

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
Chief Operations Officer



Board of Retirement

Juan Gonzalez, Chair
Tyler Whitezell, Vice-Chair
Jeanine Adams
David Couch
Phil Franey
Joseph D. Hughes
Jordan Kaufman
Rick Kratt
Traco Matthews
Dustin Contreras, Alternate
Chase Nunneley, Alternate
Robb Seibly, Alternate

April 28, 2022

Members, Board of Retirement
Employee Bargaining Units
Requesting News Media
Other Interested Parties

Subject: Meeting of the Kern County Employees' Retirement Association
Board of Retirement

Ladies and Gentlemen:

A meeting of the Kern County Employees' Retirement Association Board of Retirement will be held on Wednesday, May 4, 2022 at 8:30 a.m. via teleconference pursuant to California Government Code section 54953, subdivision (e), Resolution 2022-04 adopted by the KCERA Board of Retirement at its Regular Meeting held April 13, 2022 and Governor Newsom's March 4, 2020 proclaimed State of Emergency, which remains in effect. (Cal. Gov. Code section 54953, as amended by Assembly Bill 361).

How to Participate: Listen to or View the Board Meeting

To listen to the live audio of the Board meeting, please dial one of the following numbers and enter ID# 830-5642-7721:

- (669) 900-9128; U.S. Toll-free: (888) 788-0099 or (877) 853-5247

To access live audio and video of the Board meeting, please use the following:

- <https://us02web.zoom.us/j/83056427721?pwd=di9hMmJVQ2Z3UVZLbnJkNHdwMkNEQT09>
- Passcode: 605006

Items of business will be limited to the matters shown on the attached agenda. If you have any questions or require additional service, please contact KCERA at (661) 381-7700 or send an email to administration@kcera.org.

Sincerely,

Dominic D. Brown
Chief Executive Officer

Attachment

AGENDA:

All agenda item supporting documentation is available for public review on KCERA's website at www.kcera.org following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

**AMERICANS WITH DISABILITIES ACT
(Government Code §54953.2)**

Disabled individuals who need special assistance to listen to and/or participate in the teleconference meeting of the Board of Retirement may request assistance by calling (661) 381-7700 or sending an email to administration@kcera.org. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials and access available in alternative formats. Requests for assistance should be made at least two (2) days in advance of a meeting whenever possible.

ROLL CALL

SALUTE TO FLAG

MOMENT OF SILENCE

CONSENT MATTERS

ALL ITEMS LISTED WITH AN ASTERISK (*) ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY STAFF AND WILL BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR PUBLIC WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN THE LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN. STAFF RECOMMENDATIONS ARE SHOWN IN CAPS AFTER EACH ITEM.

- *1. [Findings and Resolution needed to utilize alternative teleconferencing requirements](#) during a state of emergency pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 – ADOPT FINDINGS FOR THE BOARD AND ALL KCERA STANDING COMMITTEES; APPROVE 30-DAY RESOLUTION
- *2. [Consideration of attorney fees and court costs: Laura Candler, Sheriff \(General\) –](#) ADOPT RECOMMENDATION OF SDAG TO RECEIVE AND FILE THE DOCUMENTS FROM MS. CANDLER'S COUNSEL AND DIRECT STAFF TO PAY MS. CANDLER'S ATTORNEY FEES IN THE AMOUNT OF \$6,236.70 AND \$913.90 IN COURT COSTS

*3. [Summary of proceedings of the following meetings:](#)

- March 8, 2022 Finance Committee
- April 13, 2022 Board of Retirement

RECEIVE AND FILE

*4. [Report from the KCERA office on members retired from service for the month of April 2022 – RATIFY](#)

*5. [Report from the KCERA office on deceased retirees for the month of April 2022 – RECEIVE AND FILE](#)

*6. [Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending April 30, 2022 – RECEIVE AND FILE](#)

*7. [Securities Lending Earnings Summary Report for the period March 1-31, 2022 from Deutsche Bank – RECEIVE AND FILE](#)

*8. [KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of March 2022 – RECEIVE AND FILE](#)

*9. [KCERA Class Action Proceeds Report from January 1, 2021 through March 31, 2022 from the Northern Trust Company – RECEIVE AND FILE](#)

*10. [SACRS Annual Spring Business Meeting Packet, May 13, 2022 in Rancho Mirage, California – RECEIVE AND FILE](#)

*11. [Invitation from State Association of County Retirement Systems \(SACRS\) to trustees and staff to attend the SACRS Spring Conference, May 10-13, 2022, in Rancho Mirage, California – APPROVE ATTENDANCE OF TRUSTEE DAVID COUCH](#)

*12. [Invitation from the National Association of Public Pension Attorneys \(NAPPA\) to staff to attend the 2022 Legal Education Conference, June 21-24, 2022, in Louisville, KY – APPROVE ATTENDANCE OF CHIEF LEGAL OFFICER JENNIFER ZAHRY AND DEPUTY CHIEF LEGAL OFFICER PHILLIP JENKINS](#)

*13. [Service provider evaluation period initiated pursuant to Evaluation Period Policy – RATIFY](#)

PUBLIC COMMENTS

14. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Board. This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board 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 Board at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation.

INVESTMENT MATTERS

15. [Presentation regarding the 2nd Half 2021 Private Markets Performance Report](#) presented by Andrea Auerbach, Investment Managing Director, Keirsten Lawton, Investment Managing Director, Kelly Jensen, Senior Investment Director, Maria Surina, Senior Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA – RECEIVE AND FILE
16. [Discussion and appropriate action on private market fund recommendation](#) presented by Keirsten Lawton, Investment Managing Director, Cambridge Associates², Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – APPROVE UP TO \$30MM COMMITMENT TO ORBIMED ROYALTY & CREDIT OPPORTUNITIES IV; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
17. [Discussion and appropriate action on private market fund recommendation](#) presented by Kelly Jensen, Senior Investment Director, Cambridge Associates³, Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – APPROVE UP TO \$10MM COMMITMENT TO ORBIMED PRIVATE INVESTMENTS IX; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
18. [Discussion and appropriate action on private market fund recommendation](#) presented by Maria Surina, Senior Investment Director, Cambridge Associates⁴, Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – APPROVE UP TO \$30MM COMMITMENT TO KSL CAPITAL PARTNERS VI; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

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 §6254.26, §6255, 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 §6254.26, §6255, and §54957.5.

3 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 §6254.26, §6255, and §54957.5.

4 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 §6254.26, §6255, and §54957.5.

19. [Discussion and appropriate action on recommendation for General Investment Consultant Services Provider](#) presented by Chief Executive Officer Dominic Brown, Chief Operations Officer Matthew Henry, Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – APPROVE VERUS AS GENERAL INVESTMENT CONSULTANT SERVICES PROVIDER; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
20. [Presentation on the 1st Quarter Investment Performance Review period ending March 31, 2022](#) by Scott Whalen, CFA, Verus – RECEIVE AND FILE
21. [Presentation on the 1st Quarter 2022 Portfolio Review presented by Spencer Edge, Albourne America⁵](#) – RECEIVE AND FILE
22. [Trustee education regarding Tail Risk Hedging presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA](#) – RECEIVE EDUCATIONAL TRAINING (20 MINUTES TRUSTEE EDUCATION CREDIT)

ADMINISTRATIVE MATTERS

23. [KCERA 2022 Board Self-Assessment and Education Needs Assessment Report](#) presented by Chief Executive Officer Dominic Brown, Governance Consultant Julie Becker, Aon, and the Administrative Committee – HEAR PRESENTATION; RECEIVE AND FILE; TAKE OTHER ACTION, AS APPROPRIATE
24. [Trustee education regarding KCERA Board Communications Policy presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry](#) – RECEIVE EDUCATIONAL TRAINING (15 MINUTES TRUSTEE EDUCATION CREDIT)
25. [Presentation and update regarding disability application conflicts of interest and proposed changes to Rules of Procedure for Disability Retirement](#) presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry and the Administrative Committee – APPROVE PROPOSED CHANGES

STAFF REPORTS

26. [Report from Chief Executive Officer](#)
27. [Report from Chief Investment Officer](#)
28. [Report from Chief Legal Officer](#)

⁵ 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 §6254.26, §6255, and §54957.5.

COMMITTEE REPORTS

29. Report from Committee Chairs:
- a. Administrative Committee: Hughes
 - b. Finance Committee: Franey
 - c. Investment Committee: Kaufman
 - d. KCERA Property, Inc. Board: Seibly

CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S)

EXECUTIVE SESSION

Item 2 is withdrawn from Executive Session if approved on the consent agenda:

2. PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for service-connected disability pension benefits:

Laura Candler Sheriff General

30. Kern County Superior Court Judgment Granting Petition for Writ of Mandate in favor of Michael Blue, Sheriff (Safety) – RECEIVE AND FILE JUDGMENT; ADMINISTER RETIREMENT BENEFIT ACCORDINGLY

PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for service-connected disability pension benefits:

Michael Blue Sheriff Safety

CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION

Determination of whether to initiate litigation pursuant to paragraph (4) of subdivision (c) and (d) of Section 54956.9. (Number of potential cases: one).

31. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to GOVERNMENT CODE §54957): Title: Chief Executive Officer

RETURN TO PUBLIC SESSION

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

32. On their own initiative, Board 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.

NEW BUSINESS

34. Consider, discuss, and take possible action to agendize one or more items for future meetings of the Board of Retirement – CONSIDER, DISCUSS, AND TAKE ACTION ON WHETHER TO AGENDIZE PROPOSED ITEMS, IF ANY, FOR A FUTURE MEETING

35. Adjournment



**BEFORE THE BOARD OF RETIREMENT
KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION No. 2022-05**

In the matter of:

MEETINGS OF THE KCERA BOARD OF RETIREMENT AND ITS STANDING COMMITTEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54953, AS AMENDED BY ASSEMBLY BILL 361.

Ayes:

Noes:

Absent:

Dominic D. Brown,
Secretary to the Board of Retirement,
Kern County Employees' Retirement Association

RESOLUTION

Section 1. WHEREAS:

- (a) The Kern County Employees' Retirement Association ("KCERA") is required by the Ralph M. Brown Act (Cal. Gov. Code¹ 54950 – 54963) ("the Brown Act") to conduct open and public meetings, so that any member of the public may attend, participate, and watch KCERA's legislative bodies conduct their business; and

¹ All statutory references are to the California Government code unless stated otherwise.

- (b) All meetings of KCERA's Board of Retirement and its standing committees are open and public in accordance with the Brown Act or other governing authority; and
- (c) KCERA is committed to preserving and encouraging public access and participation in meetings of the Board of Retirement; and
- (d) The Brown Act, at section 54953(e) (as added by Assembly Bill 361), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the teleconference requirements of section 54953(b)(3), subject to the existence of certain conditions; and
- (e) A state of emergency must have been declared by the Governor pursuant to section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in section 8558; and such state of emergency must be in effect at the time of the meeting in order to conduct a meeting under section 54953(e); and
- (f) Governor Newsom proclaimed a State of Emergency on March 4, 2020, pursuant to section 8625 that remains active; and
- (g) The KCERA Board of Retirement made findings and adopted Resolution 2022-04 on April 13, 2022, by majority vote, evidencing that it reconsidered the circumstances of the state of emergency and found that the state of emergency continues to directly impact the ability of attendees to safely meet in person over the next 30 days and/or that Cal/OSHA continues to impose or

recommend measures to promote social distancing in certain circumstances;
and

- (h) To continue to teleconference without compliance with section 54953(b)(3), section 54953(e) requires the legislative body to make certain findings by majority vote within 30 days of April 13, 2022; and
- (i) On April 26, 2022, the latest estimate of the R-effective in Kern County was .84 (“spread of COVID-19 is likely decreasing”) –this number is down from .92 on April 6, 2022); and
- (j) The Centers for Disease Control and Prevention (CDC) updated its framework to focus on hospitalizations and hospital capacity rather than test positivity; its multi-tiered approach determines whether the level of COVID-19 and severe disease in the community is low, medium or high; as of April 26, 2022, the CDC classifies Kern County at a “low level” of COVID-19 and severe disease; and
- (k) The 7-day case rate, has not been reported by Kern County Public Health since March, but the CDPH reported on April 26, 2022, 2.0 per 100,000 with 142 new cases (.1% increase since last week); and
- (l) Effective March 1, 2022, there is no longer a state mandate requiring masking indoors for anyone; however, the Public Health Officer for the CDPH strongly recommends all individuals wear a mask in all indoor public settings regardless of vaccination status; and
- (m) the Board finds that it has reconsidered the circumstances of the state of emergency and determines that the state of emergency remains in effect and

although much improved, it continues to directly impact the ability of attendees to safely meet in person over the next 30 days.

Section 2. NOW, THEREFORE BE IT RESOLVED, by the Board of Retirement for the Kern County Employees' Retirement Association as follows:

Effective May 4, 2022, the following actions are authorized and required of KCERA:

- 1) Remote Teleconference Meetings. The Chief Executive Officer and legislative bodies of KCERA are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act in order to avoid directly impacting the ability of attendees to meet safely in person during the next 30 days of the current State of Emergency (proclaimed by the Governor on March 4, 2020).
- 2) Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of June 3, 2022, or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3).

RESOLUTION HISTORY

- 1) This Resolution was:
 - a) Approved by the Board on April 13, 2022.
 - b) Amended and Approved by the Board on May 4, 2022.

Evidence in Support of Findings

EVIDENCE IN SUPPORT OF FINDINGS

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State of California—Health and Human
Services Agency
**California Department of
Public Health**



April 20, 2022

TO: All Californians

SUBJECT: Guidance for the Use of Face Masks

Related Materials: [Face Coverings Q&A](#) | [Face Coverings Fact Sheet \(PDF\)](#) | [Face Mask Tips and Resources](#) | [Face Shields Q&A \(PDF\)](#) | [Safe Schools for All Hub](#) | [More Home & Community Guidance](#) | [All Guidance](#) | [More Languages](#)

Updates as of April 20, 2022:

- In alignment with the CDC's announcement that its order requiring masking on public transportation and at transportation hubs is no longer in effect, effective immediately California's requirement for masking on public transit and in transportation hubs is terminated. CDPH strongly recommends that individuals in these settings continue to wear a mask.

Guidance For the Use of Masks

Background

California has used science to guide our health protection strategies throughout the pandemic. Data show that because of these strategies, we have saved lives. This is due in large part to the collective efforts of Californians to get vaccinated, get boosted, and wear masks indoors.

A universal indoor masking requirement was reinstated on December 15, 2021, to add a layer of mitigation as the Omicron variant, a Variant of Concern as labeled by the World Health Organization, increased in prevalence across California, the United States, and the world and spread much more easily than the original SARS-CoV-2 virus and the Delta variant. Implementing the universal masking requirement in all indoor public settings during the winter season was an important tool to decrease community transmission and protect critical healthcare system capacity during the highly infectious Omicron surge. Since the peak in case rates during the Omicron surge in early January 2022, the dramatic surge in cases and hospitalizations due to the highly infectious Omicron variant has declined significantly. Californians have also become increasingly knowledgeable about how to protect themselves and their loved ones with effective masks when there may be risk of COVID-19 exposure or transmission. Accordingly, CDPH amended this masking guidance to allow the universal indoor masking requirement to expire on February 15, 2022 as scheduled.

Effective March 1, 2022, the requirement for unvaccinated persons to mask in indoor public settings and businesses was replaced by **a strong recommendation that all persons, regardless of vaccine status**, mask in indoor public settings and businesses (examples: retail, restaurants, theaters, family entertainment centers, meetings, state and local government offices serving the public. Additionally, after March 11, 2022, the universal masking requirement for K-12 and Childcare settings terminated.

CDPH currently **strongly recommends** that individuals in these settings continue to mask in indoor settings. Masking will continue to be an important layer of protection along with the continued recommendations around vaccinations, testing and ventilation, to keep schools a safe environment, even as case rates and hospitalizations decline.

Effective immediately, the universal masking requirement on public transit and in transit hubs is terminated. CDPH currently **strongly recommends** that individuals in these settings continue to mask while on public transit and indoors in transit hubs to continue protecting our most vulnerable and those communities disproportionately impacted by COVID-19. Such settings are often crowded with limited and inadequate ventilation.

As we've shown in our SMARTER Plan, masks, especially those that offer the best fit and filtration (e.g., N95s, KN95s, KF94s), are highly recommended, and remain a critical component of our multi-layered approach for protection against COVID-19 infection. A series of cross-sectional surveys in the U.S. suggested that a 10% increase in self-reported mask wearing tripled the likelihood of slowing community transmission.[1] Our recently published case-control study conducted in California from February 18 to December 1, 2021 demonstrated that consistently wearing a face mask or respirator in indoor public settings reduces the risk of acquiring SARS-CoV-2 infection. [2]. Masks also remain a critical component for protecting those that are most vulnerable in our communities, including the unvaccinated, the immunocompromised, or those at risk for severe disease and illness.

Vaccination continues to remain the ultimate exit strategy out of the COVID-19 pandemic. While the percentage of Californians fully vaccinated and boosted continues to increase, we continue to have areas of the state where vaccine coverage is low, putting individuals and communities at greater risk for COVID-19. As a state, we need to remain vigilant. Accordingly, CDPH is maintaining the masking requirements in specified **high-risk settings**, consistent with CDC recommendations. This allows us to continue protecting our most vulnerable populations and the workforce that delivers critical services in these settings.

Finally, CDPH is maintaining the requirement that businesses and venue operators, including K-12 school and childcare settings, must allow any individual to wear a mask if they desire to.

In workplaces, employers are subject to the CalOSHA COVID-19 Emergency Temporary Standards (ETS) or in some workplaces the Cal/OSHA Aerosol Transmissible Diseases (ATD) Standard and should consult those regulations for additional applicable requirements.

Local health jurisdictions and entities may continue to implement additional requirements that go beyond this statewide guidance based on local circumstances.

These requirements and recommendations will continue to be updated as CDPH continues to assess conditions on an ongoing basis.

Masking Requirements

Masks are required for all individuals in the following indoor settings, regardless of vaccination status. Surgical masks or higher-level respirators (e.g., N95s, KN95s, KF94s) with good fit are highly recommended.

- Homeless shelters[3], Emergency shelters[4] and cooling and heating centers[5]

- Healthcare settings[6] (applies to all healthcare settings, including those that are not covered by the State Health Officer Order issued on July 26, 2021)*
- State and local correctional facilities and detention centers[7]
- Long Term Care Settings & Adult and Senior Care Facilities[8]

*In certain healthcare situations or settings surgical masks (or higher filtration masks) are required. See State Health Officer Order, issued on July 26, 2021, for a full list of high-risk congregate and other specifically enumerated healthcare settings where surgical masks are required for unvaccinated workers. The Order also includes recommendations for respirator use for unvaccinated workers in healthcare and long-term care facilities in situations or settings not covered by Cal/OSHA ETS or ATD.

Additionally, masks **are strongly recommended for all persons, regardless of vaccine status**, in indoor public settings and businesses (examples: retail, restaurants, theaters, family entertainment centers, meetings, state and local government offices serving the public); on public transit (examples: airplanes, ships, ferries, trains, subways, buses, taxis, and ride-shares); and in transportation hubs (examples: airport, bus terminal, marina, train station, seaport or other port, subway station, or any other area that provides transportation). Surgical masks or higher-level respirators (e.g., N95s, KN95s, KF94s) with good fit are highly recommended.

For additional information on the most effective types of masks and ensuring a well-fitted mask for adults, individuals should refer to CDPH Get the Most out of Masking and see CDPH Masking Guidance Frequently Asked Questions. For additional information on the most effective types of masks and ensuring a well-fitted mask for children, individuals should refer to CDPH Masks for Kids: Tips and Resources.

Guidance for Businesses, Venue Operators or Hosts

In settings where masks are strongly recommended, businesses, venue operators or hosts should consider:

- Providing information to all patrons, guests and attendees regarding masking recommendations for all persons, regardless of vaccine status.
- Providing information to all patrons, guests and attendees to consider better fit and filtration for masks [Surgical masks or higher-level respirators (e.g., N95s, KN95s, KF94s) with good fit are recommended over cloth masks].
- Requiring all patrons to wear masks, especially when risk in the community may be high, or if those being served are at high-risk for severe disease or illness.
- Requiring attendees who do not provide proof of vaccination to enter indoor Mega Events to continue masking during the event, especially when not actively eating or drinking.

No person can be prevented from wearing a mask as a condition of participation in an activity or entry into a business.

Exemptions to masks requirements

The following **individuals** are exempt from wearing masks at all times:

- Persons younger than two years old. Very young children must not wear a mask because of the risk of suffocation.
- Persons with a medical condition, mental health condition, or disability that prevents wearing a mask. This includes persons with a medical condition for whom wearing a mask could obstruct breathing or who are unconscious, incapacitated, or otherwise unable to remove a mask without assistance.
- Persons who are hearing impaired, or communicating with a person who is hearing impaired, where the ability to see the mouth is essential for communication.
- Persons for whom wearing a mask would create a risk to the person related to their work, as determined by local, state, or federal regulators or workplace safety guidelines.

- [1] Rader B, White LF, Burns MR, et al. Mask-wearing and control of SARS-CoV-2 transmission in the USA: a cross-sectional study. *The Lancet Digital Health*. 2021;3(3):e148–e157.
- [2] Andrejko KL, Pry JM, Myers JF, et al. Effectiveness of Face Mask or Respirator Use in Indoor Public Settings for Prevention of SARS-CoV-2 Infection — California, February–December 2021. *MMWR Morb Mortal Wkly Rep*. ePub: 4 February 2022
- [3] CDC Interim Guidance for Homeless Service Providers to Plan and Respond to Coronavirus Disease 2019 (COVID-19)
- [4] CDC's Interim Guidance for General Population Disaster Shelters During the COVID-19 Pandemic
- [5] CDC COVID-19 and Cooling Centers
- [6] CDC Interim Infection Prevention and Control Recommendations for Healthcare Personnel During the Coronavirus Disease 2019 (COVID-19) Pandemic
- [7] CDC Interim Guidance on Management of Coronavirus Disease 2019 (COVID-19) in Correctional and Detention Facilities
- [8] CDC Nursing Homes and Long-Term Care Facilities

California Department of Public Health
PO Box, 997377, MS 0500, Sacramento, CA 95899-7377
Department Website (cdph.ca.gov)



Latest Estimate of R-effective is:

0.96

Spread of COVID-19 is likely stable

What does a R-eff of this size mean?

Low/High Estimates of R-effective:

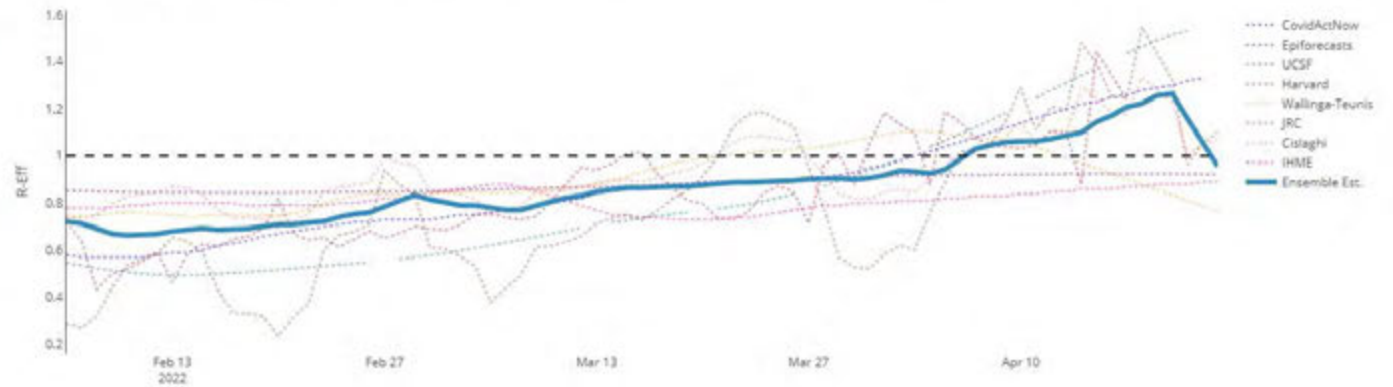
0.79 - 1.33

Wallinga-Teunis - CovidActNow

Download R-eff Values

Statewide Estimates of R-effective

The effective reproductive number (R-eff) is the average number of secondary infected persons resulting from a infected person. If R-eff > 1, the number of infected persons will increase. If R-eff < 1, the number of infected persons will decrease. At R-eff = 1, the number of infected persons remains constant.



Kern

Latest Estimate of R-effective is:

0.84

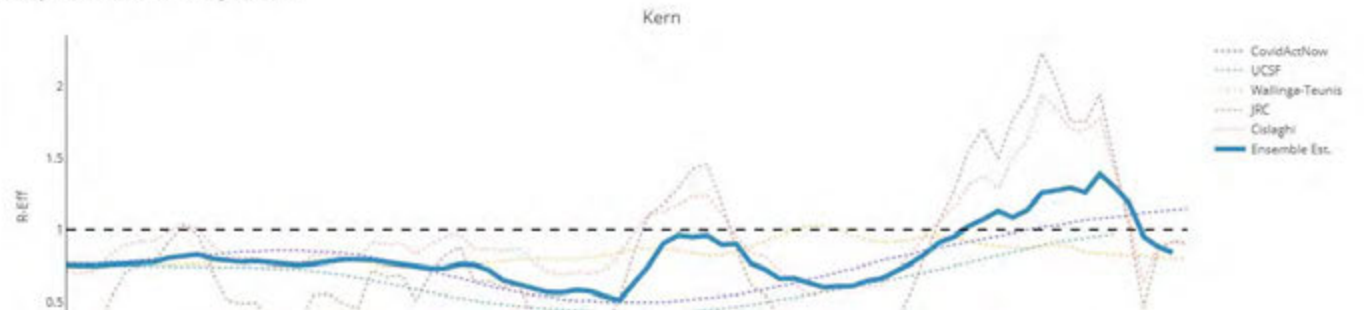
Spread of COVID-19 is likely decreasing

Download County R-eff Trend

NOTE: Some counties do not have sufficient case numbers in order for modelers to estimate R-effective.

R-effective Trends by County

Select a county to see how R-effective has changed overtime



Cases and deaths

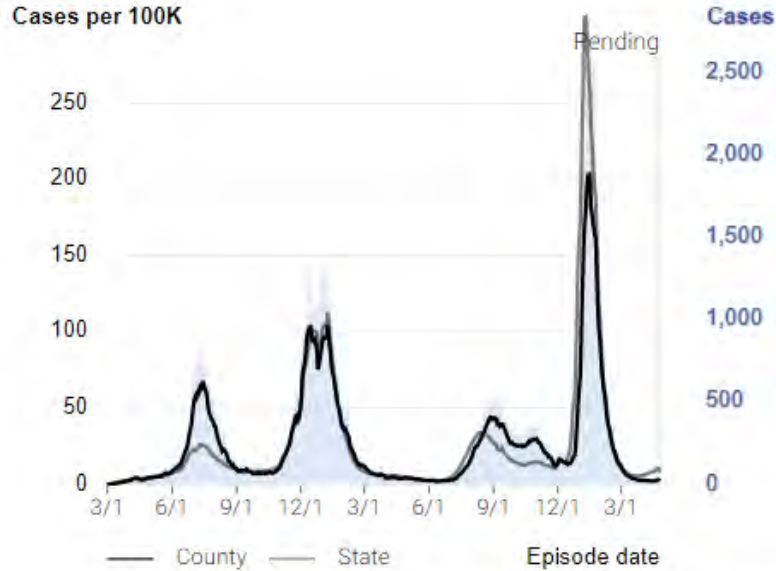
Kern Statewide

California has 8,587,792 confirmed cases of COVID-19, resulting in 89,391 deaths.

Confirmed cases in Kern County

Episode date All time

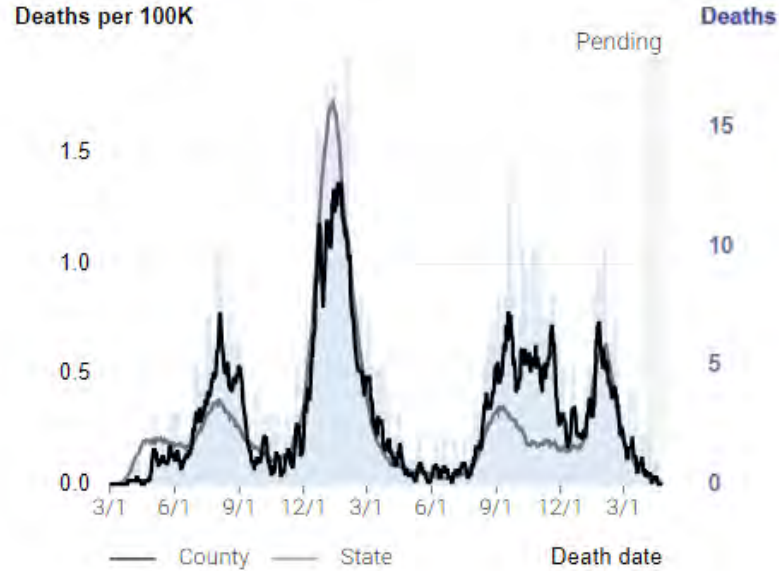
192,157 total confirmed cases
145 new cases (0.1% increase)
2.0 cases per 100K (7-day average)



Confirmed deaths in Kern County

Death date All time

2,271 total confirmed deaths
4 new deaths (0.2% increase)
0.05 deaths per 100K (7-day average)



[Confirmed cases and deaths source data](#). Data is updated on Tuesdays and Fridays.

COVID-19 by County

Updated Mar. 24, 2022 Languages Print

Know Your COVID-19 Community Level

COVID-19 Community Levels are a new tool to help communities decide what prevention steps to take based on the latest data. Levels can be low, medium, or high and are determined by looking at hospital beds being used, hospital admissions, and the total number of new COVID-19 cases in an area. Take precautions to protect yourself and others from COVID-19 based on the COVID-19 Community Level in your area.



COVID-19 County Check

Find community levels and prevention steps by county.

Select a Location (all fields required)

California Kern County

< Start Over

● Low

In **Kern County, California**, community level is **Low**.

- Stay [up to date](#) with COVID-19 vaccines
- [Get tested](#) if you have symptoms

People may choose to mask at any time. People with symptoms, a positive test, or exposure to someone with COVID-19 should wear a mask.

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

PROCLAMATION OF A STATE OF EMERGENCY

WHEREAS in December 2019, an outbreak of respiratory illness due to a novel coronavirus (a disease now known as COVID-19), was first identified in Wuhan City, Hubei Province, China, and has spread outside of China, impacting more than 75 countries, including the United States; and

WHEREAS the State of California has been working in close collaboration with the national Centers for Disease Control and Prevention (CDC), with the United States Health and Human Services Agency, and with local health departments since December 2019 to monitor and plan for the potential spread of COVID-19 to the United States; and

WHEREAS on January 23, 2020, the CDC activated its Emergency Response System to provide ongoing support for the response to COVID-19 across the country; and

WHEREAS on January 24, 2020, the California Department of Public Health activated its Medical and Health Coordination Center and on March 2, 2020, the Office of Emergency Services activated the State Operations Center to support and guide state and local actions to preserve public health; and

WHEREAS the California Department of Public Health has been in regular communication with hospitals, clinics and other health providers and has provided guidance to health facilities and providers regarding COVID-19; and

WHEREAS as of March 4, 2020, across the globe, there are more than 94,000 confirmed cases of COVID-19, tragically resulting in more than 3,000 deaths worldwide; and

WHEREAS as of March 4, 2020, there are 129 confirmed cases of COVID-19 in the United States, including 53 in California, and more than 9,400 Californians across 49 counties are in home monitoring based on possible travel-based exposure to the virus, and officials expect the number of cases in California, the United States, and worldwide to increase; and

WHEREAS for more than a decade California has had a robust pandemic influenza plan, supported local governments in the development of local plans, and required that state and local plans be regularly updated and exercised; and

WHEREAS California has a strong federal, state and local public health and health care delivery system that has effectively responded to prior events including the H1N1 influenza virus in 2009, and most recently Ebola; and

WHEREAS experts anticipate that while a high percentage of individuals affected by COVID-19 will experience mild flu-like symptoms, some will have more serious symptoms and require hospitalization, particularly individuals who are elderly or already have underlying chronic health conditions; and

WHEREAS it is imperative to prepare for and respond to suspected or confirmed COVID-19 cases in California, to implement measures to mitigate the spread of COVID-19, and to prepare to respond to an increasing number of individuals requiring medical care and hospitalization; and

WHEREAS if COVID-19 spreads in California at a rate comparable to the rate of spread in other countries, the number of persons requiring medical care may exceed locally available resources, and controlling outbreaks minimizes the risk to the public, maintains the health and safety of the people of California, and limits the spread of infection in our communities and within the healthcare delivery system; and

WHEREAS personal protective equipment (PPE) is not necessary for use by the general population but appropriate PPE is one of the most effective ways to preserve and protect California's healthcare workforce at this critical time and to prevent the spread of COVID-19 broadly; and

WHEREAS state and local health departments must use all available preventative measures to combat the spread of COVID-19, which will require access to services, personnel, equipment, facilities, and other resources, potentially including resources beyond those currently available, to prepare for and respond to any potential cases and the spread of the virus; and

WHEREAS I find that conditions of Government Code section 8558(b), relating to the declaration of a State of Emergency, have been met; and

WHEREAS I find that the conditions caused by COVID-19 are likely to require the combined forces of a mutual aid region or regions to appropriately respond; and

WHEREAS under the provisions of Government Code section 8625(c), I find that local authority is inadequate to cope with the threat posed by COVID-19; and

WHEREAS under the provisions of Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay appropriate actions to prevent and mitigate the effects of the COVID-19.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code section 8625, **HEREBY PROCLAIM A STATE OF EMERGENCY** to exist in California.

IT IS HEREBY ORDERED THAT:

1. In preparing for and responding to COVID-19, all agencies of the state government use and employ state personnel, equipment, and facilities or perform any and all activities consistent with the direction of the Office of Emergency Services and the State Emergency Plan, as well as the California Department of Public Health and the Emergency Medical Services Authority. Also, all residents are to heed the advice of emergency officials with regard to this emergency in order to protect their safety.
2. As necessary to assist local governments and for the protection of public health, state agencies shall enter into contracts to arrange for the procurement of materials, goods, and services needed to assist in preparing for, containing, responding to, mitigating the effects of, and recovering from the spread of COVID-19. Applicable provisions of the Government Code and the Public Contract Code, including but not limited to travel, advertising, and competitive bidding requirements, are suspended to the extent necessary to address the effects of COVID-19.
3. Any out-of-state personnel, including, but not limited to, medical personnel, entering California to assist in preparing for, responding to, mitigating the effects of, and recovering from COVID-19 shall be permitted to provide services in the same manner as prescribed in Government Code section 179.5, with respect to licensing and certification. Permission for any such individual rendering service is subject to the approval of the Director of the Emergency Medical Services Authority for medical personnel and the Director of the Office of Emergency Services for non-medical personnel and shall be in effect for a period of time not to exceed the duration of this emergency.
4. The time limitation set forth in Penal Code section 396, subdivision (b), prohibiting price gouging in time of emergency is hereby waived as it relates to emergency supplies and medical supplies. These price gouging protections shall be in effect through September 4, 2020.
5. Any state-owned properties that the Office of Emergency Services determines are suitable for use to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services for this purpose, notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.
6. Any fairgrounds that the Office of Emergency Services determines are suitable to assist in preparing for, responding to, mitigating the effects of, or recovering from COVID-19 shall be made available to the Office of Emergency Services pursuant to the Emergency Services Act, Government Code section 8589. The Office of Emergency Services shall notify the fairgrounds of the intended use and can immediately use the fairgrounds without the fairground board of directors' approval, and

notwithstanding any state or local law that would restrict, delay, or otherwise inhibit such use.

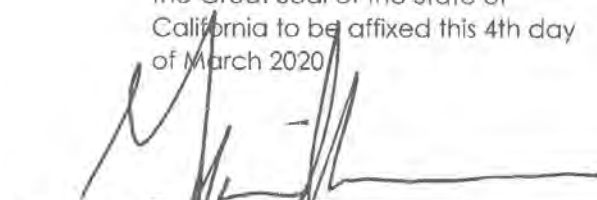
7. The 30-day time period in Health and Safety Code section 101080, within which a local governing authority must renew a local health emergency, is hereby waived for the duration of this statewide emergency. Any such local health emergency will remain in effect until each local governing authority terminates its respective local health emergency.
8. The 60-day time period in Government Code section 8630, within which local government authorities must renew a local emergency, is hereby waived for the duration of this statewide emergency. Any local emergency proclaimed will remain in effect until each local governing authority terminates its respective local emergency.
9. The Office of Emergency Services shall provide assistance to local governments that have demonstrated extraordinary or disproportionate impacts from COVID-19, if appropriate and necessary, under the authority of the California Disaster Assistance Act, Government Code section 8680 et seq., and California Code of Regulations, Title 19, section 2900 et seq.
10. To ensure hospitals and other health facilities are able to adequately treat patients legally isolated as a result of COVID-19, the Director of the California Department of Public Health may waive any of the licensing requirements of Chapter 2 of Division 2 of the Health and Safety Code and accompanying regulations with respect to any hospital or health facility identified in Health and Safety Code section 1250. Any waiver shall include alternative measures that, under the circumstances, will allow the facilities to treat legally isolated patients while protecting public health and safety. Any facilities being granted a waiver shall be established and operated in accordance with the facility's required disaster and mass casualty plan. Any waivers granted pursuant to this paragraph shall be posted on the Department's website.
11. To support consistent practices across California, state departments, in coordination with the Office of Emergency Services, shall provide updated and specific guidance relating to preventing and mitigating COVID-19 to schools, employers, employees, first responders and community care facilities by no later than March 10, 2020.
12. To promptly respond for the protection of public health, state entities are, notwithstanding any other state or local law, authorized to share relevant medical information, limited to the patient's underlying health conditions, age, current condition, date of exposure, and possible contact tracing, as necessary to address the effect of the COVID-19 outbreak with state, local, federal, and nongovernmental partners, with such information to be used for the limited purposes of monitoring, investigation and control, and treatment and coordination of care. The

notification requirement of Civil Code section 1798.24, subdivision (i), is suspended.

13. Notwithstanding Health and Safety Code sections 1797.52 and 1797.218, during the course of this emergency, any EMT-P licensees shall have the authority to transport patients to medical facilities other than acute care hospitals when approved by the California EMS Authority. In order to carry out this order, to the extent that the provisions of Health and Safety Code sections 1797.52 and 1797.218 may prohibit EMT-P licensees from transporting patients to facilities other than acute care hospitals, those statutes are hereby suspended until the termination of this State of Emergency.
14. The Department of Social Services may, to the extent the Department deems necessary to respond to the threat of COVID-19, waive any provisions of the Health and Safety Code or Welfare and Institutions Code, and accompanying regulations, interim licensing standards, or other written policies or procedures with respect to the use, licensing, or approval of facilities or homes within the Department's jurisdiction set forth in the California Community Care Facilities Act (Health and Safety Code section 1500 et seq.), the California Child Day Care Facilities Act (Health and Safety Code section 1596.70 et seq.), and the California Residential Care Facilities for the Elderly Act (Health and Safety Code section 1569 et seq.). Any waivers granted pursuant to this paragraph shall be posted on the Department's website.

I FURTHER DIRECT that as soon as hereafter possible, this proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this proclamation.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 4th day of March 2020.



GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State



May 4, 2022

To: Trustees, Board of Retirement

From: SDAG

Subject: Laura Candler – Fees & Costs

Status

On June 9, 2021, your Board received and filed the Kern County Superior Court's judgment granting Ms. Candler's Petition for Writ. In addition to reversing your Board's decision to deny her service-connected disability retirement application, the court also awarded Ms. Candler's request attorney fees and court costs.

This matter is now before your Board to approve those costs and fees. The costs and fees are detailed in correspondence from Ms. Candler's attorney, Mr. Steven Rosales. Ms. Candler expended \$6236.70 in attorney fees and \$913.90 in court costs to litigate this matter. Mr. Rosales' fees are reasonable as he agreed to be paid the same amount that KCERA paid County Counsel for representation in this matter. The court costs are reasonable as they are amounts set by the California Judicial Council.

Recommendation

The SDAG recommends that your Board receive and file the documents from Ms. Candler's counsel and direct staff to pay Ms. Candler's attorney fees in the amount of \$6236.70 and \$913.90 in court costs.

LAW OFFICE OF STEVEN R. ROSALES

756 Archibald St., Suite 102-172
Corona, CA 92880
Telephone/Fax: (866) 777-2193

February 15, 2022

Sent Via U.S. Mail and Facsimile Transmission phillip.jenkins@kcera.org

Phillip T. Jenkins, Esq.
Deputy Chief Legal Officer
Kern County Employees Retirement Ass.
11125 River Run Boulevard
Bakersfield, Ca 93311

RE: KCERA - Petition for Writ of Mandamus CASE NO: BCV-19-100311 WDP

Dear Mr. Jenkins:

Below is the summary of costs and the attorney's fees we agreed upon to facilitate the conclusion of this matter. Please contact me if there is any question.

The final pending matter is the calculation of interest on eligible retroactive service-connected disability retirement benefits. Thank you for your efforts with that issue.

Agreed Upon Attorney's Fees:	\$6236.70
Costs:	<u>\$ 913.90</u>

Thank you, as always it is a pleasure working with you.

Very truly yours,


Steven R. Rosales

ATTORNEY OR PARTY WITHOUT ATTORNEY STATE BAR NUMBER: 324565 NAME: Steven R. Rosales FIRM NAME: Law Office of Steven R. Rosales STREET ADDRESS: 7056 Archibald Ave., #102-172 CITY: Eastvale STATE: CA ZIP CODE: 92880 TELEPHONE NO.: (866) 777-2193 FAX NO.: (866) 777-2193 E-MAIL ADDRESS: srosales@rosales-law.com ATTORNEY FOR (name): Petitioner Laura Candler/Crech	FOR COURT USE ONLY
SUPERIOR COURT OF CALIFORNIA, COUNTY OF KERN STREET ADDRESS: 1415 Truxtun Avenue MAILING ADDRESS: CITY AND ZIP CODE: Bakersfield CA 93301 BRANCH NAME: Metropolitan Division	
PLAINTIFF: Laura Candler DEFENDANT: Kern County Employees Retirement Association	
MEMORANDUM OF COSTS (SUMMARY)	CASE NUMBER: BCV-19-100311 WDP

	TOTALS	
The following costs are requested:		
1. Filing and motion fees	\$	495
2. Jury fees	\$	
3. Jury food and lodging	\$	
4. Deposition costs	\$	
5. Service of process	\$	8.80
6. Attachment expenses	\$	
7. Surety bond premiums	\$	
8. Witness fees	\$	
9. Court-ordered transcripts	\$	
10. Attorney fees <i>(enter here if contractual or statutory fees are fixed without necessity of a court determination; otherwise a noticed motion is required)</i>	\$	
11. Court reporter fees as established by statute	\$	
12. Models, enlargements, and photocopies of exhibits	\$	
13. Interpreter fees	\$	
14. Fees for electronic filing or service	\$	316.10
15. Fees for hosting electronic documents	\$	
16. Other	\$	94
TOTAL COSTS	\$	913.9

I am the attorney, agent, or party who claims these costs. To the best of my knowledge and belief this memorandum of costs is correct and these costs were necessarily incurred in this case.

Date: _____

Steven R. Rosales

 (TYPE OR PRINT NAME)

 (SIGNATURE OF DECLARANT)

(Proof of service on reverse)

**KERN COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION (KCERA)
Board of Retirement**

SUMMARY OF PROCEEDINGS

**Teleconference Meeting – Finance Committee
March 8, 2022**

1:33 p.m.

Committee Members: Adams, Chair Franey, Gonzalez, Nunneley (Alternate),
Whitezell

ROLL CALL

Present: Adams, Chair Franey, Gonzalez, Whitezell

Absent: Nunneley

NOTE: The vote is displayed in bold below each item. For example, Gonzalez-Adams denotes Trustee Juan Gonzalez made the motion and Trustee Jeanine Adams seconded the motion.

1. Discussion and appropriate action on recommendation for Actuarial Services Provider presented by Chief Executive Officer Dominic Brown and Chief Operations Officer Matthew Henry – GRAHAM SCHMIDT, CHEIRON, HEARD; CHAIR PHIL FRANNEY HEARD; TRUSTEE TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

RECOMMENDED THE BOARD OF RETIREMENT APPROVE SEGAL AS ACTUARIAL SERVICES PROVIDER; AND AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Whitezell-Adams – 4 Ayes

PUBLIC COMMENTS

2. 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

3. 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
4. ADJOURNED – 1:44 P.M.

Secretary, Board of Retirement

Chair, Investment Committee

**KERN COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION (KCERA)
Board of Retirement**

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

April 13, 2022

8:31 a.m.

Board Members: Adams, Contreras (Alternate), Couch, Franey, Chair Gonzalez, Hughes, Kaufman, Kratt, Matthews, Nunneley (Alternate), Seibly (Alternate), Vice-Chair Whitezell

ROLL CALL

Present: Adams, Couch, Franey, Gonzalez, Hughes, Kaufman, Kratt, Matthews, Nunneley, Seibly, Whitezell

Absent: Contreras

SALUTE TO FLAG

MOMENT OF SILENCE

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

TRUSTEE DUSTIN CONTRERAS ARRIVED AT 8:32 A.M.

CONSENT MATTERS

- *1. Findings and new Initial Resolution needed to utilize alternative teleconferencing requirements during a state of emergency pursuant to California Government Code section 54953 of the Ralph M. Brown Act, as amended by Assembly Bill 361 – **ADOPTED FINDINGS FOR THE BOARD AND ALL KCERA STANDING COMMITTEES; APPROVED 30-DAY RESOLUTION**

Whitezell-Kratt – 9 Ayes

*2. Summary of proceedings of the following meetings:

- March 9, 2022 Board of Retirement
- March 23, 2022 Administrative Committee
- March 30, 2022 Finance Committee
- March 31, 2022 Investment Committee

RECEIVED AND FILED

Whitezell-Kratt – 9 Ayes

*3. Report from the KCERA office on members retired from service for the month of March 2022 – RATIFIED

Whitezell-Kratt – 9 Ayes

*4. Report from the KCERA office on deceased retirees for the month of March 2022 – RECEIVED AND FILED

Whitezell-Kratt – 9 Ayes

*5. Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending March 31, 2022 – RECEIVED AND FILED

Whitezell-Kratt – 9 Ayes

*6. Securities Lending Earnings Summary Report for the period February 1-28, 2022 from Deutsche Bank – RECEIVED AND FILED

Whitezell-Kratt – 9 Ayes

*7. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of February 2022 – RECEIVED AND FILED

Whitezell-Kratt – 9 Ayes

*8. Invitation from State Association of County Retirement Systems (SACRS) to trustees and staff to attend the SACRS Spring Conference, May 10-13, 2022, in Rancho Mirage, California – APPROVED ATTENDANCE OF TRUSTEES JEANINE ADAMS, PHIL FRANNEY, JORDAN KAUFMAN, RICK KRATT AND CHASE NUNNELEY, CHIEF EXECUTIVE OFFICER DOMINIC BROWN, CHIEF OPERATIONS OFFICER MATTHEW HENRY, CHIEF LEGAL OFFICER JENNIFER ZAHRY, ADMINISTRATIVE SERVICES OFFICER AIMEE MORTON, DEPUTY CHIEF LEGAL OFFICER PHILLIP JENKINS, RETIREMENT INVESTMENT ANALYST JACK BOWMAN AND SENIOR LEGAL SECRETARY IRMA CHAVEZ

Whitezell-Kratt – 9 Ayes

- *9. Report on Special Pays Codes classified by the Chief Executive Officer – RECEIVED AND FILED

Whitezell-Kratt – 9 Ayes

- *10. Non-substantive changes to KCERA Board Policies and Charters – APPROVED PROPOSED CHANGES

Whitezell-Kratt – 9 Ayes

PUBLIC COMMENTS

11. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Board. This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board 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 Board at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation – NONE

ADMINISTRATIVE MATTERS

12. Presentation regarding *Alameda* Decision Phase 4 presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – ROB GAUSS, ICE MILLER, LLC, HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

HEARD PRESENTATION

13. Presentation regarding issues identified related to implementation of PEPRAs employee contribution rates presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – AUDRA FERGUSON-ALLEN AND ROBERT GAUSS, ICE MILLER LLC, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES JEANINE ADAMS, RICK KRATT AND TRACO MATTHEWS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

PUBLIC COMMENT: PAUL ADAMS HEARD; ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD; GABRIEL GARCIA HEARD; KATHY PRESS HEARD

HEARD PRESENTATION

14. Discussion and appropriate action regarding options related to *Alameda* Decision Phase 4 presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – AUDRA FERGUSON-ALLEN AND ROBERT GAUSS, ICE MILLER LLC, HEARD; MOLLY CALCAGNO, SEGAL, HEARD; CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEES JEANINE ADAMS, DAVID COUCH, PHIL FRANNEY, JORDAN KAUFMAN, RICK KRATT, TRACO MATTHEWS AND CHASE NUNNELEY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

TRUSTEE JOSEPH HUGHES LEFT AT 9:37 A.M.

TRUSTEE PHIL FRANNEY LEFT AT 10:27 A.M.

PUBLIC COMMENT: ERNIE CANDELARIA HEARD; ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD; LYNN BERMAN HEARD; CHRIS ANGELO HEARD; ELLIS BALDWIN HEARD

SELECTED OPTION 1 AND DIRECTED STAFF TO IMPLEMENT ACCORDINGLY

Kratt-Adams – 6 Ayes; 1 No (Whitezell); 1 Absent (Couch)

Trustee Robb Seibly voted in place of Trustee Phil Franey

TRUSTEE JEANINE ADAMS DISCLOSED A DISQUALIFYING FINANCIAL INTEREST IN ITEM #15 AND RECUSED HERSELF FROM THE MEETING AT 10:44 A.M.

TRUSTEE JUAN GONZALEZ DISCLOSED A DISQUALIFYING FINANCIAL INTEREST IN ITEM #15 AND RECUSED HIMSELF FROM THE MEETING AT 10:46 A.M.

DUE TO THE ABSENCE OF CHAIR JUAN GONZALEZ, VICE-CHAIR TYLER WHITEZELL TOOK OVER AS CHAIR FOR AGENDA ITEM #15 (*Vice-Chair Charter 2*)

15. Discussion and appropriate action regarding options related to PEPPRA Implementation presented by Chief Executive Officer Dominic Brown and Chief Legal Officer Jennifer Zahry – ROBERT GAUSS, ICE MILLER LLC, HEARD; TRUSTEE KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

PUBLIC COMMENT: ELSA MARTINEZ, COUNTY ADMINISTRATIVE OFFICE, HEARD

SELECTED OPTION A AND DIRECTED STAFF TO IMPLEMENT ACCORDINGLY

Kratt-Contreras – 5 Ayes; 1 No (Whitezell); 1 Absent (Couch)

Trustee Dustin Contreras voted in place of Trustee Juan Gonzalez

Trustee Robb Seibly voted in place of Trustee Phil Franey

TRUSTEE JEANINE ADAMS RETURNED TO THE MEETING AT 11:14 A.M.

TRUSTEE JUAN GONZALEZ RETURNED TO THE MEETING AT 11:14 A.M. AND RESUMED AS CHAIR FOR THE DURATION OF THE MEETING

INVESTMENT MATTERS

16. Discussion and appropriate action on the Capital Efficiency Program and annual Strategic Asset Allocation review presented by Scott Whalen, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – SCOTT WHALEN, VERUS, HEARD; TRUSTEES JORDAN KAUFMAN AND TRACO MATTHEWS HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED CAPITAL EFFICIENCY PROGRAM CHANGES; APPROVED BENCHMARK CHANGES; AND APPROVED STRATEGIC ASSET ALLOCATION TARGET AND POLICY RANGES

Whitezell-Matthews – 6 Ayes; 2 Absent (Couch, Seibly)

ADMINISTRATIVE MATTERS (continued)

17. Discussion and review of the 2022-2023 Chief Executive Officer Performance Evaluation Criteria presented by Chief Executive Officer Dominic Brown and the Administrative Committee – TRUSTEE JEANINE ADAMS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPROVED THE CHIEF EXECUTIVE OFFICER PERFORMANCE EVALUATION CRITERIA FOR EVALUATION PERIOD OF 2022-2023

Matthews-Kaufman – 6 Ayes; 2 Absent (Couch, Seibly)

18. Discussion and appropriate action on KCERA's voting delegation for the State Association of County Retirement Systems (SACRS) Spring 2022 Conference, presented by Chief Executive Officer Dominic Brown – TRUSTEE RICK KRATT HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

APPOINTED TRUSTEE PHIL FRANNEY AS THE VOTING DELEGATE AND CHIEF EXECUTIVE OFFICER DOMINIC BROWN AS ALTERNATE VOTING DELEGATE

Kratt-Adams – 6 Ayes; 2 Absent (Couch, Seibly)

Trustee Robb Seibly voted in place of Trustee Phil Franey

19. Recommended slate of candidates for the State Association of County Retirement Systems (SACRS) Board of Director Elections 2022-2023 – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

DIRECTED VOTING DELEGATE TO VOTE FOR SLATE OF CANDIDATES AS RECOMMENDED BY THE SACRS NOMINATING COMMITTEE

Whitezell-Kratt – 6 Ayes; 2 Absent (Couch, Seibly)

STAFF REPORTS

20. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

TRUSTEE JORDAN KAUFMAN HEARD

21. Report from Chief Investment Officer

CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, REPORTED THE FOLLOWING:

- MARCH REBALANCING ACTIVITY
- PORTFOLIO POSITIONING AND MARKET UPDATE
- KEY INITIATIVES
- UPCOMING INVESTMENT COMMITTEE MEETING

22. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- UPDATE ON EXECUTIVE ORDER N-04-22
- SCOTUS UPDATE: HOUSTON COMMUNITY COLLEGE SYSTEM V. WILSON
- BOARD POLICIES UPDATED WITH NON-SUBSTANTIVE CHANGES
- TRUSTEE EDUCATION AND TRUSTEE TRAVEL POLICY
- SECURE 2.0 UPDATE
- APRIL CALENDAR

COMMITTEE REPORTS

23. Report from Committee Chairs:
- a. Administrative Committee: HUGHES – NONE
 - b. Finance Committee: FRANNEY – NONE
 - c. Investment Committee: KAUFMAN – NEXT MEETING WILL BE LATER IN APRIL
 - d. KCERA Property, Inc.: SEIBLY – NONE

CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S) – NONE

RECESS UNTIL 1:30 P.M.

BOARD OF RETIREMENT RECONVENED IN EXECUTIVE SESSION AT 1:35 P.M.

EXECUTIVE SESSION

24. PUBLIC EMPLOYMENT (pursuant to Government Code §54957) Application for service-connected disability pension benefits:
- Jay Winn District Attorney Safety
25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION (pursuant to Government Code §54956.9)
- Determination of whether to initiate litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9. (Number of potential cases: one).
26. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to GOVERNMENT CODE §54957): Title: Chief Executive Officer

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED IN PUBLIC SESSION AT 3:52 P.M.

ROLL CALL

- Present: Adams, Contreras, Couch, Gonzalez, Kaufman, Matthews, Nunneley, Seibly, Whitezell
- Absent: Franey, Hughes, Kratt

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 24 – APPROVED AND ADOPTED PROPOSED FINDINGS AND SUPPLEMENTAL FINDINGS AND RECOMMENDATION OF THE HEARING OFFICER

Kaufman-Whitezell – 8 Ayes*

Trustee Robb Seibly voted in place of Trustee Phil Franey

**Vote was read out as 9 ayes. Upon review, Trustee Dustin Contreras called on and voted during closed session but should not have, as all other eligible voting members were present. Vote is amended to 8-0 (8 ayes) to properly reflect eligible votes.*

ITEM 25 – NO REPORTABLE ACTION

ITEM 26 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

27. On their own initiative, Board 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 – CHAIR JUAN GONZALEZ HEARD; TRUSTEE DUSTIN CONTRERAS HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

REFERRAL TO STAFF TO RESEARCH AN ISSUE RELATED TO VACATION PAYOUT

NEW BUSINESS

28. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
29. ADJOURNED – 3:58 P.M.

Secretary, Board of Retirement

Chair, Board of Retirement



**Kern County Employees' Retirement Association
New Retirees- April 1, 2022 to April 30, 2022**

Employer Name: County Of Kern

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Anton	James	03/26/2022	Safety Tier I	2210S - Sheriff
Avila	Iris	02/26/2022	General Tier II	5120 - Depart Of Human Services
Barbosa	Lucy	02/15/2022	General Tier I	5120 - Depart Of Human Services
Bradley	Jerri	03/12/2022	General Tier I	1210 - County Counsel
Burton	Jeremy	02/26/2022	General Tier I	2700 - Recorder
Cahue Aguilar	Dulce	03/31/2022	General Tier I	2183 - Dept Of Child Support Svc
Cano	Emma	03/26/2022	General Tier I	4120 - Behavioral Health & Reco
Casterline	Susan	02/26/2022	General Tier I	5120 - Depart Of Human Services
Dumas	Jeffery	03/12/2022	Safety Tier I	2210S - Sheriff
Foster	Judith	02/23/2022	General Tier I	5120 - Depart Of Human Services
Fourie	Anna	03/12/2022	General Tier I	1120 - Treasurer-Tax Collector
Gibbons	Rebecca	02/26/2022	General Tier I	1130 - Assessor
Hunley	Melinda	03/12/2022	General Tier I	2415 - Fire
Lemster	Alicia	03/12/2022	General Tier I	5120 - Depart Of Human Services
Leyendecker	Stephanie	03/30/2022	General Tier I	2180 - District Attorney
Lopez	Brenda	03/26/2022	General Tier I	2180 - District Attorney



**Kern County Employees' Retirement Association
New Retirees- April 1, 2022 to April 30, 2022**

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Mister	Cynthia	03/26/2022	General Tier I	5120 - Depart Of Human Services
Palmer	Teresa	03/26/2022	General Tier II	2180 - District Attorney
Rodriguez	Robert	02/26/2022	Safety Tier I	2210S - Sheriff
Rojas	Ronald	03/12/2022	Safety Tier I	2340S - Probation-Safety
Sandoval	Felipe	03/29/2022	General Tier I	7100 - Parks & Recreation
Schreiber	Judith	03/12/2022	General Tier I	8995 - Airports-Enterprise Fund
Skidmore	Fredrick	03/12/2022	Safety Tier I	2210S - Sheriff
Turjanis	Vija	03/12/2022	General Tier I	4120 - Behavioral Health & Reco
Whitaker	Kevin	02/26/2022	General Tier I	5923 - Employers' Train Resource

Employer Name: KC Superior Court

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Bailey	Nicole	03/12/2022	General Tier I	9410 - Superior Court

Employer Name: Kern County Hospital Authority

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Couch	Katherine	03/12/2022	General Tier I	9460 - Kern County Hospital Authority
Esteban	Ricardo	03/12/2022	General Tier II	9460 - Kern County Hospital Authority
Michel	Ana	03/26/2022	General Tier I	9460 - Kern County Hospital Authority



**Kern County Employees' Retirement Association
New Retirees- April 1, 2022 to April 30, 2022**

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Salazar	Daisy	02/26/2022	General Tier I	9460 - Kern County Hospital Authority

Employer Name: San Joaquin Valley APCD

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Crump	Kathi	03/12/2022	General Tier I	0959 - San Joaquin Valley Air Pollution Control District
Haulman	Alexander	03/24/2022	General Tier I	0959 - San Joaquin Valley Air Pollution Control District



Kern County Employees' Retirement Association
Decedents- April 1, 2022 to April **30**, 2022

Pre-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Solorio	Irene	General	Kern County Hospital Authority
Tongco	Samuel John	General	Kern County Hospital Authority

Post-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Cowan	Kelly	General	County Of Kern
Garrison	Fred	General	County Of Kern
Guzman	Mary	General	County Of Kern
Ham	Nichelle	General	County Of Kern
Howard	Durward	Safety	County Of Kern
Kaizer	Theodore	General	County Of Kern
Kotenski	La Mirl	General	County Of Kern
Lasiter	Richard	Safety	County Of Kern
Mcallister	Nancy	General	County Of Kern
Moore	Charles	General	County Of Kern
Oneal	Larry	General	County Of Kern
Polston	Kathryn	General	County Of Kern
Ronquillo	Virginia	General	County Of Kern
Smith	Henry	Safety	County Of Kern
Speight	Rosemary	General	County Of Kern
Stewart	Marion	General	County Of Kern
Terrazas	Yolanda	General	County Of Kern
Van Andel	Jeffrey	Safety	County Of Kern

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 04/30/22**

NAME	DEPARTMENT	DATE FILED	DATE OF LAST CONTACT
Cano, Emma	BEHAVIORAL HEALTH & RECOVERY SERVICES	03/17/22	04/14/22
Barnes, Mark	SHERIFF	12/03/21	02/07/22
Yohn, Jacob	SHERIFF	11/30/21	03/30/22
NAME	DEPARTMENT	DATE FILED	MMRO ASSIGNED
Kauffman, Stephen	DISTRICT ATTORNEY	08/16/21	04/25/22
Fussel, Kathy	HOSPITAL AUTHORITY	11/03/21	02/24/22
Guandique, Sandra	RISK MANAGEMENT	10/29/21	03/14/22
Gardner, Stephen	FIRE	07/19/21	02/24/22
Brannan, Derek	SHERIFF	07/14/21	11/22/21
Leon, Theresa	HUMAN SERVICES	07/07/21	10/18/21
Patton, Eric	SHERIFF	06/30/21	11/22/21
Candelaria, Valerie	HUMAN SERVICES	06/23/21	09/15/21
Introuini, Jessica	SHERIFF	06/18/21	11/22/21
Williams, Theron	GENERAL SERVICES	05/12/21	09/15/21
Garcia, Judy	HOSPITAL AUTHORITY	03/29/21	10/18/21
Smith, Thomas Jr.	SHERIFF	03/16/21	11/08/21
Brandon, Bradly	SHERIFF	03/04/21	08/20/21
Bravo, Enrique	SHERIFF	03/01/21	08/20/21
Sanders-Stubblefield, Misty	AGING AND ADULT SERVICES	02/25/21	08/20/21
McAadoo, John	SHERIFF	02/24/21	08/20/21
Bankston, Josh	SHERIFF	02/09/21	08/19/21
Cushman, Harris	SHERIFF	12/22/20	08/19/21
Carrillo, Mabelle	ANIMAL CONTROL	11/18/20	04/21/21
Burchfield, James	PUBLIC WORKS	11/17/20	07/16/21
Tisinger, Douglas	KERN COUNTY WATER AGENCY	10/05/20	05/21/21
Fleeman, Justin	SHERIFF	09/17/20	02/08/21
Diffenbaugh, Anthony	FIRE	06/11/20	04/26/21
Brown, Michael	SHERIFF	04/14/20	08/31/20
Baker, Breanne	HUMAN SERVICES	04/02/20	09/29/20
Terry, Leann	SHERIFF	10/17/19	06/30/20
Martinez de Moore, Brenda	BEHAVIORAL HEALTH & RECOVERY SERVICES	12/10/18	09/08/20
Boren, Colleen	RISK MANAGEMENT	08/02/18	09/03/20
Champlin, Timothy	PROBATION	04/25/18	05/21/20
Hulsey, Jonathan	PROBATION	04/18/18	04/22/20
Coletti, John	SHERIFF	01/30/18	05/20/20
Tennison, Robyn (McClain)	BEHAVIORAL HEALTH & RECOVERY SERVICES	07/17/17	02/20/20
Rodriguez, Ted	SHERIFF	06/22/17	02/20/20

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 04/30/22**

NAME	DEPARTMENT	DATE FILED	MMRO ASSIGNED
Hsu, Sue	BEHAVIORAL HEALTH & RECOVERY SERVICES	04/05/17	02/06/20
Paxson, Kalae	SHERIFF	03/15/17	11/05/19
Carvel, Scott	DISTRICT ATTORNEY	01/27/17	11/05/19
COMPLETED IN 2022			
NAME	DEPARTMENT	FILED	DATE COMPLETED
Lucio, Juan	PUBLIC WORKS	07/19/21	01/19/22
Haight, Anita	COURTS	05/14/20	01/19/22
Alaniz, Maria D.	PUBLIC HEALTH	04/13/18	03/09/22

**KCERA
APPEALS PENDING
AS OF 04/30/22**

ADMINISTRATIVE HEARING	DEPARTMENT	DATE FILED	SDAG RECOMMENDATION	APPEAL RECEIVED	SENT TO COUNTY COUNSEL	HEARING OFFICER ASSIGNED	HEARING DATE
Winn, Jay M.	DISTRICT ATTORNEY	03/16/16	SDAG to deny SCD	05/28/20	06/02/20	06/25/20	11/09/20

WRIT OF MANDATE	DEPARTMENT	DATE FILED	BOARD DECISION
Blue, Michael	SHERIFF	06/14/13	Board denied SCD
Ashley, Mark	SHERIFF	09/03/15	Board denied SCD and granted NSCD

COURT OF APPEAL	DEPARTMENT	DATE FILED	BOARD DECISION
Morgan, Gloria	SHERIFF	03/26/15	Board denied SCD

HEARINGS COMPLETED IN 2022			
NAME	DEPARTMENT	DATE FILED	DATE COMPLETED

SECURITIES LENDING

Summary Earnings Report

Run Time: 07-Apr-2022 17:34 EDT
Date Range: 01-MAR-2022 To 31-MAR-2022
Location: Not specified
Currency: USD
Client ID: Not Specified
Master Client: CAKERN
Grouping Type: None
Level: Individually

	Client ID	Average Contract Amount	Gross Earnings	DB Earnings	Client Earnings	Custody Account
New York						
USD						
KNCTY - Harvest Midstream	CAKE18	8,076,310.58	2,900.92	290.09	2,610.83	KNC15
KNCTY - PIMCO Midstream	CAKE19	15,224,449.92	5,273.06	527.31	4,745.75	KNC16
KNCTY PIMCO Core Plus	CAKE07	25,832,177.63	6,491.45	649.15	5,842.31	KNC11
KNCTY PIMCO EMD	CAKE08	1,606,901.50	655.03	65.50	589.53	KNC12
KNTCY - Alliance Bernstein	CAKE15	13,718,904.27	4,230.42	423.04	3,807.38	2664130
KNTCY - Geneva	CAKE16	6,538,820.91	1,838.31	183.83	1,654.48	2667336
KNTCY - Western Asset MGMT Co 01	CAKE03	30,290,334.40	7,883.68	788.37	7,095.31	KNC06
KNTCY - Western Asset MGMT Co 02	CAKE04	47,707,723.60	18,586.71	1,858.67	16,728.04	KNC08
	CCY Total USD:	148,995,622.81	47,859.59	4,785.96	43,073.63	
	Grand Total USD:		47,859.59	4,785.96	43,073.63	

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KCERA ASSET ALLOCATION*
3/31/2022

Manager Name	Type	(\$000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) (\$000)
AllianceBernstein	Small Cap Value	97,008	1.8%			
Geneva Capital	Small Cap Growth	52,088	0.9%			
Mellon Capital Management EB DV	Large Cap Passive	334,684	6.1%			
PIMCO StockPlus	Large Cap Enhanced	118,147	2.1%			
Total Domestic Equity		\$601,927	10.9%	19.0%	(8.1%)	(\$445,207)
American Century	International Small	87,144	1.6%			
Cevian Capital II LP	International Large	33,981	0.6%			
Mellon Capital Management-EB DV	International Large Passive	551,232	10.0%			
Total International Developed Equity		\$672,357	12.2%	13.0%	(0.8%)	(\$44,103)
AB Emerging Markets Strategic Core	Emerging Markets	99,106	1.8%			
DFA Emerging Markets Value Portfolio	Emerging Markets	84,644	1.5%			
Mellon Emerging Markets	Emerging Markets	94,040	1.7%			
Total Emerging Market Equity		\$277,790	5.0%	5.0%	0.0%	\$2,228
TOTAL EQUITY		\$1,552,074	28.2%	37.0%	(8.8%)	(\$487,082)
Mellon Capital Management Ag Bond	Core	227,866	4.1%			
PIMCO	Core Plus	200,427	3.6%			
Western Asset Management	Core Plus	212,057	3.8%			
Total Core		\$640,350	11.6%	14.0%	(2.4%)	(\$131,222)
TCW Securitized Opportunities LP	Securitized Opportunities	129,820	2.4%			
Western Asset Management	High Yield	207,778	3.8%			
Total Credit		\$337,598	6.1%	6.0%	0.1%	\$6,924
PIMCO EM Beta	Emerging Markets	147,117	2.7%			
Stone Harbor Global Funds	Emerging Markets	97,517	1.8%			
Total Emerging Market Debt		\$244,634	4.4%	4.0%	0.4%	\$24,185
TOTAL FIXED INCOME		\$1,222,582	22.2%	24.0%	(1.8%)	(\$100,113)
Gresham Commodity Builder Fund	Active	94,868	1.7%			
Wellington Trust Company (WTC)	Active	252,922	4.6%			
TOTAL COMMODITIES		\$347,790	6.3%	4.0%	2.3%	\$127,341
Aristeia International Ltd	Hedge Fund - Direct	66,660	1.2%			
Brevan Howard Fund Limited	Hedge Fund - Direct	65,423	1.2%			
D. E. Shaw Composite Fund	Hedge Fund - Direct	52,991	1.0%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	56,837	1.0%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	73,871	1.3%			
Indus Pacific Opportunities Fund	Hedge Fund - Direct	37,438	0.7%			
Magneter Structured Credit Fund	Hedge Fund - Direct	9,380	0.2%			
Myriad Opportunities Offshore Fund	Hedge Fund - Direct	464	0.0%			
PIMCO Commodity Alpha Fund LLC	Hedge Fund - Direct	60,367	1.1%			
PMF LTD	Hedge Fund - Direct	61,956	1.1%			
River Birch International Ltd	Hedge Fund - Direct	775	0.0%			
Sculptor Enhanced LP (Formerly OZ Domestic)	Hedge Fund - Direct	50,798	0.9%			
TOTAL HEDGE FUND		\$536,960	9.7%	10.0%	(0.3%)	(\$14,163)
ASB Capital Management	Core	172,835	3.1%			
JPMCB Strategic Property Fund	Core	136,742	2.5%			
TOTAL CORE REAL ESTATE		\$309,577	5.6%	5.0%	0.6%	\$34,015
Davidson Kempner	Hedge Fund - Direct	54,736	1.0%			
Garda Fixed Income	Hedge Fund - Direct	51,346	0.9%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	54,659	1.0%			
HBK Spac Fund	Hedge Fund - Direct	50,020	0.9%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	57,060	1.0%			
TOTAL CE ALPHA POOL		\$267,821	4.9%	5.0%	(0.1%)	(\$7,741)
Harvest Midstream	Midstream	202,032	3.7%			
PIMCO Midstream	Midstream	148,093	2.7%			
TOTAL MIDSTREAM ENERGY		\$350,125	6.4%	0.0%	6.4%	\$350,125
Aristeia Select Opportunities II LP	Opportunistic	50,494	0.9%			
DB Investor's Fund IV	Opportunistic	39,689	0.7%			
TSSP Adjacent Opportunities Partners (D)	Opportunistic	69,682	1.3%			
TOTAL OPPORTUNISTIC		\$160,065	2.9%		2.9%	\$160,065
Abbott Capital Funds	Private Equity Fund of Funds	29,021	0.5%			
Brighton Park	Private Equity	36,244	0.7%			
Level Equity Growth Partners	Private Equity	1,688	0.0%			
LGT Crown Global	Private Equity	16,702	0.3%			
Pantheon Funds	Private Equity Fund of Funds	12,029	0.2%			
Peak Rock	Private Equity	8,943	0.2%			
Vista	Private Equity	9,526	0.2%			
Warren Equity Partners	Private Equity	15,875	0.3%			
TOTAL PRIVATE EQUITY		\$130,028	2.4%	5.0%	(2.6%)	(\$145,534)
Blue Torch Credit Opportunites	Private Credit	15,881	0.3%			
Brookfield Real Estate Finance Fund V	Private Credit	19,864	0.4%			
Colony Distressed Credit Fund	Private Credit	43,190	0.8%			
Fortress Credit Opportunities Fund V	Private Credit	11,827	0.2%			
Fortress Lending Fund II (A)	Private Credit	29,999	0.5%			
Fortress Lending Fund III (A)	Private Credit	4,000	0.1%			
H.I.G Bayside Loan Opportunity Fund	Private Credit	47,115	0.9%			
Magneter Constellation Fund V	Private Credit	36,817	0.7%			
TSSP Adjacent Opportunities Partners (B)	Private Credit	33,507	0.6%			
TOTAL PRIVATE CREDIT		\$242,200	4.4%	5.0%	(0.6%)	(\$33,362)
Covenant Apartment Fund	Private Real Estate	23,593	0.4%			
Invesco Real Estate Funds III & IV	Private Real Estate	4,210	0.1%			
KCERA Property	Private Real Estate	4,629	0.1%			
LBA Logistics Value Fund IX	Private Real Estate	1,923	0.0%			
Landmark Real Estate Partners VIII	Private Real Estate	22,712	0.4%			
Long Wharf Real Estate Partners VI	Private Real Estate	28,675	0.5%			
Singerman Real Estate Opportunity Fund IV	Private Real Estate	1,890	0.0%			
TOTAL PRIVATE REAL ESTATE		\$87,632	1.6%	5.0%	(3.4%)	(\$187,929)
Northern Trust STIF	Short Term	29,177	0.5%			
BlackRock Short Duration	Short Term	118,891	2.2%			
Parametric	Overlay	149,132	2.7%			
Treasurers Pooled Cash	Short Term	5,671	0.1%			
Wells Fargo Bank	Short Term	1,129	0.0%			
TOTAL CASH AND OVERLAY		\$304,000	5.5%	0.0%	5.5%	\$304,000
Transition Accounts	Liquidation	377	0.0%			
Other		\$377	0.0%	0.0%	0.0%	\$377
As Allocated to Managers **		\$5,511,231	100.0%	100.0%	(0.0%)	(\$0)

*This report reflects the strategic asset allocation policy adopted by the Board of Retirement April 2020.

**Physical securities market value only. Does not include notional market values of the overlay or capital efficiency program

KCERA
CASH FLOW POSITION
March, 2022
TREASURERS POOLED CASH

Beginning Cash Balance:		\$ 12,340,474
Employer Contributions	23,892,040	
Employee Contributions	3,350,046	
Service Purchases	21,693	
Total Receipts:		27,263,779
Operating Expenses	(495,855)	
Investment Expenses	(437,876)	
Transfers-out	(33,000,000)	
Total Disbursements:		<u>(33,933,730)</u>
Ending Cash Balance		<u><u>\$ 5,670,523</u></u>

NORTHERN TRUST

Beginning Cash Balance:		\$ 30,962,862
Private Equity - Distributions	7,127,501	
Commingled Funds - Distributions	482,917	
Hedge Funds - Distributions	1,445,204	
Redemption Gresham	-	
Class Action Proceeds	1	
Interest	2,490	
Securities Lending Earnings (NET)	33,749	
Total Receipts:		34,091,862
Capital Calls TSSP	(2,902,533)	
Capital Calls Blue Torch	(2,007,665)	
Capital Calls Long Wharf	(5,738,355)	
Capital Calls HIG Bayside	(4,500,000)	
Capital Calls Covenant	(1,800,000)	
Contribution Western HY	(25,000,000)	
Other Expenses	(1,323)	
Transfers-out	(1,000,000)	
Total Disbursements:		<u>(42,949,876)</u>
Ending Cash Balance		<u><u>\$ 22,104,848</u></u>

WELLS FARGO BANK

Beginning Cash balance:		\$ 582,504
Transfer-In	34,000,000	
Total Receipts:		34,000,000
Pension Payments	(32,442,119)	
Lump Sum Payments	(963,027)	
Bank Service Charges	(2,086)	
Cash Clearing (NET) *	(46,583)	
Total Disbursements:		<u>(33,453,815)</u>
Ending Cash Balance		<u><u>\$ 1,128,689</u></u>

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT FEES CASH FLOW REPORT
FOR THE MONTH ENDED MARCH, 2022**

Description	July	August	September	October	November	December	January	February	March	Total
Investment Base Fees:										
Domestic Equity:										
AllianceBernstein	221,667.83				206,725.49		216,923.06			645,316.38
Henderson Geneva Capital		124,076.00			109,770.00			111,499.00		345,345.00
Mellon Capital	135,799.99				91,967.45					227,767.44
International Equity:										
BlackRock			65,882.31				35,612.34		64,370.53	165,865.18
Fidelity Institutional Asset Management										0.00
Fixed Income:										
Mellon Capital (Ag Bond)	11,876.36				12,011.39					23,887.75
Pacific Investment Management Company		284,672.90			300,372.43			665,403.95		1,250,449.28
Western Asset Management			219,911.39		223,146.49			221,199.75		664,257.63
Commodities:										
Wellington Trust Company		364,698.23			371,110.50			379,266.96		1,115,075.69
Real Estate:										
ASB Capital Management		242,926.04			323,985.26			336,566.22		903,477.52
Midstream Energy:										0.00
Harvest Midstream	187,309.24			233,263.61			274,359.19			694,932.04
Overlay										
Parametric				77,171.00	77,186.00			83,502.00		
Subtotal	556,653.42	1,016,373.17	285,793.70	310,434.61	4,104,978.01	0.00	526,894.59	1,797,437.88	64,370.53	8,662,935.91
Investment Professional Fees:										
Consulting:										
Abel Noser			7,500.00	7,500.00						
Albourne America LLC	33,333.33	33,333.33	33,333.33	33,333.33	33,333.33	44,683.33	33,333.33	33,333.33	33,333.33	311,349.97
Cambridge Associates				168,750.00		56,250.00		125,000.00	187,500.00	537,500.00
Glass, Lewis & Co.					7,950.00					7,950.00
Verus	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	34,166.67	307,500.03
Consulting - Other Expenses								9,000.00		
Custodial:										
The Northern Trust Co.	228,541.66		111,875.00			128,645.83			115,000.00	584,062.49
Legal:										
Foley & Lardner LLP								2,965.00		2,965.00
Hanson Bridgett LLP			2,220.00	7,380.00						9,600.00
Nossaman LLP	1,148.00		28,136.50			2,029.50			3,505.00	34,819.00
Due Diligence / Investment-Related Travel:										0.00
Subtotal	297,189.66	67,500.00	217,231.50	251,130.00	75,450.00	265,775.33	67,500.00	204,465.00	373,505.00	1,819,746.49
Total Investment Fees	853,843.08	1,083,873.17	503,025.20	561,564.61	4,180,428.01	265,775.33	594,394.59	2,001,902.88	437,875.53	10,482,682.40

KCERA
Operating Expense Budget Status Report
For the Month Ended March 31, 2022

Expense Type	Budget FY 2021/22	Expenses	Over (Under)
Staffing			
Salaries	3,000,135.00	1,916,074.66	(1,084,060.34)
Benefits	2,098,829.00	1,246,695.24	(852,133.76)
Temporary staff	100,000.00	26,542.37	(73,457.63)
Staffing Total	5,198,964.00	3,189,312.27	(2,009,651.73)
Staff Development			
Education & Professional Development	57,500.00	12,115.56	(45,384.44)
Staff Appreciation	2,500.00	1,724.38	(775.62)
Staff Development Total	60,000.00	13,839.94	(46,160.06)
Professional Fees			
Actuarial fees	190,000.00	49,985.00	(140,015.00)
Audit fees	49,000.00	49,812.33	812.33
Consultant fees	125,000.00	21,250.00	(103,750.00)
Legal fees	80,000.00	23,537.61	(56,462.39)
Professional Fees Total	444,000.00	144,584.94	(299,415.06)
Office Expenses			
Building expenses	72,000.00	94,304.60	22,304.60
Communications	33,100.00	20,790.09	(12,309.91)
Equipment lease	13,000.00	7,354.27	(5,645.73)
Equipment maintenance	2,000.00	2,000.00	-
Memberships	16,000.00	11,120.00	(4,880.00)
Office supplies & misc. admin.	54,540.00	22,531.46	(32,008.54)
Payroll & accounts payable fees	22,800.00	4,333.07	(18,466.93)
Other Services - Kern County	100,000.00	9,137.49	(90,862.51)
Postage	25,000.00	14,422.48	(10,577.52)
Subscriptions	13,500.00	5,763.97	(7,736.03)
Utilities	50,000.00	28,442.70	(21,557.30)
Office Expense Total	401,940.00	220,200.13	(181,739.87)
Insurance	138,385.00	148,495.00	10,110.00
Member Services			
Disability- legal fees	50,000.00	2,727.55	(47,272.45)
Disability – professional services	45,000.00	2,525.00	(42,475.00)
Disability- administration MMRO	130,800.00	48,850.00	(81,950.00)
Member communications	20,000.00	22,856.43	2,856.43
Member Services Total	245,800.00	76,958.98	(168,841.02)
Systems			
Audit – security & vulnerability scan	15,000.00	-	(15,000.00)
Business continuity expenses	14,700.00	8,740.00	(5,960.00)
Hardware	35,775.00	33,814.60	(1,960.40)
Licensing & support	138,415.00	124,710.49	(13,704.51)
Software	95,500.00	89,967.70	(5,532.30)
Website design & hosting	64,700.00	35,318.26	(29,381.74)
Systems Total	364,090.00	292,551.05	(71,538.95)
Board of Retirement			
Board compensation	12,000.00	5,840.40	(6,159.60)
Board conferences & training	30,000.00	7,320.38	(22,679.62)
Board elections	35,000.00	40,974.24	5,974.24
Board meetings	3,500.00	120.51	(3,379.49)
Board of Retirement Total	80,500.00	54,255.53	(26,244.47)
Depreciation / Amortization	646,908.00	432,123.84	(214,784.16)
Total Operating Expenses	7,578,087.00	4,572,321.68	(3,005,765.32)

Class Action Reports

◆ Class Action Activity Detail by Event Name

Class Action Name	Event Status	Event Status As Of	Class Start Class End	Filing Deadline	Objection/ Exclusion Deadline	Claims Admin Name	Web Address
COLUMBIA PIPELINE GRP INC 2018 -DELAWARE INFORMATIONAL ONLY	NOTIFIED	07 Apr 22	06 Jul 15 01 Jul 16		18 May 22	AB Data	www.ColumbiaPipelineMergerLitigation.com

Account Notified/Filed	Account Notified/Filed Name	Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
2671873	ZZKNCTY-T. ROWE PRICE -SL	07 Apr 22 INFORMATIONAL ONLY					

NAVIENT CORPORATION (2016)	FILED	11 Apr 22	16 Apr 14 16 Nov 21	13 Apr 22	24 Feb 22 09 Jul 21	JND Legal Administration	www.navientsecuritieslitigation.com
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Account Notified/Filed	Account Notified/Filed Name	Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
2671874	ZZKNCTY-PANAGORA -SL	11 Apr 22 FILED					
KNC08	KNCTY-WESTERN ASSET MGMT CO HY	11 Apr 22 FILED					
KNC11	KNCTY-PIMCO CP	11 Apr 22 FILED					

SAKS INCORPORATED (NY SUPREME COURT)	DISBURSING	18 Apr 22	29 Jul 13 04 Nov 13	05 Apr 21	05 Apr 21 05 Apr 21	JND Legal Administration	www.sakssecuritiessettlement.com
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Account Notified/Filed	Account Notified/Filed Name	Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
2671876	ZZKNCTY-FISHER INVESTMENT	11 Mar 21 FILED					

Class Action Reports

◆ Class Action Activity Detail by Event Name

Class Action Name	Event Status	Event Status As Of	Class Start Class End	Filing Deadline	Objection/ Exclusion Deadline	Claims Admin Name	Web Address
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Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from, categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting complies with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report .

Class Action Reports

Class Action Proceeds by Account

Account Paid	Account Paid Name	Class Action Name	Gross Amount Paid	Net Amount Paid	Service Charge	Processing Charge	Currency	Date Distributed
2608468	KNCTY-CASH ACCOUNT	DHB INDUSTRIES INC.	0.86	0.86	0.00	0.00	USD	07 Mar 22
2608468	KNCTY-CASH ACCOUNT	FIRST SOLAR, INC.	1,106.68	1,106.68	0.00	0.00	USD	04 Feb 22
Sub Total	2608468	and Currency USD	1,107.54	1,107.54	0.00	0.00		

Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from, categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting complies with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report .



SACRS Annual Spring Business Meeting

Friday, May 13, 2022
10 am – Upon Adjournment

Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA
Salon's A-E



Vision, Mission, Core Values

The members and staff of the State Association of County Retirement Systems (SACRS) share a common purpose, mission and core values.

Statement of Purpose

The specific and primary purposes of SACRS are to provide forums for disseminating knowledge of and developing expertise in the operation of 20 county retirement systems existing under the County Employees Retirement Law of 1937 (CERL) sets forth in California Government Code section 31450 et. seq., and to foster and take an active role in the legislative process as it affects county retirement systems.

Mission Statement

The mission of this organization shall be to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation.

Core Values

Teamwork

Integrity

Education

Service and Support



SACRS Business Meeting Agenda
Friday, May 13, 2022
Omni Rancho Las Palmas Resort & Spa
Rancho Mirage, CA
Salon's A-E

SACRS Parliamentarian – David Lantzer, San Bernardino CERA
Sergeant at Arms – Brian Williams, Sonoma CERA

1. SACRS System Roll Call

Vacant, SACRS Secretary

2. Secretary's Report - Receive and File

Vacant, SACRS Secretary

- A. November 2021 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2021 – February 2022 Financials

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update – No Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

- A. 2022 Legislative Report – No Action
- B. SACRS Board of Directors Legislative Proposal – No Action

6. SACRS Nomination Committee - 2022-2023 SACRS Board of Directors Elections –Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

- A. SACRS Board of Directors Elections 2022-2023



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2020-2021 Annual Audit

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Spring 2022 Conference Evaluations/Feedback

9. SACRS Program Committee Report – No Action

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

- A. SACRS Annual Spring 2022 Conference Report

10. SACRS Affiliate Committee Report – No Action

Wally Fikri, William Blair, SACRS Affiliate Committee Chair

- A. Affiliate Committee Update

11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Update

12. SACRS Spring Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 11, 2022 at the Hyatt Regency Long Beach, Long Beach, CA unless Covid-19 restrictions are in place.



1. SACRS System Roll Call

Vacant, SACRS Secretary



1. SACRS System Roll Call
Vacant, SACRS Secretary

System	In Attendance	Absent	Delegate/Alternate Name
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



2. Secretary's Report - Receive and File

Vacant, SACRS Secretary

- A. November 2021 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, November 12, 2021
10:00 AM – 11:30 AM
Loews Hollywood Hotel, Hollywood, CA
Ray Dolby Ballroom

SACRS Parliamentarian – TBD
Sergeant at Arms – Bob Goodchild, San Diego CERA

Meeting called to order at 10:06 am

SACRS Board of Directors in Attendance:

Vivian Gray, President; Roger Hilton, Vice President; Kathryn Cavness, Secretary; Harry Hagen, Treasurer; David MacDonald, Board member; Vere Williams, Board member; Dan McAllister, Immediate Past President, Scott Draper, Affiliate Committee Chair

1. SACRS System Roll Call

Thomas Garcia, Imperial CERS, SACRS Secretary

20 SACRS Member Systems Present

Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

2. Secretary's Report - Receive and File

Thomas Garcia, Imperial CERS, SACRS Secretary

A. Spring 2021 SACRS Business Meeting Minutes

Motion: A motion to approve the Spring 2021 SACRS Business Meeting Minutes was submitted by San Diego County.

2nd: Contra Costa County

Yes: All

No: 0

Motion Passes 20-0

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2021 Financials

B. 2021-2022 Annual Budget



Motion: A motion to approve the Treasurer’s report and the 2021 – 2022 Annual Budget was submitted by San Bernardino County.

2nd: San Diego County

Yes: All

No: 0

Motion Passes 20-0

4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

Discussion, no action taken. Vivian Gray provided a verbal update of upcoming strategic goals of the Board for the 2022 year.

5. SACRS Legislative Committee Update – Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

A. 2021 Legislative Report – No Action

B. SACRS Board of Directors Legislative Proposal – Action

Motion: A motion to approve the SACRS Board of Directors Legislative Proposal for 2022 CERL clean-up bill was submitted by San Diego County

2nd: Fresno County

Yes: All

No: 0

Motion passes 20-0

6. SACRS Nomination Committee – 2022-2023 SACRS Election Notice – No Action

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Election Notice 2022-2023

Discussion only, no action. Dan McAllister asked systems to alert staff and trustees that might be interested in serving on the Board that the elections begin January 1, 2022.

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS Annual Audit Update



Discussion only, no action. Steve Delaney reported that the annual audit will be presented to the Board in January 2022 and presented to the membership at the Spring 2022 Business Meeting.

8. SACRS Education Committee Report – No Action
JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Fall Conference 2021 Evaluations/Feedback

Discussion only, no action. JJ Popowich proved a verbal report of the Education committee meeting and review of all sessions. JJ reported that the group thought it was a great conference, really liked Frances Donald keynote speaker, moderator John D’Agostino and the conference as a whole. Will provide full report to the Board in January 2022.

9. SACRS Program Committee Report – No Action
Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

A. SACRS Annual Fall Conference 2021 report

Discussion only, no action. Kathryn Cavness thanked the committee members and welcomed feedback via the evaluations online.

10. SACRS Affiliate Committee Report – No Action
Scott Draper, Algert Global, SACRS Affiliate Committee Chair

A. Affiliate Committee report

Discussion only, no action. Alex Tanase provided a verbal update on the Affiliate breakout and the new affiliate members.

11. SACRS Bylaws Committee Report – No Action
Chair Position Open, SACRS Bylaws Committee Chair

A. No report

No report.

12. SACRS Fall Conference Breakout Reports – No Action
A representative from each breakout will give report on their meetings.

- Administrators – Don Kendig, Fresno CERA, gave a verbal report on the Administrators breakout, well attended. Santos Kreimann will be the Spring 2022 Moderator.



- Counsel – **No report**
- Disability/ Operations & Benefits Combo – **JJ Popowich, Los Angeles CERA, provided a verbal update, good session and well attended. Carlos Barrios, Los Angeles CERA, will be the Spring 2022 Moderator.**
- Internal Auditors – **No report**
- Investment Officers – **Closed session, no report**
- Safety Trustees – **Brian Williams, Sonoma CERA, provided a verbal update, volunteered as the Spring 2022 Moderator.**
- General Trustees – **Kathryn Cavness, Mendocino CERA, provided a verbal update, good session and was very informative as a follow up to the General Session David Burkus provided.**

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 13, 2022 at the Rancho Las Palmas Hotel in Rancho Mirage, CA.

Motion: A motion to adjourn the meeting at 10:32 am was submitted by Imperial County.

