Presentation to Provide Investment Consulting Services

Mendocino County Employees Retirement Association

RFP # RET 26-02

May 20, 2026 / Steven Cottle / John Marco

Segal Marco Advisors

Your Investment Consulting Team

Steven Cottle

Senior Consultant
Co-Lead Consultant

David Roll, CFA

Senior Consultant
Co-Lead Consultant

John Marco

Senior Vice President, Head of Growth and Engagement
Strategic Advisor/Executive Sponsor

Support Team

Research | Capital Markets | Global Portfolio Solutions | Performance | Proxy | Fiduciary & Client Services | Operations

Segal Family of Services

Our teams help a wide range of industries. No matter who you are, we can assist you.

Segal

- Administration and Technology Consulting
- Benefit Audit Solutions
- Compensation and Career Strategies
- Compliance
- Health and Welfare Benefits
- HR and Benefits Technology
- Insurance
- Organizational Effectiveness
- Retirement Benefits

Segal Benz

- Benefits Communication
- Communication Strategy
- Personalized Benefit Statements
- Surveys and Focus Groups
- Website and Portal Design

Segal Marco Advisors

- Corporate Governance and Proxy Voting
- Defined Contribution Consulting
- Discretionary Investment Management
- Intermediary/Advisor Solutions
- Investment Consulting
- OCIO (Outsourced Chief Investment Officer)

Not any solution — your solution. Personalized advice and help.

Independent. Research-Driven. Client-First.

