

SAN JOAQUIN REGIONAL TRANSIT DISTRICT  
QUARTERLY RETIREMENT BOARD MEETING – NOTICE AND AGENDA  
10:00 A.M. ON THURSDAY, FEBRUARY 23, 2023

The Retirement Board of the San Joaquin Regional Transit District (RTD) will hold a quarterly meeting at 10:00 A.M. on Thursday, February 23, 2023, 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. 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](mailto: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. INTRODUCTION OF NEW BOARD MEMBER
6. ROLL CALL
7. 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. Those who violate this protocol may be removed from the meeting at the presiding officer's discretion.

8. CONSENT CALENDAR

- A. RESOLUTION: APPROVING THE MINUTES OF THE DECEMBER 15, 2022 RETIREMENT BOARD MEETING  
Board approval of minutes.

9. 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 DECEMBER 31, 2022  
Team Hewins, LLC staff will present the 2022 fourth quarter performance analysis and year to date comparisons for the Retirement and Health Plans.

10. DISCUSSION ITEMS

- A. ELECTION OF OFFICERS  
Board election of Retirement Board Chair and Vice Chair for the calendar year 2023.
- B. APPROVING THE RETIREMENT PLAN BYLAWS  
Board approval of provisions for alternate Retirement Board members.

11. NEW BUSINESS

- A. RESOLUTION: APPROVING THE FY 2022 ACTUARIAL VALUATION AND FY 2024 CONTRIBUTION RATES  
Foster & Foster staff will present the actuarial valuation and contribution rates for board approval.

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

13. ADJOURNMENT

**NOTE: THE NEXT QUARTERLY SCHEDULED RETIREMENT BOARD MEETING WILL BE HELD ON THURSDAY, MAY 25, 2023 AT 10:00 A.M.**

DATE POSTED: FEBRUARY 17, 2023



**LEAD STAFF: ALEX CLIFFORD, CEO**

**I. RECOMMENDED ACTION:**

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

**II. SUMMARY**

- Staff is providing the meeting minutes of the December 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 December 15, 2022

**Attachment B:** Resolution

Prepared by: Erica Smith, Executive and Board Support Specialist



Attachment A  
Cover Page

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

The San Joaquin Regional Transit District Retirement Board held a Quarterly Meeting on Thursday, December 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  
(left meeting at 10:50 am)  
Crystal McGee-Lee, Vice Chair  
(at 10:50 am became meeting Chair)  
Ralph Niz, Director  
Johanna Shick, Director

RTD Staff Present

Alex Clifford, CEO

Christopher Waddell, Retirement Board Legal Counsel (joined at 10:10 am)

Nicole Witt, RTD Legal Counsel (joined at 10:50 am)

6. PUBLIC COMMENTS  
No public comments were made.
7. CONSENT ITEMS

A. RESOLUTION NO. 451: APPROVING THE MINUTES OF THE SEPTEMBER 15, 2022 RETIREMENT BOARD MEETING

ACTION: MOTION: Ralph Niz SECOND: Johanna Shick

Roll Call:

AYES: Restuccia, McGee-Lee, Niz, Shick

NAYES: ABSTAIN: ABSENT:

B. RESOLUTION NO. 452: APPROVING THE 2023 QUARTERLY RETIREMENT BOARD MEETING SCHEDULE

ACTION: MOTION: Ralph Niz SECOND: Johanna Shick

Roll Call:

AYES: Restuccia, McGee-Lee, Niz, Shick

NAYES: ABSTAIN: ABSENT:

8. UNFINISHED BUSINESS

No action was required as the following items were provided for information only.

A. UPDATE ON MARKET PERFORMANCE

Christopher Anderson of Team Hewins, LLC presented current market performance regarding investment conditions.

9. DISCUSSION ITEMS

A. ELECTION OF OFFICERS

Board election of Retirement Board Chair and Vice Chair for calendar year 2023 will take place at the February 2023 Meeting.

B. SELECTION OF TAX COUNSEL

Selection of Ice Miller as Tax Counsel for compliance review of Retirement Plan following amendments thereto.

ACTION: MOTION: Crystal McGee-Lee SECOND: Ralph Niz

Roll Call:

AYES: Restuccia, McGee-Lee, Niz, Shick

NAYES: ABSTAIN: ABSENT:

C. PROPOSED RETIREMENT PLAN AMENDMENT PROVIDING FOR ALTERNATE BOARD MEMBERS

Retirement Board Legal Counsel Christopher Waddell led a discussion about recommended language to include alternate Board members. The Retirement Board agreed to take the Plan to the Board of Directors after suggested corrections have been made.

ACTION: MOTION: Johanna Shick SECOND: Ralph Niz

Roll Call:

AYES: Restuccia, McGee-Lee, Niz, Shick  
NAYES: ABSTAIN: ABSENT:

- D. PROPOSED RETIREMENT PLAN BYLAWS, FIRST READING  
Retirement Board Legal Counsel Christopher Waddell led a discussion about including provisions for alternate Retirement Board members.

8. UNFINISHED BUSINESS

No action was required as the following items were provided for information only.

- B. QUARTERLY INVESTMENT PERFORMANCE OF SEPTEMBER 30, 2022  
Christopher Anderson of Team Hewins, LLC presented a report on the performance of 2022 third-quarter Retirement and Health Plans.

- 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.

- D. FISCAL YEAR 2022 RESULTS OF THE RETIREMENT PLAN FINANCIAL STATEMENT AUDIT  
Brown Armstrong staff presented the FY2022 results of the retirement plan financial statement audit.

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

Director Ralph Niz announced that he would be retiring as the ATU President as of December 31, 2022 and will inform RTD of the new President in January.

11. ADJOURNMENT

There being no further business, the meeting was adjourned at 11:35 a.m.





Attachment B  
Cover Page

RESOLUTION NO. \_\_\_\_  
DATED FEBRUARY 23, 2023

RESOLUTION APPROVING THE MINUTES OF THE  
QUARTERLY RETIREMENT BOARD MEETING OF DECEMBER 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 December 15, 2022 be approved.



**LEAD STAFF:**        **TEAM HEWINS, LLC**

**REPORTS:**        **A.     UPDATE ON MARKET PERFORMANCE**  
                         **B.     QUARTERLY INVESTMENT PERFORMANCE OF**  
                         **DECEMBER 31, 2022**

**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.

**II.    DISCUSSION/BACKGROUND**

Team Hewins, LLC staff will provide a presentation to Board regarding the 2022 fourth quarter performance analysis and year to date comparison for the Retirement and Health Plans. Current market performance regarding investment conditions will be presented.

**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:** Agenda  
**Attachment B:** Market Performance Update  
**Attachment C:** Fourth Quarter Performance Analysis  
**Attachment D:** Retirement Plan Contributions and Distributions FY Summary  
**Attachment E:** Pension Fund Target

Prepared by: Team Hewins, LLC



Attachment A  
Cover Page

## San Joaquin Transit District Retirement Board Meeting

Meeting Date: February 23, 2023

- |   |            |
|---|------------|
| • Market Commentary   | 15 minutes |
| • Performance Report <ul style="list-style-type: none"><li>○ Highlight two managers</li></ul> | 10 minutes |
| • Contributions & Distributions Chart   | 3 minutes  |



Attachment B  
Cover Page

# Market Commentary

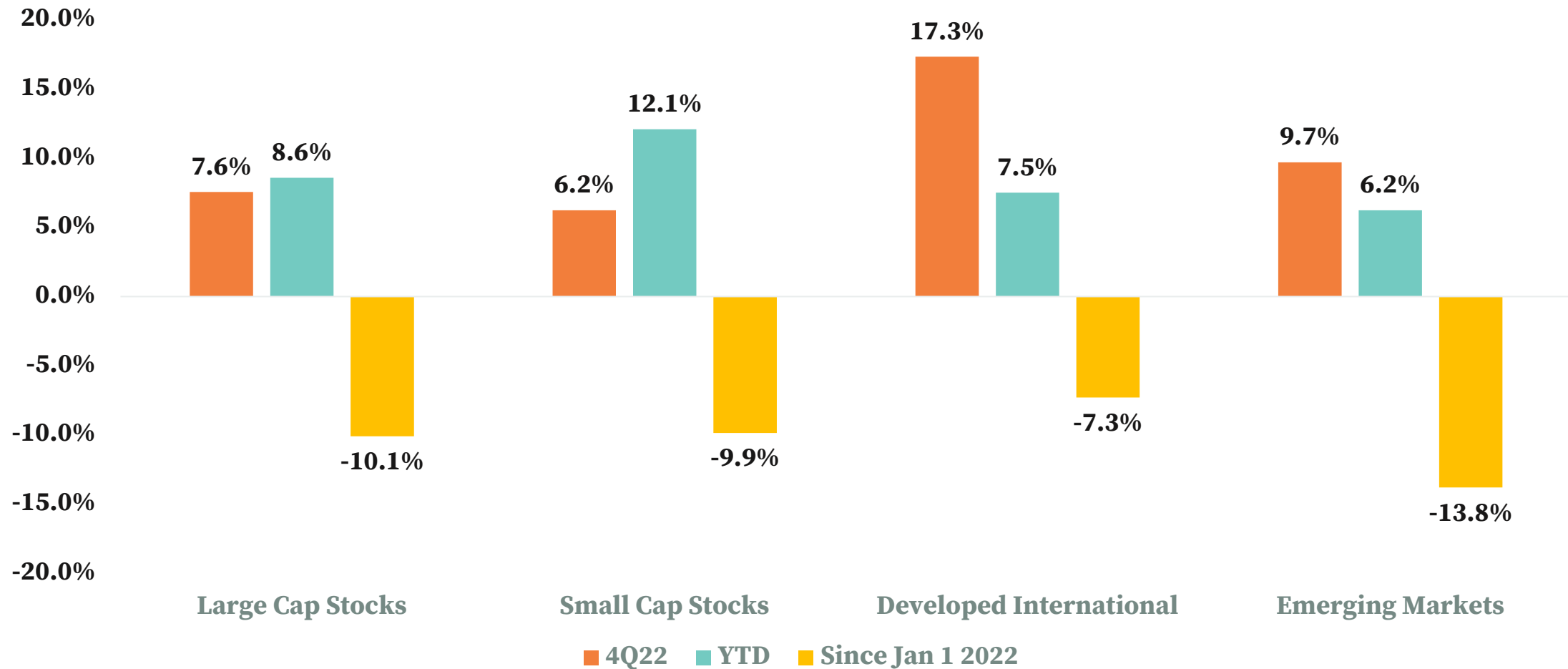
First Quarter 2023





# International Stocks Have Outperformed US Stocks Recently

## Returns from 1/1/22 - 2/8/23



Four large, overlapping geometric shapes in shades of green, yellow, teal, and orange are positioned on the left side of the slide.

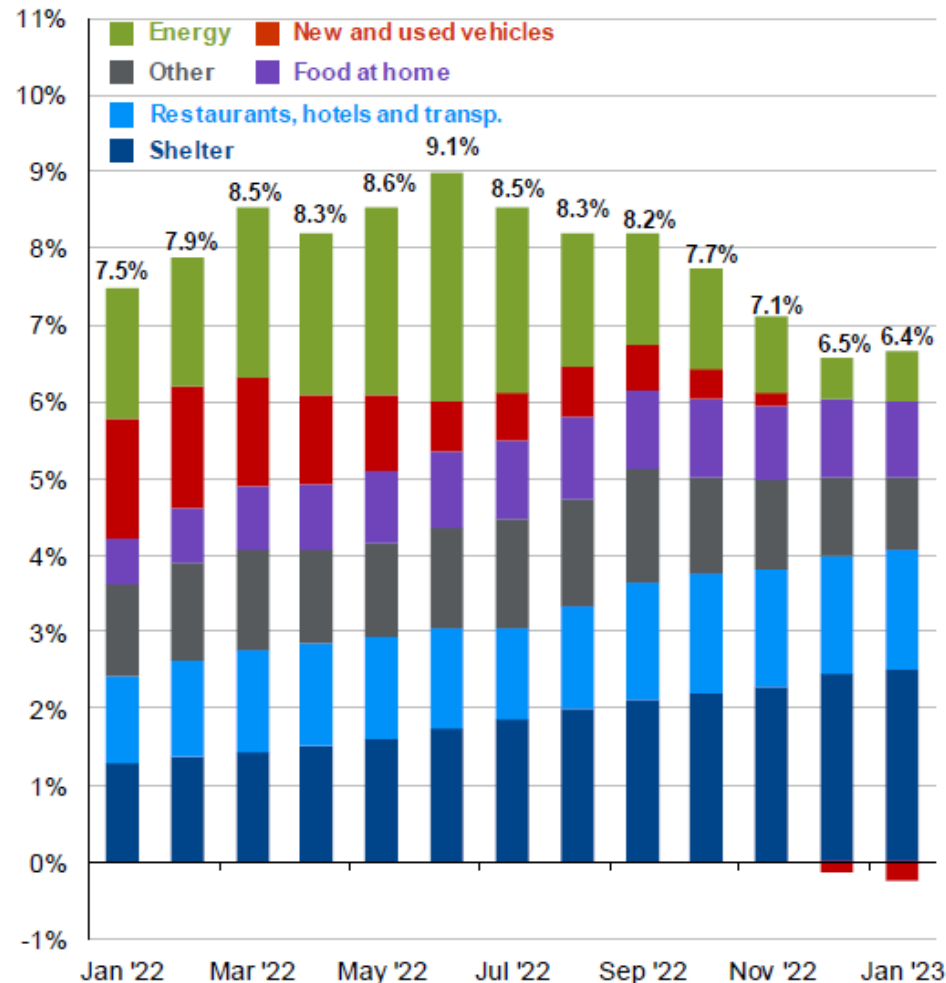
# Inflation in the US

# Inflation is Coming Down Behind Stalling Energy and Car Prices

## Contribution to y/y% change in CPI, As of 2/15/23

### Contributors to headline inflation

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



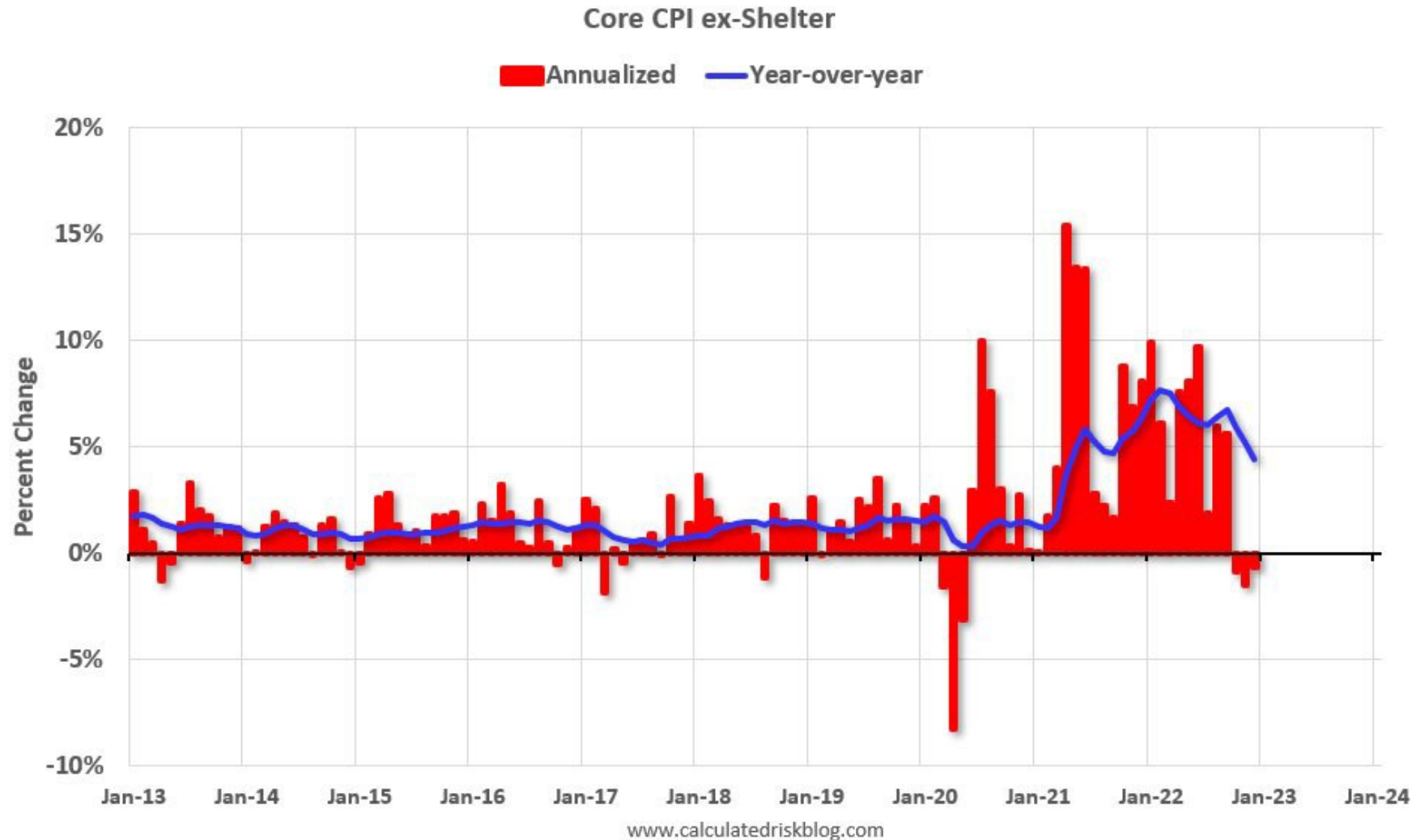
Energy is having less inflationary impact, and vehicles are actually detracting from inflation on a year-over-year basis.

Shelter cost is still rising, but it reflects existing rents and hypothetical rents, so it can be a little misleading.

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 owner's 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. Guide to the Markets - U.S. Data are as of January 19, 2023.

# Excluding Shelter From CPI Shows Disinflation

Data as of Jan 2023



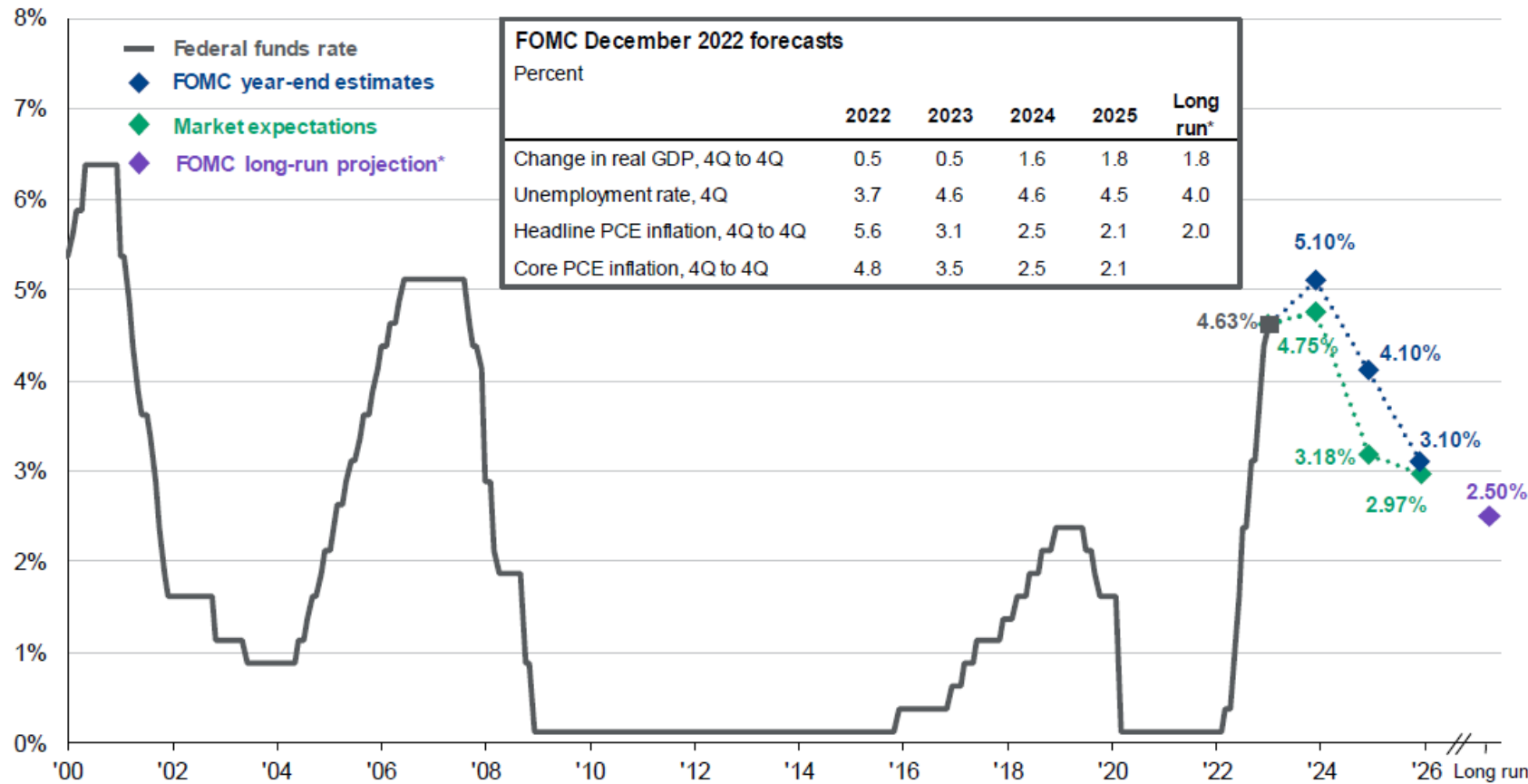
This chart shows inflation with shelter cost removed.

It highlights how much of a role shelter is playing in stubbornly high inflation.

On an annualized basis, inflation has been negative for the previous 3 months when shelter is excluded.

# Markets Don't Believe The Fed...Fully

## Federal Fund Rate Expectations, FOMC and Market, As of 2/7/23



FOMC expectations are showing little hiking after recent 25 bps increase.

Markets are still expecting Fed to drop sooner than FOMC expectations.

This could cause volatility if markets have priced in softer monetary policy expectations.

Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.

Market expectations are based off of the respective Federal Funds Futures contracts for December expiry. \*Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. 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.

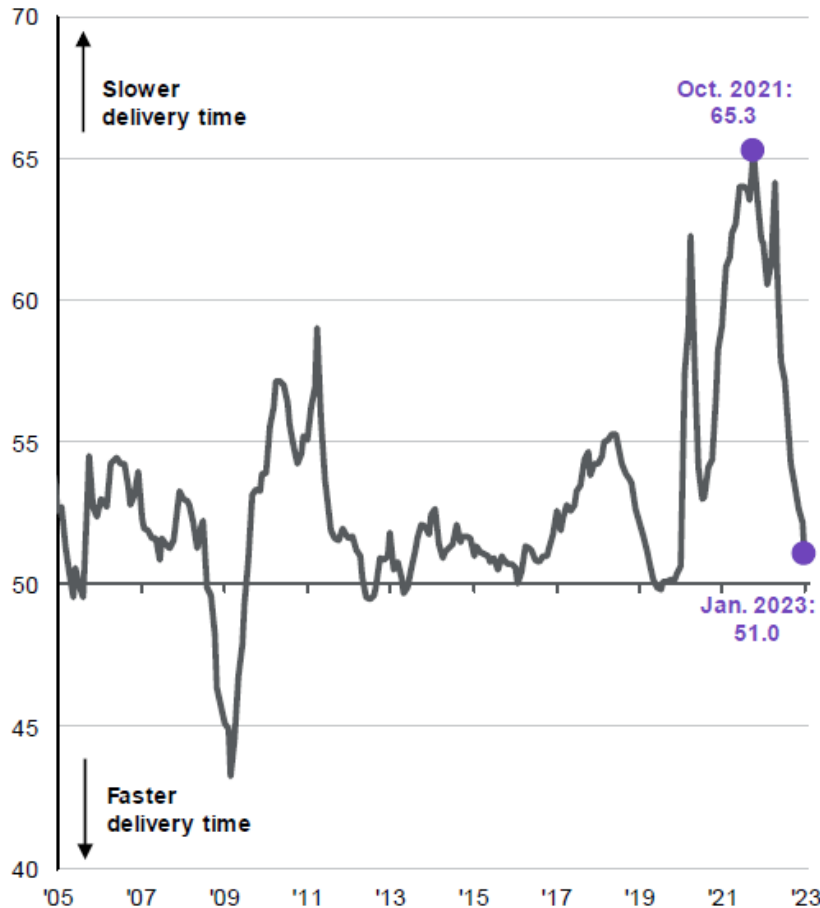
Guide to the Markets – U.S. Data are as of February 7, 2023.

# Global Supply Chain Data Pointing To Easing Costs

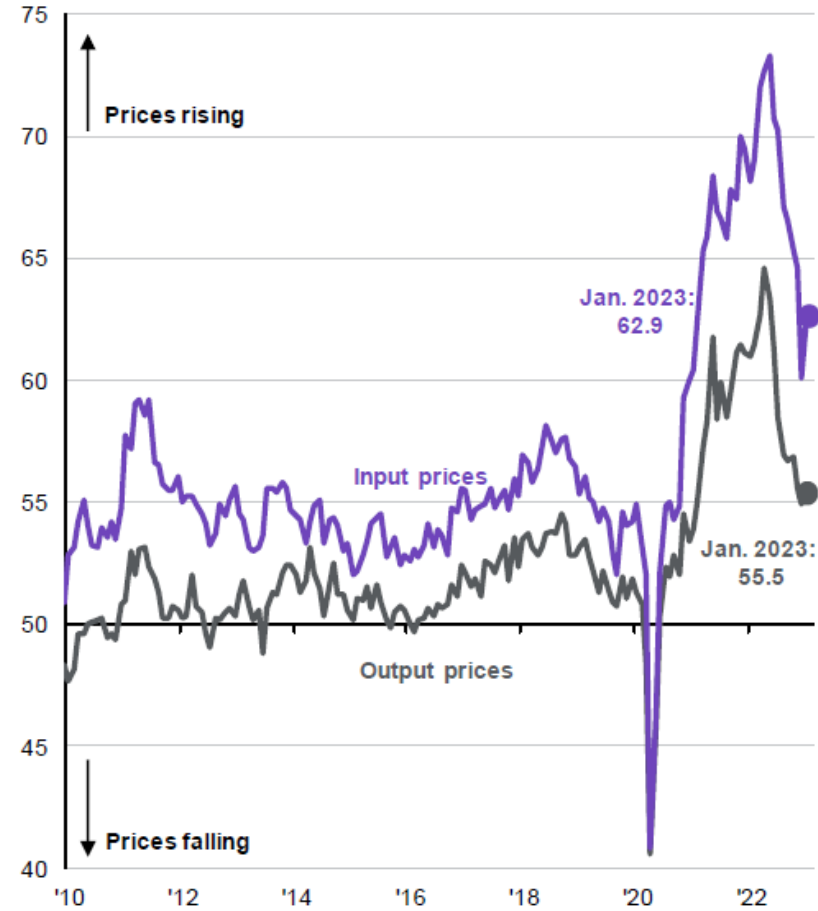
## As of 2/15/23

### Global PMI suppliers' delivery times index\*

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



### Global PMI input and output prices\*\*



A component of the recent surge in inflation has been bottlenecks in global supply chains.

These charts show that bottlenecks are easing, in terms of both delivery times and manufacturing costs.

Producer prices increased 0.7% in January, more than expected.

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.

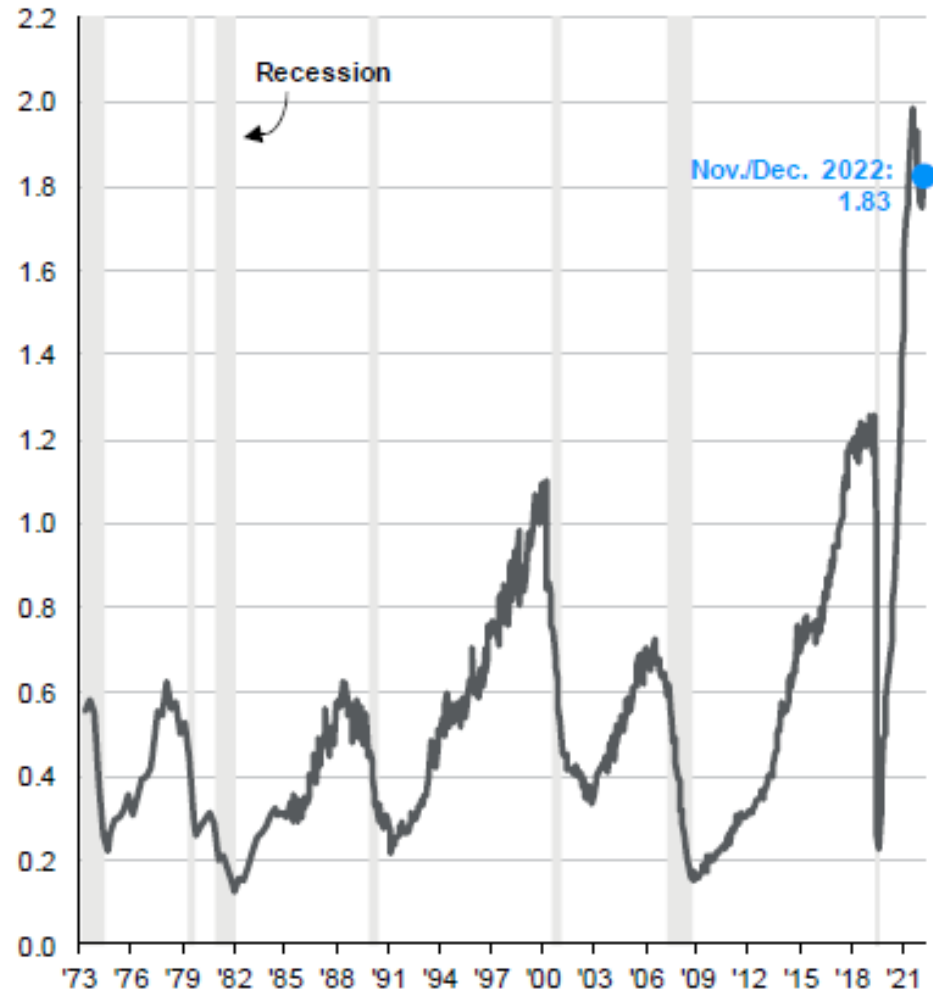
Guide to the Markets - U.S. Data are as of February 15, 2023.

# JOLTS Showing 2 Jobs for Every Person Looking

## As of 1/19/23

### Ratio of job openings to job seekers

Job openings\* lagged 1 month divided by unemployed persons, SA

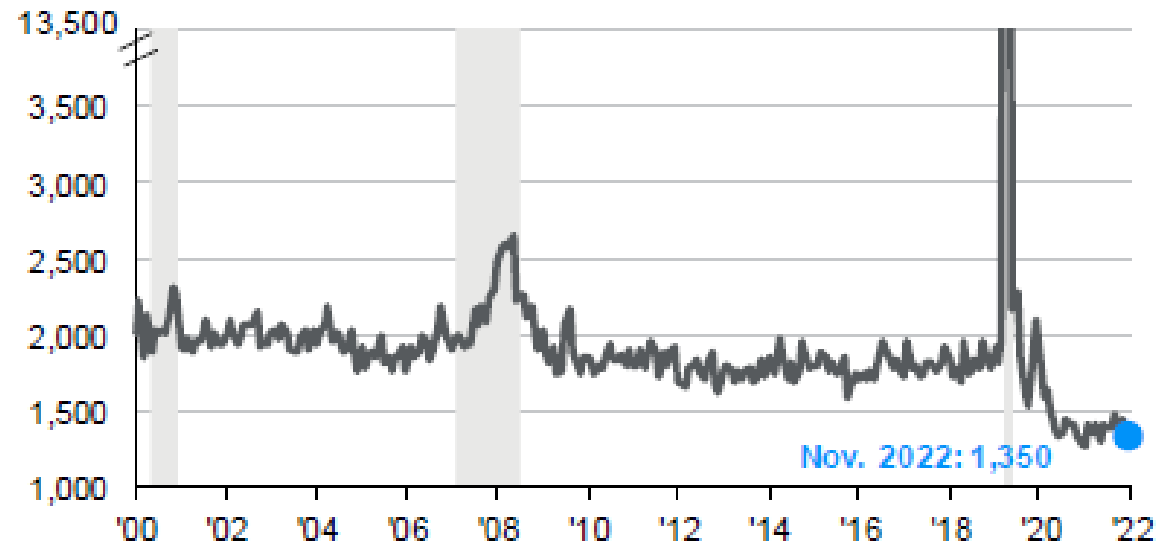


There are still a lot of jobs relative to job-seekers.

Layoffs have been in the headlines but are still low compared to historical norms.

### JOLTS layoffs

Total nonfarm layoffs, thousands, seasonally adjusted

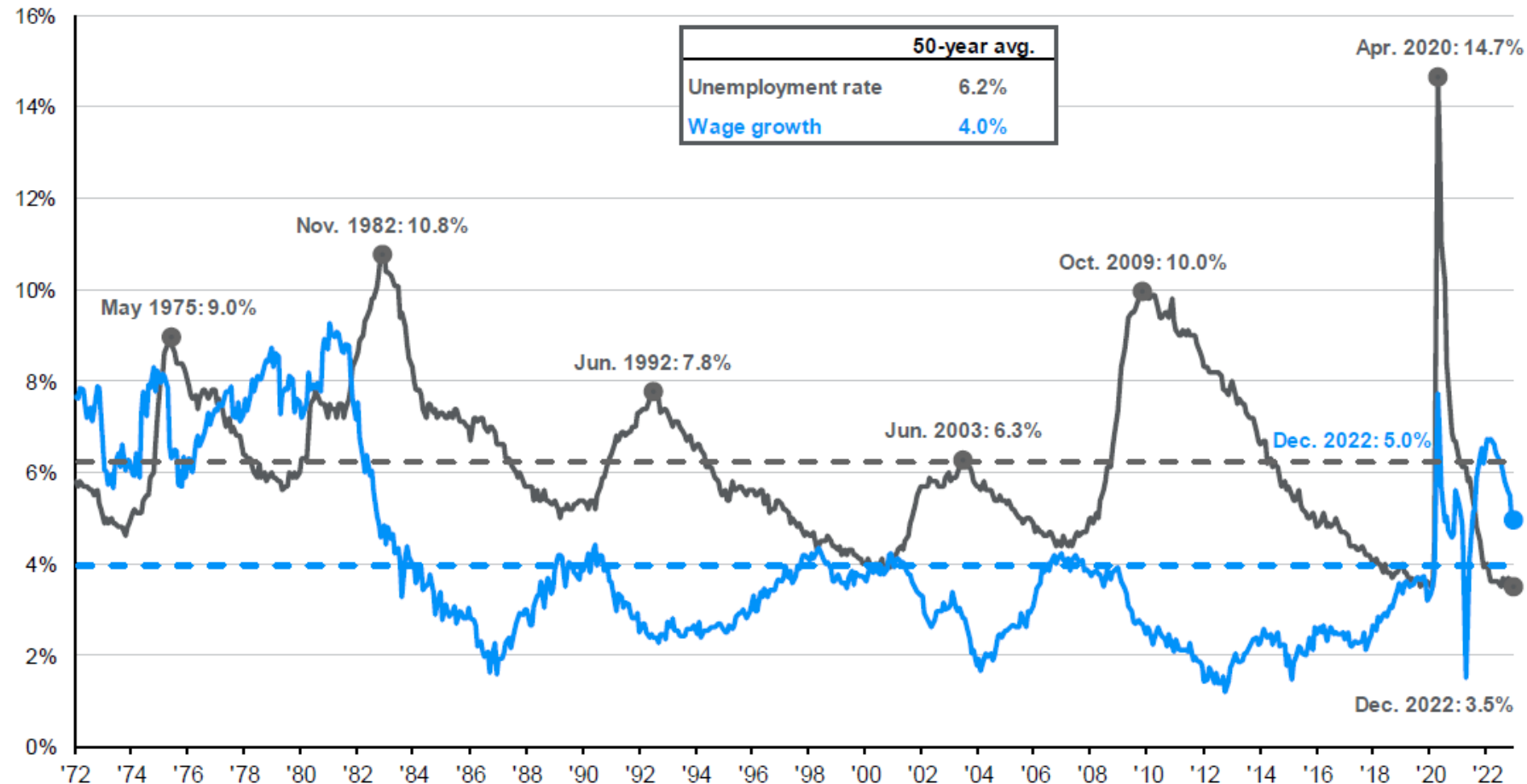


Source: U.S. Department of Labor, J.P. Morgan Asset Management. \*JOLTS job openings from February 1974 to November 2000 are J.P. Morgan Asset Management estimates.  
Guide to the Markets - U.S. Data are as of January 19, 2023.

# But Wage Growth Is No Longer Rising Unemployment and Wages, As of 1/19/23

## Civilian unemployment rate and year-over-year wage growth

Private production and non-supervisory workers, seasonally adjusted, percent



After rising sharply in recent years, wage growth has begun turning back down towards its long-term average.

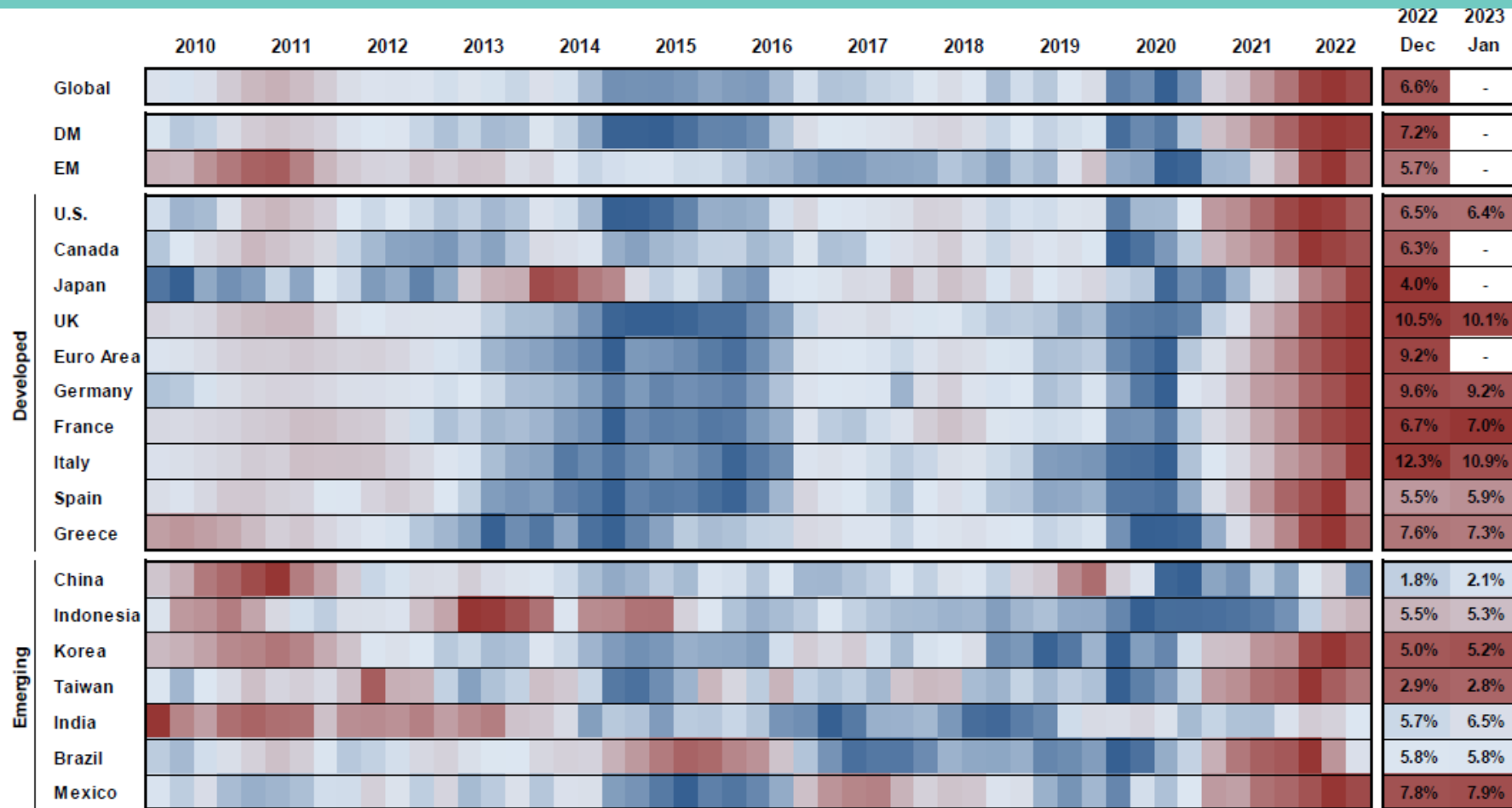


Four large, overlapping geometric shapes in the top-left corner: a light green triangle, a yellow parallelogram, a teal parallelogram, and an orange parallelogram.

# A Global Look

# Inflation is Lower in Emerging Markets – And Easier to Deal With

## YoY Headline Inflation By Country/Region. As of 2/15/2023



While inflation is still high for most EM countries, it is generally lower than what we are seeing for developed markets.

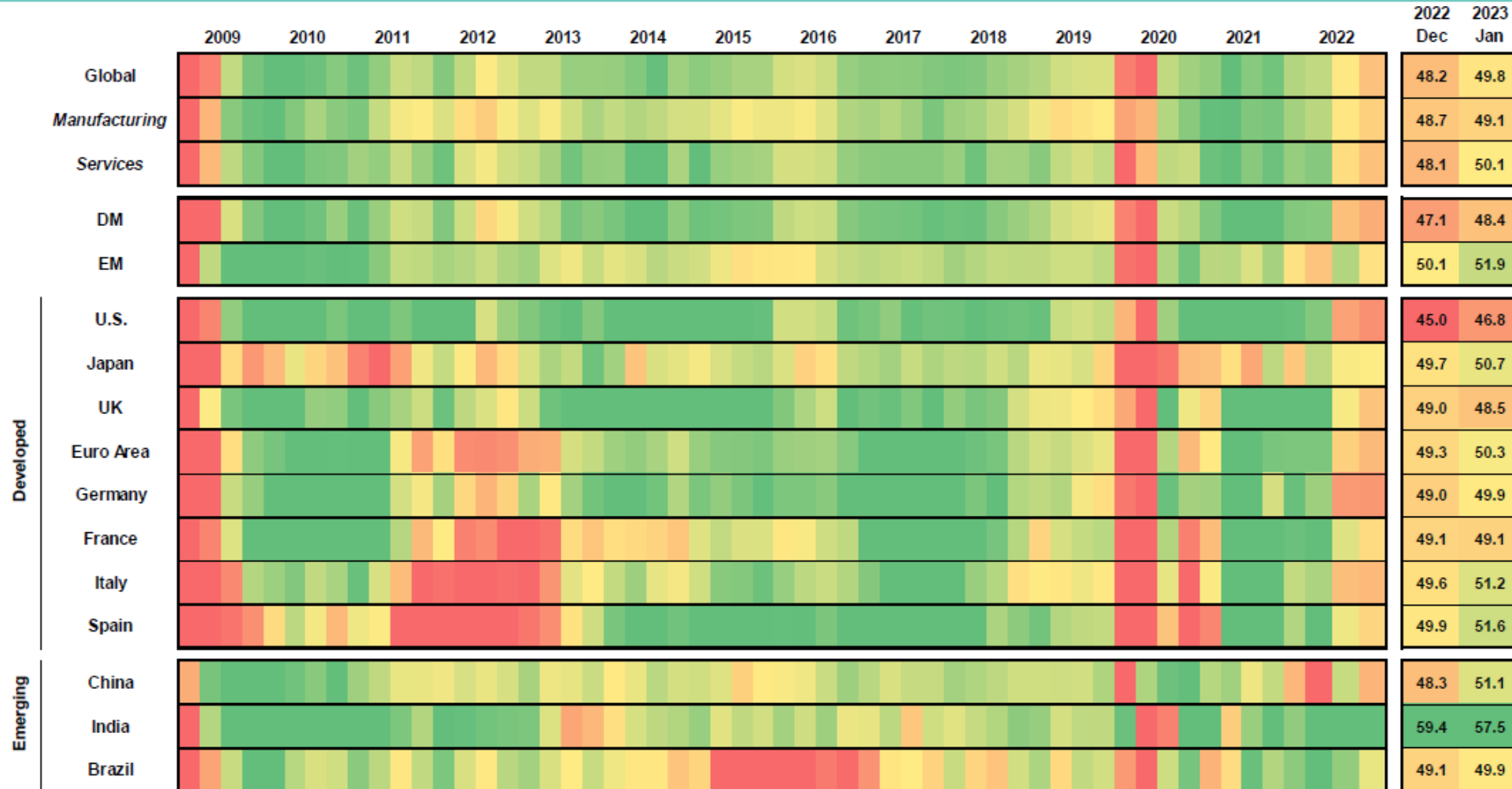
Emerging markets also tend to have higher rates of economic growth, which may lessen inflation's burden on consumers.

Source: Bank of Mexico, DGBAS, Eurostat, FactSet, Federal Reserve, Goskomstat of Russia, IBGE, India Ministry of Statistics & Programme Implementation, Japan Ministry of Internal Affairs & Communications, Korean National Statistical Office, Melbourne Institute, National Bureau of Statistics China, Statistics Canada, Statistics Indonesia, UK Office for National Statistics (ONS), J.P. Morgan Asset Management. Heatmap is based on quarterly averages, with the exception of the two most recent figures, which are single month readings. Colors determined by percentiles of inflation values over the time period shown. Deep blue = lowest value, light blue = median, deep red = highest value. DM and EM represent developed markets and emerging markets, respectively.

Guide to the Markets – U.S. Data are as of February 15, 2023.

# While US and Europe Are Slowing – EM is Growing

## Global Composite, PMI, Quarterly, As of 2/15/2023



Developed Market countries like Germany and the US are slowing down but not in major contractionary territory.

Emerging market countries like China and India are not only holding steady, they are growing.

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 February 15, 2023.

# Important disclosures

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.

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.

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We do not represent that the information contained herein is accurate or complete, and it should not be relied upon as such. Opinions expressed herein are subject to change without notice. Certain information contained herein (including any forward-looking statements and economic and market information) has been obtained from published sources and/or prepared by third parties and in certain cases has not been updated through the date hereof. While such sources are believed to be reliable, Team Hewins does not assume any responsibility for the accuracy or completeness of such information. Team Hewins does not undertake any obligation to update the information contained herein as of any future date.

# Index descriptions

**S&P 500 Index (Large Cap U.S. Stocks):** measures the performance of large capitalization U.S. Stocks. It is a market-value-weighted index of 500 stocks that are traded on the NYSE, NYSE MKT, and NASDAQ. The weightings make each company's influence on the Index performance directly proportional to that company's market value.

**Russell 2000 Index (Small Cap U.S. Stocks):** 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 Index (International Developed Stocks):** 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 Index (Emerging Markets Stocks):** is a Morgan Stanley Capital International Index that is designed to measure the performance of equity markets in 25 emerging countries around the world.

**Bloomberg Barclays US Aggregate Bond Index (Investment Grade U.S. Bonds):** includes U.S. government, corporate, and mortgage-backed securities with maturities of at least one year.

**Bloomberg Barclays Muni Bond Index 1-10 Yr Blend (1-12) (Int-Term Municipal Bonds):** A market value-weighted index which covers the short and intermediate components of the Barclays Capital Municipal Bond Index. The 1-10 Year Municipal Blend index tracks tax-exempt municipal General Obligation, Revenue, Insured, and Prerefunded bonds with a minimum \$5 million par amount outstanding, issued as part of a transaction of at least \$50 million, and with a remaining maturity from 1 up to (but not including) 12 years.

**ICE BofA Merrill Lynch U.S. High Yield, BB-B Rated, Constrained Index (High Yield U.S. Bonds):** 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.

**JPM GBI EM GD USD Unhedged Index (Emerging Markets Bonds):** 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.



Attachment C  
Cover Page

February 16, 2023

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 Fourth Quarter 2022 Performance Analysis for the Retirement Plan and Health Plan.

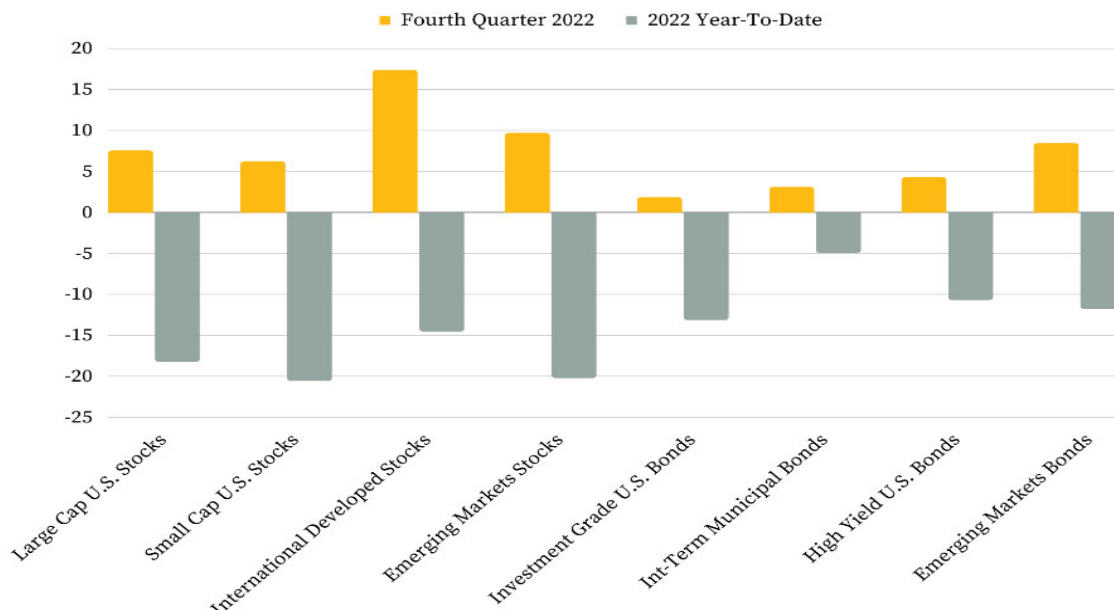
### ***Market Review***

After an exuberant 2021 that saw widespread Covid-19 vaccine distribution and some return to normalcy, 2022 was mired by a series of challenges and uncertainty. The Federal Reserve, slow to act on rising inflation, enacted the most aggressive tightening cycle seen since the early 1980s.<sup>i</sup> As if that were not enough, Russia invaded Ukraine, which surprised the world and contributed to skyrocketing energy prices, especially in Europe. China's strict Covid-19 lockdown policies exacerbated supply chain issues and inflation.

Markets were down strongly through the first three quarters of the year. However, some light was at the end of the tunnel in the fourth quarter. Inflation readings moderated somewhat and came in lower than the June peak.<sup>ii</sup> Third quarter US GDP recovered to 2.6% after two negative quarters in a row.<sup>iii</sup> Stocks rebounded in a big way but were still down for the full year.

## world asset classes

### RETURNS FOR THE FOURTH QUARTER OF 2022 AND YEAR-TO-DATE



Source: Morningstar Direct, as of 12/31/2022. See disclosure page for more information.

Value led the way across global equities both in the fourth quarter and for the year. In the US, fast-growing technology companies, which had been the darlings of the market since 2020, felt the pain of rising rates the most—Meta plunged 64% for the year, while Netflix fell 51%.<sup>iv</sup> Technology stocks fell 31.5%, their biggest decline since 2008.<sup>v</sup> While value stocks were down for the year, they fell much less than growth stocks—for large cap US stocks, value held a more than 21% advantage over growth in 2022.

The other major story of the fourth quarter was international stocks outperforming US stocks by a wide margin. They staged a double-digit rally in the fourth quarter, helped by a more than 7% drop in the dollar versus a basket of international currencies.<sup>vi</sup> International developed stocks ended up being the most resilient of the major stock categories in 2022 and outperformed large cap US stocks for the first time since 2017.<sup>vii</sup> Emerging markets, weighed down by the challenges of increased Chinese regulation of its private sector, and sporadic lockdowns, rallied in the fourth quarter but not to the same extent.

Rising yields plagued bond returns for much of the year, but yields fell in the second half of the fourth quarter, and major bond indices were positive across the board for the quarter, led by the higher yielding sectors. Still, 2022 was the worst year for investment grade bonds since the inception of the Bloomberg US Aggregate bond index in 1977.<sup>viii</sup> The silver lining going forward is that bonds, which provided little in terms of yield for much of the last decade, are now offering meaningful income, an important component of bond returns. That should bode well for future bond market performance.

While 2022 was a year of challenges, it reinforced important principles for long-term investors. The resurgence in the relative performance of value and international stocks reminds us not to concentrate our portfolios in the latest fads or hot performers but to maintain a disciplined and diversified asset allocation suited to our long-term goals. 2022 will go down as a very bad year for investors, but that does not change the long-term outlook for markets that go up over time.

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

The Pension Plan returned 7.79% in the fourth quarter, leading the target (+7.31%) and the median return of its peers (+5.46%) by significant margins. For the full year, the Plan led its target by over 1% and ranked around the middle of its peer group. Plan assets were approximately \$47 million at quarter end. Since inception, the Plan has achieved an annualized return of 8.75%, leading its benchmark and the median return of its peers.

Markets rallied in the fourth quarter, but value stocks, and particularly international value – led the way, posting the largest absolute returns in the portfolio. US large and small cap value stocks were a close second.

DFA International Value (+19.26%) outpaced roughly two-thirds of its peers in the fourth quarter, but perhaps more impressively, fell only 3.48% in a year when the broader MSCI EAFE index was down almost 14.5%. The fund ranks in the top 8% of its peers for 2022 and the top 6% over the last three years. While the fund still fell, its resilience relative to peers and the broader market in 2022 was welcome.



Other strong performers in the quarter were DFA US Large Cap Value (+14.05%), Avantis US Small Cap Value (+13.73%), and DFA International Small Company (+17.61%).

Vanguard International Growth had a good absolute return for the quarter (+12.62%) but had a challenging 2022, ranking in the 80<sup>th</sup> percentile of international large cap growth funds for the year. This followed two years of exceptional performance in the growth-led market. The fund focuses on industry disrupters, companies that can generally do very well when times are good but may be relatively more challenged in downturns. Long-term holders of the fund have done very well-- it ranks in the top 10% of peers over the last three years, and top 13% over the last five, even with a challenging 2022.

Bonds also rallied in the fourth quarter as yields stabilized. Agincourt Core Fixed Income performed right around the median of its peers for the year, falling slightly less than its benchmark. Vanguard High Yield Corporate, which is a more conservative high yield fund, ranked within the top 10% of its peers for the fourth quarter and the year as a whole.

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

The Health Plan grew 8.74% for the quarter, outpacing the Pension Plan because of its higher equity allocation. For the fourth quarter, the Plan ranked within the top 3% of its peers while beating its benchmark (+8.02%). Plan assets were approximately \$9.5 million at the end of the quarter. Since inception, the Plan has returned 5.67%, ahead of its benchmark and in line with the median return of its peers.

In core fixed income, Dodge & Cox Income (2.76%) outpaced its benchmark (1.87%) and the median return of its peers by a wide margin. On a relative basis, the fund held up well for the year, falling less than all but 3% of its peers and about 2% less than its benchmark. Dodge & Cox Income ranks near the top of the Core Bond fund universe for all periods in the report.

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

Sincerely,



Thuong Thien, CFP®

Principal, Senior Financial Advisor

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<sup>i</sup> Cox, Jeff. "Fed Approves 0.75-point Hike to Take Rates to Highest Since 2008 and Hints at Change in Policy Ahead." CNBC, 3 Nov. 2022, [www.cnbc.com/2022/11/02/fed-hikes-by-another-three-quarters-of-a-point-taking-rates-to-the-highest-level-since-january-2008.html](https://www.cnbc.com/2022/11/02/fed-hikes-by-another-three-quarters-of-a-point-taking-rates-to-the-highest-level-since-january-2008.html). Accessed 5 Jan. 2023.

<sup>ii</sup> Cox, Jeff. "Consumer Prices Rose Less Than Expected in November, up 7.1% From a Year Ago." CNBC, 13 Dec. 2022, [www.cnbc.com/2022/12/13/cpi-inflation-november-2022-.html](https://www.cnbc.com/2022/12/13/cpi-inflation-november-2022-.html). Accessed 5 Jan. 2023.

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<sup>iii</sup> Cox, Jeff. "U.S. GDP Accelerated at 2.6% Pace in Q3, Better Than Expected as Growth Turns Positive." CNBC, 27 Oct. 2022, [www.cnbc.com/2022/10/27/us-gdp-accelerated-at-2point6percent-pace-in-q3-better-than-expected-as-growth-turns-positive.html](https://www.cnbc.com/2022/10/27/us-gdp-accelerated-at-2point6percent-pace-in-q3-better-than-expected-as-growth-turns-positive.html). Accessed 5 Jan. 2023.

<sup>iv</sup> WSJ print edition, "Big Tech Stocks Fall From Glory". Pages R1 and R3.

<sup>v</sup> Lauricella, Tom. "Just How Bad Was 2022's Stock and Bond Market Performance?" Morningstar, Inc., 4 Jan. 2023, [www.morningstar.com/articles/1131213/just-how-bad-was-2022s-stock-and-bond-market-performance](https://www.morningstar.com/articles/1131213/just-how-bad-was-2022s-stock-and-bond-market-performance). Accessed 5 Jan. 2023.

<sup>vi</sup> Source: Morningstar. Data as of 12/31/2022.

<sup>vii</sup> Source: Morningstar. Data as of 12/31/2022. S&P 500 Index used for US large cap stocks. MSCI EAFE NR USD used for International stocks.

<sup>viii</sup> Goodkind, Nicole, et al. "Goodbye 2022 – and Good Riddance. Markets Close Out Their Worst Year Since 2008." CNN, 30 Dec. 2022, [edition.cnn.com/2022/12/30/investing/dow-stock-market-2022/index.html](https://edition.cnn.com/2022/12/30/investing/dow-stock-market-2022/index.html). Accessed 5 Jan. 2023.



San Joaquin Regional Transit District  
Pension Portfolio  
Quarterly Investment Report  
December 31, 2022

## Market Overview

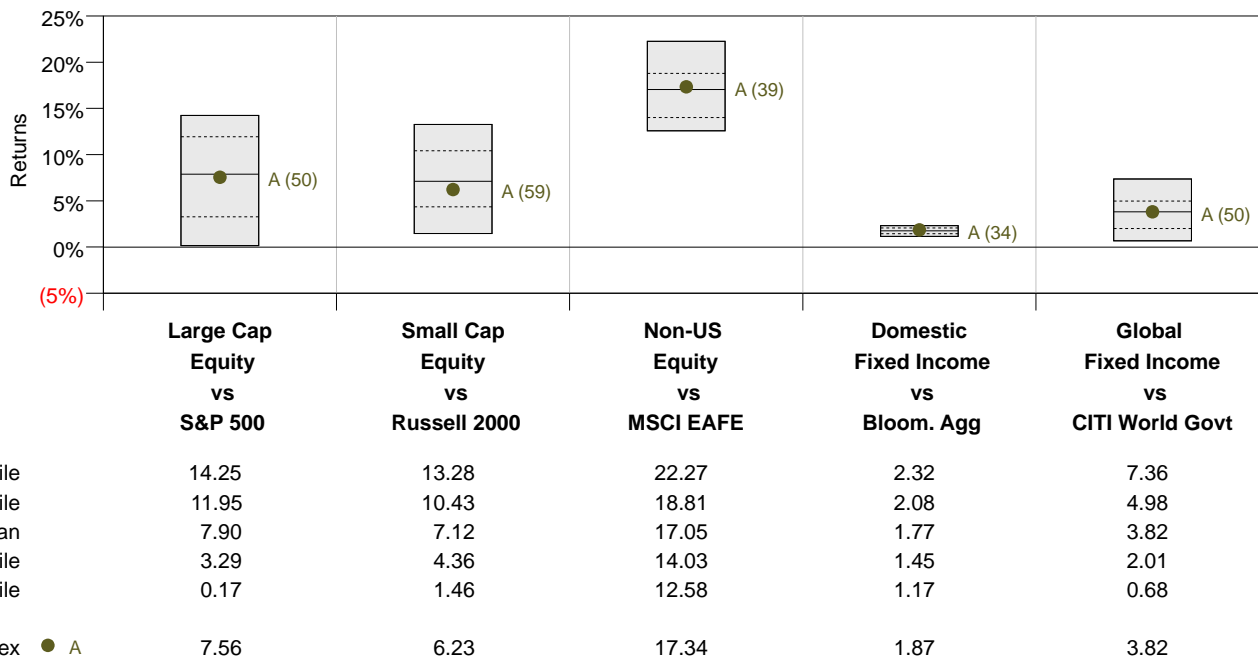
### Active Management vs Index Returns

#### 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.

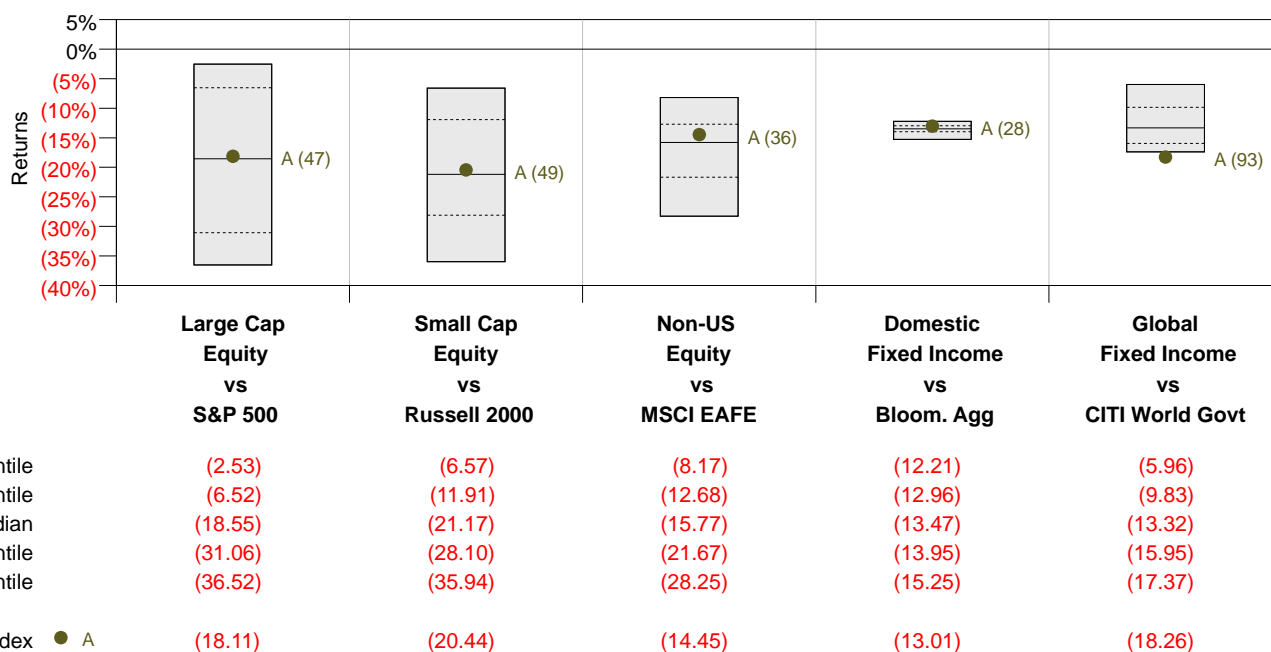
#### Range of Mutual Fund Returns by Asset Class

One Quarter ended December 31, 2022



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

One Year ended December 31, 2022



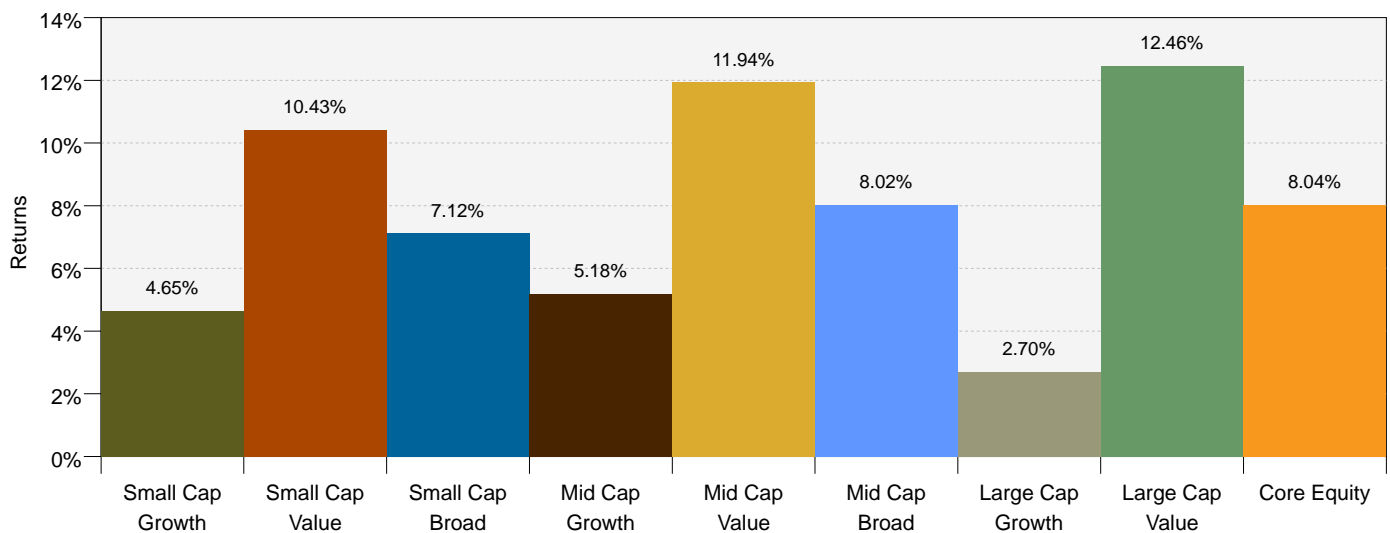
## Domestic Equity

### Active Management Overview

U.S. stock indices posted positive returns in 4Q as investor sentiment improved, but the YTD results remained dismal with most indices posting double-digit declines. The S&P 500 Index rose 7.6% for the quarter, lowering its YTD loss to 18.1%. Returns were quite mixed across sectors with Energy (+22.8%) being the best and Consumer Discretionary (-10.2%) faring the worst. Value stocks trounced growth for the quarter (Russell 1000 Value: +12.4%; Russell 1000 Growth: +2.2%) and the year (Russell 1000 Value: -7.5%; Russell 1000 Growth: -29.1%). In 4Q, the Growth Index was hurt by relative underweights in Health Care, Financials, and Energy as well as significant underperformance from Tesla (-54%) and Amazon (-26%). Small cap stocks exhibited the same pattern in 4Q (Russell 2000 Value: +8.4%; Russell 2000 Growth: +4.1%) but value's full year margin is smaller in the small cap space (Russell 2000 Value: -14.5%; Russell 2000 Growth: -26.4%).

