

Introduction

The Tulare County Employees' Retirement Association (TCERA) was established to provide retirement benefits to county employees. The TCERA Board of Retirement (Board) is comprised of the County Treasurer, four members appointed by the County Board of Supervisors and four members elected by the membership.

TCERA was organized in accordance with the provisions of California's 1937 County Employees' Retirement Act. The powers and duties of the Board are set forth in the 1937 Act and in Article XVI of the State Constitution. This document provides a framework for the management of the assets of the Tulare County Employees' Retirement Association ("TCERA"). The purpose of the Investment Policy is to assist the Board in effectively supervising and monitoring investment of the assets of TCERA (the "Plan"). Specifically, it will address the following issues:

- The general goals of the investment program;
- The policies and procedures for the management of the investments;
- Specific asset allocations, rebalancing procedures and investment guidelines;
- Performance objectives; and
- Responsible parties.

The Board establishes this investment policy in accordance with applicable Local, State, and Federal laws. The Board members exercise authority and control over the management of the Plan, by setting policy which the TCERA Staff (Staff) executes either internally or through the use of external prudent experts. The Board oversees and guides the Plan subject to the following basic fiduciary responsibilities:

- Acting in accordance with the California Pension Protection Act of 1992 which states in part: "The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system...The Members of the Retirement Board of a public pension or retirement system shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty."
- Acting with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
- Diversifying the investments of the Plan so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so. Diversification is applicable to the deployment of the assets as a whole.
- Refraining from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial

decisions. Employees, investment officials, and investment consultants shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Trustees and staff shall refrain from undertaking personal investment transactions with the same individual or firm with whom business is conducted on behalf of TCERA, with the exception of mutual fund investments.

This policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure prudence and care in the execution of the investment program.

Policies and Procedures

The policies and procedures of TCERA's investment program are designed to position the assets of the Plan to better achieve its investment goals. Investment policies will evolve as fund conditions change and as investment conditions warrant.

Asset Allocation Policy

TCERA adopts and implements an asset allocation policy that is predicated on a number of factors, including:

- An actuarial valuation of the System's assets and liabilities, including but not limited to funded status, contributions and benefit payments;
- Historical and expected long-term capital market risk and return behavior;
- An assessment of future economic conditions, including but not limited to inflation and interest rate levels.
- The current and projected funding status of the Plan.

The Plan's asset allocation, with approved asset classes and target percentages, are illustrated in an Appendix to this Investment Policy. Implementation will be through the use of external investment managers. The Board will review the Plan's asset allocation from time to time; generally speaking, every 3 to 5 years. This review cycle may be shortened or extended, depending on changes in either market conditions or the Plan's financial and/or actuarial status.

Investment Goal Statement

The Plan's objectives are to efficiently allocate and manage the assets dedicated to the payment of Plan benefits and administrative expenses. The general investment goals of TCERA include, but are not limited to, the following.

- To act in the exclusive interest of Plan participants and their beneficiaries.
- To provide Plan participants with retirement, disability, and death and survivor benefits as provided for under the County Employees' Retirement Law of 1937, which will be accomplished through a carefully planned and executed long-term investment program.
- To manage TCERA's assets on a total return basis, recognizing the importance of the preservation of capital, while adhering to the principle that varying degrees of investment risk are generally rewarded with compensating returns.
- To achieve the following objectives:
 1. Produce a total portfolio, long-term real (above inflation) return commensurate with the target asset allocation illustrated in the Appendix to this document (annualized, net of fees, over a full market cycle, normally defined as 3 - 5 years);
 2. Exceed the assumed actuarial rate of return over rolling five year periods; and
 3. Exceed a weighted index of the total Plan's asset allocation policy and component benchmarks over rolling five year periods by an appropriate amount (annualized, net of fees, over a full market cycle).
- To maintain a strategic long-run asset allocation plan implemented in a consistent and disciplined manner, which will be the major determinant of the Plan's investment performance.
- To comply with "prudent expert" standards.

