COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900
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AGENDA OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, July 28, 2021 at 8:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

NOTICE OF TEMPORARY PROCEDURES FOR BOARD OF RETIREMENT MEETINGS

On March 17, 2020, California Governor Gavin Newsom issued Executive Order N-29-20, relating to the convening of public meetings in light of the COVID-19 pandemic. The Tulare County Employees' Retirement Association (TCERA) hereby provides notice that it will continue to convene its regularly scheduled public meetings of the Board of Retirement in the Board Room at 136 N. Akers Street, Visalia, as provided in the publicly posted agenda notice, and until further notice.

Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may address the Board of Retirement in person at the meeting. Members of the public may also submit public comment via email to BORPublicComment@tcera.org before the meeting. The comments received via email before the meeting will be read to the Board of Retirement in open session during the meeting as long as the comments meet the requirements for Public Comments as posted in the agenda. Persons wishing to listen to the meeting and/or participate in public comment remotely may call the TCERA Office during regular business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.) within 48 hours of the meeting at 559-713-2900 for login information. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).)

As a courtesy to those in attendance, all individuals are requested to place cell phones and other electronic devices in the non-audible alert mode.

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes so that all interested parties have an opportunity to speak. Please state your name for the record.

V. X-AGENDA ITEMS

VI. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
    a. Retirement Board Minutes of July 14, 2021.
2. Approve payments to:
    a. LMCG – invoice for investment management services in the amount of $75,538.77 for the quarter ended June 30, 2021.
    b. Cheiron – invoice for actuarial services in the amount of $11,726.25 for the quarter ended June 30, 2021.
3. Pension Board Reports and Actions
    a. Approve reinstatement of deferred status and contributions for member in unclaimed status – Laura Rodriguez.
    b. Approve reinstatement of deferred status and contributions for member in unclaimed status – Dawn Richards (Cooksey).

VII. INVESTMENT COMMITTEE REPORT

1. Update by Gary Reed regarding the Investment Committee meeting of July 14, 2021. Discussion and possible action regarding the following items:
    a. Asset Allocation Status
    b. 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar.
    c. Amendment to PGIM Management Fee Schedule.
    d. Amendment to Franklin Templeton Management Fee Schedule.
    e. Frequency of Investment Manager Fee Analysis
    f. Investment Managers
        1) Verus Flash Report – All Managers
        2) Managers of Interest
            a) Franklin Templeton – Manager Review

VIII. INVESTMENTS

1. Discussion and possible action regarding amended agreement and fee schedule for BlackRock Financial Management, TCERA fixed income portfolio.
2. Presentation from Verus regarding a review of TCERA's private markets investments. Discussion and possible action.
3. Educational presentation from Verus regarding risk as defined by standard deviation.
4. Presentation from Verus regarding TCERA's asset/liability study and strategic asset allocation – updated information. Discussion and possible action.
5. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

IX. NEW BUSINESS

1. Discussion and possible action regarding the June 30, 2021 Continuing Education Report for trustees and staff.
2. Discussion and possible action regarding TCERA's Investment Consultant Request for Proposal – Report from due diligence team.
3. Discussion and possible action regarding the selection of TCERA's Investment Consultant.

X. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
    a. Mary Warner – CALAPRS Administrators' Roundtable, June 25, 2021, 4 hours.
2. Discussion and possible action regarding available educational events.

XI. COMMUNICATIONS

1. Discussion and possible action regarding SACRS Legislative Update – July 2021.
2. TCERA Trustee Election -- Statement of Vote, Tulare County Employees' Retirement Association Special Election – July 20, 2021

XII. UPCOMING MEETINGS

1. Administrative Committee Meeting, July 28, 2021, 10:30 a.m.
2. Board of Retirement Meeting August 11, 2021, 8:30 a.m.
3. Investment Committee Meeting August 11, 2021, 10:30 a.m.
4. Board of Retirement Meeting, August 25, 2021, 8:30 a.m.
5. Administrative Committee Meeting August 25, 2021, 10:30 a.m.

XIII. TRUSTEE/STAFF COMMMENTS

Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time.

XIV. ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Secretary of the Board of Retirement at (559) 713-2900. Notification 48 hours prior to the meeting will help enable staff to make reasonable arrangements to ensure meaningful access. Documents related to the items on this Agenda submitted after distribution of the Agenda packet are available for public inspection at TCERA, 136 N. Akers Street, Visalia, CA. during normal business hours.

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BOARD OF RETIREMENT

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Retirement Administrator

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, July 14, 2021 at 8:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 8:30 a.m. by Wayne Ross, Chair.

II. ROLL CALL

Voting Trustees Present:	Laura Hernandez, Wayne Ross, Gary Reed, Jim Young, Nathan Polk, Dave Kehler, Pete Vander Poel
Voting Trustees Absent:	Cass Cook
Voting Alternate Trustees Present:	Paul Sampietro for Cass Cook, David Vasquez for General Member Vacancy
Alternate Trustees Present:	George Finney
Staff Members Present:	Leanne Malison, Retirement Administrator
Board Counsel Present:	Jennifer Shiffert, Deputy County Counsel
Board Counsel Participating Remotely:	Aaron Zaheen, Deputy County Counsel

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public is invited to make comments at the time the item comes up for Board consideration. Any person addressing the Board will be limited to a maximum of five (5) minutes so that all interested parties have an opportunity to speak. Please state your name for the record.

None

V. X-AGENDA ITEMS

None

VI. DISABILITIES

1. Closed session to be held regarding disability matters listed on this agenda.

   Closed session was held from 8:32 to 8:39 a.m. regarding disability matters listed on this agenda.

2. In the matter of the disability application of Eric Doyal, consider and take action regarding the application for a disability retirement.

   Motion to grant a Service Connected Disability Retirement. Based on the medical evidence submitted, the applicant has met the burden of proof on the question of permanent disability and the question of job causation.

   Motion: Polk
   Second: Vander Poel
   Ayes: Sampietro, Ross, Reed, Polk, Vander Poel, Vasquez
   Noes: Hernandez, Young, Kehler
   Motion passed 6/3.

3. Accept as filed the Disability Status Report Overview.

VII. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
   a. Retirement Board Minutes of June 23, 2021.
2. Approve payments to:
   a. Verus – invoice for investment consulting services in the amount of $21,843.03 for the month ended June 30, 2021.
   b. Brown Armstrong – invoice for tax return preparation in the amount of $851.19.
   c. County Counsel Invoices for the period ending June 30, 2021 in the amount of $3,939.30.
3. Pension Board Reports and Actions
   a. Ratify Retirement Administrator actions regarding Retirement Application approvals and Option Selections for the month of June 2021.
   b. Approve Reports regarding Retirement Applications, Option Selections and Deceased Pensioners and 30-Year Members for the month of June 2021.

Motion to approve the Consent Calendar as presented.

Motion: Young
Second: Hernandez
Motion passed unanimously.

VIII. ADMINISTRATIVE COMMITTEE REPORT

1. Update by Dave Kehler regarding the Administrative Committee meeting of June 23, 2021. Discussion and possible action regarding the following items:

   a. TCERA and TCERA Property, Inc. Financial Statements – May 31, 2021

   Motion to approve TCERA and TCERA Property, Inc. Financial Statements – May 31, 2021.

   Motion: Kehler
   Second: Vander Poel
   Motion passed unanimously.

IX. INVESTMENTS

1. Presentation from Pathway Capital regarding TCERA's investment allocation to private equity. Discussion and possible action.

   Ed Hoffman and Valerie Ruddick presented an update regarding TCERA's investment allocation to private equity with Pathway Capital.

   The Chair authorized 1 hour of continuing education for this presentation.

2. Presentation from Pantheon regarding TCERA's investment allocation to private equity. Discussion and possible action.

   Iain Jones presented an update regarding TCERA's investment allocation to private equity with Pantheon.

   The trustees asked about the format for investment manager presentations. Ms. Malison briefly reviewed the format. She will send a copy to the trustees for their reference.

   The Chair authorized 1 hour of continuing education for this presentation.

3. Discussion and possible action regarding amendment to Franklin Templeton Fee Schedule.

   This item is on the Investment Committee agenda for discussion. No discussion or action.

4. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

   No discussion or action.

X. NEW BUSINESS

1. Discussion and possible action regarding Courtyards Property Owners' Association Notice of Upcoming Election.

   Ms. Malison reminded the trustees that TCERA has historically been represented on the Courtyards Property Owners' Association board by Roland Hill. With Mr. Hill's retirement, TCERA has no representative on the board.

   Motion to nominate Jim Young as a candidate for board member on the Courtyards Property Owners' Association board in the upcoming election.

   Motion: Vander Poel
   Second: Reed
   Motion passed unanimously.

2. Discussion and possible action regarding an amendment to the TCERA resolution regarding pay codes included as pensionable income.

   Ms. Malison reviewed the new pay codes and informed the Board that counsel was consulted to ensure that the recommended action conforms with PEPRA. Ms. Hernandez asked for clarification regarding separate treatment of Tier 4 as addressed in these codes. Ms. Malison reviewed the PEPRA requirements.

Motion to approve the resolution with typographical corrections.

Motion: Kehler
Second: Hernandez
Motion passed unanimously.

3. Discussion and possible action regarding TCERA and TCERA Property, Inc. budget adjustments for the fiscal year ended June 30, 2021.

Ms. Malison reviewed the proposed adjustments noting that the changes are between line items. There is no change to the total TCERA budget.

Motion to approve the budget adjustments as presented.

Motion: Reed
Second: Kehler
Motion passed unanimously.

XI. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
   a. Leanne Malison – CALAPRS Administrators Round Table – Virtual Event, June 24, 2021, 4 hours.
   b. Mary Warner – Verus Emerging & Diverse Manager Diligence Days Webinar, June 15, 2021, 1 hour.
   c. Mary Warner – BlackRock Illuminate with iShares, June 15, 2021, 1 hour.

Motion to approve the Summary Education Reports as filed.

Motion: Young
Second: Polk
Motion passed unanimously.

2. Discussion and possible action regarding available educational events.

No discussion or action.

XII. COMMUNICATIONS

1. County Counsel Report – Cases Pending in Court and Pending Appeal to Court.

XIII. UPCOMING MEETINGS

1. Investment Committee Meeting July 14, 2021, 10:30 a.m.
2. Board of Retirement Meeting July 28, 2021, 8:30 a.m.
3. Administrative Committee Meeting July 28, 2021, 10:30 a.m.

XIV. TRUSTEE/STAFF COMMMENTS

Under state law, matters presented under this item cannot be discussed or acted upon by the Board at this time.

Mr. Vander Poel thanked the investment consultant due diligence team for their work and indicated that it was a very productive trip. The team will report out at the next retirement board meeting.

XV. ADJOURNMENT

The meeting was adjourned at 10:49 a.m.

Wayne Ross, Chair

L|M|C|G
INVESTMENTS

July 12, 2021

Ms Mary Warner
County of Tulare Board of Retirement
136 N. Akers Street
Visalia, CA 93921

SCV079: Tulare County Employees' Retirement Fund

Dear Mary :

The fee for investment management services for the Second Quarter 2021 for the account we manage is $75,538.77. The month end market values were calculated by LMCG. The fee calculation is listed below.

Market Value as of:	
April 30, 2021	$42,774,548.21
May 31, 2021	$43,800,793.58
June 30, 2021	$42,919,689.14
Average Assets:	$43,165,010.31
$43,165,010.31 x 0.70%	$302,155.07
Total	$302,155.07 (annual fee)
$302,155.07 x .25	$75,538.77 (quarterly fee)

If you have any questions regarding the fee please feel free to call me at any time at (617) 380-5662.

Sincerely,

Colleen A. Pink

Colleen A. Pink

CHECKED:	JCSM (Initial)	7/12/21 (Date)
VERIFIED:	CS (Initial)	7/14/21 (Date)
APPROVED:	Initial	Date
PAID:	Wired	Date

Tulare County Employees' Retirement Fund
LMCG acct: SCV079
Mellon Bank acct: TULF1010022

Remittance Information:
Make checks payable to LMCG Investments, LLC

Send to:
LMCG Investments, LLC
File 1125
1801 W Olympic Blvd
Pasadena, CA 91199-1125
Federal Tax ID #27-0282607

Or by wire:

City National Bank
Routing # 026013958
400 Park Avenue NYC
New York, NY 10022
For further credit to: LMCG Investments, LLC
Account #665112241

Cheiron

Invoice

8300 Greensboro Drive, Suite 800
McLean, VA 22102
Phone 1-703-893-1456   Fax 1-703-893-2006
Tax Id: 13-4215617

Date: 14-Jul-21

Inv. # 41035

Bill To:
Ms. Leanne Malison
Retirement Administrator
Tulare County Employees' Retirement Association
136 N. Akers Street
Visalia, CA 93291

For:
Actuarial Services

DESCRIPTION	AMOUNT
PROFESSIONAL SERVICES (April 1, 2021 through June 30, 2021)	
Misc. Retainer Work (A/L and discount rate consulting)	$ 2,725.00
2021 Valuation (progress through 6/30/2021)	$ 970.00
Actuarial Audit	$ 8,031.25
TOTAL	**$ 11,726.25**

Payment Options

Pay by Check

Cheiron, Inc., P.O. Box 37117, Baltimore, MD 21297-3117

Pay by Electronic Deposit / ACH

BB&T, Routing Number: 051404260, Account Number: 0000155739428

Please include invoice number(s) with your payment and forward the payment confirmation to accounting@cheiron.us to ensure payment is applied accurately.

If you have any questions concerning this invoice, please contact accounting@cheiron.us or 703-893-1456, x1020.

THANK YOU FOR YOUR BUSINESS!

APPROVED FOR PAYMENT

CHEIRON

RECEIVED

JUL 01 2021

TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

June 28, 2021

Appeals Board for Tulare County

To whom it may concern,

There was an error in the mailing address after I left employment with County of Tulare and I was unaware that the address on file was incorrect. I would like to request for my TCERA account be reinstated. Your consideration of this request is greatly appreciated.

Sincerely,

Laura Rodriguez
3233 S. Virmargo Ct.
Visalia, CA 93292
(559) 300-5182

RECEIVED

JUL 12 2021

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

July 6th, 2021

TO: Board of Retirement
136 North Akers
Visalia, CA 93291

FROM: Dawn Richards (Cooksey)
1616 Terry Court
Porterville, CA 93257

RE: Reinstate Retirement Funds for SS ending in #2681

Good afternoon,
I had rented out my house for about 10 years and moved back in at the end of January 2017. I had to remodel this house, as it was ruined. I put everything that was in this house that may interest me in a drawer. I recently went through the drawer and found this letter. I emailed the TCERA office with the letter I found with date "as of" 12/31/13 (please see attached copy).
TCERA emailed me back and I contacted them today. She stated that these funds have been put back into the retirement fund and that I would have to send you a justification letter to have these funds put back into my name. I did not know about this letter until a couple of days ago.

I also divorced Rick Cooksey back in 2/15/1995. I have attached the divorce judgement. I have since then taken my last name of Richards back. I have also attached a copy of my Social Security Card showing my last name and the Social Security Number.

I am hoping to move out of state in the near future and would like to get this resolved.

If you need any other information, please contact me and I can email, fax, or mail the requested information.

Thank you for your time and consideration,

Dawn J. Richards

Dawn Richards (aka: Cooksey)
1616 Terry Court
Porterville, CA 93257
(559) 350-1201
Nanadawn12@gmail.com

Attached:
TCERA Benefit Statement
Divorce paper
Social Security Card copy

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1 b.

Agenda Date: July 14, 2021

Subject: Asset Allocation Status

Requests:

That the Investment Committee:

1. Discuss the current asset allocation status as compared to targets.
2. Make recommendations to the Board of Retirement as necessary.

Summary:

The Asset Allocation Comparison is provided as a reference tool for the Committee to note the current allocation as compared to target and to track new manager implementation and rebalancing activity. Depending on the date of the Investment Committee meeting, the report may not be available for distribution with the original packet of backup materials. The report will be provided as soon as the data is available from the custodian bank.

Prepared by: Leanne Malison

TCERA Asset Allocation Comparison 06-30-21 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
	DOMESTIC EQUITY						
QMA	Large Core Enhanced	96,655,067	4.97%	3.80%	73,906,017	22,749,050	
SSGA S&P 500 Flagship Index Fund	Large Core	129,026,944	6.63%	7.60%	147,812,033	(18,785,089)	
Boston Partners	Large Value	96,920,476	4.98%	3.80%	73,906,017	23,014,459	
Ivy (Waddell & Reed)	Large Growth	101,169,275	5.20%	3.80%	73,906,017	27,263,258	Active/Passive Rebalance Pending
SSGA	SMID Core Index	46,382,282	2.38%	2.00%	38,897,904	7,484,379	
LMCG (Lee Munder)	Small Value	42,919,692	2.21%	2.00%	38,897,904	4,021,788	
William Blair	Smid Growth	40,883,973	2.10%	2.00%	38,897,904	1,986,070	
	Total	553,957,709	28.48%	25.00%	486,223,794	67,733,915	
	INTERNATIONAL EQUITY						
SGA	International Growth	99,862,771	5.13%	6.60%	128,363,082	(28,500,311)	
PIMCO RAE	International Value	107,861,546	5.55%	4.20%	81,685,597	26,175,949	
SSGA - ACWI Index Fund	International Core	120,686,923	6.21%	4.20%	81,685,597	39,001,325	
	Total	328,411,240	16.89%	15.00%	291,734,276	36,676,964	
	GLOBAL EQUITY						
Skellig Water Fund (KBI)	Water Related	75,520,089	3.88%	3.00%	58,346,855	17,173,234	
	Total	75,520,089	3.88%	3.00%	58,346,855	17,173,234	
	PRIVATE EQUITY						
Pantheon	Private Equity - F of F	443,622	0.02%				
Stepstone	PE - Secondaries	12,760,486	0.66%				
Ocean Avenue III	Private Equity - F of F	22,010,463	1.13%				
Ocean Avenue IV	Private Equity - F of F	17,041,596	0.88%				
Pathway Fund 8	Private Equity - F of F	26,898,676	1.38%				Pantheon and BlackRock in liquidation phase.
Pathway Fund 9	Private Equity - F of F	18,676,078	0.96%				
Pathway Fund 10	Private Equity - F of F	2,224,369	0.11%				
BlackRock Alternatives	Private Equity - F of F	2,179,369	0.11%				
	Total	102,234,659	5.26%	5.00%	97,244,759	4,989,900	
	FIXED INCOME						
BlackRock	Core Plus	147,625,745	7.59%	8.50%	165,316,090	(17,690,345)	
MacKay Shields	Core Plus	123,132,588	6.33%	4.25%	82,658,045	40,474,543	
DoubleLine	Core Plus	117,437,464	6.04%	4.25%	82,658,045	34,779,419	
PGIM	Emerging Market Debt	87,492,829	4.50%	5.00%	97,244,759	(9,751,930)	
Franklin Templeton	Global Credit	85,332,462	4.39%	5.00%	97,244,759	(11,912,297)	
	Total	561,021,088	28.85%	27.00%	525,121,697	35,899,391	

TCERA Asset Allocation Comparison 06-30-21 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
	PRIVATE CREDIT						
Sixth Street DCP (TSSP)	Private Credit	83,295,698	4.28%	5.00%	97,244,759	(13,949,061)	
	Total	83,295,698	4.28%	5.00%	97,244,759	(13,949,061)	
	REAL ASSETS						
Invesco	Real Estate Debt	-	0.00%	5.00%	97,244,759	(97,244,759)	American Realty and Invesco pending capital calls.
American Realty Advisors	Value Add Real Estate	22,888,082	1.18%	5.00%	97,244,759	(74,356,677)	
RREEF America II	Core Commingled	167,173,864	8.60%	10.00%	194,489,518	(27,315,654)	
	Total	190,061,946	9.77%	20.00%	388,979,035	(198,917,089)	
	OPPORTUNISTIC						
KKR - Mezzanine	Opportunistic	3,582,247	0.18%	n/a	-	3,582,247	Opportunistic outside of Target Allocation. KKR and PIMCO funds in distribution phase.
Sixth Street TAO Contingent (TSSP)	Opportunistic	20,891,137	1.07%	n/a	-	20,891,137	
PIMCO BRAVO - Distressed Debt	Opportunistic	10,727	0.00%	n/a	-	10,727	
	Total	24,484,111	1.26%		-	24,484,111	
	OTHER		1.26%		-	24,484,111	
Cash		25,908,636	1.33%	0.00%	-	25,908,636	Capital Calls and Cash Flow Needs. Extra operational cash in anticipation of potential liquidity issues due to market volatility.
	Total	25,908,636	1.33%	0.00%	-	25,908,636	
	Grand Total	**1,944,895,175**	**100.00%**	**100.00%**	**1,944,895,175**		

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1 c.

Agenda Date: July 14, 2021

Subject: 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar

Requests:

That the Investment Committee:

1. Discuss the Goals and Objectives Timeline and Education Calendar
2. Direct Staff to make revisions as determined by the Committee
3. Make recommendations to the Board of Retirement as necessary

Summary:

The Goals and Objectives Timeline is provided to assist the Committee in monitoring the progress of its goals and objectives for the year. The Education Calendar is provided to ensure that education items related to the Committee's goals and objectives are included in the presentation schedule for the year.

Prepared by: Leanne Malison

TCERA Investment Committee Goals and Objectives Timeline

Revised 7/2/2021

2021

January – March

Active/Passive Investment Panel – The presentation occurred at the February 24, 2021 Board meeting. ***Completed***

Investment Refresher Course – At the Board meeting of January 27, 2021, the trustees directed Staff to arrange for an Investment Refresher Course to be provided as an educational opportunity during a future Board meeting. The education was presentation at the March 24, 2021 Board meeting. ***Completed***

April – June

TCERA China Exposure Analysis – As directed by the Board at its March 12, 2021 meeting. Review conducted at Investment Committee – June 9, 2021 and reported out to Board of Retirement on June 23, 2021. ***Completed***

Securities Lending Education – At its May 26, 2021 meeting, the Board requested that Verus prepare an educational session on Securities Lending. The presentation made at Board meeting of June 23, 2021. ***Completed***

July – September

Active/Passive Investment Analysis – As directed by the Board at its February 24, 2021 meeting. Scheduled for April 14, 2021 Investment Committee. Committee reported to Board of Retirement on May 26, 2021. Board directed Staff to work with Verus to implement a 50/50 active/passive split for the domestic equity portfolio. Transition in progress.

Index Fund Review – As directed by the Board at its February 24, 2021 meeting. Scheduled for April 14, 2021 Investment Committee. Committee reported to Board of Retirement on May 26, 2021. Board authorized changing the SSgA index funds to those allowing securities lending. Contracts received and executed. Transition in progress.

Asset/Liability Study – The asset liability study conducted every three years by the investment consultant is scheduled for presentation to the Board of Retirement on May 26, 2021. The Board directed Verus to prepare asset allocation options that add some additional risk (volatility) to the portfolio. Discussion was held at the June 23, 2021 Board meeting. The Board directed Verus to prepare additional asset allocation options to be reviewed at the July 28, 2021 Board meeting.

BlackRock Guidelines Review – BlackRock has indicated that the investment guidelines for the fixed income investment are outdated. Proposed changes received and approved at June 23, 2021 Board meeting. Final guidelines pending legal review.

TCERA Separate Account Guidelines Review – As directed by the Board at its March 12, 2021 meeting. Review held at Investment Committee – June 9, 2021. Proposed guideline changes pending for Ivy.

Active Manager Expense Review – As directed by the Board at its February 24, 2021 meeting. Scheduled for April 14, 2021 Investment Committee. Committee reported to Board of Retirement on May 26, 2021. Board directed Verus to contact Franklin Templeton and PGIM regarding the investment management fee structures. Fee reductions have been negotiated. Proposed changes are scheduled for review at the July 14, 2021 Investment Committee meeting.

Consideration of investment manager roundtable in 2021 as directed by the Board of Retirement at its meeting of July 8, 2020.

October – December

TCERA Board of Retirement
2021 Trustee Education Calendar

Month	Meeting Date	Education Topics
January	January 13 January 27	
February	February 10 February 24	 12/31/20 Investment Report – Verus Active/Passive Investment Panel - Verus
March	March 10 March 24	BlackRock/BlackRock Alternatives (Fixed Income and Private Equity) Investment Refresher Course - Verus
April	April 14 April 28	PIMCO RAE Ivy Investments
May	SACRS – May 11-14 May 26	 3/31/21 Investment Report – Verus Asset/Liability Study – Verus Strategic Asset Allocation Review - Verus
June	June 9 June 23	Boston Partners SGA Securities Lending Education – Verus Asset/Liability Study Follow Up – Strategic Asset Allocation Review – Verus
July	July 14 July 28	Pathway Pantheon Private Markets Review – Verus Asset/Liability Study Follow Up – Strategic Asset Allocation Review – Verus Risk/Standard Deviation Education

August	August 11 August 25	Franklin Templeton DoubleLine 6/30/21 Investment Report - Verus
September	September 8 September 22	Invesco SSGA
October	October 13 October 27	
November	November 3 - due to SACRS SACRS Nov 9-12 November 17- due to Thanksgiving Holiday	Actuarial Valuation Report - Cheiron 9/30/21 Investment Report
December		Brown Armstrong – Audit Results

Expected 2022 Investment Manager Regular Biennial Presentations:

QMA
LMCG
Sixth Street (TSSP)
Stepstone
RREEF
Ocean Avenue
William Blair
KBI
PGIM
KKR
American Realty Advisors
MacKay Shields

COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1. d.

Agenda Date: July 14, 2021

Subject: Amendment to PGIM Management Fee Schedule

Requests:

That the Investment Committee:

1. Review the proposed amendment to PGIM's fee schedule
2. Make a recommendation to the Board of Retirement regarding approval.

Summary:

The Board of Retirement requested that Verus provide information regarding the fee structures in place for TCERA's public markets investments. Pursuant to that review, Verus has negotiated a fee reduction with PGIM. The proposed amendment to the agreement is attached for consideration. The original fee information is also provided.

Prepared by: Leanne Malison

Identifying No. 871087
11282486

AMENDMENT NO. 1 TO THE PRUDENTIAL TRUST COMPANY COLLECTIVE TRUST ADOPTION AGREEMENT BETWEEN RETIREMENT BOARD OF TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION AND PRUDENTIAL TRUST COMPANY

The parties hereto desire to amend the Adoption Agreement, dated as of July 12, 2019, by and between RETIREMENT BOARD OF TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (the "Applicant") as named fiduciary under the Tulare County Employees' Retirement Association (the "Plan") and PRUDENTIAL TRUST COMPANY, solely as trustee of the Prudential Trust Company Collective Trust (the "Adoption Agreement") in the manner set forth below. Any capitalized term not otherwise defined herein shall have the meaning assigned to it in the Adoption Agreement.

WHEREAS, the parties desire to amend the Adoption Agreement to revise the fee schedule in connection with the Applicant's investment in the Prudential Emerging Markets Blend Debt Fund.

NOW, THEREFORE, the Adoption Agreement is hereby amended as follows, effective as of July 1, 2021 (the "Amendment Effective Date"):

1. Exhibit B of the Adoption Agreement is deleted in its entirety and replaced with Exhibit B attached hereto.
2. In connection with the foregoing, the Applicant hereby waives the requirement of Section 5(i) of the Adoption Agreement, in particular the requirement to provide 60 days prior written notice regarding any fee schedule amendment. The Applicant hereby consents to the fee schedule amendment effective as of the Effective Date.
3. The terms and conditions of the Adoption Agreement unaffected by this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 1 to be executed in their names and on their behalf by and through their duly authorized officers.

RETIREMENT BOARD OF TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION	PRUDENTIAL TRUST COMPANY Trustee of the Collective Trust
By: ______________________	By: ______________________
Name: ______________________	Name: ______________________
Date: ______________________	Date: ______________________

Identifying No. 871087
11282486

EXHIBIT B

Fee Schedule

Applicant:	RETIREMENT BOARD OF TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, as named fiduciary under the Tulare County Employees' Retirement Association
Participating Trust/Plan:	Tulare County Employees' Retirement Association
Consultant:	Verus Investments
Investment Fund:	Prudential Emerging Markets Blend Debt Fund (the "Fund")
Unit Class:	1

Investment Management Fee:

Unit Class 1 is available to current clients of certain consultants, as determined by the Trust Company in its sole discretion. The annual fee rate payable to the Trust Company on the assets invested by the Participating Trust in the Fund is as follows:

.41%

The investment management fee shall be payable quarterly in arrears, but shall be calculated monthly by applying the annual rates specified above to the average daily net value of assets of the Participating Trust in the Fund during the applicable month and multiplying the resulting amount by a fraction, the numerator of which is the number of days in the applicable month and the denominator of which is the number of days in the applicable year. The investment management fee for any quarter shall equal the sum of the three previous months' fees so calculated.

In payment of each quarterly fee, a number of Units equal in value to the amount of the investment management fee for such quarter shall be subtracted from the number of Units allocated to the Participating Trust. The Trust Company will deduct the investment management fee as soon as practicable after the end of each quarter, customarily within 14 days after the end of the quarter.

Current

EXHIBIT B

Fee Schedule

Applicant:	RETIREMENT BOARD OF TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION, as named fiduciary under the Tulare County Employees' Retirement Association
Participating Trust/Plan:	Tulare County Employees' Retirement Association
Investment Fund:	Prudential Emerging Markets Blend Debt Fund (the "Fund")
Unit Class:	I

Investment Management Fee:

The annual fee rate payable to the Trust Company on the assets invested by the Participating Trust in the Fund is as follows:

55 bps on first $75mm
45 bps on next $100mm
40 bps Thereafter

The investment management fee shall be payable quarterly in arrears, but shall be calculated monthly by applying the annual rates specified above to the average daily net value of assets of the Participating Trust in the Fund during the applicable month and multiplying the resulting amount by a fraction, the numerator of which is the number of days in the applicable month and the denominator of which is the number of days in the applicable year. The investment management fee for any quarter shall equal the sum of the three previous months' fees so calculated.

In payment of each quarterly fee, a number of Units equal in value to the amount of the investment management fee for such quarter shall be subtracted from the number of Units allocated to the Participating Trust. The Trust Company will deduct the investment management fee as soon as practicable after the end of each quarter, customarily within 14 days after the end of the quarter.

COUNTY OF TULARE
BOARD OF RETIREMENT

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1. e.

Agenda Date: July 14, 2021

Subject: Amendment to Franklin Templeton Management Fee Schedule

Requests:

That the Investment Committee:

1. Review the proposed amendment to Franklin Templeton's fee schedule
2. Make a recommendation to the Board of Retirement regarding approval.

Summary:

The Board of Retirement requested that Verus provide information regarding the fee structures in place for TCERA's public markets investments. Pursuant to that review, Verus has negotiated a fee reduction with Franklin Templeton. The proposed amendment to the agreement is attached for consideration. The original fee information is also provided.

Prepared by: Leanne Malison

AMENDED AND RESTATED TERMS AND CONDITIONS FOR PARTICIPATION IN FRANKLIN TEMPLETON GLOBAL BOND PLUS TRUST

Effective April 1, 2021

Tulare County Employees' Retirement Association ("TCERA")

FUND TRUSTEE Fiduciary Trust International of the South

SUBCUSTODIAN Bank of New York Mellon

TRUSTEE & MANAGEMENT FEE SCHEDULE

An annual rate of the average daily assets of client's portfolio will be billed quarterly in arrears (see billing schedule below) to the client for current accounts in accordance with the following fee schedule:

Up to and including the first $50 million:	0.40%
Next $50 million:	0.30%
All Assets over $100 million:	0.25%

Billing schedule

Invoice Months	Billing Month
January, February, March	April
April, May, June	July
July, August, September	October
October, November, December	January

Check and complete <u>one</u> of the following two billing options:

[ ] **Automatic Fee Debit Option:** I authorize Fiduciary Trust International of the South to automatically debit (i.e., redeem units in the fund) the quarterly Trustee & Management Fee from the account (to which the fee applies) on the first trading day on or after the 27^{th} of the Billing Month (i.e., the month following the billing quarter).

[ ] **Client Fee Remittance Option:** I choose to remit our payment of the quarterly Trustee & Management Fee upon receipt of the quarterly fee invoice, which should be emailed or mailed to the following address:
Email to: mwarner@tcera.org; cc: dnunes@tcera.org

Invoiced amounts outstanding will be automatically debited from the account on the first trading day on or after 90 calendar days after the date on client's initial invoice for the billing period. Notwithstanding either billing option selected above, upon a complete withdrawal from the Fund, the fee amount due at the time of withdrawal will be automatically debited from the account assets, unless paid separately in advance.

OPERATING EXPENSES The Fund will incur additional operating expenses which at no time shall exceed 0.10%. Such expenses include administration, transfer agency, audit, custody and legal and other fees that will vary based on Fund investments and assets under management. Operating expenses will be accrued daily. Investment and transaction-related expenses are not part of the operating expenses, are not subject to the Fund's expense cap, and are generally accrued by the Fund as incurred.

