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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www.tcera.org

AGENDA OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, June 23, 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 June 9, 2021.
2. Approve payments to:
   a. Verus – invoice for investment consulting services in the amount of $20,000.00 for the month ended May 31, 2021.
   b. County Counsel Invoice for the month ended May 31, 2021.

VII. INVESTMENT COMMITTEE REPORT

1. Update by Gary Reed regarding the Investment Committee meeting of June 9, 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. Investment Guideline Review
      1) Ivy Investments – Proposed Revisions
      2) BlackRock – Guideline Change Approval
   d. China Exposure – Portfolio Review
   e. Investment Managers
      1) Verus Flash Report
      2) Managers of Interest
         a) Franklin Templeton
         b) Sixth Street – Dyal Capital Partners
         c) PGIM
   f. Agenda Items for Investment Consultant Due Diligence Visits

VIII. INVESTMENTS

1. Asset/Liability Study – TCERA's Strategic Asset Allocation and Actuarial Assumptions. Discussion and possible action.
2. Educational Presentation from Verus regarding Securities Lending.
3. 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 DWS (RREEF) Notice of Annual Meeting of Stockholders/Election of Directors and Proposed Amendments to the Corporation's Charter and Operating Documents – Proxy Vote.
2. Discussion and possible action regarding Consent to the Second Amendment to the Limited Partnership Agreement of Pathway Private Equity Fund Investors 10, LP.
3. Discussion and possible action regarding State of California Executive Order N-08-21
   a. Impact on public meetings
   b. Impact on post-retirement employment

X. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
   a. Mary Warner – BlackRock Future Forum, China: The Evolving Investment Landscape, June 2, 2021, .75 hours.
2. Discussion and possible action regarding available educational events.

XI. COMMUNICATIONS

1. SACRS Legislative Update – June 2021
2. County Counsel Cases Pending Report – May 26, 2021

XII. UPCOMING MEETINGS

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

COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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MINUTES OF THE BOARD OF RETIREMENT
REGULAR RETIREMENT BOARD MEETING
Wednesday, June 9, 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 Pete Vander Poel, Acting Chair.

II. ROLL CALL

Voting Trustees Present:	Laura Hernandez, Gary Reed, Jim Young, Dave Kehler, Pete Vander Poel, Nathan Polk
Voting Alternate Trustees Present:	Paul Sampietro, David Vasquez (departed 10:15 a.m.)
Alternate Trustees Present:	George Finney
Trustees Absent:	Wayne Ross, Cass Cook
Staff Members Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator
Board Counsel Participating Remotely:	Jennifer Shiffert and 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. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
   a. Retirement Board Minutes of May 26, 2021.
2. Approve payments to:
   a. BlackRock – invoice for investment management services in the amount of $33,367.56 for the quarter ended March 31, 2021.
   b. Waddell & Reed – invoice for investment management services in the amount of $107,328.11 for the quarter ended March 31, 2021
   c. BNY Mellon – invoice for master trust custodial services in the amount of $82,280.33 for the quarter ended March 31, 2021.
3. Pension Board Reports and Actions
   a. Ratify Retirement Administrator actions regarding Retirement Application approvals and Option Selections for the month of May 2021.
   b. Approve Reports regarding Retirement Applications, Option Selections and Deceased Pensioners and 30-Year Members for the month of May 2021.
   c. Approve reinstatement of deferred status and contributions for member in unclaimed status – Angela M. Trauth.

Motion to approve the Consent Calendar as presented.

Motion: Reed
Second: Hernandez
Motion passed unanimously.

VII. ADMINISTRATIVE COMMITTEE REPORT

1. Update by Dave Kehler regarding the Administrative Committee meeting of May 26, 2021. Discussion and possible action regarding the following items:

   a. TCERA and TCERA Property, Inc. Financial Statements – April 30, 2021.

   Mr. Kehler reported that the Committee reviewed the Financial Statements.

   Motion to approve the TCERA and TCERA Property, Inc. Financial Statements for April 30, 2021.

   Motion: Kehler
   Second: Young
   Motion passed unanimously.

   b. Fiscal Year 2021-2022 TCERA and TCERA Property, Inc. Administrative Budget – Final.

   Mr. Kehler reported that the Committee reviewed the final version of the budget, noting that it now includes the approved addition of one Retirement Specialist and the estimated cost for solar panels for the office.

   Motion to approve the Fiscal Year 2021-2022 TCERA and TCERA Property, Inc. Administrative Budget as presented.

   Motion: Kehler

Second: Hernandez
Motion passed unanimously.

c. County Counsel Invoices – Payment Authorization Procedures.

Mr. Kehler informed that Board that the Committee is of the opinion that a separate Committee review and approval of County Counsel invoices is no longer necessary. The issues that originally prompted this requirement have been resolved. The Committee recommends that the County Counsel invoices be placed on the Board of Retirement Consent Calendar in the future.

Motion to direct Staff to place future County Counsel invoices on the Board of Retirement Consent Calendar.

Motion: Kehler
Second: Sampietro
Motion passed unanimously.

VIII. INVESTMENTS

1. Presentation from Boston Partners regarding TCERA's allocation to large cap value equity investments. Discussion and possible action.

Carolyn Margiotti and David Cohen presented an update regarding TCERA's allocation to large cap value equity investments.

The Chair authorized 50 minutes of education for this presentation.

2. Presentation from SGA regarding TCERA's allocation to international growth equity investments. Discussion and possible action.

Scott Ohm and Steve Skatrud presented an update regarding TCERA's allocation to international growth equity investments.

The Chair authorized 45 minutes of education for this presentation.

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

Mr. Kehler commented on the reference to Chinese investments in the SGA presentation. It was noted that a presentation on this topic is included in the next Investment Committee agenda. Mr. Vander Poel and Mr. Sampietro commented that because China is a significant part of international and global investment indices, investment managers will need to participate in those investments. TCERA will select managers that have the capability to assess and account for any risk factors in their investment decisions.

IX. NEW BUSINESS

1. Demonstration of TCERA's updated website.

Ms. Malison announced that TCERA's new website is live and accessible. She thanked Stick Hazen, the Project Manager from TCiCT for the work he did on creating the site. She thanked Mary Warner, TCERA's Project Manager, and her team of staff members, Frank Martin and Susie Brown, for the many hours they put in to provide and implement design specifications as well as transferring all of the documents from the prior site. She then walked through a short demonstration of the new site with the trustees.

X. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
   a. Jim Young – Invesco Market Pulse with Kristina Hooper, May 20, 2021, 30 minutes.
   b. Leanne Malison – SACRS Virtual Spring Conference, May 12 – 14, 2021, 13 hours.
   c. Leanne Malison – Hanson Bridgett (Board Counsel) – Public Sector Plan Fiduciaries 2021 Update, May 25, 2021, 1 hour.
   d. Leanne Malison – BlackRock Future Forum – China: The Evolving Investment Landscape, June 2, 2021, 1 hour.

Motion to approve the Summary Education Reports as filed.

Motion: Vander Poel
Second: Reed
Motion passed unanimously (absent Vasquez)

2. Discussion and possible action regarding available educational events.

Ms. Malison noted that the SACRS conference in November is expected to be a live event. She will continue to provide information regarding virtual conferences and webinars as they become available. Mr. Young commented that he is finding the webinars very informative and especially enjoys the presentations from BlackRock.

XI. COMMUNICATIONS

1. Treasurer's Quarterly Investment Report, Quarter Ending March 31, 2021.

XII. UPCOMING MEETINGS

1. Investment Committee Meeting, June 9, 2021, 10:30 a.m.
2. Board of Retirement Meeting, June 23, 2021, 8:30 a.m.
3. Administrative Committee Meeting, June 23, 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.

Ms. Hernandez thanked Staff for their work on the new website. She indicated that she has already accessed the site to obtain a form and she found it very easy to use.

Mr. Kehler asked that the upcoming agenda item for the asset/liability study follow up be worded broadly enough to include discussion regarding actuarial assumptions such as the assumed rate of return and the UAL amortization. The Chair directed Staff to ensure that the agenda item will provide the opportunity to discuss these issues.

Ms. Malison informed the Board that the recent transition from Union Bank to JP Morgan Chase caused an issue with pension payroll for May. JP Morgan Chase handled the release of the payments in a way that differed from the information provided in training. Unlike Union Bank, JP Morgan Chase did not release the payments on the last business day of the month as expected. The payments were not fully released until after the holiday weekend on June 1st. This resulted in a number of calls from pensioners. Ms. Malison assured the trustees that TCERA is taking steps to ensure this does not happen for future payrolls where month end falls on a weekend or holiday.

Ms. Malison noted that a desk has been installed in the Board Room and the transfer of the Crestor video system is being scheduled to provide a separate workspace for managing the technology for the Board Room.

XIV. ADJOURNMENT

The meeting was adjourned at 10:36 a.m.

____

Pete Vander Poel, Acting Chair

Invoice

Date	Invoice#
6/1/2021	INV030379
Due Date	**Terms**
7/1/2021	Net 30

Verus

800 Fifth Avenue, Suite 3900
Seattle, WA 98104
(206) 622-3700 www.verusinvestments.com

Bill To

Ms. Mary Warner
Tulare County Employees' Retirement Association
136 N. Akers Street
Visalia, CA 93291

Services Provided to: Tulare County Employees' Retirement Association

Service Dates: May 2021

Services Rendered	Amount
Monthly Billing	$20,000.00

SubTotal	$20,000.00
Past Due Balance	$20,169.23 - Paid
Total	$40,169.23

We accept wire and EFT payments. Call us to learn more.

Thank you for choosing Verus Advisory, Inc. We sincerely appreciate your business.

Please let us know if you would like to receive a copy of our disclosure brochure Form ADV Part II.

Tax ID Number: 91-1320111

TULARE COUNTY COUNSEL

Meeting the legal and risk management challenges facing the County of Tulare in partnership with you

Invoice No. RET0521

INVOICE

Customer

Name: Board of Retirement
Address: 136 North Akers Street
City: Visalia State CA ZIP 93291
Phone: (559) 713-2900

Misc

Date: 6/11/21
Exp Cat.:

Statement Number	Matter ID	Description	TOTAL
	RETBD-General	05/01/21-05/31/21 Legal Services	$ 2,539.20
	RETBD-General2	05/01/21-05/31/21 Legal Services	$ 581.40
	RETDIS-General	05/01/21-05/31/21 Legal Services	$ 5,396.40
Other Expenses:			
		Mail payment to: **County Counsel** **Attn: Billing Clerk** **2900 W. Burrel Ave.** **Visalia, CA 93291**	

SubTotal		$ 8,517.00
Shipping		$ -
Tax Rate(s)	0.00%	$ -
TOTAL		**$ 8,517.00**

Payment Other Journal Voucher

Comments: *Call or e-mail if questions*
Name: Angela Rose
Phone: 559-636-4956
E-mail: ARose@co.tulare.ca.us
Deposit to: 001-080-2150-5415

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COUNTY OF TULARE

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1 b.

Agenda Date: June 9, 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 05-31-21 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
	DOMESTIC EQUITY						
QMA	Large Core Enhanced	95,248,880	4.97%	3.80%	72,883,254	22,365,626	
SSGA S&P 500 Flagship Index Fund	Large Core	126,088,664	6.57%	7.60%	145,766,508	(19,677,844)	
Boston Partners	Large Value	98,656,792	5.14%	3.80%	72,883,254	25,773,538	
Ivy (Waddell & Reed)	Large Growth	96,076,931	5.01%	3.80%	72,883,254	23,193,677	Active/Passive Rebalance Pending
SSGA	SMID Core Index	44,981,579	2.35%	2.00%	38,359,607	6,621,971	
LMCG (Lee Munder)	Small Value	43,800,798	2.28%	2.00%	38,359,607	5,441,190	
William Blair	Smid Growth	39,551,990	2.06%	2.00%	38,359,607	1,192,382	
	Total	544,405,633	28.38%	25.00%	479,495,091	64,910,542	
	INTERNATIONAL EQUITY						
SGA	International Growth	98,888,183	5.16%	6.60%	126,586,704	(27,698,521)	
PIMCO RAE	International Value	103,582,390	5.40%	4.20%	80,555,175	23,027,215	
SSGA - ACWI Index Fund	International Core	121,478,482	6.33%	4.20%	80,555,175	40,923,306	
	Total	323,949,055	16.89%	15.00%	287,697,055	36,252,000	
	GLOBAL EQUITY						
Skellig Water Fund (KBI)	Water Related	76,117,758	3.97%	3.00%	57,539,411	18,578,347	
	Total	76,117,758	3.97%	3.00%	57,539,411	18,578,347	
	PRIVATE EQUITY						
Pantheon	Private Equity - F of F	451,311	0.02%				
Stepstone	PE - Secondaries	12,719,335	0.66%				
Ocean Avenue III	Private Equity - F of F	19,544,055	1.02%				
Ocean Avenue IV	Private Equity - F of F	14,200,809	0.74%				
Pathway Fund 8	Private Equity - F of F	22,726,069	1.18%				Pantheon and BlackRock in liquidation phase.
Pathway Fund 9	Private Equity - F of F	15,901,427	0.83%				
Pathway Fund 10	Private Equity - F of F	2,021,032	0.11%				
BlackRock Alternatives	Private Equity - F of F	2,684,500	0.14%				
	Total	90,248,538	4.71%	5.00%	95,899,018	(5,650,480)	
	FIXED INCOME						
BlackRock	Core Plus	146,446,849	7.64%	8.50%	163,028,331	(16,581,482)	
MacKay Shields	Core Plus	121,869,192	6.35%	4.25%	81,514,165	40,355,026	
DoubleLine	Core Plus	116,584,407	6.08%	4.25%	81,514,165	35,070,242	
PGIM	Emerging Market Debt	87,492,829	4.56%	5.00%	95,899,018	(8,406,189)	
Franklin Templeton	Global Credit	85,332,462	4.45%	5.00%	95,899,018	(10,566,556)	
	Total	557,725,738	29.08%	27.00%	517,854,698	39,871,040	

TCERA Asset Allocation Comparison 05-31-21 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
	PRIVATE CREDIT						
Sixth Street DCP (TSSP)	Private Credit	81,646,453	4.26%	5.00%	95,899,018	(14,252,565)	
	Total	81,646,453	4.26%	5.00%	95,899,018	(14,252,565)	
	REAL ASSETS						
Invesco	Real Estate Debt	-	0.00%	5.00%	95,899,018	(95,899,018)	American Realty and Invesco pending capital calls.
American Realty Advisors	Value Add Real Estate	15,408,082	0.80%	5.00%	95,899,018	(80,490,936)	
RREEF America II	Core Commingled	167,173,864	8.72%	10.00%	191,798,036	(24,624,173)	
	Total	182,581,946	9.52%	20.00%	383,596,073	(201,014,127)	
	OPPORTUNISTIC						
KKR - Mezzanine	Opportunistic	3,613,233	0.19%	n/a	-	3,613,233	Opportunistic outside of Target Allocation. KKR and PIMCO funds in distribution phase.
Sixth Street TAO Contingent (TSSP)	Opportunistic	15,856,403	0.83%	n/a	-	15,856,403	
PIMCO BRAVO - Distressed Debt	Opportunistic	10,727	0.00%	n/a	-	10,727	
	Total	19,480,363	1.02%		-	19,480,363	
	OTHER		1.02%		-	19,480,363	
Cash		41,824,880	2.18%	0.00%	-	41,824,880	Capital Calls and Cash Flow Needs. Extra operational cash in anticipation of potential liquidity issues due to market volatility.
	Total	41,824,880	2.18%	0.00%	-	41,824,880	
	Grand Total	1,917,980,364	100.00%	100.00%	1,917,980,364		

F:\Data\Public\Asst Administrator\Investment Committee\Agenda Backup Materials\Asset Allocation Comparison\Asset Allocation Comparison xx-xx-xx.xls

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1 c.

Agenda Date: June 9, 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 6/2/2021

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

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 pending.

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. Contract amendment pending.

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 scheduled for June 23, 2021 Board meeting.

BlackRock Guidelines Review – BlackRock has indicated that the investment guidelines for the fixed income investment are outdated. Review pending receipt of proposed changes.

TCERA Separate Account Guidelines Review – As directed by the Board at its March 12, 2021 meeting. Review scheduled for Investment Committee – June 9, 2021.

TCERA China Exposure Analysis – As directed by the Board at its March 12, 2021 meeting. Review scheduled for Investment Committee – June 9, 2021.

Securities Lending Education – At its May 26, 2021 meeting, the Board requested that Verus prepare an educational session on Securities Lending. The presentation is scheduled for June 23, 2021.

July – September

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. Results are expected in July.

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
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

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1 d.

Agenda Date: June 9, 2021

Subject: Investment Guideline Review

Requests:

That the Investment Committee:

1. Discuss the information compiled by Verus regarding manager guidelines
2. Make recommendations to the Board of Retirement as necessary

Summary:

The Board of Retirement directed Verus to contact TCERA's investment managers with separate portfolios regarding any recommended updates to investment guidelines associated with the investments. In many cases, the guidelines have been in place for a number of years. The Board thought it prudent to determine if any of the current guidelines need to be amended to ensure managers are investing within parameters that make sense for the portfolio.

Prepared by: Leanne Malison

Verus

Memorandum

To: Investment Committee, Tulare County Employees' Retirement Association

From: Scott Whalen, CFA, CAIA, Executive Managing Director | Senior Consultant

Date: June 10, 2021

RE: Investment Manager Guideline Review

Executive Summary

As directed by the Board, Verus recently reached out to TCERA's separate account managers to determine if any were interested in adjusting their investment guidelines to help meet their investment objectives. TCERA currently invests in six separately managed accounts across five domestic equity mandates and one fixed income mandate. The following table summarizes manager responses to our inquiry.

SMA Managers	Contact	Requested Changes?
Boston Partners	Kristin Butner	No
William Blair	James Dominguez	No
Ivy	Brian Sullivan	Yes
QMA	Pat McMenamin	No
LMCG	Jenna Oliver	Yes
BlackRock	Grant Dechart	Yes

Investment managers are responsible for notifying the Board when they believe investment guidelines limit their ability to meet their stated objectives. BlackRock reached out specifically and proactively to TCERA on this point prior to the Board's direction. The other managers on the list were reacting to our inquiry. While some managers suggested guideline changes for consideration, none of the requests were significant or of an urgent nature.

Boston Partners Large Cap Value

Boston Partners pointed out that the TCERA guidelines vary modestly from their standard large cap value strategy guidelines in the following areas:

- TCERA guidelines allow a maximum cash position of 5%, compared to the standard strategy guideline of 10%;
- TCERA requires that at least 80% of the portfolio to be invested in companies with market capitalizations within the range of the Russell 1000 Value Index, whereas the

standard strategy has no such limitation (verbiage changed recently at the request of Boston Partners); and

- The TCERA guidelines state the number of portfolio holdings shall be between 75-100, whereas the standard strategy has no such limitation.

Boston Partners stated these differences do not limit their ability to meet their investment objectives and have requested no changes at this time.

William Blair

William Blair responded to our inquiry that they have no suggestions for guideline changes at this time.

Ivy Large Cap Growth

The only guideline Ivy would consider changing is the requirement that:

"No more than 10% of the portfolio value at market may be invested in the securities of any one issuer."

Currently, Ivy holds two securities that may be restricted based on the above guideline, AAPL (Apple) and MSFT (Microsoft). The guideline as written keeps Ivy from taking an active overweight position on either of these two securities and may at some point compel an active underweight. Ivy has suggested they would like the added flexibility that comes with relaxing this guideline.

We believe this suggestion is reasonable, and if the Board wishes to provide Ivy with additional flexibility to make active bets, we recommend the following language:

"Manager may hold no more than 2% above the benchmark weighting in any one issuer."

LMCG Small Cap Value

While LMC did not express strong conviction in their suggested guideline change, they communicated a desire to have the ability to invest in IPO's if the Board and Verus were amenable. This is not a change we would recommend, based on our view that it would be a fairly significant change to the current guidelines, would add risk to the portfolio, and is not one for which LMCG has expressed high conviction or made a compelling case.

BlackRock Core Plus Fixed Income

BlackRock is the one manager that reached out proactively to the Board in light of their concerns that the current market environment does not provide a sufficient opportunity set for them to meet their stated investment objective. We held a detailed review meeting with the BlackRock portfolio management team to discuss their proposed guideline changes and reached agreement on the red-lined version incorporated as an attachment to this memo.

BlackRock Financial Management
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 ~~Capital~~ 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. ~~BlackRock's portfolios are typically duration neutral and value is added to its portfolio incrementally across a number of decisions, including yield curve structure, convexity, sector selection, and issue selection.~~ 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.

Commented [ME1]: Comment for contracting - should we include delegation ability for BIL or BSL? The portfolio is permitted to use up to 30% in non-USD and we'd like to be able to utilize our teams on the ground in global markets.

We will also need to add affiliated Fund language given the inclusion of ETFs for the option to use iShares ETFs.

The Fund 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, ~~writing options,~~ "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.

Commented [ME2]: Using options (both buying and selling) offers opportunities to take advantage of mispriced volatility markets

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the Fund 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 Barclays Capital portfolio should vary:

Portfolio Duration	+/- 20% of the ~~BC Aggregate Index~~benchmark
Minimum Issue Credit Rating	A2~~1~~/P2~~1~~ 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 ~~15~~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.
Private Placements	Schedule D, Reg-S and 144A private placements arce permitted but shall comprise no more than 25% ~~permitted but shall comprise no more than 20%~~ 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~~1~~/P2~~1~~ 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)~~
STIF provided by TCERA's custodian

Performance Objectives
The portfolio's performance objective will be to out-perform the Bloomberg Barclays ~~Capital~~ U.S. Aggregate Index by ~~85~~ 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, defined as a three to five year period.

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 Fund'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

______________________________ Date: __________

Tulare County Employees' Retirement Association

COUNTY OF TULARE
BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

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TCERA, Board of Retirement
Investment Committee

Agenda Item # IV. 1 e.

Agenda Date: June 9, 2021

Subject: China Exposure – Portfolio Review

Requests:

That the Investment Committee:

1. Discuss the information compiled by Verus regarding TCERA's exposure to Chinese investments
2. Make recommendations to the Board of Retirement as necessary

Summary:

The Board of Retirement directed Verus to prepare a report that identifies TCERA's exposure to Chinese investments across its portfolio allocations. The information is provided for the Committee's review.

Prepared by: Leanne Malison

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

JUNE 9, 2021

China: Fund Exposure and Education

Tulare County Employees Retirement Association

Table of contents

VERUSINVESTMENTS.COM

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

TCERA China exposure

TCERA China exposure summary

Asset Class	Total Market Value (millions)	China exposure mkt value (millions)	% Exposure Asset Class level
Domestic Equity	$508.5	$ 0	0.0%
Non-US Equity	$308.6	$31.7	10.26%
Global Equity	$ 74.5	$0.2	0.25%
Fixed Income	$548.0	$ 4.0	0.74%
Real Estate	$180.5	$ 0	0.0%
Private Equity	$ 87.0	$1.8	2.06%
Private Credit	$ 99.3	$0.0	0.0%
Total fund	**$1,843.9**	**$37.7**	**2.04%**

China exposure – public market detail

As of 3/31/21	% Portfolio Exposure	Strategy Market Value (millions)	Exposure in $ (millions)
Domestic Equity	**0.0%**	**$508.5**	**$ 0**
Non-US Equity	**10.26%**	**$308.6**	**$31.67**
SSGA MSCI ACWI ex-US Index Fund	*11.54%*	*$114.3*	*$13.19*
PIMCO RAE Fundamental Global ex-US	*5.21%*	*$101.2*	*$ 5.27*
SGA Global Growth	*14.18%*	*$ 93.1*	*$13.20*
Global Equity	**0.25%**	**$ 74.5**	**$0.18**
Skellig DST Water Fund	*0.25%*	*$ 74.5*	*$0.18*
Fixed Income	**0.74%**	**$548.0**	**$4.03**
BlackRock Core Fixed Income	*0.0%*	*$144.6*	*$ 0*
DoubleLine Core Plus Fixed Income	*0.18%*	*$115.2*	*$0.21*
MacKay Shields Core Plus Fixed Income	*0.20%*	*$120.0*	*$0.24*
Franklin Templeton Global Bond Plus	*0.0%*[1]	*$ 84.4*	*$ 0*
PGIM Emerging Market Debt	*4.28%*	*$ 83.8*	*$3.59*
Real Estate	**0.0%**	**$180.5**	**$ 0**
Total public market exposure	***2.2%***	***$1,620.2***	***$35.88***

1 – No Chinese securities held, but does have exposure to Chinese yuan

China exposure – private market detail

As of 3/31/21	% Portfolio Exposure	Strategy Market Value (millions)	Exposure in $ (millions)
Private Equity	**21.8%**	**$87.0**	**$ 1.8**
Pantheon USA Fund VI	*1.1%*	*$0.45*	*$0.005*
BlackRock Private Capital II	*11.5%*	*$2.68*	*$0.309*
Stepstone Secondary Opps Fund II[1]	*4.9%*	*$11.1*	*$0.544*
Ocean Avenue Fund III and IV	*0.0%*	*$31.6*	*$ 0*
Pathway PE Fund 8	*3.2%*	*$23.9*	*$0.763*
Pathway PE Fund 9	*1.1%*	*$15.9*	*$0.174*
Pathway PE Fund 10	*0.0%*[2]	*$ 1.4*	*$ 0*
Private Credit/Opportunistic	**0.0%**	**$99.3**	**$ 0**
Total private market exposure	***1.0%***	***$186.2***	***$1.8***

1 – Data as of 9/30/20.
2 – Early in investment cycle so could have China exposure going forward

Geopolitical context

A shifting relationship

From cooperation toward hegemonic competition

THEN

- The late 1990s and 2000s were characterized by engagement
- Foreign policy anticipated a convergence of China as a "responsible stakeholder" alongside the US
- Crises were averted as economic interdependence drove cooperation

NOW

- The Trump Administration redefined relations with China
- China is viewed as an adversary and the optimism of convergence is gone
- Several new policies beyond tariffs exhibit the hardened stance
  - Power to block foreign investment
  - Increased military spending
  - Foreign aid to counter Chinese influence

AHEAD

- Biden is likely to remain tough on China, but to take a more bilateral approach with the full force of the United States' allies
- Bipartisan consensus on tougher China policies
- Financial cooperation isn't dead, but different economic systems make protracted trade issues likely

U.S.-China tensions escalating - timeline

2019

October 9th – The U.S. Secretary of State announces visa restrictions against Chinese officials accused of human rights abuses of ethnic populations in the Xinjiang region, including "mass detentions in internment camps; pervasive, high-tech surveillance; draconian controls on expressions of cultural and religious identities; and coercion of individuals to return from abroad to an often perilous fate in China."

2020

January 15th – U.S. and China sign the Phase One Deal. Agreements include the rollback of recently applied tariffs, increased purchases of certain goods, greater intellectual property protection, and limited currency practices.

January 31st – The U.S. implements a ban against all non-U.S. citizens who have visited China recently, amid COVID-19 fears.

March 18th – China ousts American journalists from the country, including the Wall Street Journal, the New York Times, and the Washington Post. China adds new requirements that these companies must share details of their operations with the Chinese government.

May 1st – The Trump Administration directs the Federal Retirement Thrift Investment Board, a retirement fund with over $500 billion in assets, to halt its plans to invest in Chinese equities. The U.S. Labor Secretary explained that these investments would put American funds "in risky companies that pose a threat to U.S. national securities."

May 15th – In a continued push to stop China's proliferation of its 5G technology, the U.S. Commerce Department amends export rules which cut off Huawei from global chip manufacturers that use American technology.

June 30th – China passes a sweeping new Hong Kong national security law, effectively eliminating free speech and the right to protest, and eroding the sovereignty of the country. Under the new law, any talk or protesting for Hong Kong independence, or of anti-China sentiment, can result in imprisonment.