Manager Selection

The selection of investment managers is accomplished in accordance with all applicable Local, State and Federal laws and regulations. Each investment manager and consultant functions under a formal contract which delineates responsibilities and appropriate performance expectations. A formal set of investment guidelines and investment administrative requirements for each investment manager has been established.

Manager Authority

The Plan's investment managers shall have designated discretion to direct and manage the investment and reinvestment of assets allocated to their accounts in accordance with this document;

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applicable Local, State and Federal statutes and regulations; and individual management investment plans and executed contracts.

Brokerage Policy/Commission Recapture

Each separate account equity manager recognizes commissions as an asset of the Plan and accepts the same fiduciary responsibility for managing commissions that exist for the management of all assets under their authority. The Board also recognizes that transaction expense includes both commissions and execution costs and charges the manager with the optimization of both for the lowest possible transaction cost. The Board encourages the domestic equity managers to manage the commission activity using all available trading mechanisms to maintain average commission levels on listed trades of four (4) cents or less. The Board encourages the international equity managers to manage the commission activity using all available trading mechanisms to maintain average commission levels on trades of 20 basis points or less. The managers shall report on commission levels quarterly, and failure to achieve these commission levels in a given quarter must be accompanied by a letter of explanation to the Staff. If at any time a manager believes compliance with this policy is adversely affecting its performance, it has the responsibility to immediately notify the Board of its concern(s).

TCERA encourages active equity managers to direct a specific percentage of brokerage transactions for Plan assets under their management through designated commission recapture brokers only when best execution can be assured. TCERA also encourages its fixed-income managers, on a "best effort" basis, to utilize the services of designated commission recapture brokerage firms. It is understood that the commission recapture brokerage firms must provide the best price and execution consistent with market conditions, bearing in mind the best interests of the Plan's beneficiaries and considering all relevant factors.

All rebates or credits from commissions paid by TCERA's investment managers to the commission recapture brokers will be realized in cash and used to reduce the normal investment-oriented operating expenses of the Fund, to acquire investment products or services, or be rebated back to the Fund.

Proxy Voting

TCERA acknowledges that voting proxies is a right of equity ownership. Voting of proxies in stocks held by TCERA will be done in a manner which is in the best financial and economic interests of the Association's members and their beneficiaries by those best able to make such assessments. While the Board reserves the right to vote proxies at its discretion, such activity as a matter of course is delegated to Investment Managers. Investment Managers are required to report their proxy voting activities to Staff on a fiscal year-end basis (June 30). In addition, managers will report on their proxy voting guidelines and proxy monitoring procedures at least annually.

Securities Lending

The Board may authorize the execution of a Securities Lending Program which will be performed by the Plan custodian or qualified third party securities lending agent(s). The program is monitored and reviewed by Staff.

Derivatives

Certain of TCERA's investment managers may be permitted to use derivative instruments as set forth in each manager's investment guidelines. The use of derivatives within TCERA's Alternative Investments portfolio are not governed by the provisions of this section of the Investment Policy Statement.

Examples of appropriate applications of derivative strategies include but are not limited to hedging interest rate and currency risk, adjusting portfolio duration, maintaining exposure to a desired asset class while effecting asset allocation changes or for temporary cash balances, all so long as at no time is the portfolio in a leveraged position.

TCERA's managers are not allowed to utilize derivatives for speculative purposes. In no circumstances can individual managers borrow funds to purchase derivatives, nor may leverage be used. The use of derivative securities shall not violate either the letter or spirit of the investment guidelines that limit exposure to market, sector, and security risks.

No derivative positions can be established that create portfolio characteristics outside of portfolio guidelines. Managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions.

Rebalancing

The Board or its designee recognizes that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the Plan's investment performance. A systematic rebalancing procedure will be implemented by Staff to maintain asset allocations within appropriate ranges, as illustrated in the Exhibit attached to this Investment Policy. Staff will report rebalancing actions to the Board.

