

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (KCERA)
BOARD OF RETIREMENT**

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Investment Committee
August 2, 2024**

8:33 a.m.

Committee Members: Couch, Kaufman, Kratt, Sanders (Alternate) Chair Whitezell

ROLL CALL

Present: Couch, Kaufman, Kratt, Sanders

Absent: Whitezell

NOTE: The vote is displayed in bold below each item. For example, Kratt-Couch denotes Trustee Rick Kratt made the motion and Trustee David Couch seconded the motion.

**In Chair Tyler Whitezell's absence, Trustee David Couch was appointed to the Chair role for this meeting*

AB 2449 REMOTE APPEARANCE(S)

Items 1 and 2 withdrawn from agenda. No trustees appeared via teleconference.

INVESTMENT MATTERS

3. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Managing Director, Cambridge Associates¹, and Chief Investment Officer Daryn Miller, CFA – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UP TO \$30MM COMMITMENT TO COVENANT FUND XII; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kaufman-Kratt – 4 Ayes

1 Written materials and investment recommendations from the consultants, fund managers and KCERA investment staff relating to alternative investments are exempt from public disclosure pursuant to California Government Code § 7928.710, § 7922.000, and §54957.5.

4. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Managing Director, Cambridge Associates¹, and Senior Investment Analyst Jack Bowman – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT ANALYST JACK BOWMAN HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UP TO \$50MM COMMITMENT TO SCULPTOR FUND V AND UP TO \$10MM COMMITMENT TO SCULPTOR FUND V RELATED CO-INVESTMENT; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Sanders-Kratt – 4 Ayes

5. Discussion and appropriate action on private market fund recommendation presented by Keirsten Lawton, Partner, Cambridge Associates², and Senior Investment Officer Geoff Nolan – KEIRSTEN LAWTON, CAMBRIDGE ASSOCIATES, HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UP TO \$25MM COMMITMENT TO FORTRESS CREDIT OPPORTUNITIES FUND VI; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Sanders-Kratt – 4 Ayes

1 Written materials and investment recommendations from the consultants, fund managers and KCERA investment staff relating to alternative investments are exempt from public disclosure pursuant to California Government Code § 7928.710, § 7922.000, and §54957.5.

2 Written materials and investment recommendations from the consultants, fund managers and KCERA investment staff relating to alternative investments are exempt from public disclosure pursuant to California Government Code § 7928.710, § 7922.000, and §54957.5.

6. Update and response to referral directing staff to update policies to delegate manager selection and termination to the Chief Investment Officer within parameters selected by the Investment Committee presented by Scott Whalen, CFA, Verus, Governance Consultants Julie Becker, Benita Falls Harper, and David Forman, Aon, Chief Executive Officer Dominic Brown, and Chief Investment Officer Daryn Miller, CFA – SCOTT WHALEN, CFA, VERUS, HEARD; JULIE BECKER, BENITA FALLS HARPER, AND DAVID FORMAN, AON, HEARD; CHAIR DAVID COUCH HEARD; TRUSTEES JORDAN KAUFMAN AND RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UPDATES TO THE FOLLOWING POLICIES AND CHARTERS: INVESTMENT POLICY STATEMENT, BOARD OF RETIREMENT CHARTER, INVESTMENT COMMITTEE CHARTER, CHIEF EXECUTIVE OFFICER CHARTER, DUE DILIGENCE AND SERVICE PROVIDER SELECTION POLICY, AND MONITORING AND REPORTING POLICY, WHICH ADDRESS THE PARAMETERS AND CONSTRAINTS OF DELEGATED AUTHORITY GRANTED TO THE CHIEF INVESTMENT OFFICER TO SELECT AND TERMINATE INVESTMENT MANAGERS

Kratt-Kaufman – 4 Ayes

7. Presentation on 2035 Initiative and strategic planning presented by Scott Whalen, CFA, Verus, and Chief Investment Officer Daryn Miller, CFA – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR DAVID COUCH HEARD; TRUSTEES RICK KRATT AND JOHN SANDERS HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

HEARD PRESENTATION

8. Discussion and appropriate action on emerging markets equity recommendations presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, Senior Investment Analyst Rafael Jimenez, and Investment Analyst Melekte Yohannes (MJ) – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR DAVID COUCH HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT ANALYST RAFAEL JIMENEZ HEARD; INVESTMENT ANALYST MELEKTE YOHANNES HEARD

RECOMMENDED THE BOARD OF RETIREMENT INVEST \$70MM IN ABS EMERGING MARKETS DIRECT PORTFOLIO AND \$70MM IN CARRHAE CAPITAL EMERGING MARKETS EQUITIES FUND; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Kaufman – 4 Ayes

THIS ITEM HEARD OUT OF ORDER

10. Discussion and appropriate action on core real estate recommendation presented by Scott Whalen, CFA, Verus, and Senior Investment Analyst Jack Bowman – SCOTT WHALEN, CFA, VERUS, HEARD; CHAIR DAVID COUCH HEARD; SENIOR INVESTMENT ANALYST JACK BOWMAN HEARD

RECOMMENDED THE BOARD OF RETIREMENT INVEST \$50MM IN ANGELO GORDON ESSENTIAL HOUSING FUND III; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Kaufman – 4 Ayes

9. Presentation on Core Real Estate deep dive presented by Scott Whalen, CFA, Verus, Senior Investment Officer Geoff Nolan, and Senior Investment Analyst Jack Bowman – SCOTT WHALEN, CFA, AND BRIAN KWAN, CFA, CAIA, VERUS HEARD; CHAIR DAVID COUCH HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; SENIOR INVESTMENT OFFICER GEOFF NOLAN HEARD

HEARD PRESENTATION; RECEIVED EDUCATIONAL TRAINING (35 MINUTES TRUSTEE EDUCATION CREDIT)

PUBLIC COMMENTS

11. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Committee. This portion of the meeting is reserved for persons to address the Committee on any matter not on this agenda but under the jurisdiction of the Committee. Committee members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chair, make a referral to staff for factual information or request staff to report back to the Committee at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

12. On their own initiative, Committee members may make a brief announcement refer matters to staff, subject to KCERA's rules and procedures, or make a brief report on their own activities – NONE

13. ADJOURNED – 11:06 A.M.



Secretary, Board of Retirement



Chair, Investment Committee