



# COUNTY OF TULARE BOARD OF RETIREMENT

**Leanne Malison**  
Retirement Administrator

136 N AKERS STREET  
VISALIA, CALIFORNIA 93291

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[www.tcera.org](http://www.tcera.org)

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

## **NOTICE OF TEMPORARY PROCEDURES FOR BOARD OF RETIREMENT MEETINGS**

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

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

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

### **I. CALL TO ORDER**

### **II. ROLL CALL**

### **III. PLEDGE OF ALLEGIANCE**

### **IV. PUBLIC COMMENT**

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

## **V. X-AGENDA ITEMS**

### **VI. DISABILITIES**

1. Discussion and possible action regarding requests for disability hearings via live streaming in lieu of in person proceedings.
2. Accept as filed the request from Jacilyn Long to withdraw her disability retirement application.
3. Accept as filed the Disability Status Report Overview.

### **VII. CONSENT CALENDAR**

1. Approve Minutes of the following meetings:
  - a. Retirement Board Minutes of August 25, 2021.
2. Approve payments to:
  - a. BlackRock – invoice for investment management services in the amount of \$72,425.24 for the quarter ended June 30, 2021.
  - b. State Street Global Advisors MSCI ACWI Ex USA NL Fund – invoice for investment management services in the amount of \$15, 558.77 for the period April 1 to June 10, 2021.
  - c. State Street Global Advisors MSCI ACWI Ex USA SL Fund – invoice for investment management services in the amount of \$3,316.90 for the period June 10 through June 30, 2021.
  - d. State Street Global Advisors S&P 500 Flagship NL Fund – invoice for investment management services in the amount of \$7,317.79 for the period April 1 to June 10, 2021.
  - e. State Street Global Advisors S&P 500 Flagship SL Fund – invoice for investment management services in the amount of \$1,166.42 for the period June 10 through June 30, 2021.
  - f. State Street Global Advisors Russell Small Cap Completeness Index NL Fund – invoice for investment management services in the amount of \$4,378.81 for the period April 1 to June 10, 2021.
  - g. State Street Global Advisors U.S. Extended Market Index SL Fund – invoice for investment management services in the amount of \$801.25 for the period June 10 through June 30, 2021.
3. Pension Board Reports and Actions
  - a. Ratify Retirement Administrator actions regarding Retirement Application approvals and Option Selections for the month of August 2021.
  - b. Approve Reports regarding Retirement Applications, Option Selections and Deceased Pensioners and 30-Year Members for the month of August 2021.

### **VIII. ADMINISTRATIVE COMMITTEE REPORT**

1. Update by Dave Kehler regarding the Administrative Committee meeting of August 25, 2021.

Discussion and possible action regarding the following items:

  - a. TCERA and TCERA Property, Inc. Preliminary Financial Statements – June 30, 2021 and July 31, 2021.
  - b. TCERA's Consultants Review Procedures.
  - c. TCERA's Revised Service Agreement with the County of Tulare.

### **IX. INVESTMENTS**

1. Presentation from Invesco regarding TCERA's investment allocation to Real Estate Debt.

Discussion and possible action.
2. Presentation from State Street Global Advisors (SSGA) regarding TCERA's investment allocation to equity index funds.
3. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

## **X. NEW BUSINESS**

1. Discussion and possible action regarding report from TCERA's Actuarial Assumptions ad hoc Committee.
2. Discussion and possible action regarding adoption of Amendment to Resolution Regarding Pay Codes Included as Pensionable Income.
3. Discussion and possible action regarding SACRS Voting Proxy Form and selection of the Voting Delegate and Alternate Voting Delegate for the November SACRS Conference.
4. Discussion and possible action regarding the rates for crediting interest to TCERA member accounts and reserves for the six-month period ended June 30, 2021.

## **XI. OLD BUSINESS**

1. Discussion and possible action regarding Addendum No. 1 to Verus Investment Consulting Agreement.

## **XII. EDUCATION ITEMS**

1. Discussion and possible action regarding available educational events.

## **XIII. COMMUNICATIONS**

1. Discussion and Possible Action regarding Courtyards Property Owners Association Board of Directors Election/Annual Meeting.

## **XIV. UPCOMING MEETINGS**

1. Investment Committee Meeting September 8, 2021, 10:30 a.m.
2. Board of Retirement Meeting September 22, 2021, 8:30 a.m.
3. Administrative Committee Meeting September 22, 2021, 10:30 a.m.

## **XV. TRUSTEE/STAFF COMMENTS**

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

## **XVI. ADJOURNMENT**

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



# COUNTY OF TULARE


## BOARD OF RETIREMENT

**Leanne Malison**  
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### MEMORANDUM

TO: Board of Retirement  
FROM: Leanne Malison, Retirement Administrator   
DATE: September 8, 2021  
RE: Requests for Disability Hearings via Live Streaming In Lieu of In Person Proceedings

TCERA's approved Disability Procedures do not provide an option for allowing a disability hearing to be conducted using live streaming technology in lieu of in person hearing proceedings. Staff is requesting direction regarding the response to requests by applicants and/or their attorneys to conduct disability hearings using this technology.

**Background:** TCERA's disability hearings are conducted in person either at TCERA's office or at the hearing officer's place of business. Those attending the hearings include the hearing officer, the applicant, applicant's counsel (if any), TCERA's disability counsel, a court reporter, and witnesses. There has been no change or exception made to this procedure during the declared emergency. Safety precautions as dictated by the State of California and the County of Tulare are enforced. Staff is requesting direction at this time in order to be properly respond to applicants' requests.

**Options:** Some possible options for the Board's consideration include:

1. Affirm TCERA's current practice of in person disability hearings. Confirm that disability hearings conducted via live streaming technology are not allowed.
2. Allow the option for disability hearings to be conducted via live streaming technology when requested.
3. Allow the option for disability hearings to be conducted via live streaming technology during a declared emergency when the safety precautions required by the State of California and/or the County of Tulare do not allow for an in person hearing. If the in person hearing can be conducted while meeting the safety guidelines, a hearing using live streaming would not be allowed.
4. Allow the option for disability hearings to be conducted via live streaming technology for specific circumstances. Examples might include a situation where a hearing attendee is a member of an at-risk group, cannot get vaccinated due to health reasons, and/or lives with a person who cannot get vaccinated either due to ineligibility due to age or for health reasons. Documentation from a physician as defined in the disability procedures would be required to support the request. An in person hearing would be required under all other circumstances.
5. A combination of options 3 and 4, allowing for a hearing via live streaming technology when the safety precautions required by the State of California and/or the County of Tulare do not allow for an in person hearing OR the applicant/attorney are at risk because of documented health conditions.



6. Any of the above options with caveat that the Retirement Administrator may direct that the hearing be postponed if the reasons for requesting a hearing via live stream are expected to resolve in a short period of time.

TCERA Staff is of the opinion that an in person hearing is far preferable to the use of video technology. Disability hearings are important legal proceedings that should not be subjected to the uncertainty and unreliability of live streaming technology whenever possible. Staff is also aware that the current pandemic is a serious matter that deserves careful consideration as to how it affects the disability hearing process. Staff appreciates the Board's consideration of the appropriate use of this technology as it applies to TCERA's disability hearing procedures.

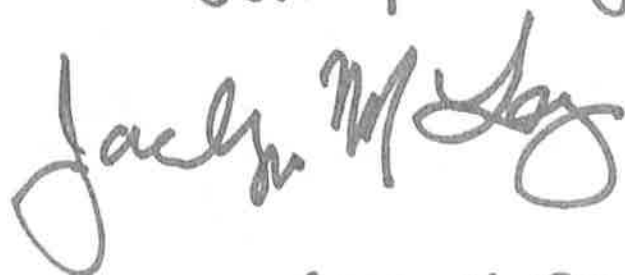
Attn: Adriana Gonzales-Chang

To whom it may concern,

I, Jacilyn Long, have reviewed both retirement & disability retirement estimates. I have made the decision to choose retirement rather than disability retirement due to the percentage I will be receiving.

Thank You,

Jacilyn Long

A handwritten signature in dark ink, appearing to read 'Jacilyn Long', with a stylized, cursive script.

August 20, 2021

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
*(16 Active Disability Applications)*

**02 - Pending Receipt of Medical Records**

**7/16/21 Boren, Rosemarie (Christene Brown)**      **Sher-Op-Marijuana Suppression/General Member Orthopedic/Service Connected Disability**

**Active**      **Eligible for Service Retirement = Yes**

7/16/21 Disability Application Packet Received and Reviewed  
7/16/21 DMS Notified of Disability Application Filing  
7/23/21 Disability Application Documents Scanned  
7/23/21 Disability File Folder Created  
7/23/21 Infolinx Setup  
8/3/21 Employment Records Requested  
8/3/21 Tulare County Health Centers Records Received  
Additional Remarks : Not a patient

**6/23/21 Franks, Ixchel (Christene Brown)**      **TCSO-Youth Services/Safety Member Orthopedic/Service Connected Disability**

**Presumptive Indicator: N**  
**Active**

**Eligible for Service Retirement = No**

6/23/21 DMS Notified of Disability Application Filing  
6/23/21 Disability Application Packet Received and Reviewed  
6/24/21 Disability Application Documents Scanned  
6/24/21 Disability File Folder Created  
6/24/21 Infolinx Setup  
6/29/21 Benefit Estimate Sent to DMS  
7/2/21 Employment Records Requested  
Additional Remarks : due 7/30/21  
7/6/21 Tulare County Health Centers Records Received  
Additional Remarks : None on file

**10/29/20 Lack, Tonnya (Adriana Gonzales-Chang)**

**Prob-Juvenile Detention/Safety Member**

**Presumptive Indicator: N**  
**Active**

**Eligible for Service Retirement = Yes**

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
*(16 Active Disability Applications)*

11/5/20 Disability Application Packet Received and Reviewed  
11/18/20 Disability Application Documents Scanned  
11/18/20 Disability File Folder Created  
11/18/20 Infolinx Setup  
12/2/20 Employment Records Requested  
Additional Remarks : 7/6/21 mailed reminder for medical records, due 8/17/21  
1/8/21 County Department Records Received  
Additional Remarks : Probation Dept  
1/8/21 Disability Findings Summary Prepared  
1/8/21 HR & D Records Received  
1/8/21 Tulare County Health Centers Records Received  
Additional Remarks : No records  
6/10/21 Risk Management Records Received

**7/12/21 Palma, Irma (Christene Brown)**

**HHS-HS-Lindsay District Off/General Member  
Orthopedic/Service Connected Disability**

**Active**

**Eligible for Service Retirement = Yes**

7/13/21 Disability Application Packet Received and Reviewed  
7/13/21 DMS Notified of Disability Application Filing  
7/13/21 Disability Application Documents Scanned  
7/13/21 Disability File Folder Created  
7/13/21 Infolinx Setup  
7/14/21 Employment Records Requested  
Additional Remarks : Dept recs due 8/13/21, med recs due 8/23/21  
7/20/21 Tulare County Health Centers Records Received  
Additional Remarks : Certificate of No Records received

**7/24/20 Minor, Bryan (Adriana Gonzales-Chang)**

**Sher-Op-Porterville/Safety Member Disease/  
Non-Service Connected Disability**

**Presumptive Indicator: Y**

**Retired**

**Eligible for Service Retirement = Yes**

7/28/20 Disability Application Packet Received and Reviewed  
7/28/20 Disability Application Documents Scanned  
7/28/20 Disability File Folder Created  
7/28/20 Infolinx Setup

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
*(16 Active Disability Applications)*

8/3/20 Employment Records Requested

Additional Remarks : due 8/31/2020; All dept recs received. pending med recs; 12/9/20 mailed reminder to member re: pending medical records; 4/1/21 Notified member of pending medical records; 6/18/21 called member re pending records and mailed letter, records due 7/16/21

8/14/20 DMS Notified of Disability Application Filing

8/14/20 Tulare County Health Centers Records Received

Additional Remarks : none on file

11/5/20 County Department Records Received

Additional Remarks : Sheriff Dept

11/5/20 HR & D Records Received

11/5/20 Risk Management Records Received

Additional Remarks : none on file

**5/6/21 Mahler, Tina (Christene Brown)**

**County Counsel/General Member**

**Retired**

**Eligible for Service Retirement = Yes**

5/6/21 Disability Application Packet Received and Reviewed

5/6/21 Member Sent Authorization and Questionnaire

5/18/21 Disability Application Documents Scanned

5/18/21 Disability File Folder Created

5/18/21 Infolinx Setup

5/25/21 Employment Records Requested

7/6/21 HR & D Records Received

7/6/21 Risk Management Records Received

Additional Remarks : Dept records received, pending workers comp records; 7/9/21 Workers Comp recs received

**04 - IME Scheduled/Pending Report**

**12/11/20 Corazzini, Tracie (Adriana Gonzales-Chang)**

**Tulare County Fire Dept/Safety Member  
Orthopedic/Service Connected Disability**

**Presumptive Indicator: N**

**Active**

**Eligible for Service Retirement = No**

12/21/20 Disability Application Documents Scanned

12/21/20 Disability Application Packet Received and Reviewed

12/23/20 Benefit Estimate Sent to DMS

12/23/20 DMS Notified of Disability Application Filing

12/23/20 Employment Records Requested

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
*(16 Active Disability Applications)*

Additional Remarks : due 1/21/21

12/23/20 Disability File Folder Created

12/23/20 Infolinx Setup

2/9/21 Tulare County Health Centers Records Received

Additional Remarks : Declaration of Custodian of Records received

2/9/21 Risk Management Records Received

2/9/21 HR & D Records Received

2/9/21 County Department Records Received

Additional Remarks : Fire Department

7/13/21 IME Appointment Scheduled

Additional Remarks : 6/9/21 Request for appt sent; IME Appt scheduled on 8/25/21 in Clovis  
8/25/21 IME Appt rescheduled for 09/23/21 in Clovis, new appt letter sent today.

7/13/21 IME Appointment Letter to Member Sent

Additional Remarks : 8/25/21 Rescheduled IME for 9/23/21, new appt letter sent out today

**4/29/19 Hoogeveen, Sonja (Adriana Gonzales-Chang) Library-Visalia/General Member Disease/Service Connected Disability**

**Retired**

**Eligible for Service Retirement = Yes**

4/30/19 Disability Application Documents Scanned

4/30/19 Disability File Folder Created

4/30/19 Infolinx Setup

5/14/19 Disability Application Packet Received and Reviewed

5/15/19 DMS Notified of Disability Application Filing

5/15/19 Employment Records Requested

Additional Remarks : due 6/14/19; reminder sent to TCHC, records due 7/25/19; 7/12/19 All dept records received, pending medical records from appl; 7/24/19 mailed 1st reminder to appl for pending med recs; 7/6/21 mailed 2nd reminder for medical records, due 8/17/21

5/30/19 Risk Management Records Received

7/10/19 County Department Records Received

Additional Remarks : Library Dept

7/10/19 HR & D Records Received

**1/25/21 Carlson, Jerry (Adriana Gonzales-Chang)**

**RMA-TR-Fleet Central Shop/General Member Orthopedic/Service Connected Disability**

**Active**

**Eligible for Service Retirement = Yes**

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
*(16 Active Disability Applications)*

1/26/21 Disability Application Packet Received and Reviewed

1/26/21 DMS Notified of Disability Application Filing

2/8/21 Disability Application Documents Scanned

2/8/21 Infolinx Setup

2/8/21 Disability File Folder Created

2/8/21 Employment Records Requested

Additional Remarks : due 3/10/21; 4/15/21 letter sent to member re pending med recs, Risk Management records are still pending; 4/21/21 - Risk Management records received, pending written request from member to be excused from obtaining remaining medical records; 4/28/21 Case added to 5/5/21 IRC agenda; 5/14/21 Second request to be excused from obtaining medical records, under review; 5/19/21 letter sent to member regarding pending med recs with instructions, order submitted for previous PCP records.; 7/16/21 All medical records received.

2/8/21 Tulare County Health Centers Records Received

Additional Remarks : Declaration of Custodian of Records received 2/8/21

3/10/21 County Department Records Received

Additional Remarks : RMA Dept

3/10/21 HR & D Records Received

4/23/21 Risk Management Records Received

8/3/21 IME Appointment Scheduled

Additional Remarks : 7/16/21 IME Requested; 8/2/21 Appt scheduled on 9/14/21 in Visalia, pending add'l appt details to send notice to applicant

8/10/21 IME Appointment Letter to Member Sent

**5/7/21 Chabrajez, John (Christene Brown)**

**Sher-Dt-Main Jail/Safety Member**

**Presumptive Indicator: N**

**Active**

**Eligible for Service Retirement = No**

5/7/21 DMS Notified of Disability Application Filing

5/7/21 Disability Application Packet Received and Reviewed

5/18/21 Disability Application Documents Scanned

5/18/21 Disability File Folder Created

5/18/21 Infolinx Setup

5/25/21 Employment Records Requested

7/6/21 HR & D Records Received

7/20/21 Risk Management Records Received

7/20/21 Tulare County Health Centers Records Received

Additional Remarks : Certificate of No Records received

8/13/21 IME Appointment Letter to Member Sent

8/13/21 IME Appointment Scheduled

Additional Remarks : 09-30-21 In Rancho Cordova. In person IME

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
(16 Active Disability Applications)

**3/25/21 Fernandez, Gene (Christene Brown) Prob-Admin-Visalia/Safety Member**  
**Presumptive Indicator: N**  
**Retired** **Eligible for Service Retirement = Yes**

3/31/21 Disability Application Packet Received and Reviewed

Additional Remarks : TPS had white out- Leanne stated we can accept packet and date stamp, but he will need to provide a clean TPS. Letter sent to physician and member contacted by JBurks

3/31/21 Disability Interview/Application Packet Provided

3/31/21 Member Sent Authorization and Questionnaire

4/21/21 Disability Application Documents Scanned

4/21/21 Disability File Folder Created

4/21/21 Infolinx Setup

6/18/21 County Department Records Received

6/18/21 Employment Records Requested

6/18/21 HR & D Records Received

6/18/21 Risk Management Records Received

6/18/21 Tulare County Health Centers Records Received

7/7/21 IME Appointment Scheduled

Additional Remarks : IME Appt on 8/6/21 in Bakersfield

7/7/21 IME Appointment Letter to Member Sent

**08 - Board Agenda/Pending Decision**

**4/3/19 Lujano, Rose (Adriana Gonzales-Chang) HHS-HS-Visalia District Off/General Member**

**Retired** **Eligible for Service Retirement = Yes**

4/3/19 Disability Application Documents Scanned

4/3/19 Disability File Folder Created

4/3/19 Infolinx Setup

4/9/19 DMS Notified of Disability Application Filing

4/9/19 Employment Records Requested

7/10/19 County Department Records Received

Additional Remarks : HHSA Dept

7/10/19 HR & D Records Received

7/10/19 Risk Management Records Received

4/21/21 IME Appointment Scheduled



**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
(16 Active Disability Applications)

Additional Remarks : App scheduled on 5/26/21 in Clovis

5/19/21 IME Appointment Letter to Member Sent

Additional Remarks : Sent on 4/23/21

6/10/21 IME Reports Received

6/18/21 Accommodation Memo Sent

Additional Remarks : due 7/9/21

8/3/21 Accommodation Response Received

8/3/21 IRC Meeting Scheduled

Additional Remarks : On 8/25/21 IRC agenda

9/1/21 Added to Board Meeting Agenda

Additional Remarks : On 9/22/21 Board agenda

**7/28/20 Perez, Clorinda (Adriana Gonzales-Chang)**

**Ag Commissioner/Sealer/General Member**

**Active**

**Eligible for Service Retirement = No**

7/28/20 Disability Application Packet Received and Reviewed

8/14/20 Disability Application Documents Scanned

8/14/20 Disability File Folder Created

8/14/20 Infolinx Setup

10/27/20 DMS Notified of Disability Application Filing

10/27/20 Employment Records Requested

Additional Remarks : Due 9/14/20; 10/27/20 - All County records received, member notified by phone of pending medical records; 12/9/20 letter mailed to applicant re: pending medical records; 3/10/21 All records have been received. Medical records sent for summarization

10/27/20 County Department Records Received

Additional Remarks : Ag Comm

10/27/20 HR & D Records Received

10/27/20 Risk Management Records Received

10/27/20 Tulare County Health Centers Records Received

Additional Remarks : None on file.

4/28/21 IME Appointment Letter to Member Sent

4/28/21 IME Appointment Scheduled

Additional Remarks : 4/23/21 - IME appt requested; Appt scheduled on 6/19/21 in Clovis

7/16/21 IME Reports Received

7/16/21 Accommodation Memo Sent

Additional Remarks : Due 8/6/21

7/28/21 Accommodation Response Received

7/28/21 IRC Meeting Scheduled

Additional Remarks : On 8/25/21 IRC agenda

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
*(16 Active Disability Applications)*

9/1/21 Added to Board Meeting Agenda  
Additional Remarks : On 9/22/21 Board Agenda

**09 - Referred to Hearing/Pending HO Recommendation**

**7/31/19 Hays, Mark (Adriana Gonzales-Chang)** **TC Association of Governments/General Member**

**Retired**

**Eligible for Service Retirement = Yes**

3/9/15 Disability Interview/Application Packet Provided  
8/1/19 Disability Application Documents Scanned  
8/1/19 Disability Application Packet Received and Reviewed  
8/1/19 Disability File Folder Created  
8/1/19 Infolinx Setup  
8/7/19 DMS Notified of Disability Application Filing  
8/7/19 Employment Records Requested  
8/8/19 Tulare County Health Centers Records Received  
Additional Remarks : No records for this member.  
8/8/19 Disability Findings Summary Prepared  
8/21/19 County Department Records Received  
11/12/19 Employment Records Reviewed  
11/12/19 IME Appointment Letter to Member Sent  
11/12/19 IME Appointment Scheduled  
Additional Remarks : NDE Dr. Klassen in Fresno.  
1/30/20 HR & D Records Received  
1/30/20 IME Notify Letter Sent to TPMSF  
1/30/20 IME Reports Received  
Additional Remarks : Received 12/16/2020  
1/30/20 Risk Management Records Received  
7/3/20 Accommodation Memo Sent  
Additional Remarks : Accommodation letter sent to Risk on 5/4/2020, due 5/26/20; 6/23/20 -  
Update: Risk is pending additional info from dept, report is still pending  
8/3/20 Accommodation Response Received  
8/3/20 IRC Meeting Scheduled  
Additional Remarks : On 8/26/2020 agenda  
9/24/20 Accommodation Response Reviewed  
11/30/20 Added to Board Meeting Agenda  
Additional Remarks : On Retirement Board Agenda for 11/18/2020.  
11/30/20 Board Decision Letter Sent to Applicant

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
*(16 Active Disability Applications)*

Additional Remarks : Board denied SCDR on 11/18/2020.

11/30/20 Board Meeting Notification Letter Sent

11/30/20 Hearing Request Form Received

Additional Remarks : formal hearing

5/6/21 County Counsel Client Request Form Sent

5/6/21 Exhibits Prepared and Sent

Additional Remarks : deadline to submit list of additional records is 3/4/21; 3/3/21 Hearing scheduled on 7/7/21, notice sent out; Received list of designated records, physical records due 5/3/21; 5/6/21 list of witnesses sent to hearing office and parties

5/12/21 Augmented Exhibits Prepared and Sent, if applicable

Additional Remarks : Still pending add'l designated recs, admin approved to send later; 6/8/21 second set of augmented exhibits delivered, Still pending add'l designated recs, admin approved to send later; 6/24/21 Hearing rescheduled to 9/15/21, notice sent out; 07/13/21 Last set of augmented exhibits delivered

**11/12/19 Milton, Sheryl (Adriana Gonzales-Chang)**

**HHS-Admin Human Resources/General Member  
Multiple/Service Connected Disability**

**Active**

**Eligible for Service Retirement = No**

11/13/19 Disability Application Packet Received and Reviewed

Additional Remarks : received by mail 11/12/19

11/14/19 Disability Application Documents Scanned

11/14/19 Disability File Folder Created

11/14/19 Infolinx Setup

11/15/19 DMS Notified of Disability Application Filing

11/15/19 Employment Records Requested

Additional Remarks : Due 12/16/19; 1/6/20 - All dept records received, pending medical recs from member; 3/12/2020 all records received, medical record summary ordered, due 4/2/2020

1/6/20 County Department Records Received

Additional Remarks : HHSA

1/6/20 HR & D Records Received

1/6/20 Risk Management Records Received

5/15/20 IME Appointment Scheduled

Additional Remarks : Ortho appt scheduled 5/28/20 in Clovis, CA, IME Cancelled because of high cost, added to 6/24/20 Board agenda for approval; Cost approved, IME rescheduled on 7/21/20 in Clovis

5/15/20 IME Appointment Letter to Member Sent

9/9/20 IRC Meeting Scheduled

Additional Remarks : On 2/26/20 IRC agenda; On 9/9/2020 IRC agenda

11/5/20 Added to Board Meeting Agenda

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
(16 Active Disability Applications)

Additional Remarks : Added to 12/9/20 Board agenda; 12/7/20 Case removed from Board agenda and placed on 12/16/20 IRC agenda; Added to 1/13/21 Board agenda

12/29/20 Board Meeting Notification Letter Sent

1/15/21 Board Decision Letter Sent to Applicant

Additional Remarks : hearing request due 1/25/21

1/27/21 Hearing Request Form Received

Additional Remarks : Formal Hearing Request

1/27/21 County Counsel Client Request Form Sent

Additional Remarks : Parties have been assigned, Hearing Officer Assignment notice mailed on 2/26/21. Deadline for distribution of exhibits is 4/12/21.

4/8/21 Exhibits Prepared and Sent

Additional Remarks : Designation of records due 5/10/21; Atty notice received from applicant; 5/7/21 amended letter re initial exhibits sent to parties with notice of hearing (9/17/21); Received list of designated, physical records due on 7/7/21

7/21/21 Augmented Exhibits Prepared and Sent, if applicable

Additional Remarks : 7/21/21 - 1st set of augmented exhibits sent (still pending more designated records), also sent new Notice of Hearing (hearing rescheduled on 10/19/21)

**11 - Writ Received**

**11/15/18 Iftimie, Mara (Adriana Gonzales-Chang)**

**HHS-HLTH-Visalia Hlth Ctr/General Member  
Orthopedic/Service Connected Disability**

**Active**

**Eligible for Service Retirement = No**

12/3/18 Disability Application Documents Scanned

12/3/18 Disability Application Packet Received and Reviewed

Additional Remarks : Filed application for SCDR 11/15/18

12/3/18 Disability File Folder Created

12/3/18 Disability Findings Summary Prepared

12/3/18 Employment Records Requested

Additional Remarks : due 1/2/19; Only pending Risk records, to be submitted asap (per Risk 2/12/19)

12/3/18 Infolinx Setup

12/3/18 DMS Notified of Disability Application Filing

2/12/19 County Department Records Received

Additional Remarks : HHSA Dept

2/12/19 HR & D Records Received

2/12/19 Tulare County Health Centers Records Received

4/9/19 IME Appointment Letter to Member Sent

Additional Remarks : Scheduled through NDE on 4/18/19.

**DISABILITY STATUS REPORT**  
*Status as of September 1, 2021*  
*(16 Active Disability Applications)*

4/9/19 IME Appointment Scheduled  
5/14/19 IME Reports Received  
5/14/19 IRC Meeting Scheduled  
Additional Remarks : Added to 5/22/19 IRC agenda  
8/30/19 Accommodation Response Received  
8/30/19 Accommodation Response Reviewed  
8/30/19 Added to Board Meeting Agenda  
8/30/19 Board Meeting Notification Letter Sent  
Additional Remarks : On 9/25/19 Board Agenda.  
8/30/19 Employment Records Reviewed  
8/30/19 Risk Management Records Received  
10/16/19 County Counsel Client Request Form Sent  
10/16/19 Hearing Request Form Received  
2/11/20 Augmented Exhibits Prepared and Sent, if applicable  
2/11/20 Exhibits Prepared and Sent  
4/27/20 Brief Notification/Required Correspondence Complete  
4/27/20 Findings of Fact and Recommendations Received  
4/27/20 Findings of Fact and Recommendations Sent to All Parties by HO  
4/27/20 Objection Period Expired  
Additional Remarks : Case added to 5/13/20 Board agenda; 5/6/20 Notice regarding upcoming board meeting mailed to applicant; 5/13/20 - Board referred case back to hearing officer; 6/8/20 - Letter sent to hearing officer requesting clarification on decision; 6/12/20 - Copy of 6/8 letter sent to applicant and county counsel; 6/22/2020 - Amended Hearing Officer's Decision received. Deadline to file objections is 7/2/2020; 6/23/20 - Applicant's objection filed



# COUNTY OF TULARE BOARD OF RETIREMENT

**Leanne Malison**  
Retirement Administrator

136 N AKERS STREET  
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900  
FAX (559) 730-2631  
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## **MINUTES OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, August 25, 2021 at 8:30 a.m. TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291**

### **I. CALL TO ORDER**

The meeting was called to order at 8:31 a.m. by Wayne Ross, Chair.

### **II. ROLL CALL**

Voting Trustees Present:	Wayne Ross, Cass Cook (arrived 8:32), Ty Inman, Laura Hernandez, Gary Reed, Jim Young Dave Kehler, Nathan Polk, Pete Vander Poel
Alternate Trustees Present:	George Finney, Paul Sampietro
Alternate Trustees Absent:	David Vasquez
Staff Members Present:	Leanne Malison, Retirement Administrator, Mary Warner, Assistant Retirement Administrator, Susie Brown, Secretary I
Board Counsel Participating:	Jennifer Shiffert, Deputy County Counsel
Consultants Present:	Scott Whalen and Mike Kamell, Verus

### **III. PLEDGE OF ALLEGIANCE**

### **IV. PUBLIC COMMENT**

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

None.

### **V. X-AGENDA ITEMS**

None.

### **VI. CONSENT CALENDAR**

1. Approve Minutes of the following meetings:
  - a. Retirement Board Minutes of August 11, 2021.
2. Approve payments to:
  - a. Verus – invoice for investment consulting services in the amount of \$19,729.08 for the month ended July 31, 2021.

- b. Brown Armstrong – invoice for work in progress on audit processes in the amount of \$23,895.50.
- c. County Counsel – invoice for legal services to the Board of Retirement in the amount of \$7,065.20 for the period ending July 31, 2021.

Motion to approve the Consent Calendar as presented.

Motion: Vander Poel

Second: Hernandez

Motion passed unanimously.

## **VII. INVESTMENT COMMITTEE REPORT**

- 1. Update by Gary Reed regarding the Investment Committee meeting of August 11, 2021. Discussion and possible action regarding the following items:

- a. Asset Allocation Status.

Mr. Reed reported the Committee reviewed the report.

- b. 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar.

Mr. Reed reported that a number of items on the timeline are now complete. The timeline and calendar are up to date.

- c. Ivy Investment Manager Guidelines.

Mr. Reed reported the Committee reviewed the guidelines and asked Mr. Kamell to review the changes for the Board. Mr. Kamell reported that the 10% investment limit for individual securities is difficult to adhere to because of the weighting of the largest stocks in the index. The new guidelines limit the investment in a single security to the greater of 10% of the portfolio value at market or 2% above a security's benchmark weighting.

Motion to approve the Ivy Manager Guidelines as presented.

Motion: Reed

Second: Young

Motion passed unanimously.

- d. Investment Managers.

- 1) Verus Flash Report – All Managers.

Mr. Reed reported the Committee reviewed the June report, noting that the plan has exceeded the investment assumption rate of 7.0% with a preliminary return of approximately 22.9% for the fiscal year. Final performance results will be discussed during the Verus presentation later in the Board agenda.

- 2) Managers of Interest.

- a) Franklin Templeton – Manager Review.

Mr. Reed reported that the asset class managed by Franklin Templeton will be eliminated eventually under the strategic asset allocation adopted by the Board on August 11, 2021. No action is required at this time.

- b) MacKay Shields – Manager Review/Portfolio Team Update.

Mr. Reed reported that the Committee reviewed the information provided. The change is not an area of concern at this time. No action is required.

c) Ivy – Manager Review/Personnel Turnover

Mr. Reed reported that this change combined with other changes has created some concern. The Committee directed Verus to provide information regarding other high quality large cap growth equity managers compared to Ivy to be reviewed at a future committee meeting.

### **VIII. INVESTMENTS**

1. Verus regarding TCERA's June 30, 2021, Investment Performance Report. Discussion and possible action.

Mr. Kamell reviewed the June 30, 2021 report including discussion regarding market conditions and performance. Pursuant to some discussion regarding investment performance compared to the interest rate on the County's Pension Obligation Bonds, Verus was asked to include information regarding performance since 2018 specifically. This will provide good information to the Retirement Board and the Board of Supervisors regarding the benefit of issuing the bonds.

The Chair approved 1 hour of education.

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

None.

### **IX. EDUCATION ITEMS**

1. Discussion and possible action regarding Summary Education Reports as filed:
  - a. Pete Vander Poel – Investment Consultant Due Diligence, July 6 – July 9, 2021, 11 hours

Motion to approve the Summary Education Report as presented.

Motion: Vander Poel

Second: Young

Motion passed unanimously.

Ms. Malison commented that the due diligence trips are highly educational and encouraged trustees to participate whenever there is an opportunity.

2. Educational events. Discussion and possible action.

Ms. Malison reported the SACRS fall conference registration is open and will be a live event with strict COVID precautions. There is no agenda yet for the conference.

### **X. COMMUNICATIONS**

1. Tulare County Treasurer's Quarterly Investment Report for the period ended June 30, 2021.

No action.

2. Discussion and possible action regarding SACRS Legislative Update – August 2021.



- a. Consideration of submitting correspondence to the State Legislature and/or Governor's office regarding TCERA's position on AB 826 – Compensation Earnable.

Ms. Malison reviewed the issues regarding AB 826 and provided a draft letter for review.  
Ms. Shiffert provided legal ramifications should this bill pass.

Motion to approve the letter to the CA State Assembly office, and to carbon copy the Governor's office, with a signature from TCERA Administrator, and the Board Chair.

Motion: Vander Poel  
Second: Cook

Motion passed unanimously.

## **XI. UPCOMING MEETINGS**

1. Administrative Committee Meeting August 25, 2021, 10:30 a.m.
2. Board of Retirement Meeting September 8, 2021, 8:30 a.m.
3. Investment Committee Meeting September 8, 2021, 10:30 a.m.
4. Board of Retirement Meeting September 22, 2021, 8:30 a.m.
5. Administrative Committee Meeting September 22, 2021, 10:30 a.m.

## **XII. TRUSTEE/STAFF COMMENTS**

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

Mr. Ross reported that Mr. Inman is assigned to the Administrative Committee and will start with the September meeting.

Mr. Vander Poel reported the ad hoc Committee meeting went well and included Graham Schmidt, TCERA's actuary. This will be an agenda item at the next Board meeting.

Ms. Hernandez inquired as to providing information regarding availability of video recordings of Board meetings be included in the Grapevine. Ms. Malison reported that when the technology is in place to implement the availability of video recordings, it will be a topic in TCERA's newsletter that goes out to all employees. Notifications will be posted on Facebook and Twitter also. Ms. Malison will connect with Grapevine staff at that time to determine if the County would like to include information in the County newsletter as well.

Mr. Ross thanked Mr. Vander Poel for chairing the last Board meeting in his absence.

Ms. Malison reminded the Board that nominations for the upcoming trustee elections are open for one General Member Trustee Seat and both Safety Member Trustee seats.

## **XIII. ADJOURNMENT**

The meeting was adjourned at 9:53 a.m.

---

Wayne Ross, Chair



40 East 52nd Street  
New York, NY 10022  
Tel (212) 810-5300  
www.blackrock.com

Frank Martin  
Tulare County Employees' Retirement Association  
136 North Akers Street  
Visalia, CA 93291-5121  
United States

Invoice Date 27 Jul 2021  
Tax Point 27 Jul 2021  
Invoice Number 20210630-608-A  
Client VAT Number  
Client Invoice Code 8145

CHECKED: JSJ 8/19/21  
Initial Date  
VERIFIED: CS 8/25/21  
Initial Date  
APPROVED: \_\_\_\_\_  
Initial Date  
PAID: \_\_\_\_\_  
Wired Date

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**Fee for the period 01 Apr 2021 to 30 Jun 2021**

Total Base Fee	USD	36,526.43
Total Performance Fee	USD	35,898.81
<b>Total Amount Due</b>	<b>USD</b>	<b>72,425.24</b>

**Please wire payment to our bank account:**

JP Morgan Chase Bank  
ABA Number: 021000021  
Bank Account Number: 323-045448  
Credit: BlackRock Financial Management, Inc.  
Please quote your invoice number (eg. YYYYMMDD-XXXX-X) if your invoice is not settled by Direct Debit

**Or mail payment to:**

BlackRock Financial Management, Inc.  
P.O. Box 978884  
Dallas, TX 75397-8884  
United States

Should you have any questions, please contact us at 1-800-777-8389 Option 3 or [AMRSCClientServices@BlackRock.com](mailto:AMRSCClientServices@BlackRock.com)

Invoice Number SSGABA3315096  
Period 04/01/2021 - 06/10/2021  
Invoice Date July 23, 2021

Tulare County Employees' Retirement Association  
136 North Akers Street  
Visalia CA 93291  
United States

**Tulare County Employees Retirement Association  
MSCI ACWI Ex USA NL Fund (ZVG9)**

Investment Management Fees for the period 04/01/2021 - 06/10/2021  
Account(s) TULARE

Fee Amount 15,558.77  
Currency USD

Details of fee on following page(s)

Payment is due 30 days from invoice date. Please advise when payment is made by sending an email to [SSGAAccounting-RevenueTeam@statestreet.com](mailto:SSGAAccounting-RevenueTeam@statestreet.com) including the invoice number, client name and invoice period.

Payment Options

By Domestic Wire  
State Street Bank & Trust Co.  
ABA 011000028  
Account: 0014 0921  
Account Name: SSGA Fee  
Payment Account  
Invoice # SSGABA3315096

By International Wire  
State Street Bank & Trust Co  
Boston, MA 02110  
SWIFT Code SBOSUS33  
Clearing 011000028  
Credit Account 0014-092-1  
Attn: SSGA Finance  
Invoice # SSGABA3315096

For Invoicing questions please contact  
[gabill-ssga@statestreet.com](mailto:gabill-ssga@statestreet.com)

CHECKED:	<u>JS</u> Initial	<u>7/16/21</u> Date
VERIFIED:	<u>CS</u> Initial	<u>8/19/21</u> Date
APPROVED:	<u>                    </u> Initial	<u>                    </u> Date
PAID:	<u>                    </u> Wired	<u>                    </u> Date

Invoice Number SSGABA3315349  
Period 06/10/2021 - 06/30/2021  
Invoice Date July 27, 2021

136 N. Akers Street  
Visalia CA 93291  
United States

**Tulare County Employees' Retirement Association**  
**MSCI ACWI Ex USA SL Fund (ZVGM)**

Investment Management Fees for the period 06/10/2021 - 06/30/2021  
Account(s) TULARE

Fee Amount 3,316.90  
Currency USD

Details of fee on following page(s)

Payment is due 30 days from invoice date. Please advise when payment is made by sending an email to  
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Payment Options

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State Street Bank & Trust Co.  
ABA 011000028  
Account: 0014 0921  
Account Name: SSGA Fee  
Payment Account  
Invoice # SSGABA3315349

**By International Wire**  
State Street Bank & Trust Co  
Boston, MA 02110  
SWIFT Code SBOSUS33  
Clearing 011000028  
Credit Account 0014-092-1  
Attn: SSGA Finance  
Invoice # SSGABA3315349

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VERIFIED:	<u>CS</u> Initial	<u>8/19/21</u> Date
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Invoice Number SSGABA3315347  
Period 04/01/2021 - 06/10/2021  
Invoice Date July 23, 2021

Tulare County Employees' Retirement Association  
136 North Akers Street  
Visalia CA 93291  
United States

**Tulare Country Employees Retirement Association  
S&P 500 Flagship NL Fund (CM13)**

Investment Management Fees for the period 04/01/2021 - 06/10/2021  
Account(s) TULARE

Fee Amount **7,317.79**  
Currency USD

Details of fee on following page(s)

Payment is due 30 days from invoice date. Please advise when payment is made by sending an email to  
SSGAAccounting-RevenueTeam@statestreet.com including the invoice number, client name and invoice period.

Payment Options

By Domestic Wire  
State Street Bank & Trust Co.  
ABA 011000028  
Account: 0014 0921  
Account Name: SSGA Fee  
Payment Account  
Invoice # SSGABA3315347

By International Wire  
State Street Bank & Trust Co  
Boston, MA 02110  
SWIFT Code SBOSUS33  
Clearing 011000028  
Credit Account 0014-092-1  
Attn: SSGA Finance  
Invoice # SSGABA3315347

For Invoicing questions please contact  
gabill-ssga@statestreet.com

SSGABA3315347

Page 1

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PAID:	<u>          </u> Wired	<u>          </u> Date

Invoice Number SSGABA3316659  
Period 06/10/2021 - 06/30/2021  
Invoice Date August 23, 2021

136 N. Akers Street  
Visalia CA 93291  
United States

**Tulare County Employees' Retirement Association  
S&P 500 (R) Flagship SL Fund (CM11)**

Investment Management Fees for the period 06/10/2021 - 06/30/2021  
Account(s) TULARE

Fee 1,166.42  
Currency USD

Details of fee on following page(s)

Payment is due 30 days from invoice date. Please advise when payment is made by sending an email to [SSGAAccounting-RevenueTeam@statestreet.com](mailto:SSGAAccounting-RevenueTeam@statestreet.com) including the invoice number, client name and invoice period.