June 30th – The United States revokes its special trade status with Hong Kong—a move which signals that Hong Kong is no longer viewed as autonomous from China. All U.S. trade with Hong Kong will effectively be treated as trade with China.

July 10th – President Trump comments that he is not focused on a Phase Two Trade Deal, and that the U.S. relationship with China has been "severely damaged" by the outbreak of COVID-19. The President continues his comments that China is at fault for failing to prevent the global spread of the virus.

July 13th – The U.S. announces new interpretations of China's recent claims in the South China Sea. "We are making clear: Beijing's claims to offshore resources across most of the South China Sea are completely unlawful, as is its campaign of bullying to control them." —Secretary of State Mike Pompeo

July 14th – The U.S. Navy conducts a freedom of navigation operation near the contested Spratly Islands, and sends a guided missile destroyer into waters which China claims as its own.

July 22nd – The U.S. orders China to close its consulate in Houston, Texas, "in order to protect American intellectual property and Americans' private information" said U.S. State Department spokeswoman Morgan Ortagus.

U.S.-China tensions escalating - timeline

August 17th – The U.S. Department of Commerce adjusted its foreign-produced direct product rule to further limit Huawei's access to chips, amid the context of a developing global chip shortage. The new version of the rule applies the same licensing restrictions to semiconductors developed outside of the U.S. that use American software or technology as chips manufactured within the U.S. itself.

November 8th – President Trump signs an executive order limiting U.S. investors from buying shares of companies with ties to the Chinese military. Transactions would be banned beginning January 11th, 2021, and investors with exposure would have until November 2021 to divest them.

December 18th – The U.S. Department of Commerce bans U.S. sales to the Semiconductor Manufacturing International Corporation (SMIC), a major Chinese semi producer, further restricting U.S. semi exports to one of the industry's largest buyers.

2021

January 6th – MSCI, a major index data provider, announced it would stop including China Mobile, China Telecom, and China Unicom in its benchmarks.

January 6th – The New York Stock Exchange (NYSE) announced it would delist stocks linked to China Mobile, China Telecom, and China Unicom.

January 13th – The Trump administration banned cotton and tomato products sourced from the Xinjiang province in China, including products manufactured outside of China but using cotton and tomatoes from Xinjiang, due to forced labor allegations.

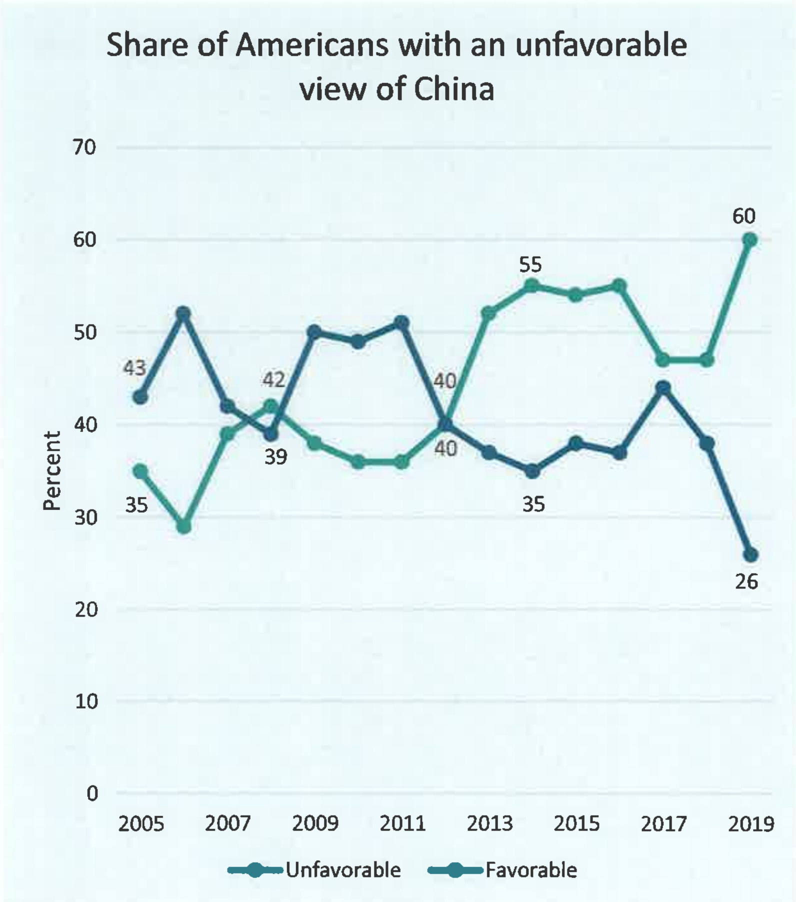
January 20th – Joe Biden is inaugurated as the 46th President of the United States. Chinese officials have pressured Biden to lift the multiple restrictions imposed under the Trump administration. Biden said he did not have immediate plans to remove the tariffs and planned to review the phase one trade deal and discuss the matter with allies first.

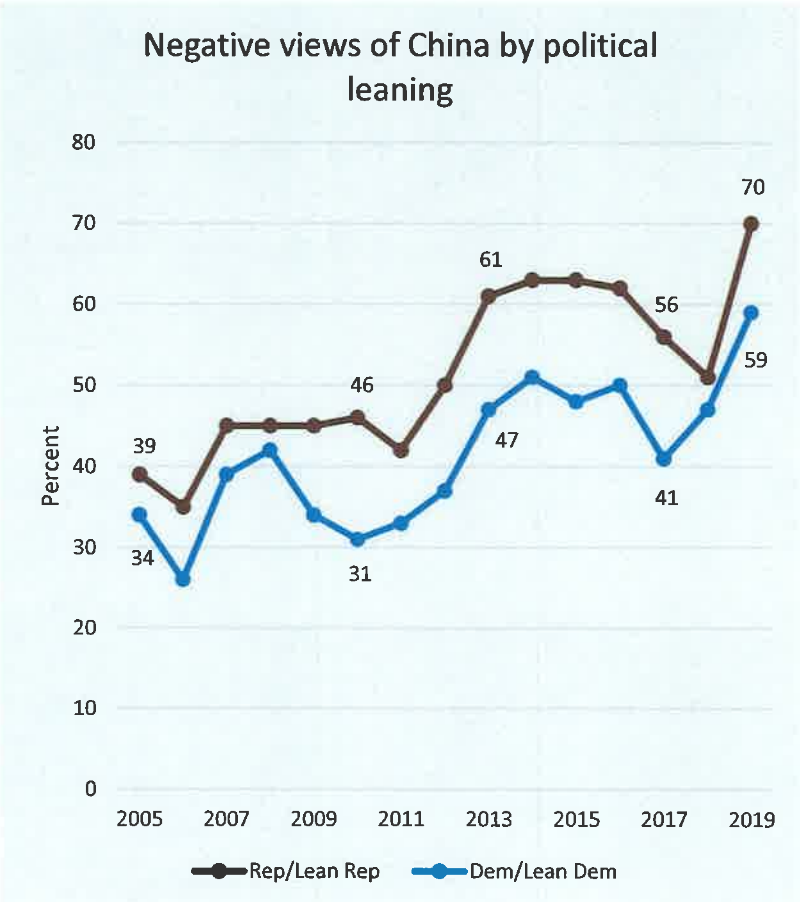
February 8th – China officially imported $94 billion in U.S. goods in 2020, considerably short of the 2020 target laid out in the phase one trade deal. Imports of U.S. goods were just 59% of the $159 billion legal commitment.

March 18-19 – High level talks were held in Anchorage, Alaska, where key officials discussed various geopolitical disagreements.

Public perception toward China is shifting

Share of Americans with an unfavorable view of China reaches a new high, according to PEW poll





The uptick in negative views toward China is consistent across political leanings

Source: Spring 2019 Global Attitudes Survey. Q8b. PEW Research Center

Trump to Biden: what changes?

The Trump administration's approach to foreign policy generally, and specifically with regard to China, diverged materially from the status quo over most of the post-war period. Negotiations were often viewed as tactical rather than strategic, and unilateral rather than bilateral.

Under Trump, the United States cracked down on China on several fronts, including intellectual property transfers, the trade deficit, tariff policies viewed as lacking reciprocity, China's aggression in the South China Sea, and the human rights abuses taking place in Xinjiang province. The U.S. also supported pro-democracy protests in Hong Kong, and boosted defense exports to Taiwan, which China views as part of China. Over the course of the Trump administration, Americans began to cultivate a more-negative view on China broadly, and the policies of the Communist Party of China specifically, across party lines.

With Biden at the helm, the approach to China is expected to remain strong, and to bring back into the fold the allies of the United States. In his Senate confirmation hearing, Biden's Secretary of State, Antony Blinken, noted that Trump "was right in taking a tougher approach to China" and that though he disagreed with the strategy, his policy was "actually helpful to [the United States'] foreign policy.

President Biden himself has said that his administration is not going to "do it the way Trump did", and that although there is no need for conflict, "there is going to be extreme competition". Overall, Biden's stated approach is to work with Beijing when it is in America's interest to do so, and to compete from a position of strength by building back better at home and working with our allies and partners.

Leland Miller, CEO of the U.S.-based consultancy, China Beige Book, stated that "there is very little chance the incoming Biden administration in the early days uses what political chips it has to [do] anything construed as being weak on China." As a result, tensions are likely to remain high over the intermediate-term, occasionally spilling out into the various vectors of the current bilateral competition, as tends to be the case historically when the global hegemon is challenged by a rising power. We will continue to monitor developments.

China investment case

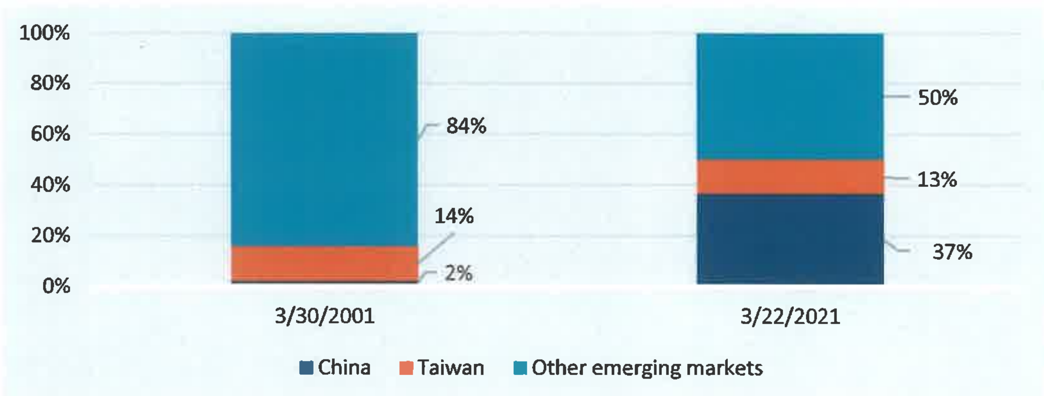
Thoughts on Chinese equities

China's economy and stock market have grown explosively in recent decades, attracting interest from investors all over the world in the process. China now represents close to 36% of MSCI's Emerging Markets Index - including Taiwan, that percentage rises to nearly 50%. However, that number might be even higher, were it not for MSCI's decision to slowly integrate Chinese equities into the index.

MSCI's concerns, which we find to be reasonable, center around the following issues:

1. Lower confidence in the openness and fairness of the Chinese equity market
2. High government involvement and intervention which has limited freedom of security trades and general liquidity in China.
3. Heightened concerns of market integrity around securities that are mid- or small-capitalization, which is why MSCI's A-share inclusion is of large-cap only.

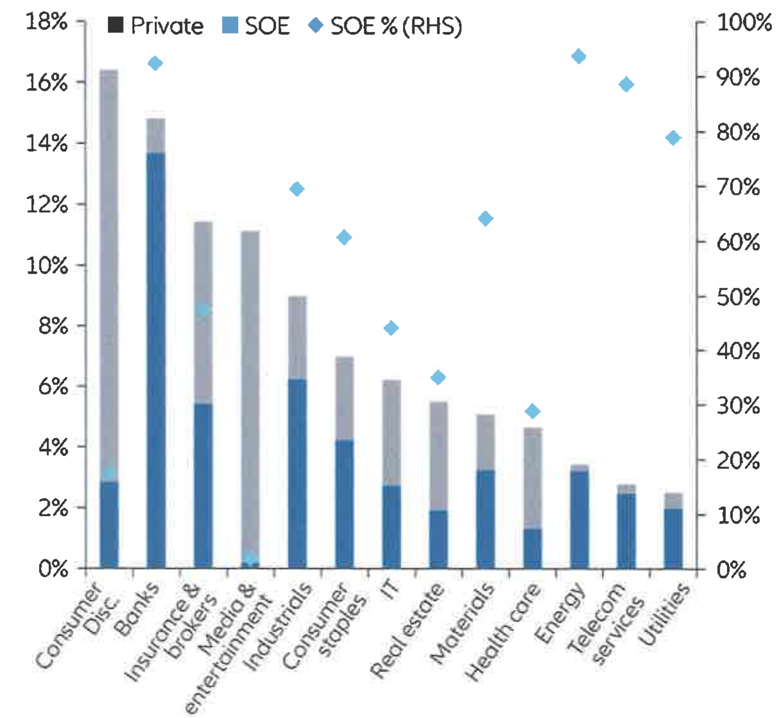
MSCI EMERGING MARKETS INDEX – COUNTRY ALLOCATIONS



Source: MSCI, as of 3/26/21

Additionally, investing in Chinese A-shares involves a heavy allocation to Chinese state-owned enterprises, which in the past have been synonymous with inefficiency, questionable governance, and lackluster shareholder returns.

STATE-OWNED ENTERPRISES – MARKET SHARE BY SECTOR



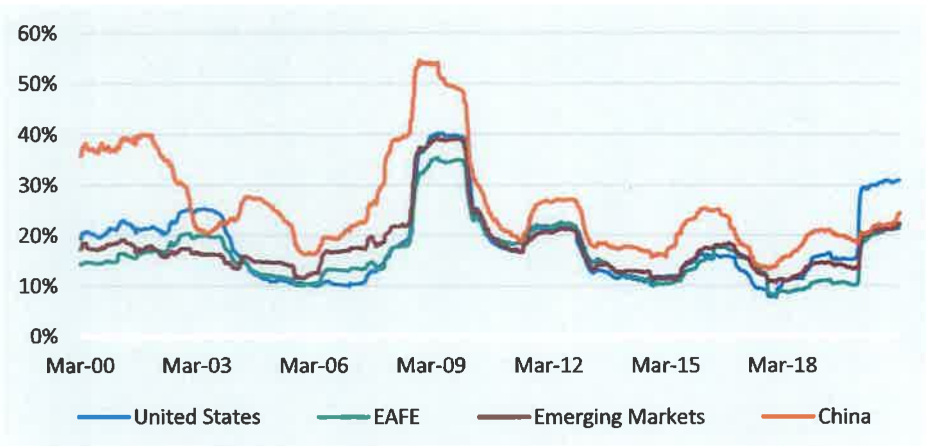
Source: Bloomberg, HSBC, Allianz, as of 4/30/19

Thoughts on Chinese equities

Aside from concerns around the general lack of transparency, government intervention, and the involvement of state-owned enterprises in Chinese equity markets, there has been immense realized volatility in Chinese equity markets in recent years.

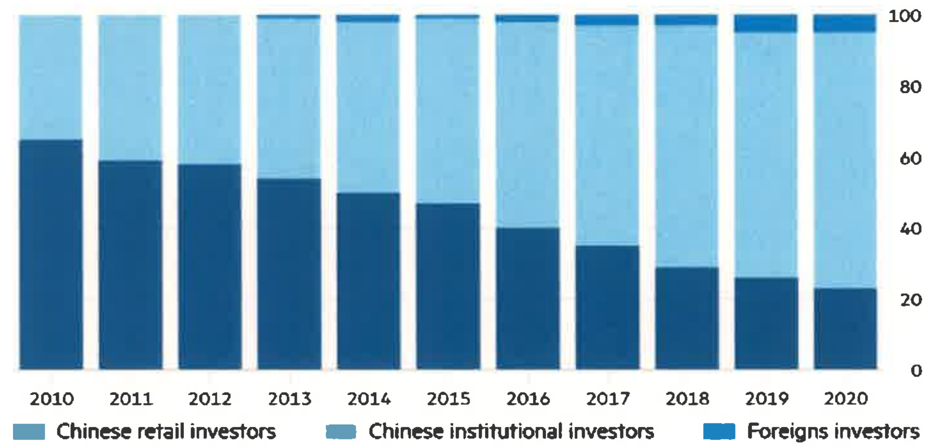
Swings back and forth in China have far exceeded the broader emerging market equity universe, due in part to the high proportion of retail investors in China. Investment managers with China products have contended that the concentration of retail investors in Chinese equity markets, alongside the nebulous state-owned-enterprise-dominated landscape, combine to produce fertile soil for active management. As a firm, we believe that investors deciding to make a China-specific allocation are best suited to pursue an active implementation approach, with a high-conviction manager.

REALIZED VOLATILITY – TRAILING 1-YEAR



Source: MSCI, Bloomberg, as of 3/25/21

ESTIMATED HOLDINGS OF CHINA'S STOCK MARKET FLOAT



Source: Financial Times, China Renaissance, as of 6/30/20

Outlook

— Chinese equities have proven quite volatile in past years, and investors considering stand-alone allocations should be prepared to accept volatility that exceeds that of most other equity investments.

— If the global vaccine campaign continues to pick up steam and the economy continues to recover, China may enjoy a high beta to that recovery. China's economy is linked to nearly every other economy on earth, and will likely benefit from the ongoing support of global fiscal policy.

— On the flip side, in recent months, the People's Bank of China has indicated that they are concerned with bubbles in certain financial markets, and excessive leverage in the housing sector. As a result, China has started to taper liquidity, thereby marginally tightening financial conditions, and putting pressure on the high-growth tech companies which have come to dominate the Chinese equity indices in recent years.

— Overall, while the long-term outlook for China remains constructive, a number of other uncertainties have obfuscated our shorter-term outlook. Whether you're investing over the long- or short-term in China, expect a bumpy ride.

Appendix – manager detail

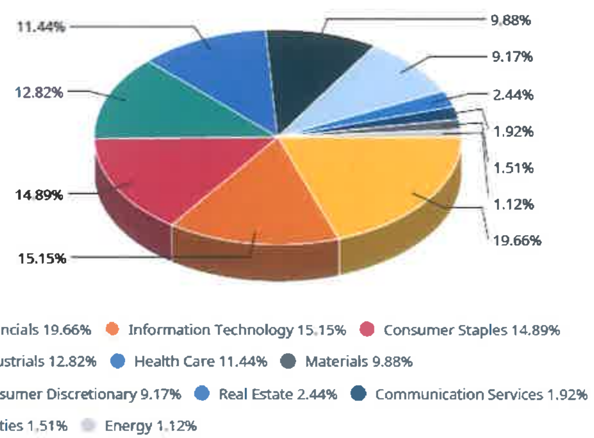
SSGA ACWI ex-US Index

Security/Index name	Description	% of China exposure
MSCI CNY Index NL CTF	The MSCI China A Onshore Index captures large and mid cap representation across China securities listed on the Shanghai and Shenzhen exchanges.	99.3%
MSCI China A Inclusion Index NL CTF	The MSCI China A Inclusion Index is designed to track the progressive partial inclusion of A shares in the MSCI Emerging Markets Index over time. It is calculated using China A Stock Connect listings based on the offshore RMB exchange rate (CNH).	0.7%

SSGA ACWI ex-US Index fund represents a 4.3% China exposure at the non-US equity sector level and 0.7% at the total fund level

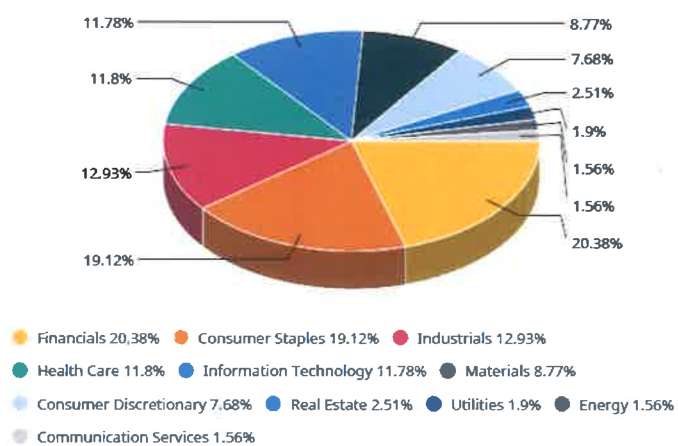
MSCI CNY Index

SECTOR WEIGHTS



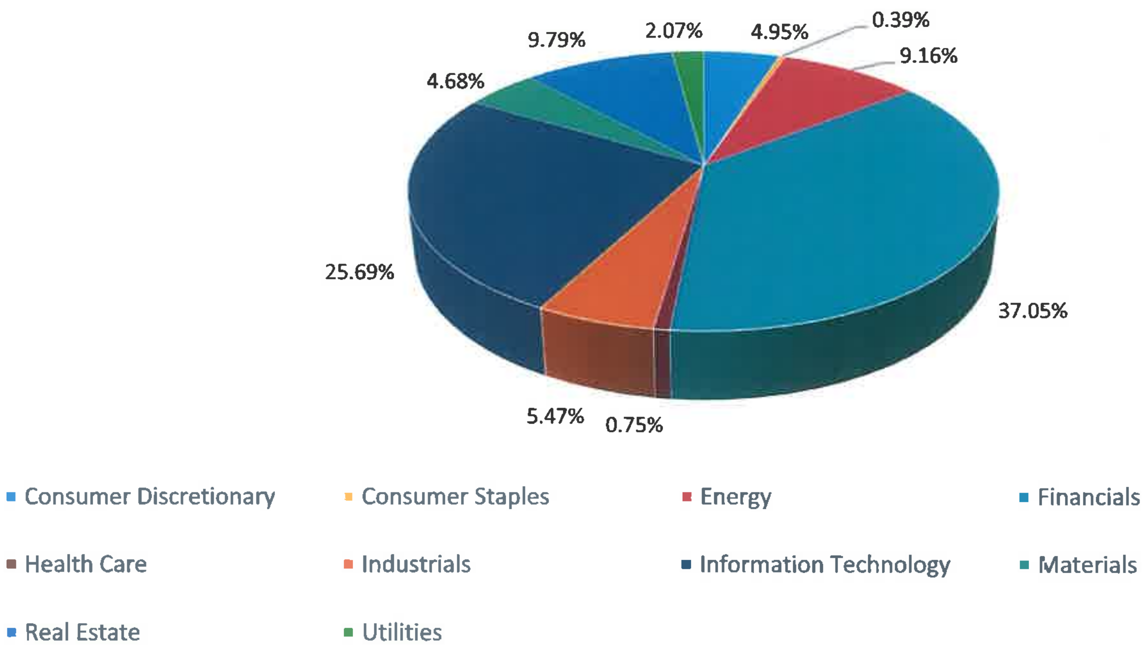
MSCI China A Inclusion Index

SECTOR WEIGHTS



Source: MSCI

PIMCO RAE Fundamental Global ex-US



PIMCO RAE Fundamental Global ex-US represents a 1.7% China exposure at the non-US equity sector level and 0.3% at the total fund level

As of March 31, 2021

- China exposure is 5.1% of the fund portfolio
- On a 3-year basis, combined attribution of all holdings is -0.19%

Attribution is Total Effect (Allocation + Selection Effect)

SGA Global Growth

As of March 31, 2021

Security name	Sector	% Portfolio exposure
Alibaba Group Holding Ltd. Sponsored ADR	Technology	3.8%
New Oriental Education & Technology Group, Inc. Sponsored ADR	Technology	3.0%
Shandong Weigao Group Medical Polymer Co. Ltd. Class H	Health Care	4.0%
Tencent Holdings Ltd.	Technology	3.4%
Total		14.2%

3-years as of March 31, 2021

Security name	Sector	Portfolio attribution*
Alibaba Group Holding Ltd. Sponsored ADR	Technology	0.7%
New Oriental Education & Technology Group, Inc. Sponsored ADR	Technology	0.4%
Shandong Weigao Group Medical Polymer Co. Ltd. Class H	Health Care	2.9%
Tencent Holdings Ltd.	Technology	0.7%
JD.com, Inc. Sponsored ADR Class A	Technology	-0.2%
Sinopharm Group Co., Ltd. Class H	Pharmaceutical	-0.8%
TAL Education Group Sponsored ADR Class A	Education	1.8%
Trip.com Group Ltd. Sponsored ADR	Consumer Discretionary	-1.3%
Total		3.8%

**Total Effect (Allocation + Selection Effect)*

SGA Global Growth represents a 4.3% China exposure at the non-US equity sector level and 0.7% at the total fund level

Skellig DST Water Fund

As of March 31, 2021

Security name	Sector	% Portfolio exposure
China Everbright Environment Group	Wastewater treatment plants	
Beijing Enterprises Water Group	Wastewater treatment plants	
Guangdong Investment Limited	Water transport + wastewater treatment	
China Water Affairs Group Ltd	Water utility	
SIIC Environment (HKD) Holdings	Wastewater treatment plants	
Total		0.25%

KBIGI Water Fund represents a 0.25% China exposure at the Global equity sector level and 0.01% at the total fund level

Thesis for holding: Chinese water utilities and the investment thesis behind these.
Our Chinese water Utilities are leading companies in their markets with significant government, international development bank, and/or regulatory support.

Four of the five of the water utilities trade on low single digit multiples and are producing double-digit earnings growth (compare this to US water utilities that are trading on 25x+ with low single digit earnings growth). This compares to PE's greater than 20x five years ago, yet the business models and cash generation are improving as more developed assets move from construction to operation phase. They are trading on such cheap multiples mainly on the back of negative investor sentiment towards non-tech EM.

The dividend yields of the Chinese utilities are roughly 5-6%, a very attractive return cushion in a volatile market environment

Fixed income managers

DOUBLELINE

Security name	Industry	% Portfolio exposure	Inception to date return	Trade date
JD.com, Inc. (3.375% 01/14/30)	Technology	0.07%	-0.18%	05/20/20
Tencent Holdings Ltd. (2.39% 06/03/30)	Technology	0.05%	-1.36%	05/27/20
Baidu Inc. (3.425% 04/07/30)	Technology	0.03%	8.82%	04/01/20
ENN Energy Holdings Ltd. (3.25% 07/24/22)	Energy	0.03%	1.31%	09/17/20
Total		0.18%		

MACKAY SHIELDS

Security name	Industry	% Portfolio exposure	1-year attribution*	3-year attribution*
Weibo Corp	Technology	0.12%		
Sands China Ltd	Travel & Leisure	0.08%		
Total		0.20%	0.03%	0.05%

DoubleLine and MacKay Shields each represent a 0.04% China exposure at the total fixed income sector level and 0.01% at the total fund level

As of March 31, 2021
**Total Effect (Allocation + Selection Effect)*

Fixed income managers continued

PGIM as of March 31, 2021

Security name	Industry	% Portfolio exposure	2020 Attribution[1]	2019 Attribution[1]
State Grid Corporation	Utilities	0.03%		
China Peoples Republic	Local Sovereign Bonds	3.40%		
Country Garden Holdings Co. Ltd	Real Estate	0.15%		
China Metallurgical Group Corp	Mining & Metals	0.39%		
Prosus NV	Media	0.04%		
Sinochem Group	Multiple[2]	0.04%		
Sinopec Group	Energy	0.29%		
Currency exposure		-0.06%		
Total		4.28%	-2.73%	3.8%

PGIM represents a 0.07% China exposure at the total fixed income sector level and 0.2% at the total fund level

1 - Total Effect (Allocation + Selection Effect); Total may include other holdings no longer in the portfolio as of 3/31/21 and therefore not listed in the table.
2 – Government state-owned enterprise (SOE) in agricultural, chemical, energy, real estate and finance

Private Markets

Pantheon USA Fund VI – Vintage 2004

Security name	Description	% Portfolio exposure
Company #1	Provides strategic research portals, business research content and search technology to global enterprises.	0.5%
Company #2	Venture capital firm specializing in growth capital, early & expansion stage investments. They primarily invest in consumer, technology, industrial and energy/clean energy sectors	0.3%
Company #3	Specializes in investments in biotechnology & life sciences sectors in Mainland China	0.3%
Company #4	Specializes in growth capital and early-stage investments in IT sector	0.0%
Company #5	Develops monoclonal antibodies offering epitope tag & loading control antibodies.	0.0%
Company #6	Developer of a platform intended for antibody discovery	0.0%
Total		1.1%

BlackRock QPC II– Vintage 2005

Regarding QPC II, we do not readily have look-through exposures maintained for these older, legacy Quellos funds. It may be easier to note that QPC II (a fund of funds program which committed capital from 2004-2007) committed to two underlying funds with a focus on China: Northern Light Venture Fund L.P. (2005 Vintage Fund; $3.5mn in cumulative contributions with a $5.6mn reported valuation as of 9/30/2020) and IDG Accel China Growth Fund, L.P. (2006 Vintage Fund; $2.8mn in cumulative contributions with a $3.0mn reported valuation as of 9/30/2020). In sum, QPC II committed $6.5mn and paid in (i.e. invested) $6.3mn across these two China-focused funds which represented about 1.6% and 1.5% of total QPC underlying fund commitments and paid-in capital. It's safe to assume these exposures (in commitment and contribution terms) were consistent over the last five years. These funds represented 3.3% of QPC II's reported valuation (at the underlying investment level) as at 9/30/2015 and 11.5% as at 9/30/2020. The increase is due to underlying funds (focused on other funds) distributing capital to investors faster than these two funds.