0
bias in our guidance

55+
years of trusted expertise

98%
client retention

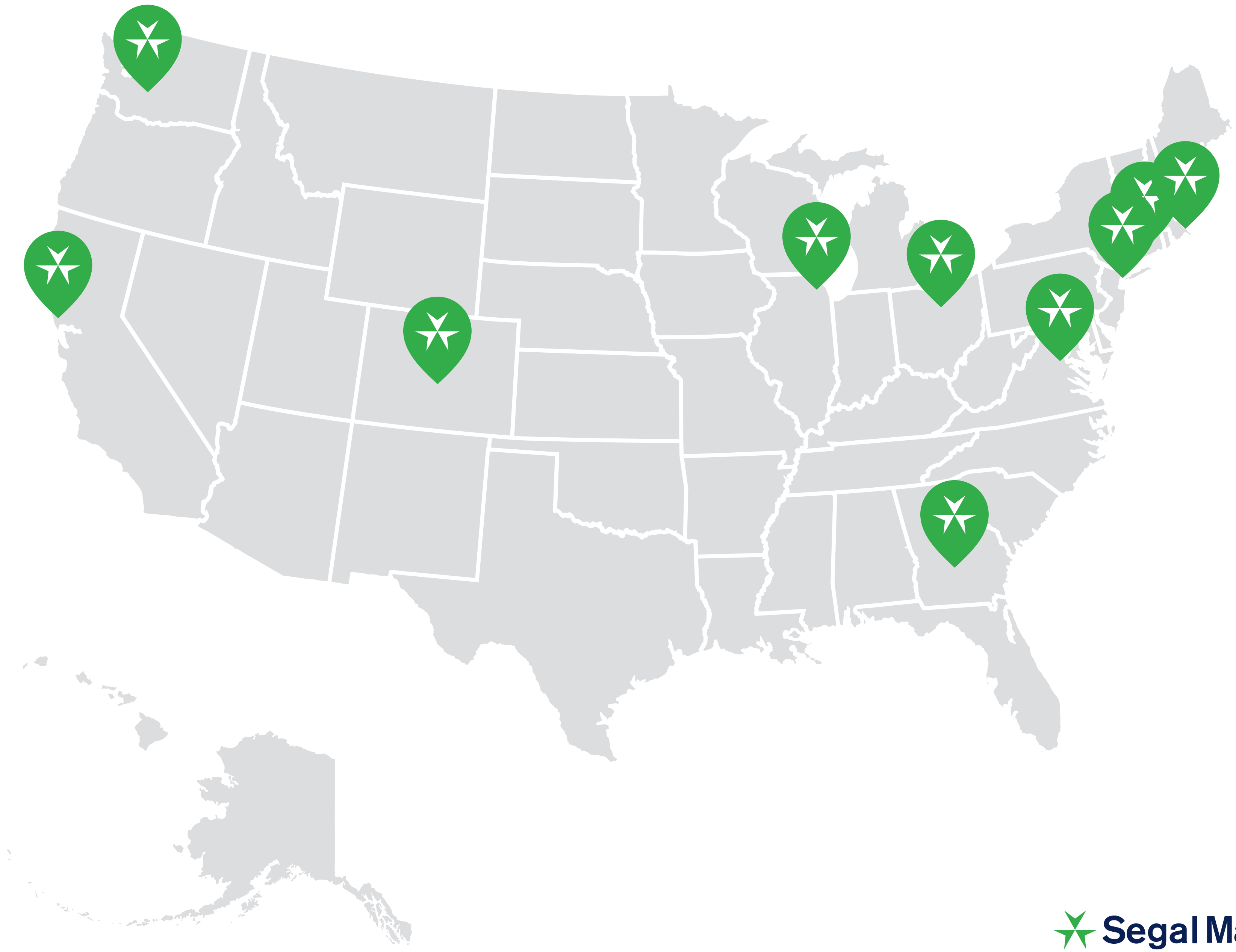
100%
employee owned

400+
clients nationwide

$700B
assets under advisement

Lasting relationships with our clients for as long as **30+ Years**

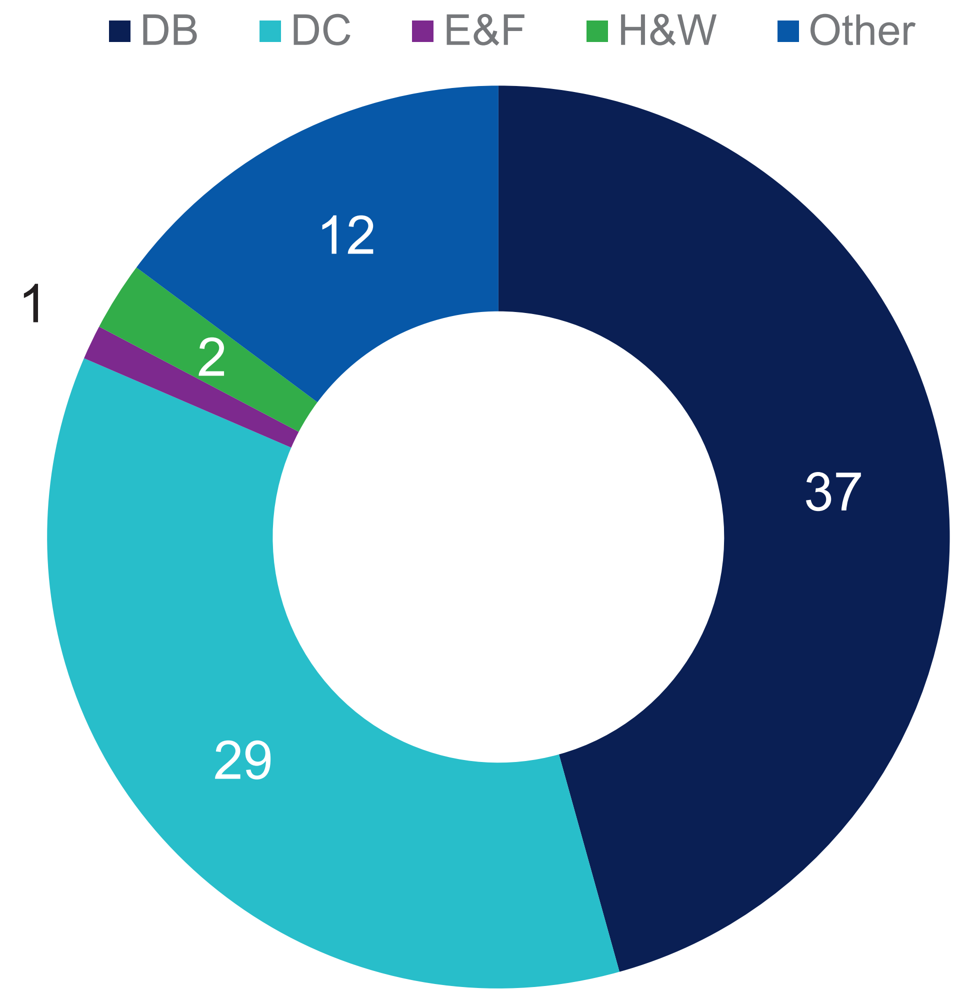
Segal Marco Locations



Public Sector Clients

50+ clients
across nearly 80 plans, managing over
$130 billion
in assets

Number of Plans



Representative Clients of Public Funds

City of Rockville Est. 1860

Boca Raton Florida

DCRetire.com DC 401(a) and 457(b) Plans

Essex Regional Retirement System Established 1937

Board of Education New-York

SCERS

OPPD Omaha Public Power District

West Virginia Board of Treasury Investments

RIDE

New York State Deferred Compensation Plan A Plan for Your Future

