



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

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AGENDA OF THE BOARD OF RETIREMENT

INVESTMENT COMMITTEE MEETING

Wednesday, October 13, 2021 @ 10:30 a.m.
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

NOTICE TO THE PUBLIC

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. 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. Members of the public may also submit public comment via U.S. mail or via email to BORPublicComment@tcera.org 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. 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).)

Persons wishing to listen to the meeting 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. 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.

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. PUBLIC COMMENT

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

IV. AGENDA ITEMS

1. Discussion and possible action regarding the following items:
 - a. Approve Investment Committee Minutes from September 8, 2021.
 - b. Asset Allocation Status
 - c. 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar
 - d. Investment of funds pending capital calls and manager selection – Consideration of State Street REIT Index Fund (new) and State Street SMID Index Fund (existing)
 - e. Infrastructure investment manager candidates.
 - f. Private Equity investment structure.
 - g. Private Equity and Real Estate investment implementation – consultant or fund search.
 - h. Large Cap Growth Equity Manager Review
 - i. Vendor/Investment Firm Referral Report submitted by Dave Kehler – WP Global Partners
 - j. Delegation of decision-making authority to the Investment Committee
 - k. Investment Managers
 - 1) Verus Flash Report – All Managers
 - 2) Managers of Interest
 - a) Franklin Templeton – Manager Review
 - b) DoubleLine – Notice of Fee Reduction
 - c) PGIM – Organizational Update
 - d) QMA – Organizational Update

V. UPCOMING MEETING

1. November 3, 2021, 10:30 a.m.

VI. ADJOURN

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



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MINUTES OF THE BOARD OF RETIREMENT INVESTMENT COMMITTEE MEETING Wednesday, September 8, 2021 @ 10:30 a.m. TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

I. CALL TO ORDER

The meeting was called to order at 11:05 a.m. by Gary Reed, Chair.

II. ROLL CALL

Voting Trustees Present:	Gary Reed, Chair; Pete Vander Poel, Nathan Polk
Voting Alternate Present:	Paul Sampietro (voting for Cass Cook)
Alternate Present:	Dave Vasquez
Staff Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator
Consultant Participating Remotely:	Mike Kamell, Verus

III. PUBLIC COMMENT

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

None

IV. AGENDA ITEMS

1. Discussion and possible action regarding the following items:
 - a. Approve Investment Committee Minutes from August 11, 2021.

Motion to approve the minutes as presented.

Motion: Polk
Second: Sampietro
Motion passed unanimously.

- b. Asset Allocation Status

Ms. Malison noted for the Committee that this month's report reflects the new target percentages from the recently adopted strategic asset allocation.

c. 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar

Ms. Malison noted that she added two items to the Goals and Objectives Timeline – the implementation of the new strategic asset allocation and the review of the large cap growth equity managers.

d. Revised TCERA Investment Policy

Ms. Malison informed the Committee that the changes presented are necessary due to the implementation of the new strategic asset allocation. In addition, language referencing commodities and hedge funds have been removed since these asset classes are not currently of interest to the Board. If the Board should decide to invest in those asset classes again at some future date, the policy will need to be revised accordingly.

Motion to recommend to the Board of Retirement that the revised TCERA investment policy be approved as presented.

Motion: Vander Poel
Second: Sampietro
Motion passed unanimously.

e. TCERA Strategic Asset Allocation Implementation Plan

Mike Kamell reviewed the presentation materials regarding the implementation plan for TCERA's Strategic Asset Allocation. The following topics were discussed and require direction:

1. Best method for allocating capital in **real assets**

- Core Real Estate – recommend retention of existing open-ended fund (RREEF America II). Allocation will be reduced to target over time as capital calls are received for other real asset allocations.
- Real Estate Debt – recommend retention of existing open-ended fund (Invesco).
- Infrastructure – recommend open-ended fund. Committee directed Verus to prepare information on potential managers for review by the Committee.
- Value-Add Real Estate – recommend retention of existing open-ended fund (American Realty) with consideration given to adding closed end funds over time to achieve target. Direction needed from Board.
- Opportunistic Real Estate – option of open end and closed-end funds. Direction needed from Board.

2. Best method for allocating capital in **private equity** – Options are fund of funds (current approach) or direct funds. Direction needed from Board.

3. Consulting Services Considerations – If the Board elects to invest using the direct funds approach, a private markets consultant should be considered for assistance with these investments. Direction needed from the Board.

4. Investment Strategy for funds pending manager selection/capital calls (“dry powder”). Direction needed from the Board

- Risk-matching option – liquid instruments that offer similar underlying risks as the desired long-term target asset allocation.
- Conservative – liquid instruments that focus on preservation of principal.

5. Benchmarking – dependent on dry powder investment strategy.

Ms. Malison reminded the Committee that because of the number of new investments/managers that will be required for the implementation, discussion regarding delegation of authority to the Investment Committee for some decisions might be warranted. The Committee agreed to bring this up for further discussion at the Board meeting.

f. Investment Managers

1) Verus Flash Report – All Managers

Mr. Kamell noted that the July report shows positive performance with an expectation that the August report will reflect amore volatile month of investment activity.

2) Managers of Interest

a) Franklin Templeton – Manager Review – No action.

V. UPCOMING MEETING

1. October 13, 2021, 10:30 a.m.

VI. ADJOURN

The meeting was adjourned at 12:01 p.m.

Gary Reed Chair



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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1 b.

Agenda Date: October 13, 2021

Subject: Asset Allocation Status

Requests:

That the Investment Committee:

1. Discuss the current asset allocation status as compared to targets.
2. Make recommendations to the Board of Retirement as necessary.

Summary:

The Asset Allocation Comparison is provided as a reference tool for the Committee to note the current allocation as compared to target and to track new manager implementation and rebalancing activity. Depending on the date of the Investment Committee meeting, the report may not be available for distribution with the original packet of backup materials. The report will be provided as soon as the data is available from the custodian bank.

Prepared by: Leanne Malison



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Prepared by: Leanne Malison

TCERA Asset Allocation Comparison 09-30-21 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
DOMESTIC EQUITY							
QMA	Large Core Enhanced	68,907,279	3.52%	3.00%	58,745,948	10,161,331	
SSGA S&P 500 Sec Lnd Index Fund	Large Core	210,822,110	10.77%	10.00%	195,819,827	15,002,283	
Boston Partners	Large Value	68,636,362	3.51%	3.50%	68,536,939	99,423	
Ivy (Waddell & Reed)	Large Growth	75,728,494	3.87%	3.50%	68,536,939	7,191,555	
SSGA US Ext Sec Lnd	SMID Core Index	63,388,007	3.24%	3.00%	58,745,948	4,642,059	
LMCG (Lee Munder)	Small Value	31,902,130	1.63%	1.50%	29,372,974	2,529,156	
William Blair	Smid Growth	32,532,518	1.66%	1.50%	29,372,974	3,159,544	
	Total	551,916,901	28.18%	26.00%	509,131,550	42,785,351	
INTERNATIONAL EQUITY							
SGA	International Growth	100,057,689	5.11%	6.00%	117,491,896	(17,434,208)	
PIMCO RAE	International Value	105,100,933	5.37%	4.00%	78,327,931	26,773,003	
SSGA - ACWI Index Fund	International Core	117,055,191	5.98%	6.00%	117,491,896	(436,705)	
	Total	322,213,813	16.45%	16.00%	313,311,723	8,902,090	
GLOBAL EQUITY							
Skellig Water Fund (KBI)	Water Related	76,329,922	3.90%	3.00%	58,745,948	17,583,974	
	Total	76,329,922	3.90%	3.00%	58,745,948	17,583,974	
PRIVATE EQUITY							
Pantheon	Private Equity - F of F	420,959	0.02%				
Stepstone	PE - Secondaries	9,956,072	0.51%				
Ocean Avenue III	Private Equity - F of F	17,537,099	0.90%				
Ocean Avenue IV	Private Equity - F of F	18,521,057	0.95%				Underweight pending new commitments and capital calls. Pantheon, Stepstone and BlackRock in liquidation phase.
Pathway Fund 8	Private Equity - F of F	32,369,346	1.65%				
Pathway Fund 9	Private Equity - F of F	24,441,910	1.25%				
Pathway Fund 10	Private Equity - F of F	8,716,185	0.45%				
BlackRock Alternatives	Private Equity - F of F	527,330	0.03%				
	Total	112,489,958	5.74%	12.00%	234,983,792	(122,493,834)	
FIXED INCOME							
BlackRock	Core Plus	147,713,802	7.54%	6.00%	117,491,896	30,221,905	
MacKay Shields	Core Plus	123,229,773	6.29%	5.50%	107,700,905	15,528,868	
DoubleLine	Core Plus	117,816,600	6.02%	5.50%	107,700,905	10,115,695	Overweight pending capital calls.
PGIM	Emerging Market Debt	85,995,754	4.39%	3.00%	58,745,948	27,249,806	
Franklin Templeton	Global Credit	83,592,527	4.27%	0.00%	-	83,592,527	
	Total	558,348,455	28.51%	20.00%	391,639,654	166,708,801	

TCERA Asset Allocation Comparison 09-30-21 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
PRIVATE CREDIT							
Sixth Street DCP (TSSP)	Private Credit	85,519,768	4.37%	5.00%	97,909,913	(12,390,145)	Underweight pending capital calls
	Total	85,519,768	4.37%	5.00%	97,909,913	(12,390,145)	
REAL ASSETS							
Invesco	Real Estate Debt	16,576,875	0.85%	3.00%	58,745,948	(42,169,073)	Underweight pending American Realty and Invesco capital calls and new asset classes. RREEF America II overweight pending rebalancing.
American Realty Advisors	Value Add Real Estate	30,058,326	1.53%	4.00%	78,327,931	(48,269,605)	
TBD - Opportunistic Real Estate	Value Add Real Estate	-	0.00%	4.00%	78,327,931	(78,327,931)	
TBD - Infrastructure	Value Add Real Estate	-	0.00%	4.00%	78,327,931	(78,327,931)	
RREEF America II	Core Commingled	172,005,375	8.78%	3.00%	58,745,948	113,259,427	
	Total	218,640,576	11.17%	18.00%	352,475,688	(133,835,113)	
OPPORTUNISTIC							
KKR - Mezzanine	Opportunistic	3,697,003	0.19%	n/a	-	3,697,003	Opportunistic outside of Target Allocation. KKR and PIMCO funds in distribution phase.
Sixth Street TAO Contingent (TSSP)	Opportunistic	19,301,183	0.99%	n/a	-	19,301,183	
PIMCO BRAVO - Distressed Debt	Opportunistic	10,418	0.00%	n/a	-	10,418	
	Total	23,008,604	1.17%		-	23,008,604	
OTHER			1.17%		-	23,008,604	
							Capital Calls and Cash Flow Needs.
Cash		9,730,272	0.50%	0.00%	-	9,730,272	
	Total	9,730,272	0.50%	0.00%	-	9,730,272	
Grand Total		1,958,198,269	100.00%	100.00%	1,958,198,269		

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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1 c.

Agenda Date: October 13, 2021

Subject: 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar

Requests:

That the Investment Committee:

1. Discuss the Goals and Objectives Timeline and Education Calendar
2. Direct Staff to make revisions as determined by the Committee
3. Make recommendations to the Board of Retirement as necessary

Summary:

The Goals and Objectives Timeline is provided to assist the Committee in monitoring the progress of its goals and objectives for the year. The Education Calendar is provided to ensure that education items related to the Committee's goals and objectives are included in the presentation schedule for the year.

Prepared by: Leanne Malison

TCERA Investment Committee Goals and Objectives Timeline

Revised 10/6/21

2021

January – March

Active/Passive Investment Panel – The presentation occurred at the February 24, 2021 Board meeting. **Completed**

Investment Refresher Course – At the Board meeting of January 27, 2021, the trustees directed Staff to arrange for an Investment Refresher Course to be provided as an educational opportunity during a future Board meeting. The education was presentation at the March 24, 2021 Board meeting. **Completed**

April – June

TCERA China Exposure Analysis – As directed by the Board at its March 12, 2021 meeting. Review conducted at Investment Committee – June 9, 2021 and reported out to Board of Retirement on June 23, 2021. **Completed**

Securities Lending Education – At its May 26, 2021 meeting, the Board requested that Verus prepare an educational session on Securities Lending. The presentation made at Board meeting of June 23, 2021. **Completed**

July – September

Active/Passive Investment Analysis – As directed by the Board at its February 24, 2021 meeting. Scheduled for April 14, 2021 Investment Committee. Committee reported to Board of Retirement on May 26, 2021. Board directed Staff to work with Verus to implement a 50/50 active/passive split for the domestic equity portfolio. Transition completed. **Completed**

Index Fund Review – As directed by the Board at its February 24, 2021 meeting. Scheduled for April 14, 2021 Investment Committee. Committee reported to Board of Retirement on May 26, 2021. Board authorized changing the SSgA index funds to those allowing securities lending. Contracts received and executed. Transition completed. **Completed**

Asset/Liability Study/Strategic Asset Allocation – The asset liability study conducted every three years by the investment consultant is scheduled for presentation to the Board of Retirement on May 26, 2021. The Board directed Verus to prepare asset allocation options that add some additional risk (volatility) to the portfolio. Discussion was held at the June 23, 2021 Board meeting. The Board directed Verus to prepare additional asset allocation options to be reviewed at the July 28, 2021 Board meeting. The Board discussed the additional options presented at the July 28, 2021 Board meeting. The discussion was tabled, to be continued at the August 11, 2021 Board meeting. The Board approved “Mix 4.1” at the Board meeting of August 11, 2021. **Completed**

BlackRock Guidelines Review – BlackRock has indicated that the investment guidelines for the fixed income investment are outdated. Proposed changes received and approved at June 23, 2021 Board meeting. Final guidelines were approved at the July 28, 2021 Board meeting. **Completed**

TCERA Separate Account Guidelines Review – As directed by the Board at its March 12, 2021 meeting. Review held at Investment Committee – June 9, 2021. Proposed guideline changes scheduled for review by the Investment Committee on August 11, 2021. Guideline changes for Ivy were approved at the August 11, 2021 Board meeting. **Completed**

Active Manager Expense Review – As directed by the Board at its February 24, 2021 meeting. Scheduled for April 14, 2021 Investment Committee. Committee reported to Board of Retirement on May 26, 2021. Board directed Verus to contact Franklin Templeton and PGIM regarding the investment management fee structures. Fee reductions have been negotiated. Proposed changes were discussed at the July 14, 2021 Investment Committee meeting with a recommendation to accept the proposed changes. The Board of Retirement approved the amended fee schedules at the July 28, 2021 Board meeting. **Completed**

October – December

Large Cap Growth Equity Manager Review – Comparative manager information as it relates to the large cap growth equity investment with Ivy to be provided by Verus at the October 13th Investment Committee meeting.

Strategic Asset Allocation Mix 4.1 Implementation – The implementation plan for the new asset mix was discussed at the September 8, 2021 Investment Committee meeting. The Committee reported out to the Board on September 22nd and the matter was referred back to the Investment Committee for further discussion.

- “Dry Powder” investment
- Infrastructure
- Private Equity
- Opportunistic Real Estate
- Consultant Options

TCERA Board of Retirement 2021 Trustee Education Calendar

Month	Meeting Date	Education Topics
January	January 13 January 27	
February	February 10 February 24	12/31/20 Investment Report – Verus Active/Passive Investment Panel - Verus
March	March 10 March 24	BlackRock/BlackRock Alternatives (Fixed Income and Private Equity) Investment Refresher Course - Verus
April	April 14 April 28	PIMCO RAE Ivy Investments
May	SACRS – May 11-14 May 26	3/31/21 Investment Report – Verus Asset/Liability Study – Verus Strategic Asset Allocation Review - Verus
June	June 9 June 23	Boston Partners SGA Securities Lending Education – Verus Asset/Liability Study Follow Up – Strategic Asset Allocation Review – Verus
July	July 14 July 28	Pathway Pantheon Private Markets Review – Verus Asset/Liability Study Follow Up – Strategic Asset Allocation Review – Verus Risk/Standard Deviation Education

August	August 11	Franklin Templeton DoubleLine Asset/Liability Study Follow Up – Strategic Asset Allocation Review – Verus (continued from July 28th)
	August 25	6/30/21 Investment Report - Verus
	September 8	Invesco SSGA
	September 22	Report from Investment Committee regarding Strategic Asset Allocation Implementation Plan
October	October 13	Discussion Regarding Actuarial Assumptions for June 30, 2021 Valuation - Cheiron
	October 27	Report from Investment Committee regarding Large Cap Growth Equity manager, Infrastructure managers, and implementation plan
November	November 3 - due to SACRS	Actuarial Valuation Report - Cheiron 9/30/21 Investment Report
	SACRS Nov 9-12	
	November 17- due to Thanksgiving Holiday	
December	December 8	Brown Armstrong – Audit Results

Expected 2022 Investment Manager Regular Biennial Presentations:

QMA
LMCG
Sixth Street (TSSP)
Stepstone
RREEF
Ocean Avenue
William Blair
KBI
PGIM
KKR
American Realty Advisors
MacKay Shields

TCERA Board of Retirement 2021 Trustee Education Calendar

Month	Meeting Date	Education Topics
January	January 13 January 27	
February	February 10 February 24	12/31/20 Investment Report – Verus Active/Passive Investment Panel - Verus
March	March 10 March 24	BlackRock/BlackRock Alternatives (Fixed Income and Private Equity) Investment Refresher Course - Verus
April	April 14 April 28	PIMCO RAE Ivy Investments
May	SACRS – May 11-14 May 26	3/31/21 Investment Report – Verus Asset/Liability Study – Verus Strategic Asset Allocation Review - Verus
June	June 9 June 23	Boston Partners SGA Securities Lending Education – Verus Asset/Liability Study Follow Up – Strategic Asset Allocation Review – Verus
July	July 14 July 28	Pathway Pantheon Private Markets Review – Verus Asset/Liability Study Follow Up – Strategic Asset Allocation Review – Verus Risk/Standard Deviation Education

August	August 11	Franklin Templeton DoubleLine Asset/Liability Study Follow Up – Strategic Asset Allocation Review – Verus (continued from July 28th)
	August 25	6/30/21 Investment Report - Verus
	September 8	Invesco SSGA
	September 22	Report from Investment Committee regarding Strategic Asset Allocation Implementation Plan
October	October 13	Discussion Regarding Actuarial Assumptions for June 30, 2021 Valuation - Cheiron
	October 27	Report from Investment Committee regarding Large Cap Growth Equity manager, Infrastructure managers, and implementation plan
November	November 3 - due to SACRS	Actuarial Valuation Report - Cheiron 9/30/21 Investment Report
	SACRS Nov 9-12	
	November 17- due to Thanksgiving Holiday	
December	December 8	Brown Armstrong – Audit Results

Expected 2022 Investment Manager Regular Biennial Presentations:

QMA
LMCG
Sixth Street (TSSP)
Stepstone
RREEF
Ocean Avenue
William Blair
KBI
PGIM
KKR
American Realty Advisors
MacKay Shields



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**TCERA, Board of Retirement
Investment Committee**

Agenda Item # IV. 1. d.

Agenda Date: October 13, 2021

Subject: Investment of Funds Pending Capital Calls and Manager Selection

Requests:

That the Investment Committee:

1. Review and Discuss the recommendations from Verus for the investment of "Dry Powder" for private equity and real estate.
2. Forward a recommendation to the Board of Retirement.

Summary:

On August 11, 2021 the Board of Retirement adopted a new Strategic Asset Allocation that added new asset classes and adjusted target percentages for existing asset classes in TCERA's investment portfolio. One of the decisions associated with the implementation of the new allocation is the selection of appropriate investments for the funds pending capital calls and manager selection for private equity and real estate, also known as "Dry Powder".

The attached memorandum from Verus provides a recommendation to use the SSGA Dow Jones US Completion Index Fund for private equity dry powder. TCERA has an existing allocation to this index fund. The recommendation for real estate dry powder is to invest the funds in the SSGA REIT Index Fund. This would be a new fund for TCERA, invested with TCERA's existing approved index manager.

