

Executive Team

Dominic D. Brown, CPA, CFE
Chief Executive Officer

Daryn Miller, CFA
Chief Investment Officer

Jennifer Zahry, JD
Chief Legal Officer

Matthew Henry, CFE
Assistant Executive Director

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION



Board of Retirement

Juan Gonzalez, Chair
Tyler Whitezell, Vice-Chair
David Couch
Phil Franey
Joseph D. Hughes
Jordan Kaufman
Rick Kratt
Lauren Skidmore
Bradly Brandon, Alternate
Chase Nunneley, Alternate
Robb Seibly, Alternate
3rd Member (Vacant)

RESPONSE TO QUESTIONS FOR GENERAL INVESTMENT CONSULTANT SERVICES RFP

- 1. Can you please provide the Investment Committee meeting schedule for 2022? Are Investment Committee meetings typically held on the same day or the day before the Board meeting? What is the expected annual number of Investment Committee meetings? Are these all in person meetings?**

KCERA Response: KCERA does not have a set Investment Committee meeting schedule, instead the Investment Committee meets as needed. Investment Committee meetings, generally but not always, occur one to two weeks prior to Board meetings, so that the Board can provide final approval for items heard by the Investment Committee. Historically, KCERA has held between six to 12 Investment Committee meetings per year. Consultants utilize a combination of in person and virtual attendance at Investment Committee meetings, which is dependent on the content to be discussed.

- 2. Is the expectation that all members of the engagement team attend all Board meetings in person?**

KCERA Response: No, this is not the expectation. We anticipate that different members of the engagement team may attend different meetings, and some attendance will be in person and some virtual. Meeting attendance will be a function of content to be discussed, who is best suited to attend, and whether in person attendance would be appropriate to best achieve the objectives of the meeting.

- 3. What is the biggest issue the Board is currently facing?**

KCERA Response: From an investment perspective, the Board continues to consider the appropriate asset allocation which will achieve the long-term assumed rate of return, while exposing Plan assets to an appropriate level of investment risk.

- 4. When was the last Asset Liability study performed? When is the next Asset Liability study scheduled? Could you please provide a copy of the most recent report?**

KCERA Response: The last full Asset Liability study was completed in July 2018. KCERA performs an Asset Liability study every three to five years. A copy of the 2018 Asset Liability study has been posted along with these responses.

- 5. Are there any investment initiatives planned for the next 12-18 months? If so, what are they?**

KCERA Response: Key investment initiatives that the general investment consultant will contribute to are a) improving and expanding the Capital Efficiency program, and b) research initiatives including tactical asset allocation, multi-asset investment frameworks, and hedging. Other key investment initiatives are a) continued execution in private markets with an emphasis on moving the Plan from 7% private market net asset value as a percent of Plan assets toward the 15% target and b) opportunistic investments.

6. How many investment manager searches have been conducted by the general investment consultant over the last 3 years?

KCERA Response: Over the past three years, the general investment consultant has participated in three investment manager searches, including a) short duration fixed income, b) midstream energy, and c) international small cap equity.

7. Can you please detail the monitoring and manager due diligence relationship between the investment staff and consultants for the Opportunistic allocation?

KCERA Response: The Opportunistic allocation includes different types of investments, including hedge funds and private market funds. The monitoring and due diligence process is currently a hybrid effort between investment staff, hedge fund consultant, and private market consultant.

8. Can you please advise how many full-time employees are dedicated to working on the Pension Plan?

KCERA Response: KCERA currently has 30 full-time employees and plans to grow to 39 over the next several years. KCERA has six internal groups including, accounting, administration/executive, benefits, investments, legal, and IT. The investment team currently consists of three employees, and will look to expand the team over the next few years. Outside of the investment team, the accounting and legal teams have the most involvement with the Plan's investments.

9. Are there any plans to issue additional Pension Bond Obligations in 2022 or beyond?

KCERA Response: Not that we are aware of.