Memphis Shelby County Tennessee

Teachers' Retirement System TRS Kentucky

Anne Arundel County Public Schools

The City of San Diego

ERSRI Employees' Retirement System of Rhode Island

Our Investment Philosophy

Key drivers of a successful investment program

Maximize investment return per unit of risk

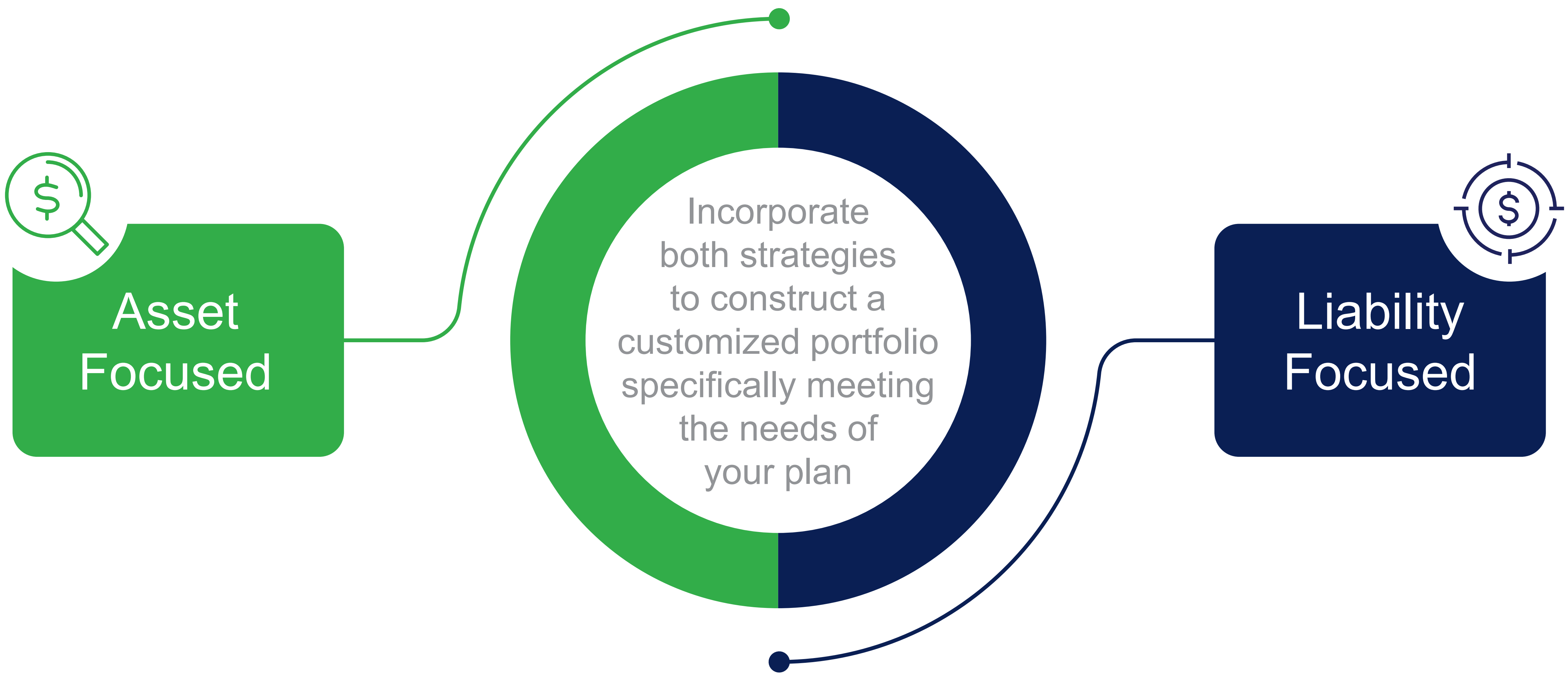
Minimize investment expense through negotiated fees and low-cost investments

Customize investment strategy to meet the unique needs of the plan

Areas of Expertise

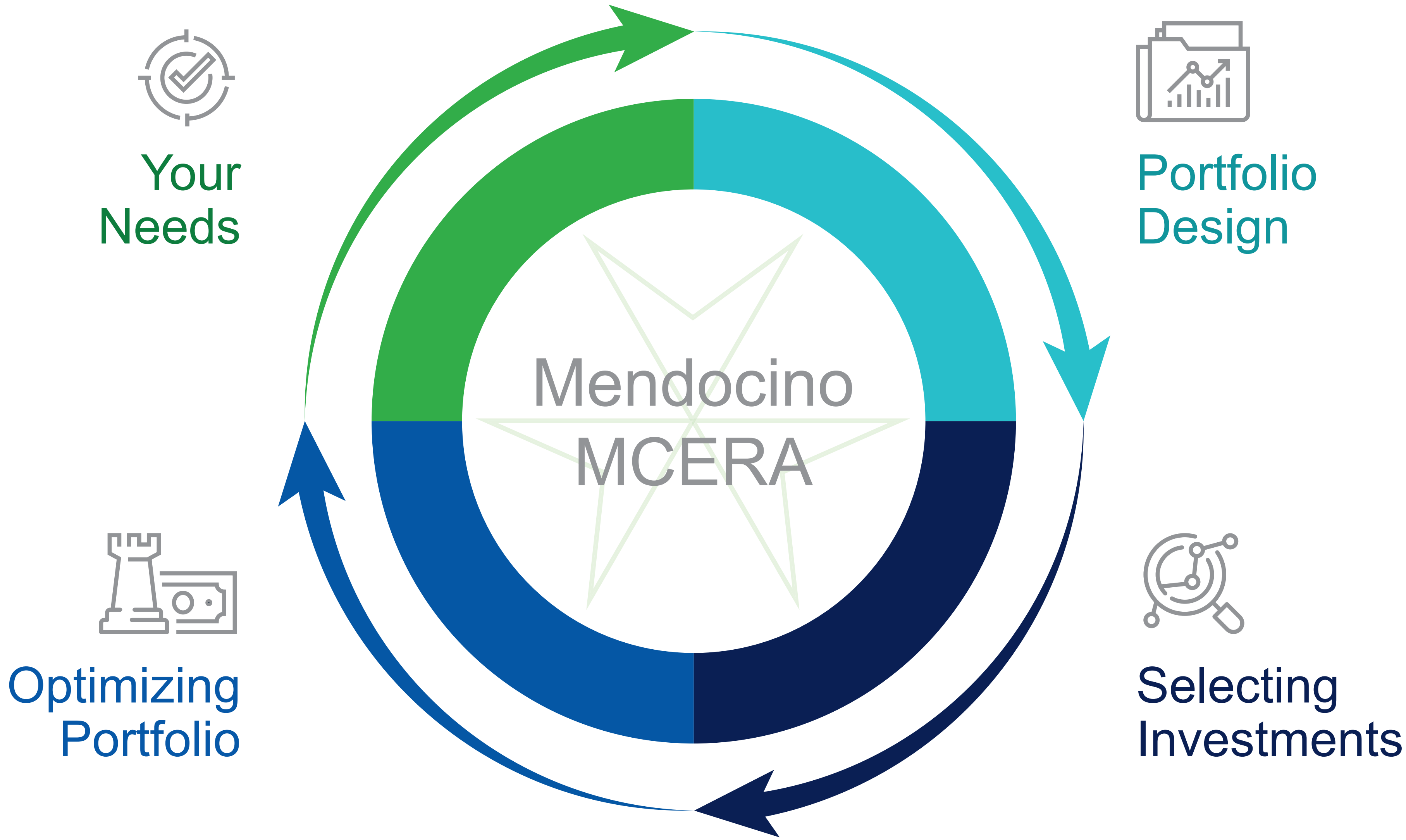
- Investment Consulting
- Defined Contribution Consulting
- Discretionary/OCIO Investment Management
- Asset/Liability & Benefits-Driven Investment Management
- Advisors Solution Group
- Private Markets Solutions
- Investment Administration
- Corporate Governance & Proxy Voting

