



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, April 27, 2022, at 8:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

NOTICE TO THE PUBLIC

Documents related to the items on this agenda are available for public inspection at the Retirement Office, 136 N Akers Street, Visalia, CA, during normal business hours. Such documents are also available on TCERA's website, www.tcera.org, subject to staff's ability to post the documents before the meeting.

Persons wishing to listen to the meeting in progress may access a live stream link located on TCERA's website www.tcera.org.

PUBLIC COMMENTS:

Any person addressing the Board will be limited to a maximum of five (5) minutes. A total of 15 minutes will be allotted for the Public Comment period unless otherwise extended by the Board Chair. If you are part of a large group that would like to comment on an agenda item, please consider commenting in writing or sending one spokesperson to speak on behalf of the group. 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).)

In Person: 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.

Zoom: Persons wishing to 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 access information. In an effort to assist the Board Secretary in identifying the agenda item relating to your public comment, please indicate the agenda item number in the chat feature.

Email: Members of the public may also submit public comment via U.S. mail or via email to BORPublicComment@tularecounty.ca.gov before the meeting. The comments received via U.S. mail or 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.

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. 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 April 13, 2022.
2. Approve payments to:
 - a. Leeward Investments – invoice for investment management services in the amount of \$18,498.20 for the prorated start date of March 1, 2021.
 - b. Cheiron – invoice for actuarial services in the amount of \$9,437.89 for the quarter ended March 31, 2022.
 - c. Verus – invoice for investment consulting services –Private Markets consulting, in the amount of \$75,000 for the quarter ending March 31, 2022.

VII. INVESTMENT COMMITTEE REPORT

1. Update by Pete Vander Poel regarding the Investment Committee meeting of April 13, 2022. Discussion and possible action regarding the following items:
 - a. Asset Allocation Status
 - b. 2022 Investment Committee Goals and Objectives Timeline and 2022 Education Calendar
 - c. Small Cap Value Equity Exploratory Manager Review
 - d. Investment Managers
 - 1) Verus Flash Report – All Managers
 - 2) Managers of Interest

VIII. INVESTMENTS

1. Presentation from Verus – Update on China Exposure.
2. Education Presentation from State Street Global Advisors regarding Investments in China.
3. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

IX. EDUCATION ITEMS

1. Discussion and possible action regarding available educational events.

X. COMMUNICATIONS

1. SACRS Annual Spring Business Meeting agenda packet for May 13, 2022. Discussion and possible action.
2. SACRS Legislative Update, April 2022. Discussion and possible action.

XI. UPCOMING MEETINGS

1. Administrative Committee Meeting April 27, 2022, 10:00 a.m.
2. Board of Retirement Meeting May 25, 2022, 8:30 a.m.
3. Administrative Committee Meeting May 25, 2022, 10:00 a.m.

XII. TRUSTEE/STAFF COMMENTS

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

XIII. ADJOURNMENT

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



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MINUTES OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, April 13, 2022, at 8:30 a.m. TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

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

II. ROLL CALL

Voting Trustees Present:	Wayne Ross, Pete Vander Poel, Gary Reed, Dave Kehler, Nathan Polk, Jim Young, Laura Hernandez and Ty Inman
Trustees Absent:	Cass Cook
Alternate Trustees	
Present:	Dave Vasquez
Voting Alternates Present:	Paul Sampietro
Alternates Absent:	George Finney
Staff Members Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator, Susie Brown, Secretary
Board Counsel Present:	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. Please state your name for the record.

V. X-AGENDA ITEMS

None.

VI. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of March 23, 2022.
2. Approve payments to:
 - a. LMCG Investments – final invoice for investment management services in the amount of \$38,122.75 through February 28, 2022.

- b. KBI Global Investors – Performance fee invoice for investment management services in the amount of \$77,564.00 for period ending September 30, 2021.
 - c. KBI Global Investors – invoice for investment management services in the amount of \$109,924.00 for period ending December 31, 2021.
 - d. BNY Mellon – invoice for master trust custodial services in the amount of \$82,706.11 for the period ending January 31, 2022.
 - e. Nossaman – invoice for legal services to the Board of Retirement in the amount of \$3,595.50 for the period ending February 28, 2022.
 - f. Nossaman – invoice for legal services to the Board of Retirement in the amount of \$851.40 for the period ending February 28, 2022.
 - g. Verus – Monthly billing invoice in the amount of \$22,500.00 for the month of March 2022.
3. Pension Board Reports and Actions
- a. Ratify Retirement Administrator actions regarding Retirement Application approvals and Option Selections for the month of March 2022.
 - b. Approve Reports regarding Retirement Applications, Option Selections and Deceased Pensioners and 30-Year Members for the month of March 2022.

Motion to approve Consent Calendar as presented.

Motion: Young

Second: Hernandez

Motion passed unanimously.

VII. ADMINISTRATIVE COMMITTEE REPORT

1. Update by Dave Kehler regarding the Administrative Committee meeting of March 23, 2022. Discussion and possible action regarding the following items:
- a. TCERA and TCERA Property, Inc. Financial Statements – December 31, 2021, and January 31, 2022.

Motion to approve TCERA and TCERA Property, Inc. Financial Statements – December 31, 2021, and January 31, 2022.

Motion: Kehler

Second: Hernandez

Motion passed unanimously

- b. TCERA Disability Retirement Procedures Revision

Motion to approve the disability retirement procedure revision.

Motion: Kehler

Second: Young

Motion passed unanimously

VIII. INVESTMENTS

1. Presentation from Sixth Street regarding TCERA's allocation to private credit investments. Discussion and possible action.

Brian D'Arcy and Lucy Stone from Sixth Street presented information regarding the firm, its process, and performance.

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

Brey Jones and John Kettlich from StepStone presented information regarding the firm, its process, and performance.

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

The trustees discussed long term commitments, J-curve outcomes, evaluating asset managers and the ongoing commitments with TCERA's private equity fund of funds firms, Ocean Ave, and Pathway.

Chair approved 2.50 hours of education.

IX. NEW BUSINESS

1. Discussion and possible action regarding SACRS Board of Director Elections 2022-2023 – Final Ballot.

Motion to authorize the voting delegates to vote in favor of the slate for the SACRS Board of Directors as presented.

Motion: Reed

Second: Young

Motion passed unanimously.

X. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. Mary Warner – Invesco Market Pulse – Webinar, March 15, 2022, 1 hour
 - b. Cass Cook - Invesco Consequences of Russia's Invasion of Ukraine, March 15, 2022, 1 hour
 - c. Mary Warner – BlackRock Future Forum Webinar, March 15, 2022, 1 hour
 - d. Jim Young – Invesco Consequences of Russia's Invasion of Ukraine, March 15, 2022, 1 hour
 - e. Jim Young – BlackRock Future Forum Webinar, March 16, 2022, 1 hour

Motion to accept the education summaries as presented.

Motion: Young

Second: Sampietro

Motion passed unanimously.

2. Discussion and possible action regarding available educational events.

No action.

XII. UPCOMING MEETINGS

1. Investment Committee Meeting April 13, 2022, 10:00 a.m.
2. Board of Retirement Meeting April 27, 2022, 8:30 a.m.
3. Administrative Committee Meeting April 27, 2022, 10:00 a.m.
4. Board of Retirement Meeting May 25, 2022, 8:30 a.m.
5. Administrative Committee Meeting, May 25, 2022, 10:00 a.m.

XIII. TRUSTEE/STAFF COMMENTS

Gary Reed recognized Rebecca Pendleton's recent passing. She was a valuable member of TCERA, and Secretary of the Board for over 20 years.

Leanne Malison appreciated all members who were able to attend Rebecca's service, and especially Dave Kehler who spoke during the service.

XIV. ADJOURNMENT

The meeting was adjourned at 11:04 a.m.

Wayne Ross, Chair

LEEWARD

INVESTMENTS

April 6, 2022

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

Dear Mary :

The fee for investment management services for the First Quarter 2021 for the account we manage is \$18,498.20. The month end market values were calculated by Leeward. The fee calculation is listed below and has been prorated based on a start date with Leeward of March 1, 2022 (i.e. assets held 31/90 days of the quarter).

Market Value as of:

March 31, 2022 \$33,048,894.72

Average Assets: \$33,048,894.72

$\$33,048,894.72 \times 0.65\%$ \$214,817.82

Total \$214,817.82 (annual fee)

$\$214,817.82 \times .25$ \$53,704.46 (quarterly fee)

$\$53,704.46 \times 31/90$ \$18,498.20 (prorated quarterly fee)

If you have any questions regarding the fee please feel free to call me at any time at (617) 468-6706.

Sincerely,



Colleen A. Pink

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

Remittance Information:
Make checks payable to Leeward Investments, LLC

Send to:
Leeward Investments, LLC
File 2469
1801 W Olympic Blvd
Pasadena, CA 91199-2469

Or by wire:

City National Bank
Routing # 026013958
400 Park Avenue NYC
New York, NY 10022
For further credit to: Leeward Investments, LLC
Account #682089326

CHECKED:

FM

Initial

4/8/22

Date

VERIFIED:

DQ

Initial

4/11/22

Date

APPROVED:

Initial

Date

PAID:

Wired

Date

Invoice

Date: 12-Apr-22

Inv. # 43292

For:

Actuarial Services

JK

Pay by Check**Pay by Electronic Deposit / ACH**

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

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

THANK YOU FOR YOUR BUSINESS!





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

Invoice

Date	Invoice#
3/31/2022	INV032137
Due Date	Terms
4/30/2022	Net 30

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: March Quarter 2022

Services Rendered	Amount
Quarterly Billing - Private Markets - Inception 1/1/2022	\$75,000.00

SubTotal	\$75,000.00
Past Due Balance	\$0.00
Total	\$75,000.00

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



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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1 b.

Agenda Date: April 13, 2022

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 3-31-22 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
DOMESTIC EQUITY							
QMA	Large Core Enhanced	73,947,741	3.80%	3.00%	58,395,434	15,552,307	
SSGA S&P 500 Sec Lnd Index Fund	Large Core	223,296,856	11.47%	10.00%	194,651,448	28,645,409	
Boston Partners	Large Value	75,540,503	3.88%	3.50%	68,128,007	7,412,497	
Ivy (Waddell & Reed)	Large Growth	77,039,295	3.96%	0.00%	-	77,039,295	Rebalancing Pending Capital Calls
William Blair	Large Growth	-	0.00%	3.50%	68,128,007	(68,128,007)	
SSGA US Ext Sec Lnd	SMID Core Index	73,546,570	3.78%	3.00%	58,395,434	15,151,136	
Leeward	Small Value	33,048,936	1.70%	1.50%	29,197,717	3,851,219	
William Blair	Smid Growth	29,950,550	1.54%	1.50%	29,197,717	752,833	
Total		586,370,451	30.12%	26.00%	506,093,764	80,276,688	
INTERNATIONAL EQUITY							
SGA	International Growth	91,416,343	4.70%	6.00%	116,790,869	(25,374,526)	
PIMCO RAE	International Value	101,509,236	5.21%	4.00%	77,860,579	23,648,657	
SSGA - ACWI Index Fund	International Core	103,286,422	5.31%	6.00%	116,790,869	(13,504,447)	
Total		296,212,000	15.22%	16.00%	311,442,316	(15,230,316)	
GLOBAL EQUITY							
Skellig Water Fund (KBI)	Water Related	62,159,705	3.19%	3.00%	58,395,434	3,764,271	
Total		62,159,705	3.19%	3.00%	58,395,434	3,764,271	
PRIVATE EQUITY							
Pantheon	Private Equity - F of F	276,183	0.01%				Underweight pending new commitments and capital calls. Pantheon, Stepstone and BlackRock in liquidation phase.
Stepstone	PE - Secondaries	5,558,616	0.29%				
Ocean Avenue III	Private Equity - F of F	19,781,511	1.02%				
Ocean Avenue IV	Private Equity - F of F	22,174,403	1.14%				
Ocean Avenue V	Private Equity - F of F	-	0.00%				
Pathway Fund 8	Private Equity - F of F	32,173,914	1.65%				
Pathway Fund 9	Private Equity - F of F	25,878,400	1.33%				
Pathway Fund 10	Private Equity - F of F	14,315,541	0.74%				
BlackRock Alternatives	Private Equity - F of F	514,486	0.03%				
Total		120,673,054	6.20%	12.00%	233,581,737	(112,908,683)	
FIXED INCOME							
BlackRock	Core Plus	110,672,318	5.69%	6.00%	116,790,869	(6,118,551)	Rebalancing Pending Capital Calls
MacKay Shields	Core Plus	108,310,341	5.56%	5.50%	107,058,296	1,252,045	
DoubleLine	Core Plus	108,860,150	5.59%	5.50%	107,058,296	1,801,853	
PGIM	Emerging Market Debt	52,683,914	2.71%	3.00%	58,395,434	(5,711,520)	

TCERA Asset Allocation Comparison 3-31-22 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
	Total	380,526,723	19.55%	20.00%	389,302,895	(8,776,172)	
PRIVATE CREDIT							
Sixth Street DCP (TSSP)	Private Credit	86,695,897	4.45%	5.00%	97,325,724	(10,629,827)	Underweight pending capital calls
	Total	86,695,897	4.45%	5.00%	97,325,724	(10,629,827)	
REAL ASSETS							
Invesco	Real Estate Debt	66,357,795	3.41%	3.00%	58,395,434	7,962,361	
American Realty Advisors	Value Add Real Estate	84,256,295	4.33%	4.00%	77,860,579	6,395,716	Underweight pending IFM Opportunistic RE and American Realty capital calls. RREEF America II overweight pending rebalancing. SSGA REIT - Holding for other capital calls.
Opportunistic RE Funds	Opportunistic Real Estate	-	0.00%	4.00%	77,860,579	(77,860,579)	
IFM	Infrastructure	-	0.00%	4.00%	77,860,579	(77,860,579)	
SSGA US REIT	REIT Index Fund	4,015,136	0.21%	0.00%	-	4,015,136	
RREEF America II	Core Commingled	198,423,129	10.19%	3.00%	58,395,434	140,027,695	
	Total	353,052,355	18.14%	18.00%	350,372,606	2,679,750	
OPPORTUNISTIC							
KKR - Mezzanine	Opportunistic	3,950,904	0.20%	n/a	-	3,950,904	Opportunistic outside of Target Allocation. KKR and PIMCO funds in distribution phase.
Sixth Street TAO Contingent (TSSP)	Opportunistic	24,150,145	1.24%	n/a	-	24,150,145	
PIMCO BRAVO - Distressed Debt	Opportunistic	10,324	0.00%	n/a	-	10,324	
	Total	28,111,373	1.44%		-	28,111,373	
OTHER			1.44%		-	28,111,373	
Cash		32,712,918	1.68%	0.00%	-	32,712,918	Capital Calls and Cash Flow Needs.
	Total	32,712,918	1.68%	0.00%	-	32,712,918	
Grand Total		1,946,514,476	100.00%	100.00%	1,946,514,476		



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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1 c.

Agenda Date: April 13, 2022

Subject: 2022 Investment Committee Goals and Objectives Timeline and 2022 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 3/1/22

2022

January - March

Large Cap Growth Equity Manager Review – Comparative manager information as it relates to the large cap growth equity investment with Ivy was provided by Verus at the October 13th Investment Committee meeting. The Committee recommended identifying Sands Capital and William Blair as finalists for the mandate and the Board approved the recommendation at the October 27th Board meeting. Finalists presented to the Board on January 26th. The Board selected William Blair for the mandate. On site due diligence was waived because William Blair is already an investment manager for TCERA. Contract is pending.

“Dry Powder” Investment -- On October 27th, the Board approved the transfer of funds from Global Fixed Income and Emerging Market Debt to SSGA SMID and REIT index funds pending capital calls for real estate and private equity. The REIT Index Fund has been opened with SSGA. Transfer of funds is complete. -- **Completed**

Infrastructure – On October 27th, the Board requested a presentation from IFM to the Board of Retirement regarding the firm’s infrastructure fund. IFM presented to the Board on November 17th. At that meeting the Board approved IFM as the infrastructure investment manager. Contract is finalized. -- **Completed**

Private Equity/Opportunistic Real Estate – On October 27th, the Board determined that direct fund investing with the assistance of a consultant will be the implementation strategy for private equity and other similar private markets investments. At the November 17, 2021 Board meeting, the Board authorized Staff to enter into a contract with Verus for private markets consulting. Implementation can begin when the contract is complete. Contract is finalized. Discussion regarding required legal review of investment documents is scheduled for the March 9th Investment Committee meeting.

Small Cap Value Review – In response to the LMCG investment group’s formation of a new investment management firm, Leeward Investments, the Investment Committee recommended an exploratory search to compare other top tier managers to LMCG/Leeward. The review is scheduled for the April 13, 2022 Investment Committee meeting with a recommendation to be presented to the Board on April 27th.

Education regarding China – The Board requested that additional education regarding China be provide in 2022. Elliot Hentov, Head of Policy Research, State Street Global Advisors, is scheduled to make an educational presentation to the Board of Retirement on April 27th.

TCERA Board of Retirement 2022 Trustee Education/Presentation Calendar

Month	Meeting Date	Education Topics
January	January 12	Large Cap Growth Equity Presentations
	January 26	
February	February 23	No first meeting due to World Ag Expo 12/31/21 Investment Report – Verus
March	March 9	QMA (PGIM) LMCG (Leeward)
	March 23	Actuarial Audit Presentation
April	April 13	Sixth Street Stepstone Small Cap Value Review (Investment Committee)
	April 27	Education Presentation – Investments in China Small Cap Value Review (Recommendation from Investment Committee)
May	SACRS – May 10-13	3/31/22 Investment Report – Verus Strategic Asset Allocation Review - Verus
	May 25	
June	June 8	RREEF Ocean Avenue
	June 22	Education Presentation - ESG
July	July 13	William Blair KBI
	July 27	Private Markets Review – Verus
August	August 10	PGIM American Realty
	August 24	6/30/22 Investment Report – Verus Investment Manager Fee Review

September	September 14 September 28	Mackay Shields KKR
October	October 12 October 26	Preliminary Actuarial Analysis - Cheiron
November	November 2 - due to SACRS SACRS Nov 8-11 November 16 - due to Thanksgiving Holiday	Actuarial Valuation Report - Cheiron 9/30/22 Investment Report
December	December 14	Brown Armstrong – Audit Results

Expected 2023 Investment Manager Regular Biennial Presentations:

BlackRock
PIMCO RAE
Boston Partners
SGA
Pathway
DoubleLine
Invesco
SSGA
IFM



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**TCERA, Board of Retirement
Investment Committee**

Agenda Item # IV. 1. d.

Agenda Date: April 13, 2022

Subject: Small Cap Value Equity Exploratory Manager Review

That the Investment Committee:

1. Review and Discuss the information provided by Verus regarding manager options for TCERA's small cap value equity portfolio.
2. Forward a recommendation to the Board of Retirement.

Summary:

At the request of the Board of Retirement, Verus has prepared information regarding investment managers recommended for consideration for TCERA's small cap value equity portfolio. The Committee is asked to review the materials and provide a recommendation to the Board of Retirement regarding next steps.

Prepared by: Leanne Malison



PERSPECTIVES **THAT DRIVE** **ENTERPRISE** **SUCCESS**



February 2022

US Small-Cap Value Search

Tulare County Employees' Retirement Association

Manager overview

Manager comparison

	AB	BHMS	DFA	SBH	LMCG
FIRM OWNERSHIP	12% employee owned; 23% publicly held; 65% parent owned	75.1% parent owned (Perpetual); 24.9% employee owned	70% employee owned; 30% privately held	100% parent owned (CI Financial)	12% employee owned; 88% parent owned (RBC)
FIRM NAME	AllianceBernstein L.P.	Barrow, Hanley, Mewhinney & Strauss, LLC	Dimensional Fund Advisors LP	Segall Bryant & Hamill	LMCG Investments, LLC
PRODUCT NAME	AB US Small Cap Value Equity	Small Cap Value Equity	US Small Cap Value Strategy	Small Cap Value Select	Small Cap Value
FIRM TOTAL AUM (\$MM)	\$778,570	\$50,648	\$679,480	\$26,075	\$7,549
STRATEGY AUM (\$MM)	\$3,754	\$2,456	\$17,574	\$289	\$2,134
INCEPTION DATE	Dec-90	Jan-96	Mar-92	Jul-14	Jul-02
PREFERRED BENCHMARK	Russell 2000 Value	Russell 2000 Value	Russell 2000 Value	Russell 2000 Value	Russell 2000 Value
INVESTMENT APPROACH	Fundamental	Fundamental	Combined	Fundamental	Fundamental
SCREENING APPROACH	Bottom-Up	Bottom-Up	Combined	Bottom-Up	Bottom-Up
KEY ATTRIBUTES	Two PMs Diversified Catalyst-driven Upside profile	Two PMs Concentrated Beta typically >1 Upside profile	Quant strategy Highly diversified Low turnover Low cost	Lead PM approach ROIC focus Concentrated	Lead PM Quality bias Beta typically < 1 Attractive fee

Strategy overview

	AB	BHMS	DFA	SBH
Overview	<p>The US Small Cap Value strategy's philosophy is based on the belief that macroeconomic, industry or company-specific concerns often cause investors to react emotionally and overlook underlying, long-term company fundamentals, causing securities to become mispriced, which enables the team to capitalize on these short-term market inefficiencies created by enduring patterns of human behavior.</p>	<p>Barrow, Hanley, Mewhinney & Strauss (BHMS) seeks to exploit inefficiencies in the market through adherence to a value-oriented, bottom-up investment process. The firm stays fully invested with a defensive, conservative orientation, based on their belief that superior returns can be achieved while taking below-average risks. BHMS' Small Cap Value Equity investment team seeks stocks with P/E and P/B ratios below the market and dividend yields above the market. In addition, BHMS seeks to identify companies with long-term earnings growth prospects above the market. The Small Cap Value Equity strategy is led by a team of three portfolio managers with an average of 30+ years in the industry, including an average of nearly 20 years at BHMS.</p>	<p>Dimensional Fund Advisors is a majority employee-owned, quantitative investment firm whose strategies are rooted in academic research. Dimensional seeks to add value through its factor premia tilts towards value, size, and profitability combined with its patient, cost-conscious trading process.</p>	<p>The Segall Bryant & Hamill (SBH) Small Cap Value Select investment philosophy is driven by the belief that significant improvement in return-on-invested-capital (ROIC) and its by-product, free cash flow, are the most important drivers of long-term outperformance in the small-capitalization value universe. The team looks for companies with management teams focused on driving improvements in ROIC that also have defensible competitive advantages and low embedded expectations, which mitigates downside risk.</p>

Strategy overview

	AB	BHMS	DFA	SBH
Verus View	Verus views AB's Small Cap Value strategy as an institutional-quality product for clients seeking active, bottom-up small-cap value exposure. By maintaining a disciplined stock selection process that marries in-depth fundamental research with quantitative analysis to identify undervalued companies, we believe AB has developed a structured investment process, which is implemented by a capable, focused and long-tenured investment team.	Verus believes clients seeking to add a compelling, fundamental, bottom-up, high-conviction, small-cap value manager to their portfolio should consider BHMS' Small Cap Equity Value strategy. We favor the strategy for the following reasons: 1) well-conceived philosophy and consistently executed process; 2) the firm's size, reputation, and long-term investment horizon affords the firm excellent access to company management; and 3) strong and long-tenured investment team.	Verus believes this strategy provides sound, economical exposure to small-capitalization value equities for the following key reasons: 1) Dimensional has a long-standing history of successfully managing systematic strategies; 2) Dimensional has a singular focus on allocating risk among factor premia which are widely supported by academic research; 3) portfolio managers are experienced traders who have the experience and autonomy needed to ensure strong execution; and 4) Dimensional is a stable firm with low turnover, and its systematic investment process helps reduce dependence on specific individuals.	Verus views SBH's Small Cap Value Select Equity strategy as institutional-quality product for clients seeking to allocate capital to a compelling, fundamental, bottom-up, high-conviction small-value strategy.

Strategy overview

	AB	BHMS	DFA	SBH
Risks and Observations	<p>As AB is a publicly traded limited partnership, with a corporate parent as the majority owner, the firm's ownership structure is not ideal in our view as we would prefer a higher degree of direct employee ownership, although we note that AB's employees control about 14% of the firm's equity.</p>	<p>While we believe BHMS remains a healthy organization, the loss of a very significant sub-advisory relationship in late-2019 is certainly worth noting. That said, we are encouraged that the revenue impact, while not inconsequential, has been manageable (i.e., accounting for < 15% of the firm's revenue). Succession planning warrants monitoring since one portfolio manager, John Harloe, is expected to retire at the end 2020. Finally, the late-2020 sale of the firm's majority ownership is also worth attention.</p>	<p>Given the significant AUM in the small-cap value strategy, illiquidity is of some concern. If the portfolios were faced with large, simultaneous investor redemptions, Dimensional may have trouble liquidating smaller securities at attractive prices. Additionally, because Dimensional targets the value premium through a very traditional metric (price-to-book), the strategy may not be appropriate for clients seeking more a more differentiated approach to value.</p>	<p>Given SBH's process, financial services companies are difficult to assess. SBH will look at banks, especially those operators that are becoming more efficient through restructuring; however, SBH avoids the insurance segment as the team does not believe they can comfortably assess the risks associated with small-cap property and casualty insurance companies. As a result, SBH typically carries a significant underweight in financials, which can hinder relative performance when the sector rallies.</p>

Strategy overview

	AB	BHMS	DFA	SBH
Performance Sensitivity	<p>The US Small Cap Value strategy has materially outperformed the Russell 2000 Value Index over the past decade, essentially matching the team's performance objective. The strategy's beta has generally averaged slightly above 1.0, relative to the Russell 2000 Value Index. Tracking error has traditionally been around 4-5%. AB's investment approach tends to have attractive upside capture of around 110. Given this approach, investors should not expect meaningful downside protection from this strategy.</p>	<p>BHMS is generally expected to outperform when the market is emphasizing basic fundamental valuations and is favoring investment in companies where reasonable prices are paid for attractive earnings growth. Conversely, the strategy is expected to lag during the later speculative phases of a bull market, when unrealistic expectations for continued strong returns reflect a market seeking momentum.</p>	<p>The strategy typically carries a modestly riskier profile than the benchmark in terms of systematic risk (beta), standard deviation (volatility) and downside risk (maximum drawdown). Relative to its benchmark, the strategy typically exhibits greater sensitivity to smaller and deeper value companies. Due to these biases, the strategy may underperform in market conditions that favor larger, more growth-oriented companies. In general, the strategy tends to favor strong upward-trending markets, especially during recovery periods. Not surprisingly, given the strategy's propensity to carry a beta greater than one, the strategy tends to lag its benchmark in down markets.</p>	<p>The long-term track record of the strategy appears consistent with SBH's expressed investment process. Relative to the Russell 2000 Value Index, the strategy's beta has averaged close to 0.9 since inception. Tracking error has traditionally averaged around 6.5-7%. SBH's investment approach leads to a return pattern that has attractive upside capture, moderately above 100, along with meaningful downside protection.</p>

Investment vehicle information

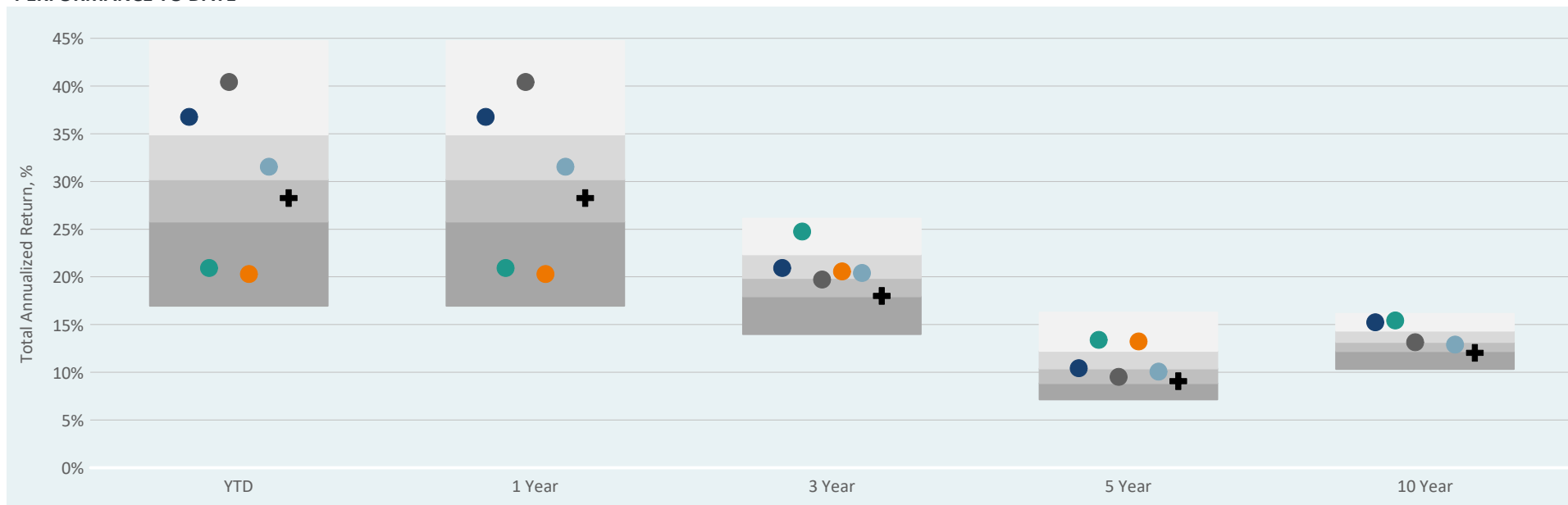
	INVESTMENT VEHICLES	MINIMUM INVESTMENT	EXPENSE RATIO	FEE SCHEDULE	Other Fees	Liquidity
AB	Separate Account	\$25,000,000	1.00%	First \$25,000,000		Daily
			0.90%	Next \$25,000,000		
BHMS	Separate Account	\$20,000,000	0.75%	Balance Remaining		Daily
			0.70%	First \$50,000,000		
			0.65%	Next \$50,000,000		
			0.60%	Next \$100,000,000		
			0.55%	Next \$200,000,000		
			0.50%	Balance Remaining		
DFA	Separate Account	\$100,000,000	Negotiable	All Assets		Daily
	Mutual Fund (DFS VX)	\$2,000,000	0.28%	All Assets		Daily
SBH	Separate Account	Flexible	0.80%	All Assets		Daily
LMCG	Separate Account	\$5,000,000	0.65%	All Assets		Daily

Performance Analysis

Performance comparison - as of December 2021

● AB ● BHMS ● DFA ● SBH ● LMCG + Russell 2000 Value Index

PERFORMANCE TO DATE

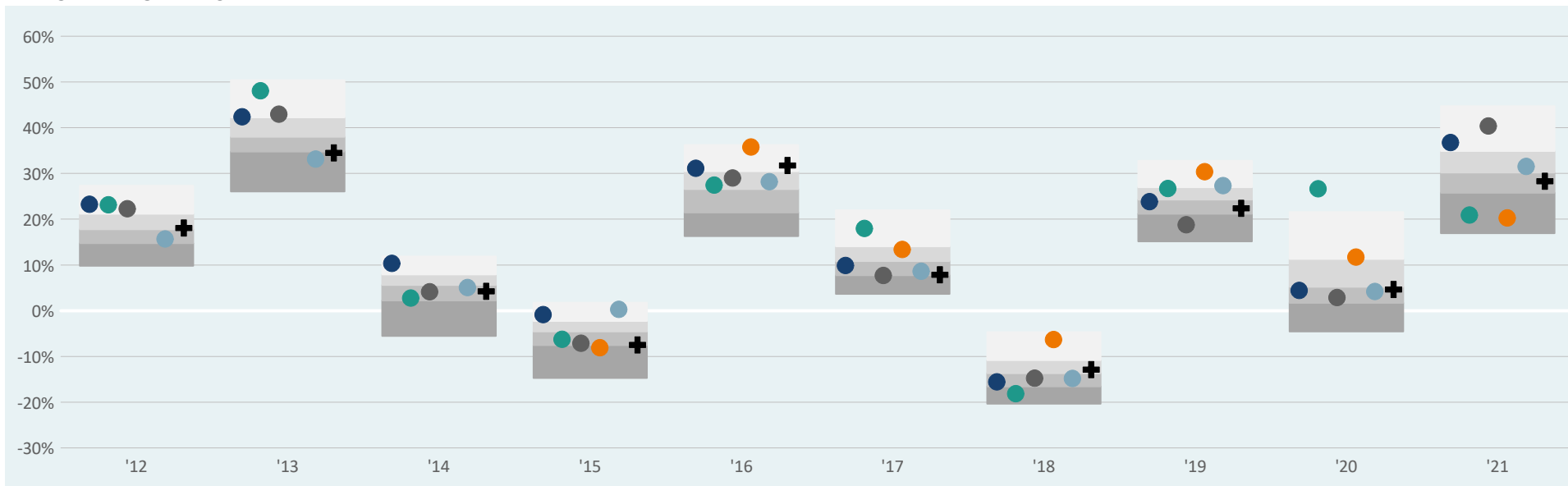


EXCESS ANNUALIZED RETURN TO DATE, %	YTD	1 Year	3 Year	5 Year	10 Year
AB	8.5	8.5	3.0	1.4	3.2
BHMS	-7.3	-7.3	6.8	4.4	3.4
DFA	12.2	12.2	1.7	0.5	1.1
SBH	-8.0	-8.0	2.6	4.2	---
LMCG	3.3	3.3	2.4	1.0	0.9

Calendar year performance

● AB ● BHMS ● DFA ● SBH ● LMCG ● Russell 2000 Value Index

ANNUAL PERFORMANCE



ANNUAL PERFORMANCE + RANKING	2013	2014	2015	2016	2017	2018	2019	2020	2021
AB	42.4	10.4	-0.8	31.2	9.9	-15.5	23.8	4.5	36.8
Rank	24	8	16	20	56	66	54	54	19
BHMS	48.1	2.8	-6.2	27.5	18.0	-18.1	26.7	26.7	21.0
Rank	8	72	66	45	12	84	27	3	88
DFA	43.0	4.2	-7.1	29.0	7.8	-14.7	18.8	2.9	40.4
Rank	21	64	73	31	74	58	85	65	10
SBH			-8.1	35.8	13.4	-6.3	30.4	11.8	20.3
Rank			78	6	31	8	9	25	90
LMCG	33.2	5.1	0.3	28.3	8.6	-14.8	27.4	4.2	31.5
Rank	82	54	10	36	67	59	23	56	44
Russell 2000 Value Index	34.5	4.2	-7.5	31.7	7.8	-12.9	22.4	4.6	28.3
Rank	76	64	75	16	74	41	69	53	56

