



# COUNTY OF TULARE BOARD OF RETIREMENT

**Leanne Malison**  
Retirement Administrator

136 N AKERS STREET  
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**AGENDA OF THE BOARD OF RETIREMENT**  
**INVESTMENT COMMITTEE MEETING**  
**Wednesday, June 9, 2021 @ 10:30 a.m.**  
TCERA Board Room, 136 N. Akers Street, Visalia, CA 93291

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

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

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

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

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

### **II. ROLL CALL**

### **III. 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 April 14, 2021.
  - b. Asset Allocation Status
  - c. 2021 Investment Committee Goals and Objectives Timeline and 2021 Education Calendar
  - d. Investment Guideline Review
  - e. China Exposure – Portfolio Review
  - f. Investment Managers
    - 1) Verus Flash Report – All Managers
    - 2) Managers of Interest
      - a) Franklin Templeton – Manager Review
      - b) Sixth Street – Dyal Capital Partners
      - c) PGIM – Organizational Update
  - g. Agenda Items for Investment Consultant Due Diligence Visits.

#### **V. UPCOMING MEETING**

1. July 14, 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, April 14, 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 11:07 a.m.

### **II. ROLL CALL**

Voting Trustees Present:	Gary Reed, Chair; Cass Cook, Nathan Polk, Pete Vander Poel
Alternate Trustees Present:	Dave Vasquez
Staff Members Present:	Leanne Malison, Retirement Administrator Mary Warner, Assistant Retirement Administrator
Consultants Participating Remotely:	Scott Whalen and 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 March 10, 2021.

Motion to approve minutes as presented.

Motion: Cook  
Second: Polk  
Motion passed unanimously.

- b. Asset Allocation Status

Ms. Malison notified the Committee that the rebalancing transactions will be completed in April.

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

Ms. Malison indicated that the timeline has been updated with the recent items assigned to the Committee.

d. Index Fund Review

Mr. Whalen reviewed the information that Verus compiled regarding index funds available for TCERA investment. The Committee reviewed the options and discussed the fee differences, the inclusion of securities lending, and the cost associated with a transition to a new manager.

Motion to recommend to the Board of Retirement that TCERA accept the fee reduction offered by State Street and transition to the State Street index funds that allow securities lending.

Motion: Vander Poel  
Second: Cook  
Motion passed unanimously.

e. Active Manager Expense Review

Mr. Whalen reviewed the analysis of TCERA's active manager fees. Mr. Whalen noted that two managers, Franklin Templeton and PGIM, were not in line with their peers.

Motion to recommend to the Board of Retirement that the investment consultant be directed to review the current fee structure in place with Franklin Templeton and PGIM.

Motion: Polk  
Second: Vander Poel  
Motion passed unanimously.

f. Active/Passive Investment Allocation Review

Mr. Whalen reviewed the information prepared for the review of TCERA's active/passive domestic equity investments showing the current allocation, an all passive mix and an allocation that would move TCERA to a 50% active/50% passive domestic equity target portfolio.

Motion to recommend to the Board of Retirement a transition to a 50% Active/50% Passive domestic equity target allocation.

Motion: Polk  
Second: Vander Poel  
Motion passed unanimously.

g. Investment Managers

1) Verus Flash Report – All Managers – No action.

2) Managers of Interest

- a) Franklin Templeton – Manager Review – the manager has shown improvement over the most recent three months.
- b) Sixth Street – Dyal Capital Partners – no additional information as of the meeting date.

h. Standard Questions for Investment Consulting RFP Finalist Presentations

Mr. Whalen and Mr. Kamell exited the meeting for this agenda item. The Committee discussed possible questions to have available at the meeting to ensure that the question and answer period is interactive. The Committee directed Staff to develop five questions and assign one to each of the Committee members. The questions will be asked by the assigned Committee member if the question has not been adequately covered in the presentation or asked by another trustee.

#### **V. UPCOMING MEETING**

1. The May meeting is canceled. The Committee Chair will report out the agenda items from this meeting at the May 28, 2021 Board of Retirement meeting.

#### **VI. ADJOURN**

The meeting was adjourned at 12:06 p.m.

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Gary Reed, Chair



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**TCERA, Board of Retirement  
Investment Committee**

**Agenda Item # IV. 1 b.**

**Agenda Date: June 9, 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**

## TCERA Asset Allocation Comparison 05-31-21 - Preliminary Numbers

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
<b>DOMESTIC EQUITY</b>							
QMA	Large Core Enhanced	95,248,880	4.97%	3.80%	72,883,254	22,365,626	
SSGA S&P 500 Flagship Index Fund	Large Core	126,088,664	6.57%	7.60%	145,766,508	(19,677,844)	
Boston Partners	Large Value	98,656,792	5.14%	3.80%	72,883,254	25,773,538	
Ivy (Waddell & Reed)	Large Growth	96,076,931	5.01%	3.80%	72,883,254	23,193,677	Active/Passive Rebalance Pending
SSGA	SMID Core Index	44,981,579	2.35%	2.00%	38,359,607	6,621,971	
LMCG (Lee Munder)	Small Value	43,800,798	2.28%	2.00%	38,359,607	5,441,190	
William Blair	Smid Growth	39,551,990	2.06%	2.00%	38,359,607	1,192,382	
Total		544,405,633	28.38%	25.00%	479,495,091	64,910,542	
<b>INTERNATIONAL EQUITY</b>							
SGA	International Growth	98,888,183	5.16%	6.60%	126,586,704	(27,698,521)	
PIMCO RAE	International Value	103,582,390	5.40%	4.20%	80,555,175	23,027,215	
SSGA - ACWI Index Fund	International Core	121,478,482	6.33%	4.20%	80,555,175	40,923,306	
Total		323,949,055	16.89%	15.00%	287,697,055	36,252,000	
<b>GLOBAL EQUITY</b>							
Skellig Water Fund (KBI)	Water Related	76,117,758	3.97%	3.00%	57,539,411	18,578,347	
Total		76,117,758	3.97%	3.00%	57,539,411	18,578,347	
<b>PRIVATE EQUITY</b>							
Pantheon	Private Equity - F of F	451,311	0.02%				
Stepstone	PE - Secondaries	12,719,335	0.66%				
Ocean Avenue III	Private Equity - F of F	19,544,055	1.02%				
Ocean Avenue IV	Private Equity - F of F	14,200,809	0.74%				Pantheon and BlackRock in liquidation phase.
Pathway Fund 8	Private Equity - F of F	22,726,069	1.18%				
Pathway Fund 9	Private Equity - F of F	15,901,427	0.83%				
Pathway Fund 10	Private Equity - F of F	2,021,032	0.11%				
BlackRock Alternatives	Private Equity - F of F	2,684,500	0.14%				
Total		90,248,538	4.71%	5.00%	95,899,018	(5,650,480)	
<b>FIXED INCOME</b>							
BlackRock	Core Plus	146,446,849	7.64%	8.50%	163,028,331	(16,581,482)	
MacKay Shields	Core Plus	121,869,192	6.35%	4.25%	81,514,165	40,355,026	
DoubleLine	Core Plus	116,584,407	6.08%	4.25%	81,514,165	35,070,242	
PGIM	Emerging Market Debt	87,492,829	4.56%	5.00%	95,899,018	(8,406,189)	
Franklin Templeton	Global Credit	85,332,462	4.45%	5.00%	95,899,018	(10,566,556)	
Total		557,725,738	29.08%	27.00%	517,854,698	39,871,040	

**TCERA Asset Allocation Comparison 05-31-21 - Preliminary Numbers**

Manager	Category	Market Value	Actual %	Target %	Value at Target	Difference to Target	Comments
<b>PRIVATE CREDIT</b>							
Sixth Street DCP (TSSP)	Private Credit	81,646,453	4.26%	5.00%	95,899,018	(14,252,565)	
	Total	81,646,453	4.26%	5.00%	95,899,018	(14,252,565)	
<b>REAL ASSETS</b>							
Invesco	Real Estate Debt	-	0.00%	5.00%	95,899,018	(95,899,018)	American Realty and Invesco pending capital calls.
American Realty Advisors	Value Add Real Estate	15,408,082	0.80%	5.00%	95,899,018	(80,490,936)	
RREEF America II	Core Commingled	167,173,864	8.72%	10.00%	191,798,036	(24,624,173)	
	Total	182,581,946	9.52%	20.00%	383,596,073	(201,014,127)	
<b>OPPORTUNISTIC</b>							
KKR - Mezzanine	Opportunistic	3,613,233	0.19%	n/a	-	3,613,233	Opportunistic outside of Target Allocation. KKR and PIMCO funds in distribution phase.
Sixth Street TAO Contingent (TSSP)	Opportunistic	15,856,403	0.83%	n/a	-	15,856,403	
PIMCO BRAVO - Distressed Debt	Opportunistic	10,727	0.00%	n/a	-	10,727	
	Total	19,480,363	1.02%		-	19,480,363	
<b>OTHER</b>							
			1.02%		-	19,480,363	Capital Calls and Cash Flow Needs. Extra operational cash in anticipation of potential liquidity issues due to market volatility.
Cash		41,824,880	2.18%	0.00%	-	41,824,880	
	Total	41,824,880	2.18%	0.00%	-	41,824,880	
<b>Grand Total</b>		<b>1,917,980,364</b>	<b>100.00%</b>	<b>100.00%</b>	<b>1,917,980,364</b>		

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

### **Agenda Item # IV. 1 c.**

**Agenda Date: June 9, 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 6/2/2021

## 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

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 pending.

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. Contract amendment pending.

Asset/Liability Study – 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 scheduled for June 23, 2021 Board meeting.

BlackRock Guidelines Review – BlackRock has indicated that the investment guidelines for the fixed income investment are outdated. Review pending receipt of proposed changes.

TCERA Separate Account Guidelines Review – As directed by the Board at its March 12, 2021 meeting. Review scheduled for Investment Committee – June 9, 2021.

TCERA China Exposure Analysis – As directed by the Board at its March 12, 2021 meeting. Review scheduled for Investment Committee – June 9, 2021.

Securities Lending Education – At its May 26, 2021 meeting, the Board requested that Verus prepare an educational session on Securities Lending. The presentation is scheduled for June 23, 2021.

## **July – September**

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. Results are expected in July.

Consideration of investment manager roundtable in 2021 as directed by the Board of Retirement at its meeting of July 8, 2020.

