



COUNTY OF TULARE

BOARD OF RETIREMENT

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AGENDA OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, September 14, 2022, at 8:30 a.m. TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

NOTICE TO THE PUBLIC

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

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

PUBLIC COMMENTS:

Any person addressing the Board will be limited to a maximum of five (5) minutes. A total of 15 minutes will be allotted for the Public Comment period unless otherwise extended by the Board Chair. If you are part of a large group that would like to comment on an agenda item, please consider commenting in writing or sending one spokesperson to speak on behalf of the group. Public comments are limited to any item of interest to the public that is within the subject matter jurisdiction of the Board of Retirement. (Gov't Code Section 54954.3(a).)

In Person: Persons who wish to address the Board of Retirement during public comment or regarding an item that is on the agenda may address the Board of Retirement in person at the meeting.

Zoom: Persons wishing to participate in public comment remotely may call the TCERA Office during regular business hours (Monday through Friday, 8:00 a.m. to 5:00 p.m.) within 48 hours of the meeting at 559-713-2900 for access information. In an effort to assist the Board Secretary in identifying the agenda item relating to your public comment, please indicate the agenda item number in the chat feature.

Email: Members of the public may also submit public comment via U.S. mail or via email to BORPublicComment@tularecounty.ca.gov before the meeting. The comments received via U.S. mail or email before the meeting will be read to the Board of Retirement in open session during the meeting as long as the comments meet the requirements for Public Comments as posted in the agenda.

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

I. CALL TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. PUBLIC COMMENT

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

V. X-AGENDA ITEMS

VI. DISABILITIES

1. Closed session to be held regarding disability matters listed on this agenda.
2. In the matter of the disability application of Anthony Brown, consider and take action regarding the application for a disability retirement. Continued from August 24, 2022.
3. In the matter of the disability application of William Hall, consider and take action regarding the application for a disability retirement.
4. In the matter of the disability application of Mario Scattareggia, consider and take action regarding the application for a disability retirement.
5. Accept as filed the Disability Status Report Overview.

VII. LEGAL REPORT

1. Closed Session – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Government Code Section 54956.9(d)(1)): Teresa Johnson re: John Stanley v. Michelle Stanley, Tulare County Superior Court Case No. 270380

VIII. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of August 24, 2022.
2. Approve payments to:
 - a. Brown Armstrong – invoice for work in progress on audit processes in the amount of \$21,434.78.
 - b. Verus – invoice for investment consulting services in the amount of \$22,500.00 for the month ended August 31, 2022.
3. Pension Board Reports and Actions
 - a. Ratify Retirement Administrator actions regarding Retirement Application approvals and Option Selections for the month of August 2022.
 - b. Approve Reports regarding Retirement Applications, Option Selections and Deceased Pensioners and 30-Year Members for the month of August 2022.

IX. ADMINISTRATIVE COMMITTEE REPORT

1. Update by Dave Kehler regarding the Administrative Committee meeting of August 24, 2022. Discussion and possible action regarding the following items:

- a. TCERA and TCERA Property, Inc. Preliminary Financial Statements – June 30, 2022.

X. INVESTMENTS

1. Presentation from MacKay Shields-Core Plus regarding TCERA's allocation to Fixed Income investments. Discussion and possible action.
2. Presentation from KKR-Mezzanine regarding TCERA's allocation to Opportunistic investments. Discussion and possible action
3. Discussion and possible action regarding TCERA's strategic investment allocation and investment managers, including performance, contracts, and fees.

XI. NEW BUSINESS

1. Discussion and possible action regarding the rates for crediting interest to TCERA member accounts and reserves for the six-month period ending June 30, 2022.

XII. EDUCATION ITEMS

1. Discussion and possible action regarding available educational events.

XIII. COMMUNICATIONS

1. Discussion and possible action regarding the following:
 - a. SACRS Legislative Update – September 1, 2022.

XIV. UPCOMING MEETINGS

1. Investment Committee Meeting, September 14, 2022, 10:00 a.m.
2. Board of Retirement Strategic Planning Session, September 28, 2022, 8:30 a.m.
3. Board of Retirement Meeting, September 28, 2002, 8:30 a.m. – Canceled
4. Administrative Committee Meeting, September 28, 2022, 10:00 a.m. - Canceled

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.

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

01 - Disability Case Application

8/23/22 Negrete, Stephanie (Christene Brown) **Sher-Dt-Pre-Trial/Safety Member Service**
Connected Disability

Presumptive Indicator: N
Active

Eligible for Service Retirement = No

8/24/22 DMS Notified of Disability Application Filing
8/24/22 Disability Application Packet Received and Reviewed
8/24/22 Employment Records Requested
9/1/22 Disability Application Documents Scanned
9/1/22 Disability File Folder Created
9/1/22 Disability Findings Summary Prepared
9/1/22 Infolinx Setup

4/25/22 Burnitzki, Sandra (Christene Brown) **HHS-Admin Human Resources/General Member**
Orthopedic/Service Connected Disability

Retired

Eligible for Service Retirement = Yes

6/9/22 DMS Notified of Disability Application Filing
6/9/22 Disability Application Documents Scanned
6/9/22 Disability Application Packet Received and Reviewed
6/9/22 Employment Records Requested
6/30/22 Disability File Folder Created
6/30/22 Disability Findings Summary Prepared
6/30/22 Infolinx Setup

02 - Pending Receipt of Medical Records

6/9/22 Marino, Thomas (Nicholas Morse) **Tulare County Fire Dept/Safety Member**
Orthopedic

Presumptive Indicator: N
Active

Eligible for Service Retirement = No

6/9/22 DMS Notified of Disability Application Filing

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

6/9/22 Disability Application Documents Scanned
6/9/22 Disability Application Packet Received and Reviewed
6/9/22 Employment Records Requested
6/30/22 Disability File Folder Created
6/30/22 Disability Findings Summary Prepared
6/30/22 Infolinx Setup
7/20/22 County Department Records Received
7/20/22 Tulare County Health Centers Records Received

3/10/22 McPhetridge, Amber (Christene Brown)

HHS-HLTH-Tulare Public CCS/General Member

Retired

Eligible for Service Retirement = Yes

3/11/22 Disability Application Documents Scanned
3/11/22 Disability File Folder Created
3/11/22 Disability Findings Summary Prepared
3/11/22 Infolinx Setup

3/10/22 LoGrasso, Jeanette (Nicholas Morse)
Presumptive Indicator: N
Active

Prob-Juvenile Detention/Safety Member

Eligible for Service Retirement = No

3/11/22 Disability Application Documents Scanned
3/11/22 Disability File Folder Created
3/11/22 Disability Findings Summary Prepared
3/11/22 Infolinx Setup
6/13/22 Disability Application Packet Received and Reviewed
6/13/22 Employment Records Requested

6/17/22 Gutierrez, Jesse (Nicholas Morse)
Presumptive Indicator: N
Active

**Sher-Dt-Pre-Trial/Safety Member Orthopedic/
Service Connected Disability**

Eligible for Service Retirement = No

6/17/22 DMS Notified of Disability Application Filing

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

6/17/22 Disability Application Documents Scanned
6/17/22 Disability Application Packet Received and Reviewed
6/17/22 Employment Records Requested
6/29/22 Infolinx Setup
6/30/22 Disability File Folder Created
6/30/22 Disability Findings Summary Prepared

**9/2/22 Hileman, Brian (Rebecca Cardenas) RMA-TR-Porterville Rd Yd 1/General Member
Orthopedic/Service Connected Disability**

Active Eligible for Service Retirement = Yes

9/2/22 DMS Notified of Disability Application Filing
9/2/22 Disability Application Packet Received and Reviewed

**8/9/22 Arroyo, Rosemary (Christene Brown) Prob-Juvenile Detention/Safety Member
Presumptive Indicator: N**

Active Eligible for Service Retirement = No

8/17/22 Disability Application Packet Received and Reviewed
9/1/22 Disability Application Documents Scanned
9/1/22 Disability File Folder Created
9/1/22 Disability Findings Summary Prepared
9/1/22 Employment Records Requested
9/1/22 Infolinx Setup

**10/29/20 Lack, Tonnya (Christene Brown) Prob-Juvenile Detention/Safety Member
Presumptive Indicator: N**

Active Eligible for Service Retirement = Yes

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; 9/22/21 second
reminder for med recs mailed, due 11/3/21; 1/20/22 - Final reminder for med recs mailed, due
3/3/22
1/8/21 County Department Records Received
Additional Remarks : Probation Dept

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

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
6/1/22 IME Requested
6/1/22 Record Summarization Received
6/1/22 Record Summarization Requested
8/3/22 IME Reports Received
8/3/22 Accommodation Memo Sent

8/12/22 Florez, Diana (Christene Brown) **Prob-Juvenile Detention/Safety Member**
Presumptive Indicator: N
Active **Eligible for Service Retirement = Yes**

8/12/22 Disability Application Packet Received and Reviewed
8/30/22 Employment Records Requested
9/1/22 Disability Application Documents Scanned
9/1/22 Disability File Folder Created
9/1/22 Disability Findings Summary Prepared
9/1/22 Infolinx Setup

9/7/22 Vera, Raychel (Christene Brown)

7/13/22 Heiden, Lance (Christene Brown) **Sher-Dt-Main Jail/Safety Member**
Presumptive Indicator: N
Retired **Eligible for Service Retirement = Yes**

7/5/22 Disability Application Packet Received and Reviewed
Additional Remarks : Member taking TPS back to doctor for clarification on number 11C
7/14/22 Disability Application Documents Scanned
7/14/22 Disability File Folder Created
7/14/22 Disability Findings Summary Prepared
7/14/22 Infolinx Setup

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

3/18/22 Rodriguez, Rosa (Nicholas Morse) HHS-HLTH-Visalia Hlth Ctr/General Member

Retired

Eligible for Service Retirement = Yes

3/31/22 Disability Application Documents Scanned

3/31/22 Disability File Folder Created

3/31/22 Disability Findings Summary Prepared

3/31/22 Infolinx Setup

8/26/22 County Department Records Received

8/26/22 DMS Notified of Disability Application Filing

8/26/22 Disability Application Packet Received and Reviewed

8/26/22 Employment Records Requested

8/26/22 HR & D Records Received

8/26/22 Risk Management Records Received

8/26/22 Tulare County Health Centers Records Received

11/17/21 Greenwood, Richard (Nicholas Morse)

**Sher-CS-Visalia Superior/Safety Member
Orthopedic/Service Connected Disability**

Presumptive Indicator: N

Retired

Eligible for Service Retirement = Yes

11/17/21 Supplemental IME Requested

11/17/21 Disability Application Packet Received and Reviewed

11/17/21 Disability Application Documents Scanned

11/17/21 Disability File Folder Created

11/17/21 Employment Records Requested

Additional Remarks : dept recs due 12/17/21, med recs due 12/29/21; dept recs rec'd, one outstanding med rec due, 1st reminder sent to member via cert mail on 1/24/2022, record due 2/28/2022.

11/17/21 Infolinx Setup

11/18/21 Tulare County Health Centers Records Received

8/8/22 IME Appointment Letter to Member Sent

8/8/22 IME Appointment Scheduled

Additional Remarks : Appt on 8/19/22 i@ 12PM in CLovis w/ Dr. Michael A Quacinella

6/9/22 Wheeler, Joshua (Nicholas Morse)

Sher-Dt-Main Jail/Safety Member Service

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

Presumptive Indicator: N
Retired

Connected Disability

Eligible for Service Retirement = Yes

6/9/22 DMS Notified of Disability Application Filing
6/9/22 Disability Application Documents Scanned
6/9/22 Disability Application Packet Received and Reviewed
6/9/22 Employment Records Requested
6/30/22 Disability File Folder Created
6/30/22 Disability Findings Summary Prepared
6/30/22 Infolinx Setup

03 - Pending Medical Records Review

8/25/22 Woods, Shamika (Christene Brown)
Presumptive Indicator: N
Active

Prob-Admin-Visalia/Safety Member

Eligible for Service Retirement = No

8/25/22 Disability Application Packet Received and Reviewed
8/30/22 Employment Records Requested
8/31/22 Disability Application Documents Scanned
8/31/22 Disability File Folder Created
8/31/22 Infolinx Setup
8/31/22 Disability Findings Summary Prepared

04 - IME Scheduled/Pending Report

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
5/15/19 Disability Application Packet Received and Reviewed
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; 10/29/21 Summarization ordered, due 11/19/21

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

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
10/29/21 Tulare County Health Centers Records Received
12/30/21 IME Appointment Scheduled
Additional Remarks : 12/21/21 IME ordered; 12/30/21 - Appt scheduled on 2/25/22 in Clovis - Member cancelled. Rescheduled for 05/20/2022 in clovis
1/4/22 IME Appointment Letter to Member Sent
Additional Remarks : Sent new letter for appt on 5/20/22 on March 3, 2022. Also emailed member appt. letter.

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

County Counsel/General Member

Retired

Eligible for Service Retirement = Yes

5/6/21 Supplemental IME Requested
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
Additional Remarks : All County records received. 1/19/22 - Mailed 1st reminder re pending med recs, due 3/2/22
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
1/19/22 County Department Records Received
Additional Remarks : County Counsel
1/19/22 Tulare County Health Centers Records Received
7/13/22 Employment Records Reviewed
7/13/22 IME Requested
7/13/22 Record Summarization Received
7/13/22 Record Summarization Requested
8/8/22 IME Appointment Letter to Member Sent
8/8/22 IME Appointment Scheduled

05 - Accommodation Request/Pending Response

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

9/3/21 Zuniga, Julia (Christene Brown) **HHS-HS-Dinuba District Off/General Member
Psychiatric/Psychological/Service Connected
Disability**

Retired **Eligible for Service Retirement = Yes**

9/7/21 Disability Application Documents Scanned
9/7/21 Disability File Folder Created
9/7/21 Infolinx Setup
9/7/21 Disability Application Packet Received and Reviewed
9/7/21 Employment Records Requested
Additional Remarks : Due 10/7/21; 12/21/21 1st reminder for pending med recs sent, also
pending response from workers comp; 12/23/21 all county records received, pending medical
records due 2/1/22
9/9/21 Tulare County Health Centers Records Received
9/16/21 Disability Findings Summary Prepared
12/21/21 County Department Records Received
12/21/21 HR & D Records Received
12/23/21 Risk Management Records Received
5/17/22 IME Appointment Letter to Member Sent
5/17/22 IME Appointment Scheduled
5/17/22 IME Requested
8/3/22 IME Reports Received
8/3/22 Accommodation Memo Sent

06 - Additional Information Pending

10/5/21 Flores, Doris (Christene Brown) **HHS-HS-Visalia District Off/General Member
Neurological/Non-Service Connected Disability**

Active **Eligible for Service Retirement = Yes**

10/7/21 Disability Application Documents Scanned
10/7/21 Disability File Folder Created
10/7/21 Infolinx Setup
10/8/21 Disability Application Packet Received and Reviewed
10/8/21 Employment Records Requested
Additional Remarks : Dept recs due 11/8/21, Med recs due 11/16/21; 12/16/21 - second request
for dept recs sent to Risk and TCHC, due 1/5/22; 1/19/21 - All County and Med recs rcvd.

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

Summarization ordered today, due 2/8/22

1/4/22 County Department Records Received

Additional Remarks : HHSA Dept

1/4/22 HR & D Records Received

1/4/22 Tulare County Health Centers Records Received

1/19/22 Risk Management Records Received

3/9/22 IME Requested

3/9/22 Record Summarization Received

3/9/22 Record Summarization Requested

3/9/22 IME Appointment Scheduled

Additional Remarks : 05-17-2022 Dr. Schreiber

5/17/22 IME Appointment Letter to Member Sent

6/7/22 IME Reports Received

6/7/22 IRC Meeting Scheduled

08 - Board Agenda/Pending Decision

9/1/21 Scattareggia, Mario (Christene Brown) Sher-Dt-Pre-Trial/Safety Member

Presumptive Indicator: N

Active

Eligible for Service Retirement = No

9/1/21 Disability Application Packet Received and Reviewed

9/1/21 Disability Application Documents Scanned

9/1/21 Infolinx Setup

9/1/21 Employment Records Requested

Additional Remarks : Due 10/01/2021; 9/8/21 - Amended TPS and all medical records received from applicant, currently only pending county records; 12/16/21 - second request sent to Risk and Dept, due 1/5/22

9/8/21 Tulare County Health Centers Records Received

9/15/21 Disability File Folder Created

1/4/22 HR & D Records Received

3/8/22 IME Appointment Scheduled

Additional Remarks : April 14, 2022 at 5:00

3/8/22 IME Requested

3/8/22 Record Summarization Received

3/8/22 IME Appointment Letter to Member Sent

Additional Remarks : Letter sent and Emailed information

5/17/22 IME Reports Received

5/17/22 Accommodation Memo Sent

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

5/17/22 Accommodation Response Received
6/1/22 Supplemental IME Requested
8/30/22 Added to Board Meeting Agenda
Additional Remarks : 09-14-2022
8/30/22 Board Meeting Notification Letter Sent

12/8/21 Hall, William (Adriana Gonzales-Chang)

**CAO-GS-Parks-Mooney Grove/General Member
Neurological/Non-Service Connected Disability**

Retired

Eligible for Service Retirement = Yes

12/15/21 Disability Application Documents Scanned
12/15/21 Supplemental IME Requested
Additional Remarks : AGC met w/member and rec'd reviewed app packet. NM shadowing.
12/16/21 Disability Application Packet Received and Reviewed
12/16/21 Disability File Folder Created
12/16/21 Infolinx Setup
12/16/21 Employment Records Requested
Additional Remarks : Risk recs due 1-8-2022; All other dept. recs due 1-18-2022. Med recs due 2-1-2022.
5/18/22 County Department Records Received
5/18/22 HR & D Records Received
5/18/22 IME Appointment Letter to Member Sent
5/18/22 IME Appointment Scheduled
5/18/22 IME Requested
5/18/22 Record Summarization Received
5/18/22 Record Summarization Requested
5/18/22 Risk Management Records Received
5/18/22 Tulare County Health Centers Records Received
8/17/22 Accommodation Memo Sent
8/17/22 Accommodation Response Received
9/1/22 Added to Board Meeting Agenda
Additional Remarks : On 9/14/2022 BOR Agenda.
9/1/22 Disability Findings Summary Prepared
9/1/22 IRC Meeting Scheduled

10/8/21 Brown, Anthony (Christene Brown)

CAPITAL PROJ-Facilities/General Member

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

Orthopedic/Service Connected Disability

Active

Eligible for Service Retirement = No

10/11/21 Disability Application Packet Received and Reviewed
10/11/21 Medical Records Received from Applicant
10/13/21 Disability Application Documents Scanned
10/13/21 Disability File Folder Created
10/13/21 Infolinx Setup
1/4/22 Employment Records Requested
Additional Remarks : 10/11/21 - due 11/12/21; 12/16/21 - second request sent to Risk, due 1/5/22; 1/19/22 - All County recs rcvd. Still pending med recs from applicant. Mailed 1st reminder, due 3/2/22.
1/4/22 County Department Records Received
Additional Remarks : GSA
1/4/22 HR & D Records Received
1/4/22 Tulare County Health Centers Records Received
1/19/22 Risk Management Records Received
5/17/22 IME Appointment Letter to Member Sent
5/17/22 IME Appointment Scheduled
5/17/22 IME Requested
8/17/22 Added to Board Meeting Agenda
Additional Remarks : To B.O.R. 08-24-2022

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 Medical Records Received from Applicant
8/1/19 Disability Application Documents Scanned
8/1/19 Disability File Folder Created
8/1/19 Infolinx Setup
8/1/19 Supplemental IME Requested
8/7/19 Disability Application Packet Received and Reviewed
8/7/19 Employment Records Requested
8/8/19 Tulare County Health Centers Records Received
Additional Remarks : No records for this member.

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

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 Board Decision Letter Sent to Applicant
1/30/20 HR & D Records Received
1/30/20 IME Reports Received
Additional Remarks : Received 12/16/2020
1/30/20 Risk Management Records Received
7/3/20 Record Summarization Received
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 Board Meeting Notification Letter Sent
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
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; Hearing rescheduled on 10/11/21; 9/1/21 Amended Notice of
Hearing sent; Hearing rescheduled to 1/19/22; 10/21/21 amended notice of hearing sent; Hearing
rescheduled to 3/25/22; 1/12/22 - Amended Notice of Hearing and Amended Witness Subpoenas
sent today

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

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

DISABILITY STATUS REPORT
Status as of September 7, 2022
(25 Active Disability Applications)

Active

Eligible for Service Retirement = No

11/13/19 Supplemental IME Requested
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 Disability Application Packet Received and Reviewed

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
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); 9/14/21 Notice re: witnesses sent, also sent final augmented exhibits (phase for augmented recs complete); Hearing rescheduled on 6/14/22 and 6/15/22



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

MINUTES OF THE BOARD OF RETIREMENT REGULAR RETIREMENT BOARD MEETING Wednesday, August 24, 2022, at 8:30 a.m. TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

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

II. ROLL CALL

Voting Trustees Present:	Wayne Ross (arrived at 9:00 a.m.), Cass Cook, Gary Reed, Jim Young, Pete Vander Poel (departed 10:16 a.m.), Dave Kehler, Ty Inman
Trustees Absent:	Laura Hernandez, Nathan Polk
Voting Alternate Trustees Present:	George Finney
Alternate Trustees Absent:	David Vasquez, Paul Sampietro
Staff Members Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator Ashlee Compton, Office Assistant
Board Counsel Present:	Aaron Zaheen, Deputy County Counsel (arrived 8:59 a.m.) Makenzie Dunckel, Deputy County Counsel
Consultants Present:	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. Please state your name for the record.

Cass Cook announced Paul Sampietro is no longer serving as his alternate for the board.

V. X-AGENDA ITEMS

None

VI. DISABILITIES

1. Closed session to be held regarding disability matters listed on this agenda.
2. In the matter of the disability application of Anthony Brown, consider and take action regarding the application for a disability retirement.

The Acting Chair directed that the matter of the disability application of Anthony Brown be continued until the next meeting.

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

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

Motion: Kehler

Second: Young

Ayes: Cook, Inman, Young, Kehler, Vander Poel, Finney

Absent: Reed

Abstained: Ross

Motion passed 6 ayes, 1 abstention

4. Accept as filed the Disability Status Report Overview.

VII. NEW BUSINESS – Closed Session

1. Closed session - Discussion and possible action regarding TCERA Security Testing. THREAT TO PUBLIC SERVICES OR FACILITIES: (Government Code Section 54957) Consultation with: TCiCT

Nothing to report in public session.

VIII. LEGAL REPORT

1. Closed Session – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code Section 54956.9(d)(1)): Teresa Johnson re: John Stanley v. Michelle Stanley, Tulare County Superior Court Case No. 270380

Motion: Young

Second: Reed

Motion passed unanimously.

The Board authorized Nossaman LLP, through Ashley K. Dunning to defend the case of John Stanley v. Michelle Stanley et al. Tulare Superior Court Case No. VFL270380. The Adverse parties are Teresa Johnson, as Administrator of the estate of Michelle Stanley. This case involves a claim to a death benefit by an estate.

Closed session was held from 8:35 a.m. until 9:40 a.m. for the closed session items in Sections VI Disabilities, VII New Business, and VIII Legal Report.

IX. CONSENT CALENDAR

1. Approve Minutes of the following meetings:
 - a. Retirement Board Minutes of August 10, 2022.

2. Approve payments to:
 - a. KBI GI – invoice for investment management services in the amount of \$13,032.00 for the quarter ended March 31, 2021.
 - b. KBI GI – invoice for investment management services in the amount of \$60,701.00 for the quarter ended June 30, 2021.
 - c. Verus – invoice for investment consulting services in the amount of \$22,500.00 for the month ended July 31, 2022.
 - d. County Counsel – invoice for legal services to the Board of Retirement in the amount of \$4,073.90 for the period ending July 31, 2022.
 - e. Approve reinstatement of deferred status and contributions for member in unclaimed status – Dwight Brumley.

Motion to approve the Consent Calendar as presented.

Motion: Young

Second: Vander Poel

Motion passed unanimously.

X. INVESTMENT COMMITTEE REPORT

1. Update by Pete Vander Poel regarding the Investment Committee meeting of August 10, 2022.
Discussion and possible action regarding the following items:
 - a. Asset Allocation Status

Mr. Vander Poel reported that there is no asset allocation report to review at this time. He noted that the Administrator reported that the RREEF redemption has been processed.

No action.

- b. 2022 Investment Committee Goals and Objectives Timeline and 2022 Education Calendar

Mr. Vander Poel reported that the Administrator is working with the Chair and Chief Administrative Officer for the County to either have a Pension Task Force ad hoc meeting, or a joint meeting with the Board of Supervisors in October. Graham Schmidt, TCERA's Actuary, Cheiron, will be invited to participate. Ms. Malison provided an update on this matter. A joint meeting is scheduled for October 12, 2022. An ad hoc meeting is still under consideration.

No action.

- c. Investment Managers
 - 1) Verus Flash Report – All Managers

Mr. Vander Poel reported that the past six months have been the worst since the early 1970's according to Mr. Kamell's analysis of historical data.

Mr. Vander Poel also reported that the emerging markets debt allocation with PGIM was discussed given the negative return in that asset class since inception. Mr. Kamell indicated that he would provide some insight as part of the quarterly investment report on August 24, 2022 and will follow up with additional analysis for the Investment Committee if needed.

- 2) Managers of Interest

No Action

XI. INVESTMENTS

1. Presentation from Verus regarding TCERA's June 30, 2022, Investment Performance Report. Discussion and possible action.

Mr. Kamell provided a presentation from Verus on TCERA's June 30, 2022, Investment Performance Report.

As requested by the Investment Committee, Mr. Kamell discussed the emerging market debt allocation, noting that it should provide diversification for the portfolio. TCERA's manager, PGIM, is performing better than its peers for this allocation.

No action taken.

2. Presentation from Verus regarding TCERA's Investment Manager Fee Review. Discussion and possible action.

Mike Kamell provided a presentation from Verus on TCERA's Investment Manager Fee Review.

No action taken.

The Chair authorized one hour of continuing education for the presentation.

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

No Action

XII. PERSONNEL MATTERS

1. Discussion and possible action regarding TCERA Management Staff Vacancy – Assistant Retirement Administrator

Ms. Malison reviewed the memorandum provided to the trustees regarding the upcoming vacancy for the Assistant Retirement Administrator position.

- a. Recruitment authorization and direction.

Motion to authorize opening an immediate recruitment for the position, focusing on candidates from California, with discretion granted to the Retirement Administrator for expanding the search if necessary.

Motion: Young

Second: Finney

Motion passed unanimously.

- b. Job description and salary range.

No changes were made to the job description and salary range for the position.

- c. Consideration of title changes for management staff recruitment.

Motion to use the titles of Executive Director and Deputy Executive Director for recruitment and interview purposes. Documentation will reference the legal titles of Retirement Administrator and Assistant Retirement Administrator in alignment with the titles used in the "37 Act Retirement Law.

Motion: Reed
Second: Kehler
Motion passed unanimously.

XIII. EDUCATION ITEMS

1. Discussion and possible action regarding available educational events.

Motion to approve authorization for Leanne Malison to attend the Nossaman Conference, October 17-18, 2022, in Los Angeles, California.

Motion: Kehler
Second: Reed
Motion passed unanimously.

XIV. COMMUNICATIONS

1. Discussion and possible action regarding the following:
 - a. SACRS Legislative Update – August 3, 2022.

Ms. Malison reviewed the current version of Assembly Bill 2493 (Chen), noting that the onus of this bill falls on the employer. There would be some administrative burden for TCERA if the bill is enacted. The bill has the greatest effect on those systems that are required to make adjustments pursuant to the Alameda decision, which did not affect TCERA. She reported that at least four retirement systems have sent letters of opposition to the legislature.

No action.

- b. Tulare County Treasurer's Quarterly Investment Report for the quarter ending June 30, 2022.

No action.

XV. UPCOMING MEETINGS

1. Administrative Committee Meeting August 24, 2022, 10:00 a.m.
2. Board of Retirement Meeting September 14, 2022, 8:30 a.m.
3. Investment Committee Meeting September 14, 2022, 10:00 a.m.
4. Board of Retirement Meeting, September 28 – Canceled
5. Administrative Committee Meeting, September 28 – Canceled
6. Board of Retirement Strategic Planning Session, September 28, 2022, 8:30 a.m.

XVI. TRUSTEE/STAFF COMMENTS

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

Ms. Warner indicated that her retirement is unexpected and that it has been a pleasure to work with everyone at TCERA.

XVII. ADJOURNMENT

The meeting was adjourned at 11:13 a.m.

