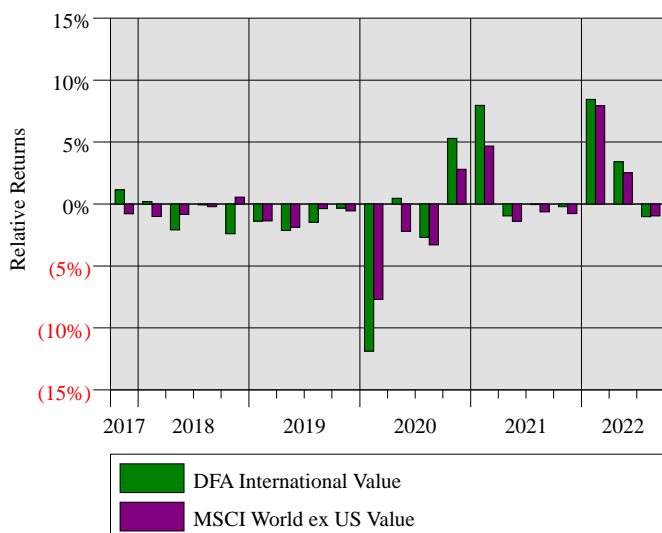
DFA International Value (DFIVX) Performance vs. Callan International Large Cap Value MFs Periods ending: September 30, 2022



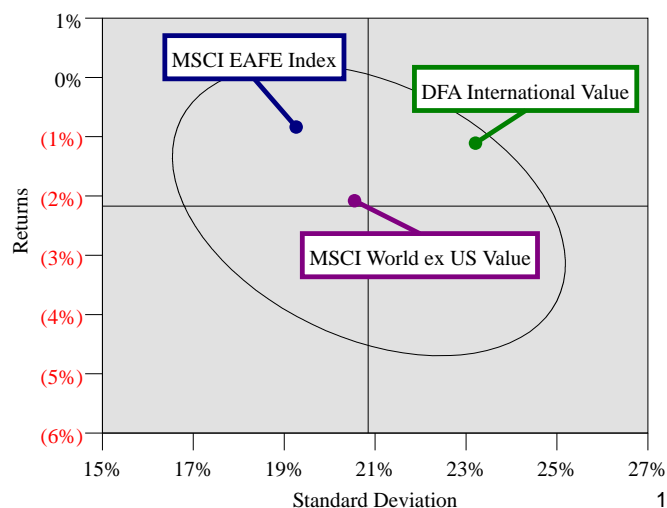
10th Percentile	(9.05)	(17.25)	0.39	(0.42)	3.61	6.69
25th Percentile	(10.03)	(19.69)	(0.41)	(1.52)	3.11	5.29
Median	(11.07)	(22.30)	(1.83)	(2.17)	2.45	4.65
75th Percentile	(12.42)	(24.66)	(3.30)	(3.09)	1.64	3.68
90th Percentile	(14.34)	(27.97)	(4.38)	(4.16)	1.20	2.61
DFA International Value ●	(10.28)	(17.06)	0.45	(1.11)	3.57	5.30
MSCI EAFE Index ■	(9.36)	(25.13)	(1.83)	(0.84)	3.67	4.16
MSCI World ex US Value ▲	(10.22)	(18.58)	(1.97)	(2.08)	2.53	4.64

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DFA International Value	(19.07)	18.69	(2.14)	15.67	(17.49)	26.09	8.41	(6.31)	(6.99)	23.12	16.61
MSCI EAFE Index	(27.09)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78	17.32
MSCI World ex US Value	(20.10)	13.26	(3.22)	17.02	(15.06)	21.04	7.39	(7.68)	(5.41)	21.47	17.29

Relative Returns vs. MSCI EAFE Index



Callan International Large Cap Value MFs | 5 Years Ended 9/30/22

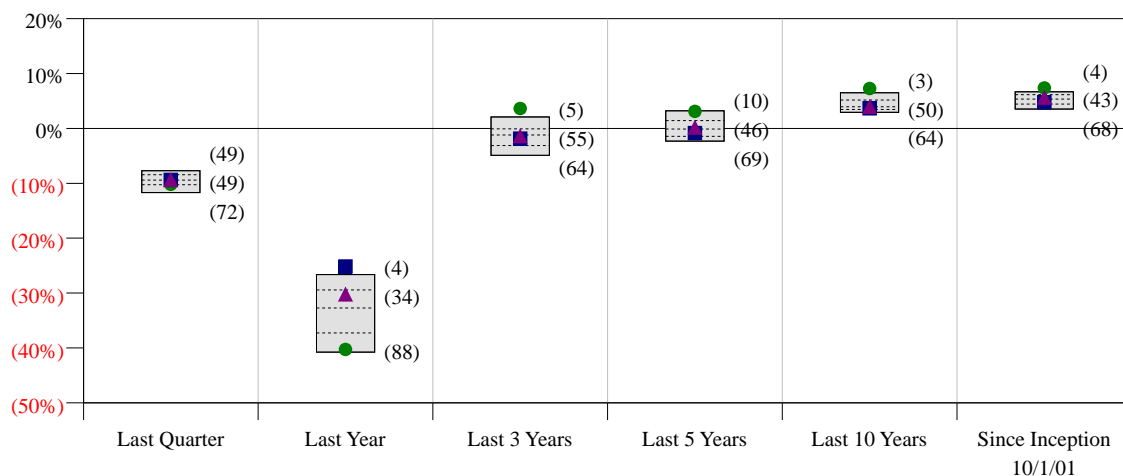


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

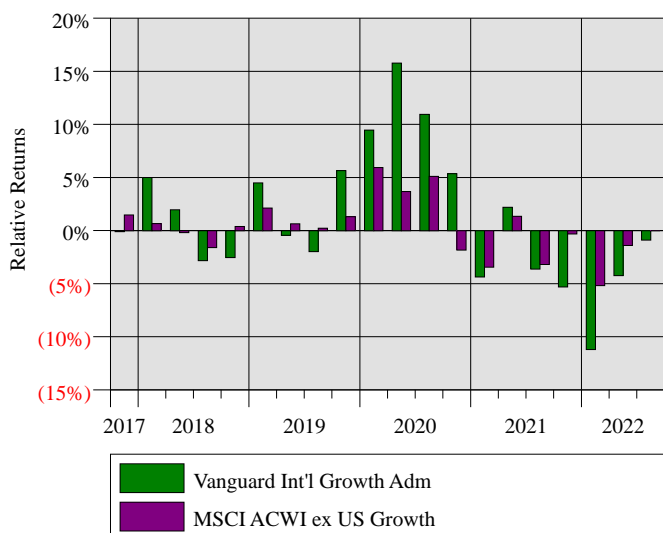
Vanguard Int'l Growth Adm (VWILX) Performance vs. Callan Intl Large Cap Growth MFs Periods ending: September 30, 2022



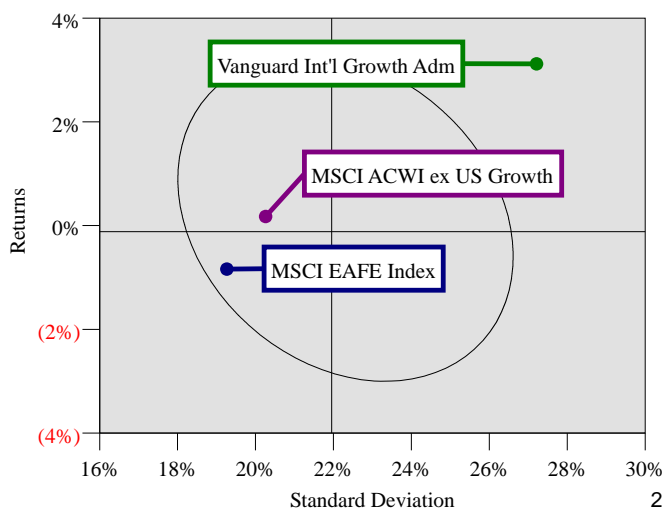
10th Percentile	(7.67)	(26.63)	2.10	3.22	6.53	6.68
25th Percentile	(8.43)	(29.40)	(0.05)	1.43	5.18	6.16
Median	(9.39)	(32.71)	(1.20)	(0.11)	3.95	5.36
75th Percentile	(10.24)	(37.25)	(3.11)	(1.42)	3.47	4.46
90th Percentile	(11.68)	(40.75)	(4.89)	(2.31)	2.95	3.53
Vanguard Int'l Growth Adm	(10.16)	(40.24)	3.65	3.12	7.27	7.39
MSCI EAFE Index	(9.36)	(25.13)	(1.83)	(0.84)	3.67	4.78
MSCI ACWI ex US Growth	(9.37)	(30.22)	(1.38)	0.18	3.95	5.63

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Vanguard Int'l Growth Adm	(38.55)	(0.74)	59.74	31.48	(12.58)	43.16	1.84	(0.54)	(5.51)	23.12	20.18
MSCI EAFE Index	(27.09)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78	17.32
MSCI ACWI ex US Growth	(31.84)	5.09	22.20	27.34	(14.43)	32.01	0.12	(1.25)	(2.65)	15.49	16.67

Relative Returns vs. MSCI EAFE Index



Callan Intl Large Cap Growth MFs | 5 Years Ended 9/30/22

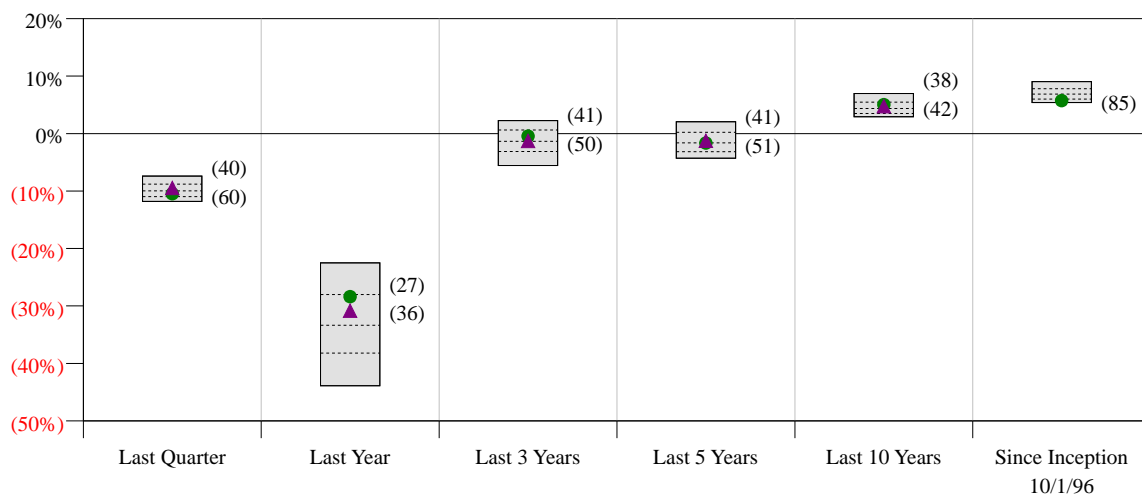


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

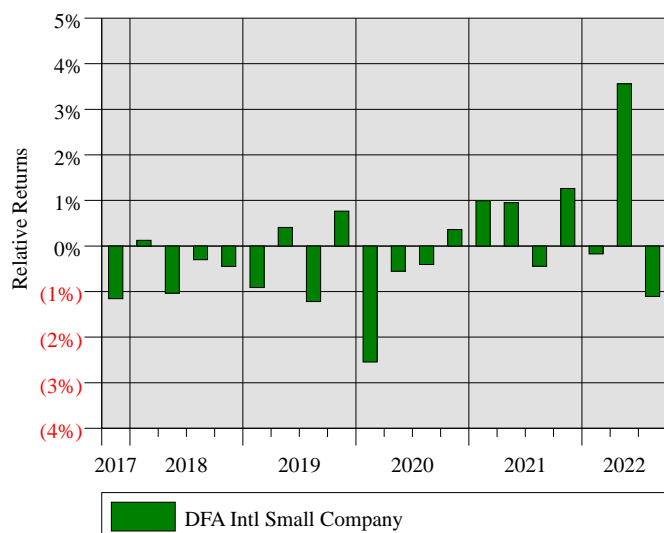
DFA Intl Small Company (DFISX) Performance vs. Callan International Small Cap Mut Funds Periods ending: September 30, 2022



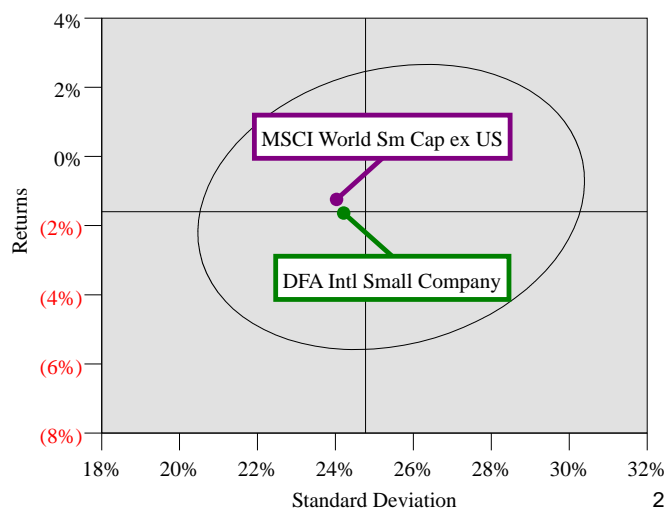
10th Percentile	(7.40)	(22.47)	2.26	2.09	6.99	9.05
25th Percentile	(8.80)	(28.01)	0.65	0.24	5.49	7.81
Median	(9.94)	(33.35)	(1.32)	(1.59)	4.39	6.88
75th Percentile	(10.97)	(38.17)	(3.11)	(3.14)	3.53	6.03
90th Percentile	(11.80)	(43.86)	(5.54)	(4.27)	2.96	5.43
DFA Intl Small Company	(10.46)	(28.36)	(0.42)	(1.63)	5.03	5.73
MSCI World Sm Cap ex US	(9.46)	(30.80)	(1.27)	(1.24)	4.78	--

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DFA Intl Small Company	(29.53)	14.24	9.26	24.20	(19.42)	30.24	5.80	5.91	(6.30)	27.44	18.86
MSCI World Sm Cap ex US	(31.07)	11.14	12.78	25.41	(18.07)	31.04	4.32	5.46	(5.35)	25.55	17.48

Relative Returns vs. MSCI World Sm Cap ex US



Callan International Small Cap Mut Funds | 5 Years Ended 9/30/22

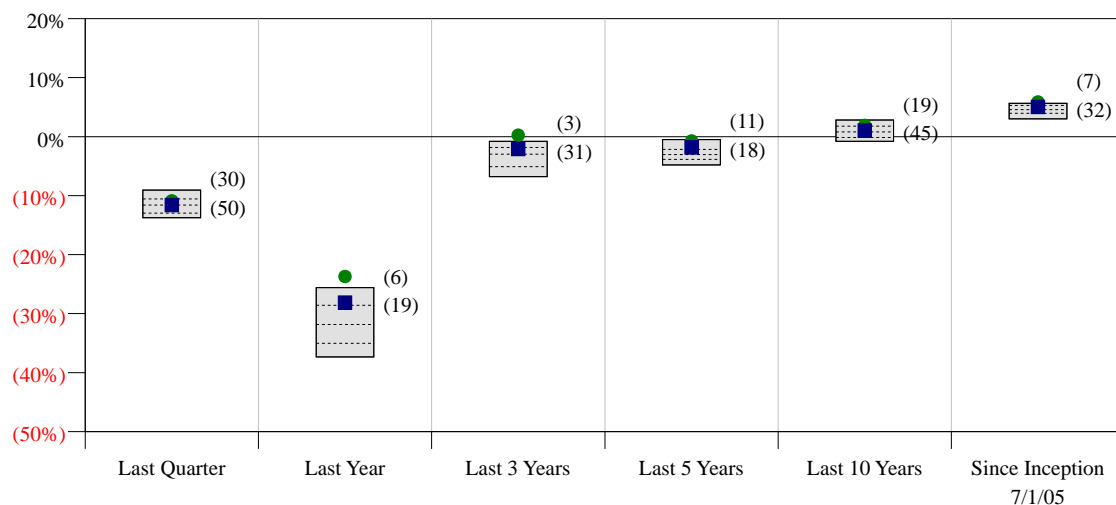


Source: Callan. Past performance is not indicative of future results. See important disclosures.

Investment Philosophy:

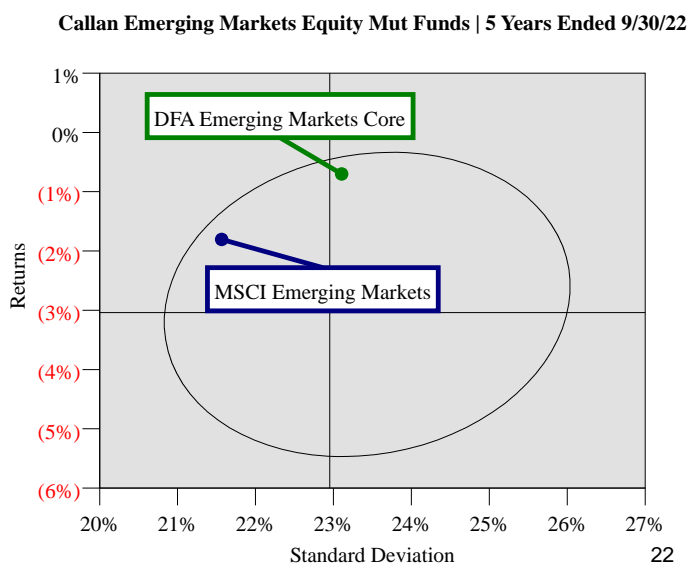
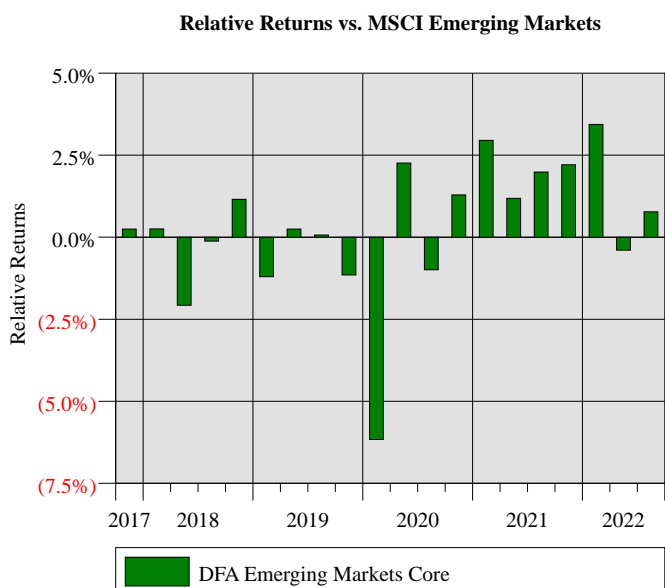
The International Emerging Markets Equity Database consists of all mutual fund international equity products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and South America.

DFA Emerging Markets Core (DFCEX) Performance vs. Callan Emerging Markets Equity Mut Funds Periods ending: September 30, 2022



10th Percentile	(9.03)	(25.56)	(0.79)	(0.48)	2.84	5.66
25th Percentile	(10.55)	(28.56)	(1.81)	(2.16)	1.80	5.30
Median	(11.57)	(31.82)	(2.96)	(3.04)	0.82	4.58
75th Percentile	(12.94)	(35.00)	(5.07)	(3.85)	(0.14)	3.96
90th Percentile	(13.74)	(37.32)	(6.75)	(4.79)	(0.77)	3.04
DFA Emerging Markets Core	(10.88)	(23.70)	0.26	(0.70)	1.93	5.89
MSCI Emerging Markets	(11.57)	(28.11)	(2.07)	(1.80)	1.05	5.05

	3 Qtrs.	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	2022										
DFA Emerging Markets Core	(24.36)	5.83	13.86	16.04	(15.25)	36.55	12.35	(14.86)	(0.91)	(2.64)	20.49
MSCI Emerging Markets	(27.16)	(2.54)	18.31	18.44	(14.57)	37.28	11.19	(14.92)	(2.19)	(2.60)	18.23

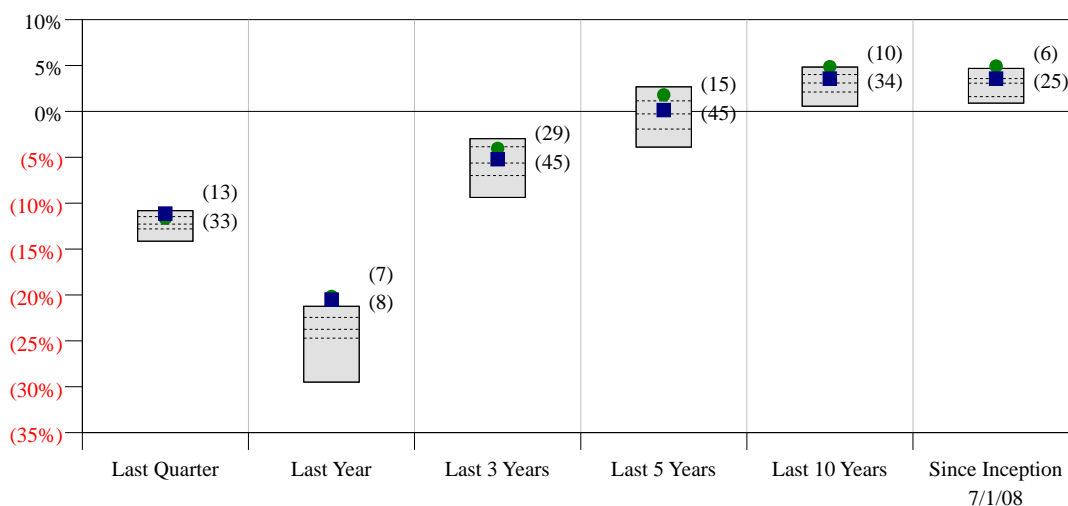


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

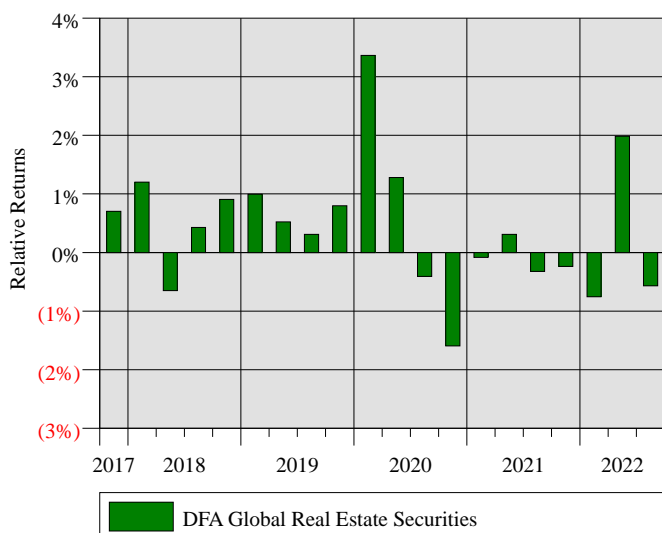
DFA Global Real Estate Securities (DFGEX) Performance vs. Morningstar Global Real Estate Funds Periods ending: September 30, 2022



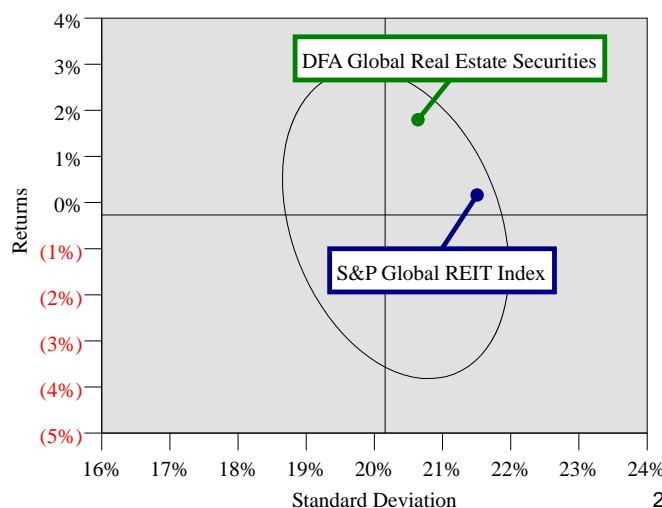
10th Percentile	(10.81)	(21.22)	(2.96)	2.70	4.84	4.69
25th Percentile	(11.46)	(22.44)	(3.83)	1.15	4.02	3.59
Median	(12.27)	(23.73)	(5.62)	(0.26)	3.11	3.08
75th Percentile	(12.79)	(24.69)	(6.98)	(1.91)	2.12	1.62
90th Percentile	(14.12)	(29.48)	(9.36)	(3.87)	0.58	0.90
DFA Global Real Estate Securities	(11.62)	(20.16)	(4.02)	1.80	4.88	4.94
S&P Global REIT Index	(11.12)	(20.49)	(5.20)	0.17	3.58	3.59

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DFA Global Real Estate Securities	(28.77)	30.96	(6.72)	26.40	(4.15)	9.20	6.56	0.69	22.74	1.77	23.17
S&P Global REIT Index	(29.23)	31.38	(9.09)	23.12	(5.93)	7.41	5.77	(0.44)	21.54	1.73	22.39

Relative Returns vs. S&P Global REIT Index



Morningstar Global Real Estate Funds | 5 Years Ended 9/30/22

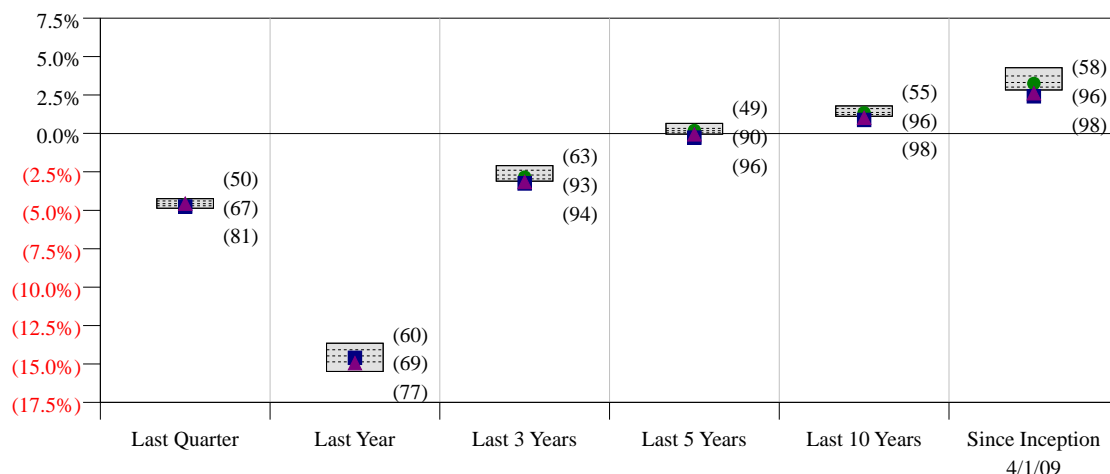


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

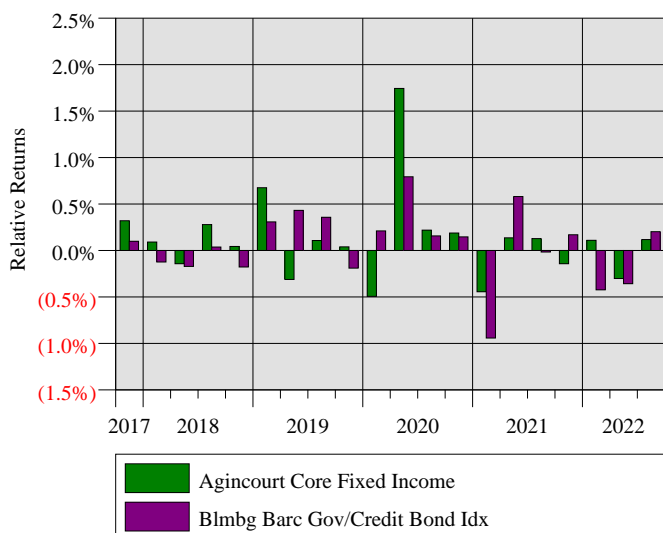
Agincourt Core Fixed Income Performance vs. Callan Core Bond Fixed Income Periods ending: September 30, 2022



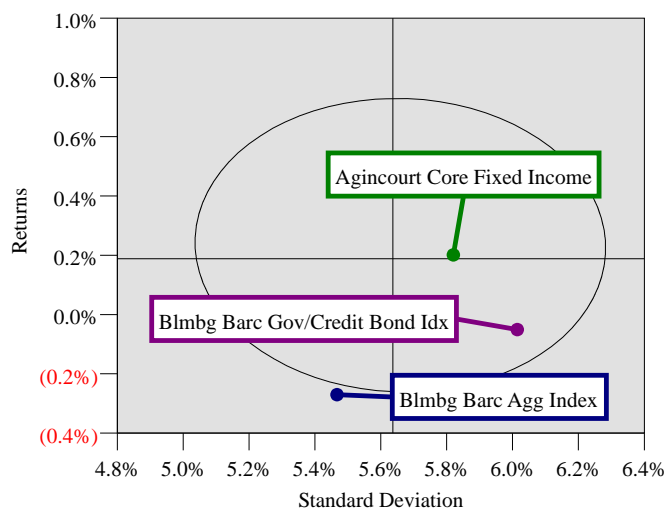
10th Percentile	(4.24)	(13.65)	(2.09)	0.66	1.80	4.28
25th Percentile	(4.39)	(14.07)	(2.39)	0.34	1.62	3.75
Median	(4.56)	(14.47)	(2.70)	0.19	1.37	3.31
75th Percentile	(4.70)	(14.86)	(2.94)	0.05	1.23	3.02
90th Percentile	(4.87)	(15.48)	(3.10)	(0.04)	1.12	2.84
Agincourt Core Fixed Income	(4.64)	(14.78)	(2.84)	0.20	1.35	3.25
Blmbg Barc Agg Index	(4.75)	(14.60)	(3.26)	(0.27)	0.89	2.42
Blmbg Barc Gov/Credit Bond Idx	(4.56)	(14.95)	(3.15)	(0.05)	1.02	2.62

	3 Qtrs.										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Agincourt Core Fixed Income	(14.67)	(1.86)	9.29	9.28	0.29	4.17	3.73	0.64	6.07	(1.45)	5.68
Blmbg Barc Agg Index	(14.61)	(1.54)	7.51	8.72	0.01	3.54	2.65	0.55	5.97	(2.02)	4.21
Blmbg Barc Gov/Credit Bond Idx	(15.10)	(1.75)	8.93	9.71	(0.42)	4.00	3.05	0.15	6.01	(2.35)	4.82