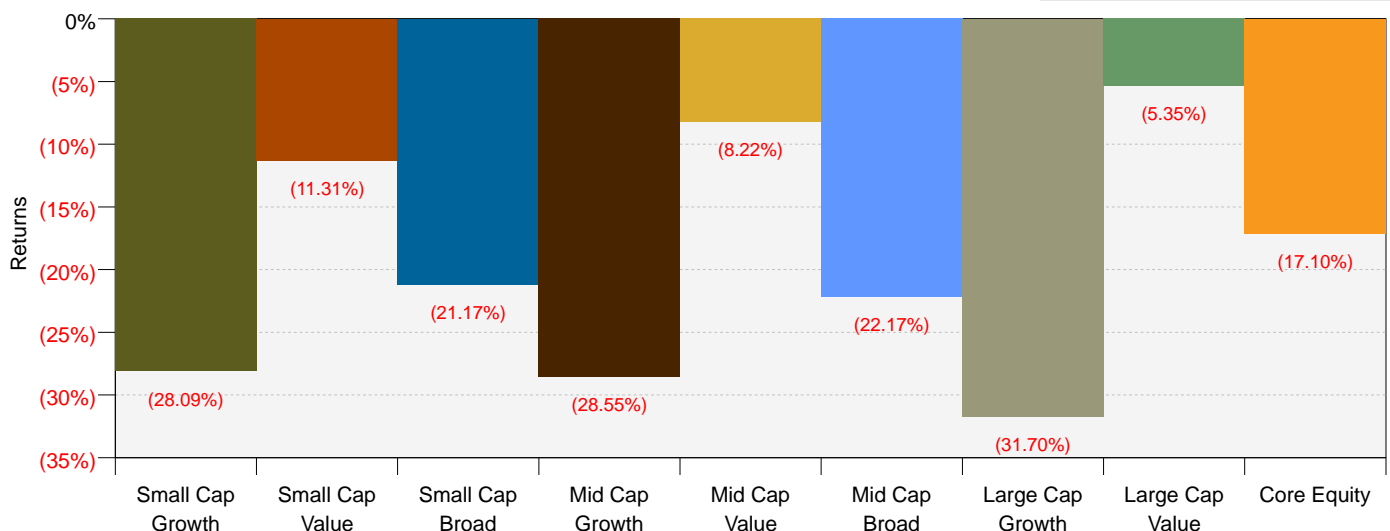
#### Mutual Fund Style Group Median Returns for Quarter ended December 31, 2022

S&P 500 Index	7.56%
S&P 500 Growth	1.45%
S&P 500 Value	13.59%
S&P 400 Mid Cap	10.78%
S&P 600 Small Cap	9.19%
S&P 600 Small Cap Growth Index	6.98%
S&P 600 Small Cap Value Index	11.18%



#### Mutual Fund Style Group Median Returns for One Year ended December 31, 2022

S&P 500 Index	(18.11%)
S&P 500 Growth	(29.41%)
S&P 500 Value	(5.22%)
S&P 400 Mid Cap	(13.06%)
S&P 600 Small Cap	(16.10%)
S&P 600 Small Cap Growth Index	(21.08%)
S&P 600 Small Cap Value Index	(11.04%)



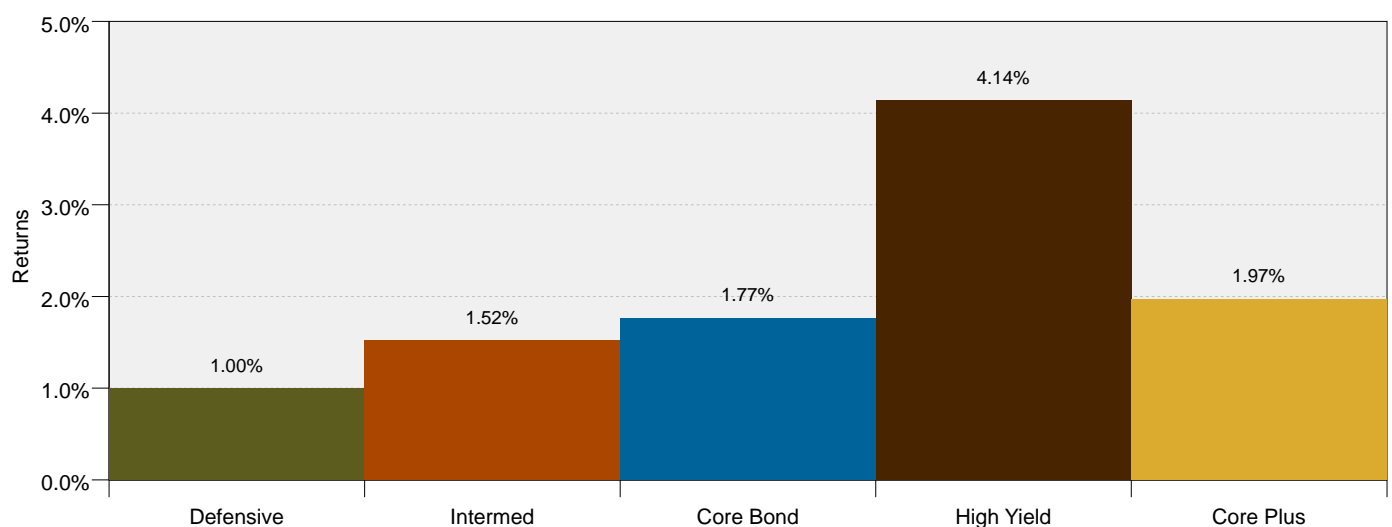
## Domestic Fixed Income

### Active Management Overview

U.S. fixed income experienced its worst year ever in 2022, by a wide margin. The Bloomberg US Aggregate Bond Index sank 13.0%; the next worst calendar year was 1994 when the Aggregate fell 2.9%. The silver lining lies in the 4.68% yield-to-worst for the Index, up from 1.75% at the beginning of the year. The yield curve remained inverted at year-end; the 10-year Treasury yield was 3.88% and the 2-year yield was 4.41%. The inversion reflects investor expectations for the economy to slow and an eventual need for the Fed to lower rates. The fourth quarter brought some relief to bond investors as longer rates fell modestly and most "spread" sectors outperformed Treasuries. The Aggregate gained 1.9%. High yield corporates (Bloomberg High Yield Index: +4.2%) were star performers, but this Index was down 11.2% for the year.

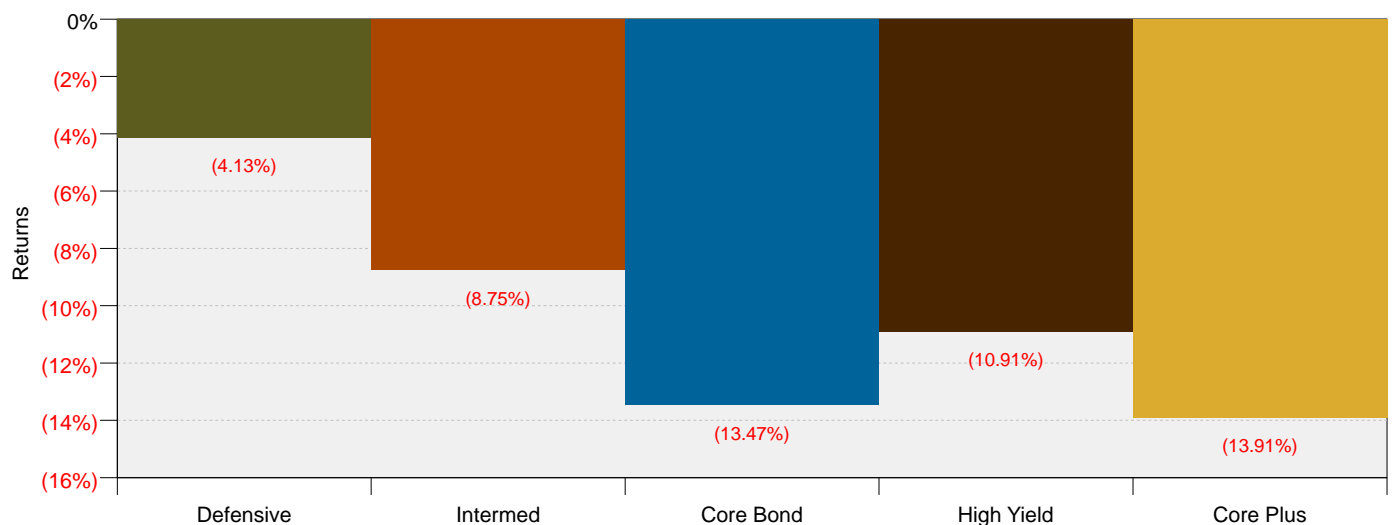
#### Mutual Fund Style Group Median Returns for Quarter ended December 31, 2022

Bloomberg:US Universal	2.24%
Bloomberg:Aggregate	1.87%
Bloomberg:High Yield	4.17%



#### Mutual Fund Style Group Median Returns for One Year ended December 31, 2022

Bloomberg:US Universal	(12.99%)
Bloomberg:Aggregate	(13.01%)
Bloomberg:High Yield	(11.19%)



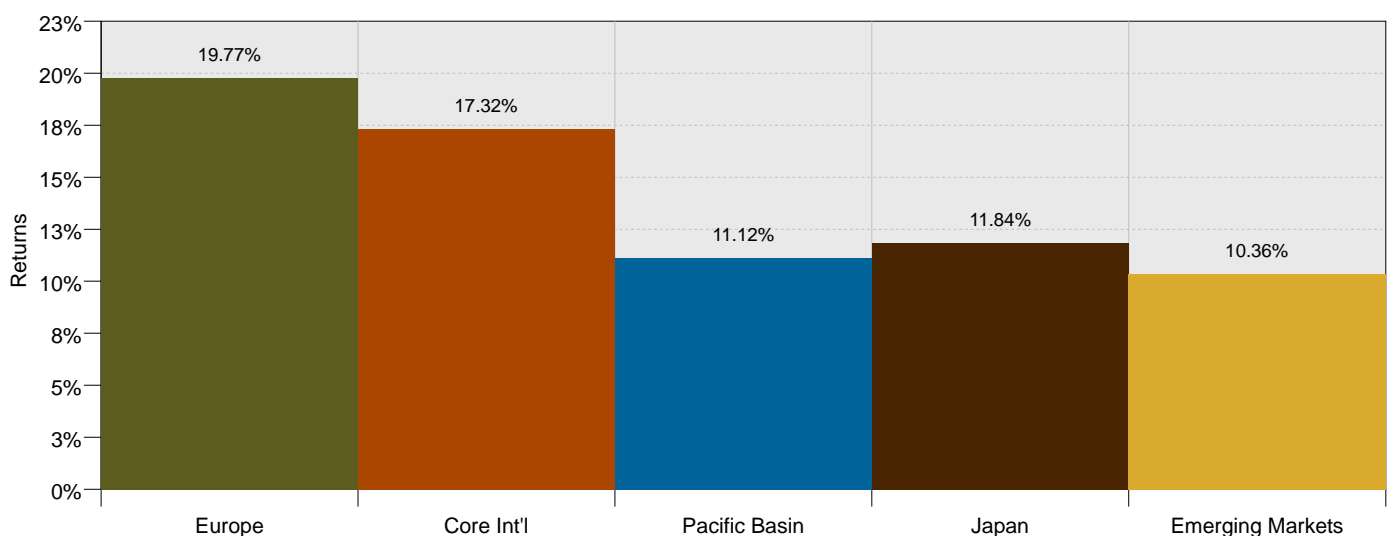
## International Equity

### Active Management Overview

Global ex-U.S. markets posted strong results, and currency appreciation vs. the U.S. dollar further bolstered returns. The MSCI ACWI ex USA Index gained 14.3% (Local: +7.8%), reducing its YTD loss to 16.0% (Local: -9.6%). Across developed market countries, gains were broad-based and value outpaced growth, but by a smaller margin than in the U.S. (MSCI ACWI ex USA Value: +15.7%; MSCI ACWI ex USA Growth: +12.9%). Unlike in the U.S., all sectors of the ACWI ex USA Index delivered a positive return in 4Q. Emerging markets (MSCI Emerging Markets: +9.7%; Local: +6.6%) also rebounded in 4Q, but returns were mixed across countries. While many countries were up double-digits, India (+2.0%) and Brazil (+2.4%) weighed on broad market returns. China (MSCI China: +13.5%) outperformed.

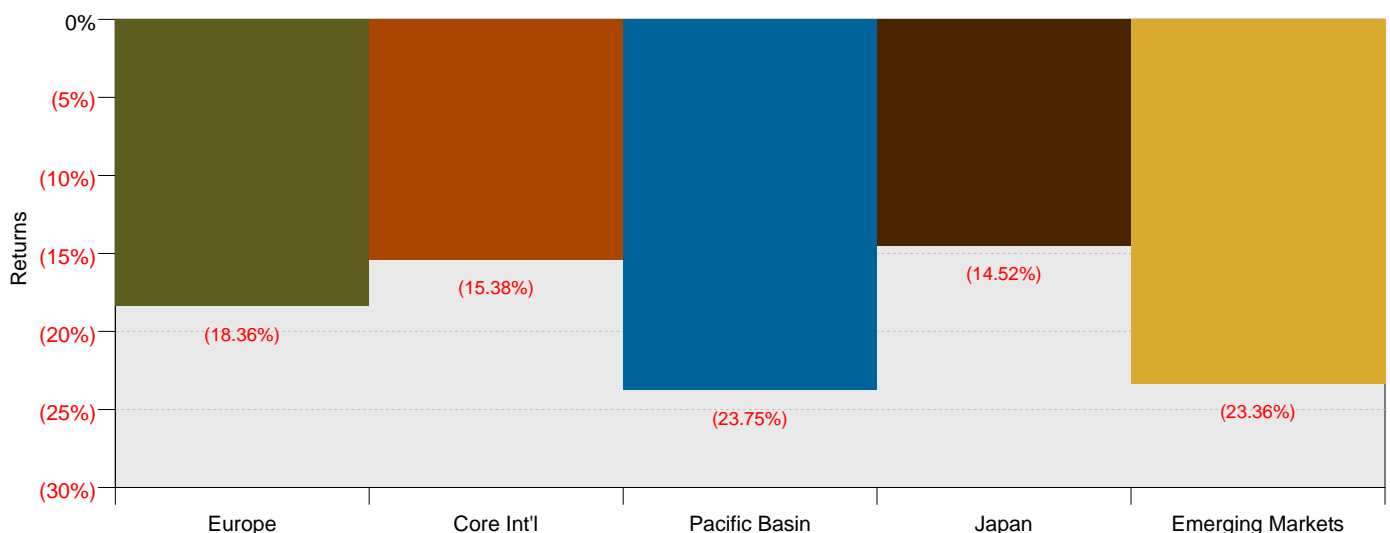
#### Mutual Fund Style Group Median Returns for Quarter Ended December 31, 2022

MSCI ACWI - Gross	9.88%
MSCI All Cntry World ExUS	14.37%
MSCI EAFE Index	17.34%
MSCI Europe	19.35%
MSCI Pacific	14.13%
MSCI Emerging Markets	9.79%



#### Mutual Fund Style Group Median Returns for Year Ended December 31, 2022

MSCI ACWI - Gross	(17.96%)
MSCI All Cntry World ExUS	(15.57%)
MSCI EAFE Index	(14.45%)
MSCI Europe	(15.06%)
MSCI Pacific	(13.04%)
MSCI Emerging Markets	(19.74%)



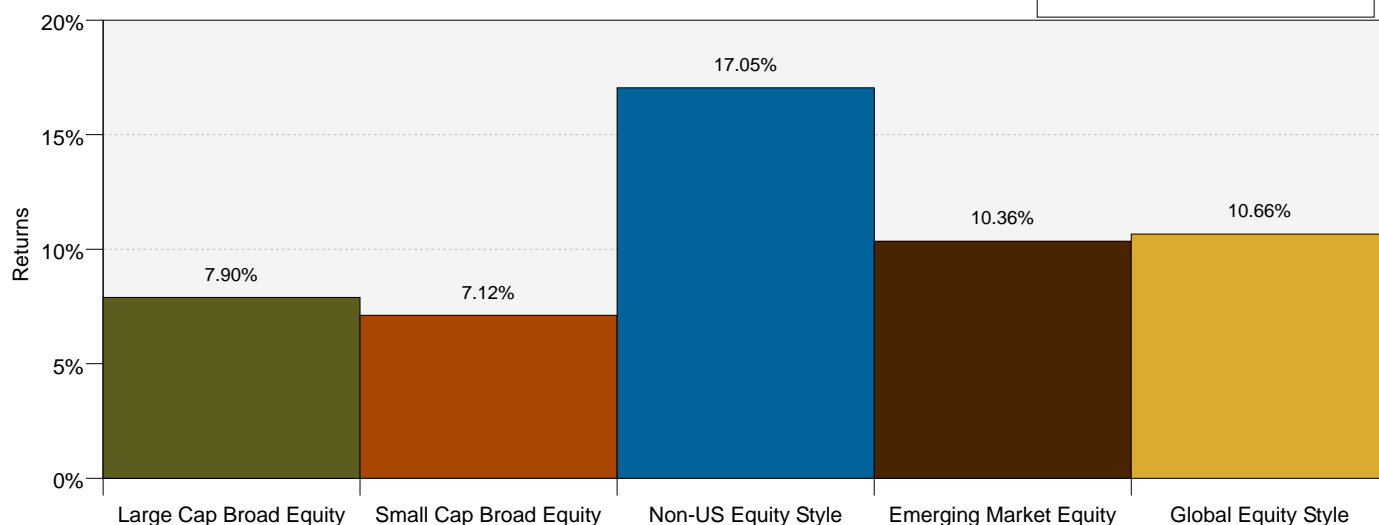
## Capital Growth

### Active Management Overview

Global equity markets posted strong returns, and currency appreciation vs. the U.S. dollar bolstered results for non-U.S. investments. The MSCI ACWI Index gained 9.8% (Local: +7.4%), reducing its YTD loss to 18.4% (Local: -16.0%). Across developed market countries, gains were broad-based and value outpaced growth. Emerging markets (MSCI Emerging Markets: +9.7%; Local: +6.6%) also rebounded in 4Q, but returns were mixed across countries. While many countries were up double-digits, India (+2.0%) and Brazil (+2.4%) weighed on broad market returns. China (MSCI China: +13.5%) outperformed.

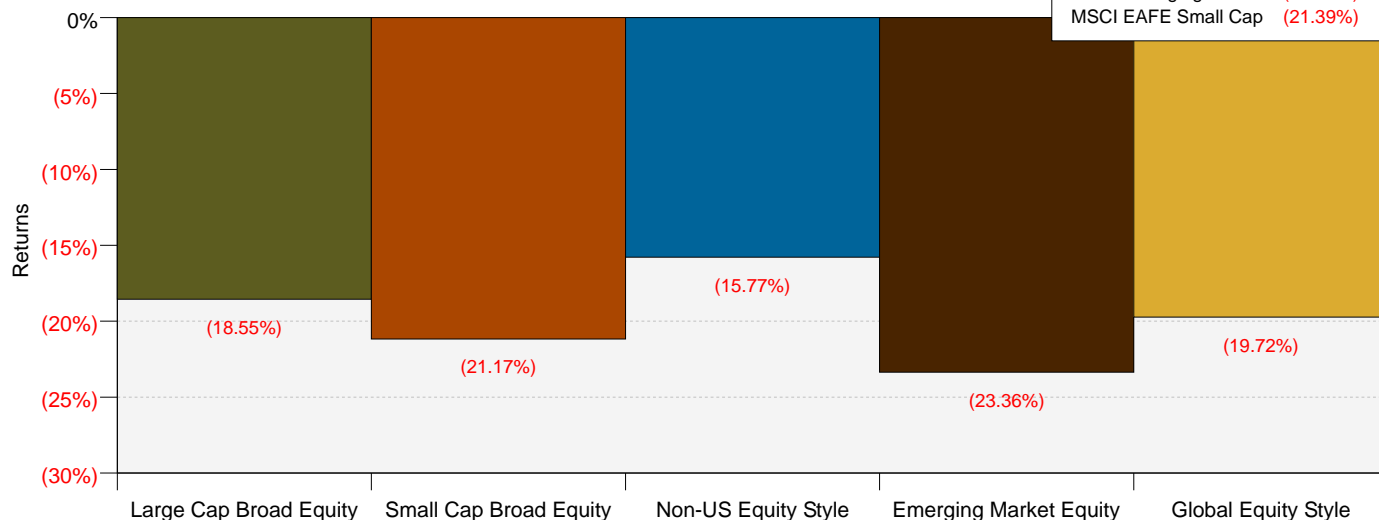
#### Mutual Fund Style Group Median Returns for Quarter ended December 31, 2022

S&P 500 Index	7.56%
Russell 3000 Index	7.18%
Russell 2000 Index	6.23%
MSCI ACWI	9.76%
MSCI EAFE Index	17.34%
MSCI Emerging Markets	9.70%
MSCI EAFE Small Cap	15.79%



#### Mutual Fund Style Group Median Returns for One Year ended December 31, 2022

S&P 500 Index	(18.11%)
Russell 3000 Index	(19.21%)
Russell 2000 Index	(20.44%)
MSCI ACWI	(18.36%)
MSCI EAFE Index	(14.45%)
MSCI Emerging Markets	(20.09%)
MSCI EAFE Small Cap	(21.39%)





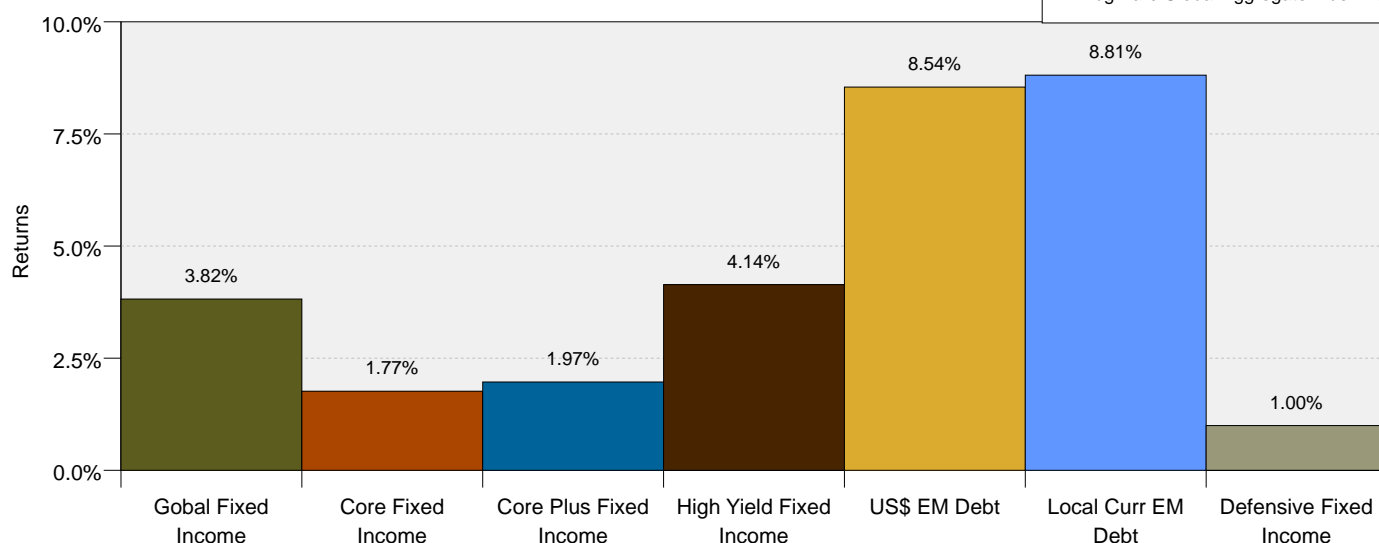
## Income

### Active Management Overview

While rates across developed markets rose broadly in 2022, changes were mixed in 4Q. Rates fell in the U.K. but rose across most of Europe and Japan and were mixed in the U.S. The Bloomberg Global Aggregate rose 4.6% (hedged: +1.0%) due largely to 4Q weakness in the U.S. dollar. Emerging markets also had a good quarter with the JPM EMBI Global Diversified up 8.1% and the local currency JPM GBI-EM Global Diversified up 8.5%. For the year, the indices were down 17.8% and 11.7%, respectively. As is typical for emerging markets, country returns varied widely but most were positive across both indices in 4Q.

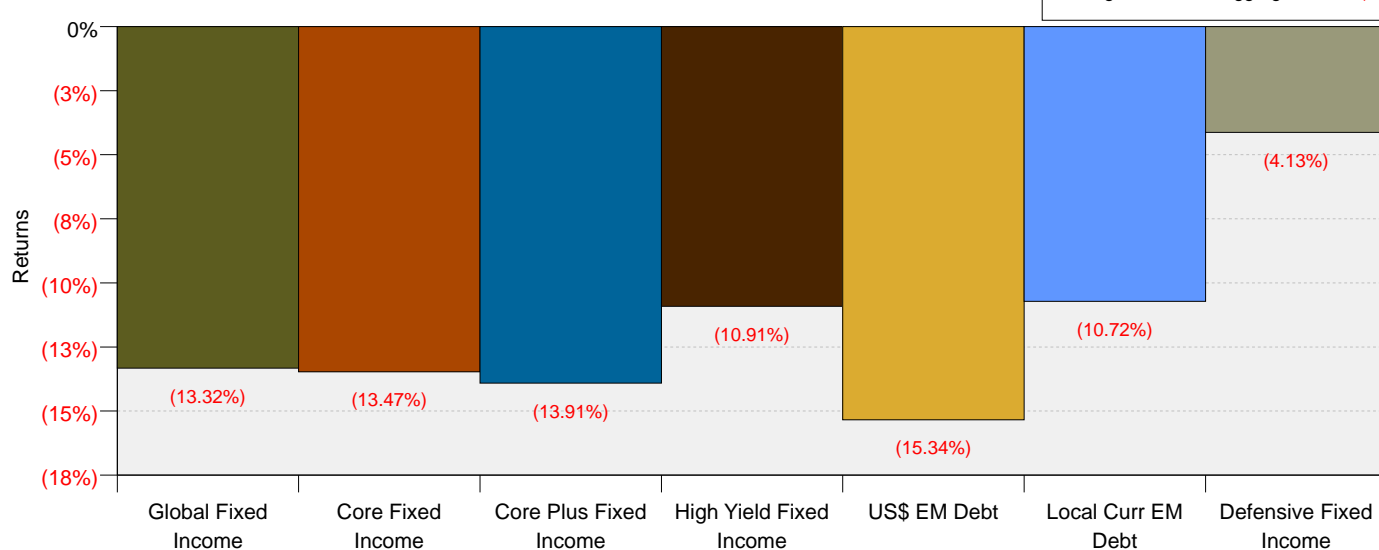
#### Mutual Fund Style Group Median Returns for Quarter ended December 31, 2022

Blmbg Barc Agg Index	1.87%
Blmbg Barc High Yield Corp	4.17%
Blmbg Barc Global Agg Hedged	0.99%
JPM EMBI Global Dvsfd	8.11%
JPM GBI GI Divers USD Unh	8.45%
Blmbg Barc Global Aggregate Index	4.55%



#### Mutual Fund Style Group Median Returns for One Year ended December 31, 2022

Blmbg Barc Agg Index	(13.01%)
Blmbg Barc High Yield Corp	(11.19%)
Blmbg Barc Global Agg Hedged	(11.22%)
JPM EMBI Global Dvsfd	(17.78%)
JPM GBI GI Divers USD Unh	(11.69%)
Blmbg Barc Global Aggregate Index	(16.25%)



## Portfolio Holdings

Description	Symbol	Value	Weight
<b>EQUITY</b>			
Large Cap U.S. Equity			
DFA US Large Cap Value I	DFLVX	\$2,299,525	4.9%
Vanguard Institutional Index I	VINIX	\$9,238,239	19.6%
<b>Large Cap U.S. Equity Total</b>		<b>\$11,537,764</b>	<b>24.5%</b>
Small Cap U.S. Equity			
Avantis US Small Cap Value Fund I	AVUVX	\$2,767,070	5.9%
Vanguard Small Cap Growth Index Admiral	VSGAX	\$1,214,827	2.6%
<b>Small Cap U.S. Equity Total</b>		<b>\$3,981,897</b>	<b>8.5%</b>
International Equity			
DFA International Small Company I	DFISX	\$1,844,691	3.9%
DFA International Value I	DFIVX	\$3,930,379	8.3%
Vanguard International Growth Adm	VWILX	\$1,754,912	3.7%
<b>International Equity Total</b>		<b>\$7,529,982</b>	<b>16.0%</b>
Emerging Markets Equity			
DFA Emerging Markets Core Equity I	DFCEX	\$2,368,264	5.0%
<b>Emerging Markets Equity Total</b>		<b>\$2,368,264</b>	<b>5.0%</b>
Real Estate			
DFA Global Real Estate Securities Port	DFGEX	\$2,698,629	5.7%
<b>Real Estate Total</b>		<b>\$2,698,629</b>	<b>5.7%</b>
<b>EQUITY Total</b>		<b>\$28,116,536</b>	<b>59.7%</b>
<b>FIXED INCOME</b>			
Core Fixed Income			
Agincourt Core Fixed Income	xxxxxx8807	\$12,535,453	26.8%
Accrued Income		\$72,978	
<b>Core Fixed Income Total</b>		<b>\$12,608,431</b>	<b>26.8%</b>
<b>FIXED INCOME Total</b>		<b>\$12,608,431</b>	<b>26.8%</b>
<b>DIVERSIFIED FIXED INCOME</b>			
High Yield Fixed Income			
Vanguard High-Yield Corporate Adm	VWEAX	\$3,450,441	7.3%
<b>High Yield Fixed Income Total</b>		<b>\$3,450,441</b>	<b>7.3%</b>

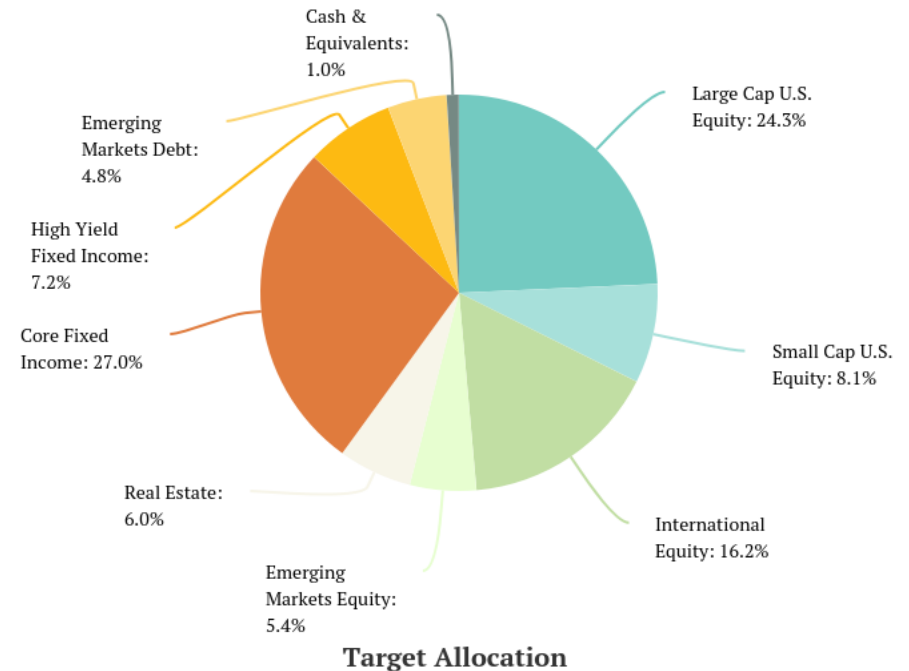
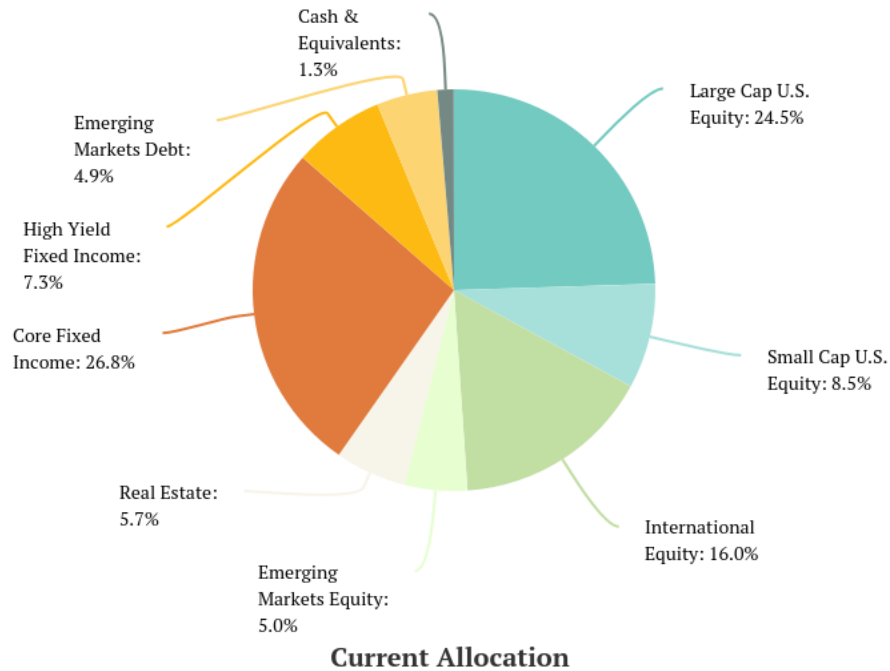
## Portfolio Holdings

Description	Symbol	Value	Weight
DIVERSIFIED FIXED INCOME			
Emerging Markets Debt			
PIMCO Emerg Mkts Full Spectrum Bd Instl	PFSIX	\$2,271,332	4.9%
Accrued Income		\$21,749	
<b>Emerging Markets Debt Total</b>		<b>\$2,293,081</b>	<b>4.9%</b>
<b>DIVERSIFIED FIXED INCOME Total</b>		<b>\$5,743,522</b>	<b>12.2%</b>
CASH AND EQUIVALENTS			
Cash & Equivalents			
Cash Portfolio (US Bank)	xxxxxx8800	\$626,678	1.3%
<b>Cash &amp; Equivalents Total</b>		<b>\$626,678</b>	<b>1.3%</b>
<b>CASH AND EQUIVALENTS Total</b>		<b>\$626,678</b>	<b>1.3%</b>
<b>Total</b>		<b>\$47,095,167</b>	<b>100.0%</b>

## Portfolio Activity Summary

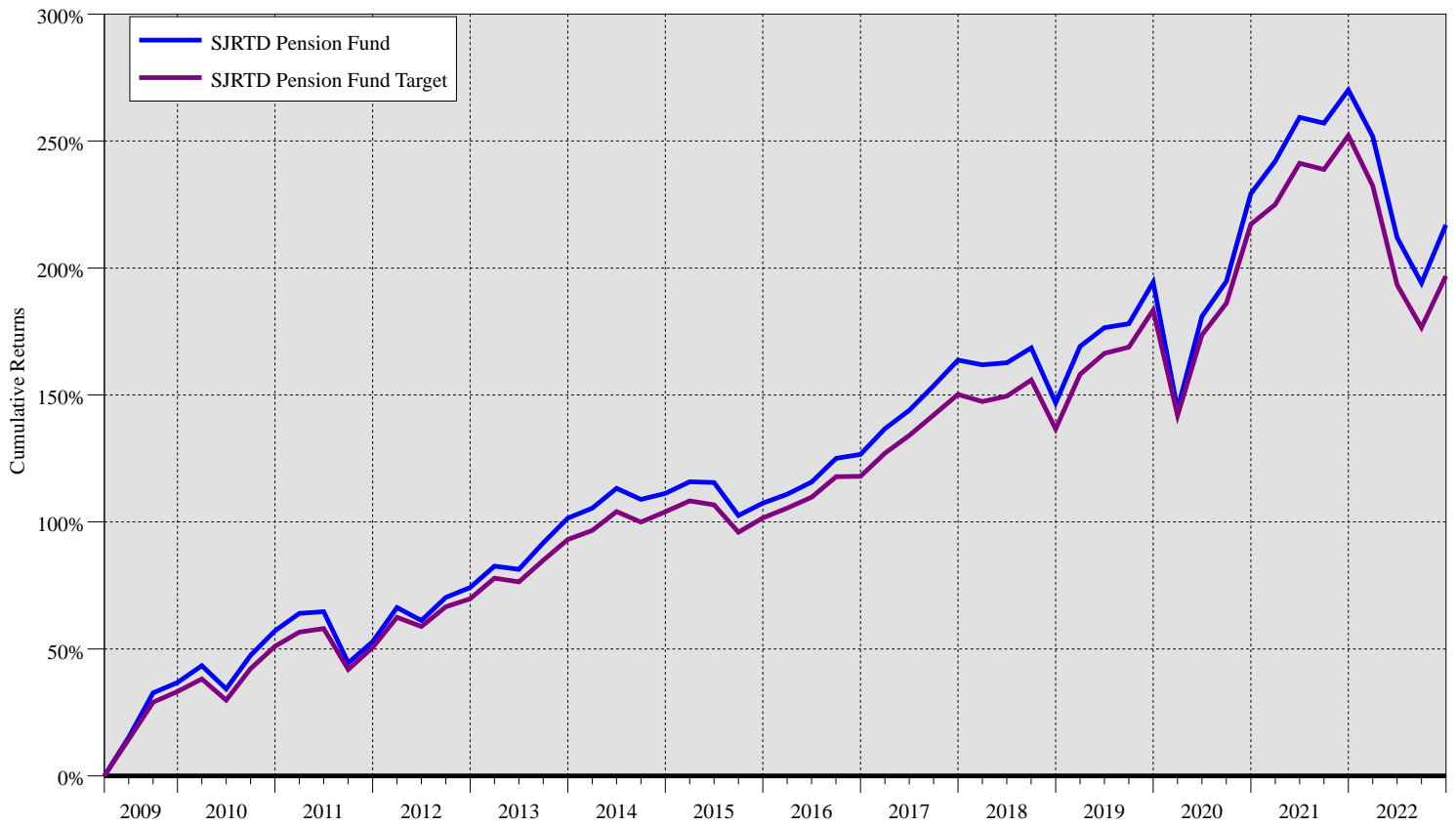
	Quarter to Date	Year to Date	Inception to Date (2/10/2009)
Beginning Value	\$43,997,048	\$56,569,543	\$0
Net Contribution	(\$275,597)	(\$1,293,739)	\$12,569,358
Transfers	\$0	\$0	\$423
Capital Appreciation	\$2,439,960	(\$9,957,860)	\$18,229,227
Dividend Income	\$952,494	\$1,465,408	\$11,907,551
Interest Income	\$129,146	\$470,229	\$6,222,205
Management Fees	(\$24,198)	(\$110,394)	(\$1,048,716)
Other Expenses	(\$7,730)	(\$34,295)	(\$440,110)
Change in Accrued	(\$115,955)	(\$13,726)	(\$344,347)
Ending Value	\$47,095,167	\$47,095,167	\$47,095,167
Investment Gain	\$3,373,717	(\$8,180,638)	\$34,525,809

## Actual vs. Target Asset Allocation

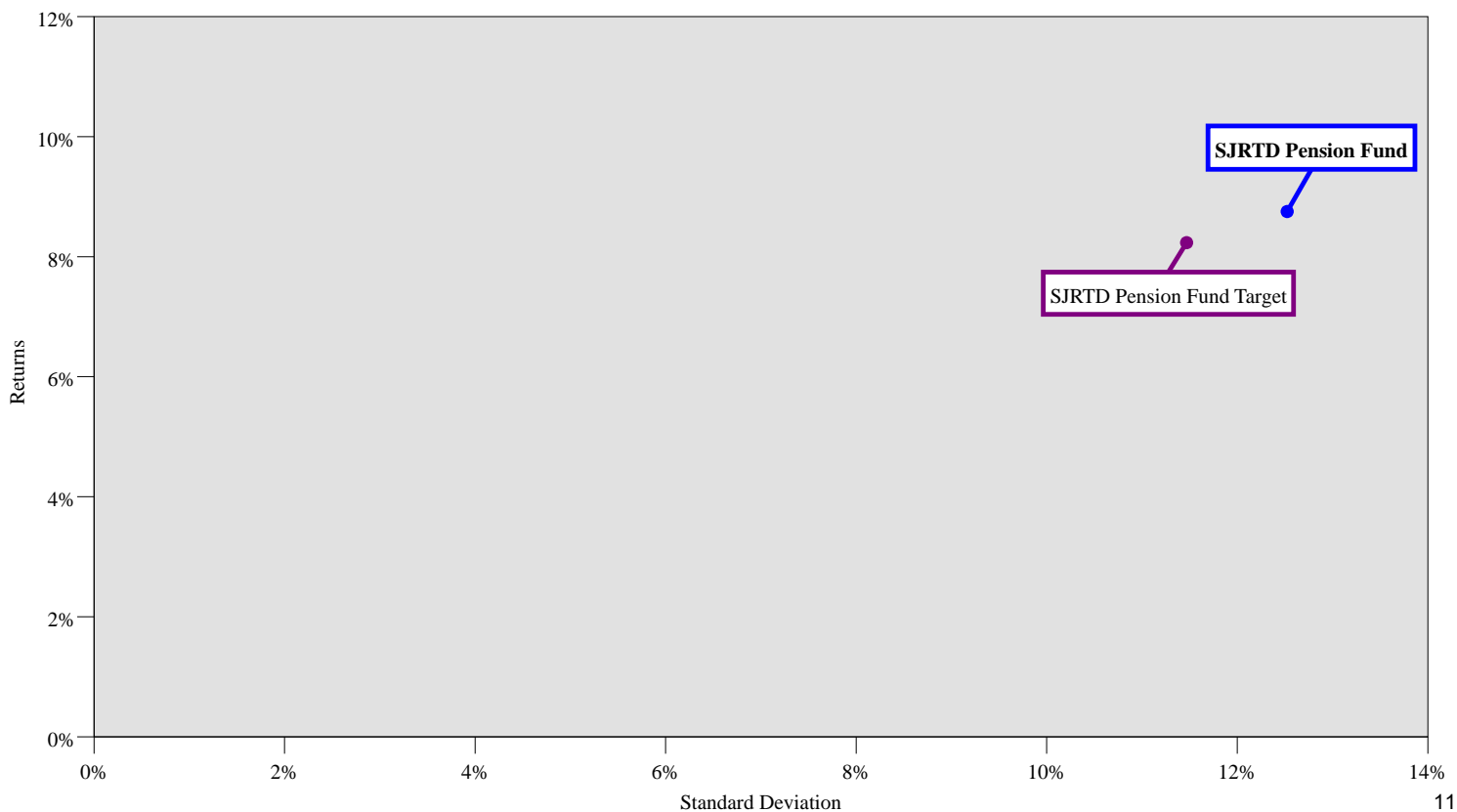


Sector	Current Value	Current Percent	Target Allocation Value	Target Allocation Percent	Dollar Variance	Percent Variance
Large Cap U.S. Equity	\$11,537,764	24.5%	\$11,444,126	24.3%	\$93,638	0.2%
Small Cap U.S. Equity	\$3,981,897	8.5%	\$3,814,709	8.1%	\$167,188	0.4%
International Equity	\$7,529,982	16.0%	\$7,629,417	16.2%	(\$99,435)	(0.2%)
Emerging Markets Equity	\$2,368,264	5.0%	\$2,543,139	5.4%	(\$174,875)	(0.4%)
Real Estate	\$2,698,629	5.7%	\$2,825,710	6.0%	(\$127,081)	(0.3%)
Core Fixed Income	\$12,608,431	26.8%	\$12,715,695	27.0%	(\$107,264)	(0.2%)
High Yield Fixed Income	\$3,450,441	7.3%	\$3,390,852	7.2%	\$59,589	0.1%
Emerging Markets Debt	\$2,293,081	4.9%	\$2,260,568	4.8%	\$32,513	0.1%
Cash & Equivalents	\$626,678	1.3%	\$470,952	1.0%	\$155,727	0.3%
<b>Total</b>	<b>\$47,095,167</b>	<b>100.0%</b>	<b>\$47,095,167</b>	<b>100.0%</b>		

Cumulative Returns | SJRTD Pension Fund vs. Targets  
Beginning April 1, 2009 | Ending December 31, 2022

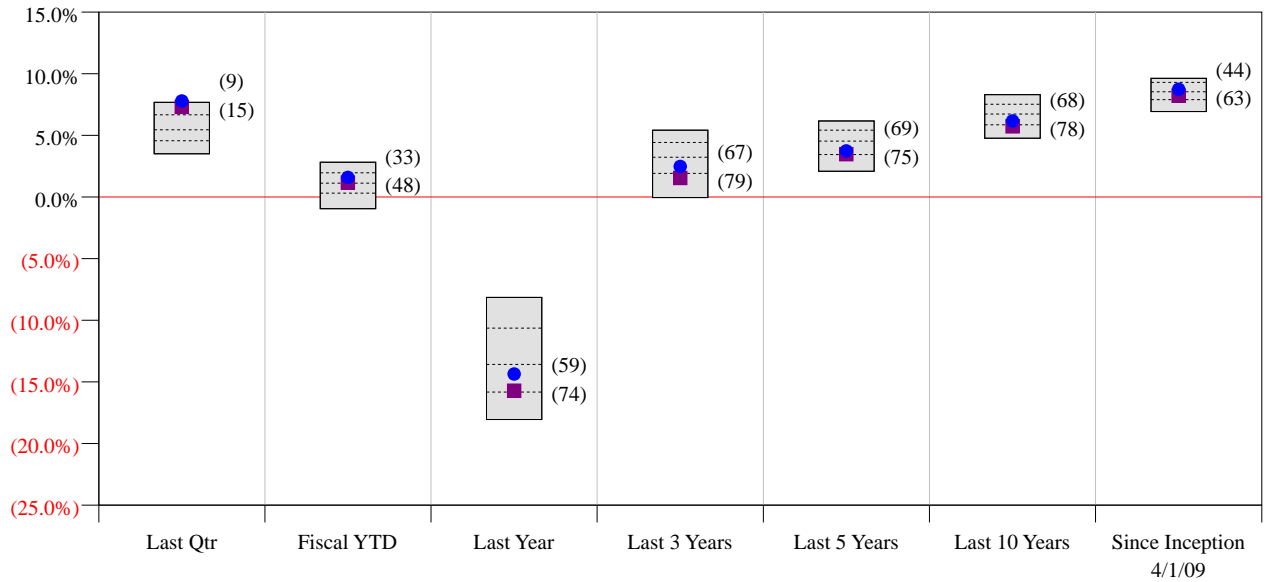


Risk vs Return | SJRTD Pension Fund Target vs. Targets  
Beginning April 1, 2009 | Ending December 31, 2022



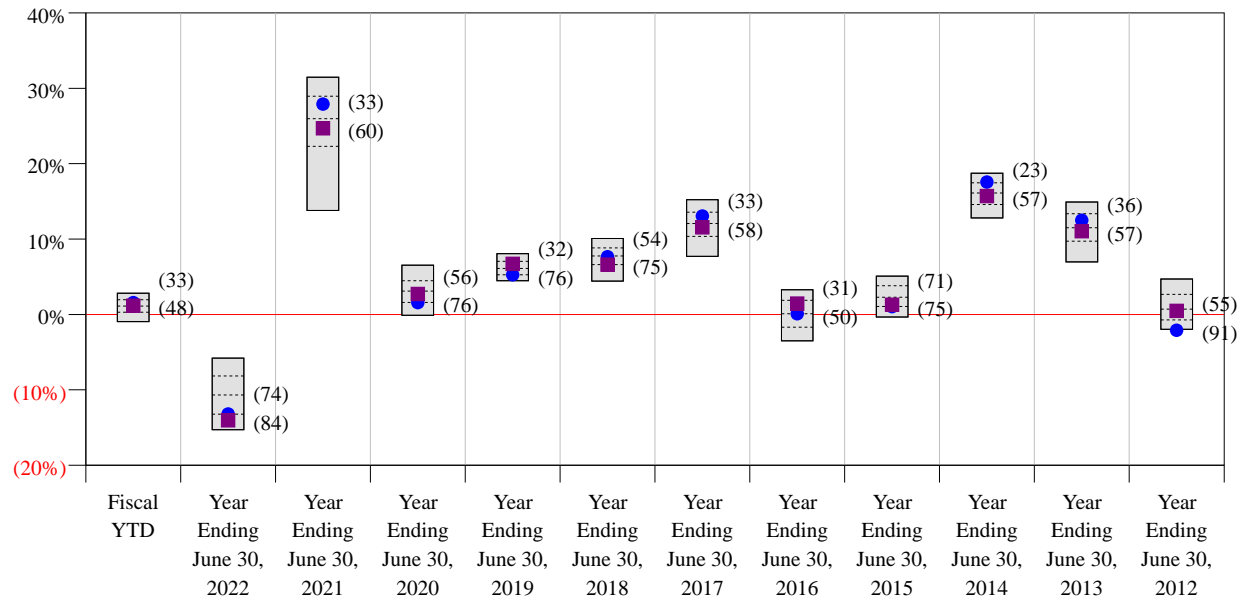
# Performance vs. Callan Fund Sponsors - Small DB (<100M)

Periods Ended December 31, 2022



10th Percentile	7.68	2.83	(8.13)	5.43	6.18	8.31	9.64
25th Percentile	6.67	1.97	(10.62)	4.43	5.42	7.53	9.31
<b>Median</b>	<b>5.46</b>	<b>1.14</b>	<b>(13.58)</b>	<b>3.23</b>	<b>4.54</b>	<b>6.74</b>	<b>8.55</b>
75th Percentile	4.56	0.32	(15.82)	1.92	3.46	5.87	7.91
90th Percentile	3.52	(0.94)	(18.05)	(0.04)	2.10	4.78	6.93
<b>SJRTD Pension Fund</b>	<b>7.79</b>	<b>1.59</b>	<b>(14.36)</b>	<b>2.49</b>	<b>3.75</b>	<b>6.17</b>	<b>8.75</b>
<b>SJRTD Pension Fund Target</b>	<b>7.31</b>	<b>1.18</b>	<b>(15.71)</b>	<b>1.55</b>	<b>3.47</b>	<b>5.74</b>	<b>8.23</b>

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



10th Percentile	2.83	(5.77)	31.48	6.54	8.09	10.10	15.22	3.29	5.11	18.76	14.93	4.72
25th Percentile	1.97	(8.15)	28.97	4.49	7.05	8.85	13.57	1.88	3.81	17.47	13.36	2.68
<b>Median</b>	<b>1.14</b>	<b>(10.66)</b>	<b>25.99</b>	<b>3.11</b>	<b>6.11</b>	<b>7.76</b>	<b>12.08</b>	<b>0.11</b>	<b>2.30</b>	<b>16.13</b>	<b>11.52</b>	<b>0.73</b>
75th Percentile	0.32	(13.22)	22.31	1.61	5.29	6.64	10.37	(1.68)	1.07	14.59	9.73	(0.71)
90th Percentile	(0.94)	(15.26)	13.81	(0.09)	4.48	4.43	7.73	(3.49)	(0.32)	12.81	6.99	(1.95)
<b>SJRTD Pension Fund</b>	<b>1.59</b>	<b>(13.18)</b>	<b>27.92</b>	<b>1.59</b>	<b>5.27</b>	<b>7.67</b>	<b>13.07</b>	<b>0.11</b>	<b>1.06</b>	<b>17.58</b>	<b>12.50</b>	<b>(2.08)</b>
<b>SJRTD Pension Fund Target</b>	<b>1.18</b>	<b>(14.03)</b>	<b>24.70</b>	<b>2.73</b>	<b>6.73</b>	<b>6.63</b>	<b>11.57</b>	<b>1.47</b>	<b>1.30</b>	<b>15.71</b>	<b>11.05</b>	<b>0.49</b>

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

## Returns for Periods Ended December 31, 2022

	Last Qtr	Fiscal Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 13 3/4 Years
<b>Large Cap Equity</b>							
Vanguard Inst'l Index I	7.55	2.29	(18.14)	7.64	9.40	12.53	14.34
DFA US Large Cap Value	14.05	7.61	(5.78)	6.25	5.86	10.86	14.23
<i>S&amp;P 500 Index</i>	<i>7.56</i>	<i>2.31</i>	<i>(18.11)</i>	<i>7.66</i>	<i>9.42</i>	<i>12.56</i>	<i>14.36</i>
<i>Russell 1000 Value</i>	<i>12.42</i>	<i>6.11</i>	<i>(7.54)</i>	<i>5.96</i>	<i>6.67</i>	<i>10.29</i>	<i>12.77</i>
<i>Russell 1000 Growth</i>	<i>2.20</i>	<i>(1.48)</i>	<i>(29.14)</i>	<i>7.79</i>	<i>10.96</i>	<i>14.10</i>	<i>15.66</i>
<b>Small Cap Equity</b>							
Avantis US Small Cap Value	13.73	10.27	(4.70)	13.91	--	--	--
Vanguard Small Cap Gr Idx Adm*	3.02	2.21	(28.39)	0.79	5.10	9.27	13.55
<i>Russell 2000 Index</i>	<i>6.23</i>	<i>3.91</i>	<i>(20.44)</i>	<i>3.10</i>	<i>4.13</i>	<i>9.01</i>	<i>12.44</i>
<i>Russell 2000 Value</i>	<i>8.42</i>	<i>3.42</i>	<i>(14.48)</i>	<i>4.70</i>	<i>4.13</i>	<i>8.48</i>	<i>11.92</i>
<i>Russell 2000 Growth</i>	<i>4.13</i>	<i>4.38</i>	<i>(26.36)</i>	<i>0.65</i>	<i>3.51</i>	<i>9.20</i>	<i>12.67</i>
<i>CRSP US Sm Cap Growth</i>	<i>3.00</i>	<i>2.15</i>	<i>(28.44)</i>	<i>0.79</i>	<i>5.09</i>	<i>9.26</i>	<i>12.99</i>
<b>International Equity</b>							
DFA International Value	19.26	7.00	(3.48)	3.88	1.36	4.61	7.77
Vanguard Int'l Growth Adm	12.62	1.18	(30.79)	3.14	4.75	7.84	10.70
DFA Intl Small Company	17.61	5.31	(17.12)	1.14	0.70	6.08	9.72
<i>MSCI EAFE Index</i>	<i>17.34</i>	<i>6.36</i>	<i>(14.45)</i>	<i>0.87</i>	<i>1.54</i>	<i>4.67</i>	<i>7.45</i>
<i>MSCI World ex US Value</i>	<i>18.10</i>	<i>6.03</i>	<i>(5.64)</i>	<i>1.13</i>	<i>0.56</i>	<i>3.55</i>	<i>6.79</i>
<i>MSCI ACWI ex US Growth</i>	<i>12.89</i>	<i>2.31</i>	<i>(23.05)</i>	<i>(0.40)</i>	<i>1.49</i>	<i>4.68</i>	<i>7.69</i>
<i>MSCI World Sm Cap ex US</i>	<i>15.21</i>	<i>4.31</i>	<i>(20.59)</i>	<i>(0.15)</i>	<i>0.45</i>	<i>5.77</i>	<i>9.70</i>
<b>Emerging Markets Equity</b>							
DFA Emerging Markets Core	10.53	(1.50)	(16.40)	0.25	(0.19)	2.24	7.65
<i>MSCI Emerging Markets</i>	<i>9.70</i>	<i>(2.99)</i>	<i>(20.09)</i>	<i>(2.69)</i>	<i>(1.39)</i>	<i>1.44</i>	<i>6.37</i>
<b>REITs</b>							
DFA Global Real Estate Securities	6.94	(5.49)	(23.83)	(2.37)	2.42	5.13	11.69
<i>S&amp;P Global REIT Index</i>	<i>6.88</i>	<i>(5.01)</i>	<i>(24.36)</i>	<i>(3.33)</i>	<i>0.91</i>	<i>3.88</i>	<i>10.39</i>
<b>Core Fixed Income</b>							
Agincourt Core Fixed Income	2.02	(2.71)	(12.95)	(2.26)	0.46	1.52	3.34
<i>Blmbg Barc Agg Index</i>	<i>1.87</i>	<i>(2.97)</i>	<i>(13.01)</i>	<i>(2.71)</i>	<i>0.02</i>	<i>1.06</i>	<i>2.52</i>
<i>Blmbg Barc Gov/Credit Bond Idx</i>	<i>1.80</i>	<i>(2.84)</i>	<i>(13.58)</i>	<i>(2.57)</i>	<i>0.21</i>	<i>1.16</i>	<i>2.71</i>

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



## Returns for Periods Ended December 31, 2022

	Last Qtr	Fiscal Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 13 3/4 Years
<b>High Yield Fixed Income</b>							
Vanguard High Yield Corp Adm	4.88	3.98	(8.97)	(0.15)	2.31	3.75	7.36
<i>ICE BofA High Yield CP BB-B Cons</i>	<i>4.31</i>	<i>3.53</i>	<i>(10.59)</i>	<i>(0.20)</i>	<i>2.31</i>	<i>3.93</i>	<i>7.73</i>
<b>Emerging Markets Debt</b>							
PIMCO EM Full Spectrum Bd I	8.21	5.22	(11.17)	(4.20)	(0.83)	--	--
<i>50/25/25 EM Debt Index**</i>	<i>7.31</i>	<i>2.94</i>	<i>(13.17)</i>	<i>(4.66)</i>	<i>(1.21)</i>	<i>0.06</i>	<i>4.25</i>
<i>50/50 EM Debt Index***</i>	<i>8.28</i>	<i>3.25</i>	<i>(14.76)</i>	<i>(5.67)</i>	<i>(1.86)</i>	<i>(0.18)</i>	<i>4.01</i>
<b>Total Fund</b>							
SJRTD Pension Fund	7.79	1.59	(14.36)	2.49	3.75	6.17	8.75
<i>SJRTD Pension Fund Target</i>	<i>7.31</i>	<i>1.18</i>	<i>(15.71)</i>	<i>1.55</i>	<i>3.47</i>	<i>5.74</i>	<i>8.23</i>
<i>S&amp;P 500 Index</i>	<i>7.56</i>	<i>2.31</i>	<i>(18.11)</i>	<i>7.66</i>	<i>9.42</i>	<i>12.56</i>	<i>14.36</i>
<i>Dow Jones Industrial Avg</i>	<i>16.01</i>	<i>8.85</i>	<i>(6.86)</i>	<i>7.32</i>	<i>8.38</i>	<i>12.30</i>	<i>14.05</i>

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

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

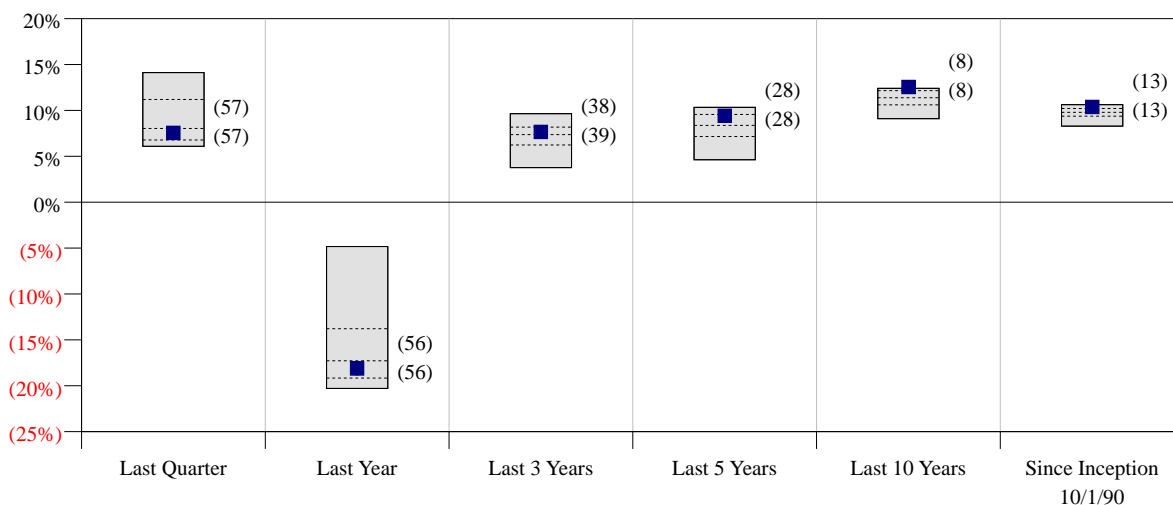
Current Quarter Target = 1.0% 3-Month Treasury Bill, 27.0% Bloomberg Barclays Aggregate Index, 6.0% S&P Global REIT Index, 2.4% JPM GBI EM GI Divers USD Unh, 2.4% JPM EMBI Global Diversified, 7.2% ICE BofAML High Yield CP BB-B Cons, 16.2% MSCI EAFE Index, 5.4% MSCI Emerging Markets, 8.1% Russell 2000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

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

## Investment Philosophy:

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

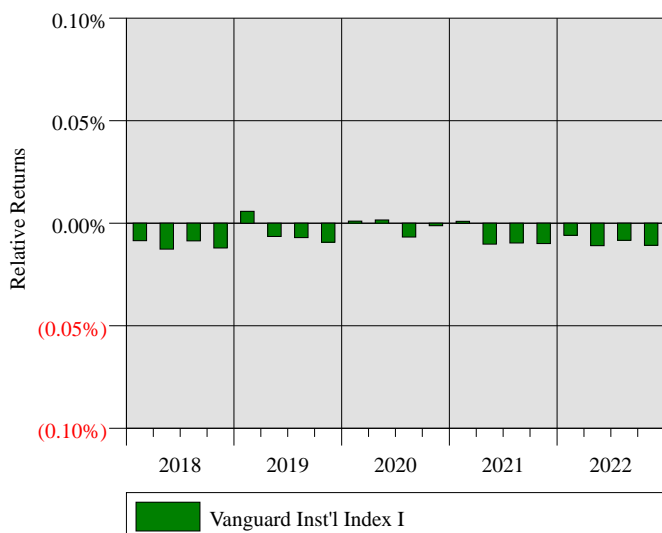
### Vanguard Inst'l Index I (VINIX) Performance vs. Callan Large Cap Core Mutual Funds Periods ending: December 31, 2022



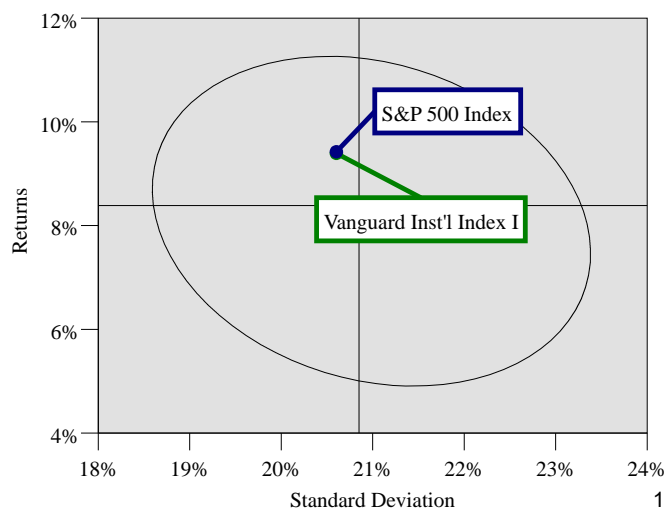
10th Percentile	14.13	(4.83)	9.65	10.35	12.41	10.64
25th Percentile	11.20	(13.79)	8.19	9.58	12.17	10.22
<b>Median</b>	<b>8.04</b>	<b>(17.28)</b>	<b>7.37</b>	<b>8.39</b>	<b>11.39</b>	<b>9.79</b>
75th Percentile	6.79	(19.14)	6.24	7.16	10.62	9.38
90th Percentile	6.10	(20.28)	3.78	4.64	9.11	8.30
<b>Vanguard Inst'l Index I</b>	<b>7.55</b>	<b>(18.14)</b>	<b>7.64</b>	<b>9.40</b>	<b>12.53</b>	<b>10.39</b>
<b>S&amp;P 500 Index</b>	<b>7.56</b>	<b>(18.11)</b>	<b>7.66</b>	<b>9.42</b>	<b>12.56</b>	<b>10.39</b>

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Vanguard Inst'l Index I</b>	<b>(18.14)</b>	<b>28.67</b>	<b>18.39</b>	<b>31.46</b>	<b>(4.42)</b>	<b>21.79</b>	<b>11.93</b>	<b>1.37</b>	<b>13.65</b>	<b>32.35</b>
<b>S&amp;P 500 Index</b>	<b>(18.11)</b>	<b>28.71</b>	<b>18.40</b>	<b>31.49</b>	<b>(4.38)</b>	<b>21.83</b>	<b>11.96</b>	<b>1.38</b>	<b>13.69</b>	<b>32.39</b>

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



#### Callan Large Cap Core Mutual Funds | 5 Years Ended 12/31/22

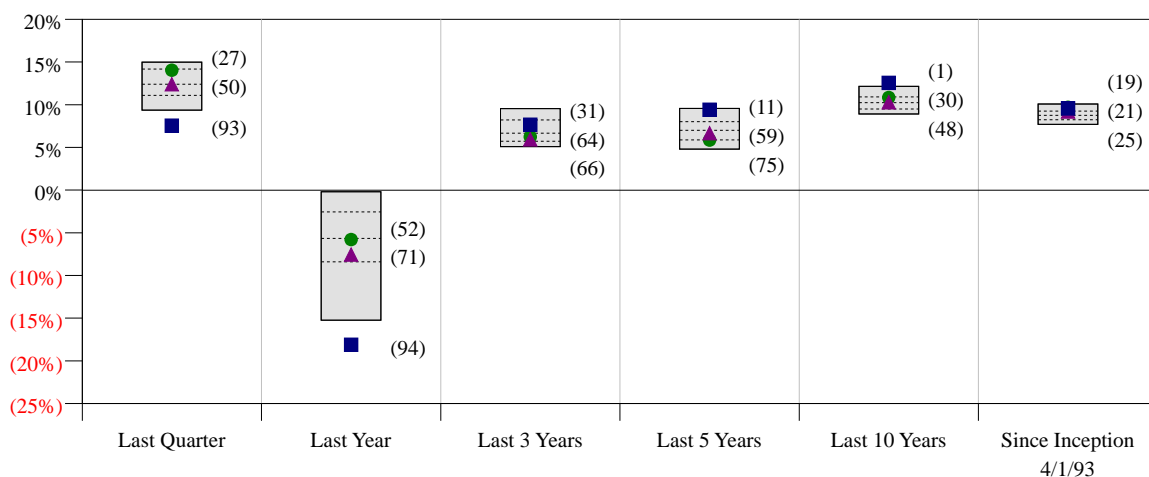


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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.