General Investment Objectives and Guidelines

Equity Portfolios

Equity investment managers retained by TCERA will follow specific investment styles and will be evaluated against specific market indices which represent their investment style. In addition, in the case of active managers, investment results may also be compared to returns of a peer group of managers with similar styles. The benchmarks for the various equity portfolios may include the following indices:

- Global Stocks – MSCI ACWI Index
- Domestic Large-Cap Core Stocks – S&P 500 and/or Russell 1000 Index
- Domestic Non-Large Stocks - Russell 2500 and/or Russell 2000 Index
- International Stocks – MSCI EAFE Index or MSCI ACWI ex US Index
- International Small Cap Stocks – MSCI EAFE Small Cap
- Emerging Markets Stocks – MSCI Emerging Markets

Style-specific indices may be used, as appropriate. Managers' investment activities within their respective portfolios will be consistent with the style and/or strategy for which they were hired. Guidelines for each manager will be negotiated and are subject to approval by the Board. No single investment manager's guidelines govern the entire asset class and the individual guidelines are not intended to represent the asset class as a whole.

Fixed Income Portfolios

The fixed income portfolios will be invested through managers utilizing specific investment styles and evaluated against specific market indices which represent their investment style or market segment. In addition, investment results of active managers may also be compared to returns of a peer group of managers investing with a similar style. The benchmarks for the various fixed income portfolios may include the following indices:

US Core Fixed Income - Barclays Capital Aggregate Bond Index
US Core Plus Fixed Income - Barclays Capital Universal Bond Index
High Yield Fixed Income – Barclays Capital US Corporate High Yield
Global Credit – Global Aggregate Bond Index
Emerging Market Debt – JPMorgan EMBIG (Hard) / JPMorgan GBI-EMG
(Local) / JPMorgan CEMBIB (Corporate)
US TIPS – Barclays Capital US TIPS Index

Managers' investment activities within their respective portfolios will be consistent with the style and/or strategy for which they were hired. Guidelines for each manager will be negotiated and are subject to approval by the Board. No single investment manager's guidelines govern the entire asset class and the individual guidelines are not intended to represent the asset class as a whole.

From time-to-time, TCERA may place short-term deposits in the care of the County Treasurer for payment of monthly pension payroll, refunds to terminated members, reimbursement to the County for monthly budget expenditures and miscellaneous payables. The dollar value of assets placed with the County Treasurer shall not exceed 1% of total assets at market value.

The County Treasurer will make available to the Board, Administrator and Consultant quarterly reports describing the investments, return on investments and policies of the Liquid Investment Pool. The County Treasurer will also make available to the Board, Administrator and Consultant its Investment Policy Statement and any revisions made to such policy as they are adopted by the Tulare County Board of Supervisors.

Real Estate Portfolios

The real estate asset class shall consist of core, value-add, and opportunistic real estate equity, real estate debt, and global infrastructure. With the exception of legacy separate account holdings, and property owned by TCERA to house administrative operations, the real estate portfolio will be invested through funds and/or limited partnerships. Firms managing these vehicles must have an asset base sufficient to accommodate TCERA's portfolio. In general, managers should have at least

\$500 million of discretionary institutional real estate assets under management, and TCERA's portfolio should make up no more than 10% of the firm's total real estate asset base. These vehicles will utilize specific investment styles and be evaluated against indices which represent their investment style or market segment. The responsibility for purchase and sale decisions of specific properties is delegated to each manager as outlined in the offering documents for each fund and/or limited partnership.

Leverage:

Leverage within these vehicles is permitted, to be consistent with the strategy employed and in accordance with the prospectus or offering documents of each investment vehicle.

Investment Size:

Real estate portfolios should be appropriately diversified and maximum single property exposure should be consistent with the strategy employed and in accordance with the prospectus or offering documents of each investment vehicle.