Relative Returns vs. Blmbg Barc Agg Index



Callan Core Bond Fixed Income | 5 Years Ended 9/30/22

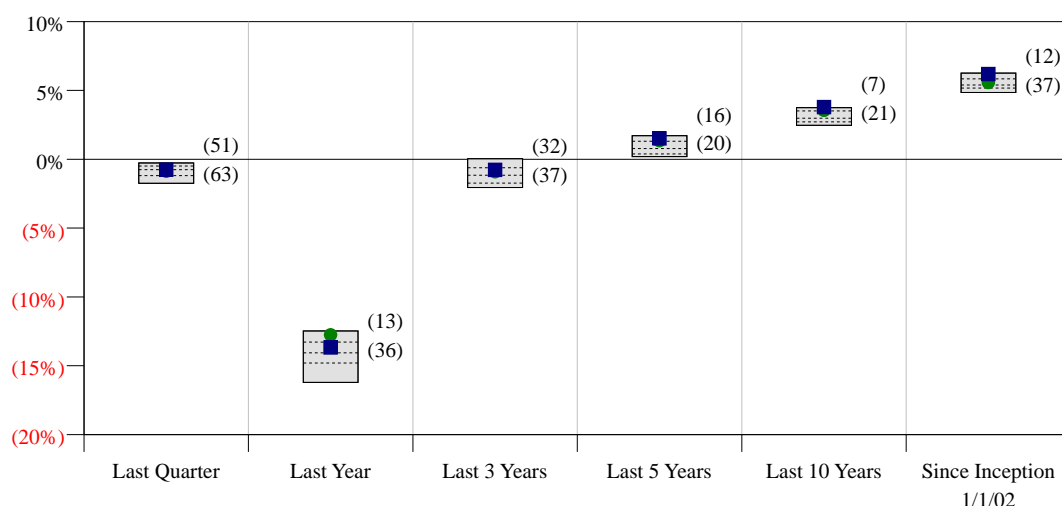


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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, 2022



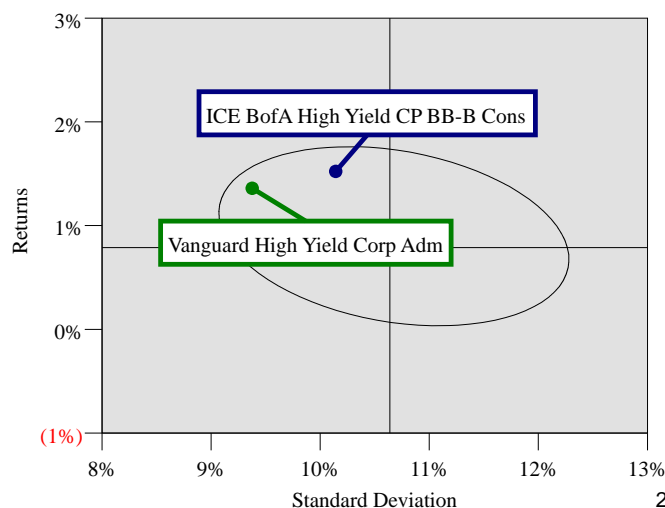
10th Percentile	(0.26)	(12.46)	0.04	1.72	3.76	6.26
25th Percentile	(0.48)	(13.27)	(0.60)	1.31	3.52	5.85
Median	(0.74)	(14.05)	(1.14)	0.79	2.99	5.41
75th Percentile	(1.17)	(14.79)	(1.72)	0.40	2.72	5.18
90th Percentile	(1.73)	(16.21)	(2.05)	0.20	2.48	4.86
Vanguard High Yield Corp Adm ●	(0.85)	(12.74)	(0.90)	1.36	3.57	5.58
ICE BofA High Yield CP BB-B Cons ■	(0.75)	(13.66)	(0.76)	1.52	3.81	6.20

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Vanguard High Yield Corp Adm	(13.20)	3.78	5.39	15.91	(2.87)	7.13	11.30	(1.30)	4.69	4.64	14.47
ICE BofA High Yield CP BB-B Cons	(14.29)	4.58	6.32	15.09	(2.04)	6.98	14.76	(2.82)	3.48	6.29	14.58

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



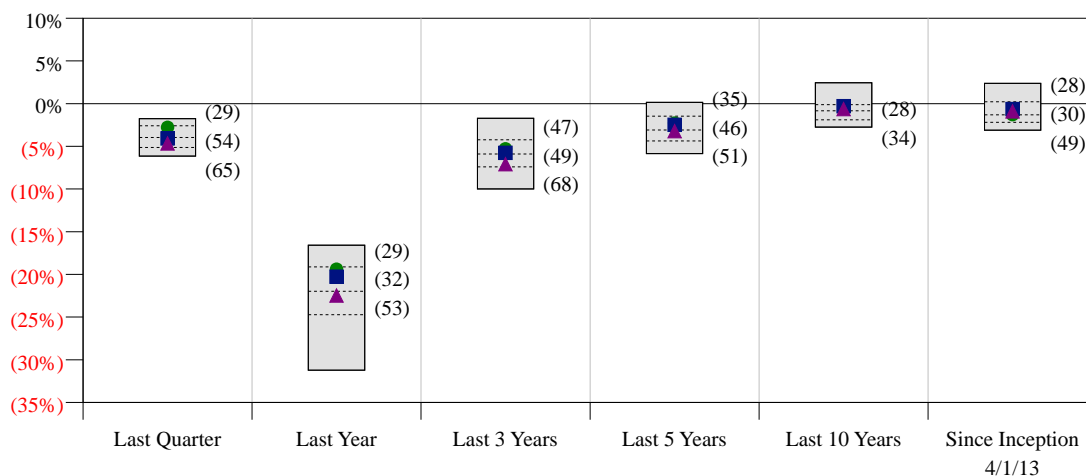
Callan High Yield Mutual Funds | 5 Years Ended 9/30/22



Investment Philosophy:

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

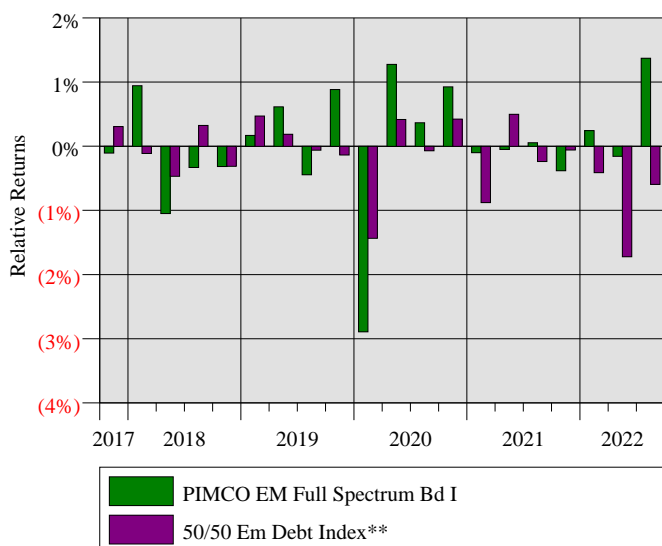
PIMCO EM Full Spectrum Bd I (PFSIX) Performance vs. Callan Emerging Mkts Debt Blend MFs Periods ending: September 30, 2022



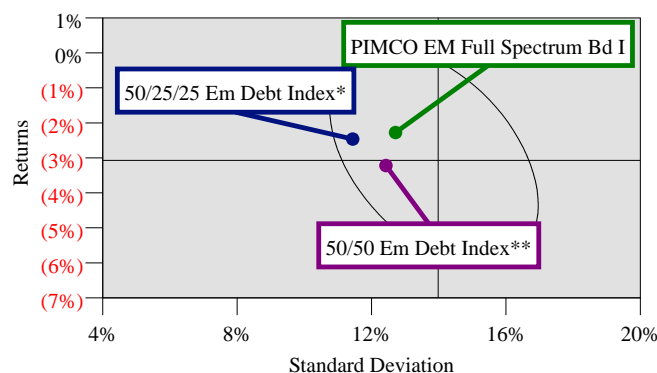
10th Percentile	(1.76)	(16.57)	(1.71)	0.16	2.45	2.38
25th Percentile	(2.57)	(19.12)	(4.23)	(1.46)	(0.11)	0.24
Median	(3.95)	(21.97)	(5.90)	(3.07)	(0.83)	(1.31)
75th Percentile	(5.12)	(24.72)	(7.39)	(4.36)	(1.87)	(2.19)
90th Percentile	(6.14)	(31.21)	(9.99)	(5.84)	(2.73)	(3.11)
PIMCO EM Full Spectrum Bd I	(2.76)	(19.39)	(5.29)	(2.27)	--	(1.28)
50/25/25 Em Debt Index*	(4.08)	(20.25)	(5.76)	(2.46)	(0.29)	(0.63)
50/50 Em Debt Index**	(4.65)	(22.45)	(7.08)	(3.22)	(0.63)	(0.89)

	3 Qtrs.	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
PIMCO EM Full Spectrum Bd I	(17.91)	(5.13)	4.31	15.16	(5.28)	12.30	12.01	(11.09)	(3.82)	--	--	--
50/25/25 Em Debt Index*	(19.09)	(4.67)	4.70	13.77	(4.56)	11.88	10.20	(7.07)	(0.15)	(6.59)	17.28	17.28
50/50 Em Debt Index**	(21.28)	(5.32)	4.00	14.30	(5.10)	12.72	10.10	(7.07)	0.72	(7.10)	17.15	17.15

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



Callan Emerging Mkts Debt Blend MFs | 5 Years Ended 9/30/22



* 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, 2022

Market Overview

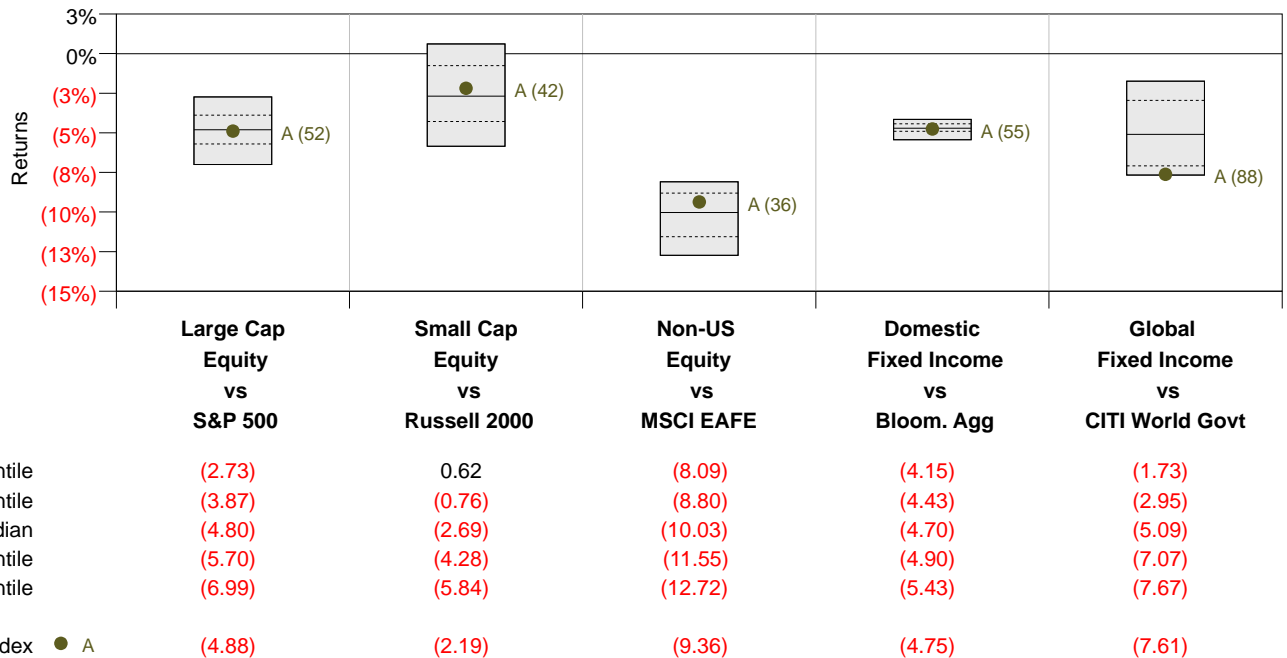
Active Management vs Index Returns

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.

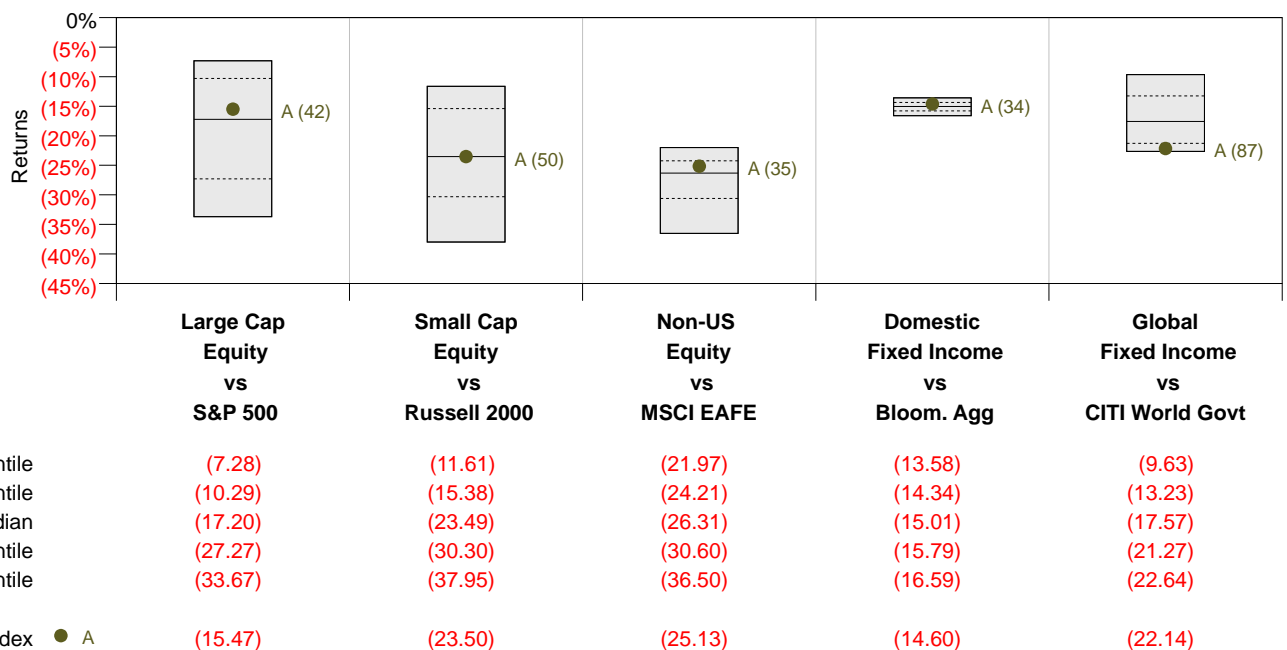
Range of Mutual Fund Returns by Asset Class

One Quarter ended September 30, 2022



Range of Mutual Fund Returns by Asset Class

One Year ended September 30, 2022



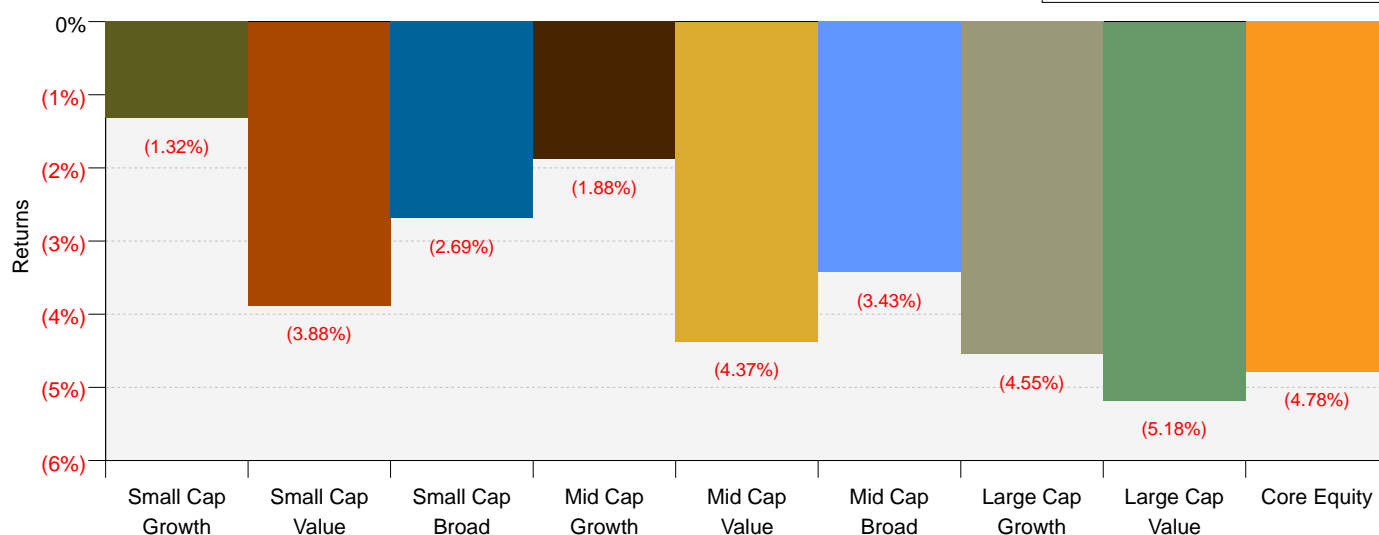
Domestic Equity

Active Management Overview

The S&P 500 Index sank 4.9% in 3Q and is down 23.9% year-to-date (YTD). Returns were quite mixed across sectors with Energy (+2.3%) and Consumer Discretionary (+4.4%) posting positive results and Communication Services (-12.7%) and Real Estate (-11.0%) delivering the lowest returns. Somewhat counterintuitively, value underperformed growth (Russell 1000 Value:-5.6%; Russell 1000 Growth: -3.6%), but value remains ahead on a YTD basis (Russell 1000 Value:-17.8%; Russell 1000 Growth: -30.7%). Small caps outperformed large (Russell 2000: -2.2%; Russell 1000: -4.6%), narrowing the YTD differential (Russell 2000: -25.1%; Russell 1000: -24.6%).

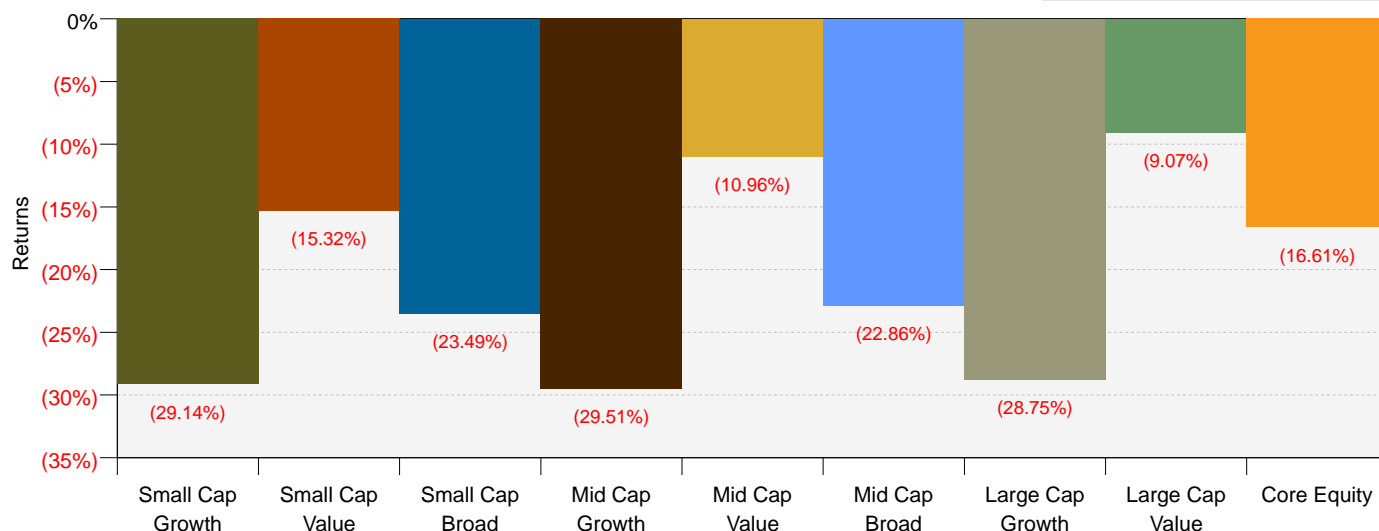
Mutual Fund Style Group Median Returns for Quarter ended September 30, 2022

S&P 500 Index	(4.88%)
S&P 500 Growth	(3.86%)
S&P 500 Value	(5.82%)
S&P 400 Mid Cap	(2.46%)
S&P 600 Small Cap	(5.20%)
S&P 600 Small Cap Growth Index	(3.38%)
S&P 600 Small Cap Value Index	(6.78%)



Mutual Fund Style Group Median Returns for One Year ended September 30, 2022

S&P 500 Index	(15.47%)
S&P 500 Growth	(21.11%)
S&P 500 Value	(9.63%)
S&P 400 Mid Cap	(15.25%)
S&P 600 Small Cap	(18.83%)
S&P 600 Small Cap Growth Index	(21.17%)
S&P 600 Small Cap Value Index	(16.41%)



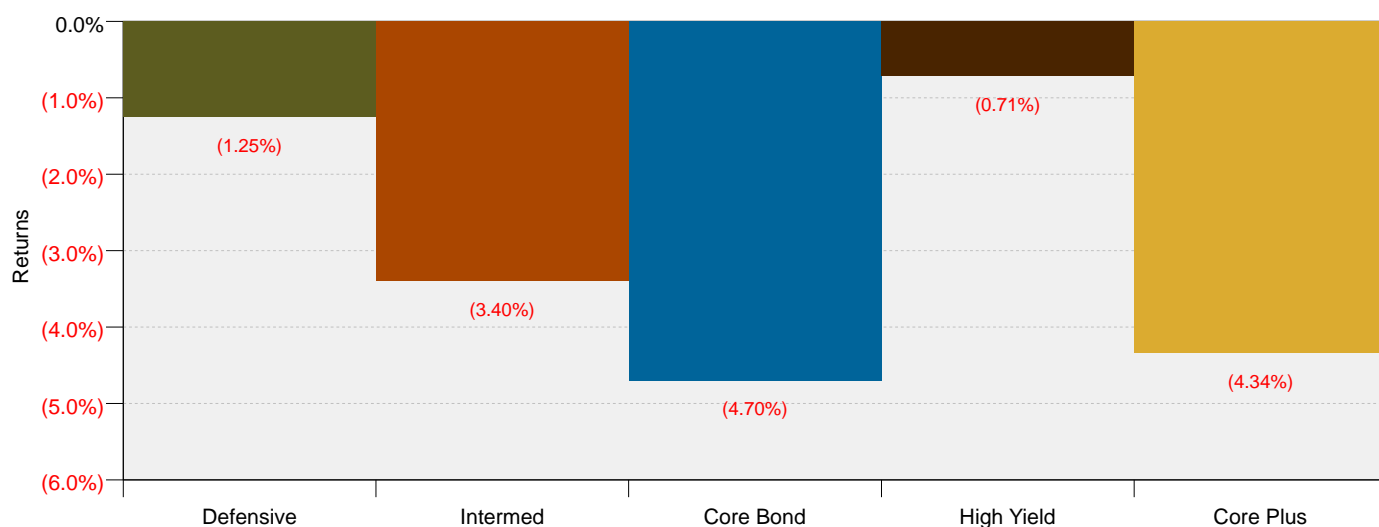
Domestic Fixed Income

Active Management Overview

The 10-year U.S. Treasury briefly touched an intra-quarter high of 4.0% in late September, the highest since 2008, before closing the quarter at 3.83%. At quarter-end, the yield curve was inverted by about 40 bps. with the 10-year at 3.8% and the 2-year at 4.2%. The Bloomberg US Aggregate Bond Index fell 4.8% in 3Q, bringing its YTD loss to 14.6%, a historical worst for the first nine months of a year. Mortgages and corporates underperformed U.S. Treasuries, with mortgage-backed securities doing especially poorly, underperforming like-duration U.S. Treasuries by 160 bps on poor technicals and rising rates. The yield-to-worst of the Aggregate Index climbed to 4.75%, up sharply from 1.75% at the beginning of the year. TIPS (Bloomberg TIPS: -5.1%; -13.6% YTD) were not immune from the sell-off. High yield corporates (Bloomberg High Yield: -0.6%) fared better, but the Index is down a similar 14.7% YTD.

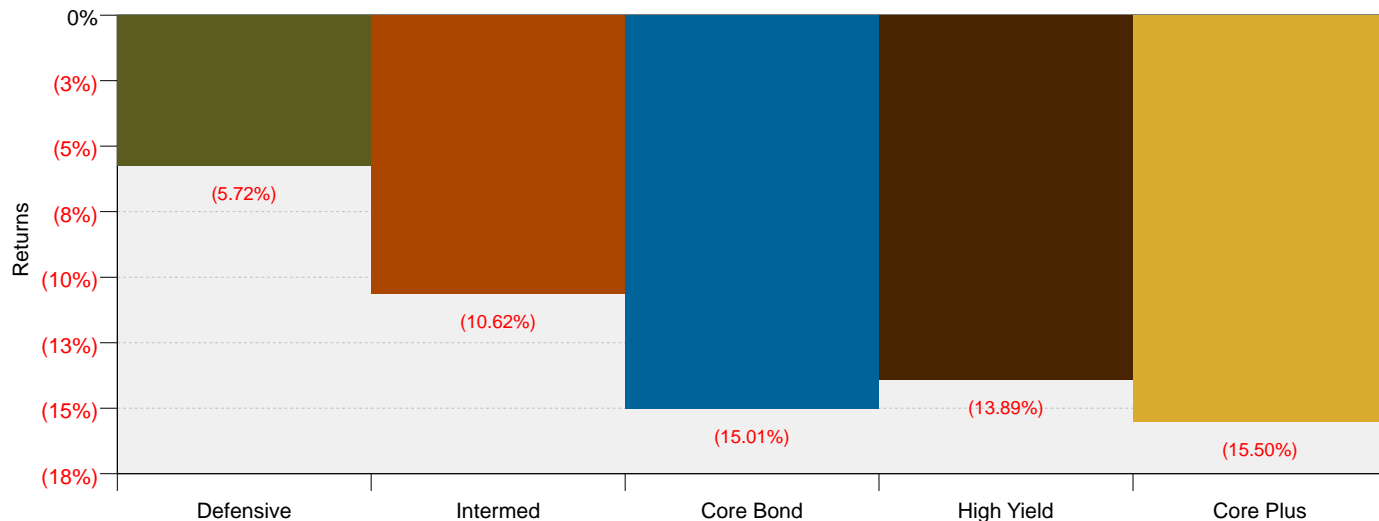
Mutual Fund Style Group Median Returns for Quarter ended September 30, 2022

Bloomberg:US Universal	(4.45%)
Bloomberg:Aggregate	(4.75%)
Bloomberg:High Yield	(0.65%)



Mutual Fund Style Group Median Returns for One Year ended September 30, 2022

Bloomberg:US Universal	(14.92%)
Bloomberg:Aggregate	(14.60%)
Bloomberg:High Yield	(14.14%)



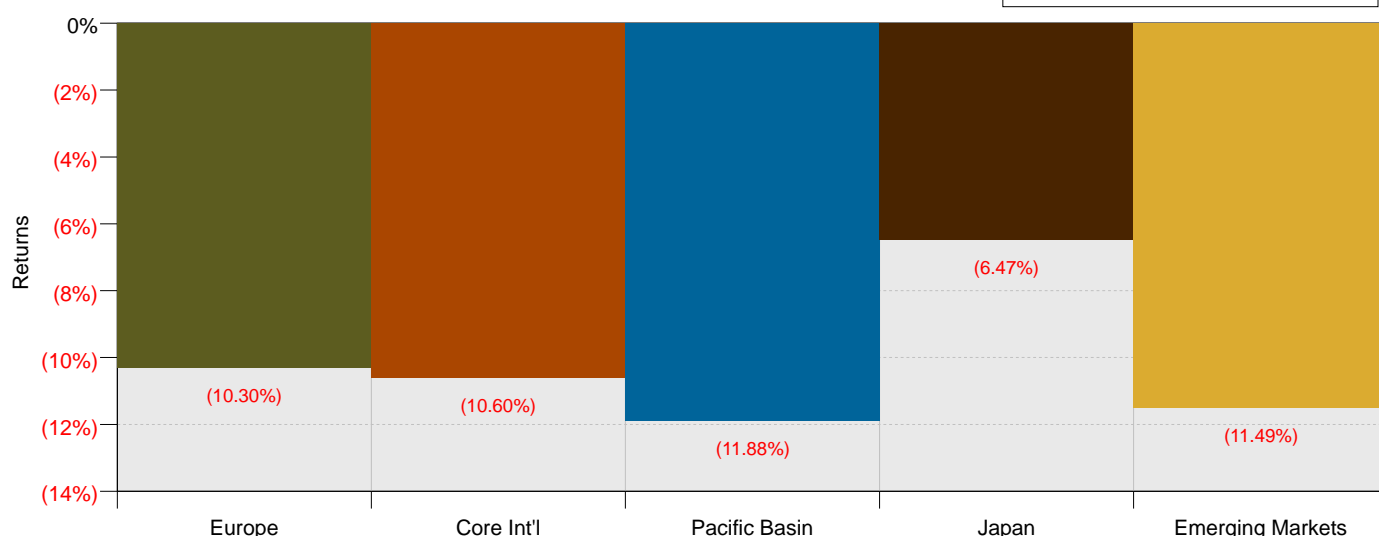
International Equity

Active Management Overview

The MSCI ACWI ex USA Index fell 9.9% (Local: -4.9%), bringing its YTD loss to 26.5% (Local: -16.2%). The U.S. dollar continued to strengthen, benefiting from its "safe haven" status as well as attractive interest rates relative to other developed markets. The yen and euro lost 6% versus the greenback and the British pound fell 8%. Across developed market countries, losses were broad-based with several posting double-digit declines. As in the U.S., value (MSCI ACWI ex USA Value: -10.4%) underperformed growth (MSCI ACWI ex USA Growth: -9.4%). Unlike the U.S., no sectors delivered a positive return in 3Q. Emerging markets (MSCI Emerging Markets: -11.6%; Local: -8.2%) underperformed developed markets for the quarter but returns were mixed across countries. China (MSCI China: -22.5%) was one of the worst performers while several countries posted positive returns; two of the best were India (+6.5%) and Brazil (+8.5%). Returns were also mixed across regions: Latin America (+3.6%), Emerging Europe (-12.4%), and Emerging Asia (-14.0%).

