

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

August 4, 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, August 10, 2022 at 8:30 a.m. via teleconference pursuant to California Government Code section 54953, subdivision (e) upon adoption of required findings.

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# 871-8933-6361:

- (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/87189336361?pwd=R3g4dnhaM1MxTnRxRmJTbTU5QzNrQT09>
- Passcode: 043648

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 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 – ADOPT FINDINGS FOR THE BOARD AND ALL KCERA STANDING COMMITTEES; APPROVE 30-DAY RESOLUTION](#)

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

- May 26, 2022 Finance Committee
- June 1, 2022 Investment Committee
- June 8, 2022 Board of Retirement

RECEIVE AND FILE

- *3. [Report from the KCERA office on members retired from service for the months of June and July 2022 – RATIFY](#)
- *4. [Report from the KCERA office on deceased retirees for the months of June and July 2022 – RECEIVE AND FILE](#)
- *5. [Report of current disability retirement applications and appeals of KCERA Board decisions for the period ending July 31, 2022 – RECEIVE AND FILE](#)
- *6. [Securities Lending Earnings Summary Report for the periods May 1-31, 2022 and June 1-30, 2022 from Deutsche Bank – RECEIVE AND FILE](#)
- *7. [KCERA asset allocation, cash flow position, investment fees, and budget status report for the months of May and June 2022 – RECEIVE AND FILE](#)
- *8. [KCERA Class Action Proceeds Report from April 1 through June 30, 2022 from the Northern Trust Company – RECEIVE AND FILE](#)
- *9. [Corrections in Benefit Payments Report for the period January through June 2022 – RECEIVE AND FILE](#)
- *10. [Corrections in Benefit Contributions Report for the period January through June 2022 – RECEIVE AND FILE](#)
- *11. [Board of Retirement Semi-annual Trustee Education Report – RECEIVE AND FILE](#)
- *12. [2022 KCERA Retirement Benefit Statement and Cover Letter Sample – RECEIVE AND FILE; APPROVE](#)
- *13. [Letter from Segal, dated June 15, 2022, regarding KCERA Tier 3 Supplemental Retiree Benefit Reserve Benefits for the period from July 1, 2022 through June 30, 2023 – APPROVE](#)
- *14. [Invitation from State Association of County Retirement Systems \(SACRS\) to Board of Directors to attend the SACRS Board of Directors Meeting August 22, 2022, in Los Angeles, California – APPROVE ATTENDANCE OF TRUSTEE JORDAN KAUFMAN](#)

- *15. [Invitation from California Association of Public Retirement Systems \(CALAPRS\) to trustees to attend the CALAPRS Principles of Pension Governance for Trustees, August 29-September 1, 2022 in Tiburon, California](#) – APPROVE THE ATTENDANCE OF TRUSTEE DUSTIN CONTRERAS
- *16. [Invitation from ValueEdge Advisors to trustees to attend the 2022 Public Funds Forum, September 6-8, 2022 in Laguna Beach, California](#) – APPROVE THE ATTENDANCE OF TRUSTEE JEANINE ADAMS
- *17. [Invitation from California Association of Public Retirement Systems \(CALAPRS\) to staff to attend the CALAPRS Administrators' Institute, September 28-30, 2022 in Long Beach, California](#) – APPROVE THE ATTENDANCE OF CHIEF OPERATIONS OFFICER MATTHEW HENRY

PUBLIC COMMENTS

- 18. 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

- 19. [Discussion and appropriate action on private market fund recommendation](#) presented by Maria Surina, Senior Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – APPROVE UP TO \$30MM COMMITMENT TO COVENANT APARTMENT FUND XI; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW
- 20. [Discussion and appropriate action on private market fund recommendation](#) presented by Maria Surina, Senior Investment Director, Cambridge Associates², Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – APPROVE UP TO \$40MM COMMITMENT TO LANDMARK REAL ESTATE PARTNERS FUND IX; 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.

21. [Discussion and appropriate action on hedge fund recommendation presented by Spencer Edge, Albourne America³, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – APPROVE TRANSFER FROM SCULPTOR ENHANCED FUND TO SCULPTOR MASTER FUND](#)
22. [Presentation on the 2nd Quarter Investment Performance Review period ending June 30, 2022 by Scott Whalen, CFA, Verus – RECEIVE AND FILE](#)
23. [Presentation on the 2nd Quarter 2022 Portfolio Review presented by Spencer Edge, Albourne America⁴ – RECEIVE AND FILE](#)

STAFF REPORTS

24. [Report from Chief Executive Officer](#)
25. [Report from Chief Investment Officer](#)
26. [Report from Chief Legal Officer](#)

COMMITTEE REPORTS

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

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

28. 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

29. 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
30. Adjournment

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.

**BEFORE THE BOARD OF RETIREMENT
KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RESOLUTION No. 2022-07**

In the matter of:

NEW INITIAL RESOLUTION RE 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 2022-06 on June 8, 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 June 8, 2022; and
- (i) Resolution 2022-06 lapsed due to inaction as KCERA's Board of Retirement was not scheduled to meet within 30 days of June 8, 2022; and
- (j) KCERA's Board of Retirement wishes to pass this new Initial Resolution in accordance with its State of Emergency Protocols for KCERA Board Meetings (adopted March 9, 2022) and after reconsidering the circumstances of the state of emergency; and
- (k) On August 2, 2022, the latest estimate of the R-effective in Kern County was 0.93 ("spread of COVID-19 is likely stable") –this number is down from 1.28 on May 31, 2022); and
- (l) 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 July 28, 2022, the CDC classifies Kern County at a "high level" of COVID-19 and severe disease; and
- (m) The 7-day case rate in Kern County, has not been reported by Kern County Public Health since March, but the CDPH reported on August 2, 2022 that Kern

County had 28.3 cases per 100,000 with 790 new cases (0.4% increase since last week); and

- (n) 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
- (o) 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 August 10, 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 September 9, 2022, or such time the Board of Retirement 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 August 10, 2022.

PROPOSED

Evidence in Support of Findings

EVIDENCE IN SUPPORT OF FINDINGS

TABLE OF CONTENTS

R-EFFECTIVE KERN COUNTY (AS OF AUGUST 2, 2022).....	1
CDC TRACKER – KERN COUNTY (AS OF JULY 28, 2022)	2
CDPH KERN CASES (AS OF AUGUST 2, 2022)	3
CA PROCLAMATION OF A STATE OF EMERGENCY (MARCH 4, 2020)	4

Latest Estimate of R-effective is:

0.98

Spread of COVID-19 is likely stable

What does a R-eff of this size mean?

Low/High Estimates of R-effective:

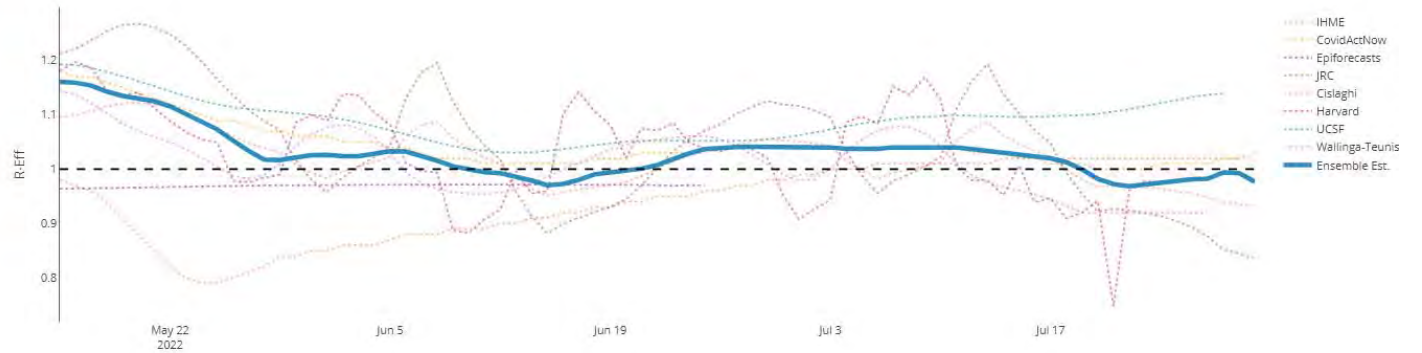
0.84 - 1.02

JRC - 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:

0.93

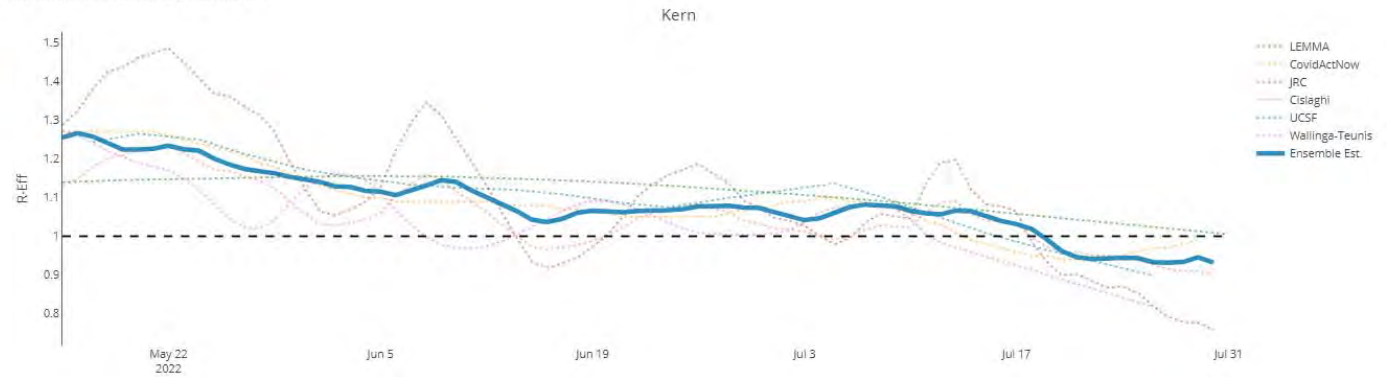
Spread of COVID-19 is likely stable

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 over time





COVID-19 County Check

Find community levels and prevention steps by county. Data updated weekly.

Select a Location (all fields required)

California



Kern County



Go

< Start Over

● High

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

- Wear a [mask](#) indoors in public
- Stay [up to date](#) with COVID-19 vaccines
- [Get tested](#) if you have symptoms
- Additional precautions may be needed for people [at high risk for severe illness](#)

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.

If you are immunocompromised, learn more about [how to protect yourself](#).

Find out more about the COVID-19 situation in **Kern County, California** with [COVID-19 Data Tracker](#).

July 28, 2022

Cases and deaths

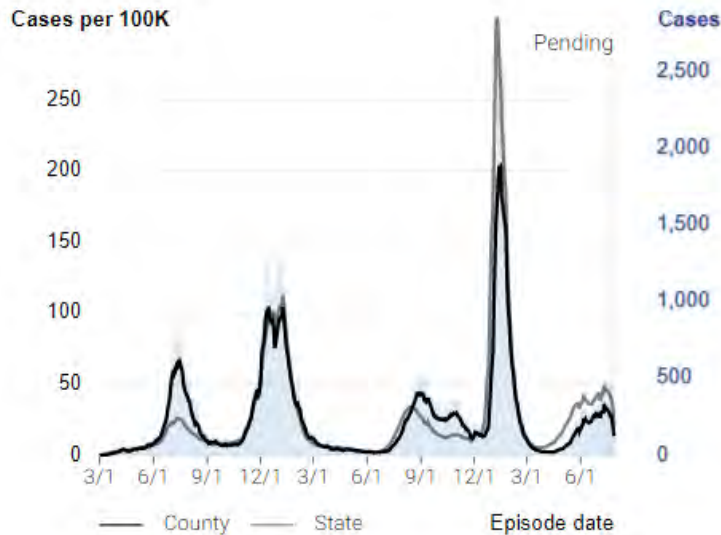
Kern Statewide

California has 9,922,718 confirmed cases of COVID-19, resulting in 92,763 deaths.

Confirmed cases in Kern County

Episode date All time

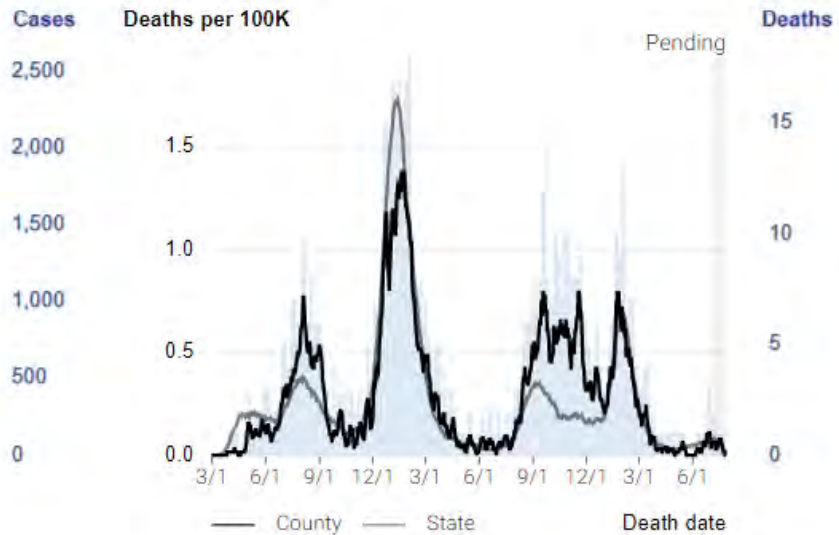
210,190 total confirmed cases
790 new cases (0.4% increase)
28.3 cases per 100K (7-day average)



Confirmed deaths in Kern County

Death date All time

2,375 total confirmed deaths
7 new deaths (0.3% increase)
0.1 deaths per 100K (7-day average)



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

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.

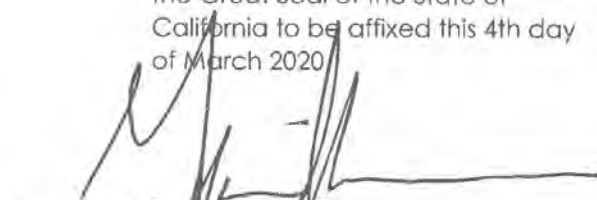
7. The 30-day time period in Health and Safety Code section 101080, within which a local governing authority must renew a local health emergency, is hereby waived for the duration of this statewide emergency. Any such local health emergency will remain in effect until each local governing authority terminates 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

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

SUMMARY OF PROCEEDINGS

**Teleconference Meeting – Finance Committee
May 26, 2022**

1:01 p.m.

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

ROLL CALL

Present: Adams, Gonzalez, Nunneley, Whitezell
**Board of Retirement Chair Juan Gonzalez designated to serve as Chair during the Finance Committee for this meeting. (Committee Chair Charter 2.c). (Board Chair Charter 2.a)*

Absent: Franey

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. Presentation regarding KCERA Organizational Landscape and Budget Governance presented by presented by Chief Executive Officer Dominic Brown – GOVERNANCE CONSULTANT JULIE BECKER, AON, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

HEARD PRESENTATION

2. Discussion and appropriate action on the proposed fiscal year 2022-2023 KCERA Operating Budget and Schedule of Authorized Positions presented by Chief Executive Officer Dominic Brown, Chief Operations Officer Matthew Henry and Chief Financial Officer Angela Kruger – GOVERNANCE CONSULTANT JULIE BECKER, AON, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES JEANINE ADAMS, CHASE NUNNELEY AND TYLER WHITEZELL HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

RECOMMENDED APPROVAL OF BUDGET AS PRESENTED ONLY; INCLUDE MORE INFORMATION FOR BOARD OF RETIREMENT REGARDING NEW POSITIONS

Nunneley-Whitezell – 4 Ayes

PUBLIC COMMENTS

3. 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

4. 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
5. ADJOURNED – 2:34 P.M.

Secretary, Board of Retirement

Chair, Finance Committee

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

SUMMARY OF PROCEEDINGS

**Teleconference Meeting – Investment Committee
June 1, 2022**

12:00 p.m.

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

ROLL CALL

Present: Couch, Kaufman, Kratt, Whitezell

Absent: Gonzalez

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

1. Discussion and appropriate action on private market fund recommendation presented by Andrea Auerbach, Investment Managing Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA – **ANDREA AUERBACH, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JORDAN KAUFMAN HEARD; SENIOR RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD**

TRUSTEE JUAN GONZALEZ ARRIVED AT 12:04 P.M.

RECOMMENDED THE BOARD OF RETIREMENT APPROVE UP TO \$32.5MM COMMITMENT TO WARREN EQUITY PARTNERS FUND IV; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Couch – 4 Ayes

¹ Written materials and investment recommendations from the consultants, fund managers and KCERA investment staff relating to alternative investments are exempt from public disclosure pursuant to California Government Code §6254.26, §6255, and §54957.5.

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 – 12:15 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

June 8, 2022

8:34 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, Kratt, Matthews, Seibly, Whitezell

Absent: Contreras, Kaufman, Nunneley

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.

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**

Franey-Whitezell – 8 Ayes

*2. Summary of proceedings of the following meetings:

- April 22, 2022 Administrative Committee
- April 27, 2022 Investment Committee
- May 2, 2022 Special Board of Retirement
- May 4, 2022 Board of Retirement

RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

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

Franey-Whitezell – 8 Ayes

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

Franey-Whitezell – 8 Ayes

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

Franey-Whitezell – 8 Ayes

*6. Securities Lending Earnings Summary Report for the period April 1-30, 2022 from Deutsche Bank – RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

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

Franey-Whitezell – 8 Ayes

*8. Non-substantive changes to KCERA Operations Policies – APPROVED PROPOSED CHANGES

Franey-Whitezell – 8 Ayes

*9. Summary of the KCERA Board and Administrative Committee Self-Assessment Discussions – RECEIVED AND FILED

Franey-Whitezell – 8 Ayes

- *10. KCERA Schedules of Employer Allocations and Pension Amounts by Employer and related notes including independent auditors' report as of and for the year ended June 30, 2021, and Segal's Governmental Accounting Standards (GAS) 68 Actuarial Valuation as of June 30, 2022* –

**Pursuant KCERA's Board Operations Policy #38, this matter is being presented to the Board without the involvement of the Finance Committee to prevent the imprudent use of Plan time and resources in light of the routine and non-controversial nature of item*

ITEM WAS REMOVED FROM CONSENT AGENDA

- *11. Invitation from State Association of County Retirement Systems (SACRS) to trustees and staff to attend the SACRS/UC Berkeley 2022 Program July 17-20, 2022, in Berkeley, California – APPROVED ATTENDANCE OF TRUSTEES JEANINE ADAMS AND DUSTIN CONTRERAS

Franey-Whitezell – 8 Ayes

- *12. Invitation from State Association of County Retirement Systems (SACRS) to Board of Directors to attend the SACRS Board of Directors Meeting June 21, 2022, in Sonoma, California – APPROVED ATTENDANCE OF TRUSTEE JORDAN KAUFMAN

Franey-Whitezell – 8 Ayes

10. KCERA Schedules of Employer Allocations and Pension Amounts by Employer and related notes including independent auditors' report as of and for the year ended June 30, 2021, and Segal's Governmental Accounting Standards (GAS) 68 Actuarial Valuation as of June 30, 2022* – CHAIR JUAN GONZALEZ HEARD; TRUSTEE JEANINE ADAMS HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

**Pursuant KCERA's Board Operations Policy #38, this matter is being presented to the Board without the involvement of the Finance Committee to prevent the imprudent use of Plan time and resources in light of the routine and non-controversial nature of item*

RECEIVED AND FILED

Adams-Franey – 8 Ayes

PUBLIC COMMENTS

13. 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 – ANGELA BONFIGLIO HEARD; CHAIR JUAN GONZALEZ HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

INVESTMENT MATTERS

14. Discussion and appropriate action on private market fund recommendation presented by Andrea Auerbach, Investment Managing Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, Senior Retirement Investment Officer Brian Long, CFA, and the Investment Committee – ANDREA AUERBACH, CAMBRIDGE ASSOCIATES, HEARD; TRUSTEES JOSEPH HUGHES AND RICK KRATT HEARD; SENIOR RETIREMENT INVESTMENT OFFICER BRIAN LONG, CFA, HEARD

APPROVED UP TO \$32.5MM COMMITMENT TO WARREN EQUITY PARTNERS FUND IV; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kratt-Whitezell – 8 Ayes

15. Trustee education regarding Tail Risk Hedging presented by Scott Whalen, CFA, and Marc Gesell, CFA, Verus, Chief Investment Officer Daryn Miller, CFA, and Senior Retirement Investment Officer Brian Long, CFA – SCOTT WHALEN AND MARC GESELL, VERUS, HEARD; CHAIR JUAN GONZALEZ HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED EDUCATIONAL TRAINING (37 MINUTES TRUSTEE EDUCATION CREDIT)

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.

ADMINISTRATIVE MATTERS

16. Discussion and appropriate action on AB 2493 presented by Chief Legal Officer, Jennifer Zahry – CHAIR JUAN GONZALEZ HEARD; TRUSTEES PHIL FRANNEY AND RICK KRATT HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

DIRECTED STAFF TO SUBMIT LETTER OF CONCERN

Couch-Franey – 7 Ayes; 1 Abstention (Kratt)

17. Selection and identification of designated representatives pursuant to Government Code section 54957.6, relating to compensation of KCERA's Chief Executive Officer, an unrepresented employee – CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEE JOSEPH HUGHES HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

SELECTED AND APPOINTED BOARD CHAIR AND ADMINISTRATIVE COMMITTEE CHAIR TO SERVE AS THE BOARD'S DESIGNATED REPRESENTATIVES

Franey-Matthews – 8 Ayes

TRUSTEE TRACO MATTHEWS LEFT AT 10:00 A.M.

18. Presentation regarding KCERA positioning compared to NCPERS peers presented by Chief Executive Officer Dominic Brown – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

HEARD PRESENTATION

FINANCIAL MATTERS

19. Presentation regarding KCERA Organizational Landscape and Budget Governance presented by presented by Chief Executive Officer Dominic Brown – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

HEARD PRESENTATION

20. Discussion and appropriate action on the proposed fiscal year 2022-2023 KCERA Operating Budget presented by Chief Executive Officer Dominic Brown, Chief Operations Officer Matthew Henry, Chief Financial Officer Angela Kruger, and the Finance Committee – CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEE PHIL FRANEY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF OPERATIONS OFFICER MATTHEW HENRY HEARD

APPROVED

Franey-Adams – 6 Ayes; 1 Absent (Couch)

21. Discussion and appropriate action on development of new positions for future use by KCERA – GOVERNANCE CONSULTANT JULIE BECKER, AON, HEARD; CHAIR JUAN GONZALEZ HEARD; VICE-CHAIR TYLER WHITEZELL HEARD; TRUSTEES PHIL FRANEY, RICK KRATT, TRACO MATTHEWS AND ROBB SEIBLY HEARD; CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

TRUSTEE TRACO MATTHEWS ARRIVED AT 11:11 A.M.

REFERRED MATTER TO THE ADMINISTRATIVE COMMITTEE TO DEVELOP A BUDGET APPROVAL PROCESS FOR NEW STAFF POSITIONS AND RETURN TO THE BOARD FOR CONSIDERATION AND APPROVAL

Franey-Kratt – 7 Ayes; 1 Absent (Couch)

STAFF REPORTS

22. Report from Chief Executive Officer

CHIEF OPERATIONS OFFICER MATTHEW HENRY REPORTED THE FOLLOWING:

- ALAMEDA/PEPRA IMPLEMENTATION UPDATE
- STAFFING UPDATE
- SOLAR PROJECT UPDATE
- SRBR TO FINANCE COMMITTEE
- STRATEGIC PLANNING WITH AON
- RFP FOR PLAN SPONSOR AUDITS
- HR CONSULTANT
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD

23. Report from Chief Investment Officer

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

- MAY REBALANCING ACTIVITY
- PORTFOLIO POSITIONING AND MARKET UPDATE
- KEY INITIATIVES & UPDATES
- UPCOMING INVESTMENT COMMITTEE MEETINGS

CHAIR JUAN GONZALEZ HEARD; TRUSTEE RICK KRATT HEARD

24. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- SACRS LEGISLATIVE UPDATE
- RECENT PENSION LITIGATION DECISIONS
- JUNE CALENDAR

TRUSTEE PHIL FRANNEY HEARD

TRUSTEE RICK KRATT LEFT AT 11:56 A.M.

TRUSTEE TRACO MATTHEWS LEFT AT 11:59 A.M.

COMMITTEE REPORTS

25. Report from Committee Chairs:

- a. Administrative Committee: HUGHES – MEETING TO BE SCHEDULED
- b. Finance Committee: FRANNEY – NEXT MEETING SCHEDULED AUGUST 4, 2022
- c. Investment Committee: KAUFMAN – NONE
- d. KCERA Property, Inc.: SEIBLY – MEETING TO BE SCHEDULED IN AUGUST/SEPTEMBER

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

31. 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 – NONE

NEW BUSINESS

34. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE

35. ADJOURNED – 12:03 P.M.

Secretary, Board of Retirement

Chair, Board of Retirement



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

Employer Name: County Of Kern

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Bradley	Christopher	05/21/2022	General Tier I	1160 - Information Technology Sv
Brockett	Jeffery	04/23/2022	Safety Tier I	2210S - Sheriff
Brooks	Lynn	04/30/2022	General Tier I	8954 - Public Works-Public Ways
Cartier	Johnathan	05/08/2022	General Tier I	2183 - Dept Of Child Support Svc
Cole	Robert	09/19/2015	General Tier I	9144 - Kern Sanitation Auth
Earl	David	04/23/2022	Safety Tier I	2210S - Sheriff
Essex	Sharon	05/01/2022	General Tier I	5120 - Depart Of Human Services
Hurst	Rachel	05/07/2022	Safety Tier I	2340S - Probation-Safety
Lopez	Joel	05/04/2022	General Tier I	5120 - Depart Of Human Services
Luevanos	Jesus	04/02/2022	Safety Tier I	2210S - Sheriff
Lundgren	Donal	03/21/2022	Safety Tier I	2210S - Sheriff
Lynn	Shawna	05/07/2022	Safety Tier I	2340S - Probation-Safety
Mcguire	Darlene	05/21/2022	General Tier I	5120 - Depart Of Human Services
Mesa	Raquel	05/07/2022	General Tier II	2180 - District Attorney
Pope	Craig	04/30/2022	General Tier I	8954 - Public Works-Public Ways
Simpson	Avery	05/08/2021	Safety Tier I	2210S - Sheriff
Singh	Pam	05/17/2022	General Tier I	2190 - Public Defender



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

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Stewart	Patricia	05/27/2022	General Tier I	2180 - District Attorney
Svendsen	Kenneth	05/31/2022	General Tier II	1640 - Construction Services
Wilson	Diana	05/07/2022	General Tier I	4122 - Environ Health Serv Div
Young	Tanja	03/31/2022	Safety Tier I	2210S - Sheriff
Zachary	Mary	06/04/2022	General Tier II	4110 - Depart Of Public Health

Employer Name: KC Superior Court

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Felber	Anna	05/07/2022	General Tier I	9410 - Superior Court

Employer Name: Kern County Hospital Authority

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Flores	Patricia	05/06/2022	General Tier I	9460 - Kern County Hospital Authority
Smith	April	05/07/2022	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
Baldwin	David	01/23/2016	General Tier I	0959 - San Joaquin Valley Air Pollution Control District



**Kern County Employees' Retirement Association
New Retirees- July 1, 2022 to July 31, 2022**

Employer Name: County Of Kern

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Achen	Stacy	06/11/2022	General Tier I	4110 - Depart Of Public Health
Easley	Ivonne	06/29/2022	General Tier II	2210 - Sheriff
Elliott	Mesha	05/25/2022	Safety Tier I	2340S - Probation-Safety
Guandique	Sandra	06/08/2022	General Tier I	1910 - Risk Management
Hall	Dennis	06/04/2022	Safety Tier I	2210S - Sheriff
King	Timothy	02/15/2020	Safety Tier I	2210S - Sheriff
Kirklin	Mark	07/01/2022	General Tier I	4110C - Health-Communic Disease
Kundinger	Matthew	06/21/2022	Safety Tier I	2340S - Probation-Safety
Long	Timothy	06/18/2022	General Tier I	8954 - Public Works-Public Ways
Milam	Lisa	06/04/2022	General Tier I	5120 - Depart Of Human Services
Ollivier	Danielle	06/04/2022	General Tier II	5120 - Depart Of Human Services
Pratt	Sean	07/06/2019	Safety Tier I	2210S - Sheriff
Quezada	Samantha	06/04/2022	General Tier I	5120 - Depart Of Human Services
Roden	Jim	06/18/2022	Safety Tier I	2210S - Sheriff
Rodriguez	Ana	07/28/2022	General Tier I	4120 - Behavioral Health & Reco
Sherman	Charles	05/21/2022	Safety Tier I	2180S - District Attorney



**Kern County Employees' Retirement Association
New Retirees- July 1, 2022 to July 31, 2022**

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Tolar	Shannon	07/16/2022	General Tier I	4120 - Behavioral Health & Reco
Zachary	Oliver	07/16/2022	General Tier II	4120 - Behavioral Health & Reco

Employer Name: KC Superior Court

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Etienne	Linda	07/02/2022	General Tier I	9410 - Superior Court
Rosenbalm	Trudy	07/02/2022	General Tier I	9410 - Superior Court

Employer Name: Kern County Hospital Authority

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Martin	Tina	06/04/2022	General Tier I	9460.2 - KCHA Post 201807
Olinger	John	06/18/2022	General Tier II	9460 - Kern County Hospital Authority
Pappas	Jina	07/02/2022	General Tier II	9460 - Kern County Hospital Authority
Reichert	Paula	06/04/2022	General Tier II	9460 - Kern County Hospital Authority
Sevilla	Rhodora	06/13/2022	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
Busalacchi	Diane	06/04/2022	General Tier I	0959 - San Joaquin Valley Air Pollution Control District



**Kern County Employees' Retirement Association
New Retirees- July 1, 2022 to July 31, 2022**

Member Last Name	Member First Name	Retirement Date	Membership Tier	Department Name
Dominguez	Ignacio	07/02/2022	General Tier II PEPRA	0959 - San Joaquin Valley Air Pollution Control District
Mosesian	Jo	06/03/2017	General Tier I	0959 - San Joaquin Valley Air Pollution Control District



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

Post-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Behill	Victoria	General	County Of Kern
Blackwood	Cecil	General	County Of Kern
Cuevas	Leo	Safety	County Of Kern
Glaser	James	Safety	County Of Kern
Goins	Randall	General	County Of Kern
Hanson	Andrew	Safety	County Of Kern
Kemp	Dixie	General	County Of Kern
Lomas	Raymond	General	County Of Kern
Mathis	Charlene	General	County Of Kern
Moynier	Velda	General	County Of Kern
Nicholls	Diane	General	Kern County Hospital Authority
Ocain	John	General	County Of Kern
Quintero	Elia	General	County Of Kern
Randall	Charles	Safety	County Of Kern
Salcido	Pamela	General	County Of Kern
Sherwood	Gerald	General	County Of Kern
Stitt	Richard	General	County Of Kern
Terman	Edward	General	County Of Kern
Turner	Mary	General	County Of Kern
Wedeking	Darrin	Safety	County Of Kern



Kern County Employees' Retirement Association Decedents- July 1, 2022 to July 31, 2022

Pre-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Brown	Lori	General	County Of Kern
Green	Michael	General	County Of Kern
Lopez	Manuel	Safety	County Of Kern
Nachor	Melody	General	County Of Kern
Villegas	Angelica	General	KC Superior Court

Post-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Anderson	Joyce	General	County Of Kern
Beller	Linda	General	County Of Kern
Boxley	Sandra	General	County Of Kern
Cox	Carol	General	County Of Kern
Dumaplin	Punay	General	County Of Kern
Dunkel-Davis	Karen	General	County Of Kern
Fambrough	Steven	Safety	County Of Kern
Faulkenberry	Donald	Safety	County Of Kern
Frey	Mary	Safety	County Of Kern
Lim	Caroline	General	Kern County Hospital Authority
Potter	Barry	General	County Of Kern
Siemon	Mary	General	County Of Kern
Smith	Bob	General	County Of Kern
Terry	Dorothy	General	County Of Kern
Trunkey	David	Safety	County Of Kern
Warkentin	James	General	San Joaquin Valley APCD

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 06/30/22**

NAME	DEPARTMENT	DATE FILED	DATE OF LAST CONTACT
Roden, Jim	SHERIFF	06/22/22	06/22/22
Rodriguez, Mark	FIRE	06/21/22	06/30/22
Fecke, Daniel	HOSPITAL AUTHORITY	06/15/22	06/30/22
Pena, Armando	PROBATION	05/27/22	06/30/22
Hill, Sheldon	SHERIFF	05/27/22	06/10/22
Gomez, Armando	ITS	04/29/22	05/19/22
Cano, Emma	BEHAVIORAL HEALTH & RECOVERY SERVICES	03/17/22	04/14/22
Barnes, Mark	SHERIFF	12/03/21	05/26/22
Yohn, Jacob	SHERIFF	11/30/21	05/26/22
NAME	DEPARTMENT	DATE FILED	MMRO ASSIGNED
Guandique, Sandra	RISK MANAGEMENT	10/15/21	03/14/22
Fussel, Kathy	HOSPITAL AUTHORITY	11/03/21	02/24/22
Kauffman, Stephen	DISTRICT ATTORNEY	08/16/21	04/25/22
Gardner, Stephen	FIRE	07/19/21	02/24/22
Brannan, Derek	SHERIFF	07/14/21	11/22/21
Leon, Theresa	DEPARTMENT OF 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
Introini, Jessica	SHERIFF	06/18/21	11/22/21
Williams, Theron	GENERAL SERVICES DIVISION	05/12/21	09/15/21
Garcia, Judy	KERN 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	8/20/201
Sanders-Stubblefield, Misty	AGING AND ADULT SERVICES	02/25/21	08/20/21
McAdoo, 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	KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES	12/10/18	09/08/20

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 06/30/22**

NAME	DEPARTMENT	DATE FILED	MMRO ASSIGNED
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)	KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES	07/17/17	02/20/20
Rodriguez, Ted	SHERIFF	06/22/17	02/20/20
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 06/30/22

ADMINISTRATIVE HEARING	DEPARTMENT	DATE FILED	SDAG RECOMMENDATION	APPEAL RECEIVED	SENT TO COUNTY COUNSEL	HEARING OFFICER ASSIGNED	HEARING DATE
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WRIT OF MANDATE	DEPARTMENT	DATE FILED	BOARD DECISION
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
Blue, Michael	SHERIFF	06/14/13	05/04/22

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 07/31/22**

NAME	DEPARTMENT	DATE FILED	DATE OF LAST CONTACT
Rice, Jerry	FIRE	07/07/22	07/21/22
Carrillo, Aaron	SHERIFF	07/15/22	07/21/22
Roden, Jim	SHERIFF	06/22/22	07/01/22
Rodriguez, Mark	FIRE	06/21/22	07/01/22
Fecke, Daniel	HOSPITAL AUTHORITY	06/15/22	07/28/22
Pena, Armando	PROBATION	05/27/22	07/27/22
Hill, Sheldon	SHERIFF	05/27/22	06/10/22
Gomez, Armando	ITS	04/29/22	05/19/22
Cano, Emma	BEHAVIORAL HEALTH & RECOVERY SERVICES	03/17/22	07/29/22
NAME	DEPARTMENT	DATE FILED	MMRO ASSIGNED
Barnes, Mark	SHERIFF	12/03/21	07/21/22
Yohn, Jacob	SHERIFF	11/30/21	07/21/22
Fussel, Kathy	HOSPITAL AUTHORITY	11/03/21	02/24/22
Guandique, Sandra	RISK MANAGEMENT	10/15//21	03/14/22
Kauffman, Stephen	DISTRICT ATTORNEY	08/16/21	04/25/22
Gardner, Stephen	FIRE	07/19/21	02/24/22
Brannan, Derek	SHERIFF	07/14/21	11/22/21
Leon, Theresa	DEPARTMENT OF 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
Introini, Jessica	SHERIFF	06/18/21	11/22/21
Williams, Theron	GENERAL SERVICES DIVISION	05/12/21	09/15/21
Garcia, Judy	KERN 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	8/20/201
Sanders-Stubblefield, Misty	AGING AND ADULT SERVICES	02/25/21	08/20/21
McAdoo, 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

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF 07/31/22**

NAME	DEPARTMENT	DATE FILED	MMRO ASSIGNED
Terry, Leann	SHERIFF	10/17/19	06/30/20
Martinez de Moore, Brenda	KERN BEHAVIORAL HEALTH AND 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)	KERN BEHAVIORAL HEALTH AND RECOVERY SERVICES	07/17/17	02/20/20
Rodriquez, Ted	SHERIFF	06/22/17	02/20/20
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 07/31/22

ADMINISTRATIVE HEARING	DEPARTMENT	DATE FILED	SDAG RECOMMENDATION	APPEAL RECEIVED	SENT TO COUNTY COUNSEL	HEARING OFFICER ASSIGNED	HEARING DATE
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WRIT OF MANDATE	DEPARTMENT	DATE FILED	BOARD DECISION
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
Blue, Michael	SHERIFF	06/14/13	05/04/22

SECURITIES LENDING



Summary Earnings Report

Run Time: 08-Jun-2022 13:09 EDT
 Date Range: 01-MAY-2022 To 31-MAY-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	19,141,811.53	7,185.73	718.57	6,467.16	KNC15
KNCTY - PIMCO Midstream	CAKE19	13,134,412.13	5,532.71	553.27	4,979.44	KNC16
KNCTY PIMCO Core Plus	CAKE07	28,328,202.39	7,242.22	724.22	6,518.00	KNC11
KNCTY PIMCO EMD	CAKE08	1,126,845.48	444.25	44.42	399.82	KNC12
KNTCY - Alliance Bernstein	CAKE15	24,657,242.59	7,417.99	741.80	6,676.19	2664130
KNTCY - Geneva	CAKE16	7,702,095.46	2,300.92	230.09	2,070.83	2667336
KNTCY - Western Asset MGMT Co 01	CAKE03	29,873,661.80	8,107.08	810.71	7,296.37	KNC06
KNTCY - Western Asset MGMT Co 02	CAKE04	45,996,217.21	22,008.91	2,200.89	19,808.02	KNC08
	CCY Total USD:	169,960,488.60	60,239.81	6,023.98	54,215.83	
	Grand Total USD:		60,239.81	6,023.98	54,215.83	

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SECURITIES LENDING

Summary Earnings Report

Run Time: 11-Jul-2022 14:13 EDT
 Date Range: 01-JUN-2022 To 30-JUN-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	11,920,925.47	5,202.83	520.28	4,682.54	KNC15
KNCTY - PIMCO Midstream	CAKE19	13,524,375.22	5,544.17	554.42	4,989.75	KNC16
KNCTY PIMCO Core Plus	CAKE07	26,802,402.26	6,710.16	671.02	6,039.15	KNC11
KNCTY PIMCO EMD	CAKE08	1,329,616.93	591.65	59.16	532.48	KNC12
KNTCY - Alliance Bernstein	CAKE15	28,853,185.73	8,465.10	846.51	7,618.59	2664130
KNTCY - Geneva	CAKE16	12,815,821.32	3,572.22	357.22	3,215.00	2667336
KNTCY - Western Asset MGMT Co 01	CAKE03	26,110,995.34	7,383.18	738.32	6,644.86	KNC06
KNTCY - Western Asset MGMT Co 02	CAKE04	49,665,266.48	21,849.62	2,184.96	19,664.66	KNC08
	CCY Total USD:	171,022,588.75	59,318.93	5,931.89	53,387.04	
	Grand Total USD:		59,318.93	5,931.89	53,387.04	

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KCERA ASSET ALLOCATION*
5/31/2022

Manager Name	Type	\$(000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) \$(000)
AllianceBernstein	Small Cap Value	91,627	1.7%			
Geneva Capital	Small Cap Growth	47,028	0.9%			
Mellon Capital Management EB DV	Large Cap Passive	306,060	5.7%			
PIMCO StockPlus	Large Cap Enhanced	107,313	2.0%			
Total Domestic Equity		\$552,028	10.3%	19.0%	(8.7%)	(\$466,765)
American Century	International Small	87,144	1.6%			
Cevian Capital II LP	International Large	34,176	0.6%			
Mellon Capital Management-EB DV	International Large Passive	520,242	9.7%			
Total International Developed Equity		\$641,562	12.0%	13.0%	(1.0%)	(\$55,507)
AB Emerging Markets Strategic Core	Emerging Markets	93,290	1.7%			
DFA Emerging Markets Value Portfolio	Emerging Markets	81,241	1.5%			
Mellon Emerging Markets	Emerging Markets	88,811	1.7%			
Total Emerging Market Equity		\$263,342	4.9%	5.0%	(0.1%)	(\$4,761)
TOTAL EQUITY		\$1,456,932	27.2%	37.0%	(9.8%)	(\$527,032)
Mellon Capital Management Ag Bond	Core	165,083	3.1%			
PIMCO	Core Plus	193,796	3.6%			
Western Asset Management - CP	Core Plus	203,761	3.8%			
Total Core		\$562,640	10.5%	14.0%	(3.5%)	(\$188,049)
TCW Securitized Opportunities LP	Securitized Opportunities	127,706	2.4%			
Western Asset Management - HY	High Yield	198,009	3.7%			
Total Credit		\$325,715	6.1%	6.0%	0.1%	\$3,991
PIMCO EM Beta	Emerging Markets	140,284	2.6%			
Stone Harbor Global Funds	Emerging Markets	92,695	1.7%			
Total Emerging Market Debt		\$232,979	4.3%	4.0%	0.3%	\$18,496
TOTAL FIXED INCOME		\$1,121,334	20.9%	24.0%	(3.1%)	(\$165,562)
Gresham Commodity Builder Fund	Active	90,667	1.7%			
Wellington Trust Company (WTC)	Active	204,873	3.8%			
TOTAL COMMODITIES		\$295,540	5.5%	4.0%	1.5%	\$81,057
Aristeia International Ltd	Hedge Fund - Direct	67,962	1.3%			
Brevan Howard Fund Limited	Hedge Fund - Direct	71,547	1.3%			
D.E. Shaw Composite Fund	Hedge Fund - Direct	56,976	1.1%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	57,317	1.1%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	74,761	1.4%			
Indus Pacific Opportunities Fund	Hedge Fund - Direct	37,091	0.7%			
Magnetar Structured Credit Fund	Hedge Fund - Direct	9,338	0.2%			
Myriad Opportunities Offshore Fund	Hedge Fund - Direct	464	0.0%			
PIMCO Commodity Alpha Fund LLC	Hedge Fund - Direct	64,803	1.2%			
PMF LTD	Hedge Fund - Direct	61,535	1.1%			
River Birch International Ltd	Hedge Fund - Direct	775	0.0%			
Sculptor Enhanced LP (Formerly OZ Domestic)	Hedge Fund - Direct	48,143	0.9%			
TOTAL HEDGE FUND		\$550,712	10.3%	10.0%	0.3%	\$14,505
ASB Capital Management	Core	185,408	3.5%			
JPMCB Strategic Property Fund	Core	160,806	3.0%			
TOTAL CORE REAL ESTATE		\$346,214	6.5%	5.0%	1.5%	\$78,111
Davidson Kempner	Hedge Fund - Direct	54,530	1.0%			
Garda Fixed Income	Hedge Fund - Direct	52,029	1.0%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	53,817	1.0%			
HBK Spac Fund	Hedge Fund - Direct	50,398	0.9%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	58,009	1.1%			
TOTAL CE ALPHA POOL		\$268,783	5.0%	5.0%	0.0%	\$680
Harvest Midstream	Midstream	210,545	3.9%			
PIMCO Midstream	Midstream	151,075	2.8%			
TOTAL MIDSTREAM ENERGY		\$361,620	6.7%	0.0%	6.7%	\$361,620
Aristeia Select Opportunities II LP	Opportunistic	56,367	1.1%			
DB Investor's Fund IV	Opportunistic	31,047	0.6%			
TSSP Adjacent Opportunities Partners (D)	Opportunistic	74,423	1.4%			
TOTAL OPPORTUNISTIC		\$161,837	3.0%	0.0%	3.0%	\$161,837
Abbott Capital Funds	Private Equity Fund of Funds	27,227	0.5%			
Brighton Park	Private Equity	36,104	0.7%			
Level Equity Growth Partners	Private Equity	2,988	0.1%			
LGTC Crown Global	Private Equity	17,028	0.3%			
Pantheon Funds	Private Equity Fund of Funds	12,029	0.2%			
Peak Rock	Private Equity	8,954	0.2%			
Vista	Private Equity	11,021	0.2%			
Warren Equity Partners	Private Equity	20,878	0.4%			
TOTAL PRIVATE EQUITY		\$136,229	2.5%	5.0%	(2.5%)	(\$131,874)
Blue Torch Credit Opportunities	Private Credit	15,649	0.3%			
Brookfield Real Estate Finance Fund V	Private Credit	20,770	0.4%			
Colony Distressed Credit Fund	Private Credit	34,823	0.6%			
Fortress Credit Opportunities Fund V	Private Credit	12,188	0.2%			
Fortress Lending Fund II (A)	Private Credit	29,117	0.5%			
Fortress Lending Fund III (A)	Private Credit	9,962	0.2%			
H.I.G. Bayside Loan Opportunity Fund	Private Credit	45,045	0.8%			
Magnetar Constellation Fund V	Private Credit	36,166	0.7%			
TSSP Adjacent Opportunities Partners (B)	Private Credit	38,363	0.7%			
TOTAL PRIVATE CREDIT		\$242,083	4.5%	5.0%	(0.5%)	(\$26,020)
Covenant Apartment Fund	Private Real Estate	25,857	0.5%			
Invesco Real Estate Funds III & IV	Private Real Estate	4,235	0.1%			
KCERA Property	Private Real Estate	4,629	0.1%			
LBA Logistics Value Fund IX	Private Real Estate	4,231	0.1%			
Landmark Real Estate Partners VIII	Private Real Estate	22,152	0.4%			
Long Wharf Real Estate Partners VI	Private Real Estate	27,359	0.5%			
Singerman Real Estate Opportunity Fund IV	Private Real Estate	1,890	0.0%			
TOTAL PRIVATE REAL ESTATE		\$90,353	1.7%	5.0%	(3.3%)	(\$177,750)
Northern Trust STIF	Short Term	124,515	2.3%			
BlackRock Short Duration	Short Term	118,778	2.2%			
Parametric	Overlay	83,002	1.5%			
Treasurers Pooled Cash	Short Term	1,123	0.0%			
Wells Fargo Bank	Short Term	2,646	0.0%			
TOTAL CASH AND OVERLAY		\$330,064	6.2%	0.0%	6.2%	\$330,064
Transition Accounts	Liquidation	365	0.0%			
Other		\$365	0.0%	0.0%	0.0%	\$365
As Allocated to Managers **		\$5,362,066	100.0%	100.0%	(0.0%)	(\$0)