BUSINESS DAY	Any day the New York Stock Exchange is open.
CONTRIBUTION PROCEDURES	All contributions must be wired to: **The Northern Trust Company** **ABA/RT: 071000152** **Credit account: 5201681000** **Credit account name: NT Third Party Wire GL** **Related Reference: FCIT4364360240**
MINIMUM INITIAL CONTRIBUTION AMOUNT	**Not applicable – existing client** ($) The minimum initial contribution to the Fund is TEN MILLION DOLLARS ($10,000,000.00). Purchases of Fund units may be made on the first Valuation Date (as defined in the Amended and Restated Declaration of Trust) after receipt by the Trustee of a written request to do so. **All transaction requests must be done in writing. To request a purchase, please fax a Transaction Form to Northern Trust Transfer Agency at 1-312-557-3094.** Cancellations or written correspondences must be sent to: The Northern Trust Company 333 South Wabash Avenue Chicago, Illinois 60604 1-866-494-4268 Email: FranklinTempleton-CIT@ntrs.com
WITHDRAWAL PROCEDURES	Fund units may be liquidated on any Valuation Date (as defined in the Amended and Restated Declaration of Trust) after receipt by the Trustee of a written request to liquidate units. All transaction requests must be done in writing. To request a complete or partial withdrawal, please fax a transaction form to Northern Trust Transfer Agency at 1-312-557-3094. Cancellations or written correspondences must be sent to the same address as above. To maximize the efficiency of the Fund's management, a minimum of two business day advance notification is required for a client (i.e., Plan Sponsor) to request a complete withdrawal and close an account. Written instruction must include the amount of the distribution and the effective date and whether the distribution is to be made in cash or in-kind (in-kind withdrawals must be approved by Fiduciary Trust International of the South). Based on the fund liquidity and redemption size, we may not be able to process all redemption requests on the day they are received.
ACKNOWLEDGMENT	As a duly authorized officer of The Board of Retirement of Tulare County Employees' Retirement Association the Plan Sponsor of Tulare County Employees' Retirement Association (the "Plan"), I acknowledge and confirm receipt of and agreement to the following: 1) **Amended and Restated Terms and Conditions** of the Franklin Templeton Global Bond Plus Trust 2) **Amended and Restated Declaration of Trust** establishing the Franklin Templeton Global Bond Plus Trust

3) **Amended and Restated Plan of Operation** for the Franklin Templeton Global Bond Plus Trust

I also acknowledge and agree that (1) there can be no assurance that the Fund will achieve its objective or that its investment and currency management strategies will be successful, (2) I am aware that changes in interest rates will affect the value of the Fund's portfolio and its unit price and yield, and that the risks associated with higher-yielding, lower-rated securities include higher risk of default and loss of principal, (3) I am also aware that global investing presents certain risks not associated with investing solely in the United States, (4) these include, for instance, risks relating to fluctuations in the value of the U.S. dollar relative to the values of other currencies, the custody arrangements made for the Fund's foreign holdings, political and social instability, and the lesser degree of public information required to be provided by non-U.S. companies, (5) investing in derivative securities, such as financial futures, option contracts, currency forwards and swaps, and the use of foreign currency techniques involve special risks and may not achieve the anticipated benefits and/or may result in losses to the Fund, and (6) the Fund's Amended and Restated Plan of Operation discusses these and other risks of participation in the Fund.

I represent that the Tax Identification Number of the Plan is 94-2858052, and the Plan Number is 001. The Plan start date was 7/1/1945.

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Authorized Signature

Print or Type Name

Title Date

ACCEPTED **FIDUCIARY TRUST INTERNATIONAL OF THE SOUTH**

Authorized Signature

Print or Type Name

Title Date

APPROVED **FRANKLIN TEMPLETON FINANCIAL SERVICES CORP.**

Authorized Signature

Print or Type Name

Title Date

Current

AMENDED AND RESTATED TERMS AND CONDITIONS FOR PARTICIPATION IN FRANKLIN TEMPLETON GLOBAL BOND PLUS TRUST

Effective January 1, 2016

Tulare County Employees' Retirement Association ("TCERA")

SEPARATE TRUSTEE

Fiduciary Trust International of the South

CUSTODIAN

The Bank of New York Mellon

TRUSTEE & MANAGEMENT FEE SCHEDULE

An annual rate of the average daily assets of client's portfolio will be billed quarterly (see billing schedule below) to the client for current accounts in accordance with the following fee schedule:

Up to and including the first $50 million:	0.47%
Next $50 million:	0.36%
All Assets over $100 million:	0.30%

Billing schedule

Invoice Months	Billing Month
January, February, March	April
April, May, June	July
July, August, September	October
October, November, December	January

OPERATING EXPENSES

The Fund will incur additional operating expenses which at no time shall exceed 0.15%. Such expenses include audit, custody and legal and other fees that will vary based on Fund investments and assets under management, as well as a .05% Fund Administration fee and a .03% Transfer Agent Fee, both of which are paid to affiliates of the Trustee. Operating expenses will be accrued daily. Investment and transaction-related expenses are not part of the operating expenses, are not subject to the Fund's expense cap, and are generally accrued by the Fund as incurred.

Invoices will be emailed or mailed to the following address:
Email to: mwarner@tcera.org

BUSINESS DAY

Any day the New York Stock Exchange is open.

CONTRIBUTION PROCEDURES

All contributions must be wired to:

JP Morgan Chase Bank, N.A.
New York, NY
ABA/RT: 021000021
Credit account: 323117694
Credit account name: Franklin Templeton Incoming Wire Account
St. Petersburg, FL 33716
Related Reference: Franklin Templeton Global Bond Plus Trust
Beneficiary Reference: 436-240 - Tulare County Employees' Retirement Association ("TCERA")

CONTRIBUTION AMOUNT

N/A – Existing Client ($__________)
The minimum initial contribution to the Fund is TEN MILLION DOLLARS ($10,000,000.00).

All transaction requests must be done in writing. To request a purchase, please fax a Transaction Notification Form to Global Client Service Support at 1-650-312-4000. Cancellations or written correspondences must be sent to:

Fiduciary Trust International of the South
Global Client Service Support
One Franklin Parkway
San Mateo, CA 94403-1906
1-800-321-8563

WITHDRAWAL PROCEDURES

To request a complete or partial withdrawal from the Fund, please contact Global Client Service Support at 1.800.321.8563. All transaction requests placed via telephone must be followed up in writing. Cancellations or written correspondences must be sent to the same address as above.

Written instruction must include the amount of the distribution and the effective date and whether the distribution is to be made in cash or in-kind (in-kind withdrawals must be approved by Fiduciary Trust International of the South).

Based on the fund liquidity and redemption size, we may not be able to process all redemption requests on the day they are received.

ACKNOWLEDGMENT

As a duly authorized officer of The Board of Retirement of Tulare County Employees' Retirement Association, the Plan Sponsor of Tulare County Employees' Retirement Association (the "Plan"), I acknowledge and confirm receipt of and agreement to the following:

1) **Amended and Restated Terms and Conditions** of the Franklin Templeton Global Bond Plus Trust

2) **Amended and Restated Declaration of Trust** establishing the Franklin Templeton Global Bond Plus Trust

3) **Amended and Restated Plan of Operation** for the Franklin Templeton Global Bond Plus Trust

I also acknowledge and agree that (1) there can be no assurance that the Fund will achieve its objective or that its investment and currency management strategies will be successful, (2) I am aware that changes in interest rates will affect the value of the Fund's portfolio and its unit price and yield, and that the risks associated with higher-yielding, lower-rated securities include higher risk of default and loss of principal, (3) I am also aware that global investing presents certain risks not associated with investing solely in the United States, (4) these include, for instance, risks relating to fluctuations in the value of the U.S. dollar relative to the values of other currencies, the custody arrangements made for the Fund's foreign holdings, political and social instability, and the lesser degree of public information required to be provided by non-U.S. companies, (5) investing in derivative securities, such as financial futures, option contracts, currency forwards and swaps, and the use of foreign currency techniques involve special risks and may not achieve the anticipated benefits and/or may result in losses to the Fund, and (6) the Fund's Amended and Restated Plan of Operation discusses these and other risks of participation in the Fund.

I represent that the Tax Identification Number of the Plan is 94-2858052, and the Plan Number is 001. The Plan start date was July 1, 1945.

____
Authorized Signature

____
Print or Type Name

______________________________ ______________
Title Date

ACCEPTED

FIDUCIARY TRUST INTERNATIONAL OF THE SOUTH

Teresa V-F Weintraub
Authorized Signature

Teresa V-F Weintraub
Print or Type Name

President 9/1/15
Title Date

COUNTY OF TULARE
BOARD OF RETIREMENT

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Retirement Administrator

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1. f.

Agenda Date: July 14, 2021

Subject: Frequency of Investment Manager Fee Analysis

Requests:

That the Investment Committee:

1. Discuss the desired frequency of the analysis of investment manager fees.
2. Make a recommendation to the Board of Retirement as deemed necessary.

Summary:

The Board of Retirement directed Staff to place this matter on the Investment Committee agenda for consideration. The Committee is asked to discuss the appropriate and desired frequency of the analysis of investment manager fees and make a recommendation to the Board of Retirement.

Prepared by: Leanne Malison

COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1. g.

Agenda Date: July 14, 2021

Subject: Investment Manager Review

Requests:

That the Investment Committee:

1. Review and Discuss manager performance as reported in the most recent Verus Flash Report.
2. Review and Discuss any Managers of Interest and other presented topics

Summary:

1. **Verus Flash Report** – The Flash Report provides the most current performance information provided by Verus. The Committee will periodically discuss individual managers and their performance as well as overall portfolio performance. The Flash report is prepared by Verus as soon as month end information is available from TCERA's managers and is generally available by the 15th of the month. Depending on the timing of the receipt of the investment data and the date of the committee meeting, the most recent month-end report may not be ready in time for distribution or discussion.

2. **Managers of Interest** – The Committee has requested a standing agenda item to discuss managers of interest in greater detail. Most often these will be current investment managers as listed on the Verus Flash Report that have reported firm/personnel changes or managers that require additional discussion or scrutiny.

    a. Franklin Templeton – Manager Review

Prepared by: Leanne Malison

Total Fund
Executive Summary (Net of Fees) - Preliminary

Period Ending: May 31, 2021

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2020	Fiscal 2019	Fiscal 2018	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Fund	1,919,295,878	100.0	1.0	3.8	21.7	0.6	6.0	7.5	23.8	8.9	9.3	7.1	--	--
Policy Index			*0.8*	*3.0*	*19.0*	*3.2*	*7.0*	*7.4*	*20.6*	*9.5*	*9.5*	*7.2*	--	--
Total Domestic Equity	544,405,634	28.4	0.8	6.0	42.0	4.2	7.6	16.6	45.0	17.0	17.1	14.0	--	--
Russell 3000			*0.5*	*5.6*	*40.7*	*6.5*	*9.0*	*14.8*	*43.9*	*18.0*	*17.4*	*14.2*	*10.6*	*8.7*
SSGA S&P 500 Flagship Fund	126,088,664	6.6	0.7	6.1	37.6	7.5	10.4	14.4	40.3	18.0	17.2	--	--	--
S&P 500			*0.7*	*6.1*	*37.6*	*7.5*	*10.4*	*14.4*	*40.3*	*18.0*	*17.2*	*14.4*	*10.6*	*8.4*
QMA Large Cap Core	95,248,880	5.0	1.2	6.2	37.5	3.8	6.6	16.0	41.2	15.2	15.7	14.0	--	--
S&P 500			*0.7*	*6.1*	*37.6*	*7.5*	*10.4*	*14.4*	*40.3*	*18.0*	*17.2*	*14.4*	*10.6*	*8.4*
Ivy Large Cap Growth	96,076,931	5.0	0.0	7.5	30.9	20.2	15.1	26.3	35.6	22.2	21.8	16.8	--	--
Russell 1000 Growth			*-1.4*	*5.3*	*34.1*	*23.3*	*11.6*	*22.5*	*39.9*	*23.0*	*22.1*	*17.0*	*13.0*	*9.3*
Boston Partners Large Cap Value	98,656,792	5.1	3.6	7.3	52.3	-8.8	4.5	10.0	52.7	13.0	13.7	12.2	--	--
Russell 1000 Value			*2.3*	*6.4*	*45.3*	*-8.8*	*8.5*	*6.8*	*44.4*	*12.9*	*12.3*	*11.5*	*8.1*	*7.7*
SSGA Russell Small Cap Completeness Index	44,981,579	2.3	-0.6	3.6	56.6	0.8	2.3	16.7	62.7	17.6	18.0	--	--	--
Russell Small Cap Completeness			*-0.6*	*3.7*	*56.7*	*0.9*	*2.4*	*16.9*	*62.8*	*17.8*	*18.2*	*13.4*	*10.9*	*10.1*
William Blair SMID Cap Growth	39,551,990	2.1	-3.9	0.4	37.6	6.1	10.1	23.6	38.0	17.8	19.4	15.1	--	--
Russell 2500 Growth			*-2.8*	*0.6*	*42.0*	*9.2*	*6.1*	*21.5*	*47.2*	*18.4*	*19.2*	*14.0*	*11.6*	*9.9*
Lee Munder Small Value	43,800,798	2.3	2.3	6.9	64.2	-14.9	-4.7	8.9	65.5	10.5	11.6	9.9	--	--
Russell 2000 Value			*3.1*	*5.2*	*74.3*	*-17.5*	*-6.2*	*13.1*	*79.4*	*10.7*	*13.8*	*10.6*	*8.0*	*9.4*
Total International Equity	328,228,212	17.1	2.9	6.4	39.2	-4.0	3.5	6.1	44.9	10.5	11.9	5.7	--	--
MSCI ACWI ex USA Gross			*3.2*	*6.3*	*37.1*	*-4.4*	*1.8*	*7.8*	*43.4*	*9.4*	*11.4*	*5.8*	*5.4*	*6.7*
SSGA MSCI ACWI Ex US Index Fund	121,478,482	6.3	3.2	6.3	36.8	-4.5	1.5	7.5	43.0	9.2	11.1	5.6	--	--
MSCI ACWI ex USA			*3.1*	*6.2*	*36.6*	*-4.8*	*1.3*	*7.3*	*42.8*	*8.9*	*10.9*	*5.4*	*4.9*	*6.3*
PIMCO RAE Fundamental Global Ex US Fund	107,861,546	5.6	4.1	6.6	48.5	-14.9	-1.5	6.1	53.7	6.6	10.3	--	--	--
MSCI ACWI ex USA Value			*3.8*	*6.1*	*39.9*	*-15.3*	*-0.1*	*4.6*	*45.5*	*5.0*	*8.3*	*3.5*	*3.5*	*5.7*
SGA Global Growth	98,888,183	5.2	1.1	6.2	33.0	6.5	10.7	--	38.5	15.1	--	--	--	--
MSCI ACWI ex USA Growth			*2.4*	*6.2*	*33.2*	*5.8*	*2.6*	*9.9*	*39.9*	*12.5*	*13.2*	*7.1*	*6.2*	*6.8*

Policy (10/1/2020): 25% Russell 3000, 15% MSCI ACWI ex US, 3% MSCI ACWI, 17% BBgBarc US Aggregate, 5% JPM GBI Global, 5% (50% JPM EMBI Global Div/50% JPM GBI EM Global Div), 20% NCREIF-ODCE, 5% Private Equity Returns, 5% Private Credit Returns. Shenkman HY liquidated 3/11/19. PGIM EMD funded 8/26/19. Ocean Ave Fund IV funded 9/16/19. Gresham Commodity and Wellington Commodity liquidated 9/27/19. American Realty funded 12/20/19. Pathway Fund 10 funded 3/25/20. TAO Contingent funded 4/16/20. All data is preliminary.

Total Fund
Executive Summary (Net of Fees) - Preliminary

Period Ending: May 31, 2021

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2020	Fiscal 2019	Fiscal 2018	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Global Equity	76,117,758	4.0	2.5	9.5	51.6	-3.6	1.9	8.0	54.6	13.5	13.7	--	--	--
MSCI ACWI Gross			*1.6*	*6.1*	*38.0*	*2.6*	*6.3*	*11.3*	*42.5*	*14.4*	*14.8*	*10.2*	*8.1*	*7.6*
Skellig Water Fund (aka KBI)	76,117,758	4.0	2.5	9.5	51.6	-3.6	1.9	8.0	54.6	13.5	13.7	--	--	--
MSCI ACWI			*1.6*	*6.0*	*37.5*	*2.1*	*5.7*	*10.7*	*41.8*	*13.9*	*14.2*	*9.6*	*7.5*	*7.1*
Total Fixed Income	557,725,738	29.1	0.6	1.7	2.3	2.9	7.2	-0.2	3.5	4.0	3.3	3.4	--	--
BBgBarc US Aggregate TR			*0.3*	*1.1*	*-1.0*	*8.7*	*7.9*	*-0.4*	*-0.4*	*5.1*	*3.2*	*3.3*	*4.4*	*4.5*
Total Domestic Fixed Income	384,900,448	20.1	0.4	1.3	1.4	7.3	7.6	0.1	2.6	5.4	3.9	3.8	--	--
BBgBarc US Aggregate TR			*0.3*	*1.1*	*-1.0*	*8.7*	*7.9*	*-0.4*	*-0.4*	*5.1*	*3.2*	*3.3*	*4.4*	*4.5*
BlackRock Fixed Income	146,446,849	7.6	0.3	1.2	-0.3	9.1	8.0	-0.6	0.7	5.5	3.5	3.6	--	--
BBgBarc US Aggregate TR			*0.3*	*1.1*	*-1.0*	*8.7*	*7.9*	*-0.4*	*-0.4*	*5.1*	*3.2*	*3.3*	*4.4*	*4.5*
Doubleline Core Plus	116,584,407	6.1	0.3	1.2	2.2	4.1	7.0	0.2	3.5	4.4	3.3	--	--	--
BBgBarc US Aggregate TR			*0.3*	*1.1*	*-1.0*	*8.7*	*7.9*	*-0.4*	*-0.4*	*5.1*	*3.2*	*3.3*	*4.4*	*4.5*
MacKay Shields Core Plus	121,869,192	6.3	0.5	1.5	2.6	8.5	7.4	-0.2	4.0	6.1	4.4	--	--	--
BBgBarc US Aggregate TR			*0.3*	*1.1*	*-1.0*	*8.7*	*7.9*	*-0.4*	*-0.4*	*5.1*	*3.2*	*3.3*	*4.4*	*4.5*
Total Global Fixed Income	85,332,462	4.4	0.2	1.0	-1.7	-7.9	6.1	-1.4	-1.9	-1.6	0.8	--	--	--
JPM GBI Global TR USD			*0.8*	*1.9*	*0.8*	*5.2*	*5.7*	*1.7*	*1.3*	*3.8*	*2.5*	*1.7*	*3.5*	--
Franklin Templeton Global Bond Plus	85,332,462	4.4	0.2	1.0	-1.7	-7.9	6.1	-1.4	-1.9	-1.6	0.8	--	--	--
JPM GBI Global TR USD			*0.8*	*1.9*	*0.8*	*5.2*	*5.7*	*1.7*	*1.3*	*3.8*	*2.5*	*1.7*	*3.5*	--
Total Emerging Markets Fixed Income	87,492,829	4.6	1.9	4.4	10.5	-2.4	--	--	13.5	--	--	--	--	--
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			*1.7*	*3.9*	*7.2*	*-1.1*	*10.8*	*-1.9*	*9.3*	*4.8*	*5.1*	*3.2*	*5.9*	--
PGIM Emerging Markets Debt	87,492,829	4.6	1.9	4.4	10.5	--	--	--	13.5	--	--	--	--	--
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			*1.7*	*3.9*	*7.2*	*-1.1*	*10.8*	*-1.9*	*9.3*	*4.8*	*5.1*	*3.2*	*5.9*	--
Total Real Estate	182,568,362	9.5				5.3	6.7	7.6	2.2	4.7	5.8	8.5	--	--
NCREIF-ODCE						*2.2*	*6.4*	*8.4*	*2.3*	*4.9*	*6.2*	*9.7*	*6.3*	*7.5*
RREEF America II	167,173,864	8.7				5.3	6.6	7.4	2.1	4.7	5.8	9.6	--	--
NCREIF-ODCE						*2.2*	*6.4*	*8.4*	*2.3*	*4.9*	*6.2*	*9.7*	*6.3*	*7.5*
American Realty	15,394,499	0.8				--	--	--	3.4	--	--	--	--	--
NCREIF-ODCE						*2.2*	*6.4*	*8.4*	*2.3*	*4.9*	*6.2*	*9.7*	*6.3*	*7.5*

Policy (10/1/2020): 25% Russell 3000, 15% MSCI ACWI ex US, 3% MSCI ACWI, 17% BBgBarc US Aggregate, 5% JPM GBI Global, 5% (50% JPM EMBI Global Div/50% JPM GBI EM Global Div), 20% NCREIF-ODCE, 5% Private Equity Returns, 5% Private Credit Returns. Shenkman HY liquidated 3/11/19. PGIM EMD funded 8/26/19. Ocean Ave Fund IV funded 9/16/19. Gresham Commodity and Wellington Commodity liquidated 9/27/19. American Realty funded 12/20/19. Pathway Fund 10 funded 3/25/20. TAO Contingent funded 4/16/20. All data is preliminary.

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2020	Fiscal 2019	Fiscal 2018	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Private Equity	88,622,203	4.6				5.4	17.8	17.1	18.8	13.8	13.3	12.6	--	--
Private Equity Benchmark						*5.4*	*17.8*	*17.1*	*18.8*	*13.8*	*13.3*	*12.6*	--	--
BlackRock Alternative Advisors	3,207,080	0.2				8.1	8.8	12.6	27.0	14.3	11.4	10.8	--	--
Ocean Avenue Fund III	19,544,055	1.0				13.7	35.4	43.3	11.2	19.6	17.4	--	--	--
Ocean Avenue Fund IV	12,059,527	0.6				--	--	--	8.3	--	--	--	--	--
Pantheon Ventures	451,311	0.0				-23.1	5.6	7.7	6.2	-4.8	0.2	3.8	--	--
Pathway Private Equity Fund Investors 8	22,726,069	1.2				4.9	26.4	26.6	28.1	19.3	18.5	--	--	--
Pathway Private Equity Fund Investors 9	15,901,427	0.8				0.0	22.0	--	27.9	16.0	--	--	--	--
Pathway Private Equity Fund Investors 10	2,013,400	0.1				--	--	--	18.9	--	--	--	--	--
Stepstone Secondary Opportunities Fund II	12,719,335	0.7				-0.5	2.1	8.6	17.2	6.0	7.7	--	--	--
Total Private Credit	81,365,838	4.2				-4.5	11.2	7.9	23.4	9.4	--	--	--	--
Private Credit Benchmark						*-4.5*	*11.2*	*7.9*	*23.4*	*9.4*	--	--	--	--
Sixth Street DCP (frmrly TSSP DCP)	81,365,838	4.2				-4.5	11.2	7.9	23.4	9.4	--	--	--	--
Total Opportunistic	18,437,254	1.0				-6.2	-6.2	28.8	17.1	1.0	7.8	--	--	--
Sixth Street TAO Contingent (frmrly TSSP TAO Contingent)	14,813,294	0.8				--	--	--	30.5	--	--	--	--	--
KKR Mezzanine Partners I	3,613,233	0.2												
PIMCO Bravo	10,727	0.0												

Policy (10/1/2020): 25% Russell 3000, 15% MSCI ACWI ex US, 3% MSCI ACWI, 17% BBgBarc US Aggregate, 5% JPM GBI Global, 5% (50% JPM EMBI Global Div/50% JPM GBI EM Global Div), 20% NCREIF-ODCE, 5% Private Equity Returns, 5% Private Credit Returns. Shenkman HY liquidated 3/11/19. PGIM EMD funded 8/26/19. Ocean Ave Fund IV funded 9/16/19. Gresham Commodity and Wellington Commodity liquidated 9/27/19. American Realty funded 12/20/19. Pathway Fund 10 funded 3/25/20. TAO Contingent funded 4/16/20. All data is preliminary.

BlackRock.

July 20, 2021

Leanne Malison
Tulare County Employees' Retirement Association
136 North Akers Street
Visalia, CA 93291-5121

Dear Leanne:

We refer to the Investment Management Services Agreement dated as of October 20, 1995 as amended (the "**Agreement**") between the Tulare County Employees' Retirement Association (the "**TCERA**") and BlackRock Financial Management, Inc. (the "**Manager**"). Capitalized terms used herein and not defined shall be given their meanings as so defined in the Agreement (as defined below).

WHEREAS, TCERA and the Manager wish to amend certain terms and conditions of the Agreement.

NOW, THEREFORE, TCERA and the Manager agree as follows:

1. Amendments to the Agreement.

a. Section V (B) is amended to add the following sub section (g):

> g. Notwithstanding anything in this Agreement to the contrary, the Manager may delegate to any affiliate of the Manager the performance of any of the portfolio management, trade order placement or other functions the Manager is authorized to perform hereunder, subject to applicable law; provided that the Manager shall always remain liable to the TCERA for the Manager's obligations hereunder and for all actions of any such affiliates to the same extent as the Manager is liable for its own actions hereunder. Any affiliate to whom the Manager delegates discretionary authority shall acknowledge in writing that it will be a fiduciary with respect to the account assets over which it has such authority.

b. Exhibit A - Performance Fee Between TCERA and Manager shall be replaced in its entirety with the attached Exhibit A attached hereto.

c. Appendix B – Investment Policy and Manager Guidelines shall be replaced in its entirety with the attached Appendix B attached hereto.

Please acknowledge your agreement with the foregoing by signing in the space provided below and returning the fully executed letter to us.

Sincerely,

BlackRock Financial Management, Inc.

By: ______________________________
Name:
Title:

Tulare County Employees' Retirement Association

By: ______________________________
Name:
Title:

Exhibit A

Performance Fee Between

Tulare County Employees' Retirement Association (TCERA) and BlackRock Financial Management

Manager Compensation: **Performance Fee Calculation**

For investment management services rendered, the Tulare County Employees' Retirement Association (TCERA) shall pay the manager a fee to be computed as follows.

The components of this fee are defined below:

1. Base Fee (annual): 0.10%

   The base fee is paid each quarter based on the average market value of the portfolio during the quarter (defined as the average of the beginning and ending market values during the most recent quarter), multiplied by the base fee amount divided by 4, and prorated for periods of less than a full calendar quarter.

2. Market Return: Bloomberg Barclays U.S, Aggregate Bond Index

3. Required Excess Return: + 0.75% (annualized), net of Base Fee

4. Normal Fee: 0.25% on first $100 million
   0.20% on balance

5. Portfolio Return: Quarterly Return Before Fee

6. Performance Fee:

$$\frac{\text{Normal Fee - Base Fee}}{} \times \frac{\text{(Portfolio Return - Market Return – Base Fee)}}{\text{Required Excess Return}}$$

7. Average Market Value: An average of the market values at the beginning ofthe measurement period and at the end of each quarter included in the measurement period. The market values will be provided by the Custodian and will include any accruals calculated. For example: the average market value (AMV) after the twelfth (12th) quarter would be determined as follows:

$$AMV = \frac{MVO+MV1+MV2+MV3+MV4+MV5+\ldots+MV12}{13}$$

where: MVO = Market Value at beginning of measurement period

MVl, etc.= Market Value at end of first measurement quarter, etc.

8. Total Fee:

[Performance Fee X Average Market Value] + Base Fee

This fee is paid quarterly; however, for the initial three (3) quarters the Manager will receive a fee equal to the Base Fee. After the end of the fourth (4th) quarter under management, an annualized fee calculation will be computed to award any Performance Fee due for the entire initial four (4) quarter period.

For the fifth (5th) through the twelfth (12th) quarters, the annualized Performance Fee calculation shall be based upon cumulative linked and annualized returns from inception to date. For periods beyond the (12th) quarter, the fee shall be computed on an annualized rolling twelve (12) quarter basis. In each quarter, the cumulative annual fee will be calculated, and fees for the previous 3 quarters will be deducted to determine the current quarterly fee.

9. Maximum Fee:

[2 (Normal Fee -Base Fee)+ Base Fee]

Under the performance fee arrangement this is the maximum fee the Manager can be paid in any one year. This amount is equal to the normal fee (achieved at the performance objective) plus the difference between the Manager's normal fee and base fee.

10. In the event this agreement is terminated by the client before the first performance fee payment is due (the 12th month), the fee payable will be the amount which would have been paid if the Normal Fee had been in effect during the term of the agreement preceding such termination, and will be appropriately prorated.

11. The fee shall be calculated by the Manager using the Custodian market values, client portfolio returns calculated by the Fund's consultant, and the Bloomberg Barclays U.S. Aggregate Bond Index. The manager's fee calculation shall be submitted to the client for verification. Discrepancies in the elements of calculation will be reconciled between the Custodian, the manager, and the Fund's consultant, as required.

12. Management Fee Offset: To the extent the Portfolio invests in an affiliated fund ("Affiliated Funds"), investment management fees calculated under this Agreement will be reduced by the amount of the investment advisory or management fee (if any) collected within such Affiliated Fund by the Manager, or its affiliate. Any other expenses or taxes associated with investments in such Affiliated Funds will not be offset.

Exhibit B
BlackRock Financial Management, Inc.
US Core Fixed-Income
Statement of Objectives, Guidelines & Procedures

[Please see separate attachment]

TCERA acknowledges that the Manager does not warrant or guarantee any particular level of portfolio performance, that a portfolio will be profitable over time, or that the portfolio's investment objectives will be achieved.

BlackRock Financial Management, Inc.
US Core Fixed-Income

Statement of Objectives, Guidelines & Procedures

Investment Approach – Core Fixed-Income

The investment objectives of the core fixed-income portfolio are to provide stable income to the Fund, provide safety of principal and consistent returns above the fixed-income market as measured by the Bloomberg Barclays U.S. Aggregate Bond Index. The fund will be actively managed by BlackRock Financial Management (BlackRock), hereinafter also referred to as "Manager", and invested in a diversified portfolio of fixed-income securities. The Investment Strategy Committee meets weekly to establish guidelines for the characteristics of the portfolios, including sector allocation, desired duration, convexity bias and yield curve positioning. Once the strategic decisions have been made, the Portfolio Management Group is responsible for their implementation and for monitoring the portfolios on a daily basis.

TCERA is concerned about market volatility and wishes to avoid portfolio compositions which might lead to a substantial decline in market value of 10% or more in any fiscal year, even under extraordinary bad market conditions.

General Guidelines

All investments are subject to compliance with Investment Policies, Objectives and Guidelines for the Tulare County Employees' Retirement Association, with applicable State and Federal statutes, and shall be managed in a diversified and prudent manner.

Sector and security selection, portfolio structure and timing of purchases and sales are delegated to the manager subject to the investment management contract. The following transactions are prohibited: short sales, selling on margin, "prohibited transactions" as defined under the Employees Retirement Income Security Act (ERISA), and transactions that involve a broker acting as a "principal" where such broker is also the investment manager who is making the transaction. Transactions shall be executed on the basis of "best price and execution" for the sole benefit of the Tulare County Employees' Retirement Association's beneficiaries.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to TCERA resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

The Manager shall invest within the scope of their stated style. With respect to this Agreement, the Manager shall adhere to the calculation and preservation of performance as described by the Association of Investment Management and Research's Code of Ethics and the Standards of Professional Conduct as presented in the Standards of Practice Handbook.

Portfolio Characteristics and Guidelines

The following is a list of portfolio guidelines which delineates the ranges within which the following characteristics of the Bloomberg Barclays U.S. Aggregate Bond Index portfolio should vary:

Portfolio Duration	+/- 20% of the benchmark
Minimum Issue Credit Rating	A2/P2 or equivalent for commercial paper
	B for long-term corporate debt
	B for Mortgage Backed Securities
	B for Asset Backed Securities
	A for Collateralized Loan Obligations
	B for Foreign Government or Agency obligations
Limitations on Below Investment	No more than 10% of the portfolio may be Grade Rated Issues below BBB rated issues.
	If bonds are downgraded below the minimum credit quality allowable in the guidelines at time of purchase, the Manager is allowed to hold up to 2% in aggregate market value of these securities. At no time, however, will the total of below investment grade rated issues exceed 10% of the portfolio.
	In the event of a downgrade which causes the portfolio to not be in compliance with any of these investment guidelines, no violation will be deemed to have occurred, but BlackRock will promptly notify the administrator and recommend proposed action within five business days of the event.
Sector Limitations	US Government issues will comprise a minimum of 10% of the portfolio market value: Corporate and Mortgage Backed Securities will each be subject to a maximum limit of 65%.
Average Portfolio Credit Quality	A- or better
Minimum Number of Issues	15 issues

Issuer Limits	Except for US Government and Agency issues, no more than 5% of the portfolio will be invested in the securities of a single issuer.
CMO's	Investments in mortgage interest only (IO) and principal only (PO) securities or their derivations are prohibited.
Commercial Mortgage-Backed Sec.	CMBS are permitted, but shall comprise no more than 15% of the portfolio market value.
Collateralized Loan Obs (CLOs)	CLOs are permitted, but shall comprise no more than 10% of the portfolio market value.
Non-USD denominated securities	Non-USD denominated securities are permitted, but shall comprise no more than 30% of the portfolio market value, of which no more than 5% of the portfolio may be exposed to non-USD currencies.
Private Placements	Schedule D, Reg-S and 144A private placements are permitted but shall comprise no more than 25%of the portfolio market value.
Derivatives	Futures, options, and swaps may be used for purposes of hedging, managing duration, and as a substitute for cash. Derivative securities shall not be used to lever the portfolio or expose the portfolio to risk and/or volatility in excess of what the account would experience excluding derivatives.
Cash Investments	For the purposes of these investment guidelines, a cash investment shall be defined as any security that has an effective duration under one year, a weighted average life of less than one year, and spread duration less than one year.

Exceptions to these guidelines will be considered by TCERA on a case-by-case basis, and will require prior written approval.

The use of derivative securities must comply with the uses and restrictions outlined in TCERA's Investment Policy Statement.