Segal Marco Advisors Approach



Traditional Consulting

Portfolio Analysis & Review



Personalized Advice to Meet Your Goals

Investment advice supporting your long-term benefit goals

Segal Segal Marco Advisors Segal Benz

MCERA Governance & Portfolio Focus Areas

Maintain Simplified Structure, Reduce Costs

- Simplify the Equity Bucket
  - Fewer managers is better (ten current managers)
  - Consider a passive/active target
  - Perform regular fee analysis on active managers
  - Equity allocation changes expected to have the biggest positive impact
- Improve diversification of Fixed Income (Dodge & Cox/PIMCO)
- Diversify Alternatives allocation to Infrastructure, consider Private Credit
- Custodian review

MCERA Equity Allocation Performance

	1 Year	3 Years	5 Years	7 Years
MCERA US Equity	15.5	19.9	12.5	16.0
Benchmark	17.2	22.3	13.2	16.6
Difference	-1.6	-2.4	-0.7	-0.7
MCERA Non-US Equity	34.5	17.6	7.1	10.4
Benchmark	32.4	17.7	8.3	10.6
Difference	2.1	-0.1	-1.2	-0.1

- Heavy reliance on active managers has resulted in underperformance
  - Inclusion of passive equity allocations to reduce costs

Diversify the Fixed Income Portfolio

Improve on Core/Core+ 50/50 Split

- D&C and PIMCO
  - Both are good, but neither is cheap
  - D&C is not a true "Core" manager with 15% guideline allowance to below investment grade (HY), includes non-US bonds
  - Returns are 90% correlated
  - Allocations of both are similar (other than MBS, there is very little exposure to Securitized Credit, HY, CLOs, or Munis)
- Consider 60/40 Fixed Income Allocation to Core/Multi-Sector Credit
  - Pick up missing sectors
  - Evaluate cheaper commingled vehicles

Expand the Infrastructure Opportunity

Two Core Infrastructure Managers

Current Structure

- The Fund has two core infrastructure managers (IFM & JPM)

Future Structure: Core/Core+

- Core Infrastructure offers stable, contractual cash flows with consistent yields of 4-6% annually
- Unlike Real Estate and High Yield, Core Infrastructure offers real diversification benefits including inflation hedging properties
- Explore lower fees in one core manager

Core+ Benefits

- Higher returns. Core is 6-8% expected IRR, versus Core+ at 8-10%
- Consider this a partial fixed income alternative/private credit alternative, inflation protection is key

Final Thoughts

Governance Gains: Lower Fees, Improved Diversification

Overview

- We think the Fund can reduce fees by restructuring the allocation to Equities
- There is a diversification benefit that can be gained from a rethink of the Fixed Income allocation
- Infrastructure is a focus area for improvement in alternatives
- Longer-term, the plan may consider private credit

Summary

- Perform asset liability study
- Perform custodial search
- Perform manager structure/fee analysis

Fee Proposal

	Price
Year 1	$185,000
Years 2-4	$170,000

Scope of Services

- Manager research and manager monitoring
- Performance measurement and reporting
- Topical investment education and marketplace updates for Board and MCERA Staff
- Asset allocation
- Asset liability studies
- General plan consulting in a cost-efficient fee schedule

Thank You

Let’s talk.

We’re here to help.
Let’s discuss how our expertise can support your organization.

