



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

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AGENDA OF THE BOARD OF RETIREMENT

REGULAR RETIREMENT BOARD MEETING

Wednesday, March 22, 2023 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.

Teams: Persons wishing to participate in public comment remotely may access the Teams link located on TCERA's website, www.TCERA.org. Registration prior to the start of the meeting is required. If you do not wish to register online, you may address the Board in person. Once logged in to the Teams meeting, you may raise the virtual hand to indicate that you wish to make public comment. 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. If you want to listen to the meeting without comment, please access the live stream link located on TCERA's website www.tcera.org.

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 provided that 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. OATH OF OFFICE/SWEARING IN CEREMONY

1. Oath of office/swearing in ceremony for Jorge Garcia-Perez, for the office of Trustee of the Tulare County Employees' Retirement Association Board of Retirement.

V. 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.

VI. X-AGENDA ITEMS

VII. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of March 8, 2023.
2. Approve payments to:
 - a. Verus – invoice for investment consulting services in the amount of \$22,500.00 for the month ended February 28, 2023.

VIII. INVESTMENTS

1. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.
 - a. Asset Allocation Report
 - b. Verus Flash Report
2. Educational Presentation from Verus regarding Silicon Valley Bank and related financial issues.
3. Presentation from Sustainable Growth Advisors regarding TCERA's allocation to international equity investments. Discussion and possible action.
4. Presentation from PIMCO regarding TCERA's allocation to international equity investments. Discussion and possible action.

IX. EDUCATION ITEMS

1. Discussion and possible action regarding Summary Education Reports as filed:
 - a. Jim Young - CALAPRS General Assembly – March 4-7, 2023, 7.5 Hours
 - b. Leanne Malison - DWS Market and Political Update - Webinar – March 15, 2023, 1 Hour

- c. Leanne Malison - CALAPRS Administrators Institute – March 4-7, 2023, 12 Hours
2. Discussion and possible action regarding available educational events.

X. COMMUNICATIONS

1. SACRS Legislative Update, March 2023. Discussion and possible action.

XI. UPCOMING MEETINGS

1. Board of Retirement Meeting April 12, 2023, 8:30 a.m.
2. Board of Retirement Meeting April 26, 2023, 8:30 a.m.
3. Board of Retirement Meeting May 24, 2023, 8:30 a.m.
4. Administrative Committee Meeting May 24, 2023, 10:00 a.m.
5. Trustee Education/Presentation Calendar – Discussion and possible action.

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.

PLEASE PRINT

Garcia-Perez Jorge
Name (last) (first)

Tulare County Employees' Retirement Association – Board of Retirement
Name of County Department

**OATH OF OFFICE
FOR COUNTY EMPLOYEES**

STATE OF CALIFORNIA SS.
COUNTY OF TULARE

For the office of Trustee of the Tulare County Employees' Retirement Association
Board of Retirement

I, Jorge Garcia-Perez, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the constitution of the United States and the Constitution of the State of California; that I take the obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Signature of Trustee

Subscribed and sworn to before me this 22nd day of March, 2023.

Pete Vander Poel, Tulare County Supervisor, TCERA Board Chair

By, _____



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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MINUTES OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING **Wednesday, March 8, 2023, at 8:30 a.m.** TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 8:30 a.m. by Pete Vander Poel, Chair

II. ROLL CALL

Voting Trustees Present:	Cass Cook, Gary Reed, Jim Young, Laura Hernandez, Pete Vander Poel, Ty Inman, Roland Hill
Trustees Absent:	Nathan Polk
Alternate Trustees Present:	George Finney
Voting Alternate	
Trustees Present:	David Vasquez (voting in the absence of Nathan Polk)
Staff Members Present:	Paul Sampietro, Assistant Retirement Administrator Melanie Tyler, Secretary II
Board Counsel Present:	Aaron Zaheen, Deputy County Counsel, Makenzie Dunkel, 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.

Cass Cook introduced Jorge Garcia who will be the new Voting Alternate for Seat 1, effective March 22, 2023.

V. X-AGENDA ITEMS

None

VI. DISABILITIES

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

Closed session was held from 8:33 a.m. To 8:54 a.m. regarding the disability applications of Richard Greenwood and Sheryl Milton.

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

Motion to grant a service-connected disability retirement by determining that, based on the medical evidence submitted, the applicant has met the burden of proof on the question of permanent disability and the question of job causation.

Motion: Hernandez

Second: Vasquez

Motion passed unanimously.

3. In the matter of the disability application of Sheryl Milton, consider and take action regarding the application for a disability retirement.

Report out from Aaron Zaheen, Deputy County Counsel, on the application of Sheryl Milton: The retirement board met in closed session to deliberate upon the draft findings of the board in relation to the disability application of Sheryl Milton. The board held an independent review of the documents and transcripts in this matter pursuant to Government Code 31534(b). After deliberations, this board has proposed to deny the application of Sheryl Milton for the reasons stated in the soon to be adopted Findings of Fact and Statement of Decision.

Motion to adopt the Findings of Fact and Statement of Decision and deny the disability application of Sheryl Milton for the reasons stated in the adopted document. Staff are hereby ordered to serve Sheryl Milton its Findings of Fact and Statement of Decision, upon which time her opportunity for an appeal begins.

Motion: Young

Second: Inman

Motion passed unanimously with one abstention (Hill).

4. Accept as filed the Disability Status Report Overview.

No Action

VII. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of February 22, 2023.
2. Approve payments to:
 - a. KBI Global Investors – invoice for investment management services in the amount of \$77,428.00 for the quarter ended December 31, 2022.
 - b. Nossaman – invoice for legal services to the Board of Retirement in the amount of \$3,849.10 for the period ending January 31, 2023
3. Pension Board Reports and Actions
 - a. Ratify Retirement Administrator actions regarding Retirement Application approvals and Option Selections for the month of February 2023.
 - b. Approve Reports regarding Retirement Applications, Option Selections and Deceased Pensioners and 30-Year Members for the month of February 2023.

Motion to approve Consent Calendar as presented.

Motion: Young

Second: Hernandez

Motion passed unanimously.

VIII. ADMINISTRATIVE COMMITTEE REPORT

1. Update by Jim Young regarding the Administrative Committee meeting of February 22, 2023. Discussion and possible action regarding the following items:
 - a. TCERA and TCERA Property, Inc. Quarterly Financial Statements, period ending December 31, 2022.
 - b. Temporary Annuity Benefit Retirement Option

No Action

IX. NEW BUSINESS

1. Discussion and possible action regarding TCERA Board of Retirement Continuing Education Report – January 1, 2022 through December 31, 2022.

Mr. Sampietro informed the board that the California state of emergency orders have been lifted and the board will go back to requiring 24 hours of continuing education per year.

Motion to accept the continuing education report as presented.

Motion: Hill

Second: Hernandez

Motion passed unanimously.

X. EDUCATION ITEMS

1. Discussion and possible action regarding available educational events.

No Action

XI. UPCOMING MEETINGS

1. Board of Retirement Meeting March 22, 2023, 8:30 a.m.
2. Board of Retirement Meeting April 12, 2023, 8:30 a.m.
3. Board of Retirement Meeting April 26, 2023, 8:30 a.m.
4. Board of Retirement Meeting May 24, 2023, 8:30 a.m.
5. Trustee Education/Presentation Calendar – Discussion and possible action.

No Action

XII. TRUSTEE/STAFF COMMENTS

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

Ms. Hernandez remarked on the member statements that were just received and requested that the board investigate having an insert added regarding Empower options and other resources so that members can have a full retirement picture.

Mr. Finney reminded the Board that Form 700 is due at the end of the month.

XII. ADJOURNMENT

The meeting was adjourned at 9:06 a.m.

Pete Vander Poel, Chair



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

Invoice

Date	Invoice#
2/28/2023	INV034000
Due Date	Terms
3/30/2023	Net 30

Bill To

Accounts Payable
Tulare County Employees' Retirement Association
136 N. Akers Street
Visalia, CA 93291

Services Provided to: Tulare County Employees' Retirement Association

Service Dates: February 2023

Services Rendered	Amount
Monthly Billing	\$22,500.00

SubTotal \$22,500.00
Past Due Balance \$0.00

Total \$22,500.00

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

TCERA Asset Allocation Comparison 02-28-23 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
DOMESTIC EQUITY							
PGIM (QMA)	Large Core Enhanced	65,993,848	3.56%	3.00%	55,557,167	10,436,681	
SSGA S&P 500 Sec Lnd Index Fund	Large Core	157,361,502	8.50%	10.00%	185,190,558	(27,829,056)	
Boston Partners	Large Value	72,868,338	3.93%	3.50%	64,816,695	8,051,643	
William Blair	Large Growth	63,335,194	3.42%	3.50%	64,816,695	(1,481,501)	
SSGA US Ext Sec Lnd	SMID Core Index	65,044,674	3.51%	3.00%	55,557,167	9,487,507	
Leeward	Small Value	33,615,353	1.82%	1.50%	27,778,584	5,836,769	
William Blair	Smid Growth	27,544,266	1.49%	1.50%	27,778,584	(234,317)	
	Total	485,763,175	26.23%	26.00%	481,495,450	4,267,725	
INTERNATIONAL EQUITY							
SGA	International Growth	86,478,431	4.67%	6.00%	111,114,335	(24,635,904)	
PIMCO RAE	International Value	100,674,760	5.44%	4.00%	74,076,223	26,598,536	
SSGA - ACWI Index Fund	International Core	95,986,772	5.18%	6.00%	111,114,335	(15,127,562)	
	Total	283,139,963	15.29%	16.00%	296,304,893	(13,164,930)	
GLOBAL EQUITY							
Skellig Water Fund (KBI)	Water Related	62,405,309	3.37%	3.00%	55,557,167	6,848,142	
	Total	62,405,309	3.37%	3.00%	55,557,167	6,848,142	
PRIVATE EQUITY							
Pantheon	Private Equity - F of F	148,341	0.01%				Underweight pending new commitments and capital calls. Pantheon, Stepstone and BlackRock in liquidation phase.
Stepstone	PE - Secondaries	4,725,546	0.26%				
Ocean Avenue III	Private Equity - F of F	20,761,113	1.12%				
Ocean Avenue IV	Private Equity - F of F	26,848,037	1.45%				
Ocean Avenue V	Private Equity - F of F	-	0.00%				
Pathway Fund 8	Private Equity - F of F	29,055,066	1.57%				
Pathway Fund 9	Private Equity - F of F	25,360,106	1.37%				
Pathway Fund 10	Private Equity - F of F	21,718,026	1.17%				
Direct Investments	Verus Discretionary	108,898	0.01%				
BlackRock Alternatives	Private Equity - F of F	428,705	0.02%				
	Total	129,153,838	6.97%	12.00%	222,228,669	(93,074,831)	
FIXED INCOME							
BlackRock	Core Plus	76,703,712	4.14%	6.00%	111,114,335	(34,410,622)	
MacKay Shields	Core Plus	100,006,853	5.40%	5.50%	101,854,807	(1,847,954)	

TCERA Asset Allocation Comparison 02-28-23 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
DoubleLine	Core Plus	101,763,063	5.50%	5.50%	101,854,807	(91,744)	
PGIM	Emerging Market Debt	50,773,201	2.74%	3.00%	55,557,167	(4,783,966)	
	Total	329,246,829	17.78%	20.00%	370,381,116	(41,134,287)	
PRIVATE CREDIT							
Sixth Street DCP (TSSP)	Private Credit	83,890,980	4.53%		-	83,890,980	
Sixth Street TAO Contingent (TSSP)	Private Credit	30,301,657	1.64%		-	30,301,657	
	Total	114,192,637	6.17%	5.00%	92,595,279	83,890,980	
REAL ASSETS							
Invesco	Real Estate Debt	76,377,354	4.12%	3.00%	55,557,167	20,820,186	
American Realty Advisors		87,673,881			-	87,673,881	
Direct Investments - Real Estate	Value Add Real Estate and Opportunistic Real Estate	-			-	-	Individual investments underweight pending Opportunistic RE and American Realty capital calls. RREEF America II overweight pending rebalancing. SSGA REIT - Holding for other capital calls.
Total Value Add and Opp RE		87,673,881	4.73%	8.00%			
IFM	Infrastructure	80,441,435	4.34%	4.00%	74,076,223	6,365,212	
SSGA US REIT	REIT Index Fund	727,147	0.04%	0.00%	-	727,147	
RREEF America II	Core Commingled	175,681,010	9.49%	3.00%	55,557,167	120,123,843	
	Total	420,900,827	22.73%	18.00%	185,190,558	235,710,269	
OPPORTUNISTIC							
KKR - Mezzanine	Opportunistic	2,059,003	0.11%	n/a	-	2,059,003	Opportunistic outside of Target Allocation. KKR in distribution phase.
	Total	2,059,003	0.11%		-	2,059,003	
OTHER							
			0.11%		-	2,059,003	
Cash		25,043,998	1.35%	0.00%	-	25,043,998	Capital Calls and Cash Flow Needs.
	Total	25,043,998	1.35%	0.00%	-	25,043,998	
	Grand Total	1,851,905,579	100.00%	100.00%	1,703,753,133		

Total Fund
Executive Summary (Net of Fees) - Preliminary

Tulare County Employees' Retirement Association
Period Ending: February 28, 2023

	Market Value	% of Portfolio	1 Mo	Fiscal YTD	Fiscal 2022	Fiscal 2021	Fiscal 2020	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Fund	1,849,432,452	100.0	-1.6	2.7	-4.9	23.6	0.6	-3.9	6.2	5.2	6.2	4.6	6.8
<i>Policy Index</i>			-2.1	2.5	-5.8	21.9	3.1	-5.0	5.9	5.4	6.2	5.1	7.0
Total Domestic Equity	485,741,295	26.3	-2.6	7.7	-13.9	44.5	4.2	-7.5	11.8	8.9	11.8	9.0	10.2
<i>Russell 3000 Index</i>			-2.3	6.9	-13.9	44.2	6.5	-8.1	11.8	9.4	11.9	9.7	10.2
SSGA S&P 500 Flagship Fund	157,361,502	8.5	-2.4	6.1	-10.7	40.8	7.5	-7.7	12.1	9.8	12.2	-	-
<i>S&P 500 Index</i>			-2.4	6.1	-10.6	40.8	7.5	-7.7	12.1	9.8	12.3	-	-
PGIM QS US Core Equity	65,993,848	3.6	-2.4	5.3	-9.0	39.5	3.8	-7.9	11.9	8.4	11.8	-	-
<i>S&P 500 Index</i>			-2.4	6.1	-10.6	40.8	7.5	-7.7	12.1	9.8	12.3	-	-
William Blair Large Cap Growth	63,333,447	3.4	-3.7	3.9	-	-	-	-	-	-	-	-	-
<i>Russell 1000 Growth Index</i>			-1.2	5.5	-	-	-	-	-	-	-	-	-
William Blair SMID Cap Growth	27,541,249	1.5	-2.6	16.2	-28.1	42.4	6.1	-6.8	8.1	8.3	12.3	10.3	-
<i>Russell 2500 Growth Index</i>			-1.6	13.2	-31.8	49.6	9.2	-8.2	8.1	7.3	10.7	9.7	-
Boston Partners Large Cap Value	72,854,394	3.9	-3.1	8.5	-3.8	49.5	-8.8	-2.1	14.3	7.7	10.4	8.4	10.1
<i>Russell 1000 Value Index</i>			-3.5	7.7	-6.8	43.7	-8.8	-2.8	11.0	7.2	9.6	7.7	9.0
SSGA US Extended Market Index	65,044,674	3.5	-1.6	11.4	-29.8	-	-	-10.8	-	-	-	-	-
<i>Dow Jones U.S. Completion Total Stock Market Indx</i>			-1.7	11.3	-30.0	-	-	-11.0	-	-	-	-	-
Leeward Small Cap Value	33,612,181	1.8	-1.9	14.4	-7.4	62.2	-14.5	0.7	16.2	8.4	9.6	-	-
<i>Russell 2000 Value Index</i>			-2.3	10.7	-16.3	73.3	-17.5	-4.4	12.9	6.4	8.5	-	-
Total International Equity	280,860,560	15.2	-3.1	9.1	-18.5	38.3	-4.0	-5.0	7.1	3.1	4.9	1.5	6.6
<i>MSCI AC World ex USA (Net)</i>			-3.5	7.4	-19.4	35.7	-4.8	-7.2	5.3	1.6	3.9	2.3	7.1
SSGA MSCI ACWI Ex US Index Fund	95,986,772	5.2	-3.5	7.4	-19.2	35.9	-4.5	-6.8	5.5	1.8	4.1	-	-
<i>MSCI AC World ex USA (Net)</i>			-3.5	7.4	-19.4	35.7	-4.8	-7.2	5.3	1.6	3.9	-	-
PIMCO RAE Fundamental Global Ex US Fund	98,395,357	5.3	-2.3	10.3	-15.5	45.3	-14.9	-3.0	7.4	1.2	4.4	-	-
<i>MSCI AC World ex USA Value (Net)</i>			-2.7	8.6	-12.8	37.6	-15.3	-3.9	6.3	0.8	3.0	-	-
SGA International Growth	86,478,431	4.7	-3.5	9.6	-21.0	34.3	6.5	-5.2	7.7	-	-	-	-
<i>MSCI AC World ex USA Growth (Net)</i>			-4.3	6.2	-25.8	33.7	5.8	-10.6	3.8	-	-	-	-

Total Fund
Executive Summary (Net of Fees) - Preliminary

Tulare County Employees' Retirement Association
Period Ending: February 28, 2023

	Market Value	% of Portfolio	1 Mo	Fiscal YTD	Fiscal 2022	Fiscal 2021	Fiscal 2020	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Global Equity	62,405,309	3.4	-1.7	13.1	-12.2	50.4	-3.6	1.3	13.1	7.5	-	-	-
MSCI AC World Index (Net)			-2.9	6.5	-15.8	39.3	2.1	-8.3	8.8	5.8	-	-	-
Skellig Water Fund (aka KBI)	62,405,309	3.4	-1.7	13.1	-12.2	50.4	-3.6	1.3	13.1	7.5	-	-	-
MSCI AC World Index (Net)			-2.9	6.5	-15.8	39.3	2.1	-8.3	8.8	5.8	-	-	-
Total Fixed Income	329,286,469	17.8	-2.5	-0.7	-12.7	2.8	2.9	-9.1	-4.1	-0.4	0.7	2.9	3.3
Bloomberg U.S. Aggregate Index			-2.6	-2.6	-10.3	-0.3	8.7	-9.7	-3.8	0.5	1.1	2.6	3.1
Total Domestic Fixed Income	278,513,268	15.1	-2.4	-1.8	-11.1	2.3	7.3	-9.8	-3.3	0.7	1.3	-	-
Bloomberg U.S. Aggregate Index			-2.6	-2.6	-10.3	-0.3	8.7	-9.7	-3.8	0.5	1.1	2.6	-
BlackRock Core Plus Fixed Income	76,743,352	4.1	-2.7	-2.4	-11.1	0.5	9.1	-10.3	-3.6	0.6	1.2	2.9	3.4
Bloomberg U.S. Aggregate Index			-2.6	-2.6	-10.3	-0.3	8.7	-9.7	-3.8	0.5	1.1	2.6	3.1
Doubleline Core Plus	101,763,063	5.5	-2.0	-1.4	-10.1	2.9	4.1	-9.0	-3.4	0.4	-	-	-
Bloomberg U.S. Aggregate Index			-2.6	-2.6	-10.3	-0.3	8.7	-9.7	-3.8	0.5	-	-	-
MacKay Shields Core Plus	100,006,853	5.4	-2.6	-1.8	-12.0	3.7	8.5	-10.2	-2.9	0.9	-	-	-
Bloomberg U.S. Aggregate Index			-2.6	-2.6	-10.3	-0.3	8.7	-9.7	-3.8	0.5	-	-	-
Total Emerging Markets Fixed Income	50,773,201	2.7	-3.0	6.5	-19.4	10.3	-2.4	-5.0	-3.4	-	-	-	-
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			-2.7	4.2	-20.2	7.1	-1.1	-7.4	-4.7	-	-	-	-
PGIM Emerging Markets Debt	50,773,201	2.7	-3.0	6.5	-19.4	10.3	-	-5.0	-3.4	-	-	-	-
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			-2.7	4.2	-20.2	7.1	-	-7.4	-4.7	-	-	-	-
Total Real Estate	340,446,041	18.4	0.0	-3.1	24.8	2.2	5.3	4.6	7.6	7.2	8.9	4.7	7.5
NCREIF ODCE			0.0	-4.9	28.3	7.1	1.3	6.5	9.0	7.7	9.1	5.3	7.4
RREEF America II	175,667,659	9.5	0.0	-4.5	36.1	2.1	5.3	7.0	10.3	8.8	10.3	6.2	-
NCREIF ODCE net 1Q Lag			0.0	4.9	27.3	1.5	3.9	21.0	11.4	9.3	9.9	5.8	-
American Realty Strategic Value Fund	87,673,881	4.7	0.0	0.7	20.2	3.4	-	7.4	8.0	-	-	-	-
NCREIF ODCE net 1Q Lag			0.0	4.9	27.3	1.5	-	21.0	11.4	-	-	-	-
Invesco Commercial Mortgage Income Fund	76,377,354	4.1	0.0	-0.5	-	-	-	1.4	-	-	-	-	-
NCREIF ODCE			0.0	-4.9	-	-	-	6.5	-	-	-	-	-
SSGA US REIT Index Non-Lending Fund	727,147	0.0	-4.9	-1.0	-	-	-	-13.5	-	-	-	-	-
Dow Jones U.S. REIT Index			-6.0	-4.2	-	-	-	-11.7	-	-	-	-	-

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 liquidated 12/9/2021. SSGA US REIT Index funded 12/10/2021. Macquarie Large Cap Growth liquidated April 2022. PIMCO Bravo liquidated on 12/31/2022. Due to the lagged nature of Private Market Fund valuations, Private Markets Fund returns have been excluded from monthly updates. All data is preliminary.

Total Fund
Executive Summary (Net of Fees) - Preliminary

Tulare County Employees' Retirement Association
Period Ending: February 28, 2023

	Market Value	% of Portfolio	1 Mo	Fiscal YTD	Fiscal 2022	Fiscal 2021	Fiscal 2020	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Infrastructure	80,441,435	4.3	-0.2	-	-	-	-	-	-	-	-	-	-
NCREIF ODCE			0.0	-	-	-	-	-	-	-	-	-	-
IFM Global Infrastructure	80,441,435	4.3	-0.2	-	-	-	-	-	-	-	-	-	-
NCREIF ODCE			0.0	-	-	-	-	-	-	-	-	-	-
Total Private Equity	128,955,705	7.0	-	-	-	-	-	-	-	-	-	-	-
Private Equity Benchmark			0.0	0.6	30.3	42.4	5.4	3.6	21.3	19.6	16.2	11.9	-
Altas Partners Holdings III	108,898	0.0	-	-	-	-	-	-	-	-	-	-	-
BlackRock Alternative Advisors	431,570	0.0	-	-	-	-	-	-	-	-	-	-	-
Ocean Avenue Fund III	20,761,113	1.1	-	-	-	-	-	-	-	-	-	-	-
Ocean Avenue Fund IV	22,047,441	1.2	-	-	-	-	-	-	-	-	-	-	-
Pantheon Ventures	152,104	0.0	-	-	-	-	-	-	-	-	-	-	-
Pathway Private Equity Fund Investors 8	31,322,169	1.7	-	-	-	-	-	-	-	-	-	-	-
Pathway Private Equity Fund Investors 9	27,383,650	1.5	-	-	-	-	-	-	-	-	-	-	-
Pathway Private Equity Fund Investors 10	22,023,212	1.2	-	-	-	-	-	-	-	-	-	-	-
Stepstone Secondary Opportunities Fund II	4,725,546	0.3	-	-	-	-	-	-	-	-	-	-	-
Total Private Credit	83,890,980	4.5	-	-	-	-	-	-	-	-	-	-	-
Private Credit Benchmark			0.0	-2.2	7.1	28.3	-4.5	1.7	5.8	7.6	-	-	-
Sixth Street DCP (frmly TSSP DCP)	83,890,980	4.5	-	-	-	-	-	-	-	-	-	-	-
Total Opportunistic	32,360,660	1.7	-	-	-	-	-	-	-	-	-	-	-
Sixth Street TAO Contingent (frmly TSSP TAO Contingent)	30,301,657	1.6	-	-	-	-	-	-	-	-	-	-	-
KKR Mezzanine Partners I	2,059,003	0.1	-	-	-	-	-	-	-	-	-	-	-



PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



MARCH 13, 2023

Silicon Valley Bank & Broad Banking Stress

Overview / conclusions

Please note this deck was released on March 13th. Please reach out to your Verus consultants for up-to-date views beyond this date.

As new information has been received, it appears this situation is less about SVB specifically and more about broad interest rate mismatches in the banking system which have led to losses on bank balance sheets—many of which have not been widely recognized by investors due to their accounting treatment. The greatest risk to the financial system at this point appears to be a potential shock to confidence in banks. We touch on these views later in this document.

- Silicon Valley Bank (SVB) failed, and was then transitioned to government ownership on March 10th. SVB is among the top 20 largest banks in the United States, with approximately 1% of all U.S. domestic bank deposits. New York regulators closed Signature Bank shortly thereafter, and there may be additional closures as conditions evolve.
- The SVB meltdown was driven by a number of factors, including: 1) The repricing of assets on their balance sheet (largely as a result of increase in interest rates) that led to forced sale of these assets, 2) The need to fund tech company cash withdrawals, which increased and led to a run on the bank
- Unlike the situation of the 2008-2009 Global Financial Crisis, SVB assets appear to generally be high quality. The bank insolvency was largely due to a combination of: high quality assets losing value due to recent interest rate rises, and a loss in confidence in the bank (i.e. bank run).
- The SVB liquidation may include the following direct impacts:
 - The U.S. Treasury, Federal Reserve, and FDIC have jointly guaranteed that SVB depositors will receive all of their funds as the U.S. government steps in to stem the crisis. In the United Kingdom, HSBC has agreed to acquire the SVB UK division.
 - Companies may have lines of credit or funding agreements in place allowing them to fund growth or operations. These companies may experience short-term (or longer) cash flow or financing problems. **This includes venture capital and other private markets exposures.**

Overview / conclusions

Please note this deck was released on March 13th. Please reach out to your Verus consultants for up-to-date views beyond this date.

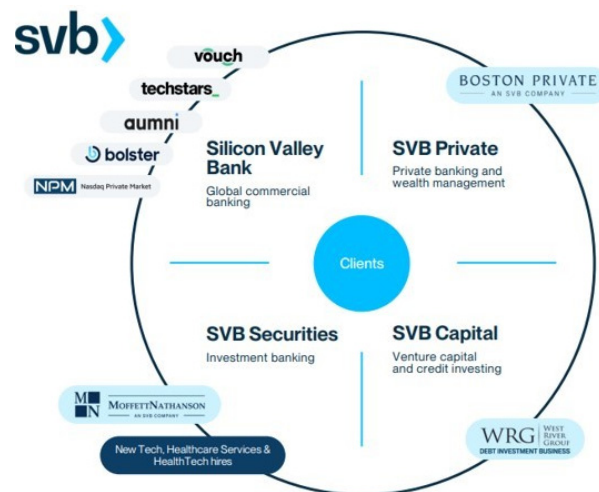
- The SVB liquidation may have the following indirect impacts:
 - Challenges in the private markets space. The importance of the role of SVB in the venture and private markets space is difficult to exaggerate, and disruption of this kind may create challenges for those who have historically operated in that asset class. It may take time for the ecosystem to adjust.
 - A focus by banks on de-risking their balance sheets. This could cause challenges in the market for higher risk assets currently held on those balance sheets.
 - More generally, a loss of market confidence and fears of contagion, even if those fears are not realized, may impact the prices of risky assets broadly, and may fuel a market drawdown.
- While the full impact remains to be seen, the immediate impacts to clients with private markets portfolios appear to have largely been mitigated with the government backstop to ensure all deposits held at SVB will be made accessible.
- It is important to note that the broader risks to the financial system that SVB poses likely will revolve around *sentiment* rather than *structural issues with bank assets*. The way in which investors react in the coming weeks could determine the impact on markets. As is typical of the environment banks operate in, banks that stand on good financial footing can quickly be at risk if confidence around the bank turns sour.