2nd: Contra Costa County

Yes: All

No: 0

Motion passes 20-0



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2021 – February 2022 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of February 28, 2022

Feb 28, 22

ASSETS

Current Assets

Checking/Savings

1000 · First Foundation Bank-Checking	98,871.44
1001 · BofA Interest Checking 4389	46,667.68
1002 · First Foundation Bank ICS Acct	57,571.86

Total Checking/Savings 203,110.98

Other Current Assets

1100 · CalTrust - Medium Term	962,940.48
1107 · CalTrust Liquidity Fund	8,226.92
1110 · CAMP-SACRS Liquidity Fund	791,390.86
1201 · Deposits in Transit	3,855.00

Total Other Current Assets 1,766,413.26

Total Current Assets 1,969,524.24

TOTAL ASSETS 1,969,524.24

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

2200 · First Foundation Credit Card	924.23
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Total Credit Cards 924.23

Total Current Liabilities 924.23

Total Liabilities 924.23

Equity

32000 · Retained Earnings 2,034,191.90

Net Income -65,591.89

Total Equity 1,968,600.01

TOTAL LIABILITIES & EQUITY 1,969,524.24

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2021 through February 2022

Jul '21 - Feb 22

Ordinary Income/Expense

Income

4100 · Membership Dues	
4101 · Affiliates	203,750.00
4102 · Non Profit - Organizations	2,740.00
4103 · Non Profit - Systems	7,500.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
Total 4100 · Membership Dues	<u>307,990.00</u>
4200 · Webinar Symposium Registration	350.00
4250 · Product Income	
4251 · CERL	25.00
Total 4250 · Product Income	<u>25.00</u>
4270 · UC Berkeley Program	
4271 · Registrations	5,650.00
4272 · Sponsorships	10,000.00
Total 4270 · UC Berkeley Program	<u>15,650.00</u>
4300 · Fall Conference Registration	
4301 · Affiliates - Early	120,360.00
4302 · Affiliates - Regular	97,180.00
4303 · Affiliates - Late/Onsite	52,480.00
4304 · Non Profit	720.00
4305 · Systems	13,560.00
4306 · Non-Members	214,880.00
4307 · Fun Run	1,290.00
4308 · Yoga	675.00
4300 · Fall Conference Registration - Other	-1,260.00
Total 4300 · Fall Conference Registration	<u>499,885.00</u>
4350 · Spring Conference Registration	
4351 · Affiliates - Early	93,120.00
4355 · Systems	5,400.00
4356 · Non-Members	34,710.00
4357 · Fun Run	495.00
4358 · Yoga	270.00
Total 4350 · Spring Conference Registration	<u>133,995.00</u>
4900 · Interest Earned	-16,270.48

Total Income 941,624.52

Gross Profit 941,624.52

Expense

5000 · Administrative Fee	120,146.60
5001 · Administrative Services	315.25
5002 · Awards	193.00
5003 · Bank Charges/Credit Card Fees	21,999.41
5010 · Berkeley & Symposium	
5012 · Delivery & Shipping	922.40
5015 · Materials/Printing/Design	25.49

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>
5017 · UC Berkeley	108,000.00
Total 5010 · Berkeley & Symposium	108,947.89
5020 · Webinar Symposium	
5022 · Webinar Technology	28,625.00
Total 5020 · Webinar Symposium	28,625.00
5040 · Commissions & Fees	10,005.00
5041 · Consulting	19,881.76
5042 · Dues & Subscriptions	600.00
5050 · Fall Conference	
5051 · Audio/Visual	86,292.50
5052 · Delivery & Shipping	1,998.41
5054 · Hotel	
5054.1 · Wednesday Night Event	12,234.00
5054.2 · Conference	34,972.50
5054.3 · Food & Beverage	181,293.50
5054 · Hotel - Other	80,986.66
Total 5054 · Hotel	309,486.66
5055 · Program Material	24,182.03
5056 · Speakers	55,914.53
5057 · Supplies	1,137.51
5058 · Travel	12,126.21
Total 5050 · Fall Conference	491,137.85
5070 · Insurance	4,421.00
5071 · Legal & Professional Fees	24,625.74
5072 · Legislative Advocacy	40,008.00
5080 · Magazine	
5081 · Delivery & Shipping	327.11
5082 · Design/Printing/Etc.	9,954.47
5083 · Magazine - Other	13,055.00
Total 5080 · Magazine	23,336.58
6000 · Board & Committees	
6001 · Board of Directors	
6001.1 · Food & Beverage	7,918.37
6001.2 · Printing/Supplies	2,456.58
6001.3 · Travel - BOD Meetings	6,712.20
6001.4 · Travel - Miscellaneous BOD	8,590.56
6001.5 · Board Of Directors - Other	7,234.23
6001 · Board of Directors - Other	7,873.70
Total 6001 · Board of Directors	40,785.64
Total 6000 · Board & Committees	40,785.64
6010 · Office Expenses / Supplies	1,324.38
6011 · Postage & Delivery	5,984.40
6020 · Spring Conference	
6025 · Program Material	2,380.00
6026 · Speakers	23,500.00
6020 · Spring Conference - Other	1,107.95

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Profit & Loss

July 2021 through February 2022

	<u>Jul '21 - Feb 22</u>
Total 6020 · Spring Conference	26,987.95
6051 · Taxes & Licenses	569.88
6053 · Technology/AMS/Website	34,609.76
6054 · Travel	2,711.32
Total Expense	<u>1,007,216.41</u>
Net Ordinary Income	<u>-65,591.89</u>
	<u><u>-65,591.89</u></u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2021 through February 2022

	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 · Membership Dues				
4101 · Affiliates	203,750.00	268,750.00	-65,000.00	75.81%
4102 · Non Profit - Organizations	2,740.00	2,750.00	-10.00	99.64%
4103 · Non Profit - Systems	7,500.00	6,000.00	1,500.00	125.0%
4104 · Systems - Medium	52,000.00	52,000.00	0.00	100.0%
4105 · Systems - Large	42,000.00	42,000.00	0.00	100.0%
4100 · Membership Dues - Other	0.00	0.00	0.00	0.0%
Total 4100 · Membership Dues	307,990.00	371,500.00	-63,510.00	82.9%
4200 · Webinar Symposium Registration				
4201 · Affiliates - Early	0.00	200.00	-200.00	0.0%
4202 · Affiliates - Regular	0.00	200.00	-200.00	0.0%
4203 · Affiliates - Late/Onsite	0.00	200.00	-200.00	0.0%
4204 · Non Profit	0.00	200.00	-200.00	0.0%
4205 · Systems	0.00	200.00	-200.00	0.0%
4206 · Non-Members	0.00	200.00	-200.00	0.0%
4200 · Webinar Symposium Registration - Other	350.00	0.00	350.00	100.0%
Total 4200 · Webinar Symposium Registration	350.00	1,200.00	-850.00	29.17%
4250 · Product Income				
4251 · CERL	25.00	0.00	25.00	100.0%
4255 · Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
Total 4250 · Product Income	25.00	2,000.00	-1,975.00	1.25%
4270 · UC Berkeley Program				
4271 · Registrations	5,650.00	60,000.00	-54,350.00	9.42%
4272 · Sponsorships	10,000.00	40,000.00	-30,000.00	25.0%
4270 · UC Berkeley Program - Other	0.00	0.00	0.00	0.0%
Total 4270 · UC Berkeley Program	15,650.00	100,000.00	-84,350.00	15.65%
4300 · Fall Conference Registration				
4301 · Affiliates - Early	120,360.00	140,000.00	-19,640.00	85.97%
4302 · Affiliates - Regular	97,180.00	60,000.00	37,180.00	161.97%
4303 · Affiliates - Late/Onsite	52,480.00	70,400.00	-17,920.00	74.55%
4304 · Non Profit	720.00	960.00	-240.00	75.0%
4305 · Systems	13,560.00	20,000.00	-6,440.00	67.8%
4306 · Non-Members	214,880.00	200,250.00	14,630.00	107.31%
4307 · Fun Run	1,290.00	500.00	790.00	258.0%
4308 · Yoga	675.00	100.00	575.00	675.0%
4300 · Fall Conference Registration - Other	-1,260.00	0.00	-1,260.00	100.0%
Total 4300 · Fall Conference Registration	499,885.00	492,210.00	7,675.00	101.56%
4350 · Spring Conference Registration				
4351 · Affiliates - Early	93,120.00	140,000.00	-46,880.00	66.51%
4352 · Affiliates - Regular	0.00	60,000.00	-60,000.00	0.0%
4353 · Affiliates - Late/Onsite	0.00	70,400.00	-70,400.00	0.0%
4354 · Non Profit	0.00	960.00	-960.00	0.0%
4355 · Systems	5,400.00	20,000.00	-14,600.00	27.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2021 through February 2022

	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
4356 · Non-Members	34,710.00	200,250.00	-165,540.00	17.33%
4357 · Fun Run	495.00	500.00	-5.00	99.0%
4358 · Yoga	270.00	100.00	170.00	270.0%
Total 4350 · Spring Conference Registration	133,995.00	492,210.00	-358,215.00	27.22%
4900 · Interest Earned	-16,270.48	-953.55	-15,316.93	1,706.31%
Total Income	941,624.52	1,458,166.45	-516,541.93	64.58%
Gross Profit	941,624.52	1,458,166.45	-516,541.93	64.58%
Expense				
5000 · Administrative Fee	120,146.60	180,000.00	-59,853.40	66.75%
5001 · Administrative Services	315.25	500.00	-184.75	63.05%
5002 · Awards	193.00	500.00	-307.00	38.6%
5003 · Bank Charges/Credit Card Fees	21,999.41	36,000.00	-14,000.59	61.11%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	2,200.00	-2,200.00	0.0%
5012 · Delivery & Shipping	922.40			
5013 · Hotel	0.00	12,500.00	-12,500.00	0.0%
5014 · Food & Beverage	0.00	12,500.00	-12,500.00	0.0%
5015 · Materials/Printing/Design	25.49	3,000.00	-2,974.51	0.85%
5016 · Travel	0.00	2,500.00	-2,500.00	0.0%
5017 · UC Berkeley	108,000.00	216,000.00	-108,000.00	50.0%
Total 5010 · Berkeley & Symposium	108,947.89	248,700.00	-139,752.11	43.81%
5020 · Webinar Symposium				
5022 · Webinar Technology	28,625.00	25,000.00	3,625.00	114.5%
Total 5020 · Webinar Symposium	28,625.00	25,000.00	3,625.00	114.5%
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5040 · Commissions & Fees	10,005.00	20,000.00	-9,995.00	50.03%
5041 · Consulting	19,881.76	19,992.00	-110.24	99.45%
5042 · Dues & Subscriptions	600.00	3,700.00	-3,100.00	16.22%
5050 · Fall Conference				
5051 · Audio/Visual	86,292.50	60,000.00	26,292.50	143.82%
5052 · Delivery & Shipping	1,998.41	2,500.00	-501.59	79.94%
5053 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
5054 · Hotel				
5054.1 · Wednesday Night Event	12,234.00	65,000.00	-52,766.00	18.82%
5054.2 · Conference	34,972.50	15,000.00	19,972.50	233.15%
5054.3 · Food & Beverage	181,293.50	250,000.00	-68,706.50	72.52%
5054 · Hotel - Other	80,986.66	0.00	80,986.66	100.0%
Total 5054 · Hotel	309,486.66	330,000.00	-20,513.34	93.78%
5055 · Program Material	24,182.03	25,000.00	-817.97	96.73%
5056 · Speakers	55,914.53	50,000.00	5,914.53	111.83%
5057 · Supplies	1,137.51	500.00	637.51	227.5%
5058 · Travel	12,126.21	15,000.00	-2,873.79	80.84%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2021 through February 2022

	Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
5050 · Fall Conference - Other	0.00	0.00	0.00	0.0%
Total 5050 · Fall Conference	491,137.85	489,500.00	1,637.85	100.34%
5070 · Insurance	4,421.00	5,000.00	-579.00	88.42%
5071 · Legal & Professional Fees	24,625.74	35,000.00	-10,374.26	70.36%
5072 · Legislative Advocacy	40,008.00	60,012.00	-20,004.00	66.67%
5080 · Magazine				
5081 · Delivery & Shipping	327.11	600.00	-272.89	54.52%
5082 · Design/Printing/Etc.	9,954.47	20,000.00	-10,045.53	49.77%
5083 · Magazine - Other	13,055.00	5,200.00	7,855.00	251.06%
5080 · Magazine - Other	0.00	0.00	0.00	0.0%
Total 5080 · Magazine	23,336.58	25,800.00	-2,463.42	90.45%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	7,918.37	25,000.00	-17,081.63	31.67%
6001.2 · Printing/Supplies	2,456.58	4,000.00	-1,543.42	61.42%
6001.3 · Travel - BOD Meetings	6,712.20	11,000.00	-4,287.80	61.02%
6001.4 · Travel - Miscellaneous BOD	8,590.56	3,500.00	5,090.56	245.45%
6001.5 · Board Of Directors - Other	7,234.23	3,000.00	4,234.23	241.14%
6001 · Board of Directors - Other	7,873.70			
Total 6001 · Board of Directors	40,785.64	46,500.00	-5,714.36	87.71%
6002 · Legislative Committee Meetings	0.00	250.00	-250.00	0.0%
6003 · Program Committee Meetings	0.00	2,500.00	-2,500.00	0.0%
Total 6000 · Board & Committees	40,785.64	49,250.00	-8,464.36	82.81%
6010 · Office Expenses / Supplies	1,324.38	2,500.00	-1,175.62	52.98%
6011 · Postage & Delivery	5,984.40	3,000.00	2,984.40	199.48%
6020 · Spring Conference				
6021 · Audio/Visual	0.00	60,000.00	-60,000.00	0.0%
6022 · Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	65,000.00	-65,000.00	0.0%
6024.2 · Conference	0.00	0.00	0.00	0.0%
6024.4 · Hotel - Other	0.00	25,000.00	-25,000.00	0.0%
6024 · Hotel - Other	0.00	0.00	0.00	0.0%
Total 6024 · Hotel	0.00	90,000.00	-90,000.00	0.0%
6025 · Program Material	2,380.00	25,000.00	-22,620.00	9.52%
6026 · Speakers	23,500.00	50,000.00	-26,500.00	47.0%
6027 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 · Travel	0.00	15,000.00	-15,000.00	0.0%
6020 · Spring Conference - Other	1,107.95	0.00	1,107.95	100.0%
Total 6020 · Spring Conference	26,987.95	250,000.00	-223,012.05	10.8%
6050 · Strategic Facilitator	0.00	15,000.00	-15,000.00	0.0%
6051 · Taxes & Licenses	569.88	50.00	519.88	1,139.76%
6053 · Technology/AMS/Website	34,609.76	45,000.00	-10,390.24	76.91%
6054 · Travel	2,711.32	7,500.00	-4,788.68	36.15%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2021 through February 2022

Total Expense
Net Ordinary Income

Jul '21 - Feb 22	Budget	\$ Over Budget	% of Budget
1,007,216.41	1,539,804.00	-532,587.59	65.41%
-65,591.89	-81,637.55	16,045.66	80.35%
-65,591.89	-81,637.55	16,045.66	80.35%



4. SACRS President Report - No Action

Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update



No printed materials for this item



5. SACRS Legislative Committee Update – Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

- A. 2022 Legislative Report – No Action
- B. SACRS Board of Directors Legislative Proposal – No Action



April 1, 2022

TO: State Association of County Retirement Systems
FROM: Edelstein Gilbert Robson & Smith, LLC
RE: **Legislative Update – April 2022**

General Update

As the Legislature goes into April, policy committee hearings are in full swing. Policy Committees will continue for fiscal bills (bills that have a cost to the state) until April 29. Bills keyed non-fiscal have until May 6 to be heard in policy committee. Following the policy committee deadline, fiscal legislation faces its next hurdle, the fiscal committee deadline on May 20.

Now that case rates are declining, activity in the Legislature has been shifting increasingly towards in-person rather than virtual meetings. Virtual meetings are still occurring, but more legislative staff are working from the “Swing Space” rather than from home, increasing opportunities for in-person lobbying.

SACRS Sponsored Bills

As discussed in previous reports, the various policy proposals to amend the CERL that were approved by the SACRS membership were amended into the two bills below.

AB 1824 (Committee on Public Employment and Retirement) – Committee Cleanup Bill. The bill passed out of the Assembly Public Employment and Retirement Committee unanimously and will be heard in the Assembly Appropriations Committee next.

AB 1971 (Cooper) – CERL Policy Bill. The Legislative Committee Co-Chairs and SACRS lobbying team held a series of discussions with stakeholders on the bill. Based on those discussions and concerns raised by SEIU, the California Professional Firefighters, and the Police Officers Research Association of CA (PORAC), AB 1971 will be amended with various technical clarifications and to strike sections six and eight of the bill. Discussions will continue regarding a couple outstanding items. The bill has not yet been set for hearing in its policy committee.

We will continue to keep SACRS updated as these two bills move through the legislative process.

Other Bills of Interest

AB 2493 (Chen) – Orange County Employees Retirement System: Disallowed Compensation. This bill was recently amended with substantive language that allows OCERS to adjust retirement payments based on disallowed compensation for peace officers and firefighters under certain circumstances.

The bill has not yet been set for hearing.

Compensation Earnable Bills – Last session, two bills were introduced relating to compensation earnable - **AB 498 (Quirk-Silva)** and **AB 826 (Irwin)**. As reported in previous updates, AB 826 was gutted and amended in June of 2021 with the CERL provisions currently contained in the bill. The bill was placed on the Senate Inactive File in September, where it remains. AB 498 (Quirk Silva) was similarly amended at the end of session last year in September. We have reached out to these offices to inquire about whether these bills will be further amended or brought up for votes later this year. Neither office had any updates at this time. We will periodically check back for further updates.

SB 1328 (McGuire) – Divestment. This bill would prohibit all public retirement boards subject to PEPRA from investing public employee retirement funds in a company with business operations in Russia or Belarus, among other requirements.

The bill passed out of the Senate Labor, Public Employment and Retirement Committee and Senate Governmental Organization Committee unanimously. It will go to the Senate Appropriations Committee next.

SACRS has not taken a formal position on the bill but has submitted a “letter of concern” outlining the administrative concerns raised by member systems.

Public Meeting Bills. During the pandemic, public agencies have relied upon the Brown Act flexibilities created via Executive Order and previous legislation to continue to conduct business while keeping the public and members safe. As the pandemic evolves, public agencies continue to recognize the benefits of teleconferencing, and multiple bills have been introduced on the topic this year to continue teleconference flexibilities:

AB 1944 (Lee) – Public Meetings. This bill would eliminate the requirement to post each board member address on public agendas for remote meetings. For public meetings that elect to use teleconferencing, the legislative body would be required to provide a video stream accessible to members of the public and an option for members of the public to address the legislative body remotely during public comment through a video or call-in option.

SACRS is supporting this bill. The bill has not yet been set for hearing in policy committee.

AB 2449 (Rubio) – Public Meetings. This bill would allow a local agency to use teleconferencing for a public meeting if at least a quorum of members of the legislative

body participate in person from a single location that is identified on the agenda and is open to the public within the local agency's jurisdiction, among other requirements.

The bill has not yet been sent for hearing.



**6. SACRS Nomination Committee - 2022-2023 SACRS Board of Directors Elections –
Action**

Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Board of Directors Elections 2022-2023



March 15, 2022

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2022-2023 Elections – Final Ballot

SACRS BOD 2022-2023 election process began January 2022. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2022	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2022	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 13, 2022	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference, May 10-13, 2022
May 13, 2022	Board of Directors take office for 1 year (until Spring 2023 Elections)

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. *The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members*

A. Immediate Past President. *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*

B. Two (2) Regular Members. *Two (2) regular members shall also be members of the Board with full voting rights.*

Section 2. Elections of Directors. *Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.



The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections will be held at the SACRS Spring Conference on Friday, May 13, 2022 during the scheduled business meeting at the Omni Rancho Las Palmas Hotel and Resort in Rancho Mirage, CA.

SACRS Nominating Committee Recommended Slate:

- President – Vivian Gray, Los Angeles CERA
- Vice President – David MacDonald, Contra Costa CERA
- Treasurer – Jordan Kaufman, Kern CERA
- Secretary – Adele Tagaloa, Orange CERS
- Regular Member – Vere Williams, San Bernardino CERA
- Regular Member – David Gilmore, San Diego CERA

No other letters of intent or submissions were received.

Please prepare your voting delegate to have the ability to vote by the recommended ballot and by each position separately.

If you have any questions, please contact me at Dan McAllister, Dan.McAllister@sdcounty.ca.gov or (619) 531-5231.

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee
SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director

Attached: Candidate submissions

SACRS Submission for President

VIVIAN H. GRAY

300 N. LAKE AVENUE, SUITE 820 ~PASADENA, CA 91101 ~ VGRAY@LACERA.COM

February 23, 2022

VIA EMAIL

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister and Members of the Nominating Committee:

I would like to express my desire to be considered for SACRS' President for 2022/2023.

I have been humbly honored to serve as SACRS President for two years. 2020 was a very difficult year for everyone. SACRS was no exception. 2021 was difficult also as we had to get back on our feet, stand tall and continue with our mission in spite of a "new normal" we faced.

My focus in 2021 for SACRS expanded two original concepts of "Relevance and Sustainability" to "Recovery, Relevance and Sustainability". Within these three concepts, SACRS was able to begin 'recovery' from the pandemic while adhering to health restrictions; remain 'relevant' to the pension community through innovative approaches to education and 'sustainable' by building on technological advances to return to live conference for our members yet also continue to provide quality education through alternative mediums.

Most notably SACRS accomplishments for 2020 and 2021 include, but are not limited to the following:

- Continued communications with 37 Act systems and administrators through SACRS' website and SACRS Magazine
- Presentation of SACRS 2020 conferences in a virtual format without sacrificing quality of speakers, presentations or interactions among trustees, affiliates and staff and "in-person" return in 2021 and Spring 2022.
- Presenting the SACRS Berkeley Education Program in a virtual format with on-demand replays of the classes presented
- Maintaining an active role in the legislative process as it affected county retirement systems

In spite of the pandemic and post pandemic challenges, I am very proud of the work SACRS' Board has accomplished under my leadership. We continue to be productive while recovering and remaining relevant and sustainable for the SACRS membership.

I would be honored to serve another term as President of SACRS. Thank you in advance for your consideration of my candidacy for re-election.

Sincerely,

Vivian Gray

cc: Sulema Peterson, SACRS

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**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2022-2023**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vivian H. Gray
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 300 N. Lake Ave., Ste. 820, Pasadena CA 91101 Email Address: viviangray@aol.com, vgray@lacera.com Phone: 213.440.0142
Name of Retirement System Candidate Currently Serves On	System Name: Los Angeles County Employees Retirement Assoc. (LACERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input checked="" type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	2021 President, SACRS 2019 Vice Chair, SACRS President 2017 Chair, SACRS Bylaws Committee Elected general member trustee since 2012 38 years of service to Los Angeles County 10 years in Law Enforcement 28 years as an attorney for Los Angeles County 6 years in private law practice Education/Pension Trustee Certificates - Bachelors of Arts: UCLA - JD: UWLA - New York Law School -Public Pension Trustee Fiduciary Program - Stanford Law School (CALAPRS) -Principles of Pension Management - Harvard Law School Program - Trustee Work Life - UC Berkeley (SACRS) - Modern Investment Theory & Practice for Retirement Systems - IFEBP -Trustee Master's Program - NCPERS Public Pension Funding Forum - National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

SACRS Submission for Vice President

David J MacDonald, MD

255 Ramsgate Way
Vallejo, CA 94591
dmacdcccera@gmail.com
510-409-4458 (mobile)

February 11, 2022

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister,

I would like to express my interest in running as Vice President for the SACRS' Board of Directors for the 2021/2022 year.

I was first elected to the SACRS board in 2020. I am also an elected trustee of the CCCERA Retirement Board (since 2016) and currently serve as CCCERA Board Vice Chair. I appreciate the level of responsibility entrusted to me in looking after our members' retirement plans. I understand the incredible value of a defined benefit plan for my coworkers and our retirees.

I have a long history of dedicated service to my coworkers and union members and I carry this spirit into my role as an elected trustee. My work with SACRS has meant for further education and inspiration from the SACRS organization via its conferences and programs. SACRS has enhanced my abilities to serve as an effective CCCERA trustee.

I desire to continue my service on the SACRS board. Doing so allows me to further promote, protect and build upon pension programs under CERL for county public employees statewide.

Thank you for your time and consideration.

Sincerely and Respectfully,

David J MacDonald, MD

David J MacDonald, MD



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David J. MacDonald, MD
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 255 Ramsgate Way, Vallejo, CA 94591 Email Address: dmacdcccera@gmail.com Phone: 510-409-4458
Name of Retirement System Candidate Currently Serves On	System Name: CCCERA
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected X <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input checked="" type="radio"/> Vice President X <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	* SACRS Board of Directors, Member – 2020-2021 & 2021-2022 * Vice Chair, CCCERA Board of Retirement * Elected general member trustee of CCCERA since 2016 * President, Physicians’ and Dentists’ of Contra Costa (PDOCC), since 2010 (Union for health care providers working at Contra Costa County). * 28 years serving on the PDOCC Executive Board, including many years as Vice President and President. * 31 years of service to Contra Costa County as a physician working in the Department of Health Services. * Education/Pension Trustee Certificates: - Bachelors of Science, Biology – UC Irvine - Doctor of Medicine – UC Irvine - UC Berkeley (SACRS) – Modern Investment Theory & Practice for Retirement Systems - Wharton Business School – Portfolio Concepts & Management - IFEBP – CAPPP program - CALAPRS Trustee Education – Principles of Pension Governance

SACRS Submission for Treasurer



Jordan Kaufman
Treasurer and Tax Collector
Chase Nunneley
Assistant Treasurer and Tax Collector

February 9, 2022

Dan McAllister, Nominating Committee Chairman
State Association of County Retirement Systems

Re: Letter of interest for SACRS position of Treasurer of the Board of Directors

Dear Mr. McAllister and members of the Nominating Committee,

Thank you for the opportunity to express my interest in the position of Treasurer of the SACRS Board of Directors. I believe that I have the knowledge, experience and motivation to add value to the Board. I am in my second term as the elected Kern County Treasurer-Tax Collector, and I am a 17 year member of the Kern County Employees Retirement Association (KCERA) as a general elected, alternate, and statutory trustee. I have a deep background in public fund investment and retirement plan administration and I am or have been the Treasurer of many organizations and associations.

As the elected Treasurer-Tax Collector, I manage the County's \$4.5 billion treasury pool, provide banking services to over 200 different county agencies and districts, and collect over \$1.3 billion in local property taxes. I am also the Plan Administrator for the County's 457(b) deferred compensation plan with over \$720 million in participant assets.

I am or have been the Treasurer of the following entities: County of Kern; California Association of County Treasurer's and Tax Collectors (CACTTC); United Way of Kern County; Boy Scouts of America Southern Sierra Council; California Statewide Communities Development Authority (CSCDA); and Kern County Management Council.

I have dedicated my career to public service and I am proud to serve the residents of Kern County and the employees of the County of Kern. I am interested in becoming more involved in pension and investment management on a larger scale and I feel that my knowledge and expertise outlined above would make me a good candidate for the Treasurer of the Board. I feel I could bring value to the board while at the same time expanding my knowledge base in pension management and administration.

Attached is my resume for your information. Thank you in advance for your consideration and feel free to call me if you have any questions at 661-204-1510.

Sincerely,

Jordan Kaufman
Kern County Treasurer-Tax Collector
Deferred Compensation Plan Administrator

Attachment

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**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2022-2023**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcountry.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Jordan Kaufman
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1115 Truxtun Avenue, 2nd floor Bakersfield, CA 93301 Email Address: jkaufman@kerncounty.com Phone: (661) 868-3454
Name of Retirement System Candidate Currently Serves On	System Name: Kern County Employees' Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="radio"/> Other <u>Statutory</u>
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input checked="" type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	I am in my second term as the elected Kern County Treasurer-Tax Collector with fiduciary responsibility over the \$4.5 billion Treasury Investment Pool and the responsibility of annually collecting over \$1.3 billion in local property taxes. I am also the Plan Administrator for the \$720 million deferred compensation plan for County employees. Prior to being elected, I became the assistant Treasurer-Tax Collector in 2006. Prior to 2006, I spent over a decade in the County Administrative Office where I performed budget and policy analysis and was involved in the issuance of various types of municipal bonds for the County. I am the Treasurer and past Chairman of the United Way of Kern County, Trustee and past Chairman of the Kern County Employees Retirement Association (KCERA), Commissioner on the California Statewide Communities Development Authority (CSCDA), Treasurer of the Boy Scouts of America Southern Sierra Council, and an Adjunct Professor at the California State University Bakersfield. I have a Bachelor of Science degree in Industrial Technology from Cal Poly San Luis Obispo. I live in Bakersfield with my beautiful wife Kristen and we have four children.

SACRS Submission for Secretary



Serving the Active and Retired Members of:

CITY OF SAN JUAN
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY
CEMETERY DISTRICT

ORANGE COUNTY CHILDREN &
FAMILIES COMMISSION

ORANGE COUNTY
DEPARTMENT OF EDUCATION
(CLOSED TO NEW MEMBERS)

ORANGE COUNTY
EMPLOYEES RETIREMENT
SYSTEM

ORANGE COUNTY FIRE
AUTHORITY

ORANGE COUNTY IN-HOME
SUPPORTIVE SERVICES PUBLIC
AUTHORITY

ORANGE COUNTY LOCAL
AGENCY FORMATION
COMMISSION

ORANGE COUNTY PUBLIC LAW
LIBRARY

ORANGE COUNTY
SANITATION DISTRICT

ORANGE COUNTY
TRANSPORTATION
AUTHORITY

SUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ORANGE

TRANSPORTATION
CORRIDOR AGENCIES

UCI MEDICAL CENTER AND
CAMPUS (CLOSED TO NEW
MEMBERS)

February 23, 2022

By Mail and Electronic Mail [dan.mcallister@sdcounty.ca.gov]

Mr. Dan McAllister
SACRS Nominating Committee Chair
SACRS
840 Richards Blvd.
Sacramento, CA 95811

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2022-2023

Dear Mr. McAllister:

This letter supersedes the letter I sent to you earlier today.

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

On February 22, 2022, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Adele Tagalao, for the position of SECRETARY of the SACRS Board of Directors, and directed me to submit this nomination to the SACRS Nominating Committee.

Accordingly, please accept this letter as **OCERS' nomination of OCERS Trustee, Adele Tagalao, for election to the position of SECRETARY of the SACRS Board of Directors at the 2022-2023 SACRS Board of Directors Election to take place on May 13, 2022.**

Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information.

Thank you.

Best regards,

Steve Delaney - Chief Executive Officer
cc: Sulema H. Peterson, SACRS Administrator

Adele Tagaloa

2223 East Wellington Ave, Suite 100, Santa Ana, CA 92804 | 714-349-9716 | atagaloa@ocers.org

February 24, 2022

Mr. Dan McAllister
SACRS Immediate Past President, Nominating Committee Chair
State Association of County Retirement Systems (SACRS)
840 Richards Blvd
Sacramento, CA 95811

Dear Mr. Dan McAllister:

Please accept this letter of my intent to run for SACRS Board of Directors for the office of Secretary.

My 15 years of leadership experience in the private and public sector makes me an exceptional candidate for SACRS Secretary. My experience serving (1) as an Executive Board member of my employee labor organization; (2) my employment by the Registrar of Voters to ensure accurate and transparent elections for 1.8 million registered Orange County voters; and most importantly (3) my service as a Trustee on the Orange County Employees Retirement System has made me uniquely qualified to serve on the SACRS Board of Directors.

My passion for democracy, organized labor, and accessibility education has been the cornerstone of my career and life. Since I have been elected to the OCERS Board of Retirement, my personal trustee education has been one of my main priorities. Although the last two years has proven to be a challenge for in-person education, I prioritized expanding my knowledge on pensions and legislation.

While attending SACRS Fall Conference in 2021, the level of professionalism and outstanding leadership solidified my desire to be more than a future attendee. In SACRS, I have found an organization that like me, understands the challenge and importance of pensions, education and duty for trustees in the CERL 37 Act Systems. I have shared too many people about the fantastic speakers and the subjects that reach beyond pensions at SACRS.

Using my leadership experience, it is my goal to continue to share all the benefits of SACRS to members, support leadership and to continue to make SACRS the premier pension organization in a changing world.

It would be an honor to serve on the SACRS Board of Directors as Secretary and truly appreciate your consideration.

Sincerely,



Adele Tagaloa
Trustee, General Member-Elected
Orange County Employees Retirement System (OCERS)



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2022-2023**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcountry.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Adele Tagaloa
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 2223 East Wellington Ave, Suite 100 Santa Ana, CA 92701 Email Address: atagaloa@ocers.org adele.tagaloa@gmail.com Phone: (714) 349-9716
Name of Retirement System Candidate Currently Serves On	System Name: Orange County Employees Retirement System (OCERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<ul style="list-style-type: none"> ◆ Member, SACRS Program and Bylaws Committee ◆ Elected General Member Trustee, OCERS, 2020 to present 12 1/2 years of service to the County of Orange Proudly serving 1.8 million registered voters at the Registrar of Voters office ◆ Chair, OCERS Disability Committee 2020 to present ◆ Vice- Chair, OCERS Investment Committee 2022 to present ◆ Member, OCERS Governance Committee member 2022 to present ◆ Union Steward, Orange County Employees Association (OCEA) 2012 to present ◆ Board of Directors, OCEA 2018 to present ◆ Executive Board of Directors - Secretary, OCEA 2020 to present ◆ Political Action Committee and Scholarship Committee member, OCEA <p>Public Pension Trustee Certificates: Public Pension Investment Management Program - UC Berkeley CALAPRS Principles of Pension Governance and Principles for Trustees Completed 190 hours of education, 2020 - present</p>

SACRS Submission for General Board Member

February 28, 2022

VIA Email

Dan McAllister,
SACRS Immediate Past President/ Nominating Committee Chair
SACRS Nominating Committee

Dear Mr. Immediate Past President/Nominating Committee Chair McAllister,

Please accept this letter as my letter of intent to be a candidate to be re-elected to the position of Regular Member in SACRS Board of Directors Elections 2022-2023.

If re-elected as a Regular Member, I will continue working to ensure that SACRS remain the preeminent educational organization for the CERL 37 Act Systems by maintaining the high caliber of our conferences (both as formal seminars and superb networking opportunities.) I will continue encouraging greater participation from the Trustees and Staff of the 37 Act Systems. I strongly believe in getting involved as demonstrated by my contribution at SACRS' Board meetings and having volunteered to lead a CALAPRS Trustee Roundtable after attending only a few sessions. Over the years, I have served on the governing Boards of the Teamsters Local 1932, the Working Assembly of Governmental Employees and other organizations. Currently, I serve as a Regular Member on SACRS' Board along with being a member of SACRS' Audit and Education committees.

I have been a Trustee with the San Bernardino County Employees' Retirement Association (SBcera) from January 2015 and attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts and/or thought leaders in their field. Since then, I have attended several conferences sponsored by other organizations that are single topic focused and I have also completed certification programs at Wharton, Pepperdine, UCLA and Berkeley. In comparison, SACRS conferences provide a comprehensive insight into the "nuts and bolts" of the functioning of Retirement Systems with an emphasis on current applications of the topics. SACRS provides attendees an opportunity to understand different perspectives thereby encouraging clearer lines of communication and to also hear about what works and what may be problematic. The networking and information sharing opportunities with colleagues at SACRS is immensely valuable. These practical qualities and timely information helped to draw me into the SACRS' orbit.

SACRS recent expansion of the Board to include additional members was a very good strategic move that has helped to enhance the experience pool and expand the knowledge base. I believe the current SACRS Board is a team exhibiting a very good blend of geography, experience and perspective. Consequently, I would very much like to continue contributing (based on my education and experience) to SACRS - a superlative organization: *"Providing insight. Fostering oversight."*

I thank you in advance for your kind consideration and support. It would be a high honor for me to be re-elected to continue serving as a Regular Member on the SACRS Board for the 2022-2023 term.

Please find attached the completed SACRS nomination form.

Respectfully,

Vere Williams

Vere Williams, MBA

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2022-2023**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: <u>Vere Williams</u>
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: <u>8379 Icicle Drive, Pinon Hills, CA 92372</u> Email Address: <u>verevlw@aol.com</u> Phone: <u>(760) 486-6311</u>
Name of Retirement System Candidate Currently Serves On	System Name: <u>San Bernardino County Employees' Retirement Association</u>
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> <u>General Elected</u>
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> <u>Regular Member</u>
Brief Bio	<p>I was elected to SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment Committees. Currently, I serve as a Regular Member of the SACRS Board. My community involvement includes serving on the governing Boards of the Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. I am a past president of the San Bernardino County Association of African-American Employees and currently serves as treasurer for the Hispanic Employees Alliance. I have earned an MBA in Information Management/Accounting and has completed certification courses on Retirement System Management courses at Berkeley, UCLA, Pepperdine and Wharton. I have been an enrolled Agent with the IRS for over 20 years along with more than 25 years working in the finance department at Arrowhead Regional Medical Center. I have been trained in conflict resolution and have completed various workshops and seminars on organization dynamics and interplay. I am currently a member of the SACRS Audit and Education Committees.</p> <p>A guiding quote – "I always wondered why somebody didn't do something about that, then I realized I was somebody." – Lily Tomlin</p>

SACRS Submission for General Board Member

February 25, 2022

Mr. Dan McAllister
Chair
Nominating Committee
State Association of County Retirement Systems

Dear Mr. McAllister,

This letter is to serve as an introduction and to submit my application for the State Association of County Retirement Systems Board of Directors.

I have been working with retirement education since first joining the county of San Diego almost 25 years ago. One of my first educational presentations regarding retirement occurred while I was in the academy with the explanation of deferred compensation and the importance of planning ahead.

Over the past many years, I have been approached and encouraged by my fellow county employees to get involved and help improve communications about retirement. I worked from the retirement committee at the Deputy Sheriff's Association (DSA), then to the retirement chair at the DSA. I have been involved for over 15 years with the County of San Diego Deferred Compensation Advisory Committee. After serving many roles with the DSA and the county of San Diego, I was encouraged to step forward and run for the Board of Trustees at the San Diego County Employee Retirement Association (SDCERA). In 2019 I was elected to the SDCERA Board of Trustees and currently serve as the Secretary.

The support from SACRS has been invaluable for my education as a trustee. The many hours of training that we obtain from SACRS has improved the quality of stewardship for our retirement systems. Additionally, the SACRS support in Sacramento in the form of review and feedback to our legislative branch of government is vital.

My goal is to not only join the SACRS Board of Directors but to contribute to this process of developing and supporting the member county retirement systems. I respectfully request and thank you in advance for the consideration of the Nominating Committee in supporting my candidacy for election to the SACRS Board of Directors.

Respectfully,

David Gilmore
SDCERA Trustee



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2022-2023**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2022.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David Gilmore
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 2275 Rio Bonito Way, San Diego, CA 92108-1685 Email Address: DGilmore@SDCERA.ORG Phone: 619-770-7854
Name of Retirement System Candidate Currently Serves On	System Name: San Diego County Employees Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<input type="radio"/> Chair <input type="radio"/> Alternate <input checked="" type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other _____
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
Brief Bio	<p>David Gilmore was elected to the SDCERA Board of Directors in 2019 and serves as the Board Secretary. He is on the Audit Committee for this fund of over \$17 billion. He served for over twenty years in various roles with the Deputy Sheriff's Association including being elected to the Board of Directors where he was the Secretary Treasurer. Prior to joining the Sheriff's Department in 1997, he was an internal auditor and systems analyst in the mortgage banking industry. He holds a bachelors degree in business administration-accounting and a masters degree in public administration. He is a Lieutenant with the Sheriff's Department and has held various management positions for the past 11 years including the Sheriff's Standards and Compliance Manager reporting to the Office of the Sheriff. He is also a founding member of the County of San Diego Deferred Compensation Investment Advisory Committee.</p>



7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2020-2021 Annual Audit



January 12, 2022

To the SACRS Executive Board,

The SACRS Audit Committee, assisted by Ms. Peterson, met virtually on Friday, December 3, 2021 with representatives of James Marta & Company to review their most recent audit report.

The draft report as presented to us gave an unqualified opinion stating that “the financial statement referred to above presents fairly and in all material respects, the cash receipts and disbursements of the State Association of County Retirement Systems for the years ended June 30, 2021 and 2020 in accordance with the cash basis of accounting...”

In the course of our review, the committee raised two questions which required further review by the audit firm:

1. Under the Cash Receipts columns, the audit reports \$61,108 in revenue for 2020 and \$8,518 for 2021. Similar in amount to an investment tax filing, the committee wanted it confirmed that these numbers were accurate.

Auditors' response: Those figures are correct.

2. On Page 7 of the draft audit, while listing cash receipts and disbursements for the fiscal year ended June 30, 2021, the Cash Disbursement column referenced the Fall of 2018 and Spring of 2019.

Auditor's response: That was a typo error. A corrected and revised version of the draft report was then forwarded.

Assuming those would be the responses, the committee directed Ms. Peterson to consider the audit report approved and ready for submission to the Board of Directors upon correction by and receipt from James Marta & Company.

The committee also suggested that the Board of Directors revisit its investment program. While not having a strong opinion, the committee questioned if the Cal Trust Medium Term Fund was the best vehicle for those monies.

Respectfully submitted by,

Steve Delaney

Steve Delaney, CEO, Orange CERS
SACRS Audit Committee Chair

CC: SACRS Audit Committee

SD/shp email 1/11/22



JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

**STATE ASSOCIATION OF
COUNTY RETIREMENT SYSTEMS**

**FINANCIAL STATEMENT
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2021 AND 2020**

701 HOWE AVENUE, E3
SACRAMENTO, CA 95825

(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPA.COM

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2021

BOARD OF DIRECTORS

Vivian Gray
President

Kathryn Cavness
Vice President

Harry Hagen
Treasurer

Thomas Garcia
Secretary

Dan McAllister
Immediate Past President

Vere Williams
Board Member

David MacDonald
Board Member

Scott Draper
Affiliate Chair

* * * *

Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2021 AND 2020

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James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, California

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements, of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the State Association of County Retirement Systems for the years ended June 30, 2021 and 2020, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Information

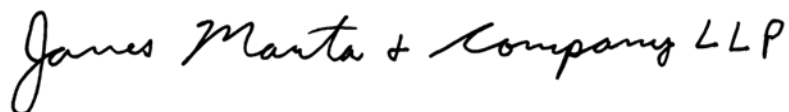
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are presented for purposes of additional analysis and are not a required part of the financial statement.

The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11 is fairly stated in all material respects in relation to the financial statement as a whole.

The Conference Summary Report, on page 12, has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Restricted Use

This report is intended solely for the information and use of management and the board of directors of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 13, 2022

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2020-21</u>	<u>2019-20</u>
<u>Cash Receipts</u>		
Dues	\$ 422,500	\$ 364,000
Conference		
Fall	104,815	628,070
Spring	116,265	2,520
Seminars	73,000	35,000
Other admin receipts	59,900	2,340
Other conference receipts	350	2,450
Interest	8,519	61,108
Total cash receipts	<u>785,349</u>	<u>1,095,488</u>
<u>Cash Disbursements</u>		
Conference		
Fall - 2020 and 2019		
Hotel and meals	2,668	270,132
Audio and visual	46,888	56,477
Program materials	41,174	83,553
Spring - 2021 and 2020		
Hotel and meals	6,490	257,419
Audio and visual	39,097	12,121
Program materials	13,790	14,449
Seminars	196,257	231,947
Conference administration	22,826	50,808
Total conference disbursements	<u>369,190</u>	<u>976,906</u>
Administration	274,714	365,517
Lobbying	55,011	60,012
Newsletters	15,031	15,893
Committee meetings	2,033	49,944
Special projects	17,759	17,690
Total administration disbursements	<u>364,548</u>	<u>509,056</u>
Total Cash Disbursements	<u>733,738</u>	<u>1,485,962</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	51,611	(390,474)
Cash and Investments, Beginning	<u>1,981,948</u>	<u>2,372,422</u>
Cash and Investments, Ending	<u>\$ 2,033,559</u>	<u>\$ 1,981,948</u>
<i>Supplementary Information</i>		
<u>Cash and Investments at June 30,</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,054,911	\$ 1,006,628
Non current portion of investments	978,648	975,320
Total Cash and Investments	<u>\$ 2,033,559</u>	<u>\$ 1,981,948</u>

The accompanying notes are an integral part of this financial statement.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

State Association of County Retirement Systems (SACRS) is a not-for-profit association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. SACRS was formed in the early 1970's to provide forums for disseminating knowledge of, and developing expertise in, the operation of county retirement systems existing under current law, as well as to foster and take an active role in the legislative process. To accomplish SACRS' mission of addressing issues of importance to members, SACRS, contracting with Sulema Peterson & Associates, provides a variety of association management services, including three magazines a year, membership directory, semi-annual conferences, and oversight of SACRS.org. The Association is supported primarily through membership dues and conference fees.

B. BASIS OF ACCOUNTING

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

The Board of Directors has elected to use the cash basis of accounting for this entity given the nature of its receipts and disbursements: revenue is almost always received and earned in the same period (e.g. at the beginning of the year for annual memberships, and shortly prior to events for conference attendance) and most expenses are incurred evenly over the year, with the exception of the billing for the conference hotel expense. Financial results by conference are presented in the Conference Summary Report in the Supplementary Information section of this document.

C. INCOME TAXES

The Association is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701f of the California Revenue and Taxation Code.

D. CONTRACTUAL AGREEMENTS

The Association has entered into various contractual agreements for professional services. These agreements include compensation for services rendered to the Association.

E. COMPARATIVE DATA

Comparative data for the prior year have been presented in certain sections of the accompanying financial statement in order to provide an understanding of changes in the Association's financial position and operations.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPARATIVE DATA (CONTINUED)

Since SACRS uses the cash basis of accounting, the timing of events and the ultimate settlement of bills may vary from year to year. For example; the Spring conference costs could be settled by June (by year end) or be extended into the subsequent year. Also the timing of events could affect when payments are made from year to year. Payments after year end will be paid out of the surplus generated out of the prior year conference receipts. So the surplus cash at year end may have future demands for prior expenses. Management prepares a conference summary report that reconciles these payments when settled; this report is presented as supplementary information.

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

SACRS considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at June 30 include:

	2021	2020
Bank accounts	\$ 255,570	\$ 208,515
Money market accounts	799,341	798,113
Total cash and cash equivalents	\$ 1,054,911	\$ 1,006,628

Cash in bank accounts at June 30, 2021 consisted of the following:

	First Foundation	Bank of America	Total
Per bank	\$ 257,855	\$ 16,883	\$ 274,738
Checks outstanding	(19,168)	-	(19,168)
Deposits in transit	-	-	-
Total bank accounts	\$ 238,687	16,883	\$ 255,570

Cash in bank accounts at June 30, 2020 consisted of the following:

	First Foundation	Bank of America	Total
Per bank	\$ 319,175	\$ 8,493	\$ 327,668
Checks outstanding	(126,442)	-	(126,442)
Deposits in transit	7,289	-	7,289
Total bank accounts	\$ 200,022	8,493	\$ 208,515

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). There was \$7,855 and \$69,175 in excess of FDIC coverage as of June 30, 2021 and 2020, respectively.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the “Fund”), depositing \$1,104,130. The fair value balance as of June 30, 2021 and 2020 presented in the financial statement is \$978,648 and \$975,320; respectively. This balance includes reinvested interest income totaling and \$3,329 and \$48,586, respectively. The current portion of the investment account represents underlying securities which are immediately redeemable (e.g. equities), or will mature within one year. The current portion of investments at June 30, 2021 and 2020 was \$0. The Fund is not rated or insured.

3. CONTRACTS

SACRS has entered into contracts with various hotels to reserve facilities and guest rooms for its upcoming conferences and events. Cancellation fees associated with these contracts vary by date of notice. All hotel contracts specify the total number of guest room nights reserved at a group rate. If guest nights attributed to the convention fall below a specified minimum, SACRS is obligated to pay a room attrition rate for every guest night below the contracted minimum; standard room rates exceed the attrition rate. The organization is also responsible for food and beverage minimums as specified below. Hotel contracts entered into as of the audit date are summarized here:

Conference	Cancellation Fees	Food and Beverage Minimums	Guest Room Nights Reserved	Guest Room Nights Minimum	Rooms Attrition
Fall 2021	\$334,779-\$430,430	\$165,000	1145	916	\$239 plus tax
Spring 2022	\$135,682-\$421,365	\$150,000	1185	948	\$229 plus tax
Fall 2022	\$136,762-\$288,524	\$150,000	1145	916	\$249 plus tax
Spring 2023	\$224,848-\$404,726	\$170,000	1145	916	\$247 plus tax
Fall 2023	\$123,832-\$397,665	\$150,000	1185	948	\$209 plus tax

4. DONATED SERVICES

Directors and officers have made a significant contribution of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statement of cash receipts and disbursements as no cash changed hands as a result of the donated services.

5. SUBSEQUENT EVENTS

SACRS’ management has evaluated subsequent events through January 13, 2022, the date which the financial statement was issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statement.

SUPPLEMENTARY INFORMATION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

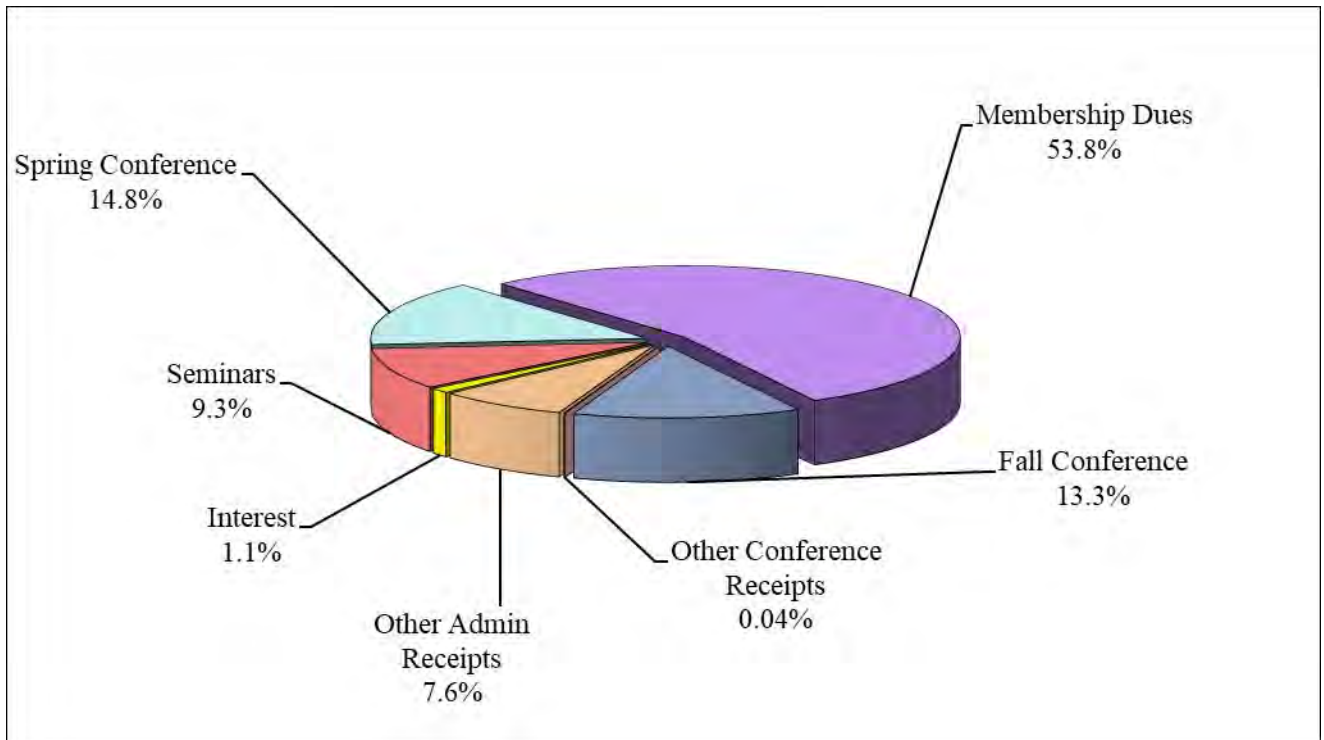
	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 422,500	\$ 422,500
Conference			
Fall	104,815	-	104,815
Spring	116,115	-	116,115
Seminars	73,000		73,000
Other admin receipts	-	60,050	60,050
Other conference receipts	350	-	350
Interest	8,519	-	8,519
Total Cash Receipts	<u>302,799</u>	<u>482,550</u>	<u>785,349</u>
<u>Cash Disbursements</u>			
Conference			
Fall - 2020			
Hotel and meals	2,668	-	2,668
Audio and visual	46,888	-	46,888
Program materials	41,174	-	41,174
Spring - 2021			
Hotel and meals	6,490	-	6,490
Audio and visual	39,097	-	39,097
Program materials	13,790	-	13,790
Seminars	196,257	-	196,257
Conference Administration	22,826	-	22,826
Total conference disbursements	<u>369,190</u>	<u>-</u>	<u>369,190</u>
Administration	-	274,714	274,714
Lobbying	-	55,011	55,011
Newsletters	-	15,031	15,031
Committee meetings	-	2,033	2,033
Special projects	-	17,759	17,759
Total administration disbursements	<u>-</u>	<u>364,548</u>	<u>364,548</u>
Total Cash Disbursements	<u>369,190</u>	<u>364,548</u>	<u>733,738</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	(66,391)	118,002	51,611
Cash and Investments, Beginning	<u>3,073,226</u>	<u>(1,091,278)</u>	<u>1,981,948</u>
Cash and Investments, Ending	<u>\$ 3,006,835</u>	<u>\$ (973,276)</u>	<u>\$ 2,033,559</u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

CASH RECEIPTS BY SOURCE

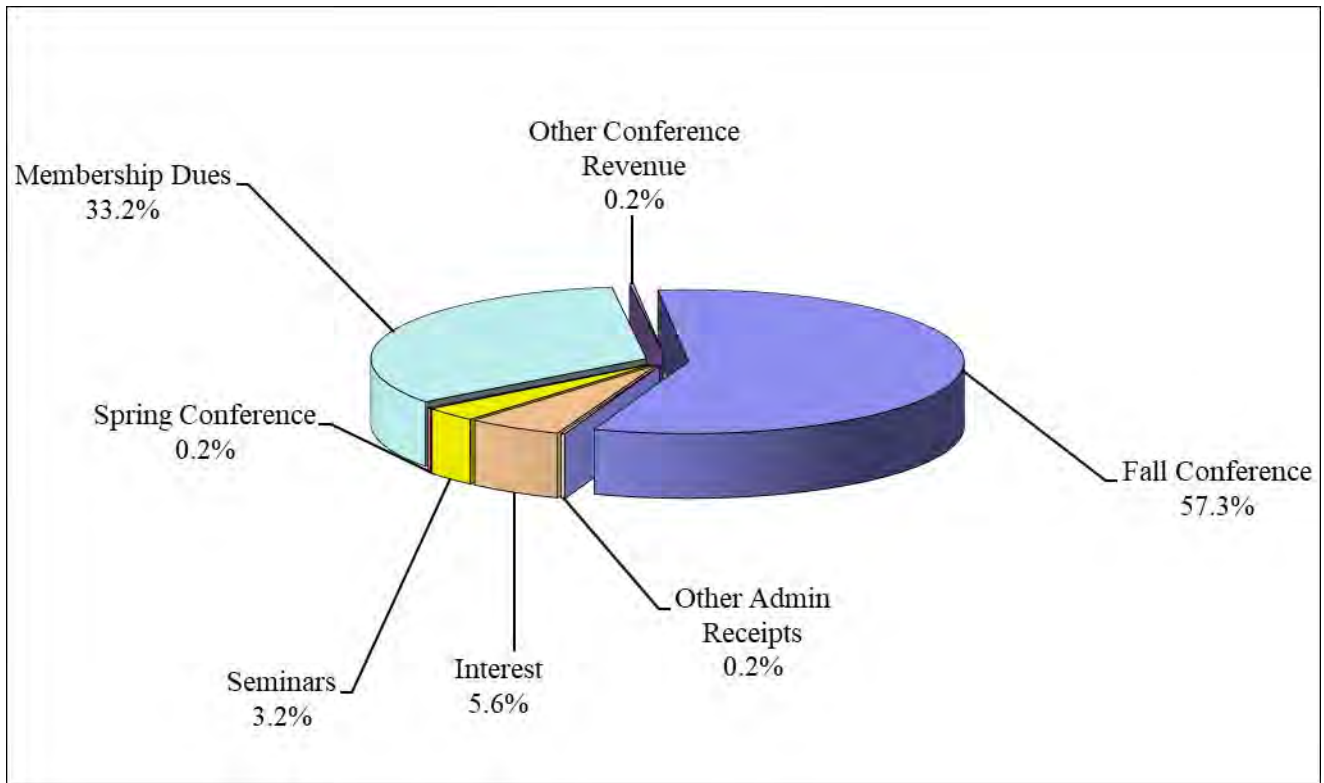


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CASH RECEIPTS BY SOURCE

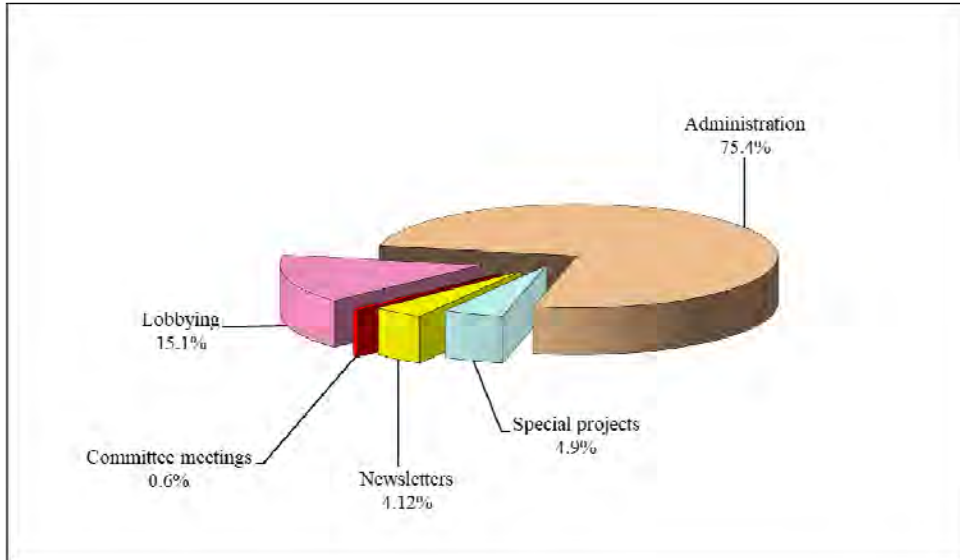


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

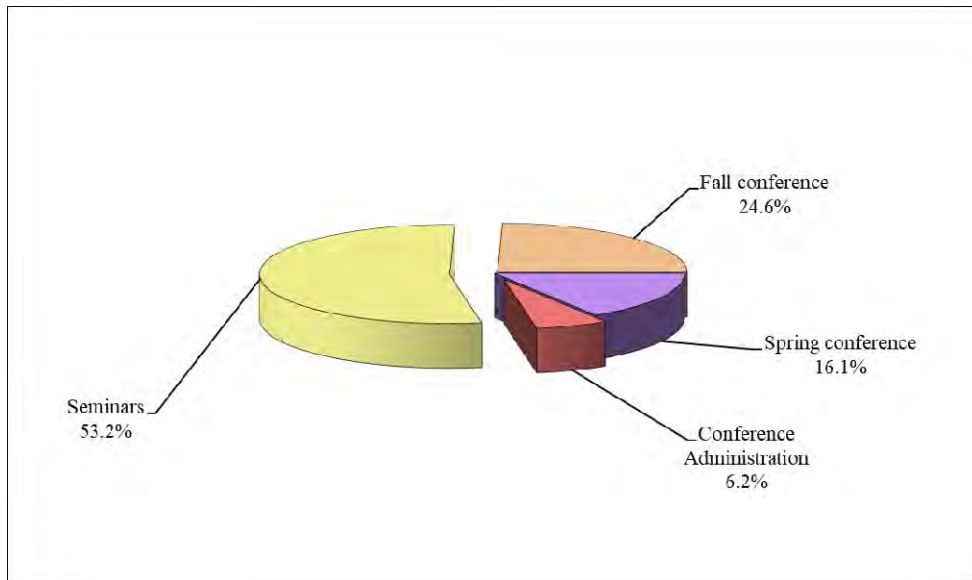
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS

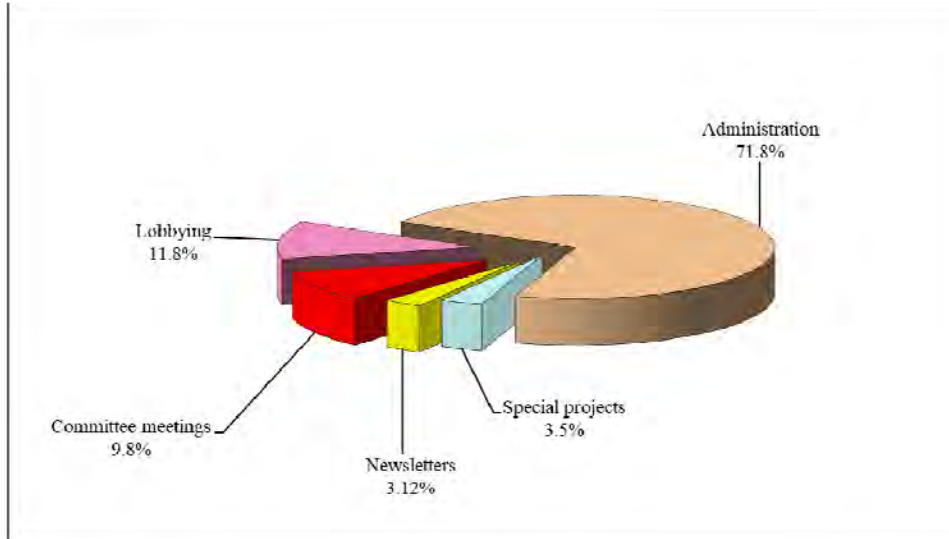


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

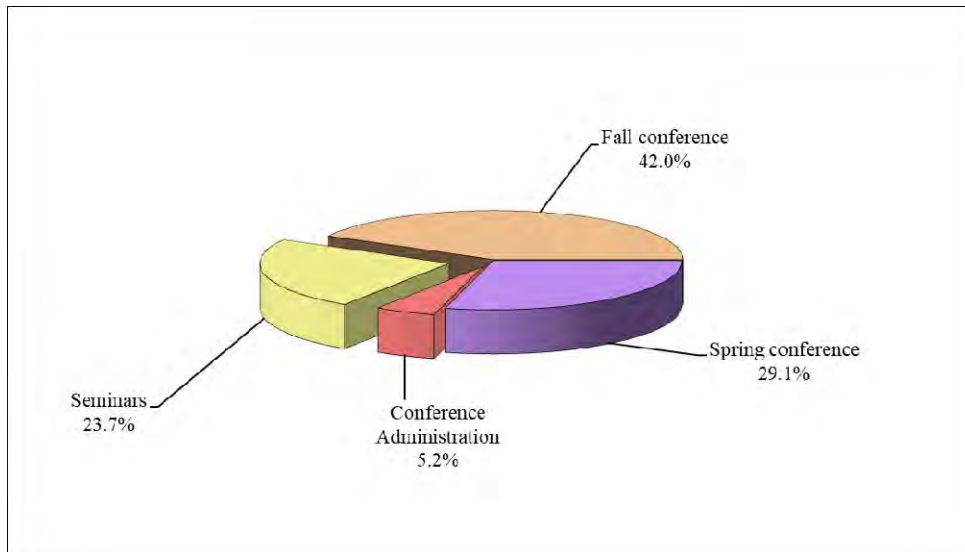
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

	Spring 2021 Held Via Virtual Conference	Fall 2020 Held Via Virtual Conference	Spring 2020 Canceled/Held Via Webinar	Fall 2019 Monterey	Spring 2019 Lake Tahoe	Fall 2018 Indian Wells
Cash receipts						
Conference	\$ 116,115	\$ 102,380	\$ -	\$ 639,270	\$ 592,590	\$ 591,530
Total cash receipts	<u>116,115</u>	<u>102,380</u>	<u>-</u>	<u>639,270</u>	<u>592,590</u>	<u>591,530</u>
Cash disbursements						
Hotel and meals	-	-	-	267,961	195,278	312,670
Audio and visual	38,975	46,888	-	56,477	57,731	52,180
Program materials	2,500	3,049	-	20,381	42,342	32,086
Program speakers	11,290	38,125	-	63,172	39,784	74,458
Conference administration	3,830	2,668	-	12,131	28,354	22,738
Total cash disbursements	<u>56,595</u>	<u>90,730</u>	<u>-</u>	<u>420,122</u>	<u>363,489</u>	<u>494,132</u>
Net cash provided by conference	<u>\$ 59,520</u>	<u>\$ 11,650</u>	<u>\$ -</u>	<u>\$ 219,148</u>	<u>\$ 229,101</u>	<u>\$ 97,398</u>
Total attendees	443	363	N/A	647	590	588



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited the financial statement of the State Association of County Retirement Systems (SACRS) for years ended June 30, 2021 and 2020, and have issued our report thereon dated January 13, 2022. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 4, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement. Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement is free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of SACRS solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our report on internal control over financial reporting in a separate letter to you dated January 13, 2022.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by SACRS is included in Note 1 to the financial statement. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2021. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are typically an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. As the accounting of SACRS is prepared on a cash basis, no estimates are necessary for the preparation of the financial statement.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We are not aware of any sensitive disclosures affecting SACRS' financial statement.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See Attachment I for adjustments provided by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to SACRS' financial statement or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 13, 2022.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SACRS, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SACRS' auditors.

We are contracted to prepare the fiscal year 2021 federal Return of Organization Exempt From Income Tax, and related state filings, as well as the calendar year Forms 1099-MISC for SACRS. These returns will be prepared using audited financial data, where applicable, but our preparation of these returns does not constitute an audit. No audit opinion will be issued on the tax returns referred to above.

James Marta & Company LLP
Certified Public Accountants

This report is intended solely for the information and use of the Board of Directors, and management of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 13, 2022

Adjusting Journal Entry JE # 1

Book unrealized loss on investment for June 2021

3200	Retained Earnings	1.00	
4900	Interest Earned	953.00	
1100	CalTrust - Medium Term		954.00
Total		954.00	954.00

Reclassifying Journal Entry JE # 2

Reclass the Spring Conference & Hotel refund from exp acct 6024 to other admin revenue. Expenses were paid in FY2019/20 but due to COVID19, the hotels were

6024	Spring Conference -+ Hotel	60,000.00	
1405.1	Other Expenses - Refunds - Prior Year		60,000.00
Total		60,000.00	60,000.00



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MANAGEMENT REPRESENTATION LETTER

January 13, 2022

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the statement of cash receipts and disbursements of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2021 and 2020, and the related notes to the financial statement, for the purpose of expressing an opinion on whether the financial statement is presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 13, 2022:

Financial Statement

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 4, 2019, for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.
- We have accurately presented the entity's position regarding taxation and tax-exempt status.



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- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statement all assets under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statement.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statement communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statement and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Supplementary Information in Relation to the Financial Statement as a Whole

With respect to the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report accompanying the financial statement:

- We acknowledge our responsibility for the presentation of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation



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of Cash Disbursements in accordance with the cash basis accounting as described in Note 1 to the financial statement. We acknowledge our responsibility for the presentation of the Conference Summary Report which presents all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.

- We believe the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, including its form and content, is fairly presented in accordance with the cash basis accounting as described in Note 1 to the financial statement. We believe the Conference Summary Report, including its form and content, is fairly presented and inclusive of all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report are not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Additional Representations

- We have reviewed, approved, and taken responsibility for the financial statement and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statement.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- All disbursements have been properly classified in the financial statement and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- We have disclosed to you all guarantees, whether written or oral, under which SACRS is contingently liable.
- SACRS has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- Regarding our tax filings prepared by James Marta & Company LLP:
 - We are responsible for complying with tax filing requirements with the Internal Revenue Service, Franchise Tax Board, and other agencies, as applicable.
 - We are responsible for establishing and maintaining effective internal control over compliance.



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- We have performed an evaluation of the Association's compliance with tax filing requirements and we are not aware of any instances of noncompliance.
- We have reviewed and approved the tax returns prepared by your office.
- We have made available to you all documentation related to compliance with specified requirements.
- We assume all management responsibilities in regards to the tax filings and have designated an individual in management who possesses suitable skill, knowledge and experience to oversee these services.
- We have performed an evaluation of the adequacy and results of the services performed and assume all management responsibilities.
- We accept responsibility for the results of the services.

Sulema Peterson

Sulema Peterson, SACRS Executive Director



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
INDEPENDENT AUDITOR'S REPORT**

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of State Association of County Retirement Systems (SACRS), as of and for the years ended June 30, 2021 and 2020 the related notes to the financial statement, which collectively comprise the State Association of County Retirement Systems' basic financial statement, and have issued our report thereon dated January 13, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered SACRS' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
January 13, 2022



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Annual Spring 2022 Conference Evaluations/Feedback



No printed materials for this item



9. SACRS Program Committee Report – No Action

Kathryn Cavness, Mendocino CERA, SACRS Program Committee Chair

A. SACRS Annual Spring 2022 Conference Report



No printed materials for this item



10. SACRS Affiliate Committee Report – No Action

Wally Fikri, William Blair, SACRS Affiliate Committee Chair

A. Affiliate Committee Update



No printed materials for this item



11. SACRS Bylaws Committee Report – No Action

Barbara Hannah, San Bernardino CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update



No printed materials for this item



12. SACRS Spring Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees



No printed materials for this item



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 11, 2022 at the Hyatt Regency Long Beach, Long Beach, CA unless Covid-19 restrictions are in place



SACRS Annual Fall Business Meeting 2022

Next Annual Business meeting will be held Friday, November 11 at the Hyatt Regency Long Beach, Long Beach, CA.



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Memorandum from the
Office of the Chief Executive Officer
Dominic D. Brown

Date: May 4, 2022
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer 
Subject: **SACRS Spring Conference**
Rancho Mirage, California
May 10-13, 2022

In accordance with the Travel Policy approved by the Board of Retirement on August 11, 2021, I have attached information concerning the above-captioned conference, as follows:

- Agenda and supporting information on the pertinence and relevance of attendance to a fiduciary – Preliminary agenda is attached
- Specific information as to whether staff or members of the Board will serve as a speaker or panel participant – None
- Specific information concerning the estimated total travel cost involved, including the estimated costs to be borne by KCERA and those costs borne by the conference sponsor

The topic list is timely and relevant to the administration of the retirement system. Accordingly, I recommend that the Board approve the attendance of Trustee David Couch.

Attachments

Travel Subject SACRS Spring Conference
Sponsor SACRS
Date(s) May 10-13, 2022
Location Rancho Mirage, CA

Proposed Attendee(s) Couch

Estimated Total Travel Cost \$1,382.25

Description	Computation		Couch	Totals	Borne By	
					KCERA	Sponsor
Registration fees	\$120.00	=	120.00	120.00	120.00	
Lodging expense	3 nights @ \$ 276.82 /night	=	830.46	830.46	830.46	
Per diem meals reimbursement:	4 days @ \$ 69.00 /day	=	276.00			
Less meals provided by sponsor	3 Breakfast, 2 Lunch, 1 Dinner = \$117.99	=	(\$117.99)			\$117.99
Total meals expense		=		276.00	158.01	
Shuttle/taxicab expense	Taxi Estimate	=			-	
Airfare	\$0.00	=	\$0.00	\$0.00	-	
Vehicle-related expenses:		=	-	-	-	
Parking	4 days @ - /day	=	-	-	-	
Mileage	miles @ /mile (Department Head)	=	-	-	-	
	468 miles @ 0.585 /mile (Staff, Trustee)	=	273.78	273.78	273.78	
Rental car		=	-	-	-	
Rental car gasoline		=	-	-	-	
Totals		=	1,382.25	\$ 1,500.24	\$ 1,382.25	\$ 117.99



SACRS SPRING CONFERENCE

MAY 9-12, 2022

**OMNI RANCHO LAS PALMAS
RESORT & SPA
RANCHO MIRAGE, CA**

PRELIMINARY CONFERENCE AGENDA

TUESDAY, MAY 10

12:00 PM - 12:00 PM

SACRS Conference Registration Desk

3:00 PM - 5:00 PM

ETHICS TRAINING FOR TRUSTEES AND STAFF

3:00 PM - 5:00 PM

SEXUAL HARASSMENT PREVENTION TRAINING FOR LOCAL AGENCY OFFICIALS (AB1661)

5:30 PM - 6:30 PM

SACRS NETWORKING RECEPTION

WEDNESDAY, MAY 11

7:00 AM - 8:00 AM

SACRS WELLNESS SESSION – YOGA

7:00 AM - 8:15 AM

SACRS Breakfast

8:30 AM - 10:00 AM

WELCOME VIVIAN GRAY, SACRS PRESIDENT AND KEYNOTE SPEAKER

10:00 AM - 10:30 AM

GENERAL SESSION

10:30 Am - 11:30 AM

GENERAL SESSION

11:30 Am - 12:30 PM

GENERAL SESSION

12:30 PM - 1:45 PM

SACRS LUNCH

2:00 PM - 4:30 PM | CONCURRENT SESSIONS

ADMINISTRATORS BREAKOUT

AFFILIATE BREAKOUT

SACRS

SPRING CONFERENCE

MAY 9-12, 2022

OMNI RANCHO LAS PALMAS
RESORT & SPA
RANCHO MIRAGE, CA

PRELIMINARY CONFERENCE AGENDA

WEDNESDAY, MAY 11 CONTINUED

ATTORNEYS BREAKOUT

INTERNAL AUDITORS BREAKOUT (closed session)

INVESTMENT BREAKOUT

OPERATIONS/BENEFITS BREAKOUT

SAFETY BREAKOUT

TRUSTEE BREAKOUT

6:00 PM - 9:00 PM

SACRS ANNUAL WEDNESDAY NIGHT EVENT

THURSDAY, MAY 12

7:00 AM - 8:00 AM

SACRS FUN RUN

7:30 AM - 8:30 AM

SACRS Breakfast

8:45 AM - 10:00 AM

SACRS Volunteer Award & Keynote

10:00 AM - 10:30 AM

SACRS NETWORKING BREAK

10:30 AM - 11:30 AM

GENERAL SESSION

11:30 AM - 12:30 PM

GENERAL SESSION

12:30 PM - 1:45 PM

SACRS LUNCH



SACRS SPRING CONFERENCE

MAY 9-12, 2022

**OMNI RANCHO LAS PALMAS
RESORT & SPA
RANCHO MIRAGE, CA**

PRELIMINARY CONFERENCE AGENDA

THURSDAY, MAY 12 CONTINUED

2:00 PM - 3:00 PM | CONCURRENT SESSIONS

CONCURRENT SESSION A

CONCURRENT SESSION B

CONCURRENT SESSION C

3:00 PM - 3:30 PM

SACRS NETWORKING BREAK

3:30 PM - 4:30 PM | CONCURRENT SESSIONS

CONCURRENT SESSION A

CONCURRENT SESSION B

CONCURRENT SESSION C

4:30 PM - 5:30 PM

SACRS EDUCATION COMMITTEE MEETING

4:30 PM - 5:30 PM

SACRS NOMINATING COMMITTEE MEETING

5:30 PM - 6:30 PM

SACRS RECEPTION

FRIDAY, MAY 13

7:30 AM - 8:30 AM

SACRS Breakfast

8:45 AM - 9:45 AM

GENERAL SESSION

9:45 AM - 10:00 AM

SACRS NETWORKING BREAK

10:00 AM - 11:30 AM

SACRS ANNUAL BUSINESS MEETING



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Memorandum from the
Office of the Chief Executive Officer
Dominic D. Brown

Date: May 4, 2022

To: Trustees, Board of Retirement

From: Dominic D. Brown, Chief Executive Officer

**Subject: NAPPA Legal Conference
Louisville, Kentucky
June 20-24, 2022**

In accordance with the Travel Policy approved by the Board of Retirement on August 11, 2021, I have attached information concerning the above-captioned conference, as follows:

- Agenda and supporting information on the pertinence and relevance of attendance to a fiduciary – Preliminary agenda is attached
- Specific information as to whether staff or members of the Board will serve as a speaker or panel participant – Jennifer Zahry
- Specific information concerning the estimated total travel cost involved, including the estimated costs to be borne by KCERA and those costs borne by the conference sponsor

The topic list is timely and relevant to the administration of the retirement system. Accordingly, I recommend that the Board approve the attendance of Chief Legal Officer Jennifer Zahry and Deputy Chief Legal Officer Phillip Jenkins.

Attachments

Travel Subject	NAPPA Legal Education Conference
Sponsor	NAPPA
Date(s)	June 20-24, 2022
Location	Louisville, KY
Proposed Attendee(s)	Jennifer Zahry, Phillip Jenkins

Estimated Total Travel Cost \$7,188.96

Description	Computation		Zahry	Jenkins	Totals	Borne By	
						KCERA	Sponsor
Registration fees		=	995.00	995.00	1,990.00	1,990.00	
Lodging expense	4 nights @ \$ 242.59 /night	=	970.36	970.36	1,940.72	1,940.72	
Per diem meals reimbursement:	5 days @ \$ 64.00 /day	=	320.00	320.00			
Less meals provided by sponsor	3 Breakfast, 1 Lunch, 1 Dinner = \$90.88	=	(\$90.88)	(\$90.88)			\$181.76
Total meals expense		=			640.00	458.24	
Shuttle/taxicab expense	Taxi Estimate	=				-	
Airfare	\$1,400.00	=	\$1,400.00	\$1,400.00	\$2,800.00	\$2,800.00	
Vehicle-related expenses:		=	-	-	-	-	
Parking	/day	=	-	-			
Mileage	miles @ /mile (Department Head)	=	-	-		-	
Rental car		=	-	-		-	
Rental car gasoline		=	-	-		-	
Totals		=	3,594.48	3,594.48	\$ 7,370.72	\$ 7,188.96	\$ 181.76



NAPPA

National Association of
Public Pension Attorneys

Louisville



2022 LEGAL EDUCATION CONFERENCE

June 21 - June 24

New Member Education Sessions on Tuesday, June 21

Omni Louisville Hotel | Louisville, KY

Registration and Hotel Information

Registration Information

Online registration begins Tuesday, April 5, 2022.

To register for the conference:

- Go to www.nappa.org
- Click on **Conference Registration** for the 2022 Legal Education Conference
- Visa, MasterCard, and American Express accepted
- If paying by check, payment and a copy of the invoice must be received by **June 13**.

NAPPA
2410 Hyde Park Road, Suite B
Jefferson City, MO 65109

You must be an active NAPPA member to attend.

Conference Registration Deadlines

April 5 - May 18, 2022	Legal Education Conference registration opens Governmental Conference Fee: \$995 Non-Governmental Conference Fee: \$1,095 (if registered before May 19)
May 19 - June 3, 2022	Late registration fee applied Governmental Conference Fee: \$1,095 Non-Governmental Conference Fee: \$1,195 (includes late fee of \$100)
June 3, 2022	Last day to register for conference

Conference Cancellation Policy

Prior to May 19, 2022	Full Refund
May 19 - June 3, 2022	\$150 Administrative Fee Charged
June 4, 2022, or after	No Refund

CLE Credits

NAPPA will apply for CLE accreditation of the program. There is no guarantee every state will accredit the program for the total number of hours requested. Accreditation requirements vary from state-to-state.

Location of the Meeting

Omni Louisville Hotel
400 S. 2nd Street
Louisville, KY 40202
Phone: (502) 313-6664



www.omnihotels.com/hotels/louisville

Hotel and Airfare

You are responsible for your own airfare and hotel accommodations.

Hotel Reservations:

To book a room online, go to www.nappa.org, login, and click on the Events Tab.

\$209 per night + tax (single or double occupancy)

After May 31, 2022, or when the block is full, the hotel will **not** guarantee you a room **nor** the special rate.

Conference Room Block Information

The room rate for the NAPPA block is available **until the block is filled or May 31, 2022, whichever comes first.**

The NAPPA block rate is \$209. Please note: Reservation guaranteed by advance deposit or credit card. There is a 72-hour cancellation policy at the hotel.

Special NAPPA Event: Dinner at Churchill Downs honoring Susie Dahl, retiring Executive Director of NAPPA

Date: June 22, 2022
Time: 6:30 p.m. - 9:30 p.m.

Adult Guest: \$100 each
Children (3-12): \$50 each
Children 2 and under are free, but **must** be registered.



Churchill Downs
700 Central Avenue
Louisville, KY 40208
Phone: (502) 636-4400

www.churchilldowns.com

There is a separate form to register guests for the event. All registrations must be made by **June 3, 2022**.

Sponsors and marketing are prohibited at all NAPPA conferences.

Conference Agenda

Tuesday, June 21, 2022

12:00 noon - 4:30 p.m. **Conference Registration**

New Member Education Sessions

1:30 p.m. - 2:05 p.m. **General Session**
Introduction to NAPPA

The Board President and a panel of NAPPA members will introduce the organization to new members. The panelists will discuss their own NAPPA experiences and the benefits of membership for old and new members alike.

Moderator
Peter Mixon - *Partner, Nossaman*

Presenters
Julie Borisov - *Senior Staff Attorney, Colorado Public Employees' Retirement Association*
Michael Herrera - *Senior Counsel, Los Angeles County Employees Retirement Association*
Erin Perales - *General Counsel, Houston Municipal Employees Pension System*
Tiffany Reeves - *Shareholder, Reinhart Boerner Van Deuren*
Jennifer Zahry - *General Counsel, Kern County Employees' Retirement Association*

2:05 p.m. - 3:05 p.m. **General Session**
Public Pensions Overview – Part I

The panel will present an overview of the legal framework for public pensions. Topics will include plan structure, trust law, fiduciary obligations, tax qualification, funding requirements, and retirement benefits. The panel will also focus on commonly used terms and their meaning.

Presenters
Suzanne Dugan - *Special Counsel, Cohen Milstein Sellers & Toll*
Peter Mixon - *Partner, Nossaman*

3:05 p.m. - 3:20 p.m. **Break**

3:20 p.m. - 4:20 p.m. **General Session**
Public Pensions Overview – Part II

The panel will present an overview of the legal framework for the actuarial and investment functions at public pension plans. Topics will include the role of actuaries in determining funding and contribution requirements, the role of investment returns, applicable fiduciary principles, and the relationship between the legal, actuarial, and investment functions in plan administration.

Conference Agenda

Tuesday, June 21, 2022 continued...

Moderator

Peter Mixon - *Partner, Nossaman*

Presenters

Miguel Bahamon - *Deputy City Attorney, Los Angeles City Attorney's Office*

Matthew Strom - *Senior Vice President and Actuary, Segal*

4:20 p.m. - 5:00 p.m. **New Member Reception** (*provided by NAPPA*)

5:00 p.m. - 6:30 p.m. **Welcome Reception** (*provided by NAPPA*)



Fourth Street Live!



Belle of Louisville



Muhammad Ali Center



Louisville Slugger Museum

Louisville, Kentucky...*"Bourbon City"*

Louisville is Kentucky's largest city – home to both the Kentucky Derby and Muhammad Ali. Here, you can sip some of the world's finest spirits along the Urban Bourbon Trail, visit landmarks honoring some of history's greatest influencers and dine at award-winning restaurants – all in the same day. Louisville welcomes visitors with authentic regional experiences and, of course, that special Southern hospitality.

The 45-block district of Old Louisville is the largest Victorian architecture district in the USA, replete with stately mansions dating from 1880 to 1910. It's also home to Frederick Law Olmsted, who designed Central Park in New York. A walking tour is the perfect way to see it all (and fill up your camera roll). Take a step back in time to the age of river travel on the circa-1914 Belle of Louisville steamboat, the oldest of its kind still in operation. You'll soak in the riverfront scenery on a two-hour tour of the Ohio River. At night, walk across the Big Four Pedestrian Bridge, which spans the river from Louisville Waterfront Park to Jeffersonville, Indiana. The bridge was originally constructed in 1895 as a railway bridge and revitalized in 2013 with an array of colorful lights illuminating its frame.

<https://www.visittheusa.com/destination/louisville>

Conference Agenda

Wednesday, June 22, 2022

7:00 a.m. - 5:00 p.m. **Conference Registration**

7:00 a.m. - 8:00 a.m. **Breakfast** (provided by NAPPA)

8:15 a.m. - 8:30 a.m. **Introduction and Announcements**

8:30 a.m. - 9:30 a.m. **General Session**

Ethics I – Does Your Fund Impose Restrictions on the Personal Investments of Staff Due to Potential Conflicts of Interest?

This will be an educational session on whether the Code of Ethics for the Retirement Board and staff sufficiently prohibits or mitigates any personal interest, financial or otherwise, which may be in substantial conflict with the proper discharge of the Board or staff members' duties in the public interest. To such end, does your fund require an Annual Disclosure Statement for compliance purposes, does the fund have a process for reviewing alleged breaches of the fund's code of ethics, and finally whether the fund requires Board or staff members to recuse themselves from the decision making process if they have personal investments in the fund or investment manager being considered by the fund. If so, how does the fund manage the governance process when key staff members have financial interests in the investment manager? Finally, does the fund have restrictions/trading policies and procedures in place limiting the ability of staff to make personal investments when material non-public information (MNPI) is shared or acquired by staff?

Moderator

Joe Indelicato - *General Counsel, New York State Teachers' Retirement System*

Presenter

Ed Klees - *Partner, Hirschler Fleischer*

General Session

Retirement Board's Role in Cybersecurity

9:30 a.m. - 10:30 a.m.

This panel will focus on ways pension funds should engage with their retirement board regarding cybersecurity, steps staff can take to support the Board's cybersecurity oversight, and potential challenges in this rapidly evolving area.

Moderator

Julie Borisov - *Senior Staff Attorney, Colorado Public Employees' Retirement Association*

Presenters

Brian Bartow - *General Counsel, California State Teachers' Retirement System*

David Levine - *Principal, Groom Law Group*

Mary Ellen O'Neill - *Compliance Counsel/HIPAA Privacy Officer, Texas Teacher Retirement System*

Conference Agenda

Wednesday, June 22, 2022 continued...

10:30 a.m. - 10:45 a.m. **Break**

10:45 a.m. - 11:45 a.m. **General Session**
The ABC's of DEI: Pension Plans Spell it Out

Kellie Sauls, Director of Diversity, Equity, and Inclusion at the Texas Teacher Retirement System (TRS), shares successes and practical application of DEI efforts for public pension systems.

Moderator

Suzanne Dugan - *Special Counsel, Cohen Milstein*

Presenter

Kellie Sauls - *Director of Diversity, Equity, and Inclusion, Texas Teacher Retirement System*

11:45 a.m. - 1:30 p.m. **Lunch** (*on your own*)

1:30 p.m. - 2:30 p.m. **Concurrent Sessions** (*choose one*)

• **Session A: *Investing Plan Assets in Today's Volatile Market***

This session will focus on the Chief Investment Officer's and Senior Investment Staff's role in investing public pension plan assets in today's volatile market. The panelists will address business and legal considerations when evaluating managers and market opportunities. The discussion will also include an in-house counsel's perspective on working with investment teams in providing legal due diligence, negotiating business and legal terms, and assisting with closings.

Moderator

Julie Borisov - *Senior Staff Attorney, Colorado Public Employees' Retirement Association*

Presenters

Joshua Geller - *Deputy City Attorney, Los Angeles City Attorney's Office*

Amy McGarrity - *Chief Investment Officer, Colorado Public Employees' Retirement Association*

Jeremy Wolfson - *Chief Investment Officer, Los Angeles Water and Power Employees' Retirement Plan*

• **Session B: *Sunshine and Privacy: Fiduciary Implications Regarding "Transparency" Laws***

States have enacted many laws intended to make officials and governments transparent and accountable to the public, including freedom of information, open meetings, procurement, contracting, and records management. Public pensions perform business operations and investment activities on behalf of their beneficiaries. How do these laws impact the fiduciary duties of the Board? How do staff and counsel reconcile performing their respective responsibilities while navigating compliance with applicable laws? Remote work, virtual and

Conference Agenda

Wednesday, June 22, 2022 continued...

hybrid meetings, and increasing electronic communications may raise new layers of legal issues for public pensions. Although many “transparency” and data laws are state-specific, there are legal doctrines and exemptions, lessons, and approaches that this panel will discuss and share.

Moderator

Dee Larsen - *General Counsel, Utah Retirement Systems*

Presenters

John Danish - *General Counsel, Ohio Police & Fire Pension Fund*

Bianca Green - *General Counsel, Illinois State Universities Retirement System*

Abby Spieler - *General Counsel, Missouri State Employees' Retirement System*

Heather Traeger - *General Counsel & Chief Compliance Officer, Texas Teacher Retirement System*

2:30 p.m. - 2:45 p.m.

Break

2:45 p.m. - 3:45 p.m.

Concurrent Sessions (choose one)

- **Session A: *Fiduciary Issues When Interacting With Government Officials***

The panelists will discuss the fiduciary responsibilities of plan trustees and staff when interacting with government officials, including the requirement to adhere to the exclusive benefit rule under the federal tax code and parallel state and local laws. Panelists have extensive experience interacting with federal, state, and local government officials and will share perspectives on effectively handling these matters.

Moderator

Joshua Geller - *Deputy City Attorney, Los Angeles City Attorney's Office*

Presenters

Dee Larsen - *General Counsel, Utah Retirement Systems*

Tony Roda - *Partner, Williams & Jensen*

- **Session B: *Legal Standards and Best Practices for Addressing Gender Identity Issues***

This panel will discuss legal standards and best practices for public pension plans to consider when working with members who may be seeking to change their gender on record with the plan including how to best make processes sensitive to members while also ensuring gender changes are appropriately documented. Speakers will also detail gender transition coverage issues applicable to public plans that sponsor active and retiree health plans and address actuarial considerations including how gender-identity changes may impact mortality tables.

Presenters

Vincent Diaz - *Deputy General Counsel, New York City Police Pension Fund*

Francois Pieterse - *Senior Consultant, Gabriel, Roeder, Smith & Company*

Christopher Sears - *Partner, Ice Miller*

Conference Agenda

Wednesday, June 22, 2022 continued...

3:45 p.m. - 4:00 p.m.

Break

4:00 p.m. - 5:00 p.m.

Concurrent Sessions *(choose one)*

- **Session A: Public Safety Affinity Group: *Who Qualifies as a Public Safety Employee?***

As states look to revise or expand the definition of “public safety employee” for purposes of changes to plan participation, public pension systems are looking for guidance as to what is an appropriate definition of “public safety employee” and the implications of the definition under the Internal Revenue Code. This panel will review the applicable IRC provisions, discuss the various federal and state definitions of “firefighter,” “police officer” and “public safety employee,” and offer some examples of states that are wading into these issues.

Moderator

Carolyn Clifford - *Partner, Ottosen DiNolfo Hasenbalg & Castaldo*

Presenters

Luke Bailey - *Senior Counsel, Clark Hill*

Lindsay Knowles - *Staff Attorney, Ice Miller*

Susan Lenczewski - *Executive Director, Minnesota Legislative Commission on Pensions and Retirement*

- **Session B: DC/Hybrid Plan Affinity Group: *Hybrid Plans: One Size Does Not Fit All***

This session will provide an overview of some of the different hybrid plan designs in the public sector, along with how key tax code provisions may apply and the applicability of the SECURE Act to these plans.

Moderator

Laurie McKinnon - *General Counsel, Kansas Public Employees Retirement System*

Presenters

Donna Frank - *Senior Legal Counsel, Knowledge Services*

Lisa Harrison - *Of Counsel, Ice Miller*

6:00 p.m. - 9:00 p.m.

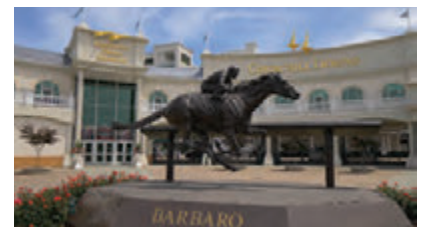
Special NAPPA Event: Dinner honoring Susie Dahl, retiring Executive Director of NAPPA

Churchill Downs

700 Central Avenue

Louisville, KY 40208

Phone: (502) 636-4400



Please help us thank and honor Susie for her amazing service to NAPPA over these last 10 years. Susie is leaving our association much stronger, in every way, than she found us. We are grateful for her excellent stewardship.

Conference Agenda

Thursday, June 23, 2022

7:00 a.m. - 4:00 p.m.

Conference Registration

7:00 a.m. - 8:00 a.m.

Breakfast (provided by NAPPA)

8:15 a.m. - 8:30 a.m.

Introduction and Announcements

8:30 a.m. - 9:30 a.m.

General Session

Ethics II – Who’s Your Client? How Hercules Slays the Hydra

Pension fund counsel regularly engage with a variety of decision-makers who seek advice. By focusing on best practices under the Model Rules of Professional Conduct Rule 1.13, this ethics hour will: 1) discuss the unique legal relationships between the attorney in advising the Board of Trustees, the Executive Director, system members, and staff; 2) explore conflicts of interest that may arise; and 3) present practical solutions for avoiding conflicts.

Moderator

Laura Gilson - *Chief Legal Counsel, Arkansas Public Employees’ Retirement System*

Presenters

Anya Freedman - *Assistant City Attorney, Los Angeles City Attorney’s Office*

Anthony Green - *Deputy Executive Director and Government Relations, Indiana Public Retirement System*

Marc Lieberman - *Chair, Institutional Investments Group, Kutak Rock*

9:30 a.m. - 10:30 a.m.

General Session

Proposed SEC Rules and Their Impact on Private Fund Investors

On February 9, 2022, the Securities and Exchange Commission (SEC) voted to propose significant new and amended rules under the Investment Advisers Act of 1940 to increase the regulation of private fund advisers. After years of advocacy and engagement by the institutional investor community, this action by the SEC may benefit institutional investors and lead to a better alignment of interests between GPs and LPs in private fund investments. The speakers on this panel, including public pension plan investors and counsel from the SEC involved with drafting of the proposed rules in the Rulemaking Office, will discuss the various proposed rules, related developments, and their impact on public institutional investors. The panel will address material issues of importance to private fund investors, including: 1) quarterly statements and expense reporting; 2) conflicts of interest in secondary transactions; 3) compliance costs; 4) fiduciary duty waivers; 5) prohibition on LP tax liability in GP clawbacks; 6) annual audits and performance reporting; 7) prohibited activities and compliance policies; 8) portfolio holdings and transparency; 9) redemption rights; and 10) preferential rights disclosures.

Moderator

Yuliya Oryol - *Partner, Nossaman*

Conference Agenda

Thursday, June 23, 2022 continued...

Presenters

Christine Schleppegrell - *Senior Counsel, Securities and Exchange Commission*

Heather Traeger - *General Counsel & Chief Compliance Officer, Texas Teacher Retirement System*

10:30 a.m. - 10:45 a.m.

Break

10:45 a.m. - 11:45 a.m.

General Session

What Happens When You Assume? How Have Funds Fared After Reducing (or Not Reducing) the Assumed Rate of Return?

The investment return assumption is probably the most consequential of all actuarial assumptions in terms of its effect on a pension plan's finances. Lowering the rate increases both the plan's unfunded liabilities and cost. The sustained period of low interest rates since 2009, combined with lower projected returns for most asset classes since 2009, has caused most public pension plans to reduce their long-term expected investment returns. What has been the result for plans? How have funds done so far in our predictions? A look back and ahead on where the assumed rate of return should be.

Moderator

Mary Beth Foley - *Executive Director, Ohio Police & Fire Pension Fund*

Presenters

Larry Langer - *Principal and Consulting Actuary, Cavanaugh Macdonald Consulting*

David Lindberg - *Managing Director, Wilshire Associates*

11:45 a.m. - 1:30 p.m.

Emeritus Board Lunch *(provided by NAPPA)*

11:45 a.m. - 1:30 p.m.

General Counsel Lunch *(provided by NAPPA)*

11:45 a.m. - 1:30 p.m.

Lunch *(all others on your own)*

1:30 p.m. - 2:30 p.m.

Concurrent Sessions *(choose one)*

• ***Session A: The Evolving Role of Public Pension Funds in Corporate Governance and Related Litigation***

The panel will cover: 1) notable/high profile corporate governance cases over the past few years – what have the results been both monetarily and in terms of changing governance or corporate practices; 2) defining a public fund's role in corporate governance – will include discussion of developing a policy, legal requirements, considerations in evaluating whether or not to act as a lead plaintiff (and how those considerations differ from traditional 10b cases) and how litigation can align with a fund's ESG and other priorities; and 3) logistical issues in corporate governance litigation – where to file? How do you decide on whether to do a books and records vs. more immediate litigation?