KCERA ASSET ALLOCATION*
6/30/2022

Manager Name	Type	(\$000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) (\$000)
AllianceBernstein	Small Cap Value	82,199	1.6%			
Geneva Capital	Small Cap Growth	45,419	0.9%			
Mellon Capital Management EB DV	Large Cap Passive	280,796	5.5%			
PIMCO StockPlus	Large Cap Enhanced	97,925	1.9%			
Total Domestic Equity		\$506,339	9.9%	19.0%	(9.1%)	(\$465,886)
American Century	International Small	87,144	1.7%			
Cevian Capital II LP	International Large	31,023	0.6%			
Mellon Capital Management-EB DV	International Large Passive	478,361	9.3%			
Total International Developed Equity		\$596,528	11.7%	13.0%	(1.3%)	(\$68,678)
AB Emerging Markets Strategic Core	Emerging Markets	87,939	1.7%			
DFA Emerging Markets Value Portfolio	Emerging Markets	75,568	1.5%			
Mellon Emerging Markets	Emerging Markets	82,953	1.6%			
Total Emerging Market Equity		\$246,460	4.8%	5.0%	(0.2%)	(\$9,389)
TOTAL EQUITY		\$1,349,327	26.4%	37.0%	(10.6%)	(\$543,953)
Mellon Capital Management Ag Bond	Core	162,487	3.2%			
PIMCO	Core Plus	190,505	3.7%			
Western Asset Management - CP	Core Plus	198,051	3.9%			
Total Core		\$551,043	10.8%	14.0%	(3.2%)	(\$165,333)
TCW Securitized Opportunities LP	Securitized Opportunities	101,104	2.0%			
Western Asset Management - HY	High Yield	183,852	3.6%			
Total Credit		\$284,956	5.6%	6.0%	(0.4%)	(\$22,062)
PIMCO EM Beta	Emerging Markets	131,891	2.6%			
Stone Harbor Global Funds	Emerging Markets	86,966	1.7%			
Total Emerging Market Debt		\$218,857	4.3%	4.0%	0.3%	\$14,178
TOTAL FIXED INCOME		\$1,054,856	20.6%	24.0%	(3.4%)	(\$173,217)
Gresham Commodity Builder Fund	Active	82,876	1.6%			
Wellington Trust Company (WTC)	Active	186,486	3.6%			
TOTAL COMMODITIES		\$269,362	5.3%	4.0%	1.3%	\$64,683
Aristeia International Ltd	Hedge Fund - Direct	67,178	1.3%			
Brevan Howard Fund Limited	Hedge Fund - Direct	72,315	1.4%			
D.E. Shaw Composite Fund	Hedge Fund - Direct	57,441	1.1%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	45,552	0.9%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	75,101	1.5%			
Indus Pacific Opportunities Fund	Hedge Fund - Direct	36,899	0.7%			
Magnetar Structured Credit Fund	Hedge Fund - Direct	9,376	0.2%			
Mynard Opportunities Offshore Fund	Hedge Fund - Direct	464	0.0%			
PIMCO Commodity Alpha Fund LLC	Hedge Fund - Direct	65,294	1.3%			
PMF LTD	Hedge Fund - Direct	61,102	1.2%			
Sculptor Enhanced LP (Formerly OZ Domestic)	Hedge Fund - Direct	45,820	0.9%			
TOTAL HEDGE FUND		\$536,542	10.5%	10.0%	0.5%	\$24,845
ASB Capital Management	Core	192,714	3.8%			
JPMCB Strategic Property Fund	Core	163,457	3.2%			
TOTAL CORE REAL ESTATE		\$356,171	7.0%	5.0%	2.0%	\$100,322
Davidson Kempner	Hedge Fund - Direct	53,740	1.1%			
Garda Fixed Income	Hedge Fund - Direct	52,322	1.0%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	53,817	1.1%			
HBK Spac Fund	Hedge Fund - Direct	50,012	1.0%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	58,009	1.1%			
TOTAL CE ALPHA POOL		\$267,900	5.2%	5.0%	0.2%	\$12,051
Harvest Midstream	Midstream	185,172	3.6%			
PIMCO Midstream	Midstream	133,699	2.6%			
TOTAL MIDSTREAM ENERGY		\$318,871	6.2%	0.0%	6.2%	\$318,871
Aristeia Select Opportunities II LP	Opportunistic	51,951	1.0%			
DB Investor's Fund IV	Opportunistic	25,512	0.5%			
River Birch International Ltd	Opportunistic	7,898	0.2%			
TSSP Adjacent Opportunities Partners (D)	Opportunistic	80,379	1.6%			
TOTAL OPPORTUNISTIC		\$165,740	3.2%	0.0%	3.2%	\$165,740
Abbott Capital Funds	Private Equity Fund of Funds	26,059	0.5%			
Brighton Park	Private Equity	36,106	0.7%			
Level Equity Growth Partners	Private Equity	4,585	0.1%			
LGT Crown Global	Private Equity	19,265	0.4%			
Pantheon Funds	Private Equity Fund of Funds	11,043	0.2%			
Peak Rock	Private Equity	8,954	0.2%			
Vista	Private Equity	13,717	0.3%			
Warren Equity Partners	Private Equity	20,878	0.4%			
TOTAL PRIVATE EQUITY		\$140,607	2.7%	5.0%	(2.3%)	(\$115,242)
Blue Torch Credit Opportunites	Private Credit	18,049	0.4%			
Brookfield Real Estate Finance Fund V	Private Credit	19,383	0.4%			
Colony Distressed Credit Fund	Private Credit	34,823	0.7%			
Fortress Credit Opportunites Fund V	Private Credit	12,844	0.3%			
Fortress Lending Fund II (A)	Private Credit	29,117	0.6%			
Fortress Lending Fund III (A)	Private Credit	13,962	0.3%			
H.I.G Bayside Loan Opportunity Fund	Private Credit	43,773	0.9%			
Magnetar Constellation Fund V	Private Credit	35,521	0.7%			
TSSP Adjacent Opportunites Partners (B)	Private Credit	38,346	0.7%			
TOTAL PRIVATE CREDIT		\$245,818	4.8%	5.0%	(0.2%)	(\$10,031)
Covenant Apartment Fund	Private Real Estate	24,357	0.5%			
Invesco Real Estate Funds III & IV	Private Real Estate	4,235	0.1%			
KCERA Property	Private Real Estate	4,629	0.1%			
LBA Logistics Value Fund IX	Private Real Estate	4,231	0.1%			
Landmark Real Estate Partners VIII	Private Real Estate	31,761	0.6%			
Long Wharf Real Estate Partners VI	Private Real Estate	27,472	0.5%			
Singerman Real Estate Opportunity Fund IV	Private Real Estate	3,770	0.1%			
TOTAL PRIVATE REAL ESTATE		\$100,455	2.0%	5.0%	(3.0%)	(\$155,394)
Northern Trust STIF	Short Term	101,538	2.0%			
BlackRock Short Duration	Short Term	117,900	2.3%			
Parametric	Overlay	89,327	1.7%			
Treasurers Pooled Cash	Short Term	1,123	0.0%			
Wells Fargo Bank	Short Term	1,082	0.0%			
TOTAL CASH AND OVERLAY		\$310,970	6.1%	0.0%	6.1%	\$310,970
Transition Accounts	Liquidation	354	0.0%			
Other		\$354	0.0%	0.0%	0.0%	\$354
As Allocated to Managers **		\$5,116,973	100.0%	100.0%	(0.0%)	(\$0)

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

KCERA
CASH FLOW POSITION
May, 2022
TREASURERS POOLED CASH

Beginning Cash Balance:		\$	1,152,597
Employer Contributions	22,927,827		
Employee Contributions	3,266,693		
Service Purchases	55,406		
Total Receipts:			26,249,925
Operating Expenses	(565,336)		
Investment Expenses	(1,714,536)		
Transfers-out	(24,000,000)		
Total Disbursements:			<u>(26,279,872)</u>
Ending Cash Balance:		\$	<u>1,122,650</u>

NORTHERN TRUST

Beginning Cash Balance:		\$	38,187,155
Private Markets - Distributions	12,270,827		
Commingled Funds - Distributions	319		
Hedge Funds - Distributions	411		
Redemption Wellington	50,000,000		
Redemption Gresham	10,000,000		
Residual Funds Mellon Agg Bond	55,000,000		
Tax Recovery	3,245		
Interest	8,134		
Securities Lending Earnings (NET)	50,061		
Total Receipts:			127,332,996
Capital Calls Fortress	(4,000,000)		
Capital Calls Vista	(1,325,746)		
Capital Calls Landmark	(1,234,772)		
Capital Calls Covenant	(1,500,000)		
Capital Calls JPM Strategic Property Fund	(20,000,000)		
Other Expenses	(1,754)		
Transfers-out	(13,000,000)		
Total Disbursements:			<u>(41,062,271)</u>
Ending Cash Balance:		\$	<u>124,457,880</u>

WELLS FARGO BANK

Beginning Cash Balance		\$	227,475
Transfer In Northern Trust	13,000,000		
Transfer In TPC - County	24,000,000		
ACH Returns / Deletes	35,117		
Total Receipts:			37,035,117
ACH Benefit Payments	(29,995,300)		
Total Checks Paid	(210,098)		
Tax Withholding Deposits	(4,408,884)		
Bank Services	(1,825)		
Total Disbursements:			(34,616,107)
WFB ending Balance		\$	<u>2,646,485</u>

KCERA
CASH FLOW POSITION
June, 2022
TREASURERS POOLED CASH

Beginning Cash Balance:		\$	1,122,650
Employer Contributions	34,625,337		
Employee Contributions	4,859,830		
Service Purchases	193,243		
Miscellaneous	504,074		
Total Receipts:			40,182,485
Operating Expenses	485,528		
Investment Expenses	(1,375,743)		
Transfers-out	(24,000,000)		
Total Disbursements:			(24,890,215)
Ending Cash Balance:		\$	16,414,920

NORTHERN TRUST

Beginning Cash Balance:		\$	124,457,880
Private Markets - Distributions	6,467,986		
Commingled Funds - Distributions	793		
Redemption Wellington	10,409,138		
Tax Recovery	19		
Class Action Proceeds	41		
Interest	60,249		
Securities Lending Earnings (NET)	43,824		
Total Receipts:			16,982,051
Capital Calls Level Equity	(1,629,447)		
Capital Calls Fortress	(4,795,428)		
Capital Calls Vista	(3,028,314)		
Capital Calls Landmark	(1,384,441)		
Capital Calls TSSP	(6,442,816)		
Capital Calls Blue Torch	(2,000,000)		
Capital Calls Singerman	(1,925,000)		
Capital Calls Long Wharf	(1,090,188)		
Capital Calls Crown Global	(1,500,000)		
Capital Calls Brighton Park	(153,789)		
Contribution River Birch	(7,122,767)		
Contribution Parametric	(40,000,000)		
Other Expenses	(7,245)		
Transfers-out	(10,000,000)		
Total Disbursements:			(81,079,435)
Ending Cash Balance:		\$	60,360,495

**KCERA
CASH FLOW POSITION
June, 2022**

WELLS FARGO BANK

Beginning Cash Balance		\$ 2,646,485
Transfer In Northern Trust	10,000,000	
Transfer In TPC - County	24,000,000	
ACH Returns / Deletes	14,605	
Total Receipts:		34,014,605
ACH Benefit Payments	(30,028,433)	
Total Checks Paid	(1,054,505)	
Taxes Withholding Deposits	(4,494,679)	
Bank Services	(1,650)	
Total Disbursements:		(35,579,268)
WFB ending Balance		<u>\$ 1,081,821</u>

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

Description	July	August	September	October	November	December	January	February	March	April	May	Total
Investment Base Fees:												
Domestic Equity:												
AllianceBernstein	221,667.83				206,725.49		216,923.06			206,889.78		852,206.16
Henderson Geneva Capital		124,076.00			109,770.00			111,499.00			98,290.00	443,635.00
Mellon Capital	135,799.99				91,967.45						64,283.83	292,051.27
International Equity:												
BlackRock			65,882.31				35,612.34		64,370.53		62,765.60	228,630.78
Fidelity Institutional Asset Management												0.00
Fixed Income:												
Mellon Capital (Ag Bond)	11,876.36				12,011.39						13,385.72	37,273.47
Pacific Investment Management Company		284,672.90			300,372.43			665,403.95			308,425.40	1,558,874.68
Western Asset Management			219,911.39		223,146.49			221,199.75			216,082.24	880,339.87
Commodities:												
Wellington Trust Company		364,698.23			371,110.50			379,266.96			440,909.91	1,555,985.60
Real Estate:												
ASB Capital Management		242,926.04			323,985.26			336,566.22			359,040.75	1,262,518.27
Midstream Energy:												
Harvest Midstream	187,309.24			233,263.61			274,359.19			335,621.81		1,030,553.85
Overlay												
Parametric				77,171.00	77,186.00			83,502.00			76,353.00	314,212.00
Subtotal	556,653.42	1,016,373.17	285,793.70	310,434.61	1,716,275.01	0.00	526,894.59	1,797,437.88	64,370.53	542,511.59	1,639,536.45	8,456,280.95
Investment Professional Fees:												
Consulting:												
Abel Noser			7,500.00	7,500.00						7,500.00	7,500.00	30,000.00
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	33,333.33	33,333.33	378,016.63
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	34,166.67	34,166.67	375,833.37
Consulting - Other Expenses								9,000.00				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	24,631.00		59,450.00
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	99,631.00	75,000.00	1,994,377.49
Total Investment Fees	853,843.08	1,083,873.17	503,025.20	561,564.61	1,791,725.01	265,775.33	594,394.59	2,001,902.88	437,875.53	642,142.59	1,714,536.45	10,450,658.44

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

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Investment Base Fees:													
Domestic Equity:													
AllianceBernstein	221,667.83				206,725.49		216,923.06			206,889.78		143,869.11	996,075.27
Henderson Geneva Capital		124,076.00			109,770.00			111,499.00			98,290.00	87,192.00	530,827.00
Mellon Capital	135,799.99				91,967.45						64,283.83	56,551.15	348,602.42
International Equity:													
BlackRock			65,882.31				35,612.34		64,370.53		62,765.60		228,630.78
Fidelity Institutional Asset Management													0.00
Fixed Income:													
Mellon Capital (Ag Bond)	11,876.36				12,011.39						13,385.72	12,343.08	49,616.55
Pacific Investment Management Company		284,672.90			300,372.43			665,403.95			308,425.40		1,558,874.68
Western Asset Management			219,911.39		223,146.49			221,199.75			216,082.24		880,339.87
Commodities:													
Wellington Trust Company		364,698.23			371,110.50			379,266.96			440,909.91	414,154.72	1,970,140.32
Real Estate:													
ASB Capital Management		242,926.04			323,985.26			336,566.22			359,040.75		1,262,518.27
Midstream Energy:													
Harvest Midstream	187,309.24			233,263.61			274,359.19			335,621.81		353,250.85	1,383,804.70
Overlay													
Parametric				77,171.00	77,186.00			83,502.00			76,353.00		314,212.00
Subtotal	556,653.42	1,016,373.17	285,793.70	310,434.61	1,716,275.01	0.00	526,894.59	1,797,437.88	64,370.53	542,511.59	1,639,536.45	1,067,360.91	9,523,641.86
Investment Professional Fees:													
Consulting:													
Abel Noser			7,500.00	7,500.00						7,500.00	7,500.00		30,000.00
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	33,333.33	33,333.33	66,666.66	444,683.29
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	34,166.67	34,166.67	68,333.34	444,166.71
Consulting - Other Expenses								9,000.00					9,000.00
Custodial:													
The Northern Trust Co.	228,541.66		111,875.00			128,645.83			115,000.00			120,000.00	704,062.49
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	24,631.00		53,382.50	112,832.50
Due Diligence / Investment-Related Travel:													
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	99,631.00	75,000.00	308,382.50	2,302,759.99
Total Investment Fees	853,843.08	1,083,873.17	503,025.20	561,564.61	1,791,725.01	265,775.33	594,394.59	2,001,902.88	437,875.53	642,142.59	1,714,536.45	1,375,743.41	11,826,401.85

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

Expense Type	Budget FY 2021/22	Expenses	Over (Under)
Staffing			
Salaries	3,000,135.00	2,487,127.40	(513,007.60)
Benefits	2,098,829.00	1,619,442.02	(479,386.98)
Temporary staff	100,000.00	36,176.68	(63,823.32)
Staffing Total	5,198,964.00	4,142,746.10	(1,056,217.90)
Staff Development			
Education & Professional Development	57,500.00	\$33,537.39	(23,962.61)
Staff Appreciation	2,500.00	1,724.38	(775.62)
Staff Development Total	60,000.00	35,261.77	(24,738.23)
Professional Fees			
Actuarial fees	190,000.00	83,709.00	(106,291.00)
Audit fees	49,000.00	46,999.99	(2,000.01)
Consultant fees	125,000.00	21,744.20	(103,255.80)
Legal fees	80,000.00	32,047.80	(47,952.20)
Professional Fees Total	444,000.00	184,500.99	(259,499.01)
Office Expenses			
Building expenses	72,000.00	108,810.53	36,810.53
Communications	33,100.00	26,292.28	(6,807.72)
Equipment lease	13,000.00	9,088.77	(3,911.23)
Equipment maintenance	2,000.00	2,000.00	-
Memberships	16,000.00	\$12,329.00	(3,671.00)
Office supplies & misc. admin.	54,540.00	\$37,065.74	(17,474.26)
Payroll & accounts payable fees	22,800.00	\$20,115.10	(2,684.90)
Other Services - Kern County	100,000.00	\$34,447.05	(65,552.95)
Postage	25,000.00	18,030.25	(6,969.75)
Subscriptions	13,500.00	8,384.00	(5,116.00)
Utilities	50,000.00	34,132.88	(15,867.12)
Office Expense Total	401,940.00	310,695.60	(91,244.40)
Insurance	138,385.00	148,495.00	10,110.00
Member Services			
Disability- legal fees	50,000.00	2,896.45	(47,103.55)
Disability – professional services	45,000.00	9,825.60	(35,174.40)
Disability- administration MMRO	130,800.00	100,900.00	(29,900.00)
Member communications	20,000.00	13,684.41	(6,315.59)
Member Services Total	245,800.00	127,306.46	(118,493.54)
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	39,720.55	3,945.55
Licensing & support	138,415.00	124,710.49	(13,704.51)
Software	95,500.00	93,658.56	(1,841.44)
Website design & hosting	64,700.00	35,708.26	(28,991.74)
Systems Total	364,090.00	302,537.86	(61,552.14)
Board of Retirement			
Board compensation	12,000.00	8,840.40	(3,159.60)
Board conferences & training	30,000.00	14,400.96	(15,599.04)
Board elections	35,000.00	40,974.24	5,974.24
Board meetings	3,500.00	1,543.99	(1,956.01)
Board of Retirement Total	80,500.00	65,759.59	(14,740.41)
Depreciation / Amortization	646,908.00	594,428.52	(52,479.48)
Total Operating Expenses	7,578,087.00	5,911,731.89	(1,666,355.11)

KCERA
Operating Expense Budget Status Report
For the Month Ended June 30, 2022

Expense Type	Budget FY 2021/22	Expenses	Over (Under)
Staffing			
Salaries	3,000,135.00	2,718,368.14	(281,766.86)
Benefits	2,098,829.00	1,770,880.20	(327,948.80)
Temporary staff	100,000.00	36,176.68	(63,823.32)
Staffing Total	5,198,964.00	4,525,425.02	(673,538.98)
Staff Development			
Education & Professional Development	57,500.00	40,915.58	(16,584.42)
Staff Appreciation	2,500.00	2,370.92	(129.08)
Staff Development Total	60,000.00	43,286.50	(16,713.50)
Professional Fees			
Actuarial fees	190,000.00	83,709.00	(106,291.00)
Audit fees	49,000.00	46,999.99	(2,000.01)
Consultant fees	125,000.00	21,744.20	(103,255.80)
Legal fees	80,000.00	36,611.21	(43,388.79)
Professional Fees Total	444,000.00	189,064.40	(254,935.60)
Office Expenses			
Building expenses	72,000.00	120,669.24	48,669.24
Communications	33,100.00	28,976.31	(4,123.69)
Equipment lease	13,000.00	10,085.97	(2,914.03)
Equipment maintenance	2,000.00	2,000.00	-
Memberships	16,000.00	\$12,749.00	(3,251.00)
Office supplies & misc. admin.	54,540.00	\$39,405.13	(15,134.87)
Payroll & accounts payable fees	22,800.00	\$21,940.29	(859.71)
Other Services - Kern County	100,000.00	\$37,850.63	(62,149.37)
Postage	25,000.00	20,698.06	(4,301.94)
Subscriptions	13,500.00	11,009.28	(2,490.72)
Utilities	50,000.00	42,079.66	(7,920.34)
Office Expense Total	401,940.00	347,463.57	(54,476.43)
Insurance	138,385.00	148,495.00	10,110.00
Member Services			
Disability- legal fees	50,000.00	2,896.45	(47,103.55)
Disability – professional services	45,000.00	9,825.60	(35,174.40)
Disability- administration MMRO	130,800.00	103,550.00	(27,250.00)
Member communications	20,000.00	13,996.33	(6,003.67)
Member Services Total	245,800.00	130,268.38	(115,531.62)
Systems			
Audit – security & vulnerability scan	15,000.00	2,290.00	(12,710.00)
Business continuity expenses	14,700.00	8,740.00	(5,960.00)
Hardware	35,775.00	52,250.58	16,475.58
Licensing & support	138,415.00	125,005.44	(13,409.56)
Software	95,500.00	97,538.90	2,038.90
Website design & hosting	64,700.00	61,708.26	(2,991.74)
Systems Total	364,090.00	347,533.18	(16,556.82)
Board of Retirement			
Board compensation	12,000.00	10,640.40	(1,359.60)
Board conferences & training	30,000.00	19,640.96	(10,359.04)
Board elections	35,000.00	40,974.24	5,974.24
Board meetings	3,500.00	2,350.45	(1,149.55)
Board of Retirement Total	80,500.00	73,606.05	(6,893.95)
Depreciation / Amortization	646,908.00	648,530.17	1,622.17
Total Operating Expenses	7,578,087.00	6,453,672.27	(1,124,414.73)

Class Action Services

◆ 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	
AXOS FINANCIAL (FKA BOFI HOLDING)(2015)	NOTIFIED	06 Jul 22	03 Sep 13 11 Jan 16	07 Nov 22	08 Aug 22 08 Aug 22	JND LEGAL	www.bofisecuritieslitigation.com	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			2667336 KNCTY-GENEVA 06 Jul 22 TO BE FILED					
			2671877 ZZKNCTY-COLUMBIA MGMT.-SL 06 Jul 22 TO BE FILED					
BANK OZK	NOTIFIED	14 Jul 22	18 Feb 16 16 Jan 19	06 Oct 22	29 Aug 22 29 Aug 22	Gilardi	www.ozksecuritiesclassaction.com/	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			2667336 KNCTY-GENEVA 14 Jul 22 TO BE FILED					
BP P.L.C (2012) (NETHERLANDS)	CLOSED INFORMATIONAL ONLY	22 Jul 22	16 Jan 07 15 Jul 10	01 Oct 15		Stichting Investor Claims	www.investor-claims-against-bp.com	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			KNC04 KNCTY-TRANSITION ACCOUNT 22 Jul 22 CLOSED					
			KNC05 KNCTY-JP MORGAN FLEMING ASSET 22 Jul 22 CLOSED					

Class Action Services

◆ 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	
COVIDIEN PLC (D.MASS.)	CLOSED INFORMATIONAL ONLY	22 Jul 22	14 Jun 14 27 Jan 15		11 Sep 15	Garden City	www.gardencitygroup.com	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			2671873 ZZKNCTY-T. ROWE PRICE -SL					22 Jul 22 CLOSED
			2671874 ZZKNCTY-PANAGORA -SL					22 Jul 22 CLOSED
FACEBOOK INC(2012)(INSTL&RETAIL INV CL)	DISBURSING	11 Jul 22	17 May 12 23 Feb 18	24 Jul 18	15 Aug 18 19 Aug 15	AB Data	www.facebooksecuritieslitigation.com	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			2671873 ZZKNCTY-T. ROWE PRICE -SL					06 Jan 21 NO ELIGIBLE ACTIVITY
			2671874 ZZKNCTY-PANAGORA -SL					23 Jul 18 FILED
FACEBOOK INC(NKA META PLATFORMS INC) SEC	NOTIFIED	26 Jul 22	27 Jan 16 15 Jun 18	26 Oct 22		RCB Fund Services LLC	www.fbfairfund.com	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			2671873 ZZKNCTY-T. ROWE PRICE -SL					26 Jul 22 TO BE FILED

Class Action Services

◆ 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	
FACEBOOK INC(NKA META PLATFORMS INC) SEC	NOTIFIED	26 Jul 22	27 Jan 16 15 Jun 18	26 Oct 22		RCB Fund Services LLC	www.fbairfund.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
2671874	ZZKNCTY-PANAGORA -SL		26 Jul 22 TO BE FILED					
GENERAL ELECTRIC COMPANY (SEC FAIR FUND)	NOTIFIED	14 Jul 22	15 Oct 15 16 Apr 18	19 Oct 22	30 Mar 22	RCB Fund Services LLC	www.gefairfund.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		14 Jul 22 TO BE FILED					
2671874	ZZKNCTY-PANAGORA -SL		14 Jul 22 TO BE FILED					
GLENCORE*PLC-UK FOX WMS WOODSFRD ESG A	NOTIFIED	19 Jul 22	31 Dec 10 30 Jun 20	05 Aug 22		Fox Wms - Woodsford ESG (AUM)	www.woodsfordlitigationfunding.com/	
INFORMATIONAL ONLY								
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
KNC05	KNCTY-JP MORGAN FLEMING ASSET		19 Jul 22 INFORMATIONAL ONLY					

Class Action Services

◆ 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
GSE BOND ANTITRUST SETTLEMENT	CLOSED	22 Jul 22	01 Jan 09 01 Jan 19	12 May 20	22 Apr 20 22 Apr 20	AB Data	www.gsebondantitrustsettlement.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
KNC02	KNCTY-GOLDMAN GI FIXED	22 Jul 22 CLOSED					
KNC04	KNCTY-TRANSITION ACCOUNT	22 Jul 22 CLOSED					
KNC06	KNCTY-WESTERN ASSET MGMT CO CP	22 Jul 22 CLOSED					
KNC08	KNCTY-WESTERN ASSET MGMT CO HY	22 Jul 22 CLOSED					
KNC11	KNCTY-PIMCO CP	22 Jul 22 CLOSED					

Class Action Name	Event Status	Event Status As Of	Class Start Class End	Filing Deadline	Objection/ Exclusion Deadline	Claims Admin Name	Web Address
METLIFE, INC. (2012) (S.D.N.Y.)	DISBURSING	27 Jul 22	02 Aug 10 12 Jan 12	26 Feb 21	26 Feb 21 16 Sep 19	Gilardi	www.metlifesecuritieslitigation.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
2671868	KNCTY-TRANSITION ACC	22 Nov 21 NO LOSS					
2671873	ZZKNCTY-T. ROWE PRICE -SL	27 Jul 22 PAID	2608468	KNCTY-CASH ACCOUNT	1,028.42 USD	1 CASH	27 Jul 22

Class Action Services

◆ 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
NIELSEN HOLDINGS PLC * (S.D.N.Y.)	FILED	08 Jul 22	10 Feb 16 23 Oct 18	15 Jul 22	29 Jun 22 29 Jun 22	Epiq Global Inc	www.nielsensecuritysettlement.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
KNC13	KNCTY-SGA	14 Jul 22 FILED					
SANTANDER CONSUMER USA HLDGS 2014 N.D.T)	DISBURSING	14 Jul 22	22 Jan 14 08 Sep 14	04 Jan 21	22 Dec 20 22 Dec 20	Gilardi & Company	www.scusasecuritysettlement.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	14 Jul 22 PAID	2608468	KNCTY-CASH ACCOUNT	3,455.04 USD	1 CASH	14 Jul 22
2671874	ZZKNCTY-PANAGORA -SL	14 Jul 22 PAID	2608468	KNCTY-CASH ACCOUNT	14,648.41 USD	1 CASH	14 Jul 22
THE KRAFT HEINZ CO. (SEC FAIR FUND)	NOTIFIED INFORMATIONAL ONLY	20 Jul 22	26 Feb 16 21 Feb 19		13 Aug 22	RCB Fund Services LLC	www.sec.gov/litigation/admin.shtm
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	20 Jul 22 INFORMATIONAL ONLY					

Class Action Services

◆ 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	
TIME WARNER CABLE, INC.	CLOSED INFORMATIONAL ONLY	13 Jul 22	25 May 15 18 May 16		20 Feb 17	KCC Class Action Services	www.kccllc.com	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			2671873 ZZKNCTY-T. ROWE PRICE -SL					13 Jul 22 CLOSED
			2671874 ZZKNCTY-PANAGORA -SL					13 Jul 22 CLOSED
UNIVERSAL HEALTH SERVICES, INC. (2016)	DISBURSING	21 Jul 22	27 Feb 15 23 Oct 17	08 Jul 21	24 Jun 21 24 Jun 21	AB Data	http://www.uhssecuritieslitigation.com/	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			2671873 ZZKNCTY-T. ROWE PRICE -SL					26 Nov 21 NO LOSS
			2671874 ZZKNCTY-PANAGORA -SL	2608468	KNCTY-CASH ACCOUNT	480.63 USD	1 CASH	21 Jul 22
WALGREEN CO (2014)	CLOSED INFORMATIONAL ONLY	13 Jul 22	04 Aug 14 31 Dec 14		23 Oct 15	Kurtzman Carson Consultants	www.kccllc.com	
			Claim Status as of Date/ Claim Status	Account Paid	Account Paid Name	Amount Currency	Distribution/ Type	Date Distributed
			2671873 ZZKNCTY-T. ROWE PRICE -SL					13 Jul 22 CLOSED

Class Action Services

◆ 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
WALGREEN CO. (2015)	CLOSED	13 Jul 22	25 Mar 14 05 Aug 14		20 Apr 20	A.B. Data, Ltd.	www.WalgreensSecuritiesLitigation.com
	INFORMATIONAL ONLY						
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	13 Jul 22 CLOSED					
WALGREEN CO.(2015)(N.K.A WALGREENS B.A.)	CLOSED	13 Jul 22	25 Mar 14 05 Aug 14		06 Jul 20	AB Data	www.WalgreensSecuritiesLitigation.com
	INFORMATIONAL ONLY						
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	13 Jul 22 CLOSED					

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 Services

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	CENTENE CORPORATION	14.48	14.48	0.00	0.00	USD	26 Apr 22
Sub Total	2608468	and Currency USD	14.48	14.48	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.



Date: August 10, 2022

To: Trustees, Board of Retirement

From: Dominic D. Brown, Executive Director 

Subject: Report on Errors in Benefit Payments

As required in the Correction of Errors in Benefit Payments Principles, Policy and Procedures, every reasonable effort is made to collect the amount of payments in excess of what members are entitled to receive. KCERA will abandon claims for collection of overpaid benefits only if it concludes that settlement is not possible and pursuing the claim is not appropriate under the circumstances. When KCERA has underpaid benefits, the member shall be entitled to both the correction of the underpayment prospectively and a retroactive lump-sum payment plus interest.

An underpayment in the amount of \$24,643.69 (including interest) was made to one member during the past six months. The member is receiving a non-service supplemental disability pension. The position that the member's supplemental disability pension is based upon received a salary increase. The increase was not discovered by KCERA for several months, resulting in the underpayment. Accordingly, it is recommended the Board receive and file this report.

MEMBER UNDERPAID

#	NAME	EXPLANATION	DATE CORRECTED	PRINCIPAL UNDERPAID	INTEREST	PAID
1	Thomus Stalnaker	Supplemental NSCD Base Salary Adj	6/30/2022	\$ 22,245.91	\$ 2,397.78	\$ 24,643.69



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

Date: August 10, 2022

To: Trustees, Board of Retirement

From: Dominic D. Brown, Chief Executive Officer 

Subject: **Report on Errors in Member Contributions**

As required in the Correction of Errors in Member Contribution Principles, Policy and Procedures, every reasonable and prompt effort is made to recover the amount of any underpayment of contributions and to remit the amount of any overpayment of contributions. KCERA will abandon claims for collection of underpaid contributions only if it concludes that settlement is not possible and pursuing the claim is not appropriate under the circumstances. When a member has overpaid contributions, the member shall be entitled to both the correction of the overpayment and, if applicable, appropriate interest.

Below you will find a list of members who have had an overpayment of contributions resolved during the past six months (Attachment A). Please note that there were no underpayment of contributions during this period. Accordingly, it is recommended the Board receive and file this report.

Attachment A

<u>Member</u>	<u>Amount</u>	<u>Corrective Action</u>	<u>Reason for Correction</u>
Emma Cano	\$4,818.91	Refund	Percent time adjustment
Margo VanDiver	\$7,915.31	Refund	Percent time adjustment
Sherry Wade	\$63,300.80	Refund	Age and indicator error
Dena Murphy	\$1,519.46	Refund	Purchase and indicator error
Sharon Essex	\$4,843.06	Refund	Percent time adjustment
Harold Hunter	\$1,121.59	Refund	Waiver of membership
Mark Giesbrecht	\$2,240.14	Refund	Waiver of membership
Zachary Wells	\$1,083.44	Refund	Contribution error

JEANINE ADAMS (Education Cycle: December 2021-November 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Trustee Orientation	1/14/22	Bakersfield, CA	X	2
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Disability Training	3/3/22	Bakersfield, CA	X	1.5
CALAPRS: General Assembly	3/5-8/22	San Diego, CA		8
CALAPRS: Ethics Training	3/6/22	San Diego, CA		2
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
CALAPRS: Special Trustees Roundtable	4/29/22	Virtual		4.5
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
SACRS: Spring Conference	5/10-13/22	Rancho Mirage, CA		8.5
SACRS: Sexual Harrasment Prevention Training	5/10/22	Rancho Mirage, CA		2
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Trustee Orientation: Session 2	6/16/22	Bakersfield, CA	X	1
Total Hours of Education				32.56

DUSTIN CONTRERAS (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Trustee Orientation	1/14/22	Bakersfield, CA	X	2
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Disability Training	3/3/22	Bakersfield, CA	X	1.5
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Trustee Orientation: Session 2	6/16/22	Bakersfield, CA	X	1
<i>Total Hours of Education</i>				5.98

DAVID COUCH (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
SACRS: Spring Conference	5/10-13/22	Rancho Mirage, CA		3
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Total Hours of Education				6.06

PHIL FRANEY (Education Cycle: January 2021-December 2022)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Supplemental Retiree Benefit Reserve Education	2/26/21	Virtual	X	1.36
CALAPRS: General Assembly	3/8-9/21	Virtual		5
SACRS: Spring Conference	5/11-14/21	Virtual		0
Death Benefits	8/11/21	Bakersfield, CA	X	0.38
Presentation on Venture Capital	12/8/21	Bakersfield, CA	X	0.35
Ethics Training	2/16/22	Virtual		2
Sexual Harrassment Prevention Training	2/16/22	Virtual		2
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedgining	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
SACRS: Spring Conference	5/10-13/22	Rancho Mirage, CA		9.5
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Total Hours of Education				22.95

JUAN GONZALEZ (Education Cycle: July 2021-June 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Presentation on Venture Capital	12/8/21	Bakersfield, CA	X	0.35
Presentation on Capital Efficiency	12/14/21	Bakersfield, CA	X	0.5
Sexual Harrassment Prevention Training	2/2/22	Virtual		2
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Total Hours of Education				5.91

JOSEPH D. HUGHES (Education Cycle: June 2021-June 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Death Benefits	8/11/21	Bakersfield, CA	X	0.38
Presentation on Venture Capital	12/8/21	Bakersfield, CA	X	0.35
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Total Hours of Education				3.79

JORDAN KAUFMAN (Education Cycle: January 2021-December 2022)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Board Fiduciary Duty	4/21/21	Virtual	X	1.08
SACRS: Spring Conference	5/11-14/21	Virtual		6
SACRS: Sexual Harassment Prevention Training	5/14/21	Virtual		2
Death Benefits	8/11/21	Bakersfield, CA	X	0.38
SACRS: Fall Conference	11/9-12/2021	Hollywood, CA		7
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Ethics Training	5/10/22	Rancho Mirage, CA		2
SACRS: Spring Conference	5/10-13/22	Rancho Mirage, CA		9.5
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
Total Hours of Education				30.4

RICK KRATT (Education Cycle: January 2021-December 2022)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Board Fiduciary Duty	4/21/21	Virtual	X	1.08
Death Benefits	8/11/21	Bakersfield, CA	X	0.38
Presentation on Venture Capital	12/8/21	Bakersfield, CA	X	0.35
Presentation on Capital Efficiency	12/14/24	Bakersfield, CA	X	0.5
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
SACRS: Spring Conference	5/10-13/22	Rancho Mirage, CA		6.5
SACRS: Ethics	5/10/22	Rancho Mirage, CA		2
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Sexual Harassment Prevention Training	6/28/22	Virtual		2
Total Hours of Education				15.87

TRACO MATTHEWS (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Trustee Orientation	1/14/22	Bakersfield, CA	X	2
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Disability Training	3/3/22	Bakersfield, CA	X	1.5
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Trustee Orientation: Session 2	6/16/22	Bakersfield, CA	X	1
Total Hours of Education				6.6

CHASE NUNNELEY (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
SACRS: Spring Conference	5/10-13/22	Rancho Mirage, CA		10.5
Total Hours of Education				12.16

ROBB SEIBLY (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
<i>Total Hours of Education</i>				3.06

TYLER WHITEZELL (Education Cycle: January 2022-December 2023)

<i>Conference Name</i>	<i>Date</i>	<i>Location</i>	<i>KCERA Training</i>	<i>Hours of Education</i>
Capital Efficiency Program and Potential Changes	2/9/22	Bakersfield, CA	X	0.7
Fiduciary Responsibility and Governance	3/9/22	Bakersfield, CA	X	0.78
Tail Risk Hedging	5/4/22	Bakersfield, CA	X	0.58
KCERA Board Communication Policy	5/4/22	Bakersfield, CA	X	0.38
Tail Risk Hedging	6/8/22	Bakersfield, CA	X	0.62
Sexual Harassment Prevention Training	6/17/22	Virtual		2
Total Hours of Education				5.06

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

August 31, 2022

Dear Member:

The Kern County Employees' Retirement Association (KCERA) and the Board of Retirement are pleased to provide you with your annual Retirement Benefit Statement. We would like to take this opportunity to reacquaint you with some of the valuable benefits of your KCERA membership:

- KCERA benefits are calculated using a formula based on your age at retirement, total years of retirement service credit, final average compensation and benefit tier.
- KCERA retirement benefits are payable for your lifetime.
- Membership provides retirement, disability and death benefits.

You may visit KCERA at www.kcera.org, to access all of our forms as well as additional information on member benefits, the Member Portal, calculating estimated retirement benefits, and information about the Board of Retirement. KCERA staff is also available to provide benefit information, respond to inquiries and assist with submitting your application for retirement.

Other services that are available to members of KCERA are as follows:

- KCERA offers a KCERA-specific power of attorney form and related FAQs.
- Members may register for an online Member Portal account through the website.

Please take time to review your benefit statement carefully. It is essential that KCERA have current address information for each member: active employees must provide address updates to their respective employers and deferred members may use the portal or they can obtain the appropriate change form from our website and submit to our office. If you have been divorced during your membership with KCERA, it is vital you provide a complete copy of your judgment to our legal team by mail, in person, or email at legal@kcera.org. If you have any questions about your statement, contact KCERA at (661) 381-7700 or by email at memberservices@kcera.org.

Sincerely,



Dominic D. Brown
Chief Executive Officer

June 15, 2022

Mr. Dominic Brown
Executive Director
Kern County Employees' Retirement Association
11125 River Run Boulevard
Bakersfield, CA 93311

**Re: Kern County Employees' Retirement Association
Tier 3 Supplemental Retiree Benefit Reserve Benefits for the
Period from July 1, 2022 through June 30, 2023**

Dear Dominic:

We have reviewed the Tier 3 Supplemental Retiree Benefit Reserve (SRBR) benefit provisions of the Kern County Employees' Retirement Association (KCERA) and have also analyzed how the 2022 COLA will impact the Tier 3 SRBR benefits that would be payable to retirees and beneficiaries for the period from July 1, 2022 through June 30, 2023.

BACKGROUND

Our understanding of the SRBR benefits is as follows:

Effective July 1, 2022, the SRBR provides five categories of supplemental retiree benefits:

Tier 1 – \$35.50 per month payable to retirees who were hired on or before July 1, 1994.

Tier 2 – Three additional monthly stipends payable to retirees:

- \$1.372 per year of service for Members who retired prior to 1985. This was granted July 1, 1994.
- \$5.470 per year of service for Members who retired prior to 1985. This was granted July 1, 1996.
- \$10.276 per year of service for Members who retired prior to 1981. This was granted July 1, 1997.

Tier 3 – Additional benefits to maintain 82% purchasing power protection.¹

Tier 4 – \$21.00 per month payable to retirees who were hired before July 1, 2018.

Death Benefit – A one-time payment of \$5,000 to a Member's beneficiary is made upon the death of the Member.

¹ The purchasing power protection was 80% prior to July 1, 2018.

In addition, the KCERA Board has set aside a portion of the SRBR Reserve to help pay for an additional 0.5% COLA adopted under the Ventura Settlement.

Note that since deflation occurred during 2009 (i.e., the CPI decreased by 0.8% from 2008 to 2009), the Tier 3 SRBR purchasing power benefits (i.e., the amount needed to maintain 80% purchasing power) would have decreased as of July 1, 2010 if they were re-determined based solely on the targeted 80% purchasing power protection. However, Tier 3 SRBR benefits for the period from July 1, 2010 through June 30, 2011 were maintained at the level of the benefits for the July 1, 2009 through June 30, 2010 period based on the 2001 Board resolution adopting Tier 3 SRBR Benefits. This resolution states that no reduction will be made to existing SRBR benefits as long as funding is available. The 80% purchasing power protection was increased to 82% effective July 1, 2018.

RESULTS AND ANALYSIS

We have been asked to calculate the SRBR Tier 3 benefits for retirees and beneficiaries for the period July 1, 2022 through June 30, 2023.

According to our 2022 COLA letter, the rounded change in the CPI was 4.0% from 2020 to 2021, greater than the maximum COLA of 2.5%. As a result, the COLA bank increased from 2021 to 2022 by 1.5% for all retirees. The calculation of the SRBR Tier 3 benefit is based on a comparison between:

1. 82% of each member's Pension and Annuity (i.e., Basic) benefits at retirement increased by CPI from the date of retirement until the end of 2021; and
2. Each member's current total benefit (including all SRBR benefits).

If item 1 above is greater than item 2, then the SRBR Tier 3 benefit is increased. Note that this calculation is affected by many factors including changes in CPI since retirement and also the relationship of the SRBR benefits (which are not impacted by COLAs) to the member's total benefit amount.