SVB overview

Silicon Valley Bank at a glance

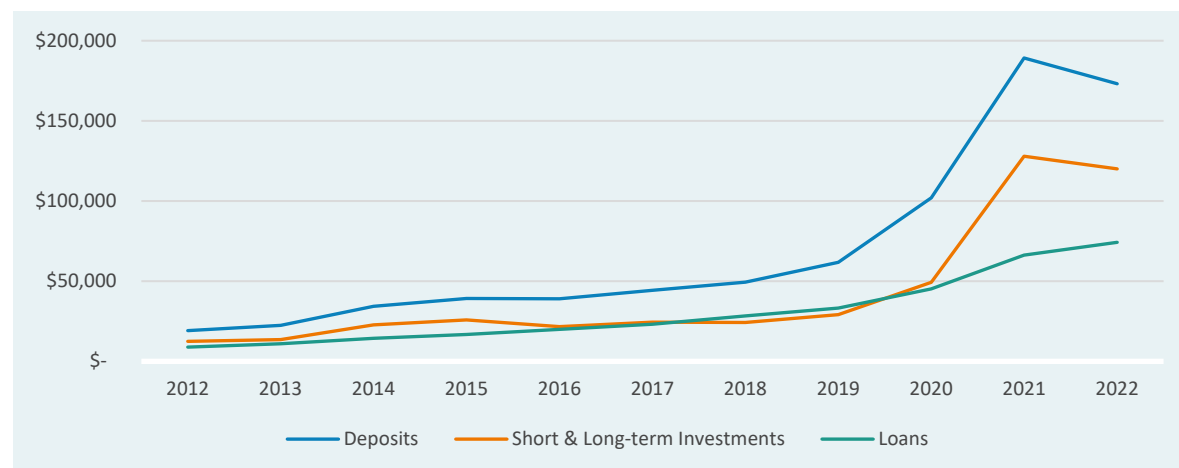
- Silicon Valley Bank is among the largest 20 banks in the United States, with over \$200 billion of assets, and \$25 billion of market capitalization. SVB clients were primarily in the technology and life science / healthcare industries as well as global venture capital firms and their portfolio companies. However, over the last few years, SVB grew rapidly by raising deposits, lending on homes, financing businesses, and backing venture capital funds raised by the technology sector via a fund of funds structure. It also provided private banking services to these same end clients.
- Silicon Valley Bank matters to markets because approximately 50% of all United States venture backed start-ups have exposures to SVB. Further, a significant number of private markets funds, in particular venture capital funds, use SVB products and services. SVB has rapidly impacted the broader financial markets via its client base in the venture capital and technology sectors, within its Global Fund Banking business. SVB provided lines of credit, subscription lines and cash / treasury / deposit management to a significant portion of the venture capital ecosystem. The Global Fund Banking business line constituted more than 50% of SVB's lending business, \$40+ billion on a \$70+ billion lending book.

SVB OPERATED 4 PRINCIPAL BUSINESS LINES



Source: Silicon Valley Bank

SILICON VALLEY BANK SELECTED ASSETS & LIABILITIES (\$ MILLIONS)



Source: Financial Times, Bloomberg

What happened?

- The nature of banking is to borrow money (deposits) from clients at one interest rate, and then to lend it (in loans, or in the market) at a higher interest rate. The difference provides profit to the bank.
- In the low-interest-rate environment experienced over the past 10 years, this has been difficult. Many banks have had to take more risk than ideal, for little reward, with excess deposits.
- The investments that SVB made with this deposit money have suffered losses due to rising rates and concerns over credit risk. Because those investments have much higher interest rate sensitivity (duration) than the deposits do, those losses have been outsized. Some of those losses were crystallized when the bank sold assets. This caused a loss of confidence in SVB, and that led to the bank's collapse.
- In March 2023, SVB filed an 8-K disclosing that they had launched a \$2.25 billion share sale after suffering a significant loss on its portfolio of U.S. Treasuries and mortgage-backed securities.
- SVB completed the sale of substantially all of its Available-For-Sale (AFS) securities portfolio. They sold approximately \$21 billion of securities, which will result in an after-tax loss of approximately \$1.8 billion in the first quarter of 2023.
- The FDIC has stepped in and will attempt to ensure an orderly transition, alongside the Federal Reserve and U.S. Treasury. In the United Kingdom, HSBC has agreed to acquire the SVB UK division.

SVB FINANCIAL CHANGES

Updated FY'23 outlook

Outlook includes expected changes to Fed Funds rates¹

Business driver	FY'22 results	1/19/23 FY'23 vs. FY'22 outlook	Current FY'23 vs. FY'22 outlook (excludes AFS sale)
Average loans	\$70.3B	Low double digits % growth	High single digits % growth
Average deposits	\$185.7B	Mid single digits % decline	Low double digits % decline
Net interest income ²	\$4,522M	High teens % decline	Mid thirties % decline
Net interest margin	2.16%	1.75-1.85%	1.45% - 1.55%
Net loan charge-offs	0.10%	0.15-0.35%	No change
Core fee income ^{3,4}	\$1,181M	Low teens % growth	High teens % growth
SVB Securities revenue ^{3,5}	\$518M	\$540-590M	\$480-\$530M
Noninterest expense excluding merger-related charges ⁶	\$3,571M	Low single digits % growth	No Change
Effective tax rate	25.2%	26-28%	No change

Source: Silicon Valley Bank

SVB AFS PORTFOLIO SALE TERMS

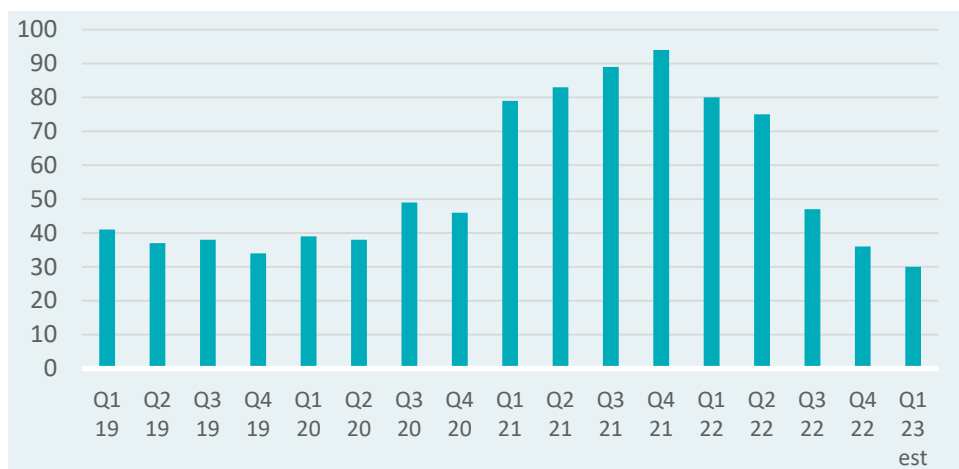
AFS Portfolio Sale	AFS Sale Size	\$21 billion
	Securities Sold	US Treasuries and Agency securities
	Yield of Securities Sold	1.79% 3.6-year Duration
	Preliminary Estimated Realized Loss ¹	\$(1.8) billion (after-tax)
Capital Offerings (Base Size)	Common Stock	\$1.25 billion
	Concurrent Private Placement	\$500 million commitment from General Atlantic to purchase restricted common stock at the public offering price in a separate private transaction
	Mandatory Convertible Preferred Stock	\$500 million
Net Capital Ratio Impact	SVBFG CET1 Ratio ²	+0.15%
Actions to Increase Asset Sensitivity ³	Increase Fed cash	Increase Fed cash target to 4-8% of total deposits (from 4-6%)
	Partially lock-in term funding ³	Increase term borrowings from \$15B to \$30B Hedge with forward starting swaps ³
	Reconstruct AFS portfolio ³	Buy short-duration USTs ³ Hedge with receive-floating swaps ³

Contributors to SVB failure

The SVB failure was driven by a number of factors, including:

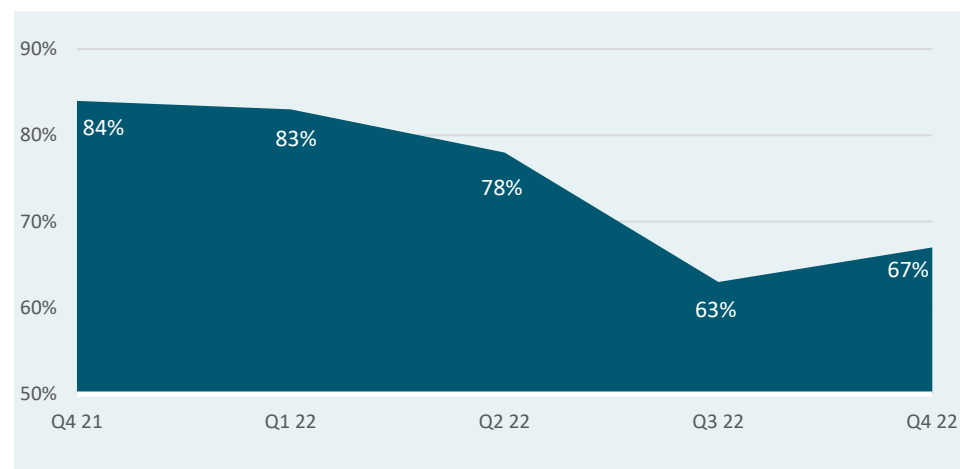
- The repricing of assets on the balance sheet (as a result of increases in interest rates) that led to the forced sale of those assets:
 - SVB's balance sheet was 50% invested in non-marketable securities (\$120 billion of its \$212 billion assets)
 - And, of this \$120 billion, the largest concentrations were in mortgage-backed securities.
- The need to fund tech company cash withdrawals, which increased and led to a run on the bank.
 - This was driven by slowing venture capital deployment across the industry.
 - Venture performance saw a rapid decline in 2022.

U.S. VC BACKED INVESTMENT ACTIVITY (\$BILLIONS)



Source: Pitchbook, Angelist

SHARE OF VC DEALS THAT RAISED AT A VALUATION INCREASE

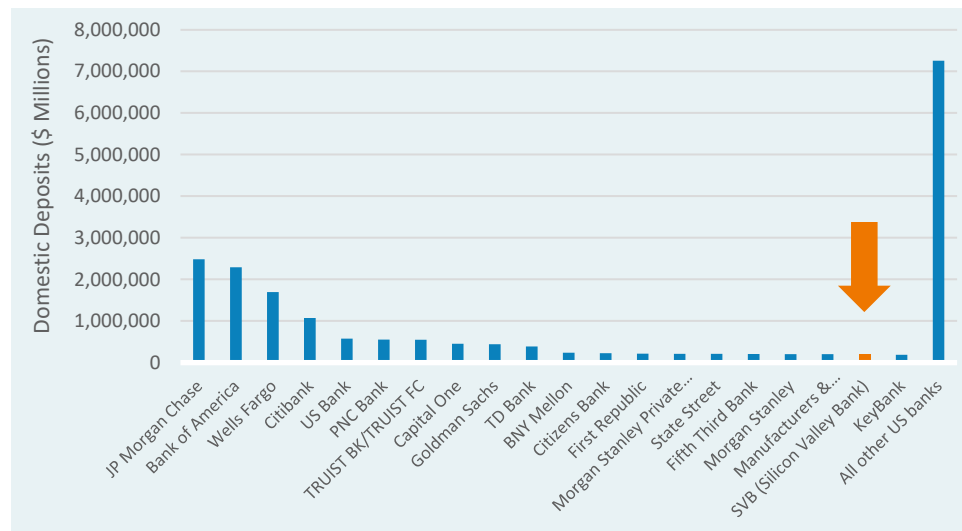


Broader market impacts

SVB impact sizing

- The largest 20 banks in the United States hold approximately \$12.5 trillion of \$20 trillion total domestic deposits (63%). SVB holds nearly 1% of total U.S. domestic deposits.
- Of the top 20 banks, First Republic Bank experienced the second largest decline in share price since the start of last week.
- The five worst performing banks (in terms of share price movement) from March 6th through the 13th make up around 7% of total deposits. These include Key Bank, Citizens Bank, Fifth Third Bank, Truist, in addition to First Republic Bank (FRB).

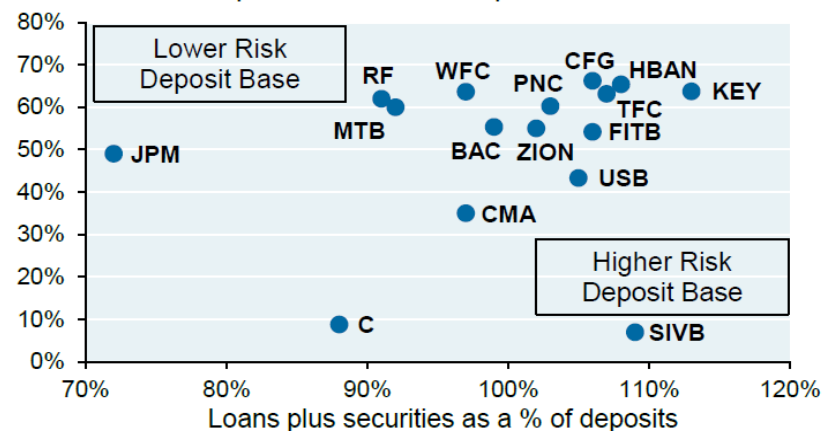
HOW LARGE WAS SVB IN THE MARKETPLACE?



Source: Federal Reserve, as of 12/31/22

U.S. BANK LOAN-TO-DEPOSIT RATIOS

Estimated retail deposit share of total deposits

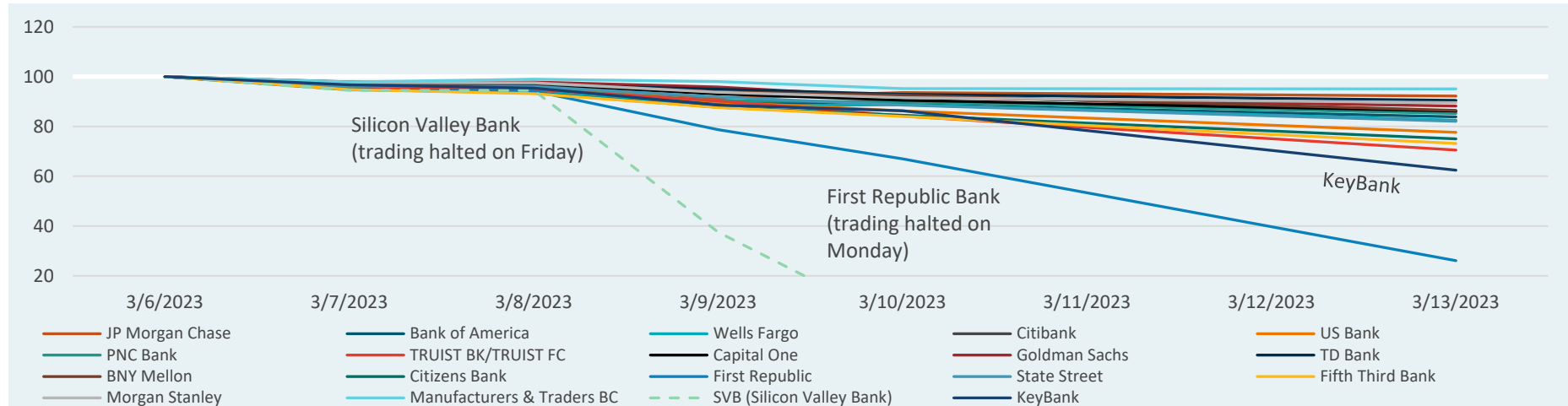


Source: JPMAM. Securities include Hold to Maturity and Available for Sale categories. Q3 2022.

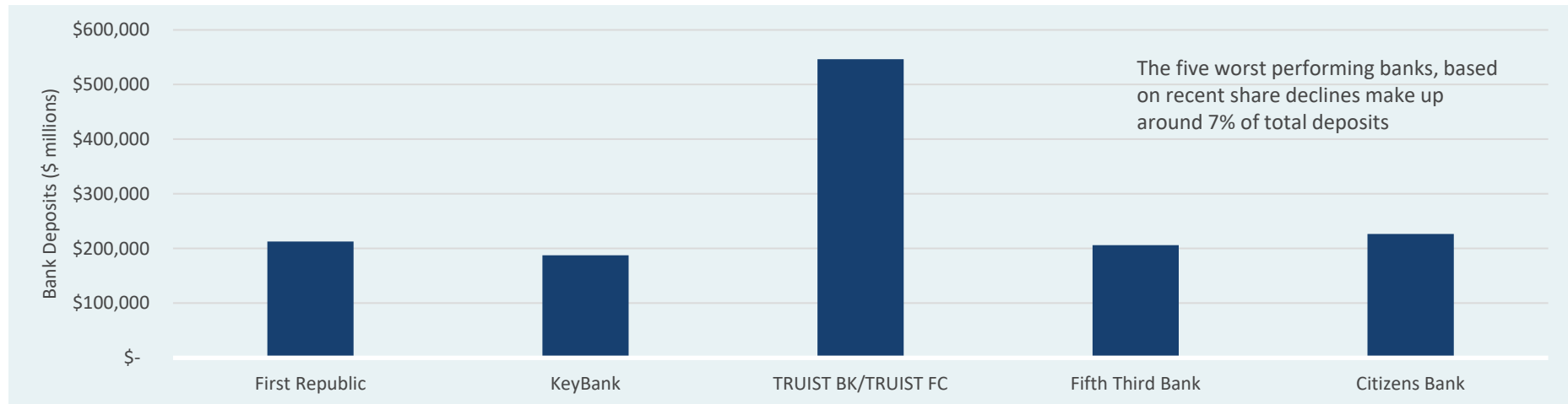
Source: Bloomberg, JP Morgan

U.S. financial stock declines

U.S. LARGE BANK RECENT STOCK MOVEMENTS (INDEX 100)



5 WORST PERFORMING BANKS (IN ORDER) & RESPECTIVE DEPOSITS – IN TERMS OF SHARE PRICE MOVEMENT (3/6 THRU 3/13)



Source: Bloomberg, as of 3/13/23 close

Other recent bank crises

First Republic Bank (At Risk)

- On March 12, First Republic received an additional funding injection from the Federal Reserve and J.P. Morgan. This round of funding provided the bank with \$70 billion in liquidity. The bank previously had \$60 billion borrowing capacity.
- First Republic Bank has a much larger deposit base which suggests the bank is not likely to be as materially impacted. FRB has been proactive throughout these events and their strong balance sheet has protected them. It is believed that FRB is in a healthy position as reflected in the strength of their capital, credit and liquidity, and as also seen in their credit ratings and year-end earnings.

Silvergate Bank (Failure)

- SVB's failure followed the voluntary liquidation of Silvergate Bank. The bank's crypto-focused services increased rapidly with the rise of cryptocurrency assets, but plunged alongside cryptocurrency losses. The collapse of FTX and Alameda Research (which held large deposits at Silvergate) and criminal investigations by the U.S. Justice Department eroded confidence.
- Silvergate and Silicon Valley Bank failed for different reasons, but shared some similar characteristics: a large concentration of exposure to single industries. Cryptocurrency for Silvergate, and technology and venture for Silicon Valley Bank. Also, illiquidity due to significant losses on assets, primarily driven by increases in interest rates. Additionally, both bank's assets were below \$250 billion, subjecting them to less stringent banking standards.

Signature Bank (Failure)

- Signature Bank saw large share losses as concerns grew around Signature's large exposure to cryptocurrency, similar to that of Silvergate. On March 12th, the Federal Reserve, U.S. Treasury, and FDIC announced that Signature Bank would be closed, but depositors would be made whole in a similar situation to that of Silicon Valley Bank. While the failure of Signature Bank was similar to Silicon Valley Bank in the systematic mismatch of assets and deposits, Signature's closure was due to a large exposure to cryptocurrency related deposits, rather than U.S. technology and venture.

Potential market & investor impacts

Direct impacts

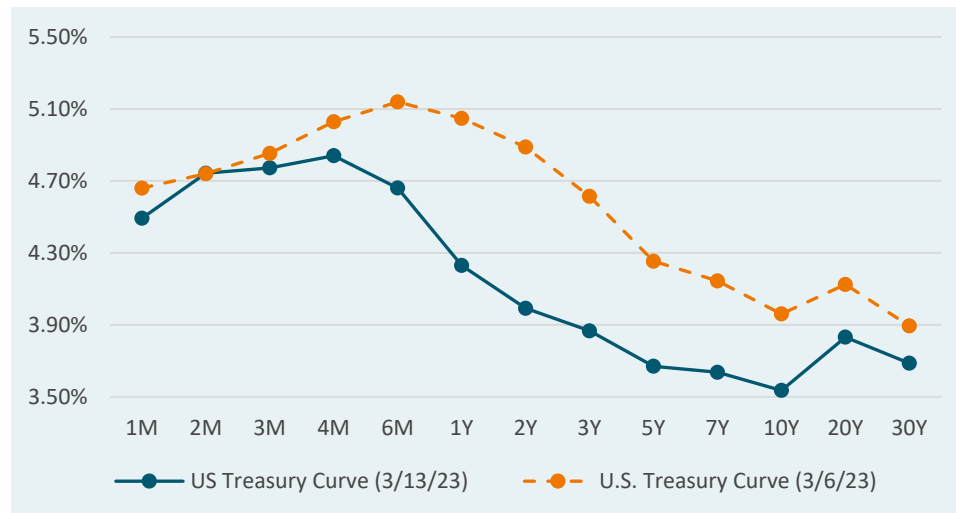
It will take time for all implications and effects to be clear – in some cases weeks or months.

- The U.S. Treasury, Federal Reserve, and FDIC have jointly guaranteed that SVB depositors will have access to funds. Regulators took control of a second bank and are racing to roll out emergency measures. Interim impacts are likely to be felt most by tech startups, venture funds, and high net worth entrepreneurs and tech investors.
- While the full impact remains to be seen, the immediate impacts to clients with private markets portfolios have largely been mitigated by the government backstop. Companies may have lines of credit or funding agreements in place allowing them to fund growth or operations. These companies may experience short-term (or longer) cash flow or financing problems and will have to find other lenders in short order. Some of these companies may also be held in investor portfolios.
- Some of the products or services offered by SVB may be integral to the operations or financing of enterprises that are in investor portfolios. Until alternative solutions are found, this may cause challenges for those investors. Companies may attempt to raise cash from other available options including their venture capital sponsors and other investors.
- Valuations in negative cash flow companies may be pressured lower. For example, early-stage biotechnology ventures may be more exposed, given their pre-revenue (phase 1, phase 2 clinical trials) nature.
- Possibly more stringent lending terms for private companies/funds, going forward. Fundraising may be more challenging, both for start-ups and funds.

Indirect impacts

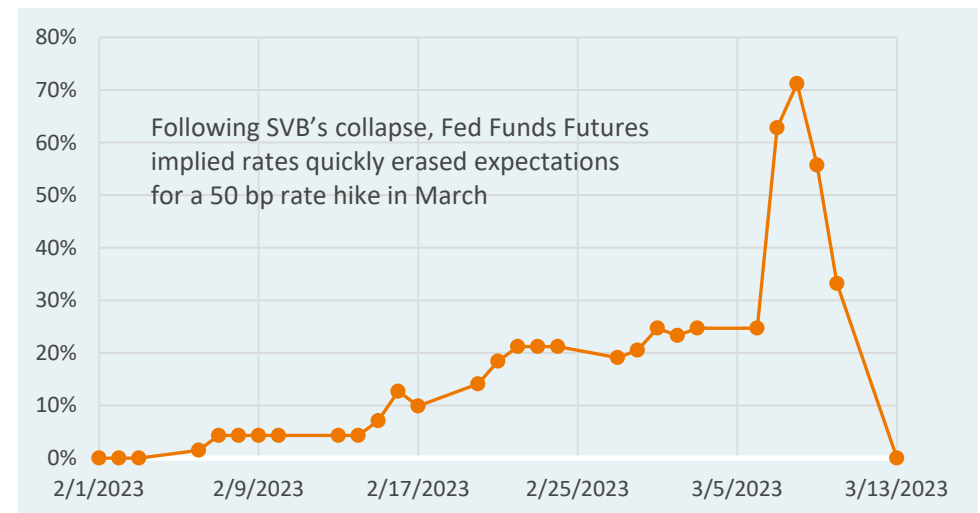
- The broader risks to the financial system that SVB poses likely will revolve around sentiment more than structural issues with bank assets. The way in which investors react in the coming weeks could determine the market impact. As is typical of the environment banks operate in, banks that stand on good financial footing can be at risk if bank confidence turns sour.
- This event has called attention to the challenges to banks that will have been caused by the rising interest rates we have seen recently. We can expect other banks with similar balance sheets to come under pressure, and there is a possibility that one or more may fail in a similar way. Were that to happen it could have a material knock-on effect regarding confidence.
- Tension in the banking sector could cause challenges for the Federal Reserve. While the Fed is concerned about inflation, and recent discussions have focused on future interest rate hikes to dampen inflation, rising interest rates could worsen fears of contagion. Altogether, this could lead to slower rate rises, higher inflation, and/or other economic uncertainty. Large moves in interest rate may contribute to volatility in fixed income portfolios.

U.S. TREASURY CURVE – RECENT MOVEMENTS



Source: Bloomberg, as of market close 3/13/23

MARKET IMPLIED PROBABILITY OF A 50 BP MARCH RATE HIKE



Longer-term impacts

- SVB plays an instrumental role in financing private equity and venture capital companies and funds. Disruption of this kind may create longer term challenges for those who have historically operated in that space. It may take time for the ecosystem to adjust to this disruption.
- Overall, this may impact valuations for VC portfolio companies, which may have a further impact on valuations in broader markets.
 - While the full impact remains to be seen, in the interim, clients with allocations across venture capital and, to a lesser extent, the broader private markets asset class, may see erosions in portfolio values.
 - VC firms are advising companies across their portfolios to diversify their underlying assets across separate financial institutions, regardless of existing exposures to SVB.
- A focus by banks on de-risking their balance sheets. This could cause challenges in the market for higher risk assets currently held on those balance sheets. This may create problems for other banks and investor holders of those assets but provide opportunities for other buyers who are able to take advantage of distressed sales.

Investor implications

Verus continues to assess potential implications for the economy, for markets, and for client portfolios. In particular, we are continuing to:

- **Assess Client Portfolio Direct Implications**

We are working through the direct implications for client portfolios and engaging closely with investment managers in the private markets to understand exposures directly and indirectly. As we find this information, we will distribute this to the consultants for the clients concerned.

- **Engage with Managers Broadly**

We are working closely with investment managers to understand their exposures, and to gain other insights and understanding of this developing situation. This will help inform our view as we go forward.

- **Assess Longer-term Effects**

We are assessing the knock-on effects to the broader financial markets and longer-term impacts for client portfolios.

Notices & disclosures

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Verus – also known as Verus Advisory™.



International Growth Equity

Tulare County Employees' Retirement Association



Our Firm

Our ideal client believes strongly in being very selective in company identification and benchmark indifferent in portfolio construction



Founded
2003

Location
Stamford, Connecticut

Assets Under Management
\$20.7 billion

- U.S. Equities: \$12.5 bn
- Global Equities: \$8.2 bn

33 Employees
16 of which are equity owners



It is not known whether the listed clients approve or disapprove of Sustainable Growth Advisers or the advisory services it has provided. References provided upon request. The names included herein were selected as being representative of the different types of institutional clients and businesses serviced by Sustainable Growth Advisers. Performance was not a determining factor for inclusion or exclusion of client names on the list. You may have a different experience than the clients listed above. As of 12/31/2022, \$20.7 billion in assets includes \$18.4 billion from discretionary accounts and \$2.3 billion from emulated (Model) accounts.