Wayne Ross, Chair

Brown Armstrong Accountancy Corporation

4200 Truxtun Avenue
Suite 300
Bakersfield, CA 93309
661-324-4971

RECEIVED

AUG 15 2022

TULARE COUNTY EMPLOYEES' RETIREMENT ASSN.
136 N. AKERS STREET
VISALIA, CA 93291

Invoice No. 265646

Date Sunday, July 31, 2022

Client No. 82150.001

TULARE COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

Audited financial statements: Planning and interim work on the June 30, 2022 audit:

(Billed to date/Contract: \$21,434.78/\$44,570.00)

Beginning Balance as of 07/01/2022

Current Invoice Amount \$ 21,434.78

0.00

Balance Due \$ 21,434.78

within
contract AT

0 - 30	31 - 60	61 - 90	91 - 120	Over 120	Balance
21,434.78	0.00	0.00	0.00	0.00	21,434.78

Please remit by: August 25, 2022

PLEASE NOTE OUR WEBSITE HAS CHANGED TO WWW.BA.CPA

Credit Card and ACH Payments Accepted on BA Payment Portal, www.ba.cpa

Click on "Make a Payment"

(3.5% Convenience Fee will Apply on Credit Cards)

Make checks payable to: **Brown Armstrong**

E-mail billing inquiries to: Katrina Soto

ksoto@ba.cpa



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

Invoice

Date	Invoice#
8/31/2022	INV032941
Due Date	Terms
9/30/2022	Net 30

Bill To

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

Services Provided to: Tulare County Employees' Retirement Association

Service Dates: August 2022

Services Rendered	Amount
Monthly Billing	\$22,500.00

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

Total \$22,500.00

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

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

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

Tax ID Number: 91-1320111

**TULARE COUNTY EMPLOYEES'
APPLICATIONS AND DEATHS
August 31, 2022
RETIREMENT APPLICATIONS**

Name Department Status - Tier	Option Type Govt. Code	Date of Retirement Age at Retirement	Length of Service Continuance From
AFSAHI STEVEN DA-Visalia Courthouse General - Tier III	Unmodified Option Service §31760.1	07/12/2022 53	15.1579 years N/A
DAVIS PATRICIA HHS-HS-Hyde IHSS General - Tier III	Unmodified Option Service §31760.1	07/30/2022 52	11.2323 years N/A
GARCIA FRANCIS Prob-Admin-Visalia Safety - Tier III	Unmodified Option Service §31760.1	07/06/2022 54	24.0782 years N/A
GARCIA MANUEL Prob-Juvenile Detention Safety - Tier III	Unmodified Option Service §31760.1	07/21/2022 55	28.6934 years N/A
GLENN SUZANNE Courtroom Support General - Tier III	Unmodified Option Service §31760.1	07/31/2022 50	23.9615 years N/A
HAAG CHARLES RMA-TR-Terra Bella Rd Yd 5 General - Tier III	Unmodified Option Service §31760.1	07/30/2022 60	21.3252 years N/A
HENRY SHARON DA-Visalia Courthouse General - Tier II	Unmodified Option Service §31760.1	07/15/2022 61	14.3077 years N/A
KAISER DARLA DA-Visalia Courthouse General - Tier III	Unmodified Option Service §31760.1	07/17/2022 52	10.3462 years N/A
MONTOYA STEVEN HHS-Admin Human Resources General - Tier II	Unmodified Option Service §31760.1	03/31/2022 66	6.5385 years N/A
PALMA IRMA HHS-HS-Lindsay District Off General - Tier III	Unmodified Option SCDR §31760.1	07/12/2021 51	15.6538 years N/A
ROCKHOLT CLIFFORD Sher-CS-Visalia Superior General - Tier III	Unmodified Option Service §31760.1	07/16/2022 55	11.0964 years N/A
RODRIGUEZ JUAN Human Resources & Development General - Tier II	Unmodified Option Service §31760.1	07/16/2022 60	23.9231 years N/A
SISCO KIMBERLEE HHS-HS-Lindsay District Off General - Tier III	Unmodified Option Service §31760.1	06/18/2022 50	1.6154 years N/A

**TULARE COUNTY EMPLOYEES'
APPLICATIONS AND DEATHS
August 31, 2022
DECEASED ACTIVE EMPLOYEES**

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

**TULARE COUNTY EMPLOYEES'
APPLICATIONS AND DEATHS
August 31, 2022
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
BRYAN DELORIS	Unmodified Option	03/16/1986	24.3167 years
General - Tier I	Service §31760.1	03/07/2016 84	55
KIBLER EMMELINE	Unmodified Option	04/01/1981	23.3333 years
General - Tier I	Service §31760.1	05/13/2022 96	55
NAVARRETE ERMINIA	Unmodified Option	05/26/1985	35.4583 years
General - Tier I	Service §31760.1	06/21/2022 92	55

Report: **30-Year Board Report As August 2022**

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-Trans Liv Ctr	No
David	McMunn	3/27/2022	WID-Administration	No
Rodney	Parker	4/16/2017	Sher-Op-South End Gang	No
Rodger	Keller	4/10/2022	Prob-Juvenile Justice	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
Margaret	Venegas	5/8/2022	HHS-HS-Dinuba District Off	No
Nancy	Chavira	3/28/2021	County Counsel	No
Phillip	Kelly	3/1/2020	Prob-Admin-Visalia	No
Vickie	Rabago	1/15/2012	DA-Visalia Courthouse	No
Steffany	Bischel	3/4/2018	HHS-HS-MCal Proc Center	No
AMBER	MATTHEWS	2/18/2018	Pre Trial Facility	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
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-Admin-Visalia	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
DAVID	WOOTEN	10/14/2018	Judicial Officers	No
Lupe	Renteria	6/19/2022	HHS-HS-PDO	No
Stella	Velasquez	2/9/2014	Sher-Op-Communications	No
Patricia	Myers	5/8/2022	Child Support Services Dept	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
ELIZABETH	HOSFELDT	9/26/2021	Self Help	No
Katherine	Reim	10/13/2019	Prob-Admin-Visalia	No
Jay	Jones	1/19/2020	Information Technology	No
Sharon	Rowton	11/18/2012	RMA-TR-Fleet Central Shop	No
Craig	Anderson	2/14/2021	RMA-MG#2-Design,Const,Develop	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
Thomas	McCoy	5/22/2022	Solid Waste Teapot Dome	No
Ursula	Ihl	9/29/2019	DA-Visalia Courthouse	No
Gregory	Scroggins	6/24/2018	Prob-Admin-Visalia	No
Julie	Poochigian	6/22/2008	Assessor-Clerk/Recorder	No
Rebecca	Garcia	11/8/2020	HHS-HS-Ben Elg Sup Team	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
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
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
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	Research Attorneys	No
LESIA	MERVIN	5/3/2015	Court Reporters	No
Veronica	Silva Stalis	12/5/2021	HHS-HLTH-Visalia Hlth Ctr	No
John	Rozum	3/31/2019	County Counsel	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-Training Svs	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-FISCAL-ACCT/REC	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

Leanne Malison
Retirement Administrator

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**TCERA, Board of Retirement
Administrative Committee**

Agenda Item # IV.1.b.

Agenda Date: August 24, 2022

Subject: TCERA and TCERA Property, Inc. Preliminary Financial Statements – June 30, 2022.

Requests:

That the Administrative Committee:

1. Review the TCERA and TCERA Property, Inc. Preliminary Financial Statements for June 30, 2022.

Summary:

The June 30, 2022 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, 2022

Before All Accruals & Interest Posting

	Jun 30, 22	May 31, 22	\$ Change	% Change	Jun 30, 21	\$ Change	% Change
ASSETS							
Current Assets							
Checking/Savings							
(Note 1) 1110 - Cash in County Treasury	13,279,818.44	13,734,962.56	-455,144.12	-3.31%	11,067,944.93	2,211,873.51	19.99%
1120 - Cash in Custodial Account	14,444,770.76	21,547,108.77	-7,102,338.01	-32.96%	25,908,344.66	-11,463,573.90	-44.25%
(Note 2) 1130 - Short Term Investments	8,299,332.89	15,332,344.75	-7,033,011.86	-45.87%	30,730,774.18	-22,431,441.29	-72.99%
(Note 3) 1140 - Securities Lending Collateral	28,721,854.35	0.00	28,721,854.35	100.00%	56,728,790.52	-28,006,936.17	-49.37%
Total Checking/Savings	64,745,776.44	50,614,416.08	14,131,360.36	27.92%	124,435,854.29	-59,690,077.85	-47.97%
Other Current Assets							
1310 - Fixed Income - Market	362,379,938.10	364,764,485.29	-2,384,547.19	-0.65%	561,575,717.07	-199,195,778.97	-35.47%
1340 - Equities - Market	797,565,483.51	867,397,603.96	-69,832,120.45	-8.05%	950,147,939.37	-152,582,455.86	-16.06%
(Note 4) 1375 - Real Assets	393,077,960.11	379,427,494.65	13,650,465.46	3.60%	195,567,700.51	197,510,259.60	100.99%
1386 - Private Equity	133,288,571.93	127,291,400.39	5,997,171.54	4.71%	123,940,907.37	9,347,664.56	7.54%
1388 - Private Credit	110,286,776.00	111,468,415.00	-1,181,639.00	-1.06%	107,036,138.00	3,250,638.00	3.04%
Total Other Current Assets	1,796,598,729.65	1,850,349,399.29	-53,750,669.64	-2.91%	1,938,268,402.32	-141,669,672.67	-7.31%
Total Current Assets	1,861,344,506.09	1,900,963,815.37	-39,619,309.28	-2.08%	2,062,704,256.61	-201,359,750.52	-9.76%
Fixed Assets							
(Note 5) 1501 - Building and Improvements	1,278,288.95	1,186,558.95	91,730.00	7.73%	1,178,366.03	99,922.92	8.48%
(Note 6) 1505 - Office Equipment & Computer System	175,264.64	178,552.49	-3,287.85	-1.84%	178,552.49	-3,287.85	-1.84%
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%
(Note 6) 1511 - Accumulated Depreciation	-3,462,787.44	-3,109,385.42	-353,402.02	-11.37%	-3,109,385.42	-353,402.02	-11.37%
1512 - Land	370,345.69	370,345.69	0.00	0.00%	370,345.69	0.00	0.00%
Total Fixed Assets	1,116,207.39	1,381,167.26	-264,959.87	-19.18%	1,372,974.34	-256,766.95	-18.70%
Other Assets							
1710 - Open Trades Sales	17,665,265.53	13,871,420.84	3,793,844.69	27.35%	23,884,042.73	-6,218,777.20	-26.04%
1730 - Investment Income Receivable	838,981.94	912,920.21	-73,938.27	-8.10%	913,779.72	-74,797.78	-8.19%
1735 - Real Assets Income Receivable	0.00	0.00	0.00	0.00%	1,358,916.37	-1,358,916.37	-100.00%
(Note 6) 1750 - Members Contribution Receivable	887,086.34	0.00	887,086.34	100.00%	811,493.53	75,592.81	9.32%
(Note 6) 1770 - Employer Contribution Receivable	110,812.47	0.00	110,812.47	100.00%	202,396.54	-91,584.07	-45.25%
1780 - Advances Rec- Holding Corp	374,230.00	383,230.00	-9,000.00	-2.35%	482,230.00	-108,000.00	-22.40%
(Note 7) 1785 - Pension Deaths Receivables	-97.96	438.26	-536.22	-122.35%	-473.48	375.52	79.31%
1790 - Other Receivables	0.00	0.00	0.00	0.00%	7,011.06	-7,011.06	-100.00%
Total Other Assets	19,876,278.32	15,168,009.31	4,708,269.01	31.04%	27,659,396.47	-7,783,118.15	-28.14%
TOTAL ASSETS	1,882,336,991.80	1,917,512,991.94	-35,176,000.14	-1.83%	2,091,736,627.42	-209,399,635.62	-10.01%

TCERA and TCERA Property, Inc.
Combined Balance Sheet Comparison
As of June 30, 2022

Before All Accruals & Interest Posting

		<u>Jun 30, 22</u>	<u>May 31, 22</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jun 30, 21</u>	<u>\$ Change</u>	<u>% Change</u>
LIABILITIES & EQUITY								
Liabilities								
Current Liabilities								
(Note 3)	2010 - Sec Lending Collateral Payable	28,721,854.35	0.00	28,721,854.35	100.00%	56,728,790.52	-28,006,936.17	-49.37%
(Note 8)	2020 - Open Trades - Purchases	24,568,713.13	23,253,590.63	1,315,122.50	5.66%	51,172,031.19	-26,603,318.06	-51.99%
(Note 6)	2030 - Accounts Payable - Inv	1,119,272.17	11,878.00	1,107,394.17	9323.07%	832,998.13	286,274.04	34.37%
(Note 6)	2040 - Refunds Payable	4,102,418.01	5,718,404.40	-1,615,986.39	-28.26%	4,098,875.89	3,542.12	0.09%
(Note 6)	2050 - Other Payables	2,289,484.14	0.00	2,289,484.14	100.00%	2,086,862.15	202,621.99	9.71%
(Note 6)	2100 - Payroll Liabilities	41,399.38	0.00	41,399.38	100.00%	34,684.17	6,715.21	19.36%
	Total Other Current Liabilities	<u>60,843,141.18</u>	<u>28,983,873.03</u>	<u>31,859,268.15</u>	<u>109.92%</u>	<u>114,954,242.05</u>	<u>-54,111,100.87</u>	<u>-47.07%</u>
	Total Current Liabilities	<u>60,843,141.18</u>	<u>28,983,873.03</u>	<u>31,859,268.15</u>	<u>109.92%</u>	<u>114,954,242.05</u>	<u>-54,111,100.87</u>	<u>-47.07%</u>
Long Term Liabilities								
(Note 6)	2060 - Accrual-Benefits at Termination	106,256.43	115,302.68	-9,046.25	-7.85%	115,302.68	-9,046.25	-7.85%
	2070 - Advances Payable - TCERA	374,230.00	383,230.00	-9,000.00	-2.35%	482,230.00	-108,000.00	-22.40%
	Total Long Term Liabilities	<u>480,486.43</u>	<u>498,532.68</u>	<u>-18,046.25</u>	<u>-3.62%</u>	<u>597,532.68</u>	<u>-117,046.25</u>	<u>-19.59%</u>
	Total Liabilities	<u>61,323,627.61</u>	<u>29,482,405.71</u>	<u>31,841,221.90</u>	<u>108.00%</u>	<u>115,551,774.73</u>	<u>-54,228,147.12</u>	<u>-46.93%</u>
Equity								
	3110 - Member Deposit Reserve	337,540,093.82	339,464,971.14	-1,924,877.32	-0.57%	339,546,251.96	-2,006,158.14	-0.59%
(Note 9)	3120 - Other Reserves - Unapportioned	-10,624,415.97	-10,624,415.97	0.00	0.00%	2,660,548.76	-13,284,964.73	-499.33%
	3210 - Employer Advance Reserves	935,959,192.79	939,622,624.37	-3,663,431.58	-0.39%	908,886,804.19	27,072,388.60	2.98%
	3310 - Retiree Reserves	491,294,823.19	485,706,514.29	5,588,308.90	1.15%	446,255,577.55	45,039,245.64	10.09%
	3320 - Supp. Retiree Benefit Reserve	113,579,360.95	113,579,360.95	0.00	0.00%	108,446,851.09	5,132,509.86	4.73%
	3410 - Contingency Reserve	64,035,077.22	64,035,077.22	0.00	0.00%	60,735,602.01	3,299,475.21	5.43%
	3510 - Market Stabilization	104,263,467.00	104,263,467.00	0.00	0.00%	108,713,808.00	-4,450,341.00	-4.09%
	3810 - Income Summary Account	0.00	0.00	0.00	0.00%	0.00	0.00	0.00%
	3900 - Retained Earnings	-59,862,746.31	-59,862,746.31	0.00	0.00%	-355,425,733.08	295,562,986.77	83.16%
	Net Income	<u>-155,171,488.50</u>	<u>-88,154,266.46</u>	<u>-67,017,222.04</u>	<u>-76.02%</u>	<u>356,365,142.21</u>	<u>-511,536,630.71</u>	<u>-143.54%</u>
	Total Equity	<u>1,821,013,364.19</u>	<u>1,888,030,586.23</u>	<u>-67,017,222.04</u>	<u>-3.55%</u>	<u>1,976,184,852.69</u>	<u>-155,171,488.50</u>	<u>-7.85%</u>
	TOTAL LIABILITIES & EQUITY	<u><u>1,882,336,991.80</u></u>	<u><u>1,917,512,991.94</u></u>	<u><u>-35,176,000.14</u></u>	<u><u>-1.83%</u></u>	<u><u>2,091,736,627.42</u></u>	<u><u>-209,399,635.62</u></u>	<u><u>-10.01%</u></u>

Notes:

- Note 1 Transfer to 421 Fund \$6.5 million from the Cash Reserve account
- Note 2 Timing of manager short term positions
- Note 3 Annual Securities Lending Accruals & Adjustments
- Note 4 Increase over last year due to 3 new Real Asset managers: SSGA US REIT, Invesco and ARA
- Note 5 Reclassify A/C units \$91,730
- Note 6 Annual Adjustment & Accruals
- Note 7 Pension Death Receivables timing of payments
- Note 8 Decrease in Open Trade Purchases over last year
- Note 9 Interim interest payments/adjustments and private market adjustments prior to period close

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
June 30, 2022

<i>Before All Accruals & Interest Posting</i>								
	<u>Jun 22</u>	<u>May 22</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jun 22</u>	<u>Jun 21</u>	<u>\$ Change</u>	<u>% Change</u>
Ordinary Income/Expense								
Income								
4110 • Interest Income	355,720.38	261,565.39	94,154.99	36.0%	355,720.38	308,111.94	47,608.44	15.45%
4120 • Dividend Income	296,688.98	481,073.40	-184,384.42	-38.33%	296,688.98	334,695.33	-38,006.35	-11.36%
(Note 1) 4130 • Real Assets Income	504,787.39	0.00	504,787.39	100.0%	504,787.39	299,659.60	205,127.79	68.45%
(Note 2) 4140 • Other Investment Income	197,585.75	819,831.98	-622,246.23	-75.9%	197,585.75	423,987.52	-226,401.77	-53.4%
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	0.00	0.00	0.0%	0.00	105.87	-105.87	-100.0%
(Note 3) 4410 • Securities Lending Income	86,906.17	8,980.34	77,925.83	867.74%	86,906.17	58,857.33	28,048.84	47.66%
(Note 4) 4510 • Realized Gains/Losses	157,590,076.64	1,642,632.62	155,947,444.02	9,493.75%	157,590,076.64	8,971,131.80	148,618,944.84	1,656.64%
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	2,890,355.83	2,939,105.93	-48,750.10	-1.66%	2,890,355.83	3,447,534.48	-557,178.65	-16.16%
(Note 5) 4620 • Employer Contributions	-1,579,999.29	345,105.47	-1,925,104.76	-557.83%	-1,579,999.29	-1,526,325.95	-53,673.34	3.52%
Total Income	160,357,761.85	6,513,935.13	153,843,826.72	2,361.77%	160,357,761.85	12,333,397.92	148,024,363.93	1,200.19%
Expense								
5110 • Benefit Payments	8,445,374.55	8,394,245.20	51,129.35	0.61%	8,445,374.55	8,025,735.10	419,639.45	5.23%
(Note 6) 5120 • Refunds	-1,029,102.91	765,218.92	-1,794,321.83	-234.49%	-1,029,102.91	875,259.88	-1,904,362.79	-217.58%
5130 • Death Retiree ROC	0.00	71,207.86	-71,207.86	-100.0%	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	1,320,093.73	372,908.65	947,185.08	254.0%	1,320,093.73	2,843,631.10	-1,523,537.37	-53.58%
(Note 7) 5250 • Inv. Consultant/Custodial Fees	302,162.86	22,500.00	279,662.86	1,242.95%	302,162.86	223,209.64	78,953.22	35.37%
(Note 3) 5270 • Securities Lending Expense	73,855.72	496.24	73,359.48	14,783.07%	73,855.72	42,833.01	31,022.71	72.43%
5275 • Real Assets Investment Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
(Note 7) 5276 • Real Assets Mgr Fees	870,845.89	2,711.40	868,134.49	32,017.94%	870,845.89	440,548.96	430,296.93	97.67%
(Note 8) 5280 • Other Investment Expense	27,812.23	2,368.16	25,444.07	1,074.42%	27,812.23	-3,603.32	31,415.55	871.85%
(Note 7) 5410 • Actuarial Study Fees	2,000.00	0.00	2,000.00	100.0%	2,000.00	10,756.25	-8,756.25	-81.41%
(Note 9) 5450 • Compensated Benefit Expense	-9,046.25	0.00	-9,046.25	-100.0%	-9,046.25	11,750.89	-20,797.14	-176.98%
* 5500 • Administrative Expense	329,965.46	218,669.40	111,296.06	50.9%	329,965.46	297,253.88	32,711.58	11.01%
* 5750 • TCERA Property Admin Expense	4,930.49	-6,704.44	11,634.93	173.54%	4,930.49	9,747.13	-4,816.64	-49.42%
(Note 9) 5910 • Deprec/Amort of Fixed Assets	356,689.87	0.00	356,689.87	100.0%	356,689.87	351,695.32	4,994.55	1.42%
Total Expense	10,695,581.64	9,843,621.39	851,960.25	8.66%	10,695,581.64	13,128,817.84	-2,433,236.20	-18.53%
Net Ordinary Income	149,662,180.21	-3,329,686.26	152,991,866.47	4,594.78%	149,662,180.21	-795,419.92	150,457,600.13	18,915.49%

TCERA and TCERA Property, Inc.
Combined Comparative Profit and Loss
June 30, 2022

Before All Accruals & Interest Posting

	<u>Jun 22</u>	<u>May 22</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Jun 22</u>	<u>Jun 21</u>	<u>\$ Change</u>	<u>% Change</u>
Other Income/Expense								
Other Income								
4520 - Unrealized Gains/Losses	-216,679,402.25	-4,776,468.33	-211,902,933.92	-4,436.39%	-216,679,402.25	44,158,353.20	-260,837,755.45	-590.69%
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	-216,679,402.25	-4,776,468.33	-211,902,933.92	-4,436.39%	-216,679,402.25	44,158,353.20	-260,837,755.45	-590.69%
Other Expense	0.00	0.00	0.00	0.0%	0.00	0.00	0.00	0.0%
Net Other Income	-216,679,402.25	-4,776,468.33	-211,902,933.92	-4,436.39%	-216,679,402.25	44,158,353.20	-260,837,755.45	-590.69%
Net Income	<u>-67,017,222.04</u>	<u>-8,106,154.59</u>	<u>-58,911,067.45</u>	<u>-726.75%</u>	<u>-67,017,222.04</u>	<u>43,362,933.28</u>	<u>-110,380,155.32</u>	<u>-254.55%</u>

Notes:

- Note 1 Real Assets Investment Income reported quarterly and one-two month in arrears
- Note 2 Decrease in Other Investment Income over last mo. and last yr. from Private Credit
- Note 3 Annual Securities Lending Accruals & Adjustments
- Note 4 Increase in Realized Gains/Losses over last mo. from the 3 SSGA accounts cost basis adjustment at BNYM
- 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 Increase in Other Investment Expenses over last mo.; decrease over last year
- Note 9 Annual Adjustment & Accruals

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

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
June 2022

Accounting Period 12
100.00% of the Current Fiscal Year Budget

Before All Accruals & Interest Posting

	Jun 22	Jul '20 - Jun 21	Jul '21 - Jun 22	Annual Budget	Remaining Budget	% Annual Budget
5500 - Administrative Expense						
5505 - (6001) Allocated Salaries	101,822.67	821,999.28	881,255.91	1,016,113.00	134,857.09	86.73%
5510 - (6002) Overtime	0.00	0.00	0.00	1,000.00	1,000.00	0.00%
5515 - (6003) Other Pay	670.71	12,251.79	15,306.05	28,672.00	13,365.95	53.38%
5520 - (6004) Benefits	15,602.00	137,151.47	129,774.68	159,376.00	29,601.32	81.43%
5525 - (6005) Extra-Help	0.00	0.00	9,609.19	9,700.00	90.81	99.06%
5535 - (6011) Retirement- Co. Port.	12,772.18	104,350.82	114,089.59	136,235.00	22,145.41	83.74%
5540 - (6012) Social Security	7,964.16	61,865.39	66,042.85	76,404.00	10,361.15	86.44%
5545 - (1024) POB Cost	0.00	68,458.34	60,427.24	87,249.00	26,821.76	69.26%
5550 - (6008) Board Fees-Per Diem Pmts	0.00	19,096.07	18,300.50	20,000.00	1,699.50	91.50%
5551 - Communications						
5552 - (7005) Communications	1,192.64	5,962.44	6,393.03	8,700.00	2,306.97	73.48%
5640 - (7005) Co. Telecommunication	2,233.07	8,646.40	9,664.81	12,039.00	2,374.19	80.28%
Total 5551 - Communications	3,425.71	14,608.84	16,057.84	20,739.00	4,681.16	77.43%
5553 - Data Processing						
5650 - (7044) ICT Qtrly - Data Process	14,707.53	57,776.56	61,642.57	104,821.00	43,178.43	58.81%
5697 - (7044) Computer Exp Hdwr/Sftwr	0.00	17,660.22	32,046.26	32,138.00	91.74	99.71%
5698 - (7044) WSI/Q2 Digital	0.00	3,850.00	0.00	3,500.00	3,500.00	0.00%
Total 5553 - Data Processing	14,707.53	79,286.78	93,688.83	140,459.00	46,770.17	66.70%
5555 - (7009) Household Expense	1,750.71	13,944.04	16,999.66	17,380.00	380.34	97.81%
5560 - (7010) Insurance	0.00	54,402.00	58,624.00	59,400.00	776.00	98.69%
5565 - (7011) Unemployment Insurance	0.00	274.62	14.67	1,000.00	985.33	0.00%
5570 - (7021) Maintenance-Equipment	157.31	1,565.23	1,486.63	3,000.00	1,513.37	49.55%
5575 - (7027) Memberships	0.00	6,430.00	6,320.00	7,100.00	780.00	89.01%
5580 - (7030) Due Diligence Expense	0.00	5,947.89	2,521.92	15,000.00	12,478.08	16.81%
5585 - (7036) Office Expense	11,834.95	25,053.70	54,728.91	55,080.00	351.09	99.36%
5586 - (7040) Courier	236.22	1,340.25	1,417.48	1,460.00	42.52	97.09%
5590 - Prof & Specialized Exp						
5591 - (7043) Prof & Special Gen Exp	0.00	15.00	0.00	500.00	500.00	0.00%
5592 - (7043) Prof & Spec - Audit	0.00	44,570.00	44,570.00	47,600.00	3,030.00	93.63%
5593 - (7043) Prof Sr -Outside Counsel	2,760.75	14,934.75	71,712.55	75,000.00	3,287.45	95.62%
Total 5590 - Prof & Specialized Exp	2,760.75	59,519.75	116,282.55	123,100.00	6,817.45	94.46%
5594 - County Counsel Charges						
5661 - (7046) Co Counsel - General Exp	2,429.60	17,333.70	14,294.40	40,000.00	25,705.60	35.74%
5662 - (7046) Co Counsel - Disability	6,902.80	67,364.20	38,420.70	93,000.00	54,579.30	41.31%
Total 5594 - County Counsel Charges	9,332.40	84,697.90	52,715.10	133,000.00	80,284.90	39.64%
5595 - (7049) Prof Exp-Disabilities	60,277.89	75,026.12	101,139.41	164,000.00	62,860.59	61.67%
5600 - (7059) Publications	4,569.94	20,965.97	22,355.15	23,000.00	644.85	97.20%
5675 - (7059) Co. Print Services	8,985.29	6,730.75	14,416.18	15,500.00	1,083.82	93.01%
Total 5600 - (7059) Publications	13,555.23	27,696.72	36,771.33	38,500.00	1,728.67	95.51%

TCERA and TCERA Property, Inc.
BUDGET VS ACTUAL
June 2022

Accounting Period 12
100.00% of the Current Fiscal Year Budget

Before All Accruals & Interest Posting

	<u>Jun 22</u>	<u>Jul '20 - Jun 21</u>	<u>Jul '21 - Jun 22</u>	<u>Annual Budget</u>	<u>Remaining Budget</u>	<u>% Annual Budget</u>
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	43,911.62	220,223.49	259,030.39	318,120.00	59,089.61	81.43%
5615 - (7073) Training	0.00	4,508.40	6,445.25	12,000.00	5,554.75	53.71%
5620 - (7074) Transportation & Travel	4,289.84	1,701.25	12,557.97	32,000.00	19,442.03	39.24%
5625 - (7081) Utilities	1,386.71	15,656.85	19,424.32	20,400.00	975.68	95.22%
5627 - (7116) Postage - Co. Mail	7,344.28	38,853.26	47,435.17	48,400.00	964.83	98.01%
5630 - (7128) Co. Workers Comp Insurance	0.00	59,381.00	52,514.00	53,500.00	986.00	98.16%
5695 - Co. Admin. Services						
5666 - (7719) HR/Risk Services	0.00	0.00	11,362.19	11,860.00	497.81	95.80%
5699 - (7719) Auditors Services	522.59	2,353.63	2,100.58	7,500.00	5,399.42	28.01%
Total 5695 - Co. Admin. Services	522.59	2,353.63	13,462.77	19,360.00	5,897.23	69.54%
5720 - (7421) Interest Expense	0.00	0.00	0.00	1.00	1.00	0.00%
(Note 1) 5450 - Compensated Benefit Expense	-9,046.25	11,750.89	-9,046.25	26,353.00	35,399.25	-34.33%
5911 - Depreciation - TCERA	15,924.95	15,925.95	15,924.95	20,000.00	4,075.05	79.62%
5913 - Amortization - CPAS	303,350.34	303,350.29	303,350.34	325,000.00	21,649.66	93.34%
Total TCERA Administrative Expense	640,194.50	2,536,352.01	2,762,353.25	3,376,781.00	614,427.75	81.80%
5750 - TCERA Property Administrative Expense						
5755 - Fees and Taxes	0.00	75.00	188.75	200.00	11.25	94.38%
5760 - Insurance	0.00	7,452.00	7,909.00	9,000.00	1,091.00	87.88%
5765 - Professional & Spec Services	900.02	1,278.39	900.02	2,000.00	1,099.98	45.00%
5780 - Courtyards Property Assn Dues	1,707.67	6,830.68	6,830.68	7,600.00	769.32	89.88%
5785 - Landscape Service	919.00	5,975.25	5,234.00	7,800.00	2,566.00	67.10%
5790 - Security Monitoring	454.20	2,494.66	4,090.23	7,750.00	3,659.77	52.78%
(Note 2) 5795 - Maintenance & Improve - Bldg	483.98	13,685.16	13,156.27	244,365.00	231,208.73	5.38%
5797 - Utilities	465.62	4,435.96	4,895.85	7,000.00	2,104.15	69.94%
5912 - Depreciation - TCERA Property	37,414.58	32,419.08	37,414.58	70,400.00	32,985.42	53.15%
Total TCERA Property, Inc. Administrative Expense	42,345.07	74,646.18	80,619.38	356,115.00	275,495.62	22.64%
Total TCERA & TCERA Property Administrative Expense	682,539.57	2,610,998.19	2,842,972.63	3,732,896.00	889,923.37	76.16%

Notes:

- Note 1 Decrease in Compensated Absences from \$115,303 to \$106,256
Note 2 Purch. And Reclassify new A/C units \$91,730

Accrued Actuarial Liability	1,957,985,000
June 30, 2021	
.21% of AAL	4,111,768.50
100.00%	4,111,768.50
Expenses to date	(2,842,972.63)
(Over)/Under	1,268,795.87

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

COLLECTIVE INVESTMENT TRUST

INVESTMENT REVIEW

SEPTEMBER 14, 2022

Representing MacKay Shields

STEVEN E. BUCKLEY

Managing Director
Client Portfolio Manager

MARY ELLEN SADIM

Director
Client Service Representative

Independent boutique founded in 1938

Acquired by New York Life Insurance Company in 1984

Over 200 employees in New York, Princeton, Los Angeles, London and Dublin

\$132 billion in AUM¹

Signatory of UN Principles for Responsible Investment Initiative (PRI)

Separate and distinct investment groups within MacKay Shields



FIXED INCOME

EQUITY

Municipal Managers	High Yield	Global Fixed Income	Global Credit & Emerging Markets Debt	Convertibles	Fundamental Equity
\$68 Bn	\$27 Bn	\$21 Bn	\$11 Bn	\$4 Bn	\$1 Bn

Due to rounding the sum of items may not equal stated totals.