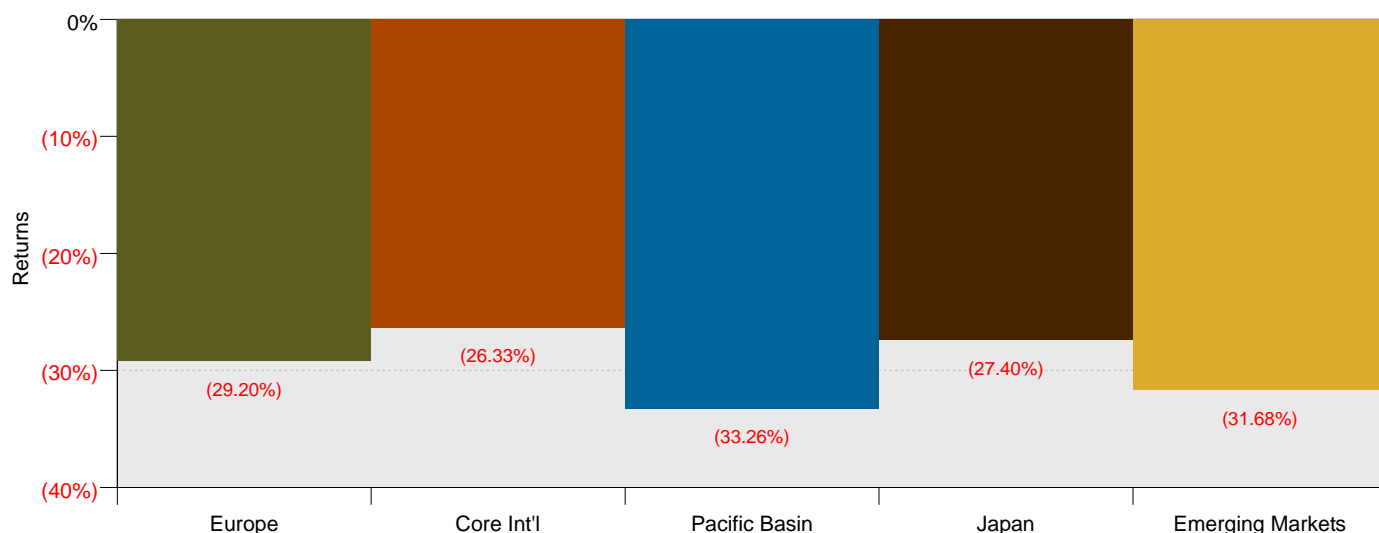
Mutual Fund Style Group Median Returns for Quarter Ended September 30, 2022

MSCI ACWI - Gross	(6.71%)
MSCI All Cntry World ExUS	(9.80%)
MSCI EAFE Index	(9.36%)
MSCI Europe	(10.15%)
MSCI Pacific	(8.09%)
MSCI Emerging Markets	(11.42%)



Mutual Fund Style Group Median Returns for Year Ended September 30, 2022

MSCI ACWI - Gross	(20.29%)
MSCI All Cntry World ExUS	(24.79%)
MSCI EAFE Index	(25.13%)
MSCI Europe	(24.80%)
MSCI Pacific	(25.87%)
MSCI Emerging Markets	(27.80%)



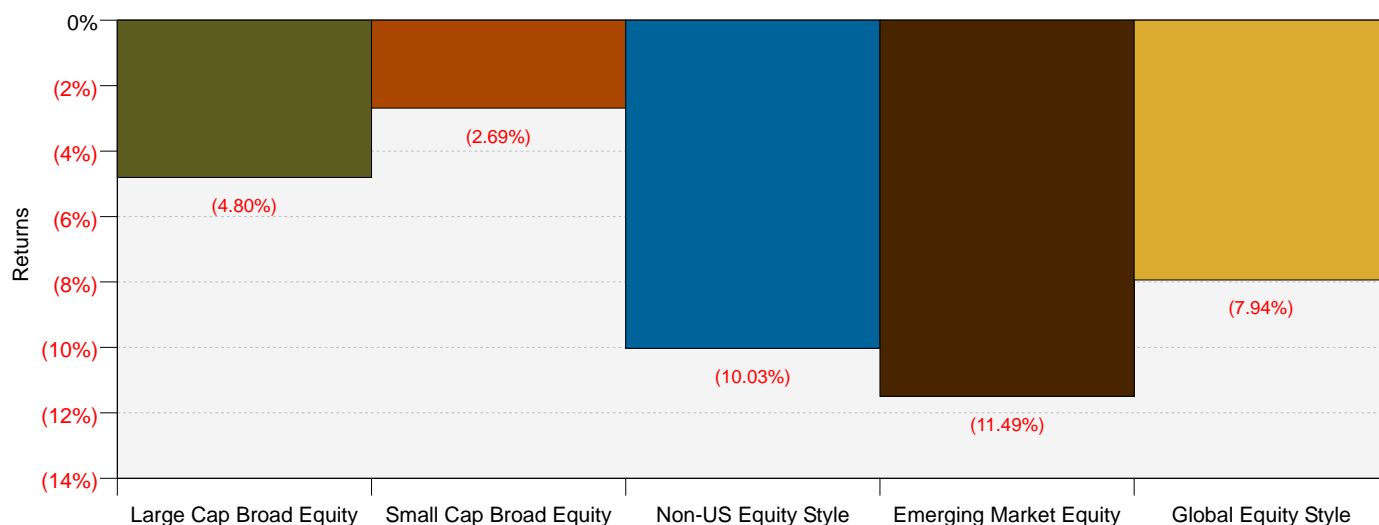
Capital Growth

Active Management Overview

The S&P 500 Index sank 4.9% in 3Q and is down 23.9% year-to-date (YTD). Returns were quite mixed across sectors with Energy (+2.3%) and Consumer Discretionary (+4.4%) posting positive results and Communication Services (-12.7%) and Real Estate (-11.0%) delivering the lowest returns. Somewhat counterintuitively, value underperformed growth (Russell 1000 Value: -5.6%; Russell 1000 Growth: -3.6%) but value remains ahead on a YTD basis (Russell 1000 Value: -17.8%; Russell 1000 Growth: -30.7%). Global ex-U.S. markets fared worse, driven mostly by U.S. dollar strength. The MSCI ACWI ex USA Index fell 9.9% (Local: -4.9%), bringing its YTD loss to 26.5% (Local: -16.2%). The U.S. dollar continued to strengthen, benefiting from its "safe haven" status as well as attractive interest rates relative to other developed markets. The yen and euro lost 6% versus the greenback and the British pound fell 8%. Across developed market countries, losses were broad-based with several posting double-digit declines. As in the U.S., value (MSCI ACWI ex USA Value: -10.4%) underperformed growth (MSCI ACWI ex USA Growth: -9.4%). Unlike the U.S., no sectors delivered a positive return in 3Q.

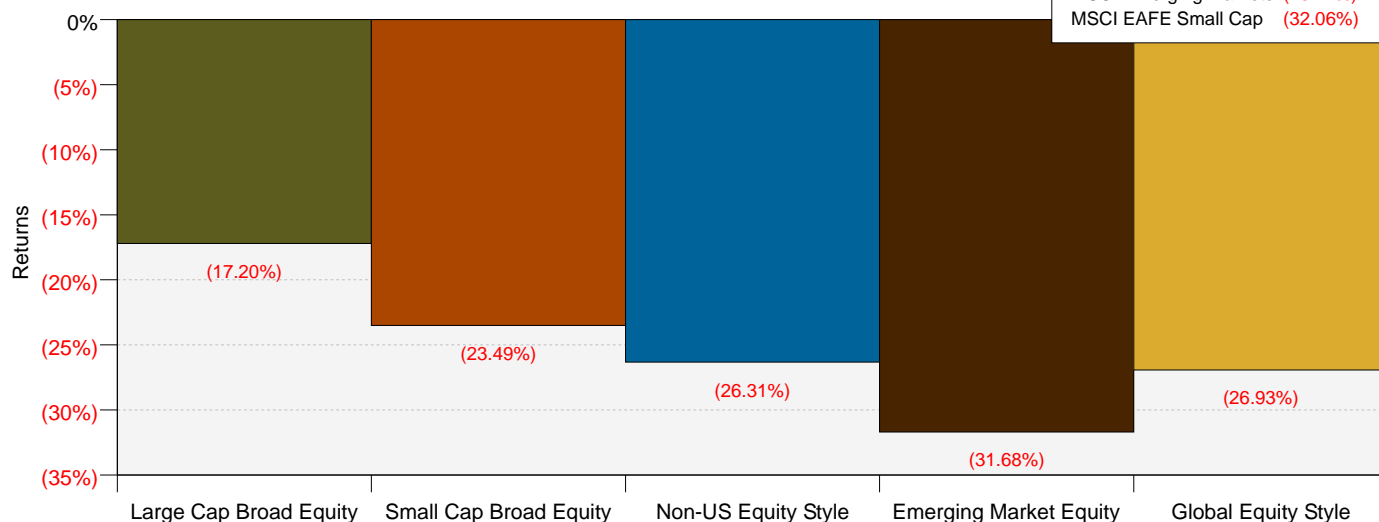
Mutual Fund Style Group Median Returns for Quarter ended September 30, 2022

S&P 500 Index	(4.88%)
Russell 3000 Index	(4.46%)
Russell 2000 Index	(2.19%)
MSCI ACWI	(6.82%)
MSCI EAFE Index	(9.36%)
MSCI Emerging Markets	(11.57%)
MSCI EAFE Small Cap	(9.83%)



Mutual Fund Style Group Median Returns for One Year ended September 30, 2022

S&P 500 Index	(15.47%)
Russell 3000 Index	(17.63%)
Russell 2000 Index	(23.50%)
MSCI ACWI	(20.66%)
MSCI EAFE Index	(25.13%)
MSCI Emerging Markets	(28.11%)
MSCI EAFE Small Cap	(32.06%)



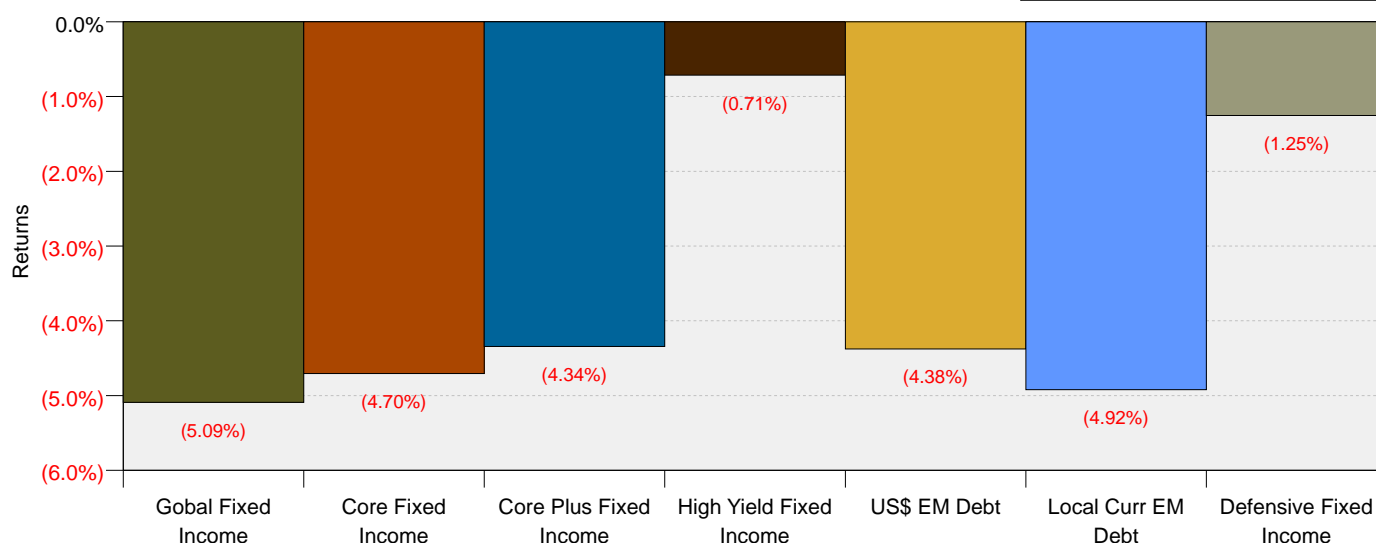
Income

Active Management Overview

Interest rates rose overseas as central banks hiked rates in a concerted effort to combat inflation, and the U.S. dollar continued to strengthen. The Bloomberg Global Aggregate ex USD fell 8.8% (hedged: -2.2%). The YTD differential for hedged and unhedged investors is nearly 14 percentage points (unhedged: -23.9%; hedged: -9.9%). Losses were broad-based but the U.K. fell the most sharply; 13.2% in local currency terms and 20.2% in US dollar terms in response to announced plans for massive fiscal stimulus in the form of unfunded tax cuts.

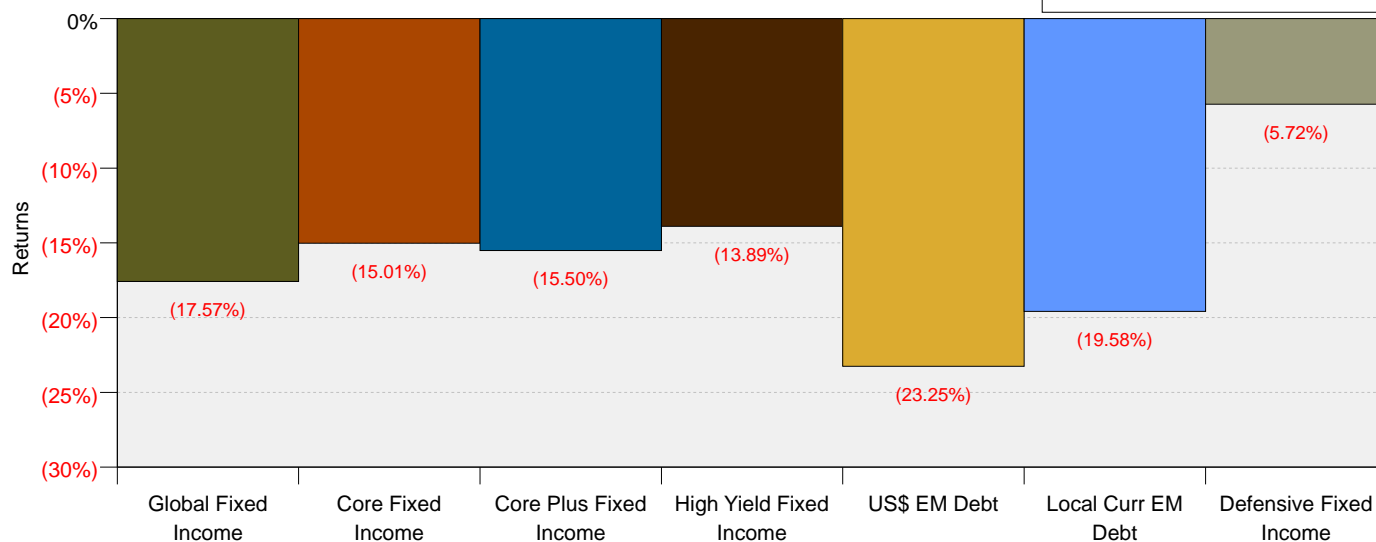
Mutual Fund Style Group Median Returns for Quarter ended September 30, 2022

Blmbg Barc Agg Index	(4.75%)
Blmbg Barc High Yield Corp	(0.65%)
Blmbg Barc Global Agg Hedged	(3.34%)
JPM EMBI Global Dvsfd	(4.57%)
JPM GBI GI Divers USD Unh	(4.73%)
Blmbg Barc Global Aggregate Index	(6.94%)



Mutual Fund Style Group Median Returns for One Year ended September 30, 2022

Blmbg Barc Agg Index	(14.60%)
Blmbg Barc High Yield Corp	(14.14%)
Blmbg Barc Global Agg Hedged	(12.05%)
JPM EMBI Global Dvsfd	(24.28%)
JPM GBI GI Divers USD Unh	(20.63%)
Blmbg Barc Global Aggregate Index	(20.43%)



Portfolio Holdings

Description	Symbol	Value	Weight
EQUITY			
Large Cap U.S. Equity			
DFA US Large Cap Value I	DFLVX	\$493,096	5.6%
Accrued Income		\$3,115	
Vanguard 500 Index Admiral	VFIAX	\$2,002,541	22.6%
Large Cap U.S. Equity Total		\$2,498,751	28.1%
Small Cap U.S. Equity			
Avantis US Small Cap Value Fund I	AVUVX	\$532,008	6.0%
Vanguard Small Cap Growth Index Admiral	VSGAX	\$302,096	3.4%
Small Cap U.S. Equity Total		\$834,104	9.4%
International Equity			
DFA International Small Company I	DFISX	\$392,785	4.5%
Accrued Income		\$3,325	
DFA International Value I	DFIVX	\$807,329	9.2%
Accrued Income		\$7,490	
Vanguard International Growth Adm	VWILX	\$383,291	4.3%
International Equity Total		\$1,594,219	18.0%
Emerging Markets Equity			
DFA Emerging Markets Core Equity I	DFCEX	\$519,290	6.0%
Accrued Income		\$10,953	
Emerging Markets Equity Total		\$530,243	6.0%
Real Estate			
DFA Global Real Estate Securities Port	DFGEX	\$580,429	6.5%
Real Estate Total		\$580,429	6.5%
EQUITY Total		\$6,037,747	68.0%
FIXED INCOME			
Core Fixed Income			
Dodge & Cox Income	DODIX	\$909,966	10.2%
PIMCO Total Return Instl	PTTRX	\$906,440	10.2%
Accrued Income		\$2,757	
Core Fixed Income Total		\$1,819,163	20.5%
FIXED INCOME Total		\$1,819,163	20.5%
DIVERSIFIED FIXED INCOME			
High Yield Fixed Income			
Vanguard High-Yield Corporate Adm	VWEAX	\$518,503	5.9%
Accrued Income		\$2,433	
High Yield Fixed Income Total		\$520,936	5.9%

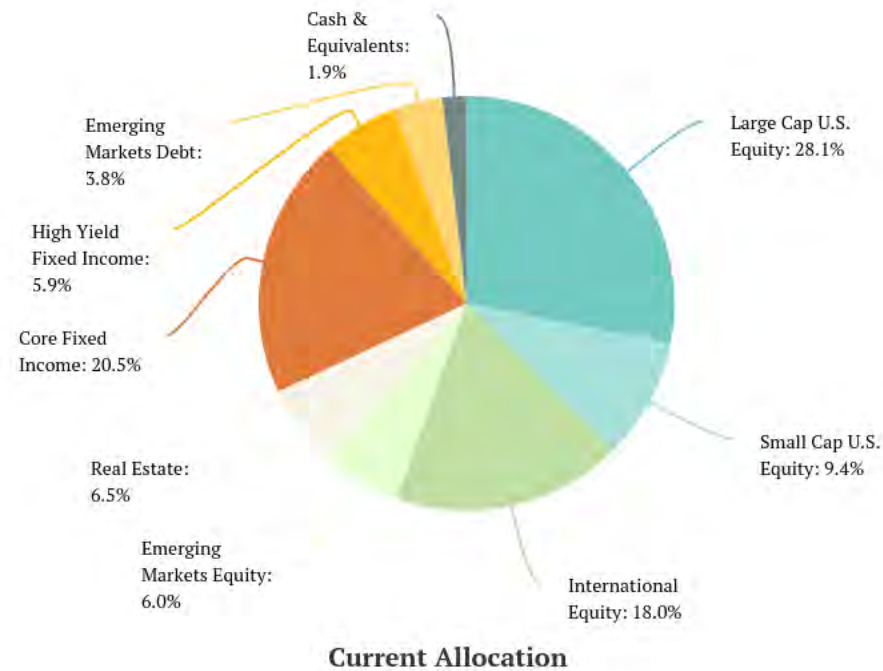
Portfolio Holdings

Description	Symbol	Value	Weight
DIVERSIFIED FIXED INCOME			
Emerging Markets Debt			
PIMCO Emerg Mkts Full Spectrum Bd Instl	PFSIX	\$333,543	3.8%
Accrued Income		\$1,398	
Emerging Markets Debt Total		\$334,941	3.8%
DIVERSIFIED FIXED INCOME Total		\$855,878	9.6%
CASH AND EQUIVALENTS			
Cash & Equivalents			
Cash	CASH	\$165,453	1.9%
Cash & Equivalents Total		\$165,453	1.9%
CASH AND EQUIVALENTS Total		\$165,453	1.9%
Total		\$8,878,240	100.0%

Portfolio Activity Summary

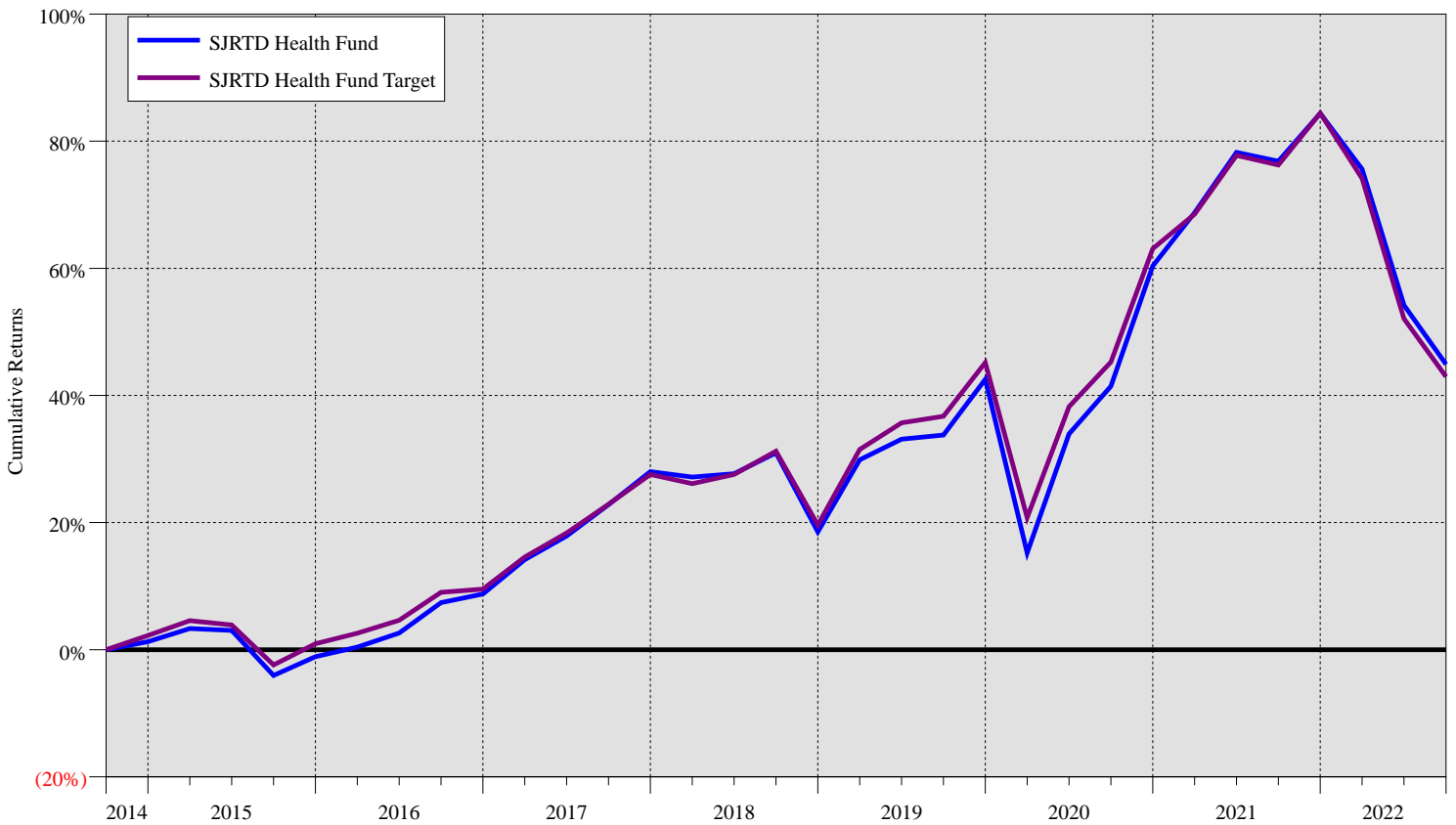
	Quarter to Date	Year to Date	Inception to Date (7/13/2014)
Beginning Value	\$9,580,629	\$11,813,301	\$1,172
Net Contribution	(\$130,057)	(\$448,041)	\$7,546,172
Capital Appreciation	(\$627,381)	(\$2,628,891)	(\$187,293)
Dividend Income	\$62,074	\$130,063	\$1,591,370
Interest Income	\$302	\$366	\$7,952
Management Fees	(\$5,251)	(\$17,854)	(\$111,432)
Other Expenses	\$0	\$0	\$0
Change in Accrued	(\$2,077)	\$29,296	\$30,299
Ending Value	\$8,878,240	\$8,878,240	\$8,878,240
Investment Gain	(\$572,332)	(\$2,487,019)	\$1,330,897

Actual vs. Target Asset Allocation

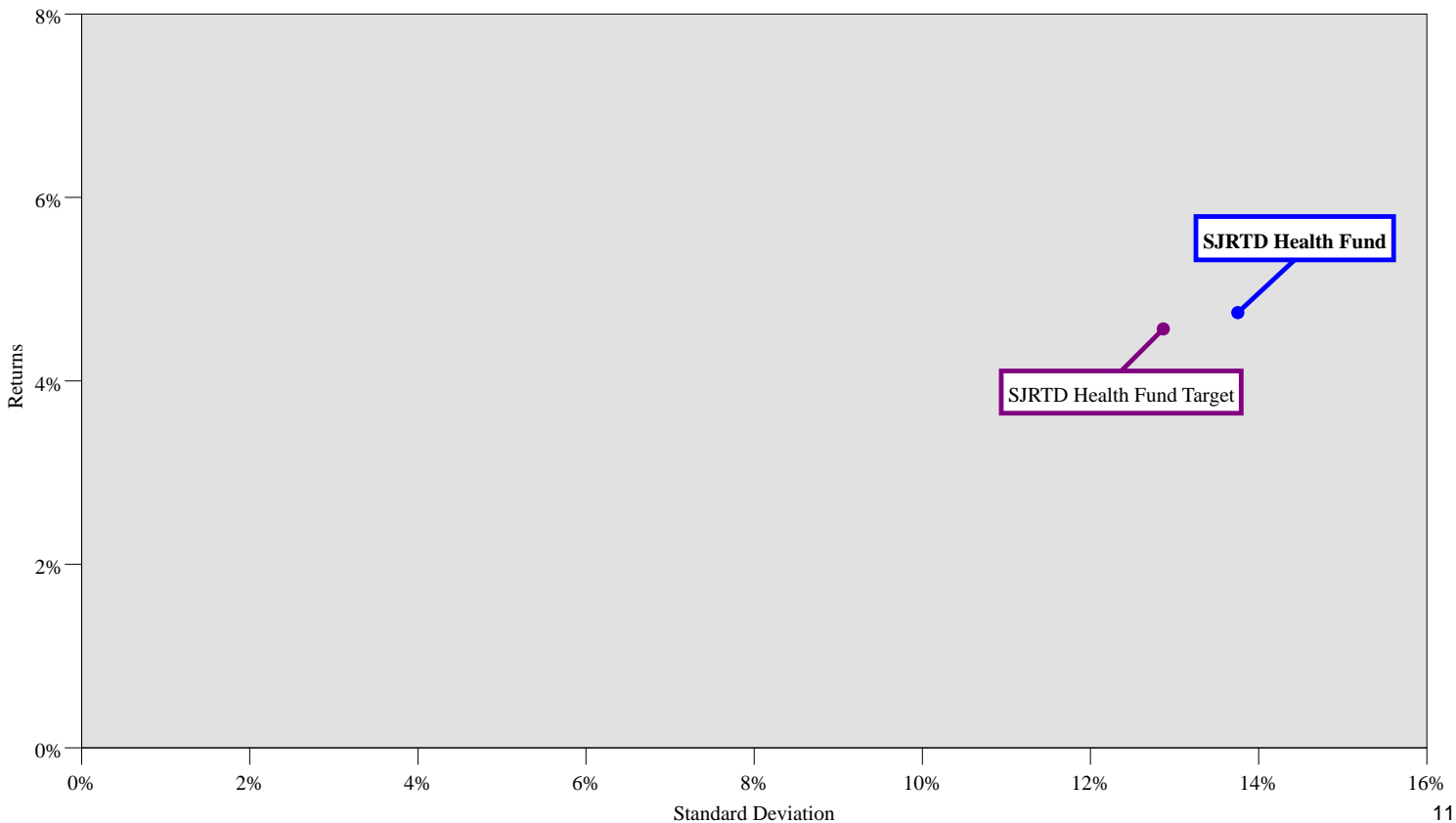


Sector	Current Value	Current Percent	Target Allocation Value	Target Allocation Percent	Dollar Variance	Percent Variance
Large Cap U.S. Equity	\$2,498,751	28.1%	\$2,516,981	28.4%	(\$18,230)	(0.2%)
Small Cap U.S. Equity	\$834,104	9.4%	\$838,994	9.5%	(\$4,890)	(0.1%)
International Equity	\$1,594,219	18.0%	\$1,677,987	18.9%	(\$83,769)	(0.9%)
Emerging Markets Equity	\$530,243	6.0%	\$559,329	6.3%	(\$29,086)	(0.3%)
Real Estate	\$580,429	6.5%	\$621,477	7.0%	(\$41,048)	(0.5%)
Core Fixed Income	\$1,819,163	20.5%	\$1,775,648	20.0%	\$43,515	0.5%
High Yield Fixed Income	\$520,936	5.9%	\$479,425	5.4%	\$41,511	0.5%
Emerging Markets Debt	\$334,941	3.8%	\$319,617	3.6%	\$15,324	0.2%
Cash & Equivalents	\$165,453	1.9%	\$88,782	1.0%	\$76,671	0.9%
Total	\$8,878,240	100.0%	\$8,878,240	100.0%		

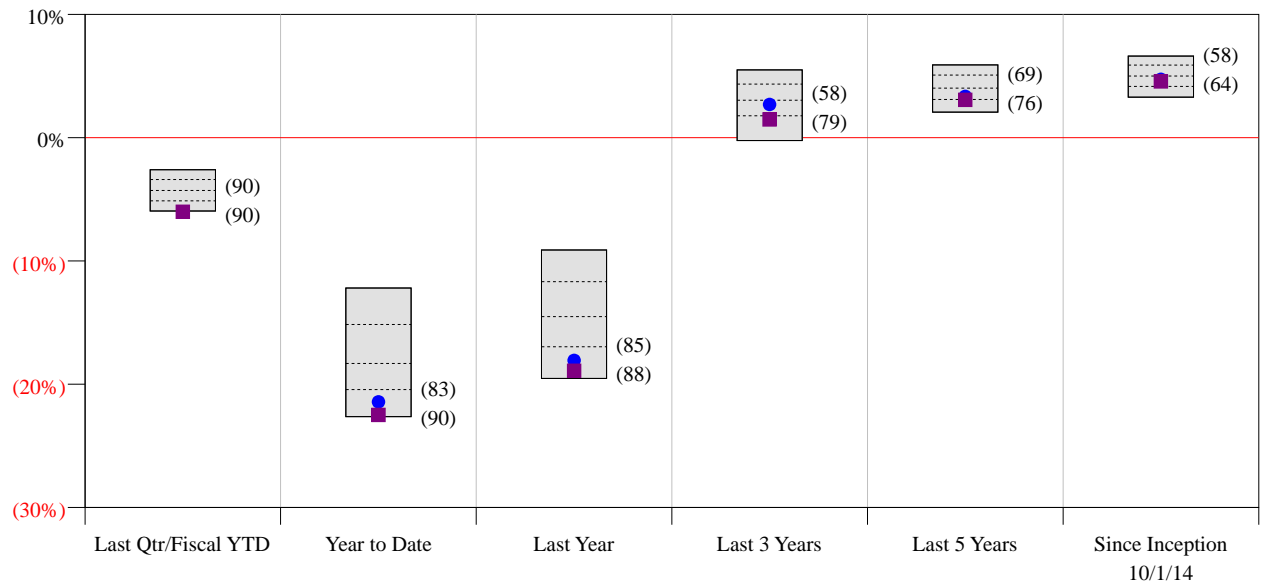
Cumulative Returns | SJRTD Health Fund vs. Targets
Beginning October 1, 2014 | Ending September 30, 2022



