

Callan

---

**Manager Due Diligence**

# Callan's Research Resources

A deep bench of dedicated specialists

## Research Team by the Numbers

**57** Specialty consultants

**75%** Callan shareholders

**29** CFA and/or CAIA charterholders

**26** Advanced degrees

## Searches and Database by the Numbers\*

**1,208** Manager searches completed over the last five years

**\$261bn** Assets represented by these searches

**2,000+** Average number of manager meetings per year

**2,600+** Organizations tracked in proprietary database

**16,500+** Strategies tracked in proprietary database

## Commitment to dedicated resources

- Sole focus is research
- Highly valued, high-profile, career positions
- Original research, in-depth due diligence

## Proprietary database and analytics

- Full control over data collection and due diligence
- Clean, detailed, and continuous data

## Searches are client-driven and customized

- No buy-list
- Emphasis on both quantitative and qualitative analysis
- Thorough documentation of entire process

## Oversight committee for manager searches

- Best thinking across the firm
- Ensures quality control and adherence to well-defined and robust process

As of December 31, 2023

---

# Dedicated Resources

## Public Market Research

### U.S. Equity

Corey Schier  
Mark Stahl, CFA  
David Wang

Mark Wood, CFA  
Nicole Wubbena



### Global ex-U.S. Equity

Paul Choi, CFA  
Nicholas Conant, CFA, CAIA  
Lauren Mathias, CFA

Tim Pollard  
Fanglue Zhou



\*Not pictured

# Dedicated Resources

## Public Market Research

### Fixed Income

Aaron Birman\*  
Kristin Bradbury, CFA  
Dario Buechi

Kyle Fekete, CFA  
David Zee, CFA



### Multi-Asset Class

Gary Chang, CFA  
Jason Ellement, FSA, CFA, MAAA  
Pete Keliuotis, CFA

Sean Lee, CFA  
Adam Lozinski, CFA

Kevin Machiz, CFA, FRM  
Joe McGuane, CFA

John Pirone, CFA, FRM, CAIA  
David Welsch, CFA



\*Not Pictured  
\*\*Discretionary only

# Real Assets Team

Real estate, infrastructure, and natural resources

**9** Dedicated team members

**\$46.8bn** Capital commitments underwritten (2021–2023)

**17** Average years of experience

**>400** Manager research meetings per year

Real Estate Debt

Infrastructure Equity and Debt

Real Estate



Bernie Bazile, CAIA  
Barbara Bernard  
Sally Haskins

Munir Iman  
Christine Mays

Jan Mende  
Aaron Quach

Avery Robinson, CAIA  
Lauren Sertich, CAIA

As of December 2023

# Alternatives Investment Team

Private equity, private credit, and marketable alternatives

**16** Dedicated team members

**\$86.6bn** Capital commitments underwritten (2021–2023)

**17** Average years of experience

**>500** Manager research meetings per year

Private Equity

Private Credit

Marketable Alternatives



Pete Keliutis, CFA  
Aidan Davison  
Ashley Kahn, CAIA  
Chrissy Mehnert

David Smith, CFA, CTP  
David Wong, CFA  
Sean Yamamoto\*

Daniel Brown  
Sarie Diloné\*  
Juan Pablo Piz\*

Roxy Quinn  
Cos Braswel  
Catherine Beard, CFA

Sean Lee, CFA  
Joe McGuane, CFA  
David Welsch, CFA

\*Not pictured.

As of January 2024. Does not include 3 MAC specialists in Callan Capital Market Research group.