Prepared by: Leanne Malison

Memorandum

To: Board of Trustees, Tulare County Employees' Retirement Association
From: Mike Kamell, CFA, CAIA, Senior Consultant
Date: October 2021
RE: REIT Fund Recommendation

At the September Board the TCERA Trustees approved the use of an interim glidepath to facilitate the transition of assets from the legacy target asset allocation to the new long-term strategic asset allocation. The initial step in transitioning the portfolio involves the investment of unfunded private real estate allocations into a REIT index, and the unfunded private equity allocation into the Small-Mid Cap US equity index. These changes are highlighted in green in the table within the appendix. Assets will be transitioned from global sovereign and emerging markets debt.

Private Equity Dry Powder

The TCERA portfolio currently invests in the SSgA Dow Jones US Completion index for small-to-mid cap U.S. Equity exposure. The fee for this mandate is 3 bps on the first \$50 million, 2.6 bps on the next \$50 million, and 2.3 bps thereafter. TCERA currently invests approximately \$50 million. Given the existing fund exposure is already in place, Verus recommends using this fund for the unfunded private equity commitment, currently estimated at 3% of the portfolio.

Real Estate Dry Powder

Verus solicited a fee proposal from TCERA's existing index fund provider, SSgA, for a REIT index. SSgA manages a commingled fund that tracks the Dow Jones US Select REIT Index. SSgA offered TCERA a fee of 4 bps on the first \$50 million, and 3 bps thereafter. Verus believes this fee is competitive, and recommends the Board approve utilization of the SSgA DJ US Select REIT Index fund as the 'parking spot' for the unfunded real estate allocation, currently estimated at 4% of the portfolio.

Should the Trustees approve the recommendation, Verus can work with the Administrative office to set up the necessary accounts, and rebalance the portfolio consistent with the implementation glidepath discussed previously.

Appendix:

Interim Target Glidepath using "Aggressive Approach"						
	Current Allocation (7/31/21)	2022 BOY	2023 BOY	2024 BOY	2025 BOY	2026: New Long-term SAA
Large Cap Equity	20.0	20	20	20	20	20
Small Cap Equity	5.6	6	6	6	6	6
International Equity	14.7	16	16	16	16	16
Global Equity	4.4	3	3	3	3	3
Un-funded Real Estate - REITs		4	3	2	1	
Un-funded Private Equity - SMID		3	2	1		
Total Public Equity	44.7	52.0	50.0	48.0	46.0	45.0
Core Plus Fixed Income	21.6	17	17	17	17	17
Global Sovereign Fixed Income	4.7					
EM Debt	4.8	3	3	3	3	3
Total Fixed Income	31.1	20.0	20.0	20.0	20.0	20.0
Private Equity	6.0	7	8	9	10	12
Private Credit	4.7	5	5	5	5	5
Value-add & Opportunistic RE	1.3	2	3	5	7	8
Core Real Estate	9.5	8	7	6	5	3
Infrastructure		2	4	4	4	4
Real Estate Debt		4	3	3	3	3
Total Private Markets	21.4	28.0	30.0	32.0	34.0	35.0
	97.2	100.0	100.0	100.0	100.0	100.0
Projected Return:	5.0	5.67	5.79	5.91	6.02	6.14
Projected Volatility:	10.46	12.13	12.3	12.31	12.33	12.53



COUNTY OF TULARE

BOARD OF RETIREMENT

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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1. e.

Agenda Date: October 13, 2021

Subject: Infrastructure Investment Manager Candidates

Requests:

That the Investment Committee:

1. Review and Discuss the information provided regarding infrastructure investment manager candidates.
2. Forward a recommendation to the Board of Retirement.

Summary:

On August 11, 2021 the Board of Retirement adopted a new Strategic Asset Allocation that added new asset classes and adjusted target percentages for existing asset classes in TCERA's investment portfolio. One of the decisions associated with the implementation of the new allocation is the selection of an investment manager for the infrastructure allocation. This is a highly-specialized investment class with a limited number of top tier open-end fund managers. Verus has provided information on two managers, IFM and Brookfield, that are recommended for the Committee's consideration.

Prepared by: Leanne Malison



PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



September 2021
Infrastructure Search
Tulare County Employees' Retirement Association

I. Manager overview

Manager comparison

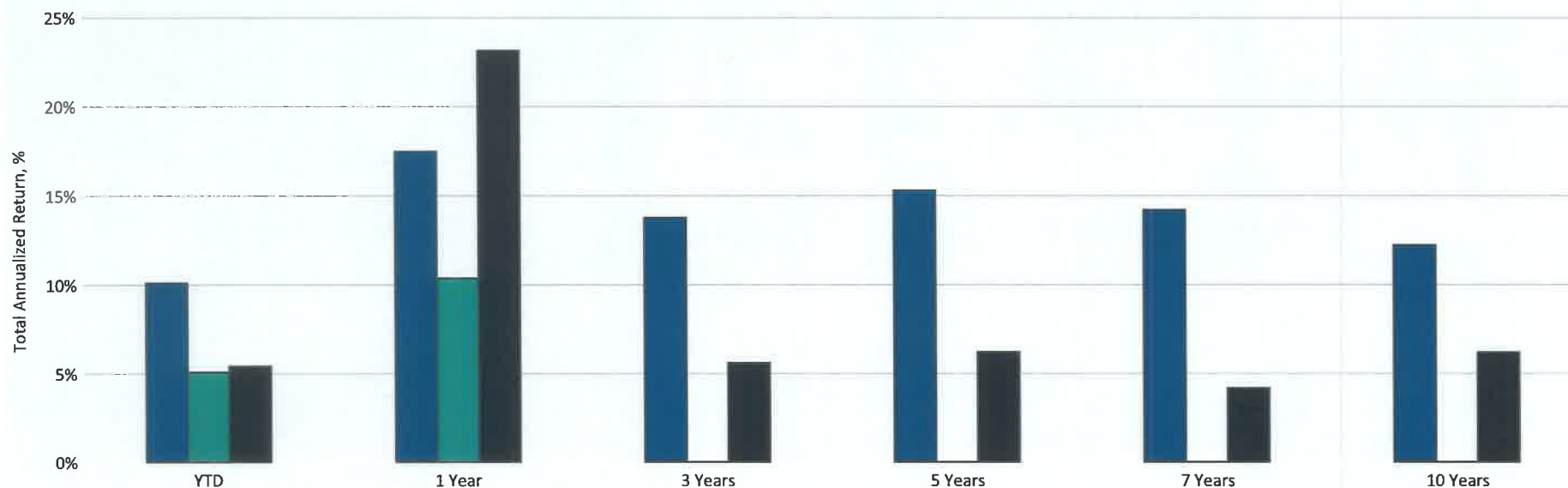
	IFM	Brookfield
FIRM OWNERSHIP	Wholly owned subsidiary of Industry Super Holdings	Wholly owned subsidiary of Brookfield Asset Management
LOCATION	New York, NY	New York, NY
FIRM NAME	IFM Investors PTY Ltd	Brookfield Asset Management
FOUNDED	1994	1899
PRODUCT NAME	Global Infrastructure Fund	Super-Core Infrastructure Partners
FIRM AUM (\$MM)	\$118,158	\$600,000
CURRENT FUND NAV (\$MM)	\$31,805	\$1,653*
INCEPTION DATE	Jan-2009	Dec-2018
INVESTMENT STYLE	Core / Core Plus	Core
TARGET GEO LOCATION	US / Europe	Global
TIMEFRAME TO INVEST NEW CAPITAL	12 - 18 months	6 - 12 months
PREFERRED RETURN	8%	N/A
TARGET RETURN	8-12%	9%
TARGET YIELD	6-8%	5-6%
CURRENT LEVERAGE	38%	65%
MAX LEVERAGE	50%	N/A

*Includes committed capital

Performance comparison - as of June 2021

IFM Brookfield S&P Global Infrastructure TR USD

PERFORMANCE TO DATE

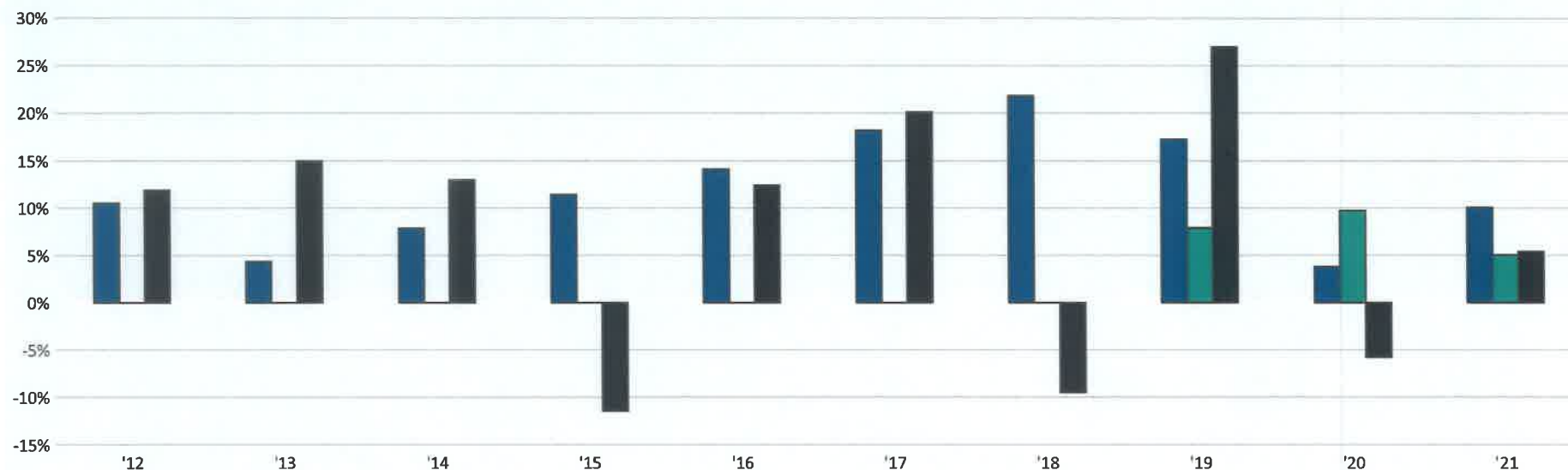


TOTAL ANNUALIZED RETURN TO DATE, %	YTD	1 Year	3 Years	5 Years	7 Years	10 Years
IFM	10.1	17.5	13.8	15.3	14.2	12.2
Brookfield	5.1	10.4	---	---	---	---
S&P Global Infrastructure TR USD	5.4	23.2	5.6	6.2	4.1	6.2

Calendar year performance

IFM Brookfield S&P Global Infrastructure TR USD

ANNUAL PERFORMANCE



ANNUAL PERFORMANCE	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
IFM	10.5	4.3	7.9	11.4	14.1	18.2	21.8	17.3	3.8	10.1
Brookfield								7.9	9.7	5.1
S&P Global Infrastructure TR USD	11.9	15.0	13.0	-11.5	12.4	20.1	-9.5	27.0	-5.8	5.4

Investment vehicle information

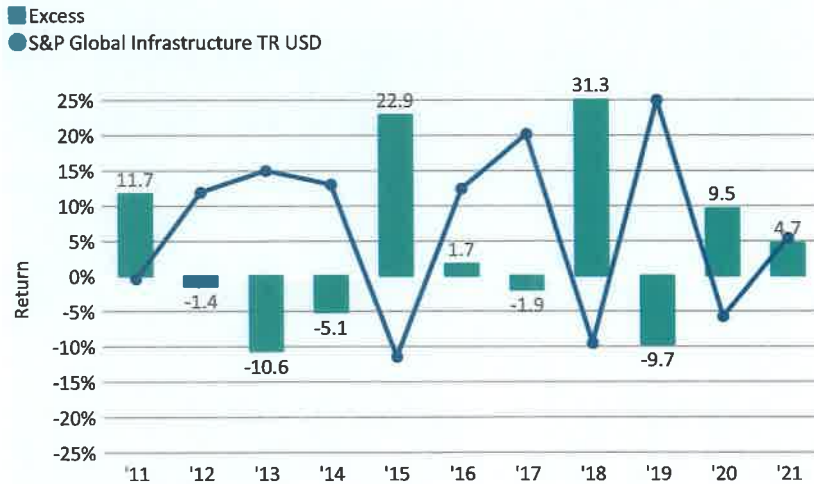
	INVESTMENT VEHICLES	MINIMUM INVESTMENT	INCENTIVE FEE	PREFERRED RETURN	CATCH-UP PROVISION	EXPENSE RATIO	FEE SCHEDULE	LOCKUP PERIOD
IFM	Open-end L.P.	\$10,000,000	10% (rolling 3 year)	8%	33%	0.77% 0.65%	<\$300,000,000 >=\$300,000,000	None
Brookfield	Open-end L.P.	\$5,000,000	~0.25% calculated as 5% of distributions from the Fund	N/A	N/A	0.75% 0.69% 0.64%	First \$100,000,000 \$100mm - \$300mm Balance Remaining	3 Years

Note: Incentive fees applied to returns in excess of the managers preferred return only.

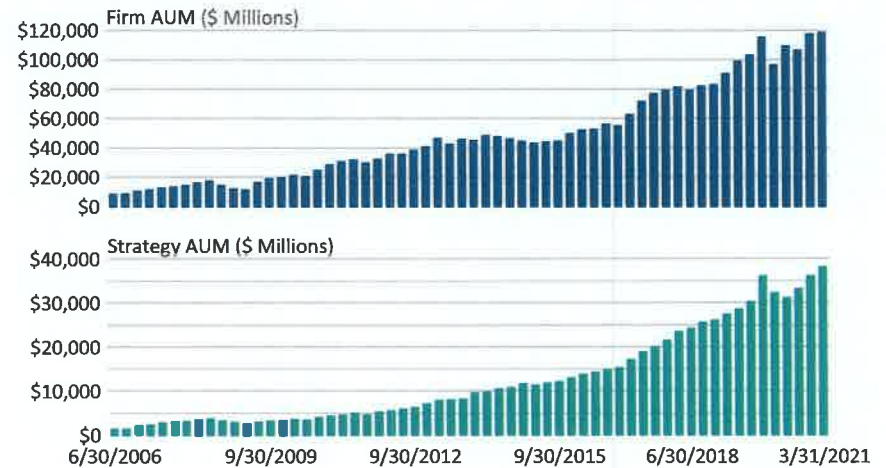
II. Strategy detail

Strategy overview - IFM

ANNUAL PERFORMANCE



AUM GROWTH



INVESTMENT PHILOSOPHY

- Target a diversified portfolio of core infrastructure investments with either controlling positions or minority positions with significant equity protections.
- Seek investment characteristics that are monopolistic, high barriers to entry, limited demand elasticity, long-dated assets, history of cash flow, and predictable regulatory environment.
- Focus on North America/Europe with primarily OECD countries, current focus on transportation, midstream energy and utilities.
- Buy and manage strategy with opportunistic exits.

PORTFOLIO CONSTRUCTION

- Create a diversified portfolio of core infrastructure assets with a target portfolio return of 10%. The majority of the total return (6-8%) should come from cash flows.
- 17 investments across 28 countries.

TEAM DESCRIPTION

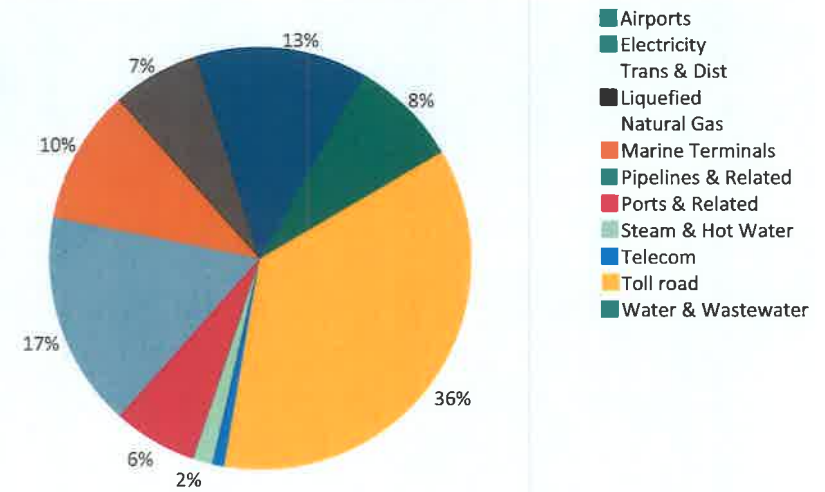
- IFM has global team of more than 90 infrastructure professionals in New York, London, Melbourne and Sydney.
- Kyle Mangini is the Global Head of Infrastructure, who joined in 2007 with 20 years of experience.
- The firm's investment committee averages 6 years firm tenure and 22 years experience.
- Coverage is structured by region with teams of 5-10 Directors and analysts per region.

Strategy overview - IFM

12 MONTH EXCESS PERFORMANCE VS. BENCHMARK, DEC-09 TO JUN-21



SECTOR ALLOCATIONS



LIQUIDITY

- In general, the Fund only targets like-minded long term investors, but does have redemption provisions available. Investors may request to withdraw their interests at any time (no set lock up). The manager must use reasonable best efforts to enable the investor to withdraw or transfer within 36 months.
- Redemptions are serviced by cash at the fund level, or pre-emptive offering to existing investors. If 10% of the fund is subject to redemption all investors will be notified. At the 25% level, a meeting of all investors to agree on an orderly redemption process.

DIFFERENTIATING CHARACTERISTICS

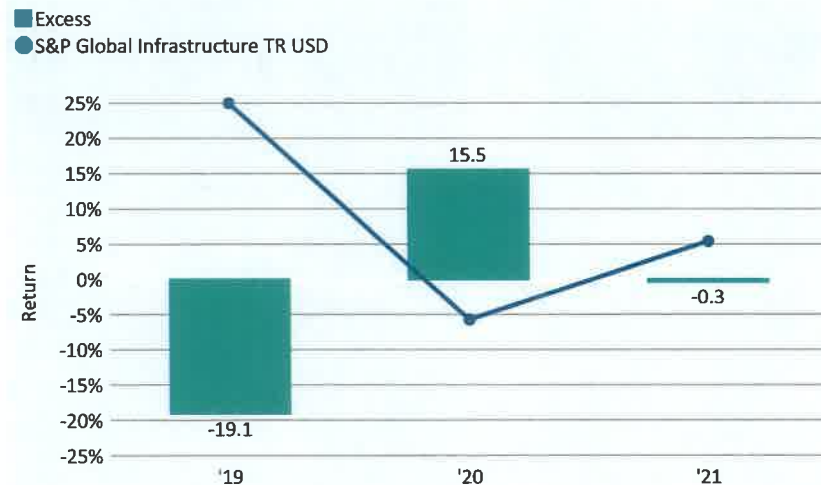
- Ownership structure provides good alignment of interests with like minded pension funds who are also investors owning the firm.
- 23 years of firm experience in private infrastructure.
- United Nations Principals for Responsible Investing signatory (UNPRI).
- New clients must enter the USD-hedged feeder.

POTENTIAL CONCERNS

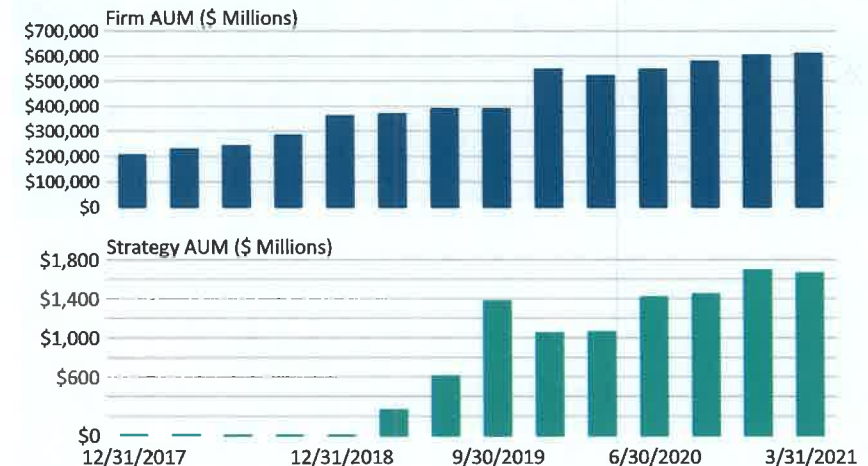
- Performance had been negatively impacted by currency as the strength of the U.S. dollar had been a significant headwind. In 2016, added a new USD-hedged feeder which all new investors will utilize.
- The fund is very heavy with transportation assets, including toll road, airports and ports, which can be more GDP-sensitive.