We have determined that there are 108 members that are entitled to an increase in their SRBR Tier 3 benefit starting July 1, 2022. The total calculated increase in monthly SRBR Tier 3 benefits starting July 1, 2022 is \$5,424.53. These members generally fall within three categories:

- Members who retired mainly in the 1960s, 1970s, or early 1980s and are entitled to an increase in their SRBR Tier 3 benefit.
- New beneficiaries of deceased members who elected a form of payment with a 100% continuation to the beneficiary. We understand that historical practice has been to continue 60% of the SRBR Tier 3 benefit to these beneficiaries from the member's death until the July 1 that follows the member's death. At that point, the beneficiaries' SRBR Tier 3 benefit would be calculated based on using 100% of the member's Pension and Annuity amounts, with any resulting increases applied beginning July 1. **Two new beneficiaries fall into this category this year.**

- New beneficiaries of deceased members who elected the Temporary Annuity Option (TAO). We understand that upon the death of the member, the benefits payable to the beneficiary are determined without regard to election of the TAO. This results in 60% of the SRBR Tier 3 benefit being payable to these beneficiaries from the member's death until the July 1 that follows the member's death. Then, the beneficiaries' SRBR Tier 3 benefit would be calculated based on the benefits being received by the beneficiary at that time, with any resulting increases applied beginning July 1. **One new beneficiary falls into this category this year.**

A spreadsheet that documents the SRBR Tier 3 increases has been sent via electronic mail.

Please note that we are continuing to rely upon the 2001 Board resolution that states that existing SRBR benefits will not be reduced as long as funding is available.

This study was prepared under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary, who is a member of the American Academy of Actuaries and who meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Please let us know if you have any questions.

Sincerely,



Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary




Molly Calcagno, ASA, MAAA, EA
Actuary

ST/bbf



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

Date: August 10, 2022
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer 
**Subject: SACRS Board of Directors Meeting
Los Angeles, California
August 22-23, 2022**

In accordance with the Travel Policy approved by the Board of Retirement on April 13, 2022, I have attached information concerning the above-captioned meeting, as follows:

- Specific information as to whether staff or members of the Board will serve as a participant – Jordan Kaufman
- Specific information concerning the estimated total travel cost involved, including the estimated costs to be borne by KCERA and those costs borne by the meeting sponsor

The meeting topics are relevant to the administration of the retirement system. Accordingly, I recommend that the Board approve the attendance of Trustee Jordan Kaufman.

Attachments

Travel Subject _____ SACRS Board of Directors Meeting
Sponsor _____ SACRS
Date(s) _____ August 22-23, 2022
Location _____ Los Angeles, CA
Proposed Attendee(s) _____ Jordan Kaufman


Estimated Total Travel Cost _____ **\$463.25**

Description	Computation	Kaufman	Totals	Borne By	
				KCERA	Sponsor
Registration fees		= -	-	-	
Lodging expense	1 nights @ \$ 250.00 /night	= 250.00	250.00	250.00	
Per diem meals reimbursement:	1 days @ \$ 74.00 /day	= 74.00			
Less meals provided by sponsor	1 Breakfast, 1 Lunch, 0 Dinner = \$37.00	= (\$37.00)			\$37.00
Total meals expense		=	74.00	37.00	
Shuttle/taxicab expense	Taxi Estimate	=	-	-	
Airfare	\$0.00	= \$0.00	\$0.00	-	
Vehicle-related expenses:		=	-	-	
Parking	1 days @ 20.00 /day	= 20.00	20.00	20.00	
Mileage	miles @ /mile (Department Head)	= -	-	-	
	250 miles @ 0.625 /mile (Staff, Trustee)	= 156.25	156.25	156.25	
Rental car		= -	-	-	
Rental car gasoline		= -	-	-	
Totals		= 463.25	\$ 500.25	\$ 463.25	\$ 37.00



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

Date: August 10, 2022
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer 
Subject: **CALAPRS Principles of Pension Governance for Trustees**
Tiburon, California
August 29-September 1, 2022

In accordance with the Travel Policy approved by the Board of Retirement on April 13, 2022, 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 Dustin Contreras.

Attachments

2022 PROGRAM SCHEDULE



Program Location: The Lodge at Tiburon, 1651 Tiburon Blvd., Tiburon, CA 94920

Monday - August 29

- 4:00 PM Hotel Check-In
- 6:00PM Welcome Dinner
- 7:30PM **Introductions and Course Overview**
Kristen Santos, Administrator, Merced County Employees' Retirement Association

Tuesday - August 30

- 8:00-9:30AM **100: What's the Big Deal About Being A Fiduciary?**
Chris W. Waddell, Senior Attorney, Olson, Hagel & Fishburn, LLP
Carl Nelson, Executive Secretary, San Luis Obispo County Pension Trust
- 9:30-10:00AM Networking Break
- 10:00-11:45AM **101: How Should a Board Function?**
David Nelsen, CEO, ACERA
- 11:45AM-12:45PM Lunch
- 12:45-2:00PM **102: What Benefits Do We Provide/What is the Board's Role?**
Carl Nelson, Executive Secretary, San Luis Obispo County Pension Trust
Ryan Paskin, Board Chair, Merced County Employees' Retirement Association
- 2:00-2:20PM Break
- 2:20-4:00PM **103: What Are the Key Issues in Disability Retirement?**
Suzanne Jenike, Assistant CEO, External Operations, Orange County Employees Retirement System
- 4:00- 4:45PM Break
- 4:45PM Leave for Off-site Dinner
- 5:15- 6:30 PM **104: Disability Hearing: Case Study**
Suzanne Jenike, Assistant CEO, External Operations, Orange County Employees Retirement System
Kristen Santos, Administrator, Merced County Employees' Retirement Association
- 6:30 - 8:00 PM Dinner and Table Topics Content Review



Wednesday – August 31

- 8:00-11:15AM **105: How Should We Manage Our Pension Liabilities?**
Paul Angelo, FSA, Senior Vice President & Actuary, Segal Consulting
Todd Tauzer, FSA, Senior Vice President & Actuary, Segal Consulting
- 11:15-11:30AM Break
- 11:30-12:30PM **106: Investment Basics**
Scott Whalen, Executive Vice President, Verus Investments
Tim Price, Chief Investment Officer, Contra Costa County ERA
- 12:30-1:30PM Lunch
- 1:30-2:30PM 106 (Cont'd)
- 2:30-2:45PM Break
- 2:45-4:00PM **107: How Should We Manage Our Investment Program?**
Tim Price, Chief Investment Officer, Contra Costa County ERA
Scott Whalen, Executive Vice President, Verus Investments
- 4:00-4:30PM **107: Investments Case Study**
Tim Price, Chief Investment Officer, Contra Costa County ERA
Scott Whalen, Executive Vice President, Verus Investments
- 4:30-5:30PM Break
- 5:30-6:30PM **108: Case Study: Who Are Our Stakeholders/What Are Our Roles?**
- 6:30 – 8:00 PM Dinner and Table Topics Content Review

Thursday – September 1

- 8:00-10:00AM **109: AB1234 Ethics Training**
Ashley K. Dunning, Partner, Nossaman LLP
- 10:10-11:30AM **110: Course Summary**
Kristen Santos, Administrator, Merced County Employees' Retirement Association
Carl Nelson, Executive Secretary, San Luis Obispo County Pension Trust
Send pre-test to Carl
- 11:30AM Certificates and Final Course Evaluation with Lunch To-Go

Travel Subject CALAPRS Principles of Pension Governance for Trustees
Sponsor CALAPRS
Date(s) August 29, 2022 - September 1, 2022
Location Tiburon, CA
Proposed Attendee(s) Dustin Contreras


Estimated Total Travel Cost \$3,480.62

Description	Computation	Contreras	Totals	Borne By	
				KCERA	Sponsor
Registration fees	\$3,000.00	= 3,000.00	3,000.00	3,000.00	
Lodging expense	3 nights @ \$ - /night	= -	-	-	
Per diem meals reimbursement:	4 days @ \$ 74.00 /day	= 296.00			
Less meals provided by sponsor	0 Breakfast, 3 Lunch, 3 Dinner = \$175.38	= (\$175.38)			\$175.38
Total meals expense		=	296.00	120.62	
Shuttle/taxicab expense	Taxi Estimate	=	-	-	
Airfare	\$0.00	= \$0.00	\$0.00	-	
Vehicle-related expenses:		=	-	-	
Parking	3 days @ 20.00 /day	= 60.00	60.00	60.00	
Mileage	miles @ 0.370 /mile (Department Head)	= -	-	-	
	miles @ 0.625 /mile (Staff, Trustee)	= -	-	-	
Rental car		= 180.00	180.00	180.00	
Rental car gasoline		= 120.00	120.00	120.00	
Totals		= 3,480.62	\$ 3,656.00	\$ 3,480.62	\$ 175.38



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

Date: August 10, 2022
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer 
Subject: **Public Funds Forum**
Laguna Beach, California
September 6-8, 2022

In accordance with the Travel Policy approved by the Board of Retirement on April 13, 2022, 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 Jeanine Adams.

Attachments

ITINERARY

TUESDAY, SEPTEMBER 6, 2022

6:00 pm – 6:10 pm	Welcome and Opening Remarks
6:10 pm – 7:15 pm	Session 1: Rebuild the Dream: The Next American Economy
7:30 pm – 11:30 pm	Networking Dinner: An Evening in Capri

WEDNESDAY, SEPTEMBER 7, 2022

8:00 am – 9:00 am	Session 2: Building Resilience Before the Downturn
9:00 am – 10:00 am	Session 3: General Counsel's Roundtable: Women in Finance
10:00 am – 10:15 am	Networking Break
10:15 am – 11:15 am	Session 4: Shareholder Litigation: An Underused Tool for Investing for Impact
11:15 am – 12:00 pm	Session 5: Is ESG Peaking? Exploring the Emerging Tensions in Investing, Sustainability, and Climate Risk
12:00 pm – 1:00 pm	Lunch
1:00 pm – 2:00 pm	Session 6: Winning Gold – Lessons from Michael Phelps
2:00 pm – 3:00 pm	Session 7: Best Practices in Fund Governance
3:00 pm – 4:00 pm	Session 8: "No, You Shut Up"
6:30 pm – 7:30 pm	Cocktail Reception
7:30 pm – 11:30 pm	Networking Dinner: 80's Flashback

THURSDAY, SEPTEMBER 8, 2022

8:00 am – 9:00 am	Session 9: First Responders as Fiduciaries
9:00 am – 10:00 am	Session 10: Hot Topics: Canada
10:00 am – 10:15 am	Networking Break
10:15 am – 11:00 am	Session 11: Trends to Watch in Governance and Investing
11:00 am – 12:00 pm	Session 12: The World According to Garth
12:00 pm – 12:10 pm	Closing Remarks
12:30 pm – 5:30 pm	Networking Activities: Dolphin Cruise, Artisanal Tasting, or Golf

Travel Subject	Public Funds Forum
Sponsor	ValueEdge Advisors
Date(s)	September 6-8, 2022
Location	Laguna Beach, CA
Proposed Attendee(s)	Jeanine Adams

Estimated Total Travel Cost **\$2,535.21**

Description	Computation		Adams	Totals	Borne By	
					KCERA	Sponsor
Registration fees	\$960.00	=	960.00	960.00	960.00	
Lodging expense	2 nights @ \$ 551.21 /night	=	1,102.42	1,102.42	1,102.42	
Per diem meals reimbursement:	3 days @ \$ 74.00 /day	=	222.00			
Less meals provided by sponsor	0 Breakfast, 1 Lunch, 2 Dinner = \$95.46	=	(\$95.46)			\$95.46
Total meals expense		=		222.00	126.54	
Shuttle/taxicab expense	Taxi Estimate	=		-	-	
Airfare	\$0.00	=	\$0.00	\$0.00	-	
Vehicle-related expenses:		=	-	-	-	
Parking	2 days @ 70.00 /day	=	140.00	140.00	140.00	
Mileage	miles @ 0.370 /mile (Department Head)	=	-	-	-	
	330 miles @ 0.625 /mile (Staff, Trustee)	=	206.25	206.25	206.25	
Rental car		=	-	-	-	
Rental car gasoline		=	-	-	-	
Totals		=	2,535.21	\$ 2,630.67	\$ 2,535.21	\$ 95.46



KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

Date: August 10, 2022
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer 
Subject: **CALAPRS Administrators' Institute**
Long Beach, California
September 28-30, 2022

In accordance with the Travel Policy approved by the Board of Retirement on April 13, 2022, 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 Chief Operations Officer Matthew Henry.

Attachments



EDUCATION • COMMUNICATION • NETWORKING

California Association of Public Retirement Systems

Administrators' Institute 2022

Hyatt the Pike, Long Beach

September 28-30, 2022

The CALAPRS Administrators' Institute is an educational opportunity for member Retirement System Administrators / CEO's / Executive Directors and their Assistant Directors. The registration fee is \$1,500 and includes meals provided by CALAPRS (refer to attached agenda), lodging (Wednesday and Thursday nights), and conference materials. If an attendee does not require lodging for any of the nights included, the lodging total (\$229.00/night x number of nights) may be deducted from the registration fee.*

Wednesday, September 28	EVENT or Discussion Topic
3:00 – 5:30 PM	Check in at Hyatt the Pike
5:30 PM	Reception
6:30 PM	Welcome Dinner, Introductions
7:30 - 8:30 PM	<p>Round Table Discussion of Retirement Administration Issues: What's Happening at Your System?</p> <p><i>This will be an opportunity for each participant to share 2-3 minutes of highlights about what's going on at their system.</i></p>

Thursday, September 29	
7:30 – 8:30 AM	Buffet Breakfast
8:30 – 10:00 AM	<p>Investments Discussion Presenter: Nicole Musicco, CIO, CalPERS</p> <p><i>This will be a roundtable discussion where we will hear from CalPERS about their current investment focus, opportunities, challenges, and other topics of interest for public pension system investments. Participants will have the opportunity to ask investment-related questions.</i></p>
10:00 AM	Break
10:15 AM- 12:00 PM	<p>Leading Hybrid Teams: Building Trust, Encouraging Collaboration, and Holding People Accountable Remotely Presenter: Ted Kniker, M.A., Consultant</p> <p><i>Working remotely can be excellent for the individual contributor, but what happens when there is a need to collaborate as a team from different locations? Whether it is from operations spread across the county, country, or globe, being able to collaborate in a hybrid environment is quickly becoming a non-negotiable 21st century skill. But just because you don't see someone every day doesn't mean the complexity of leadership is diminished. Working in a remote or hybrid environment increases the attention a leader must invest toward achieving successful outcomes. This presentation provides participants with information about new workforce expectations in the post-COVID world, and effective practices and tools to lead a successful</i></p>

	<p><i>hybrid culture. Key topics covered include creating an effective hybrid organization; goal and expectation setting and clarification; processes and norms you'll use to communicate and collaborate; keeping people motivated, engaged, and accountable despite the distance; and key performance indicators (KPIs) to measure the performance of hybrid teams.</i></p> <p><i>Learning Objectives:</i> <i>After attending the presentation, participants will:</i></p> <ul style="list-style-type: none"> • <i>Better understand the benefits, challenges, and opportunities of hybrid work environments to engage the future workforce</i> • <i>Have knowledge about leading hybrid work through shared vision, common expectations, aligned priorities, and team rapport, trust, and empowerment</i> • <i>Be familiar with ways to communicate effectively and avoid communication fatigue</i> • <i>Have ideas on how to measure hybrid team and remote staff performance</i>
12:00 PM – 1:30 PM	Lunch and Discussion
1:30 PM – 2:00 PM	<p>Death Notifications – An Update from CalPERS Presenter: Anthony Suine, Deputy Executive Officer Customer Service, CalPERS</p>
2:00 - 3:00 PM	<p>Legal & Tax Update Presenters: Maytak Chin, Partner, Reed Smith Jenni Kregel, Shareholder & Chair of the Employee Benefits and Executive Compensation Group, Buchalter</p>
3:00 PM	Break
3:15 PM – 4:30 PM	Administrator Operational Round Table Discussion
6:00 – 6:45 PM	Reception (including Guests)
6:45 PM	Dinner (including Guests)

Friday, September 30	
7:30 – 8:30 AM	Buffet Breakfast & Round Table Discussions
8:30 -9:45 AM	<p>Disruptive Technology Presenter: Brett Winton, Director of Research, Ark Invest</p>
9:45 AM	Break
10:15 -11:15 AM	<p>Federal Legislative Landscape for Pensions Presenter: Nicole Ruzinski Bertsch, Principal, Williams & Jensen Lobbyists</p>
11:15 – 11:45 PM	CALAPRS Business Meeting
11:45 – 12:30 PM	Boxed Lunches to Go
12:30 PM	Institute Concludes

Institute Committee: Dave Nelsen, Anthony Suine, Gregory Levin

Travel Subject _____ CALAPRS Administrators' Institute
Sponsor _____ CALAPRS
Date(s) _____ September 28-30, 2022
Location _____ Long Beach, CA
Proposed Attendee(s) _____ Matthew Henry

Estimated Total Travel Cost _____ **\$1,864.00**

Description	Computation	Henry	Totals	Borne By	
				KCERA	Sponsor
Registration fees	\$1,500.00	= 1,500.00	1,500.00	1,500.00	
Lodging expense	2 nights @ \$ - /night	= -	-	-	
Per diem meals reimbursement:	3 days @ \$ 74.00 /day	= 222.00			
Less meals provided by sponsor	2 Breakfast, 2 Lunch, 2 Dinner = \$148.00	= (\$148.00)			\$148.00
Total meals expense		=	222.00	74.00	
Shuttle/taxicab expense	Taxi Estimate	=	-	-	
Airfare	\$0.00	= \$0.00	\$0.00	-	
Vehicle-related expenses:		=	-	-	
Parking	2 days @ 20.00 /day	= 40.00	40.00	40.00	
Mileage	miles @ 0.370 /mile (Department Head)	= -	-	-	
	miles @ 0.625 /mile (Staff, Trustee)	= -	-	-	
Rental car		= 150.00	150.00	150.00	
Rental car gasoline		= 100.00	100.00	100.00	
Totals		= 1,864.00	\$ 2,012.00	\$ 1,864.00	\$ 148.00

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

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

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**



PERIOD ENDING: JUNE 30, 2022

Investment Performance Review for

Kern County Employees' Retirement Association

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[VERUSINVESTMENTS.COM](https://www.verusinvestments.com)

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CHICAGO 312.815.5228

PITTSBURGH 412.784.6678

LOS ANGELES 310.297.1777

SAN FRANCISCO 415.362.3484

Investment Landscape

TAB I

Investment Performance
Review

TAB II



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

3RD QUARTER 2022
Investment Landscape

Recent Verus research

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

Topics of interest papers

A CLOSER LOOK AT CHINA

China's ascension over the past twenty years to the second largest economy in the world has changed the global landscape in a variety of ways. As China's economic size and market capitalization grows, many investors have reasonably been pondering how to treat their allocations to Chinese assets. In this Topic of Interest white paper, we offer some potential opportunities and threats around Chinese investment that should help provide context to investors in their decisions around this market.

A PRIMER: TIMBERLAND & FARMLAND

In this Topic of Interest white paper, we will aim to inform readers of the investment thesis for timberland and agriculture, detailing the return drivers and characteristics unique to each asset class. Next, we cover historical performance and how these asset classes might fit within institutional portfolios and contribute to portfolio return objectives. Here we touch on the commonly acknowledged issues around interpreting the volatility of private market assets, due to data lag and appraisal-smoothing effects. Last, we conclude with a Verus outlook on both Timberland and Agriculture in the current market environment.

Annual research

2022 REAL ASSETS OUTLOOK

For the first time in decades, high inflation has emerged and is creating challenges for consumers and investors. We believe inflation will likely begin falling later in 2022, though notable inflationary and deflationary forces are in play, and it is difficult to gauge which of these forces will have greater impacts. While inflation remains the topic most discussed in the media, and among many investors, how the Fed responds and whether the tightening path overcorrects is an issue we are discussing more today. Learning from history and the actions of the Volker Fed, we would not rule out the possibility that this inflation cycle quickly turns into deflation as recessionary forces take hold.

Verus business update

Since our last Investment Landscape webinar:

- Verus hired several new employees. **John Santopadre, CFA**, Director | Portfolio Management; **Colleen Flannery**, Associate Director | Public Markets; **Lukas Seeley**, Performance Analyst; **James Wadner**, Performance Analyst; **Jonah Coffee**, Performance Analyst; and **Nicholas Pecache**, Performance Analyst.
- The firm continues to grow with new clients that stretch from Hawaii to South Carolina. We now proudly serve clients in 26 states in every domestic time zone.
- Recent research found at verusinvestments.com/insights
 - In May, we released our **2022 Real Assets Outlook**
 - In June, we published a **Primer on Mortgage Income** and **A Primer: Timberland & Farmland**
 - Earlier this month, we released a *Topics of Interest* paper on **A Closer Look at China**

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Equity 26

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2nd quarter summary

THE ECONOMIC CLIMATE

- U.S. real GDP fell again during Q2, down -0.9% annualized (+1.6% over the past full year). This stoked broad fears of recession, as two consecutive quarters of negative growth is a common definition of technical recession.
- U.S. real personal consumption slowed to pre-COVID rates of growth, coming in at 2.1% year-over-year in May. The buying habits of consumers appear to have transitioned back towards services and away from goods, reversing the unprecedented spending shift that had occurred during the pandemic. This trend should help mitigate strained supply chains, as fewer goods require shipping.

PORTFOLIO IMPACTS

- U.S. core CPI slowed to 5.9% year-over-year in June. Headline inflation, which includes food and energy prices, came in surprisingly hot at 9.1% year-over-year, exceeding expectations. Higher energy prices were a major driver of the inflation print, with energy commodities and gasoline moving more than 10% higher from May to June.
- Credit markets sold off during Q2, impacted by concerns of a slowing economy and possibility of recession as the Fed signaled a willingness to raise rates until inflation slows. Bank loans performed the best at -4.4% and outperformed longer duration bonds such as investment grade and high yield (-7.3% and -9.8%, respectively).

THE INVESTMENT CLIMATE

- Russia's invasion of Ukraine continued, resulting in heavy losses on both sides. Most fighting has taken place in the east, as Russia gradually advances. Both Finland and Sweden are in the process of joining NATO—a landmark move and result of war likely unforeseen by Russia.
- Early in 2022 many investors feared a potential global commodity shortage—a product of underinvestment in production capacity in recent years. Russia's invasion of Ukraine further amplified these concerns, pushing commodities higher. This trend appears to have reversed, as recession is a notable possibility, and many commodities have seen sharp losses.

ASSET ALLOCATION ISSUES

- Nearly every asset class delivered moderate to deeply negative returns during Q2. Global equities saw a -15.7% pullback (MSCI ACWI), fixed income experienced losses as interest rates rose and credit spreads widened (BBG US Aggregate -4.7%, BBG US High Yield -9.8%), and commodities saw a reversal (BBG Commodity -5.7%).
- Value stocks outperformed Growth stocks by a wide margin again during Q2 (Russell 1000 Value -12.2% vs Russell 1000 Growth -20.9%) as many Growth stocks with lofty valuations were hit by rising rates and risk-off sentiment. Large capitalization stocks slightly outperformed small cap stocks (Russell 1000 -16.7%, Russell 2000 -17.2%).

Most asset classes delivered further losses during Q2 over fears of inflation and recession

What drove the market in Q2?

“Inflation Surges Heap Pressure on Global Policy Makers”

HEADLINE CONSUMER PRICE INFLATION (YEAR-OVER-YEAR)

Jan	Feb	Mar	Apr	May	Jun
7.5%	7.9%	8.5%	8.3%	8.6%	9.1%

Article Source: Financial Times, April 13th, 2022

“Fed Raises Rates by 0.75%, Largest Increase Since 1994”

FED FUNDS RATE EXPECTED AT YEAR-END 2022

Jan	Feb	Mar	Apr	May	Jun
1.4%	1.4%	2.4%	2.9%	2.7%	3.4%

Article Source: Wall Street Journal, June 15th, 2022

“Risk of Global Recession by End of Year Rises on High Inflation”

IMF U.S. 2022 GDP GROWTH PROJECTIONS

Jul 21	Oct 21	Jan 22	Apr 22	Jun 22	Jul 22
4.9%	5.2%	4.0%	3.7%	2.9%	2.3%

Article Source: Bloomberg, April 11th, 2022

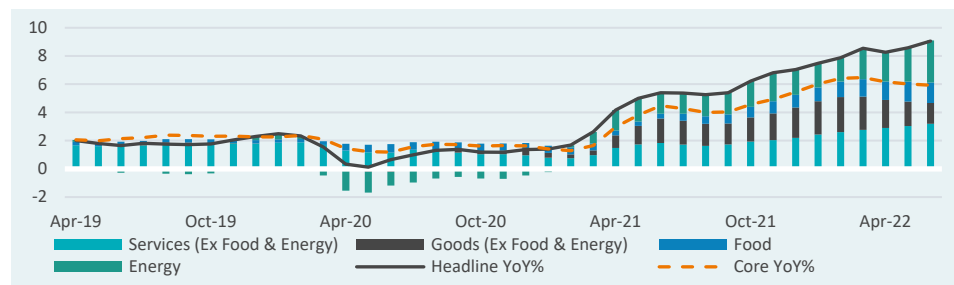
“Consumer Sentiment Plunges to Record Low Amid Surging Inflation”

UNIVERSITY OF MICHIGAN CONSUMER SENTIMENT INDEX

Jan	Feb	Mar	Apr	May	Jun
67.2	62.8	59.4	65.2	58.4	50.0

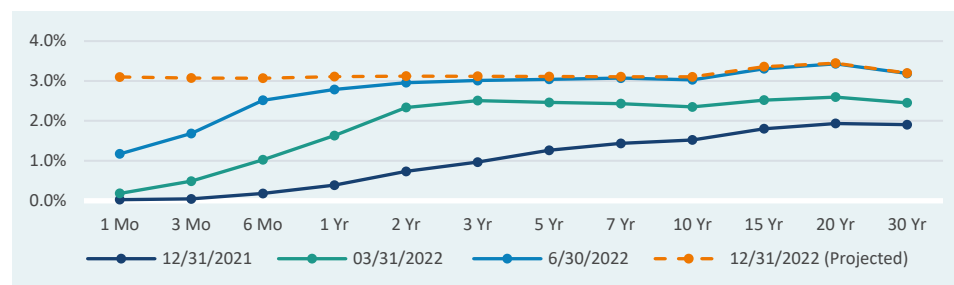
Article Source: CNN, June 10th, 2022

CONTRIBUTION TO HEADLINE CONSUMER PRICE INFLATION



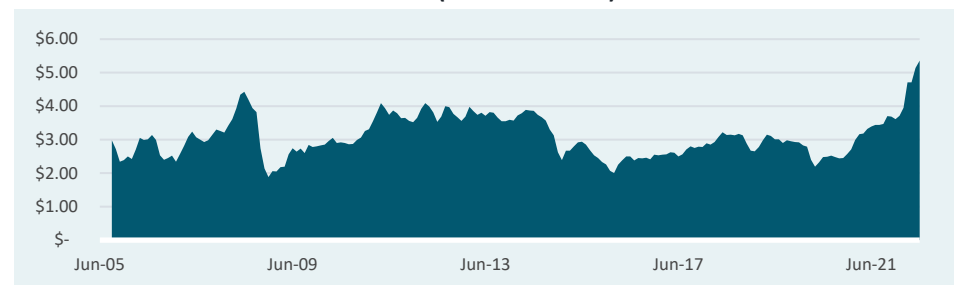
Source: Bureau of Labor Statistics, as of 6/30/22

U.S. TREASURY CURVE MOVEMENT



Source: Bloomberg, as of 6/30/22

AVERAGE U.S. GASOLINE PRICES (PER GALLON)



Source: Bloomberg, as of 6/30/22

Economic environment

U.S. economics summary

- U.S. real GDP fell -0.9% annualized during Q2 (+1.6% over the past full year). Most aspects of economic activity showed decline, including private investment (-2.7%), government spending (-0.3%), and imports (-0.5%). This stoked fears of recession, as two quarters of negative growth is a common definition of technical recession.
- The Federal Reserve’s objective of a “soft landing” for the economy appears to have failed. An increasingly aggressive stance during the first half of the year contributed to a broad market selloff. The negative wealth effect of the market selloff, paired with a slowdown in big ticket purchases, has slowed the economy.
- U.S. core CPI, which excludes food & energy prices, slowed to 5.9% year-over-year in June. However, headline inflation which includes food and energy prices, came in surprisingly hot at 9.1% year-over-year, exceeding expectations.

Higher energy prices were a major driver of the inflation print, with energy commodities and gasoline moving more than 10% higher just from May to June.

- Unemployment was unchanged at 3.6% during Q2. The broader U-6 unemployment rate tightened from 6.9% to 6.7%. A strong job market likely emboldens the Federal Reserve in its fight against high inflation, as the Fed holds a dual mandate to maximize employment and keep prices stable.
- Consumer sentiment collapsed to the lowest reading on record, according to the University of Michigan survey, which moved from 59.4 to 50.0. Survey respondents across all income, age, education, region, and political affiliation groups displayed deterioration in their outlook for the economy. Nearly half of respondents feel that inflation is damaging living standards.

	Most Recent	12 Months Prior
Real GDP (YoY)	1.6% 6/30/22	12.2% 6/30/21
Inflation (CPI YoY, Core)	5.9% 6/30/22	4.4% 6/30/21
Expected Inflation (5yr-5yr forward)	2.1% 6/30/22	2.2% 6/30/21
Fed Funds Target Range	1.50% – 1.75% 6/30/22	0.00% – 0.25% 6/30/21
10-Year Rate	2.89% 6/30/22	1.45% 6/30/21
U-3 Unemployment	3.6% 6/30/22	5.9% 6/30/21
U-6 Unemployment	6.7% 6/30/22	9.8% 6/30/21

GDP growth

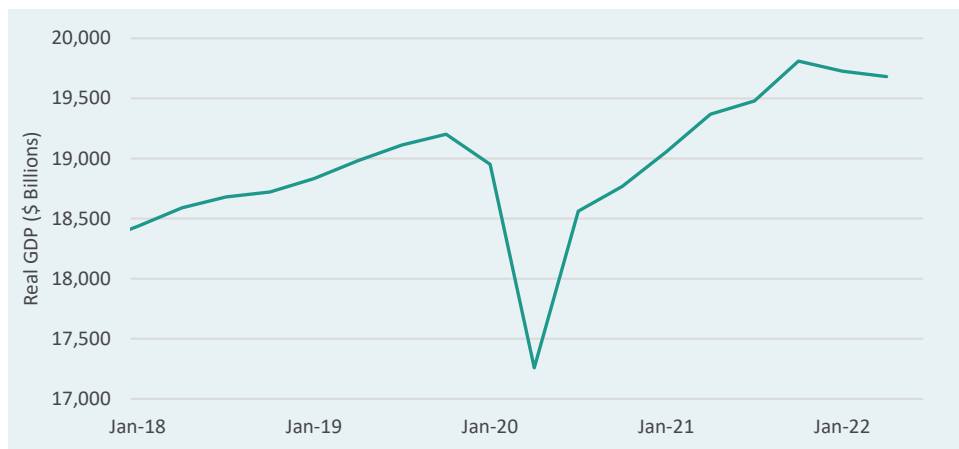
U.S. real GDP fell again in Q2, down -0.9% annualized (+1.6% over the past full year). Most aspects of economic activity showed decline, including private investment (-2.7%), government spending (-0.3%), and imports (-0.5%). This stoked fears of recession, as two consecutive quarters of negative growth is a common definition of technical recession. Interestingly, the definition of “recession” has become hotly debated, with some arguing that the relatively strong labor market suggests no recession. However, every instance of two consecutive quarters of negative GDP growth in modern history has ultimately been classified as an official recession. In other words, it would be extremely unusual if 2022 was not eventually

labeled as an official recession.

A variety of economic data indicates further deceleration, and sentiment remains very poor across citizens and businesses. In July, the IMF cut its U.S. 2022 GDP growth forecast from 2.9% to 2.3%. The Federal Reserve’s objective of a “soft landing” for the economy appears to have failed. An increasingly aggressive stance throughout the first half of the year contributed to a bear market for equities and other risk assets, as well as sharp losses for bonds. The negative wealth effect of market losses, paired with a slowdown in bigger ticket purchases such as homes and automobiles has created a drop in economic activity.

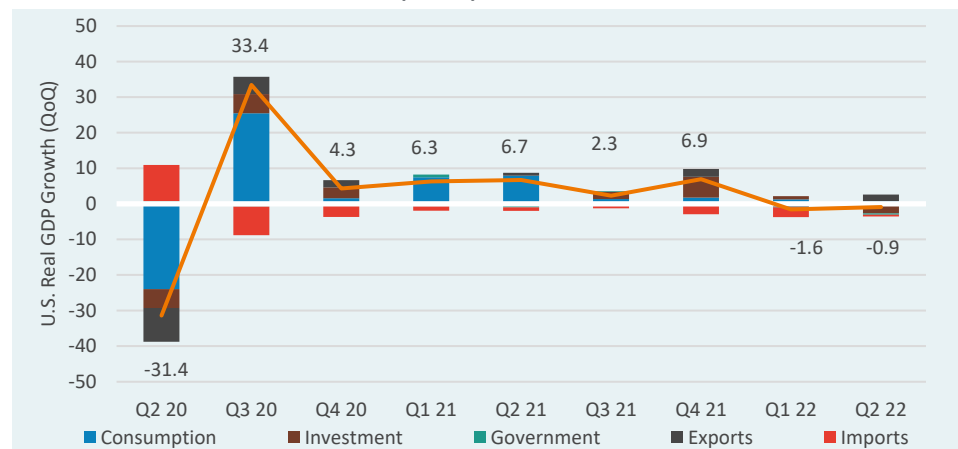
The U.S. has likely entered recession

U.S. REAL GROSS DOMESTIC PRODUCT



Source: FRED, as of 6/30/22

U.S. REAL GDP COMPONENTS (QOQ)



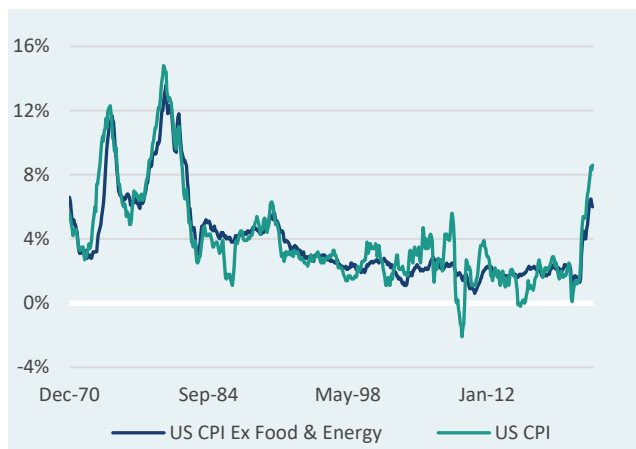
Source: FRED, as of 6/30/22

Inflation

U.S. core CPI, which excludes food & energy prices, slowed to 5.9% year-over-year in June. However, headline inflation which includes food and energy prices, came in surprisingly hot at 9.1% year-over-year, exceeding expectations. Higher energy prices were a major driver of the inflation print, with energy commodities and gasoline moving more than 10% higher from May to June. Inflation has been mixed during the quarter, with April showing very moderate price growth, May showing a hot print across almost all price categories, and then June also surprising to the upside.

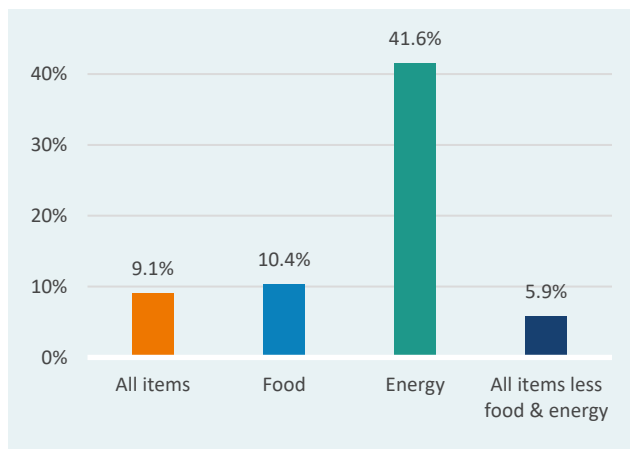
We believe there is a rising chance of economic deceleration coinciding with a drop in inflation. There appear to be a variety of forces that could contribute to this scenario, such as: the recent sharp fall in commodity prices, Federal Reserve tightening which has contributed to a slowdown in consumer demand, further easing of supply chain and shipping problems which reduces cost burdens on businesses, and reports that many businesses have *overbought* inventories which could lead to excesses and the need to offer more attractive pricing for quicker inventory liquidation.

U.S. CPI (YOY)



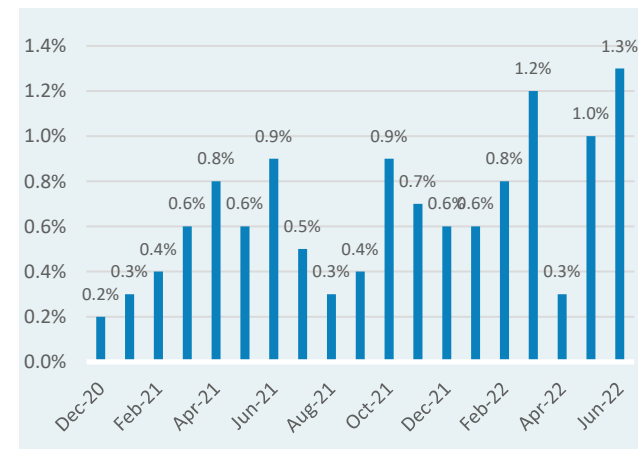
Source: BLS, as of 6/30/22

U.S. CPI (YOY)



Source: BLS, as of 6/30/22

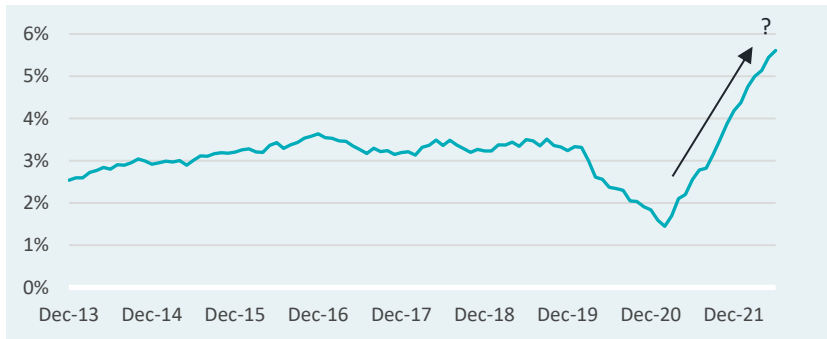
MONTHLY PRICE MOVEMENT



Source: BLS, as of 6/30/22

How are inflation conditions evolving?

CPI SHELTER COSTS (YEAR-OVER-YEAR)



Shelter costs, which account for 32% of CPI gauge, have moved considerably higher along with the broader real estate boom. The continuation of this trend could result in a higher floor for inflation near-term. This is possible since shelter CPI is survey-based and slow moving as consumers tend to anchor their survey responses on recent data.

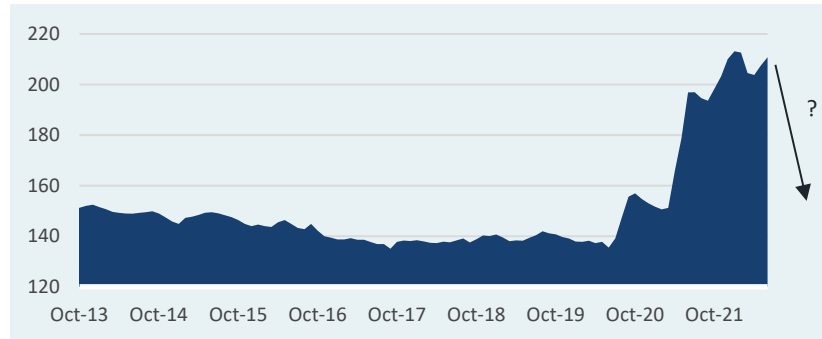
BLOOMBERG COMMODITY SPOT INDEX



Fears of a recession which would hinder the demand for commodities, and likely some easing of uncertainty around Ukraine, have contributed to a sharp drop in commodity prices. If weaker prices persist, the reversal in commodity markets should have a deflationary impact on broader consumer prices, though this effect may take time to flow through to broader prices.

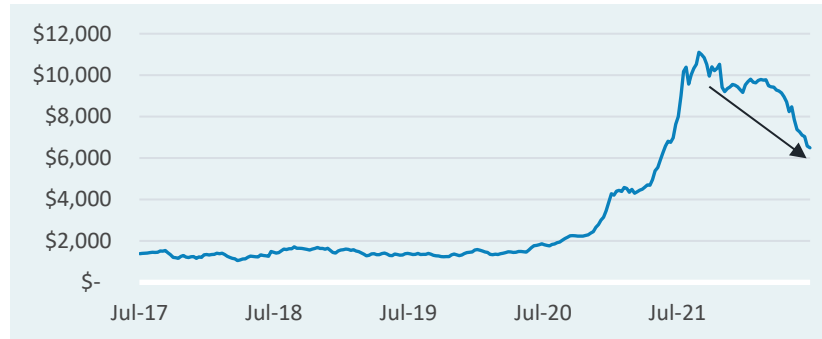
Source: FRED, as of 6/30/22 (upper), Bloomberg, as of 6/30/22 (lower)

USED CAR & TRUCK PRICES



Used auto prices remain high as the shortage of cars continues. If this pandemic-related price rise reverses, it could bring inflation down materially.

FREIGHTOS SHIPPING CONTAINER COST INDEX



Pandemic-related supply and demand complexities contributed to many supply shortages and price spikes. These shipping costs are quickly falling back towards pre-pandemic levels. We would expect the mitigation of shipping problems to have a deflationary effect on prices, assuming businesses begin to pass these cost savings on to customers.

Source: FRED, as of 6/30/22 (upper), Freightos, as of 7/10/22 (lower)

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

Labor market

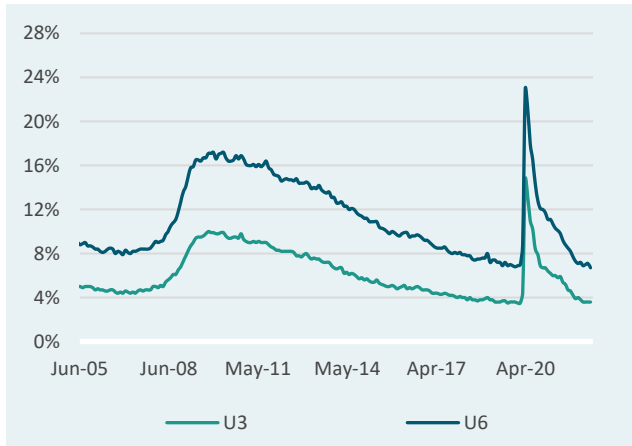
The U.S. labor market continues to be strong. Unemployment was unchanged at 3.6% during the quarter. Meanwhile, the broader U-6 unemployment rate, which includes workers who are underemployed and those who are unemployed but have given up looking for work, tightened from 6.9% to 6.7%. Weekly *initial jobless claims* — a measure of the number of workers who filed for unemployment during any given week — moved higher during the quarter from a low of 166,000 in mid-March to 244,000 in early July.

A strong job market likely emboldens the Federal Reserve in

its fight against high inflation, as the Fed holds a *dual mandate* to maximize employment and keep prices stable.

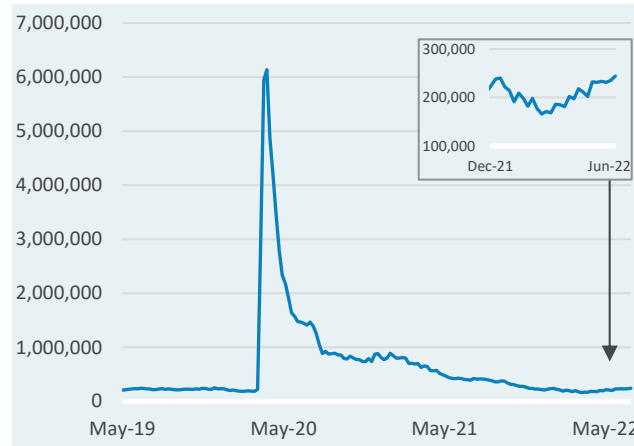
Abnormally early retirements of older workers during the pandemic had a large impact on the overall U.S. labor participation rate. While workers younger than age 55 have gradually gone back to work, much of the age 55+ cohort has not returned to the job market. In fact, more workers in the 55+ age cohort have dropped out of the labor force in 2022 than returned. Overall, there are materially fewer workers available nationwide now relative to pre-pandemic times.