# Callan's Recent Meetings with Mendocino County's Roster of Investment Managers

For trailing 12-month period

Investment Manager	Number of Firm-Wide Meetings	Strategy	Number of Product-Specific Meetings	Last Meeting Date
AllianceBernstein	25	US Small Cap Growth	3	01/30/2024
Barings LLC	8	Barings Core Property Fund	2	04/03/2024
Capital Group	16	EuroPacific Growth Fund	6	12/15/2023
Dodge & Cox	9	Core Fixed Income	3	12/06/2023
DWS	10	RREEF America REIT II	5	04/25/2024
Fidelity Investments	15	Low Priced Stock	1	02/13/2024
Harris Associates L.P. (Marathon)	3	International Equity	2	02/26/2024
IMF Investors	7	Global Infrastructure	5	02/06/2024
J.P. Morgan Asset Management	45	Infrastructure Investments Fund	3	02/07/2024
Janus Capital Management	6	US Mid Cap Growth	1	07/19/2023
Marathon (Harbor Capital Subadvisor)	12 (1)	Harbor International Strategy	4	03/07/2024
Mondrian Investment Partners Limited	7	All Countries World ex Us Equity	2	02/06/2024
NinetyOne North America, Inc.	4	Global Emerging Markets Equity	2	12/13/2023
PGIM Investments LLC	5	Small Cap Value	1	03/15/2024
PIMCO	16	Total Return Core Plus	2	03/04/2024
T. Rowe Price Associates, Inc.	35	International Small Cap Equity	2	01/26/2024
Vanguard Group, Inc. (The)	13	Institutional Index Fund	1	03/01/2024

- Across the firm we prioritize our research efforts to focus on investment management firms and strategies currently employed or actively considered by our clients
- Callan specialists and generalists conduct these visits; we do not have a separate operational due diligence team for public markets research
- Our findings are documented in a proprietary centralized system that is accessible to all manager research and consulting associates
- Onsite visits are performed on a routine basis and in special situations based on client requests
- Callan frequently meets with the investment managers utilized by Mendocino County
- The current investment manager roster consists of high-quality institutional investment managers