Conference Agenda

Thursday, June 23, 2022 continued...

Moderator

Michael Herrera - *Senior Counsel, Los Angeles County Employees Retirement Association*

Presenters

Kevin Lindahl - *Executive Director, Colorado Fire & Police Pension Association*

Andrew Neidhardt - *Assistant Counsel, New York State Common Retirement Fund*

Darren Robbins - *Partner, Robbins Geller Rudman & Dowd*

Hannah Ross - *Partner, Berstein Litowitz Berger & Grossmann*

- **Session B: *The New Form W-4P to be Used Beginning in 2022: A Guide for Roll Out and Lessons Learned***

Starting in the 2022 tax year, the IRS will be using a new Form W-4P. Some funds made the transition last year; some will this year. This session will help guide plan sponsors, who should review and update their withholding procedures for 2022 payments, and consider lead times for system changes. This session will also provide reflections from plans who went forward in 2021.

Moderator

Mary Beth Foley - *Executive Director, Ohio Police & Fire Pension Fund*

Presenter

David Levine - *Principal, Groom Law Group*

2:30 p.m. - 2:45 p.m.

Break

2:45 p.m. - 3:45 p.m.

Concurrent Sessions *(choose one)*

- **Session A: *Nothing is Certain Except Death, Taxes, and Re-Employed Retirees: Taxes of Dying, Disability, and Returning to Work***

This panel will cover the tax rules relating to death benefits, including payments made to the survivors of public safety officers (and what a public safety officer is—you might be surprised to learn that you have some in your plan). To lighten up the mood, we'll also discuss disability benefit taxation, and the requirements for a tax-exempt disability benefit. Finally, we'll discuss those retirees who just can't stay retired. What does the IRS say about a bona fide termination of employment? And what should you do if your retiree just won't retire?

Moderator

Jessica Culotti - *Shareholder, Reinhart Boerner Van Deuren*

Presenters

Nicole Giambarrese - *General Counsel, New York City Police Pension Fund*

Jenni Kregel - *Shareholder, Buchalter*

David Powell - *Principal, Groom Law Group*

Conference Agenda

Thursday, June 23, 2022 continued...

- **Session B: *ICYMI: Best Practices on Pension Obligation Bonds***

Through a presentation and facilitated and interactive conversation with panelists, this session will provide a broad overview of the legal and operational items that plan counsel should be aware of relative to pension obligation bonds. The panelists will provide a recent history of POBs in the public sector, give cautionary tales on what plans should consider when deliberating on POBs, and offer a best practices on issuances. This session is a must if your plan or plan sponsor is considering POBs or the topic has recently been raised at a Board meeting.

Moderator

Hank Kim - *Executive Director & Counsel, National Conference on Public Employee Retirement Systems*

Presenter

Todd Tauzer - *Vice President & Actuary, National Public Sector Retirement Practice Leader, Segal*

Dinner (*on your own*)

Conference Agenda

Friday, June 24, 2022

- 7:00 a.m. - 12:00 noon **Conference Registration**
- 7:00 a.m. - 8:00 a.m. **Breakfast** *(provided by NAPPA)*
- 8:15 a.m. - 8:45 a.m. **Introduction, Announcements, and Business Meeting**
- 8:45 a.m. - 9:45 a.m. **General Session**
Federal Legislative Update
- The presenters will provide an overview of the key federal issues under consideration by the U.S. Congress and the Executive Branch agencies that are relevant to state and local governmental retirement plans. The panel will cover: 1) the retirement tax policy changes being considered as part of the SECURE Act 2.0, including those impacting retired first responders; 2) proposed regulatory changes related to environmental, social, and governance (ESG) investing; and 3) any potential revenue raisers that could be harmful to public plans.
- Presenters**
Tony Roda - *Partner, Williams & Jensen*
Leigh Snell - *Director of Federal Relations, National Council on Teacher Retirement*
- 9:45 a.m. - 10:00 a.m. **Break**
- 10:00 a.m. - 11:00 a.m. **General Session**
David v. Goliath: Engine No. 1, ExxonMobil and the Emergence of ESG in Proxy Voting
- This session will provide an overview of the Department of Labor's evolving guidance on Environmental, Social and Governance (ESG) proxy voting rules. We will also hear from Nate Saint-Victor, General Counsel, and Yusuf George, Managing Director of Engine No. 1, as they offer insights on the Exxon proxy contest and the utilization of proxy vote process to advance ESG goals consistent with the objectives of shareholders and stakeholders.
- Moderator**
John Nixon - *Partner, Duane Morris*
- Presenters**
Yusuf George - *Managing Director, Engine No. 1*
Nate Saint-Victor - *General Counsel & Chief Compliance Officer, Engine No. 1*
- 11:00 a.m. - 12:00 noon **General Session**
Public Pension-Related Litigation of National Importance
- This session will provide participants with an opportunity to hear about and understand the various issues affecting public pension plans that have been the subject of litigation, and how different courts have viewed those issues.
- Moderator**
Laurie McKinnon - *General Counsel, Kansas Public Employees Retirement System*
- Presenters**
Audra Ferguson-Allen - *Partner, Ice Miller*
Peter Mixon - *Partner, Nossaman*

2021-2022 Section Steering Committees, Working Groups, Affinity Groups & Committees

Section Steering Committees

Benefits Section

- Jason Paulsmeyer, *Chair*
- Kristin Bellar
- Valerie Budzik
- Liza Eves
- Diana Felsmann
- Audra Ferguson-Allen
- Brian Goodman
- David Levine
- Dawn Viggiano
- Laurie McKinnon, *Board Liaison*

Fiduciary & Plan Governance Section

- Dee Larsen, *Chair*
- Julie Becker
- Carolyn Clifford
- Rachel Cohen
- Anya Freedman
- Victoria Hale
- Benita Harper
- Hank Kim
- Lindsay Knowles
- Tiffany Reeves
- Manuel Serpa
- Abby Spieler
- Heather Traeger
- Jennifer Zahry
- Gina Ratto, *Board Liaison*

Investments Section

- Yuliya Oryol, *Chair*
- Don Ampansiri
- Julie Borisov
- Joshua Geller
- Karen Grenon
- Maureen Hazen
- Robert Holodnak
- Ann Marie Johnson
- Edward Klees
- Carrie Rief
- Christine Roseland
- Steven Skoff
- Joe Indelicato, *Board Liaison*

Tax Section

- Megan Peitzmeier, *Co-Chair*
- Robert Gauss, *Co-Chair*
- Luke Bailey
- Jessica Culotti
- Nicole Giambarrese
- Jenni Kregel
- Susan Lenczewski
- David Powell
- James Thompson
- Tony Roda
- Melanie Walker
- Matthew Whitehorn
- Don Wellington
- John Nixon, *Board Liaison*

Working Groups

Cybersecurity

- Brian Bartow, *Chair*
- Julie Borisov
- Joshua Geller
- Benita Harper
- Hank Kim
- David Levine
- Mary Ellen O'Neill
- Manuel Serpa
- Brian Sytsma
- Crystalyn Voehl
- Susan Youngflesh
- Erin Perales, *Board Liaison*

Funding Challenges

- Kevin Gallaway, *Co-Chair*
- Davetta Lee, *Co-Chair*
- Kristin Bellar
- Carolyn Clifford
- Cynthia Fain
- Anthony Green
- Ronald King
- Lindsay Knowles
- Dee Larsen
- Cathy Smith
- Tony Roda, *Board Liaison*

2021-2022 Section Steering Committees, Working Groups, Affinity Groups & Committees

Securities Litigation, Including Remedies Outside the U.S.

- Michael Herrera, *Co-Chair*
- Maya Saxena, *Co-Chair*
- Jeffrey Barrack
- Peter Borkon
- Darren Check
- Brian Goodman
- Karen Grenon
- Alan Kleinman
- Nicole Lavalley
- Bruce Leppa
- Betsy Manifold
- J.R. Morgan
- Michael Nelson
- Megan Peitzmeier
- Darren Robbins
- Hannah Ross
- Joshua Ruthizer
- Irwin Schwartz
- Daniel Sommers
- Marc Weinberg
- Jennifer Yamane
- Laura Gilson, *Board Liaison*

Affinity Groups

DC/Hybrid Plan Affinity Group

- Jennifer Schreck, *Convener*
- Luke Bailey
- Aaron Castle
- Jessica Culotti
- Donna Frank
- Lisa Harrison
- Davetta Lee
- Lydia Lee
- Laurie McKinnon
- Marc Purintun
- Melanie Walker
- Laura Gilson, *Board Liaison*

Health Plan Affinity Group

- Julie Borisov, *Convener*
- Aaron Castle
- Paul Esposito
- Diana Felsmann
- Anya Freedman
- Kevin Gallaway
- Richelle Levy
- Liz Masson
- Christopher Sears
- Julie Weaver
- Wiley Williams
- Rebecca Wisbar
- Mary Beth Foley, *Board Liaison*

Public Safety Affinity Group

- Carolyn Clifford, *Convener*
- Luke Bailey
- Ben Huxen
- Hank Kim
- Lindsay Knowles
- Susan Lenczewski
- Jason Paulsmeyer
- Tony Roda
- Mike Sutherland
- Mary Beth Foley, *Board Liaison*

Committees

New Member Education

- Peter Mixon, *Chair*
- Julie Borisov
- Cindy Collins
- Suzanne Dugan
- Victoria Hale
- Lydia Lee
- Tiffany Reeves
- Jennifer Zahry
- Erin Perales, *Board Liaison*

NAPPA

2410 Hyde Park Rd., Suite B ♦ Jefferson City, MO 65109

Phone: (573) 616-1895 ♦ Fax: (573) 616-1897

www.nappa.org

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Houston Municipal Employees Pension System

John Nixon, *Vice President*

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Mary Beth Foley

Ohio Police & Fire Pension Fund

Laura Gilson

Arkansas Public Employees' Retirement System

Joseph Indelicato

New York State Teachers' Retirement System

Laurie McKinnon

Kansas Public Employees Retirement System

Gina Ratto

Orange County Employees Retirement System

Tony Roda

Williams & Jensen

NAPPA Staff

Susie Dahl, *Executive Director*

Susie@nappa.org

Karen Holterman

Karen@nappa.org

Brenda Faken

Brenda@nappa.org

Doris Dorge

Doris@nappa.org

As a Reminder

- *There is a "No Smoking" policy at all sessions.*
- *Dress is business casual for the conference. Most meeting rooms tend to be on the chilly side, so a sweater or jacket is recommended.*



2023 Winter Seminar - Tucson, AZ

Wednesday, February 22 - Friday, February 24, 2023

Loews Ventana Canyon - \$239

7000 North Resort Drive, Tucson, AZ 85750

Phone: (520) 299-2020



2023 Legal Education Conference - San Antonio, TX

Tuesday, June 27 - Friday, June 30, 2023

New Member Education Sessions on Tuesday, June 27

San Antonio Marriott Rivercenter - \$229

101 Bowie Street, San Antonio, TX 78205

Phone: (210) 223-1000



2024 Winter Seminar - Washington, DC

Wednesday, February 21 - Friday, February 23, 2024

Grand Hyatt Washington - \$259

1000 H Street, Washington, DC 20001

Phone: (202) 582-1234



2024 Legal Education Conference - Fort Lauderdale, FL

Tuesday, June 25 - Friday, June 28, 2024


New Member Education Sessions on Tuesday, June 25

Marriott Fort Lauderdale Harbor Beach - \$229

3030 Holiday Drive, Fort Lauderdale, FL 33316

Phone: (954) 525-4000



Date: May 4, 2022
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer 
Subject: **Initiation of Service Provider Evaluation Period**

The Board of Retirement's Evaluation Period Policy was established to help ensure that decisions involving the selection, retention, or termination of KCERA service providers are consistent with fiduciary standards of conduct, and that service providers being considered by KCERA are treated fairly.

An "evaluation period" may be initiated by the Chief Executive Officer ("CEO") in the following situations:

- a) when a request for proposals (RFP) has been issued by KCERA or a short list of candidate firms has been identified for consideration by KCERA, or
- b) the Board otherwise deems it to be in the best interest of KCERA and its members and beneficiaries to do so.

The CEO has exercised his discretion and initiated the evaluation period for the following providers:

- 1) OrbiMed Royalty & Credit Opportunities IV
- 2) OrbiMed Private Investments IX
- 3) KSL Capital Partners Fund VI

Trustees are required to comply with the evaluation period restrictions upon receipt of this notification. (See Board Communications Policy).

During evaluation periods, trustees shall not communicate with the specified service providers, except during board meetings, committee meetings, or KCERA-authorized due diligence visits; nor shall they accept meals, travel, hotel, or other types of gifts from the specified service providers. Notwithstanding the above, Trustees who need to communicate with such service providers for reasons unrelated to KCERA business agree to disclose such need to the Board beforehand. If circumstances do not permit timely disclosure to the Board, the trustee shall provide disclosure of the intended communication to the CEO and to the Chair or Vice-Chair.

Initiation of Service Provider Evaluation Period

May 4, 2022

Page 2

Service providers that breach this policy may be terminated by KCERA or disqualified from consideration in a search process. Board members who breach this policy may be sanctioned in accordance with the KCERA Code of Conduct.

(See Evaluation Period Policy).

Pursuant to the aforementioned policies, staff recommends your Board ratify the evaluation period instituted by Chief Executive Officer Dominic Brown and delivered to the Board on April 28, 2022.

ALTERNATIVE INVESTMENTS RECORDS

EXEMPT FROM PUBLIC DISCLOSURE

(CA Gov. Code §6254.26)

(CA Gov. Code §6255)

(CA Gov. Code §54957.5)

DO NOT REPRODUCE

DO NOT DISTRIBUTE

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(CA Gov. Code §6255)

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(CA Gov. Code §54957.5)

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DO NOT DISTRIBUTE



Date: May 4th, 2022
To: Trustees, Board of Retirement
From: Daryn Miller, Chief Investment Officer
Brian Long, Senior Retirement Investment Officer
Matt Henry, Chief Operations Officer
Subject: **Recommendation for General Investment Consultant**

RECOMMENDATION

Staff recommends retaining Verus Advisory, Inc. ("Verus") as KCERA's general investment consultant, and seeks approval, to enter into a contract, subject to negotiating acceptable terms and conditions, and to delegate authority to the Executive Director to execute an agreement on behalf of KCERA.

EXECUTIVE SUMMARY

Staff believes that Verus is the most appropriate general investment consultant for KCERA. Verus's strengths lie in their firm's capabilities, tenure with KCERA's Board of Retirement (the "Board"), familiarity with the KCERA portfolio, understanding of KCERA's newer initiatives (capital efficiency and its expansion), and our lead consultant's, Scott Whalen, experience and presence with the Board.

Verus has been the Plan's general investment consultant for the past 12 years and has worked on many key initiatives over this period. The KCERA investment team looks forward to continuing to work with Verus and build upon current initiatives and investment strategies

BACKGROUND

Verus has been KCERA's general investment consultant since 2011. Best practices recommend that RFPs should be periodically issued to ensure that KCERA's service providers and consultants remain top tier organizations, and are appropriately priced. The last RFP for general investment consulting services was issued in 2010.

RFP PROCESS

Following the decision to issue an RFP for general investment consultant services, staff released an RFP on November 5, 2021. Written questions were due on November 30, 2021, and submission of proposals were due on January 7, 2022. The RFP consisted of approximately 70 questions covering areas such as firm history, professional staff, investment philosophy, research, risk management, reporting, and fees. The RFP also requested information such as ADV's and Code of Ethics. Five proposals were received. An internal RFP evaluation team was formed, consisting of the CIO, SRIO, and COO.

The RFP evaluation team individually reviewed and scored the five proposals. The scores were then aggregated and compared. At that point, the responses were narrowed to a field of three candidate firms, and video conference calls were held with each firm. Following the calls, the candidate firms were discussed amongst the evaluation team, and scoring was updated. The evaluation team concluded that

the two non-incumbent applicants were unable to surpass the incumbent's capabilities. A follow up call was set up with Scott Whalen (Executive Managing Director/Lead Consultant), Jeff MacLean (Chief Executive Officer), Ian Toner (Chief Investment Officer), Marianne Feely (Managing Director of Public Markets), Justin Hatley (Director of Performance Analytics), and Claudia Schloss (Senior Consulting Associate) to finalize the due diligence process. After the call, the evaluation team confirmed that Verus was the best suited candidate.

Staff presents the recommendation to retain Verus Advisory, Inc. to the Investment Committee on April 27th, 2022, and if approved, will present the recommendation to the full Board on May 4th, 2022.

OVERVIEW

Firm Background

Verus was founded in 1986 to provide independent, research-based investment advisory services to public pension plans, corporate DB and DC plans, endowments, foundations, Taft-Harley trusts, private wealth trusts, and sovereign wealth funds. They provide non-discretionary advice as an investment consultant or in the role of Outsourced CIO with full or partial discretion over the management of portfolio assets. Those stated services account for 100% of their total revenues. Verus offers investment policy development, trustee education, strategic asset allocation, portfolio structure analysis, manager selection across traditional and alternative assets, custodial and third-party administrator selection, benchmark analysis, due diligence review and manager monitoring, comparative performance reporting, among others. They also offer private markets consulting and risk advisory services on a stand-alone basis or as part of an overall retainer.

Investment Philosophy

Verus' investment consulting philosophy focuses on six key principles: (1) Return objectives, tolerance for risk, and the strategic mission of the enterprise should drive strategic asset allocation. (2) Risk-free rates and risk premia drive most market returns and are themselves influenced by market and economic fundamentals. (3) Investment skill exists, and the deployment of active management where inefficiencies can be exploited is essential to achieving investment success in both public and private markets. (4) Fees and costs must be managed and minimized where appropriate. (5) Good results can best be achieved by managing uncertainty using varied risk management tools, complemented by discipline, skepticism and humility. (6) A portfolio should be as simple as possible for the goals it is designed to achieve. Investment complexity requires strong governance and appropriate investment oversight.

Engagement Team

Verus assembled a high-caliber engagement team for the KCERA mandate, consisting of Scott Whalen as lead consultant, supported by Claudia Schloss. Brian Kwan will serve as backup consultant to the engagement. In addition to these individuals, the engagement is supported by other individuals, as well as the broader Verus organization.

The members of the engagement team are:

- 1) Mr. Scott Whalen, CFA, CAIA – Executive Managing Director and Senior Consultant
- 2) Claudia Schloss, CFA – Senior Consulting Associate
- 3) Mr. Brian Kwan, CFA, CAIA – Senior Consultant

Scott Whalen: Scott is the proposed primary consultant for KCERA. Scott joined Verus in 2002. Prior to joining Verus in 2002, Mr. Whalen built a distinguished career in management consulting at McKinsey & Company and Ernst & Young, where he led corporate and public sector institutions to increase efficiency and improve operational performance. Mr. Whalen has extensive experience working with multiple stakeholders across industries, where he has honed his ability to foster effective decision-making in challenging environments.

Claudia Schloss: Claudia is the proposed consulting support for KCERA. Claudia joined Verus in 2019. Her primary responsibilities at Verus include assisting in asset allocation studies, creating manager commentary, producing client deliverables, and providing all other support for the Las Angeles based consulting team.

Brian Kwan: Brian is the proposed back up consultant for KCERA. Brian joined Verus in 2013 and advises a broad range of institutional clients on a variety of issues around asset allocation, investment strategies, capital markets, macroeconomics, risk management, and governance. Clients include multi-employer trust funds, corporate sponsored defined benefit and defined contribution plans, and public pensions. He also provides research coverage on various investment strategies, sits on the 401(k) committee, and is a shareholder of the firm.

Terms

If approved, KCERA will enter into a contract with Verus Advisory, Inc. to retain general investment consulting services. The term will be for 5 years, with both Verus and KCERA having the right to terminate the agreement. The annual fee will be \$410,000 for the first three years, \$425,000 and \$440,000 for subsequent two years.



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: MARCH 31, 2022

Investment Performance Review for

Kern County Employees' Retirement Association

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SEATTLE 206.622.3700

PITTSBURGH 412.784.6678

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Investment Landscape

TAB I

Investment Performance
Review

TAB II



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

2ND QUARTER 2022
Investment Landscape

Recent Verus research

Visit: <https://www.verusinvestments.com/insights/>

Sound thinking

2022: BACK TOWARDS NORMAL?

As we do every year, during January we sit down to think about what might matter for the coming year – and that process always begins with us assessing how we did the previous year. The goal of this is to help boards prioritize their work, whether it is actually allocating money or simply setting the agenda of topics they should be thinking about. In the latest Sound Thinking, our CIO, Ian Toner, CFA will review topics from the previous year and outline the following topics that an investor might want to add to their agenda for the coming year.

Annual research

2022 ACTIVE MANAGEMENT ENVIRONMENT

Active manager dispersion has been very wide recently, as the pandemic-induced global recession and subsequent fast-paced recovery resulted in considerable economic divergence. These dynamics have created interesting opportunities for active managers to show differentiated performance and deliver alpha to clients. We hope that the insights from this unique mathematical approach provide a deeper understanding of active manager behavior and assists investors in their selection process.

Verus business update

Since our last Investment Landscape webinar:

- Verus has hired three employees. **Tim McEnery**, Managing Director | Senior Consultant; **Samantha Grant**, Senior Consultant; and **Kyle Jangard**, Public Markets Research Analyst.
 - Tim and Samantha will establish a Verus office in Chicago. Expanding our Midwest presence has been a long-term strategic goal to grow our nationwide services.
- We've had success over the last three months in retaining several new clients. Our national client footprint expanded to 25 states, with our recent additions of clients in Hawaii and North Dakota.
- The IIDC grew to 25 consulting firms with over \$42 trillion in assets under advisement. Verus founded the Institutional Investing Diversity Cooperative in December 2020, leading a call to action in the consulting industry for disclosure of asset manager diversity data at the investment team level.



TIM MCENERY, CFA
Managing Director | Senior Consultant



SAMANTHA GRANT, CFA, CAIA
Senior Consultant



KYLE JANGARD
Public Markets Research Analyst

Table of contents



VERUSINVESTMENTS.COM

SEATTLE 206.622.3700

CHICAGO 312.815.5228

PITTSBURGH 412.784.6678

LOS ANGELES 310.297.1777

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1st quarter summary

THE ECONOMIC CLIMATE

- Real GDP grew at a 5.5% rate year-over-year in Q4 (+6.9% quarterly annualized rate). Strong expenditures into new inventory boosted growth, as many businesses have struggled to replenish inventory levels in the face of global supply chain issues. Business investment and rising exports also contributed to the strong pace of growth. **p. 8**
- The rate of unemployment in the U.S. has continued to fall, improving from 3.9% to 3.6% during the quarter. The labor force participation rate has gradually increased, rising from 61.6% to 62.4%. A historic shortage of workers may remain a sticky issue, as 11.3 million job openings are posted, but only 6.0 million Americans are seeking work. **p. 11**

PORTFOLIO IMPACTS

- High yield credit spreads expanded from 2.8% to 3.3%, although default activity is expected to remain historically low. It appears spread movement has been more of an effect of broader risk-off market moves, rather than a specific reflection of changing credit conditions. **p. 24**
- U.S. core CPI, excluding food & energy, rose by 6.5% year-over-year in March. Headline inflation, which is being closely watched at the moment as this includes energy & food prices, reached 8.5%. Prices in some other areas have stabilized. Many investors believe inflation peaked in March, though there remains much uncertainty around the path from here. **p. 9**

THE INVESTMENT CLIMATE

- In late February, Russian forces invaded Ukraine—a move which was anticipated by major Western intelligence communities. Ukraine has put together a remarkable defense thus far, as many citizens have taken up arms to defend their country. **p. 18**
- Multi-year underinvestment in energy, and now the Russia/Ukraine war, has created a shock to energy markets and crisis-level prices in many European countries. Government officials have been hesitant to vocally support increased local energy production, primarily due to climate concerns. In the U.S., many shale firms have opted to increase production on existing land, but have been slow to pursue new projects—partly due to supply chain issues (shortages in labor, truck drivers, and frack sand) and also due to prioritization of profits over growth. **p. 38**

ASSET ALLOCATION ISSUES

- Nearly every asset class delivered negative performance in Q1. Equity markets pulled back, credit spreads widened, and interest rates headed higher. Certain real assets including commodities were the exception. **p. 49**
- Value stocks outperformed Growth stocks by a substantial margin during Q1, as the Energy sector outpaced the index by 43.6% (Energy 39.0%, S&P 500 -4.6%). Large capitalization stocks outperformed small capitalization stocks (Russell 1000 +9.8%, Russell 2000 +2.1%). **p. 30**

Nearly every asset class delivered losses during Q1, as risk assets sold off, credit spreads widened, and interest rates moved higher

What drove the market in Q1?

“U.S. Inflation Accelerated to 8.5% in March, Hitting Four-Decade High”

HEADLINE CONSUMER PRICE INFLATION (YEAR-OVER-YEAR)

Oct	Nov	Dec	Jan	Feb	Mar
6.2%	6.8%	7.0%	7.5%	7.9%	8.5%

Article Source: Wall Street Journal, April 12th, 2022

“Russian Stocks’ 33% Crash Is Fifth-Worst in Market History”

MOEX RUSSIA EQUITY INDEX PRICE LEVEL

Oct	Nov	Dec	Jan	Feb	Mar
4150	3891	3787	3530	2470	2704

Article Source: Bloomberg, February 24th, 2022

“Commodity prices surge after Russia’s Ukraine invasion”

BLOOMBERG COMMODITY SPOT INDEX

Oct	Nov	Dec	Jan	Feb	Mar
525.1	487.3	502.2	546.8	577.7	625.3

Article Source: Axios, March 1st, 2022

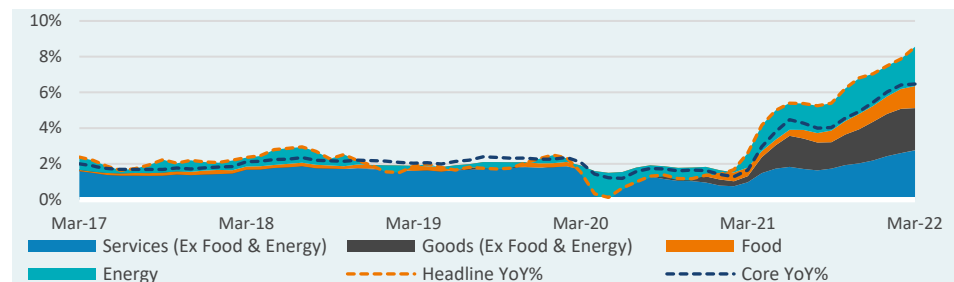
“Global Bond Rout Deepens on Fear Rate Hikes Will Stoke Recession”

BLOOMBERG GLOBAL AGGREGATE TREASURIES TOTAL RETURN

Q4 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
3.2%	(5.5%)	0.9%	(1.1%)	(1.0%)	(6.2%)

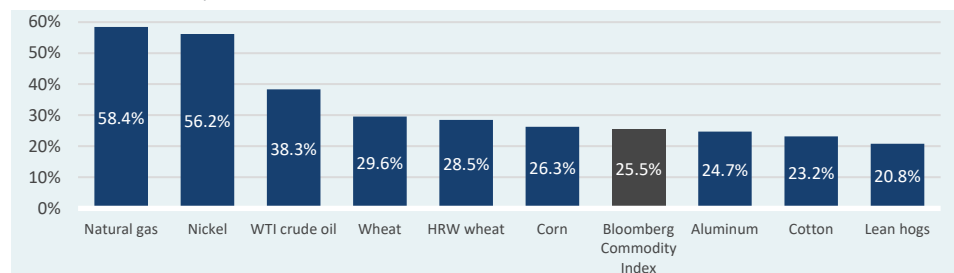
Article Source: Bloomberg, March 27th, 2022

CONTRIBUTION TO HEADLINE CONSUMER PRICE INFLATION



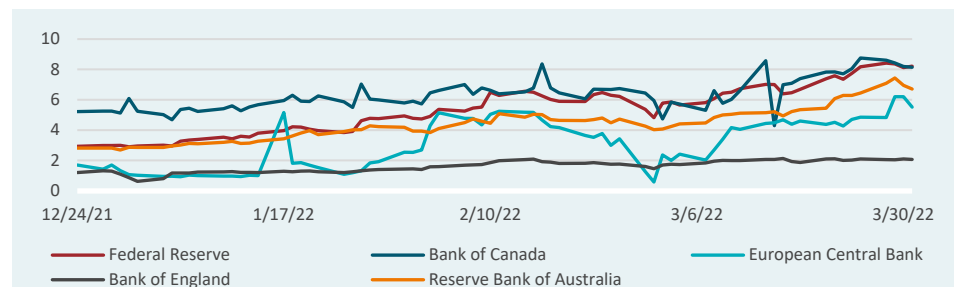
Source: Bureau of Labor Statistics, as of 3/31/22

COMMODITY Q1 PERFORMANCE



Source: Bloomberg, as of 3/31/22

EXPECTED NUMBER OF RATE HIKES BY DECEMBER 2022



Source: Bloomberg, as of 3/31/22

Economic environment

U.S. economics summary

- Real GDP grew at a 5.5% rate year-over-year in the fourth quarter (+6.9% quarterly annualized rate). Strong expenditures into new inventory boosted the economy during the quarter, as many businesses had struggled to replenish inventory levels in the face of global supply chain issues. Business investment and rising exports also contributed to the strong Q4 pace of growth.
- In economic terms, the effects of COVID-19 seem to be in the rearview mirror. Travel volumes have risen closer to prior levels, credit card transactions are extremely strong, and Americans are once again dining out and spending on entertainment.
- U.S. core CPI, which excludes food & energy prices, rose by 6.5% year-over-year in March. Headline inflation, which is being closely watched at the moment as this includes many of the goods that exhibited the largest price gains (energy & food), reached 8.5%. Price rises have become more broad-based in recent months, with many goods and services experiencing increases.
- U.S. unemployment continued to fall, improving from 3.9% to 3.6%. The labor force participation rate has gradually increased, rising from 61.6% to 62.4%. The historic shortage of workers may remain a sticky issue, as 11.3 million job openings are currently posted, but only 6.0 million Americans are seeking work.
- The fast rise of 30-year fixed mortgage rates to near 5.0%, along with skyrocketing home prices, has made homeownership a nearly impossible goal for some Americans, and is squeezing the budgets of many (though at the same time generating much wealth for homeowners). This effect is captured in the Housing Affordability Index, which further deteriorated during Q1.

	Most Recent	12 Months Prior
Real GDP (YoY)	5.5% 12/31/21	(2.3%) 12/31/21
Inflation (CPI YoY, Core)	6.5% 3/31/22	1.6% 3/31/21
Expected Inflation (5yr-5yr forward)	2.4% 3/31/22	2.3% 3/31/21
Fed Funds Target Range	0.25% – 0.50% 3/31/22	0.00% – 0.25% 3/31/21
10-Year Rate	2.34% 3/31/22	1.74% 3/31/21
U-3 Unemployment	3.6% 3/31/22	6.0% 3/31/21
U-6 Unemployment	6.9% 3/31/22	10.7% 3/31/21

GDP growth

Real GDP grew at a 5.5% rate year-over-year in the fourth quarter (+6.9% quarterly annualized rate). Strong expenditures into new inventory boosted growth, as many businesses had struggled to replenish inventory levels in the face of global supply chain issues. Business investment and rising exports also contributed to strong fourth quarter GDP.

During Q1 2022, concerns rose around the possibility of slowing economic growth or even a recession in the near-term, though the chances of recession appear low. The Atlanta Fed GDPNow real-time forecast for first quarter growth was 1.1%, as of April 11th (seasonally adjusted QoQ annualized rate).

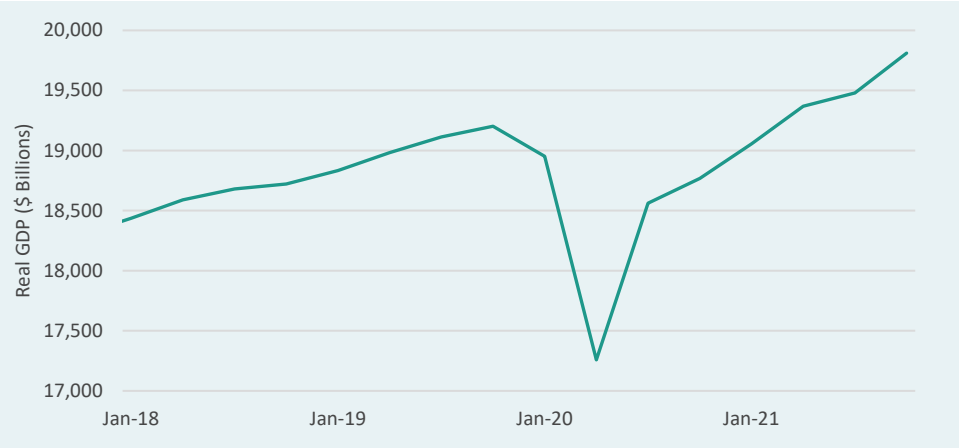
However, it is broadly expected that economic growth picks back up to around 3% throughout the remainder of 2022.

As we mentioned last quarter, U.S. GDP growth is quoted in *inflation-adjusted* terms. This will mean that inflation trends could have large impacts on upcoming U.S. GDP growth numbers. Higher inflation would depress the rate of GDP growth, and falling inflation would likely boost GDP figures, all else equal. Multiple past U.S. recessions were caused at least partially by rising inflation rather than solely by slowing growth (see 1970s, 1980s).

Q4 GDP growth was very strong

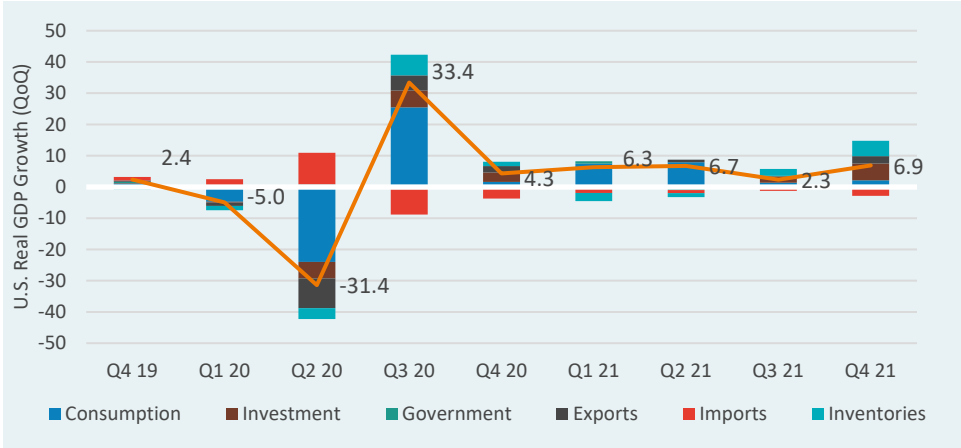
Economists expect weak growth in Q1, followed by a mild economic reacceleration

U.S. REAL GROSS DOMESTIC PRODUCT



Source: FRED, as of 12/31/21

U.S. REAL GDP COMPONENTS (QOQ)



Source: FRED, as of 12/31/21

Inflation

U.S. core CPI, which excludes food & energy prices, rose by 6.5% year-over-year in March. Headline inflation, which is being closely watched at the moment as this includes many goods that have exhibited the most notable price gains (energy & food), reached 8.5%. While price rises in energy and food have been large in recent months, prices in some other areas have stabilized. Many investors believe inflation peaked in March, though much uncertainty exists regarding the path from here.

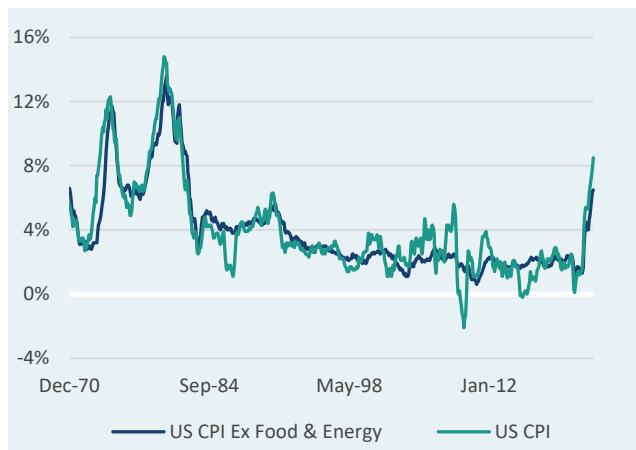
There are both inflationary and deflationary forces at play in the current environment. On the inflationary side, Russia's invasion of Ukraine has led to substantial disruptions to energy and agricultural markets, which flowed through to price spikes in many commodity markets. These moves can be seen in the March

inflation report. Geopolitical crises tend to result in *upward* commodity price movement, which suggests continued war or wider conflict could have inflationary effects. On the *deflationary* side, large single-month inflation numbers are beginning to *fall out* of the 12-month CPI calculation window. This will naturally have a depressing effect on future CPI figures. Furthermore, many pandemic-specific issues are beginning to be resolved, such as clogged supply chains, unusually high demand for physical goods, and abnormally strong spending patterns. On the next slide we visualize some of these *inflationary* and *deflationary* effects.

Overall, we believe that inflation will most likely begin falling later in 2022, though this could be a slower process than originally believed.

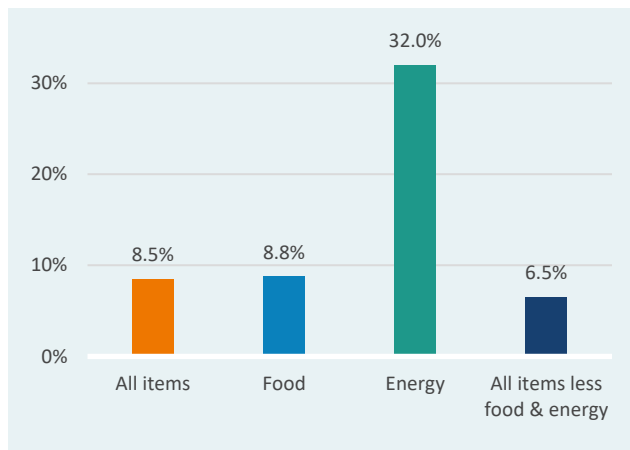
Inflation has proven more sticky (less transitory) than previously expected

U.S. CPI (YOY)



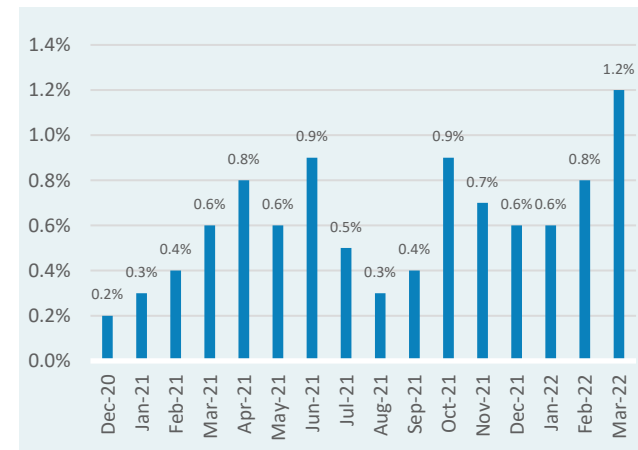
Source: BLS, as of 3/31/22

U.S. CPI (YOY)



Source: BLS, as of 3/31/22

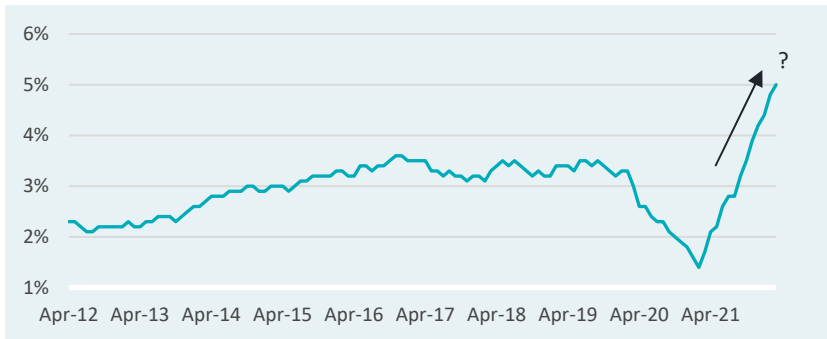
MONTHLY PRICE MOVEMENT



Source: BLS, as of 3/31/22

Inflationary & deflationary forces

CPI SHELTER COSTS (YEAR-OVER-YEAR)



Shelter costs, which account for ~40% of the core CPI gauge, have continued to track rent prices higher. The continuation of this trend could mute the impact of a potential rollover in prices for consumer durables like used cars, and result in a higher floor for inflation near-term.

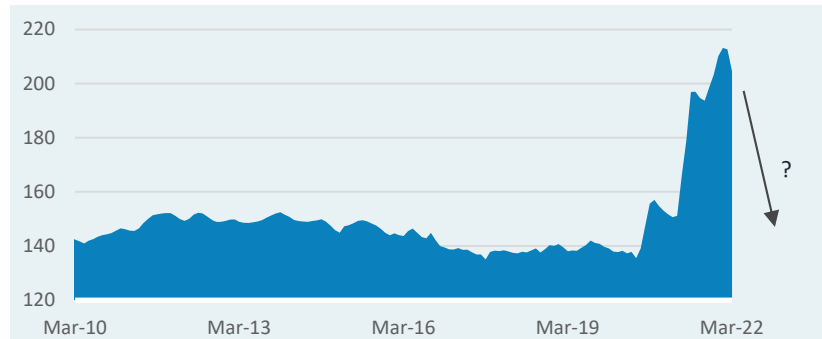
U.S. CORNBELT AMMONIUM NITRATE (FERTILIZER) PRICES



Russia, the world's largest fertilizer exporter, imposed a two-month ban on ammonium nitrate exports, which will threaten the reduction of fertilizer supplies. The export ban is likely to result in higher prices for U.S. farmers.

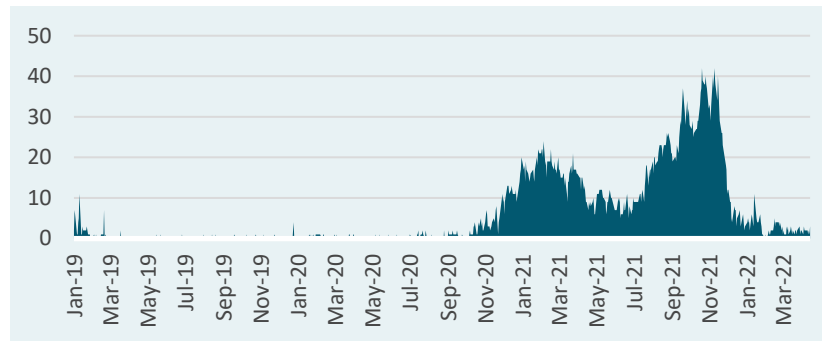
Source: FRED, as of 3/31/22 (upper), Bloomberg, as of 3/31/22 (lower)

USED CAR & TRUCK PRICES



If certain pandemic-related price rises were to reverse as conditions ease, this could bring inflation down materially

SHIPS AT ANCHOR – PORT OF L.A.



Pandemic-related supply and demand complexities contributed to many supply shortages and price spikes. As these issues are resolved, we would expect prices of some goods to stabilize and perhaps even move closer to prior levels.

Source: FRED, as of 3/31/22 (upper), Port of Los Angeles, as of 4/15/22 (lower)

Inflation dynamics are complex. On this slide we take a look at a few potentially *inflationary* forces (left side) and *deflationary* forces (right side)

Labor market

The rate of unemployment in the U.S. has continued to fall, improving from 3.9% to 3.6% during the quarter. The labor force participation rate has gradually increased, rising from 61.6% to 62.4%. The historic shortage of workers may remain a sticky issue, as 11.3 million job openings are posted, but only 6.0 million Americans seeking work.

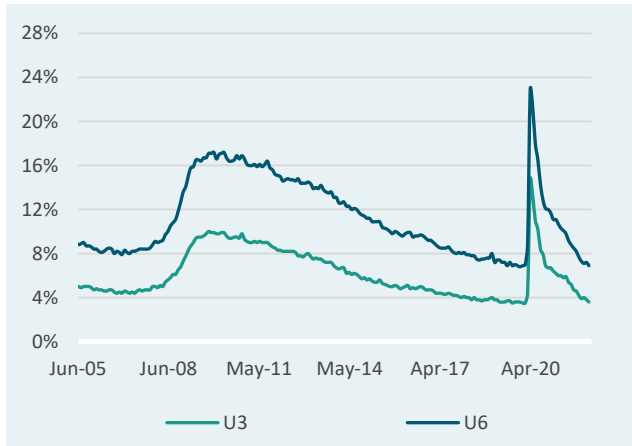
Throughout the latter part of the pandemic, our belief has been that abnormally early retirements have shrunk the overall labor force, and that the U.S. labor participation rate will not likely fully rebound to prior levels. This forecast has proven accurate, as much of the 55+ U.S. worker age cohort remains out of the workforce and not seeking employment. This compares to

younger age cohorts which have made greater progress toward rejoining the labor pool.

The shortage of workers is likely having a dampening effect on the U.S. economy, as fewer workers means less productive activity, which translates to fewer paychecks and total household income. At the onset of the labor supply shortage, some held the view that fewer workers might mean greater overall wage income if this gave workers more negotiating power with employers. Unfortunately, the results have not met those expectations, as wages have failed to keep up with inflation.

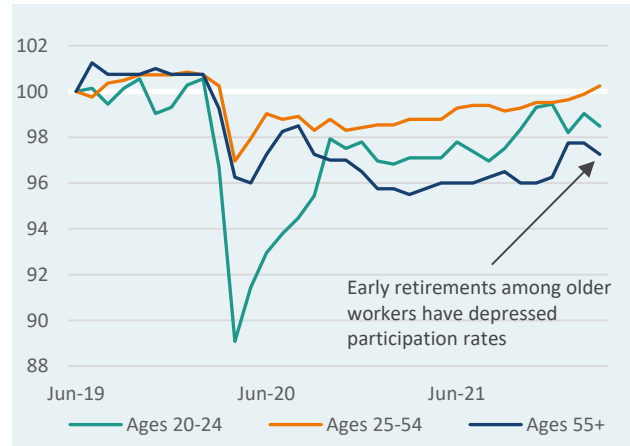
U.S. labor participation continues to see gradual improvement

U.S. UNEMPLOYMENT



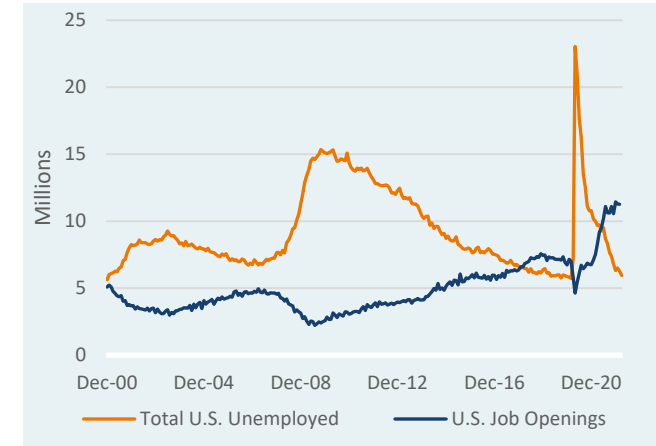
Source: FRED, as of 3/31/22

LABOR PARTICIPATION RATE



Source: FRED, as of 3/31/22

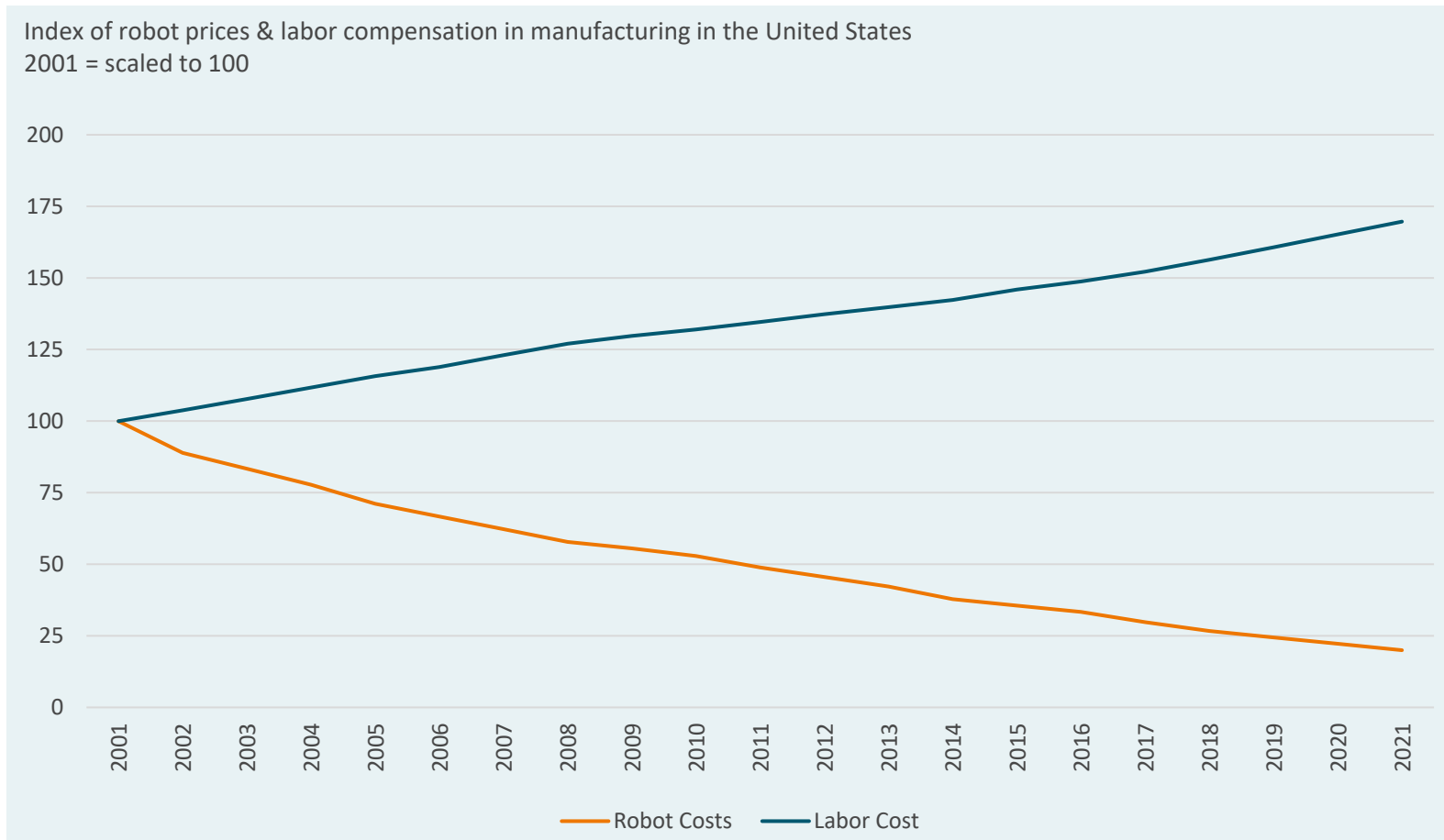
UNEMPLOYED VS # JOBS AVAILABLE



Source: FRED, as of 2/28/22 or most recent data

Labor costs alternatives

COSTS OF AUTOMATION



With widespread labor shortages, companies are increasingly adopting robotics and automation to stay competitive

Spending on robotics was approximately \$2 billion in 2021 (a 14% increase over the previous high in 2017)

Source: U.S. Bureau of Labor Statistics; ARK Investment Management [Ark-investment.com](https://ark-investment.com); United Nations Economic Commission; BCG

The consumer

U.S. personal consumption expenditures (PCE) represents consumer spending across a broad basket of goods. Spending boomed during the COVID-19 recovery, with a surprisingly large shift towards purchases of goods and away from services. This substantial shift was believed to be a major contributor to demand/supply imbalances and price inflation of goods during the pandemic. After adjusting for inflation, consumption has risen 1.6% per year since February of 2020.

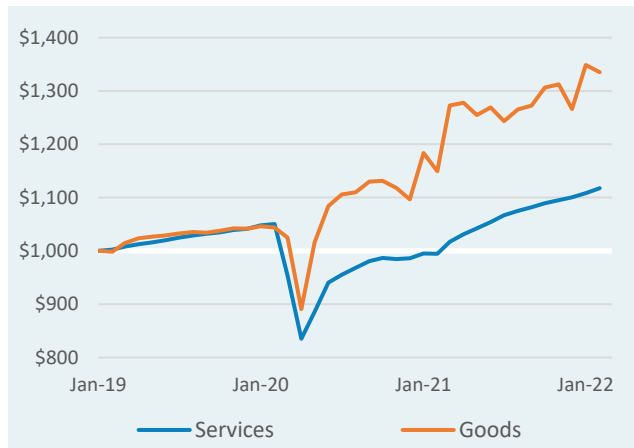
Auto sales remain depressed relative to pre-pandemic volumes and are at the lowest level since 2011. Sales have likely been hindered by supply chain and therefore inventory issues surrounding new vehicles as well as affordability issues for used

vehicles due to the unprecedented rise in prices.

While economic growth and spending appears to be slowing, it is worth noting how significant the increase in U.S. household wealth has been. Asset prices broadly headed higher during the COVID-19 recovery, which included skyrocketing home prices. While these moves certainly create difficulties for new investors (dollars invested today are expected to generate relatively lower long-term returns) and also for future homebuyers (home affordability has been very negatively affected), rising markets have created great profits for many Americans, as indicated by surging total household wealth.

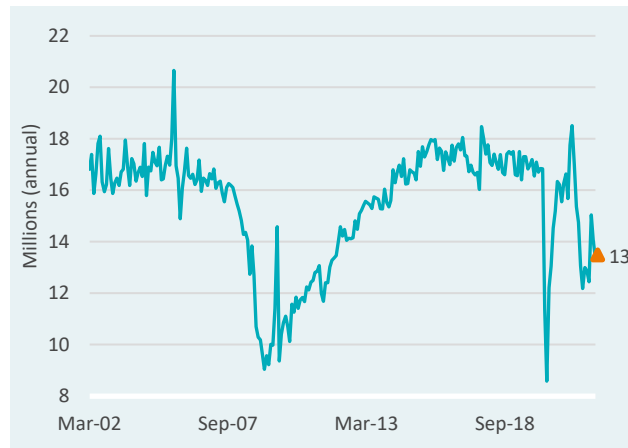
Despite vastly increased American wealth and strong job prospects, sentiment is very depressed as living costs rocket higher

PERSONAL CONSUMPTION EXPENDITURES



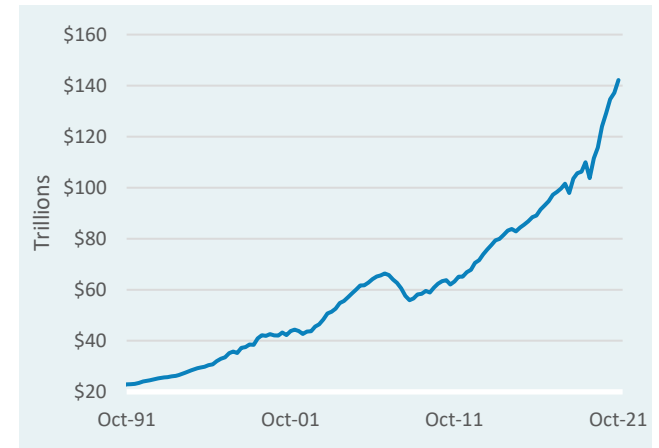
Source: FRED, as of 2/28/22

AUTO SALES



Source: Federal Reserve, as of 2/28/22

U.S. HOUSEHOLD WEALTH



Source: FRED, as of 12/31/21

Sentiment

Consumer sentiment has collapsed to levels not seen since the depths of the 2008-2009 Global Financial Crisis. The University of Michigan survey fell from 70.6 to 59.4 during the quarter, as survey respondents indicated deteriorating living conditions due to high inflation and expectations that household financial conditions will worsen throughout the year. On a more positive note, Americans are reportedly optimistic about job prospects and the strong labor market.

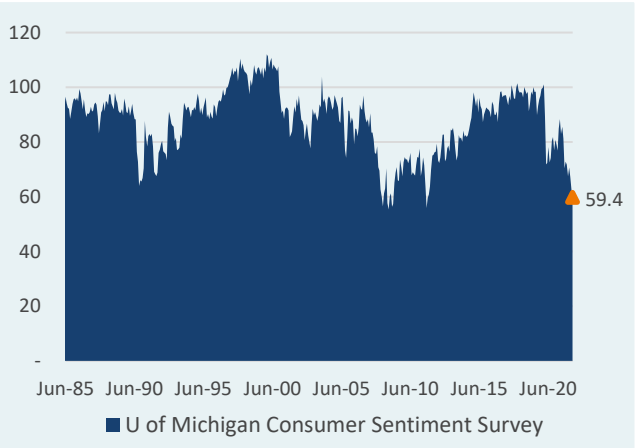
There remain 11.3 million open jobs but only 6.0 million unemployed people in the labor force, indicating significant

labor market tightness. Per the Conference Board, the percentage of Americans who believe it is difficult to land a job right now is at the lowest level since year 2000. A competitive market has led to strong nominal wage gains, but real (adjusted for inflation) average hourly earnings failed to keep up with inflation, and have actually contracted -2.7% over the last year.

The NFIB Small Business Optimism index weakened further. As detailed in the survey, 31% of small businesses see inflation as the largest problem they face. Labor shortages and supply chain issues continue to weigh on business activity.

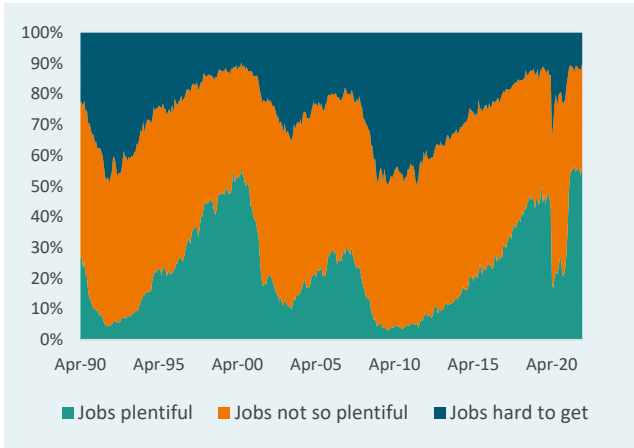
Sentiment, by some measures, has reached lows not seen since the 2008-2009 Global Financial Crisis

CONSUMER SENTIMENT



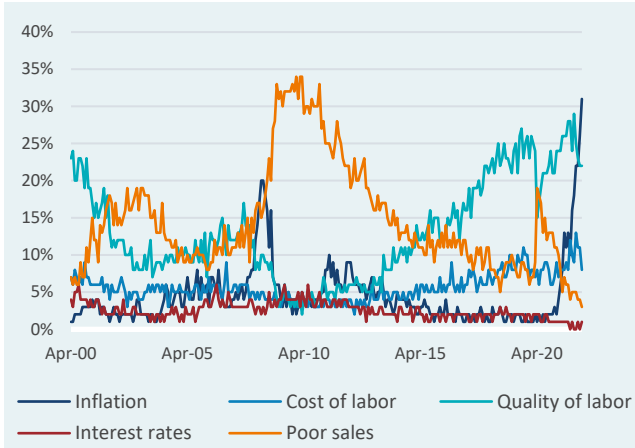
Source: University of Michigan, as of 3/31/22

CONSUMER VIEWS ON THE LABOR MARKET



Source: Conference Board, as of 3/31/22

BIGGEST ISSUES FOR SMALL BUSINESSES



Source: NFIB, as of 3/31/22

Housing

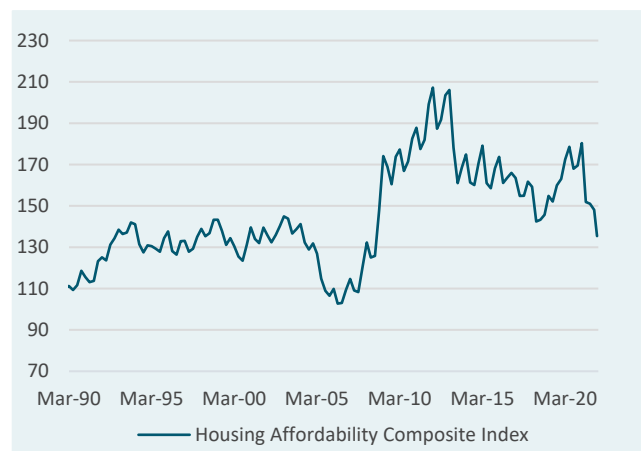
U.S. home prices continued higher, up +19% over the past year ending January, and up a whopping 32% since pre-pandemic. Price appreciation may be set to cool off as the 30-year fixed mortgage rate has risen to 5%, inventories have risen, and sales activity has slowed considerably.

The fast rise of 30-year fixed mortgage rates to near 5%, along with skyrocketing home prices, has made homeownership a nearly impossible goal for some Americans, and is squeezing the budgets of many (though at the same time generating much wealth for homeowners). This effect is captured in the

Housing Affordability Index, which deteriorated during Q1.

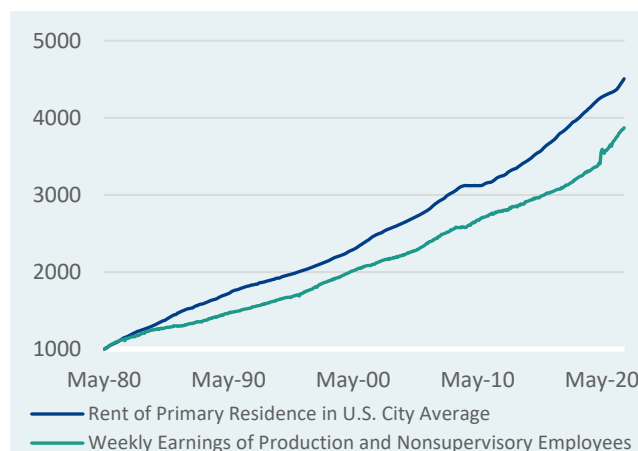
The cost of housing has outpaced wage gains for decades, although only mildly so (not as dramatically as some might assume). Lower and lower interest rates had largely counteracted higher home prices in terms of total ownership costs. This rough equilibrium seems to have swung in the other direction over the past year. Lack of affordability may mean a continued slowdown in home sales activity, and perhaps a plateauing or even decline in property values in some areas.

HOUSING AFFORDABILITY INDEX



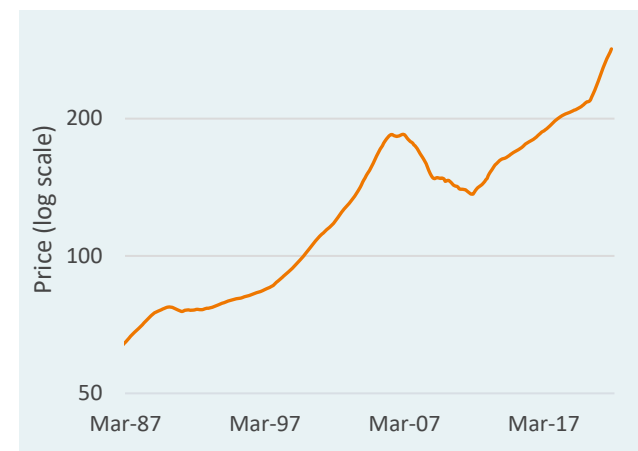
Source: NFIB, as of 2/28/22

WAGES VS RENTING COSTS



Source: FRED, as of 2/28/22

CASE-SHILLER HOME PRICE INDEX



Source: FRED, as of 1/31/22

International economics summary

— The pace of economic growth has moved further back toward average levels in most economies. In January, the International Monetary Fund cut their 2021 advanced economy growth projections from 5.2% to 4.3%. Growth in 2022 is expected to slow to 3.1%.

— Unemployment continued to fall to, or below, pre-pandemic levels. However, in countries such as the United States these data do not tell the whole story, since the total size of the labor pool has shrunk substantially.

— Inflation trends have been surprisingly bifurcated by region. While the United States and Europe are generally contending with a spike in prices and inflation not seen in decades, Japan and China are experiencing very low inflation and muted price pressures.

— In late February, Russian forces

invaded Ukraine—a move which was anticipated by major Western intelligence communities. Ukraine has put together a remarkable defense thus far, as many citizens have taken up arms to defend their country.

— Russia’s invasion of Ukraine led to substantial spikes in energy and agricultural prices as concerns grew of a potential supply shock. Eurozone producer prices grew 31.4% over the 12 months ending February, reflecting the impact of surging natural gas prices (+58.4%).

— COVID-19 case growth rose to record levels in China, which led CCP officials to reinstate lockdowns in some of the largest provinces in the country. Continued commitment to the “zero-Covid” policy in China could weigh on the outlook for global growth, as well as elongate the process of supply chain normalization, particularly within the freight shipping industry.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	5.5% 12/31/21	8.5% 3/31/22	3.6% 3/31/22
Eurozone	4.6% 12/31/21	7.5% 3/31/22	6.8% 2/28/22
Japan	0.4% 12/31/21	1.3% 3/31/22	2.6% 2/28/22
BRICS Nations	4.0% 12/31/21	3.2% 3/31/22	5.2% 12/31/21
Brazil	1.6% 12/31/21	10.5% 2/28/22	11.2% 2/28/22
Russia	5.0% 12/31/21	9.2% 2/28/22	4.1% 2/28/22
India	5.4% 12/31/21	6.1% 2/28/22	7.6% 3/31/22
China	4.8% 3/31/22	0.9% 2/28/22	5.8% 3/31/22

NOTE: India lacks reliable government unemployment data. Unemployment rate shown above is estimated from the Centre for Monitoring Indian Economy. The Chinese unemployment rate represents the monthly surveyed urban unemployment rate in China.

International economics

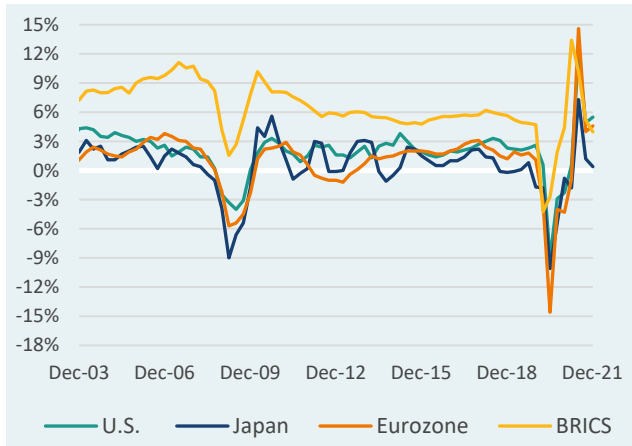
The pace of economic growth has moved further back towards average levels in most economies. This is reflected in quarter-over-quarter GDP growth figures, as these provide a better gauge of *short-term* growth trends. The International Monetary Fund estimates a 4.3% growth rate for calendar year 2021, and then a slowing to 3.1% in 2022. The IMF reports that recovery strength will likely vary considerably by location, due to access to medical care, types of government policy support, and regional cross-country spillovers.

Inflation trends continue to be disparate from country-to-country, as spiking inflation is a problem for a certain subset

of economies. While the United States and Europe are generally contending with a jump in prices and inflation not seen in decades, Japan and China are experiencing very low inflation and muted price pressure.

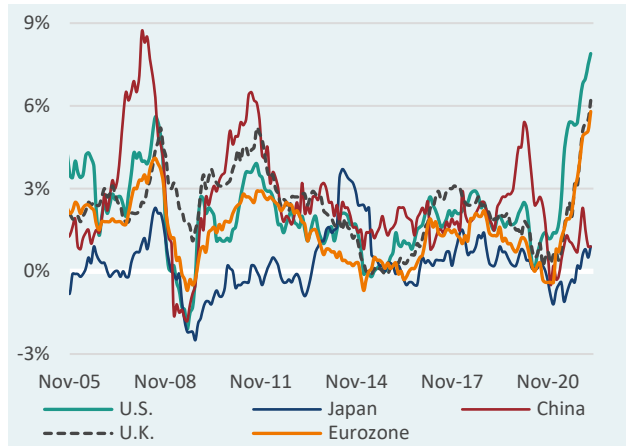
Unemployment has further improved to, or below, pre-pandemic levels. Investors should also note the change in labor market *size*. For example, disenfranchised workers falling out of the workforce or early retirements may not be captured in popular unemployment metrics but can have just as deleterious effects on economic activity as traditional job loss.

REAL GDP GROWTH (YOY)



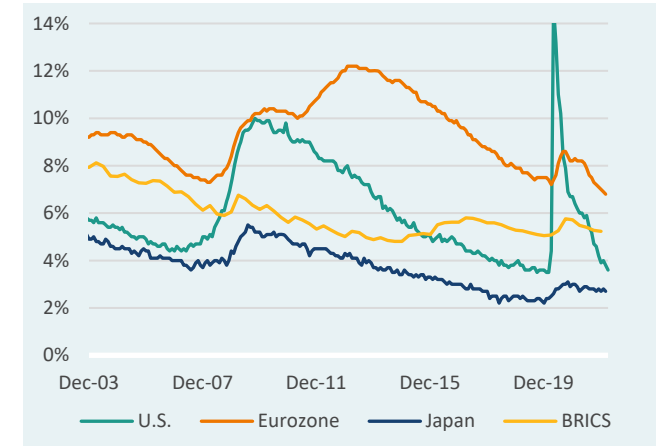
Source: Bloomberg, as of 12/31/21

INFLATION (CPI YOY)



Source: Bloomberg, as of 3/31/22 – or most recent release

UNEMPLOYMENT



Source: Bloomberg, as of 3/31/22 – or most recent release

Assessed control of terrain in Ukraine

3/15/2022 – 12:00PM PST



4/13/2022 – 12:00PM PST



Russian forces have been repelled from Kyiv, and have shifted their focus to consolidating control over area around the separatist-controlled Donetsk and Luhansk Oblasts in Eastern Ukraine

Source: Institute for the Study of War, as of 4/13/22, 12:00 PM PST

Conflict summary and key themes

Russian forces were unsuccessful in their attempt to take Kyiv, and have since withdrawn to refocus efforts on taking the territory around the Donetsk and Luhansk Oblasts in Eastern Ukraine. What have been the drivers of Ukrainian success thus far?

Ukrainian Tactics

- Effective withdrawal into major population centers which have proven easier to defend
- Efficient utilization of anti-aircraft (Stinger) and anti-armor (Javelin) technology
- Judicious use of airpower to disrupt Russian supply lines

Russian Military Incompetence

- Issues transporting adequate oil and fuel supplies to the front lines to support the advance
- Lack of experienced troops (many conscripts have 1-2 years experience and were not expecting to actually be sent into combat)
- Low morale (many troops have surrendered to Ukrainian forces, or have sabotaged their vehicles to slow the advance)
- Poor battlefield intelligence (many Russian troops are wandering into Ukrainian cities with little awareness of those cities, which has left them in an incredibly vulnerable positions and made it easier for Ukrainians to use their anti-armor weaponry)
- NATO estimated that between 7-15K Russian troops have been killed, and another 15-30K have been injured

Western Sanctions

- The Federal Reserve and the European Central Bank officially sanctioned the Central Bank of Russia, an unprecedented strategy for containing a G20 economy
- Key Russian banks have been excluded from SWIFT, disconnecting them from sources of foreign capital and preventing them from sending or receiving money from other financial institutions around the world. This is often considered the “nuclear option” relative to the menu of economic sanctions
- Entire industries have instituted export controls, banning the shipment of key technology input goods such as semiconductors, aircraft, aircraft parts, and oil equipment to Russia

Source: Verus, as of 4/13/22

Fixed income rates & credit

Fixed income environment

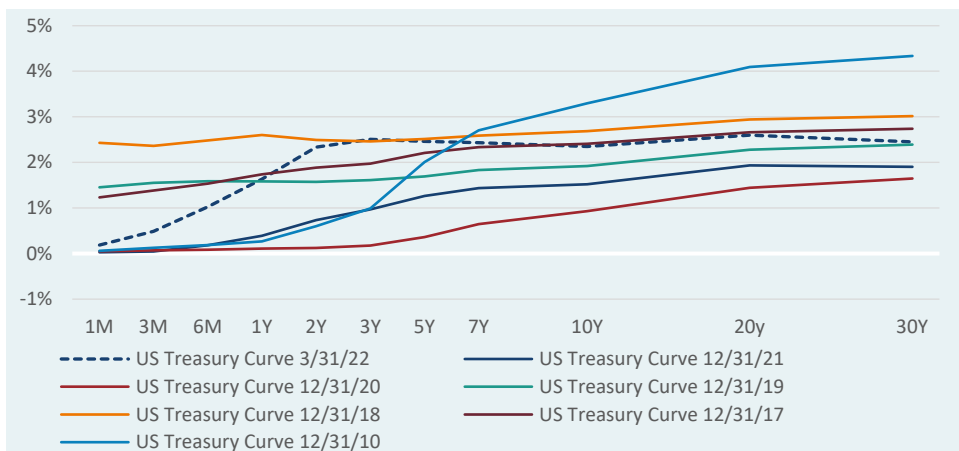
- The 10-year U.S. Treasury yield jumped during Q1, from 1.51% to 2.34%, as the Federal Reserve signaled that more aggressive tightening is ahead.
- Fixed income broadly delivered losses during the first quarter, as interest rates headed higher and credit spreads expanded. Higher duration exposures (Bloomberg U.S. Aggregate -5.9%) underperformed lower duration exposures (Bloomberg U.S. Corporate High Yield -4.8%). This theme was also visible over the past year.
- The U.S. yield curve has flattened, or even inverted, depending on the measure. The 10-year minus 2-year yield spread ended the quarter at exactly +0.00%. Yield curve inversion is generally believed to be a sign of nearing recession, as in most cases recession occurs within 1 to 2 years following the initial inversion.
- History suggests that interest rate rises have been more of an effect of Federal Reserve action rather than solely due to spiking inflation. This likely means that the Fed's plans for moderate tightening will translate to only moderate rate rises. This statement is of course not intended to minimize the pain of interest rate rises on bond portfolios, which has been notable.
- Credit spreads expanded during the quarter, with U.S. high yield spreads moving from 2.8% to 3.3% and U.S. investment grade spreads heading from 0.9% to 1.2%. Spread movement often occurs alongside broader market risk-off environments, which implies that investors should not necessarily assume that these moves were specific to the credit outlook.
- Write-downs of Russian (-100%) and Ukrainian (-51.4%) bonds weighed heavily on hard-currency emerging market debt (JPM EMBI Global Diversified -10.0%).

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	(5.9%)	(4.2%)
Core Plus Fixed Income (Bloomberg U.S. Universal)	(6.1%)	(4.2%)
U.S. Treasuries (Bloomberg U.S. Treasury)	(5.6%)	(3.7%)
U.S. High Yield (Bloomberg U.S. Corporate HY)	(4.8%)	(0.7%)
Bank Loans (S&P/LSTA Leveraged Loan)	(0.1%)	3.3%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	(6.5%)	(8.5%)
Emerging Market Debt Hard (JPM EMBI Global Diversified)	(10.0%)	(7.4%)
Mortgage-Backed Securities (Bloomberg MBS)	(5.0%)	(4.9%)

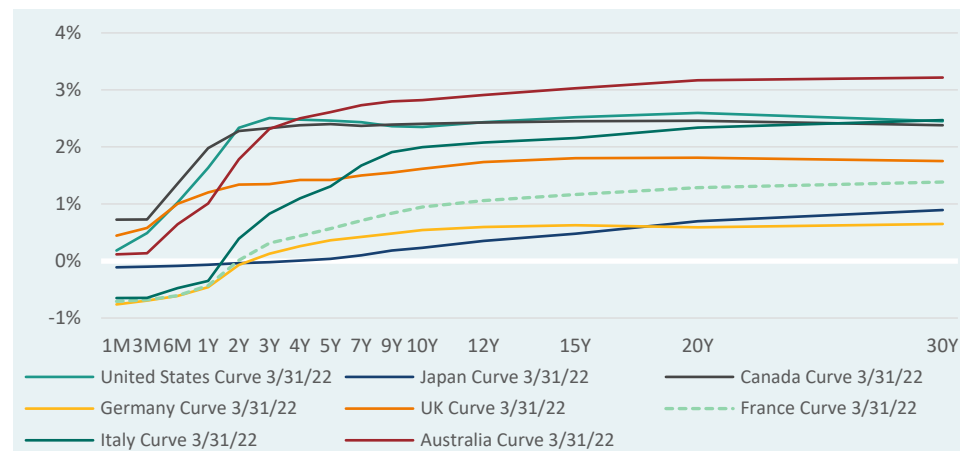
Source: Bloomberg, as of 3/31/22

Yield environment

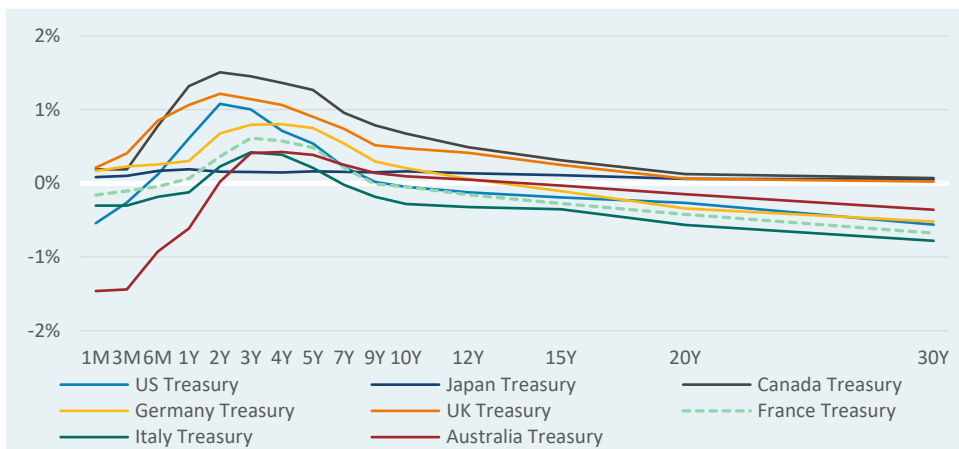
U.S. YIELD CURVE



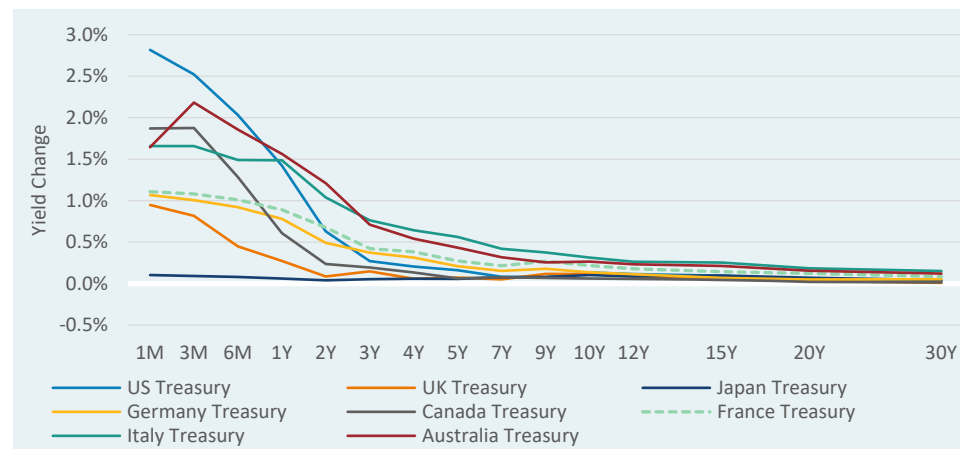
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR

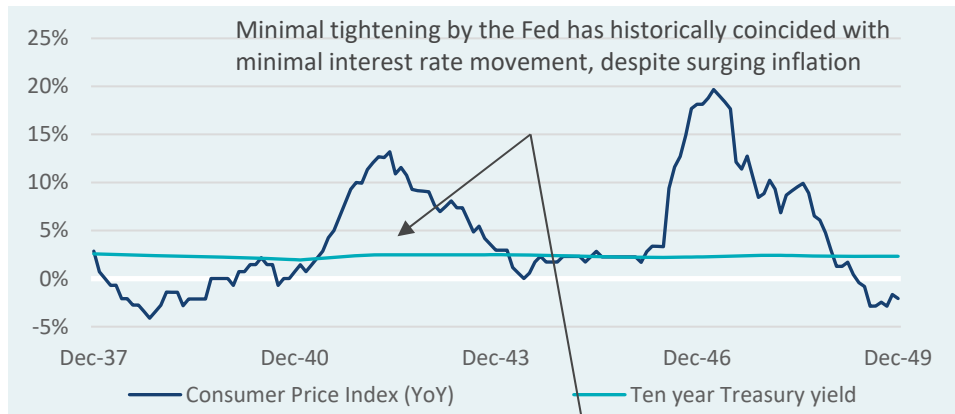


Source: Bloomberg, as of 3/31/22

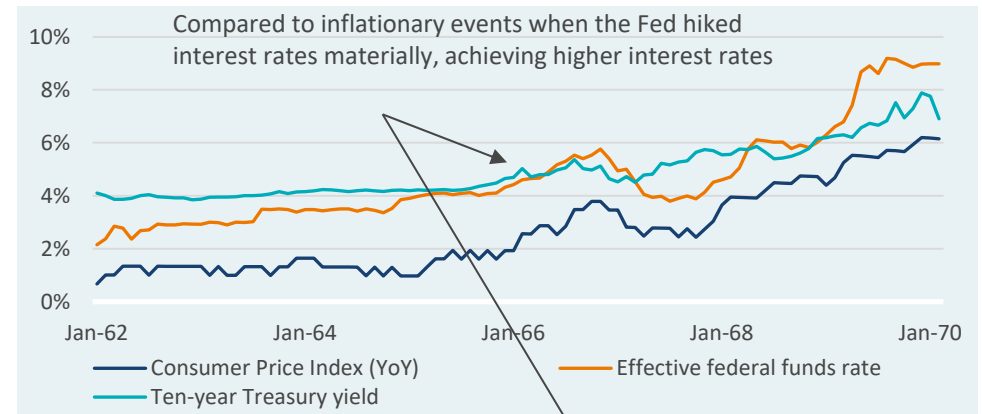
What history tells us about *rising rates*

During historical periods where inflation was rising but the Fed was not hiking rates, interest rate moves were minimal. This may mean that the Federal Reserve's currently moderate interest rate policy suggests only moderate interest rate rises from here.

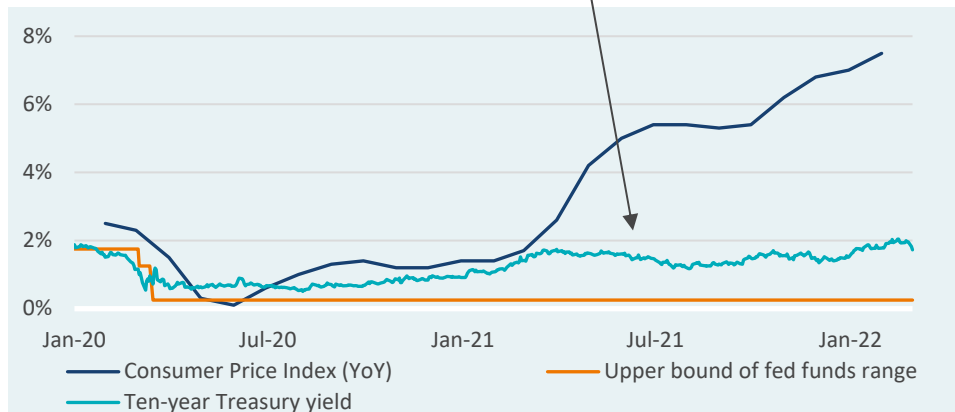
WORLD WAR II



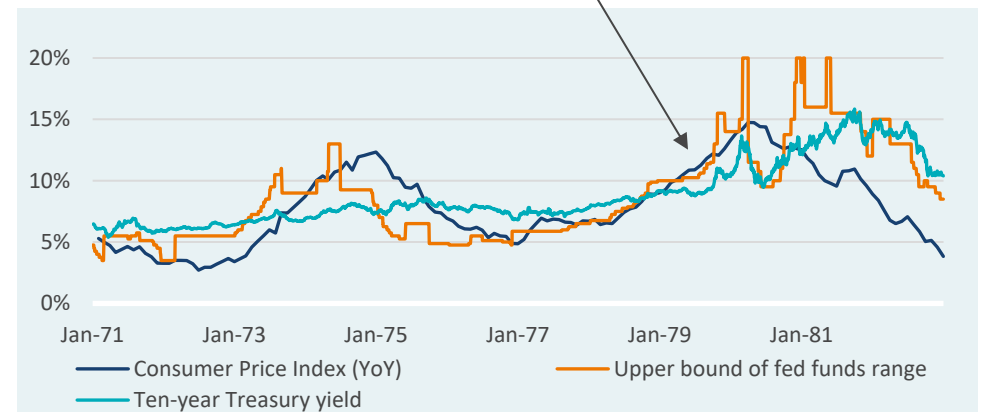
LATE 1960S



COVID-19



1970S OIL SHOCKS



Source: BLS, Federal Reserve, Bloomberg, as of 3/1/22

NOTE: These conclusions were reached via a broader historical inflation and interest rate analysis. For further information about these findings, please reach out to your Verus consultant.

Credit environment

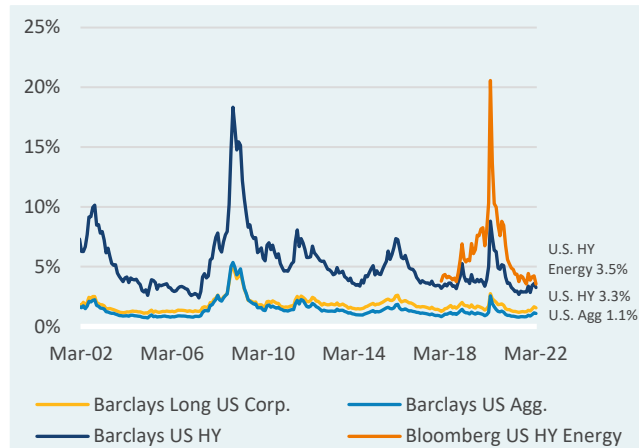
Fixed income broadly delivered losses during the first quarter, as interest rates headed higher and credit spreads expanded. Higher duration exposures such as core fixed income (Bloomberg U.S. Aggregate -5.9%) underperformed lower duration exposures such as U.S. high yield (Bloomberg U.S. Corporate High Yield -4.8%). This effect was also visible over the past year.

Credit spreads expanded moderately during the quarter, with U.S. high yield spreads moving from 2.8% to 3.3% and U.S. investment grade spreads heading upward from 0.9% to 1.2%. Spread movement of this nature often occurs alongside broader market risk-off environments,

which implies investors should not necessarily assume that these moves are specific to a worsening credit outlook.

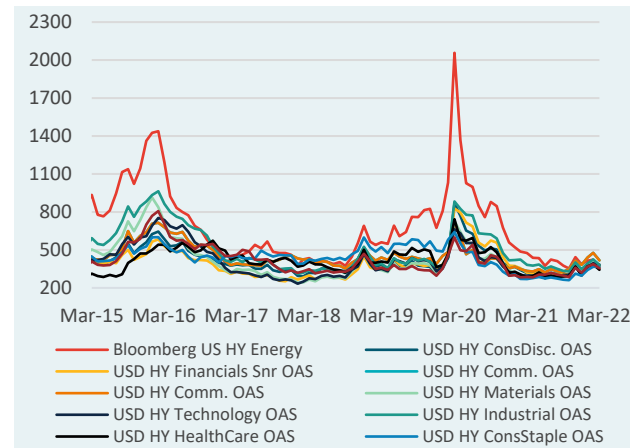
The low yield environment has pushed many investors to search for greater yield, such as through the pursuit of increased private markets exposure and/or taking on riskier holdings. The mild move higher in the yield curve likely helps ease this market environment issue, although high inflation has created new problems for investors. Looking further into the future, following the Fed's planned hiking cycle, markets are expecting interest rates to fall back down, presumably as economic conditions worsen and the Fed begins easing.

SPREADS



Source: Barclays, Bloomberg, as of 3/31/22

HIGH YIELD SECTOR SPREADS (BPS)



Source: Bloomberg, as of 3/31/22

Market	Credit Spread (OAS)	
	3/31/22	3/31/21
Long U.S. Corp	1.6%	1.3%
U.S. Inv Grade Corp	1.2%	0.9%
U.S. High Yield	3.3%	3.1%
U.S. Bank Loans*	4.3%	4.3%

Source: Barclays, Credit Suisse, Bloomberg, as of 3/31/22

*Discount margin (4-year life)

Default & issuance

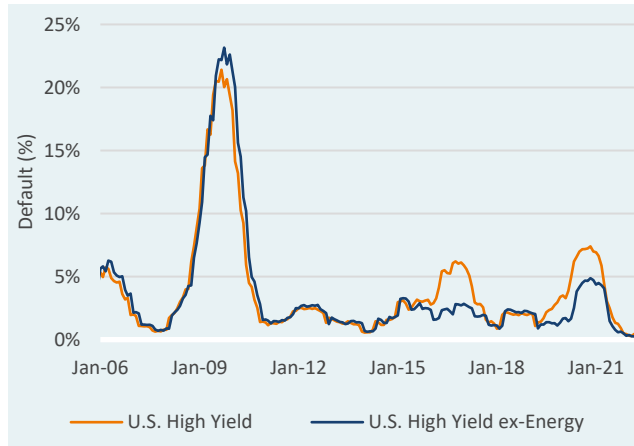
Despite a general increase in volatility and a sell-off across high-yield and leveraged loan markets, default activity remained negligible. Over the first quarter only \$1.6 billion in defaults occurred, marking the third-lowest quarterly total since Q4 2013. Realized recovery rates for high yield bonds over the past 12 months have lingered around 48%, significantly elevated above the 25-year average (39.9%). Loan recovery rates have come in slightly lower than the historical average (58.6% vs. 64.4%).

High-yield and loan default rates ended the quarter at 0.50% and 0.86%, respectively, and are expected to rise slightly through the rest of the year. J.P. Morgan forecasts default rates of 0.75% for high yield bonds and loans in 2022, with those rates picking up to 1.25% in 2023. For context, the long-

term average historical default rates for bonds and loans have been around 3.6% and 3.1%, respectively.

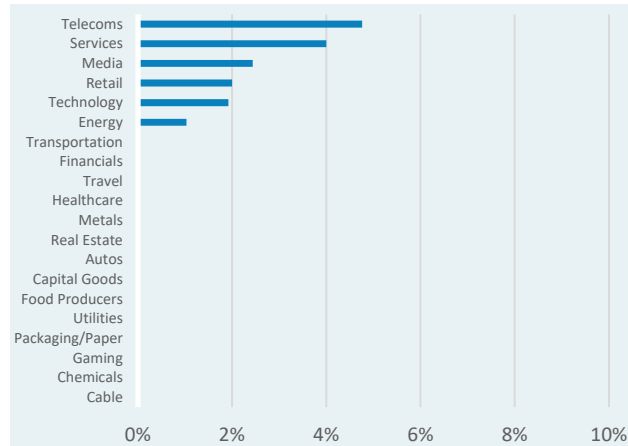
High yield issuance hit its lowest level since March 2020 in February, and then fell further in March, as issuers contended with a sharp increase in global bond yields. High-yield issuance totaled just \$46.5 billion so far this year, down from \$158.8 billion (-71%) over the same period a year ago. Year-to-date loan issuance is also down approximately 60% relative to Q1 2021. Extensive capital raises that occurred in 2021, as well as broadly higher interest rates, have likely contributed to very low financing activity so far this year.

HY DEFAULT RATE (ROLLING 1-YEAR)



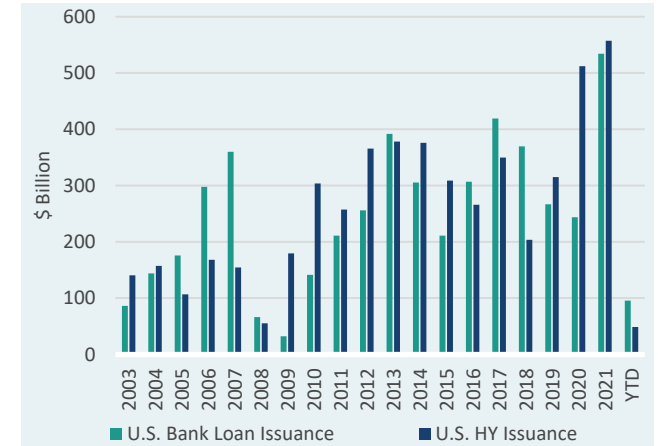
Source: BofA Merrill Lynch, as of 3/31/22

U.S. HY SECTOR DEFAULTS (LAST 12 MONTHS)



Source: BofA Merrill Lynch, as of 3/31/22 – par weighted

U.S. ISSUANCE (\$ BILLIONS)



Source: BofA Merrill Lynch, as of 3/31/22

Alternative credit

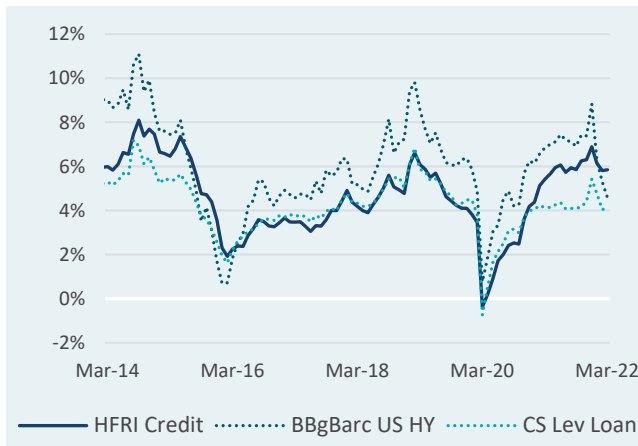
Credit hedge fund strategies were a bright spot in Q1 relative to fixed income markets. The HFRI Credit Index, which typically tracks between high yield and leveraged loan indices, gained 0.2% during the quarter despite widening credit spreads and rising rates which detracted from the performance of traditional credit.