## **October – December**

## 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	BlackRock/BlackRock Alternatives (Fixed Income and Private Equity)
	March 24	Investment Refresher Course - Verus
April	April 14	PIMCO RAE Ivy Investments
	April 28	
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	Boston Partners SGA
	June 23	Securities Lending Education – Verus Asset/Liability Study Follow Up – Strategic Asset Allocation Review – Verus
July	July 14	Pathway Pantheon
	July 28	Private Markets Review – Verus
August	August 11	Franklin Templeton DoubleLine
	August 25	6/30/21 Investment Report - Verus

September	September 8  September 22	Invesco SSGA
October	October 13  October 27	
November	November 3 - due to SACRS  SACRS Nov 9-12  November 17- due to Thanksgiving Holiday	Actuarial Valuation Report - Cheiron   9/30/21 Investment Report
December		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: June 9, 2021**

**Subject: Investment Guideline Review**

### **Requests:**

That the Investment Committee:

1. Discuss the information compiled by Verus regarding manager guidelines
2. Make recommendations to the Board of Retirement as necessary

### **Summary:**

The Board of Retirement directed Verus to contact TCERA's investment managers with separate portfolios regarding any recommended updates to investment guidelines associated with the investments. In many cases, the guidelines have been in place for a number of years. The Board thought it prudent to determine if any of the current guidelines need to be amended to ensure managers are investing within parameters that make sense for the portfolio.

**Prepared by: Leanne Malison**

# Memorandum

**To:** Investment Committee, Tulare County Employees' Retirement Association  
**From:** Scott Whalen, CFA, CAIA, Executive Managing Director | Senior Consultant  
**Date:** June 10, 2021  
**RE:** Investment Manager Guideline Review

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## Executive Summary

As directed by the Board, Verus recently reached out to TCERA's separate account managers to determine if any were interested in adjusting their investment guidelines to help meet their investment objectives. TCERA currently invests in six separately managed accounts across five domestic equity mandates and one fixed income mandate. The following table summarizes manager responses to our inquiry.

SMA Managers	Contact	Requested Changes?
Boston Partners	Kristin Butner	No
William Blair	James Dominguez	No
Ivy	Brian Sullivan	Yes
QMA	Pat McMenamin	No
LMCG	Jenna Oliver	Yes
BlackRock	Grant Dechart	Yes

Investment managers are responsible for notifying the Board when they believe investment guidelines limit their ability to meet their stated objectives. BlackRock reached out specifically and proactively to TCERA on this point prior to the Board's direction. The other managers on the list were reacting to our inquiry. While some managers suggested guideline changes for consideration, none of the requests were significant or of an urgent nature.

## Boston Partners Large Cap Value

Boston Partners pointed out that the TCERA guidelines vary modestly from their standard large cap value strategy guidelines in the following areas:

- TCERA guidelines allow a maximum cash position of 5%, compared to the standard strategy guideline of 10%;
- TCERA requires that at least 80% of the portfolio to be invested in companies with market capitalizations within the range of the Russell 1000 Value Index, whereas the

standard strategy has no such limitation (verbiage changed recently at the request of Boston Partners); and

- The TCERA guidelines state the number of portfolio holdings shall be between 75-100, whereas the standard strategy has no such limitation.

Boston Partners stated these differences do not limit their ability to meet their investment objectives and have requested no changes at this time.

#### **William Blair**

William Blair responded to our inquiry that they have no suggestions for guideline changes at this time.

#### **Ivy Large Cap Growth**

The only guideline Ivy would consider changing is the requirement that:

*“No more than 10% of the portfolio value at market may be invested in the securities of any one issuer.”*

Currently, Ivy holds two securities that may be restricted based on the above guideline, AAPL (Apple) and MSFT (Microsoft). The guideline as written keeps Ivy from taking an active overweight position on either of these two securities and may at some point compel an active underweight. Ivy has suggested they would like the added flexibility that comes with relaxing this guideline.

We believe this suggestion is reasonable, and If the Board wishes to provide Ivy with additional flexibility to make active bets, we recommend the following language:

*“Manager may hold no more than 2% above the benchmark weighting in any one issuer.”*

#### **LMCG Small Cap Value**

While LMC did not express strong conviction in their suggested guideline change, they communicated a desire to have the ability to invest in IPO's if the Board and Verus were amenable. This is not a change we would recommend, based on our view that it would be a fairly significant change to the current guidelines, would add risk to the portfolio, and is not one for which LMCG has expressed high conviction or made a compelling case.

#### **BlackRock Core Plus Fixed Income**

BlackRock is the one manager that reached out proactively to the Board in light of their concerns that the current market environment does not provide a sufficient opportunity set for them to meet their stated investment objective. We held a detailed review meeting with the BlackRock portfolio management team to discuss their proposed guideline changes and reached agreement on the red-lined version incorporated as an attachment to this memo.



**BlackRock Financial Management  
US Core Fixed-Income**

**Statement of Objectives, Guidelines & Procedures**

**Investment Approach – Core Fixed-Income**

The investment objectives of the core fixed-income portfolio are to provide stable income to the Fund, provide safety of principal and consistent returns above the fixed-income market as measured by the Bloomberg Barclays Capital U.S. Aggregate Bond Index. The fund will be actively managed by BlackRock Financial Management (BlackRock), hereinafter also referred to as "Manager", and invested in a diversified portfolio of fixed-income securities. ~~BlackRock's portfolios are typically duration neutral and value is added to its portfolio incrementally across a number of decisions, including yield curve structure, convexity, sector selection, and issue selection.~~ The Investment Strategy Committee meets weekly to establish guidelines for the characteristics of the portfolios, including sector allocation, desired duration, convexity bias and yield curve positioning. Once the strategic decisions have been made, the Portfolio Management Group is responsible for their implementation and for monitoring the portfolios on a daily basis.

**Commented [ME1]:** Comment for contracting - should we include delegation ability for BIL or BSL? The portfolio is permitted to use up to 30% in non-USD and we'd like to be able to utilize our teams on the ground in global markets.

We will also need to add affiliated Fund language given the inclusion of ETFs for the option to use iShares ETFs

The Fund is concerned about market volatility and wishes to avoid portfolio compositions which might lead to a substantial decline in market value of 10% or more in any fiscal year, even under extraordinary bad market conditions.

**General Guidelines.**

All investments are subject to compliance with Investment Policies, Objectives and Guidelines for the Tulare County Employees' Retirement Association, with applicable State and Federal statutes, and shall be managed in a diversified and prudent manner.

Sector and security selection, portfolio structure and timing of purchases and sales are delegated to the manager subject to the investment management contract. The following transactions are prohibited: short sales, selling on margin, writing options, "prohibited transactions" as defined under the Employees Retirement Income Security Act (ERISA), and transactions that involve a broker acting as a "principal" where such broker is also the investment manager who is making the transaction. Transactions shall be executed on the basis of "best price and execution" for the sole benefit of the Tulare County Employees' Retirement Association's beneficiaries.

**Commented [ME2]:** Using options (both buying and selling) offers opportunities to take advantage of mispriced volatility markets.

Any material violation of these Investment Manager Guidelines is to be corrected immediately upon discovery. A realized loss to the Fund resulting from a material violation of these Investment Manager Guidelines will require reimbursement of the amount of the loss by the manager.

The Manager shall invest within the scope of their stated style. With respect to this Agreement, the Manager shall adhere to the calculation and preservation of performance as described by the Association of Investment Management and Research's Code of Ethics and the Standards of Professional Conduct as presented in the Standards of Practice Handbook.

**Portfolio Characteristics and Guidelines**

The following is a list of Portfolio Guidelines which delineates the ranges within which the following characteristics of the Barclays Capital portfolio should vary:

Portfolio Duration	+/- 20% of the <del>BC Aggregate Index</del> benchmark
Minimum Issue Credit Rating	<del>A2/P2</del> or equivalent for commercial paper B for long-term corporate debt B for Mortgage Backed Securities B for Asset Backed Securities <u>A for Collateralized Loan Obligations</u> <u>B for Foreign Government or Agency obligations</u>
Limitations on Below Investment	No more than 10% of the portfolio may be Grade Rated Issues below BBB rated issues.  If bonds are downgraded below the minimum credit quality allowable in the guidelines at time of purchase, the Manager is allowed to hold up to 2% in aggregate market value of these securities. At no time, however, will the total of below investment grade rated issues exceed 10% of the portfolio.  In the event of a downgrade which causes the portfolio to not be in compliance with any of these investment guidelines, no violation will be deemed to have occurred, but BlackRock will promptly notify the administrator and recommend proposed action within five business days of the event.
Sector Limitations	US Government issues will comprise a minimum of <del>45</del> 10% of the portfolio market value: Corporate and Mortgage Backed Securities will each be subject to a maximum limit of 65%.
Average Portfolio Credit Quality	A- or better
Minimum Number of Issues	15 issues
Issuer Limits	Except for US Government and Agency issues, no more than 5% of the portfolio will be invested in the securities of a single issuer.
CMO's	Investments in mortgage interest only (IO) and principal only (PO) securities or their derivations are prohibited.
Commercial Mortgage-Backed Sec.	CMBS are permitted, but shall comprise no more than 15% of the portfolio market value.

<u>Collateralized Loan Obs (CLOs)</u>	<u>CLOs are permitted, but shall comprise no more than 10% of the portfolio market value.</u>
Non-USD denominated securities	Non-USD denominated securities are permitted, but shall comprise no more than 30% of the portfolio market value, <u>of which no more than 5% of the portfolio may be exposed to non-USD.</u>
Private Placements	Schedule D, <u>Reg-S</u> and 144A private placements <u>are permitted but shall comprise no more than 25%</u> <u>permitted but shall comprise no more than 20%</u> of the portfolio market value.
Derivatives	Futures, options, and swaps may be used for purposes of hedging, managing duration, and as a substitute for cash. Derivative securities shall not be used to lever the portfolio or expose the portfolio to risk and/or volatility in excess of what the account would experience excluding derivatives.
Cash Investments	For the purposes of these investment guidelines, a cash investment shall be defined as any security that has an effective duration under one year, a weighted average life of less than one year, and spread duration less than one year.

Exceptions to these guidelines will be considered by TCERA on a case-by-case basis, and will require prior written approval.

The use of derivative securities must comply with the uses and restrictions outlined in TCERA's Investment Policy Statement.