1. AUM as of June 30, 2022, includes MacKay Shields LLC and its subsidiaries. Of the \$132 billion, quantitative fixed income is \$73 million. Figures may be rounded.

The Global Fixed Income Team

Leadership | GLOBAL FIXED INCOME

Stephen Cianci, CFA

CO-HEAD | SENIOR PORTFOLIO MANAGER

30 Years Experience

TRADING	YEARS
Harel Sender HEAD OF HIGH YIELD TRADING	23
Anthi Simotas HEAD OF INVESTMENT GRADE CORPORATE TRADING	22
Tyler Jaglowski TRADING — CREDIT MARKETS	8
Andrew Ruskulis, CFA TRADING — LIQUID MARKETS	23
Michael Rivera DESK ANALYST	4
RISK MANAGEMENT	YEARS
Steven Rich, PhD¹ HEAD OF RISK	29
Susan Hutchison RISK ANALYTICS	37
Sally Chan ENTERPRISE RISK	33
Regina Gavrilova ENTERPRISE RISK	14

PORTFOLIO MANAGEMENT	YEARS
Stephen Cianci, CFA MULTI-SECTOR	30
Neil Moriarty MULTI-SECTOR	35
Lesya Paisley, CFA MULTI-SECTOR	19
MACROECONOMICS	YEARS
Steven Friedman SENIOR MACROECONOMIST	24
CLIENT PORTFOLIO MANAGEMENT	YEARS
Steven Buckley INSTITUTIONAL	25
Thomas Musmanno, CFA RETAIL	31

Neil Moriarty

CO-HEAD | SENIOR PORTFOLIO MANAGER

35 Years Experience

FUNDAMENTAL RESEARCH	YEARS
Cameron White, CFA HEAD OF FUNDAMENTAL RESEARCH ENERGY	18
Dennis Appello, CFA HEALTHCARE, AEROSPACE & DEFENSE	8
Zachary Aronson RMBS, CMBS, ABS	13
Jakob Bak, PhD, CFA EMERGING MARKETS	22
Brian Chiu RETAILERS, SERVICES, TECH	7
Ryan Downey, CFA COMMUNICATIONS, GAMING, MEDIA	27
Mark Kehoe, CFA FINANCIALS	26
Paul Niklason, CFA UTILITIES, CHEMICALS, METALS & MINING, HOMEBUILDING	9
Nancy Poz CAPITAL GOODS, PAPER & PACKAGING, AUTOS	36
Fran Schulman, CFA CONSUMER GOODS, LEISURE & LODGING	36

Additional Firm Capabilities and Resources

ESG	MUNICIPALS	HIGH YIELD	EMERGING MARKETS	CONVERTIBLES	MACRO & QUANT
-----	------------	------------	------------------	--------------	---------------

As of June 30, 2022. Years denotes industry experience.

1. Involved in portfolio management for Taxable/Tax-Exempt (Crossover) portfolios

MacKay Shields Global Fixed Income

Our Advantages

Our Size

- Large enough to be influential in the market
- Nimble enough to make a difference for our clients

Our Approach

- Unique combination of fundamental macroeconomic and bottom-up research
- High conviction decision making

Client First Culture

- Customization can be another source of alpha
- Direct access to the intellectual capital of the team

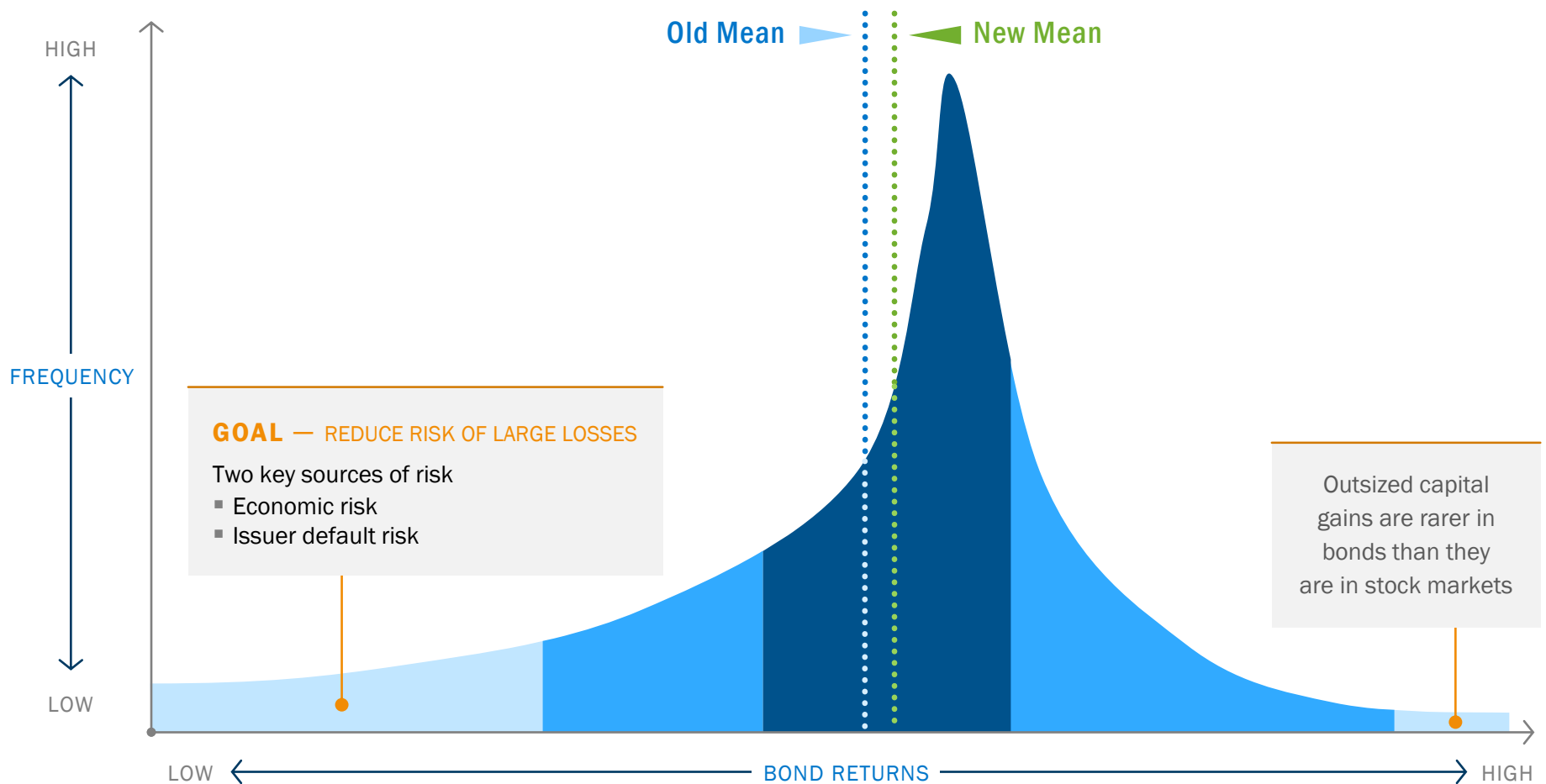
Navigate the Cycle

- Avoid uncompensated risk to manage downside
- Target diversified sources of alpha to capture upside

We Go Beyond Investing

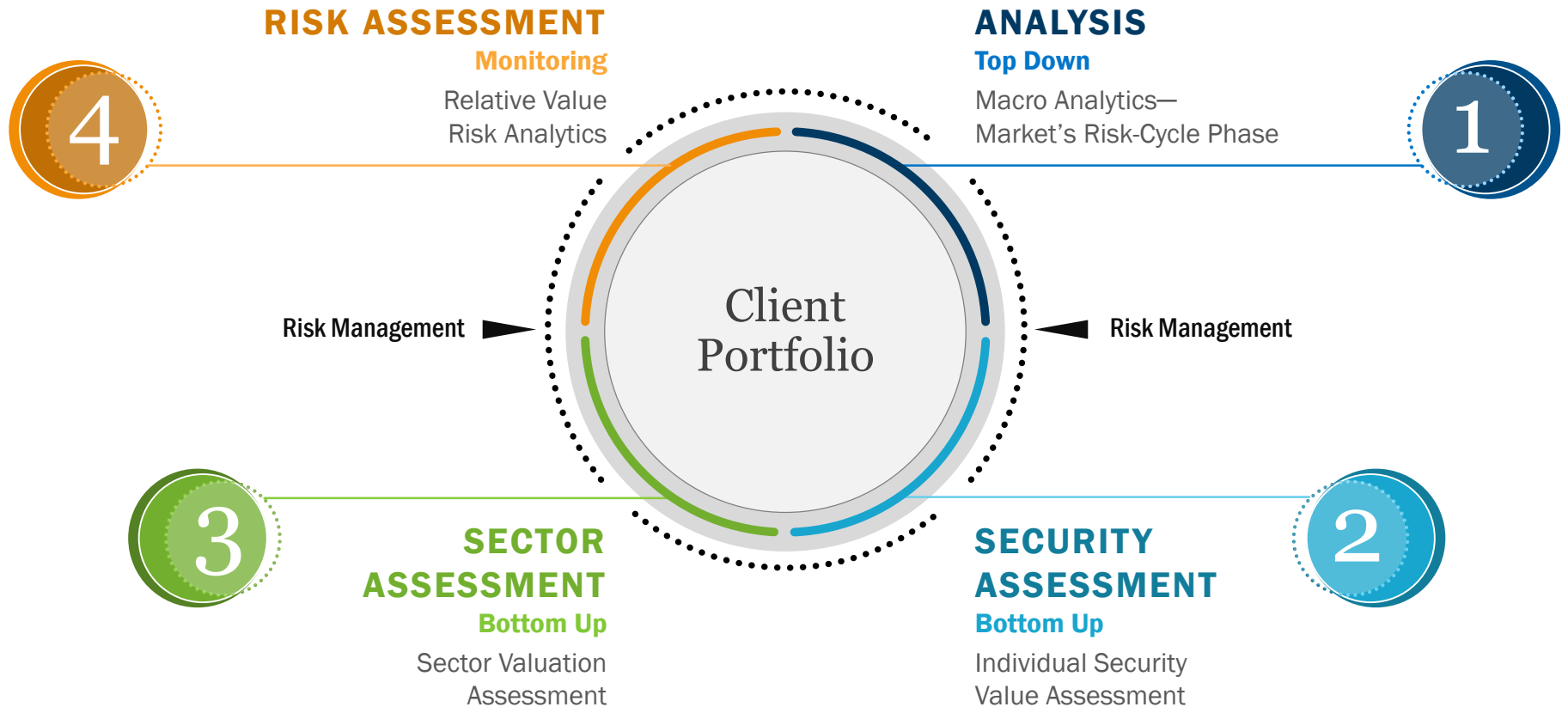
- Social awareness matters
- Giving back to the community is important

Seeking to Eliminate Uncompensated Risk: Targeting the “Sweet Spot”



This graph illustrates a stylized distribution of one-year historical returns for bonds and does not represent the distribution of any given year. The universe of bonds for this analysis is the Bloomberg US Aggregate Index except for those bonds in the index for which data could not be ascertained. The illustration above should not be considered predicative of future transactions or commitments made by Mackay Shields LLC nor as an indication of current or future profitability. There is no assurance investment objectives will be met.

Four-Step Investment Process



Core Plus Investment Style

- MacKay Shields' Core Plus strategy seeks to outperform the benchmark by eliminating or reducing uncompensated risk while opportunistically allocating investments across a range of core and off-benchmark sectors. These sectors may include, but is not limited to, US Treasuries and agencies, mortgage-backed securities, asset-backed securities, corporate bonds, high yield bonds, emerging market debt, bank loans and non-dollar investments.
- MacKay Shields' Core Plus strategy is expected to be competitive in up markets while protective during down markets. Over the last 10 years, the product has captured approximately 126% of an up market while participating in about 96% of a down market.¹
- Over the last 10 years, MacKay Shields' Core Plus strategy has generated an information ratio of 0.5. The information ratio is a good measure of the strategy's risk-adjusted returns.

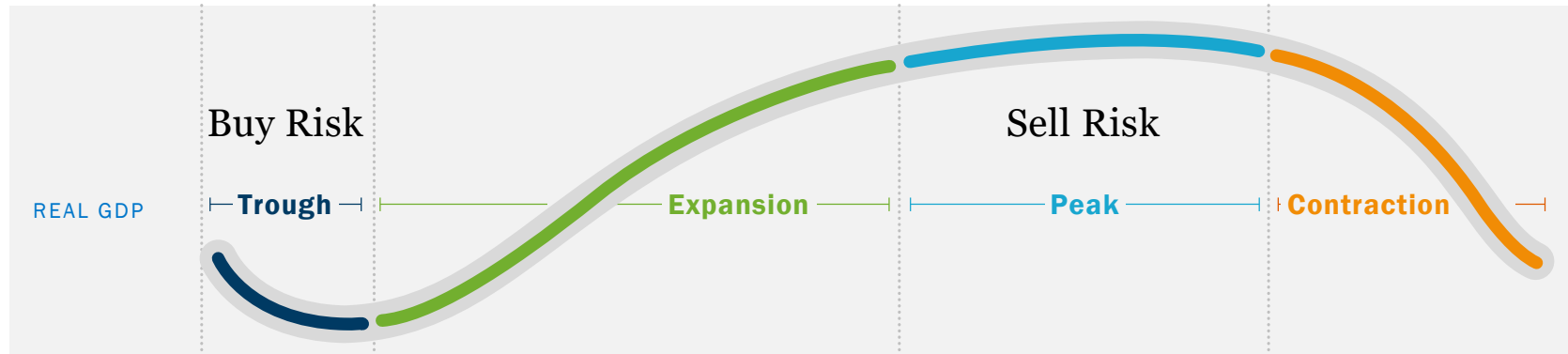
1. Source: Callan's Performance Evaluation Program (PEP) as of June 30, 2022 based on quarterly returns.
Past performance is not indicative of future results.

Macroeconomic Update

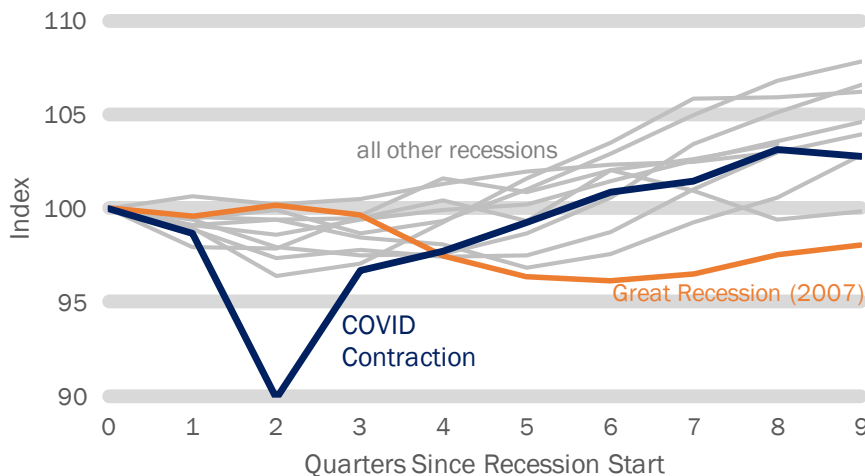


Current Assessment: US Economy in the Late Cycle

Stages of the Macroeconomic Cycle



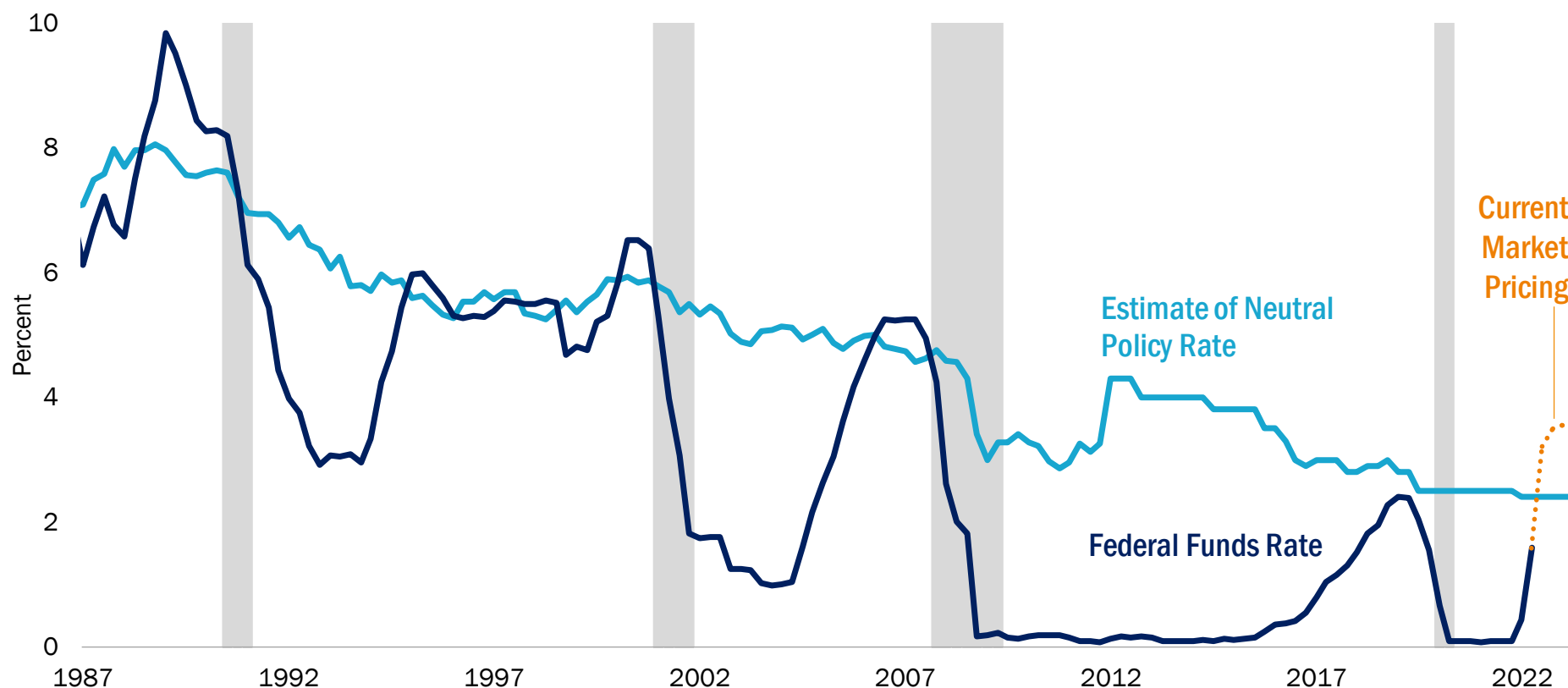
US GDP in Recessions and Recoveries Indexed to 100 at Prior GDP Peak



- Central banks increasingly pivoting to address inflation risks
- Controlling inflation pressures without jeopardizing growth will remain the key challenge for policy makers. Risks of a policy error are high.
- Ukraine crisis adds to inflationary pressures, while also weighing on global growth
 - Growth risks particularly pronounced in Europe
- China outlook weakening on a number of challenges, including COVID

Anticipated Tightening in the US is Recessionary

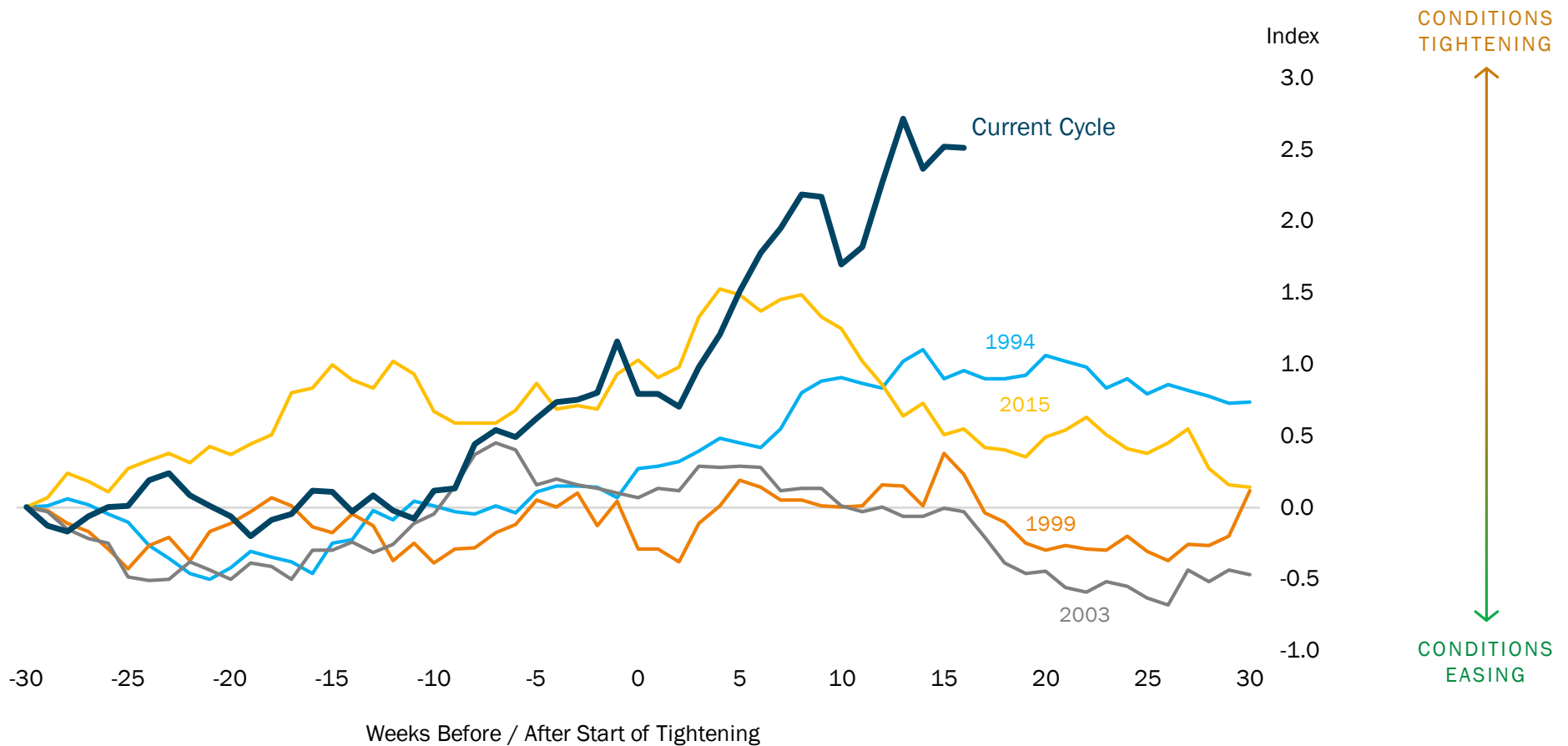
Policy Rate and Estimate of a Neutral Policy Setting



Sources: Bloomberg, Federal Reserve Bank of New York, Federal Reserve Bank of Philadelphia Survey of Professional Forecasters, Board of Governors of the Federal Reserve System. Neutral policy rate estimate is based on the median FOMC respondents' estimate of the longer-run policy rate since 2012. Prior to 2012, neutral rate estimate based on the Laubach-Williams model, adjusted for inflation expectations from the Survey of Professional Forecasters.