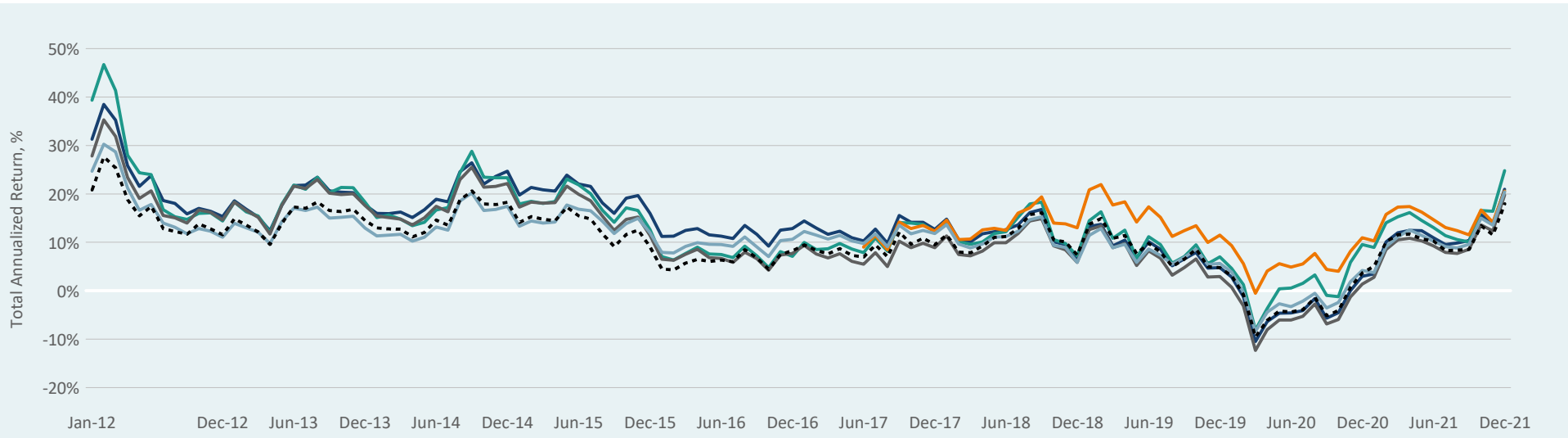
Performance summary - as of December 2021

	AB	BHMS	DFA	SBH	LMCG	Russell 2000 Value Index
PERFORMANCE ANALYSIS - (5 Years)						
Alpha %	1.1	3.8	0.1	4.7	1.4	0.0
Beta	1.1	1.1	1.1	0.9	0.9	1.0
R-squared %	96.6	89.6	97.9	91.0	95.7	100.0
Sharpe Ratio	0.4	0.5	0.3	0.6	0.4	0.4
Treynor Ratio	0.1	0.1	0.1	0.1	0.1	0.1
Tracking Error %	4.4	8.3	4.0	6.6	4.6	0.0
Annualized Std Dev %	23.3	24.9	24.0	19.7	20.7	21.7
Information Ratio	0.3	0.5	0.1	0.6	0.2	---
Max Drawdown %	-39.2	-37.7	-44.0	-29.9	-33.7	-37.5
Calmar Ratio	0.3	0.4	0.2	0.4	0.3	0.2
Excess Ann. Return %	1.4	4.4	0.5	4.2	1.0	0.0
PERFORMANCE TO DATE						
1 Year	36.8	21.0	40.4	20.3	31.5	28.3
3 Year	21.0	24.8	19.7	20.6	20.4	18.0
5 Year	10.4	13.4	9.5	13.3	10.1	9.1
7 Year	11.5	12.2	9.5	12.8	11.0	9.5
10 Year	15.3	15.5	13.2	---	12.9	12.0
Common Inception (Jul-14)	11.1	11.7	8.8	12.4	10.3	8.8
CALENDAR YEAR RETURNS						
2021	36.8	21.0	40.4	20.3	31.5	28.3
2020	4.5	26.7	2.9	11.8	4.2	4.6
2019	23.8	26.7	18.8	30.4	27.4	22.4
2018	-15.5	-18.1	-14.7	-6.3	-14.8	-12.9
2017	9.9	18.0	7.8	13.4	8.6	7.8
2016	31.2	27.5	29.0	35.8	28.3	31.7
2015	-0.8	-6.2	-7.1	-8.1	0.3	-7.5
2014	10.4	2.8	4.2	---	5.1	4.2
2013	42.4	48.1	43.0	---	33.2	34.5
2012	23.3	23.2	22.3	---	15.7	18.1

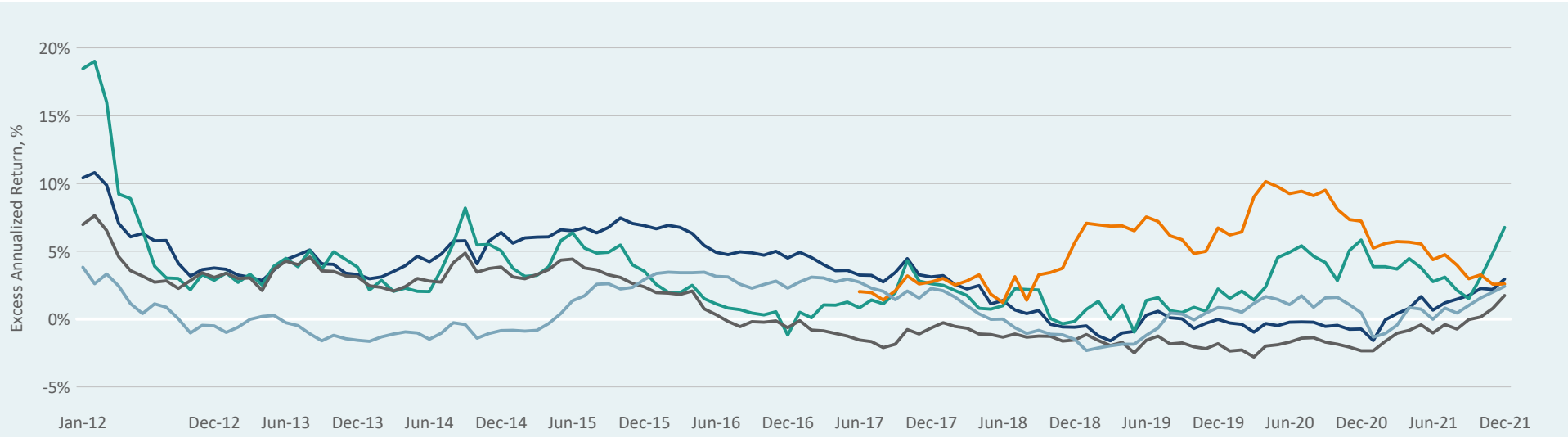
Rolling performance

AB BHMS DFA SBH LMCG + Russell 2000 Value Index

TOTAL 36 MONTH ROLLING PERFORMANCE



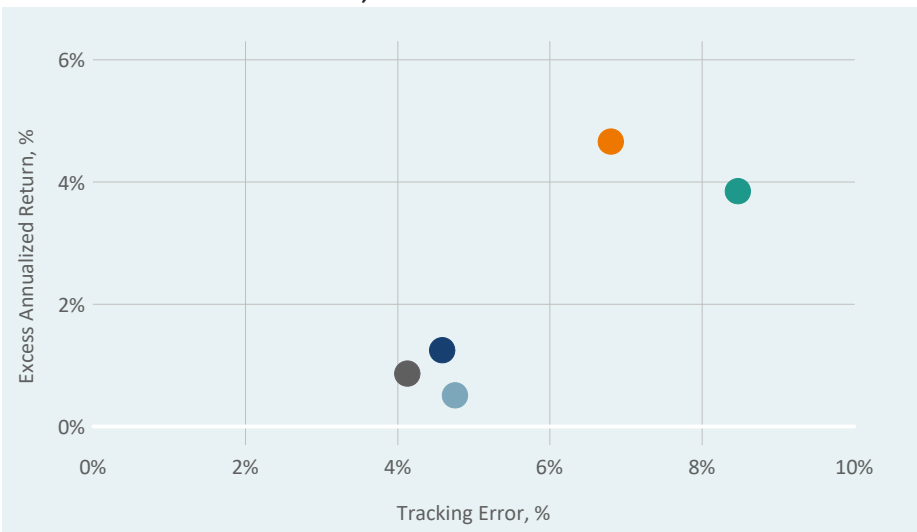
EXCESS 36 MONTH ROLLING PERFORMANCE



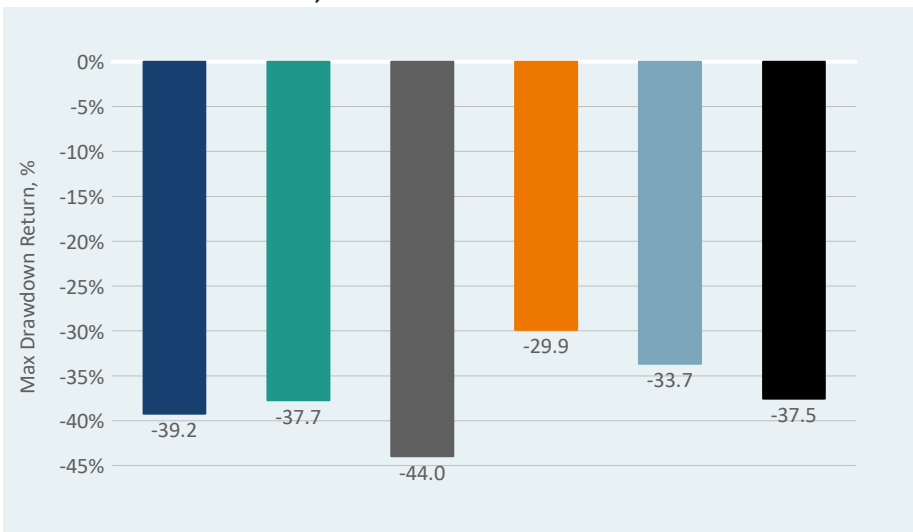
Performance statistics

● AB ● BHMS ● DFA ● SBH ● LMCG + Russell 2000 Value Index

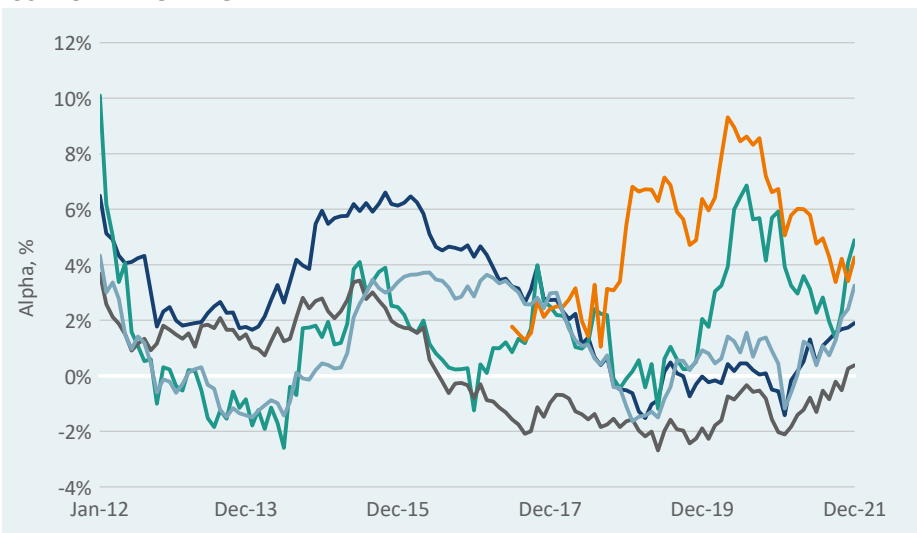
EXCESS PERFORMANCE VS. RISK, JUN-17 TO DEC-21



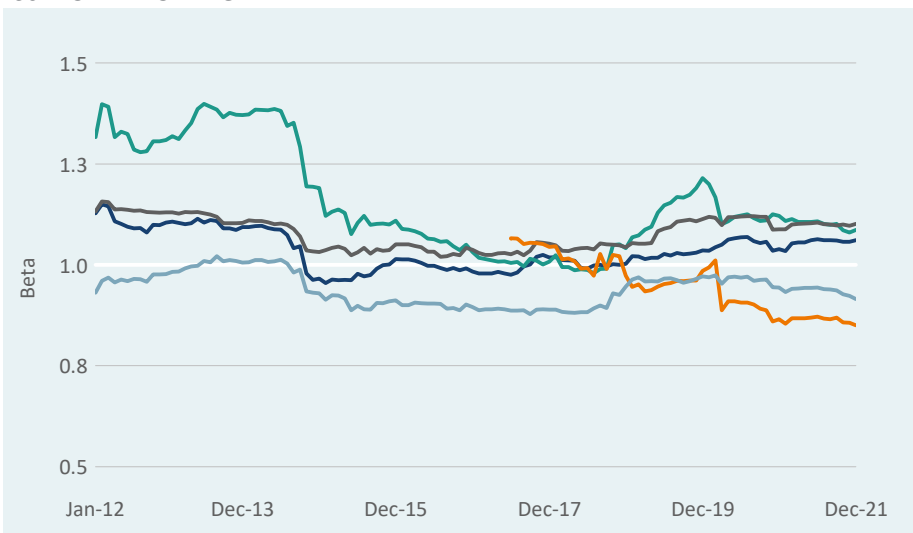
MAX DRAWDOWN RETURN, JAN-17 TO DEC-21



36 MONTH ROLLING ALPHA



36 MONTH ROLLING BETA



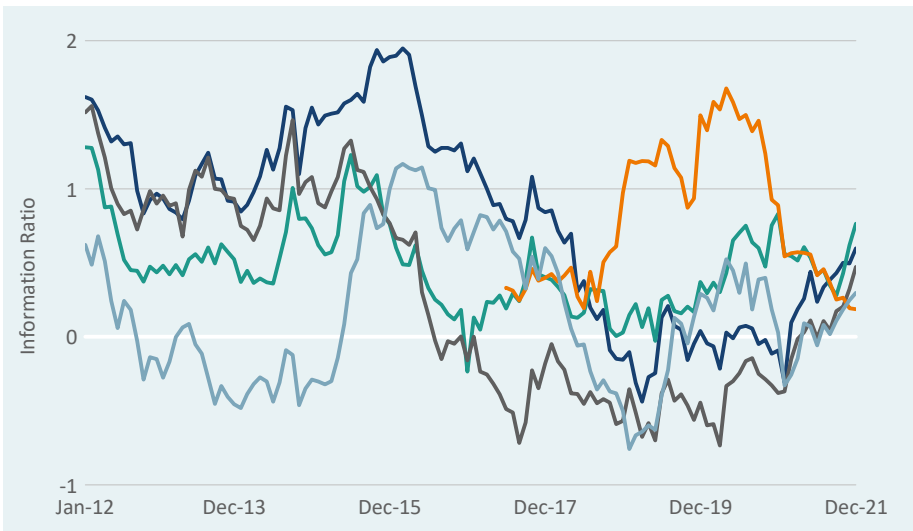
Performance statistics

● AB ● BHMS ● DFA ● SBH ● LMCG ● + Russell 2000 Value Index

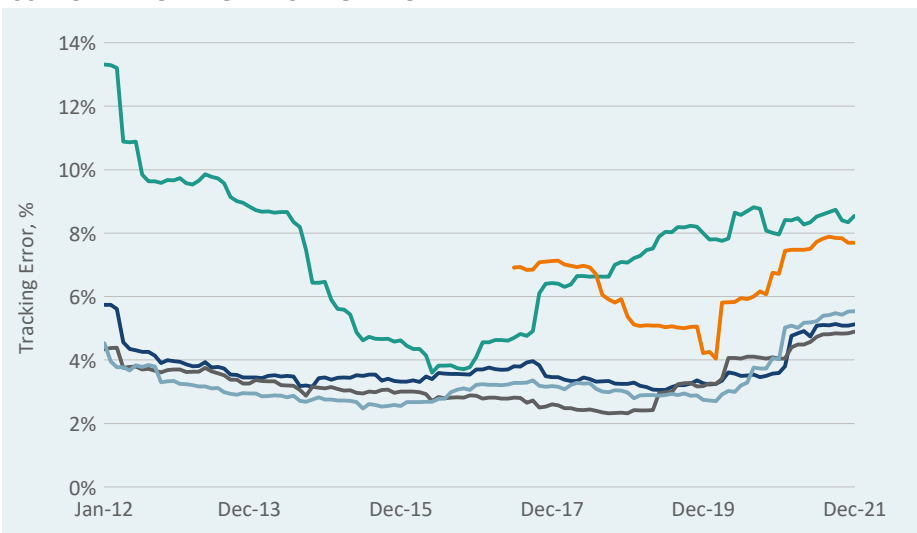
36 MONTH ROLLING RISK



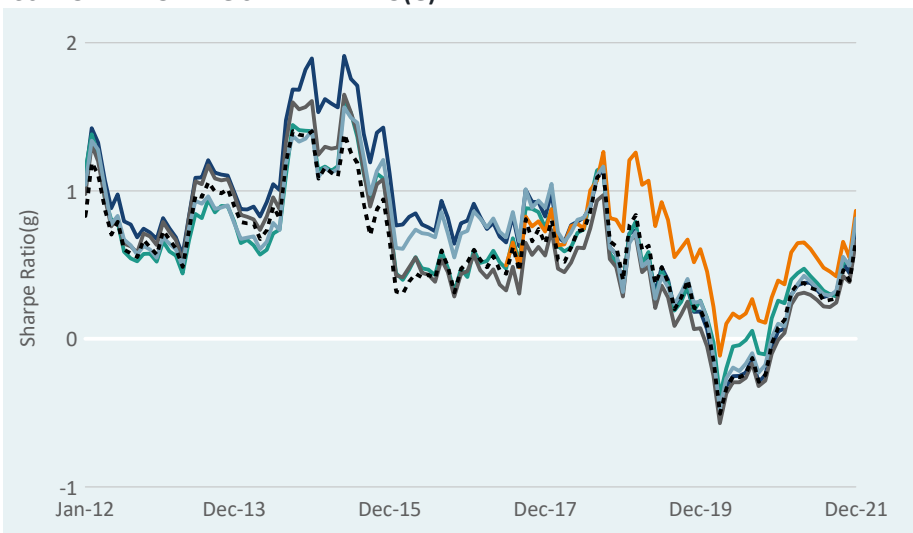
36 MONTH ROLLING INFORMATION RATIO



36 MONTH ROLLING TRACKING ERROR



36 MONTH ROLLING SHARPE RATIO(G)

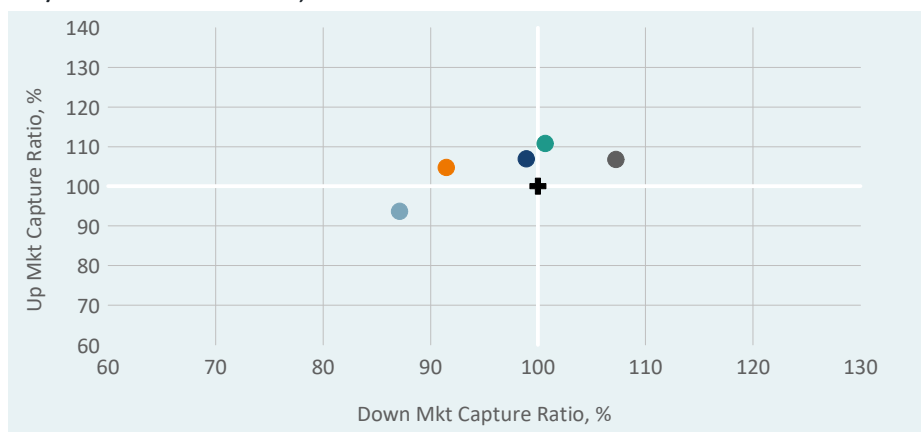


Style Analysis and Portfolio Analytics

Style and portfolio comparison

● AB ● BHMS ● DFA ● SBH ● LMCG + Russell 2000 Value Index

UP/DOWN MARKET CAPTURE, JUL-14 TO DEC-21



RUSSELL 6 STYLE MAP, JUN-17 TO DEC-21



	AB	BHMS	DFA	SBH	LMCG
% HOLDINGS IN 10 LARGEST STOCKS	16.8%	33.8%	7.6%	35.2%	23.6%
ANNUAL TURNOVER	45.6%	18.8%	15.6%	49.9%	27.4%
CASH	1.3%	3.8%	0.9%	4.5%	1.2%
CURRENT DIVIDEND YIELD	1.2%	0.7%	1.4%	1.0%	1.4%
CURRENT P/E	16.6	13.0	11.1	19.6	15.9
CURRENT P/B	2.1	2.0	1.4	2.3	2.1
PORTFOLIO HOLDINGS	92	40	1030	40	87
WGTD. AVG. MKT. CAP	\$ 3,476	\$ 3,933	\$ 3,484	\$ 3,458	\$ 4,395
MAX CASH POSITION	5.0	5.0	N/A	10.0	6.0
MAX POSITION SIZE	5.0	7.0	4.0	10.0	3.0

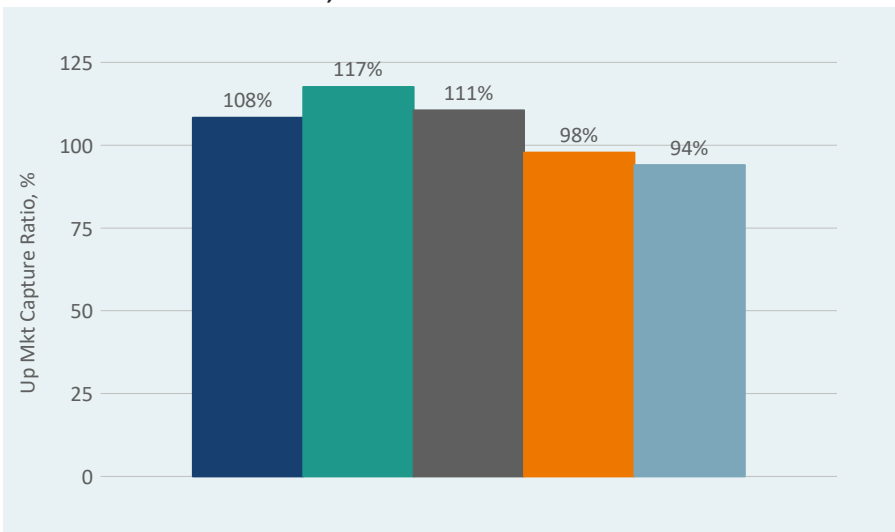
Up & down market analysis

● AB ● BHMS ● DFA ● SBH ● LMCG

36 MONTH ROLLING UP MKT CAPTURE RATIO



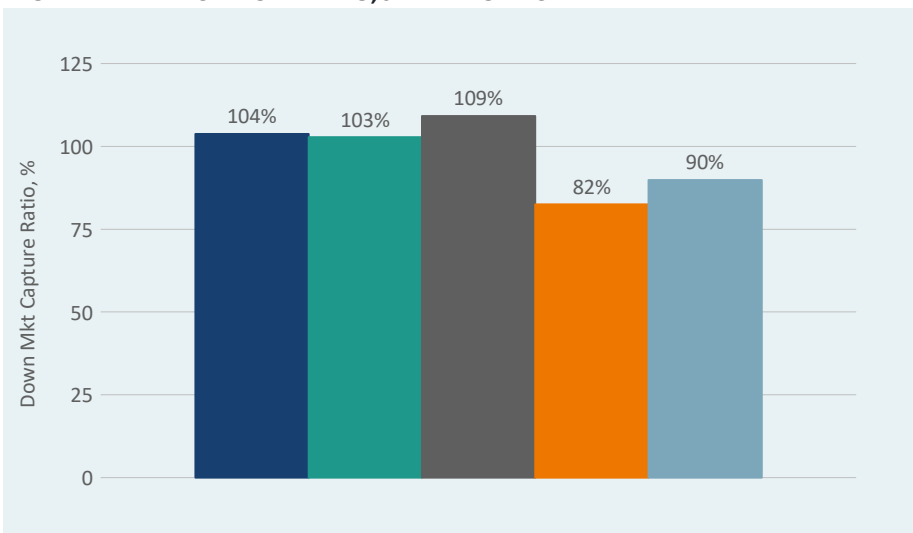
UP MARKET CAPTURE RATIO, JAN-17 TO DEC-21



36 MONTH ROLLING DOWN MKT CAPTURE RATIO



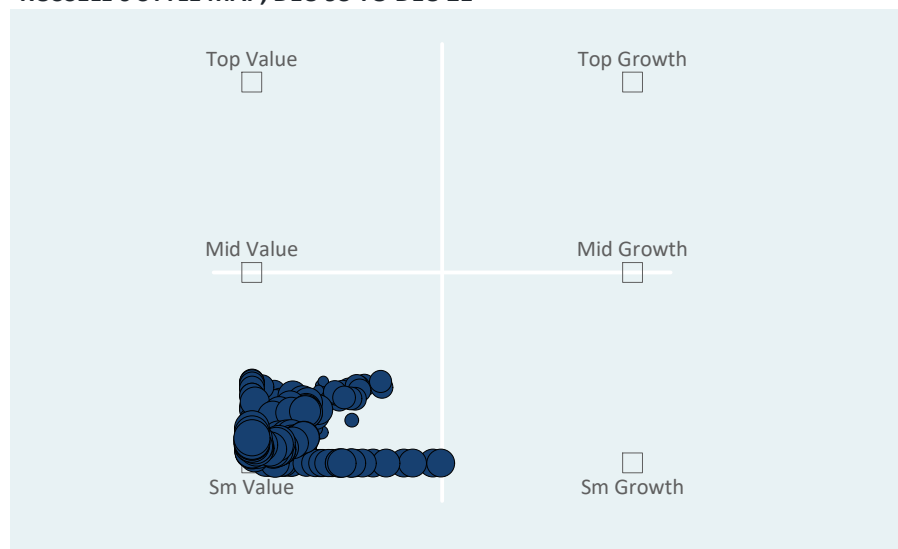
DOWN MARKET CAPTURE RATIO, JAN-17 TO DEC-21



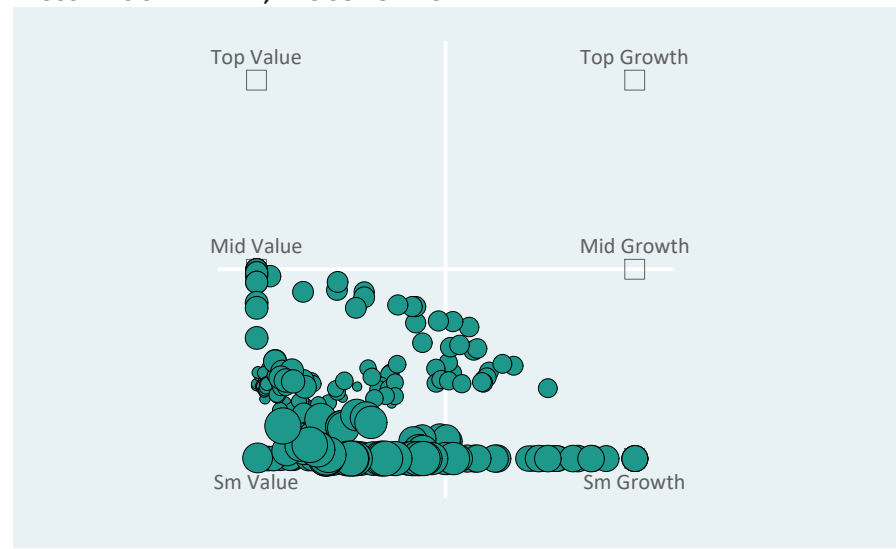
Style analysis (Russell 6 Style Map)

● AB ● BHMS ● DFA ● SBH ● LMCG

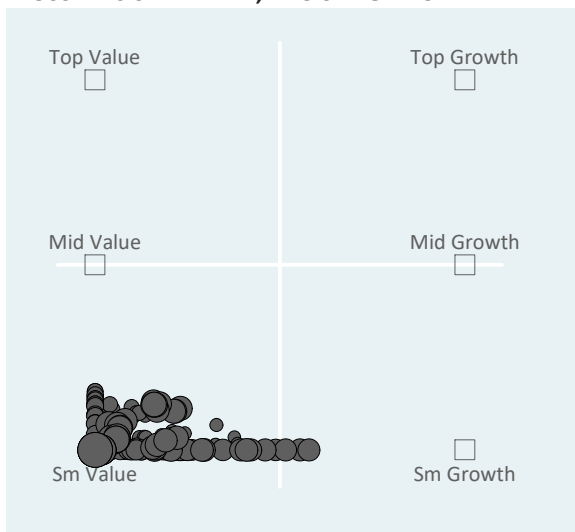
RUSSELL 6 STYLE MAP, DEC-93 TO DEC-21



RUSSELL 6 STYLE MAP, DEC-98 TO DEC-21



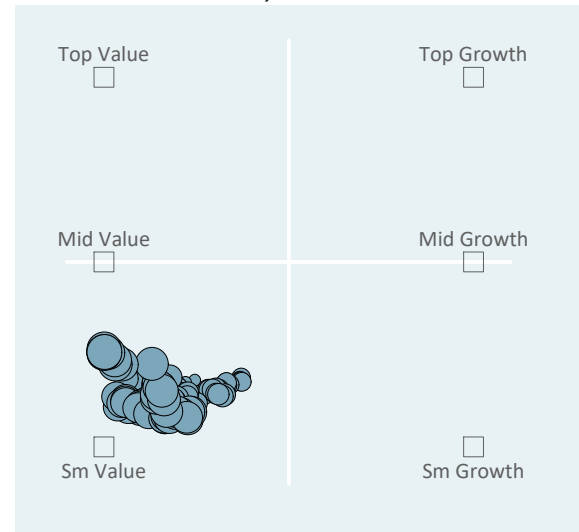
RUSSELL 6 STYLE MAP, DEC-04 TO DEC-21



RUSSELL 6 STYLE MAP, JUN-17 TO DEC-21

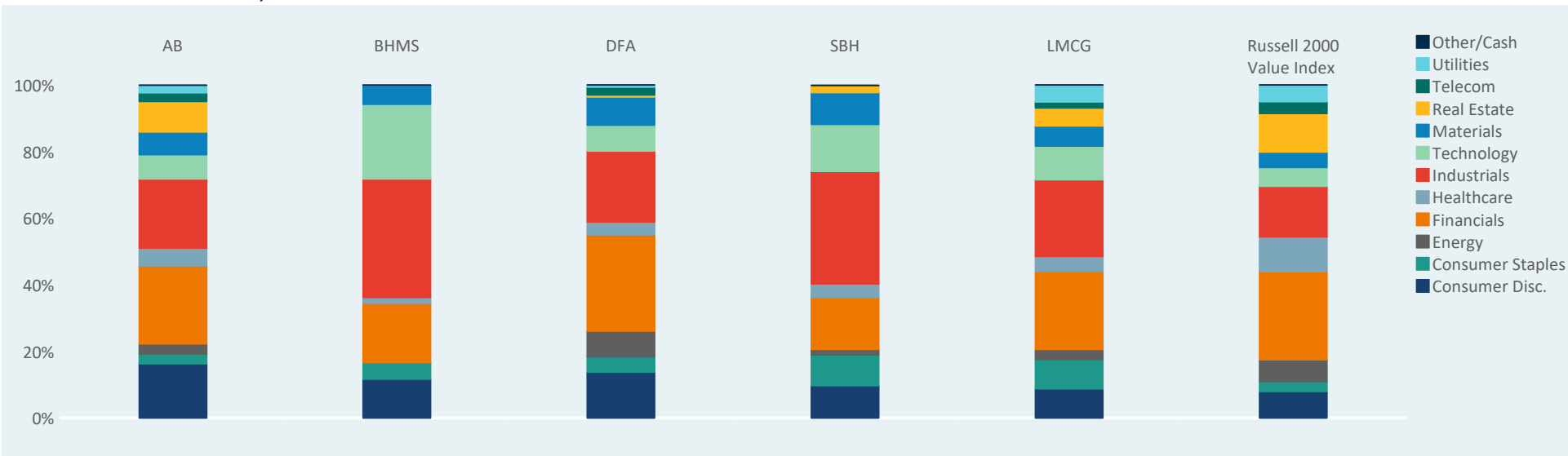


RUSSELL 6 STYLE MAP, JUN-05 TO DEC-21

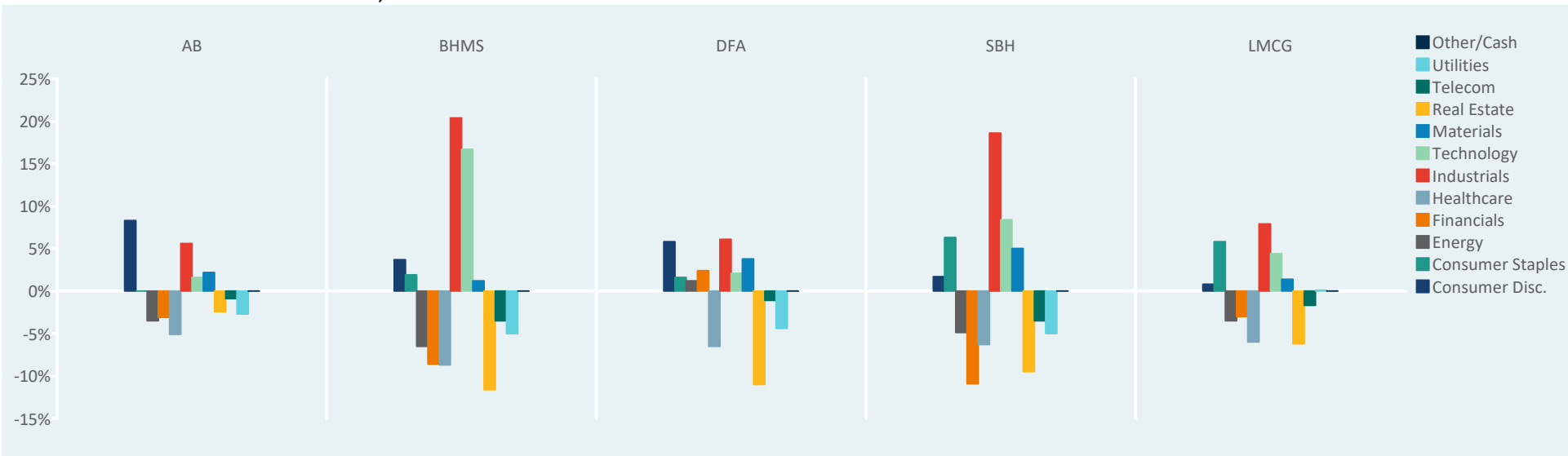


Equity sector exposure

CURRENT SECTOR POSITION, AS OF DEC-21



RELATIVE TO RUSSELL 2000 VALUE INDEX, AS OF DEC-21

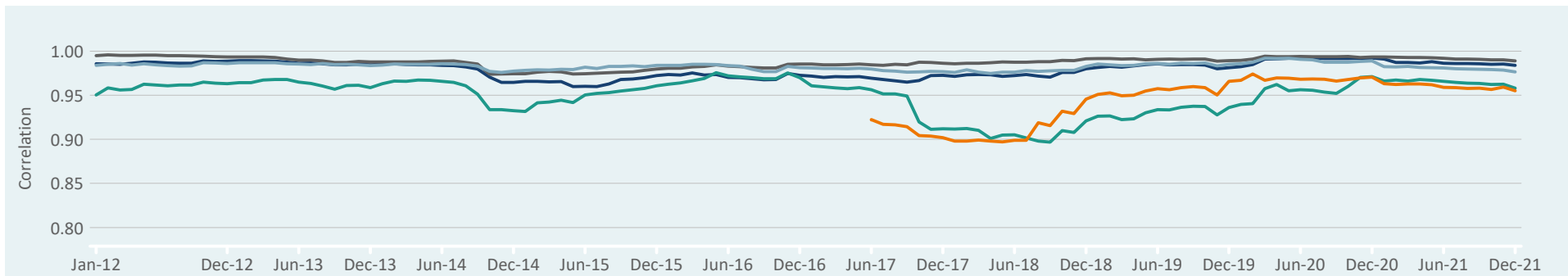


Risk Analysis

Correlations

AB BHMS DFA SBH LMCG

CORRELATION - 3 YEAR ROLLING vs. Russell 2000 Value Index



3 YEAR ENDING 12/2021

	AB	BHMS	DFA	SBH	LMCG	Russell 2000 Value Index
AB	1.00	0.96	0.99	0.97	0.99	0.98
BHMS	0.96	1.00	0.96	0.95	0.96	0.96
DFA	0.99	0.96	1.00	0.97	0.98	0.99
SBH	0.97	0.95	0.97	1.00	0.97	0.95
LMCG	0.99	0.96	0.98	0.97	1.00	0.98
Russell 2000 Value Index	0.98	0.96	0.99	0.95	0.98	1.00