Steven Cottle
Senior Consultant
Co-Lead
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David Roll, CFA
Senior Consultant
Co-Lead
droll@segalmarco.com

John Marco
Senior Vice President, Head of Growth & Engagement
Strategic Advisor/Executive Sponsor
jmarco@segalmarco.com

Segal Marco Advisors

Appendix

Resources

15 Years
total workforce average tenure

35+
experienced consultants

30+
performance & client services and operations professionals

40+
research, risk and strategy professionals

- Corporate Governance and Proxy Voting
- Discretionary Investment Management
- Intermediary/Advisor Solutions
- Investment Consulting
- OCIO (Outsourced Chief Investment Officer)

Organizational Chart

John DeMairo, President and CEO, Segal

Sue Crotty, President, Segal Marco Advisors

Executive Management

Business Operations | Client Services | Client Delivery | Client Engagement/Growth

Research, Risk & Strategy

Alpha Investment Research
Geoff Strotman, CFA
Linda McDonald
Michael St. Germain

Discretionary Investments & Risk
John Ross
Dan Westerheide
Benji Patzik, CFA, CPA

Private Markets Operations
Pam Dubuc, CFA

Strategy & Communications
Alan Kosan, JD

Corporate Governance & Proxy Voting
Maureen O'Brien

Advisors Solutions Group
David Pappalardo, CIMA®, CAIA, AIF

Investment Consulting

Seth Almaliah, CFA
Jeffrey Boucek, CFA
Elizabeth Brewer
Marcus Cashell, CFA
Steven W. Cottle
Pam Dubuc, CFA
Rafik Ghazarian
David Greengard
Rosemary Guillette
John Hume
Rob Hungerbuhler
Michael Joyce, JD, CEBS
Michael Lyons
Tanya Keady
John Marco
Jeffrey R. Nipp, CFA, CAIA
Jennifer S. Paris
Frank Picarelli
Rick Pietrzak, CFA, CAIA
Marc Procek
Julian Regan
Keith Reynolds
David Roll, CFA
Christian Sevier, CFA
Ryen Sherman, CFA
Peter Sullivan, CFA
Matthew Thies, CFA, CAIA
Nick Trella
Vanessa Vargas Guijarro
Billy Welsh, CAIA, CIPM
David Wojick

Client Services & Operations

Chief Compliance Officer
Amy Forebaugh

Investment Operations Service
Dalius Savickas

Marketing & Events
Weslee M Damiano

The professional staff of 112 supports our investment advisory services.
We also provide discretionary services, corporate governance and proxy voting, and investment administration.

Bold: Regional/Market Leaders

Research, Risk & Strategy

Seth Almaliah, CFA

Alpha Manager Research
Geoff Strotman, CFA

Public Markets
Don Sheridan, CFA

Equity
Ben Hall, CAIA
Jeff Kuhl, CFA
Donell Ward
Brian Ma

Fixed Income & Stable Value
Olga Isenberg
Francois Otieno
Don Sheridan, CFA

Hard Assets & Private Markets
Linda McDonald*

Hard Assets
Linda McDonald
Jingle Huang, CAIA

Private Markets & Opportunistic Strategies
Joey Mallon
Michael McGrath, CAIA
David Dugan

Private Equity
Michael St. Germain

Custody & Banking
Rosa Limas*
Pon Velayutham

Defined Contribution
Chris Hill-Junke, CFA
Felix Cordas*

Discretionary Investments & Risk
John Ross
Dan Westerheide
Benji Patzik, CFA, CPA, MS

David Palmerino, FSA, CFA, MAAA, EA
Dalius Savickas
Pat O'Neill, CFA, CAIA, ASA, MAAA
Amy Fulton
Reed Burns

Private Markets Operations
Pam Dubuc

Carol Loi

John Marco

Strategy & Communications
Alan Kosan, JD

Communications
Michael Lyons
Amy Fulton

Corporate Governance & Proxy Voting
Maureen O'Brien
Rosa Limas*
Max Dulberger
Mun Fei Lee
Julia Wasik
Sheila Lewis

Advisors Solutions Group
David Pappalardo, CIMA®, CAIA, AIF, MSFP
Peter Sullivan, CFA
Felix Cordas*
Seth Hannant

Diverse Experience – Subject Matter Expertise – Career Research Professionals – Investigative Analysts

*multiple responsibility

Evaluating Investment Performance

Review the **total plan's** absolute and relative performance.

Evaluate **individual manager** performance vs index and peers.

Verify current **asset allocation** is within policy targets.

Monitor the level of **portfolio risk**.

Ensure manager **compliance** with investment guidelines.

Ensuring a Smooth, Seamless Transition

Period 1 **Period 2** **Period 3** **Period 4**

- Conduct meetings with executive staff and service providers
- Facilitate transfer of fund information to service providers
- Initial documentation and correspondence
- Review investment policy statement
- Examine asset mix, risks and liquidity needs
- Evaluate portfolio structure

- Present initial findings on investment policy
- Complete asset allocation study
- Evaluate traditional and alternatives portfolio
- Present strategies to address liquidity needs
- Implement performance reporting

- Recommend updates to investment policy
- Recommend asset allocation changes
- Recommend portfolio structural changes
- Develop implementation plans

We know that a smooth transition from your current investment consultant is crucial.

Our approach:

- Ensures the most cost-effective process possible to implement our services
- Minimizes Board and Staff involvement and disruptions
- Provides for timely delivery of services.