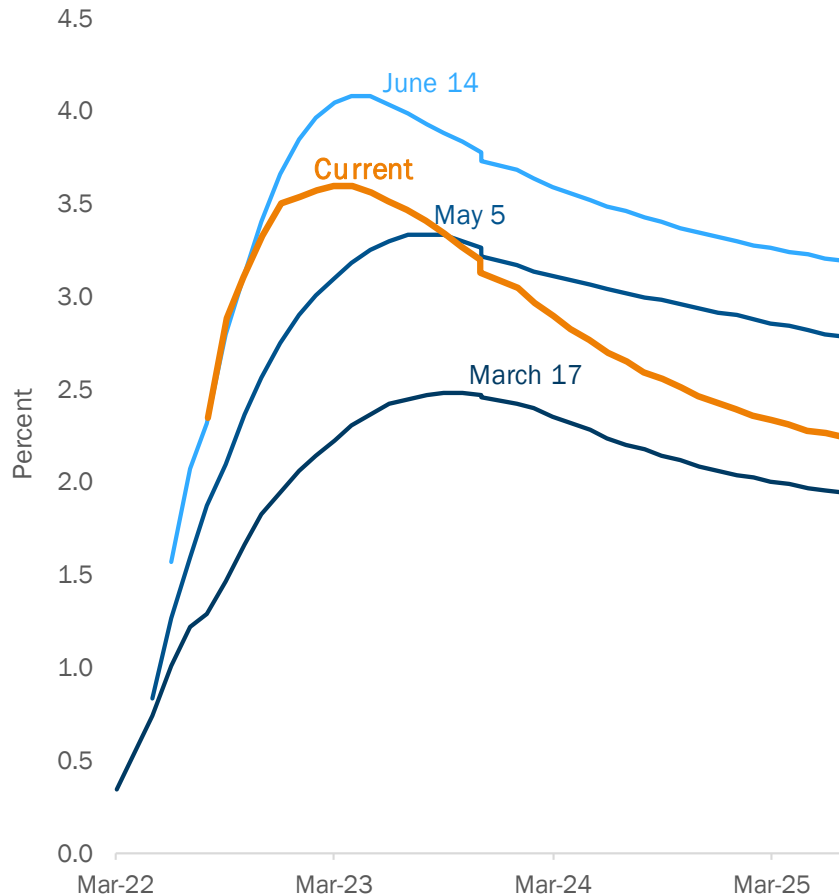
Financial Conditions Have Tightened Significantly

Change in Financial Conditions During Tightening Cycles

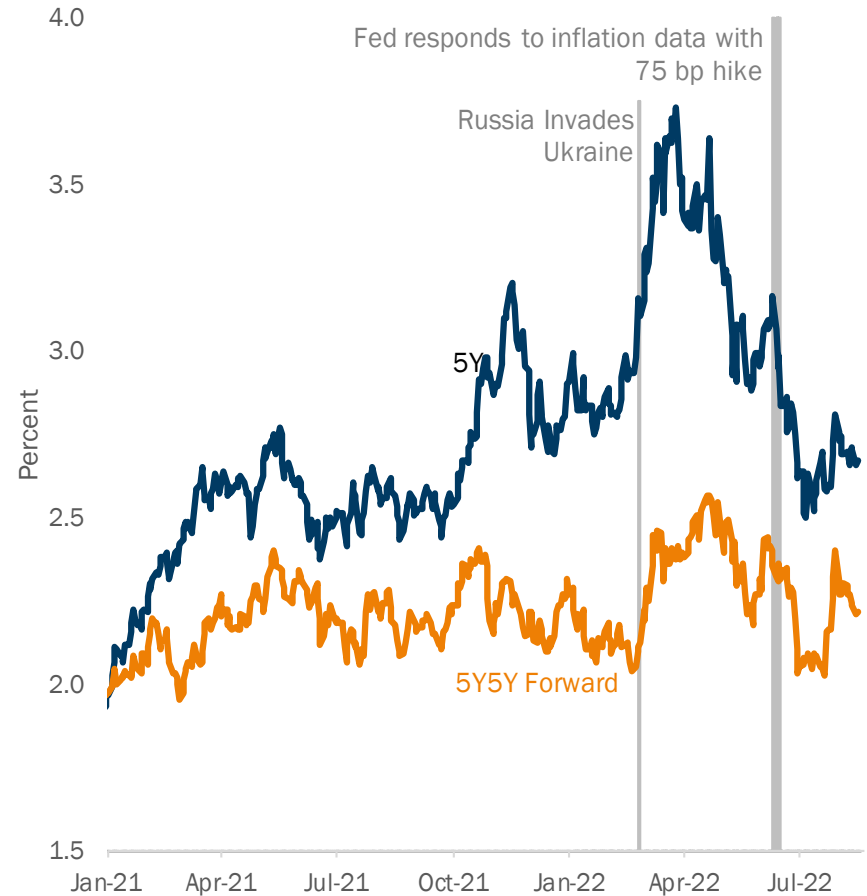


Front-Loaded Rate Hikes Impact Inflation Compensation

Expectations for Policy Rate Over Next Three Years



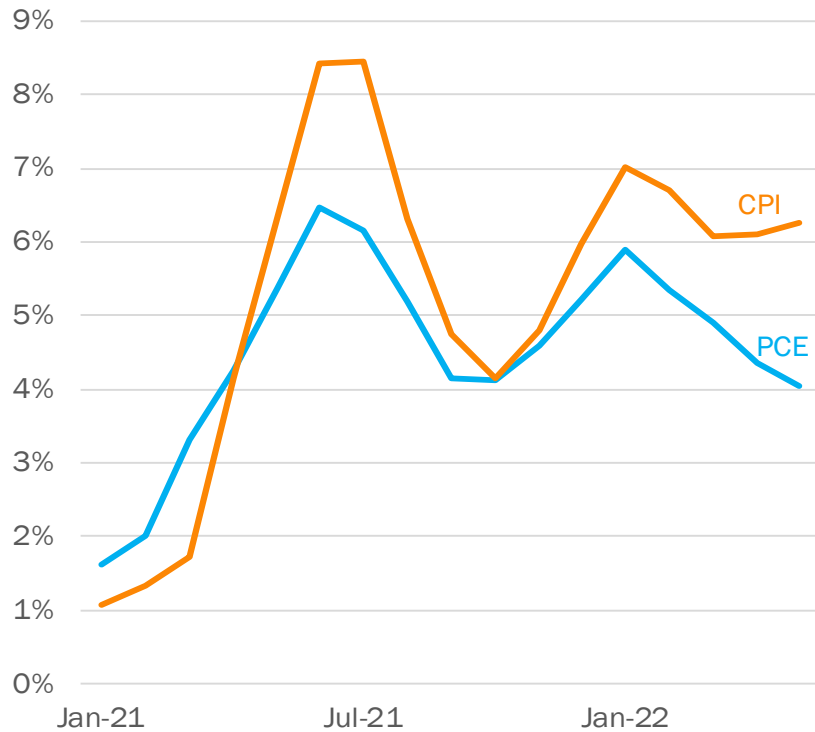
Inflation Compensation Derived from Nominal Treasuries and TIPS



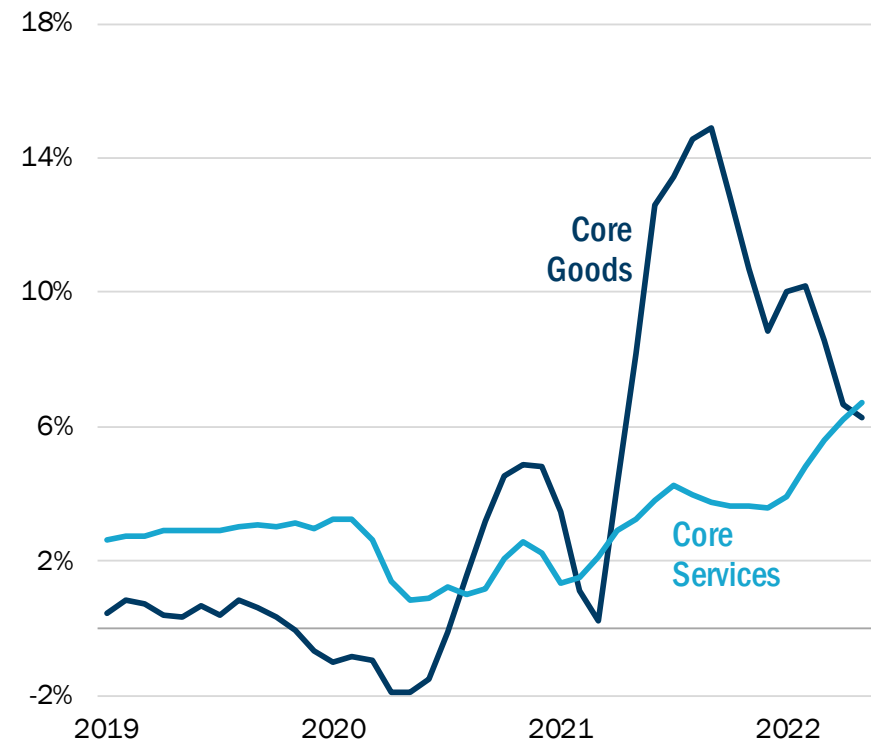
Sources: Bloomberg, MacKay Shields. Policy rate expectations based on 1-month forward OIS rates.

Inflation – Mixed News; Rotating to Services

Core Inflation Measures | 3M Annualized Rate



Core CPI Components | 6M Annualized Rate



High Inflation and Economic Cycles

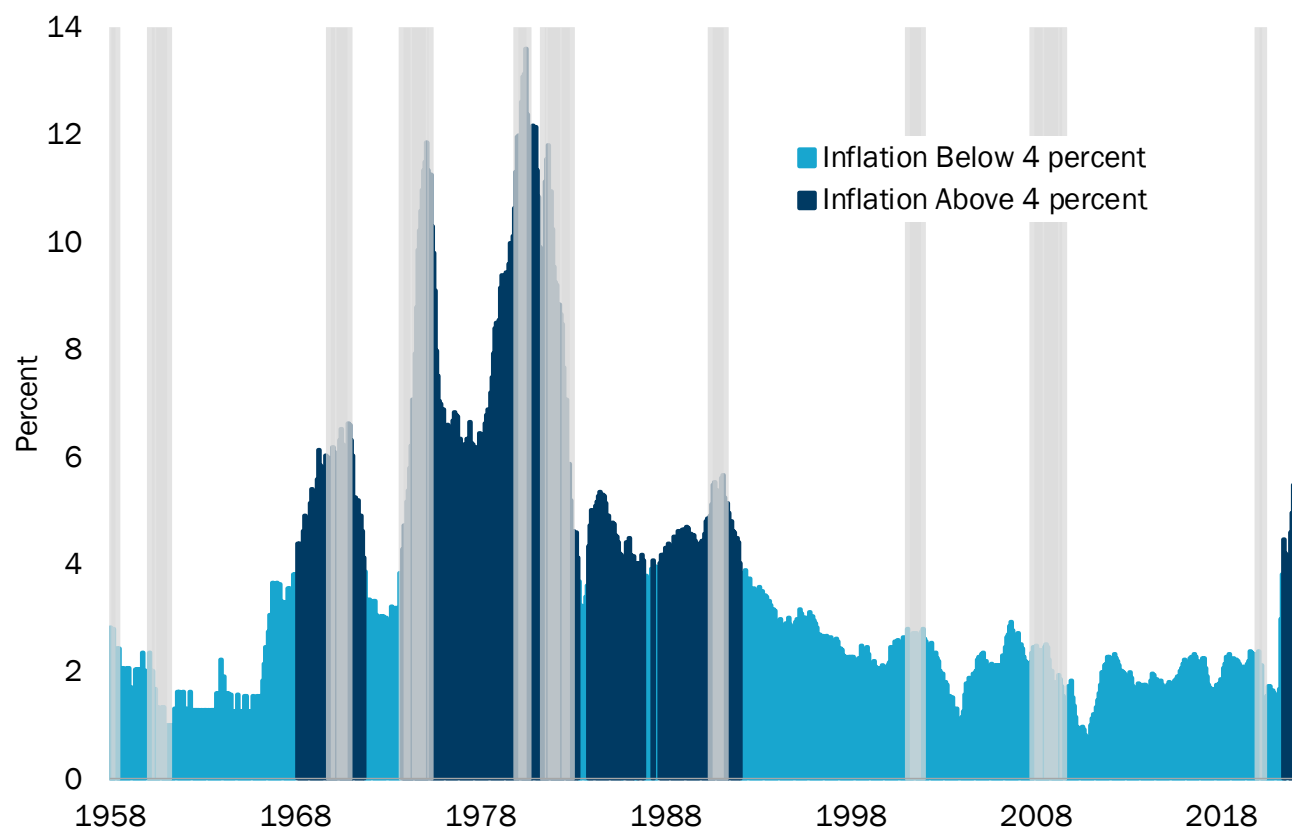
A Discouraging Record

When inflation is high, the central bank has limited flexibility to respond to growth slowdowns

Over last sixty years, when inflation was high and the Fed was tightening:

- A recession occurred within a year 35% of the time
- And within two years 67% of the time

Core CPI: High and Low Inflation Regimes

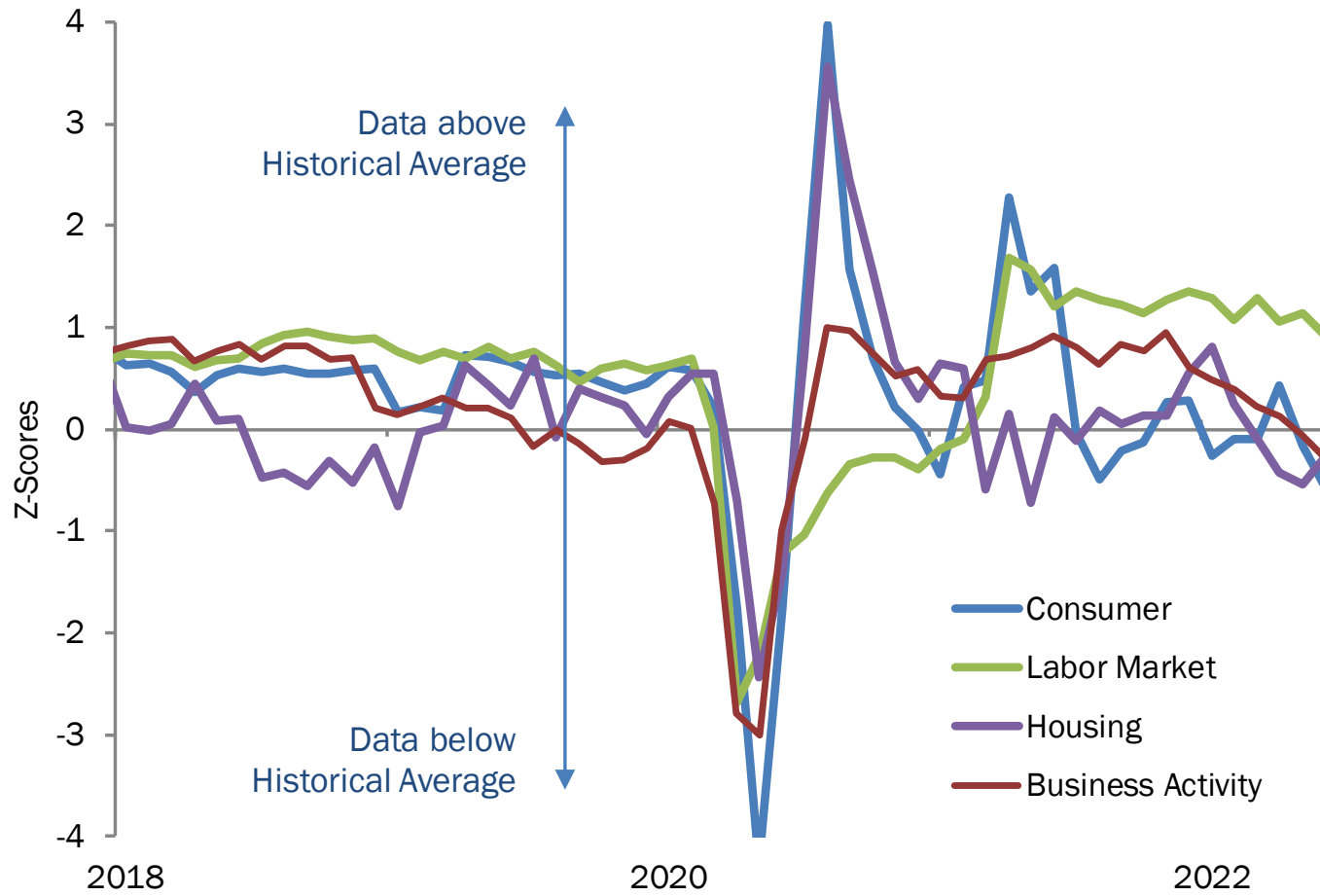


Data as of May 2022.

Sources: MacKay Shields, BLS. Grey Bars represent recessions.

Economic Momentum Already Flagging

Sector Activity Indicators



Sources: MacKay Shields, Board of Governors of the Federal Reserve System, Federal Reserve Banks of New York, Philadelphia, Kansas City, Richmond and Dallas, National Federation of Independent Businesses, Bureau of Labor Statistics, Census Bureau, Bureau of Economic Analysis, National Association of Purchasing Managers, National Association of Realtors

Market Update



Navigating Today's Volatile Environment

Duration

- Rates above the Fed's neutral rate
- Positive real yields
- Biased to longer duration posture with a focus on intermediate maturities

Tail Risk

- Caution warranted in:
- Highly indebted EM countries with large trade deficits
 - Floating rate capital structures
 - Companies generating low or negative free cash flows

Dislocations

- Sell high coupon, high dollar priced bonds in favor of lower coupon, lower dollar priced bonds at similar yields/spreads
- Relative value opportunities owed to poor technicals

Durability

Mid-to-high single digit yielding opportunities in investment grade securities supported by strong structures



Dislocation in Credit

Order	Issuer	Coupon	Maturity	Moody's	S&P	Price	Spread	Trade Rationale
BUY	Bank	2.687	4/22/2032	A2	A-	\$86.37	162	Swap on the run par Bank 10yr into off the run '32s NC10; spread/yield neutral; take out 14pts, shorten by 1 year
SELL	Bank	4.571	4/27/2033	A2	A-	\$99.98	162	
BUY	Bank	2.484	9/16/2036	Baa1	BBB+	\$80.25	224	Swap out of new par-bond Bank Subs 15NC10 into previous year Bank Subs 15NC10; shorten 1 year, take out 20pts+
SELL	Bank	5.297	4/20/2037	Baa1	BBB+	\$100.92	233	
BUY	Bank	4.910	5/24/2033	A3	BBB+	\$100.00	195	FV target +180 near term; Swap vs EM Sovereign '31s (\$84, +188, mid-BBB)
SELL	EM Sovereign	2.659	5/24/2031	Baa1	BBB	\$84.11	188	Swap vs Bank 10yr Sr. at +195 (\$84 vs par bond), upgrade quality 2 notches (mid-BBB to A3/BBB+/A);
BUY	Financials	4.989	5/26/2033	A3	BBB	\$100.54	208	Financials 33s should outperform given limited subordinated issuance (since 2014) and Bank '31 subs trade rich vs off the run senior 10yr paper at just +25bps
SELL	Bank	2.956	5/13/2031	A3	BBB+	\$87.91	196	

Source: MacKay Shields.

Prepared on June 30, 2022 for informational purposes only. Note, not all portfolios may have participated in the trades listed above. The security selection examples above are educational in nature, for illustrative purposes only and only intended to illustrate the portfolio management team's investment process and discipline. The illustration is not intended nor should it be construed to be a recommendation to buy and sell any individual security. There is no assurance investment objectives will be met. The illustration should not be considered predicative of future transactions or commitments made by MacKay Shields LLC nor as an indication of current or future profitability.

Durability in Seasoned Securitizations (CRT)

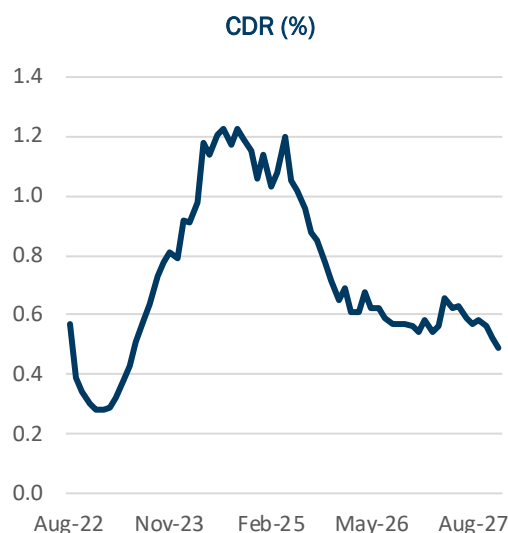
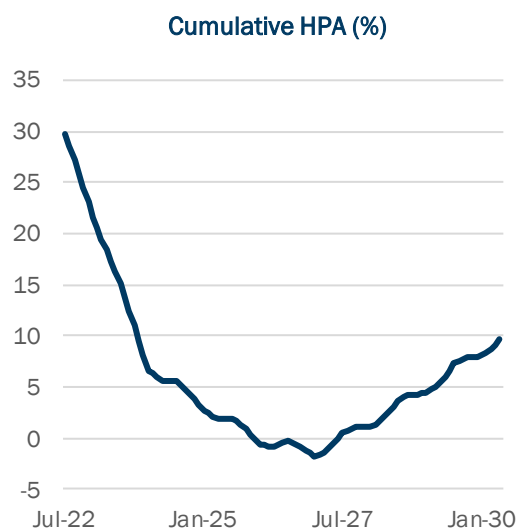
Credit Risk Transfer (CRT) Securitization

- Record issuance over the past year, driven by Fannie Mae's return to the market, has contributed to meaningful spread widening
- Our analysis shows that seasoned bonds provide ample credit protection stemming from record home price appreciation and bond deleveraging

Example 2018 Vintage BBB Rated CRT

Bond Level		Collateral Level		Additional Stats	
Original Credit Enhancement	Current Credit Enhancement	Original LTV	Current LTV	# Loans	56,036
0.50%	2.21%	72.6	45.83	WAC	4.34
				Months Aged	57
				FICO	749

- Under a stress scenario where home prices collapse 30% and default rates spike, **the bonds are still able to avoid taking a loss.**



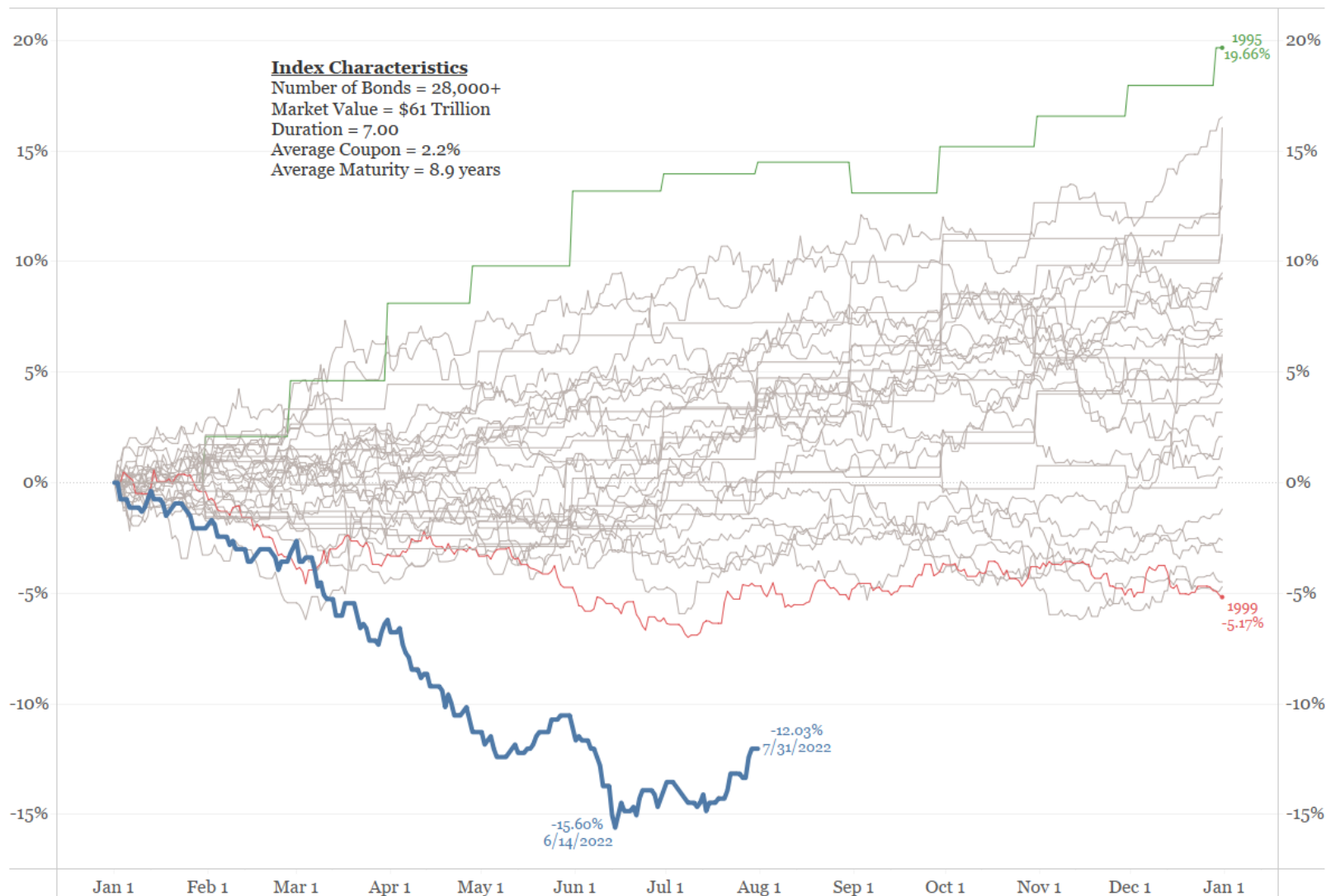
	Base Case	Stress Case
Price 98-18	386	386
Yield	6.8386	6.8748
Average Life	5.54	5.54
Spread Duration	4.55	4.54
Principal Window	1/28-1/28	1/28-1/28
I Spread	379	377
Proj Bond Loss % Currency	0.00	0.00
Total Collat Cum Loss	-	-
Proj Collat Loss % Orig	0.04	0.27
Proj Collat Loss % Currency	0.18	1.20

HPA = Hire Purchase Agreements, CDR = Constant Default Rate. Source: MacKay Shields, Bloomberg

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All Terrible Markets Must Come to an End

Year-to-Date Total Return for the Bloomberg Global Aggregate Index



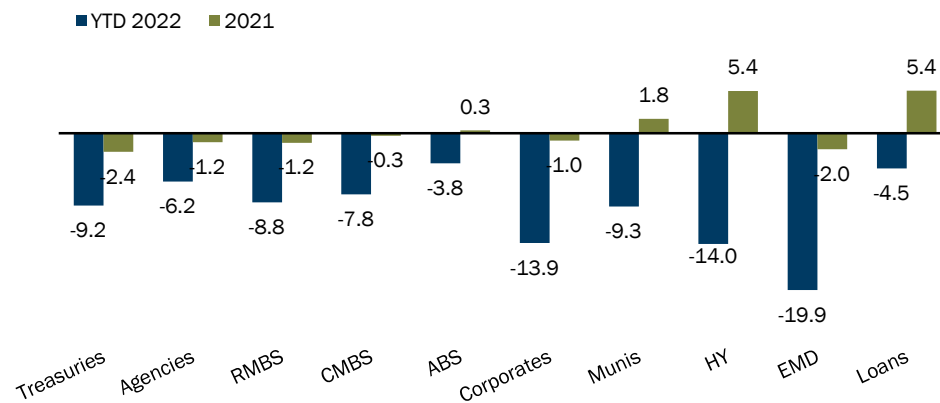
Source: Bloomberg; prepared by Bianco Research, L.L.C. Reprinted with permission.

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<https://www.biancoresearch.com/>

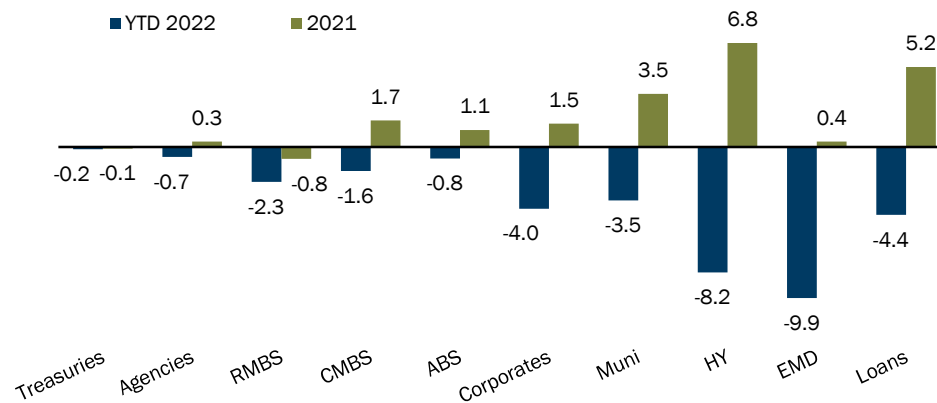
Bond Market Review

YTD June 30, 2022 vs. 2021

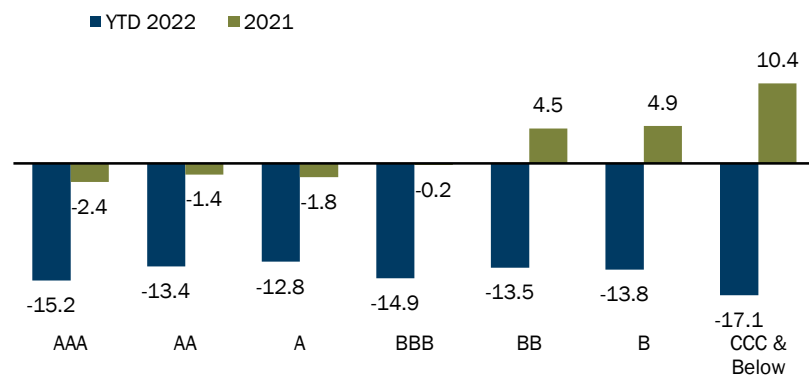
Broad Market Performance – Total Return (%)



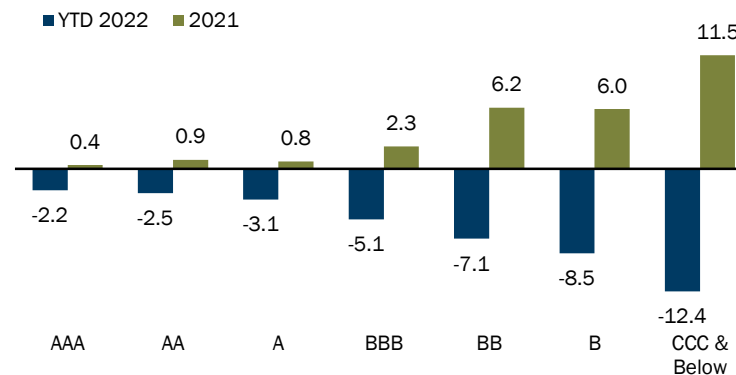
Broad Market Performance – Excess Return (%)



Performance by Quality – Total Return (%)



Performance by Quality – Excess Return¹ (%)



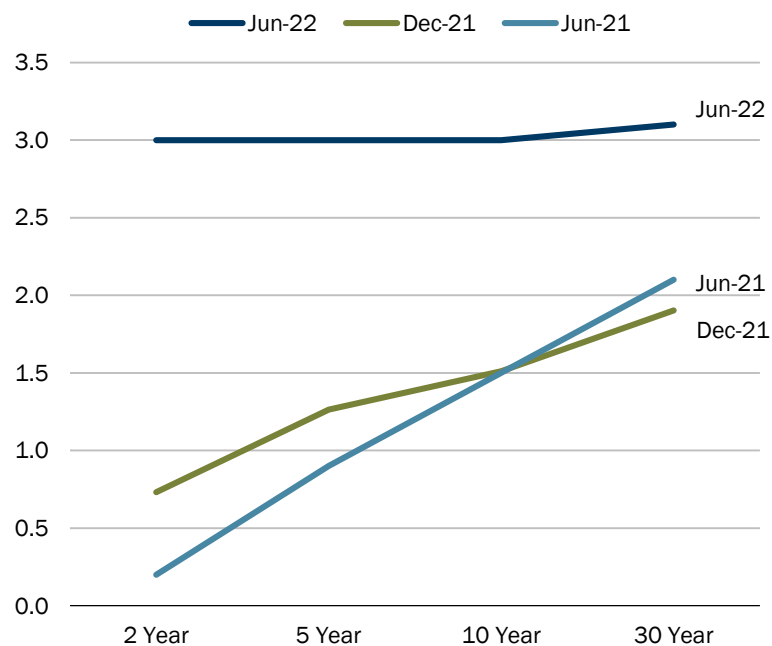
Source: ICE Data Services - BofA, Credit Suisse Loan Index

ABS = Asset-Backed Securities; CMBS = Commercial Mortgage-Backed Securities, RMBS = Residential Mortgage-Backed Security, HY = High Yield, EMD = Emerging Market Debt

Past performance is not indicative of future results. It is not possible to invest directly in an index.