Sustainable Growth Advisers

Distinguishing Characteristics



Established Performance Pattern

Outperformed in volatile markets to provide for long-term compounding of wealth



Time-Tested Process

Team-based approach and time-tested philosophy enhances process repeatability



Alignment to Clients

Broad equity participation, co-investment and compensation linked to client performance



Stability & Continuity

Multi-generational team with very low turnover



SGA International Growth composite inception is 3/1/2015. The primary benchmark for the SGA International Growth composite is the MSCI ACWI ex-USA. MSCI Indices are Net Total Return (MSCI Net Total Return Indices reinvest dividends after the deduction of withholding taxes). **It should not be assumed that future results will be reflective of past performance.**

Investment Team

Analysts and Portfolio Managers



Tucker Brown

Analyst, PM
SGA Since 2006



Julian Cochran

Analyst
SGA Since 2019



George Fraise

Analyst
SGA Since 2003



HK Gupta

Analyst, PM
SGA Since 2014



Alexandra Lee, MD

Analyst, PM
SGA Since 2004



James Li, CFA

Analyst
SGA Since 2019



Peter Madej, CMT

Analyst
SGA Since 2005



Gordon Marchand, CFA

Analyst
SGA Since 2003



Courtney Owens

Analyst
SGA Since 2022



Kishore Rao

Analyst, PM
SGA Since 2004



Jon Richter

Analyst
SGA Since 2019



Rob Rohn

Analyst, PM
SGA Since 2003



Jonathan Shaham, CFA

Analyst
SGA Since 2022



Luying Wang, CFA

Analyst
SGA Since 2017

Philosophy

Identify those few differentiated global businesses that offer predictable, sustainable growth over the long term

Perform deep company research with coverage by multiple analysts to enhance objectivity

Wield valuation as an essential element of growth stock selection; cash flow metrics best reflect reality

Focus on a longer-term time horizon to take advantage of short-term inefficiencies and volatility

Invest with conviction based solely on opportunity and not benchmark active weights

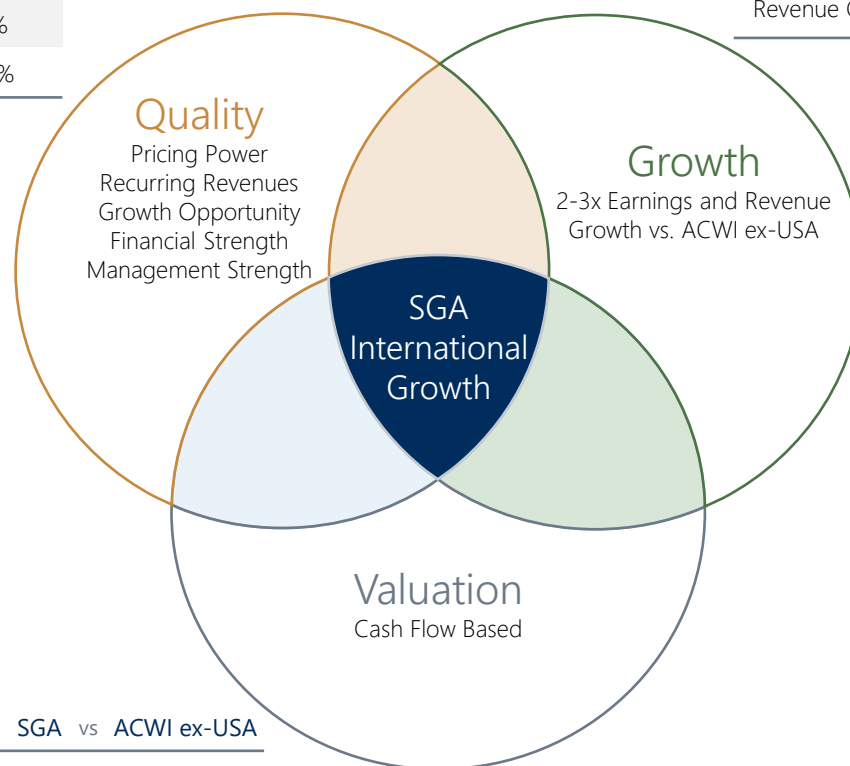
SGA International Growth

SGA vs ACWI ex-USA

Gross Margin	47%	40%
Cash Flow/Earnings	89%	58%
Debt/Equity	101%	131%
Earnings Variability	12.2%	48.7%

SGA vs ACWI ex-USA

EPS Growth	12.0%	5.5%
Revenue Growth	12.2%	-1.2%



SGA vs ACWI ex-USA

Enterprise Yield	3.2%	4.5%
------------------	------	------



Source: Bloomberg, FactSet, MSCI and SGA Earnings and Revenues Estimates and Adjustments. Data as of 12/31/2022. Cash Earnings Ratio is a measure of proportion of earnings that is converted into cash (CFATS / Earnings). Cash Flow Available To Shareholders (CFATS) = Op Cash Flow – Cap X – Sustaining Acquisitions – Unfunded Obligations (pensions, legal). Enterprise yield (EY) is a proprietary measure of the free cash flow truly available to investors as a percentage of market value (CFATS / Market Capitalization). C/E Ratio, EY exclude Banks and Insurance industries. SGA C/E ratio and Enterprise Yield projected. Gross Margin, Debt/Equity, C/E Ratio, EY calculated as weighted average. Earnings Growth data is through 12/31/22 (last full calendar year of reported EPS data) for SGA's International Growth composite. SGA EPS Growth data is based upon portfolio companies' non-GAAP operating earnings. EPS calculations exclude companies with earnings going from (i) positive to negative or (ii) negative to positive, year to year. EPS and Revenue Growth are historical values since inception of the International Growth composite, 3/1/2015.

Investment Approach

Structured to manage risk across three pillars



Lower Business Risk

Selectivity in
company
identification



Lower Human Risk

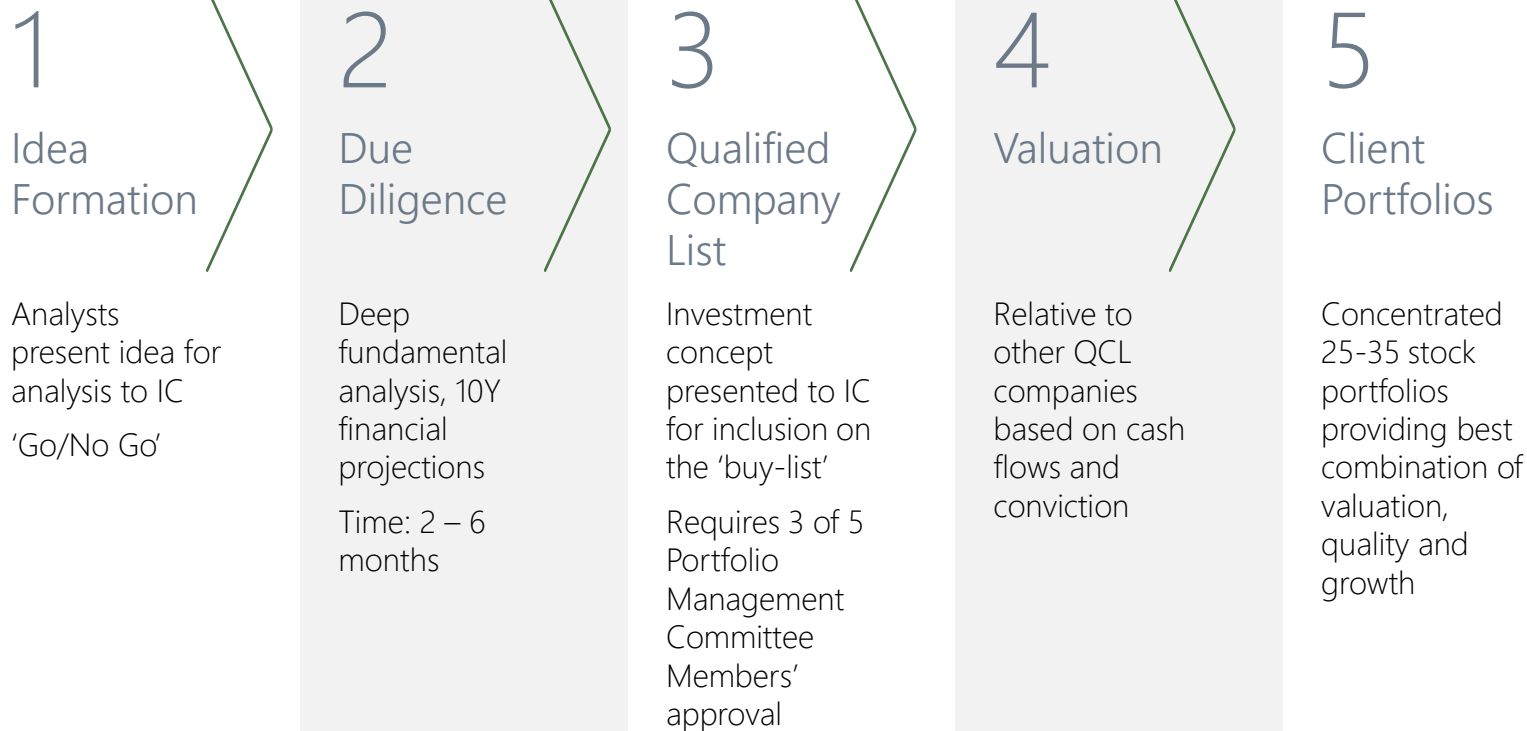
Team-based
approach



Lower Price Risk

Discipline in
valuation

Investment Process



ESG Integration in Our Investment Process

Research

- Material risks and opportunities: "Identify", "Assess", "Model", "Engage"
- Proprietary ESG scores

Engagement & Stewardship

- Fundamental topics: key policies, accountability, disclosure
- SGA issues of emphasis: GHG emissions, modern slavery
- Company-specific conversation: education and advocacy
- Proxy voting: support proposals that enhance long-term shareholder value while aligning the interests of the company with those of society at large

Portfolio Decision Making

- Identify material changes to an investment thesis
- Cash flow projections
- Discount rates



The views expressed represent the Manager's assessment of the portfolio and market environment as of the time period indicated and should not be considered a recommendation to buy, hold, or sell any security and should not be relied on as research or investment advice. Information is as of the date indicated and subject to change. **It should not be assumed that future results will be reflective of past performance.**

Portfolio Construction

Stock Level

- Extensive, first-hand research
- Selective criteria
- Team vetting
- >110 Qualified Company List → 25-35 Portfolio
- Valuation considerations
- 2 of 3 PM approval

Benchmark Consideration

- We never own a neutral conviction stock for diversification or active risk objectives
- Bottom-up process with top-down review

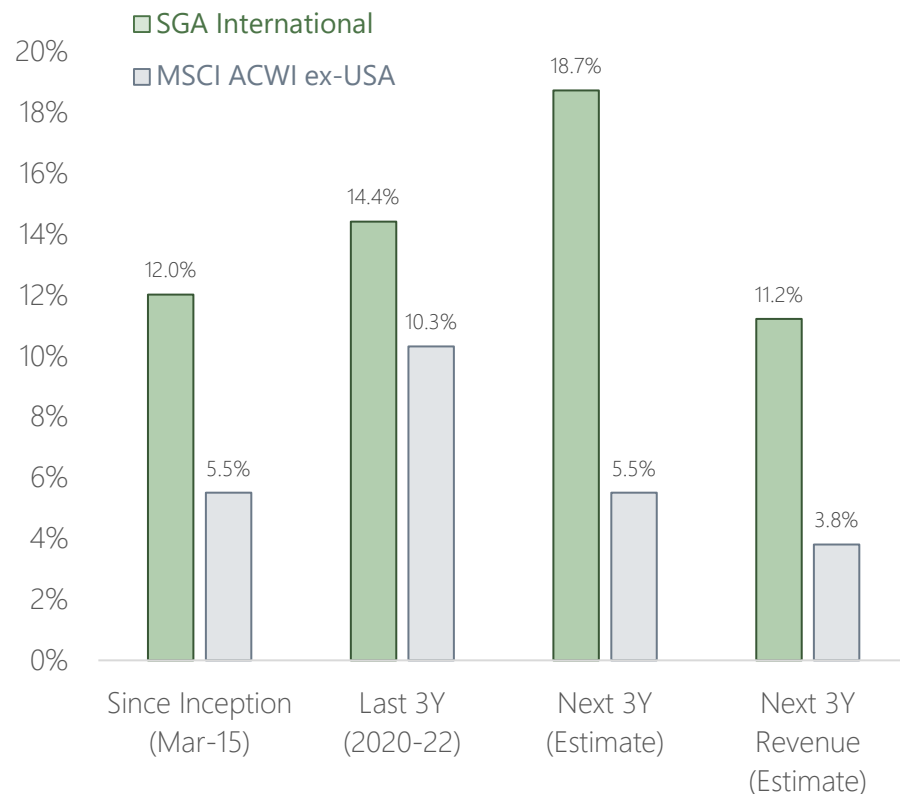
Portfolio

- 25 – 35 holdings
- Conviction based sizing
 - 4 – 6% above-average weight
 - 3 – 4% average weight
 - <3% below-average weight
- 40% maximum sector exposure
- 25% maximum industry exposure
- Focus on source of revenue generation
- 35% maximum emerging market domiciled company exposure
- 90 – 100% exposure to non-U.S. companies

Portfolio Characteristics

Annualized Earnings Growth

SGA International vs MSCI ACWI ex-USA (p.a.)



Quality

	SGA	ACWI ex-USA
Gross Margin	47%	40%
Cash/Earnings Ratio	89%	58%
Debt/Equity	101%	131%
Earnings Variability	12.2%	48.7%

Characteristics

	SGA	ACWI ex-USA
Weighted Mkt Value	\$77B	\$79B
Median Mkt Value	\$43B	\$8B
Number of Holdings	31	2,261
% in Top Ten	43%	11%
% Cash	1.4%	-
Active Share	94%	-



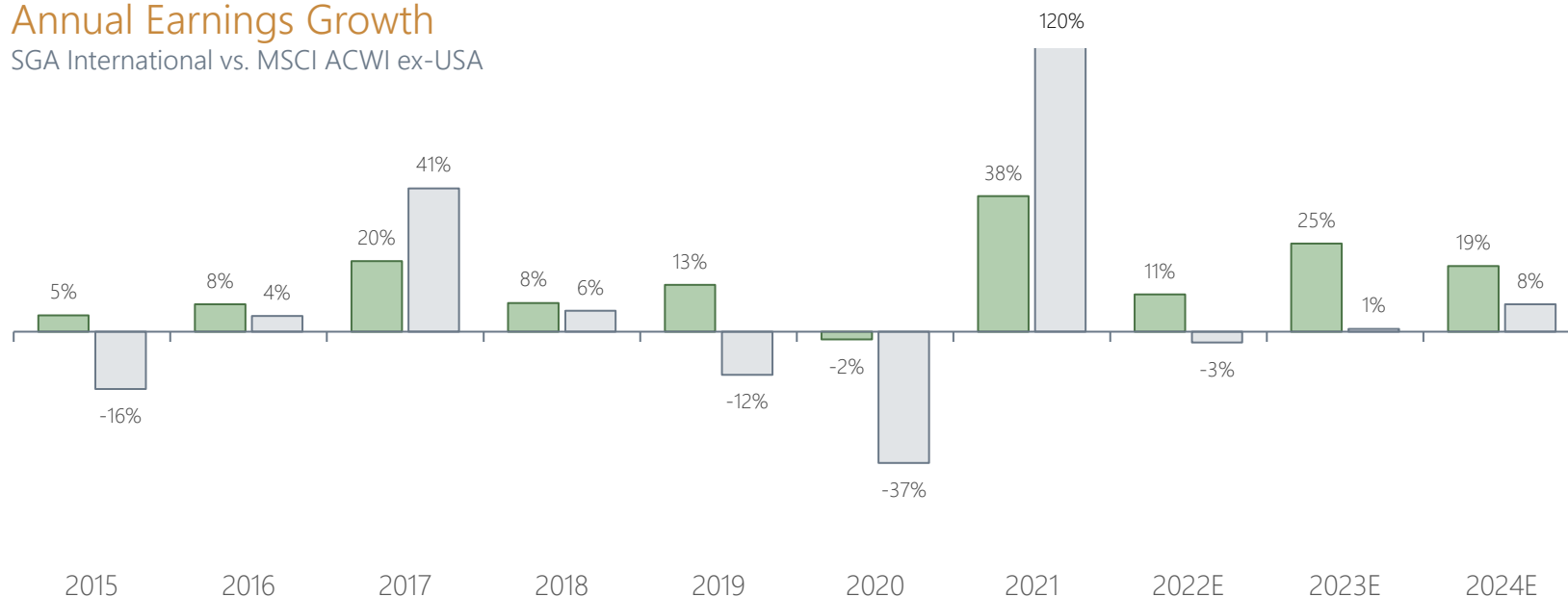
Source: Bloomberg, FactSet, SGA Estimates and Adjustments. Data as of 12/31/2022. Historical growth rates for MSCI ACWI ex-USA is sourced from MSCI and Bloomberg. MSCI ACWI ex-USA estimates and characteristics sourced from Bloomberg and FactSet using MSCI data. C/E Ratio exclude Banks and Insurance industries. SGA C/E ratio projected. SGA weights and characteristics are based on a representative account. SGA EPS Growth data is based upon portfolio companies' non-GAAP operating earnings. EPS calculations exclude companies with earnings going from (i) positive to negative or (ii) negative to positive, year to year. Earnings Variability is calculated using standard deviation of annual EPS growth, since inception 3/1/2015. All accounts are modeled in line with SGA's representative account. Account holdings and weights may differ from this representative account. The representative account holdings are subject to change without notice. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. **It should not be assumed that future results will be reflective of past performance.**

Higher Growth with Lower Variability

SGA Portfolio Companies have historically grown their earnings beyond the rate of the index with nearly 75% less variability

Annual Earnings Growth

SGA International vs. MSCI ACWI ex-USA



	Earnings Growth	Earnings Variability
SGA International	12.0%	12.2%
MSCI ACWI ex-USA	5.5%	48.7%



Data as of 12/31/2022. Source: Bloomberg, FactSet, MSCI, SGA Earnings and Revenues Estimates and Adjustments. Historical growth rates for MSCI ACWI ex-USA are sourced from Bloomberg. MSCI ACWI ex-USA estimates and characteristics sourced from Bloomberg and FactSet using MSCI data. SGA EPS Growth data is based upon portfolio companies' non-GAAP operating earnings. EPS calculations exclude companies with earnings going from (i) positive to negative or (ii) negative to positive, year to year. Earning variability calculated using standard deviation of annual EPS growth, since inception 3/1/2015. SGA and MSCI ACWI ex-USA earnings growth and variability statistics are since inception through last full calendar year, 2022. SGA weights and characteristics based on a representative account. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. **It should not be assumed that future results will be reflective of past performance.**

Performance Objectives, Tailwinds and Headwinds

Return Objective: +150 to 300 basis points net of fee excess returns over a market cycle.

Periods when we tend to outperform:

- Periods of **rising volatility** when attractively-valued, cash-flow compounders are rewarded
- Macroeconomic 'downturns' when higher-quality, economically-resilient companies are appreciated

Periods when performance is likely to lag:

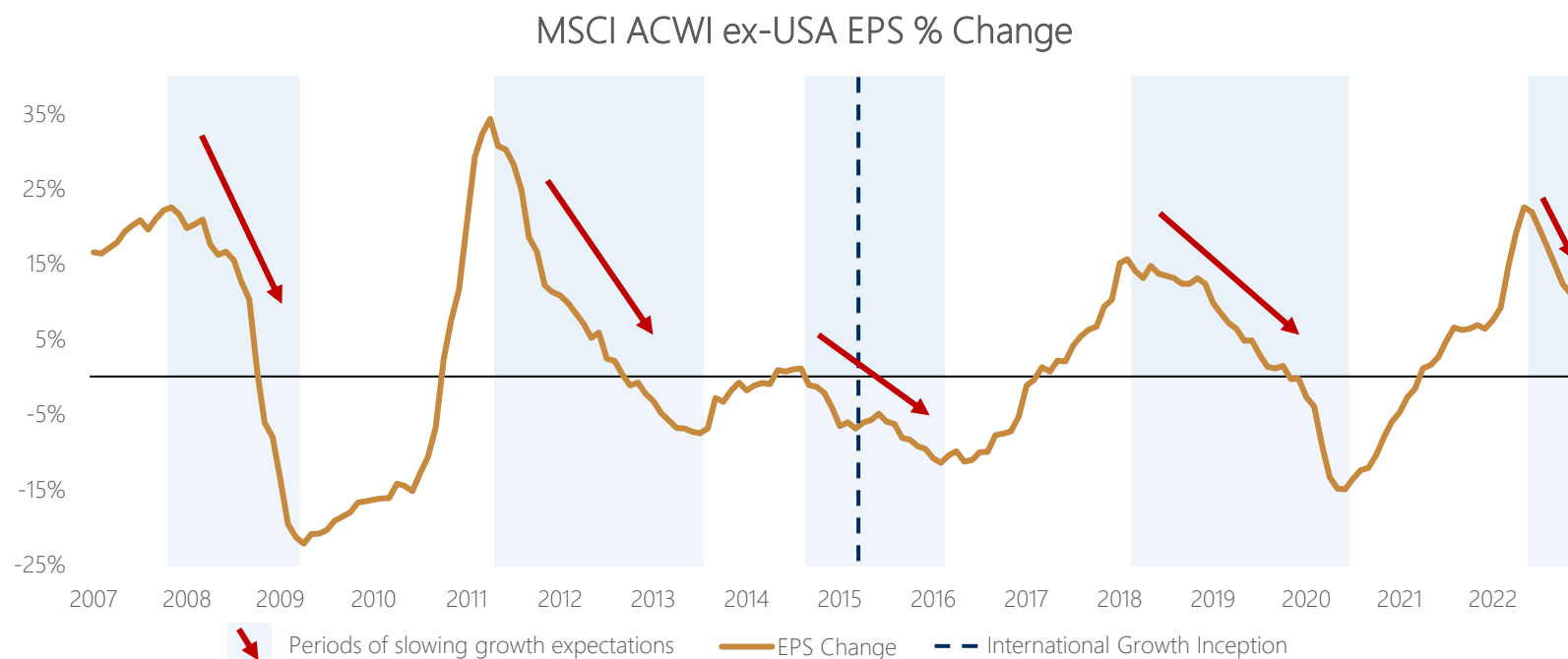
- Speculative or momentum-driven periods of **falling volatility** when valuation discipline goes unrewarded
- Macroeconomic 'snapbacks' when lower-quality and highly-cyclical companies experience relief rallies

SGA's approach is geared towards providing strong absolute and relative returns



SGA International Growth composite inception is 3/1/2015. The primary benchmark for the SGA International Growth composite is the MSCI ACWI ex-USA. MSCI Indices are Net Total Return (MSCI Net Total Return Indices reinvest dividends after the deduction of withholding taxes). **It should not be assumed that future results will be reflective of past performance.**

SGA Performance Through Earnings Cycles



Annualized Returns	Mar 15 – Feb 16	Mar 16 – Feb 18	Mar 18 – Jun 20	Jul 20 – May 22	Jun 22 – Dec 22
SGA International (Gross)	-12.0%	22.7%	6.6%	6.7%	-1.3%
SGA International (Net)	-12.7%	21.7%	5.7%	5.8%	-1.8%
MSCI ACWI ex-USA	-17.4%	20.5%	-3.4%	9.8%	-5.9%
Relative (Net)	+4.7%	+1.2%	+9.1%	-4.0%	+4.1%
Peer Rank	38 th	36 th	8 th	73 rd	5 th



Data as of 12/31/2022. Source: FactSet, MSCI. Please see performance slide included in these materials for the full performance presentation. SGA paid a standard fee to eVestment for access to rankings and other services. Peer rank based on gross returns. Results are presented gross and net of management fees and include the reinvestment of all income (including dividends, interest and other earnings). For interest and capital gains, SGA does not withhold taxes. For dividends, SGA will withhold taxes as reported by the client's custodian. Returns are calculated net of withholding taxes on dividends. The Net Returns are calculated based on the deduction of a model fee of 0.85% being the highest applicable fee that may be charged to SGA clients for the International Growth equity strategy. Net Returns do not account for custodian and brokerage fees that clients pay to third parties. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and may be found in Part 2A of its Form ADV. SGA International Growth composite inception is 3/1/2015. EPS Change is a 2-Year compound annual growth rate (CAGR) in NTM EPS. Peer Rank universe is eVestment All ACWI ex-US Equity, as of 12/31/2022. Peer size ranges from 289 to 397 depending on the period under review. Period based on index data availability. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. It should not be assumed that future results will be reflective of past performance.