# Manager Monitoring Summary

March 31, 2024

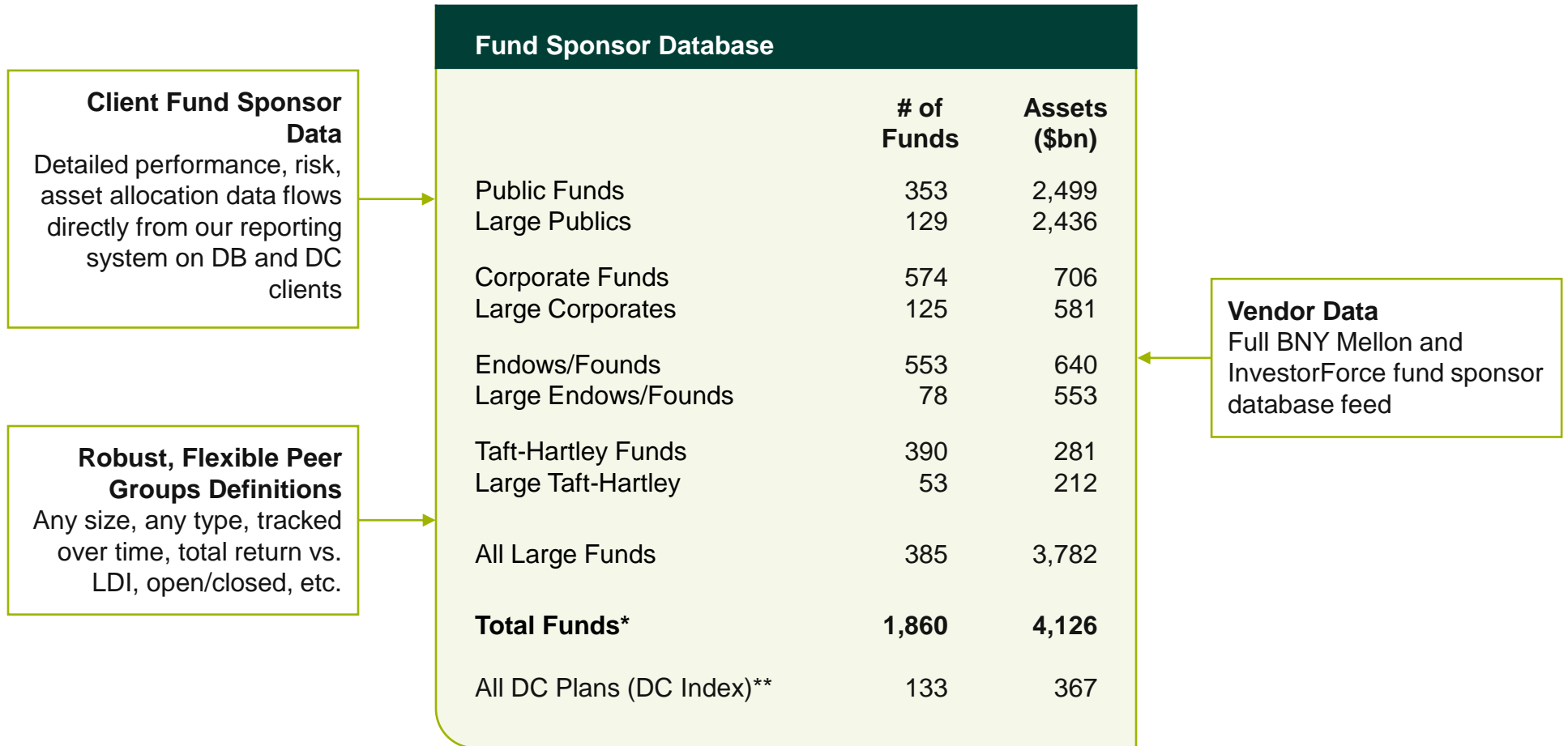
	Philosophy/			Performance
	Overall	Process	Org/Team	
<b>Domestic Equity</b>				
Vanguard S&P 500 Index	Green	Green	Green	Green
Fidelity Low Priced Stock	Yellow	Green	Yellow	Green
Janus Enterprise	Green	Green	Green	Green
Prudential Small Cap Value	Yellow	Green	Yellow	Yellow
AB US Small Growth	Green	Green	Yellow	Green
<b>Non-US Equity</b>				
EuroPacific Growth	Green	Green	Green	Green
Harbor International	Green	Green	Green	Yellow
Oakmark International	Green	Green	Green	Green
Mondrian International	Green	Green	Green	Yellow
T. Rowe Price Intl Small Cap	Green	Green	Green	Green
NinetyOne	Green	Green	Green	Green
<b>Fixed Income</b>				
Dodge & Cox Income	Green	Green	Green	Green
PIMCO	Green	Green	Green	Green
<b>Infrastructure</b>				
IFM Global Infrastructure	Green	Green	Green	Green
JP Morgan Infrastructure	Green	Green	Green	Green
<b>Real Estate</b>				
RREEF America II	Green	Green	Green	Green
Barings Core Property Fund	Yellow	Green	Green	Yellow

- **Fidelity Low Priced Stock:** Notable transition in portfolio manager duties from Joel Tillinghast to new PM's Sam Chamovitz and Morgen Peck in 2023.
- **Prudential QMA Small Cap Value:** The deep value orientation of this strategy came back into favor in 2021 and it has outpaced the Russell 2000 Value Index in 2022 and 2023. Callan continues to monitor the organization and team following turnover in 2021.
- **AllianceBernstein Small Cap Growth:** Bruce Aronow, Co-Chief Investment Officer (CIO) for the US Small and SMID Cap Growth Equities strategies, retired at the end of 2023. Samantha Lau, previous co-CIO for the US Small and SMID Cap Growth Equities strategies, became the sole CIO.
- **Harbor International (Marathon):** The Fund's process and style are extremely flexible which can lead to significant deviations from the benchmark and result in extended periods of under and out performance.
- **Mondrian:** Strategy provides downside protection but has experienced longer term performance struggles during strong up market.
- **Dodge & Cox Income:** Tom Dugan, Director of Fixed Income, retired at the end 2023 and is succeeded by Lucy Johns, previously Associate Director of Fixed Income.
- **PIMCO:** Lead PM Scott Mather announced leave of absence in 2022, which culminated in his retirement. Qi Wang and Dan Ivascyn were subsequently added to the team.
- **Barings:** Underperformance driven largely by write downs on four office assets in the portfolio.