As of March 31, 2021

Private Markets continued

Stepstone Secondary Opportunities Fund II – Vintage 2011

Security name	Description	% Portfolio exposure
Jinko Solar Power Engineering	Owns, operates & develops a portfolio of photovoltaic solar stations in Eastern and Northwest China	2.5%
Shenyang Shengyuan Water	Owner & operator of two of the largest tap water treatment plants in Northeast China	0.9%
Shenyang Zhenxing Environmental	Large-scale wastewater treatment plant in Liaoning Province, Northeast China	0.8%
eBaoTech Corporation	Provides insurance software products & services for life and general insurance customers in China, Asia, Europe and North America	0.3%
Project Independence	Super 8 budget hotels in Greater China	0.3%
Shenyang Zhenxing Wasterwater Treatment	Water treatment in Shenyang Zhenxing, China	0.1%
Total		4.9%

Pathway

Fund	Detail	% Portfolio exposure
PE Fund 8	54 entities/companies across broad spectrum of sectors	3.2%
PE Fund 9	29 entities/companies across broad spectrum of sectors	1.1%
PE Fund 10	Early in investment cycle, so could have exposure going forward	0.0%

As of March 31, 2021

Appendix – China disputes detail

U.S. and China: the serious disputes

ISSUE | ***severity***

- **HONG KONG** | *moderate and simmering*
  - *Landscape*: Hong Kong is guaranteed "a high degree of autonomy" per the British Handover to China in 1997 and the U.S. granted Hong Kong preferential trade status as a result. The U.S. recently revoked that status following a new national security law imposed by Beijing
  - *Consequences:* Hong Kong's status as a global financial hub is diminished; institutions risk violating U.S. sanctions by doing business with individuals complicit with the impingement on HK autonomy; China plans to sanction U.S. officials in retaliation
- **TARIFFS & TRADE** | *high and simmering*
  - *Landscape*: The U.S. accuses China of unfair trading practices in subsidizing its domestic companies and appropriating the intellectual property of global competitors; China claims to play by the global trade rules. The U.S. began levying tariffs on China in 2018, which responded in kind; a trade truce was inked in January 2020
  - *Consequences:* The Phase One trade deal of 2020 halted U.S. tariffs in exchange for Chinese agricultural purchases; China is not on pace to meet the purchase requirements and the underlying causes of the trade war are left unaddressed; further escalation exacerbates business uncertainty
- **HUAWEI** | *high and simmering*
  - *Landscape:* The U.S. labeled Huawei and ZTE Corp as national security threats, warning their telecommunications equipment could be used by the Chinese government for spying; the U.S. pressured allies to blacklist the companies as well; the U.K. is set to phase out Huawei equipment
  - *Consequences:* Huawei is barred from using U.S. technologies, a barrier for the company to design and produce proprietary chips.

Source: Bloomberg

U.S. and China: *potentially* serious disputes

ISSUE | *severity*

- **MEDIA|** *moderate and escalating*
  - *Landscape*: The Trump administration considers nearly all Chinese media outlets to be arms of the government while China says the companies promote understanding; China is responding with increasing force to unfavorable portrayals by U.S. media
  - *Consequences:* The U.S. designated some Chinese media companies as "foreign missions", requiring they conform to rules imposed on embassies and consulates in the U.S.; China has called for some U.S. media companies to submit requests on personnel and assets, and expelled American reports in Beijing from the New York Times, Washington Post and Wall Street Journal
- **XINJIANG |** *high and simmering*
  - *Landscape*: China purports that the Uighurs, ethnic Muslims its most western province, are engaged in illegal religious and separatist activities and has interned roughly one million in "voluntary education centers"; The U.S. and others consider this is a human rights atrocity
  - *Consequences:* The Trump administration blacklisted companies involved in the human rights violations and sanctioned four associated officials in the region, including a top official in the Communist Party; China responded with sanctions on U.S. officials, including Senators Rubio and Cruz
- **RESEARCH |** *moderate and simmering*
  - *Landscape:* The U.S. claims some Chinese academics in the U.S. are stealing intellectual property
  - *Consequences:* The U.S. suspended entry to thousands of researchers and post-graduate students with ties to Chinese military schools this year. As of last year, the U.S. requires Chinese diplomats to give official notice prior to visiting universities, research institutions or government officials

Source: Bloomberg

U.S. and China: the *symbolic* disputes

ISSUE | ***severity***

- **TAIWAN** | *low and escalating*
  - *Landscape*: The Taiwan Relations Act of 1979, requiring the U.S. to support the democratic island's self-defense, social and economic systems, is diametrically opposed to the "One-China Policy"
  - *Consequences:* Every sale of U.S. arms to Taiwan draws China's ire, which responded to the latest with sanctions on Lockheed Martin; the Trump administration is increasing its direct contact with Taiwanese officials and China deems this a provocation; China maintains that it will reunite Taiwan—by force if necessary
- **DELISTING CHINESE COMPANIES** | *moderate and simmering*
  - *Landscape:* China prevents U.S. regulators from auditing Chinese companies, even if they are listed on U.S. exchanges; a current bill in Congress would halt trading of those companies that don't conform to U.S. accounting standards
  - *Consequences:* Under the bill, a Chinese company is only delisted after failing to comply for three consecutive years; the bill would require firms to certify they aren't run by a foreign government—language yet to be written by the SEC

Source: Bloomberg

Notices & disclosures

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Investment Committee

Agenda Item # IV. 1. f.

Agenda Date: June 9, 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
   b. Sixth Street – Dyal Capital Partners
   c. PGIM – Organizational Update

Prepared by: Leanne Malison

Total Fund
Executive Summary (Net of Fees) - Preliminary

Period Ending: April 30, 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	1,898,305,398	100.0	2.8	2.8	20.4	0.6	6.0	7.5	26.2	8.6	9.1	6.8	--	--
Policy Index			*2.2*	*2.2*	*17.9*	*3.2*	*7.0*	*7.4*	*22.2*	*9.3*	*9.3*	*7.0*	--	--
Total Domestic Equity	539,741,078	28.4	5.1	5.1	40.8	4.2	7.6	16.6	52.2	17.8	17.3	13.8	--	--
Russell 3000			*5.2*	*5.2*	*40.1*	*6.5*	*9.0*	*14.8*	*50.9*	*18.9*	*17.7*	*14.0*	*10.3*	*8.7*
SSGA S&P 500 Flagship Fund	125,216,553	6.6	5.3	5.3	36.6	7.5	10.4	14.4	45.9	18.6	17.4	--	--	--
S&P 500			*5.3*	*5.3*	*36.6*	*7.5*	*10.4*	*14.4*	*46.0*	*18.7*	*17.4*	*14.2*	*10.3*	*8.3*
QMA Large Cap Core	94,107,536	5.0	4.9	4.9	35.9	3.8	6.6	16.0	45.9	15.8	15.7	13.7	--	--
S&P 500			*5.3*	*5.3*	*36.6*	*7.5*	*10.4*	*14.4*	*46.0*	*18.7*	*17.4*	*14.2*	*10.3*	*8.3*
Ivy Large Cap Growth	96,065,564	5.1	7.5	7.5	31.0	20.2	15.1	26.3	45.3	24.1	22.2	16.6	--	--
Russell 1000 Growth			*6.8*	*6.8*	*36.0*	*23.3*	*11.6*	*22.5*	*51.4*	*25.4*	*22.9*	*17.0*	*12.9*	*9.3*
Boston Partners Large Cap Value	95,226,474	5.0	3.6	3.6	47.0	-8.8	4.5	10.0	52.8	11.5	13.1	11.6	--	--
Russell 1000 Value			*4.0*	*4.0*	*42.0*	*-8.8*	*8.5*	*6.8*	*45.9*	*12.3*	*12.2*	*11.1*	*7.8*	*7.7*
SSGA Russell Small Cap Completeness Index	45,240,721	2.4	4.2	4.2	57.6	0.8	2.3	16.7	78.1	19.7	18.6	--	--	--
Russell Small Cap Completeness			*4.3*	*4.3*	*57.6*	*0.9*	*2.4*	*16.9*	*78.2*	*19.8*	*18.7*	*13.3*	*10.6*	*10.2*
William Blair SMID Cap Growth	41,109,678	2.2	4.4	4.4	43.1	6.1	10.1	23.6	59.1	20.8	20.9	15.3	--	--
Russell 2500 Growth			*3.5*	*3.5*	*46.1*	*9.2*	*6.1*	*21.5*	*67.3*	*21.6*	*20.5*	*14.2*	*11.4*	*10.2*
Lee Munder Small Value	42,774,552	2.3	4.5	4.5	60.5	-14.9	-4.7	8.9	66.5	11.6	11.6	9.5	--	--
Russell 2000 Value			*2.0*	*2.0*	*69.1*	*-17.5*	*-6.2*	*13.1*	*79.0*	*11.7*	*13.5*	*10.1*	*7.5*	*9.4*
Total International Equity	319,123,334	16.8	3.4	3.4	35.4	-4.0	3.5	6.1	48.2	8.6	10.9	5.1	--	--
MSCI ACWI ex USA Gross			*3.0*	*3.0*	*32.9*	*-4.4*	*1.8*	*7.8*	*43.6*	*7.5*	*10.3*	*5.2*	*4.8*	*6.4*
SSGA MSCI ACWI Ex US Index Fund	117,757,294	6.2	3.0	3.0	32.6	-4.5	1.5	7.5	43.2	7.2	10.1	5.0	--	--
MSCI ACWI ex USA			*2.9*	*2.9*	*32.5*	*-4.8*	*1.3*	*7.3*	*43.0*	*7.0*	*9.8*	*4.7*	*4.3*	*6.0*
PIMCO RAE Fundamental Global Ex US Fund	103,582,390	5.5	2.4	2.4	42.6	-14.9	-1.5	6.1	53.6	3.8	8.6	--	--	--
MSCI ACWI ex USA Value			*2.2*	*2.2*	*34.8*	*-15.3*	*-0.1*	*4.6*	*42.9*	*2.3*	*6.9*	*2.8*	*2.9*	*5.4*
SGA Global Growth	97,783,650	5.2	5.0	5.0	31.5	6.5	10.7	--	47.6	--	--	--	--	--
MSCI ACWI ex USA Growth			*3.7*	*3.7*	*30.0*	*5.8*	*2.6*	*9.9*	*42.6*	*11.4*	*12.5*	*6.5*	*5.6*	*6.5*

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.

Total Fund
Executive Summary (Net of Fees) - Preliminary

Period Ending: April 30, 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	74,248,297	3.9	6.8	6.8	47.9	-3.6	1.9	8.0	58.2	12.6	13.4	--	--	--
MSCI ACWI Gross			4.4	4.4	35.8	2.6	6.3	11.3	46.4	13.9	14.4	9.8	7.7	7.5
Skellig Water Fund (aka KBI)	74,248,297	3.9	6.8	6.8	47.9	-3.6	1.9	8.0	58.2	12.6	13.4	--	--	--
MSCI ACWI			4.4	4.4	35.3	2.1	5.7	10.7	45.7	13.3	13.9	9.2	7.1	6.9
Total Fixed Income	554,389,002	29.2	1.2	1.2	1.7	2.9	7.2	-0.2	5.1	3.8	3.2	3.4	--	--
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
Total Domestic Fixed Income	383,450,366	20.2	1.0	1.0	1.0	7.3	7.6	0.1	3.6	5.4	3.9	3.9	--	--
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
BlackRock Fixed Income	145,959,010	7.7	0.9	0.9	-0.6	9.1	8.0	-0.6	1.3	5.6	3.5	3.7	--	--
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
Doubleline Core Plus	116,205,271	6.1	0.9	0.9	1.8	4.1	7.0	0.2	4.9	4.4	3.3	--	--	--
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
MacKay Shields Core Plus	121,286,085	6.4	1.1	1.1	2.2	8.5	7.4	-0.2	5.1	6.1	4.3	--	--	--
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
Total Global Fixed Income	85,105,514	4.5	0.8	0.8	-1.9	-7.9	6.1	-1.4	-2.0	-2.5	0.6	--	--	--
JPM GBI Global TR USD			1.1	1.1	0.0	5.2	5.7	1.7	0.4	3.2	2.0	1.6	3.6	--
Franklin Templeton Global Bond Plus	85,105,514	4.5	0.8	0.8	-1.9	-7.9	6.1	-1.4	-2.0	-2.5	0.5	--	--	--
JPM GBI Global TR USD			1.1	1.1	0.0	5.2	5.7	1.7	0.4	3.2	2.0	1.6	3.6	--
Total Emerging Markets Fixed Income	85,833,123	4.5	2.4	2.4	8.4	-2.4	--	--	20.1	--	--	--	--	--
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			2.2	2.2	5.5	-1.1	10.8	-1.9	13.6	3.2	4.1	3.0	5.5	--
PGIM Emerging Markets Debt	85,833,123	4.5	2.4	2.4	8.4	--	--	--	20.1	--	--	--	--	--
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			2.2	2.2	5.5	-1.1	10.8	-1.9	13.6	3.2	4.1	3.0	5.5	--
Total Real Estate	182,568,362	9.6				5.3	6.7	7.6	2.2	4.7	5.8	8.6	--	--
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	8.8				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.

Executive Summary (Net of Fees) - Preliminary

Period Ending: April 30, 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 Private Equity	86,608,602	4.6				5.4	17.8	17.1	15.9	12.9	12.7	12.3	--	--
Private Equity Benchmark						*5.4*	*17.8*	*17.1*	*15.9*	*12.9*	*12.7*	*12.3*	--	--
BlackRock Alternative Advisors	2,684,500	0.1				8.1	8.8	12.6	7.1	8.0	7.7	8.9	--	--
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	23,266,096	1.2				4.9	26.4	26.6	28.1	19.3	18.5	--	--	--
Pathway Private Equity Fund Investors 9	15,862,235	0.8				0.0	22.0	--	27.9	--	--	--	--	--
Pathway Private Equity Fund Investors 10	1,639,947	0.1				--	--	--	18.9	--	--	--	--	--
Stepstone Secondary Opportunities Fund II	11,100,931	0.6				-0.5	2.1	8.6	2.3	1.3	4.8	--	--	--
Total Private Credit	80,835,231	4.3				-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)	80,835,231	4.3				-4.5	11.2	7.9	23.4	9.4	--	--	--	--
Total Opportunistic	18,444,091	1.0				-6.2	-6.2	28.8	17.2	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	17,564	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.

Leanne C Malison

From: PGIM Fixed Income <FixedIncome@e.email-prudential.com>
Sent: Wednesday, April 14, 2021 2:16 PM
To: Leanne C Malison
Subject: Organizational Update from PGIM Fixed Income

View this email in your browser

April 14, 2021

The following announcement has been prepared exclusively for PGIM Fixed Income's clients and consultants.

Susan Courtney and Jürgen Odenius to Retire; Erik Schiller to Depart

At PGIM Fixed Income, our investment business has been shaped over the years by individuals who have spent significant portions of their careers building what we have today—a premier, active global fixed income investment management organization.

In our ongoing efforts to provide transparency to our partners, we would like to announce the following organizational changes:

- After a 35-year career and 16 years at PGIM Fixed Income, Susan Courtney, Managing Director and Head of Municipal Bonds, will be retiring at the end of 2021. To continue to provide premier service to our clients and enhance our investment organization, we have begun an external search for Susan's successor as the Head of the Municipal Bond team.

- After a 27-year career and 10 years at PGIM Fixed Income, Jürgen Odenius, Principal and Economic Counsellor, will be retiring on August 30, 2021. Given Jürgen's pending retirement, we have added an economist in our London office who will be starting in the third quarter of 2021.

- After 21 years with PGIM Fixed Income, Erik Schiller, Managing Director and Head of Liquidity, will be departing the firm for a new opportunity. Michael (Mick) Meyler has been promoted to Head of Developed Market Rates and will lead our liquidity relative value strategies.

We would like to thank Susan, Jürgen and Erik for their contributions to PGIM Fixed Income. Our client representatives will be glad to discuss these changes with you at your convenience. As always, we continue to maintain a steadfast focus on our business globally, as we build on our vision to be widely regarded as the premier, active global fixed income manager. We look forward to serving our clients and consultants for years to come.

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: June 9, 2021

Subject: Agenda Items for Investment Consultant Due Diligence Visits

Requests:

That the Investment Committee:

1. Identify agenda items for the investment consultant due diligence visits

Summary:

TCERA has identified a due diligence team comprised of two trustees (Pete Vander Poel and Paul Sampietro) and one staff member (Leanne Malison) to conduct due diligence site visits to the three finalists under consideration pursuant to TCERA's Investment Consultant RFP. The visits are scheduled for July 6 – July 9, 2021. The Committee is asked to establish a standard agenda for these visits to ensure that topics of importance are covered and the visits are conducted uniformly and consistently at each site. Staff has prepared the attached draft agenda as a starting point for discussion.

Prepared by: Leanne Malison

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCATION
INVESTMENT CONSULTANT ON-SITE DUE DILIGENCE
AGENDA

Welcome	20 Minutes
Team introductions	
Firm Overview	
Office Tour	
Trustee/Staff Communication	10 Minutes
Understanding Diverse Trustee Experience	
Staff Interaction and Support	
Investment Policy	30 Minutes
General Observations	
Approach to Investment Policy Development	
Asset Allocation	60 Minutes
Capital Market Assumptions	
Asset/Liability Modeling	
Risk Assessment and Management	
Break	10 Minutes
Research Capabilities	60 Minutes
Manager Research and Approval Process	
Public Markets	
Private Markets	
Asset Class Research	
Manager Monitoring	
Active vs. Passive Investments	
Manager Search Materials	
Top Tier Manager List	
Incorporating Client Manager Referrals	
Performance Measurement	20 Minutes
Performance Measurement Process	
Performance Reports and Customization	
Education	15 Minutes
White Papers and Topical Research	
Customized Education	
Final Questions and Wrap Up	15 Minutes

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

JUNE 23, 2021

Asset-Liability Study Phase 2 – Selecting an Asset Allocation

Tulare County Employees' Retirement Association

Table of Contents

Verus

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SEATTLE 206-622-3700
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SAN FRANCISCO 415-362-3484

I. A/L study recap

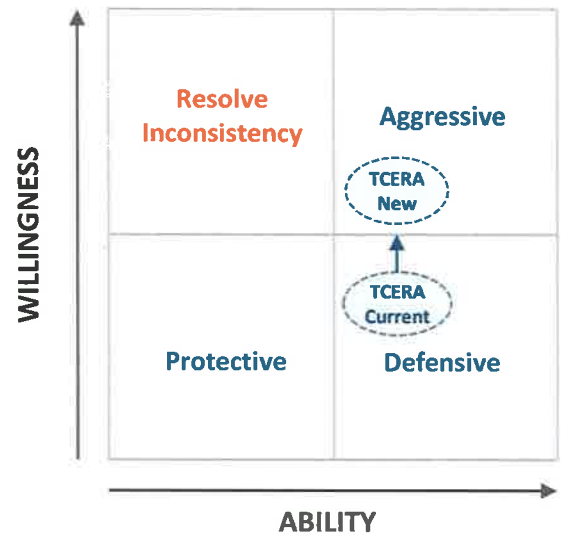
Introduction

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.

II. Approaches and implications of adding risk

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

TCERA has accepted or is contemplating

These philosophical considerations will ultimately impact success

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

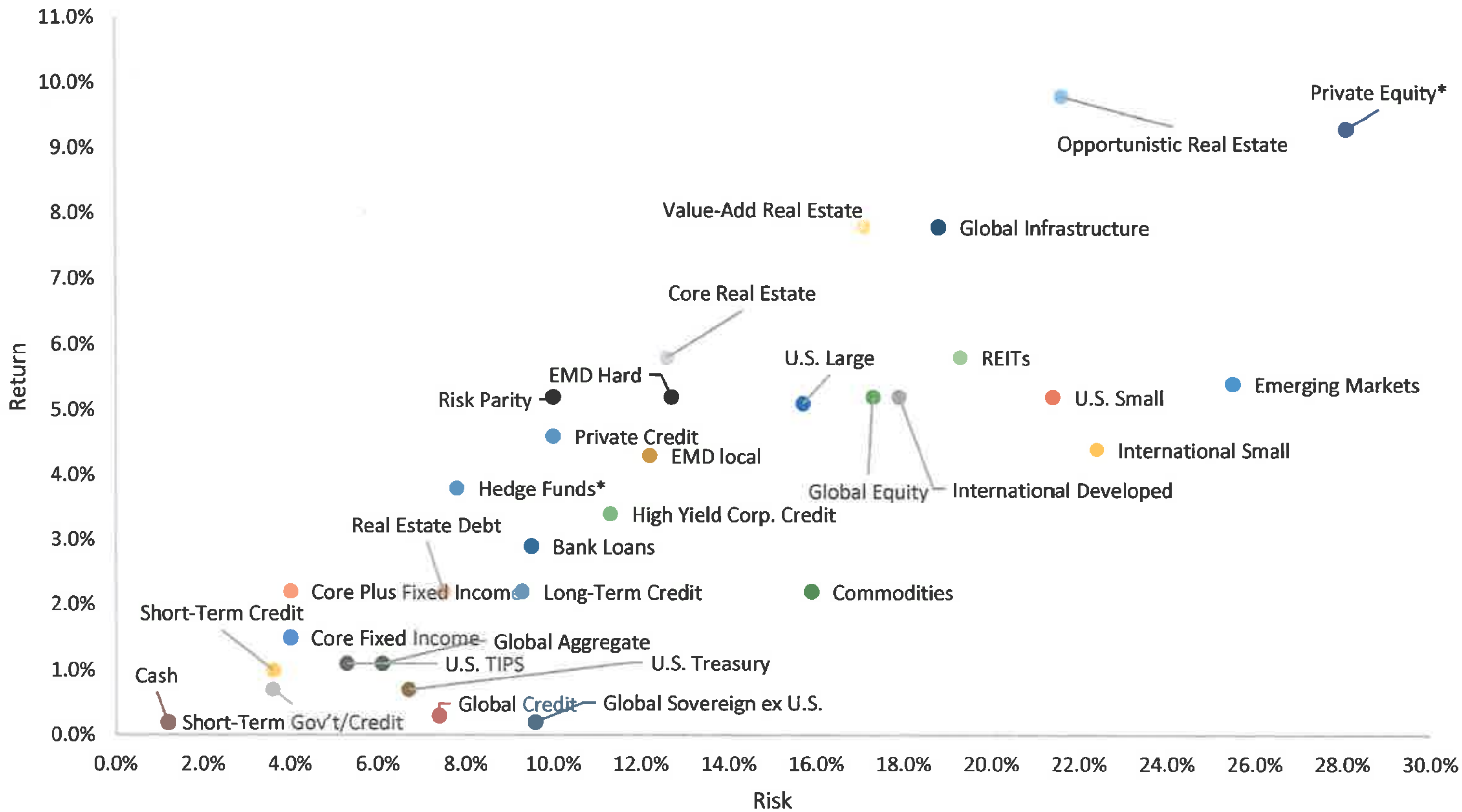
Be truly different from peers

Add portfolio leverage, which can change risk profile

Not a strategy that TCERA is strongly considering at this point

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.