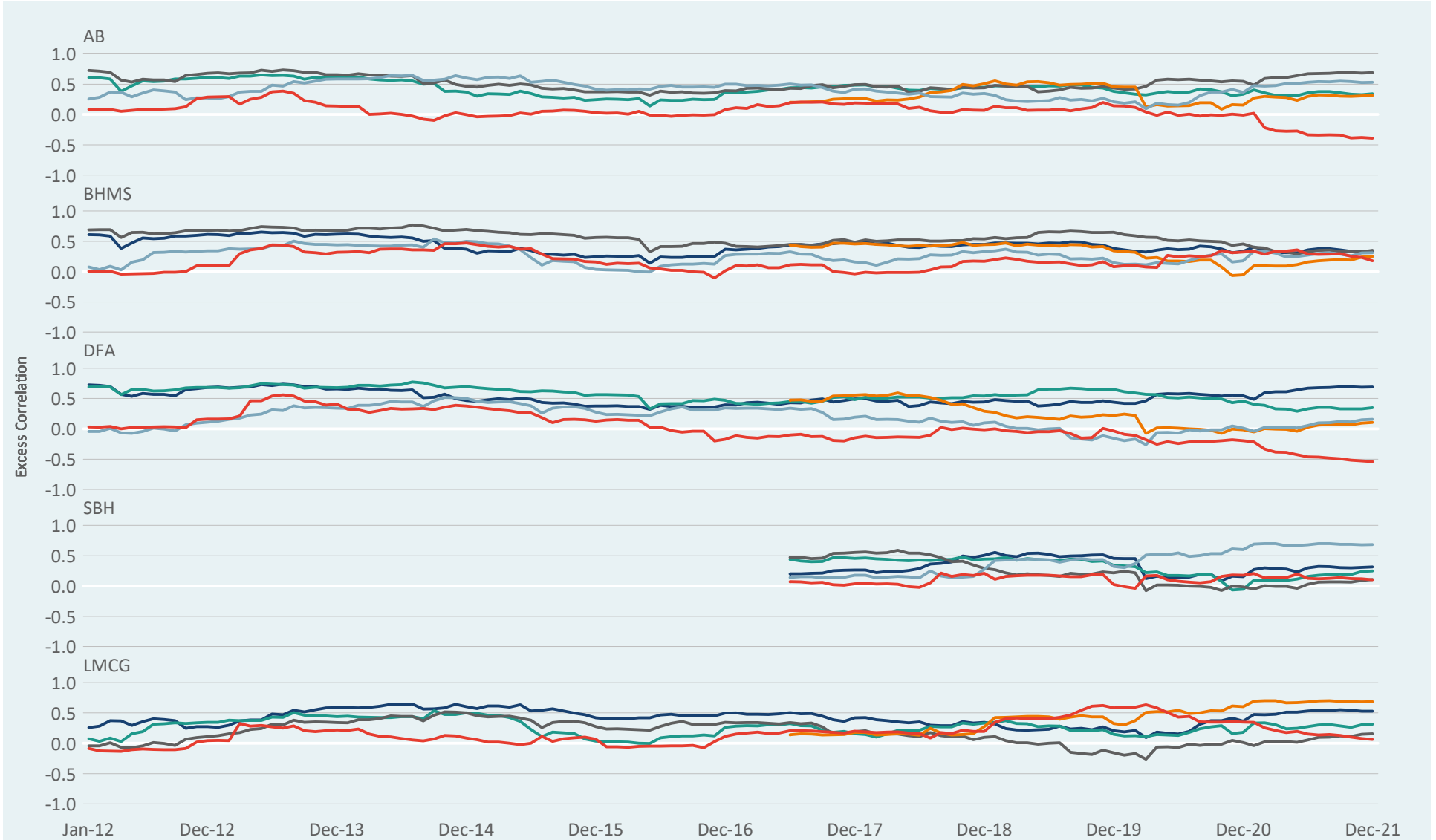
5 YEAR ENDING 12/2021

	AB	BHMS	DFA	SBH	LMCG	Russell 2000 Value Index
AB	1.00	0.95	0.99	0.97	0.98	0.98
BHMS	0.95	1.00	0.95	0.94	0.95	0.95
DFA	0.99	0.95	1.00	0.96	0.98	0.99
SBH	0.97	0.94	0.96	1.00	0.97	0.95
LMCG	0.98	0.95	0.98	0.97	1.00	0.98
Russell 2000 Value Index	0.98	0.95	0.99	0.95	0.98	1.00

Rolling excess return correlation

● AB ● BHMS ● DFA ● SBH ● LMCG

36 MONTH ROLLING



Excess return correlations

1 YEAR ENDING 12/2021

	AB	BHMS	DFA	SBH	LMCG
AB	1.00	0.48	0.81	0.74	0.62
BHMS	0.48	1.00	0.48	0.83	0.69
DFA	0.81	0.48	1.00	0.58	0.37
SBH	0.74	0.83	0.58	1.00	0.88
LMCG	0.62	0.69	0.37	0.88	1.00

3 YEAR ENDING 12/2021

	AB	BHMS	DFA	SBH	LMCG
AB	1.00	0.34	0.69	0.31	0.53
BHMS	0.34	1.00	0.35	0.25	0.31
DFA	0.69	0.35	1.00	0.11	0.15
SBH	0.31	0.25	0.11	1.00	0.68
LMCG	0.53	0.31	0.15	0.68	1.00

5 YEAR ENDING 12/2021

	AB	BHMS	DFA	SBH	LMCG
AB	1.00	0.35	0.64	0.34	0.48
BHMS	0.35	1.00	0.38	0.28	0.30
DFA	0.64	0.38	1.00	0.12	0.15
SBH	0.34	0.28	0.12	1.00	0.62
LMCG	0.48	0.30	0.15	0.62	1.00

Historical drawdowns

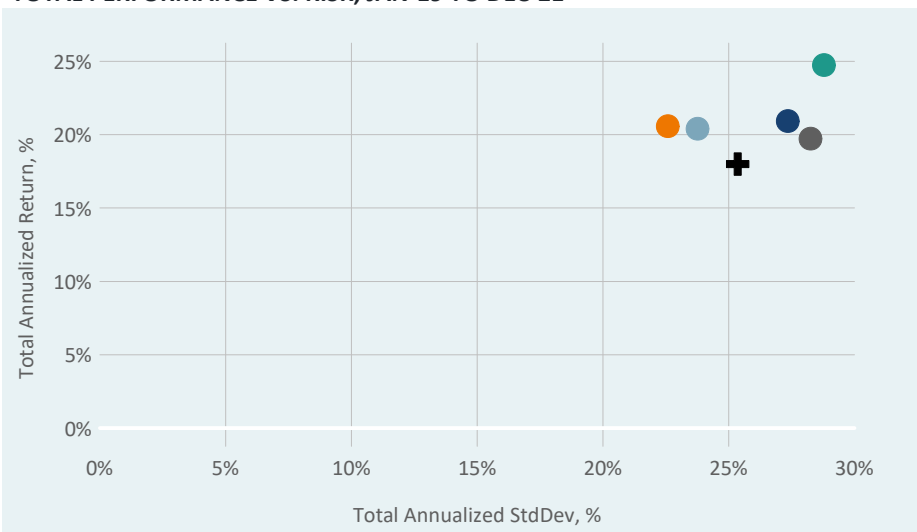
CUMULATIVE PERFORMANCE EXTREMES



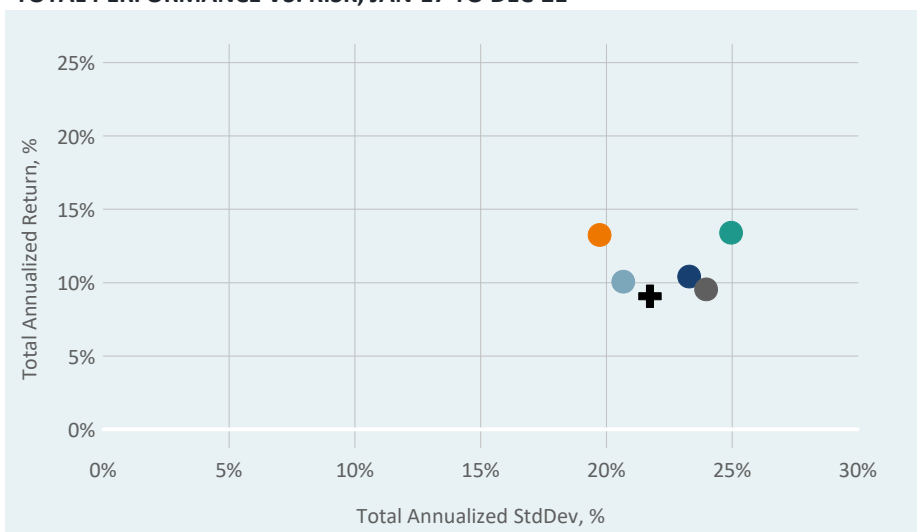
Risk vs. return

● AB ● BHMS ● DFA ● SBH ● LMCG + Russell 2000 Value Index

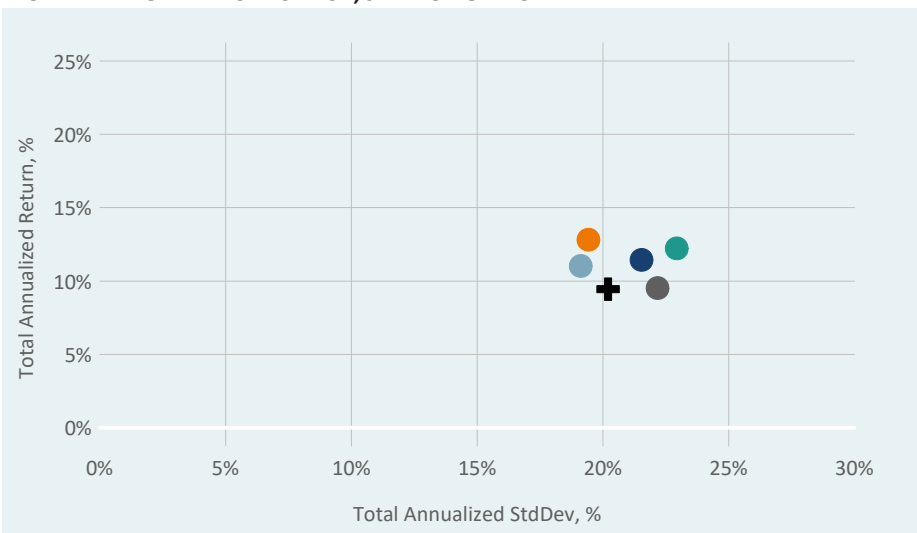
TOTAL PERFORMANCE VS. RISK, JAN-19 TO DEC-21



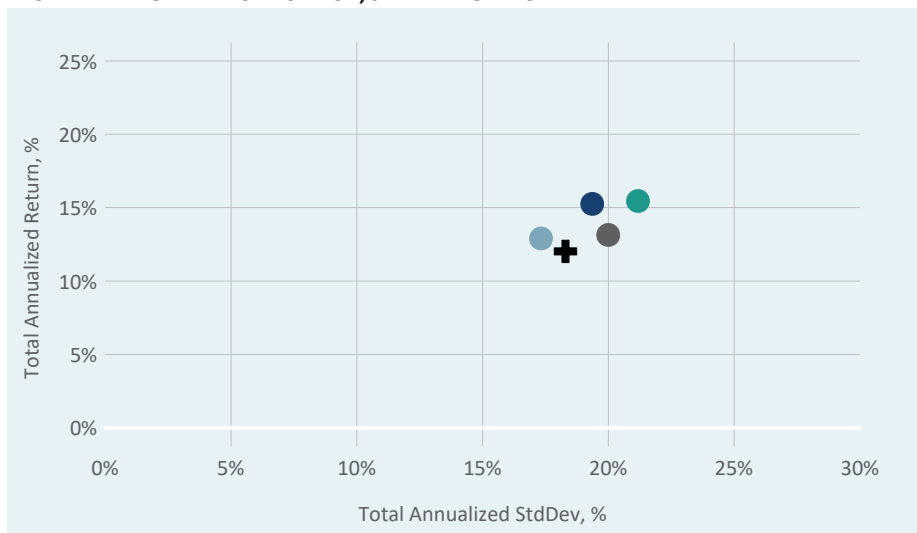
TOTAL PERFORMANCE VS. RISK, JAN-17 TO DEC-21



TOTAL PERFORMANCE VS. RISK, JAN-15 TO DEC-21



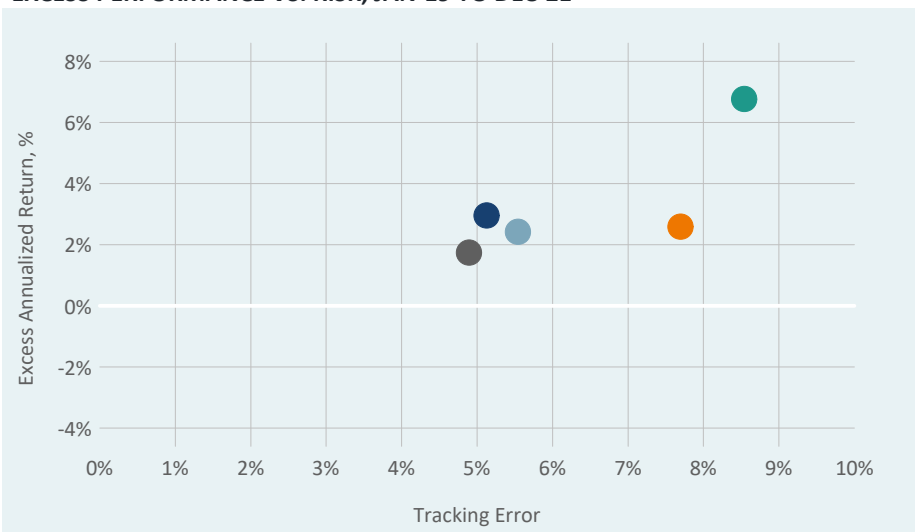
TOTAL PERFORMANCE VS. RISK, JAN-12 TO DEC-21



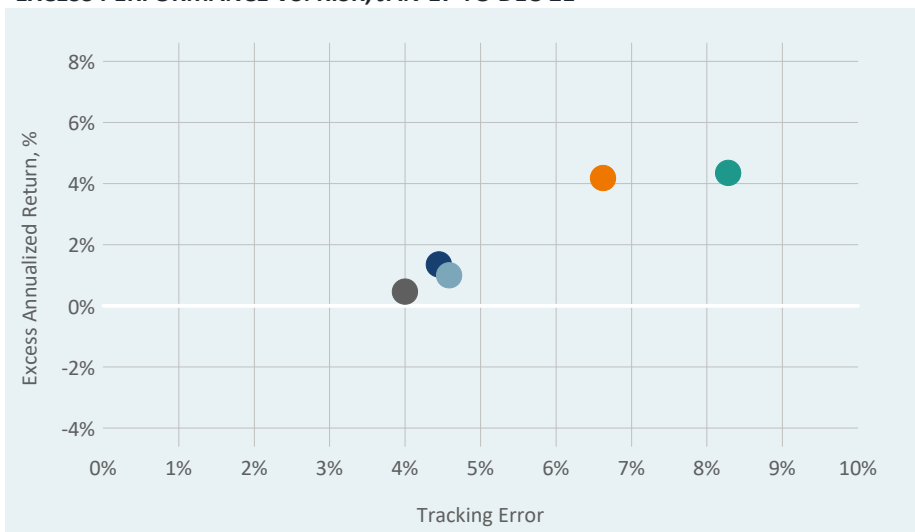
Performance efficiency

● AB ● BHMS ● DFA ● SBH ● LMCG

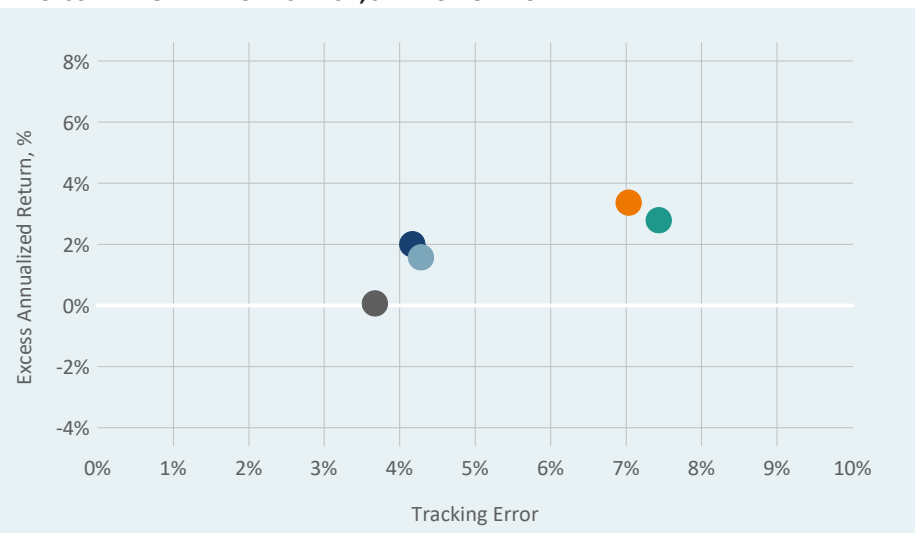
EXCESS PERFORMANCE VS. RISK, JAN-19 TO DEC-21



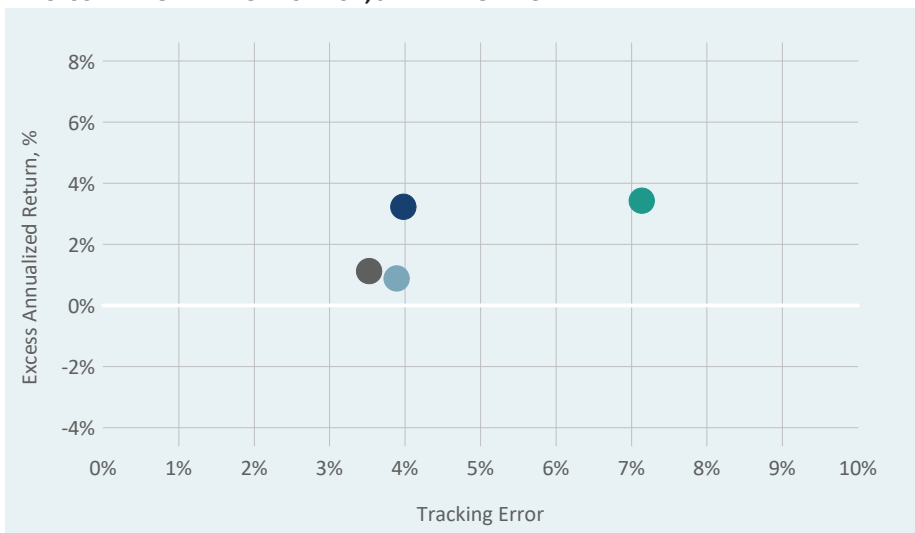
EXCESS PERFORMANCE VS. RISK, JAN-17 TO DEC-21



EXCESS PERFORMANCE VS. RISK, JAN-15 TO DEC-21



EXCESS PERFORMANCE VS. RISK, JAN-12 TO DEC-21



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COUNTY OF TULARE BOARD OF RETIREMENT

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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1. e.

Agenda Date: January 12, 2022

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. LMCG – Pending transition to Leeward Investments, LLC

Prepared by: Leanne Malison

Total Fund

Executive Summary (Net of Fees) - Preliminary

Tulare County Employees' Retirement Association

Period Ending: February 28, 2022

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2021	Fiscal 2020	Fiscal 2019	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Fund	1,938,382,863	100.0	-1.5	-3.5	0.4	23.6	0.6	6.0	6.7	9.0	8.0	7.2	5.2	6.4
<i>Policy Index</i>			-1.3	-4.8	0.5	21.9	3.0	6.9	6.8	9.6	8.5	7.4	5.9	6.8
Total Domestic Equity	570,802,324	29.4	-2.1	-7.7	0.1	44.5	4.2	7.6	12.5	16.6	14.3	14.0	9.7	9.3
<i>Russell 3000 Index</i>			-2.5	-8.3	0.2	44.2	6.5	9.0	12.3	17.6	14.7	14.3	9.9	9.4
SSGA S&P 500 Flagship Fund	215,309,430	11.1	-3.0	-8.0	2.7	40.8	7.5	10.4	16.3	18.2	15.1	14.6	-	-
<i>S&P 500 Index</i>			-3.0	-8.0	2.7	40.8	7.5	10.4	16.4	18.2	15.2	14.6	-	-
QMA Large Cap Core	71,648,929	3.7	-2.2	-5.7	4.1	39.6	3.8	6.6	18.9	16.4	13.6	14.1	-	-
<i>S&P 500 Index</i>			-3.0	-8.0	2.7	40.8	7.5	10.4	16.4	18.2	15.2	14.6	-	-
Ivy Large Cap Growth	73,969,727	3.8	-5.2	-12.7	-1.3	38.0	20.2	15.1	14.8	21.6	20.1	16.6	-	-
<i>Russell 1000 Growth Index</i>			-4.2	-12.5	-1.1	42.5	23.3	11.6	12.5	23.2	20.2	17.0	-	-
Boston Partners Large Cap Value	74,488,889	3.8	-0.8	-0.8	6.7	49.6	-8.8	4.5	21.2	14.2	11.3	12.5	8.9	9.1
<i>Russell 1000 Value Index</i>			-1.2	-3.5	3.2	43.7	-8.8	8.5	15.0	12.2	9.5	11.7	7.3	8.2
SSGA US Extended Market Index	72,937,668	3.8	0.0	-10.0	-12.3	-	-	-	-	-	-	-	-	-
<i>Dow Jones U.S. Completion Total Stock Market Indx</i>			0.0	-10.1	-12.5	-	-	-	-	-	-	-	-	-
William Blair SMID Cap Growth	29,482,064	1.5	2.1	-10.7	-10.4	42.3	6.1	10.1	-8.2	13.0	14.9	14.2	11.7	-
<i>Russell 2500 Growth Index</i>			0.3	-12.9	-15.8	49.6	9.2	6.1	-13.7	12.6	13.2	12.8	10.0	-
Lee Munder Small Value	32,965,617	1.7	-0.1	-3.8	2.9	61.1	-14.9	-4.7	13.7	12.1	7.8	10.4	-	-
<i>Russell 2000 Value Index</i>			1.7	-4.3	-3.1	73.3	-17.5	-6.2	6.6	10.9	8.0	10.7	-	-
Total International Equity	295,662,583	15.3	-2.1	-5.6	-6.4	38.3	-4.0	3.5	0.8	9.4	8.2	5.9	2.5	6.2
<i>MSCI AC World ex USA Index</i>			-2.0	-5.6	-6.6	36.3	-4.4	1.8	0.0	8.2	7.8	5.9	3.8	7.2
SSGA MSCI ACWI Ex US Index Fund	102,931,923	5.3	-2.1	-5.7	-6.9	35.9	-4.5	1.5	-0.4	7.8	7.4	5.6	-	-
<i>MSCI AC World ex USA (Net)</i>			-2.0	-5.6	-6.7	35.7	-4.8	1.3	-0.4	7.7	7.3	5.4	-	-
PIMCO RAE Fundamental Global Ex US Fund	101,509,236	5.2	-2.5	-1.8	-3.9	45.3	-14.9	-1.5	3.1	6.3	5.8	-	-	-
<i>MSCI AC World ex USA Value (Net)</i>			-1.2	-0.3	-1.4	37.6	-15.3	-0.1	5.7	5.1	5.0	-	-	-
SGA Global Growth	91,221,425	4.7	-1.5	-9.3	-8.7	34.3	6.5	10.7	-0.2	13.3	-	-	-	-
<i>MSCI AC World ex USA Growth (Net)</i>			-2.8	-10.6	-11.8	33.7	5.8	2.6	-6.3	9.8	-	-	-	-

Interim Policy Index (10/1/2021): 26% Russell 3000, 16% MSCI ACWI ex US, 3% MSCI ACWI, 17% Bloomberg US Aggregate, 3% JPM GBI Global, 13.4% NCREIF-ODCE, 5% Russell 2000, 4.6% MSCI REIT Index, 7% Private Equity Returns, 5% Private Credit Returns. SSGA Russell Small Cap Completeness Index transitioned to SSGA US Extended Market Index on 6/10/21. Invesco Commercial MIF funded 9/1/21. Franklin Templeton Global Bond Plus liquidates 12/9/2021. SSGA US REIT Index funded 12/10/2021. All data is preliminary.

Total Fund
Executive Summary (Net of Fees) - Preliminary

Tulare County Employees' Retirement Association
Period Ending: February 28, 2022

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2021	Fiscal 2020	Fiscal 2019	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Global Equity	61,604,273	3.2	-2.8	-11.1	-1.9	50.4	-3.6	1.9	11.7	12.3	11.5	-	-	-
MSCI AC World Index			-2.6	-7.3	-2.0	39.9	2.6	6.3	8.3	14.0	12.0	-	-	-
Skellig Water Fund (aka KBI)	61,604,273	3.2	-2.8	-11.1	-1.9	50.4	-3.6	1.9	11.7	12.3	11.5	-	-	-
MSCI AC World Index (Net)			-2.6	-7.4	-2.2	39.3	2.1	5.7	7.8	13.4	11.4	-	-	-
Total Fixed Income	416,002,400	21.5	-1.9	-3.8	-4.6	2.8	2.9	7.2	-3.7	1.5	1.8	2.3	3.9	4.2
Blmbg. U.S. Aggregate Index			-1.1	-3.2	-3.2	-0.3	8.7	7.9	-2.6	3.3	2.7	2.5	3.8	4.1
Total Domestic Fixed Income	362,375,468	18.7	-1.3	-3.3	-3.3	2.3	7.3	7.6	-2.1	3.6	3.0	2.9	-	-
Blmbg. U.S. Aggregate Index			-1.1	-3.2	-3.2	-0.3	8.7	7.9	-2.6	3.3	2.7	2.5	3.8	-
BlackRock Fixed Income	129,339,000	6.7	-1.2	-3.4	-3.3	0.5	9.1	8.0	-2.6	3.6	2.9	2.7	4.1	4.4
Blmbg. U.S. Aggregate Index			-1.1	-3.2	-3.2	-0.3	8.7	7.9	-2.6	3.3	2.7	2.5	3.8	4.1
Doubleline Core Plus	114,568,729	5.9	-1.1	-2.7	-2.6	2.9	4.1	7.0	-1.6	2.9	2.6	-	-	-
Blmbg. U.S. Aggregate Index			-1.1	-3.2	-3.2	-0.3	8.7	7.9	-2.6	3.3	2.7	-	-	-
Mackay Shields Core Plus	118,467,739	6.1	-1.6	-3.9	-3.8	3.7	8.5	7.4	-2.1	4.4	3.4	-	-	-
Blmbg. U.S. Aggregate Index			-1.1	-3.2	-3.2	-0.3	8.7	7.9	-2.6	3.3	2.7	-	-	-
Total Emerging Markets Fixed Income	53,626,932	2.8	-5.3	-6.6	-9.6	10.3	-2.4	-	-8.3	-	-	-	-	-
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			-5.8	-7.1	-10.2	7.1	-1.1	-	-8.7	-	-	-	-	-
PGIM Emerging Markets Debt	53,626,932	2.8	-5.3	-6.6	-9.6	10.3	-	-	-8.3	-	-	-	-	-
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			-5.8	-7.1	-10.2	7.1	-	-	-8.7	-	-	-	-	-
Total Real Estate	342,987,073	17.7				2.2	5.3	6.7	17.6	8.0	7.6	9.3	5.3	7.7
NCREIF ODCE						7.1	1.3	5.5	21.0	8.2	7.7	9.4	5.8	7.3
RREEF America II	198,423,129	10.2				2.1	5.3	6.6	23.9	9.9	8.7	10.8	6.6	-
NCREIF ODCE						7.1	1.3	5.5	21.0	8.2	7.7	9.4	5.8	-
American Realty	39,472,295	2.0				3.4	-	-	15.4	-	-	-	-	-
NCREIF ODCE						7.1	-	-	21.0	-	-	-	-	-
Invesco Commercial Mortgage Income Fund	67,123,595	3.5				-	-	-	-	-	-	-	-	-
NCREIF ODCE						-	-	-	-	-	-	-	-	-
SSGA US REIT Index Non-Lending Fund	37,968,054	2.0	-3.5	-9.8		-	-	-	-	-	-	-	-	-
NCREIF ODCE						-	-	-	-	-	-	-	-	-

Interim Policy Index (10/1/2021): 26% Russell 3000, 16% MSCI ACWI ex US, 3% MSCI ACWI, 17% Bloomberg US Aggregate, 3% JPM GBI Global, 13.4% NCREIF-ODCE, 5% Russell 2000, 4.6% MSCI REIT Index, 7% Private Equity Returns, 5% Private Credit Returns. SSGA Russell Small Cap Completeness Index transitioned to SSGA US Extended Market Index on 6/10/21. Invesco Commercial MIF funded 9/1/21. Franklin Templeton Global Bond Plus liquidates 12/9/2021. SSGA US REIT Index funded 12/10/2021. All data is preliminary.

Total Fund
Executive Summary (Net of Fees) - Preliminary

Tulare County Employees' Retirement Association
Period Ending: February 28, 2022

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2021	Fiscal 2020	Fiscal 2019	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Private Equity	118,704,779	6.1				42.8	5.4	17.8	18.2	19.4	18.4	14.9	-	-
<i>Private Equity Benchmark</i>						42.8	5.4	17.8	18.2	19.4	18.4	15.3	-	-
BlackRock Alternative Advisors	514,486	0.0				-13.7	8.1	8.8	-35.4	-4.4	1.6	5.0	-	-
Ocean Avenue Fund III	19,428,499	1.0				25.2	13.7	35.4	41.0	24.1	28.0	-	-	-
Ocean Avenue Fund IV	20,601,057	1.1				35.2	-	-	12.5	-	-	-	-	-
Pantheon Ventures	345,959	0.0				4.4	-23.1	5.6	-6.7	-7.8	-2.4	2.7	3.6	-
Pathway Private Equity Fund Investors 8	33,703,176	1.7				67.5	4.9	26.4	35.6	31.8	29.0	-	-	-
Pathway Private Equity Fund Investors 9	25,580,659	1.3				73.9	0.0	22.0	39.0	28.9	-	-	-	-
Pathway Private Equity Fund Investors 10	12,374,850	0.6				46.9	-	-	24.9	-	-	-	-	-
Stepstone Secondary Opportunities Fund II	6,156,093	0.3				22.4	-0.5	2.1	2.7	6.6	6.9	-	-	-
Total Private Credit	84,635,665	4.4				28.3	-4.5	11.2	7.0	9.3	9.1	-	-	-
<i>Private Credit Benchmark</i>						28.3	-4.5	11.2	7.0	9.3	9.1	-	-	-
Sixth Street DCP (frmly TSSP DCP)	84,635,665	4.4				28.3	-4.5	11.2	7.0	9.3	9.1	-	-	-
Total Opportunistic	28,541,252	1.5				15.0	-6.2	-6.2	9.1	4.5	7.8	12.6	-	-
Sixth Street TAO Contingent (frmly TSSP TAO Contingent)	24,626,373	1.3				27.6	-	-	8.7	-	-	-	-	-
KKR Mezzanine Partners I	3,904,517	0.2				-13.6	-7.3	1.5	10.0	-5.5	1.6	7.2	-	-
PIMCO Bravo	10,362	0.0				-23.8	-76.0	-45.1	-41.0	-47.2	-29.2	-8.0	-	-

Interim Policy Index (10/1/2021): 26% Russell 3000, 16% MSCI ACWI ex US, 3% MSCI ACWI, 17% Bloomberg US Aggregate, 3% JPM GBI Global, 13.4% NCREIF-ODCE, 5% Russell 2000, 4.6% MSCI REIT Index, 7% Private Equity Returns, 5% Private Credit Returns. SSGA Russell Small Cap Completeness Index transitioned to SSGA US Extended Market Index on 6/10/21. Invesco Commercial MIF funded 9/1/21. Franklin Templeton Global Bond Plus liquidates 12/9/2021. SSGA US REIT Index funded 12/10/2021. All data is preliminary.



PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



APRIL 2022

China: Fund Exposure Update

Tulare County Employees Retirement Association

TCERA China exposure summary

Asset Class	Total Market Value (millions)	China exposure mkt value (millions)	% Exposure Asset Class level
Domestic Equity	\$618.1	\$0.0	0.0%
Non-US Equity	\$313.1	\$20.8	6.7%
Global Equity	\$83.3	\$4.4	5.3%
Fixed Income	\$432.3	\$3.4	0.8%
Real Estate	\$315.9	\$0.0	0.0%
Private Equity	\$117.8	\$2.4	2.0%
Private Credit	\$108.4	\$0.0	0.0%
Total fund	\$1,988.8	\$31.0	1.6%

As of December 31, 2021

China exposure – public market detail

	% Portfolio Exposure	Strategy Market Value (millions)	Exposure in \$ (millions)
Domestic Equity	0.00%	\$618.1	\$0.0
Non-US Equity	6.65%	\$313.1	\$20.8
<i>SSGA MSCI ACWI ex-US Index Fund</i>	<i>9.44%</i>	<i>\$109.2</i>	<i>\$10.3</i>
<i>PIMCO RAE Fundamental Global ex-US</i>	<i>4.03%</i>	<i>\$103.3</i>	<i>\$4.2</i>
<i>SGA Global Growth</i>	<i>6.30%</i>	<i>\$100.6</i>	<i>\$6.3</i>
Global Equity	5.30%	\$83.3	\$4.4
<i>Skellig DST Water Fund</i>	<i>5.30%</i>	<i>\$83.3</i>	<i>\$4.4</i>
Fixed Income	0.78%	\$432.3	\$3.4
<i>BlackRock Core Fixed Income</i>	<i>0.00%</i>	<i>\$133.8</i>	<i>\$0.0</i>
<i>DoubleLine Core Plus Fixed Income</i>	<i>0.07%</i>	<i>\$117.7</i>	<i>\$0.1</i>
<i>MacKay Shields Core Plus Fixed Income</i>	<i>0.25%</i>	<i>\$123.2</i>	<i>\$0.3</i>
<i>PGIM Emerging Market Debt</i>	<i>5.17%</i>	<i>\$57.5</i>	<i>\$3.0</i>
Real Estate	0.00%	\$315.9	\$0.0
Total public market exposure	1.62%	\$1,762.6	\$28.6

As of December 31, 2021

China exposure – private market detail

	% Portfolio Exposure	Strategy Market Value (millions)	Exposure in \$ (millions)
Private Equity	2.03%	\$117.8	\$2.4
<i>Pantheon USA Fund VI</i>	<i>0.00%</i>	<i>\$0.4</i>	<i>\$0.0</i>
<i>BlackRock Private Capital II</i>	<i>1.70%</i>	<i>\$0.5</i>	<i>\$0.008</i>
<i>Stepstone Secondary Opps Fund II</i>	<i>0.50%</i>	<i>\$6.2</i>	<i>\$0.031¹</i>
<i>Ocean Avenue Fund III and IV</i>	<i>0.00%</i>	<i>\$40.0</i>	<i>\$0.0</i>
<i>Pathway PE Fund 8</i>	<i>5.90%</i>	<i>\$33.9</i>	<i>\$2.0</i>
<i>Pathway PE Fund 9</i>	<i>1.40%</i>	<i>\$24.4</i>	<i>\$0.34</i>
<i>Pathway PE Fund 10</i>	<i>0.10%</i>	<i>\$12.4</i>	<i>\$0.012</i>
Private Credit/Opportunistic	0.00%	\$108.40	\$0.00
Total private market exposure	1.06%	\$226.2	\$2.4

As of December 31, 2021

1. As of September 30, 2021

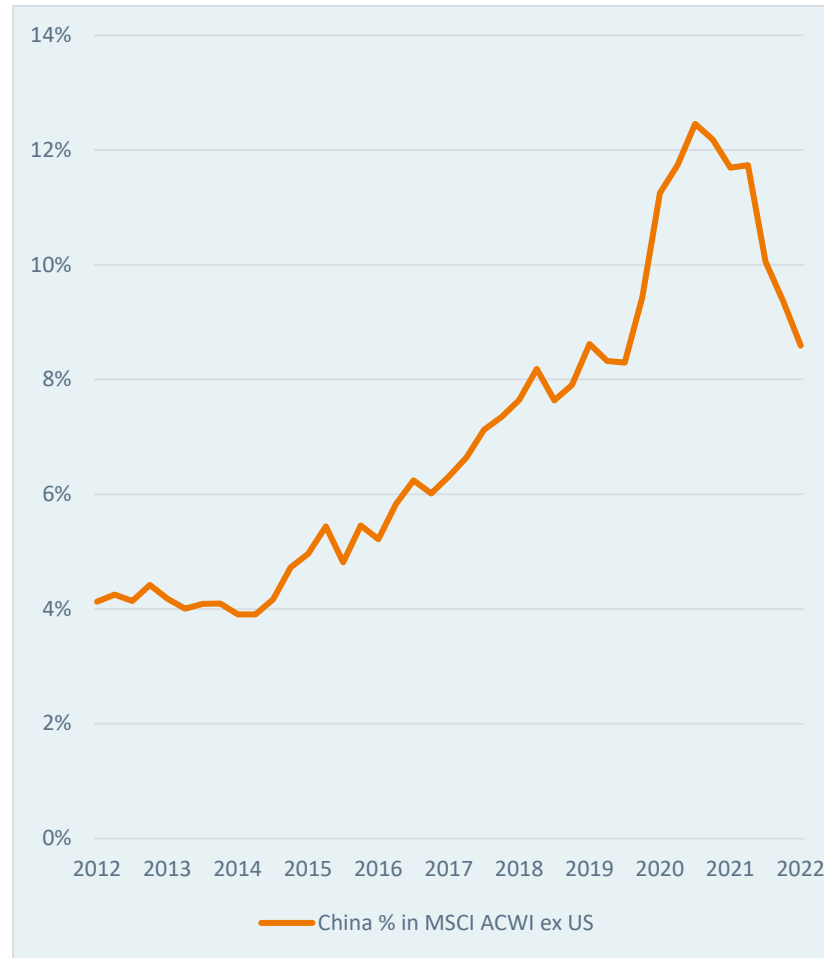
China allocation and performance

Index weights

CHINA AS % OF THE MSCI EMERGING MARKETS INDEX



CHINA AS OF % OF THE MSCI ACWI EX USA INDEX

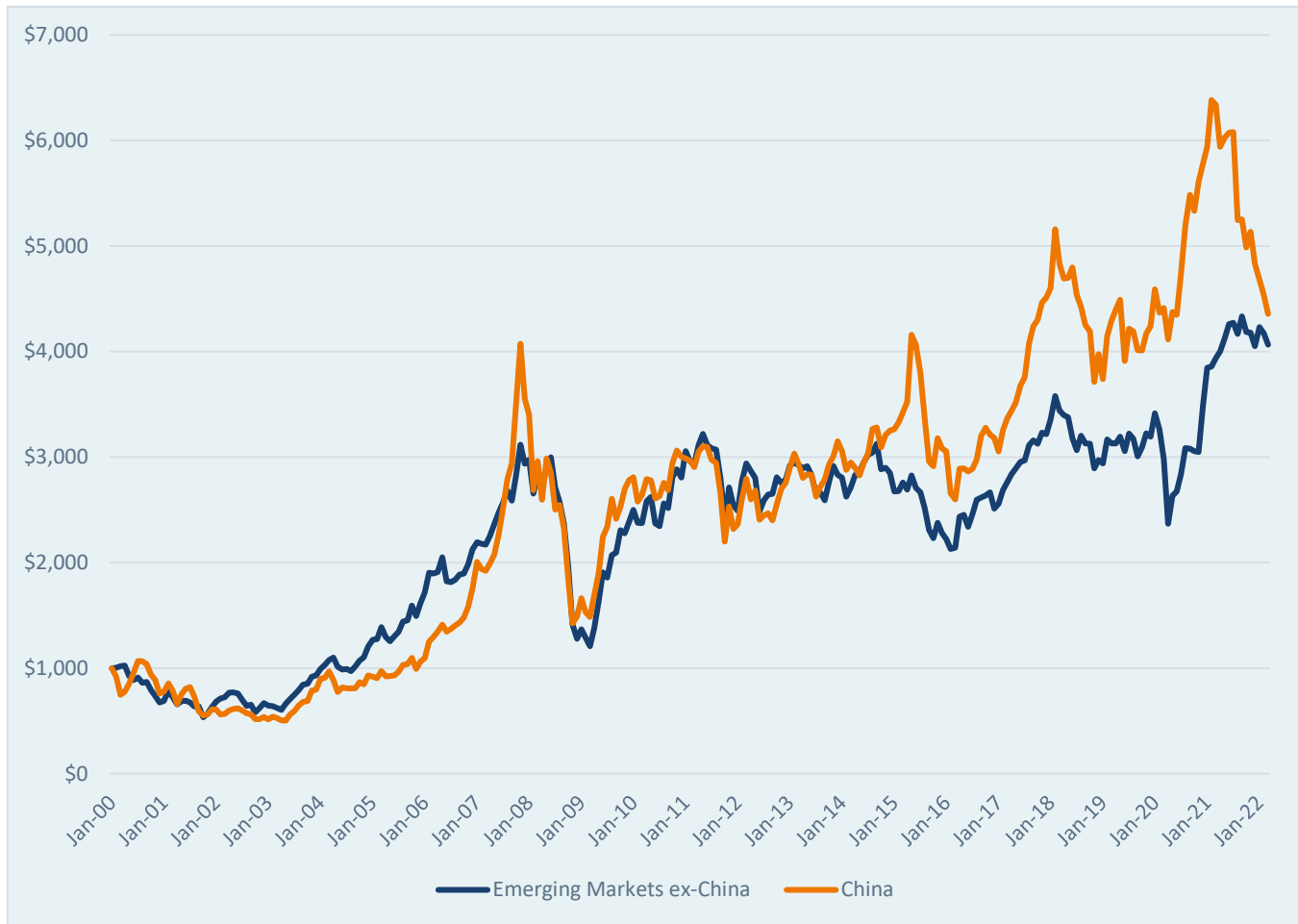


Though China's weight in the EM and ACWI ex-US indices is still large, recent under-performance has caused this trend to reverse

Source: MSCI as of March 31, 2022

Chinese equity performance

MSCI CHINA & EM-EX CHINA: GROWTH OF \$1,000



Source: MSCI as of March 31, 2022

Chinese equity markets have been volatile, especially recently.

Appendix - geopolitical context

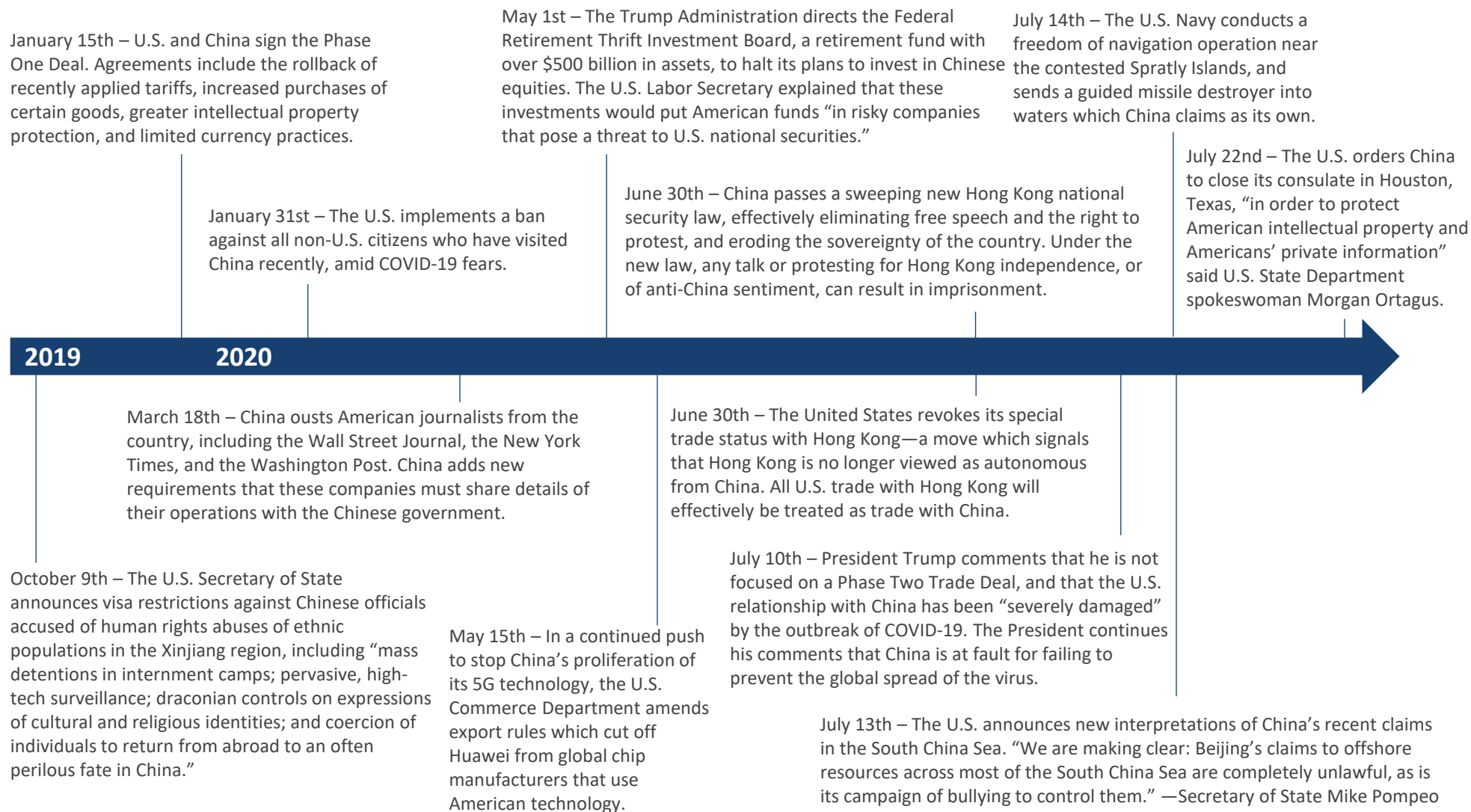
A shifting relationship

From cooperation toward hegemonic competition

THEN	NOW	AHEAD
------	-----	-------

- | | | |
|---|---|--|
| <ul style="list-style-type: none">– 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 | <ul style="list-style-type: none">– 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<ul style="list-style-type: none">– Power to block foreign investment– Increased military spending– Foreign aid to counter Chinese influence | <ul style="list-style-type: none">– 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

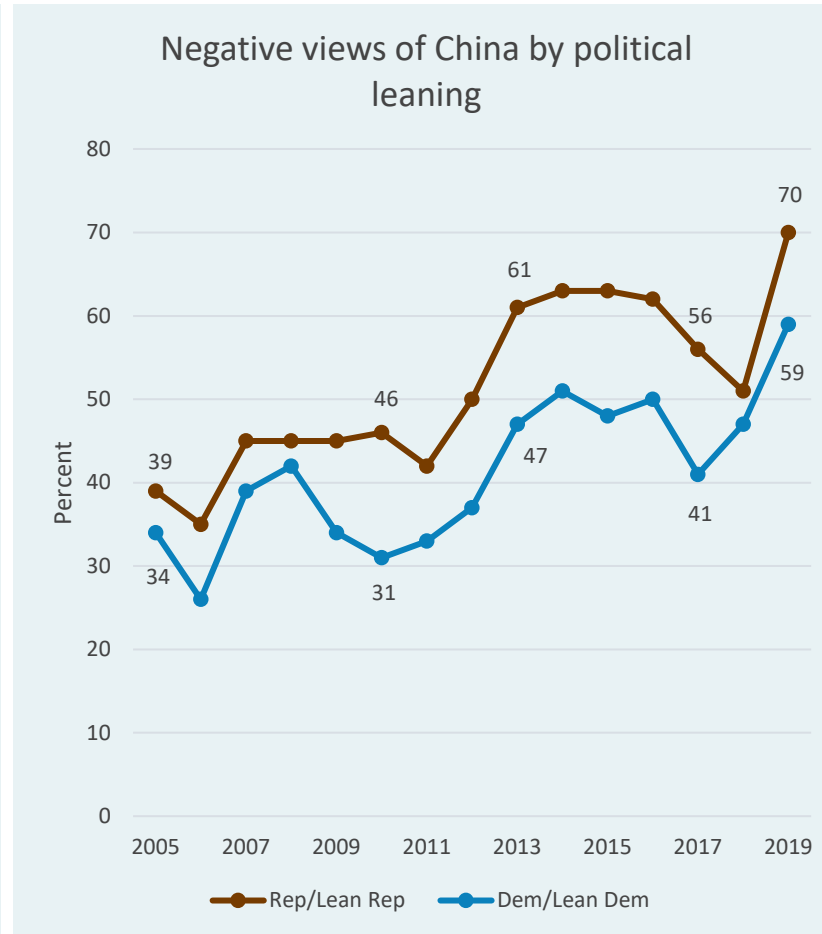
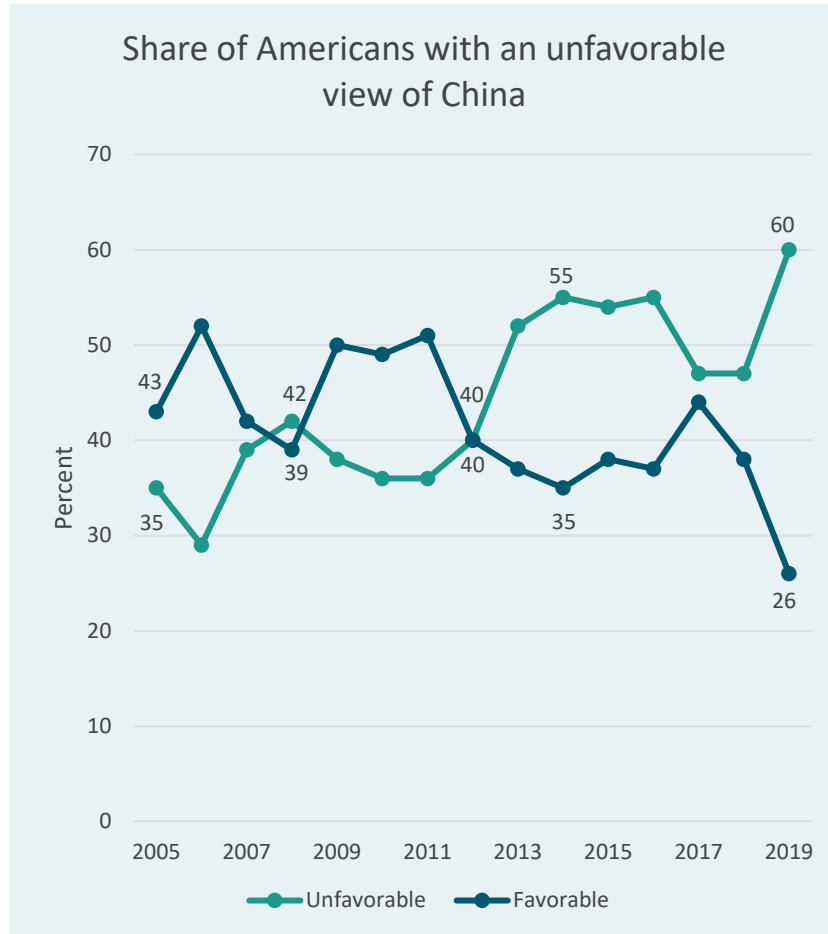


U.S.-China tensions escalating - timeline



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."



Secretary Antony Blinken  @SecBlinken · Feb 5

 United States government official

In my call with my counterpart in Beijing, Yang Jiechi, I made clear the U.S. will defend our national interests, stand up for our democratic values, and hold Beijing accountable for its abuses of the international system.



1.5K



5.2K



29K



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.

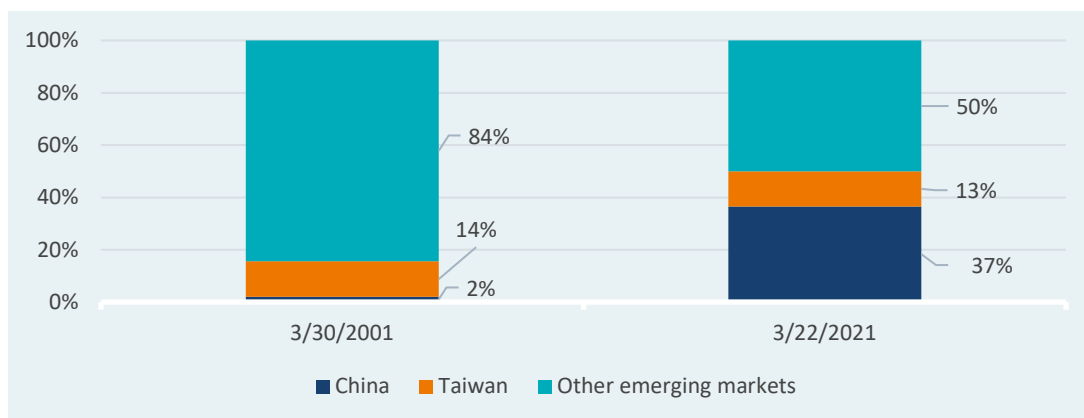
Thoughts on Chinese equities

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.

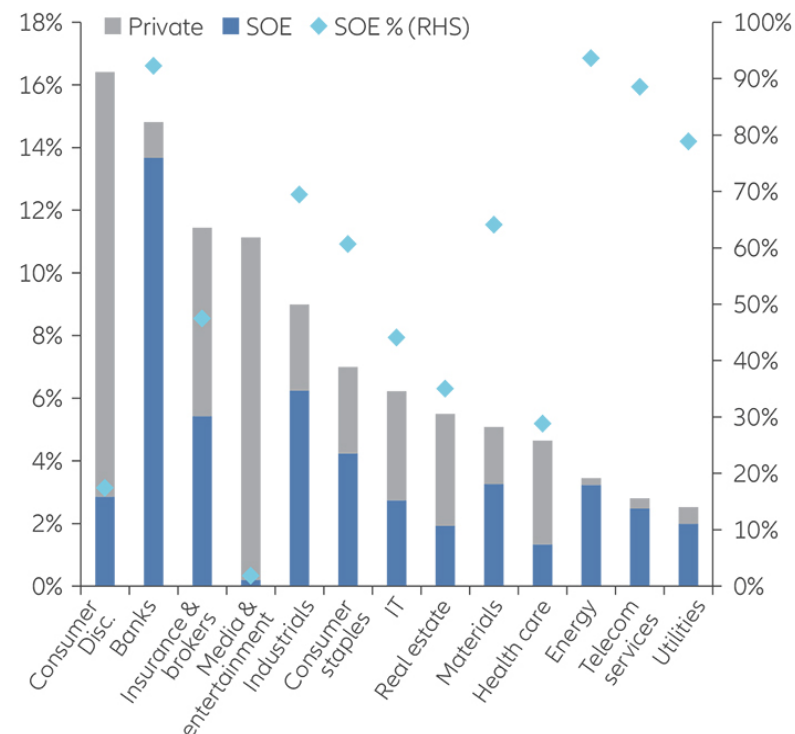
MSCI EMERGING MARKETS INDEX – COUNTRY ALLOCATIONS



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



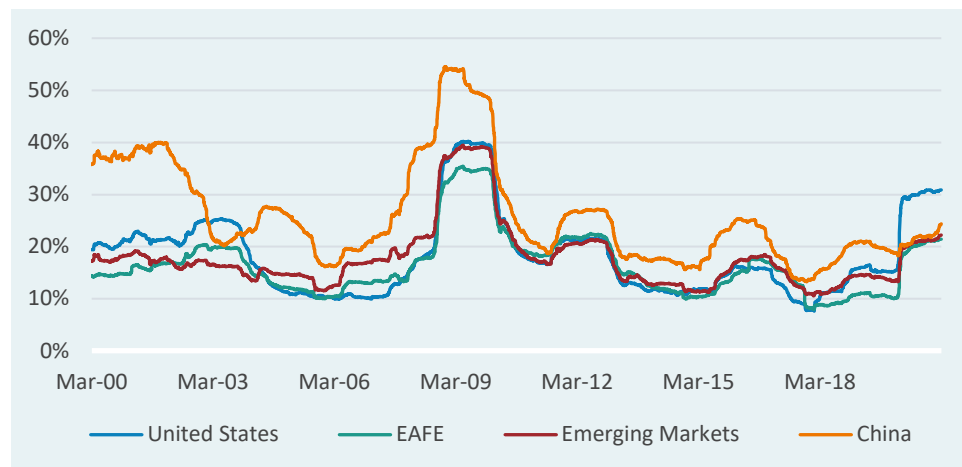
Source: Bloomberg, HSBC, Allianz, as of 4/30/19

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.

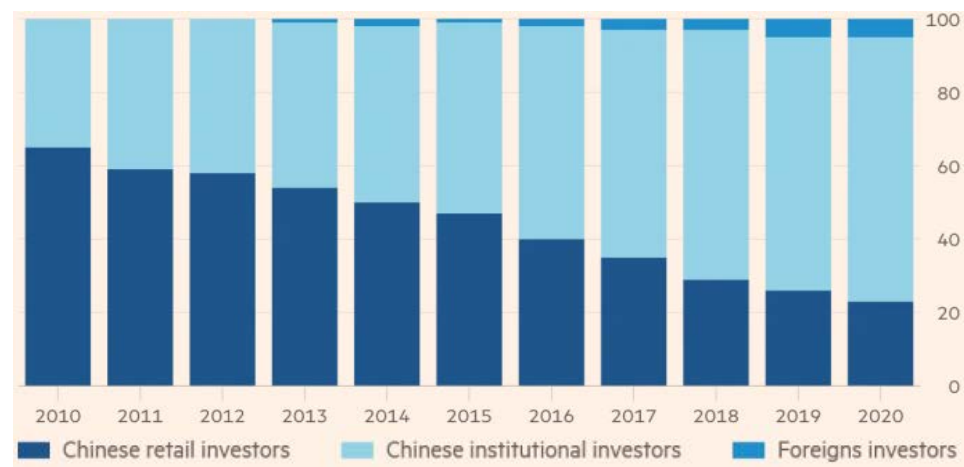
Swings back and forth in China have far exceeded the broader emerging market equity universe, due in part to the high proportion of retail investors in China. Investment managers with China products have contended that the concentration of retail investors in Chinese equity markets, alongside the nebulous 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

Notices & disclosures

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Investing in China – Macro, Equities & Bonds

April 2022

Elliot Hentov, Ph.D.
Head of Macro Policy Research

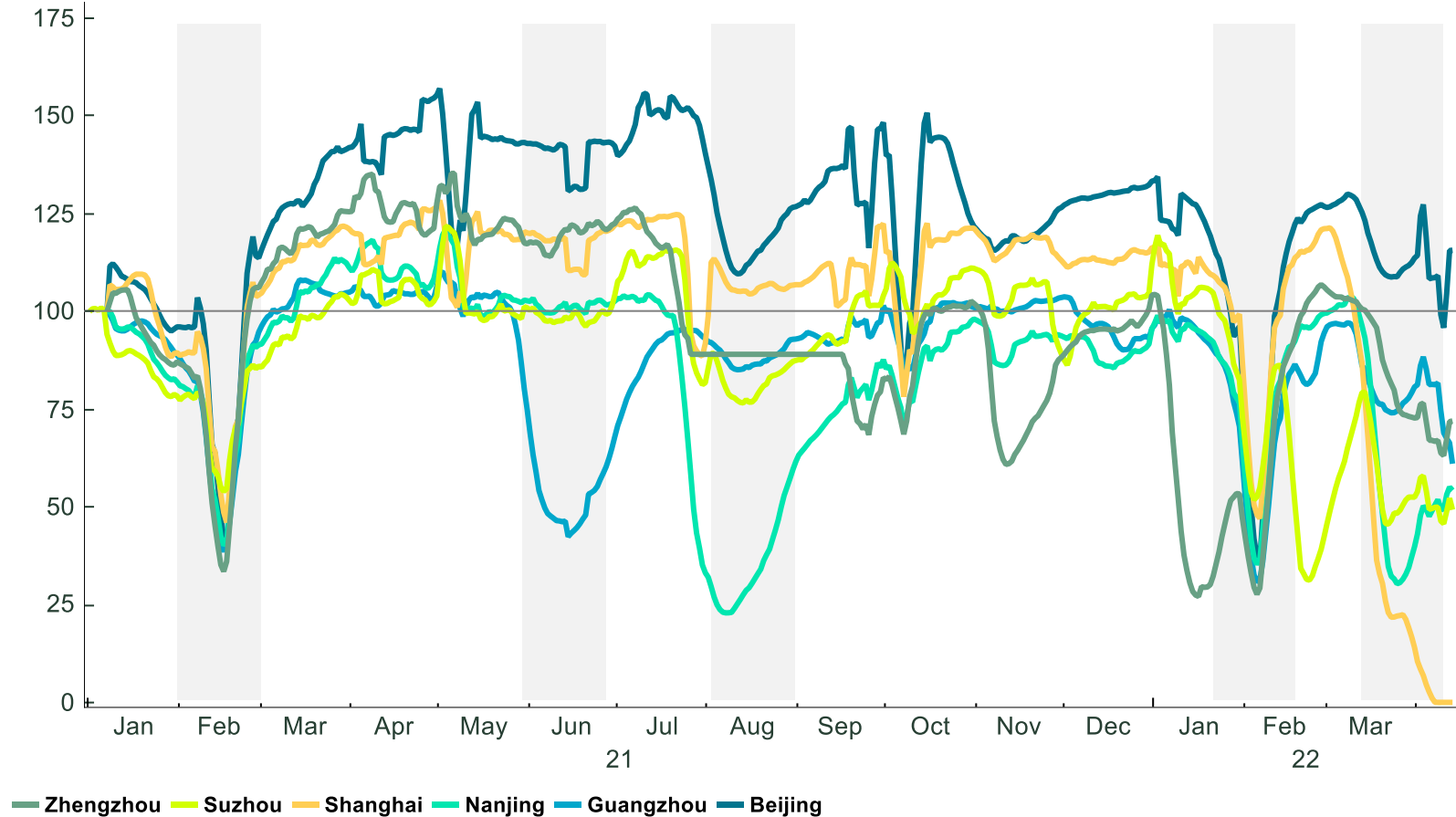
For Institutional Investor Use Only.
All the information contained in this presentation is as of date indicated unless otherwise noted.