Bond Market Review — YTD 2022

Treasury Yield Curve¹ (%)



Sector Spreads² (bps)

	Jun-22	Dec-21	Jun-21
Agencies	17	8	3
RMBS	46	31	27
CMBS	101	68	59
ABS	75	38	22
Corporates	155	92	80
High Yield	569	283	268
EMD	407	297	269
Municipals (10 yr Ratio) (%) ³	91	70	68

1. Source: Bloomberg

2. Source: Bloomberg Capital Index data. Spreads represented as option-adjusted (OAS)

3. Ratio of 10 year AAA municipal bond yield to the 10 year U.S. Treasury yield

This document is for informational purposes only and does not constitute, and is not intended to constitute, the giving of advice or the making of a recommendation. The account's portfolio is actively managed and all expressions of opinion are subject to change without notice and are not intended to be a guarantee of future events.

Portfolio Review

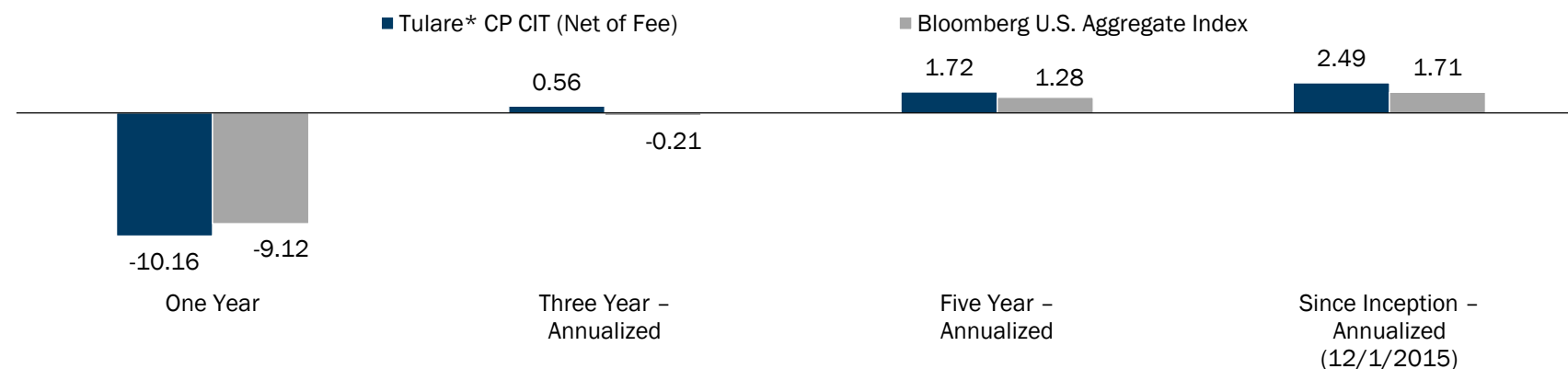


Tulare County Employees' Retirement Association

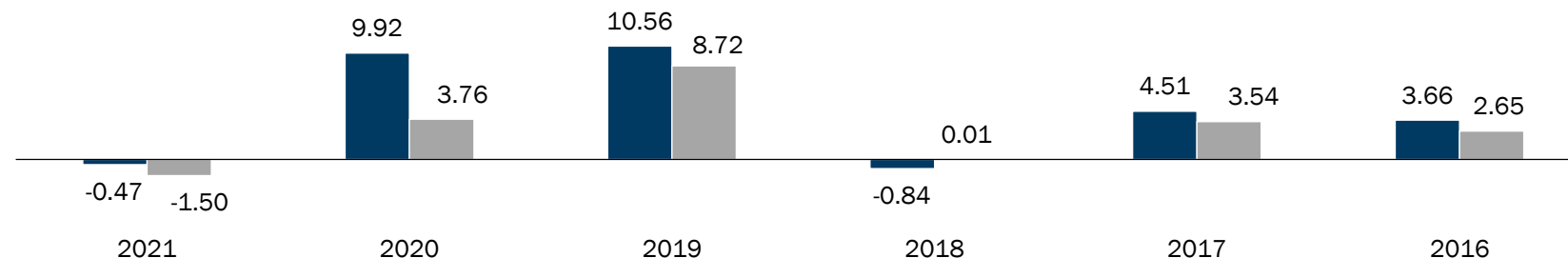
Historical Investment Performance

Historical Rates of Return (%)

Periods Ending July 31, 2022



Calendar Years (%)



*Performance represents TCERA's net of fee returns of the MacKay Shields Core Plus/Opportunities Fund LP (Class A Shares) from 12/1/15 through 5/31/19 and the MacKay Shields Core Plus CIT thereafter (6/1/19 forward). Performance data represents past performance. Past performance is not a guarantee of future results. The principal value and investment return of a collective investment trust will fluctuate so that an investor may experience a gain or loss when units are sold. Net performance is net of management fees and expenses. Returns are unaudited and subject to change.

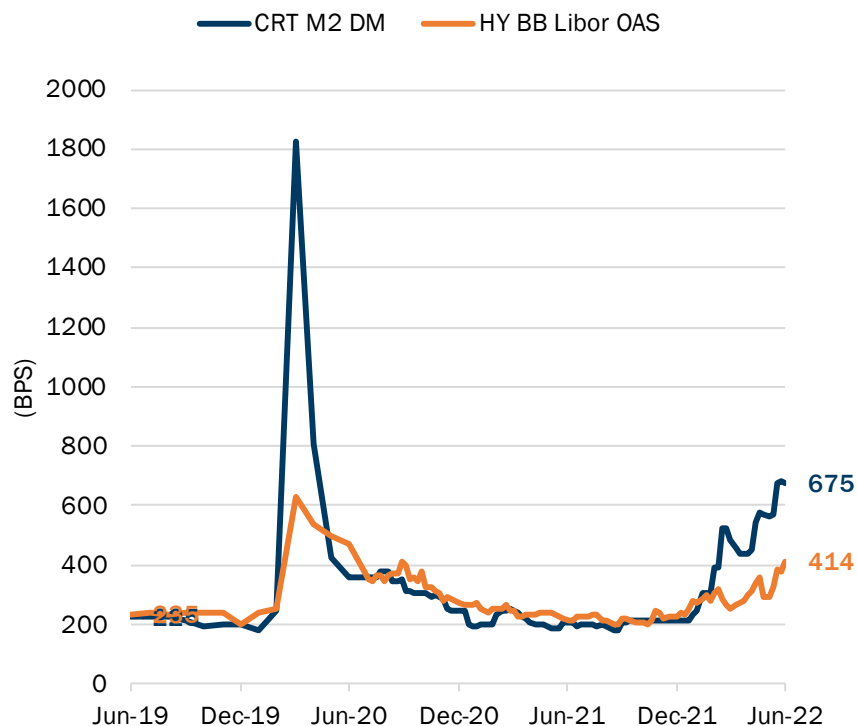
MacKay Shields Core Plus CIT Performance Attribution

Contribution to Excess Return (bp) | One Year Ending July 31, 2022

	Contribution to Excess Return (bp)		
	Sector Weighting	Issue Selection	Total
Term Structure			26.4
Sectors (Local Return)			
U.S. Treasury	-19.3	-30.4	-49.6
Government-Related, non-EM	-0.8	-2.4	-3.3
High-Grade Corporates, non-EM	-2.6	-23.3	-25.9
High-Yield Corporates, non-EM	-35.5	30.2	-5.4
Emerging Market Credit	-0.1	-9.8	-9.9
Equity-Linked	-47.8	31.2	-16.6
Securitized Product	-30.2	21.0	-9.1
Attributed Excess Return			-93.4
Residual			0.0
Reported Excess Return			-93.4
Reported Total Return (%)			
Portfolio			-10.05
Benchmark			-9.12

Credit Risk Transfers (CRTs) Spreads Have Widened from a Surge in Supply

Spread



Spread Difference



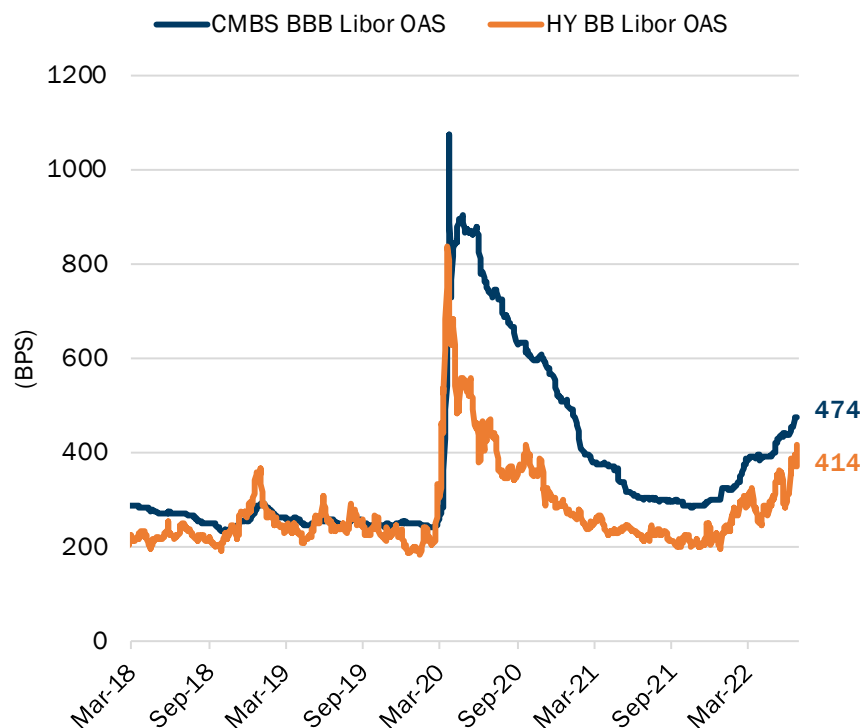
As of June 30, 2022.

Source: BofA Securities

CRT M2 DM = Credit Risk Transfer M Class Discount Margin; OAS = Option Adjusted Spread

Subordinated CMBS Spreads Are Trading Cheap to Unsecured Credit

Spread



Spread Difference



As of June 30, 2022.
Source: BofA Securities
OAS = Option Adjusted Spread

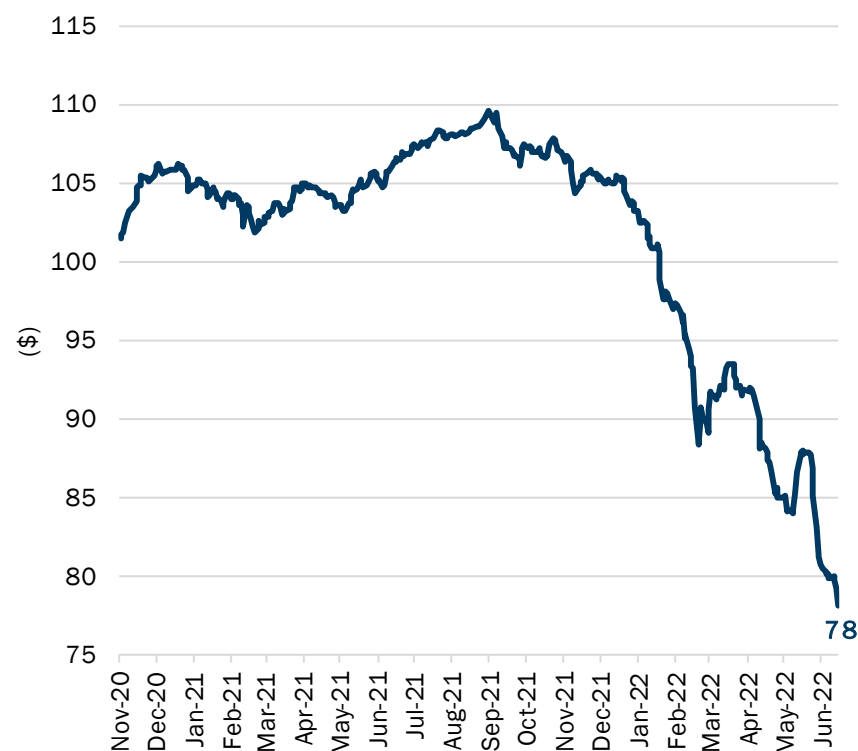
The Hybrid Capital Market Experienced its Worst Quarter Since the Start of the Pandemic

An Illustrative Example of an AT1 (Junior Subordinated) Perpetual Preferred Issued by a European Bank

Spread



Price



As of June 30, 2022.
Source: Bloomberg

MacKay Shields Core Plus CIT Statistics and Quality Ratings

Market Value: \$101.8 MM (Tulare)

June 30, 2022

Statistics	Portfolio	Bloomberg U.S. Aggregate Index
Yield to Worst	5.5%	3.7%
Duration	6.7 Years	6.4 Years
Average Quality	A/A2	AA1/AA2
Number of Holdings	609	12,563
Quality Ratings (%)		
Treasuries	19.3	40.5
Agencies	17.0	29.1
Aaa (including Cash)	9.3	4.2
Aa	2.6	2.7
A	12.9	10.7
Baa	28.4	12.7
Ba	8.4	0.0
B	1.8	0.0
Caa1 and Lower	0.1	0.0
Not-Rated	0.2	0.0

Market Value: \$123.1 MM (Tulare)

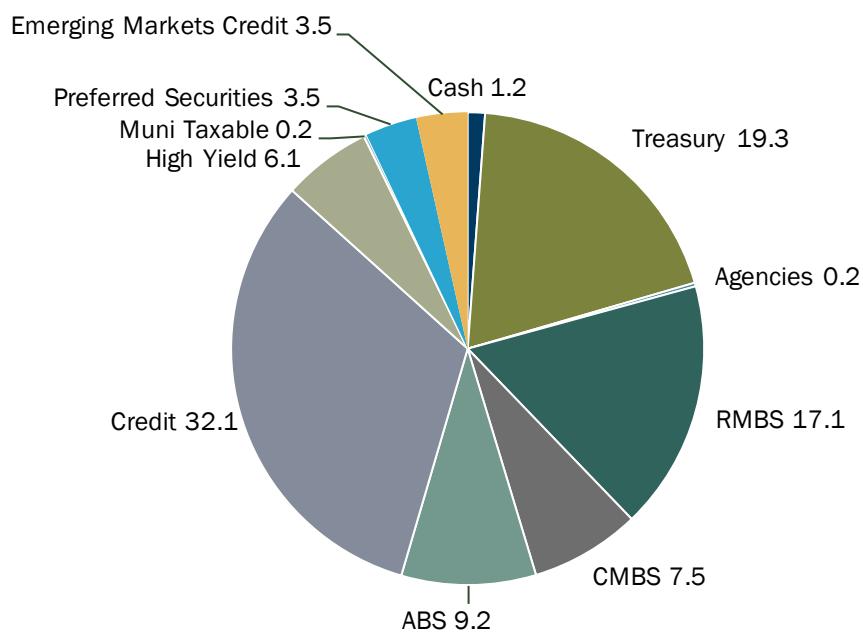
June 30, 2021

Statistics	Portfolio	Bloomberg Barclays U.S. Aggregate Index
Yield to Worst	1.9%	1.5%
Duration	6.6 Years	6.4 Years
Average Quality	A/A2	AA1/AA2
Number of Holdings	617	12,207
Quality Ratings (%)		
Treasuries	19.8	37.8
Agencies	11.5	28.8
Aaa (including Cash)	12.8	4.4
Aa	3.0	3.1
A	11.8	11.2
Baa	29.3	14.7
Ba	7.8	0.0
B	3.1	0.0
Caa1 and Lower	0.4	0.0
Not-Rated	0.4	0.0

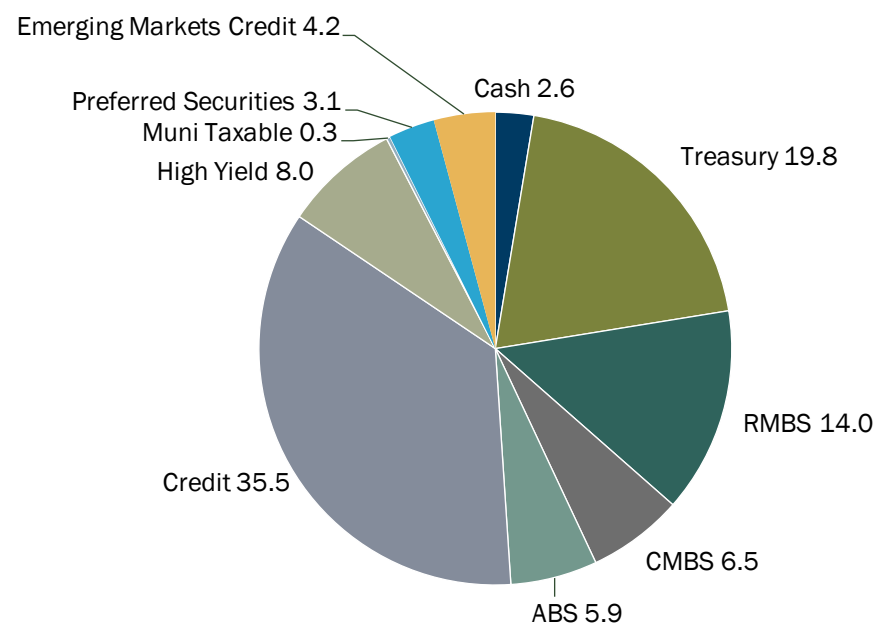
1. Please see the last page of this report for the Bloomberg credit quality disclosure and for important index disclosures.
This document is for informational purposes only. Portfolio holdings are subject to change without notice.

MackKay Shields Core Plus CIT Sector Breakdown

June 30, 2022 | % Market Value



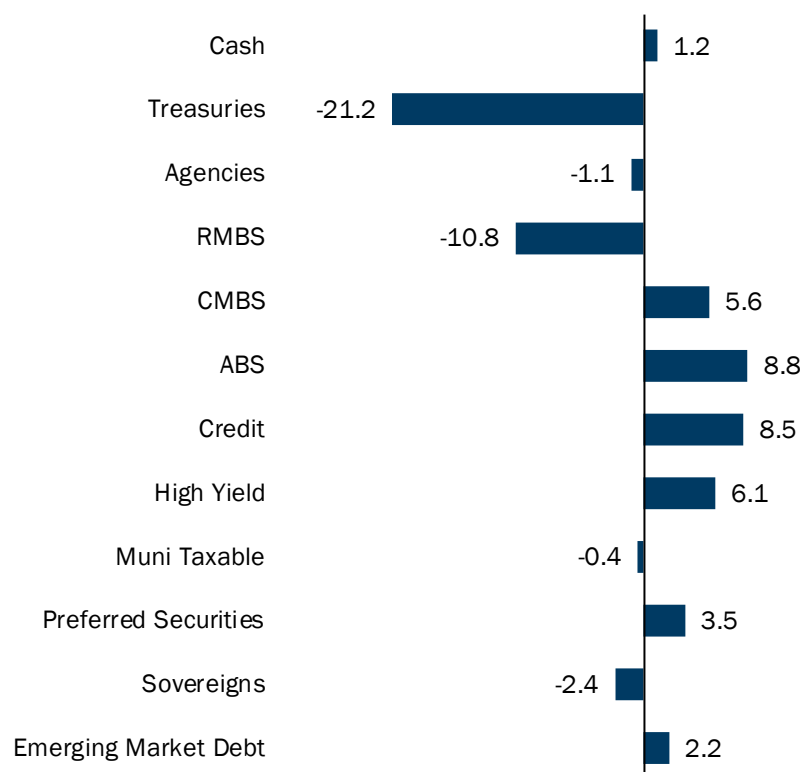
June 30, 2021 | % Market Value



Mackay Shields Core Plus CIT Characteristics

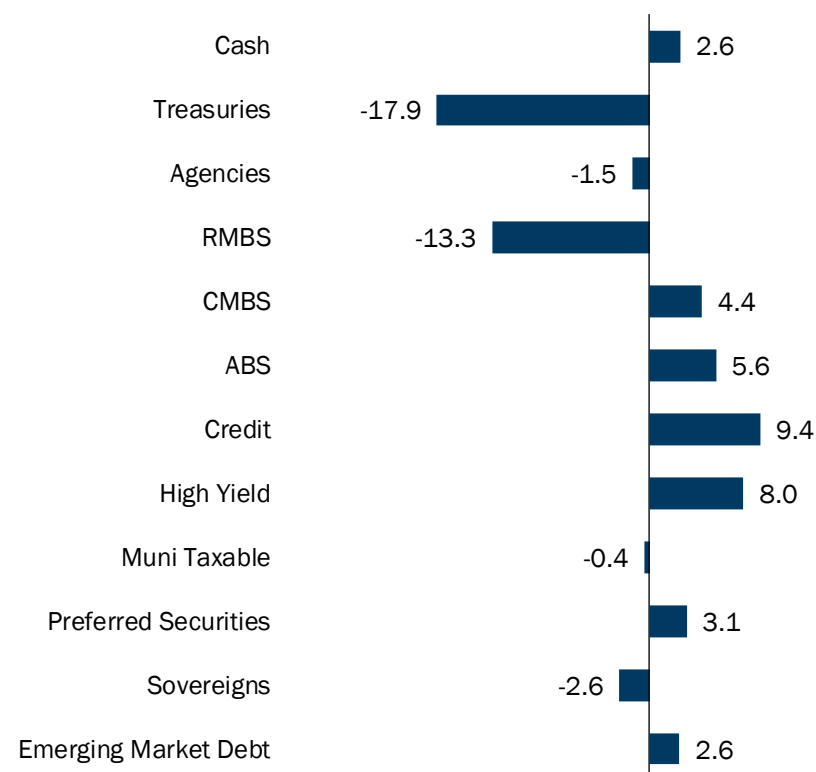
Portfolio Sector Breakdown | June 30, 2022

vs. Index¹ | % Market Value



Portfolio Sector Breakdown | June 30, 2021

vs. Index¹ | % Market Value



1. Bloomberg U.S. Aggregate Bond Index. Please refer to the last page of this report for important index disclosures.

ABS = Asset-Backed Securities; CMBS = Commercial Mortgage-Backed Securities; RMBS = Residential Mortgage-Backed Securities

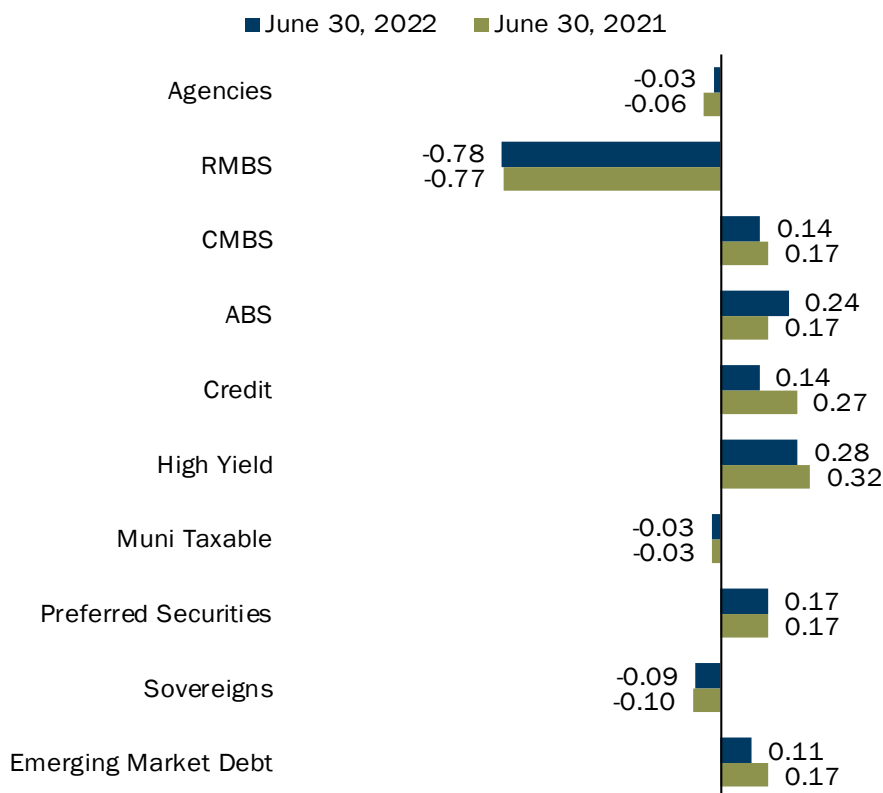
This document is for informational purposes only. Portfolio holdings are subject to change without notice.

MacKay Shields Core Plus CIT

Characteristics

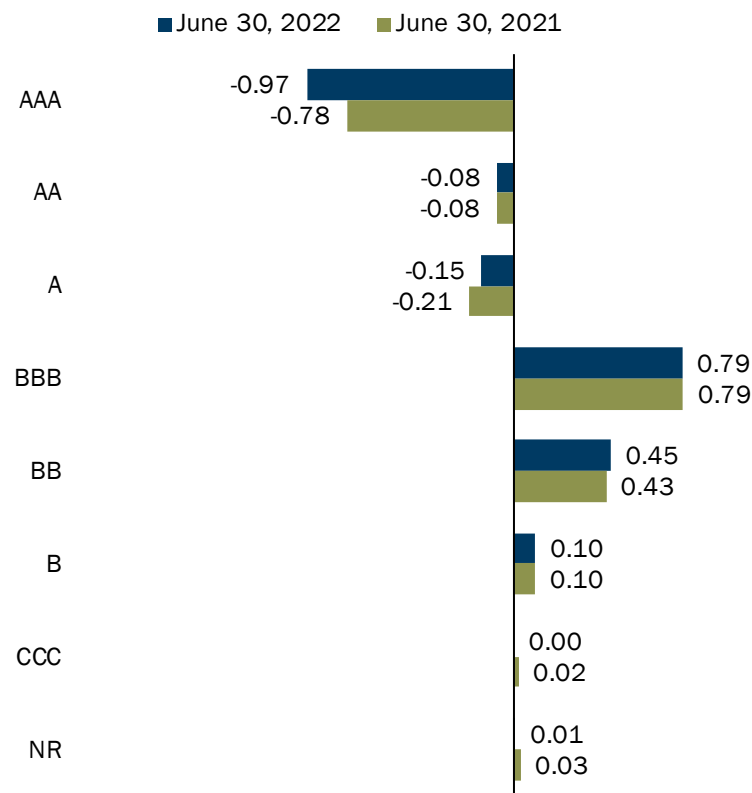
Relative Sector Exposure

Contribution to Spread Duration vs. Index¹



Relative Quality Exposure

Contribution to Spread Duration vs. Index¹



1. Index = Bloomberg U.S. Aggregate Bond Index

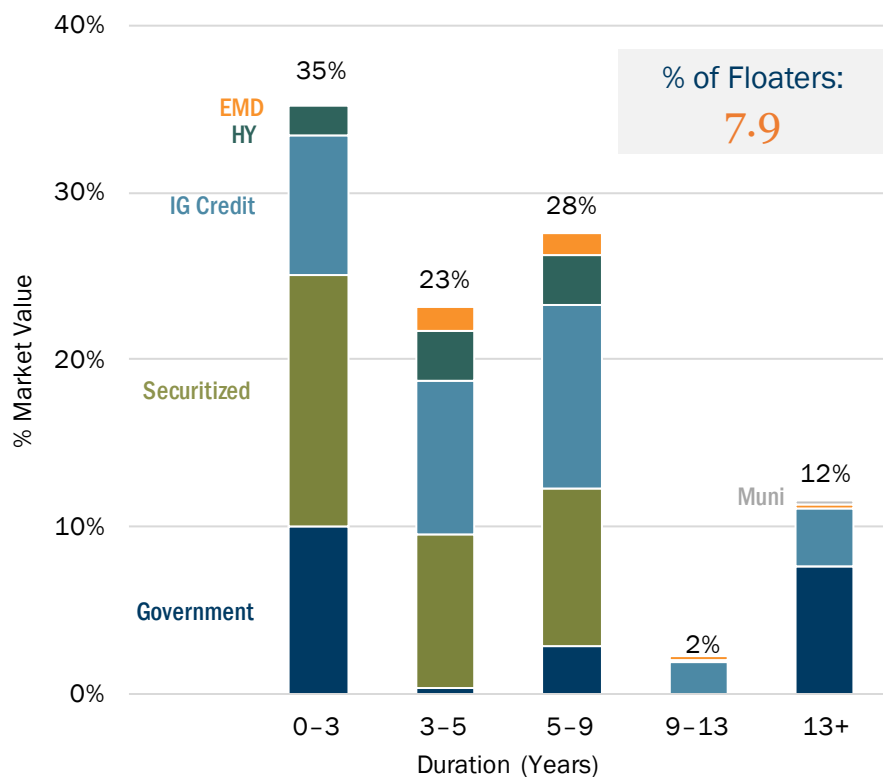
ABS = Asset-Backed Securities; CMBS = Commercial Mortgage-Backed Securities; RMBS = Residential Mortgage-Backed Securities

Please see the last page of this report for the Bloomberg credit quality disclosure and for important index disclosures.