#### **Authorized Investments**

Non-agency Mortgage Backed Securities  
 Bankers Acceptances  
 Certificates of Deposit  
 Bank trust preferreds/capital securities (eg. Contingent Convertible Bonds)  
[Convertible Bonds](#)  
[Preferred Equities](#)  
 Repurchase Agreements  
 Commercial Paper rated A2+/P2+ or equivalent  
 Corporate Bond Obligations rated B- or better  
 Government or Agency obligations of the US  
[Foreign Government or Agency obligations](#)  
 Mortgage-Backed Securities (including Collateralized Mortgage Obligations)  
 Commercial Mortgage-Backed Securities

Collateralized Loan-Obligations (CLOs)

Asset Backed Securities

Municipal Bonds (taxable and tax-exempt)

Exchange-traded Funds tracking fixed income indices (ETFs)

STIF provided by TCERA's custodian

### **Performance Objectives**

The portfolio's performance objective will be to out-perform the Bloomberg Barclays Capital-U.S. Aggregate Index by 85-55 basis points per annum (net of fees) over a full market cycle, defined as a three to five year period.

Exceed inflation as measured by the Consumer Price Index (CPI) by 3.0% per annum over the long-term;

Perform in the top 40% of a peer group of similar style fixed-income managers over a full market cycle, defined as a three to five year period.

### **Reporting Requirements**

- A. Monthly - Transaction statement, asset (portfolio) statement, breakdown of directed commission activity and performance of the portfolio and benchmark for the month to be sent to Staff at the Fund's office (2 copies) and Board members at their homes.
- B. Quarterly - Same as monthly plus discussion of portfolio's recent strategy and expected future strategy, demonstration of compliance with guidelines, performance of the portfolio and benchmark for the quarter, year-to-date, 1 year, 3 years, 5 years and since inception, review of transaction costs and participation in TCERA's commission recapture program to be sent to Staff at the Fund's office (2 copies) and Board members at their homes. A proxy voting report with an explanation of all significant votes should also be included in the quarterly reporting package.
- C. BlackRock will be responsible to ensure that a copy of each trade confirm is immediately forwarded to TCERA's accountant.
- D. BlackRock will reconcile every month accounting, transaction, and asset summary data with custodian reports and communicate and resolve any significant discrepancies with the custodian and forward a copy of the reconciliation to TCERA's accountant.
- E. BlackRock will meet with representatives of TCERA as often as determined necessary by the Board.

BlackRock will keep TCERA apprised of relevant information regarding its organization and personnel. The firm will notify TCERA within 24 hours of any changes in the lead personnel assigned to manage the account.

Acknowledged By

\_\_\_\_\_  
BlackRock Financial Management

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

\_\_\_\_\_  
Tulare County Employees' Retirement Association

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



# COUNTY OF TULARE BOARD OF RETIREMENT

**Leanne Malison**  
Retirement Administrator

136 N AKERS STREET  
VISALIA, CALIFORNIA 93291

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

**TCERA, Board of Retirement  
Investment Committee**

**Agenda Item # IV. 1 e.**

**Agenda Date: June 9, 2021**

**Subject: China Exposure – Portfolio Review**

**Requests:**

That the Investment Committee:

1. Discuss the information compiled by Verus regarding TCERA's exposure to Chinese investments
2. Make recommendations to the Board of Retirement as necessary

**Summary:**

The Board of Retirement directed Verus to prepare a report that identifies TCERA's exposure to Chinese investments across its portfolio allocations. The information is provided for the Committee's review.

**Prepared by: Leanne Malison**



# **PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS**



**JUNE 9, 2021**

China: Fund Exposure and Education

**Tulare County Employees Retirement Association**

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[VERUSINVESTMENTS.COM](http://VERUSINVESTMENTS.COM)

SEATTLE 206-622-3700

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PITTSBURGH 412-784-6678

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**Past performance is no guarantee of future results.** This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other “forward-looking statements.” No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal. Additional information about Verus Advisory, Inc. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Verus – also known as Verus Advisory™.



# TCERA China exposure

# TCERA China exposure summary

Asset Class	Total Market Value (millions)	China exposure mkt value (millions)	% Exposure Asset Class level
Domestic Equity	\$508.5	\$ 0	0.0%
Non-US Equity	\$308.6	\$31.7	10.26%
Global Equity	\$ 74.5	\$0.2	0.25%
Fixed Income	\$548.0	\$ 4.0	0.74%
Real Estate	\$180.5	\$ 0	0.0%
Private Equity	\$ 87.0	\$1.8	2.06%
Private Credit	\$ 99.3	\$0.0	0.0%
<b>Total fund</b>	<b>\$1,843.9</b>	<b>\$37.7</b>	<b>2.04%</b>

# China exposure – public market detail

As of 3/31/21	% Portfolio Exposure	Strategy Market Value (millions)	Exposure in \$ (millions)
<b>Domestic Equity</b>	<b>0.0%</b>	<b>\$508.5</b>	<b>\$ 0</b>
<b>Non-US Equity</b>	<b>10.26%</b>	<b>\$308.6</b>	<b>\$31.67</b>
SSGA MSCI ACWI ex-US Index Fund	11.54%	\$114.3	\$13.19
PIMCO RAE Fundamental Global ex-US	5.21%	\$101.2	\$ 5.27
SGA Global Growth	14.18%	\$ 93.1	\$13.20
<b>Global Equity</b>	<b>0.25%</b>	<b>\$ 74.5</b>	<b>\$0.18</b>
Skellig DST Water Fund	0.25%	\$ 74.5	\$0.18
<b>Fixed Income</b>	<b>0.74%</b>	<b>\$548.0</b>	<b>\$4.03</b>
BlackRock Core Fixed Income	0.0%	\$144.6	\$ 0
DoubleLine Core Plus Fixed Income	0.18%	\$115.2	\$0.21
Mackay Shields Core Plus Fixed Income	0.20%	\$120.0	\$0.24
Franklin Templeton Global Bond Plus	0.0% <sup>1</sup>	\$ 84.4	\$ 0
PGIM Emerging Market Debt	4.28%	\$ 83.8	\$3.59
<b>Real Estate</b>	<b>0.0%</b>	<b>\$180.5</b>	<b>\$ 0</b>
<b>Total public market exposure</b>	<b>2.2%</b>	<b>\$1,620.2</b>	<b>\$35.88</b>

1 – No Chinese securities held, but does have exposure to Chinese yuan

# China exposure – private market detail

As of 3/31/21	% Portfolio Exposure	Strategy Market Value (millions)	Exposure in \$ (millions)
<b>Private Equity</b>	<b>21.8%</b>	<b>\$87.0</b>	<b>\$ 1.8</b>
<i>Pantheon USA Fund VI</i>	1.1%	\$0.45	\$0.005
<i>BlackRock Private Capital II</i>	11.5%	\$2.68	\$0.309
<i>Stepstone Secondary Opps Fund II<sup>1</sup></i>	4.9%	\$11.1	\$0.544
<i>Ocean Avenue Fund III and IV</i>	0.0%	\$31.6	\$ 0
<i>Pathway PE Fund 8</i>	3.2%	\$23.9	\$0.763
<i>Pathway PE Fund 9</i>	1.1%	\$15.9	\$0.174
<i>Pathway PE Fund 10</i>	0.0% <sup>2</sup>	\$ 1.4	\$ 0
<b>Private Credit/Opportunistic</b>	<b>0.0%</b>	<b>\$99.3</b>	<b>\$ 0</b>
<b>Total private market exposure</b>	<b>1.0%</b>	<b>\$186.2</b>	<b>\$1.8</b>

1 – Data as of 9/30/20.