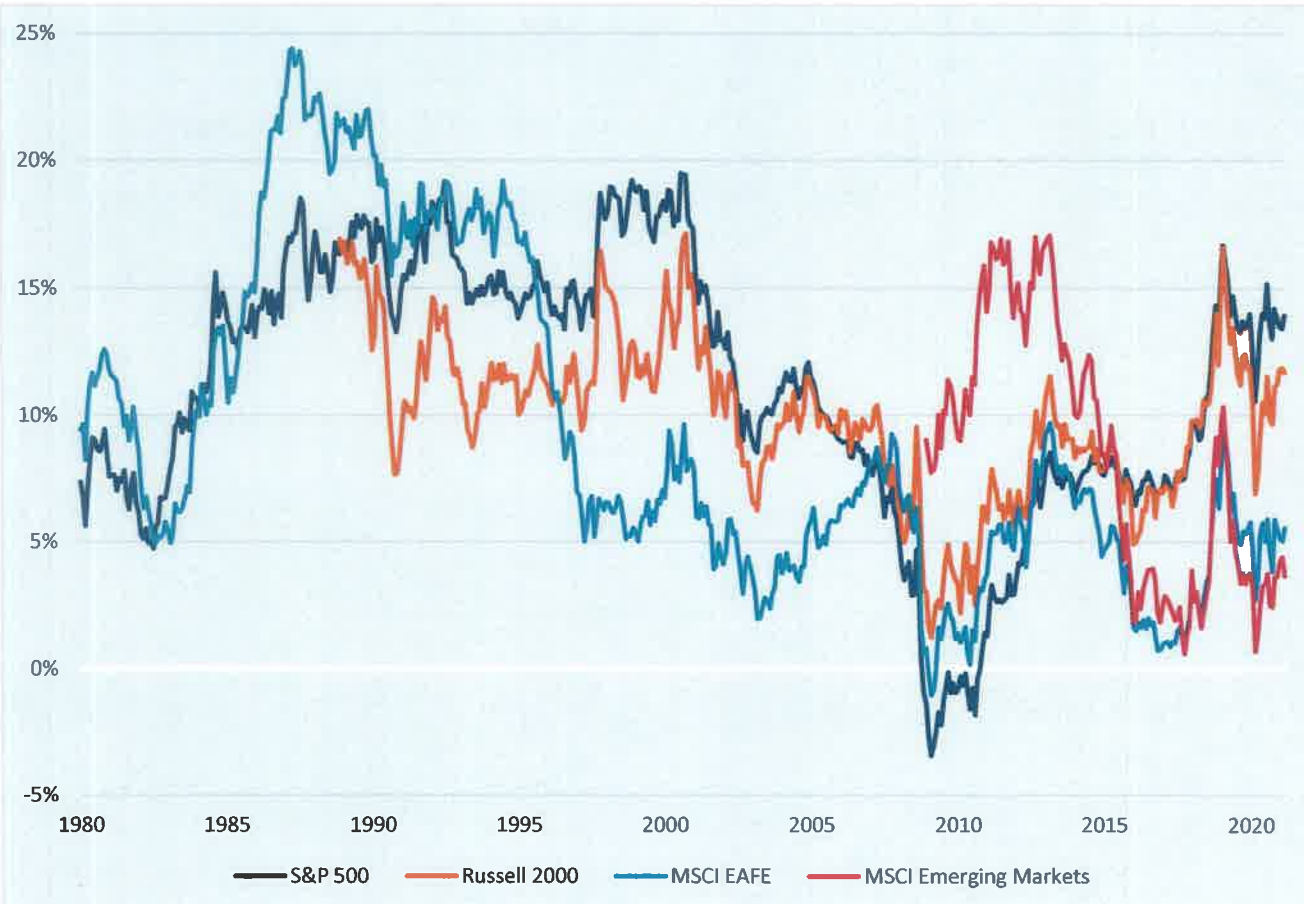
Public equity: forward looking projections

	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%

III. Asset allocation analysis

10-year return & risk assumptions

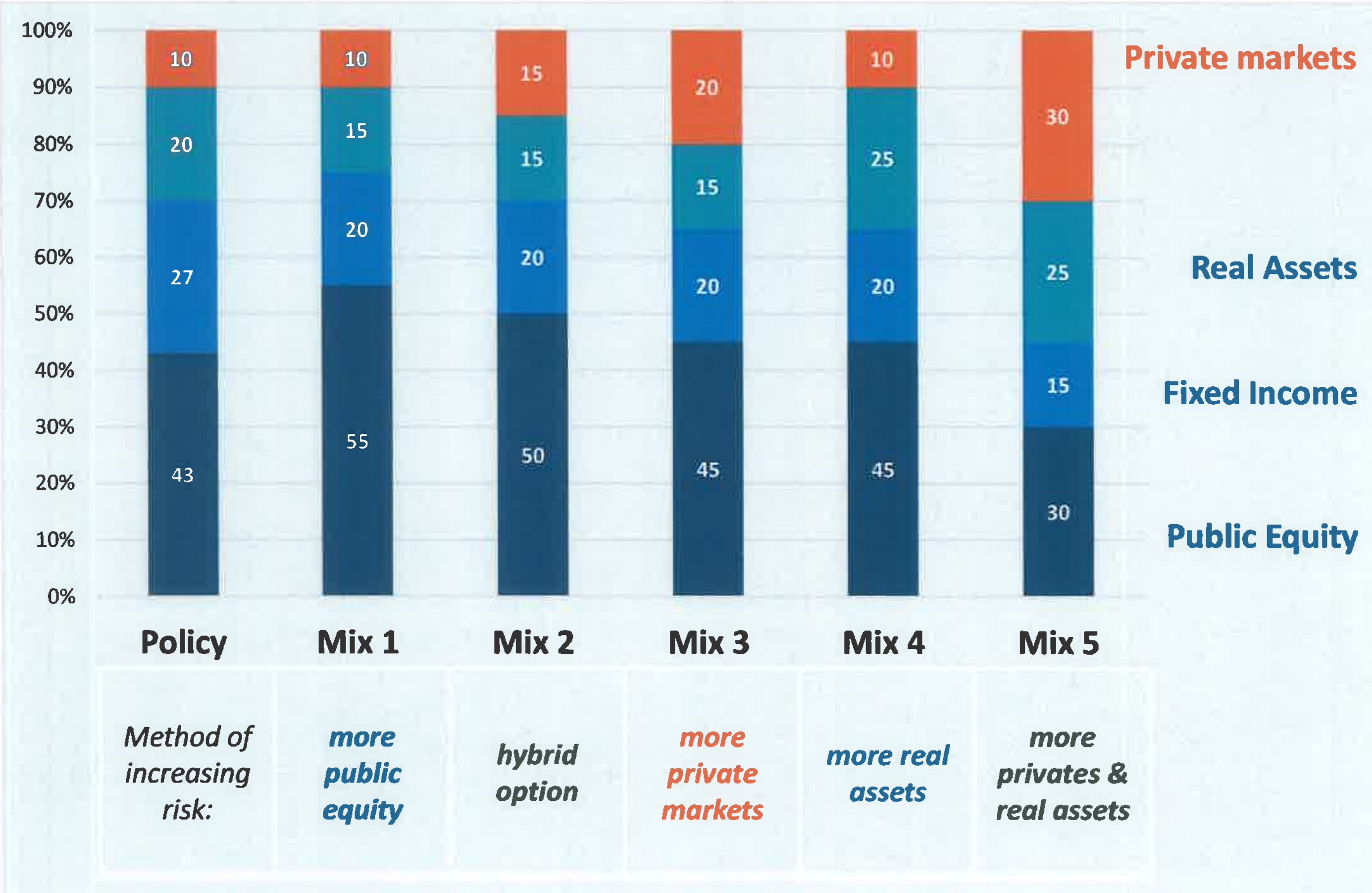
Asset Class	Index Proxy	Ten Year Return Forecast Geometric	Ten Year Return Forecast Arithmetic	Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (a)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (a)
Equities								
U.S. Large	S&P 500	5.1%	6.3%	15.7%	0.31	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*

Asset mixes for consideration

HIGH-LEVEL ASSET ALLOCATION



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

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

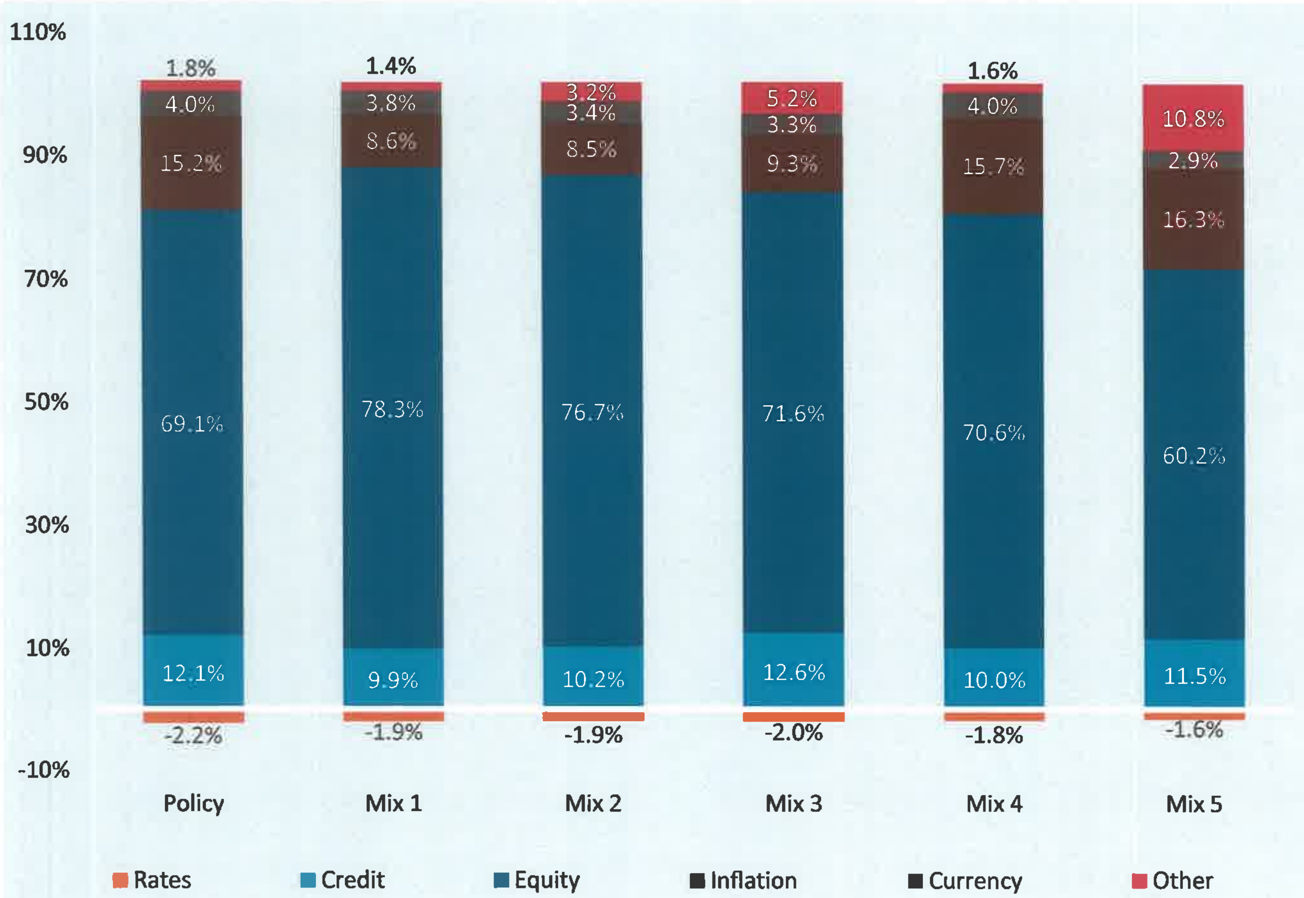
	Policy	Mix 1	Mix 2	Mix 3	Mix 4	Mix 5
10 Year Return Forecast						
Stagflation	3.7	3.3	3.5	3.3	4.4	3.6
Weak	0.7	0.1	0.3	0.3	1.0	0.4
Base CMA	***5.5***	***5.7***	***6.0***	***6.1***	***5.9***	***6.6***
Strong	11.1	12.3	12.6	12.6	11.7	13.6
Range of Scenario Forecast	*10.3*	*12.2*	*12.3*	*12.4*	*10.7*	*13.2*
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

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.

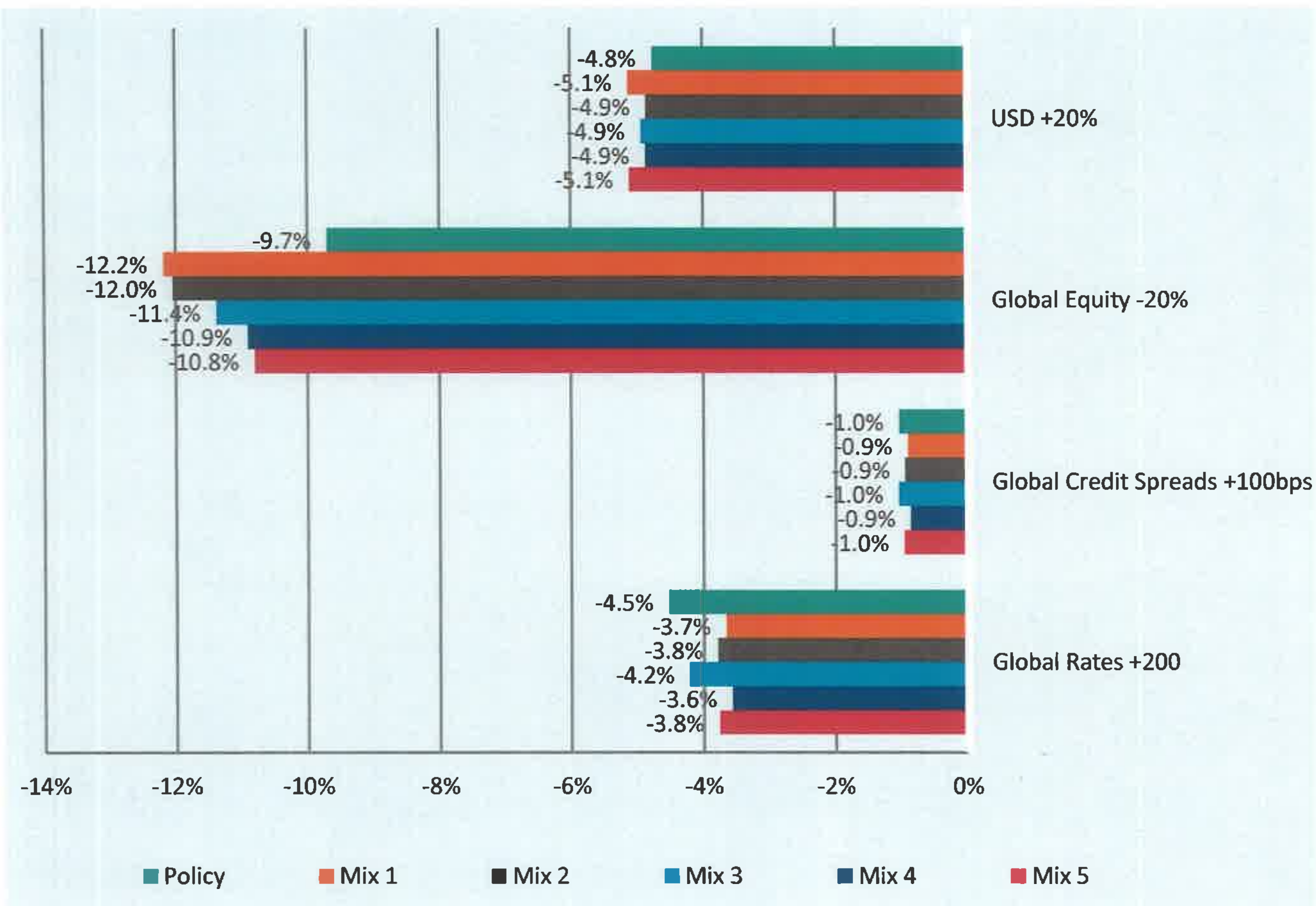
Currency risk a function of international investments.

Inflation risk is a function of real assets.

"Other" are risks inherent within private markets.