TCERA SGA International CIT Performance

Trailing Returns	Q4 2022	Annualized Returns		
		1-Year	3-Year	Since Tulare Funding
SGA International CIT	11.9%	-17.8%	4.1%	5.4%
MSCI ACWI ex-USA (Net TR)	14.3%	-16.0%	0.1%	1.1%
Relative Performance	-2.4%	-1.8%	+4.0%	+4.3%



Returns (net of fees through 12/31/2022) are those of the SGA International CIT Class 4. MSCI ACWI ex-USA and ex-USA Growth returns are Net Total Return (MSCI Net Total Return indexes reinvest dividends after the deduction of withholding taxes). Inception is 6/4/2018. Returns reflect the reinvestment of dividends, interest and other earnings. For interest and capital gains, SGA does not withhold taxes, for dividends SGA will withhold taxes as reported by the client's custodian. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. **It should not be assumed that future results will be reflective of past performance.**

SGA International Growth Composite Performance

Trailing Returns	Q4 2022	Annualized Returns				
		1-Year	3-Year	5-Year	7-Year	Since Inception
SGA International Growth (Gross)	12.1%	-17.7%	4.2%	5.3%	8.8%	7.1%
SGA International Growth (Net)	11.9%	-18.4%	3.3%	4.5%	7.8%	6.2%
MSCI ACWI ex-USA (Net TR)	14.3%	-16.0%	0.1%	0.9%	4.8%	2.8%
Net Relative Performance	-2.4%	-2.4%	+3.2%	+3.6%	+3.0%	+3.4%

Calendar Year Returns	2022	2021	2020	2019	2018	2017	2016	2015 (Partial)
SGA International Growth (Gross)	-17.7%	9.5%	25.5%	31.0%	-12.4%	37.8%	0.6%	-4.6%
SGA International Growth (Net)	-18.4%	8.6%	24.5%	29.9%	-13.2%	36.7%	-0.2%	-5.3%
MSCI ACWI ex-USA (Net TR)	-16.0%	7.8%	10.7%	21.5%	-14.2%	27.2%	4.5%	-10.3%
Net Relative Performance	-2.4%	+0.8%	+13.8%	+8.4%	+1.0%	+9.5%	-4.7%	+5.0%

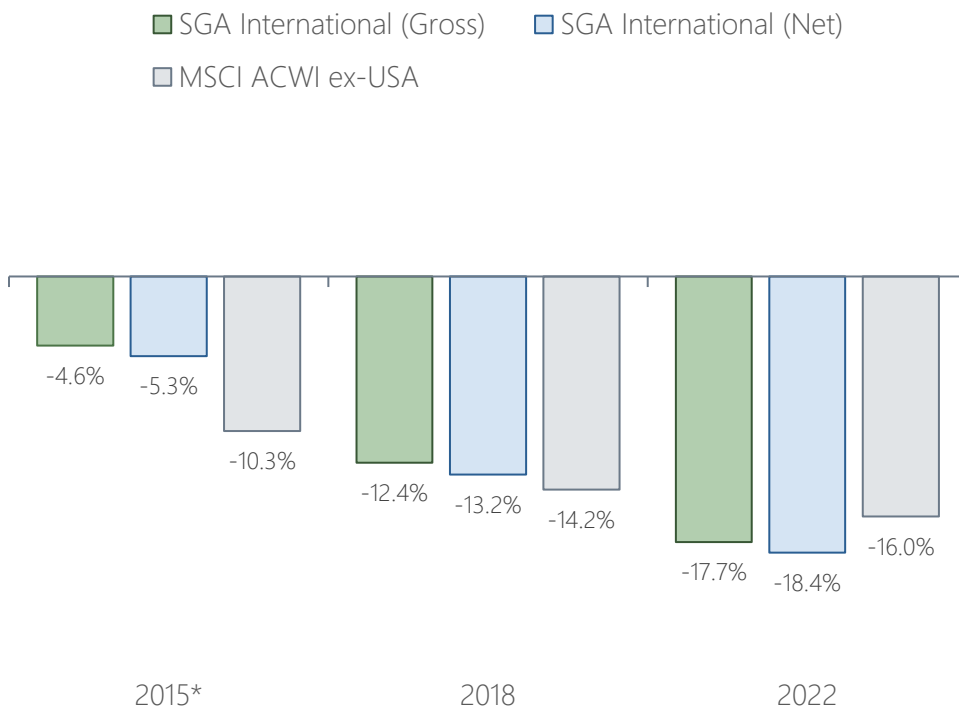


Data as of 12/31/2022. MSCI Indices are Net Total Return (MSCI Net Total Return Indices reinvest dividends after the deduction of withholding taxes). Results are presented gross and net of management fees and include the reinvestment of all income (including dividends, interest and other earnings). For interest and capital gains, SGA does not withhold taxes. For dividends, SGA will withhold taxes as reported by the client's custodian. Returns are calculated net of withholding taxes on dividends. The Net Returns are calculated based on the deduction of a model fee of 0.85% being the highest applicable fee that may be charged to SGA clients for the International Growth equity strategy. Net Returns do not account for custodian and brokerage fees that clients pay to third parties. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and may be found in Part 2A of its Form ADV. SGA International Growth composite inception is 3/1/2015. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. **It should not be assumed that future results will be reflective of past performance.**

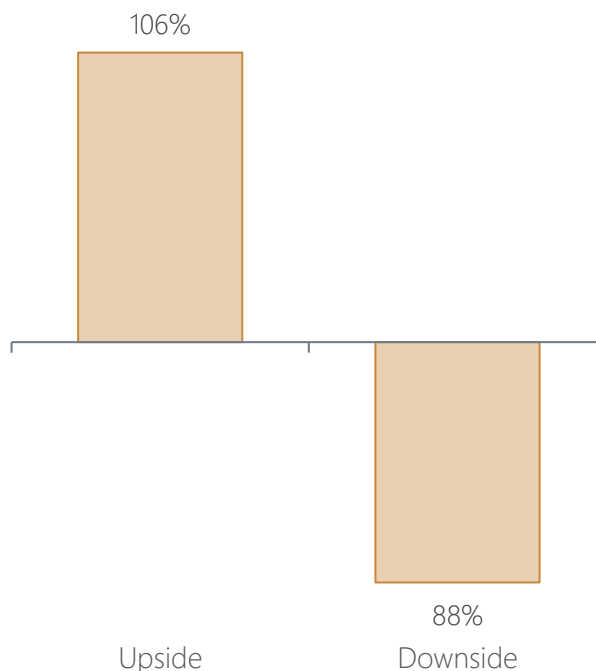
Downside Capture

To compound long-term wealth, protect capital from losses

Down-Market Years



Upside & Downside Capture



Data as of 12/31/2022. Please see performance slide included in these materials for the full performance presentation. *Partial year. SGA International Growth composite inception is 3/1/2015. MSCI Indices are Net Total Return (MSCI Net Total Return Indices reinvest dividends after the deduction of withholding taxes). Results are presented gross and net of management fees and include the reinvestment of all income (including dividends, interest and other earnings). For interest and capital gains, SGA does not withhold taxes. For dividends, SGA will withhold taxes as reported by the client's custodian. Returns are calculated net of withholding taxes on dividends. The Net Returns are calculated based on the deduction of a model fee of 0.85% being the highest applicable fee that may be charged to SGA clients for the International Growth equity strategy. Net Returns do not account for custodian and brokerage fees that clients pay to third parties. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and may be found in Part 2A of its Form ADV. Upside and Downside capture based on monthly gross returns compared to the MSCI ACWI ex-USA Net TR Index, since inception of the SGA International Growth composite. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. **It should not be assumed that future results will be reflective of past performance.**

Portfolio Holdings

Consumer Discretionary 7.5%

Yum China	China	3.1%
Adidas	Germany	2.5%
MercadoLibre	Argentina	1.9%

Consumer Staples 22.9%

Heineken	Netherlands	3.7%
L'Oreal	France	3.7%
Wal-Mart de Mexico	Mexico	3.7%
Diageo	United Kingdom	3.5%
Nestle	Switzerland	3.0%
CP All	Thailand	2.8%
FEMSA	Mexico	2.5%

Financials 17.1%

Aon	Ireland	5.6%
HDFC Bank	India	5.0%
AIA Group	Hong Kong	4.6%
XP	Brazil	1.9%

Industrials 4.6%

Recruit	Japan	2.7%
Canadian Pacific	Canada	1.9%

Health Care 24.1%

Steris	Ireland	4.6%
Shandong Weigao	China	4.0%
Novo Nordisk	Denmark	3.9%
Alcon	Switzerland	3.4%
Sartorius	Germany	3.1%
ICON	Ireland	3.1%
Sysmex	Japan	2.0%

Information Technology 16.4%

Infosys	India	3.4%
Adyen	Netherlands	3.3%
SAP	Germany	2.8%
Dassault Systemes	France	2.6%
Temenos	Switzerland	2.4%
Atlassian	United States	1.9%

Materials 6.0%

Linde	United Kingdom	4.0%
Sika	Switzerland	2.0%

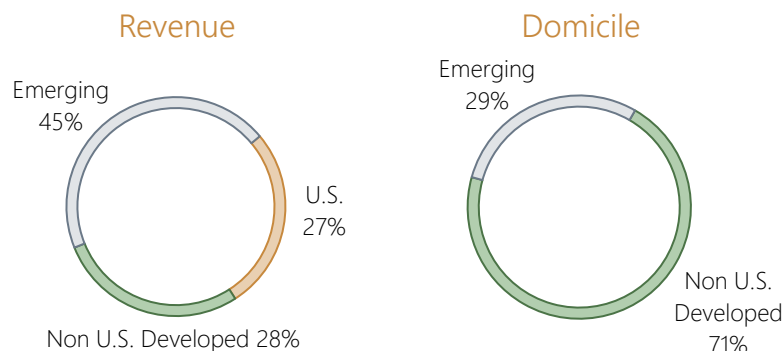
Cash 1.4%



Representative portfolio weights as of 12/31/2022. Portfolio holdings are subject to change daily. Under no circumstances does the information contained within represent a recommendation to buy or sell securities. It should not be assumed that investments in the securities were or will be profitable. The list provided may not represent all the securities held in the portfolio. A complete list of all securities held in the strategy in the preceding year can be obtained free of charge by contacting SGA at (203) 348-4742. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. **It should not be assumed that future results will be reflective of past performance.**

Portfolio Positioning Summary

3Y EPS Growth Rate	5-10%	10-15%	15-20%	20%+
Allocation	18%	39%	25%	18%
C/E	88%	83%	84%	96%
EY	3.5%	3.6%	3.7%	1.5%
Fwd. 3 YR Rev.	7%	10%	12%	18%



Market Value	SGA	ACWI ex-USA	Diff.
\$50 Billion +	52.1%	41.8%	+10.3%
\$25 – 50 Billion	18.6%	21.1%	-2.5%
\$15 – 25 Billion	18.9%	12.8%	+6.1%
\$5 – 15 Billion	8.0%	19.9%	-11.9%
< \$5 Billion	2.4%	4.4%	-2.0%

Sector Allocation	SGA	ACWI ex-USA	Diff.
Communication Services	0.0%	5.9%	-5.9%
Consumer Discretionary	7.5%	11.3%	-3.8%
Consumer Staples	22.9%	8.9%	+14.0%
Energy	0.0%	6.0%	-6.0%
Financials	17.1%	21.0%	-3.9%
Health Care	24.1%	9.8%	+14.3%
Industrials	4.6%	12.3%	-7.7%
Information Technology	16.4%	10.7%	+5.7%
Materials	6.0%	8.4%	-2.4%
Real Estate	0.0%	2.3%	-2.3%
Utilities	0.0%	3.4%	-3.4%
Cash	1.4%	0.0%	+1.4%



Data as of 12/31/2022. Source: Bloomberg, FactSet, SGA Estimates and Adjustments and representative portfolio. Earnings growth rates are based upon SGA estimates of portfolio companies' non-GAAP operating earnings. EPS calculations exclude companies with earnings going from (i) positive to negative or (ii) negative to positive, year to year. SGA C/E ratio and Enterprise Yield projected. Holdings/weights are subject to change without notice and should not be considered investment advice, a recommendation to purchase or sell a specific security or as indicative of the investment performance of SGA's portfolio. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. **It should not be assumed that future results will be reflective of past performance.**

Global Investment Environment and Outlook

- Continue to expect economic growth to slow in 2023; impact on corporate profit growth not yet fully factored into market expectations
- Global rate hikes to continue but pace of hikes likely to slow as inflationary pressures begin to ease
- End of China's zero-Covid policy a headwind to growth in the short-term but should eventually support growth; potential disruption of supply chains a risk given the impact from Covid
- Continued tight labor markets, lower oil prices, and excess consumer savings moderating impact of rate hikes in the U.S. delaying potential recession, but European recession likely
- Strong pricing power, recurring revenue streams, and free cash flow generation to be increasingly important as economy slows
- Multiple key risks (inflation, interest rates, recession, geopolitics, divided government, Covid flares) likely to keep market volatility elevated

Focus on Sustainable Growth, Cash Generation, Balance Sheets



The views expressed represent the Manager's assessment of the portfolio and market environment as of the time period indicated and should not be considered a recommendation to buy, hold, or sell any security and should not be relied on as research or investment advice. Information is as of the date indicated and subject to change. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. **It should not be assumed that future results will be reflective of past performance.**

Next 10 Years Highly Unlikely to Look Like the Last 10

Key Drivers of Economic and Corporate Profit Growth Over the Past Decade Being Replaced by Headwinds

The Last 10 Years:

- Globalization
- Peace dividend
- Unprecedented monetary accommodation
- The Chinese growth engine
- Tremendous fiscal stimulus
- Slack labor
- Low energy prices/Oil and gas plentiful

Moving Forward:

- Deglobalization and greater supply chain control
- Russia/Ukraine war, China/Taiwan, sanctions
- Quantitative Tightening, higher interest rates, sticky inflation
- China's growth slowing, worsening demographics, more regulation
- Unsustainable sovereign debt levels
- Tight labor markets, lower participation rates and less immigration
- Focus on more costly alternative energy sources

Secular growth, revenue predictability and valuation likely to become more important determinants of success

TCERA SGA International CIT Fee Schedule

SGA International Growth CIT Founders Share Class 4	
Management Fee	0.25%
Trustee Fee	0.43% Max

Appendix



International Growth Portfolio Managers



**Tucker
Brown**

Tucker is a Principal, Analyst and Portfolio Manager on the SGA Investment Committee. Tucker has been with the firm since 2006. He has been co-manager of SGA's International Growth Portfolio since its inception in 2015. Additionally, Tucker has investment committee leadership responsibility for overseeing SGA's ESG policies and engagement. He guides the ongoing incorporation of ESG elements into our investment process while each analyst on our investment team integrates ESG factors and implementation as part of company research. SGA's Investment Committee recruiting efforts, including the firm's analyst internship program is currently led by Tucker. Prior to joining SGA, Tucker was a Vice President in the Equity Research Department of Goldman Sachs, where he served as a member of the firm's U.S. packaged food research team. Previously, Tucker worked in the Investment Banking Division of Goldman Sachs, focused on M&A and corporate finance advisory for clients in retail, technology and industrial sectors. Tucker began his career as a fund accountant and custody manager at Brown Brothers Harriman & Co. Tucker has a B.A. in Economics from Bucknell University and an M.B.A. from The Wharton School.



**Alexandra
Lee, MD**

Alexandra (Alex) is a Principal, Analyst and Portfolio Manager on the SGA Investment Committee. She has been with the firm since 2004. Alex has been co-manager of SGA's International Growth Portfolio since its inception in 2015. Before her career in the investment industry, Alex was a practicing medical doctor in Korea. Prior to joining SGA, she was an Associate Director and an equity analyst at Bear Stearns, where she was responsible for coverage of large cap biotechnology companies, and served as a member of the firm's global healthcare research team. Previously, Alex was employed at JP Morgan as an equity research analyst. Alex has an M.D. from Yonsei University in Korea and an M.B.A. from Harvard Business School. She was born in South Korea, grew up in South Korea and the Philippines, and is fluent in Korean.



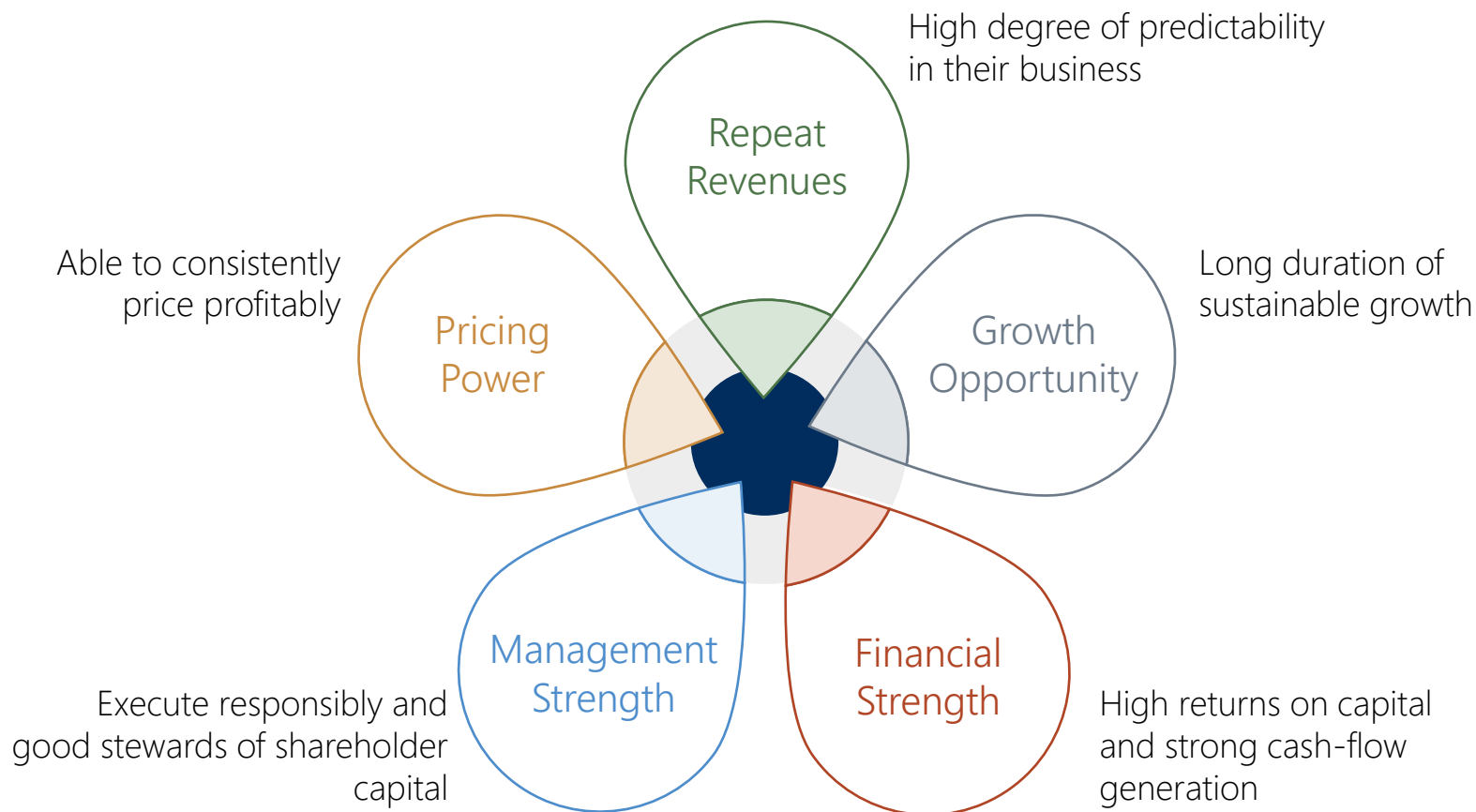
**Kishore
Rao**

Kishore is a Principal, Analyst and Portfolio Manager on the SGA Investment Committee. Kishore has been with the firm since 2004. He has been co-manager of SGA's Emerging Markets Growth Portfolio since its inception in 2014 and of SGA's Global Mid-Cap Growth Portfolio since its inception in 2018. In 2020, he joined the portfolio management team of SGA's flagship US Large Cap Growth Portfolio as co-manager. In 2022, he joined the portfolio management teams for SGA's Global Growth and International Growth portfolios. Historically, Kishore oversaw SGA's analysts' internship program where we mentor promising analyst candidates who are completing their Master's degrees at leading universities. Prior to joining SGA, Kishore was a member of the investment team at Trident Capital, a venture capital firm managing a portfolio of software, technology, and business service companies. He was a Founder and General Manager of the Street Events division of CCBN before it was sold to Thomson Reuters. Previously, Kishore was an Investment Analyst at Tiger Management following healthcare services and software companies and an Analyst at Wellington Management following semiconductor equipment. Kishore has a B.S. in Industrial Management from Carnegie Mellon University and an M.B.A. from Harvard Business School.



Lower Business Risk

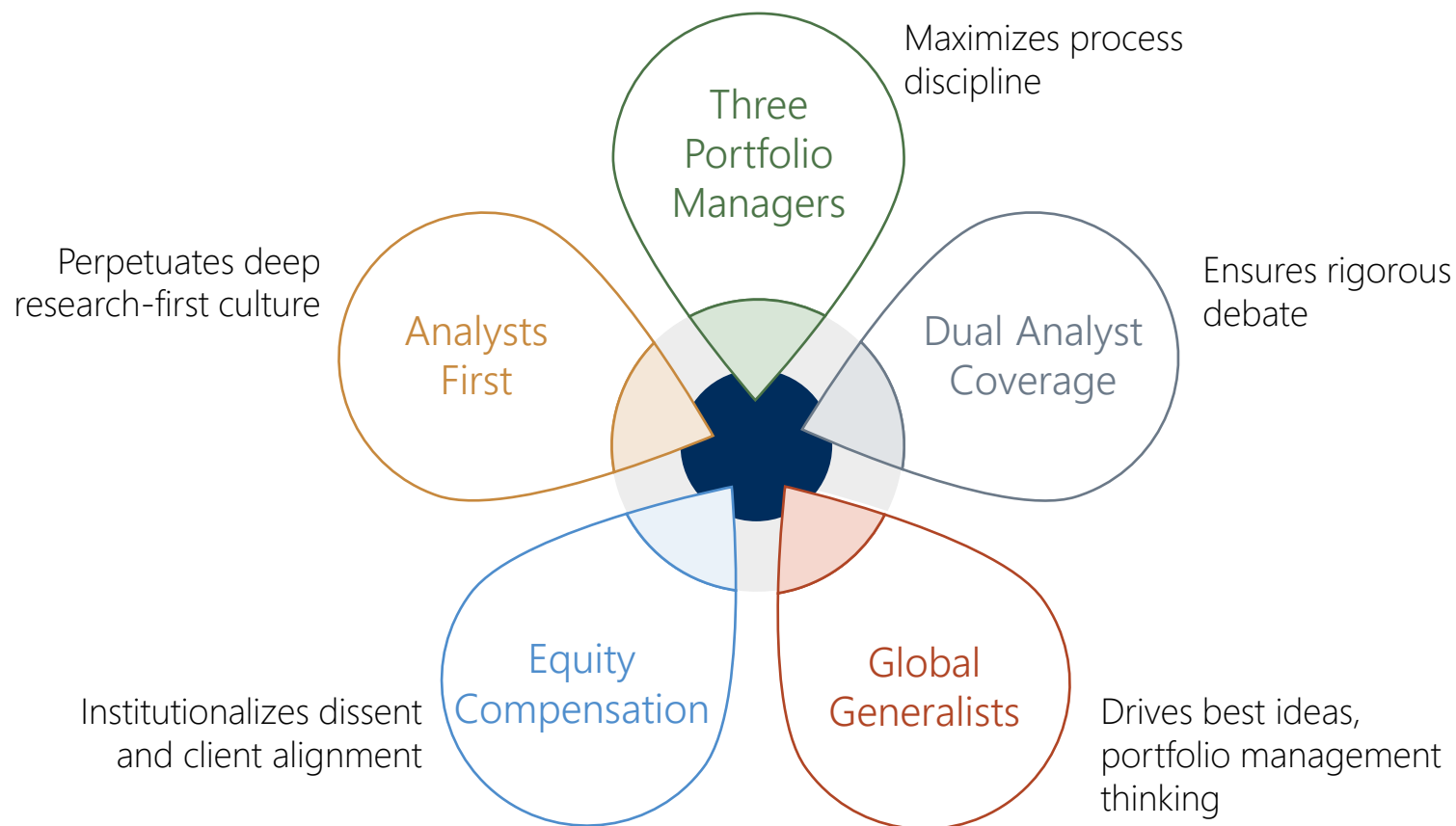
Key Investment Criteria





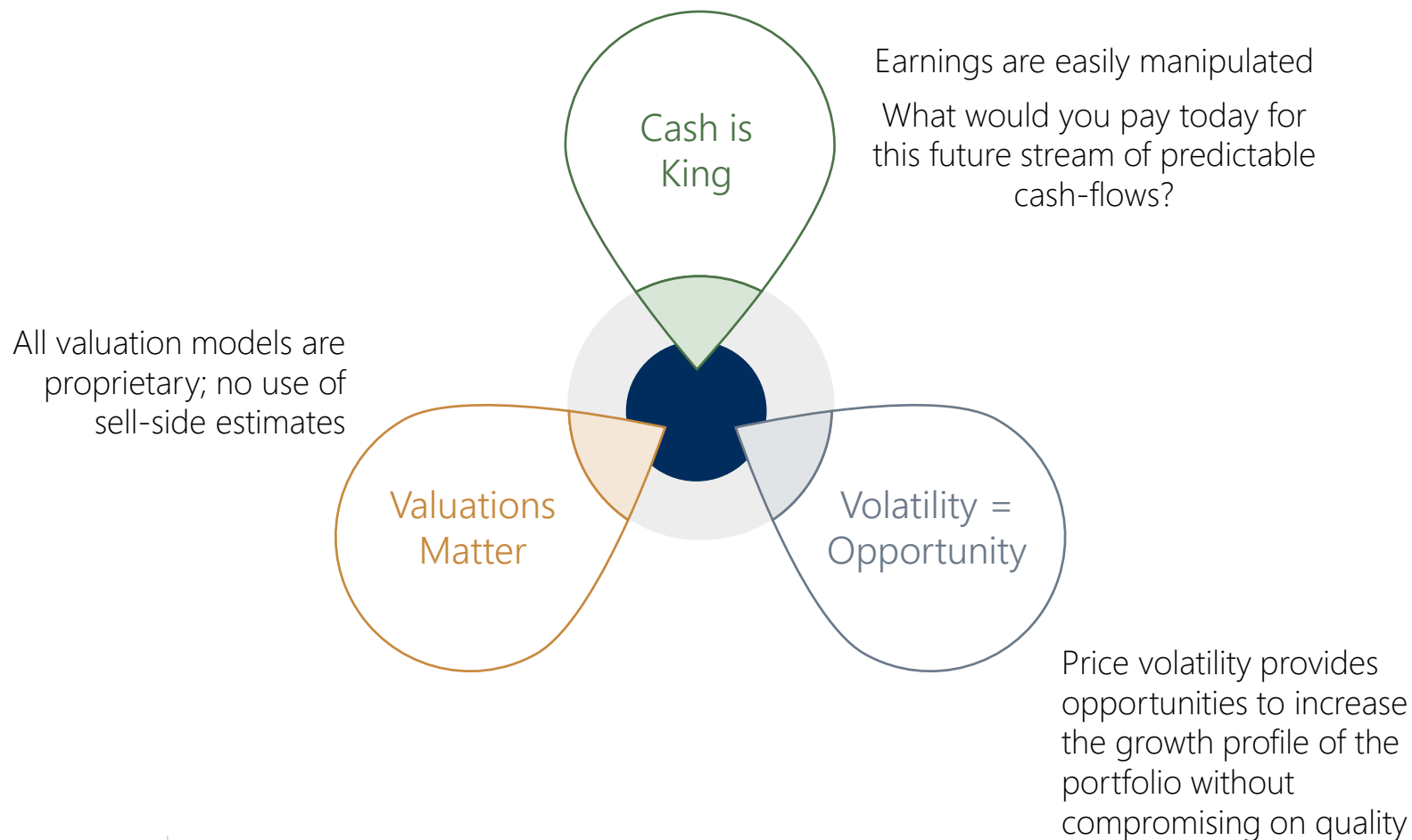
Lower Human Risk – Cultural Values

Embedded to manage behavior finance risks

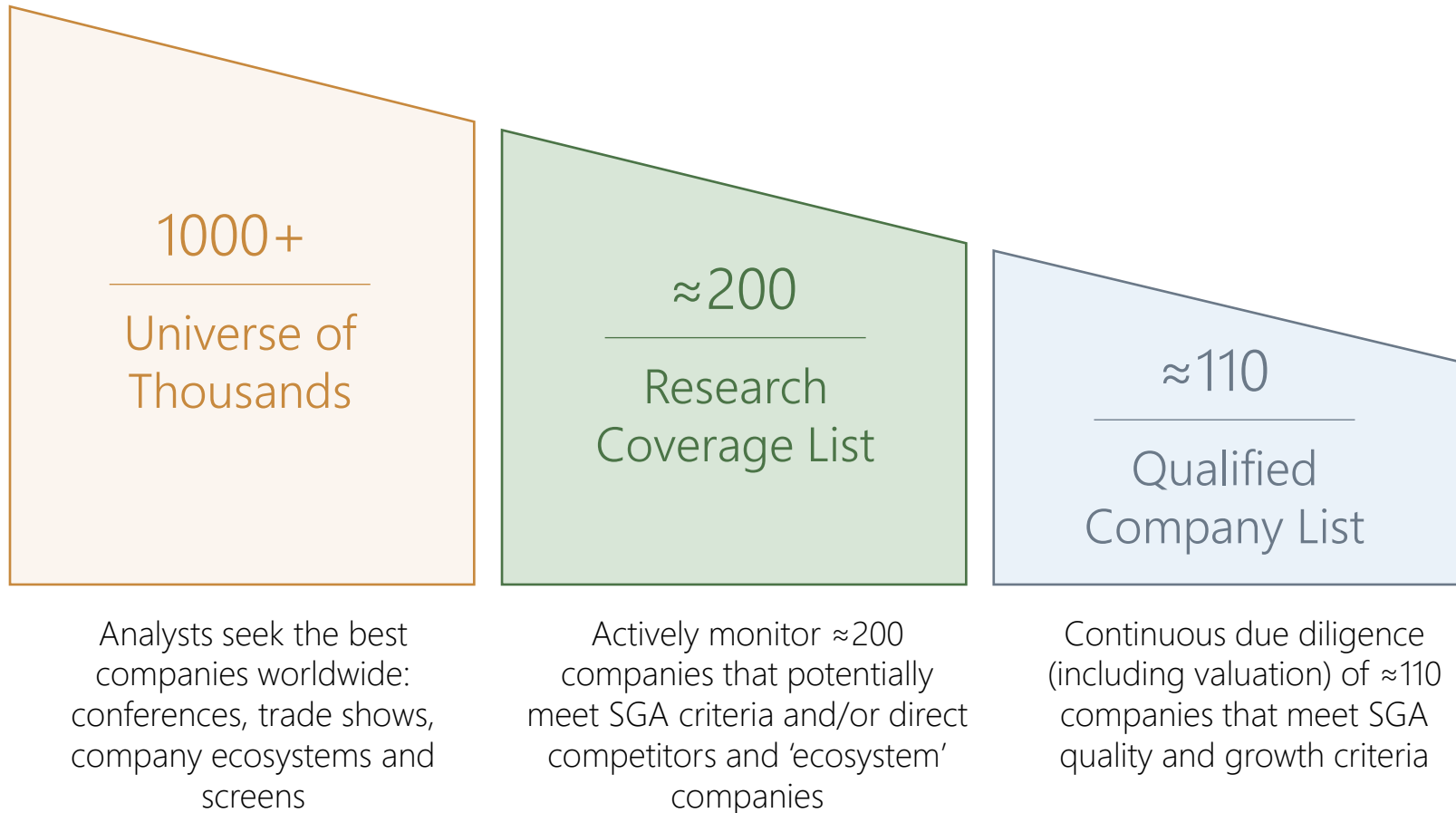




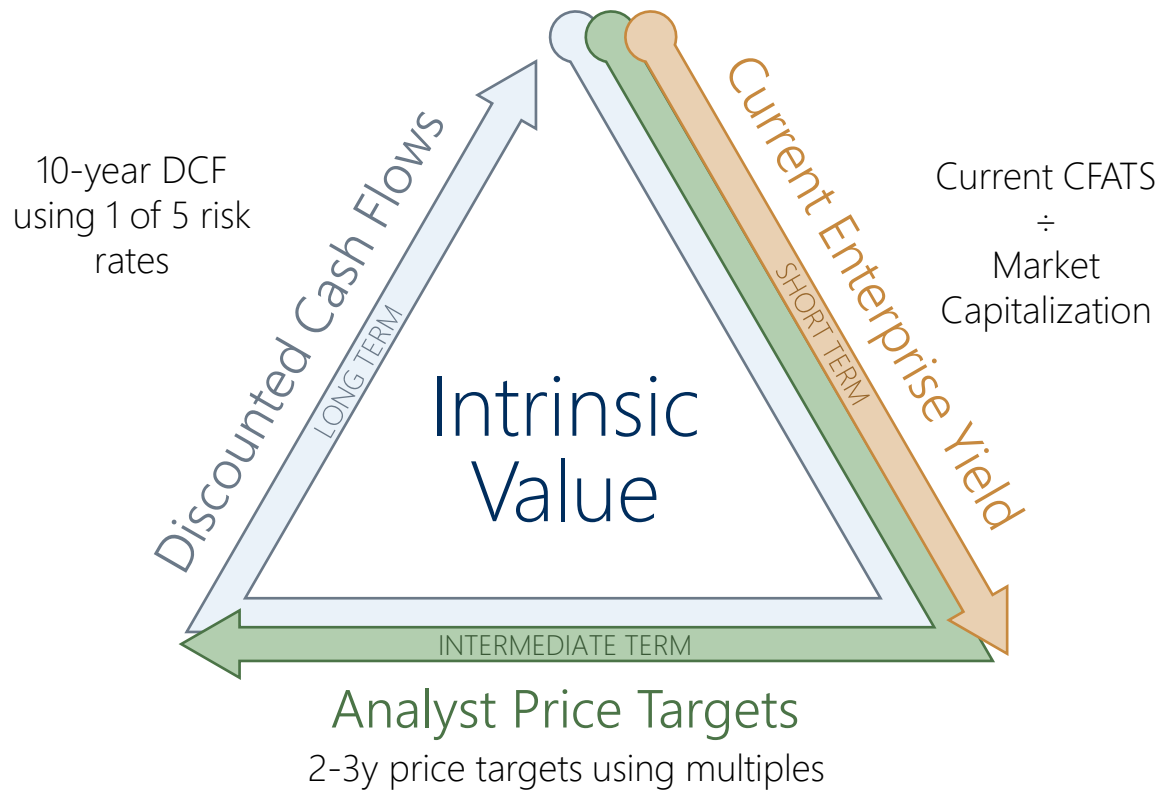
Lower Price Risk



Company Identification



Valuations



Cash Flow Available to
Shareholders (CFATS)



Operating
Cash Flows



CAPEX



Sustaining
Acquisitions



Unfunded
Obligations

Sell Discipline

Fundamental Deterioration/ Mistake

Structural decline of a company's pricing power, competitive advantage, long-term secular growth rate, or any other fundamental erosion that lowers the long-term sustainability of a company's cash flow growth.