Macro – China's Economy Right Now

Mobility Plunged Amid Zero-Covid China

China Subway Traffic, 7-day rolling sum

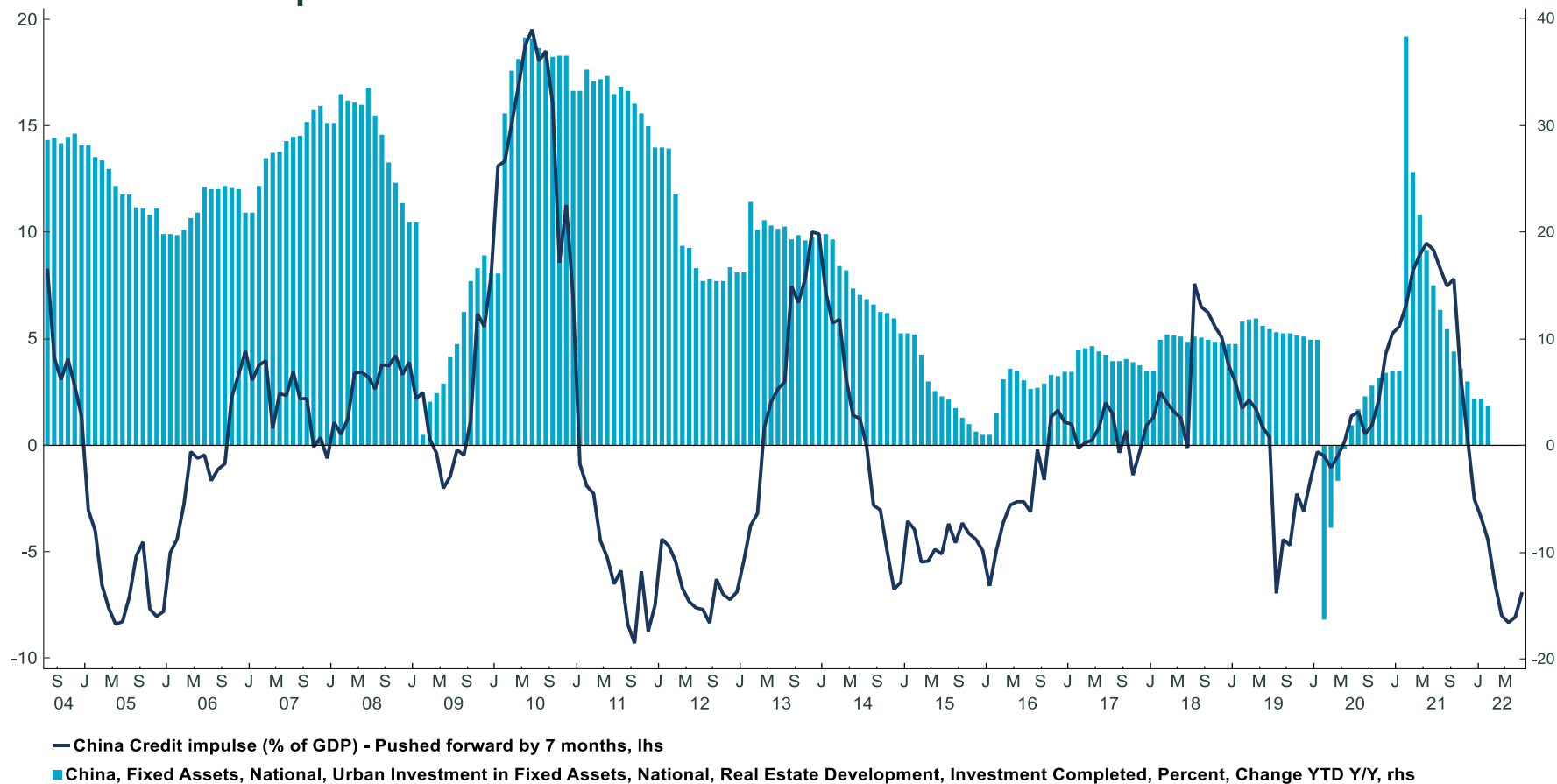
Jan 2021 = 100



Source: SSGA Global Macro Policy Research; Macrobond

Chinese Reflation Started But Slower

China: Credit Impulse and Residential Investment



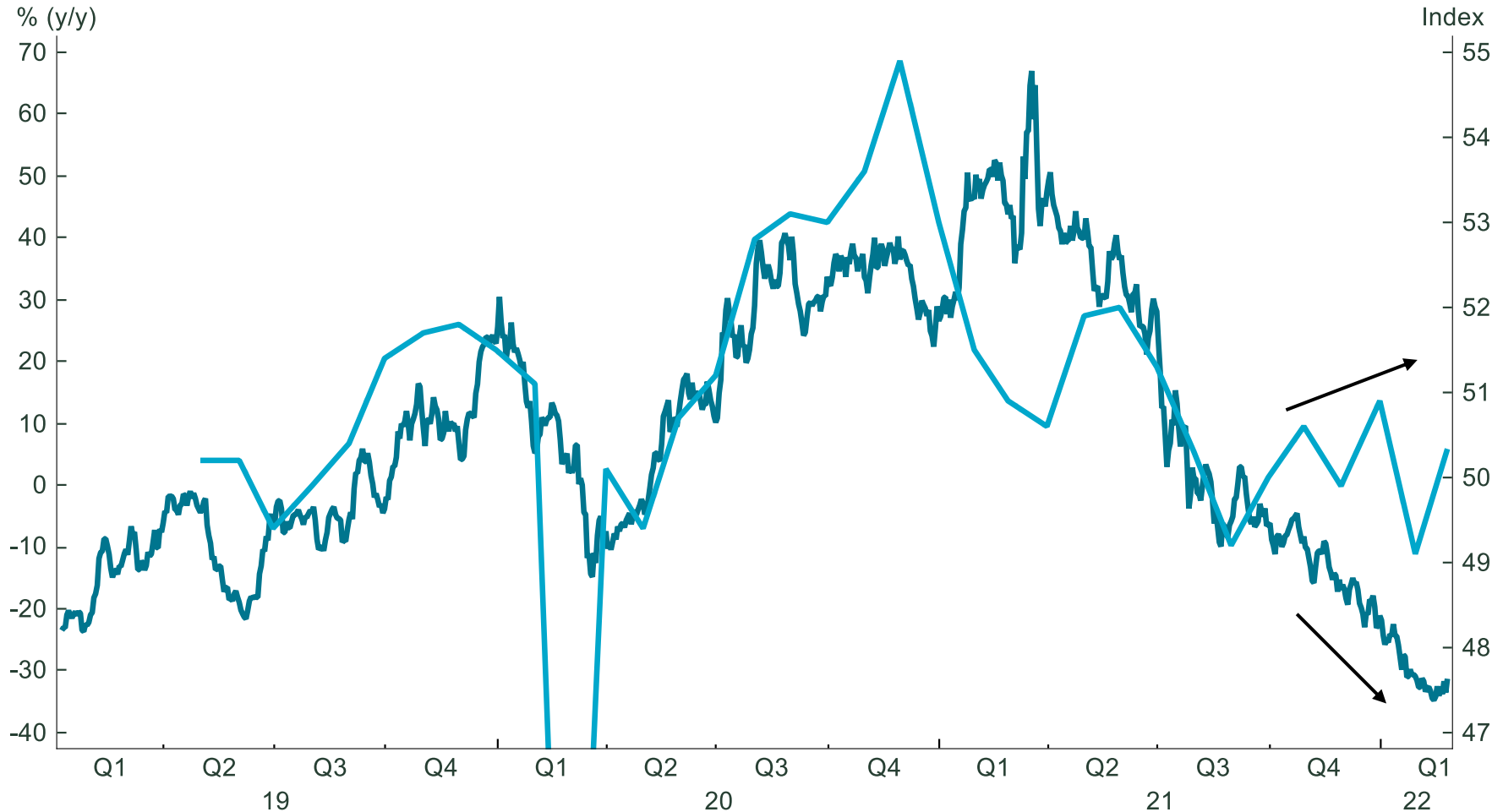
Sources: Macrobond, SSGA Global Macro Research, People's Bank of China (PBoC), China National Bureau of Statistics (NBS)

Updated as of 14/04/2022

Source: SSGA Global Macro Policy Research; Macrobond; China National Bureau of Statistics as at 15/3/2022

Stocks Usually Follow Economic Cycle

China Manufacturing PMI* (Right) vs China Stock Prices \$ USD, (Left)



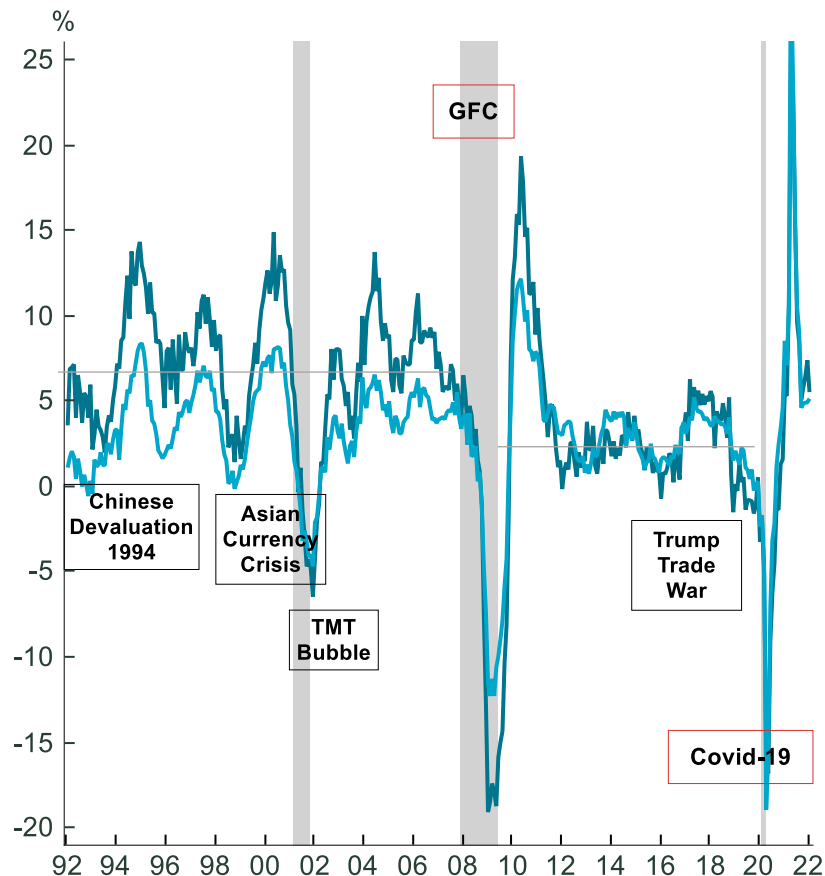
— Manufacturing PMI, Index, rhs — MSCI IMI, USD, lhs

Source: Macrobond, SSGA Macro Research, MSCI, Markit * Truncated at 47 as at 15/3/2022

Geopolitics & Politics

China Exposed to ‘Deglobalization’

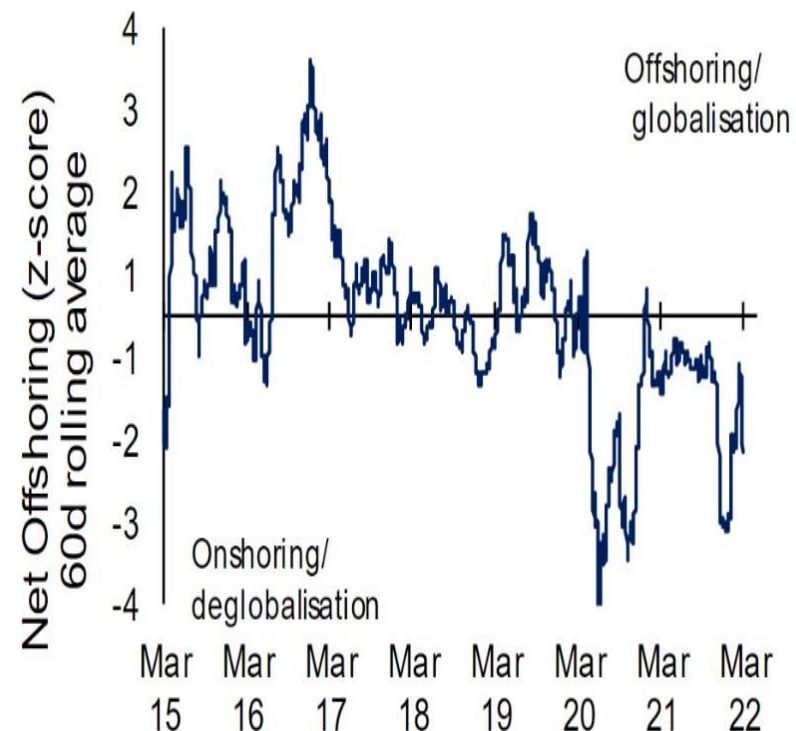
Deglobalization evolved over the past decade



— World, Industrial Production, Excl. US [a.r. 1 year]
 — World Foreign Trade [a.r. 1 year]

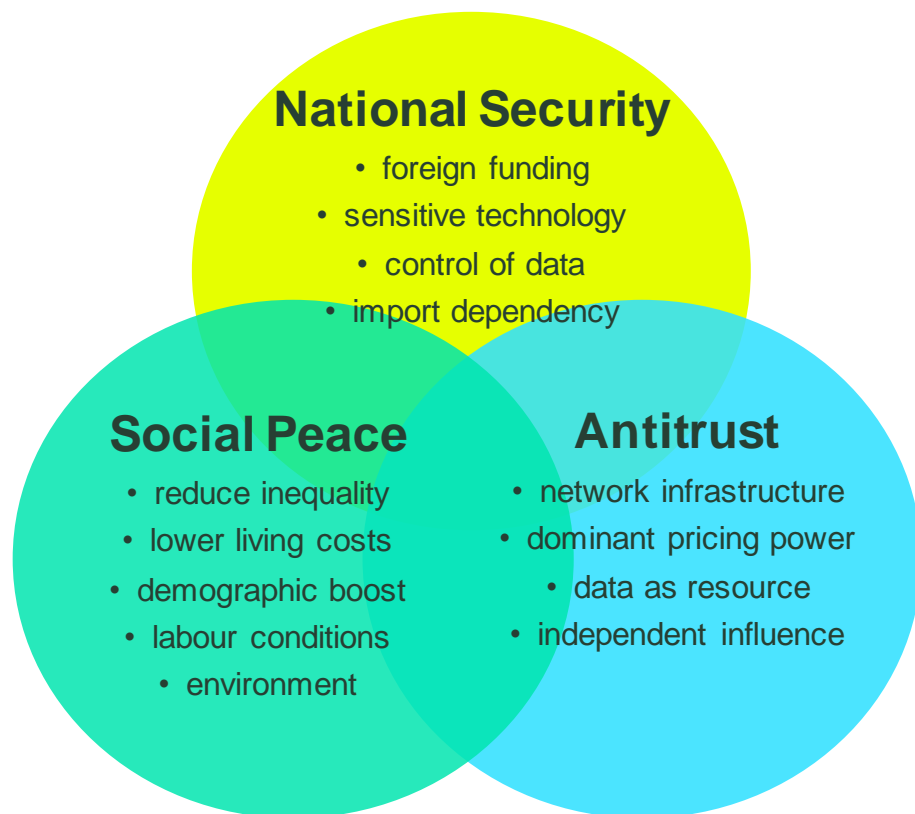
Source: SSGA Global Macro Policy Research; Macrobond; State Street Global Markets
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Net Offshoring* positive corporate communications intensity

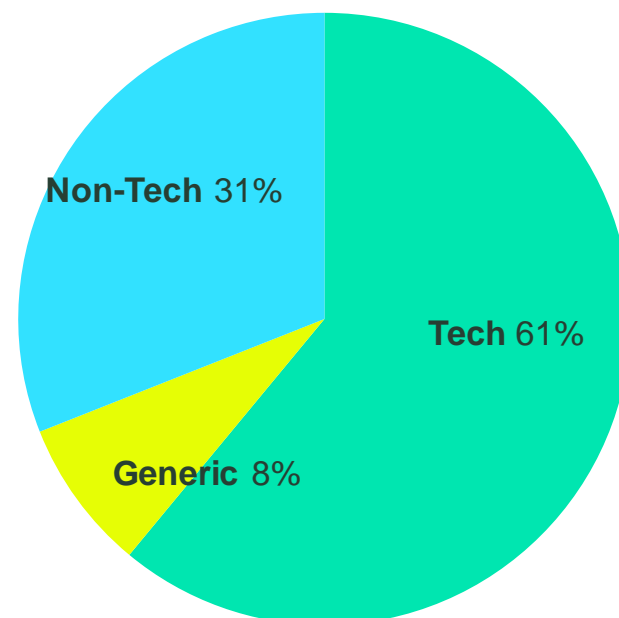


*“offshoring” communications less “re-shoring” communications

Policy Risks Favor Active Strategies



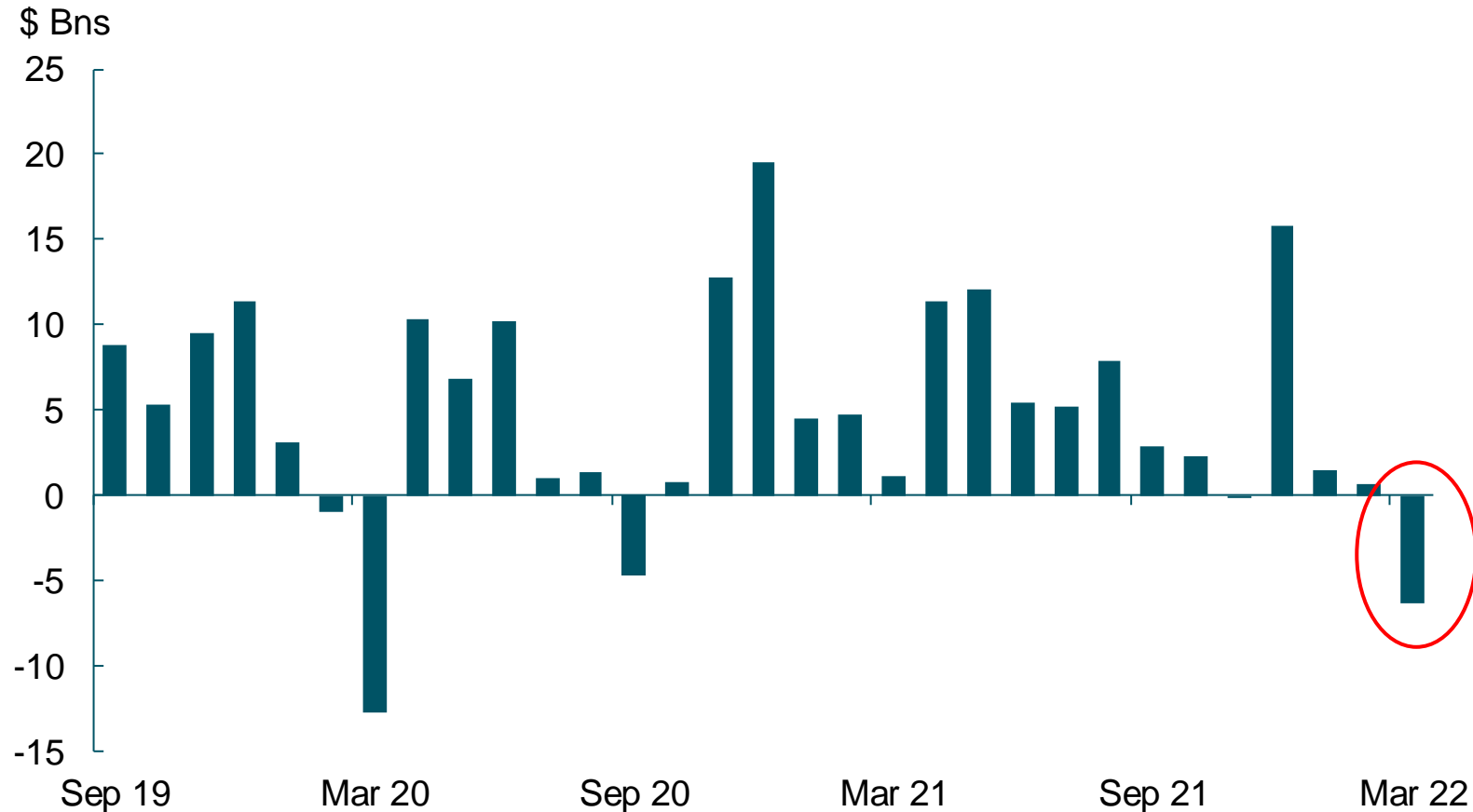
Regulatory Actions Since Alibaba IPO
(Nov. 2020 – Aug 2021)



- **Political economy priorities** require more intervention in high-growth sectors.
- **Non-tech sectors** most exposed are property, education, and entertainment.
- **Conversely, key industrial sectors** (e.g., semiconductors, renewables, AgTech) to benefit from state support.

Net Equity Outflows- Just Another Blip?

Non-Resident Portfolio Flows to China, \$ Billions



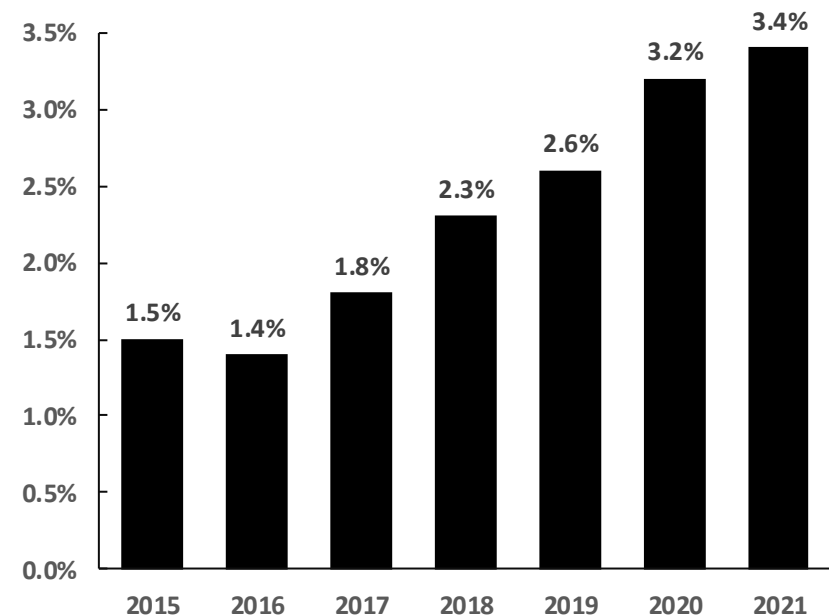
Source: SSGA Global Macro Policy Research; IIF

Chinese Equities & Bonds in Context

Why Invest in China? Underrepresented

Weighting Methodology	China (%)	Emerging Markets ex-China (%)	Developed Markets (%)
MSCI ACWI (free-float)	4	8	88
MSCI ACWI (full float)	13	13	74
IMF GDP (PPP weight)	19	39	42

% of Foreign Investors' Holding of China Bonds

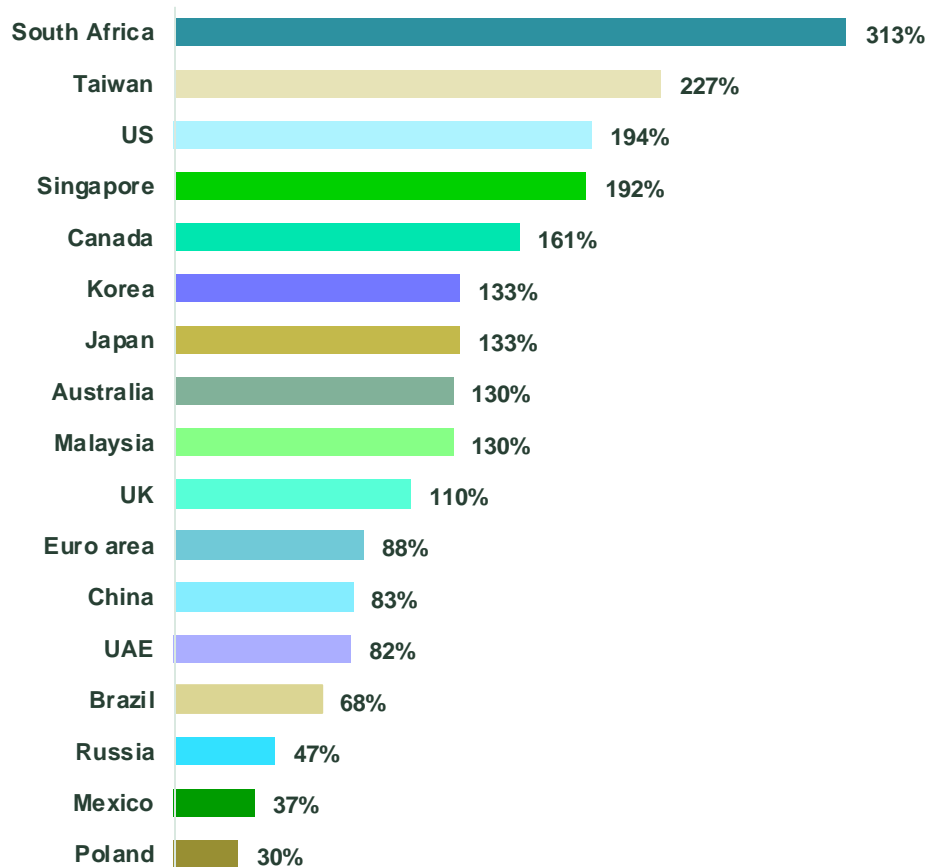


Source: MSCI, IMF, SSGA calculations, as of 28 February 2022. IMF GDP – PPP forecasts are as of 12th Oct 2021 release. RHS: As of Dec 31, 2021

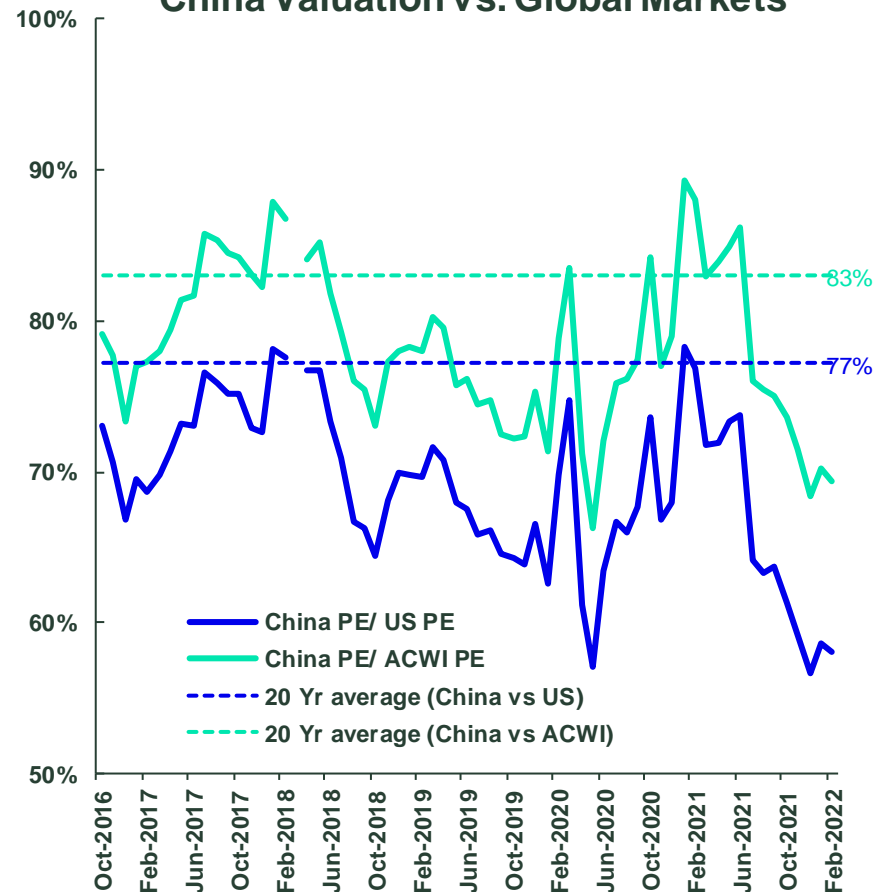
Projected characteristics are based upon estimates and reflect subjective judgments and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate. This information should not be considered a recommendation to invest in a particular country shown. It is not known whether the country shown will be profitable in the future

Why Invest in China? Undervalued

Buffett Ratio: Market Cap to GDP



China Valuation vs. Global Markets



Source: MSCI Indices, FactSet, Bloomberg, State Street Global Advisors, as of February 28, 2022. PE = price to earnings ratio;
This information should not be considered a recommendation to invest in a particular country shown. It is not known whether the country shown will be profitable in the future

Why Invest in China? Diversification

10-year monthly correlation is lower versus DM for **China** than **EM ex-China**

	China	EM ex-China	Japan	Europe	DM
China	1				
EM ex-China	0.65	1			
Japan	0.50	0.64	1		
Europe	0.53	0.79	0.72	1	
DM	0.57	0.79	0.76	0.92	1

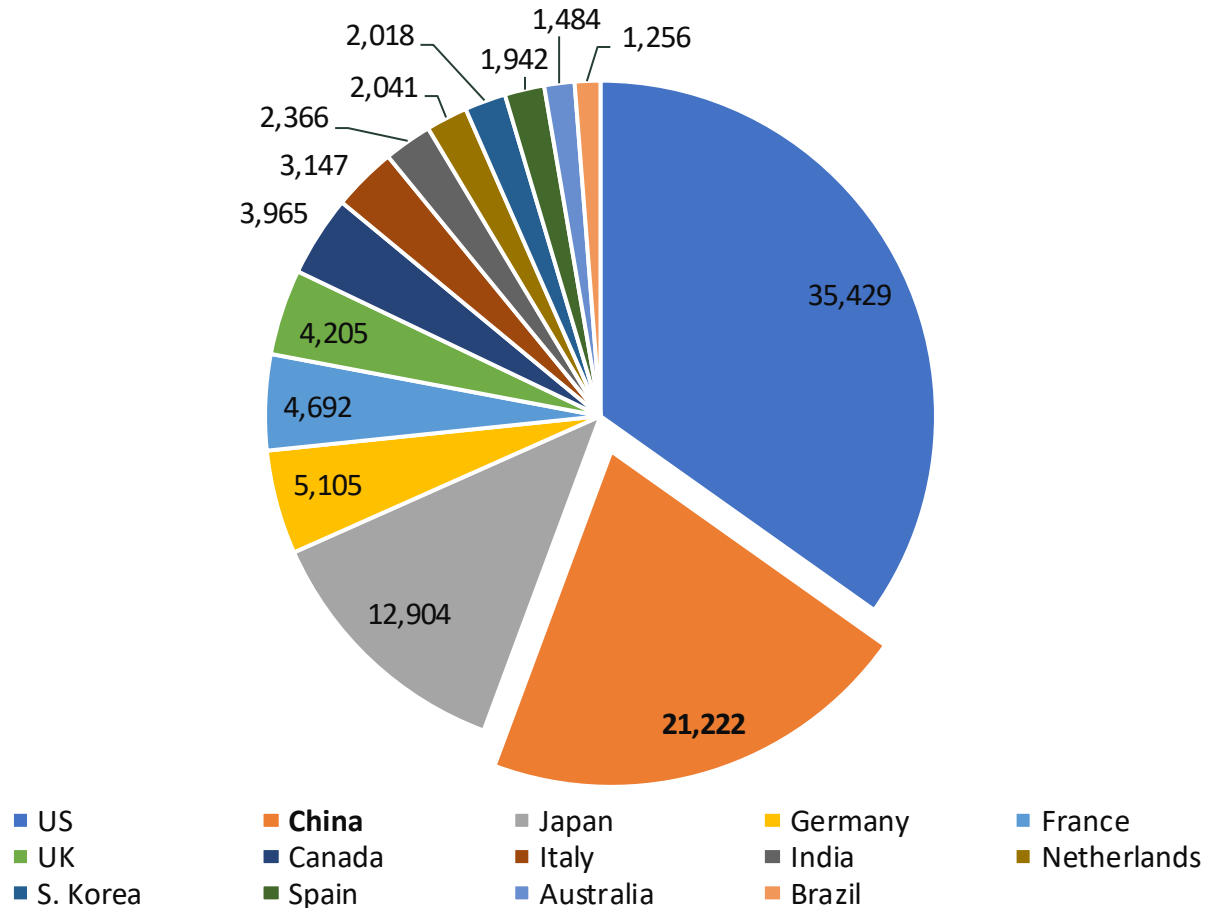
Asset correlation based on USD unhedged returns (Jun 2004 – Feb 2022)

	China Treasury and Policy Bank	Global Agg.	US Agg.	Euro Agg.	Japanese Agg.	Sterling Agg.
China Treasury and Policy Bank	1.00	0.23	0.10	0.21	0.17	0.14
Global Agg.	0.23	1.00	0.70	0.87	0.65	0.64
US Agg.	0.10	0.70	1.00	0.39	0.48	0.37
Euro Agg.	0.21	0.87	0.39	1.00	0.29	0.62
Japanese Agg.	0.17	0.65	0.48	0.29	1.00	0.16
Sterling Agg.	0.14	0.64	0.37	0.62	0.16	1.00

Source: State Street Global Advisors, FactSet, Bloomberg as of 28th Feb 2022. Correlation data calculated using monthly returns from Jun 2004 to February 2022. This information should not be considered a recommendation to invest in a particular country shown. It is not known whether the country shown will be profitable in the future. Diversification does not ensure a profit or guarantee against loss.

China's Bond Market 2nd Largest

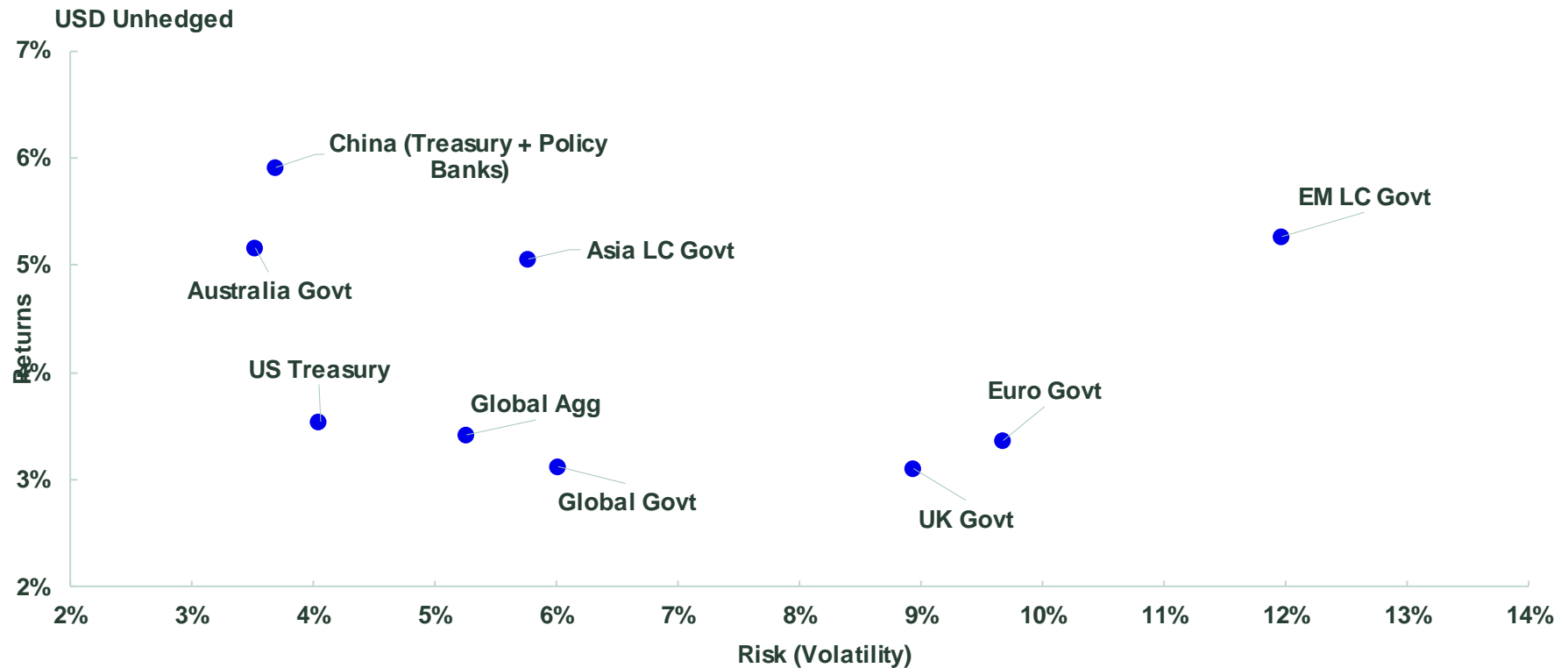
Size of Top 14 Bond Markets (\$ US bn)



Source: Bloomberg as of 15 March 2022

This information should not be considered a recommendation to invest in a particular country shown. It is not known whether the country shown will be profitable in the future

Risk/Reward Profile is Attractive



Source: SSGA, Point, Bloomberg, JPMorgan, as of Jan 31, 2022.