Stress tests

TAIL RISK – STRESS TEST

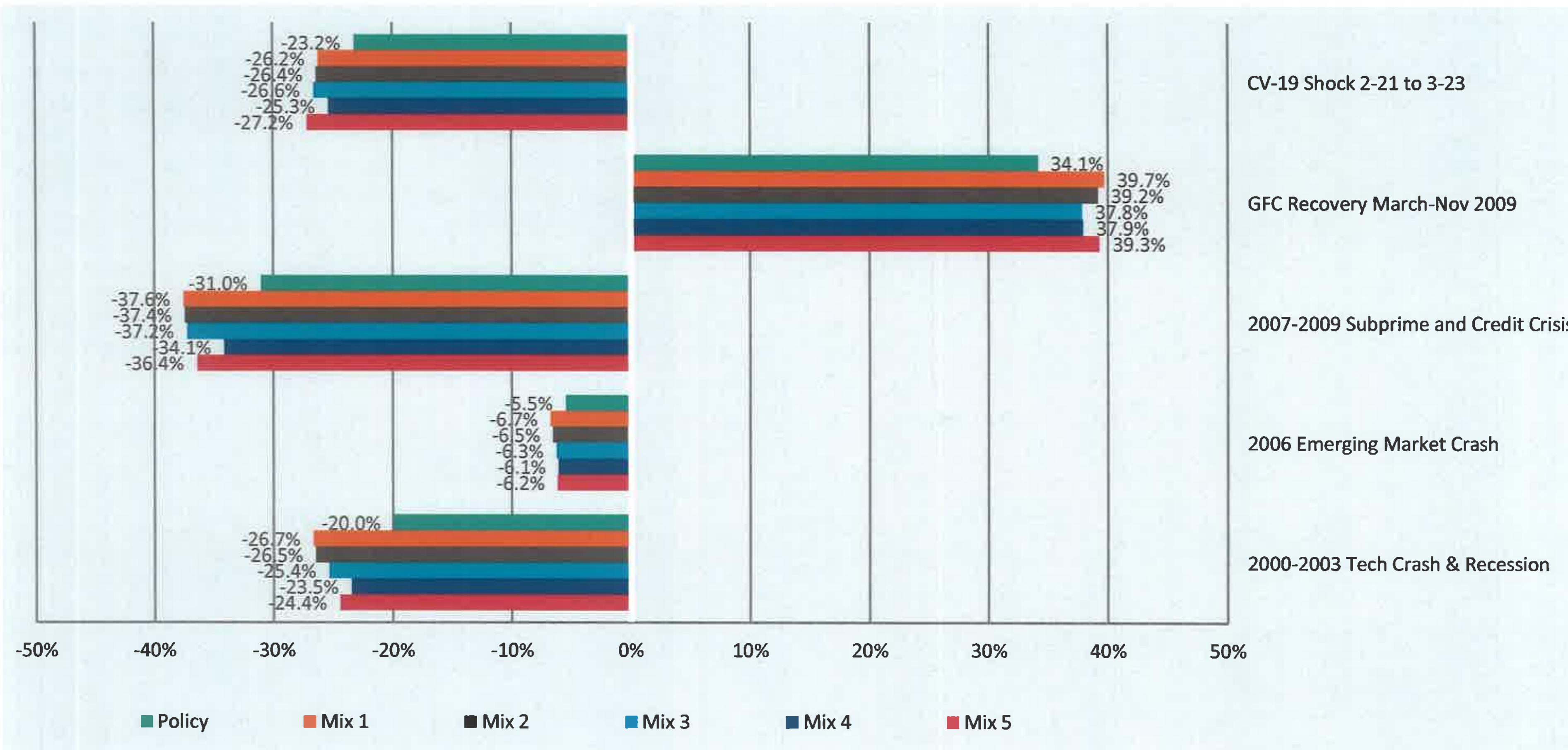


Source: Barra

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

Scenario analysis

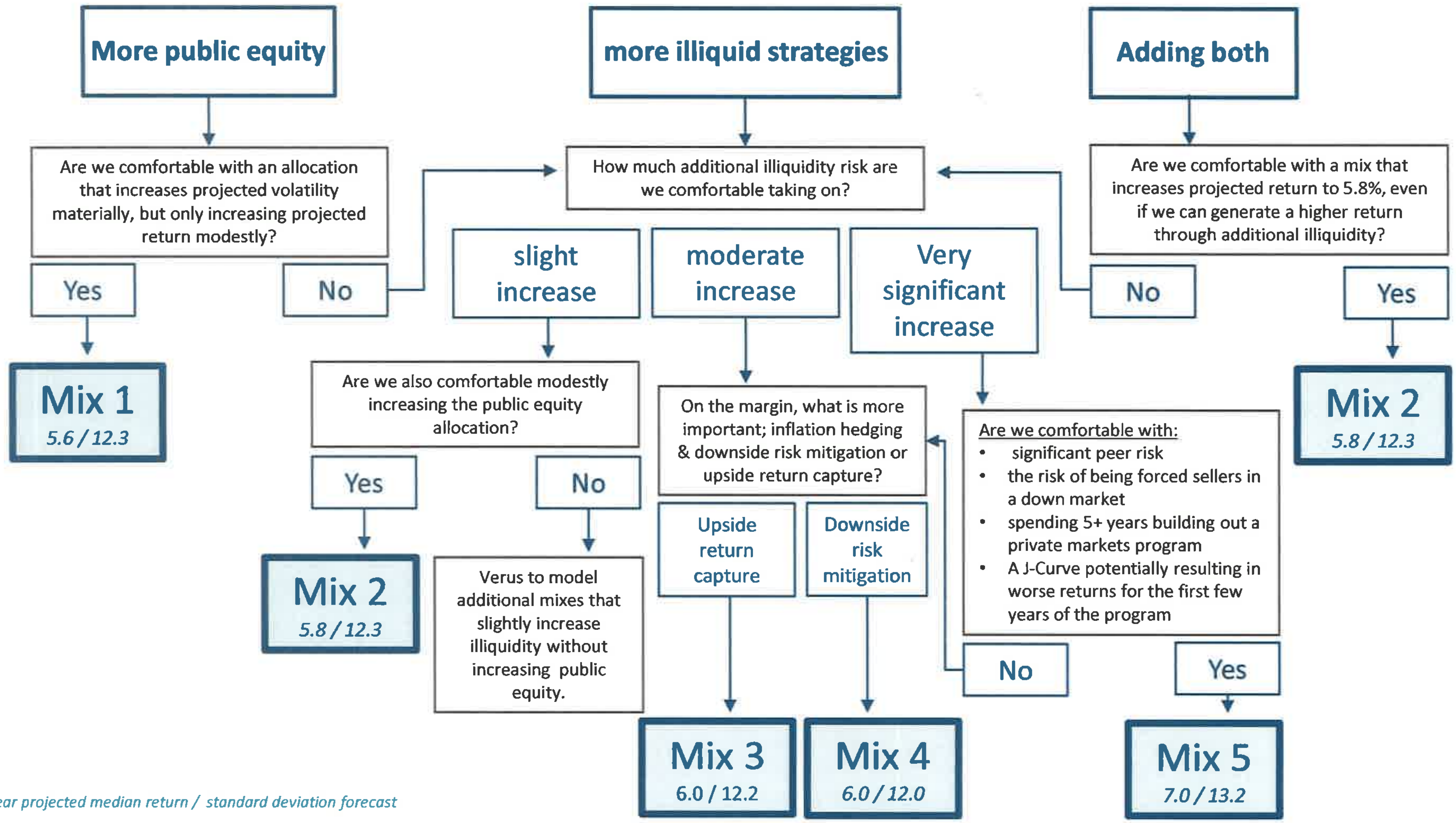
TAIL RISK – SCENARIO ANALYSIS



Source: Barra

Decision framework

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

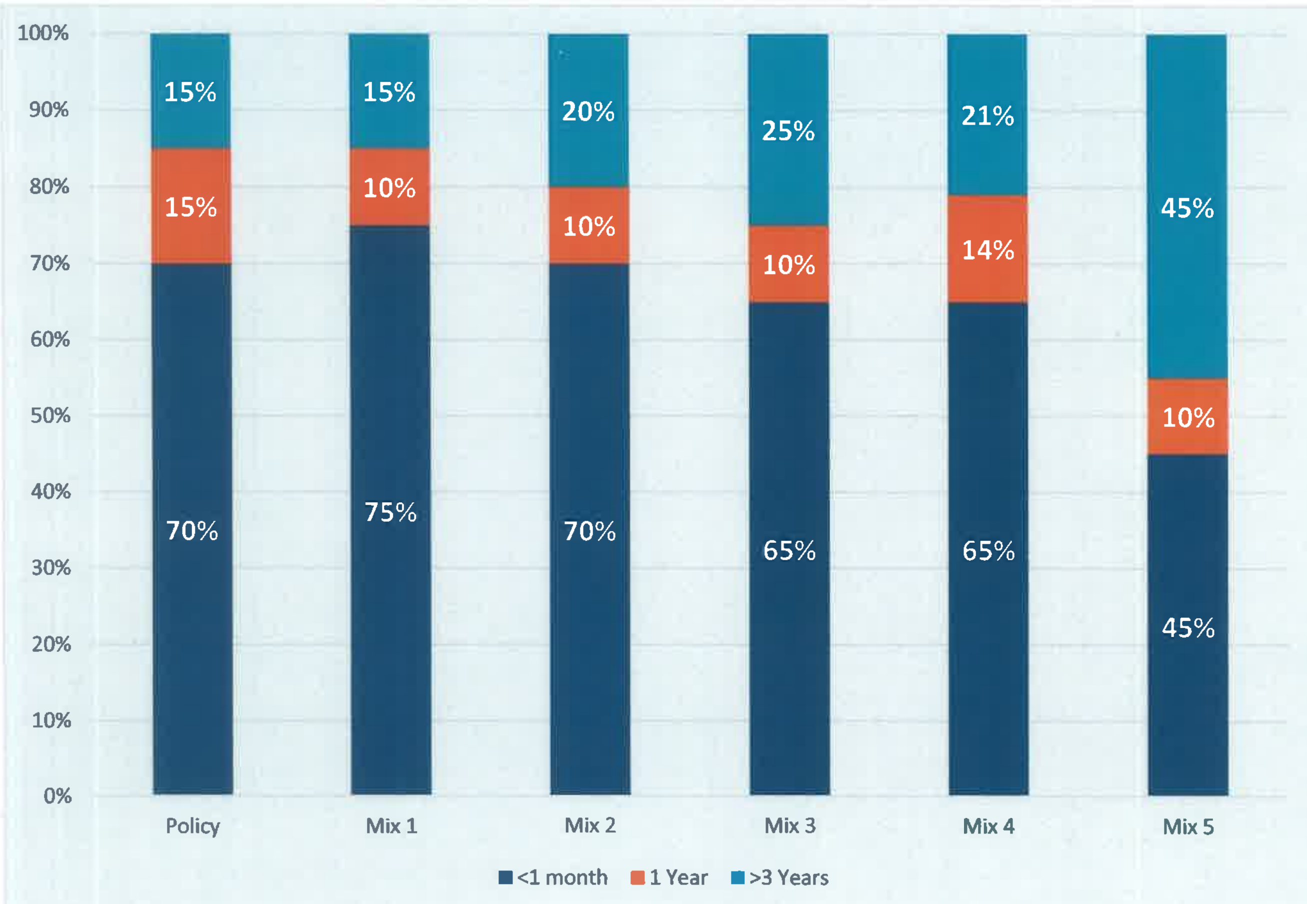


10 year projected median return / standard deviation forecast

IV. Liquidity analysis

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

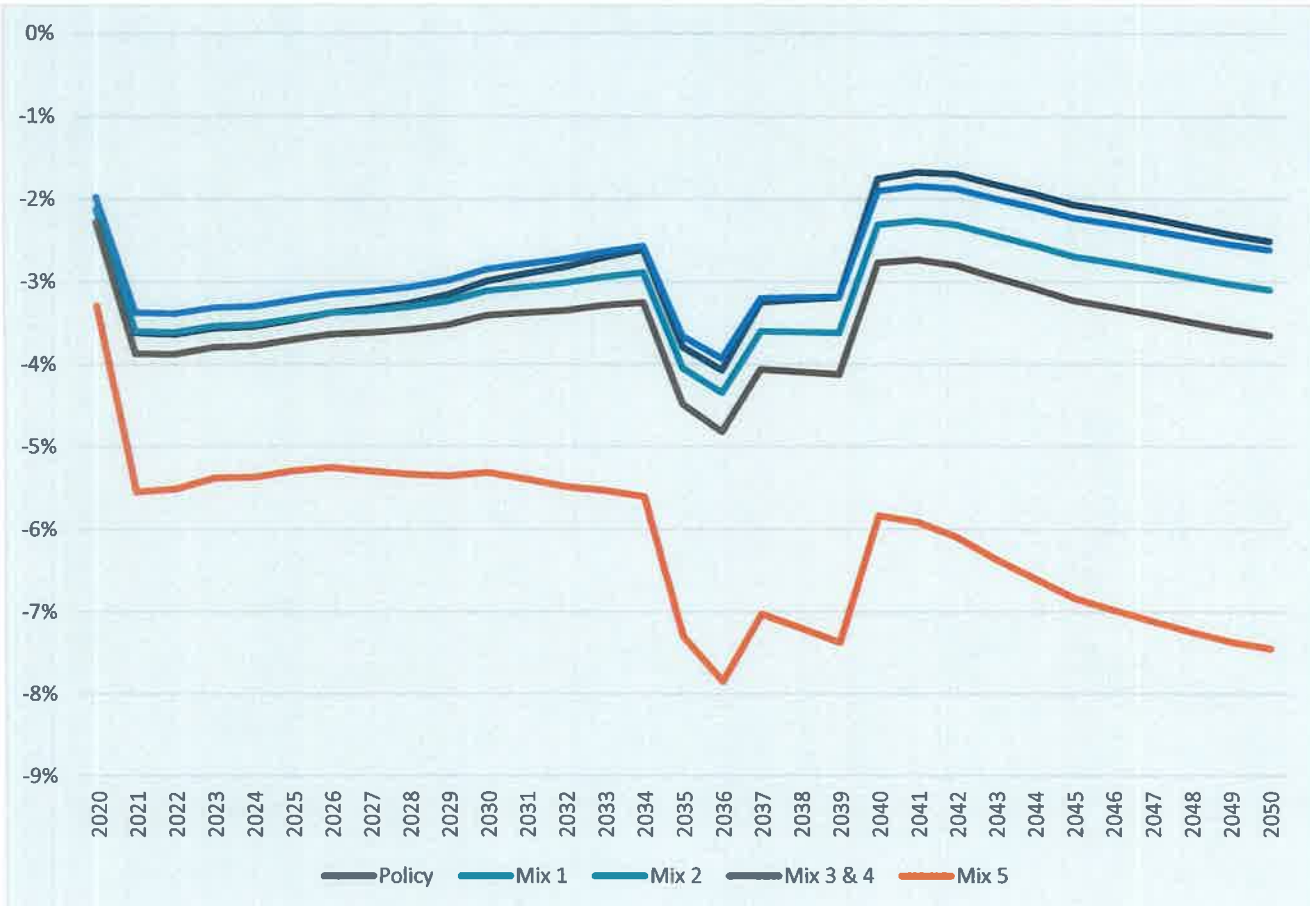
"1 Year" → 1-3 years

">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

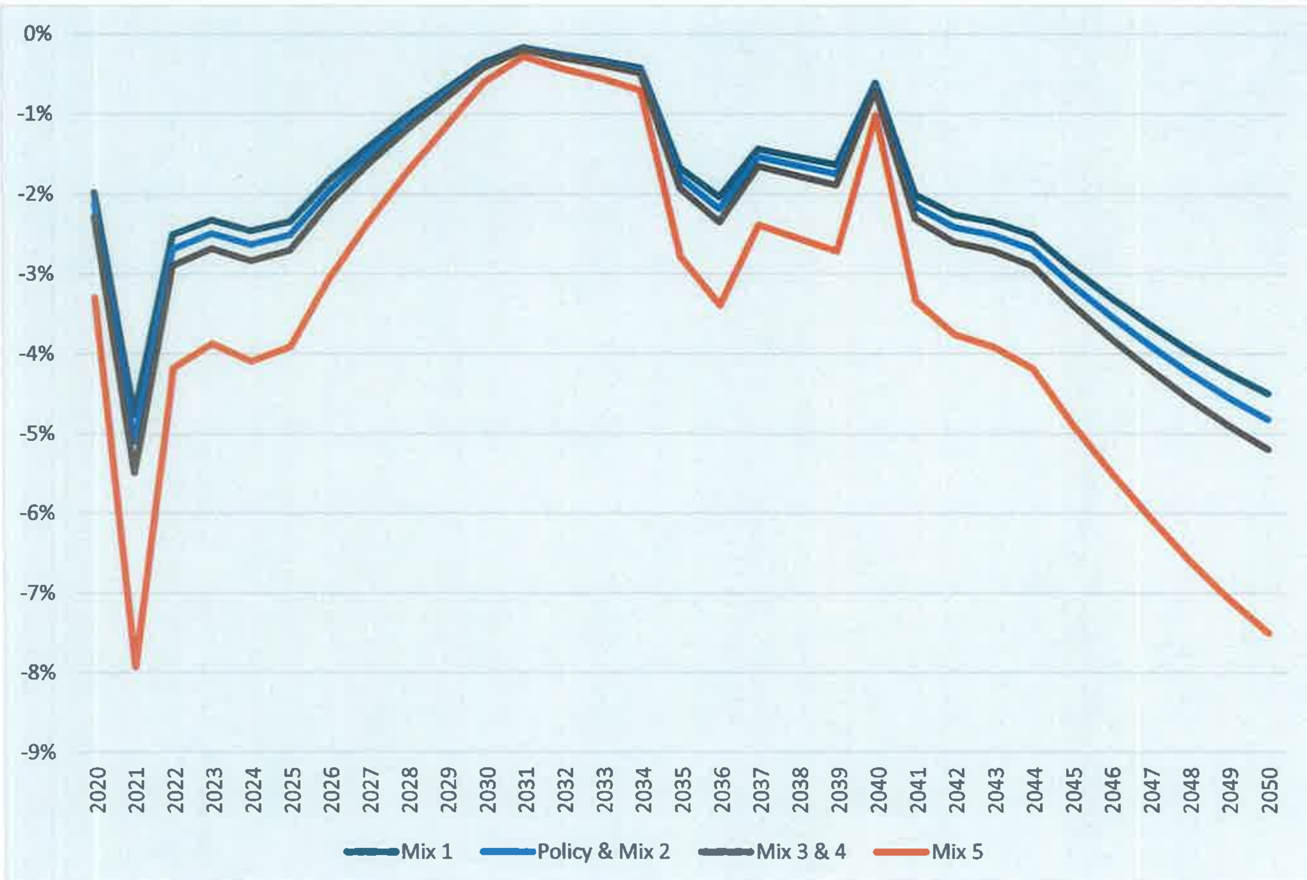


How much liquid assets will TCERA retain to fund benefit payments?

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

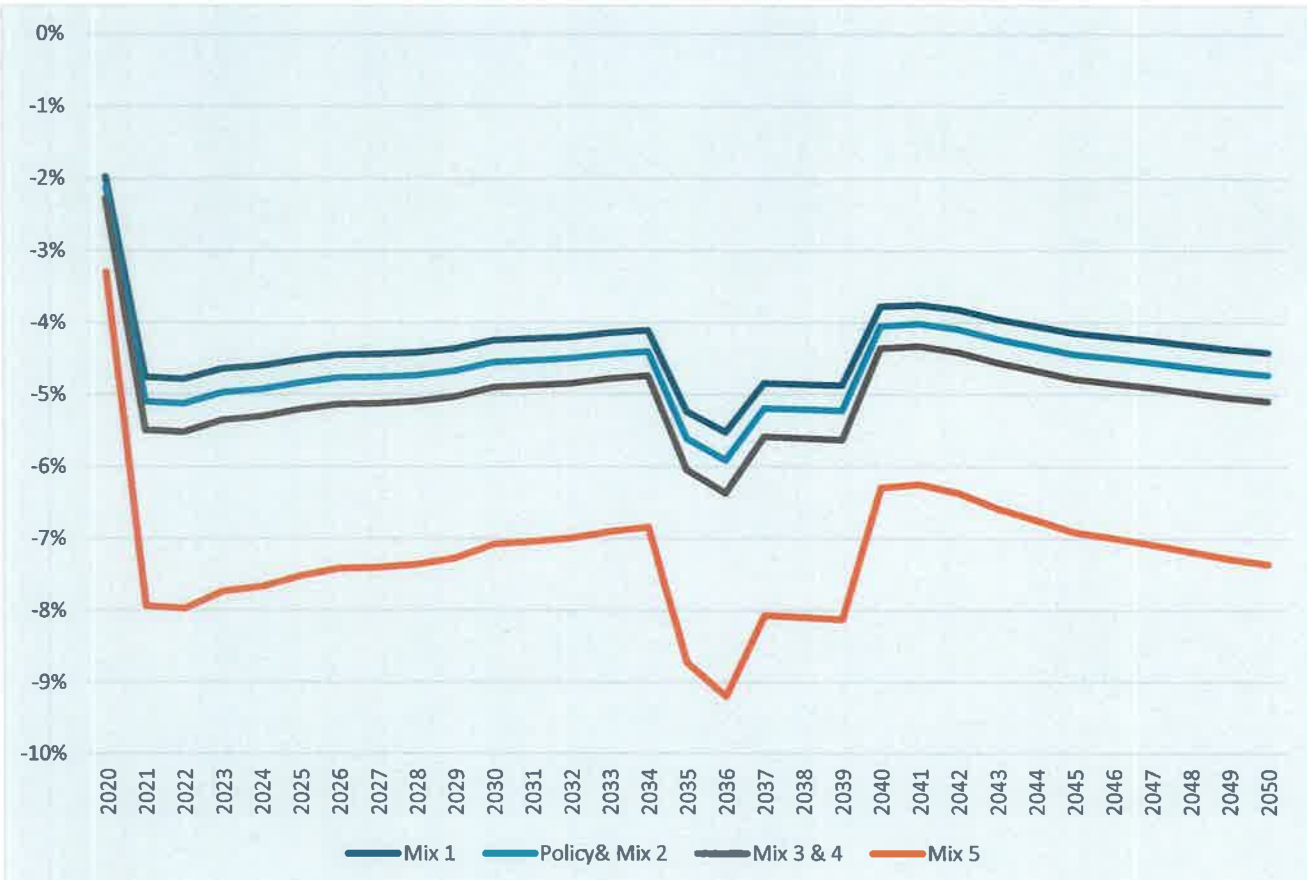


Paradoxically, in a significant drawdown event, the higher employer contribution rates offset the loss in liquidity caused by a drawdown.

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

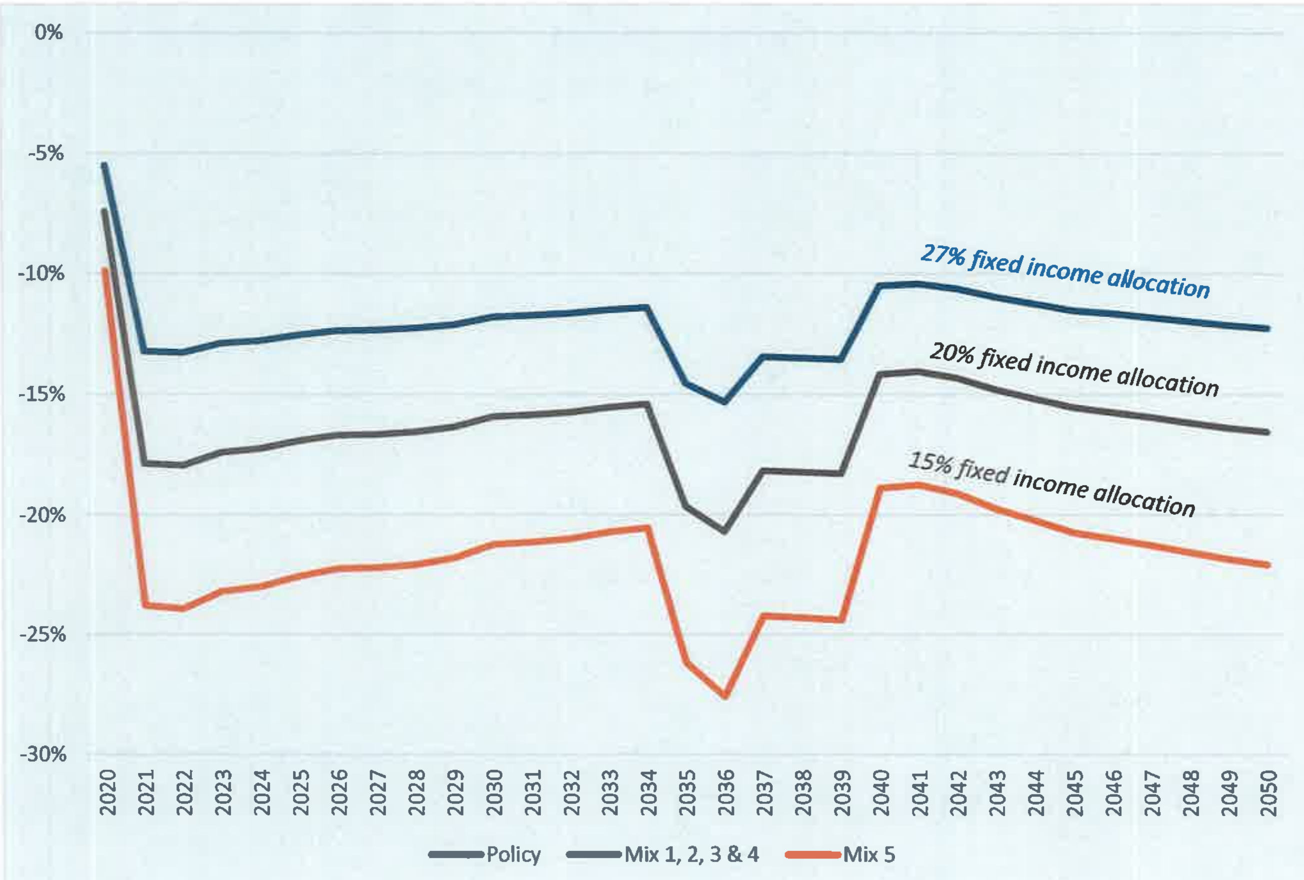


If we hold employer contributions static at the current projection levels, liquidity becomes a more significant issue during a drawdown.

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.

V. Appendix: private markets & real assets information

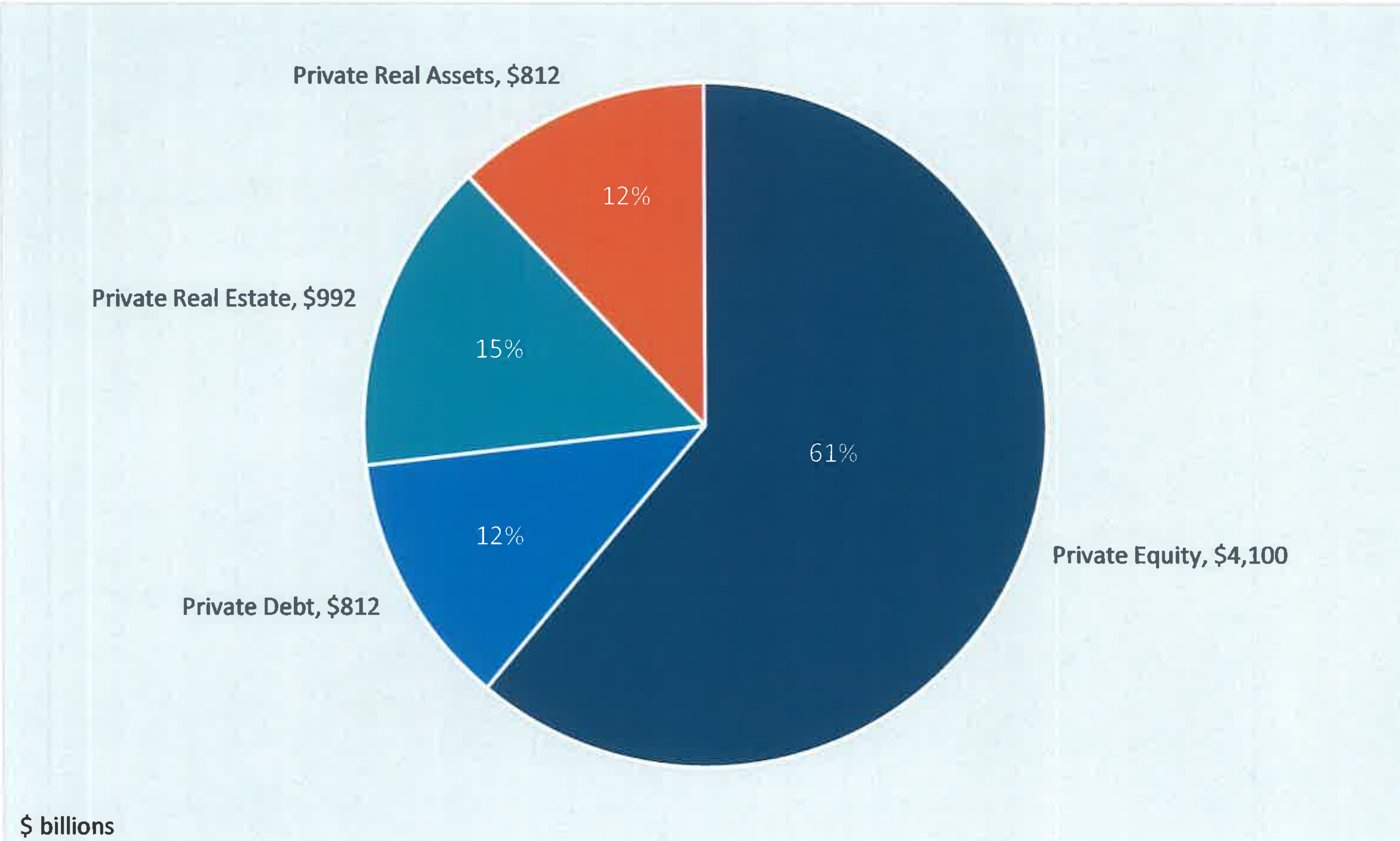
What are private markets?

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

- Private markets 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., $\geq$ \$5millon)
- Investments are made via subscription agreements with extensive contract provisions

What is the size of private markets?

TOTAL PRIVATE MARKETS $6,716 BILLION



Source: Preqin Alternatives in 2020 Report

Who invests in private markets?

Investor Type	Average Allocation
Public Pension Funds	12%
Corporate Pensions	4.3%
Endowment/Foundation	17%
Insurance	13%
Family Office	19%
High New Worth*	35-52%

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

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

Why invest in private markets?

— 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"

Comparison of private markets key variables

	Private Credit	Private Equity	Private Real Estate	Private Real Assets
Typical Fund Life	5 – 7 years	10 – 12 years	7 – 10 years	10 – 20+ years
Typical Investment Period	3 – 4 years	5 – 6 years	3 – 4 years	5-7 years
Management Fee	0.5% - 2% on invested capital	1.5% - 2% on committed capital	1.25% - 1.50%	1.25% - 2.0%
GP Carry	10% - 15%	15% - 20%	20%	15-20%
Admin Fee / Fee Offset	Yes	Yes	Yes	Yes
Preferred Hurdle	5%-8%	8%	8-9%	6-8%
Distributions	Quarterly distribution of interest income	Distributions are lumpy and subject to exit	Distributions are lumpy and subject to exit	Distributions are lumpy and subject to exit
GP Commitment	> 1%	> 2%	1-5%	1-2%
Typical Fund Leverage	Yes, 0x – 2x	No	Yes, 40 – 70%	No
Target Return	8%-12% net	15%+ net	11-14% net (value-added), 15%+ net (opportunistic)	8%-15+%

Private markets – differences from public markets

Investment Vehicles

- Commingled pools (partnerships) or separate accounts
- Manager is 'general partner' which manages assets (active role); will invest alongside limited partners
- Investor is 'limited partner' and provides bulk of capital (passive role); has limited controls

Fees

- ***Fees are generally paid on committed capital during investment period (~1%+)***
- ***After investment period, fees are charged on invested capital (~1%+)***
- Incentive fees apply depending on strategy (~10%-20%), usually earned only after investors receive preferred return

Liquidity

- ***Investors commit capital upfront which will be drawn over time***
- *Partnerships have lock ups as long as 10-12 years*
- ***Usually broken up by a 3-5 year investment period and 5+ years harvesting period***
- Once invested, only exits are fruition of partnership or sale of interest to secondary investor

Diversification

- Diversify by general partners, strategies, geographies, industries and vintage years.

Risks of private markets

— *Capital risk* – Loss of capital due to investment in speculative strategies or other factors such as credit events

— *Illiquidity risk* – no access to capital after investment period has begun

— *Operational risk* – losses from inadequate processes and systems supporting the GP's investment process

— *Market risk* – volatility driven by broader risk factors such as equity, inflation, interest rates, etc.

— *Financial structure risk* – complexity, leverage, and different rights of varying investors

Implementation approaches to private markets

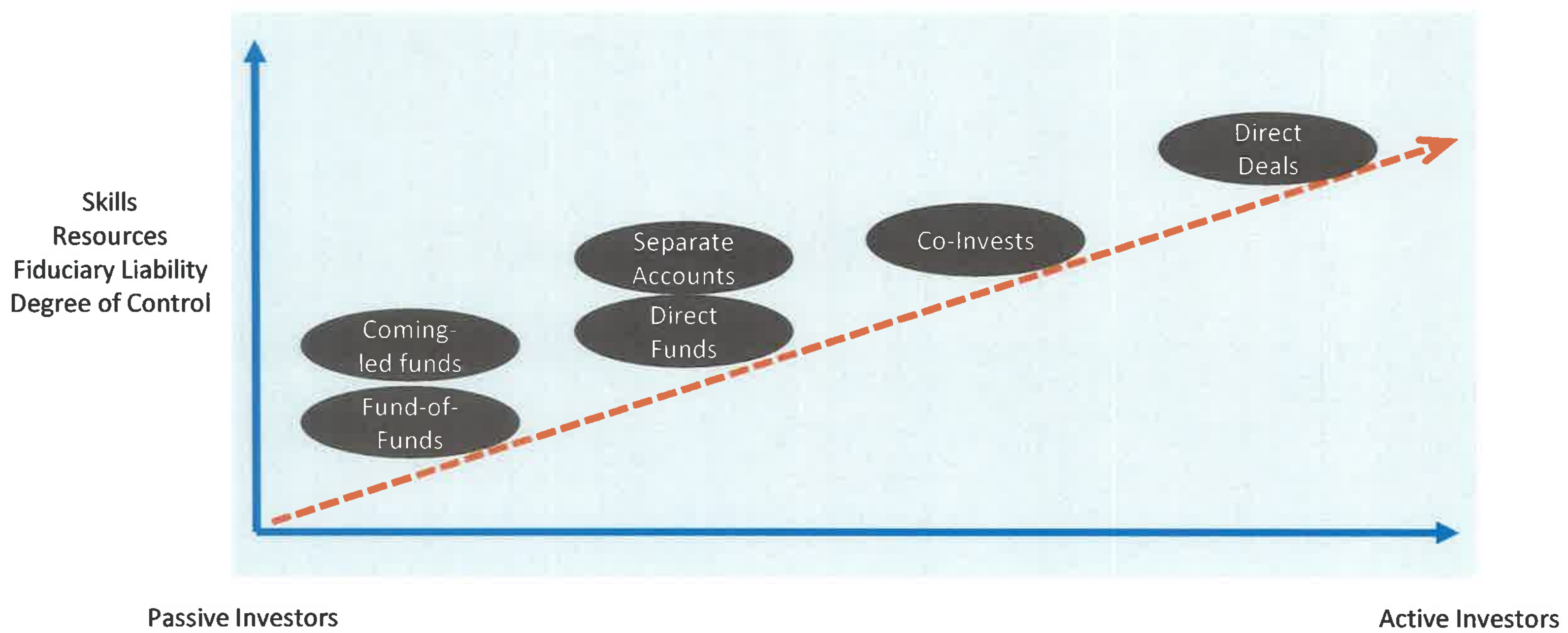
Implementation approach driven by each investor's:

— Investment objectives

— Internal skills and resources

— Tolerance for control, risks, cost

ACTIVE-PASSIVE INVESTOR SPECTRUM



Benchmark issues – private markets

THREE PRIMARY TYPES OF BENCHMARKS FOR PRIVATE MARKETS

Benchmark	Public markets "plus"	Peer group	Public markets equivalent ("PME")
Definition	Published public markets benchmark plus a premium (e.g. S&P 500 +4%)	Universe of limited partner private markets funds across sectors and vintage years	Internal rate of return calculated using published public market index and partnership cash flows
Calculation Methodology	Time weighted rate of return ("TWRR")	Internal rate of return ("IRR")	IRR
How commonly used?	Most commonly used among plan sponsors	Typically used by larger, more sophisticated plan sponsors	Used by private market fund of funds and consultants and beginning to be employed by plan sponsors
Quality	Low	Low to Moderate	Moderate to High
Comments	—Easiest to use and understand	— Less misfit risk. Better alignment due to IRR calculation	—Allows direct comparison between public markets and private markets
	—Currently employed by MOSERS for private equities in Old Portfolio	—Currently employed by MOSERS for private equities in New Portfolio	—More complex to understand and to calculate relative to others
	—Benchmark misfit risk is largest compared to others	—Subject to typical peer group cons such as survivorship and selection biases	—Least amount of benchmark misfit risk

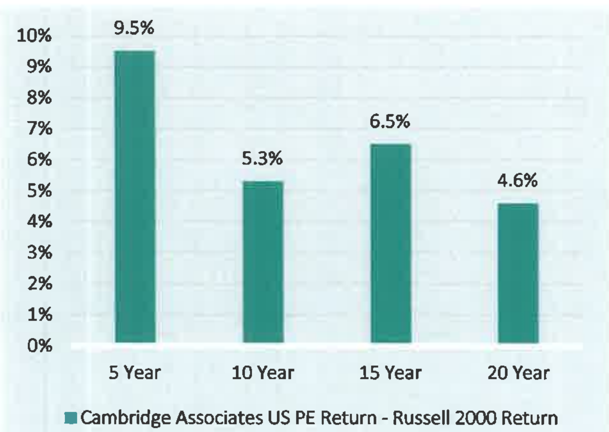
Private equity

Private equity and public equity returns have been correlated historically because the underlying economic forces driving these asset class returns are quite similar. The return relationship between the two can vary in the short-term, but over the long-term investors have received a premium, driven by leverage, concentrated factor exposure (smaller and undervalued companies), skill, and possibly illiquidity.

Historically, the beta of private equity relative to public equities has been high. We use a beta assumption of 1.85 to U.S. large cap equities in our capital market forecast.

Private equity performance typically differs based on the implementation approach. We provide a 10-year forecast for the entire private equity universe of 9.3%. Direct private equity programs have historically outperformed the broader universe by approximately 1.0%, and we forecast direct private equity accordingly with a forecast of 10.3%. Private equity fund-of-fund (FoF) programs have historically lagged the universe by 1.0%, and we forecast private equity fund-of-funds at 8.3% to reflect this drag.

PRIVATE EQUITY EXCESS RETURN (PE – U.S. SMALL CAP EQUITY)



Source: Cambridge, Russell, as of 3/31/20

PRIVATE EQUITY IMPLEMENTATION FORECASTS

	10-Year Forecast
Private Equity Universe Forecast	9.3%
Private Equity FoF Forecast	8.3%
Private Equity Direct Forecast	10.3%

Source: Verus, as of 9/30/20

PRIVATE EQUITY UNIVERSE FORECAST

	10-Year Forecast
U.S. Large Cap Forecast	+5.1%
1.85 Beta Multiplier	+4.2%
Nominal Return	9.3%
Inflation Forecast	-2.0%
Real Return	7.3%

Source: Verus, as of 9/30/20

Overview of private equity

— Investments in privately held companies:

- Generally illiquid / limited liquidity
- Few established industry benchmarks
- Sub-classes differ in cash-flow and performance attributes

— Long term investment horizon: 3-12+ years

— Primary reason to invest: **Return Enhancement**

	1 Year	3 Years	5 Years	10 Years	20 Years
Venture Capital	18.6%	16.8%	12.9%	15.1%	7.2%
Buyouts	16.9%	16.1%	13.3%	14.1%	11.7%
Growth Equity	18.3%	17.2%	13.6%	13.9%	11.5%
Secondaries	12.4%	13.6%	10.5%	12.6%	12.0%
All Private Equity	**17.3%**	**16.3%**	**13.1%**	**14.2%**	**10.6%**
S&P 500	31.5%	15.3%	11.7%	13.6%	6.1%
Russell 3000	31.0%	14.6%	11.2%	13.4%	6.4%
Bloomberg Barclays Aggregate	8.7%	4.0%	3.1%	3.6%	5.0%
Cash	2.3%	1.7%	1.1%	0.6%	1.7%

Source: Cambridge Associates and eVestment as of December 31, 2019.

Manager selection is critical to results

Mature funds avg. dispersion: 12.7%

Active funds avg. dispersion: 12.2%

Source: Thomson Reuters C|A Global All Private Equity returns, as of 12/31/19
For illustrative purposes only as dispersion of returns varies by sub-asset class. Mature funds defined as those whose 80% or more of total value has been distributed.