Our Investment Philosophy

A disciplined, research-based investment approach that prioritizes transparency, alignment and long-term client success

Disciplined

Strategic, long-term allocation

Rebalance thoughtfully within policy

Index where efficient and effective

Pragmatic

Analyze illiquidity capacity

Evaluate cost vs. benefit before making changes

Broad diversification to manage risk

Accountable

Transparent decisions and oversight

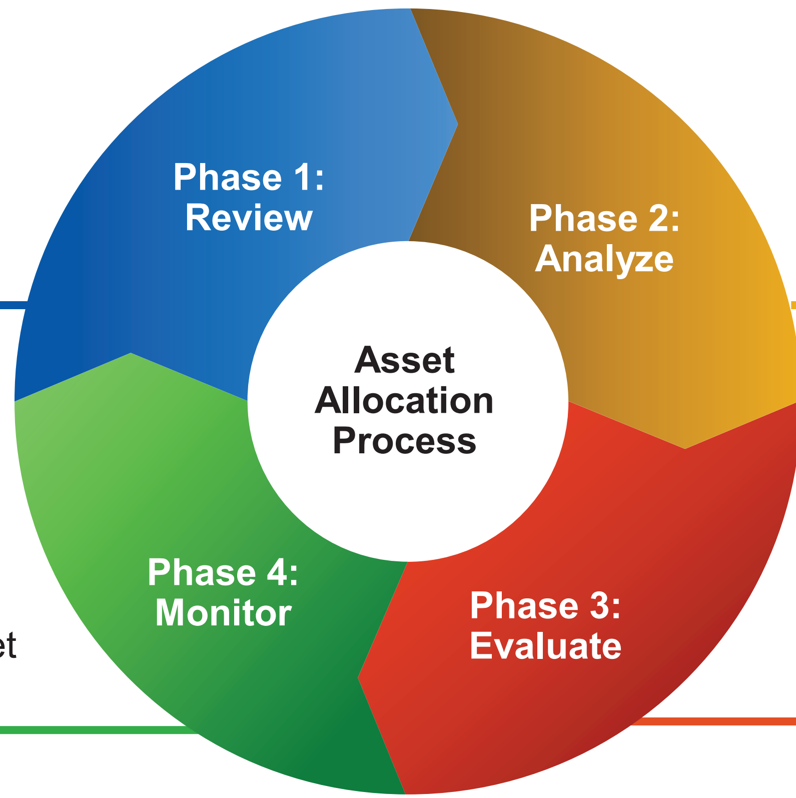
Strong governance and policy alignment

Always act in clients' best interests

Asset Allocation Process

- Liquidity
- Worksheet tool
- Assumptions tool

- Re-sampled Optimization tool