The real estate composite (the aggregation of all funds and limited partnerships) should outperform the NCREIF Property and or ODCE indexes plus an appropriate premium (dependent upon the expected risk level of the investment) over rolling five-year periods.

Private Equity Portfolios

The private equity composite (the aggregation of all private equity funds and funds-of-funds employed by the Plan) should outperform the Russell 3000 + 3%, net of fees, over rolling 10-year periods. Where possible, peer comparisons will be made using statistically valid performance universe(s) with the expectation that performance will rank above median over rolling 3-5 year periods. The private equity program should be reviewed annually to determine if expectations are being met generally and to assess the need for additional fund commitments.

Because of the unique characteristics of the asset class, constructing a fully diversified portfolio of partnerships reduces the overall risks of the portfolio. The following types of diversification will be considered:

Strategy – Diversify investments throughout the various private equity strategies including Buyouts, Venture Capital, Mezzanine Financing, Distressed Debt and Special Situations.

General Partner – Diversify the investments so as to have exposure to a reasonable number of different general partners.

Time – Diversify the investments across time so as not to have concentrated exposure to any one vintage year.

Geography/Economy – Diversify the investments to avoid a concentrated exposure to any one geographical area or economy.

Industry – Diversify the investments across industry sectors.

A diversified Fund of Funds can be used to accomplish these diversification goals. Otherwise, a portfolio of Limited Partnership interests must be carefully constructed with these diversification guidelines in mind.

Private Credit Portfolios

The private credit composite (the aggregation of all private credit funds and funds-of-funds employed by the Plan) is expected to earn a premium over traditional fixed income investments resulting from the additional risks associated with the asset class. The composite should outperform the BC High Yield Index + 2%, net of fees, over rolling 10-year periods. The private credit program should be reviewed annually to determine if expectations are being met generally and to assess the need for additional fund commitments.

There are a wide variety of investments that may be characterized as private credit. However, for the purpose of portfolio construction, the private credit component of the total fund portfolio will consist of a core allocation to direct lending investments with peripheral exposure to opportunistic and other credit investments. Opportunistic and other credit investments may include, but is not limited to, mezzanine financing, special situations, and stressed or distressed investments.

To construct a private credit portfolio as described, a diversified Fund of Funds approach or a portfolio of Limited Partnership interests that are carefully constructed with these diversification characteristics may be implemented.

Opportunistic Investments

Opportunistic investments will be considered on a case by case basis as presented by TCERA's investment consultant. Such investments are intended to take advantage of specific market conditions and may include expansion of investments in TCERA's current asset allocation or entry into strategies outside of the asset allocation following education regarding the potential investment. Opportunistic investments will be limited to no greater than 10% of the total portfolio. Investments in individual strategies identified as opportunistic may not exceed 3% of the total portfolio.

Investment Management Policy

TCERA will utilize externally managed portfolios based on specific styles and methodologies. The managers will be expected to acknowledge in writing they are Plan fiduciaries and will have discretion and authority to determine investment strategy, security selection and timing within their asset class and subject to the Policy guidelines and any other guidelines specific to their portfolio. Performance of the portfolio will be monitored and evaluated on a regular basis relative to each portfolio component's benchmark return and relative to peer groups of managers with similar investment styles.

Investment managers, as prudent experts, will be expected to know TCERA's policies (as outlined in this document) and any specific guidelines for their portfolios, and to comply with those policies and guidelines. It is each manager's responsibility to identify policies that may have an adverse impact on performance, and to initiate discussion with Staff toward possible improvement of said policies through Board action.

The Board and Staff will also review each investment manager's adherence to its investment policy, and any material changes in the manager's organization (e.g., personnel changes, new business developments, etc.). The investment managers retained by TCERA will be responsible for informing the Board and Staff of all such material changes on a timely basis.