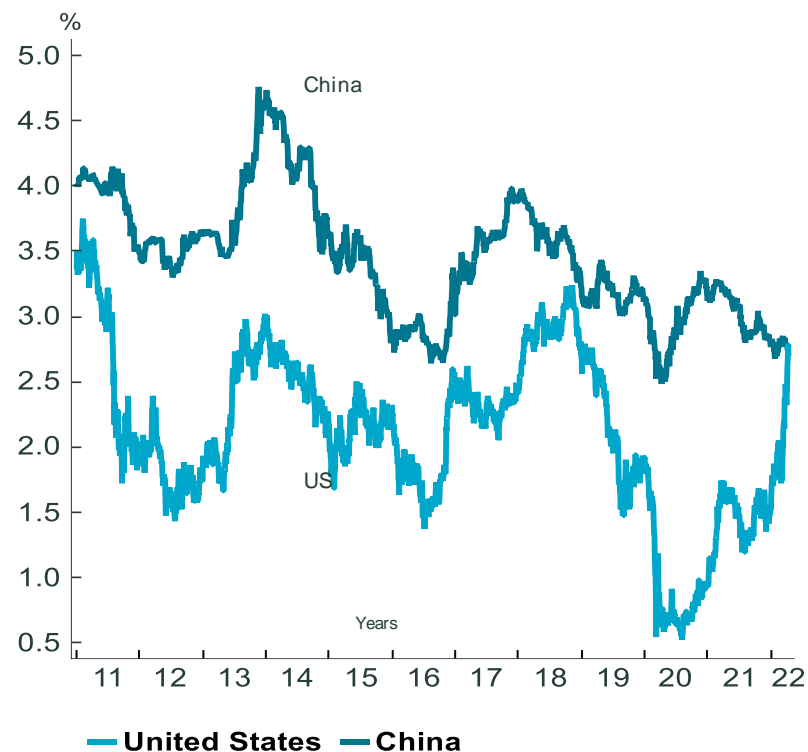
China Treasury and Policy Bank = Bloomberg Barclays China Treasury and Policy Bank USD unhedged index; Global Aggregate = Bloomberg Barclays Global Aggregate USD unhedged index; Global Govt = Bloomberg Barclays Global Aggregate Govt index in USD; Euro Govt = Bloomberg Barclays Euro Aggregate Govt USD unhedged index; US Treasury = Bloomberg Barclays US Treasury USD unhedged index; UK Govt = Bloomberg Barclays Sterling Aggregate Govt USD unhedged index; EM LC Govt = JP Morgan GBI-EM Global Diversified USD unhedged Index; Asia LC Govt = iBoxx Pan Asia USD Unhedged Index.

Past performance is not a reliable indicator of future performance. Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

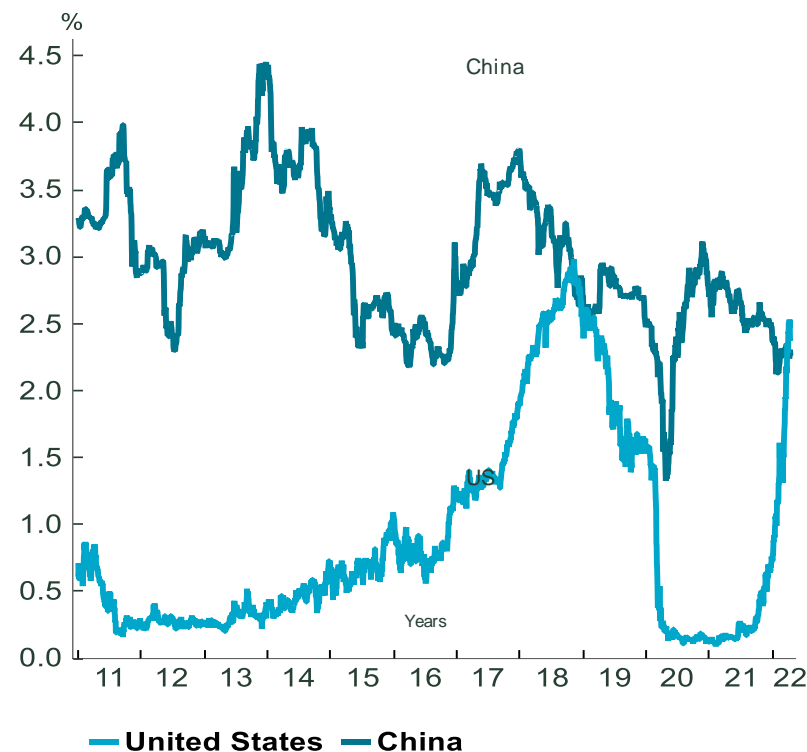
Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

Will The Yield Premium Return?

China vs. US 10-year yields



China vs. US 2-year yields

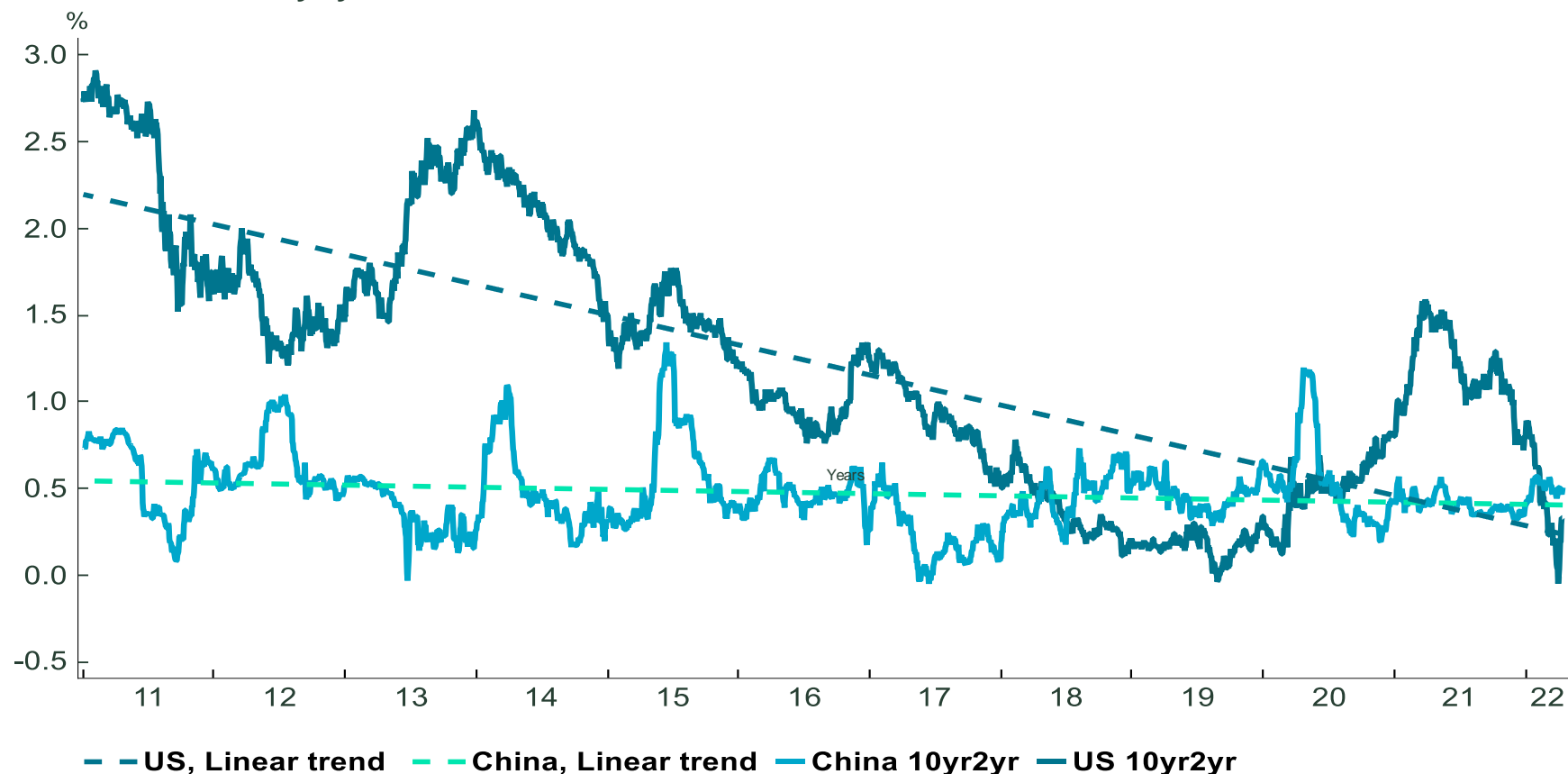


Source: Macrobond, SSGA Macro Research. Data is as of 15/3/2022

This information should not be considered a recommendation to invest in a particular country shown. It is not known whether the country shown will be profitable in the future

Stable Chinese yield curve is policy-driven

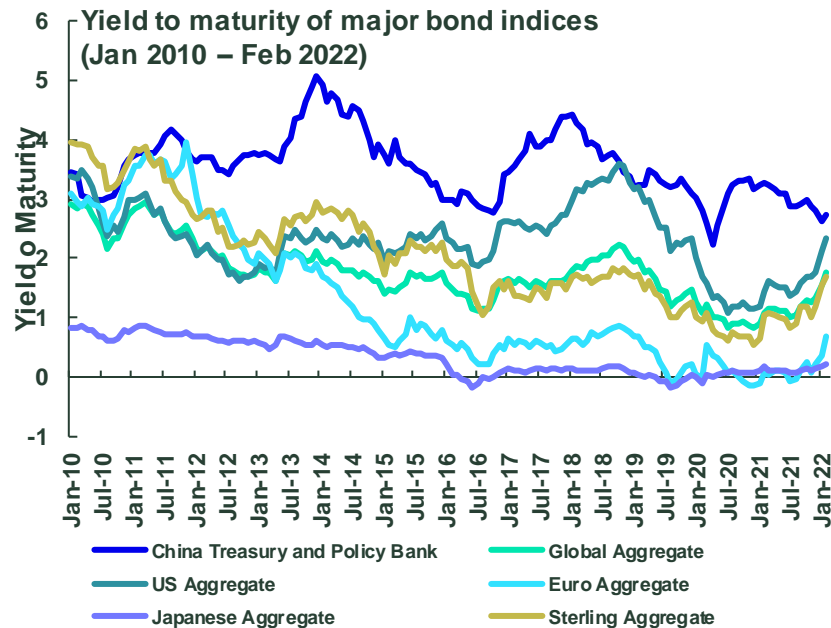
China vs. US 10-2yr yields



Source: Macrobond, SSGAMacro Research. Data is as of 15/3/2022

This information should not be considered a recommendation to invest in a particular country shown. It is not known whether the country shown will be profitable in the future

Stable Credit Outlook and Decent Yield – *Rare combo in the yield starved world*



**Bloomberg Barclays bond index characteristics
(As of Feb 28, 2022)**

	Yield to Maturity	Index Rating*	Modified Duration	Yield / Duration
China Treasury and Policy Bank	2.73%	A1	5.81	0.5%
Global Aggregate	1.77%	AA2/AA3	7.26	0.2%
US Aggregate	2.34%	AA1/AA2	6.49	0.4%
Euro Aggregate	0.66%	AA3/A1	7.40	0.1%
Japanese Aggregate	0.23%	A1/A2	9.55	0.0%
Sterling Aggregate	1.69%	AA3/A1	10.96	0.2%

Source: SSGA, Bloomberg, as of Feb 28, 2022.

China Treasury and Policy Bank = Bloomberg Barclays China Treasury and Policy Bank USD unhedged index; Global Aggregate = Bloomberg Barclays Global Aggregate USD unhedged index; US Aggregate = Bloomberg Barclays US Aggregate index in USD; Euro Aggregate = Bloomberg Barclays Euro Aggregate USD unhedged index; Japanese Aggregate = Bloomberg Barclays Japanese Aggregate USD unhedged index; Sterling Aggregate = Bloomberg Barclays Sterling Aggregate USD unhedged index.

Bloomberg Barclays use the middle rating of Moody's, S&P and Fitch. Past performance is not a reliable indicator of future performance.

Index returns reflect capital gains and losses, income, and the reinvestment of dividends. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

Historically strong diversification benefits...

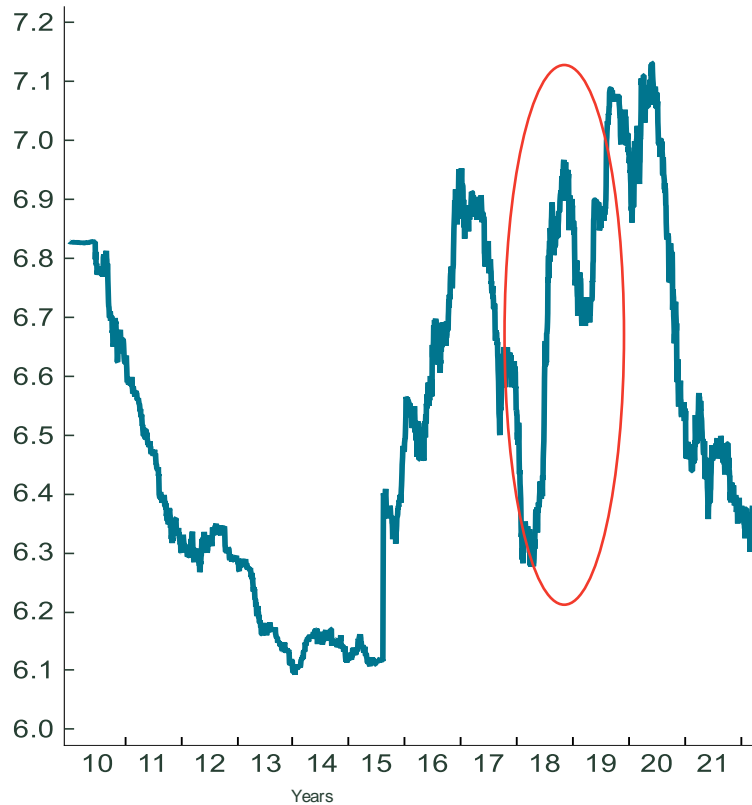
Historical portfolio return & risk with different combinations of Chinese bonds and Global Aggregate bonds, based on USD unhedged returns (March 2012 – February 2022)



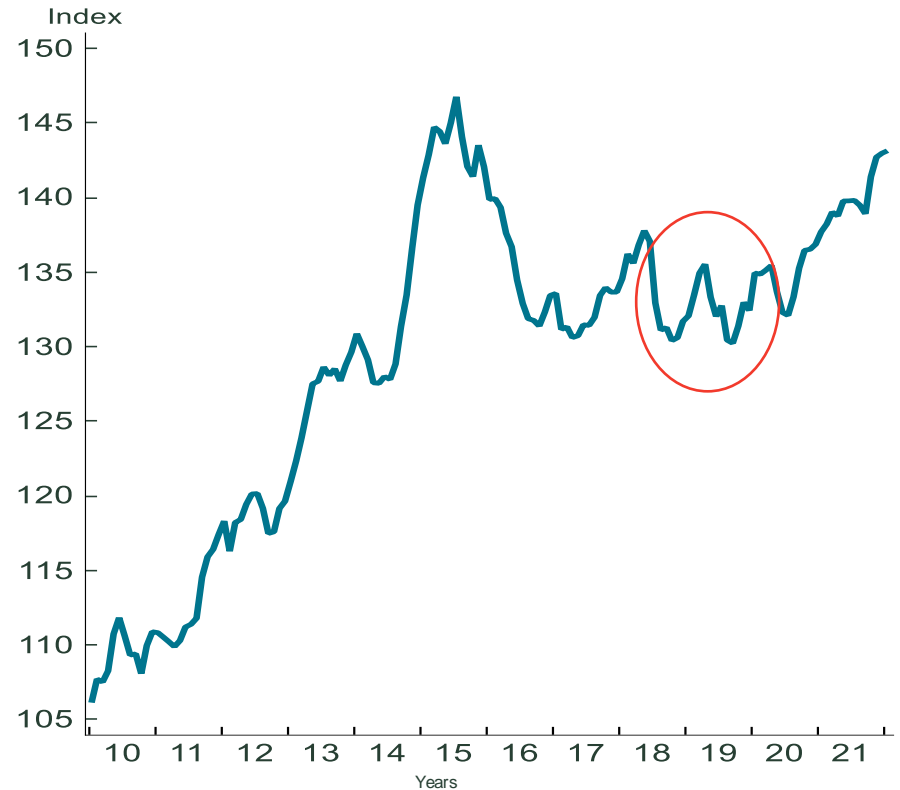
Source: SSGA, Point, Morningstar Direct as of February 28, 2022. Chinese bonds (CNY Bond) = Bloomberg Barclays China Treasury and Policy Bank USD unhedged index; Global Aggregate (Glb Agg) = Bloomberg Barclays Global Aggregate USD unhedged index. Past performance is not a reliable indicator of future performance. Index returns reflect capital gains and losses, income, and the reinvestment of dividends. Index returns are unmanaged and do not reflect the deduction of any fees or expenses.

US-China risk reflected mainly in USDCNY

USD/CNY



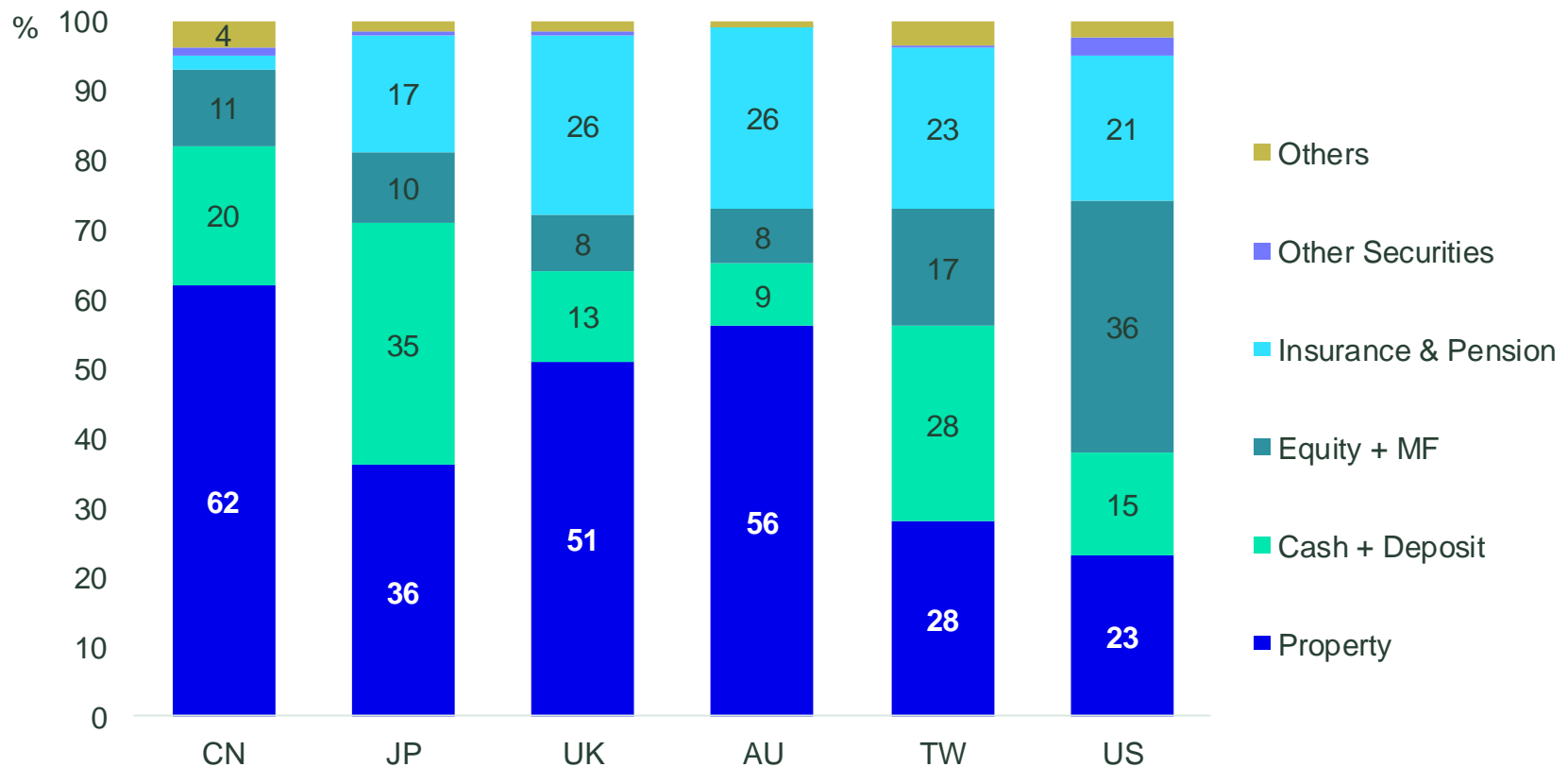
China REER



Source: Macrobond, SSGAMacro Research. Data is as of 15/3/2022

Housing dominant asset for Chinese, with lack of insurance/pension

Composition of household total assets, 2020



*Estimated Asset breakdown. Source: Global Macro Policy Research, Daily Shot

Important Disclosures

Important Disclosures

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in other nations. Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

Bonds generally present less short-term risk and volatility than stocks but contain interest rate risk (as interest rates raise, bond prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

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Expiration Date: May 31, 2022

Information Classification: Limited Access

Biography

Biography



Elliot Hentov, PhD

Head of Macro Policy Research

Elliot Hentov is the Head of Macro Policy Research in the Global Macro Policy Research team. In this capacity, he is responsible for research and thought leadership linking policy impulses to financial markets and economics, as well as serving as the company's chief geopolitical strategist.

He joined State Street from Standard & Poor's sovereign ratings group where he was a Director and lead analyst for sovereigns and government-related entities in Central, Eastern and Mediterranean Europe. Before that, Elliot served as a political affairs officer at the United Nations headquarters in New York, advising senior officials on political and economic issues in the Middle East and Europe.

Elliot holds a PhD from Princeton University as well as a Master's degree in international affairs from Georgetown University and has authored publications in the New York Times, Financial Times, Foreign Policy, and Washington Quarterly. He is also a member of the Advisory Board of the Official Monetary and Financial Institutions Forum in London as well as a Non-Resident Scholar at the Middle East Institute in Washington, DC.

EDUCATIONAL EVENTS - Board of Retirement

2022

1. **SACRS**, Spring Conference, May 10-13, Omni Rancho Las Palmas Resort & Spa, Rancho Mirage, CA. Agenda in Binder
2. **SACRS**, Public Pension Investment Management Program, July 17-20, UC Berkeley Haas School of Business. Topics include: investing fundamentals for new trustees, asset allocation, managing investment managers, and governance and decision making. Agenda is in the binder.
3. **Sixth Street**, Annual Investors Meeting, Oct 25-27, St. Regis San Francisco. Only Save-the-Date currently.
4. **SACRS**, Fall Conference, November 8-11, Hyatt Regency Long Beach, Long Beach, CA.
6. **Invesco Real Estate**, Global Conference, Nov 15-17, The Lodge at Torrey Pines, San Diego. Only a Save-the-Date currently.



SACRS Annual Spring Business Meeting

Friday, May 13, 2022
10 am – Upon Adjournment

Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA
Salon's A-E



Vision, Mission, Core Values

The members and staff of the State Association of County Retirement Systems (SACRS) share a common purpose, mission and core values.

Statement of Purpose

The specific and primary purposes of SACRS are to provide forums for disseminating knowledge of and developing expertise in the operation of 20 county retirement systems existing under the County Employees Retirement Law of 1937 (CERL) sets forth in California Government Code section 31450 et. seq., and to foster and take an active role in the legislative process as it affects county retirement systems.

Mission Statement

The mission of this organization shall be to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.

Core Values

Teamwork

Integrity

Education

Service and Support



SACRS Business Meeting Agenda
Friday, May 13, 2022
Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA
Salon's A-E

SACRS Parliamentarian – David Lantzer, San Bernardino CERA
Sergeant at Arms – Brian Williams, Sonoma CERA

1. SACRS System Roll Call

Vacant, SACRS Secretary

2. Secretary's Report - Receive and File

Vacant, SACRS Secretary

- A. November 2021 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2021 – February 2022 Financials

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update – No Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

- A. 2022 Legislative Report – No Action
- B. SACRS Board of Directors Legislative Proposal – No Action

6. SACRS Nomination Committee - 2022-2023 SACRS Board of Directors Elections –Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Board of Directors Elections 2022-2023



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2020-2021 Annual Audit

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Spring 2022 Conference Evaluations/Feedback

9. SACRS Program Committee Report – No Action

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

- A. SACRS Annual Spring 2022 Conference Report

10. SACRS Affiliate Committee Report – No Action

Wally Fikri, William Blair, SACRS Affiliate Committee Chair

- A. Affiliate Committee Update

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Update

12. SACRS Spring Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 11, 2022 at the Hyatt Regency Long Beach, Long Beach, CA unless Covid-19 restrictions are in place.



1. SACRS System Roll Call

Vacant, SACRS Secretary



1. SACRS System Roll Call
Vacant, SACRS Secretary

System	In Attendance	Absent	Delegate/Alternate Name
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



2. Secretary's Report - Receive and File

Vacant, SACRS Secretary

- A. November 2021 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes

Friday, November 12, 2021

10:00 AM – 11:30 AM

Loews Hollywood Hotel, Hollywood, CA

Ray Dolby Ballroom

SACRS Parliamentarian – TBD

Sergeant at Arms – Bob Goodchild, San Diego CERA

Meeting called to order at 10:06 am

SACRS Board of Directors in Attendance:

Vivian Gray, President; Roger Hilton, Vice President; Kathryn Cavness, Secretary; Harry Hagen, Treasurer; David MacDonald, Board member; Vere Williams, Board member; Dan McAllister, Immediate Past President, Scott Draper, Affiliate Committee Chair

1. SACRS System Roll Call

Thomas Garcia, Imperial CERS, SACRS Secretary

20 SACRS Member Systems Present

Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

2. Secretary's Report - Receive and File

Thomas Garcia, Imperial CERS, SACRS Secretary

A. Spring 2021 SACRS Business Meeting Minutes

Motion: A motion to approve the Spring 2021 SACRS Business Meeting Minutes was submitted by San Diego County.

2nd: Contra Costa County

Yes: All

No: 0

Motion Passes 20-0

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2021 Financials

B. 2021-2022 Annual Budget



Motion: A motion to approve the Treasurer's report and the 2021 – 2022 Annual Budget was submitted by San Bernardino County.

2nd: San Diego County

Yes: All

No: 0

Motion Passes 20-0

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

Discussion, no action taken. Vivian Gray provided a verbal update of upcoming strategic goals of the Board for the 2022 year.

5. SACRS Legislative Committee Update – Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

A. 2021 Legislative Report – No Action

B. SACRS Board of Directors Legislative Proposal – Action

Motion: A motion to approve the SACRS Board of Directors Legislative Proposal for 2022 CERL clean-up bill was submitted by San Diego County

2nd: Fresno County

Yes: All

No: 0

Motion passes 20-0

6. SACRS Nomination Committee – 2022-2023 SACRS Election Notice – No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Election Notice 2022-2023

Discussion only, no action. Dan McAllister asked systems to alert staff and trustees that might be interested in serving on the Board that the elections begin January 1, 2022.

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS Annual Audit Update



Discussion only, no action. Steve Delaney reported that the annual audit will be presented to the Board in January 2022 and presented to the membership at the Spring 2022 Business Meeting.

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Fall Conference 2021 Evaluations/Feedback

Discussion only, no action. JJ Popowich proved a verbal report of the Education committee meeting and review of all sessions. JJ reported that the group thought it was a great conference, really liked Frances Donald keynote speaker, moderator John D’Agostino and the conference as a whole. Will provide full report to the Board in January 2022.

9. SACRS Program Committee Report – No Action

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

A. SACRS Annual Fall Conference 2021 report

Discussion only, no action. Kathryn Cavness thanked the committee members and welcomed feed back via the evaluations online.

10. SACRS Affiliate Committee Report – No Action

Scott Draper, Algert Global, SACRS Affiliate Committee Chair

A. Affiliate Committee report

Discussion only, no action. Alex Tanase provided a verbal update on the Affiliate breakout and the new affiliate members.

11. SACRS Bylaws Committee Report – No Action

Chair Position Open, SACRS Bylaws Committee Chair

A. No report

No report.

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- Administrators – Don Kendig, Fresno CERA, gave a verbal report on the Administrators breakout, well attended. Santos Kreimann will be the Spring 2022 Moderator.



- Counsel – **No report**
- Disability/ Operations & Benefits Combo – **JJ Popowich, Los Angeles CERA, provided a verbal update, good session and well attended. Carlos Barrios, Los Angeles CERA, will be the Spring 2022 Moderator.**
- Internal Auditors – **No report**
- Investment Officers – **Closed session, no report**
- Safety Trustees – **Brian Williams, Sonoma CERA, provided a verbal update, volunteered as the Spring 2022 Moderator.**
- General Trustees – **Kathryn Cavness, Mendocino CERA, provided a verbal update, good session and was very informative as a follow up to the General Session David Burkus provided.**

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 13, 2022 at the Rancho Las Palmas Hotel in Rancho Mirage, CA.

Motion: A motion to adjourn the meeting at 10:32 am was submitted by Imperial County.