Payment Options

**By Domestic Wire**  
State Street Bank & Trust Co.  
ABA 011000028  
Account: 0014 0921  
Account Name: SSGA Fee  
Payment Account  
Invoice # SSGABA3316659

**By International Wire**  
State Street Bank & Trust Co  
Boston, MA 02110  
SWIFT Code SBOSUS33  
Clearing 011000028  
Credit Account 0014-092-1  
Attn: SSGA Finance  
Invoice # SSGABA3316659

CHECKED:	<u>JSW</u> Initial	<u>8/19/21</u> Date
VERIFIED:	<u>CS</u> Initial	<u>8/19/21</u> Date
APPROVED:	_____ Initial	_____ Date
PAID:	_____ Wired	_____ Date

Invoice Number SSGABA3315348  
Period 04/01/2021 - 06/10/2021  
Invoice Date July 23, 2021

Tulare County Employees Retirement Association  
136 N. Akers Street  
Visalia CA 93291  
United States

**Tulare County Employees' Retirement Association  
Russell Small Cap Completeness (R) Indx NL Fund (CMD4)**

Investment Management Fees for the period 04/01/2021 - 06/10/2021  
Account(s) TULARE

Fee Amount **4,378.81**  
Currency USD

Details of fee on following page(s)

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Payment Options

By Domestic Wire  
State Street Bank & Trust Co.  
ABA 011000028  
Account: 0014 0921  
Account Name: SSGA Fee  
Payment Account  
Invoice # SSGABA3315348

By International Wire  
State Street Bank & Trust Co  
Boston, MA 02110  
SWIFT Code SBOSUS33  
Clearing 011000028  
Credit Account 0014-092-1  
Attn: SSGA Finance  
Invoice # SSGABA3315348

For Invoicing questions please contact  
[gabill-ssga@statestreet.com](mailto:gabill-ssga@statestreet.com)

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APPROVED:	<u>          </u> Initial	<u>          </u> Date
PAID:	<u>          </u> Wired	<u>          </u> Date

Invoice Number SSGABA3312038  
Period 06/10/2021 - 06/30/2021  
Invoice Date July 27, 2021

136 N. Akers Street  
Visalia CA 93291  
United States

**Tulare County Employees' Retirement Association  
U.S. Extended Market Index SL Fund (CMJ4)**

Investment Management Fees for the period 06/10/2021 - 06/30/2021  
Account(s) TULARE

Fee Amount 801.25  
Currency USD

Details of fee on following page(s)

Payment is due 30 days from invoice date. Please advise when payment is made by sending an email to  
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Payment Options

By Domestic Wire  
State Street Bank & Trust Co.  
ABA 011000028  
Account: 0014 0921  
Account Name: SSGA Fee  
Payment Account  
Invoice # SSGABA3312038

By International Wire  
State Street Bank & Trust Co  
Boston, MA 02110  
SWIFT Code SBOSUS33  
Clearing 011000028  
Credit Account 0014-092-1  
Attn: SSGA Finance  
Invoice # SSGABA3312038

For Invoicing questions please contact  
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VERIFIED:	<u>CS</u> Initial	<u>8/19/21</u> Date
APPROVED:	_____ Initial	_____ Date
PAID:	_____ Wired	_____ Date



**TULARE COUNTY EMPLOYEES'  
APPLICATIONS AND DEATHS  
August 31, 2021  
RETIREMENT APPLICATIONS**

Name Department Status - Tier	Option Type Govt. Code	Date of Retirement Age at Retirement	Length of Service Continuance From
BLUE ROBERT Research Attorneys General - Tier III	Unmodified Option Service §31760.1	07/10/2021 68	0.3042 years N/A
BUSHROW JOELLE Tulare County Fire Dept Safety - Tier III	Service	08/01/2021 50	8.5385 years BUSHROW JAY
CHAVEZ SHARON Child Support Services Dept General - Tier III	Unmodified Option Service §31760.1	07/16/2021 55	0.0021 years N/A
CLINTON RUBY A 9550 General - Tier I	Unmodified Option §31760.1	06/10/2021 88	31.4611 years CLINTON BILL
CONLEY BEVERLY Prob-Juvenile Justice General - Tier III	Unmodified Option Service §31760.1	07/31/2021 63	0.3228 years N/A
DEEDS DONALD DA-Visalia Courthouse Safety - Tier IV	Unmodified Option Service §31760.1	07/31/2021 61	0.0000 years N/A
DOYAL ERIC Sher-Op-Orosi Safety - Tier III	Unmodified Option SCDR §31760.1	05/09/2021 49	19.0000 years N/A
FRANCO SHERRY Child Support Services Dept General - Tier II	Unmodified Option Service §31760.1	07/30/2021 61	0.4058 years N/A
GERMAN BILLIE Sher-Op-Sheriff's Office Safety - Tier I	Unmodified Option §31760.1	04/11/2021 68	2.5639 years GERMAN JAMES
GOUDEAU DAMIAN Sher-Dt-Pre-Trial Safety - Tier III	Unmodified Option Service §31760.1	07/08/2021 51	0.2437 years N/A
HERNANDEZ PORFIRIO HHS-HS-Ben Elg Sup Team General - Tier III	Unmodified Option Service §31760.1	07/30/2021 57	0.0043 years N/A
KIMURA NANCY HHS-HLTH-Tulare Public Health General - Tier III	Unmodified Option Service §31760.1	07/01/2021 61	3.0000 years N/A
MAYBERRY YLMA Sher-Dt-Bob Wiley Det. Fac. Safety - Tier III	Unmodified Option Service §31760.1	07/16/2021 63	0.4172 years N/A

MUDAHERANWA LESLIE	Unmodified Option	07/31/2021	0.0000 years
HHS-HS-Hyde Adopt/Special General - Tier IV	Service §31760.1	55	N/A
NIGGLI PAULINE	Unmodified Option	07/30/2021	0.0000 years
Legal Filings General - Tier IV	Service §31760.1	64	N/A
PAROBEEK-DOWLING DIANN	Unmodified Option	07/20/2021	0.0000 years
HHS-HLTH-Tulare Public CCS General - Tier III	Service §31760.1	57	N/A
PERRYMAN LISA	Unmodified Option	07/17/2021	0.3642 years
Sher-Dt-Pre-Trial General - Tier III	Service §31760.1	55	N/A
PETON LUCINDA	Unmodified Option	07/30/2021	0.5148 years
RMA-Fiscal Admin General - Tier III	Service §31760.1	54	N/A
PISANO TIM	Unmodified Option	07/21/2021	0.0000 years
Child Support Services Dept General - Tier III	Service §31760.1	52	N/A
QUINN ANITA	Unmodified Option	07/17/2021	0.2039 years
HHS-HLTH-Visalia Hlth Ctr General - Tier III	Service §31760.1	65	N/A
RAMIREZ JOSE	Unmodified Option	07/02/2021	3.0769 years
Sher-Dt-Bob Wiley Det. Fac. General - Tier III	Service §31760.1	46	N/A
RIVERA DOLORES	Unmodified Option	07/31/2021	0.0009 years
HHS-HS-CWS S Mooney Blvd General - Tier III	Service §31760.1	66	N/A
ROBINSON SABRINA	Unmodified Option	07/17/2021	0.1401 years
Information Technology General - Tier II	Service §31760.1	62	N/A
ROMERO YVONNE	Unmodified Option	07/01/2021	5.0000 years
Assessor-Administration General - Tier III	Service §31760.1	63	N/A
STONE CAROLYN	Unmodified Option	09/04/2020	21.0917 years
2259 General - Tier I	§31760.1	79	STONE DONALD
TOMERLIN JAMES	Option 2	07/09/2021	0.0000 years
Sher-Op-Property/Evidence General - Tier III	Service §31762	50	N/A
TORRES JEANETTE	Unmodified Option	07/27/2021	0.0000 years
Sher-Dt-Pre-Trial General - Tier III	Service §31760.1	58	N/A
VALITUS ROBERT	Unmodified Option	07/21/2021	26.2438 years
HHS-Admin-Project Management General - Tier I	§31760.1	59	VALITUS RACHEL JUDITH

VAN HORN PATSY HHS-HLTH-Environmental Health General - Tier II	Option 2 - TAB  §31762	02/15/2004  64	21.5056 years  VAN HORN CHARLES
VILLALOBOS RUDY CAO-GS-Custodial South General - Tier III	Unmodified Option  §31760.1	06/18/2021  58	14.4231 years  VILLALOBOS KATHERINE
WARD TERRY Information Technology General - Tier III	Unmodified Option Service §31760.1	07/29/2021  58	0.2978 years N/A
WYNN LESLIE Unknown General - Tier III	Unmodified Option Service §31760.1	06/30/2021  52	2.1538 years N/A
ZUVELA ALLISON Public Defender General - Tier III	Unmodified Option Service §31760.1	06/18/2021  52	8.5769 years N/A

**TULARE COUNTY EMPLOYEES'  
APPLICATIONS AND DEATHS  
August 31, 2021  
DECEASED ACTIVE EMPLOYEES**

Name	Type	Date of Death	Length of Service
Department		Age at Death	Paid Continuanace
Status - Tier			Death Benefit

**TULARE COUNTY EMPLOYEES'  
APPLICATIONS AND DEATHS  
August 31, 2021  
DECEASED PENSIONERS**

Name Department Status - Tier	Option Type Govt. Code	Date of Retirement Date of Death Age at Death	Length of Service Paid Continuance to Age at Retirement
CLINTON BILL 9550 General - Tier I	Unmodified Option Service §31760.1	10/04/1992 06/09/2021 90	31.4611 years CLINTON RUBY A 61
GERMAN JAMES Sher-Op-Sheriff's Office Safety - Tier I	Unmodified Option Service §31760.1	12/30/2006 04/10/2021 69	2.5639 years GERMAN BILLIE 55
HAGAN FRANCIS HHS-Admin MIS General - Tier II	Unmodified Option Service §31760.1	06/07/2008 01/18/2021 83	22.6718 years  70
METZGER SALLY  General - Tier I	Unmodified Option Service §31760.1	08/26/1979 01/31/2020 100	14.7361 years  60
POE VELDA JUNE  General - Tier I	Unmodified Option Service §31760.1	06/01/1989 04/03/2021 92	10.4861 years  61
SANCHEZ JOSE Unknown General - Tier I	Unmodified Option Service §31760.1	06/30/1999 02/25/2010 70	18.1083 years  59
STONE DONALD 2259 General - Tier I	Unmodified Option Service §31760.1	11/15/1997 09/03/2020 80	21.0917 years STONE CAROLYN 58
USREY ERTON  General - Tier I	Unmodified Option Service §31760.1	06/03/1979 06/25/2021 99	16.0056 years  57
VALITUS RACHEL JUDITH  HHS-Admin-Project Management General - Tier I	Unmodified Option Service §31760.1	06/30/2007  07/20/2021 73	26.2438 years  VALITUS ROBERT 59
VILLALOBOS KATHERINE  CAO-GS-Custodial South General - Tier III	Unmodified Option Service §31760.1	10/29/2016 06/17/2021 63	14.4231 years  VILLALOBOS RUDY 58

Report: 30-Year Board Report As of **August 2021**  
 Created on: 9/1/2021

First Name	Last Name	Effective Date	Department	New 30-Year Member?
Eric	Petersen	3/14/2021	Information Technology	No
Martina	Navarro	10/11/2020	HHS-MH-SCIU	No
Rodney	Parker	4/16/2017	Sher-Op-Pixley	No
Ginger	Peck	12/10/2017	Purchasing	No
Andy	Phetsada	7/8/2018	HHS-MH-Visalia Adult Clinic	No
CINDY	HOLWAY	10/25/2020	Court Reporters	No
Linda	Cantu	3/29/2020	Assessor-Clerk/Recorder	No
Scott	O'Neill	6/11/2017	Sher-Op-Porterville	No
Joel	Martens	5/14/2017	HHS-HLTH-Environmental Health	No
Connie	Cordeiro	3/8/2015	HHS-HS-CWS Creekside	No
Nancy	Chavira	3/28/2021	County Counsel	No
Phillip	Kelly	3/1/2020	Prob-Center Street	No
Vickie	Rabago	1/15/2012	DA-Visalia Courthouse	No
Steffany	Bischel	3/4/2018	HHS-HS-MCal Proc Center	No
Bertha	Martinez	11/18/2012	CAO-GS-Property Management	No
AMBER	MATTHEWS	2/18/2018	Pre Trial Facility	No
Cheryl	Fallert	8/16/2020	DA-Visalia Courthouse	No
Anthony	Boland	12/10/2017	RMA-TR-Operations	No
Bernice	Soto	8/2/2020	HHS-HS-IMAGING UNIT	No
PATRICIA	MARTENS	10/27/2019	Visalia Division	No
Brenda	Tyler	6/20/2021	HHS-HLTH-Tulare Public CCS	No
Patricia	McCurry	10/11/2020	HHS-Admin Human Resources	No
John	Mauro	4/17/2016	HHS-HS-HUMAN SERVICES	No
Lance	Heiden	11/11/2018	Sher-Dt-Main Jail	No
Keith	Jahnke	4/28/2019	HHS-HLTH-Environmental Health	No
David	Case	8/6/2018	Ag Commissioner/Sealer	No
Bruce	Bigham	10/11/2020	Ag Commissioner/Sealer	No
Nelda	Sell	8/19/2007	RMA-TR-Visalia Rd Yd 2	No
Melodee	Krenk	5/10/2020	Prob-Electronic Monitor Ctr	No
John	Gonzalez	11/27/2016	Sher-Op-Captains	No
William	Clark	2/14/2021	Information Technology	No
Judith	Sanchez-Duran	3/1/2020	HHS-HLTH-Hillman Lab	No
Steven	Noland	4/1/2018	RMA-TR-Fleet Central Shop	No
Lori	Catuto	6/24/2018	HHS-Admin-Project Management	No
Robert	Dempsie	7/22/2018	DA-Visalia Courthouse	No
Sandra	Burnitzki	1/19/2020	HHS-Admin Human Resources	No
DAVID	WOOTEN	10/14/2018	Judicial Officers	No
Stella	Velasquez	2/9/2014	Sher-Op-Communications	No
Johnny	Wong	6/10/2018	RMA-TR-Operations	No
Patricia	Mendoza	10/19/2014	HHS-HS-CWS Creekside	No
Angela	Rose	11/22/2020	County Counsel	No

Katherine	Reim	10/13/2019	Prob-Admin-Visalia	No
Jay	Jones	1/19/2020	Information Technology	No
James	Russell	9/1/2019	CAPITAL PROJ-Facilities	No
Sharon	Rowton	11/18/2012	RMA-TR-Fleet Central Shop	No
Craig	Anderson	2/14/2021	RMA-MG#2-Design,Const,Develop	No
LUCIA	CANABA-GONZALEZ	8/2/2020	Court Reporters	No
Karen	Whited	2/24/2013	HHS-HS-CWS S Mooney Blvd	No
Michael	Boudreaux	5/28/2017	Sher-Op-Sheriff's Office	No
Nora	Barrera	11/27/2005	Assessor-Clerk/Recorder	No
Socorro	Munoz	4/26/2020	HHS-HLTH-Visalia Hlth Ctr	No
Ursula	Ihl	9/29/2019	DA-Visalia Courthouse	No
Gregory	Scroggins	6/24/2018	Prob-Electronic Monitor Ctr	No
Julie	Poochigian	6/22/2008	Assessor-Clerk/Recorder	No
Rebecca	Garcia	11/8/2020	HHS-HS-Dinuba District Off	No
David	Winters	4/28/2019	Sher-Dt-Bob Wiley Det. Fac.	No
SUSAN	EMBREY	9/3/2017	Collections Division	No
Karen	Trevino	5/26/2019	HHS-HS-Hyde Adopt/Special	No
Samantha	Franks	9/29/2019	RMA-LP-Geographic Info Systems	No
Mike	Betzinger	10/15/2017	Solid Waste Visalia	No
Helen	Gonzalez	2/4/2018	HHS-HLTH-Fville WIC	No
Ermerejildo	Saucedo	12/6/2020	Tulare County Fire Dept	No
KATHY	CORREIA	7/17/2011	Court Reporters	No
Rosie	DeLeon	9/27/2020	HHS-HS-PDO	No
Maria	Gutierrez	12/22/2019	HHS-WC-TPC-C	No
Cleopatra	Juarez	12/9/2007	Child Support Services Dept	No
Andrew	Pacheco	7/28/2013	RMA-Project Processing	No
Sylvia	Munoz	9/15/2019	HHS-HS-Dinuba District Off	No
Rebecca	Lopez	3/8/2015	HHS-HS-Visalia District Off	No
Alma	Villarreal	1/20/2019	HHS-HS-CWS S Mooney Blvd	No
Raul	Martin	7/24/2016	Solid Waste Visalia	No
Eric	Grant	4/16/2017	DA-Visalia Courthouse	No
Tina	Salmon	6/20/2021	HHS-HS-Ben Elg Sup Team	No
Gracie	Delgadillo-Johnson	12/8/2019	TCSO-Youth Services	No
Patricia	Stanley	9/2/2018	Public Defender	No
Robert	Hurtado	10/25/2020	HHS-PUBLIC HEALTH SVS	No
Jesusita	Vasquez	1/31/2021	HHS-HLTH-Environmental Health	No
Lisa	Dougherty	5/17/2015	CAO-GS-Printing Services	No
Angelina	Stanfill	5/28/2017	HHS-HS-Dinuba District Off	No
Rachel	Cazares	10/11/2020	HHS-HS-Dinuba District Off	No
SUSAN	MILLER	1/31/2021	Family Court Services	No
LESIA	MERVIN	5/3/2015	Court Reporters	No
John	Rozum	3/31/2019	County Counsel	No
Cheri	Lehner	12/25/2016	Sher-Op-Sheriff's Office	No
Robert	Haines	10/12/2008	Ag Commissioner/Sealer	No
Jane	Nystrem	2/16/2020	TCSO-Inmate Programs Unit	No
Judith	Garcia	7/18/2021	HHS-HLTH-Visalia Hlth Ctr	No
MARTINA	DELGADO	11/10/2019	Ab 1058 Commissioner	No

Maria	Pasillas	1/31/2021	HHS-MH-Visalia AOD Inter_Prev	No
Carlene	Estes	7/18/2021	WID-Administration	No
Sandra	Maldonado	2/2/2020	HHS-HLTH-Visalia Hlth Ctr	No
Steven	Brown	6/20/2021	Ag Commissioner/Sealer	No
Karen	Baldwin	7/5/2020	HHS-Admin Fiscal A/R	No
Kimberly	Hernandez	9/27/2020	Child Support Services Dept	No
LOUISE	NELSON	11/12/2017	Family Court Services	No





COUNTY OF TULARE  
**BOARD OF RETIREMENT**

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**Leanne Malison**  
Retirement Administrator

136 N AKERS STREET  
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900  
FAX (559) 730-2631  
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**TCERA, Board of Retirement  
Administrative Committee**

**Agenda Item # IV.2.a.**

**Agenda Date:** August 25, 2021

**Subject:** TCERA and TCERA Property, Inc. Preliminary Financial Statements – June 30, 2021 and July 31, 2021.

**Requests:**

That the Administrative Committee:

1. Review the TCERA and TCERA Property, Inc. Preliminary Financial Statements for June 30, 2021 and July 31, 2021.

**Summary:**

The June 30, 2021 and July 31, 2021 TCERA and TCERA Property, Inc. Preliminary Financial Statements have been prepared by TCERA accounting staff for the Committee's review.

**Prepared by:** Mary Warner

**TCERA and TCERA Property, Inc.**  
**Combined Balance Sheet Comparison**  
**As of June 30, 2021**

*Before All Accruals & Interest Posting*

	Jun 30, 21	May 31, 21	\$ Change	% Change	Jun 30, 20	\$ Change	% Change
<b>ASSETS</b>							
Current Assets							
Checking/Savings							
(Note 1) 1110 - Cash in County Treasury	11,067,944.93	16,926,750.39	-5,858,805.46	-34.61%	27,431,879.84	-16,363,934.91	-59.65%
(Note 2) 1120 - Cash in Custodial Account	25,908,344.66	41,824,522.78	-15,916,178.12	-38.06%	63,380,155.15	-37,471,810.49	-59.12%
(Note 3) 1130 - Short Term Investments	30,730,774.18	32,381,781.08	-1,651,006.90	-5.10%	7,318,062.64	23,412,711.54	319.93%
(Note 4) 1140 - Securities Lending Collateral	0.00	0.00	0.00	0.00%	35,337,497.32	-35,337,497.32	-100.00%
1150 - Impaired Assets	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
Total Checking/Savings	67,707,063.77	91,133,054.25	-23,425,990.48	-25.71%	133,467,594.95	-65,760,531.18	-49.27%
Other Current Assets							
1310 - Fixed Income - Market	561,575,717.07	558,916,043.06	2,659,674.01	0.48%	474,595,029.82	86,980,687.25	18.33%
1340 - Equities - Market	952,435,566.61	937,517,049.75	14,918,516.86	1.59%	723,449,533.31	228,986,033.30	31.65%
1375 - Real Estate - REITS	194,893,456.76	182,581,945.61	12,311,511.15	6.74%	177,778,903.08	17,114,553.68	9.63%
(Note 5) 1385 - Hedge Funds	0.00	0.00	0.00	0.00%	93,982.33	-93,982.33	-100.00%
1386 - Private Equity	108,882,108.07	93,872,497.66	15,009,610.41	15.99%	75,232,931.72	33,649,176.35	44.73%
1388 - Private Credit	104,186,835.00	97,502,856.00	6,683,979.00	6.86%	75,511,818.00	28,675,017.00	37.97%
(Note 6) 1390 - Futures Overlay	0.00	0.00	0.00	0.00%	5,258,087.99	-5,258,087.99	-100.00%
Total Other Current Assets	1,921,973,683.51	1,870,390,392.08	51,583,291.43	2.76%	1,531,920,286.25	390,053,397.26	25.46%
Total Current Assets	1,989,680,747.28	1,961,523,446.33	28,157,300.95	1.44%	1,665,387,881.20	324,292,866.08	19.47%
Fixed Assets							
1501 - Building and Improvements	1,178,366.03	1,178,366.03	0.00	0.00%	1,178,366.03	0.00	0.00%
1505 - Office Equipment & Computer Sys	207,404.81	207,404.81	0.00	0.00%	153,661.50	53,743.31	34.98%
1506 - Project in Process CPAS	2,755,095.55	2,755,095.55	0.00	0.00%	2,755,095.55	0.00	0.00%
1511 - Accumulated Depreciation	-2,786,542.42	-2,786,542.42	0.00	0.00%	-2,786,542.42	0.00	0.00%
1512 - Land	370,345.69	370,345.69	0.00	0.00%	370,345.69	0.00	0.00%
Total Fixed Assets	1,724,669.66	1,724,669.66	0.00	0.00%	1,670,926.35	53,743.31	3.22%
Other Assets							
(Note 7) 1710 - Open Trades Sales	23,884,042.73	9,941,819.95	13,942,222.78	140.24%	10,315,348.60	13,568,694.13	131.54%
1730 - Investment Income Receivable	896,797.72	1,005,771.23	-108,973.51	-10.84%	907,891.91	-11,094.19	-1.22%
(Note 8) 1735 - Real Estate Income Receivable	1,358,916.37	0.00	1,358,916.37	100.00%	938,782.41	420,133.96	44.75%
(Note 4) 1750 - Members Contribution Receivable	811,493.53	0.00	811,493.53	100.00%	663,033.95	148,459.58	22.39%
(Note 4) 1770 - Employer Contribution Receivable	202,396.54	0.00	202,396.54	100.00%	196,834.35	5,562.19	2.83%
1780 - Advances Rec- Holding Corp	482,230.00	491,230.00	-9,000.00	-1.83%	590,230.00	-108,000.00	-18.30%
(Note 9) 1785 - Pension Deaths Receivables	-473.48	0.00	-473.48	-100.00%	505.12	-978.60	-193.74%
1790 - Other Receivables	7,011.06	7,302.07	-291.01	-3.99%	12,122.88	-5,111.82	-42.17%
Total Other Assets	27,642,414.47	11,446,123.25	16,196,291.22	141.50%	13,624,749.22	14,017,665.25	102.88%
<b>TOTAL ASSETS</b>	<b>2,019,047,831.41</b>	<b>1,974,694,239.24</b>	<b>44,353,592.17</b>	<b>2.25%</b>	<b>1,680,683,556.77</b>	<b>338,364,274.64</b>	<b>20.13%</b>

**TCERA and TCERA Property, Inc.**  
**Combined Balance Sheet Comparison**  
**As of June 30, 2021**

*Before All Accruals & Interest Posting*

	Jun 30, 21	May 31, 21	\$ Change	% Change	Jun 30, 20	\$ Change	% Change
<b>LIABILITIES &amp; EQUITY</b>							
<b>Liabilities</b>							
<b>Current Liabilities</b>							
(Note 4) 2010 · Sec Lending Collateral Payable	0.00	0.00	0.00	0.00%	35,337,497.32	-35,337,497.32	-100.00%
(Note 10) 2020 · Open Trades - Purchases	51,172,031.19	37,571,191.97	13,600,839.22	36.20%	19,236,936.11	31,935,095.08	166.01%
(Note 4) 2030 · Accounts Payable - Inv	546,210.88	0.00	546,210.88	100.00%	466,751.49	79,459.39	17.02%
2040 · Refunds Payable	4,098,875.89	3,706,735.89	392,140.00	10.58%	3,392,107.70	706,768.19	20.84%
(Note 4) 2050 · Other Payables	2,087,715.31	-389.82	2,088,105.13	535658.80%	1,707,293.14	380,422.17	22.28%
2100 · Payroll Liabilities	34,684.17	0.00	34,684.17	100.00%	29,478.74	5,205.43	17.66%
<b>Total Other Current Liabilities</b>	<b>57,939,517.44</b>	<b>41,277,538.04</b>	<b>16,661,979.40</b>	<b>40.37%</b>	<b>60,170,064.50</b>	<b>-2,230,547.06</b>	<b>-3.71%</b>
<b>Total Current Liabilities</b>	<b>57,939,517.44</b>	<b>41,277,538.04</b>	<b>16,661,979.40</b>	<b>40.37%</b>	<b>60,170,064.50</b>	<b>-2,230,547.06</b>	<b>-3.71%</b>
<b>Long Term Liabilities</b>							
2060 · Accrual-Benefits at Termination	115,302.68	103,551.79	11,750.89	11.35%	103,551.79	11,750.89	11.35%
2070 · Advances Payable - TCERA	482,230.00	491,230.00	-9,000.00	-1.83%	590,230.00	-108,000.00	-18.30%
<b>Total Long Term Liabilities</b>	<b>597,532.68</b>	<b>594,781.79</b>	<b>2,750.89</b>	<b>0.46%</b>	<b>693,781.79</b>	<b>-96,249.11</b>	<b>-13.87%</b>
<b>Total Liabilities</b>	<b>58,537,050.12</b>	<b>41,872,319.83</b>	<b>16,664,730.29</b>	<b>39.80%</b>	<b>60,863,846.29</b>	<b>-2,326,796.17</b>	<b>-3.82%</b>
<b>Equity</b>							
3110 · Member Deposit Reserve	319,830,699.11	320,937,896.11	-1,107,197.00	-0.35%	319,562,285.11	268,414.00	0.08%
(Note 11) 3120 · Other Reserves - Unapportioned	3,066,864.75	3,066,864.75	0.00	0.00%	4,272,676.46	-1,205,811.71	-28.22%
3210 · Employer Advance Reserves	878,967,488.00	881,535,089.14	-2,567,601.14	-0.29%	859,181,730.95	19,785,757.05	2.30%
3310 · Retiree Reserves	466,829,424.22	463,154,626.08	3,674,798.14	0.79%	442,156,799.87	24,672,624.35	5.58%
3320 · Supp. Retiree Benefit Reserve	107,567,108.49	107,567,108.49	0.00	0.00%	108,348,474.77	-781,366.28	-0.72%
3410 · Contingency Reserve	55,437,104.30	55,437,104.30	0.00	0.00%	49,227,604.66	6,209,499.64	12.61%
3510 · Market Stabilization	-7,569,506.00	-7,569,506.00	0.00	0.00%	-163,716,787.00	156,147,281.00	95.38%
3810 · Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
3900 · Retained Earnings	-204,309,472.39	-204,309,472.39	0.00	0.00%	27,138,599.68	-231,448,072.07	-852.84%
Net Income	340,691,070.81	313,002,208.93	27,688,861.88	8.85%	-26,351,674.02	367,042,744.83	1392.86%
<b>Total Equity</b>	<b>1,960,510,781.29</b>	<b>1,932,821,919.41</b>	<b>27,688,861.88</b>	<b>1.43%</b>	<b>1,619,819,710.48</b>	<b>340,691,070.81</b>	<b>21.03%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,019,047,831.41</b>	<b>1,974,694,239.24</b>	<b>44,353,592.17</b>	<b>2.25%</b>	<b>1,680,683,556.77</b>	<b>338,364,274.64</b>	<b>20.13%</b>

**Notes:**

Note 1 Decrease over last year due to timing of Cash Reserve transfer to replenish 421 fund

Note 2 Decrease over last year due to liquidation of Hedge Funds last year

Note 3 Timing of managers short term positions

Note 4 Accruals

Note 5 Hedge Funds - accounts closed

Note 6 Future Overlay - account closed

Note 7 Increase in Open Trade Sales over last month and over last year

Note 8 Timing of receipt of Real Estate Distributions vs. lag in Real Estate reporting

Note 9 Timing of pymt received and the receivable recorded.

Note 10 Increase in Open Purchases over last mo and last year

Note 11 Interim interest payments/adjustments and equity adjustments prior to period close

**TCERA and TCERA Property, Inc.**  
**Combined Comparative Profit and Loss**  
**June 30, 2021**

Before All Accruals & Interest Posting

		Jun 21	May 21	\$ Change	% Change	Jun 21	Jun 20	\$ Change	% Change
Ordinary Income/Expense									
Income									
(Note 1)	4110 · Interest Income	308,111.94	256,842.99	51,268.95	19.96%	308,111.94	550,486.48	-242,374.54	-44.03%
	4120 · Dividend Income	334,695.33	494,004.03	-159,308.70	-32.25%	334,695.33	381,691.70	-46,996.37	-12.31%
(Note 2)	4130 · Real Estate Income	176,281.19	0.00	176,281.19	100.0%	176,281.19	1,090,512.80	-914,231.61	-83.84%
	4140 · Other Investment Income	416,719.11	310,974.33	105,744.78	34.0%	416,719.11	321,647.04	95,072.07	29.56%
	4200 · Lease Payments from TCERA	15,640.00	15,640.00	0.00	0.0%	15,640.00	15,640.00	0.00	0.0%
	4310 · Commission Rebates	105.87	0.00	105.87	100.0%	105.87	388.59	-282.72	-72.76%
(Note 3)	4410 · Securities Lending Income	7,426.55	7,088.36	338.19	4.77%	7,426.55	696,763.90	-689,337.35	-98.93%
(Note 4)	4510 · Realized Gains/Losses	7,384,890.70	7,020,677.83	364,212.87	5.19%	7,384,890.70	4,777,950.10	2,606,940.60	54.56%
	4530 · Gn/Ls Disposal of Fixed Asset	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 5)	4610 · Employee Contributions	3,447,534.48	1,783,651.89	1,663,882.59	93.29%	3,447,534.48	3,265,949.53	181,584.95	5.56%
(Note 5)	4620 · Employer Contributions	-1,526,325.95	221,633.15	-1,747,959.10	-788.67%	-1,526,325.95	-1,076,690.55	-449,635.40	-41.76%
	<b>Total Income</b>	<b>10,565,079.22</b>	<b>10,110,512.58</b>	<b>454,566.64</b>	<b>4.5%</b>	<b>10,565,079.22</b>	<b>10,024,339.59</b>	<b>540,739.63</b>	<b>5.39%</b>
Expense									
	5110 · Benefit Payments	8,025,735.10	7,912,269.18	113,465.92	1.43%	8,025,735.10	7,576,169.60	449,565.50	5.93%
(Note 6)	5120 · Refunds	875,259.88	225,800.46	649,459.42	287.63%	875,259.88	354,702.59	520,557.29	146.76%
	5130 · Death Retiree ROC	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
	5140 · SDA Payments	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7)	5210 · Investment Management Fees	1,454,654.95	243,844.97	1,210,809.98	496.55%	1,454,654.95	1,671,743.65	-217,088.70	-12.99%
(Note 7)	5250 · Inv. Consultant/Custodial Fees	224,062.80	0.00	224,062.80	100.0%	224,062.80	207,898.83	16,163.97	7.78%
	5270 · Securities Lending Expense	1,115.82	1,247.12	-131.30	-10.53%	1,115.82	682,044.11	-680,928.29	-99.84%
	5275 · Real Estate Investment Expense	0.00	0.00	0.00	0.0%	0.00	35,992.03	-35,992.03	-100.0%
(Note 7)	5276 · Real Estate Mgr Fees	402,285.86	0.00	402,285.86	100.0%	402,285.86	425,247.76	-22,961.90	-5.4%
(Note 8)	5280 · Other Investment Expense	-3,603.32	600.70	-4,204.02	-699.85%	-3,603.32	24,507.13	-28,110.45	-114.7%
(Note 7)	5410 · Actuarial Study Fees	10,756.25	4,548.50	6,207.75	136.48%	10,756.25	2,000.00	8,756.25	437.81%
	5450 · Compensated Benefit Expense	11,750.89	0.00	11,750.89	100.0%	11,750.89	13,252.07	-1,501.18	-11.33%
*	5500 · Administrative Expense	297,253.88	176,128.75	121,125.13	68.77%	297,253.88	261,459.55	35,794.33	13.69%
*	5750 · TCERA Property Admin Expense	9,747.13	1,798.58	7,948.55	441.94%	9,747.13	10,185.75	-438.62	-4.31%
	5910 · Depreciation of Fixed Assets	0.00	0.00	0.00	0.0%	0.00	340,946.16	-340,946.16	-100.0%
	<b>Total Expense</b>	<b>11,309,019.24</b>	<b>8,566,238.26</b>	<b>2,742,780.98</b>	<b>32.02%</b>	<b>11,309,019.24</b>	<b>11,606,149.23</b>	<b>-297,129.99</b>	<b>-2.56%</b>
	<b>Net Ordinary Income</b>	<b>-743,940.02</b>	<b>1,544,274.32</b>	<b>-2,288,214.34</b>	<b>-148.17%</b>	<b>-743,940.02</b>	<b>-1,581,809.64</b>	<b>837,869.62</b>	<b>52.97%</b>

**TCERA and TCERA Property, Inc.**  
**Combined Comparative Profit and Loss**  
**June 30, 2021**

	Before All Accruals & Interest Posting							
	Jun 21	May 21	\$ Change	% Change	Jun 21	Jun 20	\$ Change	% Change
Other Income/Expense								
Other Income								
4520 · Unrealized Gains/Losses	28,432,801.90	14,998,785.25	13,434,016.65	89.57%	28,432,801.90	26,669,015.57	1,763,786.33	6.61%
4525 · Unrealized Gns/Ls Building/Land	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5000 · Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Income	28,432,801.90	14,998,785.25	13,434,016.65	89.57%	28,432,801.90	26,669,015.57	1,763,786.33	6.61%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	28,432,801.90	14,998,785.25	13,434,016.65	89.57%	28,432,801.90	26,669,015.57	1,763,786.33	6.61%
Net Income	27,688,861.88	16,543,059.57	11,145,802.31	67.37%	27,688,861.88	25,087,205.93	2,601,655.95	10.37%

**Notes:**

- Note 1 Increase in Interest Income over last mo.; decrease over last year
- Note 2 Real Estate Income reported quarterly and one mo. in arrears
- Note 3 Annual Securities Lending Accruals & Adjustments
- Note 4 Increase in Realized Gains over last mo. in Total Equity; increase over last year in Total Equity
- Note 5 Accruals for EE & ER Contributions; True up Co. ER contributions
- Note 6 Semi-Annual Refund Accrual
- Note 7 Quarterly Fees Accrued
- Note 8 Decrease in Other Investment Expense over last mo. in Priv Equity; decrease over last year

\* See Budget report for detail of Administrative expenses (5500 and 5750)

**TCERA and TCERA Property, Inc.**  
**BUDGET VS ACTUAL**  
**June 2021**

Accounting Period 12  
100.00% of the Current Fiscal Year Budget  
*Before All Accruals & Interest Posting*

	Jun 21	Jul '19 - Jun 20	Jul '20 - Jun 21	Annual Budget	Remaining Budget	% Annual Budget
5500 · Administrative Expense						
5505 · (6001) Allocated Salaries	114,449.20	814,099.20	821,999.28	932,580.00	110,580.72	88.14%
5510 · (6002) Overtime	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
5515 · (6003) Other Pay	1,683.44	11,221.67	12,251.79	27,564.00	15,312.21	44.45%
5520 · (6004) Benefits	15,782.87	124,666.78	137,151.47	146,469.00	9,317.53	93.64%
5525 · (6005) Extra-Help	0.00	0.00	0.00	500.00	500.00	0.00%
5530 · (6006) Sick Leave Buy Back	0.00	11,633.70	0.00	0.00	0.00	0.00%
5535 · (6011) Retirement- Co. Port.	15,421.06	96,772.01	104,350.82	112,084.00	7,733.18	93.10%
5540 · (6012) Social Security	8,948.71	61,160.02	61,865.39	69,313.00	7,447.61	89.26%
5545 · (1024) POB Cost	15,374.05	61,717.73	63,458.34	79,475.00	11,016.66	86.14%
5550 · (6008) Board Fees-Per Diem Pmts	0.00	18,000.00	13,096.07	20,000.00	903.93	95.48%
5551 · Communications						
5552 · (7005) Communications	956.06	6,691.74	5,962.44	8,000.00	2,037.56	74.53%
5640 · (7005) Co. Telecommunication	971.68	10,198.51	8,646.40	13,709.00	5,062.60	63.07%
Total 5551 · Communications	1,927.74	16,890.25	14,608.84	21,709.00	7,100.16	67.29%
5553 · Data Processing						
5650 · (7044) ICT Qtrly - Data Process	5,266.71	58,985.03	57,776.56	66,000.00	8,223.44	87.54%
5697 · (7044) Computer Exp Hdwr/Sftwr	9,771.64	25,712.23	17,660.22	19,218.00	1,557.78	91.89%
5698 · (7044) WSI/Q2 Digital	350.00	2,950.00	3,850.00	22,500.00	18,650.00	17.11%
Total 5553 · Data Processing	15,388.35	87,647.26	75,286.78	107,718.00	28,431.22	73.61%
5555 · (7009) Household Expense	1,418.15	14,669.65	13,944.04	17,380.00	3,435.96	80.23%
5560 · (7010) Insurance	0.00	53,402.00	54,402.00	56,365.00	1,963.00	96.52%
5565 · (7011) Unemployment Insurance	274.62	0.00	274.62	6,000.00	5,725.38	0.00%
5570 · (7021) Maintenance-Equipment	203.46	1,686.97	1,565.23	3,000.00	1,434.77	52.17%
5575 · (7027) Memberships	0.00	6,555.00	6,430.00	6,800.00	370.00	94.56%
5580 · (7030) Due Diligence Expense	5,947.89	5,290.23	5,947.89	15,000.00	9,052.11	39.65%
5585 · (7036) Office Expense	5,660.86	30,752.21	25,053.70	32,918.00	7,864.30	76.11%
5586 · (7040) Courier	335.59	1,276.75	1,340.25	1,500.00	159.75	89.35%
5590 · Prof & Specialized Exp						
5591 · (7043) Prof & Special Gen Exp	15.00	0.00	15.00	500.00	485.00	3.00%
5592 · (7043) Prof & Spec - Audit	0.00	41,800.00	44,570.00	47,600.00	3,030.00	93.63%
5593 · (7043) Prof Sr -Outside Counsel	0.00	79,865.40	14,934.75	75,000.00	60,065.25	19.91%
Total 5590 · Prof & Specialized Exp	15.00	121,665.40	59,519.75	123,100.00	63,580.25	48.35%
5594 · County Counsel Charges						
5661 · (7046) Co Counsel - General Exp	7,461.00	25,288.20	17,333.70	35,000.00	17,666.30	49.52%
5662 · (7046) Co Counsel - Disability	16,840.60	58,467.20	67,364.20	93,000.00	25,635.80	72.43%
Total 5594 · County Counsel Charges	24,301.60	83,755.40	84,697.90	128,000.00	43,302.10	66.17%
5595 · (7049) Prof Exp-Disabilities	25,840.76	98,160.16	75,026.12	164,000.00	88,973.88	45.75%
5600 · (7059) Publications	4,197.36	20,318.96	20,965.97	22,000.00	1,034.03	95.30%
5675 · (7059) Co. Print Services	995.26	12,535.50	6,730.75	13,500.00	6,769.25	49.86%
Total 5600 · (7059) Publications	5,192.62	32,854.46	27,696.72	35,500.00	7,803.28	78.02%