Authorized Investments

Non-agency Mortgage Backed Securities

Bankers Acceptances

Certificates of Deposit

Bank trust preferreds/capital securities (eg. Contingent Convertible Bonds)

Convertible Bonds

Preferred Equities

Repurchase Agreements

Commercial Paper rated A2/P2 or equivalent

Corporate Bond Obligations rated B- or better

Government or Agency obligations of the US

Foreign Government or Agency obligations

Mortgage-Backed Securities (including Collateralized Mortgage Obligations)

Commercial Mortgage-Backed Securities

Collateralized Loan-Obligations (CLOs)

Asset Backed Securities

Municipal Bonds (taxable and tax-exempt)

Exchange-traded Funds tracking fixed income indices (ETFs), including ETFs advised by an affiliate of the Manager further described herein under the "Affiliated Funds" section below.

STIF provided by TCERA's custodian

Any asset or asset class not listed above in Authorized Investments but otherwise included in the Benchmark shall be deemed an eligible investment.

Affiliated Funds

The Manager may invest the Portfolio in the following open-end managed investment companies registered under the Investment Company Act of 1940 to which an affiliate of the Manager provides investment management or other services ("**Affiliated Funds**") when the Manager believes that an investment in Affiliated Funds would be consistent with or is necessary to fully implement the investment strategy of the Portfolio:

iShares iBoxx $ Investment Grade Corporate Bond ETF
iShares National Muni Bond ETF
iShares MBS ETF
iShares TIPS Bond ETF
iShares J.P. Morgan USD Emerging Markets Bond ETF
iShares iBoxx $ High Yield Corporate Bond ETF

iShares 0-5 Year TIPS Bond ETF
iShares Floating Rate Bond ETF
iShares 20+ Year Treasury Bond ETF
iShares Broad USD Investment Grade Corporate Bond ETF
iShares Broad USD High Yield Corporate Bond ETF
iShares Preferred and Income Securities ETF

The purchase, sale and holding of Affiliated Funds will be effected in accordance with Department of Labor Prohibited Transaction Exemptions 2012-09 or 77-4 (or another available exemption). Information about the Affiliated Funds is contained in the prospectus, statement of additional information and other disclosure documents ("**AF Disclosure Documents**"), which can be found at the following link: www.ishares.com/us/library/financial-legal-tax.

The AF Disclosure Documents for each Affiliated Fund contain additional information about fees and compensation paid by the Affiliated Fund. An Affiliated Fund may engage in securities lending and the Manager and/or its affiliates may earn additional compensation as a result of the securities lending as described in the AF Disclosure Documents.

TCERA hereby (i) acknowledges receipt of *Managing ERISA Assets* and the AF Disclosure Documents for each Affiliated Fund in which the Portfolio may currently invest, (ii) consents to the electronic delivery of the AF Disclosure Documents for each such Affiliated Fund and acknowledges that it has had the opportunity to review the current AF Disclosure Documents for each such Affiliated Fund, including the management fee charged by each such Affiliated Fund, (iii) acknowledges that an Affiliated Fund may invest a portion of its assets in other funds from which the Manager or its affiliates may receive fees for providing management, administrative and/or other services, (iv) represents that TCERA is independent and unrelated to the Manager and its affiliates, (v) approves the management and/or other fees, including securities lending fees, paid by the Affiliated Funds in relation to the fees payable pursuant to this Agreement, (vi) acknowledges that such Affiliated Funds are subject to their own governing documents which shall control in the event of any conflict with this Agreement, (vi) acknowledges that it may be able to invest directly in such Affiliated Funds outside the Portfolio, and (vii) acknowledges that it may revoke its consent for the Portfolio to invest in any such Affiliated Fund at any time by providing written notice to the Manager.

Performance Objectives

The portfolio's performance objective will be to outperform the Bloomberg Barclays U.S. Aggregate Bond Index by 55 basis points per annum (net of fees) over a full market cycle, defined as a three to five year period.

Exceed inflation as measured by the Consumer Price Index (CPI) by 3.0% per annum over the long-term;

Perform in the top 40% of a peer group of similar style fixed-income managers over a full market cycle.

Reporting Requirements

A. Monthly - Transaction statement, asset (portfolio) statement, breakdown of directed commission activity and performance of the portfolio and benchmark for the month to be sent to Staff at the TCERA's office (2 copies) and Board members at their homes.

B. Quarterly - Same as monthly plus discussion of portfolio's recent strategy and expected future strategy, demonstration of compliance with guidelines, performance of the portfolio and benchmark for the quarter, year-to-date, 1 year, 3 years, 5 years and since inception, review of transaction costs and participation in TCERA's commission recapture program to be sent to Staff at the Fund's office (2 copies) and Board members at their homes. A proxy voting report with an explanation of all significant votes should also be included in the quarterly reporting package.

C. BlackRock will be responsible to ensure that a copy of each trade confirm is immediately forwarded to TCERA's accountant.

D. BlackRock will reconcile every month accounting, transaction, and asset summary data with custodian reports and communicate and resolve any significant discrepancies with the custodian and forward a copy of the reconciliation to TCERA's accountant.

E. BlackRock will meet with representatives of TCERA as often as determined necessary by the Board.

BlackRock will keep TCERA apprised of relevant information regarding its organization and personnel. The firm will notify TCERA within 24 hours of any changes in the lead personnel assigned to manage the account.

Acknowledged By

________________________________ Date: ____________

BlackRock Financial Management, Inc.

________________________________ Date: ____________

Tulare County Employees' Retirement Association

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

JULY 2021

Private Markets Program Review

Tulare County Employees' Retirement Association

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Verus

VERUSINVESTMENTS.COM

SEATTLE 206-622-3700
LOS ANGELES 310-297-1777
SAN FRANCISCO 415-362-3484
PITTSBURGH 412-784-6678

I. Back to basics – private markets primer

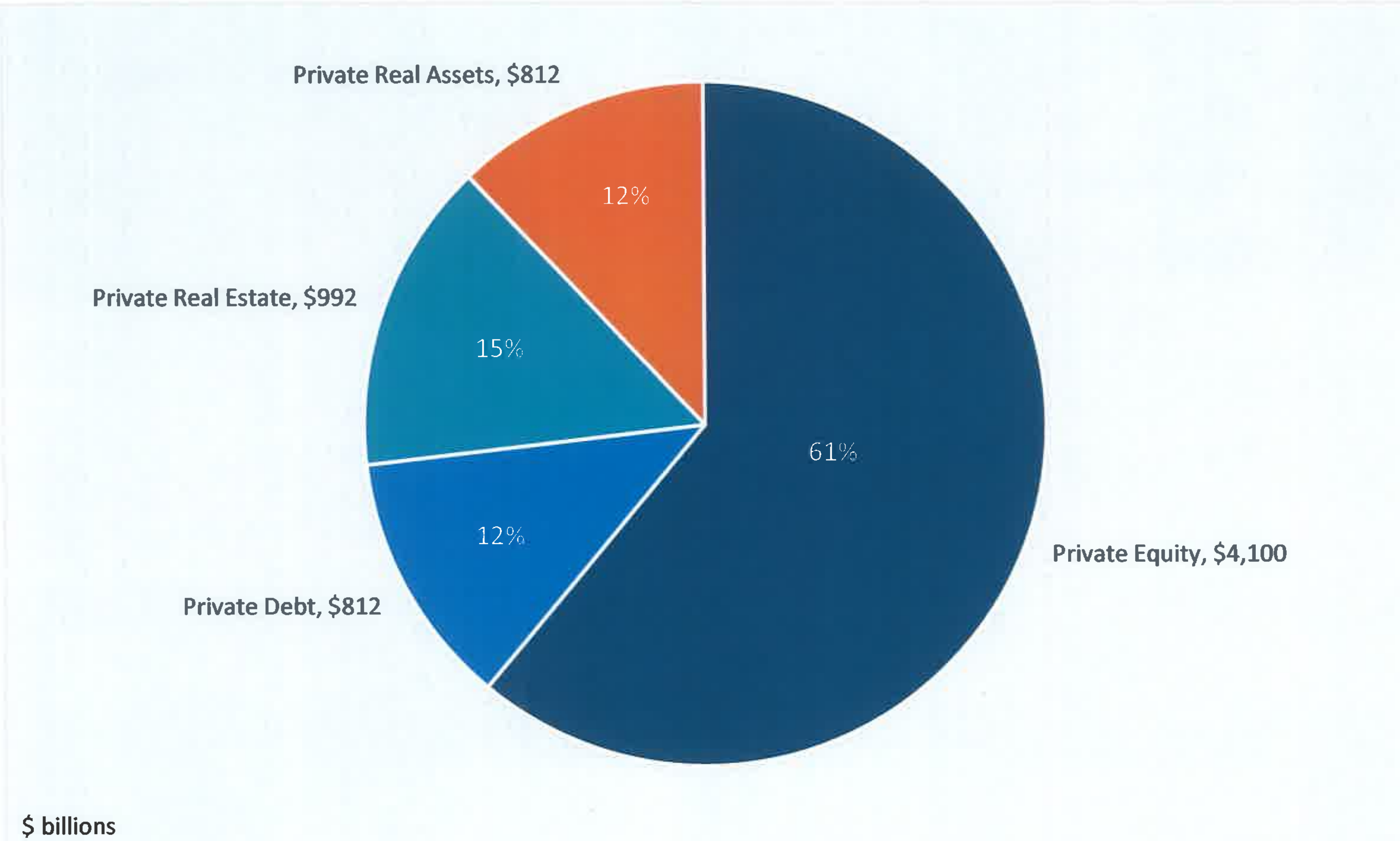
What are private market investments?

Private Equites	Private Debt	Private Real Estate	Private Real Assets
Venture Capital • Early Stage • Growth Stage	Direct Lending	Real estate/ Real Estate debt	Infrastructure
Buyout	Distressed	Core	Natural resources
Secondaries	Other	Value-add	Agriculture
		Opportunistic	Intellectual property

- Private market investments are not listed on market exchanges
- These are institutional investments not available to retail investors and which have large minimum investment sizes (i.e., > $5millon)
- Investments are made via subscription agreements with extensive contract provisions

Private markets opportunity set

TOTAL PRIVATE MARKETS $6,716 BILLION



Source: Preqin Alternatives in 2020 Report

Private markets investors

Investor Type	Average Allocation
Public Pension Funds	12%
Corporate Pensions	4%
Endowment/Foundation	17%
Insurance	13%
Family Office	19%
High New Worth*	35%

Source: P&I, WillisTowersWatson, KKR, Peltz International

** High net worth range includes high net worth and ultra high net worth*

Private markets value proposition

- Access to large and diverse set of investment opportunities not available in public markets
- Higher expected returns versus public markets from:
  - Sourcing and structuring investments
    - Opacity of private markets benefits managers with sourcing expertise
  - Operational expertise
    - Provision of resources and expertise to improve investment company/property, etc. through value creation activities
      - Earnings growth
      - Multiple expansion
      - Debt reduction
  - Flexibility in deployment of capital
    - Call capital when attractive investment opportunities are identified
  - Utilization of leverage (buyouts and real assets)
  - Illiquidity "premium"

Private markets risks

- *Market risk* – volatility driven by broader risk factors such as equity, inflation, interest rates, etc.
- *Capital risk* – loss of capital due to investment in speculative strategies or other factors such as credit events
- ***Illiquidity risk*** – capital is locked up for many years; requirement for continued funding through market cycles
- *Operational risk* – losses from inadequate processes and systems supporting the GP's investment process
- *Financial structure risk* – complexity, leverage, and different rights of varying investors

Private markets implementation

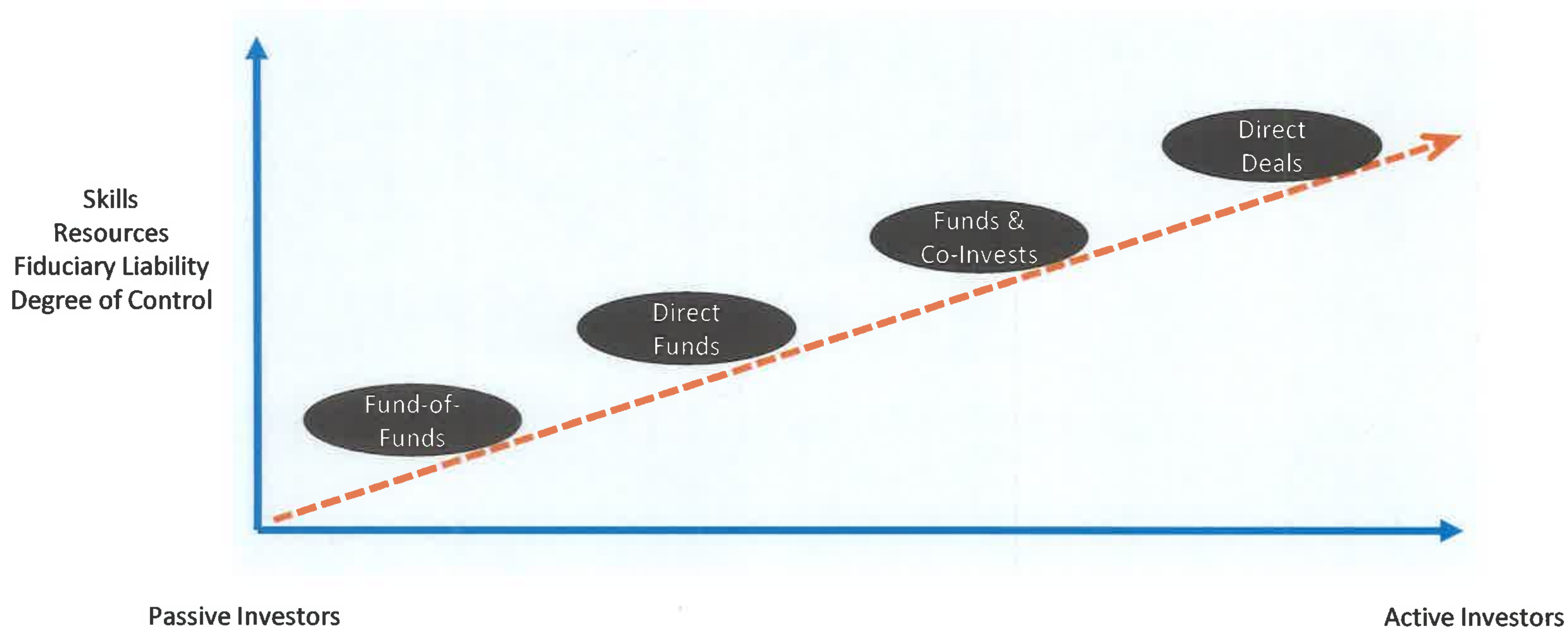
Implementation approach driven by each investor's:

— Investment objectives

— Internal skills and resources or access to same

— Tolerance for control, risks, cost

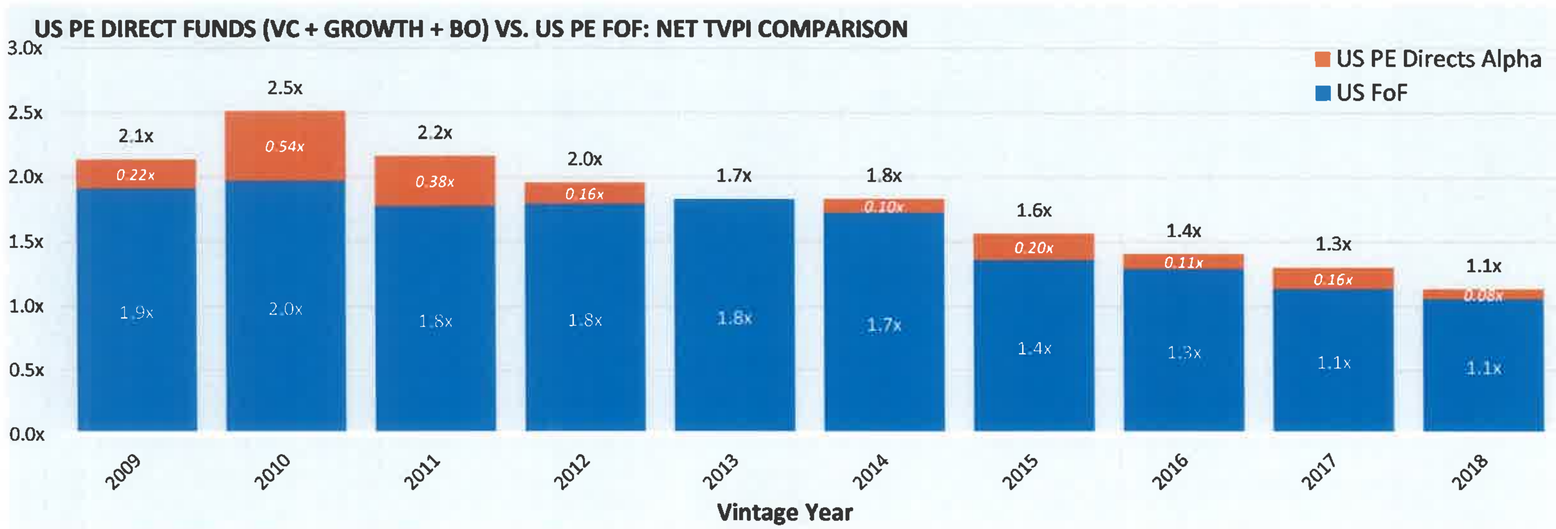
ACTIVE-PASSIVE INVESTOR SPECTRUM



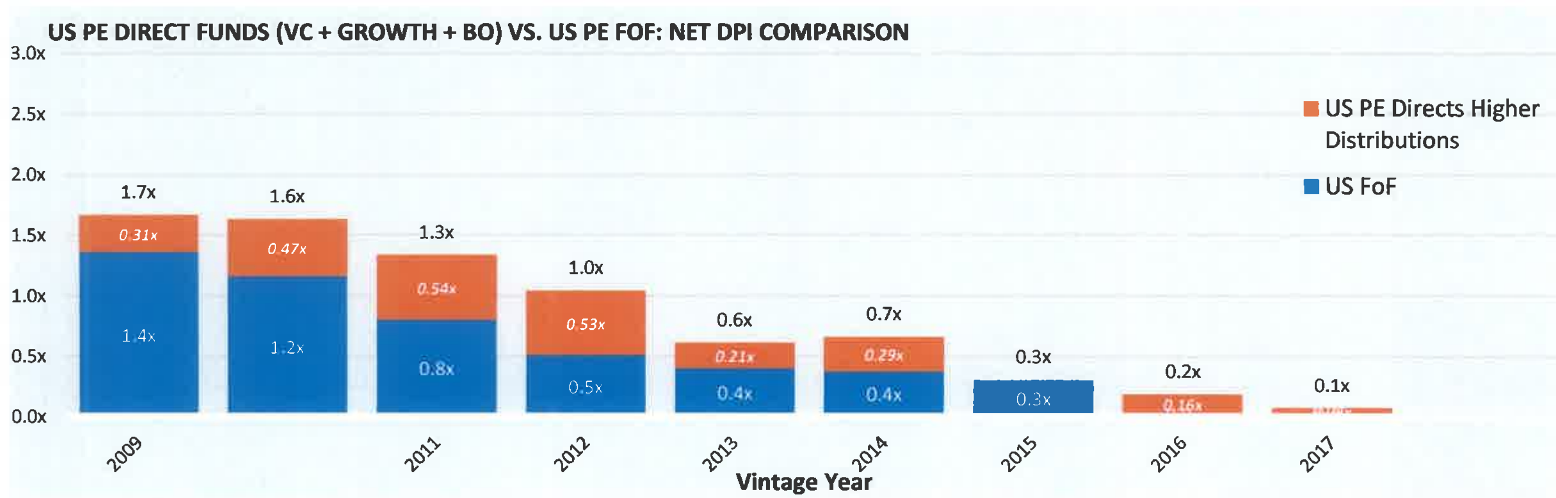
Implementation: direct vs. fund-of-funds

	Direct Funds	Fund of Funds (FoFs)
Strengths	— Single layer of fees — Customized portfolio — Increased control over investments: pacing, types of funds — Direct relationships with General Partners	— Generally lowers risk through broad diversification across managers, strategies, sub-asset classes, and /or geographies — Simpler to implement
Considerations	— Operationally complex — Resource intensive — Can take longer to construct full PE program	— Long-term commitment to vehicle with extra layer of management fees and carried interests — Historically lower net returns to LPs than direct funds — Potentially lack of transparency — Alignment of interests can vary — Significantly more difficult to withdraw / terminate after commitment

Performance: direct vs. fund-of-funds



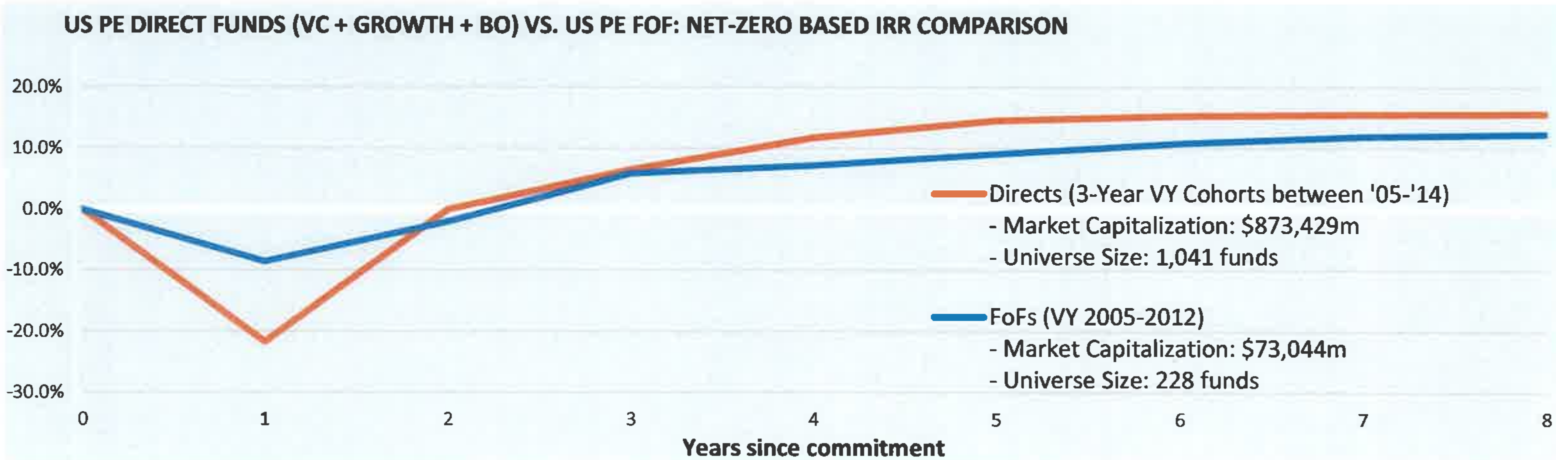
$100M invested in US direct PE yields an average of $33M alpha over US FoFs peers at maturity, on a TVPI basis.

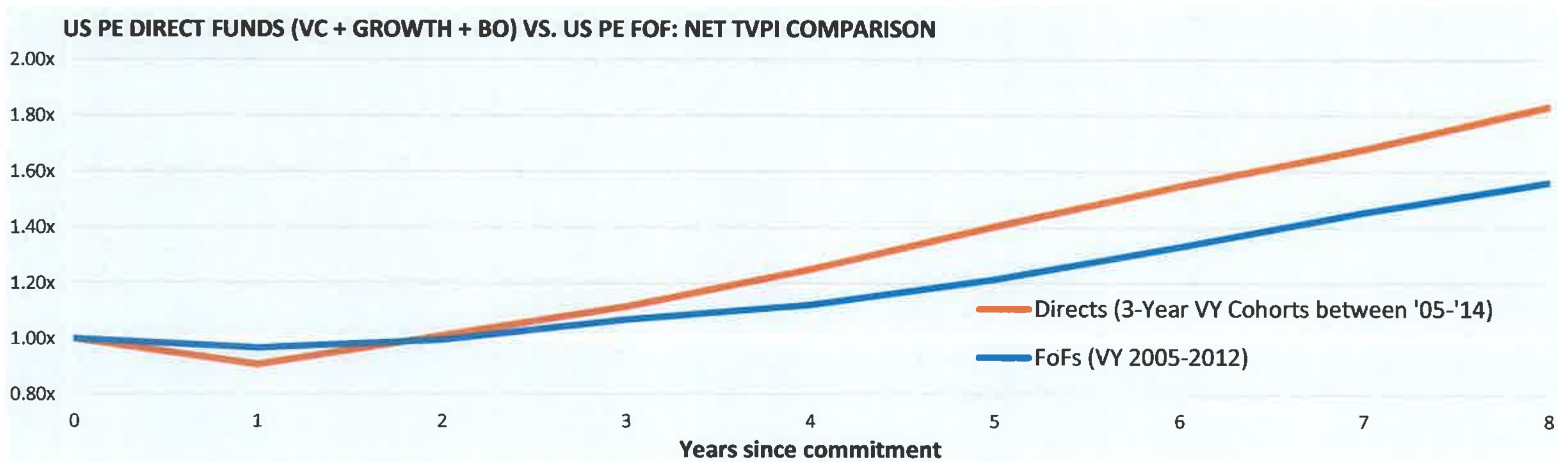


$100M invested in US direct PE yields an average of $46M higher distributions over US FoFs peers, on a DPI basis.

*Source: Thomson Reuters C|A as of June 30, 2020

J-curve: direct vs. fund-of-funds





After year 2, US PE direct funds moved out of J-Curve faster than FoFs.

This gap widens further in the post-GFC vintage years.

*Source: Thomson Reuters C|A as of June 30, 2020

Potential ramp-up scenario

($ millions)

	Commitment	Remaining Commitment	Cumulative To Date (as of 3/31/21)	(Contributions) / Distributions 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PM Balance - current private markets program													
Current PE % of Total Assets	$96	$37	4.7%	4.9%	4.1%	3.2%	2.5%	1.8%	1.2%	0.7%	0.4%	0.1%	0.0%
Current PC % of Total Assets	$140	$82	4.4%	5.0%	5.2%	4.7%	4.1%						
Current PRA % Total Assets	$115	$0	9.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current PM % of Total Assets	$351	$119	18.9%	9.9%	9.4%	7.9%	6.6%	1.8%	1.2%	0.7%	0.4%	0.1%	0.0%

	Target	2020 (actual)	Projected Allocation 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Private Equity	12%	$80	$93	$113	$146	$191	$242	$298	$336	$355	$344	$306
Private Credit	8%	$73	$76	$89	$116	$144	$174	$198	$201	$181	$139	$98
Private Real Assets	20%	$180	$183	$219	$277	$353	$437	$500	$531	$554	$584	$624
Total Private Markets	40%	$334	$352	$421	$538	$689	$853	$996	$1,068	$1,089	$1,068	$1,028

	Commitment as of 12/31/20	2020	Projected Commitment 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Private Equity	$154		$110	$110	$110	$110	$110	$100	$0	$0	$0	$0
Private Credit	$140		$50	$50	$50	$50	$50	$50	$0	$0	$0	$0
Private Real Assets	$115		$30	$75	$75	$75	$80	$80	$75	$100	$100	$100
Total Private Markets	$408		$160	$160	$160	$160	$160	$150	$0	$0	$0	$0
Total Plan Assets		$1,791	$1,891	$1,999	$2,115	$2,237	$2,367	$2,505	$2,651	$2,805	$2,967	$3,139
Private Equity as a % of Plan		4.5%	4.9%	5.7%	6.9%	8.5%	10.2%	11.9%	12.7%	12.6%	11.6%	9.8%
Private Credit as a % of Plan		4.1%	4.0%	4.4%	5.5%	6.5%	7.3%	7.9%	7.6%	6.4%	4.7%	3.1%
Private Real Assets as a % of Plan		10.1%	9.7%	11.0%	13.1%	15.8%	18.5%	20.0%	20.0%	19.7%	19.7%	19.9%
Total Private Markets		18.6%	18.6%	21.1%	25.5%	30.8%	36.0%	39.7%	40.3%	38.8%	36.0%	32.7%

Note: Assumptions for this model are detailed in the appendix.

II. Private markets program review

Executive summary

- TCERA's private market program made up 9.1% of the total fund on 3/31/21, nearing the 10% strategic target.
- Based on current estimates, the private equity allocation will continue to decline this year without additional commitments, and private credit will peak next year.
- Opportunities exist to make additional commitments to both the Plan's private equity managers.
- Sixth Street Partners is raising capital for the next funds in its Growth Fund (formerly TCS) series and its CMS Fund (formerly TICP) series.

II.a. Overview

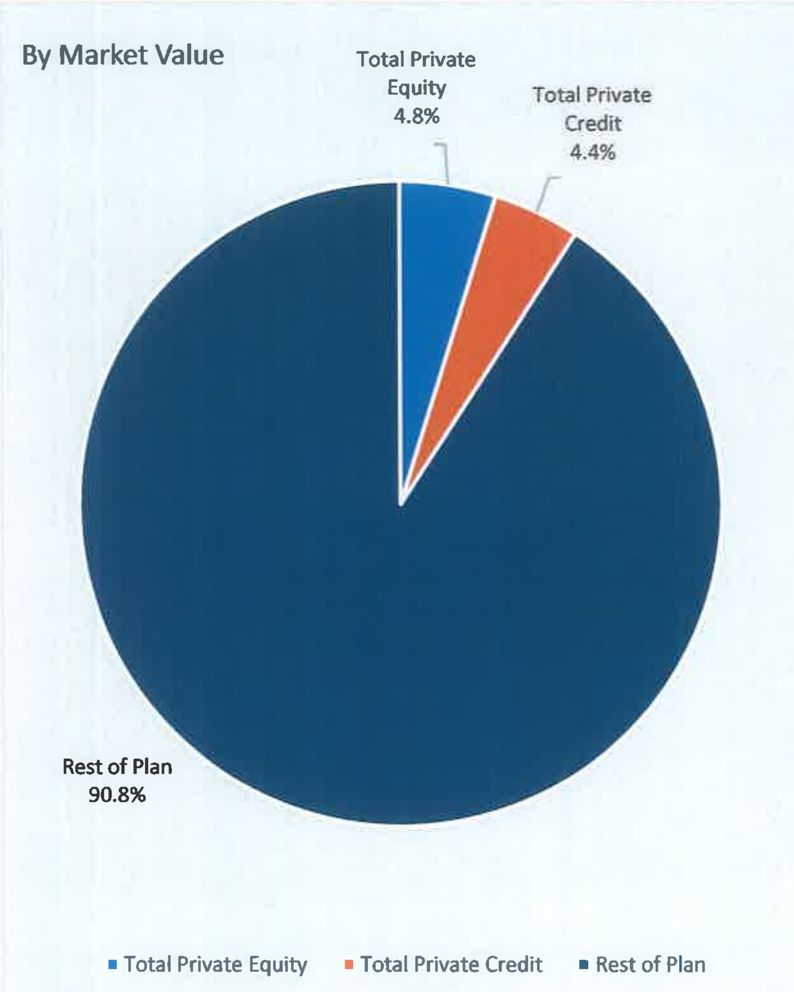
Portfolio allocation (3/31/21)

Asset Class	Policy	Current
Domestic Equity	25%	27.6%
International Equity	15%	16.7%
Global Equity	3%	4%
Fixed Income	27%	29.7%
Real Assets	20%	9.8%
Private Equity	5%	4.7%
Private Credit	5%	4.4%
Opportunistic*	0%	0.2%
Cash	0%	2.0%

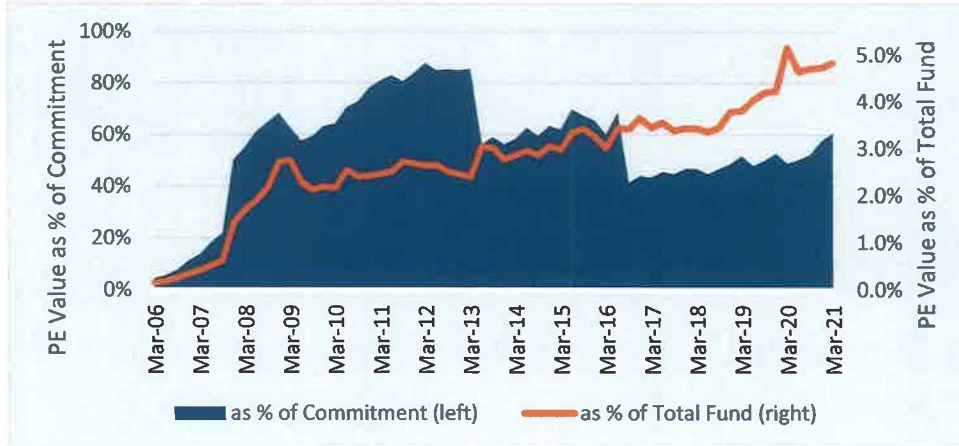
**Opportunistic is composed of KKR Mezzanine and PIMCO Bravo, both winding down, and a new allocation to TAO Contingent was funded in April 2020*

Private markets program at a glance

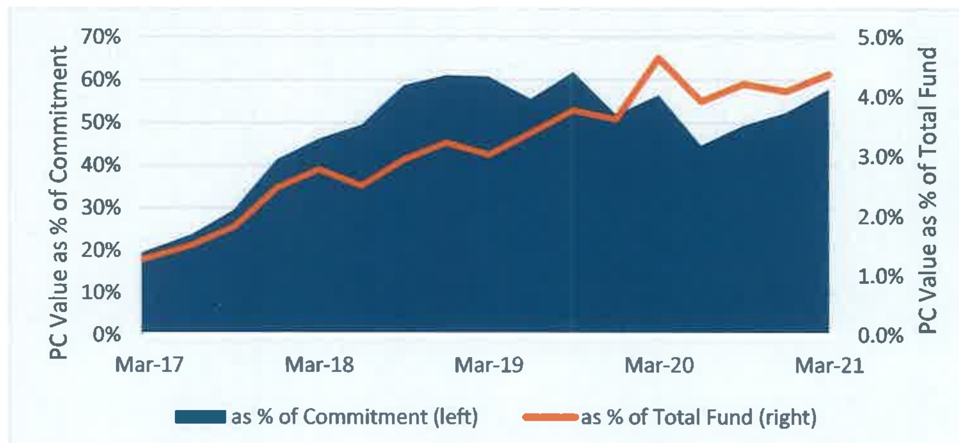
PRIVATE MARKETS AS % OF TOTAL FUND



PRIVATE EQUITY VALUE AS % OF COMMITMENT AND TOTAL FUND



PRIVATE CREDIT VALUE AS % OF COMMITMENT AND TOTAL FUND



As of 3/31/20

Current private market holdings

Vintage Year	Manager Name/Fund Name	Estimated Market Value as of 3/31/2021[3]	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI)[1]	Tot. Value/ Paid-In (TVPI)[2]	Net IRR Since Inception[5]	IRR Date
						IRR Analysis as of IRR date						
Private Equity												
2004	Pantheon USA Fund VI	$451,311	$15,000,000	$14,175,000	95%	$825,000	$21,515,924	$1,111,311	*151.8%*	*155.0%*	*6.8%*	12/31/20
2005	BlackRock Private Capital II[6]	$2,684,500	$15,000,000	$15,000,000	100%	$0	$22,281,661	$2,811,602	*148.5%*	*166.4%*	*7.1%*	09/30/20
2011	Stepstone Secondary Opportunities Fund II	$11,100,931	$27,500,000	$27,500,000	100%	$0	$25,257,895	$11,907,383	*91.8%*	*132.2%*	*11.0%*	09/30/20
2016	Ocean Avenue Fund III	$19,544,055	$20,000,000	$17,400,000	87%	$2,600,000	$8,400,000	$21,344,055	*48.3%*	*160.6%*	*22.6%*	12/31/20
2016	Pathway Private Equity Fund Investors 8	$23,856,659	$20,000,000	$14,273,407	71%	$5,726,593	$2,285,069	$21,748,318	*16.0%*	*183.1%*	*19.8%*	09/30/20
2017	Pathway Private Equity Fund Investors 9	$15,862,235	$20,000,000	$12,572,149	63%	$7,427,851	$936,955	$14,225,607	*7.5%*	*133.6%*	*16.5%*	09/30/20
2019	Ocean Avenue Fund IV	$12,059,527	$26,000,000	$13,031,964	50%	$12,968,036	$1,690,000	$5,691,932	*13.0%*	*105.5%*	*21.5%*	09/30/20
2020	Pathway Private Equity Fund Investors 10[4]	$1,407,294	$10,000,000	$1,592,708	16%	$8,407,292	$277,541	$0	*17.4%*	*105.8%*	*N/A*	N/A
Private Credit												
2016	Sixth Street DCP	$80,835,231	$140,000,000	$72,113,829	52%	$67,886,171	$8,876,817	$73,801,002	*12.3%*	*124.4%*	*8.5%*	09/30/20
Opportunistic												
2010	KKR Mezzanine Partners	$3,583,826	$15,000,000	$13,535,064	90%	$1,464,936	$17,988,819	$3,601,963	*132.9%*	*159.4%*	*6.7%*	12/31/20
2011	PIMCO Bravo	$17,564	$15,000,000	$15,000,000	100%	$0	$27,216,525	$148,451	*181.4%*	*181.6%*	*22.1%*	09/30/19
2020	Sixth Street TAO Contingent	$14,813,294	$50,000,000	$14,040,567	28%	$35,959,433	$2,444,515	$11,568,602	*17.4%*	*122.9%*	*10.2%*	12/31/20
	Total Private Markets	**$186,216,427**	$373,500,000	$230,234,688	62%	$143,265,312	$139,171,720	$167,960,226	*60.4%*	*141.3%*		
	% of Portfolio (Market Value)	***10.1%***										

[1](DPI) is equal to (capital returned / capital called)
[2](TVPI) is equal to (market value + capital returned) / capital called
[3]Last known market value + capital calls - distributions
[4]IRR currently unavailable for these funds.
[5]Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its respective manager.
[6]BlackRock: Total capital called is $15,519,967 which includes recycled distributions.