Investment managers under contract to TCERA shall have discretion to establish and execute transactions with established regional and national securities broker/dealers as needed. The investment managers must obtain best execution with respect to portfolio transactions.

The following transactions will be prohibited: "prohibited transactions" as defined under the Employee Retirement Income Security Act of 1974 (ERISA); transactions that involve a broker acting as a "principal," where such broker is also the investment manager who is making the transaction, and any or all investment activities forbidden by the SEC or other applicable governing bodies.

Selection Criteria for Investment Managers

Criteria will be established for each manager search undertaken by TCERA, and will be tailored to TCERA's needs in such a search. In general, eligible managers will possess attributes including, but not limited to, the following:

- The firm must be an SEC-Registered Investment Advisor under the 1940 Act or appropriately exempt from registration as defined by the SEC, and be recognized as providing demonstrated expertise in the management of institutional assets within a defined investment specialty.
- The firm must be experienced in managing money for institutional clients in the asset class/product category/investment style specified by TCERA.

- The firm must display a record of stability in retaining and attracting qualified investment professionals, as well as a record of managing asset growth effectively, both in gaining and retaining clients.
- The firm must have an asset base sufficient to accommodate TCERA's portfolio. In general, managers should have at least \$100 million of discretionary institutional assets under management, and TCERA's portfolio should make up no more than 20% of the firm's total asset base.
- The firm must demonstrate adherence to the investment style sought by TCERA, and adherence to the firm's stated investment discipline.
- The firm's fees should be competitive with industry standards for the product category.
- The firm must comply with the "Duties of the Investment Managers" outlined herein and conform to GIPS standards for performance reporting.

Criteria for Investment Manager Termination

From time to time it will be necessary for TCERA to terminate a contractual relationship with an investment manager and these actions must be viewed in the context of a fiduciary decision. Due to the sensitivity of this issue, the following guidelines have been established to assist in making these termination decisions. The overriding consideration with respect to all decisions is that they shall be made solely in the best interest of plan participants and beneficiaries and consistent with other legal requirements.

TCERA reserves the right to terminate an investment manager for any reason. Grounds for investment manager termination may include, but are not limited to, the following:

- Failure to meet legal requirements.
- Evidence of illegal or unethical behavior by the investment management firm.
- Failure to comply with the established guidelines, including holding restricted issues.
- Changes in the firm such as structural changes, organizational changes, or loss of key personnel
- Failure to achieve performance objectives specified in the manager's guidelines.
- Changes in investment style, discipline, philosophy, and/or process.
- Lack of willingness to cooperate with reasonable requests by TCERA for information, meetings or other material related to its portfolios.
- Changes in TCERA's investment strategy that eliminate the need for the investment manager;

The presence of any one of these factors will be carefully reviewed by TCERA's Board, but will not necessarily result in an automatic termination.

Courses of Action Prior to Termination

Under the circumstances where a manager is not immediately terminated but has demonstrated a significant and potentially adverse development the manager will be invited to present to the Board

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to further explain the situation and discuss possible steps needed for resolution, unless otherwise directed by the Board. Based on this presentation, TCERA's Board may decide to retain the manager, terminate the manager, or give the manager elevated review status as a manager of interest and conduct follow-up review and/or analysis in the future.

Duties of Responsible Parties

Duties of the TCERA Retirement Board

The Retirement Board has the responsibility for administration of TCERA for the benefit of plan participants. The County Employees' Retirement Law of 1937, Government Code Chapter 3, Part 3, Division 4, Title 3, Article 5, permits the Retirement Board at its discretion to invest the assets of the Plan through the purchase, holding or sale of any form or type of investment, financial instrument or financial transaction when prudent in the informed opinion of the Board, although it is not the intent of the Board to become involved in day-to-day investment decisions. The Board or its designee(s) will adhere to the following procedures in the management of TCERA's assets:

- The Board develops and approves guidelines for the execution of TCERA's investment program. Only the Board in its sole discretion can delegate its decision-making authority regarding the investment program. Staff will be responsible for the timely implementation and administration of these decisions.
- A formal review of TCERA's investment structure, asset allocation and financial performance will be conducted annually or more frequently as the need arises. The review may include recommended adjustments to the long-term, strategic asset allocation to reflect any changes in applicable regulations, long-term capital market assumptions, actuarial assumptions or TCERA's financial condition.
- The Board will review TCERA's investments quarterly or as needed to ensure that policy guidelines continue to be met. The Board shall monitor investment returns on both an absolute basis and relative to appropriate benchmarks and peer group comparisons. The source of information for these reviews shall come from Staff, outside consultants, the custodian and TCERA's investment managers.
- The Chairperson of the Board may appoint an Investment Committee, comprised of the members of the Board.
- The Board may retain investment consultants to provide such services as conducting performance reviews, asset allocation, manager reviews and investment research. The comments and recommendations of the consultants will be considered in conjunction with other available information to aid the Board in making informed, prudent decisions.
- The Board shall be responsible for taking appropriate action if investment objectives are not being met or if policies and guidelines are not being followed. Reviews for individual portfolios managed by external managers will focus on, but are not limited to, the following:
 1. Manager compliance with Policy guidelines.
 2. Material changes in the managers' organizations. The managers will be responsible for keeping TCERA advised of any material changes in personnel, investment strategy, or other pertinent information potentially impacting performance.

3. Investment performance relative to each manager's stated performance benchmark(s) as set forth in the manager's investment guidelines.

- The Board shall be responsible for selecting a qualified custodian with advice from Staff.
- Individual Board members are expected to comply with the educational policy on file and to maintain and strengthen the investment management of TCERA's Plan, including participation in educational conferences/seminars related to the investment activities of public and private institutional investors, meeting periodically with the investment managers of the Plan to review and clarify investment or administrative issues related to the management of the portfolio, and attending investor meetings and educational presentations conducted by the Plan's investment managers and consultants.

Duties of the Staff

The Retirement Staff, as designated by the Board, plays a significant role in the management and oversight of the Plan. Staff duties include:

- Administering TCERA's investments in a cost-effective manner subject to Board approval. These costs include, but are not limited to, management, consulting and custodial fees, transaction costs and other administrative costs chargeable to TCERA.
- Investing the Plan's cash in the administrative account without requiring Board's permission and as set forth elsewhere in TCERA's Investment Guidelines.
- Monitoring investment managers for adherence to appropriate policies and guidelines.
- Evaluating and managing the relationships with the consultants to the Plan to ensure that they are providing all the necessary assistance to Staff and the Board as set forth in their service contracts.
- Conducting the external service provider search process, as set forth in this document, with necessary assistance from consultants as directed by the Board.
- Managing portfolio restructuring resulting from manager termination with the assistance of consultants and managers, as needed.
- Organizing and/or participating in any special research required to manage the Plan more effectively and in response to any questions raised by Board members.
- Supporting the Board in the development and approval of the Investment Plan, implementing and monitoring the Plan, and reporting at least quarterly on investment activity and matters of significance.

- Ensuring that Investment Managers conform to the terms of their contracts and that their performance monitoring systems are sufficient to provide the Board with timely, accurate and useful information.
- Staff members designated by the Board and/or Retirement Administrator are expected to participate in educational conferences/seminars related to the investment activities of public and private institutional investors, to meet periodically with the investment managers of the Plan to review and clarify investment or administrative issues related to the management of the portfolio, and to participate in the investor meetings and educational presentations conducted by the Plan's investment managers and consultants.