Risk vs Return | SJRTD Health Fund vs. Targets
Beginning October 1, 2014 | Ending September 30, 2022

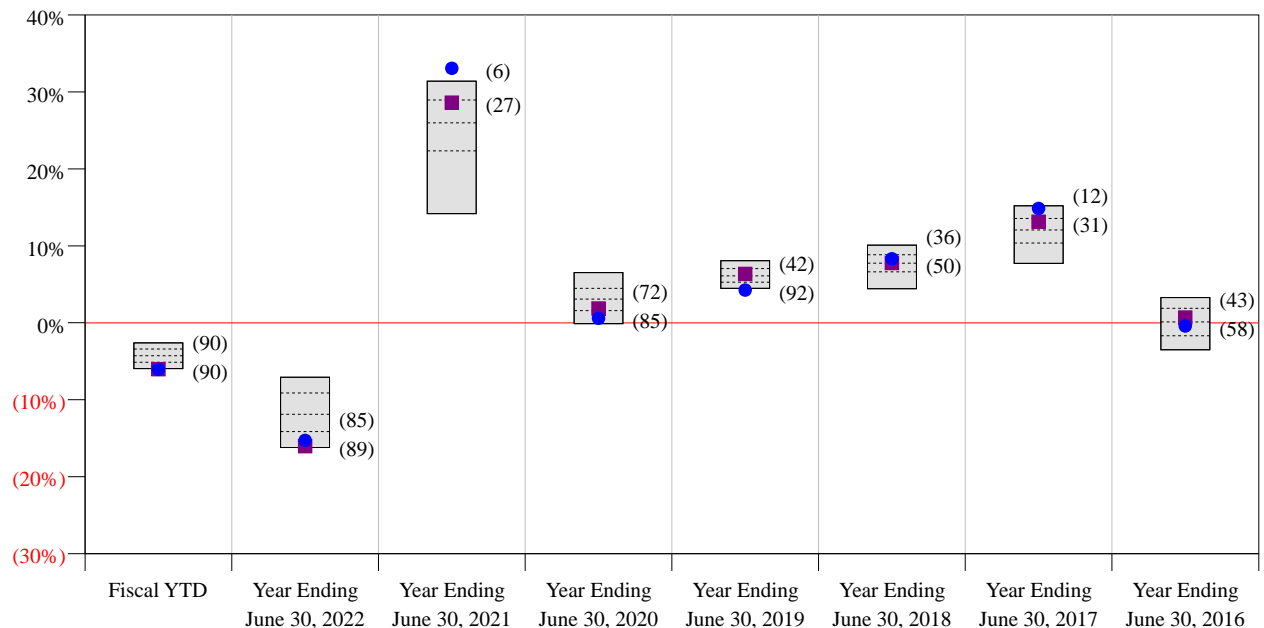


Performance vs. Callan Fund Sponsors - Small DB (<100M)
Periods Ended September 30, 2022



10th Percentile	(2.59)	(12.19)	(9.10)	5.51	5.91	6.62
25th Percentile	(3.39)	(15.15)	(11.67)	4.36	5.08	5.90
Median	(4.28)	(18.31)	(14.51)	3.04	4.03	5.01
75th Percentile	(5.12)	(20.43)	(16.95)	1.78	3.11	4.17
90th Percentile	(5.94)	(22.63)	(19.53)	(0.22)	2.08	3.29
SJRTD Health Fund	(6.03)	(21.42)	(18.07)	2.69	3.36	4.75
SJRTD Health Fund Target	(6.01)	(22.48)	(18.91)	1.49	3.07	4.57

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



10th Percentile	(2.59)	(7.07)	31.42	6.55	8.09	10.10	15.22	3.29
25th Percentile	(3.39)	(9.10)	28.97	4.49	7.05	8.85	13.57	1.88
Median	(4.28)	(11.87)	25.99	3.09	6.11	7.77	12.08	0.11
75th Percentile	(5.12)	(14.12)	22.36	1.61	5.28	6.64	10.37	(1.68)
90th Percentile	(5.94)	(16.19)	14.18	(0.09)	4.48	4.43	7.73	(3.49)
SJRTD Health Fund	(6.03)	(15.27)	33.07	0.60	4.25	8.33	14.87	(0.41)
SJRTD Health Fund Target	(6.01)	(16.01)	28.62	1.86	6.36	7.78	13.14	0.69

Returns for Periods Ended September 30, 2022

	Last Qtr/Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 8 Years
Large Cap Equity						
Vanguard 500 Index Adm	(4.89)	(23.89)	(15.51)	8.12	9.20	9.79
DFA US Large Cap Value	(5.65)	(17.38)	(11.04)	4.68	4.61	6.33
<i>S&P 500 Index</i>	(4.88)	(23.87)	(15.47)	8.16	9.24	9.83
<i>Russell 1000 Value</i>	(5.62)	(17.75)	(11.36)	4.36	5.29	6.49
<i>Russell 1000 Growth</i>	(3.60)	(30.66)	(22.59)	10.67	12.17	12.36
Small Cap Equity						
Avantis US Small Cap Value	(3.04)	(16.21)	(11.00)	--	--	--
Vanguard Small Cap Gr Idx Adm*	(0.79)	(30.49)	(30.09)	2.81	5.65	7.10
<i>Russell 2000 Index</i>	(2.19)	(25.10)	(23.50)	4.29	3.55	6.71
<i>Russell 2000 Value</i>	(4.61)	(21.12)	(17.69)	4.72	2.87	6.25
<i>Russell 2000 Growth</i>	0.24	(29.28)	(29.27)	2.94	3.60	6.73
<i>CRSP US Sm Cap Growth</i>	(0.83)	(30.52)	(30.10)	2.82	5.65	7.07
International Equity						
DFA International Value	(10.28)	(19.07)	(17.06)	0.45	(1.11)	1.05
Vanguard Int'l Growth Adm	(10.16)	(38.55)	(40.24)	3.65	3.12	5.85
DFA Intl Small Company	(10.46)	(29.53)	(28.36)	(0.42)	(1.63)	2.63
<i>MSCI EAFE Index</i>	(9.36)	(27.09)	(25.13)	(1.83)	(0.84)	1.33
<i>MSCI World ex US Value</i>	(10.22)	(20.10)	(18.58)	(1.97)	(2.08)	(0.12)
<i>MSCI ACWI ex US Growth</i>	(9.37)	(31.84)	(30.22)	(1.38)	0.18	2.48
<i>MSCI World Sm Cap ex US</i>	(9.46)	(31.07)	(30.80)	(1.27)	(1.24)	2.69
Emerging Markets Equity						
DFA Emerging Markets Core	(10.88)	(24.36)	(23.70)	0.26	(0.70)	1.38
<i>MSCI Emerging Markets</i>	(11.57)	(27.16)	(28.11)	(2.07)	(1.80)	0.66
REITs						
DFA Global Real Estate Securities	(11.62)	(28.77)	(20.16)	(4.02)	1.80	3.91
<i>S&P Global REIT Index</i>	(11.12)	(29.23)	(20.49)	(5.20)	0.17	2.46
Core Fixed Income						
Dodge & Cox Income	(3.98)	(13.25)	(13.62)	(1.74)	0.67	1.63
PIMCO Total Return Inst	(4.82)	(15.59)	(15.65)	(3.14)	(0.30)	1.00
<i>Blmbg Barc Agg Index</i>	(4.75)	(14.61)	(14.60)	(3.26)	(0.27)	0.84
<i>Blmbg Barc Gov/Credit Bond Idx</i>	(4.56)	(15.10)	(14.95)	(3.15)	(0.05)	1.02
High Yield Fixed Income						
Vanguard High Yield Corp Adm	(0.85)	(13.20)	(12.74)	(0.90)	1.36	3.05
<i>ICE BofA High Yield CP BB-B Cons</i>	(0.75)	(14.29)	(13.66)	(0.76)	1.52	3.10

* 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, 2022

	Last Qtr/Fiscal YTD	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 8 Years
Emerging Markets Debt						
PIMCO EM Full Spectrum Bd I	(2.76)	(17.91)	(19.39)	(5.29)	(2.27)	(0.93)
<i>50/25/25 Em Debt Index*</i>	(4.08)	(19.09)	(20.25)	(5.76)	(2.46)	(0.40)
<i>50/50 Em Debt Index**</i>	(4.65)	(21.28)	(22.45)	(7.08)	(3.22)	(0.78)
Total Fund						
SJRTD Health Fund	(6.03)	(21.42)	(18.07)	2.69	3.36	4.75
<i>SJRTD Health Fund Target</i>	(6.01)	(22.48)	(18.91)	1.49	3.07	4.57

* 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).

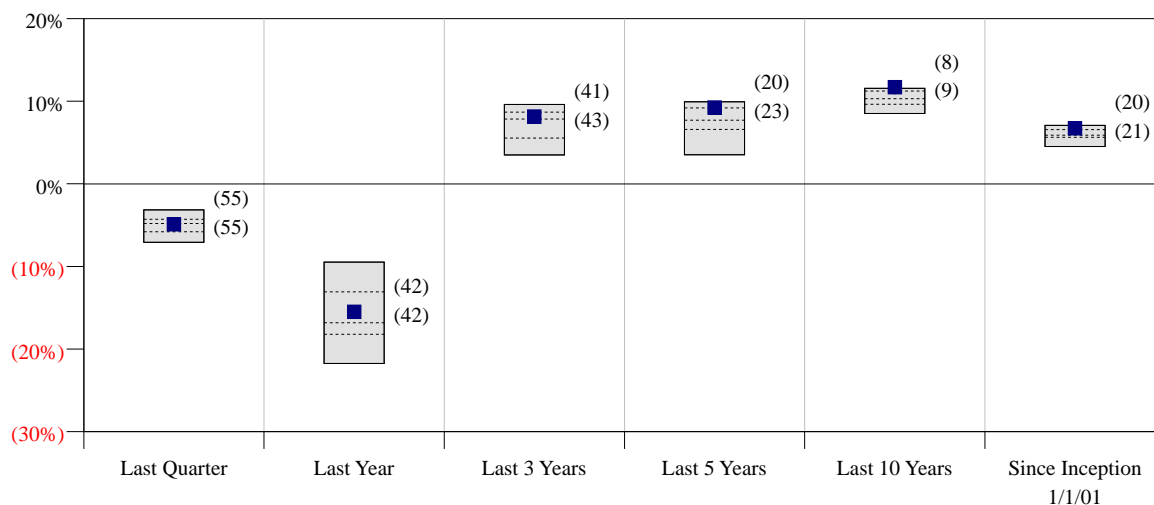
Current Quarter Target = 1.0% 3-Month Treasury Bill, 20.0% Bloomberg Barclays Aggregate Index, 7.0% S&P Global REIT Index, 1.80% JPM GBI EM Global Divers USD (UH), 1.80% JPM EMBI Global Diversified, 5.4% ICE BofAML High Yield CP BB-B Cons, 18.9% MSCI EAFE Index, 6.30% MSCI Emerging Markets, 9.45% Russell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

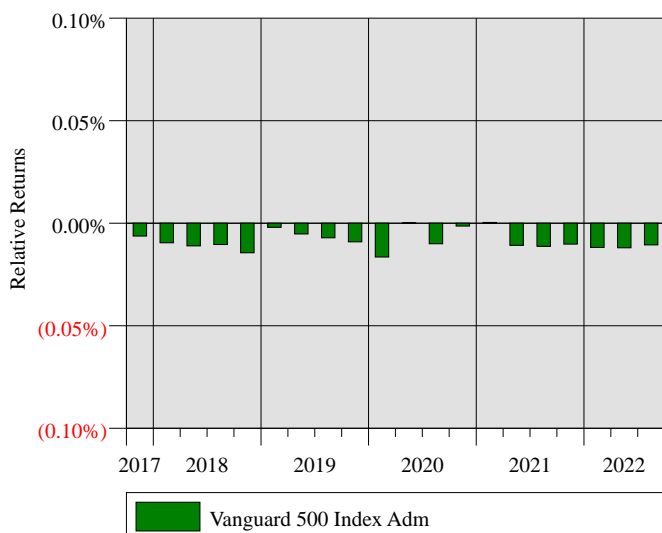
Vanguard 500 Index Adm (VFIAX) Performance vs. Callan Large Cap Core Mutual Funds Periods ending: September 30, 2022



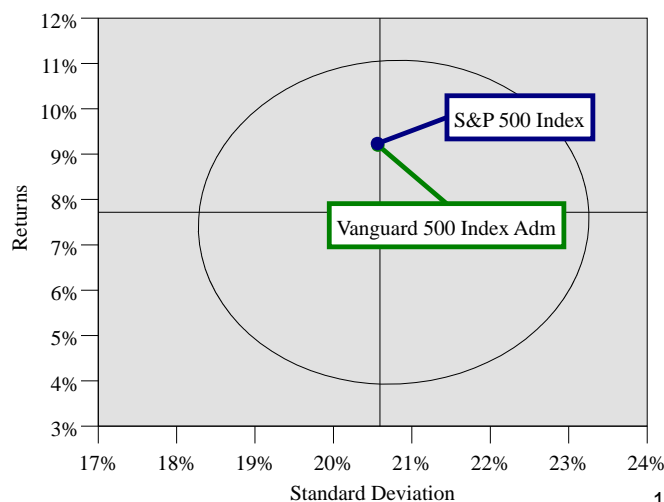
10th Percentile	(3.13)	(9.47)	9.62	9.94	11.58	7.10
25th Percentile	(4.27)	(13.06)	8.69	9.20	11.24	6.57
Median	(4.79)	(16.81)	7.85	7.72	10.33	5.91
75th Percentile	(5.80)	(18.21)	5.56	6.60	9.65	5.64
90th Percentile	(7.06)	(21.73)	3.50	3.52	8.53	4.52
Vanguard 500 Index Adm	(4.89)	(15.51)	8.12	9.20	11.66	6.72
S&P 500 Index	(4.88)	(15.47)	8.16	9.24	11.70	6.75

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Vanguard 500 Index Adm	(23.89)	28.66	18.37	31.46	(4.43)	21.79	11.93	1.36	13.64	32.33	15.96
S&P 500 Index	(23.87)	28.71	18.40	31.49	(4.38)	21.83	11.96	1.38	13.69	32.39	16.00

Relative Returns vs. S&P 500 Index



Callan Large Cap Core Mutual Funds | 5 Years Ended 9/30/22

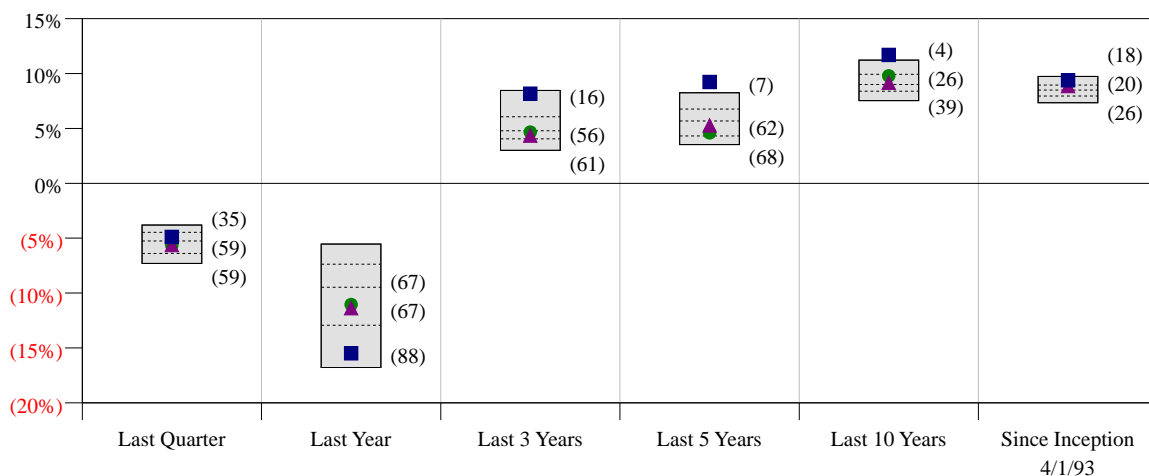


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

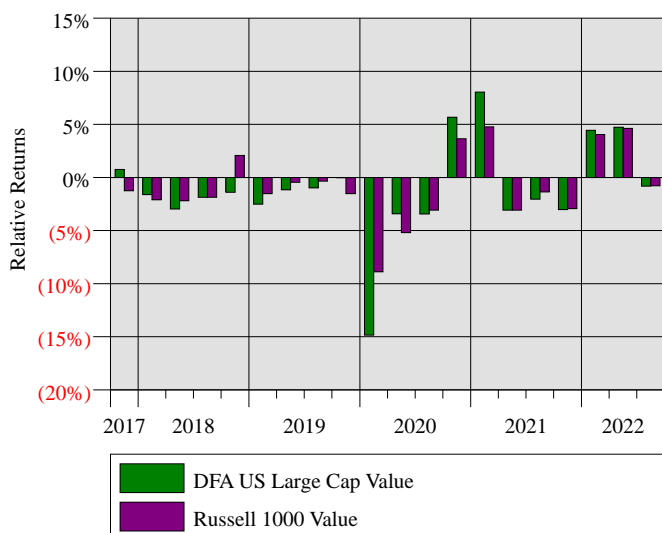
DFA US Large Cap Value (DFLVX) Performance vs. Callan Large Cap Value Mutual Funds Periods ending: September 30, 2022



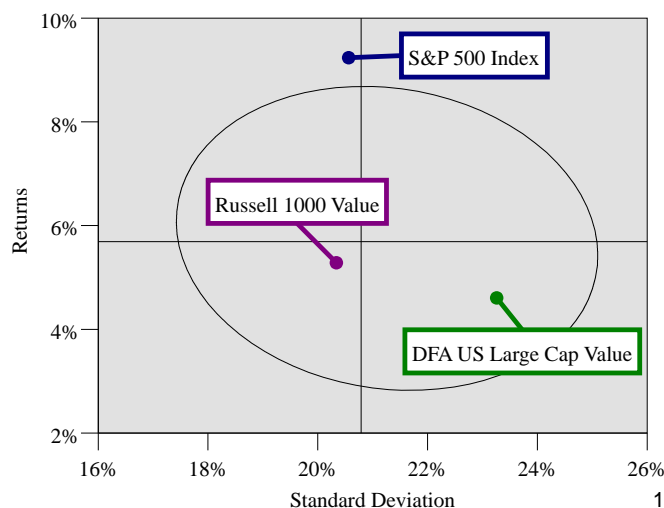
10th Percentile	(3.79)	(5.53)	8.47	8.25	11.23	9.74
25th Percentile	(4.46)	(7.35)	6.08	6.78	9.94	8.95
Median	(5.24)	(9.46)	4.80	5.69	9.02	8.50
75th Percentile	(6.38)	(12.92)	4.07	4.32	8.40	7.95
90th Percentile	(7.28)	(16.77)	3.02	3.53	7.53	7.35
DFA US Large Cap Value	(5.65)	(11.04)	4.68	4.61	9.79	9.31
S&P 500 Index	(4.88)	(15.47)	8.16	9.24	11.70	9.39
Russell 1000 Value	(5.62)	(11.36)	4.36	5.29	9.17	8.88

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DFA US Large Cap Value	(17.38)	28.07	(0.61)	25.45	(11.65)	18.97	18.89	(3.49)	10.07	40.32	22.05
S&P 500 Index	(23.87)	28.71	18.40	31.49	(4.38)	21.83	11.96	1.38	13.69	32.39	16.00
Russell 1000 Value	(17.75)	25.16	2.80	26.54	(8.27)	13.66	17.34	(3.83)	13.45	32.53	17.51

Relative Returns vs. S&P 500 Index



Callan Large Cap Value Mutual Funds | 5 Years Ended 9/30/22

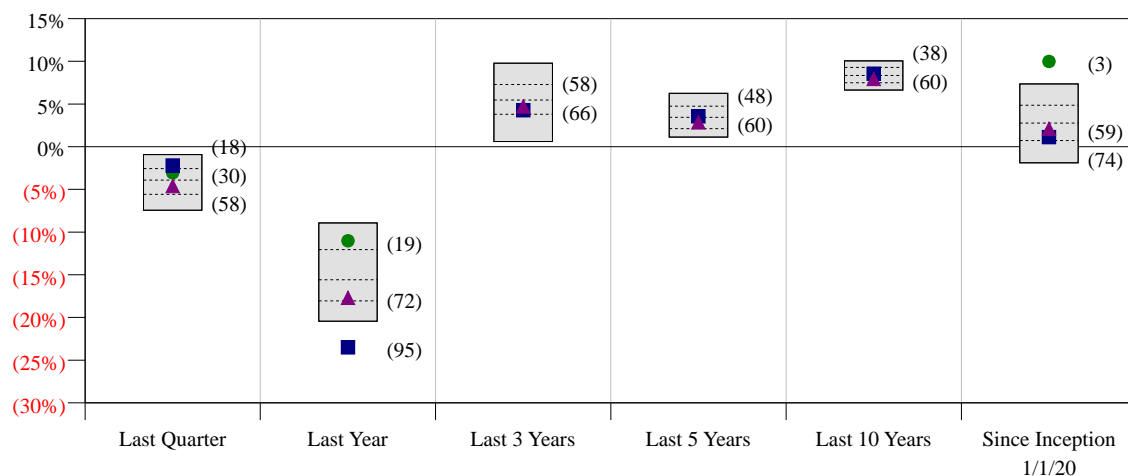


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

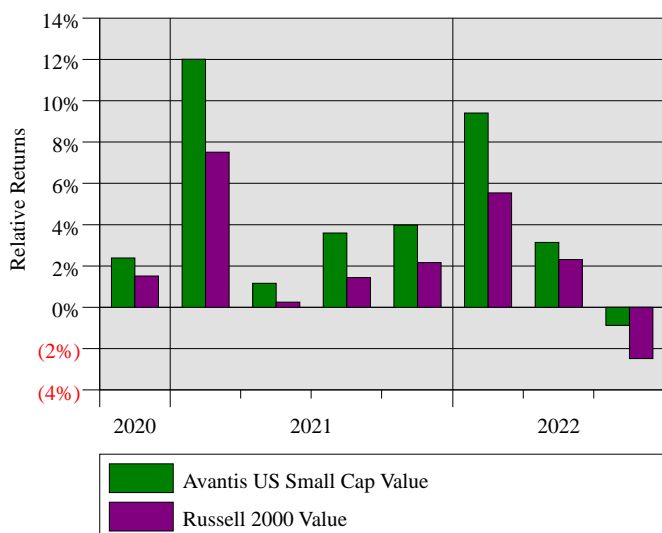
Avantis US Small Cap Value (AVUVX) Performance vs. Callan Small Cap Value Mutual Funds Periods ending: September 30, 2022



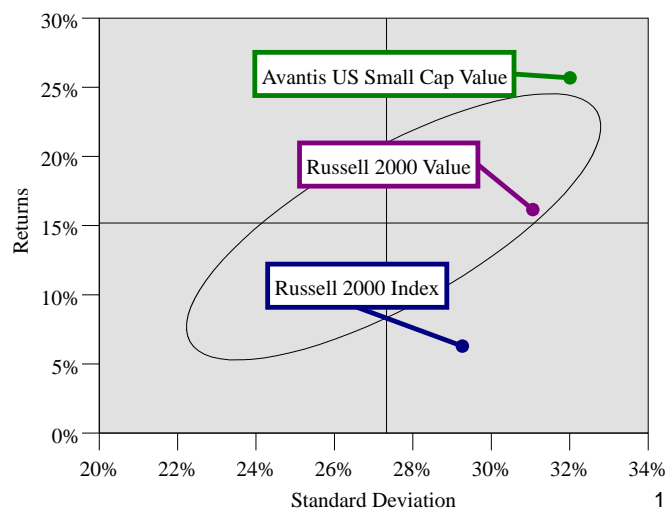
10th Percentile	(0.91)	(8.92)	9.79	6.27	10.07	7.36
25th Percentile	(2.54)	(12.04)	7.30	4.77	9.30	4.87
Median	(3.90)	(15.56)	5.47	3.45	8.36	2.78
75th Percentile	(5.57)	(18.06)	3.81	2.13	7.50	0.73
90th Percentile	(7.44)	(20.43)	0.62	1.14	6.65	(1.89)
Avantis US Small Cap Value	(3.04)	(11.00)	--	--	--	9.99
Russell 2000 Index	(2.19)	(23.50)	4.29	3.55	8.55	1.14
Russell 2000 Value	(4.61)	(17.69)	4.72	2.87	7.94	2.09

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Avantis US Small Cap Value	(16.21)	40.17	10.64	--	--	--	--	--	--	--	--
Russell 2000 Index	(25.10)	14.82	19.96	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82	16.35
Russell 2000 Value	(21.12)	28.27	4.63	22.39	(12.86)	7.84	31.74	(7.47)	4.22	34.52	18.05

Relative Returns vs. Russell 2000 Index



Callan Small Cap Value Mutual Funds | 2 Years Ended 9/30/22

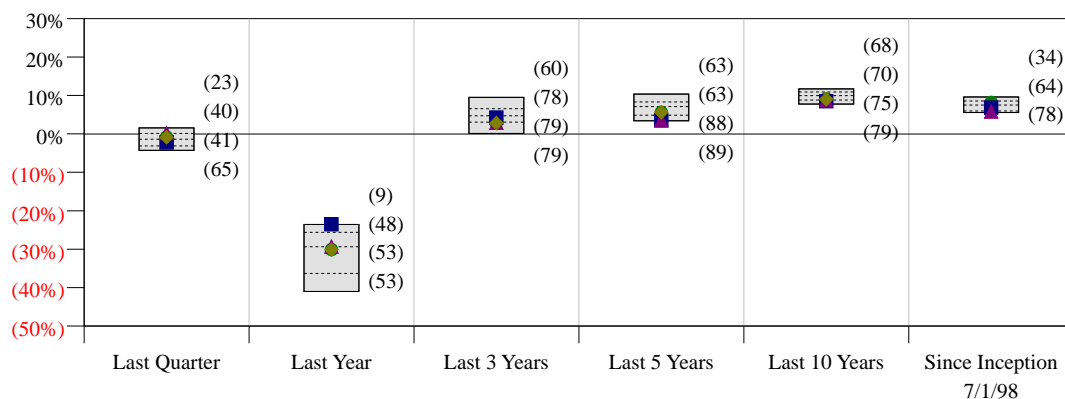


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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, 2022

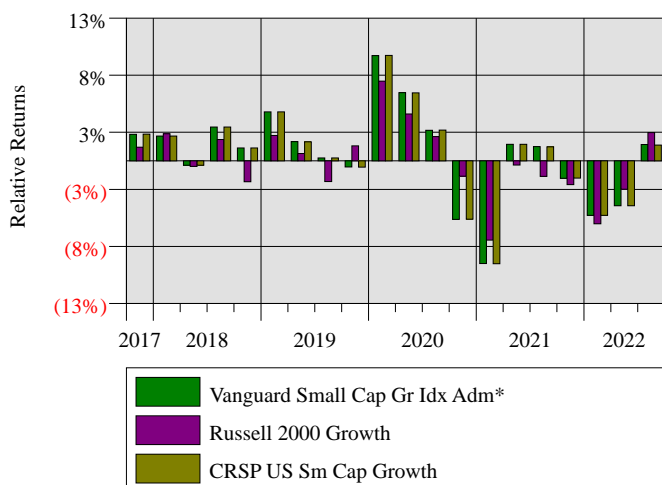


10th Percentile	1.60	(23.56)	9.56	10.38	11.71	9.64
25th Percentile	0.13	(25.57)	6.59	8.36	10.95	8.61
Median	(1.38)	(29.33)	4.75	7.16	10.00	7.55
75th Percentile	(3.08)	(36.28)	3.07	4.91	8.86	6.00
90th Percentile	(4.27)	(41.00)	0.15	3.45	7.79	5.62
Vanguard Small Cap Gr Idx Adm*	(0.79)	(30.09)	2.81	5.65	9.15	8.25
Russell 2000 Index	(2.19)	(23.50)	4.29	3.55	8.55	6.88
Russell 2000 Growth	0.24	(29.27)	2.94	3.60	8.81	5.86
CRSP US Sm Cap Growth	(0.83)	(30.10)	2.82	5.65	9.06	--

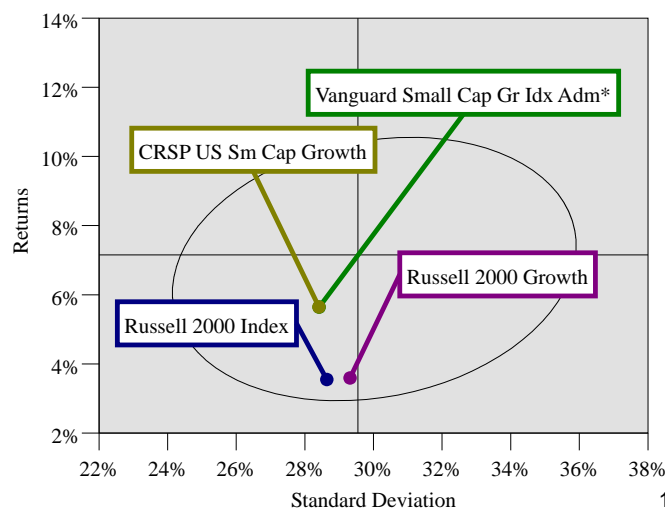
Vanguard switched to CRSP US Sm Cap Growth Index on April 17, 2013.

	3 Qtrs.	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Vanguard Small Cap Gr Idx Adm*	(30.49)	5.70	35.28	32.76	(5.68)	21.92	10.73	(2.52)	4.02	38.22	17.66	
Russell 2000 Index	(25.10)	14.82	19.96	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82	16.35	
Russell 2000 Growth	(29.28)	2.83	34.63	28.48	(9.31)	22.17	11.32	(1.38)	5.60	43.30	14.59	
CRSP US Sm Cap Growth	(30.52)	5.71	35.35	32.75	(5.68)	21.90	10.62	(2.60)	3.98	38.44	15.39	

Relative Returns vs. Russell 2000 Index



Callan Small Cap Growth Mutual Funds | 5 Years Ended 9/30/22



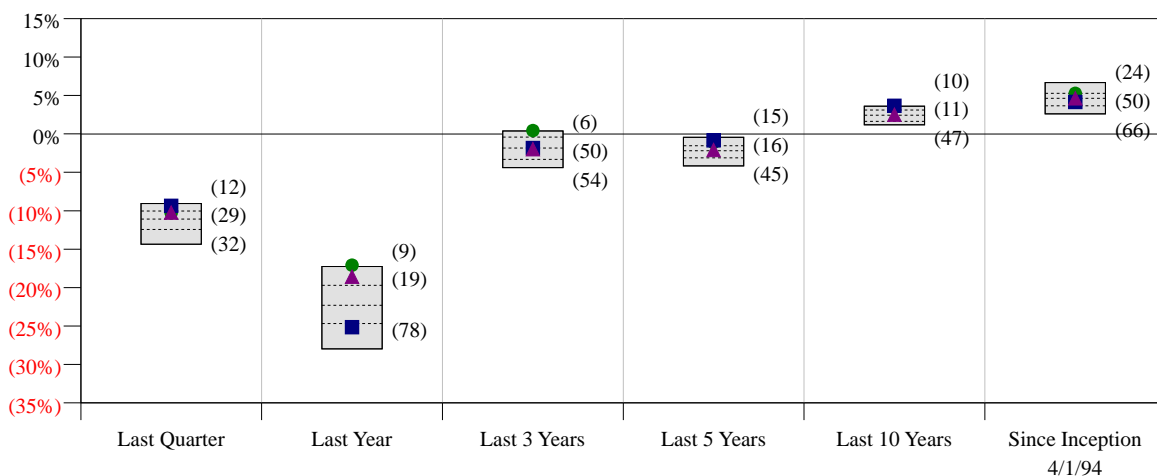
*Investor shares used as a proxy prior to 10/2011.