Excerpt from TCERA's 3/31/21 performance report updated to reflect corrections to Ocean Fund IV commitment ($20mm to $26mm) and Sixth Street DCP commitment ($100mm to $140mm). Private equity holdings data are reported on a lagged cycle and are reflective of the last known values at the time of the report. KKR Mezzanine, PIMCO Bravo and Sixth Street TAO Contingent are categorized as Opportunistic within TCERA's investment policy, and therefore these assets are not part of this study.

II.b. Private equity

Diversification within the PE program

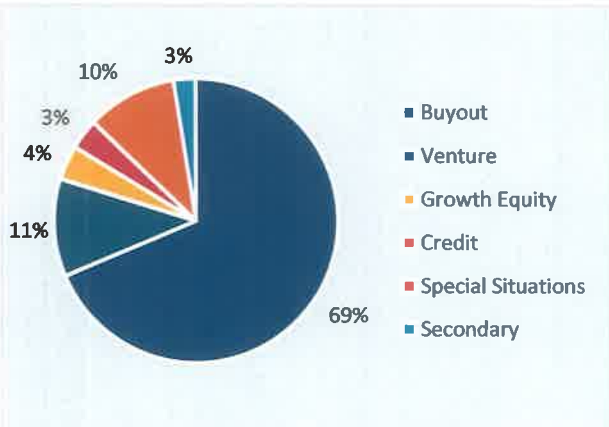
— The current active program is diversified across five funds, three managed by Pathway and two by Ocean Avenue.

— Commitments include $50 million to Pathway Funds and $46 million Ocean Avenue Fund III plus commitment to Ocean Fund IV and $10 million commitment to Pathway Fund 10.

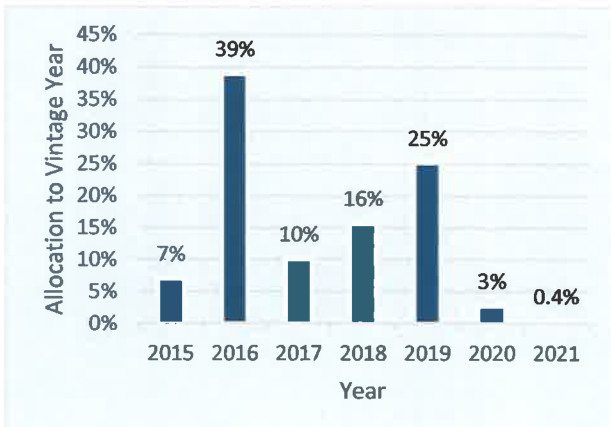
— The current program spans 7 vintage years with the highest concentration in year 2016 (a function of Pathway deploying a large allocation into funds plus the commitment to Ocean Avenue III) and 2019 (a function of Ocean Avenue IV deploying the bulk of its funds).

— Leveraged Buyouts make up most of the program. Underlying secondary investments can be categorized as buyout, venture, credit, etc. We include secondaries as a strategy/stage type because fund managers will allocate to second-hand deals to mitigate the j-curve or to pick up an undervalued asset with upside potential.

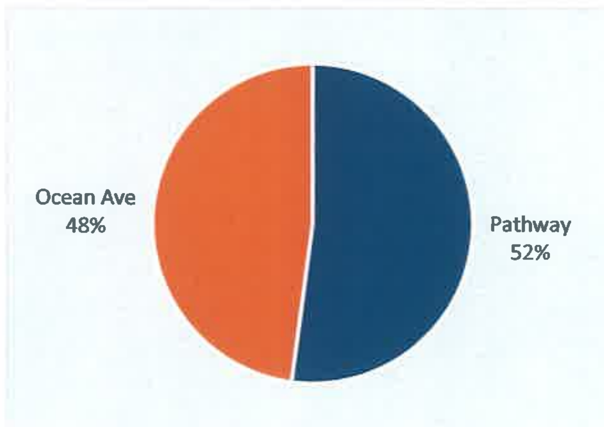
STRATEGY/STAGE DIVERSIFICATION



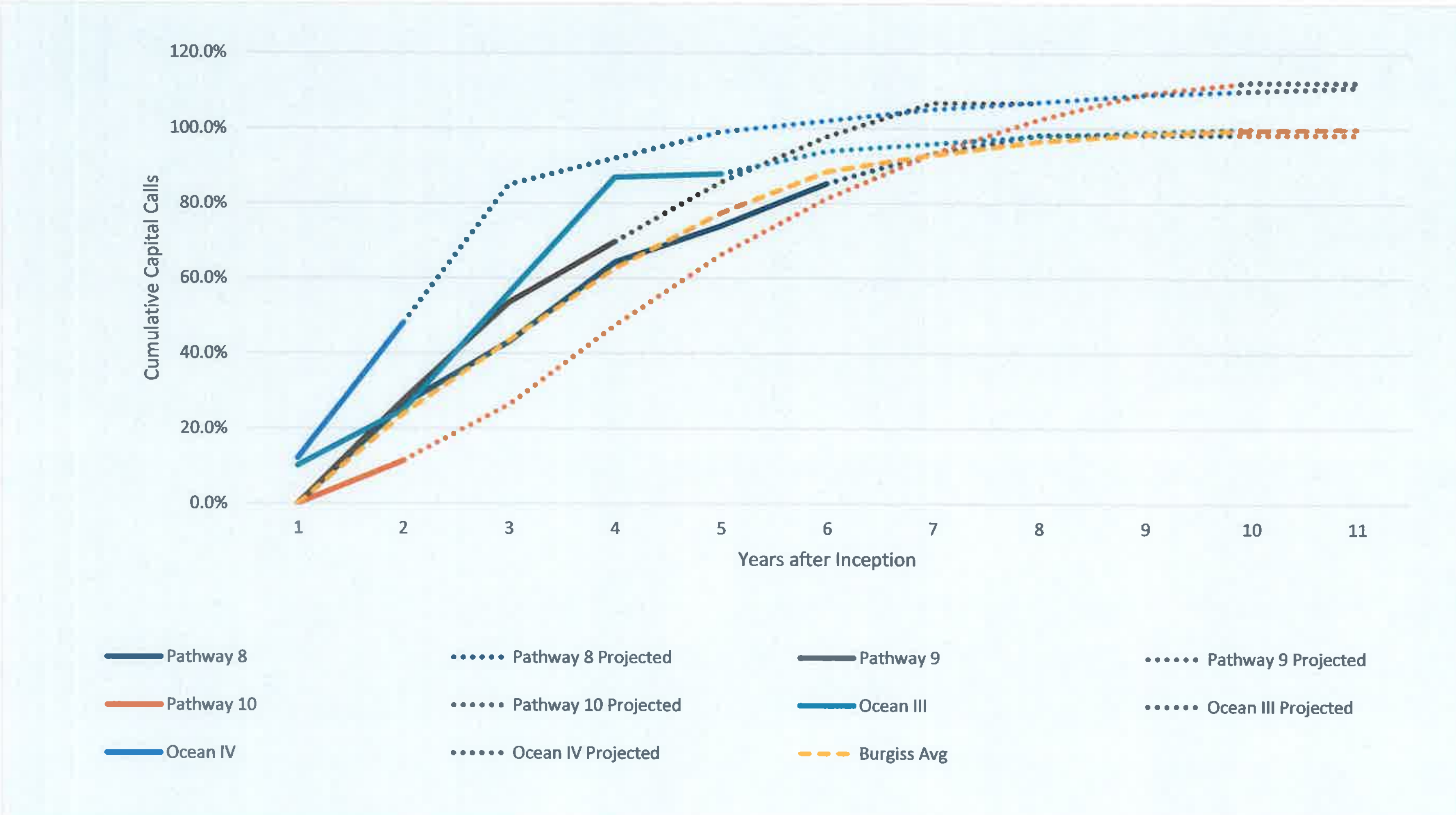
VINTAGE YEAR DIVERSIFICATION



MANAGER DIVERSIFICATION (BY COMMITMENT)



Capital call pace



Projected figures based on capital call projections as of 3/31/20

Program fees

	Pathway 8	Pathway 9	Pathway 10	Ocean Ave III	Ocean Ave IV
Commitment	$20,000,000	$20,000,000	$10,000,000	$20,000,000	$20,000,000
Vintage Year	2015	2017	2020	2016	2019
Year 1	0.23%	0.21%	0.20%	0.85%	1.25%
Year 2	0.45%	0.43%	0.41%	0.85%	1.25%
Year 3	0.68%	0.64%	0.61%	0.85%	1.25%
Year 4	0.90%	0.86%	0.81%	0.85%	1.25%
Year 5	0.90%	0.86%	0.81%	0.85%	1.25%
Year 6	0.90%	0.86%	0.81%	0.85%	1.25%
Year 7	0.90%	0.86%	0.81%	0.85%	1.25%
Year 8	0.90%	0.86%	0.81%	0.77%	1.13%
Year 9	0.81%	0.77%	0.73%	0.69%	1.01%
Year 10	0.72%	0.68%	0.65%	0.62%	0.91%
Year 11	0.63%	0.60%	0.57%		
Year 12	0.54%	0.51%	0.49%		
Year 13	0.45%	0.43%	0.41%		
Year 14	0.36%	0.34%	0.32%		
Year 15	0.27%	0.26%	0.24%		
Average	0.64%	0.61%	0.58%	0.80%	1.18%

Total lifetime private equity Fund-of-Fund program costs average to about 78 bps[1]

1. Calculation is cap-weighted based on commitment amounts of current funds.

Private equity performance as of 3/31/21

Fund	Net IRR	De-levered IRR	PME Return	PME Benchmark
Ocean Ave Fund III	24.3%	22.3%	13.7%	Russell 2000
			15.1%	Russell Microcap
Ocean Ave Fund IV	48.5%	30.7%	53.9%	Russell 2000
			67.4%	Russell Microcap
Pathway PEF I-8	25.6%	NA*	16.5%	S&P 500
			14.3%	MSCI World
Pathway PEF I-9	29.8%	NA*	18.8%	S&P 500
			16.7%	MSCI World
Pathway PEF I-10	NM	NM	NM	S&P 500
			NM	MSCI World

Source: Ocean Ave, Pathway

** NA: The use of a credit line (LOC) is minimal and used only for short-term cash management and/or to reduce the number of capital calls issued throughout the year. The credit line is limited to less than 20% of the fund size, and no management fees are charged on any levered capital. The term of LOCs are less than 90 days.*

NM: Not meaningful this early in the fund's life

Private equity projections

Fund	Vintage Year	Commitment	Remaining Commitment	Cumulative To Date	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
					(Contributions) / Distributions									
Pantheon USA VI	2004	$15.0	$0.8											
Net Cash Flow					$7.3	$0.5	$0.2							
NAV				$0.5	$0.0	$0.0	$0.0							
BlackRock QPC II	2005	$15.0	$0.0											
Net Cash Flow					$1.2	$1.2	$0.0							
NAV				$2.7	$1.3	$0.0	$0.0							
Stepstone Secondaries	2011	$27.5	$0.0											
Net Cash Flow					-$2.2	$5.5	$4.4	$2.5						
NAV				$11.1	$13.0	$7.2	$2.5	$0.0						
Pathway 8	2016	$20.0	$3.3											
Net Cash Flow					$4.8	$5.8	$6.0	$5.8	$5.4	$4.4	$3.4	$2.6	$1.6	$0.8
NAV				$23.9	$22.4	$19.8	$16.6	$13.1	$9.6	$6.5	$4.0	$2.0	$0.7	$0.0
Pathway 9	2017	$20.0	$5.9											
Net Cash Flow					-$2.2	$1.0	$4.8	$6.6	$6.0	$6.0	$5.6	$4.4	$3.2	$2.2
NAV				$15.9	$20.5	$22.7	$21.5	$18.2	$15.1	$11.4	$7.6	$4.4	$1.9	$0.0
Pathway 10	2020	$10.0	$8.7											
Net Cash Flow					-$1.5	-$2.0	-$1.6	-$0.9	$1.0	$2.4	$2.5	$1.9	$2.2	$2.0
NAV				$1.4	$3.0	$5.3	$7.4	$8.9	$8.7	$7.0	$5.2	$3.7	$1.8	$0.0
Ocean Ave III	2016	$20.0	$2.4											
Net Cash Flow					$7.0	$10.1	$10.1	$0.5	$0.5	$0.7	$0.7	$0.4		
NAV				$19.5	$16.5	$9.7	$1.6	$1.5	$1.3	$0.8	$0.3	$0.0		
Ocean Ave Fund IV	2019	$26.0	$16.4											
Net Cash Flow					-$6.2	$1.6	$3.6	$8.8	$8.3	$8.6	$4.9	$1.6	$1.6	
NAV				$12.1	$20.4	$22.4	$22.7	$17.9	$12.7	$6.3	$2.5	$1.3	$0.0	
PE Balance		**$96.0**	**$36.8**	**$87.0**	**$97.2**	**$87.1**	**$72.3**	**$59.6**	**$47.3**	**$32.1**	**$19.6**	**$11.5**	**$4.4**	**$0.0**
% of Total Assets				**4.7%**	**4.9%**	**4.1%**	**3.2%**	**2.4%**	**1.8%**	**1.1%**	**0.7%**	**0.4%**	**0.1%**	**0.0%**
Total Plan Assets				**$1,846**	**$1,980**	**$2,123**	**$2,277**	**$2,442**	**$2,619**	**$2,809**	**$3,013**	**$3,232**	**$3,466**	**$3,717**

As of 3/31/21

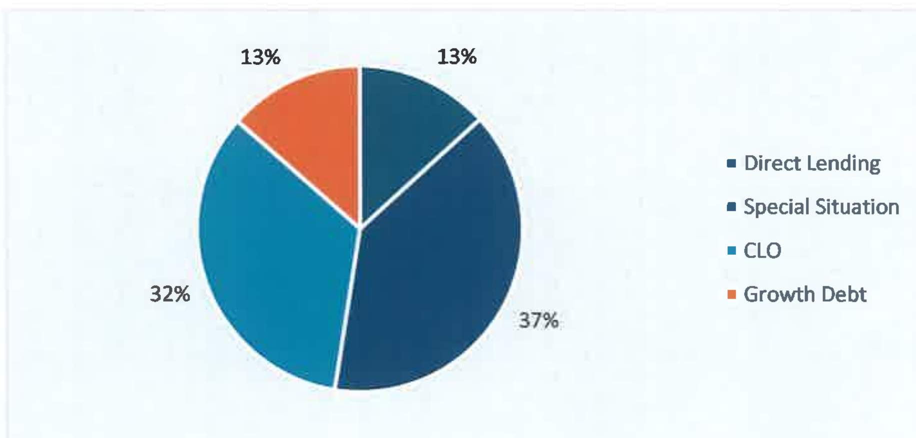
Note: Assumptions for this model are detailed in the appendix.

II.c. Private credit

Diversification within the PC program

- The private credit program is diversified across 4 Sixth Street funds, including their flagship fund, TAO (broad, "go anywhere" investment mandate), TSLE (European lending), TICP (CLO) and TCS (Growth Debt).
- The private credit program is managed through Sixth Street Partners with a total commitment of $140,000,000. The private credit program is a quasi-evergreen structure where commitments are rolled over into subsequent funds automatically.
- The private credit program was implemented in November 2016 with a commitment of $80,000,000. An additional $20,000,000 commitment was added on April 19, 2019, which was allocated to the TCS Fund. The most recent commitment of $40,000,000 ($20,000,000 each to TICP III and TSLE II) was funded in April 2020.

STRATEGY DIVERSIFICATION



Sixth Street fund descriptions

- TAO
  - Focus is on the entire set of credit opportunities generated across the Sixth Street platform. It is Sixth Street's most flexible investment vehicle and can house any investment that meets the firm's broad investment criteria.
- TSLE
  - Focus is on direct loans to middle-market companies, primarily in Europe.
- TICP
  - Focus is on investments in the floating-rate leveraged loan and structured credit markets.
- TCS
  - Focus is on providing flexible financing solutions to growth companies (i.e., companies growing faster than the economy that require a high level of investment capital for continued expansion).

Private credit program fees

	Total Sixth Street		TAO 3.0[1]		TICP II[2]		TSLE[3,4]		TCS[3,5]		TICP[7]		TSLE II[3]	
Commitment	$100,000,000		$40,000,000		$20,000,000		$20,000,000		$20,000,000		$20,000,000		$20,000,000	
Vintage			2016		2016		2016		2019		2019		2020	
	Unused/ Committed[6]	Invested	Unused	Invested	Unused	Invested	Committed[6]	Invested[6]	Unused	Invested	Unused	Invested	Unused	Invested
Year 1	0.54%	1.20%	0.65%	1.35%	0.00%	0.30%	1.50%	1.50%	1.00%	1.50%	0.00%	0.30%	0.25%	1.25%
Year 2	0.54%	1.20%	0.65%	1.35%	0.00%	0.30%	1.50%	1.50%	1.00%	1.50%	0.00%	0.30%	0.25%	1.25%
Year 3	0.54%	1.20%	0.65%	1.35%	0.00%	0.30%	1.50%	1.50%	1.00%	1.50%	0.00%	0.30%	0.25%	1.25%
Year 4	0.54%	1.20%	0.65%	1.35%	0.00%	0.30%	1.50%	1.50%	1.00%	1.50%	0.00%	0.30%	0.25%	1.25%
Year 5	0.45%	1.15%	0.65%	1.35%	0.00%	0.30%	0.85%	1.25%	1.00%	1.50%	0.00%	0.30%	0.00%	1.25%
Year 6	0.19%	1.15%	0.65%	1.35%	0.00%	0.30%	0.00%	1.25%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%
Year 7	0.00%	1.15%	0.00%	1.35%	0.00%	0.30%	0.00%	1.25%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%
Year 8	0.00%	1.15%	0.00%	1.35%	0.00%	0.30%	0.00%	1.25%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%
Year 9	0.00%	1.15%	0.00%	1.35%	0.00%	0.30%	0.00%	1.25%	0.00%	1.50%	0.00%	0.30%	0.00%	1.25%
Year 10	0.00%	1.15%	0.00%	1.35%	0.00%	0.30%	0.00%	1.25%	0.00%	1.50%	0.00%	0.30%		
Year 11	0.00%	0.54%	0.00%	1.35%										
Average	**0.26%**	**1.11%**	**0.35%**	**1.35%**	**0.00%**	**0.30%**	**0.69%**	**1.35%**	**0.50%**	**1.50%**	**0.00%**	**0.30%**	**0.10%**	**1.25%**

Note: For illustrative purposes only. Commitment periods are based on Sixth Street's views and are subject to change. Furthermore, the above table is a simplification. Please refer to fund documentation for the complete terms and definitions.

1. Assumes termination of TAO 3.0 after Minimum Commitment Period of 5.5 years, with subsequent wind down of portfolio lasting 5 years.
2. Assumes 10-year fund life for TICP II.
3. Assumes wind down of portfolio lasts 5 years.
4. TSLE Year 5 includes adjustment for one year commitment period extension.
5. DCP commitment to TCS was made in April 2019, analysis above shows all fund commitments beginning in "Year 1".
6. During TSLE commitment period (before 1 year extension), management fees are calculated based on LP fund commitments. To accurately represent fees for DCP, we have included them in Total TSSP for both the unused/committed and invested columns.
7. Assumes 10-year fund life for TICP III.

Private credit performance

TSSP Vehicle	Net IRR	De-levered Net IRR	PME Return	PME Benchmark[1]
TAO 3.0	10.19%	NA	3.80%	S&P/LSTA Lev Loan[2]
			3.83%	Credit Suisse Lev Loan[3]
TSLE I[4]	13.39%	NA	3.25%	S&P/LSTA Lev Loan
			3.29%	Credit Suisse Lev Loan
TSLE II[5]	2.80%	NA	12.39%	S&P/LSTA Lev Loan
			12.41%	Credit Suisse Lev Loan
TICP II	8.75%	NA	3.33%	S&P/LSTA Lev Loan
			3.36%	Credit Suisse Lev Loan
TICP III	17.69%	NA	4.25%	S&P/LSTA Lev Loan
			4.26%	Credit Suisse Lev Loan
TCS	27.41%	NA	6.02%	S&P/LSTA Lev Loan
			6.02%	Credit Suisse Lev Loan

Note: All performance numbers are as of 3/31/21. Past performance does not guarantee future results, which may vary.

1. The benchmark numbers above are presented as a Public Market Equivalent ("PME") analysis based on the actual timing of net cash flows in the Sixth Street vehicles. For all funds, the investor's individual net cash flows were used. Index performance has been adjusted to include 75bps impact from management fees, as these indices cannot be accessed directly. S&P/LSTA Leveraged Loan Total Return Index (Bloomberg Finance).
2. Credit Suisse Leveraged Loan Total Return Index (Bloomberg Finance).
3. As of 3/31/21, the TSLE I Main Fund had returned a levered net IRR of 10.0% and an unlevered net IRR of 9.2%. TCERA is invested in the TSLE I USD feeder fund. The net return shown here reflects TCERA's actual net IRR based on their investor-specific cash flows.
4. As of 3/31/21, the TSLE II Main Fund had returned a levered net IRR of 4.1% and an unlevered net IRR of 4.3%. TCERA is invested in the TSLE II USD feeder fund. The net return shown here reflects TCERA's actual net IRR based on their investor-specific cash flows.

Source: TSSP

Private credit program projections

Sixth Street Vehicle	Vintage Year	Commitment	Remaining Commitment	Cumulative To Date	Estimated (Contributions) / Distributions 2021	2022	2023	2024
TSLE[2]	2015	$20.0						
Net Contributions/Distributions					20.0%	20.0%	10.0%	5.0%
TAO 3.0[1]	2016	$40.0						
Net Contributions/Distributions					(3.0)%	0.0%	1.0%	1.0%
TICP II[2]	2016	$20.0						
Net Contributions/Distributions					10.0%	15.0%	35.0%	15.0%
TCS[1]	2018	$20.0						
Net Contributions/Distributions					(25.0)%	(10.0)%	10.0%	25.0%
TICP III[1]	2020	$20.0						
Net Contributions/Distributions					(35.0)%	(30.0)%	10.0%	15.0%
TSLE II[1]	2020	$20.0						
Net Contributions/Distributions					(25.0)%	(20.0)%	(10.0)%	10.0%
Total Fund Level		$140.0	$67.9					
PC Balance		**$140.0**	**$82.3**	**$80.8**	**$98.7**	**$110.6**	**$106.9**	**$100.0**
% of Total Assets				**4.4%**	**5.0%**	**5.2%**	**4.7%**	**4.1%**
Total Plan Assets				**$1,846**	**$1,980**	**$2,123**	**$2,277**	**$2,442**

Note from SSP: For illustrative purposes only. The information is being provided to Verus and TCERA at its specific request and is strictly private and confidential. The information is shown on a net of fees and expenses basis. Actual capital calls and distributions may differ when accounting for recycling. The estimated net cash flows shown above are for illustrative purposes only and represent Sixth Street's subjective view and current market conditions at the time of this presentation, which may vary and is subject to change. No assurance can be given that actual cash flows will not differ from these estimates. Past performance does not guarantee future results, which may vary.

As of 3/31/21

Total Plan Assets growth rate is based on the most recent actuarial rate of 7.0%. 1. Represents % of committed capital. 2. No incremental capital to be called.

Note: Additional assumptions for this model are detailed in the appendix.

II.d. Recommendations

Recommendations

Private Equity

— Based on current projections, TCERA's Private Equity program will peak at 4.9% of Total Plan assets this year, as all but one of its investments will be in a net distribution position.

— The Plan's two active providers, Ocean Avenue and Pathway, will be fundraising for their next series of funds later this year, which will be deployed over the next several years

- Pathway Fund 11 is expected to begin raising capital in 3Q21
- Ocean Avenue Fund V is expected to come to market in the second half of 2021

— We recommend additional $20MM commitments to each.

Private Credit

— Based on current projections, TCERA's Private Credit program will peak at 5.2% of Total Plan assets next year.

— Sixth Street Partners will be raising capital for two of TCERA's current funds in the next year, which will be deployed over the next several years

- Growth Fund II (formerly TCS series) will be closing in 3Q21
- CMS Fund IV (formerly TICP series) will initiate fundraising in 1Q22

— We recommend additional $20MM commitments to each.

We will explore the possibility of loyalty discounts for any new commitments made

Appendix

Private equity program projections - expanded

Fund	Vintage Year	Commitment	Remaining Commitment	Cumulative To Date	(Contributions) / Distributions									
					2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Pantheon USA VI	2004	$15.00	$0.83											
Contributions (%)				(95%)	0%	0%	0%							
Distributions (%)				152%	3.0%	1.0%	0.0%							
Contributions ($)				($14.2)	$0.0	$0.0	$0.0							
Distributions ($)				$21.5	$0.5	$0.2	$0.0							
Net Cash Flow					$7.3	$0.5	$0.2							
NAV				$0.5	$0.0	$0.0	$0.0							
BlackRock QPC II	2005	$15.00	$0.00											
Contributions (%)				(100%)	0%	0%	0%							
Distributions (%)				149%	8%	8%	0%							
Contributions ($)				($15.0)	$0.0	$0.0	$0.0							
Distributions ($)				$22.3	$1.2	$1.2	$0.0							
Net Cash Flow					$1.2	$1.2	$0.0							
NAV				$2.7	$1.3	$0.0	$0.0							
Stepstone Secondaries	2011	$27.50	$0.00											
Contributions (%)				(100%)	0%	0%	0%	0%						
Distributions (%)				92%	20.0%	16.0%	9.0%	5.0%						
Contributions ($)				($27.5)	$0.0	$0.0	$0.0	$0.0						
Distributions ($)				$25.3	$5.5	$4.4	$2.5	$1.4						
Net Cash Flow					($2.2)	$5.5	$4.4	$2.5						
NAV				$11.1	$13.0	$7.2	$2.5	$0.0						

Continued on next page

Private equity program projections - expanded

Pathway 8	2016	$20.00	$3.32											
Contributions (%)				(87%)	(8%)	(5%)	0%	0%	0%	0%	0%	0%	0%	0%
Distributions (%)				13%	32%	34%	30%	29%	27%	22%	17%	13%	8%	4%
Contributions ($)				($17.4)	($1.6)	($1.0)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Distributions ($)				$2.3	$6.4	$6.8	$6.0	$5.8	$5.4	$4.4	$3.4	$2.6	$1.6	$0.8
Net Cash Flow					$4.8	$5.8	$6.0	$5.8	$5.4	$4.4	$3.4	$2.6	$1.6	$0.8
NAV				$23.9	$22.4	$19.8	$16.6	$13.1	$9.6	$6.5	$4.0	$2.0	$0.7	$0.0
Pathway 9	2017	$20.00	$5.92											
Contributions (%)				(76%)	(16%)	(12%)	(9%)	0%	0%	0%	0%	0%	0%	0%
Distributions (%)				6%	5.0%	17.0%	33.0%	33.0%	30.0%	30.0%	28.0%	22.0%	16.0%	11%
Contributions ($)				($15.3)	($3.2)	($2.4)	($1.8)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Distributions ($)				$0.9	$1.0	$3.4	$6.6	$6.6	$6.0	$6.0	$5.6	$4.4	$3.2	$2.2
Net Cash Flow					($2.2)	$1.0	$4.8	$6.6	$6.0	$6.0	$5.6	$4.4	$3.2	$2.2
NAV				$15.9	$20.5	$22.7	$21.5	$18.2	$15.1	$11.4	$7.6	$4.4	$1.9	$0.0
Pathway 10	2020	$10.00	$8.73											
Contributions (%)				(13%)	(15.0%)	(21.0%)	(19%)	(15%)	(12%)	(9%)	(7%)	(3%)	0%	0%
Distributions (%)				21%	0%	1%	3%	6%	22%	33%	32.0%	22.0%	22.0%	20.0%
Contributions ($)				($1.3)	($1.5)	($2.1)	($1.9)	($1.5)	($1.2)	($0.9)	($0.7)	($0.3)	$0.0	$0.0
Distributions ($)				$0.3	$0.0	$0.1	$0.3	$0.6	$2.2	$3.3	$3.2	$2.2	$2.2	$2.0
Net Cash Flow					($1.5)	($2.0)	($1.6)	($0.9)	$1.0	$2.4	$2.5	$1.9	$2.2	$2.0
NAV				$1.4	$3.0	$5.3	$7.4	$8.9	$8.7	$7.0	$5.2	$3.7	$1.8	$0.0
Ocean Ave III	2016	$20.00	$2.40											
Contributions (%)				(88%)	(6.0%)	(2.0%)	(2.0%)	(1.0%)	(1.0%)	0.0%	0.0%	0.0%		
Distributions (%)				48%	41%	52%	52%	4%	4%	4%	4%	2%		
Contributions ($)				($17.6)	($1.2)	($0.4)	($0.4)	($0.2)	($0.2)	$0.0	$0.0	$0.0		
Distributions ($)				$8.4	$8.2	$10.5	$10.5	$0.7	$0.7	$0.7	$0.7	$0.4		
Net Cash Flow					$7.0	$10.1	$10.1	$0.5	$0.5	$0.7	$0.7	$0.4		
NAV				$19.5	$16.5	$9.7	$1.6	$1.5	$1.3	$0.8	$0.3	$0.0		
Ocean Ave Fund IV	2019	$26.00	$16.38											
Contributions (%)				(50%)	(37.0%)	(7.0%)	(7.0%)	(3.0%)	(3.0%)	(2.0%)	(2.0%)	(1.0%)	(1%)	
Distributions (%)				13%	13%	13%	21%	37%	35%	35%	21%	7%	7%	
Contributions ($)				($13.0)	($9.6)	($1.8)	($1.8)	($0.8)	($0.8)	($0.5)	($0.5)	($0.3)	($0.3)	
Distributions ($)				$1.7	$3.4	$3.4	$5.5	$9.6	$9.1	$9.1	$5.5	$1.8	$1.8	
Net Cash Flow					($6.2)	$1.6	$3.6	$8.8	$8.3	$8.6	$4.9	$1.6	$1.6	
NAV				$12.1	$20.4	$22.4	$22.7	$17.9	$12.7	$6.3	$2.5	$1.3	$0.0	
PE Balance		**$96.00**	**$36.75**	**$86.97**	**$97.24**	**$87.14**	**$72.31**	**$59.61**	**$47.28**	**$32.14**	**$19.59**	**$11.47**	**$4.44**	**$0.00**
% of Total Assets				**4.7%**	**4.9%**	**4.1%**	**3.2%**	**2.4%**	**1.8%**	**1.1%**	**0.7%**	**0.4%**	**0.1%**	**0.0%**
Total Plan Assets				**$1,846**	**$1,980**	**$2,123**	**$2,277**	**$2,442**	**$2,619**	**$2,809**	**$3,013**	**$3,232**	**$3,466**	**$3,717**

Total Plan Assets growth rate is based on the most recent actuarial rate of 7.0% and adjusted by net contributions

Assumptions for cash flow model

- Asset values are represented in millions.
- This is a hypothetical model based on reasonable assumptions and does not reflect actual timing and should not be interpreted as predicting the future.
- Hypothetical cash flows provided by each respective manager
- IRR over each fund's entire life will be different
- Total Plan assets are assumed to grow at the actuarial assumed rate of 7% adjusted by net contributions as outlined in the TCERA 2021 A/L study.
- Current MVs are based on last known valuation.
- NAV at future dates are estimated based on cash flows and implied growth rate.
- Cash flows occur at year end.