Valuation Consideration

We will trim or remove a position from the portfolio if it appears overpriced on our cash flow-based valuation system on an absolute basis or relative to other candidates for portfolio inclusion from the Qualified Company List.

Forced Attrition

When a current holding becomes less attractive relative to another company on our Qualified Company List, we will sell the holding to make room for the new portfolio addition.

Contribution Analysis – International Growth

2022 Contribution

	Company	Avg. Weight	2022 Return	CTR
Top Five	Shandong Weigao	4.4%	34.1%	1.90%
	Novo Nordisk	3.9%	22.1%	0.87%
	HDFC Bank	4.7%	6.0%	0.40%
	CP All	2.6%	13.0%	0.23%
	FEMSA	2.8%	2.9%	0.16%
	AIA Group	4.9%	12.5%	0.15%
	Aon	5.2%	0.6%	0.14%
	Sika	1.0%	4.1%	0.13%
	Yum China	3.7%	9.0%	0.08%
	Asian Paints	0.1%	-0.3%	0.05%
	Atlassian	0.2%	5.5%	0.04%
	Canadian Pacific	0.3%	1.1%	0.04%
	Linde	4.1%	-4.4%	0.02%
	Wal-Mart de Mexico	3.4%	-3.1%	-0.03%
	Medtronic	1.2%	-13.1%	-0.37%
	PayTM	0.1%	-46.6%	-0.40%
	Nestle	3.0%	-15.3%	-0.50%
	SAP	2.5%	-24.9%	-0.53%
	Heineken	3.7%	-15.3%	-0.66%
	Diageo	3.7%	-18.0%	-0.68%
	MercadoLibre	2.6%	-37.2%	-0.76%
	Infosys	3.2%	-27.5%	-0.78%
	Alcon	3.4%	-21.1%	-0.80%
	L'Oreal	3.5%	-23.9%	-0.81%
	Sartorius	2.2%	-41.6%	-0.83%
	Dassault Systemes	2.9%	-39.6%	-1.31%
	Adyen	2.9%	-47.7%	-1.32%
	ICON	3.3%	-37.3%	-1.33%
	Sysmex	1.9%	-54.7%	-1.43%
Bottom Five	Steris	4.6%	-23.4%	-1.46%
	XP	2.7%	-46.6%	-1.51%
	Recruit	2.8%	-47.5%	-1.58%
	Adidas	2.7%	-51.9%	-2.06%
	Temenos	3.1%	-59.9%	-2.70%

Since Tulare Funding Contribution

	Company	Avg. Weight	CTR
Top Five	Novo Nordisk	3.9%	4.72%
	IHS Markit	3.2%	4.67%
	Aon	5.0%	4.36%
	MercadoLibre	2.3%	4.34%
	Shandong Weigao	3.4%	4.00%

	Company	Avg. Weight	CTR
Bottom Five	Schlumberger	0.4%	-2.55%
	Temenos	2.5%	-2.54%
	XP	0.9%	-2.27%
	Core Laboratories	0.4%	-2.08%
	Sanlam	1.0%	-1.77%



Data as of 12/31/2022. Please see performance slide included in these materials for the full performance presentation. SGA weights and characteristics based on a representative account. The 2022 returns referenced for each of the portfolio holdings illustrate the gross 2022 return and does not consider fees charged. The largest contributors and detractors are determined using a ranking of the absolute contribution to portfolio return by each security held over the period under consideration. Portfolio holdings are subject to change daily. Under no circumstances does the information contained within represent a recommendation to buy or sell securities. It should not be assumed that investments in the securities were or will be profitable. The list provided may not represent all the securities held in advisory clients. A complete list of all securities held in the strategy in the preceding year can be obtained free of charge by contacting SGA at (203) 348-4742. Results include the reinvestment of all income. For the International portfolios' interest and capital gains, SGA does not withhold taxes. For dividends, SGA withholds taxes as reported by the client's custodian. This information is supplemental and complements the GIPS Report on composite performance on the last pages of this presentation. It should not be assumed that future results will be reflective of past performance.

Purchases and Sales – International Growth

Last Four Quarters

New Positions

	Date
Sika	Q2 2022
Canadian Pacific	Q4 2022
Atlassian	Q4 2022

Liquidated Positions

	Date
Asian Paints	Q1 2022
PayTM	Q1 2022
Medtronic	Q2 2022

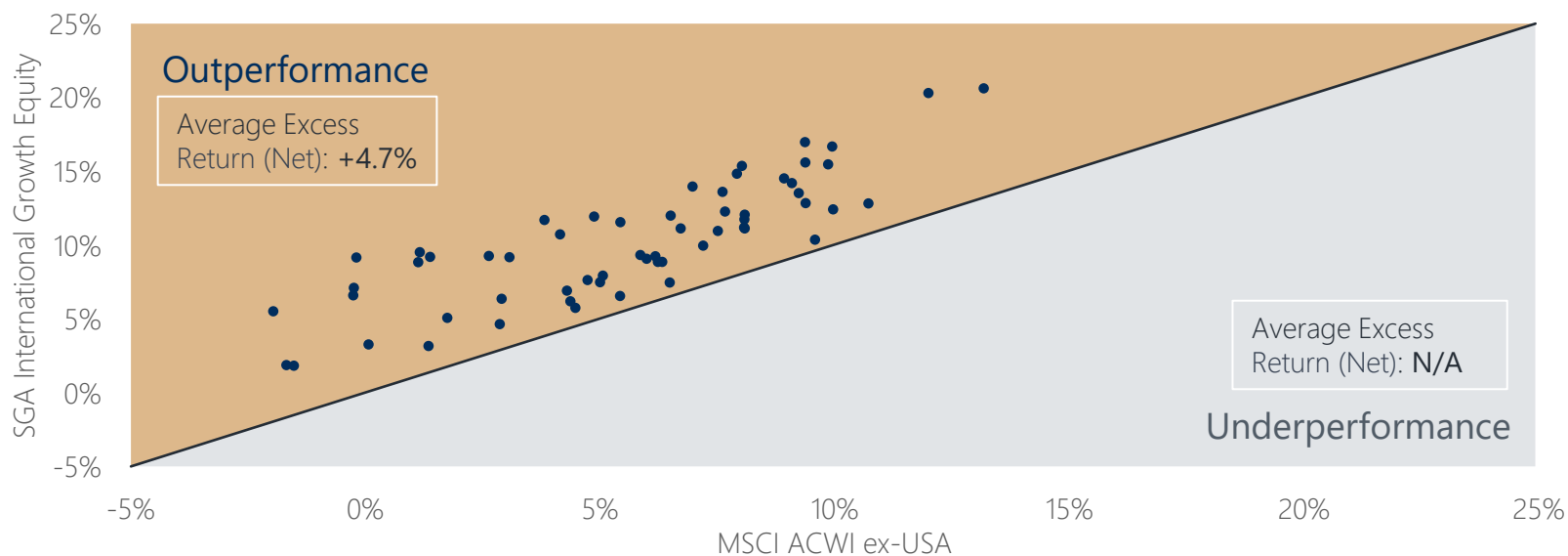


Representative account activity as of 12/31/2022. Portfolio holdings are subject to change daily. Under no circumstances does the information contained within represent a recommendation to buy or sell securities. It should not be assumed that investments in the securities were or will be profitable. The list provided does not represent all the securities held in the portfolio. A complete list of all securities held in the strategy in the preceding year can be obtained free of charge by contacting SGA at (203) 348-4742. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. **It should not be assumed that future results will be reflective of past performance.**

SGA International Growth Performance

SGA's International Growth Composite vs. MSCI ACWI ex-USA

Rolling Three-Year Annualized Net Returns



SGA International Growth (Net) outperformed in 100% (59/59) of rolling three-year periods

	SGA International Growth	MSCI ACWI ex-USA	Net Excess Return
Since Inception Return (Net Ann.)	6.2%	2.8%	+3.4%
Sharpe Ratio	0.40	0.12	-
Information Ratio	0.67	-	-

Data as of 12/31/2022. Please see performance slide included in these materials for the full performance presentation. Source: FactSet, MSCI, eVestment. MSCI Indices are Net Total Return (MSCI Net Total Return Indices reinvest dividends after the deduction of withholding taxes). Rolling 3-Year Excess Returns based on net monthly return observations Since Inception. This represents 59 rolling 3-Year observations over this period. SGA International Growth composite inception is 3/1/2015. Sharpe and Information Ratio as of 12/31/2022. Results are presented net of management fees and include the reinvestment of all income (including dividends, interest and other earnings). For interest and capital gains, SGA does not withhold taxes. For dividends, SGA will withhold taxes as reported by the client's custodian. Returns are calculated net of withholding taxes on dividends. The Net Returns are calculated based on the deduction of a model fee of 0.85% being the highest applicable fee that may be charged to SGA clients for the International Growth equity strategy. Net Returns do not account for custodian and brokerage fees that clients pay to third parties. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and may be found in Part 2A of its Form ADV. This information is supplemental and complements the GIPS Report on composite performance found on the last pages of this document. It should not be assumed that future results will be reflective of past performance.



Annual GIPS Report – International Growth

Period	Total Return				Number of Portfolios	Composite Dispersion	3 Year Standard Deviation			Total Assets in Composite at Period End (USD millions)	Total Firm Assets at Period End (USD millions)	Percentage of non-fee paying accounts
	Before Fees	After Fees	MSCI ACWI ex-USA Net TR Index	MSCI ACWI Growth ex-USA Net TR Index			SGA Composite	MSCI ACWI ex-USA Net TR Index	MSCI ACWI Growth ex-USA Net TR Index			
Mar. 1 - Dec. 31, 2015	-4.63%	-5.30%	-10.32%	-6.77%	Five or Fewer	N/A				0.096	5,318	100%
2016	0.65%	-0.21%	4.50%	0.12%	Five or Fewer	N/A				0.097	5,672	100%
2017	37.83%	36.69%	27.19%	32.01%	Five or Fewer	N/A				0.133	9,971	100%
2018	-12.42%	-13.17%	-14.20%	-14.43%	Five or Fewer	N/A	12.85%	11.38%	11.55%	89	9,096	0%
2019	30.96%	29.87%	21.51%	27.34%	Five or Fewer	N/A	12.01%	11.34%	11.50%	307	12,347	0%
2020	25.55%	24.50%	10.65%	22.20%	Five or Fewer	N/A	15.87%	17.93%	16.48%	310	18,780	0%
2021	9.53%	8.61%	7.82%	5.09%	Five or Fewer	N/A	15.11%	16.79%	15.01%	325	22,899	0%
Since Inception (March 1, 2015)	11.36%	10.43%	5.93%	8.30%			14.32*	14.53*	13.66*			

N/A- Information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

3 Year Standard Deviation is not shown for 2015, 2016, and 2017 as 36 months of returns are not available

* Since Inception Annualized Standard Deviation. SGA Composite Dispersion based on Gross Returns.

Sustainable Growth Advisers, LP ("SGA") was formed in 2003 and is a registered investment advisor under the Investment Advisers Act of 1940. SGA manages portfolios of publicly traded equity assets according to its "Large Cap Growth Equity" investment approach for pooled funds, institutions, trusts and private accounts. SGA is an operationally independent investment management firm and an affiliate of Virtus Investment Partners. The SGA International Growth Composite was created in March 2015. The firm maintains a complete list and description of all composites, which is available upon request.

Sustainable Growth Advisers, LP claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sustainable Growth Advisers, LP has been independently verified for the periods July 1, 2003 – December 31, 2021.

A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The SGA International Growth composite has had a performance examination for the periods March 1, 2015 - December 31, 2021. The verification and performance examination reports are available upon request.

GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

SGA International Growth Composite contains fee-paying and non-fee paying large cap international growth equity portfolios under full discretionary management of the firm. For comparison purposes the composite is measured against the MSCI ACWI ex-USA TR Index (Net) and MSCI ACWI Growth ex-USA TR Index (Net).

The composite calculation has been appropriately weighted for the size of each portfolio on a time-weighted, total return basis. Monthly portfolio returns have been used in the construction of the composite. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm.

The U.S. Dollar is the currency used to express performance. Results are presented gross and net of management fees and include the reinvestment of all income. For interest and capital gains, SGA does not withhold taxes. For dividends, SGA will withhold taxes as reported by the Client's custodian. Returns are calculated net of withholding taxes on dividends. The Net Returns are calculated based upon the highest published fees. The net performance has been calculated by reducing the gross performance by the amount of the highest published fee that may be charged to SGA clients, 0.85%, employing the International Growth strategy during the period under consideration. Actual fees charged to clients may vary depending on, among other things, the applicable fees schedule and portfolio size. SGA's fees are available upon request and also may be found in Part 2A of its Form ADV. The annual dispersion presented is an asset-weighted standard deviation calculated using gross returns for the accounts in the composite the entire year. Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. **Past performance is not indicative of future results.**

The standard investment management fee schedule for the firm is 0.85% on the first \$25 million and 0.65% on the next \$75 million and 0.50% over \$100 million. Actual investment advisory fees incurred by clients used in the composite may vary from the standard fee schedule.

Material and Principal Risks

Risks of Loss. The value of the portfolio investments may decrease in value.

Economic Risk. Conditions affecting the overall economy, specific industries, or companies in which the portfolio invests can be worse than expected, and portfolio investments may fail to perform as expected.

Equity Securities Risk. The value of the stocks held in the portfolio may be negatively affected by the financial market, industries in which the portfolio invests, or issuer-specific events.

Foreign Investing Risk. Investing in foreign securities subjects the portfolio to additional risks such as increased volatility; currency fluctuations; less liquidity; less publicly available information about the foreign investment; and political, regulatory, economic, and market risk.

Emerging Market Risk. Emerging markets securities may be more volatile, or more greatly affected by negative conditions, than those of their counterparts in more established foreign markets.

Sector and Industry Risk. Events negatively affecting a particular market sector and/or industry in which the portfolio invests may cause the value of the portfolio's shares to decrease, perhaps significantly.

Geographic Concentration Risk. A portfolio that invests in a particular geographic location will be sensitive to financial, economic, political, and other events negatively affecting that location and may cause the value of the portfolio to decrease, perhaps significantly.

Currency Rate Risk. Fluctuations in the exchange rates between the U.S. dollar and foreign currencies may negatively affect the value of the portfolio's shares.

Depository Receipts Risk. Investments in foreign companies through depository receipts may expose the portfolio to the same risks as direct investments in securities of foreign issuers.

Growth Stocks Risk. The portfolio's investments in growth stocks may be more volatile than investments in other types of stocks or may perform differently from the market as a whole and from other types of stocks.

Large Market Capitalization Companies Risk. The value of investments in larger companies may not rise as much as smaller companies, or larger companies may be unable to respond quickly to competitive challenges, such as changes in technology and consumer tastes.

Market Volatility Risk. The value of the securities in the portfolio may go up or down in response to the prospects of individual companies and/or general economic conditions. Price changes may be short- or long-term. Local, regional or global events such as war, acts of terrorism, the spread of infectious illness or other public health issue, recessions, or other events could have a significant impact on the portfolio and its investments, including hampering the ability of the portfolio manager(s) to invest the portfolio's assets as intended.

Medium Market Capitalization Companies Risk. The portfolio's investments in medium market capitalization companies may increase the volatility and risk of loss to the portfolio, as compared with investments in larger, more established companies.

RAE strategy review



**LIPPER FUND AWARDS
FROM REFINITIV**

Best Group over 3 Years Large Equity (2019, 2013, 2012, 2011, 2010)

Lipper Asset Class Group Awards are awarded to eligible fund family groups and not individual funds.

The Lipper Fund Best Group over 3 Years Large Equity award recognizes funds that have delivered consistently strong risk-adjusted performance, relative to peers.

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Disclosures

Past performance is not a guarantee or a reliable indicator of future results. Shares distributed by **PIMCO Investments LLC**.

PIMCO is a registered trademark of Allianz Asset Management of America L.P. and Pacific Investment Management Company LLC, respectively, in the United States and throughout the world.

Biographical information

R. Matthew Clark, CFA, CAIA

Mr. Clark is a senior vice president and account manager in the Newport Beach office with a focus on institutional client servicing. Prior to joining PIMCO in 2002, he served as an officer in the U.S. Army for eight years, achieving the rank of captain. Mr. Clark currently serves on the board of directors of Working Wardrobes, an Orange County-based charity that helps individuals with employment barriers find meaningful work. He has 21 years of investment experience and holds an MBA from Harvard Business School. He received an undergraduate degree from Trinity University, San Antonio.

Brent Leadbetter, CFA

Mr. Leadbetter is a partner and head of equity solution distribution at Research Affiliates, a subadvisor to PIMCO. He is a product strategist responsible for detailing the elements of Research Affiliates' equity strategies to institutional asset owners and their consultants as well as to financial advisors. He supports the firm's distribution partners who offer separately managed accounts and commingled products that follow Research Affiliates' equity methodologies. He holds a B.A. in history from the University of Michigan and an MBA from the Anderson School of Management at UCLA. He holds the Chartered Financial Analyst designation and is a member of CFA Institute and CFA Society Orange County.

Agenda

1. Introductions and description of asset class
2. Firm overview
3. RAE Investment Philosophy and Process
4. Performance
5. General discussion / Q&A

Introductions and description of asset class



Looking at 50 years of market cycles, value has outperformed during bear markets and subsequent recoveries

At the very least, consider maintaining a value allocation through an economic cycle

Value Factor Excess Returns



SOURCE: PIMCO, Kenneth R. French

The charts represent the performance of the Fama French high-minus-low (HML) value factor. This analysis examines five periods of market drawdowns that were accompanied by recessions, Fiscal Tightening/Vietnam War (12/1968 – 6/1970), Nifty Fifty/Oil Crisis (10/1972 – 9/1974), Iran Oil Crisis/Monetary Policy Tightening (11/1980 – 7/1982), Monetary Policy Tightening (6/1990 – 10/1990), Tech Bubble Crash (3/2000 – 9/2002) and the Global Financial Crisis (10/2007 – 2/2009).

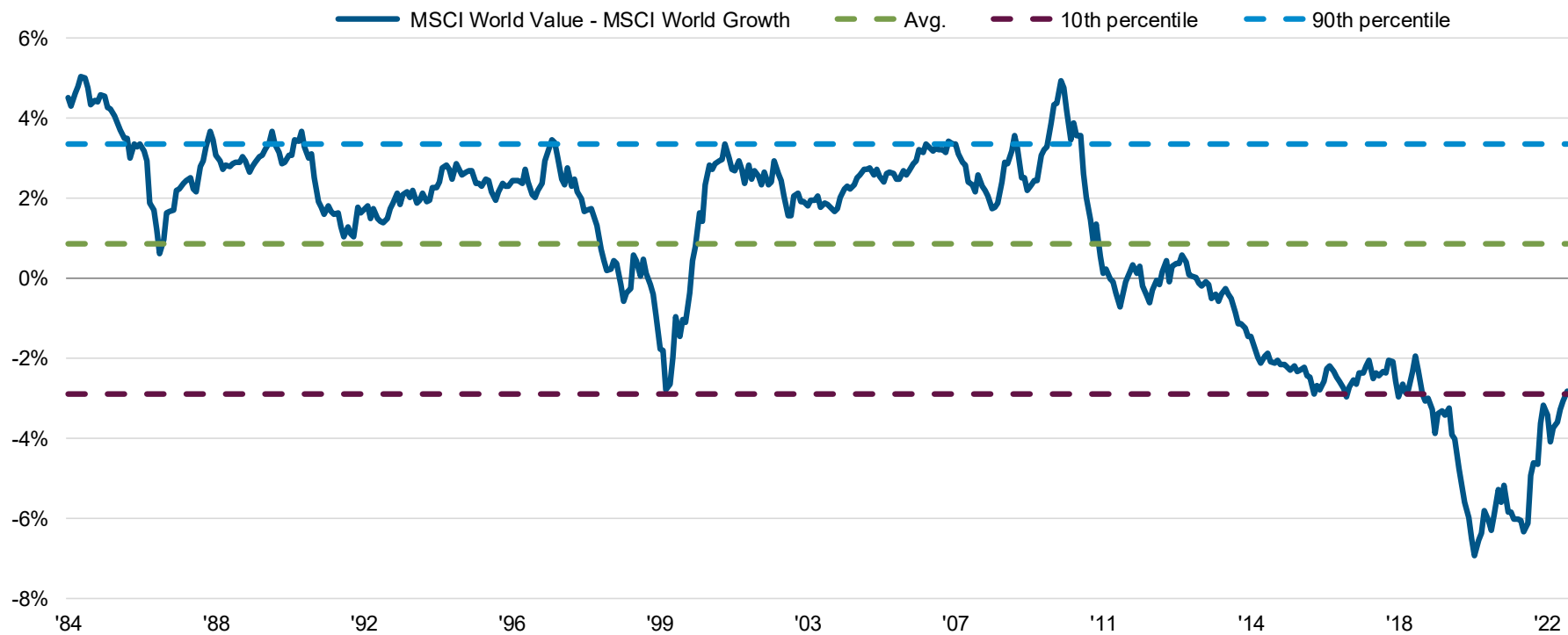
Refer to Appendix for additional investment strategy and risk information.