Duties of the Investment Managers

The Investment Managers will:

- Provide the Plan with a written agreement to invest within the guidelines established in the Investment Plan.
- Provide the Plan with proof of a minimum of \$5 million in liability and fiduciary insurance coverage.
- Adhere to the investment management style concepts and principles for which they were retained, including, but not limited to, developing portfolio strategy, performing research, developing buy, hold and sell lists, and purchasing and selling securities.
- Report immediately upon discovery any instances of non-compliance with the investment policy, investment guidelines, limited partnership agreements, or contracts with TCERA.
- Execute all transactions for the benefit of the Plan with brokers and dealers qualified to execute institutional orders on an ongoing basis at the best net cost to the Plan, and where appropriate, facilitate the recapture of commissions on behalf of the Plan.
- Reconcile quarterly accounting, transaction and asset summary data with custodian valuations, and communicate and resolve any significant discrepancies with the custodian.
- Provide investment reports as reasonably requested by the Plan, including performance measurement data.
- Provide reports on commission expenses and proxy voting matters as previously outlined in this Investment Policy statement.
- Maintain frequent and open communication with Staff and the Board on all significant matters pertaining to the Investment Plan, including, but not limited to, the following:
 - Major changes in the Investment Manager's investment outlook, investment strategy and portfolio structure;

- Significant changes in ownership, organizational structure, financial condition or senior personnel;
 - Any changes in the Portfolio Manager or other personnel assigned to the Plan;
 - Each significant client which terminates its relationship with the Investment Manager, within 30 days of such termination;
 - All pertinent issues which the Investment Manager deems to be of significant interest or material importance.
- Meet with the Board or its designee(s) on an as-needed basis. Managers may be provided with guidelines regarding the expected content, timeframe and format for presentations before the Board in advance of the meeting date.

Duties of the Master Custodian

The Master Custodian is responsible for the following:

- Provide complete global custody and depository services for the designated accounts.
- Manage, if directed by the Board, a Short Term Investment Fund (STIF) for investment of cash.
- Collect all income and principal realizable and properly report it on the periodic statements.
- Provide monthly and fiscal year-end accounting statements for the portfolio, including all transactions; these should be based on accurate security values for both cost and market. These reports should be provided within acceptable time frames.
- Report to TCERA situations where accurate security pricing, valuation and accrued income is either not possible or subject to considerable uncertainty.
- Provide assistance to the Plan to complete such activities as the annual audit, transaction verification or unique issues as required by the Board.
- Settle securities transactions under the contractual method.

Duties of the General Investment Consultant

The Investment Consultant will:

- Make recommendations to the Board regarding investment policy and asset allocation.

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- Assist TCERA in the selection of qualified investment managers, and assist in the oversight of existing managers, including monitoring changes in personnel, ownership and the investment process.
- Assist in the selection of a qualified custodian (including a securities lending agent and/or a cash manager) if necessary.
- Prepare a quarterly performance report including performance attribution on TCERA's managers and total assets, including a check on guideline compliance and adherence to investment style and discipline.
- Provide topical research and education on investment subjects that are relevant to TCERA.
- Assist in negotiating fee arrangements and other contract terms with the investment managers on behalf of TCERA.
- Assist in negotiating and arranging for transition management and custodial services.
- Render special projects as requested by the Staff, Investment Committee, or Board.

Appendix

Strategic Asset Allocation

Asset Class	Minimum Percent	Maximum Percent	Target Percent
Domestic Equity	15%	35%	26%
Large Cap	10%	25%	20%
Small Mid Cap	0%	10%	6%
Non-US Equity (Developed and Emerging)	5%	25%	16%
Global Equity	0%	5%	3%
Fixed Income	10%	35%	20%
Core-Plus Fixed Income	10%	30%	17%
Emerging Market Debt	0%	6%	3%
Real Assets	10%	30%	18%
Core Real Estate	0%	10%	3%
Value-Add Real Estate	0%	10%	4%
Opportunistic Real Estate	0%	10%	4%
Infrastructure	0%	10%	4%
Real Estate Debt	0%	10%	3%
Alternative Investments	0%	20%	17%
Private Equity/VC	0%	16%	12%
Private Credit	0%	10%	5%