- Scenario Analysis tool
- Non-Normal Model tool

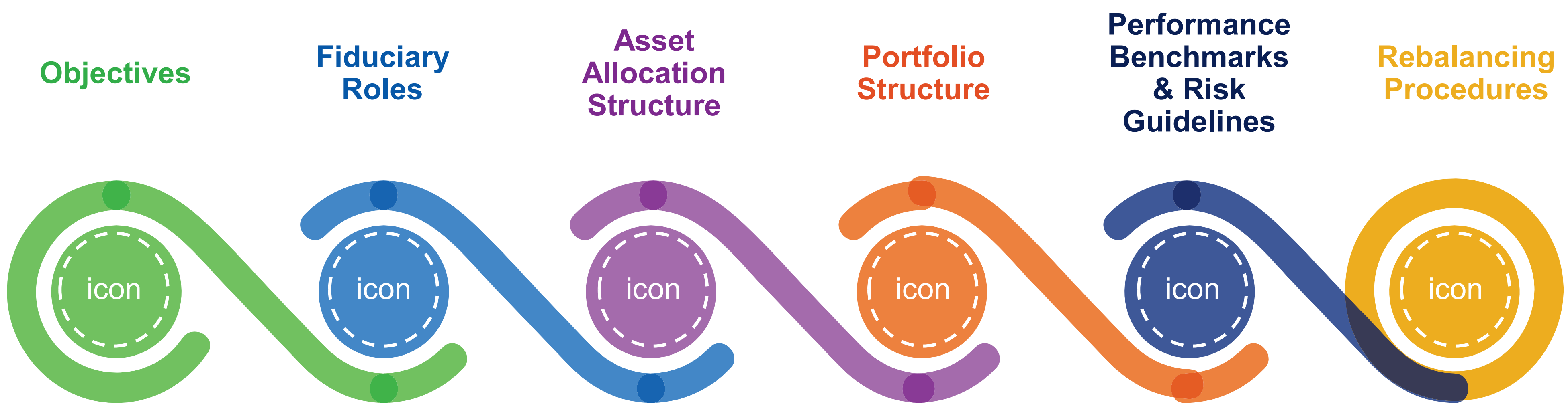


- Assumptions tool
- Rebalancing worksheet tool

- Assumptions tool
- Scenario analysis tool
- Rebalancing worksheet tool

Investment Policy Statements

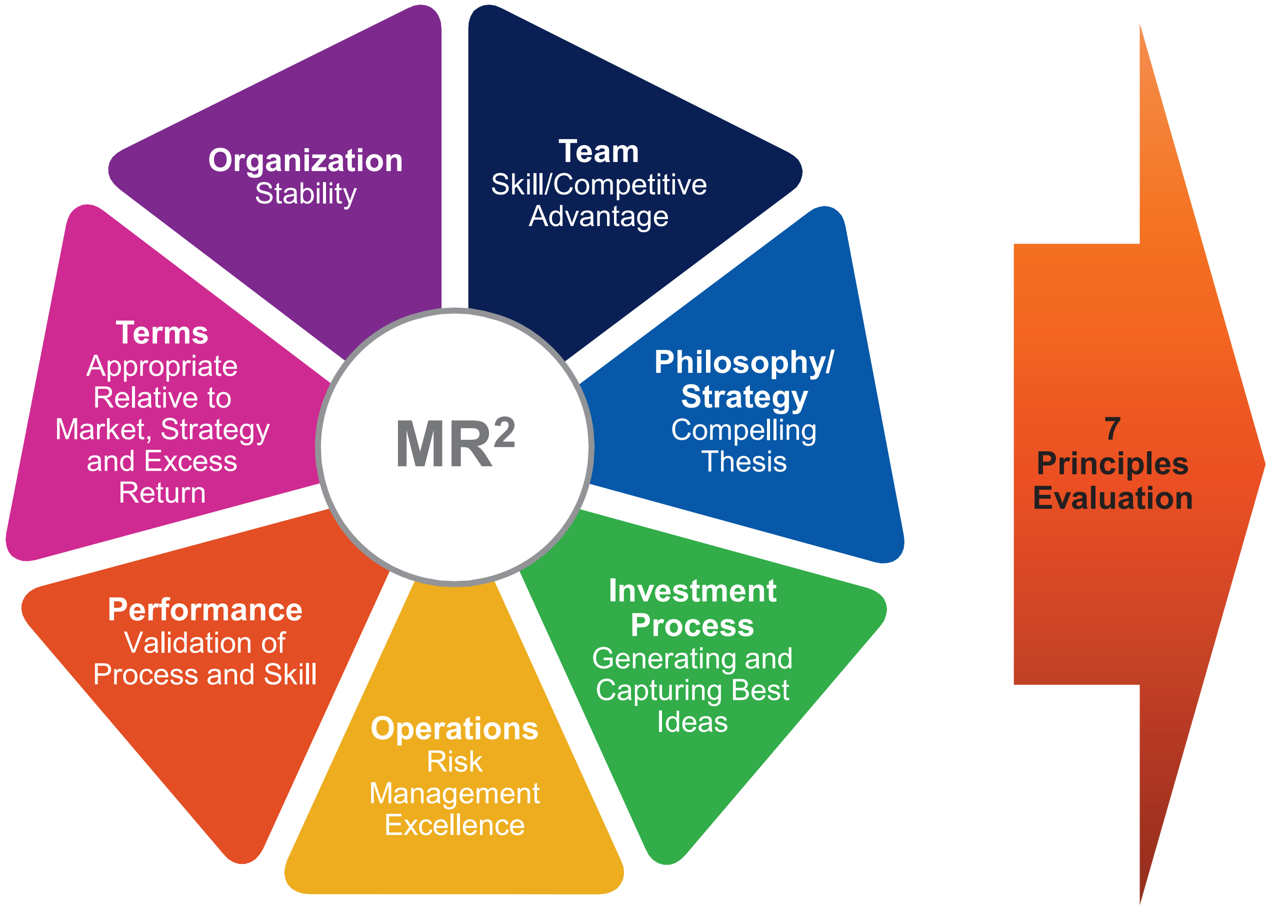
- We review the current structure with our clients of the investment program for external consistency and highlight any observed strengths or weaknesses.
- We study the Fund’s cash flow and expense characteristics with the goal of establishing overall investment policy guidelines and performance objectives.
- The study includes:



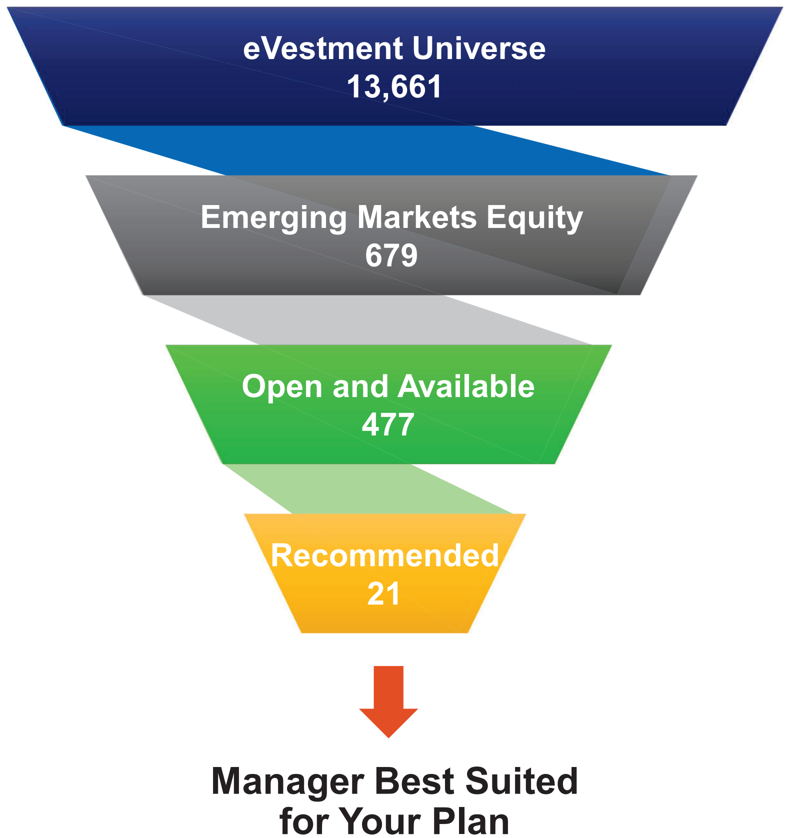
Manager Research & Ranking (MR^2)