2 – Early in investment cycle so could have China exposure going forward

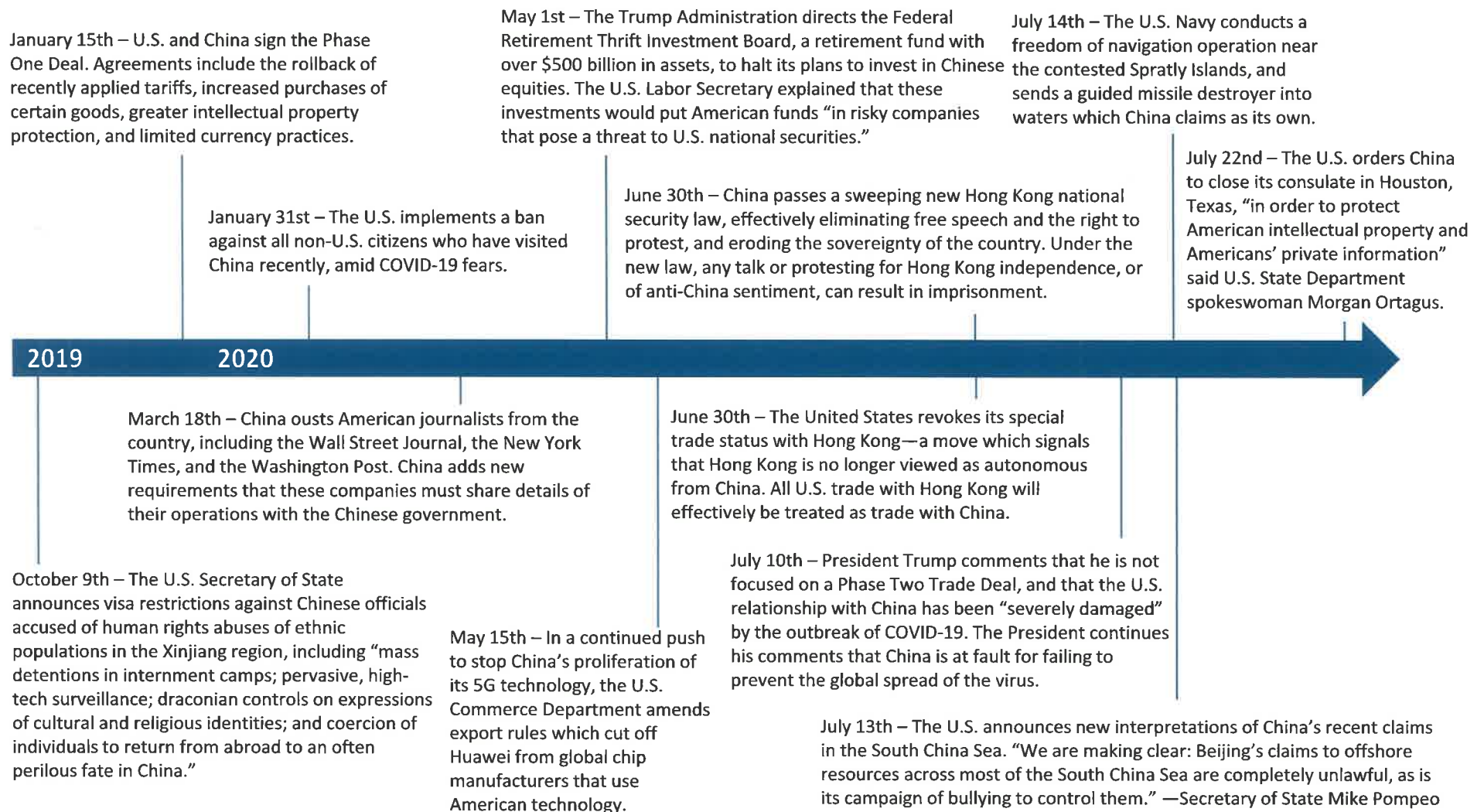
# Geopolitical context

# A shifting relationship

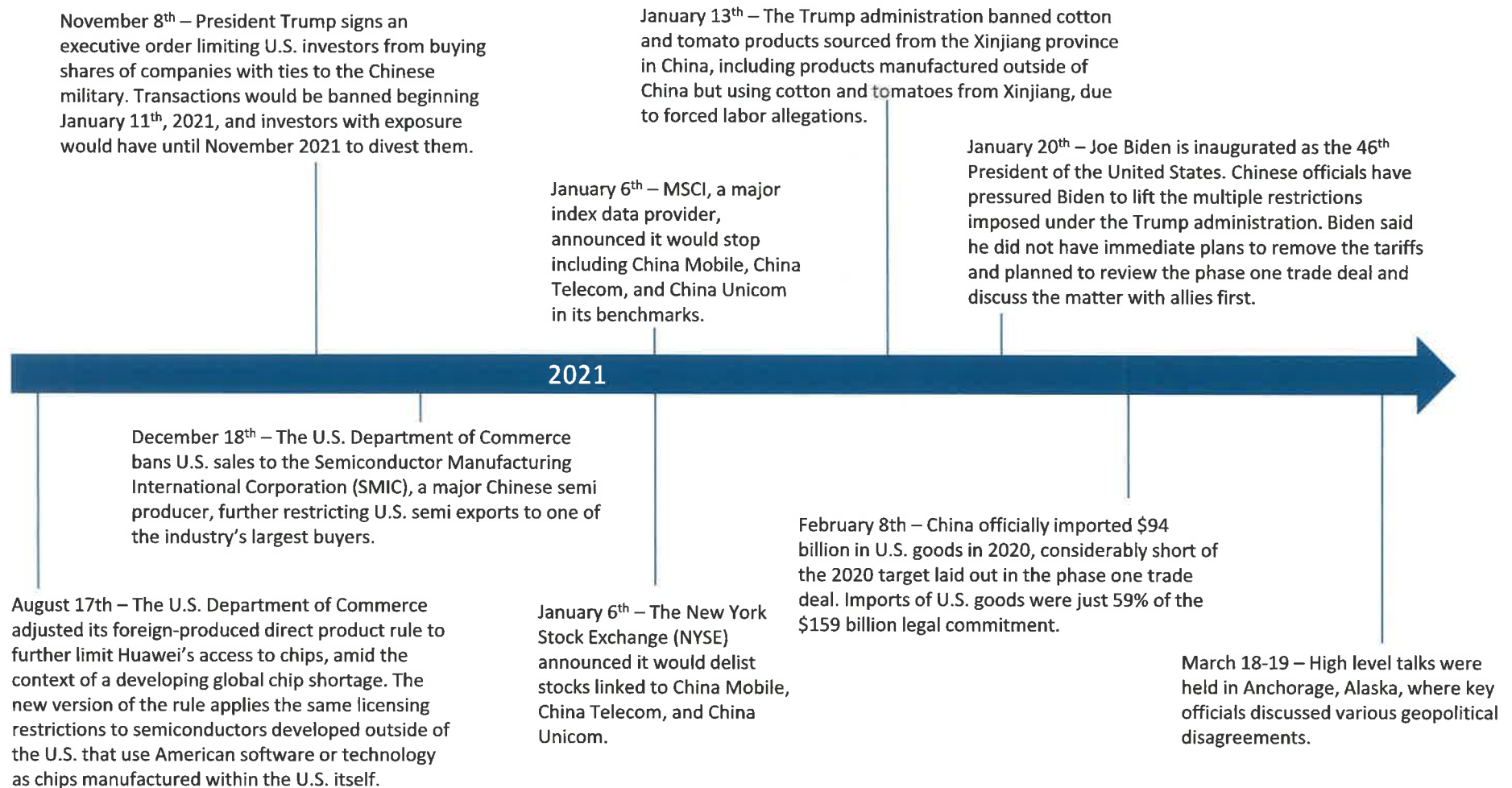
## From cooperation toward hegemonic competition

THEN	NOW	AHEAD
<ul style="list-style-type: none"><li>– The late 1990s and 2000s were characterized by engagement</li><li>– Foreign policy anticipated a convergence of China as a “responsible stakeholder” alongside the US</li><li>– Crises were averted as economic interdependence drove cooperation</li></ul>	<ul style="list-style-type: none"><li>– The Trump Administration redefined relations with China</li><li>– China is viewed as an adversary and the optimism of convergence is gone</li><li>– Several new policies beyond tariffs exhibit the hardened stance<ul style="list-style-type: none"><li>– Power to block foreign investment</li><li>– Increased military spending</li><li>– Foreign aid to counter Chinese influence</li></ul></li></ul>	<ul style="list-style-type: none"><li>– Biden is likely to remain tough on China, but to take a more bilateral approach with the full force of the United States’ allies</li><li>– Bipartisan consensus on tougher China policies</li><li>– Financial cooperation isn’t dead, but different economic systems make protracted trade issues likely</li></ul>

# U.S.-China tensions escalating - timeline



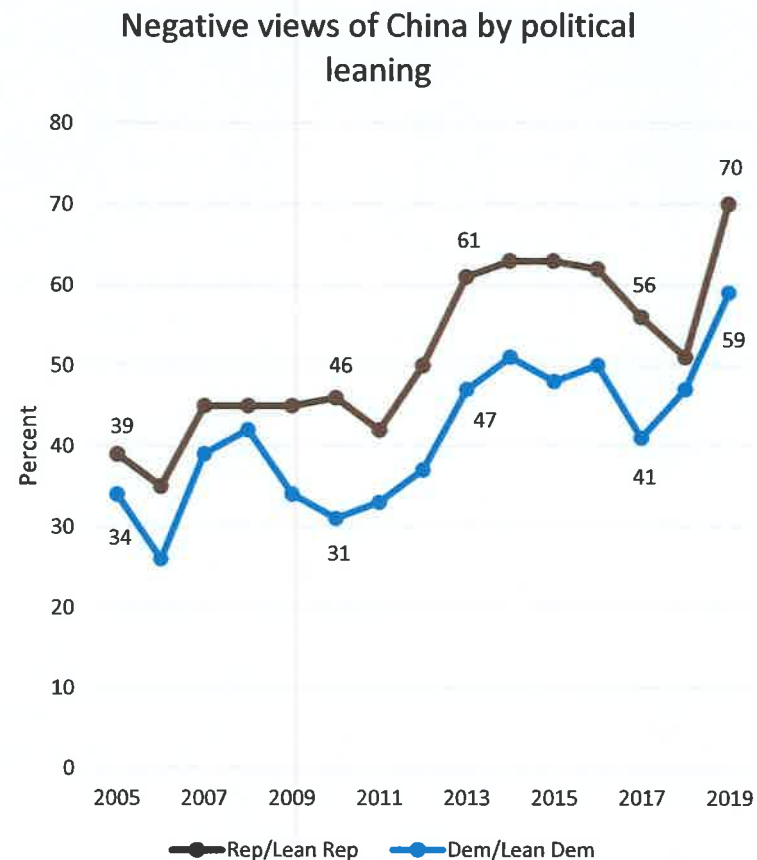
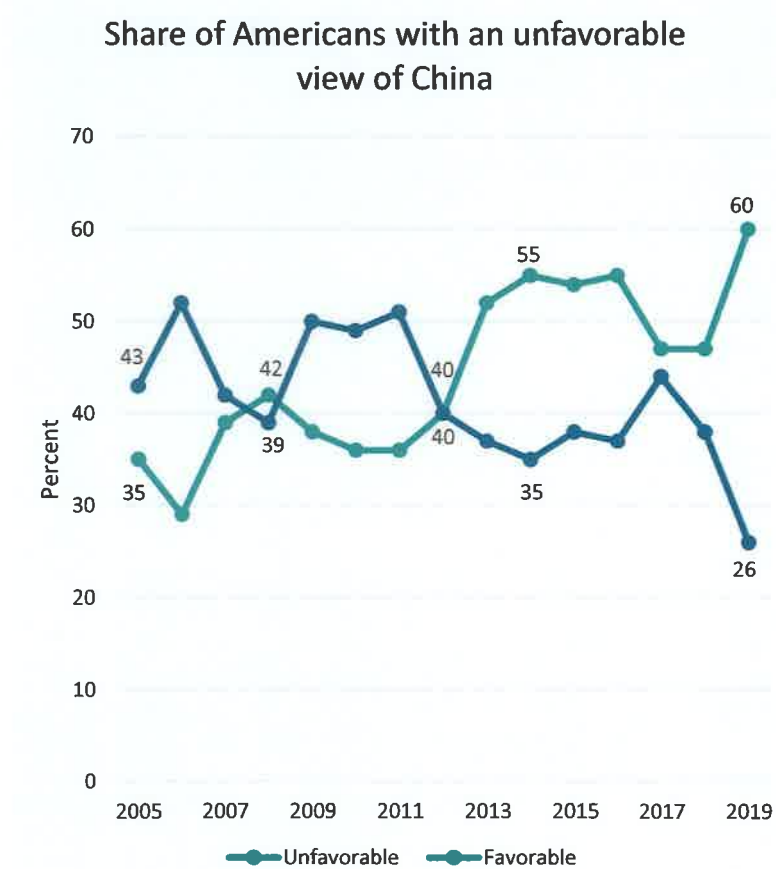
# U.S.-China tensions escalating - timeline





# Public perception toward China is shifting

Share of Americans with an unfavorable view of China reaches a new high, according to PEW poll



The uptick in negative views toward China is consistent across political leanings

Source: Spring 2019 Global Attitudes Survey. Q8b. PEW Research Center

# Trump to Biden: what changes?

The Trump administration's approach to foreign policy generally, and specifically with regard to China, diverged materially from the status quo over most of the post-war period. Negotiations were often viewed as tactical rather than strategic, and unilateral rather than bilateral.