**TCERA and TCERA Property, Inc.**  
**BUDGET VS ACTUAL**  
**June 2021**

Accounting Period 12  
100.00% of the Current Fiscal Year Budget  
*Before All Accruals & Interest Posting*

	Jun 21	Jul '19 - Jun 20	Jul '20 - Jun 21	Annual Budget	Remaining Budget	% Annual Budget
5605 - (7062) Rent & Lease -Building	15,640.00	187,680.00	187,680.00	187,680.00	0.00	100.00%
5610 - (7066) Spec Dept Exp - RIS	11,117.50	284,919.74	220,223.49	307,821.00	87,597.51	71.54%
5615 - (7073) Training	458.40	8,437.79	4,508.40	15,500.00	10,991.60	29.09%
5620 - (7074) Transportation & Travel	0.00	14,465.80	1,701.25	32,000.00	30,298.75	5.32%
5625 - (7081) Utilities	1,452.69	14,416.08	15,656.85	20,400.00	4,743.15	76.75%
5627 - (7116) Postage - Co. Mail	9,628.97	42,181.87	38,853.26	44,656.00	5,802.74	87.01%
5630 - (7128) Co. Workers Comp Insurance	0.00	53,013.00	59,381.00	60,000.00	619.00	98.97%
5695 - Co. Admin. Services						
5666 - (7719) HR/Risk Services	0.00	10,230.19	0.00	11,291.00	11,291.00	0.00%
5699 - (7719) Auditors Services	790.35	1,953.48	2,353.63	7,500.00	5,146.37	31.38%
Total 5695 - Co. Admin. Services	790.35	12,183.67	2,353.63	18,791.00	16,437.37	12.53%
5720 - (7421) Interest Expense	0.00	0.00	0.00	1.00	1.00	0.00%
5450 - Compensated Benefit Expense	11,750.89	13,252.07	11,750.89	21,580.00	9,829.11	54.45%
5911 - Depreciation - TCERA	0.00	5,176.79	0.00	19,000.00	19,000.00	0.00%
5913 - Amortization - CPAS	0.00	303,350.29	0.00	320,000.00	320,000.00	0.00%
Total TCERA Administrative Expense	309,004.77	2,692,953.95	2,217,075.77	3,155,404.00	938,328.23	70.26%
5750 - TCERA Property Administrative Expense						
(Note 1) 5755 - Fees and Taxes	-10.00	154.15	75.00	200.00	125.00	37.50%
5760 - Insurance	0.00	6,384.00	7,452.00	7,750.00	298.00	96.15%
5765 - Professional & Spec Services	851.19	713.65	1,278.39	2,000.00	721.61	63.92%
5780 - Courtyards Property Assn Dues	1,707.67	6,764.64	6,830.68	7,200.00	369.32	94.87%
5785 - Landscape Service	1,583.00	6,107.50	5,975.25	7,800.00	1,824.75	76.61%
5790 - Security Monitoring	371.60	2,349.42	2,494.66	6,750.00	4,255.34	36.96%
5795 - Maintenance & Improve - Bldg	4,806.82	8,358.54	13,685.16	14,500.00	814.84	94.38%
5797 - Utilities	436.85	4,774.87	4,435.96	6,100.00	1,664.04	72.72%
5912 - Depreciation - TCERA Property	0.00	32,419.08	0.00	32,600.00	32,600.00	0.00%
Total TCERA Property, Inc. Administrative Expense	9,747.13	68,025.85	42,227.10	84,900.00	42,672.90	49.74%
Total TCERA & TCERA Property Administrative Expense	318,751.90	2,760,979.80	2,259,302.87	3,240,304.00	981,001.13	69.73%

Notes:

Note 1 Return of 2019 Franchise Tax filing fee

Accrued Actuarial Liability	1,875,797.00
June 30, 2020	
21% of AAL	3,939,173.70
100.00%	3,939,173.70
Expenses to date	(2,259,302.87)
(Over)/Under	1,679,870.83

**TCERA and TCERA Property, Inc.**  
**Combined Balance Sheet Comparison**  
**As of July 31, 2021**

		AS OF July 31, 2021						
		Jul 31, 21	Jun 30, 21	\$ Change	% Change	Jul 31, 20	\$ Change	% Change
ASSETS								
Current Assets								
Checking/Savings								
(Note 1)	1110 - Cash in County Treasury	42,171,615.13	11,067,944.93	31,103,670.20	281.03%	55,799,811.35	-13,628,196.22	-24.42%
(Note 2)	1120 - Cash in Custodial Account	26,155,498.15	25,908,344.66	247,153.49	0.95%	64,107,491.00	-37,951,992.85	-59.20%
(Note 3)	1130 - Short Term Investments	33,372,212.63	30,730,774.18	2,641,438.45	8.60%	6,975,935.19	26,396,277.44	378.39%
	1140 - Securities Lending Collateral	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
	1150 - Impaired Assets	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
	Total Checking/Savings	101,699,325.91	67,707,063.77	33,992,262.14	50.21%	126,883,237.54	-25,183,911.63	-19.85%
Other Current Assets								
	1310 - Fixed Income - Market	564,674,851.36	561,575,717.07	3,099,134.29	0.55%	480,576,674.58	84,098,176.78	17.50%
	1340 - Equities - Market	960,089,773.88	952,435,566.61	7,654,207.27	0.80%	758,387,881.86	201,701,892.02	26.60%
	1375 - Real Estate - REITS	195,567,700.51	194,893,456.76	674,243.75	0.35%	177,778,903.08	17,788,797.43	10.01%
(Note 4)	1385 - Hedge Funds	0.00	0.00	0.00	0.00%	93,982.33	-93,982.33	-100.00%
	1386 - Private Equity	112,211,768.00	108,882,108.07	3,329,659.93	3.06%	75,803,160.59	36,408,607.41	48.03%
	1388 - Private Credit	105,106,650.00	104,186,835.00	919,815.00	0.88%	75,174,183.00	29,932,467.00	39.82%
(Note 5)	1390 - Futures Overlay	0.00	0.00	0.00	0.00%	5,258,087.99	-5,258,087.99	-100.00%
	Total Other Current Assets	1,937,650,743.75	1,921,973,683.51	15,677,060.24	0.82%	1,573,072,873.43	364,577,870.32	23.18%
	Total Current Assets	2,039,350,069.66	1,989,680,747.28	49,669,322.38	2.50%	1,699,956,110.97	339,393,958.69	19.97%
Fixed Assets								
	1501 - Building and Improvements	1,178,366.03	1,178,366.03	0.00	0.00%	1,178,366.03	0.00	0.00%
	1505 - Office Equipment & Computer Sys	207,404.81	207,404.81	0.00	0.00%	153,661.50	53,743.31	34.98%
	1506 - Project in Process CPAS	2,755,095.55	2,755,095.55	0.00	0.00%	2,755,095.55	0.00	0.00%
	1511 - Accumulated Depreciation	-2,786,542.42	-2,786,542.42	0.00	0.00%	-2,786,542.42	0.00	0.00%
	1512 - Land	370,345.69	370,345.69	0.00	0.00%	370,345.69	0.00	0.00%
	Total Fixed Assets	1,724,669.66	1,724,669.66	0.00	0.00%	1,670,926.35	53,743.31	3.22%
Other Assets								
	1710 - Open Trades Sales	13,328,431.32	23,884,042.73	-10,555,611.41	-44.20%	13,151,820.03	176,611.29	1.34%
	1730 - Investment Income Receivable	933,733.23	896,797.72	36,935.51	4.12%	750,763.55	182,969.68	24.37%
(Note 6)	1735 - Real Estate Income Receivable	0.00	1,358,916.37	-1,358,916.37	-100.00%	0.00	0.00	0.00%
(Note 7)	1750 - Members Contribution Receivable	0.00	811,493.53	-811,493.53	-100.00%	0.00	0.00	0.00%
(Note 7)	1770 - Employer Contribution Receivable	0.00	202,396.54	-202,396.54	-100.00%	0.00	0.00	0.00%
	1780 - Advances Rec- Holding Corp	473,230.00	482,230.00	-9,000.00	-1.87%	581,230.00	-108,000.00	-18.58%
(Note 8)	1785 - Pension Deaths Receivables	0.00	-473.48	473.48	100.00%	122.01	-122.01	-100.00%
	1790 - Other Receivables	6,720.05	7,011.06	-291.01	-4.15%	11,537.58	-4,817.53	-41.76%
	Total Other Assets	14,742,114.60	27,642,414.47	-12,900,299.87	-46.67%	14,495,473.17	246,641.43	1.70%
TOTAL ASSETS		2,055,816,853.92	2,019,047,831.41	36,769,022.51	1.82%	1,716,122,510.49	339,694,343.43	19.79%



**TCERA and TCERA Property, Inc.**  
**Combined Balance Sheet Comparison**  
**As of July 31, 2021**

*Before All Accruals & Interest Posting*

	<u>Jul 31, 21</u>	<u>Jun 30, 21</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jul 31, 20</u>	<u>\$ Change</u>	<u>% Change</u>
<b>LIABILITIES &amp; EQUITY</b>							
<b>Liabilities</b>							
<b>Current Liabilities</b>							
2010 · Sec Lending Collateral Paya	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
2020 · Open Trades - Purchases	44,119,776.52	51,172,031.19	-7,052,254.67	-13.78%	19,025,949.23	25,093,827.29	131.89%
2030 · Accounts Payable - Inv	347,805.63	546,210.88	-198,405.25	-36.32%	439,767.43	-91,961.80	-20.91%
2040 · Refunds Payable	4,098,875.89	4,098,875.89	0.00	0.00%	3,392,107.70	706,768.19	20.84%
(Note 7) 2050 · Other Payables	90,526.46	2,087,715.31	-1,997,188.85	-95.66%	167,803.12	-77,276.66	-46.05%
(Note 7) 2100 · Payroll Liabilities	0.00	34,684.17	-34,684.17	-100.00%	0.00	0.00	0.00%
Total Other Current Liabilities	<u>48,656,984.50</u>	<u>57,939,517.44</u>	<u>-9,282,532.94</u>	<u>-16.02%</u>	<u>23,025,627.48</u>	<u>25,631,357.02</u>	<u>111.32%</u>
Total Current Liabilities	<u>48,656,984.50</u>	<u>57,939,517.44</u>	<u>-9,282,532.94</u>	<u>-16.02%</u>	<u>23,025,627.48</u>	<u>25,631,357.02</u>	<u>111.32%</u>
<b>Long Term Liabilities</b>							
2060 · Accrual-Benefits at Termination	115,302.68	115,302.68	0.00	0.00%	103,551.79	11,750.89	11.35%
2070 · Advances Payable - TCERA	<u>473,230.00</u>	<u>482,230.00</u>	<u>-9,000.00</u>	<u>-1.87%</u>	<u>581,230.00</u>	<u>-108,000.00</u>	<u>-18.58%</u>
Total Long Term Liabilities	<u>588,532.68</u>	<u>597,532.68</u>	<u>-9,000.00</u>	<u>-1.51%</u>	<u>684,781.79</u>	<u>-96,249.11</u>	<u>-14.06%</u>
Total Liabilities	<u>49,245,517.18</u>	<u>58,537,050.12</u>	<u>-9,291,532.94</u>	<u>-15.87%</u>	<u>23,710,409.27</u>	<u>25,535,107.91</u>	<u>107.70%</u>
<b>Equity</b>							
3110 · Member Deposit Reserve	318,825,186.91	319,830,699.11	-1,005,512.20	-0.31%	318,083,126.07	742,060.84	0.23%
(Note 9) 3120 · Other Reserves - Unapportioned	3,066,864.75	3,066,864.75	0.00	0.00%	4,268,735.04	-1,201,870.29	-28.16%
3210 · Employer Advance Reserves	877,114,579.28	878,967,488.00	-1,852,908.72	-0.21%	855,626,191.34	21,488,387.94	2.51%
3310 · Retiree Reserves	469,687,845.14	466,829,424.22	2,858,420.92	0.61%	447,195,439.94	22,492,405.20	5.03%
3320 · Supp. Retiree Benefit Reserve	107,567,108.49	107,567,108.49	0.00	0.00%	108,348,474.77	-781,366.28	-0.72%
3410 · Contingency Reserve	55,437,104.30	55,437,104.30	0.00	0.00%	49,227,604.66	6,209,499.64	12.61%
3510 · Market Stabilization	-7,569,506.00	-7,569,506.00	0.00	0.00%	-163,716,787.00	156,147,281.00	95.38%
3810 · Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
3900 · Retained Earnings	136,381,598.42	-204,309,472.39	340,691,070.81	166.75%	786,925.66	135,594,672.76	17230.94%
Net Income	<u>46,060,555.45</u>	<u>340,691,070.81</u>	<u>-294,630,515.36</u>	<u>-86.48%</u>	<u>72,592,390.74</u>	<u>-26,531,835.29</u>	<u>-36.55%</u>
Total Equity	<u>2,006,571,336.74</u>	<u>1,960,510,781.29</u>	<u>46,060,555.45</u>	<u>2.35%</u>	<u>1,692,412,101.22</u>	<u>314,159,235.52</u>	<u>18.56%</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>2,055,816,853.92</b></u>	<u><b>2,019,047,831.41</b></u>	<u><b>36,769,022.51</b></u>	<u><b>1.82%</b></u>	<u><b>1,716,122,510.49</b></u>	<u><b>339,694,343.43</b></u>	<u><b>19.79%</b></u>

**Notes:**

- Note 1 County Prepaid Contributions for fiscal year 21/22 \$37,346,269
- Note 2 Decrease in Cash in Custodial from last year liquidation of Hedge Funds
- Note 3 Timing of managers short term positions
- Note 4 Hedge Funds - accounts closed
- Note 5 Future Overlay - account closed
- Note 6 Timing of receipt of Real Estate Distributions vs. lag in Real Estate reporting
- Note 7 Accruals
- Note 8 Timing of payment of Pension Death Receivable
- Note 9 Interim interest payments/adjustments and equity adjustments prior to period close

**TCERA and TCERA Property, Inc.**  
**Combined Comparative Profit and Loss**  
**July 31, 2021**

*Before All Accruals & Interest Posting*

	Jul 21	Jun 21	\$ Change	% Change	Jul 21	Jul 20	\$ Change	% Change
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
4110 · Interest Income	252,120.49	308,111.94	-55,991.45	-18.17%	252,120.49	253,765.47	-1,644.98	-0.65%
4120 · Dividend Income	219,559.77	334,695.33	-115,135.56	-34.4%	219,559.77	205,650.11	13,909.66	6.76%
(Note 1) 4130 · Real Estate Income	123,378.41	176,281.19	-52,902.78	-30.01%	123,378.41	0.00	123,378.41	100.0%
(Note 2) 4140 · Other Investment Income	163,169.80	416,719.11	-253,549.31	-60.84%	163,169.80	87,019.03	76,150.77	87.51%
4200 · Lease Payments from TCERA	15,640.00	15,640.00	0.00	0.0%	15,640.00	15,640.00	0.00	0.0%
4310 · Commission Rebates	0.00	105.87	-105.87	-100.0%	0.00	22.75	-22.75	-100.0%
(Note 3) 4410 · Securities Lending Income	10,843.69	7,426.55	3,417.14	46.01%	10,843.69	0.00	10,843.69	100.0%
(Note 4) 4510 · Realized Gains/Losses	36,445,683.03	7,384,890.70	29,060,792.33	393.52%	36,445,683.03	1,898,916.03	34,546,767.00	1,819.29%
4530 · Gn/Ls Disposal of Fixed Asset	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 5) 4610 · Employee Contributions	1,172,737.20	3,447,534.48	-2,274,797.28	-65.98%	1,172,737.20	1,170,068.09	2,669.11	0.23%
(Note 5) 4620 · Employer Contributions	39,319,706.14	-1,526,325.95	40,846,032.09	2,676.1%	39,319,706.14	35,752,778.47	3,566,927.67	9.98%
<b>Total Income</b>	<b>77,722,838.53</b>	<b>10,565,079.22</b>	<b>67,157,759.31</b>	<b>635.66%</b>	<b>77,722,838.53</b>	<b>39,383,859.95</b>	<b>38,338,978.58</b>	<b>97.35%</b>
<b>Expense</b>								
5110 · Benefit Payments	7,935,146.48	8,025,735.10	-90,588.62	-1.13%	7,935,146.48	7,585,800.52	349,345.96	4.61%
(Note 6) 5120 · Refunds	297,048.63	875,259.88	-578,211.25	-66.06%	297,048.63	123,801.92	173,246.71	139.94%
5130 · Death Retiree ROC	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5140 · SDA Payments	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5210 · Investment Management Fees	120,635.00	1,454,654.95	-1,334,019.95	-91.71%	120,635.00	36,397.00	84,238.00	231.44%
(Note 7) 5250 · Inv. Consultant/Custodial Fees	0.00	224,062.80	-224,062.80	-100.0%	0.00	0.00	0.00	0.0%
(Note 8) 5270 · Securities Lending Expense	1,130.12	1,115.82	14.30	1.28%	1,130.12	0.00	1,130.12	100.0%
5275 · Real Estate Investment Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5276 · Real Estate Mgr Fees	0.00	402,285.86	-402,285.86	-100.0%	0.00	0.00	0.00	0.0%
(Note 9) 5280 · Other Investment Expense	5,922.43	-3,603.32	9,525.75	264.36%	5,922.43	10,030.78	-4,108.35	-40.96%
(Note 7) 5410 · Actuarial Study Fees	0.00	10,756.25	-10,756.25	-100.0%	0.00	0.00	0.00	0.0%
(Note 10) 5450 · Compensated Benefit Expense	0.00	11,750.89	-11,750.89	-100.0%	0.00	0.00	0.00	0.0%
5500 · Administrative Expense	153,458.86	297,253.88	-143,795.02	-48.37%	153,458.86	151,868.25	1,590.61	1.05%
5750 · TCERA Property Admin Expense	593.75	9,747.13	-9,153.38	-93.91%	593.75	975.06	-381.31	-39.11%
5910 · Depreciation of Fixed Assets	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
<b>Total Expense</b>	<b>8,513,935.27</b>	<b>11,309,019.24</b>	<b>-2,795,083.97</b>	<b>-24.72%</b>	<b>8,513,935.27</b>	<b>7,908,873.53</b>	<b>605,061.74</b>	<b>7.65%</b>
<b>Net Ordinary Income</b>	<b>69,208,903.26</b>	<b>-743,940.02</b>	<b>69,952,843.28</b>	<b>9,403.02%</b>	<b>69,208,903.26</b>	<b>31,474,986.42</b>	<b>37,733,916.84</b>	<b>119.89%</b>

**TCERA and TCERA Property, Inc.**  
**Combined Comparative Profit and Loss**  
**July 31, 2021**

*Before All Accruals & Interest Posting*

	Jul 21	Jun 21	\$ Change	% Change	Jul 21	Jul 20	\$ Change	% Change
Other Income/Expense								
Other Income								
4520 · Unrealized Gains/Losses	-23,148,347.81	28,432,801.90	-51,581,149.71	-181.41%	-23,148,347.81	41,117,404.32	-64,265,752.13	-156.3%
4525 · Unrealized Gns/Ls Building/Land	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
5000 · Other Income	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Total Other Income	-23,148,347.81	28,432,801.90	-51,581,149.71	-181.41%	-23,148,347.81	41,117,404.32	-64,265,752.13	-156.3%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	-23,148,347.81	28,432,801.90	-51,581,149.71	-181.41%	-23,148,347.81	41,117,404.32	-64,265,752.13	-156.3%
Net Income	<u>46,060,555.45</u>	<u>27,688,861.88</u>	<u>18,371,693.57</u>	<u>66.35%</u>	<u>46,060,555.45</u>	<u>72,592,390.74</u>	<u>-26,531,835.29</u>	<u>-36.55%</u>

Notes:

- Note 1 Real Estate Income reported quarterly and one mo. in arrears
- Note 2 Other Investment Income decrease over last mo. in Private Equity; increase over last year in Total Equity
- Note 3 Increase Securities Lending Income over last mo. and last year
- Note 4 Increase in Realized Gains over last mo. and over last year in Total Equity
- Note 5 Accruals for EE & ER Contributions; Co. Prepayment ER Contributions
- Note 6 Semi-Annual Refund Accrual; increase in the \$ amount of Refunds overlast year
- Note 7 Quarterly Fees Accrued
- Note 8 Increase in Securities Lending Expense over last mo. and last year
- Note 9 Increase in Other Investment Expenses over last mo. In Private Equity; decrease over last year in Private Credit
- Note 10 Accrual of Compensated Benefits

\* See Budget report for detail of Administrative expenses (5500 and 5750)

**TCERA and TCERA Property, Inc.**  
**BUDGET VS ACTUAL**  
**July 2021**

Accounting Period 1  
8.33% of the Current Fiscal Year Budget  
*Before All Accruals & Interest Posting*

	Jul 21	Jul 20	Jul 21	Annual Budget	Remaining Budget	% Annual Budget
5500 - Administrative Expense						
5505 - (6001) Allocated Salaries	37,663.74	40,094.78	37,663.74	1,025,313.00	987,649.26	3.67%
5510 - (6002) Overtime	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
(Note 1) 5515 - (6003) Other Pay	4,840.96	396.80	4,840.96	28,672.00	23,831.04	16.88%
5520 - (6004) Benefits	6,764.09	7,108.95	6,764.09	159,376.00	152,611.91	4.24%
5525 - (6005) Extra-Help	0.00	0.00	0.00	500.00	500.00	0.00%
5530 - (6006) Sick Leave Buy Back	0.00	0.00	0.00	0.00	0.00	0.00%
5535 - (6011) Retirement- Co. Port.	5,909.69	5,015.38	5,909.69	136,235.00	130,325.31	4.34%
5540 - (6012) Social Security	3,279.25	3,113.82	3,279.25	76,404.00	73,124.75	4.29%
5545 - (1024) POB Cost	0.00	0.00	0.00	87,249.00	87,249.00	0.00%
(Note 2) 5550 - (6008) Board Fees-Per Diem Pmts	4,844.25	4,100.00	4,844.25	20,000.00	15,155.75	24.22%
5551 - Communications						
5552 - (7005) Communications	0.00	0.00	0.00	8,700.00	8,700.00	0.00%
5640 - (7005) Co. Telecommunication	0.00	561.00	0.00	12,039.00	12,039.00	0.00%
Total 5551 - Communications	0.00	561.00	0.00	20,739.00	20,739.00	0.00%
5553 - Data Processing						
5650 - (7044) ICT Qtrly - Data Process	0.00	0.00	0.00	104,821.00	104,821.00	0.00%
5697 - (7044) Computer Exp Hdwr/Sftwr	0.00	1,005.64	0.00	32,138.00	32,138.00	0.00%
5698 - (7044) WSI/Q2 Digital	0.00	350.00	0.00	3,500.00	3,500.00	0.00%
Total 5553 - Data Processing	0.00	1,355.64	0.00	140,459.00	140,459.00	0.00%
5555 - (7009) Household Expense	58.85	1,321.21	58.85	17,380.00	17,321.15	0.34%
(Note 3) 5560 - (7010) Insurance	58,624.00	54,402.00	58,624.00	59,400.00	776.00	98.69%
5565 - (7011) Unemployment Insurance	0.00	0.00	0.00	6,000.00	6,000.00	0.00%
5570 - (7021) Maintenance-Equipment	42.37	47.59	42.37	3,000.00	2,957.63	1.41%
(Note 4) 5575 - (7027) Memberships	4,000.00	0.00	4,000.00	7,100.00	3,100.00	56.34%
5580 - (7030) Due Diligence Expense	783.29	0.00	783.29	15,000.00	14,216.71	5.22%
5585 - (7036) Office Expense	146.85	1,113.08	146.85	50,080.00	49,933.15	0.29%
5586 - (7040) Courier	0.00	0.00	0.00	1,460.00	1,460.00	0.00%
5590 - Prof & Specialized Exp						
5591 - (7043) Prof & Special Gen Exp	0.00	0.00	0.00	500.00	500.00	0.00%
5592 - (7043) Prof & Spec - Audit	0.00	6,514.10	0.00	47,600.00	47,600.00	0.00%
5593 - (7043) Prof Sr -Outside Counsel	0.00	0.00	0.00	75,000.00	75,000.00	0.00%
Total 5590 - Prof & Specialized Exp	0.00	6,514.10	0.00	123,100.00	123,100.00	0.00%
5594 - County Counsel Charges						
5661 - (7046) Co Counsel - General Exp	0.00	0.00	0.00	40,000.00	40,000.00	0.00%
5662 - (7046) Co Counsel - Disability	0.00	0.00	0.00	93,000.00	93,000.00	0.00%
Total 5594 - County Counsel Charges	0.00	0.00	0.00	133,000.00	133,000.00	0.00%
5595 - (7049) Prof Exp-Disabilities	628.05	0.00	628.05	164,000.00	163,371.95	0.38%
5600 - (7059) Publications	0.00	0.00	0.00	22,000.00	22,000.00	0.00%
5675 - (7059) Co. Print Services	0.00	0.00	0.00	14,500.00	14,500.00	0.00%
Total 5600 - (7059) Publications	0.00	0.00	0.00	36,500.00	36,500.00	0.00%

**TCERA and TCERA Property, Inc.**  
**BUDGET VS ACTUAL**  
**July 2021**

Accounting Period 1  
8.33% of the Current Fiscal Year Budget  
*Before All Accruals & Interest Posting*

	Jul 21	Jul 20	Jul 21	Annual Budget	Remaining Budget	% Annual Budget
5605 - (7062) Rent & Lease -Building	15,640.00	15,640.00	15,640.00	187,680.00	172,040.00	8.33%
5610 - (7066) Spec Dept Exp - RIS	7,941.00	7,941.00	7,941.00	318,120.00	310,179.00	2.50%
5615 - (7073) Training	0.00	125.00	0.00	15,500.00	15,500.00	0.00%
5620 - (7074) Transportation & Travel	67.70	516.65	67.70	32,000.00	31,932.30	0.21%
(Note 5) 5625 - (7081) Utilities	2,223.67	2,501.25	2,223.67	20,400.00	18,176.33	10.90%
5627 - (7116) Postage - Co. Mail	1.10	0.00	1.10	46,900.00	46,898.90	0.00%
5630 - (7128) Co. Workers Comp Insurance	0.00	0.00	0.00	53,500.00	53,500.00	0.00%
5695 - Co. Admin. Services						
5666 - (7719) HR/Risk Services	0.00	0.00	0.00	11,860.00	11,860.00	0.00%
5699 - (7719) Auditors Services	0.00	0.00	0.00	7,500.00	7,500.00	0.00%
Total 5695 - Co. Admin. Services	0.00	0.00	0.00	19,360.00	19,360.00	0.00%
5720 - (7421) Interest Expense	0.00	0.00	0.00	1.00	1.00	0.00%
5450 - Compensated Benefit Expense	0.00	0.00	0.00	25,353.00	25,353.00	0.00%
5911 - Depreciation - TCERA	0.00	0.00	0.00	20,000.00	20,000.00	0.00%
5913 - Amortization - CPAS	0.00	0.00	0.00	325,000.00	325,000.00	0.00%
Total TCERA Administrative Expense	153,458.86	151,868.25	153,458.86	3,376,781.00	3,223,322.14	4.54%
5750 - TCERA Property Administrative Expense						
5755 - Fees and Taxes	0.00	0.00	0.00	200.00	200.00	0.00%
5760 - Insurance	0.00	0.00	0.00	9,000.00	9,000.00	0.00%
5765 - Professional & Spec Services	0.00	0.00	0.00	2,000.00	2,000.00	0.00%
5780 - Courtyards Property Assn Dues	0.00	0.00	0.00	7,600.00	7,600.00	0.00%
5785 - Landscape Service	0.00	0.00	0.00	7,800.00	7,800.00	0.00%
5790 - Security Monitoring	35.66	0.00	35.66	7,750.00	7,714.34	0.46%
5795 - Maintenance & Improve - Bldg	100.00	560.00	100.00	244,365.00	244,265.00	0.04%
5797 - Utilities	458.09	415.06	458.09	7,000.00	6,541.91	6.54%
5912 - Depreciation - TCERA Property	0.00	0.00	0.00	70,400.00	70,400.00	0.00%
Total TCERA Property, Inc. Administrative Expense	593.75	975.06	593.75	356,115.00	355,521.25	0.17%
Total TCERA & TCERA Property Administrative Expense	154,052.61	152,843.31	154,052.61	3,732,896.00	3,578,843.39	4.13%

Notes:

- Note 1 Unrepresented one-time payment for continuity of operations during COVID-19 pandemic
- Note 2 Quarterly Per Diem paid
- Note 3 Annual insurance premiums paid
- Note 4 Annual memberships paid: SACRS
- Note 5 Increased electricity costs during summer months

Accrued Actuarial Liability	1,875,797.00
June 30, 2020	
21% of AAL	3,939,173.70
8.33%	328,264.48
Expenses to date	(154,052.61)
(Over)/Under	174,211.87



## COUNTY OF TULARE BOARD OF RETIREMENT

**Leanne Malison**  
Retirement Administrator

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### **TCERA, Board of Retirement Administrative Committee**

#### **Agenda Item # IV.2.b.**

**Agenda Date:** August 25, 2021

**Subject:** TCERA's Consultant Review

#### **Requests:**

That the Administrative Committee:

1. Discuss a recommended timeframe for TCERA's consultant review.
2. Provide a recommendation to the Board regarding TCERA's consultant review.

#### **Summary:**

The Board of Retirement has directed that the Administrative Committee discuss a recommended timeframe for the review of TCERA consultants. Examples of such consultants include TCERA's actuary, independent auditor, and investment consultant. In addition, TCERA may enter into other vendor contracts from time to time for special projects.

The following is the current procedure used by Staff to bring a consulting contract to the Board of Retirement for review:

1. Contract with a fixed expiration date – When a contract contains a fixed expiration date, Staff will bring the information to the Board prior to the contract expiration for direction regarding an extension of the existing contract, the issuance of a Request for Proposal, or other action as deemed necessary.
2. Contract with built in extension options – When a contract contains specific options for extension, Staff will bring the information to the Board prior to the extension period for direction regarding approving the extension as designated in the contract, the issuance of a Request for Proposal, or other action deemed necessary.
3. Contract with no fixed expiration date – When a contract contains no expiration date or has entered a contractual "evergreen" phase where the contract continues in place until rescinded by either party, Staff will bring the information to the Board for direction regarding the contract no later than five years from the date of the previous review.

The Committee is asked to review the current procedure and make recommendations for change, if any, to the Board of Retirement.

**Prepared by:** Mary Warner



COUNTY OF TULARE  
**BOARD OF RETIREMENT**

**Leanne Malison**  
Retirement Administrator

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**TCERA, Board of Retirement  
Administrative Committee**

**Agenda Item # IV.2.c.**

**Agenda Date:** August 25, 2021

**Subject:** TCERA's Revised Service Agreement with the County of Tulare

**Requests:**

That the Administrative Committee:

1. Review the attached Revised Service Agreement with the County of Tulare
2. Forward the Revised Service Agreement to the Board of Retirement with a recommendation for approval.

**Summary:**

Many departments within the County provide services to TCERA and TCERA is invoiced for these services. The current Service Agreement with the County was approved by the Board of Retirement back in December of 2020. Only Exhibit B-1 Auditor-Controller/Tax Collection and B-7 TCiCT are being revised. The revisions to Exhibit B-1 are due to the Auditor- Controller processing of our Trustee payroll. The revisions to B-7 are due to TCiCT changes in their billing methodology. Legal has completed their review of the proposed changes to both Exhibits of the Service Agreement and staff are comfortable with the changes. Please see the attached redline Exhibits and the current Service Agreement for discussion.

**Prepared by:** Mary Warner

**EXHIBIT B-7**  
**INFORMATION AND COMMUNICATIONS TECHNOLOGY**

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**I. SCOPE OF SERVICES**

**1. General Services**

TCiCT shall provide to TCERA technology services and TCERA shall pay for those services as described herein.

**2. Confidentiality**

- a. TCiCT agrees that the department shall hold itself and its employees, as well as any and all contractors to TCiCT and TCERA that have any access to and TCERA technology system, to a level of high confidentiality required under the County Employees Retirement Law of 1937, applicable sections of the Internal Revenue. Further, TCiCT shall comply with the security requirements for information, technology access, and use and disposal in accordance with Title 45 Code of Federal Regulations (CFR) Sections 205.50 and 303.21. TCiCT shall indemnify TCERA for any actual damages resulting to TCERA as a result of TCiCT's failure to comply with this paragraph. Additionally, TCiCT shall protect TCERA's confidential information subsequent to the expiration of this Agreement.
- b. TCiCT staff shall pass a background check at hire, including the LiveScan fingerprinting submitted to the FBI and California DOJ. If applicable, the LiveScan shall occur more frequently based on Federal, State, or Local regulations. Additionally, all TCiCT employees shall complete a confidentiality acknowledgment form upon hire and annually thereafter.

**3. Specific Services**

**a. TCiCT shall:**

**i. Provide technology management services including:**

- 1. Managing and supervising all TCiCT staff providing services to TCERA;
- 2. Functioning as part of the TCERA management team providing technology related staff support, technical advice and information;
- 3. Assisting with Information & Communications Technology purchase requisitions.

**ii. Provide technology support services including:**

- 1. Routine support to the installed workstations;
- 2. Local Area Network support including regular backup of files, adding and deleting users, resetting network passwords, assigning and monitoring user access, restoring files if needed and monitoring network usage and performance;
- 3. Service desk support between the business hours of 7:00 a.m. and



## INFORMATION AND COMMUNICATIONS TECHNOLOGY

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5:30 p.m. Monday through Thursday; 7:00 a.m. and 5:00 p.m. on Fridays;

4. If applicable, provide asset management services including the tagging of Tulare County purchased assets and logging of inventory for the department;
5. Consulting to assist with the application of technology toward the Department's business needs. This may include the development of configurations or estimates for planning and analysis purposes. It may also include the evaluation and analysis of recommendations received from other sources;
6. Assisting TCERA staff with the day-to-day operations of TCERA's technology, including the evaluation and analysis of recommendations received from other sources;
7. TCiCT will assist TCERA with its electronic interface to the Auditor's office to ensure TCERA data is processed in a timely fashion.
8. TCiCT will provide TCERA with website maintenance, hosting and support at no additional cost for Fiscal Year 2020/2021. For fiscal years thereafter, rates for these services may be renegotiated.

### iii. Provide Telephone support services including:

1. Maintenance of existing Voice over Internet Protocol (VoIP) telephone system including hardware, software, cabling, desk sets, server, router and user phone and and/or other appropriate telephony equipment and/or service;
2. Replacement and or New Equipment will be at the expense of TCERA;
3. Maintaining connections to external phone service provider;
4. Updating systems and software as needed from time to time;
5. Maintaining all unified communications hardware and software including occasional changes to call routing, messages and user phone and phone number assignments;
6. Monitoring VoIP system and make recommendations prior to system reaching capacity or loss of optimal service.

### iv. Service goals:

1. TCiCT will maintain adequate staff assigned to meet the needs of TCERA to remain operational at all times;
2. TCiCT will attempt to acknowledge telephone requests for service within thirty (30) minutes of the request during office hours;
3. TCiCT will attempt to acknowledge email requests for service within sixty (60) minutes of the request during office hours;
4. TCiCT will make every reasonable effort to correct any system outage immediately. If TCiCT cannot resolve the issue(s) immediately, TCiCT shall provide status updates until the

## INFORMATION AND COMMUNICATIONS TECHNOLOGY

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system is restored. Security and major production incidents will be responded to immediately.

**b. TCERA shall:**

- i. Adhere to the County of Tulare Information Technology Security Program.
- ii. TCERA shall notify TCiCT of any changes in the list of programs it operates.

**4. Definitions**

**a. Confidential Information**

The term "Confidential Information" means all Software, Systems Software, and all business, financial, statistical, personnel and technical data in tangible and/or intangible form which is clearly and conspicuously marked "CONFIDENTIAL" or as defined as confidential by law, or expressly deemed confidential in this Agreement, or provided or disclosed, by one party to the other, with notice of its confidential nature.

**b. System**

The term "System" shall mean the Hardware, Systems Software and Software, operating together as a system. The System includes the Existing Systems and all replacements thereof and additions of equipment thereto.

**II. PAYMENT FOR SERVICES**

**1. General Rules**

- a. TCiCT shall maintain an accounting system and supporting financial records adequate to ensure that claims are in accordance within applicable Federal and State requirements. All charges must be supported by fiscal records adequate to ensure that claims for reimbursement are according to Federal and State requirements and TCiCT shall retain such records as required by Federal and State regulation. All TCiCT services listed herein shall be provided for an annual fee as listed in Section ~~IV~~VI, below.
- b. TCERA shall accept TCiCT's cost allocation methodologies as an approved allocation methodology. The TCiCT cost allocation methodology is approved annually by the Tulare County Auditor's Office and the State of California, through the annual cost allocation plan review process. TCiCT shall provide a copy of the annual cost allocation methodology to TCERA no later than 30 business days after its approval.
- c. TCiCT shall submit monthly invoices to TCERA within 30 business days after the last day of each month.
- d. TCERA shall pay the invoices within 30 business days of receipt. TCERA shall

## INFORMATION AND COMMUNICATIONS TECHNOLOGY

have only 90 days to dispute a charge; after 90 days the charge shall be considered accepted, payable and undisputable. TCiCT shall be entitled to interest at the rate of 6 percent per annum, commencing on the 61<sup>st</sup> day after a claim known or agreed to be valid is submitted to TCERA.

- e. If at any time a service was discovered by TCiCT as not billed in a previous billing period or fiscal year, that service shall become billable to TCERA. TCERA will be notified of such finding, and will have 90 days to dispute the charge.
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TCiCT Fiscal Meetings	At Least Twice Annually

### 2. Cost Allocation Methodologies, including but not limited to:

- a. **Method used for each of the different services:**
  - i. **Mainframe** - This cost is for the mainframe hardware and software that is primarily used to support the Property Information Management System (PIMS) and the historical financial programs. These costs are allocated based on the actual number of mainframe users.
  - ii. **Desktop Services** - This cost is for desktop equipment support, either by a technician in person or over the phone, including PCs, laptops, monitors and some printers. The actual costs of supporting this equipment is calculated and divided based on the number of enabled network user identifications within a department.
  - iii. **Infrastructure, Servers, and Database** - This cost is for the hardware, software and personnel that supports the Infrastructure, including backup solutions, monitoring software, routers, servers, backup equipment, switches and the hardware and software personnel that supports the Databases of the County. These costs are allocated based on the number of enabled network user ids.
  - iv. **E-Mail** - This is the cost of the "Official County Email Platform" and operating system (OS) for the County including maintenance and personnel cost. These costs are allocated based on the number of enabled network user ids.
  - v. **Services** - This is the cost of Logistics, Documentation, Training, Programmers, Geographic Information Systems (GIS), Business Intelligence (BI), IT Specialists Application Support and Client Specialists personnel that serve departments. These costs are allocated based on the number of

## INFORMATION AND COMMUNICATIONS TECHNOLOGY

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- viii. **Form 700** - This is the maintenance cost of the system for Form 700 filers. This cost is allocated based upon the number of filers per department.
- ix. **Projects** - This cost is estimated using a percentage of time per employee of estimated hours the department will spend on projects for other departments. This cost will be charged based upon the actual number of hours spent on the project.
- x. **ADP** - This cost is for the ADP Enterprise HR system that is used countywide. These costs are allocated based on number of employees in the department. This number was determined from the allocation list pulled from the Enterprise HR System.
- xi. **Radio** - Departments using base stations, mobile radios installed in vehicles and handheld radios that access the County system are charged for maintenance of the system and for requested services including repair, installation and removal of radios. System maintenance charges to departments are based on the number of radio units that access the system. Departments are also billed for maintenance of the telecommunications system, such as switches, and for requested work. Departments are charged these services through three methods: direct charges, radio system charges and labor charges. Radio system costs are charged to departments based on the number of handheld and mobile radios that utilize the County's infrastructure. The radio system rate is charged to clients thru a per radio, per month charge additionally a calculated labor rate is charged for services performed.
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**EXHIBIT B-1**  
**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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**I. SERVICES TO BE PROVIDED**

**1. Revenue and Claims**

Each month, the Revenue and Claims Division of the Auditor-Controller's Office shall verify the retirement pension payroll JVs for TCERA retirees and beneficiaries agree with the input in the accounting record (AFIN). Staff of the Auditor-Controller's Office shall verify the dollar amount of the pension JV and associated Manual Disbursement (MD) against the applicable registers provided by TCERA.