Additional assumptions for ramp up programs:

- Real estate growth assumptions are based on Verus real asset group forecasts
  - Core real estate at 6.5%
  - Non-core real estate at 13.2% (includes value add and opportunistic)
- Private market growth assumptions are based on Verus private market group forecasts
  - Private equity at 8.4%.
  - Private credit at 6.7%

Public Market Equivalent (PME)

- This information represents adjusted model performance of each index as if the respective index had been purchased and sold at the time of the limited partners' capital calls and distributions, with the remainder held at the date noted.
- Dividends are not reinvested.
- Under this methodology, the capital calls for the purchase of the public market index are the same as the capital calls for the Fund(s).
- The distributions for the sales of the public market index are scaled to represent the same proportion of the Fund's NAV at the time of the distribution. For example, if the Fund distributes 5% of NAV, then 5% of the index NAV is distributed. Thus, the index returns presented are not actual index returns, but adjusted model returns.

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

JULY 2021

Risk Concepts Refresher

Tulare County Employees' Retirement Association

What is risk?

Risk is uncertainty.

This doesn't mean risk can't be managed, it means there are a range of possible events in the future and we can't be certain what will happen.

> "Risk means more things can happen than will happen"
>
> — Elroy Dimson (London Business School)

Known: Negative possibilities exist in the future

Unknown: What event(s) will happen in the future

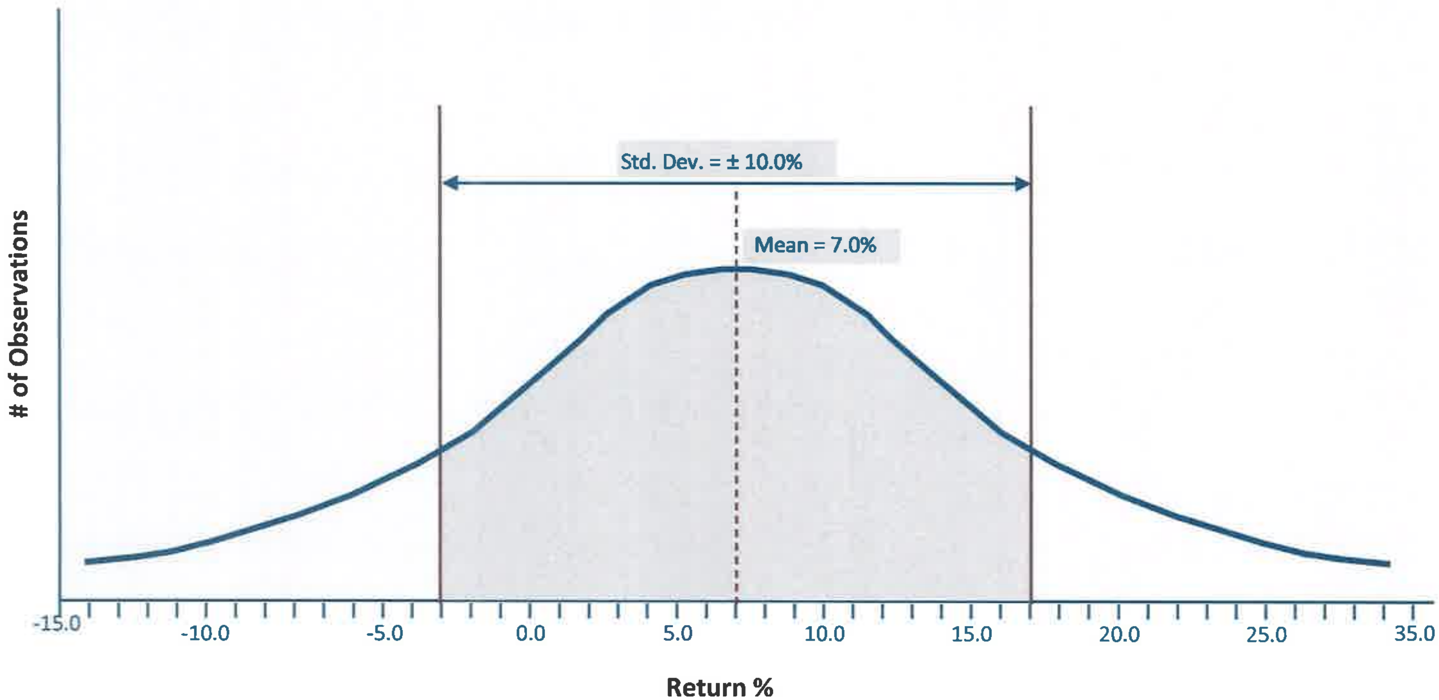
Action: Ensure we are properly compensated for the risk we take

What is risk?

Business Partner
Currency
Peer
Margin
Fiduciary
Active Risk
Turnover
Inflation
Credit
Deflation
Counterparty
Pricing
Real Estate
Company
Refinancing
Principal
Country
Leverage
Model
Liabilities
Derivatives
Interest Rate
Spending Rule
Asset Allocation
Concentration
Investment Income
Operational
Headline Risk
Commitment
Staff
Volatility
Political
Liquidity

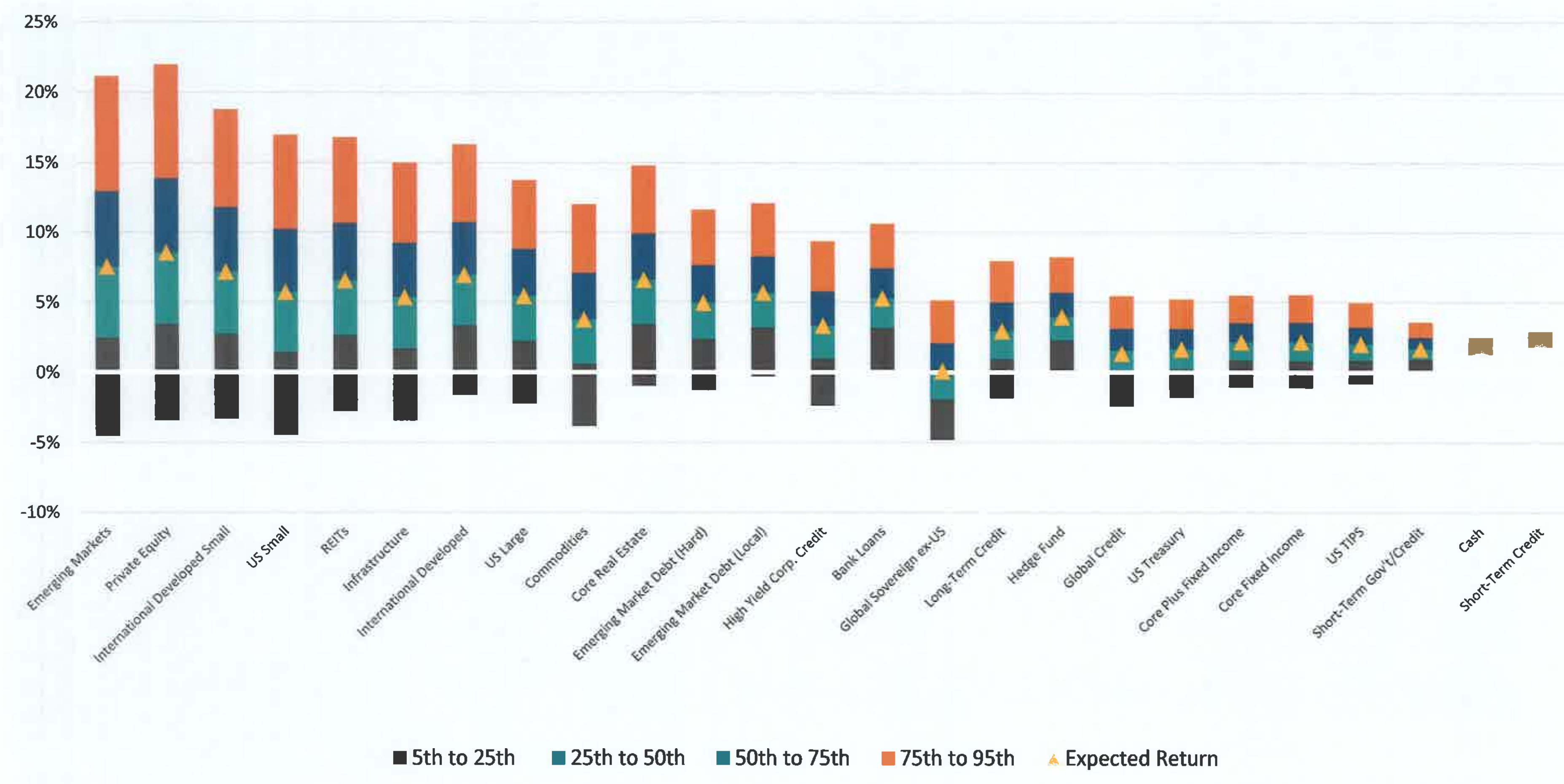
Standard deviation: one measure of risk

Standard deviation can be used as an effective measure of risk by indicating how far from the average, or **mean**, return one is likely to fall in any given time period. The rules of statistics dictate that you will fall within 1 standard deviation of the mean 2/3 of the time, within 2 standard deviations 95% of the time, and within 3 standard deviations 99% of the time



Range of likely 10-year outcomes

10 YEAR RETURN 90% CONFIDENCE INTERVAL

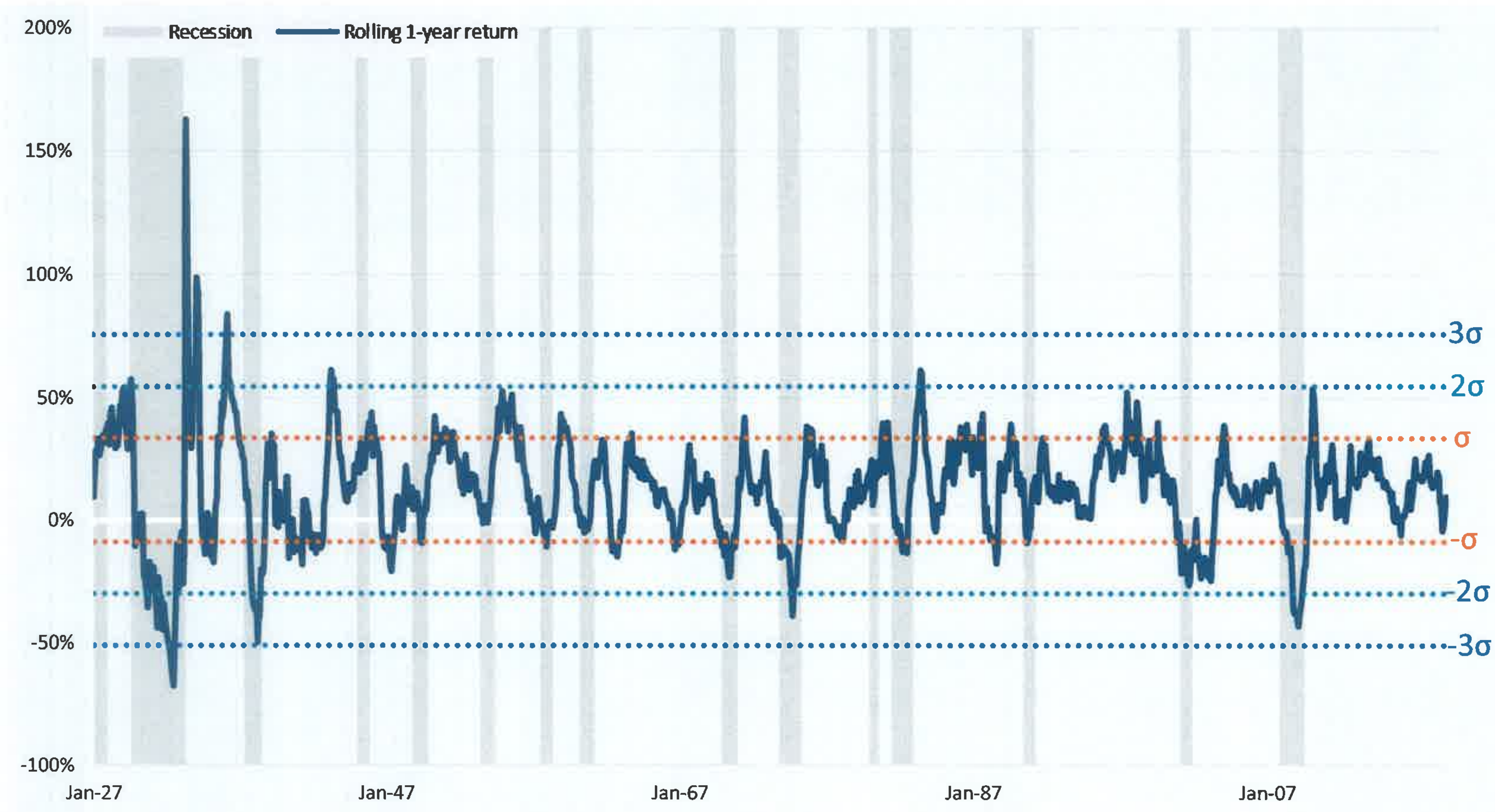


U.S. Equity – returns and volatility

S&P 500 Index: Rolling 1-year returns and standard deviation breakouts

Mean return = 12.3%

vol = 21.1%

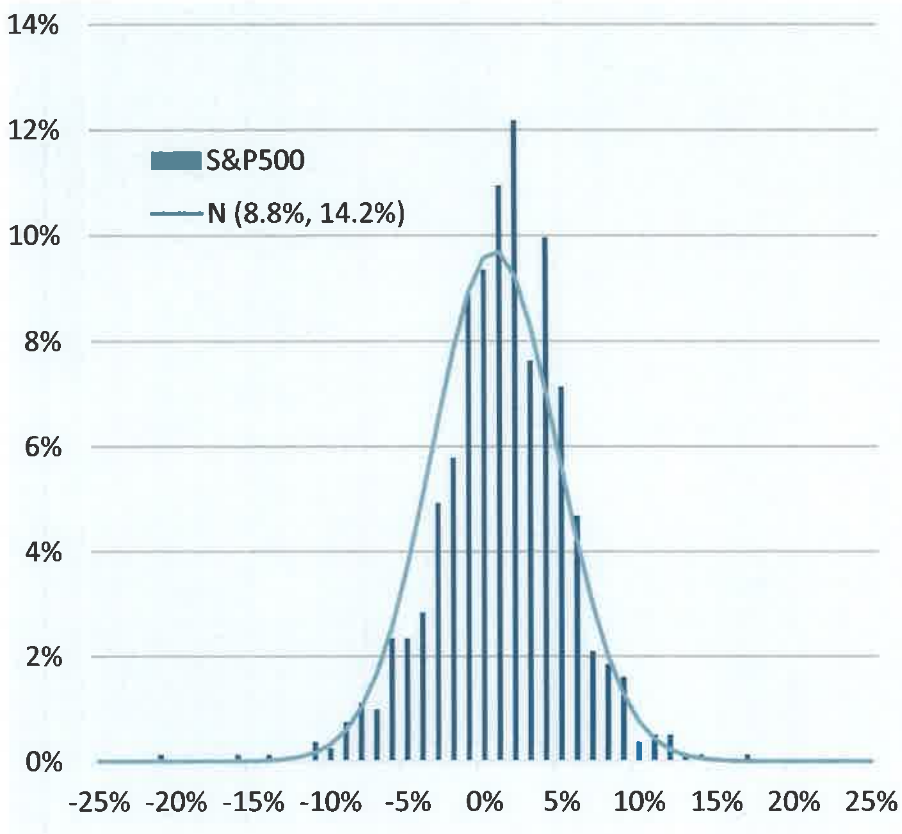


Data since 1926

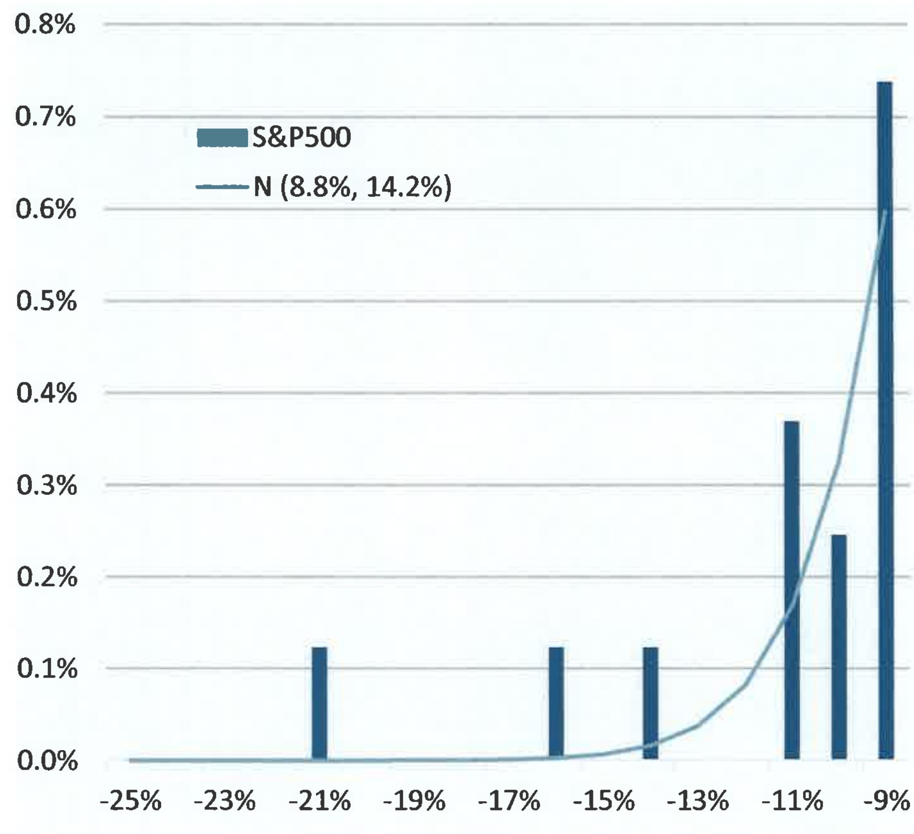
Drawdown & tail-risk

Empirical analysis: S&P500 monthly returns from 1950 to October 1, 2017

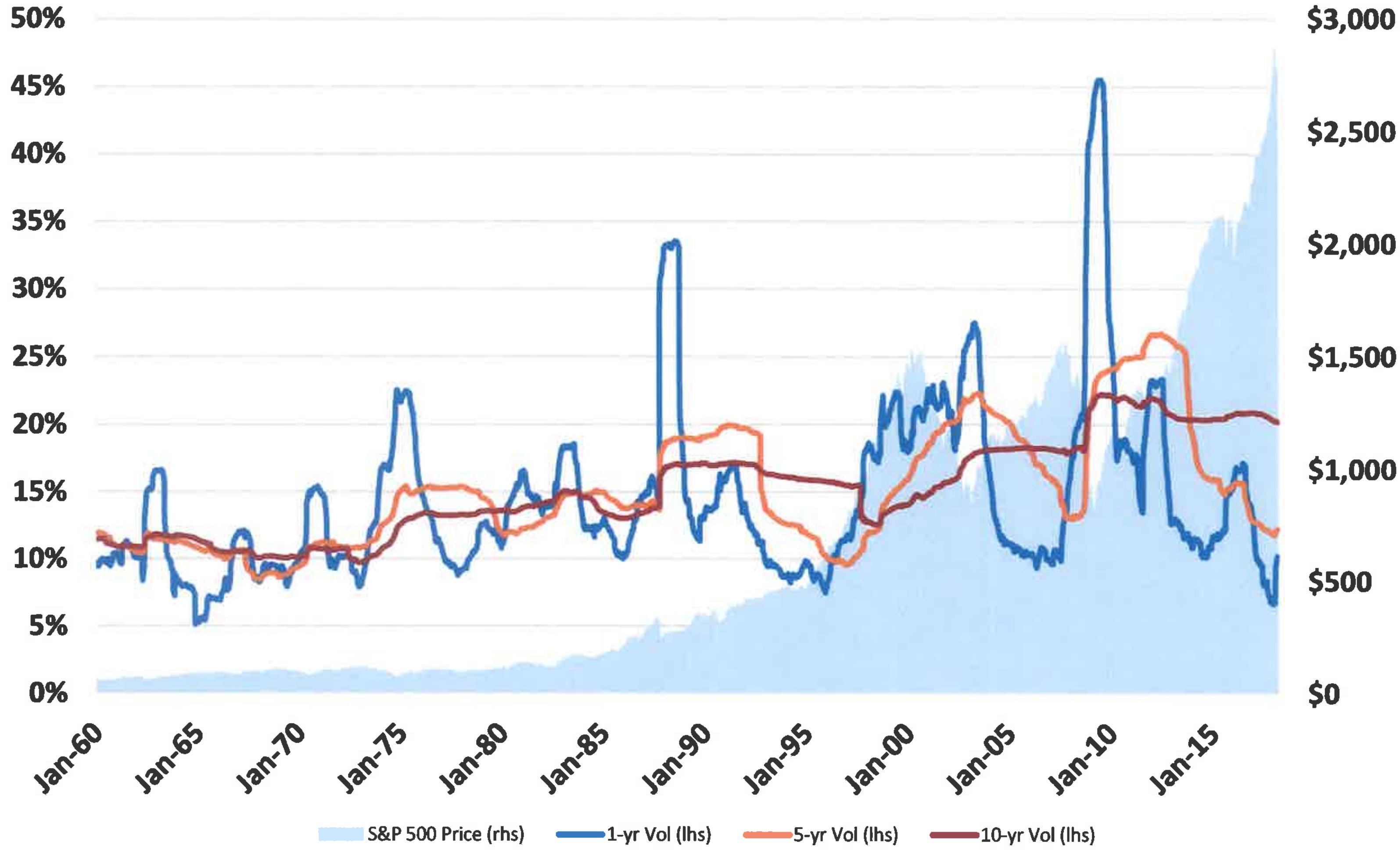
FULL DISTRIBUTION OF RETURNS VS. NORMAL



LEFT-TAIL RETURNS VS. NORMAL



The volatility of volatility....



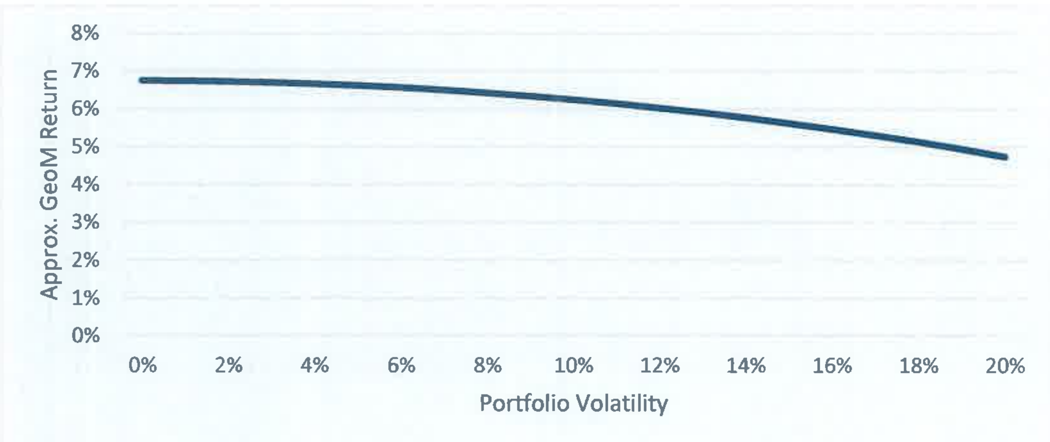
The volatility tax

FOUR RETURN SCENARIOS WITH SIMILAR ARITHMETIC RETURN

	Flat 6.75%	5 Vol	10 Vol	15 Vol
Year 1	6.75%	-2.50%	-12.78%	-20.58%
Year 2	6.75%	6.75%	10.25%	10.00%
Year 3	6.75%	8.00%	10.25%	9.00%
Year 4	6.75%	9.00%	10.25%	9.75%
Year 5	6.75%	12.50%	15.79%	25.56%
Arithmetic Avg.	6.75%	6.75%	6.75%	6.75%
Vol (Yrs 1-5)	0.00%	5.00%	10.00%	15.00%
Geometric Avg.	**6.75%**	**6.63%**	**6.24%**	**5.58%**

As portfolio volatility increases, the geometric return declines.

APPROXIMATE GEOMETRIC RETURN IMPACT BY ASSUMED VOLATILITY



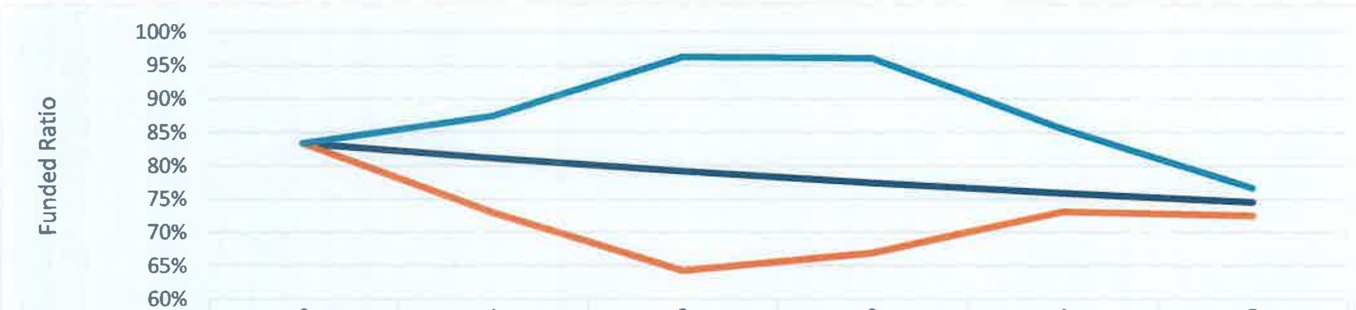
$$Geometric\ Return \approx Arithmetic\ Return - \frac{Volatility^2}{2}$$

Return timing costs

THREE RETURN SCENARIOS WITH SIMILAR RISK/RETURN CHARACTERISTICS

	Flat 6.75%	Early	Late
Year 1	6.75%	-4.00%	15.00%
Year 2	6.75%	-3.10%	20.00%
Year 3	6.75%	15.00%	8.00%
Year 4	6.75%	20.00%	-4.00%
Year 5	6.75%	8.00%	-3.10%
Arithmetic Avg.	6.75%	7.18%	7.18%
Geometric Avg.	6.75%	6.75%	6.75%
Vol (Yrs 1-5)	0.00%	9.56%	9.56%

FUNDED LEVEL OVER TIME FOR THE THREE RETURN SCENARIOS



	0	1	2	3	4	5
Flat 6.75%	83%	81%	79%	77%	76%	75%
Early	83%	73%	64%	67%	73%	73%
Late	83%	87%	96%	96%	86%	77%

Assumes market value of assets of $100 at year 0 with a $5 net cash outflow each period. Actuarial liability is assumed to begin at $120 in year 0 and increases by $5 each year until ending at $145 at end of year 5.

Return timing can have significant financial impacts even while holding return and volatility constant.

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

JULY 28, 2021

Asset-Liability Study Phase 3 – Selecting an Asset Allocation

Tulare County Employees' Retirement Association

Introduction

— At the May 26th Board Meeting, we initiated a strategic portfolio review that began with an Asset-Liability Study.

- The primary outcome of the discussion was a Board commitment to moderately increase overall portfolio risk.

— At the June 23rd Board Meeting, we reviewed alternative methods by which risk could reasonably be increased (public equities, private markets strategies, and real assets strategies).

- Verus reviewed the liquidity implications of increasing allocations to private markets and real assets strategies.

- The Board requested additional options for consideration that include various levels of higher allocations to private market investments.