Strategy overview - Brookfield

ANNUAL PERFORMANCE



AUM GROWTH



INVESTMENT PHILOSOPHY

- Target a diversified portfolio of core infrastructure assets within the utilities, energy, power, and transportation sector.
- Focus on diversification and downside protection by investing in assets with a proven track record of operating success and long-term visibility to future cash flows.

PORTFOLIO CONSTRUCTION

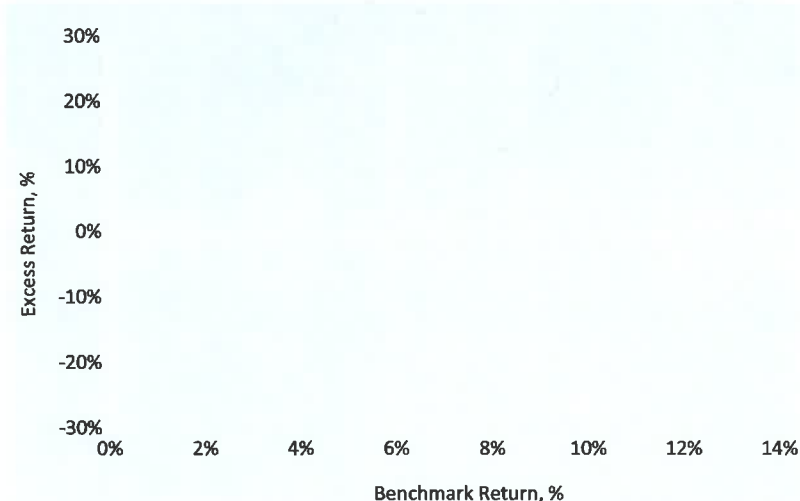
- Create a diversified portfolio of core infrastructure assets with a target portfolio return of 9%, consisting of 5-6% cash yield.
- Because this is a relatively new fund, there are currently 3 assets which are located in the U.S. and western Europe. Brookfield is actively targeting additional investments in OECD countries.

TEAM DESCRIPTION

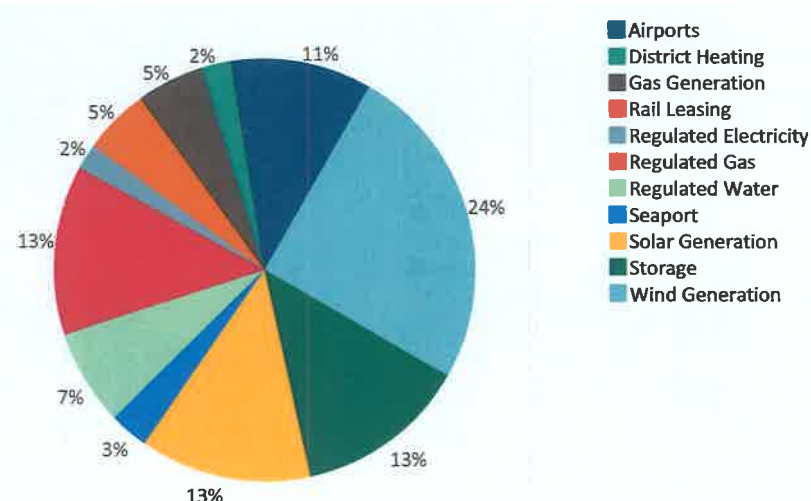
- Five person team that is dedicated solely to the fund, supported by Brookfield's Infrastructure platform consisting of 220 investment professionals.
- The senior executive team that will oversee BSIP day-to-day activities will consist of Eduardo Salgado, Michael Botha and Felipe Ortiz, with Harry Goldgut in an advisory role.
- Working with the senior executive team will be a group of sector CIOs within Brookfield Infrastructure platform that cover utilities, energy, renewables and transportation.
- As BSIP grows, Brookfield plans to add additional members to the executive team and dedicated investment personnel.

Strategy overview - Brookfield

12 MONTH EXCESS PERFORMANCE VS. BENCHMARK, DEC-19 TO JUN-21



SECTOR ALLOCATIONS



LIQUIDITY

- Three year initial lockup, then quarterly.

DIFFERENTIATING CHARACTERISTICS

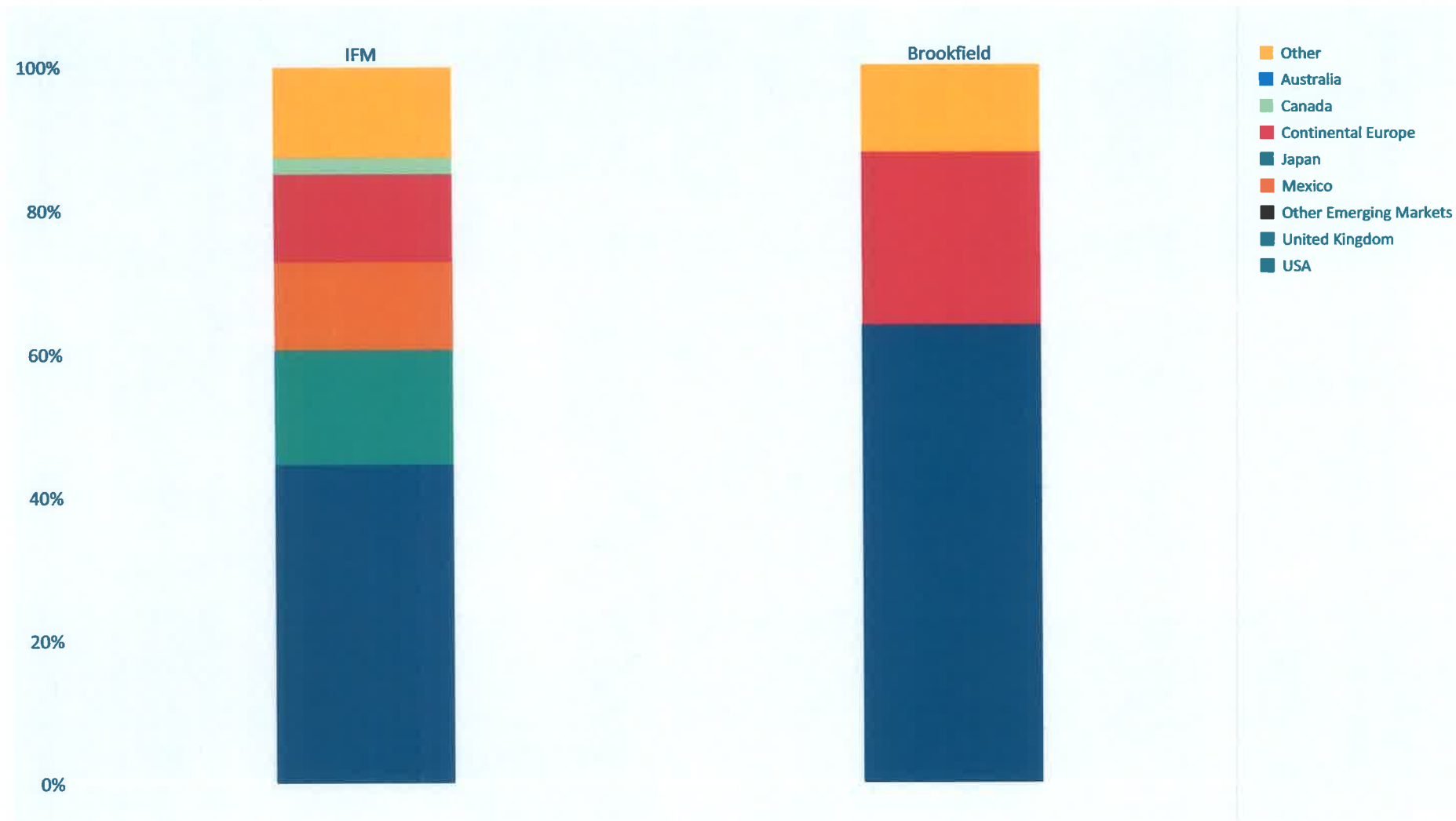
- Strict focus on core assts with stabilized cash flows, no development or value add risk.
- Inflation protection built in to investments through contracted revenue escalators linked to CPI.
- Emphasis on cash yield as primary driver of return, as evidenced by the incentive fee being based on distributions

POTENTIAL CONCERNS

- New fund with short track record and only 3 large assets. Less diversified than the other funds which have been around much longer.
- Low growth potential in the investments. Capital appreciation will not be significant.
- Relatively small team that is solely dedicated to the fund. While the team is backed by the larger infrastructure platform, Brookfield has other vehicles that invest in infrastructure, although none with the same strategy as BSIP.

Country exposure

CURRENT COUNTRY POSITION, AS OF MAR-21

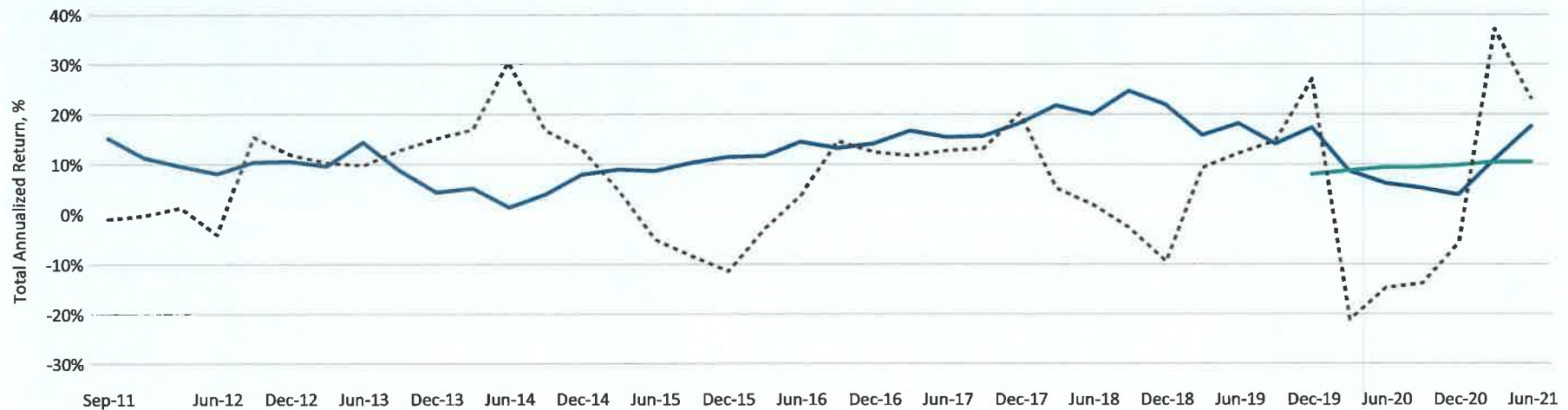


III. Appendix

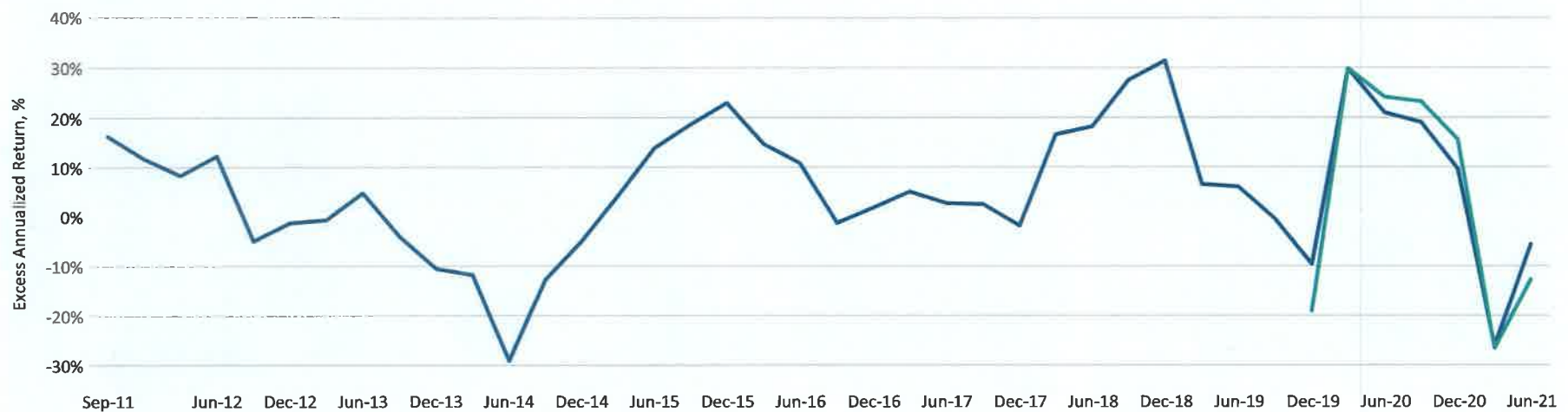
Rolling performance

● IFM ● Brookfield + S&P Global Infrastructure TR USD

12 MONTH ROLLING PERFORMANCE



12 MONTH ROLLING EXCESS PERFORMANCE

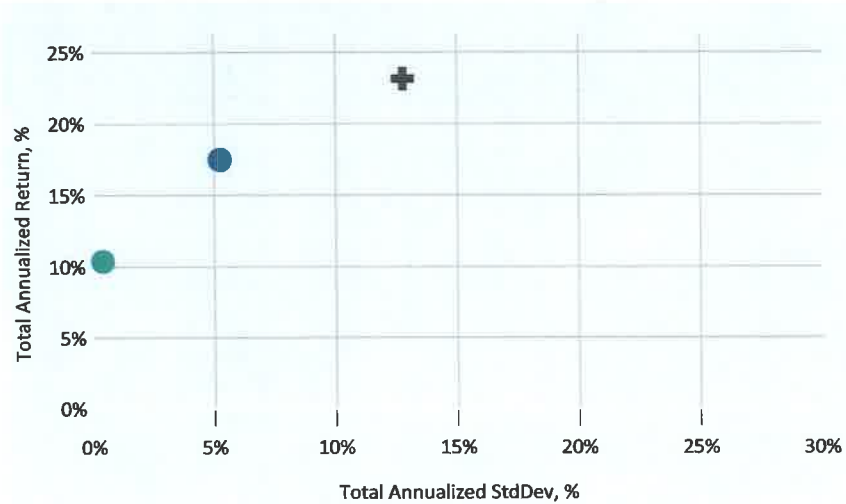


*Brookfield exposures include committed capital

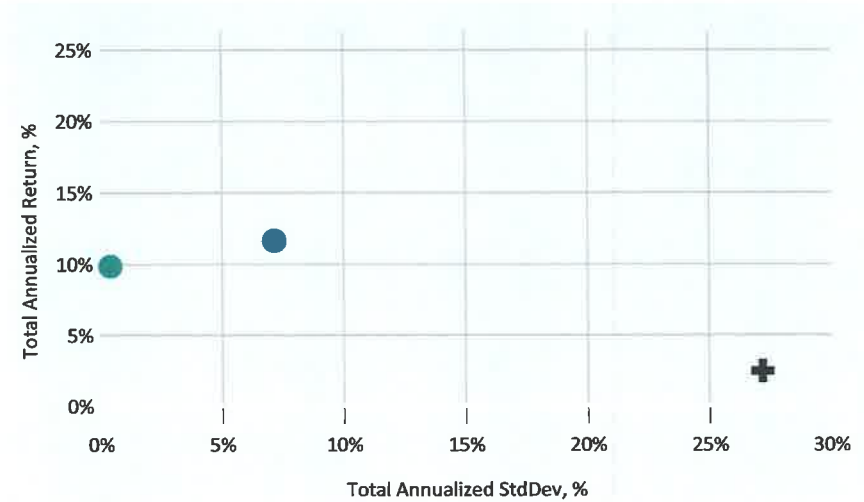
Risk vs. return

● IFM ● Brookfield + S&P Global Infrastructure TR USD

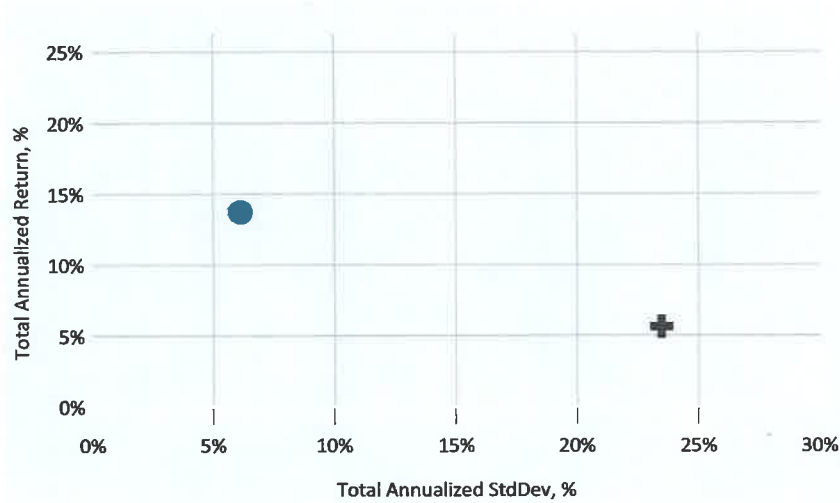
TOTAL PERFORMANCE VS. RISK, JUL-20 TO JUN-21



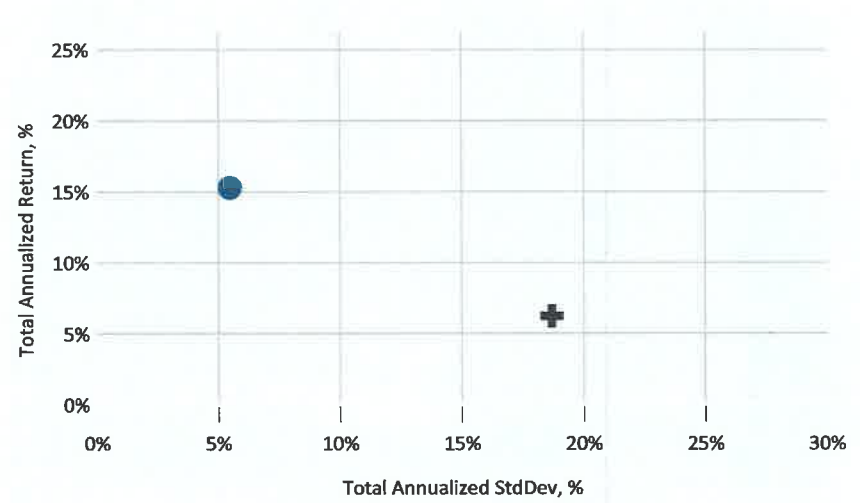
TOTAL PERFORMANCE VS. RISK, JUL-19 TO JUN-21



TOTAL PERFORMANCE VS. RISK, JUL-18 TO JUN-21



TOTAL PERFORMANCE VS. RISK, JUL-16 TO JUN-21



IV. Glossary of terms

Glossary

Annualized Return: Converts the Total Return to an annual basis for comparison purposes. Periods shorter than one year are not annualized.

Benchmark: Investment index used as a standard by which to measure the relative performance of an overall portfolio or an individual money manager. Appropriate benchmarks are selected based on their similarity to a portfolio or to the style of the individual money manager being measured.

Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen/fallen. The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: alpha divided by tracking error.

Preferred Return: Minimum annual return that the fund must achieve before the manager can collect incentive fees.