Under Trump, the United States cracked down on China on several fronts, including intellectual property transfers, the trade deficit, tariff policies viewed as lacking reciprocity, China's aggression in the South China Sea, and the human rights abuses taking place in Xinjiang province. The U.S. also supported pro-democracy protests in Hong Kong, and boosted defense exports to Taiwan, which China views as part of China. Over the course of the Trump administration, Americans began to cultivate a more-negative view on China broadly, and the policies of the Communist Party of China specifically, across party lines.

With Biden at the helm, the approach to China is expected to remain strong, and to bring back into the fold the allies of the United States. In his Senate confirmation hearing, Biden's Secretary of State, Antony Blinken, noted that Trump "was right in taking a tougher approach to China" and that though he disagreed with the strategy, his policy was "actually helpful to [the United States'] foreign policy."



**Secretary Antony Blinken**  @SecBlinken · Feb 5

🇺🇸 United States government official

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



1.5K



5.2K



29K



President Biden himself has said that his administration is not going to "do it the way Trump did", and that although there is no need for conflict, "there is going to be extreme competition". Overall, Biden's stated approach is to work with Beijing when it is in America's interest to do so, and to compete from a position of strength by building back better at home and working with our allies and partners.

Leland Miller, CEO of the U.S.-based consultancy, China Beige Book, stated that "there is very little chance the incoming Biden administration in the early days uses what political chips it has to [do] anything construed as being weak on China." As a result, tensions are likely to remain high over the intermediate-term, occasionally spilling out into the various vectors of the current bilateral competition, as tends to be the case historically when the global hegemon is challenged by a rising power. We will continue to monitor developments.

# China investment case

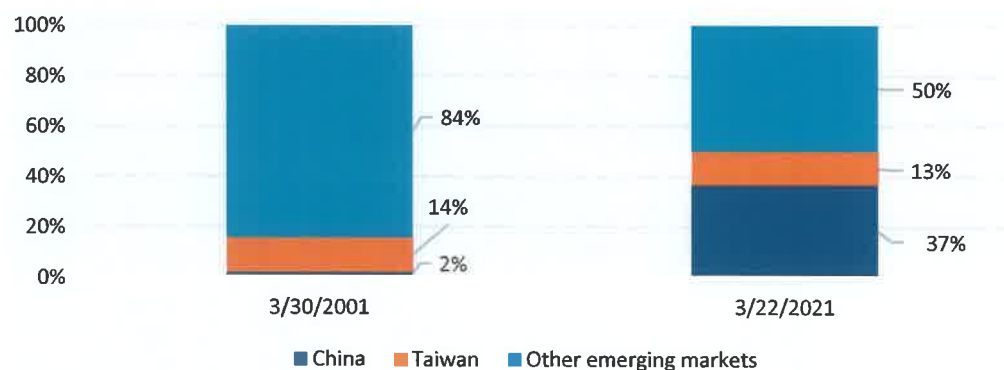
# Thoughts on Chinese equities

China's economy and stock market have grown explosively in recent decades, attracting interest from investors all over the world in the process. China now represents close to 36% of MSCI's Emerging Markets Index - including Taiwan, that percentage rises to nearly 50%. However, that number might be even higher, were it not for MSCI's decision to slowly integrate Chinese equities into the index.

**MSCI's concerns, which we find to be reasonable, center around the following issues:**

1. Lower confidence in the openness and fairness of the Chinese equity market
2. High government involvement and intervention which has limited freedom of security trades and general liquidity in China.
3. Heightened concerns of market integrity around securities that are mid- or small-capitalization, which is why MSCI's A-share inclusion is of large-cap only.

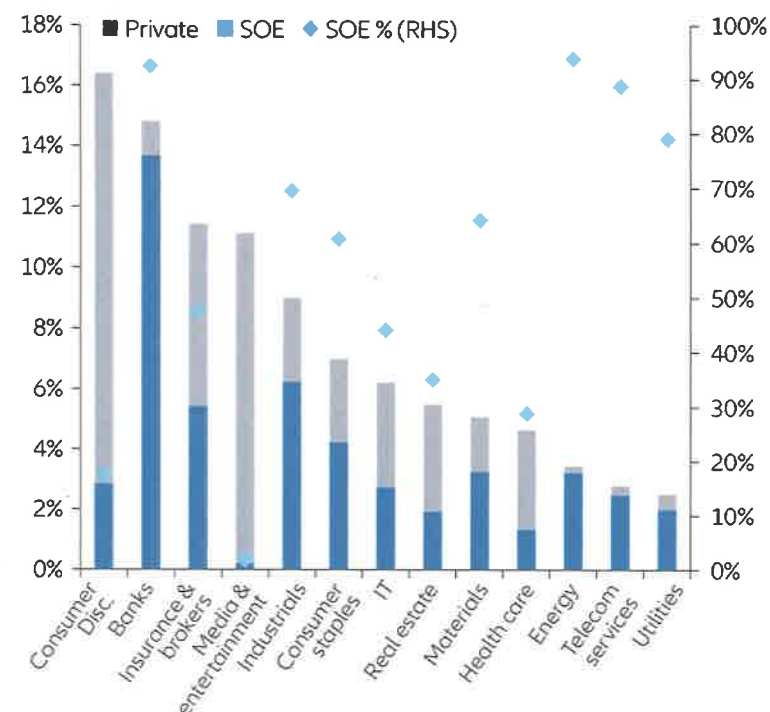
**MSCI EMERGING MARKETS INDEX – COUNTRY ALLOCATIONS**



Source: MSCI, as of 3/26/21

Additionally, investing in Chinese A-shares involves a heavy allocation to Chinese state-owned enterprises, which in the past have been synonymous with inefficiency, questionable governance, and lackluster shareholder returns.

**STATE-OWNED ENTERPRISES – MARKET SHARE BY SECTOR**



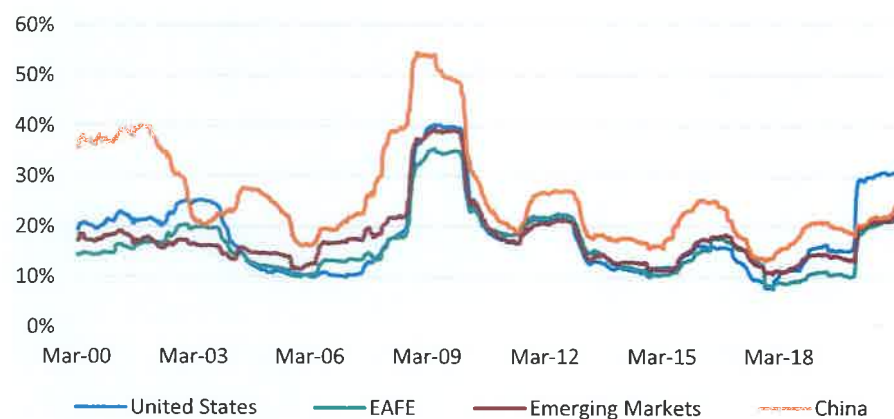
Source: Bloomberg, HSBC, Allianz, as of 4/30/19

# Thoughts on Chinese equities

Aside from concerns around the general lack of transparency, government intervention, and the involvement of state-owned enterprises in Chinese equity markets, there has been immense realized volatility in Chinese equity markets in recent years.

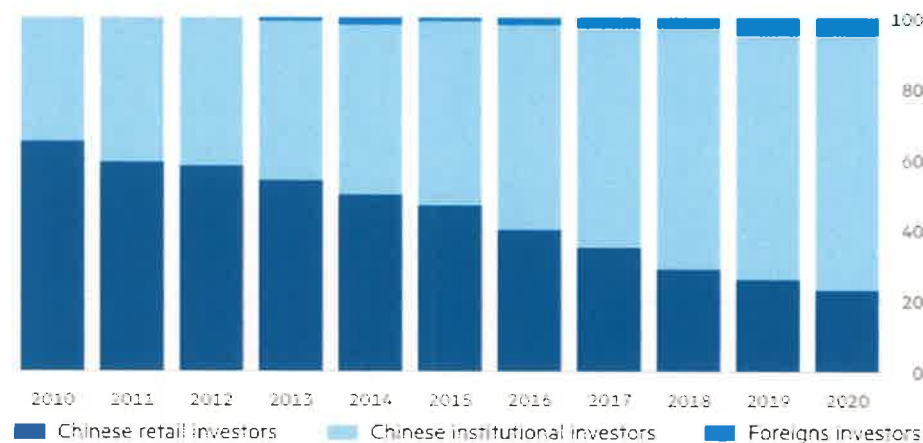
Swings back and forth in China have far exceeded the broader emerging market equity universe, due in part to the high proportion of retail investors in China. Investment managers with China products have contended that the concentration of retail investors in Chinese equity markets, alongside the nebulous state-owned-enterprise-dominated landscape, combine to produce fertile soil for active management. As a firm, we believe that investors deciding to make a China-specific allocation are best suited to pursue an active implementation approach, with a high-conviction manager.

REALIZED VOLATILITY – TRAILING 1-YEAR



Source: MSCI, Bloomberg, as of 3/25/21

ESTIMATED HOLDINGS OF CHINA'S STOCK MARKET FLOAT



Source: Financial Times, China Renaissance, as of 6/30/20

# Outlook

- Chinese equities have proven quite volatile in past years, and investors considering stand-alone allocations should be prepared to accept volatility that exceeds that of most other equity investments.
- If the global vaccine campaign continues to pick up steam and the economy continues to recover, China may enjoy a high beta to that recovery. China's economy is linked to nearly every other economy on earth, and will likely benefit from the ongoing support of global fiscal policy.
- On the flip side, in recent months, the People's Bank of China has indicated that they are concerned with bubbles in certain financial markets, and excessive leverage in the housing sector. As a result, China has started to taper liquidity, thereby marginally tightening financial conditions, and putting pressure on the high-growth tech companies which have come to dominate the Chinese equity indices in recent years.
- Overall, while the long-term outlook for China remains constructive, a number of other uncertainties have obfuscated our shorter-term outlook. Whether you're investing over the long- or short-term in China, expect a bumpy ride.