Despite the recent rally, long-term underperformance of value remains elevated

Value's 10-year returns relative to growth are still in the bottom-decile of historical ranges

Global equities: Value minus growth

Annualized trailing 10-year relative total return

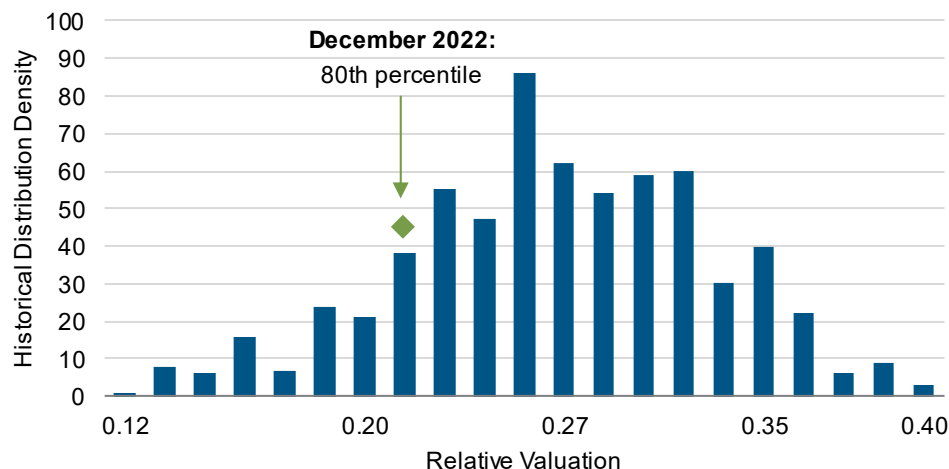


As of 31 December 2022
SOURCE: Bloomberg

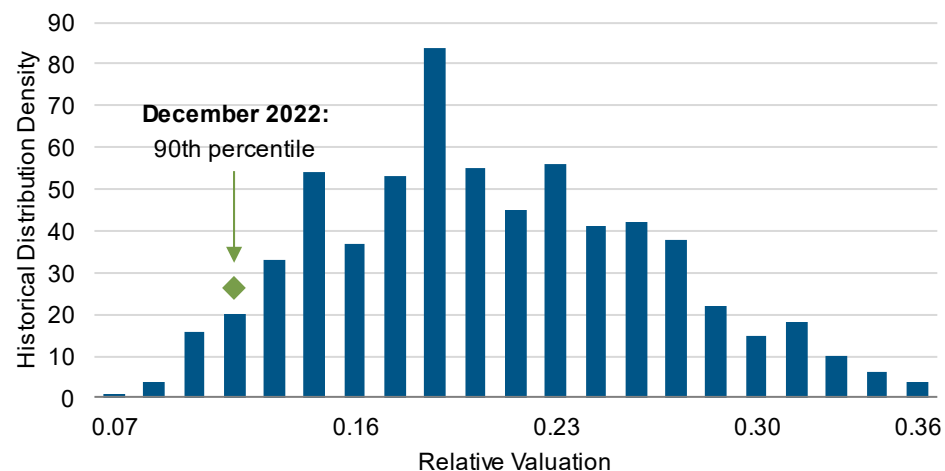
Value is currently trading in the 80th to 90th percentile of historic valuations

Value vs. growth relative valuation

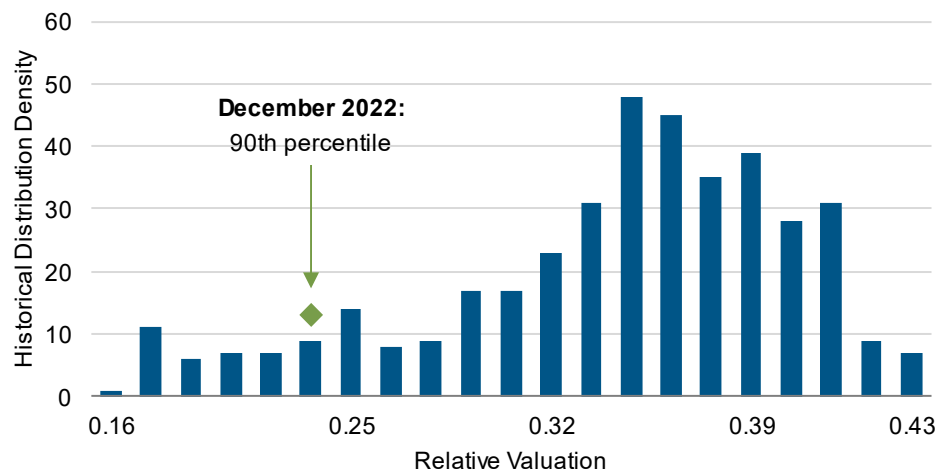
Valuations of Value: U.S. Large



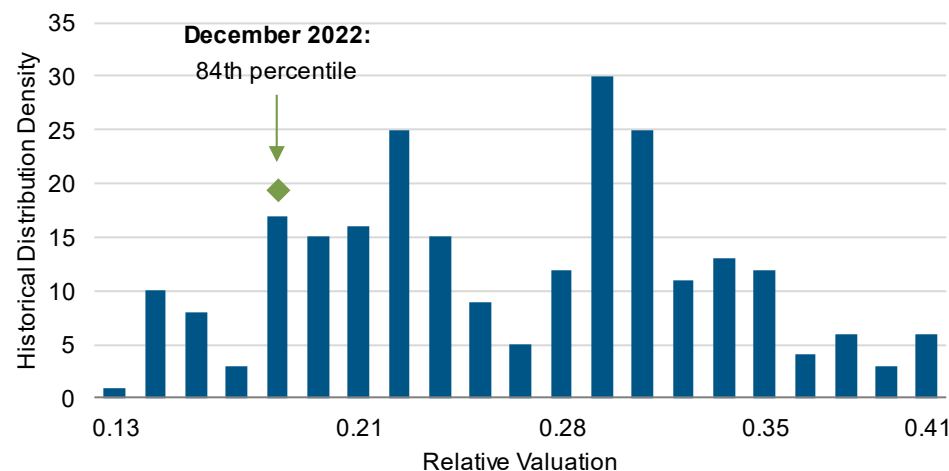
Valuations of Value: U.S. Small



Valuations of Value: International



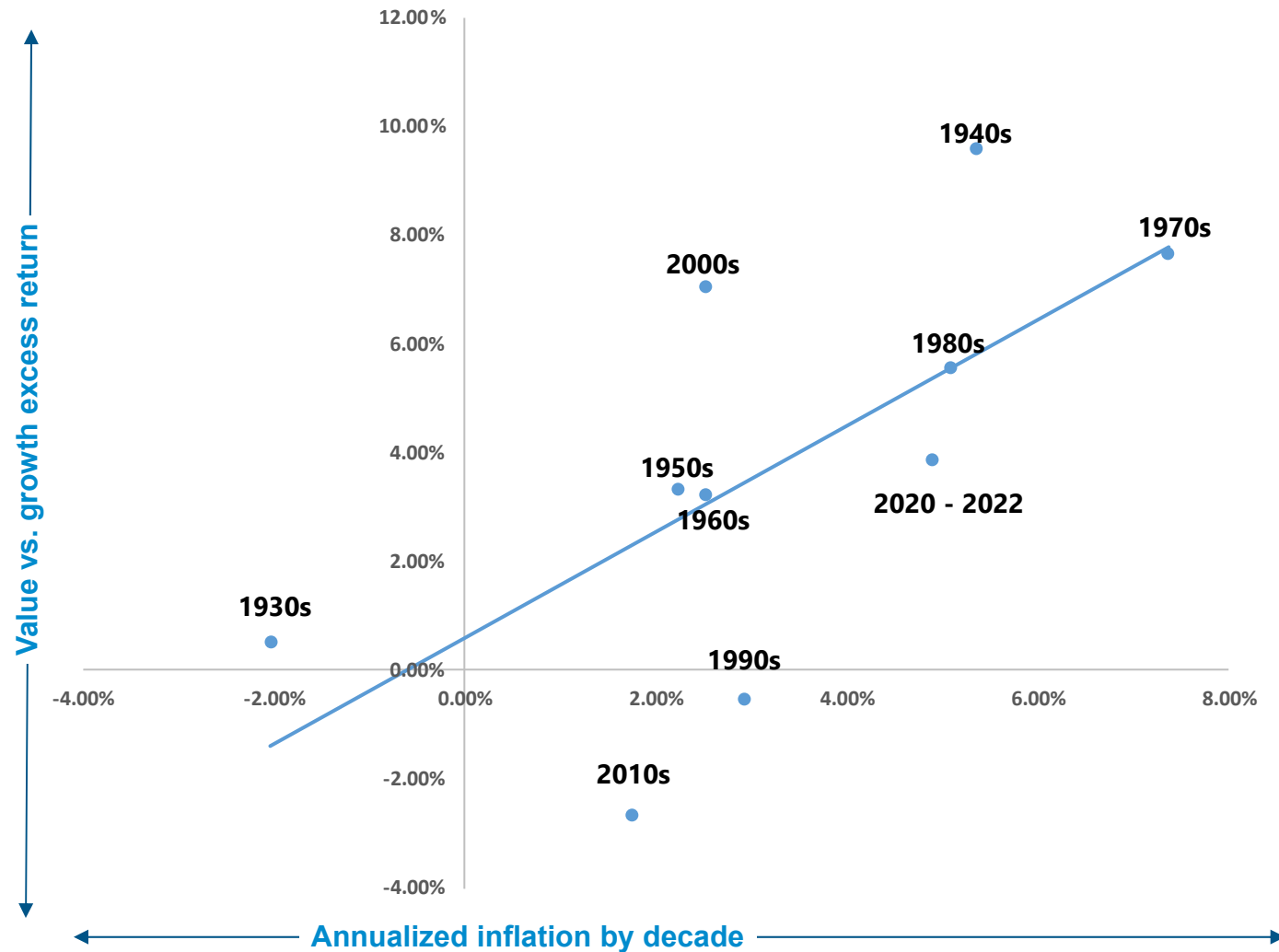
Valuations of Value: Emerging Markets



As of 31 December 2022. SOURCE: Research Affiliates, CRSP, Compustat, Worldscope, Datastream. US universe comprised of US companies in the CRSP/Compustat database. International and emerging markets universes are comprised of developed ex-US and emerging markets companies in the Worldscope/Datastream database. Valuation based on price-earnings, price-sales, price-cash flow, price-dividends, price-book. Refer to Appendix for additional index, investment strategy and risk information.

Value has outperformed growth during periods of high inflation

Inflation (x-axis) and value's outperformance (y-axis) by decade



While higher inflation is not required for value to win, it does provide a supportive backdrop

As of 31 December 2022

Source: PIMCO, Kenneth R. French

Annualized inflation as measured by US CPI during the years stated, value vs. growth excess return as measured by the Fama French high-minus-low (HML) value factor

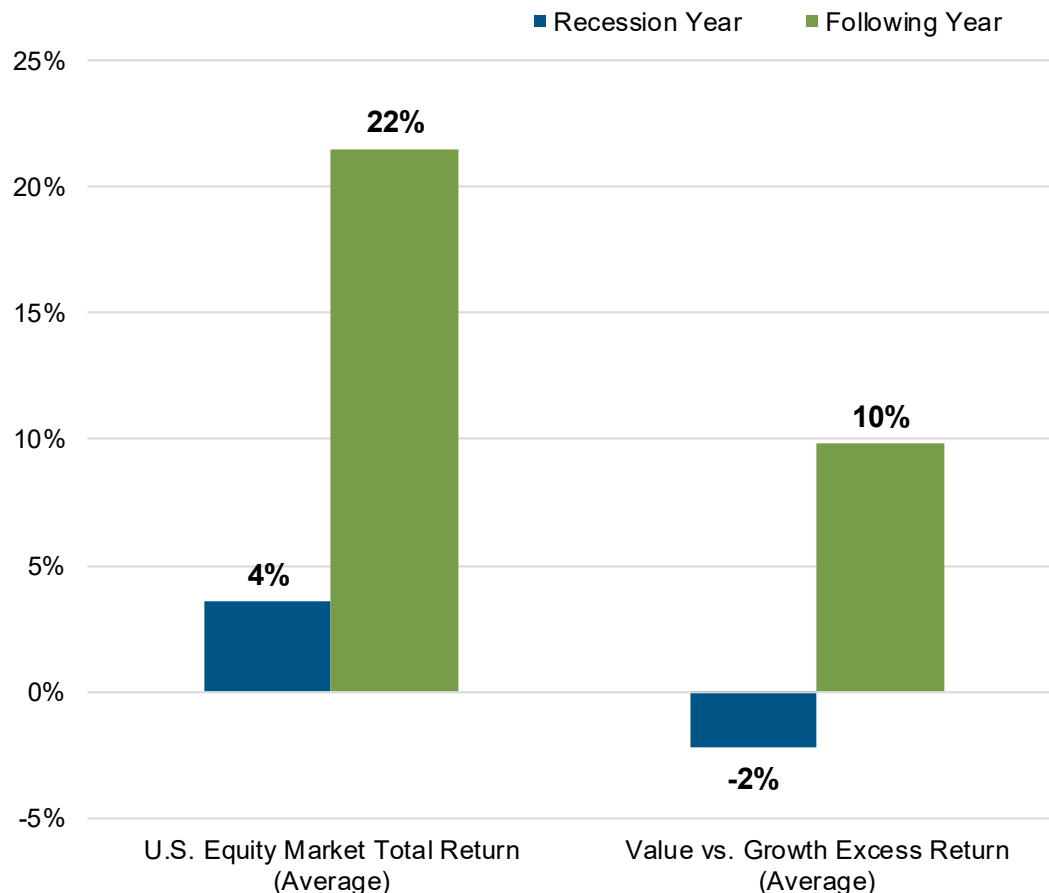
Refer to Appendix for additional investment strategy and risk information.

Stocks start pricing in economic recovery well in advance of improving data

And value tends to lead the year after the recession starts

Since 1945, U.S. equity markets return 22% the year after a recession begins and value beats growth by 10%, on average

Markets and the value style tend to rebound the year after a recession begins



Recession Year (Begins)	S&P 500 Returns (%)		Value Excess Returns (bps)	
	Recession Year	Following Year	Recession Year	Following Year
1945	36.1	-8.0	1,088	311
1949	23.6	32.6	-424	2,704
1953	-0.9	52.3	-773	2,604
1957	-10.7	43.2	-618	1,348
1960	0.5	26.9	-455	514
1970	3.9	14.3	2,154	-1,126
1974	-26.5	37.2	987	925
1980	32.5	-4.9	-2,463	2,512
1982	21.6	22.6	1,336	2,049
1990	-3.2	30.4	-1,004	-1,472
2001	-11.9	-22.1	1,850	809
2008	-37.0	26.5	83	-942
2020	18.4	28.7	-4,660	2,533
Average	3.6	21.5	-233	982

As of 31 December 2022. SOURCE: PIMCO, Kenneth R. French

Value vs. growth excess return as measured by the Fama French high-minus-low (HML) value factor. Recessions as measured by the National Bureau of Economic Research.

Refer to Appendix for additional investment strategy and risk information.

Firm overview



PIMCO and Research Affiliates: strategic partners for the benefit of investors for over 20 years



About Research Affiliates

- Founded by Rob Arnott in 2002
- Led by CEO/CIO Chris Brightman
- \$151 billion in assets under management
- Industry thought leaders in systematic investing with over 425 published pieces of content and online interactive tools
- PIMCO's first sub advisor, jointly managing \$31 billion in assets under management across equity and asset allocation strategies

As of 31 December 2022

SOURCE: PIMCO, Research Affiliates

Refer to Appendix for additional investment strategy, and risk information.

Research Affiliates' team

RAE portfolio managers



Rob Arnott
Research Affiliates
Chairman



Chris Brightman
Research Affiliates CEO
and CIO

Research and Investment Management

Que Nguyen
Partner, CIO of Equities

Campbell Harvey, Ph.D.,
Partner, Director of Research

- Professor of Finance at Fuqua School of Business at Duke University

30+ person team including the following groups:

Equity Research

- Collaborate with PMs to develop new and improve existing quantitative signals; test those ideas for persistence, robustness, pervasiveness, and intuition

Investment Systems

- Create and maintain the software code used to generate replicable portfolios

Strategy Implementation

- Build portfolios and test for quality control using the Investment Systems team's software

Benefits of partnering with PIMCO

Leverage PIMCO's global perspective and expertise for more than just pursuing alpha, whenever and wherever you need it

EDUCATION

PIMCO Institute

Deepen your understanding of global capital markets through interactive sessions with peers and PIMCO experts.



ACCESS

PIMCO Global Advisory Board

Access economic, political, and market insights from a team of renowned experts (Ben Bernanke, Gordon Brown, Mark Carney, Ng Kok Song, Joshua Bolton, Michele Flournoy).



ANALYTICS

Bespoke Client Analytics

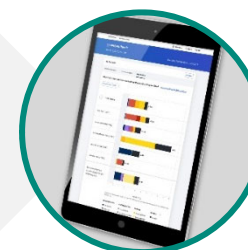
Partner to generate objective, actionable insights that can help you attain portfolio outcomes and leverage complementary PIMCO analytics to deepen understanding of portfolio risk factors.



NETWORKING

PIMCO Pro – Client Portal

Login to our dynamic, self-service digital platform to access customized portfolio information, value-add analytical tools, market data and many other new features.



INSIGHT

Client-Driven Thought Leadership and Events

Receive regular PIMCO content applicable to broader market themes and specific client peer groups, alongside participation in a multitude of events across formats.



ESG Integration & Partnership

Review ESG factors in PIMCO's investment process, partnership with clients and industry groups to meet specific objectives



As of 31 December 2022; Source: PIMCO

Please note the strategies/funds discussed in this servicing presentation do not pursue a specified ESG-objective however, ESG is integrated across our investment process as detailed herein.

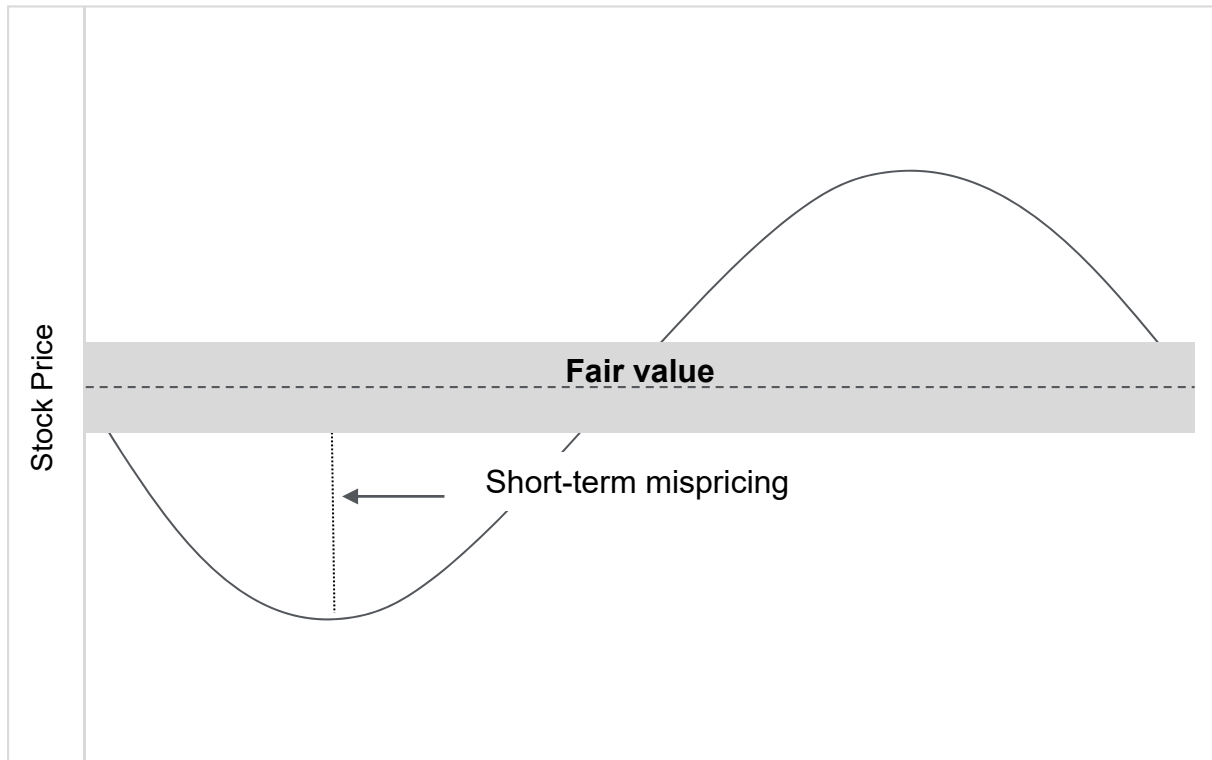
RAE Investment Philosophy and Process



RAE's value-oriented investment philosophy

“The largest and most persistent active investment opportunity is long-horizon mean reversion.”

– Research Affiliates



In the short term stock prices **deviate from “fair value”** but over time **revert back** towards it

Investors can profit from this mean reverting pattern, by **systematically trading against the market**

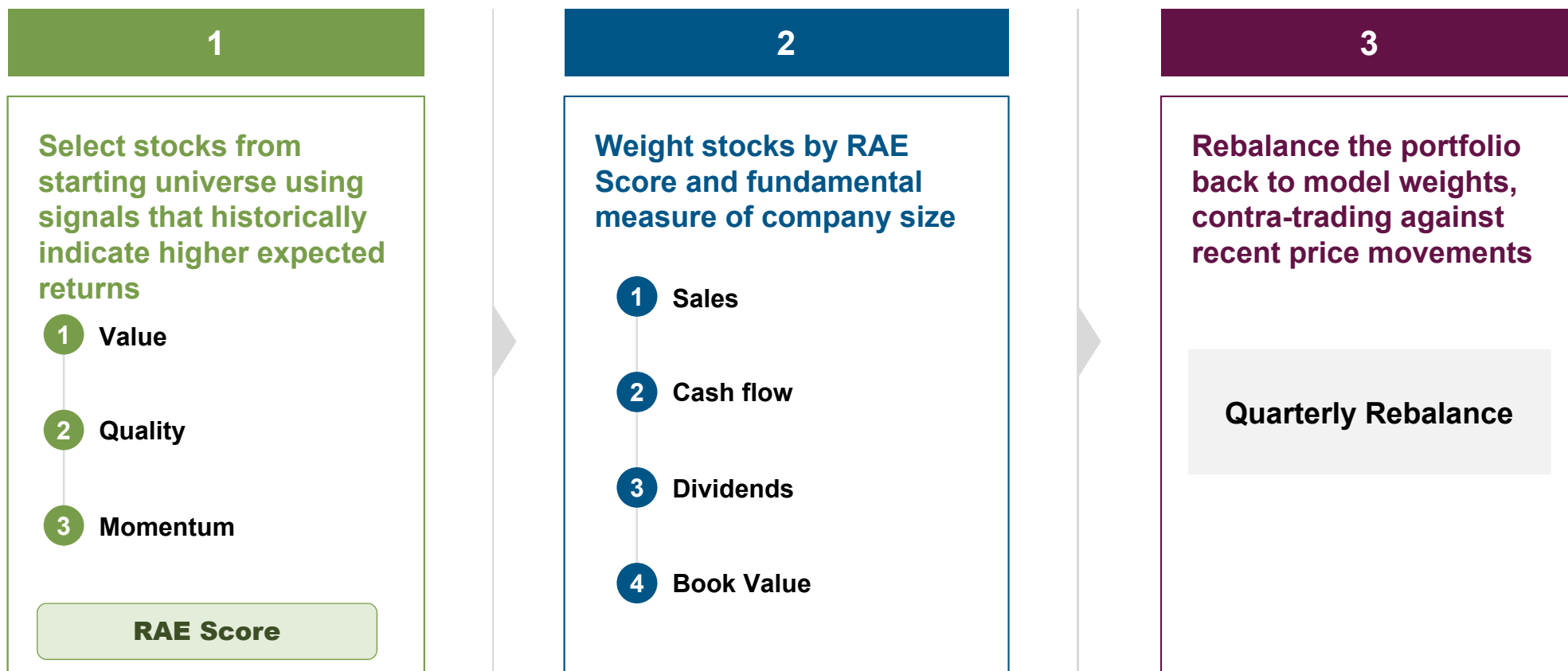
This involves **buying stocks that have underperformed** (hence becoming cheaper and better value), while **selling those that are popular** (and hence expensive and over-priced)

SOURCE: Research Affiliates

The terms “cheap” and “rich” as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager’s future expectations. There is no guarantee of future results or that a security’s valuation will ensure a profit or protect against a loss.

A systematic, contrarian approach to equity investing

PIMCO RAE methodology



SOURCE: Research Affiliates

Value signal seeks to exploit short-term mispricing in two ways

Valuation Measure

The ratio of a company's fundamental size to its market capitalization has information – companies with a high ratio are cheap, companies with a low ratio are expensive. This signal is adjusted to avoid extreme sector biases

$$\frac{\text{Fundamental Weight}}{\text{Market Cap Weight}} = \text{Valuation}$$

Example: XYZ Corp

$$\frac{0.43\%}{0.20\%} \longrightarrow \text{Cheap}$$
$$\frac{0.43\%}{0.60\%} \longrightarrow \text{Expensive}$$

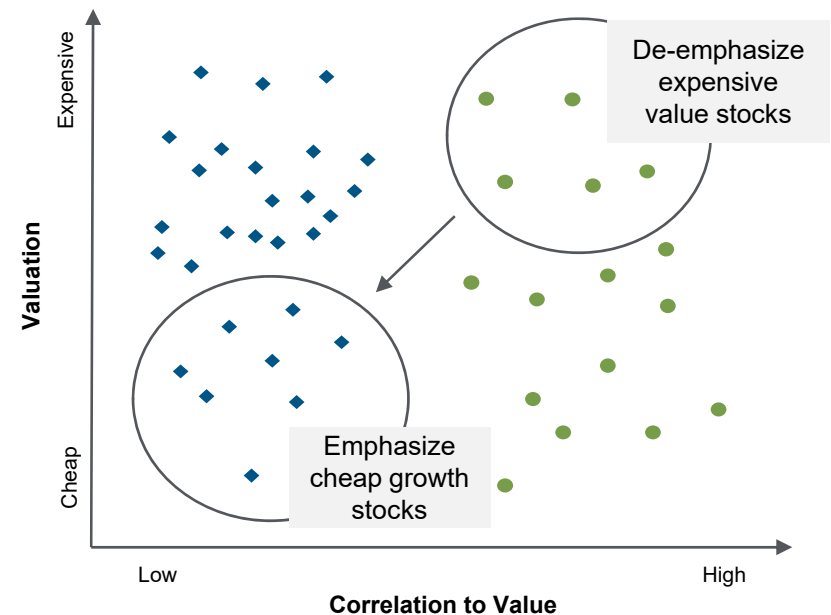
For illustrative purposes only

SOURCE: Research Affiliates

Refer to Appendix for additional asset valuation, investment strategy and risk information.

Style Diversification Measure

There are instances when stocks that co-move with value get expensive and when stocks that co-move with growth become cheap. This signal serves to select cheap growth stocks and avoid expensive value stocks



Quality signal aims to avoid value traps by screening for financial health

Quality measure

We select companies using four characteristics of quality associated with sustainable earnings:

- 1) High profitability
- 2) Conservative investment
- 3) Low distress
- 4) High earnings integrity

Each quality signal category is a combination of several signals to reduce noise and better capture each category's investment insight.

For illustrative purposes only

SOURCE: Research Affiliates

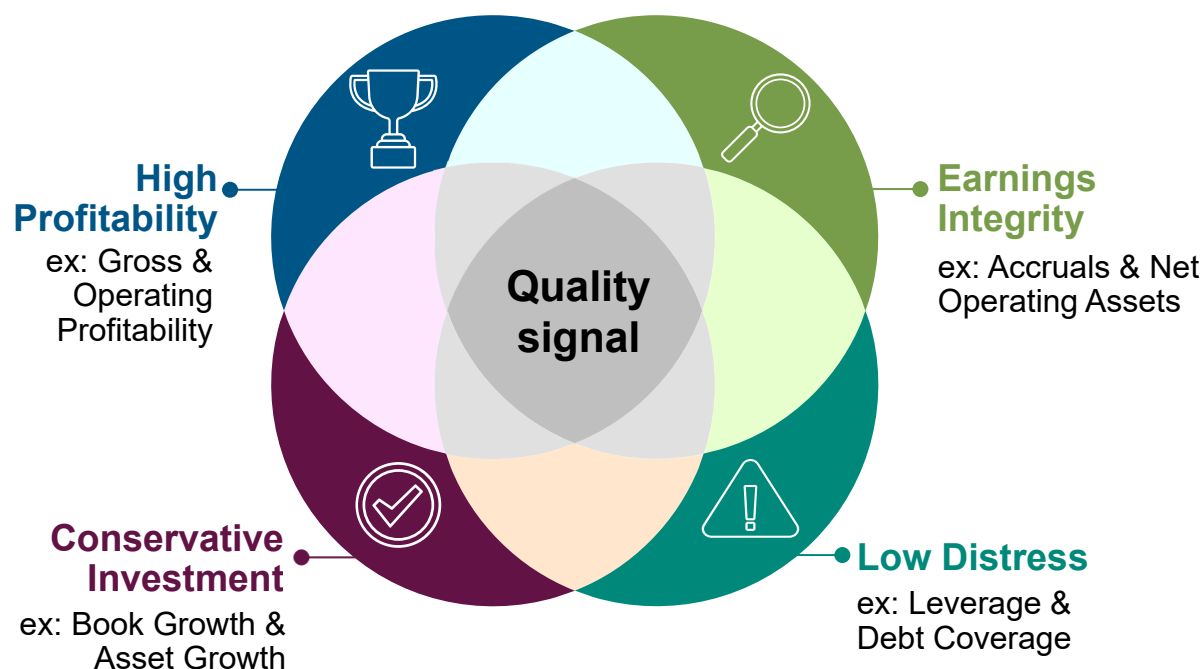
*Research Affiliates, Jason Hsu, Vitali Kalesnik, and Engin Kose. 2019. "What Is Quality?"

The annual Graham and Dodd Awards of Excellence include the top G&D Award to recognize the best research article and up to two Scroll Awards to acknowledge the runners-up. Winners are chosen through a two-stage selection process. First, all members of the Financial Analysts Journal Advisory Council and Editorial Board are invited to vote, producing a shortlist of peer-reviewed research articles published in Financial Analysts Journal throughout the year. Second, the G&D Awards Committee (six members selected from the CFA Institute Board of Governors, the CFA Institute Leadership Team, CFA Society Leadership, and the Financial Analysts Journal editorial team) collectively decides the award winners from the shortlist.

Ray Ball, Joseph Gerakos, Juhani T. Linnainmaa, and Valeri V. Nikolaev. 2014. "Deflating Profitability." Fama-Miller Working Paper; Chicago Booth Research Paper No. 14-10.