Target Return: The annualized return a fund would like to achieve on invested capital adjusted for the time value of money.

Target Yield: Target for annual investment cash flow provided by the fund.

Leverage: The amount of debt used to finance a firm's assets.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Risk-Free Rate: The rate of interest that one can earn on an investment with no default risk. It is generally assumed to be the interest rate on a 91 day T-Bill.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: Portfolio Excess Return / Portfolio Standard Deviation.

Consumer Price Index: An index of the variation in prices paid by typical consumers for retail goods and other items.

Standard Deviation (s): A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Total Return: Total Return geometrically compounds the Returns in the series from one period to the next.

Universe: Also called a peer group, a universe is a large number of portfolios of a similar style. These portfolios can be divided into deciles or quartiles and then used for performance measurement and comparative purposes. Portfolios are ranked within the universe, which tells the investor how well a manager has done relative to his or her peers.

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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1. f.

Agenda Date: October 13, 2021

Subject: Private Equity Investment Structure

Requests:

That the Investment Committee:

1. Review and Discuss the information provided regarding structure options for private equity investments.
2. Forward a recommendation to the Board of Retirement.

Summary:

On August 11, 2021 the Board of Retirement adopted a new Strategic Asset Allocation that added new asset classes and adjusted target percentages for existing asset classes in TCERA's investment portfolio. One of the decisions associated with the implementation of the new allocation is the selection of the preferred structure for future private equity investments. The options have been discussed with both the Board and Committee in prior meetings. The attached summary provides a brief description of TCERA's existing structure (fund of funds) and the two options for consideration for future investments (fund-of-one and direct fund investing).

Prepared by: Leanne Malison

Private equity implementation

- The target allocation to private equity is increasing to 12%, which, per our estimation, requires approximately \$80 million of new commitments per year. There are several different methods by which TCERA can seek to deploy this capital:

	Invest in direct funds using a consultant	Invest using a fund-of-one manager	Invest in Fund-of-funds
Estimated cost:	\$ Fixed dollar annual advisory fee	\$\$-\$\$\$ (5-20x advisory fees) Incremental asset-based fees grow with each new year of commitments, but generally more competitive price than FoF.	\$\$\$ (20-30x advisory fees) Incremental asset-based fees grow with each new year of commitments, along with carried interest (incentive fees).
Resources required (Staff & Board):	<u>Moderate - High:</u> Requires staff & Board approval on each investment. Can be mitigated through delegated discretion	<u>Moderate:</u> Initial set-up involves establishing parameters, but multiple years' commitments can be implemented at once	<u>Low - Moderate:</u> Diligence requirements are lower than direct funds, but Board needs to make new commitments every year.
Other considerations:	Most bespoke portfolio. Verus can provide, or TCERA can pursue a search. Least contractual obligations for the plan sponsors	Requires a search. May have to sign on to a predetermined 3-5 year lock-up period. Fees end up similar to Fund of Funds once secondaries & co-investments are incorporated	15-20 year lockups. Alignment of interest typically poor given the double layer of fees. Can provide diversification. After fees, historically FoF have underperformed



COUNTY OF TULARE

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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1. g.

Agenda Date: October 13, 2021

Subject: Private Equity and Real Estate Investment Implementation – Consultant or Fund Search

That the Investment Committee:

1. Review and Discuss the information provided regarding implementation options for private equity and real estate investments.
2. Forward a recommendation to the Board of Retirement.

Summary:

On August 11, 2021 the Board of Retirement adopted a new Strategic Asset Allocation that added new asset classes and adjusted target percentages for existing asset classes in TCERA's investment portfolio. One of the decisions associated with the implementation of the new allocation is identifying the appropriate method of implementation based on the investment structure selected.

Fund-of-One Investment Structure – If this structure is selected, TCERA will need to conduct a search for Fund-of-One managers in order to implement these investments.

Direct Fund Investing – If this structure is selected, TCERA will need to select a consultant to assist with the selection of funds. Considerations and options include:

- **Discretionary vs. Non-Discretionary Mandate** – A discretionary mandate will give the consultant full authority to select funds on TCERA's behalf. A non-discretionary mandate will require that the consultant bring each fund to the Board for approval.
- **Selection Process** – Options for selecting a consultant:
 - Issue a Request for Information (RFI) to qualified consulting firms, initiating a formal evaluation process. Verus could be included in the list of firms.
 - Select Verus as the consultant at the fee schedule disclosed in the recent response to TCERA's RFP for investment consulting services. The Board may want to consider a presentation from the private markets consulting team prior to a decision on this matter.

NOTE: Consultants from Verus will be exiting the meeting for this agenda item.

Prepared by: Leanne Malison



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**TCERA, Board of Retirement
Investment Committee**

Agenda Item # IV. 1. h.

Agenda Date: October 13, 2021

Subject: Large Cap Growth Equity Manager Review

That the Investment Committee:

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

Summary:

At the request of the Board of Retirement, Verus has prepared information regarding investment managers recommended for consideration for TCERA's large cap value growth equity portfolio. The materials include an analysis of TCERA's current manager, Ivy, with Sands Capital, William Blair, and T. Rowe Price. The Committee is asked to review the materials and provide a recommendation to the Board of Retirement regarding next steps.

Prepared by: Leanne Malison



PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



September 2021

US Large Cap Growth Search

Tulare County Employees' Retirement Association

Manager overview

Search candidate highlights

SANDS CAPITAL SELECT GROWTH

- Fundamental, bottom-up, high-conviction strategy; 25-30 holdings.
- Four-person portfolio management team, led by CIO Frank Sands.
- Sand's philosophy is grounded in the firm-wide belief that the most effective means to build and preserve capital is to identify durable companies with sustainable, above-average earnings growth. They then employ a buy and hold strategy that results in a concentrated portfolio with low name turnover. While the team is well aware of the relative valuation of their holdings, the decision to buy or sell a security is primarily based on the team's opinion regarding the company and its long-term prospects.
- Sands' global research team employs a multi-step, iterative approach to their fundamental analysis. The process focuses on finding durable businesses positioned to generate above-average earnings growth that are also trading at reasonable valuations. The team believes their multifaceted research enables them to have a deep understanding of the companies they hold. This approach typically results in an average holding period of over five years.
- **Rationale for including in this search:** For investors looking to "lean into" growth, of the candidates in this search, Sands is the most obvious choice. While Sands has occasionally exhibited wide performance fluctuations over short-term periods, the team has historically generated significantly positive excess returns over longer time horizons. In exchange for this excess return potential, Sands requires investors who can accept high levels of sector, industry, and security concentration relative to the benchmark.

T. ROWE PRICE U.S. LARGE-CAP GROWTH EQUITY

- Fundamental, bottom-up, diversified strategy; 50-75 holdings.
- Three-person portfolio management team.
- The T. Rowe Price U.S. Large-Cap Growth team emphasizes fundamental research and bottom-up stock selection to identify companies with above-average earnings and cash flow growth. The investment team seeks to capitalize on two inefficiencies in the U.S. large-cap growth universe: 1) overestimation of the ability of large U.S. companies to grow at double-digit rates; and 2) short-term momentum and sentiment are often overemphasized by investors.
- T. Rowe Price seeks to outperform the market by understanding and exploiting the two inefficiencies cited above on a company-by-company basis. The investment team invests in two types of growth companies: 1) cyclical firms to be purchased at the right time; and 2) secular firms to be held a long time.
- T. Rowe Price has made a strong commitment to in-house research, and the firm continually strives to enhance their research capabilities. Because T. Rowe Price follows companies throughout their corporate life cycles (for other products in their suite of offerings), they will likely know a company exceptionally well by the time it has achieved large-cap status
- **Rationale for including in this search:** While perhaps not as aggressive as Sands, T. Rowe Price still manages to offer attractive diversified growth exposure, with favorable upmarket characteristics. T. Rowe Price's management fees are competitive as well.

Search candidate highlights

WILLIAM BLAIR LARGE CAP GROWTH

- Fundamental, bottom-up, concentrated; 30-40 holdings.
- Two-person portfolio management team.
- William Blair's Large Cap Growth strategy adheres to a fundamental, bottom-up approach that is predicated on the belief that the market is inefficient with respect to distinguishing between an average growth company and a quality growth company. In their view, a quality growth company is one that can achieve a higher growth rate for a longer time period than what the market expects.
- William Blair's U.S. growth equity team believes there are three main market inefficiencies that allow for the creation of alpha for their clients: 1) Traditional Quality Growth; 2) Fallen Quality Growth; and 3) Undiscovered Quality Growth. As Undiscovered Quality Growth is essentially non-existent in the large-cap realm, the large-cap growth team focuses on the first two categories.
- William Blair believes that the valuation of a stock does not properly discount the expectation of long-term fundamental earnings growth for the company and that its research-intensive approach to quality growth investing, an approach that has been successfully applied for more than 20 years, can exploit the market inefficiencies over time.
- **Rationale for including in this search:** While Sands and T. Rowe Price offer higher upside market capture, William Blair is a suitable candidate for investors seeking a less-aggressive strategy that offers healthy upside participation with modest downside protection.

IVY LARGE CAP GROWTH (INCUMBENT)

- Fundamental, bottom-up, diversified; 40-60 holdings.
- Lead portfolio manager with recent addition to the team.
- Ivy's Large Cap Growth team utilizes a growth-at-a-reasonable-price ("GARP") approach, emphasizing earnings sustainability over earnings growth. Ivy's large cap growth style is predicated on three core beliefs: 1) the market tends to overpay for high near-term earnings growth and undervalues long-term structural earnings power; 2) structurally advantaged companies are characterized by high levels of profitability; and 3) growth investors often underestimate risk.
- Given Ivy's more conservative GARP approach, the Large Cap Growth strategy is expected to outperform during periods of significant market declines (e.g., 2001, 2002 and 2008). In contrast, Ivy's approach tends not to favor robust market rallies.
- The strategy's portfolio management team has undergone significant changes over the past several years. Long-time portfolio managers Philip Sanders and Daniel Becker stepped off the fund in 2016 and 2018, respectively. Upon Becker's departure, Bradley Klappmeyer assumed lead portfolio manager responsibility for the fund with Gabe Krieger (biotech/pharma analyst) joining Klappmeyer as assistant portfolio manager. Krieger resigned in June 2021.
- **Rationale for including in this search:** Given significant turnover on the strategy and organizational changes (Ivy was recently purchased by Macquarie Group), coupled with underwhelming performance since inception, we recommend TCERA consider other suitable options to fill its large cap growth mandate.

Manager comparison

	Sands Capital	William Blair	T. Rowe	Ivy
FIRM OWNERSHIP	100% employee owned	100% employee owned	17% employee owned; 83% publicly owned (NYSE: TROW)	14% employee owned and 86% publicly held
FIRM NAME	Sands Capital Management, LLC	William Blair Investment Management, LLC	T. Rowe Price	Ivy Investments; Waddell & Reed Financial Inc.
PRODUCT NAME	Select Growth	Large Cap Growth	US Large-Cap Growth Equity Strategy	Large Cap Growth
FIRM TOTAL AUM (\$MM)	\$77,561	\$73,963	\$1,623,100	\$79,080
STRATEGY AUM (\$MM)	\$25,251	\$3,104	\$83,342	\$8,203
INCEPTION DATE	Feb-92	Jul-98	Nov-01	Jan-95
PREFERRED BENCHMARK	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth
INVESTMENT APPROACH	Fundamental	Fundamental	Fundamental	Fundamental
SCREENING APPROACH	Bottom-Up	Bottom-Up	Bottom-Up	Bottom-Up
KEY ATTRIBUTES	Beta typically > 1.1 Concentrated Large- to mid-cap bias	Co-PM approach Concentrated Beta typically > 1.0	Lead PM approach Beta typically > 1.05 Large- to mid-cap bias	0

Investment vehicle information

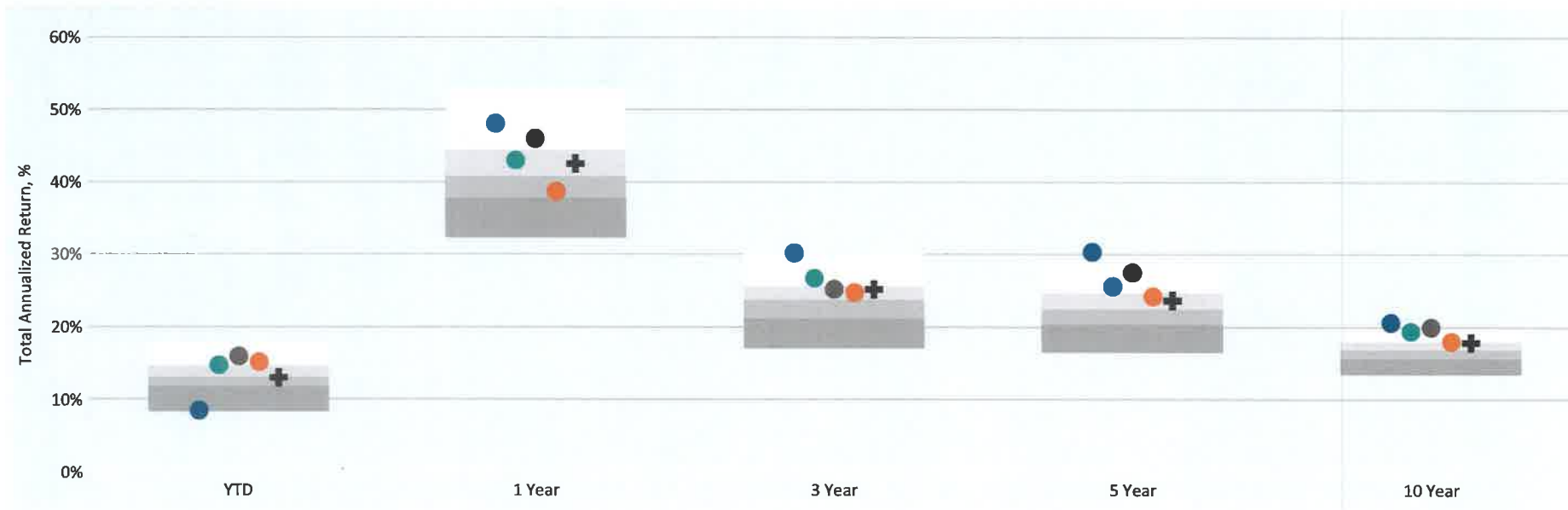
	INVESTMENT VEHICLES	MINIMUM INVESTMENT	EXPENSE RATIO	FEE SCHEDULE	Liquidity
Sands Capital	Separate Account	\$50,000,000	0.75% 0.50%	First \$50,000,000 Balance Remaining	Daily
William Blair	Separate Account	\$10,000,000	0.50% 0.35% 0.30% 0.25%	First \$50,000,000 Next \$50,000,000 Next \$150,000,000 Balance Remaining	Daily
T. Rowe	Separate Account	\$50,000,000	0.50% 0.45% 0.40% 0.35% 0.325%	First \$50,000,000 Next \$50,000,000 > \$100,000,000 All Assets > \$200,000,000 All Assets > \$500,000,000 All Assets	Daily
Ivy	Separate Account	\$10,000,000	0.60% 0.50% 0.40%	First \$25,000,000 Next \$25,000,000 Balance Remaining	Daily

Performance Analysis

Performance comparison - as of June 2021

● Sands Capital
 ● William Blair
 ● T. Rowe
 ● Ivy
 + Russell 1000 Growth Index

PERFORMANCE TO DATE



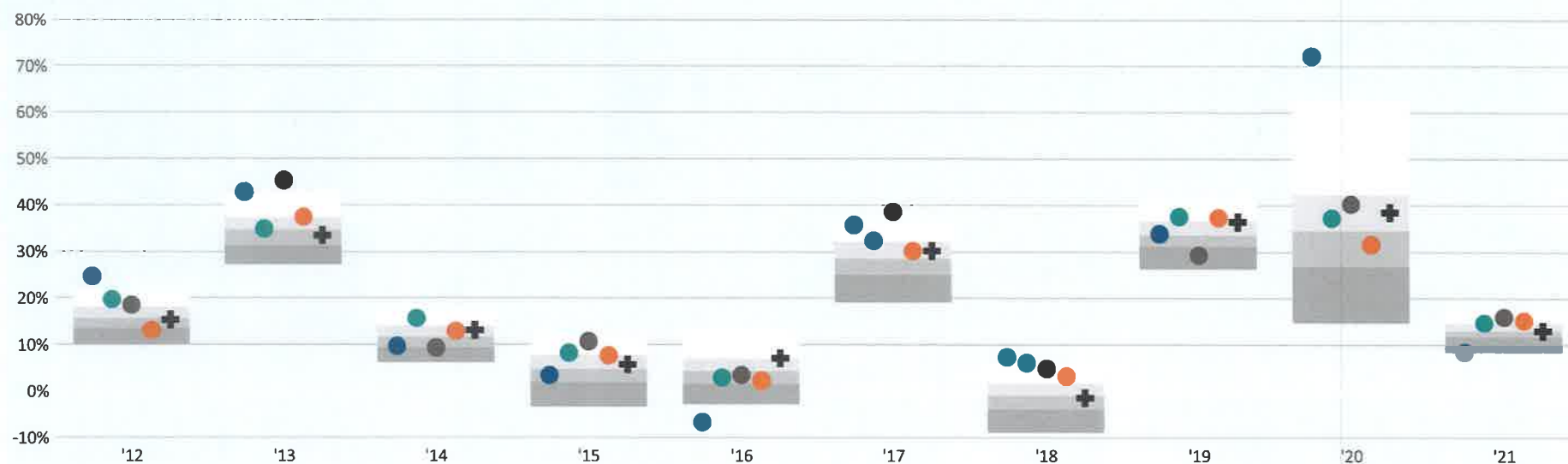
EXCESS ANNUALIZED RETURN TO DATE, %

	YTD	1 Year	3 Year	5 Year	10 Year
Sands Capital	-4.5	5.5	5.0	6.7	2.8
William Blair	1.7	0.5	1.5	1.9	1.5
T. Rowe	3.0	3.5	0.0	3.8	2.1
Ivy	2.1	-3.9	-0.5	0.5	0.1

Calendar year performance

● Sands Capital ● William Blair ● T. Rowe ● Ivy + Russell 1000 Growth Index

ANNUAL PERFORMANCE



ANNUAL PERFORMANCE + RANKING	2013	2014	2015	2016	2017	2018	2019	2020	2021
Sands Capital	42.9	9.6	3.4	-6.7	35.7	7.3	33.9	72.1	8.5
Rank	4	74	63	99	10	3	48	2	95
William Blair	34.8	15.6	8.2	2.9	32.3	6.1	37.5	37.2	14.7
Rank	49	13	22	67	26	6	20	40	28
T. Rowe	45.3	9.3	10.7	3.4	38.5	4.9	29.3	40.2	15.9
Rank	3	78	9	58	3	9	86	28	14
Ivy	37.4	12.9	7.6	2.1	30.2	3.2	37.3	31.6	15.1
Rank	26	39	27	71	41	15	22	62	21
Russell 1000 Growth Index	33.5	13.0	5.7	7.1	30.2	-1.5	36.4	38.5	13.0
Rank	61	37	45	26	41	57	28	33	54