U.S. UNEMPLOYMENT



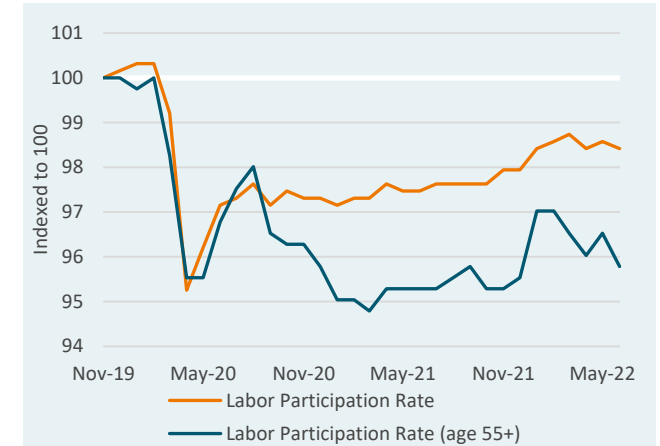
Source: FRED, as of 6/30/22

INITIAL JOBLESS CLAIMS



Source: FRED, as of 7/9/22

U.S. LABOR PARTICIPATION RATE



Source: FRED, as of 6/30/22

The consumer

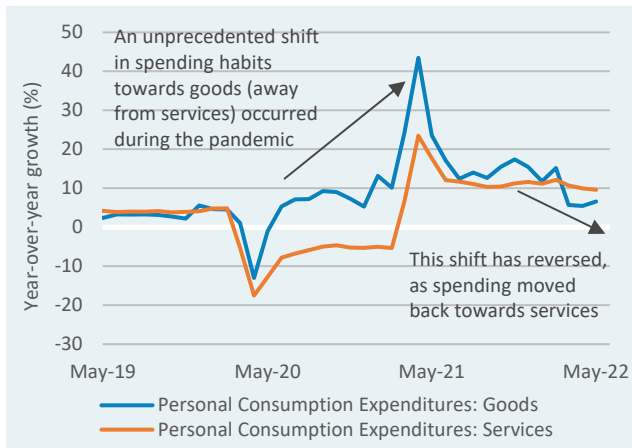
U.S. real (inflation-adjusted) personal consumption expenditures slowed to pre-COVID rates of growth, coming in at 2.1% year-over-year in May. The buying habits of consumers appear to have transitioned back towards services and away from goods, reversing the unprecedented spending shift that had occurred during the pandemic. This trend should help mitigate strained supply chains, as fewer goods require shipping.

At the same time overall spending has slowed, savings rates have also dropped to 5.4%—the lowest level since 2009. Less saving but also less spending (inflation-adjusted) may

indicate that household budgets are being squeezed by the higher prices of goods and services.

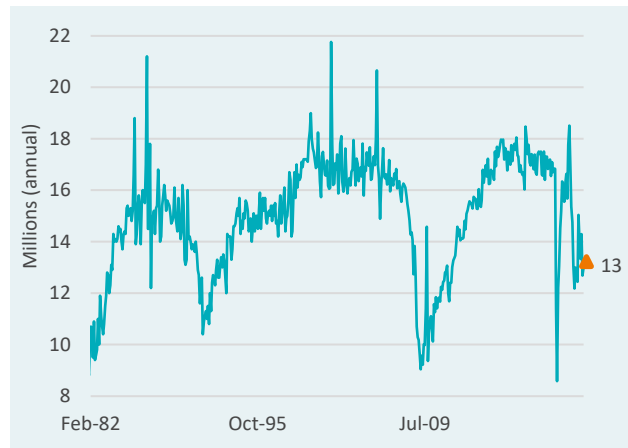
Auto sales activity remains very weak, at levels that have historically occurred during recession. The long-lasting semiconductor shortage has created widespread difficulties for auto manufacturers and has led to skyrocketing used vehicle prices. We also suspect that stimulus checks and heightened spending habits during the pandemic are contributing to the current slowdown, as this spending may have effectively *pulled forward* spending that would have otherwise occurred in years subsequent to the pandemic.

PERSONAL CONSUMPTION EXPENDITURES



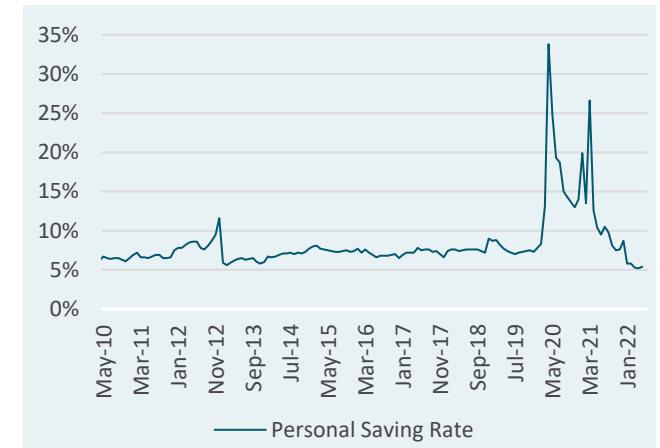
Source: FRED, as of 5/31/22

AUTO SALES



Source: Federal Reserve, as of 6/30/22

PERSONAL SAVINGS RATE



Source: FRED, as of 5/31/22

Sentiment

Consumer sentiment collapsed to the lowest reading on record, according to the University of Michigan survey, which fell from 59.4 to 50.0 during Q2. Survey respondents across all income, age, education, region, and political affiliation groups showed deterioration in their outlook for the economy. Nearly half of respondents pointed to inflation as damaging living standards. Around 79% of respondents expected bad times over the next year for business conditions, which was the highest reading since 2009.

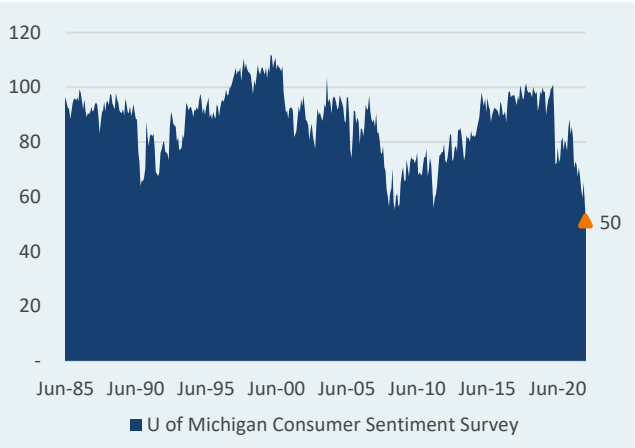
In a June Economist/YouGov Poll, more than half of respondents said they believe the U.S. is in recession. Of those respondents, 43% called the recession moderate and 38% called it serious (only

19% called it mild). Interestingly, the survey suggested that most Americans view *the prices they pay for goods and services* as the most important indicator of recession. Much of the blame was generally placed on supply chain issues and COVID-19 for economic woes.

The NFIB Small Business Optimism index dropped substantially to the weakest level in 48 years. According to NFIB, expected business conditions have further weakened in every month of 2022. Twenty-eight percent of small businesses reported that inflation was the greatest problem to business operations. Owners remain pessimistic about the second half of 2022 and foresee supply chain issues, higher input prices, and labor shortages.

Sentiment, by most measures, is extremely poor

CONSUMER SENTIMENT



Source: University of Michigan, as of 6/30/22

WHAT TO BLAME FOR ECONOMIC PROBLEMS?



Source: The Economist / YouGov, June 11-14, 2022

Survey asked "How much, if at all, do you attribute economic problems in the U.S. to the following"?

NFIB SMALL BUSINESS SENTIMENT



Source: NFIB, as of 5/31/22

Housing

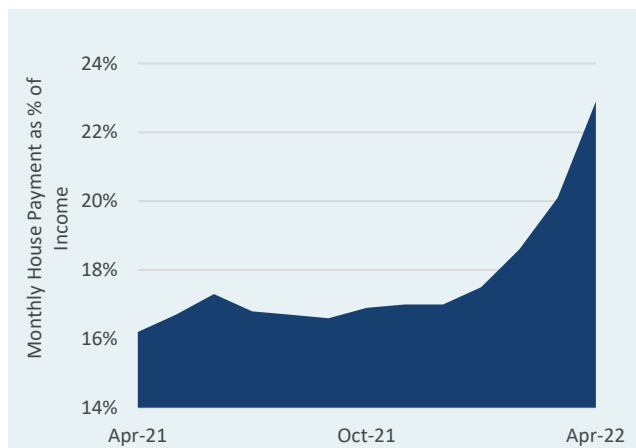
U.S. home prices rose 2.1% from March to April, continuing steady appreciation. Home prices were 7.9% higher year-to-date, as of April, and 20.3% higher year-over-year. The average 30-year fixed rate mortgage began the year at 2.67% and ended June at 5.70%.

High home prices coupled with a material jump in mortgage interest rates has acted as a double whammy for potential homebuyers. According to the National Association of Realtors, the cost for a family with an average income to buy an average priced home jumped from around 16% of that family's income one year ago, to more than 22% of that family's income in April

(a 38% increase in overall cost). Housing and rent prices have contributed to higher inflation.

Historically, larger jumps in interest rates resulted in a softening of the real estate market and placed downward pressure on home values, all else equal. This effect appears to be occurring somewhat in recent months, as home sales have fallen to pre-pandemic levels and bidding wars have become less frequent. Conditions may result in a moderation of the real estate market, though continued tight inventory levels could act as an ongoing support to high prices.

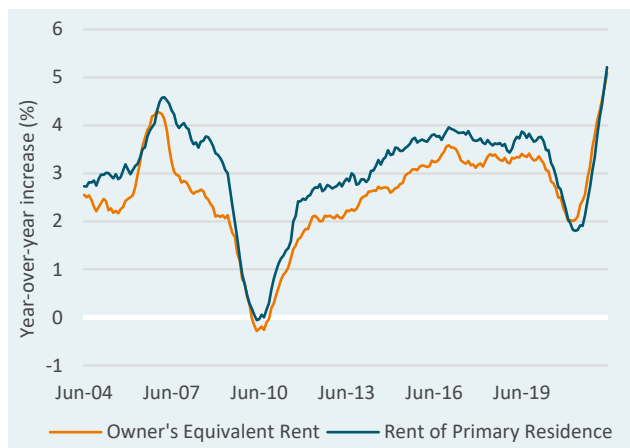
CHANGE IN HOUSING AFFORDABILITY



Source: National Association of Realtors, as of 4/30/22

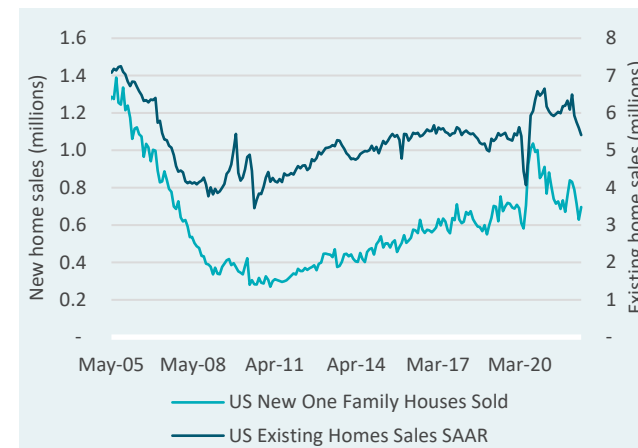
Census Bureau median family income is compared here to the monthly cost (principal + interest) of an average priced home

HOUSING & RENT COSTS



Source: FRED, as of 5/31/22

HOME SALES ACTIVITY



Source: Bloomberg, as of 5/31/22

International economics summary

- Economic growth has moderated in most countries, moving toward average levels. Higher inflation continues to erode growth figures as GDP is typically quoted as *inflation-adjusted* growth.
- Inflation trends continue to be disparate around the world. Japan and China are experiencing very low inflation and muted price pressures, while Europe and the United States are coping with multidecade-high inflation. Countries with low inflation and countries with high inflation all appear to have experienced an uptick during the second quarter.
- Labor markets have been relatively stable in developed markets, with conditions in the Eurozone strengthening. Unemployment in emerging markets were mixed—Brazil and Russia experienced improvement, while India and China saw slight weakening.
- Russia’s invasion of Ukraine continued in the second quarter, leading to heavy loss of life on both sides. Most fighting has taken place in the east, as Russia generally gradually pushing forward. Concerns around food shortages in nearby countries that depend on Ukrainian agriculture persist, though many commodity prices that had shot higher in March and April have eased, falling closer to pre-invasion costs.
- During the first week of July, millions of Chinese citizens were put back into lockdown, and subjected to mass testing, as small outbreaks have led to renewed restrictions. China continues to stick to a “zero COVID” approach, which is increasingly at odds with the recognition by most nations that civilization will have to live *with* the virus for the long-term, while moving back to normal life.

Area	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	1.6% 6/30/22	9.1% 6/30/22	3.6% 6/30/22
Eurozone	5.4% 3/31/22	8.6% 6/30/22	6.6% 5/31/22
Japan	0.4% 3/31/22	2.3% 6/30/22	2.6% 5/31/22
BRICS Nations	4.4% 3/31/22	4.6% 6/30/22	5.2% 12/31/21
Brazil	1.7% 3/31/22	11.9% 6/30/22	9.8% 5/31/22
Russia	3.5% 3/31/22	15.9% 6/30/22	3.9% 5/31/22
India	4.1% 3/31/22	7.0% 6/30/22	7.8% 6/30/22
China	4.8% 3/31/22	2.5% 6/30/22	5.9% 5/31/22

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

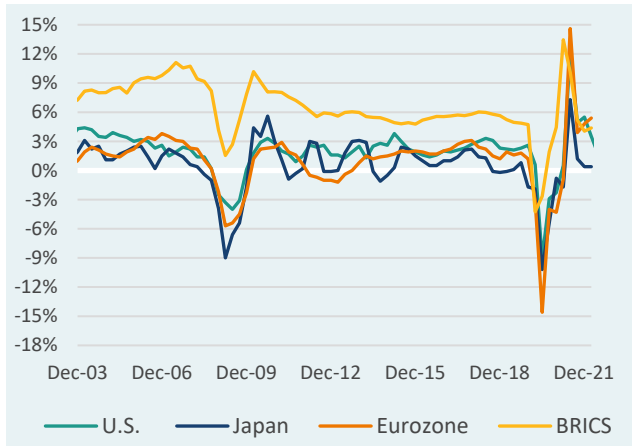
Economic growth has moderated in most countries, moving toward average levels. Inflation trends remain disparate across geographies. Japan and China are experiencing very low inflation and muted price pressures, while Europe and the United States are coping with multidecade-high inflation. Countries with low inflation and countries with high inflation all appear to have experienced an uptick during Q2.

For some central banks, the issue of fighting inflation has been made more challenging given economic deceleration,

as overly aggressive monetary policy might quickly send an economy into recession. Inflation has become a lightning rod for political leaders, as rising prices squeeze household budgets and standards of living.

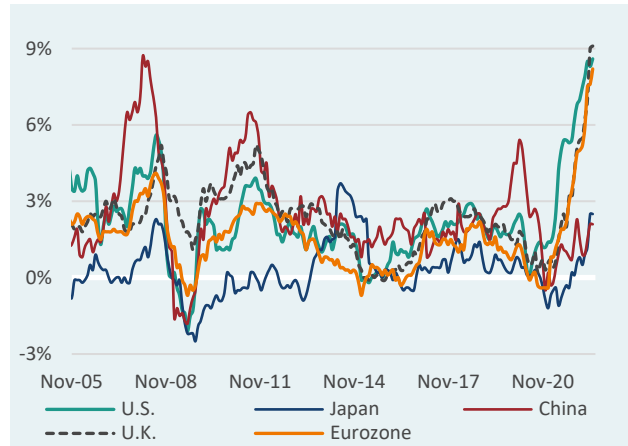
Unemployment rates were relatively stable in developed markets, with conditions in the Eurozone strengthening. Joblessness in emerging markets was mixed—Brazil and Russia experienced improvement, while India and China saw a slight weakening.

REAL GDP GROWTH (YOY)



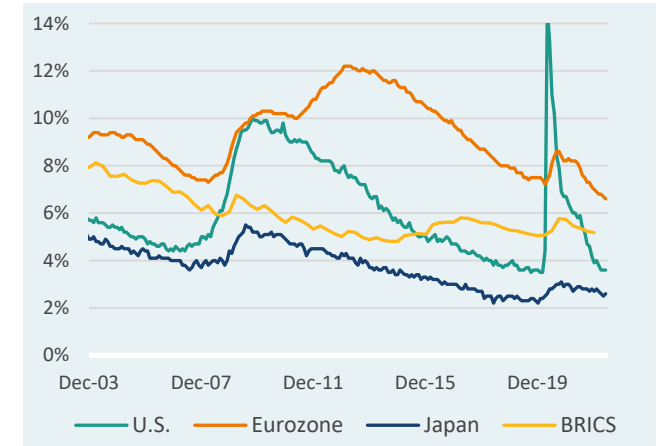
Source: Bloomberg, as of 6/30/22

INFLATION (CPI YOY)



Source: Bloomberg, as of 5/31/22 – or most recent release

UNEMPLOYMENT



Source: Bloomberg, as of 6/30/22 – or most recent release

Fixed income rates & credit

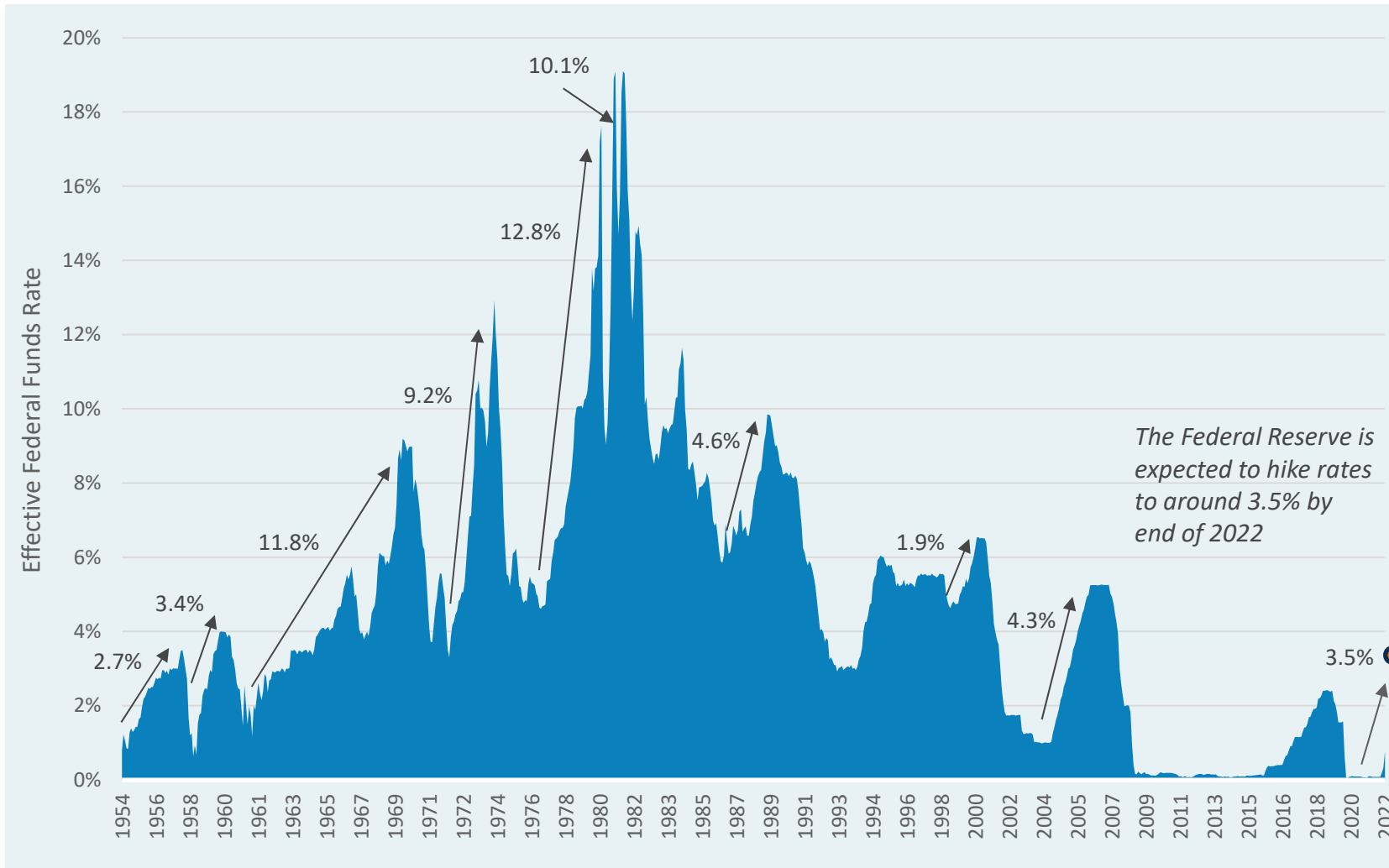
Fixed income environment

- The 10-year U.S. Treasury yield jumped during Q2 from 2.34% to nearly 3.50%, ending the quarter at 2.89%. Yields have fallen from their highs as recession fears mount. The Federal Reserve has a history of cutting interest rates during recession. This implies a higher chance of rate cuts as it appears the U.S. may currently be in recession.
- Credit markets sold off during Q2, impacted by concerns of a slowing economy and recession as the Fed signaled a willingness to raise rates until inflation slows. Bank loans performed the best at -4.4% and outperformed longer duration bonds such as investment grade and high yield (-7.3% and -9.8%, respectively).
- Credit spreads jumped considerably alongside the broader market selloff. U.S. high yield spreads increased from 3.4% to 5.6% and U.S. investment grade spreads headed from 1.2% to 1.6%. In contrast to the recent low yield environment, fixed income now offers investors more robust yields.
- The U.S. yield curve remained fairly flat during the second quarter. The 10-year minus 2-year yield spread fluctuated between -0.05% and 0.4%. Markets continue to price a flat or inverted yield curve, which is generally recognized as a sign of incoming recession.
- In June, the U.S. Federal Reserve began to unwind its \$9 trillion balance sheet. Initially this action involved *not purchasing new bonds* and letting existing bonds mature and roll off. The Fed signaled plans to allow \$30 billion of U.S. Treasuries and \$17.5 billion of mortgage-backed securities to fall off the balance sheet by end of month. Leadership has admitted that this size of divestment program is essentially the first of its kind and that the committee will be moving with caution.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	(4.7%)	(10.3%)
Core Plus Fixed Income (Bloomberg U.S. Universal)	(5.1%)	(10.9%)
U.S. Treasuries (Bloomberg U.S. Treasury)	(3.8%)	(8.9%)
U.S. High Yield (Bloomberg U.S. Corporate HY)	(9.8%)	(12.8%)
Bank Loans (S&P/LSTA Leveraged Loan)	(4.4%)	(2.7%)
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	(8.6%)	(19.3%)
Emerging Market Debt Hard (JPM EMBI Global Diversified)	(11.4%)	(21.1%)
Mortgage-Backed Securities (Bloomberg MBS)	(4.0%)	(9.0%)

Source: Bloomberg, as of 6/30/22

How does this tightening cycle stack up?



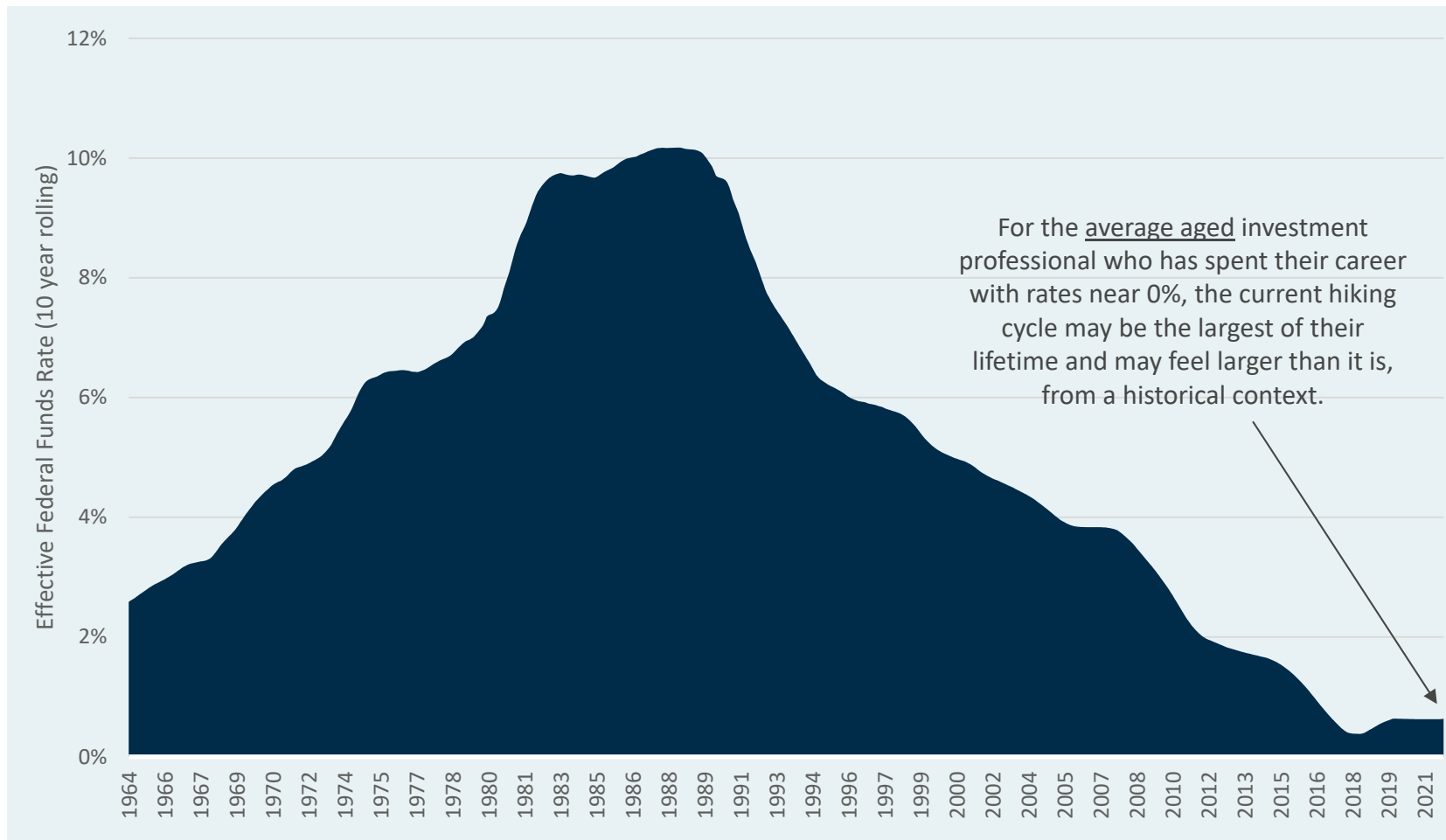
This tightening cycle is milder than most, in terms of total magnitude of hikes

The Fed's plans to reduce their large balance sheet does pose a unique challenge relative to past cycles, however

Source: FRED, as of 6/30/22 - rate hiking cycle of each economic cycle shown

How does this tightening cycle stack up?

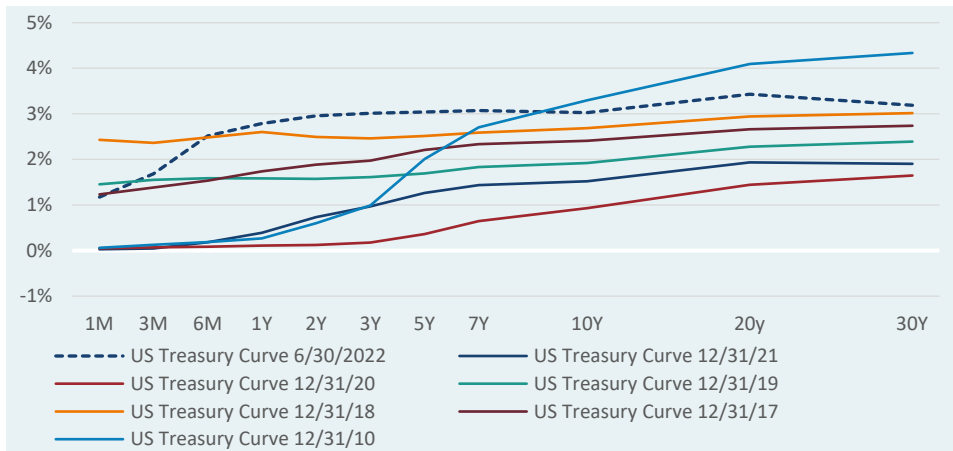
10 YEAR ROLLING AVERAGE FED FUNDS LEVEL



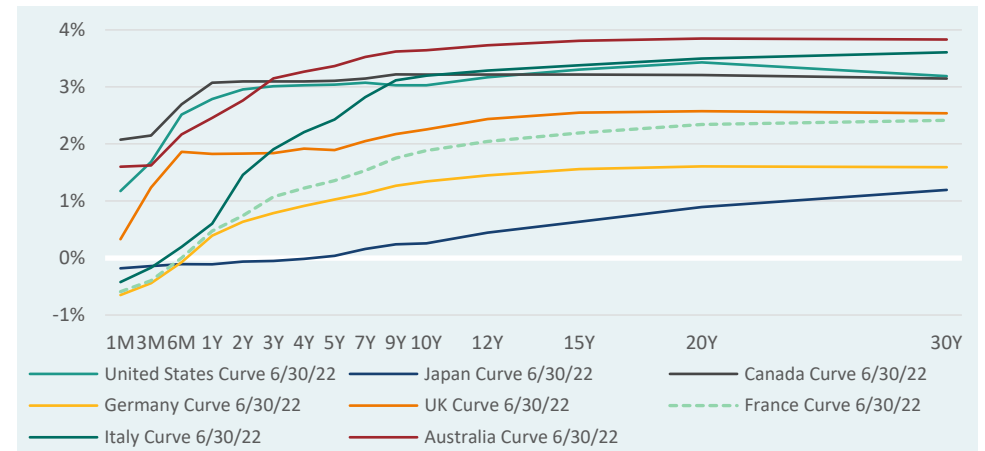
Source: FRED, Verus, as of 6/30/22

Yield environment

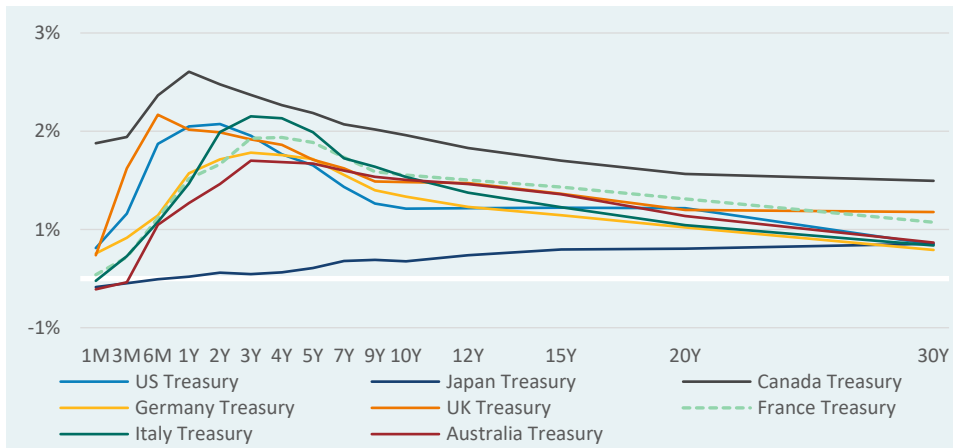
U.S. YIELD CURVE



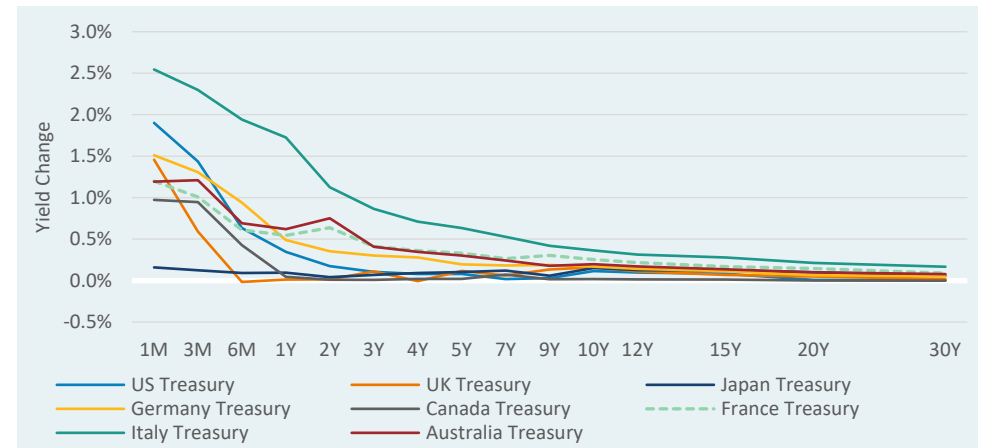
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 6/30/22

Credit environment

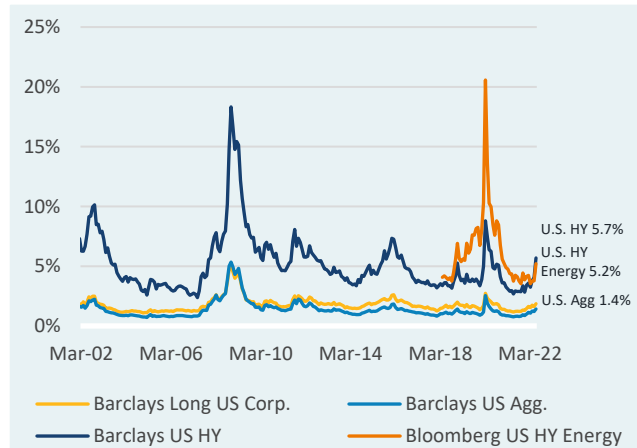
Credit markets experienced a broad selloff over the quarter impacted by concerns of slowing economic growth and recession as the Fed signaled a willingness to raise rates until inflation slows. Bank loans performed the best, returning -4.4% and outperforming higher duration exposures such as investment grade and high yield corporate credit which returned -7.3% and -9.8%, respectively. The decline in high yield was the third worst quarterly decline since 2000, behind the 18% decline experienced during Q4 of 2008 and the 13% decline experienced during Q1 of 2020.

Risk-off sentiment and elevated concerns over economic growth prospects contributed to spread widening during the quarter. Investment grade credit spreads increased 39 basis points to end the quarter at 155

bps. High yield spreads increased 163 basis points to end the quarter and 569 bps which was above the long term non-recessionary average of 454 bps.

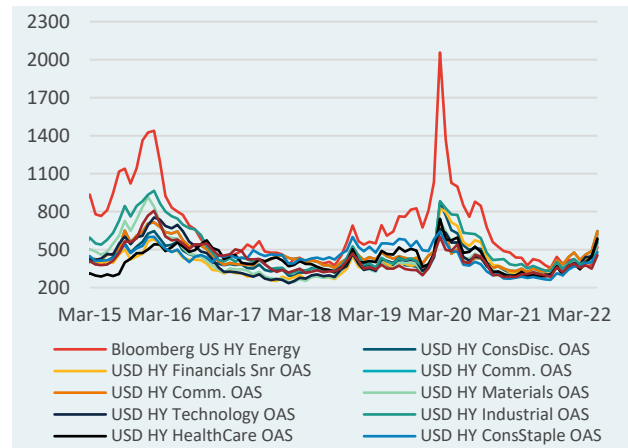
At the end of June, the Bloomberg US High Yield Index offered a yield just shy of 9%, up more than 4% from the beginning of the year. While these levels appear attractive in the context of the recent low yield environment, there is still potential for spreads to widen from these levels if recession concerns worsen.

SPREADS



Source: Barclays, Bloomberg, as of 6/30/22

HIGH YIELD SECTOR SPREADS (BPS)



Source: Bloomberg, as of 6/30/22

Market	Credit Spread (OAS)	
	6/30/22	6/30/21
Long U.S. Corp	1.9%	1.2%
U.S. Inv Grade Corp	1.6%	0.8%
U.S. High Yield	5.7%	2.7%
U.S. Bank Loans*	5.9%	4.3%

Source: Barclays, Credit Suisse, Bloomberg, as of 6/30/22

*Discount margin (4-year life)

Default & issuance

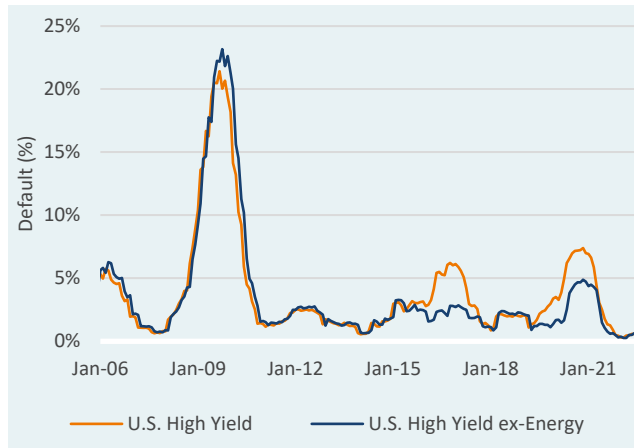
Default activity picked up in the second quarter with seven companies defaulting on loans and bonds, totaling \$15.6 billion. While default volumes have increased from the \$1.2 billion experienced last quarter and \$9.8 billion experienced throughout 2021, the volumes are in line with the 5-year quarterly average of \$16 billion.

Default rates for par-weighted US high yield and bank loans ended the quarter at 0.76% and 0.74%, respectively—well below the longer-term historical averages of 3.2% and 3.1%. The default rate is expected to rise modestly over the remainder of 2022 and throughout 2023, given the prospects for lower growth, more restrictive financing rates, and an expected surge in rising stars exiting the high yield index. While modest

increases in default rates are expected, record bond and loan refinancing activity totaling over \$1 trillion in 2020 and 2021 has led to relatively healthy issuer fundamentals and very limited near-term financing needs.

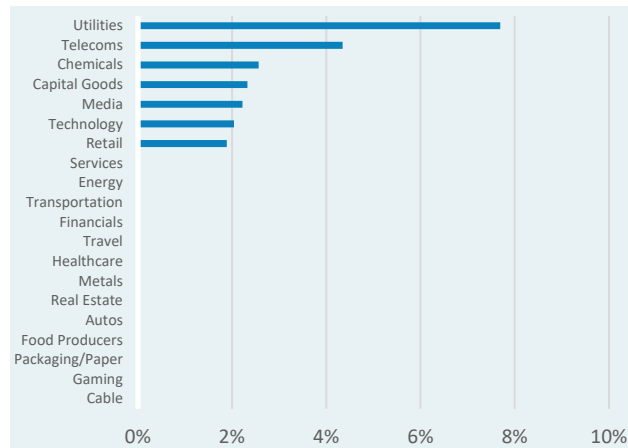
Leveraged credit issuance continued to be light amid high market volatility. The \$24.6 billion of high yield bonds issued over the quarter was the lowest issuance since the fourth quarter of 2018 and second lowest total since 2009. Similarly, bank loan issuance totaled \$60.6 billion, which was down from \$120.5 billion issued in the first quarter. Notably, nearly all of the loans issued over the quarter were SOFR-linked deals as the discontinuation of LIBOR is expected to occur at the end of June 2023.

HY DEFAULT RATE (ROLLING 1-YEAR)



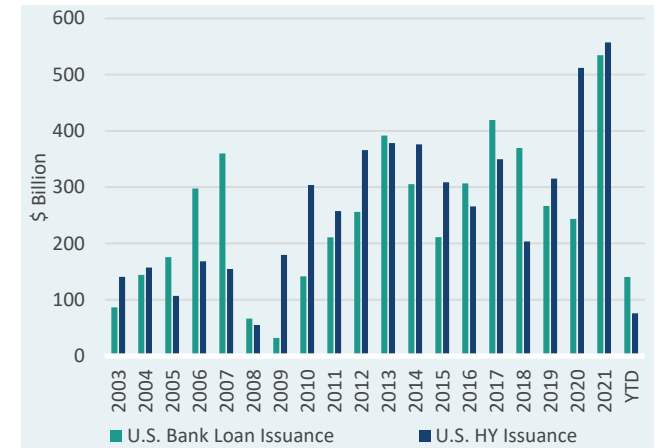
Source: BofA Merrill Lynch, as of 6/30/22

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



Source: BofA Merrill Lynch, as of 6/30/22 – par weighted

U.S. ISSUANCE (\$ BILLIONS)



Source: BofA Merrill Lynch, as of 6/30/22

Alternative credit

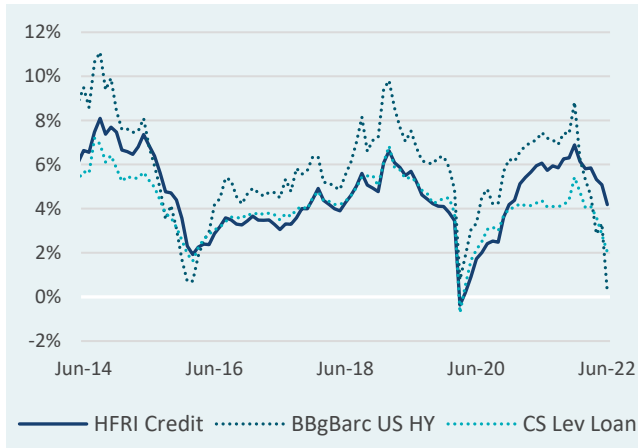
Credit hedge fund strategies succumbed to overwhelming risk-off moves in fixed income markets during the quarter. The HFRI Credit Index lost 3.2% for Q2, slightly outperforming loan markets as hedges helped offset spread widening. On a three-year rolling basis, alternative credit strategies outperformed high yield bonds by nearly 4% annualized. The only other time since 2008 (the inception of the index) that HFRI Credit outperformed high yield on a three-year basis was a brief period after the 2015 energy sector sell-off.

Looking closer within hedge fund credit, managers focused on structured credit remained the bright spot with only slightly negative returns for the

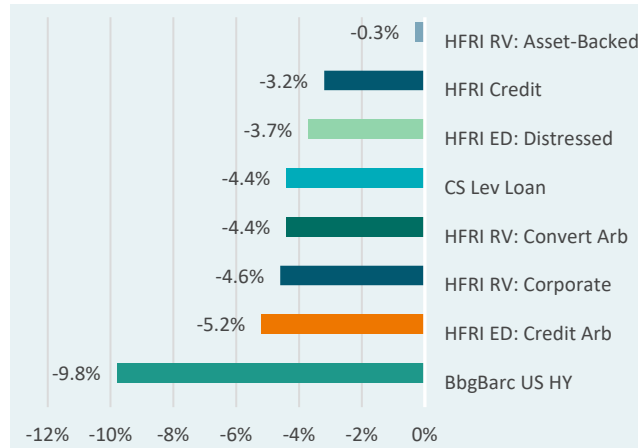
quarter and continued outperformance relative to other credit strategies and fixed income markets.

The magnitude of losses in traditional credit markets began to impact even those strategies which try to minimize duration and credit spread risk, such as convertible arbitrage and credit arbitrage. These strategies typically involve substantial leverage or basis risk, and are susceptible to large down moves in extreme stress periods.

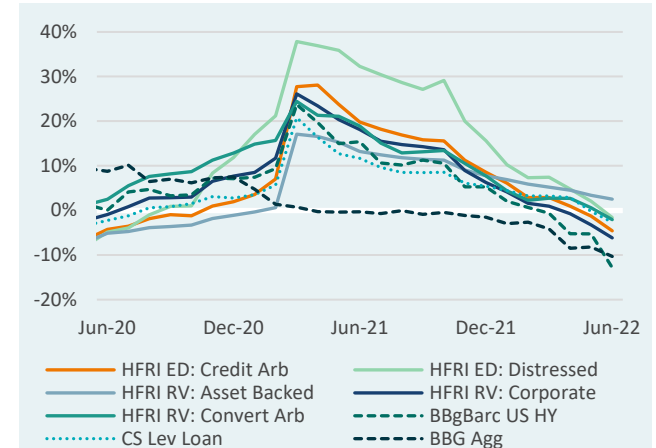
3 YEAR ROLLING ANNUALIZED RETURN



2Q 2022 QUARTERLY RETURN



1 YEAR ROLLING RETURN



Source: HFR, MPI, Morningstar, as of 6/30/22

Equity

Equity environment

- U.S. equities suffered large losses during the second quarter (S&P 500 -16.1%), as many highly priced growth stocks took an exceptionally large hit due to interest rate rises and risk-off sentiment. International developed equities (MSCI EAFE -14.5%) experienced similar losses, while emerging market equities (MSCI Emerging Markets -11.4%) outperformed materially, on an unhedged currency basis.
- As mentioned during Q2 earnings calls, a rising number of S&P 500 companies were concerned about material & commodity costs, COVID costs, and oil & gas prices. A decreasing number of companies were concerned about labor costs & shortages, supply chain disruptions, transport & freight costs, and Russia/Ukraine.
- Currency movement generated large losses for investors who do not hedge their foreign currency exposure. Investors in international

developed markets would have seen a loss of approximately -7.3% with a currency hedging program, rather than the -14.5% loss of unhedged investors. Over the past full year, losses from currency movement were -12.4%.

- Value stocks outperformed Growth stocks by a wide margin again in Q2 (Russell 1000 Value -12.2% vs Russell 1000 Growth -20.9%) as many Growth stocks with lofty valuations suffered due to rising interest rates and broader risk-off sentiment. Large capitalization stocks outperformed small cap stocks slightly (Russell 1000 -16.7%, Russell 2000 -17.2%).