Refer to Appendix for additional investment strategy and risk information.

Measures



*Research Affiliates won the 2019 Graham and Dodd Award of Excellence from the CFA Institute for its research on quality**

Momentum signal seeks returns, avoids catching the proverbial falling knife

Momentum measures

Beta-Adjusted Momentum

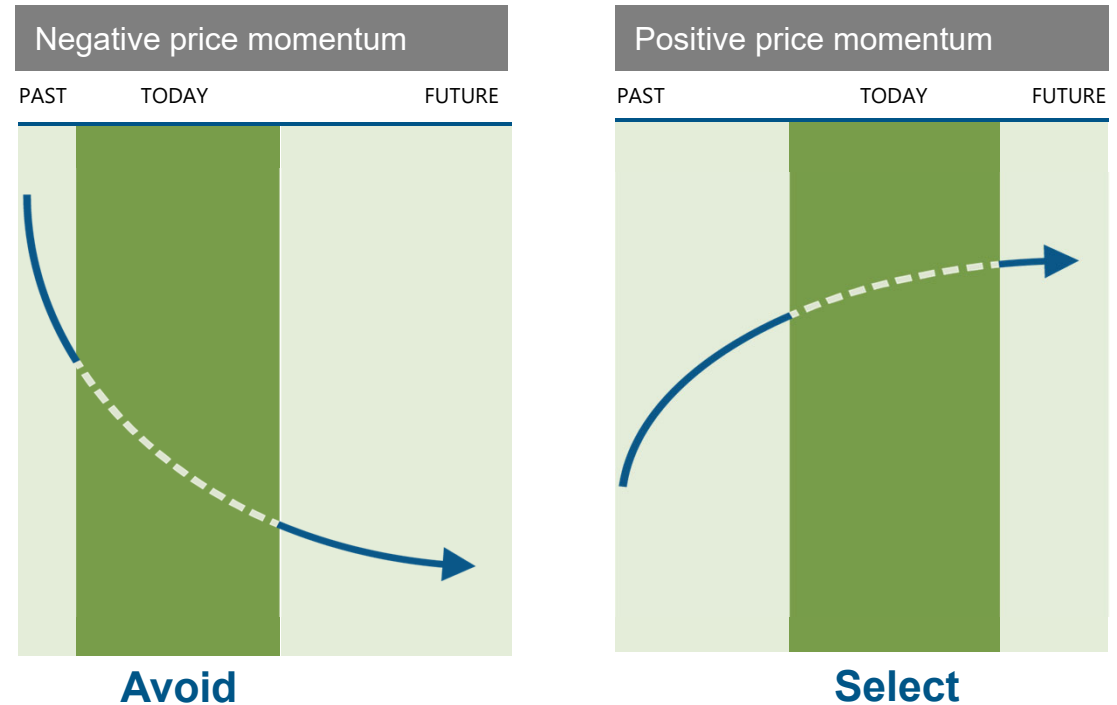
Accounts for a stock's beta

Volatility-Adjusted Momentum

Accounts for a stock's standard deviation

Fresh Momentum

Favors companies whose momentum is early stage and more likely to persist

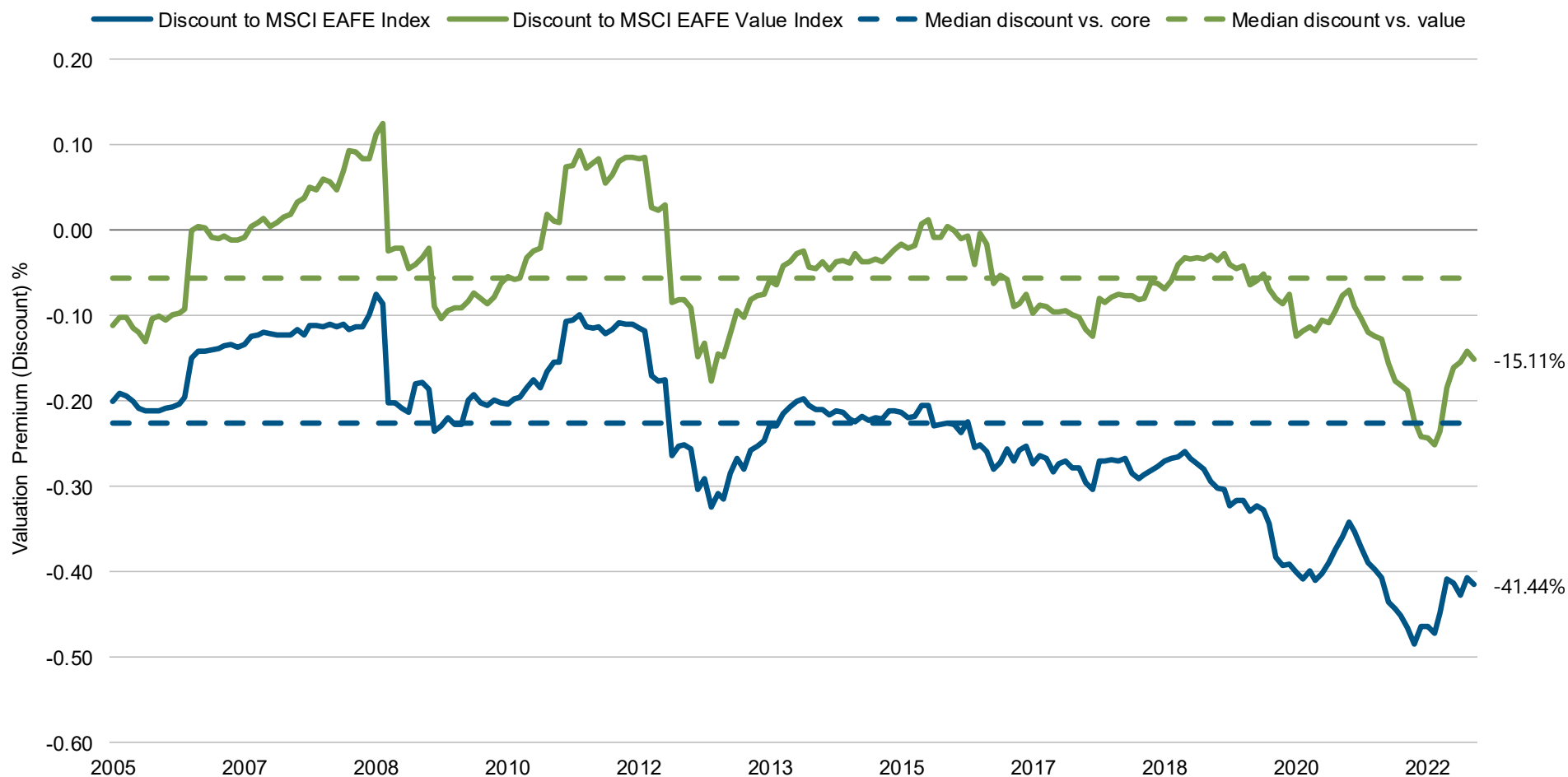


For illustrative purposes only

SOURCE: Research Affiliates, "How Not to Wipe Out With Momentum," "Can Momentum Investing Be Saved?"
Refer to Appendix for additional investment strategy and risk information.

RAE systematically trades against price movements, deepening its discount to the market when value is cheapest

Example: RAE International: Aggregate valuation discount*

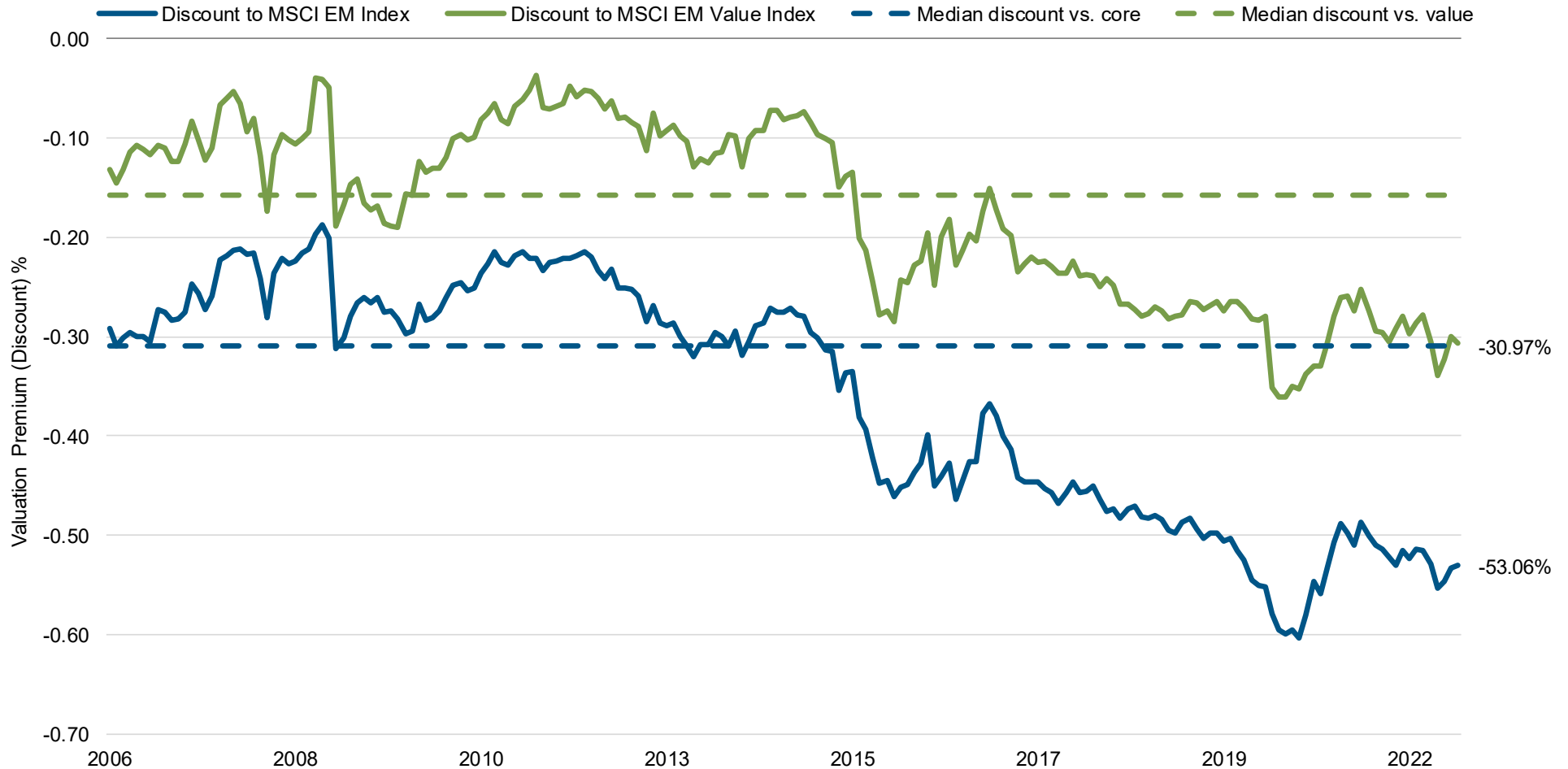


As of 31 December 2022

*Average valuation discount based on price-earnings, price-sales, price-cash flow, price-dividends, price-book since representative account inception.

RAE systematically trades against price movements, deepening its discount to the market when value is cheapest

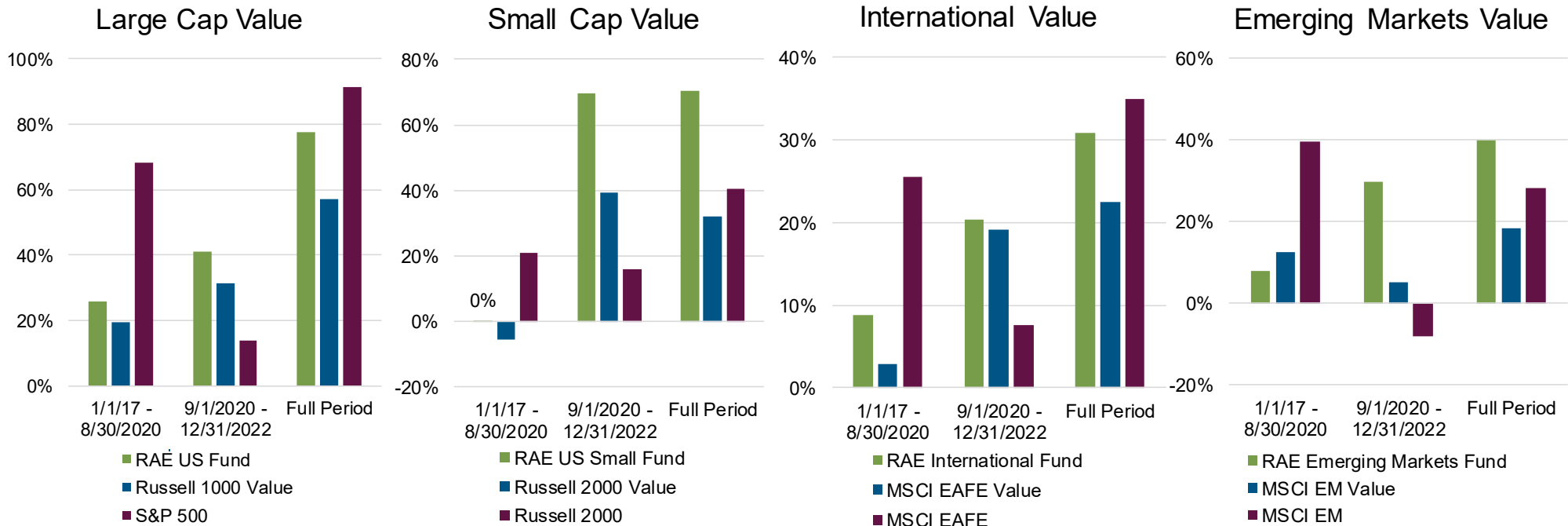
Example: RAE EM: Aggregate valuation discount*



As of 31 December 2022

*Average valuation discount based on price-earnings, price-sales, price-cash flow, price-dividends, price-book since Fund inception

RAE seeks to outperform through the market cycle



RAE's dynamic approach to value investing seeks to lose less when the style is out of favor and amplify returns when it rebounds

Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Investment return and the principal value of an investment will fluctuate. Shares may be worth more or less than original cost when redeemed. Current performance may be lower or higher than performance shown. For performance current to the most recent month-end, visit www.PIMCO.com or call (888) 87-PIMCO.

As of 31 December 2022 SOURCE: PIMCO Performance is shown for the institutional share class after fees. Refer to Appendix for additional index, investment strategy, and risk information.

Systematic equity strategies may represent an attractive alternative or complement to traditional stock picking

Systematic strategies often have the same investment objectives as traditional active but adhere to unemotional, rules-based investment processes

	Systematic Equity	Traditional Active Equity
Stock selection	Model that incorporates quantitative analysis of fundamentals	Team of analysts performing bottom-up research
Security weighting and buy/sell decisions	Rules-based process that does not rely on human emotion	Judgment of portfolio manager
Diversification	Typically broadly diversified and economically representative	Typically concentrated with higher levels of stock-specific risk
Risk factor exposure	Factor exposures are intentional and transparent	Performance may be driven by idiosyncratic risk as well as less transparent factor exposures
Fees	Tend to be lower fee	Tend to be higher fee

SOURCE: PIMCO, Research Affiliates

Refer to Appendix for additional investment strategy and risk information.

Performance

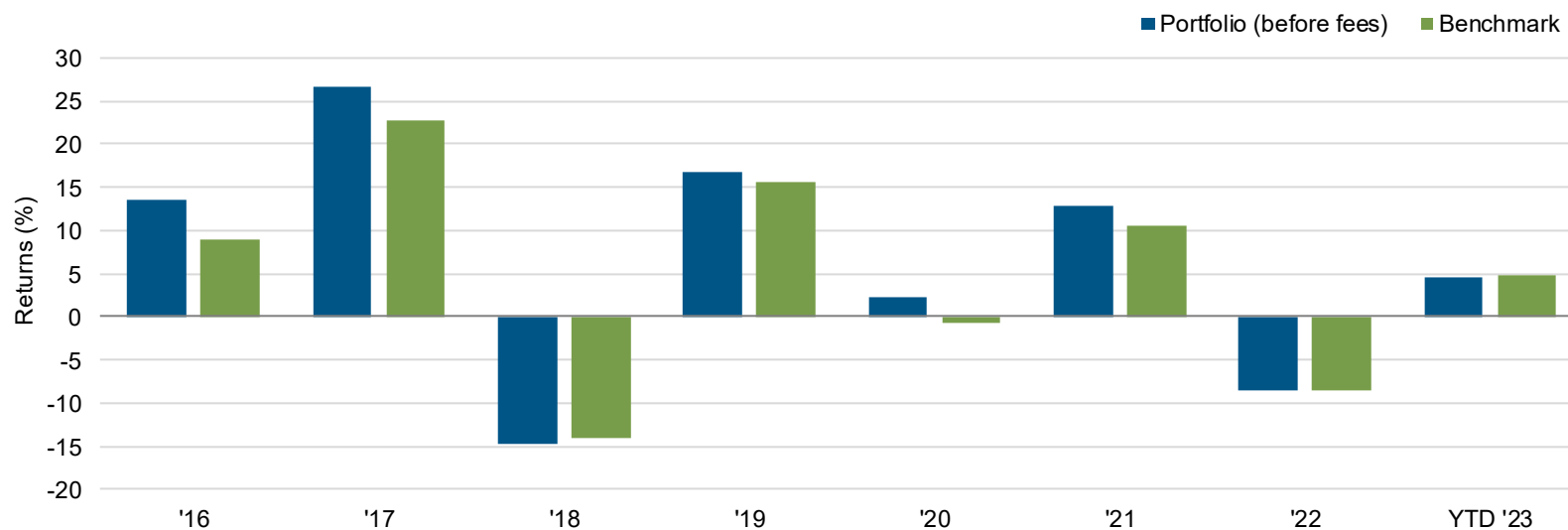


PIMCO RAE Global ex-US Fund performance review

Tulare County Employees' Retirement Association

Market value as of Feb '23	\$ 94,081,720
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Performance

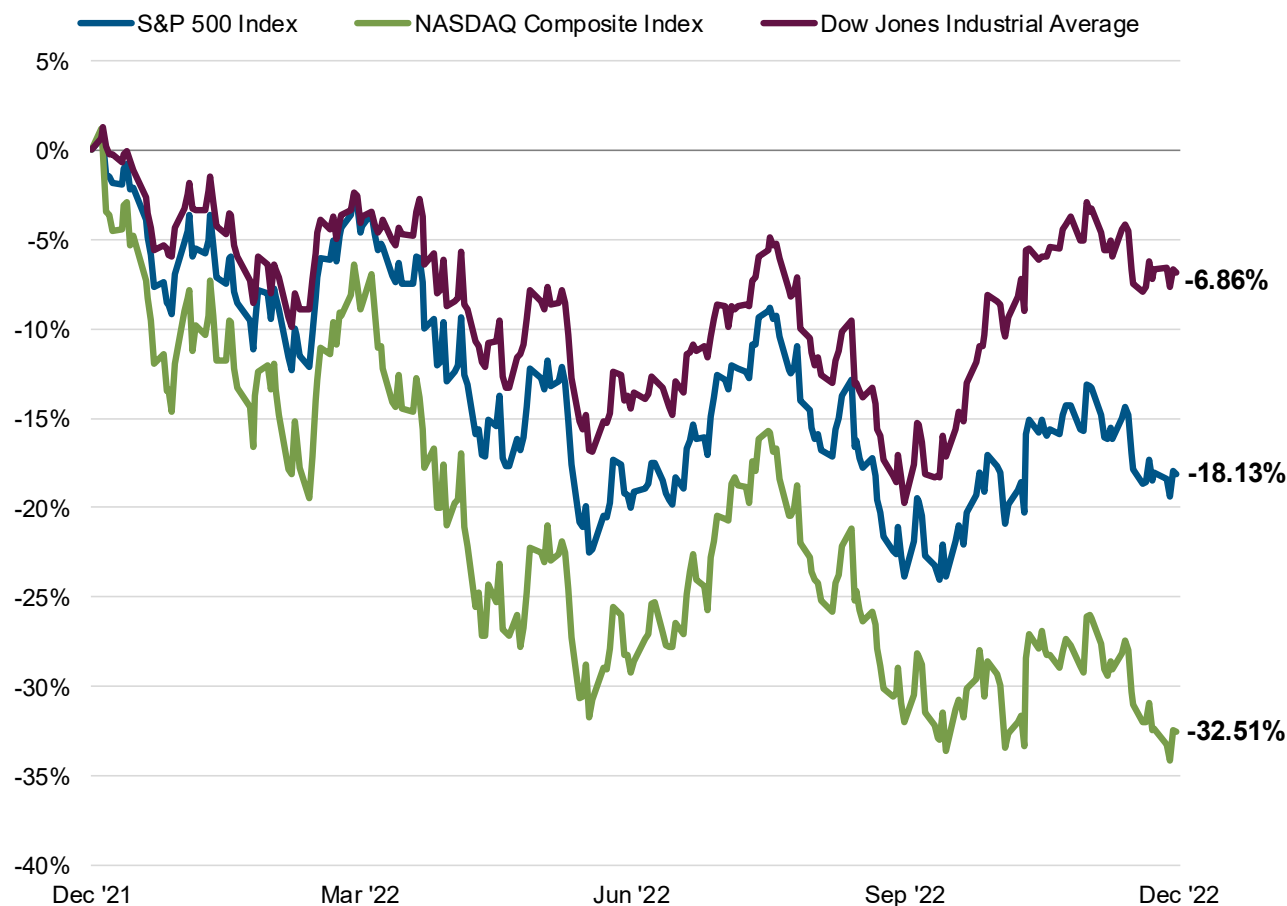


	S.I. 31 Jul '12	10 yrs.	5 yrs.	3 yrs.	1 yr.	6 mos.	3 mos.	YTD 28 Feb '23
Before fees (%)	6.3	4.9	1.7	7.9	-2.6	11.1	3.7	4.7
After fees (%)	5.8	4.5	1.2	7.3	-3.1	10.8	3.6	4.6
MSCI AC World Ex USA (%)	5.1	3.9	1.6	5.3	-7.2	7.3	3.5	4.3
MSCI ACWI Ex. USA Value (%)	4.3	3.0	0.8	6.3	-3.9	9.9	4.8	4.8
Before fees alpha vs. core index (bps)	119	100	13	264	463	383	16	35
Before fees alpha vs. value index (bps)	206	195	100	160	132	120	-114	-14

As of 28 February 2023
All periods longer than one year are annualized.

2022: Markets digested geopolitical turmoil, rising interest rates, inflation, and the rising probability of recession

2022 Returns



Returns (%)	
Size	2022
U.S. Large Cap	-19.1
U.S. Small Cap	-20.5
Style	
Growth	-29.1
Value	-7.5
Sector	
Energy	65.7
Utilities	1.5
Consumer Staples	-0.6
Health Care	-2.0
Industrials	-5.7
Financials	-10.5
Materials	-12.3
Real Estate	-26.5
Information Technology	-28.1
Consumer Discretionary	-37.2
Communication Services	-39.7

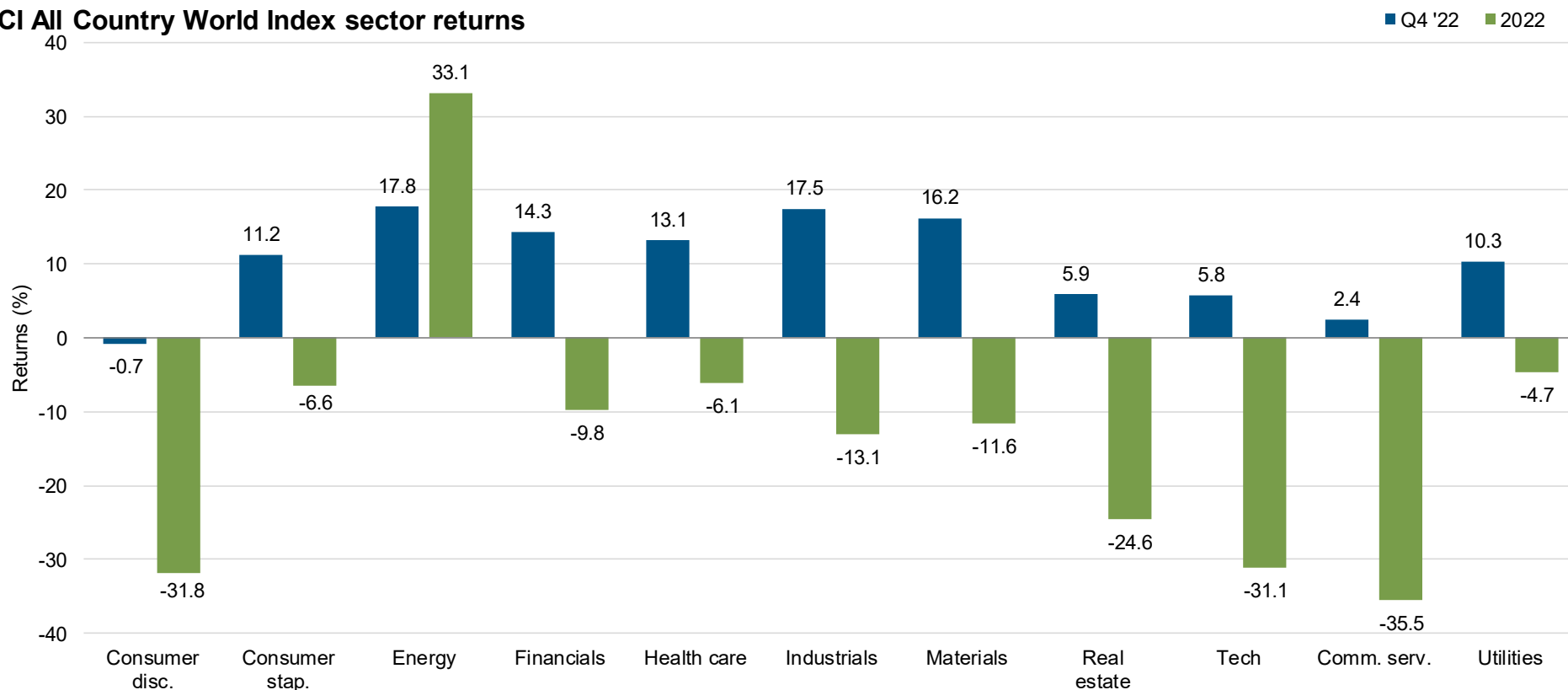
As of 31 December 2022.

SOURCE: Bloomberg. U.S. Large Cap is represented by the Russell 1000 Index, U.S. Small Cap is represented by the Russell 2000 Index, Growth is represented by the Russell 1000 Growth Index, Value is represented by the Russell 1000 Value Index. GICS sectors are shown for the S&P 500 Index.

Refer to Appendix for additional index and risk information.