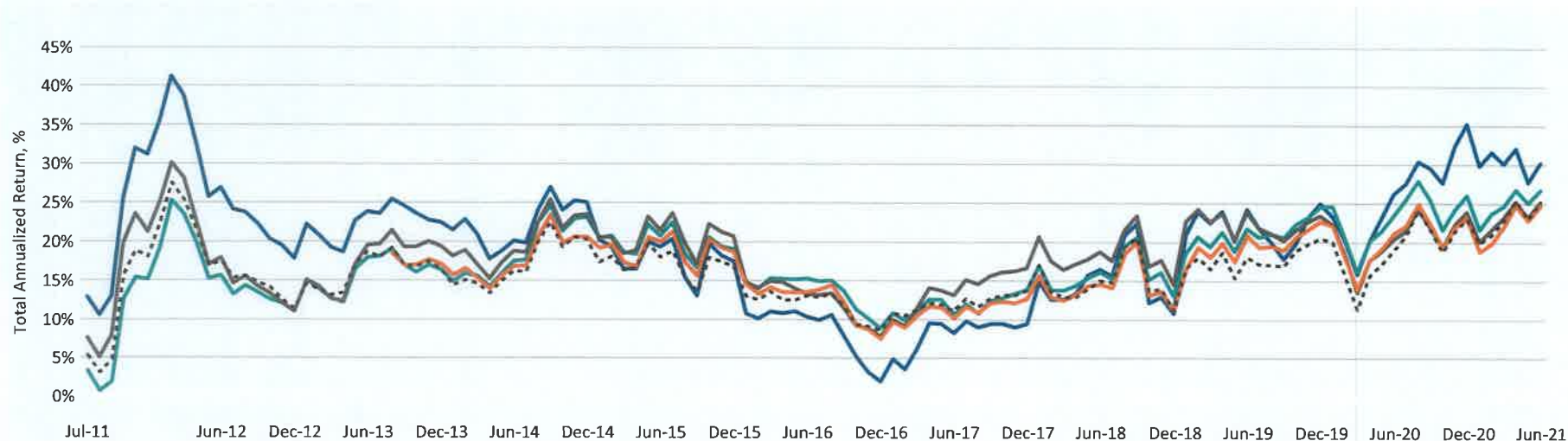
Performance summary - as of June 2021

	Sands Capital	William Blair	T. Rowe	Ivy	Russell 1000 Growth Index
PERFORMANCE ANALYSIS - (5 Years)					
Alpha %	4.1	3.3	3.6	2.1	0.0
Beta	1.1	0.9	1.0	0.9	1.0
R-squared %	82.0	93.5	94.6	96.5	100.0
Sharpe Ratio	1.5	1.6	1.6	1.5	1.4
Treynor Ratio	0.3	0.3	0.3	0.3	0.2
Tracking Error %	8.3	4.2	3.8	3.2	0.0
Annualized Std Dev %	19.3	15.2	16.2	15.0	16.1
Information Ratio	0.7	0.4	0.8	0.2	---
Max Drawdown %	-17.4	-15.1	-15.6	-15.1	-16.0
Calmar Ratio	1.7	1.7	1.8	1.6	1.5
Excess Ann. Return %	6.7	1.9	3.8	0.5	0.0
PERFORMANCE TO DATE					
1 Year	48.0	43.0	46.0	38.6	42.5
3 Year	30.2	26.7	25.2	24.7	25.1
5 Year	30.3	25.6	27.5	24.2	23.7
7 Year	20.9	20.2	20.5	18.5	18.6
10 Year	20.6	19.4	20.0	18.0	17.9
Common Inception (Sep-10)	22.7	20.8	21.5	19.6	19.4
CALENDAR YEAR RETURNS					
2020	72.1	37.2	40.2	31.6	38.5
2019	33.9	37.5	29.3	37.3	36.4
2018	7.3	6.1	4.9	3.2	-1.5
2017	35.7	32.3	38.5	30.2	30.2
2016	-6.7	2.9	3.4	2.1	7.1
2015	3.4	8.2	10.7	7.6	5.7
2014	9.6	15.6	9.3	12.9	13.0
2013	42.9	34.8	45.3	37.4	33.5
2012	24.7	19.6	18.5	13.0	15.3
2011	3.0	-2.3	-1.2	3.4	2.6

Rolling performance

● Sands Capital ● William Blair ● T. Rowe ● Ivy ● + Russell 1000 Growth Index

TOTAL 36 MONTH ROLLING PERFORMANCE



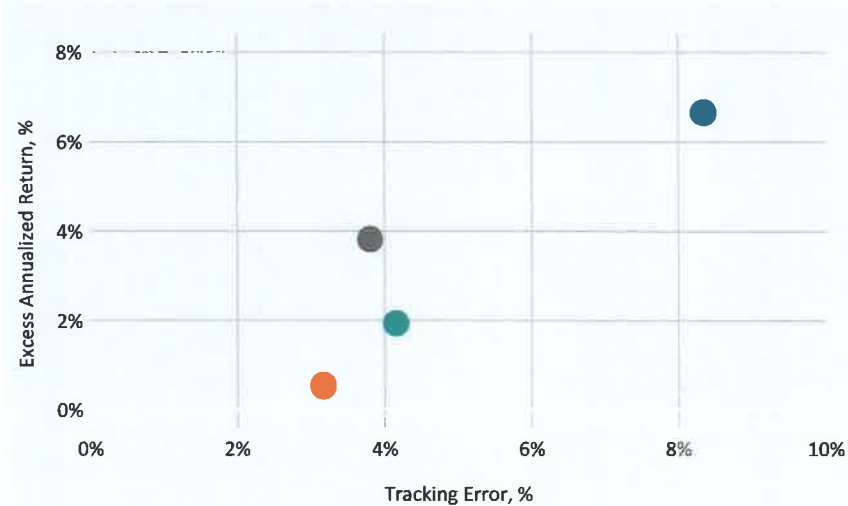
EXCESS 36 MONTH ROLLING PERFORMANCE



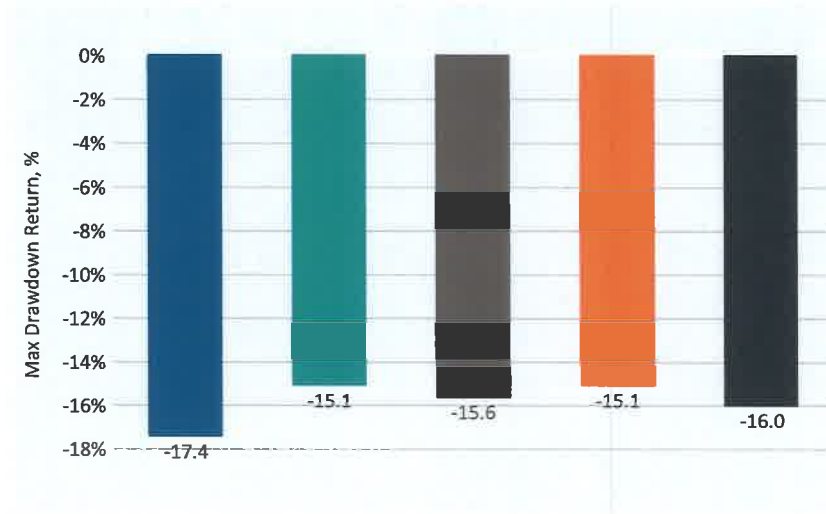
Performance statistics

● Sands Capital
 ● William Blair
 ● T. Rowe
 ● Ivy
 + Russell 1000 Growth Index

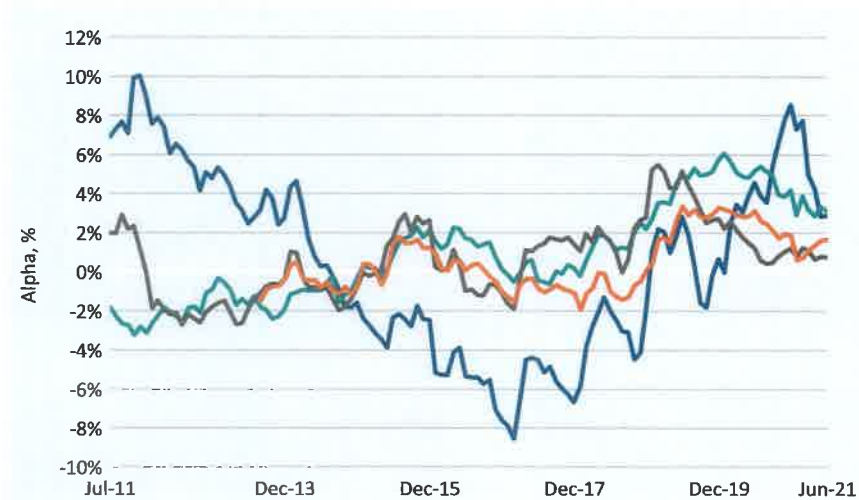
EXCESS PERFORMANCE VS. RISK, JUL-16 TO JUN-21



MAX DRAWDOWN RETURN, JUL-16 TO JUN-21



36 MONTH ROLLING ALPHA



36 MONTH ROLLING BETA



Performance statistics

● Sands Capital
 ● William Blair
 ● T. Rowe
 ● Ivy
 + Russell 1000 Growth Index

36 MONTH ROLLING RISK



36 MONTH ROLLING INFORMATION RATIO



36 MONTH ROLLING TRACKING ERROR



36 MONTH ROLLING SHARPE RATIO(G)

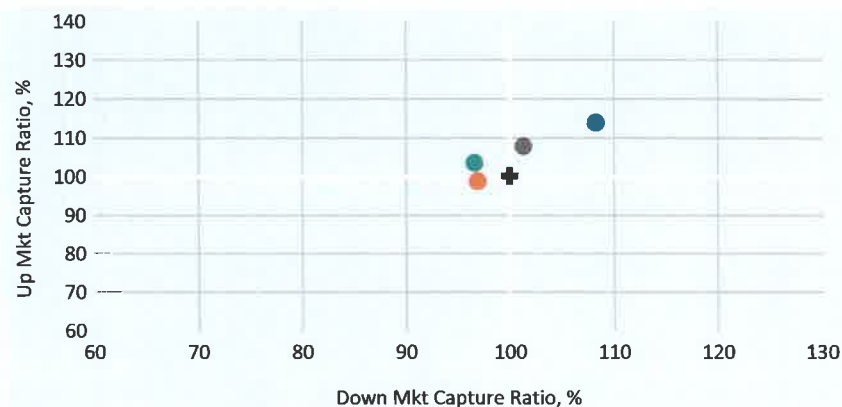


Style Analysis and Portfolio Analytics

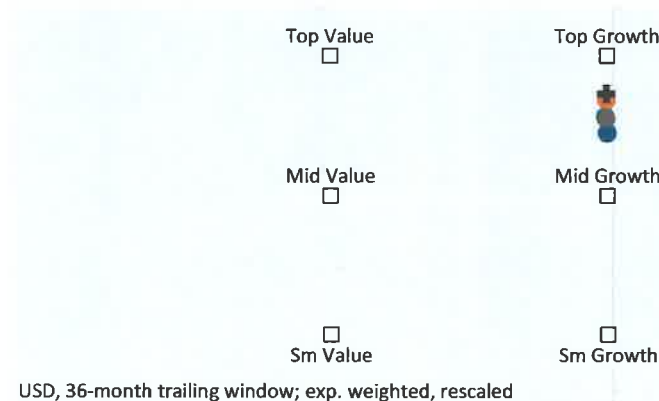
Style and portfolio comparison

● Sands Capital ● William Blair ● T. Rowe ● Ivy + Russell 1000 Growth Index

UP/DOWN MARKET CAPTURE, JUL-11 TO JUN-21



RUSSELL 6 STYLE MAP, AUG-13 TO JUN-21



USD, 36-month trailing window; exp. weighted, rescaled

	Sands Capital	William Blair	T. Rowe	Ivy
% HOLDINGS IN 10 LARGEST STOCKS	56.9%	51.9%	48.4%	53.2%
ANNUAL TURNOVER	25.1%	16.0%	11.9%	24.9%
CASH	2.9%	0.6%	0.3%	0.3%
CURRENT DIVIDEND YIELD	0.1%	0.6%	0.3%	0.5%
CURRENT P/E	70.3	39.0	53.2	36.5
CURRENT P/B	13.8	11.5	13.8	9.8
PORTFOLIO HOLDINGS	30	32	78	39
WGTD. AVG. MKT. CAP	\$ 225,356	\$ 643,442	\$ 767,997	\$ 752,171
MAX CASH POSITION	5	5.0	N/A	5.0
MAX POSITION SIZE	0.1	0.1	0.0	0.1
DEV. MKTS.	0.000	0.000	0.000	0.000

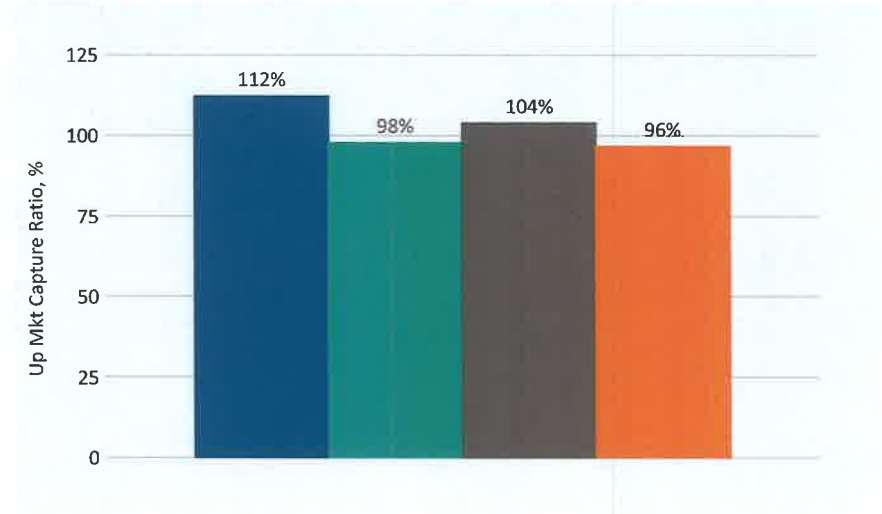
Up & down market analysis

● Sands Capital
 ● William Blair
 ● T. Rowe
 ● Ivy
 + Russell 1000 Growth Index

36 MONTH ROLLING UP MKT CAPTURE RATIO



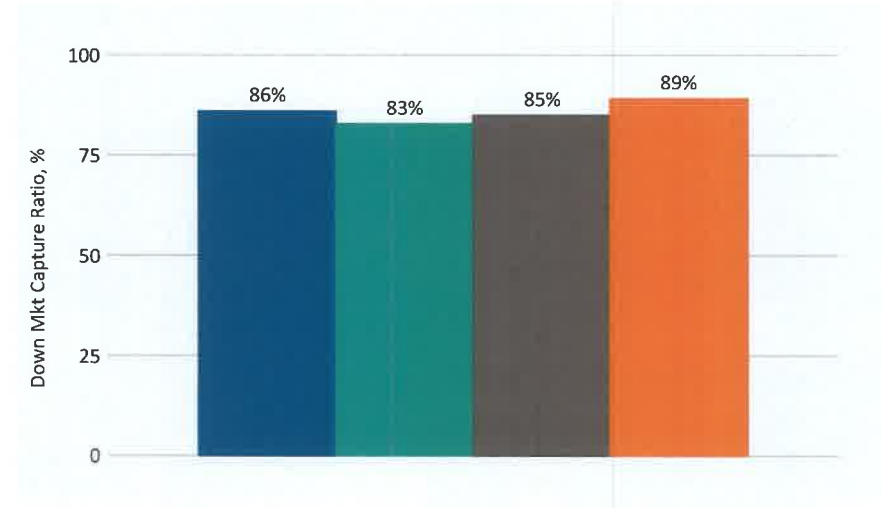
UP MARKET CAPTURE RATIO, JUL-16 TO JUN-21



36 MONTH ROLLING DOWN MKT CAPTURE RATIO



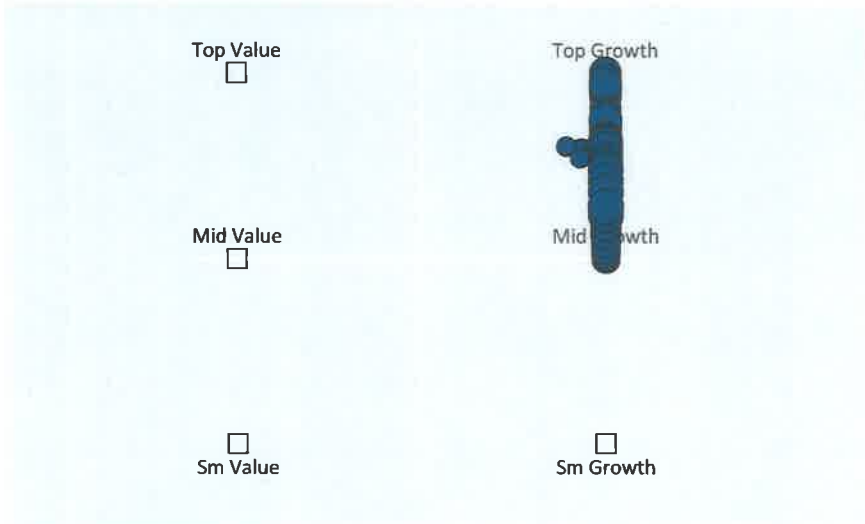
DOWN MARKET CAPTURE RATIO, JUL-16 TO JUN-21



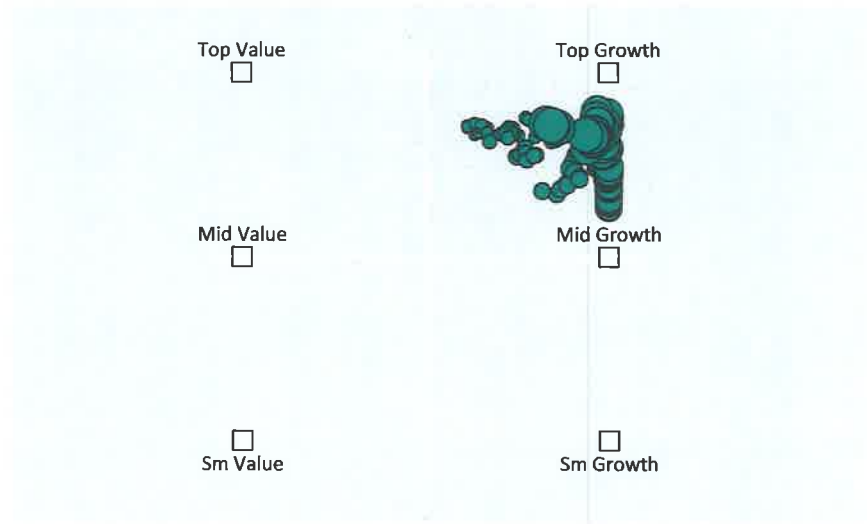
Style analysis (Russell 6 Style Map)