— **The focus of today's discussion is to continue to review the asset allocation question in light of these additional mixes.**

Additional mixes for discussion

	Policy	Heavy Public Markets Mix 1	Hybrid Option Mix 2	Heavy Private Markets Mix 3	Heavy Real Assets Mix 4	New Mixes for Discussion Mix 4.1	Mix 4.2	Mix 4.3	Mix 4.4	"7% attempt" Mix 5	2021 CMA's (10 Yr) Return (g)	Return (a)	Standard Deviation	Sharpe Ratio (a)
US Large	19	24	23	20	20	20	23	21	18	12	*5.1*	*6.3*	*15.7*	*0.38*
US Small	6	8	7	6	6	6	5	4	4	3	*5.2*	*7.3*	*21.4*	*0.33*
Total Domestic Equity	***25***	***32***	***30***	***26***	***26***	***26***	***28***	***25***	***22***	***15***				
International Developed	12	15	13	13	13	13	13	13	12	10	*5.2*	*6.7*	*17.9*	*0.36*
Emerging Markets	3	5	4	3	3	3	3	4	4	5	*5.4*	*8.3*	*25.5*	*0.32*
Total Int'l Equity	***15***	***20***	***17***	***16***	***16***	***16***	***16***	***17***	***16***	***15***				
Global Equity	3	3	3	3	3	3	3	3	2	0	*5.2*	*6.6*	*17.3*	*0.37*
Total Equity	***43***	***55***	***50***	***45***	***45***	***45***	***47***	***45***	***40***	***30***				
Core Plus Fixed Income	17	15	15	15	15	17	15	15	15	15	*2.2*	*2.3*	*4.0*	*0.50*
Global Aggregate	5	0	0	0	0	0	0	0	0	0	*1.1*	*1.3*	*6.1*	*0.17*
Emerging Market Debt (Hard)	3	3	3	3	3	1.5	1.5	0		0	*5.2*	*6.0*	*12.7*	*0.45*
Emerging Market Debt (Local)	3	3	3	3	3	1.5	1.5			0	*4.3*	*5.0*	*12.2*	*0.39*
Total Fixed Income	***27***	***20***	***20***	***20***	***20***	***20***	***18***	***15***	***15***	***15***				
Real Estate Debt	5	5	5	4	4	3	3	4	4	0	*5.3*	*6.3*	*15.0*	*0.41*
Core Real Estate	10	5	5	6	6	3	3	4	5	5	*5.8*	*6.5*	*12.6*	*0.50*
Value Add Real Estate	5	5	5	3	6	4	3	4	5	5	*7.8*	*9.1*	*17.1*	*0.52*
Opportunistic Real Estate	0	0	0	2	5	4	3	4	6	10	*9.8*	*11.8*	*21.6*	*0.54*
Infrastructure	0	0	0	0	4	4	3	4	3	5	*7.8*	*9.4*	*18.8*	*0.49*
Total Real Assets	***20***	***15***	***15***	***15***	***25***	***18***	***15***	***20***	***23***	***25***				
Private Equity	5	5	10	12	5	12	15	15	15	20	*9.3*	*12.1*	*28.1*	*0.46*
Private Credit	5	5	5	8	5	5	5	5	7	10	*4.6*	*5.2*	*11.2*	*0.45*
Total Non-Public Investments	***10***	***10***	***15***	***20***	***10***	***17***	***20***	***20***	***22***	***30***				
Cash	0	0	0	0	0	0	0	0	0	0	*0.2*	*0.2*	*1.2*	-
Total Allocation	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**				

	Policy	Mix 1	Mix 2	Mix 3	Mix 4	Mix 4.1	Mix 4.2	Mix 4.3	Mix 4.4	Mix 5
Mean Variance Analysis										
Forecast 10 Year Return	***5.4***	***5.6***	***5.8***	***6.0***	***6.0***	***6.1***	***6.2***	***6.4***	***6.5***	***7.0***
Standard Deviation	10.7	12.3	12.3	12.2	12.0	12.5	13.0	13.0	12.7	13.2
Return/Std. Deviation	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*
1st percentile ret. 1 year	*-16.7*	*-19.2*	*-19.0*	*-18.7*	*-18.4*	*-19.1*	*-19.8*	*-19.6*	*-19.0*	*-19.5*
Sharpe Ratio	0.51	0.48	0.50	0.51	0.52	0.52	0.51	0.52	0.54	0.56

Verus scenario analysis

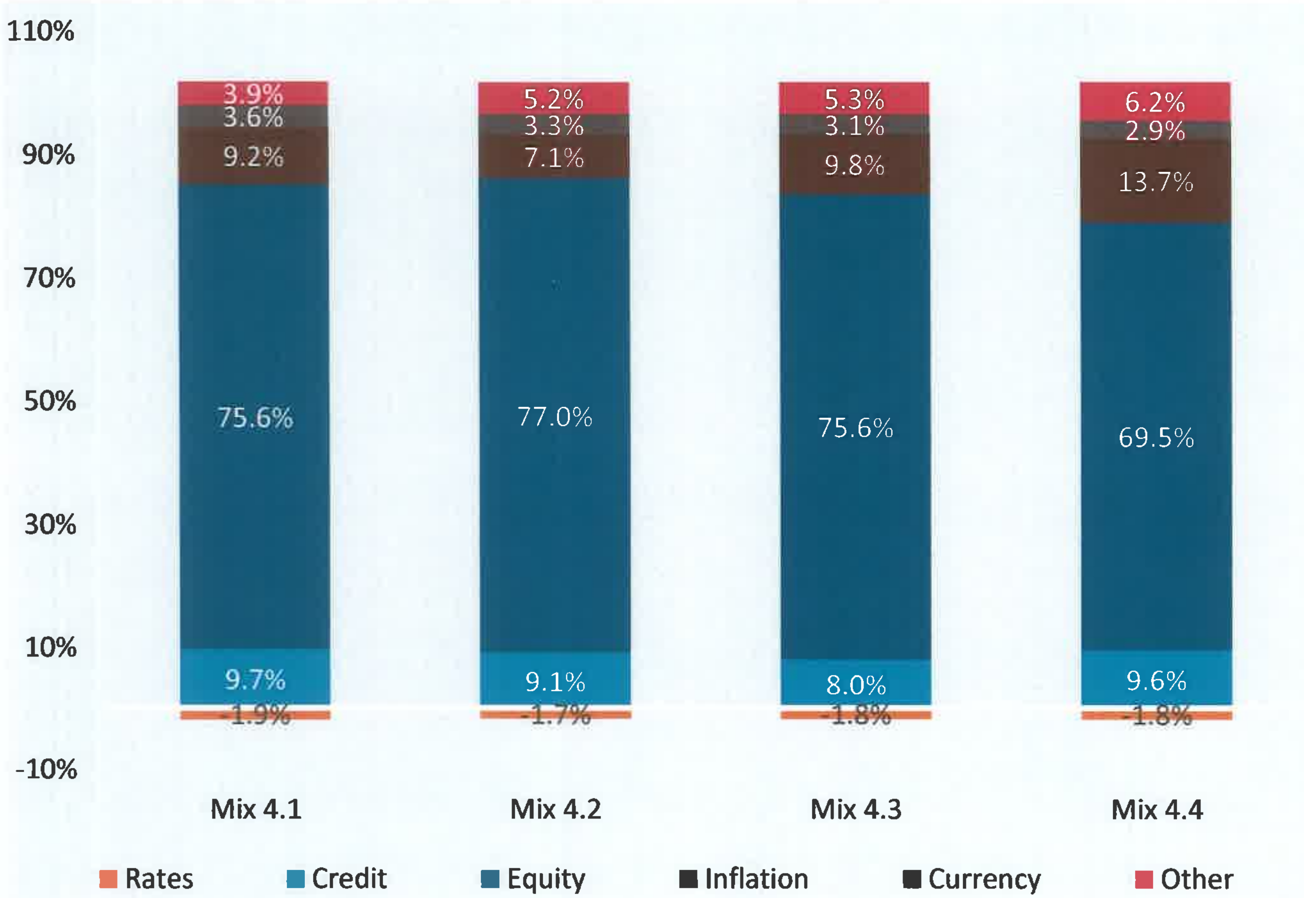
	Mix 4.1	Mix 4.2	Mix 4.3	Mix 4.4
10 Year Return Forecast				
Stagflation	3.6	3.2	3.5	3.7
Weak	0.3	-0.1	0.1	0.3
Base CMA	***6.0***	***6.2***	***6.3***	***6.3***
Strong	12.6	13.2	13.4	13.2
Range of Scenario Forecast	*12.2*	*13.3*	*13.3*	*12.9*
Shock (1 year)	*-26.1*	*-28.3*	*-28.1*	*-26.4*
10 Year Real Return Forecast				
Stagflation	-2.5	-2.9	-2.6	-2.5
Weak	-0.8	-1.2	-1.0	-0.8
Base CMA	*3.9*	*4.1*	*4.2*	*4.2*
Strong	10.0	10.6	10.8	10.6
Range of Scenario Forecast	*12.5*	*13.5*	*13.4*	*13.0*

The scenario analysis dimensions return projections across different economic regimes.

Source: MPI, Verus

Risk decomposition

RISK CONTRIBUTION BY RISK FACTOR



Source: Barra, Ex-Ante Volatility

Equity risk is the largest single risk factor for all mixes.

Credit risk is a function of fixed income.

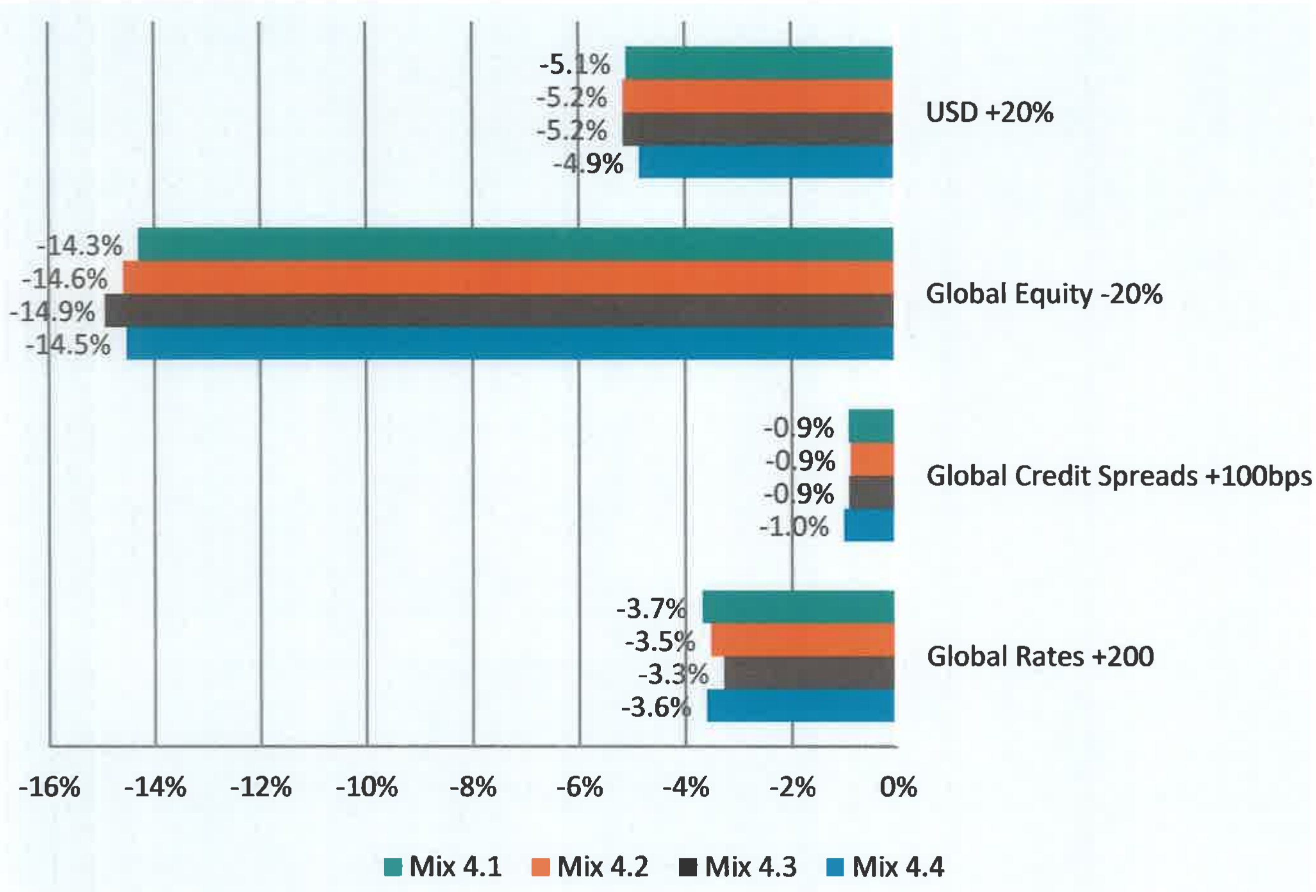
Currency risk is a function of international investments.

Inflation risk is a function of real assets.

"Other" are risks inherent within private markets.

Stress tests

TAIL RISK – STRESS TEST

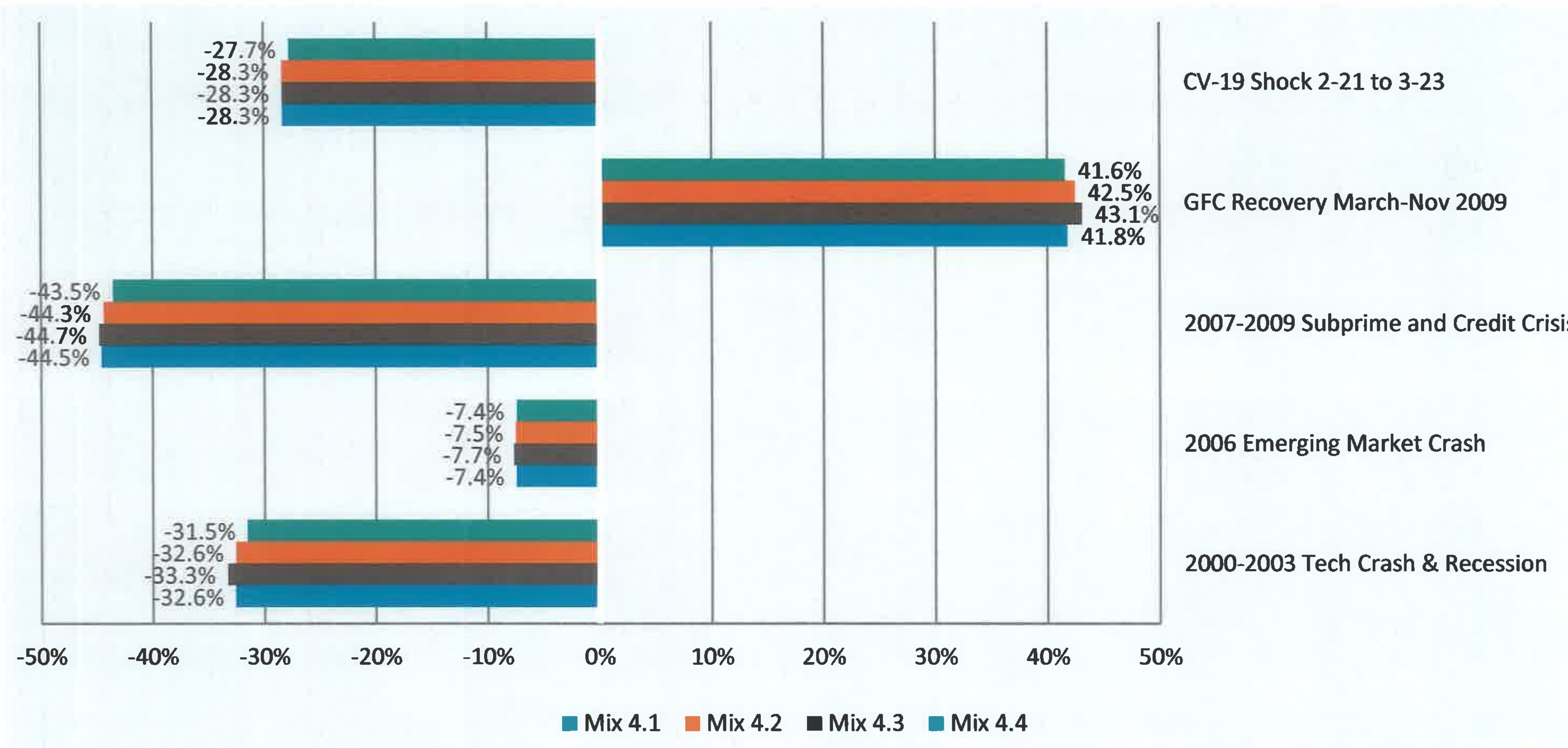


This analysis is based on how the risk factors inherent in the current index holdings react in those environments.

Source: Barra

Scenario analysis

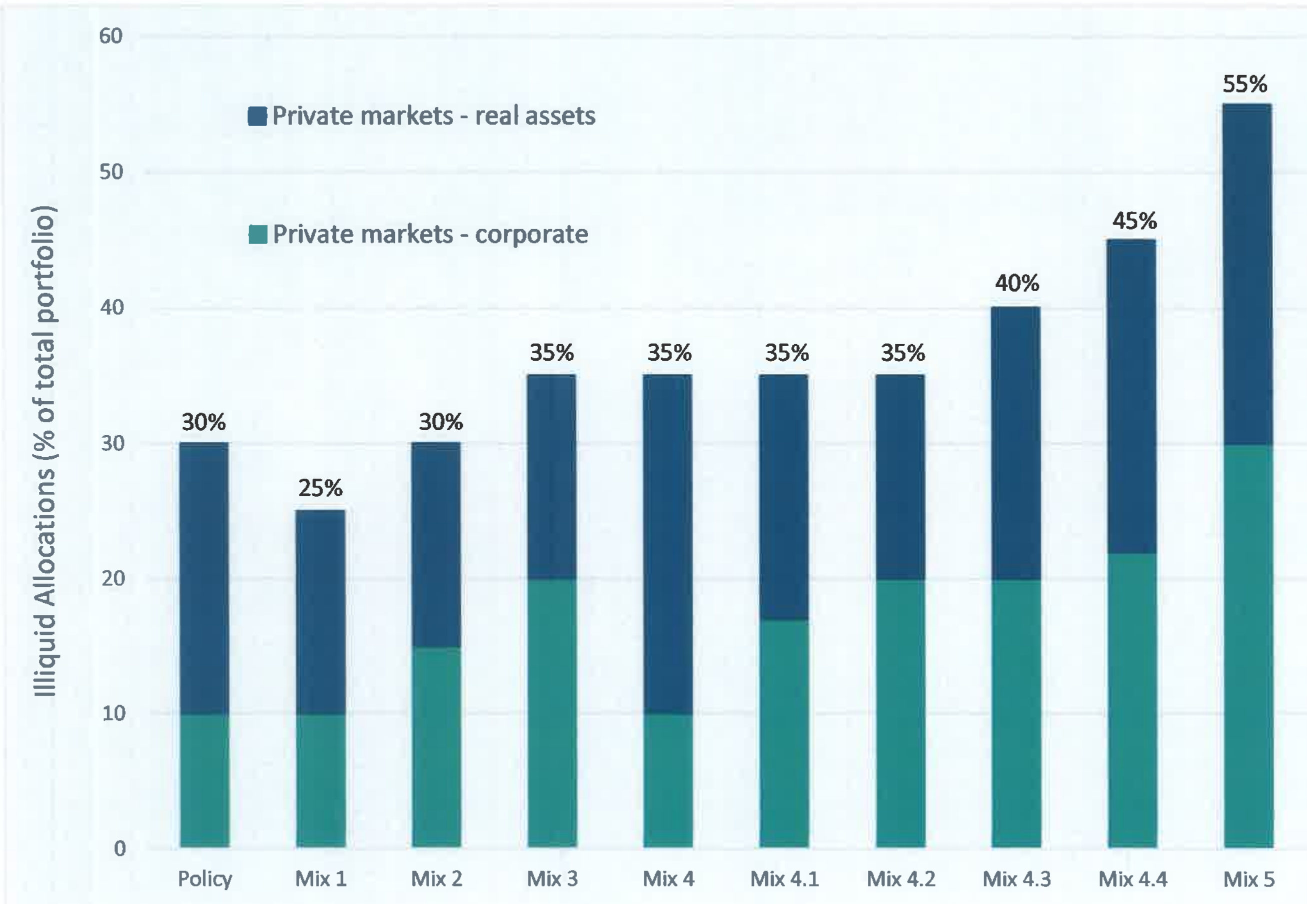
TAIL RISK – SCENARIO ANALYSIS



Source: Barra

Allocations to illiquid strategies

ALLOCATIONS TO ILLIQUID ASSETS BY TYPE

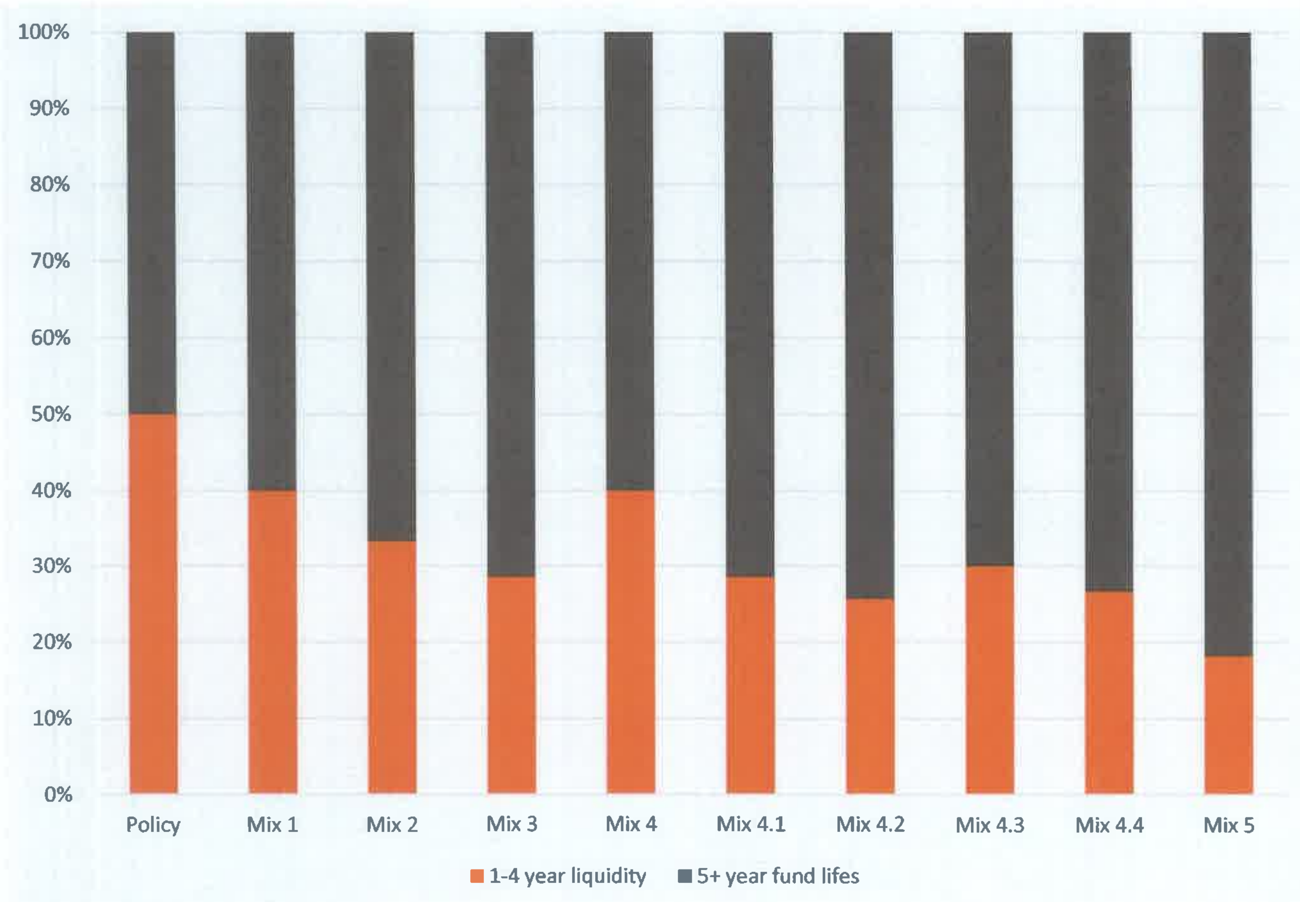


Mixes 3 through 5 have significant allocations to illiquid investments.

It will take at least 5 years to fully implement these targets.

Framing illiquidity

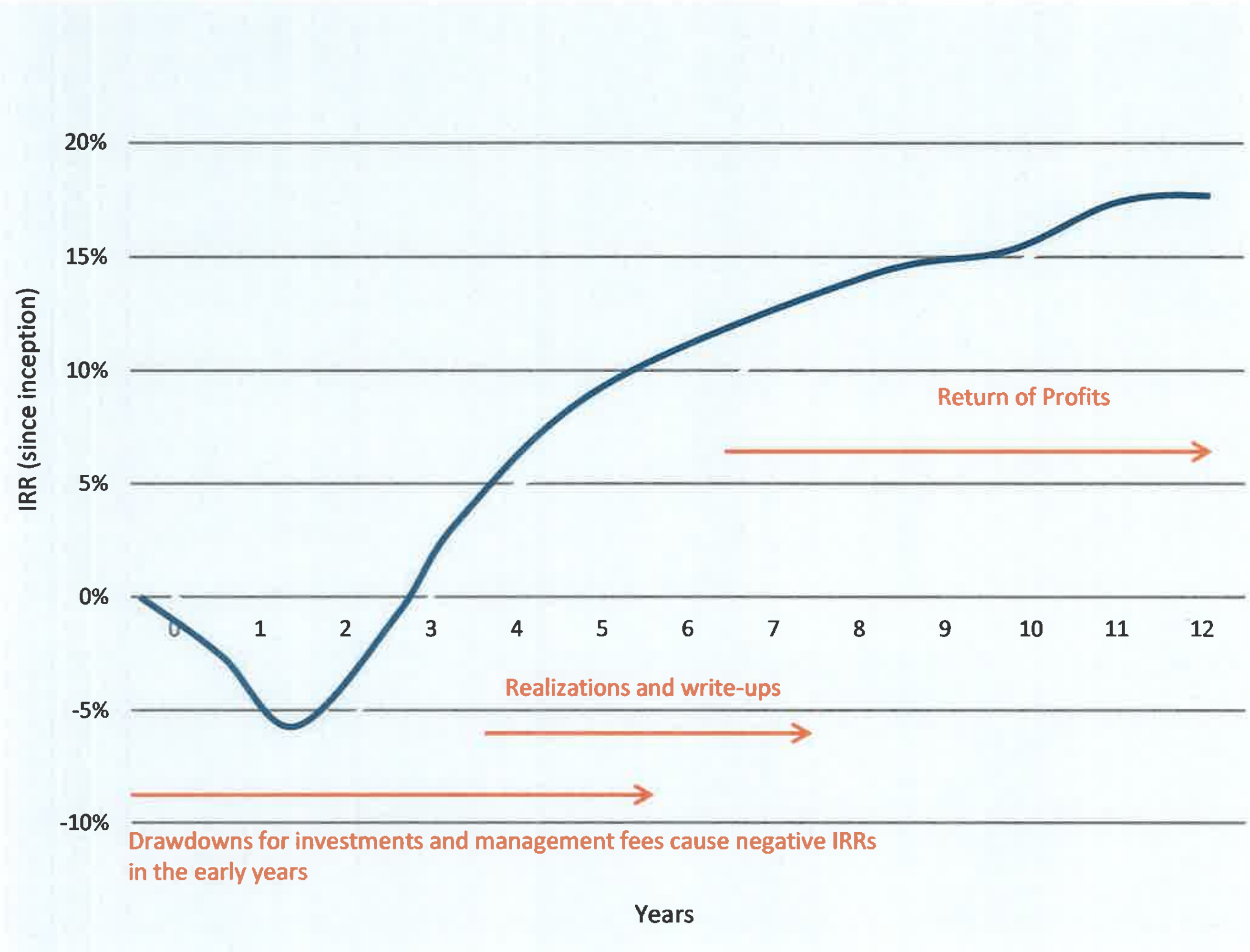
COMPOSITION OF ILLIQUID ASSET CLASSES



"1-4 year liquidity" includes RE debt, core RE, and infrastructure. "5+ year fund lifes" includes private equity, private credit, value-add RE, and opp. RE.

The more aggressive mixes not only have larger illiquid allocations, but the duration of those lock-ups is generally longer.

Private equity: the "J-curve" effect



Private equity returns are generally negative during the first few years of an investment – primarily due to the realization of early losses and fee payments – though the degree varies by asset type.

As investments mature and are realized, returns become positive, resulting in the "J-Curve" Effect.

Appendix: Phase II discussion materials

Introduction

Key takeaways from asset-liability study

- At the May 26th Board of Retirement meeting, Verus reviewed:
  - Demographics, contribution rates, cash flows, credit ratings, & plan sponsor financial strength vs. peers
  - Verus' Capital Market assumptions
  - Stochastic & deterministic asset-liability projections for several preliminary asset allocations.
- As a result of that discussion, there appeared to be unanimous support for exploring adoption of a higher risk portfolio

The goal of today's discussion is to help the Board identify a go-forward asset allocation, recognizing there are different ways to increase risk, with different tradeoffs associated with each.

Which overall risks should an investor accept?

Accept greater volatility	Take on illiquidity risk, which may lead to forced selling	Tilt into assets with higher expected return, but forecasts may be wrong
Make portfolio timing "bets" which might fail to pay off	Rely on active managers who may fail to produce alpha	Over-diversify which might reduce return
Accept lower risk, but also weaker performance	Be truly different from peers	Add portfolio leverage, which can change risk profile

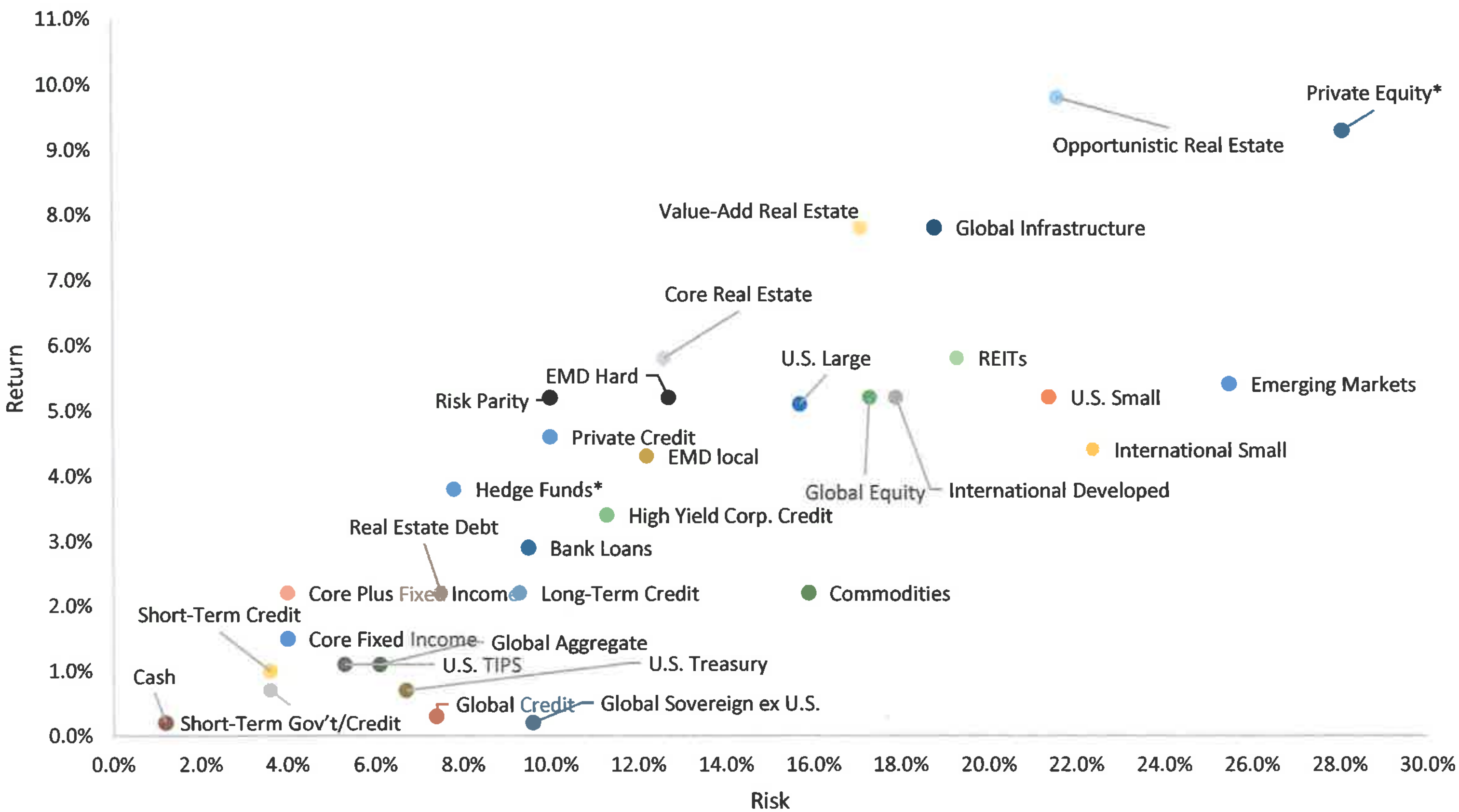
TCERA has accepted or is contemplating

Not a strategy that TCERA is strongly considering at this point

These philosophical considerations will ultimately impact success

Adding volatility & illiquidity

Increasing risk does not guarantee higher returns… but it's a starting point



Currently, the asset classes with the highest projected returns are illiquid strategies.

Based on the Verus 2021 Capital Market Assumptions (10 year, returns are geometric)

Ways to increase projected volatility

Method	Pros	Cons
More Public Equity ▪ *domestic, international, EM equity*	Easy to implement. Very liquid & low cost. Little peer risk.	Based on current projections, does not meaningfully increase projected return.
More Liquid Credit ▪ *bank loans, high yield, EMD*	Also easy to implement. Less volatility relative to adding equity.	Liquid fixed income typically serves a capital preservation role. Limited upside at current prices. Unlikely to meaningfully improve return.
More Private Markets ▪ *private equity, private credit*	Based on projections, most effective method of adding return.	Expensive and time-consuming to build out the exposure. Illiquid, very long lockups.
More Private Real Assets ▪ Value-add & opportunistic real estate, global infrastructure	Depending on strategies pursued, relative to traditional private markets, may offer: ▪ better downside protection ▪ real return (inflation-hedging) ▪ slightly better liquidity	Likely to offer less upside return relative to traditional private markets. Relative to public equity, expensive, time-consuming to build out, & illiquid (though less so than private markets)

While these options are not necessarily mutually exclusive, because of liquidity constraints it isn't practical to pursue all of them.