# Appendix – manager detail



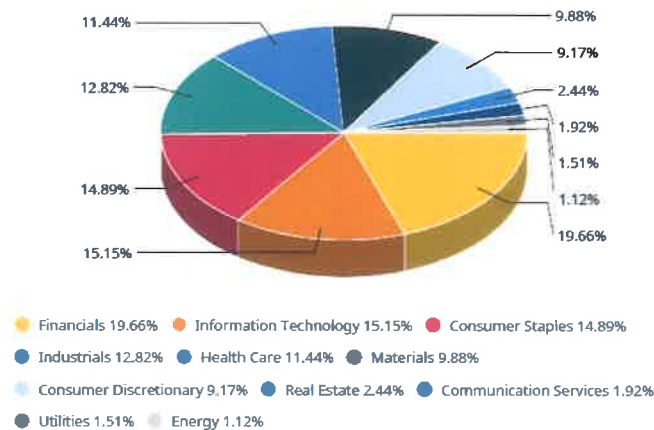
# SSGA ACWI ex-US Index

Security/Index name	Description	% of China exposure
MSCI CNY Index NL CTF	The MSCI China A Onshore Index captures large and mid cap representation across China securities listed on the Shanghai and Shenzhen exchanges.	99.3%
MSCI China A Inclusion Index NL CTF	The MSCI China A Inclusion Index is designed to track the progressive partial inclusion of A shares in the MSCI Emerging Markets Index over time. It is calculated using China A Stock Connect listings based on the offshore RMB exchange rate (CNH).	0.7%

SSGA ACWI ex-US Index fund represents a 4.3% China exposure at the non-US equity sector level and 0.7% at the total fund level

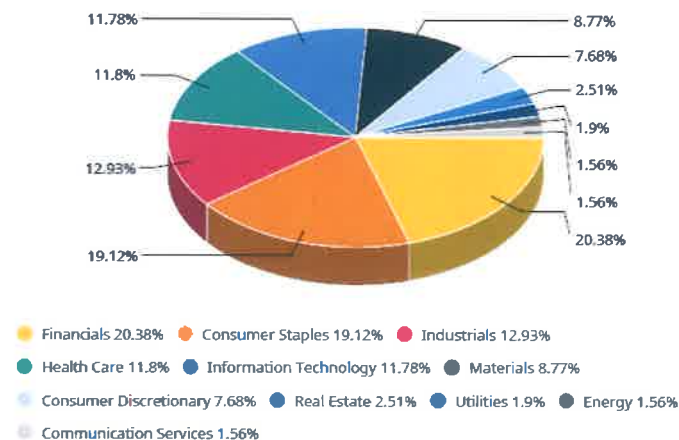
MSCI CNY Index

SECTOR WEIGHTS



MSCI China A Inclusion Index

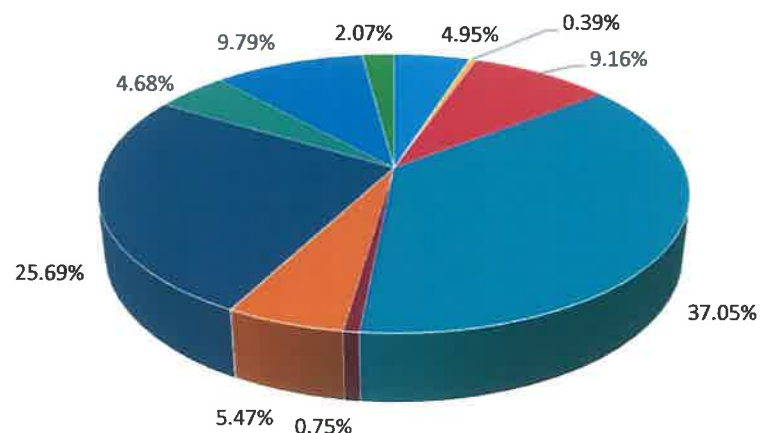
SECTOR WEIGHTS



Source: MSCI



# PIMCO RAE Fundamental Global ex-US



PIMCO RAE Fundamental Global ex-US represents a 1.7% China exposure at the non-US equity sector level and 0.3% at the total fund level

As of March 31, 2021

- China exposure is 5.1% of the fund portfolio
- On a 3-year basis, combined attribution of all holdings is -0.19%

*Attribution is Total Effect (Allocation + Selection Effect)*

# SGA Global Growth

As of March 31, 2021

Security name	Sector	% Portfolio exposure
Alibaba Group Holding Ltd. Sponsored ADR	Technology	3.8%
New Oriental Education & Technology Group, Inc. Sponsored ADR	Technology	3.0%
Shandong Weigao Group Medical Polymer Co. Ltd. Class H	Health Care	4.0%
Tencent Holdings Ltd.	Technology	3.4%
<b>Total</b>		<b>14.2%</b>

3-years as of March 31, 2021

Security name	Sector	Portfolio attribution*
Alibaba Group Holding Ltd. Sponsored ADR	Technology	0.7%
New Oriental Education & Technology Group, Inc. Sponsored ADR	Technology	0.4%
Shandong Weigao Group Medical Polymer Co. Ltd. Class H	Health Care	2.9%
Tencent Holdings Ltd.	Technology	0.7%
JD.com, Inc. Sponsored ADR Class A	Technology	-0.2%
Sinopharm Group Co., Ltd. Class H	Pharmaceutical	-0.8%
TAL Education Group Sponsored ADR Class A	Education	1.8%
Trip.com Group Ltd. Sponsored ADR	Consumer Discretionary	-1.3%
<b>Total</b>		<b>3.8%</b>

SGA Global Growth represents a 4.3% China exposure at the non-US equity sector level and 0.7% at the total fund level

\*Total Effect (Allocation + Selection Effect)

# Skellig DST Water Fund

As of March 31, 2021

Security name	Sector	% Portfolio exposure
China Everbright Environment Group	Wastewater treatment plants	
Beijing Enterprises Water Group	Wastewater treatment plants	
Guangdong Investment Limited	Water transport + wastewater treatment	
China Water Affairs Group Ltd	Water utility	
SIIC Environment (HKD) Holdings	Wastewater treatment plants	
Total		0.25%

KBIGI Water Fund represents a 0.25% China exposure at the Global equity sector level and 0.01% at the total fund level

**Thesis for holding: Chinese water utilities and the investment thesis behind these.**

Our Chinese water Utilities are leading companies in their markets with significant government, international development bank, and/or regulatory support.

Four of the five of the water utilities trade on low single digit multiples and are producing double-digit earnings growth (compare this to US water utilities that are trading on 25x+ with low single digit earnings growth). This compares to PE's greater than 20x five years ago, yet the business models and cash generation are improving as more developed assets move from construction to operation phase. They are trading on such cheap multiples mainly on the back of negative investor sentiment towards non-tech EM.

The dividend yields of the Chinese utilities are roughly 5-6%, a very attractive return cushion in a volatile market environment

# Fixed income managers

## DOUBLELINE

Security name	Industry	% Portfolio exposure	Inception to date return	Trade date
JD.com, Inc. (3.375% 01/14/30)	Technology	0.07%	-0.18%	05/20/20
Tencent Holdings Ltd. (2.39% 06/03/30)	Technology	0.05%	-1.36%	05/27/20
Baidu Inc. (3.425% 04/07/30)	Technology	0.03%	8.82%	04/01/20
ENN Energy Holdings Ltd. (3.25% 07/24/22)	Energy	0.03%	1.31%	09/17/20
Total		0.18%		

DoubleLine and MacKay Shields each represent a 0.04% China exposure at the total fixed income sector level and 0.01% at the total fund level

## MACKAY SHIELDS

Security name	Industry	% Portfolio exposure	1-year attribution*	3-year attribution*
Weibo Corp	Technology	0.12%		
Sands China Ltd	Travel & Leisure	0.08%		
Total		0.20%	0.03%	0.05%

As of March 31, 2021

\*Total Effect (Allocation + Selection Effect)

# Fixed income managers continued

PGIM as of March 31, 2021

Security name	Industry	% Portfolio exposure	2020 Attribution <sup>1</sup>	2019 Attribution <sup>1</sup>
State Grid Corporation	Utilities	0.03%		
China Peoples Republic	Local Sovereign Bonds	3.40%		
Country Garden Holdings Co. Ltd	Real Estate	0.15%		
China Metallurgical Group Corp	Mining & Metals	0.39%		
Prosus NV	Media	0.04%		
Sinochem Group	Multiple <sup>2</sup>	0.04%		
Sinopec Group	Energy	0.29%		
Currency exposure		-0.06%		
Total		4.28%	-2.73%	3.8%

PGIM represents a 0.07% China exposure at the total fixed income sector level and 0.2% at the total fund level

1 - Total Effect (Allocation + Selection Effect); Total may include other holdings no longer in the portfolio as of 3/31/21 and therefore not listed in the table.

2 - Government state-owned enterprise (SOE) in agricultural, chemical, energy, real estate and finance

# Private Markets

## Pantheon USA Fund VI – Vintage 2004

Security name	Description	% Portfolio exposure
Company #1	Provides strategic research portals, business research content and search technology to global enterprises.	0.5%
Company #2	Venture capital firm specializing in growth capital, early & expansion stage investments. They primarily invest in consumer, technology, industrial and energy/clean energy sectors	0.3%
Company #3	Specializes in investments in biotechnology & life sciences sectors in Mainland China	0.3%
Company #4	Specializes in growth capital and early-stage investments in IT sector	0.0%
Company #5	Develops monoclonal antibodies offering epitope tag & loading control antibodies.	0.0%
Company #6	Developer of a platform intended for antibody discovery	0.0%
Total		1.1%

## BlackRock QPC II– Vintage 2005

Regarding QPC II, we do not readily have look-through exposures maintained for these older, legacy Quellos funds. It may be easier to note that QPC II (a fund of funds program which committed capital from 2004-2007) committed to two underlying funds with a focus on China: Northern Light Venture Fund L.P. (2005 Vintage Fund; \$3.5mn in cumulative contributions with a \$5.6mn reported valuation as of 9/30/2020) and IDG Accel China Growth Fund, L.P. (2006 Vintage Fund; \$2.8mn in cumulative contributions with a \$3.0mn reported valuation as of 9/30/2020). In sum, QPC II committed \$6.5mn and paid in (i.e. invested) \$6.3mn across these two China-focused funds which represented about 1.6% and 1.5% of total QPC underlying fund commitments and paid-in capital. It's safe to assume these exposures (in commitment and contribution terms) were consistent over the last five years. These funds represented 3.3% of QPC II's reported valuation (at the underlying investment level) as at 9/30/2015 and 11.5% as at 9/30/2020. The increase is due to underlying funds (focused on other funds) distributing capital to investors faster than these two funds.