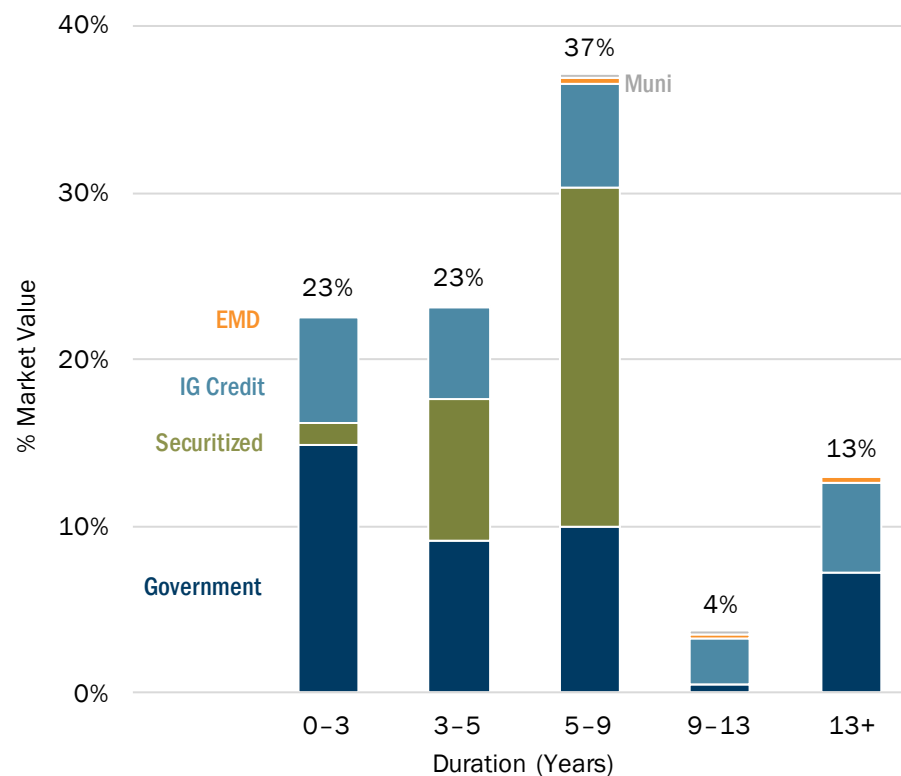
This document is for informational purposes only. Portfolio holdings are subject to change without notice.

MackKay Shields Core Plus CIT Characteristics

Core Plus CIT



Bloomberg US Aggregate Bond Index



Portfolio data excludes the use of futures.

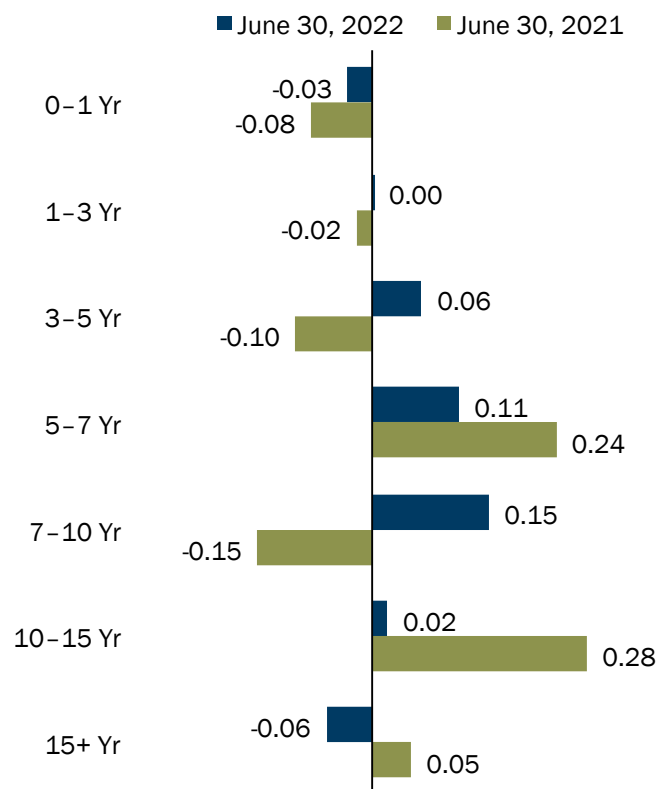
As of June 30, 2022. Please see the last page of this report for important index disclosures.

This document is for informational purposes only. Portfolio holdings are subject to change without notice.

MacKay Shields Core Plus CIT Characteristics

Duration Distribution

vs. Bloomberg U.S. Aggregate Bond Index



Regions¹

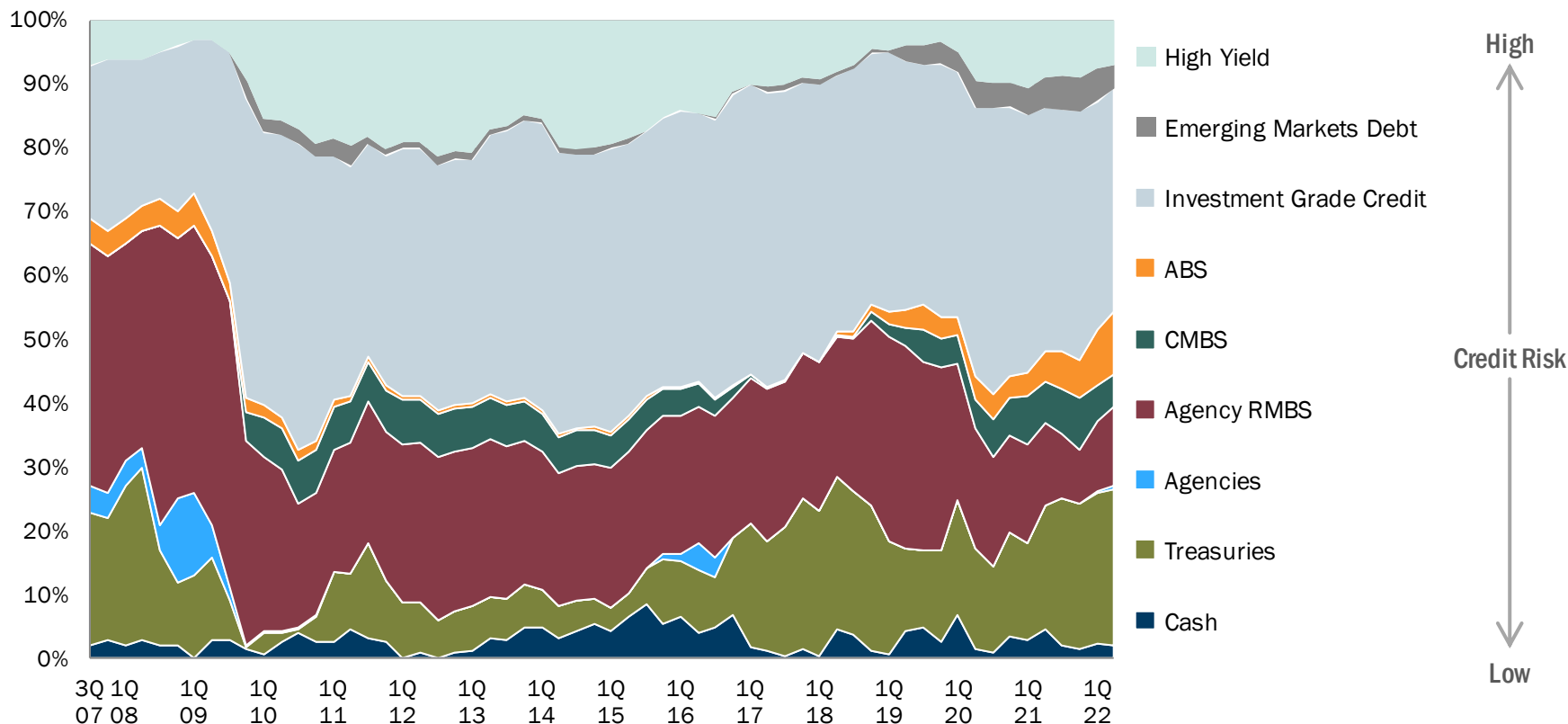
% Market Value

	Portfolio	Index ²
Developed Markets		
Canada	0.2	1.2
Europe	3.9	1.6
United Kingdom	2.3	1.0
United States	88.7	92.8
Other	1.4	2.2
Emerging Markets		
	3.5	1.3
Total	100.0	100.0

1. As of June 30, 2022. Bloomberg U.S. Aggregate Bond Index. Please see the last page of this report for important index disclosures. This document is for informational purposes only. Portfolio holdings are subject to change without notice.

Core Plus: Characteristics

Historical Quarterly Sector Allocations (%) | Period Ending June 30, 2022



Treasuries excludes the impact of Treasury futures; Cash includes cash offsets for derivatives

ABS: Asset-Backed Securities; CMBS: Commercial Mortgage-Backed Securities

The chart above illustrates the relative weightings of certain sectors in the representative account measured as of the last day of a quarter. The weighting of any one sector may be calculated by measuring the percent of such sector less the percent of the cumulative sectors beneath it.

On June 1, 2019 the representative portfolio was selected because it is the oldest separate account in the Core Plus Composite. Prior to June 1, 2019 and beginning on February 1, 2017 the representative portfolio was selected because it is the largest Core Plus portfolio in the Core Plus Composite that is not a commingled vehicle and that has overall guidelines that are consistent with MacKay Shields' standard Core Plus investment guidelines. Prior to January 31, 2017 the representative portfolio was selected because it was the oldest separate account in the Core Plus Composite. None of the representative portfolios were selected for performance reasons. Each client account is individually managed, actual holdings will vary for each client and there is no guarantee that a particular client's account will have the same characteristics. It may not precisely represent every portfolio in the composite. This document is for informational purposes only. Portfolio holdings are subject to change without notice.

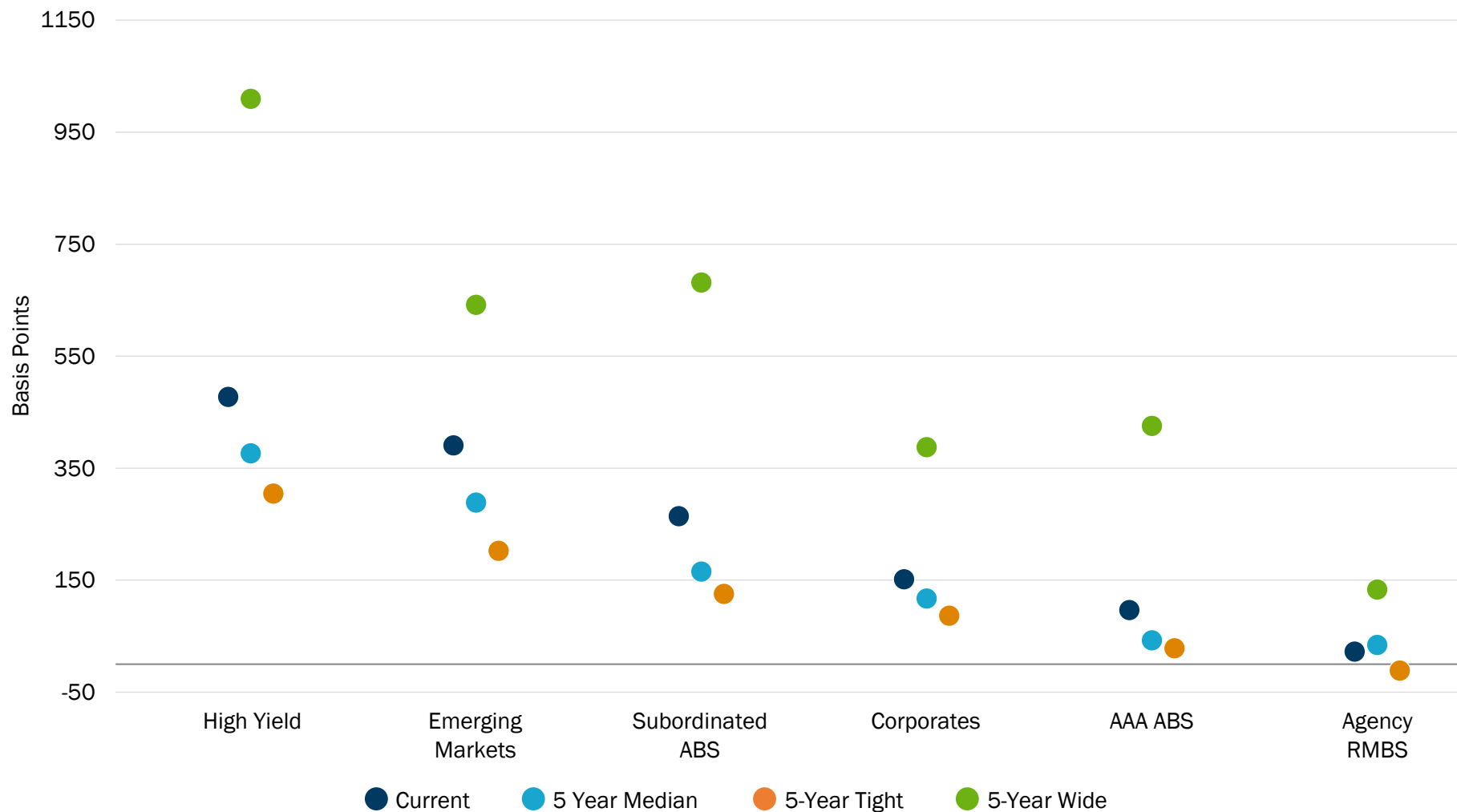
Outlook



Top 5 Insights: Mid-Year Review

Theme	Rationale	Positioning	Status
<p>Expect more volatility on the short-end of the yield curve</p> <p>1</p>	As the Federal Reserve combats inflation, we expect rates on shorter maturity bonds to move higher from current levels. Both the timing and magnitude of the move may prompt increased volatility in shorter-maturing bonds.	Portfolios were positioned to be underweight short maturity securities.	<p>ON TARGET</p> <p>Volatility on short maturities have increased significantly and yields on shorter maturity have risen more than longer maturity bonds.</p>
<p>Corporate Credit: Catch a “Rising Star”</p> <p>2</p>	We see 2022 as a year of positive ratings trajectories that will result in a higher volume of “rising stars” or companies upgraded to an investment grade rating (BBB-/Baa3 or higher).	Portfolios that permit sub-investment grade debt were positioned in select BB rated credits that we believed were rising star candidates or whose ratings trajectory was pointing to investment grade status.	<p>ON TARGET</p> <p>There has been \$61 billion in rising stars through the first 5 months of the year, according to Goldman Sachs. These upgrades, for which we have owned some, have been most prevalent in the energy, healthcare and food & beverage sectors.</p>
<p>Don’t Count the Consumer Out</p> <p>3</p>	U.S. consumers continue to be a bright spot in the economic recovery and remain poised to power future economic activity. The household obligation ratio and household debt to net worth - have fallen to their lowest levels in 40 years.	We favored asset-backed securities with more of a focus on consumer oriented collateral such as auto, credit card and time share receivable. Concerns around lower income consumers have led us to focus on the top of the capital stack in new deals originated this year.	<p>MIXED</p> <p>We are seeing a bifurcation between the lower income and the higher end consumers due to elevated inflation. Trends in spending and confidence warrant close attention.</p>
<p>A New Inflation Regime</p> <p>4</p>	Rising wages and housing costs suggest higher inflation in the years ahead; capital spending on renewable energy and carbon-neutral initiatives will likely be inflationary longer-term. Thus, we think it is unlikely that inflation returns to pre-COVID-19 levels.	Remained defensive to neutral on interest rate risk in the portfolios. Positive real yields, inflation fighting Fed and intermediate yields greater than the neutral rate have led us to increase interest rate exposures in portfolios.	<p>MIXED</p> <p>The near-term inflation environment has turned out to be even stronger than we anticipated, prompting the Fed to bring forward policy tightening considerably. Inflation will likely remain well above the Fed’s 2% objective through the end of next year, even as growth slows to below trend.</p>
<p>Housing Market Rolls On</p> <p>5</p>	We expect the supply/demand imbalance in housing to support price increases in 2022. Low inventories are likely to persist with little identifiable new sources coming to the market in the near term. Underwriting standards have improved and loan to value ratios have declined.	We adopted an underweight to prepayment risk (Agency RMBS) and an overweight to residential credit risk such as Single Family Rentals (SFRs) and Credit Risk Transfer (CRT) securities. We believe these securities provide attractive value given current housing and borrower dynamics.	<p>ON TARGET</p> <p>Higher mortgage rates have impacted affordability, but low supply continues to support home prices. Spreads on Agency pass-throughs have widened and mortgage credit has suffered from heavy supply. We have slowly added prepayment risk back into portfolios while staying active in mortgage credit.</p>

Current Valuations Relative to 5-Year Median

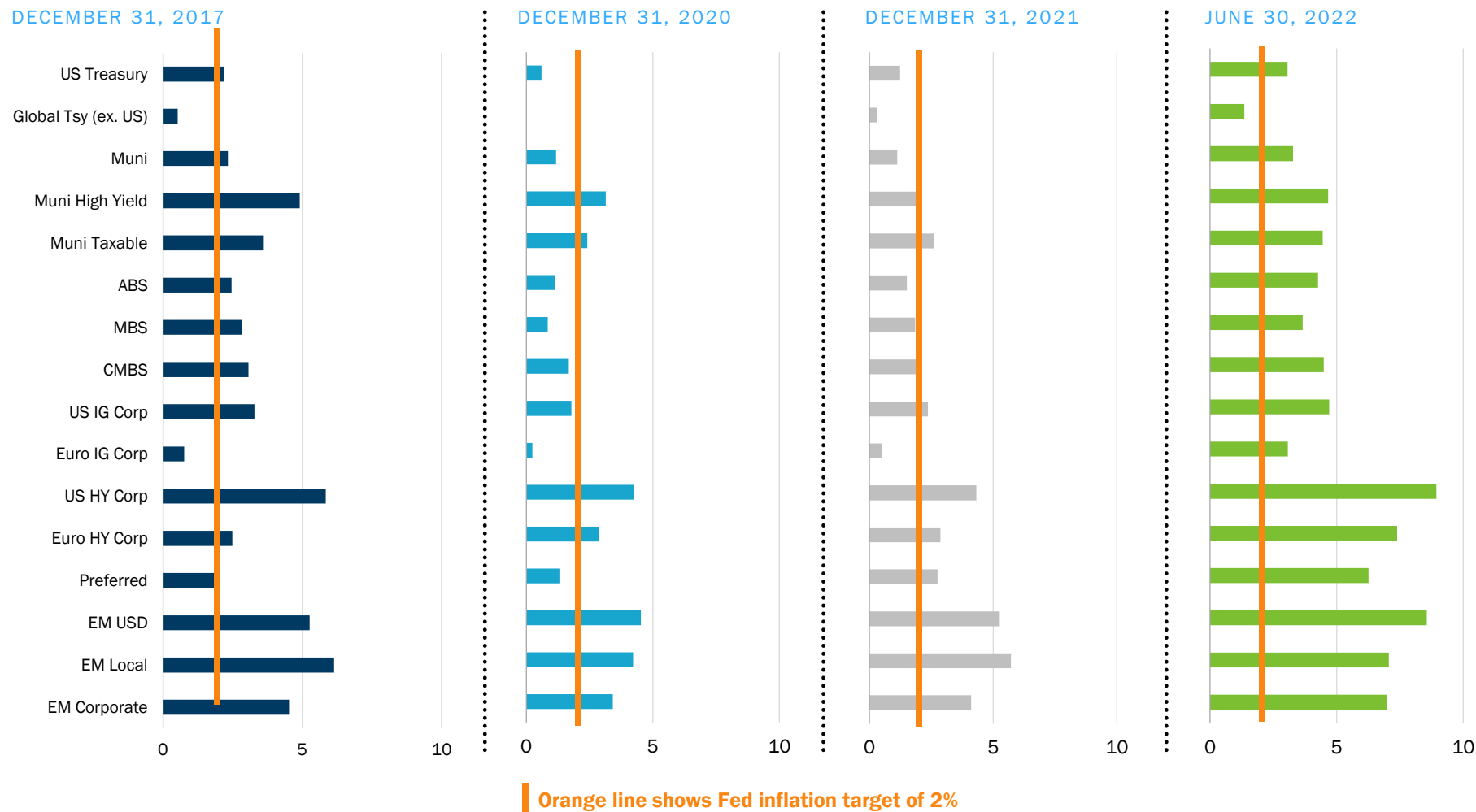


1. OAS = Options Adjusted Spread. Current OAS as of July 31, 2022.

Source: ICE data High Yield - ICE BofA US High Yield Index; Emerging Markets - ICE BofA US Emerging Markets External Debt Sovereign & Corporate Plus Index; Subordinated ABS - ICE BofA AA-BBB US Asset Backed Securities Index; Corporates - ICE BofA US Corporate Index; AAA ABS - ICE BofA AAA US Asset Backed Securities Index; Agency RMBS - ICE BofA US Mortgage Backed Securities Index

Return of Yield and Income

Yields



Source: Bloomberg, ICE Data, Credit Suisse, Palmer Square. Please see disclosures at the end of this presentation for additional information and index descriptions.

Appendix



MacKay Core Plus CIT – Fee Review

- The annual fee for the MacKay Core Plus CIT is 30 basis points. This fee is inclusive of management fees, operating costs and other fund-related expenses.

Global Fixed Income Portfolio Management

Stephen Cianci, CFA *Senior Managing Director*

Steve Cianci, CFA, is Co-Head of the Global Fixed Income team and a Senior Portfolio Manager. Steve is responsible for managing all Multi-Sector and related strategies and in addition, he is responsible for strategic initiatives as the team's business head. Prior to joining MacKay Shields in January 2018, he was with Aberdeen for 7 years where his responsibilities included Head of US Core Plus and Opportunistic fixed income on the North American Fixed Income team. Before joining with Aberdeen, Steve worked as Co-Head of Core and Core Plus fixed income strategies, lead portfolio manager for Short Duration products and the Head of Structured Products at Logan Circle Partners. Previously, he held similar roles as a Senior Vice President and Senior Portfolio Manager at Delaware Investments. He is an adjunct professor of finance and a member of the Business Advisory Council at Widener University.

Steve graduated with a MBA and BA from Widener University and is a CFA charterholder. He has been working in the investment industry since 1992.

Neil Moriarty *Senior Managing Director*

Neil Moriarty is Co-Head of the Global Fixed Income team and a Senior Portfolio Manager. Neil is responsible for managing all Multi-Sector and related strategies. Prior to joining MacKay Shields in January 2018, he was with Aberdeen via the 2005 acquisition of Deutsche Asset Management's London and Philadelphia fixed income businesses. While at Aberdeen, his responsibilities included Head of US Core, Structured Products and Co-Head of US Core Short Duration. Neil joined Deutsche in 2002 from Swathmore/Cypress Capital Management where he worked in fixed income portfolio management. Previously, he worked for Chase Securities in fixed income trading and research. Prior to that, Neil worked for Paine Webber in fixed income trading and research.

Neil graduated with a BA from University of Massachusetts, Amherst. He has been working in the investment industry since 1987.

Lesya Paisley, CFA *Director*

Lesya Paisley, CFA is a Portfolio Manager on the Global Fixed Income team. She is responsible for managing Multi-Sector strategies at MacKay Shields. Prior to joining MacKay Shields, Lesya served as Investment Director and ESG Portfolio Manager, North America at Aberdeen Standard Investments. She was responsible for managing US dollar strategies including Credit, Corporates, and Core/Core+ strategies and was instrumental in the firm's ESG policy and product development including Sustainable and Responsible Investment and Climate Transition Fund. Before Aberdeen, she worked at Deutsche Asset Management as a Credit Research Analyst. Combined, Lesya spent well over a decade in Credit Research covering a variety of sectors including Emerging Markets, High Yield, Investment Grade, and Municipals.

Lesya is a CFA charterholder and earned a BSc degree in Finance and Accounting from the University of Virginia, McIntire School of Commerce. She has been in the investment industry since 2003.

Global Fixed Income Portfolio Management

Steven E. Buckley *Managing Director*

Steve is a Client Portfolio Manager on the Global Fixed Income Team. In his role Steve is responsible for all institutional-related client matters and the business development needs of the team. Prior to joining MacKay Shields in 2009, Steve was Head of Investor Relations at DiMaio Ahmad Capital (DAC) LLC, a global multi-billion dollar credit hedge fund based in New York, where he managed the communication and servicing needs of the firm's limited partners. Before DAC LLC, Steve worked at JPMorgan Asset Management as a Client Portfolio Manager on the Global Fixed Income Team and earlier in his career he worked in forensic accounting for PricewaterhouseCoopers (PwC) LLP. Steve earned his BBA in Finance and Business Economics from the University of Notre Dame and his MBA from Villanova University. His career in the investment management industry began in 1997.

Thomas Musmanno, CFA *Managing Director*

Tom joined MacKay Shields in 2021 as a Client Portfolio Manager on the Global Fixed Income Team. He represents the portfolio process and acts as a key interface between the relationship team and the investment team for business development. Prior to joining MacKay, Tom was lead Portfolio Manager and head of the \$75 billion Short Duration business at BlackRock. He also served as a Portfolio Manager within the Global Fixed Income division at Merrill Lynch Investment Managers prior to it being acquired by BlackRock in 2006. Tom earned his Bachelors of Science in Finance from Siena College and his MBA in Finance from St. John's University and is a CFA charterholder. His career in the investment management industry began in 1991.

Macroeconomics

Steven M. Friedman *Managing Director*

Steve is a Managing Director and Co-Head of Macro and Quantitative Solutions. He also serves as Senior Macroeconomist for the Global Credit and Global Fixed Income teams and Chair of their Investment Policy Committee. Steve joined MacKay Shields from BNP Paribas Asset Management, where he served as a Senior Economist providing macroeconomic forecasts and scenario analysis for internal investment teams as an input into strategic and tactical asset allocation. Prior to that, Steve spent fifteen years at the Federal Reserve Bank of New York, where he held a variety of senior roles including Director of Market Analysis and Director of Foreign Exchange and Investments. Steve received his BA from Wesleyan University and holds master's degrees from Johns Hopkins – School of Advanced International Studies and Columbia Business School. He has been in the investment industry since 1998.

Marketing & Client Service

Beth Griper

*Managing Director
Head of Client Relations*

Beth serves as the Head of Client Relations, where she is responsible for managing the firm's day-to-day relationships with clients, consultants and private fund investors. Beth is also Co-Head of ESG, Integration and Operations where she leads the firm's efforts in ESG Integration and Operations, ensuring comprehensive understanding and execution of ESG-related client mandates as well as efficient assimilation of ESG processes throughout MacKay's business. Beth joined MacKay Shields in 2007 as a Director in the Institutional Client Service Division. Prior to joining MacKay Shields, she was a Director within the Global Corporate Client Group at NYSE Euronext. Beth also spent six years with Zurich Financial Services Group as a Business Development Analyst working with institutional and high net worth clients. Prior to that, Beth was with Credit Suisse First Boston and Shearman & Sterling. She received an MBA in Finance and Economics from New York University's Leonard N. Stern School of Business and a BA in International Relations and German from Bucknell University. Beth's career in the financial service industry began in 1996.