Looking more closely at hedge fund credit, distressed/restructuring strategies, as well as asset-backed, were strong performers during the quarter

and have outperformed credit markets over the past year.

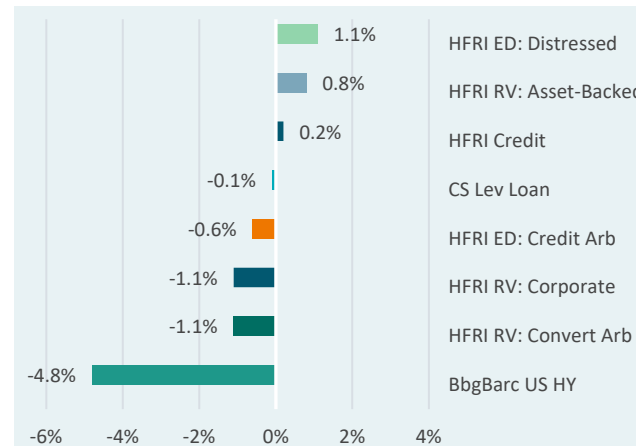
Distressed investors have benefitted from out-of-favor, deep value assets rebounding over the prior 18 months. Asset-backed strategies have been able to limit duration exposure while finding new ways to maintain access to higher yielding securitized instruments, such as by expanding into origination/securitization or moving further out on the liquidity spectrum.

3 YEAR ROLLING RETURN



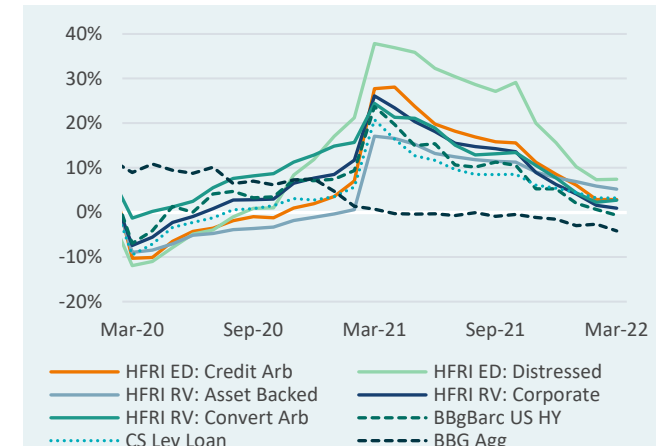
Source: HFRI, as of 3/31/22

1Q 2022 QUARTERLY RETURN



Source: HFRI, as of 3/31/22

1 YEAR ROLLING RETURN



Source: HFRI, as of 3/31/22

Equity

Equity environment

- U.S. equities held up marginally better during the first quarter (S&P 500 -4.6%), followed by international developed equities (MSCI EAFE -5.9%) and emerging market equities (MSCI Emerging Markets -7.0%), on an unhedged currency basis.
- Currency movement during the quarter detracted from the performance of investors who do not hedge foreign currency exposure. Currency movements in international developed markets generated losses of -2.4% (MSCI EAFE).
- Value stocks outperformed Growth stocks by a substantial margin during Q1 (Russell 1000 Value -0.7% vs Russell 1000 Growth -9.0%) as Growth stocks fell sharply, reversing the gains delivered in the second half of 2021. Large capitalization stocks beat small capitalization stocks by a narrower margin (Russell 1000 -5.1%, Russell 2000 -7.5%).
- The Cboe VIX Index spiked mid-quarter during Russia's invasion of Ukraine, as fears of potential broader global conflict, food shortages, and higher inflation roiled markets. The index fell to 20 to end the quarter, moderately above the longer-term average. Realized volatility over the past year was more muted as the pandemic has moved into the rearview mirror.
- Emerging market equities appear attractively priced, as EM equities are in the 8th percentile of cheapness relative to U.S. equities, looking back to 2003. Much of this valuation difference is due to Chinese markets, which have sold off massively over concerns around possible sanctions due to relations with Russia, regulatory crackdowns on the real estate and internet sectors, and major city lockdowns due to COVID-19.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	(4.6%)		15.6%	
U.S. Small Cap (Russell 2000)	(7.5%)		(5.8%)	
U.S. Equity (Russell 3000)	(5.3%)		11.9%	
U.S. Large Value (Russell 1000 Value)	(0.7%)		11.7%	
US Large Growth (Russell 1000 Growth)	(9.0%)		15.0%	
Global Equity (MSCI ACWI)	(5.4%)	(4.8%)	7.3%	8.8%
International Large (MSCI EAFE)	(5.9%)	(3.5%)	1.2%	7.1%
Eurozone (Euro Stoxx 50)	(10.9%)	(8.7%)	(3.9%)	2.7%
U.K. (FTSE 100)	0.0%	2.8%	10.7%	16.4%
Japan (NIKKEI 225)	(7.8%)	(2.6%)	(11.9%)	(2.9%)
Emerging Markets (MSCI Emerging Markets)	(7.0%)	(7.0%)	(11.4%)	(11.5%)

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 3/31/22

Domestic equity

U.S. equities fell during the first quarter (S&P 500 -4.6%), though less so than other global markets (MSCI ACWI ex-USA -5.4%). Within the U.S. market, sector dispersion was very wide, with large-cap energy companies advancing 39.0% on spiking energy prices, and large-cap technology stocks (-8.4%) and consumer discretionary (-9.0%) selling off on concerns that higher inflation (influenced by spiking energy prices) might result in a much more hawkish outlook for Fed policy and interest rates. Energy sector earnings are expected to bolster overall index level earnings on a year-on-year basis in Q1, primarily due to the average price of oil rising from \$58.14 to \$95.01. If the energy sector were excluded, Q1 year-over-year earnings growth would be expected at -0.6%, instead of +5.1%.

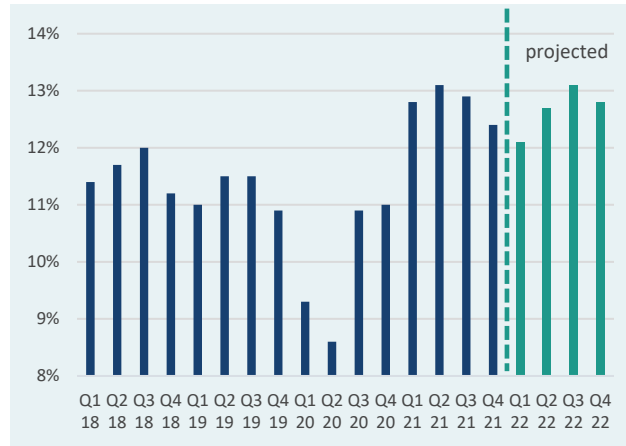
Companies continue to contend with headwinds from supply chain disruptions, surging commodity prices which were given a leg higher by the conflict in Ukraine, ongoing labor shortages and higher prices in general. In Q4 of 2021, 365 S&P 500 companies mentioned “inflation” on earnings calls, which was the highest number in at least 10 years, per FactSet. Under this backdrop, companies are raising their prices to help offset higher costs, and the S&P 500 Index is expected to report a fifth consecutive quarter of revenue growth north of 10% in Q1. Interestingly, analysts expect net profit margins will be higher through the rest of the year than they are expected to be in Q1 (+12.1%).

S&P 500 PRICE INDEX



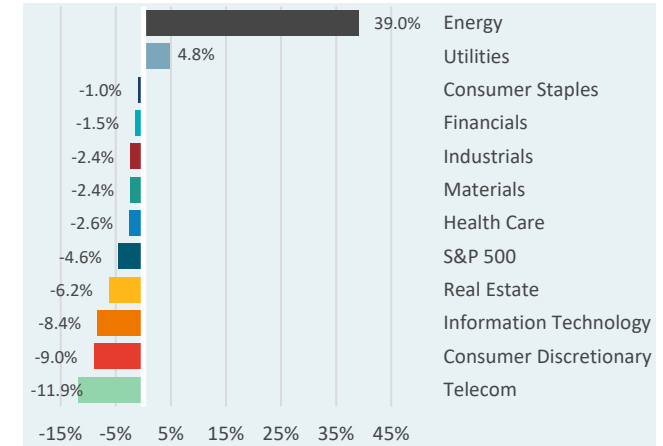
Source: Standard & Poor's, as of 3/31/22

NET PROFIT MARGIN – S&P 500 INDEX



Source: FactSet, as of 4/14/22

Q1 SECTOR PERFORMANCE



Source: Standard & Poor's, as of 3/31/22

Domestic equity size & style

Value stocks outperformed Growth stocks by a substantial margin during the first quarter (Russell 1000 Value -0.7% vs Russell 1000 Growth -9.0%) as Growth stocks fell sharply, reversing the gains delivered in the second half of 2021. Large capitalization stocks outperformed small capitalization stocks by a narrower margin (Russell 1000 -5.1%, Russell 2000 -7.5%).

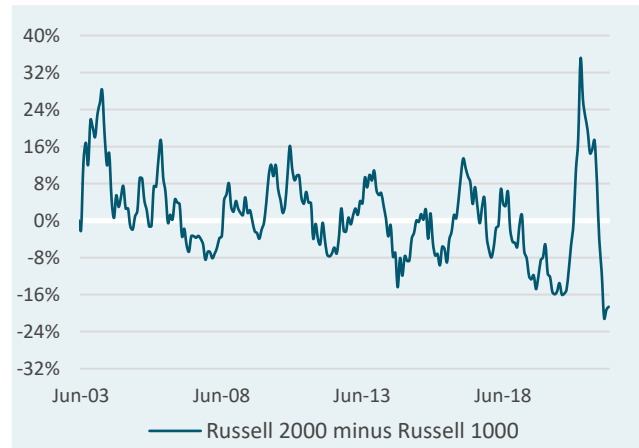
Energy stocks dramatically outperformed during Q1, as global demand has outpaced energy production for quite some time, pushing prices higher. Additionally, Russia's invasion of Ukraine led to widespread fears of an energy supply crunch, which temporarily sent oil to \$123/bbl—the highest level since 2008. Attractive conditions for energy producers coincided with outperformance of

Utilities, Financials, Industrials, and Materials sectors, which tend to have a Value tilt. During Q1, the Information Technology sector, which is tilted towards Growth, underperformed the index.

Further tightening of Fed policy and interest rate hikes will likely impact Value and Growth stock behavior, though these relationships are complex. For example, rate rises that result in a flattening of the yield curve may not be as boosting to financial sector performance, since banks profit from interest curve steepening (banks lend at the long end of the curve and borrow at the short end). The nature of the environment in which interest rates rise will contribute to future style factor behavior.

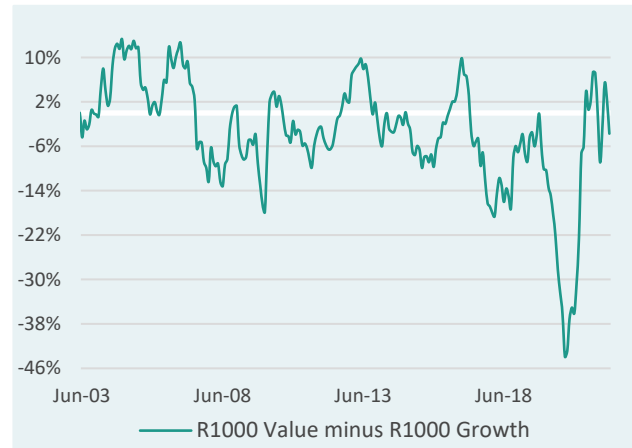
Value strongly outperformed during Q1

SMALL CAP VS LARGE CAP (YOY)



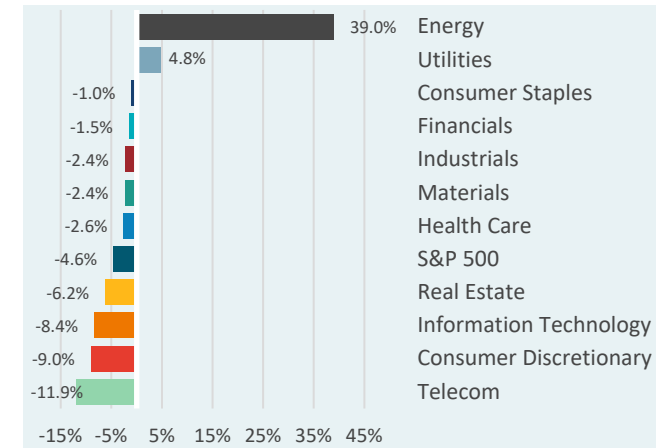
Source: FTSE, as of 3/31/22

VALUE VS GROWTH (YOY)



Source: FTSE, as of 3/31/22

Q1 SECTOR PERFORMANCE



Source: Standard & Poor's, as of 3/31/22

International developed equity

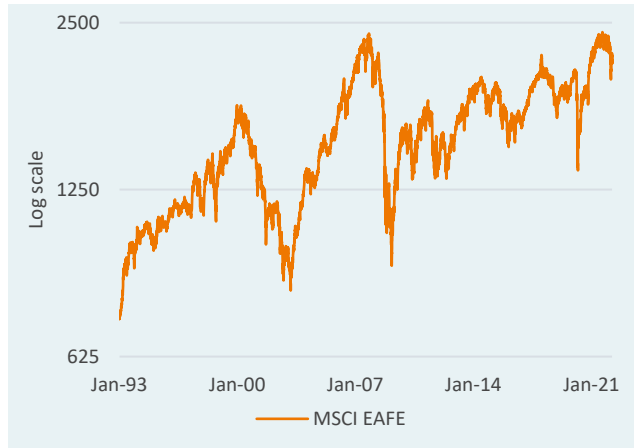
International developed equities fell -5.9% during the quarter, while U.S. equities performed slightly better (S&P 500 -4.6%) and emerging market equities trailed (MSCI Emerging Markets -7.0%), on an unhedged currency basis. Currency movement during the quarter detracted from the performance of investors who do not hedge foreign currency exposure. Currency movements in international developed markets generated losses of -2.4% (MSCI EAFE).

Eurozone and Japanese equities were among the worst performers during the quarter (Euro Stoxx 50 -10.9%, Nikkei 225 -7.8%), though much of these losses were driven by currency market movement. U.K. equities were among the top

performers at 1.8% (MSCI UK). Investors with a currency hedging program would have outperformed unhedged investors by roughly +2.2% in Eurozone equities, +5.2% in Japanese equities, and +2.8% in U.K. equities.

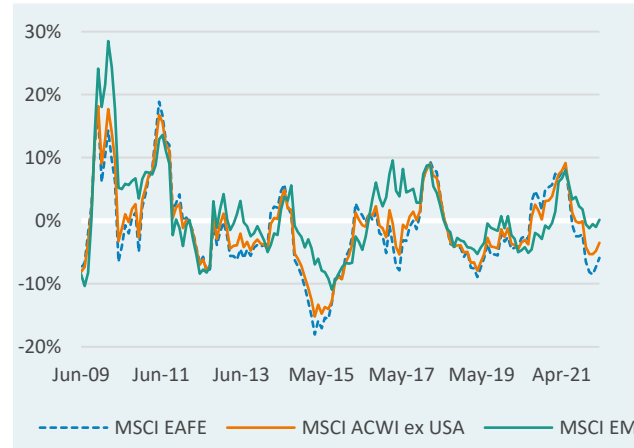
German equities (MSCI Germany -13.1%) detracted significantly from international developed equity returns, as investors expressed concern over the country's large exposure to Russian energy imports. Producer prices in Germany rose 25.9% year-over-year in February, partly due to surging gas prices. It is not yet known the degree to which businesses will be able to pass through higher prices to customers. Inflation in Germany rose to 7.3%—the highest level in decades.

INTERNATIONAL DEVELOPED EQUITY



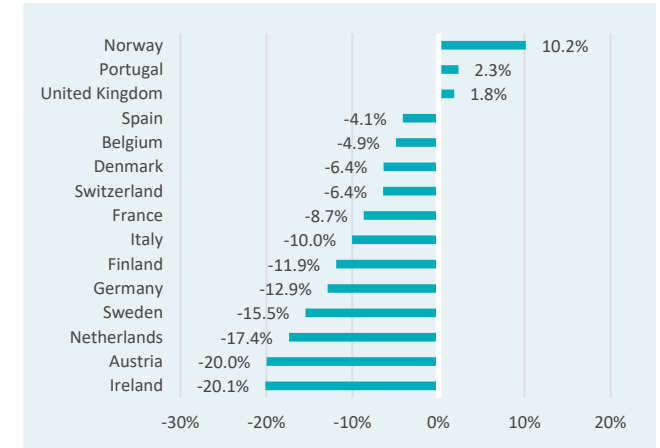
Source: MSCI, as of 3/31/22

EFFECT OF CURRENCY (1-YEAR ROLLING)



Source: MSCI, as of 3/31/22

EUROPEAN EQUITY PERFORMANCE – Q1 2022



Source: MSCI, Bloomberg, as of 3/31/22. Returns in USD terms.

Emerging market equity

Emerging market equities delivered losses (MSCI EM -7.0%) on an unhedged currency basis, lagging developed markets during the quarter. Latin American markets substantially outperformed Asian markets (MSCI EM Latin America +27.3%, MSCI EM Asia -8.7%).

Chinese equities have seen large losses over the last year. The Nasdaq Golden Dragon China Index recently drew down further than its maximum loss during the Global Financial Crisis. Concerns over imposed sanctions due to relations with Russia, regulatory crackdowns on the real estate and internet sectors, and rising COVID-19 cases resulting in major city lockdowns

have provided the backdrop to the massive sell-off in Chinese equities. More supportive government policies appear to be coming down the pike, which may contribute to a turnaround.

Emerging market equities are attractively priced relative to developed markets. The valuation divide is now extremely large. On a price-to-earnings basis, emerging market equities are in the 8th percentile cheap relative to U.S. equities going back to 2003, meaning they have been cheaper just 7% of the time since 2003. Emerging market equities have also recently fallen back to more average valuations relative to international developed markets.

EMERGING MARKET EQUITY



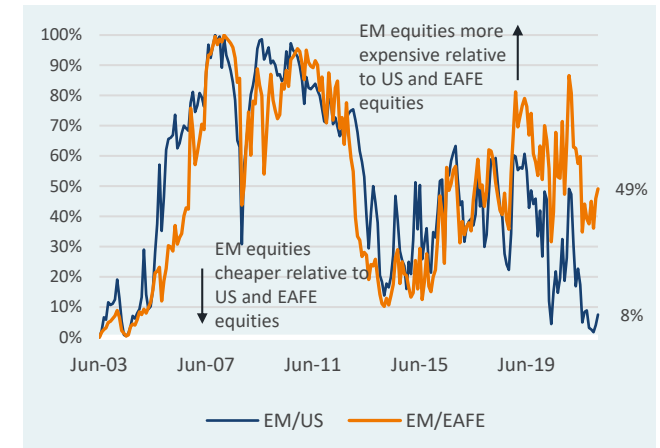
Source: MSCI, as of 12/31/21

CHINESE EQUITY DRAWDOWNS



Source: MSCI, Nasdaq, as of 3/22/22

VALUATION PERCENTILES



Source: MSCI, forward 12m price multiples, as of 2/28/22

Equity valuations

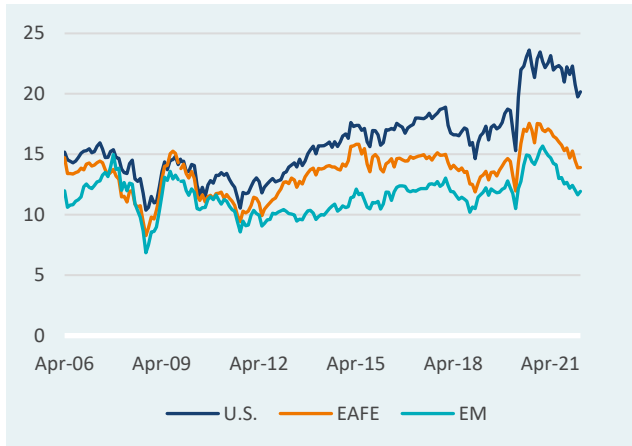
Valuations drifted lower over the first quarter as earnings expectations remained relatively steady and prices moderated. The forward 12-month P/E ratio for the S&P 500 closed the quarter at 19.0—slightly above the five-year average. Forward multiples have fallen back to pre-pandemic levels for most international developed and emerging equity markets.

In the domestic market, analysts appear optimistic about the outlook. If earnings over the next 12 months meet expectations and valuations hold at current levels, the S&P 500 Price Index is forecast to rise 18.5% to around an index level of 5250.

U.S. equity forward P/E valuations remain at historically stretched levels relative to international developed and emerging market equities. U.S. forward price multiples closed the quarter in the 99th percentile relative to EAFE, and in the 92nd percentile relative to EM, using monthly data going back to 2003. The strength of U.S. institutions, the resilience of the U.S. consumer, the United States' energy independence, as well its distance from ongoing conflict in Ukraine may help to tilt international investor flows toward U.S. equities, likely supporting a healthy U.S. equity valuation premium.

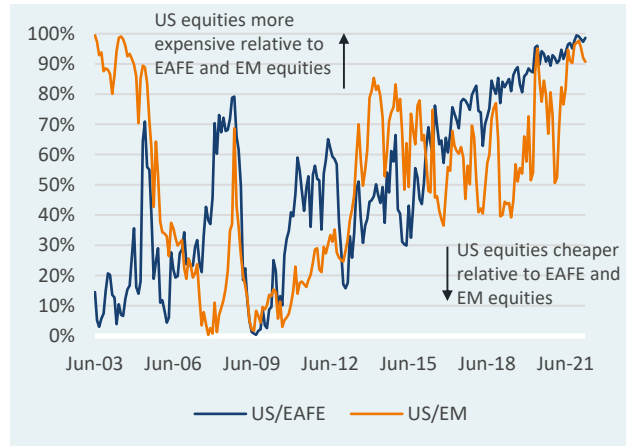
Most equity valuations have moved back towards normal levels, though U.S. prices remain rich

FORWARD P/E RATIOS



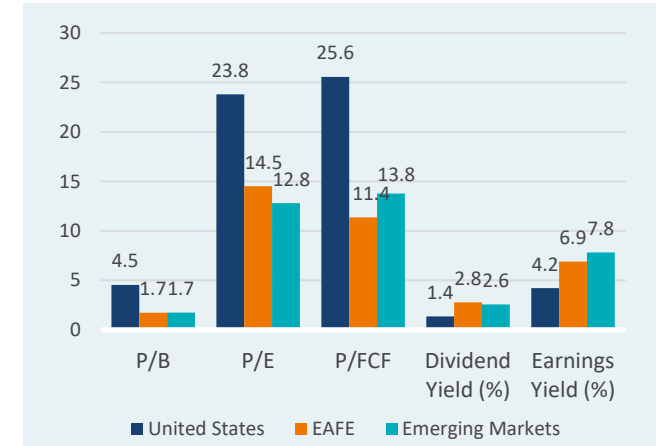
Source: MSCI, 12m forward P/E, as of 3/31/22

RELATIVE FORWARD PRICE MULTIPLES – VALUATION PERCENTILE ANALYSIS



Source: Bloomberg, MSCI, as of 3/31/22

VALUATION METRICS (3-MONTH AVERAGE)



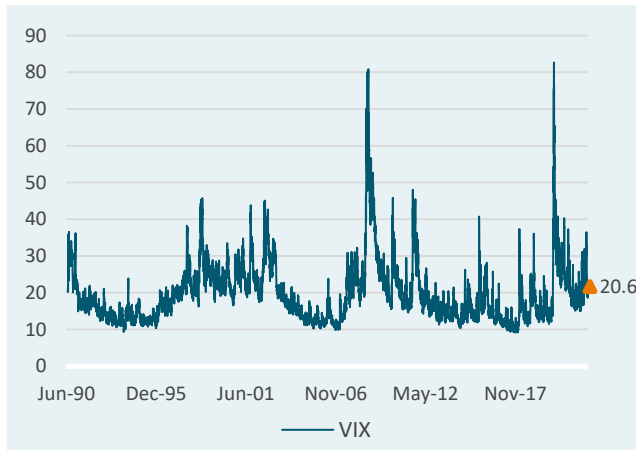
Source: Bloomberg, MSCI as of 3/31/22 - trailing P/E

Equity volatility

The Cboe VIX Index spiked mid-quarter during Russia's invasion of Ukraine, as fears of potential global conflict, food shortages, and higher inflation roiled markets. The index fell to 20 to end the quarter—moderately above the longer-term average. Realized volatility over the past year was muted as the pandemic and its associated pain has moved into the rearview mirror. U.S. markets were the most volatile among developed and emerging markets, which has been rare historically. Implied volatility for close-to-the-money put and call options on U.S. large-cap stocks appears to be reflecting fairly-neutral risk positioning. In short, the price of downside protection relative to upside participation is around average.

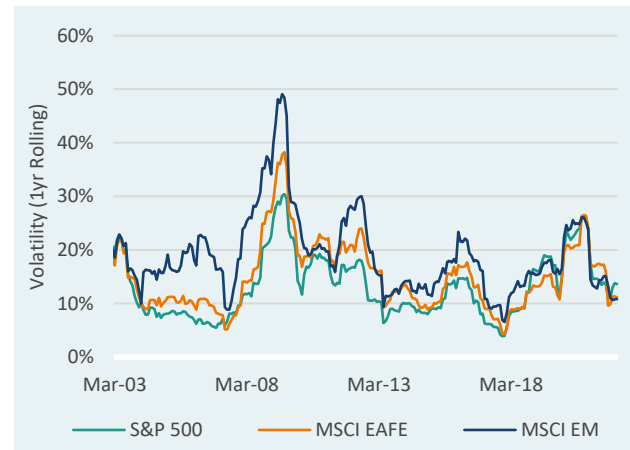
While realized volatility in emerging market equities was fairly low relative to history in Q1, weakness in tech shares and concerns over potential sanctions resulted in material selloffs in highly-tech-weighted regional markets. In U.S. dollar terms, the MSCI China Index closed the quarter -44% below previous records, and Russian stocks were marked down -100%. Moving forward, the exclusion of Russian equities from MSCI's Emerging Market benchmark will result in an even higher weighting for the Asian segment of the EM complex, which tends to be more growth-tilted and more volatile.

U.S. IMPLIED VOLATILITY (VIX)



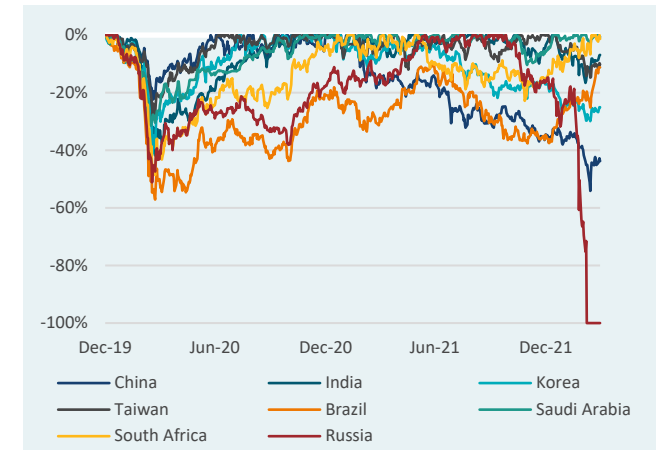
Source: Cboe, as of 3/31/22

REALIZED VOLATILITY



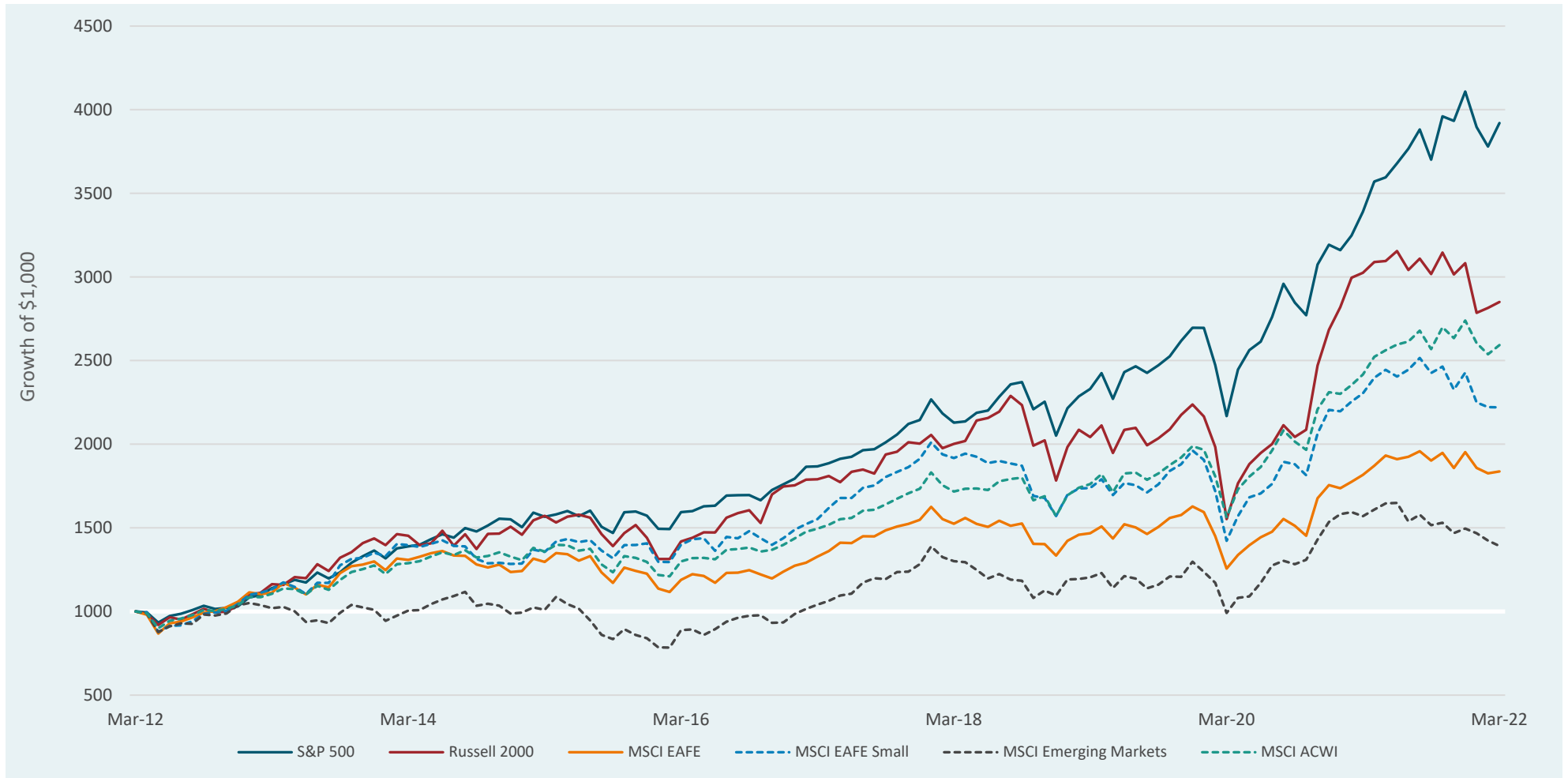
Source: Standard & Poor's, MSCI, as of 3/31/22

EM EQUITY – MAX DRAWDOWNS FROM PEAKS



Source: MSCI, Bloomberg, as of 3/31/22, returns in USD

Long-term equity performance



Source: Morningstar, as of 3/31/22

Other assets

Commodities

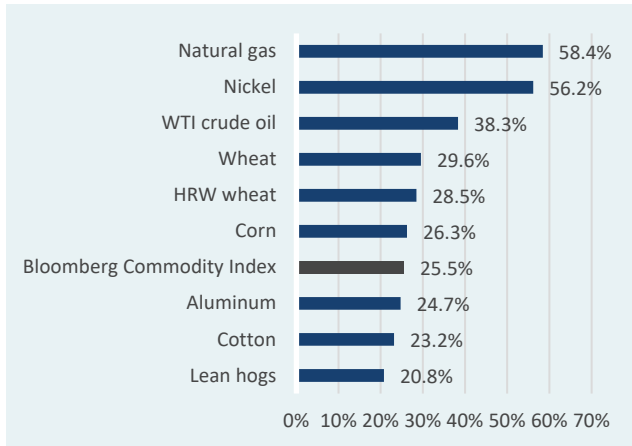
Commodities were by far the best-performing major asset class in Q1 2022 (Bloomberg Commodity Index +25.5%), with every major sector contributing positively to overall index returns. The Energy (+47.9%) and Grains (+24.9%) sectors drove the advance, as investors speculated on what war in the Ukraine and the economic ostracization of Russia might mean for energy access and wheat and corn production.

Industrial metals (+22.7%) also rallied substantially, influenced by clean energy transition efforts that have ramped up in recent months. A short squeeze in nickel (+56.2%) was

additive to performance.

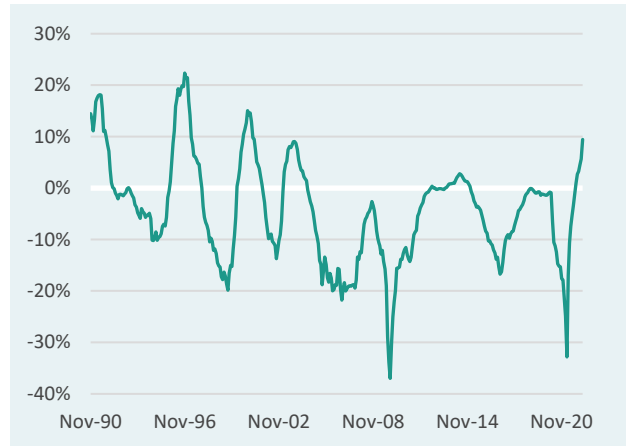
Improving roll yield has been a huge component of the outsized total return offered by commodities, adding +9.4% to performance over the last twelve months. Massive increases in spot prices relative to further-dated contracts pushed many commodity futures curves into relatively steep backwardation over the near-term, allowing investors to roll their contracts for a profit. In order for this roll yield to be sustainable, spot prices will need to stay elevated relative to futures pricing.

BLOOMBERG COMMODITY INDEX – Q1 2022



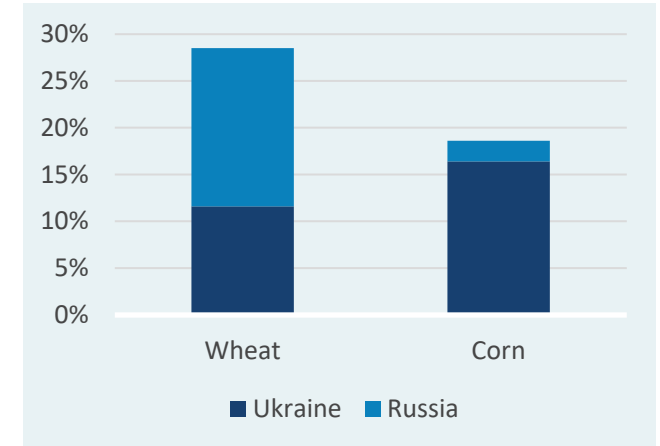
Source: Bloomberg, as of 3/31/22

S&P GSCI INDEX ROLL YIELD (LAST 12 MONTHS)



Source: Standard & Poor's, Bloomberg, as of 3/31/22

SHARE OF GLOBAL GRAIN EXPORTS



Source: Food and Agriculture Organization of the United Nations

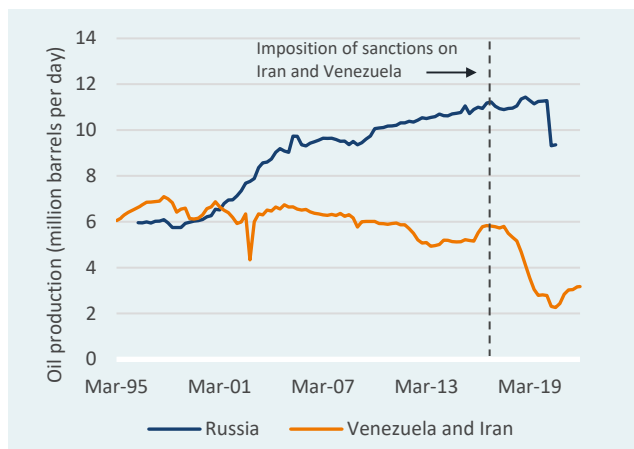
How can the Russian oil gap be filled?

Russia produced approximately 11 million barrels of oil per day prior the onset of Covid-19 and the recent economic sanctions. Since then, many countries have imposed embargoes on Russian oil, and higher prices have incentivized policymakers to reopen discussions with other producers, including Venezuela and Iran.

Prior to the imposition of sanctions on Venezuelan and Iranian oil in January 2019 and June 2019, respectively, the two countries were producing around 5.8 million barrels per day. Today, they are producing around 3.2 million barrels per day. Even if the two countries were able to ramp up production back to pre-sanction levels, which would be an impressive feat both diplomatically and physically, that would only replace roughly a quarter of Russian output.

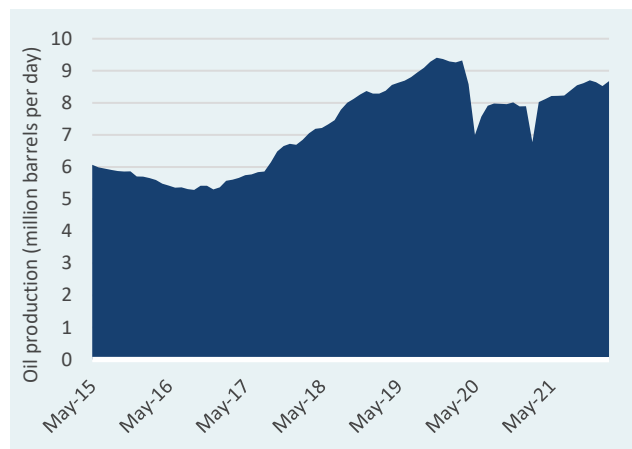
Increased energy production is needed to alleviate high prices, but this conflicts with the West's climate priorities. U.S. government officials have given mixed signals to oil producers. For example, the administration announced in April that it will resume its sale of leases for drilling on federal land, though 80% less land will be leased relative to the footprint that had been originally evaluated. Furthermore, required royalties for energy extraction were raised from 12.5% to 18.75%. In the U.S., many shale firms have opted to increase production on existing land, but have been slow to pursue new projects—partly due to supply chain issues (shortages in labor, truck drivers, and frack sand) and also due to prioritization of profits over growth. This newfound conservatism is reflected by recent comments from Scott Sheffield, CEO of Pioneer Natural Resources Co., who said his company, the largest oil producer in the Permian Basin, is not currently considering raising its long-term goal of increasing oil production by 0-5% per year. As shown on the bottom right, Pioneer's goal this year is to return 80% of cash flow to investors.

WHAT ABOUT VENEZUELA AND IRAN?



Source: Bloomberg News, as of 2/28/22

TOTAL U.S. SHALE PRODUCTION



Source: Rystad Energy, as of 4/30/22

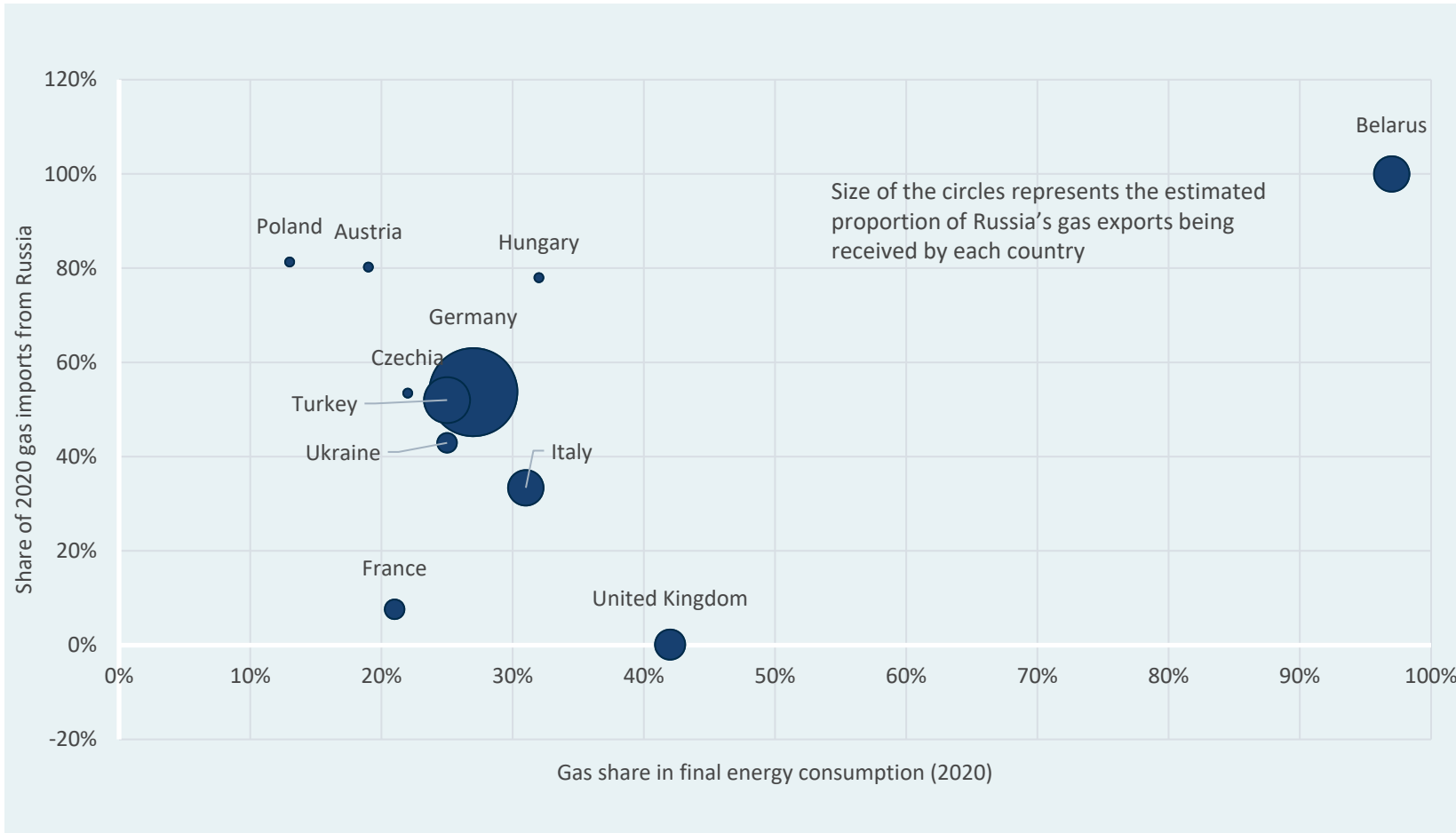
SHALE PRODUCERS' FOCUS ON DIVIDENDS



Source: Pioneer Natural Resources, Q4 2021 Earnings Presentation

Russian energy embargoes

RUSSIAN GAS EXPOSURE VS. GAS DEPENDENCE



Most countries which have banned Russian oil and gas do not rely heavily on Russia for their energy resources

Source: Bruegel, as of 2/28/22

Grain supply outlook

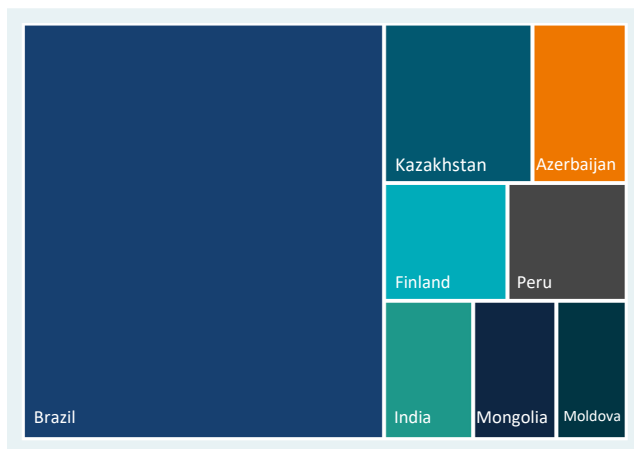
Russia, the world's largest fertilizer exporter, imposed a two-month ban on ammonium nitrate exports, which threatens the availability of fertilizer supplies, especially to South America, as the region enters a critical point in the growing season. Although the United States is not a direct buyer of Russian ammonium nitrate, the export ban is likely to result in higher prices for U.S. farmers.

The outlook for South America's soybean crops has deteriorated as a second year of drought, brought on by La Nina, drags down yield and production forecasts. *Gro*

Intelligence's yield forecast model indicates a production decline which would take soybean stocks to the tightest levels since 2015/2016. The outlook for corn is less dire, as planted acreage is up approximately 5% in Brazil this year, though falling crop yields could offset greater acreage.

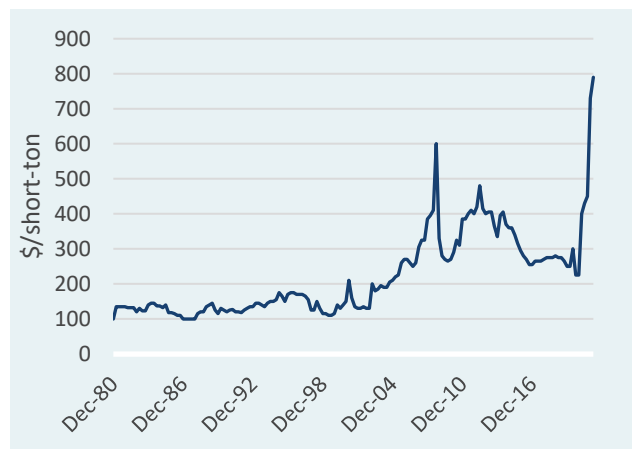
China, the world's largest grain consumer is also facing significant food shortages. Recently, the country's agriculture minister stated that the condition of the winter wheat crop was the "worst in history", and that yields are expected to fall around 20%.

MAJOR DESTINATIONS FOR RUSSIAN AMMONIUM NITRATE EXPORTS (VOLUME)



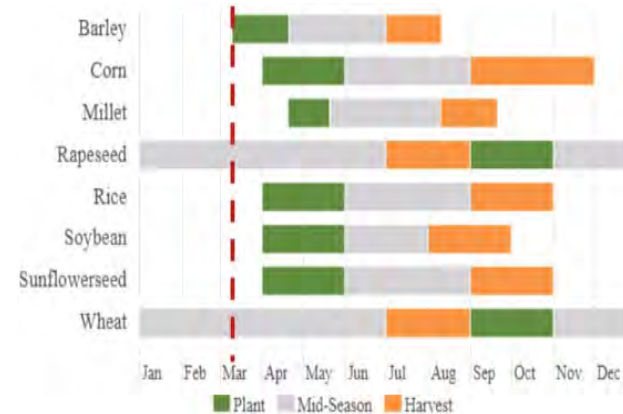
Source: COMTRADE, *Gro Intelligence*, as of 12/31/20

U.S. CORNBELT AMMONIUM NITRATE PRICES



Source: Bloomberg, as of 3/23/22

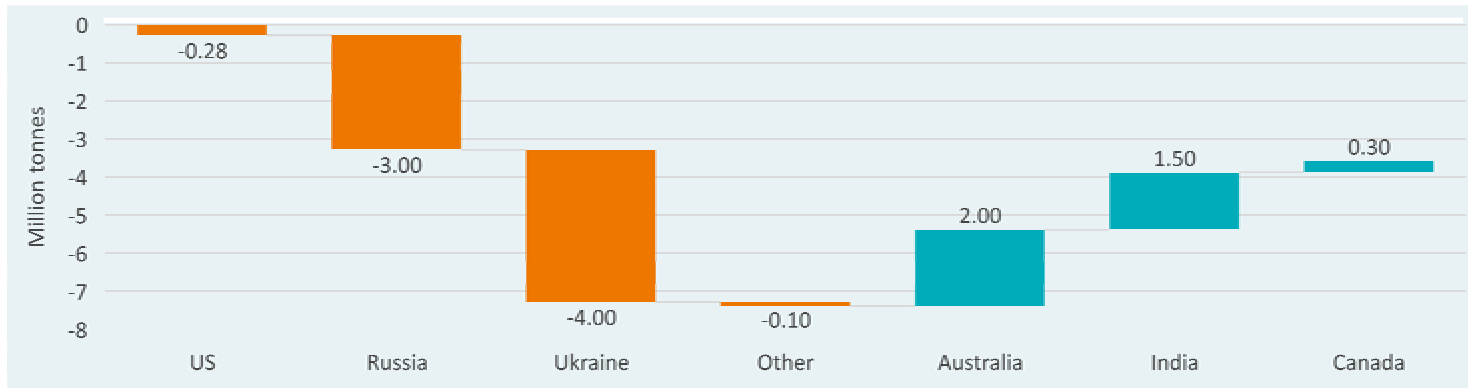
UKRAINE – CROP CALENDAR



Source: USDA, Ukraine Ministry of Agriculture

Where will incremental supply come from?

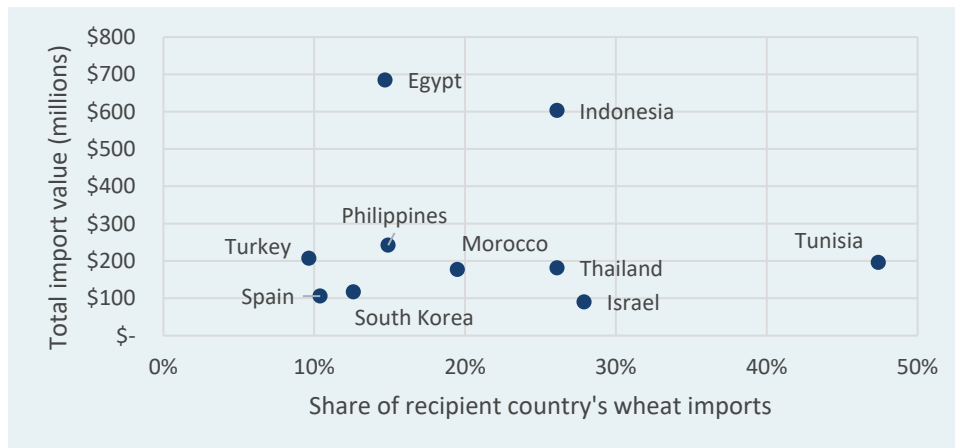
FEBRUARY TO MARCH CHANGE IN 2022 GLOBAL WHEAT EXPORTS



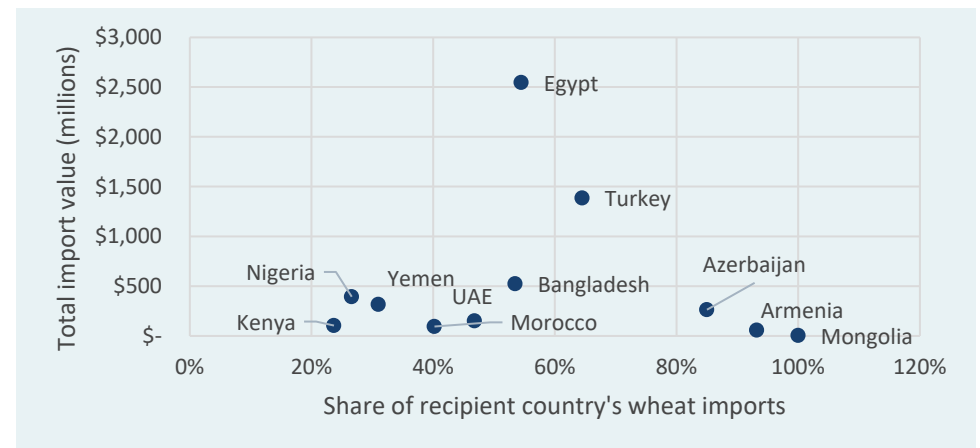
Global production is expected to drop 3.5 million metric tons in 2022, as substitution from farmers in Australia, India, and Canada is not expected to be able to fully offset production declines in the Black Sea region

Source: USDA March 2022 World Agricultural Supply and Demand Estimates. Export change based on revised projections from the USDA World Agricultural Supply and Demand Estimates

UKRAINIAN GLOBAL WHEAT EXPORTS



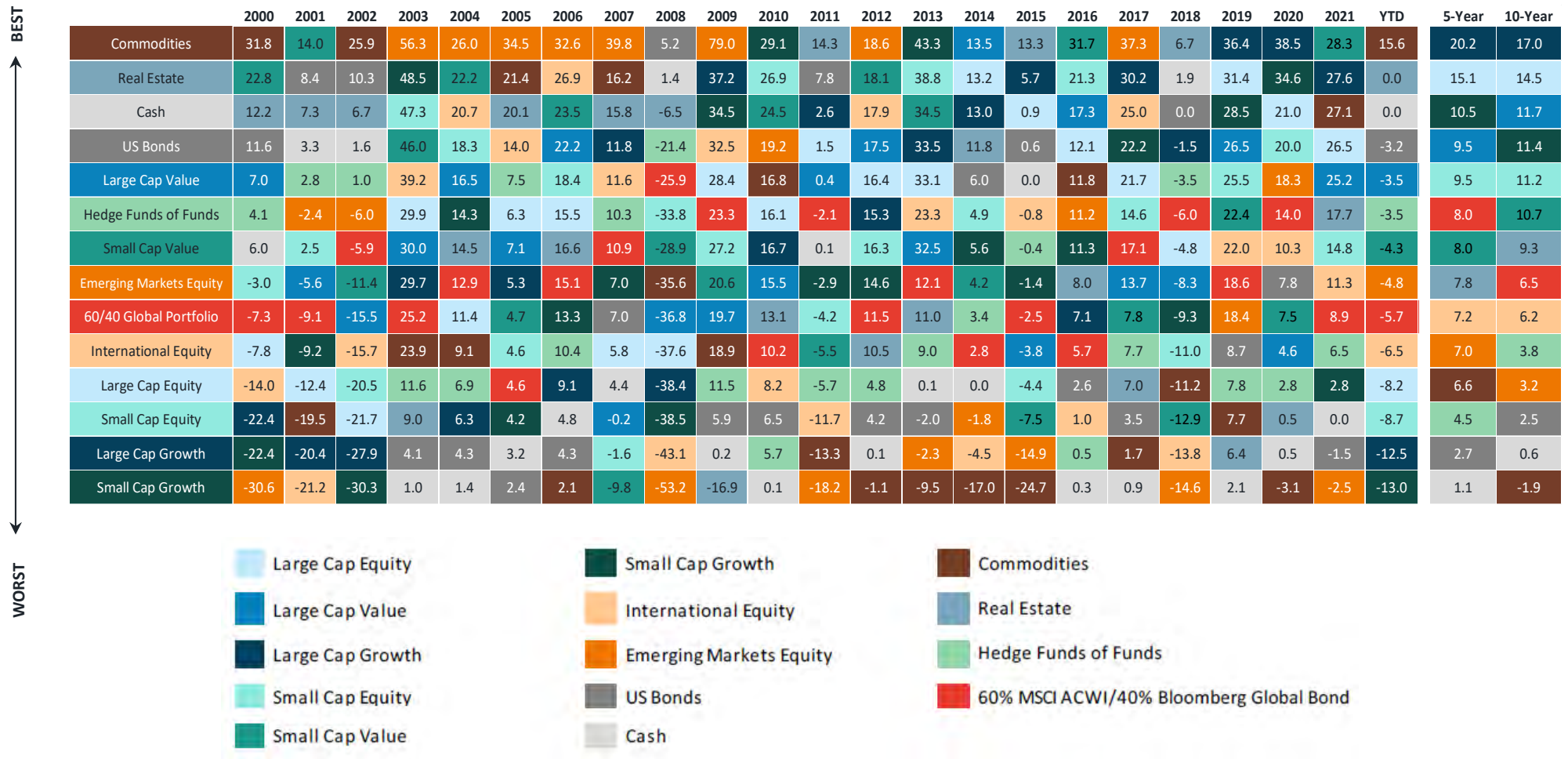
RUSSIAN GLOBAL WHEAT EXPORTS



Source: OEC, BACI

Appendix

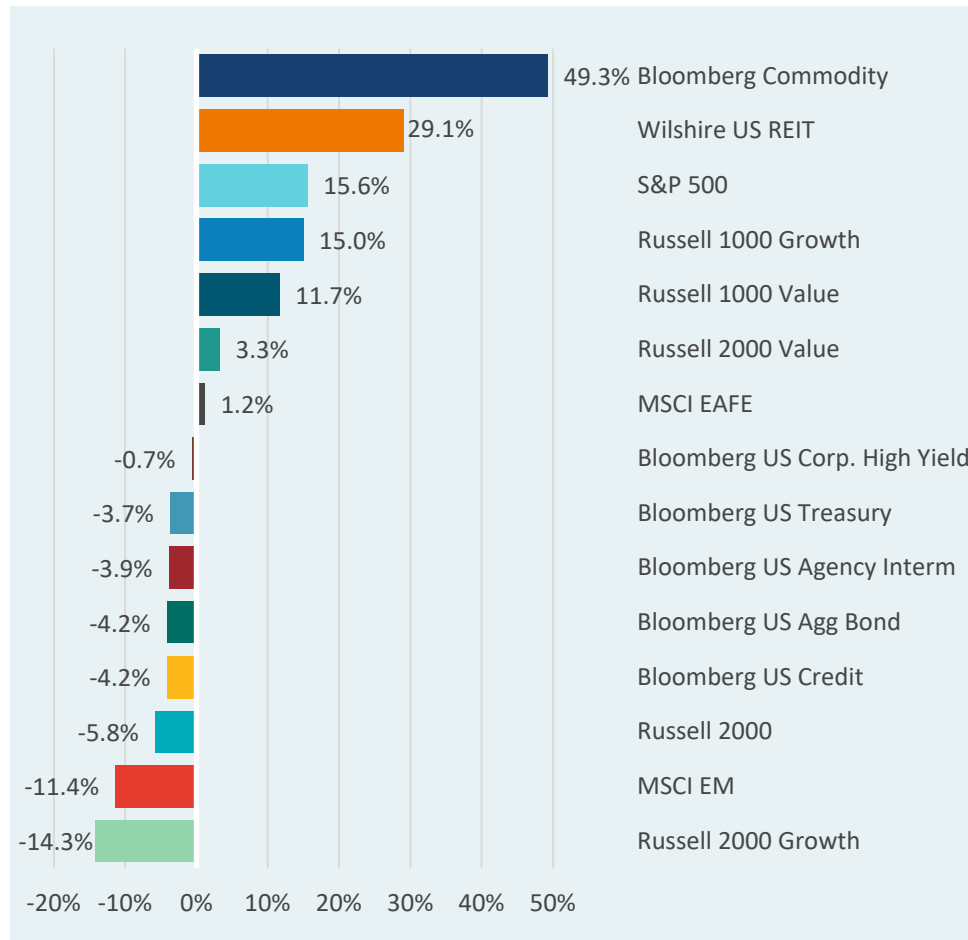
Periodic table of returns



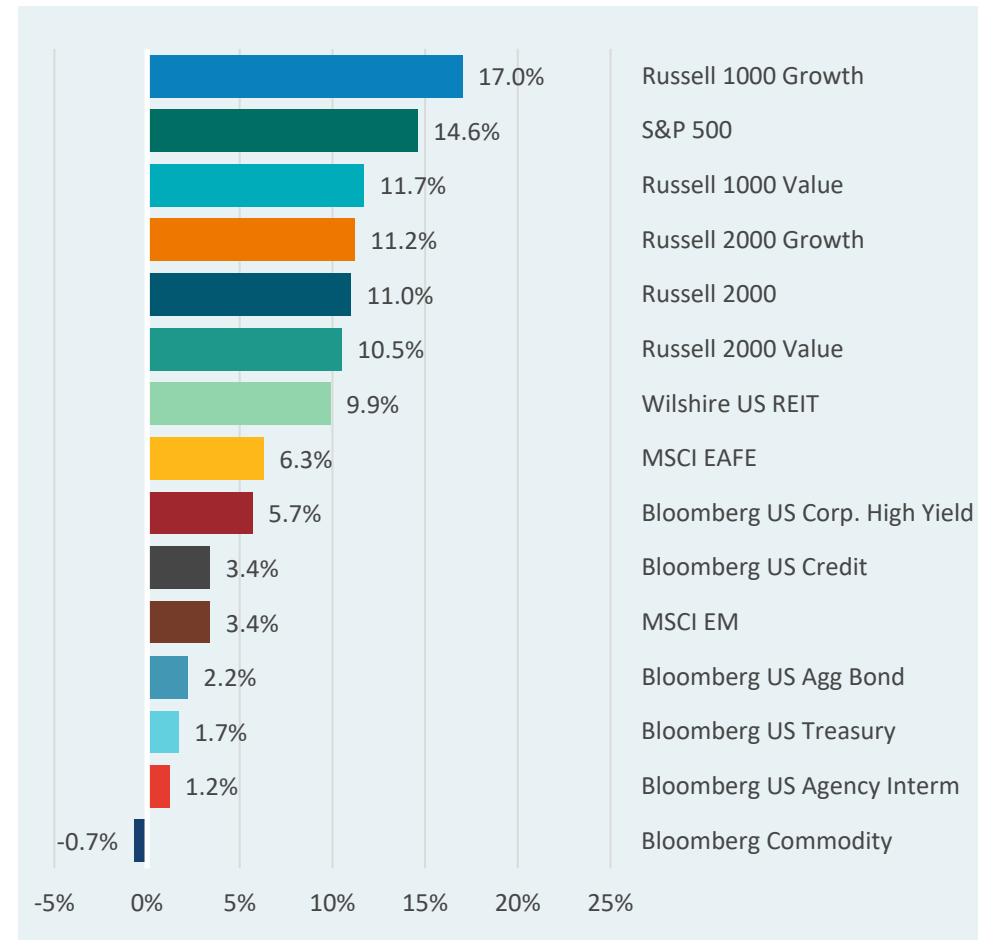
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 12/31/21.

Major asset class returns

ONE YEAR ENDING MARCH



TEN YEARS ENDING MARCH



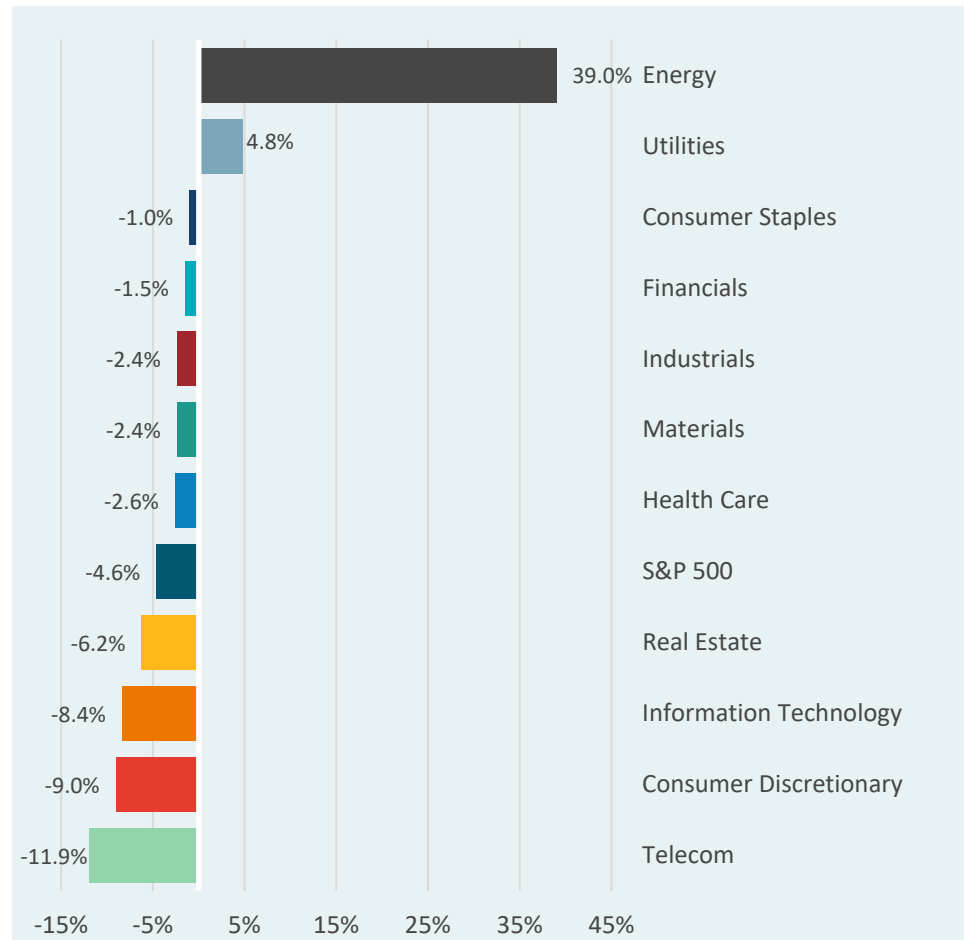
*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 3/31/22

Source: Morningstar, as of 3/31/22

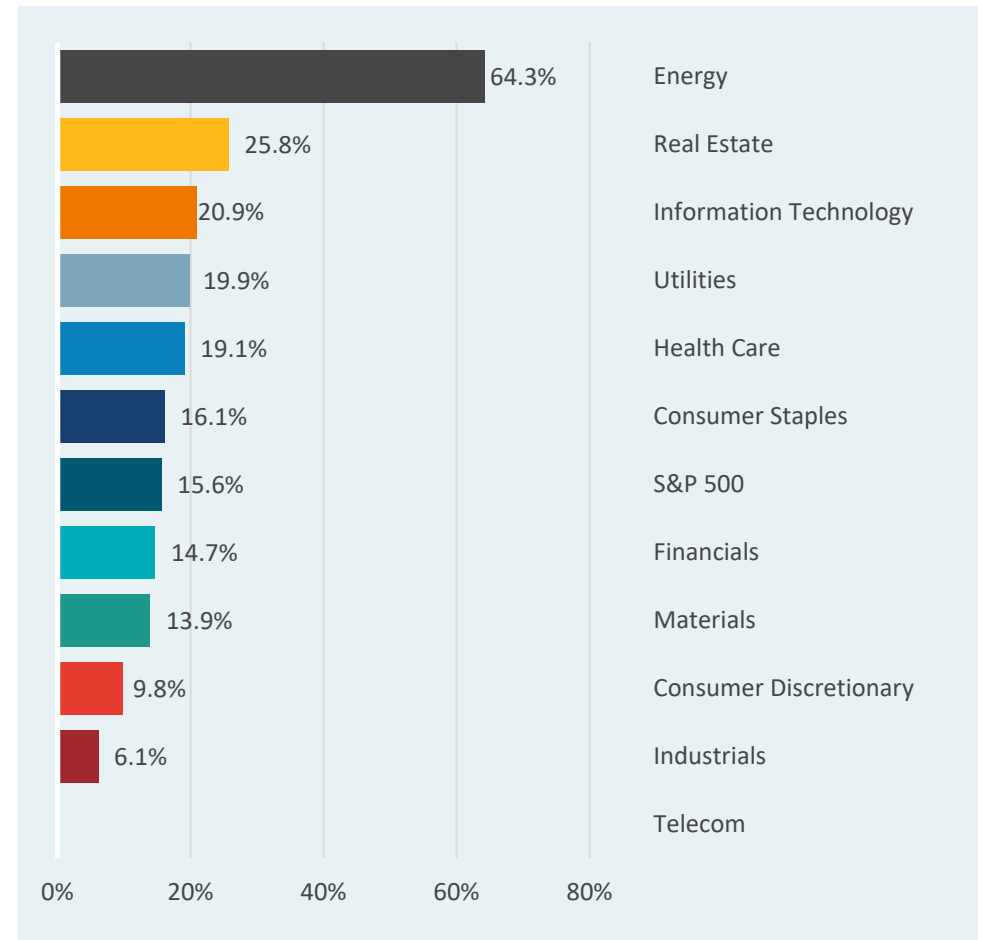
S&P 500 sector returns

Q1 2022



Source: Morningstar, as of 3/31/22

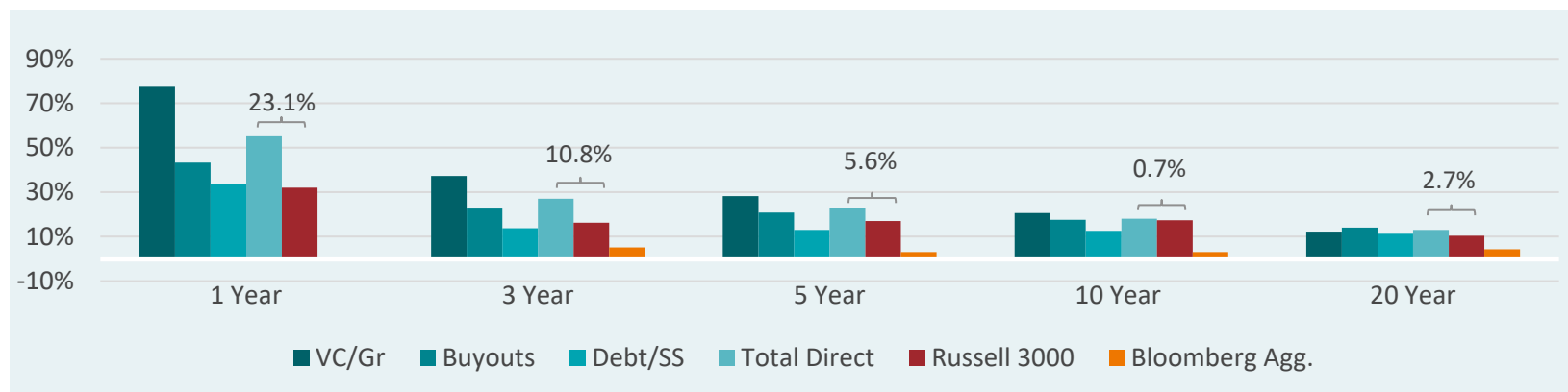
ONE YEAR ENDING MARCH



Source: Morningstar, as of 3/31/22

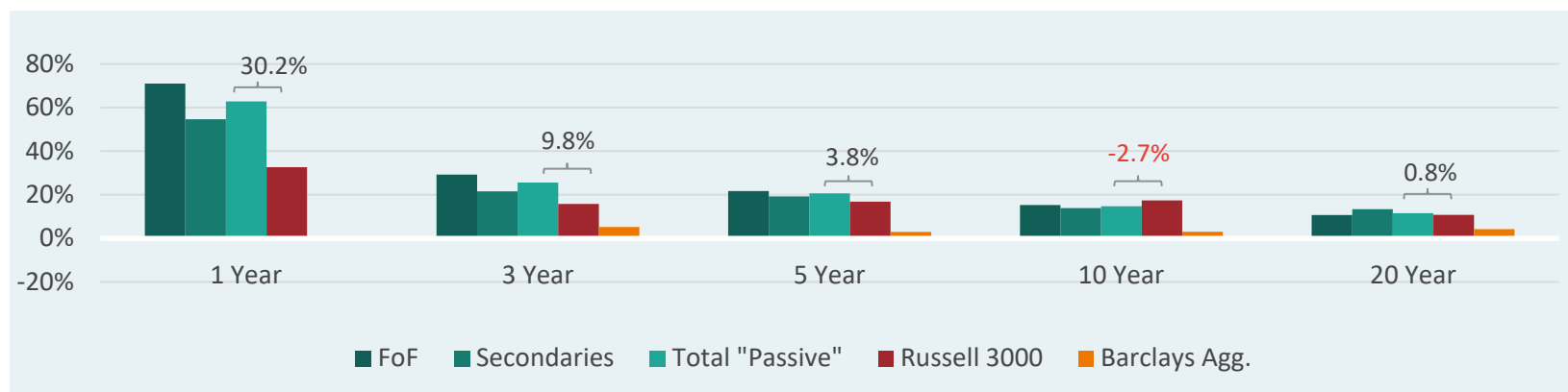
Private equity vs. traditional assets performance

DIRECT PRIVATE EQUITY FUND INVESTMENTS



Direct P.E Fund Investments outperformed comparable public equities across all time periods.

“PASSIVE” STRATEGIES

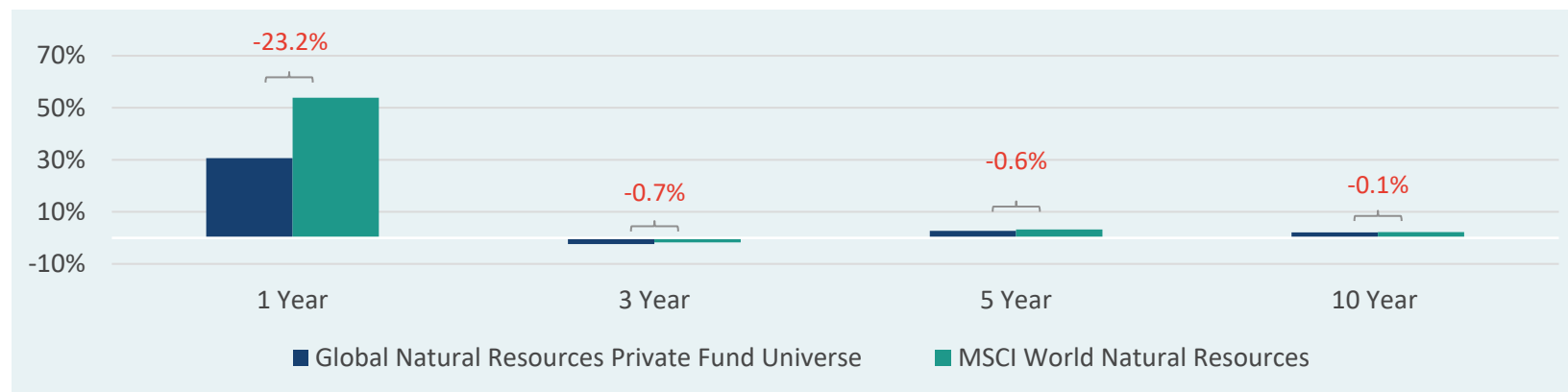


“Passive” strategies outperformed comparable public equities across all time periods, aside from the 10-year basis.

Sources: CJA PME: U.S. Private Equity Funds sub asset classes as of September 30, 2021. Public Market Equivalent returns resulted from “Total Passive” and Total Direct’s identical cash flows invested into and distributed from respective traditional asset comparable.

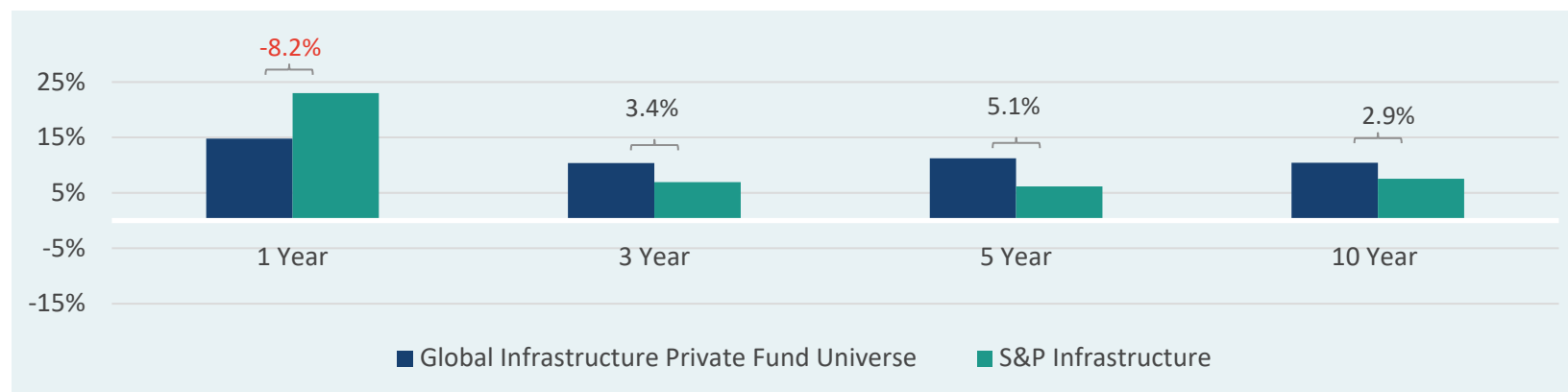
Private vs. liquid real assets performance

GLOBAL NATURAL RESOURCES FUNDS



N.R. funds underperformed the MSCI World Natural Resources benchmark across all time periods.

GLOBAL INFRASTRUCTURE FUNDS

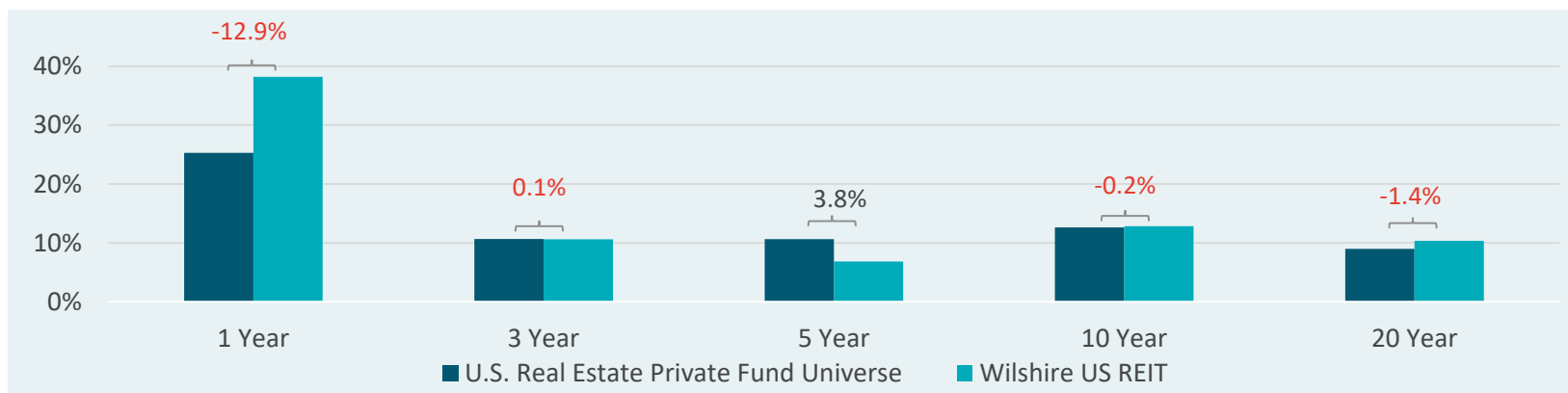


Infra. funds outperformed the S&P Infra. across all periods, aside from the 1-year basis.

Sources: CJA PME: Global Natural Resources (vintage 1999 and later, inception of MSCI World Natural Resources benchmark) and Global Infrastructure (vintage 2002 and later, inception of S&P Infrastructure benchmark) universes as of September 30, 2021. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.

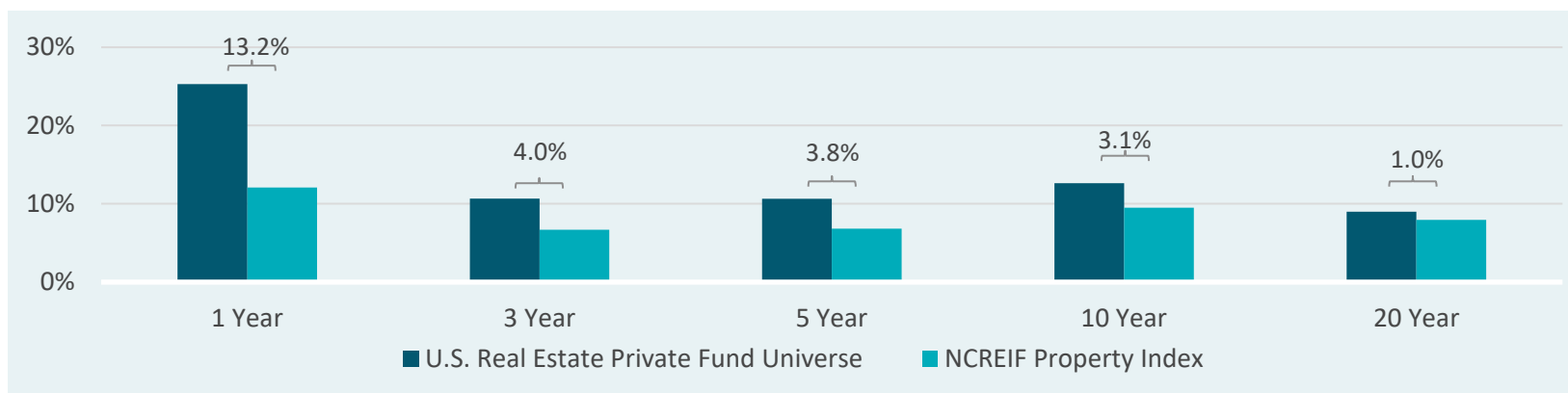
Private vs. liquid and core real estate performance

U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



U.S. Private R.E. funds underperformed the Wilshire U.S. REIT Index across all time periods, aside on a 5-year basis.

U.S. PRIVATE REAL ESTATE FUNDS VS. CORE FUNDS



U.S. Private R.E. Funds outperformed the NCREIF Property Index across all time periods.

Sources: CJA PME: U.S. Real Estate universes as of September 30, 2021. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real estate universes.

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	3.7	(4.6)	(4.6)	15.6	18.9	16.0	14.6
S&P 500 Equal Weighted	2.6	(2.7)	(2.7)	13.1	17.0	13.9	14.0
DJ Industrial Average	2.5	(4.1)	(4.1)	7.1	12.6	13.4	12.8
Russell Top 200	3.7	(4.9)	(4.9)	15.7	20.1	17.0	15.2
Russell 1000	3.4	(5.1)	(5.1)	13.3	18.7	15.8	14.5
Russell 2000	1.2	(7.5)	(7.5)	(5.8)	11.7	9.7	11.0
Russell 3000	3.2	(5.3)	(5.3)	11.9	18.2	15.4	14.3
Russell Mid Cap	2.6	(5.7)	(5.7)	6.9	14.9	12.6	12.9
Style Index							
Russell 1000 Growth	3.9	(9.0)	(9.0)	15.0	23.6	20.9	17.0
Russell 1000 Value	2.8	(0.7)	(0.7)	11.7	13.0	10.3	11.7
Russell 2000 Growth	0.5	(12.6)	(12.6)	(14.3)	9.9	10.3	11.2
Russell 2000 Value	2.0	(2.4)	(2.4)	3.3	12.7	8.6	10.5

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	2.2	(5.4)	(5.4)	7.3	13.8	11.6	10.0
MSCI ACWI ex US	0.2	(5.4)	(5.4)	(1.5)	7.5	6.8	5.6
MSCI EAFE	0.6	(5.9)	(5.9)	1.2	7.8	6.7	6.3
MSCI EM	(2.3)	(7.0)	(7.0)	(11.4)	4.9	6.0	3.4
MSCI EAFE Small Cap	(0.0)	(8.5)	(8.5)	(3.6)	8.5	7.4	8.3
Style Index							
MSCI EAFE Growth	0.6	(11.9)	(11.9)	(1.5)	9.8	8.9	7.5
MSCI EAFE Value	0.7	0.3	0.3	3.6	5.2	4.2	4.9
Regional Index							
MSCI UK	0.1	1.8	1.8	13.6	5.3	5.5	4.5
MSCI Japan	(0.5)	(6.6)	(6.6)	(6.5)	6.8	6.1	6.5
MSCI Euro	(1.7)	(11.1)	(11.1)	(3.4)	6.8	5.5	5.9
MSCI EM Asia	(3.1)	(8.7)	(8.7)	(15.2)	6.1	7.2	5.8
MSCI EM Latin American	13.1	27.3	27.3	23.5	3.2	4.1	(1.1)

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	(1.9)	(3.0)	(3.0)	4.3	6.2	4.4	2.7
Bloomberg US Treasury Bills	(0.0)	(0.0)	(0.0)	(0.0)	0.8	1.1	0.6
Bloomberg US Agg Bond	(2.8)	(5.9)	(5.9)	(4.2)	1.7	2.1	2.2
Bloomberg US Universal	(2.7)	(6.1)	(6.1)	(4.2)	1.9	2.3	2.6
Duration							
Bloomberg US Treasury 1-3 Yr	(1.4)	(2.5)	(2.5)	(3.0)	0.8	1.0	0.8
Bloomberg US Treasury Long	(5.3)	(10.6)	(10.6)	(1.4)	3.3	3.9	4.0
Bloomberg US Treasury	(3.1)	(5.6)	(5.6)	(3.7)	1.4	1.8	1.7
Issuer							
Bloomberg US MBS	(2.6)	(5.0)	(5.0)	(4.9)	0.6	1.4	1.7
Bloomberg US Corp. High Yield	(1.1)	(4.8)	(4.8)	(0.7)	4.6	4.7	5.7
Bloomberg US Agency Interm	(2.1)	(3.7)	(3.7)	(3.9)	0.7	1.1	1.2
Bloomberg US Credit	(2.5)	(7.4)	(7.4)	(4.2)	2.8	3.2	3.4

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	8.6	25.5	25.5	49.3	16.1	9.0	(0.7)
Wilshire US REIT	6.9	(3.9)	(3.9)	29.1	11.9	10.0	9.9
CS Leveraged Loans	0.0	(0.1)	(0.1)	3.2	4.1	4.1	4.5
S&P Global Infrastructure	5.9	7.5	7.5	16.7	8.0	7.7	7.8
Alerian MLP	2.0	18.9	18.9	37.5	1.4	(1.1)	1.2
Regional Index							
JPM EMBI Global Div	(0.9)	(10.0)	(10.0)	(7.4)	0.0	1.7	3.7
JPM GBI-EM Global Div	(1.5)	(6.5)	(6.5)	(8.5)	(1.1)	0.2	(0.7)
Hedge Funds							
HFRI Composite	(0.1)	(1.6)	(1.6)	2.6	8.3	6.2	5.1
HFRI FOF Composite	0.6	(2.7)	(2.7)	1.3	5.9	4.6	3.9
Currency (Spot)							
Euro	(0.9)	(2.2)	(2.2)	(5.3)	(0.3)	0.8	(1.8)
Pound Sterling	(1.9)	(2.8)	(2.8)	(4.6)	0.3	1.0	(1.9)
Yen	(5.1)	(5.1)	(5.1)	(9.0)	(3.0)	(1.7)	(3.8)

Source: Morningstar, HFRI, as of 3/31/22.

Definitions

Bloomberg US Weekly Consumer Comfort Index - tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. (www.lanqerresearch.com)

University of Michigan Consumer Sentiment Index - A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. (www.Bloomberg.com)

NFIB Small Business Outlook - Small Business Economic Trends (SBET) is a monthly assessment of the U.S. small-business economy and its near-term prospects. Its data are collected through mail surveys to random samples of the National Federal of Independent Business (NFIB) membership. The survey contains three broad question types: recent performance, near-term forecasts, and demographics. The topics addressed include: outlook, sales, earnings, employment, employee compensation, investment, inventories, credit conditions, and single most important problem. (<http://www.nfib-sbet.org/about/>)

NAHB Housing Market Index - the housing market index is a weighted average of separate diffusion indices for three key single-family indices: market conditions for the sale of new homes at the present time, market conditions for the sale of new homes in the next six months, and the traffic of prospective buyers of new homes. The first two series are rated on a scale of Good, Fair, and Poor and the last is rated on a scale of High/Very High, Average, and Low/Very Low. A diffusion index is calculated for each series by applying the formula $(\text{Good-Poor} + 100)/2$ to the present and future sales series and $(\text{High/Very High-Low/Very Low} + 100)/2$ to the traffic series. Each resulting index is then seasonally adjusted and weighted to produce the HMI. Based on this calculation, the HMI can range between 0 and 100.

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Kern County Employees' Retirement Association

Investment Performance Review

Period Ending: March 31, 2022



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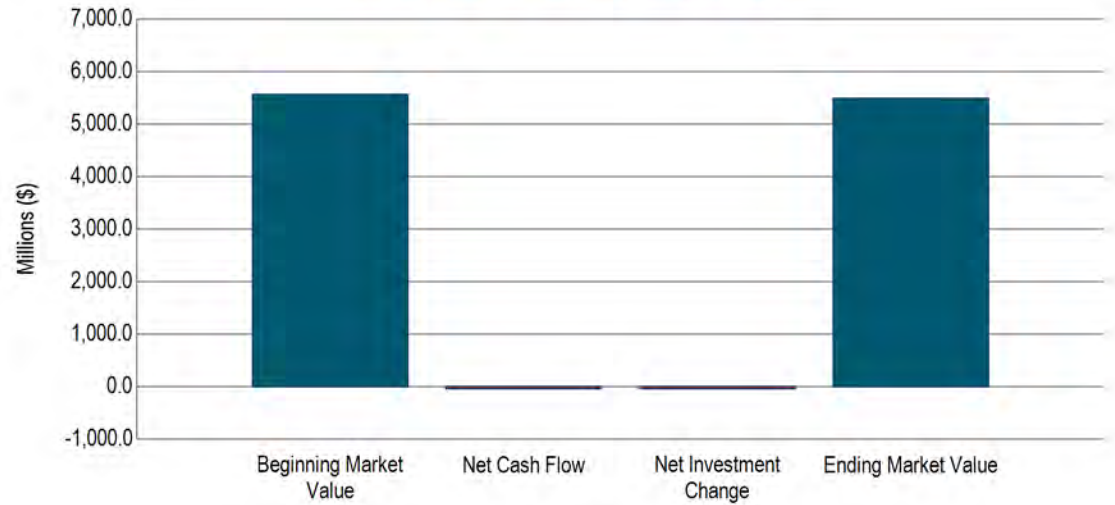
Total Fund Portfolio Reconciliation

Period Ending: March 31, 2022

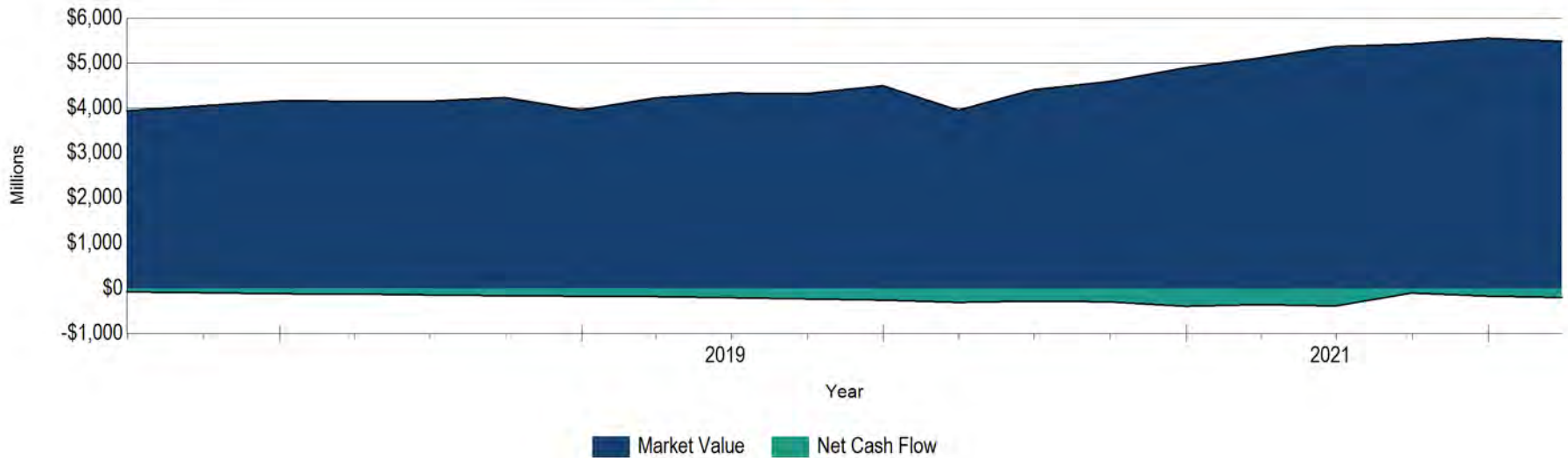
Portfolio Reconciliation

	Months
Beginning Market Value	\$5,557,439,932
Net Cash Flow	-\$28,585,677
Net Investment Change	-\$44,364,805
Ending Market Value	\$5,484,489,450

Change in Market Value Last Three Months



Market Value History

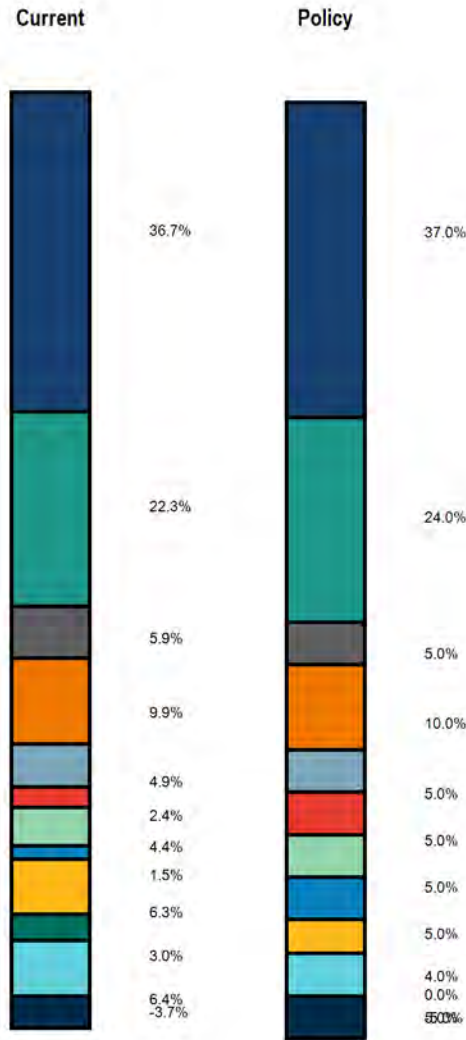


Contributions and withdrawals may include intra-account transfers between managers/funds. The Kern County Property Fund was removed at the beginning of 1Q 2016. Market value doesn't include Myriad holdback value of \$33,015.