- The Cboe VIX Index rose during the quarter from 20.6% to 28.7%, as risk assets sold-off and investors began focusing on potential recession. Investors remain acutely focused on the path of inflation, and market volatility may ease if inflation does in fact begin to moderate in future months.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	(16.1%)		(10.6%)	
U.S. Small Cap (Russell 2000)	(17.1%)		(25.2%)	
U.S. Equity (Russell 3000)	(16.7%)		(13.9%)	
U.S. Large Value (Russell 1000 Value)	(12.2%)		(6.8%)	
US Large Growth (Russell 1000 Growth)	(20.9%)		(18.8%)	
Global Equity (MSCI ACWI)	(15.7%)	(13.5%)	(15.8%)	(12.1%)
International Large (MSCI EAFE)	(14.5%)	(7.3%)	(17.8%)	(5.4%)
Eurozone (Euro Stoxx 50)	(15.3%)	(9.2%)	(23.1%)	(11.3%)
U.K. (FTSE 100)	(11.2%)	(3.6%)	(7.1%)	6.2%
Japan (NIKKEI 225)	(14.8%)	(4.2%)	(23.8%)	(6.0%)
Emerging Markets (MSCI Emerging Markets)	(11.4%)	(8.2%)	(25.3%)	(21.5%)

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 6/30/22

Domestic equity

U.S. equities saw sharp losses during the second quarter (S&P 500 -16.1%), underperforming global markets (MSCI ACWI ex-US -13.7%). U.S. sector dispersion was wide, with consumer discretionary stocks suffering the worst pain (-26.2%) and consumer staples faring the best (-4.6%).

Calendar year 2022 bottom-up earnings estimates for the S&P 500 improved slightly during the quarter, despite the equity bear market. A rosier earnings outlook was fueled mostly by the energy and materials sectors, while consumer discretionary and communication services sectors saw worsening expectations. According to Factset, an increased

number of companies issued negative earnings guidance during the quarter, though the balance of companies offering positive and negative guidance remains in a relatively normal range.

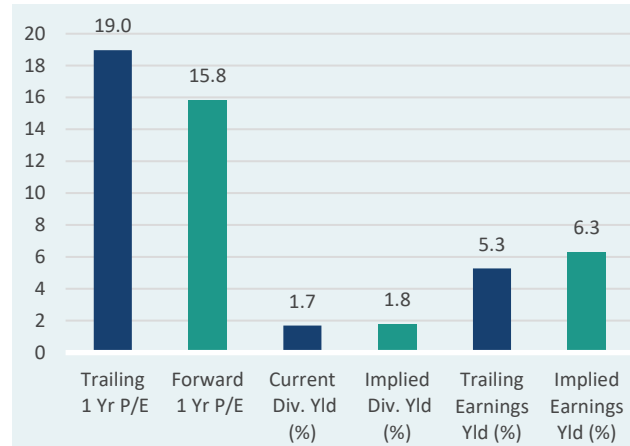
According to Q2 earnings calls, a rising number of S&P 500 companies were concerned about material & commodity costs, COVID costs, and oil & gas prices. A decreasing number of S&P 500 companies were concerned about labor costs & shortages, supply chain disruptions, transport & freight costs, and the economic impacts of Russia's invasion of Ukraine.

S&P 500 PRICE INDEX



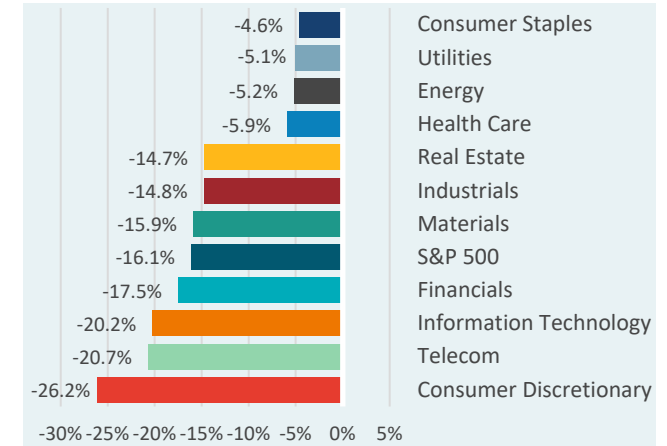
Source: Standard & Poor's, as of 6/30/22

S&P VALUATION SNAPSHOT



Source: Bloomberg, as of 6/30/22

Q2 SECTOR PERFORMANCE



Source: Morningstar, as of 6/30/22

Domestic equity size & style

Value stocks outperformed Growth stocks by a wide margin once again in the second quarter (Russell 1000 Value -12.2% vs Russell 1000 Growth -20.9%) as many Growth stocks with lofty valuations suffered due to rising interest rates and broader risk-off sentiment. Large capitalization stocks outperformed small capitalization stocks slightly (Russell 1000 -16.7%, Russell 2000 -17.2%).

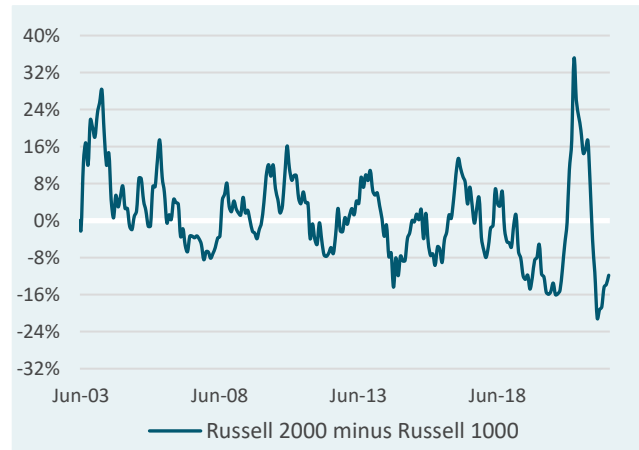
The recent drawdown of Growth stocks has helped partially close the historically wide price gap between Value and Growth, as reflected in the bottom right chart. Sector trends contributed to style performance during the quarter. The energy sector

outperformed, and information technology was a poor performer. Other Value-concentrated sectors such as financials and materials performed closely in line with the overall index.

In last quarter's research commentary we mentioned that further tightening of Fed policy and interest rate hikes would likely impact Value and Growth stock behavior. This foresight was valid and we believe will remain so. Further Fed hawkishness and market risk-off behavior may lead to additional Growth underperformance, but a reversal by the Federal Reserve and easing of interest rates may bolster the returns of Growth, all else equal.

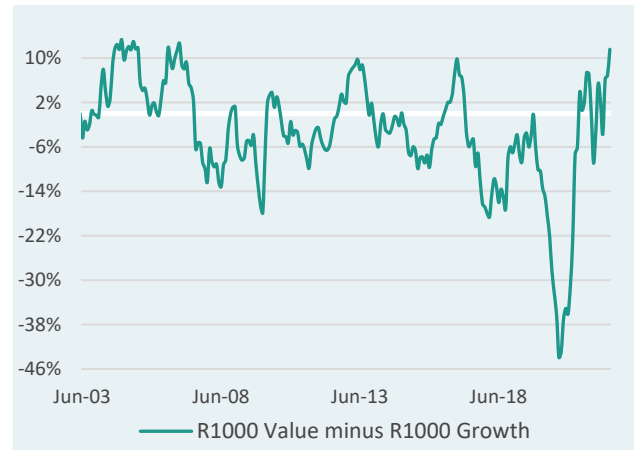
A rebound in Value continued during Q2

SMALL CAP VS LARGE CAP (YOY)



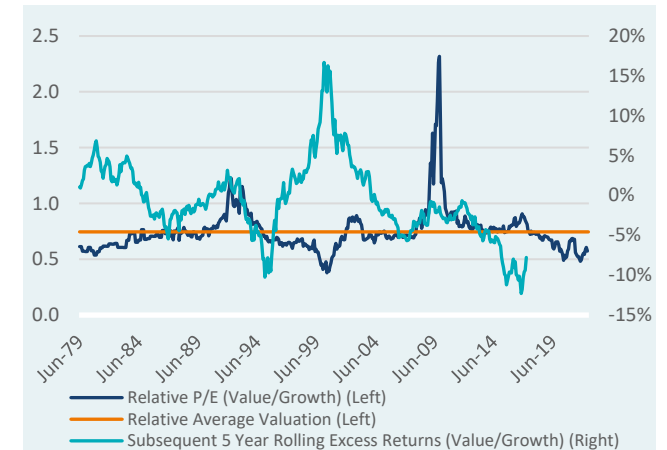
Source: FTSE, as of 6/30/22

VALUE VS GROWTH (YOY)



Source: FTSE, as of 6/30/22

VALUE VS. GROWTH RELATIVE VALUATIONS



Source: Standard & Poor's, as of 6/30/22

International developed equity

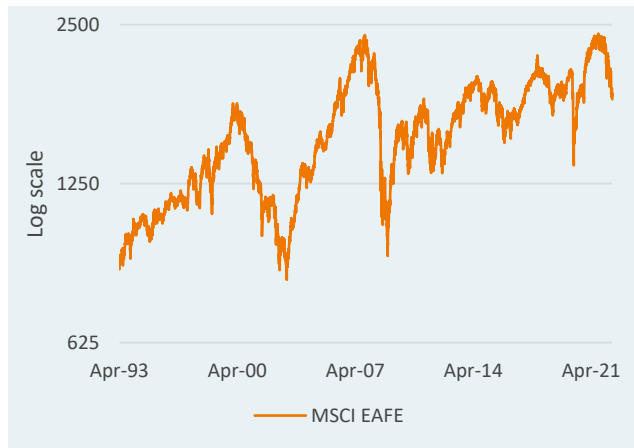
International developed equities fell during the quarter (MSCI EAFE -14.5%), mildly outperforming U.S. equities (S&P 500 -16.1%) and materially underperforming emerging market equities (MSCI Emerging Markets -11.4%), on an unhedged currency basis.

Currency movement during the quarter generated large losses for investors who do not hedge foreign currency exposure. Investors in international developed markets would have seen a loss of approximately -7.3% with a currency hedging program, rather than the -14.5% loss if

currency was left unhedged. Over the past year, investors in international equities with a currency hedging program would have experienced roughly a -5.4% return, compared to a return of -17.8% if currency was left unhedged.

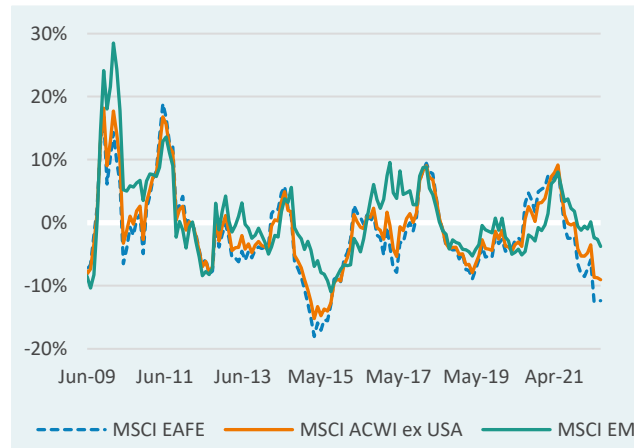
Eurozone equities provided the poorest performers during the quarter (MSCI Euro -11.1%), as EUR/USD reached parity for the first time in nearly 20 years. The United Kingdom market (MSCI UK 1.8%) and Japanese market (MSCI Japan -6.6%) lifted the overall MSCI EAFE Index.

INTERNATIONAL DEVELOPED EQUITY



Source: MSCI, as of 6/30/22

EFFECT OF CURRENCY (1-YEAR ROLLING)



Source: MSCI, as of 6/30/22

PRICE OF 1 EUR IN USD



Source: Bloomberg, as of 7/14/22

Emerging market equity

Emerging market equities have delivered broad outperformance throughout the global risk asset drawdown (MSCI EM -11.4%, MSCI ACWI -15.7%) on an unhedged currency basis. A bounce-back in Chinese equities over the quarter (MSCI China 3.5%) from their sharp recent losses helped lift overall performance of the asset class. Latin American markets lagged Asian markets (MSCI EM Latin America -21.9%, MSCI EM Asia -9.3%), reversing last quarter's gains.

Strong returns from the consumer discretionary sector (12.9%)—the largest sector in the MSCI China Index—propelled

Chinese equity performance forward. Outside of Chinese equities, emerging markets struggled, as central banks around the world tightened policy to fight inflation. Emerging market countries whose economies are reliant on raw goods exports were particularly impacted by tightening, as global commodity prices have drawn down from peaks seen earlier in the year.

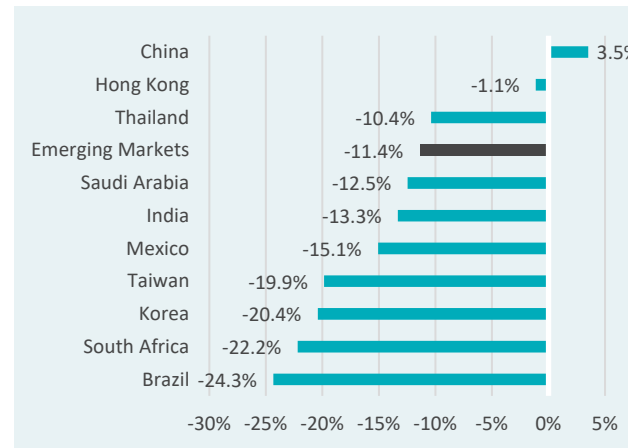
The strong dollar also provided a headwind to emerging market equity returns, as currency movement resulted in a -3.2% loss. Emerging market currencies remain far weaker than the historical average, which may allow performance upside if mean reversion were to occur.

EMERGING MARKET EQUITY



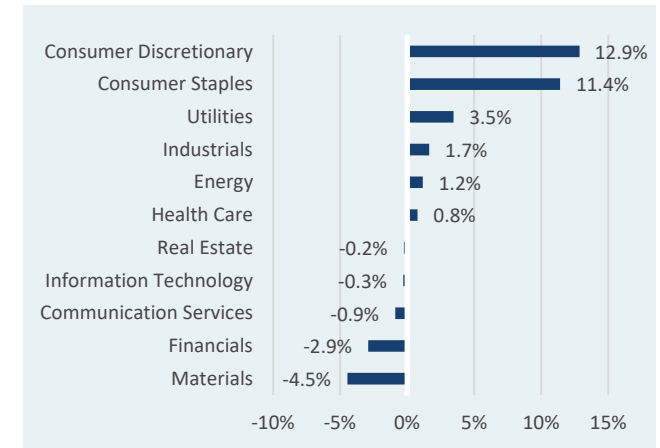
Source: MSCI, as of 6/30/22

Q2 PERFORMANCE – TOP 10 EM CONSTITUENTS



Source: Bloomberg, MSCI as of 6/30/22, performance in USD terms

MSCI CHINA Q2 SECTOR PERFORMANCE



Source: Bloomberg, MSCI as of 6/30/22, performance in USD terms

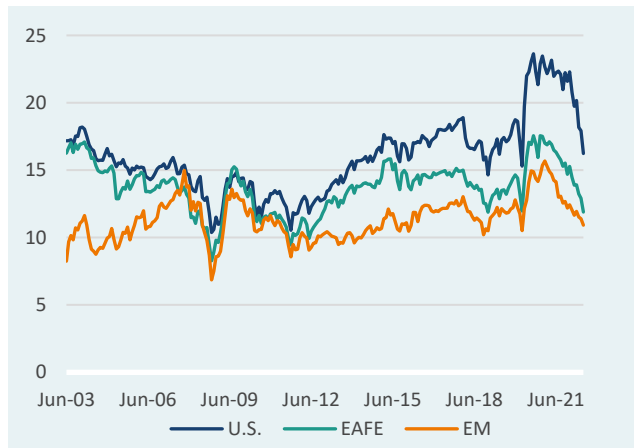
Equity valuations

Valuations fell substantially during the market selloff, bringing multiples closer in line with long-term historical averages. U.S. earnings forecasts have held strong, and analysts expect 2022 calendar year earnings growth of 10.4%. However, these earnings forecasts arguably contain greater uncertainty, given higher interest rates, higher input prices, and weakening consumer demand. The path of corporate earnings in 2022 will be a key variable in determining whether equity markets recover, remain subdued, or fall further. The bottom-up S&P 500 12-month analyst price target was 4,987 as of June 23rd.

Domestic equity valuations remain elevated relative to international developed and emerging markets, which translates to U.S. equities offering a lower yield and likely lower prospective total performance over the longer-term. Domestic equities trade at roughly a 50% valuation premium over international developed equities on a trailing price/earnings basis, and a 75% valuation premium over emerging market equities. While we are more pessimistic around the outlook for international developed equities and believe cheaper prices are justified, we are bullish around emerging markets which appear to offer attractive returns in the current environment.

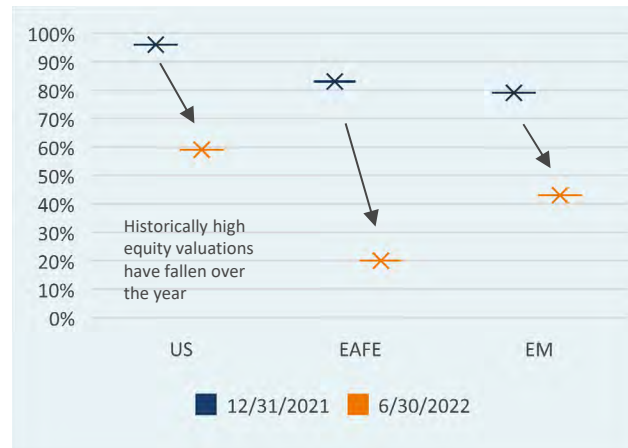
Most equity valuations have moved back towards normal levels, though U.S. prices remain rich

FORWARD P/E RATIOS



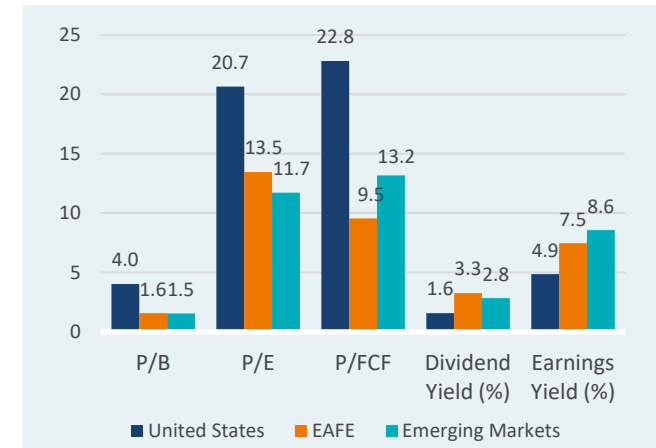
Source: MSCI, 12m forward P/E, as of 6/30/22

FORWARD P/E PERCENTILE RANKINGS



Source: Bloomberg, MSCI, as of 6/30/22

VALUATION METRICS (3-MONTH AVERAGE)



Source: Bloomberg, MSCI as of 6/30/22 - trailing P/E

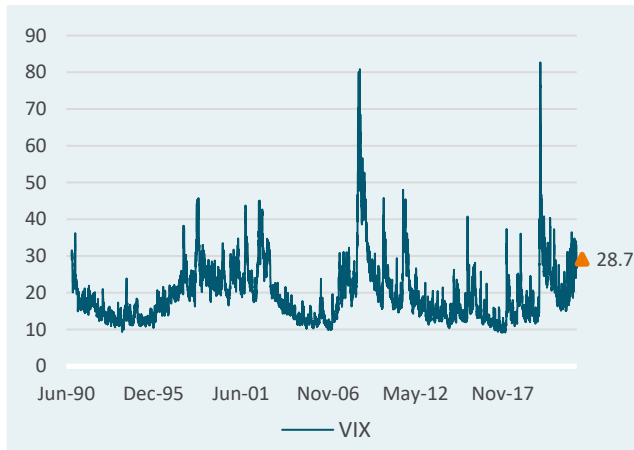
Equity volatility

The Cboe VIX Index rose during the quarter from 20.6% to 28.7%, as risk assets sold-off and investors began focusing on potential recession. Investors have been acutely focused on the path of inflation, and market volatility may ease if inflation does in fact begin to moderate in future months.

Realized volatility of equity markets over the past year has remained within an average range. U.S. markets were the most volatile relative to developed and emerging markets. This dynamic has been rare historically, and is likely driven in part by inflation and recession risks that are especially high in the United States.

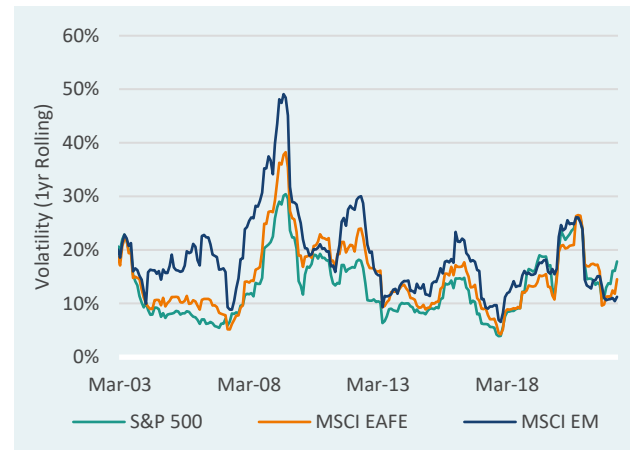
The 2022 equity bear market, while fairly moderate in speed and magnitude by historical standards, may justifiably feel severe for investors due to the broad-based nature of the selloff. Fixed income has delivered notable losses, failing to provide the diversification which investors expect. Commodities were a bright spot in Q1, but a sharp reversal in June led to quarterly Q2 loss of -5.7%. Currency markets also moved against investors, as U.S. dollar appreciation further compounded losses for unhedged international asset exposure. It seems there was nowhere to hide except for cash during the second quarter.

U.S. IMPLIED VOLATILITY (VIX)



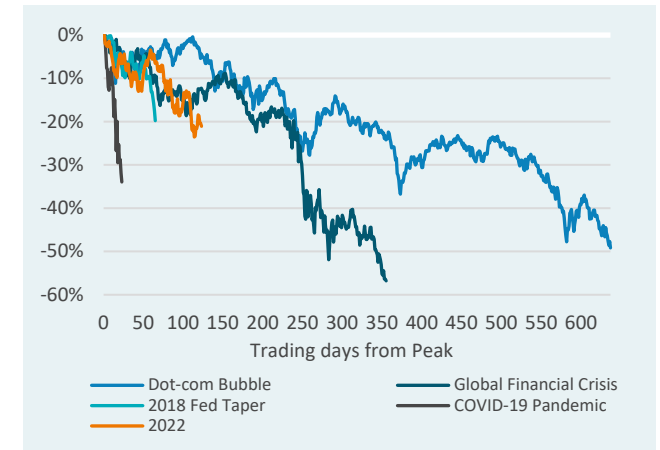
Source: Cboe, as of 6/30/22

REALIZED VOLATILITY



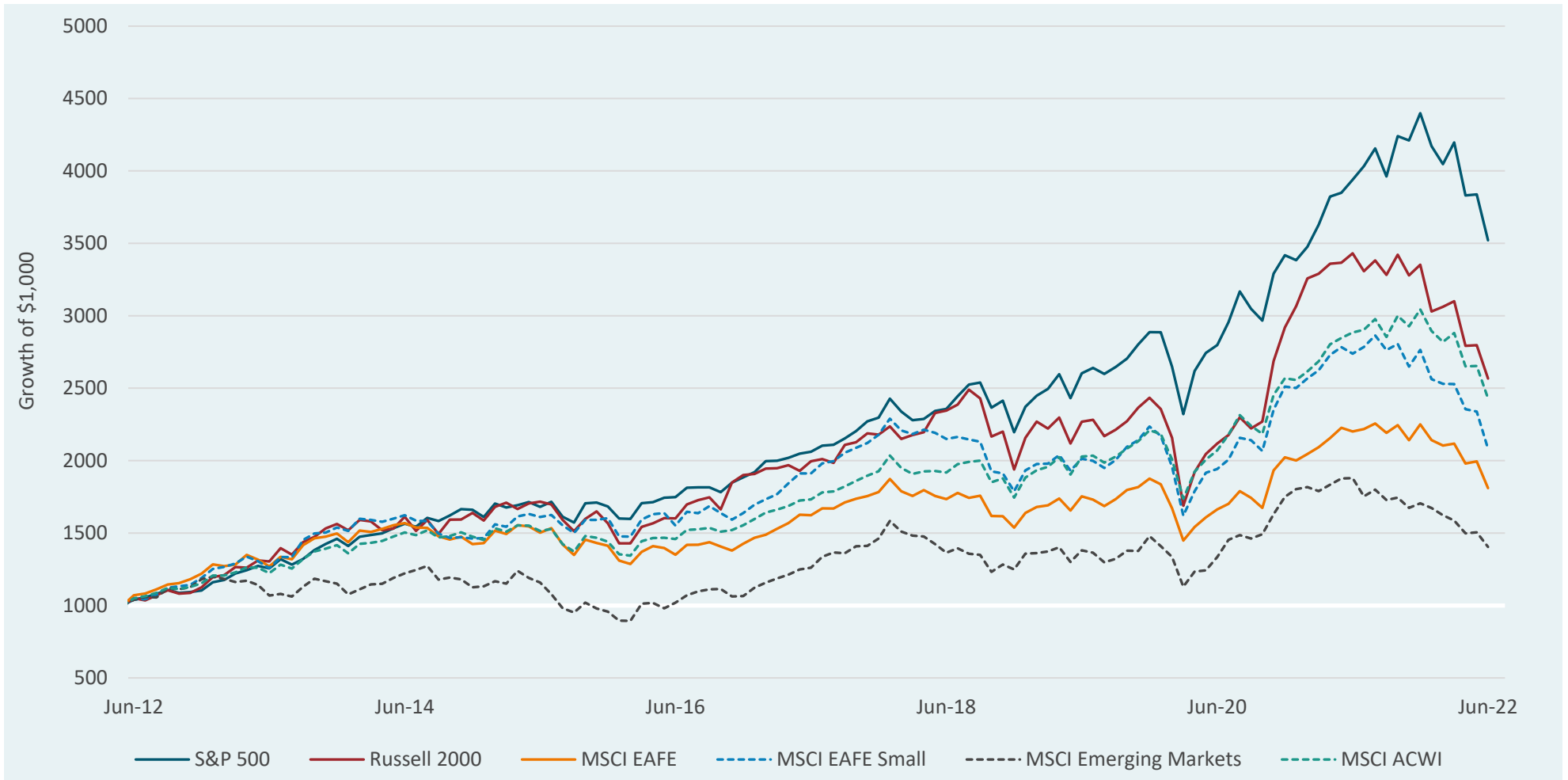
Source: Standard & Poor's, MSCI, as of 6/30/22

S&P 500 PEAK DRAWDOWNS



Source: Bloomberg, as of 6/30/22

Long-term equity performance



Source: Morningstar, as of 6/30/22

Other assets

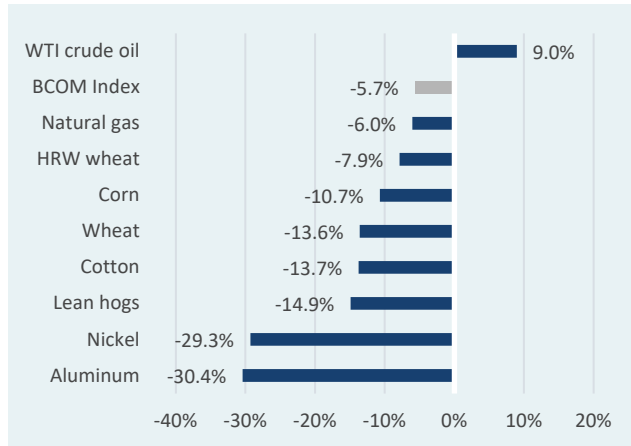
Commodities

The Bloomberg Commodity Index fell -10.8% during June, bringing the second quarter return to -5.7%. Industrial metals (-26.4%) and precious metals (-10.5%) experienced the largest losses, while energy (7.0%) and petroleum (13.7%) marched higher around fears of a potential global energy shortage, though many prices reversed their gains in June.

Early in 2022 many investors expressed fears about a potential global commodity supply shortage, perhaps fueled by underinvestment in production capacity preceding and throughout the COVID-19 recession. Russia's invasion of

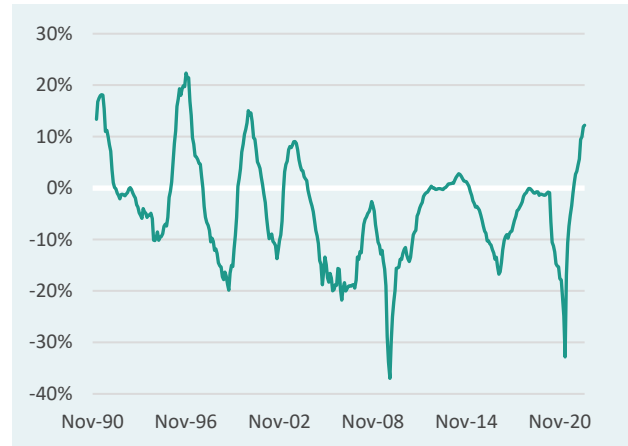
Ukraine further amplified these fears and commodity price growth accelerated further. Later in the second quarter this trend appears to have reversed. Fears of a recession which would hinder the demand for commodities, and likely some easing of uncertainty around Ukraine, have contributed to a sharp drop in commodity prices. If weaker prices persist, the reversal in commodity markets should have a deflationary impact on broader consumer prices, though this effect may take time to flow through to broader prices. For example, lower oil prices have far-reaching impacts on the U.S. economy, such as on the transportation of goods, ground transportation and taxis, air travel, and the production of plastics.

BLOOMBERG COMMODITY INDEX – Q2 2022



Source: Bloomberg, as of 6/30/22

S&P GSCI INDEX ROLL YIELD (LAST 12 MONTHS)



Source: Standard & Poor's, Bloomberg, as of 6/30/22

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	(10.8)	(5.7)	18.4	24.3	14.3	8.4	(0.8)
Bloomberg Agriculture	(9.1)	(5.7)	13.0	18.9	18.8	6.9	(1.2)
Bloomberg Energy	(14.6)	7.0	58.3	66.6	11.7	10.0	(4.7)
Bloomberg Grains	(11.7)	(7.1)	16.1	16.6	17.5	6.2	(2.1)
Bloomberg Industrial Metals	(16.0)	(26.4)	(9.6)	0.2	11.9	7.5	1.2
Bloomberg Livestock	(0.3)	(8.7)	(3.4)	(3.6)	(6.8)	(6.6)	(4.3)
Bloomberg Petroleum	(4.0)	13.7	63.5	79.4	19.5	18.1	(1.2)
Bloomberg Precious Metals	(3.1)	(10.5)	(4.4)	(4.8)	7.2	5.6	(0.8)
Bloomberg Softs	(5.9)	(4.3)	3.3	27.2	16.8	5.3	(3.2)

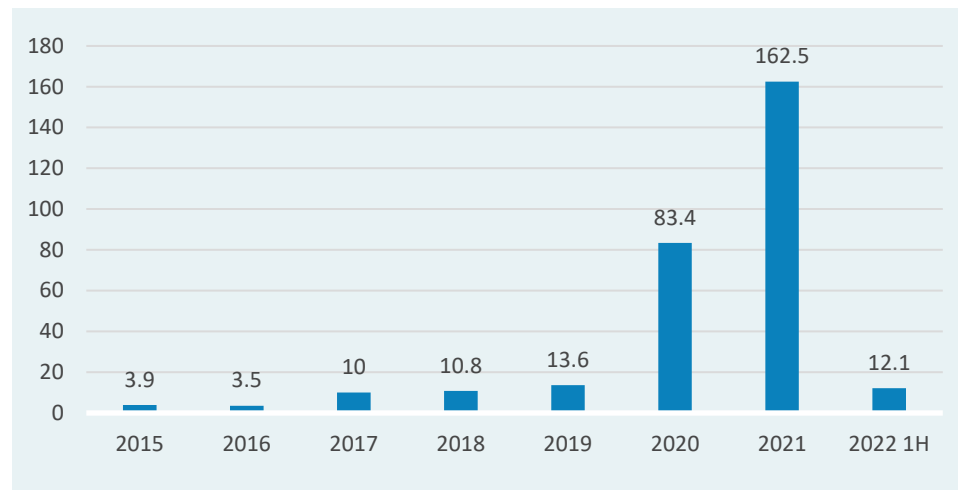
Source: Morningstar, as of 6/30/22

SPACs development

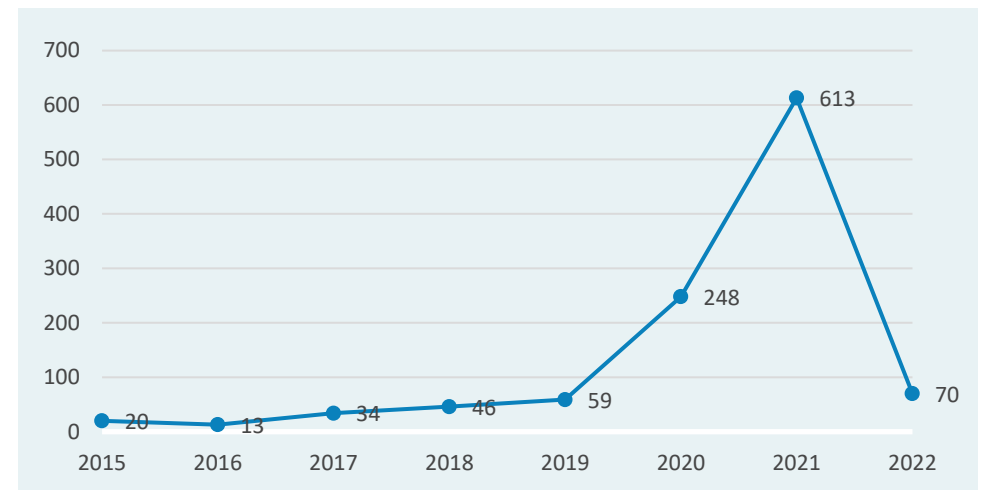
While SPACs proliferated between 2020 through 2021, coinciding with record retail investor trading volume, this activity has subsided notably in 2022.

Market volatility year-to-date and reduced market liquidity have rendered speculative areas of the markets, including SPACs, less attractive. Existing SPAC sponsors from 2020-2021 are struggling to source target deals for their mergers, rendering a large volume of SPAC sponsors at risk of returning their capital to investors without a successful deal executed. The required holding lock-up period after SPACs go public, as well as the impact of market volatility, have led many venture capital and private equity funds to reevaluate the viability of SPAC as an exit channel.

U.S. SPAC AMOUNT RAISED (\$BILLIONS)



NUMBER OF SPAC IPOs

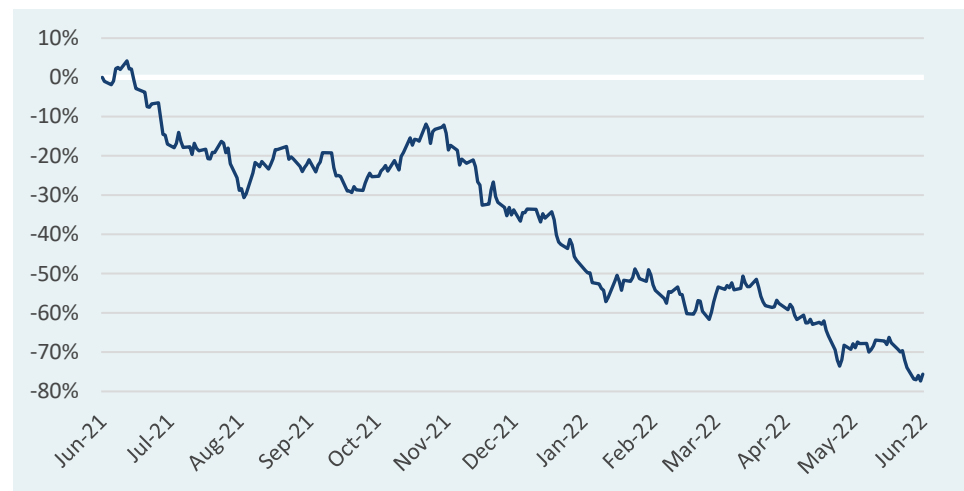


Source: SPAC Research, as of 6/30/22

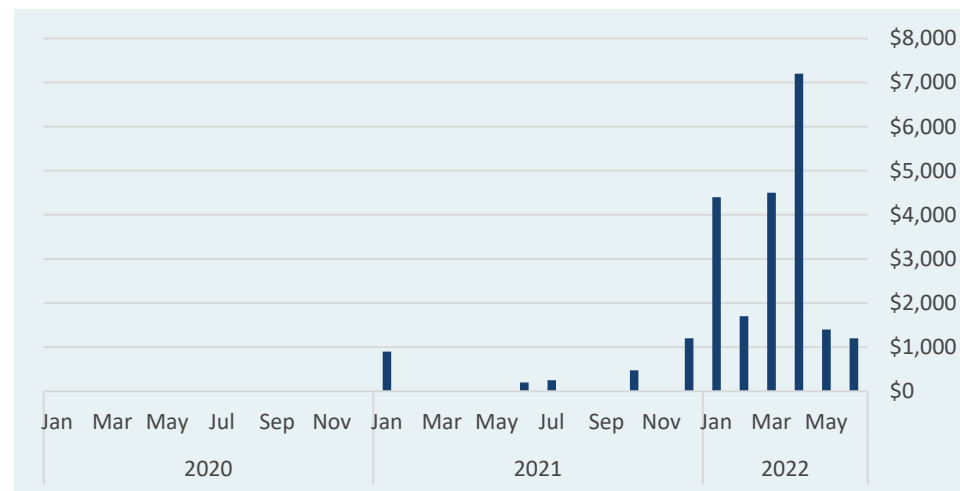
SPACs return analysis

- For **institutional investors**: A number of companies that initially went public via a merger with a SPAC have seen very large share price declines and have since been acquired by a competitor at a far lower price.
- For **retail investors**: Declining share prices of SPACs have eroded billions of dollars of value for shareholders who held SPACs after their acquisition deals.
- Blank check companies have a history of surging and subsiding. During the 1980s, SPACs had boomed, and many were eventually wiped out when Congress passed more stringent regulations. The Securities Exchange Commission is currently tightening regulations around SPACs amid the resurgence.

DE-SPAC INDEX - CHANGE SINCE JUNE 17, 2021



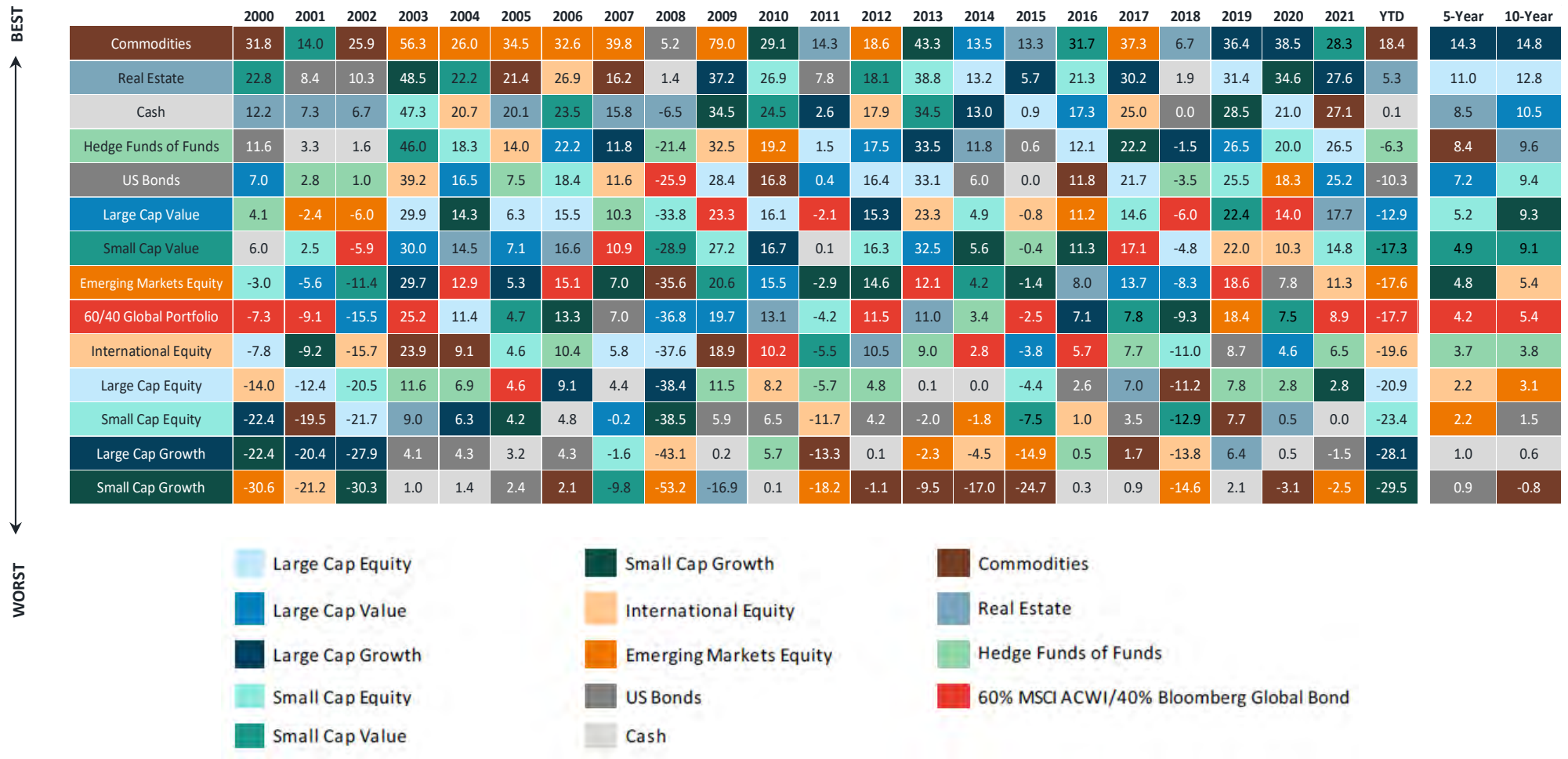
WITHDRAWN SPACs - VALUE OF FILINGS PULLED BY SPONSORS (\$M)



Source: Bloomberg, as of 6/30/22

Appendix

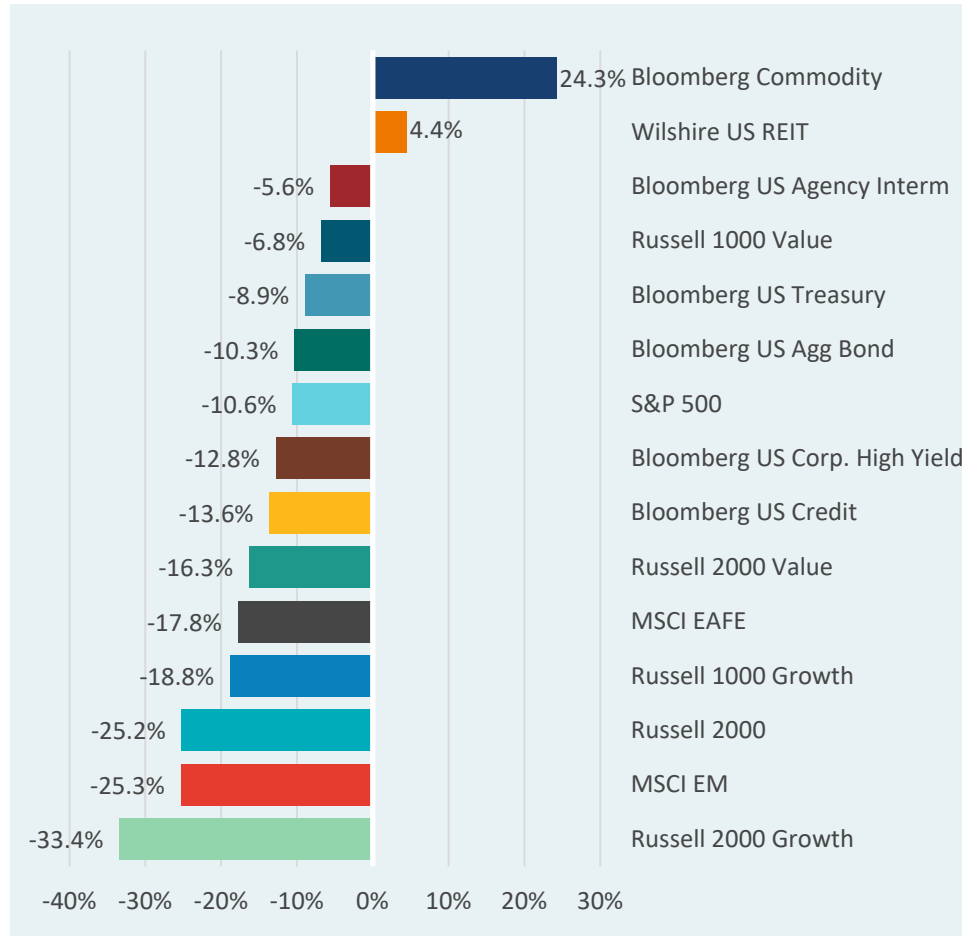
Periodic table of returns



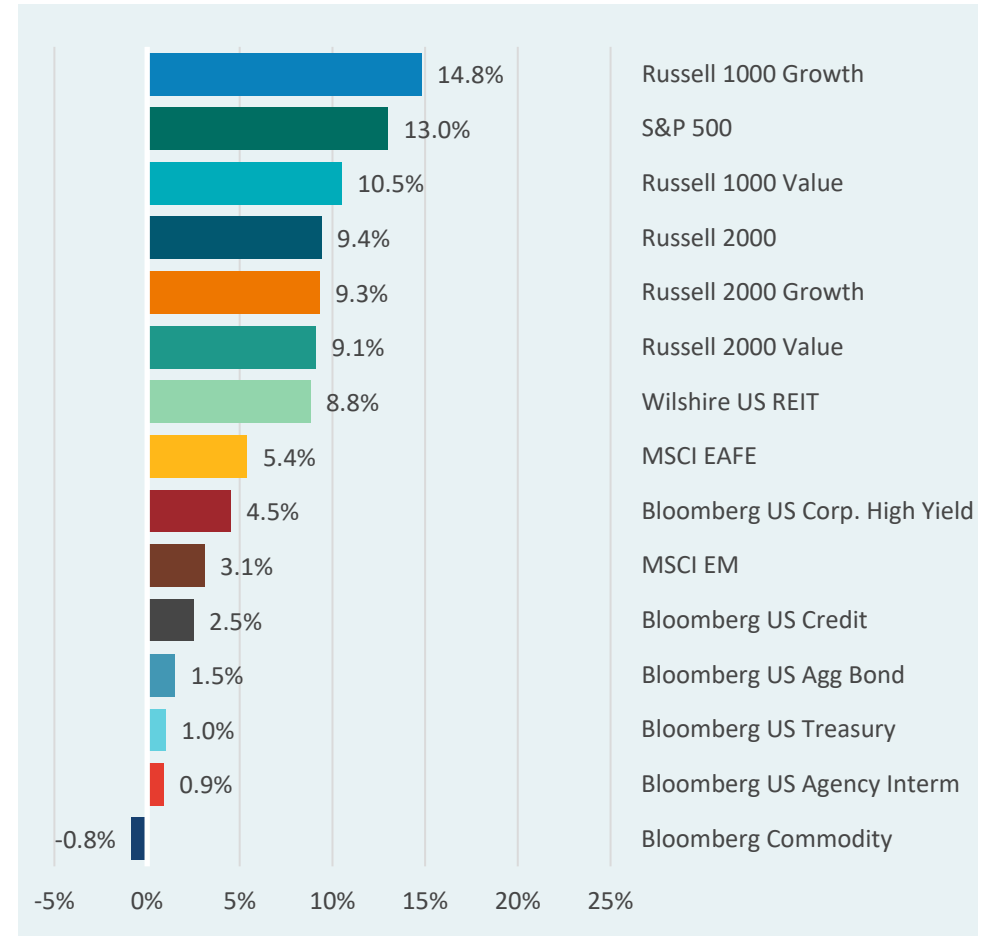
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 3/31/22.