As of March 31, 2021

# Private Markets continued

## Stepstone Secondary Opportunities Fund II – Vintage 2011

Security name	Description	% Portfolio exposure
Jinko Solar Power Engineering	Owns, operates & develops a portfolio of photovoltaic solar stations in Eastern and Northwest China	2.5%
Shenyang Shengyuan Water	Owner & operator of two of the largest tap water treatment plants in Northeast China	0.9%
Shenyang Zhenxing Environmental	Large-scale wastewater treatment plant in Liaoning Province, Northeast China	0.8%
eBaoTech Corporation	Provides insurance software products & services for life and general insurance customers in China, Asia, Europe and North America	0.3%
Project Independence	Super 8 budget hotels in Greater China	0.3%
Shenyang Zhenxing Wasterwater Treatment	Water treatment in Shenyang Zhenxing, China	0.1%
Total		4.9%

## Pathway

Fund	Detail	% Portfolio exposure
PE Fund 8	54 entities/companies across broad spectrum of sectors	3.2%
PE Fund 9	29 entities/companies across broad spectrum of sectors	1.1%
PE Fund 10	Early in investment cycle, so could have exposure going forward	0.0%

As of March 31, 2021

# Appendix – China disputes detail



# U.S. and China: the serious disputes

## — HONG KONG | *moderate and simmering*

ISSUE | *severity*

- *Landscape:* Hong Kong is guaranteed “a high degree of autonomy” per the British Handover to China in 1997 and the U.S. granted Hong Kong preferential trade status as a result. The U.S. recently revoked that status following a new national security law imposed by Beijing
- *Consequences:* Hong Kong’s status as a global financial hub is diminished; institutions risk violating U.S. sanctions by doing business with individuals complicit with the impingement on HK autonomy; China plans to sanction U.S. officials in retaliation

## — TARIFFS & TRADE | *high and simmering*

- *Landscape:* The U.S. accuses China of unfair trading practices in subsidizing its domestic companies and appropriating the intellectual property of global competitors; China claims to play by the global trade rules. The U.S. began levying tariffs on China in 2018, which responded in kind; a trade truce was inked in January 2020
- *Consequences:* The Phase One trade deal of 2020 halted U.S. tariffs in exchange for Chinese agricultural purchases; China is not on pace to meet the purchase requirements and the underlying causes of the trade war are left unaddressed; further escalation exacerbates business uncertainty

## — HUAWEI | *high and simmering*

- *Landscape:* The U.S. labeled Huawei and ZTE Corp as national security threats, warning their telecommunications equipment could be used by the Chinese government for spying; the U.S. pressured allies to blacklist the companies as well; the U.K. is set to phase out Huawei equipment
- *Consequences:* Huawei is barred from using U.S. technologies, a barrier for the company to design and produce proprietary chips.

Source: Bloomberg

# U.S. and China: *potentially* serious disputes

ISSUE | *severity*

- **MEDIA** | *moderate and escalating*

- *Landscape*: The Trump administration considers nearly all Chinese media outlets to be arms of the government while China says the companies promote understanding; China is responding with increasing force to unfavorable portrayals by U.S. media
- *Consequences*: The U.S. designated some Chinese media companies as “foreign missions”, requiring they conform to rules imposed on embassies and consulates in the U.S.; China has called for some U.S. media companies to submit requests on personnel and assets, and expelled American reports in Beijing from the New York Times, Washington Post and Wall Street Journal

- **XINJIANG** | *high and simmering*

- *Landscape*: China purports that the Uighurs, ethnic Muslims its most western province, are engaged in illegal religious and separatist activities and has interned roughly one million in “voluntary education centers”; The U.S. and others consider this is a human rights atrocity
- *Consequences*: The Trump administration blacklisted companies involved in the human rights violations and sanctioned four associated officials in the region, including a top official in the Communist Party; China responded with sanctions on U.S. officials, including Senators Rubio and Cruz

- **RESEARCH** | *moderate and simmering*

- *Landscape*: The U.S. claims some Chinese academics in the U.S. are stealing intellectual property
- *Consequences*: The U.S. suspended entry to thousands of researchers and post-graduate students with ties to Chinese military schools this year. As of last year, the U.S. requires Chinese diplomats to give official notice prior to visiting universities, research institutions or government officials

Source: Bloomberg

# U.S. and China: the *symbolic* disputes

ISSUE | *severity*

- **TAIWAN** | *low and escalating*

- *Landscape:* The Taiwan Relations Act of 1979, requiring the U.S. to support the democratic island's self-defense, social and economic systems, is diametrically opposed to the "One-China Policy"
- *Consequences:* Every sale of U.S. arms to Taiwan draws China's ire, which responded to the latest with sanctions on Lockheed Martin; the Trump administration is increasing its direct contact with Taiwanese officials and China deems this a provocation; China maintains that it will reunite Taiwan—by force if necessary

- **DELISTING CHINESE COMPANIES** | *moderate and simmering*

- *Landscape:* China prevents U.S. regulators from auditing Chinese companies, even if they are listed on U.S. exchanges; a current bill in Congress would halt trading of those companies that don't conform to U.S. accounting standards
- *Consequences:* Under the bill, a Chinese company is only delisted after failing to comply for three consecutive years; the bill would require firms to certify they aren't run by a foreign government—language yet to be written by the SEC

Source: Bloomberg

# Notices & disclosures

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# COUNTY OF TULARE BOARD OF RETIREMENT

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

**Agenda Item # IV. 1. f.**

**Agenda Date: June 9, 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 15<sup>th</sup> 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. Sixth Street – Dyal Capital Partners
  - c. PGIM – Organizational Update

**Prepared by: Leanne Malison**

# Total Fund

## Executive Summary (Net of Fees) - Preliminary

Period Ending: April 30, 2021

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2020	Fiscal 2019	Fiscal 2018	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Total Fund	1,898,305,398	100.0	2.8	2.8	20.4	0.6	6.0	7.5	26.2	8.6	9.1	6.8	--	--
<i>Policy Index</i>			2.2	2.2	17.9	3.2	7.0	7.4	22.2	9.3	9.3	7.0	--	--
Total Domestic Equity	539,741,078	28.4	5.1	5.1	40.8	4.2	7.6	16.6	52.2	17.8	17.3	13.8	--	--
Russell 3000			5.2	5.2	40.1	6.5	9.0	14.8	50.9	18.9	17.7	14.0	10.3	8.7
SSGA S&P 500 Flagship Fund	125,216,553	6.6	5.3	5.3	36.6	7.5	10.4	14.4	45.9	18.6	17.4	--	--	--
S&P 500			5.3	5.3	36.6	7.5	10.4	14.4	46.0	18.7	17.4	14.2	10.3	8.3
QMA Large Cap Core	94,107,536	5.0	4.9	4.9	35.9	3.8	6.6	16.0	45.9	15.8	15.7	13.7	--	--
S&P 500			5.3	5.3	36.6	7.5	10.4	14.4	46.0	18.7	17.4	14.2	10.3	8.3
Ivy Large Cap Growth	96,065,564	5.1	7.5	7.5	31.0	20.2	15.1	26.3	45.3	24.1	22.2	16.6	--	--
Russell 1000 Growth			6.8	6.8	36.0	23.3	11.6	22.5	51.4	25.4	22.9	17.0	12.9	9.3
Boston Partners Large Cap Value	95,226,474	5.0	3.6	3.6	47.0	-8.8	4.5	10.0	52.8	11.5	13.1	11.6	--	--
Russell 1000 Value			4.0	4.0	42.0	-8.8	8.5	6.8	45.9	12.3	12.2	11.1	7.8	7.7
SSGA Russell Small Cap Completeness Index	45,240,721	2.4	4.2	4.2	57.6	0.8	2.3	16.7	78.1	19.7	18.6	--	--	--
Russell Small Cap Completeness			4.3	4.3	57.6	0.9	2.4	16.9	78.2	19.8	18.7	13.3	10.6	10.2
William Blair SMID Cap Growth	41,109,678	2.2	4.4	4.4	43.1	6.1	10.1	23.6	59.1	20.8	20.9	15.3	--	--
Russell 2500 Growth			3.5	3.5	46.1	9.2	6.1	21.5	67.3	21.6	20.5	14.2	11.4	10.2
Lee Munder Small Value	42,774,552	2.3	4.5	4.5	60.5	-14.9	-4.7	8.9	66.5	11.6	11.6	9.5	--	--
Russell 2000 Value			2.0	2.0	69.1	-17.5	-6.2	13.1	79.0	11.7	13.5	10.1	7.5	9.4
Total International Equity	319,123,334	16.8	3.4	3.4	35.4	-4.0	3.5	6.1	48.2	8.6	10.9	5.1	--	--
MSCI ACWI ex USA Gross			3.0	3.0	32.9	-4.4	1.8	7.8	43.6	7.5	10.3	5.2	4.8	6.4
SSGA MSCI ACWI Ex US Index Fund	117,757,294	6.2	3.0	3.0	32.6	-4.5	1.5	7.5	43.2	7.2	10.1	5.0	--	--
MSCI ACWI ex USA			2.9	2.9	32.5	-4.8	1.3	7.3	43.0	7.0	9.8	4.7	4.3	6.0
PIMCO RAE Fundamental Global Ex US Fund	103,582,390	5.5	2.4	2.4	42.6	-14.9	-1.5	6.1	53.6	3.8	8.6	--	--	--
MSCI ACWI ex USA Value			2.2	2.2	34.8	-15.3	-0.1	4.6	42.9	2.3	6.9	2.8	2.9	5.4
SGA Global Growth	97,783,650	5.2	5.0	5.0	31.5	6.5	10.7	--	47.6	--	--	--	--	--
MSCI ACWI ex USA Growth			3.7	3.7	30.0	5.8	2.6	9.9	42.6	11.4	12.5	6.5	5.6	6.5

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. All data is preliminary.