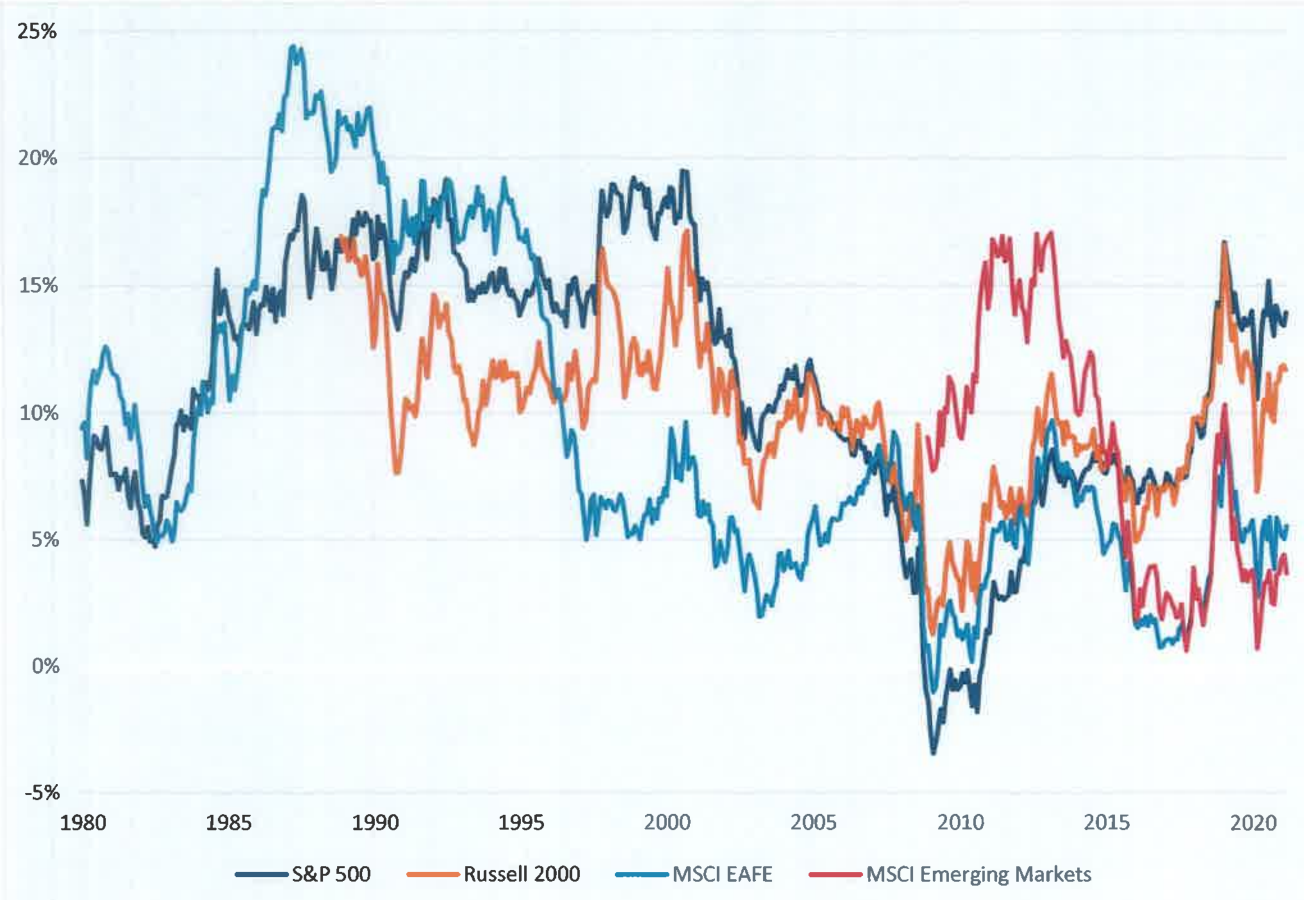
Public equity: forward looking projections

	U.S. Large	U.S. Small	EAFE	EM
Index	S&P 500	Russell 2000	MSCI EAFE Large	MSCI EM
Current Shiller P/E Ratio	30.8	43.1	17.0	11.2
Regular P/E Ratio	26.0	13,764**	34.6	20.1
2020 Shiller P/E Change	+6.2%	-4.4%	-2.9%	+6.7%
2020 Regular P/E Change	+33.3%	+33,571%	+207.1%	+51.1%
Current Shiller P/E Percentile Rank	86%	91%	32%	34%
Current Regular P/E Percentile Rank	94%	100%	97%	93%
Average of P/E Methods' Percentile Rank	90%	95%	64%	63%
2020 YTD Return	5.6%	-8.7%	-7.1%	-1.2%
Shiller PE History	1982	1988	1982	2005
Long-Term Average Shiller P/E	23.1	31.4	22.4	14.8
	Verus Building Block Approach			
Current Dividend Yield	1.8%	1.3%	2.8%	2.3%
Long-Term Average Real Earnings Growth	2.4%	2.9%	1.8%	1.4%
Inflation on Earnings	2.0%	2.0%	0.8%	2.0%
Repricing Effect (Estimate)	-1.0%	-1.0%	-0.3%	-0.3%
Nominal Return	**5.1%**	**5.2%**	**5.2%**	**5.4%**

Data as of 9/30/20
**Average trailing P/E from previous 12 months is used*
***Earnings have fallen to nearly zero, which is the cause of this extremely high figure (the denominator of the Price/Earnings equation is nearly zero)*
NOTE: For all equities, we exclude data prior to 1972, which allows for a more appropriate comparison between data sets

Public equity: a historical perspective

ROLLING 10-YEAR RETURNS



Source: eVestment. Monthly rolling 10-year intervals.
Note: Returns as of 3/31/2021

Past performance is not indicative of future returns....

We need to balance humility in forecasting with trying to mitigate natural behavioral biases

Percent of 10-year periods with returns below 5%	
S&P 500	11.1%
Russell 2000	7.2%
MSCI EAFE	24.0%
MSCI EM	37.8%

10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Return Forecast Geometric	Ten Year Return Forecast Arithmetic	Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (a)
Equities								
U.S. Large	S&P 500	5.1%	6.3%	15.7%	0.31	0.38	0.99	0.99
U.S. Small	Russell 2000	5.2%	7.3%	21.4%	0.23	0.33	0.51	0.58
International Developed	MSCI EAFE	5.2%	6.7%	17.9%	0.28	0.36	0.27	0.34
International Small	MSCI EAFE Small Cap	4.4%	6.7%	22.4%	0.19	0.29	0.43	0.49
Emerging Markets	MSCI EM	5.4%	8.3%	25.5%	0.20	0.32	0.11	0.19
Global Equity	MSCI ACWI	5.2%	6.6%	17.3%	0.29	0.37	0.58	0.62
Private Equity*	Cambridge Private Equity	9.3%	12.1%	25.7%	0.35	0.46	-	-
Fixed Income								
Cash	30 Day T-Bills	0.2%	0.2%	1.2%	-	-	-	-
U.S. TIPS	BBgBarc U.S. TIPS 5-10	1.1%	1.2%	5.3%	0.15	0.18	0.66	0.67
U.S. Treasury	BBgBarc Treasury 7-10 Year	0.7%	0.9%	6.7%	0.07	0.10	0.67	0.68
Global Sovereign ex U.S.	BBgBarc Global Treasury ex U.S.	0.2%	0.6%	9.6%	-0.01	0.04	0.09	0.12
Global Aggregate	BBgBarc Global Aggregate	1.1%	1.3%	6.1%	0.14	0.17	0.38	0.39
Core Fixed Income	BBgBarc U.S. Aggregate Bond	1.5%	1.6%	4.0%	0.31	0.36	1.02	1.01
Core Plus Fixed Income	BBgBarc U.S. Universal	2.2%	2.3%	4.0%	0.49	0.50	1.13	1.12
Short-Term Gov't/Credit	BBgBarc U.S. Gov't/Credit 1-3 Year	0.7%	0.8%	3.6%	0.14	0.16	1.23	1.22
Short-Term Credit	BBgBarc Credit 1-3 Year	1.0%	1.1%	3.6%	0.21	0.23	1.23	1.22
Long-Term Credit	BBgBarc Long U.S. Corporate	2.2%	2.6%	9.3%	0.21	0.25	0.76	0.77
High Yield Corp. Credit	BBgBarc U.S. Corporate High Yield	3.4%	4.0%	11.3%	0.28	0.34	0.82	0.83
Bank Loans	S&P/LSTA Leveraged Loan	2.9%	3.2%	9.5%	0.28	0.32	0.66	0.67
Global Credit	BBgBarc Global Credit	0.3%	0.6%	7.4%	0.01	0.05	0.63	0.64
Emerging Markets Debt (Hard)	JPM EMBI Global Diversified	5.2%	6.0%	12.7%	0.39	0.45	0.60	0.63
Emerging Markets Debt (Local)	JPM GBI-EM Global Diversified	4.3%	5.0%	12.2%	0.33	0.39	-0.01	0.05
Private Credit	Bank Loans + 175bps	4.6%	5.2%	11.2%	0.39	0.45	-	-
Other								
Commodities	Bloomberg Commodity	2.2%	3.4%	15.9%	0.13	0.20	-0.47	-0.41
Hedge Funds*	HFRI Fund Weighted Composite	3.8%	4.1%	7.8%	0.46	0.49	0.47	0.49
Real Estate Debt	BBgBarc CMBS IG	2.2%	2.5%	7.5%	0.26	0.30	1.18	1.17
Core Real Estate	NCREIF Property	5.8%	6.5%	12.6%	0.44	0.50	2.06	1.99
Value-Add Real Estate	NCREIF Property + 200bps	7.8%	9.1%	17.1%	0.44	0.52	-	-
Opportunistic Real Estate	NCREIF Property + 400bps	9.8%	11.8%	21.6%	0.44	0.54	-	-
REITs	Wilshire REIT	5.8%	7.5%	19.3%	0.29	0.38	0.46	0.52
Global Infrastructure	S&P Global Infrastructure	7.8%	9.4%	18.8%	0.40	0.49	0.28	0.35
Risk Parity	Risk Parity	5.2%	5.9%	10.0%	0.50	0.56	-	-
Currency Beta	MSCI Currency Factor Index	1.2%	1.3%	3.5%	0.28	0.30	0.15	0.16
Inflation		2.0%	-	-	-	-	-	-

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

**Return expectations differ depending on method of implementation*

Mean-variance analysis

	Policy	Mix 1	Mix 2	Mix 3	Mix 4	Mix 5	Return (g)	Return (a)	Standard Deviation	Sharpe Ratio (a)
US Large	19.0	24.0	23.0	20.0	20.0	12.0	*5.1*	*6.3*	*15.7*	*0.38*
US Small	6.0	8.0	7.0	6.0	6.0	3.0	*5.2*	*7.3*	*21.4*	*0.33*
Total Domestic Equity	***25***	***32***	***30***	***26***	***26***	***15***				
International Developed	12.0	15.0	13.0	13.0	13.0	10.0	*5.2*	*6.7*	*17.9*	*0.36*
Emerging Markets	3.0	5.0	4.0	3.0	3.0	5.0	*5.4*	*8.3*	*25.5*	*0.32*
Total Int'l Equity	***15***	***20***	***17***	***16***	***16***	***15***				
Global Equity	3.0	3.0	3.0	3.0	3.0	0.0	*5.2*	*6.6*	*17.3*	*0.37*
Total Equity	***43***	***55***	***50***	***45***	***45***	***30***				
Core Plus Fixed Income	17.0	15.0	15.0	15.0	15.0	15.0	*2.2*	*2.3*	*4.0*	*0.50*
Global Aggregate	5.0	0.0	0.0	0.0	0.0	0.0	*1.1*	*1.3*	*6.1*	*0.17*
Emerging Market Debt (Hard)	2.5	2.5	2.5	2.5	2.5	0.0	*5.2*	*6.0*	*12.7*	*0.45*
Emerging Market Debt (Local)	2.5	2.5	2.5	2.5	2.5	0.0	*4.3*	*5.0*	*12.2*	*0.39*
Total Fixed Income	***27***	***20***	***20***	***20***	***20***	***15***				
Real Estate Debt	5.0	5.0	5.0	4.0	4.0	0.0	*5.3*	*6.3*	*15.0*	*0.41*
Core Real Estate	10.0	5.0	5.0	6.0	6.0	5.0	*5.8*	*6.5*	*12.6*	*0.50*
Value Add Real Estate	5.0	5.0	5.0	3.0	6.0	5.0	*7.8*	*9.1*	*17.1*	*0.52*
Opportunistic Real Estate	0.0	0.0	0.0	2.0	5.0	10.0	*9.8*	*11.8*	*21.6*	*0.54*
Infrastructure	0.0	0.0	0.0	0.0	4.0	5.0	*7.8*	*9.4*	*18.8*	*0.49*
Total Real Assets	***20***	***15***	***15***	***15***	***25***	***25***				
Private Equity	5.0	5.0	10.0	12.0	5.0	20.0	*9.3*	*12.1*	*28.1*	*0.46*
Private Credit	5.0	5.0	5.0	8.0	5.0	10.0	*4.6*	*5.2*	*11.2*	*0.45*
Total Non-Public Investments	***10***	***10***	***15***	***20***	***10***	***30***				
Cash	0.0	0.0	0.0	0.0	0.0	0.0	*0.2*	*0.2*	*1.2*	-
Total Allocation	**100**	**100**	**100**	**100**	**100**	**100**				

	Policy	Mix 1	Mix 2	Mix 3	Mix 4	Mix 5
Mean Variance Analysis						
Forecast 10 Year Return	***5.4***	***5.6***	***5.8***	***6.0***	***6.0***	***7.0***
Standard Deviation	10.7	12.3	12.3	12.2	12.0	13.2
Return/Std. Deviation	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*	*0.5*
1st percentile ret. 1 year	*-16.7*	*-19.2*	*-19.0*	*-18.7*	*-18.4*	*-19.5*
Sharpe Ratio	0.51	0.48	0.50	0.51	0.52	0.56

Source: MPI, Verus

Projected returns increase from 5.4% to 7%, depending on the mix.

Projected standard deviation increase from 10.7% to 13.2%.

Verus scenario analysis

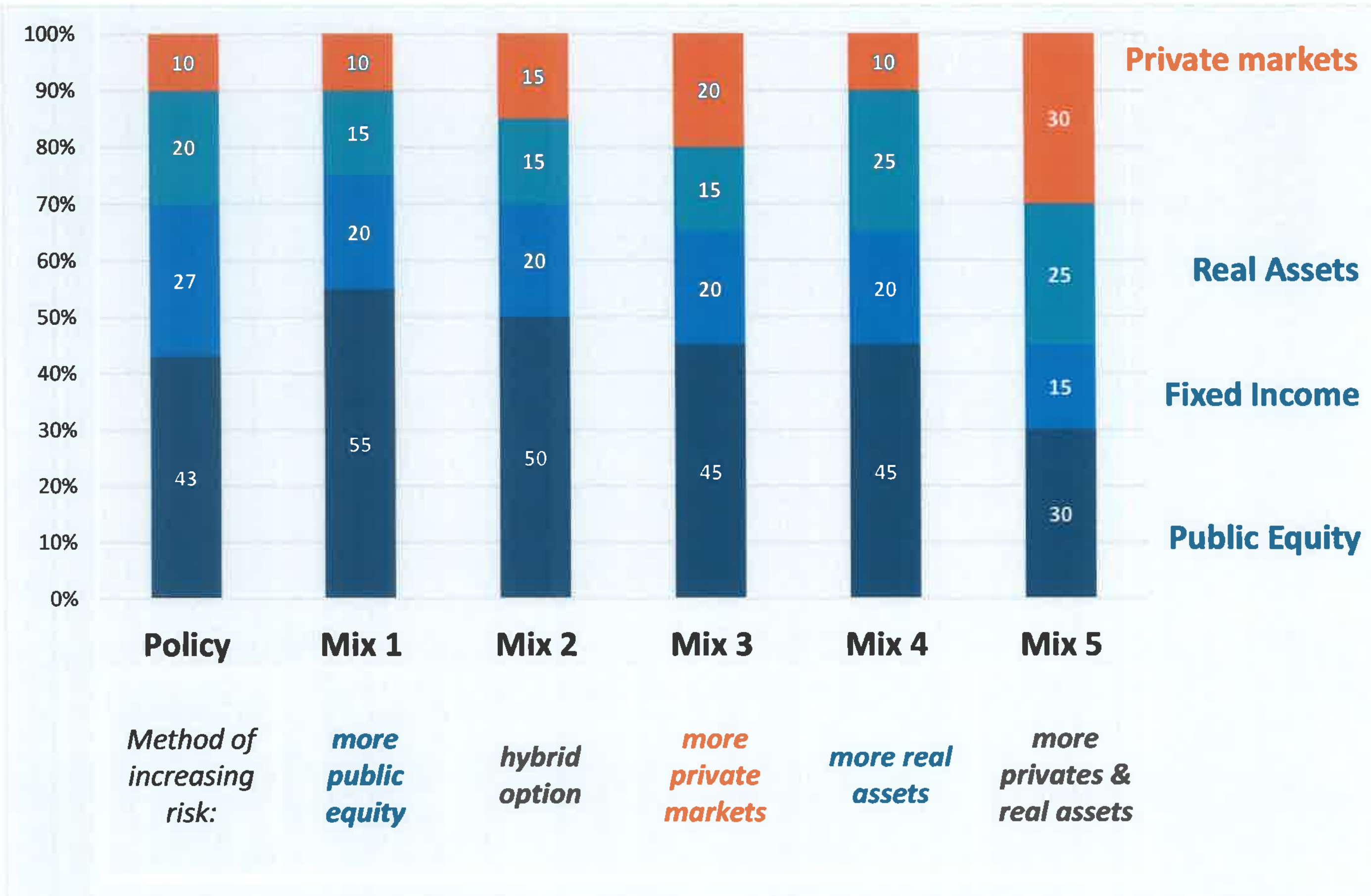
	Policy	Mix 1	Mix 2	Mix 3	Mix 4	Mix 5
10 Year Return Forecast						
Stagflation	3.7	3.3	3.5	3.3	4.4	3.6
Weak	0.7	0.1	0.3	0.3	1.0	0.4
Base CMA	***5.5***	***5.7***	***6.0***	***6.1***	***5.9***	***6.6***
Strong	11.1	12.3	12.6	12.6	11.7	13.6
Range of Scenario Forecast	*10.3*	*12.2*	*12.3*	*12.4*	*10.7*	*13.2*
Shock (1 year)	*-21.4*	*-25.9*	*-26.7*	*-25.9*	*-22.4*	*-25.9*
10 Year Real Return Forecast						
Stagflation	-2.4	-2.8	-2.6	-2.8	-1.7	-2.5
Weak	-0.4	-1.0	-0.8	-0.8	-0.1	-0.7
Base CMA	*3.4*	*3.6*	*3.9*	*4.0*	*3.8*	*4.5*
Strong	8.5	9.7	10.0	10.0	9.1	11.0
Range of Scenario Forecast	*10.8*	*12.5*	*12.5*	*12.8*	*10.8*	*13.6*

The scenario analysis dimensions return projections across different economic regimes.

Source: MPI & Verus

Asset mixes for consideration

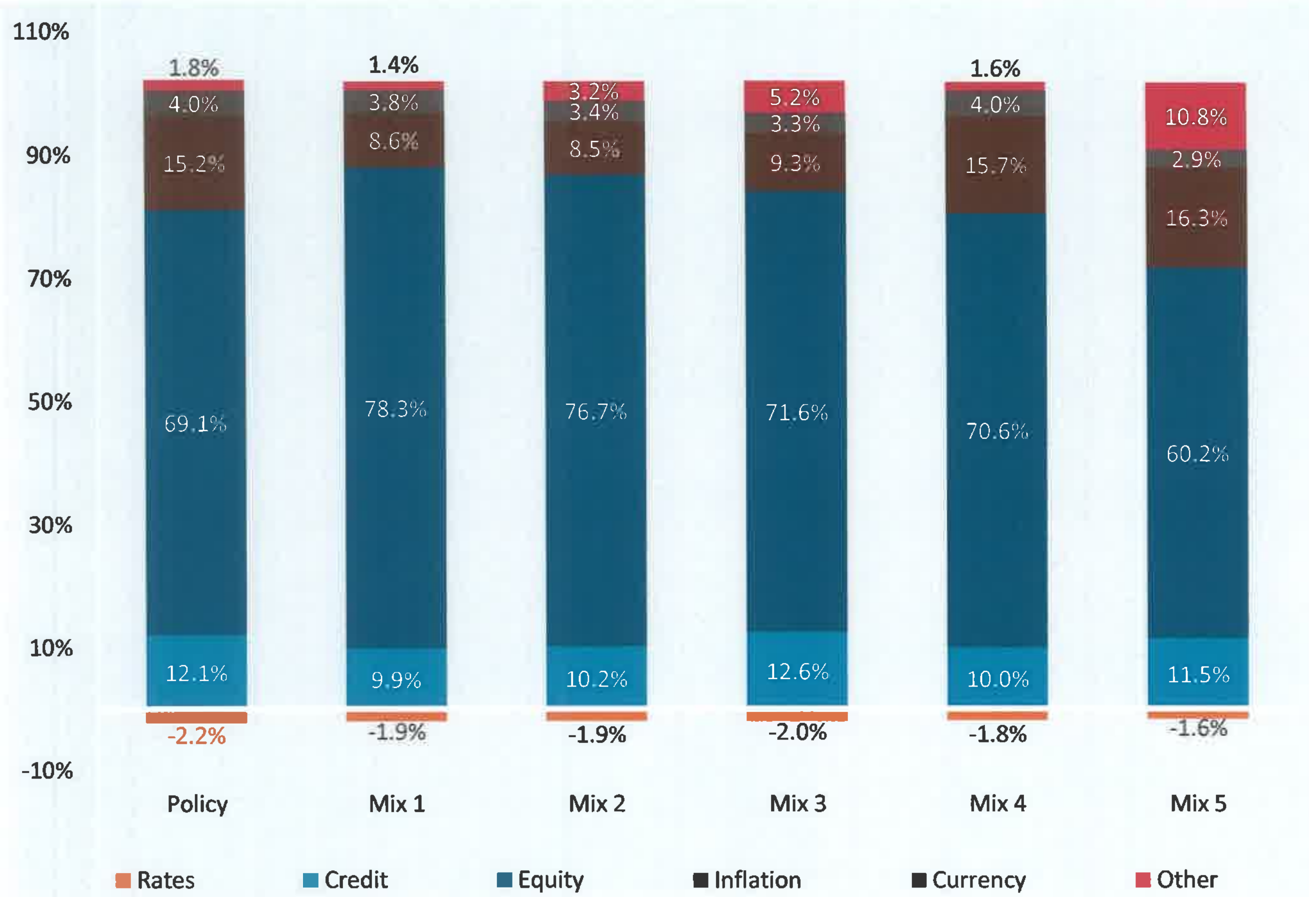
HIGH-LEVEL ASSET ALLOCATION



All mixes increase projected risk & return, but in different ways.

Risk decomposition

RISK CONTRIBUTION BY RISK FACTOR



Equity risk is the largest single risk factor for all mixes.

Credit risk is a function of fixed income.

Currency risk a function of international investments.

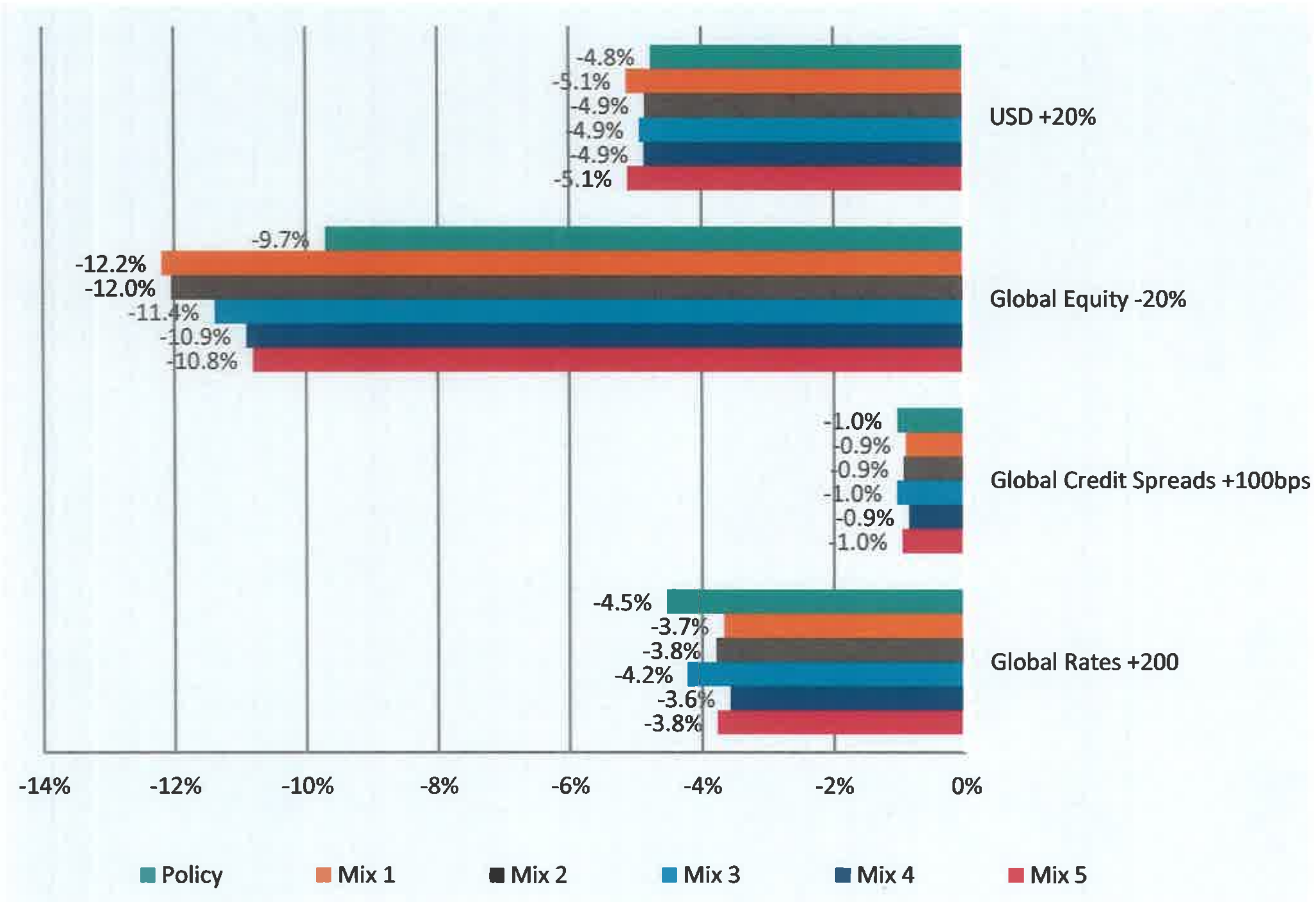
Inflation risk is a function of real assets.

"Other" are risks inherent within private markets.

Source: Barra, Ex-Ante Volatility

Stress tests

TAIL RISK – STRESS TEST

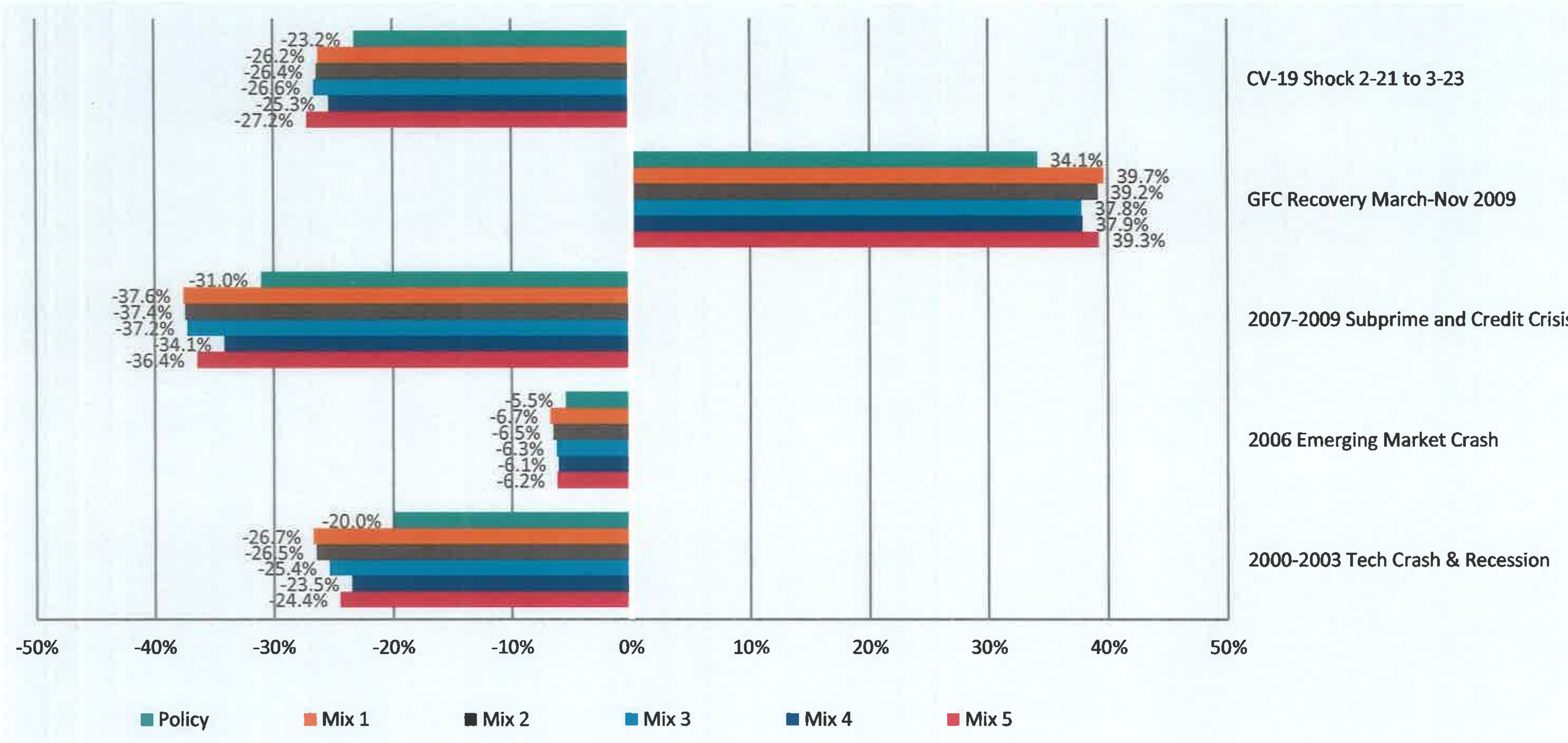


This analysis is based on how the risk factors inherent in the current index holdings react in those environments.

Source: Barra

Scenario analysis

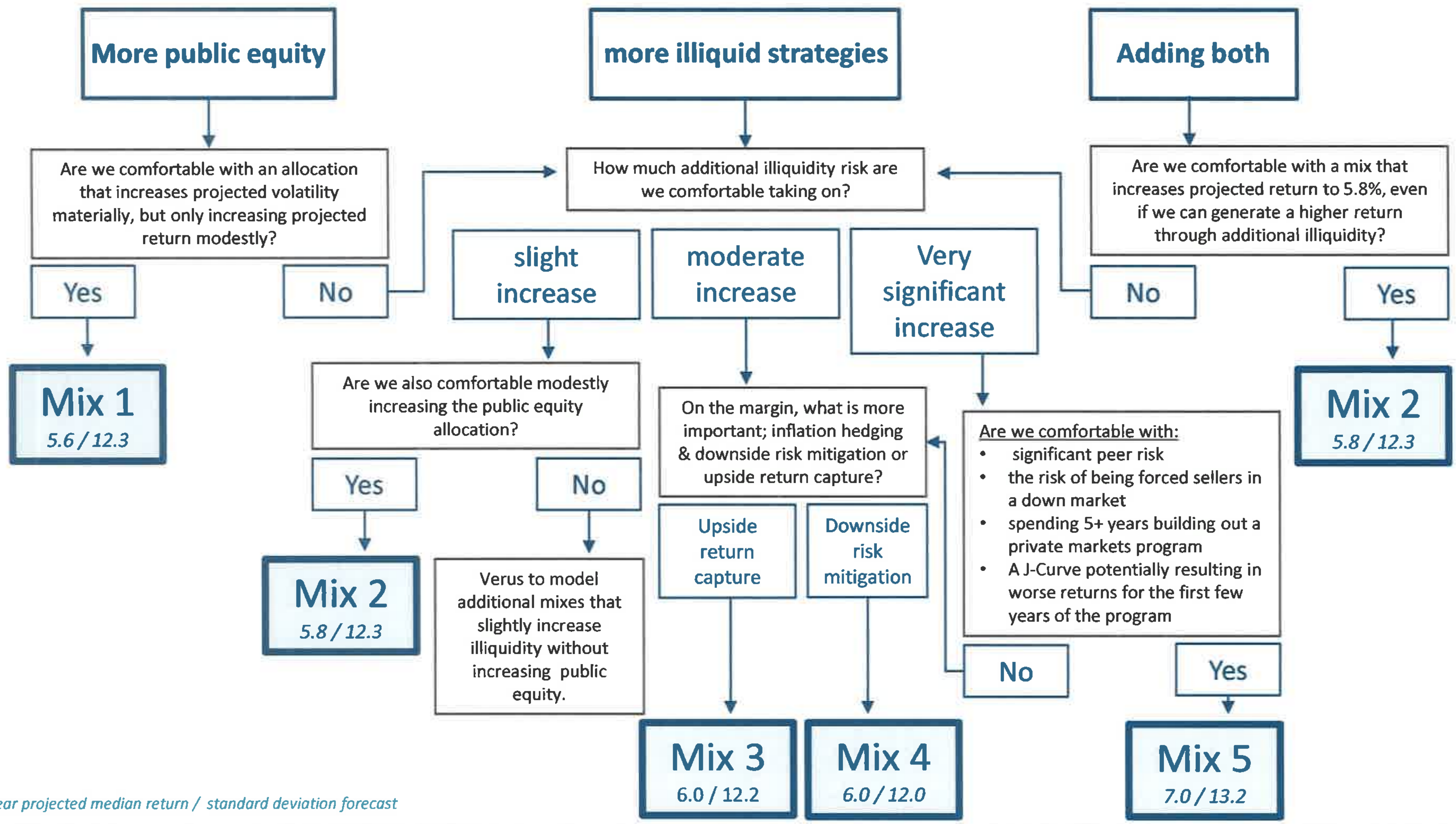
TAIL RISK – SCENARIO ANALYSIS



Source: Barra

Decision framework

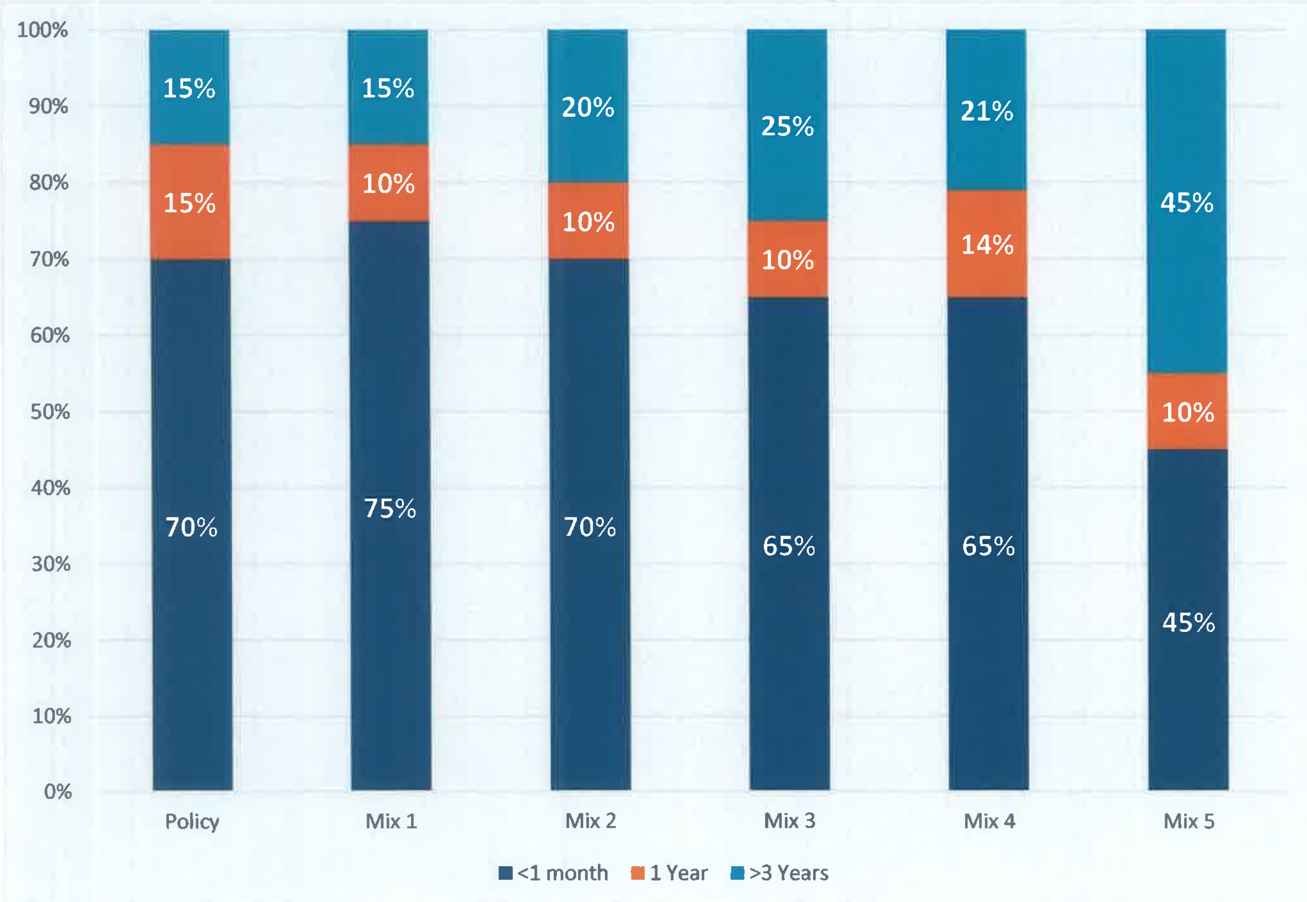
How are we, as Trustees, most comfortable adding risk in pursuit of higher returns?