Most sectors rallied in Q4 but remained largely down for the year with the exception of energy

MSCI All Country World Index sector returns

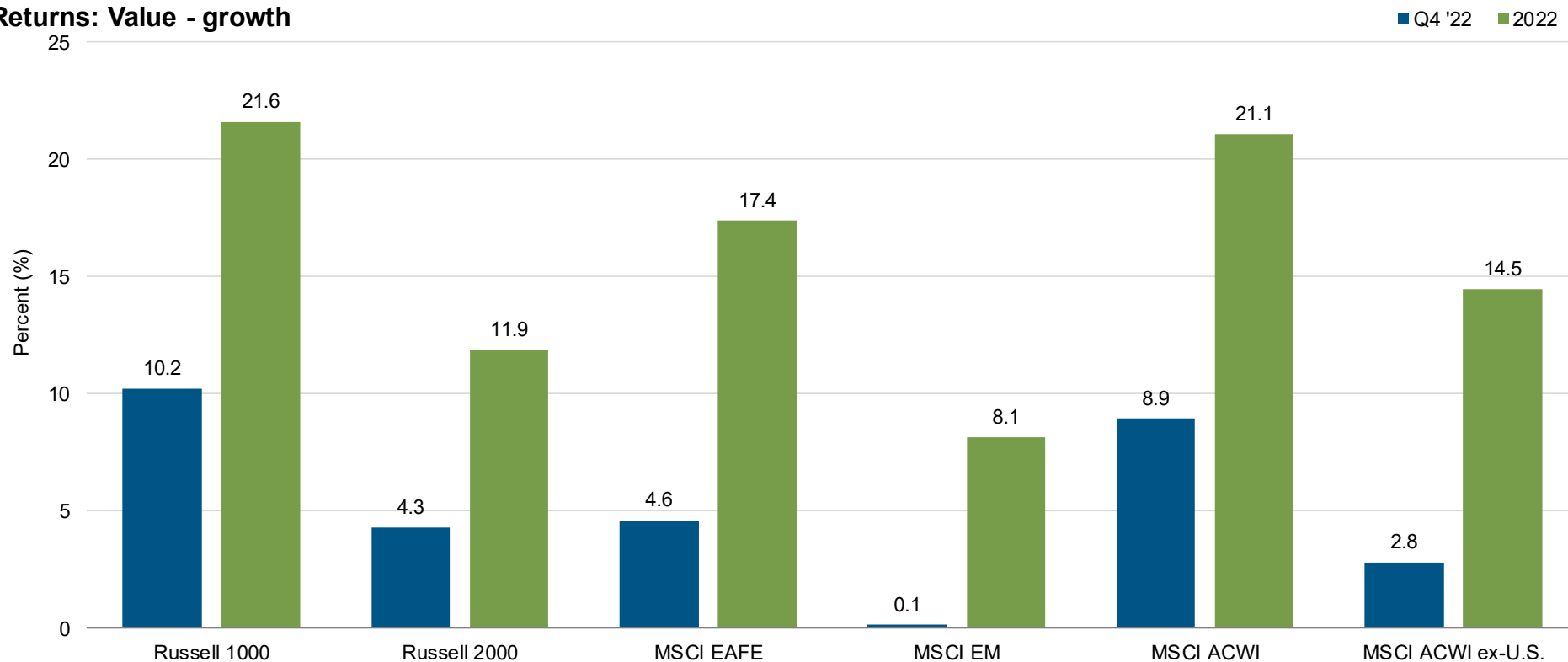


As of 31 December 2022

SOURCE: PIMCO

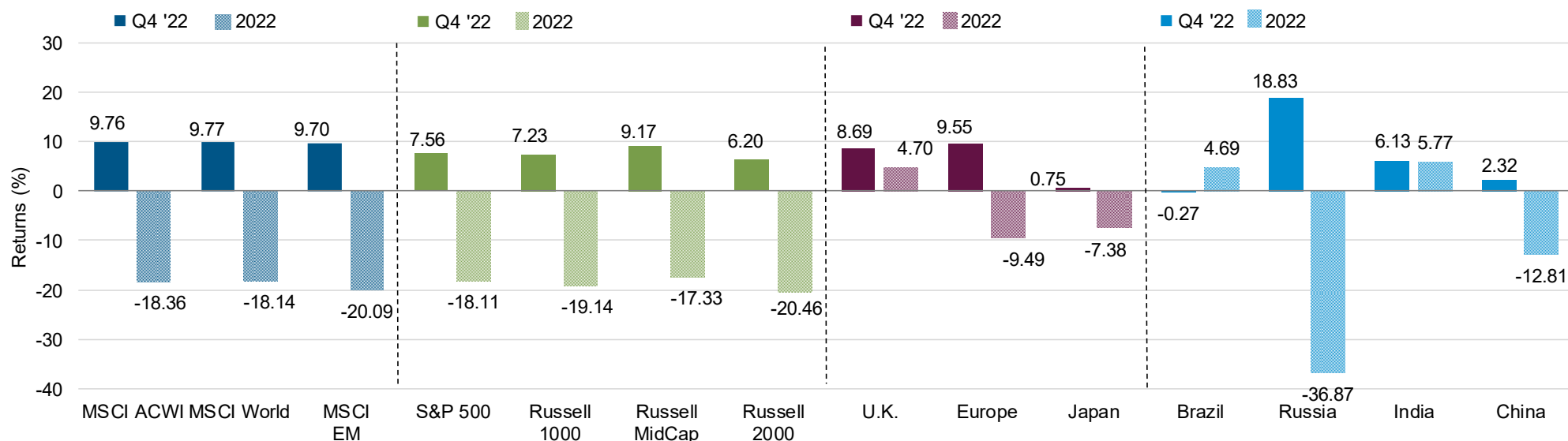
Despite broad market weakness, value outperformed growth handily over the quarter and year

Returns: Value - growth



As of 31 December 2022
SOURCE: Bloomberg

In Q4, global equity markets rallied on hopes for peaking inflation and a deceleration in the pace of rate hikes



Global

- Developed market equities rose 9.8% in the fourth quarter, driven by forecasts that central banks may slow the pace of interest rate hikes in 2023.
- However, performance backtracked in December due to concerns of a potential recession in the upcoming year.
- Tightening financial conditions around the globe continued to prove challenging for growth stocks, as value stocks outperformed by 3.7% in the fourth quarter and 22.7% over the year.
- Despite recording a 9.7% gain in the fourth quarter, emerging markets ended the year 20.1% lower.

U.S.

- U.S. equities rose 7.6% over the quarter but fell 18.1% in 2022.
- Quarterly gains were driven by optimism that the Federal Reserve would ease the pace of interest rate hikes in response to moderating economic momentum.
- Expectations for peaking inflation and a slowing or even pause in the rate hiking cycle drove markets higher, even as financial conditions tightened and earnings growth concerns began to percolate.

Non-U.S. developed markets

- European equities rose 9.5% during the fourth quarter to pare annual losses to 9.5% in 2022.
- Japanese equities rose 3.2% over the fourth quarter and outperformed the majority of developed market indices over the year, falling just 4.1%.
- Performance suffered in December when the Bank of Japan effectively raised interest rates after setting itself apart from other central banks by maintaining an ultra-easy monetary policy for the majority of the year.

Emerging markets

- Chinese equities rose 2.3% over the quarter as investor sentiment improved in response to loosening COVID restrictions and hopes of an economic rebound. However, gains were muted by surging infection rates following the rapid removal of restrictions. Chinese equities finished the year 12.8% lower.
- In Mexico, equities rose 9.9% in Q4 on news that the Mexican Central Bank was nearing the end of its interest rate hiking cycle.
- Indian equities rose 6.1% during the fourth quarter. India has continued to take advantage of the shift in supply chains from China.

As of 31 December 2022. SOURCE: Bloomberg, PIMCO
Global and US Equity indexes represent returns in USD. Non-US Developed and EM indexes represent returns in local currency.

PIMCO RAE Global ex-US LLC vs MSCI ACWI ex-US Value

Q4 2022 sector and country attribution

	RAE GLOBAL EX-US		MSCI ACWI EX-US Value		ATTRIBUTION ANALYSIS			
GICS sector	Average weight (%)	Total return (%)	Average weight (%)	Total return (%)	Allocation effect (bps)	Selection + interaction (bps)	Total currency effect (bps)	Total effect (bps)
Utilities	6.1	28.56	5.3	14.71	0	78	6	83
Materials	15.5	22.85	9.9	20.76	30	12	15	57
Industrials	10.6	22.19	8.6	20.30	8	13	8	29
Real Estate	3.3	18.13	3.4	10.92	2	23	0	25
Consumer Discretionary	14.2	14.49	9.0	12.06	-18	25	9	16
Energy	7.9	14.34	10.6	13.77	3	5	3	11
Consumer Staples	6.1	13.18	6.0	12.38	5	1	4	10
Information Technology	7.5	11.32	6.0	11.18	-3	-3	2	-4
Communication Services	7.1	8.70	4.9	8.16	-16	2	4	-10
Financials	18.5	18.94	29.9	18.13	-37	1	23	-12
Health Care	3.1	9.94	6.3	18.14	-3	-19	-11	-32
Total	100.0	17.41	100.0	15.70	-28	180	20	171

Country	Average weight (%)	Total return (%)	Average weight (%)	Total return (%)	Allocation effect (bps)	Selection + interaction (bps)	Total currency effect (bps)	Total effect (bps)
Top three countries								
Canada	4.50	10.40	8.13	6.46	16	21	19	55
India	3.46	15.10	4.29	5.29	2	35	8	45
Turkey	0.85	85.06	0.15	68.40	36	11	-6	41
Bottom three countries								
France	4.37	22.57	5.74	26.77	-9	-17	-4	-31
Brazil	4.29	0.45	1.65	3.36	-26	-14	-9	-48
Japan	22.31	12.68	14.28	15.07	-34	-53	27	-61

As of 31 December 2022

SOURCE: PIMCO, FactSet

Exposure to Russian equities was written down to zero in the portfolio in March 2022, so Russia has been removed from the universe for attribution purposes.

The attribution analysis contained herein is calculated by PIMCO and is intended to provide an estimate as to which elements of a strategy contributed (positively or negatively) to a portfolio's performance. The attribution results contain certain assumptions that require elements of subjective judgment and analysis. Attribution analysis is not a precise measure and should generally be considered within a range (e.g., +/- 5 bps). Further, attribution analysis should not be relied upon for investment decisions.

Returns are in USD

PIMCO RAE Global ex-US Fund characteristics

Portfolio characteristics	Number of holdings	P/E (Trailing 12-Mo)	P/S	P/B	Dividend yield	Weighted avg market cap (\$mm)
PIMCO RAE Global ex-US LLC	769	6.9	0.5	0.9	4.6	28,796
MSCI ACWI ex-US Value Index	1287	8.6	0.9	1.1	4.8	47,816

Top 10 Holdings	RAE (%)	MSCI ACWI ex-US Value (%)
Shell	3.2	1.8
Japan Post	2.9	0.2
Koninklijke Delhaize	2.9	0.3
Eni	2.3	0.3
Telefonica	1.9	0.2
Nippon Telegraph & Telephone	1.7	--
Magna International	1.6	0.1
Centrica	1.5	--
Panasonic	1.2	0.2
Repsol	1.1	0.2

Top 5 countries	RAE (%)	MSCI ACWI ex-US Value (%)
Japan	24.3	14.5
Netherlands	7.5	3.3
Spain	6.1	2.3
China	5.7	8.7
United Kingdom	5.6	8.4

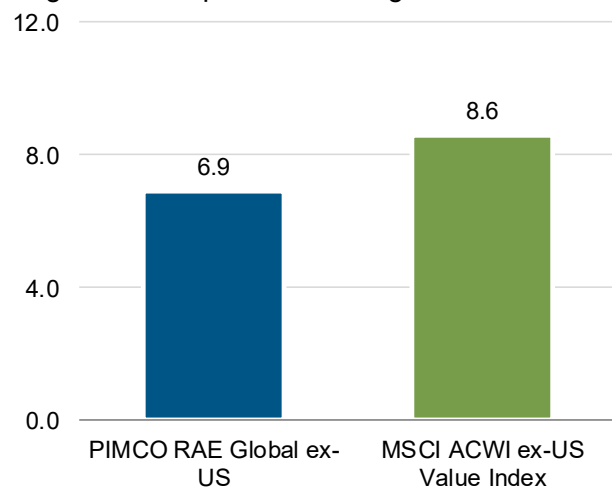
Sector Allocations	RAE (%)	MSCI ACWI ex-US Value (%)
Financials	18.9	30.4
Consumer Discretionary	13.1	8.7
Energy	11.6	10.2
Industrials	9.6	9.6
Utilities	8.2	5.4
Consumer Staples	8.1	4.9
Materials	7.8	10.5
Communication Services	7.7	4.3
Information Technology	7.2	6.2
Health Care	5.0	6.1
Real Estate	2.9	3.5

Market Cap Weights (\$mm)	RAE (%)	MSCI ACWI ex-US Value (%)
> 50,000	19.0	37.4
10,000 - 50,000	43.8	46.0
2,000 - 10,000	31.7	16.5
0 - 2,000	5.5	0.1

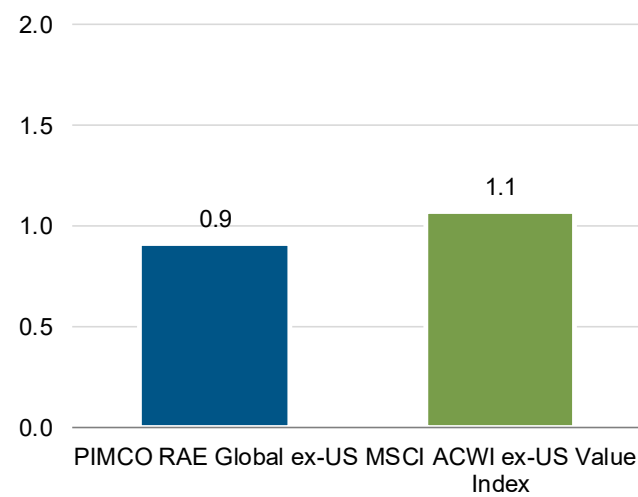
As of 31 December 2022

PIMCO RAE Global ex-US Fund continues to demonstrate an attractive valuation discount

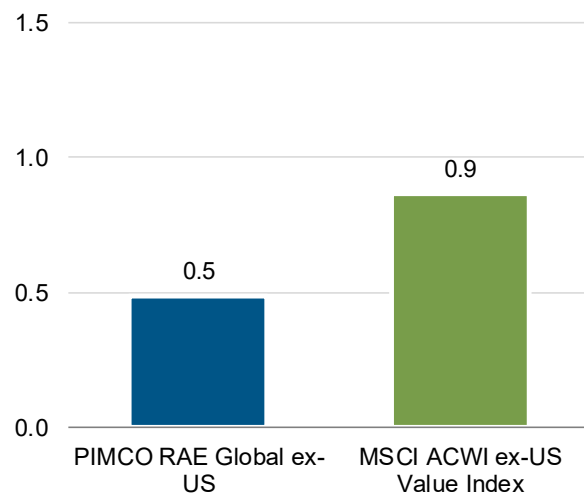
Trailing 12-month price-to-earnings ratio



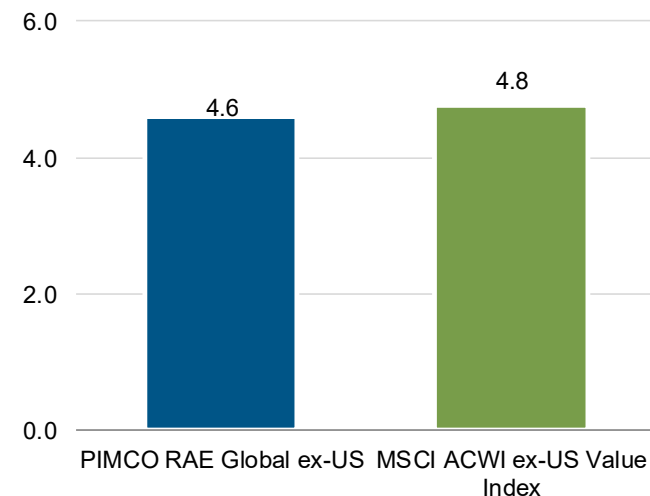
Price-to-book ratio



Price-to-sales ratio



Dividend yield (%)

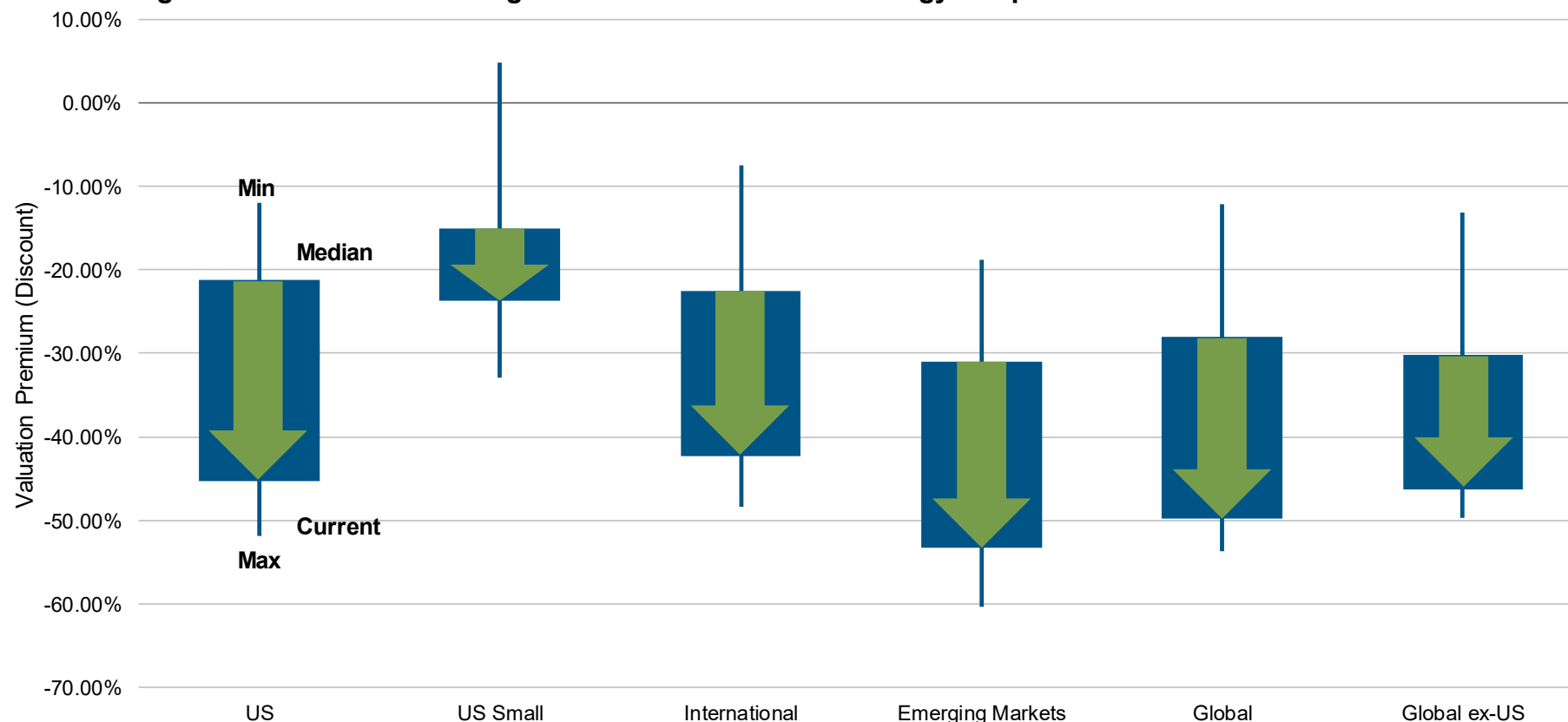


As of 31 December 2022

RAE valuation discount

All strategies are currently cheaper than long-term medians

RAE: Average valuation discount* range vs. a core index since strategy inception



As of 31 December 2022

SOURCE: PIMCO

The terms "cheap" and "rich" as used herein generally refer to a security or asset class that is deemed to be substantially under- or overpriced compared to both its historical average as well as to the investment manager's future expectations. There is no guarantee of future results or that a security's valuation will ensure a profit or protect against a loss.

Average valuation discount based on price-earnings, price-sales, price-cash flow, price-dividends, price-book since strategy inception

US: PIMCO RAE U.S. Composite vs. S&P 500, inception (12/31/2004); US Small: PIMCO RAE U.S. Small Composite vs. Russell 2000, shown since PIMCO inception (6/30/2015), International: PIMCO RAE Composite vs. MSCI EAFE, inception (6/30/2005); Emerging Markets: PIMCO RAE Composite vs. MSCI Emerging Markets, inception (5/31/2006); Global: PIMCO RAE Global Composite vs. MSCI ACWI, inception (12/31/2009); Global ex-US: PIMCO RAE Global ex-U.S. Composite vs. MSCI ACWI ex-U.S., inception (2/28/2010)

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

STAFF SUMMARY EDUCATION REPORT

(Attach copy of Agenda)

NAME OF ATTENDEE:

Lin Young

TRAINING/SEMINAR ATTENDED:

CALAPRS - Monterey

DATES ATTENDED:

MARCH 4-7 2023

TOPICS OF DISCUSSION:

MARCHING FORWARD Theme
Public Pension Trends & Issues - Uncertainty
Trustees - Franchise Duties
Economic Soft Landing - Uncertainty in the Markets
Geopolitical View - Economic & Political: Global View
IA in the Public Sector

REASON MEETING WAS BENEFICIAL:

The Geopolitical Presentation & IA Presentation
were very interesting & informative
- The world is complicated & inter-connected
- IA appears that it can really benefit Public/Gov't
Operations becoming more efficient in serving
the Public

RECOMMENDATION REGARDING FUTURE ATTENDANCE:

It is always good to hear & learn about
new concepts & ideas.

7 1/2 hrs

Signature

LE Young

Date

3/8/2023

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUMMARY EDUCATION REPORT

NAME OF ATTENDEE: Leanne Malison

CONFERENCE/SEMINAR ATTENDED: DWS MARKET AND POLITICAL UPDATE - WEBINAR

DATES ATTENDED: MARCH 15, 2023


NUMBER OF CONTINUING EDUCATION HOURS OBTAINED: 1

TOPICS OF DISCUSSION: David Bianco, Greg Staples and Frank Kelly reviewed the issues with regional banks in the U.S., primarily category 3 banks with lower regulatory requirements. The issues are not credit quality related but are centered on asset/liability mismatch due to the effect of interest rate hikes affecting the mark to market value of high quality assets. Banks are needing to liquidate these assets for liquidity needs and are realizing losses that they would not have seen if the assets could be held to maturity. The government is moving quickly to reassure depositors instill confidence in the banking system. Any change to the approach of the Fed on interest rate hikes was unsure at the time of the webinar. The speakers indicated that regional banks are still in a healthy position although an increase in cost of capital and additional regulations/legislative action are expected.

REASON MEETING WAS BENEFICIAL TO RETIREMENT SYSTEM: The issues discussed have direct impact on the markets and on TCERA's investments. Getting perspectives from experts is beneficial in staying informed.

RECOMMENDATION REGARDING FUTURE ATTENDANCE: *(I.E., SHOULD WE SEND A REPRESENTATIVE IN THE FUTURE? IF SO, WHO SHOULD ATTEND?)*

Staff and trustees should take advantage of manager webinars of interest.


Signature

3/15/23
Date

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SUMMARY EDUCATION REPORT

NAME OF ATTENDEE: Leanne Malison

CONFERENCE/SEMINAR ATTENDED: CALAPRS ADMINISTRATORS INSTITUTE

DATES ATTENDED: MARCH 4-7, 2023

NUMBER OF CONTINUING EDUCATION HOURS OBTAINED: 12

TOPICS OF DISCUSSION: Presentation topics included Ethics, Fiduciary Concerns, Economic Views, Geopolitical Concerns, Investment Outlooks, Artificial Intelligence, Staff Productivity, Digital Opportunities, and LDROM Reporting. The sessions were informative and timely.

REASON MEETING WAS BENEFICIAL TO RETIREMENT SYSTEM: This annual conference offers quality education for staff and trustees. It also provides the opportunity for networking with colleagues from other pension plans.

RECOMMENDATION REGARDING FUTURE ATTENDANCE: (I.E., SHOULD WE SEND A REPRESENTATIVE IN THE FUTURE? IF SO, WHO SHOULD ATTEND?)

Staff and trustees should attend whenever possible.


Signature

3/15/23
Date

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

EDUCATIONAL EVENTS - Board of Retirement

2023

1. **CALAPRS**, Advanced Principles of Pension Governance for Trustees, March 29-31, UCLA Luskin Conference Center, Los Angeles. Agenda in Binder.
2. **DWS**, Resetting Real Estate, April 19-21, 2023, Laguna Cliffs Marriott, Dana Point. Agenda in Binder.
3. **CALAPRS**, Trustees Roundtable, May 5, 2023, (Virtual). Agenda Pending
4. **SACRS**, Spring Conference, May 9-12, Paradise Point Resort & Spa, San Diego, CA. Agenda in Binder.
5. **Invesco**, Real Estate Global Client Conference, November 14-16, The Lodge at Torrey Pines, San Diego, CA. Agenda Pending.



March 2, 2023

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – March 2023**

General Update

The bill introduction deadline was on February 17. By this date, over 2,600 bills were introduced. Many of these bills are “spot” or “intent” bills that do not yet have substantive language and are serving as placeholders until formal bill language is finalized. For these bills to move forward, they will need to be amended with substantive language before being heard in a policy committee.

Legislation of Interest

AB 1020 (Grayson) – CERL Spot Bill. While this bill does not have substantive language at this point in time, we have heard that the author intends to pursue a bill that relates to firefighters and disability retirement. We will keep the Legislative Committee apprised of any movements on this proposal.

AB 739 (Lackey) – PEPRA Defined Benefit Funding. Under the requirements for suspending contributions to a defined benefit plan, this bill would increase the threshold percentage amount of plan funding from more than 120 percent to more than 130 percent. However, after inquiring about the bill, the author’s office informed us that the bill is a “spot” bill (placeholder bill) that will not be moving this year.

SB 252 (Gonzalez) – PERS and STRS Fossil Fuel Divestment. Senator Gonzalez reintroduced her SB 1173 from last session. Like last year, this bill applies to CalPERS and CalSTRS and prohibits the retirement systems from renewing or making new investments in fossil fuel companies as well as requiring them to liquidate existing investments by July 1, 2030, among other requirements. The bill was introduced as part of package of climate legislation.

Public Meeting Bills

Since the onset of the COVID-19 pandemic, teleconferencing flexibilities have become a subject of interest in California’s Legislature, with local government

groups sponsoring various bills on the topic since 2021. This session is no exception, and a handful of bills have been introduced:

AB 557 (Hart) - AB 361 Sunset Extension. This bill would remove the sunset established in AB 361 (R. Rivas) as well as increase the time period when the Board must renew the findings of an emergency or need for social distancing from 30 days to 45 days. The provisions would allow Boards to utilize the flexibilities during times of public health emergencies.

SB 411 (Portantino) - Teleconferencing for Appointed Bodies. This bill would allow local legislative bodies with appointed members to use teleconferencing indefinitely regardless of the presence of an emergency. We have heard however that the author intends for this bill to apply only to Los Angeles Neighborhood Councils.

Bills without substantive language:

SB 537 (Becker) - Intent for Brown Act Teleconference Flexibilities. Senator Becker introduced a bill that declares his intent to expand public meetings through teleconference and remote access. We will monitor the bill for when substantive language is included.

AB 817 (Pacheco) – Open Meetings Spot Bill. Assemblymember Pacheco introduced a spot bill on open meetings. The bill does not yet have substantive language, and like SB 537, we will monitor for amendments.

TCERA Board of Retirement 2023 Trustee Education/Presentation Calendar

Month	Meeting Date	Education/Presentation Topics
January	January 11 January 25	
February	February 8 February 22	Parliamentary Procedures Education – Counsel 12/31/22 Investment Report – Verus
March	March 8 March 22	PIMCO RAE SGA
April	April 12 April 26	Disability Education – Counsel (Tentative) Invesco IFM
May	SACRS – May 9-12 May 24	3/31/23 Investment Report – Verus Strategic Asset Allocation Review - Verus
June	June 14 June 28	Pathway
July	July 12 July 26	BlackRock (Fixed Income) DoubleLine
August	August 9 August 23	6/30/23 Investment Report – Verus Investment Manager Fee Review

September	September 13	Strategic Planning Session
	September 27	Boston Partners Leeward
October	October 11	Preliminary Actuarial Analysis and Presentation of Three-Year Experience Study – Cheiron
	October 25	Private Markets Review - Verus
November	November 1 - due to SACRS	Actuarial Valuation Report - Cheiron
	SACRS Nov 7-10 November 15 - due to Thanksgiving Holiday	9/30/23 Investment Report
December	December 13	Brown Armstrong – Audit Results

Expected 2024 Investment Manager Regular Biennial Presentations:

QMA (PGIM)
Sixth Street
RREEF
Ocean Avenue
William Blair
KBI
PGIM (EM Debt)
American Realty
MacKay Shields