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**3. Financial Reporting and Audits**

The Financial Reporting and Audits Division of the Auditor-Controller's Office shall provide the following services to TCERA:

- a. Advice and direction in proper recording of financial transactions in AFIN.
- b. Approve JVs submitted in AFIN by TCERA.
- c. Certification of the compensable earnings paid to each member of TCERA after the end of each pay period, as required by California Government Code Section 31582. The COUNTY shall be responsible for the payment of all costs associated with the research and correction of errors made in the calculation of compensation reported and retirement contributions made to TCERA by the COUNTY or any department of the COUNTY.
- d. Reconcile employee and employer contributions annually for TCERA's outside auditor confirmation.

**4. Payroll**

- a. Countywide payroll.

The parties intend to specifically exclude from the definition of services provided

**EXHIBIT B-1**  
**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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by the Auditor-Controller/Treasurer-Tax Collector to TCERA the provision of employer payroll information to the retirement plan for County employees generally. To the extent that the Payroll unit provides information to TCERA regarding bi-weekly transmittal, reconciliation and processing of countywide payroll as well as payroll tax returns and W-2's for County employees generally, this activity shall be accounted for within COUNTY time activity and shall not be billed to TCERA.

The Auditor-Controller staff shall transfer to TCERA the proper dollar amount of employee and employer retirement contributions from the compensation reported at the end of each pay period.

**b. TCERA payroll.**

Payroll Unit shall provide bi-weekly transmittal, reconciliation, and processing of payroll for those County employees assigned to TCERA as the employing department. The Payroll Unit shall also provide payroll tax returns and W-2's on behalf of these employees.

**c. TCERA trustee payroll.**

Payroll Unit shall provide quarterly transmittal, reconciliation, and processing of payroll for six (6) of TCERA's trustees. The Payroll Unit shall also provide payroll tax returns and W-2's on behalf of these members.

**5. Treasurer-Tax Collector**

**a. Bank account authorization**

The County Treasury may establish bank accounts at the request of TCERA, including "Zero Balance" accounts used for clearing processed checks. The opening of these accounts must be approved by both the Retirement Board and the County Auditor-Controller/Treasurer-Tax Collector. The account(s), while opened by the County Treasury, will remain under the control of TCERA in accordance with the County's banking policies including necessary fraud protections (e.g., payee positive pay). The responsibility for reconciliation and monitoring of this account(s) is that of TCERA. TCERA will be provided with access to reports and information necessary for reconciling and monitoring. Check fraud losses and liabilities associated with this account(s) are also a responsibility of TCERA. The account(s) will be opened as non-interest bearing with an "earnings allowance" to offset monthly banking fees. In addition, this account will comply with the insurance and/or collateralization requirements of the Government Code.

The County Treasury will also maintain a "Zero Balance" account to be used for clearing processed checks. A daily JV will be processed by Treasury staff to record the daily check clearings.

**EXHIBIT B-1**  
**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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Daily activity is recorded in AFIN automatically through an upload of a text file from the bank.

**b. Participation in Treasurer's Investment Pool**

The Treasurer shall allow TCERA to voluntarily deposit excess funds with the County Treasurer. TCERA understands that the funds deposited for investment will be held in the Tulare County Investment Pool and shall be invested by the Treasurer in accordance with the policies contained in the Tulare County *Annual Investment Policy of the Pooled Investment Fund* (Investment Policy), as now in effect and as may be revised from time to time without review or consent of TCERA. Interest will be apportioned quarterly. TCERA acknowledges that it has received and carefully reviewed the Investment Policy, and is familiar with its contents. Having considered and weighed the risks of investing (including, but not limited to, the risks of loss of interest and principal) the TCERA has determined that it is appropriate and legal to invest its moneys in the Tulare County Treasury as permitted by the Investment Policy. To the extent its moneys are invested with the County, in whole or in part, TCERA further acknowledges that the \$1.00 NAV is not guaranteed or insured by the Treasurer.

**c. Returned Items**

Any returned items to the Treasurer's Office from the bank will be immediately reversed from a pre-designated accounting line. Access to reports and information necessary for processing returned items will be provided to TCERA.

**d. Wire transfers**

Wire transfers will be processed upon request by TCERA. A wire transfer must have the appropriate documentation, departmental approvals, and be reviewed by the Auditor-Controller, before the wire transfer is processed by the Treasury. To ensure that the funds are transferred the next day, the Treasury must receive all completed paperwork for the wire transfer request by 6:00 a.m. the day the wire is to be sent. (This includes all necessary approvals and Auditor- Controller review.)

To accommodate large withdrawals that exceed those normally associated with operations, the following minimum notification requirements must be followed to allow for adjustments to the liquidity position of the pool.

- Withdrawals of up to \$ 5,000,000	48 hours
- Withdrawals of up to \$10,000,000	72 hours
- Withdrawals of up to \$10,000,001 and above	5 days

**II. PAYMENT FOR SERVICES**

**EXHIBIT B-1**  
**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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**1. General Rules**

Unless otherwise specified below, the Department shall submit quarterly bills to TCERA within 25 calendar days after the last day of each quarter.

All bills must be supported by fiscal records adequate to ensure that TCERA is billed no more than the cost of providing the services, as calculated under the Federal and State requirements for overhead and other costs. COUNTY shall retain such records as are required by Federal and State regulation. Payment of bills is conditioned on compliance by COUNTY with the required performance standards and responsibilities under this Memorandum of Understanding. Any amounts payable under this agreement are valid and enforceable only if sufficient funds are authorized for the purposes outlined herein.

**2. Specific Rules**

The Auditor-Controller/Treasurer-Tax Collector shall bill for its services as follows:

- a. **Claims:** Charges for these services shall be based upon actual hours multiplied by the rate set by the Board of Supervisors and published in the County Master Fee Schedule.
- b. **General Accounting:** Charges for these services shall be based upon actual hours multiplied by the rate set by the Board of Supervisors and published in the County Master Fee Schedule.
- c. **Employee Payroll:**
  - i. **Countywide payroll:** TCERA shall not be billed for any activities related to the County's obligations as an employer to provide certified compensation earnable information to the pension plan pursuant to Government Code section 31582.
  - ii. **TCERA payroll:** Charges for these services shall be based upon actual hours multiplied by the rate set by the Board of Supervisors and published in the County Master Fee Schedule. ~~In addition to the hourly rate, TCERA shall pay a payroll processing fee which represents the fee charged to the County by the payroll processing company. This fee shall be charged on a per pay period, per employee basis.~~
- d. ~~TCERA Trustee Payroll: Charges for these services shall be based upon actual hours multiplied by the rate set by the Board of Supervisors and published in the County Master Fee Schedule.~~
- d.e. **Treasurer-Tax Collector**
  - i. **Bank account authorization:** Fees charged for bank accounts will be invoiced based on the banking fees assessed by the Treasury's Financial Institution on each account.

**Commented [VP1]:** Delete. IT charges TCERA for ADP services.



**EXHIBIT B-1**

**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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- II. **Participation in Treasurer's Investment Pool:** Operational costs incurred by the Treasurer in administering the Investment Pool will be netted against the pool's earnings and allocated quarterly in proportion to each pool participants' average daily balance of deposits maintained for the quarter.
- III. **Returned Items:** The fee on returned items shall be as set by the Board of Supervisors from time to time as the cost for processing by the Treasurer.
- IV. **Wire transfers:** The fee for each wire transfer shall be as set by the Board of Supervisors from time to time as the cost for processing by the Treasurer.

**III. PENSION OBLIGATION BOND PAYMENT**

In June 2018, the County issued a POB with a final maturity date of June 30, 2037. Principal bond payments are payable by the County annually on June 1st and interest payments are payable semiannually on June 1st and December 1st. In order to make the June 1st and December 1st payments, the Auditor's Office will send TCERA an invoice and related support for their allocated portion of the POB payment at least two (2) weeks prior to the payment due date. TCERA shall then process a JV for their portion of the payment within five (5) business days of receipt of the invoice.

**EXHIBIT B-7**  
**INFORMATION AND COMMUNICATIONS TECHNOLOGY**

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**I. SCOPE OF SERVICES**

**1. General Services**

TCiCT shall provide to TCERA technology services and TCERA shall pay for those services as described herein.

**2. Confidentiality**

- a. TCiCT agrees that the department shall hold itself and its employees, as well as any and all contractors to TCiCT and TCERA that have any access to and TCERA technology system, to a level of high confidentiality required under the County Employees Retirement Law of 1937, applicable sections of the Internal Revenue. Further, TCiCT shall comply with the security requirements for information, technology access, and use and disposal in accordance with Title 45 Code of Federal Regulations (CFR) Sections 205.50 and 303.21. TCiCT shall indemnify TCERA for any actual damages resulting to TCERA as a result of TCiCT's failure to comply with this paragraph. Additionally, TCiCT shall protect TCERA's confidential information subsequent to the expiration of this Agreement.
- b. TCiCT staff shall pass a background check at hire, including the LiveScan fingerprinting submitted to the FBI and California DOJ. If applicable, the LiveScan shall occur more frequently based on Federal, State, or Local regulations. Additionally, all TCiCT employees shall complete a confidentiality acknowledgment form upon hire and annually thereafter.

**3. Specific Services**

a. **TCiCT shall:**

i. **Provide technology management services including:**

- 1. Managing and supervising all TCiCT staff providing services to TCERA;
- 2. Functioning as part of the TCERA management team providing technology related staff support, technical advice and information;
- 3. Assisting with Information & Communications Technology purchase requisitions.

ii. **Provide technology support services including:**

- 1. Routine support to the installed workstations;
- 2. Local Area Network support including regular backup of files, adding and deleting users, resetting network passwords, assigning and monitoring user access, restoring files if needed and monitoring network usage and performance;
- 3. Service desk support between the business hours of 7:00 a.m. and

## INFORMATION AND COMMUNICATIONS TECHNOLOGY

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5:30 p.m. Monday through Thursday; 7:00 a.m. and 5:00 p.m. on Fridays;

4. If applicable, provide asset management services including the tagging of Tulare County purchased assets and logging of inventory for the department;
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## INFORMATION AND COMMUNICATIONS TECHNOLOGY

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## INFORMATION AND COMMUNICATIONS TECHNOLOGY

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## INFORMATION AND COMMUNICATIONS TECHNOLOGY

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**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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by the Auditor-Controller/Treasurer-Tax Collector to TCERA the provision of employer payroll information to the retirement plan for County employees generally. To the extent that the Payroll unit provides information to TCERA regarding bi-weekly transmittal, reconciliation and processing of countywide payroll as well as payroll tax returns and W-2's for County employees generally, this activity shall be accounted for within COUNTY time activity and shall not be billed to TCERA.

The Auditor-Controller staff shall transfer to TCERA the proper dollar amount of employee and employer retirement contributions from the compensation reported at the end of each pay period.

**b. TCERA payroll.**

Payroll Unit shall provide bi-weekly transmittal, reconciliation, and processing of payroll for those County employees assigned to TCERA as the employing department. The Payroll Unit shall also provide payroll tax returns and W-2's on behalf of these employees.

**c. TCERA trustee payroll.**

Payroll Unit shall provide quarterly transmittal, reconciliation, and processing of payroll for six (6) of TCERA's trustees. The Payroll Unit shall also provide payroll tax returns and W-2's on behalf of these members.

**5. Treasurer-Tax Collector**

**a. Bank account authorization**

The County Treasury may establish bank accounts at the request of TCERA, including "Zero Balance" accounts used for clearing processed checks. The opening of these accounts must be approved by both the Retirement Board and the County Auditor-Controller/Treasurer-Tax Collector. The account(s), while opened by the County Treasury, will remain under the control of TCERA in accordance with the County's banking policies including necessary fraud protections (e.g., payee positive pay). The responsibility for reconciliation and monitoring of this account(s) is that of TCERA. TCERA will be provided with access to reports and information necessary for reconciling and monitoring. Check fraud losses and liabilities associated with this account(s) are also a responsibility of TCERA. The account(s) will be opened as non-interest bearing with an "earnings allowance" to offset monthly banking fees. In addition, this account will comply with the insurance and/or collateralization requirements of the Government Code.

The County Treasury will also maintain a "Zero Balance" account to be used for clearing processed checks. A daily JV will be processed by Treasury staff to record the daily check clearings.



**EXHIBIT B-1**  
**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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Daily activity is recorded in AFIN automatically through an upload of a text file from the bank.

**b. Participation in Treasurer's Investment Pool**

The Treasurer shall allow TCERA to voluntarily deposit excess funds with the County Treasurer. TCERA understands that the funds deposited for investment will be held in the Tulare County Investment Pool and shall be invested by the Treasurer in accordance with the policies contained in the Tulare County *Annual Investment Policy of the Pooled Investment Fund* (Investment Policy), as now in effect and as may be revised from time to time without review or consent of TCERA. Interest will be apportioned quarterly. TCERA acknowledges that it has received and carefully reviewed the Investment Policy, and is familiar with its contents. Having considered and weighed the risks of investing (including, but not limited to, the risks of loss of interest and principal) the TCERA has determined that it is appropriate and legal to invest its moneys in the Tulare County Treasury as permitted by the Investment Policy. To the extent its moneys are invested with the County, in whole or in part, TCERA further acknowledges that the \$1.00 NAV is not guaranteed or insured by the Treasurer.

**c. Returned items**

Any returned items to the Treasurer's Office from the bank will be immediately reversed from a pre-designated accounting line. Access to reports and information necessary for processing returned items will be provided to TCERA.

**d. Wire transfers**

Wire transfers will be processed upon request by TCERA. A wire transfer must have the appropriate documentation, departmental approvals, and be reviewed by the Auditor-Controller, before the wire transfer is processed by the Treasury. To ensure that the funds are transferred the next day, the Treasury must receive all completed paperwork for the wire transfer request by 6:00 a.m. the day the wire is to be sent. (This includes all necessary approvals and Auditor- Controller review.)

To accommodate large withdrawals that exceed those normally associated with operations, the following minimum notification requirements must be followed to allow for adjustments to the liquidity position of the pool.

- Withdrawals of up to \$ 5,000,000	48 hours
- Withdrawals of up to \$10,000,000	72 hours
- Withdrawals of up to \$10,000,001 and above	5 days

**II. PAYMENT FOR SERVICES**

**EXHIBIT B-1**  
**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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**1. General Rules**

Unless otherwise specified below, the Department shall submit quarterly bills to TCERA within 25 calendar days after the last day of each quarter.

All bills must be supported by fiscal records adequate to ensure that TCERA is billed no more than the cost of providing the services, as calculated under the Federal and State requirements for overhead and other costs. COUNTY shall retain such records as are required by Federal and State regulation. Payment of bills is conditioned on compliance by COUNTY with the required performance standards and responsibilities under this Memorandum of Understanding. Any amounts payable under this agreement are valid and enforceable only if sufficient funds are authorized for the purposes outlined herein.

**2. Specific Rules**

The Auditor-Controller/Treasurer-Tax Collector shall bill for its services as follows:

- a. **Claims:** Charges for these services shall be based upon actual hours multiplied by the rate set by the Board of Supervisors and published in the County Master Fee Schedule.
- b. **General Accounting:** Charges for these services shall be based upon actual hours multiplied by the rate set by the Board of Supervisors and published in the County Master Fee Schedule.
- c. **Employee Payroll:**
  - I. **Countywide payroll:** TCERA shall not be billed for any activities related to the County's obligations as an employer to provide certified compensation earnable information to the pension plan pursuant to Government Code section 31582.
  - II. **TCERA payroll:** Charges for these services shall be based upon actual hours multiplied by the rate set by the Board of Supervisors and published in the County Master Fee Schedule.
- d. **TCERA Trustee Payroll:** Charges for these services shall be based upon actual hours multiplied by the rate set by the Board of Supervisors and published in the County Master Fee Schedule.
- e. **Treasurer-Tax Collector**
  - I. **Bank account authorization:** Fees charged for bank accounts will be invoiced based on the banking fees assessed by the Treasury's Financial Institution on each account.

**EXHIBIT B-1**  
**AUDITOR-CONTROLLER/TREASURER-TAX COLLECTOR**

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- II. Participation in Treasurer's Investment Pool:** Operational costs incurred by the Treasurer in administering the Investment Pool will be netted against the pool's earnings and allocated quarterly in proportion to each pool participants' average daily balance of deposits maintained for the quarter.
- III. Returned Items:** The fee on returned items shall be as set by the Board of Supervisors from time to time as the cost for processing by the Treasurer.
- IV. Wire transfers:** The fee for each wire transfer shall be as set by the Board of Supervisors from time to time as the cost for processing by the Treasurer.

**III. PENSION OBLIGATION BOND PAYMENT**

In June 2018, the County issued a POB with a final maturity date of June 30, 2037. Principal bond payments are payable by the County annually on June 1st and interest payments are payable semiannually on June 1st and December 1st. In order to make the June 1st and December 1st payments, the Auditor's Office will send TCERA an invoice and related support for their allocated portion of the POB payment at least two (2) weeks prior to the payment due date. TCERA shall then process a JV for their portion of the payment within five (5) business days of receipt of the invoice.



# **Invesco Commercial Mortgage Income (“CMI”) - U.S. Fund, L.P.**

Second Quarter 2021

This document is intended to be used only by Tulare County Employees' Retirement Association (TCERA).  
Not for further distribution.



## **INVESCO REAL ESTATE**

North America: Atlanta – Dallas – Newport Beach – New York – San Francisco

Europe: London – Luxembourg – Madrid – Milan – Munich – Paris – Prague – Warsaw

Asia Pacific: Beijing – Hong Kong – Hyderabad – Seoul – Shanghai – Singapore – Sydney – Tokyo

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<b>3</b>	<b>Portfolio Construction</b>
<b>4</b>	<b>Conclusion</b>
<b>5</b>	<b>Appendix</b> <ul style="list-style-type: none"><li>▪ I – Investments</li><li>▪ II – Fee Schedule, Investment Restrictions and Financing Facilities</li><li>▪ III – Team Bios</li></ul>

# Section 1

## Executive Summary





# Executive Summary

## Invesco Real Estate Global Capabilities



**Domestic platform is the flagship and a market leader; founded over 35 years ago. Strategic capabilities in Core, Core Plus, High Return Objective and Credit.**

## \$85.8 Billion Under Management

592 Employees Worldwide; 21 Offices; 16 Countries



### North American Direct

— \$41.4 Billion  
— Since 1983

### Listed Real Assets

— \$20.5 Billion  
— Since 1988

### European Direct

— \$15.4 Billion  
— Since 1996

### Asian Direct

— \$8.5 Billion  
— Since 2006

Source: Invesco Real Estate as of June 30, 2021.

# Executive Summary

## Global Structured Credit Strategies



### In-house commercial real estate credit strategies span North America, Europe and Asia Pacific

Overview	
Structure options	<ul style="list-style-type: none"> <li>▪ <b>Transitional Mortgages</b></li> <li>▪ <b>Mezzanine Loans</b></li> <li>▪ <b>Preferred Equity</b></li> <li>▪ <b>B-Notes</b></li> <li>▪ <b>Subordinate Participations</b></li> </ul>
Target sectors	<b>Multifamily, Industrial, Office, Student Housing, Life Science, Cold Storage, Data Centers, Self-Storage, Single Family Rental, and Select Hospitality</b>
Geographic focus	<b>Primary and select secondary markets in the US and Europe; Select primary markets in Asia Pacific</b>
Leverage	<b>Generally less than 75% loan-to-value; select exceptions will be considered</b>

#### Closed transactions<sup>(1)</sup>

No. of Loans	Apt	Ind	Off	Hotel	Mixed Use	Retail	Other <sup>(2)</sup>	Total
<b>West (US)</b>	11%	6%	5%	4%	0%	0%	4%	29%
<b>Midwest (US)</b>	0%	0%	2%	0%	0%	0%	0%	3%
<b>South (US)</b>	7%	4%	3%	3%	0%	1%	0%	19%
<b>East (US)</b>	2%	1%	13%	0%	0%	1%	0%	18%
<b>Other<sup>(3)</sup></b>	0%	0%	0%	0%	0%	0%	1%	1%
<b>AsiaPac</b>	5%	0%	0%	0%	0%	0%	0%	5%
<b>EMEA</b>	0%	4%	4%	3%	8%	2%	5%	25%
<b>Total</b>	25%	15%	28%	10%	8%	4%	10%	100%
<b>Loans repaid</b>	7%	5%	10%	6%	4%	3%	1%	7%
<b>Loans outstanding</b>	18%	10%	17%	4%	4%	2%	9%	18%

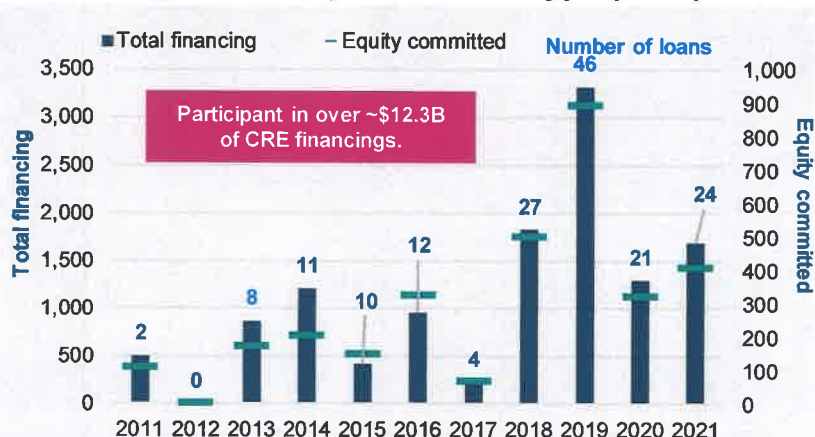
Source: Invesco Real Estate as of June 30, 2021. 1. Percentages are representative of total equity commitment. 2. Other properties are inclusive, but not limited to, single family rental, self-storage, senior housing. 3. Other is inclusive of portfolios across the US and not limited to a specific region.

5

#### Portfolio characteristics

- Institutional quality collateral that includes both stabilized and transitional properties with future funding needs
- Best-in-class sponsorship with ample liquidity and an applicable track record
- Non-recourse aside from standard carve-outs
- Terms of three to ten years, although three to five is preferred
- Fixed and floating rate, although floating rate is preferred
- Minimum tranche thickness of 10%
- Customary cash-flow or leverage based covenant structure

#### Direct originations by investment type (\$MM)





# Executive Summary

## CMI (“Fund”) Overview



### Customized offering defined by “credit over yield” and “keeping it simple”

Differentiated Offering	<ul style="list-style-type: none"> <li>▪ <b>Demonstrable Performance:</b> Trailing four quarter gross dividend yield at high end of 7-8% target range</li> <li>▪ <b>NAV Stability:</b> Remained unchanged quarter-over-quarter since fund inception</li> <li>▪ <b>Open-End Structure:</b> Quarterly distributions/liquidity, no lock up but re-up ability</li> <li>▪ <b>No Competing Mandates:</b> All eligible deal flow is targeted for CMI</li> </ul>
Compelling Strategy	<ul style="list-style-type: none"> <li>▪ <b>Credit Over Yield:</b> Consistent and focused credit standards; robust credit and risk review processes</li> <li>▪ <b>Existing Portfolio:</b> 73 loans diversified by geography and property type</li> <li>▪ <b>Quality Bias:</b> Well-capitalized borrowers and institutional collateral; weighted average LTV of 68%</li> <li>▪ <b>Loan Performance:</b> All loans are currently performing; no realized losses since inception</li> </ul>
Balance Sheet Advantage	<ul style="list-style-type: none"> <li>▪ <b>Keeping It Simple:</b> Focus on match-term leverage; no securitization</li> <li>▪ <b>Strong Liquidity Position:</b> Ample cash reserves and leverage sources</li> <li>▪ <b>Balance Sheet Resiliency:</b> Limited exposure to mark-to-market facilities; no historical margin calls</li> <li>▪ <b>Capital Markets Innovator:</b> Market leader in design of term facilities with relationship counterparties</li> </ul>
Track Record	<ul style="list-style-type: none"> <li>▪ <b>Originations:</b> ~\$7.6B in originations across 106 loans</li> <li>▪ <b>Repayments <sup>(1)</sup>:</b> 33 loan repayments to date; all at par</li> <li>▪ <b>Fundraising:</b> Raised over \$1.7B across founding investor capital and second tranche</li> <li>▪ <b>Redemptions:</b> No limited partner redemptions to date</li> <li>▪ <b>Volume <sup>(2)</sup>:</b> 5<sup>th</sup> and 4<sup>th</sup> largest debt fund/MREIT as a lender in 2020 and 2019 respectively</li> </ul>

Source: Invesco Real Estate as June 30, 2021. Please note, two (2) LPs closed subsequent to quarter end.

<sup>1</sup> Includes 7 KKR loans that were refinanced by the Fund in 1Q 2020 and are currently held loans. Includes Adler II which was combined into one loan with Adler I as part of a modification in 1Q 2021.

<sup>2</sup> Source: Commercial/Multifamily Annual Origination Rankings year-end 2019 and 2020 reports by Mortgage Bankers Association from [mba.org/crefresearch](http://mba.org/crefresearch).

# Executive Summary

## Consistent & Deliberate Strategy

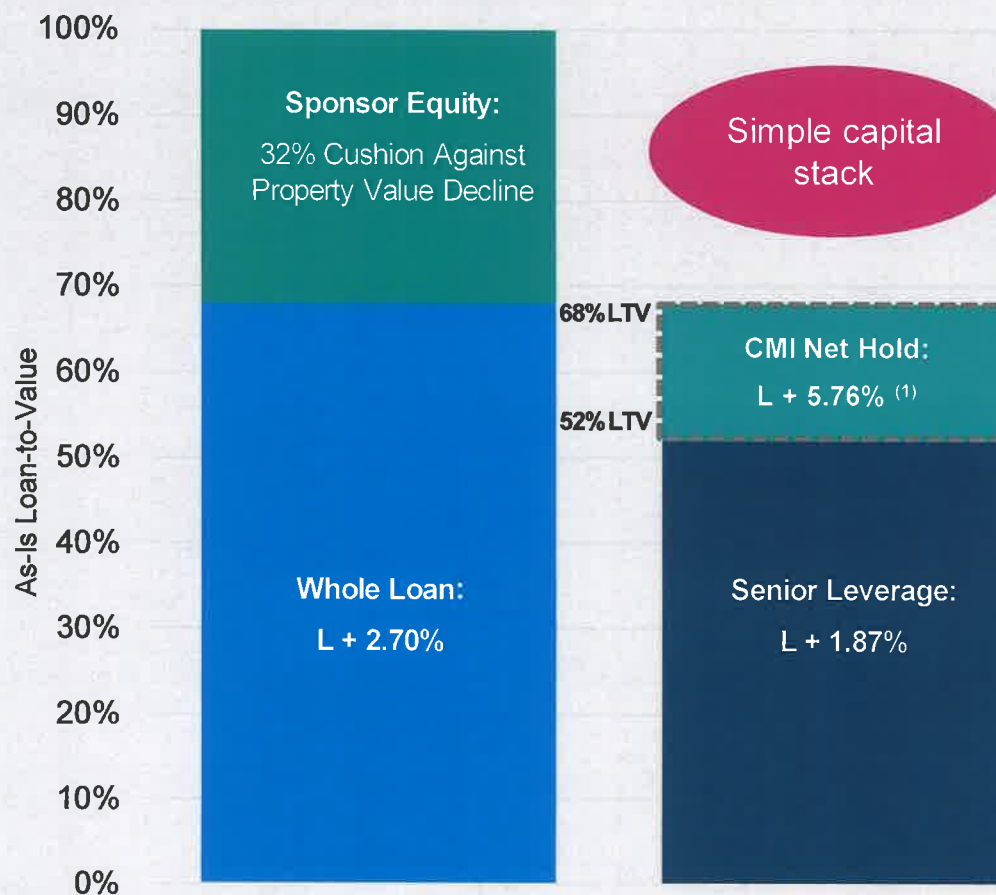


**Mandate is the direct origination of bridge loans secured by U.S. commercial real estate**

### Strategic Focus

- Best-in-class relationship borrowers
- Institutional quality real estate
- Floating rate, 3 to 7-year loans
- Avoids CMBS, B-Pieces, or other real estate securities
- Does not lend against undeveloped land; limited construction exposure

### Example Using Portfolio Metrics



<sup>1</sup> Current spot rate of 7.05%. Spot Rate includes any LIBOR floors received on CMI's committed equity but does not reflect the floor skim the Fund receives on senior financing without floors. Reflects one (1) month-forward LIBOR curve as of the most recent quarter-end.

Source: Invesco Real Estate as of June 30, 2021. For illustrative purposes only. Based on unaudited internal reporting estimates.

# Executive Summary

## Fund-Level Performance



### Historical outperformance despite conservative credit metrics and declining interest rates<sup>1</sup>

<b>Time-Weighted Return ("TWR")</b> (April 2, 2018-June 30, 2021) <sup>(4)</sup>	3Q 2020	4Q 2020	1Q 2021	2Q 2021	1-Year <sup>(5)</sup>	3-Year <sup>(5)</sup>	Since Inception
Gross (Including Commitment Fees)	2.0%	2.2%	2.0%	2.4%	8.9%	10.4%	11.2%
Net (Net of Mgmt. & Commitment Fees)	1.8%	1.9%	1.8%	2.2%	7.9%	8.7%	9.2%

<b>Dividend Yield</b>	3Q 2020	4Q 2020	1Q 2021	2Q 2021	2Q 2021 Annualized <sup>(6)</sup>	Trailing 4 Quarters <sup>(7)</sup>	3-Year <sup>(5)</sup>
Gross (Including Commitment Fees)	2.0%	2.1%	2.0%	2.3%	9.1%	8.3%	9.0%
Net (Net of Mgmt. Fees)	1.8%	2.0%	1.8%	2.1%	8.4%	7.7%	8.3%

<b>Total Loans Closed</b> (Exclusive of loan commitments) <sup>(8)</sup>	3Q 2020	4Q 2020	1Q 2021	2Q 2021	1-Year	3-Year	Since Inception
# of Loans <sup>(9)</sup>	6	9	7	14	36	93	106
Repayments <sup>(9)</sup>	4	0	4	2	10	33	33
Total Held at Quarter-End	49	58	61	73	--	--	--

### Default Reporting

Delinquencies as of Quarter-End <sup>(10)</sup>	30 Day	60 Day	90 Day
	0%	0%	0%
Since Inception Data	Default Rate <sup>(11)</sup>	Loss Severity	Historical Loss
	0.9%	0%	0%

### Key Statistics

Spot Interest Rate <sup>(2)(3)</sup>	7.05%
Net Asset Value	\$1,263.8M

All data as of June 30, 2021. Past performance is not indicative of future results. Footnotes on page 47.

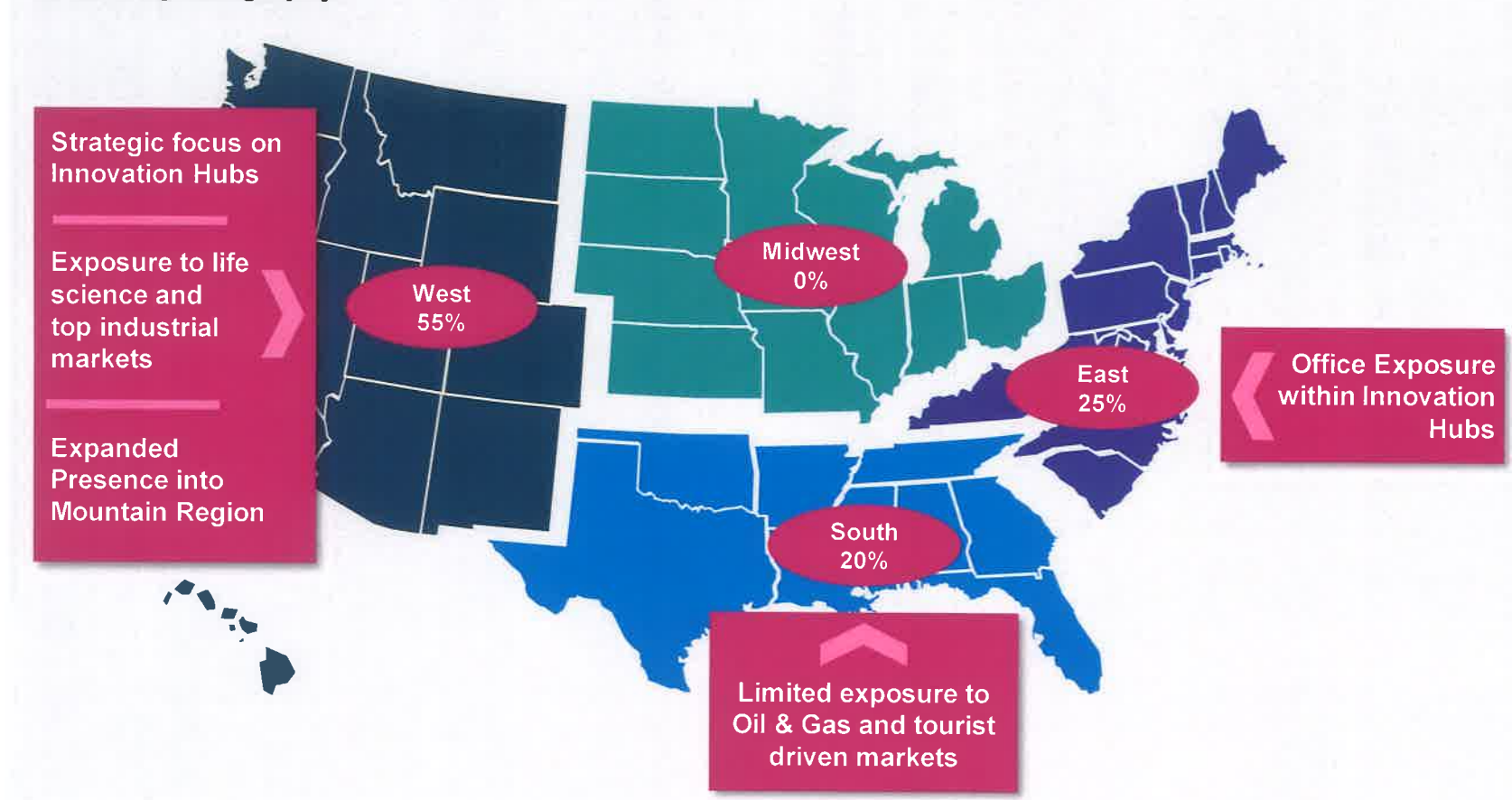
# Portfolio Metrics & Construction

## Geographic Exposure and Diversification



Existing portfolio broadly diversified across geographies with overweights to primary markets

### Portfolio by Geography



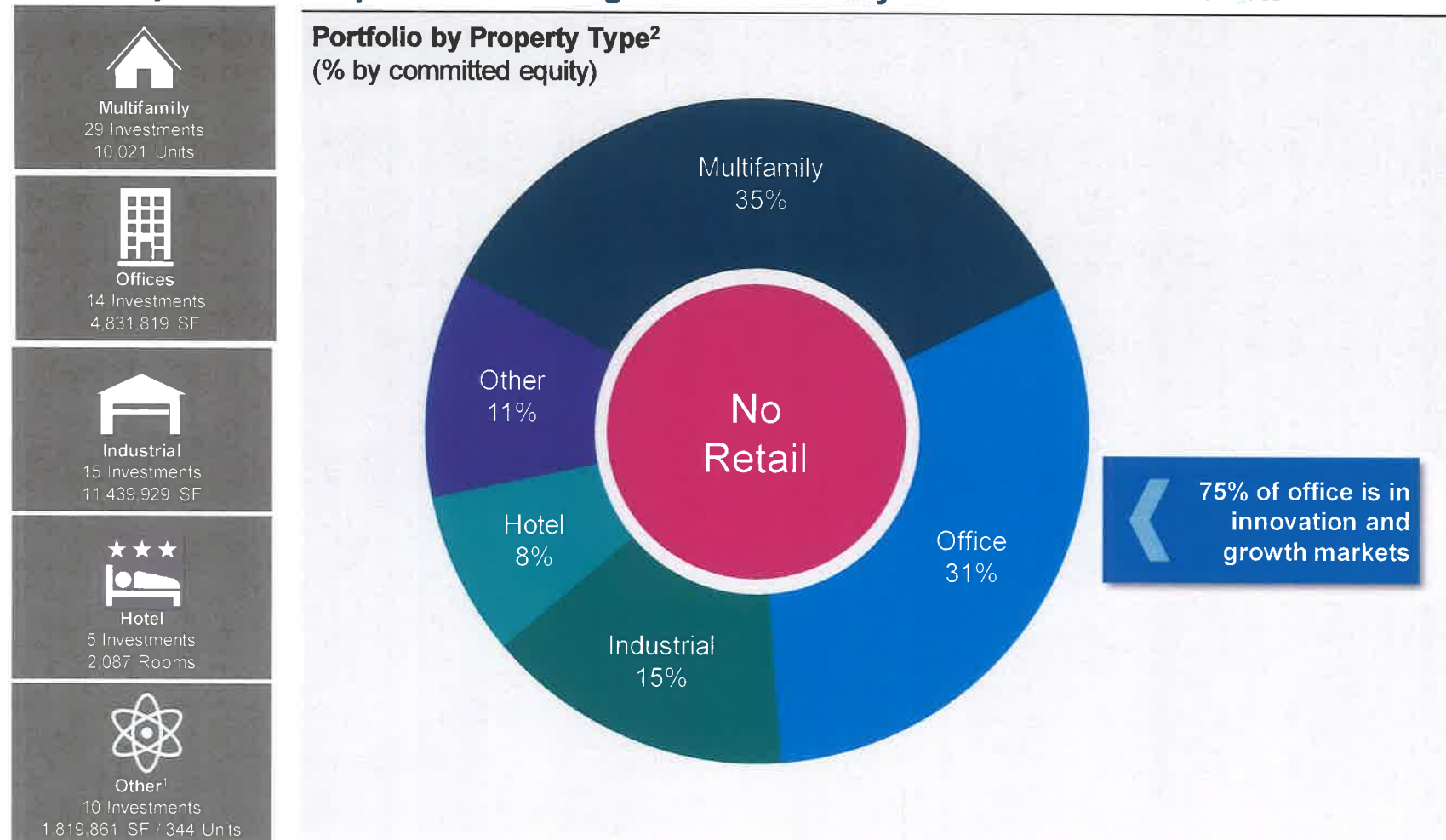
All metrics are as of June 30, 2021. Percentages based on CMI's committed equity.

# Portfolio Metrics & Construction

## Portfolio & Collateral Metrics



### Resilient portfolio has performed through market volatility and CRE structural shifts



<sup>1</sup>Other includes Self Storage, Senior Housing, Single Family Rental, and Life Science sectors. As of quarter-end, the Fund holds seven (7) Life Science loans representing 6% of Committed Equity, one (1) Single Family Rental loan representing 1% of Committed Equity, one (1) Self Storage loan representing 2% of Committed Equity and one (1) Senior Housing loan representing 2% of Committed Equity. <sup>2</sup>Representative of closed loans. Percentages based on CMI's committed equity.  
Source: Invesco Real Estate as of June 30, 2021.

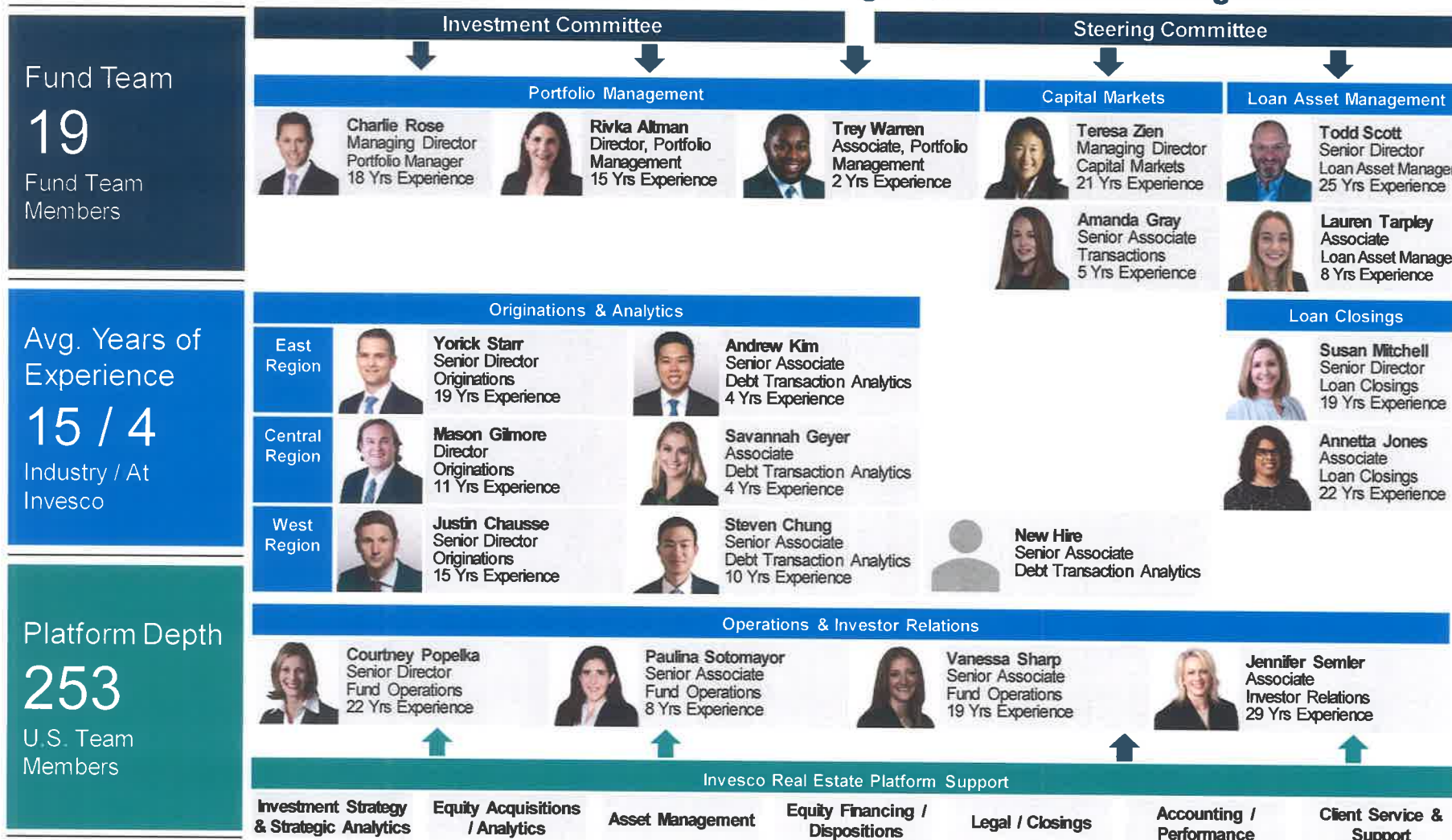


# Platform & Oversight Updates

## Fund Team & Additions



### 19-member North American credit team focused on loan origination and asset management



Source: Invesco Real Estate as of September 1, 2021.