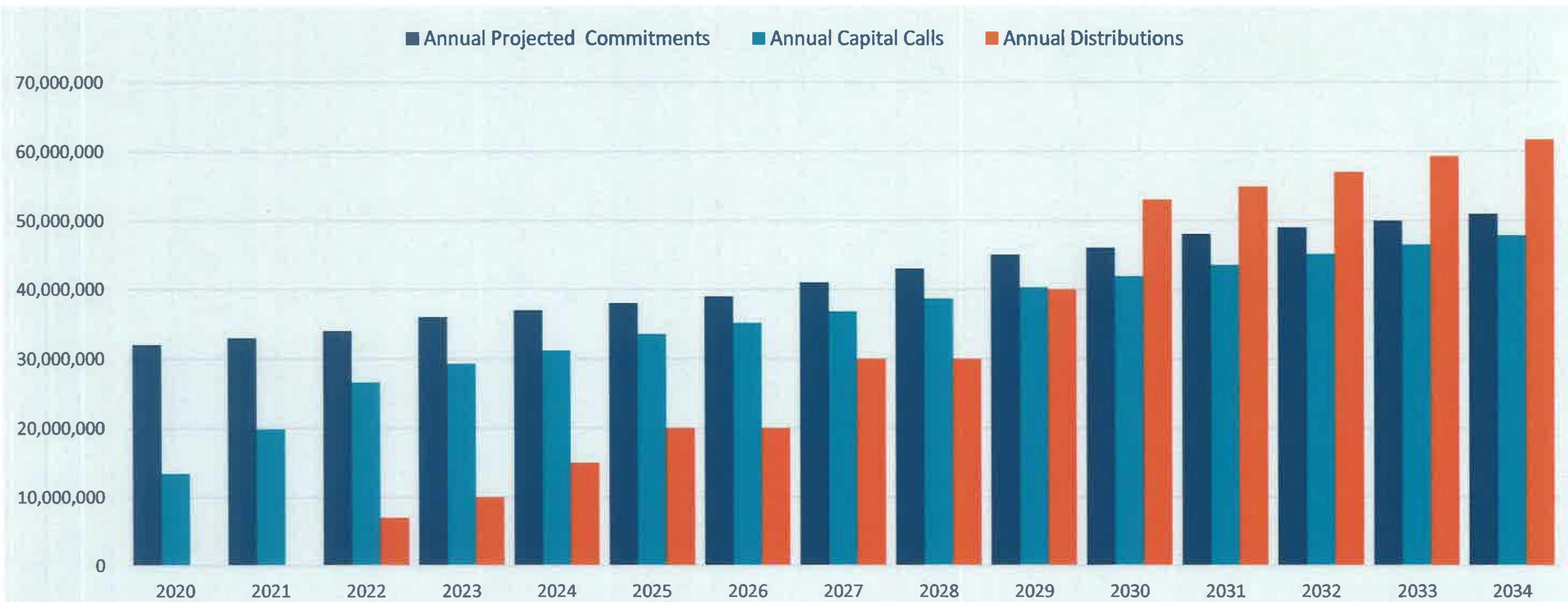
Pacing model example

For private market investments, commitments are made up front but are generally called over 3-5 years.

The chart below illustrates how the capital calls are less than the annual commitment.

Within private markets, capital is returned to investors via distributions. In order to maintain a private market program, investors must continue to commit to new strategies.

PROJECTED ANNUAL DOLLAR VALUE OF COMMITMENTS, CAPITAL CALLS AND DISTRIBUTIONS



The rationale for overcommitment

Due to the gradual flow of investments by fund managers, which generally lasts multiple years from a fund's inception, cash (distributions) will typically begin to flow back to an investor before the full commitment amount is drawn down.

For this reason, even when a fund's commitment is fully drawn down, an investor's investment exposure would generally net to anywhere from 65% to 75%.

To overcome the offsetting nature of cash flows and reach a target exposure to the asset class, investors need to adopt an overcommitment strategy.

Figure 2 illustrates a 1.65x commitment. The maximum investment amount reaches the target in year five.

Committed does not mean invested.

Private equity programs generally require five to seven years to reach a target allocation.

FIGURE 1: $100 MILLION GOAL AND $100 MILLION COMMITMENT

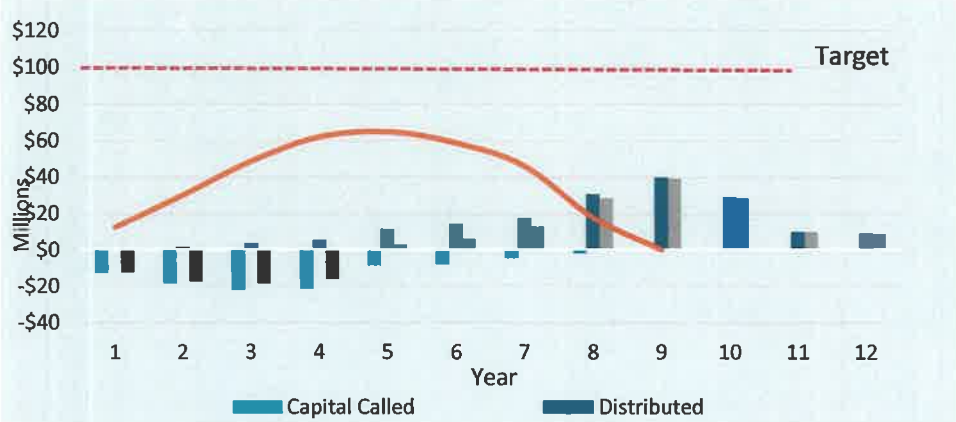
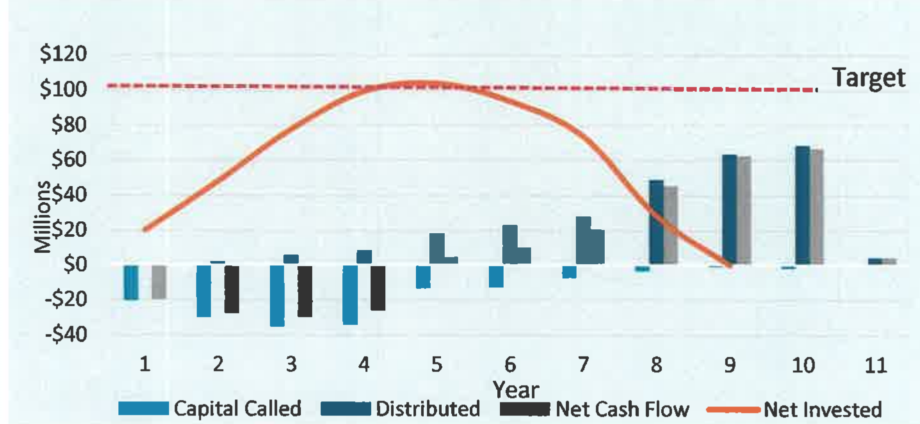


FIGURE 2: $100 MILLION GOAL AND $165 MILLION COMMITMENT



Private real estate return/risk

Return

Core

- *Low leverage (0%-30%)*
- Almost fixed income-like as properties tend to generate predictable cash flows
- Diversified sectors & geography
- Generally Class A properties
- Longest hold period

Value-add

- *Moderate leverage ~40% - 50%*
- Returns driven by price appreciation as properties generally require renovation or redevelopment
- May buy land or under-leased properties
- Operational or management issues

Opportunistic

- *High leverage ~60%-plus*
- Most of return is from price appreciation
- Equity-like as there are several risks associated with development, leasing, financing, etc.
- Shortest hold period; managers more like traders than operators
- May buy raw land
- May buy niche sectors

Risk

Real estate attributes

Attribute	Core	Value-add	Opportunistic
Property type	Offices, apartments, retail, industrial	Core property types plus hospitality, assisted living, low-income housing, specialty retail and storage	Raw, undeveloped land, speculative properties
Occupancy	High	Moderate	Low
Life cycle phase	Fully operational	Operational, but may not be fully leased	New construction, land development
Leverage	Low	Moderate	High
Rollover	Low	Moderate	High
Investment structure	Direct control	Moderate control with security or preferred liquidation position	Minimal control; often an LP with unsecured positions

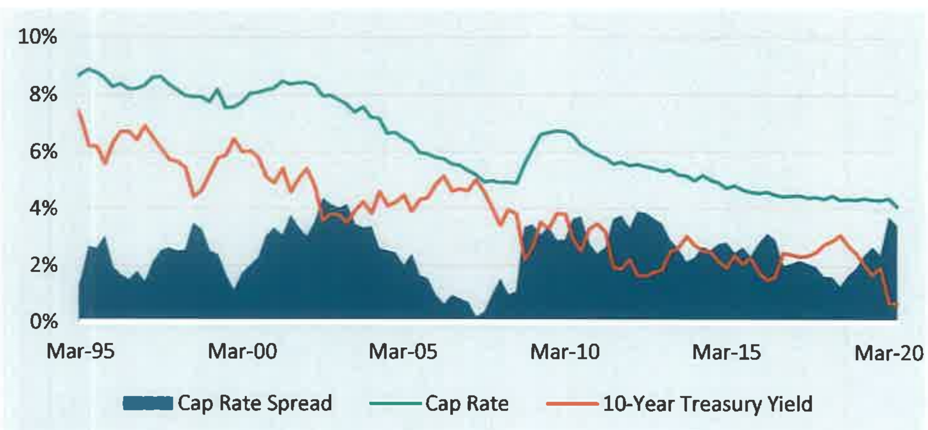
Value-add & opportunistic real estate

Value-add real estate includes properties which are in need of renovation, repositioning, and/or lease-up. Properties may also be classified as value-add due to their lower quality and/or location. Opportunistic real estate can also include development and distressed or very complex transactions. Greater amounts of leverage are usually employed within these strategies. Leverage increases beta (risk) by expanding the purchasing power of property managers via a greater debt load, which magnifies gains or losses. Increased debt also results in greater interest rate sensitivity. An increase/decrease in interest rates may result in a write-up/write-down of fixed rate debt, since debt holdings are typically marked-to-market.

Performance of value-add real estate is composed of the underlying private real estate market returns, plus a premium for additional associated risk, which is modeled here as 200 bps above our core real estate return forecast. Performance of opportunistic real estate strategies rests further out on the risk spectrum, and is modeled as 400 bps above the core real estate return forecast.

Additional expected returns above core real estate are justified by the higher inherent risk of properties which need improvement (operational or physical), price discounts built into properties located in non-core markets, illiquidity, and the ability of real estate managers to potentially source attractive deals in this less-than-efficient marketplace.

CAP RATE SPREADS



Source: NCREIF, Bloomberg, as of 6/30/20

FORECAST

	Value-Add 10-Year Forecast	Opportunistic 10-Year Forecast
Premium above core	+2.0%	+4.0%
Current Cap Rate	+4.1%	+4.1%
Real Income Growth	+1.7%	+1.7%
Capex Assumption	-2.0%	-2.0%
Inflation	+2.0%	+2.0%
Nominal Return	7.8%	9.8%
Inflation Forecast	-2.0%	-2.0%
Real Return	5.8%	7.8%

Source: Verus, as of 9/30/20

Infrastructure

Infrastructure includes a variety of investment types across a subset of industries. There is not one definition for what can be included within infrastructure. The asset class has grown dramatically during the last decade as investors sought assets that might provide more attractive yield relative to fixed income along with the potential for inflation protection.

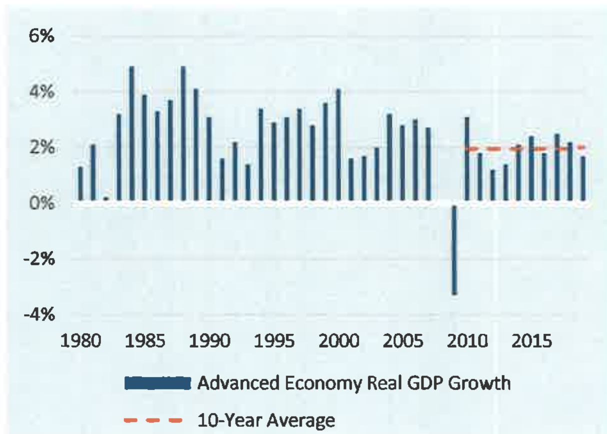
Similar to real estate investment, income plays a significant role in the returns which investors receive. Income yields are currently lower than average due to higher prices and competition in the space, which might reasonably be expected to translate into lower expected future returns.

Due to the discount rate effect, infrastructure asset valuations would generally be negatively affected by material increases in interest rates. Because leverage is used in this space, higher interest rates would also impact investors in the form of higher borrowing costs.

5-YR ROLLING RETURN COMPOSITION

Source: S&P Global Infrastructure Index, as of 9/30/20

ADVANCED ECONOMY REAL GDP GROWTH



Source: IMF, as of 9/30/20

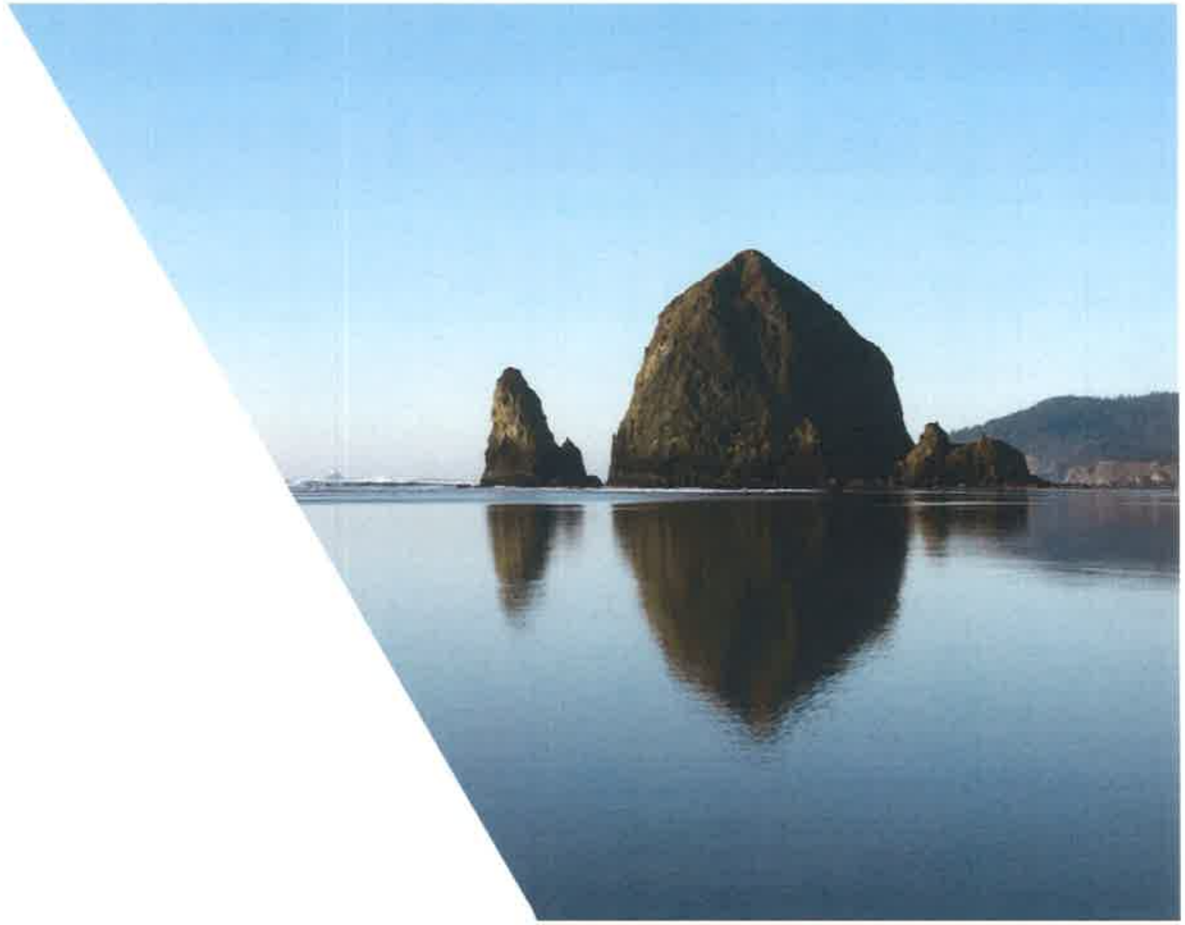
FORECAST

	10-Year Forecast
Inflation	1.7%
Yield	4.1%
Income Growth	2.0%
Nominal Return	7.8%
Global Inflation Forecast	-1.7%
Real Return	6.2%

Source: Verus, as of 9/30/20

Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



JUNE 23, 2021

Securities Lending Education

Tulare County Employees' Retirement Association

Securities lending overview

Securities lending is the practice of loaning shares of stocks or bonds to other investors or firms. In return, the borrower transfers cash or other securities to the lender as collateral.

— Borrower pays the lender a fee for the loan and is contractually obliged to return the securities on demand or at the end of the agreed loan period.

- Lender retains all ownership rights of the security and continues to collect any dividend/interest payments that accrue.

— Lending agents which are typically banks, other financial institutions, or third-party agents, match lenders and borrowers.

- Negotiates loan terms on behalf of the lender.
- Generates revenue by charging borrowers a fee. Securities in higher demand yield higher spreads.

— In the case of cash collateral, the lending agent reinvests the cash in short-term, high-quality fixed income instruments to earn additional revenue.

— At the end of the loan period, the securities are returned to the lender and the borrower is "rebated" back their collateral.

— Lender and lending agent share net income based on a prior agreement.

Revenue components

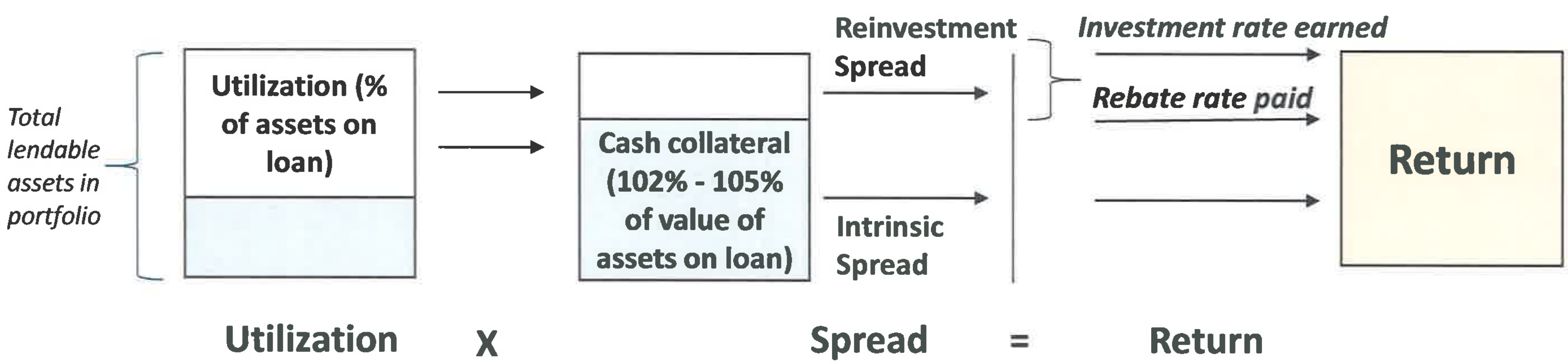
Three sources of revenue generation

— **Utilization** is the percentage of assets on loan.

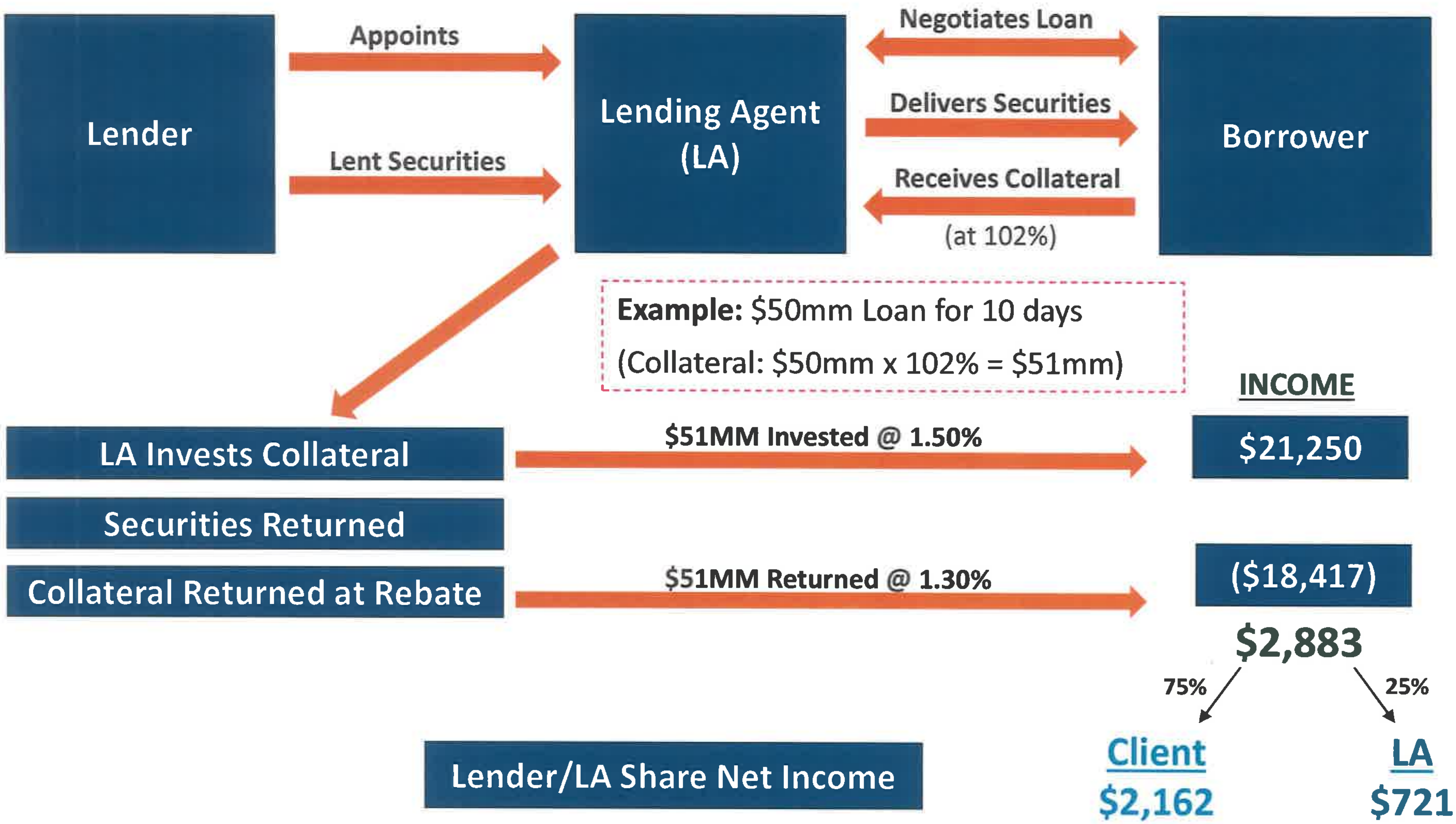
- Only a percentage of the total portfolio (upwards of 20%) is available on loan and will vary from plan to plan.

— Two different kinds of spreads: Lending the securities (**intrinsic spread**) and reinvesting the collateral (**reinvestment spread**).

— Return can be enhanced by any combination of lending more assets, earning a higher investment return, and/or paying a lower rebate to borrowers.



Securities lending transaction



For illustrative purposes only

Risks

Action	Risks	Mitigating Factors
Transaction Failure/Delay On Borrowed Securities	• Lending prevents timely delivery of securities as required for corporate actions and manager transactions	• Indemnifications by custodians
Borrower Default Risk	• Borrower encounters financial difficulties • Borrower is unable and collateral insufficient to cover repurchases	• Counterparty credit research • Counterparty diversification • Loans are over collateralized (102% ~110%) • Daily mark to market • Indemnification provisions • Loans callable at any time
Collateral Investment Risk	• Credit Risk • Liquidity Risk • Interest Rate Risk	• Credit analysis • High quality, highly liquid investments • Weighted average maturity tracked • Professional portfolio management • Implementing sound investment guidelines

Securities lending is not without risks

Ensuring that an efficient risk management framework is in place will help mitigate the associated risks

Collateral requirements

According to the FDIC, collateral management guidelines state "The minimum initial collateral on securities loans is at least 102% of the market value of the lent securities plus, for debt securities, any accrued interest."[1]

— Generally, best market practice is for 102% of the on-loan value for same currency investments and 105% for different currency investments.

- Non-cash collateral levels of 102% to 112% depending on the asset on-loan.
- Daily mark-to-market valuation ensures that the appropriate margin level is met based on the borrowed security's price fluctuation.

— In recent years, collateral requirements have become more dynamic with levels based on the asset class lent, the asset class taken (in the case of non-cash collateral), and the credit quality of the borrower.

1. FDIC.gov

Securities lending during the GFC

What went wrong?

- Industry counterparty leader Lehman Brothers collapsed in the Fall of 2008 at the same time, American International Group (AIG) $94 billion securities lending business suffers a massive liquidity crisis.
- Borrowers who used companies like Lehman Brothers as their prime broker demanded their money back as the company faced immanent bankruptcy.
- In an effort to increase profit margins, AIG expanded their loanable portfolio while investing much of their cash collateral into higher yielding and longer maturity assets notably mortgage-backed securities.
  - This duration mismatch between assets and liabilities led to severe liquidity risk.
- As the RMBS market began to collapse, borrowers became concerned with AIG's credit worthiness given their exposure to mortgage-related investments and demanded their cash collateral back.
- Because much of the cash was tied-up in mortgage-related investments, AIG couldn't raise cash fast enough to meet the demand.
  - AIG received ~$50B in bailout from the Federal Reserve during this period to help meet demand and keep the company solvent.
- Widespread fallout: Securities lending programs suspended, congress enacted short-selling restrictions, forced sale of securities below par, and cash reinvestment pools experienced large losses or extreme illiquidity.

Post GFC: new regulations

	SEC Rule 2a-7 (est. 2010)	OCC STIF Rules (est. 2012)
Quality/Concentration/Diversification	• Max issuer concentration: 5% • Max 2nd tier issuer concentration: 3%	• Portfolio and issuer quality standards and concentration restrictions must be identified, monitored, and managed
Maturity/Duration	• Max WAM: 60 days • Max WAL: 120 days	• Max WAM: 60 days • Max WAL: 120 days
Liquidity	• ≥10% in daily liquid assets • ≥30% in weekly liquid assets	• Liquidity standards, contingency plans for market stress must be developed and regularly tested
Stress Testing	• Required to periodically stress test MMF to examine MMF's ability to maintain CNAV	• Required to periodically stress test STIF to examine STIF's ability to maintain a CNAV
Transparency/Disclosure	• Monthly public disclosure of portfolio holdings and additional data (i.e. shadow NAV) • Daily NAV	• Monthly disclosures to client and OCC of portfolio holdings and additional data (i.e. shadow NAV)

Since the crisis, significant regulatory reforms have been implemented to specifically address cash reinvestment vehicles

Source: Blackrock "Securities Lending: The Facts", May 2015
Note: Weighted Average Maturity (WAM), Weighted Average Life (WAL), Constant Net Asset Value (CNAV)

Post GFC: new regulations cont.

The Dodd-Frank Wall Street Reform and Consumer Protection Act

— The act commonly known as Dodd-Frank, was enacted in 2010 to overhaul the U.S. financial system in order promote greater stability.

— Given its overarching reach, there are certain aspects of the act that affected securities lending programs primarily at banks. These include:

- Limitations on the ability of FDIC insured banks to maintain and engage in transactions with cash collateral pools.
- Credit exposure limitations and additional capital requirements.
- Enhanced limitations on transactions between affected banks and their affiliates.
- Additional disclosures in connection with securities lending.

June 7, 2021

Re: Notice of Annual Meeting of Stockholders to be held on July 22, 2021

Dear Stockholder:

Notice is hereby given that the annual meeting of the stockholders of RREEF America REIT II, Inc., a Maryland corporation (the "Corporation") is scheduled to be at DWS's office, 222 South Riverside Plaza, 34th Floor, in Chicago, Illinois on Thursday, July 22, 2021, at 7:30 a.m. Central Time.

The primary purposes of the meeting are as follows:

- Election of Directors;
- Three Proposed Amendments to the Corporation's Charter and Operating Documents; and
- Other Matters and Adjournment

Election of Directors

The election of the Corporation's Board of Directors (the "Board"). Seven existing directors of the Corporation have been nominated for re-election for a one-year term. Directors are elected by a plurality vote. Biographies for each of the directors are included as Appendix A.