2nd: Contra Costa County

Yes: All

No: 0

Motion passes 20-0



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2021 – February 2022 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of February 28, 2022

Feb 28, 22

ASSETS

Current Assets

Checking/Savings

1000 - First Foundation Bank-Checking	98,871.44
1001 - BofA Interest Checking 4389	46,667.68
1002 - First Foundation Bank ICS Acct	57,571.86

Total Checking/Savings	203,110.98
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Other Current Assets

1100 - CalTrust - Medium Term	962,940.48
1107 - CalTrust Liquidity Fund	8,226.92
1110 - CAMP-SACRS Liquidity Fund	791,390.86
1201 - Deposits in Transit	3,855.00

Total Other Current Assets	1,766,413.26
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Total Current Assets	1,969,524.24
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TOTAL ASSETS	1,969,524.24
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LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

2200 - First Foundation Credit Card	924.23
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Total Credit Cards	924.23
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Total Current Liabilities	924.23
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Total Liabilities	924.23
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Equity

32000 - Retained Earnings	2,034,191.90
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Net Income	-65,591.89
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Total Equity	1,968,600.01
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TOTAL LIABILITIES & EQUITY	1,969,524.24
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STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2021 through February 2022

Jul '21 - Feb 22

Ordinary Income/Expense

Income

4100 · Membership Dues	
4101 · Affiliates	203,750.00
4102 · Non Profit - Organizations	2,740.00
4103 · Non Profit - Systems	7,500.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
Total 4100 · Membership Dues	307,990.00
4200 · Webinar Symposium Registration	350.00
4250 · Product Income	
4251 · CERL	25.00
Total 4250 · Product Income	25.00
4270 · UC Berkeley Program	
4271 · Registrations	5,650.00
4272 · Sponsorships	10,000.00
Total 4270 · UC Berkeley Program	15,650.00
4300 · Fall Conference Registration	
4301 · Affiliates - Early	120,360.00
4302 · Affiliates - Regular	97,180.00
4303 · Affiliates - Late/Onsite	52,480.00
4304 · Non Profit	720.00
4305 · Systems	13,560.00
4306 · Non-Members	214,880.00
4307 · Fun Run	1,290.00
4308 · Yoga	675.00
4300 · Fall Conference Registration - Other	-1,260.00
Total 4300 · Fall Conference Registration	499,885.00
4350 · Spring Conference Registration	
4351 · Affiliates - Early	93,120.00
4355 · Systems	5,400.00
4356 · Non-Members	34,710.00
4357 · Fun Run	495.00
4358 · Yoga	270.00
Total 4350 · Spring Conference Registration	133,995.00
4900 · Interest Earned	-16,270.48

Total Income 941,624.52

Gross Profit 941,624.52

Expense

5000 · Administrative Fee	120,146.60
5001 · Administrative Services	315.25
5002 · Awards	193.00
5003 · Bank Charges/Credit Card Fees	21,999.41
5010 · Berkeley & Symposium	
5012 · Delivery & Shipping	922.40
5015 · Materials/Printing/Design	25.49

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2021 through February 2022

	Jul '21 - Feb 22
5017 · UC Berkeley	108,000.00
Total 5010 · Berkeley & Symposium	108,947.89
5020 · Webinar Symposium	
5022 · Webinar Technology	28,625.00
Total 5020 · Webinar Symposium	28,625.00
5040 · Commissions & Fees	10,005.00
5041 · Consulting	19,881.76
5042 · Dues & Subscriptions	600.00
5050 · Fall Conference	
5051 · Audio/Visual	86,292.50
5052 · Delivery & Shipping	1,998.41
5054 · Hotel	
5054.1 · Wednesday Night Event	12,234.00
5054.2 · Conference	34,972.50
5054.3 · Food & Beverage	181,293.50
5054 · Hotel - Other	80,986.66
Total 5054 · Hotel	309,486.66
5055 · Program Material	24,182.03
5056 · Speakers	55,914.53
5057 · Supplies	1,137.51
5058 · Travel	12,126.21
Total 5050 · Fall Conference	491,137.85
5070 · Insurance	4,421.00
5071 · Legal & Professional Fees	24,625.74
5072 · Legislative Advocacy	40,008.00
5080 · Magazine	
5081 · Delivery & Shipping	327.11
5082 · Design/Printing/Etc.	9,954.47
5083 · Magazine - Other	13,055.00
Total 5080 · Magazine	23,336.58
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	7,918.37
6001.2 · Printing/Supplies	2,456.58
6001.3 · Travel - BOD Meetings	6,712.20
6001.4 · Travel - Miscellaneous BOD	8,590.56
6001.5 · Board Of Directors - Other	7,234.23
6001 · Board of Directors - Other	7,873.70
Total 6001 · Board of Directors	40,785.64
Total 6000 · Board & Committees	40,785.64
6010 · Office Expenses / Supplies	1,324.38
6011 · Postage & Delivery	5,984.40
6020 · Spring Conference	
6025 · Program Material	2,380.00
6026 · Speakers	23,500.00
6020 · Spring Conference - Other	1,107.95

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2021 through February 2022

	Jul '21 - Feb 22
Total 6020 · Spring Conference	26,987.95
6051 · Taxes & Licenses	569.88
6053 · Technology/AMS/Website	34,609.76
6054 · Travel	2,711.32
Total Expense	1,007,216.41
Net Ordinary Income	-65,591.89
	-65,591.89

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2021 through February 2022

	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 · Membership Dues				
4101 · Affiliates	203,750.00	268,750.00	-65,000.00	75.81%
4102 · Non Profit - Organizations	2,740.00	2,750.00	-10.00	99.64%
4103 · Non Profit - Systems	7,500.00	6,000.00	1,500.00	125.0%
4104 · Systems - Medium	52,000.00	52,000.00	0.00	100.0%
4105 · Systems - Large	42,000.00	42,000.00	0.00	100.0%
4100 · Membership Dues - Other	0.00	0.00	0.00	0.0%
Total 4100 · Membership Dues	307,990.00	371,500.00	-63,510.00	82.9%
4200 · Webinar Symposium Registration				
4201 · Affiliates - Early	0.00	200.00	-200.00	0.0%
4202 · Affiliates - Regular	0.00	200.00	-200.00	0.0%
4203 · Affiliates - Late/Onsite	0.00	200.00	-200.00	0.0%
4204 · Non Profit	0.00	200.00	-200.00	0.0%
4205 · Systems	0.00	200.00	-200.00	0.0%
4206 · Non-Members	0.00	200.00	-200.00	0.0%
4200 · Webinar Symposium Registration - Other	350.00	0.00	350.00	100.0%
Total 4200 · Webinar Symposium Registration	350.00	1,200.00	-850.00	29.17%
4250 · Product Income				
4251 · CERL	25.00	0.00	25.00	100.0%
4255 · Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
Total 4250 · Product Income	25.00	2,000.00	-1,975.00	1.25%
4270 · UC Berkeley Program				
4271 · Registrations	5,650.00	60,000.00	-54,350.00	9.42%
4272 · Sponsorships	10,000.00	40,000.00	-30,000.00	25.0%
4270 · UC Berkeley Program - Other	0.00	0.00	0.00	0.0%
Total 4270 · UC Berkeley Program	15,650.00	100,000.00	-84,350.00	15.65%
4300 · Fall Conference Registration				
4301 · Affiliates - Early	120,360.00	140,000.00	-19,640.00	85.97%
4302 · Affiliates - Regular	97,180.00	60,000.00	37,180.00	161.97%
4303 · Affiliates - Late/Onsite	52,480.00	70,400.00	-17,920.00	74.55%
4304 · Non Profit	720.00	960.00	-240.00	75.0%
4305 · Systems	13,560.00	20,000.00	-6,440.00	67.8%
4306 · Non-Members	214,880.00	200,250.00	14,630.00	107.31%
4307 · Fun Run	1,290.00	500.00	790.00	258.0%
4308 · Yoga	675.00	100.00	575.00	675.0%
4300 · Fall Conference Registration - Other	-1,260.00	0.00	-1,260.00	100.0%
Total 4300 · Fall Conference Registration	499,885.00	492,210.00	7,675.00	101.56%
4350 · Spring Conference Registration				
4351 · Affiliates - Early	93,120.00	140,000.00	-46,880.00	66.51%
4352 · Affiliates - Regular	0.00	60,000.00	-60,000.00	0.0%
4353 · Affiliates - Late/Onsite	0.00	70,400.00	-70,400.00	0.0%
4354 · Non Profit	0.00	960.00	-960.00	0.0%
4355 · Systems	5,400.00	20,000.00	-14,600.00	27.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2021 through February 2022

	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
4356 · Non-Members	34,710.00	200,250.00	-165,540.00	17.33%
4357 · Fun Run	495.00	500.00	-5.00	99.0%
4358 · Yoga	270.00	100.00	170.00	270.0%
Total 4350 · Spring Conference Registration	133,995.00	492,210.00	-358,215.00	27.22%
4900 · Interest Earned	-16,270.48	-953.55	-15,316.93	1,706.31%
Total Income	941,624.52	1,458,166.45	-516,541.93	64.58%
Gross Profit	941,624.52	1,458,166.45	-516,541.93	64.58%
Expense				
5000 · Administrative Fee	120,146.60	180,000.00	-59,853.40	66.75%
5001 · Administrative Services	315.25	500.00	-184.75	63.05%
5002 · Awards	193.00	500.00	-307.00	38.6%
5003 · Bank Charges/Credit Card Fees	21,999.41	36,000.00	-14,000.59	61.11%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	2,200.00	-2,200.00	0.0%
5012 · Delivery & Shipping	922.40			
5013 · Hotel	0.00	12,500.00	-12,500.00	0.0%
5014 · Food & Beverage	0.00	12,500.00	-12,500.00	0.0%
5015 · Materials/Printing/Design	25.49	3,000.00	-2,974.51	0.85%
5016 · Travel	0.00	2,500.00	-2,500.00	0.0%
5017 · UC Berkeley	108,000.00	216,000.00	-108,000.00	50.0%
Total 5010 · Berkeley & Symposium	108,947.89	248,700.00	-139,752.11	43.81%
5020 · Webinar Symposium				
5022 · Webinar Technology	28,625.00	25,000.00	3,625.00	114.5%
Total 5020 · Webinar Symposium	28,625.00	25,000.00	3,625.00	114.5%
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5040 · Commissions & Fees	10,005.00	20,000.00	-9,995.00	50.03%
5041 · Consulting	19,881.76	19,992.00	-110.24	99.45%
5042 · Dues & Subscriptions	600.00	3,700.00	-3,100.00	16.22%
5050 · Fall Conference				
5051 · Audio/Visual	86,292.50	60,000.00	26,292.50	143.82%
5052 · Delivery & Shipping	1,998.41	2,500.00	-501.59	79.94%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	12,234.00	65,000.00	-52,766.00	18.82%
5054.2 · Conference	34,972.50	15,000.00	19,972.50	233.15%
5054.3 · Food & Beverage	181,293.50	250,000.00	-68,706.50	72.52%
5054 · Hotel - Other	80,986.66	0.00	80,986.66	100.0%
Total 5054 · Hotel	309,486.66	330,000.00	-20,513.34	93.78%
5055 · Program Material	24,182.03	25,000.00	-817.97	96.73%
5056 · Speakers	55,914.53	50,000.00	5,914.53	111.83%
5057 · Supplies	1,137.51	500.00	637.51	227.5%
5058 · Travel	12,126.21	15,000.00	-2,873.79	80.84%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2021 through February 2022

	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
5050 · Fall Conference - Other	0.00	0.00	0.00	0.0%
Total 5050 · Fall Conference	491,137.85	489,500.00	1,637.85	100.34%
5070 · Insurance	4,421.00	5,000.00	-579.00	88.42%
5071 · Legal & Professional Fees	24,625.74	35,000.00	-10,374.26	70.36%
5072 · Legislative Advocacy	40,008.00	60,012.00	-20,004.00	66.67%
5080 · Magazine				
5081 · Delivery & Shipping	327.11	600.00	-272.89	54.52%
5082 · Design/Printing/Etc.	9,954.47	20,000.00	-10,045.53	49.77%
5083 · Magazine - Other	13,055.00	5,200.00	7,855.00	251.06%
5080 · Magazine - Other	0.00	0.00	0.00	0.0%
Total 5080 · Magazine	23,336.58	25,800.00	-2,463.42	90.45%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	7,918.37	25,000.00	-17,081.63	31.67%
6001.2 · Printing/Supplies	2,456.58	4,000.00	-1,543.42	61.42%
6001.3 · Travel - BOD Meetings	6,712.20	11,000.00	-4,287.80	61.02%
6001.4 · Travel - Miscellaneous BOD	8,590.56	3,500.00	5,090.56	245.45%
6001.5 · Board Of Directors - Other	7,234.23	3,000.00	4,234.23	241.14%
6001 · Board of Directors - Other	7,873.70			
Total 6001 · Board of Directors	40,785.64	46,500.00	-5,714.36	87.71%
6002 · Legislative Committee Meetings	0.00	250.00	-250.00	0.0%
6003 · Program Committee Meetings	0.00	2,500.00	-2,500.00	0.0%
Total 6000 · Board & Committees	40,785.64	49,250.00	-8,464.36	82.81%
6010 · Office Expenses / Supplies	1,324.38	2,500.00	-1,175.62	52.98%
6011 · Postage & Delivery	5,984.40	3,000.00	2,984.40	199.48%
6020 · Spring Conference				
6021 · Audio/Visual	0.00	60,000.00	-60,000.00	0.0%
6022 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	65,000.00	-65,000.00	0.0%
6024.2 · Conference	0.00	0.00	0.00	0.0%
6024.4 · Hotel - Other	0.00	25,000.00	-25,000.00	0.0%
6024 · Hotel - Other	0.00	0.00	0.00	0.0%
Total 6024 · Hotel	0.00	90,000.00	-90,000.00	0.0%
6025 · Program Material	2,380.00	25,000.00	-22,620.00	9.52%
6026 · Speakers	23,500.00	50,000.00	-26,500.00	47.0%
6027 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 · Travel	0.00	15,000.00	-15,000.00	0.0%
6020 · Spring Conference - Other	1,107.95	0.00	1,107.95	100.0%
Total 6020 · Spring Conference	26,987.95	250,000.00	-223,012.05	10.8%
6050 · Strategic Facilitator	0.00	15,000.00	-15,000.00	0.0%
6051 · Taxes & Licenses	569.88	50.00	519.88	1,139.76%
6053 · Technology/AMS/Website	34,609.76	45,000.00	-10,390.24	76.91%
6054 · Travel	2,711.32	7,500.00	-4,788.68	36.15%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss Budget vs. Actual

July 2021 through February 2022

Total Expense
Net Ordinary Income

Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
1,007,216.41	1,539,804.00	-532,587.59	65.41%
-65,591.89	-81,637.55	16,045.66	80.35%
-65,591.89	-81,637.55	16,045.66	80.35%



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update



No printed materials for this item



5. SACRS Legislative Committee Update – Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

- A. 2022 Legislative Report – No Action
- B. SACRS Board of Directors Legislative Proposal – No Action



April 1, 2022

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – April 2022**

General Update

As the Legislature goes into April, policy committee hearings are in full swing. Policy Committees will continue for fiscal bills (bills that have a cost to the state) until April 29. Bills keyed non-fiscal have until May 6 to be heard in policy committee. Following the policy committee deadline, fiscal legislation faces its next hurdle, the fiscal committee deadline on May 20.

Now that case rates are declining, activity in the Legislature has been shifting increasingly towards in-person rather than virtual meetings. Virtual meetings are still occurring, but more legislative staff are working from the “Swing Space” rather than from home, increasing opportunities for in-person lobbying.

SACRS Sponsored Bills

As discussed in previous reports, the various policy proposals to amend the CERL that were approved by the SACRS membership were amended into the two bills below.

AB 1824 (Committee on Public Employment and Retirement) – Committee Cleanup Bill. The bill passed out of the Assembly Public Employment and Retirement Committee unanimously and will be heard in the Assembly Appropriations Committee next.

AB 1971 (Cooper) – CERL Policy Bill. The Legislative Committee Co-Chairs and SACRS lobbying team held a series of discussions with stakeholders on the bill. Based on those discussions and concerns raised by SEIU, the California Professional Firefighters, and the Police Officers Research Association of CA (PORAC), AB 1971 will be amended with various technical clarifications and to strike sections six and eight of the bill. Discussions will continue regarding a couple outstanding items. The bill has not yet been set for hearing in its policy committee.

We will continue to keep SACRS updated as these two bills move through the legislative process.

Other Bills of Interest

AB 2493 (Chen) – Orange County Employees Retirement System: Disallowed Compensation. This bill was recently amended with substantive language that allows OCERS to adjust retirement payments based on disallowed compensation for peace officers and firefighters under certain circumstances.

The bill has not yet been set for hearing.

Compensation Earnable Bills – Last session, two bills were introduced relating to compensation earnable - **AB 498 (Quirk-Silva)** and **AB 826 (Irwin)**. As reported in previous updates, AB 826 was gutted and amended in June of 2021 with the CERL provisions currently contained in the bill. The bill was placed on the Senate Inactive File in September, where it remains. AB 498 (Quirk Silva) was similarly amended at the end of session last year in September. We have reached out to these offices to inquire about whether these bills will be further amended or brought up for votes later this year. Neither office had any updates at this time. We will periodically check back for further updates.

SB 1328 (McGuire) – Divestment. This bill would prohibit all public retirement boards subject to PEPRA from investing public employee retirement funds in a company with business operations in Russia or Belarus, among other requirements.

The bill passed out of the Senate Labor, Public Employment and Retirement Committee and Senate Governmental Organization Committee unanimously. It will go to the Senate Appropriations Committee next.

SACRS has not taken a formal position on the bill but has submitted a “letter of concern” outlining the administrative concerns raised by member systems.

Public Meeting Bills. During the pandemic, public agencies have relied upon the Brown Act flexibilities created via Executive Order and previous legislation to continue to conduct business while keeping the public and members safe. As the pandemic evolves, public agencies continue to recognize the benefits of teleconferencing, and multiple bills have been introduced on the topic this year to continue teleconference flexibilities:

AB 1944 (Lee) – Public Meetings. This bill would eliminate the requirement to post each board member address on public agendas for remote meetings. For public meetings that elect to use teleconferencing, the legislative body would be required to provide a video stream accessible to members of the public and an option for members of the public to address the legislative body remotely during public comment through a video or call-in option.

SACRS is supporting this bill. The bill has not yet been set for hearing in policy committee.

AB 2449 (Rubio) – Public Meetings. This bill would allow a local agency to use teleconferencing for a public meeting if at least a quorum of members of the legislative

body participate in person from a single location that is identified on the agenda and is open to the public within the local agency's jurisdiction, among other requirements.

The bill has not yet been sent for hearing.



6. SACRS Nomination Committee - 2022-2023 SACRS Board of Directors Elections – Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Board of Directors Elections 2022-2023



March 15, 2022

To: SACRS Trustees & SACRS Administrators/CEO's
From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Director Elections 2022-2023 Elections – Final Ballot

SACRS BOD 2022-2023 election process began January 2022. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2022	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2022	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 13, 2022	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference, May 10-13, 2022
May 13, 2022	Board of Directors take office for 1 year (until Spring 2023 Elections)

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. *The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members*

A. Immediate Past President. *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*

B. Two (2) Regular Members. *Two (2) regular members shall also be members of the Board with full voting rights.*

Section 2. Elections of Directors. *Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.



The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections will be held at the SACRS Spring Conference on Friday, May 13, 2022 during the scheduled business meeting at the Omni Rancho Las Palmas Hotel and Resort in Rancho Mirage, CA.

SACRS Nominating Committee Recommended Slate:

- President – Vivian Gray, Los Angeles CERA
- Vice President – David MacDonald, Contra Costa CERA
- Treasurer – Jordan Kaufman, Kern CERA
- Secretary – Adele Tagaloa, Orange CERS
- Regular Member – Vere Williams, San Bernardino CERA
- Regular Member – David Gilmore, San Diego CERA

No other letters of intent or submissions were received.

Please prepare your voting delegate to have the ability to vote by the recommended ballot and by each position separately.

If you have any questions, please contact me at Dan McAllister,
Dan.McAllister@sdcountry.ca.gov or (619) 531-5231.

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee
SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director

Attached: Candidate submissions

SACRS Submission for President

February 23, 2022

VIA EMAIL

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister and Members of the Nominating Committee:

I would like to express my desire to be considered for SACRS' President for 2022/2023.

I have been humbly honored to serve as SACRS President for two years. 2020 was a very difficult year for everyone. SACRS was no exception. 2021 was difficult also as we had to get back on our feet, stand tall and continue with our mission in spite of a "new normal" we faced.

My focus in 2021 for SACRS expanded two original concepts of "Relevance and Sustainability" to "Recovery, Relevance and Sustainability". Within these three concepts, SACRS was able to begin 'recovery' from the pandemic while adhering to health restrictions; remain 'relevant' to the pension community through innovative approaches to education and 'sustainable' by building on technological advances to return to live conference for our members yet also continue to provide quality education through alternative mediums.

Most notably SACRS accomplishments for 2020 and 2021 include, but are not limited to the following:

- Continued communications with 37 Act systems and administrators through SACRS' website and SACRS Magazine
- Presentation of SACRS 2020 conferences in a virtual format without sacrificing quality of speakers, presentations or interactions among trustees, affiliates and staff and "in-person" return in 2021 and Spring 2022.
- Presenting the SACRS Berkeley Education Program in a virtual format with on-demand replays of the classes presented
- Maintaining an active role in the legislative process as it affected county retirement systems

In spite of the pandemic and post pandemic challenges, I am very proud of the work SACRS' Board has accomplished under my leadership. We continue to be productive while recovering and remaining relevant and sustainable for the SACRS membership.

I would be honored to serve another term as President of SACRS. Thank you in advance for your consideration of my candidacy for re-election.

Sincerely,

Vivian Gray

cc: Sulema Peterson, SACRS



SACRS Nomination Submission Form SACRS Board of Directors Elections 2022-2023

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vivian H. Gray
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 300 N. Lake Ave., Ste. 820, Pasadena CA 91101 Email Address: viviangray@aol.com, vgray@lacera.com Phone: 213.440.0142
Name of Retirement System Candidate Currently Serves On	System Name: Los Angeles County Employees Retirement Assoc. (LACERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input checked="" type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	2021 President, SACRS 2019 Vice Chair, SACRS President 2017 Chair, SACRS Bylaws Committee Elected general member trustee since 2012 38 years of service to Los Angeles County 10 years in Law Enforcement 28 years as an attorney for Los Angeles County 6 years in private law practice Education/Pension Trustee Certificates - Bachelors of Arts: UCLA - JD: UWLA - New York Law School -Public Pension Trustee Fiduciary Program - Stanford Law School (CALAPRS) -Principles of Pension Management - Harvard Law School Program - Trustee Work Life - UC Berkeley (SACRS) - Modern Investment Theory & Practice for Retirement Systems - IFEBP -Trustee Master's Program - NCPERS Public Pension Funding Forum - National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

SACRS Submission for Vice President

David J MacDonald, MD

255 Ramsgate Way
Vallejo, CA 94591
dmacdcccera@gmail.com
510-409-4458 (mobile)

February 11, 2022

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister,

I would like to express my interest in running as Vice President for the SACRS' Board of Directors for the 2021/2022 year.

I was first elected to the SACRS board in 2020. I am also an elected trustee of the CCCERA Retirement Board (since 2016) and currently serve as CCCERA Board Vice Chair. I appreciate the level of responsibility entrusted to me in looking after our members' retirement plans. I understand the incredible value of a defined benefit plan for my coworkers and our retirees.

I have a long history of dedicated service to my coworkers and union members and I carry this spirit into my role as an elected trustee. My work with SACRS has meant for further education and inspiration from the SACRS organization via its conferences and programs. SACRS has enhanced my abilities to serve as an effective CCCERA trustee.

I desire to continue my service on the SACRS board. Doing so allows me to further promote, protect and build upon pension programs under CERL for county public employees statewide.

Thank you for your time and consideration.

Sincerely and Respectfully,

David J MacDonald, MD

David J MacDonald, MD



SACRS Nomination Submission Form SACRS Board of Directors Elections 2021-2022

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David J. MacDonald, MD
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 255 Ramsgate Way, Vallejo, CA 94591 Email Address: dmacdcccera@gmail.com Phone: 510-409-4458
Name of Retirement System Candidate Currently Serves On	System Name: CCCERA
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected X <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input checked="" type="radio"/> Vice President X <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	* SACRS Board of Directors, Member – 2020-2021 & 2021-2022 * Vice Chair, CCCERA Board of Retirement * Elected general member trustee of CCCERA since 2016 * President, Physicians' and Dentists' of Contra Costa (PDOCC), since 2010 (Union for health care providers working at Contra Costa County). * 28 years serving on the PDOCC Executive Board, including many years as Vice President and President. * 31 years of service to Contra Costa County as a physician working in the Department of Health Services. * Education/Pension Trustee Certificates: - Bachelors of Science, Biology – UC Irvine - Doctor of Medicine – UC Irvine - UC Berkeley (SACRS) – Modern Investment Theory & Practice for Retirement Systems - Wharton Business School – Portfolio Concepts & Management - IFEBP – CAPPP program - CALAPRS Trustee Education – Principles of Pension Governance

SACRS Submission for Treasurer



Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

February 9, 2022

Dan McAllister, Nominating Committee Chairman
State Association of County Retirement Systems

Re: Letter of interest for SACRS position of Treasurer of the Board of Directors

Dear Mr. McAllister and members of the Nominating Committee,

Thank you for the opportunity to express my interest in the position of Treasurer of the SACRS Board of Directors. I believe that I have the knowledge, experience and motivation to add value to the Board. I am in my second term as the elected Kern County Treasurer-Tax Collector, and I am a 17 year member of the Kern County Employees Retirement Association (KCERA) as a general elected, alternate, and statutory trustee. I have a deep background in public fund investment and retirement plan administration and I am or have been the Treasurer of many organizations and associations.

As the elected Treasurer-Tax Collector, I manage the County's \$4.5 billion treasury pool, provide banking services to over 200 different county agencies and districts, and collect over \$1.3 billion in local property taxes. I am also the Plan Administrator for the County's 457(b) deferred compensation plan with over \$720 million in participant assets.

I am or have been the Treasurer of the following entities: County of Kern; California Association of County Treasurer's and Tax Collectors (CACTTC); United Way of Kern County; Boy Scouts of America Southern Sierra Council; California Statewide Communities Development Authority (CSCDA); and Kern County Management Council.

I have dedicated my career to public service and I am proud to serve the residents of Kern County and the employees of the County of Kern. I am interested in becoming more involved in pension and investment management on a larger scale and I feel that my knowledge and expertise outlined above would make me a good candidate for the Treasurer of the Board. I feel I could bring value to the board while at the same time expanding my knowledge base in pension management and administration.

Attached is my resume for your information. Thank you in advance for your consideration and feel free to call me if you have any questions at 661-204-1510.

Sincerely,

Jordan Kaufman
Kern County Treasurer-Tax Collector
Deferred Compensation Plan Administrator

Attachment

M:\Administration\SACRS\SACRS Board Letter of Interest.doc



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2022-2023**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcountry.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Jordan Kaufman
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1115 Truxtun Avenue, 2nd floor Bakersfield, CA 93301 Email Address: jkaufman@kerncounty.com Phone: (661) 868-3454
Name of Retirement System Candidate Currently Serves On	System Name: Kern County Employees' Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"><input type="radio"/> Chair<input type="radio"/> Alternate<input type="radio"/> General Elected<input type="radio"/> Retiree<input checked="" type="radio"/> Other <u>Statutory</u>
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"><input type="radio"/> President<input type="radio"/> Vice President<input checked="" type="radio"/> Treasurer<input type="radio"/> Secretary<input type="radio"/> Regular Member
Brief Bio	<p>I am in my second term as the elected Kern County Treasurer-Tax Collector with fiduciary responsibility over the \$4.5 billion Treasury Investment Pool and the responsibility of annually collecting over \$1.3 billion in local property taxes. I am also the Plan Administrator for the \$720 million deferred compensation plan for County employees. Prior to being elected, I became the assistant Treasurer-Tax Collector in 2006. Prior to 2006, I spent over a decade in the County Administrative Office where I performed budget and policy analysis and was involved in the issuance of various types of municipal bonds for the County. I am the Treasurer and past Chairman of the United Way of Kern County, Trustee and past Chairman of the Kern County Employees Retirement Association (KCERA), Commissioner on the California Statewide Communities Development Authority (CSCDA), Treasurer of the Boy Scouts of America Southern Sierra Council, and an Adjunct Professor at the California State University Bakersfield. I have a Bachelor of Science degree in Industrial Technology from Cal Poly San Luis Obispo. I live in Bakersfield with my beautiful wife Kristen and we have four children.</p>

SACRS Submission for Secretary

**Serving the Active and
Retired Members of:**

CITY OF SAN JUAN
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY
CEMETERY DISTRICT

ORANGE COUNTY CHILDREN &
FAMILIES COMMISSION

ORANGE COUNTY
DEPARTMENT OF EDUCATION
(CLOSED TO NEW MEMBERS)

ORANGE COUNTY
EMPLOYEES RETIREMENT
SYSTEM

ORANGE COUNTY FIRE
AUTHORITY

ORANGE COUNTY IN-HOME
SUPPORTIVE SERVICES PUBLIC
AUTHORITY

ORANGE COUNTY LOCAL
AGENCY FORMATION
COMMISSION

ORANGE COUNTY PUBLIC LAW
LIBRARY

ORANGE COUNTY
SANITATION DISTRICT

ORANGE COUNTY
TRANSPORTATION
AUTHORITY

SUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ORANGE

TRANSPORTATION
CORRIDOR AGENCIES

UCI MEDICAL CENTER AND
CAMPUS (CLOSED TO NEW
MEMBERS)

February 23, 2022

By Mail and Electronic Mail [dan.mcallister@sdcounty.ca.gov]

Mr. Dan McAllister
SACRS Nominating Committee Chair
SACRS
840 Richards Blvd.
Sacramento, CA 95811

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2022-2023

Dear Mr. McAllister:

This letter supersedes the letter I sent to you earlier today.

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

On February 22, 2022, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Adele Tagalao, for the position of SECRETARY of the SACRS Board of Directors, and directed me to submit this nomination to the SACRS Nominating Committee.

Accordingly, please accept this letter as **OCERS' nomination of OCERS Trustee, Adele Tagalao, for election to the position of SECRETARY of the SACRS Board of Directors at the 2022-2023 SACRS Board of Directors Election to take place on May 13, 2022.**

Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information.

Thank you.

Best regards,



Steve Delaney - Chief Executive Officer
cc: Sulema H. Peterson, SACRS Administrator

Adele Tagaloa

2223 East Wellington Ave, Suite 100, Santa Ana, CA 92804 | 714-349-9716 | atagaloa@ocers.org

February 24, 2022

Mr. Dan McAllister
SACRS Immediate Past President, Nominating Committee Chair
State Association of County Retirement Systems (SACRS)
840 Richards Blvd
Sacramento, CA 95811

Dear Mr. Dan McAllister:

Please accept this letter of my intent to run for SACRS Board of Directors for the office of Secretary.

My 15 years of leadership experience in the private and public sector makes me an exceptional candidate for SACRS Secretary. My experience serving (1) as an Executive Board member of my employee labor organization; (2) my employment by the Registrar of Voters to ensure accurate and transparent elections for 1.8 million registered Orange County voters; and most importantly (3) my service as a Trustee on the Orange County Employees Retirement System has made me uniquely qualified to serve on the SACRS Board of Directors.

My passion for democracy, organized labor, and accessibility education has been the cornerstone of my career and life. Since I have been elected to the OCERS Board of Retirement, my personal trustee education has been one of my main priorities. Although the last two years has proven to be a challenge for in-person education, I prioritized expanding my knowledge on pensions and legislation.

While attending SACRS Fall Conference in 2021, the level of professionalism and outstanding leadership solidified my desire to be more than a future attendee. In SACRS, I have found an organization that like me, understands the challenge and importance of pensions, education and duty for trustees in the CERL 37 Act Systems. I have shared too many people about the fantastic speakers and the subjects that reach beyond pensions at SACRS.

Using my leadership experience, it is my goal to continue to share all the benefits of SACRS to members, support leadership and to continue to make SACRS the premier pension organization in a changing world.

It would be an honor to serve on the SACRS Board of Directors as Secretary and truly appreciate your consideration.

Sincerely,



Adele Tagaloa
Trustee, General Member-Elected
Orange County Employees Retirement System (OCERS)



SACRS Nomination Submission Form SACRS Board of Directors Elections 2022-2023

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcountry.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Adele Tagalao
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 2223 East Wellington Ave, Suite 100 Santa Ana, CA 92701 Email Address: atagalao@ocers.org adele.tagalao@gmail.com Phone: (714) 349-9716
Name of Retirement System Candidate Currently Serves On	System Name: Orange County Employees Retirement System (OCERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<ul style="list-style-type: none"> ♦ Member, SACRS Program and Bylaws Committee ♦ Elected General Member Trustee, OCERS, 2020 to present 12 1/2 years of service to the County of Orange Proudly serving 1.8 million registered voters at the Registrar of Voters office ♦ Chair, OCERS Disability Committee 2020 to present ♦ Vice- Chair, OCERS Investment Committee 2022 to present ♦ Member, OCERS Governance Committee member 2022 to present ♦ Union Steward, Orange County Employees Association (OCEA) 2012 to present ♦ Board of Directors, OCEA 2018 to present ♦ Executive Board of Directors - Secretary, OCEA 2020 to present ♦ Political Action Committee and Scholarship Committee member, OCEA <p>Public Pension Trustee Certificates: Public Pension Investment Management Program - UC Berkeley CALAPRS Principles of Pension Governance and Principles for Trustees Completed 190 hours of education, 2020 - present</p>

SACRS Submission for General Board Member

February 28, 2022

VIA Email

Dan McAllister,
SACRS Immediate Past President/ Nominating Committee Chair
SACRS Nominating Committee

Dear Mr. Immediate Past President/Nominating Committee Chair McAllister,

Please accept this letter as my letter of intent to be a candidate to be re-elected to the position of Regular Member in SACRS Board of Directors Elections 2022-2023.

If re-elected as a Regular Member, I will continue working to ensure that SACRS remain the preeminent educational organization for the CERL 37 Act Systems by maintaining the high caliber of our conferences (both as formal seminars and superb networking opportunities.) I will continue encouraging greater participation from the Trustees and Staff of the 37 Act Systems. I strongly believe in getting involved as demonstrated by my contribution at SACRS' Board meetings and having volunteered to lead a CALAPRS Trustee Roundtable after attending only a few sessions. Over the years, I have served on the governing Boards of the Teamsters Local 1932, the Working Assembly of Governmental Employees and other organizations. Currently, I serve as a Regular Member on SACRS' Board along with being a member of SACRS' Audit and Education committees.

I have been a Trustee with the San Bernardino County Employees' Retirement Association (SBcera) from January 2015 and attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts and/or thought leaders in their field. Since then, I have attended several conferences sponsored by other organizations that are single topic focused and I have also completed certification programs at Wharton, Pepperdine, UCLA and Berkeley. In comparison, SACRS conferences provide a comprehensive insight into the "*nuts and bolts*" of the functioning of Retirement Systems with an emphasis on current applications of the topics. SACRS provides attendees an opportunity to understand different perspectives thereby encouraging clearer lines of communication and to also hear about what works and what may be problematic. The networking and information sharing opportunities with colleagues at SACRS is immensely valuable. These practical qualities and timely information helped to draw me into the SACRS' orbit.

SACRS recent expansion of the Board to include additional members was a very good strategic move that has helped to enhance the experience pool and expand the knowledge base. I believe the current SACRS Board is a team exhibiting a very good blend of geography, experience and perspective. Consequently, I would very much like to continue contributing (based on my education and experience) to SACRS - a superlative organization: "*Providing insight. Fostering oversight.*"

I thank you in advance for your kind consideration and support. It would be a high honor for me to be re-elected to continue serving as a Regular Member on the SACRS Board for the 2022-2023 term.

Please find attached the completed SACRS nomination form.

Respectfully,

Vere Williams

Vere Williams, MBA

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS



SACRS Nomination Submission Form SACRS Board of Directors Elections 2022-2023

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcountry.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: <u>Vere Williams</u>
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: <u>8379 Icicle Drive, Pinon Hills, CA 92372</u> Email Address: <u>verevlw@aol.com</u> Phone: <u>(760) 486-6311</u>
Name of Retirement System Candidate Currently Serves On	System Name: <u>San Bernardino County Employees' Retirement Association</u>
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> <u>General Elected</u>
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> <u>Regular Member</u>
Brief Bio	<p>I was elected to SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment Committees. Currently, I serve as a Regular Member of the SACRS Board. My community involvement includes serving on the governing Boards of the Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. I am a past president of the San Bernardino County Association of African-American Employees and currently serves as treasurer for the Hispanic Employees Alliance. I have earned an MBA in Information Management/Accounting and has completed certification courses on Retirement System Management courses at Berkeley, UCLA, Pepperdine and Wharton. I have been an enrolled Agent with the IRS for over 20 years along with more than 25 years working in the finance department at Arrowhead Regional Medical Center. I have been trained in conflict resolution and have completed various workshops and seminars on organization dynamics and interplay. I am currently a member of the SACRS Audit and Education Committees.</p> <p>A guiding quote – "I always wondered why somebody didn't do something about that, then I realized I was somebody." – Lily Tomlin</p>

SACRS Submission for General Board Member

February 25, 2022

Mr. Dan McAllister
Chair
Nominating Committee
State Association of County Retirement Systems

Dear Mr. McAllister,

This letter is to serve as an introduction and to submit my application for the State Association of County Retirement Systems Board of Directors.

I have been working with retirement education since first joining the county of San Diego almost 25 years ago. One of my first educational presentations regarding retirement occurred while I was in the academy with the explanation of deferred compensation and the importance of planning ahead.

Over the past many years, I have been approached and encouraged by my fellow county employees to get involved and help improve communications about retirement. I worked from the retirement committee at the Deputy Sheriff's Association (DSA), then to the retirement chair at the DSA. I have been involved for over 15 years with the County of San Diego Deferred Compensation Advisory Committee. After serving many roles with the DSA and the county of San Diego, I was encouraged to step forward and run for the Board of Trustees at the San Diego County Employee Retirement Association (SDCERA). In 2019 I was elected to the SDCERA Board of Trustees and currently serve as the Secretary.

The support from SACRS has been invaluable for my education as a trustee. The many hours of training that we obtain from SACRS has improved the quality of stewardship for our retirement systems. Additionally, the SACRS support in Sacramento in the form of review and feedback to our legislative branch of government is vital.

My goal is to not only join the SACRS Board of Directors but to contribute to this process of developing and supporting the member county retirement systems. I respectfully request and thank you in advance for the consideration of the Nominating Committee in supporting my candidacy for election to the SACRS Board of Directors.