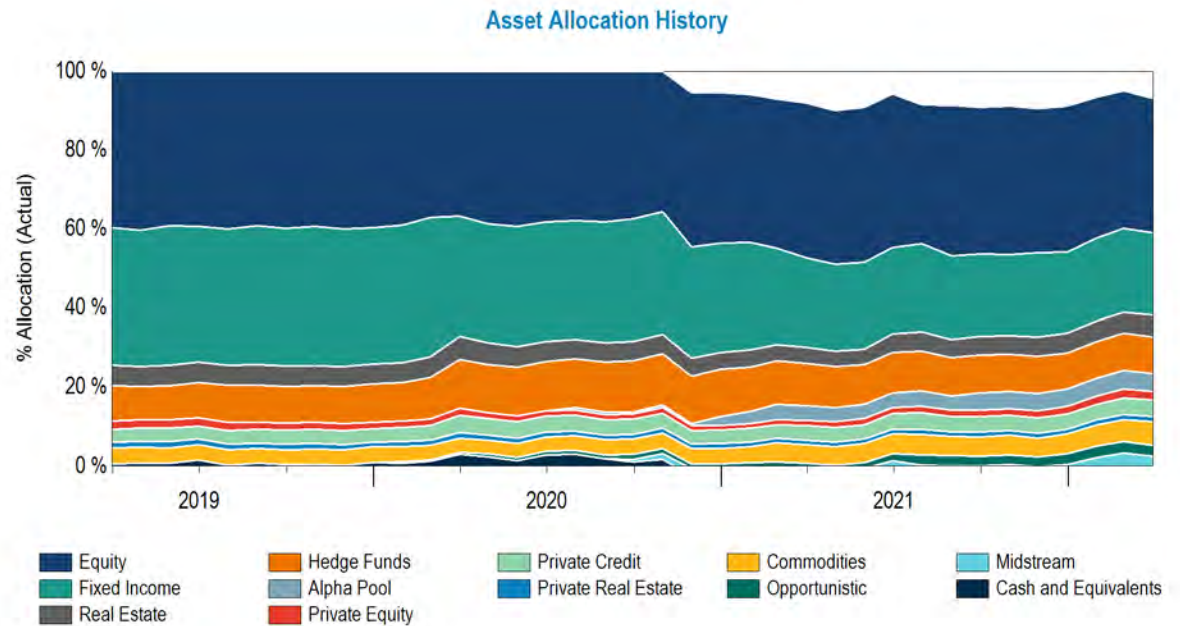
Total fund

Asset Allocation vs. Policy

Period Ending: March 31, 2022



	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
Equity	\$2,010,379,072	36.7%	37.0%	-\$18,785,146	32.0% - 46.0%	Yes
Fixed Income	\$1,222,866,553	22.3%	24.0%	-\$93,348,075	20.0% - 34.0%	Yes
Real Estate	\$323,231,741	5.9%	5.0%	\$49,020,360	3.0% - 7.0%	Yes
Hedge Funds	\$542,790,982	9.9%	10.0%	-\$5,631,780	5.0% - 15.0%	Yes
Alpha Pool	\$268,899,258	4.9%	5.0%	-\$5,312,123	0.0% - 7.0%	Yes
Private Equity	\$130,114,637	2.4%	5.0%	-\$144,096,744	0.0% - 10.0%	Yes
Private Credit	\$242,494,017	4.4%	5.0%	-\$31,717,364	0.0% - 10.0%	Yes
Private Real Estate	\$84,857,111	1.5%	5.0%	-\$189,354,270	0.0% - 10.0%	Yes
Commodities	\$347,789,751	6.3%	4.0%	\$128,420,646	2.0% - 6.0%	No
Opportunistic	\$164,445,849	3.0%	0.0%	\$164,445,849	0.0% - 10.0%	Yes
Midstream	\$350,123,956	6.4%	5.0%	\$75,912,575	0.0% - 7.0%	Yes
Cash and Equivalents	-\$203,765,310	-3.7%	-5.0%	\$70,446,071	-7.0% - 5.0%	Yes
Total	\$5,484,227,616	100.0%	100.0%			



Market value does not include residual \$261,833.73 in Fidelity International. Market value doesn't include Myriad holdback value of \$33,015.

Total Fund
Executive Summary (Gross of Fees)

Period Ending: March 31, 2022

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017
Total Fund	5,484,522,465	-0.8	3.4	9.3	11.1	9.0	8.1	24.4	3.2	5.7	6.8	12.1
<i>Policy Index</i>		-1.3	2.6	8.4	10.7	9.0	7.5	24.1	3.3	6.4	7.0	10.0
<i>InvMetrics Public DB > \$1B Gross Rank</i>		1	13	15	50	68	79	89	16	42	96	74
Equity	2,010,640,756	-5.5	0.0	6.9	14.0	12.0	11.2	41.2	0.7	5.3	12.4	20.6
<i>MSCI ACWI IMI GR</i>		-5.4	-0.5	6.7	14.0	11.9	10.5	41.5	1.7	5.1	11.7	19.6
Domestic Equity	1,067,126,022	-5.3	4.8	13.2	18.8	16.0	--	43.6	6.3	9.2	16.1	19.4
<i>Russell 3000</i>		-5.3	3.4	11.9	18.2	15.4	--	44.2	6.5	9.0	14.8	18.5
International Developed Equity	665,724,639	-5.9	-3.1	2.7	9.4	8.0	--	37.0	-5.5	-0.6	9.1	23.1
<i>MSCI World ex USA GR</i>		-4.7	-2.2	3.6	9.1	7.7	--	34.2	-5.0	1.8	7.6	20.1
Emerging Markets Equity	277,789,409	-5.3	-11.5	-7.5	3.9	3.9	--	40.6	-10.9	0.4	4.0	20.4
<i>MSCI Emerging Markets</i>		-7.0	-15.6	-11.4	4.9	6.0	--	40.9	-3.4	1.2	8.2	23.7
Fixed Income	1,222,866,553	-5.8	-6.0	-3.4	2.9	3.1	3.1	5.4	6.6	7.9	0.2	4.6
<i>Fixed Income Custom Benchmark</i>		-5.7	-5.6	-3.4	2.2	2.7	3.0	4.1	5.2	8.4	0.0	3.2
Core Plus Fixed Income	640,350,017	-6.5	-6.4	-4.3	2.2	2.6	--	1.0	9.5	8.0	0.0	1.4
<i>Bloomberg US Aggregate TR</i>		-5.9	-5.9	-4.2	1.7	2.1	--	-0.3	8.7	7.9	-0.4	-0.3
High Yield/ Specialty Credit	337,601,070	-3.2	-1.4	1.3	4.8	4.9	--	13.6	0.0	7.5	3.3	10.4
<i>ICE BofAML High Yield Master II</i>		-4.5	-3.0	-0.3	4.4	4.6	--	15.6	-1.1	7.6	2.5	12.8
Emerging Market Debt	244,801,211	-7.0	-10.2	-6.4	0.2	0.8	--	9.4	-1.2	8.5	-3.6	9.6
<i>50 JPM EMBI Global Div/ 50 JPM GBI EM</i>		-6.5	-8.2	-4.3	0.6	1.7	--	8.7	-3.0	11.2	-1.8	6.5
Commodities	347,789,751	23.3	28.7	44.0	18.2	11.1	--	43.5	-10.7	-6.2	13.7	-3.1
<i>Bloomberg Commodity Index TR USD</i>		25.5	31.7	49.3	16.1	9.0	--	45.6	-17.4	-6.8	7.3	-6.5
Hedge Funds	542,823,996	0.4	2.6	4.7	9.2	7.4	6.6	16.3	7.3	2.6	7.6	8.0
<i>75% 90 Day TBills +4% / 25% MSCI ACWI</i>		-0.5	2.4	5.1	7.3	7.1	6.2	12.3	5.1	6.6	7.0	8.1
Alpha Pool	268,899,258	0.8	2.2	3.9	--	--	--	14.5	--	--	--	--
<i>91-Day T-Bill +4%</i>		1.0	3.1	4.1	--	--	--	4.1	--	--	--	--
Midstream Energy	350,123,956	19.1	20.2	39.1	--	--	--	--	--	--	--	--
<i>Alerian Midstream Index</i>		23.9	22.0	42.0	--	--	--	--	--	--	--	--
Core Real Estate	323,231,741	7.3	20.1	23.4	9.9	8.5	--	6.6	2.3	6.1	7.4	6.1
<i>NCREIF-ODCE</i>		7.4	23.6	28.5	11.3	9.9	--	8.0	2.2	6.4	8.4	7.9

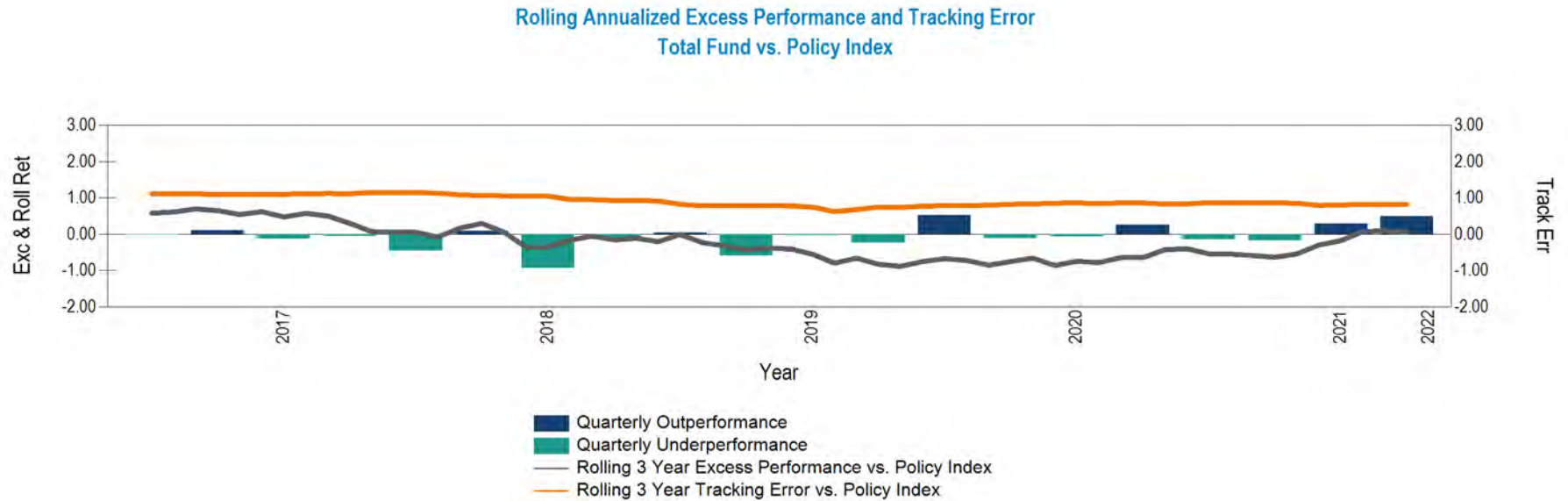
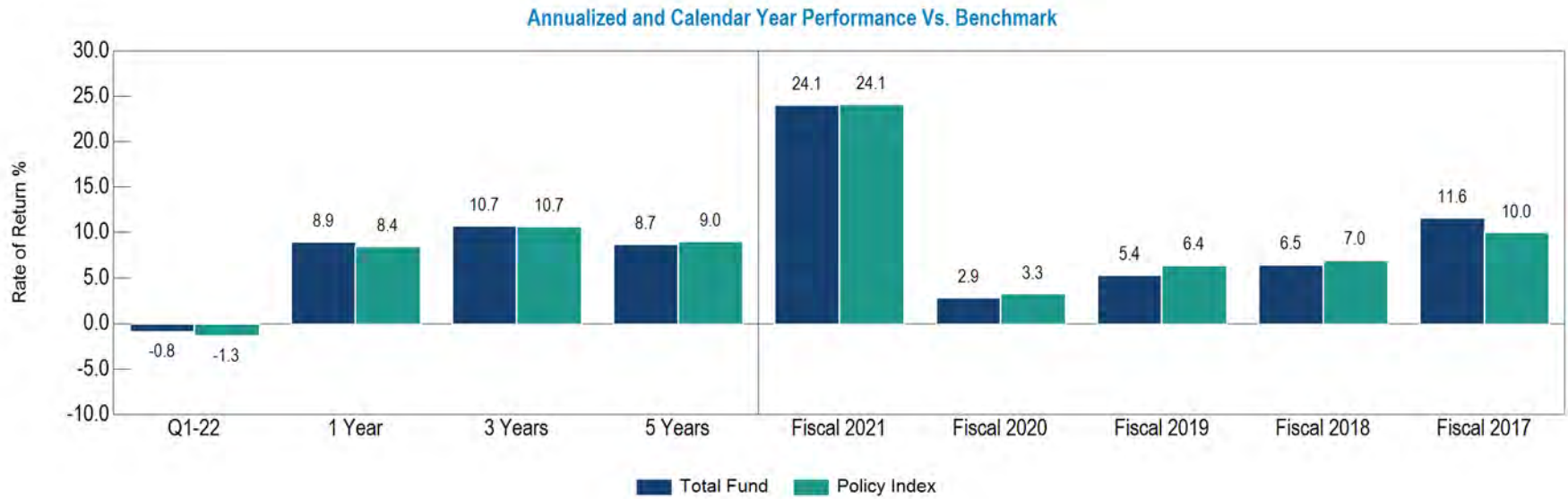
Total Fund
Executive Summary (Gross of Fees)

Period Ending: March 31, 2022

	Market Value	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017
Private Real Estate	86,780,188	7.9	27.2	27.9	14.4	10.9	12.9	12.1	4.4	9.0	5.4	6.4
Private Equity	130,114,637	3.9	21.3	27.4	16.8	14.0	12.4	41.7	-10.5	10.9	7.8	14.8
Private Credit	240,570,940	-1.4	0.0	2.9	4.5	7.1	--	4.8	5.5	9.7	9.3	10.2
Opportunistic	164,445,849	-1.1	4.9	16.4	--	--	--	59.9	--	--	--	--
Assumed Rate of Return +3%		2.5	7.7	10.4	--	--	--	10.4	--	--	--	--
Cash	-203,765,310											

Total Fund
Performance vs. Policy (Net of Fees)

Period Ending: March 31, 2022



Performance and Attribution

Total Fund
Performance (Net of Fees)

Period Ending: March 31, 2022

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Inception	Inception Date
Total Fund	5,484,522,465	100.0	-0.8	3.2	8.9	10.7	8.7	7.7	24.1	2.9	5.4	6.5	11.6	7.4	Jun-11
<i>Policy Index</i>			-1.3	2.6	8.4	10.7	9.0	7.5	24.1	3.3	6.4	7.0	10.0	7.2	Jun-11
Equity	2,010,640,905	36.7	-5.6	-0.2	6.7	13.6	11.6	10.7	40.7	0.3	4.8	11.8	20.1		
<i>MSCI ACWI IMI GR</i>			-5.4	-0.5	6.7	14.0	11.9	10.5	41.5	1.7	5.1	11.7	19.6		
Domestic Equity	1,067,126,172	19.5	-5.3	4.7	13.0	18.5	15.6	--	43.2	6.0	8.8	15.5	18.9		
<i>Russell 3000</i>			-5.3	3.4	11.9	18.2	15.4	--	44.2	6.5	9.0	14.8	18.5		
Equity Beta Exposure	448,770,788	8.2	-4.6	6.4	15.2	--	--	--	--	--	--	--	--	23.0	Jul-20
<i>S&P 500</i>			-4.6	6.5	15.6	--	--	--	--	--	--	--	--	23.4	Jul-20
Russell 2000 Overlay	16,427,880	0.3	-7.0	--	--	--	--	--	--	--	--	--	--	-3.0	Sep-21
<i>Russell 2000</i>			-7.5	--	--	--	--	--	--	--	--	--	--	-5.5	Sep-21
Mellon DB SL Stock Index Fund	334,684,458	6.1	-4.6	6.5	15.6	18.9	--	--	40.8	7.5	10.4	--	--	15.7	Oct-17
<i>S&P 500</i>			-4.6	6.5	15.6	18.9	--	--	40.8	7.5	10.4	--	--	15.7	Oct-17
PIMCO StocksPLUS	118,147,151	2.2	-5.5	5.2	14.4	18.9	15.9	15.2	41.7	7.7	10.6	14.1	19.1	11.5	Jul-03
<i>S&P 500</i>			-4.6	6.5	15.6	18.9	16.0	14.6	40.8	7.5	10.4	14.4	17.9	10.7	Jul-03
AB US Small Cap Value Equity	97,008,034	1.8	-5.4	-0.8	2.3	13.5	8.4	--	77.5	-19.4	-6.9	13.2	23.9	9.5	Jul-15
<i>Russell 2000 Value</i>			-2.4	-1.2	3.3	12.7	8.6	--	73.3	-17.5	-6.2	13.1	24.9	9.4	Jul-15
Geneva Capital Small Cap Growth	52,087,862	0.9	-14.0	-10.5	-6.1	12.7	13.5	--	37.6	9.3	8.6	22.7	21.2	11.9	Jul-15
<i>Russell 2000 Growth</i>			-12.6	-17.6	-14.3	9.9	10.3	--	51.4	3.5	-0.5	21.9	24.4	8.3	Jul-15
International Developed Equity	665,724,639	12.1	-5.9	-3.2	2.6	9.1	7.8	--	36.7	-5.7	-0.9	8.7	22.6		
<i>MSCI World ex USA IMI NR</i>			-5.2	-3.0	2.3	8.7	7.2	--	34.8	-5.1	0.2	7.7	19.7		
Mellon DB SL World ex-US Index Fund	551,232,061	10.1	-4.4	-1.9	4.5	9.4	--	--	35.6	-5.5	--	--	--	6.5	Jul-18
<i>MSCI World ex USA IMI GR</i>			-5.1	-2.8	2.8	9.2	--	--	35.4	-4.7	--	--	--	6.4	Jul-18
Cevian Capital II	33,981,461	0.6	-5.1	0.6	2.1	12.2	6.4	--	46.8	-8.2	-5.0	2.9	32.9	6.9	Dec-14
<i>MSCI Europe</i>			-7.4	-3.6	3.5	8.2	6.9	--	35.1	-6.8	1.9	5.3	21.1	5.3	Dec-14
American Century Non-US Small Cap	80,249,283	1.5	-15.6	-11.8	-5.6	--	--	--	--	--	--	--	--	1.3	Dec-20
<i>MSCI World ex US Small Cap Growth</i>			-11.5	-10.3	-5.6	--	--	--	--	--	--	--	--	2.1	Dec-20
Emerging Markets Equity	277,789,409	5.1	-5.5	-11.9	-8.1	3.0	3.0	--	39.5	-11.8	-0.6	2.9	19.3		
<i>MSCI EM IMI GR</i>			-6.6	-14.2	-9.2	6.1	6.6	--	43.7	-3.6	0.9	8.3	23.2		
DFA Emerging Markets Value I	84,643,560	1.5	0.5	-2.4	4.5	5.9	5.6	--	47.6	-17.7	2.0	5.7	27.6	4.9	Mar-14
<i>MSCI Emerging Markets Value GR</i>			-3.4	-8.4	-3.1	3.7	4.8	--	42.2	-15.3	5.6	4.8	22.1	3.5	Mar-14

Total Fund

Executive Summary (Net of Fees)

Period Ending: March 31, 2022

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Inception	Inception Date
AB Emerging Markets Strategic Core Equity Collective Trust	99,106,335	1.8	-8.8	-15.4	-14.2	2.9	2.2	--	33.6	-5.1	-2.6	1.2	--	4.3	Nov-16
<i>MSCI Emerging Markets Gross</i>			-6.9	-15.4	-11.1	5.3	6.4	--	41.4	-3.0	1.6	8.6	--	8.2	Nov-16
Mellon Emerging Markets Stock Index Fund	94,039,515	1.7	-7.0	-15.6	-11.2	--	--	--	41.1	--	--	--	--	9.8	Jun-20
<i>MSCI Emerging Markets Gross</i>			-6.9	-15.4	-11.1	--	--	--	41.4	--	--	--	--	14.6	Jun-20
Fixed Income	1,222,866,553	22.3	-5.9	-6.2	-3.7	2.6	2.8	2.9	5.1	6.3	7.6	-0.1	4.3		
<i>Fixed Income Custom Benchmark</i>			-5.7	-5.6	-3.4	2.2	2.7	3.0	4.1	5.2	8.4	0.0	3.2		
Core Plus Fixed Income	640,350,017	11.7	-6.6	-6.5	-4.4	2.0	2.5	--	0.8	9.3	7.9	-0.2	1.3		
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	--	-0.3	8.7	7.9	-0.4	-0.3		
Mellon DB SL Aggregate Bond Index Fund	227,866,012	4.2	-5.9	-5.9	-4.2	1.7	2.1	2.2	-0.4	8.8	7.9	-0.4	-0.3	2.7	Jan-11
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	2.2	-0.3	8.7	7.9	-0.4	-0.3	2.7	Jan-11
PIMCO Core Plus	200,426,586	3.7	-5.5	-5.2	-3.1	2.1	2.6	2.5	1.1	8.7	6.3	1.0	1.4	3.0	Jan-11
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	2.2	-0.3	8.7	7.9	-0.4	-0.3	2.7	Jan-11
Western Asset Core Plus	212,057,418	3.9	-8.3	-8.4	-6.0	2.1	2.7	3.2	2.4	9.3	9.4	-0.4	3.0	4.4	May-04
<i>Bloomberg US Aggregate TR</i>			-5.9	-5.9	-4.2	1.7	2.1	2.2	-0.3	8.7	7.9	-0.4	-0.3	3.7	May-04
High Yield/ Specialty Credit	337,601,070	6.2	-3.4	-1.8	0.8	4.3	4.4	--	13.1	-0.5	7.0	2.8	9.9		
<i>ICE BofAML High Yield Master II</i>			-4.5	-3.0	-0.3	4.4	4.6	--	15.6	-1.1	7.6	2.5	12.8		
Western Asset High Yield Fixed Income	207,777,536	3.8	-4.5	-2.8	0.3	4.5	4.6	5.5	16.5	-2.2	8.3	2.2	11.7	6.6	May-05
<i>50% Bloomberg US HY Ba 2%/50% Bloomberg US HY B 2% CAP</i>			-4.9	-3.3	-0.9	4.8	4.8	5.7	13.4	2.1	8.8	1.8	10.9	6.5	May-05
TCW Securitized Opportunities	129,823,534	2.4	-2.2	-0.7	1.1	3.3	3.8	--	6.4	2.2	5.2	4.3	6.3	4.0	Feb-16
<i>Bloomberg US HY 2% Issuer Cap</i>			-4.8	-3.3	-0.7	4.6	4.7	--	15.3	0.0	7.5	2.6	12.7	7.2	Feb-16
Emerging Market Debt	244,801,211	4.5	-7.1	-10.4	-6.7	-0.2	0.3	--	9.1	-1.7	7.9	-4.2	8.9		
<i>50 JPM EMBI Global Div/ 50 JPM GBI EM</i>			-6.5	-8.2	-4.3	0.6	1.7	--	8.7	-3.0	11.2	-1.8	6.5		
Stone Harbor Emerging Markets Debt Blend Portfolio	97,517,056	1.8	-8.2	-11.3	-7.6	-0.2	0.5	--	9.5	-1.8	8.2	-3.1	6.3	0.2	Aug-12
<i>50 JPM GBI-EM Global Div/ 40 JPM EMBI Global Div/ 10 JPM Corporate EM Bond Idx</i>			-8.1	-11.1	-7.9	-0.3	1.1	--	7.2	-0.8	10.6	-1.7	6.3	1.2	Aug-12
PIMCO EMD	147,284,155	2.7	-6.3	-9.8	-6.0	--	--	--	8.7	--	--	--	--	-2.9	Jan-20
<i>50 JPM EMBI Global Div / 50 JPM GBI EM Global Div</i>			-8.2	-11.3	-8.0	--	--	--	7.1	--	--	--	--	-4.6	Jan-20

Total Fund

Executive Summary (Net of Fees)

Period Ending: March 31, 2022

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Inception	Inception Date
Commodities	347,789,751	6.3	23.1	28.1	43.0	17.4	10.5	--	42.5	-11.3	-6.7	13.3	-3.7		
<i>Bloomberg Commodity Index TR USD</i>			25.5	31.7	49.3	16.1	9.0	--	45.6	-17.4	-6.8	7.3	-6.5		
Gresham MTAP Commodity Builder Fund	94,868,223	1.7	24.5	28.1	44.8	15.7	9.3	--	46.8	-16.3	-9.0	12.4	-3.8	0.7	Sep-13
<i>Bloomberg Commodity Index TR USD</i>			25.5	31.7	49.3	16.1	9.0	--	45.6	-17.4	-6.8	7.3	-6.5	0.5	Sep-13
WTC-CTF	252,921,527	4.6	22.4	28.0	42.2	18.9	11.4	--	40.2	-7.5	-5.4	14.2	-3.3	2.2	Sep-13
<i>S&P GSCI Commodity Equal Weighted</i>			21.9	28.7	42.7	16.7	11.0	--	40.9	-12.4	-3.5	12.6	-2.3	2.1	Sep-13
Hedge Funds	542,823,996	9.9	0.4	2.4	4.5	9.0	7.3	6.0	16.1	7.0	2.5	7.6	7.1		
<i>75% 90 Day TBills +4% / 25% MSCI ACWI</i>			-0.5	2.4	5.1	7.3	7.1	6.2	12.3	5.1	6.6	7.0	8.1		
Aristeia International Limited	67,195,663	1.2	-0.6	1.8	3.4	11.4	8.7	--	21.6	8.7	9.2	2.6	13.1	5.5	May-14
Brevan Howard Fund	68,513,907	1.2	8.1	9.5	8.1	15.3	10.2	--	6.1	20.5	12.7	7.8	1.0	7.9	Nov-13
D.E. Shaw Composite Fund	55,799,874	1.0	11.1	21.9	26.4	19.9	16.7	--	19.0	15.6	11.5	11.3	8.0	14.3	Jul-13
HBK Fund II	56,778,731	1.0	-0.9	4.2	5.9	6.2	5.2	--	11.0	1.5	5.5	3.0	6.7	4.5	Nov-13
Hudson Bay Cap Structure Arbitrage Enhanced Fund	74,505,348	1.4	1.7	6.0	7.6	--	--	--	14.2	16.2	--	--	--	13.0	Jun-19
Indus Pacific Opportunities Fund	37,438,472	0.7	-0.1	-6.9	0.3	13.7	8.1	--	38.0	15.8	-19.2	15.8	15.1	8.1	Jun-14
Magnetar Structured Credit Fund	9,441,422	0.2	-0.8	1.9	6.5	12.4	9.9	--	38.1	-0.2	5.4	7.7	8.6	8.4	May-14
Pharo Macro Fund	60,578,227	1.1	-4.9	-8.5	-8.4	--	--	--	3.5	--	--	--	--	-1.0	Dec-19
PIMCO Commodity Alpha Fund	60,367,071	1.1	-6.6	3.6	6.9	6.6	8.1	--	14.2	4.8	5.2	10.4	17.0	9.5	May-16
River Birch International	774,799	0.0	-0.5	-0.2	0.6	-7.7	-4.1	--	-0.7	-19.9	-0.5	2.8	9.6	-2.1	Aug-15
Sculptor Enhanced Domestic Partners	51,397,468	0.9	-2.9	-6.7	-4.3	7.3	--	--	16.8	6.5	--	--	--	9.6	Mar-19
Alpha Pool	268,899,258	4.9	0.8	2.2	3.9	--	--	--	14.5	--	--	--	--		
<i>91-Day T-Bill +4%</i>			1.0	3.1	4.1	--	--	--	4.1	--	--	--	--		
Hudson Bay Cap Structured Arbitrage Enhanced Fund	57,549,476	1.0	1.5	5.4	6.8	--	--	--	--	--	--	--	--	10.7	Jul-20
Davidson Kempner Institutional Partners	54,621,168	1.0	-0.1	-0.5	2.5	--	--	--	--	--	--	--	--	6.0	Dec-20
HBK Fund II	54,602,995	1.0	-1.1	3.6	5.1	--	--	--	--	--	--	--	--	6.6	Dec-20
HBK Opportunities Platform - SPAC Series	50,340,049	0.9	-0.6	-1.4	-0.8	--	--	--	--	--	--	--	--	5.0	Dec-20
Garda Fixed Income Relative Value Opportunity Fund	51,785,570	0.9	4.1	3.2	--	--	--	--	--	--	--	--	--	3.2	Sep-21

Total Fund

Executive Summary (Net of Fees)

Period Ending: March 31, 2022

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Inception	Inception Date
Midstream Energy	350,123,956	6.4	19.1	20.2	39.1	--	--	--	--	--	--	--	--		
<i>Alerian Midstream Index</i>			23.9	22.0	42.0	--	--	--	--	--	--	--	--		
Harvest Midstream	201,971,779	3.7	24.6	25.9	48.5	--	--	--	--	--	--	--	--	58.1	Sep-20
<i>Alerian Midstream Index</i>			23.9	22.0	42.0	--	--	--	--	--	--	--	--	47.2	Sep-20
PIMCO Midstream	148,152,177	2.7	12.4	13.4	28.2	--	--	--	--	--	--	--	--	39.6	Oct-20
<i>50/25/25 Alerian Midstream/ ICE BofA US Pipeline/ ICE BofA US HY Midstream</i>			8.3	8.5	19.8	--	--	--	--	--	--	--	--	--	Oct-20
Core Real Estate	323,231,741	5.9	7.1	19.4	22.4	8.9	8.0	--	5.6	1.4	5.9	7.4	5.6		
<i>NCREIF-ODCE</i>			7.4	23.6	28.5	11.3	9.9	--	8.0	2.2	6.4	8.4	7.9		
ASB Allegiance Real Estate Fund	186,488,399	3.4	7.7	17.4	20.1	8.3	7.5	--	5.4	1.5	6.8	7.1	3.3	8.8	Sep-13
<i>NCREIF-ODCE</i>			7.4	23.6	28.5	11.3	9.9	--	8.0	2.2	6.4	8.4	7.9	10.7	Sep-13
JPMCB Strategic Property Fund	136,743,343	2.5	6.3	22.2	25.4	9.8	8.5	--	5.9	1.3	5.0	7.6	7.4	9.1	Jul-14
<i>NCREIF-ODCE</i>			7.4	23.6	28.5	11.3	9.9	--	8.0	2.2	6.4	8.4	7.9	10.5	Jul-14
Private Real Estate	86,780,188	1.6	7.9	27.2	27.9	14.4	10.9	12.3	12.1	4.4	9.0	5.4	5.7		
<i>Private Real Estate Benchmark</i>			7.9	27.2	27.9	14.4	10.9	12.3	12.1	4.4	9.0	5.4	5.7		
Private Equity	130,114,637	2.4	3.9	21.3	27.4	16.8	14.0	12.0	41.7	-10.5	10.9	7.8	14.1		
<i>Private Equity Benchmark</i>			3.9	21.3	27.4	16.8	14.0	12.0	41.7	-10.5	10.9	7.8	14.1		
Private Credit	240,570,940	4.4	-1.4	0.0	2.9	4.5	7.1	--	4.8	5.5	9.7	9.3	10.2		
<i>Private Credit Benchmark</i>			-1.4	0.0	2.9	4.5	7.1	--	4.8	5.5	9.7	9.3	10.2		
Opportunistic	164,445,849	3.0	-1.1	4.9	16.4	--	--	--	59.9	--	--	--	--		
<i>Assumed Rate of Return +3%</i>			2.5	7.7	10.4	--	--	--	10.4	--	--	--	--		
DB Investors Fund IV	39,889,093	0.7	-9.1	2.6	19.2	--	--	--	95.1	--	--	--	--	35.9	Jan-20
Sixth Street TAO Partners (D)	72,450,649	1.3	2.7	6.7	14.2	--	--	--	39.6	--	--	--	--	22.1	Apr-20
Aristeia Select Opportunities II	52,106,107	1.0	0.6	4.2	--	--	--	--	--	--	--	--	--	4.2	Jul-21
<i>Assumed Rate of Return +3%</i>			2.5	7.7	--	--	--	--	--	--	--	--	--	7.7	Jul-21
Cash	-203,765,310	-3.7	-0.1	-0.1	-0.1	0.5	1.5	--	0.1	1.0	2.0	3.2	2.7		

IRR Analysis as of IRR date												
Vintage Year	Manager/Fund	Estimated Market Value as of 3/31/2022	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI) ¹	Tot. Value/ Paid-In (TVPI) ²	Net IRR Since Inception ³	IRR Date
Private Equity												
2001	Abbott Capital PE IV	\$1,156,229	\$50,000,000	\$49,650,000	99%	\$350,000	\$85,714,140	\$1,104,670	1.73x	1.75x	11.0%	12/31/20
2005	Abbott Capital PE V	\$4,656,643	\$65,000,000	\$62,790,000	97%	\$2,210,000	\$89,361,494	\$5,280,775	1.42x	1.50x	6.9%	09/30/21
2008	Abbott Capital PE VI	\$23,208,334	\$50,000,000	\$49,750,000	100%	\$250,000	\$75,850,074	\$28,869,137	1.52x	1.99x	13.9%	09/30/21
2006	Pantheon Global III	\$1,080,477	\$50,000,000	\$47,300,000	95%	\$2,700,000	\$51,500,000	\$1,080,477	1.09x	1.11x	1.9%	12/31/21
1998	Pantheon USA III	\$51,595	\$7,500,000	\$7,335,000	98%	\$165,000	\$8,197,500	\$51,595	1.12x	1.12x	1.9%	12/31/21
2002	Pantheon USA V	\$425,173	\$25,000,000	\$24,350,000	97%	\$650,000	\$37,950,000	\$425,173	1.56x	1.58x	9.0%	12/31/21
2004	Pantheon USA VI	\$644,486	\$35,000,000	\$33,075,000	95%	\$1,925,000	\$50,378,827	\$819,486	1.52x	1.54x	6.8%	12/31/21
2006	Pantheon USA VII	\$9,827,470	\$50,000,000	\$46,600,000	93%	\$3,400,000	\$77,775,000	\$10,677,469	1.67x	1.88x	10.3%	12/31/21
2020	Vista Foundation Fund IV	\$9,495,697	\$25,000,000	\$9,835,795	39%	\$15,164,205	\$30,252	\$9,525,949	0.00x	0.97x	30.5%	12/31/21
2021	Crown Global Secondaries V Master S.C	\$16,701,892	\$50,000,000	\$13,250,000	27%	\$36,750,000	\$0	N/A	N/A	N/A	N/A	N/A
2021	Brighton Park Capital Fund I	\$36,438,508	\$30,000,000	\$28,532,231	95%	\$1,467,769	\$1,167,799	N/A	0.04x	1.32x	N/A	N/A
2021	Warren Equity Partners Fund III	\$15,874,846	\$32,500,000	\$14,911,186	46%	\$17,588,814	\$508,290	N/A	0.03x	1.10x	N/A	N/A
2021	Peak Rock Capital Fund III	\$9,011,672	\$30,000,000	\$9,236,350	31%	\$20,763,650	\$0	N/A	N/A	N/A	N/A	N/A
2021	Level Equity Growth Partners V	\$1,544,021	\$15,000,000	\$1,688,471	11%	\$13,311,529	\$0	N/A	N/A	N/A	N/A	N/A
2021	Level Equity Opportunities Fund 2021	\$2,406	\$15,000,000	\$21,489	0%	\$14,978,511	\$0	N/A	N/A	N/A	N/A	N/A
Total Private Equity		\$130,114,637	\$530,000,000	\$398,325,522	75%	\$131,674,478	\$478,433,377	\$57,834,731	1.20x	1.53x		
% of Portfolio (Market Value)		2.4%										

¹(DPI) is equal to (capital returned / capital called)

²(TVPI) is equal to (market value + capital returned) / capital called

³Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its respective manager.

IRR Analysis as of IRR date												
Vintage Year	Manager/Fund	Estimated Market Value 12/31/2021	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI) ¹	Tot. Value/ Paid-In (TVPI) ²	Net IRR Since Inception ³	IRR Date
Private Credit												
2015	Colony Distressed Credit IV ⁴	\$34,399,797	\$60,000,000	\$73,340,099	122%	-\$5,500,870	\$24,003,132	\$51,535,333	0.33x	0.80x	1.0%	6/30/21
2017	Brookfield Real Estate Finance Fund V	\$23,059,142	\$50,000,000	\$35,545,586	71%	\$14,454,414	\$21,702,372	\$23,191,827	0.61x	1.26x	8.1%	12/31/21
2017	Sixth Street TAO Partners (B)	\$37,001,079	\$50,000,000	\$64,060,356	128%	-\$14,060,356	\$39,332,902	\$36,662,874	0.61x	1.19x	11.3%	12/31/21
2018	Magnetar Constellation Fund V	\$36,817,069	\$60,000,000	\$64,905,493	108%	-\$4,905,493	\$35,077,469	N/A	0.54x	1.11x	26.6%	2/28/22
2019	H.I.G Bayside Loan Opportunity Fund V	\$47,114,733	\$60,000,000	\$33,496,503	56%	\$26,503,497	\$5,260,705	N/A	0.16x	1.56x	37.2%	12/31/21
2020	Blue Torch Credit Opportunities Fund II	\$16,280,915	\$20,000,000	\$16,613,092	83%	\$3,386,908	\$1,580,113	N/A	0.10x	1.08x	N/A	N/A
2020	Fortress Credit Opportunitis Fund V Expans	\$11,826,948	\$40,000,000	\$10,851,947	27%	\$29,148,053	\$468,590	N/A	0.04x	1.13x	N/A	N/A
2021	Fortress Lending Fund II	\$30,071,257	\$40,000,000	\$30,137,851	75%	\$9,862,149	\$1,683,446	N/A	0.06x	1.05x	N/A	N/A
2022	Fortress Lending Fund III	\$4,000,000	\$40,000,000	\$4,000,000	10%	\$36,000,000	\$0	N/A	N/A	N/A	N/A	N/A
Total Private Credit		\$240,570,940	\$420,000,000	\$332,950,927	79%	\$94,888,302	\$129,108,731	\$111,390,034	0.39x	1.11x		
% of Portfolio (Market Value)		4.4%										

¹(DPI) is equal to (capital returned / capital called)

²(TVPI) is equal to (market value + capital returned) / capital called

³Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its respective manager.

⁴\$14,360,749 is callable capital as of 6/30/2020.

		IRR Analysis as of IRR date										
Vintage Year	Manager/Fund	Estimated Market Value 12/31/2021	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI) ¹	Tot. Value/ Paid-In (TVPI) ²	Net IRR Since Inception ³	IRR Date
Private Real Estate												
2012	Invesco Real Estate III	\$0	\$60,000,000	\$55,519,583	93%	\$4,480,417	\$81,560,296	\$286,862	1.47x	1.47x	13.6%	12/31/20
2014	Invesco Real Estate Value-Add Fund IV	\$8,193,566	\$50,000,000	\$43,637,717	87%	\$6,362,283	\$51,606,600	\$24,596,747	1.18x	1.37x	12.3%	12/31/20
2017	Landmark Real Estate Partners VIII	\$22,712,467	\$60,000,000	\$31,768,833	53%	\$28,231,167	\$18,356,034	\$18,637,114	0.58x	1.29x	16.4%	09/30/21
2018	Long Wharf Real Estate Partners VI	\$28,674,828	\$50,000,000	\$31,982,160	64%	\$18,017,840	\$12,487,611	\$28,674,828	0.39x	1.29x	36.0%	12/31/21
2020	Covenant Apartment Fund X	\$23,593,320	\$30,000,000	\$17,700,000	59%	\$12,300,000	\$1,468,639	N/A	0.08x	1.42x	N/A	N/A
2021	Singerman Real Estate Opportunity Fund IV	\$1,682,930	\$35,000,000	\$1,890,000	5%	\$33,110,000	\$0	N/A	N/A	N/A	N/A	N/A
2022	LBA Logistics Value Fund IX, L.P.	\$1,923,077	\$40,000,000	\$1,923,077	5%	\$38,076,923	\$0	N/A	N/A	N/A	N/A	N/A
Total Private Real Estate		\$86,780,188	\$325,000,000	\$184,421,370	57%	\$140,578,630	\$165,479,181	\$72,195,551	0.90x	1.37x		
% of Portfolio (Market Value)		1.6%										

¹(DPI) is equal to (capital returned / capital called)

²(TVPI) is equal to (market value + capital returned) / capital called

³Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its respective manager.

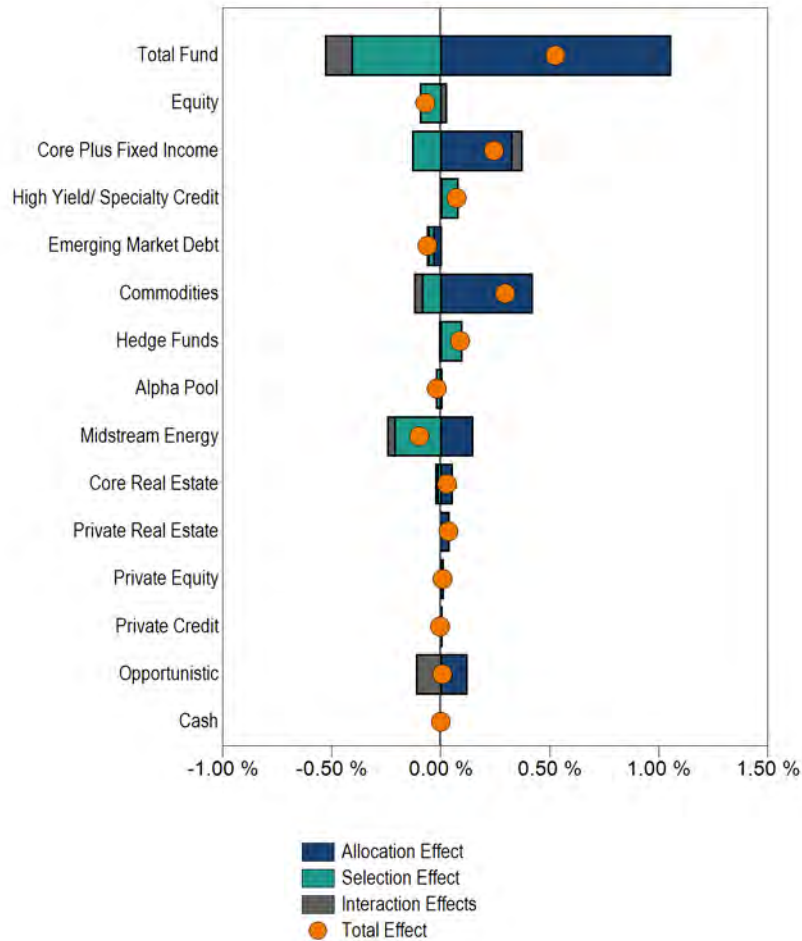
Total Fund

Attribution Analysis - Asset Class Level (Net of Fees)

Period Ending: March 31, 2022

Attribution Effects Last Three Months

Performance Attribution



Wtd. Actual Return	-0.78%	3.37%
Wtd. Index Return *	-1.32%	2.63%
Excess Return	0.53%	0.75%
Selection Effect	-0.41%	-0.48%
Allocation Effect	1.05%	1.36%
Interaction Effect	-0.12%	-0.13%

*Calculated from benchmark returns and weightings of each component.

Attribution Summary Last Three Months

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	-5.6%	-5.4%	-0.2%	-0.1%	0.0%	0.0%	-0.1%
Core Plus Fixed Income	-6.6%	-5.9%	-0.6%	-0.1%	0.3%	0.0%	0.2%
High Yield/ Specialty Credit	-3.4%	-4.5%	1.1%	0.1%	0.0%	0.0%	0.1%
Emerging Market Debt	-7.1%	-6.5%	-0.5%	0.0%	0.0%	0.0%	-0.1%
Commodities	23.1%	25.5%	-2.5%	-0.1%	0.4%	0.0%	0.3%
Hedge Funds	0.4%	-0.5%	0.9%	0.1%	0.0%	0.0%	0.1%
Alpha Pool	0.8%	1.0%	-0.3%	0.0%	0.0%	0.0%	0.0%
Midstream Energy	19.1%	23.9%	-4.8%	-0.2%	0.1%	0.0%	-0.1%
Core Real Estate	7.1%	7.4%	-0.3%	0.0%	0.0%	0.0%	0.0%
Private Real Estate	7.9%	7.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity	3.9%	3.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Credit	-1.4%	-1.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Opportunistic	-1.1%	2.5%	-3.6%	0.0%	0.1%	-0.1%	0.0%
Cash	--	--	--	--	--	--	--
Total	-0.8%	-1.3%	0.5%	-0.4%	1.1%	-0.1%	0.5%

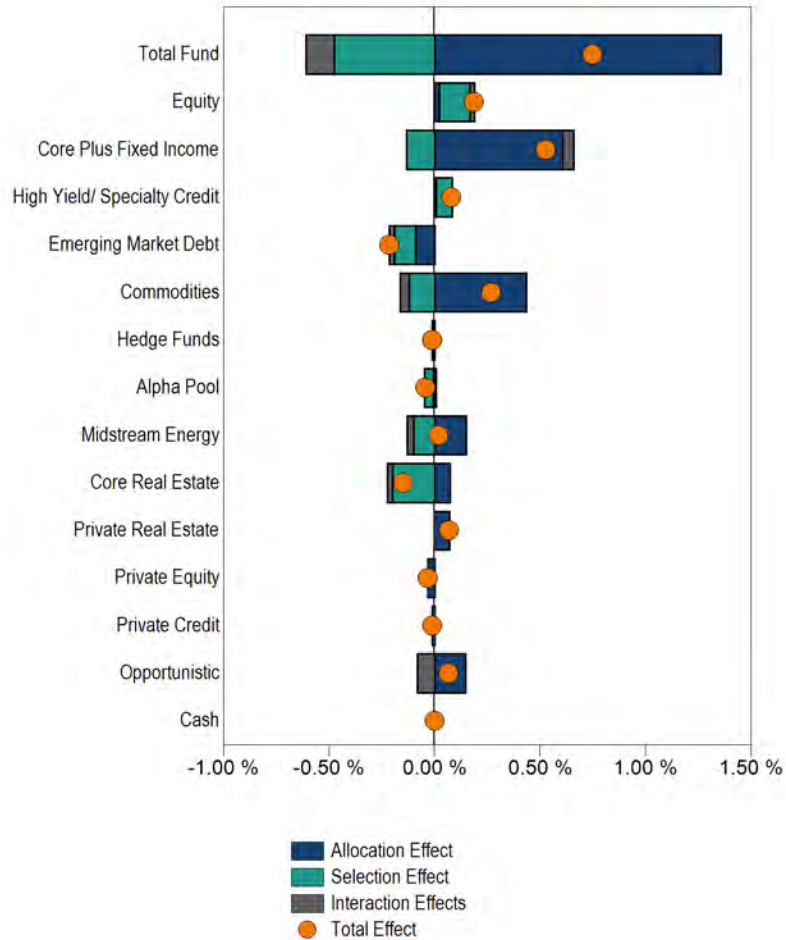
Weighted returns shown in attribution analysis may differ from actual returns. Negative cash allocation unable to be shown in Attribution Summary table.

Total Fund

Attribution Analysis - Asset Class Level (Net of Fees)

Period Ending: March 31, 2022

Attribution Effects Fiscal YTD



Performance Attribution

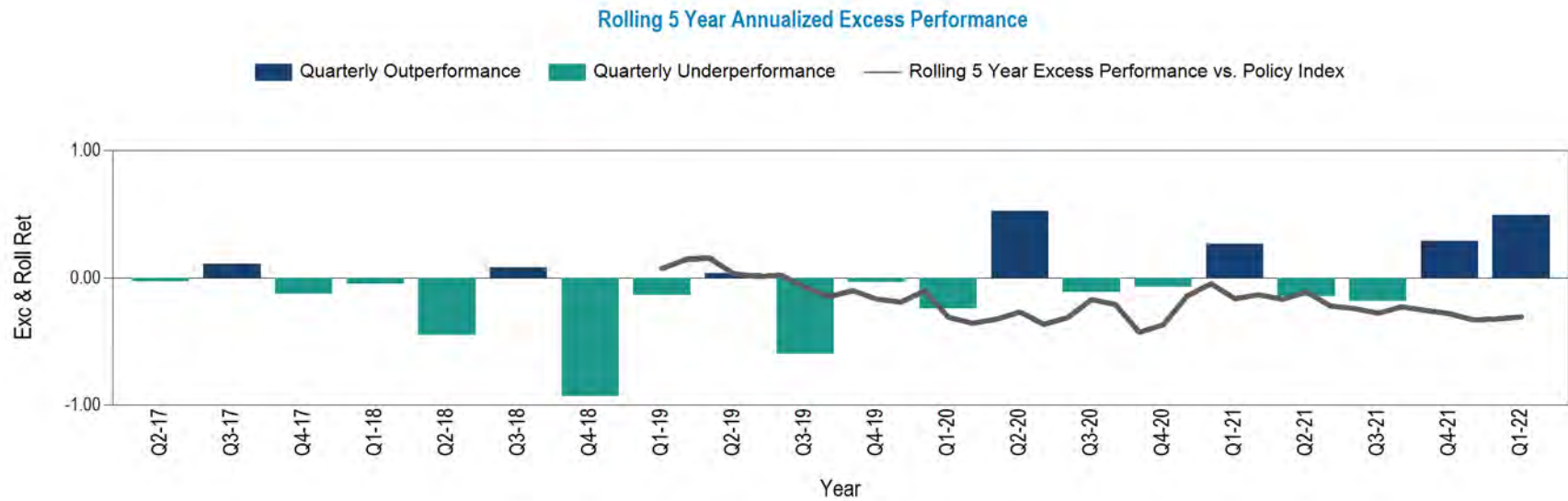
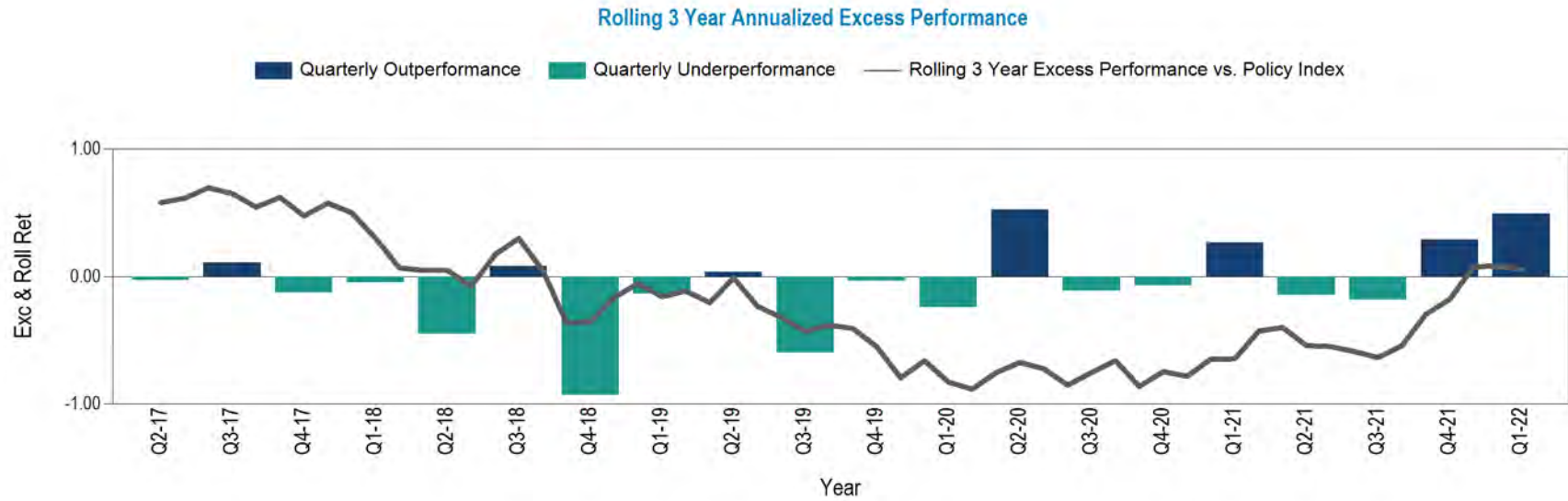
Wtd. Actual Return	-0.78%	3.37%
Wtd. Index Return *	-1.32%	2.63%
Excess Return	0.53%	0.75%
Selection Effect	-0.41%	-0.48%
Allocation Effect	1.05%	1.36%
Interaction Effect	-0.12%	-0.13%

*Calculated from benchmark returns and weightings of each component.

Attribution Summary Fiscal YTD

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	-0.2%	-0.5%	0.4%	0.1%	0.0%	0.0%	0.2%
Core Plus Fixed Income	-6.5%	-5.9%	-0.6%	-0.1%	0.6%	0.0%	0.5%
High Yield/ Specialty Credit	-1.8%	-3.0%	1.2%	0.1%	0.0%	0.0%	0.1%
Emerging Market Debt	-10.4%	-8.2%	-2.3%	-0.1%	-0.1%	0.0%	-0.2%
Commodities	28.1%	31.7%	-3.7%	-0.1%	0.4%	0.0%	0.3%
Hedge Funds	2.4%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Alpha Pool	2.2%	3.1%	-0.8%	0.0%	0.0%	0.0%	0.0%
Midstream Energy	20.2%	22.0%	-1.7%	-0.1%	0.1%	0.0%	0.0%
Core Real Estate	19.4%	23.6%	-4.2%	-0.2%	0.1%	0.0%	-0.1%
Private Real Estate	27.2%	27.2%	0.0%	0.0%	0.1%	0.0%	0.1%
Private Equity	21.3%	21.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Credit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Opportunistic	4.9%	7.7%	-2.8%	0.0%	0.1%	-0.1%	0.1%
Cash	--	--	--	--	--	--	--
Total	3.4%	2.6%	0.7%	-0.5%	1.4%	-0.1%	0.7%

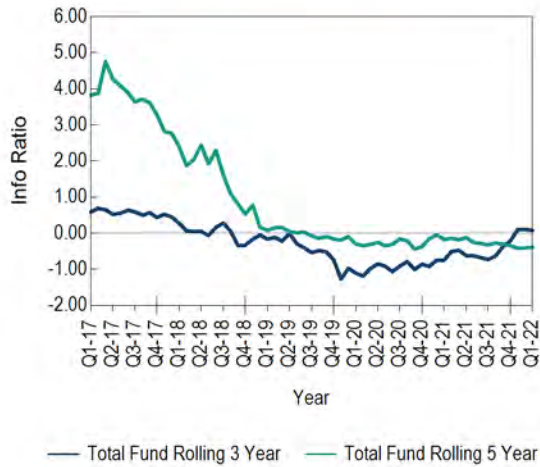
Weighted returns shown in attribution analysis may differ from actual returns. Negative cash allocation unable to be shown in Attribution Summary table.



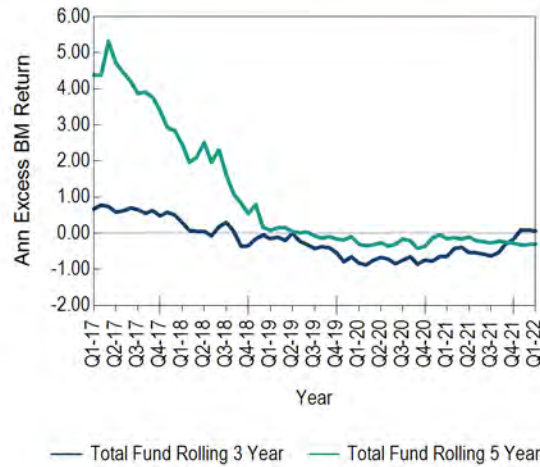
Total Fund
Rolling Risk Statistics (Net of Fees)

Period Ending: March 31, 2022

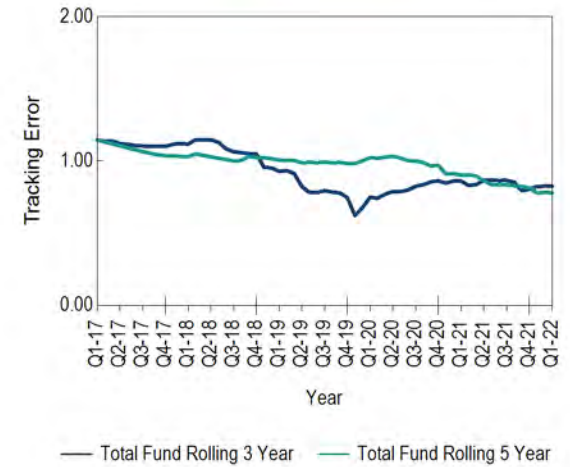
Rolling Information Ratio



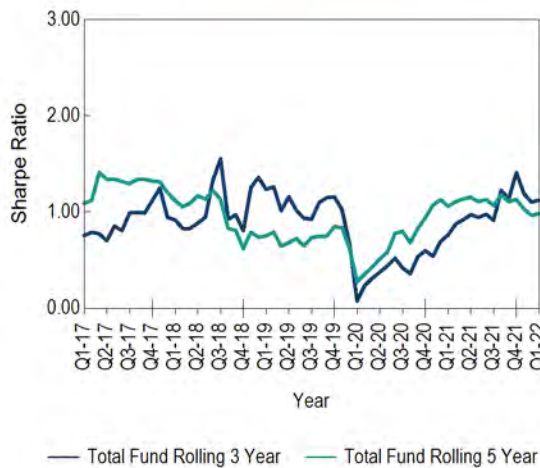
Rolling Annual Excess Benchmark Return



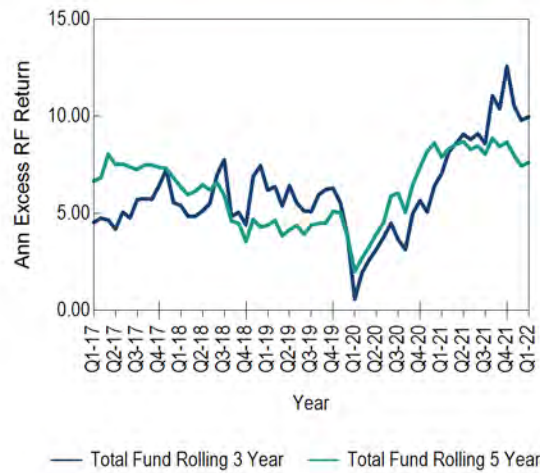
Rolling Tracking Error



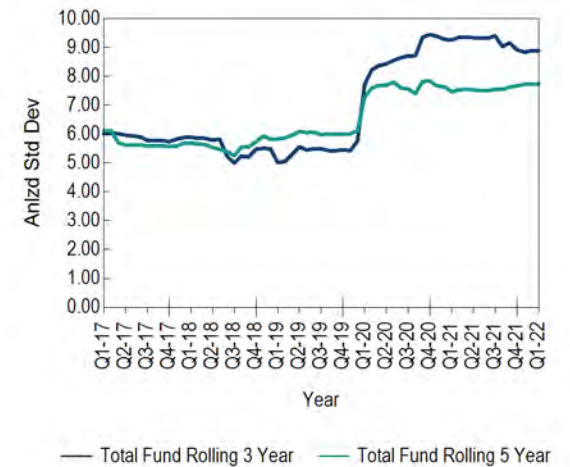
Rolling Sharpe Ratio



Rolling Annual Excess Risk Free Return



Rolling Annualized Standard Deviation

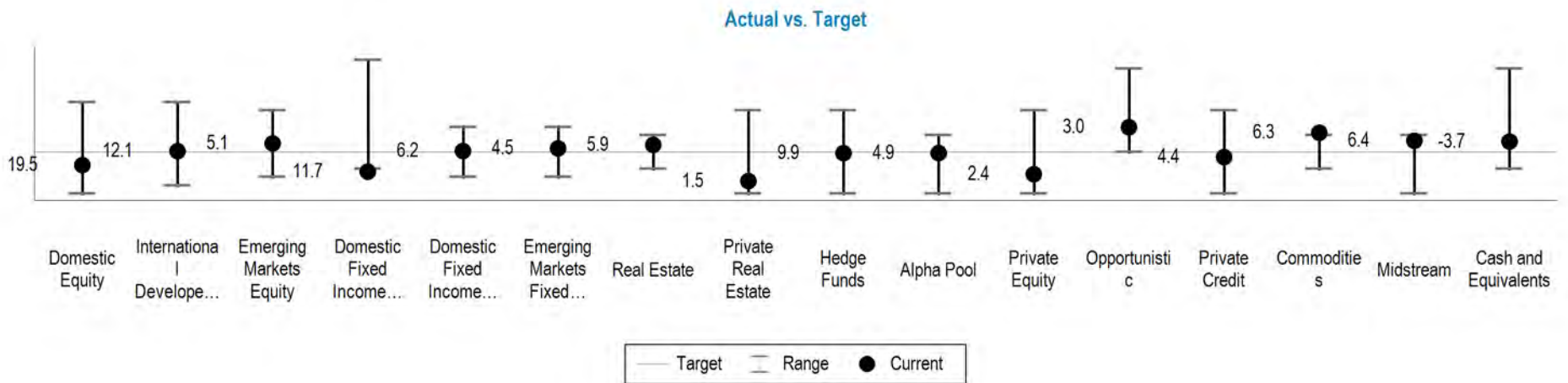


Asset Allocation

Total Fund Sub-Asset Class Allocation

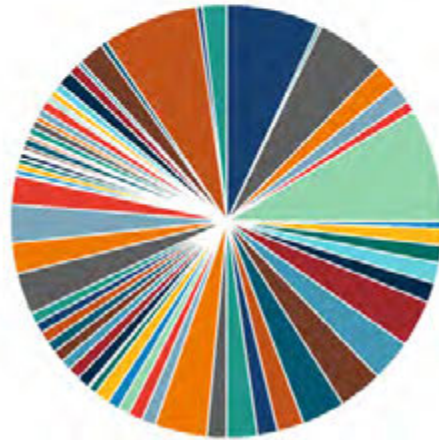
Period Ending: March 31, 2022

	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
Domestic Equity	\$1,067,126,857	19.5%	21.0%	-\$84,560,943	16.0% - 27.0%	Yes
International Developed Equity	\$665,462,806	12.1%	12.0%	\$7,355,492	8.0% - 18.0%	Yes
Emerging Markets Equity	\$277,789,409	5.1%	4.0%	\$58,420,305	1.0% - 9.0%	Yes
Domestic Fixed Income Core Plus	\$640,464,272	11.7%	14.0%	-\$127,327,594	12.0% - 25.0%	No
Domestic Fixed Income High Yield	\$337,601,070	6.2%	6.0%	\$8,547,413	3.0% - 9.0%	Yes
Emerging Markets Fixed Income	\$244,801,211	4.5%	4.0%	\$25,432,106	1.0% - 7.0%	Yes
Real Estate	\$323,231,741	5.9%	5.0%	\$49,020,360	3.0% - 7.0%	Yes
Private Real Estate	\$84,857,111	1.5%	5.0%	-\$189,354,270	0.0% - 10.0%	Yes
Hedge Funds	\$542,790,982	9.9%	10.0%	-\$5,631,780	5.0% - 15.0%	Yes
Alpha Pool	\$268,899,258	4.9%	5.0%	-\$5,312,123	0.0% - 7.0%	Yes
Private Equity	\$130,114,637	2.4%	5.0%	-\$144,096,744	0.0% - 10.0%	Yes
Opportunistic	\$164,445,849	3.0%	0.0%	\$164,445,849	0.0% - 10.0%	Yes
Private Credit	\$242,494,017	4.4%	5.0%	-\$31,717,364	0.0% - 10.0%	Yes
Commodities	\$347,789,751	6.3%	4.0%	\$128,420,646	2.0% - 6.0%	No
Midstream	\$350,123,956	6.4%	5.0%	\$75,912,575	0.0% - 7.0%	Yes
Cash and Equivalents	-\$203,765,310	-3.7%	-5.0%	\$70,446,071	-7.0% - 5.0%	Yes
Total	\$5,484,227,616	100.0%	100.0%			



Market value does not include residual \$261,833.73 in Fidelity International.

Current Allocation: by Manager



- Equity Beta Exposure
- Russell 2000 Overlay
- Mellon DB SL Stock Index Fund
- PIMCO StocksPLUS
- AB US Small Cap Value Equity
- Geneva Capital Small Cap Growth
- Mellon DB SL World ex-US Index Fund
- Cevian Capital II
- American Century Non-US Small Cap
- DFA Emerging Markets Value I
- AB Emerging Markets Strategic Core Equity Collective Trust
- Mellon Emerging Markets Stock Index Fund
- Mellon DB SL Aggregate Bond Index Fund
- PIMCO Core Plus
- Western Asset Core Plus
- Western Asset High Yield Fixed Income
- TCW Securitized Opportunities

- Stone Harbor Emerging Markets Debt Blend Portfolio
- PIMCO EMD
- Gresham MTAP Commodity Builder Fund
- WTC-CTF
- Aristeia International Limited
- Brevan Howard Fund
- D.E. Shaw Composite Fund
- HBK Fund II
- Hudson Bay Cap Structure Arbitrage Enhanced Fund
- Indus Pacific Opportunities Fund
- Magnetar Structured Credit Fund
- Pharo Macro Fund
- PIMCO Commodity Alpha Fund
- Sculptor Enhanced Domestic Partners
- Hudson Bay Cap Structured Arbitrage Enhanced Fund
- Davidson Kempner Institutional Partners

- HBK Fund II
- HBK Opportunities Platform - SPAC Series
- Garda Fixed Income Relative Value Opportunity Fund
- Harvest Midstream
- PIMCO Midstream
- ASB Allegiance Real Estate Fund
- JPMCB Strategic Property Fund
- Invesco Real Estate Value-Add Fund IV
- Landmark Real Estate Partners VIII
- Long Wharf Real Estate
- Covenant Apartment Fund X
- Abbott V
- Abbott VI
- Pantheon VII
- Vista Foundation Fund IV
- Crown Global Secondaries V Master S.C.Sp

- Brighton Park Capital Fund I
- Warren Equity Partners Fund III
- Peak Rock Capital Fund III
- Colony Distressed Credit IV
- Sixth Street TAO Partners (B)

Correlation Matrix
3 Years Ending March 31, 2022

	Total Fund Equity	Domestic Equity	International Developed Equity	Fixed Income	Core Plus Fixed Income	High Yield/ Specialty Credit	Emerging Market Debt	Commodities	Hedge Funds	Core Real Estate	Private Real Estate	Private Equity	Private Credit	Policy Index	
Total Fund	1.00	--	--	--	--	--	--	--	--	--	--	--	--	--	
Equity	0.99	1.00	--	--	--	--	--	--	--	--	--	--	--	--	
Domestic Equity	0.98	0.99	1.00	--	--	--	--	--	--	--	--	--	--	--	
International Developed Equity	0.99	0.99	0.98	1.00	--	--	--	--	--	--	--	--	--	--	
Fixed Income	0.69	0.71	0.72	0.70	1.00	--	--	--	--	--	--	--	--	--	
Core Plus Fixed Income	0.27	0.31	0.33	0.28	0.88	1.00	--	--	--	--	--	--	--	--	
High Yield/ Specialty Credit	0.96	0.96	0.95	0.96	0.79	0.41	1.00	--	--	--	--	--	--	--	
Emerging Market Debt	0.92	0.91	0.90	0.92	0.88	0.57	0.93	1.00	--	--	--	--	--	--	
Commodities	0.68	0.61	0.58	0.63	0.07	-0.39	0.57	0.49	1.00	--	--	--	--	--	
Hedge Funds	0.91	0.92	0.90	0.91	0.70	0.31	0.89	0.89	0.60	1.00	--	--	--	--	
Core Real Estate	-0.28	-0.33	-0.32	-0.30	-0.68	-0.71	-0.40	-0.44	0.26	-0.41	1.00	--	--	--	
Private Real Estate	-0.23	-0.23	-0.22	-0.22	-0.59	-0.58	-0.41	-0.41	0.01	-0.30	0.71	1.00	--	--	
Private Equity	-0.02	-0.04	-0.06	0.01	-0.35	-0.46	-0.02	-0.24	0.15	-0.15	0.38	0.29	1.00	--	
Private Credit	-0.60	-0.60	-0.62	-0.55	-0.22	0.11	-0.53	-0.47	-0.65	-0.60	-0.04	0.03	0.16	1.00	
Policy Index	1.00	0.99	0.98	0.99	0.72	0.30	0.97	0.93	0.66	0.91	-0.30	-0.26	-0.01	-0.58	1.00

Cash Flows

Total Fund
Net Cash Flow - Three Months Ended

Period Ending: March 31, 2022

	Equity					
	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Equity Beta Exposure	\$586,960,975	\$0	-\$109,733,550	\$0	-\$28,456,638	\$448,770,788
Russell 2000 Overlay	\$28,707,840	\$0	-\$10,071,669	\$0	-\$2,208,292	\$16,427,880
Mellon DB SL Stock Index Fund	\$350,801,307	\$0	\$0	-\$24,751	-\$16,116,849	\$334,684,458
PIMCO StocksPLUS	\$125,028,886	\$0	\$0	-\$146,128	-\$6,881,734	\$118,147,151
AB US Small Cap Value Equity	\$102,353,305	\$0	\$0	-\$208,277	-\$5,345,271	\$97,008,034
Geneva Capital Small Cap Growth	\$60,425,575	\$0	\$0	-\$98,290	-\$8,337,714	\$52,087,862
Mellon DB SL World ex-US Index Fund	\$576,312,450	\$0	\$0	\$0	-\$25,080,389	\$551,232,061
Cevian Capital II	\$35,807,322	\$0	\$0	\$0	-\$1,825,861	\$33,981,461
Fidelity Non-US Small Cap Equity	\$366,241	\$0	-\$99,114	-\$176	-\$5,293	\$261,834
American Century Non-US Small Cap	\$96,405,600	\$0	-\$1,131,325	-\$66,404	-\$15,024,991	\$80,249,283
DFA Emerging Markets Value I	\$84,198,233	\$0	\$0	-\$114,809	\$445,327	\$84,643,560
AB Emerging Markets Strategic Core Equity Collective Trust	\$108,256,998	\$0	\$0	-\$370,224	-\$9,150,663	\$99,106,335
Mellon Emerging Markets Stock Index Fund	\$101,097,044	\$0	\$0	\$0	-\$7,057,529	\$94,039,515
Transition Equity	\$717	\$0	\$0	\$0	-\$32	\$685
Total	\$2,256,722,493	\$0	-\$121,035,657	-\$1,029,058	-\$125,045,930	\$2,010,640,905

	Fixed Income					
	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Mellon DB SL Aggregate Bond Index Fund	\$225,377,240	\$16,000,000	\$0	-\$17,631	-\$13,511,227	\$227,866,012
PIMCO Core Plus	\$211,833,662	\$0	\$0	-\$151,421	-\$11,407,076	\$200,426,586
Western Asset Core Plus	\$228,425,712	\$3,223,911	-\$322,391	-\$119,758	-\$19,269,814	\$212,057,418
Western Asset High Yield Fixed Income	\$190,741,578	\$25,000,000	\$0	-\$96,307	-\$7,964,041	\$207,777,536
TCW Securitized Opportunities	\$132,717,932	\$0	\$0	-\$328,197	-\$2,894,398	\$129,823,534
Stone Harbor Emerging Markets Debt Blend Portfolio	\$106,209,436	\$0	\$0	-\$150,004	-\$8,692,381	\$97,517,056
PIMCO EMD	\$157,179,215	\$0	\$0	-\$18,747	-\$9,895,060	\$147,284,155
Transition Fixed Income	\$116,059	\$0	\$0	\$0	-\$1,804	\$114,255
Total	\$1,252,600,835	\$44,223,911	-\$322,391	-\$882,065	-\$73,635,801	\$1,222,866,553

Total Fund

Net Cash Flow - Three Months Ended

Period Ending: March 31, 2022

Commodities

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Gresham MTAP Commodity Builder Fund	\$93,802,946	\$0	-\$20,000,000	-\$123,555	\$21,065,277	\$94,868,223
WTC-CTF	\$206,268,356	\$0	\$0	-\$440,910	\$46,653,171	\$252,921,527
Total	\$300,071,302	\$0	-\$20,000,000	-\$564,464	\$67,718,448	\$347,789,751

Hedge Funds

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Aristeia International Limited	\$67,577,644	\$0	\$0	\$0	-\$381,980	\$67,195,663
Brevan Howard Fund	\$68,109,600	\$28,924	-\$4,799,168	\$0	\$5,174,551	\$68,513,907
D.E. Shaw Composite Fund	\$59,670,684	\$0	-\$9,465,005	\$0	\$5,594,195	\$55,799,874
HBK Fund II	\$57,300,333	\$0	\$0	\$0	-\$521,602	\$56,778,731
Hudson Bay Cap Structure Arbitrage Enhanced Fund	\$73,262,598	\$0	\$0	\$0	\$1,242,750	\$74,505,348
Indus Pacific Opportunities Fund	\$37,466,384	\$0	\$0	\$0	-\$27,911	\$37,438,472
Magnetar Structured Credit Fund	\$10,874,643	\$0	-\$1,359,330	\$0	-\$73,891	\$9,441,422
Myriad Opportunities Offshore Fund	\$1,175,290	\$0	-\$430,928	\$0	-\$744,362	--
Pharo Macro Fund	\$63,709,761	\$0	\$0	\$0	-\$3,131,534	\$60,578,227
PIMCO Commodity Alpha Fund	\$64,665,216	\$0	\$0	-\$261,445	-\$4,298,145	\$60,367,071
River Birch International	\$839,041	\$0	-\$60,504	\$0	-\$3,739	\$774,799
Sculptor Enhanced Domestic Partners	\$52,929,967	\$0	\$0	\$0	-\$1,532,499	\$51,397,468
Total	\$557,581,161	\$28,924	-\$16,114,935	-\$261,445	\$1,295,831	\$542,790,982

Alpha Pool

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Hudson Bay Cap Structured Arbitrage Enhanced Fund	\$56,589,550	\$203,908	-\$109,742	\$0	\$865,760	\$57,549,476
Davidson Kempner Institutional Partners	\$54,564,532	\$195,937	-\$104,163	\$0	-\$35,138	\$54,621,168
HBK Fund II	\$55,104,610	\$197,231	-\$104,123	\$0	-\$594,723	\$54,602,995
HBK Opportunities Platform - SPAC Series	\$50,536,171	\$178,669	-\$95,994	\$0	-\$278,797	\$50,340,049
Garda Fixed Income Relative Value Opportunity Fund	\$49,650,185	\$183,407	-\$98,751	\$0	\$2,050,729	\$51,785,570
Total	\$266,445,048	\$959,152	-\$512,773	\$0	\$2,007,831	\$268,899,258

Total Fund

Net Cash Flow - Three Months Ended

Period Ending: March 31, 2022

Midstream Energy

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Harvest Midstream	\$161,784,382	\$0	\$0	-\$340,227	\$40,187,397	\$201,971,779
PIMCO Midstream	\$131,583,828	\$0	\$0	-\$246,400	\$16,568,349	\$148,152,177
Total	\$293,368,210	\$0	\$0	-\$586,628	\$56,755,746	\$350,123,956

Core Real Estate

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
ASB Allegiance Real Estate Fund	\$172,835,315	\$0	\$0	-\$345,099	\$13,653,083	\$186,488,399
JPMCB Strategic Property Fund	\$128,641,589	\$0	\$0	-\$259,495	\$8,101,754	\$136,743,343
Total	\$301,476,904	\$0	\$0	-\$604,595	\$21,754,837	\$323,231,741

Private Real Estate

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Invesco Real Estate Fund III	\$277,169	\$0	-\$263,617	\$0	-\$13,552	\$0
Invesco Real Estate Value-Add Fund IV	\$7,764,801	\$0	\$0	\$0	\$428,765	\$8,193,566
Landmark Real Estate Partners VIII	\$25,796,483	\$0	-\$3,084,016	\$0	\$0	\$22,712,467
Long Wharf Real Estate	\$22,780,498	\$5,738,355	-\$2,775,024	\$0	\$2,930,999	\$28,674,828
Covenant Apartment Fund X	\$18,845,316	\$3,300,000	-\$1,330,258	\$0	\$2,778,262	\$23,593,320
Singerman Real Estate Opportunity Fund IV	\$1,758,750	\$131,250	\$0	\$0	-\$207,070	\$1,682,930
LBA Logistics Value Fund IX, L.P.	--	\$1,923,077	\$0	\$0	\$0	\$1,923,077
Total	\$77,223,017	\$11,092,682	-\$7,452,915	\$0	\$5,917,405	\$86,780,188

Total Fund

Net Cash Flow - Three Months Ended

Period Ending: March 31, 2022

	Private Equity					
	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Abbott IV	\$1,156,229	\$0	\$0	\$0	\$0	\$1,156,229
Abbott V	\$4,656,643	\$0	\$0	\$0	\$0	\$4,656,643
Abbott VI	\$26,208,334	\$0	-\$3,000,000	\$0	\$0	\$23,208,334
Pantheon Secondary III	\$1,087,500	\$0	\$0	\$0	-\$7,023	\$1,080,477
Pantheon III	\$52,823	\$0	\$0	\$0	-\$1,228	\$51,595
Pantheon V	\$429,727	\$0	\$0	\$0	-\$4,554	\$425,173
Pantheon VI	\$860,950	\$0	-\$175,000	\$0	-\$41,464	\$644,486
Pantheon VII	\$10,606,938	\$0	-\$849,999	\$0	\$70,531	\$9,827,470
Vista Foundation Fund IV	\$9,379,623	\$0	-\$30,252	\$0	\$146,326	\$9,495,697
Crown Global Secondaries V Master S.C.Sp	\$16,630,053	\$0	\$0	\$0	\$71,839	\$16,701,892
Brighton Park Capital Fund I	\$24,592,195	\$8,588,829	\$0	\$0	\$3,257,484	\$36,438,508
Warren Equity Partners Fund III	\$14,452,892	\$0	\$0	\$0	\$1,421,954	\$15,874,846
Peak Rock Capital Fund III	\$6,020,541	\$2,991,131	\$0	\$0	\$0	\$9,011,672
Level Equity Growth Partners V	\$1,688,471	\$0	\$0	\$0	-\$144,450	\$1,544,021
Level Equity Opportunities Fund 2021	\$21,489	\$0	\$0	\$0	-\$23,895	-\$2,406
Total	\$117,844,408	\$11,579,960	-\$4,055,251	\$0	\$4,745,520	\$130,114,637

	Private Credit					
	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Colony Distressed Credit IV	\$43,189,865	\$0	\$0	\$0	-\$8,790,068	\$34,399,797
Sixth Street TAO Partners (B)	\$38,088,624	\$0	-\$4,010,702	\$0	\$2,923,157	\$37,001,079
Brookfield Real Estate Finance Fund V	\$22,575,965	\$0	\$0	\$0	\$483,177	\$23,059,142
Magnetar Constellation Fund V	\$37,670,607	\$0	-\$1,010,232	\$0	\$156,694	\$36,817,069
H.I.G. Bayside Loan Opportunity Fund V	\$37,253,822	\$9,000,000	\$0	\$0	\$860,911	\$47,114,733
Blue Torch Credit Opportunities Fund II	\$14,092,264	\$2,007,665	-\$219,300	\$0	\$400,286	\$16,280,915
Fortress Credit Opportunites Fund V Expansion	\$11,178,043	\$0	\$0	\$0	\$648,905	\$11,826,948
Fortress Lending Fund II	\$30,831,222	\$0	-\$886,259	\$0	\$126,294	\$30,071,257
Fortress Lending Fund III	--	\$4,000,000	\$0	\$0	\$0	\$4,000,000
Total	\$234,880,412	\$15,007,665	-\$6,126,493	\$0	-\$3,190,644	\$240,570,940

Total Fund

Net Cash Flow - Three Months Ended

Period Ending: March 31, 2022

	Opportunistic					
	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
DB Investors Fund IV	\$43,892,738	\$0	\$0	\$0	-\$4,003,645	\$39,889,093
Sixth Street TAO Partners (D)	\$70,762,776	\$2,902,533	-\$3,116,800	\$0	\$1,902,140	\$72,450,649
Aristeia Select Opportunities II	\$51,810,492	\$0	\$0	\$0	\$295,614	\$52,106,107
Total	\$166,466,006	\$2,902,533	-\$3,116,800	\$0	-\$1,805,891	\$164,445,849

	Cash					
	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value
Short Term Cash Account	\$1	\$0	\$0	\$0	\$0	\$1
Short Term Investment Funds	\$17,374,754	\$101,795,871	-\$97,122,236	\$0	\$22,700	\$22,071,089
Parametric Cash Overlay	\$192,353,604	\$170,408,744	-\$239,633,169	\$0	\$39,756	\$123,168,935
Goldman Sachs Cash Account	-\$12,618,071	\$193,226,245	-\$209,349,891	\$0	\$0	-\$28,741,718
Futures Offset	-\$615,668,815	\$150,470,148	\$0	\$0	\$0	-\$465,198,668
Collateral Cash	\$31,402,000	\$2,748,000	-\$8,187,000	\$0	\$0	\$25,963,000
BlackRock Short Duration Fund	\$119,916,665	\$0	\$0	-\$67,127	-\$944,615	\$118,972,050
Total	-\$267,239,863	\$618,649,007	-\$554,292,296	-\$67,127	-\$882,158	-\$203,765,310

Total Fund
Cash Flow History

Period Ending: March 31, 2022

Portfolio Reconciliation

	Quarter-To-Date	Fiscal Year-To-Date	One Year	Three Years	Five Years	Ten Years
Beginning Market Value	\$5,557,439,932	\$5,373,108,431	\$5,115,843,957	\$4,225,559,295	\$3,906,871,326	\$2,680,070,954
Contributions	\$704,443,835	\$2,713,448,031	\$3,453,839,897	\$8,059,633,865	\$10,202,019,150	\$15,404,803,011
Withdrawals	-\$733,029,512	-\$2,514,777,181	-\$3,282,252,088	-\$8,037,020,507	-\$10,337,524,637	-\$15,187,421,555
Fees	-\$3,995,381	-\$11,519,828	-\$15,542,653	-\$44,185,899	-\$69,267,105	-\$119,579,913
Net Cash Flow	-\$28,585,677	\$198,670,850	\$171,587,809	\$22,613,358	-\$135,505,487	\$217,381,456
Net Investment Change	-\$44,364,805	-\$87,289,831	\$197,057,684	\$1,236,316,797	\$1,713,123,612	\$2,587,037,040
Ending Market Value	\$5,484,489,450	\$5,484,489,450	\$5,484,489,450	\$5,484,489,450	\$5,484,489,450	\$5,484,489,450
Net Change	-\$72,950,482	\$111,381,019	\$368,645,492	\$1,258,930,155	\$1,577,618,124	\$2,804,418,496

Contribution and withdrawals include transfers in and out of accounts. Ending market value is net of fees. Market value and flows do not include the Short Term Cash Account balance. Market value does not include Myriad holdback value of \$33,015.

Asset Class Details

Total Fund

Risk Analysis - 3 Years (Net of Fees)

Period Ending: March 31, 2022

	Alpha	Beta	R-Squared	Anlzd Return	Information Ratio	Ann Excess BM Return	Tracking Error	Sharpe Ratio	Ann Excess RF Return	Anlzd Standard Deviation	Sortino Ratio	Up Mkt Capture Ratio	Down Mkt Capture Ratio
Total Fund	0.01%	1.00	0.99	10.73%	0.07	0.06%	0.82%	1.12	9.96%	8.88%	1.35	98.96%	97.70%
Equity	-0.02%	0.99	1.00	13.61%	-0.42	-0.42%	1.01%	0.74	12.94%	17.55%	1.01	97.43%	99.36%
Domestic Equity	0.04%	0.98	1.00	18.48%	0.23	0.24%	1.06%	0.98	17.82%	18.19%	1.38	99.23%	98.42%
International Developed Equity	0.03%	1.01	1.00	9.13%	0.44	0.45%	1.01%	0.47	8.47%	17.87%	0.70	103.89%	101.18%
Fixed Income	0.02%	1.09	0.98	2.59%	0.43	0.39%	0.91%	0.36	1.93%	5.33%	0.56	111.82%	106.86%
Core Plus Fixed Income	0.02%	1.09	0.93	2.01%	0.26	0.32%	1.25%	0.30	1.35%	4.56%	0.63	117.51%	113.44%
High Yield/ Specialty Credit	0.05%	0.82	0.97	4.32%	-0.04	-0.08%	2.09%	0.48	3.66%	7.66%	0.36	79.34%	74.74%
Emerging Market Debt	-0.06%	1.09	0.96	-0.18%	-0.31	-0.76%	2.45%	-0.07	-0.85%	11.85%	-0.02	107.39%	110.26%
Commodities	0.15%	0.96	0.92	17.44%	0.27	1.32%	4.90%	1.00	16.78%	16.82%	1.47	100.70%	95.49%
Hedge Funds	0.15%	0.98	0.62	9.02%	0.53	1.71%	3.25%	1.58	8.36%	5.30%	1.61	103.31%	60.11%
Core Real Estate	0.23%	0.54	0.82	8.94%	-0.60	-2.35%	3.91%	1.87	8.28%	4.42%	6.33	53.64%	74.88%

Total Fund
Risk Return Statistics: Last Three Years

Period Ending: March 31, 2022

Last Three Years			Last Three Years		Last Three Years		Last Three Years				
Equity	MSCI ACWI IMI GR		Core Plus Fixed Income	Bloomberg US Aggregate TR	High Yield/ Specialty Credit	ICE BofAML High Yield Master II	Emerging Market Debt	50 JPM EMBI Global Div/ 50 JPM GBI EM			
RETURN SUMMARY STATISTICS			RETURN SUMMARY STATISTICS		RETURN SUMMARY STATISTICS		RETURN SUMMARY STATISTICS				
Number of Periods	36	36	Number of Periods	36	36	Number of Periods	36	36	Number of Periods	36	36
Maximum Return	12.43	12.70	Maximum Return	2.64	2.59	Maximum Return	3.61	4.78	Maximum Return	6.74	5.49
Minimum Return	-14.74	-14.33	Minimum Return	-3.14	-2.78	Minimum Return	-10.52	-11.76	Minimum Return	-13.80	-12.61
Annualized Return	13.61	14.03	Annualized Return	2.01	1.69	Annualized Return	4.32	4.40	Annualized Return	-0.18	0.57
Total Return	46.63	48.27	Total Return	6.16	5.15	Total Return	13.53	13.78	Total Return	-0.55	1.73
Annualized Excess Return Over Risk Free	12.94	13.37	Annualized Excess Return Over Risk Free	1.35	1.03	Annualized Excess Return Over Risk Free	3.66	3.74	Annualized Excess Return Over Risk Free	-0.85	-0.09
Annualized Excess Return	-0.42	0.00	Annualized Excess Return	0.32	0.00	Annualized Excess Return	-0.08	0.00	Annualized Excess Return	-0.76	0.00
RISK SUMMARY STATISTICS			RISK SUMMARY STATISTICS		RISK SUMMARY STATISTICS		RISK SUMMARY STATISTICS				
Beta	0.99	1.00	Beta	1.09	1.00	Beta	0.82	1.00	Beta	1.09	1.00
Upside Deviation	9.97	10.13	Upside Deviation	2.59	2.56	Upside Deviation	3.66	4.96	Upside Deviation	6.07	5.52
Downside Deviation	13.47	13.27	Downside Deviation	3.18	2.69	Downside Deviation	12.10	12.42	Downside Deviation	11.54	10.39
RISK/RETURN SUMMARY STATISTICS			RISK/RETURN SUMMARY STATISTICS		RISK/RETURN SUMMARY STATISTICS		RISK/RETURN SUMMARY STATISTICS				
Annualized Standard Deviation	17.55	17.64	Annualized Standard Deviation	4.56	4.03	Annualized Standard Deviation	7.66	9.23	Annualized Standard Deviation	11.85	10.69
Alpha	-0.02	0.00	Alpha	0.02	0.00	Alpha	0.05	0.00	Alpha	-0.06	0.00
Sharpe Ratio	0.74	0.76	Sharpe Ratio	0.30	0.25	Sharpe Ratio	0.48	0.40	Sharpe Ratio	-0.07	-0.01
Excess Return Over Market / Risk	-0.02	0.00	Excess Return Over Market / Risk	0.07	0.00	Excess Return Over Market / Risk	-0.01	0.00	Excess Return Over Market / Risk	-0.06	0.00
Tracking Error	1.01	0.00	Tracking Error	1.25	0.00	Tracking Error	2.09	0.00	Tracking Error	2.45	0.00
Information Ratio	-0.42	--	Information Ratio	0.26	--	Information Ratio	-0.04	--	Information Ratio	-0.31	--
CORRELATION STATISTICS			CORRELATION STATISTICS		CORRELATION STATISTICS		CORRELATION STATISTICS				
R-Squared	1.00	1.00	R-Squared	0.93	1.00	R-Squared	0.97	1.00	R-Squared	0.96	1.00
Correlation	1.00	1.00	Correlation	0.97	1.00	Correlation	0.99	1.00	Correlation	0.98	1.00
Market Proxy: MSCI ACWI IMI GR Risk-Free Proxy: 91 Day T-Bills			Market Proxy: Bloomberg US Aggregate TR		Market Proxy: ICE BofAML High Yield Master II Risk-Free Proxy: 91 Day T-Bills		Market Proxy: 50 JPM EMBI Global Div/ 50 JPM GBI EM Risk-Free Proxy: 91 Day T-Bills				

91 Day T-Bills used as risk-free proxy

Total Fund
Risk Return Statistics: Last Three Years

Period Ending: March 31, 2022

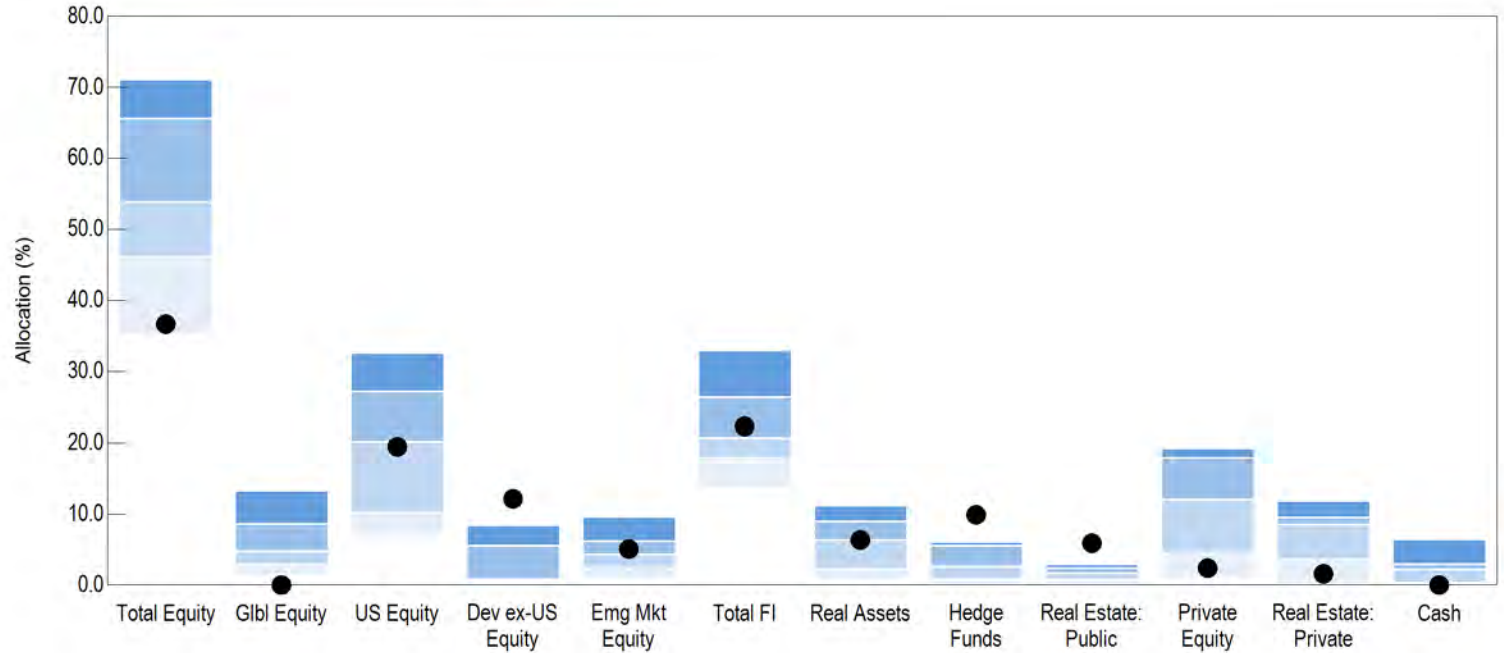
Last Three Years			Last Three Years			Last Three Years		
	Commodities	Bloomberg Commodity Index TR USD	Hedge Funds	75% 90 Day TBills +4% / 25% MSCI ACWI		Core Real Estate		NCREIF-ODCE
RETURN SUMMARY STATISTICS			RETURN SUMMARY STATISTICS			RETURN SUMMARY STATISTICS		
Number of Periods	36	36	36	36	36	36		36
Maximum Return	8.01	8.78	3.99	3.34	3.34	5.39		7.97
Minimum Return	-12.65	-12.81	-5.24	-3.02	-3.02	-1.17		-1.56
Annualized Return	17.44	16.12	9.02	7.31	7.31	8.94		11.29
Total Return	61.98	56.59	29.57	23.57	23.57	29.30		37.85
Annualized Excess Return Over Risk Free	16.78	15.46	8.36	6.65	6.65	8.28		10.63
Annualized Excess Return	1.32	0.00	1.71	0.00	0.00	-2.35		0.00
RISK SUMMARY STATISTICS			RISK SUMMARY STATISTICS			RISK SUMMARY STATISTICS		
Beta	0.96	1.00	0.98	1.00	1.00	0.54		1.00
Upside Deviation	8.78	8.23	3.35	2.58	2.58	4.48		9.84
Downside Deviation	11.89	12.37	5.59	2.97	2.97	1.41		--
RISK/RETURN SUMMARY STATISTICS			RISK/RETURN SUMMARY STATISTICS			RISK/RETURN SUMMARY STATISTICS		
Annualized Standard Deviation	16.82	16.74	5.30	4.26	4.26	4.42		7.44
Alpha	0.15	0.00	0.15	0.00	0.00	0.23		0.00
Sharpe Ratio	1.00	0.92	1.58	1.56	1.56	1.87		1.43
Excess Return Over Market / Risk	0.08	0.00	0.32	0.00	0.00	-0.53		0.00
Tracking Error	4.90	0.00	3.25	0.00	0.00	3.91		0.00
Information Ratio	0.27	--	0.53	--	--	-0.60		--
CORRELATION STATISTICS			CORRELATION STATISTICS			CORRELATION STATISTICS		
R-Squared	0.92	1.00	0.62	1.00	1.00	0.82		1.00
Correlation	0.96	1.00	0.79	1.00	1.00	0.91		1.00

Market Proxy: Bloomberg Commodity Index TR USD

91 Day T-Bills used as risk-free proxy

Peer Comparison

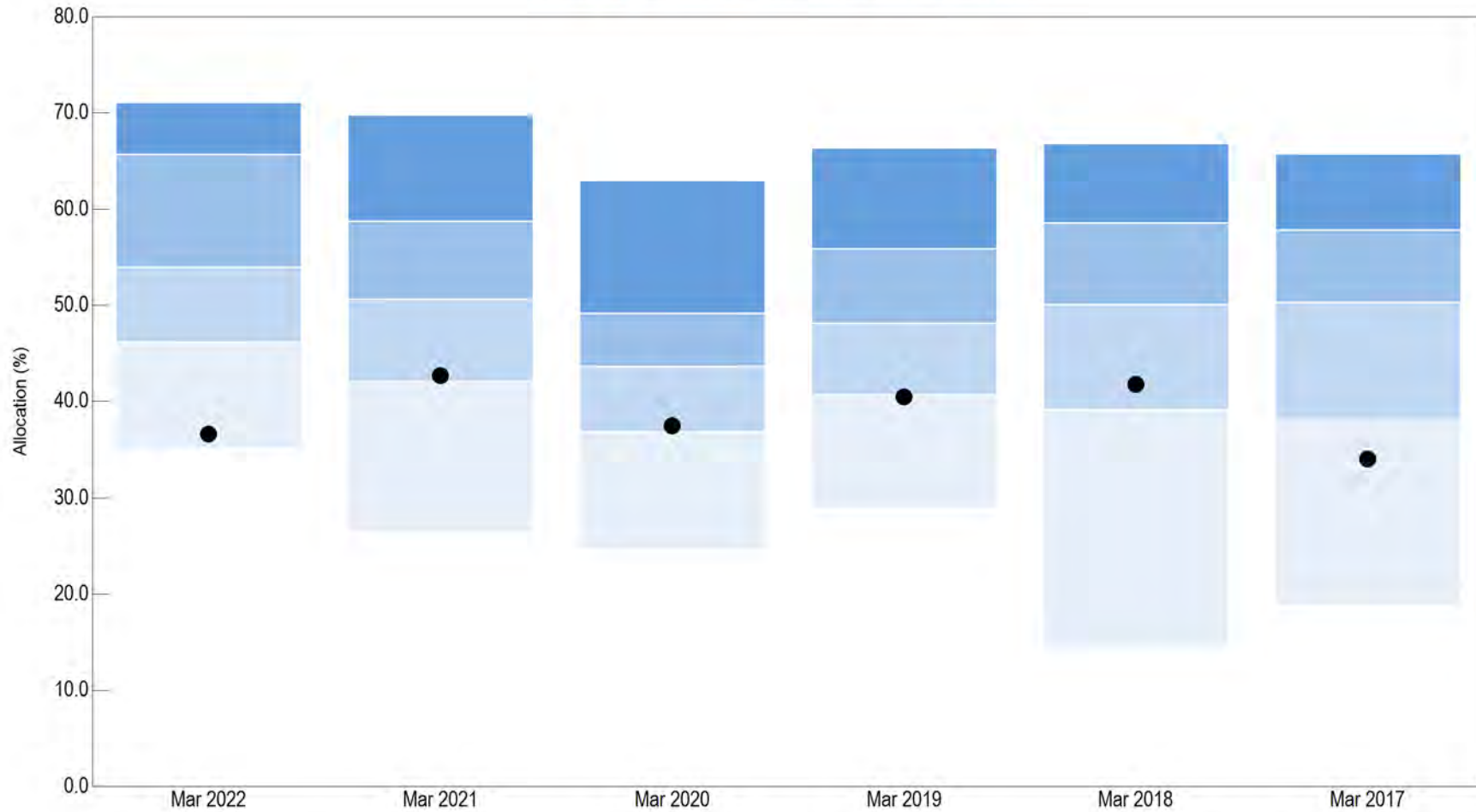
Total Plan Allocation vs. InvMetrics Public DB > \$1B Gross
As of March 31, 2022

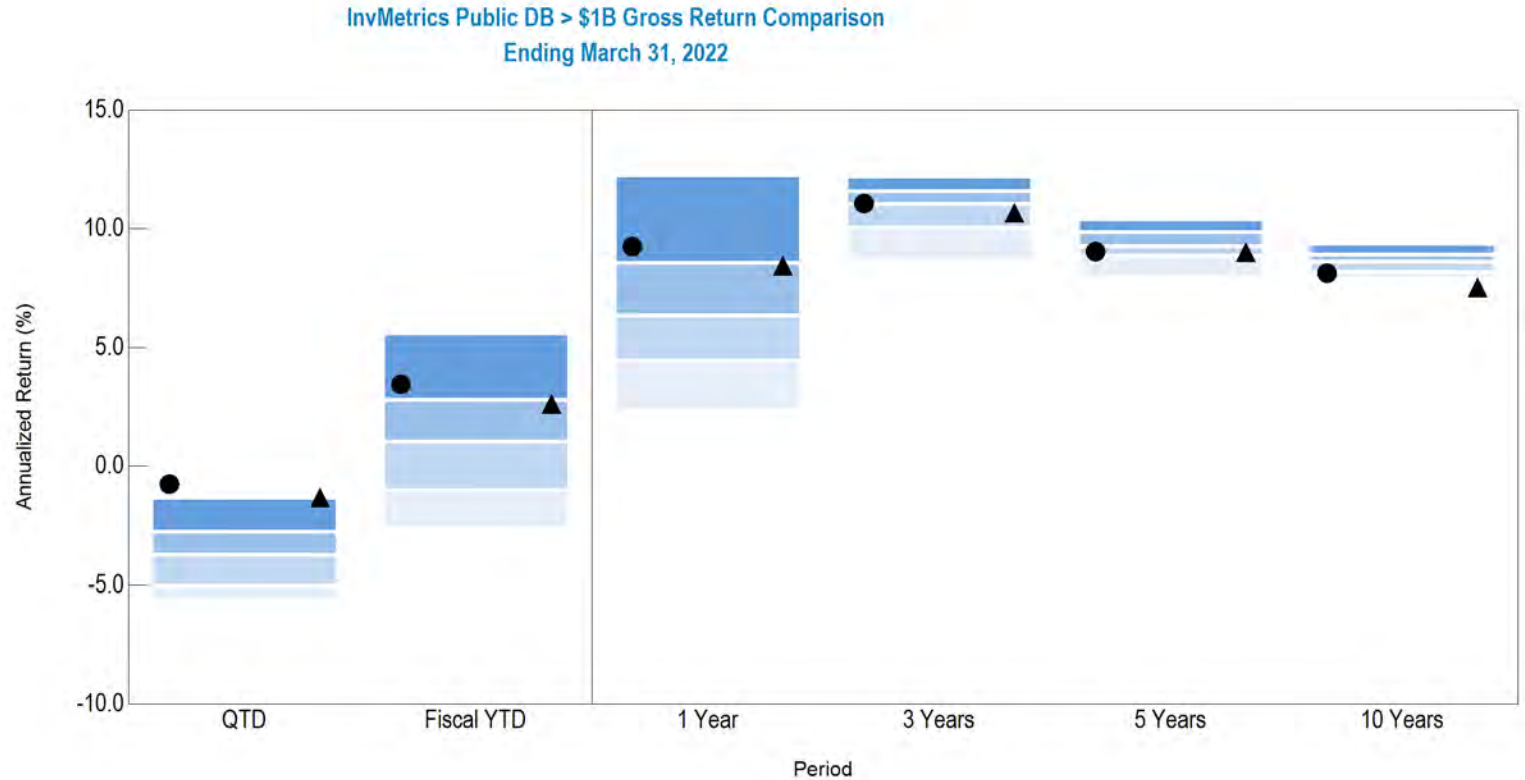


	Allocation (Rank)												
	Total Equity	Gbl Equity	US Equity	Dev ex-US Equity	Emg Mkt Equity	Total FI	Real Assets	Hedge Funds	Real Estate: Public	Private Equity	Real Estate: Private	Cash	
5th Percentile	71.1	13.3	32.6	8.4	9.6	33.0	11.2	6.1	3.0	19.2	11.9	6.5	--
25th Percentile	65.7	8.7	27.3	5.6	6.3	26.5	9.0	5.6	2.4	18.0	9.6	3.0	--
Median	54.0	4.9	20.2	0.9	4.4	20.8	6.4	2.7	1.8	12.1	8.6	2.3	--
75th Percentile	46.2	2.9	10.2	0.7	2.5	18.0	2.4	1.0	0.9	4.7	3.6	0.5	--
95th Percentile	35.2	1.5	6.9	0.6	1.1	13.8	0.9	0.3	0.2	1.2	0.3	0.4	--
# of Portfolios	16	8	11	6	13	16	8	8	3	11	14	16	--
● Total Fund	36.7 (94)	0.0 (99)	19.5 (53)	12.1 (1)	5.1 (45)	22.3 (38)	6.3 (51)	9.9 (1)	5.9 (1)	2.4 (86)	1.6 (89)	0.0 (99)	--

Private Credit allocation of 4.4% not included in the above chart. Opportunistic and midstream allocations not included in chart.