# Proprietary Fund Sponsor Database

Callan has a huge, detailed fund sponsor database with a long history of tracking return, risk, and asset allocation data on a vast array of fund types and sizes.



\*As of December 31, 2023

\*\*DC Index data as of September 30, 2023

# Manager Research

## Callan's Manager Database

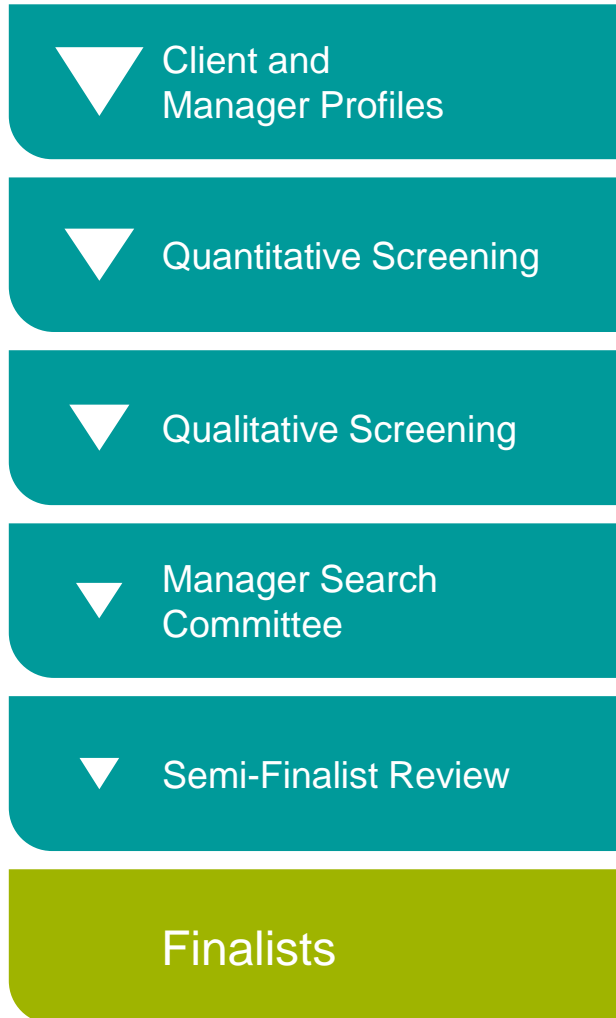
Investment Manager Database				Multiple Manager Touchpoints
	No. Products	No. DWDO Products	No. Managers	
<b>U.S.</b>				<ul style="list-style-type: none"> <li>– 521 DWDO firms in database</li> <li>– 2,000+ manager meetings / onsite annually                             <ul style="list-style-type: none"> <li>– 200 meetings with DWDO firms in 2023</li> </ul> </li> <li>– 240 manager searches per year                             <ul style="list-style-type: none"> <li>– DWDO firms included in each search</li> </ul> </li> <li>– Hundreds of managers analyzed / year via client performance measurement</li> </ul> <p>As of 12/31/23</p>
Equity	3,944	349	985	
Fixed Income	2,933	186	487	
Balanced	256	9	126	
<b>Global ex-U.S. / Global / Emerging</b>				
Equity	3,357	300	1,259	
Fixed Income	639	26	262	
Balanced	131	8	78	
<b>Real Estate</b>				
Private	2,195	159	639	
Public	186	11	84	
<b>Real Assets</b>				
Private	454	21	185	
Public	119	5	74	
<b>Hedge Funds</b>	899	56	257	
<b>Multi Asset Class</b>	163	6	88	
<b>Other</b> (currency, derivatives, etc.)	206	15	141	
<b>Target Date Funds</b>	1,164	0	59	
<b>Total</b>	<b>16,646</b>	<b>1,151</b>	<b>2,690*</b>	
Managers are never charged a fee to be in Callan's database. *Represents Unique Organizations				<b>Private Equity Database</b> 4,742 products 3,716 managers  <b>Private Credit Database</b> 283 products 172 managers