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

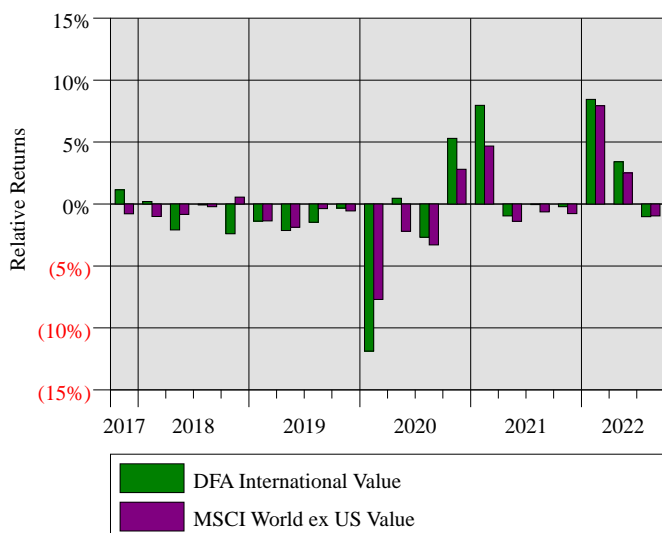
DFA International Value (DFIVX) Performance vs. Callan International Large Cap Value MFs Periods ending: September 30, 2022



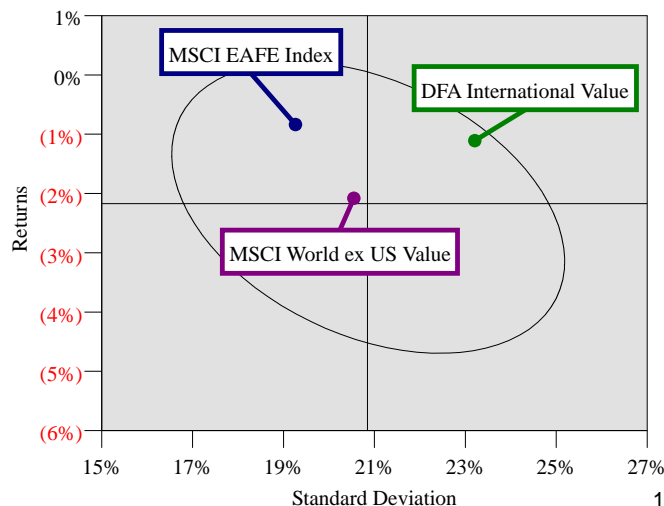
10th Percentile	(9.05)	(17.25)	0.39	(0.42)	3.61	6.69
25th Percentile	(10.03)	(19.69)	(0.41)	(1.52)	3.11	5.29
Median	(11.07)	(22.30)	(1.83)	(2.17)	2.45	4.65
75th Percentile	(12.42)	(24.66)	(3.30)	(3.09)	1.64	3.68
90th Percentile	(14.34)	(27.97)	(4.38)	(4.16)	1.20	2.61
DFA International Value	(10.28)	(17.06)	0.45	(1.11)	3.57	5.30
MSCI EAFE Index	(9.36)	(25.13)	(1.83)	(0.84)	3.67	4.16
MSCI World ex US Value	(10.22)	(18.58)	(1.97)	(2.08)	2.53	4.64

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DFA International Value	(19.07)	18.69	(2.14)	15.67	(17.49)	26.09	8.41	(6.31)	(6.99)	23.12	16.61
MSCI EAFE Index	(27.09)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78	17.32
MSCI World ex US Value	(20.10)	13.26	(3.22)	17.02	(15.06)	21.04	7.39	(7.68)	(5.41)	21.47	17.29

Relative Returns vs. MSCI EAFE Index



Callan International Large Cap Value MFs | 5 Years Ended 9/30/22

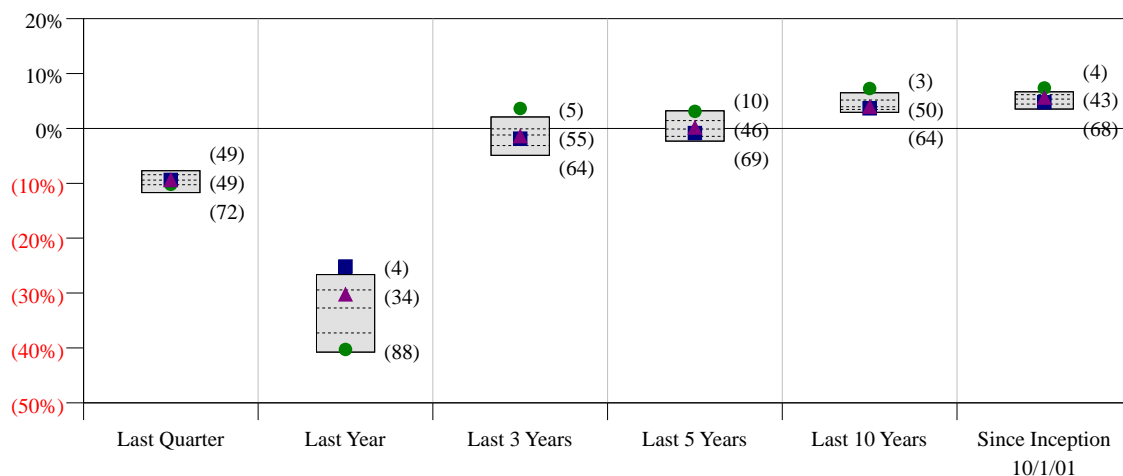


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

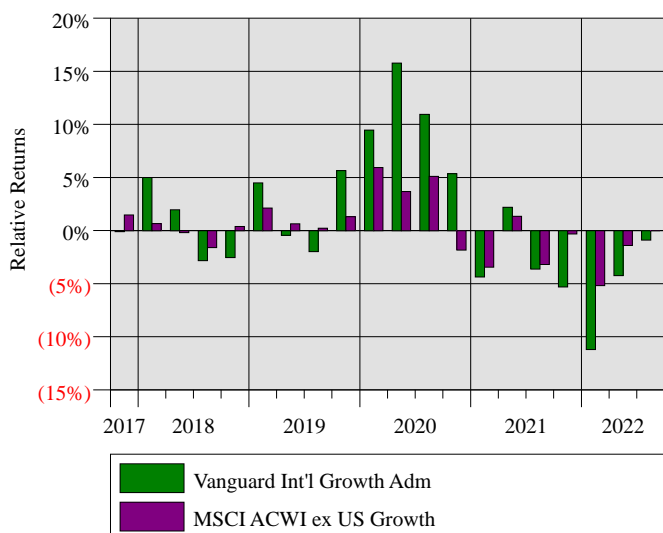
Vanguard Int'l Growth Adm (VWILX) Performance vs. Callan Intl Large Cap Growth MFs Periods ending: September 30, 2022



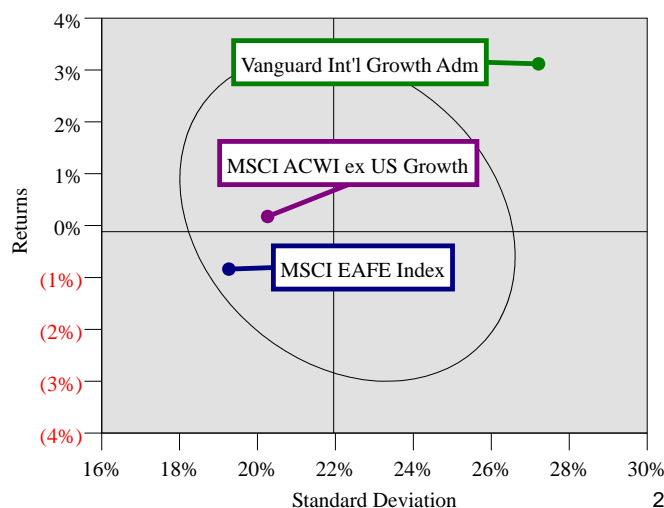
10th Percentile	(7.67)	(26.63)	2.10	3.22	6.53	6.68
25th Percentile	(8.43)	(29.40)	(0.05)	1.43	5.18	6.16
Median	(9.39)	(32.71)	(1.20)	(0.11)	3.95	5.36
75th Percentile	(10.24)	(37.25)	(3.11)	(1.42)	3.47	4.46
90th Percentile	(11.68)	(40.75)	(4.89)	(2.31)	2.95	3.53
Vanguard Int'l Growth Adm	(10.16)	(40.24)	3.65	3.12	7.27	7.39
MSCI EAFE Index	(9.36)	(25.13)	(1.83)	(0.84)	3.67	4.78
MSCI ACWI ex US Growth	(9.37)	(30.22)	(1.38)	0.18	3.95	5.63

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Vanguard Int'l Growth Adm	(38.55)	(0.74)	59.74	31.48	(12.58)	43.16	1.84	(0.54)	(5.51)	23.12	20.18
MSCI EAFE Index	(27.09)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78	17.32
MSCI ACWI ex US Growth	(31.84)	5.09	22.20	27.34	(14.43)	32.01	0.12	(1.25)	(2.65)	15.49	16.67

Relative Returns vs. MSCI EAFE Index



Callan Intl Large Cap Growth MFs | 5 Years Ended 9/30/22

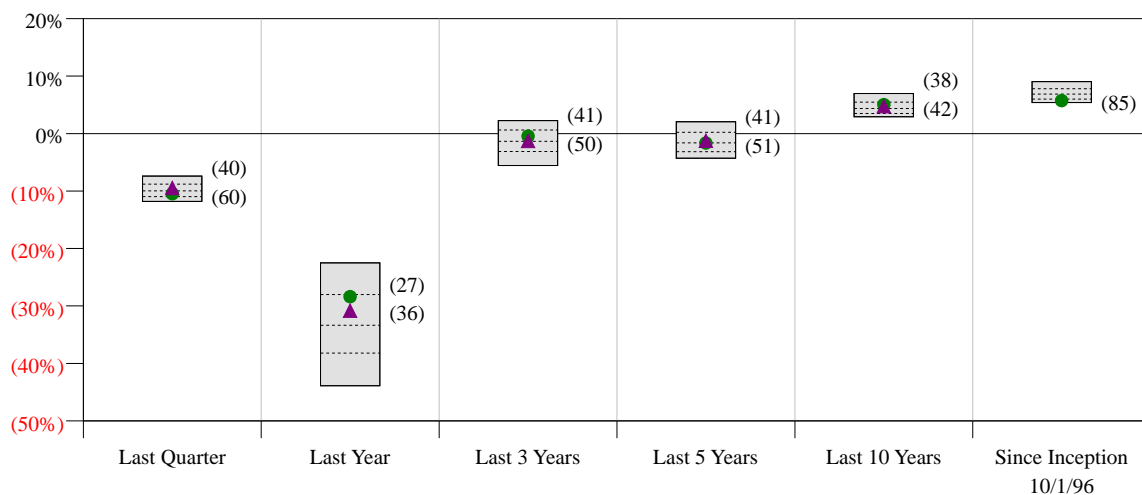


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

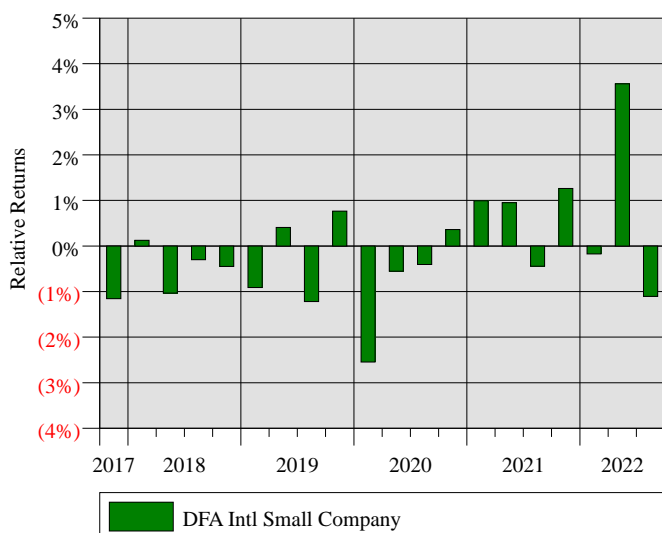
DFA Intl Small Company (DFISX) Performance vs. Callan International Small Cap Mut Funds Periods ending: September 30, 2022



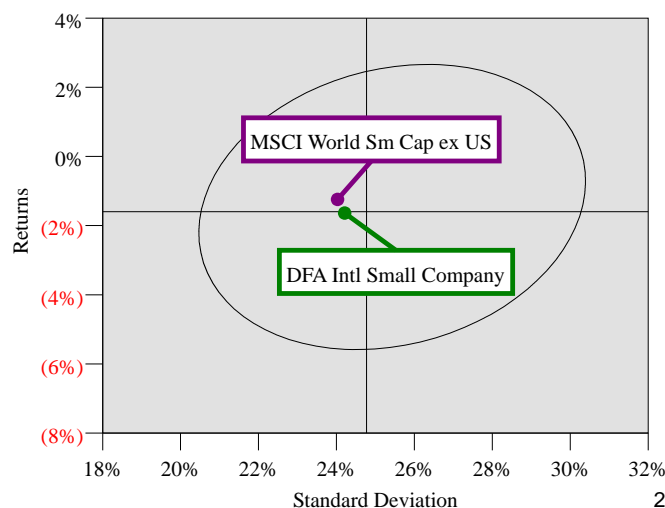
10th Percentile	(7.40)	(22.47)	2.26	2.09	6.99	9.05
25th Percentile	(8.80)	(28.01)	0.65	0.24	5.49	7.81
Median	(9.94)	(33.35)	(1.32)	(1.59)	4.39	6.88
75th Percentile	(10.97)	(38.17)	(3.11)	(3.14)	3.53	6.03
90th Percentile	(11.80)	(43.86)	(5.54)	(4.27)	2.96	5.43
DFA Intl Small Company	(10.46)	(28.36)	(0.42)	(1.63)	5.03	5.73
MSCI World Sm Cap ex US	(9.46)	(30.80)	(1.27)	(1.24)	4.78	--

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DFA Intl Small Company	(29.53)	14.24	9.26	24.20	(19.42)	30.24	5.80	5.91	(6.30)	27.44	18.86
MSCI World Sm Cap ex US	(31.07)	11.14	12.78	25.41	(18.07)	31.04	4.32	5.46	(5.35)	25.55	17.48

Relative Returns vs. MSCI World Sm Cap ex US



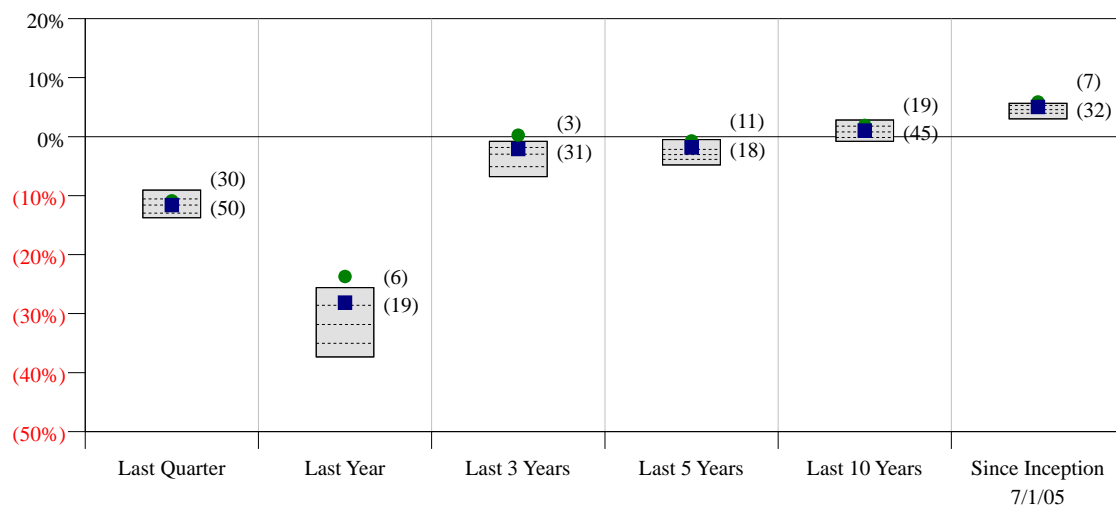
Callan International Small Cap Mut Funds | 5 Years Ended 9/30/22



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.

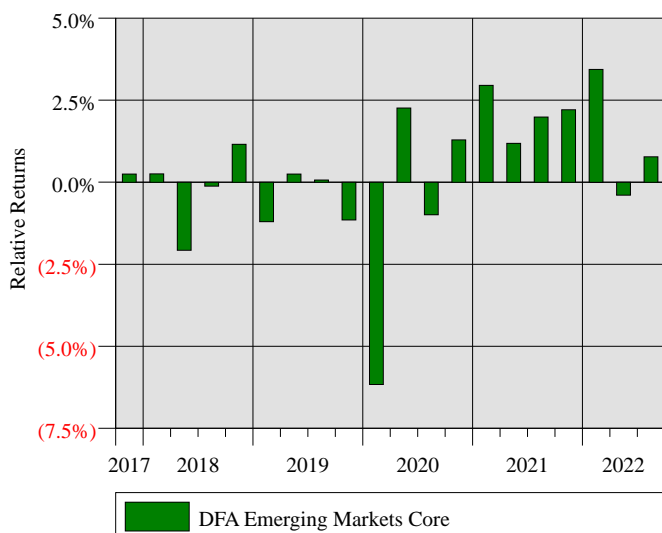
DFA Emerging Markets Core (DFCEX) Performance vs. Callan Emerging Markets Equity Mut Funds Periods ending: September 30, 2022



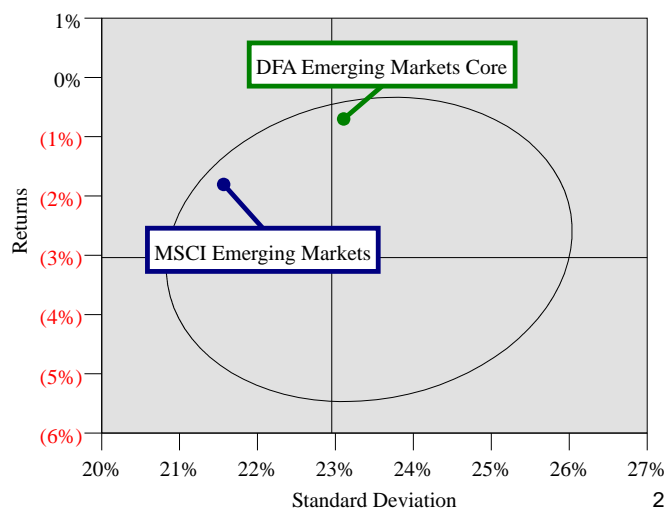
10th Percentile	(9.03)	(25.56)	(0.79)	(0.48)	2.84	5.66
25th Percentile	(10.55)	(28.56)	(1.81)	(2.16)	1.80	5.30
Median	(11.57)	(31.82)	(2.96)	(3.04)	0.82	4.58
75th Percentile	(12.94)	(35.00)	(5.07)	(3.85)	(0.14)	3.96
90th Percentile	(13.74)	(37.32)	(6.75)	(4.79)	(0.77)	3.04
DFA Emerging Markets Core	(10.88)	(23.70)	0.26	(0.70)	1.93	5.89
MSCI Emerging Markets	(11.57)	(28.11)	(2.07)	(1.80)	1.05	5.05

	3 Qtrs.	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
	2022										
DFA Emerging Markets Core	(24.36)	5.83	13.86	16.04	(15.25)	36.55	12.35	(14.86)	(0.91)	(2.64)	20.49
MSCI Emerging Markets	(27.16)	(2.54)	18.31	18.44	(14.57)	37.28	11.19	(14.92)	(2.19)	(2.60)	18.23

Relative Returns vs. MSCI Emerging Markets



Callan Emerging Markets Equity Mut Funds | 5 Years Ended 9/30/22

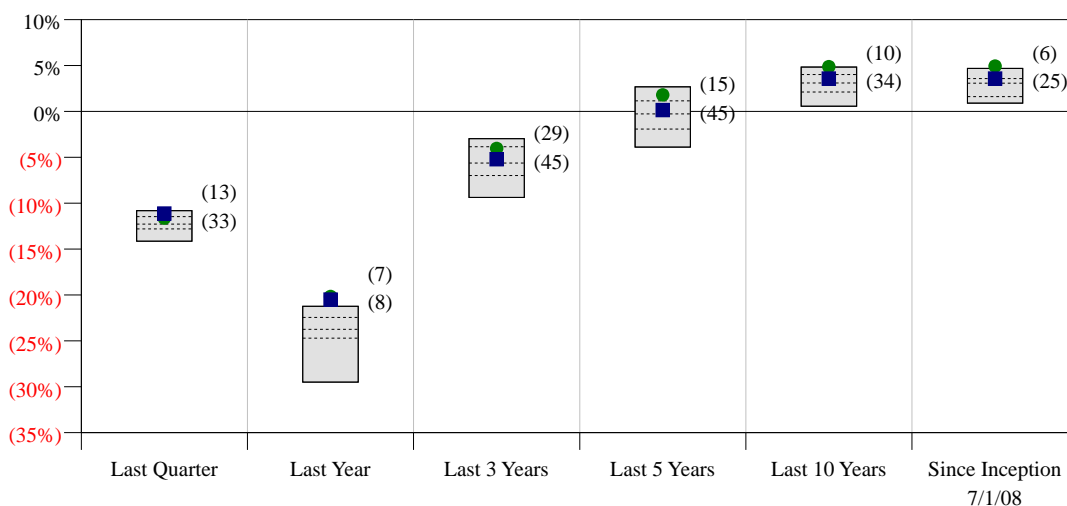


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

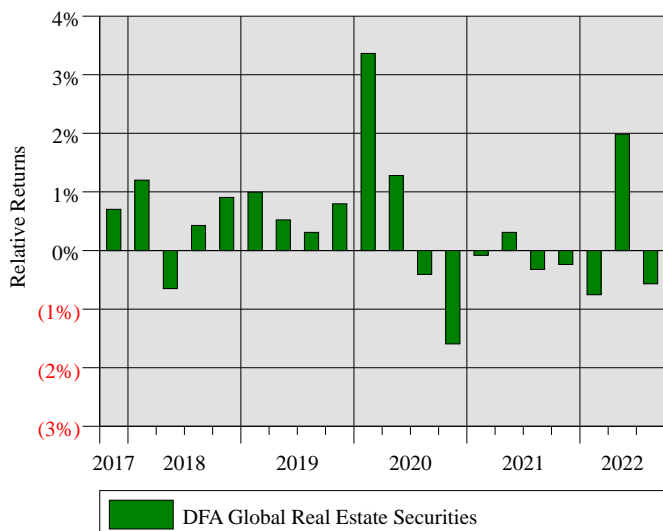
DFA Global Real Estate Securities (DFGEX) Performance vs. Morningstar Global Real Estate Funds Periods ending: September 30, 2022



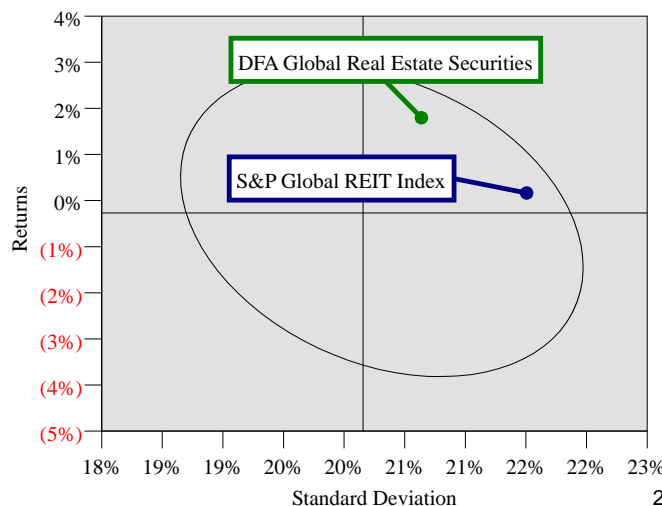
10th Percentile	(10.81)	(21.22)	(2.96)	2.70	4.84	4.69
25th Percentile	(11.46)	(22.44)	(3.83)	1.15	4.02	3.59
Median	(12.27)	(23.73)	(5.62)	(0.26)	3.11	3.08
75th Percentile	(12.79)	(24.69)	(6.98)	(1.91)	2.12	1.62
90th Percentile	(14.12)	(29.48)	(9.36)	(3.87)	0.58	0.90
DFA Global Real Estate Securities	(11.62)	(20.16)	(4.02)	1.80	4.88	4.94
S&P Global REIT Index	(11.12)	(20.49)	(5.20)	0.17	3.58	3.59

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
DFA Global Real Estate Securities	(28.77)	30.96	(6.72)	26.40	(4.15)	9.20	6.56	0.69	22.74	1.77	23.17
S&P Global REIT Index	(29.23)	31.38	(9.09)	23.12	(5.93)	7.41	5.77	(0.44)	21.54	1.73	22.39

Relative Returns vs. S&P Global REIT Index



Morningstar Global Real Estate Funds | 5 Years Ended 9/30/22

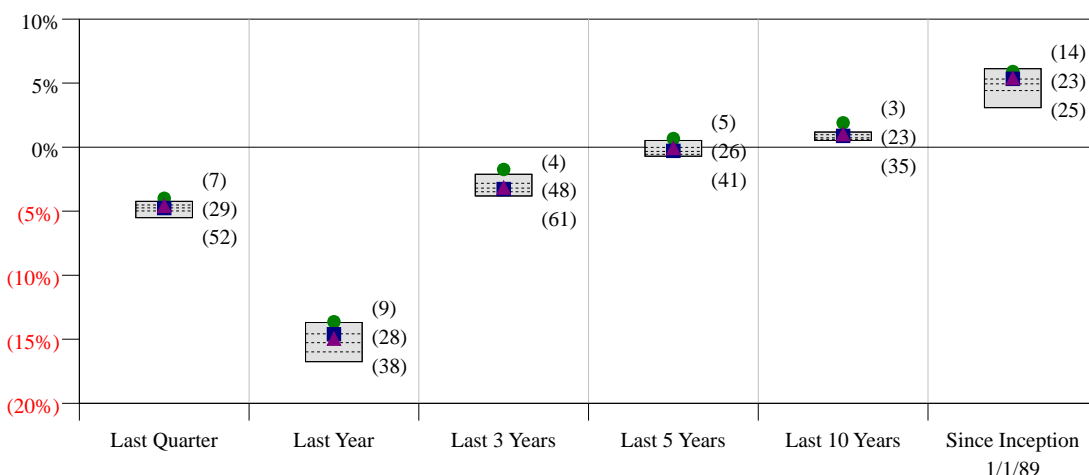


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

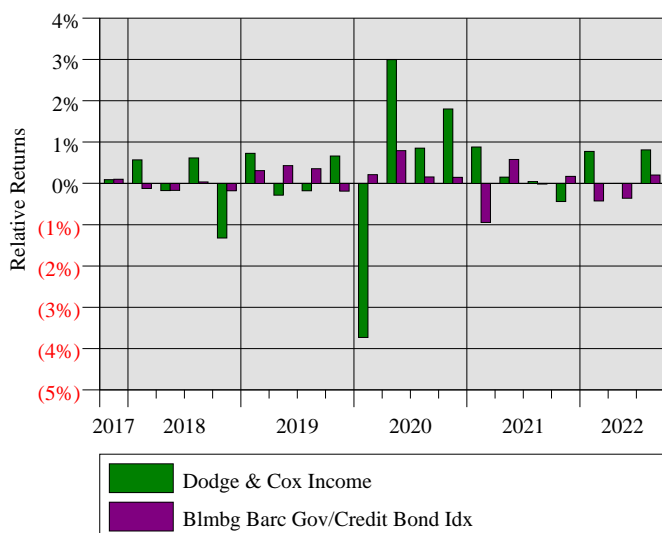
Dodge & Cox Income (DODIX) Performance vs. Callan Core Bond Mutual Funds Periods ending: September 30, 2022



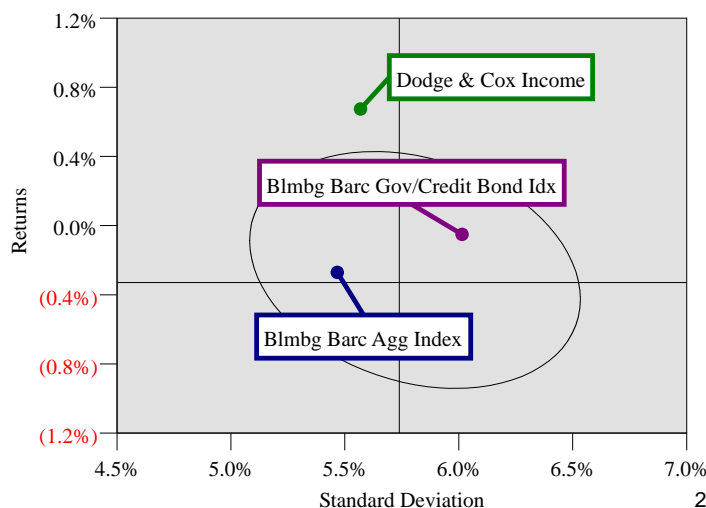
10th Percentile	(4.22)	(13.69)	(2.10)	0.54	1.19	6.14
25th Percentile	(4.51)	(14.57)	(2.80)	(0.01)	0.98	5.33
Median	(4.72)	(15.25)	(3.18)	(0.33)	0.74	4.96
75th Percentile	(4.97)	(15.97)	(3.47)	(0.55)	0.63	4.43
90th Percentile	(5.49)	(16.74)	(3.80)	(0.70)	0.54	3.10
Dodge & Cox Income	(3.98)	(13.62)	(1.74)	0.67	1.91	5.91
Blmbg Barc Agg Index	(4.75)	(14.60)	(3.26)	(0.27)	0.89	5.35
Blmbg Barc Gov/Credit Bond Idx	(4.56)	(14.95)	(3.15)	(0.05)	1.02	5.41