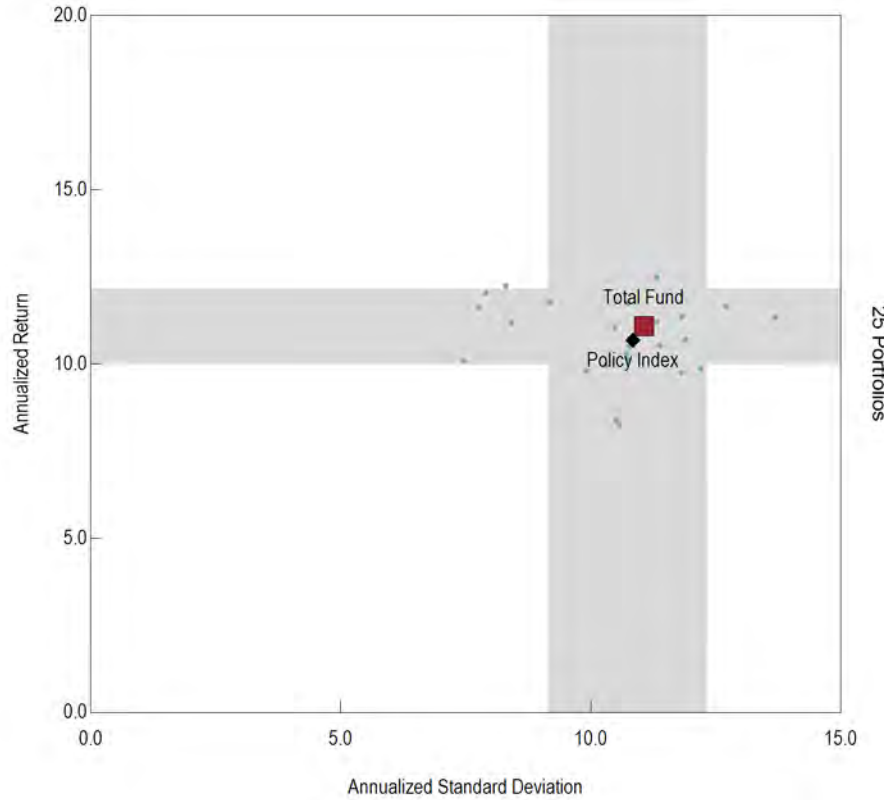
Total Equity Allocation vs. InvMetrics Public DB > \$1B Gross





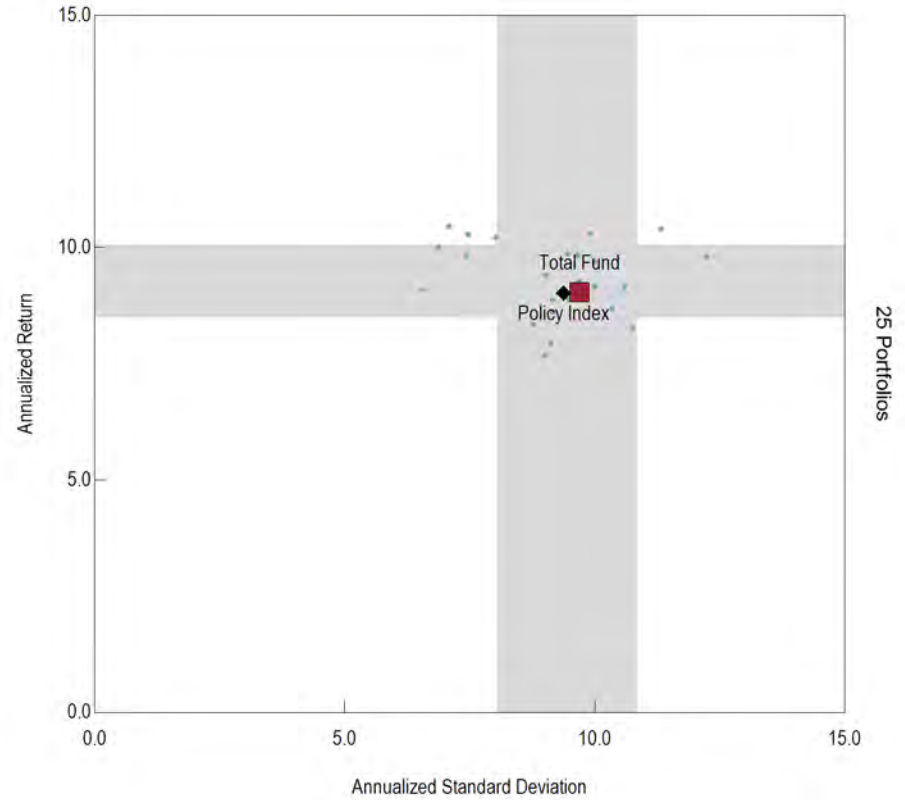
	QTD		Fiscal YTD		1 Year		3 Years		5 Years		10 Years	
Return (Rank)												
5th Percentile	-1.3		5.6		12.2		12.2		10.4		9.4	
25th Percentile	-2.7		2.8		8.6		11.6		9.9		8.9	
Median	-3.7		1.1		6.4		11.1		9.3		8.6	
75th Percentile	-5.0		-1.0		4.5		10.1		8.9		8.2	
95th Percentile	-5.7		-2.6		2.4		8.7		8.0		7.9	
# of Portfolios	26		25		25		25		25		25	
● Total Fund	-0.8	(1)	3.4	(13)	9.3	(15)	11.1	(50)	9.0	(68)	8.1	(79)
▲ Policy Index	-1.3	(5)	2.6	(30)	8.4	(26)	10.7	(55)	9.0	(69)	7.5	(99)

Annualized Return vs. Annualized Standard Deviation
 3 Years Ending March 31, 2022



- Total Fund
- ◆ Policy Index
- 68% Confidence Interval
- InvMetrics Public DB > \$1B Gross

Annualized Return vs. Annualized Standard Deviation
 5 Years Ending March 31, 2022



- Total Fund
- ◆ Policy Index
- 68% Confidence Interval
- InvMetrics Public DB > \$1B Gross

Other

Total Fund Investment Fund Fee Analysis

Period Ending: March 31, 2022

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Equity Beta Exposure		\$448,770,788		
Russell 2000 Overlay		\$16,427,880		
Mellon DB SL Stock Index Fund	0.03% of Assets	\$334,684,458	\$100,405	0.03%
PIMCO StocksPLUS	0.50% of Assets	\$118,147,151	\$590,736	0.50%
AB US Small Cap Value Equity	1.00% of First 25.0 Mil, 0.90% of Next 25.0 Mil, 0.75% Thereafter	\$97,008,034	\$827,560	0.85%
Geneva Capital Small Cap Growth	0.75% of Assets	\$52,087,862	\$390,659	0.75%
Mellon DB SL World ex-US Index Fund		\$551,232,061		
Cevian Capital II	Performance-based 1.50 and 18.00	\$33,981,461	\$509,722	1.50%
American Century Non-US Small Cap	0.32% of Assets	\$80,249,283	\$256,798	0.32%
DFA Emerging Markets Value I	0.54% of Assets	\$84,643,560	\$457,075	0.54%
AB Emerging Markets Strategic Core Equity Collective Trust	1.45% of Assets	\$99,106,335	\$1,437,042	1.45%
Mellon Emerging Markets Stock Index Fund	0.05% of Assets	\$94,039,515	\$47,020	0.05%
Mellon DB SL Aggregate Bond Index Fund	0.05% of First 50.0 Mil, 0.04% of Next 50.0 Mil, 0.02% Thereafter	\$227,866,012	\$70,573	0.03%
PIMCO Core Plus	0.50% of First 25.0 Mil, 0.38% of Next 25.0 Mil, 0.25% Thereafter	\$200,426,586	\$594,816	0.30%
Western Asset Core Plus	0.30% of First 100.0 Mil, 0.15% Thereafter	\$212,057,418	\$468,086	0.22%
Western Asset High Yield Fixed Income	0.20% of Assets	\$207,777,536	\$415,555	0.20%
TCW Securitized Opportunities	1.00% of Assets	\$129,823,534	\$1,298,235	1.00%
Stone Harbor Emerging Markets Debt Blend Portfolio	0.60% of First 100.0 Mil, 0.55% Thereafter	\$97,517,056	\$585,102	0.60%
PIMCO EMD	0.05% of Assets	\$147,284,155	\$73,642	0.05%
Gresham MTAP Commodity Builder Fund	0.75% of Assets	\$94,868,223	\$711,512	0.75%
WTC-CTF	0.75% of Assets	\$252,921,527	\$1,896,911	0.75%
Aristeia International Limited	Performance-based 1.00 and 20.00	\$67,195,663	\$720,993	1.07%
Brevan Howard Fund	Performance-based 2.00 and 20.00	\$68,513,907	\$2,053,109	3.00%
D.E. Shaw Composite Fund	Performance-based 2.50 and 25.00	\$55,799,874	\$2,073,187	3.72%
HBK Fund II	Performance-based 1.50 and 20.00	\$56,778,731	\$851,681	1.50%
Hudson Bay Cap Structure Arbitrage Enhanced Fund		\$74,505,348		

Mutual fund fees shown are sourced from Morningstar and are as of the most current prospectus.

Total Fund Investment Fund Fee Analysis

Period Ending: March 31, 2022

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Indus Pacific Opportunities Fund	Performance-based 1.50 and 20.00	\$37,438,472	\$615,882	1.65%
Magnetar Structured Credit Fund	Performance-based 1.50 and 20.00	\$9,441,422	\$145,617	1.54%
Pharo Macro Fund		\$60,578,227		
PIMCO Commodity Alpha Fund	Performance-based 1.70 and 20.00	\$60,367,071	\$1,026,240	1.70%
River Birch International	Performance-based 1.50 and 20.00	\$774,799	\$11,622	1.50%
Sculptor Enhanced Domestic Partners		\$51,397,468		
Hudson Bay Cap Structured Arbitrage Enhanced Fund		\$57,549,476		
Davidson Kempner Institutional Partners		\$54,621,168		
HBK Fund II		\$54,602,995		
HBK Opportunities Platform - SPAC Series		\$50,340,049		
Garda Fixed Income Relative Value Opportunity Fund		\$51,785,570		
Harvest Midstream	0.75% of First 100.0 Mil, 0.70% of Next 50.0 Mil, 0.65% of Next 50.0 Mil, 0.60% of Next 50.0 Mil, 0.55% of Next 50.0 Mil, 0.50% Thereafter	\$201,971,779	\$1,436,831	0.71%
PIMCO Midstream	0.69% of Assets	\$148,152,177	\$1,022,250	0.69%
ASB Allegiance Real Estate Fund	1.25% of First 5.0 Mil, 1.00% of Next 10.0 Mil, 0.75% Thereafter	\$186,488,399	\$1,448,663	0.78%
JPMCB Strategic Property Fund	1.00% of Assets	\$136,743,343	\$1,367,433	1.00%
Invesco Real Estate Fund III	1.50% of Assets	\$0	\$0	0.00%
Invesco Real Estate Value-Add Fund IV	1.50% of Assets	\$8,193,566	\$122,903	1.50%
Landmark Real Estate Partners VIII	777,717 Annually	\$22,712,467	\$777,717	3.42%
Long Wharf Real Estate	1.50% of Assets	\$28,674,828	\$430,122	1.50%
Covenant Apartment Fund X		\$23,593,320		
Singerman Real Estate Opportunity Fund IV	1.50% of Assets	\$1,682,930	\$25,244	1.50%
LBA Logistics Value Fund IX, L.P.		\$1,923,077		
Abbott IV	330,000 Annually	\$1,156,229	\$330,000	28.54%
Abbott V	545,000 Annually	\$4,656,643	\$545,000	11.70%
Abbott VI	1.00% of First 25.0 Mil, 0.90% Thereafter	\$23,208,334	\$232,083	1.00%
Pantheon Secondary III	73,114 Quarterly	\$1,080,477	\$292,456	27.07%

Mutual fund fees shown are sourced from Morningstar and are as of the most current prospectus.

Total Fund Investment Fund Fee Analysis

Period Ending: March 31, 2022

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Pantheon III	0 Annually	\$51,595	\$0	0.00%
Pantheon V	16,345 Quarterly	\$425,173	\$65,380	15.38%
Pantheon VI	149,262 Annually	\$644,486	\$149,262	23.16%
Pantheon VII	303,750 Annually	\$9,827,470	\$303,750	3.09%
Vista Foundation Fund IV		\$9,495,697		
Crown Global Secondaries V Master S.C.Sp		\$16,701,892		
Brighton Park Capital Fund I		\$36,438,508		
Warren Equity Partners Fund III		\$15,874,846		
Peak Rock Capital Fund III		\$9,011,672		
Level Equity Growth Partners V	2.50% of Assets	\$1,544,021	\$38,601	2.50%
Level Equity Opportunities Fund 2021	1.00% of Assets	-\$2,406	-\$24	1.00%
Colony Distressed Credit IV	0.38% of Assets	\$34,399,797	\$128,999	0.38%
Sixth Street TAO Partners (B)	1.35% of Assets	\$37,001,079	\$499,515	1.35%
Magnetar Constellation Fund V	Performance-based 1.50 and 17.50	\$36,817,069	\$552,256	1.50%
H.I.G. Bayside Loan Opportunity Fund V		\$47,114,733		
Blue Torch Credit Opportunities Fund II		\$16,280,915		
Fortress Credit Opportunites Fund V Expansion		\$11,826,948		
Fortress Lending Fund II		\$30,071,257		
Fortress Lending Fund III		\$4,000,000		
DB Investors Fund IV		\$39,889,093		
Sixth Street TAO Partners (D)		\$72,450,649		
Aristeia Select Opportunities II		\$52,106,107		
Short Term Cash Account		\$1		
Short Term Investment Funds		\$22,071,089		
Parametric Cash Overlay		\$123,168,935		
Goldman Sachs Cash Account		-\$28,741,718		
Futures Offset		-\$465,198,668		
Collateral Cash		\$25,963,000		
BlackRock Short Duration Fund	0.23% of First 100.0 Mil, 0.20% of Next 150.0 Mil, 0.18% Thereafter	\$118,972,050	\$267,944	0.23%
Total		\$5,461,053,534	\$28,266,166	0.52%

Mutual fund fees shown are sourced from Morningstar and are as of the most current prospectus.

Total Fund Watch List (Gross of Fees)

Period Ending: March 31, 2022

Name	Allocation Group	Status	Rule 1	Rule 2	Rule 3	Rule 4	Rule 5	Rule 6	Rule 7	Rule 8	Rule 9
Equity Beta Exposure	Domestic Equity	No Issues	--	--	--	--	--	--	--	--	✓
Russell 2000 Overlay	Domestic Equity	No Issues	--	--	--	--	--	--	--	--	--
Mellon DB SL Stock Index Fund	Domestic Equity	No Issues	--	--	--	--	--	--	--	--	✓
PIMCO StocksPLUS	Domestic Equity	No Issues	✓	✓	R	✓	✓	✓	✓	--	--
AB US Small Cap Value Equity	Domestic Equity	No Issues	✓	✓	R	✓	✓	R	✓	--	--
Geneva Capital Small Cap Growth	Domestic Equity	No Issues	✓	✓	✓	R	✓	R	✓	--	--
Mellon DB SL World ex-US Index Fund	International Developed Equity	No Issues	--	--	--	--	--	--	--	--	R
American Century Non-US Small Cap	International Developed Equity	No Issues	✓	✓	✓	--	--	--	--	--	--
DFA Emerging Markets Value I	Emerging Markets Equity	No Issues	R	✓	✓	✓	✓	✓	✓	--	--
AB Emerging Markets Strategic Core Equity Collective Trust	Emerging Markets Equity	No Issues	✓	✓	R	R	R	R	R	R	--
Mellon Emerging Markets Stock Index Fund	Emerging Markets Equity	No Issues	--	--	--	--	--	--	--	--	✓
Mellon DB SL Aggregate Bond Index Fund	Domestic Fixed Income Core Plus	No Issues	--	--	--	--	--	--	--	--	✓
PIMCO Core Plus	Domestic Fixed Income Core Plus	No Issues	✓	✓	✓	R	✓	R	✓	--	--
Western Asset Core Plus	Domestic Fixed Income Core Plus	No Issues	✓	R	R	R	✓	R	✓	--	--
Western Asset High Yield Fixed Income	Domestic Fixed Income High Yield	No Issues	✓	✓	✓	✓	R	✓	R	--	--
TCW Securitized Opportunities	Domestic Fixed Income High Yield	No Issues	R	✓	✓	✓	R	✓	✓	--	--

Rule 1 - Manager has outperformed the 10th percentile in the appropriate style universe for the one year period.

Rule 2 - Manager has underperformed the 75th percentile in the appropriate style universe for the one year period.

Rule 3 - Manager has underperformed the benchmark index for the one year period.

Rule 4 - Manager has underperformed the 50th percentile in the appropriate style universe for the three year period.

Rule 5 - Manager has underperformed the benchmark index for the three year period.

Rule 6 - Manager has underperformed the 50th percentile in the appropriate style universe for the five year period.

Rule 7 - Manager has underperformed the benchmark index for the five year period.

Rule 8 - Fund experiences non-performance related issues including personnel turnover, changes in investment philosophy or drift, excessive asset growth, change in ownership and any other reason that raises concern.

Rule 9 - Index Fund Tracking Error exceeds 0.25% of the appropriate benchmark over the one year period.

Total Fund Watch List (Gross of Fees)

Period Ending: March 31, 2022

Name	Allocation Group	Status	Rule 1	Rule 2	Rule 3	Rule 4	Rule 5	Rule 6	Rule 7	Rule 8	Rule 9
Stone Harbor Emerging Markets Debt Blend Portfolio	Emerging Markets Fixed Income	No Issues	✓	✓	✓	⚠	✓	⚠	⚠	⚠	--
PIMCO EMD	Emerging Markets Fixed Income	No Issues	✓	✓	✓	--	--	--	--	--	--
Gresham MTAP Commodity Builder Fund	Commodities	Watch	✓	⚠	⚠	⚠	✓	⚠	✓	--	--
WTC-CTF	Commodities	No Issues	✓	⚠	✓	✓	✓	✓	✓	--	--
Garda Fixed Income Relative Value Opportunity Fund	Alpha Pool	No Issues	--	--	--	--	--	--	--	--	--
Harvest Midstream	Midstream	No Issues	✓	✓	✓	--	--	--	--	--	--
PIMCO Midstream	Midstream	No Issues	--	--	--	--	--	--	--	--	⚠
ASB Allegiance Real Estate Fund	Real Estate	No Issues	--	--	⚠	--	⚠	--	⚠	--	--

Rule 1 - Manager has outperformed the 10th percentile in the appropriate style universe for the one year period.

Rule 2 - Manager has underperformed the 75th percentile in the appropriate style universe for the one year period.

Rule 3 - Manager has underperformed the benchmark index for the one year period.

Rule 4 - Manager has underperformed the 50th percentile in the appropriate style universe for the three year period.

Rule 5 - Manager has underperformed the benchmark index for the three year period.

Rule 6 - Manager has underperformed the 50th percentile in the appropriate style universe for the five year period.

Rule 7 - Manager has underperformed the benchmark index for the five year period.

Rule 8 - Fund experiences non-performance related issues including personnel turnover, changes in investment philosophy or drift, excessive asset growth, change in ownership and any other reason that raises concern.

Rule 9 - Index Fund Tracking Error exceeds 0.25% of the appropriate benchmark over the one year period.

Total Fund
Quarterly Historical Net Returns

Period Ending: March 31, 2022

	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3	2019 Q2
Total Fund	-0.8	3.6	0.5	5.5	3.5	8.8	4.4	10.7	-11.3	4.6	0.2	3.1
<i>Policy Index</i>	-1.3	3.3	0.7	5.7	3.3	8.8	4.5	10.1	-11.1	4.6	0.8	3.0

	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3	2016 Q2
Total Fund	6.8	-6.4	2.3	0.3	-0.1	3.0	3.2	2.7	4.2	0.8	3.5	1.9
<i>Policy Index</i>	7.0	-5.5	2.2	0.7	-0.1	3.2	3.1	2.8	3.5	0.5	2.9	2.2

	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3	2013 Q2
Total Fund	1.1	2.2	-5.4	0.7	2.4	0.8	-1.5	3.6	2.1	4.1	4.4	-0.6
<i>Policy Index</i>	1.8	1.4	-4.9	0.4	2.0	0.4	-1.4	3.4	2.4	3.8	4.4	-0.5

Performance Return Calculations

Performance is calculated using a Time Weighted Rates of Return (TWRR) methodology. Monthly returns are linked geometrically and annualized for periods longer than one year.

Data Source

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

Illiquid Alternatives

Due to the inability to receive final valuation prior to report production, closed end funds (including but are not limited to Real Estate, Hedge Funds, Private Equity, and Private Credit) performance is typically reported at a one-quarter lag. Valuation is reported at a one-quarter lag, adjusted for current quarter flow (cash flows are captured real time). Closed end fund performance is calculated using a time-weighted return methodology consistent with all portfolio and total fund performance calculations. For Private Markets, performance reports also include Verus-calculated multiples based on flows and valuations (e.g. DPI and TVPI) and manager-provided IRRs.

Manager Line Up

Manager	Fund Incepted	Data Source	Manager	Fund Incepted	Data Source
AB Emerging Markets Strategic Core	11/3/2016	Northern Trust	LGT Crown	2/1/2021	LGT
AB US Small Cap Value Equity	7/7/2015	Northern Trust	Long Wharf Real Estate	6/27/2019	Long Wharf
Abbott Capital PE IV	7/13/2001	Abbott Capital	Magnetar Constellation	11/14/2018	Magnetar
Abbott Capital PE V	5/25/2005	Abbott Capital	Magnetar Structured Credit	5/1/2014	Magnetar
Abbott Capital PE VI	3/31/2008	Abbott Capital	Mellon Aggregate Bond Index Fund	1/14/2011	Mellon
American Century Non-US Small Cap	12/15/2020	American Century	Mellon EB DV Stock Index	10/18/2017	Mellon
Aristeia International Limited	5/1/2014	Northern Trust	Mellon EB DV World ex-US Index	8/1/2018	Mellon
ASB Real Estate	9/30/2013	ASB	Myriad Opportunities Offshore	5/19/2016	Northern Trust
BlackRock Short Duration Fund	9/8/2021	BlackRock	Pantheon Global III		Pantheon
Blue Torch Credit Opportunities	7/24/2020	Blue Torch	Pantheon USA III		Pantheon
Brevan Howard	11/1/2013	Northern Trust	Pantheon USA V		Pantheon
Brighton Private Equity	3/28/2021	Brighton	Pantheon USA VI		Pantheon
Brookfield Real Estate Finance Fund V	12/18/2017	Northern Trust	Pantheon USA VII		Pantheon
Cevian Capital II	12/30/2014	Northern Trust	Parametric Overlay/ Cap Efficiency Program	7/31/2020	Parametric
Colony Distressed Debt IV	12/28/2015	Colony	Peak Rock Capital Fund III	7/13/2021	Peak Rock
Covenant Apartment Fund X	10/29/2020	Covenant	PIMCO Commodity Alpha	5/4/2016	PIMCO
DB Investors Fund IV	1/29/2020	DB	PIMCO Core Plus	1/21/2011	Northern Trust
D.E. Shaw	6/30/2013	Northern Trust	PIMCO EMD		Northern Trust
DFA Emerging Markets Value I	3/7/2014	Northern Trust	PIMCO Midstream	10/9/2020	PIMCO
Fortress Credit Opportunities	12/17/2020	Fortress	PIMCO StocksPLUS	7/14/2003	PIMCO
Fortress Lending Fund II	3/15/2021	Fortress	Fidelity Non-US Small Cap Equity	6/10/2008	Northern Trust
Garda Fixed Income Relative Value Opp	9/30/2021	Garda	River Birch	8/3/2015	Northern Trust
Geneva Capital Small Cap Growth	7/22/2015	Geneva	Singerman Real Estate Opportunity Fund IV	10/27/2021	Singerman
Gresham MTAP Commodity	9/3/2013	Gresham	Sculptor Enhanced Domestic Partners	3/26/2019	Sculptor
Harvest Midstream	9/28/2020	Harvest Midstream	Short Term Cash Account		Northern Trust
HBK Fund II	11/1/2013	Northern Trust	Short Term Investment Funds		Northern Trust
Henderson Smallcap Growth	7/22/2015	Northern Trust	Stone Harbor Emerging Markets Debt	8/8/2012	Stone Harbor
H.I.G Bayside Loan Opportunities Fund V	7/24/2019	H.I.G. Capital	TAO Contingent	4/16/2020	TPG Sixth Street
Hudson Bay	6/7/2019	Northern Trust	TCW Securitized Opportunities	2/3/2016	TCW
Indus Pacific Opportunities	6/30/2014	Northern Trust	Transition Equity		Northern Trust
Invesco Real Estate III	6/30/2013	Invesco	Transition Fixed Income		Northern Trust
Invesco Real Estate IV	12/18/2015	Invesco	TSSP Adjacent Opportunities Partners	11/17/2017	TPG Sixth Street
J.P. Morgan Strategic Property	7/2/2014	J.P. Morgan	Vista Equity Partners	7/24/2020	Vista Equity
Landmark Real Estate Partners VIII	4/29/2018	Landmark	Warren Equity	4/1/2021	Warren
LBA Logistics Value Fund IX, L.P.	2/22/2022	LBA	Wellington Commodities	9/10/2013	Wellington
Level Equity Growth Partners V	11/1/2021	Level Equity	Western Asset Core Plus	5/31/2004	Northern Trust
Level Equity Opportunities Fund 2021	11/1/2021	Level Equity	Western Asset High Yield Fixed income	5/31/2005	Northern Trust

Policy & Custom Index Composition	
Policy Index: 7/1/2021-Present	37% MSCI ACWI IMI, 14% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 1% Bloomberg US Aggregate*, 4% Bloomberg US Aggregate, 5% Alerian Midstream, 5% 3-Month T-bill +400bps, 91 Day T-Bills, -5% 3-Month T-bill.
Policy Index: 1/1/2021-6/30/2021	37% MSCI ACWI IMI, 14% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 1% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 4% MSCI ACWI*, 1% Bloomberg US Aggregate*, 4% Bloomberg US Aggregate, 5% Alerian Midstream, 5% 3-Month T-bill +400bps, 91 Day T-Bills, -5% 3-Month T-bill.
Policy Index: 7/1/2020-12/31/2020	37% MSCI ACWI IMI, 14% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 1% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 4% MSCI ACWI*, 5% Bloomberg US Aggregate, 1% Alerian Midstream, 4% Bloomberg US
Policy Index: 4/1/2020-6/30/2020	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 1% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 5% Bloomberg US Aggregate*.
Policy Index: 1/1/2020-3/31/2020	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 5% Bloomberg US Aggregate*.
Policy Index: 10/1/2019-12/31/2019	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 3% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 6% Bloomberg US Aggregate*.
Policy Index: 7/1/2019-9/30/2019	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 4% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 5% Bloomberg US Aggregate*.
Policy Index: 4/1/2019-6/30/2019	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 3% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 6% Bloomberg US Aggregate*.
Policy Index: 1/1/2019-3/31/2019	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 3% actual time-weighted Private Credit Returns*, 2% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 5% Bloomberg US Aggregate*.
Policy Index: 10/1/2018-12/31/2018	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 2% actual time-weighted Private Equity Returns*, 2% actual time-weighted Private Credit Returns*, 2% actual time-weighted Private Real Estate Returns*, 3% MSCI ACWI*, 6% Bloomberg US Aggregate*.
Policy Index: 7/1/2018-9/30/2018	37% MSCI ACWI IMI, 19% Bloomberg US Aggregate, 6% Ice BofA ML High Yield Master II Index, 2% JPM Emerging Markets Bond Index Global Diversified, 2% JPM Government Bond Index-Emerging Markets, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +400bps, 2.5% MSCI ACWI, 5% NCREIF-ODCE, 3% actual time-weighted Private Equity Returns*, 2% actual time-weighted Private Credit Returns*, 1% actual time-weighted Private Real Estate Returns*, 2% MSCI ACWI*, 7% Bloomberg US Aggregate*.
Policy Index: 1/1/2017- 6/30/2018	19% Russell 3000 Index, 18% MSCI ACWI ex US, 29% Bloomberg US Aggregate, 10% NCREIF-ODCE, 4% Bloomberg Commodity Index, 7.5% 91-day T-bills + 400bps, 2.5% MSCI ACWI, 5% Russell 3000 Index + 300 bps, 5% ICE BofA ML High Yield + 200 bps.
Policy Index: 4/1/2014-12/31/2016	23% Russell 3000 Index, 29% Bloomberg US Aggregate, 22% MSCI ACWI ex US.

Other Disclosures

*Private Asset actual weights, rounded to 1%, and actual time-weighted returns of Private Equity, Private Credit, Private Real Estate used in policy with the difference in weight versus target allocated to private market's public market "equivalent". Private Equity to Global Equity, Private Credit and Private Real Estate to Core Plus.
 All data prior to 2Q 2011 has been provided by the investment managers.
 Effective 1/1/2017, only traditional asset class (public equity, public fixed income, REITs) investment manager fees will be included in the gross of fee return calculation
 Fiscal year end: 6/30.

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: Portfolio Return - [Risk-free Rate + Portfolio Beta x (Market Return - Risk-free Rate)].

Benchmark R-squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager.

Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book-to-Market: The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios.

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

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

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

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

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

Price-to-Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

R-Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

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

Sortino Ratio: Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

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

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

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ALTERNATIVE INVESTMENTS RECORDS

EXEMPT FROM PUBLIC DISCLOSURE

(CA Gov. Code §6254.26)

(CA Gov. Code §6255)

(CA Gov. Code §54957.5)

DO NOT REPRODUCE

DO NOT DISTRIBUTE



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



APRIL 2022

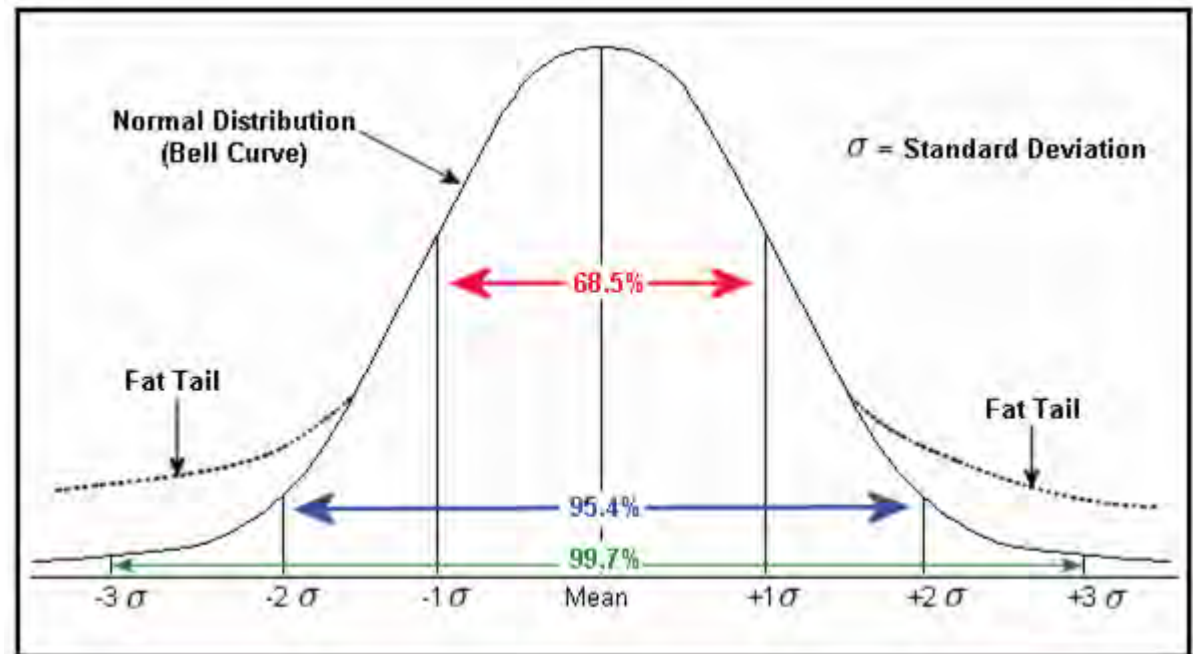
Introduction to Tail Risk Hedging

Kern County Employees' Retirement System

What is tail risk?

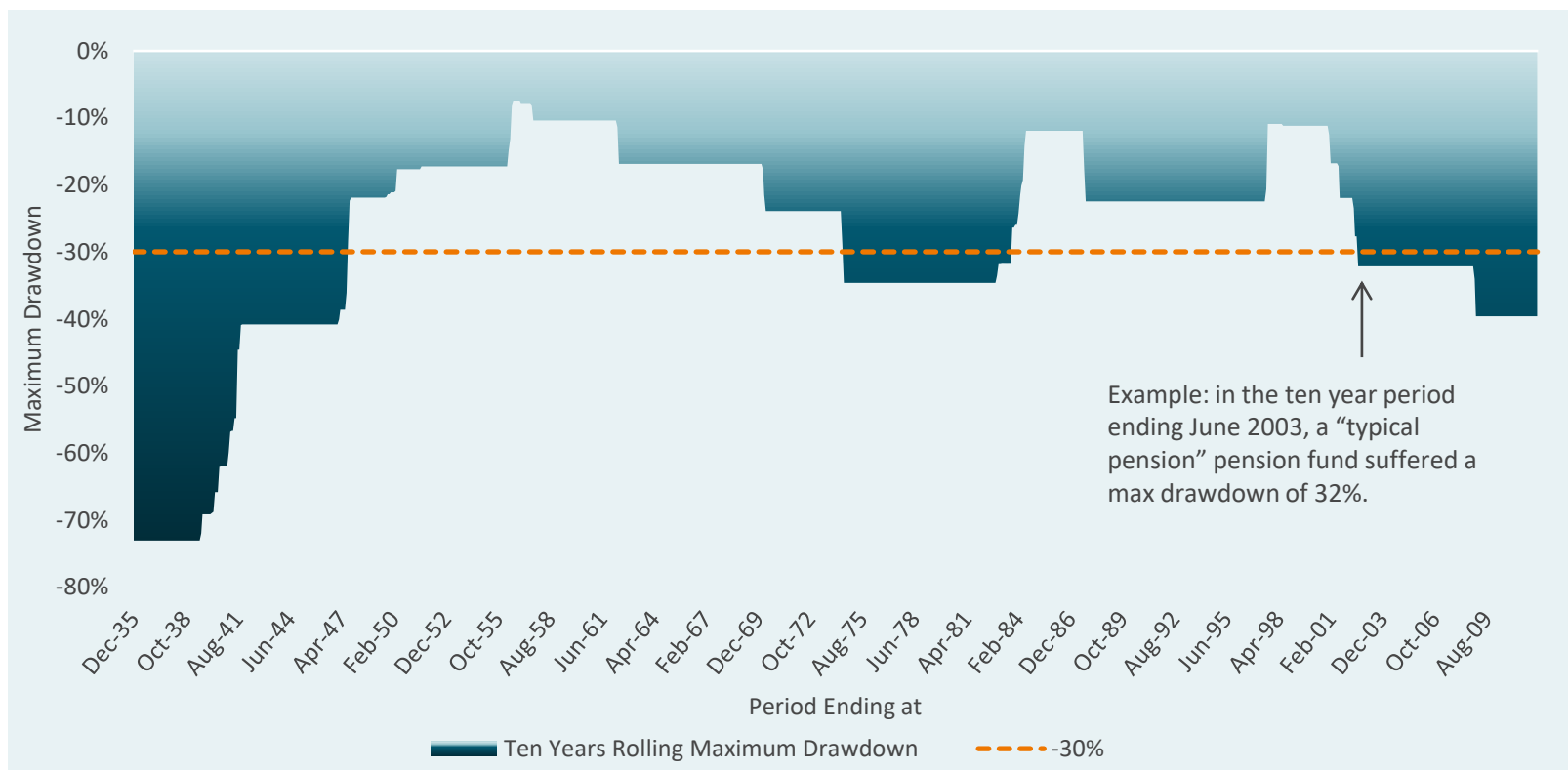
Tail risk is simply the probability of an exceptionally unfavorable market event (*e.g.*, *Global Financial Crisis*)

- It can be defined quantitatively as a probability within a normal distribution
- Actual experience is not “normally” distributed and comes with “fat tails”



Significant drawdowns happen more often than one might think

10-YEAR MONTHLY ROLLING OBSERVATIONS



A drawdown can be defined as the percentage decline in value of an investment from the high to the low over a set time period.

This chart shows the maximum percentage loss of a “typical pension” from the previous high.

Average Max Drawdown in a Ten-Year Period	-23%
Probability of Suffering a Drawdown of -30% in Any Ten-Year Period	45%

A “typical pension” is defined as a diversified portfolio, using the assets broadly in use by institutional investors at the time.

What is a tail risk hedge?

A tail risk hedge is a strategy that pays-off during a market drawdown

— Classic example: buying “put option” contracts

- A put option is the right to sell an asset (e.g., S&P 500 index exposure) at a fixed price (strike price)
- A put option on an asset owned by the same investor is called a “protective put”
- The protective put is there to offset potential losses on the owned asset
- If the asset price is below the strike price when the option expires, the option holder receives the difference
- The higher the strike price, the more expensive the option

PROTECTIVE PUT PAYOUT DIAGRAM



Does it make sense for long-term investors?

— Two contexts

- Occasional tactical hedging (requires belief in market timing skill)
- Continuous strategic hedging (requires belief in long-term return enhancement)

— Hedging tail risk is like buying insurance

- Premiums are paid in the form of the regular derivatives contract purchases
- If the contracts do not pay off, the premiums are never recouped
- Thus, the cash flow pattern of strategic hedging is:
 - Years of outflows
 - With occasional large inflows

— This cash flow pattern will probably lead to a negative long-term return (IRR)

- Someone somewhere must be compensated for bearing the risk that the hedger no longer bears
- The premiums can be minimized with active strategies (much more sophisticated than protective puts)

— Nevertheless, strategic tail risk hedging can add return at the total fund level...

The twist in the tale

Strategic tail risk hedging can add return at the total fund level...mostly because the payoff is used to buy risk assets when they are cheap

- In other words, the hedge functions as a perfectly-timed source of rebalancing liquidity. The same role is most often played by treasury bonds, especially when yields are low.

Advantages of hedging over treasuries

- More reliable negative correlation with equities
- Short-term losses are small and predictable (limited to premiums paid)

Disadvantage to treasuries

- No positive long-term return

- A tail risk hedging program would likely be implemented using a specialist derivatives manager.

The biggest risk is behavioral

- **Successful implementation of tail risk hedging is a unique challenge in institutional investing**
 - There are no good manager benchmarks
 - The strategy shows up as a negative line on performance reports, quarter-after-quarter
 - The benefit of the program is buried in the total fund return
 - Math-driven derivatives strategies do not typically inspire great confidence
- **Resolve is key – the worst outcome is termination of the strategy right before a market event**
- **A good policy document is indispensable**
 - A clear and compelling statement of objectives and investment philosophy
 - A fixed annual budget, e.g., 50 bps of fund NAV
 - Scope of the program and permissible instruments
 - Risks involved and means of control

Potential next steps

- Additional research / due diligence (including detailed review of RFI responses)
- Additional Board education (planned for June)
- Detailed program design
- Board approval
- Implementation



**Kern County Employees' Retirement Association
2022 Self-Assessment Report
May 4, 2022**

**Julie Becker, Partner
Fiduciary Services Practice, Aon**

What do you hope to gain during the Board Self-Assessment discussion?

- *How to become a better-informed Board Member.*
- *Different ideas from other board members, with all the experience the board brings I am looking forward to new ideas and old ones.*
- *Feedback for how meetings are ran and effectiveness of discussion.*

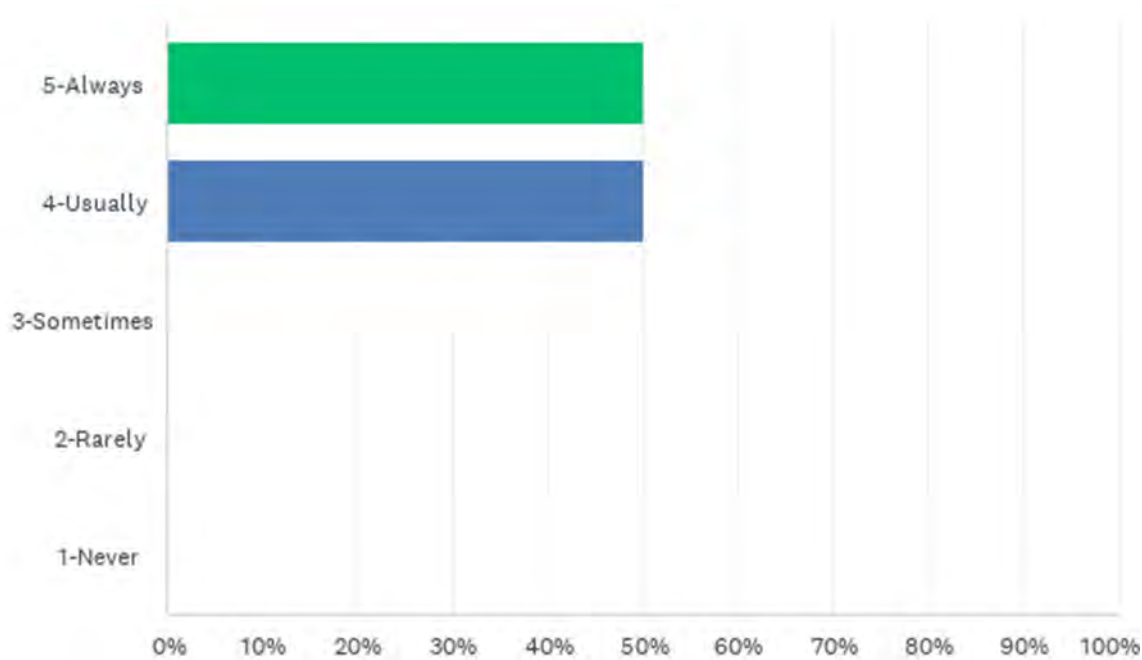
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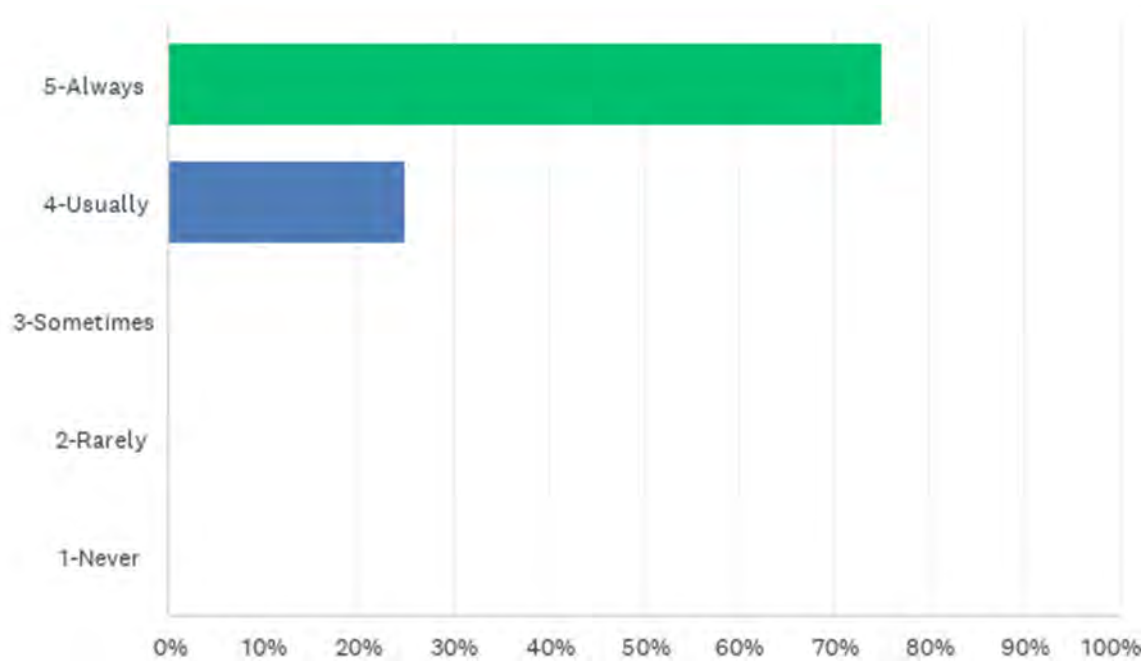
- Section 1: Board Member Individual Self-Assessment Results

Q1: I attend the entire Board and Committee meetings I am expected to attend.



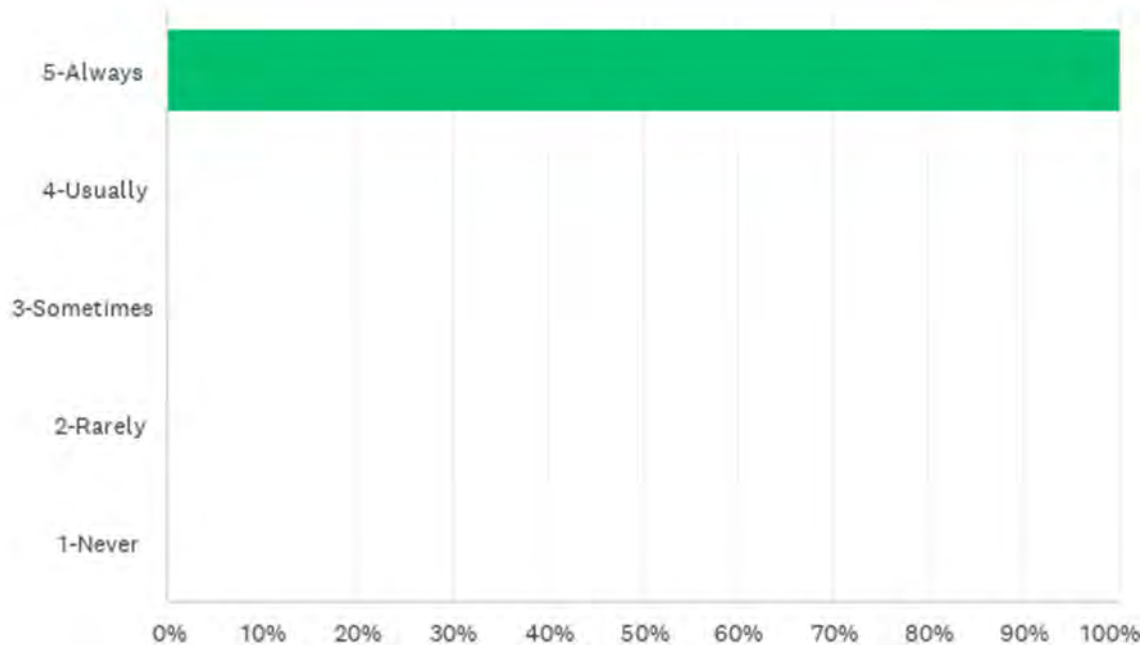
Average rating: 4.5

Q2: I read the materials distributed before meetings, so I can constructively participate and make timely decisions.



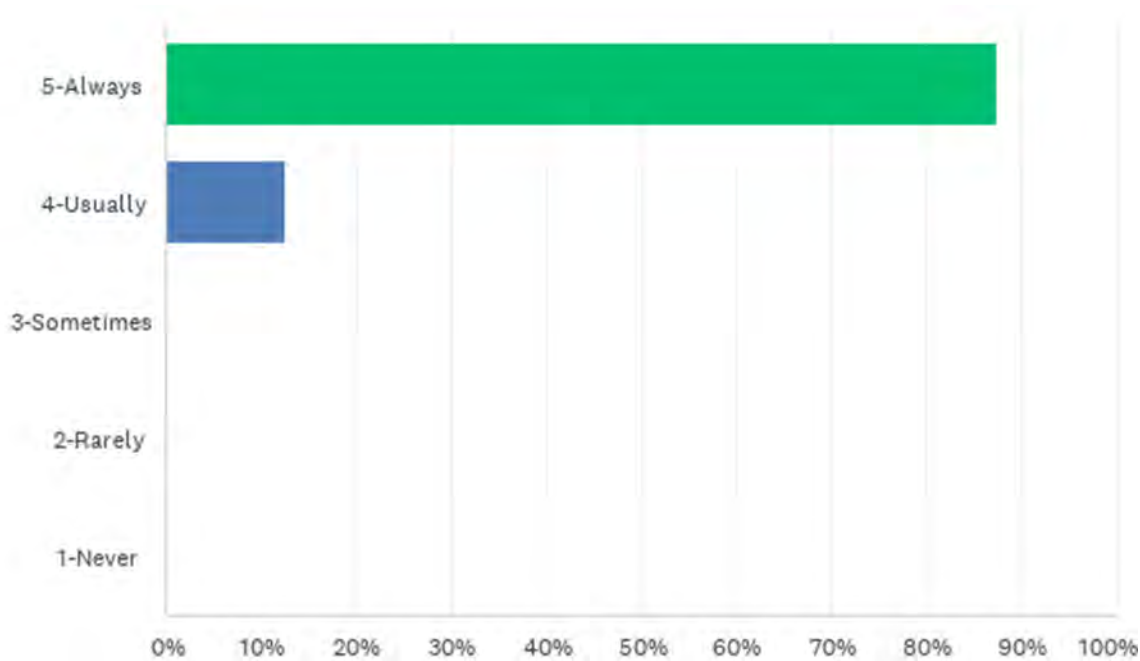
Average rating: 4.8

Q3: My decisions are based on a fair, balanced, and prudent assessment of each situation. I do not let my personal interest or those of a particular constituency conflict with my duty of loyalty to the membership of KCERA.



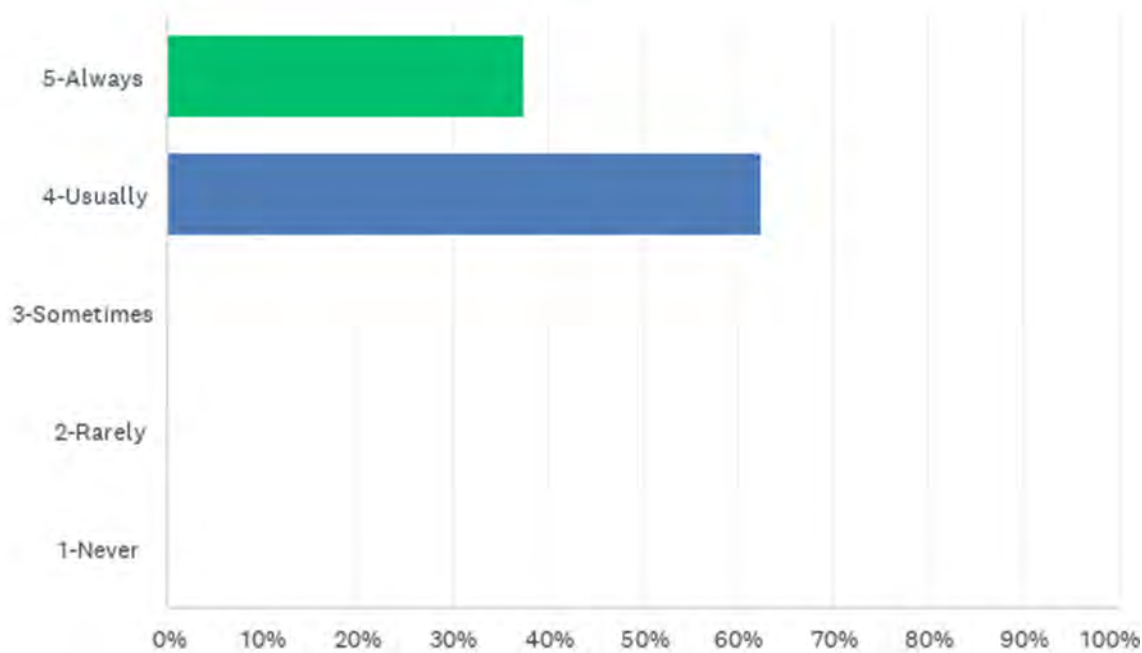
Average rating: 5.0

Q4: I fully understand my fiduciary duties with regard to the funds for which we are responsible.



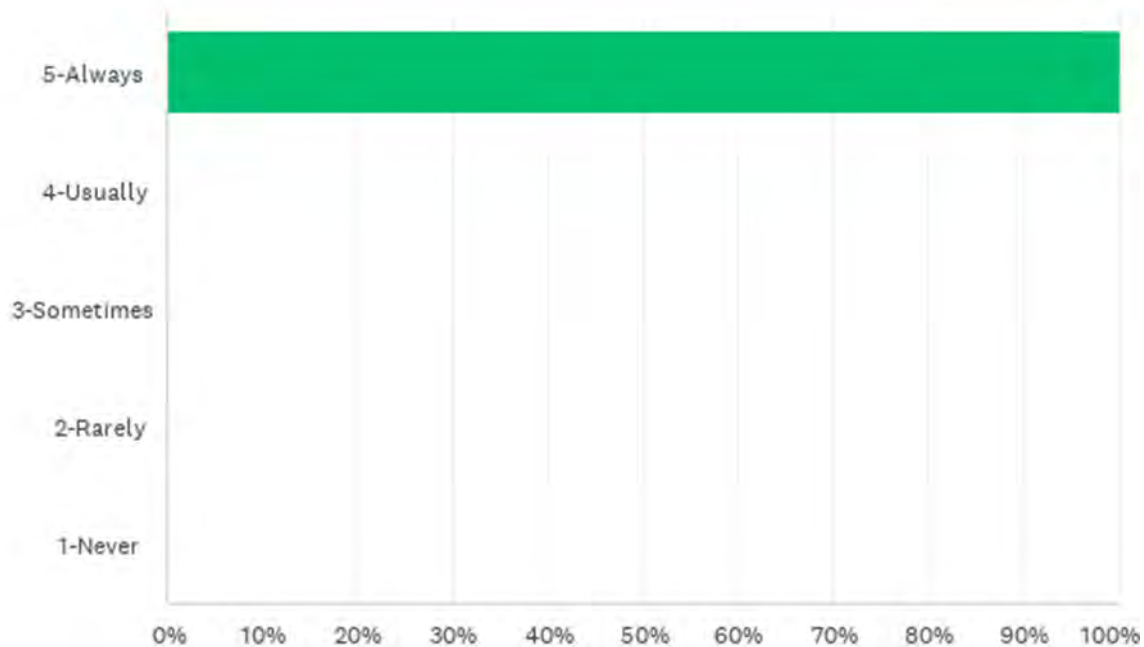
Average rating: 4.9

Q5: I make an effort to be educated on the aspects of KCERA that I do not understand.



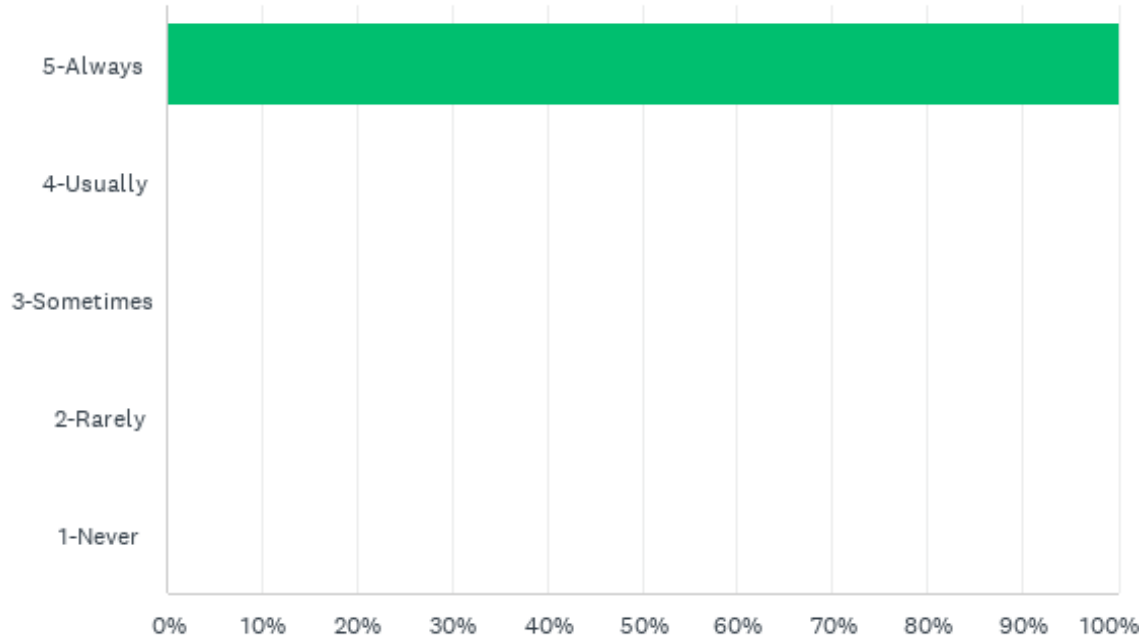
Average rating: 4.4

Q6: I avoid conflicts of interest and refrain from activities that could give rise to the appearance of impropriety.



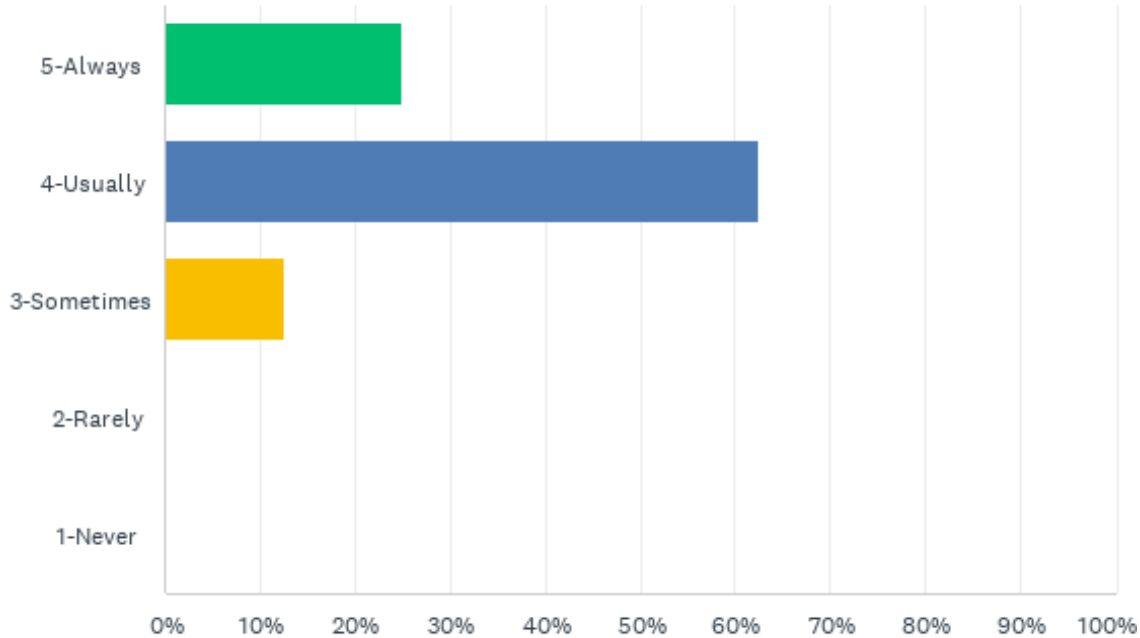
Average rating: 5.0

Q7: I deal fairly, respectfully and professionally with other Board members and staff.



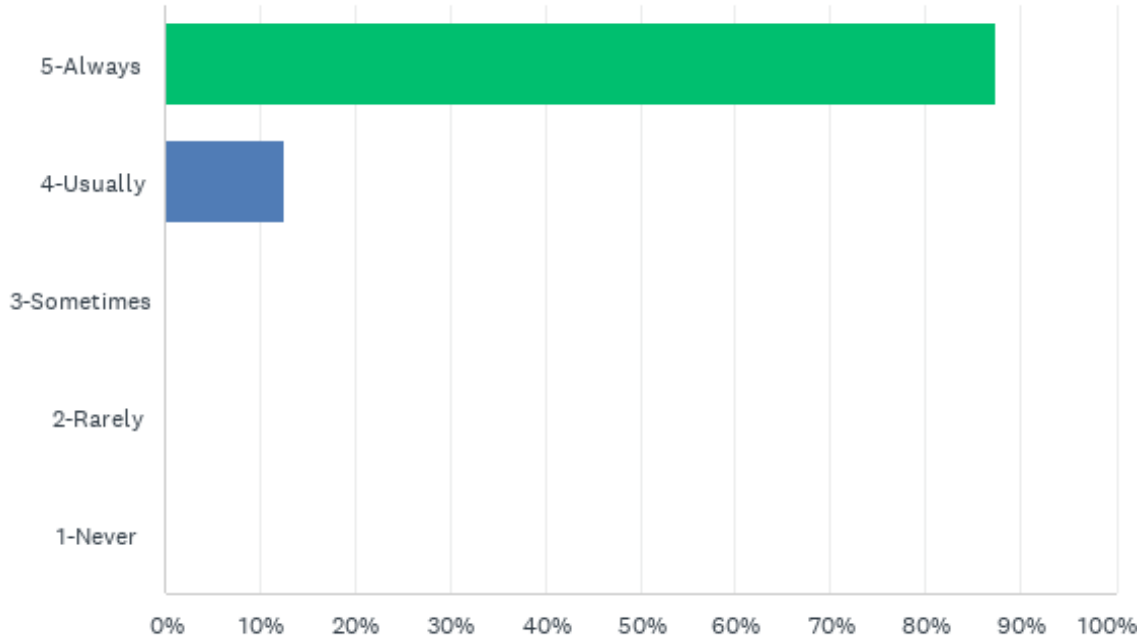
Average rating: 5.0

Q8: I periodically review KCERA's Board Charters and Governance Policies, I am familiar with the requirements of each, and I act in compliance with these documents.



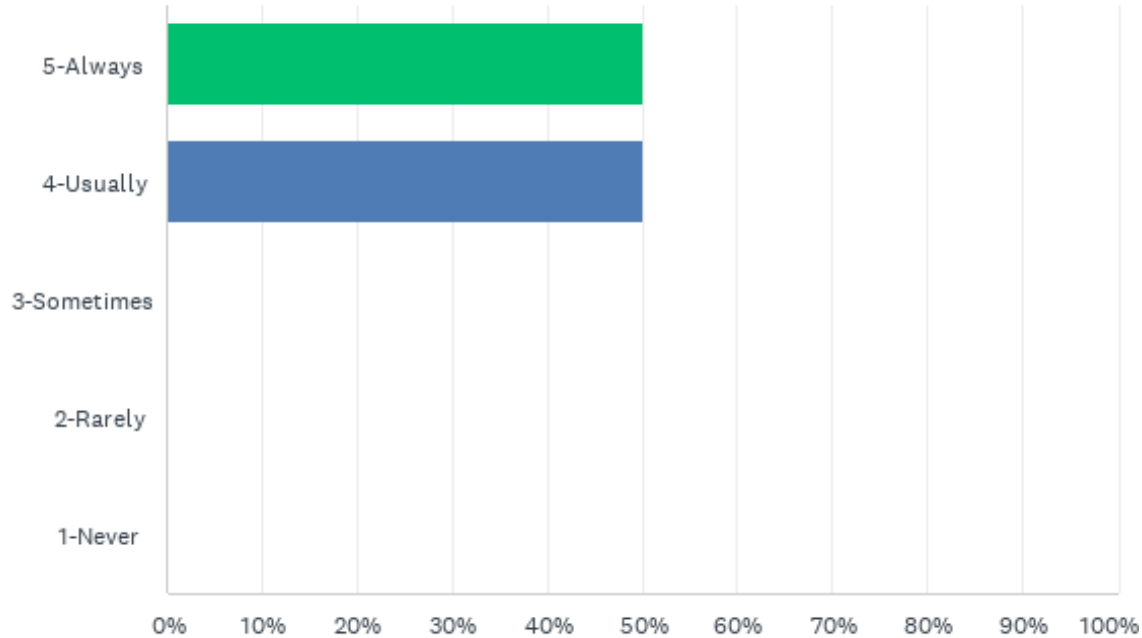
Average rating: 4.1

Q9: I believe the highest and best use of the Board is to establish policy and the role of the Staff is to implement Board policy.



Average rating: 4.9

Q10: If I am aware of any Board governance problems, I report them to the Board Chair or Vice-Chair.



Average rating: 4.5



- Section 2: Overall Board Evaluation Results

Overall Board Evaluation Results: Highest Average Scores

Four items with the highest average scores:

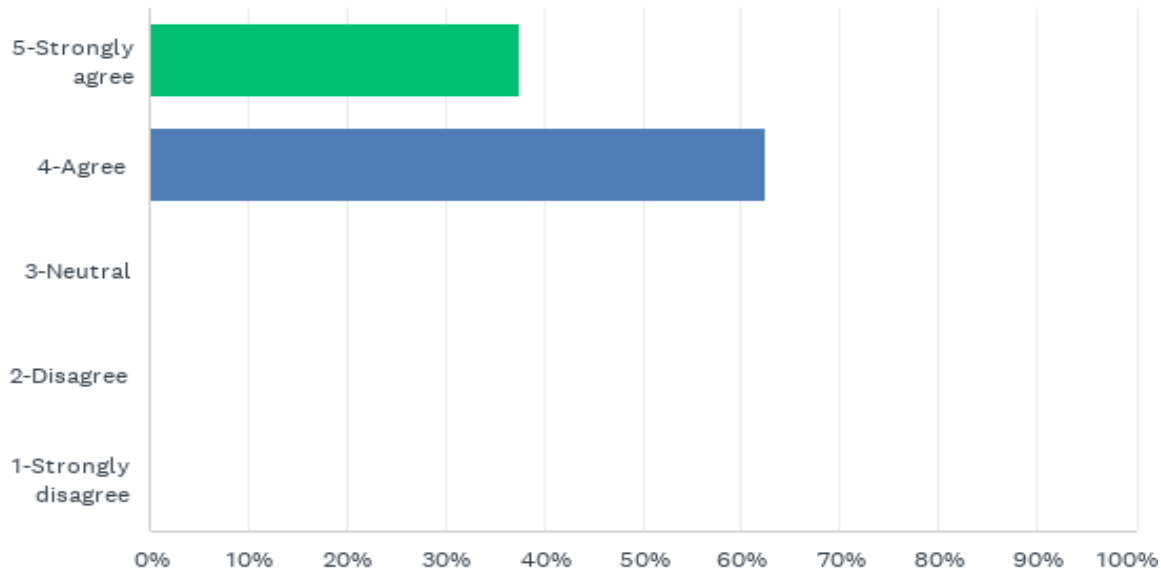
- Transparency-Meeting minutes are timely and accurately reflect the deliberative process that occurred. (4.8/5.0)
- Performance Measures-The Board sets reasonable benchmarks and regularly monitors investment performance throughout the year. (4.6/5.0)
- Access to Information-Information is distributed sufficiently in advance of the meeting for adequate board member preparation. (4.6/5.0)
- Risk Management/Compliance-Appropriate attention is devoted to controlling operational risk, investment risk and fiduciary risk. (4.6/5.0)

Overall Board Evaluation Results: Lowest Average Scores

Four items with the lowest average scores:

- Transparency-The Board routinely communicates with its stakeholders. (3.6/5.0)
- Knowledge and Skills-Board Members actively seek out continuing education opportunities. (3.6/5.0)
- Fiduciary Responsibility-Board members refrain from actions that would suggest real or perceived conflict of interest in carrying out Board responsibilities pursuant to applicable ethics laws and policies. (3.9/5.0)
- Governance-The Board develops and follows a clearly defined annual work-plan calendar which captures major items for Board consideration/decision making. (3.9/5.0)

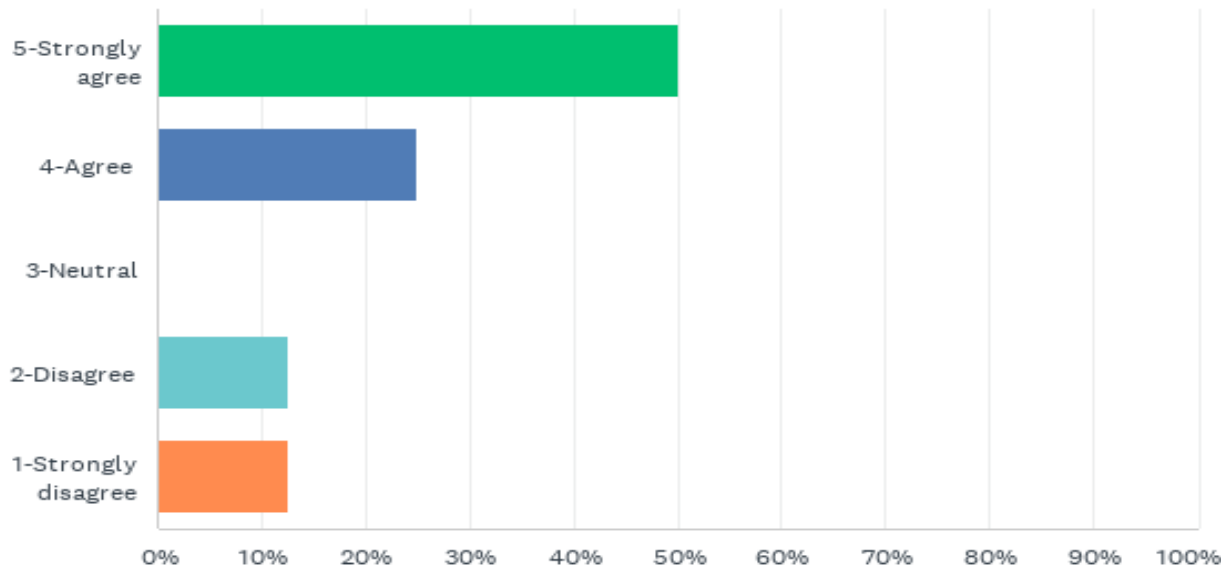
Q1: Fiduciary Responsibility—Board Members receive sufficient fiduciary training to understand their fiduciary responsibilities and act in accordance with the laws, regulations and policies governing KCERA.



Average rating: 4.4

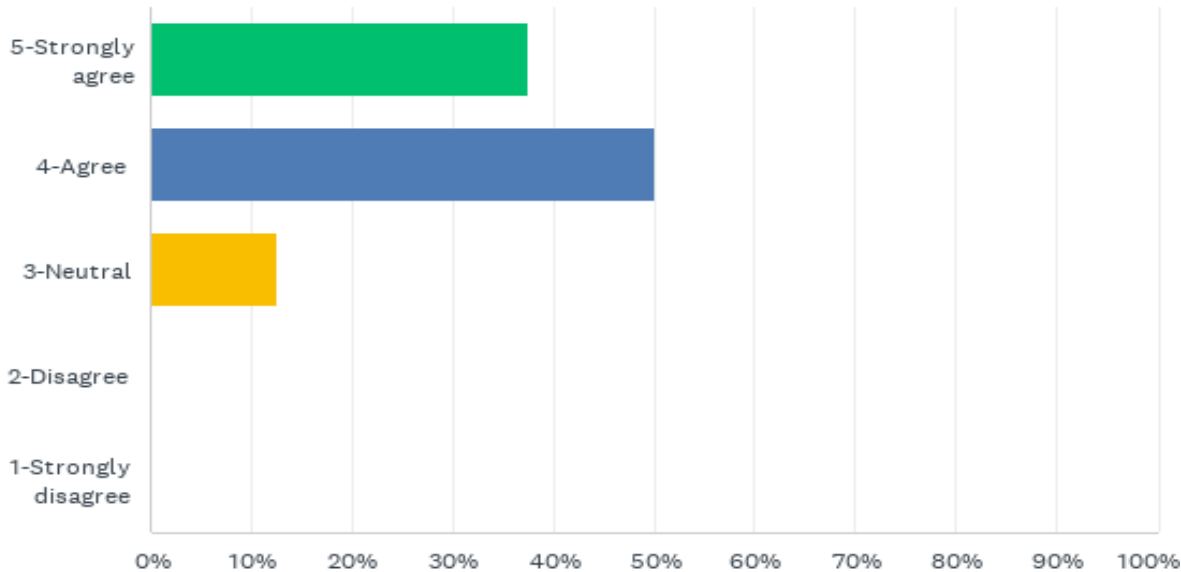
- *Good education/training is available.*
- *Some Board Members have difficulty with the County's interest, regardless of extensive fiduciary training.*

Q2: Fiduciary Responsibility—Board members refrain from actions that would suggest real or perceived conflict of interest in carrying out Board responsibilities pursuant to applicable ethics laws and policies.



- *They keep us well informed of the ethics laws and policies.*

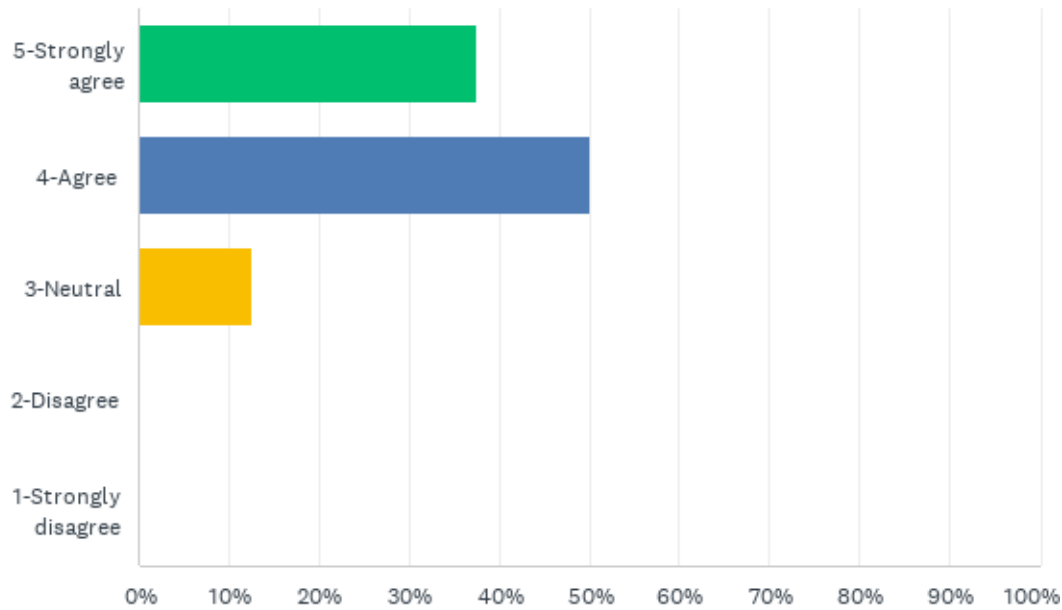
Q3: Governance—The Board does not "rubber-stamp" the recommendations of senior management or its external advisors.



Average rating: 4.3

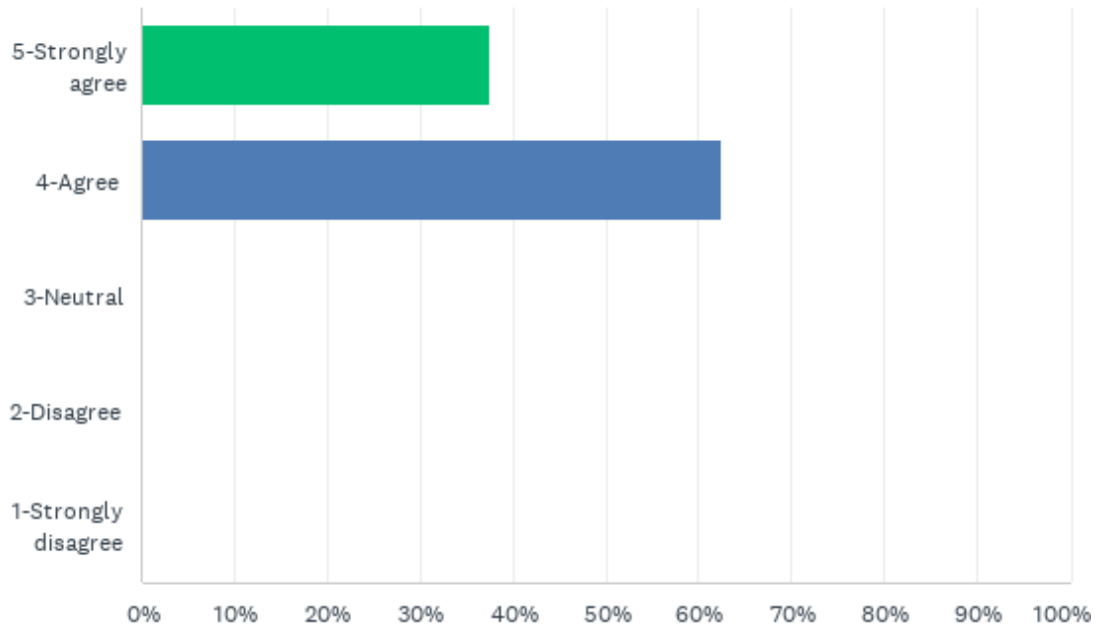
- *We have good discussions on issues.*

Q4: Governance—The Board reviews and updates each of its policies and charters as called for by the applicable document.



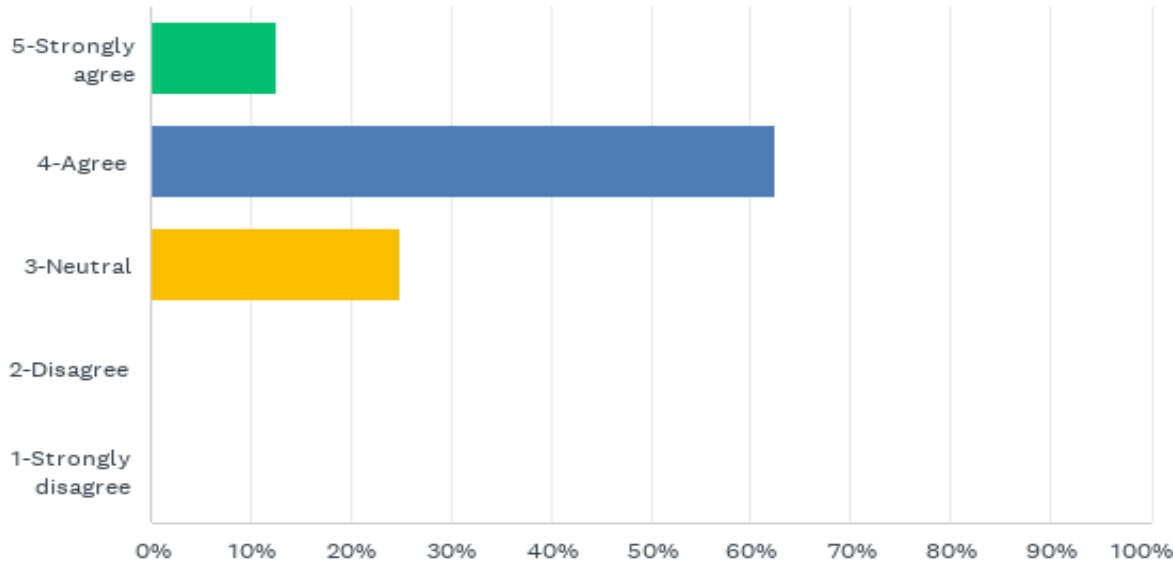
Average rating: 4.3

Q5: Governance—The current committee structure assists the Board in focusing on pertinent topics.



Average rating: 4.4

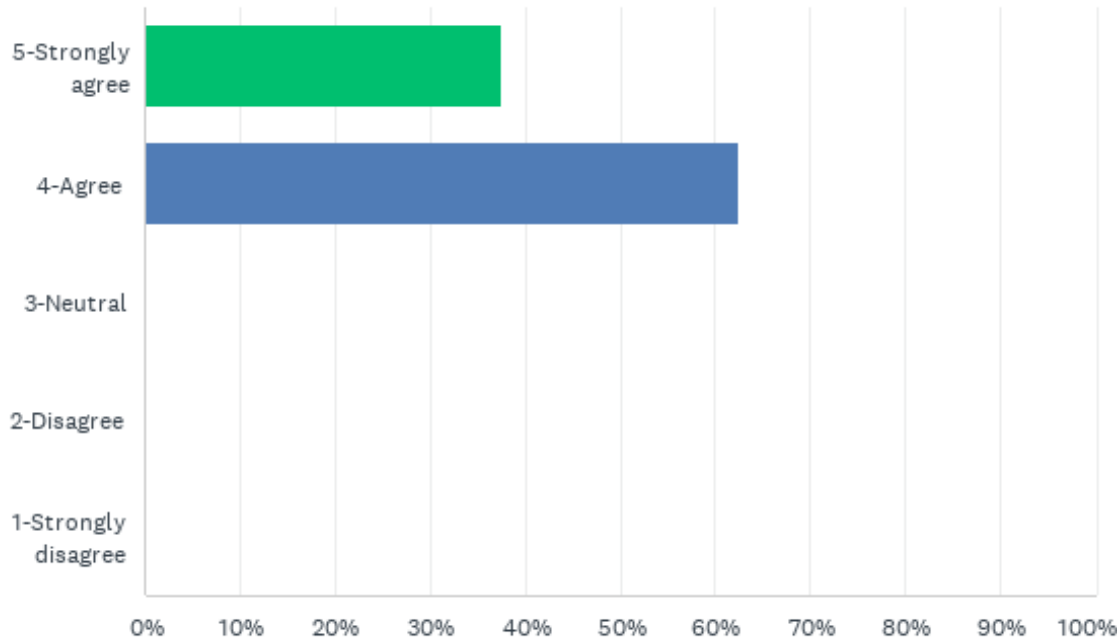
Q6: Governance—The Board develops and follows a clearly defined annual work-plan calendar which captures major items for Board consideration/decision making.



Average rating: 3.9

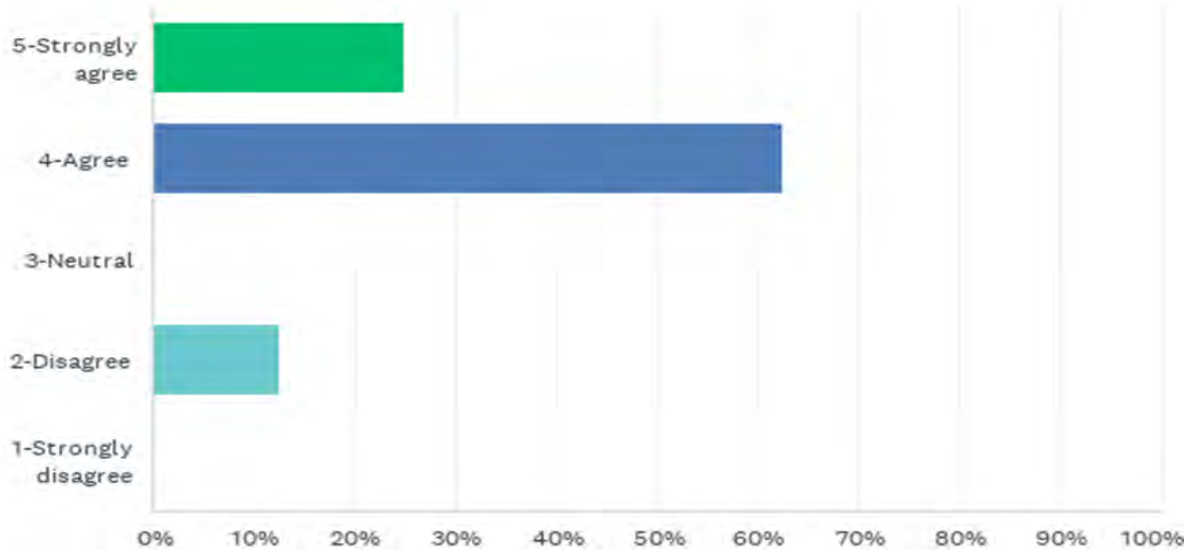
- *The board delegates senior management to bring items to the board's attention. The board will set timelines for follow-up on items as needed.*

Q7: Governance—Sufficient interaction and deliberation exist between Board members as part of the decision-making process.