Major asset class returns

ONE YEAR ENDING JUNE



TEN YEARS ENDING JUNE



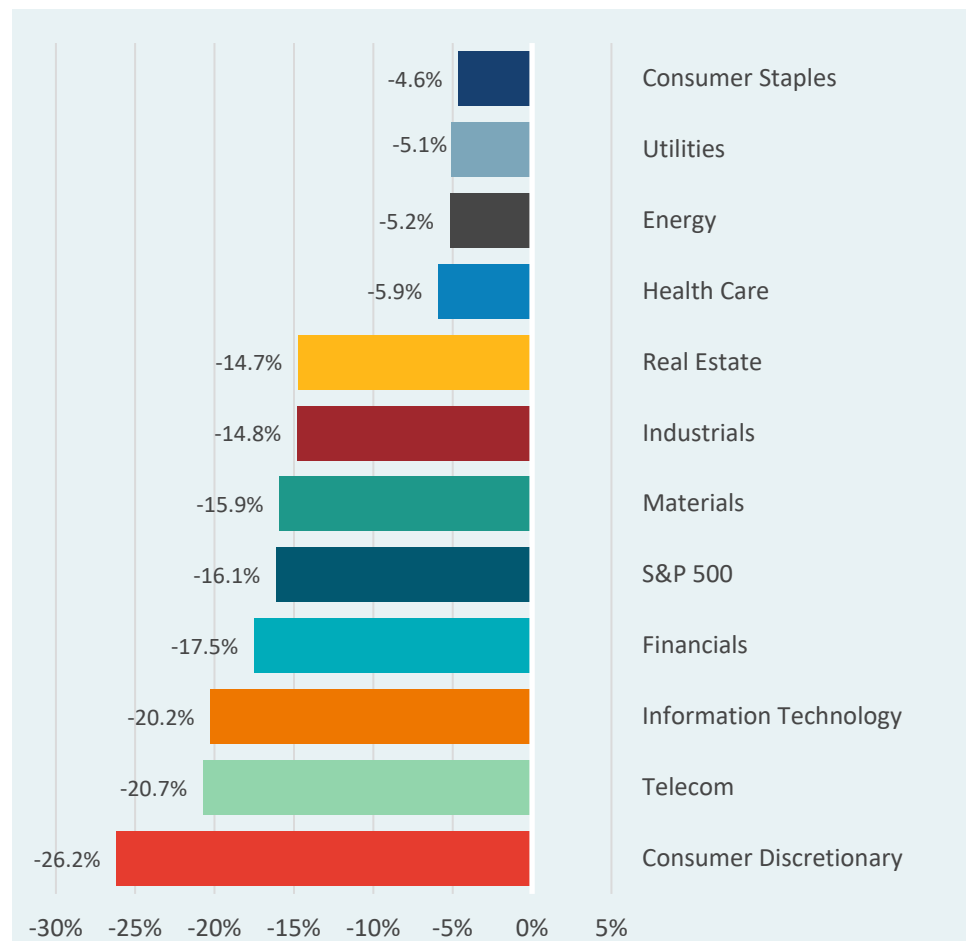
*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 6/30/22

Source: Morningstar, as of 6/30/22

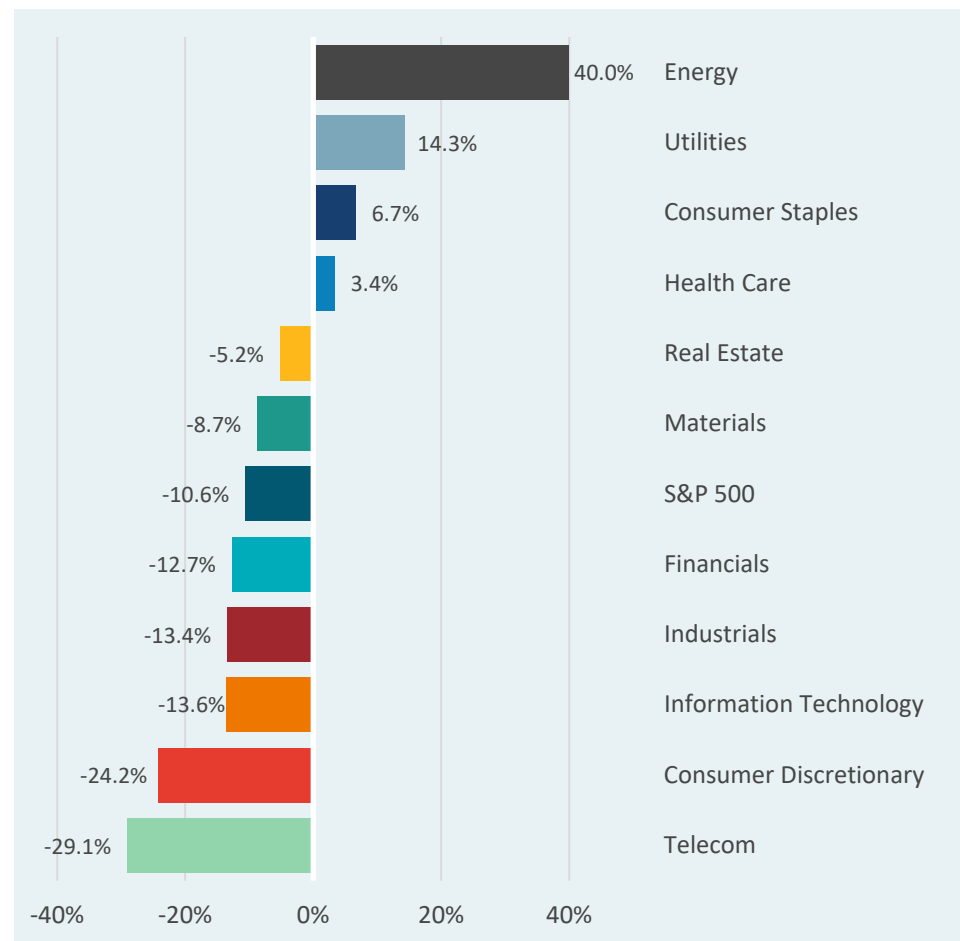
S&P 500 sector returns

QTD



Source: Morningstar, as of 6/30/22

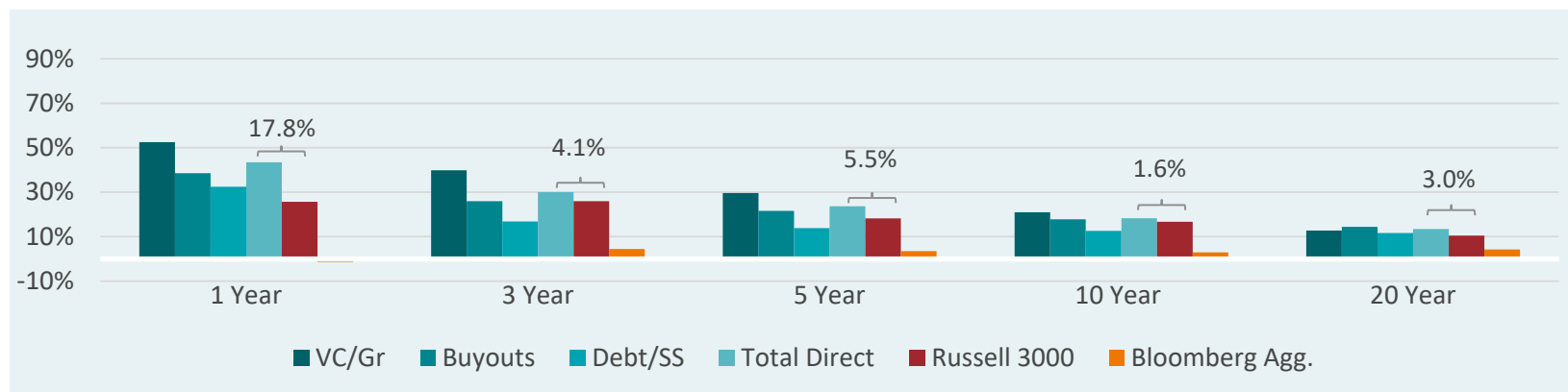
ONE YEAR ENDING JUNE



Source: Morningstar, as of 6/30/22

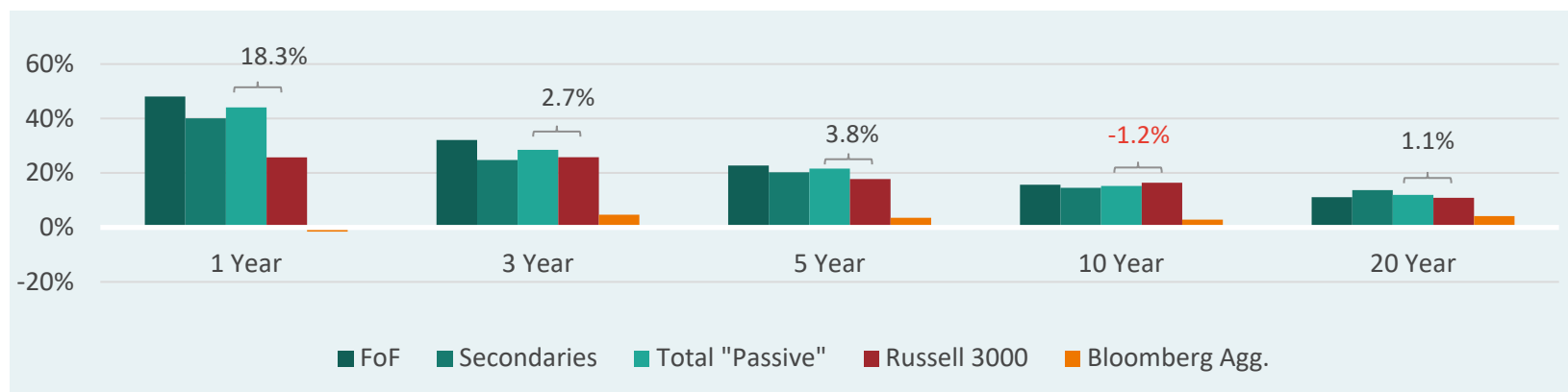
Private equity vs. traditional assets performance

DIRECT PRIVATE EQUITY FUND INVESTMENTS



Direct P.E Fund Investments outperformed comparable public equities across all time periods.

“PASSIVE” STRATEGIES

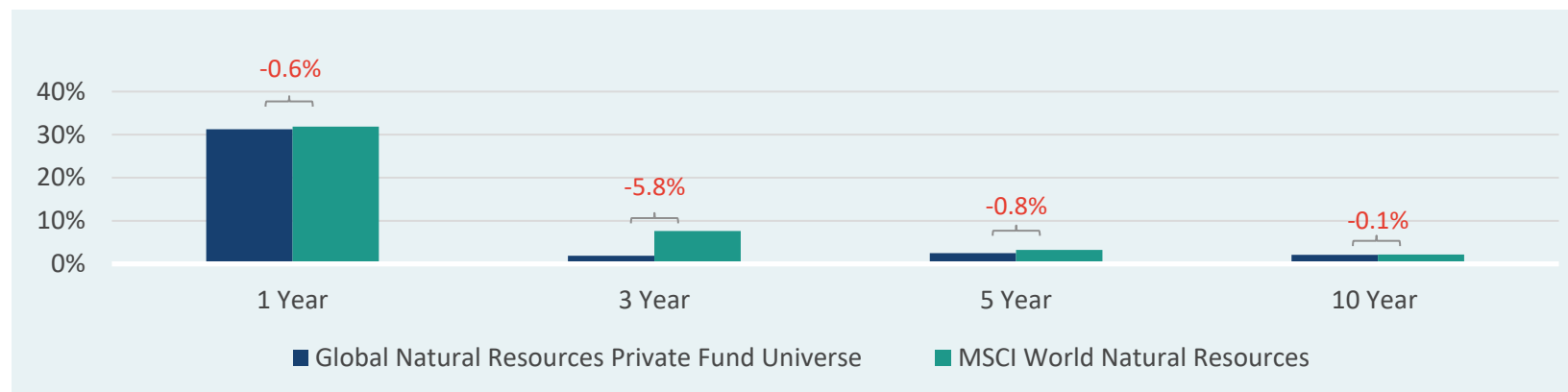


“Passive” strategies outperformed comparable public equities across all time periods, aside from the 10-year basis.

Sources: Refinitiv PME: U.S. Private Equity Funds sub asset classes as of December 31 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.

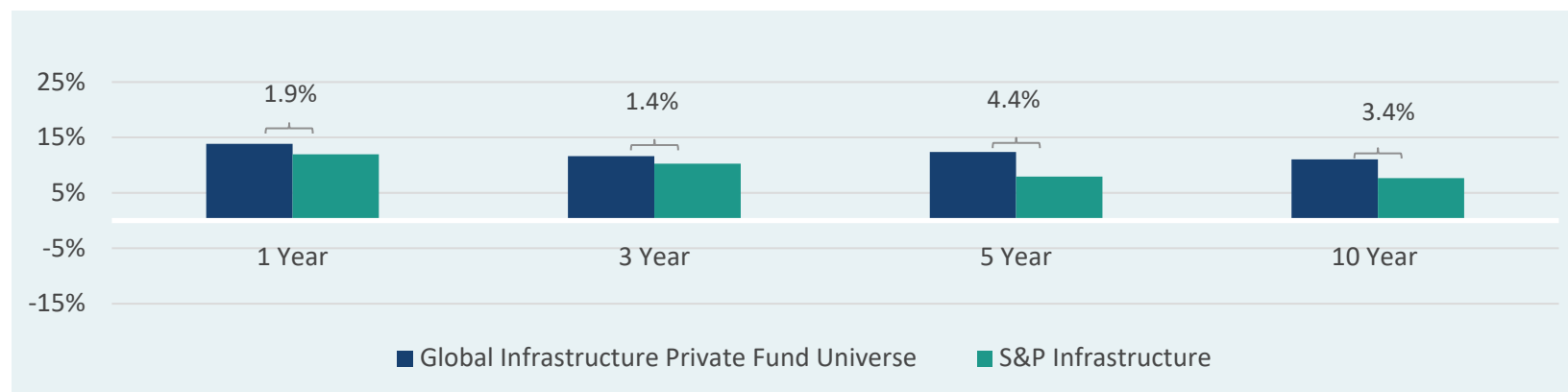
Private vs. liquid real assets performance

GLOBAL NATURAL RESOURCES FUNDS



N.R. funds underperformed the MSCI World Natural Resources benchmark across all time periods.

GLOBAL INFRASTRUCTURE FUNDS

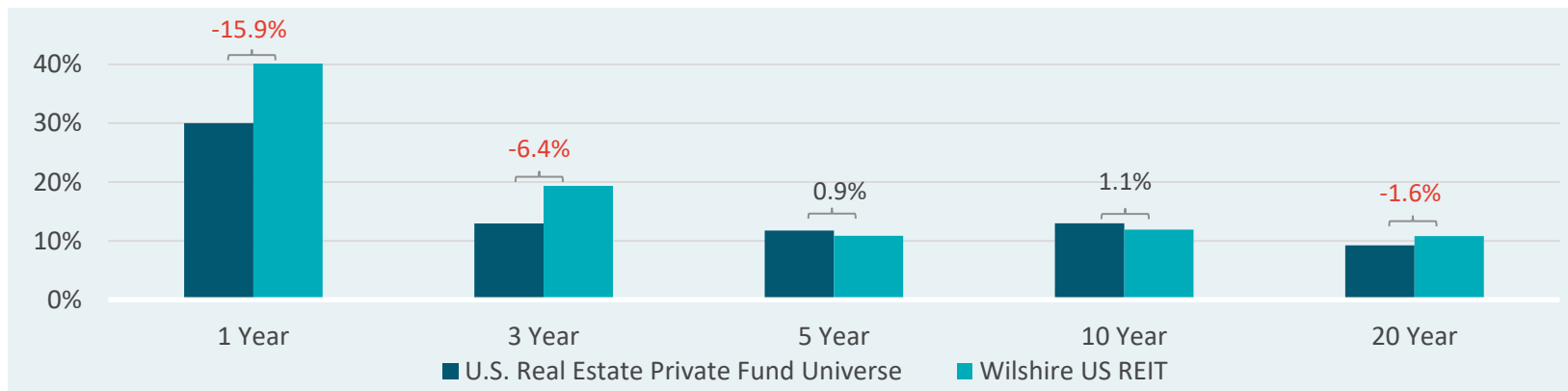


Infra. funds outperformed the S&P Infra. across all periods.

Sources: Refinitiv 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 December 31, 2021. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.

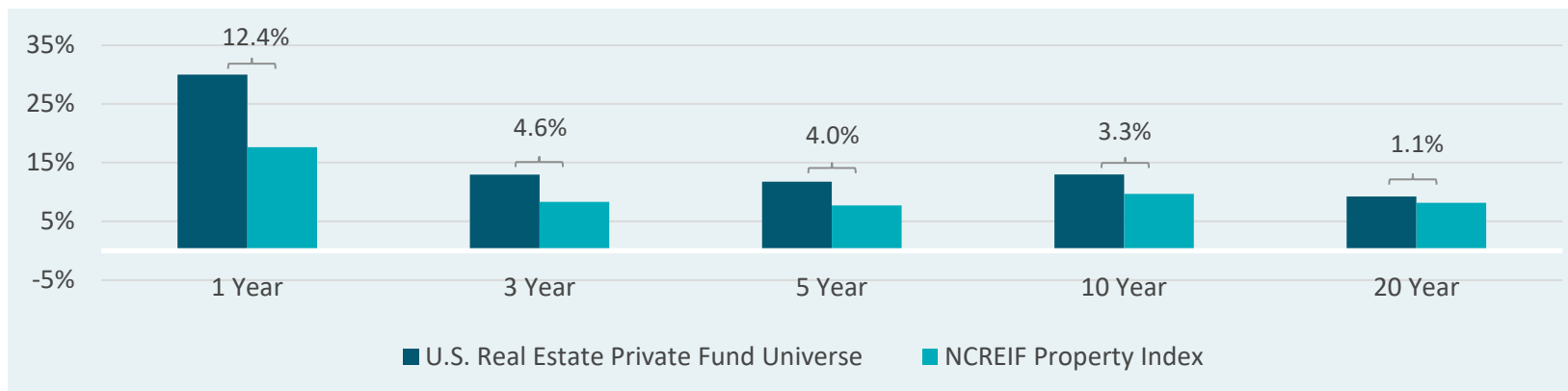
Private vs. liquid and core real estate performance

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 and 10 -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: Refinitiv PME: U.S. Real Estate universes as of December 31, 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	(8.3)	(16.1)	(20.0)	(10.6)	10.6	11.3	13.0
S&P 500 Equal Weighted	(9.4)	(14.4)	(16.7)	(9.4)	9.7	9.9	12.7
DJ Industrial Average	(6.6)	(10.8)	(14.4)	(9.1)	7.2	10.0	11.7
Russell Top 200	(7.8)	(16.6)	(20.7)	(11.5)	11.5	12.2	13.4
Russell 1000	(8.4)	(16.7)	(20.9)	(13.0)	10.2	11.0	12.8
Russell 2000	(8.2)	(17.2)	(23.4)	(25.2)	4.2	5.2	9.4
Russell 3000	(8.4)	(16.7)	(21.1)	(13.9)	9.8	10.6	12.6
Russell Mid Cap	(10.0)	(16.8)	(21.6)	(17.3)	6.6	8.0	11.3
Style Index							
Russell 1000 Growth	(7.9)	(20.9)	(28.1)	(18.8)	12.6	14.3	14.8
Russell 1000 Value	(8.7)	(12.2)	(12.9)	(6.8)	6.9	7.2	10.5
Russell 2000 Growth	(6.2)	(19.3)	(29.5)	(33.4)	1.4	4.8	9.3
Russell 2000 Value	(9.9)	(15.3)	(17.3)	(16.3)	6.2	4.9	9.1

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	(8.4)	(15.7)	(20.2)	(15.8)	6.2	7.0	8.8
MSCI ACWI ex US	(8.6)	(13.7)	(18.4)	(19.4)	1.4	2.5	4.8
MSCI EAFE	(9.3)	(14.5)	(19.6)	(17.8)	1.1	2.2	5.4
MSCI EM	(6.6)	(11.4)	(17.6)	(25.3)	0.6	2.2	3.1
MSCI EAFE Small Cap	(11.0)	(17.7)	(24.7)	(24.0)	1.1	1.7	7.2
Style Index							
MSCI EAFE Growth	(8.6)	(16.9)	(26.8)	(23.8)	1.3	3.5	6.3
MSCI EAFE Value	(10.0)	(12.4)	(12.1)	(11.9)	0.2	0.5	4.2
Regional Index							
MSCI UK	(8.6)	(10.5)	(8.8)	(4.0)	1.2	2.2	3.7
MSCI Japan	(7.9)	(14.6)	(20.3)	(19.9)	1.0	1.8	5.6
MSCI Euro	(11.3)	(15.8)	(25.2)	(23.8)	(1.1)	0.4	5.3
MSCI EM Asia	(4.8)	(9.3)	(17.2)	(25.9)	3.1	3.4	5.5
MSCI EM Latin American	(17.0)	(21.9)	(0.6)	(16.1)	(6.3)	(0.6)	(2.2)

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	(3.2)	(6.1)	(8.9)	(5.1)	3.0	3.2	1.7
Bloomberg US Treasury Bills	(0.0)	0.1	0.0	0.0	0.6	1.1	0.6
Bloomberg US Agg Bond	(1.6)	(4.7)	(10.3)	(10.3)	(0.9)	0.9	1.5
Bloomberg US Universal	(2.0)	(5.1)	(10.9)	(10.9)	(0.9)	0.9	1.8
Duration							
Bloomberg US Treasury 1-3 Yr	(0.6)	(0.5)	(3.0)	(3.5)	0.2	0.9	0.8
Bloomberg US Treasury Long	(1.5)	(11.9)	(21.3)	(18.5)	(2.9)	0.5	1.6
Bloomberg US Treasury	(0.9)	(3.8)	(9.1)	(8.9)	(0.9)	0.7	1.0
Issuer							
Bloomberg US MBS	(1.6)	(4.0)	(8.8)	(9.0)	(1.4)	0.4	1.2
Bloomberg US Corp. High Yield	(6.7)	(9.8)	(14.2)	(12.8)	0.2	2.1	4.5
Bloomberg US Agency Interm	(0.6)	(1.3)	(5.0)	(5.6)	(0.3)	0.8	0.9
Bloomberg US Credit	(2.6)	(6.9)	(13.8)	(13.6)	(1.0)	1.2	2.5

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(10.8)	(5.7)	18.4	24.3	14.3	8.4	(0.8)
Wilshire US REIT	(7.3)	(5.4)	(14.9)	4.4	7.4	7.5	8.8
CS Leveraged Loans	(2.1)	(4.4)	(4.4)	(2.7)	2.0	3.0	3.9
S&P Global Infrastructure	(7.7)	(7.4)	(0.5)	5.6	3.5	4.8	7.2
Alerian MLP	(14.0)	(7.4)	10.1	4.1	(1.2)	(1.2)	0.8
Regional Index							
JPM EMBI Global Div	(6.2)	(11.4)	(20.3)	(21.2)	(5.2)	(1.2)	2.2
JPM GBI-EM Global Div	(4.5)	(8.6)	(14.5)	(19.3)	(5.8)	(2.3)	(1.5)
Hedge Funds							
HFRI Composite	(3.1)	(4.9)	(5.9)	(5.8)	6.1	5.0	5.0
HFRI FOF Composite	(0.9)	(3.6)	(6.3)	(5.2)	4.1	3.7	3.8
Currency (Spot)							
Euro	(2.4)	(6.0)	(8.1)	(11.8)	(2.8)	(1.7)	(1.9)
Pound Sterling	(3.6)	(7.8)	(10.3)	(12.1)	(1.5)	(1.3)	(2.5)
Yen	(5.3)	(10.7)	(15.2)	(18.3)	(7.4)	(3.7)	(5.2)

Source: Morningstar, HFRI, as of 6/30/22.

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: June 30, 2022



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SEATTLE 206-622-3700

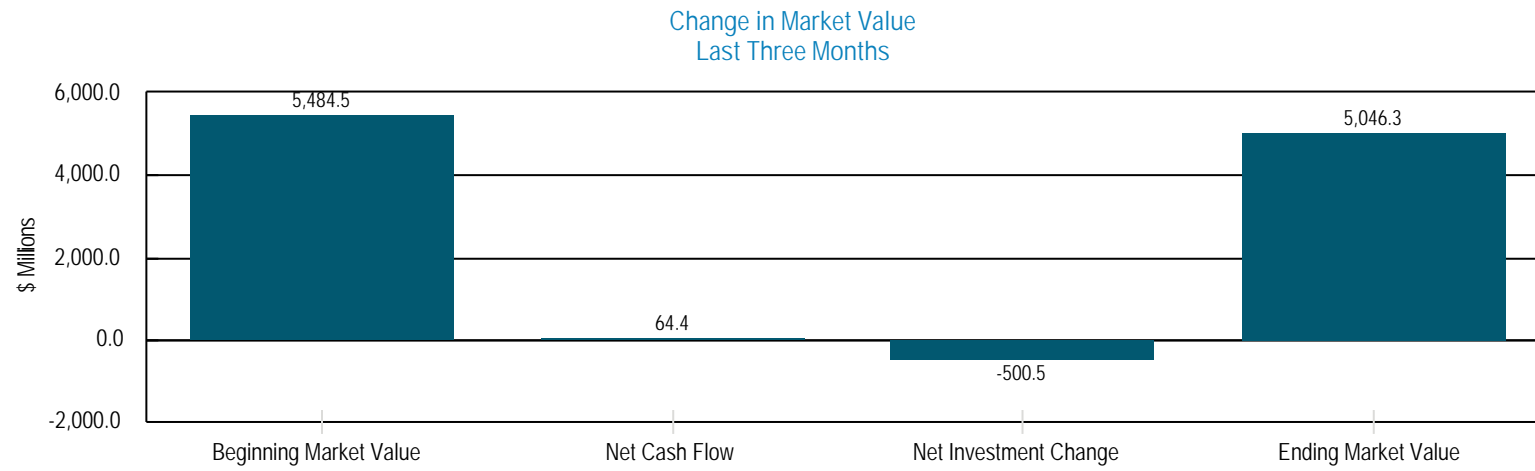
PITTSBURGH 412-784-6678

LOS ANGELES 310-297-1777

SAN FRANCISCO 415-362-3484

Total Fund
Portfolio Reconciliation

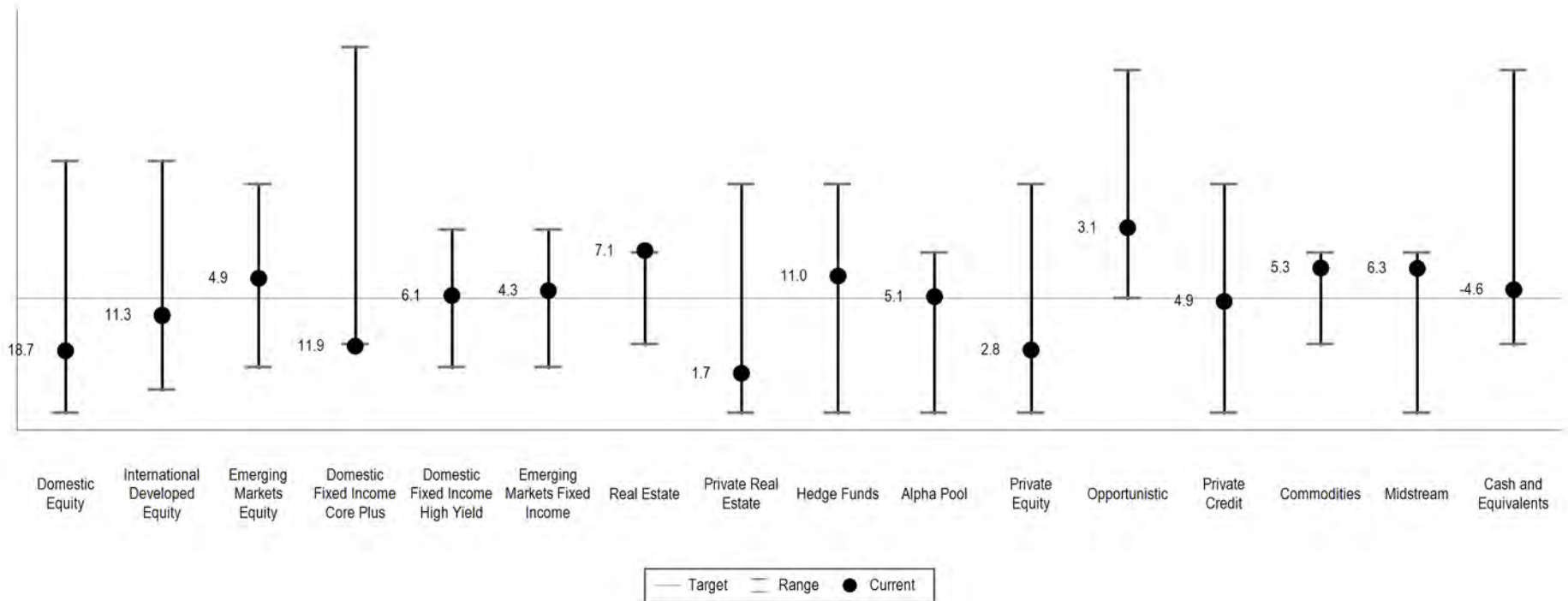
Kern County Employees' Retirement Association
Period Ending: June 30, 2022



Total Fund
Asset Allocation vs. Policy

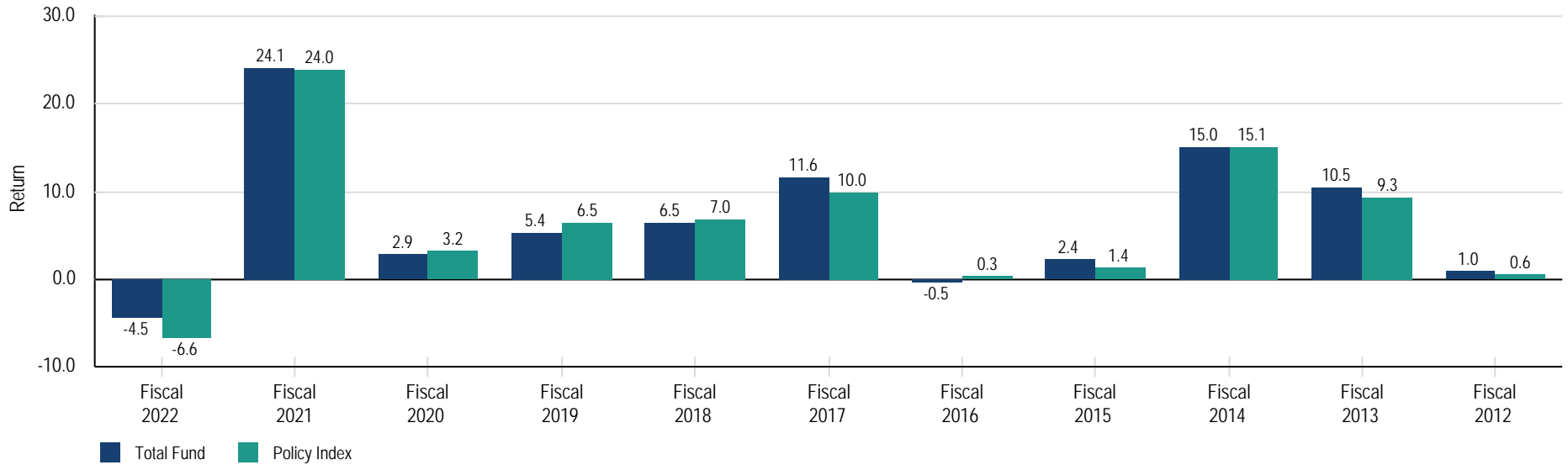
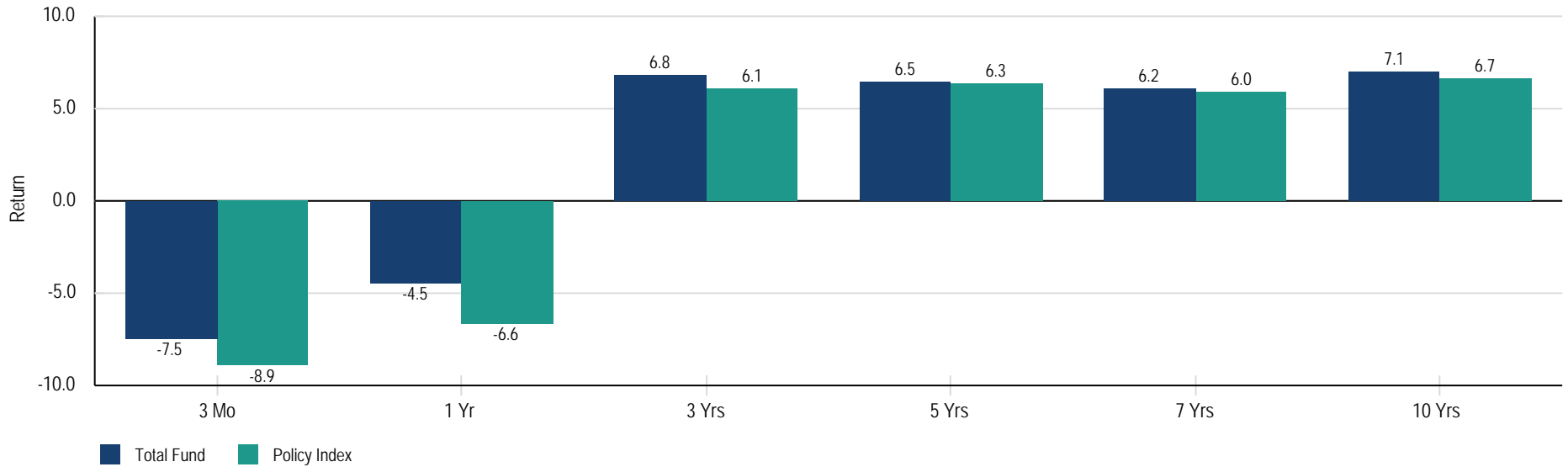
Kern County Employees' Retirement Association
Period Ending: June 30, 2022

	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
Equity	\$1,760,520,193	34.9%	37.0%	-\$106,626,423	26.0% - 48.0%	Yes
Fixed Income	\$1,130,869,301	22.4%	24.0%	-\$80,252,829	14.0% - 34.0%	Yes
Real Estate	\$358,380,234	7.1%	5.0%	\$106,063,124	2.0% - 8.0%	Yes
Hedge Funds	\$546,296,665	10.8%	10.0%	\$41,662,445	5.0% - 15.0%	Yes
Alpha Pool	\$256,530,578	5.1%	8.0%	-\$147,176,799	2.0% - 10.0%	Yes
Private Equity	\$139,669,214	2.8%	5.0%	-\$112,647,897	0.0% - 10.0%	Yes
Private Credit	\$245,891,059	4.9%	5.0%	-\$6,426,051	0.0% - 10.0%	Yes
Private Real Estate	\$88,075,123	1.7%	5.0%	-\$164,241,987	0.0% - 10.0%	Yes
Commodities	\$269,362,016	5.3%	4.0%	\$67,508,328	0.0% - 8.0%	Yes
Opportunistic	\$164,829,083	3.3%	0.0%	\$164,829,083	0.0% - 10.0%	Yes
Midstream	\$318,886,871	6.3%	5.0%	\$66,569,761	0.0% - 8.0%	Yes
Cash and Equivalents	-\$232,968,131	-4.6%	-8.0%	\$170,739,246	-10.0% - 5.0%	Yes
Total	\$5,046,342,206	100.0%	100.0%			



Total Fund
Performance vs. Policy (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2022



Total Fund
Executive Summary (Gross of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 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
Total Fund	5,046,342,206	100.0	-7.4	-4.2	-4.2	7.1	6.8	7.4	24.4	3.2	5.7	6.8	12.1
<i>Policy Index</i>			-8.9	-6.6	-6.6	6.1	6.3	6.7	24.0	3.2	6.5	7.0	10.0
<i>InvMetrics Public: DB > \$1B Rank</i>			21	24	24	27	50	77	89	21	60	97	71
Equity	1,760,520,193	34.9	-14.9	-14.9	-14.9	6.5	7.4	10.0	41.2	0.7	5.3	12.4	20.6
<i>MSCI AC World IMI</i>			-15.7	-16.1	-16.1	6.5	7.2	9.3	41.5	1.7	5.1	11.7	19.6
Domestic Equity	945,323,946	18.7	-16.1	-12.0	-12.0	10.3	11.2	-	43.6	6.3	9.2	16.1	19.4
<i>Russell 3000 Index</i>			-16.7	-13.9	-13.9	9.8	10.6	12.6	44.2	6.5	9.0	14.8	18.5
International Developed Equity	568,735,057	11.3	-14.6	-17.2	-17.2	2.3	3.1	-	37.0	-5.5	-0.6	9.1	23.1
<i>MSCI World ex U.S. IMI Index</i>			-14.9	-17.3	-17.3	2.2	3.1	6.0	35.4	-4.7	0.7	8.3	20.3
Emerging Markets Equity	246,460,457	4.9	-11.2	-21.4	-21.4	-0.5	0.6	-	40.6	-10.9	0.4	4.0	20.4
<i>MSCI Emerging Markets IMI</i>			-12.0	-24.4	-24.4	1.5	2.7	-	43.7	-3.6	0.9	8.3	23.2
Fixed Income	1,130,869,301	22.4	-6.7	-12.3	-12.3	-0.5	1.3	2.2	5.4	6.6	7.9	0.2	4.6
<i>Fixed Income Custom Benchmark</i>			-6.4	-11.6	-11.6	-1.1	0.9	2.1	4.0	5.2	8.4	-0.1	3.3
Core Plus Fixed Income	602,307,543	11.9	-5.2	-11.3	-11.3	-0.6	1.2	-	1.0	9.5	8.0	0.0	1.4
<i>Bloomberg U.S. Aggregate Index</i>			-4.7	-10.3	-10.3	-0.9	0.9	1.5	-0.3	8.7	7.9	-0.4	-0.3
High Yield/ Specialty Credit	309,315,813	6.1	-8.2	-9.5	-9.5	0.9	2.7	-	13.6	0.0	7.5	3.3	10.4
<i>ICE BofA U.S. High Yield Index</i>			-10.0	-12.7	-12.7	-0.1	1.9	4.4	15.6	-1.1	7.6	2.5	12.8
Emerging Market Debt	219,139,871	4.3	-8.4	-17.8	-17.8	-3.9	-1.5	-	9.4	-1.2	8.5	-3.6	9.6
<i>50 JPM EMBI Global Div/ 50 JPM GBI EM</i>			-9.0	-16.4	-16.4	-4.1	-1.0	0.9	8.7	-3.0	11.2	-2.8	6.8
Commodities	269,362,016	5.3	-6.7	20.0	20.0	15.4	10.4	-	43.5	-10.7	-6.2	13.7	-3.1
<i>Bloomberg Commodity Index Total Return</i>			-5.7	24.3	24.3	14.3	8.4	-0.8	45.6	-17.4	-6.8	7.3	-6.5
Hedge Funds	546,296,665	10.8	-0.1	2.5	2.5	8.5	7.1	6.7	16.3	7.3	2.6	7.6	8.0
<i>75% 90 Day TBills +4% / 25% MSCI ACWI</i>			-3.2	-0.9	-0.9	5.5	6.0	6.0	12.3	5.4	6.7	6.9	8.1
Alpha Pool	256,530,578	5.1	-0.8	1.4	1.4	-	-	-	14.5	-	-	-	-
<i>91-Day T-Bill +4%</i>			1.1	4.2	4.2	-	-	-	4.1	-	-	-	-
Midstream Energy	318,886,871	6.3	-8.9	9.6	9.6	-	-	-	-	-	-	-	-
<i>Alerian Midstream Energy Index</i>			-8.6	11.4	11.4	-	-	-	-	-	-	-	-
Core Real Estate	358,380,234	7.1	4.5	25.5	25.5	11.0	9.3	-	6.6	2.3	6.1	7.4	6.1
<i>NCREIF-ODCE</i>			4.8	29.5	29.5	12.7	10.5	11.2	8.0	2.2	6.4	8.4	7.9

Total Fund
Executive Summary (Gross of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 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
<i>Private Real Estate Benchmark</i>	88,075,123	1.7	1.6	29.2	29.2	14.8	11.7	12.7	12.1	4.4	9.0	5.4	6.4
			<i>1.6</i>	<i>29.2</i>	<i>29.2</i>	<i>14.8</i>	<i>11.7</i>	<i>12.7</i>	<i>12.1</i>	<i>4.4</i>	<i>9.0</i>	<i>5.4</i>	<i>6.4</i>
<i>Private Equity Benchmark</i>	139,669,214	2.8	-0.9	21.1	21.1	15.4	12.9	11.9	41.7	-10.5	10.9	7.8	14.8
			<i>-0.9</i>	<i>21.1</i>	<i>21.1</i>	<i>15.4</i>	<i>12.9</i>	<i>11.9</i>	<i>41.7</i>	<i>-10.5</i>	<i>10.9</i>	<i>7.8</i>	<i>14.8</i>
<i>Private Credit Benchmark</i>	245,891,059	4.9	0.6	0.6	0.6	3.6	5.9	-	4.8	5.5	9.7	9.3	10.2
			<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>3.6</i>	<i>5.9</i>	<i>-</i>	<i>4.8</i>	<i>5.5</i>	<i>9.7</i>	<i>9.3</i>	<i>10.2</i>
Opportunistic	164,829,083	3.3	-10.5	-6.1	-6.1	-	-	-	59.9	-	-	-	-
<i>Assumed Rate of Return +3%</i>			<i>1.8</i>	<i>7.2</i>	<i>7.2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7.2</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Cash	-232,968,131	-4.6											