- Gregg A. Gonsalves
- W. Todd Henderson
- Deborah H. McAneny
- Murray J. McCabe
- Steven G. Rogers
- Brian M. Smith
- Lenore M. Sullivan

Proposed Amendments to the Corporation's Charter and Operating Documents

The Corporation is one of the founding members of the National Council of Real Estate Investment Fiduciaries ("NCREIF") Fund Index Open-End Diversified Core Equity ("NFI-ODCE") that launched in 2005 and serves as the private real estate industry's Core Benchmark. The NFI-ODCE Benchmark is of one many products provided by NCREIF, an independent, highly regarded, non-profit association that collects, monitors, analyzes and presents private real estate data and benchmarks.

The NFI-ODCE Benchmark is open to new participants provided they meet an Inclusion Criteria test as agreed to and administered by NCREIF. Since the founding in 2005, the private real estate market continues to evolve in terms of property types, products, investor types, structure and strategies.

Given the few changes made since the inception of the Index, the NCREIF Board and the NFI-ODCE Advisory Committee recently reviewed all of the inclusion policies for member firms and enacted an entirely new Inclusion Criteria that both prospective and existing NFI-ODCE Funds must meet. The new Inclusion Criteria took effect for existing participants as of January 2020.

Based on the revised NFI-ODCE Policies, the Corporation is seeking to make three changes to the existing Corporation's terms, via proxy, that directly align the Corporation with the new NFI-ODCE Inclusion Criteria. The origin of the Corporation's investment criteria, in many cases, dates back to the Corporation's founding in 1998 and are now inconsistent with the NFI-ODCE Benchmark. With the approval of these three changes, we believe the Corporation will better align with the NFI-ODCE Benchmark.

Following is a summary of the proposed amendments, followed by the new proposed legal language for each:

Summary: Charter Amendment to Modify the Leverage Limitation

The Loan-to-Value ("LTV") Ratio in the new NFI-ODCE Inclusion Criteria modifies the prior LTV downward from 40 percent to 35 percent of Gross Asset Value. Management is recommending the Corporation align with the new Inclusion Criteria by increasing its maximum LTV of 30 percent to the Benchmark of 35 percent going forward.

Charter Amendment to Modify the Leverage Limitation

To approve an amendment to the Corporation's Articles of Incorporation, which amendment the Board of Directors of the Corporation has unanimously declared advisable and in the best interests of the Corporation. The actual amendment to Charter Section 9.3.3 is set forth below (with additions shown in blue, underlined text and deletions shown in red strikethroughs):

9.3.3 To borrow and raise money, without limit and upon any terms, for any corporate purposes; and, subject to applicable law, to authorize the creation, issuance, assumption, or guaranty of bonds, debentures, notes, or other evidences of indebtedness for money so borrowed, to include therein such provisions as to redeemability, convertibility, or otherwise, as the Board of Directors, in its sole discretion, determines, and to secure the payment of principal, interest, or sinking fund in respect thereof by mortgage upon, or the pledge of, or the conveyance or assignment in trust of, all or any part of the properties, assets, and goodwill of the Corporation then owned or thereafter acquired; provided, however, that any action taken by the Board of Directors pursuant to this Subsection 9.3.3 in connection with the initial incurrence or assumption of any indebtedness (but excluding, for the avoidance of doubt, any restructuring (including, without limitation, extending maturities) and/or refinancing of existing indebtedness provided that the aggregate principal amount of the Corporation's indebtedness does not increase as a result of such restructuring and/or refinancing): (i) is taken to maintain the Corporation's status as a REIT under the Code, (ii) does not exceed at the time such indebtedness is initially incurred or assumed (and, for the avoidance of doubt, disregarding any subsequent reductions in the value of the Corporation's assets), in the aggregate (but excluding any short term debt, which for purposes hereof shall include (x) borrowings under any revolving line of credit that are repaid within twelve (12) months and (y) letters of credit issued as purchase deposits on pending acquisitions), ~~thirty~~**thirty-five** percent (~~30~~**35**%) of the value of the Corporation's assets (which shall include, for the avoidance of doubt, the unfunded amount of all subscriptions for Stock of the Corporation), or (iii) is approved by a majority of the outstanding shares of Stock of the Corporation;

Summary: Amendment to Remove Joint Venture Limitations

The new NFI-ODCE Inclusion Criteria does not have restrictions on joint ventures entered into by NFI-ODCE participants. The Corporation has a 10 percent limitation on non-controlling and minority joint ventures (those less than 50%). Management is recommending that the Corporation adopt a similar position as the NFI-ODCE Inclusion Criteria and eliminate the joint venture restriction.

Amendment to Remove Joint Venture Limitations

To approve an amendment to the Confidential Offering Memorandum dated as of December 2020, as amended and/or supplemented by the Supplement No. 1 to Confidential Offering Memorandum dated as of February 2021, which amendment the Board of Directors of the Corporation has unanimously declared advisable and in the best interests of the Corporation. Such amendment would remove the ten percent limitation on joint venture or partnership (including down -REITs) investments.

Summary: Amendment to Modify Non-Core Limitations

The new NFI-ODCE Inclusion Criteria modified exposure to development by broadening the definition of operating versus non-operating properties. Instead of focusing solely on development or value add assets, the new Inclusion Criteria broadens the definition to require that 75 percent of all assets held by market value must be 75 percent leased or greater. Presently, the Corporation has a limitation on non-core investments of 10 percent, but does not have an asset test on existing assets held within the portfolio. Management is recommending that the Corporation adopt the 75 percent leased asset test and eliminate the limitation of 10 percent to non-core assets.

Amendment to Modify Non-Core Limitations

To approve an amendment to the 2021 Strategic Investment Plan and the Confidential Offering Memorandum dated as of December 2020, as amended and/or supplemented by the Supplement No. 1 to Confidential Offering Memorandum dated as of February 2021, which amendment the Board of Directors of the Corporation has unanimously declared advisable and in the best interests of the Corporation. Such amendment would remove the Corporation's limitation on investment in "non-core properties", and would permit the Corporation discretion to invest in such properties, provided that at least 75% of the Corporation's gross assets are invested in Stabilized Investments (tested at the time of commitment to a new investment by the Corporation). A "Stabilized Investment" is a private equity direct real estate property that is 75% or more leased (tested at the time of commitment to such investment). The value of any Stabilized Investment will be determined using the property gross market value (tested at the time of commitment to such investment) of the Corporation's ownership share of such Stabilized Investment. A real estate investment that is not a Stabilized Investment when acquired will cease to be treated as a non-Stabilized Investment at such time as such asset becomes a Stabilized Investment.

Other Matters and Adjournment

To act upon such other business and matters that may properly come before the meeting or any postponements or adjournments thereof.

We strongly encourage your participation and ask you to vote your proxy via Internet or Telephone as described in the cover email to these proxy materials. Please feel free to contact either John Ehli at (212) 454-6521 or john.ehli@dws.com, James Miller at (415) 262-7730 or james-w.miller@dws.com or me at (212) 250-2500 or todd.henderson@dws.com with any questions or concerns.

Sincerely,

W. Todd Henderson
Member of the Board of Directors

Appendix A

Independent Director Nominees:

Gregg A. Gonsalves – Mr. Gonsalves joined the Board in 2020. Mr. Gonsalves is an advisory Partner with Integrated Capital LLC. Integrated Capital is a leading, hotel-focused, private real estate advisory firm. Prior to joining Integrated Capital, Mr. Gonsalves was a Managing Director in Goldman, Sachs & Co.'s Real Estate Group and Mergers Leadership Group and was the Partner responsible for Goldman's Real Estate Merger & Acquisition Business. Mr. Gonsalves joined Goldman Sachs' Merger & Acquisitions Department as an Associate in 1993, after having spent a summer in the M&A Department in 1992. He was promoted to Vice President in the Investment Banking Division in 1997, ran Goldman's Aerospace and Defense Sector from 1999 – 2007, and began running the Real Estate M&A Group in 2008. Mr. Gonsalves was promoted to Managing Director in 2001 and became a Partner in 2004. In his 20 year career at Goldman Sachs, Mr. Gonsalves completed over 50 M&A transactions worth approximately $100 billion in deal value, working with a variety of companies in a wide range of industries while a part of the Mergers, Real Estate, and Industrials Groups. Mr. Gonsalves was also appointed to several leadership positions at the firm during his time at Goldman, including serving as a member of the Firmwide Commitments Committee (the entity responsible for approving any equity underwriting by Goldman), heading the firm's recruiting efforts at Harvard Business School, running the Investment Banking Division's Associate Training Program, and leading the Firmwide Black (Professionals') Network. Mr. Gonsalves serves as Chairman of the Board of Directors of the Jackie Robinson Foundation, having been a Jackie Robinson Scholarship recipient himself while pursuing his undergraduate degree. Mr. Gonsalves also serves as Chairman of the Board of Directors of Cedar Realty Trust, a publicly traded REIT that owns retail (principally grocery anchored) real estate, on the Board of Directors of Cowen Inc., a publicly traded, diversified financial services firm, as well as on the Board of POP Tracker LLC, a private start-up company focused on providing third party proof of performance to the out of home advertising industry. Mr. Gonsalves completed his undergraduate studies in Mechanical Engineering and received his B.Sc. from Columbia University in 1989. He later attended the Harvard Graduate School of Business (receiving his M.B.A. from Harvard in 1993).

Deborah H. McAneny– Ms. McAneny joined the Board in 2011. Ms. McAneny was the Chief Operating Officer of Benchmark Senior Living, LLC from April 2007 to May 2009. Prior to that, she was employed at John Hancock Financial Services for 20 years, including as Executive Vice President for Structured and Alternative Investments and as a Member of its Policy Committee from 2002 to 2004, Senior Vice President for John Hancock's Real Estate Investment Group and President of John Hancock Real Estate Finance from 2000 to 2002, and as a Vice President of the Real Estate Investment Group from 1997 to 2000. Prior to her years at John Hancock, Ms. McAneny was a senior auditor at Arthur Andersen & Co. She is currently a Director of JLL, Inc., First Eagle Alternative Capital BDC, Inc., RREEF Property Trust and KKR Real Estate Finance Trust, Inc. She is a member of the board of the University of Vermont Foundation and an emeritus trustee of the University of Vermont. Ms. McAneny holds a Masters Professional Director Certification from the American College of Corporate Directors, a national public company director education and credentialing organization.

Murray J. McCabe – Mr. McCabe joined the Board in 2016. Mr. McCabe is a Founder and Managing Partner at Montgomery Street Partners, L.P., an investment firm. Mr. McCabe is also a non-employee director and member of the management committee for Blum Capital Partners, L.P., also an investment firm. Prior to joining Blum Capital and founding Montgomery Street Partners, Mr. McCabe worked at JPMorgan Chase & Co. from 1992 through August 2012. During his 20-year tenure at JPMorgan, Mr. McCabe held several positions in the Investment Banking Division, including Managing Director and Global Head of Real Estate and Lodging Investment Banking. In addition, Mr. McCabe served as a member of JPMorgan's Mergers and Acquisitions Fairness Opinion Committee from 2001 to 2002, the Investment Banking Coverage Management Committee from 2010 through his departure in August 2012, and on the board of JPMorgan Real Estate Advisors during the same period. Mr. McCabe is a director of Columbia Property Trust (NYSE: CXP) and Sunstone Hotel Investors, Inc. (NYSE: SHO). He is an executive council member of the Real Estate Finance and Investment Center and serves on the REIT Investment Funds advisory board for the McCombs School of Business at the University of Texas, Austin. Mr. McCabe received his B.A. in Finance from the University of Texas, Austin.

Steven G. Rogers – Mr. Rogers joined the Board in 2014. Mr. Rogers is the Founding and Managing Member of Rogers & Associates, LLC ("RA"). Formed in 2011, the firm focuses on providing specialized solutions for principals and institutional owners in the real estate industry, board level advisory work, and direct equity investments in real estate. Prior to RA, Mr. Rogers led Parkway Properties REIT ("Parkway") as President and Chief Executive Officer from its early development through its move to the New York Stock Exchange ("NYSE") in 1996. Mr. Rogers joined Parkway as an Asset Manager in 1983. He was promoted to Vice President in 1988; Senior Vice President in 1991; President in 1993 and Chief Executive Officer in 1997. Additionally, Mr. Rogers was a Member of Parkway's Board of Directors from 1996 to 2011. In 1976, Mr. Rogers graduated magna cum laude from the University of Mississippi and went on to complete five years in the U.S. Army, achieving the rank of Captain. Upon completing his military service, Mr. Rogers attended Harvard Graduate School of Business Administration earning his M.B.A. with first year honors in 1983. His numerous community, political, and business activities include serving as a Director of Cedar Realty Trust, a NYSE listed REIT, a director of First Commercial Bank, a de novo bank he helped found in 2000, Chairman of the Board of Net Lease Alliance, a real estate development services firm in Nashville, TN., and a Trustee for the Walker Family Trust, a private land and investment company. He also serves as a Member of the Urban Land Institute and on the Board of the Boy Scouts of America, Andrew Jackson Council ("AJC"). Mr. Rogers past positions include President for the AJC of Boy Scouts of America, State Chairman for Young Presidents Organization ("YPO"), Vice Chairman and Trustee for the MS Museum of Art, Chairman of the Board of RREEF America REIT III, Inc., two terms on the Board of Trustees of NAREIT, including Chairman of the Audit Committee, and the National Advisory Board for the B.B. King Museum.

Brian M. Smith – Mr. Smith joined the Board in 2018. Mr. Smith is Chief Executive Officer of BMS Real Estate Holdings, LLC in Jacksonville, FL. Prior to his current role, Mr. Smith was with Regency Centers Corp. in Jacksonville, FL, a publicly traded real estate investment trust specializing in developing, owning, and operating grocery-anchored and community shopping centers. During his 19-year tenure at Regency Centers Corp., Mr. Smith held various roles and most recently served as President, Chief Operating Officer, Chief Investment Officer, and Director. He was also a member of the Board of Directors, Executive Committee and Investment Committee and served as Chairman of both the Operating and Capital Allocation Committees. Mr. Smith was one of the founding members of Pacific Retail Trust (PRT), a private REIT subsequently purchased by Regency Centers, and started the development program on the west coast. Prior to joining Regency Centers Corp., Mr. Smith held roles with Lowe Enterprises as Senior Vice President and with Trammell Crow Company as a Partner and member of the National Retail Executive Committee. Mr. Smith was a Naval Officer (Special Duty: Cryptology) for the United States Navy from 1976 until 1981. He attended Stanford Graduate School of Business, earning his M.B.A. in 1983, and also holds an M.A. from Pepperdine University and a B.S. from the United States Naval Academy. Mr. Smith is a past trustee of the International Council of Shopping Centers (ICSC) and holds the following certifications from ICSC: Certified Retail Property Executive; Certified Design, Development and Construction Professional; and Certified Leasing Specialist. Mr. Smith is a former Executive Board Member for the Florida State University Center for Real Estate Education and Research.

Lenore M. Sullivan – Ms. Sullivan joined the Board in 2015. Ms. Sullivan was a Partner with Perella Weinberg Partners and the portfolio manager for the firm's Agility Real Assets Fund from May 2007 to October 2009. Prior to that she was employed by the McCombs School of Business at the University of Texas at Austin as the Associate Director of the Real Estate Finance and Investment Center from 2002 to 2008, where she was also a lecturer in real estate finance and investment strategy in the school's undergraduate and graduate business programs. She was an officer of Hunt Oil Co. from 2000 to 2002, where she served as a partner with the Lafayette Fund. She served as Chief Financial Officer for Canizaro Interests from 1995 to 1996, and co-founded Stonegate Asset Management, an independent business advisory and investment banking firm, from 1992 to 2000. Ms. Sullivan joined the Trammell Crow Company in 1983 and became a partner in the firm in 1987. She joined Trammell Crow Interests, now Crow Holdings, in 1989 and served as Corporate Vice President Finance and Treasurer of Wyndham Hotel Company from 1990 to 1992. Ms. Sullivan was an analyst with Morgan Stanley from 1979 to 1981. She is currently a director of PotlatchDeltic Corporation (NASDAQ: PCH), where she serves on the audit and finance committees. She joined the board of RREEF's Core Plus Industrial Fund in 2017; she serves on the audit committee and chairs the Nominating and Governance Committee. She served as a member and former Chair of the Investment Advisory Committee to the Board of Trustees of the Employee Retirement System of Texas from 2010 through March 2019. She serves on the Leadership Committee of the Real Estate Finance and Investment Center at the McCombs School of Business. She was previously a Director of Parkway Properties, Inc., and Deltic Timber Corporation prior to its merger with PotlatchDeltic. Ms. Sullivan graduated cum laude from Smith College in 1979 with a degree in economics and government. She received her M.B.A. with first year honors from Harvard Business School in 1983. Ms. Sullivan holds an Executive Masters Professional Director Certification from the American College of Corporate Directors, a national public company director education and credentialing organization.

DWS Director Nominee:

W. Todd Henderson – Mr. Henderson joined the Board in 2012. Mr. Henderson is the Global Co-Head of Real Estate Investments and the Head of Real Estate Americas for DWS' Alternatives Platform. Mr. Henderson is a member of the DWS Global Leadership Team, DWS Global Investment Division Leadership Committee, and the DWS Americas Leadership Committee. He also serves on the Global Alternatives Investment Committee and the APAC and Americas Real Estate Investment Committees. Mr. Henderson joined the Company in 2003 with 12 years of experience in the real estate industry. In his current role, he is responsible for all facets of the direct real estate investment management business. Currently, he is the Chairman of the Board of both RREEF Core Plus Industrial Fund and RREEF Property Trust. Prior to his current role, Mr. Henderson was the Chief Investment Officer for the Americas real estate investment business and, in this role, was responsible for directing the investment strategy in the Americas. In his capacity as CIO, he served as Chairman of the Americas Real Estate Investment Committee, and served on the Americas Real Estate Management Committee. From June 2007 to March 2009, Mr. Henderson was responsible for the Company's Value-Added and Development group where he directed a 16-person team managing a \$4.5 billion portfolio for multiple clients. While in this role, he restructured the portfolio and the group in response to the global financial crisis. Prior to joining DWS, Mr. Henderson was a Director of Acquisitions for The J.E. Robert Company in Washington, D.C., where he was involved in the sourcing, executing and financing of over \$6 billion of real estate transactions. Previously, he worked on restructuring and disposing of nonperforming real estate loans at First Gibraltar Bank on behalf of the bank and the Resolution Trust Company ("RTC"). He holds a B.A. from the University of North Texas and an M.B.A. from The Wharton School, University of Pennsylvania.

EVERY STOCKHOLDER'S VOTE IS IMPORTANT

EASY VOTING OPTIONS:

VOTE ON THE INTERNET
Log on to:
www.proxy-direct.com
or scan the QR code
Follow the on-screen instructions
available 24 hours

VOTE BY PHONE
Call 1-800-337-3503
Follow the recorded instructions
available 24 hours

VOTE BY MAIL
Vote, sign and date this Proxy Card and return in the postage-paid envelope

VOTE IN PERSON
Attend Stockholder Meeting
222 South Riverside Plaza, 34th Floor
Chicago, IL 60606
on July 22, 2021

Please detach at perforation before mailing.

DWS

RREEF AMERICA REIT II, INC.
PROXY FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JULY 22, 2021

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS OF RREEF AMERICA REIT II, INC. The undersigned hereby constitutes and appoints W. Todd Henderson, John Ehli and James Miller as proxies (or if only one is present at the meeting hereinafter described, then that person), each with power to appoint his substitute, and hereby authorizes them to represent and to vote, as designated below at the Annual Meeting of Stockholders of RREEF America REIT II, Inc. on July 22, 2021, at 7:30 a.m. Central Time at DWS located at 222 South Riverside Plaza, 34th Floor , Chicago, Illinois, and at any postponements or adjournments thereof, all of the shares of stock of the Corporation which the undersigned would be entitled to vote if personally present. Your vote is important, and as a stockholder, you are asked to be at the Annual Meeting either in person or by proxy. If you are unable to attend the Annual Meeting in person, we urge you to complete, sign, date, and return this proxy card using the enclosed postage prepaid envelope (or authorize the proxies to represent and to vote your shares of stock through one of the other permitted methods described on the reverse side of this proxy card). Your prompt return of the proxy (or other method of authorization) will help assure a quorum at the Annual Meeting and avoid additional expenses to the Corporation associated with further solicitation. Sending in your proxy (by phone, mail, fax or internet) will not prevent you from personally voting your shares if you attend the Annual Meeting and you may revoke your proxy by advising the Secretary of the Corporation in writing (by subsequent proxy or otherwise) of such revocation at any time before it is voted.

This proxy will be voted as specified. IF NO SPECIFICATION IS MADE, A SIGNED PROXY WILL BE VOTED IN FAVOR OF THE PROPOSALS. WHETHER OR NOT SPECIFICATION IS MADE, A SIGNED PROXY ALSO CONFERS UPON THE PROXIES NAMED HEREIN AUTHORITY TO VOTE THE SHARES REPRESENTED HEREBY IN THEIR DISCRETION UPON SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE SPECIAL MEETING (INCLUDING ANY PROPOSAL FOR THE POSTPONEMENT OR ADJOURNMENT THEREOF).

Remember to sign and date the reverse side before mailing in your vote.

VOTE VIA THE INTERNET: www.proxy-direct.com
VOTE VIA THE TELEPHONE: 1-800-337-3503

RAR_32196_060421
PLEASE MARK, SIGN, DATE, AND RETURN THE PROXY CARD USING THE ENCLOSED ENVELOPE.

XXXXXXXXXXXXXX code

EVERY STOCKHOLDER'S VOTE IS IMPORTANT

Important Notice Regarding the Availability of Proxy Materials for the Annual Stockholder Meeting to Be Held on July 22, 2021.
The Notice of Annual Meeting of Stockholders for this meeting is available at:
https://www.proxy-direct.com/rar-32196

QUESTIONS ABOUT THIS PROXY? Should you have any questions about the proxy materials, please contact **Noelle Manning** at **(617) 295-6124** or by email at **noelle.manning@dws.com** during normal business hours Eastern Time. Should you have any technical questions regarding how to vote your shares, please contact our proxy information line toll-free at **1-866-856-4733.** Representatives are available Monday through Friday 9:00 a.m. to 10:00 p.m. Eastern Time.

IF YOU VOTE BY TELEPHONE OR INTERNET, PLEASE DO NOT MAIL YOUR CARD

Please detach at perforation before mailing.

THIS PROXY WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREON AND, IF NO CHOICE IS INDICATED, WILL BE VOTED "FOR" THE PROPOSALS.

TO VOTE MARK BLOCKS BELOW IN BLUE OR BLACK INK AS SHOWN IN THIS EXAMPLE: ☒

A Proposals **The Board of Directors recommends a vote FOR the Proposals.**

1. Election of Directors:

	FOR	WITHHOLD		FOR	WITHHOLD		FOR	WITHHOLD
01. Gregg A. Gonsalves	☐	☐	02. W. Todd Henderson	☐	☐	03. Deborah H. McAneny	☐	☐
04. Murray J. McCabe	☐	☐	05. Steven G. Rogers	☐	☐	06. Brian M. Smith	☐	☐
07. Lenore M. Sullivan	☐	☐						

		FOR	AGAINST	ABSTAIN
2.	To approve an amendment to the Corporation's Articles of Incorporation, which amendment the Board of Directors of the Corporation has unanimously declared advisable and in the best interests of the Corporation. Such amendment would increase the leverage limitation from 30 percent to 35 percent.	☐	☐	☐
3.	To approve an amendment to the Confidential Offering Memorandum dated as of December 2020, as amended and/or supplemented by the Supplement No. 1 to Confidential Offering Memorandum dated as of February 2021, which amendment the Board of Directors of the Corporation has unanimously declared advisable and in the best interests of the Corporation. Such amendment would remove the ten percent limitation on joint venture or partnership (including down -REITs) investments.	☐	☐	☐
4.	To approve an amendment to the 2021 Strategic Investment Plan and the Confidential Offering Memorandum dated as of December 2020, as amended and/or supplemented by the Supplement No. 1 to Confidential Offering Memorandum dated as of February 2021, which amendment the Board of Directors of the Corporation has unanimously declared advisable and in the best interests of the Corporation. Such amendment would remove the Corporation's limitation on investment in "non-core properties" and would permit the Corporation discretion to invest in such properties, provided that at least 75% of the Corporation's gross assets are invested in Stabilized Investments.	☐	☐	☐

B Authorized Signatures — This section must be completed for your vote to be counted. — Sign and Date Below

Note: Please sign exactly as your name(s) appear(s) on this Proxy Card, and date it. When shares are held jointly, each holder should sign. When signing as attorney, executor, guardian, administrator, trustee, officer of corporation or other entity or in another representative capacity, please give the full title under the signature.

Date (mm/dd/yyyy) — Please print date below	Signature 1 — Please keep signature within the box	Signature 2 — Please keep signature within the box
/ /		

Scanner bar code

XXXXXXXXXXXXXX RAR 32196 XXXXXXXX

CONSENT TO THE SECOND AMENDMENT TO THE LIMITED PARTNERSHIP AGREEMENT OF PATHWAY PRIVATE EQUITY FUND INVESTORS 10, LP (THE "PARTNERSHIP")

Agree	Disagree	
_____	_____	Pursuant to Section 10.18 of the Limited Partnership Agreement of the Partnership (the "Partnership Agreement"), the undersigned hereby acknowledges the receipt of the Second Amendment to the Partnership Agreement attached hereto as Exhibit A and consents to the amendments and other terms as reflected therein.

LIMITED PARTNER / FEEDER PARTICIPANT

____
(Print or Type Name)

By: ______________________________

Name: ______________________________

Title: ______________________________

PLEASE MARK THE APPROPRIATE RESPONSE (AGREE OR DISAGREE) TO THE ITEM ABOVE WITH AN "X," A CHECK MARK OR YOUR INITIALS.

EXHIBIT A

SECOND AMENDMENT TO THE LIMITED PARTNERSHIP AGREEMENT OF PATHWAY PRIVATE EQUITY FUND INVESTORS 10, LP

SECOND AMENDMENT TO THE LIMITED PARTNERSHIP AGREEMENT OF PATHWAY PRIVATE EQUITY FUND INVESTORS 10, LP, a Delaware limited partnership

This Second Amendment to the Limited Partnership Agreement (this "Amendment") of Pathway Private Equity Fund Investors 10, LP, a Delaware limited partnership (the "Partnership"), is made, entered into and effective as of June [__], 2021 by and among PPEF Management Investors 10 LLC, a Delaware limited liability company, as the general partner of the Partnership (the "General Partner"), and the Limited Partners of the Partnership.

RECITALS

A. The Partners have entered into that certain Limited Partnership Agreement of the Partnership, dated as of September 4, 2019 (as amended from time to time, the "Partnership Agreement"). Capitalized terms used herein without definition shall have the respective meanings set forth in the Partnership Agreement.

B. Pursuant to Section 10.18 of the Partnership Agreement, the Partnership Agreement generally may be amended with the written consent of the (i) the General Partner and (ii) the Limited Partners (other than Defaulting Partners) whose aggregate Capital Commitments at the time of determination exceed fifty percent (50%) of the total Capital Commitments of all the Limited Partners (other than Defaulting Partners) at such time.

C. The Partnership Agreement was amended on December 3, 2020 to extend the Outside Admission Date to June 30, 2021.

D. The Partners desire to amend the Agreement to make a further change with respect to the definition of "Outside Admission Date."

E. For convenience, changed text is shown in this form using blacklining (with new text double-underlined and deleted text stricken), but such blacklining shall not be treated as part of the actual Amendment.