● Sands Capital ● William Blair ● T. Rowe ● Ivy

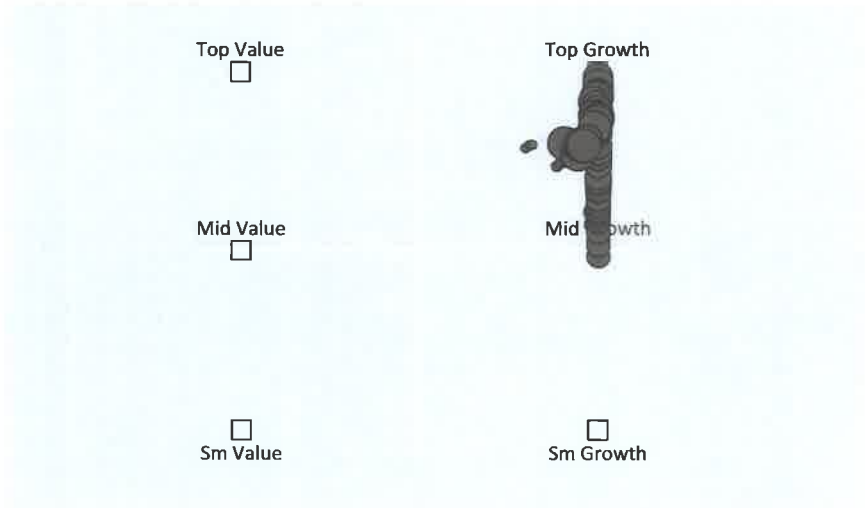
RUSSELL 6 STYLE MAP, FEB-95 TO JUN-21



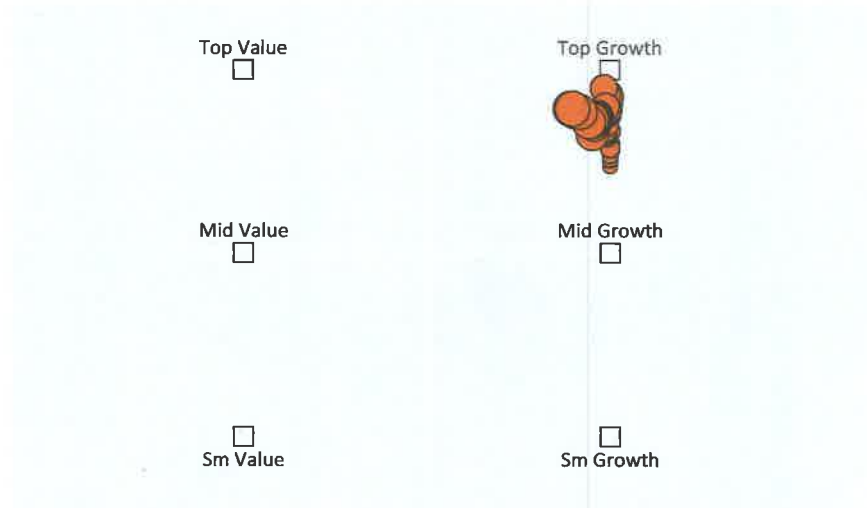
RUSSELL 6 STYLE MAP, JUN-01 TO JUN-21



RUSSELL 6 STYLE MAP, NOV-04 TO JUN-21

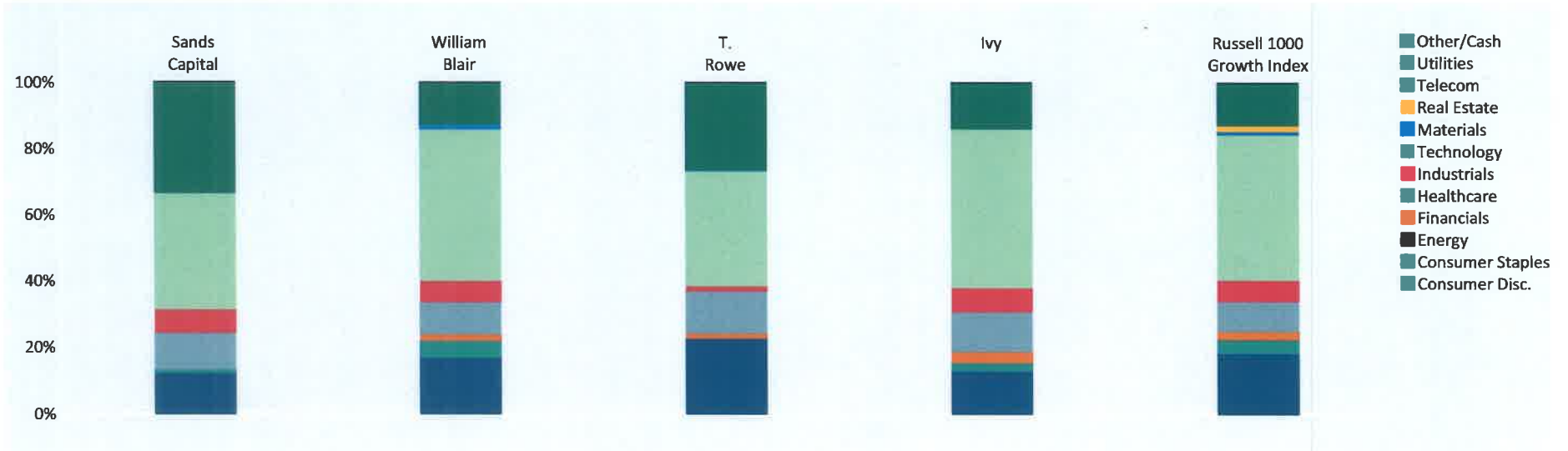


RUSSELL 6 STYLE MAP, AUG-13 TO JUN-21

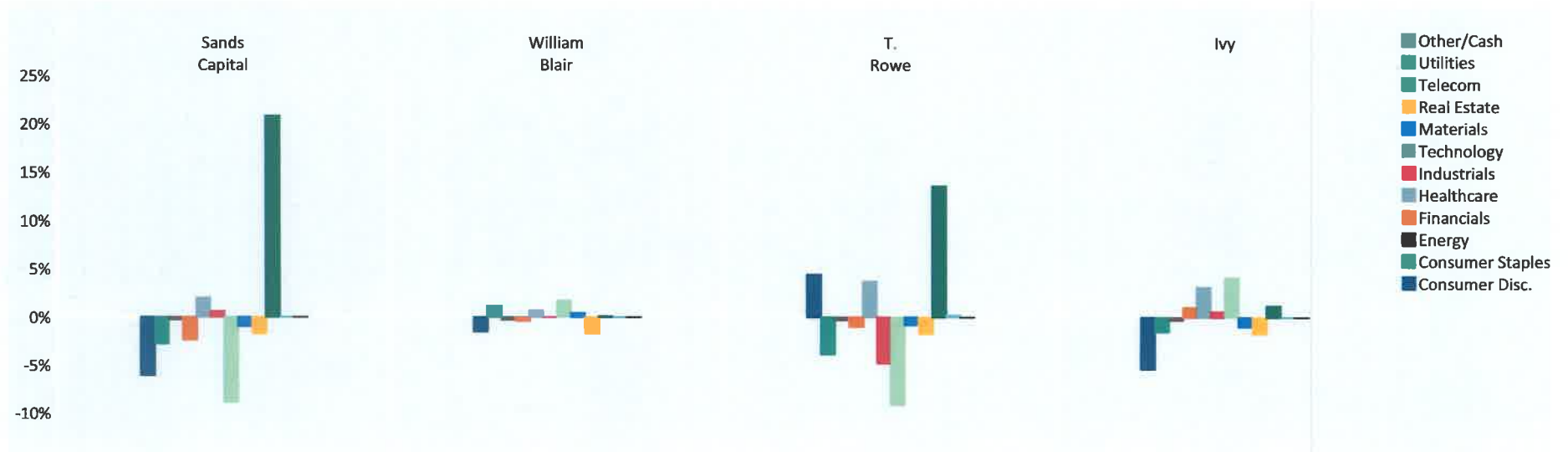


Equity sector exposure

CURRENT SECTOR POSITION, AS OF JUN-21



RELATIVE TO RUSSELL 1000 GROWTH INDEX, AS OF JUN-21

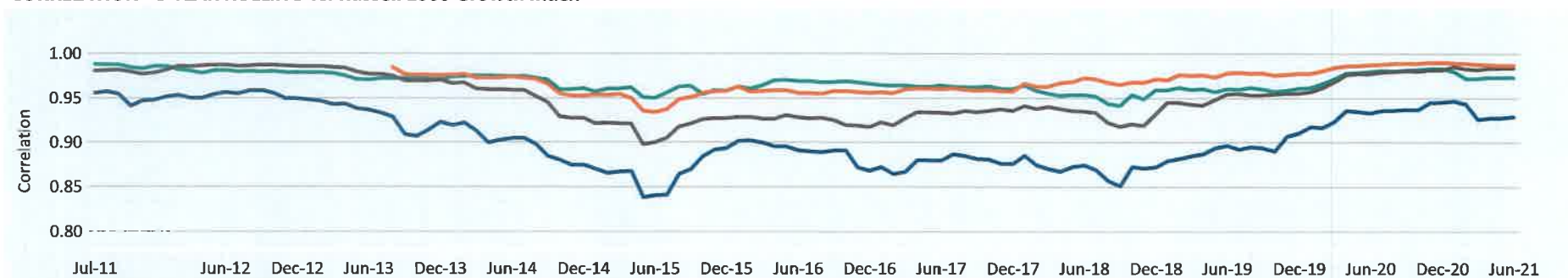


Risk Analysis

Correlations

● Sands Capital ● William Blair ● T. Rowe ● Ivy + Russell 1000 Growth Index

CORRELATION - 3 YEAR ROLLING vs. Russell 1000 Growth Index



3 YEAR ENDING 06/2021

	Sands Capital	William Blair	T. Rowe	Ivy
Sands Capital	1.00	0.92	0.95	0.92
William Blair	0.92	1.00	0.97	0.98
T. Rowe	0.95	0.97	1.00	0.97
Ivy	0.92	0.98	0.97	1.00

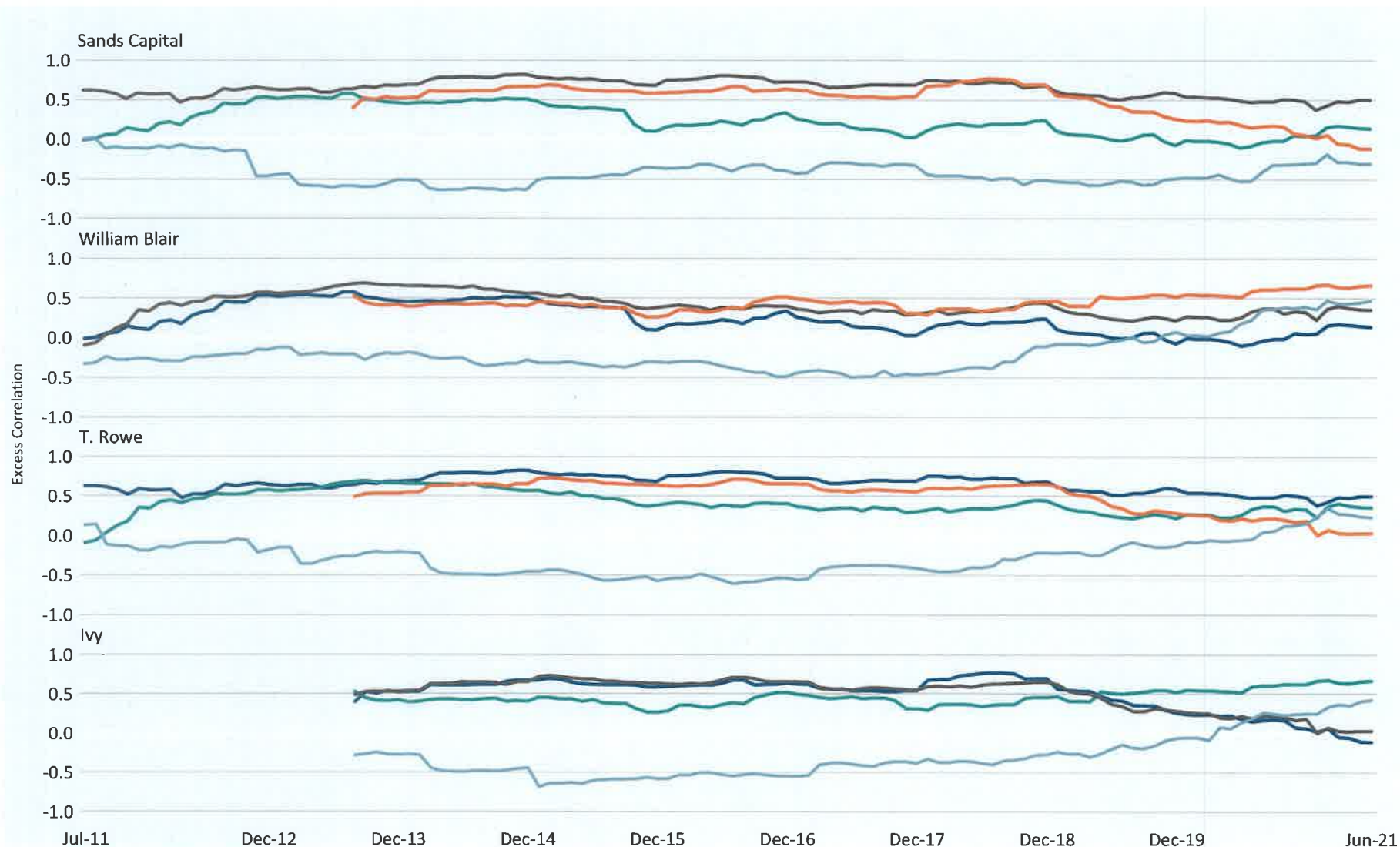
5 YEAR ENDING 06/2021

	Sands Capital	William Blair	T. Rowe	Ivy
Sands Capital	1.00	0.90	0.94	0.91
William Blair	0.90	1.00	0.96	0.97
T. Rowe	0.94	0.96	1.00	0.96
Ivy	0.91	0.97	0.96	1.00

Rolling excess return correlation

● Sands Capital ● William Blair ● T. Rowe ● Ivy ● Russell 1000 Growth Index

36 MONTH ROLLING



Excess return correlations

1 YEAR ENDING 06/2021

	Sands Capital	William Blair	T. Rowe	Ivy
Sands Capital	1.00	0.43	0.65	-0.22
William Blair	0.43	1.00	0.50	0.60
T. Rowe	0.65	0.50	1.00	0.17
Ivy	-0.22	0.60	0.17	1.00

3 YEAR ENDING 06/2021

	Sands Capital	William Blair	T. Rowe	Ivy
Sands Capital	1.00	0.14	0.50	-0.12
William Blair	0.14	1.00	0.35	0.66
T. Rowe	0.50	0.35	1.00	0.03
Ivy	-0.12	0.66	0.03	1.00

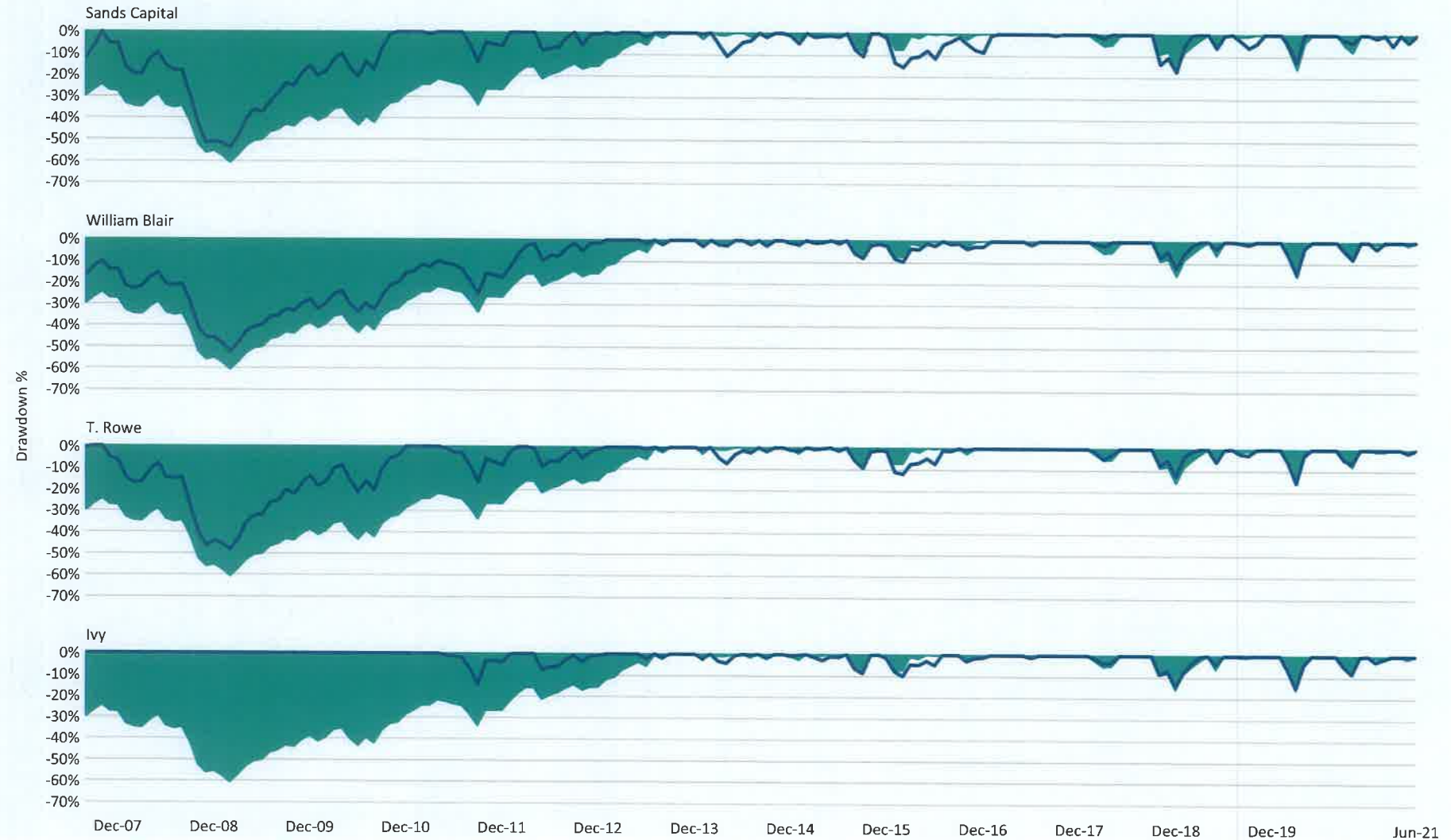
5 YEAR ENDING 06/2021

	Sands Capital	William Blair	T. Rowe	Ivy
Sands Capital	1.00	0.14	0.53	0.17
William Blair	0.14	1.00	0.30	0.55
T. Rowe	0.53	0.30	1.00	0.24
Ivy	0.17	0.55	0.24	1.00

Historical drawdowns

CUMULATIVE PERFORMANCE EXTREMES

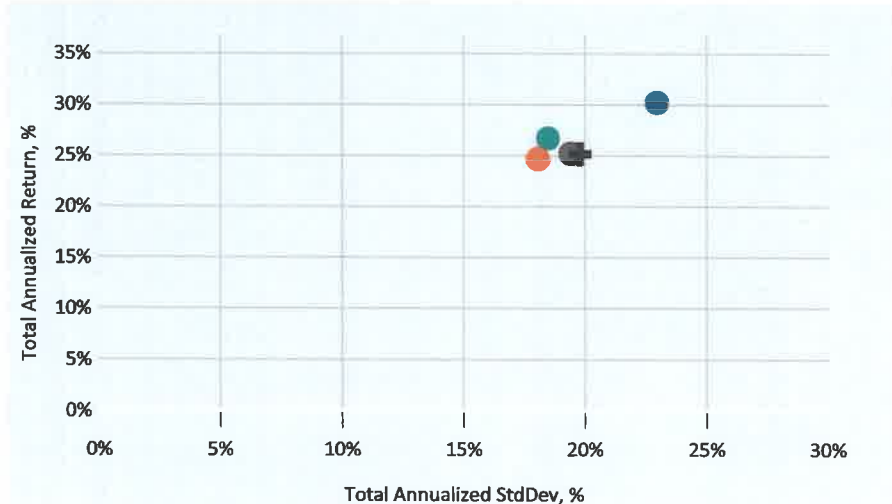
Cumulative Performance Extremes Drawdown Return Drawdown Benchmark Return