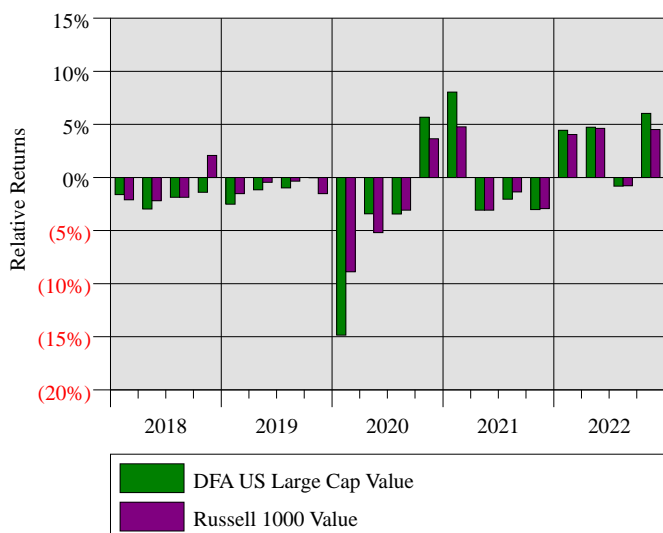
### DFA US Large Cap Value (DFLVX) Performance vs. Callan Large Cap Value Mutual Funds Periods ending: December 31, 2022



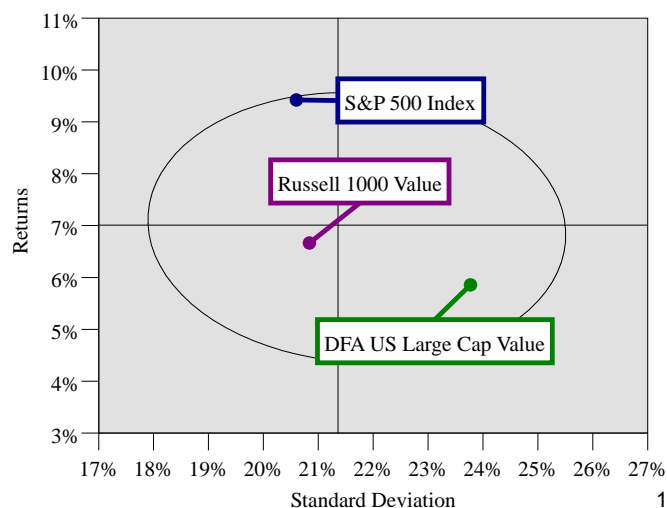
10th Percentile	15.00	(0.19)	9.56	9.58	12.16	10.09
25th Percentile	14.19	(2.54)	8.22	8.03	10.94	9.26
<b>Median</b>	<b>12.40</b>	<b>(5.65)</b>	<b>6.67</b>	<b>7.01</b>	<b>10.24</b>	<b>8.77</b>
75th Percentile	11.11	(8.39)	5.73	5.88	9.52	8.24
90th Percentile	9.37	(15.24)	5.10	4.82	8.93	7.72
<b>DFA US Large Cap Value</b>	<b>14.05</b>	<b>(5.78)</b>	<b>6.25</b>	<b>5.86</b>	<b>10.86</b>	<b>9.71</b>
S&P 500 Index	7.56	(18.11)	7.66	9.42	12.56	9.57
Russell 1000 Value	12.42	(7.54)	5.96	6.67	10.29	9.23

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA US Large Cap Value</b>	<b>(5.78)</b>	<b>28.07</b>	<b>(0.61)</b>	<b>25.45</b>	<b>(11.65)</b>	<b>18.97</b>	<b>18.89</b>	<b>(3.49)</b>	<b>10.07</b>	<b>40.32</b>
S&P 500 Index	(18.11)	28.71	18.40	31.49	(4.38)	21.83	11.96	1.38	13.69	32.39
Russell 1000 Value	(7.54)	25.16	2.80	26.54	(8.27)	13.66	17.34	(3.83)	13.45	32.53

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



#### Callan Large Cap Value Mutual Funds | 5 Years Ended 12/31/22

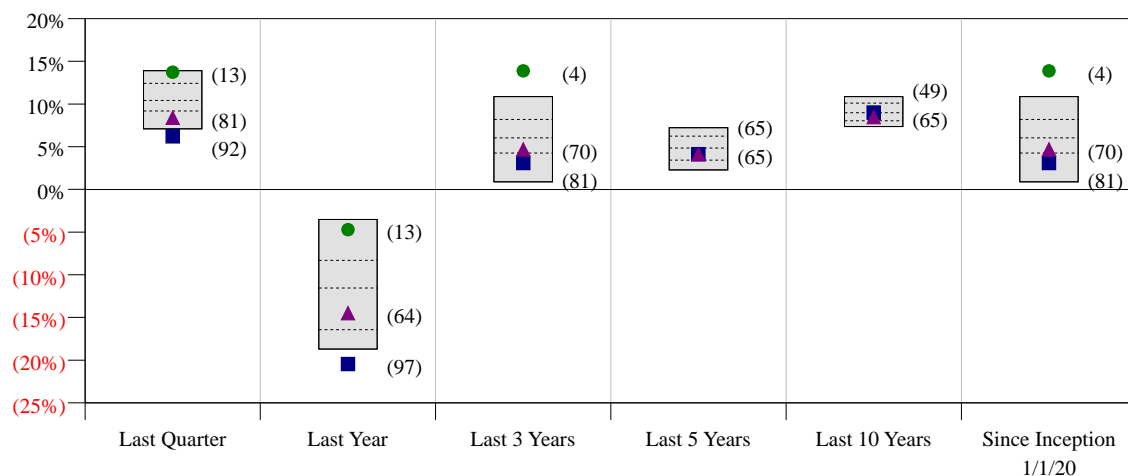


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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.

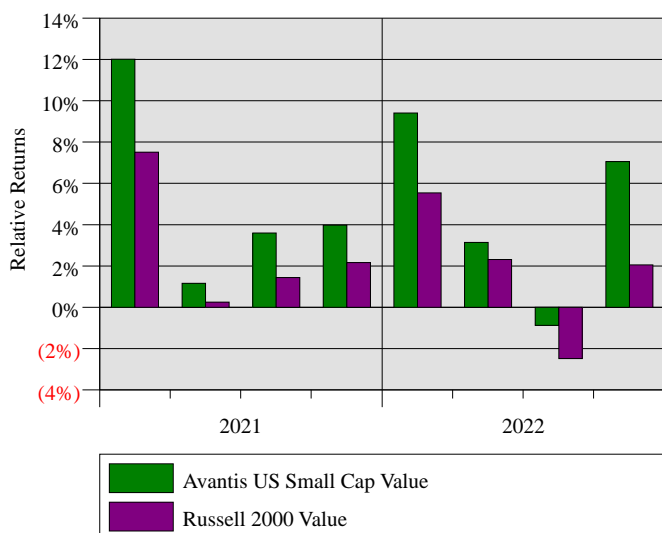
### Avantis US Small Cap Value (AVUVX) Performance vs. Callan Small Cap Value Mutual Funds Periods ending: December 31, 2022



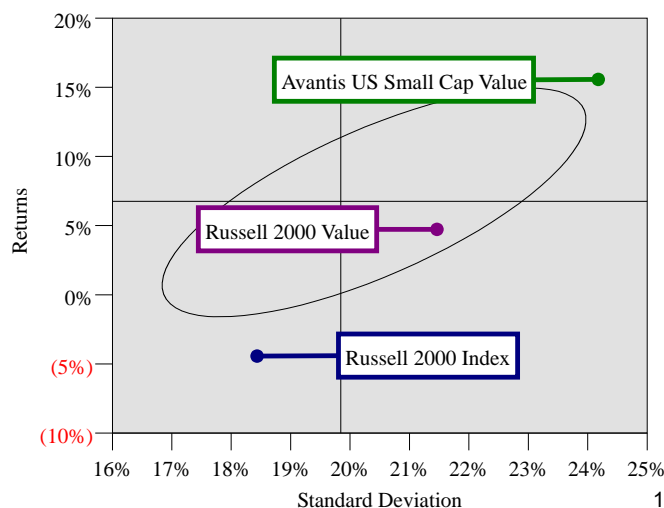
10th Percentile	13.91	(3.52)	10.87	7.23	10.88	10.87
25th Percentile	12.43	(8.30)	8.20	6.25	10.12	8.20
<b>Median</b>	<b>10.43</b>	<b>(11.54)</b>	<b>6.06</b>	<b>4.85</b>	<b>9.00</b>	<b>6.06</b>
75th Percentile	9.19	(16.43)	4.26	3.44	8.04	4.26
90th Percentile	7.11	(18.69)	0.90	2.28	7.38	0.90
<b>Avantis US Small Cap Value</b>	<b>13.73</b>	<b>(4.70)</b>	<b>13.91</b>	<b>--</b>	<b>--</b>	<b>13.91</b>
Russell 2000 Index	6.23	(20.44)	3.10	4.13	9.01	3.10
Russell 2000 Value	8.42	(14.48)	4.70	4.13	8.48	4.70

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Avantis US Small Cap Value</b>	<b>(4.70)</b>	<b>40.17</b>	<b>10.64</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Russell 2000 Index	(20.44)	14.82	19.96	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82
Russell 2000 Value	(14.48)	28.27	4.63	22.39	(12.86)	7.84	31.74	(7.47)	4.22	34.52

#### Relative Returns vs. Russell 2000 Index



#### Callan Small Cap Value Mutual Funds | 2 Years Ended 12/31/22

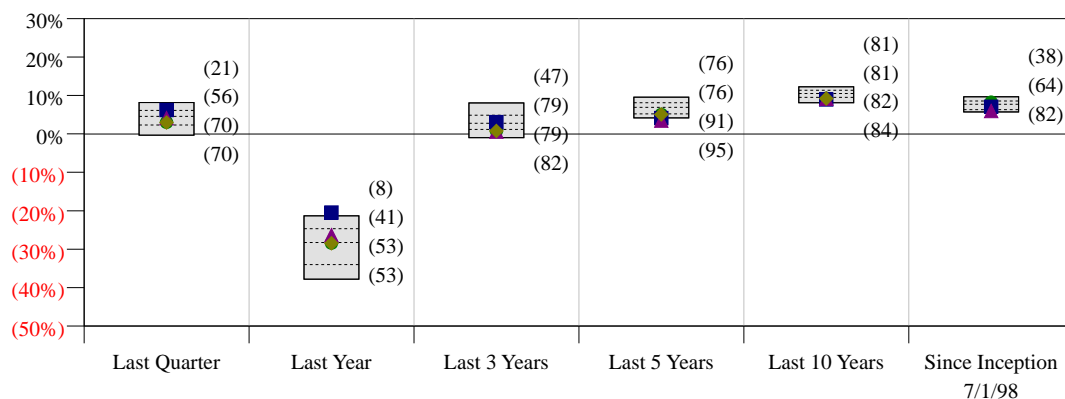


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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: December 31, 2022

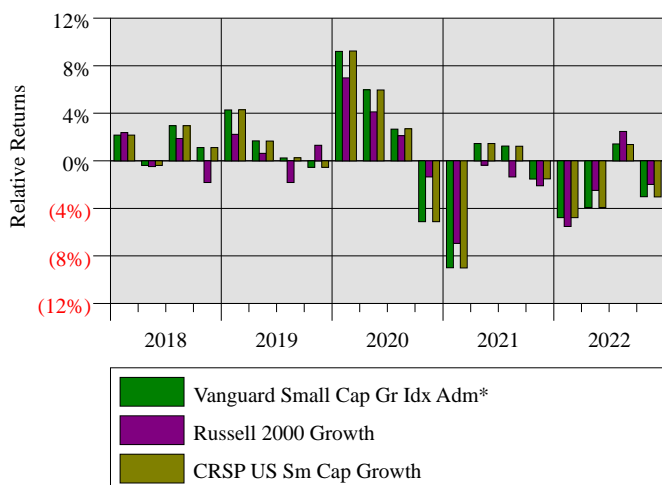


10th Percentile	8.20	(21.28)	8.07	9.61	12.28	9.68
25th Percentile	6.16	(24.66)	4.87	8.14	11.39	8.59
<b>Median</b>	<b>4.60</b>	<b>(28.21)</b>	<b>2.77</b>	<b>6.93</b>	<b>10.53</b>	<b>7.72</b>
75th Percentile	2.35	(34.00)	1.20	5.24	9.54	6.34
90th Percentile	(0.32)	(37.79)	(0.98)	4.17	8.15	5.74
<b>Vanguard Small Cap Gr Idx Adm*</b>	<b>3.02</b>	<b>(28.39)</b>	<b>0.79</b>	<b>5.10</b>	<b>9.27</b>	<b>8.29</b>
Russell 2000 Index	6.23	(20.44)	3.10	4.13	9.01	7.07
Russell 2000 Growth	4.13	(26.36)	0.65	3.51	9.20	5.97
CRSP US Sm Cap Growth	3.00	(28.44)	0.79	5.09	9.26	--

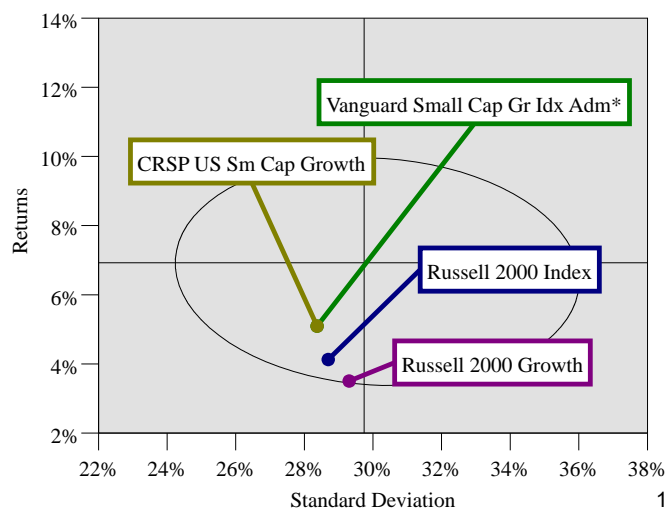
Vanguard switched to CRSP US Sm Cap Growth Index on April 17, 2013.

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Vanguard Small Cap Gr Idx Adm*</b>	<b>(28.39)</b>	<b>5.70</b>	<b>35.28</b>	<b>32.76</b>	<b>(5.68)</b>	<b>21.92</b>	<b>10.73</b>	<b>(2.52)</b>	<b>4.02</b>	<b>38.22</b>
Russell 2000 Index	(20.44)	14.82	19.96	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82
Russell 2000 Growth	(26.36)	2.83	34.63	28.48	(9.31)	22.17	11.32	(1.38)	5.60	43.30
CRSP US Sm Cap Growth	(28.44)	5.71	35.35	32.75	(5.68)	21.90	10.62	(2.60)	3.98	38.44

#### Relative Returns vs. Russell 2000 Index



#### Callan Small Cap Growth Mutual Funds | 5 Years Ended 12/31/22

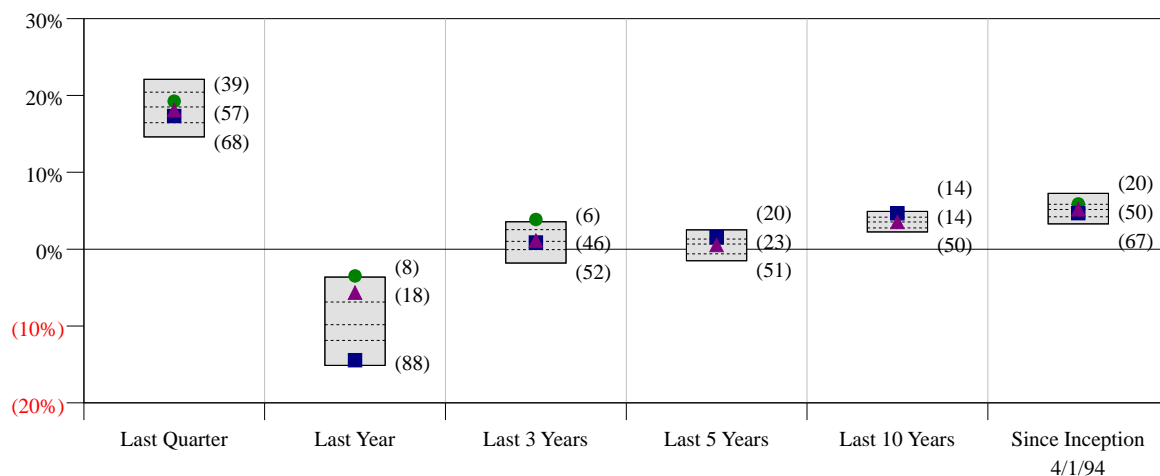


\*Investor shares used as a proxy prior to 10/2011.

## 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.

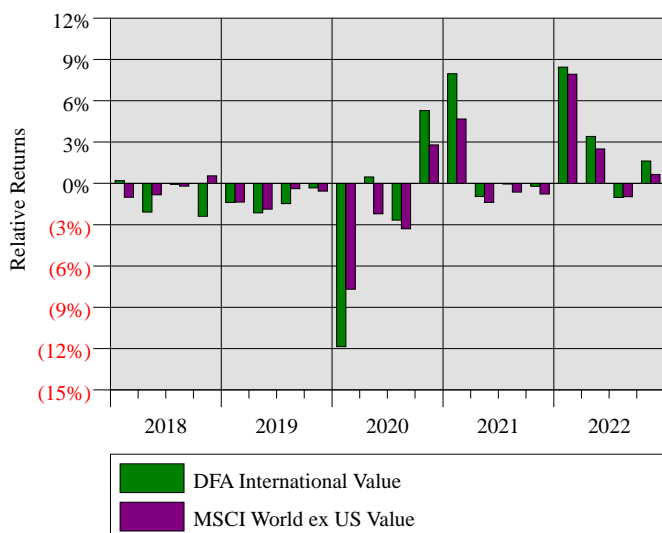
### DFA International Value (DFIVX) Performance vs. Callan International Large Cap Value MFs Periods ending: December 31, 2022



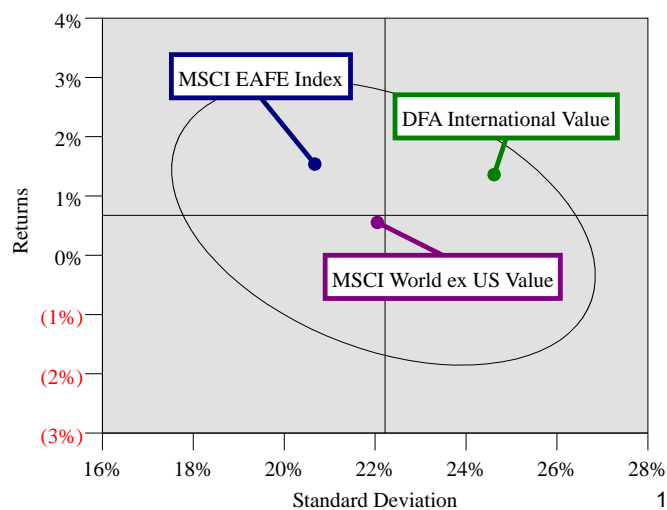
10th Percentile	22.11	(3.63)	3.58	2.54	4.92	7.27
25th Percentile	20.43	(6.88)	2.54	1.33	4.19	5.86
<b>Median</b>	<b>18.52</b>	<b>(9.82)</b>	<b>1.02</b>	<b>0.67</b>	<b>3.54</b>	<b>5.19</b>
75th Percentile	16.46	(11.87)	(0.06)	(0.61)	2.77	4.24
90th Percentile	14.62	(15.11)	(1.81)	(1.50)	2.25	3.29
<b>DFA International Value</b>	<b>19.26</b>	<b>(3.48)</b>	<b>3.88</b>	<b>1.36</b>	<b>4.61</b>	<b>5.90</b>
MSCI EAFE Index	17.34	(14.45)	0.87	1.54	4.67	4.71
MSCI World ex US Value	18.10	(5.64)	1.13	0.56	3.55	5.21

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA International Value</b>	<b>(3.48)</b>	<b>18.69</b>	<b>(2.14)</b>	<b>15.67</b>	<b>(17.49)</b>	<b>26.09</b>	<b>8.41</b>	<b>(6.31)</b>	<b>(6.99)</b>	<b>23.12</b>
MSCI EAFE Index	(14.45)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78
MSCI World ex US Value	(5.64)	13.26	(3.22)	17.02	(15.06)	21.04	7.39	(7.68)	(5.41)	21.47

#### Relative Returns vs. MSCI EAFE Index



#### Callan International Large Cap Value MFs | 5 Years Ended 12/31/22

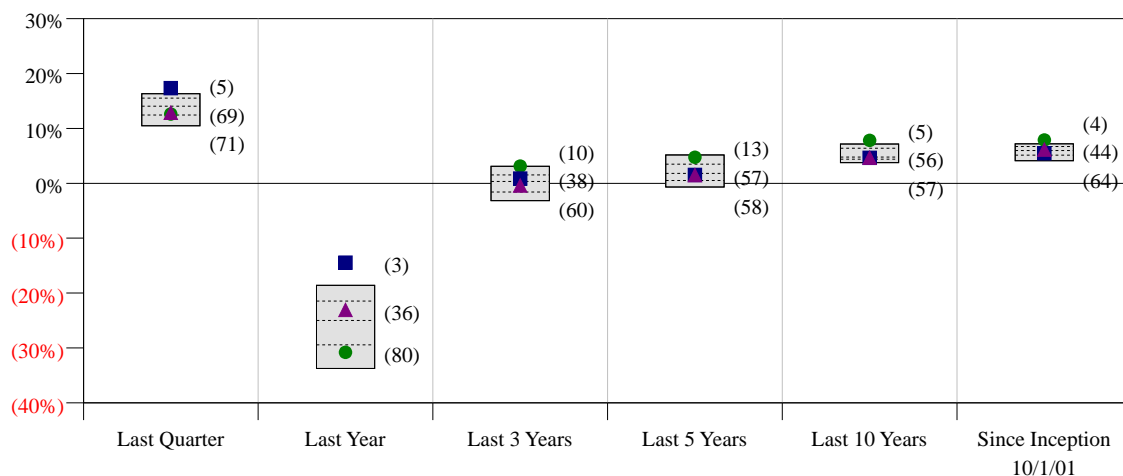


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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.

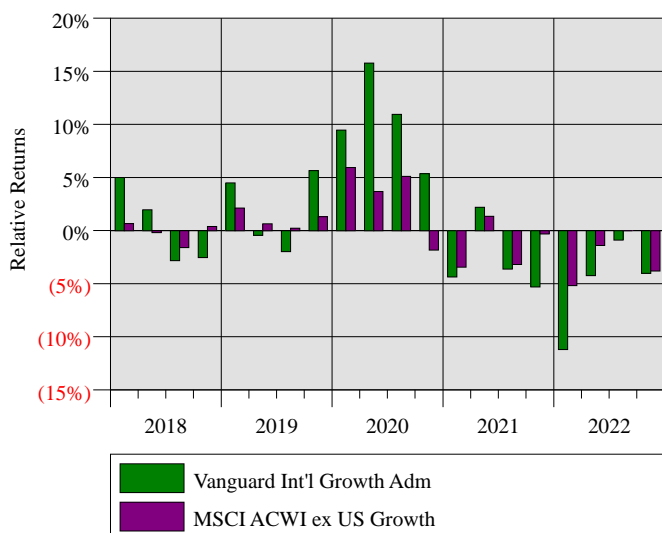
### Vanguard Int'l Growth Adm (VWILX) Performance vs. Callan Intl Large Cap Growth MFs Periods ending: December 31, 2022



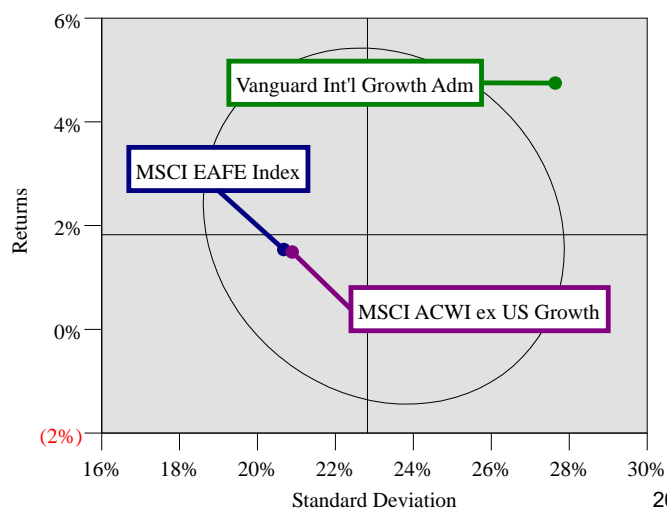
10th Percentile	16.34	(18.57)	3.10	5.19	7.18	7.22
25th Percentile	15.55	(21.46)	1.56	3.49	6.39	6.72
<b>Median</b>	<b>14.07</b>	<b>(24.98)</b>	<b>0.36</b>	<b>1.82</b>	<b>4.79</b>	<b>5.97</b>
75th Percentile	12.46	(29.43)	(1.55)	0.53	4.42	5.13
90th Percentile	10.48	(33.73)	(3.16)	(0.65)	3.78	4.15
<b>Vanguard Int'l Growth Adm</b>	<b>12.62</b>	<b>(30.79)</b>	<b>3.14</b>	<b>4.75</b>	<b>7.84</b>	<b>7.90</b>
MSCI EAFE Index	17.34	(14.45)	0.87	1.54	4.67	5.51
MSCI ACWI ex US Growth	12.89	(23.05)	(0.40)	1.49	4.68	6.17

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Vanguard Int'l Growth Adm</b>	<b>(30.79)</b>	<b>(0.74)</b>	<b>59.74</b>	<b>31.48</b>	<b>(12.58)</b>	<b>43.16</b>	<b>1.84</b>	<b>(0.54)</b>	<b>(5.51)</b>	<b>23.12</b>
MSCI EAFE Index	(14.45)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78
MSCI ACWI ex US Growth	(23.05)	5.09	22.20	27.34	(14.43)	32.01	0.12	(1.25)	(2.65)	15.49

#### Relative Returns vs. MSCI EAFE Index



#### Callan Intl Large Cap Growth MFs | 5 Years Ended 12/31/22

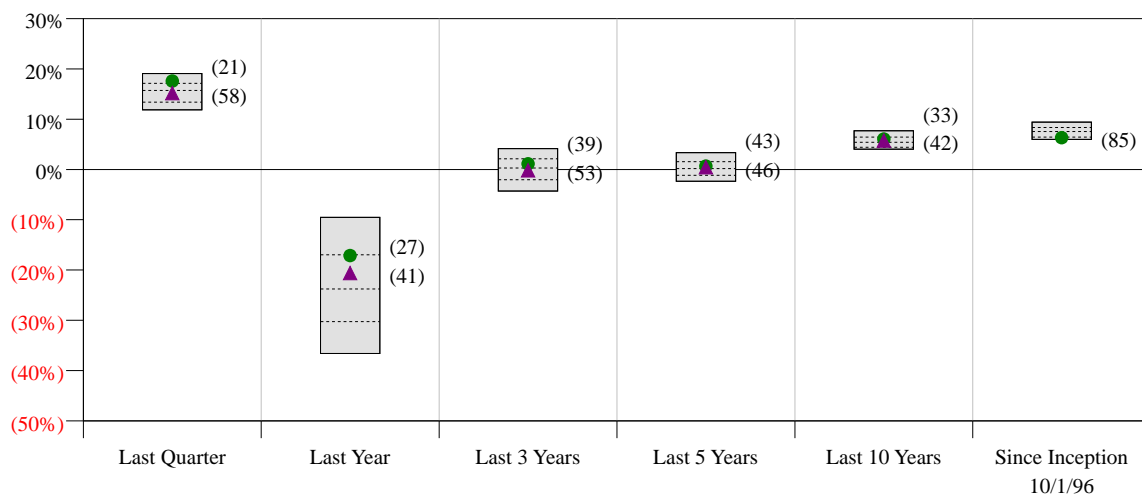


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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: December 31, 2022

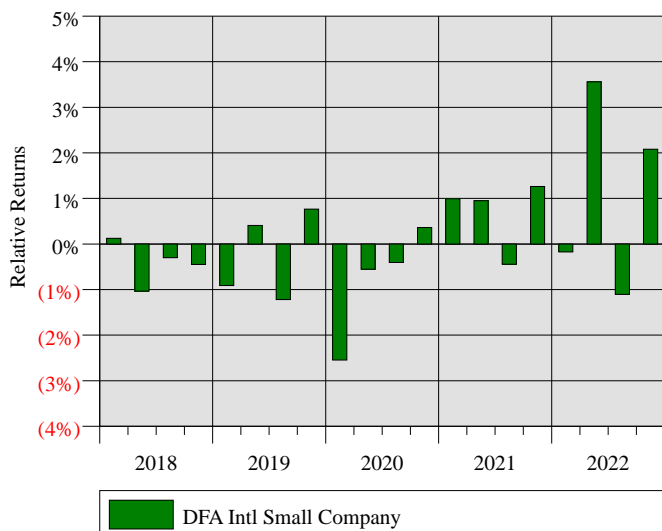


10th Percentile	19.08	(9.52)	4.17	3.37	7.71	9.45
25th Percentile	17.15	(16.94)	2.16	1.56	6.46	8.37
<b>Median</b>	<b>15.74</b>	<b>(23.74)</b>	<b>0.32</b>	<b>0.21</b>	<b>5.43</b>	<b>7.57</b>
75th Percentile	13.42	(30.25)	(2.00)	(1.13)	4.43	6.47
90th Percentile	11.90	(36.58)	(4.27)	(2.33)	4.05	5.98
<b>DFA Intl Small Company</b>	<b>17.61</b>	<b>(17.12)</b>	<b>1.14</b>	<b>0.70</b>	<b>6.08</b>	<b>6.33</b>
MSCI World Sm Cap ex US	15.21	(20.59)	(0.15)	0.45	5.77	--

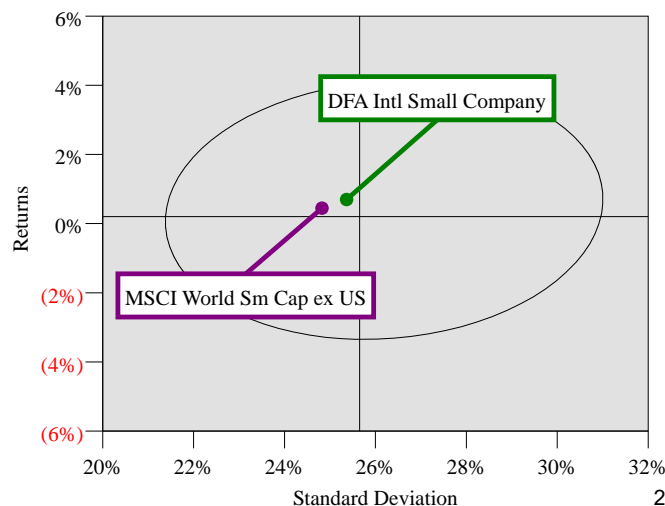
  

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA Intl Small Company</b>	<b>(17.12)</b>	<b>14.24</b>	<b>9.26</b>	<b>24.20</b>	<b>(19.42)</b>	<b>30.24</b>	<b>5.80</b>	<b>5.91</b>	<b>(6.30)</b>	<b>27.44</b>
MSCI World Sm Cap ex US	(20.59)	11.14	12.78	25.41	(18.07)	31.04	4.32	5.46	(5.35)	25.55

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



#### Callan International Small Cap Mut Funds | 5 Years Ended 12/31/22



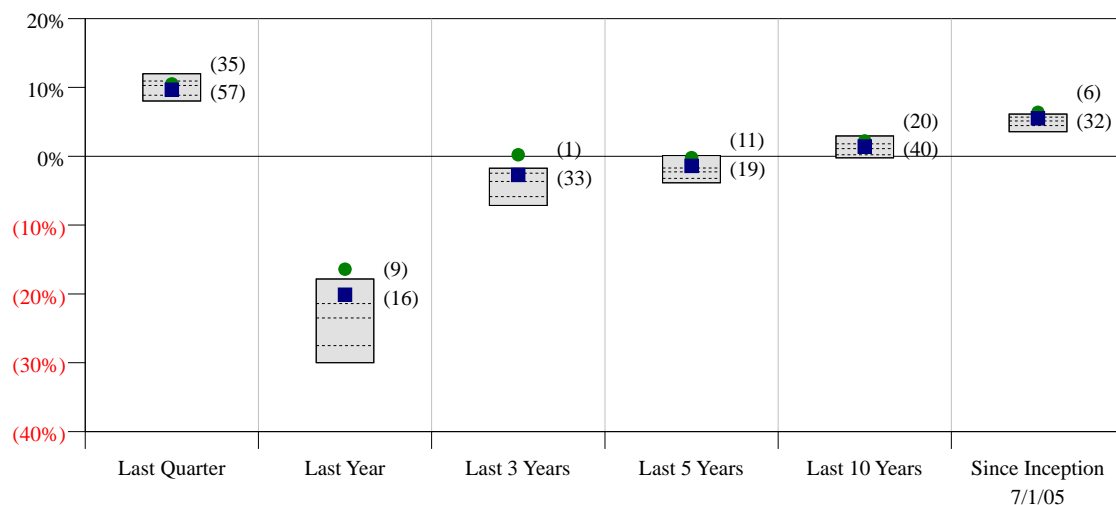
Source: Callan. Past performance is not indicative of future results. See important disclosures.



## Investment Philosophy:

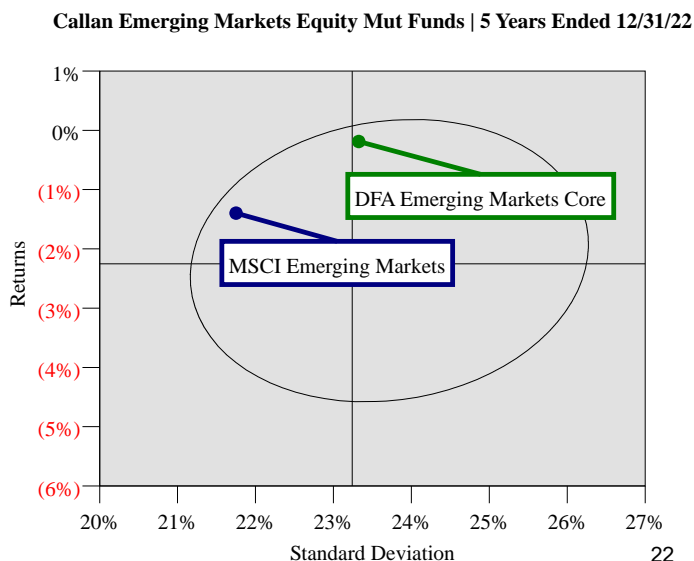
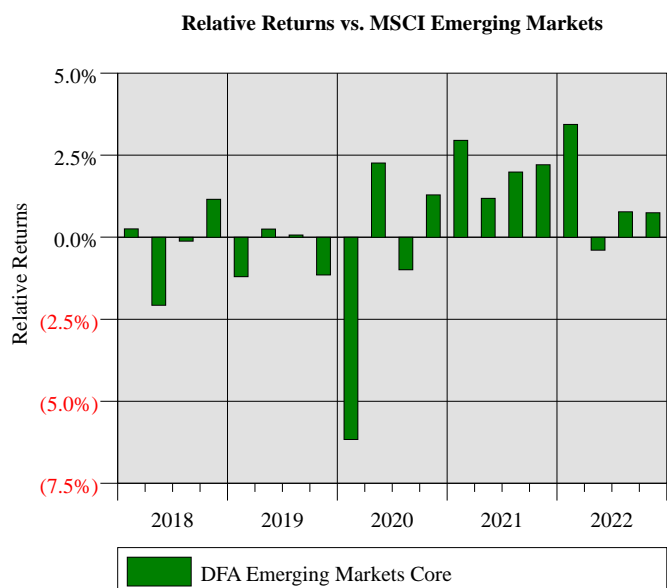
The International Emerging Markets Equity Database consists of all mutual fund international equity products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and South America.

### DFA Emerging Markets Core (DFCEX) Performance vs. Callan Emerging Markets Equity Mut Funds Periods ending: December 31, 2022



10th Percentile	12.02	(17.81)	(1.71)	0.13	2.98	6.14
25th Percentile	10.94	(21.38)	(2.45)	(1.70)	1.83	5.70
<b>Median</b>	<b>10.30</b>	<b>(23.46)</b>	<b>(3.63)</b>	<b>(2.25)</b>	<b>1.13</b>	<b>5.16</b>
75th Percentile	8.89	(27.48)	(5.86)	(3.18)	0.23	4.49
90th Percentile	8.06	(29.98)	(7.12)	(3.85)	(0.21)	3.57
<b>DFA Emerging Markets Core</b>	<b>10.53</b>	<b>(16.40)</b>	<b>0.25</b>	<b>(0.19)</b>	<b>2.24</b>	<b>6.41</b>
MSCI Emerging Markets	9.70	(20.09)	(2.69)	(1.39)	1.44	5.53

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA Emerging Markets Core</b>	<b>(16.40)</b>	<b>5.83</b>	<b>13.86</b>	<b>16.04</b>	<b>(15.25)</b>	<b>36.55</b>	<b>12.35</b>	<b>(14.86)</b>	<b>(0.91)</b>	<b>(2.64)</b>
MSCI Emerging Markets	(20.09)	(2.54)	18.31	18.44	(14.57)	37.28	11.19	(14.92)	(2.19)	(2.60)



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: December 31, 2022

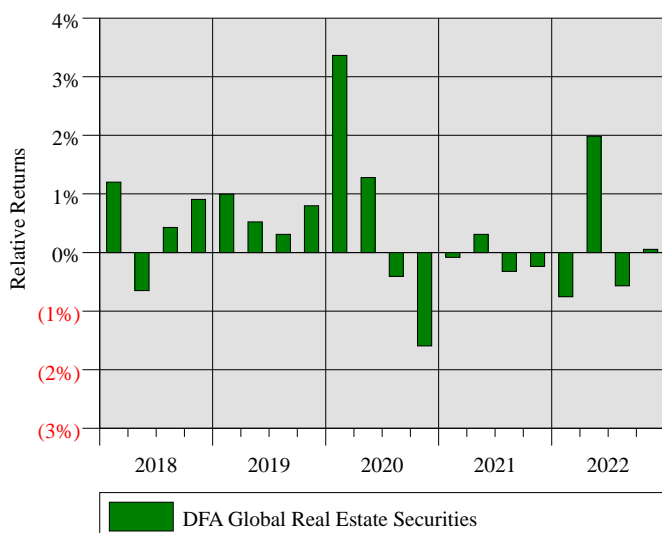


		10th Percentile	10.57	(21.88)	(1.58)	3.06	5.05	5.08
		25th Percentile	7.82	(24.16)	(2.64)	1.70	4.09	3.94
		<b>Median</b>	<b>6.94</b>	<b>(25.35)</b>	<b>(4.27)</b>	<b>0.35</b>	<b>3.15</b>	<b>3.48</b>
		75th Percentile	6.22	(26.45)	(6.00)	(1.21)	2.15	2.23
		90th Percentile	5.55	(27.35)	(8.06)	(3.15)	0.75	1.59
		<b>DFA Global Real Estate Securities</b>	<b>6.94</b>	<b>(23.83)</b>	<b>(2.37)</b>	<b>2.42</b>	<b>5.13</b>	<b>5.34</b>
		<b>S&amp;P Global REIT Index</b>	<b>6.88</b>	<b>(24.36)</b>	<b>(3.33)</b>	<b>0.91</b>	<b>3.88</b>	<b>4.00</b>

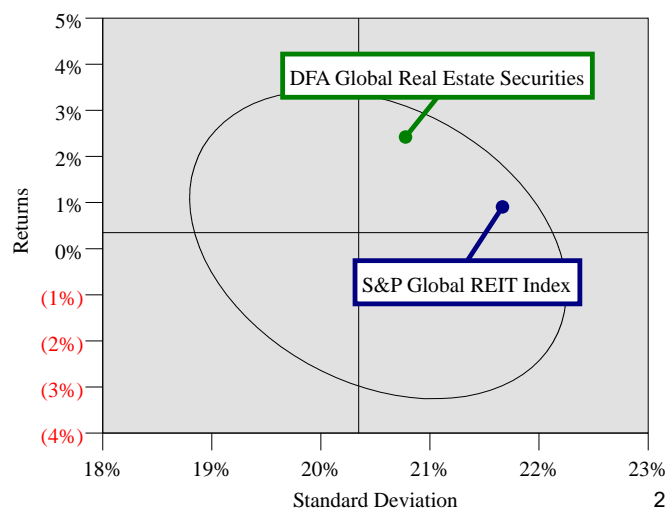
  

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA Global Real Estate Securities</b>	<b>(23.83)</b>	<b>30.96</b>	<b>(6.72)</b>	<b>26.40</b>	<b>(4.15)</b>	<b>9.20</b>	<b>6.56</b>	<b>0.69</b>	<b>22.74</b>	<b>1.77</b>
<b>S&amp;P Global REIT Index</b>	<b>(24.36)</b>	<b>31.38</b>	<b>(9.09)</b>	<b>23.12</b>	<b>(5.93)</b>	<b>7.41</b>	<b>5.77</b>	<b>(0.44)</b>	<b>21.54</b>	<b>1.73</b>

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



#### Morningstar Global Real Estate Funds | 5 Years Ended 12/31/22

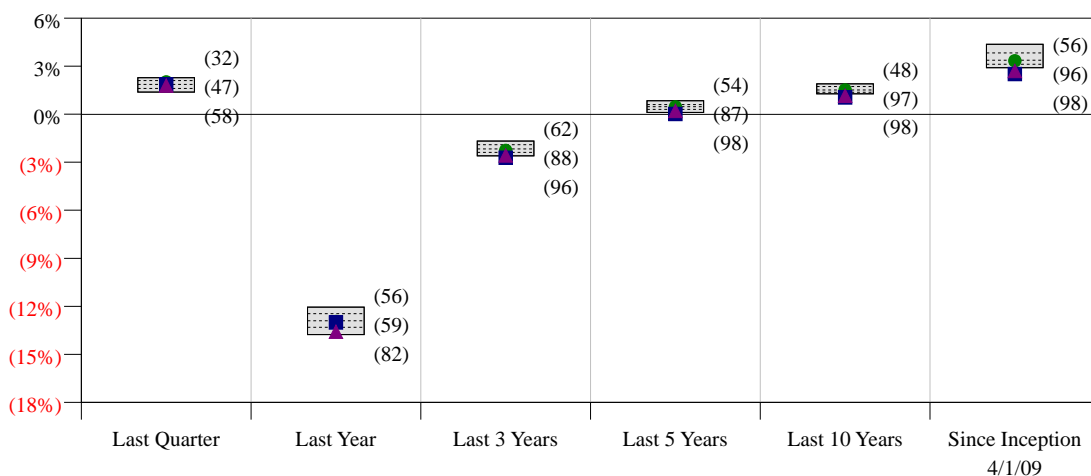


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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.

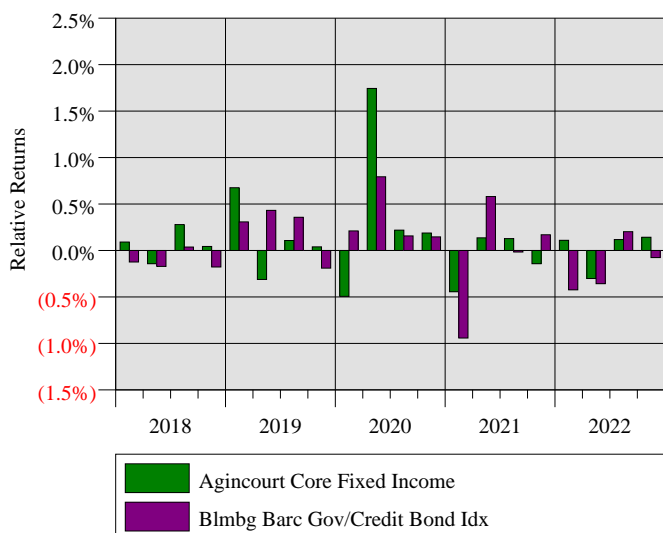
### Agincourt Core Fixed Income Performance vs. Callan Core Bond Fixed Income Periods ending: December 31, 2022



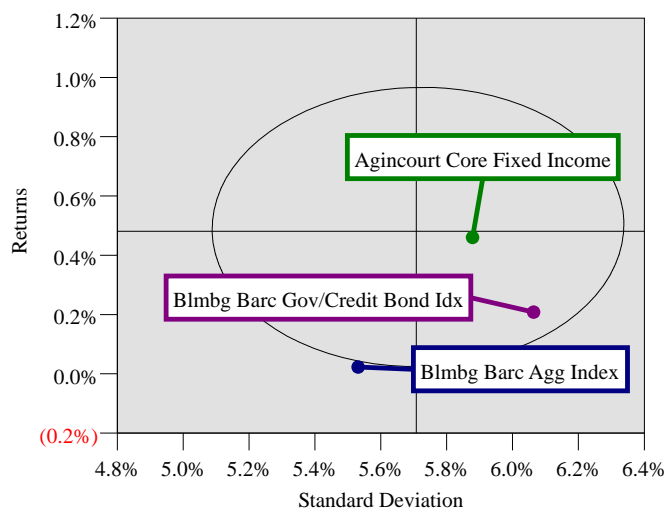
10th Percentile	2.28	(12.04)	(1.68)	0.84	1.90	4.37
25th Percentile	2.11	(12.45)	(1.90)	0.61	1.74	3.83
<b>Median</b>	<b>1.87</b>	<b>(12.90)</b>	<b>(2.16)</b>	<b>0.48</b>	<b>1.52</b>	<b>3.38</b>
75th Percentile	1.62	(13.30)	(2.38)	0.31	1.37	3.13
90th Percentile	1.39	(13.75)	(2.59)	0.12	1.28	2.91
<b>Agincourt Core Fixed Income</b>	<b>2.02</b>	<b>(12.95)</b>	<b>(2.26)</b>	<b>0.46</b>	<b>1.52</b>	<b>3.34</b>
Blmbg Barc Agg Index	1.87	(13.01)	(2.71)	0.02	1.06	2.52
Blmbg Barc Gov/Credit Bond Idx	1.80	(13.58)	(2.57)	0.21	1.16	2.71

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Agincourt Core Fixed Income</b>	<b>(12.95)</b>	<b>(1.86)</b>	<b>9.29</b>	<b>9.28</b>	<b>0.29</b>	<b>4.17</b>	<b>3.73</b>	<b>0.64</b>	<b>6.07</b>	<b>(1.45)</b>
Blmbg Barc Agg Index	(13.01)	(1.54)	7.51	8.72	0.01	3.54	2.65	0.55	5.97	(2.02)
Blmbg Barc Gov/Credit Bond Idx	(13.58)	(1.75)	8.93	9.71	(0.42)	4.00	3.05	0.15	6.01	(2.35)

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



#### Callan Core Bond Fixed Income | 5 Years Ended 12/31/22

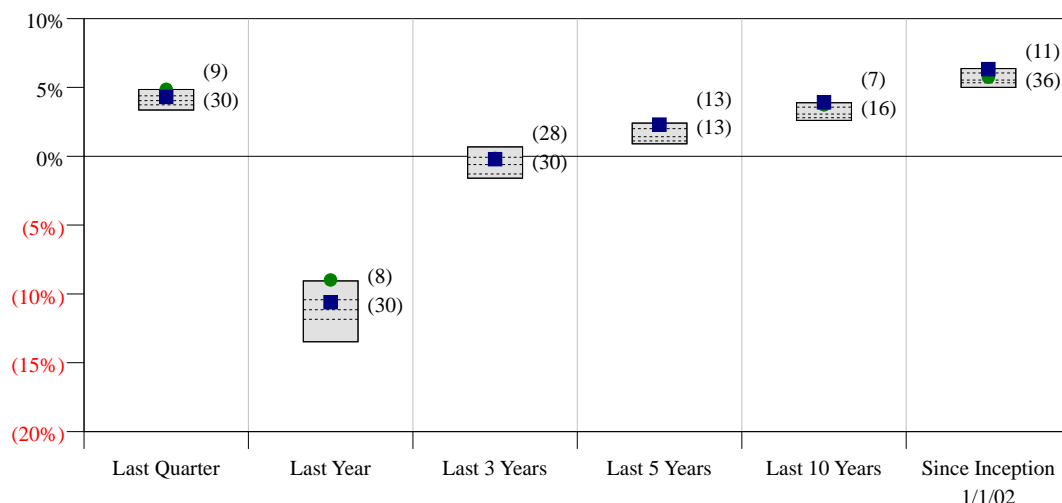


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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.

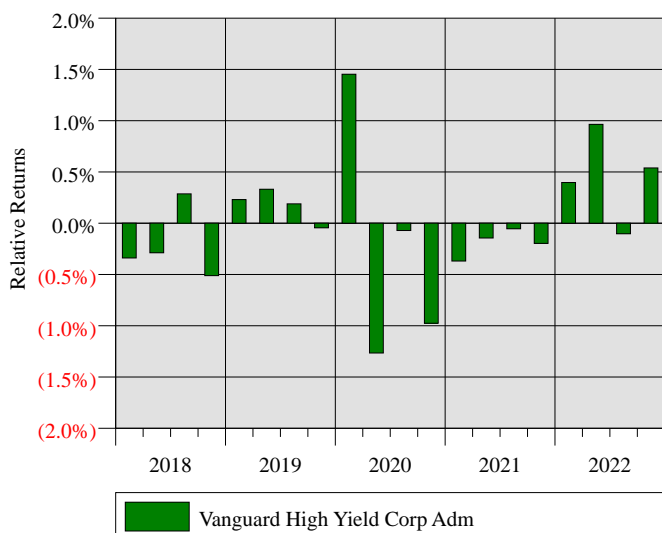
### Vanguard High Yield Corp Adm (VWEAX) Performance vs. Callan High Yield Mutual Funds Periods ending: December 31, 2022



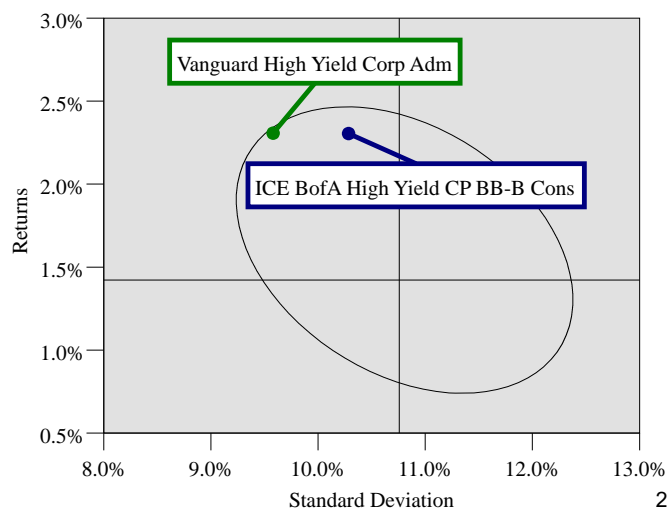
10th Percentile	4.87	(9.05)	0.69	2.43	3.90	6.38
25th Percentile	4.40	(10.42)	(0.06)	2.02	3.58	6.06
<b>Median</b>	<b>4.06</b>	<b>(11.13)</b>	<b>(0.59)</b>	<b>1.42</b>	<b>3.08</b>	<b>5.55</b>
75th Percentile	3.74	(11.83)	(1.28)	1.12	2.81	5.34
90th Percentile	3.37	(13.46)	(1.58)	0.92	2.61	5.01
<b>Vanguard High Yield Corp Adm</b>	<b>4.88</b>	<b>(8.97)</b>	<b>(0.15)</b>	<b>2.31</b>	<b>3.75</b>	<b>5.75</b>
<b>ICE BofA High Yield CP BB-B Cons</b>	<b>4.31</b>	<b>(10.59)</b>	<b>(0.20)</b>	<b>2.31</b>	<b>3.93</b>	<b>6.33</b>

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Vanguard High Yield Corp Adm</b>	<b>(8.97)</b>	<b>3.78</b>	<b>5.39</b>	<b>15.91</b>	<b>(2.87)</b>	<b>7.13</b>	<b>11.30</b>	<b>(1.30)</b>	<b>4.69</b>	<b>4.64</b>
<b>ICE BofA High Yield CP BB-B Cons</b>	<b>(10.59)</b>	<b>4.58</b>	<b>6.32</b>	<b>15.09</b>	<b>(2.04)</b>	<b>6.98</b>	<b>14.76</b>	<b>(2.82)</b>	<b>3.48</b>	<b>6.29</b>

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



#### Callan High Yield Mutual Funds | 5 Years Ended 12/31/22

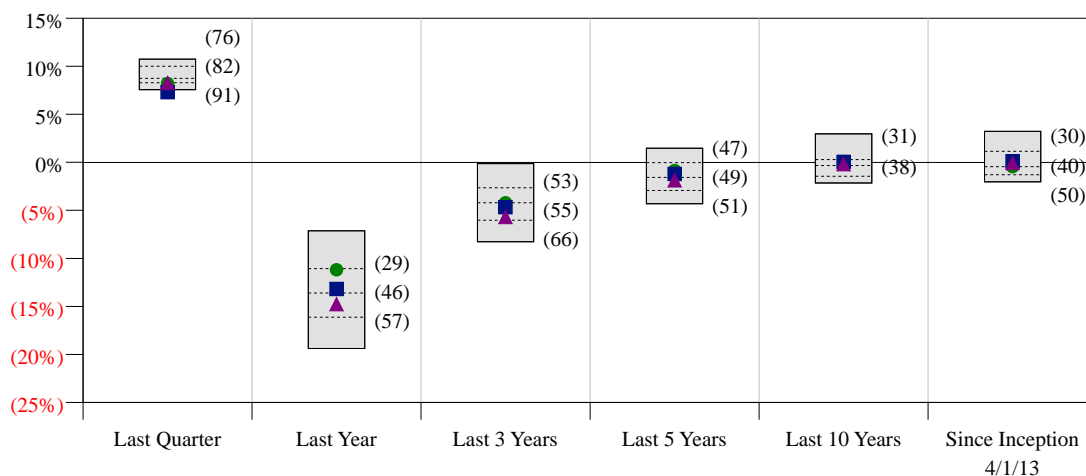


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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: December 31, 2022

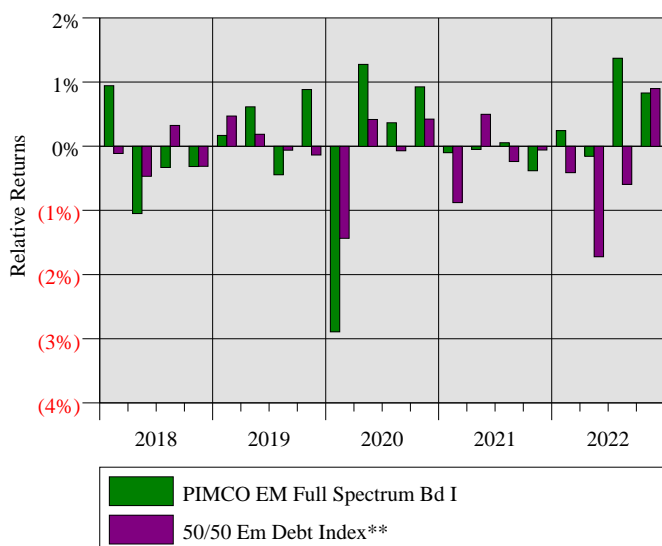


10th Percentile	10.75	(7.11)	(0.12)	1.48	2.97	3.23
25th Percentile	10.01	(11.06)	(2.65)	(0.03)	0.30	1.15
<b>Median</b>	<b>8.75</b>	<b>(13.60)</b>	<b>(4.20)</b>	<b>(1.57)</b>	<b>(0.32)</b>	<b>(0.45)</b>
75th Percentile	8.29	(16.11)	(6.02)	(2.92)	(1.45)	(1.29)
90th Percentile	7.58	(19.38)	(8.25)	(4.31)	(2.15)	(2.03)
<b>PIMCO EM Full Spectrum Bd I</b>	<b>8.21</b>	<b>(11.17)</b>	<b>(4.20)</b>	<b>(0.83)</b>	<b>--</b>	<b>(0.44)</b>
50/25/25 Em Debt Index*	7.31	(13.17)	(4.66)	(1.21)	0.06	0.11
50/50 Em Debt Index**	8.28	(14.76)	(5.67)	(1.86)	(0.18)	(0.06)

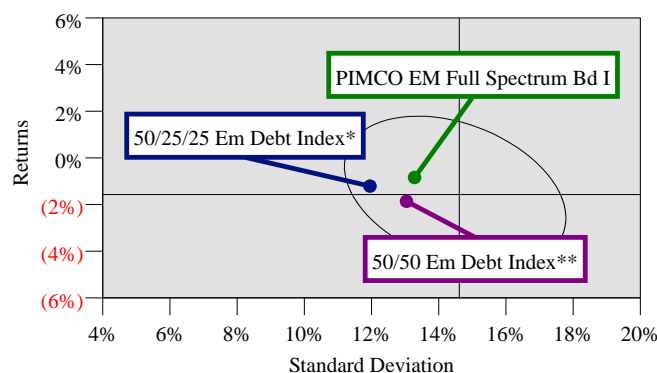
  

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>PIMCO EM Full Spectrum Bd I</b>	<b>(11.17)</b>	<b>(5.13)</b>	<b>4.31</b>	<b>15.16</b>	<b>(5.28)</b>	<b>12.30</b>	<b>12.01</b>	<b>(11.09)</b>	<b>(3.82)</b>	<b>--</b>
50/25/25 Em Debt Index*	(13.17)	(4.67)	4.70	13.77	(4.56)	11.88	10.20	(7.07)	(0.15)	(6.59)
50/50 Em Debt Index**	(14.76)	(5.32)	4.00	14.30	(5.10)	12.72	10.10	(7.07)	0.72	(7.10)

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



Callan Emerging Mkts Debt Blend MFs | 5 Years Ended 12/31/22



\* 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 Gl 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.