	3 Qtrs.										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Dodge & Cox Income	(13.25)	(0.91)	9.45	9.73	(0.31)	4.36	5.61	(0.59)	5.48	0.64	7.94
Blmbg Barc Agg Index	(14.61)	(1.54)	7.51	8.72	0.01	3.54	2.65	0.55	5.97	(2.02)	4.21
Blmbg Barc Gov/Credit Bond Idx	(15.10)	(1.75)	8.93	9.71	(0.42)	4.00	3.05	0.15	6.01	(2.35)	4.82

Relative Returns vs. Blmbg Barc Agg Index



Callan Core Bond Mutual Funds | 5 Years Ended 9/30/22

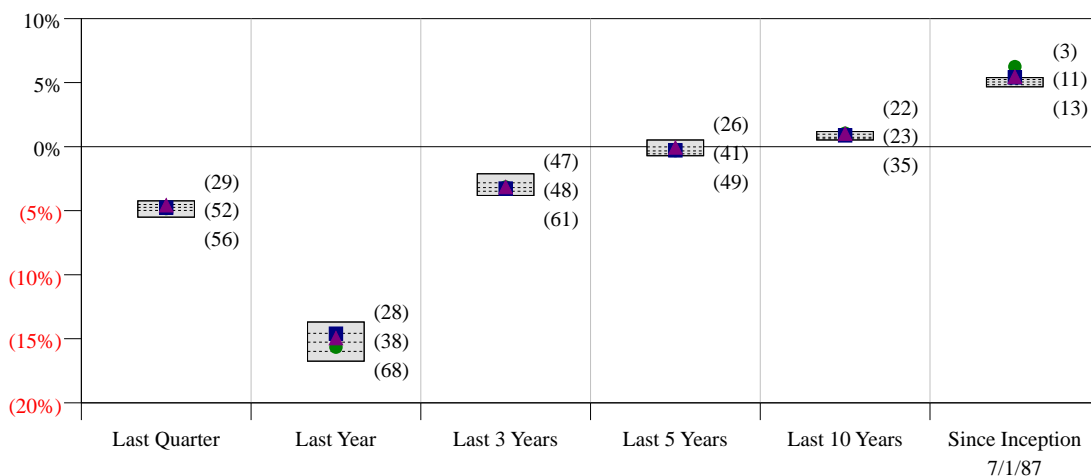


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

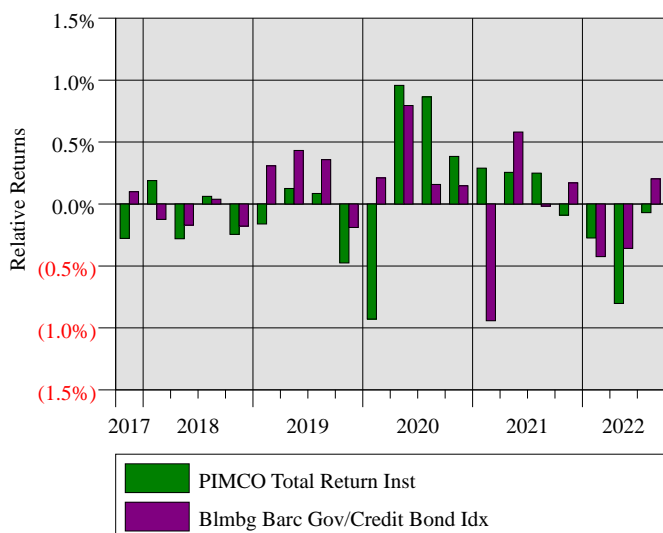
PIMCO Total Return Inst (PTTRX) Performance vs. Callan Core Bond Mutual Funds Periods ending: September 30, 2022



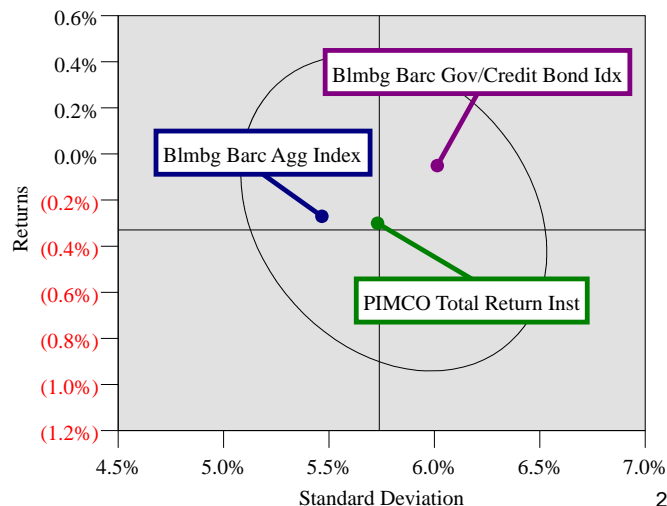
10th Percentile	(4.22)	(13.69)	(2.10)	0.54	1.19	5.41
25th Percentile	(4.51)	(14.57)	(2.80)	(0.01)	0.98	5.26
Median	(4.72)	(15.25)	(3.18)	(0.33)	0.74	5.06
75th Percentile	(4.97)	(15.97)	(3.47)	(0.55)	0.63	4.84
90th Percentile	(5.49)	(16.74)	(3.80)	(0.70)	0.54	4.68
PIMCO Total Return Inst	(4.82)	(15.65)	(3.14)	(0.30)	1.05	6.26
Blmbg Barc Agg Index	(4.75)	(14.60)	(3.26)	(0.27)	0.89	5.42
Blmbg Barc Gov/Credit Bond Idx	(4.56)	(14.95)	(3.15)	(0.05)	1.02	5.47

	3 Qtrs.										
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
PIMCO Total Return Inst	(15.59)	(0.84)	8.88	8.26	(0.26)	5.13	2.60	0.72	4.69	(1.92)	10.36
Blmbg Barc Agg Index	(14.61)	(1.54)	7.51	8.72	0.01	3.54	2.65	0.55	5.97	(2.02)	4.21
Blmbg Barc Gov/Credit Bond Idx	(15.10)	(1.75)	8.93	9.71	(0.42)	4.00	3.05	0.15	6.01	(2.35)	4.82

Relative Returns vs. Blmbg Barc Agg Index



Callan Core Bond Mutual Funds | 5 Years Ended 9/30/22

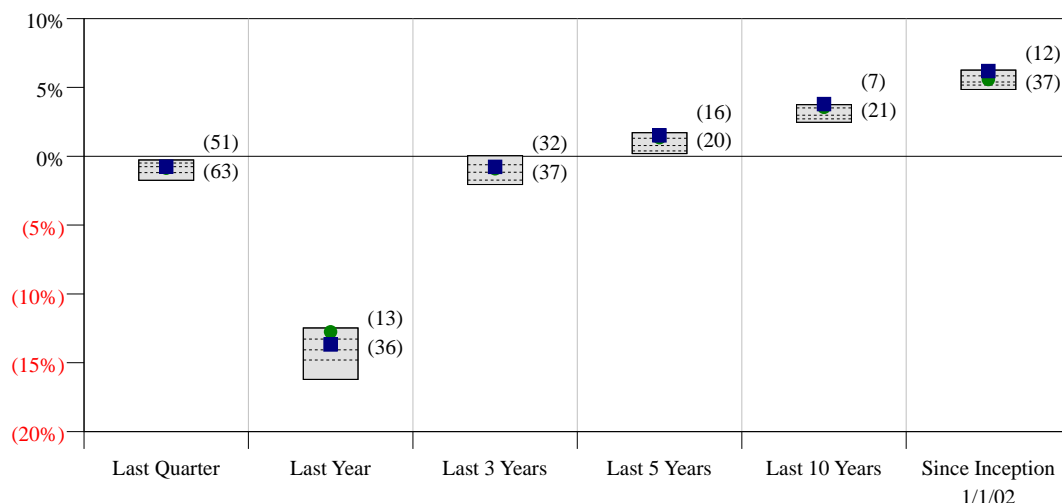


Source: Callan. Past performance is not indicative of future results. See important disclosures.

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.

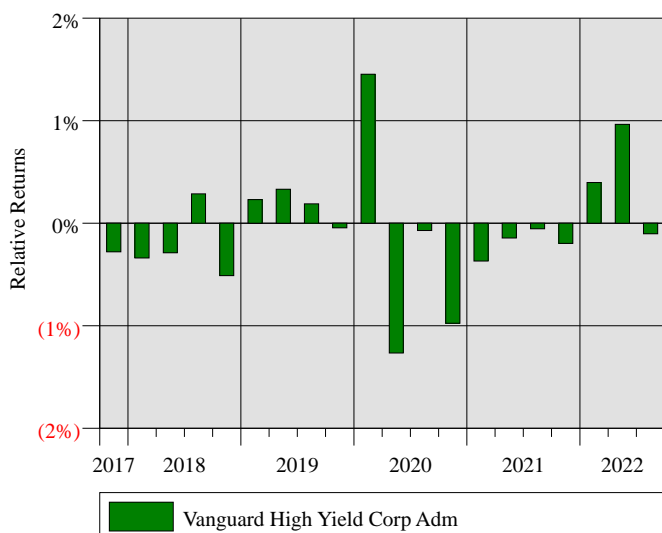
Vanguard High Yield Corp Adm (VWEAX) Performance vs. Callan High Yield Mutual Funds Periods ending: September 30, 2022



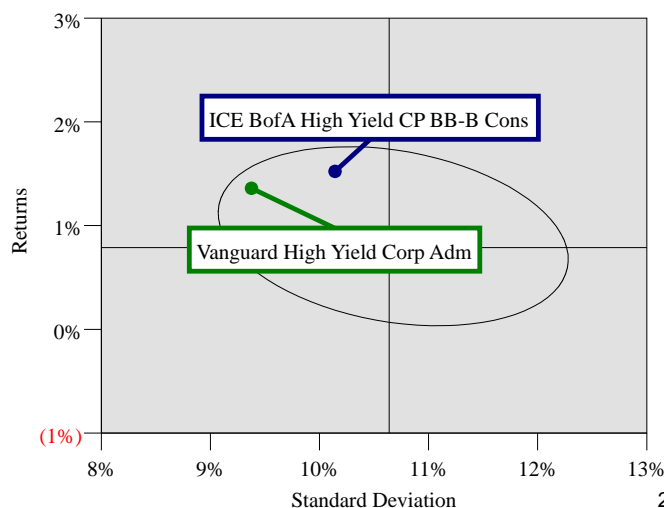
10th Percentile	(0.26)	(12.46)	0.04	1.72	3.76	6.26
25th Percentile	(0.48)	(13.27)	(0.60)	1.31	3.52	5.85
Median	(0.74)	(14.05)	(1.14)	0.79	2.99	5.41
75th Percentile	(1.17)	(14.79)	(1.72)	0.40	2.72	5.18
90th Percentile	(1.73)	(16.21)	(2.05)	0.20	2.48	4.86
Vanguard High Yield Corp Adm ●	(0.85)	(12.74)	(0.90)	1.36	3.57	5.58
ICE BofA High Yield CP BB-B Cons ■	(0.75)	(13.66)	(0.76)	1.52	3.81	6.20

	3 Qtrs. 2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Vanguard High Yield Corp Adm	(13.20)	3.78	5.39	15.91	(2.87)	7.13	11.30	(1.30)	4.69	4.64	14.47
ICE BofA High Yield CP BB-B Cons	(14.29)	4.58	6.32	15.09	(2.04)	6.98	14.76	(2.82)	3.48	6.29	14.58

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



Callan High Yield Mutual Funds | 5 Years Ended 9/30/22

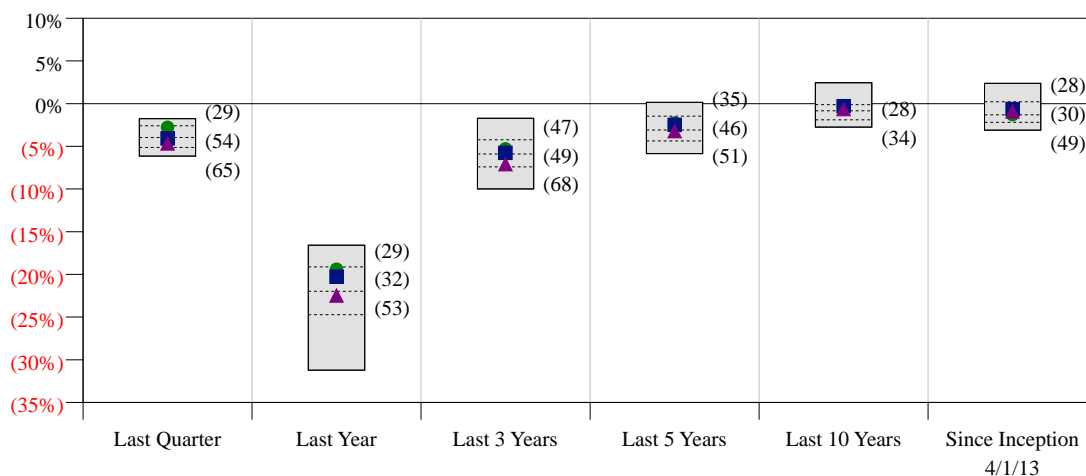


Source: Callan. Past performance is not indicative of future results. See important disclosures.

Investment Philosophy:

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

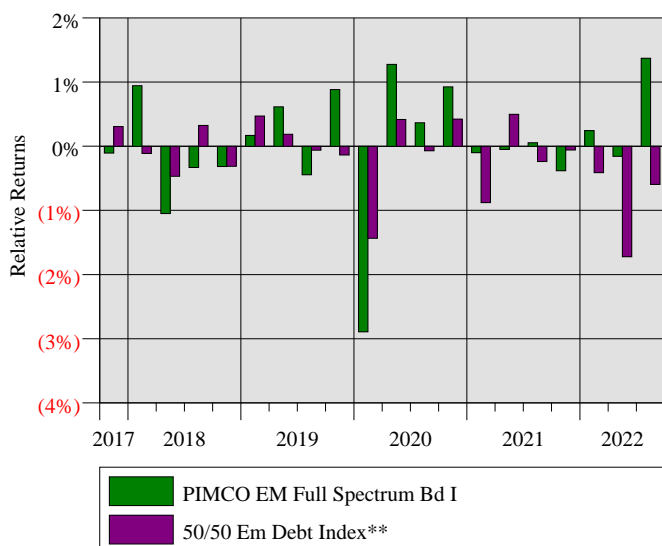
PIMCO EM Full Spectrum Bd I (PFSIX) Performance vs. Callan Emerging Mkts Debt Blend MFs Periods ending: September 30, 2022



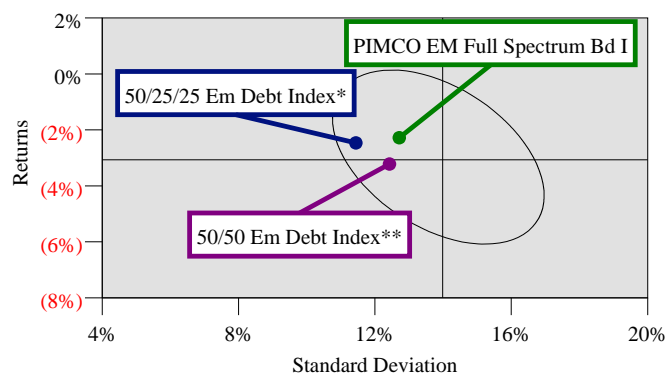
10th Percentile	(1.76)	(16.57)	(1.71)	0.16	2.45	2.38
25th Percentile	(2.57)	(19.12)	(4.23)	(1.46)	(0.11)	0.24
Median	(3.95)	(21.97)	(5.90)	(3.07)	(0.83)	(1.31)
75th Percentile	(5.12)	(24.72)	(7.39)	(4.36)	(1.87)	(2.19)
90th Percentile	(6.14)	(31.21)	(9.99)	(5.84)	(2.73)	(3.11)
PIMCO EM Full Spectrum Bd I	● (2.76)	(19.39)	(5.29)	(2.27)	--	(1.28)
50/25/25 Em Debt Index*	■ (4.08)	(20.25)	(5.76)	(2.46)	(0.29)	(0.63)
50/50 Em Debt Index**	▲ (4.65)	(22.45)	(7.08)	(3.22)	(0.63)	(0.89)

	3 Qtrs.	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
PIMCO EM Full Spectrum Bd I	(17.91)	(5.13)	4.31	15.16	(5.28)	12.30	12.01	(11.09)	(3.82)	--	--	
50/25/25 Em Debt Index*	(19.09)	(4.67)	4.70	13.77	(4.56)	11.88	10.20	(7.07)	(0.15)	(6.59)	17.28	
50/50 Em Debt Index**	(21.28)	(5.32)	4.00	14.30	(5.10)	12.72	10.10	(7.07)	0.72	(7.10)	17.15	

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



Callan Emerging Mkts Debt Blend MFs | 5 Years Ended 9/30/22



* 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.

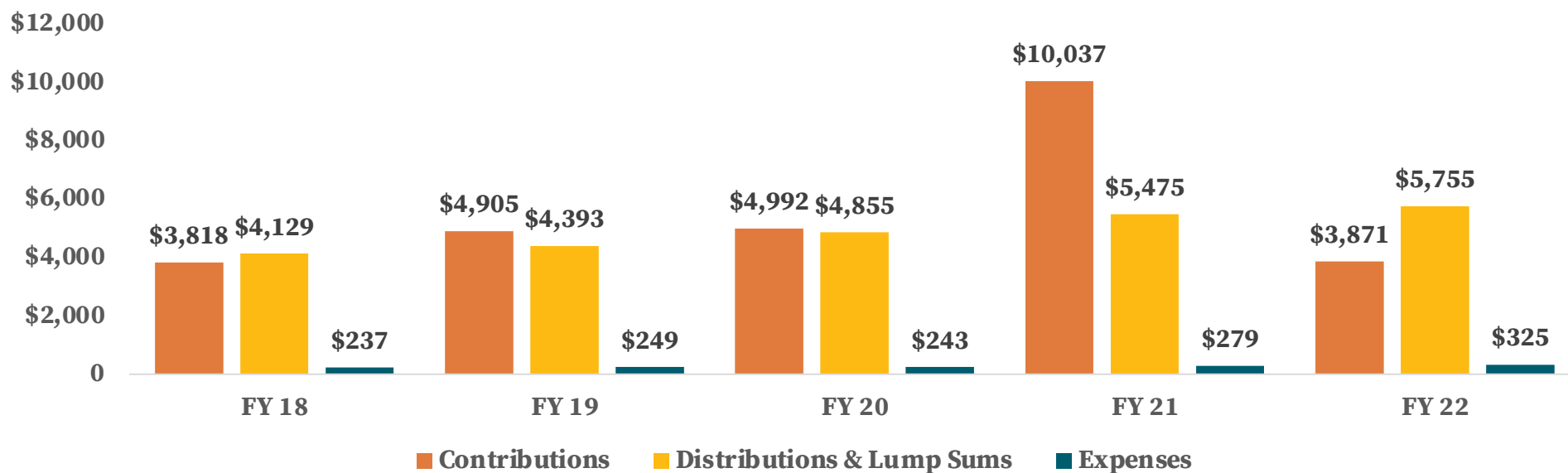
JPM GBI EM Global Diversified USD Unh (Emerging Markets Fixed Income): A comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate domestic currency government bonds.

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.



Attachment C
Cover Page

Contributions, Distributions and Expenses for Pension and Health Plan (in thousands)



	FY 18	FY 19	FY 20	FY 21	FY 22
Plan (Pension & Health) Portfolio Value	\$45,934,847.04	\$48,594,668.02	\$49,152,547.85	\$67,255,498.06	\$56,428,972.80
Contributions	\$3,818,404.02	\$4,905,233.50	\$4,991,752.51	\$10,036,607.94	\$3,871,324.47
Distributions & Lump Sums	\$4,129,406.07	\$4,393,326.05	\$4,854,962.28	\$5,474,961.88	\$5,754,664.88
Expenses	\$236,756.77	\$249,036.12	\$242,734.05	\$279,036.88	\$324,576.79
Investment Fees (TH and Agincourt)	\$124,650.51	\$129,044.69	\$133,190.34	\$150,542.40	\$183,609.31
Custodian (US Bank) Fees	\$57,322.69	\$57,394.81	\$57,822.90	\$65,164.98	\$77,341.26
Legal Fees (Olson)	\$15,797.41	\$5,849.14	\$3,016.88	\$9,992.50	\$9,918.58
Professional Fees (Bartel & Associates)	\$38,986.16	\$55,306.16	\$48,703.93	\$53,337.00	\$53,707.64
Reimbursement	\$0.00	\$1,441.32	\$0.00	\$0.00	\$0.00

All fees shown as a % of Portfolio Value					
TH IA Fee	0.22%	0.22%	0.22%	0.22%	0.22%
Agincourt Management Fee	0.05%	0.05%	0.05%	0.00%	0.10%
Projected Fund Fees*	0.19%	0.19%	0.19%	0.19%	0.19%
Custodian Fees	0.12%	0.12%	0.12%	0.10%	0.14%
Total Investment Related Costs	0.58%	0.58%	0.58%	0.51%	0.65%

*based on 6/30/2022 values.



LEAD STAFF: **BROWN ARMSTRONG ACCOUNTANCY CORPORATION**

REPORT: **FY2022 RESULTS OF THE RETIREMENT PLAN FINANCIAL
STATEMENT AUDIT**

I. SUMMARY

- Presentation of FY2022 results of the retirement plan financial statement audit.
- Brown Armstrong has prepared the attached presentation.

II. DISCUSSION/BACKGROUND

Brown Armstrong Accountancy Corporation staff will provide a presentation to the board regarding the FY2022 results of the retirement plan financial statement audit. The audited financial report will be submitted to the California State Controller's office by December 31, 2022.

III. STRATEGIC PLAN PRIORITIES ALIGNMENT

This recommendation aligns with the Board's Strategic Priorities 1, 3, and 4.
Strategic Priorities:

1. Employees
2. Customers
3. Financial Health
4. Operations Excellence
5. Community Relations
6. Innovation

IV. FINANCIAL CONSIDERATIONS/IMPACT

None.

V. CHANGES FROM COMMITTEE

N/A

VI. ALTERNATIVES CONSIDERED

None.

VII. ATTACHMENTS

Attachment A: Audited Financial Statements

Attachment B: Report to the Retirement Board
Attachment C: Brown Armstrong Presentation

Prepared by: Ravi Sharma, Finance Manager

VIII. APPROVALS

Financial Impact Approved:
Robert Kyle, CFO



Alex Clifford, CEO





Attachment A
Cover Page

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN**

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN**

**FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the basic financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Management is also responsible for maintaining a current plan instrument, including all the Plan's plan amendments; administering the Plan; and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's plan provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

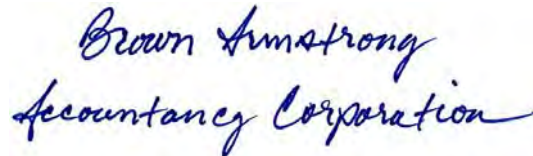
Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2022, 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, and 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.

Stockton, California
November 21, 2022

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

The following discussion and analysis of the financial performance and activity of the 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, 2022 and 2021. 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 plan (Pension Trust) and the defined benefit postemployment healthcare plan (OPEB Trust); 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

	<u>2022</u>	<u>2021</u>	<u>Change Increase/ (Decrease)</u>	<u>% Change Increase/ (Decrease)</u>
Cash and short-term investments	\$ 607,731	\$ 1,756,540	\$ (1,148,809)	-65.4%
Investments at fair value	46,166,868	53,678,592	(7,511,724)	-14.0%
Receivables	<u>202,326</u>	<u>205,576</u>	<u>(3,250)</u>	<u>-1.6%</u>
Total Assets	<u>46,976,925</u>	<u>55,640,708</u>	<u>(8,663,783)</u>	<u>-15.6%</u>
Accrued plan expenses and interfund transfers payable	<u>36,300</u>	<u>38,153</u>	<u>(1,853)</u>	<u>-4.9%</u>
Total Liabilities	<u>36,300</u>	<u>38,153</u>	<u>(1,853)</u>	<u>-4.9%</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS	<u><u>\$ 46,940,625</u></u>	<u><u>\$ 55,602,555</u></u>	<u><u>\$ (8,661,930)</u></u>	<u><u>-15.6%</u></u>

Statements of Changes in Fiduciary Net Position

Net Position Restricted for Pension Benefits, as reported in the Statement of Fiduciary Net Position, totaled \$46,940,625, a decrease of \$8,661,930 or -15.6% from the prior year of \$55,602,555. This is mostly due to a decrease in net investment income.

Net pension investment income decreased by \$18,860,140 from \$11,579,039 in the fiscal year ended June 30, 2021, to \$(7,281,101) in the fiscal year ended June 30, 2022. The decrease is related to overall declining market conditions.

Pension employer contributions decreased by \$2,394,123 from the fiscal year ended June 30, 2021, to \$2,350,858 in the fiscal year ended June 30, 2022. The decrease is mainly due to a one time employer contribution of \$2,733,000 made in the fiscal year 2021 to help elevate the funding level of the Pension fund. Employer contribution rates increased in fiscal year 2022. Member contributions increased by \$104,480 from the fiscal year ended June 30, 2021, to \$1,516,922 in the fiscal year ended June 30, 2022. The increase is due to an increase in member contribution rates.

Pension benefit payments increased by \$266,544 or 6.5% from the fiscal year ended June 30, 2021, to \$4,385,490 in the fiscal year ended June 30, 2022. The increase is related to an increase of retirees and beneficiaries receiving payments.

	2022	2021	Change Increase/ (Decrease)	% Change Increase/ (Decrease)
Additions				
Employer contributions	\$ 2,350,858	\$ 4,744,981	\$ (2,394,123)	-50.5%
Member contributions	1,516,922	1,412,442	104,480	7.4%
Net investment income	(7,281,101)	11,579,039	(18,860,140)	-162.9%
Total Additions	(3,413,321)	17,736,462	(21,149,783)	-119.2%
Deductions				
Benefits paid to members	4,385,490	4,118,946	266,544	6.5%
Member withdrawals from Plan	733,387	693,499	39,888	5.8%
Administrative expenses	129,732	135,605	(5,873)	-4.3%
Total Deductions	5,248,609	4,948,050	300,559	6.1%
Net Increase in Net Position	(8,661,930)	12,788,412	(21,450,342)	-167.7%
NET POSITION - RESTRICTED FOR PENSION BENEFITS BEGINNING OF YEAR	<u>55,602,555</u>	<u>42,814,143</u>	<u>12,788,412</u>	<u>29.9%</u>
NET POSITION - RESTRICTED FOR PENSION BENEFITS END OF YEAR	<u>\$ 46,940,625</u>	<u>\$ 55,602,555</u>	<u>\$ (8,661,930)</u>	<u>-15.6%</u>

OPEB Trust**Statements of Fiduciary Net Position**

	2022	2021	Change Increase/ (Decrease)	%Change Increase/ (Decrease)
Cash and short-term investments	\$ 150,458	\$ 97,922	\$ 52,536	53.7%
Investments at fair value	9,429,891	11,657,911	(2,228,020)	-19.1%
Receivables	-	5	(5)	-100.0%
Total Assets	9,580,349	11,755,838	(2,175,489)	-18.5%
Accrued plan expenses	2,228	2,905	(677)	-23.3%
Total Liabilities	2,228	2,905	(677)	-23.3%
NET POSITION - RESTRICTED FOR OPEB BENEFITS	\$ 9,578,121	\$ 11,752,933	\$ (2,174,812)	-18.5%

Statements of Changes in Fiduciary Net Position

	2022	2021	Change Increase/ (Decrease)	% Change Increase/ (Decrease)
Additions				
Employer contributions	\$ -	\$ 3,618,173	\$ (3,618,173)	-100.0%
Member contributions	-	259,628	(259,628)	-100.0%
Net investment income	(1,529,173)	2,093,881	(3,623,054)	-173.0%
Total Additions	(1,529,173)	5,971,682	(7,500,855)	-125.6%
Deductions				
Benefits paid to members	499,351	515,755	(16,404)	-3.2%
Member withdrawals from Plan	136,437	139,366	(2,929)	-2.1%
Administrative expenses	9,851	8,051	1,800	22.4%
Total Deductions	645,639	663,172	(17,533)	-2.6%
Net Increase in Net Position	(2,174,812)	5,308,510	(7,483,322)	-141.0%
NET POSITION - RESTRICTED FOR OPEB BENEFITS BEGINNING OF YEAR	11,752,933	6,444,423	5,308,510	82.4%
NET POSITION - RESTRICTED FOR OPEB BENEFITS END OF YEAR	\$ 9,578,121	\$ 11,752,933	\$ (2,174,812)	-18.5%

Net Position Restricted for OPEB Benefits, as reported in the Statement of Fiduciary Net Position, totaled \$9,578,121, a decrease of \$2,174,812 or 18.5% from the prior year of \$11,752,933. The decrease is due to no contributions to OPEB plan in the current year and a decrease in net investment income.

Net OPEB investment income decreased by \$3,623,054 from \$2,093,881 in the fiscal year ended June 30, 2021, to \$(1,529,173) in the fiscal year ended June 30, 2022. The decrease is related to overall declining market conditions.

OPEB employer contributions decreased by \$3,618,173 from the fiscal year ended June 30, 2021, to \$0 in the fiscal year ended June 30, 2022. The decrease is due to employer contributions that would have gone into the OPEB plan being redirected into the Pension plan and also due to a one time contribution of \$3,307,000 made in fiscal year 2021 to help elevate the funding level of the OPEB fund. Member contributions decreased by \$259,628 from the fiscal year ended June 30, 2021, to \$0 in the fiscal year ended June 30, 2022. The decrease is due to a decrease in member contributions that would have gone into the OPEB plan being divided equally so that 50% goes to the Pension plan and 50% to the members.

OPEB benefit payments decreased by \$16,404 or 3.2% from the fiscal year ended June 30, 2021, to \$499,351 in the fiscal year ended June 30, 2022. The primary reason for this change was a decrease in benefits paid to retirees.

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 below 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, 2022 and 2021**

	2022	2021	Change Increase/ (Decrease)	% Change Increase/ (Decrease)
Cash and short-term investments	\$ 758,189	\$ 1,854,462	\$ (1,096,273)	-59.1%
Investments at fair value	55,596,759	65,336,503	(9,739,744)	-14.9%
Receivables	202,326	205,581	(3,255)	-1.6%
Total Assets	56,557,274	67,396,546	(10,839,272)	-16.1%
Accrued plan expenses and interfund transfers payable	38,528	41,058	(2,530)	-6.2%
Total Liabilities	38,528	41,058	(2,530)	-6.2%
NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS	\$ 56,518,746	\$ 67,355,488	\$ (10,836,742)	-16.1%

**Table #2: Combined Statement of Changes in Fiduciary Net Position
For the Fiscal Years Ended June 30, 2022 and 2021**

	2022	2021	Change Increase/ (Decrease)	% Change Increase/ (Decrease)
Additions				
Employer contributions	\$ 2,350,858	\$ 8,363,154	\$ (6,012,296)	-71.9%
Member contributions	1,516,922	1,672,070	(155,148)	-9.3%
Net investment income	(8,810,274)	13,672,920	(22,483,194)	-164.4%
Total Additions	(4,942,494)	23,708,144	(28,650,638)	-120.8%
Deductions				
Benefits paid to members	4,884,841	4,634,701	250,140	5.4%
Member withdrawals from Plan	869,824	832,865	36,959	4.4%
Administrative expenses	139,583	143,656	(4,073)	-2.8%
Total Deductions	5,894,248	5,611,222	283,026	5.0%
Net Decrease in Net Position	(10,836,742)	18,096,922	(28,933,664)	-159.9%
NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS BEGINNING OF YEAR	67,355,488	49,258,566	18,096,922	36.7%
NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS END OF YEAR	\$ 56,518,746	\$ 67,355,488	\$ (10,836,742)	-16.1%

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, 2022 and 2021, totaled \$(4,942,494) and \$23,708,144, respectively. The decrease in additions from 2021 to 2022 can be attributed primarily to a decrease in net investment income. Employer and member contributions decreased, resulting in a net decrease in total contributions. Employer made a one time contribution of \$6,040,000 to the plan in fiscal year 2021 to help elevate the funding level. Total net position decreased from \$67,355,488 in fiscal year 2021 to \$56,518,746 in fiscal year 2022.