Respectfully,

David Gilmore
SDCERA Trustee



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2022-2023**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David Gilmore
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 2275 Rio Bonito Way, San Diego, CA 92108-1685 Email Address: DGilmore@SDCERA.ORG Phone: 619-770-7854
Name of Retirement System Candidate Currently Serves On	System Name: San Diego County Employees Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
Brief Bio	<p>David Gilmore was elected to the SDCERA Board of Directors in 2019 and serves as the Board Secretary. He is on the Audit Committee for this fund of over \$17 billion. He served for over twenty years in various roles with the Deputy Sheriff's Association including being elected to the Board of Directors where he was the Secretary Treasurer. Prior to joining the Sheriff's Department in 1997, he was an internal auditor and systems analyst in the mortgage banking industry. He holds a bachelors degree in business administration-accounting and a masters degree in public administration. He is a Lieutenant with the Sheriff's Department and has held various management positions for the past 11 years including the Sheriff's Standards and Compliance Manager reporting to the Office of the Sheriff. He is also a founding member of the County of San Diego Deferred Compensation Investment Advisory Committee.</p>



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2020-2021 Annual Audit



January 12, 2022

To the SACRS Executive Board,

The SACRS Audit Committee, assisted by Ms. Peterson, met virtually on Friday, December 3, 2021 with representatives of James Marta & Company to review their most recent audit report.

The draft report as presented to us gave an unqualified opinion stating that “the financial statement referred to above presents fairly and in all material respects, the cash receipts and disbursements of the State Association of County Retirement Systems for the years ended June 30, 2021 and 2020 in accordance with the cash basis of accounting...”

In the course of our review, the committee raised two questions which required further review by the audit firm:

1. Under the Cash Receipts columns, the audit reports \$61,108 in revenue for 2020 and \$8,518 for 2021. Similar in amount to an investment tax filing, the committee wanted it confirmed that these numbers were accurate.

Auditors' response: Those figures are correct.

2. On Page 7 of the draft audit, while listing cash receipts and disbursements for the fiscal year ended June 30, 2021, the Cash Disbursement column referenced the Fall of 2018 and Spring of 2019.

Auditor's response: That was a typo error. A corrected and revised version of the draft report was then forwarded.

Assuming those would be the responses, the committee directed Ms. Peterson to consider the audit report approved and ready for submission to the Board of Directors upon correction by and receipt from James Marta & Company.

The committee also suggested that the Board of Directors revisit its investment program. While not having a strong opinion, the committee questioned if the Cal Trust Medium Term Fund was the best vehicle for those monies.

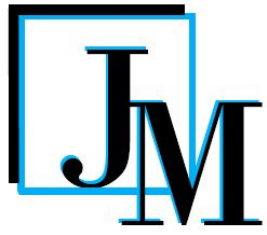
Respectfully submitted by,

Steve Delaney

Steve Delaney, CEO, Orange CERS
SACRS Audit Committee Chair

CC: SACRS Audit Committee

SD/shp email 1/11/22



JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

**STATE ASSOCIATION OF
COUNTY RETIREMENT SYSTEMS**

**FINANCIAL STATEMENT
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2021 AND 2020**

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STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2021

BOARD OF DIRECTORS

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President

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Board Member

David MacDonald
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Scott Draper
Affiliate Chair

* * * *

Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2021 AND 2020

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James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, California

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements, of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the State Association of County Retirement Systems for the years ended June 30, 2021 and 2020, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Information

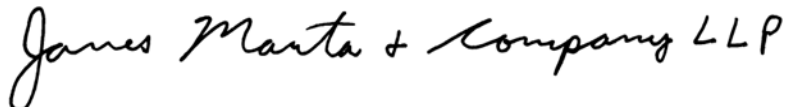
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are presented for purposes of additional analysis and are not a required part of the financial statement.

The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11 is fairly stated in all material respects in relation to the financial statement as a whole.

The Conference Summary Report, on page 12, has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Restricted Use

This report is intended solely for the information and use of management and the board of directors of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 13, 2022

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	2020-21	2019-20
<u>Cash Receipts</u>		
Dues	\$ 422,500	\$ 364,000
Conference		
Fall	104,815	628,070
Spring	116,265	2,520
Seminars	73,000	35,000
Other admin receipts	59,900	2,340
Other conference receipts	350	2,450
Interest	8,519	61,108
Total cash receipts	785,349	1,095,488
<u>Cash Disbursements</u>		
Conference		
Fall - 2020 and 2019		
Hotel and meals	2,668	270,132
Audio and visual	46,888	56,477
Program materials	41,174	83,553
Spring - 2021 and 2020		
Hotel and meals	6,490	257,419
Audio and visual	39,097	12,121
Program materials	13,790	14,449
Seminars	196,257	231,947
Conference administration	22,826	50,808
Total conference disbursements	369,190	976,906
Administration	274,714	365,517
Lobbying	55,011	60,012
Newsletters	15,031	15,893
Committee meetings	2,033	49,944
Special projects	17,759	17,690
Total administration disbursements	364,548	509,056
Total Cash Disbursements	733,738	1,485,962
Excess (Deficit) of Cash Receipts over Cash Disbursements	51,611	(390,474)
Cash and Investments, Beginning	1,981,948	2,372,422
Cash and Investments, Ending	\$ 2,033,559	\$ 1,981,948
<i>Supplementary Information</i>		
<u>Cash and Investments at June 30,</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,054,911	\$ 1,006,628
Non current portion of investments	978,648	975,320
Total Cash and Investments	\$ 2,033,559	\$ 1,981,948

The accompanying notes are an integral part of this financial statement.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

State Association of County Retirement Systems (SACRS) is a not-for-profit association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. SACRS was formed in the early 1970's to provide forums for disseminating knowledge of, and developing expertise in, the operation of county retirement systems existing under current law, as well as to foster and take an active role in the legislative process. To accomplish SACRS' mission of addressing issues of importance to members, SACRS, contracting with Sulema Peterson & Associates, provides a variety of association management services, including three magazines a year, membership directory, semi-annual conferences, and oversight of SACRS.org. The Association is supported primarily through membership dues and conference fees.

B. BASIS OF ACCOUNTING

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

The Board of Directors has elected to use the cash basis of accounting for this entity given the nature of its receipts and disbursements: revenue is almost always received and earned in the same period (e.g. at the beginning of the year for annual memberships, and shortly prior to events for conference attendance) and most expenses are incurred evenly over the year, with the exception of the billing for the conference hotel expense. Financial results by conference are presented in the Conference Summary Report in the Supplementary Information section of this document.

C. INCOME TAXES

The Association is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701f of the California Revenue and Taxation Code.

D. CONTRACTUAL AGREEMENTS

The Association has entered into various contractual agreements for professional services. These agreements include compensation for services rendered to the Association.

E. COMPARATIVE DATA

Comparative data for the prior year have been presented in certain sections of the accompanying financial statement in order to provide an understanding of changes in the Association's financial position and operations.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPARATIVE DATA (CONTINUED)

Since SACRS uses the cash basis of accounting, the timing of events and the ultimate settlement of bills may vary from year to year. For example; the Spring conference costs could be settled by June (by year end) or be extended into the subsequent year. Also the timing of events could affect when payments are made from year to year. Payments after year end will be paid out of the surplus generated out of the prior year conference receipts. So the surplus cash at year end may have future demands for prior expenses. Management prepares a conference summary report that reconciles these payments when settled; this report is presented as supplementary information.

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

SACRS considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at June 30 include:

	2021	2020
Bank accounts	\$ 255,570	\$ 208,515
Money market accounts	799,341	798,113
Total cash and cash equivalents	<u>\$ 1,054,911</u>	<u>\$ 1,006,628</u>

Cash in bank accounts at June 30, 2021 consisted of the following:

	First Foundation	Bank of America	Total
Per bank	\$ 257,855	\$ 16,883	\$ 274,738
Checks outstanding	(19,168)	-	(19,168)
Deposits in transit	-	-	-
Total bank accounts	<u>\$ 238,687</u>	<u>16,883</u>	<u>\$ 255,570</u>

Cash in bank accounts at June 30, 2020 consisted of the following:

	First Foundation	Bank of America	Total
Per bank	\$ 319,175	\$ 8,493	\$ 327,668
Checks outstanding	(126,442)	-	(126,442)
Deposits in transit	7,289	-	7,289
Total bank accounts	<u>\$ 200,022</u>	<u>8,493</u>	<u>\$ 208,515</u>

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). There was \$7,855 and \$69,175 in excess of FDIC coverage as of June 30, 2021 and 2020, respectively.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the "Fund"), depositing \$1,104,130. The fair value balance as of June 30, 2021 and 2020 presented in the financial statement is \$978,648 and \$975,320; respectively. This balance includes reinvested interest income totaling and \$3,329 and \$48,586, respectively. The current portion of the investment account represents underlying securities which are immediately redeemable (e.g. equities), or will mature within one year. The current portion of investments at June 30, 2021 and 2020 was \$0. The Fund is not rated or insured.

3. CONTRACTS

SACRS has entered into contracts with various hotels to reserve facilities and guest rooms for its upcoming conferences and events. Cancellation fees associated with these contracts vary by date of notice. All hotel contracts specify the total number of guest room nights reserved at a group rate. If guest nights attributed to the convention fall below a specified minimum, SACRS is obligated to pay a room attrition rate for every guest night below the contracted minimum; standard room rates exceed the attrition rate. The organization is also responsible for food and beverage minimums as specified below. Hotel contracts entered into as of the audit date are summarized here:

Conference	Cancellation Fees	Food and Beverage Minimums	Guest Room Nights Reserved	Guest Room Nights Minimum	Rooms Attrition
Fall 2021	\$334,779-\$430,430	\$165,000	1145	916	\$239 plus tax
Spring 2022	\$135,682-\$421,365	\$150,000	1185	948	\$229 plus tax
Fall 2022	\$136,762-\$288,524	\$150,000	1145	916	\$249 plus tax
Spring 2023	\$224,848-\$404,726	\$170,000	1145	916	\$247 plus tax
Fall 2023	\$123,832-\$397,665	\$150,000	1185	948	\$209 plus tax

4. DONATED SERVICES

Directors and officers have made a significant contribution of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statement of cash receipts and disbursements as no cash changed hands as a result of the donated services.

5. SUBSEQUENT EVENTS

SACRS' management has evaluated subsequent events through January 13, 2022, the date which the financial statement was issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statement.

SUPPLEMENTARY INFORMATION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

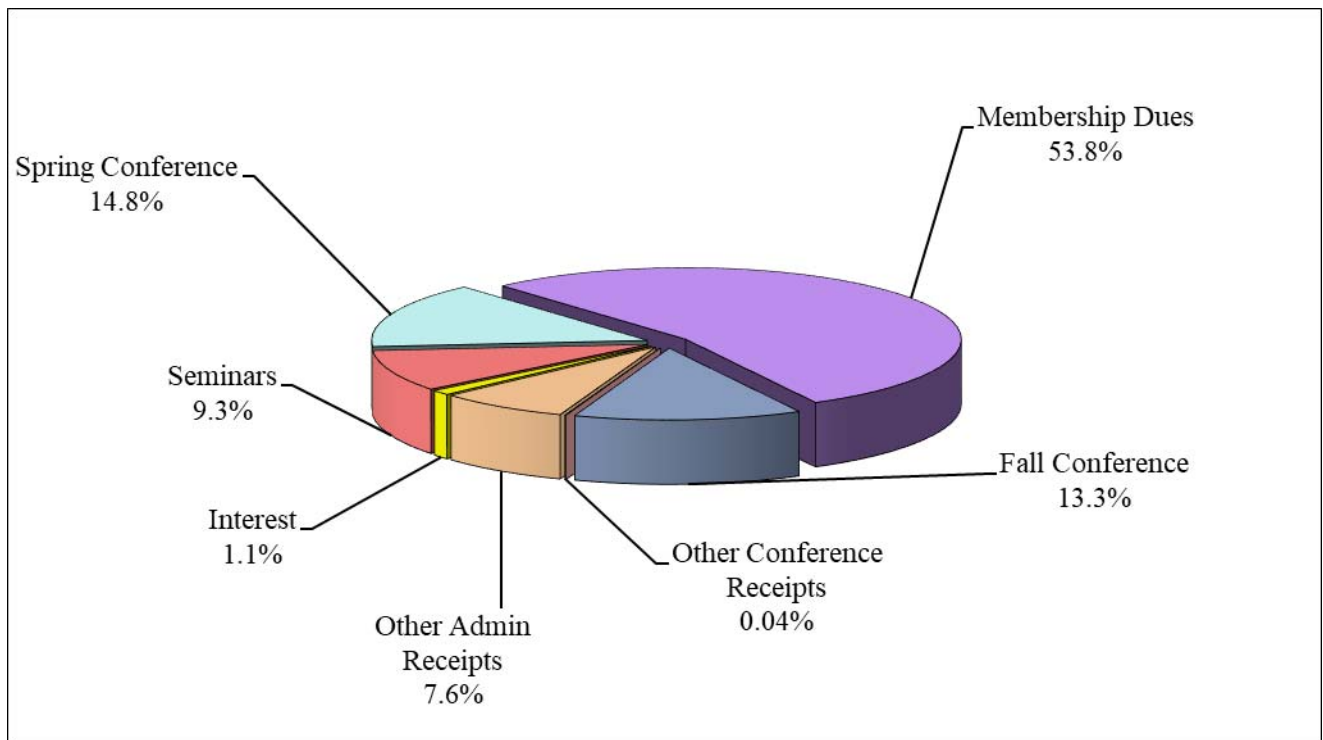
	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 422,500	\$ 422,500
Conference			
Fall	104,815	-	104,815
Spring	116,115	-	116,115
Seminars	73,000		73,000
Other admin receipts	-	60,050	60,050
Other conference receipts	350	-	350
Interest	8,519	-	8,519
Total Cash Receipts	<u>302,799</u>	<u>482,550</u>	<u>785,349</u>
<u>Cash Disbursements</u>			
Conference			
Fall - 2020			
Hotel and meals	2,668	-	2,668
Audio and visual	46,888	-	46,888
Program materials	41,174	-	41,174
Spring - 2021			
Hotel and meals	6,490	-	6,490
Audio and visual	39,097	-	39,097
Program materials	13,790	-	13,790
Seminars	196,257	-	196,257
Conference Administration	22,826	-	22,826
Total conference disbursements	<u>369,190</u>	<u>-</u>	<u>369,190</u>
Administration	-	274,714	274,714
Lobbying	-	55,011	55,011
Newsletters	-	15,031	15,031
Committee meetings	-	2,033	2,033
Special projects	-	17,759	17,759
Total administration disbursements	<u>-</u>	<u>364,548</u>	<u>364,548</u>
Total Cash Disbursements	<u>369,190</u>	<u>364,548</u>	<u>733,738</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	(66,391)	118,002	51,611
Cash and Investments, Beginning	<u>3,073,226</u>	<u>(1,091,278)</u>	<u>1,981,948</u>
Cash and Investments, Ending	<u>\$ 3,006,835</u>	<u>\$ (973,276)</u>	<u>\$ 2,033,559</u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CASH RECEIPTS BY SOURCE

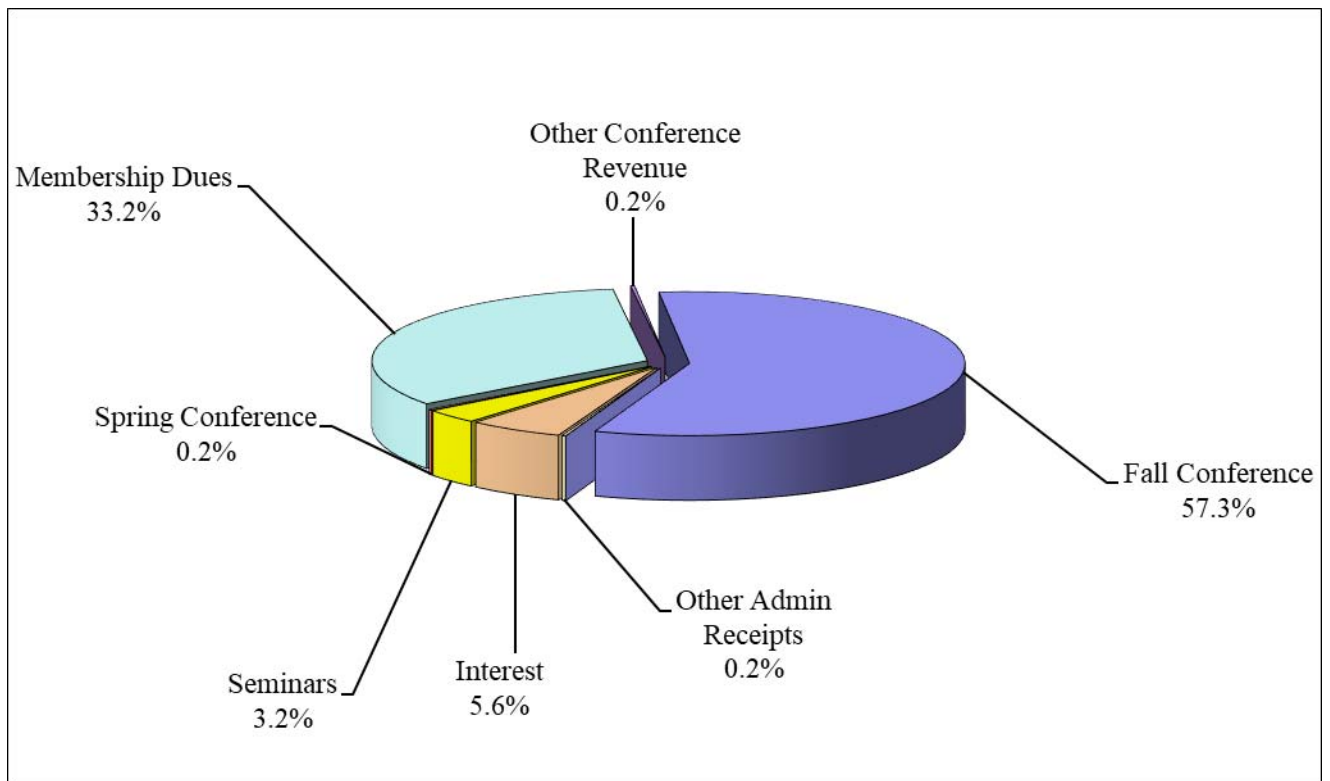


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CASH RECEIPTS BY SOURCE

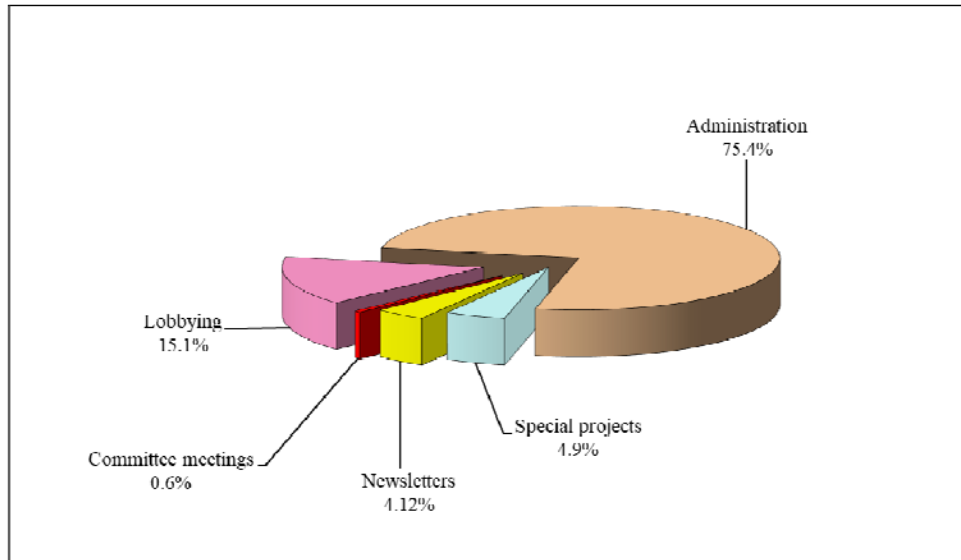


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

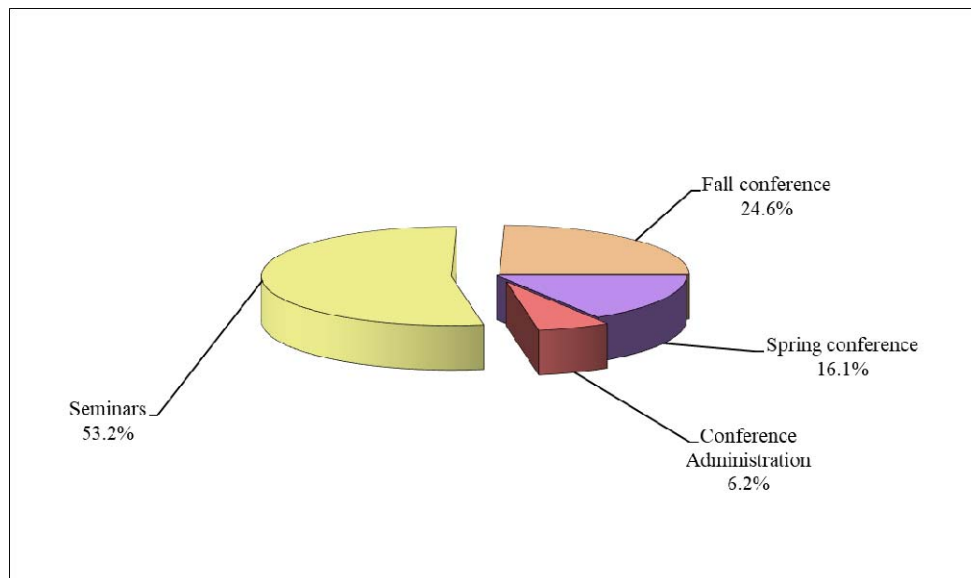
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS

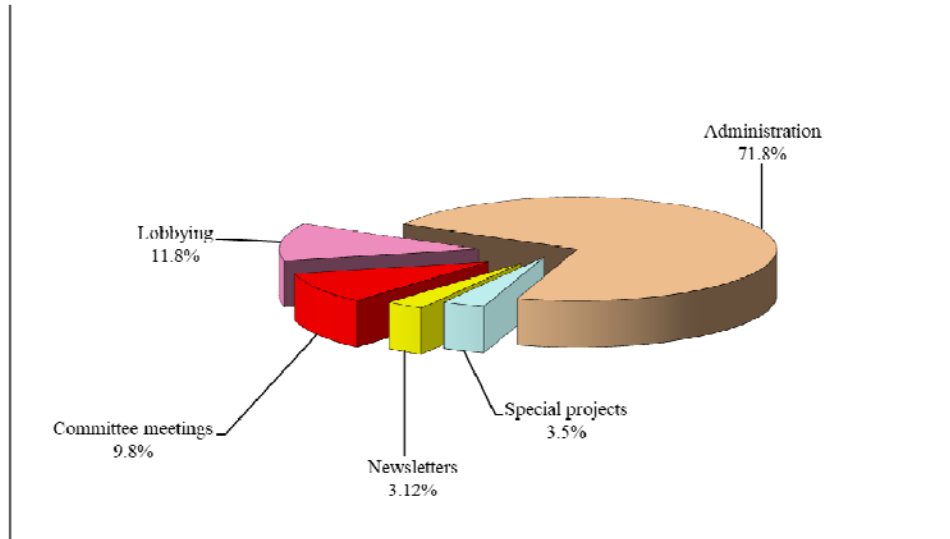


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

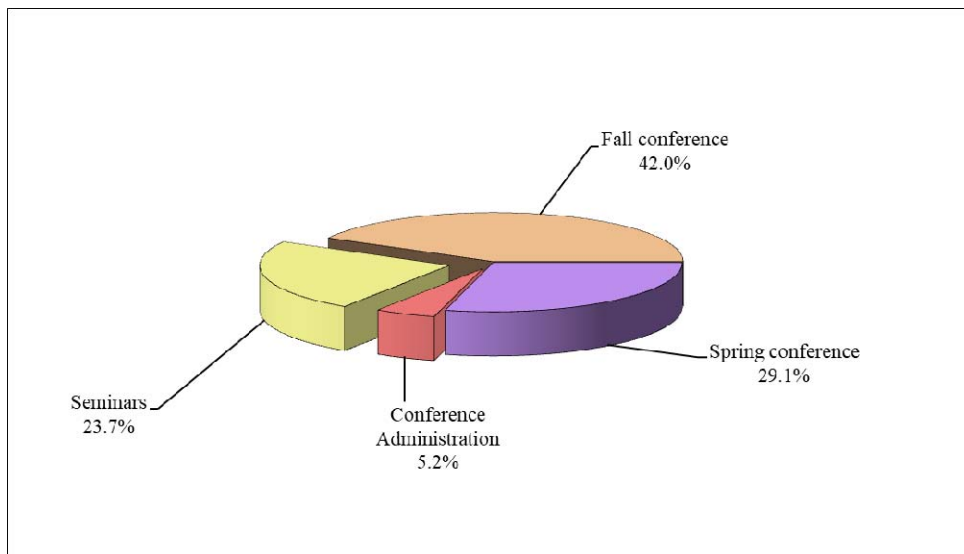
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

	Spring 2021 Held Via Virtual Conference	Fall 2020 Held Via Virtual Conference	Spring 2020 Canceled/Held Via Webinar	Fall 2019 Monterey	Spring 2019 Lake Tahoe	Fall 2018 Indian Wells
Cash receipts						
Conference	\$ 116,115	\$ 102,380	\$ -	\$ 639,270	\$ 592,590	\$ 591,530
Total cash receipts	116,115	102,380	-	639,270	592,590	591,530
Cash disbursements						
Hotel and meals	-	-	-	267,961	195,278	312,670
Audio and visual	38,975	46,888	-	56,477	57,731	52,180
Program materials	2,500	3,049	-	20,381	42,342	32,086
Program speakers	11,290	38,125	-	63,172	39,784	74,458
Conference administration	3,830	2,668		12,131	28,354	22,738
Total cash disbursements	56,595	90,730	-	420,122	363,489	494,132
Net cash provided by conference	\$ 59,520	\$ 11,650	\$ -	\$ 219,148	\$ 229,101	\$ 97,398
Total attendees	443	363	N/A	647	590	588



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited the financial statement of the State Association of County Retirement Systems (SACRS) for years ended June 30, 2021 and 2020, and have issued our report thereon dated January 13, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 4, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement. Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement is free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of SACRS solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our report on internal control over financial reporting in a separate letter to you dated January 13, 2022.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by SACRS is included in Note 1 to the financial statement. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are typically an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. As the accounting of SACRS is prepared on a cash basis, no estimates are necessary for the preparation of the financial statement.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We are not aware of any sensitive disclosures affecting SACRS' financial statement.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See Attachment I for adjustments provided by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to SACRS' financial statement or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 13, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SACRS, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SACRS' auditors.

We are contracted to prepare the fiscal year 2021 federal Return of Organization Exempt From Income Tax, and related state filings, as well as the calendar year Forms 1099-MISC for SACRS. These returns will be prepared using audited financial data, where applicable, but our preparation of these returns does not constitute an audit. No audit opinion will be issued on the tax returns referred to above.

James Marta & Company LLP
Certified Public Accountants

This report is intended solely for the information and use of the Board of Directors, and management of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 13, 2022

Adjusting Journal Entry JE # 1

Book unrealized loss on investment for June 2021

3200	Retained Earnings	1.00	
4900	Interest Earned	953.00	
1100	CalTrust - Medium Term		954.00
Total		954.00	954.00

Reclassifying Journal Entry JE # 2

Reclass the Spring Conference & Hotel refund from exp acct 6024 to other admin revenue. Expenses were paid in FY2019/20 but due to COVID19, the hotels were

6024	Spring Conference -+ Hotel	60,000.00	
1405.1	Other Expenses - Refunds - Prior Year		60,000.00
Total		60,000.00	60,000.00



Providing insight. Fostering oversight.

MANAGEMENT REPRESENTATION LETTER

January 13, 2022

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the statement of cash receipts and disbursements of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statement, for the purpose of expressing an opinion on whether the financial statement is presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 13, 2022:

Financial Statement

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 4, 2019, for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
- We have accurately presented the entity's position regarding taxation and tax-exempt status.



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- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statement all assets under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statement.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statement communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statement and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Supplementary Information in Relation to the Financial Statement as a Whole

With respect to the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report accompanying the financial statement:

- We acknowledge our responsibility for the presentation of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation



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of Cash Disbursements in accordance with the cash basis accounting as described in Note 1 to the financial statement. We acknowledge our responsibility for the presentation of the Conference Summary Report which presents all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.

- We believe the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, including its form and content, is fairly presented in accordance with the cash basis accounting as described in Note 1 to the financial statement. We believe the Conference Summary Report, including its form and content, is fairly presented and inclusive of all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report are not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Additional Representations

- We have reviewed, approved, and taken responsibility for the financial statement and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statement.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- All disbursements have been properly classified in the financial statement and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- We have disclosed to you all guarantees, whether written or oral, under which SACRS is contingently liable.
- SACRS has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- Regarding our tax filings prepared by James Marta & Company LLP:
 - We are responsible for complying with tax filing requirements with the Internal Revenue Service, Franchise Tax Board, and other agencies, as applicable.
 - We are responsible for establishing and maintaining effective internal control over compliance.



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- We have performed an evaluation of the Association's compliance with tax filing requirements and we are not aware of any instances of noncompliance.
- We have reviewed and approved the tax returns prepared by your office.
- We have made available to you all documentation related to compliance with specified requirements.
- We assume all management responsibilities in regards to the tax filings and have designated an individual in management who possesses suitable skill, knowledge and experience to oversee these services.
- We have performed an evaluation of the adequacy and results of the services performed and assume all management responsibilities.
- We accept responsibility for the results of the services.

Sulema Peterson

Sulema Peterson, SACRS Executive Director



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
INDEPENDENT AUDITOR'S REPORT**

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of State Association of County Retirement Systems (SACRS), as of and for the years ended June 30, 2021 and 2020 the related notes to the financial statement, which collectively comprise the State Association of County Retirement Systems' basic financial statement, and have issued our report thereon dated January 13, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered SACRS' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
January 13, 2022



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Spring 2022 Conference Evaluations/Feedback



No printed materials for this item



9. SACRS Program Committee Report – No Action

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

A. SACRS Annual Spring 2022 Conference Report



No printed materials for this item



10. SACRS Affiliate Committee Report – No Action

Wally Fikri, William Blair, SACRS Affiliate Committee Chair

A. Affiliate Committee Update



No printed materials for this item



11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update



No printed materials for this item



12. SACRS Spring Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees



No printed materials for this item



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 11, 2022 at the Hyatt Regency Long Beach, Long Beach, CA unless Covid-19 restrictions are in place



SACRS Annual Fall Business Meeting 2022

Next Annual Business meeting will be held Friday, November 11 at the Hyatt Regency Long Beach, Long Beach, CA.



EDELSTEIN GILBERT ROBSON & SMITH ^{LLC}

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

April 1, 2022

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – April 2022**

General Update

As the Legislature goes into April, policy committee hearings are in full swing. Policy Committees will continue for fiscal bills (bills that have a cost to the state) until April 29. Bills keyed non-fiscal have until May 6 to be heard in policy committee. Following the policy committee deadline, fiscal legislation faces its next hurdle, the fiscal committee deadline on May 20.

Now that case rates are declining, activity in the Legislature has been shifting increasingly towards in-person rather than virtual meetings. Virtual meetings are still occurring, but more legislative staff are working from the “Swing Space” rather than from home, increasing opportunities for in-person lobbying.

SACRS Sponsored Bills

As discussed in previous reports, the various policy proposals to amend the CERL that were approved by the SACRS membership were amended into the two bills below.

AB 1824 (Committee on Public Employment and Retirement) – Committee Cleanup Bill. The bill passed out of the Assembly Public Employment and Retirement Committee unanimously and will be heard in the Assembly Appropriations Committee next.

AB 1971 (Cooper) – CERL Policy Bill. The Legislative Committee Co-Chairs and SACRS lobbying team held a series of discussions with stakeholders on the bill. Based on those discussions and concerns raised by SEIU, the California Professional Firefighters, and the Police Officers Research Association of CA (PORAC), AB 1971 will be amended with various technical clarifications and to strike sections six and eight of the bill. Discussions will continue regarding a couple outstanding items. The bill has not yet been set for hearing in its policy committee.

We will continue to keep SACRS updated as these two bills move through the legislative process.

Other Bills of Interest

AB 2493 (Chen) – Orange County Employees Retirement System: Disallowed Compensation. This bill was recently amended with substantive language that allows OCERS to adjust retirement payments based on disallowed compensation for peace officers and firefighters under certain circumstances.

The bill has not yet been set for hearing.

Compensation Earnable Bills – Last session, two bills were introduced relating to compensation earnable - **AB 498 (Quirk-Silva)** and **AB 826 (Irwin)**. As reported in previous updates, AB 826 was gutted and amended in June of 2021 with the CERL provisions currently contained in the bill. The bill was placed on the Senate Inactive File in September, where it remains. AB 498 (Quirk Silva) was similarly amended at the end of session last year in September. We have reached out to these offices to inquire about whether these bills will be further amended or brought up for votes later this year. Neither office had any updates at this time. We will periodically check back for further updates.

SB 1328 (McGuire) – Divestment. This bill would prohibit all public retirement boards subject to PEPRRA from investing public employee retirement funds in a company with business operations in Russia or Belarus, among other requirements.

The bill passed out of the Senate Labor, Public Employment and Retirement Committee and Senate Governmental Organization Committee unanimously. It will go to the Senate Appropriations Committee next.

SACRS has not taken a formal position on the bill but has submitted a “letter of concern” outlining the administrative concerns raised by member systems.

Public Meeting Bills. During the pandemic, public agencies have relied upon the Brown Act flexibilities created via Executive Order and previous legislation to continue to conduct business while keeping the public and members safe. As the pandemic evolves, public agencies continue to recognize the benefits of teleconferencing, and multiple bills have been introduced on the topic this year to continue teleconference flexibilities:

AB 1944 (Lee) – Public Meetings. This bill would eliminate the requirement to post each board member address on public agendas for remote meetings. For public meetings that elect to use teleconferencing, the legislative body would be required to provide a video stream accessible to members of the public and an option for members of the public to address the legislative body remotely during public comment through a video or call-in option.

SACRS is supporting this bill. The bill has not yet been set for hearing in policy committee.

AB 2449 (Rubio) – Public Meetings. This bill would allow a local agency to use teleconferencing for a public meeting if at least a quorum of members of the legislative

body participate in person from a single location that is identified on the agenda and is open to the public within the local agency's jurisdiction, among other requirements.

The bill has not yet been sent for hearing.