Average rating: 4.4

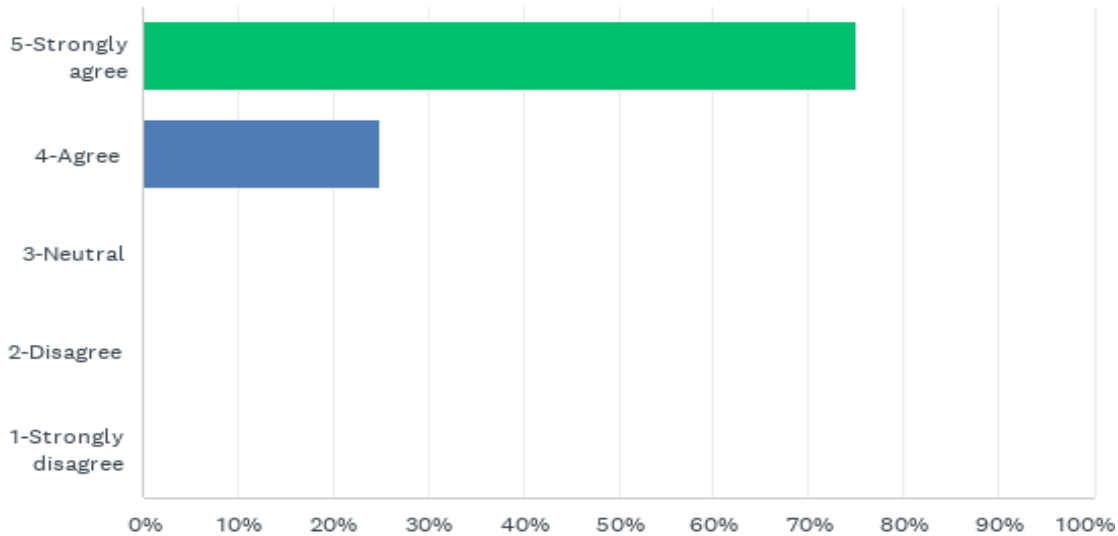
Q8: Governance—The Board engages in long-range strategic planning and keeps the KCERA mission in mind when making decisions throughout the year.



Average rating: 3.9

- *The Board has struggled with setting a strategic plan for the year.*

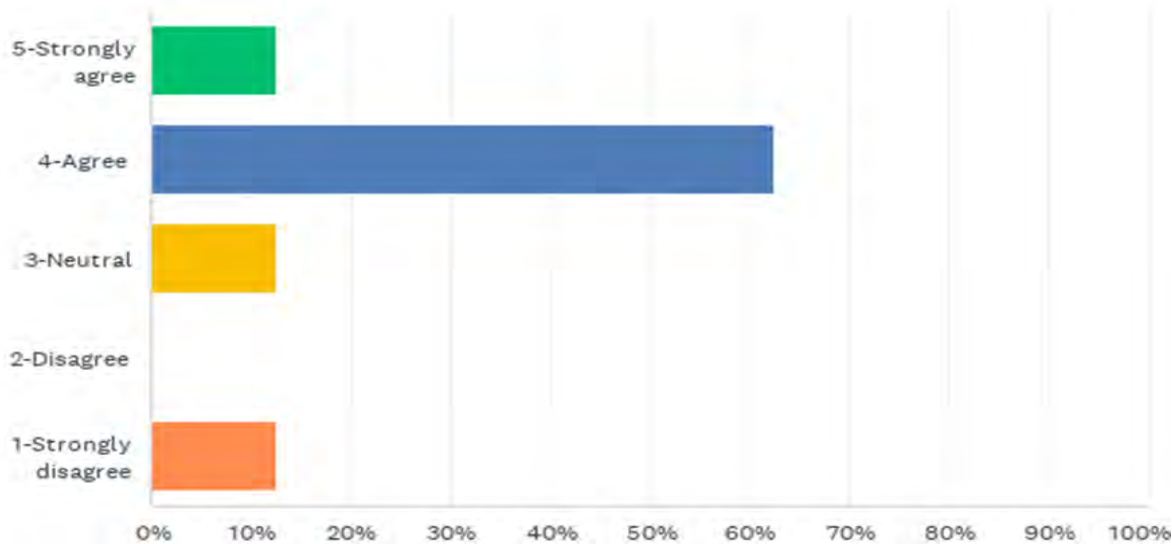
Q9: Transparency—Meeting minutes are timely and accurately reflect the deliberative process that occurred.



Average rating: 4.8

- *Aimee does an outstanding job.*

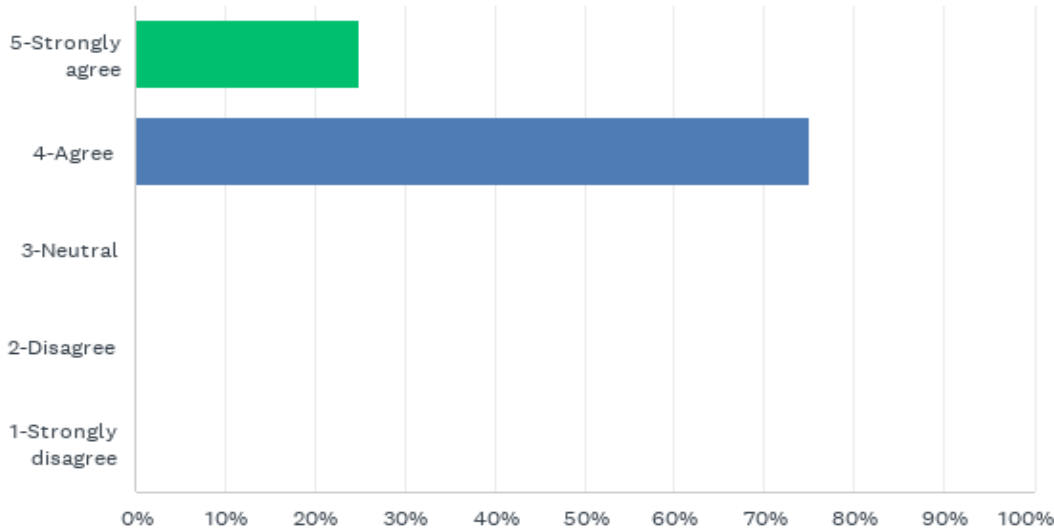
Q10: Transparency—The Board routinely communicates with its stakeholders.



Average rating: 3.6

- *I have no reason not to agree.*
- *The board doesn't, the ED does.*
- *Communication with non-County member agencies could be better.*

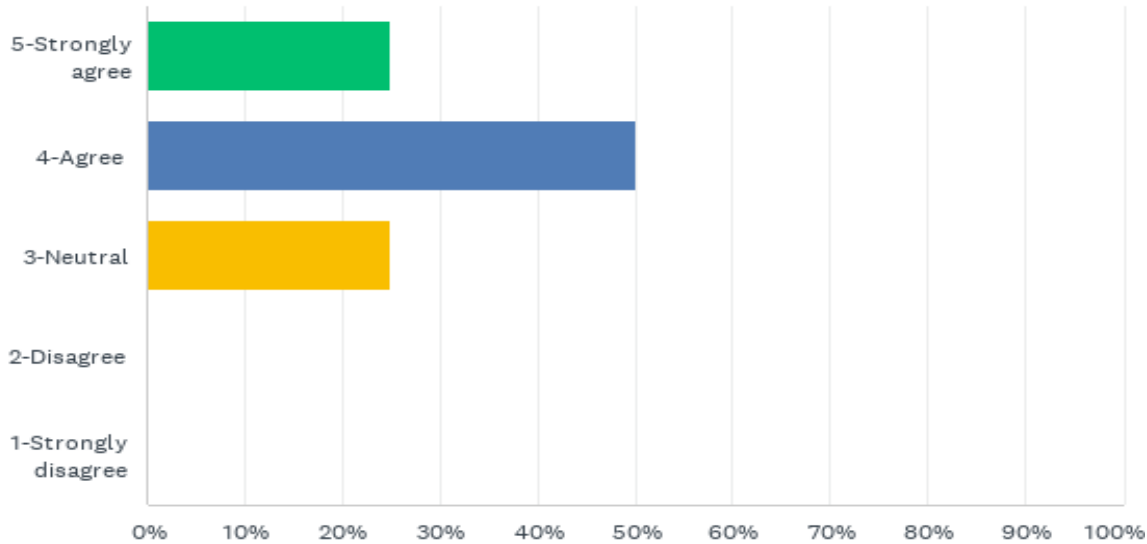
Q11: Roles and Responsibilities—Board members keep decision-making at the policy level, delegate implementation of policy to Staff, and do not engage in micro-management.



Average rating: 4.3

- *Sometimes someone will start to micro-manage but we (the Board Members) bring that to a stop.*

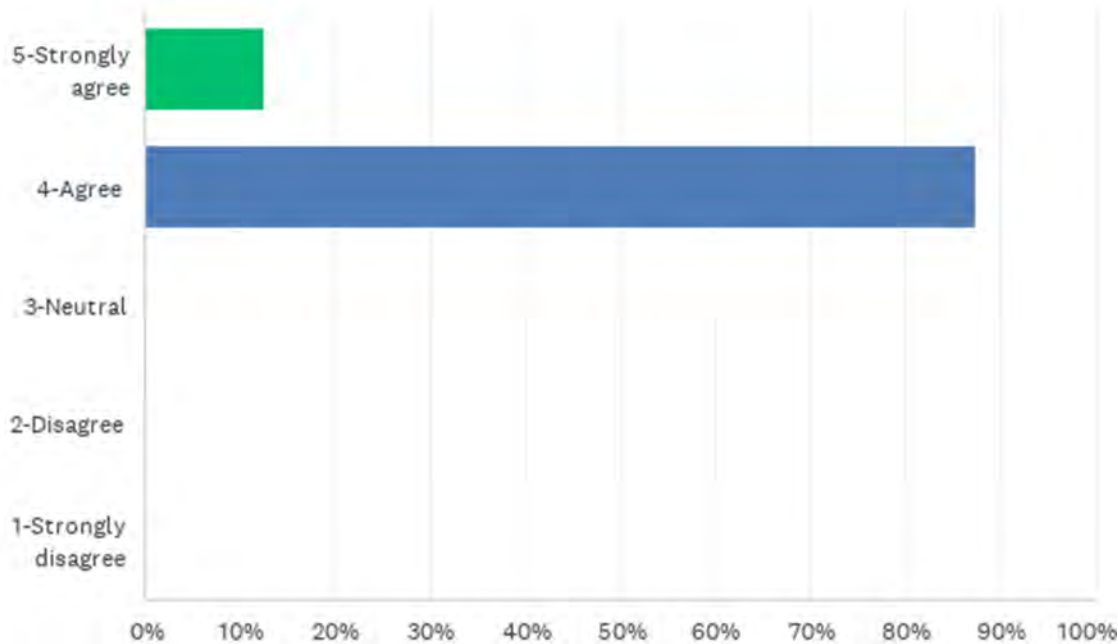
Q12: Roles and Responsibilities—The Board understands what authority it has retained, and why it has retained it, and what has been delegated and to whom.



Average rating: 4.0

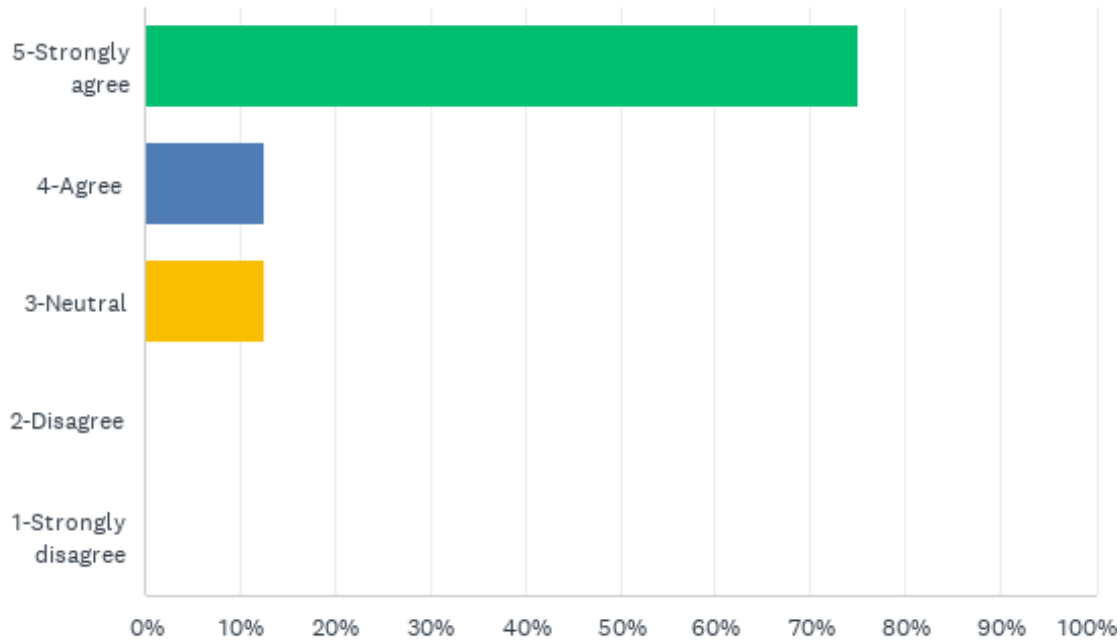
- *I think we still need training on this.*

Q13: Roles and Responsibilities—The Board engages in active oversight of the responsibilities it has delegated to Staff, the consultants, and other service providers.



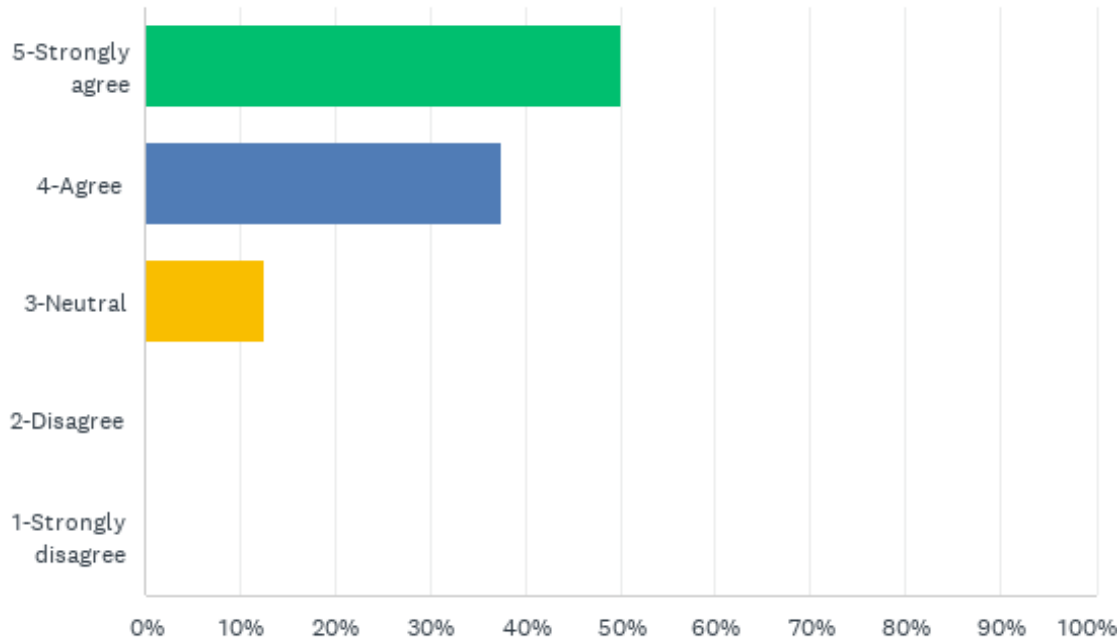
Average rating: 4.1

Q14: Performance Measures—The Board sets reasonable benchmarks and regularly monitors investment performance throughout the year.



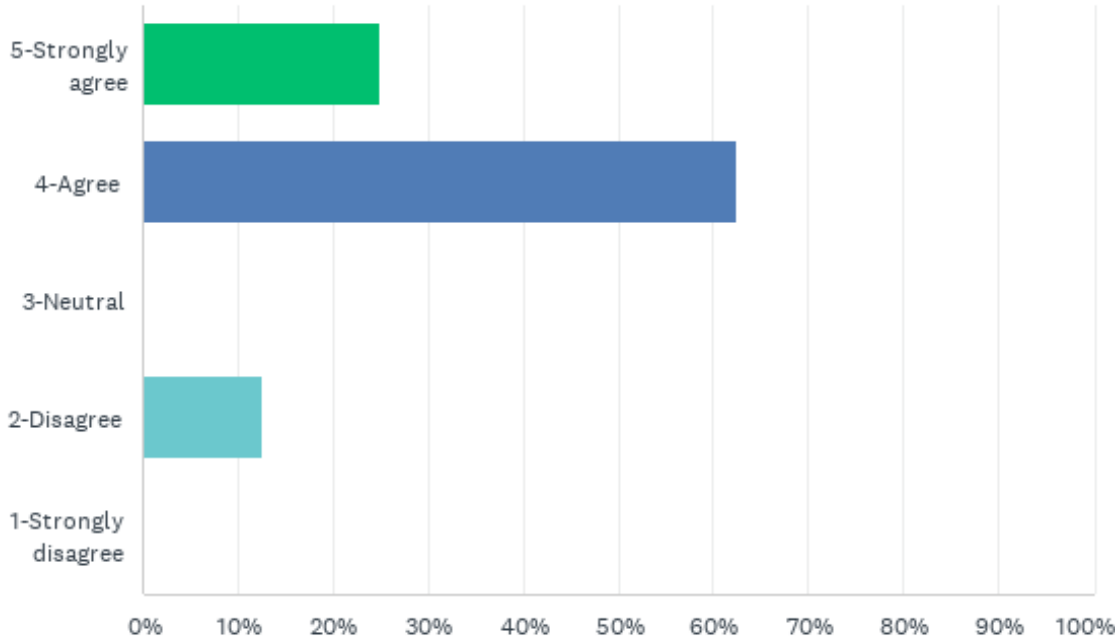
Average rating: 4.6

Q15: Performance Measures—Qualitative assessments of investment managers, consultants and other providers are routinely performed and discussed with the Board.



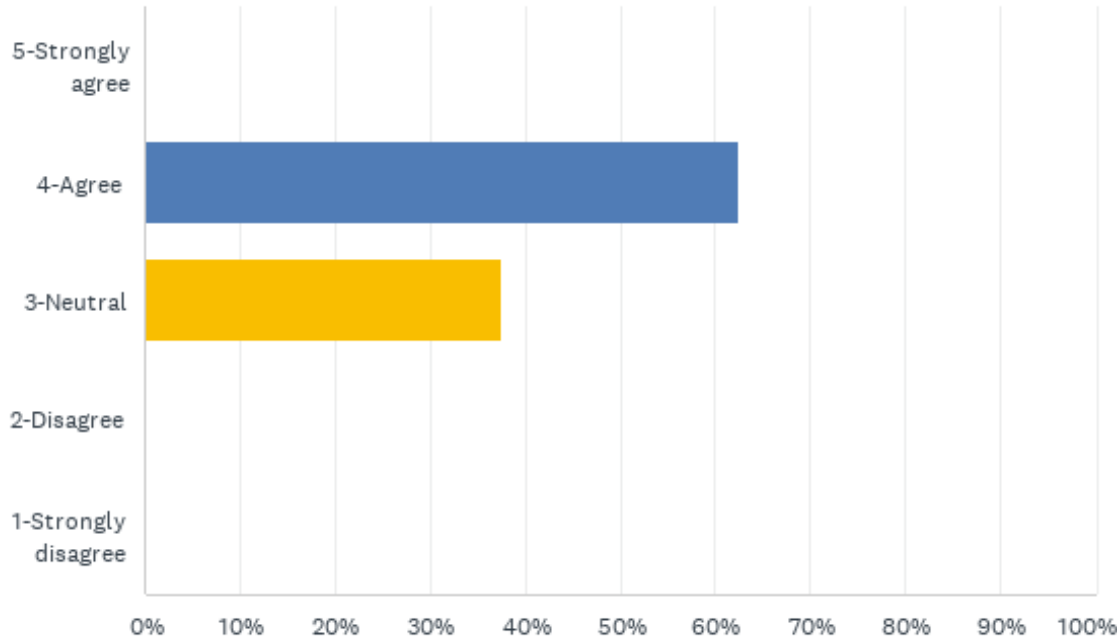
Average rating: 4.4

Q16: Knowledge and Skills—Board Members demonstrate the appropriate knowledge and skill required to govern KCERA.



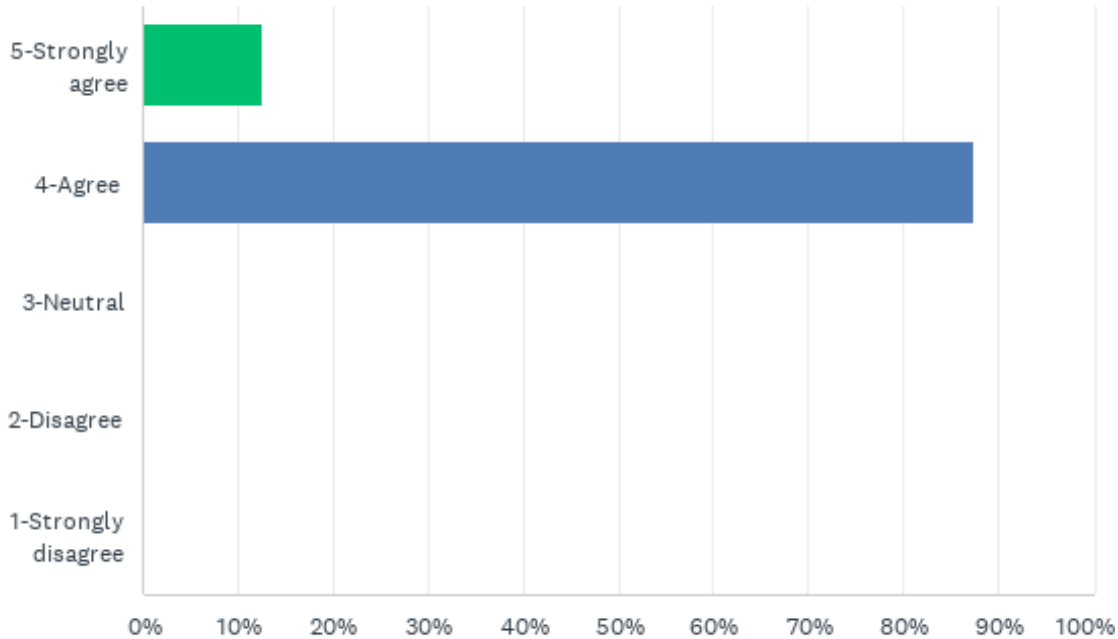
Average rating: 4.0

Q17: Knowledge and Skills—Board Members actively seek out continuing education opportunities.



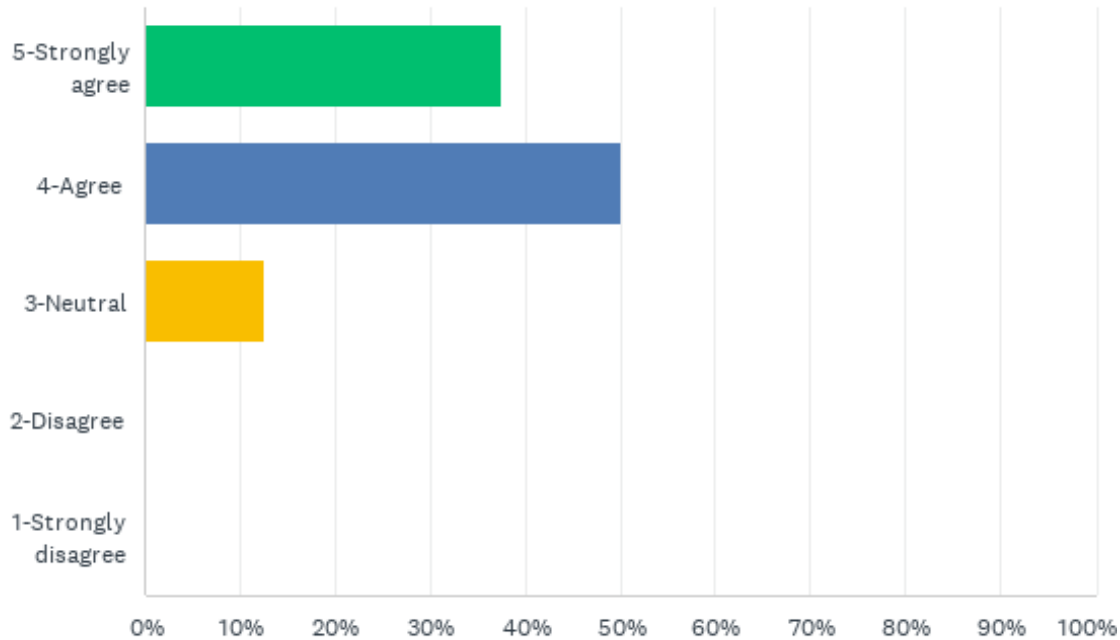
Average rating: 3.6

Q18: Knowledge and Skills—The Board stays abreast of issues and trends affecting the investment program and uses this information to guide its decision-making.



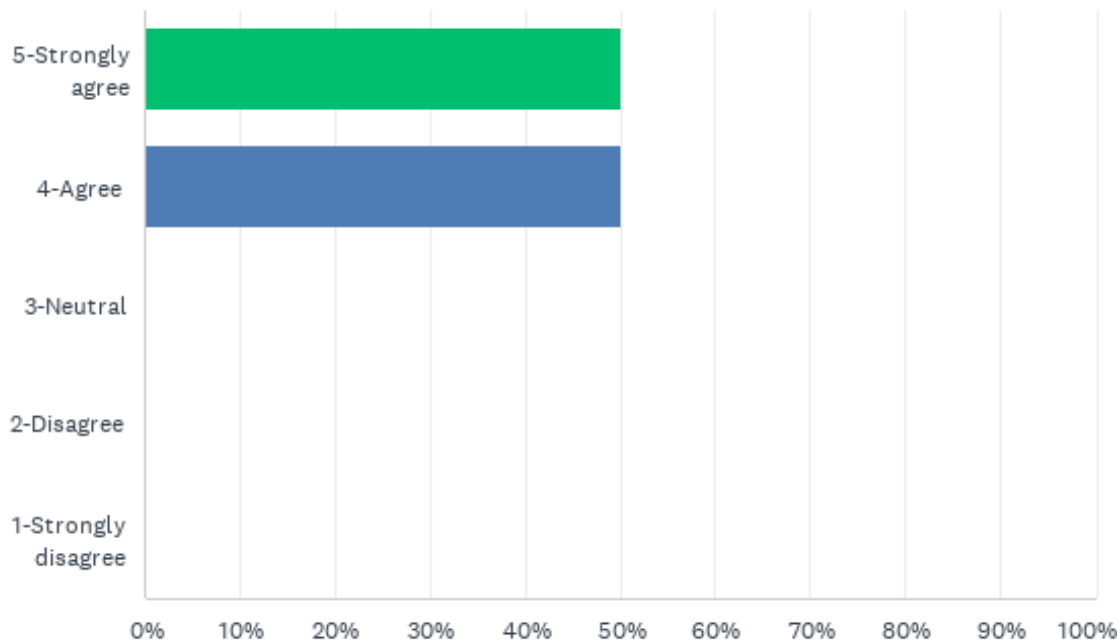
Average rating: 4.1

Q19: Knowledge and Skills—New Board Members are given a prompt, thorough orientation.



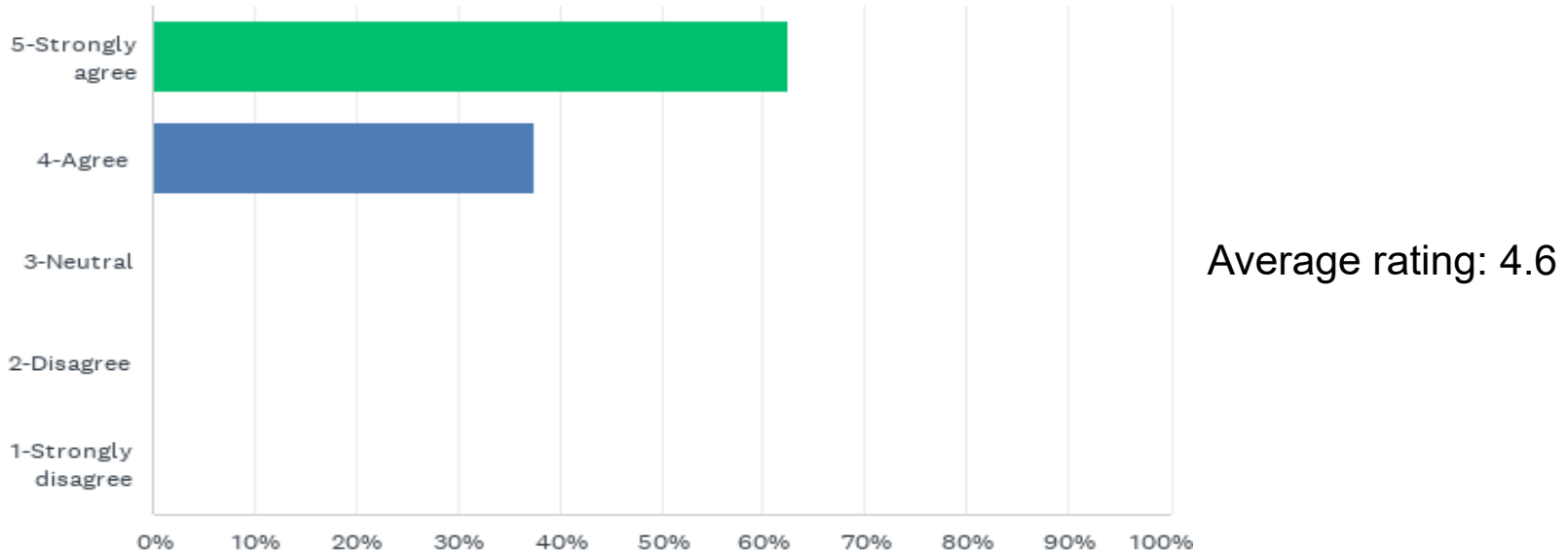
Average rating: 4.3

Q20: Access to Information—Board Members are provided with the information and materials necessary to perform their responsibilities.



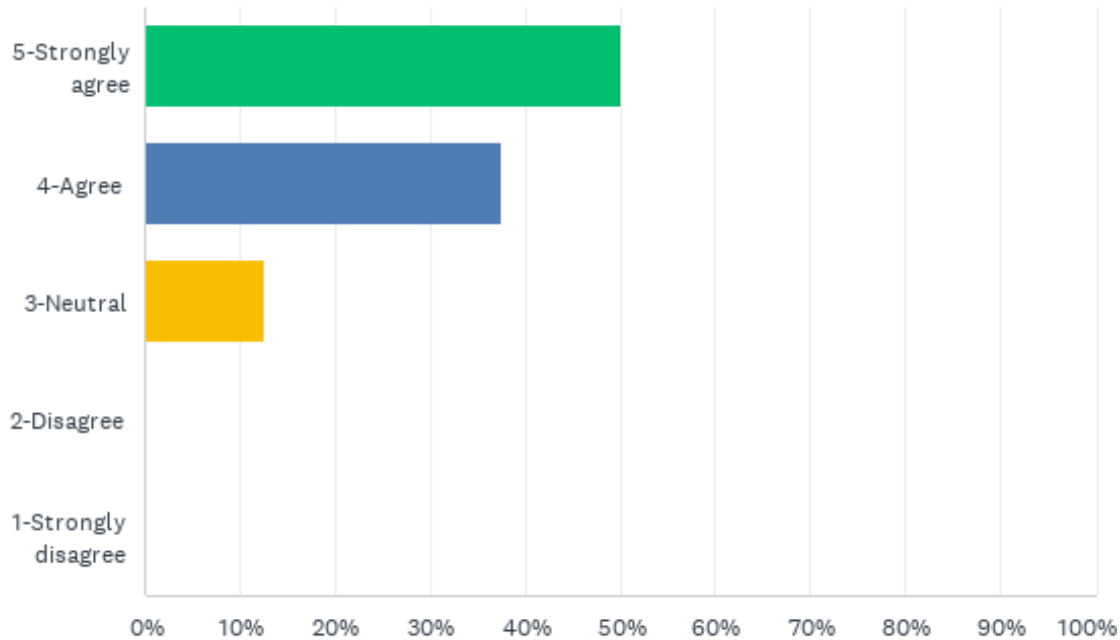
Average rating: 4.5

Q21: Access to Information—Information is distributed sufficiently in advance of the meeting for adequate board member preparation.



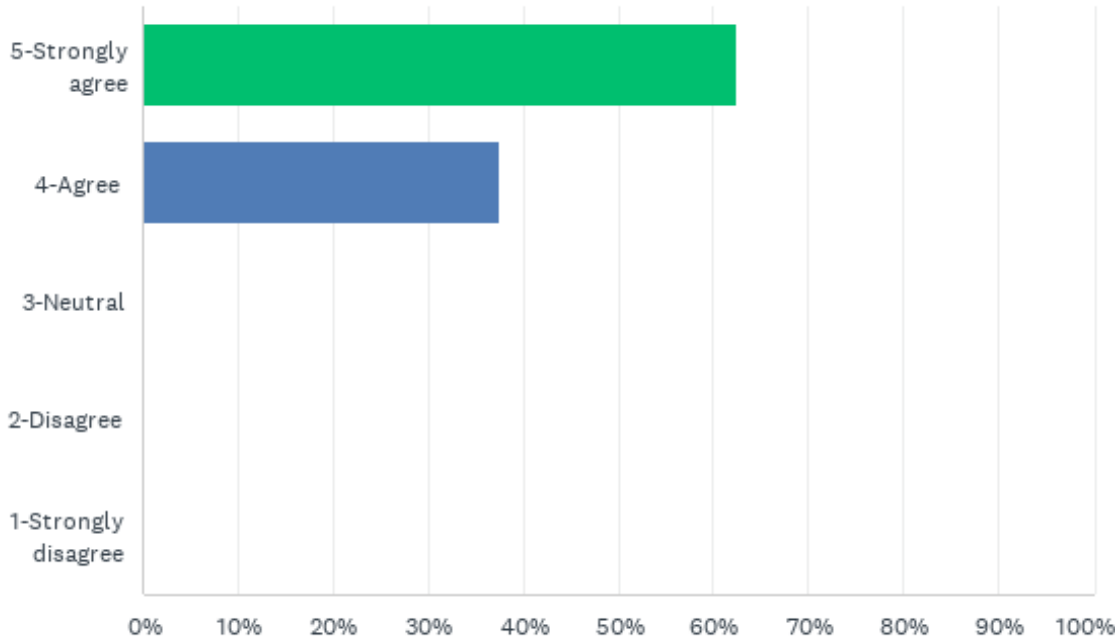
- *Thanks to Aimee.*

Q22: Access to Information—Requests for information are responded to in a timely fashion by Staff and consultants.



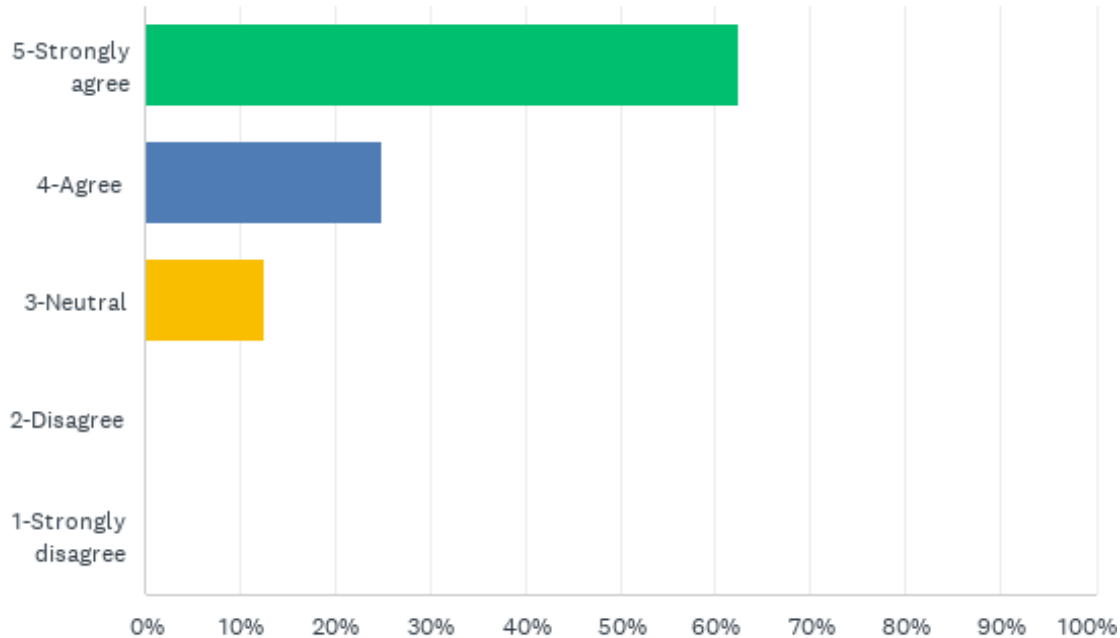
Average rating: 4.4

Q23: Risk Management/Compliance—Appropriate attention is devoted to controlling operational risk, investment risk and fiduciary risk.



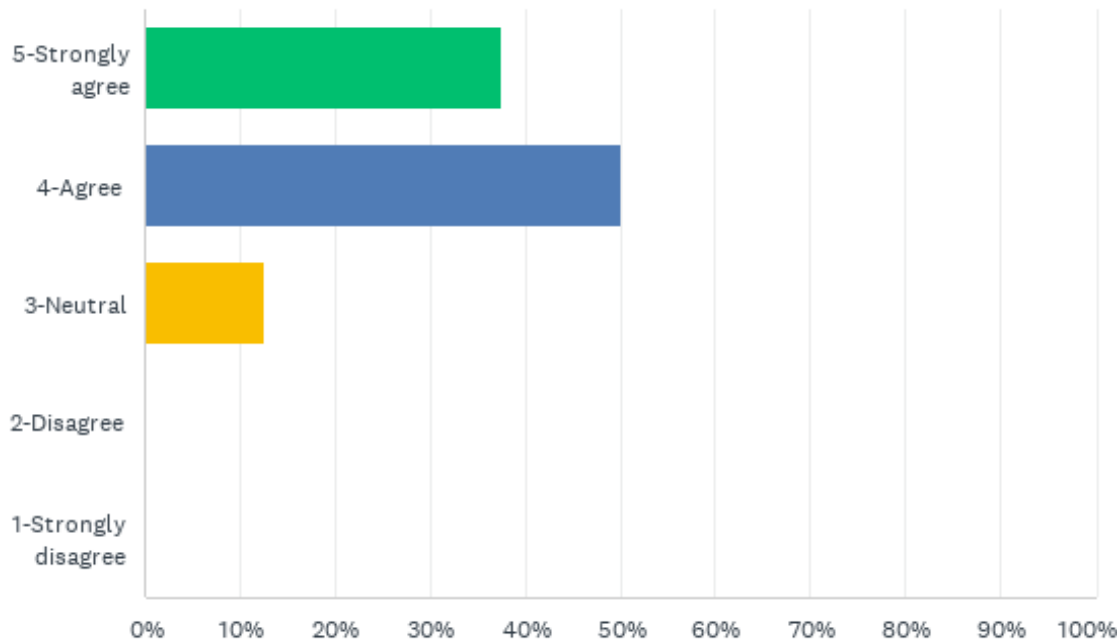
Average rating: 4.6

Q24: Risk Management/Compliance—The Board receives information on the effectiveness of the internal controls in place to mitigate risk.



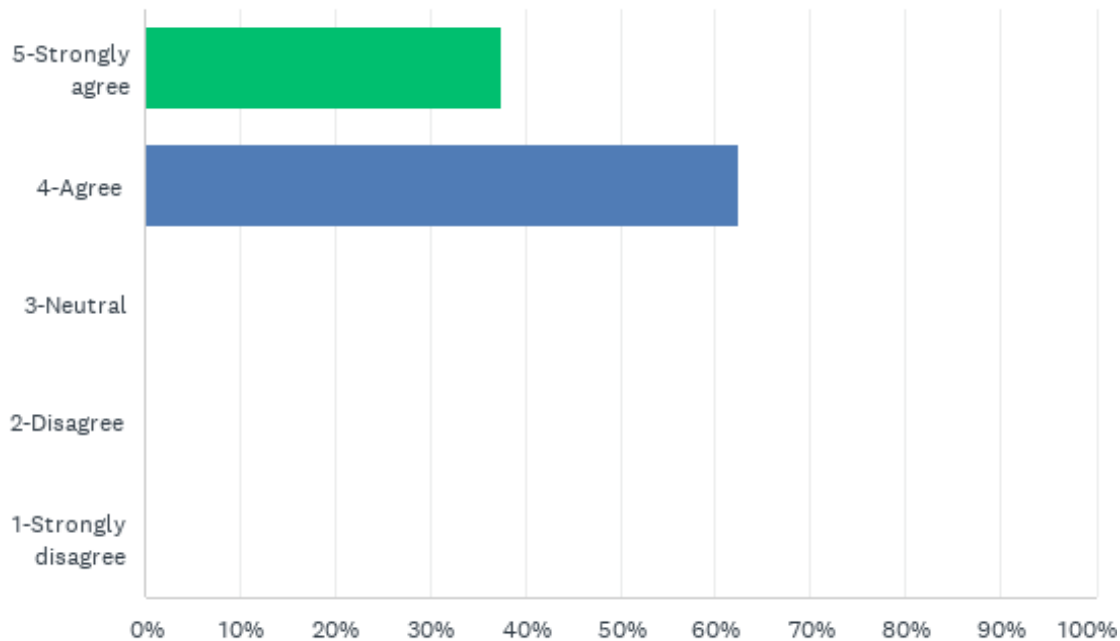
Average rating: 4.5

Q25: Risk Management/Compliance—The Board receives sufficient information to determine if KCERA is in compliance with the policies it has adopted.



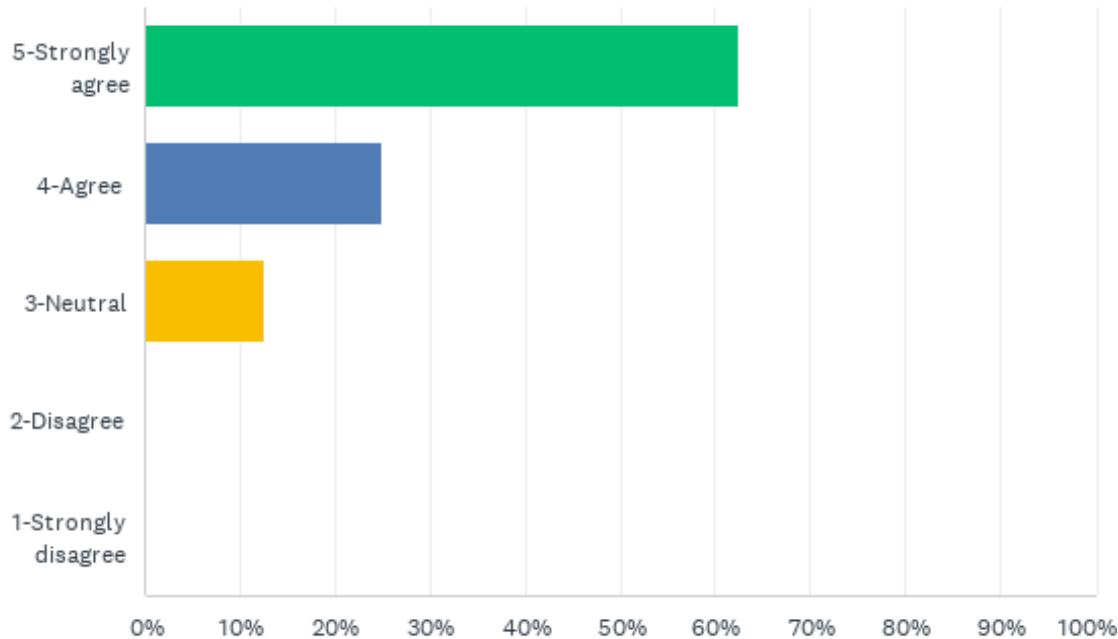
Average rating: 4.3

Q26: Meeting Effectiveness—Board meetings are conducted in a manner the encourages open communication and healthy debate, ensures all voices are heard, and provides for sound resolution of issues.



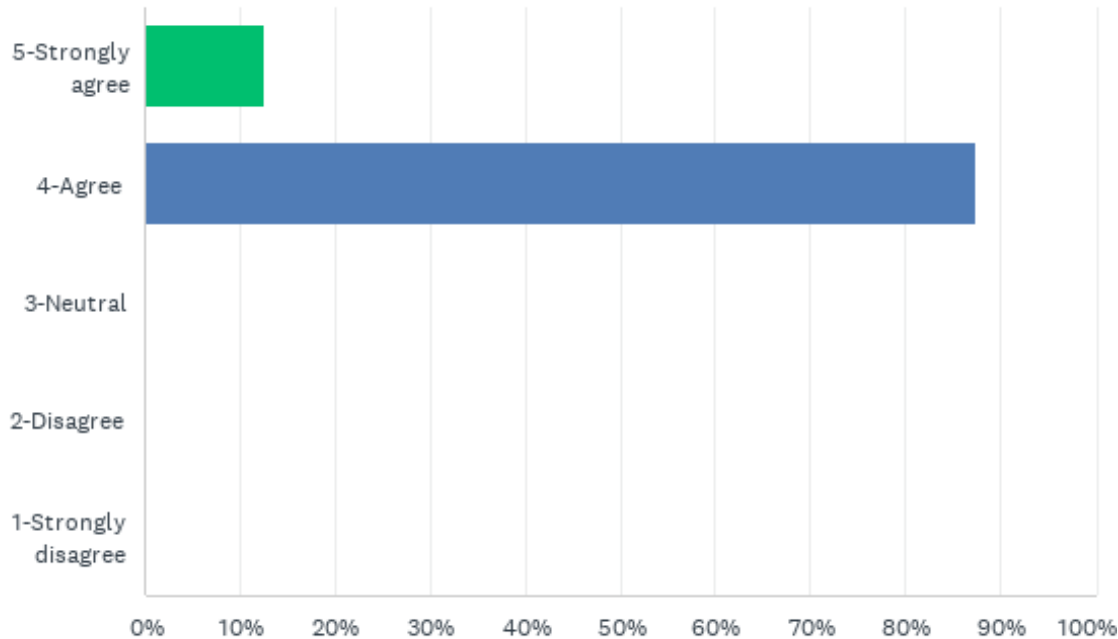
Average rating: 4.4

Q27: Meeting Effectiveness—The current number of board meetings is sufficient to accomplish the Board's annual goals and objectives.



Average rating: 4.5

Q28: Meeting Effectiveness—Each Board Member has sufficient input into meeting agendas and topics.

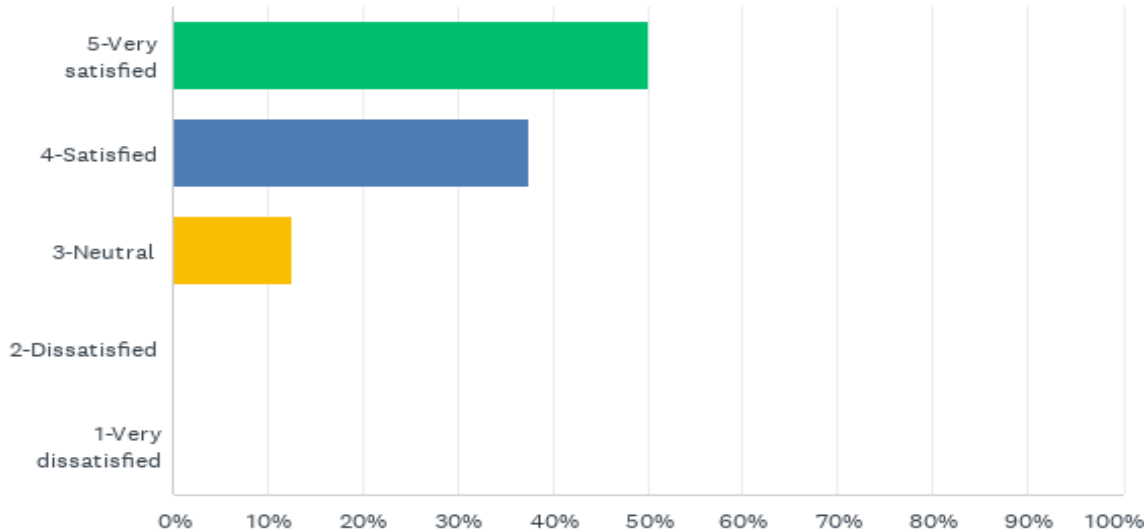


Average rating: 4.1



- Section 3: Satisfaction with key KCERA Board Vendors Results

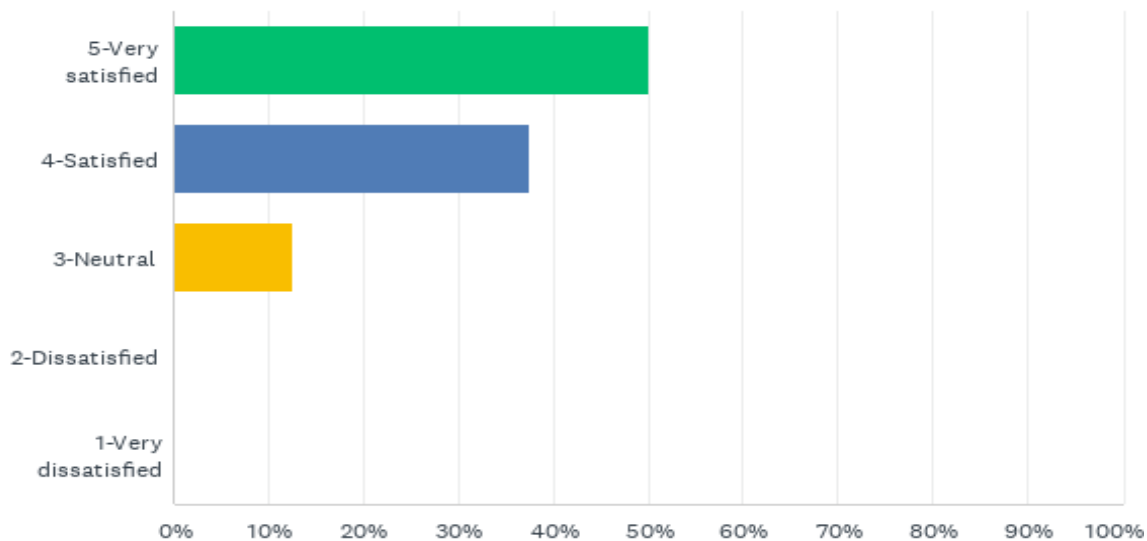
Q1: Actuary—The Segal Company, Inc.



Average rating: 4.4

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

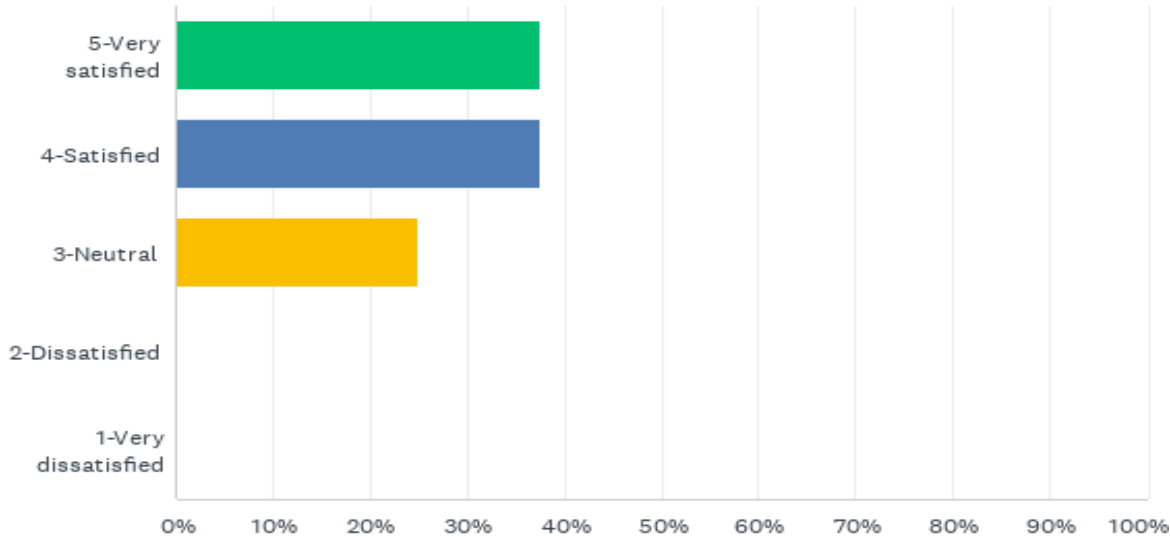
Q2: General Investment Consultant-Verus



Average rating: 4.4

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

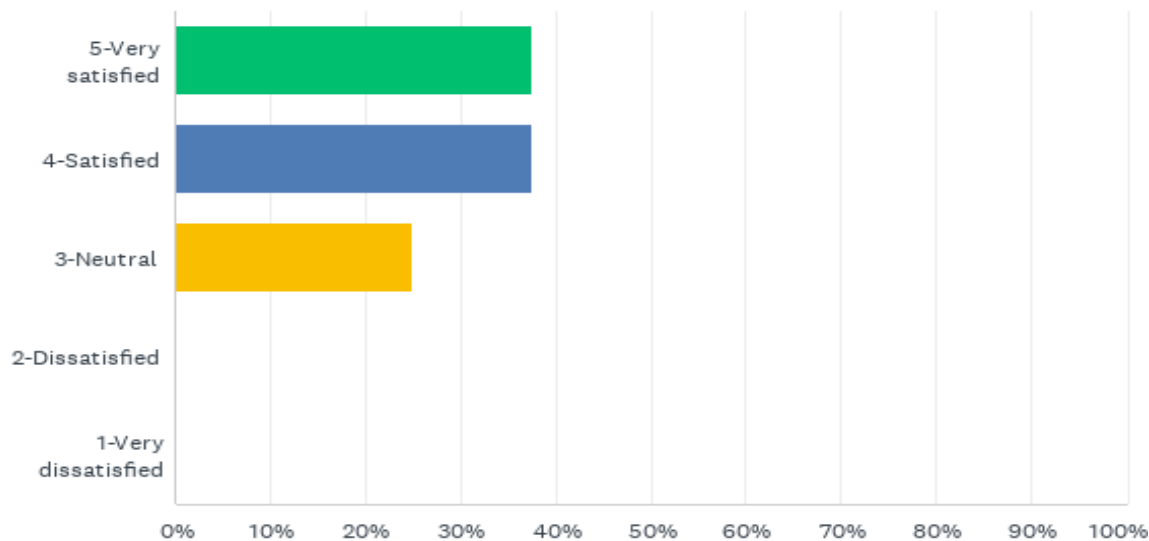
Q3: Hedge Fund Consultant—Albourne America LLC



Average rating: 4.1

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

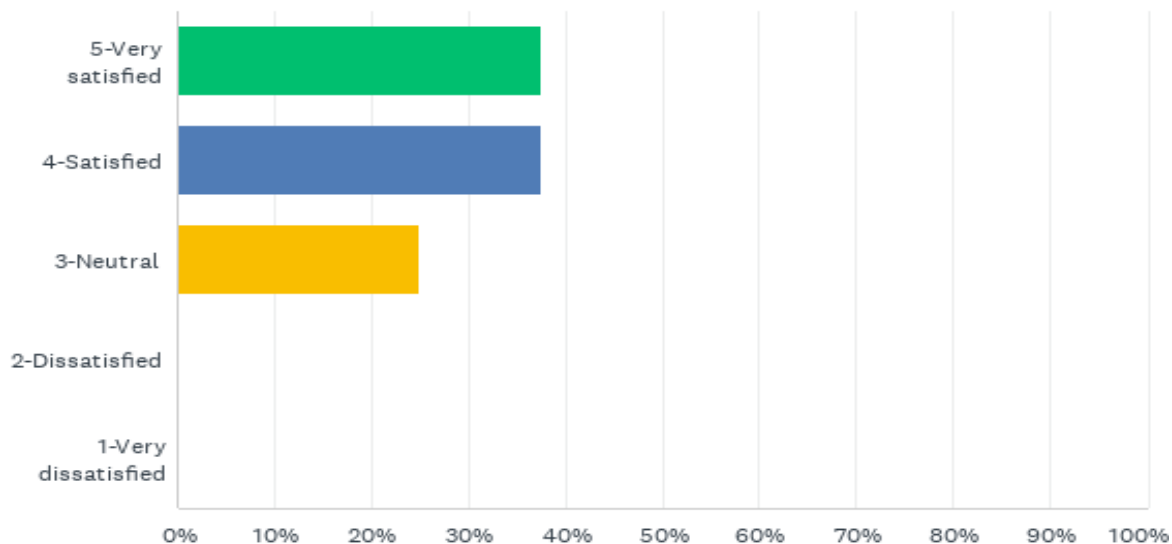
Q4: Private Markets Consultant—Cambridge Associates



Average rating: 4.4

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

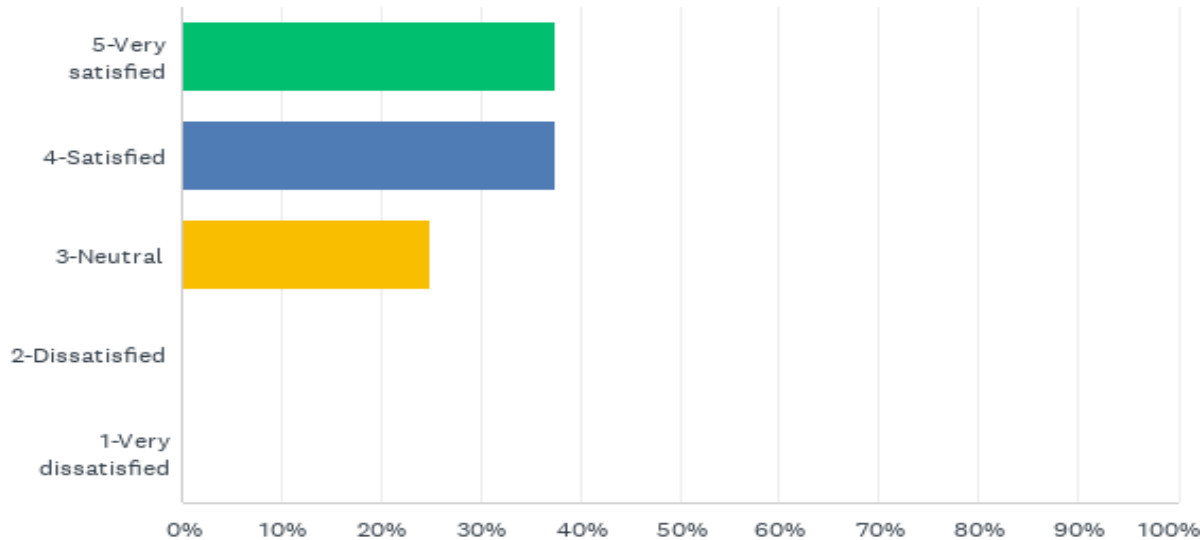
Q5: Legal Counsel—Nossaman, LLP



Average rating: 4.1

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

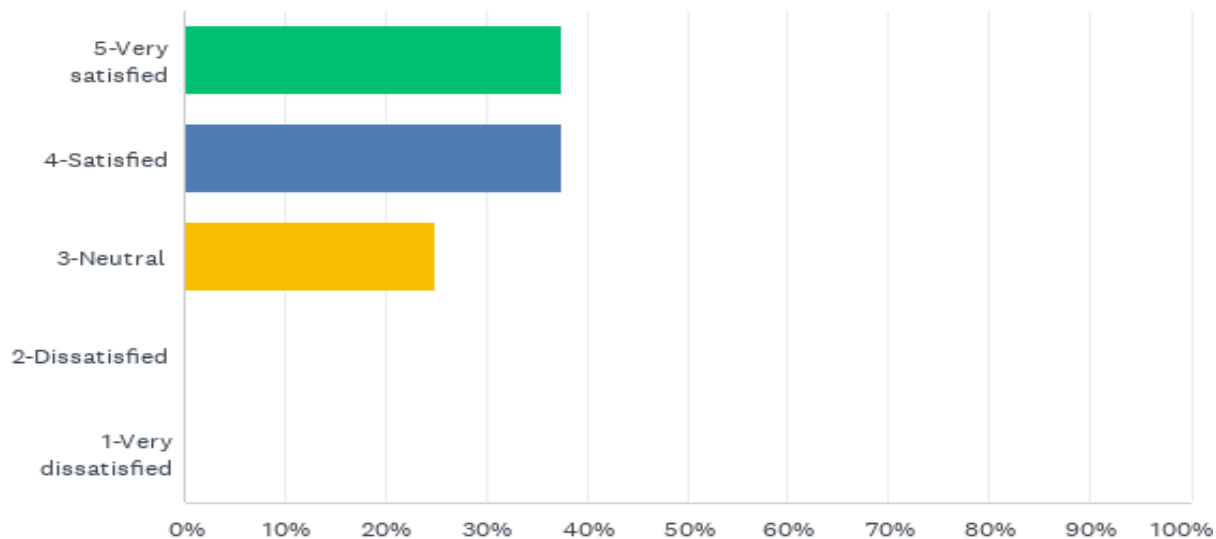
Q6: Legal Counsel—Reed Smith, LLP



Average rating: 4.1

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

Q7: Tax counsel—Ice Miller, LLP



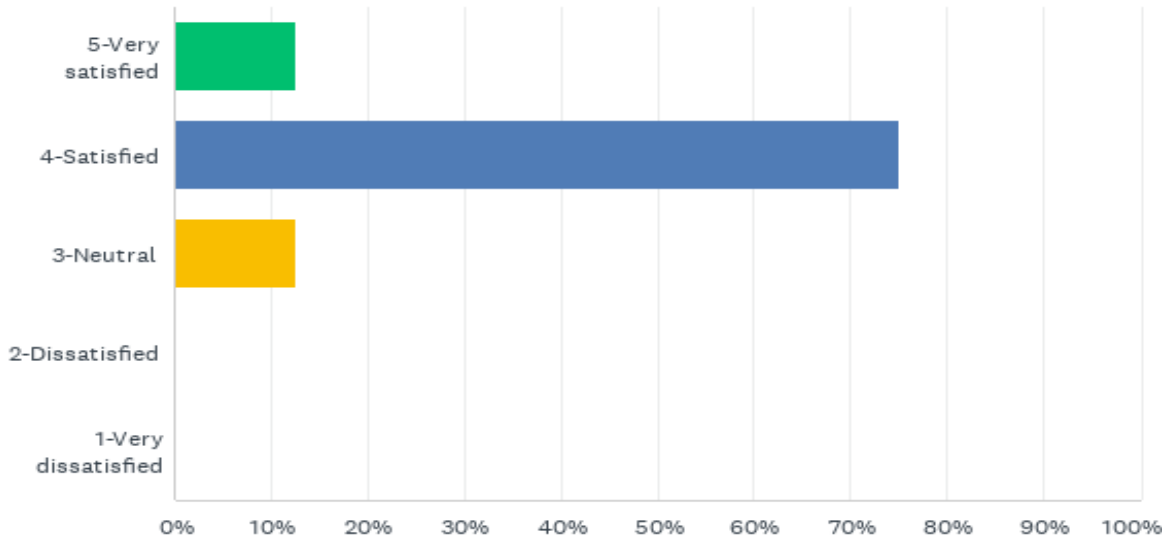
Average rating: 4.1

- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*



- Section 4: Board Education Results

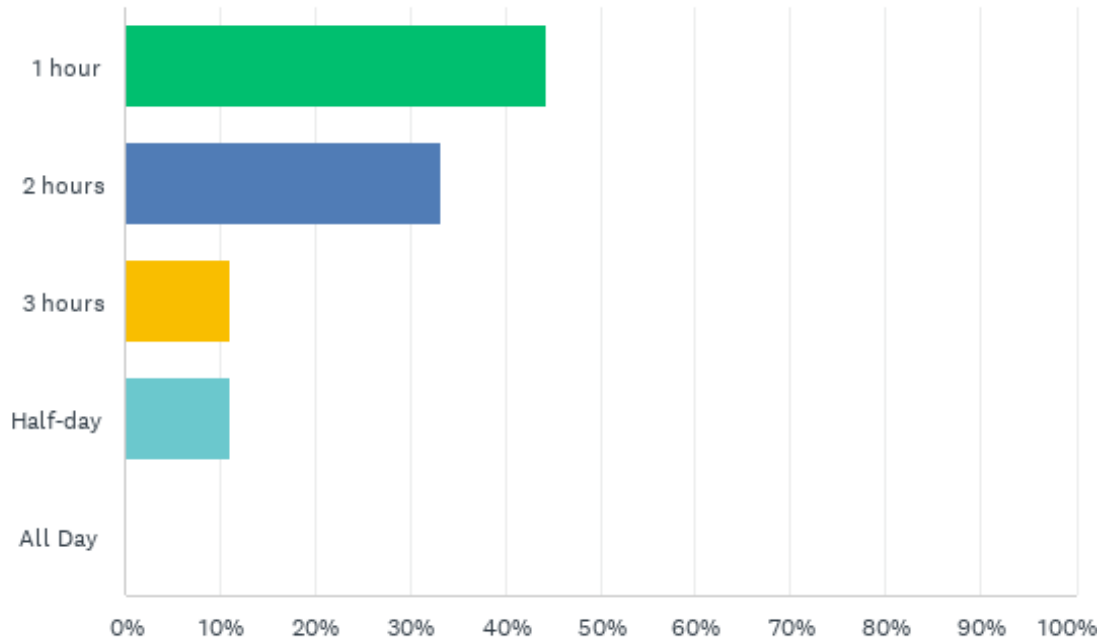
Q1: Please rate your satisfaction levels with prior in-house continuing board education in the last year.



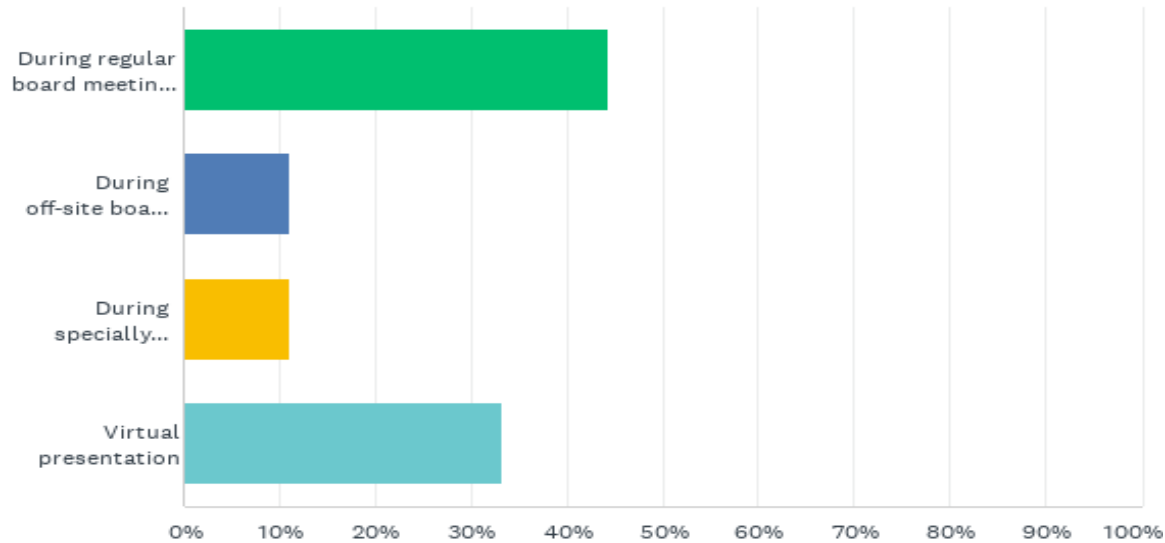
Average rating: 4.0

- *Although I have only been to one in-house training, it was very helpful and well presented.*
- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

Q2: Please indicate your preferred duration for in-house continuing board education sessions.

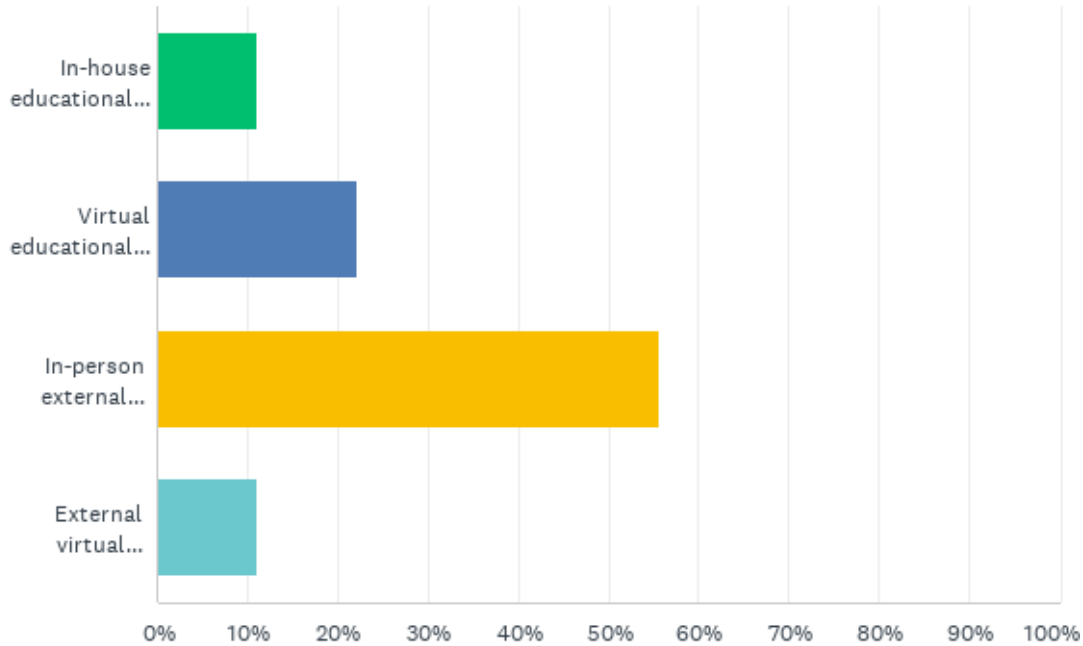


Q3: Please indicate your preference for scheduled in-house educational topics.

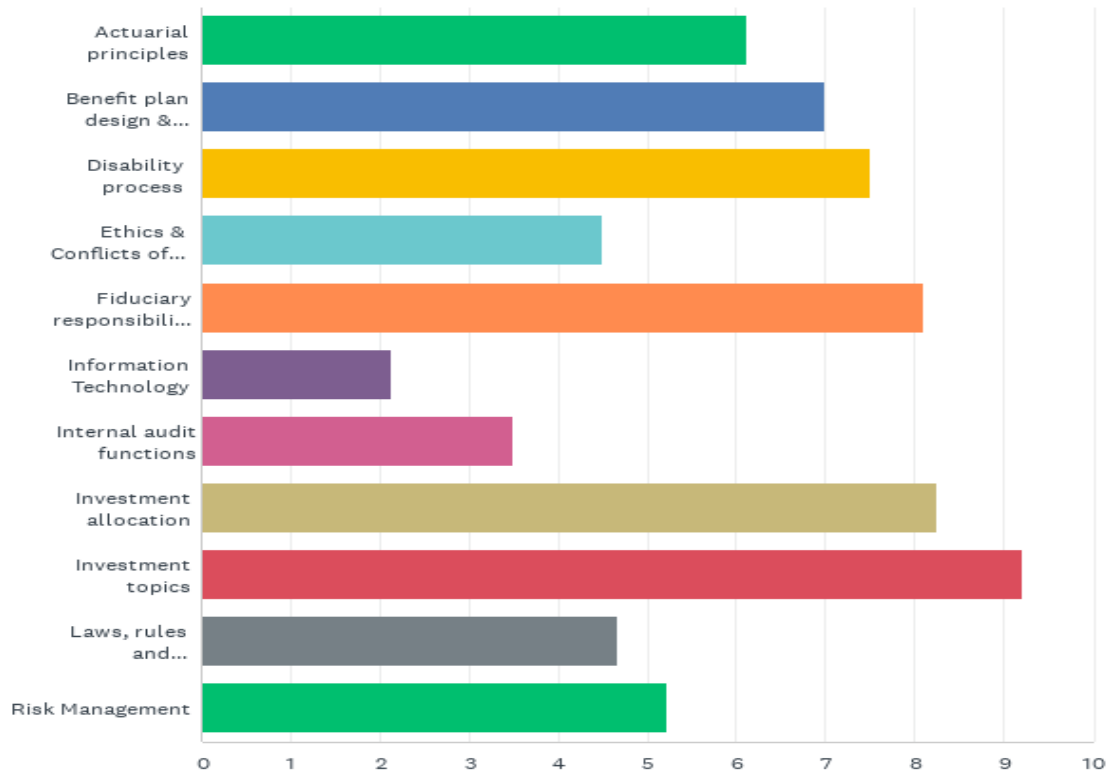


- *Answer is based on current Covid restrictions.*

Q4: Please indicate your preferred method of continuing board education.



Q5: Please rank the order of the following continuing board educational topics from 1-11 (1=most desired, 11= least desired).



What other continuing board educational topics do you believe would be beneficial to you to perform your board duties and responsibilities?

- *I cannot think of any at this time.*
- *I feel I am too inexperienced to know what I don't know.*



- Section 5: Open-Ended Questions Results

What do you believe are the Board's greatest strengths?

- *Working together and learning from each other (from meetings).*
- *It's organization and relationship with the CEO.*
- *Ability to work well and have discussion.*
- *Diversity of viewpoints and strength of its staff.*

What are areas in which the Board could improve? What do you believe is needed to assist this Board in becoming even better?

- *Increased participation in meetings and committees from all trustees.*
- *As I am new to the board I do not believe I have had enough time to give an appropriate evaluation.*

What do you consider to be the top 3 priorities for the Board over the next year?

- *Serve/Protect our retirees.*
- *Invest wisely.*
- *Support our Staff.*
- *Alameda Decision/ Proper administration of Alameda decision.*
- *Streamlining disability claims.*
- *Investment expansion.*
- *Adequate staffing to audit for any discrepancies to member files.*
- *Remaining in compliance with IRS rules and regulations.*

Please provide any additional comments you may have.

- *Thank you for reaching out. Self/Needs assessments are a good start to a new board member such as myself.*

Legal Disclosures and Disclaimers

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Aon Consulting, Inc.
200 E. Randolph Street
Suite 700
Chicago, IL 60601

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Board Communications Policy

Presented by:

Jennifer Esquivel Zahry, Chief Legal Officer

Purpose

- Facilitate Open and Effective Communication
- Among and between
 - Trustees
 - Plan Members
 - Staff
 - Plan Sponsors
 - External Parties



Background

One Voice

Policy Focus

Transparency

Risk Control

Guidelines

01

General

02

Spokesperson

03

Trustee
Communications
with Staff

04

Trustee
Communications
with Plan
Members

05

Communication
with Service
Providers and
the Media

06

Communication
with Other
External Parties

Communication with External Parties



CEO responsible for direct communication with regulatory authorities on behalf of KCERA



Only the Board and CEO are authorized to make commitments on behalf of KCERA



Disclaimer required when communicating personal views or positions to KCERA members



KCERA resources not available to communicate personal views/positions



CEO/CLO advance review and approval required for public presentation of KCERA information

Disclaimer

I am speaking today [or writing] in my personal capacity [or in my capacity as X]. All opinions expressed [herein or in my presentation] are strictly my own [or made in my capacity as X] and do not necessarily reflect the official positions or views of KCERA.

Violation or Not?

- Trustee Barton receives a response from Staff to a question he posed. He then forwards the response to fellow Trustees Romanoff, Banner, and Stark.
- Trustee Parker wants to help his Aunt May with her disability retirement application. He calls benefits staff member Potts directly to ask for help.
- Trustee Rogers (retiree) writes an article to the Plan's retiree membership about the pending changes to the fund's SRBR policy and his commitment to fight for more benefits for retirees.
- Trustee Quill (elected) publicly disparages appointed Trustees Strange and Lang for the way they voted on a particular issue.
- County Supervisor Danvers publicly states the need for Trustee Maximoff (appointed) to make sure to “win that vote” at the next retirement meeting.



BOARD COMMUNICATIONS POLICY

PURPOSE

- 1) This policy is intended to encourage and facilitate open and effective communications among and between the trustees and Plan Members, staff, and external parties.

BACKGROUND

- 2) The Board's communication efforts shall be guided by the following principles:
 - a) *One Voice*: The Board shall promote a diversity of views in its internal deliberations, but shall strive to communicate externally as a unified body to promote clear and consistent communications.
 - b) *Policy Focus*: The Board's role in communications shall focus on establishing communications-related policies, providing input into communication plans or other strategic communications, and overseeing implementation. Day-to-day communications involving Plan Members, service providers and stakeholders shall occur primarily through staff.
 - c) *Transparency*: The Board shall be transparent in its communications with stakeholders, and shall act at all times in a manner consistent with the Brown Act.
 - d) *Risk Control*: In all of its communication activities, the Board shall strive to minimize the risk of inaccurate or inconsistent communications, as such communications may cause harm to KCERA, Plan Members, or stakeholders; or may negatively impact KCERA's credibility. The need to control such risks shall not limit the right of trustees to freely express themselves in their individual capacities.

GUIDELINES

General

- 3) Trustees shall be familiar with and comply with all applicable open meeting legislation including the Brown Act, which requires that, among other things:
 - a) Trustees shall not conduct or participate in serial meetings one at a time or in a group that in total constitutes a quorum of the Board or committee of the Board either directly or through intermediaries or electronic devices, and

- b) Trustees shall not disclose to others any confidential information provided to them in closed session.
- 4) Trustees shall communicate with all parties in a professional and constructive manner.
 - 5) Trustees shall share any information of a fiduciary nature pertinent to the affairs of KCERA with the Board and Management in a timely manner. Similarly, the Executive Director shall make every effort to ensure that trustees are made aware of all relevant and available information in a timely manner.
 - 6) As a courtesy, trustees are encouraged to provide advance notice, if possible, to a fellow trustee, staff member, or outside advisor as to any questions or concerns they intend to raise with that party at a board or committee meeting.

Spokesperson

- 7) The Executive Director shall serve as the spokesperson for KCERA.
- 8) In the absence of the Executive Director, the Assistant Executive Director shall serve as the spokesperson for KCERA. In the absence of the Assistant Executive Director, the General Counsel shall serve as the spokesperson for KCERA.
- 9) The spokesperson for KCERA shall confer with the Chair beforehand on significant issues.
- 10) In situations where the Board determines it would be inappropriate for the Executive Director or, in his or her absence, the Assistant Executive Director or General Counsel to serve as spokesperson, then the Chair shall serve as spokesperson.
- 11) Spokespersons shall only communicate positions that have been decided by the Board or that reflect the official views or policies of the Board.

Trustee Communications with Staff

- 12) The Board recognizes that its authority rests with the Board itself and not with individual trustees. Accordingly, requests by individual trustees for information that require a material expenditure of staff time or external resources should be requested at board or committee meetings and require board or committee authorization. Information requests authorized by a committee must be consistent with the committee's charter.

- 13) To support transparency and coordination of activities and resources, material communications between trustees and staff are expected to occur through the Executive Director, Assistant Executive Director, Chief Investment Officer, and/or General Counsel. Trustees are expected to inform the Executive Director of all material communications they may have with his or her subordinates.

Trustee Communications with Plan Members

- 14) Trustees shall not attempt to educate or counsel Plan Members with respect to their individual benefit entitlements, but instead shall direct Plan Members with personal benefit-related questions to the KCERA office or website, or directly to senior management of KCERA. KCERA staff have access to member files and possess the necessary training to provide Plan Members with accurate information concerning their personal benefit entitlements.
- 15) A trustee shall not have ex-parte communications on the merits of a quasi-adjudicative application made to the Board, such as an application for disability retirement, with any party or their attorney.
- 16) The Board may establish the purpose, objectives, and other guiding parameters of KCERA member and stakeholder communication programs. Staff shall be responsible for implementing such programs, which shall include the preparation and delivery of communication materials and content.
- 17) KCERA member and stakeholder communication programs shall not be used to promote:
- a) Positions on legislation that would enhance or reduce retirement benefits or alter the structure of KCERA's defined benefit system, or add a hybrid defined contribution/defined benefit retirement system as KCERA believes that such decisions fall within the purview of the plan sponsor; and
 - b) Approaches to funding KCERA that differ from the official funding policies of KCERA reflected in the 1937 Act or other applicable legislation or regulations, the requirements of the Governmental Accounting Standards Board (GASB), the latest actuarial valuation adopted by the Board, or other funding policies adopted by the Board.

Communication with Service Providers and the Media

- 18) Press releases concerning KCERA shall generally be the responsibility of the Executive Director. Such releases shall be shared beforehand with the Board or, if time does not permit, with the Chair.

- 19) Material communication by trustees with service providers should be limited to Board or committee meetings or arranged through Management. Any material communications pertaining to the business of KCERA between a trustee and a service provider outside of this context should be disclosed to the Chair and the Executive Director. Where the material communication is between the Chair and a service provider, such disclosure shall be made to the Vice Chair and the Executive Director.
- 20) In any communication with service providers, trustees shall refrain from disclosing privileged information, or other information that may be perceived as granting special treatment or favoritism.
- 21) Trustees shall refer investment opportunities or other proposals they receive from service providers to the Chief Investment Officer and the Executive Director for investigation.
- 22) Board members shall abide by the Evaluation Period Policy, which restricts Board member communications with current and prospective service providers under specified circumstances. (See Evaluation Period Policy for details.)

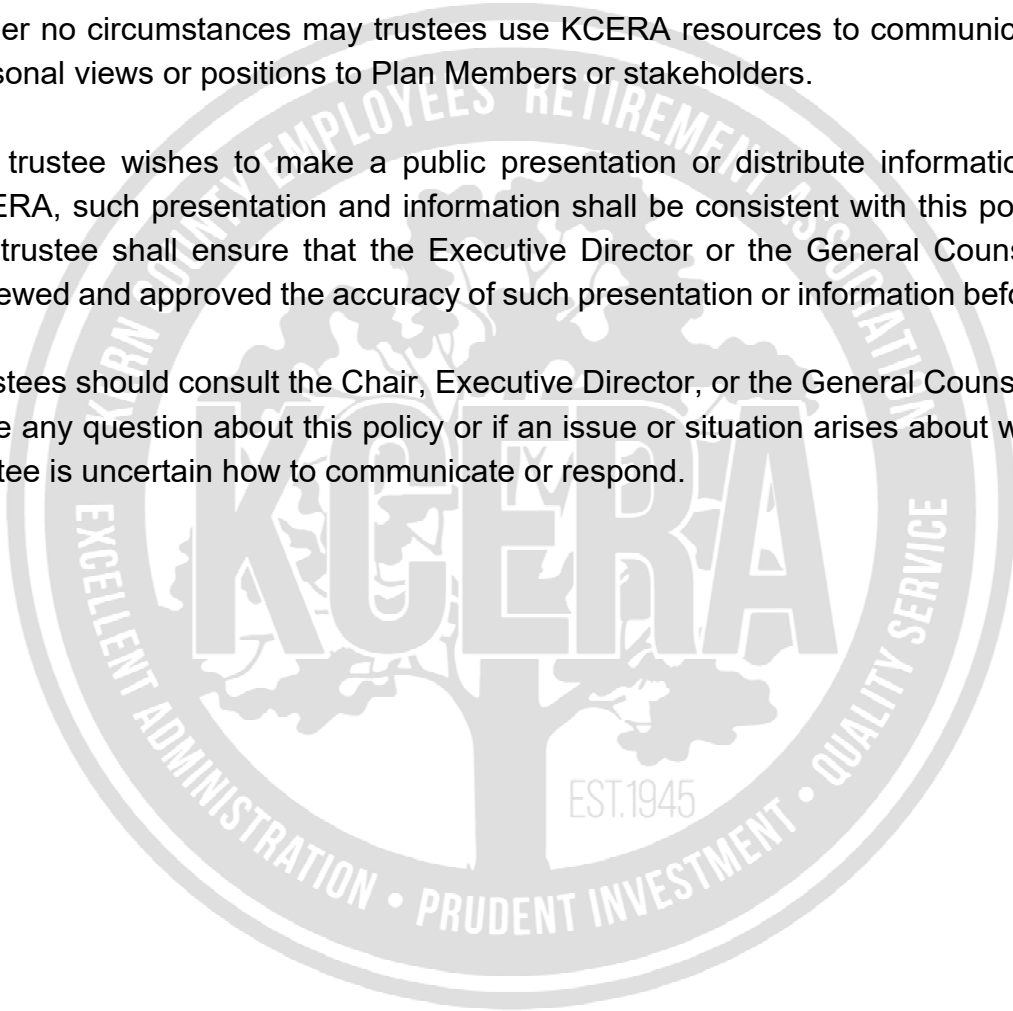
Communication with Other External Parties

- 23) All communications with regulatory authorities, civil grand juries, or investigators shall be directed to the Executive Director for coordination and response, unless under the circumstances it would not be prudent to do so, in which case they shall be directed to the Chair or the General Counsel.
- 24) When communicating with external parties on matters pertaining to KCERA:
 - a) Unless authorized by the Board, Trustees shall not communicate on behalf of the Board or KCERA, nor shall they make any remarks that a person might reasonably assume or infer represent the official position of the Board or KCERA; and
 - b) Trustees shall not make any unilateral commitments on behalf of the Board or KCERA, nor give the impression of making such commitments.
- 25) The Board recognizes that while trustees are not authorized by the Board to communicate on its behalf, they may nevertheless wish to communicate publicly about issues pertaining directly or indirectly to KCERA in a capacity other than as a member of the KCERA Board; for example, at conferences, in newspapers, or in newsletters. In such situations, trustees shall preface their written or verbal comments

with the following disclaimer (modified as appropriate for verbal versus written communications):

I am speaking today [or writing] in my personal capacity [or in my capacity as X]. All opinions expressed [herein or in my presentation] are strictly my own [or made in my capacity as X] and do not necessarily reflect the official positions or views of KCERA.

- 26) Under no circumstances may trustees use KCERA resources to communicate their personal views or positions to Plan Members or stakeholders.
- 27) If a trustee wishes to make a public presentation or distribute information about KCERA, such presentation and information shall be consistent with this policy, and the trustee shall ensure that the Executive Director or the General Counsel have reviewed and approved the accuracy of such presentation or information beforehand.
- 28) Trustees should consult the Chair, Executive Director, or the General Counsel if they have any question about this policy or if an issue or situation arises about which the trustee is uncertain how to communicate or respond.




POLICY REVIEW AND HISTORY

- 29) This policy shall be reviewed at least every five years.
- 30) This policy was:
 - a) Adopted by the Board on October 25, 2000.
 - b) Amended on June 23, 2004; February 8, 2006; June 28, 2006; December 12, 2012; April 13, 2016; and August 11, 2021.



Memorandum from the
Office of the Chief Legal Officer
Jennifer Esquivel Zahry

Date: May 4, 2022
To: Board of Retirement, Trustees
From: Jennifer Esquivel Zahry, Chief Legal Officer 
Subject: **Proposed Changes to Rules of Procedure for Disability Retirement**

This memo summarizes proposed changes to the Rules of Procedure for Disability Retirement recommended by your Board's Administrative Committee at their February 23, 2022 meeting.

1) Rule 1.H. Service of Documents

This rule was updated to reflect the addition of our Deputy Chief Legal Officer who represents SDAG in litigation matters.

2) Addition of Provisions re Conflicts of Interest

Conflict of interest provisions were added to the Rules to ensure a process is in place in the event a disqualifying financial conflict of interest arises. If such a conflict is identified, the Chief Executive Officer will seek approval from your Board for alternate handling. In addition, the Chief Legal Officer will advise the affected Board or staff member, as well as the full board, of the applicable conflict of interest.

3) Addition of Definition for "Disqualifying Financial Interest"

Definition of "disqualifying financial interest" was added to clarify the scope of the new Conflicts of Interest provisions.

4) Rule 14.B. Prehearing Conference Order

To ensure compliance with the Rules of Procedure, this rule was updated to include a template Prehearing Conference Order. Among other things, the template requires the Hearing Officer to list the contested conditions and legal issues addressed at the Prehearing Conference.

5) Addition of form Templates for Administrative Hearings

To increase efficiency, clarity and compliance with the Rules of Procedure, Staff developed these appendices for the Scheduling and Prehearing Conference Orders. These templates will assist the assigned hearing officers in identifying and documenting the contested issues to be determined at the Administrative Hearing.

6) Review Cycle Added to Rules Review and History

A review cycle period of five (5) years was added.

Recommendation

Staff recommends that your Board approve the proposed amendments and additions to the Rules of Procedure for Disability Retirement.

KCERA

PRUDENT INVESTMENT • QUALITY SERVICE



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Kern County Employees' Retirement Association

11125 River Run Boulevard
Bakersfield, CA 93311

Tel (661) 381-7700 • Fax (661) 381-7799

Toll Free (877) 733-6831

TTY Relay (800) 735-2929

Rules of Procedure for Disability Retirement

Rules are also available on the
Kern County Employees' Retirement Association website
(www.kcera.org)

DRAFT

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Rule 1. General Provisions

- 1.A. Purpose.** The Kern County Employees' Retirement Association ("KCERA") Rules of Procedure for Disability Retirement ("these Rules") have been promulgated for the purposes of providing a procedure for submitting and acting upon applications for disability retirement under the County Employees' Retirement Law of 1937 ("CERL"), expeditiously. All proceedings for applications for disability retirement shall be conducted in accordance with these Rules.
- 1.B. Resolution of Conflicting Provisions.** KCERA is governed by the CERL. If a conflict should arise between these rules and the CERL, the CERL will prevail.
- 1.C. Amendments to Rules of Procedure for Disability Retirement.** These Rules may be amended at any regular or specially noticed meeting of the KCERA Board of Retirement ("Board"). In order to facilitate the orderly and efficient implementation of these Rules, the Board hereby delegates to the KCERA Executive Officer the authority to approve amendments of a minor, non-substantive nature that do not alter the fundamental rights and responsibilities of any parties in the disability retirement process. The scope of this delegation of authority includes, but is not limited to, typographical errors, format revisions, conforming terminology, revision of forms, and similar types of amendments.
- 1.D. Representation by Counsel.** An Applicant and/or Member (if the Member is not the Applicant,) shall be entitled to be represented by legal counsel (that is licensed by the California State Bar and currently in good standing), at the party's expense, provided counsel has completed KCERA's authorization form and filed the form with the ~~Executive Director~~Chief Executive Officer. Once the form is accepted as filed by the ~~Executive Director~~Chief Executive Officer, all notices and information relating to this process shall thereafter be served upon such counsel. Until KCERA's authorization form has been filed with the ~~Executive Director~~Chief Executive Officer, KCERA, the Board or the Hearing Officer is not obligated to recognize any attorney claiming to represent a party. Substitution or dismissal of an attorney shall be made in the manner provided in sections 284, 285 and 286 of the Code of Civil Procedure.
- 1.E. Communication with Individual Board Members.** The Board is the decision-maker for all applications for disability retirement. As such, communications concerning the merits or substance of an application between any Board member and parties (or their legal counsel) are forbidden until such time as the Board issues its decision. Violations of this rule may result in the Board member being found ineligible to participate in any discussion regarding the Application, or vote on the Application.
- 1.F. Confidential Records.** All individual records of a Member (including, but not limited to, reports, medical reports and records, applications, notices, orders, and findings and decisions relating to an application for disability retirement) are confidential

and shall not be disclosed by KCERA to anyone except as set forth in these Rules or upon order of a court of competent jurisdiction, or upon written authorization by the Member.

- 1.G. Closed Sessions.** Substantive discussion by the Board related to an application for disability retirement shall be held in closed session. The general public is excluded during closed sessions, but the Parties may be present.

The Member may make public comment during open session, but the Member will have the opportunity to address the Board in closed session.

1.H. Service of Documents.

- a. When a provision of these Rules requires that parties be served, service shall be made upon KCERA, [litigation](#) counsel for KCERA, Applicant or Member (when the Member is not the Applicant), and the Hearing Officer selected (unless stated otherwise). Service to KCERA and counsel for KCERA is to be made at the following address:

KCERA
Kern County Employees'
Retirement Association
Attn: Board of Retirement
11125 River Run Boulevard
Bakersfield, CA 93311

Litigation Counsel for KCERA
Kern County Employees'
Retirement Association
Attn: KCERA Litigation Counsel^{MP1}
11125 River Run Boulevard
Bakersfield, CA 93311~~County of~~
~~Kern County Counsel~~
~~County Administration Building~~
~~1115 Truxtun Avenue, Fourth Floor~~
~~Bakersfield, CA 93301~~

- b. If the party to be served has an identified attorney of record, service shall be made upon the attorney of record in accordance with this section.
- c. Service of documents provided in these Rules may be made by mail in accordance with California Code of Civil Procedure section 1013. The time requirements of California Code of Civil Procedure section 1013 shall govern all service by mail.