# Platform & Oversight Updates

## Senior Leadership Guidance & Support



### Steering Committee

27 / 17

Industry / At Invesco  
Avg. Years Experience

### Screening Committee

22 / 12

Industry / At Invesco  
Avg. Years Experience

### Investment Committee

26 / 16

Industry / At Invesco  
Avg. Years Experience

#### PROVIDE STRATEGIC GUIDANCE TO THE FUND

##### Steering Committee

**Bert Crouch**  
Managing Director,  
Head of North America  
19 Yrs Experience

**Chase Bolding**  
Senior Director,  
U.S. Transactions  
14 Yrs Experience

**Pete Cassiano**  
Managing Director,  
U.S. Transactions  
22 Yrs Experience

**Scott Dennis**  
Managing Director,  
Global CEO IRE  
40 Yrs Experience

**Michelle Foss**  
Managing Director,  
U.S. Core Fund  
Portfolio Management  
24 Yrs Experience

**Jason Geer**  
Managing Director,  
Head of U.S.  
Transaction Services  
30 Yrs Experience

**Bill Grubbs**  
Managing Director,  
U.S. Core Fund Lead  
Portfolio Manager  
31 Yrs Experience

**Max Swango**  
Managing Director,  
Head of Global Client  
Services/Support  
33 Yrs Experience

#### INITIAL REVIEW OF INVESTMENTS AND APPROVE ISSUANCE OF TERM SHEET

##### Screening Committee

**Bert Crouch**  
Managing Director,  
Head of North America  
19 Yrs Experience

**Chase Bolding**  
Senior Director, U.S.  
Transactions  
14 Yrs Experience

**Perry Chudnoff**  
Managing Director, Asset  
Management, Regional  
Investment Manager  
16 Yrs Experience

**Ron Miller**  
Managing Director,  
Transactions Officer  
34 Yrs Experience

**Paul Nelson**  
Managing Director,  
Investment Management  
31 Yrs Experience

**Heather Douglass**  
Senior Director,  
Transactions,  
Dispositions Officer  
25 Yrs Experience

**Deirdre Perez**  
Senior Director,  
Portfolio Management  
19 Yrs Experience

**Charlie Rose**  
Managing Director,  
Portfolio Manager  
18 Yrs Experience

**Chris Schmidt**  
Managing Director,  
Head of Underwriting  
26 Yrs Experience

#### REVIEW AND SIGN OFF ON POTENTIAL INVESTMENTS FOR THE FUND

##### Investment Committee

**Michael Kirby**  
Managing Director, Head  
U.S. Asset Management  
37 Yrs Experience

**Chase Bolding**  
Senior Director,  
U.S. Transactions  
14 Yrs Experience

**Bert Crouch**  
Managing Director, Fund  
Lead Portfolio Manager  
19 Yrs Experience

**Jason Geer**  
Managing Director,  
Head of U.S.  
Transaction Services  
30 Yrs Experience

**Bill Grubbs**  
Managing Director,  
U.S. Core Fund Lead  
Portfolio Manager  
31 Yrs Experience

**Stephanie Holder**  
Managing Director,  
Head of Dispositions  
& Financing  
15 Yrs Experience

**Jay Hurley**  
Managing Director,  
U.S. Value Fund  
Lead Portfolio Manager  
34 Yrs Experience

**Greg Kraus**  
Managing Director,  
Head of U.S. Transactions  
39 Yrs Experience

**Charlie Rose**  
Managing Director,  
Portfolio Manager  
18 Yrs Experience

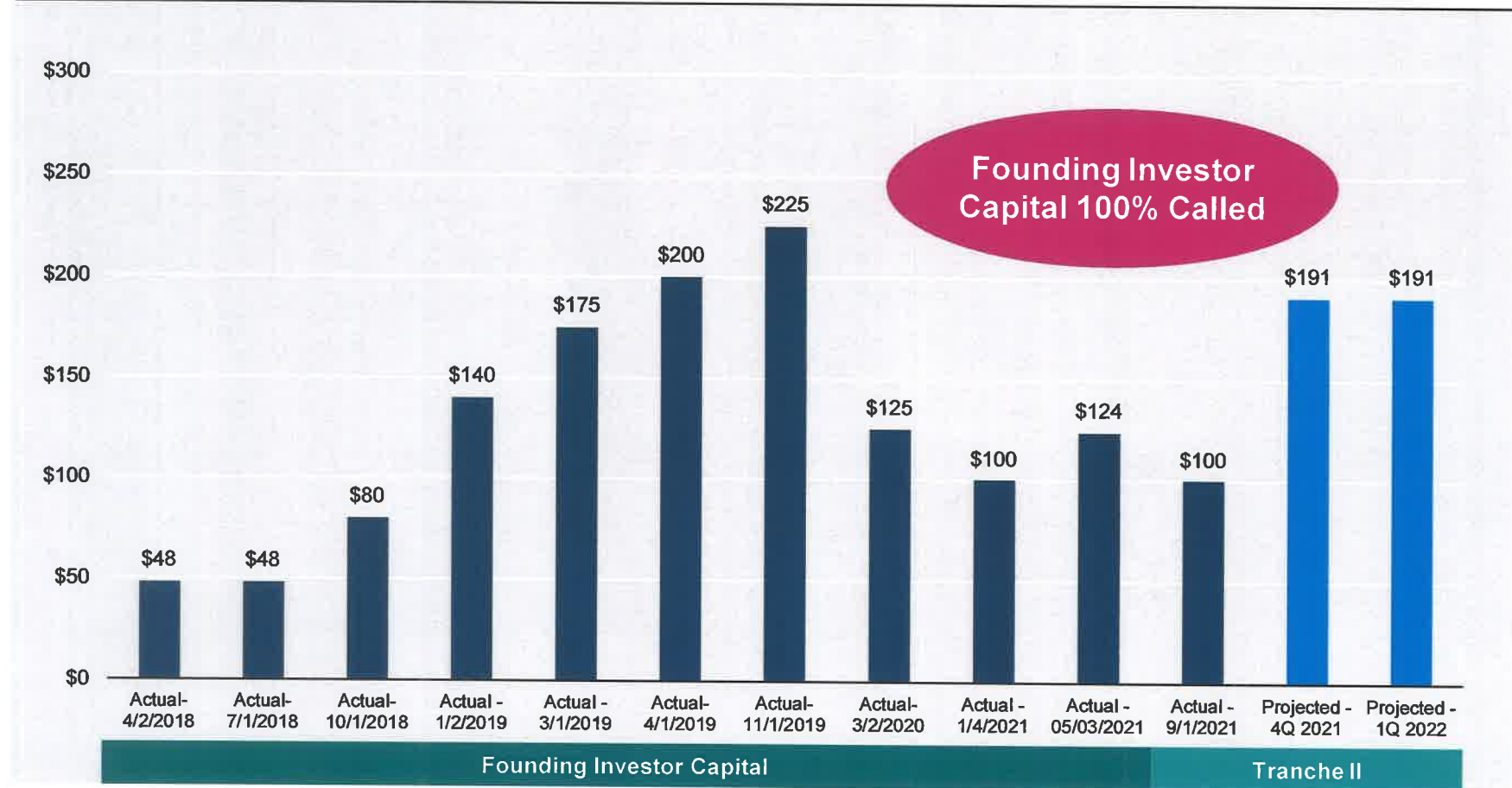
Source: Invesco Real Estate as of June 30, 2021.

# Capital Management

## Capital Deployment



Founding Investor Capital has been fully deployed, Tranche II commitments are expected to be committed by year-end 2021 and called by 1Q 2022.



Source: Invesco Real Estate as of September 1, 2021.



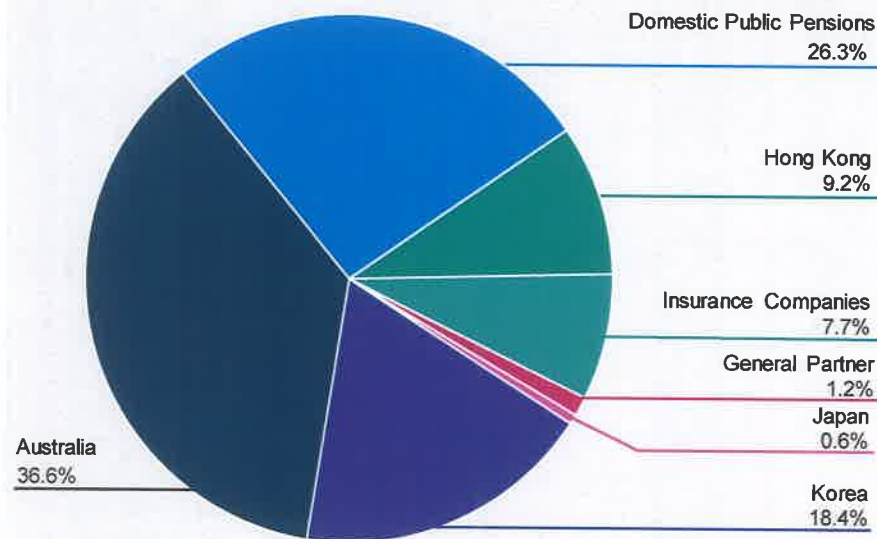
# Fund Capitalization & Performance

## Investor Composition

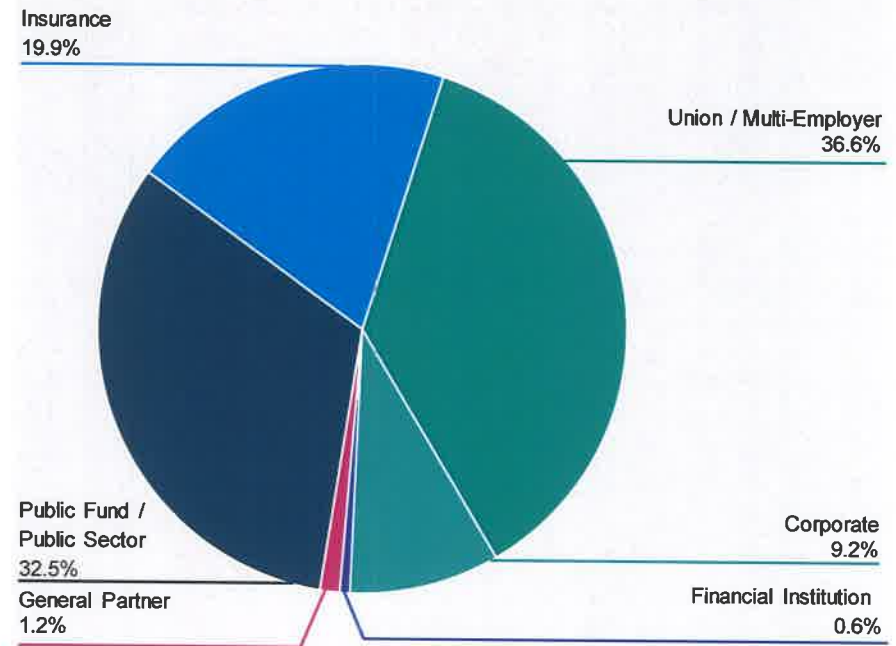


- Fund commitments currently total \$1.7 billion from a diversified group of 18 institutional investors <sup>(1)</sup>
- No exit queue for redemptions from LPs <sup>(2)</sup>

Investors by Domicile



Investors by Type










<sup>1</sup> Includes the GP and Tranche II capital commitments that have been closed. Please note, two (2) LPs closed subsequent to quarter end.

<sup>2</sup> As always contemplated, Invesco intends to submit a redemption notice for \$16.8M of its \$20.0M commitment with an effective date of January 2, 2021. Source: Invesco Real Estate internal unaudited accounting as of June 30, 2021. For illustrative purposes only.

# Executive Summary

Complementary to Core Real Estate Equity Investments



	CMI	NFI-ODCE
 <b>Inflation Protection</b>	Real Time	Delayed
 <b>Income Return<sup>(1)</sup></b>	>7.0%	~4.0%
 <b>NAV Volatility</b>	Limited	Heightened in a Downturn
 <b>Last-Dollar Exposure</b>	>30% Cushion	First Loss
 <b>Capital Appreciation</b>	None	Unlimited
 <b>Diversification</b>	Ample	Same
 <b>Asset Quality</b>	High	Same

Source: Invesco Real Estate as of June 30, 2021. Past performance is not indicative of future results.

<sup>1</sup> CMI's annualized gross dividend yield vs. the three-year cap-weighted NFI-ODCE gross income return as of the most recent quarter-end.

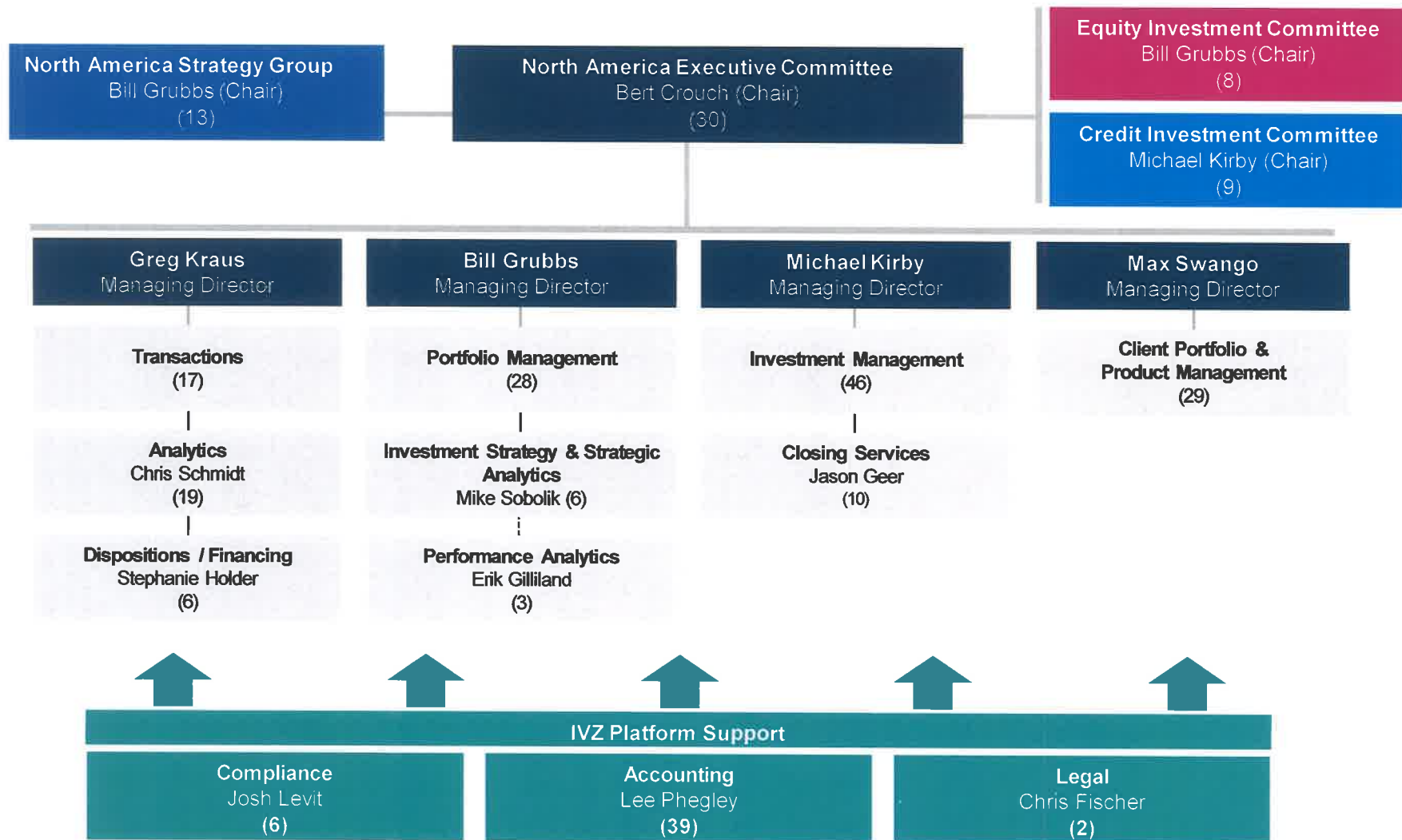
## Section 2

### Platform



# Platform

## North American Team Depth & Experience



Source: Invesco Real Estate as of August 20, 2021



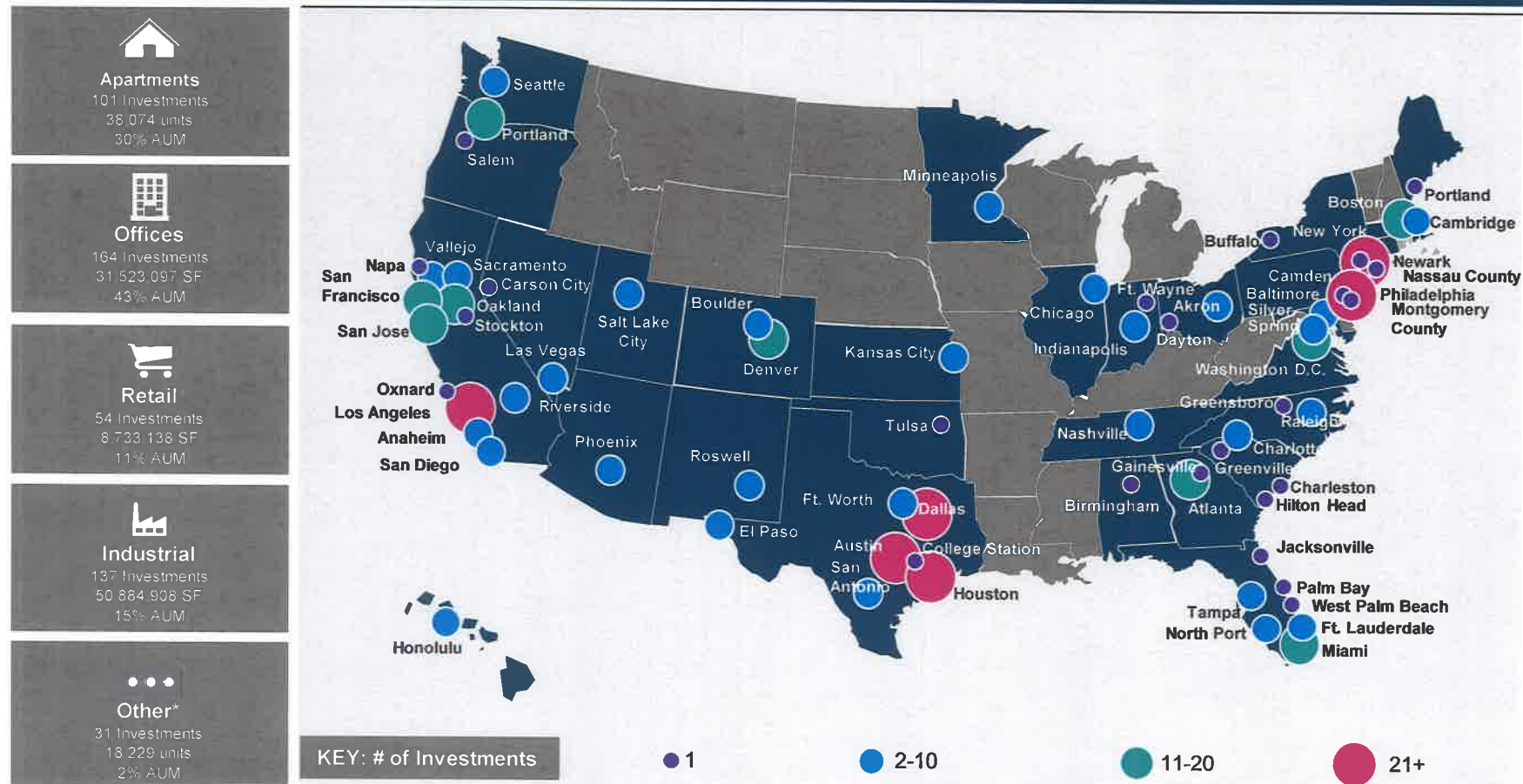
# Platform

Informational Advantages; Owned Investments



**487 investments in North America provide actionable insights into tenant demand trends and expense comparables**

## North American Assets By Sector\*



\*Other includes Hotels, Self-storage, Senior living, Parking.

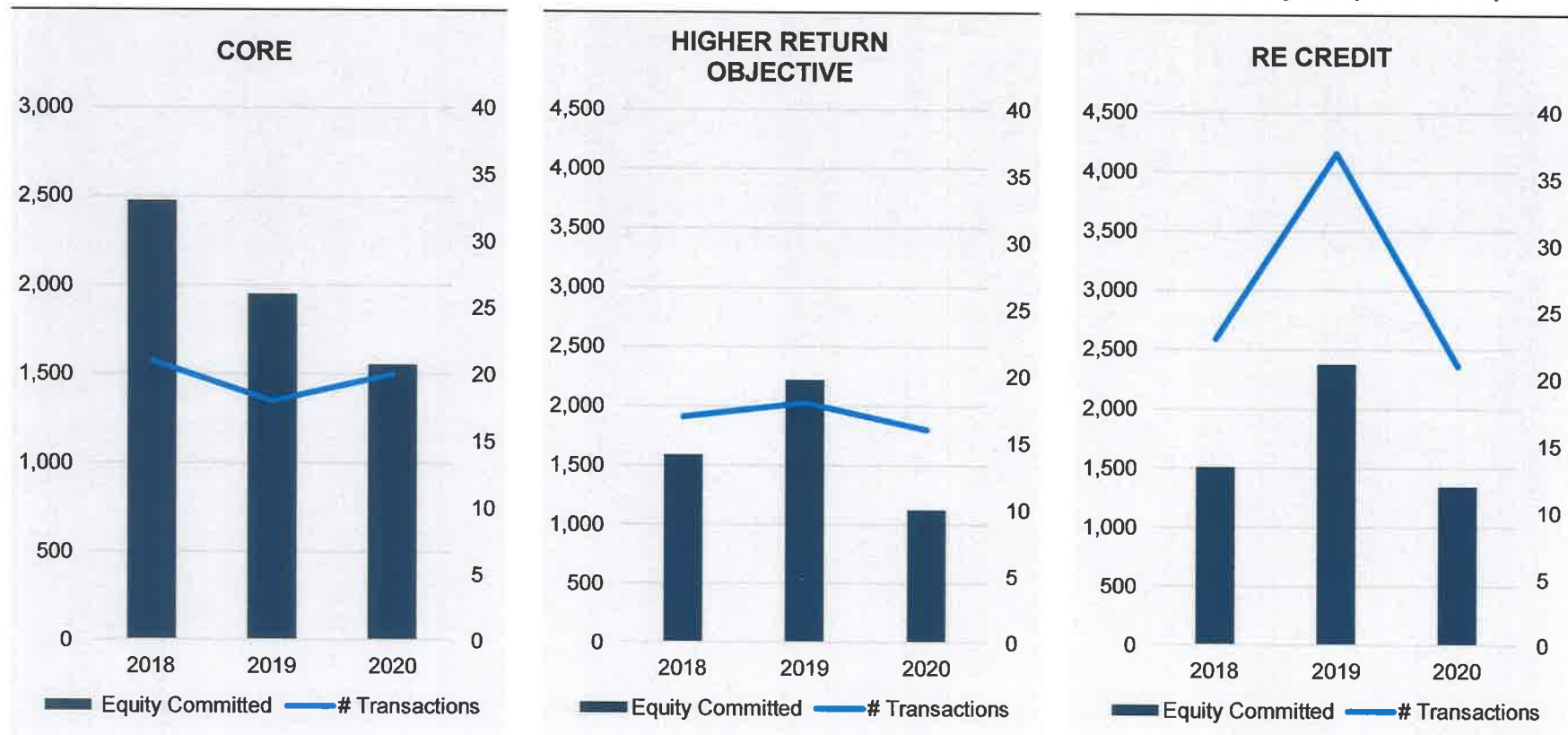
Source: Invesco Real Estate as of December 31, 2020, latest data available, updated semi-annually. Percentage of total gross asset value of all US direct real estate assets shown.

# Platform

## North American Capital Markets Volume



**IRE platform level transaction activity averaged ~\$4.8 BN / 52 transactions per year providing meaningful capital markets intelligence. Plentiful “RE Credit” deal flow averaged ~\$1.7 BN / 27 transactions per year (2018-2020).**



Source: Invesco Real Estate as of 4Q 2020. Please note data will be updated in 4Q at the end of each calendar year.

# Platform

## Boro Tower – “Power of the Platform”



**\$186MM Total Financing | Office | Tysons, VA (Closed 01/21)**



- CMI leverages the Invesco Real Estate (“IRE”) platform with the objective to efficiently achieve optimal investment outcomes
- IRE entered into direct negotiations with the Sponsor as a result of IRE’s existing equity partnership relationship with the Sponsor on separate investments.
- Able to quickly underwrite, structure and secure the investment given IRE’s prior relationship with the borrower and deep experience in the market

## “Teamwork In Action”

CMI Core Team				
Originations	Capital Markets	Underwriting	Closings	Portfolio Management
Yorick Starr	Teresa Zien	Drew Tappan	Susan Mitchell	Charlie Rose
				Rivka Altman



Invesco Real Estate Platform Collaboration & Support			
Asset Management	Transactions	Underwriting	Investment Strategist
Jim Gillen	Josh Siegel Rob Deckey	Paul Boldrick	Nick Buss

Source: Invesco Real Estate. For illustrative purposes only. It does not constitute recommendation or advice.

# Platform

## Relationships Drive Sourcing



### Six (6) sourcing channels evidencing competitive advantages in generating deal flow.

Sourcing Channels	Proprietary Relationships	Shown 1,100+ opportunities from 674+ joint venture partners; completed 53 partnerships that have led to proprietary relationships
	Buyers	Sold \$10.6B to 112 buyers
	Sellers	Purchased \$19.2B from 151 sellers
	Lenders	Borrowed \$16.2B from 66 lending relationships
	Brokers	Utilized 26 brokerage groups for debt placement and property sale activities
	Property / Leasing Managers	50+ leasing and 80+ management companies throughout the United States

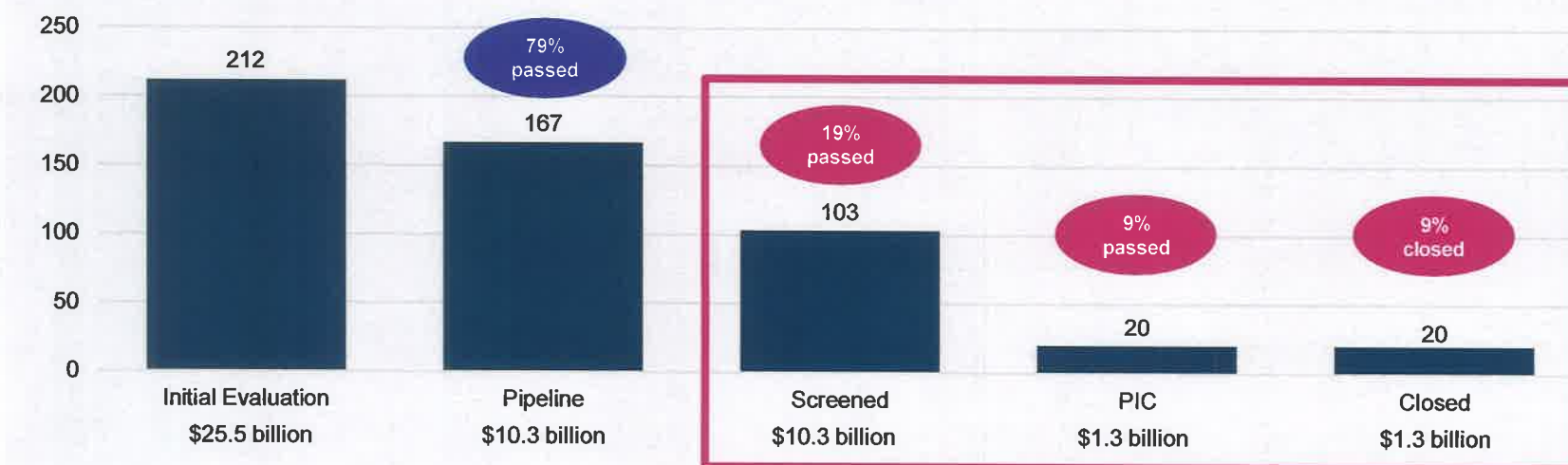
Source: Invesco Real Estate as of 4Q 2020. Leasing and management company count is the point-in-time count as of December 31, 2020. Relationships, Sellers, Buyers, Lenders, Brokers data is based on previous five years 2016-2020. All statistics come from IRE internal software transaction tracking database "RealConnect". Numbers are unaudited and are to indicate representative volumes only. Please note data will be updated in 4Q at the end of each calendar year.



## Tight filter to initially approve pipeline opportunities, but high closing ratio afterwards

### Debt Investment Opportunity Evaluation Results

Total number of deals and size 2020



#### Status Definitions:

**Initial Evaluation:** Investment opportunity has potential capital fit and is evaluated by acquisitions professional

**Pipeline:** Deal is presented to portfolio managers, acquisitions officers and underwriters for preliminary feedback in capital fit

**Screened:** Presented to screening committee members to ensure capital fit before Best and Final offer

**PIC:** Presented to Preliminary Investment Committee for approval to commence due diligence after LOI acceptance

**Closed:** Deal closed.

Source: Invesco Real Estate (IRE) as of December 31, 2020. For illustrative purposes only. Please note data will be updated in 4Q at the end of each calendar year.

Note: Some transactions span multiple years from Initial Evaluation to Closing. The deals are counted in the year of final Closing.

# Platform

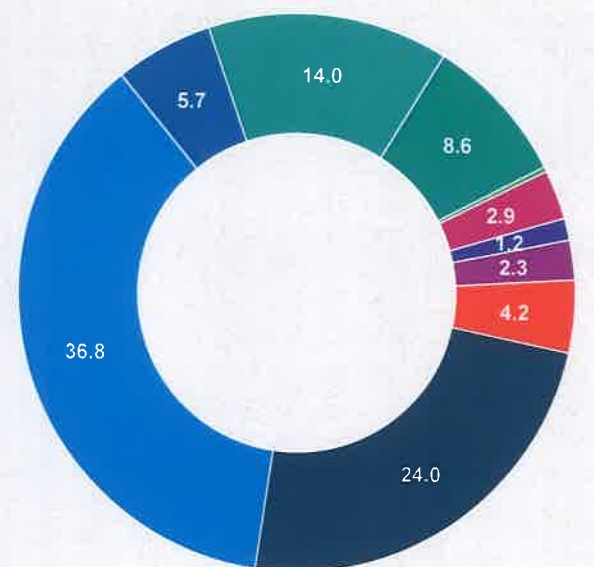
## Global Client Relationships



Hundreds of global clients; deep relationships have resulted in ~17% of global clients choosing Invesco Real Estate for multiple mandates

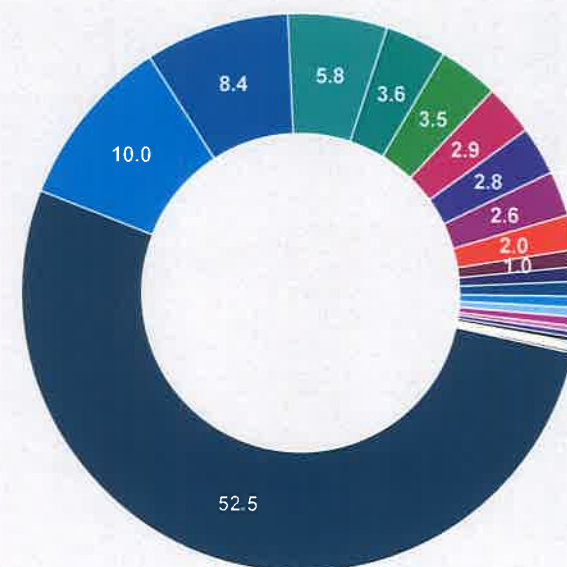


By Client Type (%)



- Retail
- Insurance Co.
- Sovereign Wealth
- Taft Hartley
- Fund of Funds
- Public Pension
- Corporate Pension
- High Net Worth
- Foundation/Endowment
- Other

By Client Domicile (%)



- United States
- Australia
- Canada
- Taiwan
- Switzerland
- Malaysia
- France
- Cayman Islands
- Japan
- Korea
- Netherlands
- Singapore
- Denmark
- Kuwait
- Austria
- Italy
- Germany
- China
- United Kingdom
- Luxembourg
- Hong Kong
- Bermuda
- Ireland
- Other

Source: Invesco Real Estate as of June 30, 2021. AUM = Net Asset Value of clients current holdings with Invesco Real Estate Direct business.

# Platform

## Invesco's ESG+R Program



Invesco Real Estate is a leader in the ESG + R space, as an early adopter implementing a program over 15 years ago.



Source: Invesco Real Estate as of 4Q 2020. Please note data will be updated in 4Q at the end of each calendar year.

# Platform

## Invesco's ESG+R Program for CMI



Integrate at the corporate and collateral level to mitigate risk, align with GRI and UN PRI reporting standards, and improve asset level ESG+R performance



Source: Invesco Real Estate as of 4Q 2020. Please note data will be updated in 4Q at the end of each calendar year.



## Section 3

### Portfolio Construction

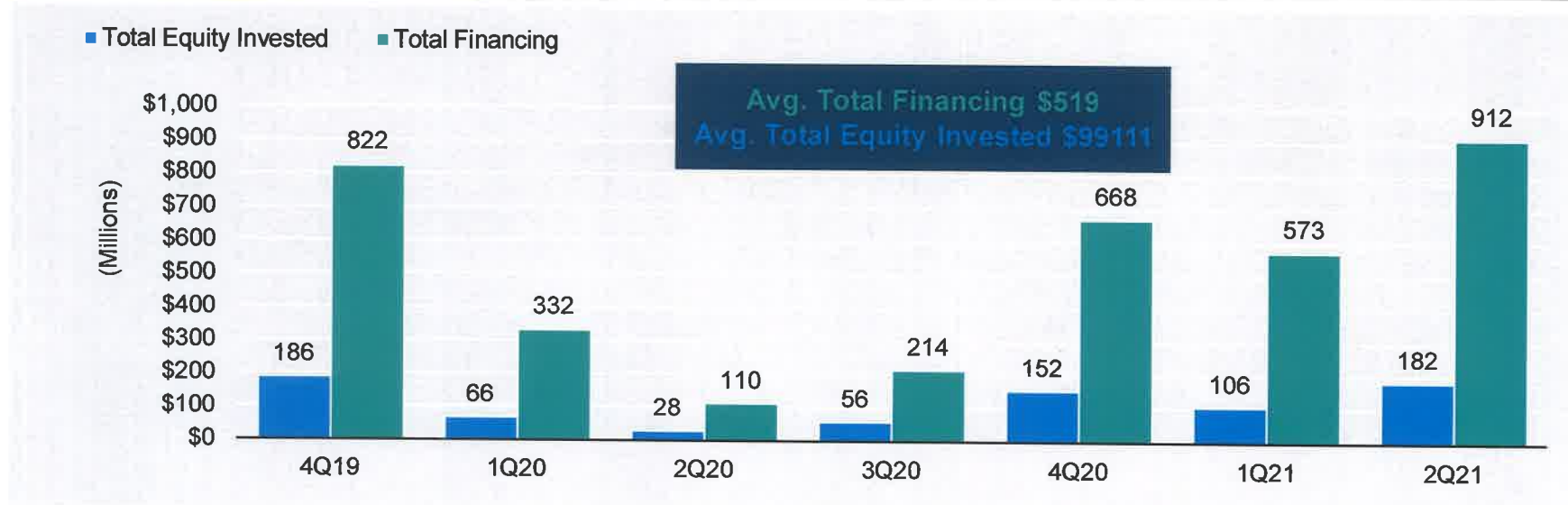


# Originations & Deployment

## Annual Origination Volume



Portfolio to Since Inception	106 loans originated, including 33 payoffs at par; total originations of ~\$7.6 billion
2020 Originations	20 loans totaling \$290 million of equity and \$1.3 billion total originations
2021 Originations to Date	\$1.48 billion of total originations to date and trending towards \$3.5+ billion; beginning to realize repayments in multifamily and industrial loans
2022 Projected Origination	\$4.0+ billion of total originations; significant no. of repayment projected totaling \$625 million
Loan Size	Target \$80-100 million average in 2021; smaller avg loans assumed in Southern markets



Quarters are reflected of loan closings within each respective quarter.  
Source: Invesco Real Estate as of June 30, 2021. For illustrative purposes only.

# Portfolio Metrics & Construction

## Key Statistics



**61%**

Acquisition/Recap  
Financing

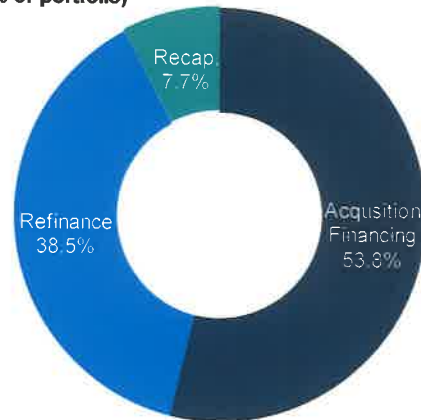
**68%**

Average Detached  
Loan-to-Value

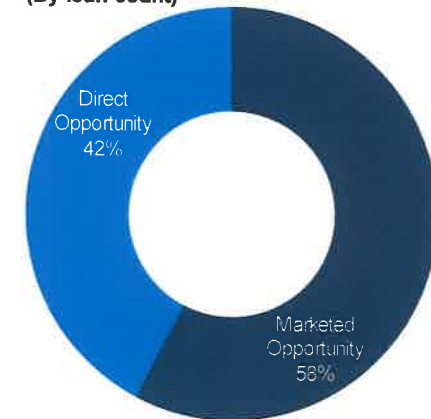
**4.5% /  
7.7%**

Average As-Is/  
Stabilized  
Debt Yield

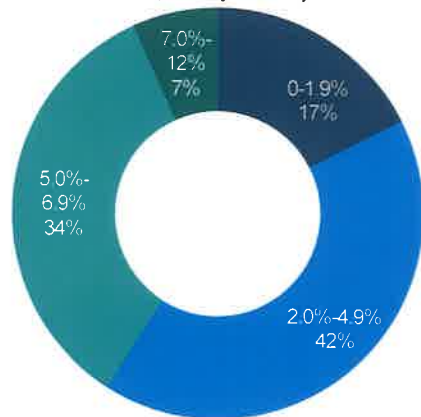
**Loan Purpose**  
(% of portfolio)



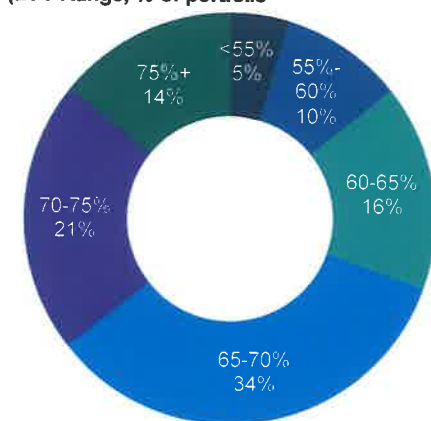
**Loan Offering**  
(By loan count)



**As-Is Debt Yield Summary<sup>(1)</sup>**  
(As-Is Debt Yield, % of portfolio)



**As-Is LTV Summary<sup>(2)</sup>**  
(LTV Range, % of portfolio)



<sup>1</sup> As-Is debt yield as of 2Q 2021 for previously closed loans and at time of origination for 2Q 2021 closed loans. As-Is calculation is exclusive of known vacant collateral, apartments in lease up (<50% occupancy), and hotels. Loans with limited cash flow are generally structured with interest reserves and carry guaranties.