# Total Fund

## Executive Summary (Net of Fees) - Preliminary

Period Ending: April 30, 2021

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2020	Fiscal 2019	Fiscal 2018	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
<b>Total Global Equity</b>	<b>74,248,297</b>	<b>3.9</b>	<b>6.8</b>	<b>6.8</b>	<b>47.9</b>	<b>-3.6</b>	<b>1.9</b>	<b>8.0</b>	<b>58.2</b>	<b>12.6</b>	<b>13.4</b>	<b>--</b>	<b>--</b>	<b>--</b>
MSCI ACWI Gross			4.4	4.4	35.8	2.6	6.3	11.3	46.4	13.9	14.4	9.8	7.7	7.5
Skellig Water Fund (aka KBI)	74,248,297	3.9	6.8	6.8	47.9	-3.6	1.9	8.0	58.2	12.6	13.4	--	--	--
MSCI ACWI			4.4	4.4	35.3	2.1	5.7	10.7	45.7	13.3	13.9	9.2	7.1	6.9
<b>Total Fixed Income</b>	<b>554,389,002</b>	<b>29.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.7</b>	<b>2.9</b>	<b>7.2</b>	<b>-0.2</b>	<b>5.1</b>	<b>3.8</b>	<b>3.2</b>	<b>3.4</b>	<b>--</b>	<b>--</b>
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
<b>Total Domestic Fixed Income</b>	<b>383,450,366</b>	<b>20.2</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>7.3</b>	<b>7.6</b>	<b>0.1</b>	<b>3.6</b>	<b>5.4</b>	<b>3.9</b>	<b>3.9</b>	<b>--</b>	<b>--</b>
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
BlackRock Fixed Income	145,959,010	7.7	0.9	0.9	-0.6	9.1	8.0	-0.6	1.3	5.6	3.5	3.7	--	--
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
Doubleline Core Plus	116,205,271	6.1	0.9	0.9	1.8	4.1	7.0	0.2	4.9	4.4	3.3	--	--	--
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
MacKay Shields Core Plus	121,286,085	6.4	1.1	1.1	2.2	8.5	7.4	-0.2	5.1	6.1	4.3	--	--	--
BBgBarc US Aggregate TR			0.8	0.8	-1.4	8.7	7.9	-0.4	-0.3	5.2	3.2	3.4	4.4	4.6
<b>Total Global Fixed Income</b>	<b>85,105,514</b>	<b>4.5</b>	<b>0.8</b>	<b>0.8</b>	<b>-1.9</b>	<b>-7.9</b>	<b>6.1</b>	<b>-1.4</b>	<b>-2.0</b>	<b>-2.5</b>	<b>0.6</b>	<b>--</b>	<b>--</b>	<b>--</b>
JPM GBI Global TR USD			1.1	1.1	0.0	5.2	5.7	1.7	0.4	3.2	2.0	1.6	3.6	--
Franklin Templeton Global Bond Plus	85,105,514	4.5	0.8	0.8	-1.9	-7.9	6.1	-1.4	-2.0	-2.5	0.5	--	--	--
JPM GBI Global TR USD			1.1	1.1	0.0	5.2	5.7	1.7	0.4	3.2	2.0	1.6	3.6	--
<b>Total Emerging Markets Fixed Income</b>	<b>85,833,123</b>	<b>4.5</b>	<b>2.4</b>	<b>2.4</b>	<b>8.4</b>	<b>-2.4</b>	<b>--</b>	<b>--</b>	<b>20.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			2.2	2.2	5.5	-1.1	10.8	-1.9	13.6	3.2	4.1	3.0	5.5	--
PGIM Emerging Markets Debt	85,833,123	4.5	2.4	2.4	8.4	--	--	--	20.1	--	--	--	--	--
50% JPM EMBI Global Div/50% JPM GBI EM Global Div			2.2	2.2	5.5	-1.1	10.8	-1.9	13.6	3.2	4.1	3.0	5.5	--
<b>Total Real Estate</b>	<b>182,568,362</b>	<b>9.6</b>				<b>5.3</b>	<b>6.7</b>	<b>7.6</b>	<b>2.2</b>	<b>4.7</b>	<b>5.8</b>	<b>8.6</b>	<b>--</b>	<b>--</b>
NCREIF-ODCE						2.2	6.4	8.4	2.3	4.9	6.2	9.7	6.3	7.5
RREEF America II	167,173,864	8.8				5.3	6.6	7.4	2.1	4.7	5.8	9.6	--	--
NCREIF-ODCE						2.2	6.4	8.4	2.3	4.9	6.2	9.7	6.3	7.5
American Realty	15,394,499	0.8				--	--	--	3.4	--	--	--	--	--
NCREIF-ODCE						2.2	6.4	8.4	2.3	4.9	6.2	9.7	6.3	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. All data is preliminary.



# Total Fund

## Executive Summary (Net of Fees) - Preliminary

Period Ending: April 30, 2021

	Market Value	% of Portfolio	1 Mo	QTD	Fiscal YTD	Fiscal 2020	Fiscal 2019	Fiscal 2018	1 Yr	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
<b>Total Private Equity</b>	86,608,602	4.6				5.4	17.8	17.1	15.9	12.9	12.7	12.3	--	--
Private Equity Benchmark						5.4	17.8	17.1	15.9	12.9	12.7	12.3	--	--
BlackRock Alternative Advisors	2,684,500	0.1				8.1	8.8	12.6	7.1	8.0	7.7	8.9	--	--
Ocean Avenue Fund III	19,544,055	1.0				13.7	35.4	43.3	11.2	19.6	17.4	--	--	--
Ocean Avenue Fund IV	12,059,527	0.6				--	--	--	8.3	--	--	--	--	--
Pantheon Ventures	451,311	0.0				-23.1	5.6	7.7	6.2	-4.8	0.2	3.8	--	--
Pathway Private Equity Fund Investors 8	23,266,096	1.2				4.9	26.4	26.6	28.1	19.3	18.5	--	--	--
Pathway Private Equity Fund Investors 9	15,862,235	0.8				0.0	22.0	--	27.9	--	--	--	--	--
Pathway Private Equity Fund Investors 10	1,639,947	0.1				--	--	--	18.9	--	--	--	--	--
Stepstone Secondary Opportunities Fund II	11,100,931	0.6				-0.5	2.1	8.6	2.3	1.3	4.8	--	--	--
<b>Total Private Credit</b>	80,835,231	4.3				-4.5	11.2	7.9	23.4	9.4	--	--	--	--
Private Credit Benchmark						-4.5	11.2	7.9	23.4	9.4	--	--	--	--
Sixth Street DCP (frmly TSSP DCP)	80,835,231	4.3				-4.5	11.2	7.9	23.4	9.4	--	--	--	--
<b>Total Opportunistic</b>	18,444,091	1.0				-6.2	-6.2	28.8	17.2	1.0	7.8	--	--	--
Sixth Street TAO Contingent (frmly TSSP TAO Contingent)	14,813,294	0.8				--	--	--	30.5	--	--	--	--	--
KKR Mezzanine Partners I	3,613,233	0.2												
PIMCO Bravo	17,564	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. All data is preliminary.



## Leanne C Malison

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**From:** PGIM Fixed Income <FixedIncome@e.email-prudential.com>  
**Sent:** Wednesday, April 14, 2021 2:16 PM  
**To:** Leanne C Malison  
**Subject:** Organizational Update from PGIM Fixed Income

[View this email in your browser](#)



April 14, 2021

*The following announcement has been prepared exclusively for PGIM Fixed Income's clients and consultants.*

### **Susan Courtney and Jürgen Odenius to Retire; Erik Schiller to Depart**

At PGIM Fixed Income, our investment business has been shaped over the years by individuals who have spent significant portions of their careers building what we have today—a premier, active global fixed income investment management organization.

In our ongoing efforts to provide transparency to our partners, we would like to announce the following organizational changes:

- After a 35-year career and 16 years at PGIM Fixed Income, Susan Courtney, Managing Director and Head of Municipal Bonds, will be retiring at the end of 2021. To continue to provide premier service to our clients and enhance our investment organization, we have begun an external search for Susan's successor as the Head of the Municipal Bond team.
- After a 27-year career and 10 years at PGIM Fixed Income, Jürgen Odenius, Principal and Economic Counsellor, will be retiring on August 30, 2021. Given Jürgen's pending retirement, we have added an economist in our London office who will be starting in the third quarter of 2021.
- After 21 years with PGIM Fixed Income, Erik Schiller, Managing Director and Head of Liquidity, will be departing the firm for a new opportunity. Michael (Mick) Meyler has been promoted to Head of Developed Market Rates and will lead our liquidity relative value strategies.

We would like to thank Susan, Jürgen and Erik for their contributions to PGIM Fixed Income. Our client representatives will be glad to discuss these changes with you at your convenience. As always, we continue to maintain a steadfast focus on our business globally, as we build on our vision to be widely regarded as the premier, active global fixed income manager. We look forward to serving our clients and consultants for years to come.



# COUNTY OF TULARE BOARD OF RETIREMENT

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Retirement Administrator

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

**Agenda Item # IV. 1. g.**

**Agenda Date: June 9, 2021**

**Subject: Agenda Items for Investment Consultant Due Diligence Visits**

### **Requests:**

That the Investment Committee:

1. Identify agenda items for the investment consultant due diligence visits

### **Summary:**

TCERA has identified a due diligence team comprised of two trustees (Pete Vander Poel and Paul Sampietro) and one staff member (Leanne Malison) to conduct due diligence site visits to the three finalists under consideration pursuant to TCERA's Investment Consultant RFP. The visits are scheduled for July 6 – July 9, 2021. The Committee is asked to establish a standard agenda for these visits to ensure that topics of importance are covered and the visits are conducted uniformly and consistently at each site. Staff has prepared the attached draft agenda as a starting point for discussion.

**Prepared by: Leanne Malison**

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
INVESTMENT CONSULTANT ON-SITE DUE DILIGENCE  
AGENDA**

<b>Welcome</b>	20 Minutes
Team introductions	
Firm Overview	
Office Tour	
<b>Trustee/Staff Communication</b>	10 Minutes
Understanding Diverse Trustee Experience	
Staff Interaction and Support	
<b>Investment Policy</b>	30 Minutes
General Observations	
Approach to Investment Policy Development	
<b>Asset Allocation</b>	60 Minutes
Capital Market Assumptions	
Asset/Liability Modeling	
Risk Assessment and Management	
<b>Break</b>	10 Minutes
<b>Research Capabilities</b>	60 Minutes
Manager Research and Approval Process	
Public Markets	
Private Markets	
Asset Class Research	
Manager Monitoring	
Active vs. Passive Investments	
Manager Search Materials	
Top Tier Manager List	
Incorporating Client Manager Referrals	
<b>Performance Measurement</b>	20 Minutes
Performance Measurement Process	
Performance Reports and Customization	
<b>Education</b>	15 Minutes
White Papers and Topical Research	
Customized Education	
<b>Final Questions and Wrap Up</b>	15 Minutes