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, 2022 and 2021, were \$5,894,248 and \$5,611,222, 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, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Total Pension or OPEB Liability (TPL or TOL)	\$ 79,761,000	\$ 76,665,000	\$ 10,804,000	\$ 12,931,000
Less Fiduciary Net Position (FNP)	46,941,000	55,603,000	9,578,000	11,753,000
Net Pension or OPEB Liability (NPL or NOL)	<u>\$ 32,820,000</u>	<u>\$ 21,062,000</u>	<u>\$ 1,226,000</u>	<u>\$ 1,178,000</u>
FNP as a Percentage of TPL or TOL	58.9%	72.5%	88.7%	90.9%

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, 2022, was \$79,761,000. The TPL increased 4.04% from \$76,665,000 as of June 30, 2021. The Plan's NPL as of June 30, 2022, was \$32,820,000, representing an increase of 55.83% from \$21,062,000 as of June 30, 2021. The \$11,758,000 increase in the NPL is primarily due to lower investment returns generating lower FNP.

For the fiscal years ended June 30, 2022, and June 30, 2021, the FNP as a percentage of the TPL is reported as 58.9% and 72.5%, respectively. The change is a 13.6% decrease which is due to the asset losses and impact of decreased contributions.

The TOL as of June 30, 2022, was \$10,804,000. The TOL decreased 16.45% from \$12,931,000 as of June 30, 2021. The Plan's NOL as of June 30, 2022, was \$1,226,000, representing an increase of 4.07% from \$1,178,000 as of June 30, 2021. The \$48,000 increase in the NOL is primarily due to lower investment returns generating lower FNP.

For the fiscal years ended June 30, 2022, and June 30, 2021, the FNP as a percentage of the TOL was reported as 88.7% and 90.9%, respectively. The change in FNP is a 2.2% decrease and is due to the asset losses and impact of decreased 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 lost 13.3% and 13.4% (net of fees) over the twelve month period ended June 30, 2022, respectively. The overall net investment loss was \$(8,810,274) (net of fees) and fair value of investments decreased by \$9,739,744 from June 30, 2021.

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, 2022	\$ 46,166,868	-13.3%
June 30, 2021	\$ 53,678,592	27.5%

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, 2022, the annual money-weighted rate of return on plan investments was -13.3%.

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, 2022	\$ 9,429,891	-13.4%
June 30, 2021	\$ 11,657,911	32.5%

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, 2022, the annual money-weighted rate of return on OPEB plan investments was -13.4%. 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, 2022**

	Pension Trust	OPEB Trust	June 30, 2022 Total
ASSETS			
Cash and short-term investments	\$ 607,731	\$ 150,458	\$ 758,189
Investments at fair value:			
U.S. government and agency obligations	6,022,377	-	6,022,377
International fixed income	837,721	-	837,721
Domestic corporate bonds	6,225,162	-	6,225,162
Mutual funds	33,081,608	9,429,891	42,511,499
Total investments at fair value	46,166,868	9,429,891	55,596,759
Total cash and investments	46,774,599	9,580,349	56,354,948
Receivables:			
Employer contributions	123,516	-	123,516
Member contributions	78,810	-	78,810
Total receivables	202,326	-	202,326
Total assets	46,976,925	9,580,349	56,557,274
LIABILITIES			
Accrued plan expenses	36,300	2,228	38,528
Total liabilities	36,300	2,228	38,528
NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS	\$ 46,940,625	\$ 9,578,121	\$ 56,518,746

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, 2022**

	Pension Trust	OPEB Trust	June 30, 2022 Total
ADDITIONS			
Additions to net position attributed to:			
Investment income:			
Interest and dividends	\$ 1,421,591	\$ 261,193	\$ 1,682,784
Net decrease in fair value of investments	(8,494,494)	(1,764,999)	(10,259,493)
Other income	299	-	299
Less investment expense	(208,497)	(25,367)	(233,864)
Net investment income	(7,281,101)	(1,529,173)	(8,810,274)
Contributions:			
Employer contributions	2,350,858	-	2,350,858
Member contributions	1,516,922	-	1,516,922
Total contributions	3,867,780	-	3,867,780
Total additions	(3,413,321)	(1,529,173)	(4,942,494)
DEDUCTIONS			
Deductions from net position attributed to:			
Benefits paid to members	4,385,490	499,351	4,884,841
Member withdrawals from Plan	733,387	136,437	869,824
Administrative expenses	129,732	9,851	139,583
Total deductions	5,248,609	645,639	5,894,248
Net decrease in net position	(8,661,930)	(2,174,812)	(10,836,742)
NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS BEGINNING OF YEAR	55,602,555	11,752,933	67,355,488
NET POSITION - RESTRICTED FOR PENSION AND OPEB BENEFITS END OF YEAR	\$ 46,940,625	\$ 9,578,121	\$ 56,518,746

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, 2022**

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 Annual Comprehensive 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, 2022, the Pension benefit portion of the Plan for District membership consisted of:

Retirees or beneficiaries currently receiving benefit payments	152
Inactives vested, but not receiving benefits payments	14
Inactives non-vested	20
Active members	<u>110</u>
Total	<u><u>296</u></u>

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 – DESCRIPTION OF PLAN (Continued)

Membership (Continued)

At June 30, 2022, the OPEB portion of the Plan for District membership consisted of:

Retirees or beneficiaries currently receiving benefit payments	62
Inactives entitled to but not receiving benefits payments	-
Active members	<u>110</u>
Total	<u><u>172</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 each plan in accordance with the terms of each plan. Because both plans originate from the same agreement, the preceding information about the Plan applies equally to the Pension plan and the OPEB plan, as described above. Information related to the Pension plan and the OPEB 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, 2022**

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, 2022.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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).

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 fiscal 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, 2022**

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, 2020 (Effective for 2021/22 fiscal year) for Pre-California Public Employees' Pension Reform Act (PEPRA) Members

	<u>Classic Member</u>	<u>Employer</u>	<u>Total</u>
Pension Plan	18.22%	29.16%	47.38%
OPEB Plan	0.00%	0.00%	0.00%
Total	<u>18.22%</u>	<u>29.16%</u>	<u>47.38%</u>

As of July 1, 2020 (Effective for 2021/22 fiscal year) for PEPRA Members

	<u>PEPRA Member</u>	<u>Employer</u>	<u>Total</u>
Pension Plan	20.71%	29.16%	49.87%
OPEB Plan	0.00%	0.00%	0.00%
Total	<u>20.71%</u>	<u>29.16%</u>	<u>49.87%</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, 2022**

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:

<u>Asset Class - Pension:</u>	<u>Target Allocation</u>	<u>Expected Long- Term Real Rate of Return*</u>
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%	4.56%
Real Estate Investment Trusts (REITs)	6.00%	4.06%
Core Fixed Income	27.00%	
High Yield Fixed Income	7.20%	
Emerging Markets Fixed Income	4.80%	
Total Fixed Income	39.00%	0.78%
Cash	1.00%	-0.50%
Total Equities, Fixed Income, and Cash	100.00%	
<u>Asset Class - OPEB:</u>	<u>Target Allocation</u>	<u>Expected Long- Term Real Rate of Return*</u>
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%	4.56%
REITs	7.00%	4.06%
Core Fixed Income	20.00%	
High Yield Fixed Income	5.40%	
Emerging Markets Fixed Income	3.60%	
Total Fixed Income	29.00%	0.78%
Cash	1.00%	-0.50%
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, 2022**

NOTE 4 – CASH AND INVESTMENTS (Continued)

Money-Weighted Rate of Return

For the fiscal year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment management expense, for the Pension Plan was -13.3% and the OPEB Plan was -13.4%. 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, 2022, 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, 2022, 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, 2022**

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 S&P's or Fitch Ratings' (Fitch) 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:

Moody's/S&P Credit Rating Category	Fair Value
Aaa / AAA	\$ 827,580
Aaa / AA+	6,063,553
Aa3 / AA-	326,322
A2 / A+	191,679
A2 / A	228,216
A3 / A-	1,361,522
A3 / BBB+	607,718
Baa1 / BBB+	967,245
Baa2 / BBB+	1,782,037
Baa3 / BBB-	501,728
Ba1 / BBB-	168,400
Ca / NR	139
N/A	59,121
Total	\$ 13,085,260

N/A represents securities that are not rated.

NR represents securities that are not rated.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022:

<u>Investment Category</u>	<u>Fair Value</u>	<u>Weighted Average Duration (in Years)</u>
U.S. government and agency obligations	\$ 6,022,377	9.67
International fixed income	837,721	8.07
Domestic corporate bonds	6,225,162	6.76
Total	\$ 13,085,260	

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; or 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, 2022**

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, 2022.

The following table set forth by level, within the fair value hierarchy, the Plan's Pension investments at fair value as of June 30, 2022:

	Investments at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Investments by fair value level:				
Domestic corporate bonds	\$ -	\$ 6,225,162	\$ -	\$ 6,225,162
International fixed income	-	837,721	-	837,721
Mutual funds	-	33,081,608	-	33,081,608
U.S. Government and agency obligations	1,579,235	4,443,142	-	6,022,377
Total investments by fair value level	\$ 1,579,235	\$ 44,587,633	\$ -	46,166,868
Investments measured at the NAV:				-
Total investments measured at fair value level and NAV				\$ 46,166,868

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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, 2022:

	Investments at Fair Value as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
Investments by fair value level:				
Mutual funds	\$ -	\$ 9,429,891	\$ -	\$ 9,429,891
Total investments by fair value level	<u>\$ -</u>	<u>\$ 9,429,891</u>	<u>\$ -</u>	<u>9,429,891</u>
Investments measured at the NAV:				<u>-</u>
Total investments measured at fair value level and NAV				<u>\$ 9,429,891</u>

NOTE 5 – NET PENSION LIABILITY (NPL)

GASB Statement No. 67 requires public pension plans to measure and report an 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, 2022</u>
Discount Rate	5.95%
TPL	\$ 79,761,000
Less: FNP	<u>46,941,000</u>
NPL	<u>\$ 32,820,000</u>
FNP as a percentage of TPL (FNP/TPL)	58.9%

Discount Rate

The discount rate used to measure the TPL was 5.95%. 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, 2022**

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

Discount Rate (Continued)

The 5.95% long-term expected rate of return was derived based on the inflation assumption of 2.50%, 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 4.56%, 4.06%, 0.78%, and 0.50%, 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 5.95%, as well as what the NPL would be if it were calculated using a discount rate that is one percentage point lower (4.95%) or one percentage point higher (6.95%) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	4.95%	\$ 42,701,000
Current discount rate	5.95%	\$ 32,820,000
1% increase	6.95%	\$ 24,545,000

Additional Information as of the Latest Actuarial Valuation

Valuation Date	July 1, 2021
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level percentage of payroll
Remaining Amortization Period	17 years
Asset Valuation Method	Five year smoothed market
Actuarial Assumptions: Discount Rate	5.95%, net of investment expenses. Equals long-term expected rate of return on Plan investments.
Projected Salary Increase (includes inflation at 2.75%)	2.75% 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	0.88% per year
Interest on Member Contributions	2.50%
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
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Additional Information as of the Latest Actuarial Valuation (Continued)

Retirement	Rates vary based on retirement age and service. Examination of Plan experience was conducted in 2014. Due to suspension of early retirements after 7/1/2022, no retirements assumed until age 62 or the plan is 77% funded. In the year early retirement is first allowed, more than typical retirements are assumed.
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-2020.
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 an 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, 2022</u>
Discount Rate	6.20%
TOL	\$ 10,804,000
Less: FNP	<u>9,578,000</u>
NOL	<u>\$ 1,226,000</u>
FNP as a percentage of TOL (FNP/TOL)	88.7%

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, presents 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
RETIREMENT PLAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Discount Rate

The discount rate used to measure the TOL was 6.20%. 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 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 Plan investments was applied to all periods of projected benefit payments to determine the TOL.

The 6.20% long-term expected rate of return was derived based on the inflation assumption of 2.50%, 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 4.54%, 4.06%, 0.78%, and -0.50%, 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 6.20%, as well as what the NOL would be if it were calculated using a discount rate that is one percentage point lower (5.20%) or one percentage point higher (7.20%) than the current rate:

	<u>Discount Rate</u>	<u>NOL</u>
1% decrease	5.20%	\$ 2,703,000
Current discount rate	6.20%	\$ 1,226,000
1% increase	7.20%	\$ 1,000

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*	\$ (158,000)
Current trend rates*	\$ 1,226,000
1% increase*	\$ 2,922,000

*Current trend rates: Non-Medicare 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years; Medicare (Kaiser) 4.6% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years; Medicare (Non-Kaiser) 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years and 3.50% for Dental and Vision cost.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

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

Actuarial Assumptions

The TOL was determined by an actuarial valuation as of July 1, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2021
Discount Rate	6.20%, net of investment expenses. Equals long-term expected rate of return on plan investments
Inflation Rate	2.50%
Salary Increase	2.75% merit/longevity increases based on entry age and service (CalPERS 1997 - 2011 Experience Study for Miscellaneous public agency employees).
Medical Trend	Future increases begin in 2023 at 6.5% for Non-Medicare, 4.6% for Medicare (Kaiser), and 5.65% for Medicare (Non-Kaiser), all decreasing over the next 54 years to an ultimate rate of 3.75% in 2076.
Public Employees' Medical and Hospital Act (PEMHCA) Minimum Increase	4.00%
Dental and Vision Trend	3.50%
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. Due to suspension of early retirements after 7/1/2022, no retirements assumed until age 62 or the plan is 77% funded. In the year early retirement is first allowed, more than typical retirements are assumed.
Termination	Rates vary by service and hire age. CalPERS 1997 - 2011 Experience Study for Miscellaneous public agencies.
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-2020.
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 7 – SUBSEQUENT EVENTS

Subsequent events were evaluated through November 21, 2022, 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***

Fiscal Year	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Total Pension Liability:				
Service cost	\$ 1,544,000	\$ 1,691,000	\$ 1,582,000	\$ 1,536,000
Interest	4,917,000	4,996,000	4,868,000	4,675,000
Changes of benefit terms (removal of 401(a) plan members)	-	(2,484,000)	-	-
Differences between expected and actual experience	(1,938,000)	(826,000)	145,000	787,000
Changes of assumptions	3,692,000	534,000	(205,000)	-
Benefit payments, including refunds of member contributions	<u>(5,119,000)</u>	<u>(4,812,000)</u>	<u>(4,273,000)</u>	<u>(3,879,000)</u>
Net Change in Total Pension Liability	3,096,000	(901,000)	2,117,000	3,119,000
Total Pension Liability at Beginning of Year	<u>76,665,000</u>	<u>77,566,000</u>	<u>75,449,000</u>	<u>72,330,000</u>
Total Pension Liability at End of Year	<u><u>\$ 79,761,000</u></u>	<u><u>\$ 76,665,000</u></u>	<u><u>\$ 77,566,000</u></u>	<u><u>\$ 75,449,000</u></u>
Fiduciary Net Position:				
Contributions - employer	\$ 2,351,000	\$ 4,745,000	\$ 2,488,000	\$ 2,367,000
Contributions - member	1,517,000	1,412,000	1,683,000	1,556,000
Net investment income (loss)	(7,281,000)	11,580,000	492,000	1,954,000
Benefit payments, including refunds of member contributions	(5,119,000)	(4,812,000)	(4,273,000)	(3,879,000)
Administrative expenses	(130,000)	(136,000)	(104,000)	(103,000)
Other changes - net transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fiduciary Net Position	(8,662,000)	12,789,000	286,000	1,895,000
Fiduciary Net Position at Beginning of Year	<u>55,603,000</u>	<u>42,814,000</u>	<u>42,528,000</u>	<u>40,633,000</u>
Fiduciary Net Position at End of Year	<u><u>\$ 46,941,000</u></u>	<u><u>\$ 55,603,000</u></u>	<u><u>\$ 42,814,000</u></u>	<u><u>\$ 42,528,000</u></u>
Net Pension Liability at End of Year	\$ 32,820,000	\$ 21,062,000	\$ 34,752,000	\$ 32,921,000
Fiduciary Net Position as Percentage of Total Pension Liability	58.9%	72.5%	55.2%	56.4%
Covered Payroll¹	\$ 8,327,000	\$ 8,170,000	\$ 9,157,000	\$ 9,539,000
Net Pension Liability as Percentage of Covered Payroll	394.1%	257.8%	379.5%	345.1%

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

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

See accompanying notes to required supplementary information.

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

Fiscal Year	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service cost	\$ 1,524,000	\$ 1,856,000	\$ 1,912,000	\$ 1,702,000	\$ 1,397,000
Interest	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	82,000	(3,150,000)	2,111,000	-	414,000
Changes of assumptions	2,255,000	-	3,461,000	-	1,718,000
Benefit payments, including refunds of member contributions	(3,623,000)	(3,832,000)	(3,457,000)	(3,045,000)	(2,905,000)
Net Change in Total Pension Liability	4,936,000	(1,349,000)	8,637,000	2,690,000	4,461,000
Total Pension Liability at Beginning of Year	67,394,000	68,743,000	60,106,000	57,416,000	52,955,000
Total Pension Liability at End of Year	\$ 72,330,000	\$ 67,394,000	\$ 68,743,000	\$ 60,106,000	\$ 57,416,000
Fiduciary Net Position:					
Contributions - employer	\$ 1,934,000	\$ 1,952,000	\$ 1,970,000	\$ 1,703,000	\$ 1,576,000
Contributions - member	1,402,000	1,594,000	1,662,000	1,383,000	1,269,000
Net investment income (loss)	2,880,000	4,308,000	(86,000)	272,000	4,989,000
Benefit payments, including refunds of member contributions	(3,623,000)	(3,832,000)	(3,457,000)	(3,045,000)	(2,905,000)
Administrative expenses	(104,000)	(79,000)	(199,000)	(112,000)	(122,000)
Other changes - net transfers	-	-	-	(21,000)	-
Net Change in Fiduciary Net Position	2,489,000	3,943,000	(110,000)	180,000	4,807,000
Fiduciary Net Position at Beginning of Year	38,144,000	34,201,000	34,311,000	34,131,000	29,324,000
Fiduciary Net Position at End of Year	\$ 40,633,000	\$ 38,144,000	\$ 34,201,000	\$ 34,311,000	\$ 34,131,000
Net Pension Liability at End of Year	\$ 31,697,000	\$ 29,250,000	\$ 34,542,000	\$ 25,795,000	\$ 23,285,000
Fiduciary Net Position as Percentage of Total Pension Liability	56.2%	56.6%	49.8%	57.1%	59.4%
Covered Payroll¹	\$ 8,122,000	\$ 8,672,000	\$ 11,389,000	\$ 10,355,000	\$ 9,960,000
Net Pension Liability as Percentage of Covered Payroll	390.3%	337.3%	303.3%	249.1%	233.8%

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

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

See accompanying notes to required supplementary information.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN**

SCHEDULE OF INVESTMENT RETURNS – PENSION*

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	-13.28%	27.52%	1.21%	4.76%
	<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	7.40%	12.74%	-0.16%	0.81%
				<u>June 30, 2014</u>
				17.23%

SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS*

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Actuarially determined contributions	\$ 2,351,000	\$ 2,012,000	\$ 2,488,000	\$ 2,367,000
Contributions in relation to the actuarially determined contributions	<u>2,351,000</u>	<u>4,745,000</u>	<u>2,488,000</u>	<u>2,367,000</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ (2,733,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 8,327,000	\$ 8,170,000	\$ 9,157,000	\$ 9,539,000
Contributions as a percentage of covered payroll	28.2%	58.1%	27.2%	24.8%
	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially determined contributions	\$ 1,934,000	\$ 1,952,000	\$ 2,028,000	\$ 1,703,000
Contributions in relation to the actuarially determined contributions	<u>1,934,000</u>	<u>1,952,000</u>	<u>2,028,000</u>	<u>1,703,000</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ¹	\$ 8,122,000	\$ 8,672,000	\$ 11,389,000	\$ 10,355,000
Contributions as a percentage of covered payroll	23.8%	22.5%	17.8%	16.4%
				<u>June 30, 2014</u>
				15.8%

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

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

See accompanying notes to required supplementary information.

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSION
JUNE 30, 2022**

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, 2022 values are based on the valuation as of July 1, 2021.

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, Plan management 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. During the July 1, 2021 actuarial valuation the following assumptions have changed in conjunction with benefit changes below:

- Discount rate was updated based on newer capital market assumptions.
- General inflation decreased 0.25%, which reduced the long-term rate of return on assets, discount rate, and salary increases.
- COLA assumption decreased to 0.88%.
- Mortality improvement scale was updated to Scale MP-2020.
- Updated the payment from election assumption.

Change in Benefit Terms

During the July 1, 2021 actuarial valuation the benefit terms are the same as those used in the July 1, 2020 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, 2022, are calculated based on the July 1, 2020 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:

Actuarial Assumptions	
Valuation Date	July 1, 2020
Actuarial Cost Method	Entry Age Normal Method
Amortization Method	Level percentage of pay
Amortization Period	17-year fixed period for 2021/22
Asset Valuation Method	Investment gains and losses (difference between each year's expected and actual returns) spread over 5-year rolling period
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.
Mortality	Society of Actuaries RP-2014 Table with Blue and White Collar adjustment for Represented and Nonrepresented employees, respectively, projected fully generational with Scale MP-2018.
All Other Assumptions	Same as those used in the July 1, 2020 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***

Fiscal Year	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB Liability:						
Service cost	\$ 286,000	\$ 293,000	\$ 270,000	\$ 274,000	\$ 262,000	\$ 310,000
Interest	836,000	811,000	848,000	858,000	818,000	790,000
Changes of benefit terms	-	(74,000)	-	-	-	(117,000)
Difference between expected and actual experience	(1,524,000)	933,000	(892,000)	(621,000)	145,000	-
Change in assumptions	(973,000)	(821,000)	(47,000)	-	918,000	-
Benefit payments - Cash	(636,000)	(655,000)	(582,000)	(522,000)	(507,000)	(523,000)
Benefit payments - Implied Subsidy	<u>(116,000)</u>	<u>(136,000)</u>	<u>(136,000)</u>	<u>(123,000)</u>	<u>(122,000)</u>	<u>(137,000)</u>
Net Change in Total OPEB Liability	(2,127,000)	351,000	(539,000)	(134,000)	1,514,000	323,000
Total OPEB Liability at Beginning of Year	<u>12,931,000</u>	<u>12,580,000</u>	<u>13,119,000</u>	<u>13,253,000</u>	<u>11,739,000</u>	<u>11,416,000</u>
Total OPEB Liability at End of Year (a)	<u>\$ 10,804,000</u>	<u>\$ 12,931,000</u>	<u>\$ 12,580,000</u>	<u>\$ 13,119,000</u>	<u>\$ 13,253,000</u>	<u>\$ 11,739,000</u>
Fiduciary Net Position:						
Contributions - employer	\$ -	\$ 3,618,000	\$ 440,000	\$ 461,000	\$ 371,000	\$ 202,000
Contributions - employer (Implied Subsidy benefit payments)	116,000	136,000	136,000	123,000	122,000	137,000
Contributions - member	-	260,000	363,000	381,000	330,000	188,000
Net investment income	(1,529,000)	2,094,000	14,000	249,000	424,000	651,000
Benefit payments - Cash	(636,000)	(655,000)	(582,000)	(522,000)	(507,000)	(523,000)
Benefit payments - Implied Subsidy	(116,000)	(136,000)	(136,000)	(123,000)	(122,000)	(137,000)
Administrative expense	<u>(10,000)</u>	<u>(8,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>(3,000)</u>
Net Change in Fiduciary Net Position	(2,175,000)	5,309,000	229,000	563,000	612,000	515,000
Fiduciary Net Position at Beginning of Year	<u>11,753,000</u>	<u>6,444,000</u>	<u>6,215,000</u>	<u>5,652,000</u>	<u>5,040,000</u>	<u>4,525,000</u>
Fiduciary Net Position at End of Year (b)	<u>\$ 9,578,000</u>	<u>\$ 11,753,000</u>	<u>\$ 6,444,000</u>	<u>\$ 6,215,000</u>	<u>\$ 5,652,000</u>	<u>\$ 5,040,000</u>
Net OPEB Liability at End of Year (a) - (b)	\$ 1,226,000	\$ 1,178,000	\$ 6,136,000	\$ 6,904,000	\$ 7,601,000	\$ 6,699,000
Fiduciary Net Position as Percentage of Total OPEB Liability	88.7%	90.9%	51.2%	47.4%	42.6%	42.9%
Covered Payroll¹	\$ 8,649,000	\$ 8,350,000	\$ 9,303,000	\$ 9,824,000	\$ 8,220,000	\$ 8,739,000
Net OPEB Liability as Percentage of Covered Payroll	14.2%	14.1%	66.0%	70.3%	92.5%	76.7%

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

¹ 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, 2022</u>	<u>June 30, 2021</u>	<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	-13.39%	32.48%	0.28%	4.21%	8.04%	14.62%	-0.51%	0.59%

SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS*

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Actuarially determined contributions	Not Calculated	\$ 447,000	\$ 440,000	\$ 461,000	\$ 371,000	\$ 202,000
Contributions in relation to the actuarially determined contributions ²	116,000	3,754,000	576,000	584,000	493,000	339,000
Contribution deficiency / (excess)	N/A	<u>\$ (3,307,000)</u>	<u>\$ (136,000)</u>	<u>\$ (123,000)</u>	<u>\$ (122,000)</u>	<u>\$ (137,000)</u>
Covered payroll ¹	\$ 8,649,000	\$ 8,350,000	\$ 9,303,000	\$ 9,824,000	\$ 8,220,000	\$ 8,739,000
Contributions as a percentage of covered payroll	1.3%	45.0%	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.

¹ 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.

² 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, 2022**

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 2022 values are based on the valuation as of July 1, 2021.

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, Plan management 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. During the July 1, 2021 actuarial valuation the following assumptions have changed:

- Discount rate was updated based on newer capital market assumptions.
- General inflation decreased 0.25%, which reduced the long-term rate of return on assets, discount rate, salary increases, and trend rates.
- Mortality improvement scale was updated to Scale MP-2020.

Change in Benefit Terms

During the July 1, 2021 actuarial valuation the benefit terms are the same as those used in the July 1, 2020 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, 2022 are not calculated because there were no required employer or member contributions to OPEB plan in current year.



Attachment B
Cover Page

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN
REPORT TO THE RETIREMENT BOARD
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**SAN JOAQUIN REGIONAL TRANSIT DISTRICT
RETIREMENT PLAN
JUNE 30, 2022**

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II. 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 <i>Government Auditing Standards</i>	4

**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, 2022, and have issued our report dated November 21, 2022. 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 29, 2022. 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, 2022. 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 postemployment 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.

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. We did not identify any misstatements as a result of audit procedures.

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 21, 2022.

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 Management's Discussion and Analysis, 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*

Stockton, California
November 21, 2022

**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

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, 2022, and the related notes to the basic financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated November 21, 2022.

Report on 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.

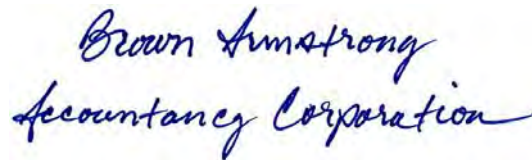
Report on Compliance and Other Matters

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.

Stockton, California
November 21, 2022



Attachment C
Cover Page



Results of SJRTD Retirement Plan Financial Statement Audit for the Fiscal Year Ended June 30, 2022

Brown Armstrong

Accountancy Corporation

4200 Truxtun Avenue, Suite 300, Bakersfield, California 93309 | 661.324.4971 | Fax 661.324.4997

2423 W March Lane, Suite 202, Stockton, California 95207

www.bacpas.com

Contacts: Lindsey Zimmerman, CPA, Partner lzimmerman@ba.cpa



**BROWN
ARMSTRONG**
CERTIFIED PUBLIC ACCOUNTANTS

December 15, 2022

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, 2022.

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

Sincerely,

Lindsey Zimmerman, CPA
Technical Review Partner

Brown Armstrong Accountancy Corporation

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 26, 2022
- Populations provided for sampling – September 2, 2022
- Fieldwork onsite – September 12, 2022
 - 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 – October 11, 2022
- Draft Financial Statements and Audit Reports – November 2022
- Audit Opinions Issued – November 21, 2022
- Reports Presented to Board of Directors – December 15, 2022

Results of the Audit

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

Results of the Audit (Continued)

Report	Summary of Opinion / Required Communication
<p>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></p>	<ul style="list-style-type: none"> • No Material Weaknesses, Significant Deficiencies, or Control Deficiencies Identified • No Noncompliance Noted
<p>Report on Financial Statements (Opinion)</p>	<ul style="list-style-type: none"> • Framework <ul style="list-style-type: none"> • Financial Statements: <ul style="list-style-type: none"> – Accounting Principles Generally Accepted in the United States of America (GAAP) • Audit Standards: <ul style="list-style-type: none"> – Auditing Standards Generally Accepted in the United States of America (GAAS) – <i>Government Auditing Standards</i> • Unmodified (Clean) Opinion on Financial Statements

Financial Statement Review

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

Thank Staff/Questions?



Lindsey Zimmerman, CPA | Technical Review Partner
Brown Armstrong Accountancy Corporation
Tel: 661-324-4971 | Email lzimmerman@ba.cpa



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

REPORT: **PROPOSED RETIREMENT PLAN AMENDMENT PROVIDING**
 FOR ALTERNATE RETIREMENT BOARD MEMBERS

I. SUMMARY

- The Retirement Board members would like to designate alternates other than the Umpire Member to serve in their stead when the Board Member is unable to attend a Retirement Board meeting.
- For this change to take place an amendment to the Retirement Plan is necessary.
- The attached proposed Plan amendment would be adopted by the RTD Board.

II. DISCUSSION/BACKGROUND

At its September 15 2022 meeting, the Retirement Board considered a memorandum concerning designation by Retirement Board members other than the Umpire Member of alternates to serve in their stead when the Board Member is unable to attend a Retirement Board meeting. This memorandum covered language for a proposed Retirement Board Bylaw and noted that in order to effectuate this change an amendment to the Retirement Plan would be necessary, as the composition of the Retirement Board is spelled out in the Retirement Plan document.