<sup>2</sup> LTV calculated using loan balances and collateral valuations as of 2Q 2021.

Source: Invesco Real Estate as of June 30, 2021.

# Financing Strategy

## Leverage Strategy & Execution



### Balance sheet risk management focused on asset-liability matching along with lender diversification

	FINANCING FACILITY			
	Strategy % Portfolio	A-Note Execution/ Mezzanine/ B-Note 50.6%	Debt-on-Debt 36.7%	Warehouse Financing 12.7%
Leverage Structure	Term	Match term	Match term	3 years + extensions
	Collateral	Single discrete asset (pre-identified)	(i) Single discrete asset (ii) Crossed portfolio	Crossed portfolio
	Margin Calls	None	None	Collateral marks
	Recourse	None	0-25% to Fund	25% to Fund
	Providers	Banks	Select banks	I-banks
Corresponding Loan Metrics	Loan Size	> \$100M	Various Loan Sizes	< \$100M
	LTV	≤ 60% LTV	≤ 60% LTV	Pre-specified
	Debt Yield	Varies by asset	Varies by asset	Pre-specified
	Sponsorship	Strong relationship with senior lender	Flexibility on crossed portfolios	Various criteria

Source: Invesco Real Estate as of June 30, 2021. Percentages based on CMI's committed equity



## Section 4

### Conclusion



# Conclusion

## Why Invesco & Why CMI



### Demonstrable Performance

Outperformed target returns with an 11.2% since inception and 8.9% one-year gross TWR. Distributes majority of its income on a current basis. Trailing 4-quarter dividend yield of ~8.3% represents attractive current income returns relative to fixed income and real estate alternatives. Maintained NAV at par with no historical loan level losses since inception.

### Compelling Portfolio

Existing portfolio is statistically significant (73 loans equating to \$6.7 billion of financings) and well diversified by property type and region (no retail) with conservative credit metrics (68% as-is LTV), institutional borrowers. All loans are performing and in good standing.

### Distinct Perspective

"Credit-over-yield" focus on floating rate, shorter duration commercial real estate loans centered around long-term relationships with senior lenders and borrowers.

### Robust Risk Management

Focus on match-term leverage from a diversified lender base without securitization and limited mark-to-market risk; robust loan risk rating system in place to assess risk-adjusted relative value upfront, and loan/portfolio-level health post-close.

### Platform Acumen

Being a real estate investor (instead of a structured finance organization) provides for numerous benefits on internal underwriting, research, and asset management. Continue to see the entire spectrum of credit-related opportunities to determine the best relative value.

### Dedicated Team

19-member North American credit team focused on the origination and asset management of loans with 15 years average experience\*

### Customized Structure

Perpetual offering providing regular distributions, quarterly liquidity, no lock up, low fees, and the ability to re-up<sup>(1)</sup>. No promote creates an alignment of interest and deters the pursuit of excess risk.

Source: Invesco Real Estate as of June 30, 2021. \*Dedicated team information as of September 1, 2021.

# Appendix I Investments





# Bespoke Credit Capabilities

Speed, Resources, Creativity & Flexibility



## Alexan Arapahoe

- **Institutional Borrower** with collateral in a **liquid** multifamily market
- Newly built collateral with **near stabilized** occupancy

Total Financing: \$70M | Equity Commitment: \$21M



## Boro Tower

- **Best in class** sponsorship and **proven** operator within market
- Attractive loan leverage and basis with **downside protection**

Total Financing: \$186M | Equity Commitment: \$28M



## Longfellow Collection

- Life Science **platform** and relationship driven opportunities
- San Diego is top three life science market

Total Financing: \$355M | Equity Commitment: \$81M



## KKR Industrial Portfolio

- Access to industrial through a bespoke **cross-collateralized** and **cross-defaulted** facility
- Established **accretive debt on debt financing** with Bank of Montreal

Total Financing: \$284M | Equity Commitment: \$60M



## Mark IV Commerce

- Loan to fund newly delivered industrial warehouse in **top industrial market**
- Material **cash equity** contribution at loan funding

Total Financing: \$58M | Net Hold: \$13M

Source: Invesco Real Estate as of 2Q 2021. For illustrative purposes only. This does not constitute a recommendation or advice.

# Alexan Arapahoe

Senior Financing | Multifamily (Rental) | Denver, Colorado



## Transaction Highlights (July 2020)

- **Financing:** \$70.0MM senior loan to facilitate the refinance of Alexan Arapahoe
- **Collateral:** 355-unit, 2019-vintage Class A multifamily project located in Denver, Colorado
- **Sponsorship:** Rockwood and Trammel Crow Residential
- **Business plan:** Completing lease up and stabilization of the property by fully burning off concessions
- **Repayment:** Likely a third-party sale upon stabilization of the asset

## Key Statistics

- Investment Amt / Total Financing: \$70MM / \$21.0MM
- Security Type: Senior Loan
- Rate Type: Floating Rate
- Interest Rate: LIBOR + 3.65%
- Loan Term: 3 + 1 + 1
- Loan-to-Value (Attach/Detach): 50%/63%
- Debt Yield (Stabilized): 7.2%

## Sponsor

Institutional Equity  
Proven National Operator

## Collateral

Newly Constructed Multifamily  
Lease-Up to Stabilization Strategy

## Attributes

## Location

Fast Growing Submarket  
Proximate to Employment  
Centers

## Credit Metrics

Low As-Is LTV  
Cash Equity Remaining

Source: Invesco Real Estate as of June 30, 2021. For illustrative purposes only. Financial data stated is based on Invesco Real Estate's underwriting. There can be no assurances that the above stated returns will be met. This does not constitute a recommendation or advice.

# Boro Tower

Senior Loan | Office | McClean, Virginia (Washington D.C. MSA)



## Transaction Highlights (January 2021)

- **Financing:** \$186MM whole loan to facilitate the refinance of Boro Tower
- **Collateral:** 77% leased, 341K SF, Class A office building located within "The Boro", a 19.3-acre mixed-use development
- **Sponsorship:** 50/50 JV between The Meridian Group and Rockefeller Group
- **Business Plan:** Sponsor will lease up the remaining vacancy over the next 12 to 18 months
- **Repayment:** Likely a third-party sale or recapitalization upon stabilization

## Key Statistics

- Investment Amt / Total Financing : \$28MM / \$186MM
- Security Type: Senior Loan
- Rate Type: Floating Rate
- Interest Rate: LIBOR + 2.65%
- Loan Term: 3 + 1 + 1
- Loan-to-Value (Attach/Detach): 48% / 57%
- Debt Yield (Stabilized): 10.6%

## Sponsor

Institutional Equity  
Seasoned Regional Operator

## Collateral

Newly Delivered Class A Office  
Gateway to "The Boro"

## Attributes

## Location

Silver Line Metro Stop  
Proximate to Amenities

## Credit Metrics

Strong Going-In DY  
Attractive Last Dollar Basis

Source: Invesco Real Estate as of June 30, 2021. For illustrative purposes only. Financial data stated is based on Invesco Real Estate's underwriting. There can be no assurances that the above stated returns will be met. This does not constitute a recommendation or advice.



# Longfellow Collection

Senior Financing | Office (Life Science) | San Diego, California



## Transaction Highlights (2019 & 2020)

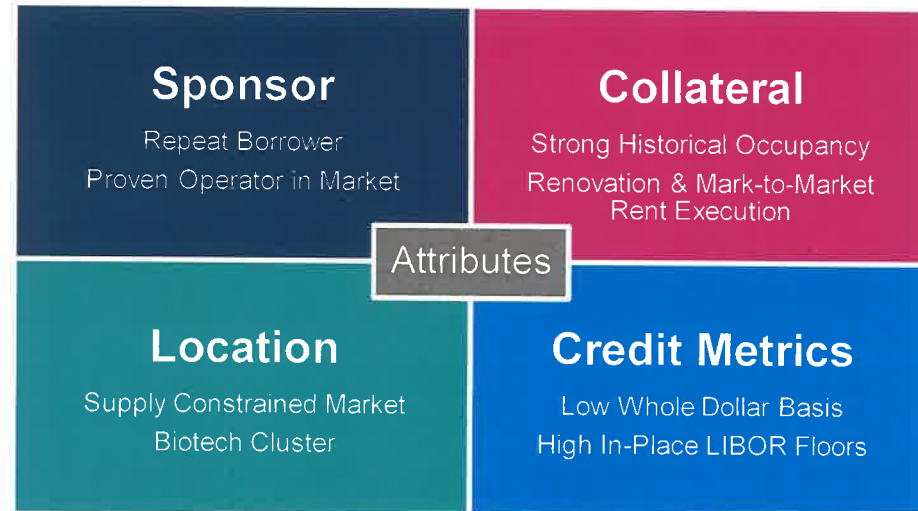
- **Financing:** \$355MM total senior loans (not crossed) for the acquisition of six (6) life science office investments
- **Collateral:** ~959K SF of low-rise and mid-rise buildings located within the Sorrento Mesa & Valley submarkets of San Diego
- **Sponsorship:** Longfellow Capital Partners
- **Business plan:** Renovation and conversion of space as tenants vacate into lab, R&D space and creative office space
- **Repayment:** Likely will occur through a portfolio refinance or third party sale

## Key Statistics <sup>(1)</sup>

- |                                    |               |
|------------------------------------|---------------|
| ▪ Investment Amt / Total Financing | \$81M/355MM   |
| ▪ Security Type:                   | Senior Loan   |
| ▪ Rate Type:                       | Floating Rate |
| ▪ Interest Rate:                   | L+2.35-3.45%  |
| ▪ Loan Term:                       | 3 + 1 + 1     |
| ▪ Loan-to-Value(Attach/Detach):    | 48% / 63%     |
| ▪ Debt Yield (Stabilized):         | 8.7%          |

<sup>(1)</sup> Weighted average by total committed equity using loan metrics at origination.

Source: Invesco Real Estate as of June 30, 2021. For illustrative purposes only. Financial data stated is based on Invesco Real Estate's underwriting. There can be no assurances that the above stated returns will be met. This does not constitute a recommendation or advice.



# KKR Industrial Portfolio

## Senior Financing | Industrial | National



### Transaction Highlights (September 2020)

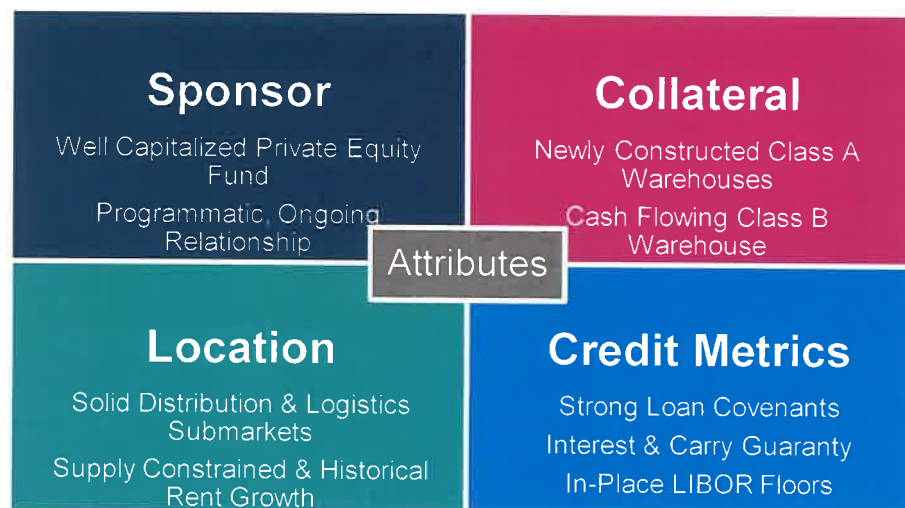
- **Financing:** \$284M loan across 12 industrial assets.
- **Collateral:** 3.7M SF of newly developed, high quality industrial and stabilized Class B across major markets in the U.S.
- **Sponsorship:** KKR Real Estate Partners
- **Business plan:** Complete lease up and stabilization of the assets; mark to market rents
- **Repayment:** Likely a portfolio sale upon sponsor's completion of a national aggregation play

### Key Statistics <sup>(1)</sup>

- Investment Amt / Total Financing: \$60MM / \$284MM
- Security Type: Senior Loan
- Rate Type: Floating Rate
- Interest Rate: LIBOR + 2.30-3.25%
- Loan Term: 2 + 1 + 1 + 1
- Loan-to-Value (Attach/Detach): 54% / 69%
- Debt Yield (Stabilized): 6.9%

<sup>(1)</sup> Weighted average by total committed equity using loan metrics at origination.

Source: Invesco Real Estate as of June 30, 2021. For illustrative purposes only. Financial data stated is based on Invesco Real Estate's underwriting. There can be no assurances that the above stated returns will be met. This does not constitute a recommendation or advice.





# Mark IV Commerce Park

Senior Financing | Industrial | Fort Worth, Texas



## Transaction Highlights (September 2020)

- **Financing:** \$58MM senior loan to facilitate the acquisition and lease up of Mark IV Commerce Park
- **Collateral:** Newly built, Class A industrial project comprised of three (3) light distribution and warehouse facilities totaling 1M SF
- **Sponsor:** Joint venture between Goldman Sachs and Dalfen
- **Business Plan:** Lease up of vacant industrial space over 12-to-18-month period
- **Repayment :** Likely will occur through a refinance

## Key Statistics

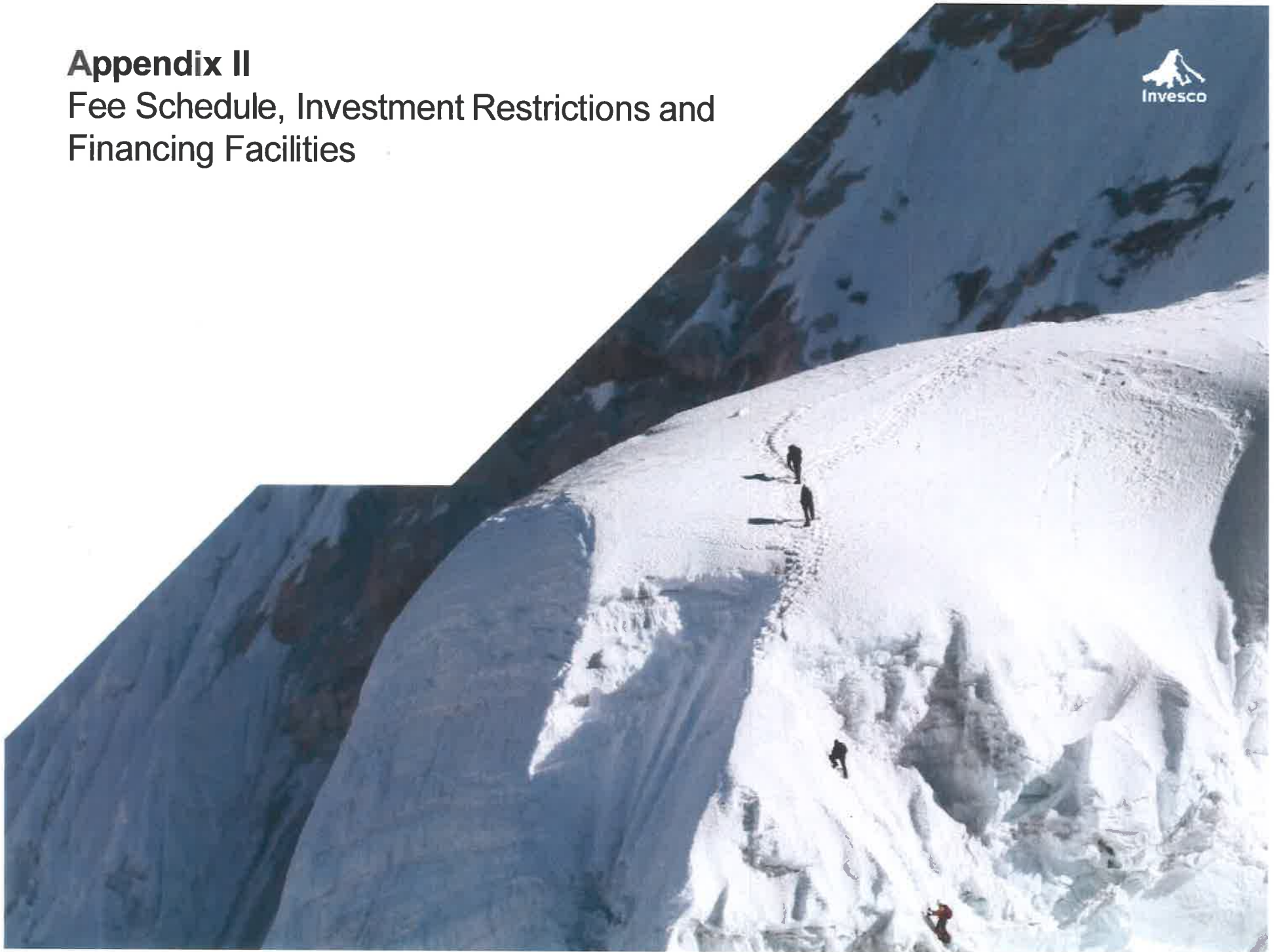
- Investment Amount / Total Financing: \$13MM/ \$58MM
- Security Type: Senior Loan
- Rate Type: Floating Rate
- Interest Rate: LIBOR + 2.95%
- Loan Term: 2 + 1 + 1 + 1
- Loan-to-Value (Attach/Detach): 49% – 63%
- Debt Yield (Stabilized): 7.1%



Source: Invesco Real Estate as of June 30, 2021. For illustrative purposes only. Financial data stated is based on Invesco Real Estate's underwriting. There can be no assurances that the above stated returns will be met. This does not constitute a recommendation or advice.

## Appendix II

### Fee Schedule, Investment Restrictions and Financing Facilities



## Appendix

### Fee Schedule



**Management Fee:** Calculated on the Limited Partner's Net Asset Value. The percentage used to calculate each Limited Partner's Management Fee is based on the Limited Partner's Capital Commitment, as increased by reinvested amounts and additional subscription amounts and reduced by any redemptions and transfers by such Limited Partner. For Limited Partners whose subscription amount (as adjusted) is:

<b>\$100 million or greater:</b>	<b>0.80%</b>
<b>\$50 million up to (but not including) \$100 million:</b>	<b>0.90%</b>
<b>\$0 million up to (but not including) \$50 million:</b>	<b>1.00%</b>

Example:

- If a Limited Partner has committed \$100 million to the Fund and the Fund has called \$50 million (i.e. the Limited Partner's Net Asset Value = ~\$50 million)
- Fee Rate (0.80%) x \$50 million = \$400,000 per annum (\$100,000 for that quarter)

**Target Commitment Fee: 0.75%** on the Fund's full net hold (i.e. including future fundings) after giving effect to the financing strategy (e.g. A-note execution, facility placement, etc) is due to the General Partner at each loan closing.

- If Borrower pays < 0.75%, the Fund pays the difference (recorded as an expense to the Fund)
- If Borrower pays  $\geq$  0.75%, the Fund receives the difference (recorded as income to the Fund)
- Example:
  - \$100 million loan is funded \$40 million with equity and \$60 million with debt
  - Target Commitment Fee = \$300,000 (40% of 0.75% of \$100 million)

Source: Invesco Real Estate as of 2Q 2021.

# Appendix

## Fund Investment Limitations



- Real estate must be principally located in the U.S.
- Real estate cannot consist principally of undeveloped land
- No Fund subsidiary legal entities may be established under Canadian law
- 20% ground-up development limitation
- 25% investment size limitation at time investment made<sup>(1)</sup>
- 15% ultimate investment size limitation
- 65% Fund-level leverage limitation<sup>(2)</sup>

- (1) Excludes single loan portfolio investment that is comprised of individual loans or underlying collateral that is diversified geographically and/or by product type. General Partner must intend that within nine (9) months of origination or acquisition no more than 15% of aggregate Capital Commitments will ultimately be invested in such investment.
- (2) Fund level leverage is limited to 65% of the aggregate value of the underlying collateral of all unsubordinated loans.

*The Investor Advisory Committee has the ability to waive the aforementioned investment restrictions.*



# Financing Strategy

## Summary of Financing Facilities



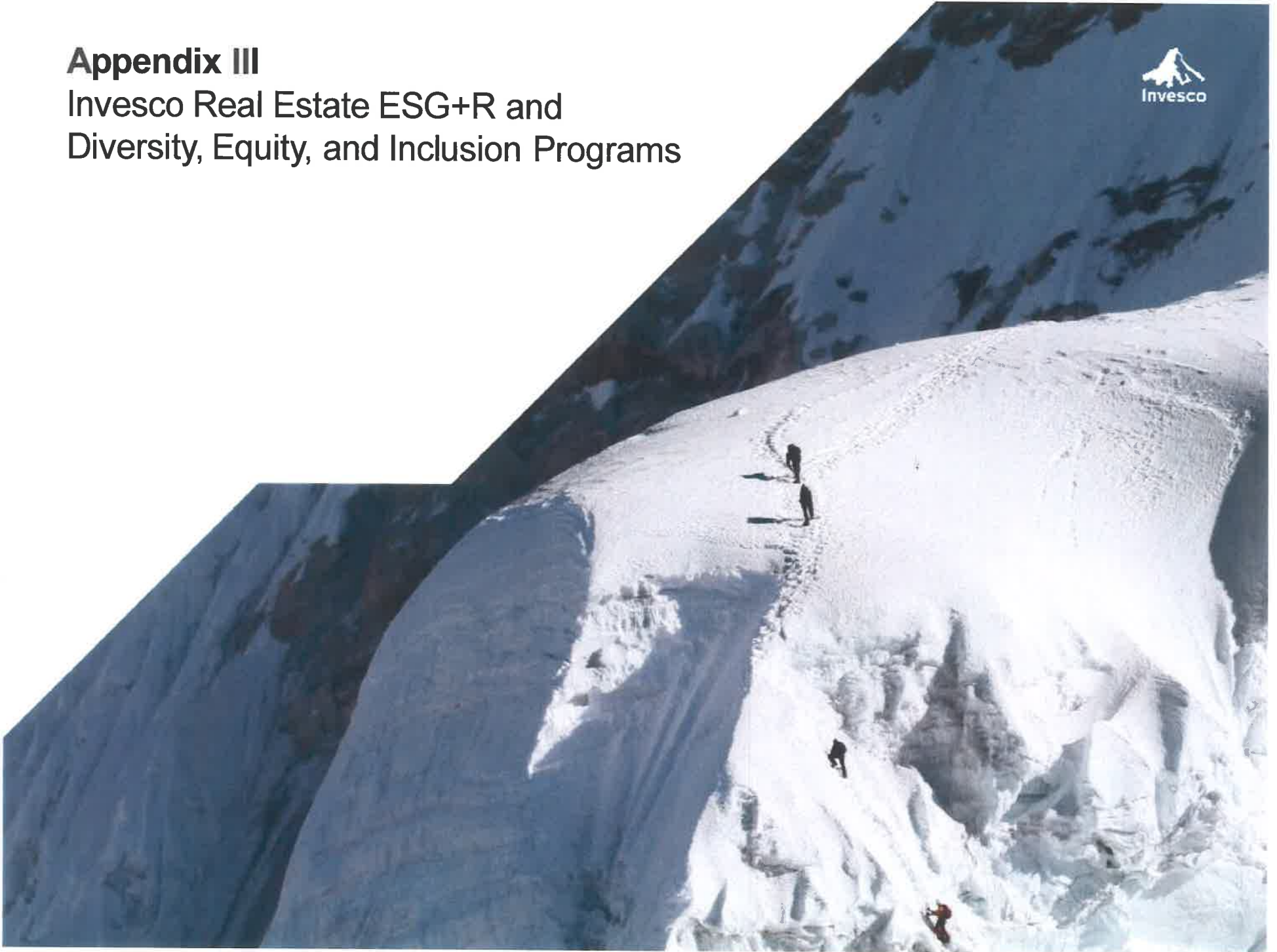
Facility / Type	Maturity Date	Extension Option	Count <sup>(1)</sup>	Average Interest Rate <sup>(2)</sup>	Average Advance Rate <sup>(2)</sup>	Recourse	Margin Call	Maximum Facility Size	Outstanding Borrowings
<b>WAREHOUSE FACILITIES</b>									
Morgan Stanley	Feb-2023	1 (1) Yr	4	L + 1.84%	79%	25%	Collateral Marks Only	\$250.0	\$204.1
Citibank	Jul-2022	1 (1) Yr	9	L + 1.63%	75%	25%	Collateral Marks Only	\$450.0	\$331.3
<b>Warehouse Facilities Subtotal</b>								<b>\$700.0</b>	<b>\$535.5</b>
<b>DEBT-ON-DEBT FACILITIES</b>									
<b>Asset Specific Financing <sup>(3)</sup></b>									
US Bank	Jan-2022	3 (1) Yr	1	L + 1.70%	54%	100%	N/A	\$35.6	\$35.5
<b>Subtotal</b>								<b>\$35.6</b>	<b>\$37.9</b>
<b>Term Loan Financing</b>									
Bank of Montreal <sup>(4) (5)</sup>	Apr-2023	2 (1) Yr	3	L + 1.72%	80%	25%	N/A	\$400.0	\$205.6
Morgan Stanley <sup>(4) (6)</sup>	Jun-2022	2 (1) Yr	3	L + 1.50%	73%	25%	N/A	\$140.9	\$137.7
Wells Fargo	Feb-2024	2 (1) Yr	10	L + 2.00%	80%	25%	N/A	\$497.5	\$468.4
Term Facility Lender- Series 1	Oct-2025	--	8	L + 2.50%	76%	0%	N/A	\$254.4	\$212.3
Term Facility Lender- Series 2	Nov-2025	--	3	L + 2.30%	76%	0%	N/A	\$216.5	\$171.3
Term Facility Lender- Series 3	Jun-2025	--	2	L + 1.90%	80%	0%	N/A	\$200.9	\$135.4
Capital One	Apr-2024	--	1	L + 1.50%	80%	25%	N/A	\$200.0	\$92.8
MUFG Union Bank <sup>(7)</sup>	Oct-2022	2 (1) Yr	4	L + 1.61%	79%	25%	N/A	\$450.0	\$198.3
<b>Subtotal</b>								<b>\$2,360.2</b>	<b>\$1,621.8</b>
<b>Debt-on-Debt Facilities Subtotal</b>								<b>\$2,395.8</b>	<b>\$1,657.3</b>
<b>Financing Facilities Total</b>								<b>\$3,095.8</b>	<b>\$2,192.8</b>
<b>CREDIT FACILITY <sup>(8)</sup></b>									
NatWest	Dec-2022	--	N/A	L + 1.50%	N/A	N/A	N/A	\$350.0	\$151.0
<b>Credit Facility Subtotal</b>								<b>\$350.0</b>	<b>\$151.0</b>
<b>Grand Total</b>								<b>\$3,445.8</b>	<b>\$2,343.8</b>

See footnote definitions in the appendix.

All data as of June 30, 2021. Warehouse Facility = a credit facility utilized by loan originators for purposes of financing debt positions. Defining characteristics generally include: non-match term, margin calls and partial recourse. Guidance Facility (Debt-on-Debt) = a credit facility utilized by loan originators for purposes of financing particular debt positions. Defining characteristics generally include: match term, no margin calls, partial recourse and cross collateralization. Asset Specific Financing (Debt-on-Debt) = a credit facility utilized by loan originators for purposes of financing a pre-identified debt position. Defining characteristics generally include: match-term, no margin calls, and partial to no recourse. Term Loan Financing (Debt-on-Debt) = a credit facility utilized by loan originators for purposes of financing a pre-identified pool of debt positions. Defining characteristics generally include: match term, no margin calls and partial recourse.

## Appendix III





### Invesco Real Estate ESG+R and Diversity, Equity, and Inclusion Programs



# Invesco's ESG+R Program



## Our Focus

 <b>Environmental</b>	 <b>Social</b>	 <b>Governance</b>	 <b>Resilience</b>
<b>3%</b> Annual reduction in energy and emissions by 2030 from a 2018 baseline	<b>Net Zero</b> Carbon emissions by 2050	<b>1%</b> Annual reduction in water consumption	<b>1%</b> Annual increase in waste diversion rate

## ESG+R Makes A Difference

### Reducing Costs and Liabilities



- Operating Costs
- Liabilities
- Obsolescence
- Risk Mitigants



### Increasing Revenue



- Higher Rent / Less Incentives
- Reduced Vacancy Time
- Higher Liquidity
- Financing Options



## What is Invesco Real Estate doing?

### Global ESG&R Committee<sup>1</sup>



- Global Targets
- Annual GRESB Submission
- Health and Social Impact Focus
- Prioritize Transparency



### Investment Process Integration



- ESG + R Assessment
- Green Building Certification
- Tenant Engagement
- Climate Risk Assessment



**We truly believe that ESG+R investing can reduce risk and enhance returns.**

<sup>1</sup> Meets quarterly to set strategy.

While portfolio managers may consider ESG+R aspects, they are not bound by any specific ESG+R criteria and have the flexibility to invest across the ESG+R spectrum.

Information used to evaluate ESG+R factors may not be readily available, complete or accurate. ESG+R factors may vary across types of investments and issuers, and not every ESG+R factor may be identified or evaluated. There is no guarantee that the evaluation of ESG+R considerations will be additive to a strategy's performance.

# Invesco's ESG+R Program



## Our Focus



Environmental



Social



Governance



Resilience

## Industry Recognition

- Invesco Ltd. received an **A for Direct Property** on the 2020 PRI<sup>1</sup> assessment for 5<sup>th</sup> consecutive year
- Invesco Ltd. received an **A+ for Strategy & Governance** on the 2020 PRI<sup>1</sup> assessment
- Of the 13 portfolios that were submitted by Invesco Real Estate globally to the **2020 GRESB Assessment** 77% received 4 out of 5 green star ratings or above
- Invesco Cares supported **128 charitable organizations**, ran a **\$250,000 matching campaign**, and **donated \$1M to COVID-19 relief** programs through 19 Invesco Cares chapters globally<sup>2</sup>

<sup>1</sup> Principles for Responsible Investment. The investment categories are evaluated using six performance bands (A+, A, B, C, D, and E), where A+ distinguishes the top scoring signatories, representing a score of 95% or above and A distinguishes a score of 75% or above. Any reference to a ranking, a rating or an award provides no guarantee for future performance results and is not constant over time.

<sup>2</sup> In 2020 per the 2021 Invesco Corporate Social Responsibility Report released June 2021

While portfolio managers may consider ESG+R aspects, they are not bound by any specific ESG+R criteria and have the flexibility to invest across the ESG+R spectrum. Information used to evaluate ESG+R factors may not be readily available, complete or accurate. ESG+R factors may vary across types of investments and issuers, and not every ESG+R factor may be identified or evaluated. There is no guarantee that the evaluation of ESG+R considerations will be additive to a strategy's performance.



# Invesco's Diversity, Equity and Inclusion Program



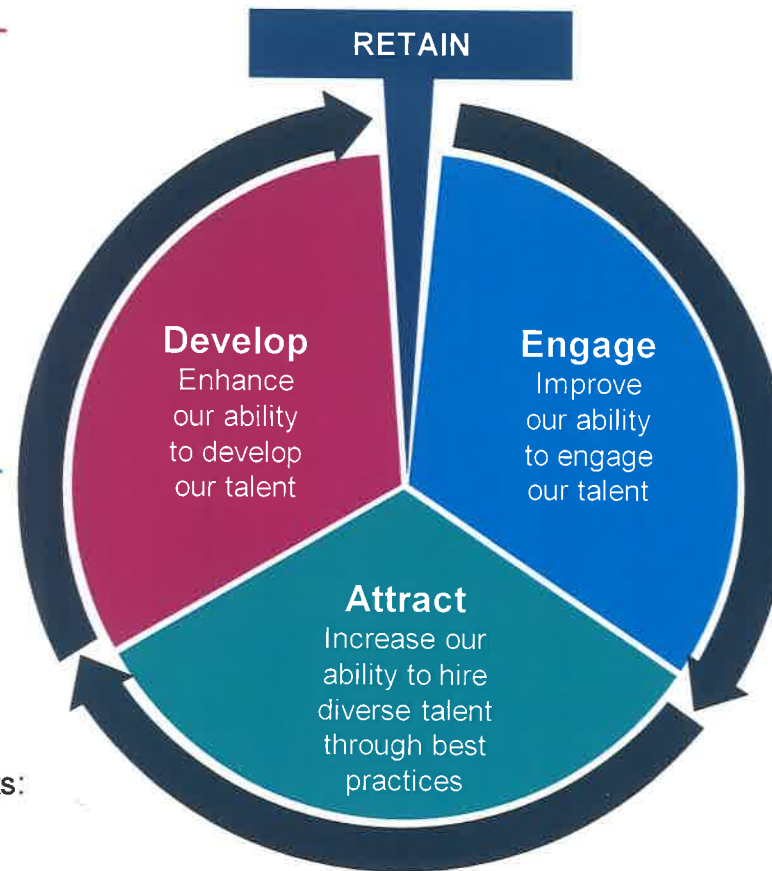
**Our Aspiration:** To continually reflect the diversity of people and perspectives in today's evolving society, which is critical to our efforts to help our clients and employees get more out of life.

## Develop

- DE&I Committee leads key initiatives firmwide
- Promotion Targets
- 2020 IRE Female Representation: 44%
- 2020 IRE Minority Representation: 21%
- Unconscious Bias Training

## Attract

- Hiring Targets
- Diverse candidate pool / interview panel targets
- Expand hiring channels via DE&I Organizations
- 2020 IRE Hiring Achievements:
  - ✓ 37% Female
  - ✓ 33% Minority
- 2021 IRE Summer Intern Class Achievements:
  - ✓ 35% Female



## Engage

- Quarterly DE&I Programming
- Internal Business Resource Groups
- DE&I mentorship for underrepresented communities
- External Partnerships:
  - ✓ *Real Estate Executive Council* – Networking, Mentorship, Recruiting, Vendor Diversity
  - ✓ *Project Destined* – Recruiting, Community Support
  - ✓ *Project Unity/Together We Can* – Training
  - ✓ *Toigo Foundation, Artemis Real Estate, SEO* – Recruiting
  - ✓ *PREA Foundation*

Source: Invesco Real Estate. \* As of June 30, 2021.

## Appendix IV

### Team Bios



# Invesco Commercial Mortgage Income - U.S. Fund, L.P.

Dedicated team



**Charlie Rose**  
Managing Director  
Portfolio Management

- 18 years' real estate experience
- Joined Invesco Real Estate in 2017



**Rivka Altman**  
Director  
Portfolio Management

- 15 years' real estate experience
- Joined Invesco Real Estate in 2012



**Trey Warren**  
Associate  
Portfolio Management

- 2 years' real estate experience
- Joined Invesco Real Estate in 2021



**Teresa Zien**  
Managing Director  
Capital Markets

- 21 years' real estate experience
- Joined Invesco Real Estate in 2017



**Amanda Gray**  
Senior Associate  
Capital Markets

- 5 years' real estate experience
- Joined Invesco Real Estate in 2018



**Todd Scott**  
Senior Director  
Loan Asset Management

- 25 years' real estate experience
- Joined Invesco Real Estate in 2020



**Lauren Tarpley**  
Associate  
Loan Asset Management

- 8 years' real estate experience
- Joined Invesco Real Estate in 2019

Source: Invesco Real Estate as of September 1, 2021.

# Invesco Commercial Mortgage Income - U.S. Fund, L.P.

Dedicated team



**Courtney Popelka**  
Senior Director  
Fund Operations

- 22 years' real estate experience
- Joined Invesco Real Estate in 2009



**Paulina Sotomayor**  
Senior Associate  
Fund Operations

- 8 years' real estate experience
- Joined Invesco Real Estate in 2020



**Vanessa Sharp**  
Senior Associate  
Fund Operations

- 19 years' real estate experience
- Joined Invesco Real Estate in 2021



**Jennifer Semler**  
Associate  
Investor Relations

- 29 years' real estate experience
- Joined Invesco Real Estate in 2005



**Susan Mitchell**  
Senior Director  
Loan Closings

- 19 years' real estate experience
- Joined Invesco Real Estate in 2011



**Annetta Jones**  
Associate  
Loan Closings

- 22 years' real estate experience
- Joined Invesco Real Estate in 2019

Source: Invesco Real Estate as of September 1, 2021.



# Invesco Commercial Mortgage Income - U.S. Fund, L.P.

Dedicated team



**Yorick Starr**  
Senior Director  
Originations

- 19 years' real estate experience
- Joined Invesco Real Estate in 2017



**Andrew Kim**  
Senior Associate  
Debt Transaction Analytics

- 4 years' real estate experience
- Joined Invesco Real Estate in 2021



**Mason Gilmore**  
Director  
Originations

- 11 years' real estate experience
- Joined Invesco Real Estate in 2013



**Savannah Geyer**  
Associate  
Debt Transaction Analytics

- 4 years' real estate experience
- Joined Invesco Real Estate in 2021



**Justin Chausse**  
Senior Director  
Originations

- 15 years' real estate experience
- Joined Invesco Real Estate in 2020



**Steve Chung**  
Senior Associate  
Debt Transaction Analytics

- 10 years' real estate experience
- Joined Invesco Real Estate in 2020

Source: Invesco Real Estate as of September 1, 2021.

# Important information

## Additional footnotes



### Page 8 - Fund-Level Performance

1. Outperformance is against Fund's stated performance objective for Time Weighted Return "TWR" (7% - 9% Gross TWR) and dividend yield (7% - 8% Gross).
2. Weighted average based on closed loans as of quarter-end.
3. Spot Rate includes any LIBOR floors received on CMI's committed equity but does not reflect the floor skim the Fund receives on senior financing without floors. Reflects one (1) month-forward LIBOR curve as of the most recent quarter-end.
4. Represents the returns from the date of the first capital call (April 2, 2018) and is inclusive of the GP's commitment.
5. The 1-Year and 3- Year Time Weighted Return ("TWR") utilizes the GEOMEAN calculation and is based on the trailing four (4) and twelve (12) quarters' TWR metrics respectively.
6. Annualized Dividend Yield is calculated by taking the current quarter dividend yield and multiplying by four (4).
7. The Trailing 4 Quarters Dividend Yield is a sum of the prior four (4) quarters.
8. As of respective quarter end.
9. Includes 7 KKR loans that were refinanced by the Fund in 1Q 2020 and are currently held loans. Includes Adler II which was combined into one loan with Adler I as part of a modification in 1Q 2021.
10. Excludes any loans that are subject to forbearance agreements providing for accrual.
11. Based on the total number of loans originated since-inception. A defaulted loan is defined as a loan that has remained in default for 60 days without being subject to a work-out, modification, or otherwise cured.

### Page 43 - Financing Strategy, Summary of Financing Facilities

1. Reflects the number of loans that have been boarded on each facility as of quarter-end.
2. Based on weighted average of outstanding borrowings.
3. The asset specific facilities are co-terminus with the notes entered into under the respective facilities.
4. Bank of Montreal has a maximum commitment of \$400 million, including their 25% commitment in the Morgan Stanley term facility (alongside four (4) additional lenders). The \$400 million commitment will fluctuate between the facilities in relation to new origination activity and loan repayments.
5. One (1) loan that was placed on the Bank of Montreal facility is comprised of seven (7) loans that were refinanced as part of the \$306.0 million KKR AIP Portfolio.
6. Facility has a one-time portfolio look through LTV test at end of Year 3. Facility has three (3) one-year extensions at the Fund's option. The Fund exercised the first one (1) year extension during the quarter.
7. Switched over from warehouse to term facility structure after meeting criteria.
8. Reflects interest rate of Tranche A on the NatWest facility, which was the only tranche utilized as of quarter-end.

# Risk Factors & Potential Conflicts of Interest



Prospective investors should carefully consider, among other factors, the matters described below, each of which could have an adverse effect on the value of the Interests in the Fund. As a result of these factors, as well as other risks inherent in any investment or set forth elsewhere in this Memorandum (e.g., "Legal, Tax and Regulatory Matters"), there can be no assurance that the Fund will meet its investment objectives or otherwise be able to successfully carry out its investment program. The Fund's returns will be unpredictable. An investor should only invest in the Fund as part of an overall investment strategy and only if the investor is able to withstand a total loss of its investment. Investors should not construe the performance of earlier investments by Invesco as providing any assurances regarding the future performance of the Fund.