NOW, THEREFORE, the Partners hereby agree as follows:

AGREEMENT

1. Amendment. The definition of "Outside Admission Date" in Article 1 of the Partnership Agreement is hereby amended and restated to read in its entirety as follows:

"Outside Admission Date" shall mean ~~June 30, 2021~~August 16, 2021."

2. Partnership Agreement Affirmed. Except as expressly provided in the foregoing provisions of this Amendment, the Partnership Agreement is not being amended, supplemented or otherwise modified, and the terms, conditions and agreements set forth in the Partnership Agreement are hereby ratified and confirmed and shall continue in full force and effect.

3. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

4. Successors. This Amendment shall be binding on the executors, administrators, estates, heirs, legal representatives, successors and permitted assigns of the Partners.

5. Waiver. The failure of any party to enforce any of the provisions of this Amendment shall in no way be construed as a waiver of such provisions and shall not affect the right of such party thereafter to enforce each and every provision of this Amendment in accordance with its terms.

6. Severability. Whenever possible, each provision of this Amendment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Amendment is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Amendment shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal, or unenforceable provision had never been contained herein.

7. Governing Law. This Amendment and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Delaware, and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of the date first above written.

GENERAL PARTNER

PPEF MANAGEMENT INVESTORS 10 LLC

By: PATHWAY CAPITAL MANAGEMENT, LP
Its: Sole Member

By: PATHWAY CAPITAL MANAGEMENT GP, LLC
Its: General Partner

By: ______________________________
James R. Chambliss
Managing Director

IN WITNESS WHEREOF, the undersigned has executed this Amendment as of the date first above written.

LIMITED PARTNERS

PPEF MANAGEMENT INVESTORS 10 LLC
as attorney-in-fact for the Limited Partners listed on Exhibit A hereto

By: PATHWAY CAPITAL MANAGEMENT, LP
Its: Sole Member

By: PATHWAY CAPITAL MANAGEMENT GP, LLC
Its: General Partner

By: ______________________________
James R. Chambliss
Managing Director

EXHIBIT A

Limited Partners

[On File with the General Partner]

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-08-21

WHEREAS on March 4, 2020, I proclaimed a State of Emergency to exist in California as a result of the threat of COVID-19; and

WHEREAS since March 2020, the State has taken decisive and meaningful actions to reduce the spread, and mitigate the impacts, of COVID-19, saving an untold number of lives; and

WHEREAS as a result of the effective actions Californians have taken, as well as the successful and ongoing distribution of COVID-19 vaccines, California is turning a corner in its fight against COVID-19; and

WHEREAS on June 11, 2021, I issued Executive Order N-07-21, which formally rescinded the Stay-at-Home Order (Executive Order N-33-20, issued on March 19, 2020), as well as the framework for a gradual, risk-based reopening of the economy (Executive Order N-60-20, issued on May 4, 2020); and

WHEREAS in light of the current state of the COVID-19 pandemic in California, it is appropriate to roll back certain provisions of my COVID-19-related Executive Orders; and

WHEREAS certain provisions of my COVID-19 related Executive Orders currently remain necessary to continue to help California respond to, recover from, and mitigate the impacts of the COVID-19 pandemic, including California's ongoing vaccination programs, and the termination of certain provisions of my COVID-19 related Executive Orders during this stage of the emergency would compound the effects of the emergency and impede the State's recovery by disrupting important governmental and social functions; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Order would continue to prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19 pandemic.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes of the State of California, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

1) State of Emergency Proclamation dated March 4, 2020:

   a. Paragraph 10. Any facility operating under a waiver pursuant to this provision, memorialized in an All Facilities Letter, may operate pursuant to such a waiver through the stated expiration in the All Facilities Letter or September 30, 2021, whichever occurs first;
   b. Paragraph 11;
   c. Paragraph 12; and
   d. Paragraph 13.

2) Executive Order N-25-20:

   a. Paragraph 1; and
   b. Paragraph 7, and as applicable to local governments per Executive Order N-35-20, Paragraph 3. Effective July 1, 2021, the waivers in Executive Order N-25-20, Paragraph 7, and Executive Order N-35-20, Paragraph 3, of reinstatement requirements set forth in Government Code sections 7522.56(f) and (g) are terminated.

3) Executive Order N-26-20:

   a. Paragraph 1;
   b. Paragraph 2;
   c. Paragraph 3;
   d. Paragraph 5;
   e. Paragraph 6; and
   f. Paragraph 7.

4) Executive Order N-27-20:

   a. Paragraph 1;
   b. Paragraph 2; and
   c. Paragraph 3.

5) Executive Order N-28-20:

   a. Paragraph 3; and
   b. Paragraph 6.

6) Executive Order N-31-20:

   a. Paragraph 1; and
   b. Paragraph 2.

7) Executive Order N-35-20:

d. Paragraph 10. The State Bar shall receive the time extension in the aforementioned order for any nomination submitted to the State Bar by the Governor on or before June 30, 2021; and
e. Paragraph 11 (as extended and clarified by N-71-20, Paragraph 6). Claims accruing before June 30, 2021 will remain subject to the 120-day extension granted in the aforementioned orders.

8) Executive Order N-36-20, Paragraph 1. To the extent the Secretary exercised their authority pursuant to this provision, the Secretary shall allow each facility to resume intake in a manner that clears intake backlog as soon as feasible.

9) Executive Order N-39-20:

a. Paragraph 1. Any facility operating under a waiver pursuant to this provision, memorialized in an All Facilities Letter, may operate pursuant to such a waiver through the stated expiration in the All Facilities Letter or September 30, 2021, whichever occurs first;
b. Paragraph 4; and
c. Paragraph 7. The leases or agreements executed pursuant to this provision shall remain valid in accordance with the term of the agreement.

10) Executive Order N-40-20:

a. Paragraph 1. For rulemakings published in the California Regulatory Notice Register pursuant to Government Code section 11346.4(a)(5) prior to June 30, 2021, the deadlines in the aforementioned order shall remain extended in accordance with the order;
b. Paragraph 2 (as extended and clarified by N-66-20, Paragraph 12, and N-71-20, Paragraph 10). Notwithstanding the expiration of this provision, state employees subject to these training requirements shall receive the benefit of the 120-day extension granted by the aforementioned orders. All required training due on or before June 30, 2021 must be completed within 120 days of the statutorily prescribed due date;
c. Paragraph 7 (as extended and clarified by N-66-20, Paragraph 13 and N-71-20, Paragraph 11). With regard to appeals received on or before June 30, 2021, the State Personnel Board shall be entitled to the extension in the aforementioned order to render its decision;
d. Paragraph 8. To the extent the deadlines specified in Government Code section 22844 and California Code of Regulations, title 2, sections 599.517 and 599.518 fell on a date on or before June 30, 2021 absent the extension, they shall expire pursuant to the timeframes specified in the aforementioned orders;

d. Paragraph 12. For vacancies occurring prior to June 30, 2021, the deadline to fill the vacancy shall remain extended for the time period in the aforementioned order.

12) Executive Order N-46-20:

   a. Paragraph 1; and
   b. Paragraph 2.

13) Executive Order N-47-20:

   a. Paragraph 2; and
   b. Paragraph 3.

14) Executive Order N-48-20, Paragraph 2 (which clarified the scope of N-34-20).

15) Executive Order N-49-20:

   a. Paragraph 1;
   b. Paragraph 3. For determinations made on or before June 30, 2021, the discharge date shall be within 14 days of the Board's determination; and
   c. Paragraph 4.

16) Executive Order N-50-20, Paragraph 2.

17) Executive Order N-52-20:

   a. Paragraph 6;
   b. Paragraph 7. To the extent an individual has commenced a training program prior to June 30, 2021, that was interrupted by COVID-19, that individual shall be entitled to the extended timeframe in the aforementioned order; and
   c. Paragraph 14; and
   d. Paragraph 16.

18) Executive Order N-53-20:

   a. Paragraph 3;
   b. Paragraph 12 (as extended or modified by N-69-20, Paragraph 10, and N-71-20, Paragraph 27); and
   c. Paragraph 13 (as extended or modified by N-69-20, Paragraph 11, and N-71-20, Paragraph 28).

19) Executive Order N-54-20, Paragraph 7. To the extent the date governing

or before June 30, 2021 shall remain subject to the extended deadline in the aforementioned order;

b. Paragraph 4;
c. Paragraph 5;
d. Paragraph 6;
e. Paragraph 8;
f. Paragraph 9;
g. Paragraph 10;
h. Paragraph 13;
i. Paragraph 14. Statutory deadlines related to beneficiary risk assessments occurring on or before June 30, 2021 shall remain subject to the extended deadline in the aforementioned order; and
j. Paragraph 16. Deadlines for fee-for-service providers to submit information required for a Medical Exemption Request extended on or before June 30, 2021 shall remain subject to the extended deadline granted under the aforementioned order.

21) Executive Order N-56-20:

a. Paragraph 1;
b. Paragraph 6;
c. Paragraph 7;
d. Paragraph 8;
e. Paragraph 9; and
f. Paragraph 11.

22) Executive Order N-59-20, Paragraph 6.

23) Executive Order N-61-20:

a. Paragraph 1;
b. Paragraph 2;
c. Paragraph 3; and
d. Paragraph 4.

24) Executive Order N-63-20:

a. Paragraph 8(a) (as extended by N-71-20, Paragraph 40). The deadlines related to reports by the Division of Occupational Safety and Health (Cal/OSHA) and the Occupational Safety & Health Standards Board on proposed standards or variances due on or before June 30, 2021 shall remain subject to the extended timeframe;
b. Paragraph 8(c). To the extent the date upon which the Administrative Director must act upon Medical Provider Network

issue any citation under the Labor Code, including a civil wage and penalty assessment pursuant to Labor Code section 1741, that, absent the aforementioned order, would have occurred or would occur between May 7, 2020 and September 29, 2021 shall be extended to September 30, 2021. Any such deadline that, absent the aforementioned order, would occur after September 29, 2021 shall be effective based on the timeframe in existence before the aforementioned order;

e. Paragraph 9(b) (as extended and modified by N-71-20, Paragraph 41);
f. Paragraph 9(c) (as extended and modified by N-71-20, Paragraph 39). Any deadline setting the time for a worker to file complaints and initiate proceedings with the Labor Commissioner pursuant to Labor Code sections 98, 98.7, 1700.44, and 2673.1, that, absent the aforementioned order, would have occurred or would occur between May 7, 2020 and September 29, 2021 shall be extended to September 30, 2021. Any such deadline that, absent the aforementioned order, would occur after September 29, 2021 shall be effective based on the timeframe in existence before the aforementioned order;
g. Paragraph 9(d) (as extended and modified by N-71-20, Paragraph 39). Any deadline setting the time for Cal/OSHA to issue citations pursuant to Labor Code section 6317, that, absent the aforementioned order, would have occurred or would occur between May 7, 2020 and September 29, 2021 shall be extended to September 30, 2021. Any such deadline that, absent the aforementioned order, would occur after September 29, 2021 shall be effective based on the timeframe in existence before the aforementioned order;
h. Paragraph 9(e) (as extended and modified by N-71-20, Paragraph 41);
i. Paragraph 10;
j. Paragraph 12. Any peace officer reemployed on or before June 30, 2021 pursuant to the aforementioned order shall be entitled to the extended reemployment period set forth in the order;
k. Paragraph 13;
l. Paragraph 14; and
m. Paragraph 15 (as extended by N-71-20, Paragraph 36).

25) Executive Order N-65-20:

a. Paragraph 5 (as extended by N-71-20, Paragraph 35; N-80-20, Paragraph 4; and N-01-21). Identification cards issued under Health and Safety Code section 11362.71 that would otherwise have expired absent the aforementioned extension between March 4,

27) Executive Order N-68-20:

a. Paragraph 1. Notwithstanding the expiration of the aforementioned order, temporary licenses granted on or before June 30, 2021 shall be valid through September 30, 2021; and
b. Paragraph 2. Renewal fee payments otherwise due to the to the California Department of Public Health absent the extension in the aforementioned order on or before June 30, 2021, shall be entitled to the extensions of time set forth in the aforementioned order.

28) Executive Order N-71-20:

a. Paragraph 1;
b. Paragraph 4;
c. Paragraph 16. Where the statutory deadline for opening or completing investigations is set to occur on or before June 30, 2021, the deadline shall remain subject to the extension in the aforementioned order; and
d. Paragraph 17. Where the statutory deadline for serving a notice of adverse action is due on or before June 30, 2021, the deadline shall remain subject to the extension in the aforementioned order.

29) Executive Order N-75-20:

a. Paragraph 7. Children placed in foster care on or before June 30, 2021 shall receive such examinations on or before July 31, 2021;
b. Paragraph 8;
c. Paragraph 9;
d. Paragraph 10. Any facility operating under a waiver pursuant to this provision may operate pursuant to such a waiver through the expiration as set forth by the California Department of Public Health, or September 30, 2021, whichever occurs first; and
e. Paragraph 13.

30) Executive Order N-76-20, Paragraph 3.

31) Executive Order N-77-20:

a. Paragraph 1;
b. Paragraph 2; and
c. Paragraph 3.

32) Executive Order N-78-20 (as extended and modified by N-03-21):

a. Paragraph 1; and

b. Paragraph 5 (which repealed and replaced N-71-20, Paragraph 19, which extended N-52-20, Paragraph 1, and N-69-20, Paragraph 3);
c. Paragraph 6 (which repealed and replaced N-71-20, Paragraph 20, which extended N-52-20, Paragraph 2, and N-69-20, Paragraph 4); and
d. Paragraph 7 (which repealed and replaced N-71-20, Paragraph 21, which extended N-52-20, Paragraph 3, and N-69-20, Paragraph 5).

34) Executive Order N-84-20:

a. Paragraph 1;
b. Paragraph 2;
c. Paragraph 3; and
d. Paragraph 5.

The following provisions shall remain in place and shall have full force and effect through July 31, 2021, upon which time they will expire subject to individual conditions described in the enumerated paragraphs below.

35) Executive Order N-39-20, Paragraph 8 (as extended by N-69-20, Paragraph 2 and N-71-20, Paragraph 8).

36) Executive Order N-53-20, Paragraph 11 (as extended or modified by N-68-20, Paragraph 15, and N-71-20, Paragraph 26).

37) Executive Order N-71-20, Paragraph 25.

38) Executive Order N-75-20:

a. Paragraph 5; and
b. Paragraph 6

The following provisions shall remain in place and shall have full force and effect through September 30, 2021, upon which time they will expire subject to individual conditions described in the enumerated paragraphs below.

39) State of Emergency Proclamation dated March 4, 2020:

a. Paragraph 3; and
b. Paragraph 14. Any facility operating under a waiver pursuant to this provision may operate pursuant to such a waiver through the expiration as set forth by the Department of Social Services, or September 30, 2021, whichever occurs first.

40) Executive Order N-25-20:

42) Executive Order N-29-20, Paragraph 3, is withdrawn and replaced by the following text:

Notwithstanding any other provision of state or local law (including, but not limited to, the Bagley-Keene Act or the Brown Act), and subject to the notice and accessibility requirements set forth below, a local legislative body or state body is authorized to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body or state body. All requirements in both the Bagley-Keene Act and the Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or of the public as a condition of participation in or quorum for a public meeting are hereby waived.

In particular, any otherwise-applicable requirements that

(i) state and local bodies notice each teleconference location from which a member will be participating in a public meeting;

(ii) each teleconference location be accessible to the public;

(iii) members of the public may address the body at each teleconference conference location;

(iv) state and local bodies post agendas at all teleconference locations;

(v) at least one member of the state body be physically present at the location specified in the notice of the meeting; and

(vi) during teleconference meetings, a least a quorum of the members of the local body participate from locations within the boundaries of the territory over which the local body exercises jurisdiction

are hereby suspended.

A local legislative body or state body that holds a meeting via teleconferencing and allows members of the public to observe and address the meeting telephonically or otherwise electronically, consistent with the notice and accessibility requirements set forth below, shall have satisfied any requirement that the body allow members of the public to attend the meeting and offer public

(i) Implement a procedure for receiving and swiftly resolving requests for reasonable modification or accommodation from individuals with disabilities, consistent with the Americans with Disabilities Act and resolving any doubt whatsoever in favor of accessibility; and

(ii) Advertise that procedure each time notice is given of the means by which members of the public may observe the meeting and offer public comment, pursuant to subparagraph (ii) of the Notice Requirements below.

Notice Requirements: Except to the extent this Order expressly provides otherwise, each local legislative body and state body shall:

(i) Give advance notice of the time of, and post the agenda for, each public meeting according to the timeframes otherwise prescribed by the Bagley-Keene Act or the Brown Act, and using the means otherwise prescribed by the Bagley-Keene Act or the Brown Act, as applicable; and

(ii) In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, also give notice of the means by which members of the public may observe the meeting and offer public comment. As to any instance in which there is a change in such means of public observation and comment, or any instance prior to the issuance of this Order in which the time of the meeting has been noticed or the agenda for the meeting has been posted without also including notice of such means, a body may satisfy this requirement by advertising such means using "the most rapid means of communication available at the time" within the meaning of Government Code, section 54954, subdivision (e); this shall include, but need not be limited to, posting such means on the body's Internet website.

All of the foregoing provisions concerning the conduct of public meetings shall apply through September 30, 2021.

43) Executive Order N-32-20:

a. Paragraph 1;
b. Paragraph 2; and
c. Paragraph 3.

46) Executive Order N-40-20:

   a. Paragraph 12 (as extended or modified by N-66-20, paragraph 16, N-71-20, paragraph 14, and N-75-20, Paragraph 12). To the extent the Director exercised their authority pursuant to this provision on or before September 30, 2021, the extension shall remain valid until the effective expiration of the applicable waiver; and
   b. Paragraph 18.

47) Executive Order N-42-20.

48) Executive Order N-43-20.

49) Executive Order N-49-20, Paragraph 2.

50) Executive Order N-54-20:

   a. Paragraph 8 (as extended by N-80-20, Paragraph 6); and
   b. Paragraph 9. To the extent any timeframe within which a California Native American tribe must request consultation and the lead agency must begin the consultation process relating to an Environmental Impact Report, Negative Declaration, or Mitigated Negative Declaration under the California Environmental Quality Act extends beyond September 30, 2021, the tribe and lead agency will receive the benefit of the extension so long as the triggering event occurred on or before September 30, 2021.

51) Executive Order N-55-20:

   a. Paragraph 2;
   b. Paragraph 3;
   c. Paragraph 7. All on-site licensing visits which would have been due on or before September 30, 2021 shall occur before December 31, 2021;
   d. Paragraph 11; and
   e. Paragraph 12.

52) Executive Order N-56-20, Paragraph 10 is withdrawn and superseded by the following text:

   Paragraph 42 of this Order, including the conditions specified therein, shall apply to meetings held pursuant to Article 3 of Chapter 2 of Part 21 of Division 3 of Title 2 of the Education Code and Education Code section 47604.1(b).

working days following submittal of the sworn statement or verbal attestation for benefits to continue;

b. Paragraph 2 (as extended and modified by N-69-20, Paragraph 14, and N-71-20, Paragraph 31);
c. Paragraph 3 (as extended and modified by N-69-20, Paragraph 15, and N-71-20, Paragraph 32); and
d. Paragraph 4 (as extended and modified by N-69-20, Paragraph 16, and N-71-20, Paragraph 33).

55) Executive Order N-63-20:

a. Paragraph 8(b). To the extent filing deadlines for claims and liens fall on or before September 30, 2021, absent the extension in the aforementioned order, they shall remain subject to the extended timeframe; and
b. Paragraph 11.

56) Executive Order N-66-20, Paragraph 6.

57) Executive Order N-71-20:

a. Paragraph 15;
b. Paragraph 22; and
c. Paragraph 23.

58) Executive Order N-75-20:

a. Paragraph 1;
b. Paragraph 2; and
c. Paragraph 4.

59) Executive Order N-80-20:

a. Paragraph 3; and
b. Paragraph 7.

60) Executive Order N-83-20

a. Paragraph 2 is withdrawn and replaced by the following text:

The deadline to pay annual fees, including any installment payments, currently due or that will become due during the proclaimed emergency, as specified in Business and Professions Code sections 19942, 19951, 19954, 19955, 19984, and any accompanying regulations is September 30, 2021; the deadlines for

61) Executive Order N-03-21, Paragraph 3, is withdrawn and replaced by the following text:

As applied to commercial evictions only, the timeframe for the protections set forth in Paragraph 2 of Executive Order N-28-20 (and extended by Paragraph 21 of Executive Order N-66-20, Paragraph 3 of Executive Order N-71-20, and Paragraph 2 of Executive Order N-80-20) is extended through September 30, 2021.

IT IS FURTHER ORDERED that, as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 11th day of June 2021.

GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH.D.
Secretary of State

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUMMARY EDUCATION REPORT

NAME OF ATTENDEE: Mary Warner

CONFERENCE/SEMINAR ATTENDED: BlackRock Future Forum

DATES ATTENDED: June 2, 2021

NUMBER OF CONTINUING EDUCATION HOURS OBTAINED: .75 hours

TOPICS OF DISCUSSION: China: The evolving investment landscape

Topics: China's role in the new world order - Tom Donilon; China's economic outlook - Dr. MA Jun; Investment hot seat - Gregor Carle, Jeff Shen, Celia Yan, and W. Preston Hutchings

REASON MEETING WAS BENEFICIAL TO RETIREMENT SYSTEM: China is increasing it's global influence and is continuing to be an ever more meaningful driver of global economic growth. Perspectives on maturing Chinese market with lower barriers to entry and the ensuing opportunity and risks for investors.

RECOMMENDATION REGARDING FUTURE ATTENDANCE: ***(i.e., should we send a representative in the future? If so, who should attend?)*** The BlackRock Future Forums series explores investors' most pressing questions with industry leaders. Trustees should participate whenever these Webinars are available.

Mary Warner
Signature

6/2/2021
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. **SACRS**, Pension Investment Mgmt Program, Invest in Yourself, July 13-22, 2021, UC Berkeley Haas School of Business, Virtual. Tues, Wed, Thurs for two weeks, 9:a.m.-Noon Modern Investment Theory & Practice for Retirement Systems. Agenda is in the binder.
2. **CAL***A*PRS, Principles of Pension Governance for Trustees, Sept 28 - Oct 1 – Virtual
3. **CAL***A*PRS, Trustees Round Table, October 29, 2021 – Virtual
4. **SACRS**, Fall Conference, Nov. 9-12, 2021, Lowes Hollywood Hotel.
5. **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

June 3, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: Legislative Update – June 2021

Many of our updates in the last year have focused on the challenges Governor Newsom has been facing. It isn't a stretch to say that he has held the office during the most challenging moment in history since World War II, and arguably ever.

Recently, though, things have finally been looking a little better for the Governor. As we noted in our last report, the state is enjoying record general fund surpluses in excess of $75 billion, allowing the Governor to make progress on goals he set for himself in 2020 before the pandemic hit the state. Vaccination rates are up, infection rates are down, and the Governor is poised to "reopen" California to much fanfare.

Voters seem to agree. The latest polling shows that if the recall election the Governor will surely face later this year took place today, 57% of voters would vote to keep the Governor in office.

This Tuesday, the Governor's Department of Finance (DOF) requested California's Counties to fast track their cost estimates for conducting the recall election. The DOF is requesting the numbers by June 1 so that they can provide the numbers to the Legislature who can then appropriate funding for the election in the June 15 Budget.

Rough estimates suggest the recall election could cost as much as $400 million. That's not chump change by any means. However, as stated above, the state has plenty of money in the budget to cover the cost. The Legislature could appropriate the funds any time before adjournment of session in September. So what's the rush to get the numbers?

The Recall of Senator Josh Newman

In November 2016, Senator Josh Newman surprised Sacramento by winning an election in a traditionally Republican held district in Orange County. However, Senator Newman found himself facing recall for his vote to increase gas taxes and registration fees to support transportation funding.

In an effort to help Senator Newman keep his seat, his Democratic colleagues in the Legislature changed election law so that his recall election would coincide with the 2018

June Primary Election when Democratic turnout would be higher. To do so, several timelines were built into state law.

First, once proponents have submitted enough signatures to qualify a recall, the Secretary of State must provide 30 days for supporters to withdraw their signatures. If the recall still has enough votes to qualify after 30 days, the DOF has 30 days to consult with County election officials to estimate the cost of the recall. Once they have an estimate, the Legislature has 30 days to review and comment on the estimate. Only after this can the Secretary of State certify the recall, at which point the Lieutenant Governor could call for the recall within 60-80 days.

Ultimately, Senator Newman was recalled despite the changes to election law (though he has subsequently won reelection and has now returned to the Senate). However, Governor Newsom is now locked into the same rigorous timeline. If it played out exactly as described above, the election wouldn't take place until the end of October or early November.

Senator Steve Glazer's Advice
Senator Steve Glazer, a moderate Democrat representing Contra Costa County, thinks Democrats should expedite the timeline and have the election sooner. His opinion shouldn't be dismissed by the Governor or his colleagues as the Senator is a former campaign strategist who orchestrated Jerry Brown's reelection in 2010.

Senator Glazer lays out five solid reasons the Governor would perform better if the election were held in late August or early September:

- The Governor holds the advantage right now. Not only does he have more money and more ability to raise money fast, he's more well organized. On top of that, things are looking good right now as discussed above.
- Peak wildfire season is just around the corner. The Governor can't control when a wildfire starts or how much blame he takes for it. An earlier election avoids that risk.
- When the Legislature adjourns in September, they will leave hundreds of bills on the Governor's desk, some controversial. An early election means the Governor won't have any signatures or vetoes hanging over his head just before the election.
- A dangerous variant of COVID-19 could erode California's progress before a later election.
- In September, the Governor will once again have to tangle with angry parents and teachers on different sides of the debate to reopen schools.

It's always hard to predict how an election will play out this many months in advance, but that's sort of the Senator's point. In his own words "The advantages of time are vastly outweighed by the vulnerabilities from the unknown — which he has no control over." It's a good point.

What Does This Have to do With DOF's Request for Expedited Cost Estimates?
The DOF has been very clear that it will take the time it needs, potentially up to the full 30 days allowed under the law, to provide reliable cost estimates to the Legislature. That said, if the DOF can get the Counties to turn in expedited cost estimates by June 1, they and the Legislature will have a lot of cover to move more expeditiously.
The DOF could ask the Legislature to appropriate enough money in the June 15 budget to cover the cost of the election. That could pave the way for the Legislature to expedite its own 30-day review since they would have already appropriated enough funding to cover the cost in the Budget. In turn, that keeps the option open for an earlier election.

OFFICE MEMORANDUM * TULARE COUNTY * COUNTY COUNSEL
(559) 636-4950
Fax # (559) 737-4319

To: Leanne Malison, Administrator
Retirement Board

Date: May 26, 2021

From: Jennifer Shiffert
Deputy County Counsel

Subject: Cases Pending in Court and Pending Appeal to Court
RETBD-General

DISABILITY CASES

PENDING APPEAL TO COURT

Appeal Period Running

None

Appeal Period Expired

Lisa Zuniga

1/27/21	Board adopted Hearing Officer's recommendation to deny application.
2/2/21	Letter sent
5/3/21	**Deadline to file writ**

PENDING IN COURT

Mara Iftimie

7/22/20	Board adopted Hearing Officer's recommendation to deny application.
7/27/20	Notice of decision mailed to member.
8/17/20	Member filed a "Motion for Judicial Review."
11/18/20	Case Management Conference scheduled.
12/14/20	Deadline for Response to Amended Writ.
1/26/21	Hearing on Demurrer to amended petition. Demurrer sustained, leave to amend the petition for writ a second time was granted. Further amendment must be filed and served by March 10, 2021
3/15/21	New petition filed (seems past date, must have made exception for pro per)
5/11/21	Case Management Conference. Continued.
8/24/21	Case Management Conference – Status of Administrative Record

NON-DISABILITY CASES

None.

JMS/5/26/21/RETBD-General/1630471