**Dow Jones Industrial Average:** The Dow Jones Industrial Average, Dow Jones, or simply the Dow, is a stock market index of 30 prominent companies listed on stock exchanges in the United States.

**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. 28



San Joaquin Regional Transit District  
Health Portfolio  
Quarterly Investment Report  
December 31, 2022



## Market Overview

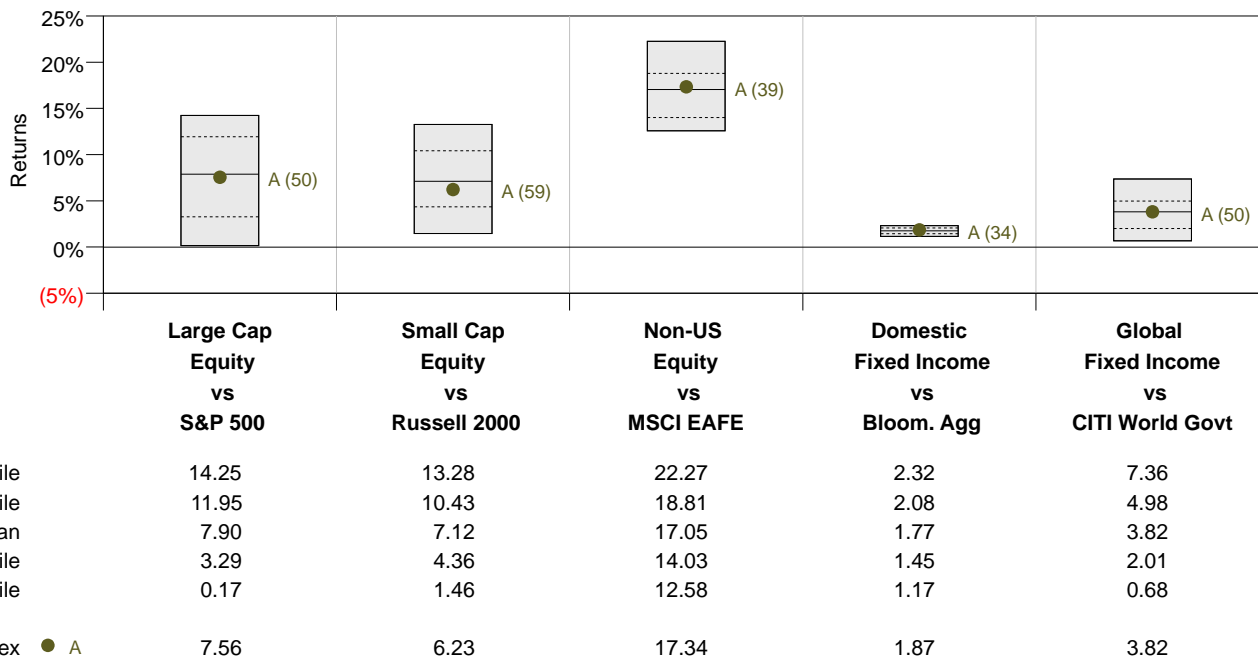
### Active Management vs Index Returns

#### 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.

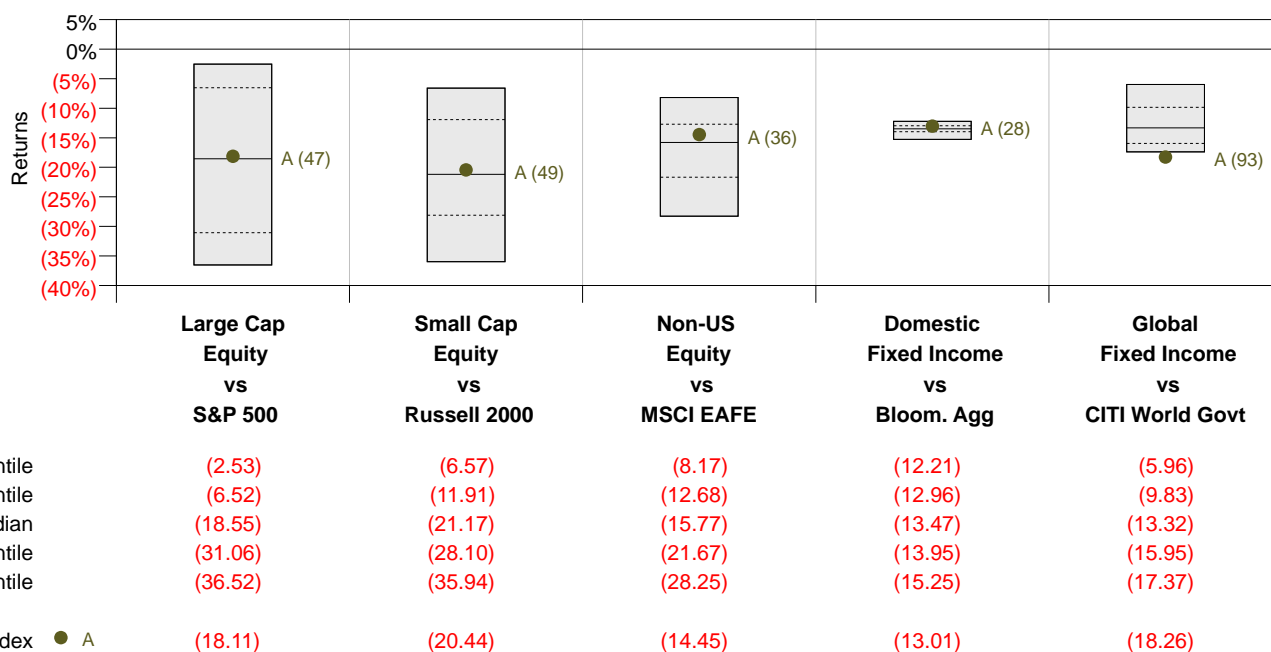
#### Range of Mutual Fund Returns by Asset Class

One Quarter ended December 31, 2022



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

One Year ended December 31, 2022



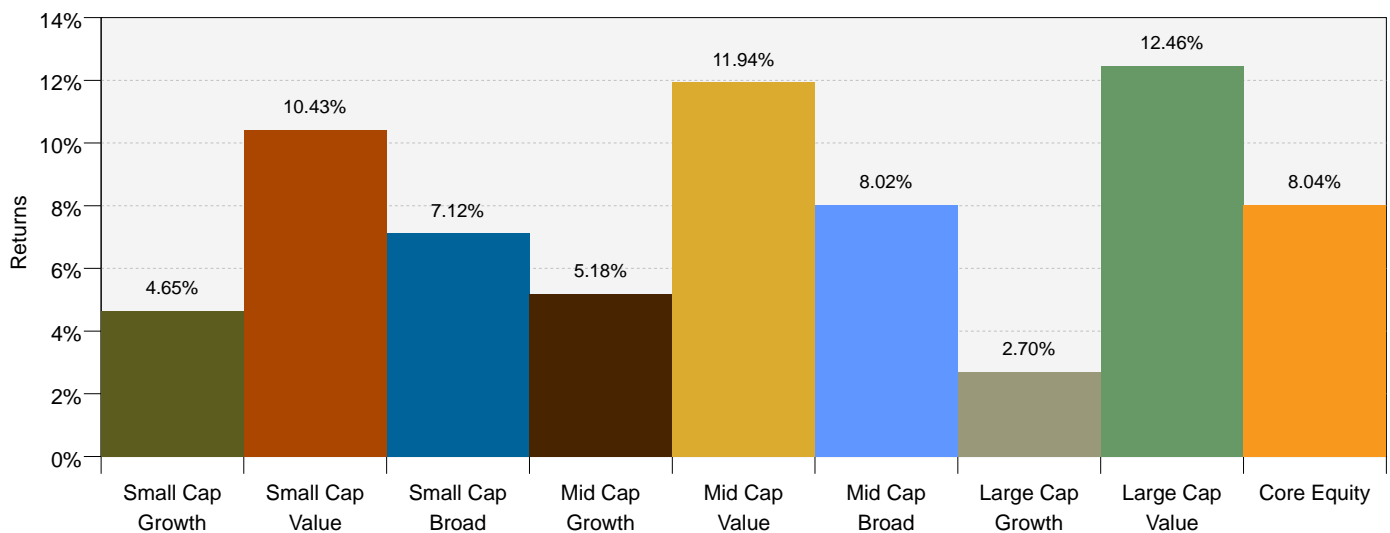
## Domestic Equity

### Active Management Overview

U.S. stock indices posted positive returns in 4Q as investor sentiment improved, but the YTD results remained dismal with most indices posting double-digit declines. The S&P 500 Index rose 7.6% for the quarter, lowering its YTD loss to 18.1%. Returns were quite mixed across sectors with Energy (+22.8%) being the best and Consumer Discretionary (-10.2%) faring the worst. Value stocks trounced growth for the quarter (Russell 1000 Value: +12.4%; Russell 1000 Growth: +2.2%) and the year (Russell 1000 Value: -7.5%; Russell 1000 Growth: -29.1%). In 4Q, the Growth Index was hurt by relative underweights in Health Care, Financials, and Energy as well as significant underperformance from Tesla (-54%) and Amazon (-26%). Small cap stocks exhibited the same pattern in 4Q (Russell 2000 Value: +8.4%; Russell 2000 Growth: +4.1%) but value's full year margin is smaller in the small cap space (Russell 2000 Value: -14.5%; Russell 2000 Growth: -26.4%).

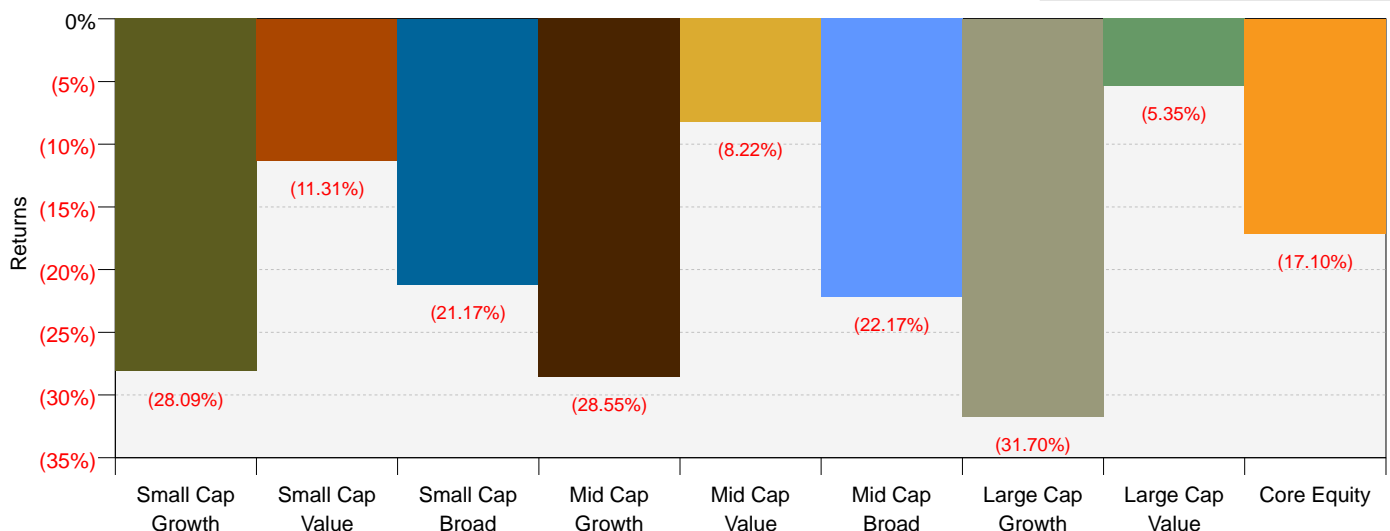
#### Mutual Fund Style Group Median Returns for Quarter ended December 31, 2022

S&P 500 Index	7.56%
S&P 500 Growth	1.45%
S&P 500 Value	13.59%
S&P 400 Mid Cap	10.78%
S&P 600 Small Cap	9.19%
S&P 600 Small Cap Growth Index	6.98%
S&P 600 Small Cap Value Index	11.18%



#### Mutual Fund Style Group Median Returns for One Year ended December 31, 2022

S&P 500 Index	(18.11%)
S&P 500 Growth	(29.41%)
S&P 500 Value	(5.22%)
S&P 400 Mid Cap	(13.06%)
S&P 600 Small Cap	(16.10%)
S&P 600 Small Cap Growth Index	(21.08%)
S&P 600 Small Cap Value Index	(11.04%)



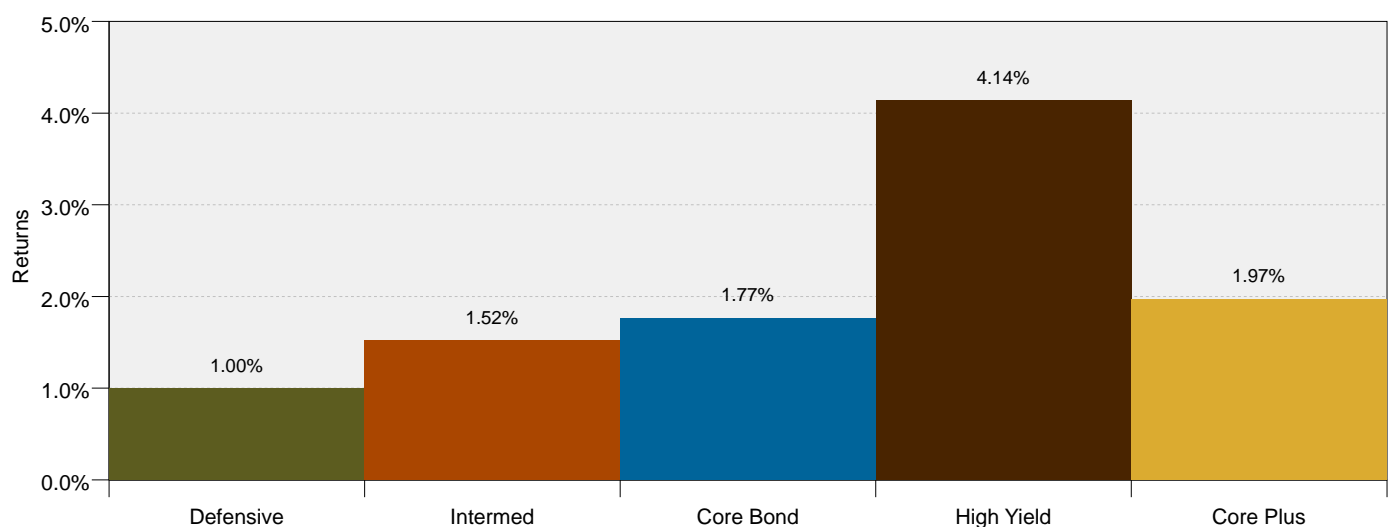
## Domestic Fixed Income

### Active Management Overview

U.S. fixed income experienced its worst year ever in 2022, by a wide margin. The Bloomberg US Aggregate Bond Index sank 13.0%; the next worst calendar year was 1994 when the Aggregate fell 2.9%. The silver lining lies in the 4.68% yield-to-worst for the Index, up from 1.75% at the beginning of the year. The yield curve remained inverted at year-end; the 10-year Treasury yield was 3.88% and the 2-year yield was 4.41%. The inversion reflects investor expectations for the economy to slow and an eventual need for the Fed to lower rates. The fourth quarter brought some relief to bond investors as longer rates fell modestly and most "spread" sectors outperformed Treasuries. The Aggregate gained 1.9%. High yield corporates (Bloomberg High Yield Index: +4.2%) were star performers, but this Index was down 11.2% for the year.

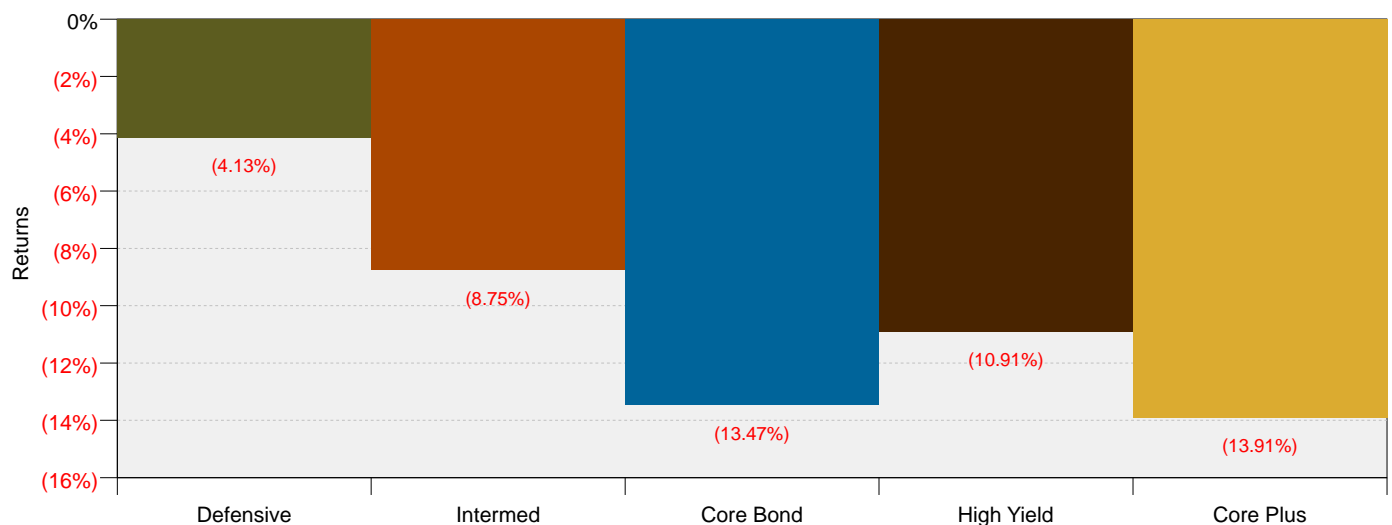
#### Mutual Fund Style Group Median Returns for Quarter ended December 31, 2022

Bloomberg:US Universal	2.24%
Bloomberg:Aggregate	1.87%
Bloomberg:High Yield	4.17%



#### Mutual Fund Style Group Median Returns for One Year ended December 31, 2022

Bloomberg:US Universal	(12.99%)
Bloomberg:Aggregate	(13.01%)
Bloomberg:High Yield	(11.19%)



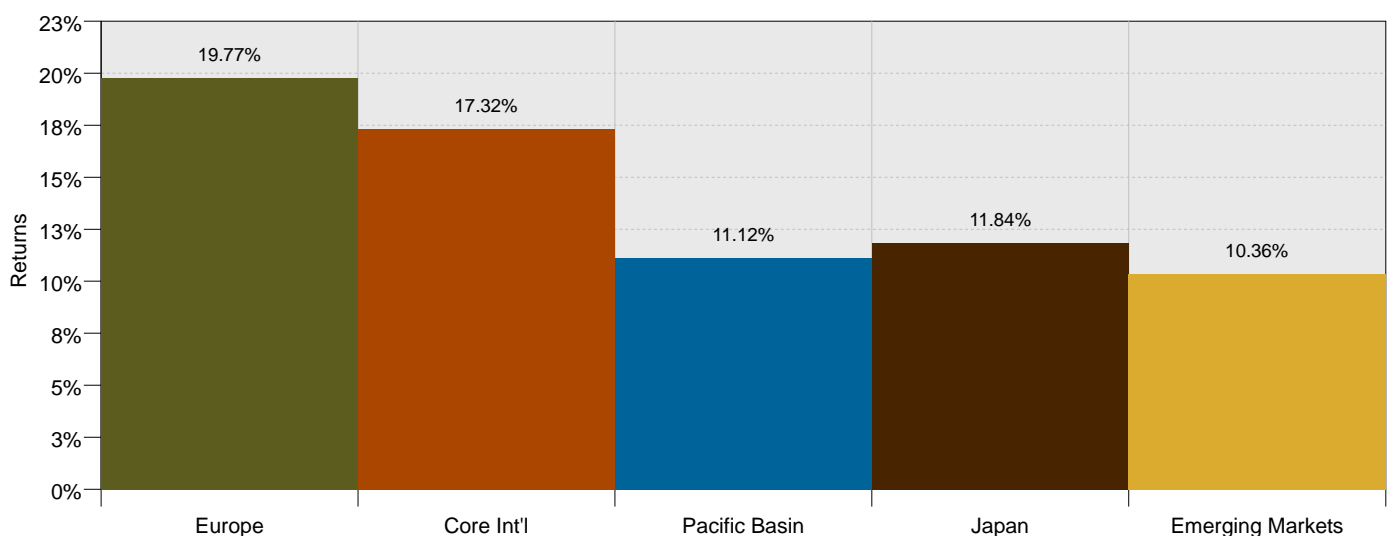
## International Equity

### Active Management Overview

Global ex-U.S. markets posted strong results, and currency appreciation vs. the U.S. dollar further bolstered returns. The MSCI ACWI ex USA Index gained 14.3% (Local: +7.8%), reducing its YTD loss to 16.0% (Local: -9.6%). Across developed market countries, gains were broad-based and value outpaced growth, but by a smaller margin than in the U.S. (MSCI ACWI ex USA Value: +15.7%; MSCI ACWI ex USA Growth: +12.9%). Unlike in the U.S., all sectors of the ACWI ex USA Index delivered a positive return in 4Q. Emerging markets (MSCI Emerging Markets: +9.7%; Local: +6.6%) also rebounded in 4Q, but returns were mixed across countries. While many countries were up double-digits, India (+2.0%) and Brazil (+2.4%) weighed on broad market returns. China (MSCI China: +13.5%) outperformed.

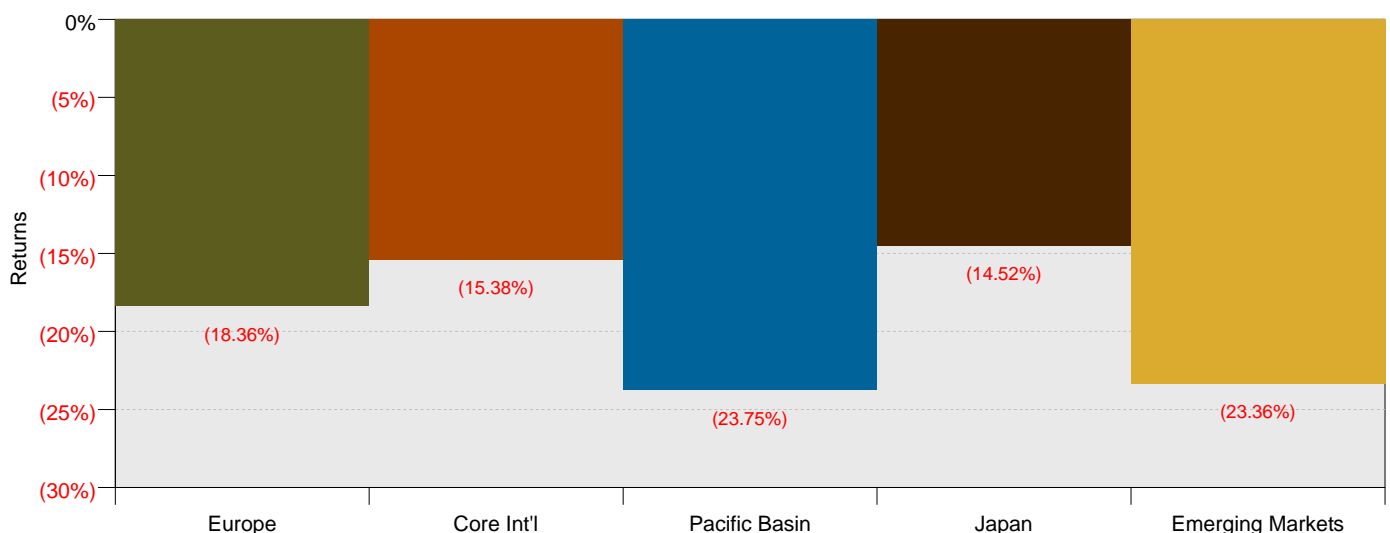
#### Mutual Fund Style Group Median Returns for Quarter Ended December 31, 2022

MSCI ACWI - Gross	9.88%
MSCI All Cntry World ExUS	14.37%
MSCI EAFE Index	17.34%
MSCI Europe	19.35%
MSCI Pacific	14.13%
MSCI Emerging Markets	9.79%



#### Mutual Fund Style Group Median Returns for Year Ended December 31, 2022

MSCI ACWI - Gross	(17.96%)
MSCI All Cntry World ExUS	(15.57%)
MSCI EAFE Index	(14.45%)
MSCI Europe	(15.06%)
MSCI Pacific	(13.04%)
MSCI Emerging Markets	(19.74%)



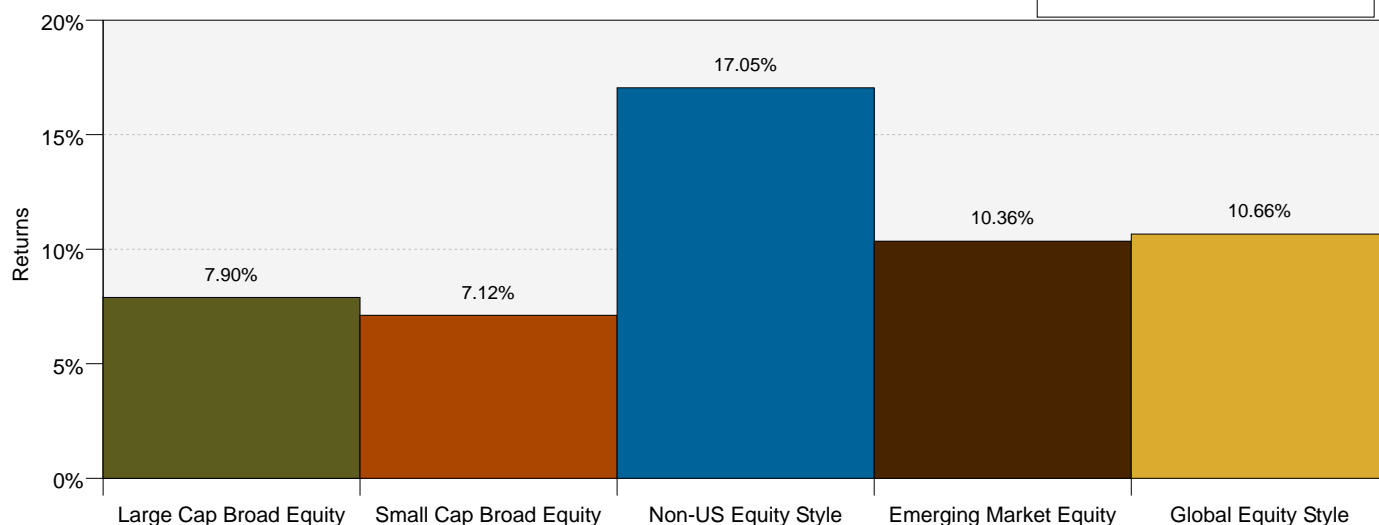
## Capital Growth

### Active Management Overview

Global equity markets posted strong returns, and currency appreciation vs. the U.S. dollar bolstered results for non-U.S. investments. The MSCI ACWI Index gained 9.8% (Local: +7.4%), reducing its YTD loss to 18.4% (Local: -16.0%). Across developed market countries, gains were broad-based and value outpaced growth. Emerging markets (MSCI Emerging Markets: +9.7%; Local: +6.6%) also rebounded in 4Q, but returns were mixed across countries. While many countries were up double-digits, India (+2.0%) and Brazil (+2.4%) weighed on broad market returns. China (MSCI China: +13.5%) outperformed.

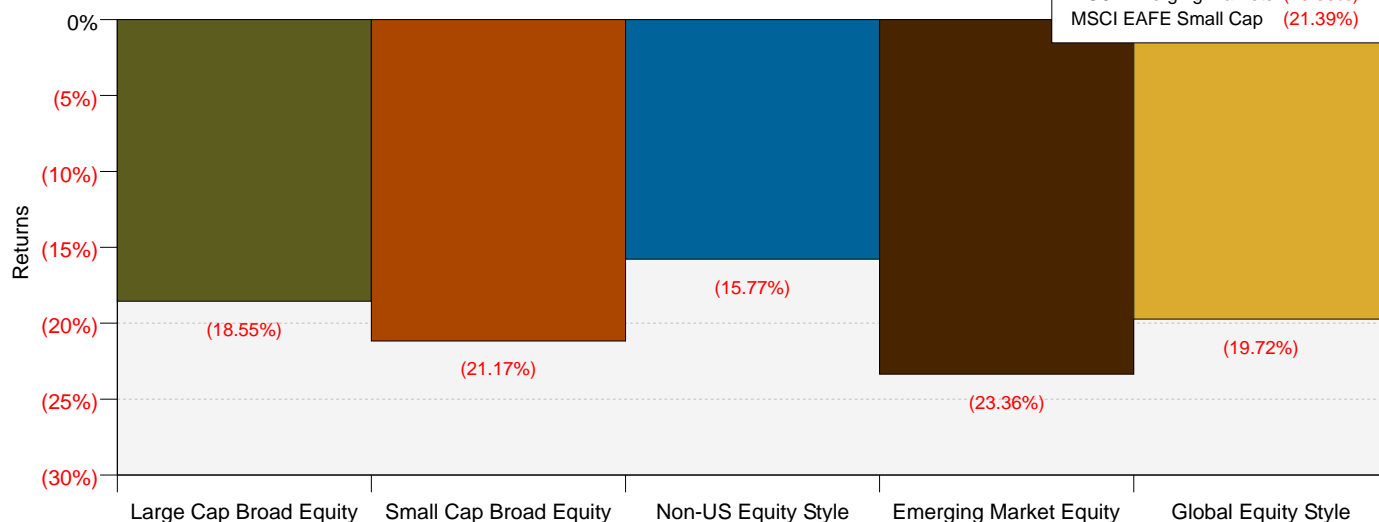
#### Mutual Fund Style Group Median Returns for Quarter ended December 31, 2022

S&P 500 Index	7.56%
Russell 3000 Index	7.18%
Russell 2000 Index	6.23%
MSCI ACWI	9.76%
MSCI EAFE Index	17.34%
MSCI Emerging Markets	9.70%
MSCI EAFE Small Cap	15.79%



#### Mutual Fund Style Group Median Returns for One Year ended December 31, 2022

S&P 500 Index	(18.11%)
Russell 3000 Index	(19.21%)
Russell 2000 Index	(20.44%)
MSCI ACWI	(18.36%)
MSCI EAFE Index	(14.45%)
MSCI Emerging Markets	(20.09%)
MSCI EAFE Small Cap	(21.39%)



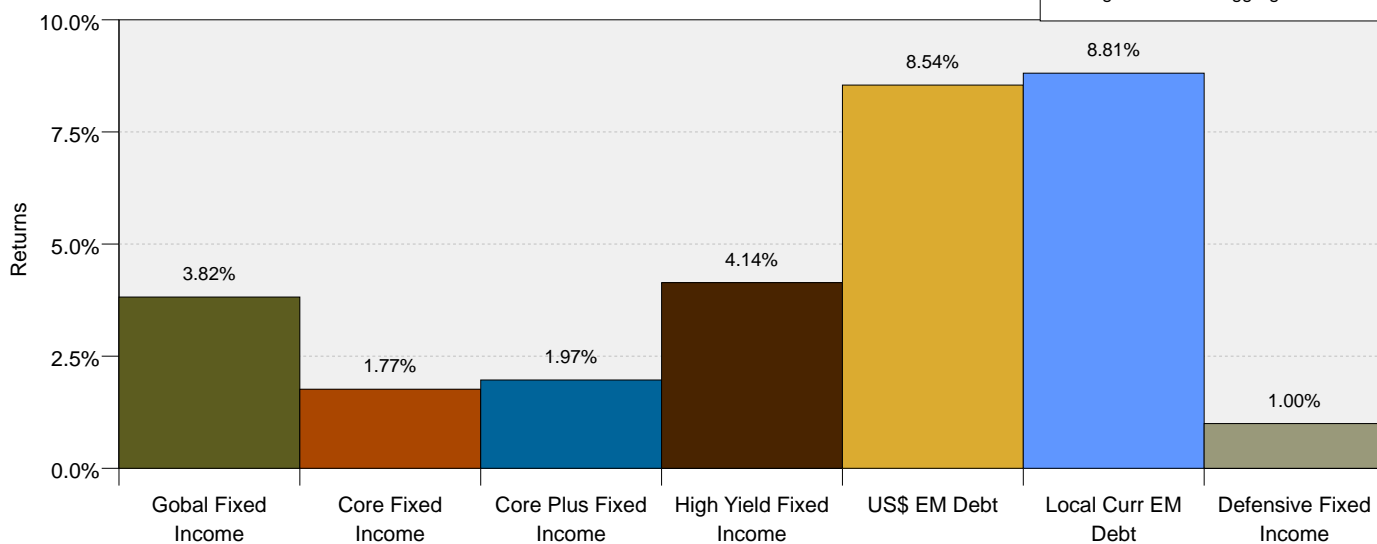
## Income

### Active Management Overview

While rates across developed markets rose broadly in 2022, changes were mixed in 4Q. Rates fell in the U.K. but rose across most of Europe and Japan and were mixed in the U.S. The Bloomberg Global Aggregate rose 4.6% (hedged: +1.0%) due largely to 4Q weakness in the U.S. dollar. Emerging markets also had a good quarter with the JPM EMBI Global Diversified up 8.1% and the local currency JPM GBI-EM Global Diversified up 8.5%. For the year, the indices were down 17.8% and 11.7%, respectively. As is typical for emerging markets, country returns varied widely but most were positive across both indices in 4Q.

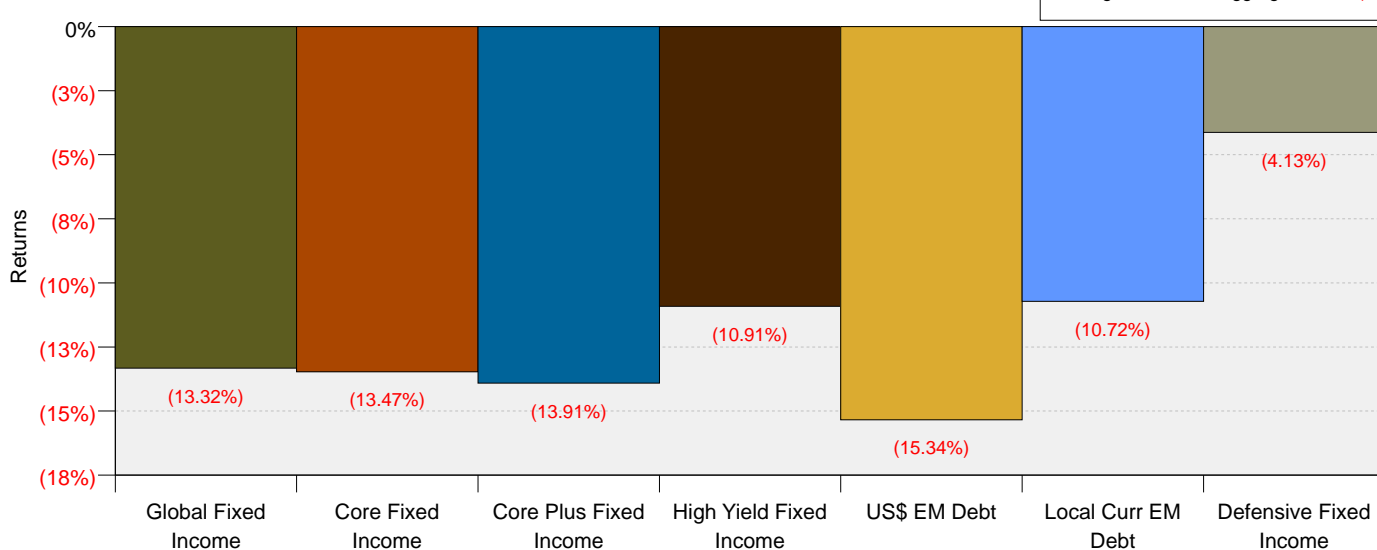
#### Mutual Fund Style Group Median Returns for Quarter ended December 31, 2022

Blmbg Barc Agg Index	1.87%
Blmbg Barc High Yield Corp	4.17%
Blmbg Barc Global Agg Hedged	0.99%
JPM EMBI Global Dvsfd	8.11%
JPM GBI GI Divers USD Unh	8.45%
Blmbg Barc Global Aggregate Index	4.55%



#### Mutual Fund Style Group Median Returns for One Year ended December 31, 2022

Blmbg Barc Agg Index	(13.01%)
Blmbg Barc High Yield Corp	(11.19%)
Blmbg Barc Global Agg Hedged	(11.22%)
JPM EMBI Global Dvsfd	(17.78%)
JPM GBI GI Divers USD Unh	(11.69%)
Blmbg Barc Global Aggregate Index	(16.25%)



## Portfolio Holdings

Description	Symbol	Value	Weight
<b>EQUITY</b>			
Large Cap U.S. Equity			
DFA US Large Cap Value I	DFLVX	\$537,004	5.7%
Vanguard 500 Index Admiral	VFIAX	\$2,124,844	22.4%
<b>Large Cap U.S. Equity Total</b>		<b>\$2,661,849</b>	<b>28.0%</b>
Small Cap U.S. Equity			
Avantis US Small Cap Value Fund I	AVUVX	\$557,986	5.9%
Vanguard Small Cap Growth Index Admiral	VSGAX	\$311,224	3.3%
<b>Small Cap U.S. Equity Total</b>		<b>\$869,211</b>	<b>9.2%</b>
International Equity			
DFA International Small Company I	DFISX	\$465,868	4.9%
DFA International Value I	DFIVX	\$971,712	10.2%
Vanguard International Growth Adm	VWILX	\$431,669	4.5%
<b>International Equity Total</b>		<b>\$1,869,248</b>	<b>19.7%</b>
Emerging Markets Equity			
DFA Emerging Markets Core Equity I	DFCEX	\$586,104	6.2%
<b>Emerging Markets Equity Total</b>		<b>\$586,104</b>	<b>6.2%</b>
Real Estate			
DFA Global Real Estate Securities Port	DFGEX	\$620,685	6.5%
<b>Real Estate Total</b>		<b>\$620,685</b>	<b>6.5%</b>
<b>EQUITY Total</b>		<b>\$6,607,097</b>	<b>69.6%</b>
<b>FIXED INCOME</b>			
Core Fixed Income			
Dodge & Cox Income	DODIX	\$935,038	9.8%
PIMCO Total Return Instl	PTTRX	\$921,531	9.7%
Accrued Income		\$3,744	
<b>Core Fixed Income Total</b>		<b>\$1,860,313</b>	<b>19.6%</b>
<b>FIXED INCOME Total</b>		<b>\$1,860,313</b>	<b>19.6%</b>
<b>DIVERSIFIED FIXED INCOME</b>			
High Yield Fixed Income			
Vanguard High-Yield Corporate Adm	VWEAX	\$543,760	5.7%
<b>High Yield Fixed Income Total</b>		<b>\$543,760</b>	<b>5.7%</b>

## Portfolio Holdings

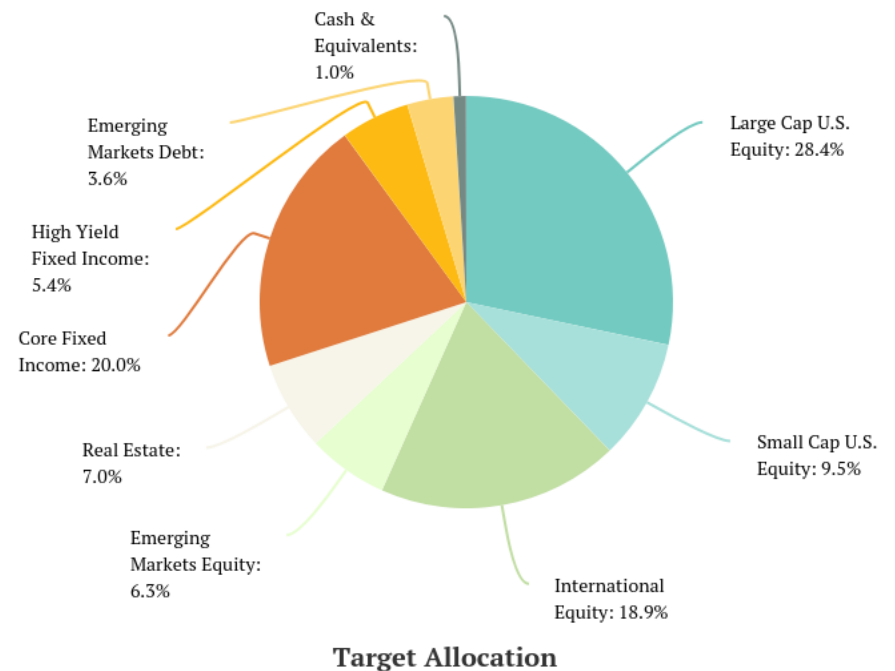
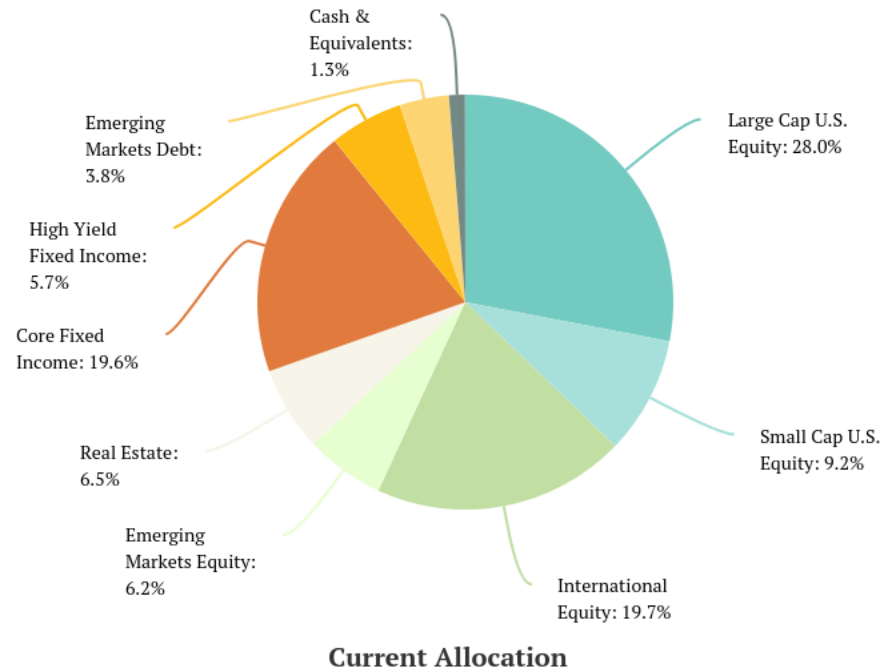
Description	Symbol	Value	Weight
DIVERSIFIED FIXED INCOME			
Emerging Markets Debt			
PIMCO Emerg Mkts Full Spectrum Bd Instl	PFSIX	\$358,992	3.8%
Accrued Income		\$3,437	
<b>Emerging Markets Debt Total</b>		<b>\$362,429</b>	<b>3.8%</b>
<b>DIVERSIFIED FIXED INCOME Total</b>		<b>\$906,189</b>	<b>9.5%</b>
CASH AND EQUIVALENTS			
Cash & Equivalents			
Cash	CASH	\$120,145	1.3%
<b>Cash &amp; Equivalents Total</b>		<b>\$120,145</b>	<b>1.3%</b>
<b>CASH AND EQUIVALENTS Total</b>		<b>\$120,145</b>	<b>1.3%</b>
<b>Total</b>		<b>\$9,493,744</b>	<b>100.0%</b>



## Portfolio Activity Summary

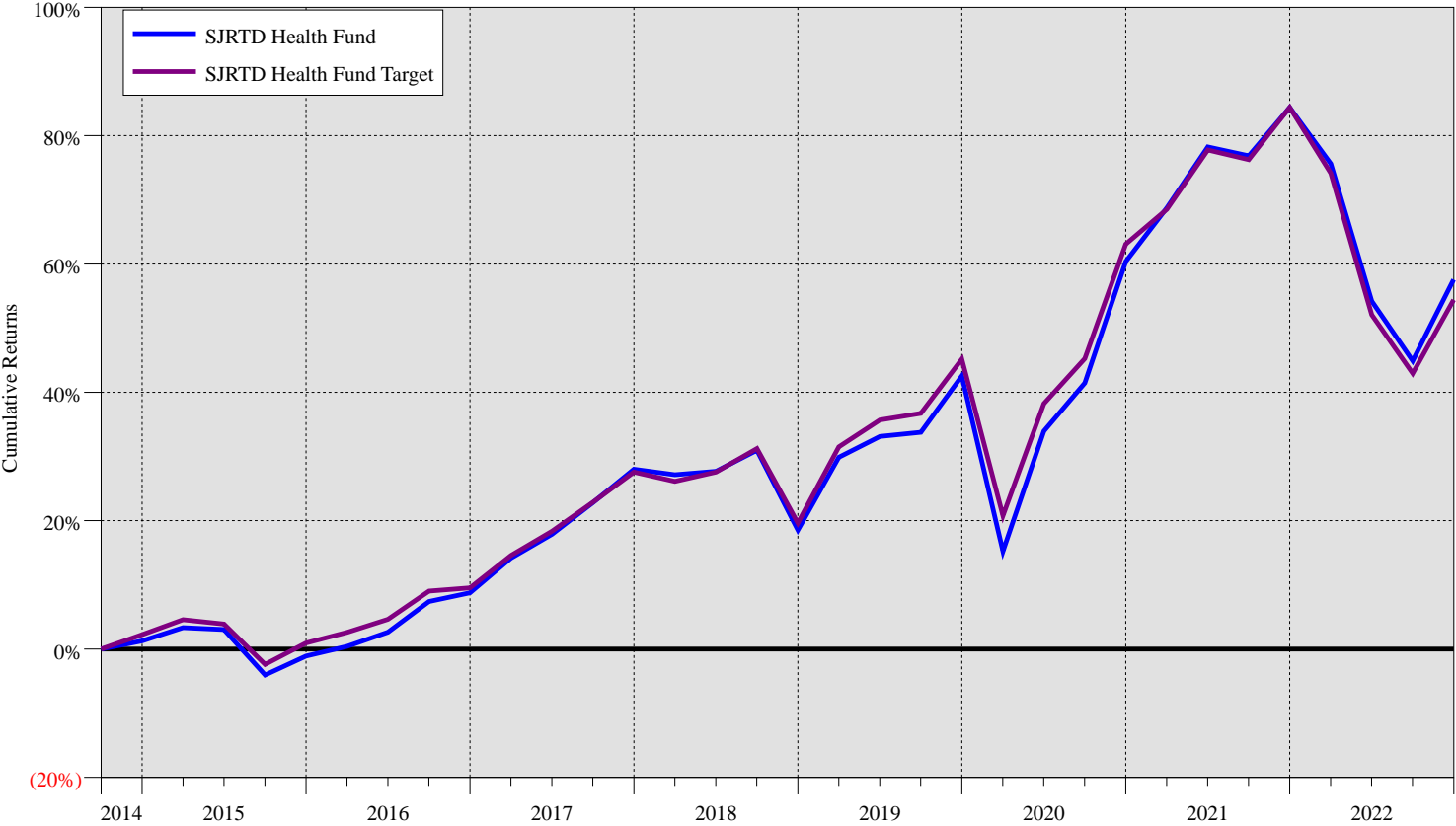
	Quarter to Date	Year to Date	Inception to Date (7/13/2014)
Beginning Value	\$8,878,240	\$11,813,301	\$1,172
Net Contribution	(\$151,256)	(\$599,297)	\$7,394,916
Capital Appreciation	\$577,160	(\$2,051,731)	\$389,867
Dividend Income	\$217,942	\$348,005	\$1,809,312
Interest Income	\$831	\$1,196	\$8,783
Management Fees	(\$4,883)	(\$22,737)	(\$116,315)
Other Expenses	\$0	\$0	\$0
Change in Accrued	(\$24,290)	\$5,007	\$6,009
Ending Value	\$9,493,744	\$9,493,744	\$9,493,744
Investment Gain	\$766,759	(\$1,720,260)	\$2,097,656

## Actual vs. Target Asset Allocation

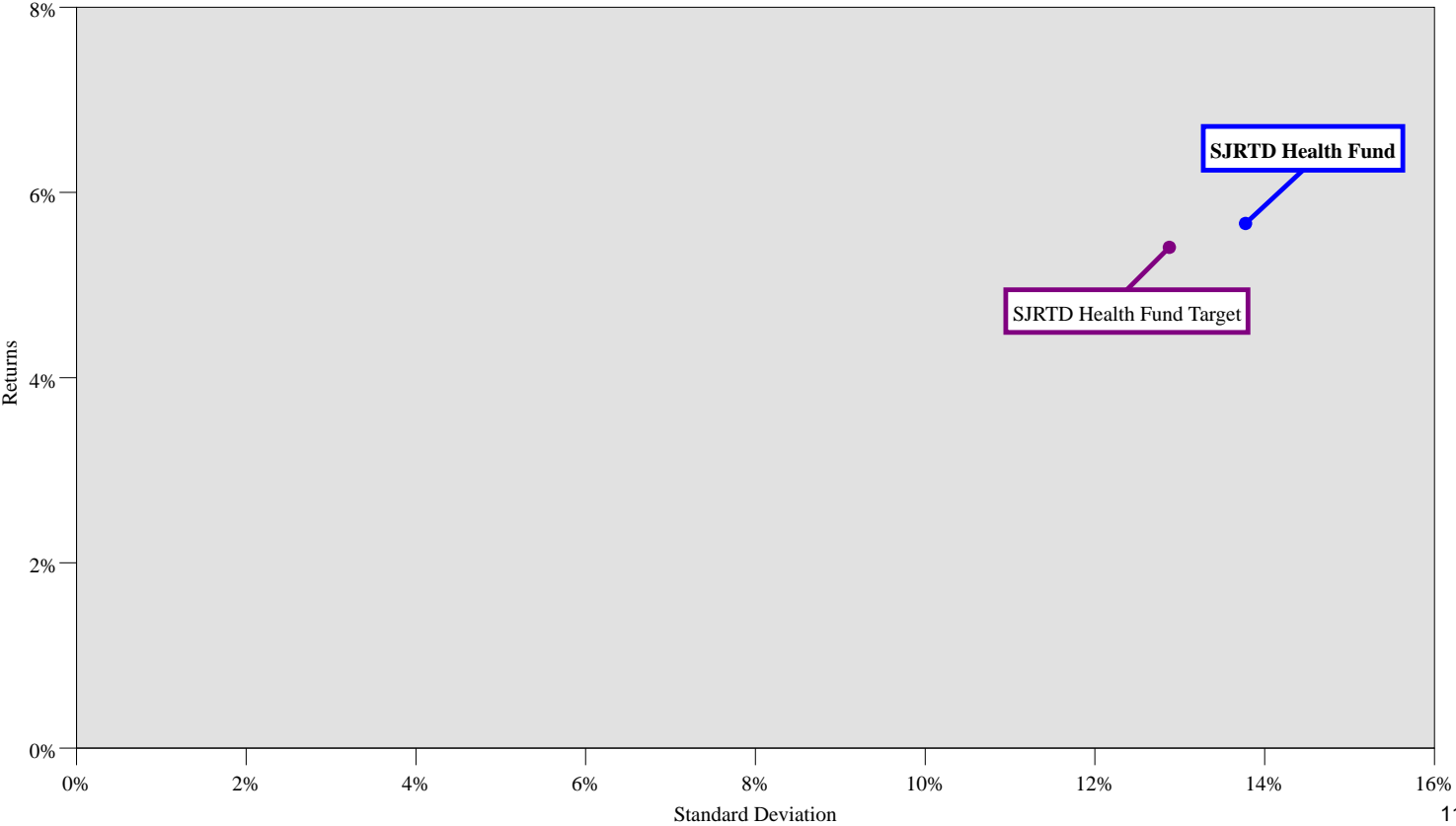


Sector	Current Value	Current Percent	Target Allocation Value	Target Allocation Percent	Dollar Variance	Percent Variance
Large Cap U.S. Equity	\$2,661,849	28.0%	\$2,691,476	28.4%	(\$29,627)	(0.3%)
Small Cap U.S. Equity	\$869,211	9.2%	\$897,159	9.5%	(\$27,948)	(0.3%)
International Equity	\$1,869,248	19.7%	\$1,794,318	18.9%	\$74,931	0.8%
Emerging Markets Equity	\$586,104	6.2%	\$598,106	6.3%	(\$12,002)	(0.1%)
Real Estate	\$620,685	6.5%	\$664,562	7.0%	(\$43,877)	(0.5%)
Core Fixed Income	\$1,860,313	19.6%	\$1,898,749	20.0%	(\$38,436)	(0.4%)
High Yield Fixed Income	\$543,760	5.7%	\$512,662	5.4%	\$31,097	0.3%
Emerging Markets Debt	\$362,429	3.8%	\$341,775	3.6%	\$20,654	0.2%
Cash & Equivalents	\$120,145	1.3%	\$94,937	1.0%	\$25,208	0.3%
<b>Total</b>	<b>\$9,493,744</b>	<b>100.0%</b>	<b>\$9,493,744</b>	<b>100.0%</b>		

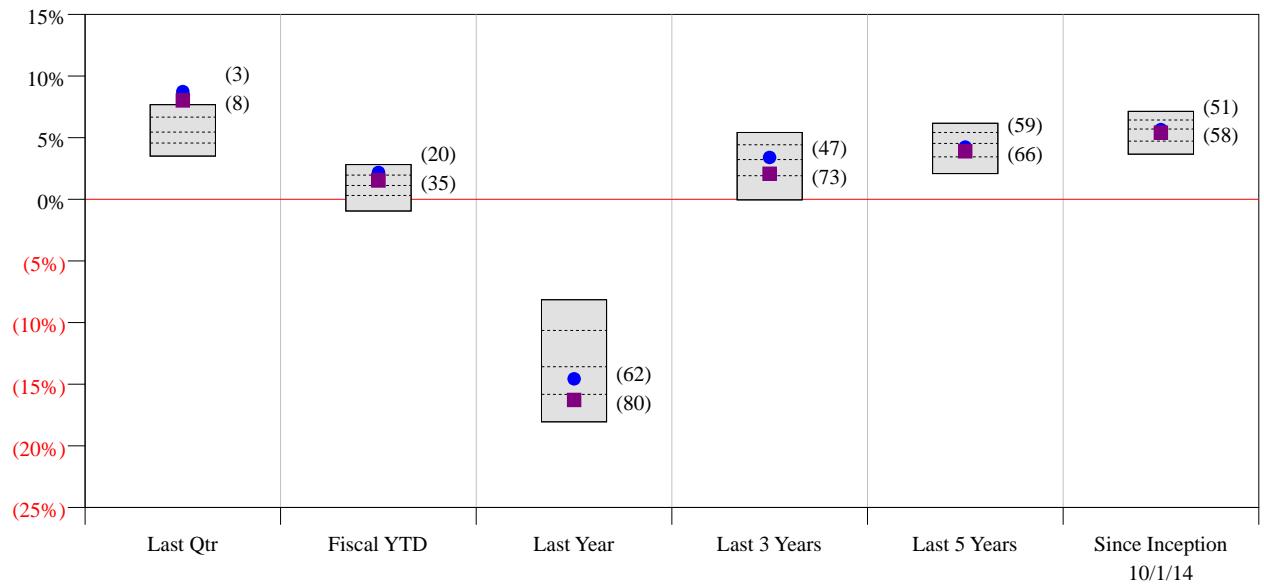
Cumulative Returns | SJRTD Health Fund vs. Targets  
Beginning October 1, 2014 | Ending December 31, 2022



Risk vs Return | SJRTD Health Fund vs. Targets  
Beginning October 1, 2014 | Ending December 31, 2022

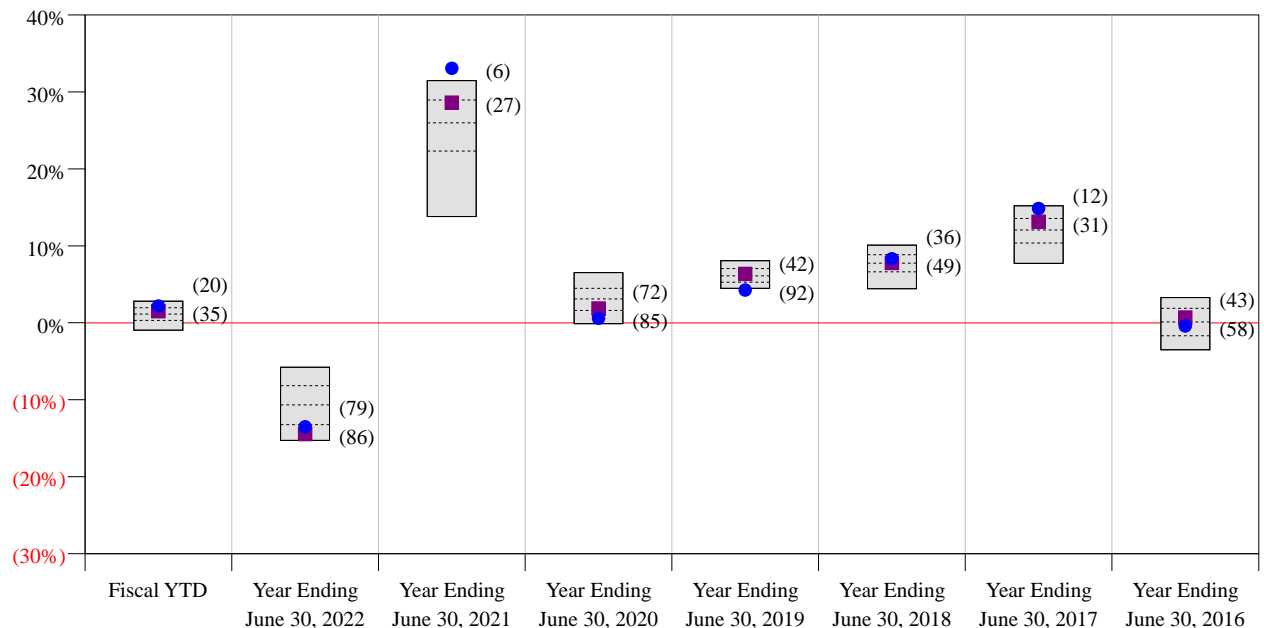


Performance vs. Callan Fund Sponsors - Small DB (<100M)  
Periods Ended December 31, 2022



10th Percentile	7.68	2.83	(8.13)	5.43	6.18	7.13
25th Percentile	6.67	1.97	(10.62)	4.43	5.42	6.44
<b>Median</b>	<b>5.46</b>	<b>1.14</b>	<b>(13.58)</b>	<b>3.23</b>	<b>4.54</b>	<b>5.70</b>
75th Percentile	4.56	0.32	(15.82)	1.92	3.46	4.72
90th Percentile	3.52	(0.94)	(18.05)	(0.04)	2.10	3.66
<b>SJRTD Health Fund</b>	<b>8.74</b>	<b>2.18</b>	<b>(14.55)</b>	<b>3.40</b>	<b>4.24</b>	<b>5.67</b>
<b>SJRTD Health Fund Target</b>	<b>8.02</b>	<b>1.53</b>	<b>(16.26)</b>	<b>2.08</b>	<b>3.89</b>	<b>5.41</b>

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



10th Percentile	2.83	(5.77)	31.48	6.54	8.09	10.10	15.22	3.29
25th Percentile	1.97	(8.15)	28.97	4.49	7.05	8.85	13.57	1.88
<b>Median</b>	<b>1.14</b>	<b>(10.66)</b>	<b>25.99</b>	<b>3.11</b>	<b>6.11</b>	<b>7.76</b>	<b>12.08</b>	<b>0.11</b>
75th Percentile	0.32	(13.22)	22.31	1.61	5.29	6.64	10.37	(1.68)
90th Percentile	(0.94)	(15.26)	13.81	(0.09)	4.48	4.43	7.73	(3.49)
<b>SJRTD Health Fund</b>	<b>2.18</b>	<b>(13.49)</b>	<b>33.07</b>	<b>0.60</b>	<b>4.25</b>	<b>8.33</b>	<b>14.87</b>	<b>(0.41)</b>
<b>SJRTD Health Fund Target</b>	<b>1.53</b>	<b>(14.45)</b>	<b>28.62</b>	<b>1.86</b>	<b>6.36</b>	<b>7.78</b>	<b>13.14</b>	<b>0.69</b>