Performance and Attribution

Total Fund
Performance (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

	Notional 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	318,886,871	6.3	-9.0	9.3	9.3	-	-	-	-	-	-	-	-	32.8	Sep-20
<i>Alerian Midstream Energy Index</i>			<i>-8.6</i>	<i>11.4</i>	<i>11.4</i>	-	-	-	-	-	-	-	-	<i>32.9</i>	
Harvest Midstream	185,157,607	3.7	-8.4	15.3	15.3	-	-	-	-	-	-	-	-	41.6	Aug-20
<i>Alerian Midstream Energy Index</i>			<i>-8.6</i>	<i>11.4</i>	<i>11.4</i>	-	-	-	-	-	-	-	-	<i>33.0</i>	
PIMCO Midstream	133,729,264	2.7	-9.9	2.2	2.2	-	-	-	-	-	-	-	-	25.4	Sep-20
<i>Alerian Midstream Energy Index</i>			<i>-8.6</i>	<i>11.4</i>	<i>11.4</i>	-	-	-	-	-	-	-	-	<i>43.6</i>	
Core Real Estate	358,380,234	7.1	4.3	24.6	24.6	10.1	8.7	-	5.6	1.4	5.9	7.4	5.6	9.3	Oct-14
<i>NCREIF ODCE-monthly</i>			<i>4.8</i>	<i>29.5</i>	<i>29.5</i>	<i>12.7</i>	<i>10.5</i>	-	<i>8.0</i>	<i>2.2</i>	<i>6.4</i>	<i>8.4</i>	<i>7.9</i>	<i>10.8</i>	
ASB Allegiance Real Estate Fund	194,923,658	3.9	4.5	23.0	23.0	9.6	8.5	-	5.4	1.5	6.8	7.1	3.3	9.1	Sep-13
<i>NCREIF ODCE-monthly</i>			<i>4.8</i>	<i>29.5</i>	<i>29.5</i>	<i>12.7</i>	<i>10.5</i>	-	<i>8.0</i>	<i>2.2</i>	<i>6.4</i>	<i>8.4</i>	<i>7.9</i>	<i>10.9</i>	
JPMCB Strategic Property Fund	163,456,576	3.2	4.3	27.4	27.4	11.0	9.1	-	5.9	1.3	5.0	7.6	7.4	9.3	Jul-14
<i>NCREIF ODCE-monthly</i>			<i>4.8</i>	<i>29.5</i>	<i>29.5</i>	<i>12.7</i>	<i>10.5</i>	-	<i>8.0</i>	<i>2.2</i>	<i>6.4</i>	<i>8.4</i>	<i>7.9</i>	<i>10.8</i>	
Private Real Estate	88,075,123	1.7	1.5	29.2	29.2	14.8	11.7	12.1	12.1	4.4	9.0	5.4	5.7	12.7	Mar-11
<i>Private Real Estate Benchmark</i>			<i>1.6</i>	<i>29.2</i>	<i>29.2</i>	<i>14.8</i>	<i>11.7</i>	<i>12.7</i>	<i>12.1</i>	<i>4.4</i>	<i>9.0</i>	<i>5.4</i>	<i>6.4</i>	<i>12.8</i>	
Private Equity	139,669,214	2.8	-0.9	21.1	21.1	15.4	12.9	11.4	41.7	-10.5	10.9	7.8	14.1	11.5	Sep-10
<i>Private Equity Benchmark</i>			<i>-0.9</i>	<i>21.1</i>	<i>21.1</i>	<i>15.4</i>	<i>12.9</i>	<i>11.9</i>	<i>41.7</i>	<i>-10.5</i>	<i>10.9</i>	<i>7.8</i>	<i>14.8</i>	<i>11.7</i>	
Private Credit	245,891,059	4.9	0.6	0.6	0.6	3.6	5.9	-	4.8	5.5	9.7	9.3	10.2	-26.7	Dec-15
<i>Private Credit Benchmark</i>			<i>0.6</i>	<i>0.6</i>	<i>0.6</i>	<i>3.6</i>	<i>5.9</i>	-	<i>4.8</i>	<i>5.5</i>	<i>9.7</i>	<i>9.3</i>	<i>10.2</i>	<i>7.4</i>	
Opportunistic	164,829,083	3.3	-10.5	-6.1	-6.1	-	-	-	59.9	-	-	-	-	13.7	Jan-20
<i>Actuarial Assumed Rate + 300bps</i>			<i>2.5</i>	<i>10.5</i>	<i>10.5</i>	-	-	-	<i>10.5</i>	-	-	-	-	<i>10.5</i>	
River Birch International	8,154,366	0.2	6.4	6.1	6.1	-5.5	-2.9	-	-0.7	-19.9	-0.5	2.8	9.5	-	Jul-15
<i>Assumed Rate of Return +3%</i>			<i>1.8</i>	<i>7.2</i>	<i>7.2</i>	-	-	-	<i>7.2</i>	<i>7.2</i>	-	-	-	-	
DB Investors Fund IV	25,512,204	0.5	-36.0	-34.4	-34.4	-	-	-	95.1	-	-	-	-	10.2	Dec-19
<i>Assumed Rate of Return +3%</i>			<i>1.8</i>	<i>7.2</i>	<i>7.2</i>	-	-	-	<i>7.2</i>	-	-	-	-	<i>7.2</i>	
Sixth Street TAO Partners (D)	79,062,635	1.6	0.9	7.7	7.7	-	-	-	39.6	-	-	-	-	19.9	Mar-20
<i>Assumed Rate of Return +3%</i>			<i>1.8</i>	<i>7.2</i>	<i>7.2</i>	-	-	-	<i>7.2</i>	-	-	-	-	<i>7.2</i>	
Aristeia Select Opportunities II	52,099,878	1.0	0.6	-	-	-	-	-	-	-	-	-	-	4.8	Jul-21
<i>Actuarial Assumed Rate + 300bps</i>			<i>2.5</i>	<i>10.5</i>	<i>10.5</i>	-	-	-	-	-	-	-	-	<i>10.4</i>	
Cash	-232,968,131	-4.6	-0.4	-0.5	-0.5	0.2	1.2	-3.0	0.1	1.0	2.0	3.2	2.7	-2.6	Apr-11

Total Fund
Total Private Equity

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

IRR Analysis as of IRR date												
Vintage		Estimated Market Value	Total	Capital	%	Remaining	Capital	Market Value as	Distrib./	Tot. Value/	Net IRR	IRR
Year	Manager/Fund	as of 6/30/2022	Commitment	Called	Called	Commitment	Returned	of IRR date	Paid-In (DPI) ¹	Paid-In (TVPI) ²	Since Inception ³	Date
Private Equity												
2005	Abbott Capital PE V	\$3,100,331	\$65,000,000	\$62,790,000	97%	\$2,210,000	\$89,361,494	\$3,100,331	1.42x	1.47x	6.9%	12/31/21
2008	Abbott Capital PE VI	\$22,959,156	\$50,000,000	\$49,750,000	100%	\$250,000	\$75,850,074	\$22,959,156	1.52x	1.99x	13.6%	03/31/22
2006	Pantheon Global III	\$580,477	\$50,000,000	\$47,300,000	95%	\$2,700,000	\$52,000,000	\$1,080,477	1.10x	1.11x	1.9%	03/31/22
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%	03/31/22
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%	03/31/22
2004	Pantheon USA VI	\$399,486	\$35,000,000	\$33,075,000	95%	\$1,925,000	\$50,623,827	\$644,486	1.53x	1.54x	6.7%	03/31/22
2006	Pantheon USA VII	\$9,177,470	\$50,000,000	\$46,600,000	93%	\$3,400,000	\$78,425,000	\$10,298,427	1.68x	1.88x	10.3%	03/31/22
2020	Vista Foundation Fund IV	\$12,723,274	\$25,000,000	\$14,189,855	57%	\$10,810,145	\$30,252	\$9,694,960	0.00x	0.90x	-1.2%	03/31/22
2021	Crown Global Secondaries V Master S.	\$19,265,037	\$50,000,000	\$14,750,000	30%	\$35,250,000	\$0	N/A	N/A	N/A	N/A	N/A
2021	Brighton Park Capital Fund I	\$36,257,961	\$30,000,000	\$28,686,020	96%	\$1,313,980	\$1,167,799	N/A	0.04x	1.30x	N/A	N/A
2021	Warren Equity Partners Fund III	\$21,033,189	\$32,500,000	\$20,160,828	62%	\$12,339,172	\$508,290	N/A	0.03x	1.07x	N/A	N/A
2021	Peak Rock Capital Fund III	\$8,979,016	\$30,000,000	\$9,670,828	32%	\$20,329,172	\$1,452,276	N/A	N/A	N/A	N/A	N/A
2021	Level Equity Growth Partners V	\$3,105,937	\$15,000,000	\$3,315,369	22%	\$11,684,631	\$0	N/A	N/A	N/A	N/A	N/A
2021	Level Equity Opportunities Fund 2021	\$1,611,112	\$15,000,000	\$1,650,936	11%	\$13,349,064	\$0	N/A	N/A	N/A	N/A	N/A
Total Private Equity		\$139,669,214	\$480,000,000	\$363,623,836	76%	\$116,376,164	\$395,566,513	\$48,254,605	1.09x	1.47x		
% of Portfolio (Market Value)		2.8%										

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 6/30/2022	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 Credit												
2015	Colony Distressed Credit IV ⁴	\$34,822,903	\$60,000,000	\$73,340,099	122%	-\$5,500,870	\$24,003,132	\$34,822,903	0.33x	0.80x	N/A	3/31/22
2017	Brookfield Real Estate Finance Fund V	\$19,275,272	\$50,000,000	\$35,882,954	72%	\$14,117,046	\$25,823,610	\$20,769,822	0.72x	1.26x	7.8%	3/31/22
2017	Sixth Street TAO Partners (B)	\$38,346,022	\$50,000,000	\$64,546,356	129%	-\$14,546,356	\$39,836,112	\$38,363,232	0.62x	1.21x	11.4%	3/31/22
2018	Magnetar Constellation Fund V	\$36,152,429	\$60,000,000	\$64,905,493	108%	-\$4,905,493	\$35,077,469	\$37,069,321	0.54x	1.10x	26.6%	2/28/22
2019	H.I.G Bayside Loan Opportunity Fund V	\$44,209,221	\$60,000,000	\$33,496,503	56%	\$26,503,497	\$8,504,813	\$47,453,328	0.25x	1.57x	21.8%	3/31/22
2020	Blue Torch Credit Opportunities Fund II	\$16,765,419	\$20,000,000	\$16,613,092	83%	\$3,386,908	\$1,580,113	N/A	0.10x	1.10x	N/A	N/A
2020	Fortress Credit Opportunitites Fund V Expan	\$12,983,908	\$40,000,000	\$11,647,375	29%	\$28,352,625	\$468,590	N/A	0.04x	1.15x	N/A	N/A
2021	Fortress Lending Fund II	\$29,374,059	\$40,000,000	\$30,137,851	75%	\$9,862,149	\$2,362,749	N/A	0.08x	1.05x	N/A	N/A
2022	Fortress Lending Fund III	\$13,961,826	\$40,000,000	\$14,000,000	35%	\$26,000,000	\$0	N/A	N/A	N/A	N/A	N/A
Total Private Credit		\$245,891,059	\$420,000,000	\$344,569,722	82%	\$83,269,507	\$137,656,589	\$178,478,606	0.40x	1.11x		
% of Portfolio (Market Value)		4.9%										

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 6/30/2022	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 Real Estate												
2014	Invesco Real Estate Value-Add Fund IV	\$4,235,230	\$50,000,000	\$43,637,717	87%	\$6,362,283	\$55,590,259	\$4,235,230	1.27x	1.37x	11.9%	03/31/22
2017	Landmark Real Estate Partners VIII	\$25,276,626	\$80,000,000	\$36,127,951	60%	\$23,872,049	\$20,150,993	\$18,637,114	0.56x	1.26x	16.4%	09/30/21
2018	Long Wharf Real Estate Partners VI	\$27,660,734	\$50,000,000	\$33,072,349	66%	\$16,927,651	\$14,568,880	\$27,660,734	0.44x	1.28x	29.9%	06/30/22
2020	Covenant Apartment Fund X	\$23,135,083	\$30,000,000	\$17,700,000	59%	\$12,300,000	\$3,246,693	N/A	0.18x	1.49x	N/A	N/A
2021	Singerman Real Estate Opportunity Fund IV	\$3,770,201	\$35,000,000	\$3,815,000	11%	\$31,185,000	\$0	N/A	N/A	N/A	N/A	N/A
2022	LBA Logistics Value Fund IX, L.P.	\$3,997,249	\$40,000,000	\$4,230,769	5%	\$38,076,923	\$0	N/A	N/A	N/A	N/A	N/A
Total Private Real Estate		\$88,075,123	\$265,000,000	\$138,583,786	52%	\$128,723,906	\$93,556,825	\$50,533,078	0.68x	1.31x		
% of Portfolio (Market Value)		1.7%										

¹(DPI) is equal to (capital returned / capital called)

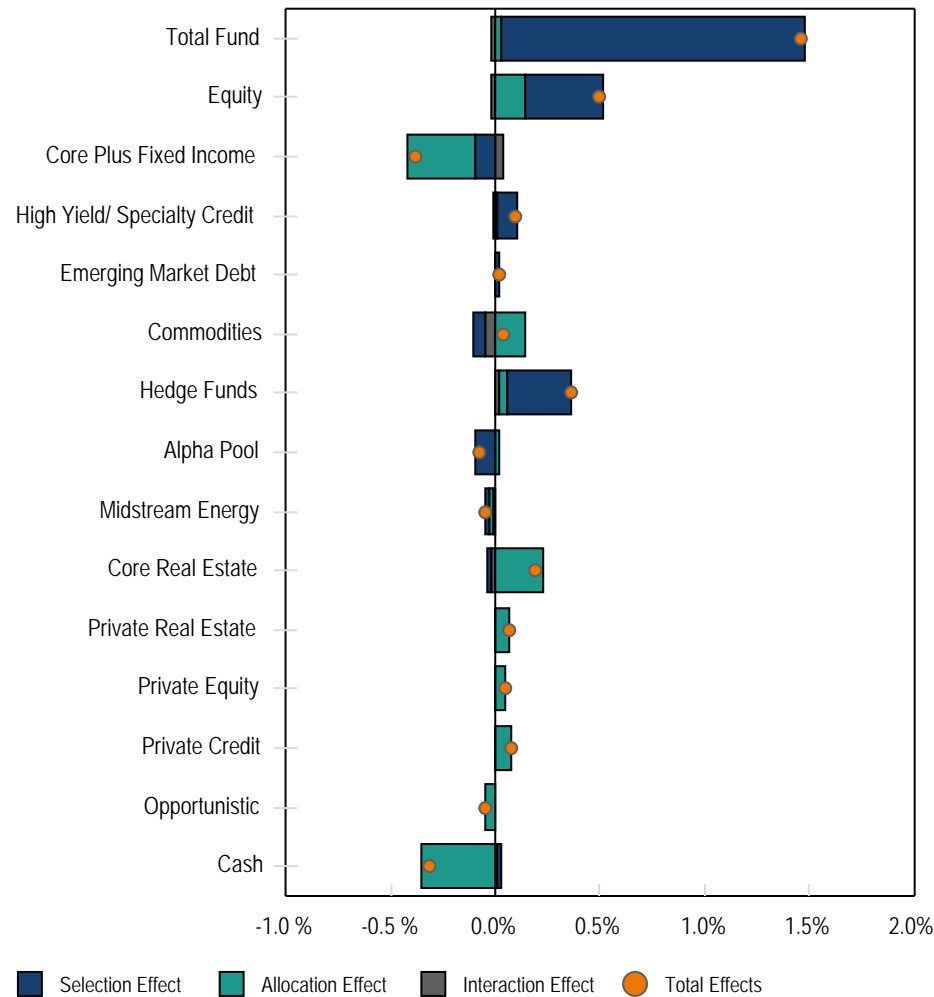
²(TVPI) is equal to (market value + capital returned) / capital called

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)

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

Attribution Effects Last Three Months



Performance Attribution

	Quarter	Fiscal YTD
Wtd. Actual Return	-7.46	-4.47
Wtd. Index Return	-8.92	-6.63
Excess Return	1.46	2.16
Selection Effect	1.46	1.02
Allocation Effect	0.02	1.22
Interaction Effect	-0.02	-0.07

Attribution Summary Last Three Months

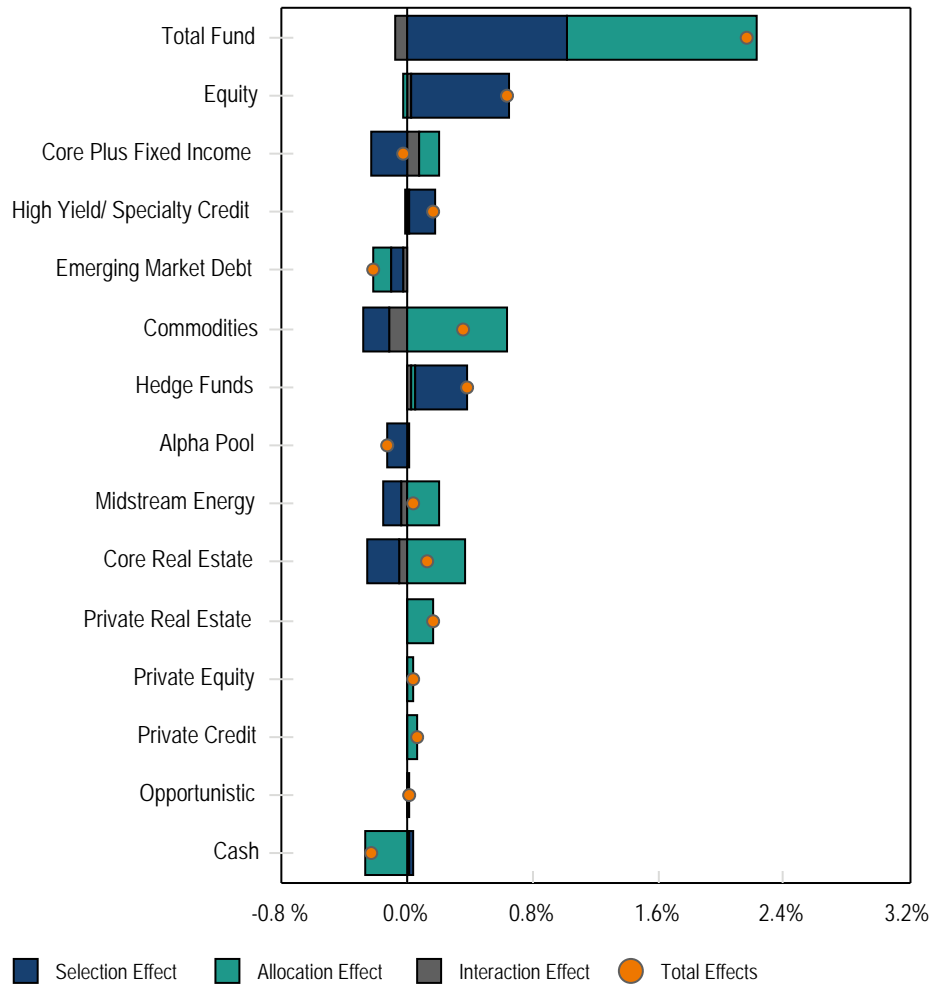
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	-15.0	-15.8	0.9	0.3	0.1	0.0	0.5
Core Plus Fixed Income	-5.2	-4.7	-0.5	-0.1	-0.3	0.0	-0.4
High Yield/ Specialty Credit	-8.4	-10.0	1.6	0.1	0.0	0.0	0.1
Emerging Market Debt	-8.5	-9.0	0.5	0.0	0.0	0.0	0.0
Commodities	-6.8	-5.7	-1.1	-0.1	0.1	-0.1	0.0
Hedge Funds	-0.2	-3.2	3.1	0.3	0.0	0.0	0.4
Alpha Pool	-0.8	1.1	-1.9	-0.1	0.0	0.0	-0.1
Midstream Energy	-9.0	-8.6	-0.4	0.0	0.0	0.0	-0.1
Core Real Estate	4.3	4.8	-0.4	0.0	0.2	0.0	0.2
Private Real Estate	1.5	1.6	0.0	0.0	0.1	0.0	0.1
Private Equity	-0.9	-0.9	0.0	0.0	0.0	0.0	0.0
Private Credit	0.6	0.6	0.0	0.0	0.1	0.0	0.1
Opportunistic	-10.5	1.8	-12.2	0.0	0.0	0.0	0.0
Cash	-0.4	0.0	-0.4	0.0	-0.3	0.0	-0.3
Total Fund	-7.5	-8.9	1.5	0.5	0.0	0.0	1.5

Weighted returns shown in attribution analysis may differ from actual returns. Negative cash allocation unable to be shown in Attribution Summary table. Wtd. Index Returns calculated from benchmark returns and weightings of each component.

Total Fund
Attribution Analysis - Asset Class Level (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

Attribution Effects
Fiscal YTD



Performance Attribution

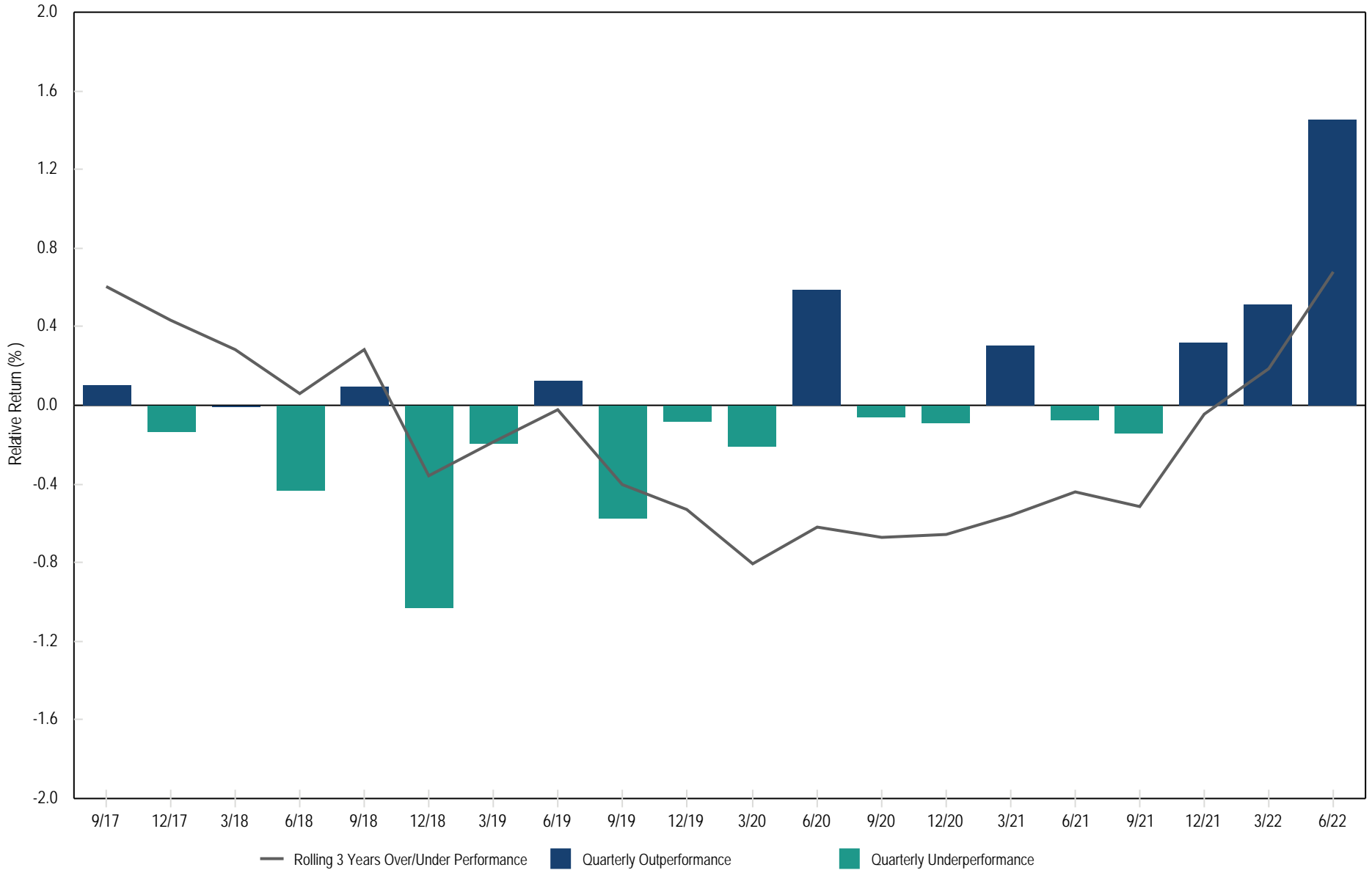
	Quarter	Fiscal YTD
Wtd. Actual Return	-7.46	-4.47
Wtd. Index Return	-8.92	-6.63
Excess Return	1.46	2.16
Selection Effect	1.46	1.02
Allocation Effect	0.02	1.22
Interaction Effect	-0.02	-0.07

Attribution Summary
Fiscal YTD

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	-15.1	-16.5	1.4	0.7	0.0	0.0	0.6
Core Plus Fixed Income	-11.4	-10.3	-1.1	-0.1	0.1	0.1	0.0
High Yield/ Specialty Credit	-10.0	-12.7	2.7	0.2	0.0	0.0	0.2
Emerging Market Debt	-18.0	-16.4	-1.6	-0.1	-0.1	0.0	-0.2
Commodities	19.4	24.3	-4.9	-0.3	0.6	-0.1	0.4
Hedge Funds	2.3	-1.0	3.2	0.3	0.0	0.0	0.4
Alpha Pool	1.4	4.2	-2.8	-0.1	0.0	0.0	-0.1
Midstream Energy	9.3	11.4	-2.1	-0.2	0.2	0.0	0.0
Core Real Estate	24.6	29.5	-4.9	-0.2	0.4	0.0	0.1
Private Real Estate	29.2	29.2	-0.1	0.0	0.2	0.0	0.2
Private Equity	21.1	21.1	-0.1	0.0	0.0	0.0	0.0
Private Credit	0.6	0.6	0.0	0.0	0.1	0.0	0.1
Opportunistic	-6.1	7.2	-13.3	0.0	0.0	0.0	0.0
Cash	-0.5	0.0	-0.5	0.0	-0.3	0.0	-0.2
Total Fund	-4.5	-6.6	2.2	0.2	1.2	-0.1	2.2

Weighted returns shown in attribution analysis may differ from actual returns. Negative cash allocation unable to be shown in Attribution Summary table. Wtd. Index Returns calculated from benchmark returns and weightings of each component.

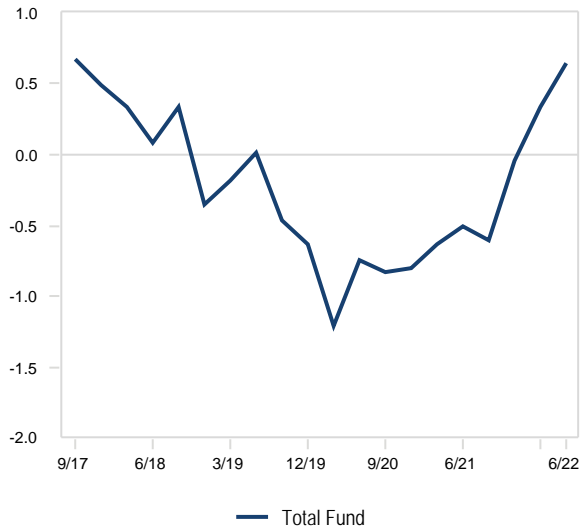
Rolling 3 Year Annualized Excess Performance



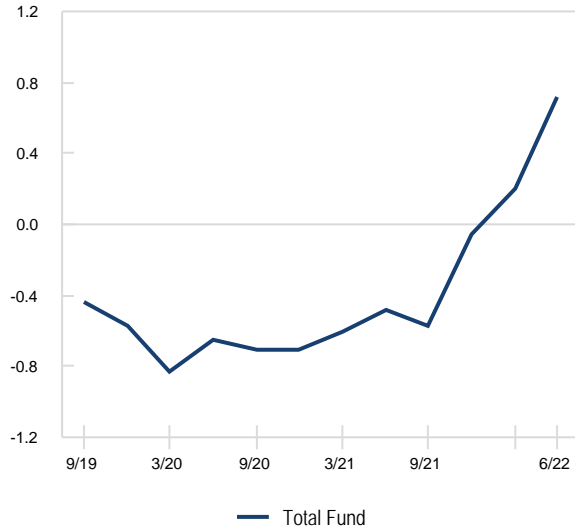
Total Fund
Rolling Risk Statistics: 3 Years (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

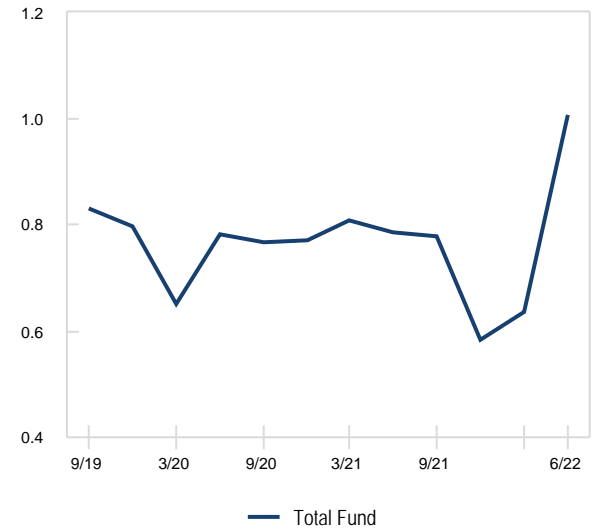
Rolling Information Ratio



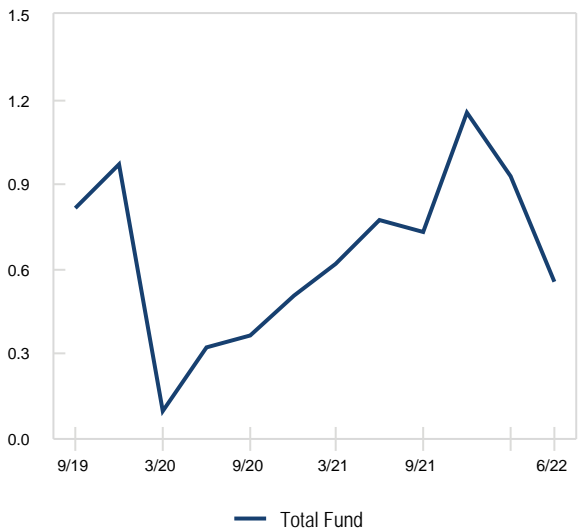
Rolling Annual Excess Benchmark Return



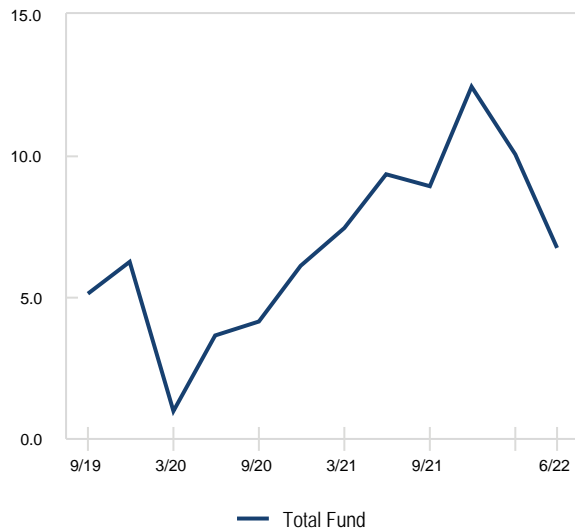
Rolling Tracking Error



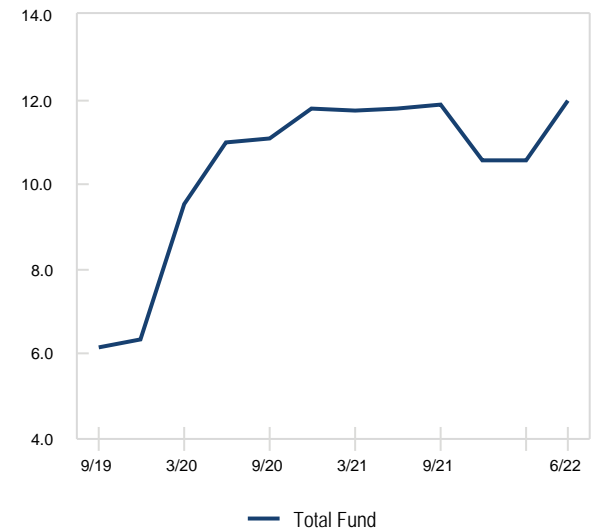
Rolling Sharpe Ratio



Rolling Annual Excess Risk Free Return



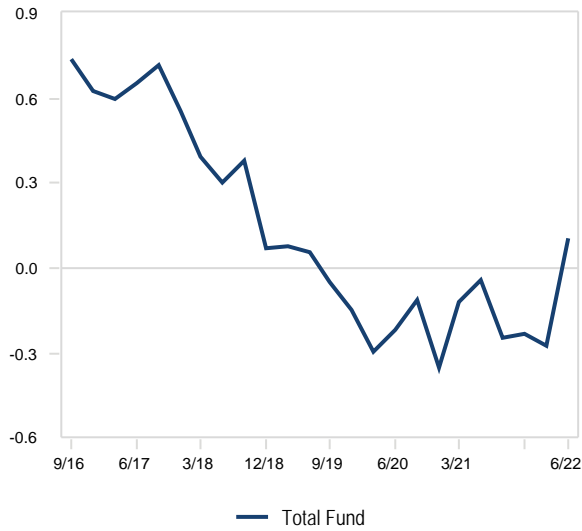
Rolling Annualized Standard Deviation



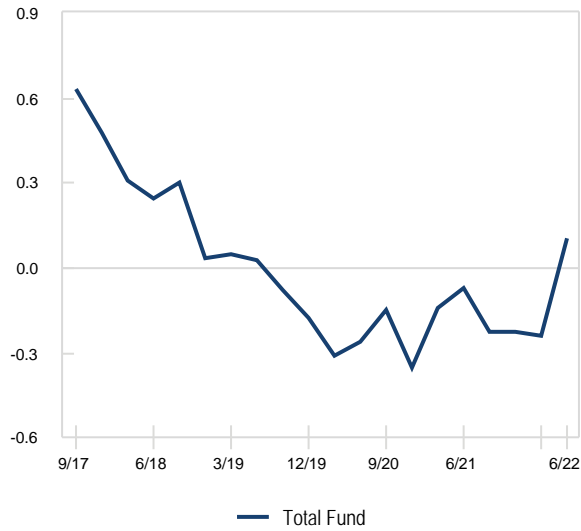
Total Fund
Rolling Risk Statistics: 5 Years (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

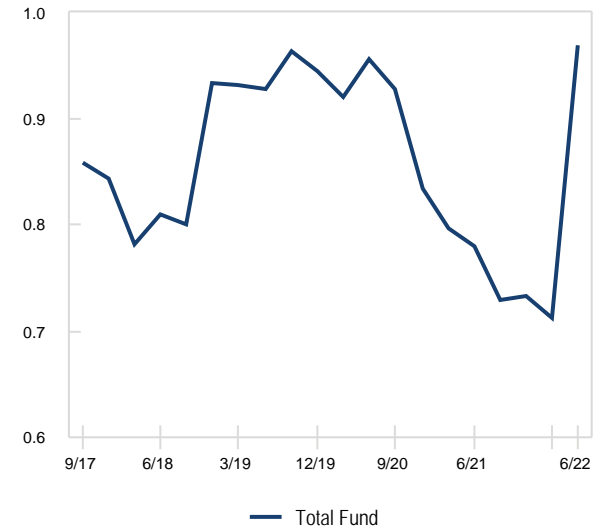
Rolling Information Ratio



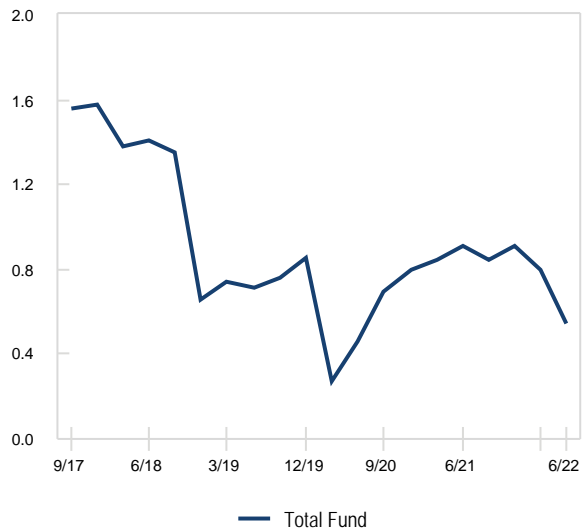
Rolling Annual Excess Benchmark Return



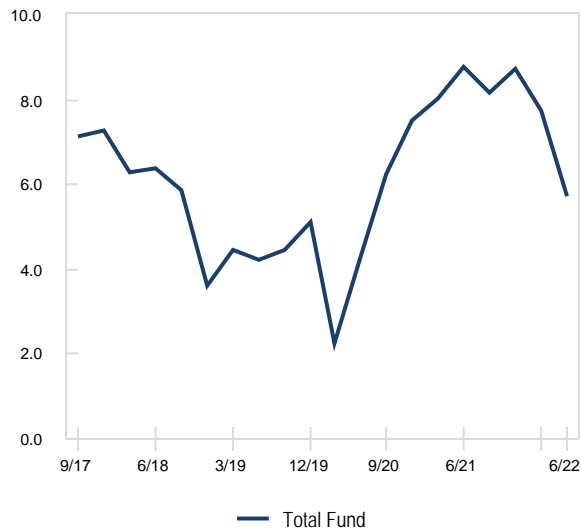
Rolling Tracking Error



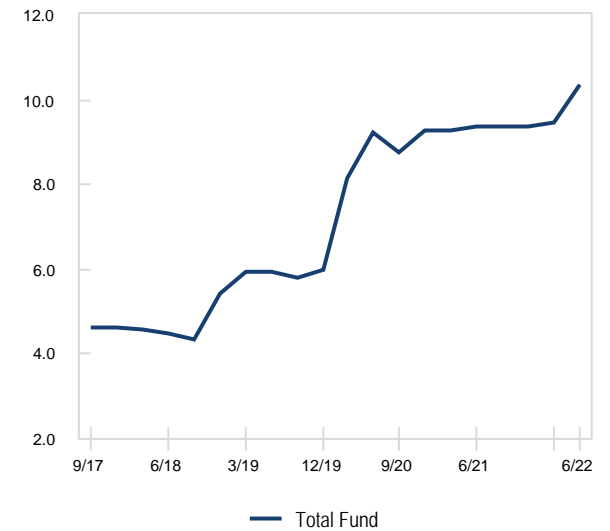
Rolling Sharpe Ratio



Rolling Annual Excess Risk Free Return



Rolling Annualized Standard Deviation



Cash Flows

Equity
Net Cash Flow: Last 1 Quarter

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Ending Market Value
Equity	2,010,640,905	10,021,400		-335,722	40,000,000	-299,806,390	1,760,520,193
Equity Beta Exposure	448,770,788	10,021,400		-21,559	40,000,000	-73,399,254	425,371,375
Russell 2000 Overlay	16,427,880					-2,827,350	13,600,530
Mellon DB SL Stock Index Fund	334,684,458			-7,637		-53,880,334	280,796,486
PIMCO StocksPLUS	118,147,151			-44,770		-20,177,133	97,925,248
AB US Small Cap Value Equity	97,008,034			-64,185		-14,732,929	82,210,920
Geneva Capital Small Cap Growth	52,087,862			-29,412		-6,639,063	45,419,386
Mellon DB SL World ex-US Index Fund	551,232,061					-79,855,707	471,376,354
Fidelity Non-US Small Cap Equity	261,834					-15,089	246,745
Cevian Capital II	33,981,461					-2,957,473	31,023,988
American Century Non-US Small Cap	80,249,283			-19,831		-14,141,482	66,087,970
DFA Emerging Markets Value I	84,643,560			-36,350		-9,038,986	75,568,224
AB Emerging Markets Strategic Core Equity Collective Trust	99,106,335			-111,976		-11,054,935	87,939,424
Mellon Emerging Markets Stock Index Fund	94,039,515					-11,086,705	82,952,809
Transition Equity	685					49	733
Fixed Income	1,222,866,553			-187,141	-5,000,000	-86,810,112	1,130,869,301
Barclays Capital Aggregate Rebalancing Overlay					50,000,000	1,180,364	51,180,364
Mellon DB SL Aggregate Bond Index Fund	227,866,012				-55,000,000	-10,378,915	162,487,098
PIMCO Core Plus	200,426,586					-9,732,216	190,694,370
Western Asset Core Plus	212,057,418					-14,111,707	197,945,711
Western Asset High Yield Fixed Income	207,777,536					-23,925,629	183,851,907
TCW Securitized Opportunities	129,823,534			-181,363		-4,178,266	125,463,906
Stone Harbor Emerging Markets Debt Blend Portfolio	97,517,056					-10,551,262	86,965,794
PIMCO EMD	147,284,155			-5,778		-15,104,300	132,174,077
Transition Fixed Income	114,255					-8,181	106,074
Commodities	347,789,751			-37,437	-60,000,000	-18,390,297	269,362,016
Gresham MTAP Commodity Builder Fund	94,868,223			-37,437	-10,000,000	-1,954,635	82,876,151
WTC-CTF	252,921,527				-50,000,000	-16,435,662	186,485,865
Hedge Funds	542,450,036			-457,123	-33,015	4,336,767	546,296,665
Aristeia International Limited	67,195,663			-111,747		151,637	67,235,553
Brevan Howard Fund	68,928,340			-124,271		3,505,094	72,309,162
D.E. Shaw Composite Fund	55,816,950					1,624,093	57,441,043
HBK Fund II	56,778,731			-62,956		-996,307	55,719,468

Equity
Net Cash Flow: Last 1 Quarter

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Ending Market Value
Hudson Bay Cap Structure Arbitrage Enhanced Fund	74,505,348					595,541	75,100,889
Indus Pacific Opportunities Fund	37,438,472					-539,227	36,899,245
Magnetar Structured Credit Fund	9,410,751			-9,777		-25,179	9,375,795
Pharo Macro Fund	60,578,227					523,500	61,101,727
PIMCO Commodity Alpha Fund	60,367,071			-93,814		5,020,997	65,294,254
River Birch International	774,799				7,148,558	231,008	8,154,366
Sculptor Enhanced Domestic Partners	51,397,468			-54,557		-5,523,381	45,819,530
Alpha Pool	268,899,258	230,738	-127,158	-20,999	-10,409,117	-2,042,143	256,530,578
Hudson Bay	57,549,476	36,395	-36,256			459,869	58,009,484
Davidson Kempner Institutional Partners	54,621,168					-1,544,119	53,077,049
HBK Fund II	54,602,995	83,957	-33,490			-1,069,140	53,584,322
HBK Opportunities Platform – SPAC Series	50,340,049	77,659	-24,711	-20,999	-10,409,117	-425,591	39,537,290
Garda Fixed Income Relative Value Opportunity Fund	51,785,570	32,726	-32,702			536,838	52,322,433
Midstream Energy	350,123,956			-201,878		-31,035,207	318,886,871
Harvest Midstream	201,971,779			-118,841		-16,695,331	185,157,607
PIMCO Midstream	148,152,177			-83,037		-14,339,876	133,729,264
Core Real Estate	323,231,741			-273,703	19,997,760	15,424,437	358,380,234
ASB Allegiance Real Estate Fund	186,488,399					8,435,260	194,923,658
JPMCB Strategic Property Fund	136,743,343			-273,703	19,997,760	6,989,177	163,456,576
Private Real Estate	86,780,188		-3,983,659	-131,250	44,059	5,365,785	88,075,123
Invesco Real Estate Value-Add Fund IV	8,193,566		-3,983,659		-3,983,659	4,008,982	4,235,230
Landmark Real Estate Partners VIII	22,712,467				2,564,159		25,276,626
Long Wharf Real Estate	28,674,828				-991,080	-23,014	27,660,734
Covenant Apartment Fund X	23,593,320				-1,778,054	1,319,816	23,135,083
Singerman Real Estate Opportunity Fund IV	1,682,930			-131,250	1,925,000	293,521	3,770,201
LBA Logistics Value Fund IX, L.P.	1,923,077				2,307,692	-233,520	3,997,249
Private Equity	131,055,423			-167,170	10,877,492	-2,096,531	139,669,214
Abbott V	4,656,643			-868		-1,555,444	3,100,331
Abbott VI	23,208,334			-56,798		-192,380	22,959,156
Pantheon Secondary III	1,080,477				-500,000		580,477
Pantheon III	51,595						51,595

Equity
Net Cash Flow: Last 1 Quarter

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

	Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Ending Market Value
Pantheon V	425,173						425,173
Pantheon VI	644,486				-245,000		399,486
Pantheon VII	9,827,470				-650,000		9,177,470
Vista Foundation Fund IV	9,495,697				4,354,060	-1,126,483	12,723,274
Crown Global Secondaries V Master S.C.Sp	17,305,948				1,500,000	459,089	19,265,037
Brighton Park Capital Fund I	36,438,508			-109,504	153,789	-224,832	36,257,961
Warren Equity Partners Fund III	15,874,846				5,249,642	-91,299	21,033,189
Peak Rock Capital Fund III	9,348,402				-1,235,037	865,651	8,979,016
Level Equity Growth Partners V	1,544,021				1,626,898	-64,982	3,105,937
Level Equity Opportunities Fund 2021	-2,406				1,629,447	-15,929	1,611,112
Private Credit	243,379,418	337,367	-3,780,194	-79,440	3,070,938	3,098,182	245,891,059
DC Value Recovery Fund IV, L.P.	36,956,023					-2,133,120	34,822,903
Sixth Street TAO Partners (B)	37,001,079				-17,210	1,362,153	38,346,022
Brookfield Real Estate Finance Fund V	23,059,142	337,367	-2,833,102		-3,783,870	2,495,734	19,275,272
Magnetar Constellation Fund V	37,069,321		-947,092			30,200	36,152,429
H.I.G. Bayside Loan Opportunity Fund V	47,114,733				-3,244,107	338,595	44,209,221
Blue Torch Credit Opportunities Fund II	16,280,915			-46,820		666,537	16,765,419
Fortress Credit Opportunites Fund V Expansion	11,826,948			-32,620	795,428	394,152	12,983,908
Fortress Lending Fund II	30,071,257				-679,303	-17,895	29,374,059
Fortress Lending Fund III	4,000,000				10,000,000	-38,174	13,961,826
Opportunistic	165,220,648				13,105,374	-13,496,939	164,829,083
DB Investors Fund IV	39,889,093					-14,376,889	25,512,204
Sixth Street TAO Partners (D)	72,450,649				5,956,816	655,170	79,062,635
Aristeia Select Opportunities II	52,106,107					-6,229	52,099,878
Cash	-203,727,734	653,282,546	-573,387,115	-22,293	-29,829,870	-79,283,665	-232,968,131
Short Term Cash Account	1						1
Short Term Investment Funds	22,108,665	35,350,574	-36,186,700		-18,297,149	326,952	3,302,342
Parametric Cash Overlay	123,168,935	274,139,228	-334,988,157		-11,532,721	11,529,791	62,317,076
Goldman Sachs Cash Account	-28,741,718	223,164,427	-199,008,258				-4,585,549
Futures Offset	-465,198,668	116,377,317				-90,128,625	-438,949,975
Collateral Cash	25,963,000	4,251,000	-3,204,000				27,010,000
BlackRock Short Duration Fund	118,972,050			-22,293		-1,011,783	117,937,974

Total Fund
Cash Flow History

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

Portfolio Reconciliation

	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Beginning Market Value	5,484,489,450	5,373,108,431	5,373,108,431	4,334,993,085	3,940,875,605	2,801,185,542
Contributions	963,638,792	3,677,086,823	3,677,086,823	8,822,548,318	10,843,616,365	16,800,087,216
Withdrawals	-899,221,246	-3,413,998,427	-3,413,998,427	-8,714,555,829	-10,839,207,871	-16,969,019,842
Fees	-1,914,155	-13,433,982	-13,433,982	-42,502,579	-68,251,759	-121,494,067
Net Cash Flows	64,417,546	263,088,396	263,088,396	107,992,489	4,408,494	-168,932,626
Net Investment Change	-502,564,789	-589,854,621	-589,854,621	603,356,633	1,101,058,107	2,414,089,291
Ending Market Value	5,046,342,206	5,046,342,206	5,046,342,206	5,046,342,206	5,046,342,206	5,046,342,206
Net Change \$	-438,147,244	-326,766,224	-326,766,224	711,349,121	1,105,466,601	2,245,156,664

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.