## Risk Factors

- General Real Estate Considerations
- Risks Associated with Unspecified Transactions
- Difficulty of Locating Suitable Investments, etc.
- Speculative Nature of Investments
- Leverage
- Possible Lack of Diversification
- Interest Rate Changes May Adversely Affect Value

## Tax Risks

- Tax Classification of the Fund
- Challenge by the Internal Revenue Service (the "Service") of the Fund's allocations of income and loss
- Taxable Income from Investment in Interests.
- Penalties
- Risks Relating to Tax-Exempt Investors
- Risks Relating to Non-US Investors
- Changes in Federal Income Tax Law
- State and Local Taxes
- REIT Subsidiaries
- Changes in the Ownership of an Investor Could Cause the Investor's Interest in the Fund to Become Excess Interests
- Tax and Legislative Risks Associated with Real Estate Investment Trusts
- Lack of Liquidity of Investments
- Development Risks
- Potential Environmental Liability
- Inflation Risk
- Third-Party Involvement
- Lack of Limited Partner Control over Fund Policies

## Tax Risks (continued)

- Reliance on Fund Personnel
- Absence of Recourse to General Partner
- Recourse to Fund Assets
- No Market for Interests in the Fund
- Projections, Opinions
- Diverse Limited Partners
- Failure of Limited Partners to Make Capital Contributions
- Losses of the Fund may be Uninsured
- Transactions may be Completed on an Expedited Basis
- Absence of Regulatory Oversight
- Investments Longer than Term
- Enhanced Scrutiny and Potential Regulation of the Private Equity Industry and the Financial Services Industry
- Risks Relating to Admission of ERISA Investors to the Fund

## Potential Conflicts of Interest

- Client Relationships
- Co-investment Policy
- Allocation of Investment Opportunities
- General Partner Compensation
- Management of the Fund
- Participation in REIT Subsidiary
- Acquisitions or Dispositions of Investments
- Transactions with Affiliates
- Leasing



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**Investment Considerations"** section of the PPM for risks on pages 48-78.

**Forward looking statements** - These materials may contain statements that are not purely historical in nature but are "forward-looking statements." These include, among other things, projections, forecasts, estimates of income, yield or return, future performance targets, sample or pro forma portfolio structures or portfolio composition, scenario analysis, specific investment strategies and proposed or pro forma levels of diversification or sector investment. These forward-looking statements can be identified by the use of forward looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "estimate," "intend," "continue," "target," "believe," the negatives thereof, other variations thereon or comparable terminology.

Forward looking statements are based upon certain assumptions, some of which are described herein. Actual events are difficult to predict, are beyond the Issuer's control, and may substantially differ from those assumed.

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# Important information

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# Important information

## Disclosures



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- **in Singapore** by Invesco Asset Management Singapore Ltd, 9 Raffles Place, #18-01 Republic Plaza, Singapore 048619.
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## PENDING TRANSACTION ANALYSIS FOR FISCAL YEAR END 2020

### **Material Amounts to be Accrued from the 7/31/20 report - YES**

#### **Found in Blackrock :**

- Investments Sold (open trades) were on not on the Pending Sales and Trades Report 6/30 and were on the Settlement statement 7/31 with June Trades Dates \$252,884.61
- Investments Sold (open trades) were on the Pending Sales and Trades Report 6/30 to be traded in July and were on the Settlement statement 7/31 with missing or were sold for a different amount \$2,284,599.17  
Net Difference Investments Sold = \$2,031,714.55 -- See QB JE # 20764 & 20765
- Investments Purchased (open trades) were on not on the Pending Sales and Trades Report 6/30 and were on the Settlement statement 7/31 with June Trades Dates \$ 1,003,951.71 QB JE# 20763

#### Procedures for confirming accurate accruals of pending investment transactions:

- 1 Export Pending Sales & Trades transaction for the Fiscal Year end from Nexen
- 2 The report for June 30, 2020 is saved in the **f:\data\public\Acct\Audit Folders\Audit 2020\Pending Transaction Analysis\Pending Sales & Trades 6-30-20.pdf**
- 3 Print By Manager - sort into managers with positions
- 4 See Instructions page
- 5 Export Currency Settlement for July & August
- 6 Export to Excel - Currency Settlement Statement - POSTED (TX8702) from Nexen for subsequent periods (July and August) saved at **f:\data\public\Acct\Audit Folders\ Audit 2019\Pending Transaction Analysis\Currency\_Settlement\_Statement\_XX-XX-20.xlsx**
- 7 Verify Mellon has recorded everything by reviewing the currency settlement statement. Everything that was settled in July with traded dates earlier than July should be on the pending transaction report.
- 8 Run a comparison on Blackrock
- 9 Process an accrual for any material transactions that were subject to late reporting.

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# Tulare County Employees' Retirement Association

September 8, 2021

For Investment Professional Use Only

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# Update on State Street Global Advisors

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## AUM Continues to Grow

**\$3.90 Trillion\***

"Assets under management (AUM) as of quarter-end increased 28% year-over-year and 9% quarter-over-quarter to a record \$3.9 trillion, reflecting higher market levels and quarterly net inflows of \$83 billion." (Ron O'Hanley, 21Q2 Earnings Update)

## Organizational Changes

- In March of 2021, Rick Lacaille was named Head of ESG for State Street Corporation, our parent company. State Street Global Advisors **named Lori Heinel as our Global CIO**, replacing Rick. She had previously spent nearly 5 years as the Deputy CIO for State Street Global Advisors.
- In June of 2021, Lynn Blake announced her retirement effective in September of 2021. **John Tucker, COO, Investments, will succeed Lynn** as CIO of Global Equity Beta Solutions.
- In June of 2021, **Karen Wong was hired as our Head of ESG for State Street Global Advisors**. She will report directly to Lori Heinel. ESG Investment Strategy, ESG Research and Integration, and Asset Stewardship will report into Karen.

## Other Highlights

- Our **annual Asset Stewardship report**, released in March 2021, showcases our engagement and voting activity we undertook to build sustainable capital markets and maximize value for our clients. We took part in over 19,000 meetings, 1500 engagements, and 140 target climate engagements.
- In April 2021, we signed the **Net Zero Asset Managers initiative**, consistent with our longtime efforts to integrate climate into our investment processes and to provide research and support to portfolio companies as they manage their decarbonization goals.
- This month, as part of State Street's 10 Actions Against Racism and Inequality, we released a **paper in partnership with Russell Reynolds and Ford Foundation** to glean best practices in advancing racial and ethnic DE&I.
- Our **latest Fixed Income research**, launched this month, uncovers four major trends transforming fixed income portfolios, revealing what is driving institutional investors across the globe to adopt new ways of fixed income investing.

\*This figure is presented as of June 30, 2021 and includes approximately \$63.59 billion of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

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# Business Leadership Team

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## Cyrus Taraporevala, President & CEO

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**Chris Baker**

Chief Compliance Officer

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**Susan Lasota**

Chief Technology Officer and Head of Transformation

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**Sue Thompson**

Head of SPDR® ETFs Americas Distribution

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**Marc Brown**

Chief Administrative Officer

---

**Steven Lipiner**

Chief Financial Officer

---

**Stephen Tisdalle**

Chief Marketing Officer

---

**Tim Corbett**

Chief Risk Officer

---

**James MacNevin**

Head of State Street Global Advisors APAC

---

**Rory Tobin**

Head of Global SPDR® ETFs and  
Head of State Street Global Advisors EMEA

---

**Lochiel Crafter**

Head of Global Institutional Group

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**Sean O'Malley**

Interim General Counsel

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**Kem Danner**

Head of Human Resources

---

**Barry F.X. Smith**

Chief Operating Officer,  
Global Institutional Group

---

**Marie-Anne Heeren**

Head of European Institutional Distribution

---

**Kat Sweeney**

Head of Institutional, Americas

As of June 30, 2021.

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# Global Investment Team

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**Cyrus Taraporevala**, President & CEO

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**Lori Heinel**, Global CIO

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**Lynn Blake**  
CIO, Global Equity Beta Solutions

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**Barry Glavin**  
CIO, Fundamental Value Equities

---

**Michael Solecki**  
CIO, Fundamental Growth & Core Equity

---

**Olivia Engel**  
CIO, Active Quantitative Equity

---

**Greg Hartch**  
Head of Private Investments

---

**Matthew Steinaway**  
CIO, Global Fixed Income, Currency & Cash

---

**Dan Farley**  
CIO, Investment Solutions Group

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**Dave Wiederecht**  
Global Head of Global Fiduciary Solutions

As of June 30, 2021.

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# Macroeconomic Outlook

- Pent-up demand and easy money are fueling an impressive recovery in 2021; a meaningful rotation beyond manufacturing and toward services will fuel a broader recovery in 2022.
- As the US hurtles past peak economic growth momentum, growth in Europe and in emerging markets is picking up.
- The current inflation spike is likely to moderate in the second half of the year; however, we do expect higher inflation over the next two years (compared to the pre-COVID regime).
- Markets may become more volatile as investors look past peak growth momentum and peak monetary accommodation.

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# Fixed Income Outlook

- Sovereign yields appear to have reached a ceiling for now as central banks in general hold policy rates steady.
- We continue to see opportunity in corporate credit, as robust growth bolsters credit fundamentals and investors forego low/negative yielding sovereign debt in favor of corporate bonds.

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# Equity Outlook

- As the growth differential between the US and Europe starts to narrow and emerging markets continue to make progress against the COVID threat, US market leadership is likely to give way to a more international scope.
- Strong earnings prospects and less-stretched valuations will continue to add to European equities' appeal.
- We see opportunity in emerging markets, which have the highest earnings-growth expectations in the world.
- Chinese equities offer advantages that justify particular consideration.

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# Key Risks

- Markets are awash with optimism, but they are also at risk of becoming complacent, which leaves them vulnerable to shocks.
- Any move toward tightened monetary policy in response to persistent, higher inflation could threaten the markets' fragile exuberance.
- Investors seeking inflation protection should consider low-volatility equities, China bonds, and strategies that provide diversified exposure to a broad array of liquid real asset securities.

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# Current Tactical Asset Allocation

- Recent changes in our Tactical Asset Allocation weights reflect our baseline assumption of economic recovery while expressing our regional outlook and asset class views.
- We have pared back our overweight to global equities in favor of core bonds and gold.
- The US is our preferred region, but we hold a diversified position and recently extended our overweight to Europe.
- Gold is supported by low real rates and a negative short-term view of the US dollar.
- Our overweight to broad commodities remains well supported by our quantitative framework.

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# Account Summary

# Tulare County Employees' Retirement Association

## Investment Summary As of June 30, 2021

	Market Value (\$)
State Street S&P 500 Flagship SL Fund	129,026,944
State Street U.S. Extended Market Index SL Fund	46,421,704
State Street MSCI ACWI Ex-USA SL Fund	120,686,716
<b>Total</b>	<b>296,135,364</b>

Fee Schedules	
State Street S&P 500 Flagship SL Fund	2bps on the first \$50m, 1.3bps thereafter
State Street U.S. Extended Market Index SL Fund	3bps on the first \$50m, 2.6bps on the next \$50m, 2.3bps thereafter
State Street MSCI ACWI Ex-USA SL Fund	5.5bps on the first \$50m, 4.5bps on the next \$50m, 4bps thereafter

## Statement of Asset Changes

The following changes took place in the Tulare County Employees' Retirement Association account for the period of July 1, 2020 to June 30, 2021:

	Starting Balance July 1, 2020 (\$)	Contributions (\$)	Withdrawals (\$)	Appreciation/ (Depreciation)* (\$)	Ending Balance June 30, 2021 (\$)
State Street S&P 500 Flagship SL Fund	72,981,962	50,000,000	(35,000,000)	41,044,982	129,026,944
State Street U.S. Extended Market Index SL Fund	—	45,664,758	—	756,946	46,421,704
State Street MSCI ACWI Ex-USA SL Fund	100,287,675	122,713,141	(137,713,141)	35,399,041	120,686,716
<b>Total</b>	<b>173,269,637</b>	<b>218,377,899</b>	<b>(172,713,141)</b>	<b>77,200,969</b>	<b>296,135,364</b>

Source: SSGA

\* Includes dividends, interest, and realized/unrealized gains and losses.



# Tulare County Employees' Retirement Association

## Summary of Performance

Following are the gross and net returns for the Tulare County Employees' Retirement Association portfolios versus the corresponding benchmarks as of June 30, 2021:

	One Month (%)	Three Months (%)	Year to Date (%)	One Year (%)	Three Years (%)	Five Years (%)	Inception Date (%)
<b>State Street S&amp;P 500 Flagship SL Fund</b>							<b>Jul/2011</b>
Total Returns [Gross]	2.33	8.53	15.25	40.79	18.67	17.67	14.87
S&P 500®	2.33	8.55	15.25	40.79	18.67	17.65	14.84
<b>Difference</b>	<b>0.00</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.02</b>	<b>0.03</b>
Total Returns [Net]	2.33	8.53	15.23	40.75	18.64	17.63	14.84
S&P 500®	2.33	8.55	15.25	40.79	18.67	17.65	14.84
<b>Difference</b>	<b>0.00</b>	<b>-0.02</b>	<b>-0.02</b>	<b>-0.04</b>	<b>-0.03</b>	<b>-0.02</b>	<b>0.00</b>
<b>State Street U.S. Extended Market Index SL Fund</b>							<b>Jun/2021</b>
Total Returns [Gross]	N/A	N/A	N/A	N/A	N/A	N/A	1.66
Dow Jones U.S. Completion Total Stock Market Index <sup>(SM)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	1.68
<b>Difference</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.02</b>

Source: SSGA

Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized.

The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in USD.

Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

# Tulare County Employees' Retirement Association

## Summary of Performance

Following are the gross and net returns for the Tulare County Employees' Retirement Association portfolios versus the corresponding benchmarks as of June 30, 2021:

	One Month (%)	Three Months (%)	Year to Date (%)	One Year (%)	Three Years (%)	Five Years (%)	Inception Date (%)
<b>State Street MSCI ACWI Ex USA SL Fund</b>							<b>Dec/2009</b>
Total Returns [Gross]	-0.65	5.57	9.33	35.97	9.68	11.38	6.29
MSCI ACWI ex-USA Index	-0.65	5.48	9.16	35.72	9.38	11.08	6.03
<b>Difference</b>	<b>0.00</b>	<b>0.09</b>	<b>0.17</b>	<b>0.25</b>	<b>0.30</b>	<b>0.30</b>	<b>0.26</b>
Total Returns [Net]	-0.65	5.56	9.30	35.88	9.61	11.31	6.22
MSCI ACWI ex-USA Index	-0.65	5.48	9.16	35.72	9.38	11.08	6.03
<b>Difference</b>	<b>0.00</b>	<b>0.08</b>	<b>0.14</b>	<b>0.17</b>	<b>0.23</b>	<b>0.23</b>	<b>0.19</b>

Source: SSGA

Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized.

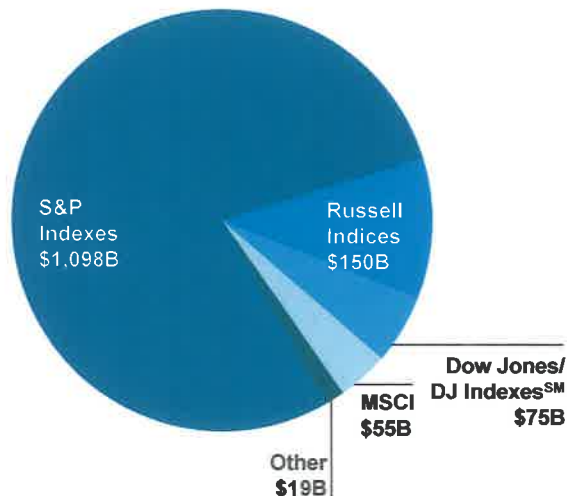
The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in USD.

Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

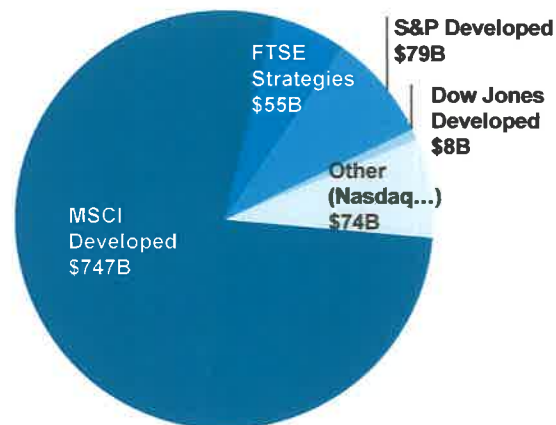
# A Leading Manager of Global Indexed Assets

Total Global Equity Beta Solutions Assets Under Management:  
\$2.45 Trillion (USD) as of June 30, 2021

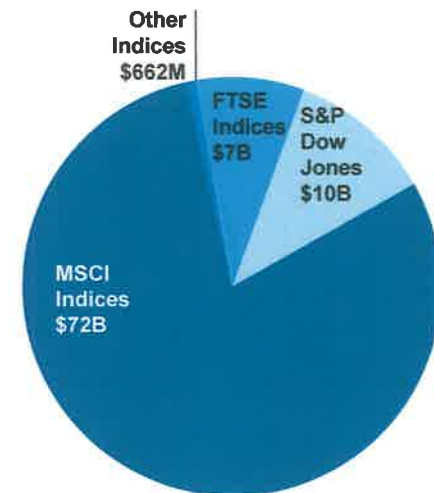
**US Index AUM**  
\$1,397B



**International & Global Equity AUM** \$963B



**Emerging Markets Equity AUM** \$90B



Source: State Street Global Advisors. As of June 30, 2021.

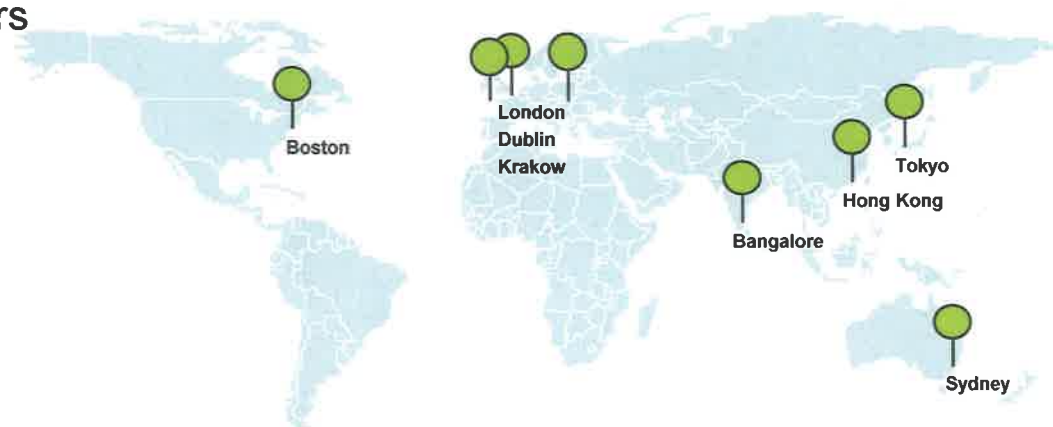
Exclusive of Emerging Markets Equities invested in other MSCI-benchmarked strategies such as MSCI ACWI and MSCI ACWI ex-US.

# State Street Global Equity Beta Solutions

**70+** Portfolio Managers & Researchers

**30+** Traders & Analysts

**10+** Equity Strategists & Specialists



CIO	Exp Yrs
Lynn Blake*, CFA	33
John Tucker*	33

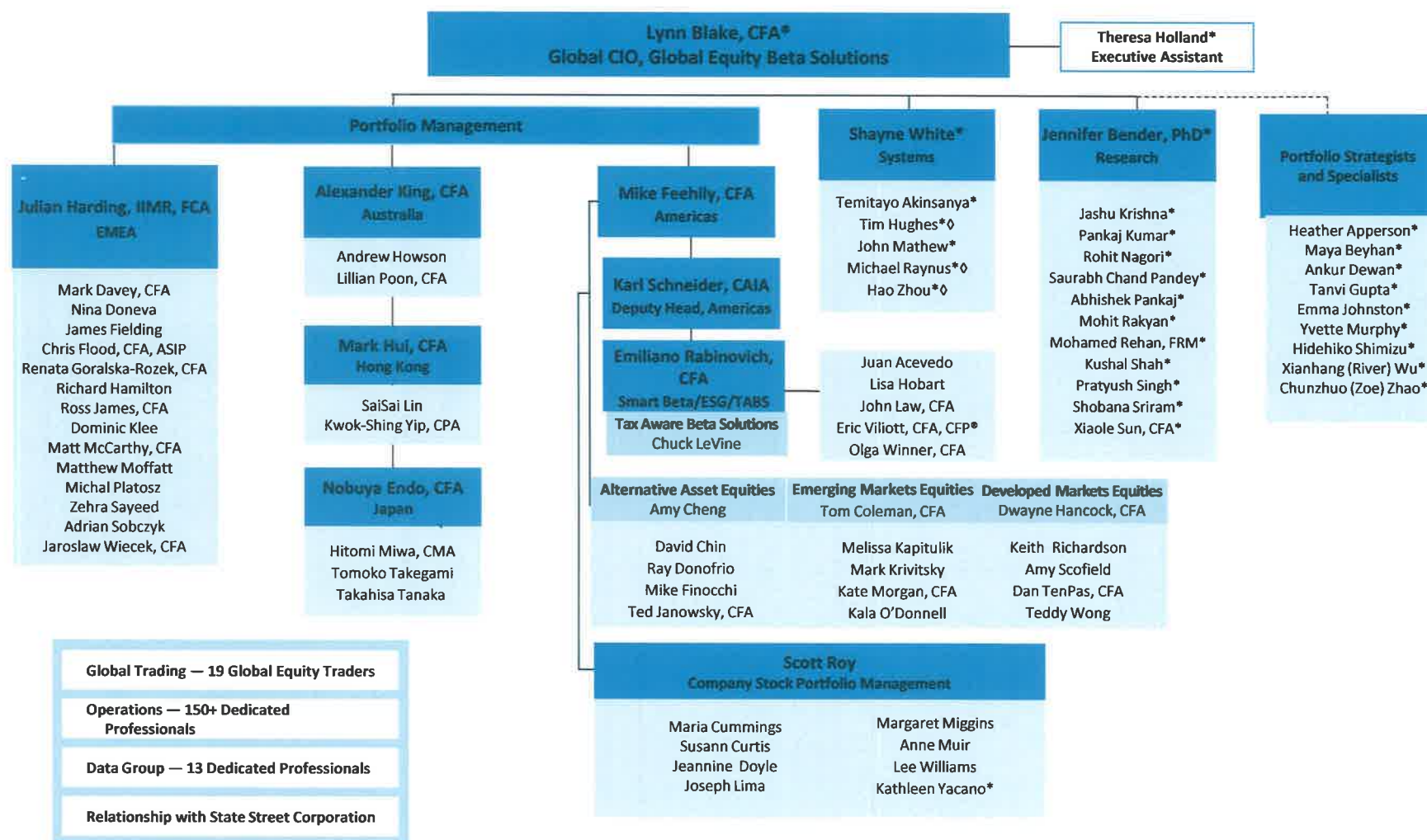
## Team Highlights

Investment Team Members <sup>1</sup>	71
Average Experience Years	20
Number of CFA Charter Holders	24

Senior Leadership	Exp Yrs
Jennifer Bender <sup>2</sup> , PhD (Research)	24
Nobuya Endo, CFA (Japan)	27
Mike Feehily, CFA (US)	28
Julian Harding, IIMR, FCA (EMEA)	25
Mark Hui, CFA (Hong Kong)	22
Alex King, CFA (Australia)	18
Shayne White <sup>2</sup> (Technology)	28

Portfolio Strategists <sup>2</sup>	Exp Yrs
Heather Apperson	16
Maya Beyhan, PhD	9
Emma Johnston	4
Yvette Murphy	12
Hidehiko Shimizu	14

As of June 30, 2021. \* Earlier in June, Lynn announced her intention to retire in September 2021, John Tucker who's currently COO for investments globally will take over CIO position, effective September 30<sup>th</sup>. <sup>1</sup> Investment Team members include portfolio managers and researchers. <sup>2</sup> Does not manage assets for the Global Equity Beta Solutions team. CFA® is a trademark of the CFA Institute.



As of June 14, 2021.

\* Does not manage assets for the Global Equity Beta Solutions team. ◊ Indicates team supports Cortex overall.

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# Investment Philosophy

We aim to deliver to each client the returns and characteristics of a targeted index or strategy

## We believe in...

### Integrating technology & human insight

- Maintain a primary portfolio manager structure while using a state of the art portfolio management platform
- Continue to invest in technology and infrastructure to gain further efficiencies

### Supporting long-term shareholder values

- Engage with investee companies to promote responsible investing and protect long term shareholder returns through asset stewardship
- Firm wide proxy voting platform

### Innovating through research

- Value add strategies based on core beta research
- Development of propriety strategies and indexes
- ESG scoring tools & framework, thematic strategies and portfolio integration

Source: State Street Global Advisors.

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# Robust Research Guides Investment Decisions & Strategy Design

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## Global Head of Research

Jennifer Bender,\* PhD



## Global Team

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Global Headcount	<b>10</b>
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Members with CFA	<b>1</b>
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Peer-reviewed articles & chapters authored	<b>17</b>
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## Core Beta

Research focused on index implementation value, which we define as recognizing and potentially exploiting micro inefficiencies related to index events

As of June 30, 2021. \* Does not manage assets for the Global Equity Beta Solutions team..

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## ESG Research

Developing, researching and integrating various aspects of ESG into index and factor based strategies, as well as creating mechanisms to score individual companies

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## Proprietary Beta Solutions

Creating traditional indexing, smart beta and ESG strategies. This will include the development of both proprietary rules-based indices, as well as building tilted or multi-factor optimized smart beta strategies



# ESG & Asset Stewardship

## Global Co-Head of Asset Stewardship

Robert Walker



## Global Co-Head of Asset Stewardship

Benjamin Colton



## Our Belief

Companies embracing ESG best practice have strong, effective, independent boards and are able to incorporate sustainability into their long term strategy.

## ESG

- **Proprietary** ESG research and innovation driving multi asset classes solutions
- **Strong focus** on independent board leadership, financial impacts of climate change and other crucial ESG issues like gender diversity

## Asset Stewardship

- **Alignment** of asset stewardship, portfolio management, research, technology and ESG solutions
- Commissioned the **Fearless Girl** statue and developed the **Gender Diversity Index**

**\$464B<sup>1</sup>**

assets under management in ESG

**30+ Years**

of commitment to ESG investors

**789<sup>2</sup> of the 1,463** companies we called on made positive progress on board gender diversity



Photo:  
Sculpture by Kristin Visbal.

Source: State Street Global Advisors. <sup>1</sup> Data as of December 31, 2020 and listed in USD

<sup>2</sup> 789 companies added a female board member as of July 2020.

# Global Trading

20 year global desk in place

24 hour trading capabilities

30+ Traders (Equity & Fixed Income)

20+ year's average experience

\$3.1 Trillion dollars traded in 2020

4 Million tickets executed in 2020



## What Differentiates Us from the Competition?

### Spectrum of Trading Tools

- **Internal crossing network:** Use of security & unit level crossing when possible to minimize transactions costs
- **Algo Wheel:** Seeks to reward better performing algorithmic trading strategies and remove trader bias through a performance driven broker selection process

### Trading Analytics Group (TCA)

- Cross asset class team performing transaction cost analysis, data and analytics reporting, as well as market research on daily basis
- TCA results incorporated into Algo selection process
- Quarterly review of best execution and governance oversight framework

### Connectivity & Expertise

- Regional trading desks with local expertise — coverage across 97 global markets
- Strong partnership between trading, portfolio management and research helps drive value-add strategies and routine implementation decisions

As of December 31, 2020. Updated Annually. Asset classes include equity, fixed income, futures and currency. Figures are in USD. Availability of internal crossing at SSGA may be affected by your asset class, vehicle type, jurisdiction, or other factors.

# Q2 2021 GEBS Summary

## Flows

- Equity index flows into both intermediary and institutional segments were positive for the quarter. Flows were primarily in US equities and largely driven by a sizable new business contribution on the institutional side. Developed ex US market outflows were skewed by a large institutional client reallocation, while institutional emerging market flows were a bright spot for the quarter.

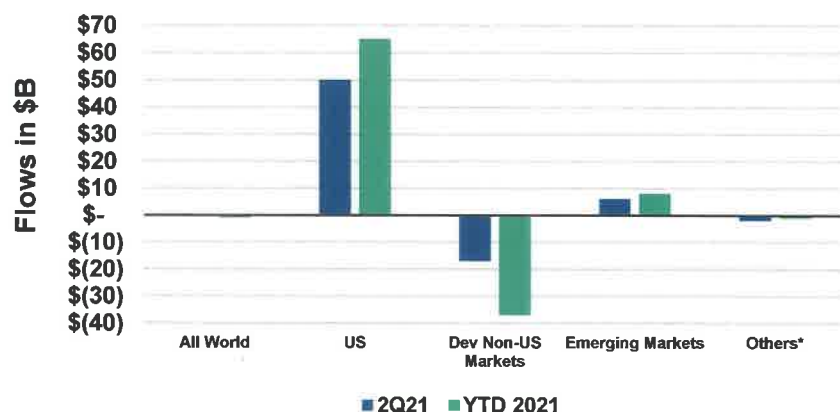
## Markets/ Trading

- Risk appetite declined slightly across all regions during the quarter, likely in response to expectations of the Fed's policy normalization and concerns about the Delta variant. However, most major equity market segments were relatively sanguine and continued to post positive returns.

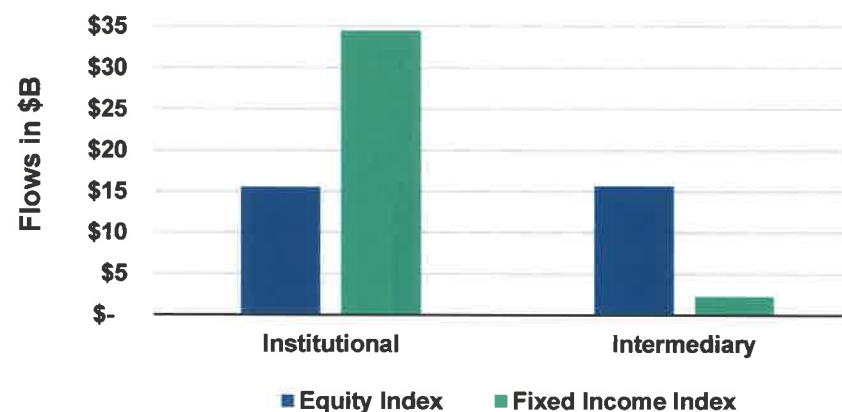
## Tracking

- Consistent with prior quarters YTD, over 99% of GEBS funds tracked within their respective tolerance bands

YTD & Q2 2021 Equity Indexing Flows<sup>1</sup> by Sub Sector



Quarterly Net Equity & Fixed Income Indexing Flows<sup>2</sup>



Source: State Street Global Advisors as of June 30, 2021.

<sup>1</sup> Excludes flows from internal asset allocation changes. <sup>2</sup> Includes flows from passive alternatives and Excludes flows from Gold, Cash, Currency and other internal asset allocation changes. \*Others include flows from passive REITs and Alternatives.

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# Index Highlights

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## MSCI

- In the **May 2021 Semi-Annual Index Review (SAIR)** trade size and turnover in developed markets was lower relative to the prior year (\$29.7B\* and 1.9%, respectively vs \$34.9B\* and 3.3% in 2020). Whereas the trade size in emerging markets was triple the size of the year prior (\$24.6B\* vs \$8.5B\* in 2020) with two-way turnover of 5.64%. Like other recent MSCI rebalances, buys largely outperformed sells in most major markets on effective date.
- **Argentina** will be reclassified from Emerging Markets to Standalone Markets status in one step coinciding with the Nov 2021 Semi-Annual review.
- MSCI will move to a **quarterly comprehensive index review** schedule for the MSCI GIMI; although the timing of the change imminent

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## S&P DJ

- The **June Quarterly Index Rebalance** was less significant than the previous two quarters as there was no membership changes. In the S&P 500, the total trade size (buys plus sells) was \$28 billion, for a two-way turnover of 0.45% versus 0.96% in March

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## FTSE Russell

- Trading volume of **2021 Russell Reconstitution** was 30% higher in 2020. Higher turnover this year was due to a higher number of additions in the Russell 1000 Index (R1) and the Russell 2000 Index(R2), as well as an increase in migrations between the R1 and R2. Turnover was higher than the previous year across core indices for both large (4.3% vs 3.5% in 2020) and small caps (24.8% vs 22.4% in 2020)
- Effective July 1<sup>st</sup>, the Russell US Index Methodology has been updated to include clarifications regarding how **SPACs** will be considered IPOs in different situations

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As of July 8, 2021 Source: MSCI, S&P DJI, FTSE Russell,  
The MSCI Indices are trademarks of MSCI, Inc.  
Please go to the MSCI website for more information about the Indexes.

\*Reflects buys plus sells

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# Investment Process

A tried and tested process marrying human insight and technology

Construct	Analyze	Implement	Review
<ul style="list-style-type: none"><li>• Asses various factors such as the size of a portfolio, benchmark breadth, liquidity, cost, ESG factors</li><li>• Understand the fund or client's view on tracking error and possible value add</li><li>• Determine index portfolio construction approach</li><li>• Construct the optimal portfolio</li></ul>	<ul style="list-style-type: none"><li>• Evaluate the portfolio daily to asses risk &amp; deviations vs the benchmark</li><li>• Incorporate cash flow analysis, if applicable</li><li>• Assess impact of potential changes to the index and any relevant market events</li><li>• Determine required changes to the portfolio and appropriate techniques to apply</li></ul>	<ul style="list-style-type: none"><li>• Evaluate exposure alternatives to minimize transaction costs and tracking error</li><li>• Construct trade and submit instructions to the trading team via interconnected systems</li></ul>	<ul style="list-style-type: none"><li>• Perform pre and post trade compliance checks, as well as independent daily risk oversight review</li><li>• Monitor relative performance daily</li><li>• Conduct monthly performance &amp; attribution reconciliation</li><li>• Business management quarterly performance review &amp; oversight</li></ul>

Source: State Street Global Advisors.

# Improving Risk Controls & Oversight Through Technology

## Features of our portfolio management system:

- Full data integration with other State Street Global Advisors applications and risk/oversight teams
- Designed and customized to our process, workflow and portfolio universe
- Provides a comprehensive portfolio view for portfolio management, as well as risk and oversight
- Dedicated software development resources to ensure continuous development and improvements



Source: State Street Global Advisors.



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# Transaction Cost Mitigation Strategies

## Hierarchy of Trading Options

### EQUITIES



To reduce transaction costs, we first tap into internal sources of liquidity.

Once exhausted, we work with our trading desk to externally cross or execute in the open market.

**Other exposure management tools including futures may be used to provide liquidity and market exposure**



# Internal Crossing: A Powerful Source of Cost Savings & Liquidity

	Total Value <sup>5</sup>	In-kind <sup>4</sup> /Internal Crossing/ Unit Crossing	Estimated Cost Savings <sup>6</sup>	Transaction Cost Savings <sup>6</sup>
<b>US Market Case Study<sup>1</sup> (2018–2020)</b>	\$193.5 Billion	91% of the Total	0.05% of the Total	<b>\$87.8M</b>
<b>Non-US Developed Case Study<sup>2</sup> (2018–2020)</b>	\$24.8 Billion	74% of the Total	0.20% of the Total	<b>\$36.9M</b>
<b>Emerging Markets Case Study<sup>3</sup> (2018–2020)</b>	\$24.6 Billion	66% of the Total	0.25% of the Total	<b>\$40.6M</b>

Availability of internal crossing at State Street Global Advisors may be affected by your asset class, vehicle type, jurisdiction, or other factors.

<sup>1</sup> Based on actual client order flow trading activity in the S&P 500® Defined Contribution Commingled Fund.

<sup>2</sup> Based on actual client order flow trading activity in the Thrice-Monthly EAFE ERISA Commingled Funds.

<sup>3</sup> Based on actual client order flow trading activity in the Thrice-Monthly Emerging Markets ERISA Commingled Funds.

<sup>4</sup> In-kind transfers are redemptions/contributions made via security transfers.

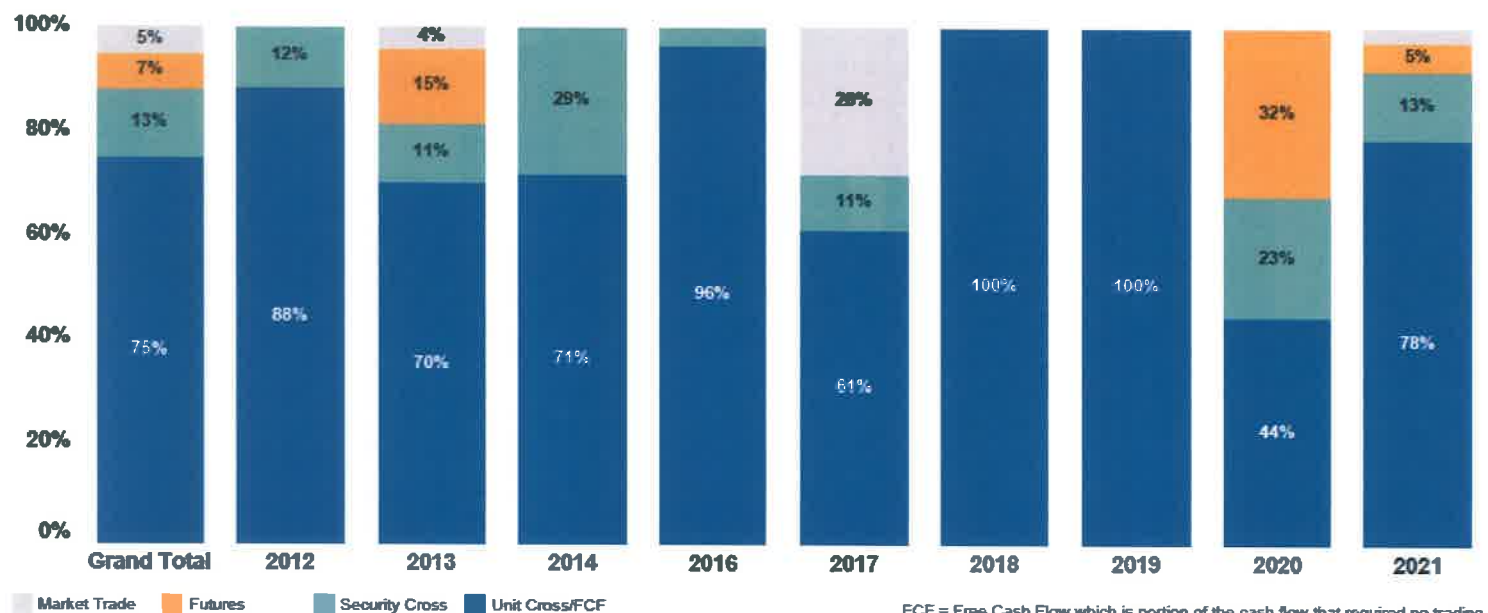
<sup>5</sup> For calendar years 2018–2020. It is not known whether similar results have been achieved after 2020.

<sup>6</sup> This represents estimated average savings across all aggregate trading over the period. These estimates are based on subjective judgments and assumptions and do not reflect the effect of unforeseen economic and market factors on decision making. There is no guarantee that a particular client transaction will experience the same level of savings.

In fact, savings could differ substantially. Any savings is contingent upon other activity taking place on a given transaction day. Had other funds been selected, different results of transaction cost savings may have been achieved. All figures are in USD.

# Internal Liquidity and Trading Analytics, 07/2012 – 06/2021

% of Order Flow by Year



Trading Statistics by Strategy (USD)

	Internally Sourced%	Total Order Flow ('000)	Estimated Cost Savings	Estimated Open Market Rate (bps)
Grand Total	88%	521,957	947,056	17
MSCI ACWI EX USA	91%	318,426	669,051	28
S&P 500 INDEX	87%	155,800	81,406	6
RUSSELL SMALL CAP COMPLETENESS	98%	16,733	40,795	25
BLOOMBERG BARCLAYS GLOBAL REAL U.S. TIPS (USD)	51%	30,997	10,358	7
DOW JONES U.S. COMPLETION TSM (FLOAT ADJUSTED)		0	0	12

"Total Order Flow" represents investor initiated contributions and redemptions in and out of equity portfolios for the time period specified. Other trading such as portfolio rebalances and index changes are excluded. "% Internally Sourced" is the portion crossed through internal liquidity. "Open market Cost" is an estimate that combines the expected explicit costs of commissions, taxes and fees with a mean estimate market impact cost. The "Cost Savings" estimate is a representation of the estimated economic benefit of not incurring the "Open Market Cost"; these may be inaccurate and may change with time. [Estimated Open Market Rates: US Large 6 bps; US Mid 12 bps, Global IMI 15 bps, All World 18 bps, Global Ex-US & US Small Cap 25 bps, All World Ex-US 28 bps, Emerging Markets & Global Ex-US Small 35 bps, Emerging Small Cap 50 bps]. Source: State Street Trading Data Mart materialized view capturing Participant Record Keeping System (PRKS) flow data, Cash Portal SMA flows, and book of record trade execution data.

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# Securities Lending: Can Help Offset Costs and Enhance Returns

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## Securities Lending

Act of loaning a security for a specified period of time to generate additional income

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## Program Overview

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Leading securities lending provider since 1974

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Managed through State Street Securities Finance (SSSF):

- Lendable assets of \$4.6T
- 148 borrower relationships
- Scale & market presence is attractive for high quality borrowers
- Manages quality of borrowers & collateral diversification

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Focus on income generation in a risk controlled manner

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Global coverage across equities and fixed income

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~500dedicated employees in 30+ international markets

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As of December 31, 2020. Figures in USD. Updated annually. Securities lending programs and the subsequent reinvestment of the posted collateral are subject to a number of risks, including the risk that the value of the investments held in the collateral may decline in value and may at any point be worth less than the original cost of that investment.