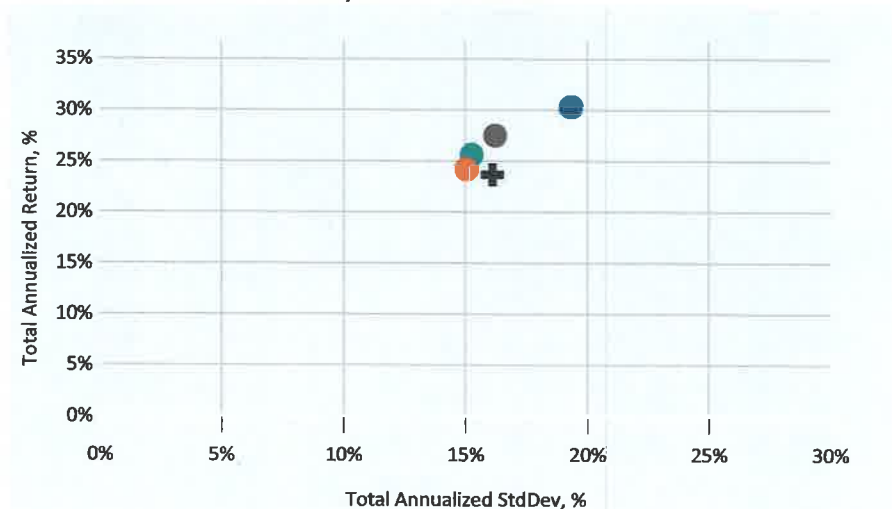
Risk vs. return

● Sands Capital
 ● William Blair
 ● T. Rowe
 ● Ivy
 + Russell 1000 Growth Index

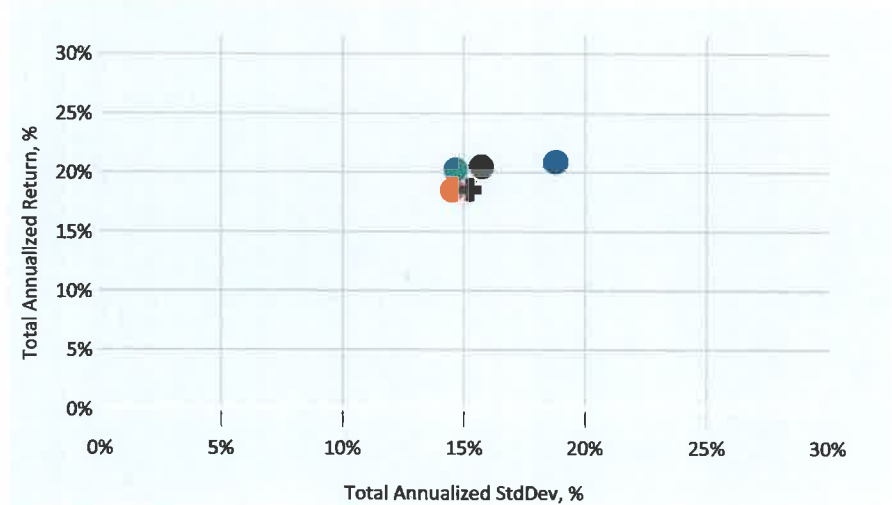
TOTAL PERFORMANCE VS. RISK, JUL-18 TO JUN-21



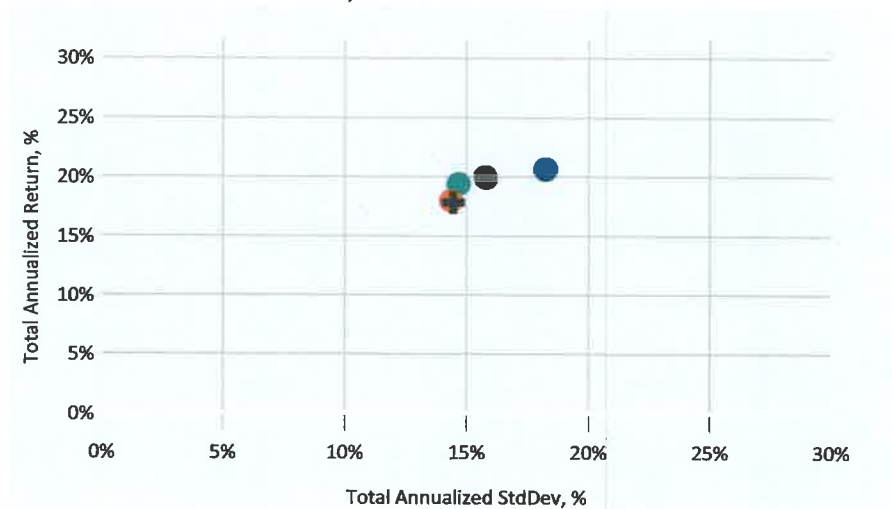
TOTAL PERFORMANCE VS. RISK, JUL-16 TO JUN-21



TOTAL PERFORMANCE VS. RISK, JUL-14 TO JUN-21



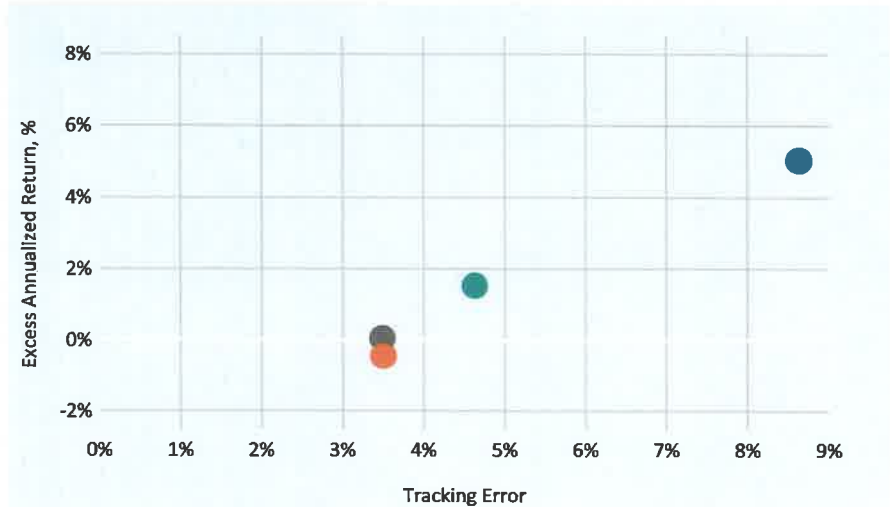
TOTAL PERFORMANCE VS. RISK, JUL-11 TO JUN-21



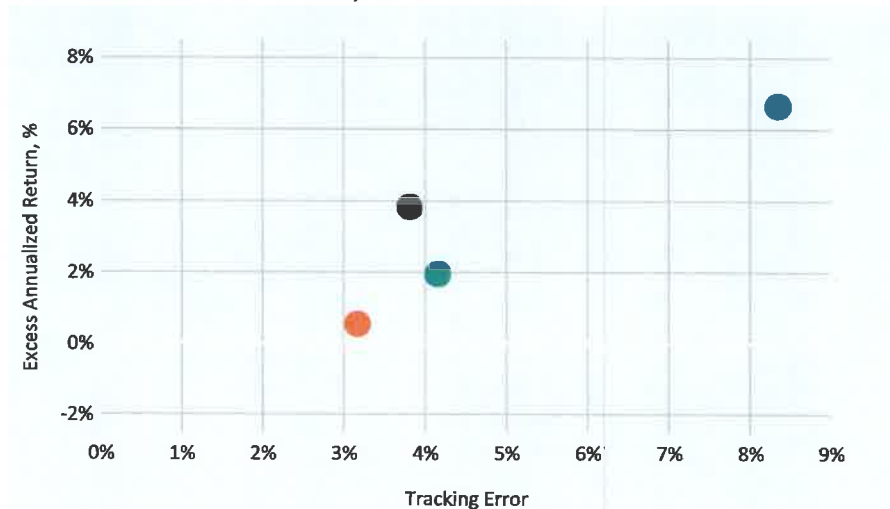
Performance efficiency

● Sands Capital ● William Blair ● T. Rowe ● Ivy + Russell 1000 Growth Index

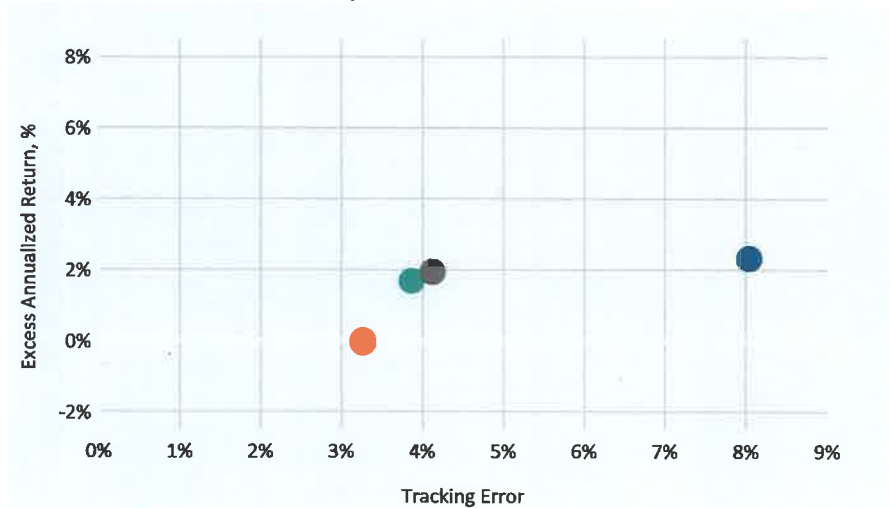
EXCESS PERFORMANCE VS. RISK, JUL-18 TO JUN-21



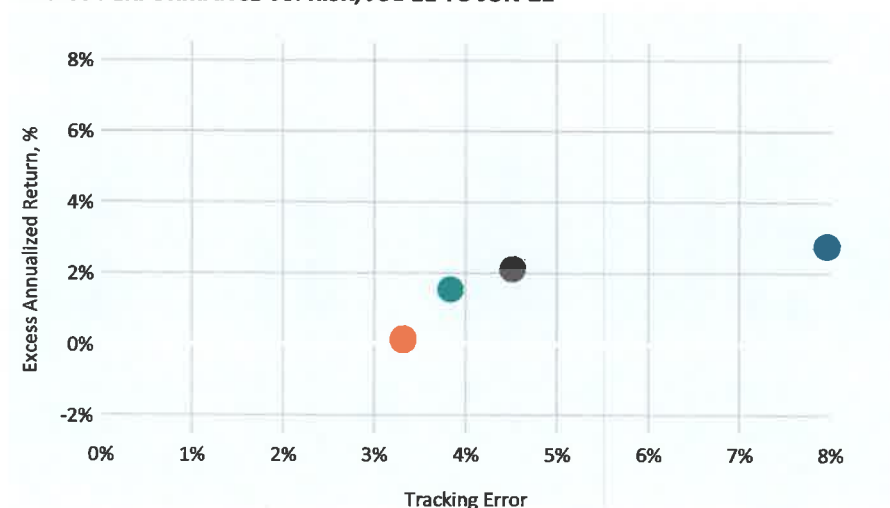
EXCESS PERFORMANCE VS. RISK, JUL-16 TO JUN-21



EXCESS PERFORMANCE VS. RISK, JUL-14 TO JUN-21



EXCESS PERFORMANCE VS. RISK, JUL-11 TO JUN-21



Private equity implementation

- The target allocation to private equity is increasing to 12%, which, per our estimation, requires approximately \$80 million of new commitments per year. There are several different methods by which TCERA can seek to deploy this capital:

	Invest in direct funds using a consultant	Invest using a fund-of-one manager	Invest in Fund-of-funds
Estimated cost:	\$ Fixed dollar annual advisory fee	\$\$-\$\$\$ (5-20x advisory fees) Incremental asset-based fees grow with each new year of commitments, but generally more competitive price than FoF.	\$\$\$ (20-30x advisory fees) Incremental asset-based fees grow with each new year of commitments, along with carried interest (incentive fees).
Resources required (Staff & Board):	<u>Moderate - High:</u> Requires staff & Board approval on each investment. Can be mitigated through delegated discretion	<u>Moderate:</u> Initial set-up involves establishing parameters, but multiple years' commitments can be implemented at once	<u>Low - Moderate:</u> Diligence requirements are lower than direct funds, but Board needs to make new commitments every year.
Other considerations:	Most bespoke portfolio. Verus can provide, or TCERA can pursue a search. Least contractual obligations for the plan sponsors	Requires a search. May have to sign on to a predetermined 3-5 year lock-up period. Fees end up similar to Fund of Funds once secondaries & co-investments are incorporated	15-20 year lockups. Alignment of interest typically poor given the double layer of fees. Can provide diversification. After fees, historically FoF have underperformed



COUNTY OF TULARE

BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

136 N AKERS STREET
VISALIA, CALIFORNIA 93291

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www.tcera.org

TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1. i.

Agenda Date: October 13, 2021

Subject: Vendor/Investment Firm Referral Report

Requests:

That the Investment Committee:

1. Review the attached Vendor and Investment Firm Referral Report
2. Provide direction to TCERA's Investment Consultant

Summary:

TCERA's *Communications Between Trustees and Outside Service Providers* policy requires that trustees requesting consideration of specific firms for an investment manager search submit those names to the Investment Committee for review and approval. Attached is a request for consideration of WP Global Partners, a firm providing private equity investments. The Committee is asked to provide direction to the Investment Consultant regarding the inclusion of this firm in TCERA's next private equity investment search. Specific suitability of this firm may depend on the Board's decision regarding TCERA's private equity structure for future investments.

Prepared by: Leanne Malison

TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Vendor/Investment Firm Referral Report

REQUESTED BY (NAME OF TRUSTEE/STAFF): Dave Kehler

DATE SUBMITTED: 9/8/21

NAME OF FIRM: WP Global Partners

SERVICE/INVESTMENT TYPE: Private Equity

CONTACT INFORMATION: NAME Eric Assouad

PHONE 312.277.2037

E-MAIL EAC@wpglobalpartners.com

SOURCE OF CONTACT: Networking
(CONFERENCE, COLLEAGUE REFERRAL, NETWORKING, ETC.)

REASON FOR REFERRAL:

☐ INFORMATION ONLY – FOR FUTURE REFERENCE – NO ACTION REQUIRED

☐ RECOMMEND AN EDUCATIONAL PRESENTATION TO BOARD OF RETIREMENT

☐ RECOMMEND STAFF CONTACT FIRM FOR ADDITIONAL INFORMATION

☐ RECOMMEND ADDITIONAL INFORMATION FROM INVESTMENT CONSULTANT

☒ RECOMMEND FOR CONSIDERATION IN UPCOMING MANAGER/VENDOR SEARCH

☐ OTHER _____

COMMITTEE MEETING DATE AND ACTION TAKEN:



COUNTY OF TULARE BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1. j.

Agenda Date: October 13, 2021

Subject: Delegation of Decision-Making Authority the Investment Committee

That the Investment Committee:

1. Review and discuss possible delegation of authority to the Investment Committee to act on investment related matters.
2. Forward a recommendation to the Board of Retirement.

Summary:

Recent discussion by the Board of Retirement regarding the slow pace of implementation of investment decisions resulted in the Investment Committee requesting the opportunity to discuss the possible delegation of some decision-making authority to the Investment Committee. Such authority could encompass a wide range of activities, including relatively routine decisions up to and including significant investment decisions. Some examples are listed below to assist the Committee' discussion. The examples are meant as a sample of the varying degree of authority and are not intended as Staff recommendations.

- Select finalists for investment manager searches
- Initiate due diligence visits for finalists
- Select investment managers/funds
- Approve opportunistic investments
- Approve investment contract amendments (e.g. fee schedules, investment guidelines)
- Conduct 5-year investment consultant review
- Approve changes to investment Manager Benchmarks
- Approve Lead Plaintiff Status for securities litigation
- Approve rebalancing decisions that fall outside of the Retirement Administrator's authority

Example of authority already granted to the Investment Committee:

- Vendor and Investment Firm Referrals

Prepared by: Leanne Malison



COUNTY OF TULARE BOARD OF RETIREMENT

Leanne Malison
Retirement Administrator

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TCERA, Board of Retirement Investment Committee

Agenda Item # IV. 1. k.

Agenda Date: October 13, 2021

Subject: Investment Manager Review

Requests:

That the Investment Committee:

1. Review and Discuss manager performance as reported in the most recent Verus Flash Report.
2. Review and Discuss any Managers of Interest and other presented topics

Summary:

1. **Verus Flash Report** – The Flash Report provides the most current performance information provided by Verus. The Committee will periodically discuss individual managers and their performance as well as overall portfolio performance. The Flash report is prepared by Verus as soon as month end information is available from TCERA's managers and is generally available by the 15th of the month. Depending on the timing of the receipt of the investment data and the date of the committee meeting, the most recent month-end report may not be ready in time for distribution or discussion.
2. **Managers of Interest** – The Committee has requested a standing agenda item to discuss managers of interest in greater detail. Most often these will be current investment managers as listed on the Verus Flash Report that have reported firm/personnel changes or managers that require additional discussion or scrutiny.
 - a. Franklin Templeton – Manager Review
 - b. DoubleLine – Notice of Fee Reduction
 - c. PGIM – Organizational Update
 - d. QMA – Organizational Update

Prepared by: Leanne Malison

Total Fund

Executive Summary (Net of Fees) - Preliminary

Period Ending: August 31, 2021

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2021	Fiscal 2020	Fiscal 2019	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Fund	1,994,701,329	100.0	1.3	2.4	2.4	23.6	0.6	6.0	19.8	9.7	9.5	8.1	--	--
<i>Policy Index</i>			1.1	1.6	1.6	22.1	3.2	7.0	17.2	10.4	9.8	8.1	--	--
Total Domestic Equity	576,442,319	28.9	2.7	4.1	4.1	44.5	4.2	7.6	34.4	16.4	17.6	15.9	--	--
<i>Russell 3000</i>			2.9	4.6	4.6	44.2	6.5	9.0	33.0	17.9	18.0	16.2	10.9	9.6
SSGA S&P 500 Flagship Fund	221,119,295	11.1	3.0	5.5	5.5	40.8	7.5	10.4	31.1	18.0	18.0	16.3	--	--
<i>S&P 500</i>			3.0	5.5	5.5	40.8	7.5	10.4	31.2	18.1	18.0	16.3	10.9	9.3
QMA Large Cap Core	72,231,495	3.6	2.7	4.9	4.9	39.5	3.8	6.6	31.3	14.8	16.1	15.8	--	--
<i>S&P 500</i>			3.0	5.5	5.5	40.8	7.5	10.4	31.2	18.1	18.0	16.3	10.9	9.3
Ivy Large Cap Growth	80,369,752	4.0	3.9	7.5	7.5	38.0	20.2	15.1	27.5	24.2	24.0	19.0	--	--
<i>Russell 1000 Growth</i>			3.7	7.2	7.2	42.5	23.3	11.6	28.5	24.6	24.4	19.4	14.0	10.8
Boston Partners Large Cap Value	71,038,282	3.6	1.7	1.8	1.8	49.5	-8.8	4.5	41.9	10.7	13.0	13.6	--	--
<i>Russell 1000 Value</i>			2.0	2.8	2.8	43.7	-8.8	8.5	36.4	11.5	11.7	13.0	7.9	8.1
SSGA US Extended Market Index	65,996,034	3.3	2.0	0.8	0.8	--	--	--	--	--	--	--	--	--
<i>Dow Jones U.S. Completion Total Stock Market</i>			2.0	0.7	0.7	61.6	1.0	1.9	43.7	16.4	17.5	15.3	11.2	11.2
William Blair SMID Cap Growth	33,598,068	1.7	1.9	2.1	2.1	42.4	6.1	10.1	31.9	15.8	20.1	17.1	--	--
<i>Russell 2500 Growth</i>			2.5	0.3	0.3	49.6	9.2	6.1	36.1	16.9	19.2	16.3	12.3	10.9
Lee Munder Small Value	32,089,394	1.6	1.7	0.3	0.3	61.1	-14.9	-4.7	53.3	7.9	10.2	11.6	--	--
<i>Russell 2000 Value</i>			2.7	-1.0	-1.0	73.3	-17.5	-6.2	59.5	8.4	11.7	12.1	7.7	9.3
Total International Equity	330,930,725	16.6	2.2	1.5	1.5	38.3	-4.0	3.5	29.5	11.5	11.2	7.2	--	--
<i>MSCI ACWI ex USA Gross</i>			1.9	0.3	0.3	36.3	-4.4	1.8	25.4	9.9	10.4	7.1	5.1	7.2
SSGA MSCI ACWI Ex US Index Fund	120,899,164	6.1	1.9	0.2	0.2	35.9	-4.5	1.5	25.0	9.6	10.1	6.8	--	--
<i>MSCI ACWI ex USA</i>			1.9	0.2	0.2	35.7	-4.8	1.3	24.9	9.4	9.9	6.6	4.6	6.7
PIMCO RAE Fundamental Global Ex US Fund	105,100,933	5.3	0.4	-0.4	-0.4	45.3	-14.9	-1.5	36.2	6.6	8.6	--	--	--
<i>MSCI ACWI ex USA Value</i>			1.5	-0.3	-0.3	37.6	-15.3	-0.1	28.6	5.1	7.1	4.6	3.1	5.9
SGA Global Growth	104,930,628	5.3	4.6	5.1	5.1	34.3	6.5	10.7	29.4	17.9	--	--	--	--
<i>MSCI ACWI ex USA Growth</i>			2.3	0.7	0.7	33.7	5.8	2.6	21.1	13.3	12.5	8.3	6.0	7.5

Policy (10/1/2020): 25% Russell 3000, 15% MSCI ACWI ex US, 3% MSCI ACWI, 17% BBgBarc US Aggregate, 5% JPM GBI Global, 5% (50% JPM EMBI Global Div/50% JPM GBI EM Global Div), 20% NCREIF-ODCE, 5% Private Equity Returns, 5% Private Credit Returns. Shenkman HY liquidated 3/11/19. PGIM EMD funded 8/26/19. Ocean Ave Fund IV funded 9/16/19. Gresham Commodity and Wellington Commodity liquidated 9/27/19. American Realty funded 12/20/19. Pathway Fund 10 funded 3/25/20. TAO Contingent funded 4/16/20. SSGA Russell Small Cap Completeness Index transitioned to SSGA US Extended Market Index on 6/10/21. All data is preliminary.