## Returns for Periods Ended December 31, 2022

	Last Qtr	Fiscal Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 8 1/4 Years
<b>Large Cap Equity</b>						
Vanguard 500 Index Adm	7.55	2.28	(18.15)	7.62	9.39	10.45
DFA US Large Cap Value	14.05	7.61	(5.78)	6.25	5.86	7.84
<i>S&amp;P 500 Index</i>	<i>7.56</i>	<i>2.31</i>	<i>(18.11)</i>	<i>7.66</i>	<i>9.42</i>	<i>10.49</i>
<i>Russell 1000 Value</i>	<i>12.42</i>	<i>6.11</i>	<i>(7.54)</i>	<i>5.96</i>	<i>6.67</i>	<i>7.81</i>
<i>Russell 1000 Growth</i>	<i>2.20</i>	<i>(1.48)</i>	<i>(29.14)</i>	<i>7.79</i>	<i>10.96</i>	<i>12.26</i>
<b>Small Cap Equity</b>						
Avantis US Small Cap Value	13.73	10.27	(4.70)	13.91	--	--
Vanguard Small Cap Gr Idx Adm*	3.02	2.21	(28.39)	0.79	5.10	7.26
<i>Russell 2000 Index</i>	<i>6.23</i>	<i>3.91</i>	<i>(20.44)</i>	<i>3.10</i>	<i>4.13</i>	<i>7.28</i>
<i>Russell 2000 Value</i>	<i>8.42</i>	<i>3.42</i>	<i>(14.48)</i>	<i>4.70</i>	<i>4.13</i>	<i>7.10</i>
<i>Russell 2000 Growth</i>	<i>4.13</i>	<i>4.38</i>	<i>(26.36)</i>	<i>0.65</i>	<i>3.51</i>	<i>7.05</i>
<i>CRSP US Sm Cap Growth</i>	<i>3.00</i>	<i>2.15</i>	<i>(28.44)</i>	<i>0.79</i>	<i>5.09</i>	<i>7.23</i>
<b>International Equity</b>						
DFA International Value	19.26	7.00	(3.48)	3.88	1.36	3.20
Vanguard Int'l Growth Adm	12.62	1.18	(30.79)	3.14	4.75	7.21
DFA Intl Small Company	17.61	5.31	(17.12)	1.14	0.70	4.58
<i>MSCI EAFE Index</i>	<i>17.34</i>	<i>6.36</i>	<i>(14.45)</i>	<i>0.87</i>	<i>1.54</i>	<i>3.27</i>
<i>MSCI World ex US Value</i>	<i>18.10</i>	<i>6.03</i>	<i>(5.64)</i>	<i>1.13</i>	<i>0.56</i>	<i>1.92</i>
<i>MSCI ACWI ex US Growth</i>	<i>12.89</i>	<i>2.31</i>	<i>(23.05)</i>	<i>(0.40)</i>	<i>1.49</i>	<i>3.92</i>
<i>MSCI World Sm Cap ex US</i>	<i>15.21</i>	<i>4.31</i>	<i>(20.59)</i>	<i>(0.15)</i>	<i>0.45</i>	<i>4.38</i>
<b>Emerging Markets Equity</b>						
DFA Emerging Markets Core	10.53	(1.50)	(16.40)	0.25	(0.19)	2.58
<i>MSCI Emerging Markets</i>	<i>9.70</i>	<i>(2.99)</i>	<i>(20.09)</i>	<i>(2.69)</i>	<i>(1.39)</i>	<i>1.77</i>
<b>REITs</b>						
DFA Global Real Estate Securities	6.94	(5.49)	(23.83)	(2.37)	2.42	4.64
<i>S&amp;P Global REIT Index</i>	<i>6.88</i>	<i>(5.01)</i>	<i>(24.36)</i>	<i>(3.33)</i>	<i>0.91</i>	<i>3.21</i>
<b>Core Fixed Income</b>						
Dodge & Cox Income	2.76	(1.33)	(10.86)	(1.12)	1.13	1.91
PIMCO Total Return Inst	1.77	(3.14)	(14.09)	(2.48)	0.03	1.19
<i>Blmbg Barc Agg Index</i>	<i>1.87</i>	<i>(2.97)</i>	<i>(13.01)</i>	<i>(2.71)</i>	<i>0.02</i>	<i>1.04</i>
<i>Blmbg Barc Gov/Credit Bond Idx</i>	<i>1.80</i>	<i>(2.84)</i>	<i>(13.58)</i>	<i>(2.57)</i>	<i>0.21</i>	<i>1.21</i>
<b>High Yield Fixed Income</b>						
Vanguard High Yield Corp Adm	4.88	3.98	(8.97)	(0.15)	2.31	3.55
<i>ICE BofA High Yield CP BB-B Cons</i>	<i>4.31</i>	<i>3.53</i>	<i>(10.59)</i>	<i>(0.20)</i>	<i>2.31</i>	<i>3.54</i>

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

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

## Returns for Periods Ended December 31, 2022

	Last Qtr	Fiscal Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 8 1/4 Years
<b>Emerging Markets Debt</b>						
PIMCO EM Full Spectrum Bd I	8.21	5.22	(11.17)	(4.20)	(0.83)	0.05
<i>50/25/25 Em Debt Index*</i>	<i>7.31</i>	<i>2.94</i>	<i>(13.17)</i>	<i>(4.66)</i>	<i>(1.21)</i>	<i>0.47</i>
<i>50/50 Em Debt Index**</i>	<i>8.28</i>	<i>3.25</i>	<i>(14.76)</i>	<i>(5.67)</i>	<i>(1.86)</i>	<i>0.21</i>
<b>Total Fund</b>						
SJRTD Health Fund	8.74	2.18	(14.55)	3.40	4.24	5.67
<i>SJRTD Health Fund Target</i>	<i>8.02</i>	<i>1.53</i>	<i>(16.26)</i>	<i>2.08</i>	<i>3.89</i>	<i>5.41</i>
<i>S&amp;P 500 Index</i>	<i>7.56</i>	<i>2.31</i>	<i>(18.11)</i>	<i>7.66</i>	<i>9.42</i>	<i>10.49</i>
<i>Dow Jones Industrial Avg</i>	<i>16.01</i>	<i>8.85</i>	<i>(6.86)</i>	<i>7.32</i>	<i>8.38</i>	<i>10.93</i>

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

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

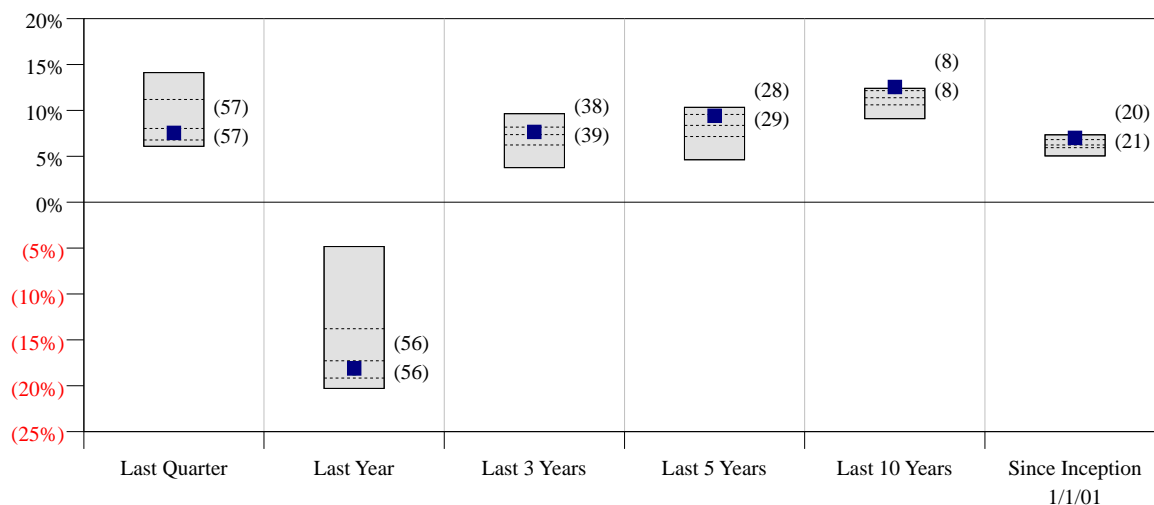
Current Quarter Target = 1.0% 3-Month Treasury Bill, 20.0% Bloomberg Barclays Aggregate Index, 7.0% S&P Global REIT Index, 1.80% JPM GBI EM Global Divers USD (UH), 1.80% JPM EMBI Global Diversified, 5.4% ICE BofAML High Yield CP BB-B Cons, 18.9% MSCI EAFE Index, 6.30% MSCI Emerging Markets, 9.45% Russell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

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

## Investment Philosophy:

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

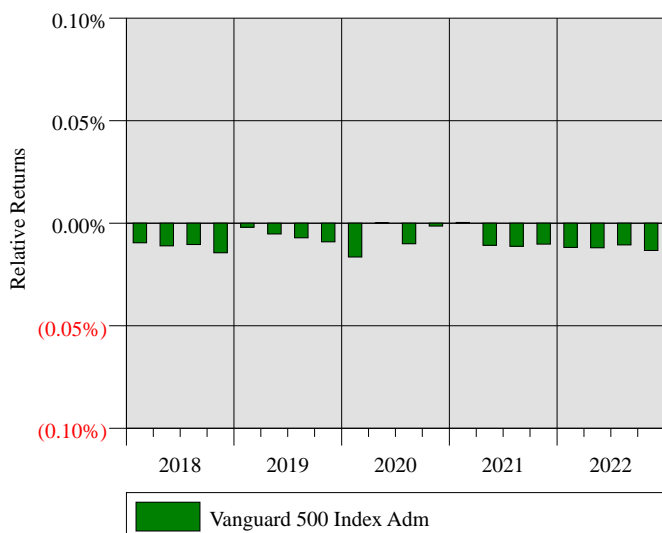
### Vanguard 500 Index Adm (VFIAX) Performance vs. Callan Large Cap Core Mutual Funds Periods ending: December 31, 2022



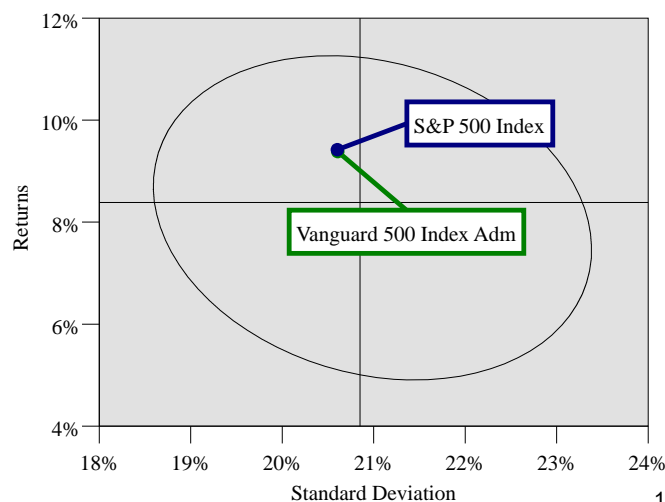
10th Percentile	14.13	(4.83)	9.65	10.35	12.41	7.34
25th Percentile	11.20	(13.79)	8.19	9.58	12.17	6.83
<b>Median</b>	<b>8.04</b>	<b>(17.28)</b>	<b>7.37</b>	<b>8.39</b>	<b>11.39</b>	<b>6.25</b>
75th Percentile	6.79	(19.14)	6.24	7.16	10.62	5.94
90th Percentile	6.10	(20.28)	3.78	4.64	9.11	5.06
<b>Vanguard 500 Index Adm</b>	<b>7.55</b>	<b>(18.15)</b>	<b>7.62</b>	<b>9.39</b>	<b>12.52</b>	<b>6.99</b>
<b>S&amp;P 500 Index</b>	<b>7.56</b>	<b>(18.11)</b>	<b>7.66</b>	<b>9.42</b>	<b>12.56</b>	<b>7.02</b>

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Vanguard 500 Index Adm</b>	<b>(18.15)</b>	<b>28.66</b>	<b>18.37</b>	<b>31.46</b>	<b>(4.43)</b>	<b>21.79</b>	<b>11.93</b>	<b>1.36</b>	<b>13.64</b>	<b>32.33</b>
<b>S&amp;P 500 Index</b>	<b>(18.11)</b>	<b>28.71</b>	<b>18.40</b>	<b>31.49</b>	<b>(4.38)</b>	<b>21.83</b>	<b>11.96</b>	<b>1.38</b>	<b>13.69</b>	<b>32.39</b>

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



#### Callan Large Cap Core Mutual Funds | 5 Years Ended 12/31/22

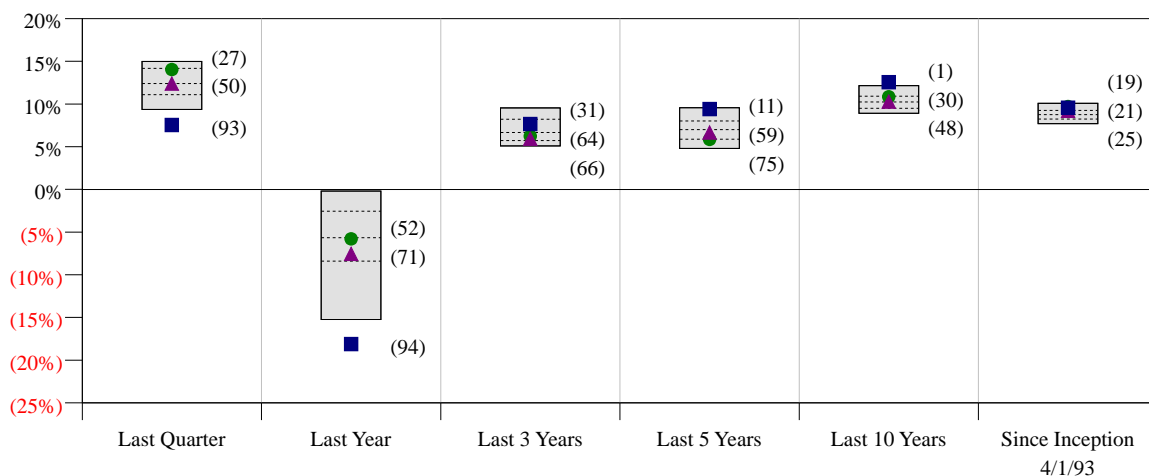


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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.

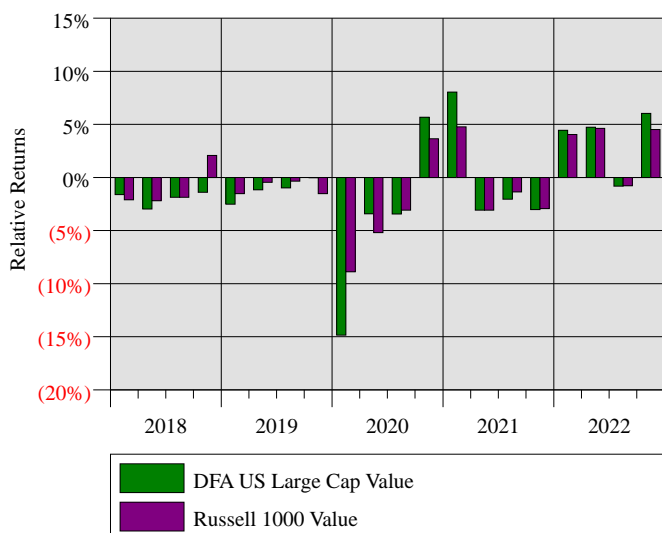
### DFA US Large Cap Value (DFLVX) Performance vs. Callan Large Cap Value Mutual Funds Periods ending: December 31, 2022



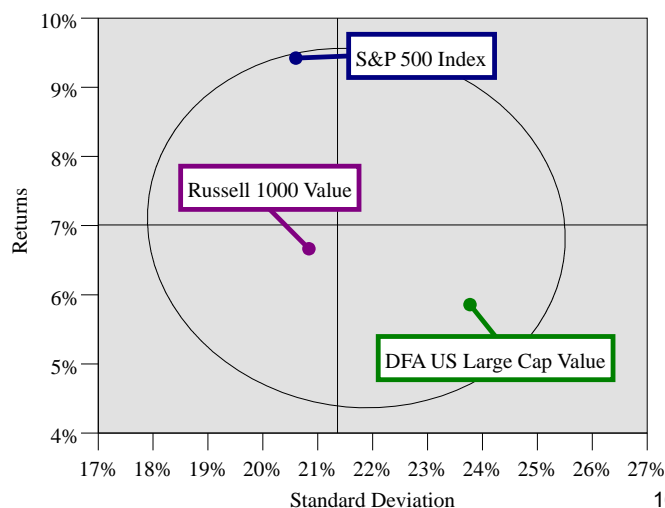
10th Percentile	15.00	(0.19)	9.56	9.58	12.16	10.09
25th Percentile	14.19	(2.54)	8.22	8.03	10.94	9.26
<b>Median</b>	<b>12.40</b>	<b>(5.65)</b>	<b>6.67</b>	<b>7.01</b>	<b>10.24</b>	<b>8.77</b>
75th Percentile	11.11	(8.39)	5.73	5.88	9.52	8.24
90th Percentile	9.37	(15.24)	5.10	4.82	8.93	7.72
<b>DFA US Large Cap Value</b>	<b>14.05</b>	<b>(5.78)</b>	<b>6.25</b>	<b>5.86</b>	<b>10.86</b>	<b>9.71</b>
S&P 500 Index	7.56	(18.11)	7.66	9.42	12.56	9.57
Russell 1000 Value	12.42	(7.54)	5.96	6.67	10.29	9.23

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA US Large Cap Value</b>	<b>(5.78)</b>	<b>28.07</b>	<b>(0.61)</b>	<b>25.45</b>	<b>(11.65)</b>	<b>18.97</b>	<b>18.89</b>	<b>(3.49)</b>	<b>10.07</b>	<b>40.32</b>
S&P 500 Index	(18.11)	28.71	18.40	31.49	(4.38)	21.83	11.96	1.38	13.69	32.39
Russell 1000 Value	(7.54)	25.16	2.80	26.54	(8.27)	13.66	17.34	(3.83)	13.45	32.53

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



#### Callan Large Cap Value Mutual Funds | 5 Years Ended 12/31/22



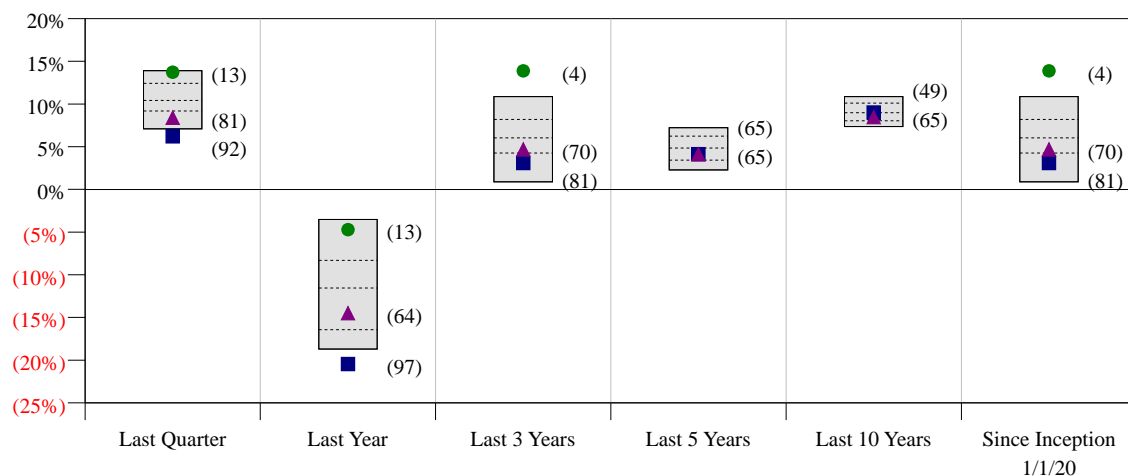
Source: Callan. Past performance is not indicative of future results. See important disclosures.



## 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.

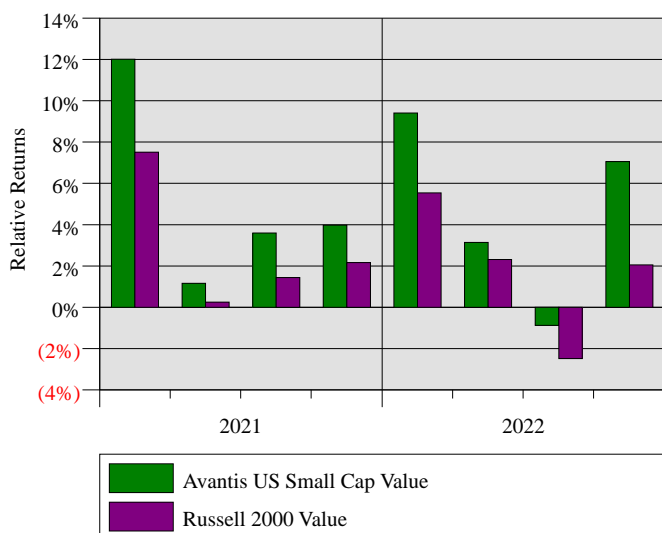
### Avantis US Small Cap Value (AVUVX) Performance vs. Callan Small Cap Value Mutual Funds Periods ending: December 31, 2022



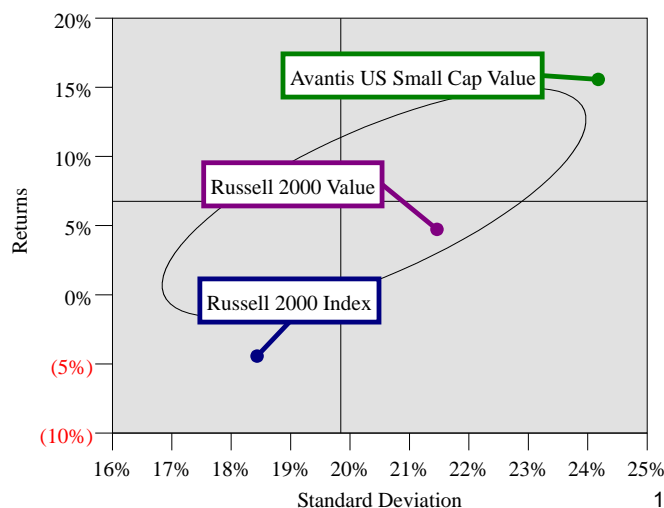
10th Percentile	13.91	(3.52)	10.87	7.23	10.88	10.87
25th Percentile	12.43	(8.30)	8.20	6.25	10.12	8.20
<b>Median</b>	<b>10.43</b>	<b>(11.54)</b>	<b>6.06</b>	<b>4.85</b>	<b>9.00</b>	<b>6.06</b>
75th Percentile	9.19	(16.43)	4.26	3.44	8.04	4.26
90th Percentile	7.11	(18.69)	0.90	2.28	7.38	0.90
<b>Avantis US Small Cap Value</b>	<b>13.73</b>	<b>(4.70)</b>	<b>13.91</b>	<b>--</b>	<b>--</b>	<b>13.91</b>
Russell 2000 Index	6.23	(20.44)	3.10	4.13	9.01	3.10
Russell 2000 Value	8.42	(14.48)	4.70	4.13	8.48	4.70

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Avantis US Small Cap Value</b>	<b>(4.70)</b>	<b>40.17</b>	<b>10.64</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Russell 2000 Index	(20.44)	14.82	19.96	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82
Russell 2000 Value	(14.48)	28.27	4.63	22.39	(12.86)	7.84	31.74	(7.47)	4.22	34.52

#### Relative Returns vs. Russell 2000 Index



#### Callan Small Cap Value Mutual Funds | 2 Years Ended 12/31/22

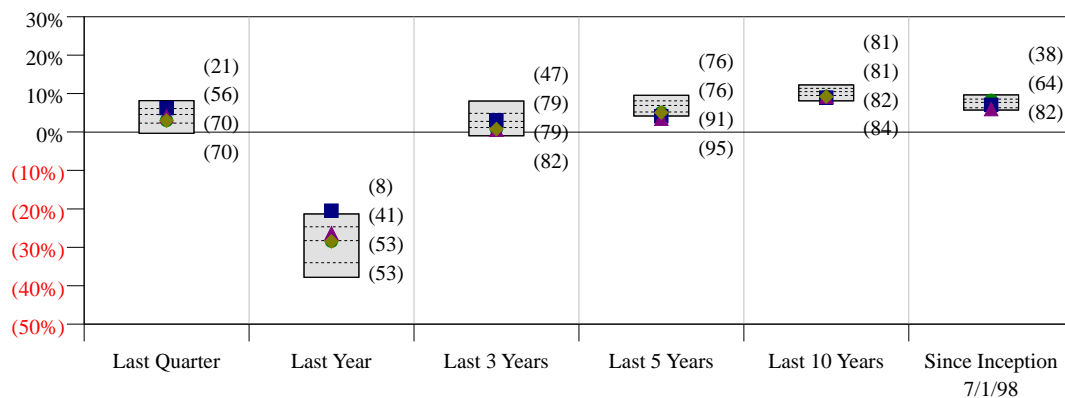


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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: December 31, 2022

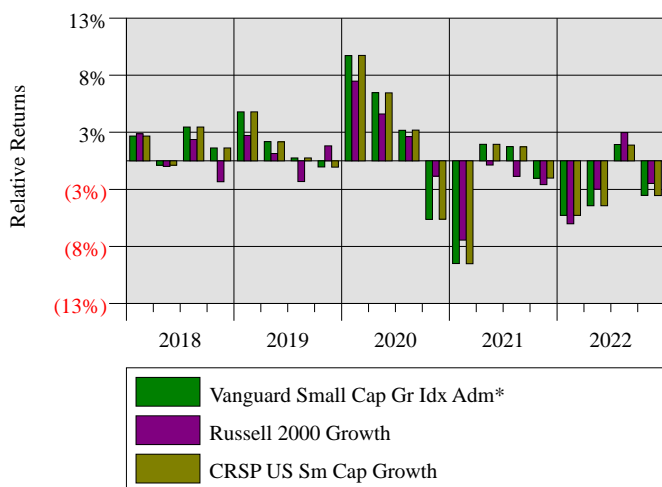


10th Percentile	8.20	(21.28)	8.07	9.61	12.28	9.68
25th Percentile	6.16	(24.66)	4.87	8.14	11.39	8.59
<b>Median</b>	<b>4.60</b>	<b>(28.21)</b>	<b>2.77</b>	<b>6.93</b>	<b>10.53</b>	<b>7.72</b>
75th Percentile	2.35	(34.00)	1.20	5.24	9.54	6.34
90th Percentile	(0.32)	(37.79)	(0.98)	4.17	8.15	5.74
<b>Vanguard Small Cap Gr Idx Adm*</b>	<b>3.02</b>	<b>(28.39)</b>	<b>0.79</b>	<b>5.10</b>	<b>9.27</b>	<b>8.29</b>
Russell 2000 Index	6.23	(20.44)	3.10	4.13	9.01	7.07
Russell 2000 Growth	4.13	(26.36)	0.65	3.51	9.20	5.97
CRSP US Sm Cap Growth	3.00	(28.44)	0.79	5.09	9.26	--

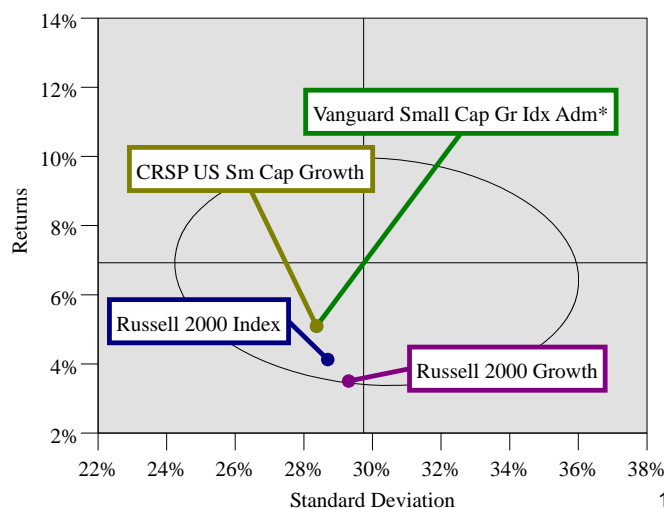
Vanguard switched to CRSP US Sm Cap Growth Index on April 17, 2013.

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Vanguard Small Cap Gr Idx Adm*</b>	<b>(28.39)</b>	<b>5.70</b>	<b>35.28</b>	<b>32.76</b>	<b>(5.68)</b>	<b>21.92</b>	<b>10.73</b>	<b>(2.52)</b>	<b>4.02</b>	<b>38.22</b>
Russell 2000 Index	(20.44)	14.82	19.96	25.52	(11.01)	14.65	21.31	(4.41)	4.89	38.82
Russell 2000 Growth	(26.36)	2.83	34.63	28.48	(9.31)	22.17	11.32	(1.38)	5.60	43.30
CRSP US Sm Cap Growth	(28.44)	5.71	35.35	32.75	(5.68)	21.90	10.62	(2.60)	3.98	38.44

#### Relative Returns vs. Russell 2000 Index



#### Callan Small Cap Growth Mutual Funds | 5 Years Ended 12/31/22

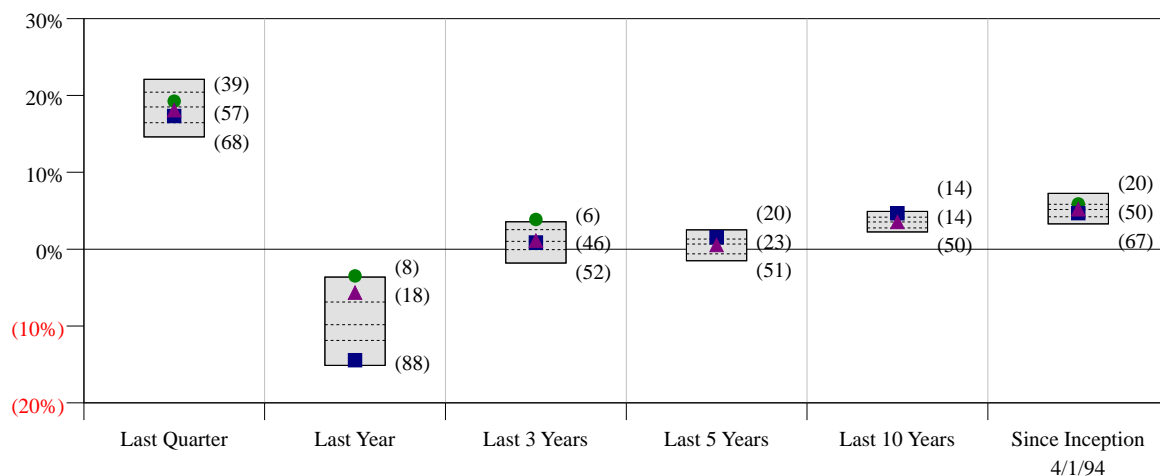


\*Investor shares used as a proxy prior to 10/2011.

## 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.

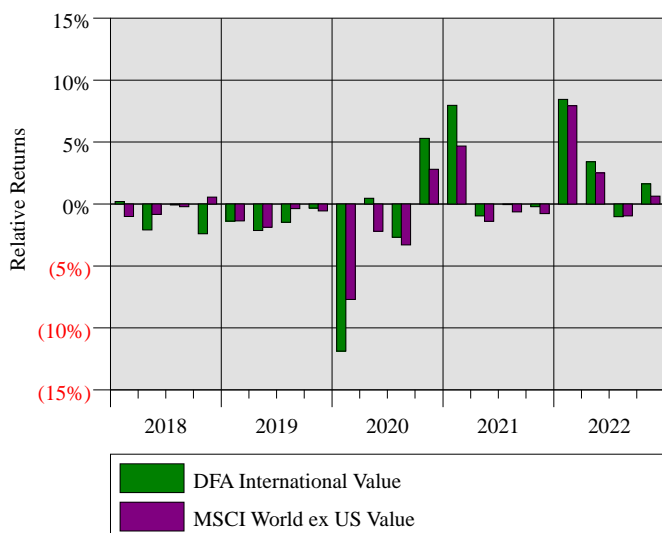
### DFA International Value (DFIVX) Performance vs. Callan International Large Cap Value MFs Periods ending: December 31, 2022



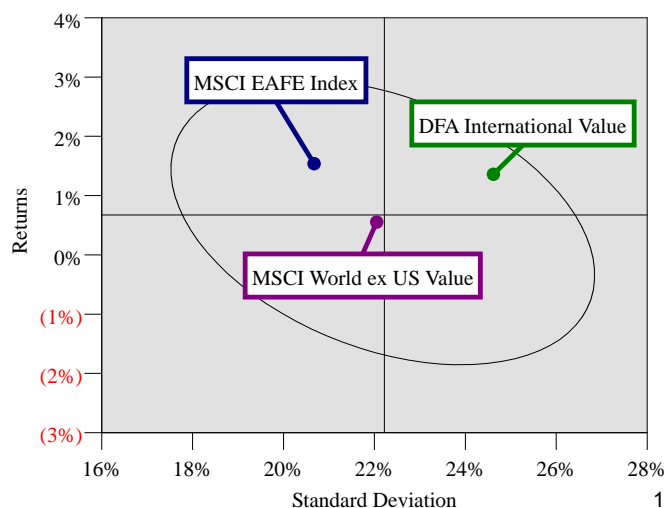
10th Percentile	22.11	(3.63)	3.58	2.54	4.92	7.27
25th Percentile	20.43	(6.88)	2.54	1.33	4.19	5.86
<b>Median</b>	<b>18.52</b>	<b>(9.82)</b>	<b>1.02</b>	<b>0.67</b>	<b>3.54</b>	<b>5.19</b>
75th Percentile	16.46	(11.87)	(0.06)	(0.61)	2.77	4.24
90th Percentile	14.62	(15.11)	(1.81)	(1.50)	2.25	3.29
<b>DFA International Value</b>	<b>19.26</b>	<b>(3.48)</b>	<b>3.88</b>	<b>1.36</b>	<b>4.61</b>	<b>5.90</b>
MSCI EAFE Index	17.34	(14.45)	0.87	1.54	4.67	4.71
MSCI World ex US Value	18.10	(5.64)	1.13	0.56	3.55	5.21

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA International Value</b>	<b>(3.48)</b>	<b>18.69</b>	<b>(2.14)</b>	<b>15.67</b>	<b>(17.49)</b>	<b>26.09</b>	<b>8.41</b>	<b>(6.31)</b>	<b>(6.99)</b>	<b>23.12</b>
MSCI EAFE Index	(14.45)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78
MSCI World ex US Value	(5.64)	13.26	(3.22)	17.02	(15.06)	21.04	7.39	(7.68)	(5.41)	21.47

#### Relative Returns vs. MSCI EAFE Index



#### Callan International Large Cap Value MFs | 5 Years Ended 12/31/22

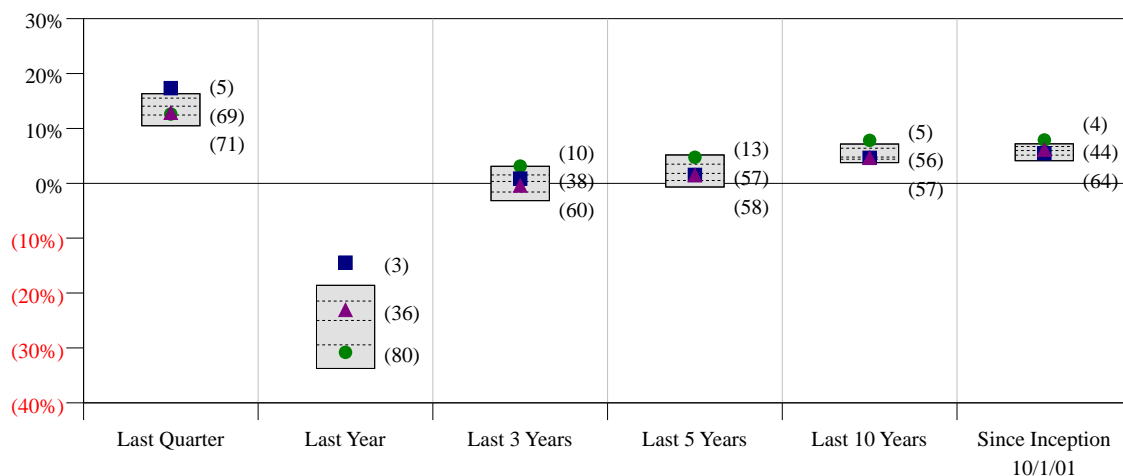


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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.

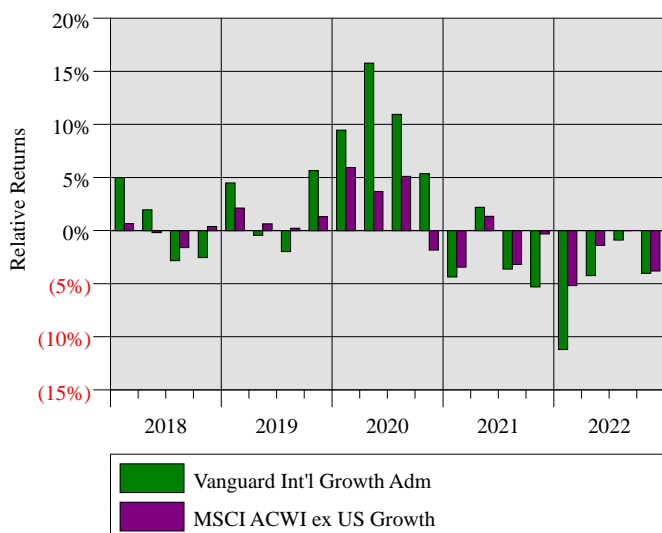
### Vanguard Int'l Growth Adm (VWILX) Performance vs. Callan Intl Large Cap Growth MFs Periods ending: December 31, 2022



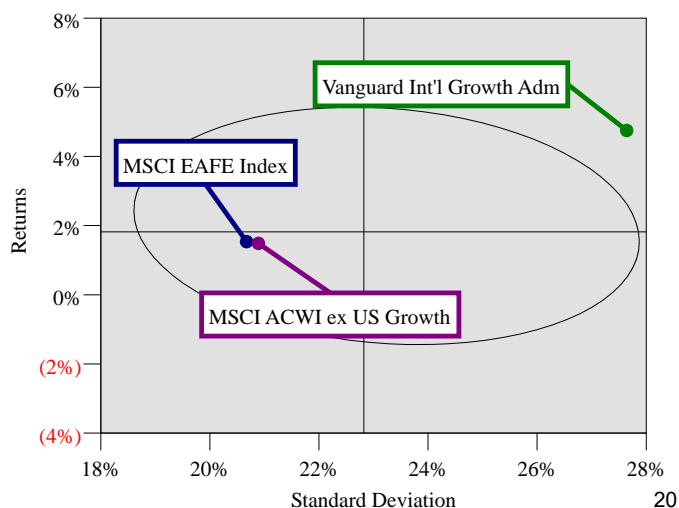
10th Percentile	16.34	(18.57)	3.10	5.19	7.18	7.22
25th Percentile	15.55	(21.46)	1.56	3.49	6.39	6.72
<b>Median</b>	<b>14.07</b>	<b>(24.98)</b>	<b>0.36</b>	<b>1.82</b>	<b>4.79</b>	<b>5.97</b>
75th Percentile	12.46	(29.43)	(1.55)	0.53	4.42	5.13
90th Percentile	10.48	(33.73)	(3.16)	(0.65)	3.78	4.15
<b>Vanguard Int'l Growth Adm</b>	<b>12.62</b>	<b>(30.79)</b>	<b>3.14</b>	<b>4.75</b>	<b>7.84</b>	<b>7.90</b>
MSCI EAFE Index	17.34	(14.45)	0.87	1.54	4.67	5.51
MSCI ACWI ex US Growth	12.89	(23.05)	(0.40)	1.49	4.68	6.17

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Vanguard Int'l Growth Adm</b>	<b>(30.79)</b>	<b>(0.74)</b>	<b>59.74</b>	<b>31.48</b>	<b>(12.58)</b>	<b>43.16</b>	<b>1.84</b>	<b>(0.54)</b>	<b>(5.51)</b>	<b>23.12</b>
MSCI EAFE Index	(14.45)	11.26	7.82	22.01	(13.79)	25.03	1.00	(0.81)	(4.90)	22.78
MSCI ACWI ex US Growth	(23.05)	5.09	22.20	27.34	(14.43)	32.01	0.12	(1.25)	(2.65)	15.49

#### Relative Returns vs. MSCI EAFE Index



#### Callan Intl Large Cap Growth MFs | 5 Years Ended 12/31/22

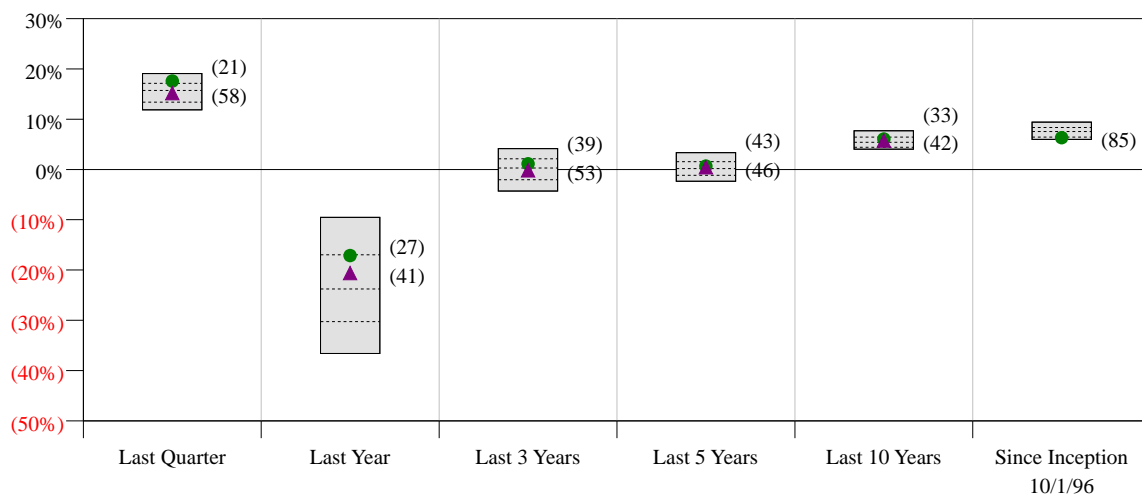


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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: December 31, 2022

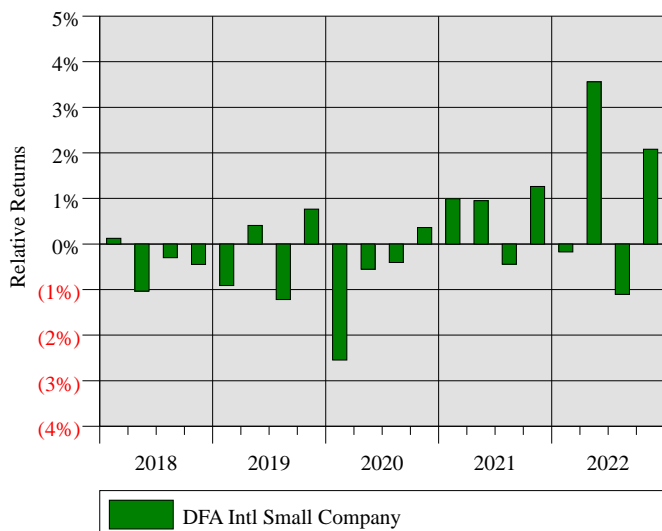


10th Percentile	19.08	(9.52)	4.17	3.37	7.71	9.45
25th Percentile	17.15	(16.94)	2.16	1.56	6.46	8.37
<b>Median</b>	<b>15.74</b>	<b>(23.74)</b>	<b>0.32</b>	<b>0.21</b>	<b>5.43</b>	<b>7.57</b>
75th Percentile	13.42	(30.25)	(2.00)	(1.13)	4.43	6.47
90th Percentile	11.90	(36.58)	(4.27)	(2.33)	4.05	5.98
<b>DFA Intl Small Company</b>	<b>17.61</b>	<b>(17.12)</b>	<b>1.14</b>	<b>0.70</b>	<b>6.08</b>	<b>6.33</b>
MSCI World Sm Cap ex US	15.21	(20.59)	(0.15)	0.45	5.77	--

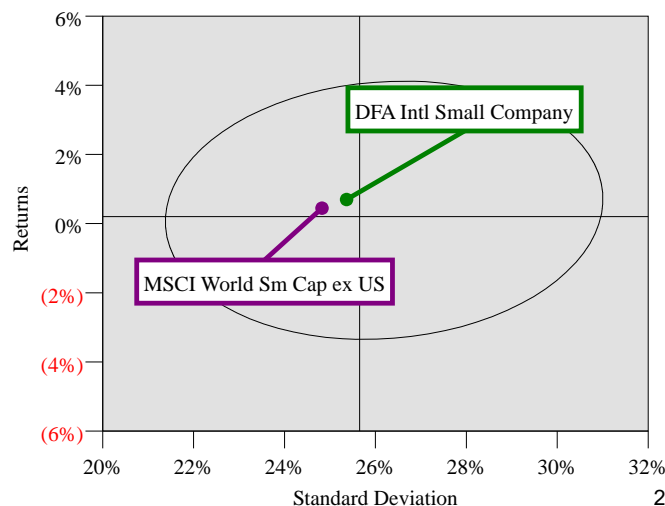
  

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA Intl Small Company</b>	<b>(17.12)</b>	<b>14.24</b>	<b>9.26</b>	<b>24.20</b>	<b>(19.42)</b>	<b>30.24</b>	<b>5.80</b>	<b>5.91</b>	<b>(6.30)</b>	<b>27.44</b>
MSCI World Sm Cap ex US	(20.59)	11.14	12.78	25.41	(18.07)	31.04	4.32	5.46	(5.35)	25.55

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



#### Callan International Small Cap Mut Funds | 5 Years Ended 12/31/22

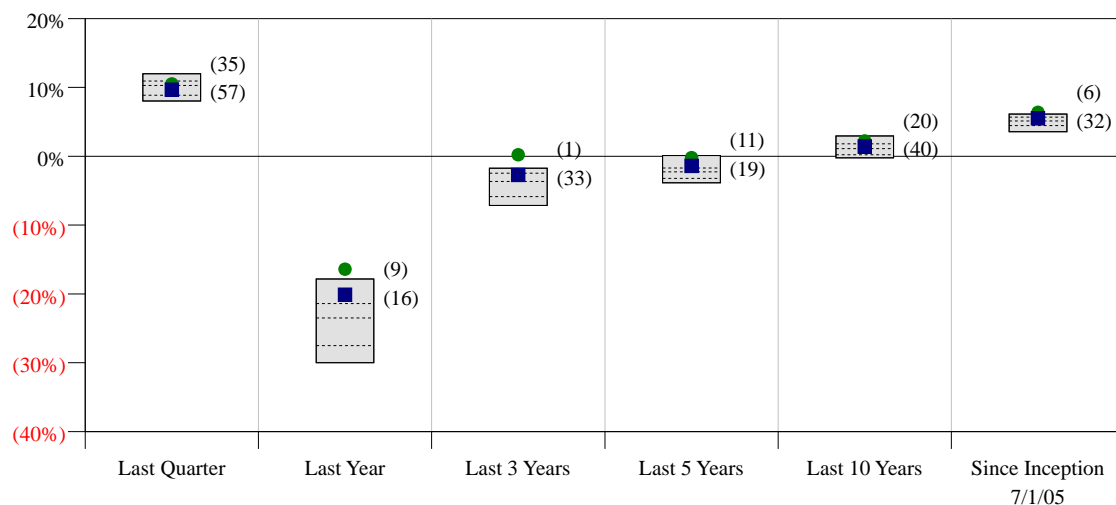


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## Investment Philosophy:

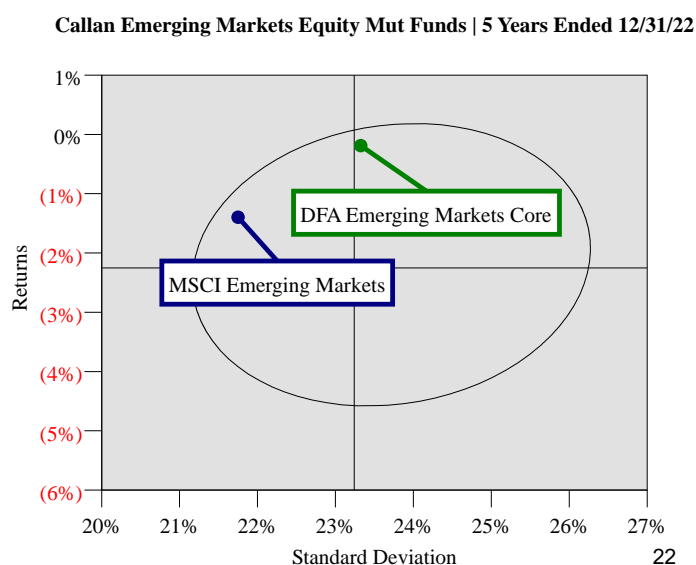
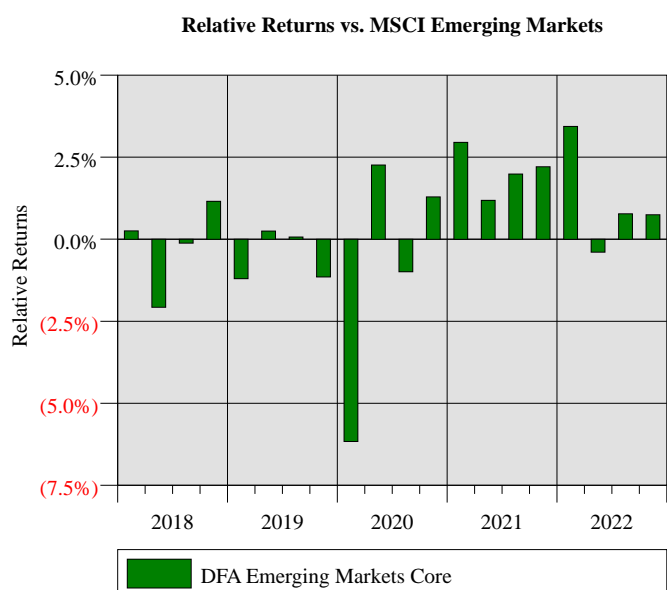
The International Emerging Markets Equity Database consists of all mutual fund international equity products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and South America.

### DFA Emerging Markets Core (DFCEX) Performance vs. Callan Emerging Markets Equity Mut Funds Periods ending: December 31, 2022



10th Percentile	12.02	(17.81)	(1.71)	0.13	2.98	6.14
25th Percentile	10.94	(21.38)	(2.45)	(1.70)	1.83	5.70
<b>Median</b>	<b>10.30</b>	<b>(23.46)</b>	<b>(3.63)</b>	<b>(2.25)</b>	<b>1.13</b>	<b>5.16</b>
75th Percentile	8.89	(27.48)	(5.86)	(3.18)	0.23	4.49
90th Percentile	8.06	(29.98)	(7.12)	(3.85)	(0.21)	3.57
<b>DFA Emerging Markets Core</b>	<b>10.53</b>	<b>(16.40)</b>	<b>0.25</b>	<b>(0.19)</b>	<b>2.24</b>	<b>6.41</b>
MSCI Emerging Markets	9.70	(20.09)	(2.69)	(1.39)	1.44	5.53

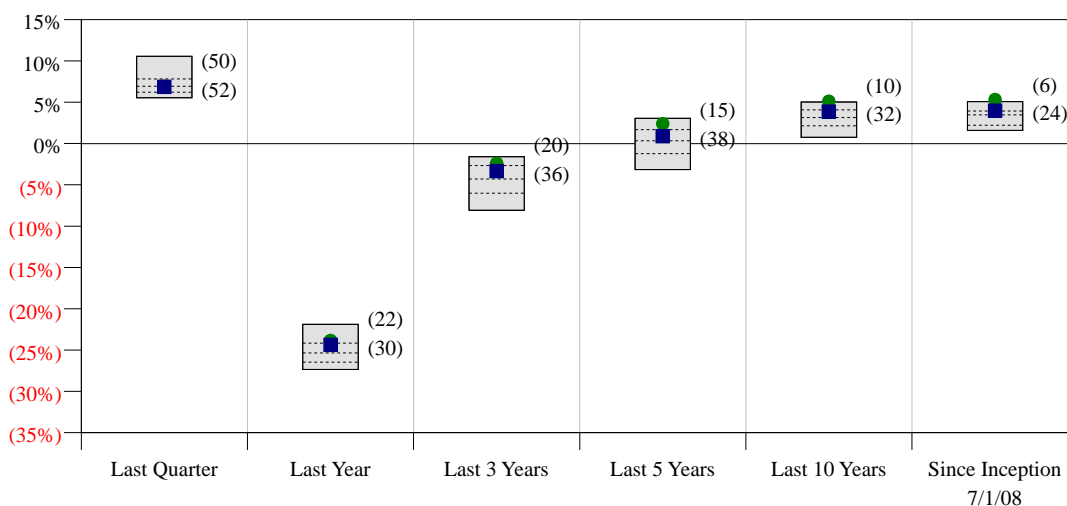
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA Emerging Markets Core</b>	<b>(16.40)</b>	<b>5.83</b>	<b>13.86</b>	<b>16.04</b>	<b>(15.25)</b>	<b>36.55</b>	<b>12.35</b>	<b>(14.86)</b>	<b>(0.91)</b>	<b>(2.64)</b>
MSCI Emerging Markets	(20.09)	(2.54)	18.31	18.44	(14.57)	37.28	11.19	(14.92)	(2.19)	(2.60)



## 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: December 31, 2022

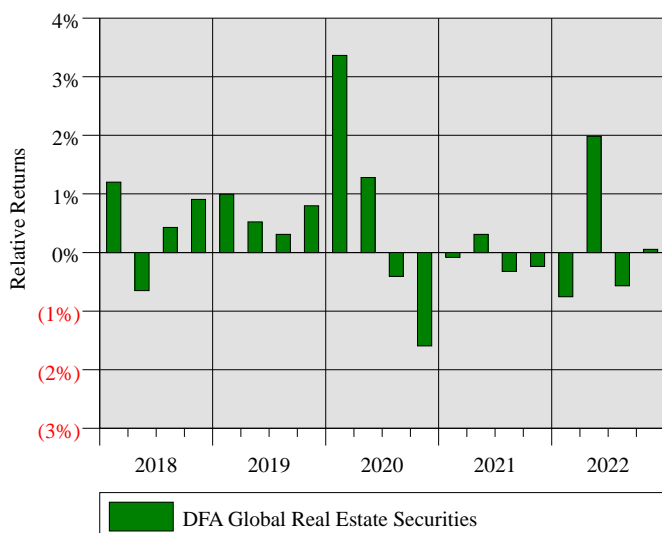


		10th Percentile	10.57	(21.88)	(1.58)	3.06	5.05	5.08
		25th Percentile	7.82	(24.16)	(2.64)	1.70	4.09	3.94
		<b>Median</b>	<b>6.94</b>	<b>(25.35)</b>	<b>(4.27)</b>	<b>0.35</b>	<b>3.15</b>	<b>3.48</b>
		75th Percentile	6.22	(26.45)	(6.00)	(1.21)	2.15	2.23
		90th Percentile	5.55	(27.35)	(8.06)	(3.15)	0.75	1.59
<b>DFA Global Real Estate Securities</b>	●	<b>6.94</b>	<b>(23.83)</b>	<b>(2.37)</b>	<b>2.42</b>	<b>5.13</b>	<b>5.34</b>	
<b>S&amp;P Global REIT Index</b>	■	<b>6.88</b>	<b>(24.36)</b>	<b>(3.33)</b>	<b>0.91</b>	<b>3.88</b>	<b>4.00</b>	

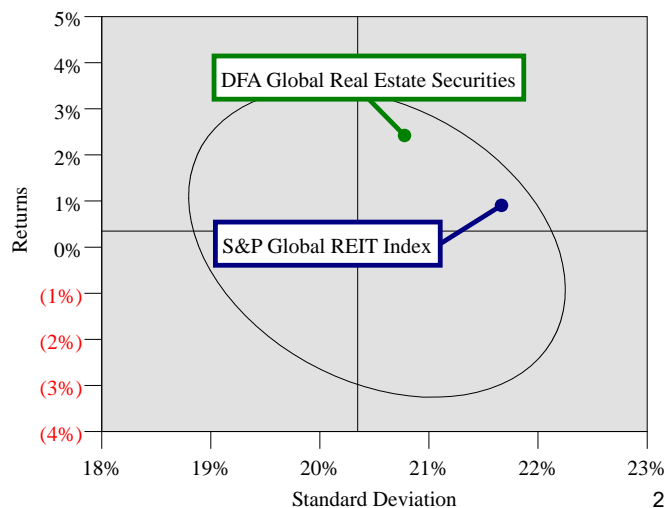
  

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>DFA Global Real Estate Securities</b>	<b>(23.83)</b>	<b>30.96</b>	<b>(6.72)</b>	<b>26.40</b>	<b>(4.15)</b>	<b>9.20</b>	<b>6.56</b>	<b>0.69</b>	<b>22.74</b>	<b>1.77</b>
<b>S&amp;P Global REIT Index</b>	<b>(24.36)</b>	<b>31.38</b>	<b>(9.09)</b>	<b>23.12</b>	<b>(5.93)</b>	<b>7.41</b>	<b>5.77</b>	<b>(0.44)</b>	<b>21.54</b>	<b>1.73</b>

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



#### Morningstar Global Real Estate Funds | 5 Years Ended 12/31/22

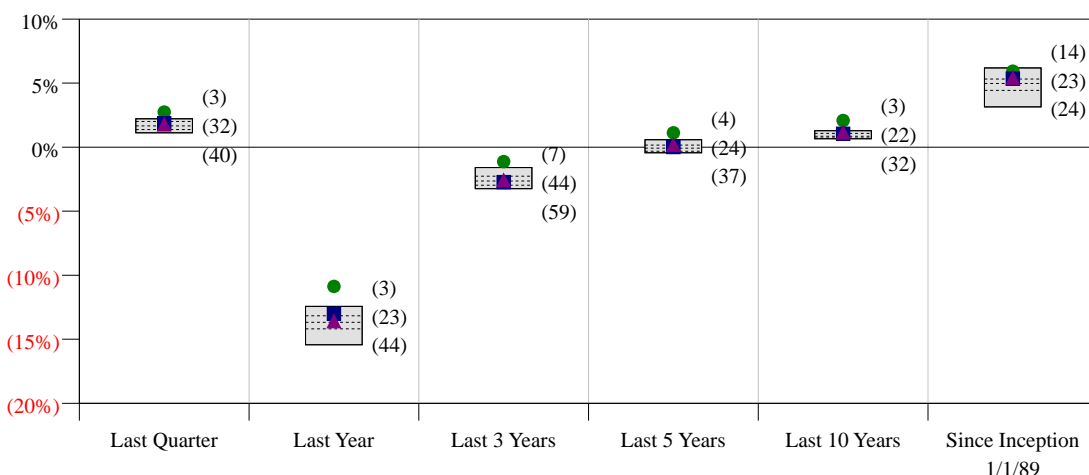


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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.

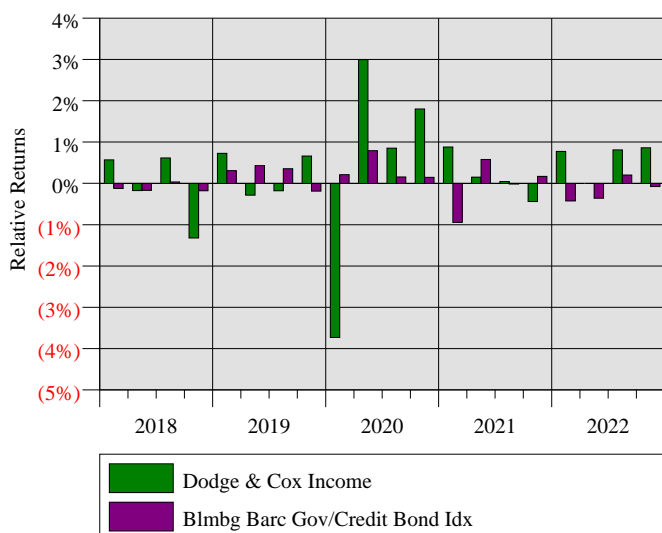
### Dodge & Cox Income (DODIX) Performance vs. Callan Core Bond Mutual Funds Periods ending: December 31, 2022



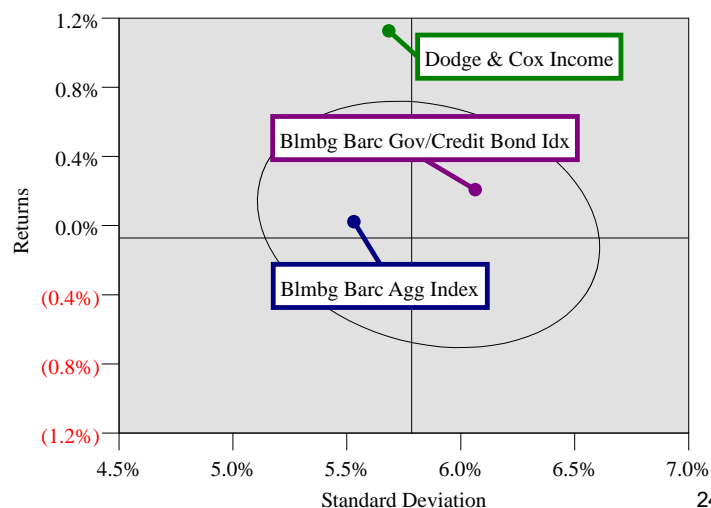
10th Percentile	2.22	(12.43)	(1.59)	0.60	1.30	6.20
25th Percentile	2.01	(13.16)	(2.25)	0.18	1.09	5.33
<b>Median</b>	<b>1.68</b>	<b>(13.67)</b>	<b>(2.63)</b>	<b>(0.07)</b>	<b>0.87</b>	<b>4.98</b>
75th Percentile	1.39	(14.17)	(2.95)	(0.30)	0.73	4.45
90th Percentile	1.13	(15.42)	(3.24)	(0.43)	0.67	3.16
<b>Dodge &amp; Cox Income</b>	<b>2.76</b>	<b>(10.86)</b>	<b>(1.12)</b>	<b>1.13</b>	<b>2.09</b>	<b>5.95</b>
Blmbg Barc Agg Index	1.87	(13.01)	(2.71)	0.02	1.06	5.36
Blmbg Barc Gov/Credit Bond Idx	1.80	(13.58)	(2.57)	0.21	1.16	5.42

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Dodge &amp; Cox Income</b>	<b>(10.86)</b>	<b>(0.91)</b>	<b>9.45</b>	<b>9.73</b>	<b>(0.31)</b>	<b>4.36</b>	<b>5.61</b>	<b>(0.59)</b>	<b>5.48</b>	<b>0.64</b>
Blmbg Barc Agg Index	(13.01)	(1.54)	7.51	8.72	0.01	3.54	2.65	0.55	5.97	(2.02)
Blmbg Barc Gov/Credit Bond Idx	(13.58)	(1.75)	8.93	9.71	(0.42)	4.00	3.05	0.15	6.01	(2.35)

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



#### Callan Core Bond Mutual Funds | 5 Years Ended 12/31/22



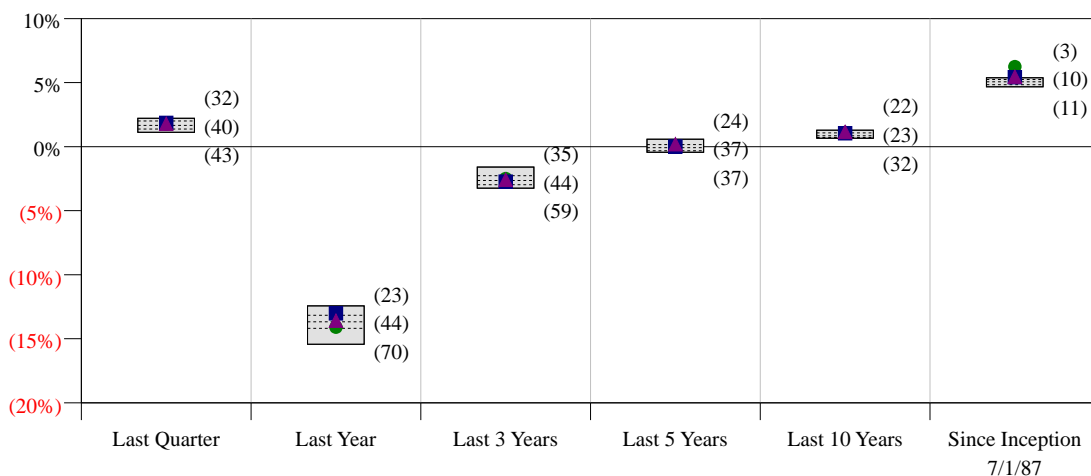
Source: Callan. Past performance is not indicative of future results. See important disclosures.