We have attached a proposed Plan amendment to effectuate this change. The proposed amendment also addresses the process for the appointment of the Non-Represented employee representative on the Retirement Board, which the CEO has discussed with RTD's Non-Represented employees.

This Plan amendment would become effective upon its adoption by the RTD Board.

The Bylaw language provided with the September 15 memorandum sets forth a number of provisions applicable to each alternate. These have been incorporated in the comprehensive set of proposed Bylaws for the Retirement Board's consideration.

III. STRATEGIC PLAN PRIORITIES ALIGNMENT

This recommendation aligns with the Board's Strategic Priority 4.

Strategic Priorities:

1. Employees
2. Customers
3. Financial Health
4. Operations Excellence
5. Community Relations
6. Innovation

IV. FINANCIAL CONSIDERATIONS/IMPACT

None.

V. CHANGES FROM COMMITTEE

N/A

VI. ALTERNATIVES CONSIDERED

None.

VII. ATTACHMENTS

Attachment A: Draft Proposed Retirement Plan Amendment

Prepared by: Christopher Waddell, RTD Retirement Board Legal Counsel



Attachment A
Cover Page

DRAFT PROPOSED RETIREMENT PLAN AMENDMENT—ALTERNATE RETIREMENT BOARD MEMBERS

SECTION 15. ADMINISTRATION

A. This Retirement Plan shall be administered by the Retirement Board, which shall be composed of five (5) members, two (2) members as representatives of RTD (one being a member of the RTD Board of Directors and one Non-Represented Employee representative) and two (2) representatives of the 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). The Non-Represented Employee representative need not be an RTD employee and shall be appointed by the RTD Board upon the recommendation of the CEO following consultation with RTD's Non-Represented employees. Each Retirement Board member other than the Umpire member may designate an alternate, whose appointment shall be approved by the Retirement Board before commencing service. The Retirement Board shall administer all of the provisions of this Retirement Plan. Its duties, among others, shall include:

- (1) It shall authorize the employment of such actuarial, and other professional services as it may deem appropriate.
- (2) It shall be responsible for the filing and maintaining of personnel records necessary or operation of this Retirement Plan.
- (3) It shall authorize the payment of retirement benefits under this Retirement Plan.
- (4) It shall approve mortality tables, interest rates, and other actuarial factors to be used in determining the requirements of this Retirement Plan. The Retirement Board shall determine the amount of any benefit that is determined on the basis of actuarial assumptions using assumptions adopted by the Board by rule or policy; such benefits shall not be subject to Employer discretion.
- (5) Such duties as are prescribed by the San Joaquin Regional Transit District Act, including all amendments of this Retirement Plan.
- (6) It shall, among other things, interpret the provisions of the Plan, hear and decide all appeals from participants and beneficiaries with respect to application and/or interpretation of the provisions of the Plan, enter into any and all contracts in the name of the Plan or Retirement Board and do all acts that the Retirement Board in its sole discretion, deems necessary and advisable to carry out its duties and obligations as prescribed by law, the Collective Bargaining Agreement and this Plan.
- (7) The Retirement Board shall adopt such rules and procedures for the conduct of its meetings and determine the time and place of its meetings.
- (8) The Retirement Board shall not engage in a transaction prohibited by Section 503(b) of the Code.

Remaining subsections of Section 15 unchanged



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

REPORT: **PROPOSED RETIREMENT PLAN BYLAWS – FIRST READING**
 (INCLUDING SECOND READING OF PROVISIONS FOR
 ALTERNATE RETIREMENT BOARD MEMBERS)

I. SUMMARY

- The Retirement Board members would like to designate alternates other than the Umpire Member to serve in their stead when the Board Member is unable to attend a Retirement Board meeting.
- The Retirement Board will discuss the recommended Bylaws and provide direction regarding any changes that should be made prior to their adoption at a future meeting.
- The attached Bylaws would be adopted by the Retirement Board as opposed to the RTD Board.

II. DISCUSSION/BACKGROUND

At its September 15, 2022, meeting, the Retirement Board considered a memorandum concerning designation by Retirement Board members other than the Umpire Member of alternates to serve in their stead when the Board Member is unable to attend a Retirement Board meeting. In addition to the issue of alternates, the memorandum observed that the existing Bylaws for the Retirement Board had been invalidated by the Court of Appeal in the *ATU v. SJRTD* case, and further observed that the Retirement Board would benefit from a set of Bylaws that would cover fundamental governance issues.

Attached is a draft set of Bylaws that borrows largely from those that were invalidated by the Court, redrafted to address the following issues:

1. Reflects Retirement Board construct as described in the Retirement Plan.
2. Provides that the Non-Represented employee representative Board member need not be an RTD employee and shall be appointed by the RTD Board upon the recommendation of the CEO following consultation with RTD Non-represented employees.
3. Provides that Bylaws are adopted by the Retirement Board as opposed to the RTD Board.
4. Provides for alternate Retirement Board members (this is subject to adoption by the RTD Board of the proposed Retirement Plan amendment).

5. Consistent with the previously referenced Clapman 2.0 Best Practices Recommendations, adds language specifying Retirement Board member Responsibilities and Core Competencies.
6. Concerning meeting procedure, provides that Robert's Rules to the California State Controller's office by December 31, 2022.

The proposed Bylaw regarding alternate members language provided with the September 15 memorandum sets forth a number of provisions applicable to each alternate, and these have been incorporated in the comprehensive set of proposed Bylaws. In the redline version, a brief comment describes each change and the reason for it. A "clean" version is also attached.

Regarding the Clapman 2.0 report, the five areas of best practice principles described in the report are as follows:

1. Transparency of a Fund's Rules and Governing Structure;
2. Fund Leadership: The Governing Body and Executive Staff;
3. Trustee Attributes and Core Competencies;
4. Conflicts of Interest and Related Disclosure Policy;
5. Delegation of Duties and Allocation of Responsibilities Among Relevant Authorities;

While many larger public retirement systems have adopted comprehensive board policy manuals addressing all of the areas enumerated above, for a small system such as the SJRTD Retirement Plan our view is that a more streamlined approach would be appropriate. Following our review of the prior putative Bylaws, all of these areas are covered with the exception of Trustee Attributes and Core Competencies. The language that is proposed has been used at other California public retirement systems we advise and, as such, we are proposing it for inclusion in the Retirement Board's Bylaws.

We recommend that the Board of Retirement discuss these recommended Bylaws and provide direction regarding any changes that should be made prior to their adoption at a future meeting.

III. STRATEGIC PLAN PRIORITIES ALIGNMENT

This recommendation aligns with the Board's Strategic Priority 4.

Strategic Priorities:

1. Employees
2. Customers
3. Financial Health
4. Operations Excellence
5. Community Relations
6. Innovation

IV. FINANCIAL CONSIDERATIONS/IMPACT

None.

V. CHANGES FROM COMMITTEE

N/A

VI. ALTERNATIVES CONSIDERED

None.

VII. ATTACHMENTS

Attachment A: Updated RTD Retirement Board Bylaws

Prepared by: Christopher Waddell, RTD Retirement Board Legal Counsel



Attachment A
Cover Page



SAN JOAQUIN REGIONAL TRANSIT DISTRICT RETIREMENT BOARD BYLAWS

Effective August 19, 2016

As adopted and approved by the San Joaquin Regional Transit District Board of Directors, pursuant to California Public Utilities Code Section 50150.

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ADOPTED BY THE:
San Joaquin Regional Transit District Retirement Board on
February 19, 2016
[Insert Date of Adoption]
BYLAWS FOR THE RETIREMENT BOARD

ARTICLE 1

RETIREMENT BOARD COMPOSITION AND PURVIEW

GOVERNANCE

§ 1.10 Definitions

For the purposes of these Bylaws, the "Board" or the "RTD Board" shall refer to the Board of Directors of the San Joaquin Regional Transit District. The "Retirement Board" shall refer to the Board of Directors of the San Joaquin RTD Retirement Plan. "Employee" shall refer to any person employed by RTD.

§ 1.11 Retirement Plan; Application of Bylaws

These Bylaws are created by and under the full authority and approval of the ~~RTD Board Retirement Board~~ and govern ~~the composition and its~~ actions ~~of the Retirement Board~~ in maintaining the Retirement Plan established for employees of the San Joaquin Regional Transit District (hereinafter "RTD").

The plan is referred to herein as the "Retirement Plan."

These Bylaws apply to the Retirement Plan as they may be amended from time to time, except when the terms of the Act and/or the terms of the Plan are inconsistent with the terms of these Bylaws, in which case the terms of the Act and/or the Plan will govern its operations.

§ 1.12 Governance of the Retirement Plan

The Retirement Plan is governed by one board, hereinafter individually referred to as the "Retirement Board."

Pursuant to the ~~Retirement Plan, operating under the authority of~~ California Public Utilities Code Sections 50150 ~~and 99159~~, the RTD Board shall create a retirement board of no more than five members. ~~Two (2) members shall be representatives of the RTD (one being a member of the RTD Board of Directors and one being a Non-represented employee representative), at least and~~ two members of which shall be ~~the elected representatives of the employees Union. The Non-Represented Employee representative need not be an RTD employee and shall be appointed by the RTD Board upon the recommendation of the CEO following consultation with RTD's Non-Represented employees. The fifth member – referred to as the Umpire – shall be selected jointly by the Union and RTD.~~

~~The Retirement Board has determined that in order to ensure continuity of its operations in the event that one or more of its members is unable to attend a meeting, each member other than the Umpire Member shall have the authority to designate an alternate to serve in their stead in their absence. The Non-represented employee representative shall consult with the non-represented employees of RTD prior to designating their alternate.~~

~~The following provisions apply to each alternate member other than the Umpire member may designate an alternate:~~

- ~~1. Their appointment must be approved by the Retirement Board prior to assuming office.~~
- ~~2. In order to develop and maintain continuity of knowledge and experience with Retirement Board operations, each alternate must regularly attend all Regular and Special meetings of the Retirement Board.~~
- ~~3. Each alternate should pursue education in areas that are pertinent to administration of the~~

Commented [CW1]: Reference to adoption of Bylaws by RTD Board deleted because appellate court in *ATU v. SJRTD* held that SJRTD did not have the authority to adopt Bylaws for the Retirement Board.

Commented [CW2]: This language is added to reflect the future process for the appointment of the Non-Represented employee representative.

Commented [CW3]: Language amended to comport to Retirement Plan provisions concerning Retirement Board membership and to add section 99159 to statutory authority per *ATU v. SJRTD* opinion.

Commented [CW4]: Language added to provide for alternate Retirement Board members, subject to corresponding Retirement Plan amendment.

Retirement Board, as described more fully in in Section 1.14.

4. Each alternate must comply with the economic disclosure requirements of the Political Reform Act that are applicable to Retirement Board members.

~~The Retirement Board shall to administer the retirement system, and shall define its powers, and duties and the tenure responsibilities of the Retirement Board members. Consistent with applicable law, the Retirement Board will be composed of two members appointed by the RTD Board of Directors and two members that are elected representatives of employees, with a fifth member—referred to as the Umpire—selected jointly by the Union and RTD.~~

§1.13 Retirement Board Member Term of Office

~~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 RTD 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, in compliance with all applicable regulations and legislation.~~

~~For Retirement Board Members seated as of adoption of this section of the Bylaws, the Retirement Board will determine by lot which seat will expire at the end of the following calendar year, and which will expire at the end of the calendar year ending two years later.~~

Commented [CW5]: Deleted since no terms of office are specified in the Retirement Plan or the relevant sections of the Public Utilities Code.

In the event of a vacancy of a Retirement Board member because of death, resignation, illness, or other reason, a new member must be appointed in compliance with applicable regulations and legislation as soon as may reasonably occur, but no later than 60 days after such vacancy.

§1.4413 Retirement Board Fiduciary Duty and Authority

The duties and responsibilities of each Retirement Board Member must be executed in accordance and in full compliance with the requirements of Sections 50150-50153 of the California Public Utilities Code, the California Constitution, Article 16, §17, and any other provision of law applicable to fiduciary duties of the Retirement Board.

The Retirement Board shall administer and carry out the terms and provisions of the Retirement Plan. The Retirement Board has no authority to amend or change the terms of the Retirement Plan.

§1.14 Board Member Responsibilities and Core Competencies

Commented [CW6]: Aligns Retirement Board with Clapman 2.0 Best Practices for Pension Governance

A. Attendance

All board members, including alternates, are expected to attend all board and applicable committee meetings. While attendance is not always possible, board members should, once the calendar for a year is set, immediately flag any scheduling conflicts and thereafter manage their schedules to avoid creating additional conflicts. Absences for medical or other substantial reasons shall be deemed to be excused absences in the discretion of the Board President.

B. Preparation

Board members should come to board and committee meetings having read the materials prepared and circulated by staff and/or consultants and having asked any questions of staff necessary to their understanding of materials.

C. Inquisitiveness

Board members should be inquisitive, and should appropriately question staff, advisors and fellow trustees as circumstances require. There is no such thing as a "dumb question."

D. Integrity

Board members shall conduct themselves with integrity and dignity, maintaining the highest ethical conduct at all times. They should understand system objectives and exercise care, prudence and diligence in handling confidential information.

E. Knowledge

Board members should develop and maintain their knowledge and understanding of the issues involved in the management of the system. The specific areas in which board members should develop and maintain a high level of knowledge should include:

- Public pension plan governance.
- Asset allocation and investment management.
- Actuarial principles and funding policies.
- Financial reporting, controls and audits.
- Benefits administration.

- Vendor selection process.
- Open meeting and public records laws.
- Fiduciary responsibility.
- Ethics and conflicts of interest.

F. Education

Board members should identify areas in which they might benefit from additional education and work with staff to find educational opportunities. Board members should fulfill the training expectations outlined in the Board Member Education policy and are encouraged to attend additional relevant educational opportunities as outlined therein.

G. Collegiality

Members shall make every effort to engage in collegial deliberations, and to maintain an atmosphere in which board or committee members can speak freely, explore ideas before becoming committed to positions and seek information from staff and other members. Board members should come to meetings without having fixed or committed their positions in advance.

H. Independence

Board members shall, upon taking office, sign a pledge confirming their independence and their understanding of their fiduciary duties. The pledge shall be renewed annually and shall read as follows:

"I understand that as a board member, I must discharge my duties as a fiduciary with respect to the system solely in the interest of its members, retirees and beneficiaries. I pledge not to allow political meddling or other forms of intimidation to affect my independence of judgement in the exercise of my fiduciary responsibilities."

ARTICLE 2

RETIREMENT BOARD RULES

MEETINGS

§2.10 Regular Quarterly Retirement Board Meeting Schedule

The Retirement Board shall hold regular meetings at least quarterly. No later than December 31st of each year, the Retirement Board must adopt a resolution setting forth their regular meeting schedule for the following calendar year. The resolution establishing the Retirement Board's regular meeting schedule shall state the date and time for each meeting and the place for each such meeting if it differs from the place set out in the Bylaws. Unless otherwise specified in the meeting notice, the Retirement Board will conduct its meetings at RTD's Downtown Transit Center Boardroom located at 421 East Weber, Stockton CA 95202-3024.

§2.11 Special Meetings

A special meeting may be called at any time by the Chair, the Vice-Chair, or by a majority of the members of the Retirement Board, by delivering personally, via electronic mail ("e-mail"), or by U.S. mail, written notice to each member of the Retirement Board, and by posting a notice on the San Joaquin Regional Transit District's internet web site. Such notice must be delivered and received at least 72 hours before the time of such meeting. The call and notice shall specify the time and place of the special meeting and the business to be transacted. No business other than as specified in the notice shall be considered at such meeting.

§2.12 Quorum

Three Retirement Board members constitute a quorum of the Retirement Board for purposes of convening a meeting and for the transaction of business.

§2.13 Open Meetings: Application of the Ralph M. Brown Act

All meetings and associated notices must comply with the provisions of the Ralph M. Brown Act. (Government Code Sections 54950, et seq.) Accordingly, all Retirement Board meetings are open to the public except when the subject matter may be properly addressed in, and properly noticed for, a closed session.

§2.14 Agenda Preparation, Delivery, and Posting

In addition to those requirements set forth in the Brown Act, each meeting agenda, together with all supporting documents, must be delivered to the Retirement Board members and Legal Counsel to the Retirement Board at least five days before the meeting. The purpose of this requirement is to give Board members advance notice of all business coming before them. In the case of special meetings which may be called less than seven (7) days in advance of the meeting date, the requesting individual shall provide such notice as soon as may be practical under the circumstances, but at least 24 hours prior to the special meeting.

If a Retirement Board Member wishes to have an item placed onto the Agenda, and before it will be placed on the Agenda, the requesting Board Member must provide sufficient information to the Retirement Board Secretary to advise the Retirement Board of the subject matter, the desired action being requested, and sufficient information for the Retirement Board to consider and act upon it. Said information must be submitted at least ten (10) working days prior to a regular Retirement Board meeting date and five (5) working days prior to a special Board meeting date.

§2.15 Access to Public Records Distributed at Meeting

Writings which are public records and which are distributed with the agenda prior to the Board meeting or during a meeting shall be made available for public inspection at the meeting if prepared by RTD or a member of the Retirement Board or after the meeting if prepared by some other person.

§2.16 Continuing Body

The Retirement Board is a continuing body and no measure pending before it is abated or discontinued by reason of the expiration of the term of office or removal of a member of the Retirement Board.

§2.17 Adjournment of Meeting

The Retirement Board may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. Notice of adjournment of a duly called special meeting at which less than a quorum is present shall be given in the same manner as notice of the original meeting. If all members are absent from any regular or adjourned regular meeting, the Secretary of the Board may declare the meeting adjourned to a stated time and place and he or she shall cause a written notice of the adjournment to be given in the same manner as provided herein for special meetings. In the case of all adjournments, a copy of the order or notice of adjournment shall be conspicuously posted on the door to the San Joaquin Regional Transit District Downtown Transit Center, located at 421 East Weber, within 24 hours after the time of the adjournment. When an order of adjournment of any meeting fails to state the time at which the adjourned meeting is to be held, it shall be held at the time specified for regular meetings.

ARTICLE 3

OFFICERS

§3.10 Officers

The Retirement Board shall elect a Chair and a Vice Chair in accordance with the Retirement Plan.

The election of officers will be conducted at the last meeting of the calendar year for the following calendar year. New officers will assume their position on January 1.

§3.11 Chair Responsibilities

1. The Chair presides over and preserves order at all regular meetings, special meetings, and hearings of the Retirement Board. The Chair states every question coming before the Retirement Board, and decides all questions of order without debate, subject, however, to an appeal by a member of the Retirement Board. The Chair may move, second, and debate from the chair, subject only to such limitations of debate as are imposed on all members, and has all other rights or privileges of all others members.
2. In all cases, the Chair can direct the Secretary to include discussion or action items on the agenda for future Retirement Board meetings. The Chair, or Chair Pro Tem presiding at the meeting, signs all Board resolutions and all minutes of Retirement Board meetings or hearings, which have been adopted or approved.

§3.12 Vice Chair

The Vice Chair serves as the Chair Pro Tem in the Chair's absence. When serving as the Chair Pro Tem, the Vice Chair has all of the rights, duties and responsibilities of the Chair as set forth in Section 3.11 above.

§3.13 Secretary

The Chief Executive Officer (CEO) of San Joaquin RTD, or his or her designee, shall serve as the Secretary to the Retirement Board. The Secretary may designate an Assistant Secretary.

In addition, the Secretary has the following powers and duties, any or all of which may be delegated by the Secretary to the Assistant Secretary if and as designated by the Secretary.

1. Create meeting notices and agendas;
2. Post agendas;
3. Call the roll at the beginning of each Board meeting and for each roll call vote;
4. Announce the result of each vote;
5. Attend and keep minutes of all meetings and hearings of the Board;
6. Furnish each Retirement Board member a copy of the minutes of each meeting with the agenda for the following meeting;
7. Attest all resolutions of the Retirement Board and the minutes of all meetings or hearings which have been approved by the Board;
8. Keep and have custody of all books, records and papers of the Retirement Board, and certify true copies thereof whenever necessary; and,
- ~~9.~~ Perform such other duties as may be required either by the Retirement Plan or by statute, ordinance, resolution or order.

§3.14 Vacancy

If an officer vacates his or her seat on the Retirement Board because of death, resignation, illness, or other reason, officer selections must be held at the first Retirement Board meeting after the vacancy has occurred.

§3.15 Additional Delegable Duties

The Retirement Board, at its discretion and by resolution, may authorize its Chair, Vice Chair and/or Secretary or other RTD staff to exercise additional administrative authority, such as to execute contracts or other legally-binding documents, manage Board-awarded contracts, make purchases up to Board-authorized limits, and approve service retirements.

The Retirement Board may also authorize the CEO of RTD or other delegates to carry out other support functions for the Retirement Plan.

ARTICLE 4

ORDER OF BOARD BUSINESS

§4.10 Agenda

The order of business for regular and special meetings will be as follows:

1. Call to Order
2. Roll Call
3. Consent Items
4. Unfinished Business
5. New Business
6. Public Comment
7. Questions and Comments from the Retirement Board and/or staff
8. Closed Session
9. Adjourn

Notwithstanding the above, closed sessions (and associated announcements) may be included on the agenda at any point after Roll Call and before Adjournment, at the discretion of the Chair.

The order of business during any meeting may be changed upon order of the Chair with consent of the Retirement Board, or upon motion of the Retirement Board.

§4.11 Contents of Agenda

The agenda must specify the time and location of the meeting and must contain a brief general description of each item of business to be transacted or discussed at the meeting. The descriptions must adequately summarize the general matter or subject matter of each agenda item so as to inform interested members of the public about the subject matter under consideration so that they can determine whether to monitor or participate in the meeting.

The Retirement Board shall not act upon or discuss an item that is not listed on the agenda except as provided under Section 4.10 or as otherwise permitted by the Brown Act.

§4.12 Consent Items

The Consent Items shall consist of matters requiring Retirement Board action of a routine nature or on which staff comment is not appropriate or necessary, or which have previously been discussed and appear on the Agenda for final action only.

All items listed under the Consent Items, excepting those individual items which are removed for separate discussion and/or vote at the request of any Retirement Board member, may be acted upon by a single motion and vote.

Retirement Board minutes are included as part of the Consent Items to be approved without reading unless a member requests such reading, in which case the minutes require action by a separate motion and vote.

§4.13 Disability and Early Retirements

The Retirement Board shall hear presentations from RTD staff and act on proposed Early Retirements and Disability Retirements (as defined by the RTD Retirement Plan) only. Regular retirements meeting all qualifications under the RTD Retirement Plan will not be submitted to the Retirement Board for action, but will be reported to the Retirement Board at the next regular meeting.

§4.14 Quarterly Investment Performance Reviews

The Retirement Board must review the performance of Retirement Plans' fund managers and investment manager at each Quarterly Retirement Board Meeting as part of Unfinished or New Business, as appropriate.

The Retirement Boards' financial and investment consultant must be present at each Quarterly Retirement Board Meeting and must report on the investment performance of the plan assets on a quarterly basis. The Retirement Board will review the report on the investment performance of plan assets at each regular meeting based upon criteria set forth in the San Joaquin Regional Transit District Retirement Plan's investment policy and guidelines.

§4.15 Items Not on the Agenda

A matter requiring Retirement Board action must be listed on the posted agenda before the Board may discuss and/or act upon it unless an exception as specified under the Brown Act applies.

The Retirement Board may take action at any Regular Meeting on items of business not appearing on the posted agenda under any of the following conditions in accordance with Brown Act:

1. Upon a determination by an affirmative vote of the Retirement Board that an emergency situation exists;
2. Upon a determination by the affirmative vote of the Retirement Board, in accordance with the Brown Act, that there is a need for immediate action which cannot reasonably wait for the next regularly scheduled meeting, and the need to take action arose subsequent to the agenda being posted;
3. If the item was properly posted for action at a prior meeting of the Retirement Board occurring not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

4. By directing the Chair, Vice Chair or Secretary to place an item of business for discussion and/or action on a subsequent agenda.

§4.16 Minutes

The Secretary shall prepare minutes in the form of an action summary; however, during the consideration on any particular matter, a Retirement Board member may make a request that the minutes contain a more thorough description of the discussion or deliberations of any question coming before the Retirement Board.

ARTICLE 5

MEMBERS ADDRESSING THE BOARD

§5.10 Recognition by the Chair

A Retirement Board member may speak on any item on the agenda upon being recognized by the Chair. Comments on items not on the agenda will be heard at the time noticed on the agenda for "Questions and Comments from the Retirement Board."

§5.11 Speaking Interruption

A Retirement Board Member will not be interrupted when speaking unless it is to call him or her to order, for the purpose of explanation or to permit solicited responses. If a Board member, while speaking, is called to order, he or she must cease speaking until the question of order is determined, when, if permitted, he or she may proceed.

§5.12 Limitation of Presentations, Discussion

The Chair may limit discussion at any particular meeting by a Retirement Board member to such time as the Chair may find to be reasonable under the circumstances, provided that any decision of the Chair to limit discussion may be overruled by the Board.

§5.13 Impertinence

Any Retirement Board member making personal, impertinent, or inappropriate remarks may be barred by the Chair from further appearance before the Retirement Board at that meeting, unless permission to continue is granted by an affirmative vote of the Retirement Board.

§5.14 Debate Closing

The member moving the adoption of a resolution or motion shall have the privilege of closing the debate.

§5.15 Disqualification of Members

Any member who is legally disqualified from participating in Board action on any particular matter must, as soon as such matter is reached on the agenda, disclose his or her disqualification and the reason therefore and must recuse himself or herself during the discussion, debate, and vote on such matter. If such disqualification is not known to the Retirement Board Member at the time such matter is reached on the agenda, he or she must make such disclosure as soon as he or she knows his or her disqualification, or recuse himself or herself during consideration of the matter.

ARTICLE 6

PERSONS ADDRESSING THE BOARD

§6.10 Recognition by the Chair

Persons attending the meeting may address the Retirement Board only when recognized by the Chair. The Chair will ask the speaker to introduce himself or herself. Individuals who do not identify themselves may not be included in the minutes for the meeting at which they speak.

§6.11 Limitation of Presentations, Discussion

The Chair may specify a time limitation on any presentation made before the Retirement Board, which shall not be less than three (3) minutes.

§6.12 Inappropriate or Disruptive Behavior

Any person engaging in personal, impertinent, or inappropriate remarks or behavior while addressing the Retirement Board may be barred by the Chair from further appearance before the Retirement Board at that meeting, unless permission to continue is granted by an affirmative vote of the Board. Any person willfully disrupting the meeting may be excluded from the meeting by the Chair.

In extreme situations where persistent disruptions from multiple members of the public prevent an orderly meeting, the Chair, subject to Retirement Board appeal, or the Retirement Board itself, may order that all members of the public except the media be removed from the public meeting, or meeting may be adjourned or continued.

ARTICLE 7

OFFICIAL ACTIONS

§7.10 Timing of an Action

Motions and resolutions, unless put over to a future meeting by a majority vote of the Retirement Board, may be acted upon on the day of introduction or presentation. No continuance will be granted if the effect of such a continuance is to render useless a subsequent vote on the issue.

§7.11 Form of Action

Motions are considered an act of the Retirement Board and carry the same weight as a resolution. Resolutions are typically used for actions that will be referred to for historical purposes, such as adoption of a policy, award of a contract or grant of an individual's disability or early retirement.

§7.12 Votes, Signature and Attestation

Votes upon an action item, whether by motion or resolution, are cast as "ayes," "noes" or abstain pursuant to roll call and so recorded. Each resolution must be in written or printed form. Procedural motions do not require a roll call vote.

Every resolution shall be attested by the Secretary.

§7.13 Codification

Resolutions are codified as follows: [Year]-[Month]-[Resolution Number]. For example, the fifth resolution a board adopted at its March 2015 meeting is codified: 15-03-0005.

§7.14 Vote Threshold; Majority Minimum

All official acts of the Retirement Board shall require the affirmative vote of a majority of the members of the Retirement Board unless applicable law requires a greater number of affirmative votes.

§7.15 Motion Reconsideration

A motion to reconsider any action taken by the Retirement Board may be made only on the day such action was taken, either during the same session or at an adjourned session thereof. Such motion must be made by a member on the prevailing side and seconded by any member. The motion, which may be made at any time during said meeting, has precedence over all other motions. The motion to reconsider is debatable unless the action to be reconsidered is not debatable.

§7.16 Deadlock Vote

If a motion or resolution is brought before the Retirement Board for a vote and results in a deadlock vote, the Retirement Board will set a meeting (regular or special) and invite the Umpire Member to make a decision on the matter, pursuant to Section 15 of the Retirement Plan document.

ARTICLE 8

COMMITTEES

§8.10 Appointment

The Chair may create and appoint ad hoc committees consisting of two Retirement Board members, one member ~~who is an elected union representative of the employees~~ and one member appointed by the RTD Board.

Commented [CW7]: Language change to reflect appellate court's decision in *ATU v. SJRTD*.

§8.11 Ad Hoc Advisory Committee Meetings

Ad Hoc Committees are limited term, limited scope advisory committees comprised exclusively of less than a quorum of the Retirement Board. For example, an advisory committee comprised of two members for the purpose of producing a report in six months on trends in public agency benefit policies would be considered an ad hoc committee because it is composed of less than a quorum of the Board and it is charged with accomplishing a specific task in a limited period of time.

Ad hoc committee meetings are specifically exempt from open meeting requirements under these Bylaws and under the Brown Act. However, when creating and appointing an Ad Hoc Committee, the Chair retains authority to direct that meetings of that committee shall be noticed and open to the public.

ARTICLE 9

RULES

§9.10 Amendment

Any provision hereof may be altered, amended or annulled at any time by an affirmative vote of the San Joaquin RTD Board of Directors, provided at least a week's notice of such change is given to each Board member.

~~§9.11 Suspension~~

~~Any section of these Bylaws may be temporarily suspended by an affirmative vote of the San Joaquin RTD Board of Directors.~~

§9.12 Robert's Rules

~~All rules of order not herein provided for shall be determined in accordance with "Robert's Rules of Order." Meetings of the Retirement Board shall be guided by the principles embodied in "Robert's Rules of Order Newly Revised" to the extent that such principles are consistent with the Brown Act.~~

§9.13 Copies – Bylaws

The Secretary shall furnish each Retirement Board member copies of these ~~Bylaws and provide a supply for public purposes and make them available on the RTD website.~~

§9.14 Protocol for Requesting Information from Independent Contractors

The purpose of this protocol is to ensure accuracy, consistency, and transparency of information provided to the members of the Retirement Board. This protocol will ensure that all members of the Retirement Board are aware of any and all information requested and received by any board member.

- 1) Retirement Board members may request information from the Retirement Plan's independent contractors during the regular or special board meeting. The CEO or designee will provide information requested to all Retirement Board members.
- 2) A Retirement Board member wishing information outside of the Retirement Board meeting will direct the request to the CEO. The CEO will provide the information requested to all members of the Retirement Board.

Commented [CW8]: Deleted since, per ATU v. SJRTD decision, RTD does not have authority over Retirement Board Bylaws. It's unclear whether Retirement Board would require the ability to temporarily suspend itself any of its Bylaws.

Commented [CW9]: Revised language would make Robert's rules a guidepost rather than strict requirement.

Commented [CW10]: Website availability is sufficient without making hard copies available.