Hume Najdawi

*Director
Head of Investor Relations*

Hume joined MacKay Shields in 2021 as Head of Investor Relations and a Director of Client Service. Prior to joining the firm, he was the Global Head of Client Services and Operations for Private Capital and Alternatives at MetLife Investment Management (MIM), with responsibility for relationship management, client onboarding, reporting, change management, data, and operations. Previously, Hume was an Associate Director of Client Services for Public Fixed Income at MIM having joined in 2017 in connection with the acquisition of Logan Circle Partners (LCP) in 2017. Hume joined LCP in 2012 as a member of the Operations team and prior to LCP was a Senior Associate at BNY Mellon and an Analyst at PNC. He has a B.S. in Finance and Accounting from the University of Pittsburgh, holds the Series 7 and Series 66 licenses, and has been in the investment management industry since 2008.

Mary Ellen Sadim

*Director
Client Service Representative*

Mary Ellen joined MacKay Shields in 2009 as an Associate Director and Portfolio Analyst in the High Yield Active Core Division. In July 2011, Mary Ellen moved into our Client Service division as a Client Representative focusing on Global Fixed Income clients while supporting our Product Specialists. She was previously a Director at AG Asset Management, formerly ForstmannLeff. Mary Ellen originally joined ForstmannLeff in 1997 as part of the ForstmannLeff lift-out of the UBS Fixed Income Group. The UBS Fixed Income Group contained the same senior level individuals who currently comprise the High Yield Active Core team at MacKay Shields. Over her career, she has been responsible for performance analysis, money market analysis, client relationships, and has also been a high yield account assistant. Mary Ellen received a B.B.A. in Finance from Cleveland State University and has been in the investment industry since 1987.

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The following benchmarks may be referred to in this presentation:

Bloomberg Emerging Markets Aggregate Corporate Index

The Bloomberg Emerging Markets Aggregate Corporate Index is a flagship hard currency Emerging Markets debt benchmark that includes USD denominated debt from sovereign, quasi-sovereign, and corporate EM issuers. The index is broad-based in its coverage by sector and by country, and reflects the evolution of EM benchmarking from traditional sovereign bond indices to Aggregate-style benchmarks that are more representative of the EM investment choice set. Country eligibility and classification as an Emerging Market is rules-based and reviewed on an annual basis using World Bank income group and International Monetary Fund (IMF) country classifications.

Bloomberg Global Aggregate Corporate Index

The Bloomberg Global Aggregate Corporate Index is a flagship measure of global investment grade, fixed-rate corporate debt. This multi-currency benchmark includes bonds from developed and emerging markets issuers within the industrial, utility and financial sectors. You cannot invest directly in an index.

Bloomberg Pan European Aggregate Index

Covers eligible investment grade securities from the entire European continent. The primary component is the Bloomberg Euro-Aggregate Index. In addition, the Bloomberg Pan-European Aggregate Index includes eligible securities denominated in British pounds (GBP), Swedish krona (SEK), Danish krone (DKK), Norwegian krone (NOK), Czech koruna (CZK), Hungarian forint (HUF), Polish zloty (PLN), Slovenian Tolar (SIT), Slovakian koruna (SKK), and Swiss franc (CHF). Apart from the currency constraint, the inclusion rules for the Pan-European Index are identical to those of the Bloomberg Euro-Aggregate Index.

Bloomberg U.S. Aggregate Bond Index

The Bloomberg U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment-grade, U.S.-dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities, and commercial mortgage-backed securities.

Bloomberg U.S. Corporate Investment Grade Index

The Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Bloomberg U.S. Corporate Investment Grade Index

The Bloomberg US Corporate Bond Index measures the investment grade, fixed-rate, taxable corporate bond market. It includes USD denominated securities publicly issued by US and non-US industrial, utility and financial issuers.

Bloomberg U.S. Treasury Index

The Bloomberg U.S. Treasury Index is an unmanaged index of prices of U.S. Treasury bonds with maturities of 1 to 30 years. You cannot invest directly in an index.

Bloomberg U.S. Universal Index

The Bloomberg U.S. Universal Index represents the union of the U.S. Aggregate Index, U.S. Corporate High Yield Index, Investment Grade 144A Index, Eurodollar Index, U.S. Emerging Markets Index, and the non-ERISA eligible portion of the CMBS Index. The index covers USD-denominated, taxable bonds that are rated either investment grade or high-yield. Some U.S. Universal Index constituents may be eligible for one or more of its contributing subcomponents that are not mutually exclusive. These securities are not double-counted in the index.

Credit Suisse Leveraged Loan Index

The Credit Suisse Leveraged Loan Index is a representative index of tradable, senior secured, U.S. dollar-denominated non-investment grade loans.

ICE BofA Euro High Yield Index

ICE BofA Euro High Yield Index tracks the performance of EUR denominated below investment grade corporate debt publicly issued in the euro domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch) and at least 18 months to final maturity at the time of issuance. In addition, qualifying securities must have at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of EUR 250 million. Original issue zero coupon bonds, "global" securities (debt issued simultaneously in the eurobond and euro domestic markets), 144a securities and pay-in-kind securities, including toggle notes, qualify for inclusion in the Index. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities in legal default, equity-linked and euro legacy currency securities are excluded from the Index. Securities issued or marketed primarily to retail investors do not qualify for inclusion in the index.

ICE BofA Global Corporate Index

ICE BofA Global Corporate Index tracks the performance of investment grade corporate debt publicly issued in the major domestic and eurobond markets. Qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date and a fixed coupon schedule. Qualifying currencies and their respective minimum size requirements (in local currency terms) are: AUD 100 million; CAD 100 million; EUR 250 million; JPY 20 billion; GBP 100 million; and USD 250 million. Original issue zero coupon bonds and pay-in-kind securities, including toggle notes, also qualify for inclusion. Callable perpetual securities qualify provided they are at least one year from the first call date. Fixed-to-floating rate securities also qualify provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Equity-linked securities, securities in legal default, hybrid securitized corporates, taxable and tax-exempt US municipal securities and RD-eligible securities are excluded from the index.

ICE BofA Global High Yield Index

ICE BofA Global High Yield Index tracks the performance of USD, CAD, GBP and EUR denominated below investment grade corporate debt publicly issued in the major domestic or eurobond markets. Qualifying securities must have a below investment grade rating (based on an average of Moody's, S&P and Fitch), at least 18 months to final maturity at the time of issuance, at least one year remaining term to final maturity as of the rebalancing date, a fixed coupon schedule and a minimum amount outstanding of USD 250 million, EUR 250 million, GBP 100 million, or CAD 100 million. Original issue zero coupon bonds, eurodollar bonds, 144a securities (with and without registration rights), and pay-in-kind securities (including toggle notes) are included in the index. Callable perpetual securities are included provided they are at least one year from the first call date. Fixed-to-floating rate securities are included provided they are callable within the fixed rate period and are at least one year from the last call prior to the date the bond transitions from a fixed to a floating rate security. Contingent capital securities ("cocos") are excluded, but capital securities where conversion can be mandated by a regulatory authority, but which have no specified trigger, are included. Other hybrid capital securities, such as those issues that potentially convert into preference shares, those with both cumulative and non-cumulative coupon deferral provisions, and those with alternative coupon satisfaction mechanisms, are also included in the index. Securities issued or marketed primarily to retail investors, equity-linked securities, securities in legal default, hybrid securitized corporates, taxable and tax-exempt US municipal securities and DRD-eligible securities are excluded from the index.

ICE BofA High Yield Emerging Markets Corporate Plus Index

ICE BofA High Yield Emerging Markets Corporate Plus Index is a subset of The ICE BofA Emerging Markets Corporate Plus Index including all securities rated BB1 or lower. ICE Bank of America High Yield Master II Index tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. To qualify for inclusion in the index, securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long term sovereign debt ratings). Each security must have greater than 1 year of remaining maturity, a fixed coupon schedule, and a minimum amount outstanding of \$100 million.

ICE BofA High Yield Master II Index

ICE Bank of America High Yield Master II Index tracks the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. To qualify for inclusion in the index, securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long term sovereign debt ratings). Each security must have greater than 1 year of remaining maturity, a fixed coupon schedule, and a minimum amount outstanding of \$100 million.

ICE BofA U.S. Corporate Index

The ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar denominated investment grade corporate debt publicly issued in the U.S. domestic market. You cannot invest directly in an index.

Credit Rating Disclosures

ICE BofA Credit Ratings Disclosure (for index)

ICE BofA utilizes its own composite scale, similar to those of Moody's, S&P and Fitch, when publishing a composite rating on an index constituent (eg. BBB3, BBB2, BBB1). Index constituent composite ratings are the simple averages of numerical equivalent values of the ratings from Moody's, S&P and Fitch. If only two of the designated agencies rate a bond, the composite rating is based on an average of the two. Likewise, if only one of the designated agencies rates a bond, the composite rating is based on that one rating.

Bloomberg Credit Rating Disclosure (for index)

For rated securities, credit quality for index classification purposes is assigned as the middle rating of Moody's, S&P and Fitch; when a rating from only two agencies is available, the lower is used; when only one agency rates a bond, that rating is used.



KKR

KKR CREDIT

KKR MEZZANINE PARTNERS I L.P. UPDATE

*PREPARED FOR TULARE COUNTY EMPLOYEES RETIREMENT
ASSOCIATION*

SEPTEMBER 2022

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Past performance is no guarantee of future results.

Any indices referred to in this presentation are used for purposes of comparison to the performance of certain capital markets. The market index returns assume that on the day a portfolio investment is made, a hypothetical investment in a matching amount is made in the given index. For each date on which either a portion or all of the portfolio investment is sold, a hypothetical index multiple (factor) is calculated by comparing the change in index value between the two dates. The cost of the investment sold (or portion of cost sold) is multiplied by this factor, resulting in a hypothetical index value. The return is calculated using these dates of investment and hypothetical value(s) generated. The return figures for each index do not reflect the deduction of any taxes, expenses, transaction costs or advisory fees. Broad-based securities indices are unmanaged and are not subject to fees and expenses typically associated with investing in a Fund. It is not possible to invest directly in an unmanaged index. The performance of the indices represents unmanaged, passive buy-and-hold strategies, investment characteristics and risk/return profiles that differ materially from those of the Fund, and an investment in the Fund is not comparable to an investment in such index or in the securities that comprise the index. Further, the indices referred to herein are not used or selected by KKR Credit as an appropriate benchmark to compare relative to the performance of the Fund’s strategy, but rather they are included herein solely because they are well-known and widely-recognized indices that embody investments with materially less risk than an investment in a Fund.

The “S&P LSTA” is a daily tradable index for the U.S. loan market that seeks to mirror the market-weighted performance of the largest institutional loans that meet the inclusion criteria and that have marks from the LSTA/LPC mark-to-market service. The inclusion criteria consist of the following: i) syndicated term loan instruments consisting of term loans (both amortizing and institutional), acquisition loans (after they are drawn down) and bridge loans; ii) secured; iii) U.S. dollar denominated; iv) minimum term of one year at inception; and v) minimum initial spread of LIBOR plus 1.25%. For more information on the S&P LSTA, please visit <http://www.lsta.org/MarketDataContent.aspx?id=4636>. Unless otherwise indicated, all S&P LSTA performance data is as of the date provided.

The S&P 500 is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The BAML HY Master II is an index for high yield corporate bonds. It is designed to measure the broad high yield market, including lower-rated securities. The JP Morgan EMBI Global Index is an unmanaged index that tracks total returns for dollar-denominated Brady Bonds, Eurobonds, traded loans and local market debt instruments issues by sovereign and quasi-sovereign entities of emerging markets countries.

The Barclays Aggregate is an index that measures the performance of the U.S. investment grade bond market. The index covers a wide spectrum of public, investment-grade, taxable, fixed income securities in the United States - including government, corporate, and international dollar-denominated bonds, as well as mortgage-backed and asset-backed securities, all with maturities of more than 1 year.

Important Information

Target returns included in this Presentation are hypothetical in nature and are shown for illustrative, informational purposes only. This material is not intended to forecast or predict future events, but rather to indicate the returns for the asset classes listed herein that KKR Credit has observed in the market generally. It does not reflect the actual or expected returns of any portfolio strategy pursued by any KKR investment fund or account and does not guarantee future results. The target returns are based upon KKR Credit's view of the potential returns for investments of the asset classes described herein, are not meant to predict the returns for any investment funds or accounts managed by KKR Credit, and are subject to assumptions regarding a number of factors considered by KKR including, for example, KKR Credit's observed and historical market returns relevant to the applicable asset class, projected cash flows, projected future valuations of target assets and businesses, relevant other market dynamics (including interest rate and currency markets), anticipated contingencies, and regulatory issues. Certain of the assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the target returns have been stated or fully considered. Changes in the assumptions may have a material impact on the projected returns presented. All target return data is shown before fees, transactions costs and taxes and does not account for the effects of inflation. Management fees, transaction costs, and potential expenses are not considered and would materially reduce returns.

Actual results experienced by investors may vary significantly from the hypothetical illustrations shown. Actual returns of any KKR investment fund or account will depend on, among other factors, future operating results, the value of portfolio assets and market conditions at the time of disposition, legal and contractual restrictions on transfer that may limit liquidity, any related transaction costs and the timing and manner of sale.

Certain information contained in this Presentation constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "seek," "expect," "anticipate," "project," "estimate," "intend," "continue," "target," "plan," "believe," the negatives thereof, other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of any KKR investment fund or account may differ materially and adversely from those reflected or contemplated in such forward-looking statements. Certain information contained herein relating to KKR's private credit strategy targets, intentions, or expectations, including with respect to the structure and terms of investments and the size and type of individual investments (as applicable) is subject to change, and no assurance can be given that such targets, intentions or expectations will be met.

References to "KKR Capstone" or "Capstone" are to all or any of KKR Capstone Americas LLC, KKR Capstone EMEA LLP, KKR Capstone EMEA (International) LLP, KKR Capstone Asia Limited and their Capstone-branded subsidiaries, which employ operating professionals dedicated to supporting KKR deal teams and portfolio companies. KKR acquired KKR Capstone effective January 1, 2020. References to operating executives, operating experts, or operating consultants (if any) are to such employees of KKR Capstone. In this Presentation, any views and other statements regarding the impact of initiatives in which KKR Capstone has been involved are based on KKR Capstone's internal analysis and information provided by the applicable portfolio company or other issuer. Such views and statements are based on estimates regarding the impact of such initiatives that have not been verified by a third party and are not based on any established standards or protocols. They can also reflect the influence of external factors, such as macroeconomic or industry trends, that are unrelated to the initiative presented.

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Important Information

Participation of KKR private markets personnel, KKR Capital Markets, KKR Capstone personnel, senior advisors and industry advisors in the public markets investment process is subject to applicable law and inside information barrier policies and procedures, which may limit the involvement of such personnel in certain circumstances and KKR Credit's ability to leverage such integration with KKR. Discussions with senior advisors, industry advisors, KKR advisors and employees of KKR's managed portfolio companies are also subject to the inside information barrier policies and procedures, which may restrict or limit discussions and/or collaborations with KKR Credit.

References to KKR's or KKR Credit's "assets under management" or "AUM" represent the assets managed by KKR (or KKR Credit as applicable) or its strategic partners as to which KKR is entitled to receive a fee or carried interest (either currently or upon deployment of capital) and general partner capital. KKR calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of KKR's investment funds; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which KKR is currently not earning management fees or carried interest; (iii) the fair value of investments in KKR's co-investment vehicles; (iv) the par value of outstanding collateralized loan obligation vehicles ("CLOs") (excluding CLOs wholly owned by KKR); (v) KKR's pro rata portion of the AUM managed by strategic partnerships in which KKR holds a minority ownership interest; and (vi) the fair value of other assets managed by KKR. The pro rata portion of the AUM managed by strategic partnerships is calculated based on KKR's percentage ownership interest in such entities multiplied by such entities' respective AUM. KKR's calculation of AUM may differ from the calculations of other asset managers and, as a result, KKR's measurements of its AUM may not be comparable to similar measures presented by other asset managers. KKR's definition of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts that it manages and is not calculated pursuant to any regulatory definitions.

References in this Presentation to "Gross IRR" and "Gross Multiple" or "MoM" of any KKR investment fund or account are to the aggregate, compound, annual internal rate of return or multiple of invested capital, respectively, calculated on the basis of cash flows to and from all investors therein, but disregarding carried interest, management fees, taxes and organizational expenses payable by investors (whether actually paid or, including in respect of carried interest on unrealized investments, accrued), which will reduce returns to investors in any KKR investment fund or account and, in the aggregate, are expected to be substantial.

Calculations of Gross IRR at the investment or asset level use the date of the relevant investment without regard to whether the investment was initially funded by investor contributions or by borrowings under a revolving credit facility to be subsequently repaid with investor contributions. Calculations of Gross IRR at the investment fund or account level use the scheduled date of contribution by the investment fund or account investors to the investment fund or account for the relevant investments (i.e., the due date for the relevant capital call notices). Generally, if calculations of Gross IRR at the investment fund or account level used the dates of each investment rather than the dates of each contribution by the investment fund or account investors, then the Gross IRR would be lower since internal rate of return calculations are time-weighted and the relevant calculation would incorporate longer periods of time during which capital is deployed. Calculations of Gross IRR at the investment fund or account level use the date of distribution of investment proceeds from the relevant investment fund or account to investors with respect to each investment (i.e., the date the investment fund or account wires cash to investors or such cash is deemed distributed).

In the case of unrealized investments, the Gross IRR and Gross Multiples or MoMs are based on internal valuations by KKR Credit of unrealized investments as of the applicable date. Actual returns realized by such investments or portions thereof will depend on, among other factors, future operating results, the value of the assets, and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the KKR's valuations used in the above performance data are based. Accordingly, the actual realized return of these unrealized investments may differ materially from the returns indicated herein.

In calculating multiples of invested capital, KKR uses figures for the cost and total value of investments that have been rounded to the nearest \$100,000.

Model Performance:

The KKR Credit Global Mezzanine historic deals represents the performance of KKR's junior debt investments across KKR's global Private Credit platform where the borrower had EBITDA of more than \$50m, the borrower was not involved in B2C Retail or Energy; and the investments were made in performing businesses (i.e. Rescue financings that overlapped with KKR's Special Situations strategy have been excluded) from 2010 to present. The model performance presented is based upon the following assumptions: for unrealised deals, KKR's Deal Exit Analysis figures have been shown for IRR. For Realised deals, the actual asset level IRR has been shown. The IRRs figures themselves are the unlevered asset level return for each investment. The actual experience that any investor may have received would have differed from that asset level IRR depending on the type of vehicle that was used to purchase that asset (e.g. levered vs unleveraged vehicle, management fees on that particular vehicle). We believe that the asset level IRR is the clearest way for investors to compare performance across the pool of assets. KKR's internal analysis is performed by KKR's risk team, in conjunction with the relevant deal team members, where they model the potential cashflows and exit price on an investment based on current expected timing of investment to be realised. This analysis is then used by the Portfolio Managers to help better understand the future direction of a fund's performance. The strategy's first investment in junior debt was in 2010 so no data is available prior to that point.

Certain of the assumptions have been made for modelling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Actual performance may differ substantially from the model performance presented. Changes in the assumptions may have a material impact on the model returns presented. Other periods selected may have different results, including losses. There can be no assurance that any investor will achieve profits or avoid incurring substantial losses. In fact, there are frequently sharp differences between model performance results and actual results subsequently achieved by a particular investment product and portfolio.

KKR

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KKR CREDIT OVERVIEW

KKR Overview

Established in 1976, KKR is a global investment firm with industry-leading investment experience, a pioneering attitude to ESG management and a strong culture committed to teamwork

Private Equity & Real Assets

490+ investment professionals
(\$285bn AUM)

Capital Markets

70+ capital markets professionals

KKR Credit

~180 investment professionals
(\$178bn AUM)

Strategic Partnerships

(\$27bn AUM)

45+ Years

of investment experience

\$491BN AUM

invested in the public (\$205B) and private markets (\$285B)

2,000+ employees

including 660+ investment professionals

Multi-asset expertise

across private equity, real estate, infrastructure, and credit

21 offices

on 4 continents serving local markets

\$25BN invested

alongside our clients from KKR and employees in our own products⁽¹⁾

Note: All information as of June 30, 2022 unless otherwise noted. Please refer to "Important Information" for further details regarding the calculation of AUM. (1) Includes investments /commitments made by KKR's balance sheet, KKR employees, KKR Capstone, and other affiliates. Investments made by current and former KKR employees and KKR Capstone are retained by those individuals personally. Includes unfunded commitments made by individuals. (2) Represents KCM refinancings for KKR portfolio companies since 2009 as of June 30, 2022.

KKR Credit

\$178BN TOTAL KKR CREDIT ASSETS

~180 PROFESSIONALS ACROSS **9** CITIES IN **7** COUNTRIES

Leveraged Credit

\$97.2BN

Leveraged Loans
High Yield Bonds
Multi-Asset Class Credit
Opportunistic Credit
Structured Credit

Private Credit

\$71.3BN

Corporate Credit
Asset-Based Finance

Strategic Investments

\$9.8BN

Capital Solutions
Opportunistic
Cross Asset Class

\$1.4BN Invested alongside clients by KKR
Balance Sheet and KKR Employees¹

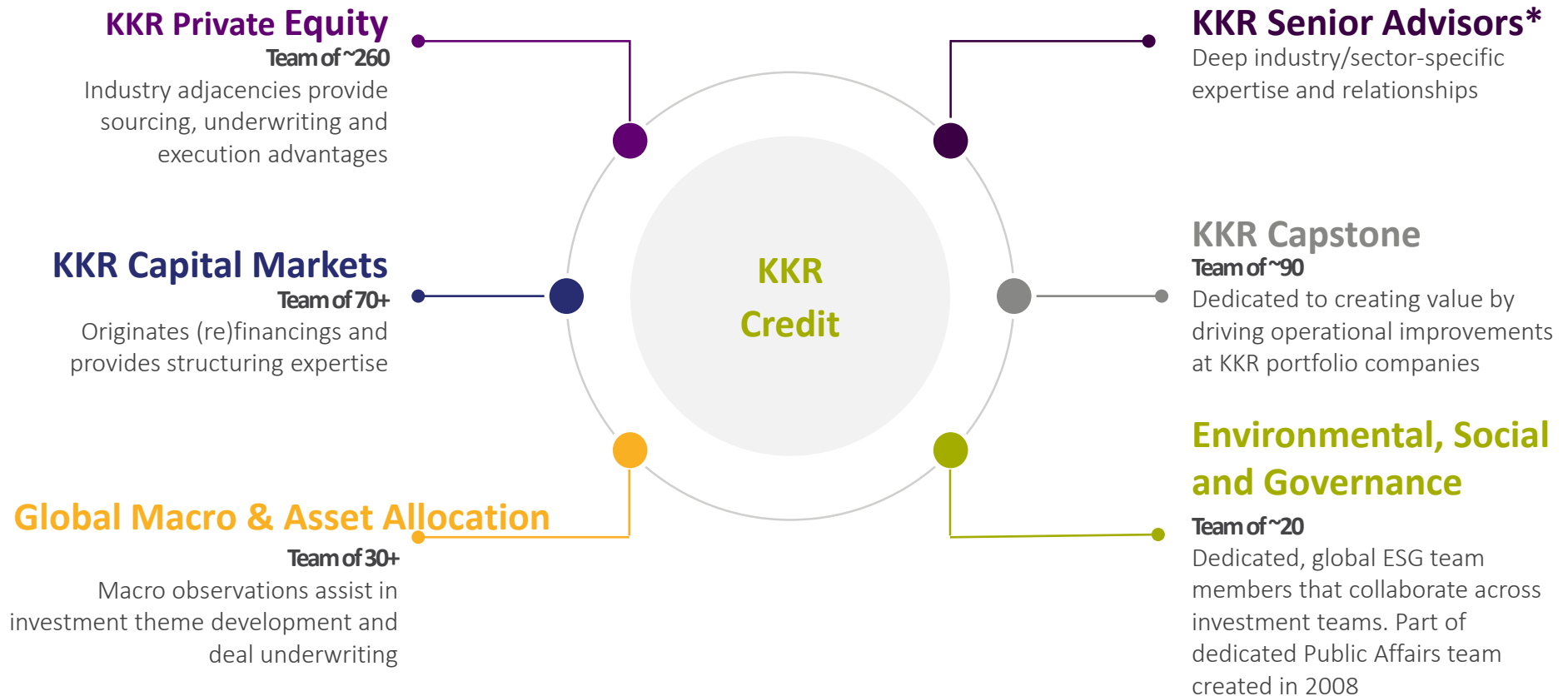
\$1.0BN Invested alongside clients by KKR
Balance Sheet and KKR Employees¹

\$1.1BN Invested alongside clients by KKR
Balance Sheet and KKR Employees¹

Note: All information as of June 30, 2022 unless otherwise noted. Please refer to "Important Information" for additional detail on the calculation of AUM. (1) Includes investments /commitments made by KKR's balance sheet, KKR employees, KKR Capstone, and other affiliates, as of June 30, 2022. Investments made by current and former KKR employees and KKR Capstone are retained by those individuals personally. Includes unfunded commitments made by individuals.

KKR Credit Leverages the Firm's Resources and Capabilities

The whole firm is used to enhance origination, underwriting and portfolio management



CONNECTING THE DOTS – A ONE-FIRM APPROACH

Note: As of June 30, 2022. Please see "Important Information" at the beginning of this presentation for additional disclosure regarding KKR's internal information barrier policies and procedures, which may limit the involvement of certain personnel in some investment discussions.

KKR Credit Investment Philosophy

KKR Credit utilizes a fundamental investment approach and leverages proprietary resources to seek out long-term capital appreciation and attractive risk-adjusted returns



Proprietary Sourcing

- “Single-platform sourcing”
- Long-standing relationships with a wide network of issuers
- Valued client to Investment Banks with a network of PE sponsors, banks and trading desks
- Direct corporate sourcing effort leveraging all of KKR relationships
- Experienced, dedicated sourcing professionals
- Ability to leverage the full KKR Business Platform and its network, including the Senior Advisor network and KKR Capstone



Capital Preservation

- Steward investors’ capital as if it were our own
- Recognize that credit investing comes with limited upside (par) and asymmetric downside risk
- Require detailed, proprietary research for any credit considered for portfolio inclusion
- Re-underwrite portfolio on a quarterly basis, resulting in extremely low default statistics



Active Portfolio Management

- Investment decisions are predicated on a clear thesis
- Deep due diligence and a distinguished competitive advantage required before credit investing
- Re-evaluate and re-underwrite each credit in the quarterly Portfolio Management Committee meetings
- Ongoing re-evaluation of portfolio structure and risk measures
- Continuous portfolio optimization

Note: Portfolio managers may use some or all of the techniques described above or herein. Please refer to "Important Information" at the beginning of this presentation for further information on KKR's inside information barrier policies and procedures, which may limit the involvement of personnel in certain investment processes and discussions. Please see Important Information at the beginning of this presentation for additional disclosure regarding KKR Capstone.

Private Credit Investment Team

KKR's Private Credit Investment Team is comprised of ~100⁽¹⁾ dedicated professionals located in New York, San Francisco, London, Dublin, Hong Kong, Sydney and Singapore

KKR PRIVATE CREDIT INVESTMENT COMMITTEE MEMBERS									
MATTHIEU BOULANGER CO-HEAD OF PRIVATE CREDIT London	DANIEL PIETRZAK CO-HEAD OF PRIVATE CREDIT New York	CHRIS SHELDON HEAD OF LEVERAGED CREDIT San Francisco	MICHAEL SMALL PARTNER London	CATHERINE MADIGAN MANAGING DIRECTOR New York	GEORGE MUELLER MANAGING DIRECTOR New York	RONY MA MANAGING DIRECTOR New York	AVI KORN MANAGING DIRECTOR New York	VARUN KHANNA MANAGING DIRECTOR London	DANIEL KNOTTENBELT MEMBER OF ABF IC London
23 Years Experience 5 Years at KKR	25 Years Experience 7 Years at KKR	24 Years Experience 18 Years at KKR	24 Years Experience 1 Year at KKR	43 Years Experience 3 Years at KKR	17 Years Experience 13 Years at KKR	13 Years Experience 11 Years at KKR	22 Years Experience 4 Years at KKR	19 Years Experience 6 Years at KKR	28 Years Experience 4 Years at KKR
Corp. Credit	ABF	Corp. Credit	ABF	Corp. Credit	Corp. Credit	Corp. Credit	ABF	ABF	ABF

US INVESTMENT TEAM (60)

EUROPEAN & ASIAN INVESTMENT TEAM (35)

PORTFOLIO RISK (5)

WORKOUT AND GOVERNANCE (6)

LEGAL: STRUCTURING/
EXECUTION (2)

PORTFOLIO MONITORING (17)

Deep Global Experience In All Aspects Of Credit Investing Across Multiple Cycles

KKR Credit Investment Strategies

A Wide Range of solutions across risk/return and liquidity spectrum:

A Wide Range of solutions across risk/return and liquidity spectrum:						Target Net Return	Strategy AUM (\$bn) ⁽¹⁾	Expected Universe for KKR's Sustainable Credit Strategies
Multi-Year	Relative Liquidity	Strategic Investments	Opportunities Strategy provides strategic capital solutions to high quality, mid-to-large cap companies and assets, representing best ideas across credit markets		13-15%	\$9.8	KKR Accelerator	
		Private Credit	Asia Credit focuses on proprietary originated, bespoke private credit solutions to companies and assets across Asia Pacific		11-13% (~5-7% distribution)	\$71.3		
			Asset-Based Finance focuses on Privately originated & negotiated credit secured by large & diverse pools of financial and hard assets		10-12% (6-7% current Yield)			
			Junior Debt focuses on global privately originated junior debt lending		11-13% (5-6% current Yield)			
			Direct Lending focuses on private debt instruments in the senior part of a company's capital structure		10-12% (7-8% unlevered)			
Monthly/Quarterly	Relative Liquidity	Leveraged Credit	A bottom-up, fundamental, and conviction-based approach to US and European Leveraged Credit		Opportunistic Credit	7-9%	\$97.2	KKR Climate Opportunity Strategy (ECO)
					Multi-Asset Credit	6-8%		
					High Yield	4-6%		
					Bank Loans	3-5%		
					CLOs	Depends on tranche		

Note: Target performance is not necessarily indicative of future results, and there can be no assurance that the targeted returns will be achieved or that the Fund will be able to implement its strategy or achieve its investment objectives.