10 year projected median return / standard deviation forecast

Contextualizing liquidity

"NORMAL MARKET" LIQUIDITY BUCKETING



Liquidity refers to how quickly an asset can be converted to cash.

In distressed markets, assets' liquidity can become impaired.

A distressed liquidity estimate:*

"<1 month" → 1-3 months

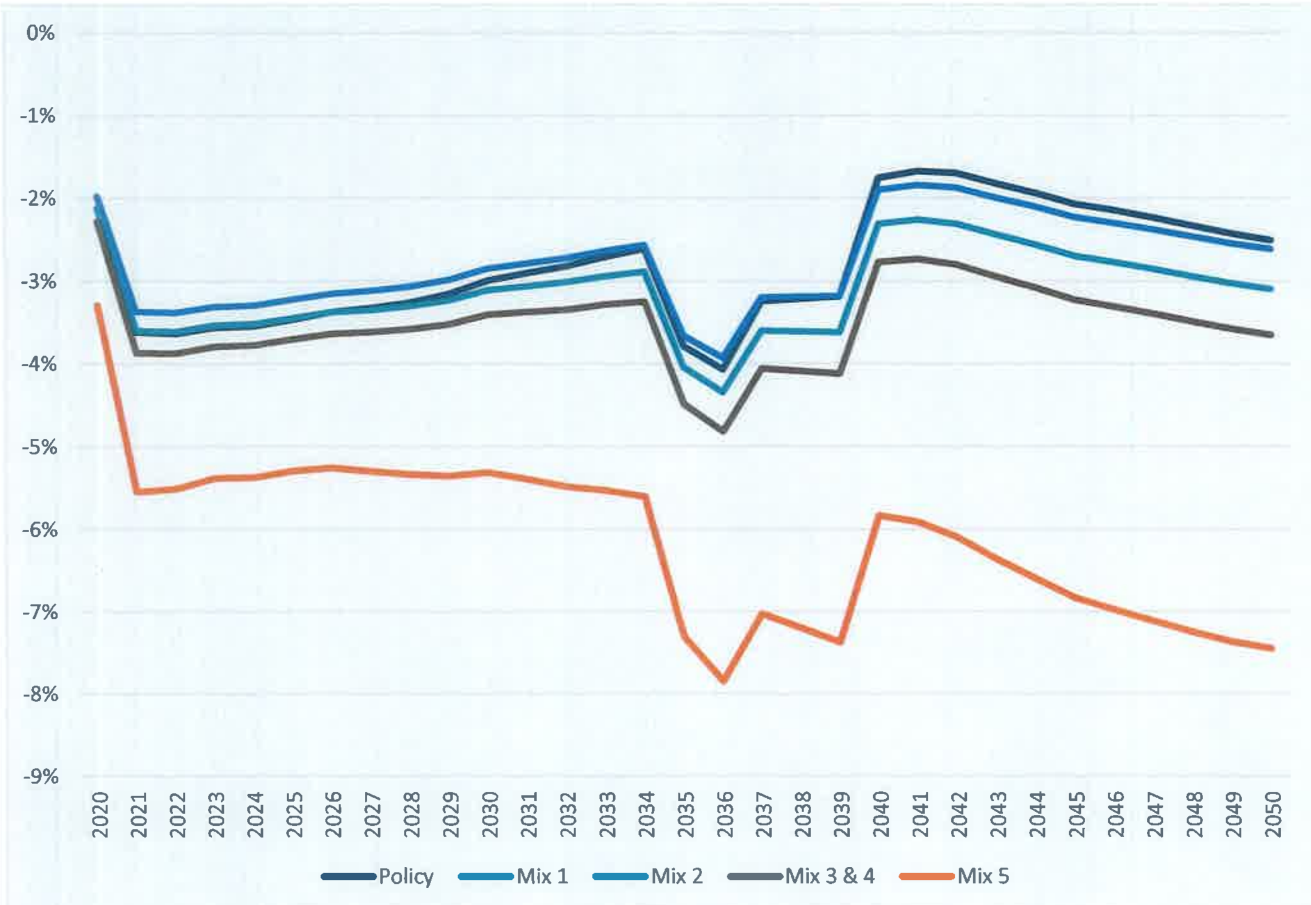
"1 Year" → 1-3 years

">3 years" → ???

**Liquidity is in some cases a subjective estimate.*

Paying benefit payments: baseline

NET OPERATIONAL CASH OUTFLOWS AS A PERCENTAGE OF LIQUID ASSETS: BASELINE

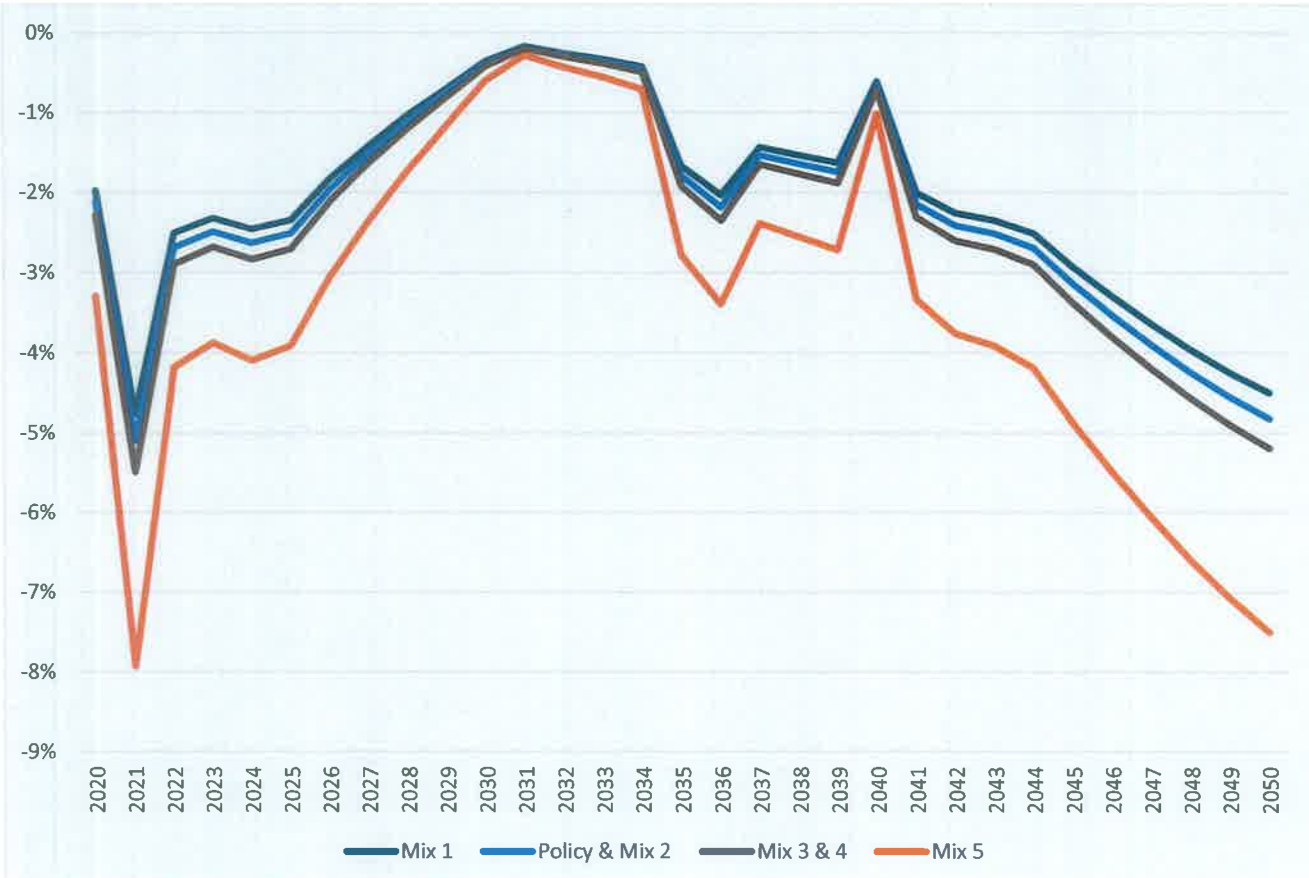


How much liquid assets will TCERA retain to fund benefit payments?

Assumes starting value of $1.8B, current TCERA contribution funding policy, Verus annual return projections for each mix, as well as each mix's allocation to liquid assets (defined as liquidity greater than 1 month). Because Mix 3 & Mix 4 have the same overall allocation to liquid assets, and the same return projection, their outcomes are identical in this projection.

Paying benefit payments: drawdown

NET OPERATIONAL CASH OUTFLOWS AS A PERCENTAGE OF LIQUID ASSETS: 25% DRAWDOWN

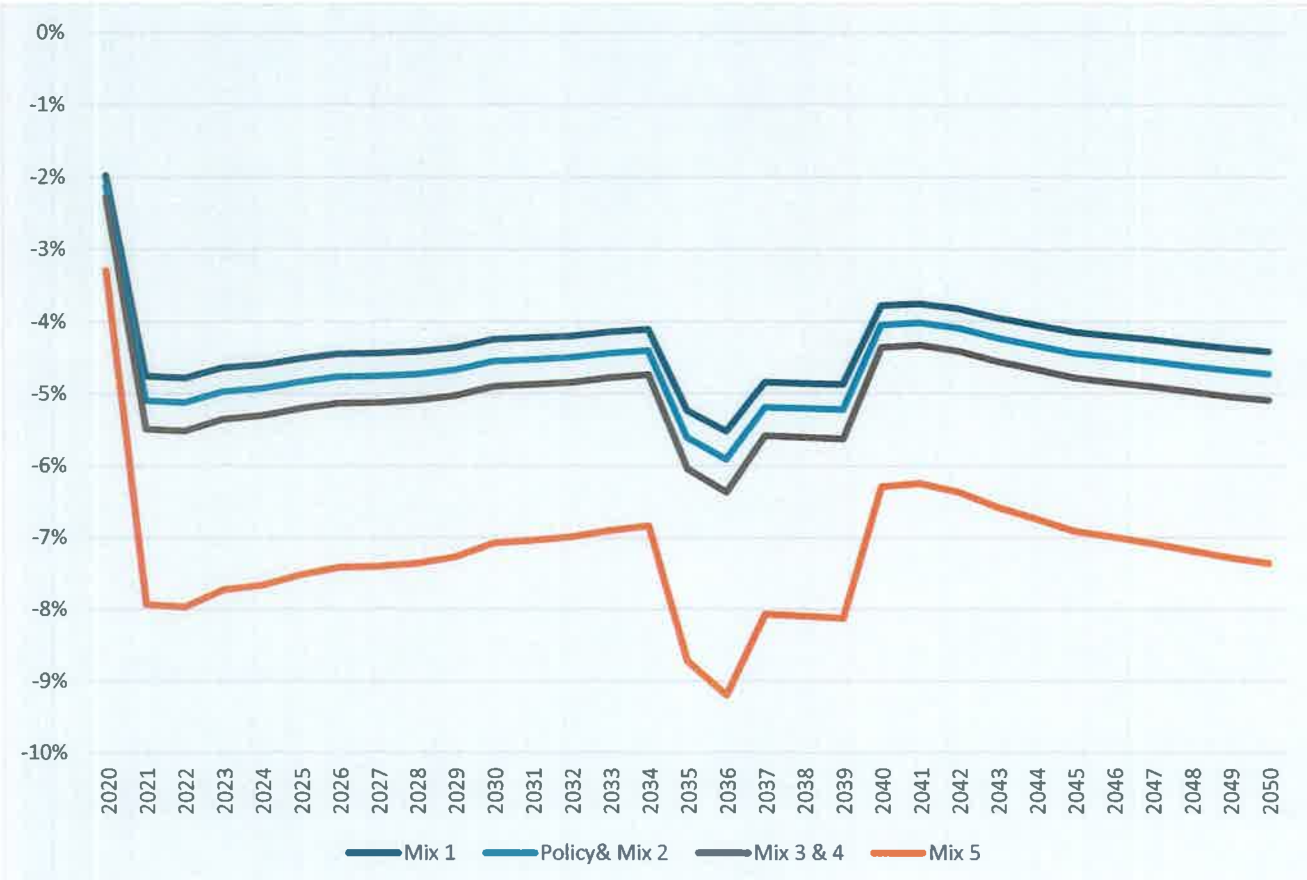


Paradoxically, in a significant drawdown event, the higher employer contribution rates offset the loss in liquidity caused by a drawdown.

Assumes starting value of $1.8B, current TCERA contribution funding policy, as well as each mix's allocation to liquid assets (defined as liquidity greater than 1 month). For this scenario, all mixes assume a 25% drawdown in year 1 followed by a 7% return each year thereafter. Because Policy & Mix 2 both have a 70% liquid allocation, the projections are identical here. Likewise, because Mix 3 & Mix 4 both have a 65% liquid allocation, their projections are identical here.

Paying benefit payments: drawdown v2

NET OPERATIONAL CASH OUTFLOWS AS A PERCENTAGE OF LIQUID ASSETS: 25% DRAWDOWN, ER CONTRIBUTIONS LOCKED AT PRE-DRAWDOWN LEVELS

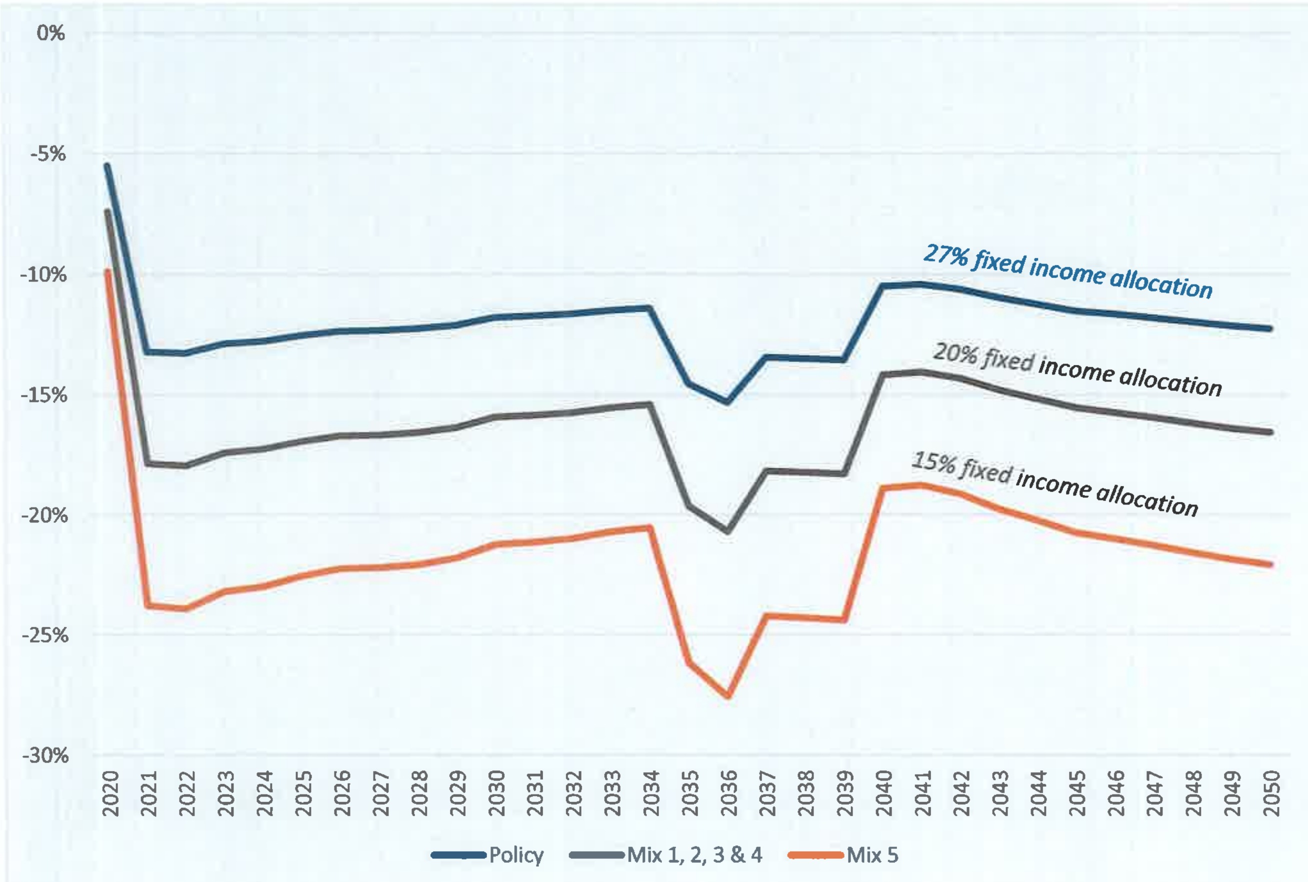


If we hold employer contributions static at the current projection levels, liquidity becomes a more significant issue during a drawdown.

Assumes starting value of $1.8B, current TCERA contribution funding policy, as well as each mix's allocation to liquid assets (defined as liquidity greater than 1 month). For this scenario, all mixes assume a 25% drawdown in year 1 followed by a 7% return each year thereafter. Because Policy & Mix 2 both have a 70% liquid allocation, the projections are identical here. Likewise, because Mix 3 & Mix 4 both have a 65% liquid allocation, their projections are identical here.

Paying benefit payments: drawdown v3

NET OPERATIONAL CASH OUTFLOWS AS A PERCENTAGE OF FIXED INCOME ASSETS: 25% DRAWDOWN, ER CONTRIBUTIONS LOCKED AT PRE-DRAWDOWN LEVELS



In a drawdown scenario, it is disadvantageous to be a forced seller of risk assets.

This analysis looks at liquidity needs, focusing just on how large the System's liquidity needs are relative to fixed income assets.

Assumes starting value of $1.8B, current TCERA contribution funding policy, as well as each mix's allocation to fixed income. For this scenario, all mixes assume a 25% drawdown in year 1 followed by a 7% return each year thereafter. This scenario applies the same static employer contribution assumption as the prior slide. Because Mix 1,2,3, & 4 all have a 20% fixed income allocation, their outcome under this analysis is identical.

BOARD OF RETIREMENT
CONTINUING EDUCATION
January 1, 2021 – June 30, 2021

Member Name	Education Hours Obtained
Cass Cook	**14.25**
Laura Hernandez	**15.80**
David Kehler	**23.30**
Wayne Ross	**14.25**
Gary Reed	**13.55**
Jim Young	**18.05**
Nathan Polk	**12.30**
Pete Vander Poel	**15.80**
David Vasquez	**11.85**
Paul Sampietro	**15.80**
George Finney	**11.55**
Leanne Malison	**45.55**
Mary Warner	**28.80**
Roland Hill	*Retired 03/27/21*

August 12, 2020 – The Board approved a temporary implementation of education hours to 12 hours per year, (California Law is 24 hours every two years) for the duration of the declared COVID emergency. This will remain until the declaration is lifted.

BOARD OF RETIREMENT
HOURS OF CONTINUING EDUCATION
January 1, 2021 – June 30, 2021

Member Name	Name of Event	Date(s) of Event	Education Hours Obtained
Cass Cook	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 14.25
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
Laura Hernandez	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	Boston Partners – Presentation, Large Cap	06/09/21	0.80
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 15.80
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
David Kehler	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	PIMCO – Why Bonds Remain Essential	03/04/21	1.00
	CalAPRS – General Assembly	03/08-09/21	6.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	Boston Partners – Presentation, Large Cap	06/09/21	0.80

David Kehler (con't)			
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 23.30
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
Wayne Ross	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 14.25
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
Gary Reed	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	Boston Partners – Presentation, Large Cap	06/09/21	0.80
	SGA – Presentation, International Growth	06/09/21	0.75
			Total: 13.55
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
Jim Young	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	PIMCO – Economic Outlook	04/07/21	1.00
	BlackRock – Future Forum	04/20/21	1.50
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Invesco – Market Pulse w/K Hooper	05/20/21	0.50
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	Boston Partners – Presentation, Large Cap	06/09/21	0.80

Jim Young (con't)			
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 18.05
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
Nathan Polk	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Boston Partners – Presentation, Large Cap	06/09/21	0.80
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 12.30
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
Pete Vander Poel	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	Boston Partners – Presentation, Large Cap	06/09/21	0.80
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 15.80
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
David Vasquez	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	Boston Partners – Presentation, Large Cap	06/09/21	0.80
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 11.85

Member Name	Name of Event	Date(s) of Event	Education Hours Obtained
Paul Sampietro	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	Boston Partners – Presentation, Large Cap	06/09/21	0.80
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 15.80
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
George Finney	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Boston Partners – Presentation, Large Cap	06/09/21	0.80
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 11.55
Member Name	**Name of Event**	**Date(s) of Event**	**Education Hours Obtained**
Leanne Malison	BlackRock Market Pulse, Key Themes to watch	01/19/21	1.00
	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	PIMCO – Why Bonds Remain Essential	03/04/21	1.00
	CalAPRS – General Assembly	03/8-9/21	5.00
	Verus – Investment Refresher Presentation	03/24/21	1.25
	PIMCO – Dealing w/Inflation Head Fake	04/07/21	1.25
	BlackRock – Future Forum, Path to Net Zero	04/20/21	1.50
	Ivy - Presentation Large Cap Growth Equity	04/14/21	0.75
	Verus – 2nd Qtr Conf Call	04/27/21	1.00
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	SACRS – Virtual Spring Conf	05/12-14/21	13.00
	Hanson Bridgett (Board Counsel)-Public Sector Plan Fiduc Update	05/25/21	1.00

Leanne Malison (con't)			
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	BlackRock Future Forum – China: Evolving Landscape	06/02/21	1.00
	Boston Partners – Presentation, Large Cap	06/09/21	0.80
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
	CALAPRS Admin Round Table	06/24/21	4.00
			Total: 45.55

Member Name	Name of Event	Date(s) of Event	Education Hours Obtained
Mary Warner	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	CALAPRS General Assembly	03/8-9/21	7.75
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Ivy – Presentation Large Cap Growth Equity	04/14/21	0.75
	BlackRock – Future Forum	04/20/21	1.50
	Verus – 2nd Qtr Investment Landscape	04/27/21	1.00
	Meketa and AndCo Presentations, Investment Consulting	04/28/21	2.25
	NEPA and Verus Presentations, Investment Consulting	04/29/21	2.25
	Verus – IP Report, Asset/Liability Study, Asset Allocation Review, and State Street Global Advisors Trust Co Amendment	05/26/21	3.50
	BlackRock Future Forum, China	06/02/21	0.75
	Boston Partners – Presentation, Large Cap	06/09/21	0.80
	SGA – Presentation, International Growth	06/09/21	0.75
	Verus – Emerging & Diverse Mgr Diligence Days Webinar	06/15/21	1.00
	BlackRock – Illuminate with iShares	06/15/21	1.00
	Verus – Asset/Liability Study Presentation	06/23/21	2.00
	Verus – Educational Securities Lending	06/23/21	0.25
			Total: 28.80

Member Name	Name of Event	Date(s) of Event	Education Hours Obtained
Roland Hill	Verus – Active/Passive Investment Panel	02/24/21	1.50
	Verus – Performance Report, Dec 31, 2020	02/24/21	0.50
	Verus – Investment Refresher Presentation	03/24/21	1.25
	Retired March 27, 2021		**Total: 3.25**

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUMMARY EDUCATION REPORT

NAME OF ATTENDEE: Mary Warner

CONFERENCE/SEMINAR ATTENDED: CALAPRS Administrators' Round Table

DATES ATTENDED: June 25, 2021

NUMBER OF CONTINUING EDUCATION HOURS OBTAINED: 4

TOPICS OF DISCUSSION: Brown Act & Governor's Emergency Orders; Transition back to the In-Office work; Social Security; Families First Coronavirus Response Act; Member Self-Service Accounts; Discount Rates & Actuarial Assumptions; Diversity & Inclusion; General Assembly 2022 Venue; Virtual meetings vs. in-person meetings Staff training needs

REASON MEETING WAS BENEFICIAL TO RETIREMENT SYSTEM: Great opportunity to have discussions with other systems on current issues, the sharing of ideas, and important takeaways.

RECOMMENDATION REGARDING FUTURE ATTENDANCE: ***(i.e., should we send a representative in the future? If so, who should attend?)*** The Retirement Administrator and Assistant Administrator should attend as schedules permit.

Mary Warner
Signature

6/25/2021
Date

Members of a legislative body shall provide brief reports on meetings attended at the expense of the local agency ***at the next regular meeting*** *of the legislative body. (Gov. Code, § 53232.3, subd. (d).)*

NOTE: Attachments to this report will be held on file in the Retirement Office for review by interested parties, but will not be photocopied for the Retirement Board.

RETBD\EDUC-SUM.RPT

EDUCATIONAL EVENTS - Board of Retirement

2021

1. **CAL*A*PRS**, Principles of Pension Governance for Trustees, Sept 28 - Oct 1 – Virtual
2. **CAL*A*PRS**, Trustees Round Table, October 29, 2021 – Virtual
3. **SACRS**, Fall Conference, Nov. 9-12, 2021, Lowes Hollywood Hotel.
4. **PIMCO**, Fall Seminar, Nov. 15-18, 2021. More information is forthcoming.

2022

1. **DWS**, America Real Assets Investor Conference, April 26-28, Balboa Bay Resort, Newport Beach, CA. Topics: Key trends impacting real estate investing through a series of panels from their research, transactions and portfolio mgmt. teams.

EDELSTEIN GILBERT ROBSON & SMITH LLC

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd Associate Bridget E. McGowan Associate

July 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: Legislative Update – July 2021

General Update

Last month, the Legislature passed a critical legislative deadline that marks the halfway point in the first year of session – the House of Origin deadline. This deadline requires all bills to pass out of the house where they were introduced. This means that at this point in the legislative process, all remaining bills that are still viable have passed out of policy committees, fiscal committees (if applicable) and the Floor of their first house. Now, bills face the second house, where all remaining Senate bills move through the Assembly, and all Assembly bills move through the Senate.

Now that we have reached this stage, policy committees are well under way. Legislators have until July 14 for bills to pass out of policy committees before facing the fiscal committee deadline.

Legislation of Interest

SB 634 (Committee on Labor, Public Employment, and Retirement) - SACRS Sponsored Bill. This bill makes a few clarifying changes to the CERL, including clarifying that a 37 Act Retirement board may contract with a private physician to provide medical advice to the board to process disability claims and changing an obsolete code reference related to when a 37 Act system member may opt to continue as a member of the 37 Act system instead of enrolling in CalSTRS.

Recent amendments strike section 11 of the bill regarding a code reference authorizing a 37 Act member who contributes by installment payments to complete payment through a lump sum payment any time prior to retirement.

The bill passed out of the Assembly Public Employment and Retirement Committee unanimously and is awaiting a hearing in the Assembly Appropriations Committee.

AB 826 (Irwin) - Compensation Earnable. This bill was recently amended into a bill that prescribes that the definition of compensation earnable in CERL includes any form of remuneration, whether paid in cash or as in-kind benefits, if certain requirements are met.

1127 11TH Street SUITE 1030 Sacramento, CA 95814 (916)443-6400 FAX (916)443-6445
www.egrslobby.com

The bill is co-sponsored by SEIU and the Ventura County Board of Supervisors. They argue that some pay items, like their Flexible Benefit Allowance was not clearly addressed in the *Alameda* decision and should not be excluded, because members receive the full cash value, it is a regular, set amount paid every pay period, and it isn't subject to pension spiking or any other manipulation.

Because it was just amended, the bill has not had a hearing. It is currently in the Senate.

AB 845 (Rodriguez) - COVID-19 Presumption. This bill creates a rebuttable presumption for members that a COVID-19 related illness contracted on the job must be eligible for an in-service disability retirement. The provisions sunset January 1, 2023. The bill is sponsored by SEIU. The co-chairs of the Legislative Committee have been closely engaged with the sponsor and committee staff working on the legislation to ensure smooth implementation in CERL Systems.

This bill is moving through the Senate and is awaiting a vote on the Senate Floor.

<u>Public Meeting Bills</u>

Governor Newsom recently issued an Executive Order that sunsets the modified Brown Act requirements due to the pandemic on September 30, 2021.

On the legislative side, three public meeting bills have been introduced relating to the pandemic and teleconference/virtual meetings for local public agencies.

AB 361 (Rivas)- Virtual Meetings for Declared Emergencies Only. This bill is sponsored by the CA Special Districts Association and would codify the Governor's Executive Order allowing for teleconference for declared emergencies. The bill would require local agencies to re-declare an emergency every 30 days that would then allow them to continue meeting remotely.

This bill is currently in the Senate.

AB 339 (Lee) - Mandatory Virtual Meetings with Translation Services – As introduced, this bill would have required the Legislature and public boards to continue to provide virtual access for the public, even if all of the members attended in-person, included requirements for translation services upon request and posting instructions in the 2 most spoken languages in the jurisdiction. The bill is sponsored by the Leadership Counsel for Justice & Accountability and the ACLU of California.

Due to opposition from public agency groups, the bill was amended to limit the bill's applicability to city councils and boards of supervisors in jurisdictions with over 250k residents, limit the public access to phone or internet (not both), remove all translation requirements, and add a sunset date, among other changes.

This bill is currently in the Senate.

AB 703 (Rubio) - Continues Option for Virtual Meetings beyond pandemic. This bill codifies the Governor's Executive Order allowing for teleconference meetings after the pandemic is over. However, the author's office has confirmed that this bill is a two-year bill that will not be moving further this year of session.

Statement of Vote Tulare County Employees' Retirement Association Special Election

July 20, 2021

CERTIFICATION OF REGISTRAR OF VOTERS OF THE RESULTS OF THE CANVASS OF THE JULY 20, 2021 TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION SPECIAL ELECTION

STATE OF CALIFORNIA } ss.
COUNTY OF TULARE }

I, Michelle Baldwin, Registrar of Voters of Tulare County, do hereby certify, in accordance with the provisions of Section 15300, et seq. of the California Elections Code, I did canvass the results of the votes cast in the Tulare County Employees' Retirement Board Special Election held in said County on July 20, 2021, for contests that were submitted to the vote of the voters, and that the Statement of Votes Cast, to which this certificate is attached is full, true, and correct.

I hereby set my hand and official seal this 21st day of July 2021 in the County of Tulare.

Michelle Baldwin, Registrar of Voters

County of Tulare
State of California

Election Summary Report

Tulare County Employees' Retirement Association Special Election

July 20, 2021

Final Official Election Results Report

General Members
Voters Cast: 332 of 3,645

Seat 2 (Vote for 1)

General Members

	Total	
Times Cast	332 / 3,645	9.11%

Candidate	Total	
JONATHON PORTER	129	38.86%
TY INMAN	203	61.14%
Total Votes	332	100.00%