## 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.

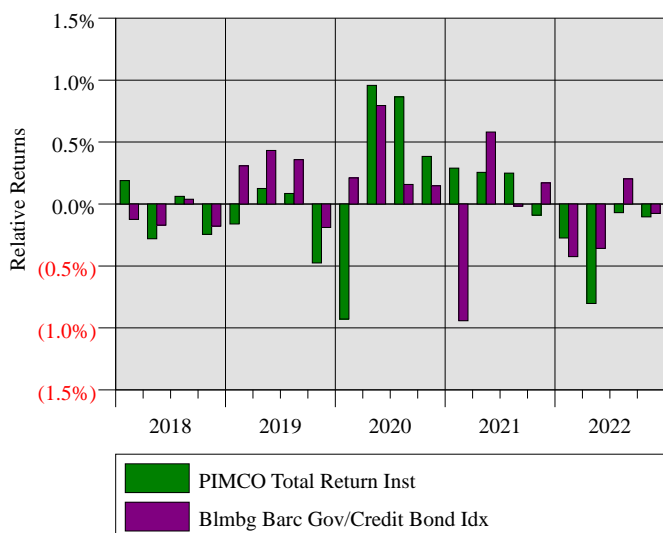
### PIMCO Total Return Inst (PTTRX) Performance vs. Callan Core Bond Mutual Funds Periods ending: December 31, 2022



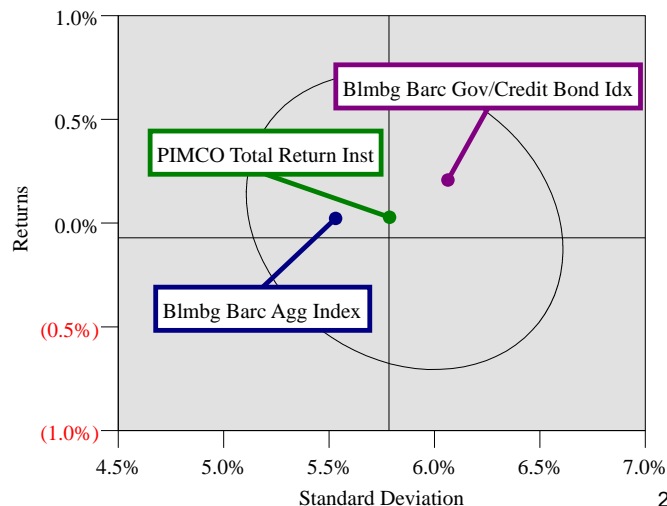
10th Percentile	2.22	(12.43)	(1.59)	0.60	1.30	5.39
25th Percentile	2.01	(13.16)	(2.25)	0.18	1.09	5.26
<b>Median</b>	<b>1.68</b>	<b>(13.67)</b>	<b>(2.63)</b>	<b>(0.07)</b>	<b>0.87</b>	<b>5.07</b>
75th Percentile	1.39	(14.17)	(2.95)	(0.30)	0.73	4.85
90th Percentile	1.13	(15.42)	(3.24)	(0.43)	0.67	4.68
<b>PIMCO Total Return Inst</b>	<b>1.77</b>	<b>(14.09)</b>	<b>(2.48)</b>	<b>0.03</b>	<b>1.11</b>	<b>6.26</b>
Blmbg Barc Agg Index	1.87	(13.01)	(2.71)	0.02	1.06	5.44
Blmbg Barc Gov/Credit Bond Idx	1.80	(13.58)	(2.57)	0.21	1.16	5.49

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>PIMCO Total Return Inst</b>	<b>(14.09)</b>	<b>(0.84)</b>	<b>8.88</b>	<b>8.26</b>	<b>(0.26)</b>	<b>5.13</b>	<b>2.60</b>	<b>0.72</b>	<b>4.69</b>	<b>(1.92)</b>
Blmbg Barc Agg Index	(13.01)	(1.54)	7.51	8.72	0.01	3.54	2.65	0.55	5.97	(2.02)
Blmbg Barc Gov/Credit Bond Idx	(13.58)	(1.75)	8.93	9.71	(0.42)	4.00	3.05	0.15	6.01	(2.35)

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



#### Callan Core Bond Mutual Funds | 5 Years Ended 12/31/22

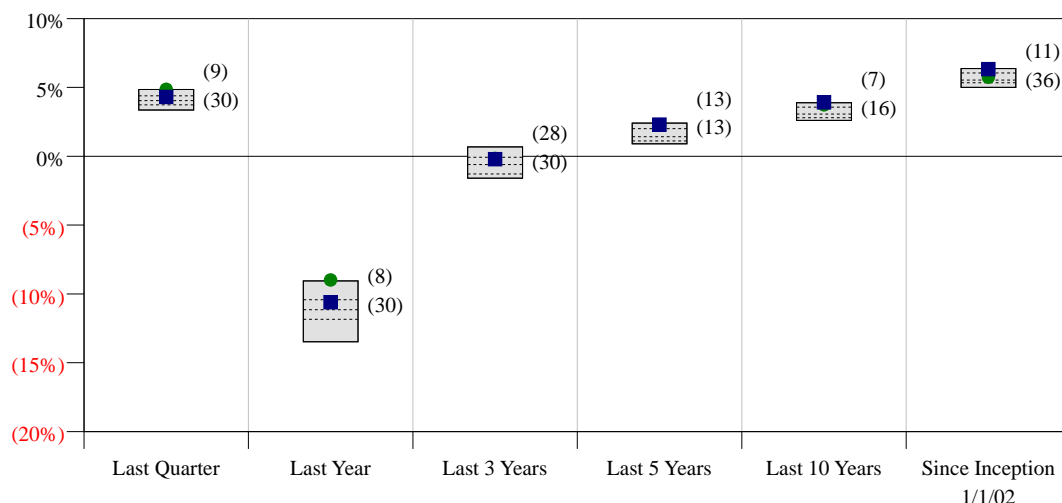


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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.

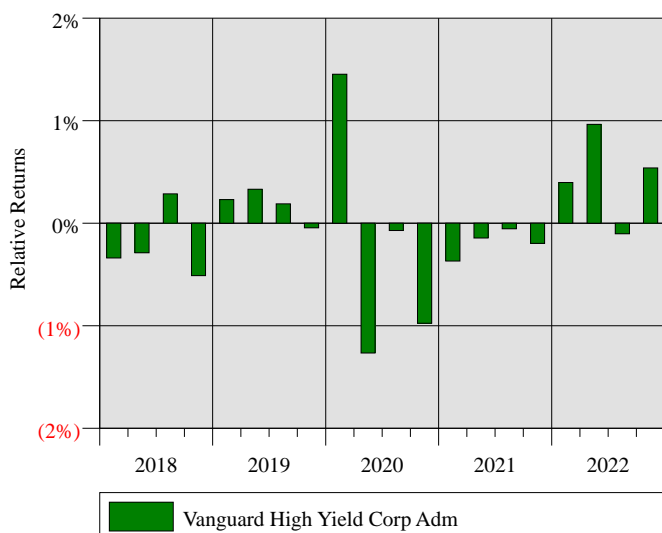
### Vanguard High Yield Corp Adm (VWEAX) Performance vs. Callan High Yield Mutual Funds Periods ending: December 31, 2022



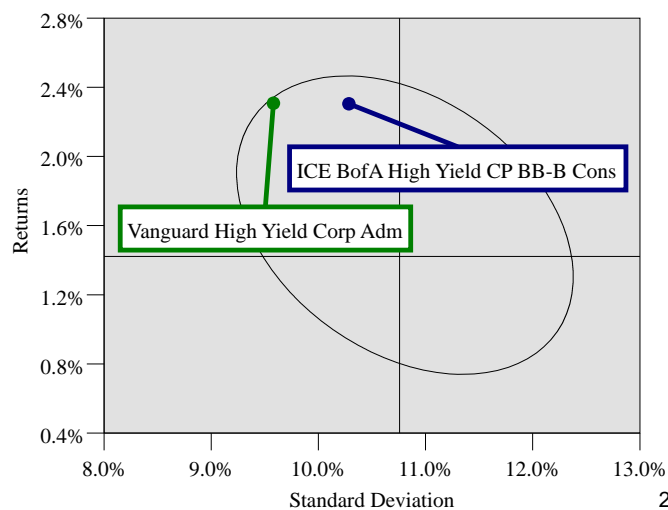
10th Percentile	4.87	(9.05)	0.69	2.43	3.90	6.38
25th Percentile	4.40	(10.42)	(0.06)	2.02	3.58	6.06
<b>Median</b>	<b>4.06</b>	<b>(11.13)</b>	<b>(0.59)</b>	<b>1.42</b>	<b>3.08</b>	<b>5.55</b>
75th Percentile	3.74	(11.83)	(1.28)	1.12	2.81	5.34
90th Percentile	3.37	(13.46)	(1.58)	0.92	2.61	5.01
<b>Vanguard High Yield Corp Adm</b>	<b>4.88</b>	<b>(8.97)</b>	<b>(0.15)</b>	<b>2.31</b>	<b>3.75</b>	<b>5.75</b>
<b>ICE BofA High Yield CP BB-B Cons</b>	<b>4.31</b>	<b>(10.59)</b>	<b>(0.20)</b>	<b>2.31</b>	<b>3.93</b>	<b>6.33</b>

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Vanguard High Yield Corp Adm</b>	<b>(8.97)</b>	<b>3.78</b>	<b>5.39</b>	<b>15.91</b>	<b>(2.87)</b>	<b>7.13</b>	<b>11.30</b>	<b>(1.30)</b>	<b>4.69</b>	<b>4.64</b>
<b>ICE BofA High Yield CP BB-B Cons</b>	<b>(10.59)</b>	<b>4.58</b>	<b>6.32</b>	<b>15.09</b>	<b>(2.04)</b>	<b>6.98</b>	<b>14.76</b>	<b>(2.82)</b>	<b>3.48</b>	<b>6.29</b>

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



#### Callan High Yield Mutual Funds | 5 Years Ended 12/31/22

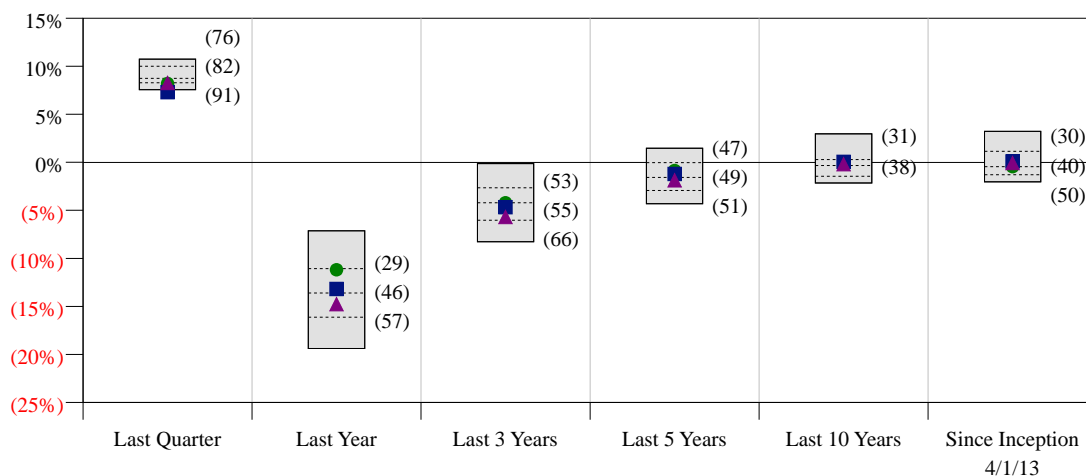


Source: Callan. Past performance is not indicative of future results. See important disclosures.

## 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: December 31, 2022

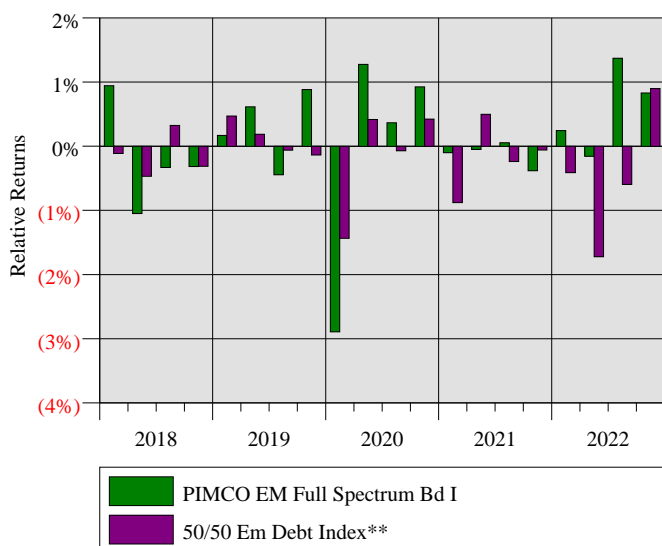


10th Percentile	10.75	(7.11)	(0.12)	1.48	2.97	3.23
25th Percentile	10.01	(11.06)	(2.65)	(0.03)	0.30	1.15
<b>Median</b>	<b>8.75</b>	<b>(13.60)</b>	<b>(4.20)</b>	<b>(1.57)</b>	<b>(0.32)</b>	<b>(0.45)</b>
75th Percentile	8.29	(16.11)	(6.02)	(2.92)	(1.45)	(1.29)
90th Percentile	7.58	(19.38)	(8.25)	(4.31)	(2.15)	(2.03)
<b>PIMCO EM Full Spectrum Bd I</b>	<b>8.21</b>	<b>(11.17)</b>	<b>(4.20)</b>	<b>(0.83)</b>	<b>--</b>	<b>(0.44)</b>
50/25/25 Em Debt Index*	7.31	(13.17)	(4.66)	(1.21)	0.06	0.11
50/50 Em Debt Index**	8.28	(14.76)	(5.67)	(1.86)	(0.18)	(0.06)

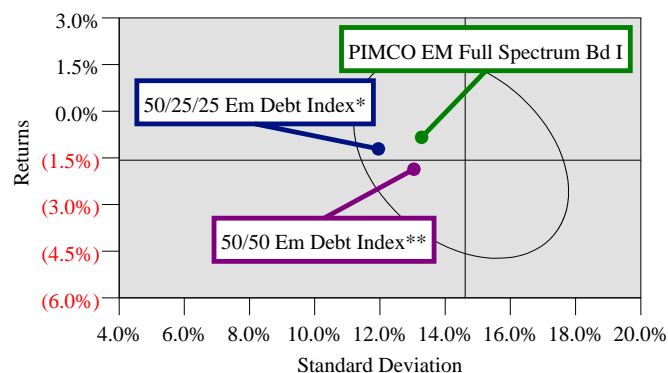
  

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>PIMCO EM Full Spectrum Bd I</b>	<b>(11.17)</b>	<b>(5.13)</b>	<b>4.31</b>	<b>15.16</b>	<b>(5.28)</b>	<b>12.30</b>	<b>12.01</b>	<b>(11.09)</b>	<b>(3.82)</b>	<b>--</b>
50/25/25 Em Debt Index*	(13.17)	(4.67)	4.70	13.77	(4.56)	11.88	10.20	(7.07)	(0.15)	(6.59)
50/50 Em Debt Index**	(14.76)	(5.32)	4.00	14.30	(5.10)	12.72	10.10	(7.07)	0.72	(7.10)

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



Callan Emerging Mkts Debt Blend MFs | 5 Years Ended 12/31/22



\* 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.

**Dow Jones Industrial Average:** The Dow Jones Industrial Average, Dow Jones, or simply the Dow, is a stock market index of 30 prominent companies listed on stock exchanges in the United States.

**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.

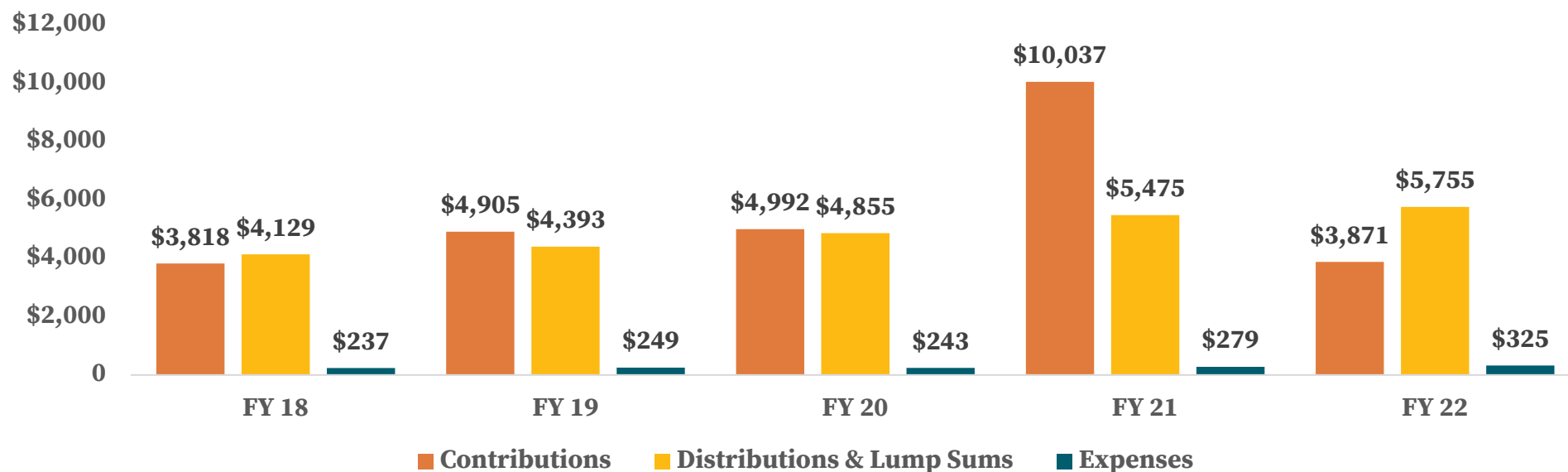
**JPM GBI EM Global Diversified USD Unh (Emerging Markets Fixed Income):** A comprehensive global local emerging markets index that consists of regularly traded, liquid fixed-rate domestic currency government bonds.

**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. 29



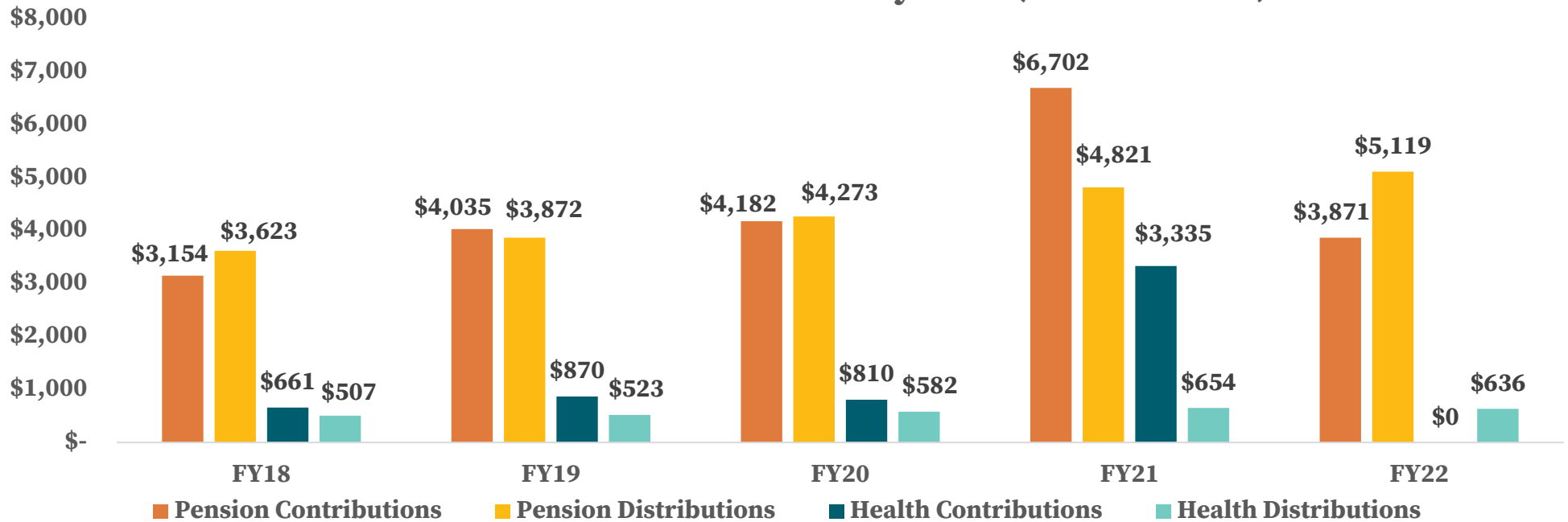
Attachment D  
Cover Page

### 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	\$48,594,668	\$49,152,548	\$67,255,498	\$56,428,973
Contributions	\$3,818,404	\$4,905,234	\$4,991,753	\$10,036,608	\$3,871,324
Distributions & Lump Sums	\$4,129,406	\$4,393,326	\$4,854,962	\$5,474,962	\$5,754,665
Expenses	\$236,757	\$249,036	\$242,734	\$279,037	\$324,577
Team Hewins	\$99,333	\$100,967	\$105,820	\$119,071	\$146,464
Agincourt Capital Management	\$25,318	\$28,078	\$27,370	\$31,471	\$37,145
Custodian (US Bank) Fees	\$57,323	\$57,395	\$57,823	\$65,165	\$77,341
Legal Fees (Olson)	\$15,797	\$5,849	\$3,017	\$9,993	\$9,919
Professional Fees (Bartel & Associates)	\$38,986	\$55,306	\$48,704	\$53,337	\$53,708
Reimbursement	\$0	\$1,441	\$0	\$0	\$0
All fees shown as a % of Portfolio Value					
TH IA Fee	0.22%	0.22%	0.22%	0.22%	0.22%
Agincourt Management Fee	0.06%	0.06%	0.06%	0.06%	0.06%
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	0.60%	0.59%	0.59%	0.57%	0.61%
TH and Agincourt fees reflect annual rate charged.					
*based on 6/30/2022 values.					

## Contributions and Distributions By Plan (in thousands)



Contributions	FY 18	FY 19	FY 20	FY 21	FY 22
Pension - SJRTD Contributions	\$1,826,306	\$2,424,432	\$2,499,231	\$5,293,588	\$2,358,359
Pension - Employees' Contributions	\$1,327,280	\$1,610,260	\$1,682,807	\$1,408,372	\$1,512,666
Health - SJRTD Contributions	\$348,568	\$475,660	\$443,263	\$3,034,408	\$0
Health - Employees' Contributions	\$312,211	\$394,784	\$366,451	\$300,128	\$0
<b>TOTAL</b>	<b>\$3,814,365</b>	<b>\$4,905,136</b>	<b>\$4,991,752</b>	<b>\$10,036,496</b>	<b>\$3,871,025</b>
Distributions					
Pension - Periodic Benefit Distribution	\$3,300,620	\$3,468,102	\$3,766,710	\$4,126,341	\$4,385,490
Pension - Lump sum Distributions	\$321,914	\$403,617	\$505,996	\$694,689	\$733,387
Health - Medical, Dental, vision, life insurance, Benefit	\$443,067	\$443,041	\$477,916	\$515,755	\$499,351
Health - Lump sum Distributions	\$63,807	\$78,470	\$103,973	\$138,176	\$136,437
<b>TOTAL</b>	<b>\$4,129,409</b>	<b>\$4,393,230</b>	<b>\$4,854,595</b>	<b>\$5,474,962</b>	<b>\$5,754,665</b>





Attachment E  
Cover Page

# San Joaquin Pension Fund Target

## Portfolio Funds and Target Indices

Market Sector	Pension Portfolio	Pension Fund Target	Weight
US Large Cap	DFA US Large Cap Value I	S&P 500	24.30%
	Vanguard Institutional Index I		
US Small Cap	Avantis US Small Cap Value Fund I	Russell 2000	8.10%
	Vanguard Small Cap Growth Index Admiral		
International Developed	DFA International Value I	MSCI EAFE	16.20%
	Vanguard International Growth Adm		
	DFA International Small Company I		
Emerging Markets	DFA Emerging Markets Core Equity I	MSCI Emerging Markets	5.40%
Real Estate	DFA Global Real Estate Securities Port	S&P Global REIT (Net)	6.00%
			60.00%
Investment Grade Bonds	Agincourt Core Fixed Income	Bloomberg US Aggregate	27.00%
High Yield Bonds	Vanguard High-Yield Corporate Adm	ICE BofA BB-B US Cash Pay High Yield Constrained	7.20%
Emerging Market Bonds	PIMCO Emerg Mkts Full Spectrum Bd Instl	JPM EMBI Global Diversified	2.40%
		JPM GBI-EM Global Diversified	2.40%
Cash	Cash	3 Month T-Bill	1.00%

40.00%



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

**REPORT: ELECTION OF THE CHAIR AND VICE CHAIR OF THE SAN  
JOAQUIN REGIONAL TRANSIT DISTRICT (RTD)  
RETIREMENT PLAN BOARD OF DIRECTORS FOR THE  
CALENDAR YEAR 2023**

**I. SUMMARY**

- An election for a Chair and a Vice Chair must take place annually as they serve a calendar year term.
- The Chair shall alternate between an RTD representative and a Union representative.
- For 2023, the elected Chair must be a Union representative and the elected Vice Chair must be an RTD Representative.

**II. DISCUSSION/BACKGROUND**

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

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

The Retirement Plan Board of Directors, at its meeting on December 13, 2021, elected a Chair who was an RTD representative, and a Vice Chair who was a Union representative. Since the Chair and Vice Chair serve a calendar year term, an election for said positions is necessary. For the calendar year of 2023, the Chair shall be a Union representative and the Vice Chair shall be an RTD Representative.

**III. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This recommendation aligns with the Board’s Strategic Priorities 1 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**

None.

Prepared by: Erica Smith, Executive and Board Support Specialist



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

**I. RECOMMENDED ACTION:**

Approve the revised Retirement Plan Bylaws.

**II. 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 discussed the recommended Bylaws and provided direction regarding any changes that should be made.
- The attached Bylaws will be adopted by the Retirement Board as opposed to the RTD Board.

**III. 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 final draft set of Bylaws reflecting Retirement Board member comments and suggestions following their first reading at the December 15, 2022 meeting. In addition to few minor, technical edits, the more substantive changes are as follows:

1. The wording regarding the selection by the Non-represented employee Board member of their alternate was changed to require the Board member to obtain, rather than seek, the concurrence of the Non-represented employees prior to designating their alternate.
2. A reference to Public Utilities Code section 99159 was added to section 1.13 for internal consistency.
3. The requirement for annual recertification by Retirement Board members of their independence has been deleted as unnecessarily redundant.

We received two additional Retirement Board member suggestions that were not incorporated in the final draft but may merit future Retirement Board discussion. The first suggestion concerned whether to include provisions for the removal of a Retirement Board member and/or a fixed term of office for the position. The second suggestion was with regard to providing for the succession of an alternate Retirement Board member to the Board when a Board member vacates their position until such time as the vacancy is filled. In our view, both of these issues would have to be addressed more specifically in the Retirement Plan in the first instance prior to their inclusion in the Bylaws.

We recommend that the Board of Retirement approve the revised Bylaws.

**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:** 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

DRAFT

Effective February 23, 2023

As adopted and approved by the San Joaquin Regional Transit District Board of Directors,  
pursuant to California Public Utilities Code Section 50150 and 99159.



## **TABLE OF CONTENTS**

ARTICLE 1: RETIREMENT BOARD COMPOSITION AND PURVIEW GOVERNANCE.....	3
ARTICLE 2: MEETINGS.....	6
ARTICLE 3: OFFICERS.....	7
ARTICLE 4: ORDER OF BOARD BUSINESS.....	9
ARTICLE 5: MEMBERS ADDRESSING THE BOARD.....	11
ARTICLE 6: PERSONS ADDRESSING THE BOARD .....	12
ARTICLE 7: OFFICIAL ACTIONS .....	13
ARTICLE 8: COMMITTEES.....	14
ARTICLE 9: RULES.....	14

**ADOPTED BY THE:**  
**San Joaquin Regional Transit District Retirement Board**  
**on February 23, 2023**  
**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 Retirement Board and govern its actions 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), and two members of which shall be representatives of the 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 **with the concurrence** of 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 **obtain the concurrence of** the non-represented employees of RTD prior to designating their alternate.

The following provisions apply to each alternate member.\_\_\_\_\_

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 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 administer the retirement system, and shall define its powers, duties and responsibilities of the Retirement Board members.

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.

#### §1.13 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 and 99159 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

##### 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 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 independent 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 31<sup>st</sup> 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,

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 4.15 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 a union representative and one member appointed by the RTD Board.

#### §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.

#### §9.12 Robert's Rules

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 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.



**LEAD STAFF:        ROBERT KYLE, CFO**

**I.        RECOMMENDED ACTION:**

Approve the FY 2022 Actuarial Valuation and FY 2024 contribution rates.

**II.        SUMMARY**

The Retirement Board Actuary, Foster & Foster, will present the July 1, 2022 Actuarial Valuation and FY 2024 Contribution Rates for the Board's consideration.

**III.        DISCUSSION/BACKGROUND**

The RTD Board of Directors approves the Actuarial Valuation and Pension Contribution Rates for the following fiscal year each year. The current recommendation to increase RTD's contribution rates is based on the FY 2022 Actuarial Valuation recommendation from actuarial Foster & Foster for 2024.

**IV.        STRATEGIC PLAN PRIORITIES ALIGNMENT**

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

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

**V.        FINANCIAL CONSIDERATIONS/IMPACT**

This recommendation is to change RTD's Pension Contribution rate per actuarial Foster & Foster's recommendation as follows:

FY2024 Rates are as follows:

	District	Classic Member	PEPRA Member
<b>Pension</b>	32.68%	20.50%	22.30%
<b>Health Paid to Pension</b>	4.20%	1.49%	1.49%
<b>Total Pension</b>	36.88%	21.99%	23.79%

**VI. CHANGES FROM COMMITTEE**

N/A

**VII. ALTERNATIVES CONSIDERED**

No alternative; this action is needed for continued funding of the Pension and to prevent any further growth in the Unfunded Pension Liability.

**VIII. ATTACHMENTS**

**Attachment A:** Contribution Rates Effective for FY 2023/24

**Attachment B:** July 1, 2022 Actuarial Valuation - OPEB

**Attachment C:** July 1, 2022 Actuarial Valuation - Pension

**Attachment D:** Resolution

**Attachment E:** Presentation

Prepared by: Robert Kyle, CFO



Attachment A  
Cover Page





**San Joaquin Regional Transit District**



**FOSTER & FOSTER**  
ACTUARIES AND CONSULTANTS

**San Joaquin Regional Transit District  
Retirement Plan**

**July 1, 2022 Actuarial Valuation –  
Contribution Rates Effective for FY 2023/24**

**December 9, 2022**

## ACTUARIAL VALUATION CERTIFICATION

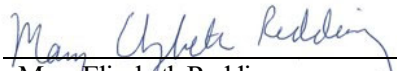
This report presents the July 1, 2022 actuarial valuation for the San Joaquin Regional Transit District Retirement Plan ("Plan").

The purpose of this valuation is to calculate the actuarially determined District and Member contribution rates for fiscal year 2023/24. In addition, information provided in this report may be useful to the District for the Plan's financial management. Future valuations may differ significantly if the Plan's experience differs from our assumptions or if there are changes in plan design, actuarial methods or actuarial assumptions. The project scope did not include an analysis of this potential variation.

The valuation is based on our understanding of the Plan's benefit provisions summarized in Section 7, participant data as summarized in Section 9, and on the Plan's financial information. The District furnished participant data and information regarding the benefit provisions, as well as the Plan's financial information. We reviewed the financial and employee data for reasonableness but did not perform an audit.

To the best of our knowledge, this report is complete and accurate and has been conducted using generally accepted actuarial principles and practices. Information for GASB Statements 67, 68, 74 and 75 are provided separately. As members of the American Academy of Actuaries, meeting Academy Qualification Standards, we certify the actuarial results and opinions herein.

Respectfully submitted,

  
\_\_\_\_\_  
Mary/Elizabeth Redding  
FSA, EA, MAAA, FCA  
\_\_\_\_\_  
Drew Ballard  
ASA, EA, MAAA

December 9, 2022

## TABLE OF CONTENTS

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SECTION	PAGE
1. Summary	1
2. Liabilities & Funded Status	7
3. Assets	10
4. Contributions	
a. Contribution Development	15
b. Contribution Rate History	19
5. Actuarial Gain/Loss Analysis	21
6. PEPRA Calculations	24
7. Plan Provisions	25
8. Methods and Assumptions	31
9. Participant Data	41
Appendix A – Service Retirement Allowance Factors	47

# SECTION 1

## SUMMARY

Following are the current and prior valuation results. See notes following the table for a description of terms.

	July 1, 2021	July 1, 2022	% change
<b>■ Participant Counts</b>			
• Actives	125	110	(12.0%)
• Terminated Vesteds & Non-Vesteds	33	34	3.0%
• Retirees & Beneficiaries <sup>1</sup>	154	154	0.0%
• Total	312	298	(4.5%)
<b>■ Projected (unlimited) Payroll for Contribution Year (\$000s)</b>	\$ 8,444	\$ 8,182	(3.1%)
	July 1, 2021	July 1, 2022	% change
-----amount in \$000's-----			
<b>■ Actuarial Liabilities</b>			
• Present Value of Projected Benefits	\$ 103,833	\$ 104,169	0.3%
• Actuarial Accrued Liability	89,492	90,472	1.1%
<b>■ Assets</b>			
• Market Value of Assets	\$ 67,355	\$ 56,519	(16.1%)
• Approximate Annual Rate of Return (net of investment expenses)	26.5%	(13.3%)	
• Actuarial Value of Assets	\$ 61,162	\$ 61,990	1.4%
• Approximate Annual Rate of Return (net of investment expenses)	9.9%	4.9%	
<b>■ Plan Funded Status</b>			
• Actuarial Accrued Liability	\$ 89,492	\$ 90,472	1.1%
• Actuarial Value of Plan Assets	61,162	61,990	1.4%
• Unfunded Actuarial Accrued Liability	28,330	28,482	0.4%
• Funded Ratio	68.3%	68.5%	
• Funded Ratio, Market Value Basis	75.3%	62.5%	

<sup>1</sup> Includes 1 survivor as of 7/1/2021 and 2 survivors as of 7/1/2022 receiving OPEB but not pension benefits.



# SECTION 1

## SUMMARY

	2022/23	2023/24	Increase
■ <b>Total Contribution Rate as % of Pay<sup>2</sup></b>			
• Pension <sup>3</sup>	52.90%	59.91%	7.01%
• Health <sup>4</sup>	0.00%	0.00%	0.00%
• Total District Contribution (Adjusted)	32.42%	36.88%	4.46%
• Expected District Contribution (\$000's)	\$ 2,614	\$ 2,835	\$ 221
• Average Total Member Contribution (Adj.) <sup>4</sup>	20.47%	23.03%	2.56%
■ <b>Projected Limited Payroll for Contribution</b>			
<b>Year (\$000's)</b>	<b>\$ 8,061</b>	<b>\$ 7,687</b>	<b>(\$ 374)</b>

<sup>2</sup> Following the San Joaquin RTD Board of Directors Resolution No. 5993 approving the District's supplemental contributions to the plan, all District OPEB contributions and ½ of Member OPEB contributions are paid to the pension trust, and the remaining ½ of the Member OPEB contributions is waived. Contribution rates exclude assets from the additional District contribution in June 2021. All rates shown as percent of PEPRA- and plan change-limited pay.

<sup>3</sup> Payroll reflects limited pay for PEPRA employees and plan-limited pay for FY 2023/24.

<sup>4</sup> Payroll for OPEB rate is unlimited by PEPRA.



# SECTION 1

## SUMMARY

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### **Purpose of Actuarial Valuation**

The actual costs of a defined benefit plan are determined by the amount of the benefit promise, the actual salaries and service of the plan participants, and how long they and their beneficiaries live to receive payments. An actuarial valuation is a mathematical model which attempts to quantify this cost by setting assumptions that, it is hoped, duplicate reality as closely as possible. In addition, the actuarial methodology provides a reasonable plan, or method, towards funding the expected plan costs. This information assists the plan trustees so they can make informed decisions regarding plan investments and how much in contributions will be required from the employer and members to eventually fully pay the plan's costs.

### **Summary Information**

The San Joaquin Regional Transit District Retirement Plan provides both pension and retiree medical benefits to its participants. It is open to all full-time Represented employees of the District, and includes a closed group of non-Represented employees who were vested as of January 1, 2017. Currently there are 110 active members, 34 terminated vested and non-vested members, and 152 members receiving pension benefits (plus two retirees receiving OPEB but no pension). There are 62 retirees receiving OPEB benefits: 55 receiving medical benefits, and an additional 7 retirees with dental and/or vision only.

### **Contribution Rates and PEPRA**

The July 1, 2021 valuation set the contribution rates for fiscal year 2022/23. This valuation as of July 1, 2022 sets the contribution rates for fiscal year 2023/24.

This valuation reflects the impact of the California Public Employees' Pension Reform Act of 2013. As a result of the differing pay bases for PEPRA Members, pension and health contribution rates cannot be directly added together to determine a total contribution rate. For comparison purposes only, this report shows total rates adjusted to the same payroll basis.

This valuation also reflects the impact of Resolution No. 5993 of the San Joaquin RTD Board of Directors, as adopted on June 18, 2021. Under the terms of this resolution, the RTD made discretionary supplemental payments of \$2.733 million and \$3.307 million into the Pension and OPEB funds, respectively, in June 2021. The purpose was to fund the OPEB plan at 80% (as measured by the prior actuarial valuation), and improve the funding of the Pension plan. In addition, for fiscal years 2021/22, 2022/23, and 2023/24, whatever contribution the RTD would have made into the OPEB plan will instead be directed to the Pension plan; and whatever contribution the employees would have made to the OPEB plan will instead be divided so that half will go to the Pension plan and the other half will be returned to the employee.

The District made a large discretionary supplemental contribution to the pension and OPEB plans in June 2021. As directed by the District, in order to prevent erosion of the value of this additional payment so that the plan's funded status can continue to improve, the recommended contributions for 2023/24 are calculated as if these supplemental payments were not included in the assets of the plan.

No OPEB contributions are planned until at least 2024/25, while focusing on improving the pension plan's funded status. We will monitor the OPEB plan's funding level closely during that time.



# SECTION 1

## SUMMARY

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### **Gain/Loss and Assumption Changes since the Prior Valuation**

Actuarial gains and losses from several sources impacted the contribution rates. Most significant were:

- Investment losses on the actuarial (smoothed) value basis for each plan.
- Contributions less than expected due to lower than expected payroll.
- Liability increase due to health care trend update reflecting expected health care cost increases.
- OPEB plan gain due to actual medical premiums lower than expected.
- Pension plan gain due to no cost of living increase as of July 1, 2022.

The impact of these changes is in the Actuarial Gain/Loss Analysis in Section 5 of this report. Further details regarding the assumption and methodology changes can be found in the Methods and Assumptions descriptions in Section 8 of this report.

### **Recent Plan Changes**

The prior valuation included the impact of the most recently bargained provisions of the Retirement Plan. The negotiated changes effective July 1, 2022, eliminated early retirement and COLA increases on future benefit accruals until the plan is 77% funded, and excluded certain non-recurring pay types and unscheduled overtime from pensionable compensation. The summary of plan provisions in Section 7 includes those changes.

### **Assumption Changes**

3 small and one more significant changes were made to the actuarial assumptions this year:

- As in past years, the mortality improvement table was updated to the most recent Society of Actuaries rates. The Board has previously approved this annual change as being a part of the actuarial assumption set for the valuation.
- We made a small change to the percentage of retiring employees assumed to elect each optional benefit form, based on recent data
- We recalculated the date the plan is expected to reach 77% funded, for purposes of calculating expected future benefits. The date increased 2 years, from June 30, 2029 to June 30, 2031.
- More significantly, we updated health care trend rates, which represent expected future increases in health care costs for all reasons except aging, to reflect expected future health care cost increases.

### **Valuation Results**

The plan's overall funded status has improved slightly from 68.3% to 68.5% on an actuarial value basis, and has decreased from 75.3% to 62.5% on a market value basis.



# SECTION 1

## SUMMARY

### Discussion of Plan Risks

Actuarial Standard of Practice No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, requires the actuary to assess and disclose the risk that actual future measurements may differ significantly from expected future measurements. This plan is considered a moderately mature pension plan since more than half of its liabilities are for retirees.

### Measures of Risk

The following table lists various measures of risk, or contribution volatility, for the plan.

	(amounts in \$000s)	
	July 1, 2021	July 1, 2022
■ <b>Risk Measures</b>		
• Actuarial Accrued Liability (AAL) (Total)	\$ 89,492	\$ 90,472
• Market Value of Assets (MVA)	67,355	56,519
• Unfunded AAL (on MVA)	22,137	33,953
• Funded Ratio (MVA/AAL)	75.3%	62.5%
• Unfunded AAL (on MVA)/Payroll	274.6%	441.7%
• Projected (Limited) Covered Payroll for Contribution Year	\$ 8,061	\$ 7,687
■ <b>Volatility Ratios</b>		
Commentary: Higher volatility and maturity ratios mean that changes in plan assets have a larger impact on contribution rates than for lower ratios.		
• Asset Volatility Index (MVA/Payroll)	8.4	7.4
• Liability (100% Funded) Volatility Index (AAL/Payroll)	11.1	11.8
• Maturity Ratio (Retiree Count/Total Count)	49.4%	51.7%
• Maturity Ratio (Retiree AAL/Total AAL)	65.9%	67.2%
■ <b>Risk Measures – Cash Flow Ratios</b>		
Commentary: Contributions larger than benefit payments mean the plan has a positive cash flow. A negative cash flow may amplify investment risk.		
• Benefit Payments/MVA	8.1%	10.2%
• (Contributions minus benefit payments)/MVA	(2.2%) <sup>5</sup>	(3.3%)
• Benefit payments/contributions	136.9% <sup>5</sup>	148.8%

<sup>5</sup> Excludes the one-time supplemental District-paid contribution in FY2021





# SECTION 1

## SUMMARY

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Risks that this plan is subject to include:

- Investment risk (the potential that investment returns will be different than expected);
- Asset/liability mismatch risk (the potential that changes in asset values are not matched by changes in the value of liabilities);
- Longevity and other demographic risks (the potential that mortality or other demographic experience will be different than expected); and
- Contribution risk (the potential that contributions will not be paid to the plan as necessary).

While these risks are inter-related, we believe investment risk is the most significant, since poor returns reduce the plan's funded status and increase required contributions.

The scope of this valuation did not include a risk assessment – a numerical evaluation of the potential impacts of these factors on the plan's funded status or projected employer contributions. However, we have included a table of expected benefit payments for the next 10 years to assist in the plan's management, as well as charts showing historical information in the separate Dashboards.

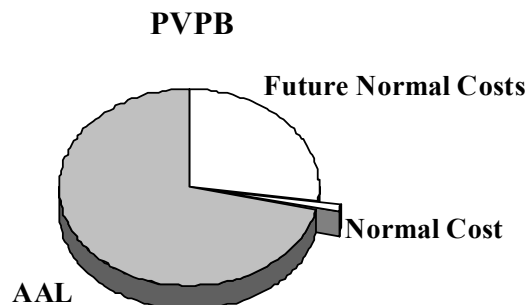
### Definitions

The Present Value of Projected Benefits (PVPB) is the present value of all future benefits for current plan participants.

The Actuarial Accrued Liability (AAL) represents the portion of the PVPB attributable to past service. The AAL is recognized over service through the date a participant is expected to commence retirement benefits. Therefore, the AAL is equal to the PVPB for current retirees.

The Unfunded Actuarial Accrued Liability (UAAL) is the difference between the AAL and the actuarial value of the Plan's assets.

The Normal Cost (NC) is the portion of the PVPB allocated to or earned during the year following the valuation date.



## SECTION 2

### LIABILITIES & FUNDED STATUS

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A comparison of the Present Value of Benefits, Actuarial Accrued Liability, Normal Cost, and the Funded Ratio for the current and prior valuations follows. (Note that numbers throughout the report may not add due to rounding.)

(amounts in \$000's)

	July 1, 2021	July 1, 2022
<b>Present Value of Projected Benefits</b>		
■ Active Employees	\$ 42,504	\$ 41,096
■ Terminated Vested & Non-Vested	2,385	2,232
■ Retirees & Beneficiaries	58,944	60,841
■ Total	103,833	104,169
<b>Actuarial Accrued Liability</b>		
■ Active Employees	28,163	27,399
■ Terminated Vested & Non-Vested	2,385	2,232
■ Retirees & Beneficiaries	58,944	60,841
■ Total	89,492	90,472
<b>Normal Cost (as of Valuation Date)</b>		
■ District	911	865
■ Member	756	715
■ Total	1,667	1,580

	July 1, 2021	July 1, 2022
<b>Plan Funded Status</b>		
■ Total Actuarial Accrued Liability	\$ 89,492	\$ 90,472
■ Actuarial Value of Plan Assets	61,162	61,990
■ Unfunded Actuarial Accrued Liability	28,330	28,482
■ Funded Ratio	68.3%	68.5%
■ Market Value of Assets	67,355	56,519
■ Funded Ratio – Market Value Basis	75.3%	62.5%



## SECTION 2

### LIABILITIES & FUNDED STATUS

Details of the Present Value of Benefits, Actuarial Accrued Liability and Funded Status as of July 1, 2022, and Normal Cost for fiscal year 2023/24 are shown below by benefit type:

(amounts in \$000's)

	Pension	OPEB	Total
<b>Present Value of Projected Benefits</b>			
■ Active Employees	\$ 34,527	\$ 6,569	\$ 41,096
■ Vested Terminated	2,035	-	2,035
■ Non-Vested Terminated	197	-	197
■ Service Retirees	49,172	6,045	55,218
■ Disabled Participants	3,011	99	3,110
■ Beneficiaries & QDROs	2,227	286	2,513
■ Total	91,169	12,999	104,169
<b>Actuarial Accrued Liability</b>			
■ Active Employees	22,979	4,420	27,399
■ Vested Terminated	2,035	-	2,035
■ Non-Vested Terminated	197	-	197
■ Service Retirees	49,172	6,045	55,218
■ Disabled Participants	3,011	99	3,110
■ Beneficiaries & QDROs	2,227	286	2,513
■ Total	79,621	10,851	90,472
<b>Funded Status</b>			
■ Actuarial Accrued Liability (AAL)	79,621	10,851	90,472
■ Actuarial Value of Plan Assets	51,364	10,627	61,990
■ Unfunded AAL	28,258	224	28,482
■ Funded Ratio	64.5%	97.9%	68.5%
■ Market Value of Assets	46,941	9,578	56,519
■ Funded Ratio – Market Value Basis	59.0%	88.3%	62.5%
<b>Normal Cost (for FY 2023/24)</b>			
■ District Normal Cost	772	114	904
■ Member Normal Cost	652	114	747
■ Total Normal Cost	1,424	227	1,652



## SECTION 2

### LIABILITIES & FUNDED STATUS

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#### Projected Benefit Payments

Following is a 10-year projection of benefit payments for the Pension Plan:

(amounts in \$000's)

Year	Benefit Payments
2022/23	\$ 5,045
2023/24	4,843
2024/25	4,905
2025/26	4,944
2026/27	4,975
2027/28	5,052
2028/29	5,141
2029/30	5,267
2030/31	5,381
2031/32	5,507

Following is a 10-year projection of benefit payments for the OPEB Plan:

(amounts in \$000's)

Year	Cash Benefit Payments	Implied Subsidy Benefit Payments	Total Benefit Payments
2022/23	\$ 505	\$ 110	\$ 614
2023/24	467	93	560
2024/25	477	101	578
2025/26	473	81	555
2026/27	473	74	547
2027/28	504	91	595
2028/29	513	85	598
2029/30	519	75	594
2030/31	548	80	628
2031/32	578	90	668



## SECTION 3

### ASSETS

Assets for the Plan are held in trust. Trust monies are used to pay benefits to plan participants and their beneficiaries. The trust is managed under the direction of the Retirement Board of the San Joaquin Regional Transit District. Asset information was provided by the District.

#### Asset Reconciliation – Market Value of Assets – Total Pension & OPEB

Following reconciles the July 1, 2020 through July 1, 2021, and July 1, 2021 through July 1, 2022 market value of assets. Numbers may not add due to rounding.

	(amounts in \$000's)	
	Market Value 2020/21	Market Value 2021/22
■ Beginning of Year Balance	\$ 49,259	\$ 67,355
• Member Contributions	\$ 1,672	\$ 1,517
• District Contributions	8,363 <sup>6</sup>	2,351
• District Contributions – Implied Subsidy Benefit Payments	136	116
• Investment Income (Loss)	13,673	(8,810)
■ Total Additions	23,844	(4,826)
• Benefit Payments	(4,635)	(4,885)
• Benefit Payments - Implied Subsidy	(136)	(116)
• Member Refunds	(833)	(870)
• Administrative Expenses	(144)	(140)
■ Total Deductions	(5,747)	(6,010)
■ Net Assets at End of Year	67,355	56,519
■ Approximate Return on Assets (net of investment expenses) – Market Value basis	26.5%	(13.3%)

<sup>6</sup> Includes one-time discretionary supplemental contributions of \$2.733 million (pension) and \$3.307 million (OPEB) made by the RTD in order to improve the plan's funded status. These contributions are in addition to the actuarially determined contribution rates and were not required for plan funding.



## SECTION 3

### ASSETS

Following breaks out the market value asset reconciliation by Pension, OPEB & total. Numbers are from the 6/30/2022 draft audit report provided by the District. Numbers may not add due to rounding.

	(amounts in \$000's)		
	<b>Market Value 2020/21</b>		
	<b>Pension</b>	<b>OPEB</b>	<b>Total</b>
■ Beginning of Year Balance	\$42,814	\$6,444	\$49,259
■ Additions			
• Member Contributions	1,412	260	1,672
• District Contributions <sup>7</sup>	4,745	3,618	8,363
• District Contributions – Implied Subsidy Ben. Pmts.		136	136
• Investment Income (Loss)	11,579	2,094	13,673
• Total	17,736	6,108	23,844
■ Total Deductions			
• Benefit Payments	(4,119)	(516)	(4,635)
• Implied Subsidy Payments		(136)	(136)
• Member Refunds	(693)	(139)	(833)
• Administrative Expenses	(136)	(8)	(144)
• Total	(4,948)	(799)	(5,747)
■ Net Assets for Valuation	55,603	11,753	67,355
■ Approx. Annual Market Value Rate of Return	27.5%	26.0%	26.5%

	<b>Market Value 2021/22</b>		
	<b>Pension</b>	<b>OPEB</b>	<b>Total</b>
■ Beginning of Year Balance	\$55,603	\$11,753	\$67,355
■ Additions			
• Member Contributions	1,517	-	1,517
• District Contributions	2,351	-	2,351
• District Contributions – Implied Subsidy Ben. Pmts.		116	116
• Investment Income (Loss)	(7,281)	(1,529)	(8,810)
• Total	(3,413)	(1,413)	(4,826)
■ Total Deductions			
• Benefit Payments	(4,385)	(499)	(4,885)
• Implied Subsidy Payments		(116)	(116)
• Member Refunds	(733)	(136)	(870)
• Administrative Expenses	(130)	(10)	(140)
• Total	(5,249)	(762)	(6,010)
■ Net Assets for Valuation	46,941	9,578	56,519
■ Approx. Annual Market Value Rate of Return	(13.2%)	(13.4%)	(13.3%)

<sup>7</sup> Includes one-time discretionary supplemental contributions of \$2.733 million (pension) and \$3.307 million (OPEB) made by the RTD in order to improve plan's funded status.



## SECTION 3

### ASSETS

#### Target Allocation and Expected Long Term Rate of Return by Asset Class

Following are the target allocations adopted by the Board as of March 2016. These are the most recently adopted allocations.

Asset Class	Pension Allocation	OPEB Allocation	Expected Long Term Real Return
■ Equities			
○ Large Cap Stocks	24.3%	28.3%	3.87%
○ Small Cap Stocks	8.1%	9.5%	4.55%
○ International Stocks	16.2%	18.9%	4.49%
○ Emerging Market Stocks	5.4%	6.3%	5.25%
○ REIT	6.0%	7.0%	4.06%
○ Total Equities	60.0%	70.0%	
■ Fixed income			
○ Core Bonds	27.0%	20.0%	0.78%
○ High Yield Bonds	7.2%	5.4%	3.00%
○ Emerging Market Bonds	4.8%	3.6%	2.76%
○ Total Fixed	39.0%	29.0%	
■ Cash	1.0%	1.0%	(0.50%)
Total Equities, Fixed & Cash	100.0%	100.0%	

	Pension			OPEB		
	45%	50%	55%	45%	50%	55%
<b>Confidence Level</b> that actual returns will equal or exceed the stated percentage in the long run						
• Expected Annual Real Return	3.90%	3.58%	3.26%	4.20%	3.85%	3.48%
• Assumed Long-Term Inflation	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>
• Inflation Adjusted Expected Annual Return	6.40%	6.08%	5.76%	6.70%	6.35%	5.98%
• Assumed Long-Term Expense Adjustment <sup>8</sup>	-0.15%	-0.15%	-0.15%	-0.15%	-0.15%	-0.15%
• Expected Net Annual Return	6.25%	5.93%	5.61%	6.55%	6.20%	5.83%
• <b>Recommended Discount Rate:</b> Round to Nearest 0.05%	6.25%	<b>5.95%</b>	5.60%	6.55%	<b>6.20%</b>	5.85%

Future expected returns are based on 5,000 stochastic simulations of geometric average returns over 20 years. Assumptions are based on 8 independent Investment Advisors' 2021 10-year capital market assumptions and where available, investment advisors' anticipated long-term trends

<sup>8</sup> Long-term expense assumption, not client specific



## SECTION 3

### ASSETS

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#### Development of Actuarial Value of Assets - PENSION

The Actuarial Value of Assets is based upon recognizing the difference between actual and expected market returns over a five-year period. This procedure reduces the impact of market volatility on contribution rates while assuring that any year's investment experience is fully recognized in 5 years. Numbers may not add due to rounding.

(amounts in \$000's)

■ Market Value of Assets 7/1/2022		<b>\$ 46,941</b>
■ Unexpected Investment Gains/(Losses)		
• 2018/19	(788)	
• 2019/20	(2,369)	
• 2020/21	8,708	
• 2021/22	(10,678)	
■ Portion to be Recognized in Future Years		
• 2018/19 – 20%	(158)	
• 2019/20 – 40%	(948)	
• 2020/21 – 60%	5,225	
• 2021/22 – 80%	<u>(8,542)</u>	
■ Total as of 7/1/2022		<b>(4,423)</b>
■ Actuarial Value of Assets 7/1/2022		<b>51,364</b>
(Market Value minus Portion Recognized in Future Years)		

#### Asset Reconciliation – Actuarial Value of Assets

■ Actuarial Value of Assets 7/1/2021	<b>\$ 50,311</b>
• Contributions	3,868
• Benefit Payments	(5,119)
• Administrative Expenses	(130)
• Investment Income	<u>2,434</u>
■ Actuarial Value of Assets 7/1/2022	<b>51,364</b>
■ Approximate Annual Rate of Return	
(Actuarial Value, net of investment expenses)	4.9%





## SECTION 3

### ASSETS

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#### Development of Actuarial Value of Assets - OPEB

The Actuarial Value of Assets is based upon recognizing the difference between actual and expected market returns over a five-year period. This procedure reduces the impact of market volatility on contribution rates while assuring that any year's investment experience is fully recognized in 5 years. Numbers may not add due to rounding.

	(amounts in \$000's)
■ <b>Market Value of Assets 7/1/2022</b>	<b>\$ 9,578</b>
■ <b>Unexpected Investment Gains/(Losses)</b>	
• 2018/19	(135)
• 2019/20	(403)
• 2020/21	1,562
• 2021/22	(2,248)
■ <b>Portion to be Recognized in Future Years</b>	
• 2018/19 – 20%	(27)
• 2019/20 – 40%	(161)
• 2020/21 – 60%	937
• 2021/22 – 80%	<u>(1,798)</u>
■ <b>Total as of 7/1/2022</b>	<b>(1,049)</b>
■ <b>Actuarial Value of Assets 7/1/2022</b>	<b>10,627</b>
(Market Value minus Portion Recognized in Future Years)	

#### Asset Reconciliation – Actuarial Value of Assets

■ <b>Actuarial Value of Assets 7/1/2021</b>	<b>10,782</b>
• Contributions	0
• Benefit Payments	(636)
• Administrative Expenses	(10)
• Investment Income	<u>491</u>
■ <b>Actuarial Value of Assets 7/1/2022</b>	<b>10,627</b>
■ <b>Approximate Annual Rate of Return</b>	
(Actuarial Value, net of investment expenses)	4.7%



## SECTION 4

### CONTRIBUTIONS

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#### Contribution Development

This valuation develops the 2023/24 fiscal year contributions for pension and health benefits.

Plan costs are shared equally between the District and Members, with 3 exceptions:

1. The District pays the full costs attributable to death and disability benefits, and also for a small portion of prior frozen UAAL.
2. PEPRA members are required to pay the statutory minimum  $\frac{1}{2}$  of their Normal Cost. Due to rounding and rules which require that the rate only change if the overall change in Normal Cost is more than 1%, the split between District and members may not be exactly 50/50. To minimize the frequency of changes, this member rate is rounded to the nearest  $\frac{1}{4}\%$ .
3. The District makes Additional Contributions intended to mitigate the increase in required employee contribution rates that would have occurred due to the transfer of nonvested, non-represented employees into the new 401(a) plan. The District provided a schedule of the fixed payments for 30 years beginning with the 2017/18 fiscal year. The payments were calculated by actuaries from Xerox in their plan design study. These amounts are added to the District contribution (as otherwise calculated in the same manner as in the prior valuations) and subtracted from the member contributions, with no net effect on the total contribution. The amount is allocated between member groups based on unlimited payroll.

The contribution is the sum of the following components:

- Normal Cost
- An amortization payment of the UAAL as a level percentage of payroll
- Estimated administrative expenses
- Additional Contributions the District makes due to the transfer of employees to the new 401(a) plan. The same amount reduces Member contributions so the total nets to zero.

Pension Contribution rates are calculated as a percentage of projected pensionable earnings, which are limited by PEPRA for PEPRA Members (those hired on and after January 1, 2013 without previous service at another California government agency).

- The Member Normal Cost rate for PEPRA Members is calculated as  $\frac{1}{2}$  of the group's total Normal Cost rate (see Section 6 for additional details of this calculation).
- The District pays the remainder of the Normal Cost for PEPRA Members.
- PEPRA Members' contribution rates for administrative expenses and UAAL amortization are calculated as the same rate as Non-PEPRA Members based on pay that would be pensionable if not for the PEPRA limits, and then adjusted for the difference in the PEPRA-limited payroll basis.
- Contribution rates for Health are based on projected pensionable payroll without regard to PEPRA limits.
- No new non-represented employees are assumed to be covered by this plan.

For fiscal year 2023/24, the District directed that contribution rates be calculated based on assets (i.e., unfunded liability) excluding the District's discretionary supplemental payments made in June 2021. In addition, per SJRTD Board Resolution No. 5993, the District's and one half of the members' OPEB contributions for FY22, FY23, and FY24 will go to the Pension trust instead, and no money will be contributed to the OPEB plan.



## SECTION 4

### CONTRIBUTIONS

Following is the development of the total 2023/24 fiscal year contributions for pension and health benefits. The 2022/23 fiscal year contribution rate, which was calculated in the July 1, 2021 actuarial valuation, is shown for comparison.

Pension Member and District contribution rates are calculated as a percentage of pensionable earnings, as limited by PEPRA and the recent change to pensionable earnings where applicable. Contribution rates for Health are based on pensionable payroll without those limits.

The following chart compares the projected total contribution amounts in dollars for the current and prior contribution years. Contributions reflect the 2021 plan changes, the RTD Board Resolution No. 5993, and exclude the June 2021 District discretionary supplemental contribution.