1) As of June 30, 2022. Please refer to "Important Information" for additional detail on the calculation of AUM.

KKR



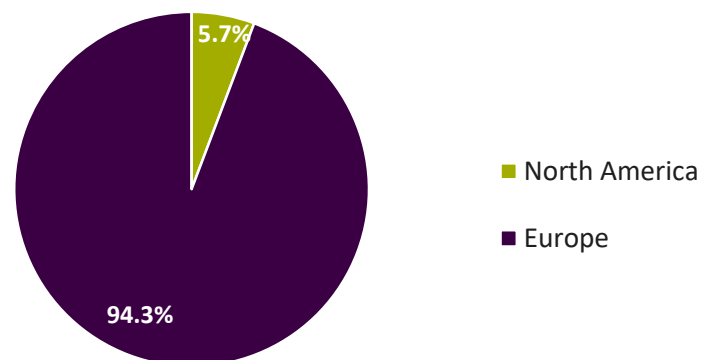
PORTFOLIO UPDATE: KKR
MEZZANINE PARTNERS I L.P.

KKRMP Overview

- We held the final close of KKR Mezzanine Partners (“KKRMP” or “The Fund”) in August 2011 with \$1,023.0 million of total equity capital commitments
- KKRMP targets mezzanine investments generally ranging in size from \$50 million to \$250 million as part of leveraged buyouts, other private equity sponsored transactions, recapitalizations, refinancings and growth financing for large-capitalization and middle-market companies located in North America, Europe, Asia and Australia
- As of June 30, 2022, the bulk of the portfolio has been repaid with \$118.6 million of remaining exposure across 4 investments (partially realized and unrealized)
- We have remaining exposure to 2 different sectors: Consumer Discretionary and Consumer Staples
- Inception-to-date through June 30, 2022, KKRMP generated a Gross and Net Fund-Level IRR of 8.9% and 5.6%, respectively, and a Gross and Net Fund-Level MOIC of 1.26x and 1.20x, respectively

KKRMP Portfolio Statistics As of June 30, 2022

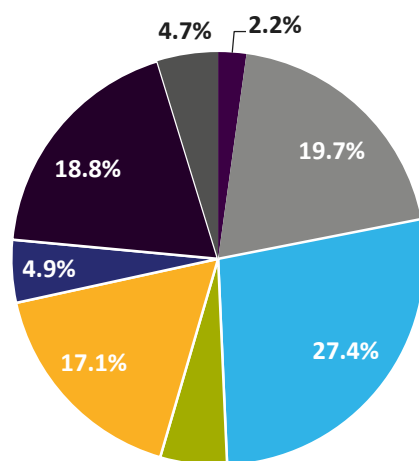
Total Invested Amount	\$1,245.0 million
Total Number of Positions	26
Total Number of Partially Realized Positions Remaining	2
Total Number of Unrealized Positions Remaining	2
Total Unrealized Value Remaining	\$118.6 million
Average Position Size of Remaining Investments	\$94.0 million



Note: There can be no assurance that investors in any KKR Credit fund, vehicle or account will receive a return of capital. Past performance does not guarantee future results.

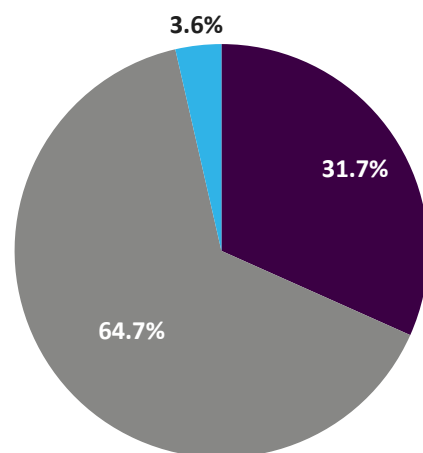
KKRMP Portfolio Construction (Based on Invested Cost)

By Sector Diversification⁽¹⁾



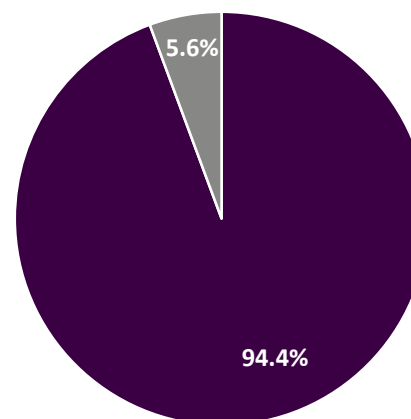
- Business Services
- Information Technology
- Consumer Discretionary
- Telecommunication Services
- Industrials
- Health Care
- Consumer Staples
- Materials

By Geography⁽¹⁾



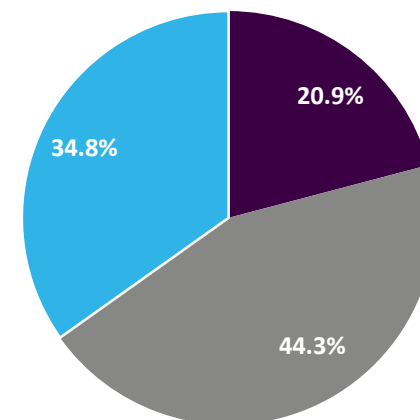
- North America
- Europe
- Asia Pacific

Sponsor vs. Non-Sponsor ⁽¹⁾



- Sponsored
- Non-Sponsored

By Payment-in-Kind Exposure⁽¹⁾⁽²⁾



- No PIK
- Part PIK
- All PIK

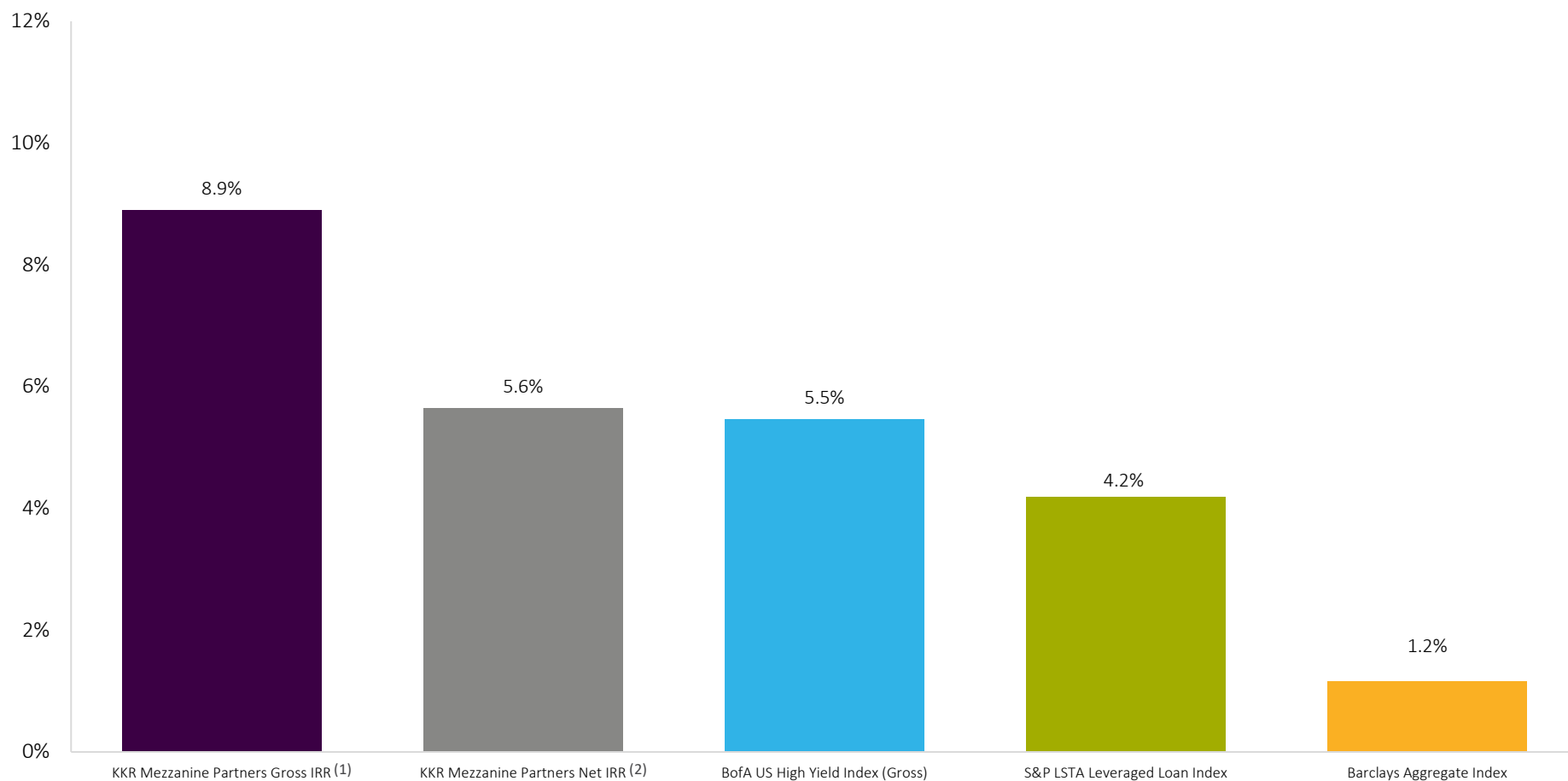
KKR Mezzanine Partners I L.P. (“KKRMP”) – TCERA Capital Commitment

TCERA Capital Commitment Statement For the period from March 31, 2010 to June 30, 2022	
Original Capital Commitment	\$15,000,000
Capital Called for Investments	(18,676,878)
Capital Distributions – Return of Unused Capital	1,510,602
Capital Distributions – Recallable Disposition Proceeds: Return of Capital	2,638,741
Unused Capital Commitment (as of June 30, 2022)	\$ 472,465

KKRMP Performance as of Q2 2022

KKR Mezzanine Partners I L.P.

Since Inception Performance versus Benchmark through June 30, 2022





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

MEMORANDUM

DATE: September 14, 2022
TO: Trustees, Board of Retirement
FROM: Jake Flores, A.S.O. II
SUBJECT: Posting Interest for June 30, 2022

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, 2022. 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 decrease the Contingency Reserve to 3.0% at June 30, 2022 is \$7,856,127.69. Credit member accounts and reserves entitled to interest at a rate of 3.1612% for the period ending June 30, 2022.

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, 2022 is \$16,324,620.42. Credit member accounts and reserves entitled to interest at a rate of 3.5524% for the period ending June 30, 2022 and credit excess earnings in accordance with Section 31619 of the 1937 Act. This option would result in excess earnings of \$3,613,141.19 of which \$1,806,570.59 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 December 31, 2021 interest is \$113,579,360.95.

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 decrease the Contingency Reserve to 3.0% at June 30, 2022 is \$570,495.40. Credit member accounts and reserves entitled to interest at a rate of 3.0844% for the period ending June 30, 2022.

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, 2022 is \$1,370,078.37.

Credit member accounts and reserves entitled to interest at a rate of 3.5775% for the period ending June 30, 2022.

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

Interest Allocation for 6/30/2022**Tier 1-3****Contingency Reserve at 3.0%**

Assets at 06/30/2022 (Less Securities Lending Collateral)			1,853,615,137.45
Tier 1-3 Assets based on percent of total at beginning of interest period	0.9137		1,693,698,544.93
Total Assets (base contingency on)		a	1,693,698,544.93
3.0% contingency reserve factor		b	0.030
Contingency Reserve at 3.0%		c=(a*b)	50,810,956.35
Increase/Decrease Contingency Reserve			
Contingency Balance - prior 6 month (3410.1) for Tier 1-3		d	58,667,084.04
Contingency Reserve at 3.0% current six month end for Tier 1-3		c	50,810,956.35
Contingency (Increase)/Decrease		e=(d-c)	7,856,127.69
Contingency excess		e	7,856,127.69
Net Earnings on Actuarial Market			61,942,262.00
Net Earnings based on percent of total at beginning of interest period	0.9137	f	56,598,328.80
Unapportioned Reserve - prior 6 month (3120.1) for Tier 1-3		g	(9,635,430.11)
Manual Interest postings - current period for Tier 1-3		h	(59,642.56)
Manual Interest postings - prior period for Tier 1-3		i	93,727.48
Total earnings apportionable		j=(e+f+g+h+i)	54,853,111.30
Total Interest		k	54,853,111.30
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, 2022		member total interest 3.16120%	
Tier 1-3	BALANCE 12/31/21	ADJUSTED ACTUARIAL RATE	SECOND PASS
Increase/Decrease Contingency Reserve (Member interest can only go to 5 places)		3.16120%	0.00000%
Member Deposit Reserve (minus termed members)	281,005,957.66		
Less: Refunds Manual Interest Postings	(17,706.18)		
	280,988,251.48	8,882,600.61	0.00
Other Reserves - Unapportioned	(9,635,430.11)	(243.18)	0.00
Employer Advance Reserves	853,985,015.48		
	853,985,015.48	26,996,174.31	0.00
Retiree Reserves	443,500,132.68		
Less: Retiree Manual Interest Postings	(41,936.38)		
Plus: New Retirees	43,195,884.54		
	486,654,080.84	15,384,108.80	0.00
Supplemental Retiree Benefit Reserve	113,579,360.95	3,590,470.76	0.00
Total	1,735,206,708.75	54,853,111.30	0.00
Interest posting rate (Nominal Assumption Rate = 3.441)		3.1612%	0.00000%
Reserves minus SRBR	1,621,627,347.80		

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 6/30/2022

Tier 1-3

Contingency Reserve at 2.5%

Assets at 6/30/2022 (Less Securities Lending Collateral)			1,853,615,137.45
Tier 1-3 Assets based on percent of total at beginning of interest period	0.9137		1,693,698,544.93
Total Assets (base contingency on)		a	1,693,698,544.93
2.5% contingency reserve factor		b	0.025
Contingency Reserve at 2.5%		c=(a*b)	42,342,463.62
Increase/Decrease Contingency Reserve			
Contingency Balance - prior 6 month (3410.1) for Tier 1-3		d	58,667,084.04
Contingency Reserve at 2.5% current six month end for Tier 1-3		c	42,342,463.62
Contingency (Increase)/Decrease		e=(d-c)	16,324,620.42
Contingency excess		e	16,324,620.42
Net Earnings on Actuarial Market			61,942,262.00
Net Earnings based on percent of total at beginning of interest period	0.9137	f	56,598,328.80
Unapportioned Reserve - prior 6 month (3120.1) for Tier 1-3		g	(9,635,430.11)
Manual Interest postings - current period for Tier 1-3		h	(59,642.56)
Manual Interest postings - prior period for Tier 1-3		i	93,727.48
Total earnings apportionable		j=(e+f+g+h+i)	63,321,604.03
Total Interest		k	59,708,462.84
Total Excess Earnings		l=(j-k)	3,613,141.19
50% factor for SRBR		m	0.50
Excess earnings to SRBR		n=(l*m)	1,806,570.59

Contingency Reserve at 2.5%

INTEREST CALCULATION RESERVES June 30, 2022		member total interest 3.55240%	
Tier 1-3	BALANCE 12/31/21	ADJUSTED ACTUARIAL RATE	SECOND PASS
Increase/Decrease Contingency Reserve (Member interest can only go to 5 places)		3.44100%	0.11140%
Member Deposit Reserve (minus termed members)	281,005,957.66		
Less: Refunds Manual Interest Postings	(17,706.18)		
	280,988,251.48	9,668,805.73	313,034.38
Other Reserves - Unapportioned	(9,635,430.11)		0.00
Employer Advance Reserves	853,985,015.48		
	853,985,015.48	29,385,624.38	951,380.24
Retiree Reserves	443,500,132.68		
Less: Retiree Manual Interest Postings	(41,936.38)		
Plus: New Retirees	43,195,884.54		
	486,654,080.84	16,745,766.92	542,155.97
Supplemental Retiree Benefit Reserve	113,579,360.95	3,908,265.81	1,806,570.59
Total	1,735,206,708.75	59,708,462.84	3,613,141.18
Interest posting rate (Nominal Assumption Rate = 3.441)		3.4410%	0.11140%
Reserves minus SRBR	1,621,627,347.80		

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 06/30/2022

Tier 1-3

Tier 1-3 @ 3.0%		
Earnings @ Actuarial Value	56,598,328.80	f
Unapportioned Reserve from prior 6 month	(9,635,430.11)	g
Manual Interest postings - current period	(59,642.56)	h
Manual Interest postings - prior period	93,727.48	i
Total earnings apportionable	46,996,983.61	
Interest @ 3.1612	(54,853,111.30)	k
Excess earnings	0.00	l
Total Interest @ 3.1612	(54,853,111.30)	
Increase/(Decrease) Contingency Reserve	(7,856,127.69)	e
Contingency Reserve prior to interest posting	58,667,084.04	d
Contingency Reserve 06/30/2022	50,810,956.35	c
Total Assets for Tier 1-3 @ 06/30/2022	1,693,698,544.93	
% Contingency Reserve	0.0300	

Tier 1-3 @ 2.5%		
Earnings @ Actuarial Value	56,598,328.80	f
Unapportioned Reserve from prior 6 month	(9,635,430.11)	g
Manual Interest postings - current period	(59,642.56)	h
Manual Interest postings - prior period	93,727.48	i
Total earnings apportionable	46,996,983.61	
Interest @ 3.4410	(59,708,462.84)	k
Excess earnings	(3,613,141.19)	l
Total Interest @ 3.5524	(63,321,604.03)	
Increase/(Decrease) Contingency Reserve	(16,324,620.42)	e
Contingency Reserve prior to interest posting	58,667,084.04	d
Contingency Reserve 06/30/2022	42,342,463.62	c
Total Assets for Tier 1-3 @ 06/30/2022	1,693,698,544.93	
% Contingency Reserve	0.0250	

Interest Allocation for 06/30/2022**Tier 4****Contingency Reserve at 3.0%**

Assets at 06/30/2022 (Less Securities Lending Collateral)			1,853,615,137.45
Tier 4 Assets based on percent of total at beginning of interest period	0.0863		159,916,592.52
Total Assets (base contingency on)		a	159,916,592.52
3% contingency reserve factor		b	0.030
Contingency Reserve at 3%		c=(a*b)	4,797,497.78
Increase/Decrease Contingency Reserve			
Contingency Balance - prior 6 month (3410.2) for Tier 4		d	5,367,993.18
Contingency Reserve at 3% current six month end for Tier 4		c	4,797,497.78
Contingency (Increase)/Decrease		e=(d-c)	570,495.40
Contingency excess		e	570,495.40
Net Earnings on Actuarial Market			61,942,262.00
Net Earnings based on percent of total at beginning of interest period	0.0863	f	5,343,933.20
Unapportioned Reserve - prior 6 month (3120.2) for Tier 4		g	(917,903.45)
Manual Interest postings - current period for Tier 4		h	(11,439.85)
Manual Interest postings - prior period for Tier 4		i	16,127.80
Total earnings apportionable		j=(e+f+g+h+i)	5,001,213.10
Total Interest		k	5,001,213.10
Total Excess earnings		l=(j-k)	0.00

Contingency Reserve at 3.0%

INTEREST CALCULATION RESERVES June 30, 2022			member total interest 3.08440%
Tier 4	BALANCE 12/31/21	ADJUSTED ACTUARIAL RATE	SECOND PASS
Increase/Decrease Contingency Reserve (Member interest can only go to 5 places)		3.08440%	
Member Deposit Reserve (minus termed members)	44,851,955.83		
Less: Refunds Manual Interest Postings	(7,279.56)		
	44,844,676.27	1,383,189.19	
Other Reserves - Unapportioned	(917,903.45)	14.04	
Employer Advance Reserves	112,751,731.85		
	112,751,731.85	3,477,714.42	
Retiree Reserves	2,749,240.24		
Less: Retiree Manual Interest Postings	(4,160.29)		
Plus: New Retirees	1,803,469.06		
	4,548,549.01	140,295.45	
Tier 4 Excess to Contingency Reserve (no cap)			0.00
Total	162,144,957.13	5,001,213.10	0.00
Interest posting rate (Nominal Assumption Rate = 3.441)		3.0844%	
Reserves minus Excess	162,144,957.13		

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 06/30/2022**Tier 4****Contingency Reserve at 2.5%**

Assets at 06/30/2022 (Less Securities Lending Collateral)			1,853,615,137.45
Tier 4 Assets based on percent of total at beginning of interest period	0.0863		159,916,592.52
Total Assets (base contingency on)		a	159,916,592.52
2.5% contingency reserve factor		b	0.025
Contingency Reserve at 2.5%		c=(a*b)	3,997,914.81
Increase/Decrease Contingency Reserve			
Contingency Balance - prior 6 month (3410.2) for Tier 4		d	5,367,993.18
Contingency Reserve at 2.5% current six month end for Tier 4		c	3,997,914.81
Contingency (Increase)/Decrease		e=(d-c)	1,370,078.37
Contingency excess		e	1,370,078.37
Net Earnings on Actuarial Market			61,942,262
Net Earnings based on percent of total at beginning of interest period	0.0863	f	5,343,933.20
Unapportioned Reserve - prior 6 month (3120.2) for Tier 4		g	(917,903.45)
Manual Interest postings - current period for Tier 4		h	(11,439.85)
Manual Interest postings - prior period for Tier 4		i	16,127.80
Total earnings apportionable		j=(e+f+g+h+i)	5,800,796.07
Total Interest		k	5,800,796.07
Total Excess earnings		l=(j-k)	0.00

Contingency Reserve at 2.5%

INTEREST CALCULATION RESERVES June 30, 2022			member total interest 3.57750%
Tier 4	BALANCE 12/31/21	ADJUSTED ACTUARIAL RATE	SECOND PASS
Increase/Decrease Contingency Reserve (Member interest can only go to 5 places)		3.57750%	
Member Deposit Reserve (minus termed members)	44,851,955.83		
Less: Refunds Manual Interest Postings	(7,279.56)		
	44,844,676.27	1,604,318.29	
Other Reserves - Unapportioned	(917,903.45)	60.23	
Employer Advance Reserves	112,751,731.85		
	112,751,731.85	4,033,693.21	
Retiree Reserves	2,749,240.24		
Less: Retiree Manual Interest Postings	(4,160.29)		
Plus: New Retirees	1,803,469.06		
	4,548,549.01	162,724.34	
Tier 4 Excess to Contingency Reserve (no cap)			0.00
Total	162,144,957.13	5,800,796.07	0.00
Interest posting rate (Nominal Assumption Rate = 3.441)		3.5775%	
Reserves minus Excess	162,144,957.13		

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 06/30/2022

Tier 4

Tier 4 @ 3.0%		
Earnings @ Actuarial Value	5,343,933.20	f
Unapportioned Reserve from prior 6 month	(917,903.45)	g
Manual Interest postings - current period	(11,439.85)	h
Manual Interest postings - prior period	16,127.80	i
Total earnings apportionable	4,430,717.70	
Interest @ 3.0844	(5,001,213.10)	k
Excess earnings	0.00	l
Total Interest @ 3.0844	(5,001,213.10)	
Increase/(Decrease) Contingency Reserve (3% adjustment + excess)	(570,495.40)	e+l
Contingency Reserve prior to interest posting	5,367,993.18	d
Contingency Reserve 06/30/2022	4,797,497.78	
Total Assets for Tier 4 @ 06/30/2022	159,916,592.52	
% Contingency Reserve	0.0300	

Tier 4 @ 2.5%		
Earnings @ Actuarial Value	5,343,933.20	f
Unapportioned Reserve from prior 6 month	(917,903.45)	g
Manual Interest postings - current period	(11,439.85)	h
Manual Interest postings - prior period	16,127.80	i
Total earnings apportionable	4,430,717.70	
Interest @ 3.5775	(5,800,796.07)	k
Excess earnings	0.00	l
Total Interest @ 3.5775	(5,800,796.07)	
Increase/(Decrease) Contingency Reserve (3% adjustment + excess)	(1,370,078.37)	e+l
Contingency Reserve prior to interest posting	5,367,993.18	d
Contingency Reserve 06/30/2022	3,997,914.81	
Total Assets for Tier 4 @ 06/30/2022	159,916,592.52	
% Contingency Reserve	0.0250	

EDUCATIONAL EVENTS - Board of Retirement

2022

1. **Nossaman**, Public Pensions & Investments Fiduciaries' Forum, Oct 17-18, Los Angeles, E-Central Hotel. Agenda in Binder. Topics include: New SEC rules and their impact; Fund of One vs. Commingled; Litigation against public retirement systems; Fiduciary Governance and other topics.
2. **Sixth Street**, Annual Investors Meeting, Oct 25-27, St. Regis San Francisco. Only Save-the-Date currently.
3. **CALAPRS**, Trustee Round Table, October 28, Virtual Program
4. **SACRS**, Fall Conference, November 8-11, Hyatt Regency Long Beach, Long Beach, CA.
5. **Invesco Real Estate**, Global Conference, Nov 15-17, The Lodge at Torrey Pines, San Diego. Only a Save-the-Date currently.

2023

1. **CALAPRS**, General Assembly, March 4-7, 2023, Monterey



EDELSTEIN GILBERT ROBSON & SMITH^{LLC}

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

September 1, 2022

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

General Update

The Legislature adjourned for final recess late last night, marking the end of the 2021-22 Legislative Session. The Legislature spent the last days of session on the Senate and Assembly Floor working through final budget bills as well as hundreds of policy bills that needed floor votes and concurrence votes to pass out of the Legislature.

The Governor will have until September 30 to act upon the bills on his desk.

SACRS Sponsored Bills

AB 1824 (Committee on Public Employment and Retirement) – Committee Cleanup Bill. This bill passed out of the Legislature unanimously on August 18 and is awaiting consideration by the Governor. SACRS submitted a letter formally requesting the Governor's signature on the bill.

AB 1971 (Cooper) – CERL Policy Bill. This bill passed out of the Legislature on August 22 and is awaiting consideration by the Governor. Like AB 1824, SACRS submitted a letter formally requesting the Governor's signature on the bill.

In preparation for next year's cleanup bill, the SACRS Legislative Committee will be fielding and reviewing cleanup proposals in the fall.

Other Bills of Interest

AB 2493 (Chen) – Disallowed Compensation. As initially amended, this bill would have allowed OCERS to adjust retirement payments based on disallowed compensation for peace officers and firefighters under certain circumstances. The bill was later amended to apply to all CERL systems.

When this bill had a hearing in the Senate Judiciary Committee in late June, CSAC was the lead opposition witness and discussed these cost concerns as well as how the bill differs from SB 278 (Leyva) from 2021.

The bill was amended substantially after the author and sponsors worked with committee staff. While SACRS did not take a position, we are aware that some systems submitted their own letters and shared concerns with the Legislature.

The bill passed out of the Senate, but before it was brought up for a final vote in the Assembly, the author pulled the bill from consideration based on opposition from counties and discussions with the Governor's office.

AB 2449 (Rubio) – Public Meetings. This bill would allow a local agency to use teleconferencing for a public meeting if at least a quorum of members of the legislative body participate in person from a single location that is identified on the agenda and is open to the public within the local agency's jurisdiction, among other requirements. The last amendments to the bill added more guardrails for when a board member can participate remotely and added a sunset date, among other changes.

The bill passed out of the Legislature and is on the Governor's desk for consideration.

Compensation Earnable Bills – Last year, two bills were introduced relating to compensation earnable - **AB 498 (Quirk-Silva)** and **AB 826 (Irwin)**. As reported in previous updates, AB 826 was gutted and amended in June of 2021 with the CERL provisions currently contained in the bill. AB 498 (Quirk Silva) was similarly amended at the end of session last year in September.

In late June, AB 498 was gutted and amended again, this time with provisions unrelated to county retirement systems, so it is no longer of interest to SACRS.

AB 826 was amended and pulled off the Inactive File on August 3. It subsequently passed out of both houses of the Legislature and is now on the Governor's desk.