As of December 31, 2023

# Callan's Investment Manager Search Process

An overview

## Manager Search Process



## The Process:

- Every search starts from scratch, no pre-determined “approved” or “buy” lists
- Backed by extensive due diligence and accumulated knowledge of specialist and generalist consultants
- Disciplined and consistent
- Client driven, customized
- Utilizes peer review—Manager Search Committee to ensure quality control

## The Outcome:

- The identification of the managers and products that are the best fit for the investment program and the specific mandate

## Client Participation:

- All parts of this process are transparent
- Any part of this process can be used to supplement a client’s existing search process

# Public Markets Manager Search and Due Diligence

## Qualitative Analysis

### Philosophy/Process

What is the firm's investment philosophy and process?  
Has it remained consistent over time?

How is research conducted and incorporated into the investment process?

### Performance

Is there a rational explanation for periods of large out/underperformance?

### People/Organization

What are the investment professionals' qualifications and experience?

Have there been any significant changes in ownership, personnel or assets under management?

### Portfolio Construction

How are portfolios constructed and what are the parameters?

## Quantitative Analysis

### Historical Performance

How has strategy performed relative to peers and benchmarks over various measures and time periods? (cumulative, calendar year, rolling periods, rising/declining markets, stylistically extreme periods)

### Risk-Adjusted Returns

Have the returns generated by the portfolio been in line with the risks being taken?

### Portfolio Characteristics

Has the managers' holdings been consistent with their stated style over time?

How do these characteristics compare to peers and to stated benchmarks? Does this help explain historical performance patterns given market environment?

### Attribution

What are the sources of relative performance? Is this consistent with stated philosophy, process, and objectives?

---

## Important Disclosures

Information contained in this document may include confidential, trade secret and/or proprietary information of Callan and the client. It is incumbent upon the user to maintain such information in strict confidence. Neither this document nor any specific information contained herein is to be used other than by the intended recipient for its intended purpose.

The content of this document is particular to the client and should not be relied upon by any other individual or entity. There can be no assurance that the performance of any account or investment will be comparable to the performance information presented in this document.

Certain information herein has been compiled by Callan from a variety of sources believed to be reliable but for which Callan has not necessarily verified for accuracy or completeness. Information contained herein may not be current. Callan has no obligation to bring current the information contained herein.

Callan's performance, market value, and, if applicable, liability calculations are inherently estimates based on data available at the time each calculation is performed and may later be determined to be incorrect or require subsequent material adjustment due to many variables including, but not limited to, reliance on third party data, differences in calculation methodology, presence of illiquid assets, the timing and magnitude of unrecognized cash flows, and other data/assumptions needed to prepare such estimated calculations. In no event should the performance measurement and reporting services provided by Callan be used in the calculation, deliberation, policy determination, or any other action of the client as it pertains to determining amounts, timing or activity of contribution levels or funding amounts, rebalancing activity, benefit payments, distribution amounts, and/or performance-based fee amounts, unless the client understands and accepts the inherent limitations of Callan's estimated performance, market value, and liability calculations.

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

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

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

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

Callan is not responsible for reviewing the risks of individual securities or the compliance/non-compliance of individual security holdings with a client's investment policy guidelines.

This document should not be construed as legal or tax advice on any matter. You should consult with legal and tax advisers before applying any of this information to your particular situation.

Reference to, or inclusion in this document of, any product, service or entity should not necessarily be construed as recommendation, approval, or endorsement or such product, service or entity by Callan. This document is provided in connection with Callan's consulting services and should not be viewed as an advertisement of Callan, or of the strategies or products discussed or referenced herein.