Contribution Year	Total Contribution Amounts in \$000's	
	2022/23	2023/24

#### Total of Pension & Health

##### ■ Total Contribution

• Normal Cost (Pension)	\$ 1,488	\$ 1,424
• Administrative Expense (Pension)	114	123
• UAAL Amortization (Pension)	2,275	2,621
• Health Contribution to Pension	387	438
• Total Cost	4,264	4,605

##### ■ Projected Limited Plan Payroll (Limited by 2021 plan change and by PEPRA for PEPRA Members)

8,061	7,687
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Contribution Year	Pension		Health	
	2022/23	2023/24	2022/23	2023/24
% of pensionable payroll (Limited by PEPRA & Plan Changes)				

##### ■ Total Contribution

• Normal Cost	18.45%	18.53%	0.00%	0.00%
• Administrative Expense	1.42%	1.60%	0.00%	0.00%
• UAAL Amortization	28.22%	34.09%	0.00%	0.00%
• Health Contribution to Pension	4.80%	5.68%	0.00%	0.00%
• Total Contribution	52.90%	59.91%	0.00%	0.00%



## SECTION 4

### CONTRIBUTIONS

The following tables detail the 2023/24 District and Member contributions by benefit type, **excluding the additional June 2021 District discretionary contribution from plan assets.**

**The District will pay the full pension rate plus the OPEB rate to the pension plan. Members will pay the full pension rates, plus contribute ½ of the OPEB rate to the pension plan. The remainder of the OPEB rate will be waived.**

	(amounts in \$000's)			
Pension	District	Classic Members	PEPRA Members	Total
■ Contribution				
• Normal Cost	\$ 772	\$ 240	\$ 412	\$ 1,424
• Administrative Expense	65	24	34	123
• UAAL Amortization	1,362	529	730	2,621
• Additional Contribution	313	(132)	(181)	-
• Total Cost	2,512	662	994	4,168
■ Projected Plan Payroll				
• Unlimited s	\$ 8,182	\$ 3,441	\$ 4,742	\$ 8,182
• Limited by Plan rules and by PEPRA for PEPRA Members	\$ 7,687	\$ 3,228	\$ 4,459	\$ 7,687
■ Contribution (as a percent of PEPRA- and Plan-limited payroll)				
• Normal Cost	10.05%	7.43%	9.25%	18.53%
• Administrative Expense	0.84%	0.76%	0.76%	1.60%
• UAAL Amortization	17.72%	16.40%	16.36%	34.09%
• Additional Contribution	4.07%	(4.07%)	(4.07%)	0.00%
• Total Contribution	32.68%	20.50%	22.30%	54.23%

Health Member and District contribution rates are calculated as a percentage of previously pensionable earnings (not limited by PEPRA).

	(amounts in \$000's)		
Health	District	Members	Total
■ Contribution			
• Normal Cost	\$ 114	\$ 114	\$ 227
• Administrative Expense	4	4	8
• UAAL Amortization	176	176	351
• Additional Contribution	50	(50)	-
• Total Cost	343	243	587
■ Projected Plan Payroll (Unlimited by PEPRA rules)	\$ 8,182	\$ 8,182	\$ 8,182
■ Contribution (as a percent of payroll)			
• Normal Cost	1.39%	1.39%	2.78%
• Administrative Expense	0.05%	0.05%	0.10%
• UAAL Amortization	2.15%	2.15%	4.29%
• Additional Contribution	0.61%	(0.61%)	-
• Total Contribution	4.20%	2.97%	7.17%



## SECTION 4

### CONTRIBUTIONS

The following table summarizes the 2022/23 and 2023/24 District and Member contribution rates to the Retirement Plan. The rates for both years exclude the District's \$6.040 million discretionary supplemental contribution made in June 2021. Including investment return, that contribution is now \$5.236 at June 30, 2022, which is excluded from the contribution calculation.

	(amounts in \$000's)			
	District	Classic Members	PEPRA Members	Pay Basis
■ 2022/23 Contribution Rate				
• Pension	28.87%	18.44%	19.81%	Plan <sup>9</sup> and PEPRA-limited
• Health	3.55%	2.50%	2.50%	Unlimited
• Total	32.42%	20.94%	22.31%	Mixed
■ Current 2022/23 Contribution Rate: Change in Contribution Application				
• Pension	28.87%	18.44%	19.81%	Plan and PEPRA-limited
• Health Paid to Pension	3.55%	1.25%	1.25%	Plan and PEPRA-limited
• Total Pension	32.42%	19.69%	21.06%	Plan and PEPRA-limited
• Total Health	0.00%	0.00%	0.00%	
■ 2023/24 Contribution Rate				
• Pension	32.68%	20.50%	22.30%	Plan <sup>10</sup> and PEPRA-limited
• Health	4.20%	2.97%	2.97%	Unlimited
• Total	36.88%	23.47%	25.27%	Mixed
■ 2023/24 Recommended Contribution Rate with changed Contribution Application				
• Pension	32.68%	20.50%	22.30%	Plan and PEPRA-limited
• Health Paid to Pension	4.20%	1.49%	1.49%	Plan and PEPRA-limited
• Total Pension	36.88%	21.99%	23.79%	Plan and PEPRA-limited
• Total Health	0.00%	0.00%	0.00%	
■ Increase in Total Recommended Contribution Rate	4.46%	2.30%	2.73%	

<sup>9</sup> Excludes unscheduled overtime and other non-recurring pay for Classic members for 2022/23.

<sup>10</sup> Excludes unscheduled overtime and other non-recurring pay for Classic members for 2023/24.



## SECTION 4

### CONTRIBUTIONS

#### Contribution Rate History

##### Pension & Health

Year	District Contributions	Classic Member Contributions	PEPRA Member Contributions	Total
2013	17.3%	14.2%	N/A	31.5%
2014 & 2014/15 <sup>11</sup>	19.0%	15.9%	N/A	34.9%
2015/16 <sup>12</sup>	20.05%	17.10%	N/A	37.15%
2016/17+ <sup>13</sup>	N/A	N/A	N/A	N/A

##### Pension

Contribution rates for contribution years 2016/17 and later are adjusted for comparison purposes and shown as a percentage of PEPRA- and plan-limited pensionable pay. Contributions for 2021/22, 2022/23 and 2023/24 reflect shifting OPEB contributions to the Pension plan.

Year	District Contributions	Classic Member Contributions	PEPRA Member Contributions	Total
2013	14.7%	11.5%	N/A	26.1%
2014 & 2014/15	16.5%	13.4%	N/A	29.9%
2015/16	17.45%	14.50%	N/A	31.95%
2016/17	18.76%	15.96%	16.78%	34.87%
2017/18	21.69%	15.42%	16.86%	37.33%
2018/19	24.66%	16.95%	18.12%	41.92%
2019/20 <sup>14</sup>	25.86%	17.72%	19.74%	44.20%
2020/21	24.55%	17.10%	19.32%	42.51%
2021/22	29.16%	18.215%	20.705%	48.55%
2022/23	32.42%	19.69%	21.06%	52.90%
2023/24	36.88%	21.99%	23.79%	59.91%

<sup>11</sup> First year of 2014 contribution rate phase-in. By Board action at its November 2014 meeting, the 2014 rate is extended 6 months through the end of the 2014/15 fiscal year.

<sup>12</sup> First year of a 2-year phase-in.

<sup>13</sup> Pension and OPEB rates can no longer be added together due to their different payroll bases.

<sup>14</sup> Rates for Members reflect the Board-approved 3-year phase-in which began in 2018/19.



## SECTION 4

### CONTRIBUTIONS

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#### Health

Contribution rates for all years are a percentage of pensionable pay without PEPRA limits. Contributions for 2021/22, 2022/23 and 2023/24 reflect shifting OPEB contributions to the Pension plan.

Year	District Contributions	Member Contributions	Total
2013	2.7%	2.7%	5.4%
2014 & 2014/15	2.5%	2.5%	5.0%
2015/16	2.60%	2.60%	5.20%
2016/17	1.75%	1.75%	3.49%
2017/18	4.01%	3.52%	7.53%
2018/19	4.70%	3.85%	8.55%
2019/20	4.56%	3.77%	8.33%
2020/21	3.99%	3.29%	7.28%
2021/22	0.00%	0.00%	0.00%
2022/23	0.00%	0.00%	0.00%
2023/24	0.00%	0.00%	0.00%



## SECTION 5

### ACTUARIAL GAIN/LOSS ANALYSIS

Following is the gain/loss analysis of plan assets, actuarial liability, and unfunded actuarial liability for the one year period between valuation dates for the Pension plan.

(amounts in 000's)

	<b>Actuarial Accrued Liability (gain)/loss</b>	<b>Actuarial Value of Assets gain/(loss)</b>	<b>Unfunded Accrued Liability (gain)/loss</b>
<b>PENSION</b>			
■ July 1, 2021 actual value	\$ 78,822	\$ 50,311	\$ 28,511
■ July 1, 2022 expected value	79,762	52,792	26,971
■ Liability experience			
• Demographic/Other <sup>15</sup>	196	-	196
• Retiree COLA smaller than expected	(479)	-	(479)
■ Optional form election change	61	-	61
■ Mortality improvement assumption - update to current year table	169	-	169
■ Update to projected 77% funded status target date (2031)	(88)	-	(88)
■ Asset changes			
• Contributions lower than projected due to lower payroll	-	(753)	753
• Investment loss (on AVA)	-	(675)	675
■ Total liability changes	(141)	-	(141)
■ Total asset changes	-	(1,428)	1,428
■ July 1, 2022 actual value	79,621	51,364	28,258

<sup>15</sup> - Gain from more retiree deaths than expected: (\$100,000)

- Loss from salary increases for non-terminating employees more than expected (loss): \$500,000

- Gain from other changes in data and experience: (\$200,000)

Total net demographic loss: approximately \$200,000





## SECTION 5

### ACTUARIAL GAIN/LOSS ANALYSIS

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Following is the gain/loss analysis of plan assets, actuarial liability, and unfunded actuarial liability for the one year period between valuation dates for the OPEB plan.

	Actuarial Accrued Liability (gain)/loss	Actuarial Value of Assets gain/(loss)	Unfunded Accrued Liability (gain)/loss
<b>OPEB</b>			
■ July 1, 2021 actual value	\$ 10,670	\$ 10,782	(\$ 112)
■ July 1, 2022 expected value	10,897	10,795	102
■ Liability experience			
• Demographic/Other <sup>16</sup>	(159)	-	(159)
• Actual premiums lower than expected	(440)	-	(440)
■ Health care trend update	704	-	704
■ Mortality improvement assumption- update to current year table	27	-	27
■ Update to projected 77% funded status target date (2031)	(178)	-	(178)
■ Asset changes			
• Contributions lower than projected in 2021 due to lower payroll	-	-	-
• Investment loss (on AVA)	-	(168)	168
■ Total liability changes	(46)	-	(46)
■ Total asset changes	-	(168)	168
■ July 1, 2022 actual value	10,851	10,627	224

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<sup>16</sup> - Gains due to retirements with change in healthcare coverage level: (\$100,000)  
 - Gain from other changes in data and experience: (\$50,000)  
 Total net demographic gain: approximately (\$150,000)



## SECTION 5

### ACTUARIAL GAIN/LOSS ANALYSIS

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Following are changes in the total contribution rate. (Numbers may not add due to rounding.)

Contribution rates are shown on an adjusted basis, as a percentage of PEPR- and plan change-limited pensionable pay both for pension and OPEB. As a result the OPEB rates will not match rates shown elsewhere in this report. Rates shown are full rates, before impact of Resolution 5993 redirecting OPEB contributions to pension.

	Pension Contribution	OPEB Contribution	Total Contribution
■ 2022/23 contribution rate (% of PEPR- limited pensionable pay)	48.09%	6.33%	54.43%
■ Projected payroll lower than expected	5.74%	1.31%	7.05%
■ Administrative expense increase	0.18%	0.02%	0.20%
■ Liability experience			
• Demographic/Other	(1.13%)	(0.37%)	(1.50%)
• Retiree COLA	(0.56%)	0.00%	(0.56%)
• Health premiums lower than expected	0.00%	(0.61%)	(0.61%)
■ Health care trend update	0.00%	0.99%	0.99%
■ Optional form election change	0.13%	0.00%	0.13%
■ Mortality improvement assumption updated	0.23%	0.04%	0.26%
■ Update to projected 77% funded status target date (2031)	(0.13%)	(0.28%)	(0.41%)
■ Asset Changes			
• Contributions less than expected due to lower payroll	0.87%	0.00%	0.87%
• Investment loss (on AVA)	0.78%	0.20%	0.98%
■ Total Changes	6.13%	1.29%	7.42%
■ FY 2023/24 contribution rate (% of PEPR-limited pensionable pay)	54.23%	7.63%	61.86%



## SECTION 6 PEPRA CALCULATIONS

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This section presents the minimum required Member contributions in accordance with the California Public Employees' Pension Reform Act of 2013 (PEPRA).

PEPRA Members (New Members) are those first employed with the District on or after January 1, 2013, and who did not have previous service with another California government agency, as specified in the California Public Employees' Pension Reform Act of 2013.

	7/1/2021 Valuation - 2022/23 Rate	7/1/2022 Valuation - 2023/24 Rate
■ Number of PEPRA Members (New Members)	72	62
■ Average Age	41.9 years	43.2 years
■ Average Service	3.1 years	3.9 years
■ Actual Total Normal Cost rate for benefits earned by PEPRA Members	19.00%	19.29%
■ Basis for Total Normal Cost rate for benefits earned by PEPRA Members (this is the 2018/19 rate from the 7/1/17 valuation)	18.31%	18.31%
■ PEPRA Member rate adjusted only if Total NC is more than 1% different from prior rate basis <sup>17</sup>	New rate less than 1% different – therefore no change to member rate	
■ ½ of Basis for Total Normal Cost rate for PEPRA members	9.16%	9.16%
■ Rounded Normal Cost rate for PEPRA members (to nearest ¼%)	9.25%	9.25%

The above rates should be applied to the salary below the PEPRA compensation limit for the applicable year. The 2022 limit is \$134,974.

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<sup>17</sup> Per Government Code section 7522.30(d)



## SECTION 7

### PLAN PROVISIONS

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#### **A. Plan Effective Date**

Originally established effective June 1, 1968. Last restated June 30, 2014, and last amended in 2017. Other changes required by law or as negotiated are included in this plan summary.

#### **B. Plan Year**

July 1 to June 30.

#### **C. Participation**

All full-time Represented District employees, and full-time non-Represented employees who were vested as of January 1, 2017.

PEPRA employees are those hired on or after January 1, 2013 without immediately preceding California governmental service.

#### **D. Eligibility for Service Retirement**

Age 55 and 10 years of service, or age 62 and 5 years of service. Non-Represented employees hired before August 1, 2010 eligible for benefits at 25 years of service with no age restrictions.

PEPRA employees are assumed to have the same retirement eligibility requirement as non-PEPRA employees under Table V.

Effective with the July 1, 2020 valuation, per the terms of a bargaining agreement between the District and the Amalgamated Transit Union, Local 256, early retirement upon attainment of age 55 with at least 10 years of service will not be approved by the Retirement Board for retirements effective July 1, 2022 or later until the funded ratio for the immediately preceding plan year on a market value basis is at least 77%.

#### **E. Vesting**

100% vesting with five years of participation.

#### **F. Average Monthly Compensation**

Average monthly earnings for the highest consecutive 36 months.

For PEPRA employees, average monthly base salary (excluding items such as overtime, bonuses, and sick/vacation cash-outs) for the highest consecutive 36 months, limited to the PEPRA limit (\$134,974 for 2022) which increases with CPI.

Effective with the July 1, 2020 valuation, per the terms of a bargaining agreement between the District and the Amalgamated Transit Union, Local 256, the definition of Compensation earned in periods on or after July 1, 2022 used to determine benefits and contributions is modified to exclude one-time or ad hoc payments which are not made to all members of a grade or class, payments of unscheduled overtime, or payments for unused vacation, annual leave, sick leave, etc. in an amount exceeding that which may be earned or payable in the period used to calculate the Final Compensation. (Note that this impacts only Classic employees' Pension benefits.)



## SECTION 7

### PLAN PROVISIONS

---

#### G. Employee Contributions

Employees contribute a percentage of payroll to fund one half of the retirement allowance for service retirement. Employees do not contribute for death and disability allowances (except that under State statute, PEPPRA Members are required to pay ½ of the total Normal Cost of their benefits), or for prior unfunded liability. The District also pays an “Additional Contribution” according to a fixed schedule, intended to mitigate the effect of non-vested non-represented employees transferring to the 401(a) retirement savings plan. Rates are set by the Board based on actuarial experience.

Employee contributions after 6/30/1994 are made under IRC 414(h)(2) and are “picked up” by the District to defer payment of taxes by the member.

Employee contributions are credited with interest at a rate set by the Board.

#### H. Service Retirement Benefit

Percentage of average monthly compensation based on age at retirement and years of service, plus \$40 per month.

Benefit percentages for retirements after 8/1/2010:

Non-Represented Hired < 8/1/2010: The greater of Table IV and Table V.

Represented Hired < 8/1/2010: The greater of Table III and Table V.

Hired > 8/1/2010: Table V.

See Appendix A for Tables III, IV and V.

#### PEPPRA

For PEPPRA employees: the benefit under Table V plus \$40 per month, prorated by the ratio of pre-12/31/2014 benefit service to total benefit service, plus the PEPPRA benefit formula: average monthly compensation multiplied by benefit service after 12/31/2014 times the factors below for the age at which the benefit commences.

Retirement		Retirement	
<u>Age</u>	<u>Factor</u>	<u>Age</u>	<u>Factor</u>
52	1.000%	60	1.800%
53	1.100%	61	1.900%
54	1.200%	62	2.000%
55	1.300%	63	2.100%
56	1.400%	64	2.200%
57	1.500%	65	2.300%
58	1.600%	66	2.400%
59	1.700%	67+	2.500%

#### I. Vested Termination Benefit

Deferred service retirement benefit at age 62.

#### J. Non-Vested Termination Benefit

Return of employee contributions with interest.



## SECTION 7

### PLAN PROVISIONS

---

#### **K. Disability Benefit**

With ten years of service, 2% of final average salary times years of service, but no greater than the service retirement allowance at normal retirement age. Plus \$40 per month.

For PEPRAs employees, the benefit is based on PEPRAs pay only.

#### **L. Death Benefit – Pre Retirement Eligibility**

Return of employee contributions with interest.

#### **M. Death Benefit – Post Retirement Eligibility**

100% of the member's benefit as if the member retired at the time of death and elected 100% Joint and Survivor option, paid as a lifetime benefit to the spouse.

#### **N. Section 19: Past Service Credit Benefit**

Non-represented employees hired between 7/1/2000 and 8/1/2010 who have service credit with a prior transit agency are eligible. As of 7/1/2022, 1 retiree and 2 active employees meet this criteria. If the election under this Section was made by the employee, then service credit earned from the prior agency is added to the RTD service credit for eligibility and in the pension benefit calculation. The monthly Pension benefit based on all service is offset by the actual monthly amount being received as a pension from the prior transit agency without actuarial adjustment.

#### **O. Cost of Living**

Effective July 1, 2001, benefits will be increased each July 1 by the change in the CPI for the Pacific Cities and US Average, All Items Indexes, All Urban Consumers, West-B/C for the preceding calendar year subject to the following:

If investment income on market value basis in the most recent actuarial valuation is at least 1% greater than the plan assumption, the COLA is capped at 1%.

If investment income on market value basis in the most recent actuarial valuation is at least 2% greater than the plan assumption, the COLA is capped at 2%.

Effective with the July 1, 2020 valuation, per the terms of a bargaining agreement between the District and the Amalgamated Transit Union, Local 256, the Cost of Living Increases (COLAs) to Pension benefits are suspended for benefits accrued on or after July 1, 2022 for any plan year beginning on or after July 1, 2022 if the funded ratio for the immediately preceding plan year is less than 77% on a market value basis.

#### **P. Benefit Forms**

Lifetime benefit to the member, which may be actuarially reduced to provide a continuance to a beneficiary.

The actuarial reduction for optional benefit forms is based on the mortality tables used in the valuation: the Society of Actuaries' RP-2014 Table with Blue and White Collar adjustment for Represented and non-Represented employees. Mortality improvement scale MP-2021 (updated from MP-2020 in the prior valuation) was applied. These tables are weighted to a single basis by using 50% of each mortality rate for males and 50% of the female rate, and also by using 2/3 of each mortality rate for represented employees and 1/3 of the rate for non-represented employees.



## SECTION 7

### PLAN PROVISIONS

---

#### **Q. Health Benefits**

For retirements before 8/1/2010, retirees with at least 30 years of service retiring after age 55, or those with at least 25 years of service retiring after age 62 receive the same medical, dental and vision coverage for themselves and their spouses as active employees. Retirees with 25 years of service retiring before age 62 will receive full benefits upon attainment of age 62, if they have paid for coverage for themselves and their spouse from the date of retirement.

For retirements after 8/1/2010 after age 55 and 25 years of service, or those retiring from terminated vested status after age 55 with 25 years of service, the retiree and spouse receive the same medical, dental and vision benefits as current actives. The retiree pays a fixed dollar amount equal to the same percentage used to calculate the retiree's pension benefit times the active contribution percentage of the Kaiser<sup>18</sup> premium amount at retirement. The retiree's contribution remains fixed.

A retiree may purchase coverage for other family members.

Surviving spouses receive the same benefit as the retiree if they were covered while the retiree was alive.

Under PEMHCA rules, retirees who retired directly from District within 120 days of employment termination and are annuitants of this retirement plan but who do not meet the eligibility rules above may elect medical coverage at retirement by paying the full premium net of the District's contribution for themselves and any dependents. The District will pay the statutorily required PEMHCA minimum contribution, determined using the unequal method. For 2016, that payment was \$1 per month. Each subsequent year the payment will increase by 5% of the PEMHCA minimum until the full amount is reached in 20 years. The PEMHCA minimum amount is \$149 for 2022 and \$151 for 2023; therefore the District contributions are \$44.70 for 2022 and \$52.85 for 2023. Increases are tied to CPI-U and announced annually by CalPERS.

Payments of the PEMHCA minimum benefit will continue to a retiree's surviving spouse if the retiree had elected a joint and survivor annuity.

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<sup>18</sup> Even though the RTD is now in PEMHCA with health plan choices other than Kaiser, the member contribution is still based on the Kaiser Bay Area premium regardless of actual plan enrolled in.



## SECTION 7

### PLAN PROVISIONS

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#### Premiums

The monthly PEMHCA premiums are as follows:

#### 2022 PEMHCA Monthly Premiums Region 1

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem HMO Select	\$1,015.81	\$2,031.62	\$2,641.11	\$ 360.19	\$ 720.38	\$1,080.57
Anthem HMO Traditional	1,304.00	2,608.00	3,390.40	360.19	720.38	1,080.57
Blue Shield Access+	1,116.01	2,232.02	2,901.63	353.11	706.22	1,059.33
Blue Shield Trio	898.54	1,797.08	2,336.20	353.11	706.22	1,059.33
Health Net SmartCare	1,153.00	2,306.00	2,997.80	n/a	n/a	n/a
Kaiser	857.06	1,714.12	2,228.36	302.53	605.06	907.59
UnitedHealthcare	1,020.28	2,040.56	2,652.73	294.65	589.30	883.95
Western Health Advantage	741.26	1,482.52	1,927.28	314.94	629.88	944.82
PERS Gold	701.23	1,402.46	1,823.20	377.41	754.82	1,132.23
PERS Platinum	1,057.01	2,114.02	2,748.23	381.94	763.88	1,145.82

#### 2023 PEMHCA Monthly Premiums Region 1

Medical Plan	Non-Medicare Eligible			Medicare Eligible		
	Single	2-Party	Family	Single	2-Party	Family
Anthem HMO Select	\$1,128.83	\$2,257.66	\$2,934.96	\$ 413.59	\$ 827.18	\$1,240.77
Anthem HMO Traditional	1,210.71	2,421.42	3,147.85	413.59	827.18	1,240.77
Blue Shield Access+	1,035.21	2,070.42	2,691.55	361.90	723.80	1,085.70
Blue Shield Trio	888.94	1,777.88	2,311.24	361.90	723.80	1,085.70
Health Net SmartCare	1,174.50	2,349.00	3,053.70	n/a	n/a	n/a
Kaiser	913.74	1,827.48	2,375.72	283.25	566.50	849.75
UnitedHealthcare	1,044.07	2,088.14	2,714.58	299.68	599.36	899.04
Western Health Advantage	760.17	1,520.34	1,976.44	331.11	662.22	993.33
PERS Gold	825.61	1,651.22	2,146.59	392.71	785.42	1,178.13
PERS Platinum	1,200.12	2,400.24	3,120.31	420.02	840.04	1,260.06





## SECTION 7

### PLAN PROVISIONS

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The monthly dental and vision premiums are as follows:

	1/1/2022 – 12/31/2022	
	Aetna <u>Enhanced Dental</u>	VSP <u>Vision</u>
Retiree Only	\$ 43.98	\$ 10.78
Retiree & Spouse	85.81	16.74

	1/1/2023 – 12/31/2023	
	Aetna <u>Enhanced Dental</u>	VSP <u>Vision</u>
Retiree Only	\$ 43.98	\$ 10.78
Retiree & Spouse	85.81	16.74



## SECTION 8

### METHODS AND ASSUMPTIONS

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#### Actuarial Methods

The actuarial cost method used for this valuation is the Entry Age Normal (EAN) cost method. This method is consistent with GASB 67 reporting requirements effective for the Pension Plan's financial reporting, and with GASB 74 reporting requirements for the OPEB plan's financial reporting.

The current unfunded AAL is amortized over 15 years from July 1, 2023 as a level percentage of payroll, assuming total employer payroll grows 2.75% per year. In the prior valuation, the unfunded AAL was amortized over 16 years from July 1, 2022 as a level percentage of payroll.

The contribution calculated by the current valuation is payable for the 2023/24 fiscal year.

The Actuarial Value of Assets recognizes the difference between each year's expected and actual returns over five years.

#### Actuarial Assumptions

Assumptions used in the valuation are as follows:

- **Discount rate**

5.95% for Pension and 6.20% for OPEB, net of investment expenses, with plan contributions adjusted explicitly for expected administrative expenses. Administrative expenses are assumed to be the average of the administrative expenses over the last 3 years.

- **Inflation**

2.50%

- **Cost of Living Increases**

0.88% annual future increases assumed. The actual COLA due to current retirees retroactive to July 1, 2022 was 0.0%.

We assumed future retirees' benefits accrued based on pay and service through June 30, 2022 will continue to receive COLA adjustments and that any increase in benefits after that date, whether from increases in pay or service, will not be subject to cost of living increases until the year after the plan is 77% funded.



## SECTION 8

### METHODS AND ASSUMPTIONS

---

#### ■ Salary Scale

2.50% plus 0.25% productivity. CalPERS 1997 – 2011 Experience Study merit increases for Miscellaneous public agencies. Sample rates follow:

Service	Full-Time Hire Age					
	< 25	25-30	30-35	35-40	40-45	>45
0	9.2%	8.9%	8.3%	7.6%	6.9%	6.5%
5	3.4%	3.2%	2.8%	2.4%	2.0%	1.8%
10	1.6%	1.5%	1.2%	1.0%	0.8%	0.7%
15	1.2%	1.1%	0.9%	0.7%	0.6%	0.4%
20	0.9%	0.9%	0.7%	0.5%	0.4%	0.3%
25	0.7%	0.7%	0.5%	0.4%	0.2%	0.1%
30+	0.5%	0.5%	0.4%	0.3%	0.1%	0.0%

#### ■ Interest on Employee Contributions

2.50%

#### ■ Adjustment to Final Average Compensation for Cashouts near Retirement

For non-PEPRA employees only, final average compensation is increased 2.3% for Represented members and 8.3% for Non-represented members to take into account cash-outs of vacation and sick leave at the time of retirement.

For the current valuation this adjustment applies only for compensation before July 1, 2022.

#### ■ Adjustment to Compensation for Unscheduled Overtime

The RTD provided us with an estimate of 10.24% as the proportion of pensionable pay from unscheduled overtime for represented members, and 0% for non-represented members

For the current valuation unscheduled compensation is excluded from Classic employees; pensionable earnings after July 1, 2022. It has never been included in PEPRA employees' compensation.

#### ■ Return of Employee Contributions for Terminated Vested Participants

The larger of the employee contribution balance paid as an immediate lump sum or the deferred annuity is valued, whichever present value is greater.



## SECTION 8

### METHODS AND ASSUMPTIONS

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#### ■ Disability

60% times CBCG Table. Sample rates follow:

60% Times CBCG Table

<u>Age</u>	<u>Rate</u>
35	0.1%
40	0.2%
45	0.5%
50	0.8%
55	1.2%
60	1.7%
65	0.0%

#### ■ Termination of Employment

CalPERS 1997 – 2011 Experience Study for Miscellaneous public agencies. Rates continue to be set to 0% after service retirement eligibility. Sample rates follow:

<u>Service</u>	<u>Full-Time Hire Age</u>					
	<u>&lt; 25</u>	<u>25-30</u>	<u>30-35</u>	<u>35-40</u>	<u>40-45</u>	<u>&gt;45</u>
0	17.16%	16.46%	15.78%	15.10%	14.41%	13.72%
2	13.22%	12.52%	11.84%	11.16%	10.46%	9.78%
5	8.36%	7.58%	6.80%	6.01%	5.22%	1.09%
10	6.36%	5.56%	4.75%	3.94%	0.65%	0.48%
20	3.37%	2.57%	0.18%	0.10%	0.02%	0.01%
30	0.03%	0.01%	0.01%	0.01%	0.01%	0.01%

#### ■ Retirement

Rates vary based on retirement age and service. The same rates are used for PEPRA and non-PEPRA employees. We assumed employees otherwise eligible for early retirement continue working until the earlier of age 62 or the date the plan becomes 77% funded (assumed to be 2031). The results also include an assumption of more than typical retirements in the year early retirement is first allowed. Sample rates follow:

Regular Retirement Rates (by years of service)

<u>Retirement Age</u>	<u>&lt;5 yrs</u>	<u>5-10 yrs</u>	<u>&gt;10 yrs</u>
55-59	0.00%	0.00%	7.50%
60	0.00%	0.00%	16.67%
61	0.00%	0.00%	20.00%
62	0.00%	25.00%	25.00%
63	0.00%	33.33%	33.33%
64	0.00%	50.00%	50.00%
65	100.00%	100.00%	100.00%



## SECTION 8

### METHODS AND ASSUMPTIONS

---

#### ■ Retirement (continued)

Early Retirement Rates (by years of service) in the year 1<sup>st</sup>  
Eligible to Retire After the Plan is 77% Funded (and age is  
less than 62)

<u>Retirement</u> <u>Age</u>	<u>11 years</u>	<u>12 years</u>	<u>13-19 years</u>	<u>&gt;=20 yrs</u>
55	7.50%	7.50%	7.50%	7.50%
56	15.00%	15.00%	15.00%	15.00%
57	15.00%	15.00%	22.50%	22.50%
58	15.00%	15.00%	22.50%	22.50%
59	15.00%	15.00%	22.50%	30.00%
60	33.33%	50.00%	50.00%	66.67%
61	40.00%	60.00%	60.00%	80.00%

#### ■ Pre Retirement Employee Mortality

The Society of Actuaries' RP-2014 Table with Blue and White Collar adjustment for Represented and non-Represented employees, respectively. Society of Actuaries fully generational mortality improvement scale MP-2021 was applied, updated from scale MP-2020 in the prior valuation.

Sample rates follow (projected to 2022):

	<u>Blue Collar</u>		<u>White Collar</u>	
<u>Age</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
20	0.1%	0.0%	0.0%	0.0%
30	0.1%	0.0%	0.0%	0.0%
40	0.1%	0.1%	0.1%	0.0%
50	0.2%	0.1%	0.1%	0.1%
60	0.7%	0.3%	0.4%	0.2%
70	1.8%	0.7%	1.1%	0.5%



## SECTION 8

### METHODS AND ASSUMPTIONS

---

#### ■ Post Retirement Healthy Mortality

The Society of Actuaries' RP-2014 Table with Blue and White Collar adjustment for Represented and non-Represented employees, respectively. Society of Actuaries fully generational mortality improvement scale MP-2021 was applied, updated from scale MP-2020 in the prior valuation.

Sample rates follow (projected to 2022):

<u>Age</u>	<u>Blue Collar</u>		<u>White Collar</u>	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
50	0.4%	0.3%	0.3%	0.2%
60	0.9%	0.6%	0.5%	0.4%
70	1.9%	1.3%	1.2%	1.0%
80	4.9%	3.6%	3.5%	2.9%
90	14.2%	11.0%	12.2%	9.8%
100	30.5%	26.5%	30.5%	26.5%

#### ■ Post-Retirement Disabled Mortality

CalPERS 1997 – 2011 Experience Study for Miscellaneous Public Agency Non-Duty Disability Retirees. Society of Actuaries fully generational mortality improvement scale MP-2021 was applied, updated from scale MP-2020 in the prior valuation.

Sample rates follow (projected to 2022):

<u>Age</u>	<u>Male</u>	<u>Female</u>
40	1.3%	0.7%
50	1.6%	1.1%
60	2.7%	1.5%
70	3.5%	2.4%
80	7.1%	5.4%
90	16.9%	15.1%
100	32.5%	30.3%

#### ■ Marriage

2/3 of employees are assumed to be married at retirement. Wives are assumed to be three years younger than husbands.

#### ■ Retirement Age

Deferred vested members are assumed to retire at age 62.



## SECTION 8

### METHODS AND ASSUMPTIONS

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- **Payment Form Election**

We assume that for future retirees: 50% elect single life annuity, 20% elect 100% Joint & Survivor, 20% elect 50% Joint & Survivor, and 10% elect 10 year Certain & Life. (The prior valuation assumed 60% elect single life annuity, 15% elect 100% Joint & Survivor, 15% elect 50% Joint & Survivor, and 10% elect 10 year Certain & Life.)

- **Past Service Credit as Defined in Section 19**

The 2020 valuation methodology was updated to reflect the years of additional past service, the actual retirement benefit being received, and the actual administration of this provision. We assume no additional employees elect to be covered.

- **Timing of Pension Plan Reaching 77% Funded Status**

Based upon projections of both the Pension Plan liabilities and the trust assets, we have assumed that the Pension Plan will not achieve 77% funded status until July 1, 2031.



## SECTION 8

### METHODS AND ASSUMPTIONS

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■ **Medical Trend (non age-related increases in health care costs)**

<u>Year</u>	<u>Increase from Prior Year</u>		
	<u>Non-Medicare</u>	<u>Medicare</u>	
		<u>Kaiser</u>	<u>All Other Plans</u>
2023		<i>Actual premiums</i>	
2024	8.50%	6.25%	7.50%
2025	8.50%	6.25%	7.50%
2026	7.90%	5.65%	6.90%
2027	7.35%	5.45%	6.50%
2028	6.75%	5.25%	6.10%
2029	6.20%	5.05%	5.70%
2030	5.60%	4.85%	5.25%
2031	5.05%	4.65%	4.85%
2032-2038	4.45%	4.45%	4.45%
2039-2040	4.35%	4.35%	4.35%
2041	4.30%	4.30%	4.30%
2042-2044	4.25%	4.25%	4.25%
2045-2047	4.20%	4.20%	4.20%
2048-2050	4.15%	4.15%	4.15%
2051-2055	4.10%	4.10%	4.10%
2056-2061	4.05%	4.05%	4.05%
2062-2066	4.00%	4.00%	4.00%
2067	3.90%	3.90%	3.90%
2068	3.85%	3.85%	3.85%
...	...	...	...
2076+	3.45%	3.45%	3.45%

■ **PEMHCA Minimum Increase**

3.50% per year (Prior assumption was 4.00%.)

■ **Dental and Vision Trend**

3.50% per year.





## SECTION 8

### METHODS AND ASSUMPTIONS

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■ **Prior Valuation Medical Trend (non age-related increases in health care costs)**

<u>Year</u>	<u>Increase from Prior Year</u>		
	<u>Non-Medicare</u>	<u>Medicare</u>	
		<u>Kaiser</u>	<u>All Other Plans</u>
2022		<i>Actual premiums</i>	
2023	6.50%	4.60%	5.65%
2024	6.25%	4.45%	5.45%
2025	6.00%	4.35%	5.25%
2026	5.75%	4.25%	5.05%
2027	5.55%	4.20%	4.90%
2028	5.35%	4.15%	4.75%
2029	5.15%	4.10%	4.60%
2030	4.95%	4.05%	4.45%
2031-2035	4.80%	4.00%	4.35%
2036-2045	4.65%	3.95%	4.25%
2046-2055	4.50%	3.90%	4.20%
2056-2065	4.35%	3.85%	4.15%
2066-2075	4.05%	3.80%	3.95%
2076+	3.75%	3.75%	3.75%

■ **2022/23 Medical Claims Costs - not Eligible for Medicare**

Varies by medical plan. Sample rates shown below:

<u>Kaiser Region 1</u>		
<u>Age</u>	<u>Male</u>	<u>Female</u>
25	\$ 359	\$ 683
30	380	714
35	420	706
40	484	724
45	582	760
50	726	824
55	962	965
60	1,302	1,177
65	1,668	1,420
70	2,027	1,685
75	2,407	1,967
80	2,794	2,266
85+	3,202	2,591



## SECTION 8

### METHODS AND ASSUMPTIONS

---

■ **2022/23 Medical Claims Costs - Eligible for Medicare (for non-Medicare Advantage plans)**

Varies by medical plan. Sample rates shown below for 2022:

	<u>PERS Platinum</u> <u>Out-of-State</u>	
<u>Age</u>	<u>Male</u>	<u>Female</u>
65	387	337
70	430	372
75	462	402
80	479	420
85+	473	419

■ **Medicare Eligibility**

All current employees and retirees under 65 are assumed to become Medicare eligible upon attainment of age 65.

■ **Healthcare Participation at Retirement**

For those retiring with 25 years of service: 100% in medical, dental and vision

For those retiring while eligible only for the PEMHCA minimum benefit:

- if enrolled in a medical plan while active: 10% grading up to 50% over 20 years in retiree medical
- if waived medical coverage while active: 5% in retiree medical

■ **Health Plan Elections**

Future retirees will elect the same health plan at retirement as they are in at the valuation date.

Future retirees who have currently waived health care coverage will elect Kaiser Region 1.

Retirees in Kaiser, Anthem Traditional, United Healthcare, and CalPERS PPO plans pre-Medicare will remain in those plans after Medicare eligibility. All other retirees will elect United Healthcare upon reaching Medicare eligibility.

■ **Spouse Coverage at Retirement**

Future retirees: All married employees elect spouse medical coverage at retirement

Currently retired: Continuation of current election

■ **Actuarial Models**

Our valuation was performed using and relying on ProVal, an actuarial model leased from Wintech. Our use of ProVal is consistent with its intended purpose. We have reviewed and understand ProVal and its operation, sensitivities, and dependencies.



## SECTION 8

### METHODS AND ASSUMPTIONS

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#### ■ **Data Quality**

Our valuation used census data provided by the District. We reviewed the data for reasonableness and resolved any questions with the District. We believe the resulting data can be relied on for all purposes of this valuation without limitation.

#### ■ **COVID-19**

No adjustments have been made to the actuarial methods or assumptions to reflect the impact of COVID-19, other than as reflected in the July 1, 2022 census data. Insufficient data is available at this time to evaluate any short or long term impacts on asset performance, health care cost, mortality or other demographic factors.

#### ■ **Basis for actuarial assumptions**

The plan's population was determined to be too small for a complete, valid experience study to be performed. Based on a review of the Plan's demographic experience we selected actuarial assumptions for employment termination, salary increases, and disability mortality based on those used by CalPERS for plans with similar benefit formulas, since CalPERS assumptions are based on experience studies of California public agencies. The rates of retirement and disablement have been selected based on the Plan's experience. The adjustment for sick leave/vacation cash-out near retirement is based on actual plan experience from 2015 to 2020.

Retiree healthcare assumptions for participation, plan elections, and coverage are based in part upon plan experience. -Medical trends were based on expectations over the short term blended into long term medical trends developed using the Society of Actuaries Getzen Model of Long-Run Medical Cost Trends. Age-based claims costs were developed by Axene Health Partners based on demographic data provided by CalPERS, Axene's proprietary AHP Cost Model, and Society of Actuaries studies.

The discount rate is based on Foster & Foster's 2021 capital market assumptions and stochastic analysis, taking into account capital market assumptions of investment advisory firms.



## SECTION 9

### PARTICIPANT DATA

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#### Data Summary

Following summarizes participant demographic information for the July 1, 2021 and July 1, 2022 pension and OPEB actuarial valuations. Average monthly pension benefits for 2021 and 2022 include, respectively, the 1.6% COLA retroactive to July 1, 2021 and the 0.0% COLA retroactive to July 1, 2022.

	July 1, 2021	July 1, 2022
■ <b>Actives:</b>		
• Count	125	110
• Average Age	46.9	48.0
• Average Service	9.9	10.9
• Pay <sup>19</sup>		
➢ Average	\$ 58,482	\$ 69,729
➢ Total (000's)	7,310	7,670
■ <b>Vested Terms</b>		
• Count/ Average Age	16/54.5	14/55.2
■ <b>Non-Vested Terms</b>		
• Count/ Average Age	17/51.7	20/49.7
■ <b>All Retirees</b>		
• Count <sup>20</sup>	154	154
• Average Age	70.2	70.6
• Avg. Monthly Pension Ben. <sup>21</sup>	\$ 2,351	\$ 2,453
■ <b>Service Retirees</b>		
• Count <sup>19</sup>	114	116
• Average Age	69.8	70.2
• Average Retirement Age	61.3	61.3
• Avg. Monthly Pension Ben.	\$ 2,736	\$ 2,852
■ <b>Disabled Retirees</b>		
• Count	18	16
• Average Age	68.3	67.5
• Average Retirement Age	53.0	52.7
• Avg. Monthly Pension Ben.	\$ 1,485	\$ 1,481
■ <b>Beneficiaries &amp; QDROs</b>		
• Count <sup>19</sup>	22	22
• Average Age	74.0	75.0
• Avg. Monthly Pension Ben. <sup>20</sup>	\$ 1,003	\$ 920

<sup>19</sup> Actual pay paid for year ending on valuation date, only for those still active at the year-end (on 6/30)

<sup>20</sup> Count is for participant records; this includes participants who have a retiree or survivor record, and also a QDRO record (two participants at 7/1/2021, one participant at 7/1/2022)

<sup>21</sup> Average pension benefit excludes 2 survivors who receive OPEB but no pension benefit.



## SECTION 9 PARTICIPANT DATA

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### Data Reconciliation<sup>22</sup> 7/1/2021 to 7/1/2022

	Actives	Term Vested	Term Non-Vested	Receiving Payments				Total
				Disabled	Benefic.	QDROs	Retirees	
■ July 1, 2021	125	16	17	18	16	6	114	312
• New Hires/Rehires	7	-	-	-	-	-	-	7
• Disabled	-	-	-	-	-	-	-	-
• Terminated/ Deceased	(3)	-	3	(2)	(2)	(1)	(2)	(7)
• New Beneficiaries/ QDROs	-	-	-	-	3	-	-	3
• Retired	(3)	(1)	-	-	-	-	4	-
• Paid Out	(16)	(1)	-	-	-	-	-	(17)
• Data adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
■ July 1, 2022	110	14	20	16	17	5	116	298

Note that Beneficiary counts include 2 survivors who receive OPEB but no pension benefit.

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<sup>22</sup> Count is for participant records; this includes participants who have a retiree or survivor record, and also a QDRO record (two participants at 7/1/2021, one participant at 7/1/2022)



## SECTION 9 PARTICIPANT DATA

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### Active Age/Service

Following are active counts by age and service groups:

Age	Service								Total
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30 & Over	
<b>Under 25</b>	-	-	-	-	-	-	-	-	-
<b>25-29</b>	1	4	1	-	-	-	-	-	6
<b>30-34</b>	1	9	2	-	-	-	-	-	12
<b>35-39</b>	2	5	1	-	-	-	-	-	8
<b>40-44</b>	1	7	2	-	7	-	-	-	17
<b>45-49</b>	-	4	5	1	1	3	2	-	16
<b>50-54</b>	-	4	2	1	5	3	5	-	20
<b>55-59</b>	2	3	2	1	3	4	-	-	15
<b>60-64</b>	-	3	1	2	2	5	-	-	13
<b>65 &amp; Over</b>	-	-	-	1	2	-	-	-	3
<b>Total</b>	7	39	16	6	20	15	7	-	110



## SECTION 9 PARTICIPANT DATA

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### Retiree Age/Status/Monthly Benefit

Following are retiree counts and monthly pension benefit by age and status<sup>23</sup>.

Age		Service Retirees	Disability Retirees	Beneficiaries & QDROs	Total
Under 55	Count	-	2	-	2
	Avg. Benefit	-	1,534	-	1,534
55-59	Count	5	1	1	7
	Avg. Benefit	4,518	1,434	446	3,496
60-64	Count	19	5	2	26
	Avg. Benefit	3,651	1,464	2,032	3,106
65-69	Count	39	1	5	45
	Avg. Benefit	3,179	1,551	617	2,858
70-74	Count	29	3	3	35
	Avg. Benefit	2,466	1,813	1,236	2,304
75-79	Count	16	1	3	20
	Avg. Benefit	1,877	582	961	1,675
80-84	Count	3	3	3	9
	Avg. Benefit	1,803	1,432	667	1,301
85 & Over	Count	5	-	3	8
	Avg. Benefit	1,577	-	741	1,263
Total	Count	116	16	20	152
	Avg. Benefit	2,852	1,481	920	2,453

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<sup>23</sup> Excludes 2 survivors who receive OPEB but no pension benefit.



## SECTION 9 PARTICIPANT DATA

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### Active Medical Participation

Plan	Region	Single	2-Party	Family	Waived	Total
Anthem Select	1/Bay Area	2	-	2	-	4
Blue Shield Access+	1/Bay Area	-	-	1	-	1
Kaiser	1/Bay Area	29	25	33	-	87
PERS Gold	1/Bay Area	-	-	1	-	1
Waived		-	-	-	17	17
Total		31	25	37	17	110

### Retiree Medical Participation – Under 65

Plan	Region	Single	2-Party	Family	Waived	Total
Kaiser	1/Bay Area	5	8	1	-	14
PERS Platinum	Out of State	1	-	-	-	1
Waived		-	-	-	20	20
Total		6	8	1	20	35

### Retiree Medical Participation – Over 65<sup>24</sup>

Plan	Region	Single	2-Party	Family	Waived	Total
Anthem Traditional	1/Bay Area	1	-	-	-	1
Kaiser	1/Bay Area	20	16	-	-	36
	3/LA Area	-	1	-	-	1
PERS Platinum	Out of State	1	1	-	-	2
Waived		-	-	-	79	79
Total		22	18	-	79	119

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<sup>24</sup> 7 of the retirees who waived medical coverage are enrolled in dental and/or vision





## SECTION 9 PARTICIPANT DATA

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### Retiree Medical Participation<sup>25</sup>

Age	Single	2-Party	Family	Waived / Ineligible	Total
Under 55	-	-	-	2	2
55-59	2	1	1	3	7
60-64	4	7	-	15	26
65-69	9	12	-	24	45
70-74	8	2	-	26	36
75-79	4	2	-	15	21
80-84	-	2	-	7	9
85 & Over	1	-	-	7	8
Total	28	26	1	99	154

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<sup>25</sup> 7 of the retirees who waived medical coverage are enrolled in dental and/or vision



# APPENDIX A

## SERVICE RETIREMENT ALLOWANCE FACTORS

**Table III**

Years Service	Age at Retirement										
	55	56	57	58	59	60	61	62	63	64	65
5								10.00	10.69	11.35	12.07
6								12.00	12.81	13.61	14.48
7								14.00	14.95	15.89	16.89
8								16.00	17.09	18.15	19.30
9								18.00	19.22	20.42	21.71
10	12.24	13.20	14.16	15.12	16.21	17.28	18.61	20.00	21.36	22.69	24.13
11	13.44	14.53	15.49	16.56	17.76	19.09	20.53	22.00	23.41	24.96	26.64
12	14.77	15.84	16.93	18.13	19.44	20.77	22.32	24.00	25.57	27.25	29.04
13	15.97	17.17	18.37	19.57	21.01	22.56	24.24	26.00	27.73	29.52	31.44
14	17.28	18.48	19.81	21.12	22.69	24.24	26.05	28.00	29.89	31.81	33.84
15	18.48	19.81	21.12	22.69	24.24	26.05	27.97	30.00	32.05	34.08	36.24
16	19.68	21.12	22.56	24.13	25.81	27.73	29.76	32.00	34.08	36.37	38.64
17	21.01	22.45	24.00	25.68	27.49	29.41	31.68	34.00	36.24	38.64	41.17
18	22.21	23.76	25.44	27.12	29.04	31.20	33.49	36.00	38.40	40.93	43.57
19	23.52	25.09	26.77	28.69	30.72	32.88	35.41	38.00	40.56	43.20	45.97
20	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	42.61	45.49	48.37
21	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	44.77	47.65	50.77
22	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	46.93	49.92	53.17
23	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	49.09	52.21	55.57
24	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	51.12	54.48	58.08
25	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	53.28	56.77	60.48
26	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	55.44	59.04	62.88
27	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	57.60	61.33	65.28
28	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	59.76	63.60	67.68
29	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	61.81	65.89	70.08
30	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	63.97	68.16	72.48
31	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	66.13	70.45	75.01
32	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	68.29	72.72	77.41
33	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00	70.32	75.01	79.81
34	68.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00	72.48	77.28	82.21
35	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	74.64	79.44	84.61
36	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	76.80	81.73	87.12
37	74.00	74.00	74.00	74.00	74.00	74.00	74.00	74.00	78.96	84.13	89.52
38	76.00	76.00	76.00	76.00	76.00	76.00	76.00	76.00	81.01	86.29	91.81
39	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	83.17	88.56	94.32
40	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	85.44	90.85	96.85
41	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	87.49	93.12	99.12
42	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	89.65	95.41	101.52
43	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	91.81	97.68	104.05
44	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	93.84	99.84	106.32
45	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	96.00	102.24	108.85



# APPENDIX A

## SERVICE RETIREMENT ALLOWANCE FACTORS

**Table IV**

Years Service	Age at Retirement											
	<55	55	56	57	58	59	60	61	62	63	64	65
5									10.00	10.75	11.57	12.48
6									12.00	12.90	13.89	14.98
7									14.00	15.05	16.20	17.47
8									16.00	17.20	18.51	19.97
9									18.00	19.34	20.83	22.47
10		20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	21.49	23.14	24.96
11		22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	23.64	25.46	27.46
12		24.00	24.00	24.00	24.00	24.00	24.00	24.00	24.00	25.79	27.77	29.96
13		26.00	26.00	26.00	26.00	26.00	26.00	26.00	26.00	27.94	30.08	32.45
14		28.00	28.00	28.00	28.00	28.00	28.00	28.00	28.00	30.09	32.40	34.95
15		30.00	30.00	30.00	30.00	30.00	30.00	30.00	30.00	32.24	34.71	37.45
16		32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	34.39	37.03	39.94
17		34.00	34.00	34.00	34.00	34.00	34.00	34.00	34.00	36.54	39.34	42.44
18		36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	38.69	41.66	44.94
19		38.00	38.00	38.00	38.00	38.00	38.00	38.00	38.00	40.84	43.97	47.43
20		40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	42.99	46.28	49.93
21		42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	45.14	48.60	52.42
22		44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	47.29	50.91	54.92
23		46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	49.44	53.23	57.42
24		48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	51.59	55.54	59.91
25	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	53.74	57.86	62.41
26	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	55.88	60.17	64.91
27	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	54.00	58.03	62.48	67.40
28	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	60.18	64.80	69.90
29	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	58.00	62.33	67.11	72.40
30	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	64.48	69.43	74.89
31	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	62.00	66.63	71.74	77.39
32	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	64.00	68.78	74.05	79.88
33	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00	66.00	70.93	76.37	82.38
34	68.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00	68.00	73.08	78.68	84.88
35	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	70.00	75.23	81.00	87.37
36	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	77.38	83.31	89.87
37	74.00	74.00	74.00	74.00	74.00	74.00	74.00	74.00	74.00	79.53	85.63	92.37
38	76.00	76.00	76.00	76.00	76.00	76.00	76.00	76.00	76.00	81.68	87.94	94.86
39	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	78.00	83.83	90.25	97.36
40	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	85.98	92.57	99.86
41	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	82.00	88.13	94.88	102.35
42	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	84.00	90.27	97.20	104.85
43	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	86.00	92.42	99.51	107.35
44	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	88.00	94.57	101.82	109.84
45	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	96.72	104.14	112.34



# APPENDIX A

## SERVICE RETIREMENT ALLOWANCE FACTORS

**Table V**

Years Service	Age at Retirement										
	55	56	57	58	59	60	61	62	63	64	65
5								10.00	10.00	10.00	10.00
6								12.00	12.00	12.00	12.00
7								14.00	14.00	14.00	14.00
8								16.00	16.00	16.00	16.00
9								18.00	18.00	18.00	18.00
10	10.33	11.30	12.39	13.59	14.94	16.44	18.12	20.00	20.00	20.00	20.00
11	11.36	12.43	13.63	14.95	16.43	18.08	19.93	22.00	22.00	22.00	22.00
12	12.39	13.56	14.87	16.31	17.93	19.73	21.74	24.00	24.00	24.00	24.00
13	13.42	14.69	16.11	17.67	19.42	21.37	23.55	26.00	26.00	26.00	26.00
14	14.46	15.83	17.34	19.03	20.91	23.01	25.36	28.00	28.00	28.00	28.00
15	15.49	16.96	18.58	20.39	22.41	24.66	27.18	30.00	30.00	30.00	30.00
16	16.52	18.09	19.82	21.75	23.90	26.30	28.99	32.00	32.00	32.00	32.00
17	17.55	19.22	21.06	23.11	25.39	27.95	30.80	34.00	34.00	34.00	34.00
18	18.59	20.35	22.30	24.47	26.89	29.59	32.61	36.00	36.00	36.00	36.00
19	19.62	21.48	23.54	25.83	28.38	31.23	34.42	38.00	38.00	38.00	38.00
20	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
21	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00	42.00
22	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00	44.00
23	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00	46.00
24	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00	48.00
25	56.25	56.25	56.25	56.25	56.25	56.25	56.25	56.25	56.25	56.25	56.25
26	58.50	58.50	58.50	58.50	58.50	58.50	58.50	58.50	58.50	58.50	58.50
27	60.75	60.75	60.75	60.75	60.75	60.75	60.75	60.75	60.75	60.75	60.75
28	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00	63.00
29	65.25	65.25	65.25	65.25	65.25	65.25	65.25	65.25	65.25	65.25	65.25
30	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00
31	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50
32	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00
33	82.50	82.50	82.50	82.50	82.50	82.50	82.50	82.50	82.50	82.50	82.50
34	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00	85.00
35	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50	87.50
36	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00
37	92.50	92.50	92.50	92.50	92.50	92.50	92.50	92.50	92.50	92.50	92.50
38	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00	95.00
39	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50	97.50
40	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
41	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50	102.50
42	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00	105.00
43	107.50	107.50	107.50	107.50	107.50	107.50	107.50	107.50	107.50	107.50	107.50
44	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00	110.00
45	112.50	112.50	112.50	112.50	112.50	112.50	112.50	112.50	112.50	112.50	112.50





Attachment B  
Cover Page



# San Joaquin Regional Transit District – July 1, 2022 Actuarial Valuation - OPEB

	Valuation Date			
	July 1, 2021		July 1, 2022	
Funded Status				
Actuarial Accrued Liability (AAL)	\$10.7 M	<u>Funded Ratio</u>	\$10.9 M	<u>Funded Ratio</u>
Actuarial Value of Assets (AVA)	<u>10.8 M</u>	101.0%	<u>10.6 M</u>	97.9%
Unfunded Actuarial Accrued Liability	(0.0) M		0.2 M	
Market Value of Assets	11.8 M	110.1%	9.6 M	88.3%
		<u>Number of Members</u>		<u>Number of Members</u>
Active Actuarial Accrued Liability	\$4.2 M	125	\$4.4 M	110
Inactive Actuarial Accrued Liability	6.5 M	63	6.4 M	62
(# retired members benefitting)				
Inactive Portion Covered by AVA	167%		165%	
	2022/23	Expected	2023/24	Expected
Contributions	<u>Rate</u>	<u>2022/23 Cost</u>	<u>Rate</u>	<u>2023/24 Cost</u>
District	0.00%	\$ 0.0 M	0.00%	\$ 0.0 M
Member	<u>0.00%</u>	<u>0.0 M</u>	<u>0.00%</u>	<u>0.0 M</u>
Total	0.00%	0.0 M	0.00%	0.0 M
Projected Payroll		\$ 8.4 M		\$ 8.2 M

## Significant Factors Impacting 2023/24 Contribution Rates

Premiums lower than expected	➔	Decreased Contribution Rates
Extend 77% funded target date	➔	Decreased Contribution Rates
Investment earnings less than expected	➔	Increased Contribution Rates
Medical trend	➔	Increased Contribution Rates

## Definitions

**Present Value of Projected Benefits (PVPB):** The present value of all future benefits for current plan members.

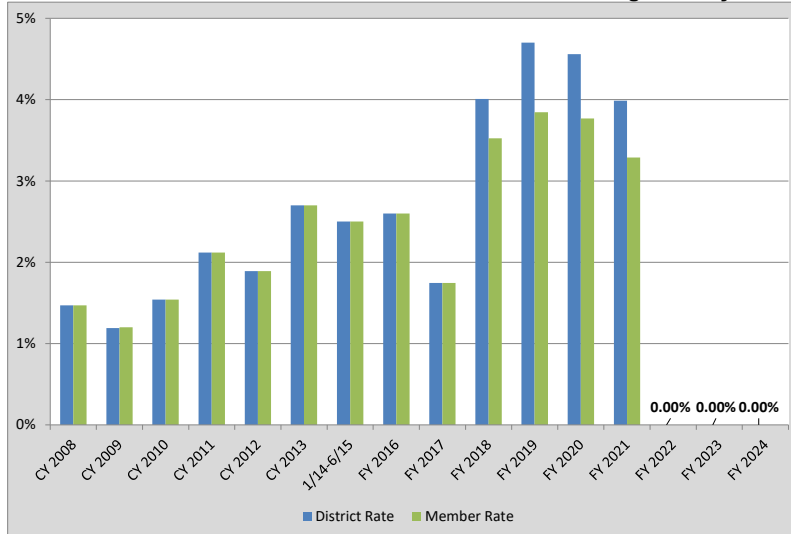
**Actuarial Accrued Liability (AAL):** The portion of PVPB attributed to past service. AAL is recognized over service through retirement. So, AAL equals PVPB for retirees.

**Unfunded Actuarial Accrued Liability (UAAL):** The difference between AAL and the actuarial value of assets.

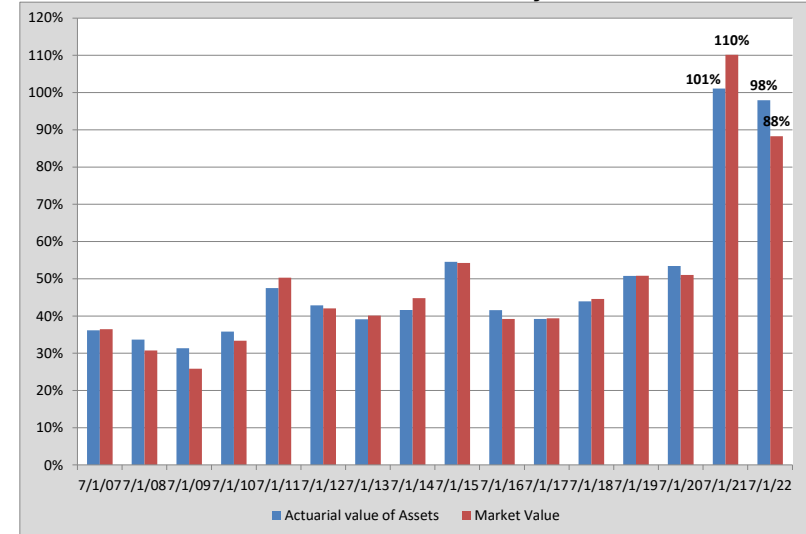
**Normal Cost:** Portion of PVPB allocated to or earned during the coming year. AAL is the accumulation of all past NC.

# San Joaquin Regional Transit District – July 1, 2022 Actuarial Valuation - OPEB

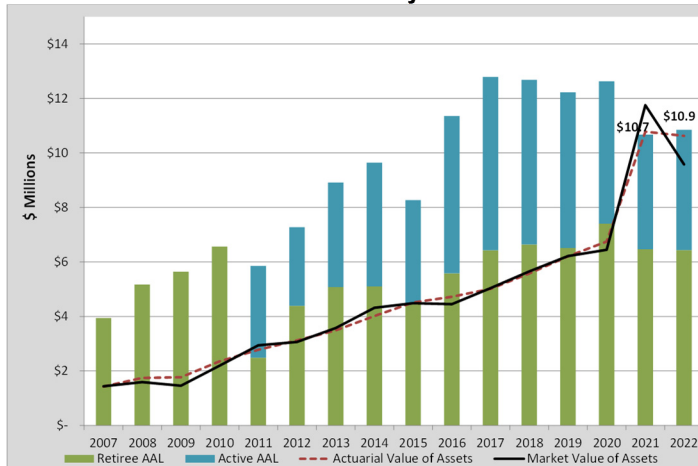
**District & Member Contribution Rates as a Percentage of Payroll**



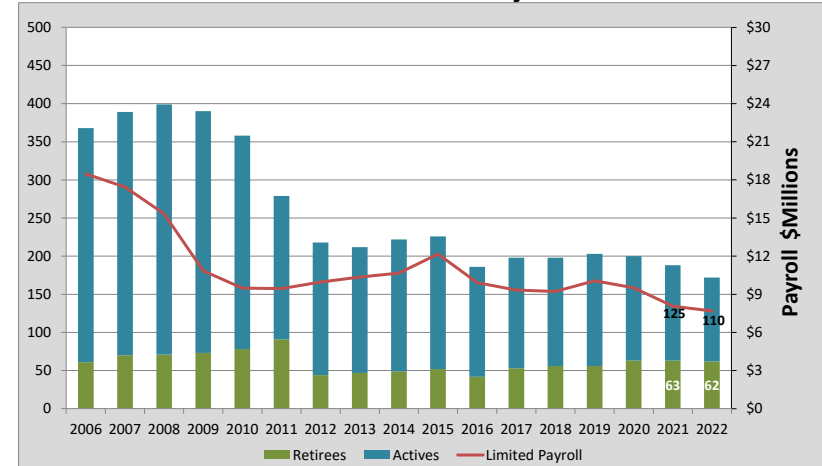
**Plan Funded Ratios on July 1**



**Actuarial Accrued Liability & Asset Values**



**Member Counts and Payroll**



## Major Factors Influencing Results

- Workforce reductions and Plan, method, & assumption changes in 7/1/2011 valuation. Information prior to 7/1/2012 taken from prior actuary's reports.
- 2012 and later: Strengthening of actuarial assumptions/methods (e.g., discount rate, life expectancies, future COLAs, and actuarial cost method)
- 2016: Change to CalPERS Health plans. 2017: Further strengthening of actuarial assumptions (discount rate, medical trend)
- 2021: Further strengthening of actuarial assumptions (discount rate, inflation), and discretionary supplemental contributions per Resolution No. 5993.