Total Fund

Executive Summary (Net of Fees) - Preliminary

Period Ending: August 31, 2021

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2021	Fiscal 2020	Fiscal 2019	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Global Equity	81,148,168	4.1	2.9	7.5	7.5	50.4	-3.6	1.9	47.0	15.2	14.5	--	--	--
MSCI ACWI Gross			2.5	3.3	3.3	39.9	2.6	6.3	29.2	14.9	14.9	11.9	8.2	8.4
Skellig Water Fund (aka KBI)	81,148,168	4.1	2.9	7.5	7.5	50.4	-3.6	1.9	47.0	15.2	14.5	--	--	--
MSCI ACWI			2.5	3.2	3.2	39.3	2.1	5.7	28.6	14.3	14.3	11.3	7.6	7.8
Total Fixed Income	564,583,601	28.3	0.2	0.7	0.7	2.8	2.9	7.2	1.9	4.3	3.0	3.3	--	--
Bloomberg US Aggregate TR			-0.2	0.9	0.9	-0.3	8.7	7.9	-0.1	5.4	3.1	3.2	4.3	4.4
Total Domestic Fixed Income	391,733,361	19.6	-0.1	0.9	0.9	2.3	7.3	7.6	1.6	5.8	3.7	3.8	--	--
Bloomberg US Aggregate TR			-0.2	0.9	0.9	-0.3	8.7	7.9	-0.1	5.4	3.1	3.2	4.3	4.4
BlackRock Fixed Income	149,049,256	7.5	-0.1	0.9	0.9	0.5	9.1	8.0	0.4	5.9	3.4	3.5	--	--
Bloomberg US Aggregate TR			-0.2	0.9	0.9	-0.3	8.7	7.9	-0.1	5.4	3.1	3.2	4.3	4.4
Doubleline Core Plus	118,385,305	5.9	0.0	0.8	0.8	2.9	4.1	7.0	2.0	4.7	3.0	--	--	--
Bloomberg US Aggregate TR			-0.2	0.9	0.9	-0.3	8.7	7.9	-0.1	5.4	3.1	3.2	4.3	4.4
MacKay Shields Core Plus	124,298,801	6.2	-0.1	0.9	0.9	3.7	8.5	7.4	2.5	6.6	4.1	--	--	--
Bloomberg US Aggregate TR			-0.2	0.9	0.9	-0.3	8.7	7.9	-0.1	5.4	3.1	3.2	4.3	4.4
Total Global Fixed Income	84,727,267	4.2	0.6	-0.3	-0.3	-2.2	-7.9	6.1	-1.6	-1.5	0.3	--	--	--
JPM GBI Global TR USD			-0.5	1.0	1.0	0.0	5.2	5.7	-1.6	4.2	1.9	1.2	3.5	--
Franklin Templeton Global Bond Plus	84,727,267	4.2	0.6	-0.3	-0.3	-2.2	-7.9	6.1	-1.6	-1.5	0.3	--	--	--
JPM GBI Global TR USD			-0.5	1.0	1.0	0.0	5.2	5.7	-1.6	4.2	1.9	1.2	3.5	--
Total Emerging Markets Fixed Income	88,122,973	4.4	1.0	0.9	0.9	10.3	-2.4	--	6.3	--	--	--	--	--
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			0.9	0.9	0.9	7.1	-1.1	10.8	4.4	6.4	3.8	3.0	5.6	--
PGIM Emerging Markets Debt	88,122,973	4.4	1.0	0.9	0.9	10.3	--	--	6.3	--	--	--	--	--
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			0.9	0.9	0.9	7.1	-1.1	10.8	4.4	6.4	3.8	3.0	5.6	--
Total Real Estate	195,567,701	9.8				2.2	5.3	6.7	6.5	5.3	6.1	8.6	--	--
NCREIF-ODCE						8.0	2.2	6.4	8.0	5.5	6.6	9.6	6.3	7.6
RREEF America II	172,005,375	8.6				2.1	5.3	6.6	6.5	5.3	6.2	9.6	--	--
NCREIF-ODCE						8.0	2.2	6.4	8.0	5.5	6.6	9.6	6.3	7.6
American Realty	23,562,326	1.2				3.4	--	--	6.9	--	--	--	--	--
NCREIF-ODCE						8.0	2.2	6.4	8.0	5.5	6.6	9.6	6.3	7.6

Policy (10/1/2020): 25% Russell 3000, 15% MSCI ACWI ex US, 3% MSCI ACWI, 17% BBgBarc US Aggregate, 5% JPM GBI Global, 5% (50% JPM EMBI Global Div/50% JPM GBI EM Global Div), 20% NCREIF-ODCE, 5% Private Equity Returns, 5% Private Credit Returns. Shenkman HY liquidated 3/11/19. PGIM EMD funded 8/26/19. Ocean Ave Fund IV funded 9/16/19. Gresham Commodity and Wellington Commodity liquidated 9/27/19. American Realty funded 12/20/19. Pathway Fund 10 funded 3/25/20. TAO Contingent funded 4/16/20. SSGA Russell Small Cap Completeness Index transitioned to SSGA US Extended Market Index on 6/10/21. All data is preliminary.

Total Fund

Executive Summary (Net of Fees) - Preliminary

Period Ending: August 31, 2021

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2021	Fiscal 2020	Fiscal 2019	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Private Equity	99,998,698	5.0				42.4	5.4	17.8	38.8	20.3	17.3	14.4	--	--
<i>Private Equity Benchmark</i>						42.4	5.4	17.8	38.8	20.3	17.3	14.4	--	--
BlackRock Alternative Advisors	527,330	0.0				-13.7	8.1	8.8	-21.9	-0.5	2.6	5.9	--	--
Ocean Avenue Fund III	17,537,099	0.9				25.2	13.7	35.4	41.9	25.0	22.5	--	--	--
Ocean Avenue Fund IV	17,041,596	0.9				35.2	--	--	34.5	--	--	--	--	--
Pantheon Ventures	443,622	0.0				4.4	-23.1	5.6	3.4	-6.6	-0.6	3.3	--	--
Pathway Private Equity Fund Investors 8	28,888,742	1.4				67.5	4.9	26.4	48.9	29.3	24.9	--	--	--
Pathway Private Equity Fund Investors 9	21,642,234	1.1				73.9	0.0	22.0	51.7	27.7	--	--	--	--
Pathway Private Equity Fund Investors 10	2,998,945	0.2				46.9	--	--	48.2	--	--	--	--	--
Stepstone Secondary Opportunities Fund II	10,919,130	0.5				22.4	-0.5	2.1	24.0	6.8	7.8	--	--	--
Total Private Credit	87,114,968	4.4				28.3	-4.5	11.2	16.7	9.5	--	--	--	--
<i>Private Credit Benchmark</i>						28.3	-4.5	11.2	16.7	9.5	--	--	--	--
Sixth Street DCP (fmrly TSSP DCP)	87,114,968	4.4				28.3	-4.5	11.2	16.7	9.5	--	--	--	--
Total Opportunistic	24,552,436	1.2				15.0	-6.2	-6.2	24.4	2.2	7.7	12.5	--	--
Sixth Street TAO Contingent (fmrly TSSP TAO Contingent)	20,840,985	1.0				27.6	--	--	28.4	--	--	--	--	--
KKR Mezzanine Partners I	3,701,033	0.2												
PIMCO Bravo	10,418	0.0												

Policy (10/1/2020): 25% Russell 3000, 15% MSCI ACWI ex US, 3% MSCI ACWI, 17% BBgBarc US Aggregate, 5% JPM GBI Global, 5% (50% JPM EMBI Global Div/50% JPM GBI EM Global Div), 20% NCREIF-ODCE, 5% Private Equity Returns, 5% Private Credit Returns. Shenkman HY liquidated 3/11/19. PGIM EMD funded 8/26/19. Ocean Ave Fund IV funded 9/16/19. Gresham Commodity and Wellington Commodity liquidated 9/27/19. American Realty funded 12/20/19. Pathway Fund 10 funded 3/25/20. TAO Contingent funded 4/16/20. SSGA Russell Small Cap Completeness Index transitioned to SSGA US Extended Market Index on 6/10/21. All data is preliminary.

October 1, 2021

Tulare County Employees Retirement Association
Attn: David Kehler
136 N. Akers Street
Visalia, CA 93291

RE: Fee Tier Change

Dear David Kehler:

**THE COLLECTIVE DOUBLELINE CORE PLUS FIXED INCOME FUND OF THE
NORTHERN TRUST COMPANY SUB-ADVISED COLLECTIVE FUNDS TRUST**

Please be advised per the Exhibit D ("Fees") schedule, as executed as part of the Custody Agreement dated November 20, 2015, Tulare County Employees' Retirement Association will be moved to the lower basis point fee. This change is derived by the Participating Trust investment within the fund exceeding \$100 Million.

As such, effective 10/15/2021, the Participating Trust's units held within the DoubleLine Core Plus Fixed Income Fund will be moved into a new CUSIP registration **66586A308** to implement the per annum twenty-five (25) basis point fee.

No action is required on your part in response to this notification. For your reference, below are the Advisory Fees outlined in Fund's Exhibit D.

EXHIBIT D

FEES

Advisory Fees

- a.** First \$100 Million: 27.5 bps per annum
- b.** Over \$100 Million: 25.0 bps per annum

Administration Fees*

Administration Fees are capped at 8 basis points per annum

*Administration Fees shall include trust compliance, fund accounting, fund administration, transfer agency, global custody, and audit services and any other fees for services provided by NTC to the Fund. The cap shall not include any expenses relating to the Fund's investment and trading activities, including, without limitation, brokerage commissions, foreign exchange fees, "bid-ask" spreads, mark- ups, regulatory and other governmental fees, taxes and transactional charges. The above fees will be calculated and included in the daily pricing for the fund and paid to RTC on a monthly basis.

[View this email in your browser](#)

Organizational Update



PGIM Fixed Income Announces Senior Appointments

Newark, September 14, 2021

PGIM Fixed Income is proud to make the following senior appointments effective January 1, 2022.

Mr. John Vibert, Managing Director, will move to the newly created role of President. Mr. Vibert joined PGIM Fixed Income in 2014 as the Head of Securitized Products and serves in that role currently. Prior to joining PGIM Fixed Income, Mr. Vibert was a lead portfolio manager for BlackRock's mortgage credit portfolios and the lead trader for its non-agency Residential Mortgage-Backed Securities (RMBS) trading team. He also held senior investment positions at Credit Suisse and Morgan Stanley.

Mr. Craig Dewling and Mr. Gregory Peters, both Managing Directors, will become Co-Chief Investment Officers. Mr. Dewling and Mr. Peters will take over CIO duties from Mr. Michael Lillard, Head of PGIM Fixed Income and CIO. Mr. Dewling joined the firm in 1987 and currently serves as the Deputy Chief Investment Officer. Mr. Peters joined the firm in 2014 and currently serves as the Head of Multi-Sector and Strategy and as a senior portfolio manager for the firm's multi-sector strategies. Prior to joining PGIM Fixed Income, Mr. Peters was the Chief Global Cross Asset Strategist at Morgan Stanley, responsible for the Firm's macro research and asset allocation strategy. Additionally, he was Morgan Stanley's Global Director of Fixed Income and Economic Research.

Messrs. Vibert, Dewling and Peters will report to Mr. Lillard who will remain the Head of PGIM Fixed Income.

Mr. Lillard commented, "I am excited to announce these senior appointments as part of our continuing efforts to broaden the leadership structure of the firm and strengthen our long-term succession plan. Given our more than threefold growth in assets over the last ten years, I believe naming a President and splitting the CIO roles positions us well to continue providing the investment performance and service that our clients know and expect. As Head of Securitized Products, John is a proven and natural leader, driving both strong investment results and a positive team culture. In his role as President, John will work closely with me on the strategic direction and overall management of the firm, including oversight of our global Operations, Technology, and Business Management functions. John will also continue to oversee our global CLO business."

Mr. Lillard continued, "Having served as the CIO of PGIM Fixed Income since 2008, I believe it is the right time to have Craig and Greg take over these responsibilities. As Deputy CIO, Craig has overseen many of the day-to-day investment functions for the last two years. His deep experience with multi-sector and liquidity portfolios, as well as the management of insurance assets, has been a key driver of our success. Craig has spent his entire career at the firm, and I am confident that he brings an important element of

continuity between the historical foundations of our success and our aspirations for the future. Greg's extensive multisector portfolio management and global macro investment strategy experience has been instrumental in broadening our overall investment strategy. I believe Craig and Greg's complementary skill sets will enable us to strengthen our investment process and allow us to further develop our investment professionals for many years to come."

Upon Mr. Vibert assuming the role of President, he will relinquish the role of Head of Securitized Products. Mr. Gabriel Rivera and Mr. Edwin Wilches will become co-Heads of Securitized Products reporting to Mr. Peters. Mr. Gary Horbacz will become Head of Securitized Products Research, reporting to Messrs. Rivera and Wilches.

Upon Mr. Dewling and Mr. Peters becoming co-CIOs, the Deputy CIO role will be eliminated as those duties will be incorporated into the CIO function. In addition to his CIO duties, Mr. Peters will remain a senior portfolio manager on our multi-sector team.

As always, our focus remains on providing our clients with outstanding investment performance and service.

[Click here to view our updated organizational charts detailing these changes.](#)

This email was sent by: **PGIM Fixed Income**
655 Broad Street, Newark, NJ, 07102, US

To learn about our privacy policies, please read the [PGIM Fixed Income Privacy Notice](#)

NEWS RELEASE



Linda Gibson
Chief Business Officer,
QMA

PGIM appoints Linda Gibson as new CEO of QMA

Quant specialist announces rebrand, launches Defined Contribution Solutions group

NEWARK, NJ, Sept. 16, 2021 – PGIM, the \$1.5 trillion global investment management business of Prudential Financial, Inc. ([NYSE: PRU](#)), has appointed Linda Gibson as CEO of its \$119 billion quantitative equity and multi-asset solutions specialist, QMA. Gibson has been with QMA since July 2019 as chief business officer and will step into the CEO role on Oct. 15.

“Linda brings nearly thirty years of global leadership experience across multiple business functions and a strong understanding of the asset management industry,” said PGIM CEO David Hunt. “This is an exciting time for the firm.”

“I’m honored to be leading this firm into the next phase of its development,” Gibson said. “Over the last few years, we have built on our quant heritage to provide increasingly diversified and customized solutions to address the evolving needs of our clients. I am firmly focused on building on that progress.”

Gibson joined QMA in mid-2019 having previously served in a variety of executive leadership positions at BrightSphere Investment Group, a publicly traded asset manager with more than \$225 billion of client assets at the time of her departure.

Hunt added that QMA’s current CEO, Andrew Dyson, was stepping down for personal reasons unrelated to the business and both had earmarked Gibson for the role over the past year.

The CEO change comes as QMA announced it is rebranding to PGIM Quantitative Solutions and its launch of a dedicated Defined Contribution unit, PGIM DC Solutions.

Gibson said the firm’s rebrand will be effective on Sept. 28 and the name was chosen to reflect the close ties with parent PGIM, one of the world’s largest asset managers, as well as its expanding capabilities and customized solutions in recent years. QMA Wadhwani will now be called PGIM Wadhwani, and its investment team will continue to work independently within the PGIM Quantitative Solutions business.

“Since her arrival, Linda and I have worked closely to position the firm for the future, as marked by QMA’s rebranding and the smooth succession of the firm’s leadership,” said Dyson. “She has been a tremendous partner in building QMA’s capabilities and is the ideal candidate to lead PGIM Quantitative Solutions into the future.”

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 Join the conversation on
[Twitter@PGIM](https://twitter.com/PGIM)

MEDIA CONTACT

Kristin Meza

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The evolution of PGIM Quantitative Solutions continues with the launch of its DC Solutions unit, a cross-PGIM initiative, which will focus on innovative retirement solutions founded on market-leading research and built on the \$214 billion of assets already managed by PGIM on behalf of DC clients across multiple asset classes and vehicles.

“The market is increasingly demanding a comprehensive approach to retirement income, which requires a range of new thinking and solutions, deployed in a flexible way,” Gibson said. “We have created PGIM DC Solutions to spearhead that effort and target market leadership in this new arena.”

The firm recently hired leading retirement expert Dave Blanchett as head of retirement research for defined contribution solutions. Blanchett was formerly head of retirement research at Morningstar Investment Management. Dyson will stay on as special adviser and acting head of PGIM DC Solutions until the end of March 2022.

ABOUT PGIM QUANTITATIVE SOLUTIONS

As the quantitative equity and multi-asset solutions specialist of PGIM, PGIM Quantitative Solutions seeks to help solve complex investment problems with custom systematic solutions across the risk/return spectrum. Our modular portfolio construction simplifies our design of client-specific solutions. We can customize down to the stock level for portfolio considerations, with product offerings that range from core solutions and systematic macro to multi-asset portfolios and overlays. All of our options can be harnessed to provide stable return streams uncorrelated with existing strategies.

PGIM Quant Solutions manages portfolios for a worldwide institutional client base, including corporate and public pension plans, endowments and foundations, multiemployer pension plans, and subadvisory accounts for other financial services companies. As of June 30, 2021, PGIM Quant Solutions had approximately \$119 billion in assets under management. PGIM Quant Solutions also manages the allocation of assets that underlie the glidepath to the Prudential Day One Funds, launched in 2016, which currently has \$5.5 billion in assets under management as of April 30, 2021.

ABOUT PGIM WADHWANI

PGIM Wadhwani LLP was founded in October 2002 as Wadhwani Asset Management (WAM) by Dr. Sushil Wadhwani, CBE. Investment operations commenced in January 2003. PGIMW is a London-based asset management company, authorized and regulated by the Financial Conduct Authority (219900), which specializes in systematic/quantitative macro investing.

ABOUT PGIM

PGIM, the global asset management business of Prudential Financial, Inc. (NYSE: PRU), ranks among the top 10 largest asset managers in the world* with approximately \$1.5 trillion in assets under management as of June 30, 2021. With offices in 17 countries, PGIM's businesses offer a range of investment solutions for retail and institutional investors around the world across a broad range of asset classes, including public fixed income, private fixed income, fundamental equity, quantitative equity, real estate, and alternatives. For more information about PGIM, visit pgim.com.

Prudential Financial, Inc. (PFI) of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom, or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom. For more information please visit news.prudential.com.

* Prudential Financial, Inc. (PFI) is the 10th largest investment manager (out of 527 firms surveyed) in terms of global assets under management based on Pensions & Investments' Top Money Managers list published on June 1, 2020. This ranking represents global assets under management by PFI as of March 31, 2020.

THE PURSUIT OF OUTPERFORMANCE