1.I. Conflicts of Interest. To avoid actual bias or the appearance of impropriety, favoritism, or improper influence, the Chief Executive Officer will evaluate whether applicable conflict of interest rules and principles favor another CERL system or vendor administratively process, prepare, and present a disability retirement application to the Board of Retirement for final action ("alternate handling").

A disability retirement application shall only be evaluated for alternate handling if action on the application by a current member of the Board of Retirement or

KCERA staff involves a “disqualifying financial interest” as defined below. A disability retirement application filed by a current or former member of the Board of Retirement, his/her spouse, parent, or child, or a current KCERA staff member or his/her spouse, parent, or child shall be evaluated by the CEO for alternate handling. Other applications that involve a disqualifying financial interest may be evaluated as well.

The CEO will notify the Board of any disability retirement application evaluated for alternate handling and will seek approval from the Board if alternate handling is recommended. In all cases, the KCERA Board of Retirement is required to make the final determination act on KCERA disability retirement applications regardless of whether the application was approved for alternate handling.

- a. Counsel—Notification Process. If an application is evaluated for a disqualifying financial interest, Counsel for the Board will notify the affected Board or KCERA staff member and the full Board of the application and applicable conflict of interest rules and/or statutes.

4.1.J. Definitions. In these Rules, unless the context or subject matter otherwise requires:

- a. “Applicant” means a Member of the Kern County Employees’ Retirement Association applying for disability retirement benefits under the CERL, or any person or persons (when the member is not the applicant) described in Government Code section 31721 as entitled to file an application on behalf of a Member.
- b. “Board” means the Board of Retirement of the Kern County Employees’ Retirement Association.
- c. “Disability” or “disabled,” whether used singly or in combination with other words, means permanent incapacity for performance of job duties.
- d. “Disposition” means the final decision regarding an application for disability retirement.
- e. “Disqualifying Financial Interest” for purposes of these rules means a financial impact or effect interest onf a KCERA Board or staff member public official, personal or otherwise, which will- foreseeably be and -materially bear upon impacted by a -governmental decision and for which the financial impact is distinguishable from the effect on disability applicants generally.

Where a public official has such an interest, he or she is prohibited from participating in any related decision-making process.

- e.f. “Executive—DirectorChief Executive Officer” means the Executive DirectorChief Executive Officer appointed by the Board or his/her designee

including, but not limited to, a third-party administrator, for purposes of administering the disability procedures under these Rules and in accordance with the CERL.

f.g. “Hearing Officer” is a designee of the Board who conducts the Administrative Hearing. The Hearing Officer acts as the judge assigned to the case and is granted the authority described in these Rules.

g.h. “In whole or in part”, for purposes of these Rules, means an application can be granted as to one claimed disability but denied as to another, or can be granted on a non-service-connected basis and denied on a service-connected basis.

h.i. “Member” means a current member of the Kern County Employees’ Retirement Association.

i.j. “Motion *in limine*” for purposes of these Rules, means an oral or written motion made by a party which asks the Hearing Officer to prevent certain evidence from being presented by the other side at the administrative hearing.

j.k. “Party,” during the administrative hearing phase of the application, means a person, such as an attorney or Applicant (when the member is not the applicant).

k.l. “Party in interest,” during the administrative hearing phase of the application, means the member who is the subject of the application filed by his/her employer.

l.m. “Permanent incapacity” means an impairment of the member’s body and/or mind which causes the member to be substantially unable to perform the usual duties of the position held by the member at the time of application or, if retired for service, the position last held by the member and which is determined by competent medical evidence to be permanent or of such prolonged and uncertain duration as to be considered permanent.

m.n. “Retirement Association” or “KCERA” means the Kern County Employees’ Retirement Association.

n.o. “Staff Disability Application Group” or “SDAG” means a committee comprised of KCERA staff designated by the ~~Executive Director~~Chief Executive Officer. The Staff Disability Application Group reviews all applications for disability retirement, refers cases to independent medical examiners and/or investigators as the SDAG deems appropriate, and makes recommendations to the Board.

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e.p. “With Prejudice” means the decision by the Board prohibits the possibility of applicant submitting a new application on the same basis as the dismissed case.

p.g. “Without Prejudice” means the decision by the Board does not prohibit the possibility of applicant submitting a new application on the same basis as the dismissed case.

e.r. “Writing” means a handwritten, typed, or printed document used to communicate relevant information; transmission of information by email (electronic mail) with an attached handwritten, typed, or printed document communicating the relevant information may be sent as a courtesy, but is not an accepted method of writing under these Rules.

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Rule 2. Forms.

Applicants are required to use the pre-printed forms provided by KCERA without modification. The ~~Executive Director~~Chief Executive Officer has the authority to create and revise forms used in the disability retirement process, as necessary, to obtain information necessary to render a decision on an application.

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Rule 3. Required Forms.

Upon request, the ~~Executive Director~~Chief Executive Officer shall provide the forms for disability retirement benefits, which include an *Application for Disability Retirement* form, an *Authorization for Release of Medical Records and Information* form, an *Attending Physician's Report* form ("Disability Application Packet") and a copy of these Rules.

3.A. Disability Application Packet. An application packet must include all of the following:

3.A.1 A completed *Application for Disability Retirement* signed and dated by the Applicant which appropriately describes a disability that permanently incapacitates the Member from the performance of his/her job duties and contains any and all other information requested on the application form;

3.A.2 An *Authorization for Release of Medical Records and Information* (including, but not limited to, medical and employment records) signed by the Member or other person authorized by law;

3.A.3 A completed *Attending Physician's Report (APR)* signed by a duly licensed physician, which responds to the information requested, describes the disability alleged to permanently incapacitate the Member, and delineates any relevant work restrictions for the injury/condition.

3.A.3.a If more than one disabling injury is claimed, a separate *APR* is required for each claimed injury.

3.A.3.b The *APR* must be typed or printed legibly, or it may be rejected.

3.A.3.c The *APR* must be submitted to KCERA within three (3) months of the date it is signed by a duly licensed physician.

3.A.3.d Upon request, KCERA can supply a letter of instruction to the physician to accompany the *APR*.

3.A.3.e A copy of the Member's official job description for the position from which the Applicant claims permanent incapacity must be provided to and referenced by the duly licensed physician in completing the *APR*.

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3.B. Application Accepted as “Filed”. No application will be considered “filed” within the meaning of Government Code sections 31721 - 31724, until all the required forms described in Rule 3.A. are received and officially accepted. KCERA may provisionally accept applications for initial review before officially accepting an application as “filed.” All applications will be marked “filed” as of the date they are deemed complete and officially accepted by the ~~Executive Director~~Chief Executive Officer.

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Rule 4. Administrative Process.

In the initial stages of processing a Disability Application Packet, KCERA processes may differ depending on whether the Applicant is the Member, the Member's employer, or another eligible person.

4.A. Application Filed by Member - Notification to Member. KCERA will provide Applicant one of two letters:

4.A.1 Acceptance by KCERA - KCERA will provide the Applicant a letter confirming the Disability Application Packet is complete and has been accepted as filed or provisionally accepted.

4.A.2 Inability to Accept or File - If the Disability Application Packet is not complete or cannot be accepted, KCERA will provide the Applicant a letter explaining why the Disability Application Packet could not be filed with KCERA.

4.B. Application filed by a Person Other than the Member – Notification to Member.

4.B.1 Upon receipt of an Application for Disability Retirement filed on behalf of a Member, the ~~Executive Director~~**Chief Executive Officer** shall, within ten (10) business days, send an instructional letter to the Member at his/her address on file with KCERA with the following:

4.B.1.a a copy of the *Application for Disability Retirement* filed by the Applicant;

4.B.1.b a Disability Application Packet; and

4.B.1.c a *Preference Form* in which the Member indicates whether he/she agrees that he/she is permanently incapacitated and, if so, whether the Member believes the condition is service-connected.

4.B.2 Members who wish to apply for disability retirement on conditions other than those listed in Applicant's application and/or contend the disabling condition(s) is service-connected must submit a completed Disability Application Packet (see Rule 3) and *Preference Form* within sixty (60) days of receiving the copy of the Applicant's application.

4.B.3 Members who wish to allow Applicant to pursue the application as submitted must return a completed *Preference Form*, an *Authorization for Release of Medical Records and Information*, and an *APR* for the disabling conditions listed in Applicant's application. If a Member fails to return the *Authorization for Release of Medical Records and Information* and *APR* to KCERA,

KCERA will close the application file until KCERA receives the required forms from the Member or until Applicant can submit a completed *APR*.

4.B.4 Members who object to Applicant's claim that he/she is permanently incapacitated must return a completed *Preference Form* and *Authorization for Release of Medical Records and Information*.

4.C. Application filed by a Person Other than the Member - Notification to Applicant. After the sixty-day (60) period referenced in Rule 4.B.3. above, KCERA will provide Applicant one of two letters:

4.C.1 Acceptance by KCERA - KCERA will provide the Applicant a letter confirming that the application has been accepted and filed, and that the Disability Application Packet is complete.

4.C.2 Inability to Accept, File or Process - If the Disability Application Packet is not complete or cannot be accepted or processed further, KCERA will provide the Applicant a letter explaining its decision.

4.D. Compilation of Records in Support of Application.

4.D.1. After the application is accepted or provisionally accepted and filed, the ~~Executive Director~~Chief Executive Officer begins to collect the following documents and information:

4.D.1.a A *Report of Department Head Regarding Application for Disability* for completion by the Member's department head;

4.D.1.b Any Workers' Compensation claims and medical reports or records filed by the Member for Workers' Compensation benefits;

4.D.1.c Member employment and pay status verification;

4.D.1.d Member's personnel records, including performance evaluations and internal investigation files and reports; and

4.D.1.e Employment records from non-KCERA employers after the application filing date.

4.D.2. The letter accepting and filing the application informs the Applicant that he/she has sixty (60) calendar days from the date of that letter to submit to the ~~Executive Director~~Chief Executive Officer copies of all medical reports and records together with any and all other relevant evidence, certificates or other documents which the Applicant wishes KCERA to consider in support of the application.

4.D.2.a the ~~Executive Director~~Chief Executive Officer or his/her designee, acting as Secretary of the Board, is authorized to issue subpoenas on behalf of KCERA or when requested by the Applicant, in order to obtain relevant evidence as allowed by California Government Code section 31535;

4.D.3. If, before the records are assembled and placed in chronological order, an initial review of the records received by the ~~Executive Director~~Chief Executive Officer reveals incomplete or missing medical information, the ~~Executive Director~~Chief Executive Officer may ask Applicant to obtain such additional medical information, if it is determined that such information is necessary to ensure a complete and comprehensive claim file. Applicant's failure to cooperate with the ~~Executive Director~~Chief Executive Officer in obtaining such reports may result in dismissal of the application without prejudice.

4.D.4. Applicant will be provided with the compiled records once assembled and placed in chronological order. The ~~Executive Director~~Chief Executive Officer will provide Applicant with thirty (30) calendar days to submit any additional medical information that was not included during the sixty (60) calendar day period described in Rule 4.D.2.

4.D.5. Except as described above, an Applicant will not have the ability to submit additional medical information to support the application until an initial determination and recommendation has been made by the SDAG in accordance with Rule 10.

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Rule 5. Investigation of Facts Prior to Administrative Hearing.

- 5.A. Investigator.** The ~~Executive Director~~Chief Executive Officer may select an investigator approved by the Board to conduct an investigation of the facts giving rise to an alleged permanent incapacity and/or interview of Applicant or Member (when the Member is not the Applicant). The investigator shall make a report to the Board of the result of the investigation and provide a transcript of any interview.
- 5.A.1 Interview -** Any Applicant has the right to have a representative present for moral support during an interview by the investigator. The representative may not participate in the interview in any manner. All interviews shall be recorded. The investigator shall summarize the investigation and/or interview in a report to the Board and provide a transcript of any interview.
- 5.B. Subpoena Power.** The ~~Executive Director~~Chief Executive Officer or his/her designee, acting as Secretary of the Board, is authorized to issue subpoenas and subpoenas *duces tecum* on behalf of KCERA in order to obtain relevant evidence as allowed by California Government Code section 31535.
- 5.C. Examination.** The Applicant shall report at times and places specified by the ~~Executive Director~~Chief Executive Officer for one or more medical examination(s) by a physician or physicians selected by the Board or the ~~Executive Director~~Chief Executive Officer.
- 5.C.1 Location of Examination -** If the ~~Executive Director~~Chief Executive Officer authorizes a medical examination of the Member, reasonable attempts to engage a physician within 150 miles of the Member's current residence at a time and date convenient for the Member will be made. If a physician cannot be secured within 150 miles from the Member's current residence, KCERA will pay the Member's reasonable travel costs to and from the examination. Except as described in subsection 5.C.2 below, the cost of the medical examination(s) shall be paid by KCERA.
- 5.C.2 Cancellation of Scheduled Examination/Failure to Appear -** If the ~~Executive Director~~Chief Executive Officer has scheduled an examination for the Member with a physician for purposes of evaluating his/her incapacity, and the Member cancels the examination with less than one (1) weeks' notice or fails to appear for the scheduled examination, the Member may be required to pay the physician's examination fee and/or cancellation fee, as applicable. (Cal.Gov. Code 31723). Failure to cooperate with the ~~Executive Director~~Chief Executive Officer or physician in scheduling, appearing for, or being prepared for the examination may, in the proper discretion of the Board, be grounds for dismissing the application without prejudice.

5.C.3 Psychiatric Examination - When it is contended that a permanent incapacity resulted from a psychiatric injury, a psychiatric examination may be conducted.

Rule 6. Recommendation to Grant Application.

After receipt of all requested documents, and based on the majority view of the SDAG, the ~~Executive Director~~Chief Executive Officer and the Board's Medical Advisor shall each prepare a written report.

6.A. Reports. The reports shall summarize the evidence in support of the application and recommendation to grant the application.

6.B. Recommendation to the Board. The reports and recommendation to the Board shall be written as follows:

6.B.1 The medical reports and records are sufficient for the Board to support a finding that the Member is permanently incapacitated for the performance of his/her usual duties;

6.B.2 In the case of an application for a service-connected disability retirement, that the medical records and reports and other pertinent documents are sufficient for the Board to support a finding that the incapacity was the result of an injury or disease arising out of and in the course of employment and that such employment contributed substantially to such incapacity; or

6.B.3 In the case of an application for nonservice-connected disability retirement, that the Member has served the required period of time that entitles the Member to a nonservice-connected disability retirement.

6.C. Notice to the Applicant/Member. A copy of the recommendation shall be mailed to the Applicant and Member (if the Member if not the Applicant) not less than five (5) business days prior to the next regular Board meeting.

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Rule 7. Recommendation to Deny Application - Notice of Right to Administrative Hearing and Ability to Submit Additional Medical Reports.

If the SDAG recommends denying an application, the ~~Executive Director~~Chief Executive Officer shall send a letter to the Applicant (and the Member, if the Member is not the Applicant) advising that the Applicant and/or the Member has a right to request an administrative hearing before a hearing officer (the *Notice of Right to Administrative Hearing*). The letter shall also contain a *Request for Administrative Hearing* form. The Applicant and/or Member shall have thirty (30) calendar days from the date of mailing of the *Notice of Right to Administrative Hearing* to complete and return the *Request for Administrative Hearing* form.

- 7.A. Administrative Hearing Requested.** If an administrative hearing is requested, the Applicant (and the Member, if the Member is not the Applicant) may submit additional medical reports for consideration by SDAG so long as the medical reports and records are submitted by the Applicant and/or Member with the *Request for Administrative Hearing* form and within thirty (30) calendar days of the date of mailing of the *Notice of Right to Administrative Hearing*. The SDAG shall review and consider such medical reports and records and, upon completion of the review, shall either place the application on the Board's agenda with a recommendation to grant pursuant to Rule 6 or refer the application for administrative hearing pursuant to Rule 11.
- 7.B. Failure to Request an Administrative Hearing.** If the Applicant and/or Member does not timely complete and return the *Request for Administrative Hearing* form and the Applicant does not withdraw the application pursuant to Rule 9, the application will be placed on the consent agenda for the Board's next regular meeting with a recommendation to deny the application, in whole or in part. The ~~Executive Director~~Chief Executive Officer and Medical Advisor shall prepare reports summarizing the evidence and explaining the recommendation. A copy of the reports and recommendation shall be mailed to the Applicant (and the Member, if the Member is not the Applicant) not less than ten (10) business days prior to the next regular Board meeting.

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Rule 8. Failure to Pursue Application or Administrative Hearing.

8.A. Withdrawal Prior to Request for Administrative Hearing. An Applicant may withdraw an application at any time before Applicant requests an administrative hearing or action is taken on the application under Rule 10. If Applicant requests to withdraw the application, KCERA will close the application file and no further action will be taken on the application. No fee will be owed by Applicant and the Board will not render a decision on the merits of the application. Applicant is required to start the application process anew for any future or renewed claim for disability retirement benefits.

8.B. Failure to Proceed with Administrative Hearing or Withdrawal of Request for Administrative Hearing. An Applicant may withdraw Applicant's *Request for Administrative Hearing* any time before commencement of the Administrative Hearing before the Hearing Officer.

8.B.1 Untimely Request to Cancel or Withdraw Request for Administrative Hearing – Providing Less than Two (2) Weeks' Notice:

8.B.2.a Fee - If the Hearing Officer has scheduled an administrative hearing and the Member cancels or withdraws the *Request for Administrative Hearing* or fails to appear for the hearing without providing at least two (2) weeks' notice to the Hearing Officer and counsel for KCERA, the Member may be required to pay the fees associated with the cancellation. Such fees include a stenographic reporter fee, attorneys' fees and any hearing officer costs or fees.

8.B.2.b Disposition of Application - When an Applicant fails to appear for an administrative hearing or cancels or withdraws a *Request for Administrative Hearing* without providing at least two (2) weeks' notice to the Hearing Officer and counsel for KCERA, the application shall be returned to the Board for a final decision with a recommendation to deny (in whole or in part) with prejudice.

8.B.2 Timely Request to Cancel or Withdraw Request for Administrative Hearing – Providing at Least Two (2) Weeks' Notice:

8.B.2.a No Fee - If the Hearing Officer has scheduled an administrative hearing and the Member cancels or withdraws the *Request for Administrative Hearing*, but provides at least two (2) weeks' notice to the Hearing Officer and counsel for KCERA, the Member will not be required to pay the fees associated with the cancellation.

8.B.2.b Disposition of Application – When an Applicant timely requests to cancel or withdraw a *Request for Administrative Hearing*, the application shall be returned to the Board for a final decision with a recommendation to deny (in whole or in part) with prejudice.

8.B.3 If, as a result of the Applicant's failure to comply with the procedures specified in these Rules, the matter is not heard within two (2) years after a *Request for Administrative Hearing* is made, the case shall be returned to the Board with a recommendation to dismiss with prejudice.

8.B.3.a This rule prevents further review of the Member's incapacity for the claimed condition regardless of who filed the application (e.g., Member, Employer, or other interested party).

8.B.3.b However, no case shall be dismissed without sixty (60) days' prior written notice to the Applicant and the Member (if the Member is not the Applicant) that failure to commence an administrative hearing within sixty (60) days from the date of the notice will result in dismissal of the case with prejudice.

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Rule 9. Amendment of Application.

An Applicant may amend an application at any time prior to the end of the thirty (30) day period referenced in Rule 7. If the application is amended to add a new condition, injury or disability, Applicant shall provide each of the required forms listed in Rule 3 for the new claimed condition, injury or disability.

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Rule 10. Board Action on SDAG Recommendation.

If a *Request for Administrative Hearing* is not received by KCERA in accordance with Rule 7, the ~~Executive Director~~Chief Executive Officer shall place the application on the Board's consent agenda. If an application is removed from the consent agenda, the matter shall be moved to the closed session portion of the Board's agenda for further discussion.

10.A. Board Determinations. The Board's action shall be either to refer the application to a hearing officer for an administrative hearing, take action on the recommendation of the SDAG, or refer the matter back to the SDAG for additional information. If action is taken, the Board shall make the following determinations, as applicable:

10.A.1 Whether the Member is permanently incapacitated for the performance of duty and, if so, the injury or disease that gives rise to such permanent incapacity. If permanent incapacity is not found, the application shall be denied.

10.A.2 Whether the incapacity is a result of injury or disease arising out of and in the course of the Member's employment for the County or participating district.

10.A.2.a If, by statute, a presumption of service-connection exists for the claimed condition, the Board shall determine whether the presumption applies to Applicant and, if so, whether the evidence presented rebuts the presumption of service-connection.

10.A.3 Whether any changes to the effective date of the Member's disability retirement should be made pursuant to California Government Code section 31724.

10.B. Notification of Board Decision. Within three (3) working days after the Board's action on the application, the ~~Executive Director~~Chief Executive Officer shall notify the Applicant and/or Member (if the Member is not the Applicant) at the address shown in the application of the Board action (or such other address as may be designated by the Applicant) and, if the action of the Board denies in whole or in part any of the benefits sought in the application, the notice shall advise the Applicant of his/her right to contest the Board action.

10.C. Effective Date of Board Decision. The decision of the Board shall be final on the day it is made.

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Rule 11. Hearing Officer Assignment and Selection.

After the thirty (30) day period to request an administrative hearing or SDAG's review of addition medical reports and records described in Rule 7, whichever is later, a hearing officer will be selected in the following manner:

- 11.A. Assignment.** The ~~Executive Director~~Chief Executive Officer assigns hearing officers on a rotational basis from KCERA's pre-existing panel of hearing officers. A written *Notice of Hearing Officer Assignment* shall be sent by the ~~Executive Director~~Chief Executive Officer to the parties. Applicant, Member (if the Member is not the Applicant), and counsel for KCERA shall have ten (10) calendar days from the date of the *Notice of Hearing Officer Assignment* to exercise, in writing, a peremptory challenge. If either party exercises its challenge, the next hearing officer in the rotation shall be assigned the case and the other party will then have ten (10) calendar days from the notice to exercise, in writing, a peremptory challenge. Only one peremptory challenge may be exercised by a party. The ~~Executive Director~~Chief Executive Officer will notify the hearing officer once he/she is selected. In the event the selected hearing officer recuses himself or herself from the case, the next hearing officer in the rotation shall be assigned to the case regardless of whether a party has exercised its peremptory challenge against that hearing officer.
- 11.B. Peremptory Challenge(s).** A peremptory challenge, if any, by either party shall be supported by a declaration made under penalty of perjury ~~using KCERA's Peremptory Challenge of a Hearing Officer form via written notice.~~ Any party who wishes to exercise its peremptory challenge must ~~file and submit the notice a completed Peremptory Challenge of a Hearing Officer form to the Executive Director~~Chief Executive Officer and serve it on all other parties. ~~A blank form is provided to all parties with the Notice of Hearing Officer Assignment letter.~~
- 11.C. Selection.** A written *Notice of Hearing Officer Selection* shall be sent by the ~~Executive Director~~Chief Executive Officer to the parties within twenty (20) calendar days of the final peremptory challenge.
- 11.D. Administrative Record.** The ~~Executive Director~~Chief Executive Officer or designee shall provide the Hearing Officer and all parties with a copy of the Administrative Record compiled by the ~~Executive Director~~Chief Executive Officer.

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Rule 12. Hearing Officer Jurisdiction.

The Hearing Officer has two hundred seventy (270) calendar days (from the date he/she is notified of his/her selection) to hold and complete the Administrative Hearing process, including receiving all evidence and written closing statements, and submitting proposed findings and recommendations to KCERA's Board of Retirement.

The Hearing Officer's jurisdiction expires two hundred seventy (270) calendar days after he/she is notified of his/her selection as a hearing officer.

Nothing in these Rules is to be construed as preventing the Hearing Officer from allowing parties to stipulate to lesser intervals than those specified in these Rules. The Hearing Officer may, for good cause shown, after giving both parties an opportunity to be heard, shorten the times specified in these Rules.

12.A. Setting of Administrative Hearing Date. The Hearing Officer will coordinate the Administrative Hearing date with all parties and set the dates for the submission of the *Prehearing Statements*, the Prehearing Conference, and the cut-off date to send KCERA a request to prepare subpoena(s) for witnesses, which must be before the *Prehearing Statements* are due. The Hearing Officer will issue and serve a Scheduling Order with the relevant dates to all parties. If the parties cannot agree on an administrative hearing date within the time specified, the Hearing Officer shall set the applicable dates~~decide on a hearing date~~ within the time specified and serve the parties with a Scheduling Order~~inform the parties in writing of the Administrative Hearing date.-.~~ If the administrative hearing process is not completed within the Hearing Officer's jurisdiction, the case will be returned to the ~~Executive Director~~Chief Executive Officer for reassignment to another hearing officer.

12.B. Continuances/Extensions of Time. Any request for a continuance or an extension of time must be in writing to the Hearing Officer and served on all parties and parties in interest. Any party or party in interest is entitled to oppose a request for continuance by filing written objections with the Hearing Officer. The Hearing Officer shall issue a determination on the request and provide all parties with formal notice of the decision.

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Rule 13. Prehearing Statements.

Each party must file a completed *Prehearing Statement* form. A blank *Prehearing Statement* form is provided to all parties with the *Notice of Hearing Officer Selection* letter.

The *Prehearing Statement* form shall contain the following:

- (a) A statement of the issues and the contentions of the party, including the claimed physical/psychological disabilities;

NOTE: Allegations and/or evidence that incapacity is the result of an injury or disease not evaluated by the SDAG is not admissible at the Administrative Hearing and cannot be a basis for determining incapacity. Nothing herein shall be construed to constitute a waiver or denial of a Member's right to file a separate application for disability retirement based on the newly alleged injury or disease.

- (b) A list of documentary evidence not included in the Administrative Record that the party intends to offer into evidence and copies of such documents (including any deposition transcript, affidavit, or medical report or record), along with a declaration explaining why the party did not know or could not have reasonably known about the medical reports or records at the time the matter was under review by SDAG;
- (c) The names, business addresses and telephone numbers of any witnesses and affiants whose testimony the party intends to present at the Administrative Hearing (including Medical Witnesses), and a description of each witness's expected testimony, including a curriculum vitae for professional or expert witnesses; and
- (d) If the Member is asserting that the effective date of the disability retirement allowance is a date other than the date the application was accepted as filed, the Member shall raise the "effective date" as an issue in the Prehearing Statement. Nothing in this Rule excuses the Applicant from the need to indicate the request for an earlier effective date in the application.

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Rule 14. Prehearing Conference and Order.

- 14.A. Prehearing Conference.** The Hearing Officer shall conduct a Prehearing Conference to address any issues raised in the *Prehearing Statement*.
- 14.B. Order.** The Hearing Officer shall issue a written order ^[MP2] addressing anythe issues raised decided at in the ~~*Prehearing Statement and/or*~~ Prehearing Conference including the scope of the— issues to be raised at the administrative hearing and shall serve such order on all parties. Please refer to Appendix C, Order After Prehearing Conference.

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Rule 15. Written Medical Reports as Evidence.

- 15.A. Statement of Policy.** It is the policy of the Board that production of medical evidence shall be in the form of written medical reports. A written medical report bearing the signature of the medical witness shall be admissible in evidence as the author's direct testimony.
- 15.B. Medical Witness Defined.** A medical witness is a person who, by profession, is a physician, surgeon, holding an M.D. or D.O. degree, psychologist, optometrist, dentist, podiatrist, or chiropractic practitioner, licensed by the State of California or by such other jurisdiction in which such person maintains his/her regular practice.

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Rule 16. Oral Testimony of Medical Witnesses.

- 16.A. Hearings.** Oral testimony of a medical witness on direct or cross-examination, for any purpose, may be taken at the time and place set for the Administrative Hearing.
- 16.B. Depositions.** The deposition of a medical witness may be taken. The deposition shall be scheduled at a reasonable time as requested by the medical witness. The deposition shall take place in the office of the medical witness or such other reasonable place as requested by the medical witness. Depositions of medical witnesses for any purpose shall be taken before the *Prehearing Statements* are due.
- 16.C. Subpoenas and fees.** Issuance of a subpoena for a medical witness's attendance at an administrative hearing or deposition shall be contingent on the party accepting the obligation to pay the medical witness the fees set forth herein.
- 16.C.1** The party requesting oral testimony of the Member's treating physician shall advance to the treating physician such fees and mileage as Government Code section 68093 prescribes for ordinary, non-expert witnesses in the superior court. If the party requesting oral testimony of a treating physician intends to question the physician as to the physician's expert opinion, the party requesting the oral testimony shall advance to the medical witness an expert witness fee.
- 16.C.2** The party requesting oral testimony of a medical witness who is not the Member's treating physician shall in all cases advance to the medical witness an expert witness fee. The witness shall be entitled to claim an expert witness fee on the same conditions that such witness would be entitled to claim under Government Code section 68092.5 if subpoenaed to testify in a civil action or proceeding.
- 16.C.3** When payment of an expert witness fee is required, the party requesting the oral testimony shall contact the office of the medical witness and determine the witness's reasonable and customary hourly or daily fee and shall advise the office of the medical witness of the anticipated length of the deposition or administrative hearing. The medical witness's fee, based on the witness's reasonable, customary rate and anticipated length of the testimony, shall be delivered to the medical witness at least ten (10) calendar days in advance of the deposition or administrative hearing. If a balance is due following the testimony, the party requesting the oral testimony shall pay the balance upon receipt of an itemized statement. Disputes as to fees between the medical witness and the party requesting the oral testimony shall be resolved by the Hearing Officer.

16.C.316.C.4 Failure to timely serve a subpoena and/or pay the prescribed witness fee in advance of the Administrative Hearing or deposition may be treated by the Hearing Officer and Board as a waiver of the right to question such witness. Failure to advance the expert witness fee will be deemed a waiver of the right to question the witness or require the witness's appearance at the deposition or administrative hearing, and any subpoena which may have been issued to compel the witness's attendance shall be canceled and shall be of no further force or effect. Service of the subpoena and payment of the fee may be made by mail if the witness so agrees.

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Rule 17. Depositions of Witnesses.

Any party to the proceeding may cause the depositions of witnesses or Applicant or Member (when the Applicant is not the Member) to be taken in the manner prescribed by law for depositions in civil actions in the superior courts of this state. Attendance of witnesses and production of records in regard to depositions may be required and appropriate subpoenas will be issued in accordance with these Rules. The parties shall bear their own costs for such depositions. Depositions of lay witnesses must be scheduled and taken before the *Prehearing Statement* is due. Depositions of medical witnesses shall be governed by Rule 16.

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Rule 18. Resolution of Disputes in Regard to Discovery and Administrative Hearing Procedure.

Disputes in regard to depositions, other discovery and administrative hearing procedures shall be resolved by the Hearing Officer once a *Request for Administrative Hearing* has been made. If a discovery dispute arises prior to such request, it shall be resolved by the ~~Executive Director~~Chief Executive Officer.

If a request for resolution of a discovery dispute is made to a Hearing Officer, it shall be made in writing and may be supported by declarations, a copy of the deposition transcript, if appropriate, a memorandum of points and authorities, and a proposed resolution. The other party and the witness involved shall have an opportunity to respond. The response may be accompanied by declarations, a copy of the deposition transcript, if appropriate, a memorandum of points and authorities, and a proposed resolution.

The Hearing Officer or ~~Executive Director~~Chief Executive Officer, as the case may be, shall notify the parties and the witness involved of the resolution of the dispute. If the witness continues to refuse to comply with the resolution, the Hearing Officer or ~~Executive Director~~Chief Executive Officer may dismiss the application for disability retirement without prejudice.

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Rule 19. Subpoenas.

The chair and ~~Executive Director~~Chief Executive Officer, or their designee, in accordance with the CERL, are hereby authorized to issue and sign subpoenas for attendance at the Administrative Hearing and/or depositions on applications for disability retirement, upon the request of any party.

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Rule 20. The Burden of Proof.

An Applicant has the burden of producing evidence and the burden of proving, by a preponderance of the evidence, that the Member is permanently incapacitated for the performance of his or her usual duties, and, if applicable, that such incapacity is service-connected.

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Rule 21. Evidence

21.A. Oral Testimony. Oral evidence shall be taken only on oath or affirmation.

21.B. Parties' Rights. Subject to these Rules and any rulings made by the Hearing Officer at a Prehearing Conference or *in limine* prior to the presentation of evidence, each party or party in interest shall have these rights:

21.B.1 to call and examine witnesses;

21.B.2 to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination;

21.B.3 to impeach any witness regardless of which party first called the witness to testify;

21.B.4 to rebut adverse testimony; and

21.B.5 to introduce exhibits, deposition transcripts and reports of medical witnesses.

21.C. Applicant/Member Testimony.

21.C.1 If the application is filed by the Member, the failure or refusal of the Member to submit to examination for the purpose of answering relevant questions shall be grounds for dismissing the application in whole or in part with prejudice.

21.C.2 If the application is filed by someone other than the Member and the Member is requesting disability retirement benefits on a service-connected basis or has filed an application on injuries different from those listed in the application not filed by the Member, the failure or refusal of the Member to submit to examination for the purpose of answering relevant questions shall be grounds for denying such portions of the application for disability retirement.

21.C.3 If the application is filed by someone other than the Member, the failure or refusal of the Member to submit to examination for the purpose of answering relevant questions shall be grounds for denying the application for disability retirement in whole or in part without prejudice.

21.D. Hearsay Evidence. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding, unless it would be admissible over objection in civil actions. This section shall not be applicable to written medical reports or records received into evidence pursuant to Rule 15.

21.E. Rules of Evidence. The Administrative Hearing need not be conducted according to technical rules relating to evidence and witnesses. Relevant evidence received in accordance with these Rules shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the Administrative Hearing, and irrelevant and unduly repetitious evidence shall be excluded.

21.F. Affidavit. A party may include as part of the *Prehearing Statement* a copy of any affidavit of any lay witness which the party proposes to introduce in evidence, together with a notice as provided below. The affidavit, if introduced in evidence, shall be given the same effect as if the affiant had testified orally. If an opportunity to cross-examine an affiant is not afforded after a timely subpoena has been requested and served as herein provided, the affidavit may be introduced in evidence, but shall be given only the same effect as other hearsay evidence. The notice required shall be substantially in the following form:

The accompanying affidavit(s) [here insert name of affiant(s)] will be introduced as evidence at the Administrative Hearing in [here insert title of the proceeding]. [Here insert name of affiant] will not be called to testify orally and you will not be entitled to question him/her unless you subpoena the affiant(s).

21.G. Judicial Notice. In reaching a decision, the Hearing Officer shall take official notice of those matters which must be judicially noticed pursuant to section 451 of the California Evidence Code, may take official notice of those matters which may be judicially noticed pursuant to section 452 of the California Evidence Code, and shall take official notice of any matter specified in section 452 if the provisions of section 453 of the California Evidence Code are complied with by a party.

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Rule 22. Order of Business for Administrative Hearings Before Hearing Officer.

Unless the Hearing Officer rules that it is unnecessary or a different order of business is appropriate to suit the convenience of witnesses, all administrative hearings shall proceed as outlined below.

- 22.A. Reporter.** The proceedings of all administrative hearings for applications for disability retirement shall be reported by a stenographic reporter. The stenographic report of the proceedings shall be transcribed only if requested by a party, and, if so, the party requesting the same shall pay for the cost thereof. All parties must contact the stenographic reporter directly in order to obtain a copy of the transcript.
- 22.B. Appearances.** The Hearing Officer shall call the case and ask for appearances by or for all parties, which shall be recorded. After all of the appearances are made, the parties may make opening statements, orally or in writing, except that counsel for KCERA may delay its opening statement until after Applicant's presentation of evidence.
- 22.C. Identify the Record.** If the parties are ready to proceed, the Hearing Officer will describe the documentary file before the Administrative Hearing and ensure that all parties have identical document sets. (Except, in situations where a physician has not allowed certain psychiatric records to be disclosed to the Member and the Member has not retained counsel, the Member's document set may remain redacted.)
- 22.D. Applicant Presents Evidence.** Applicant's full presentation, including any witness testimony, is given. During this presentation, the Hearing Officer and counsel for KCERA (and other parties in interest, if any/present) have the right to ask questions. If the application was filed by the Member's employer, the Member shall also have the opportunity to present evidence under the same terms as the Applicant.
- 22.E. Counsel for KCERA Presents Evidence.** Counsel's full presentation, including any witness testimony, is given. During this presentation, the Hearing Officer and the Applicant (and other parties in interest, if any/present) have the right to ask questions.
- 22.F. Rebuttal evidence.** Rebuttal evidence may then be presented in the same order.
- 22.G. Oral Arguments and Closing Statements.** If oral arguments are made, Applicant's oral arguments are made first, followed by other parties in interest, if any/present. Oral arguments by counsel for KCERA are last. Upon the request of any party or party in interest, written closing statements may be made and filed with the Hearing Officer after the close of the Administrative Hearing. If written closing

statements are requested by the parties or party in interest, the Hearing Officer shall determine whether to grant such request.

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Rule 23. Service of Proposed Findings of Fact and Recommended Decision.

At the conclusion of the Administrative Hearing, *Proposed Findings of Fact and Recommended Decision* of the Hearing Officer shall be sent to the Board by the Hearing Officer who presided at the Administrative Hearing within the two hundred seventy (270) calendar days described in Rule 12. The Board will serve the *Proposed Findings of Fact and Recommended Decision* on the parties in accordance with these Rules.

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Rule 24. Objections to Proposed Findings of Fact and Recommended Decision.

Pursuant to California Government Code section 31534, any party objecting to the *Proposed Findings of Fact and Recommended Decision* has ten (10) business days after service of the *Proposed Findings of Fact and Recommended Decision* to serve written objections to the Board and the other party(ies), but not the Hearing Officer. References or citations to portions of the Administrative Record, or deposition transcript, if any, may be made, but nothing shall be attached to the objections and any evidence argued in the written objections must have been admitted by the Hearing Officer at the Prehearing Conference.

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Rule 25. Action by the Board.

After the close of the ten-day (10) objection period, the ~~Executive Director~~Chief Executive Officer will submit the *Proposed Findings of Fact and Recommended Decision* at the Board's next available regular meeting.

In accordance with California Government Code section 31534, upon receipt of the *Proposed Findings of Fact and Recommended Decision*, the Board may:

- (a) Approve and adopt the Findings of Fact and Recommended Decision;
- (b) Require a transcript or summary of all the testimony, plus all other evidence received by the Hearing Officer. Upon receipt thereof, the Board shall take such action as in its opinion is indicated by such evidence;
- (c) Refer the matter back, with or without instructions, to the Hearing Officer for further proceedings; or
- (d) Set the matter for hearing before itself. At such hearing, the Board shall hear and decide the matter as if it had not been referred to the Hearing Officer.

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Rule 26. Board's Decision After Review of the Record.

In any case where the Board makes a decision based upon review of the Administrative Hearing transcript, plus all other evidence received by the Hearing Officer, the Board may approve and adopt the Hearing Officer's *Proposed Findings of Fact and Recommended Decision* or the Board shall prepare its own *Alternate Findings of Fact and Recommended Decision* for consideration. The Board's decision is final upon the Board's adoption of the *Findings of Fact and Decision*.

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Rule 27. Judicial Review.

Code of Civil Procedure section 1094.6 has been adopted and applies to judicial review of any decision of the Board or of the Kern County Employees' Retirement Association.

Rules Review and History

The Board will review this policy at least every ~~three~~ five years to ensure that it remains relevant and appropriate.

These Rules were adopted by the Board on April 10, 2019 and amended by the Board on May 4, 2022.-

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Appendices

(Form samples to be provided)

A. Hearing Officer Scheduling Order

B. Prehearing Statement

C. Order After Prehearing Conference

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Rules of Procedure for Disability Retirement

**Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311**

Tel (661) 381-7700 • Fax (661) 381-7799
Toll Free (877) 733-6831
TTY Relay (800) 735-2929

Rules are also available on the
Kern County Employees' Retirement Association website
(www.kcera.org)

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Rule 1. General Provisions

- 1.A.** Purpose. The Kern County Employees' Retirement Association ("KCERA") Rules of Procedure for Disability Retirement ("these Rules") have been promulgated for the purposes of providing a procedure for submitting and acting upon applications for disability retirement under the County Employees' Retirement Law of 1937 ("CERL"), expeditiously. All proceedings for applications for disability retirement shall be conducted in accordance with these Rules.
- 1.B.** Resolution of Conflicting Provisions. KCERA is governed by the CERL. If a conflict should arise between these rules and the CERL, the CERL will prevail.
- 1.C.** Amendments to Rules of Procedure for Disability Retirement. These Rules may be amended at any regular or specially noticed meeting of the KCERA Board of Retirement ("Board"). In order to facilitate the orderly and efficient implementation of these Rules, the Board hereby delegates to the KCERA Executive Officer the authority to approve amendments of a minor, non-substantive nature that do not alter the fundamental rights and responsibilities of any parties in the disability retirement process. The scope of this delegation of authority includes, but is not limited to, typographical errors, format revisions, conforming terminology, revision of forms, and similar types of amendments.
- 1.D.** Representation by Counsel. An Applicant and/or Member (if the Member is not the Applicant,) shall be entitled to be represented by legal counsel (that is licensed by the California State Bar and currently in good standing), at the party's expense, provided counsel has completed KCERA's authorization form and filed the form with the Chief Executive Officer. Once the form is accepted as filed by the Chief Executive Officer, all notices and information relating to this process shall thereafter be served upon such counsel. Until KCERA's authorization form has been filed with the Chief Executive Officer, KCERA, the Board or the Hearing Officer is not obligated to recognize any attorney claiming to represent a party. Substitution or dismissal of an attorney shall be made in the manner provided in sections 284, 285 and 286 of the Code of Civil Procedure.
- 1.E.** Communication with Individual Board Members. The Board is the decision-maker for all applications for disability retirement. As such, communications concerning the merits or substance of an application between any Board member and parties (or their legal counsel) are forbidden until such time as the Board issues its decision. Violations of this rule may result in the Board member being found ineligible to participate in any discussion regarding the Application, or vote on the Application.
- 1.F.** Confidential Records. All individual records of a Member (including, but not limited to, reports, medical reports and records, applications, notices, orders, and findings and decisions relating to an application for disability retirement) are confidential and shall not be disclosed by KCERA to anyone except as set forth in these Rules

or upon order of a court of competent jurisdiction, or upon written authorization by the Member.

- 1.G. Closed Sessions.** Substantive discussion by the Board related to an application for disability retirement shall be held in closed session. The general public is excluded during closed sessions, but the Parties may be present.

The Member may make public comment during open session, but the Member will have the opportunity to address the Board in closed session.

1.H. Service of Documents.

- a. When a provision of these Rules requires that parties be served, service shall be made upon KCERA, litigation counsel for KCERA, Applicant or Member (when the Member is not the Applicant), and the Hearing Officer selected (unless stated otherwise). Service to KCERA and counsel for KCERA is to be made at the following address:

KCERA
Kern County Employees'
Retirement Association
Attn: Board of Retirement
11125 River Run Boulevard
Bakersfield, CA 93311

Litigation Counsel for KCERA
Kern County Employees'
Retirement Association
Attn: KCERA Litigation Counsel
11125 River Run Boulevard
Bakersfield, CA 93311

- b. If the party to be served has an identified attorney of record, service shall be made upon the attorney of record in accordance with this section.
- c. Service of documents provided in these Rules may be made by mail in accordance with California Code of Civil Procedure section 1013. The time requirements of California Code of Civil Procedure section 1013 shall govern all service by mail.

- 1.I. Conflicts of Interest.** To avoid actual bias or the appearance of impropriety, favoritism, or improper influence, the Chief Executive Officer will evaluate whether applicable conflict of interest rules and principles favor another CERL system or vendor administratively process, prepare, and present a disability retirement application to the Board of Retirement for final action (“alternate handling”).

A disability retirement application shall only be evaluated for alternate handling if action on the application by a current member of the Board of Retirement or KCERA staff involves a “disqualifying financial interest” as defined below. A disability retirement application filed by a current or former member of the Board of Retirement, his/her spouse, parent, or child, or a current KCERA staff member or his/her spouse, parent, or child shall be evaluated by the CEO for alternate handling. Other applications that involve a disqualifying financial interest may be

evaluated as well.

The CEO will notify the Board of any disability retirement application evaluated for alternate handling and will seek approval from the Board if alternate handling is recommended. In all cases, the KCERA Board of Retirement is required to make the final determination on KCERA disability retirement applications regardless of whether the application was approved for alternate handling.

- a. Notification. If an application is evaluated for a disqualifying financial interest, Counsel for the Board will notify the affected Board or KCERA staff member and the full Board of the application and applicable conflict of interest rules and/or statutes.

1.J. Definitions. In these Rules, unless the context or subject matter otherwise requires:

- a. "Applicant" means a Member of the Kern County Employees' Retirement Association applying for disability retirement benefits under the CERL, or any person or persons (when the member is not the applicant) described in Government Code section 31721 as entitled to file an application on behalf of a Member.
- b. "Board" means the Board of Retirement of the Kern County Employees' Retirement Association.
- c. "Disability" or "disabled," whether used singly or in combination with other words, means permanent incapacity for performance of job duties.
- d. "Disposition" means the final decision regarding an application for disability retirement.
- e. "Disqualifying Financial Interest" for purposes of these rules means a financial impact or effect on a KCERA Board or staff member which will foreseeably and materially bear upon a governmental decision and for which the financial impact is distinguishable from the effect on disability applicants generally.
- f. "Chief Executive Officer" means the Chief Executive Officer appointed by the Board or his/her designee including, but not limited to, a third-party administrator, for purposes of administering the disability procedures under these Rules and in accordance with the CERL.
- g. "Hearing Officer" is a designee of the Board who conducts the Administrative Hearing. The Hearing Officer acts as the judge assigned to the case and is granted the authority described in these Rules.

- h. “In whole or in part”, for purposes of these Rules, means an application can be granted as to one claimed disability but denied as to another, or can be granted on a non-service-connected basis and denied on a service-connected basis.
- i. “Member” means a current member of the Kern County Employees’ Retirement Association.
- j. “Motion *in limine*” for purposes of these Rules, means an oral or written motion made by a party which asks the Hearing Officer to prevent certain evidence from being presented by the other side at the administrative hearing.
- k. “Party,” during the administrative hearing phase of the application, means a person, such as an attorney or Applicant (when the member is not the applicant).
- l. “Party in interest,” during the administrative hearing phase of the application, means the member who is the subject of the application filed by his/her employer.
- m. “Permanent incapacity” means an impairment of the member’s body and/or mind which causes the member to be substantially unable to perform the usual duties of the position held by the member at the time of application or, if retired for service, the position last held by the member and which is determined by competent medical evidence to be permanent or of such prolonged and uncertain duration as to be considered permanent.
- n. “Retirement Association” or “KCERA” means the Kern County Employees’ Retirement Association.
- o. “Staff Disability Application Group” or “SDAG” means a committee comprised of KCERA staff designated by the Chief Executive Officer. The Staff Disability Application Group reviews all applications for disability retirement, refers cases to independent medical examiners and/or investigators as the SDAG deems appropriate, and makes recommendations to the Board.
- p. “With Prejudice” means the decision by the Board prohibits the possibility of applicant submitting a new application on the same basis as the dismissed case.
- q. “Without Prejudice” means the decision by the Board does not prohibit the possibility of applicant submitting a new application on the same basis as the dismissed case.

- r. “Writing” means a handwritten, typed, or printed document used to communicate relevant information; transmission of information by email (electronic mail) with an attached handwritten, typed, or printed document communicating the relevant information may be sent as a courtesy, but is not an accepted method of writing under these Rules.

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PROPOSED

Rule 2. Forms.

Applicants are required to use the pre-printed forms provided by KCERA without modification. The Chief Executive Officer has the authority to create and revise forms used in the disability retirement process, as necessary, to obtain information necessary to render a decision on an application.

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PROPOSED

Rule 3. Required Forms.

Upon request, the Chief Executive Officer shall provide the forms for disability retirement benefits, which include an *Application for Disability Retirement* form, an *Authorization for Release of Medical Records and Information* form, an *Attending Physician's Report* form ("Disability Application Packet") and a copy of these Rules.

3.A. Disability Application Packet. An application packet must include all of the following:

3.A.1 A completed *Application for Disability Retirement* signed and dated by the Applicant which appropriately describes a disability that permanently incapacitates the Member from the performance of his/her job duties and contains any and all other information requested on the application form;

3.A.2 An *Authorization for Release of Medical Records and Information* (including, but not limited to, medical and employment records) signed by the Member or other person authorized by law;

3.A.3 A completed *Attending Physician's Report (APR)* signed by a duly licensed physician, which responds to the information requested, describes the disability alleged to permanently incapacitate the Member, and delineates any relevant work restrictions for the injury/condition.

3.A.3.a If more than one disabling injury is claimed, a separate *APR* is required for each claimed injury.

3.A.3.b The *APR* must be typed or printed legibly, or it may be rejected.

3.A.3.c The *APR* must be submitted to KCERA within three (3) months of the date it is signed by a duly licensed physician.

3.A.3.d Upon request, KCERA can supply a letter of instruction to the physician to accompany the *APR*.

3.A.3.e A copy of the Member's official job description for the position from which the Applicant claims permanent incapacity must be provided to and referenced by the duly licensed physician in completing the *APR*.

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- 3.B.** Application Accepted as “Filed”. No application will be considered “filed” within the meaning of Government Code sections 31721 - 31724, until all the required forms described in Rule 3.A. are received and officially accepted. KCERA may provisionally accept applications for initial review before officially accepting an application as “filed.” All applications will be marked “filed” as of the date they are deemed complete and officially accepted by the Chief Executive Officer.

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PROPOSED

Rule 4. Administrative Process.

In the initial stages of processing a Disability Application Packet, KCERA processes may differ depending on whether the Applicant is the Member, the Member's employer, or another eligible person.

4.A. Application Filed by Member - Notification to Member. KCERA will provide Applicant one of two letters:

4.A.1 Acceptance by KCERA - KCERA will provide the Applicant a letter confirming the Disability Application Packet is complete and has been accepted as filed or provisionally accepted.

4.A.2 Inability to Accept or File - If the Disability Application Packet is not complete or cannot be accepted, KCERA will provide the Applicant a letter explaining why the Disability Application Packet could not be filed with KCERA.

4.B. Application filed by a Person Other than the Member – Notification to Member.

4.B.1 Upon receipt of an Application for Disability Retirement filed on behalf of a Member, the Chief Executive Officer shall, within ten (10) business days, send an instructional letter to the Member at his/her address on file with KCERA with the following:

4.B.1.a a copy of the *Application for Disability Retirement* filed by the Applicant;

4.B.1.b a Disability Application Packet; and

4.B.1.c a *Preference Form* in which the Member indicates whether he/she agrees that he/she is permanently incapacitated and, if so, whether the Member believes the condition is service-connected.

4.B.2 Members who wish to apply for disability retirement on conditions other than those listed in Applicant's application and/or contend the disabling condition(s) is service-connected must submit a completed Disability Application Packet (see Rule 3) and *Preference Form* within sixty (60) days of receiving the copy of the Applicant's application.

4.B.3 Members who wish to allow Applicant to pursue the application as submitted must return a completed *Preference Form*, an *Authorization for Release of Medical Records and Information*, and an *APR* for the disabling conditions listed in Applicant's application. If a Member fails to return the *Authorization for Release of Medical Records and Information* and *APR* to KCERA,

KCERA will close the application file until KCERA receives the required forms from the Member or until Applicant can submit a completed *APR*.

4.B.4 Members who object to Applicant's claim that he/she is permanently incapacitated must return a completed *Preference Form* and *Authorization for Release of Medical Records and Information*.

4.C. Application filed by a Person Other than the Member - Notification to Applicant.
After the sixty-day (60) period referenced in Rule 4.B.3. above, KCERA will provide Applicant one of two letters:

4.C.1 Acceptance by KCERA - KCERA will provide the Applicant a letter confirming that the application has been accepted and filed, and that the Disability Application Packet is complete.

4.C.2 Inability to Accept, File or Process - If the Disability Application Packet is not complete or cannot be accepted or processed further, KCERA will provide the Applicant a letter explaining its decision.

4.D. Compilation of Records in Support of Application.

4.D.1. After the application is accepted or provisionally accepted and filed, the Chief Executive Officer begins to collect the following documents and information:

4.D.1.a *A Report of Department Head Regarding Application for Disability* for completion by the Member's department head;

4.D.1.b Any Workers' Compensation claims and medical reports or records filed by the Member for Workers' Compensation benefits;

4.D.1.c Member employment and pay status verification;

4.D.1.d Member's personnel records, including performance evaluations and internal investigation files and reports; and

4.D.1.e Employment records from non-KCERA employers after the application filing date.

4.D.2. The letter accepting and filing the application informs the Applicant that he/she has sixty (60) calendar days from the date of that letter to submit to the Chief Executive Officer copies of all medical reports and records together with any and all other relevant evidence, certificates or other documents which the Applicant wishes KCERA to consider in support of the application.

4.D.2.a the Chief Executive Officer or his/her designee, acting as Secretary of the Board, is authorized to issue subpoenas on behalf of KCERA or when requested by the Applicant, in order to obtain relevant evidence as allowed by California Government Code section 31535;

4.D.3. If, before the records are assembled and placed in chronological order, an initial review of the records received by the Chief Executive Officer reveals incomplete or missing medical information, the Chief Executive Officer may ask Applicant to obtain such additional medical information, if it is determined that such information is necessary to ensure a complete and comprehensive claim file. Applicant's failure to cooperate with the Chief Executive Officer in obtaining such reports may result in dismissal of the application without prejudice.

4.D.4. Applicant will be provided with the compiled records once assembled and placed in chronological order. The Chief Executive Officer will provide Applicant with thirty (30) calendar days to submit any additional medical information that was not included during the sixty (60) calendar day period described in Rule 4.D.2.

4.D.5. Except as described above, an Applicant will not have the ability to submit additional medical information to support the application until an initial determination and recommendation has been made by the SDAG in accordance with Rule 10.

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Rule 5. Investigation of Facts Prior to Administrative Hearing.

5.A. Investigator. The Chief Executive Officer may select an investigator approved by the Board to conduct an investigation of the facts giving rise to an alleged permanent incapacity and/or interview of Applicant or Member (when the Member is not the Applicant). The investigator shall make a report to the Board of the result of the investigation and provide a transcript of any interview.

5.A.1 Interview - Any Applicant has the right to have a representative present for moral support during an interview by the investigator. The representative may not participate in the interview in any manner. All interviews shall be recorded. The investigator shall summarize the investigation and/or interview in a report to the Board and provide a transcript of any interview.

5.B. Subpoena Power. The Chief Executive Officer or his/her designee, acting as Secretary of the Board, is authorized to issue subpoenas and subpoenas *duces tecum* on behalf of KCERA in order to obtain relevant evidence as allowed by California Government Code section 31535.

5.C. Examination. The Applicant shall report at times and places specified by the Chief Executive Officer for one or more medical examination(s) by a physician or physicians selected by the Board or the Chief Executive Officer.

5.C.1 Location of Examination - If the Chief Executive Officer authorizes a medical examination of the Member, reasonable attempts to engage a physician within 150 miles of the Member's current residence at a time and date convenient for the Member will be made. If a physician cannot be secured within 150 miles from the Member's current residence, KCERA will pay the Member's reasonable travel costs to and from the examination. Except as described in subsection 5.C.2 below, the cost of the medical examination(s) shall be paid by KCERA.

5.C.2 Cancellation of Scheduled Examination/Failure to Appear - If the Chief Executive Officer has scheduled an examination for the Member with a physician for purposes of evaluating his/her incapacity, and the Member cancels the examination with less than one (1) weeks' notice or fails to appear for the scheduled examination, the Member may be required to pay the physician's examination fee and/or cancellation fee, as applicable. (Cal.Gov. Code 31723). Failure to cooperate with the Chief Executive Officer or physician in scheduling, appearing for, or being prepared for the examination may, in the proper discretion of the Board, be grounds for dismissing the application without prejudice.

5.C.3 Psychiatric Examination - When it is contended that a permanent incapacity resulted from a psychiatric injury, a psychiatric examination may be conducted.

Rule 6. Recommendation to Grant Application.

After receipt of all requested documents, and based on the majority view of the SDAG, the Chief Executive Officer and the Board's Medical Advisor shall each prepare a written report.

- 6.A.** Reports. The reports shall summarize the evidence in support of the application and recommendation to grant the application.
- 6.B.** Recommendation to the Board. The reports and recommendation to the Board shall be written as follows:
- 6.B.1** The medical reports and records are sufficient for the Board to support a finding that the Member is permanently incapacitated for the performance of his/her usual duties;
- 6.B.2** In the case of an application for a service-connected disability retirement, that the medical records and reports and other pertinent documents are sufficient for the Board to support a finding that the incapacity was the result of an injury or disease arising out of and in the course of employment and that such employment contributed substantially to such incapacity; or
- 6.B.3** In the case of an application for nonservice-connected disability retirement, that the Member has served the required period of time that entitles the Member to a nonservice-connected disability retirement.
- 6.C.** Notice to the Applicant/Member. A copy of the recommendation shall be mailed to the Applicant and Member (if the Member if not the Applicant) not less than five (5) business days prior to the next regular Board meeting.

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Rule 7. Recommendation to Deny Application - Notice of Right to Administrative Hearing and Ability to Submit Additional Medical Reports.

If the SDAG recommends denying an application, the Chief Executive Officer shall send a letter to the Applicant (and the Member, if the Member is not the Applicant) advising that the Applicant and/or the Member has a right to request an administrative hearing before a hearing officer (the *Notice of Right to Administrative Hearing*). The letter shall also contain a *Request for Administrative Hearing* form. The Applicant and/or Member shall have thirty (30) calendar days from the date of mailing of the *Notice of Right to Administrative Hearing* to complete and return the *Request for Administrative Hearing* form.

- 7.A. Administrative Hearing Requested.** If an administrative hearing is requested, the Applicant (and the Member, if the Member is not the Applicant) may submit additional medical reports for consideration by SDAG so long as the medical reports and records are submitted by the Applicant and/or Member with the *Request for Administrative Hearing* form and within thirty (30) calendar days of the date of mailing of the *Notice of Right to Administrative Hearing*. The SDAG shall review and consider such medical reports and records and, upon completion of the review, shall either place the application on the Board's agenda with a recommendation to grant pursuant to Rule 6 or refer the application for administrative hearing pursuant to Rule 11.
- 7.B. Failure to Request an Administrative Hearing.** If the Applicant and/or Member does not timely complete and return the *Request for Administrative Hearing* form and the Applicant does not withdraw the application pursuant to Rule 9, the application will be placed on the consent agenda for the Board's next regular meeting with a recommendation to deny the application, in whole or in part. The Chief Executive Officer and Medical Advisor shall prepare reports summarizing the evidence and explaining the recommendation. A copy of the reports and recommendation shall be mailed to the Applicant (and the Member, if the Member is not the Applicant) not less than ten (10) business days prior to the next regular Board meeting.

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Rule 8. Failure to Pursue Application or Administrative Hearing.

8.A. Withdrawal Prior to Request for Administrative Hearing. An Applicant may withdraw an application at any time before Applicant requests an administrative hearing or action is taken on the application under Rule 10. If Applicant requests to withdraw the application, KCERA will close the application file and no further action will be taken on the application. No fee will be owed by Applicant and the Board will not render a decision on the merits of the application. Applicant is required to start the application process anew for any future or renewed claim for disability retirement benefits.

8.B. Failure to Proceed with Administrative Hearing or Withdrawal of Request for Administrative Hearing. An Applicant may withdraw Applicant's *Request for Administrative Hearing* any time before commencement of the Administrative Hearing before the Hearing Officer.

8.B.1 Untimely Request to Cancel or Withdraw Request for Administrative Hearing – Providing Less than Two (2) Weeks' Notice:

8.B.2.a Fee - If the Hearing Officer has scheduled an administrative hearing and the Member cancels or withdraws the *Request for Administrative Hearing* or fails to appear for the hearing without providing at least two (2) weeks' notice to the Hearing Officer and counsel for KCERA, the Member may be required to pay the fees associated with the cancellation. Such fees include a stenographic reporter fee, attorneys' fees and any hearing officer costs or fees.

8.B.2.b Disposition of Application - When an Applicant fails to appear for an administrative hearing or cancels or withdraws a *Request for Administrative Hearing* without providing at least two (2) weeks' notice to the Hearing Officer and counsel for KCERA, the application shall be returned to the Board for a final decision with a recommendation to deny (in whole or in part) with prejudice.

8.B.2 Timely Request to Cancel or Withdraw Request for Administrative Hearing – Providing at Least Two (2) Weeks' Notice:

8.B.2.a No Fee - If the Hearing Officer has scheduled an administrative hearing and the Member cancels or withdraws the *Request for Administrative Hearing*, but provides at least two (2) weeks' notice to the Hearing Officer and counsel for KCERA, the Member will not be required to pay the fees associated with the cancellation.

8.B.2.b Disposition of Application – When an Applicant timely requests to cancel or withdraw a *Request for Administrative Hearing*, the application shall be returned to the Board for a final decision with a recommendation to deny (in whole or in part) with prejudice.

8.B.3 If, as a result of the Applicant's failure to comply with the procedures specified in these Rules, the matter is not heard within two (2) years after a *Request for Administrative Hearing* is made, the case shall be returned to the Board with a recommendation to dismiss with prejudice.

8.B.3.a This rule prevents further review of the Member's incapacity for the claimed condition regardless of who filed the application (e.g., Member, Employer, or other interested party).

8.B.3.b However, no case shall be dismissed without sixty (60) days' prior written notice to the Applicant and the Member (if the Member is not the Applicant) that failure to commence an administrative hearing within sixty (60) days from the date of the notice will result in dismissal of the case with prejudice.

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Rule 9. Amendment of Application.

An Applicant may amend an application at any time prior to the end of the thirty (30) day period referenced in Rule 7. If the application is amended to add a new condition, injury or disability, Applicant shall provide each of the required forms listed in Rule 3 for the new claimed condition, injury or disability.

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PROPOSED

Rule 10. Board Action on SDAG Recommendation.

If a *Request for Administrative Hearing* is not received by KCERA in accordance with Rule 7, the Chief Executive Officer shall place the application on the Board's consent agenda. If an application is removed from the consent agenda, the matter shall be moved to the closed session portion of the Board's agenda for further discussion.

10.A. Board Determinations. The Board's action shall be either to refer the application to a hearing officer for an administrative hearing, take action on the recommendation of the SDAG, or refer the matter back to the SDAG for additional information. If action is taken, the Board shall make the following determinations, as applicable:

10.A.1 Whether the Member is permanently incapacitated for the performance of duty and, if so, the injury or disease that gives rise to such permanent incapacity. If permanent incapacity is not found, the application shall be denied.

10.A.2 Whether the incapacity is a result of injury or disease arising out of and in the course of the Member's employment for the County or participating district.

10.A.2.a If, by statute, a presumption of service-connection exists for the claimed condition, the Board shall determine whether the presumption applies to Applicant and, if so, whether the evidence presented rebuts the presumption of service-connection.

10.A.3 Whether any changes to the effective date of the Member's disability retirement should be made pursuant to California Government Code section 31724.

10.B. Notification of Board Decision. Within three (3) working days after the Board's action on the application, the Chief Executive Officer shall notify the Applicant and/or Member (if the Member is not the Applicant) at the address shown in the application of the Board action (or such other address as may be designated by the Applicant) and, if the action of the Board denies in whole or in part any of the benefits sought in the application, the notice shall advise the Applicant of his/her right to contest the Board action.

10.C. Effective Date of Board Decision. The decision of the Board shall be final on the day it is made.

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Rule 11. Hearing Officer Assignment and Selection.

After the thirty (30) day period to request an administrative hearing or SDAG's review of addition medical reports and records described in Rule 7, whichever is later, a hearing officer will be selected in the following manner:

- 11.A. Assignment.** The Chief Executive Officer assigns hearing officers on a rotational basis from KCERA's pre-existing panel of hearing officers. A written *Notice of Hearing Officer Assignment* shall be sent by the Chief Executive Officer to the parties. Applicant, Member (if the Member is not the Applicant), and counsel for KCERA shall have ten (10) calendar days from the date of the *Notice of Hearing Officer Assignment* to exercise, in writing, a peremptory challenge. If either party exercises its challenge, the next hearing officer in the rotation shall be assigned the case and the other party will then have ten (10) calendar days from the notice to exercise, in writing, a peremptory challenge. Only one peremptory challenge may be exercised by a party. The Chief Executive Officer will notify the hearing officer once he/she is selected. In the event the selected hearing officer recuses himself or herself from the case, the next hearing officer in the rotation shall be assigned to the case regardless of whether a party has exercised its peremptory challenge against that hearing officer.
- 11.B. Peremptory Challenge(s).** A peremptory challenge, if any, by either party shall be supported by a declaration made under penalty of perjury via written notice. Any party who wishes to exercise its peremptory challenge must submit the notice to the Chief Executive Officer and serve it on all other parties.
- 11.C. Selection.** A written *Notice of Hearing Officer Selection* shall be sent by the Chief Executive Officer to the parties within twenty (20) calendar days of the final peremptory challenge.
- 11.D. Administrative Record.** The Chief Executive Officer or designee shall provide the Hearing Officer and all parties with a copy of the Administrative Record compiled by the Chief Executive Officer.

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Rule 12. Hearing Officer Jurisdiction.

The Hearing Officer has two hundred seventy (270) calendar days (from the date he/she is notified of his/her selection) to hold and complete the Administrative Hearing process, including receiving all evidence and written closing statements, and submitting proposed findings and recommendations to KCERA's Board of Retirement.

The Hearing Officer's jurisdiction expires two hundred seventy (270) calendar days after he/she is notified of his/her selection as a hearing officer.

Nothing in these Rules is to be construed as preventing the Hearing Officer from allowing parties to stipulate to lesser intervals than those specified in these Rules. The Hearing Officer may, for good cause shown, after giving both parties an opportunity to be heard, shorten the times specified in these Rules.

- 12.A. Setting of Administrative Hearing Date.** The Hearing Officer will coordinate the Administrative Hearing date with all parties and set the dates for the submission of the *Prehearing Statements*, the Prehearing Conference, and the cut-off date to send KCERA a request to prepare subpoena(s) for witnesses, which must be before the *Prehearing Statements* are due. The Hearing Officer will issue and serve a Scheduling Order with the relevant dates to all parties. If the parties cannot agree on an administrative hearing date within the time specified, the Hearing Officer shall set the applicable dates within the time specified and serve the parties with a Scheduling Order... If the administrative hearing process is not completed within the Hearing Officer's jurisdiction, the case will be returned to the Chief Executive Officer for reassignment to another hearing officer.
- 12.B. Continuances/Extensions of Time.** Any request for a continuance or an extension of time must be in writing to the Hearing Officer and served on all parties and parties in interest. Any party or party in interest is entitled to oppose a request for continuance by filing written objections with the Hearing Officer. The Hearing Officer shall issue a determination on the request and provide all parties with formal notice of the decision.

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Rule 13. Prehearing Statements.

Each party must file a completed *Prehearing Statement* form. A blank *Prehearing Statement* form is provided to all parties with the *Notice of Hearing Officer Selection* letter.

The *Prehearing Statement* form shall contain the following:

- (a) A statement of the issues and the contentions of the party, including the claimed physical/psychological disabilities;

NOTE: Allegations and/or evidence that incapacity is the result of an injury or disease not evaluated by the SDAG is not admissible at the Administrative Hearing and cannot be a basis for determining incapacity. Nothing herein shall be construed to constitute a waiver or denial of a Member's right to file a separate application for disability retirement based on the newly alleged injury or disease.

- (b) A list of documentary evidence not included in the Administrative Record that the party intends to offer into evidence and copies of such documents (including any deposition transcript, affidavit, or medical report or record), along with a declaration explaining why the party did not know or could not have reasonably known about the medical reports or records at the time the matter was under review by SDAG;
- (c) The names, business addresses and telephone numbers of any witnesses and affiants whose testimony the party intends to present at the Administrative Hearing (including Medical Witnesses), and a description of each witness's expected testimony, including a curriculum vitae for professional or expert witnesses; and
- (d) If the Member is asserting that the effective date of the disability retirement allowance is a date other than the date the application was accepted as filed, the Member shall raise the "effective date" as an issue in the Prehearing Statement. Nothing in this Rule excuses the Applicant from the need to indicate the request for an earlier effective date in the application.

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Rule 14. Prehearing Conference and Order.

- 14.A.** Prehearing Conference. The Hearing Officer shall conduct a Prehearing Conference to address any issues raised in the *Prehearing Statement*.
- 14.B.** Order. The Hearing Officer shall issue a written order addressing the issues decided at the Prehearing Conference including the scope of the issues to be raised at the administrative hearing and shall serve such order on all parties. Please refer to Appendix C, *Order After Prehearing Conference*.

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PROPOSED

Rule 15. Written Medical Reports as Evidence.

- 15.A. Statement of Policy.** It is the policy of the Board that production of medical evidence shall be in the form of written medical reports. A written medical report bearing the signature of the medical witness shall be admissible in evidence as the author's direct testimony.
- 15.B. Medical Witness Defined.** A medical witness is a person who, by profession, is a physician, surgeon, holding an M.D. or D.O. degree, psychologist, optometrist, dentist, podiatrist, or chiropractic practitioner, licensed by the State of California or by such other jurisdiction in which such person maintains his/her regular practice.

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PROPOSED

Rule 16. Oral Testimony of Medical Witnesses.

- 16.A. Hearings.** Oral testimony of a medical witness on direct or cross-examination, for any purpose, may be taken at the time and place set for the Administrative Hearing.
- 16.B. Depositions.** The deposition of a medical witness may be taken. The deposition shall be scheduled at a reasonable time as requested by the medical witness. The deposition shall take place in the office of the medical witness or such other reasonable place as requested by the medical witness. Depositions of medical witnesses for any purpose shall be taken before the *Prehearing Statements* are due.
- 16.C. Subpoenas and fees.** Issuance of a subpoena for a medical witness's attendance at an administrative hearing or deposition shall be contingent on the party accepting the obligation to pay the medical witness the fees set forth herein.
- 16.C.1** The party requesting oral testimony of the Member's treating physician shall advance to the treating physician such fees and mileage as Government Code section 68093 prescribes for ordinary, non-expert witnesses in the superior court. If the party requesting oral testimony of a treating physician intends to question the physician as to the physician's expert opinion, the party requesting the oral testimony shall advance to the medical witness an expert witness fee.
- 16.C.2** The party requesting oral testimony of a medical witness who is not the Member's treating physician shall in all cases advance to the medical witness an expert witness fee. The witness shall be entitled to claim an expert witness fee on the same conditions that such witness would be entitled to claim under Government Code section 68092.5 if subpoenaed to testify in a civil action or proceeding.
- 16.C.3** When payment of an expert witness fee is required, the party requesting the oral testimony shall contact the office of the medical witness and determine the witness's reasonable and customary hourly or daily fee and shall advise the office of the medical witness of the anticipated length of the deposition or administrative hearing. The medical witness's fee, based on the witness's reasonable, customary rate and anticipated length of the testimony, shall be delivered to the medical witness at least ten (10) calendar days in advance of the deposition or administrative hearing. If a balance is due following the testimony, the party requesting the oral testimony shall pay the balance upon receipt of an itemized statement. Disputes as to fees between the medical witness and the party requesting the oral testimony shall be resolved by the Hearing Officer.

16.C.4 Failure to timely serve a subpoena and/or pay the prescribed witness fee in advance of the Administrative Hearing or deposition may be treated by the Hearing Officer and Board as a waiver of the right to question such witness. Failure to advance the expert witness fee will be deemed a waiver of the right to question the witness or require the witness's appearance at the deposition or administrative hearing, and any subpoena which may have been issued to compel the witness's attendance shall be canceled and shall be of no further force or effect. Service of the subpoena and payment of the fee may be made by mail if the witness so agrees.

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PROPOSED

Rule 17. Depositions of Witnesses.

Any party to the proceeding may cause the depositions of witnesses or Applicant or Member (when the Applicant is not the Member) to be taken in the manner prescribed by law for depositions in civil actions in the superior courts of this state. Attendance of witnesses and production of records in regard to depositions may be required and appropriate subpoenas will be issued in accordance with these Rules. The parties shall bear their own costs for such depositions. Depositions of lay witnesses must be scheduled and taken before the *Prehearing Statement* is due. Depositions of medical witnesses shall be governed by Rule 16.

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PROPOSED

Rule 18. Resolution of Disputes in Regard to Discovery and Administrative Hearing Procedure.

Disputes in regard to depositions, other discovery and administrative hearing procedures shall be resolved by the Hearing Officer once a *Request for Administrative Hearing* has been made. If a discovery dispute arises prior to such request, it shall be resolved by the Chief Executive Officer.

If a request for resolution of a discovery dispute is made to a Hearing Officer, it shall be made in writing and may be supported by declarations, a copy of the deposition transcript, if appropriate, a memorandum of points and authorities, and a proposed resolution. The other party and the witness involved shall have an opportunity to respond. The response may be accompanied by declarations, a copy of the deposition transcript, if appropriate, a memorandum of points and authorities, and a proposed resolution.

The Hearing Officer or Chief Executive Officer, as the case may be, shall notify the parties and the witness involved of the resolution of the dispute. If the witness continues to refuse to comply with the resolution, the Hearing Officer or Chief Executive Officer may dismiss the application for disability retirement without prejudice.

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Rule 19. Subpoenas.

The chair and Chief Executive Officer, or their designee, in accordance with the CERL, are hereby authorized to issue and sign subpoenas for attendance at the Administrative Hearing and/or depositions on applications for disability retirement, upon the request of any party.

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PROPOSED

Rule 20. The Burden of Proof.

An Applicant has the burden of producing evidence and the burden of proving, by a preponderance of the evidence, that the Member is permanently incapacitated for the performance of his or her usual duties, and, if applicable, that such incapacity is service-connected.

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PROPOSED

Rule 21. Evidence

21.A. Oral Testimony. Oral evidence shall be taken only on oath or affirmation.

21.B. Parties' Rights. Subject to these Rules and any rulings made by the Hearing Officer at a Prehearing Conference or *in limine* prior to the presentation of evidence, each party or party in interest shall have these rights:

21.B.1 to call and examine witnesses;

21.B.2 to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination;

21.B.3 to impeach any witness regardless of which party first called the witness to testify;

21.B.4 to rebut adverse testimony; and

21.B.5 to introduce exhibits, deposition transcripts and reports of medical witnesses.

21.C. Applicant/Member Testimony.

21.C.1 If the application is filed by the Member, the failure or refusal of the Member to submit to examination for the purpose of answering relevant questions shall be grounds for dismissing the application in whole or in part with prejudice.

21.C.2 If the application is filed by someone other than the Member and the Member is requesting disability retirement benefits on a service-connected basis or has filed an application on injuries different from those listed in the application not filed by the Member, the failure or refusal of the Member to submit to examination for the purpose of answering relevant questions shall be grounds for denying such portions of the application for disability retirement.

21.C.3 If the application is filed by someone other than the Member, the failure or refusal of the Member to submit to examination for the purpose of answering relevant questions shall be grounds for denying the application for disability retirement in whole or in part without prejudice.

21.D. Hearsay Evidence. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding, unless it would be admissible over objection in civil actions. This section shall not be applicable to written medical reports or records received into evidence pursuant to Rule 15.

21.E. Rules of Evidence. The Administrative Hearing need not be conducted according to technical rules relating to evidence and witnesses. Relevant evidence received in accordance with these Rules shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the Administrative Hearing, and irrelevant and unduly repetitious evidence shall be excluded.

21.F. Affidavit. A party may include as part of the *Prehearing Statement* a copy of any affidavit of any lay witness which the party proposes to introduce in evidence, together with a notice as provided below. The affidavit, if introduced in evidence, shall be given the same effect as if the affiant had testified orally. If an opportunity to cross-examine an affiant is not afforded after a timely subpoena has been requested and served as herein provided, the affidavit may be introduced in evidence, but shall be given only the same effect as other hearsay evidence. The notice required shall be substantially in the following form:

The accompanying affidavit(s) [here insert name of affiant(s)] will be introduced as evidence at the Administrative Hearing in [here insert title of the proceeding]. [Here insert name of affiant] will not be called to testify orally and you will not be entitled to question him/her unless you subpoena the affiant(s).

21.G. Judicial Notice. In reaching a decision, the Hearing Officer shall take official notice of those matters which must be judicially noticed pursuant to section 451 of the California Evidence Code, may take official notice of those matters which may be judicially noticed pursuant to section 452 of the California Evidence Code, and shall take official notice of any matter specified in section 452 if the provisions of section 453 of the California Evidence Code are complied with by a party.

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Rule 22. Order of Business for Administrative Hearings Before Hearing Officer.

Unless the Hearing Officer rules that it is unnecessary or a different order of business is appropriate to suit the convenience of witnesses, all administrative hearings shall proceed as outlined below.

- 22.A. Reporter.** The proceedings of all administrative hearings for applications for disability retirement shall be reported by a stenographic reporter. The stenographic report of the proceedings shall be transcribed only if requested by a party, and, if so, the party requesting the same shall pay for the cost thereof. All parties must contact the stenographic reporter directly in order to obtain a copy of the transcript.
- 22.B. Appearances.** The Hearing Officer shall call the case and ask for appearances by or for all parties, which shall be recorded. After all of the appearances are made, the parties may make opening statements, orally or in writing, except that counsel for KCERA may delay its opening statement until after Applicant's presentation of evidence.
- 22.C. Identify the Record.** If the parties are ready to proceed, the Hearing Officer will describe the documentary file before the Administrative Hearing and ensure that all parties have identical document sets. (Except, in situations where a physician has not allowed certain psychiatric records to be disclosed to the Member and the Member has not retained counsel, the Member's document set may remain redacted.)
- 22.D. Applicant Presents Evidence.** Applicant's full presentation, including any witness testimony, is given. During this presentation, the Hearing Officer and counsel for KCERA (and other parties in interest, if any/present) have the right to ask questions. If the application was filed by the Member's employer, the Member shall also have the opportunity to present evidence under the same terms as the Applicant.
- 22.E. Counsel for KCERA Presents Evidence.** Counsel's full presentation, including any witness testimony, is given. During this presentation, the Hearing Officer and the Applicant (and other parties in interest, if any/present) have the right to ask questions.
- 22.F. Rebuttal evidence.** Rebuttal evidence may then be presented in the same order.
- 22.G. Oral Arguments and Closing Statements.** If oral arguments are made, Applicant's oral arguments are made first, followed by other parties in interest, if any/present. Oral arguments by counsel for KCERA are last. Upon the request of any party or party in interest, written closing statements may be made and filed with the Hearing Officer after the close of the Administrative Hearing. If written closing

statements are requested by the parties or party in interest, the Hearing Officer shall determine whether to grant such request.

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PROPOSED

Rule 23. Service of Proposed Findings of Fact and Recommended Decision.

At the conclusion of the Administrative Hearing, *Proposed Findings of Fact and Recommended Decision* of the Hearing Officer shall be sent to the Board by the Hearing Officer who presided at the Administrative Hearing within the two hundred seventy (270) calendar days described in Rule 12. The Board will serve the *Proposed Findings of Fact and Recommended Decision* on the parties in accordance with these Rules.

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PROPOSED

Rule 24. Objections to Proposed Findings of Fact and Recommended Decision.

Pursuant to California Government Code section 31534, any party objecting to the *Proposed Findings of Fact and Recommended Decision* has ten (10) business days after service of the *Proposed Findings of Fact and Recommended Decision* to serve written objections to the Board and the other party(ies), but not the Hearing Officer. References or citations to portions of the Administrative Record, or deposition transcript, if any, may be made, but nothing shall be attached to the objections and any evidence argued in the written objections must have been admitted by the Hearing Officer at the Prehearing Conference.

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PROPOSED

Rule 25. Action by the Board.

After the close of the ten-day (10) objection period, the Chief Executive Officer will submit the *Proposed Findings of Fact and Recommended Decision* at the Board's next available regular meeting.

In accordance with California Government Code section 31534, upon receipt of the *Proposed Findings of Fact and Recommended Decision*, the Board may:

- (a) Approve and adopt the Findings of Fact and Recommended Decision;
- (b) Require a transcript or summary of all the testimony, plus all other evidence received by the Hearing Officer. Upon receipt thereof, the Board shall take such action as in its opinion is indicated by such evidence;
- (c) Refer the matter back, with or without instructions, to the Hearing Officer for further proceedings; or
- (d) Set the matter for hearing before itself. At such hearing, the Board shall hear and decide the matter as if it had not been referred to the Hearing Officer.

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Rule 26. Board's Decision After Review of the Record.

In any case where the Board makes a decision based upon review of the Administrative Hearing transcript, plus all other evidence received by the Hearing Officer, the Board may approve and adopt the Hearing Officer's *Proposed Findings of Fact and Recommended Decision* or the Board shall prepare its own *Alternate Findings of Fact and Recommended Decision* for consideration. The Board's decision is final upon the Board's adoption of the *Findings of Fact and Decision*.

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PROPOSED

Rule 27. Judicial Review.

Code of Civil Procedure section 1094.6 has been adopted and applies to judicial review of any decision of the Board or of the Kern County Employees' Retirement Association.

Rules Review and History

The Board will review this policy at least every five years to ensure that it remains relevant and appropriate.

These Rules were adopted by the Board on April 10, 2019 and amended by the Board on May 4, 2022.

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PROPOSED

Appendix A

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

IN RE DISABILITY RETIREMENT APPLICATION OF

Hearing Officer's Scheduling Order

To the Parties and Attorneys of Record:

Pursuant to KCERA's Rules of Disability Retirement, Rule 12.A., the following dates for the above-entitled matter are as follows:

- 1. The Administrative Hearing will occur on
 - a. Date: _____
 - b. Time: _____
 - c. Location: _____
 - d. Type (in-person/virtual): _____
- 2. *Prehearing Statements* shall be served on all parties by _____
Date
- 3. Any request for KCERA to prepare subpoena(s) for witnesses must be served on all parties by _____.*
Date

*Note to Hearing Officer, this date must be before the *Prehearing Statements* are due.

Dated:

By: _____

Hearing Officer



Appendix B

Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311
Tel (661) 381-7700 • Fax (661) 381-7799
Toll Free (877) 733-6831
TTY Relay (800) 735-2929
www.kcera.org

DISABILITY RETIREMENT PREHEARING STATEMENT

Re: Member Name: [Applicant's Name]
Disability Application Date: [Date of Application]
Hearing Date: [Hearing Date]

Please provide the following information. If more space is needed you may attach additional pages.

I. Contested Issues. Please list each claimed disabling condition, any other contested issues for the hearing (i.e., service connection vs. non-service connection, timeliness of application, earlier effective date, etc.), and your position for each issue: (Please remember: Allegations and/or evidence that incapacity is the result of an injury or disease not evaluated by the SDAG is not admissible at the Administrative Hearing and cannot be a basis for determining incapacity.)

Horizontal lines for writing the response to section I.

II. Documentary Evidence. Please be aware that the Hearing Officer may refuse to allow into evidence any documents not listed below and that listing a document does not guarantee that it will be allowed into evidence.

Will you offer into evidence any documents not included in the Administrative Record? [] No [] Yes
If yes, please attach a complete list and explain why the party did not know or could not have reasonably known about the medical reports or records at the time the matter was under review by SDAG.

II. Witness Testimony. Please be aware that the Hearing Officer may refuse to allow anyone who is not listed from testifying and/or refuse to introduce a written version of their testimony.

a. Will you have anyone testify on your behalf at the hearing? [] No [] Yes
If yes, please attach a complete list, stating the name, business address, telephone number and a summary of the expected testimony of each witness. For any witness that is a professional or expert witness, please attach curriculum vitae.

b. Will you have anyone deposed in lieu of live testimony at the hearing? [] No [] Yes
If yes, please attach a complete list, stating the name, business address, telephone number and a summary of the expected testimony of each witness and when the deposition is scheduled or anticipated to be scheduled. For any witness that is a professional or expert witness, please attach curriculum vitae. Please note that depositions of any kind and for any purpose shall be taken before the Prehearing Statements are due.

Appendix B

- c. Will you submit affidavits in lieu of live testimony at the hearing? No Yes
If yes, please attach a complete list, stating the name, business address, telephone number and a summary of the expected content of the affidavit and when the affidavit will be submitted to the Hearing Officer and all Parties. For any affiant that is a professional or expert witness, please attach curriculum vitae. Please note that depositions of any kind and for any purpose shall be taken before the Prehearing Statements are due.

III. Time Estimate.

What is the approximate length of time you will take to present your case?

Signed: _____ Date: _____

Member Employer Other: _____

Attorney for: _____

KCERA Litigation Counsel

After completing the above, and attaching any documents, please send the original documents directly to the Hearing Officer with copies to KCERA (Attn: Board of Retirement), KCERA (Attn: KCERA Litigation Counsel), and Applicant/Applicant's Counsel.

For more detailed information concerning *Prehearing Statements*, see Rule 13 of KCERA's Rules of Procedure for Disability Retirement.

Appendix B

DECLARATION OF SERVICE

In the Matter of _____

Applicant's Name

I, _____, declare that:
Person Mailing Notice

I am a citizen of the United States, over the age of 18 years and not a party to the within entitled action. My residence or business address is: _____.

On _____, I served the following document(s):
Current Date

1. Prehearing Statement

on the following parties:

[Applicant's Attorney], Esq. [Address] [City, State Zip Code] [Email Address]	[Hearing Officer's Name], Esq. [Address] [City, State Zip Code] [Email Address]
[Applicant's Name] [Address] [City, State Zip Code] [Email Address]	Kern County Employees' Retirement Association Attn: Legal 11125 River Run Boulevard Bakersfield, CA 93311 [Email Address]

VIA U.S. MAIL:

I caused true and correct copies of the above document(s) to be placed and sealed in an envelope (or envelopes) addressed to the addressee(s) with postage thereon fully prepaid, I further caused said envelope(s) to be placed in the United States mail, in the City of _____, _____ State.

VIA PERSONAL DELIVERY:

I caused a true and correct copy (or copies) of the above document(s) to be personally delivered to the office(s) of the person(s) listed above.

VIA EMAIL:

I caused true and correct copies of the above document(s) to be sent via Email as indicated above.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed at _____, _____ State on _____ Current Date.

Person Mailing Notice

Appendix C

KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

IN RE DISABILITY RETIREMENT APPLICATION OF

ORDER AFTER PREHEARING CONFERENCE

To the Parties and Attorneys of Record:

1. Hearing Date/Time

- a. Per Scheduling Order; or
- b. The Administrative Hearing on Applicant's Disability retirement application

shall occur on _____.

Date, time, location

i. The hearing will be held:

- 1) In person – at KCERA office
- 2) Via teleconference

2. Claimed physical/psychological disabling conditions (list each)

- a. _____
- b. _____

see attached (Attachment __)

3. Scope of Contested Issues (add as applicable)

a. Timeliness of Application

contested not contested

b. Disabling Condition #1 – _____

i. Incapacity

contested not contested

1) Reasonable Refusal of Medical Services

contested not contested

Appendix C

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ii. Service-connection

contested not contested

iii. Issues related to Presumption/Rebuttal

1) Presumption applies

contested not contested

2) Rebuttal

contested not contested

c. Earlier Effective Date (list basis)

see attached (Attachment __)

d. Other misc. contested issue

see attached (Attachment __)

4. Ruling on Documentary Evidence to be Admitted at Hearing

see attached (Attachment __)

5. Ruling on Witness(es)/ Testimony

6. Time Estimate

Dated:

By: _____

Hearing Officer



CHIEF EXECUTIVE OFFICER'S REPORT

KCERA | DOMINIC D. BROWN | MAY 2022



OFFICE UPDATE

- RFP Status – General Investment Consultant
- Alameda/PEPRA – Communications being prepared for members, plan sponsors, and stakeholders
- Staffing – Recruitments ongoing for Senior Accountant and Retirement Services Technician
- Building expense line item over budget, however Office expense category still underbudget

OPERATIONS ACTIVITY

Member Services

- 33 new retirements and calculations
- 66 death benefit calculations
- 25 service-credit purchase calculations
- 79 retirement estimates
- 135 new active members
- 102 terminations with disposition packets
- 26 in-person appointments
- 199 walk-ins
- 861 phone calls
- 106 emails

Accounting & Reporting

- GASB 68
- Budget for '22-'23
- April Pension Payments with the new COLA

Information Technology

- In Progress:
 - KCERA Portal Refresh in Progress
 - Cognos to Crystal Conversion in Progress

UPCOMING EVENTS

- ❓ Finance Committee – Staff scheduling a meeting for May 26th to discuss the FY 2022-23 Budget. Following the May staff will be scheduling a meeting to continue SRBR discussions.
- ❓ Administrative Committee – No meetings currently scheduled.
- ❓ Investment Committee – No meetings currently scheduled.
- ❓ KCERA Property, Inc. – No meetings currently scheduled.
- ❓ Board of Retirement – Next regular monthly meeting will be on June 8.



CIO REPORT

INVESTMENT PROGRAM UPDATE | May 2022

Rebalancing

APRIL ACTIVITY

- Core Real Estate
 - +20M JP Morgan SPF

Reporting period covers 04/01/2022 to 04/25/2022



Core Real Estate: increased the overweight position due to return opportunity.

Asset Class	Actual	Target	Difference
Public Equity	35.7%	37%	-1.3%
Fixed Income	22.0%	24%	-2.0%
Core	11.5%	14%	-2.5%
Credit	6.1%	6%	+0.1%
Emerging Market Debt	4.4%	4%	+0.4%
Commodities	6.5%	4%	+2.5%
Midstream	6.4%	5%	+1.4%
Hedge Funds	10.1%	10%	+0.1%
Alpha Pool	5.0%	5%	+0.0%
Core Real Estate	6.4%	5%	+1.4%
Opportunistic	3.0%	0%	+3.0%
Private Markets	8.4%	15%	-6.6%
Cash	-3.6%	-5%	+1.4%

Positioning

ACTUAL VS POLICY TARGET

Key underweight positions are **Public Equity**, **Core Fixed Income**, and **Cash**

Public Equity: underweight vs. policy target and adjusted policy target.

Core Fixed Income: underweight vs. policy target and adjusted policy target.

Private Markets continues to be a key focus; the allocation should reach 15% target around 2026.

Private Equity, Private Credit and Private Real Estate underweights continue to be reallocated to other asset classes where we see better return opportunity than Public Equity or Core Fixed Income, including **Credit**, **EM Debt**, **Commodities**, **Midstream**, **Core Real Estate**, and **Opportunistic**.

Key Initiatives



Enhancing return while managing risk

- Capital Efficiency program improvements
- Multi-asset research
- Opportunistic investments
 - Evaluating three potential investments
- Private Markets
 - Continued program build-out
- Risk management tools
- Tail risk hedge research

Next meeting TBD

Investment Committee Meetings

The last IC meeting was held on April 27th.





Jennifer Esquivel Zahry, Chief Legal Officer

Phillip Jenkins, Deputy Chief Legal Officer

Maggie Peralta-Lee, Senior Paralegal

Irma Chavez, Senior Legal Secretary

CLO Report May 2022

SACRS
Legislative
Update

SACRS Sponsored Bills

AB 1824 – Clean up

AB 1971 – CERL Policy

SACRS
Legislative
Update

Public Meeting

AB 1944 – Eliminates
Address Requirement

AB 2449 – Allows
teleconference with
quorum

SACRS
Legislative
Update

Other Bills of Interest

AB 2493 – OCERS bill
with substantive edits

SB 1328 - Divestment

May Calendar

	Pending CLO/DCLO Review
Operational Contracts	4
Investment/ Custodial Documents	9
Disability Matters	5
Community Property Matters	9
Powers of Attorney	2
PRA Requests	3
Staff Inquiries	2
Administrative Appeals	5
Board/Committee Meetings/Conferences	2
Special Projects	2

Other Bills of Interest

AB 2493 (Chen) – Orange County Employees Retirement System: Disallowed Compensation. This bill was recently amended with substantive language that allows OCERS to adjust retirement payments based on disallowed compensation for peace officers and firefighters under certain circumstances.

The bill has not yet been set for hearing.

Compensation Earnable Bills – Last session, two bills were introduced relating to compensation earnable - **AB 498 (Quirk-Silva)** and **AB 826 (Irwin)**. As reported in previous updates, AB 826 was gutted and amended in June of 2021 with the CERL provisions currently contained in the bill. The bill was placed on the Senate Inactive File in September, where it remains. AB 498 (Quirk Silva) was similarly amended at the end of session last year in September. We have reached out to these offices to inquire about whether these bills will be further amended or brought up for votes later this year. Neither office had any updates at this time. We will periodically check back for further updates.

SB 1328 (McGuire) – Divestment. This bill would prohibit all public retirement boards subject to PEPRA from investing public employee retirement funds in a company with business operations in Russia or Belarus, among other requirements.

The bill passed out of the Senate Labor, Public Employment and Retirement Committee and Senate Governmental Organization Committee unanimously. It will go to the Senate Appropriations Committee next.

SACRS has not taken a formal position on the bill but has submitted a “letter of concern” outlining the administrative concerns raised by member systems.

Public Meeting Bills. During the pandemic, public agencies have relied upon the Brown Act flexibilities created via Executive Order and previous legislation to continue to conduct business while keeping the public and members safe. As the pandemic evolves, public agencies continue to recognize the benefits of teleconferencing, and multiple bills have been introduced on the topic this year to continue teleconference flexibilities:

AB 1944 (Lee) – Public Meetings. This bill would eliminate the requirement to post each board member address on public agendas for remote meetings. For public meetings that elect to use teleconferencing, the legislative body would be required to provide a video stream accessible to members of the public and an option for members of the public to address the legislative body remotely during public comment through a video or call-in option.

SACRS is supporting this bill. The bill has not yet been set for hearing in policy committee.

AB 2449 (Rubio) – Public Meetings. This bill would allow a local agency to use teleconferencing for a public meeting if at least a quorum of members of the legislative

body participate in person from a single location that is identified on the agenda and is open to the public within the local agency's jurisdiction, among other requirements.

The bill has not yet been sent for hearing.