Risk Metrics

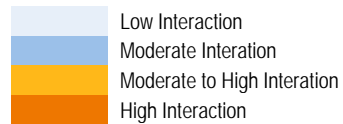
Total Fund
Actual Correlation Matrix

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

Correlation Matrix
3 Years Ending June 30, 2022

	A	B	C	D	E	F	G	H	I	J	K	L
A	1.00											
B	0.98	1.00										
C	0.96	0.99	1.00									
D	0.97	0.98	0.94	1.00								
E	0.90	0.88	0.82	0.87	1.00							
F	0.78	0.74	0.73	0.70	0.71	1.00						
G	0.47	0.46	0.48	0.40	0.40	0.88	1.00					
H	0.89	0.84	0.81	0.81	0.84	0.88	0.59	1.00				
I	0.86	0.81	0.76	0.81	0.83	0.85	0.54	0.89	1.00			
J	0.70	0.61	0.54	0.67	0.65	0.33	-0.04	0.60	0.59	1.00		
K	0.81	0.78	0.74	0.74	0.82	0.69	0.40	0.83	0.78	0.57	1.00	
L	-0.21	-0.21	-0.18	-0.21	-0.25	-0.43	-0.46	-0.27	-0.29	0.00	-0.20	1.00

- A = Total Fund
- B = Equity
- C = Domestic Equity
- D = International Developed Equity
- E = Emerging Markets Equity
- F = Fixed Income
- G = Core Plus Fixed Income
- H = High Yield/ Specialty Credit
- I = Emerging Market Debt
- J = Commodities
- K = Hedge Funds
- L = Core Real Estate



Total Fund
Risk Analysis - 3 Years (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

	Alpha	Beta	R-Squared	Return	Information Ratio	Excess Performance	Tracking Error	Sharpe Ratio	Excess Return	Standard Deviation	Sortino Ratio	Up Capture	Down Capture
Total Fund	0.8	1.0	1.0	6.8	0.7	0.7	1.0	0.6	6.8	12.0	0.8	100.5	91.7
Equity	0.3	1.0	1.0	6.2	0.2	0.2	1.0	0.4	8.3	23.2	0.5	100.5	99.4
Domestic Equity	0.2	1.0	1.0	10.1	0.0	0.1	1.3	0.5	11.9	23.4	0.8	99.0	98.4
International Developed Equity	0.4	1.0	1.0	2.1	0.5	0.4	1.1	0.2	4.3	22.9	0.3	105.4	103.3
Emerging Markets Equity	-2.4	1.0	1.0	-1.3	-0.8	-2.5	3.2	0.0	1.1	24.0	0.1	87.8	99.0
Fixed Income	0.5	1.1	1.0	-0.8	0.4	0.3	1.1	-0.1	-1.1	7.5	-0.2	114.7	106.0
Core Plus Fixed Income	0.3	1.1	0.9	-0.8	0.1	0.1	1.7	-0.2	-1.2	6.5	-0.2	119.4	112.0
High Yield/ Specialty Credit	0.3	0.8	1.0	0.4	0.1	0.5	2.3	0.0	0.3	10.2	0.0	84.5	81.0
Emerging Market Debt	1.5	1.0	1.0	-4.2	0.6	1.3	2.2	-0.3	-3.8	14.7	-0.3	106.5	94.5
Commodities	1.3	0.9	0.9	14.7	0.0	0.4	5.2	0.7	15.7	21.6	1.2	96.9	91.0
Hedge Funds	2.8	1.0	0.8	8.3	0.9	2.9	3.2	1.1	7.6	6.5	3.1	116.9	46.5
Core Real Estate	-0.5	0.8	0.9	10.1	-1.4	-2.6	1.7	1.8	9.2	5.1	9.4	81.0	93.9
Private Real Estate	0.0	1.0	1.0	14.8	-0.6	0.0	0.0	1.5	13.8	9.4	4.4	99.9	100.0
Private Equity	0.0	1.0	1.0	15.4	-0.6	0.0	0.0	1.2	14.7	12.6	2.2	100.0	100.4
Private Credit	0.0	1.0	1.0	3.6	-0.6	0.0	0.0	0.7	3.0	4.3	1.5	100.0	100.0
Opportunistic	-	-	-	-	-	-	-	-	-	-	-	-	-
Midstream Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Alpha Pool	-	-	-	-	-	-	-	-	-	-	-	-	-

Data not available for time periods less than 3 years (Alpha, Midstream, & Opportunistic added in 2020)

Risk Return Statistics: Last Three Years (Gross of Fees)

Period Ending: June 30, 2022

	Equity	MSCI AC World IMI (Net)	Core Plus Fixed Income	Bloomberg U.S. Aggregate Index	High Yield/ Specialty Credit	ICE BofA U.S. High Yield Index	Emerging Market Debt	3 Years 50 JPM EMBI Global Div/ 50 JPM GBI EM Global Div	Commodities	Bloomberg Commodity Index Total Return	Hedge Funds	75% 90 Day TBills +4%/ 25% MSCI ACWI (Net)	Core Real Estate	NCREIF ODCE-monthly
RETURN SUMMARY STATISTICS														
Up Market Periods	23	23	17	17	26	26	18	18	24	24	25	25	35	35
Down Market Periods	13	13	19	19	10	10	18	18	12	12	11	11	1	1
Maximum Return	12.43	12.66	2.64	2.59	3.61	4.78	6.74	5.62	8.01	8.78	3.99	3.33	5.39	7.97
Minimum Return	-14.74	-14.39	-4.00	-3.79	-10.52	-11.76	-13.80	-12.46	-12.65	-12.81	-5.24	-2.91	-1.17	-1.56
Return	6.22	5.98	-0.79	-0.94	0.42	-0.05	-4.21	-5.47	14.72	14.34	8.31	5.36	10.11	12.66
Excess Return	7.08	6.87	-1.29	-1.46	0.15	-0.15	-4.15	-5.56	14.70	14.46	7.52	4.70	9.14	11.64
Excess Performance	0.24	0.00	0.15	0.00	0.47	0.00	1.26	0.00	0.38	0.00	2.95	0.00	-2.56	0.00
RISK SUMMARY STATISTICS														
Beta	0.99	1.00	1.10	1.00	0.81	1.00	1.03	1.00	0.93	1.00	0.88	1.00	0.54	1.00
Upside Risk	13.08	13.15	3.19	2.81	4.33	5.55	6.68	6.07	13.82	13.64	4.75	3.85	5.30	8.39
Downside Risk	12.64	12.77	3.94	3.51	7.04	8.40	10.20	9.84	11.31	12.16	3.14	2.58	0.73	0.90
RISK/RETURN SUMMARY STATISTICS														
Standard Deviation	18.05	18.20	5.06	4.49	8.26	10.07	12.15	11.47	17.30	17.75	5.19	4.38	4.55	7.66
Alpha	0.28	0.00	0.26	0.00	0.39	0.00	1.59	0.00	1.25	0.00	3.49	0.00	3.18	0.00
Sharpe Ratio	0.39	0.38	-0.26	-0.33	0.02	-0.02	-0.34	-0.48	0.84	0.81	1.41	1.05	1.99	1.51
Excess Risk	18.16	18.30	5.04	4.43	8.37	10.18	12.24	11.55	17.43	17.88	5.33	4.47	4.60	7.70
Tracking Error	1.02	0.00	1.23	0.00	2.37	0.00	2.61	0.00	5.11	0.00	3.49	0.00	3.99	0.00
Information Ratio	0.20	-	0.14	-	0.13	-	0.54	-	0.05	-	0.81	-	-0.63	-
CORRELATION STATISTICS														
R-Squared	1.00	1.00	0.95	1.00	0.97	1.00	0.95	1.00	0.92	1.00	0.56	1.00	0.83	1.00
Actual Correlation	1.00	1.00	0.97	1.00	0.99	1.00	0.98	1.00	0.96	1.00	0.75	1.00	0.91	1.00

Risk Return Statistics: Last Two Years (Gross of Fees)

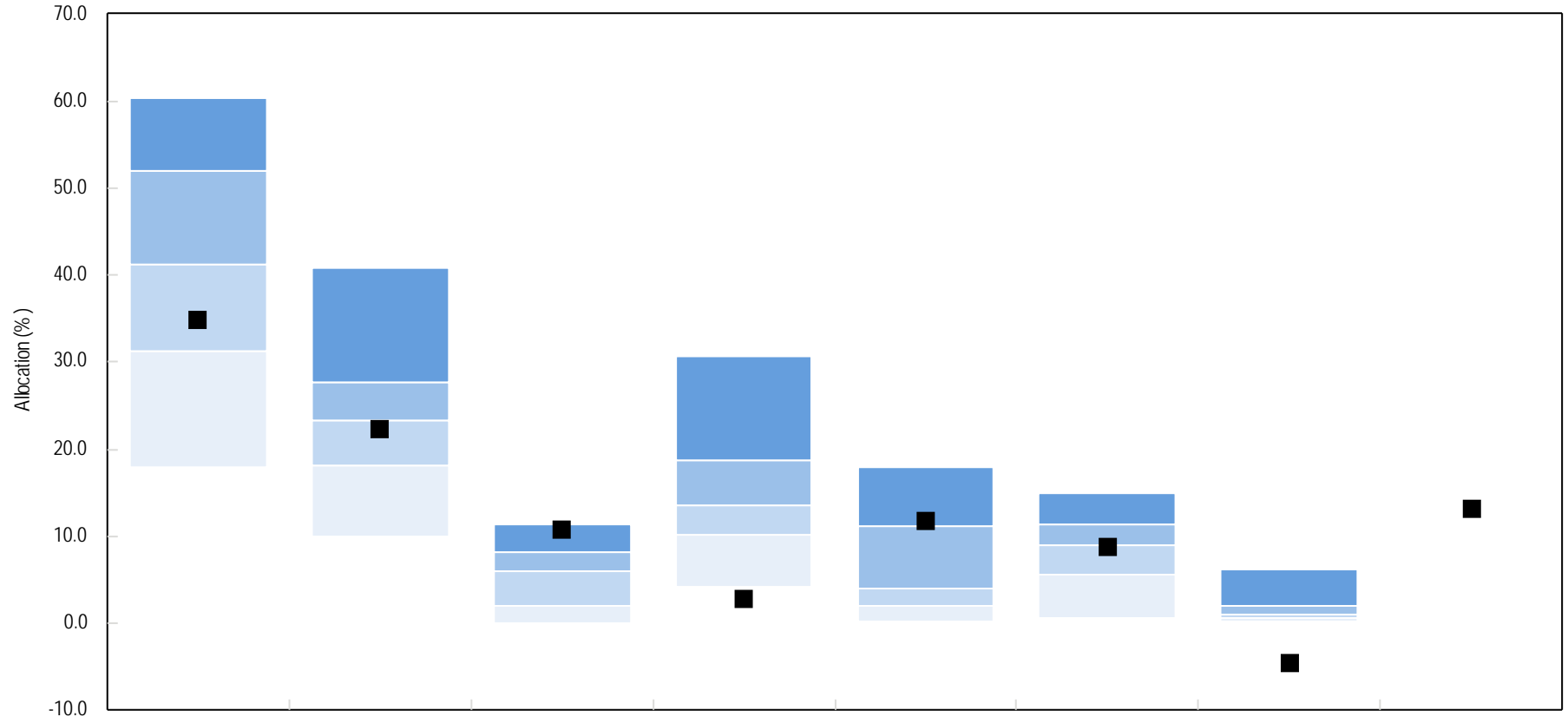
Period Ending: June 30, 2022

	Midstream Energy	Alerian Midstream Energy Index	2 Yrs Opportunistic	Actuarial Assumed Rate + 300bps
RETURN SUMMARY STATISTICS				
Up Market Periods	-	17	24	24
Down Market Periods	-	7	0	0
Maximum Return	-	18.94	19.65	0.84
Minimum Return	-	-12.21	-4.06	0.84
Return	-	30.63	22.54	10.50
Excess Return	-	29.46	21.73	9.89
Excess Performance	-	0.00	12.04	0.00
RISK SUMMARY STATISTICS				
Beta	-	1.00	-	-
Upside Risk	-	20.65	17.55	2.89
Downside Risk	-	12.89	5.18	0.00
RISK/RETURN SUMMARY STATISTICS				
Standard Deviation	-	22.79	17.17	0.00
Alpha	-	0.00	-	-
Sharpe Ratio	-	1.29	1.26	197.48
Excess Risk	-	22.79	17.18	0.05
Tracking Error	-	0.00	17.17	0.00
Information Ratio	-	-	0.69	-
CORRELATION STATISTICS				
R-Squared	-	1.00	-	-
Actual Correlation	-	1.00	-	-

Data for unavailable for positions held for less than two years.

Peer Comparison

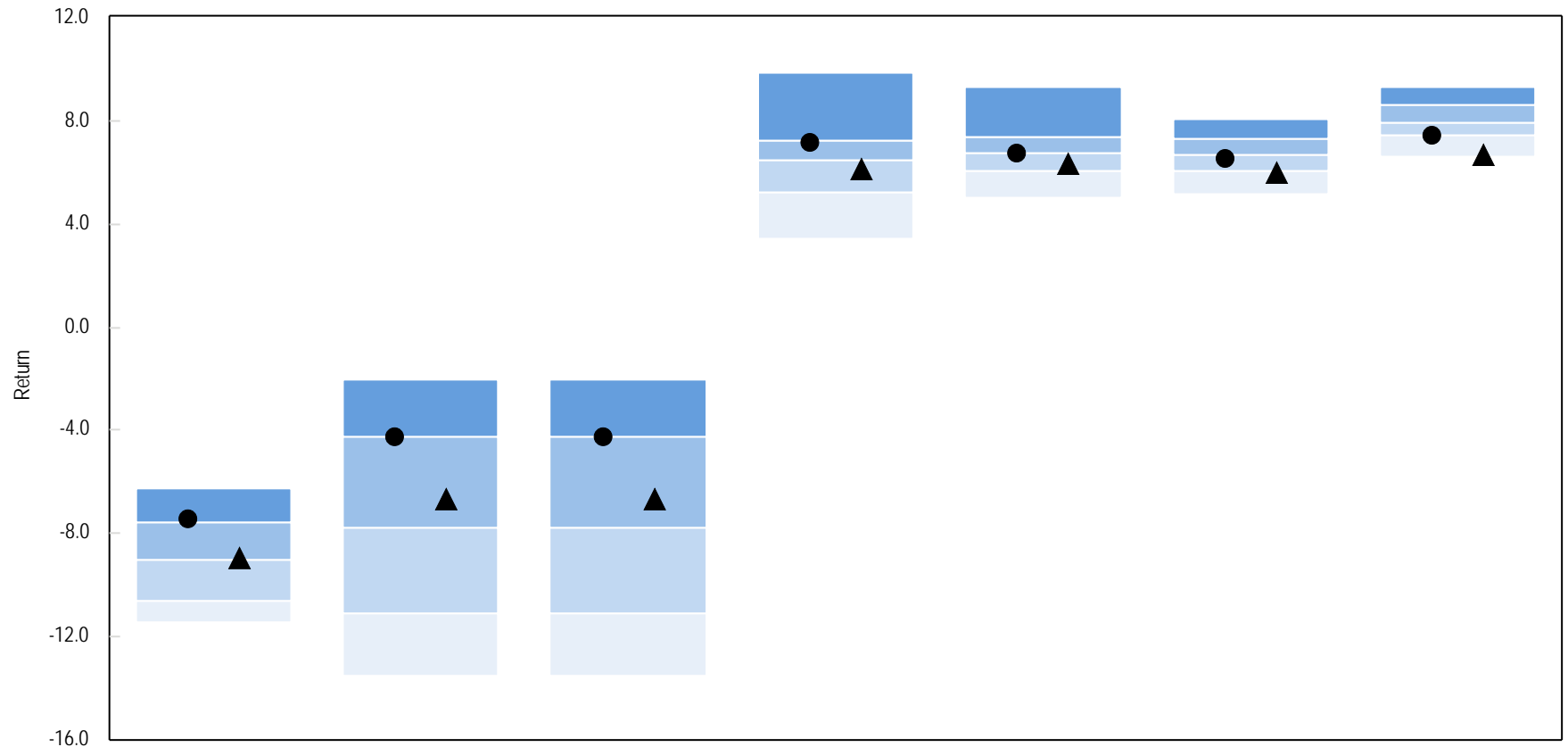
Total Plan Allocation vs. InvMetrics Public DB > \$1B
As of June 30, 2022



	Total Equity	Total Fixed Income	Hedge Funds	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents	Other
■ Total Fund	34.9 (66)	22.4 (53)	10.8 (16)	2.8 (100)	11.7 (22)	8.8 (52)	-4.6	13.2 (1)
5th Percentile	60.4	40.9	11.4	30.8	18.0	15.0	6.1	13.2
1st Quartile	52.0	27.7	8.2	18.8	11.2	11.3	1.9	13.2
Median	41.3	23.3	6.0	13.5	4.0	8.9	1.1	13.2
3rd Quartile	31.4	18.2	1.9	10.1	2.0	5.5	0.5	13.2
95th Percentile	17.9	10.0	0.1	4.2	0.1	0.6	0.2	13.2
Population	48	41	14	25	24	28	30	1

Parentheses contain percentile rankings. Other contains Alpha Pool, Opportunistic, and Private Credit. Real Estate contains Private and Core Real Estate. Real Assets contain Commodities and Midstream.

Total Fund vs. InvMetrics Public DB > \$1B



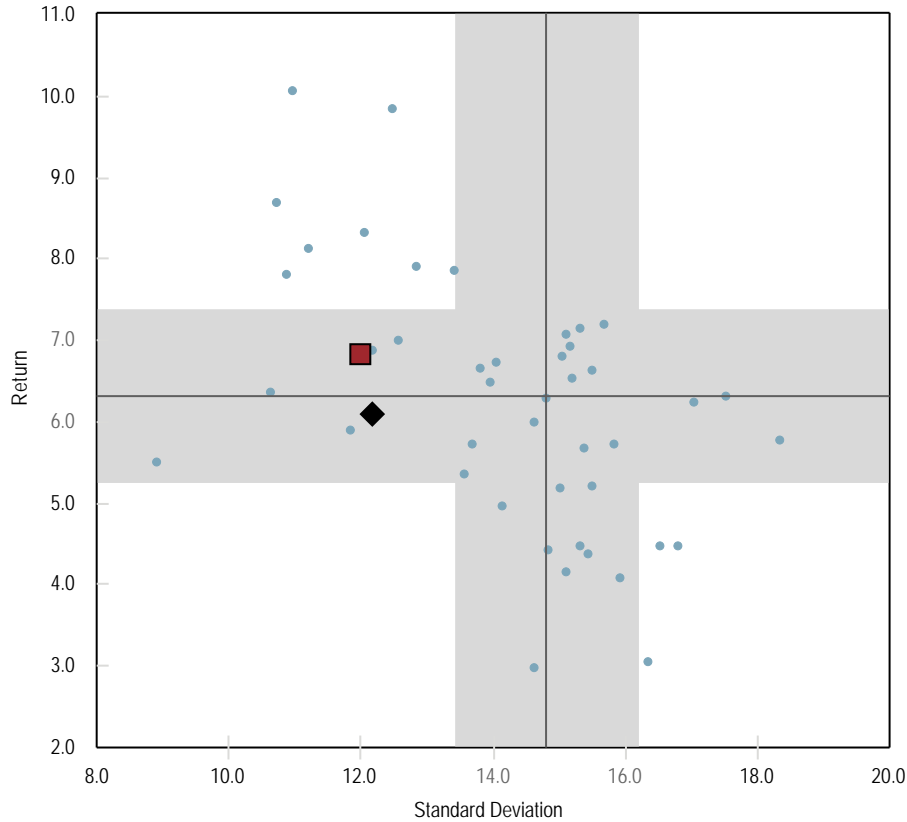
	Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years
● Total Fund	-7.4 (21)	-4.2 (24)	-4.2 (24)	7.1 (27)	6.8 (50)	6.5 (56)	7.4 (77)
▲ Policy Index	-8.9 (45)	-6.6 (41)	-6.6 (41)	6.1 (57)	6.3 (64)	6.0 (78)	6.7 (91)
5th Percentile	-6.2	-2.0	-2.0	9.9	9.3	8.0	9.3
1st Quartile	-7.6	-4.2	-4.2	7.2	7.3	7.3	8.6
Median	-9.0	-7.7	-7.7	6.4	6.8	6.6	7.9
3rd Quartile	-10.6	-11.1	-11.1	5.3	6.0	6.1	7.5
95th Percentile	-11.4	-13.5	-13.5	3.4	5.0	5.2	6.6
Population	40	39	39	39	39	39	39

Total Fund

Risk Analysis - 3 & 5 Year (Gross of Fees)

Period Ending: June 30, 2022

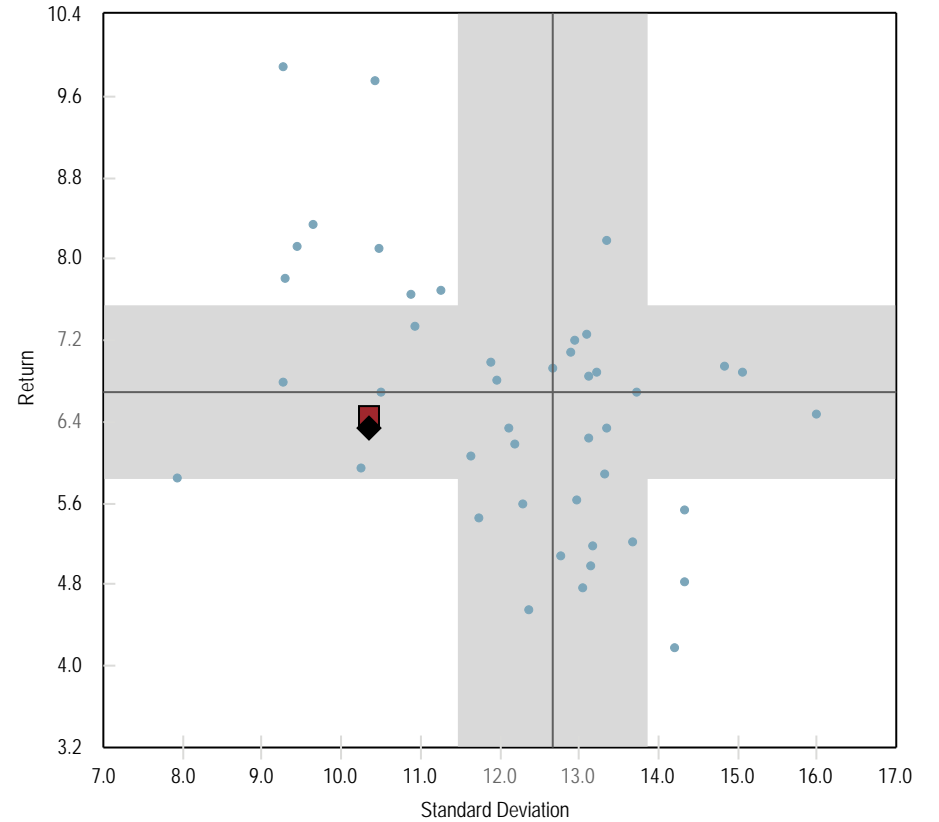
Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2022



● InvMetrics Public DB > \$1B

	Return	Standard Deviation
■ Total Fund	6.82	11.98
◆ Policy Index	6.11	12.18
— Median	6.32	14.81
Population	45	45

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2022



● InvMetrics Public DB > \$1B

	Return	Standard Deviation
■ Total Fund	6.46	10.34
◆ Policy Index	6.35	10.34
— Median	6.68	12.66
Population	45	45

Other

Total Fund Watchlist (Net of Fees)

Kern County Employees' Retirement Association Period Ending: June 30, 2022

Fund Name	Allocation Group	Overall Status	Outperformed Universe 10th percentile (1yr)	Outperformed Universe 75th percentile (1yr)	Outperformed Index (1yr)	Outperformed Median Rank (3 yrs)	Outperformed Index (3yrs)	Outperformed Median Rank (5 yrs)	Outperformed Index (5yrs)	Concern	Index Fund Tracking Error over 0.25% (1yr)
Equity Beta Exposure	Equity	■	-	-	-	-	-	-	-	-	✓
Russell 2000 Overlay	Equity	■	-	-	-	-	-	-	-	-	-
Mellon DB SL Stock Index Fund	Equity	■	-	-	-	-	-	-	-	-	✓
PIMCO StocksPLUS	Equity	■	✓	✓	Ⓜ	✓	Ⓜ	✓	Ⓜ	-	-
AB US Small Cap Value Equity	Equity	■	✓	Ⓜ	✓	Ⓜ	✓	Ⓜ	Ⓜ	-	-
Geneva Capital Small Cap Growth	Equity	■	✓	✓	✓	✓	✓	✓	✓	-	-
Mellon DB SL World ex-US Index Fund	Equity	■	-	-	-	-	-	-	-	-	Ⓜ
Fidelity Non-US Small Cap Equity	Equity	■	Ⓜ	✓	✓	✓	✓	✓	✓	-	-
Cevian Capital II	Equity	■	-	-	-	-	-	-	-	-	Ⓜ
American Century Non-US Small Cap	Equity	■	✓	✓	✓	-	-	-	-	-	-
DFA Emerging Markets Value I	Equity	■	Ⓜ	✓	✓	✓	✓	✓	✓	-	-
AB Emerging Markets Strategic Core Equity Collective Trust	Equity	■	✓	✓	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	-	-
Mellon Emerging Markets Stock Index Fund	Equity	■	-	-	-	-	-	-	-	-	Ⓜ
Mellon DB SL Aggregate Bond Index Fund	Fixed Income	■	-	-	-	-	-	-	-	-	✓
PIMCO Core Plus	Fixed Income	■	✓	✓	✓	✓	✓	Ⓜ	✓	-	-
Western Asset Core Plus	Fixed Income	■	✓	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	-	-
Western Asset High Yield Fixed Income	Fixed Income	■	✓	✓	Ⓜ	Ⓜ	Ⓜ	✓	Ⓜ	-	-
TCW Securitized Opportunities	Fixed Income	■	✓	✓	✓	✓	✓	✓	✓	-	-
Stone Harbor Emerging Markets Debt Blend Portfolio	Fixed Income	■	✓	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	Ⓜ	P	-
PIMCO EMD	Fixed Income	■	✓	✓	✓	-	-	-	-	-	-
Gresham MTAP Commodity Builder Fund	Commodities	■	✓	✓	✓	Ⓜ	✓	Ⓜ	✓	-	-
WTC-CTF	Commodities	■	✓	Ⓜ	Ⓜ	Ⓜ	✓	✓	✓	-	-

Legend For Overall Status

No Issues	■
Watch	■
Terminate	■

Legend for Standards

Pass	✓
Fail	Ⓜ

Legend for Concern

Provisional	P
Restricted	R
No Issues	--

Total Fund Watchlist (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

Fund Name	Allocation Group	Overall Status	Outperformed Universe 10th percentile (1yr)	Outperformed Universe 75th percentile (1yr)	Outperformed Index (1yr)	Outperformed Median Rank (3 yrs)	Outperformed Index (3yrs)	Outperformed Median Rank (5 yrs)	Outperformed Index (5yrs)	Concern	Index Fund Tracking Error over 0.25% (1yr)
Aristeia International Limited	Hedge Funds	■	-	-	⚠	-	✓	-	✓	-	-
Brevan Howard Fund	Hedge Funds	■	-	-	✓	-	✓	-	✓	-	-
D.E. Shaw Composite Fund	Hedge Funds	■	-	-	✓	-	✓	-	✓	-	-
HBK Fund II	Hedge Funds	■	-	-	⚠	-	⚠	-	⚠	-	-
Hudson Bay Cap Structure Arbitrage Enhanced Fund	Hedge Funds	■	-	-	✓	-	✓	-	✓	-	-
Indus Pacific Opportunities Fund	Hedge Funds	■	-	-	⚠	-	✓	-	✓	-	-
Magnetar Structured Credit Fund	Hedge Funds	■	-	-	⚠	-	✓	-	✓	-	-
PIMCO Commodity Alpha Fund	Hedge Funds	■	✓	⚠	⚠	⚠	✓	⚠	✓	-	-
River Birch International	Opportunistic	■	-	-	✓	-	⚠	-	⚠	-	-
Sculptor Enhanced Domestic Partners	Hedge Funds	■	-	-	⚠	-	✓	-	-	-	-
Harvest Midstream	Midstream	■	✓	✓	✓	-	-	-	-	-	-
PIMCO Midstream	Midstream	■	✓	✓	⚠	-	-	-	-	-	-
ASB Allegiance Real Estate Fund	Core Real Estate	■	-	-	⚠	-	⚠	-	⚠	-	-
JPMCB Strategic Property Fund	Core Real Estate	■	-	-	⚠	-	⚠	-	⚠	-	-
Invesco Real Estate Value-Add Fund IV	Private Real Estate	■	-	-	⚠	-	⚠	-	✓	-	-
Landmark Real Estate Partners VIII	Private Real Estate	■	-	-	-	-	-	-	-	-	⚠
DB Investors Fund IV	Opportunistic	■	-	-	⚠	-	-	-	-	-	-
Sixth Street TAO Partners (D)	Opportunistic	■	-	-	✓	-	-	-	-	-	-
Aristeia Select Opportunities II	Opportunistic	■	-	-	⚠	-	-	-	-	-	-

Legend For Overall Status

No Issues	■
Watch	■
Terminate	■

Legend for Standards

Pass	✓
Fail	⚠

Legend for Concern

Provisional	P
Restricted	R
No Issues	--

Total Fund
Quarterly Historical Analysis (net of fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2022

	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1	2019 Q4	2019 Q3
Total Fund	-7.5	-0.8	3.6	0.5	5.5	3.5	8.8	4.4	10.7	-11.3	4.6	0.2
Policy Index	-8.9	-1.3	3.3	0.6	5.6	3.2	8.9	4.5	10.1	-11.1	4.7	0.8

	2019 Q2	2019 Q1	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Total Fund	3.1	6.8	-6.4	2.3	0.3	-0.1	3.0	3.2	2.7	4.2	0.8	3.5
Policy Index	2.9	7.0	-5.4	2.2	0.7	-0.1	3.2	3.1	2.8	3.5	0.5	2.9

	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4	2014 Q3	2014 Q2	2014 Q1	2013 Q4	2013 Q3
Total Fund	1.9	1.1	2.2	-5.4	0.7	2.4	0.8	-1.5	3.6	2.1	4.1	4.4
Policy Index	2.2	1.8	1.4	-4.9	0.4	2.0	0.4	-1.4	3.4	2.4	4.0	4.6

Total Fund Data Sources and Methodology

Kern County Employees' Retirement Association Period Ending: June 30, 2022

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: $\text{Portfolio Return} - [\text{Risk-free Rate} + \text{Portfolio Beta} \times (\text{Market Return} - \text{Risk-free Rate})]$.

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: $\text{excess return} / \text{tracking error}$.

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: $\text{Portfolio Excess Return} / \text{Portfolio Standard Deviation}$.

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



CHIEF EXECUTIVE OFFICER'S REPORT

KCERA | DOMINIC D. BROWN | AUGUST 2022



OFFICE UPDATE

- New website was launched – Portal blast email went out to all members; Stakeholders notified via email
- *Alameda/PEPRA* Implementation
- Staffing – Recruitments ongoing for Investment Officer; Senior Accountant hired; promoted IT Managers
- Solar Update – Rooftop is moving forward as soon as product is available, shade structure is being reviewed by architectural committee
- SRBR – Discussed by Finance Committee last week
- RFP for Plan Sponsor Audits
- MMRO Update
- Human Resources Consultant – Staff is investigating the possibility of partnering with an HR consultant to help analyze our staff positions and make market-based recommendations

OPERATIONS ACTIVITY

- Member Services
 - 17 new retirements and calculations
 - 44 death benefit calculations
 - 36 service-credit purchase calculations
 - 95 retirement estimates
 - 105 new active members
 - 120 terminations with disposition packets
 - 20 in-person appointments
 - 138 walk-ins
 - 594 phone calls
 - 156 emails
- Accounting & Reporting
 - Year-end closing entries
 - Annual audit commencing
 - Training new Senior Accountant
- Information Technology
 - In Progress:
 - KCERA Portal Refresh
 - Annual Benefit Statement

UPCOMING EVENTS

- Finance Committee – No meetings currently scheduled
- Administrative Committee – Meeting will be scheduled in late September: Position creation & personnel
- Investment Committee – No meetings currently scheduled
- KCERA Property, Inc. – Annual Shareholder meeting will be scheduled in September/October
- Board of Retirement – Next regular monthly meeting will be October 12
- Special Board Meeting – A Strategic Planning session with Aon scheduled August 31 and a separate meeting will be scheduled to address *Alameda* Decision Appeals from members



CIO REPORT

INVESTMENT PROGRAM UPDATE | August 2022

Rebalancing

JUNE & JULY ACTIVITY

- Equities
 - +50MM Parametric S&P 500
- Fixed Income
 - +50MM Parametric Barclays Agg Rates
 - -25MM TCW Securitized Opportunities



Equities: Take advantage of equity market weakness to add exposure and reduce underweight position.



Fixed Income: Rates Take advantage of fixed income market weakness to add exposure and reduce underweight position. Also begins the implementation process for Stage 2 of Capital Efficiency program.



Fixed Income: Credit Reduce credit exposure through TCW and move allocation to small underweight. Offsets a \$25MM addition to Credit via Western Asset High Yield that was made in March.

Asset Class	Actual	Target	Difference
Public Equity	36.1%	37%	-0.9%
Fixed Income	21.9%	24%	-2.1%
Core	11.9%	14%	-2.1%
Credit	5.7%	6%	-0.3%
Emerging Market Debt	4.3%	4%	+0.3%
Commodities	5.1%	4%	+1.1%
Midstream	6.6%	5%	+1.6%
Hedge Funds	10.6%	10%	+0.6%
Alpha Pool	5.0%	5%	0.0%
Core Real Estate	6.9%	5%	+1.9%
Opportunistic	3.2%	0%	+3.2%
Private Markets	8.9%	15%	-6.1%
Cash	-4.4%	-5%	+0.6%

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 **EM Debt**, **Commodities**, **Midstream**, **Core Real Estate**, and **Opportunistic**.

Updates

- Recap opportunistic investment from the May 2nd Special Board meeting
 - As a reminder, a Special Board meeting was held on May 2nd to recommend an Opportunistic investment
 - At that time, there were factors that constrained the information staff could provide to the Board
 - Staff committed to bringing forward additional information when possible—which would likely be the June or August Board meeting (no Board meetings are held in July)
 - Staff is now able to provide additional details
-

Key Initiatives



Enhancing return while managing risk

- Capital Efficiency program improvements
- Multi-asset research
- Opportunistic investments
- Private Markets
- Risk management tools
- Tail risk hedge research

Next meeting TBD

Investment Committee Meetings

The last IC meeting was held on August 3rd





Jennifer Esquivel Zahry, Chief Legal Officer

Phillip Jenkins, Deputy Chief Legal Officer

Maggie Peralta-Lee, Senior Paralegal

Irma Chavez, Senior Legal Secretary

CLO Report August 2022

SACRS Legislative Update

Bills of Interest

- AB 2493 – Disallowed Compensation – Amended substantially after June Senate Judiciary Committee upon receipt of opposition from CSAC and various system. Eligible for Senate Floor Vote.
- AB 2449 – Public Meeting Bill – Eligible for Senate Floor Vote.

SACRS Sponsored Bills

- AB 1824 – Clean up – August 8th Senate Appropriations Committee.
- AB 1971 – CERL Amendments and Addition. Scheduled for a Senate Vote.

Timing of Pending Legislation

August 11th – “Suspense Hearing” – Hundreds of Bills dispensed with at once.

August 12th – Must Pass out of Senate Appropriations Committee

August 31st – Legislature Adjourns for final recess. Bills must pass out of 2d house before recess.

Governor has 30 days to consider the bills on his desk.

SEC Proposed Rule Changes

- U.S. Securities and Exchange Commission has proposed new regulations specifically targeted at reshaping the public funds industry.
 - Application –
 - Most proposed regulatory changes apply to Registered Investment Advisors of private funds (private real estate, private credit, and hedge funds)
 - Some provisions extend to exempt reporting advisors, i.e. venture capital
 - Timing -
 - Comment Period Closed June 13th
 - Final Rule expected Fall 2022
 - Q1 2023 effective date
 - Q1 2024 Compliance date

Overview of Proposed Rule Changes

- Registered Investment Advisors Only
 - Requires Fund-Level Quarterly Disclosures –
 - Fees & Expenses
 - Standardized Performance Reporting
 - Requires a fairness opinion in connection with GP-led Secondaries
 - Requires Annual Fund Audit
- All Private Fund Advisors
 - Prohibits
 - Indemnification for Breach of Fiduciary Duty, including negligence.
 - Charging Compliance Costs to the Fund
 - Reducing Clawback Distribution Amounts by Taxes
 - Charging Fees for Unperformed Services
 - Borrowing from the Fund
 - Requires fees be applied pro rata
 - Preferential Treatment
 - Requires Disclosure of Preferential Terms to LPs
 - Prohibits Terms Deemed to Have a Material Negative Impact on Other LPs
 - No Preferential Access to Information
 - Prohibits Preferential Side Letter Terms Regarding Redemption Rights

August Calendar

	Pending CLO/DCLO Review
Operational Contracts	5
Investment/ Custodial Documents	7
Disability Matters	8
Community Property Matters	8
Powers of Attorney	3
Staff Inquiries	37
Administrative Appeals	4
Board/Committee Meetings/Conferences	3
Special Projects	5

Q2 2022 Metrics

	Completed
Operational Contracts	8
Investment/ Custodial Documents	35
Board Documents	38
Community Property Matters	67
Disability Matters	17
Legal Correspondence	86
Post-Retirement Employment Certifications	13
Powers of Attorney	19
PRA Requests	17
Subpoena Response	1
Administrative Appeals – Response to Objections	5
CLO Responses to Inquiries/ Legal Review of Docs	204+



July 8, 2022

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

General Update

The Legislature adjourned for Summer Recess of July 1, and legislators will remain in their districts until August 1. After they return, the Legislature will turn to the fiscal committee deadline of August 12, where all bills that are keyed fiscal must pass out of the Appropriations Committee in the bill's second house.

After the fiscal committee deadline, Legislators must pass bills off the floor of their second house and if applicable, the floor of the house of origin for concurrence, before the Legislature adjourns for final recess on August 31.

The Governor will then have 30 days to consider the bills on his desk.

SACRS Sponsored Bills

AB 1824 (Committee on Public Employment and Retirement) – Committee Cleanup Bill. The bill passed out of the Senate Labor, Public Employment and Retirement Committee on June 29 and will go to the Senate Appropriations Committee next.

AB 1971 (Cooper) – CERL Policy Bill. This bill passed out of the Senate Labor, Public Employment and Retirement Committee on June 29 and will go to the Senate floor for a vote next.

Other Bills of Interest

SB 1328 (McGuire) – Divestment. This bill would prohibit public retirement boards from investing public employee retirement funds in a company with business operations in Russia or Belarus, among other requirements. Amendments from May narrowed the bill, which included narrowing restrictions on pension investments to companies domiciled in Russia and Belarus, supplying military equipment to Russia and Belarus or companies complicit with the invasion and eliminating requirements that pension funds survey all portfolio companies for compliance with the divestment requirements.

SACRS submitted a letter of concern on this bill.

The bill was set to be heard in the Assembly Public Employment and Retirement Committee in late June, with the Chair of the Committee pushing amendments that would have made the bill a reporting bill. The author was not willing to accept the amendments, so the bill was pulled from the Committee and is now dead for the year.

AB 2493 (Chen) – Disallowed Compensation. As initially amended, this bill would have allowed OCERS to adjust retirement payments based on disallowed compensation for peace officers and firefighters under certain circumstances. The bill was later amended to apply to all CERL systems.

When this bill had a hearing in the Senate Judiciary Committee in late June, CSAC was the lead opposition witness and discussed these cost concerns as well as how the bill differs from SB 278 (Leyva) from 2021.

The bill was amended substantially after the author and sponsors worked with committee staff. It is now eligible for a vote on the Senate floor.

AB 1944 (Lee) – Public Meetings. This bill would make changes to the Brown Act to add additional flexibility for board members to teleconference into meetings if certain requirements are met, including that a quorum of members of the body participate in person. SACRS supported this bill.

Before the bill's hearing in the Senate Governance and Finance Committee, the committee offered amendments that the author would not accept, so the author pulled the bill, and it was not heard in committee. This caused the bill to fail the policy committee deadline, so it won't move further this session.

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. Recent amendments add more guardrails for when a board member can participate remotely and add a sunset date, among other changes.

The bill is now in the Senate Appropriations Committee.

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.

In late June, AB 498 was gutted and amended again, this time with provisions unrelated to county retirement systems, so it is no longer of interest to SACRS. AB 826 remains on the Senate Inactive File.



August 3, 2022

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

General Update

The Legislature returned from Summer Recess on August 1 and is now focused on the fiscal committee deadline. For this deadline, all bills keyed fiscal must pass out of the Appropriations Committee of the bill's second house by August 12. To meet this deadline, both the Senate and Assembly Appropriations Committees will hold a "Suspense Hearing" on August 11 where they will dispense with hundreds of bills at once.

After August 12, legislators must pass the remaining bills off the floor of the second house and if applicable, the floor of the house of origin for concurrence, before the Legislature adjourns for final recess on August 31.

The Governor will then have 30 days to consider the bills on his desk.

SACRS Sponsored Bills

AB 1824 (Committee on Public Employment and Retirement) – Committee Cleanup Bill. This bill was set for hearing in the Senate Appropriations Committee on August 8.

AB 1971 (Cooper) – CERL Policy Bill. This bill is awaiting a vote on the Senate floor. It is not a fiscal bill so it does not need a hearing in the Senate Appropriations Committee.

Other Bills of Interest

AB 2493 (Chen) – Disallowed Compensation. As initially amended, this bill would have allowed OCERS to adjust retirement payments based on disallowed compensation for peace officers and firefighters under certain circumstances. The bill was later amended to apply to all CERL systems.

When this bill had a hearing in the Senate Judiciary Committee in late June, CSAC was the lead opposition witness and discussed these cost concerns as well as how the bill differs from SB 278 (Leyva) from 2021.

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In late June, AB 498 was gutted and amended again, this time with provisions unrelated to county retirement systems, so it is no longer of interest to SACRS. AB 826 remains on the Senate Inactive File, and we will continue to monitor.