# Why Choosing The Right Index Manager Matters?

<b>Indexes make numerous assumptions, which can lead to tracking error (+/-), and wealth erosion if not managed with precision and skill</b>	Index Assumptions	Reality
	No transaction costs	Effective implementation techniques can minimize implicit and explicit costs (i.e., internal crossing)
	All trades executed at market on close	Trading strategies can reduce turnover and improve execution
	Dividends reinvested at ex date — before cash received	Equitize cash with futures when possible to minimize cash drag
	Maximum foreign dividend withholding tax rate	Investors realize different withholding tax rates relative to the index, resulting in income via tax reclaims
	Assumed corporate action elections	Multiple options may exist presenting opportunities to add value
	Dividends are the only income source	Income from securities litigation payments or securities lending can help offset negative tracking*

\* Other sources of tracking deviation may include but are not limited to transactions costs, other taxes, cash drag, futures tracking versus the benchmark or securities mis-weights.

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# Appendix A: Important Disclosures

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# Disclosures

For Investment Professional Use Only.

Investing involves risk including the risk of loss of principal.

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Responsible-Factor (R Factor) scoring is designed by State Street to reflect certain ESG characteristics and does not represent investment performance. Results generated out of the scoring model is based on sustainability and corporate governance dimensions of a scored entity.

The returns on a portfolio of securities which exclude companies that do not meet the portfolio's specified ESG criteria may trail the returns on a portfolio of securities which include such companies. A portfolio's ESG criteria may result in the portfolio investing in industry sectors or securities which underperform the market as a whole.

Past performance is not an indicator of future results. Diversification does not ensure a profit or guarantee against loss.

Equity securities are volatile and can decline significantly in response to broad market and economic conditions.

Indexing strategies are managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities. As a result, indexing strategies may hold constituent securities of the Index regardless of the current or projected performance of a specific security, which could cause their return to be lower than if they employed an active strategy. While the strategy seeks to track the performance of the Index as closely as possible, its return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows and operational inefficiencies.

Foreign investments involve greater risks than US investments, including political and economic risks and the risk of currency fluctuations all of which may be magnified in emerging markets. Investing in foreign domiciled securities may involve risk of capital loss from unfavourable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations. Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

Currency Risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

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Investing in futures is highly risky. Futures positions are considered highly leveraged because the initial margins are significantly smaller than the cash value of the contracts. There are a number of risks associated with futures investing including but not limited to counterparty credit risk, basis risk, currency risk, derivatives risk, foreign issuer exposure risk, sector concentration risk, leveraging and liquidity risks.

Derivative investments may involve risks such as potential illiquidity of the markets and additional risk of loss of principal. \

**The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor. All information is from SSGA unless otherwise noted and has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.**

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Tracking Code: 3722124.1.1.AM.INST

Expiration Date: November 30, 2021

Information Classification: Limited Access

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# Appendix B: Biography



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# Biography



## **Sonya Park**

Sonya is a Managing Director of State Street Global Advisors in the San Francisco Office. She is responsible for managing existing SSGA client relationships and driving new business development in the Western U.S.

Prior to joining State Street Global Advisors in 2011, Sonya was a Vice President at Dimensional Fund Advisors in the Institutional Sales & Services Group. Prior to Dimensional Fund Advisors, Sonya was an Associate Director at Watson Pharmaceuticals. Sonya has also worked at Lehman Brothers as an Equity Research Analyst and began her career at SEI Corporation.

Sonya earned a BA from the University of Pennsylvania and an MBA from the NYU Stern School of Business and has been working in the financial services industry since 1993. Sonya holds the FINRA 7 and 63 registrations. Sonya also holds the NFA Series 3 and 30 and is an Associated Person of SSGA Funds Management, Inc. ('SSGA FM') SSGA FM is a Commodity Trading Advisor registered with the Commodity Futures Trading Commission.



# COUNTY OF TULARE

## BOARD OF RETIREMENT

**Leanne Malison**  
Retirement Administrator

136 N AKERS STREET  
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900  
FAX (559) 730-2631  
[www.tcera.org](http://www.tcera.org)

## Tulare County Employees' Retirement Association

### Amendment to Resolution Regarding Pay Codes Included as Pensionable Income

In accordance with the provisions of the California Public Employees' Pension Reform Act of 2012 (AB340), the Board of Retirement for the Tulare County Employees' Retirement Association (TCERA) determined on November 7, 2012 those Tulare County pay codes that are to be included in or excluded from "compensation earnable" for the calculation of retirement benefits paid by TCERA.

The TCERA Board of Retirement has been notified that a new pay code(s) has been approved by the County of Tulare. The TCERA Board of Retirement takes this action to amend the list of pay codes included in the original resolution and the previous amendments adopted October 14, 2015, July 11, 2018, September 12, 2018, April 10, 2019, June 12, 2019, August 14, 2019, September 25, 2019, October 23, 2019, November 6, 2019, January 8, 2020, March 25, 2020, May 13, 2020, January 27, 2021, February 10, 2021, April 14, 2021, and July 14, 2021. The eligibility for compensation earnable is identified below for the purpose of calculation of pension benefits for all tiers pursuant to Government Code §31461 and Government Code §7522.34:

Pay Code	Effective Date	Status	Description	Compensation Earnable
10A	12/04/2007	A	Benefit Dollars - Tax	Yes
D2	01/14/2020	A	Deferred Compensation – ER \$15	No
D26	01/14/2020	A	Deferred Compensation – ER \$15	No
D28	01/14/2020	A	Deferred Compensation – ER \$15	No
457	01/03j/2006	A	Deferred Compensation – ER \$15	No
HOL	9/10/2019	A	Holiday in Lieu	No
HNT	9/10/2019	A	Holiday in Lieu - NT	No
OTF	9/24/2019	A	OTF – Overtime Earnings	No

This action is intended to amend but not replace the original Retirement Board resolution dated November 7, 2012. The above listed determinations by the Board of what is included or not included in compensation earnable, as well as the action taken by the TCERA Board in the resolution dated November 7, 2012 and in the amendments to the resolution dated October 14, 2015, July 11, 2018, September 12, 2018, April 10, 2019, June 12, 2019, August 14, 2019, September 25, 2019, October 23, 2019, November 6, 2019, January 8, 2020, March 25, 2020, May 13, 2020, January 27, 2021, February 10, 2021, April 14, 2021, and July 14, 2021 shall be in effect until such time as action taken by the Board or action by the Legislature or the Courts as a matter of law requires a different determination.

The foregoing action was adopted by the Board of Retirement upon a motion by Board member \_\_\_\_\_, seconded by Board member \_\_\_\_\_, at a regular meeting of the Board of Retirement held on September 8, 2021 by the following vote:

Ayes:

Noes:

Abstain:

Absent:



**Auditor-Controller/  
Treasurer-Tax Collector**

**Cass Cook, CFIP  
County of Tulare**

221 South Mooney Blvd., Room 101-E Visalia, CA 93291

JUSTIN AVILA  
Assistant Auditor-Controller  
(559) 636-5200  
FAX (559) 730-2547

CASS COOK, CFIP  
Auditor-Controller/ Treasurer-Tax Collector  
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FAX (559) 730-2547

PAUL SAMPIETRO, CPA  
Chief Deputy Treasurer-Tax Collector  
(559) 636-5250  
FAX (559) 730-2532

**TCERA Pensionable Approval**

**Earnings Code:** 10A

**Description (Name):** 10A – Benefit\$ Tax

**Bargaining Unit(s) impacted:** All Bargaining Unions

**Pay Group:** LNG

**Effective Date of Action:** PP 21 / 2007, Pay date 12/4/2007

**Request:** Determine if earnings code 10A is compensable.

**Comments:** Cash-in-Lieu for safety employees who have alternate medical coverage or do not use a portion of their benefit allotment. Comparable to earnings code 10 which was established for regular employees.

Authorized Signature: \_\_\_\_\_

TCERA Approval for pay code to be pensionable: Yes \_\_\_\_ No \_\_\_\_

TCERA Authorized Signature: \_\_\_\_\_

Date approved by TCERA Board: \_\_\_\_\_



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## TCERA Pensionable Approval

Earnings Code	Description (Name)	
D2	Def Comp ER \$15	Under 50
D26	Def Comp ER \$15	50 +
D28	Def Comp ER \$15	3-year catch up

**Bargaining Unit(s) impacted:** All represented unions

**Pay Group:** LNG

**Effective Date of Action:** PP 1 / 2020, Pay date 1/14/2020

**Request:** Determine if earnings codes are compensable.

**Comments:** County's matching contribution (\$1.00 county dollar contributed for every \$4.00 employee dollars) contributed in the Deferred Compensation program.

Authorized Signature: Michael Sam

TCERA Approval for pay code to be pensionable: Yes \_\_\_\_ No \_\_\_\_

TCERA Authorized Signature: \_\_\_\_\_

Date approved by TCERA Board: \_\_\_\_\_



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**TCERA Pensionable Approval**

**Earnings Code:** 457

**Description (Name):** 457 – Def Comp ER \$15

**Bargaining Unit(s) impacted:** Unrepresented

**Pay Group:** LNG

**Effective Date of Action:** PP 1 / 2006, Pay date 1/3/2006

**Request:** Determine if earnings codes are compensable.

**Comments:** County's matching contribution (\$1.00 county dollar contributed for every \$4.00 employee dollars) contributed in the Deferred Compensation program. 3-year catch up.

Authorized Signature: \_\_\_\_\_

TCERA Approval for pay code to be pensionable: Yes \_\_\_\_ No \_\_\_\_

TCERA Authorized Signature: \_\_\_\_\_

Date approved by TCERA Board: \_\_\_\_\_



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## TCERA Pensionable Approval

Earnings Code	Description (Name)	
HOL	Holiday in Lieu	Taxable
HNT	Holiday in Lieu-NT	Non-Taxable for employees on workers comp

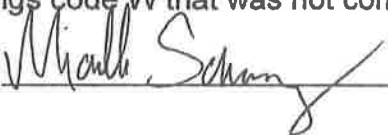
**Bargaining Unit(s) impacted:** 23

**Pay Group:** LNG

**Effective Date of Action:** PP 18 / 2019, Pay date 9/10/2019

**Request:** Determine if new earnings codes are compensable.

**Comments:** Employees working a 56-hour work week shall receive 96 hours of holiday pay at straight time annually. These additional pay hours will be prorated and included in employees' pay checks every pay period. The additional pay is calculated by multiplying the employee's base rate by 96 hours and then dividing that amount by 26 pay periods. This pay will be included in the regular rate of pay calculation for all overtime hours worked. Replacement of earnings code W that was not compensable.

Authorized Signature: 

TCERA Approval for pay code to be pensionable: Yes \_\_\_\_ No \_\_\_\_

TCERA Authorized Signature: \_\_\_\_\_

Date approved by TCERA Board: \_\_\_\_\_





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## TCERA Pensionable Approval

**Earnings Code:** OTF

**Description (Name):** OTF – Overtime earnings

**Bargaining Unit(s) impacted:** 23

**Pay Group:** LNG

**Effective Date of Action:** PP 19 / 2019, Pay date 9/24/2019

**Request:** Determine if earnings code OTF is compensable.

**Comments:** Overtime premium for employees in BU 23 (TCPFA) at the conclusion of the 24-day work period.

Authorized Signature: \_\_\_\_\_

TCERA Approval for pay code to be pensionable: Yes \_\_\_\_ No \_\_\_\_

TCERA Authorized Signature: \_\_\_\_\_

Date approved by TCERA Board: \_\_\_\_\_



## SACRS VOTING PROXY FORM

The following are authorized by the \_\_\_\_\_ County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference

*(if you have more than one alternate, please attach the list of alternates in priority order):*

\_\_\_\_\_ Voting Delegate

\_\_\_\_\_ Alternate Voting Delegate

These delegates were approved by the Retirement Board on \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

The person authorized to fill out this form and submit electronically on behalf of the Retirement Board:

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Please send your system's voting proxy by October 15, 2021 to Sulema H. Peterson, SACRS Executive Director at [Sulema@sacrs.org](mailto:Sulema@sacrs.org).



# COUNTY OF TULARE

## BOARD OF RETIREMENT

**Leanne Malison**  
Retirement Administrator

136 N AKERS STREET  
VISALIA, CALIFORNIA 93291

TELEPHONE (559) 713-2900  
FAX (559) 730-2631  
[www.tcera.org](http://www.tcera.org)

## MEMORANDUM

**DATE:** September 8, 2021  
**TO:** Trustees, Board of Retirement  
**FROM:** Melody Manning, A.S.O. II  
**SUBJECT:** Posting Interest for June 30, 2021

TCERA staff have calculated and created multiple interest-crediting options for board assessment to post to all member accounts and reserves in the Retirement Fund as of June 30, 2021. As a result, staff recommends that the following options be considered by the Board of Retirement. Please direct staff to adjust the Contingency Reserve and credit the member accounts and reserves pursuant to the selection deemed optimal:

### **For Members in Tiers 1-3:**

- 1) Allocate a sufficient amount to maintain the Contingency Reserve at 3.0% of total assets as previously approved by the Board. The amount required to increase the Contingency Reserve to 3.0% at June 30, 2021 is \$4,258,785.33. Credit member accounts and reserves entitled to interest at a rate of 3.4235% for the period ending June 30, 2021.

***TCERA staff recommends that the Board adopts the option to maintain the Contingency Reserve at 3% for members in Tiers 1-3.***

- 2) Allocate a sufficient amount to maintain the Contingency Reserve at 2.5% of total assets. The amount required to decrease the Contingency Reserve to 2.5% at June 30, 2021 is (\$5,142,348.80). Credit member accounts and reserves entitled to interest at a rate of 3.735% for the period ending June 30, 2021 and credit excess earnings in accordance with Section 31619 of the 1937 Act. This option would result in excess earnings of \$9,111,857.78 of which \$4,555,928.89 would be posted to the Supplemental Retiree Benefit Reserve's (SRBR) and the remaining 50% split among the member accounts and other reserves. The balance in the SRBR account prior to posting June 30, 2021 interest is \$107,567,108.49.

### **For Members in Tier 4:**

- 1) Allocate a sufficient amount to maintain the Contingency Reserve at 3.0% of total assets as previously approved by the Board. The amount required to increase the Contingency Reserve to 3.0% at June 30, 2021 is \$1,039,712.38. Credit member accounts and reserves entitled to interest at a rate of 2.8932% for the period ending June 30, 2021.

***TCERA staff recommends that the Board adopts the option to maintain the Contingency Reserve at 3% for members in Tier 4.***

- 2) Allocate a sufficient amount to maintain the Contingency Reserve at 2.5% of total assets. The amount required to increase the Contingency Reserve to 2.5% at June 30, 2021 is \$318,246.18.

Credit member accounts and reserves entitled to interest at a rate of 3.441% for the period ending June 30, 2021. This option would result in excess earnings of \$31,680.29. Direction will be needed for the allocation of the excess earnings.

Supporting worksheets have been provided to Cheiron, TCERA's current Actuary.

**Contingency Reserve Calculations for 6/30/2021**  
**Tier 1-3**

<b>Tier 1-3 @ 3.0%</b>		
Earnings @ Actuarial Value	58,106,054.19	f
Unapportioned Reserve from prior 6 month	2,903,064.35	g
Manual Interest postings - current period	(56,638.71)	h
Manual Interest postings - prior period	50,599.73	i
Total earnings apportionable	<b>61,003,079.56</b>	
Interest @ 3.4235	(56,744,294.23)	k
Excess earnings	0.00	l
Total Interest @ 3.4235	<b>(56,744,294.23)</b>	
Increase/(Decrease) Contingency Reserve	4,258,785.33	e
Contingency Reserve prior to interest posting	52,148,019.46	d
Contingency Reserve 6/30/2021	<b>56,406,804.79</b>	c
Total Assets for Tier 1-3 @ 6/30/2021	1,880,226,826.21	
% Contingency Reserve	<b>0.0300</b>	

<b>Tier 1-3 @ 2.5%</b>		
Earnings @ Actuarial Value	58,106,054.19	f
Unapportioned Reserve from prior 6 month	2,903,064.35	g
Manual Interest postings - current period	(56,638.71)	h
Manual Interest postings - prior period	50,599.73	i
Total earnings apportionable	<b>61,003,079.56</b>	
Interest @ 3.441	(57,033,570.58)	k
Excess earnings	(9,111,857.78)	l
Total Interest @ 3.735	<b>(66,145,428.36)</b>	
Increase/(Decrease) Contingency Reserve	(5,142,348.80)	e
Contingency Reserve prior to interest posting	52,148,019.46	d
Contingency Reserve 6/30/2021	<b>47,005,670.66</b>	c
Total Assets for Tier 1-3 @ 6/30/2021	1,880,226,826.21	
% Contingency Reserve	<b>0.0250</b>	

## Interest Allocation for 6/30/2021

### Tier 1-3

#### Contingency Reserve at 3.0%

Assets at 6/30/2021 (Less Securities Lending Collateral)			2,024,520,067.00
Tier 1-3 Assets based on percent of total at beginning of interest period	0.9287		1,880,226,826.21
Total Assets (base contingency on)		a	1,880,226,826.21
3.0% contingency reserve factor		b	0.030
Contingency Reserve at 3.0%		c=(a*b)	56,406,804.79
Increase/Decrease Contingency Reserve			
Contingency Balance - prior 6 month (3410.1) for Tier 1-3		d	52,148,019.46
Contingency Reserve at 3.0% current six month end for Tier 1-3		c	56,406,804.79
Contingency (Increase)/Decrease		e=(d-c)	(4,258,785.33)
Contingency excess		e	(4,258,785.33)
Net Earnings on Actuarial Market			62,565,256.00
Net Earnings based on percent of total at beginning of interest period	0.9287	f	58,106,054.19
Unapportioned Reserve - prior 6 month (3120.1) for Tier 1-3		g	2,903,064.35
Manual Interest postings - current period for Tier 1-3		h	(56,638.71)
Manual Interest postings - prior period for Tier 1-3		i	50,599.73
Total earnings apportionable		j=(e+f+g+h+i)	56,744,294.23
Total Interest		k	56,744,294.23
Total Excess Earnings		l=(j-k)	0.00
50% factor for SRBR		m	0.50
Excess earnings to SRBR		n=(l*m)	0.00

# Contingency Reserve at 3.0%

INTEREST CALCULATION RESERVES June 30, 2021		member total interest 3.42350%	
Tier 1-3	BALANCE 12/31/20	ADJUSTED ACTUARIAL RATE	SECOND PASS
Increase/Decrease Contingency Reserve (Member interest can only go to 5 places)		3.42350%	0.00000%
Member Deposit Reserve (minus termed members)	270,951,886.67		
Less: Refunds Manual Interest Postings	(7,989.96)		
	270,943,896.71	9,275,764.30	0.00
Other Reserves - Unapportioned	2,903,064.35	781.04	0.00
Employer Advance Reserves	813,462,532.35		
	813,462,532.35	27,848,889.80	0.00
Retiree Reserves	432,039,203.88		
Less: Retiree Manual Interest Postings	(48,648.75)		
Plus: New Retirees	33,506,717.55		
	465,497,272.68	15,936,299.13	0.00
Supplemental Retiree Benefit Reserve	107,567,108.49	3,682,559.96	0.00
Total	1,657,470,810.23	56,744,294.23	0.00
Interest posting rate (Nominal Assumption Rate = 3.441)		3.4235%	
Reserves minus SRBR	1,549,903,701.74		

**Purpose:** To apportion regular interest at the actuarial assumed interest rate, or at the highest rate possible if "net earnings rate based on Actuarial Market" is not sufficient to credit the full actuarial assumed interest rate, to be credited semi-annually to all contributions, reserves, and accounts except the Contingency Reserve Account.

**Source:** The prior 6-month General Ledger Reserve Accounts, the Actual Value of Assets & Earnings at Actuarial Value output report, and the CPAS Credited Interest Buffer report (interest proof batch).

**Scope:** Extract a list of names from the Pension Journal of all Retirees who have retired since the last 6-month closing. Adjust the retiree reserves by adding in the prior six totals of those members that have retired since the last 6 month closing. Calculate the interest as stated in Purpose on the adjusted total of the retiree reserve. *Note: second pass for SRBR is 50% of excess and actual \$ amount keyed is not calculated.*

**Conclusion:** Interest Calculation should be apportioned as stated above.



**Interest Allocation for 6/30/2021****Tier 1-3****Contingency Reserve at 2.5%**

Assets at 6/30/2021 (Less Securities Lending Collateral)			2,024,520,067.00
Tier 1-3 Assets based on percent of total at beginning of interest period	0.9287		1,880,226,826.21
Total Assets (base contingency on)		a	1,880,226,826.21
2.5% contingency reserve factor		b	0.025
Contingency Reserve at 2.5%		c=(a*b)	47,005,670.66
Increase/Decrease Contingency Reserve			
Contingency Balance - prior 6 month (3410.1) for Tier 1-3		d	52,148,019.46
Contingency Reserve at 2.5% current six month end for Tier 1-3		c	47,005,670.66
Contingency (Increase)/Decrease		e=(d-c)	5,142,348.80
Contingency excess		e	5,142,348.80
Net Earnings on Actuarial Market			62,565,256.00
Net Earnings based on percent of total at beginning of interest period	0.9287	f	58,106,054.19
Unapportioned Reserve - prior 6 month (3120.1) for Tier 1-3		g	2,903,064.35
Manual Interest postings - current period for Tier 1-3		h	(56,638.71)
Manual Interest postings - prior period for Tier 1-3		i	50,599.73
Total earnings apportionable		j=(e+f+g+h+i)	66,145,428.36
Total Interest		k	57,033,570.58
Total Excess Earnings		l=(j-k)	9,111,857.78
50% factor for SRBR		m	0.50
Excess earnings to SRBR		n=(l*m)	4,555,928.89

## Contingency Reserve at 2.5%

INTEREST CALCULATION RESERVES June 30, 2021		member total interest 3.73495%	
Tier 1-3	BALANCE 12/31/20	ADJUSTED ACTUARIAL RATE	SECOND PASS
Increase/Decrease Contingency Reserve (Member interest can only go to 5 places)		3.44100%	0.29395%
Member Deposit Reserve (minus termed members)	270,951,886.67		
Less: Refunds Manual Interest Postings	(7,989.96)		
	270,943,896.71	9,323,179.49	796,437.30
Other Reserves - Unapportioned	2,903,064.35	0.00	0.00
Employer Advance Reserves	813,462,532.35		
	813,462,532.35	27,991,245.74	2,391,166.27
Retiree Reserves	432,039,203.88		
Less: Retiree Manual Interest Postings	(48,648.75)		
Plus: New Retirees	33,506,717.55		
	465,497,272.68	16,017,761.15	1,368,325.32
Supplemental Retiree Benefit Reserve	107,567,108.49	3,701,384.20	4,555,928.89
Total	1,657,470,810.23	57,033,570.58	9,111,857.78
Interest posting rate (Nominal Assumption Rate = 3.441)		3.4410%	0.29395%

Reserves minus SRBR 1,549,903,701.74

**Purpose:** To apportion regular interest at the actuarial assumed interest rate, or at the highest rate possible if "net earnings rate based on Actuarial Market" is not sufficient to credit the full actuarial assumed interest rate, to be credited semi-annually to all contributions, reserves, and accounts except the Contingency Reserve Account.

**Source:** The prior 6-month General Ledger Reserve Accounts, the Actual Value of Assets & Earnings at Actuarial Value output report, and the CPAS Credited Interest Buffer report (interest proof batch).

**Scope:** Extract a list of names from the Pension Journal of all Retirees who have retired since the last 6-month closing. Adjust the retiree reserves by adding in the prior six totals of those members that have retired since the last 6 month closing. Calculate the interest as stated in Purpose on the adjusted total of the retiree reserve. *Note: second pass for SRBR is 50% of excess and actual \$ amount keyed is not calculated.*

**Conclusion:** Interest Calculation should be apportioned as stated above.

**Contingency Reserve Calculations for 6/30/2021**  
**Tier 4**

<b>Tier 4 @ 3.0%</b>		
Earnings @ Actuarial Value	4,459,201.81	f
Unapportioned Reserve from prior 6 month	224,571.66	g
Manual Interest postings - current period	(4,132.55)	h
Manual Interest postings - prior period	3,162.88	i
Total earnings apportionable	4,682,803.80	
Interest @ 2.8932	(3,643,091.42)	k
Excess earnings	0.00	l
Total Interest @ 2.8932	(3,643,091.42)	
Increase/(Decrease) Contingency Reserve	1,039,712.38	e
Contingency Reserve prior to interest posting	3,289,084.84	d
Contingency Reserve 6/30/2021	4,328,797.22	c
Total Assets for Tier 4 @ 6/30/2021	144,293,240.79	
% Contingency Reserve	0.0300	

<b>Tier 4 @ 2.5%</b>		
Earnings @ Actuarial Value	4,459,201.81	f
Unapportioned Reserve from prior 6 month	224,571.66	g
Manual Interest postings - current period	(4,132.55)	h
Manual Interest postings - prior period	3,162.88	i
Total earnings apportionable	4,682,803.80	
Interest @ 3.441	(4,332,877.33)	k
Excess earnings	(31,680.29)	l
Total Interest @ 3.441	(4,364,557.62)	
Increase/(Decrease) Contingency Reserve	318,246.18	e
Contingency Reserve prior to interest posting	3,289,084.84	d
Contingency Reserve 6/30/2021	3,607,331.02	c
Total Assets for Tier 4 @ 6/30/2021	144,293,240.79	
% Contingency Reserve	0.0250	

## Interest Allocation for 6/30/2021

### Tier 4

#### Contingency Reserve at 3.0%

Assets at 6/30/2021 (Less Securities Lending Collateral)			2,024,520,067.00
Tier 4 Assets based on percent of total at beginning of interest period	0.0713		144,293,240.79
Total Assets (base contingency on)		a	144,293,240.79
3% contingency reserve factor		b	0.030
Contingency Reserve at 3%		c=(a*b)	4,328,797.22
Increase/Decrease Contingency Reserve			
Contingency Balance - prior 6 month (3410.2) for Tier 4		d	3,289,084.84
Contingency Reserve at 3% current six month end for Tier 4		c	4,328,797.22
Contingency (Increase)/Decrease		e=(d-c)	(1,039,712.38)
Contingency excess		e	(1,039,712.38)
Net Earnings on Actuarial Market			62,565,256.00
Net Earnings based on percent of total at beginning of interest period	0.0713	f	4,459,201.81
Unapportioned Reserve - prior 6 month (3120.2) for Tier 4		g	224,571.66
Manual Interest postings - current period for Tier 4		h	(4,132.55)
Manual Interest postings - prior period for Tier 4		i	3,162.88
Total earnings apportionable		j=(e+f+g+h+i)	3,643,091.42
Total Interest		k	3,643,091.42
Total Excess earnings		l=(j-k)	0.00

# Contingency Reserve at 3.0%

INTEREST CALCULATION RESERVES June 30, 2021		member total interest 2.89320%	
Tier 4	BALANCE 12/31/20	ADJUSTED ACTUARIAL RATE	SECOND PASS
Increase/Decrease Contingency Reserve (Member interest can only go to 5 places)		2.89320%	0.00000%
Member Deposit Reserve (minus termed members)	35,520,690.66		
Less: Refunds Manual Interest Postings	(4,132.55)		
	35,516,558.11	1,027,565.06	0.00
Other Reserves - Unapportioned	224,571.66	(0.91)	0.00
Employer Advance Reserves	89,167,719.93		
	89,167,719.93	2,579,800.47	0.00
Retiree Reserves	986,227.79		
Less: Retiree Manual Interest Postings	0.00		
Plus: New Retirees	248,626.25		
	1,234,854.04	35,726.80	0.00
Tier 4 Excess Reserve	0.00	0.00	0.00
Total	125,919,132.08	3,643,091.42	0.00
Interest posting rate (Nominal Assumption Rate = 3.441)		2.8932%	0.00000%
Reserves minus Excess	125,919,132.08		

**Purpose:** To apportion regular interest at the actuarial assumed interest rate, or at the highest rate possible if "net earnings rate based on Actuarial Market" is not sufficient to credit the full actuarial assumed interest rate, to be credited semi-annually to all contributions, reserves, and accounts except the Contingency Reserve Account.

**Source:** The prior 6-month General Ledger Reserve Accounts, the Actual Value of Assets & Earnings at Actuarial Value output report, and the CPAS Credited Interest Buffer report (interest proof batch).

**Scope:** Extract a list of names from the Pension Journal of all Retirees who have retired since the last 6-month closing. Adjust the retiree reserves by adding in the prior six totals of those members that have retired since the last 6 month closing. Calculate the interest as stated in Purpose on the adjusted total of the retiree reserve. *Note: second pass for SRBR is 50% of excess and actual \$ amount keyed is not calculated.*

**Conclusion:** Interest Calculation should be apportioned as stated above.

**Interest Allocation for 6/30/2021****Tier 4****Contingency Reserve at 2.5%**

Assets at 6/30/2021 (Less Securities Lending Collateral)			2,024,520,067.00
Tier 4 Assets based on percent of total at beginning of interest period	0.0713		144,293,240.79
Total Assets (base contingency on)		a	144,293,240.79
2.5% contingency reserve factor		b	0.025
Contingency Reserve at 2.5%		c=(a*b)	3,607,331.02
Increase/Decrease Contingency Reserve			
Contingency Balance - prior 6 month (3410.2) for Tier 4		d	3,289,084.84
Contingency Reserve at 2.5% current six month end for Tier 4		c	3,607,331.02
Contingency (Increase)/Decrease		e=(d-c)	(318,246.18)
Contingency excess		e	(318,246.18)
Net Earnings on Actuarial Market			62,565,256.00
Net Earnings based on percent of total at beginning of interest period	0.0713	f	4,459,201.81
Unapportioned Reserve - prior 6 month (3120.2) for Tier 4		g	224,571.66
Manual Interest postings - current period for Tier 4		h	(4,132.55)
Manual Interest postings - prior period for Tier 4		i	3,162.88
Total earnings apportionable		j=(e+f+g+h+i)	4,364,557.62
Total Interest		k	4,332,877.33
Total Excess earnings		l=(j-k)	31,680.29

# Contingency Reserve at 2.5%

INTEREST CALCULATION RESERVES June 30, 2021		member total interest 3.44100%	
Tier 4	BALANCE 12/31/20	ADJUSTED ACTUARIAL RATE	SECOND PASS
Increase/Decrease Contingency Reserve (Member interest can only go to 5 places)		3.44100%	0.00000%
Member Deposit Reserve (minus termed members)	35,520,690.66		
Less: Refunds Manual Interest Postings	(4,132.55)		
	35,516,558.11	1,222,124.76	0.00
Other Reserves - Unapportioned	224,571.66	0.00	0.00
Employer Advance Reserves	89,167,719.93		
	89,167,719.93	3,068,261.24	0.00
Retiree Reserves	986,227.79		
Less: Retiree Manual Interest Postings	0.00		
Plus: New Retirees	248,626.25		
	1,234,854.04	42,491.33	0.00
Tier 4 Excess Reserve	0.00	0.00	31,680.29
Total	125,919,132.08	4,332,877.33	31,680.29
Interest posting rate (Nominal Assumption Rate = 3.441)		3.4410%	0.02516%

Reserves minus Excess 125,919,132.08

**Purpose:** To apportion regular interest at the actuarial assumed interest rate, or at the highest rate possible if "net earnings rate based on Actuarial Market" is not sufficient to credit the full actuarial assumed interest rate, to be credited semi-annually to all contributions, reserves, and accounts except the Contingency Reserve Account.

**Source:** The prior 6-month General Ledger Reserve Accounts, the Actual Value of Assets & Earnings at Actuarial Value output report, and the CPAS Credited Interest Buffer report (interest proof batch).

**Scope:** Extract a list of names from the Pension Journal of all Retirees who have retired since the last 6-month closing. Adjust the retiree reserves by adding in the prior six totals of those members that have retired since the last 6 month closing. Calculate the interest as stated in Purpose on the adjusted total of the retiree reserve. *Note: second pass for SRBR is 50% of excess and actual \$ amount keyed is not calculated.*

**Conclusion:** Interest Calculation should be apportioned as stated above.



## Addendum No. 1 to Investment Consulting Agreement

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**This Addendum No. 1** is made effective August 1, 2021, by and between **Verus Advisory, Inc.** ("Verus") a Washington corporation, having its principal offices at 800 Fifth Avenue, Suite 3900, Seattle, WA 98104 ("Consultant") and **Tulare County Employees' Retirement Association** (the "Client"), collectively the "Parties," with respect to the Investment Consulting Agreement by and between the parties dated effective July 1, 2017 ("Agreement").

**Whereas:**

(a) By Agreement dated effective July 1, 2017, Client engaged Consultant to provide investment consulting services with the scope of retainer services and fees stipulated in Schedule A and potential additional services not committed for by Client in Schedule B of the Agreement.

(b) On November 23, 2020, Client issued a Request for Proposal (RFP) for a general investment consultant and Verus participated in the RFP to be considered for selection as Client's general investment consultant with a commencement date of August 1, 2021.

(c) Verus, as the incumbent participating in the RFP, was selected to be Client's continuing general investment consultant at the conclusion of the RFP process.

(d) The parties desire to confirm the appointment of Verus as Client's continuing general investment consultant pursuant to the RFP process and to set forth the scope of retainer services and fees to be provided under the Agreement commencing with the effective date of August 1, 2021.

**Now therefore, it is agreed between the Parties:**

Client hereby retains Consultant to provide consulting services with respect to Client's assets under the terms and conditions set forth in the Agreement.

The Agreement hereby includes the services and requirements listed in the Client's RFP issued and dated November 23, 2020, unless such service or requirement is specifically excluded in Consultant's responses to the Client's RFP dated November 23, 2020.

The Agreement hereby incorporates by reference the language of Consultant's responses to Client's RFP dated November 23, 2020.

Schedule A and B of the Agreement dated effective July 1, 2017, are replaced, and restated in their entirety with the attached Schedule A and Schedule B, which are incorporated by this reference.

Except as expressly amended herein, all terms and conditions of the Agreement dated effective July 1, 2017, shall remain in full force and effect.

AGREED to this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

By \_\_\_\_\_  
*Signature of Client*

\_\_\_\_\_  
*Title if Applicable*

By \_\_\_\_\_  
*Signature of Client, if required*

\_\_\_\_\_  
*Title if Applicable*

**AGREED AND ACCEPTED:**  
**Verus Advisory, Inc.**

By \_\_\_\_\_  
*Principal*

Approved as to form:  
County Counsel

By: Jennifer Schiffert  
Deputy County Counsel

**Schedule A – Scope of retainer services and fees**

**Verus**<sup>777</sup>

**Effective August 1, 2021**

## **1. Consulting Services**

Consultant agrees to provide the following services to Client:

- (a) Provide Quarterly Review of macro-economic and capital markets and provide insights and recommendations on the Plan's investment strategy in light of the review.
- (b) Provide Quarterly Plan performance report, including:
  - 1. Quantitative historical return and risk analysis relative to appropriate benchmarks and/or peer groups;
  - 2. Manager watch list and recommendations on "watch" and "terminate" status;
  - 3. Manager fee analysis;
  - 4. Allocation by asset/strategy/manager.
- (c) Personal attendance of up to twelve (12) Board meetings per year in person, one strategic planning session per year and remote attendance at twelve (12) investment committee meetings per year.
- (d) Monitor Investment Managers for qualitative issues such as organizational change, personnel change or strategy philosophy/process change and notify Client of any material concerns.
- (e) Provide investment guideline compliance monitoring
- (f) Assist with design & maintenance of Investment Policy Statement and assist on policy related topics such as:
  - 1. Rebalancing;
  - 2. Benchmark selection;
  - 3. Operational items such as proxy voting, securities lending, etc.;
  - 4. Manager/investment guidelines.
- (g) Provide asset allocation analysis, including:
  - 1. Periodic studies utilizing mean-variance optimization and related tools to compare the current portfolio against alternative portfolio structures;
  - 2. Periodic recommendations on opportunistic/tactical tilts where appropriate/allowed by guidelines;
  - 3. Consideration of new asset classes and strategies.
- (h) Prepare and present an Asset/Liability Study at least every three (3) years.

- (i) Conduct Investment Manager searches and provide recommendations on manager selection:
  - 1. Unlimited investment manager search reports, including all traditional categories, as well as funds-of-funds and specialty niche alternatives.
  - 2. "Direct" hedge fund and private equity portfolio development and manager selection is addressed on Schedule B.
- (j) Provide manager fee negotiation and implementation assistance;
- (k) Deliver education on methods and strategies associated with improving the overall investment strategy of the Plan.

Additional services not requested at this time, and the fees for each, are itemized in Schedule B.

## 2. Fees for Service

- (a) For the above-referenced series of services, Client agrees to pay an all-inclusive flat annual fee of \$270,000 effective August 1, 2021, billed monthly in arrears. This fee shall be guaranteed for a period of three years commencing August 1, 2021 through July 31, 2024.
- (b) If a one-year extension is issued for the year beginning August 1, 2024, the annual all-inclusive fee shall be an annual fee of \$295,000, billed monthly in arrears.
- (c) If a second one-year extension is issued for the year beginning August 1, 2025, the annual all-inclusive fee shall be an annual fee of \$295,000, billed monthly in arrears.

Consultant initial: \_\_\_\_\_

Client initial: \_\_\_\_\_ Client initial: \_\_\_\_\_

## Schedule B – Schedule of additional available services and related fees

The following is a list of services and related fees not stipulated under this agreement. Client agrees to pay Consultant provided that Client engages Consultant on such projects prior to the commencement of work and that Client approves in advance the additional expenditure.

- (a) Provide BarraOne risk analytics using index holdings for \$75,000 plus applicable software license fees.
- (b) Provide BarraOne risk management services, using portfolio holdings for \$300,000 plus applicable software license fees.
- (c) Assume responsibility for executing investment decisions as a discretionary consultant or OCIO, within the parameters set forth by Client, including manager selection and portfolio construction (price based on scope and level of assets; standard fee structure begins at 30bps on the first \$100 million).
- (d) Assist in a non-discretionary capacity in the research and construction of a broadly diversified portfolio of hedge funds for an annual fee of \$150,000.
- (e) Provide research, construction, and management on a discretionary basis of a broadly diversified portfolio of hedge funds for an annual fee of \$250,000.
- (f) Assist in a non-discretionary capacity in the research and construction of a broadly diversified portfolio of private equity funds for an annual fee of \$200,000.
- (g) Provide research, construction, and management on a discretionary basis of a broadly diversified portfolio of private equity funds for an annual fee of \$300,000.
- (h) Conduct a custodial audit (\$30,000).
- (i) Conduct a custodial bank/directed trustee search including up to six vendors (\$20,000; \$2,500 per additional vendor included).
- (j) Provide litigation support and other administrative services when authorized by Client for the following hourly rates:

Senior Consultant	\$450/hour
Consultant	\$300/hour
Associate	\$200/hour
Analyst	\$150/hour

Consultant shall furnish Client with appropriate hourly detail to justify bills submitted.

## **EDUCATIONAL EVENTS - Board of Retirement**

### **2021**

1. **CALAPRS**, Principles of Pension Governance for Trustees, Sept 28 - 30 – Virtual
2. **CALAPRS**, Trustees Round Table, October 29, 2021 – Virtual
3. **SACRS**, Fall Conference, Nov. 9-12, 2021, Lowes Hollywood Hotel, preliminary agenda is in binder.
4. **PIMCO**, Fall Seminar, Nov. 15-18, 2021. More information is forthcoming.

### **2022**

1. **DWS**, America Real Assets Investor Conference, April 26-28, Balboa Bay Resort, Newport Beach, CA. Topics: Key trends impacting real estate investing through a series of panels from their research, transactions and portfolio mgmt. teams.
2. **CALAPRS**, Advanced Principles of Pension Governance for Trustees, March 30 to April 1, 2022, Los Angeles, 5:30 p.m.- 1:30 p.m.

# THE COURTYARD PROPERTY OWNERS ASSOCIATION

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August 25, 2021

To: All Courtyard Property Owners

RE: **Board of Directors Election / Annual Meeting**

On June 25, 2021 all owners were mailed a "Call for Nominations" form for the four open Board positions. Exactly four parties accepted the nominations for the open positions, therefore ballots will not be mailed.

At the conclusion of the Annual meeting, the new Board will be as follows:

<u>Name</u>	<u>Term Expires</u>
Marsha Proctor	9/2022
Shine Saran	9/2022
Scott Schuil	9/2022
Jim Young	9/2022

The Annual Meeting will be held:

**September 23, 2022**  
**10:00 a.m.**  
**Zoom Video Conferencing**

Items to be voted on will include: IRS Revenue Ruling 70-604

A Board meeting will be held immediately following the Annual Meeting in order to elect officer positions. Agendas will be sent in advance of the meetings.

Sincerely,

*Armstrong Community Management*  
*On Behalf of the Courtyard Property Owners Board of Directors*

*Armstrong Community Management*  
*PO Box 871*  
*Visalia, CA 93279*  
*559-733-1322*  
*559-697-0349 fax*