Universe Filter and 7 Principles

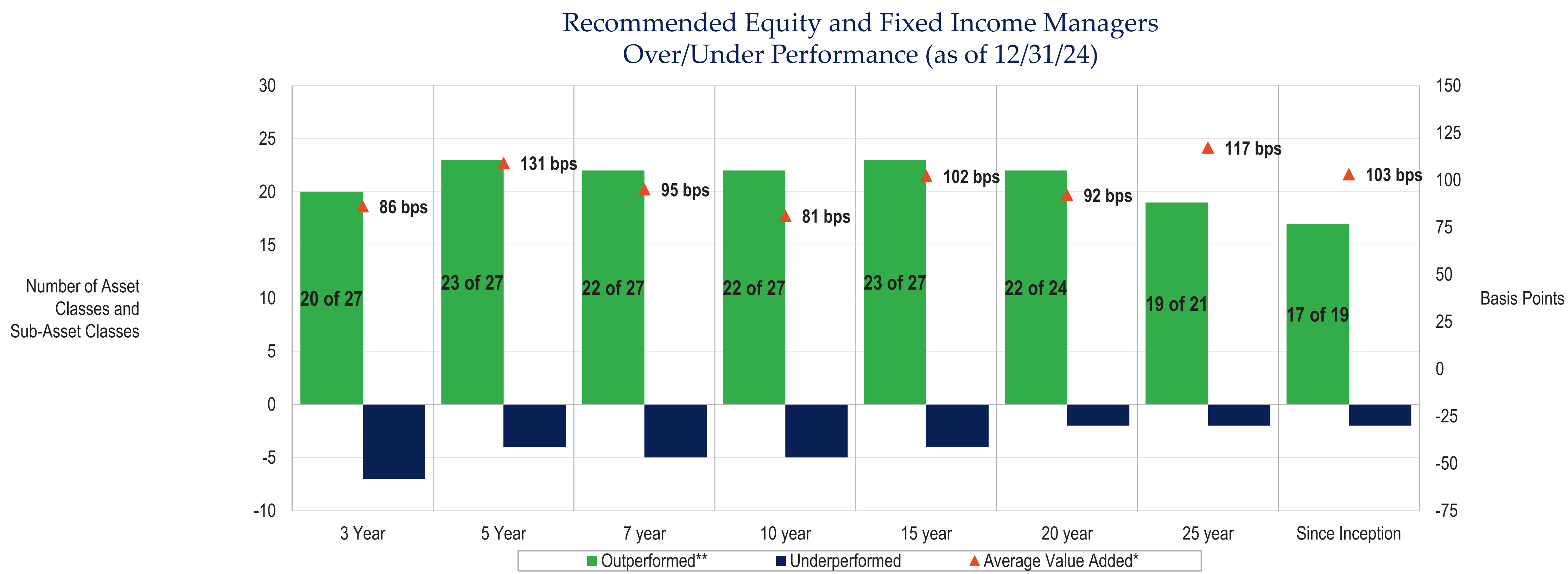
Our proprietary Manager Research and Ranking (MR^2) evaluation process identifies the top-tier managers best equipped to achieve your investment objectives



Example: Emerging Market Equity Universe



Benefits From Our Unbiased Advice



* The average value added represents results calculated as geometrically-linked average returns of Recommended-rated managers less the performance of representative passive benchmarks. Returns are presented gross of fees. Past performance does not guarantee future results.

** Represents number of asset classes and sub-asset classes with positive outperformance for that period.

*** Inception January 2000

Segal Marco has a documented track record of identifying investment managers that went on to outperform their benchmarks.

Manager Research Ratings

- Managers formally rated according to proprietary 7 Principles model
- Products assigned actionable ratings: Recommended, Approved, Not Recommended and Sell
- Under Consideration and Hold are temporary classifications requiring further Research action
- Alpha Manager Review Committee vets manager ratings

Recommended

Excellent/compelling philosophy, process and strategy

Exceptional investment professionals and team

Emphasizes investment results/ performance

Strong sponsorship, places client interests ahead of business + asset growth

Full conviction in strategy's ability to generate superior investment results relative to benchmark + peer group

Included in manager searches

Approved

Sound and viable philosophy, process and strategy

Appealing and institutional-quality investment professionals and team

Emphasizes investment results, but performance track record may be emerging

Well founded/reasonable conviction in strategy ability to generate competitive investment results relative to benchmark + peer group

Eligible for client searches

Under Consideration

Official rating in progress

May reveal directional favorability (UC+) or unfavorability (UC-) based on a preliminary scope of due diligence work performed to date

May be considered by clients during a search process if deemed appropriate

May be included in searches on a limited basis

Not Recommended

Unstable and/or unconvincing philosophy and process

Investment professionals have questionable investment acumen and/or limited investment experience

Low conviction in ability to generate superior investment results

Ineligible at a particular time because more information is needed to determine a rating

Develop an exit strategy; excluded from manager searches

Sell

Philosophy and process considered unstable and/or unconvincing

Ineffective investment professionals, high investment professional turnover and/or severe organizational distress

Recommend an immediate divestiture