# San Joaquin Regional Transit District – July 1, 2022 Actuarial Valuation - OPEB

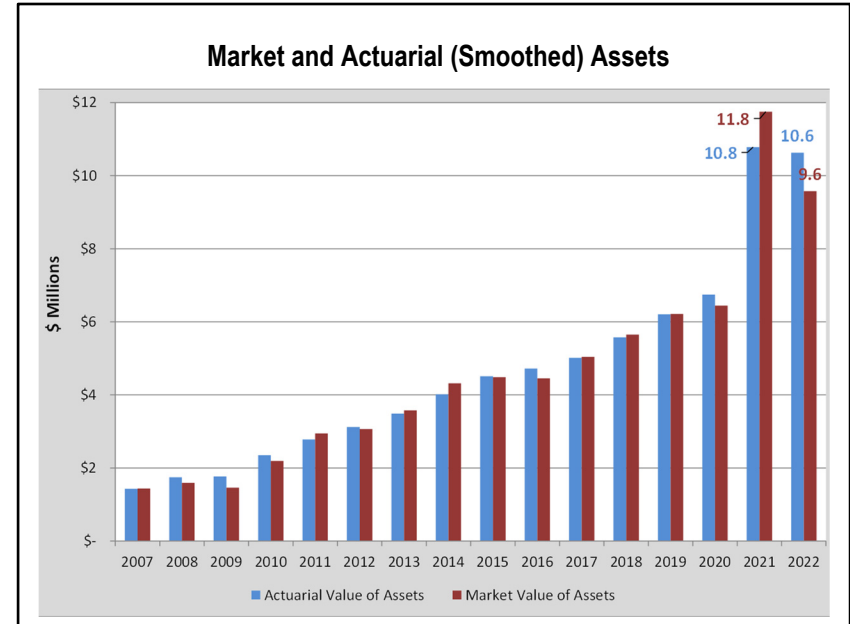
<b>Investment Earnings:</b>	<u>FY 2020/21</u>	<u>FY 2021/22</u>
Market Value	26.0%	(13.4%)
Actuarial (Smoothed) Value	9.8%	4.7%
Expected	6.50%	6.20%

## Asset Reconciliation – Market Value of Trust Assets (\$ millions)

	<u>FY 2020/21</u>	<u>FY 2021/22</u>
<b>Beginning of Year Assets</b>	\$ 6.4	\$ 11.8
Contributions - District	3.8	0.1
Contributions - Members	0.3	0.0
Benefit Payments	(0.7)	(0.6)
Member Refunds	(0.1)	(0.1)
Administrative Expenses	(0.0)	(0.0)
Investment Income	<u>2.1</u>	<u>(1.5)</u>
<b>End of Year Assets</b>	11.8	9.6

## Target Asset Allocation (effective March 2016)

Equities	70%
Fixed Income	29%
Cash	<u>1%</u>
<b>Total</b>	100%



<b>Volatility Ratios</b>	<u>7/1/21</u>	<u>7/1/22</u>
Asset Volatility Index (MVA/Payroll)	1.4	1.2
Liability (100% funded) Volatility Index (AAL/Payroll)	1.3	1.3
Maturity Ratio (Retiree Count/Total Count)	33.5%	36.0%
Maturity Ratio (Retiree AAL/Total AAL)	60.6%	59.3%

This summary includes information from the July 1, 2022 Actuarial Valuation Report for the San Joaquin RTD Retirement Plan. Detailed information regarding results, assumptions, methods, and plan provisions as of July 1, 2022 is included in that report.





## San Joaquin Regional Transit District – July 1, 2022 Actuarial Valuation - OPEB

### Actuarial Methods

Actuarial Cost Method	Entry Age Normal, level % of pay
Amortization	Level % of pay; closed amortization period - 15 years remaining from July 1, 2023 for unfunded AAL
Asset Valuation Method	5-year smoothing of differences between each year's expected and actual market returns

### Actuarial Assumptions

Long-Term Inflation Rate	2.50%
Discount Rate	6.20% net of investment expenses
Salary Increases	2.50% inflation + 0.25% productivity + merit/longevity increases
Salary Scale (merit)	CalPERS 1997-2011 Experience Study for Miscellaneous agencies
Medical Trend	8.50% in 2024 grading down to 3.45% in 2076+ non-Medicare; 7.50% in 2024 grading down to 3.45% in 2076+ Medicare (non-Kaiser); 6.25% in 2024 grading down to 3.45% in 2076+ Kaiser Medicare;
PEMHCA Minimum Increase	Based on medical component of CPI-U; 3.50% assumed increase after 2023
Dental and Vision Trend	3.50% per year
Participation at Retirement	When eligible for premium contributions, 100% in medical, dental, and vision; if only eligible for PEMHCA minimum and not currently covered, 5%; and if only eligible for PEMHCA minimum and currently covered, 10% grading up to 50% over 20 years
Medical Plan at Retirement	Future retirees assumed to elect same health plan as current; waived participants assumed to elect Kaiser Region 1; Retirees in Health Net and Blue Shield Trio plans assumed to elect United Healthcare when Medicare eligible
Healthy Mortality	RP-2014 Table, Blue Collar/White Collar, fully generational mortality improvement Society of Actuaries Scale MP-2021

### Summary of Benefit Provisions

Eligibility and Benefit for Retirements before 8/1/2010:	<p>Age 55/30 years of service or age 62/25 years of service: same medical, dental, vision benefits for retiree and spouse as active employees. If 25 years of service and retire before age 62, payment starting at age 62 as long as continue coverage (retiree-paid) to age 62.</p> <p>Under 25 years of service; PEMHCA Minimum benefit (\$149/month for 2022 and \$151/month for 2023) phased in over 20 years, beginning with \$1/month in 2016; currently \$44.70 for 2022 and \$52.85 for 2023.</p>
Eligibility and Benefit for Retirements 8/1/2010 and later:	<p>Age 55/25 years of service: same medical, dental, vision benefits for retiree and spouse as active employees</p> <p>Retiree pays a fixed dollar amount of the premiums, equal to the same percentage used to calculate the retiree's pension benefit times the active contribution percentage towards premium at retirement. The retiree's contribution remains fixed. Retirees may purchase spouse or family coverage by paying the full premium.</p> <p>Disability retirees with 25 years of service, along with their spouses, receive the same medical benefit as active employees until they are eligible for Medicare.</p>





Attachment C  
Cover Page



# San Joaquin Regional Transit District – July 1, 2022 Actuarial Valuation - Pension

	Valuation Date						
	July 1, 2021		July 1, 2022				
Funded Status							
Actuarial Accrued Liability	\$78.8 M	<u>Funded Ratio</u>	\$79.6 M	<u>Funded Ratio</u>			
Actuarial Value of Assets (AVA)	<u>50.3 M</u>	63.8%	<u>51.4 M</u>	64.5%			
Unfunded Actuarial Accrued Liability	28.5 M		28.3 M				
Market Value of Assets	55.6 M	70.5%	46.9 M	59.0%			
		<u>Number of Members</u>		<u>Number of Members</u>			
Active Actuarial Accrued Liability	\$24.0 M	125	\$23.0 M	110			
Inactive Actuarial Accrued Liability	54.8 M	186	56.6 M	186			
Inactive Portion Covered by AVA	92%		91%				
Contributions	Non-PEPRA	PEPRA	Non-PEPRA	PEPRA			
	2022/23	Members	2023/24	Members			
	<u>Rate</u>	<u>2022/23 Rate</u>	<u>Rate</u>	<u>2023/24 Rate</u>			
		<u>Expected</u>		<u>Expected</u>			
		<u>2022/23 Cost</u>		<u>2023/24 Cost</u>			
	District	32.42%	32.42%	\$ 2.6 M	32.68%	32.68%	\$ 2.8 M
	Member	<u>19.69%</u>	<u>21.06%</u>	<u>1.7 M</u>	<u>20.50%</u>	<u>22.30%</u>	<u>1.8 M</u>
Total	52.11%	53.48%	4.3 M	53.18%	54.98%	4.6 M	
Projected Payroll	(% of limited pay)	(% of limited pay)	\$ 8.1 M	(% of limited pay)	(% of limited pay)	\$ 7.8 M	

## Significant Factors Impacting 2023/24 Contribution Rates

Update mortality improvement	→	Increased contribution rates
Extend 77% funded target date	→	Decreased contribution rates
Demographic gains due to termination & other experience	→	Decreased contribution rates
Investment earnings less than expected	→	Increased contribution rates

## Definitions

**Present Value of Projected Benefits (PVPB):** The present value of all future benefits for current plan members.

**Actuarial Accrued Liability (AAL):** The portion of PVPB attributed to past service. AAL is recognized over service through retirement. So, AAL equals PVPB for retirees.

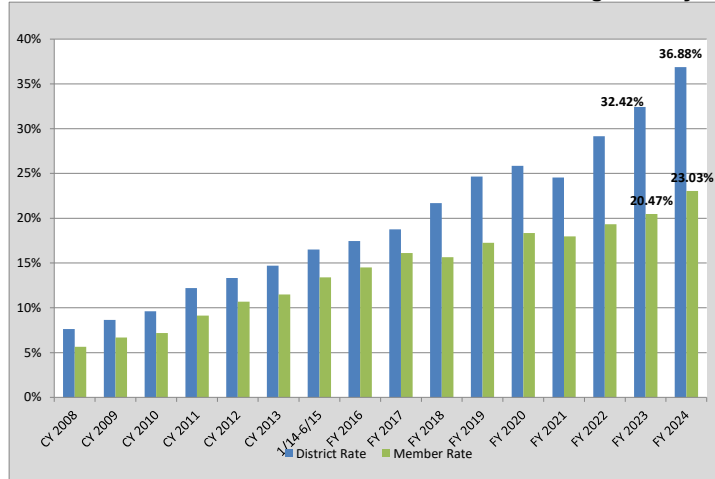
**Unfunded Actuarial Accrued Liability (UAAL):** The difference between AAL and the actuarial value of assets.

**Normal Cost:** Portion of PVPB allocated to or earned during the coming year. AAL is the accumulation of all past NC.

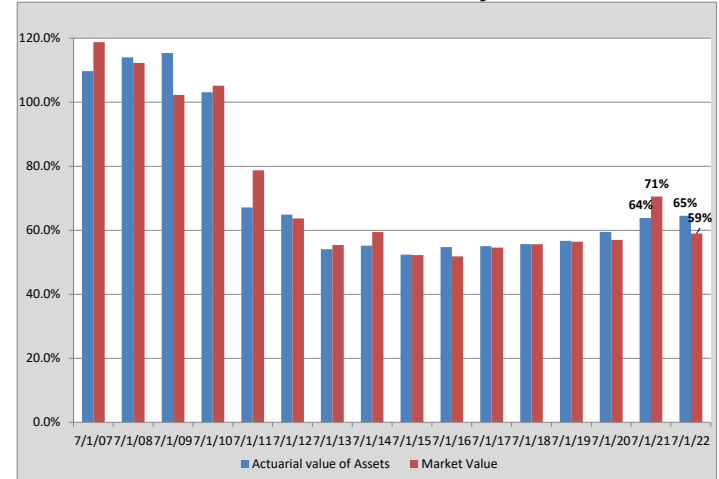


# San Joaquin Regional Transit District – July 1, 2022 Actuarial Valuation - Pension

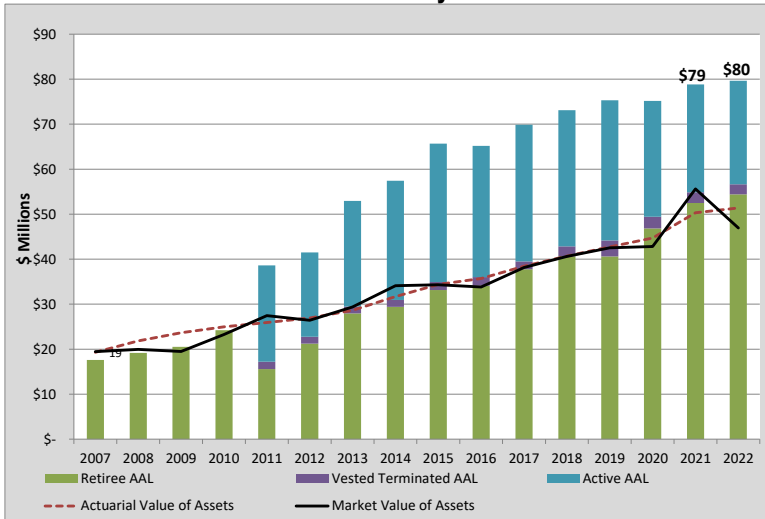
**District & Member Contribution Rates as a Percentage of Payroll**



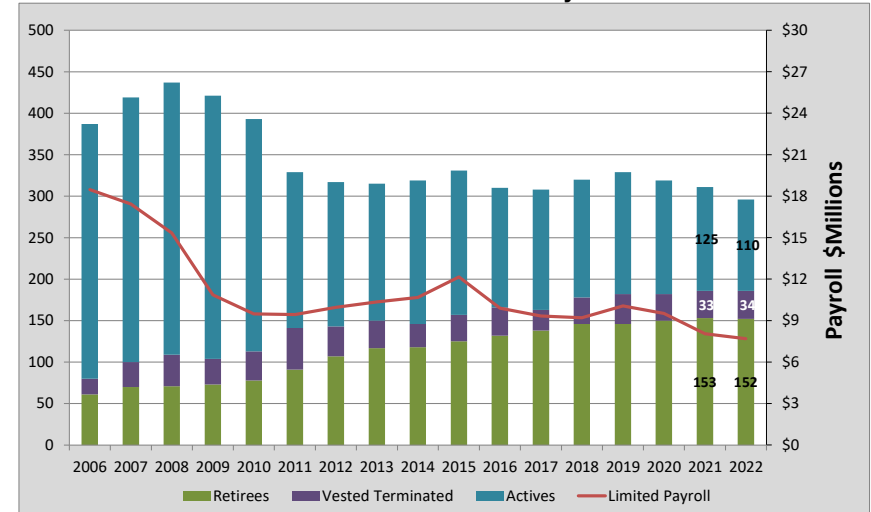
**Plan Funded Ratios on July 1**



**Actuarial Accrued Liability & Asset Values**



**Member Counts and Payroll**



## Major Factors Influencing Results

- Workforce reductions and Plan, method, & assumption changes in 7/1/2011 valuation. Information prior to 7/1/2012 taken from prior actuary's reports.
- 2012 and later: Strengthening of actuarial assumptions/methods (e.g., discount rate, life expectancies, future COLAs, and actuarial cost method)
- 1/1/17 Plan closed to nonvested non-represented employees. 2017: Further strengthening of actuarial assumptions (discount rate, inflation).
- 2021: Further strengthening of actuarial assumptions (discount rate, inflation), and discretionary supplemental contributions per Resolution No. 5993.



## San Joaquin Regional Transit District – July 1, 2022 Actuarial Valuation - Pension

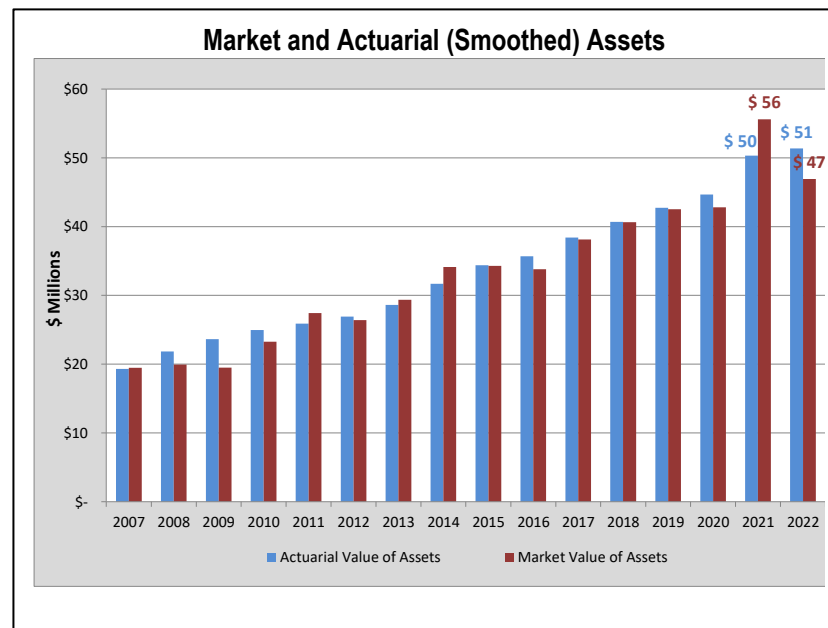
<b>Investment Earnings:</b>	<u>FY 2020/21</u>	<u>FY 2021/22</u>
Market Value	27.5%	(13.2%)
Actuarial (Smoothed) Value	10.0%	4.9%
Expected	6.50%	5.95%

### Asset Reconciliation – Market Value of Assets (\$ millions)

	<u>FY 2020/21</u>	<u>FY 2021/22</u>
<b>Beginning of Year Assets</b>	\$ 42.8	\$ 55.6
Contributions - District	4.7	2.4
Contributions - Members	1.4	1.5
Benefit Payments	(4.1)	(4.4)
Member Refunds	(0.7)	(0.7)
Administrative Expenses	(0.1)	(0.1)
Investment Income	<u>11.6</u>	<u>(7.3)</u>
<b>End of Year Assets</b>	55.6	46.9

### Target Asset Allocation (effective March 2016)

Equities	60%
Fixed Income	39%
Cash	<u>1%</u>
<b>Total</b>	100%



<b>Volatility Ratios</b>	<u>7/1/21</u>	<u>7/1/22</u>
Asset Volatility Index (MVA/Payroll*)	6.6	5.7
Liability (100% funded) Volatility Index (AAL/Payroll*)	9.3	9.7
Maturity Ratio (Retiree Count/Total Count)	49.2%	51.4%
Maturity Ratio (Retiree AAL/Total AAL)	66.6%	68.3%

\* without PEPR limits

This summary includes information from the July 1, 2022 Actuarial Valuation Report for the San Joaquin RTD Retirement Plan. Detailed information regarding results, assumptions, methods, and plan provisions as of July 1, 2022 is included in that report.





# San Joaquin Regional Transit District – July 1, 2022 Actuarial Valuation - Pension

## Actuarial Methods

Actuarial Cost Method	Entry Age Normal, level % of pay
Amortization	Level % of pay; closed amortization period - 15 years remaining from July 1, 2023
Asset Valuation Method	5-year smoothing of differences between each year's expected and actual market returns

## Actuarial Assumptions

Long-Term Inflation Rate	2.50%
Discount Rate	5.95% net of investment expenses
Salary Increases	2.50% inflation + 0.25% productivity + merit/longevity increases
Salary Scale (merit)	CalPERS 1997-2011 Experience Study for Misc agencies
Adjustment for Sick Leave/Vacation Cashouts	Final average compensation for non-PEPRA members loaded 2.3% Represented, 8.3% Non-Represented
Post-retirement Cost-of-Living Increases	0.88% per year
Healthy Mortality	RP-2014 Table, Blue Collar/White Collar, fully generational mortality improvement, Society of Actuaries Scale MP-2021

## Retirement Benefits Summary (current employees)

Service Retirement if Hired < 8/1/2010 ("Classic Member")	Union: Normal retirement at age 55 & 20 yrs service or 62 & 5 yrs service: 2.0% of high 3-year average compensation x yrs credited service. Non-Rep: Normal retirement at age 55 & 10 yrs service, 62 & 5 yrs service, or any age with 25 yrs: 2.0% of high 3-year average compensation x yrs of credited service. Actuarial increases for retirement between ages 62 and 65 are applied for both Union and Non-Rep. All retirees receive greater of this benefit or the benefit paid for hires on or after 8/1/2010.					
Service Retirement if Hired ≥ 8/1/2010 ("Classic Member")	Normal retirement at age 55 with 20 years of service or age 62 and 5 years of service, highest 3-year average compensation x years of credited service x %'s below. <table><tr><td><u>Years of Service At Retirement</u></td><td><u>Percentage of Monthly 3-Year Average Compensation</u></td></tr><tr><td>Less than 25 // 25 to 29 // 30 or more</td><td>2.00% // 2.25% // 2.50%</td></tr></table>		<u>Years of Service At Retirement</u>	<u>Percentage of Monthly 3-Year Average Compensation</u>	Less than 25 // 25 to 29 // 30 or more	2.00% // 2.25% // 2.50%
<u>Years of Service At Retirement</u>	<u>Percentage of Monthly 3-Year Average Compensation</u>					
Less than 25 // 25 to 29 // 30 or more	2.00% // 2.25% // 2.50%					
Service Retirement if Hired ≥ 1/1/2013 No immediately previous California governmental service ("PEPRA Member")	Retirement at age 52 with 5 yrs service: high 3-year average compensation x yrs credited service x %s. <table><tr><td><u>Age At Retirement</u></td><td><u>Percentage of Monthly 3-Year Average Compensation</u></td></tr><tr><td>52 // 55 // 60 // 62 // 65 // 67 or more</td><td>1.0% // 1.3% // 1.8% // 2.0% // 2.3% // 2.5%</td></tr></table> Compensation: regular pay only, no bonus, overtime, or sick/vacation cash-out. 2022 limit: \$134,974.		<u>Age At Retirement</u>	<u>Percentage of Monthly 3-Year Average Compensation</u>	52 // 55 // 60 // 62 // 65 // 67 or more	1.0% // 1.3% // 1.8% // 2.0% // 2.3% // 2.5%
<u>Age At Retirement</u>	<u>Percentage of Monthly 3-Year Average Compensation</u>					
52 // 55 // 60 // 62 // 65 // 67 or more	1.0% // 1.3% // 1.8% // 2.0% // 2.3% // 2.5%					
Early Retirement	Age 55 with 10 years of service before 7/1/22 or after 7/1/22 if plan is at least 77% funded					
Post-Retirement Cost-of-Living Increases	0%, 1% or 2% dependent on CPI and excess of actual market return over assumed discount rate; No COLA on accruals after 7/1/22 until plan is 77% funded.					
Additional Plan Provisions	Refer to July 1, 2022 actuarial report					





Attachment D  
Cover Page

RESOLUTION NO. \_\_\_\_\_  
DATED FEBRUARY 23, 2023

RESOLUTION APPROVING THE FY 2022 ACTUARIAL VALUATION AND  
FY 2024 CONTRIBUTION RATES

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Retirement Board of the San Joaquin Regional Transit District that the FY 2022 actuarial valuation for Fiscal Year 2024 contribution rates including assumption changes are hereby accepted.

FY 2024 Rates are as follows:

	District	Classic Member	PEPRA Member
<b>Pension</b>	32.68%	20.50%	22.30%
<b>Health Paid to Pension</b>	4.20%	1.49%	1.49%
<b>Total Pension</b>	36.88%	21.99%	23.79%





Attachment E  
Cover Page

# Overview



# Overview/Background

- 7/1/2022 valuation for fiscal 2023/24 contribution rates
- No plan changes since prior valuation (prior valuation included 3 bargained changes)
  - Eliminated early retirement and COLA increases on future benefit accruals after 7/1/22 until plan is 77% funded
  - Excluded certain non-recurring pay types and unscheduled overtime from pensionable compensation beginning with 2022/23 year

# Overview/Background - Continued

- Some factors which impacted rates since prior valuation:
  - Investment losses! (both plans)
  - Pension gain due to no cola at 7/1/2022
  - OPEB gain due to actual medical premiums lower than expected
  - OPEB loss due to medical trend update
  - Gains (both plans) due to extending the date when pension plan will reach 77% funded status (due to suspension of cola and early retirement)



# Overview/Background – RTD Board Resolution No. 5993

- Assets and funded status (not rates) affected by \$6M discretionary supplemental contribution by District in June 2021
  - Pension \$2.773 million
  - OPEB \$3.307 million (targeting 80% funded at 7/1/20)
- For 21/22 (current year), 22/23, and 23/24:
  - District OPEB contribs → Pension plan
  - ½ Members OPEB contribs → Pension plan
  - No contributions into OPEB plan



# Background –

## Pension Cost of Living Adjustment

- 0% COLA increase for current pension retirees retroactive to July 1, 2022
- COLA is CPI increase from January, capped at
  - 2% - if the Fund's market value return exceeds the assumption by at least 2%
  - 1% - if the Fund's market value return exceeds the assumption by at least 1%
- No COLA in 2012, 2015, 2016, 2019, or 2020.
- 1.0% in 2013, 1.5% in 2014, 1.8% in 2017, 1.0% in 2018, and 1.6% in 2021.



# Payroll Impact on Contribution Rates

## Total Contribution Amounts in \$000's

2022/23

2023/24

Contribution Year

## Total of Pension & Health

### ■ Total Contribution

• Normal Cost	\$ 1,488	\$ 1,424
• Administrative Expense	114	123
• UAAL Amortization	2,275	2,621
• Health Contribution to Pension	387	438
• Total Cost	4,264	4,605

Lower salaries decrease future pension benefits. The normal cost and Actuarial Accrued Liability decrease. The \$ contribution would decrease except for other losses.

### ■ Projected Limited Plan Payroll

8,061

7,687

Contribution Rates:  $\frac{\$4,264}{8,061} = 52.9\%$

$\frac{\$4,605}{7,687} = 59.9\%$



# Illustration of Valuation Pays

- Projected payroll for the following year is used to calculate contribution rates
  - Total District payroll expected to increase 2.75% per year
    - New non-represented employees not in the retirement plan.

Group	Classic / PEPRA	2020 Valuation	2021 Valuation	2022 Valuation
		Expected pay for 2021/22	Expected pay for 2022/23	Expected pay for 2023/24
Non-represented	Classic	\$ 1,848,719	\$ 1,293,038	\$ 1,151,202
Represented	Classic	3,370,013	2,194,171	2,076,772
Represented	PEPRA	4,294,737	4,574,162	4,458,735
	Sub-total:	7,664,750	6,768,333	6,535,507
	Total:	\$ 9,513,469	\$ 8,061,371	\$ 7,686,709

Expected Represented pay with 2.75% increase = 6,954,000  
 Actual is 3.4% decrease instead of 2.75% increase

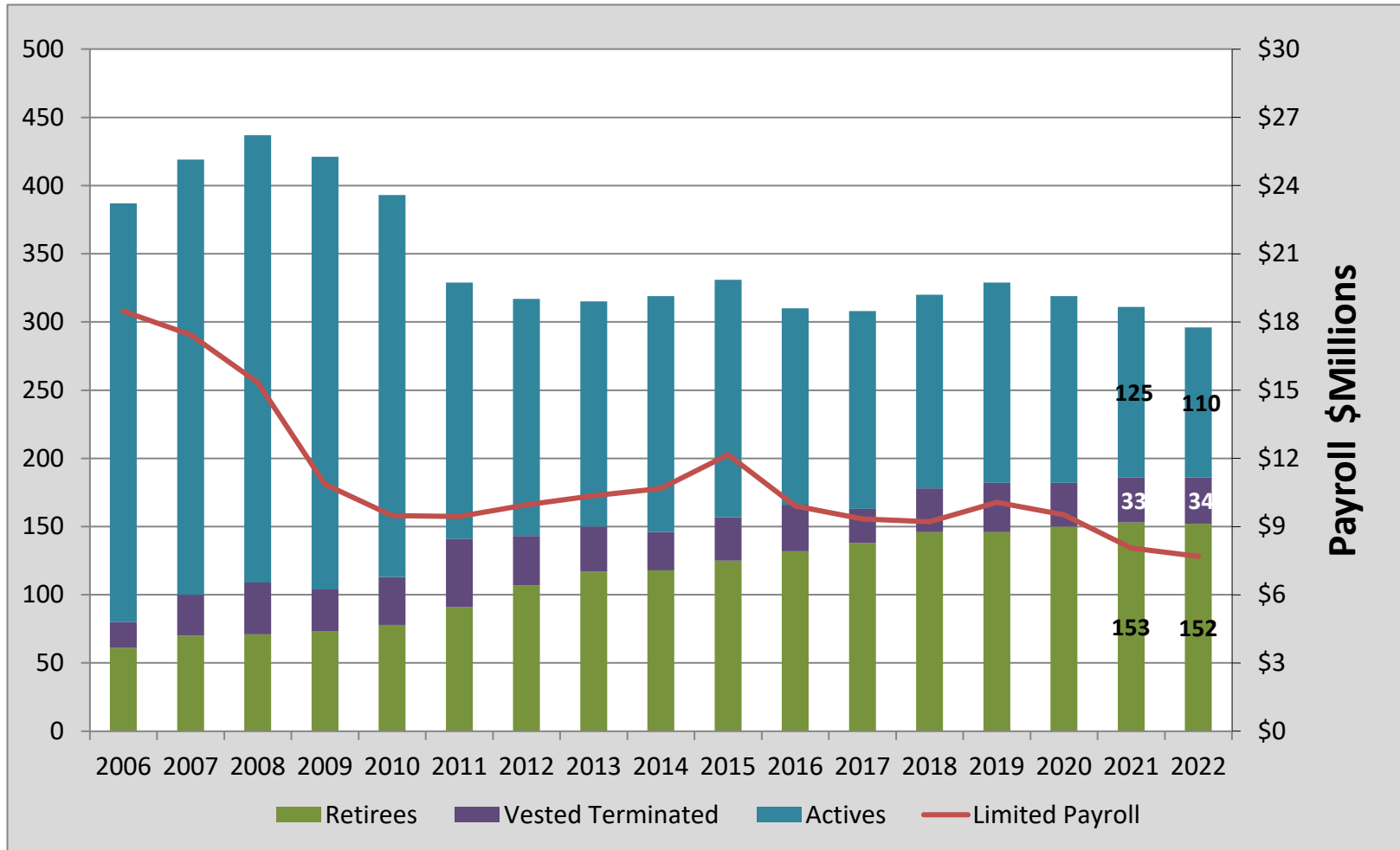


# Valuation Results

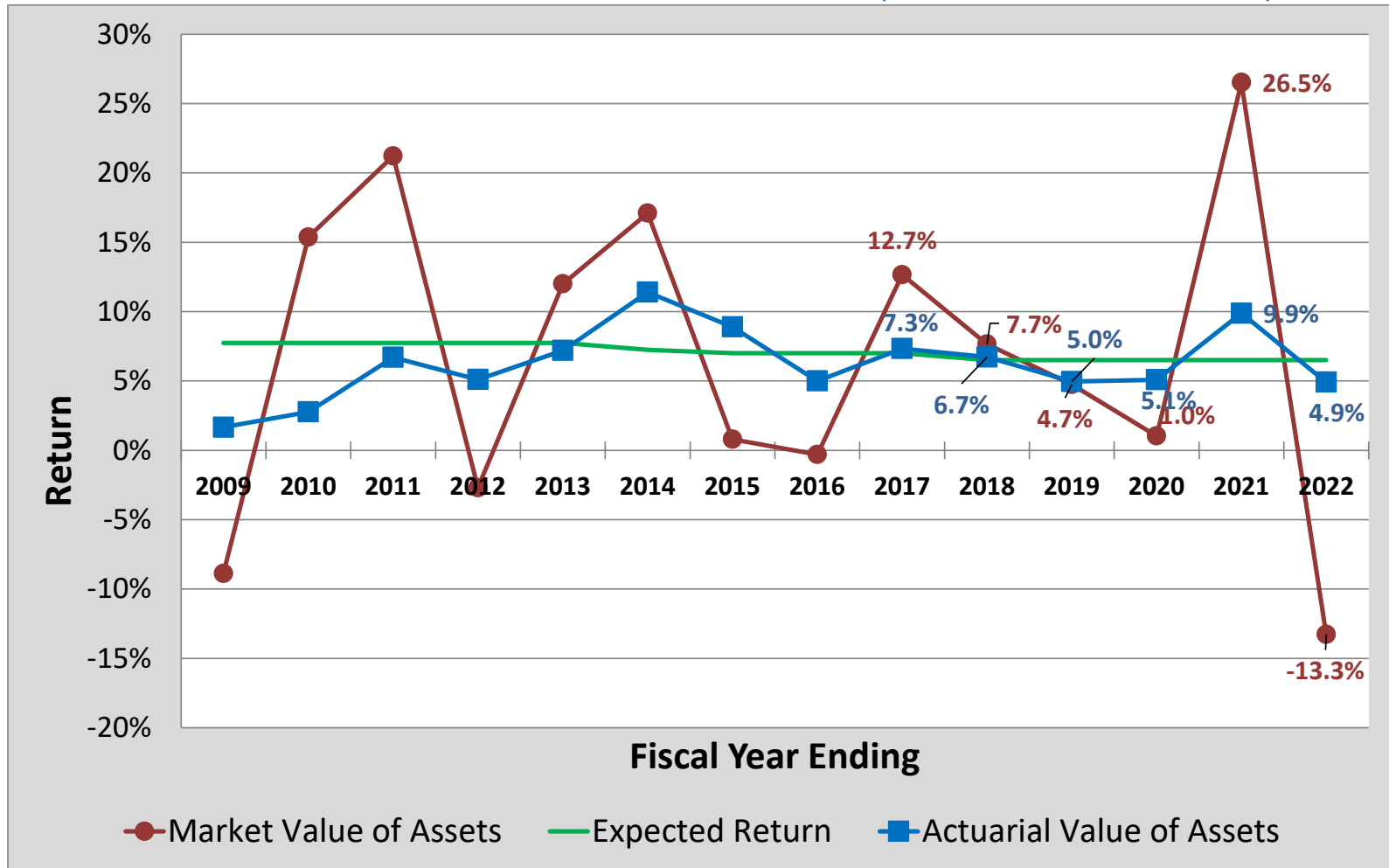
## Pension



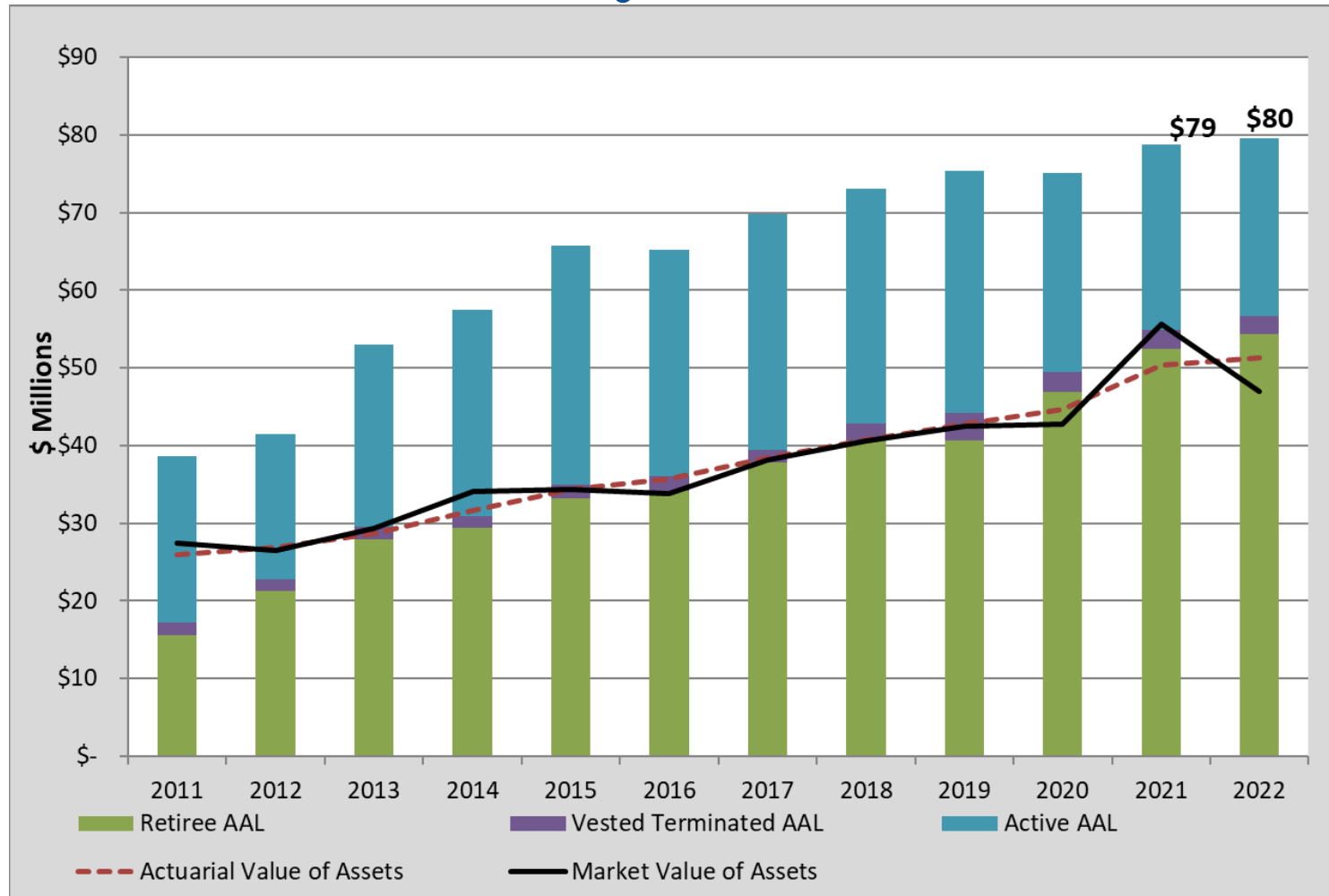
# Member Counts & Payroll – Pension



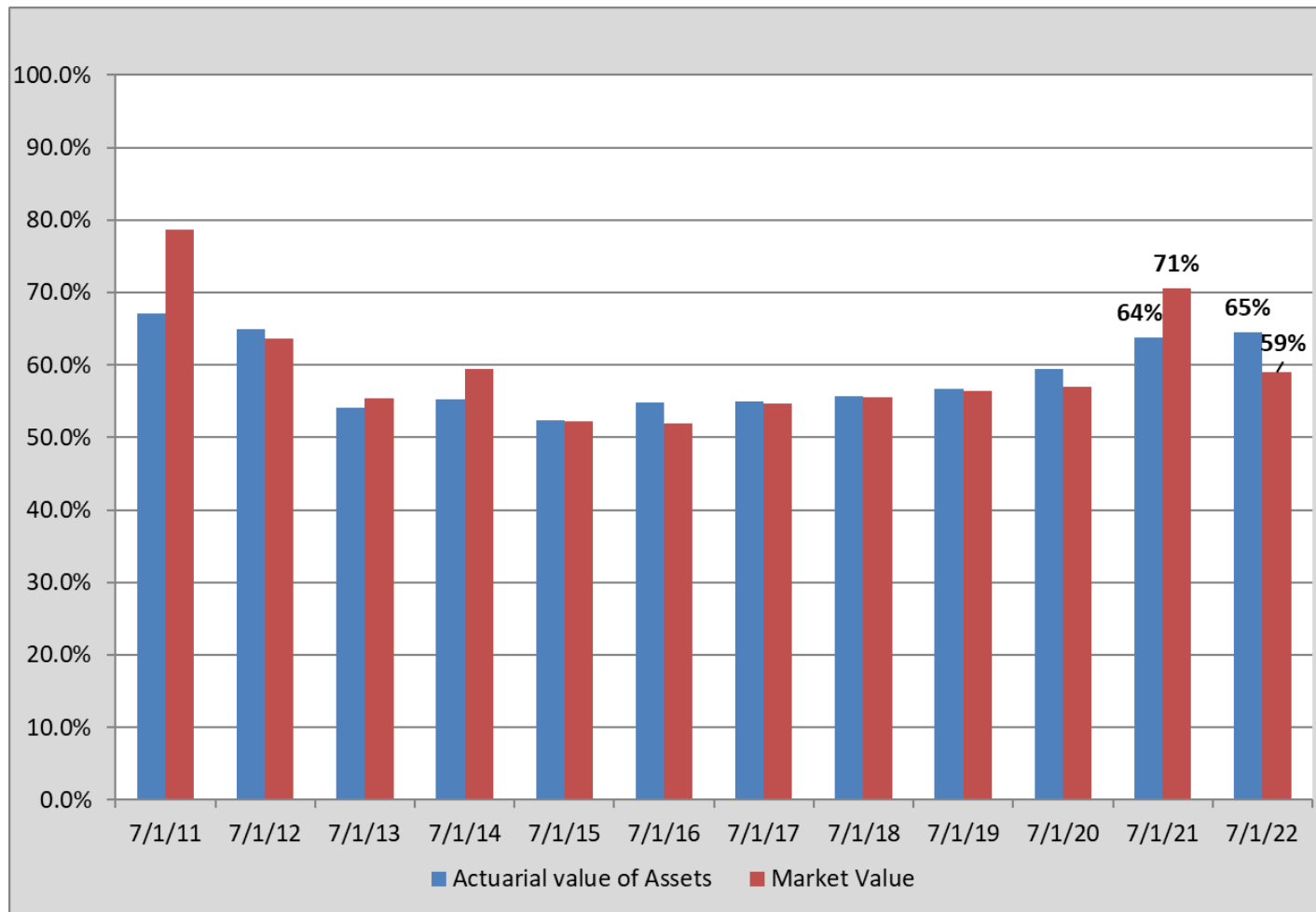
# Investment Return (combined)



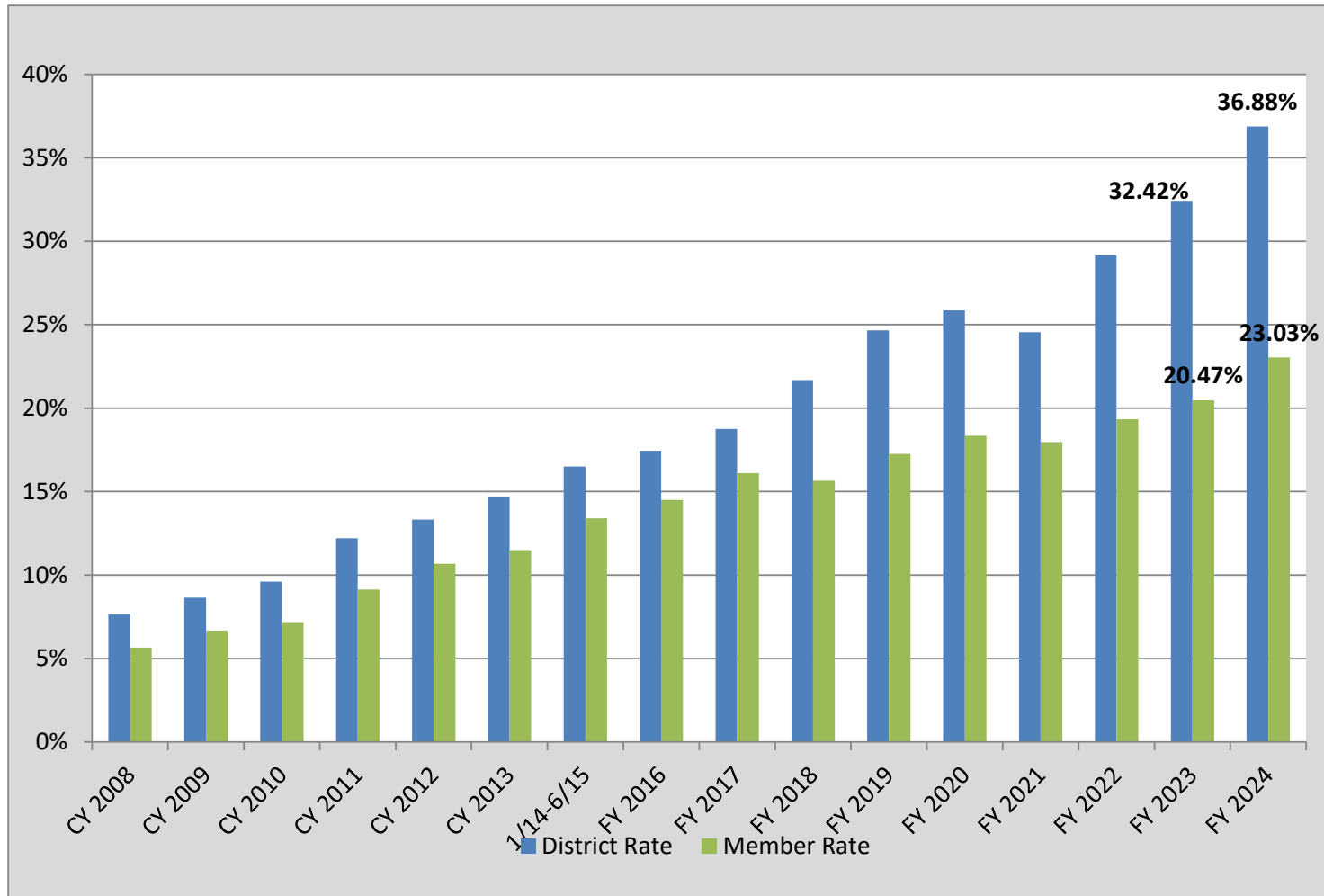
# Actuarial Liability & Assets – Pension



# Funded Ratios – Pension



# Contribution Rate – Pension



# Change in Pension Contribution Rate

	Pension
<b>2022/23 Contribution Rate</b>	<b>48.09%</b>
Future payroll lower than expected	5.74%
Demographic/Other	-1.13%
Retiree COLA less than expected	-0.56%
Change in optional form election and 77% funded status date extension	0.00%
Mortality improvement assumption; administrative expense increase	0.41%
Lower than expected contributions into fund from lower than expected payroll	0.87%
Investment losses on actuarial (smoothed) asset value	<u>0.78%</u>
<b>Total Change</b>	<b>6.13%</b>
<b>2023/24 Contribution Rate</b>	<b>54.23%</b>
* Contribution rates as a percentage of limited pensionable pay; exclude impact of discretionary supplemental contribution and exclude redirected OPEB contributions	

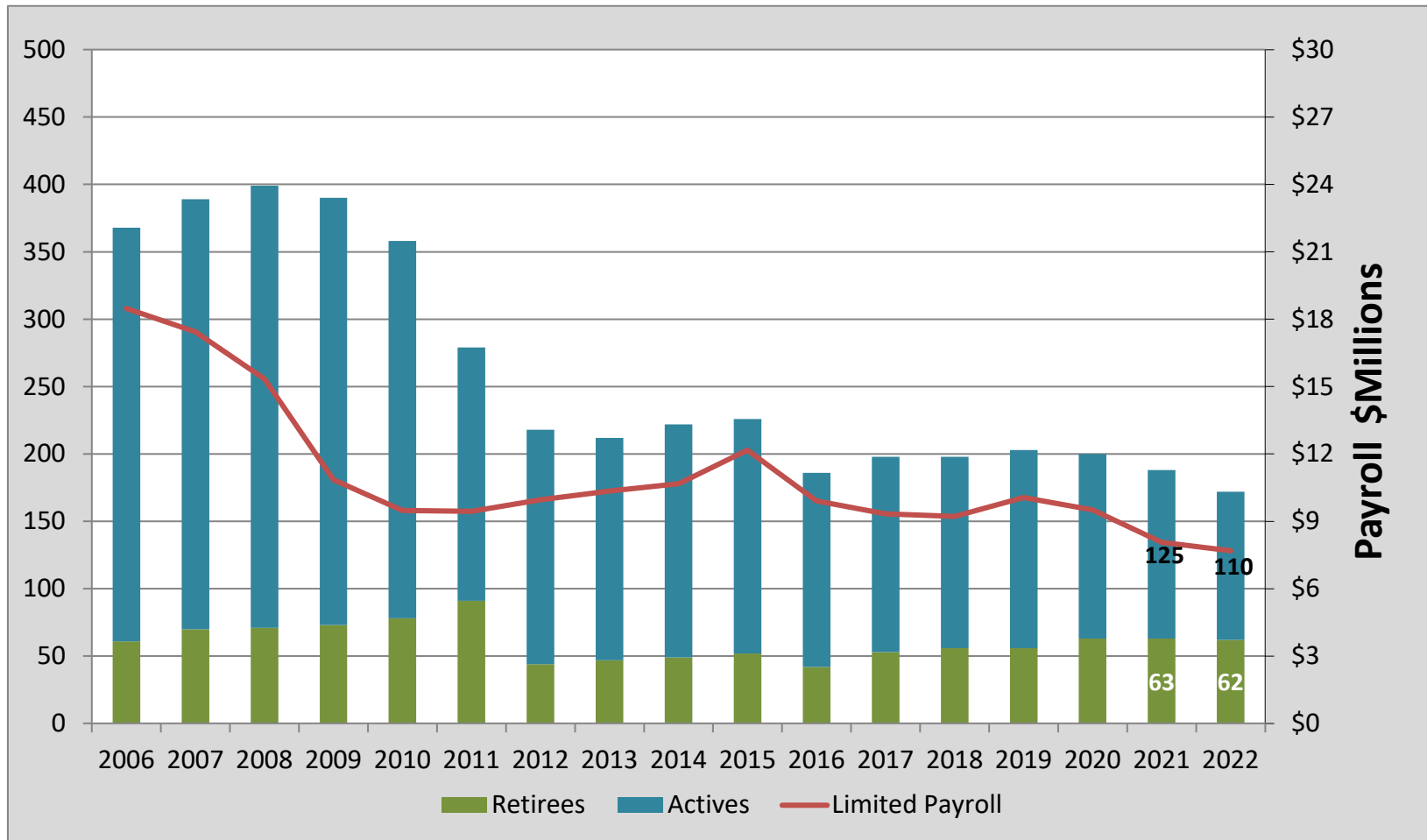
# Valuation Results

## OPEB

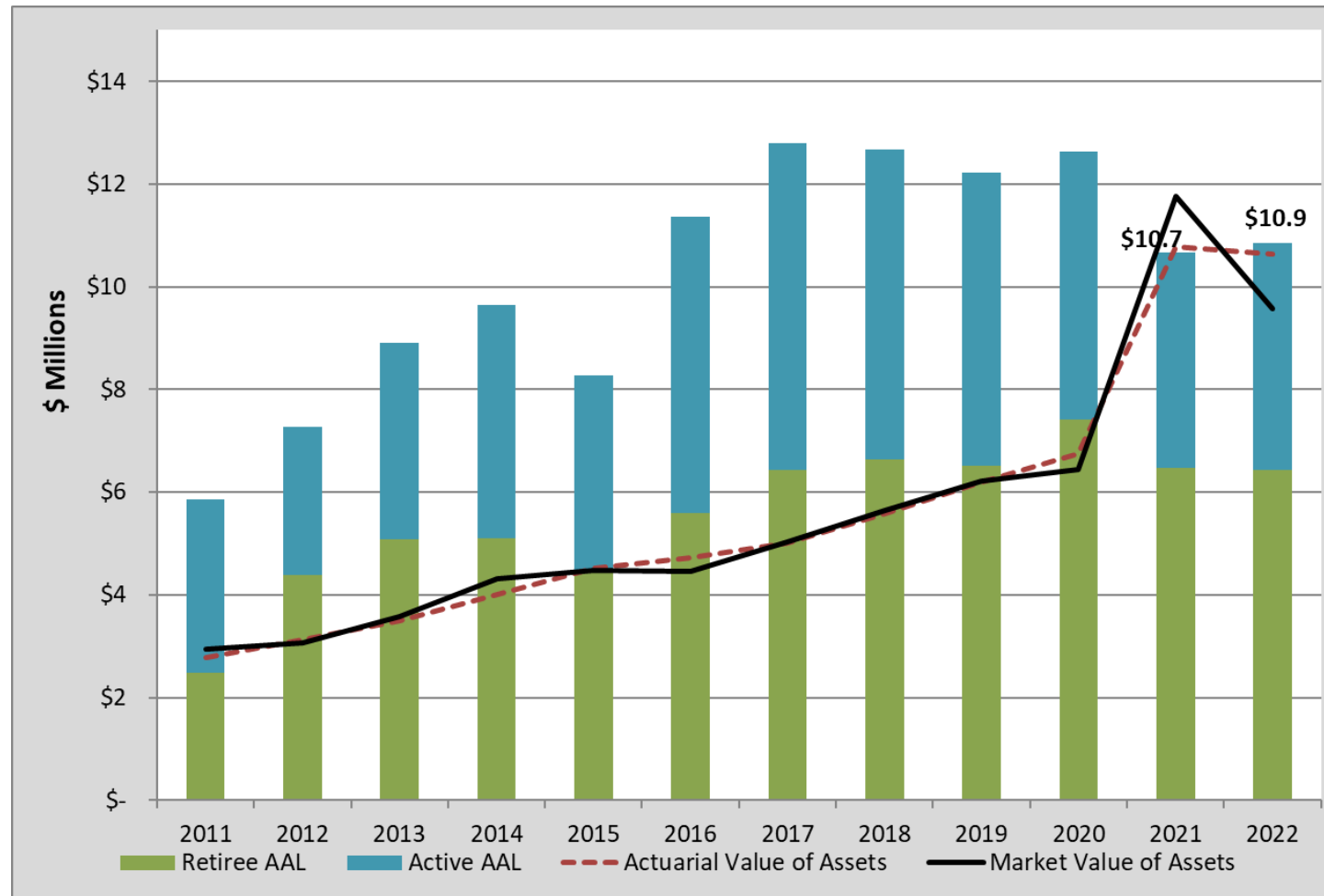




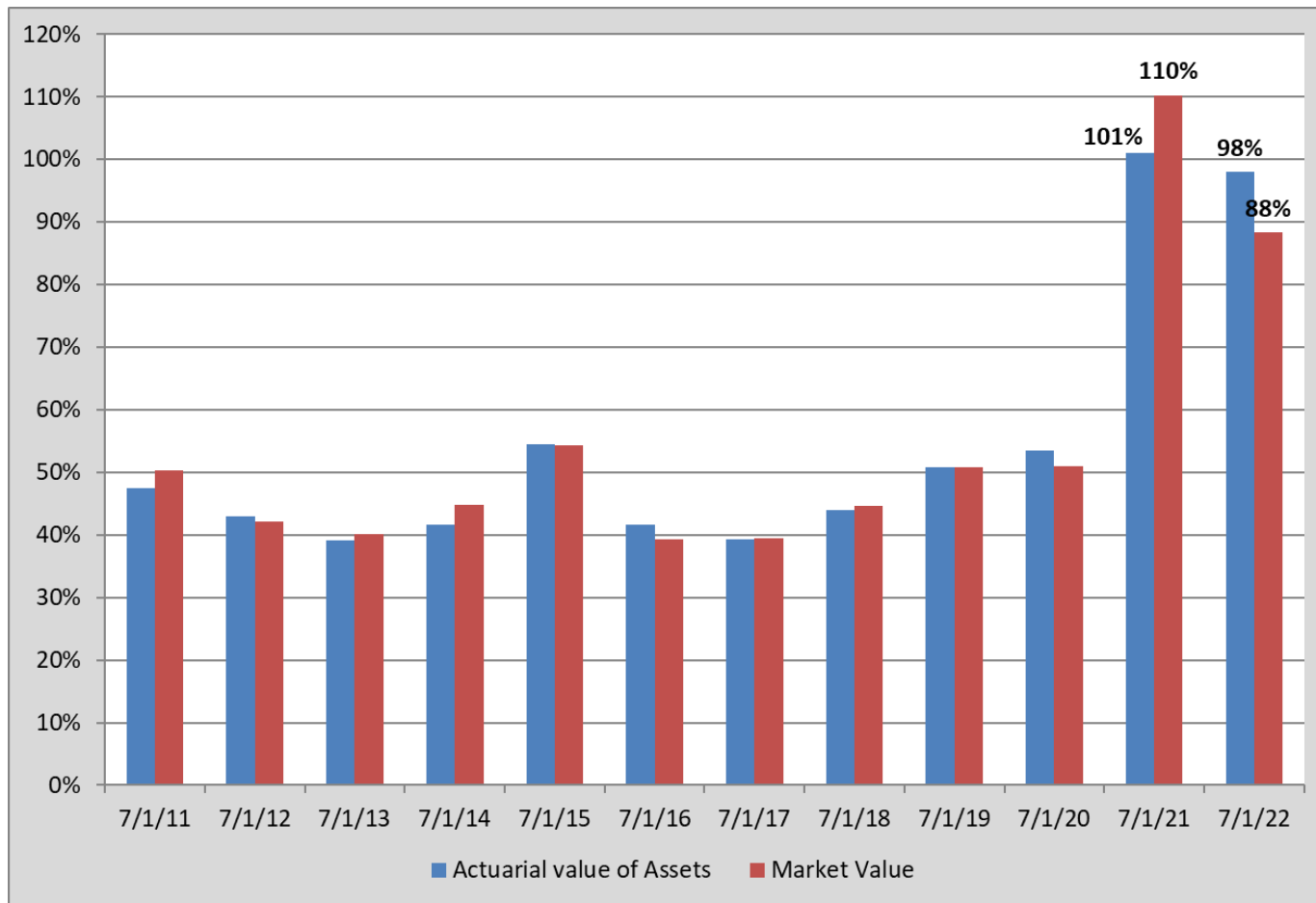
# Member Counts & Payroll – OPEB



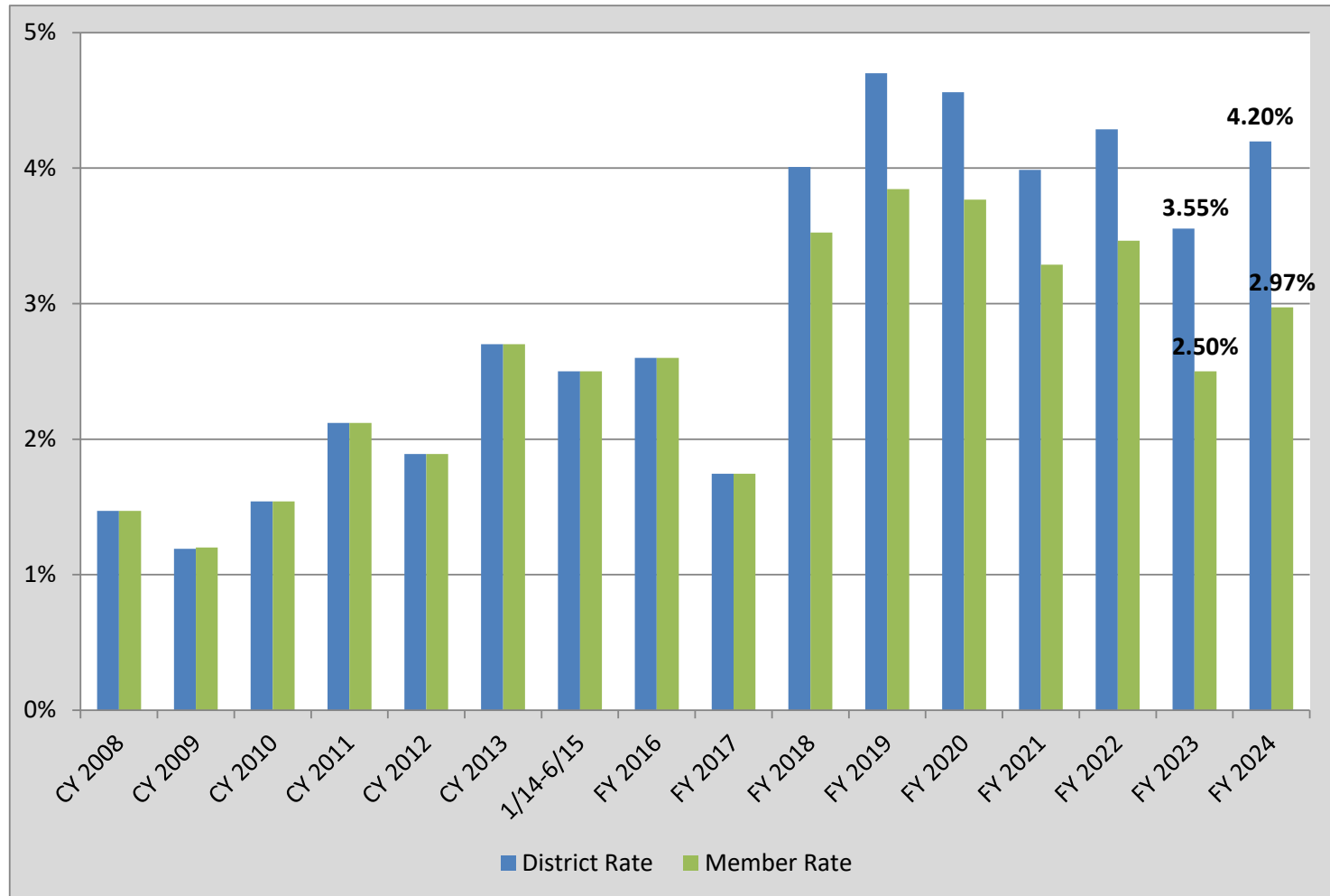
# Actuarial Liability & Assets – OPEB



# Funded Ratios – OPEB



# Contribution Rate – OPEB



# Change in OPEB Contribution Rate

	OPEB
<b>2022/23 Updated Contribution Rate</b>	<b>6.33%</b>
Payroll lower than expected	1.31%
Demographic/Other	-0.37%
Changes to medical trend	0.99%
Actual premiums lower than expected	-0.61%
Mortality improvement assumption; administrative expense increase	0.06%
Update to 77% funded status date	-0.28%
Investment losses on actuarial (smoothed) asset value	<u>0.20%</u>
Total Change	1.29%
<b>2023/24 Contribution Rate</b>	<b>7.63%</b>
* Contribution rates shown on an adjusted basis, as a percentage of limited pay; exclude impact of discretionary supplemental contribution and exclude redirected OPEB contributions	

# 2023/24 Contributions

	District	Classic Members	PEPRA Members	Pay Basis
<b>2022/23 Contribution Rates</b>				
Pension	28.87%	18.44%	19.81%	PEPRA-limited
OPEB	3.55%	2.50%	2.50%	Unlimited
	32.42%	20.94%	22.31%	Mixed
<b>Current 2022/23 Contribution Rates</b>				
Pension	28.87%	18.44%	19.81%	PEPRA-limited
OPEB rate paid to pension	3.55%	1.25%	1.25%	PEPRA-limited
Total Pension Contribution Rate	<b>32.42%</b>	<b>19.69%</b>	<b>21.06%</b>	PEPRA-limited
Total OPEB Contribution Rate	0.00%	0.00%	0.00%	
<b>2023/24 Contribution Rates</b>				
Pension	32.68%	20.50%	22.30%	Plan- and PEPRA-limited
OPEB	4.20%	2.97%	2.97%	Unlimited
Total	36.88%	23.47%	25.27%	Mixed
<b>2023/24 Recommended Contribution Rate</b>				
Pension	32.68%	20.50%	22.30%	Plan- and PEPRA-limited
OPEB rate paid to pension	4.20%	1.49%	1.49%	Plan- and PEPRA-limited
Total Pension Contribution Rate	<b>36.88%</b>	<b>21.99%</b>	<b>23.79%</b>	<b>Plan- and PEPRA-limited</b>
Total OPEB Contribution Rate	0.00%	0.00%	0.00%	
<b>Increase in Recommended Contribution Rates</b>	<b>4.46%</b>	<b>2.30%</b>	<b>2.73%</b>	



# Questions



# Board Motion

- Accept the 7/1/2022 valuation including assumption changes, and the recommended fiscal 2023/24 contribution rates which include the impact of redirecting OPEB contributions to pension (potentially revisiting payroll amounts following fiscal 2023)
- Update the discount rate basis for benefit calculations to be the same as used for the 7/1/2022 valuation







# San Joaquin Regional Transit District Retirement Plan

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July 1, 2022 Valuation Results

February 17, 2023

Mary Beth Redding / Drew Ballard

