

Executive Team

Dominic D. Brown, CPA, CFE
Executive Director

Daryn Miller, CFA
Chief Investment Officer

Jennifer Zahry, JD
General Counsel

Matthew Henry, CFE
Assistant Executive Director

**KERN COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**



Board of Retirement

Jordan Kaufman, Chair
Rick Kratt, Vice-Chair
David Couch
Dustin Dodgin
Phil Franey
Juan Gonzalez
Marko Horvat
Bob Jefferson
Lauren Skidmore
John DeMario, Alternate
Devin Simmons Alternate

April 25, 2019

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

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

Ladies and Gentlemen:

A meeting of the Kern County Employees' Retirement Association Board of Retirement will be held on Wednesday, May 1, 2019 at 8:30 a.m. at KCERA, 11125 River Run Boulevard, Board Room, Bakersfield, California. 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 the KCERA office at your convenience.

Sincerely,

A handwritten signature in blue ink that reads 'Dominic D. Brown'.

Dominic D. Brown
Executive Director

Attachment

AGENDA:

All agenda item supporting documentation is available for public review in the office of the Kern County Employees' Retirement Association, 11125 River Run Blvd., Bakersfield, California 93311 during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, 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. In addition, all agendas and supporting documentation are now available on the KCERA web page and can be found via the internet at www.kcera.org.

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

Disabled individuals who need special assistance to attend or participate in a meeting of the Board of Retirement may request assistance at the Retirement Administration office, 11125 River Run Blvd., Bakersfield, California, or by calling (661) 381-7700. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting materials available in alternative formats. Requests for assistance should be made five (5) working 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. Summary of proceedings of the following meetings:

- April 3, 2019 Administrative Committee
- April 10, 2019 Investment Committee
- April 10, 2019 Board of Retirement

RECEIVE AND FILE

- *2. Monthly report from the KCERA office on members retired from service – RATIFY
- *3. Monthly report from the KCERA office on deceased retirees – RECEIVE AND FILE
- *4. Monthly report of current disability retirement applications and appeals of KCERA Board decisions – RECEIVE AND FILE
- *5. Securities Lending Earnings Summary Report for the period March 1-31, 2019 from Deutsche Bank – RECEIVE AND FILE
- *6. KCERA asset allocation, budget status, cash flow position and investment fees status report for the month of March 2019 – RECEIVE AND FILE
- *7. KCERA Strategic Investment Plan for the month of June 2019 – RECEIVE AND FILE
- *8. KCERA Class Action Proceeds Report from January 1, 2019 through March 31, 2019 from the Northern Trust Company – RECEIVE AND FILE
- *9. SACRS Business Meeting 2019 Packet for SACRS business meeting on May 10, 2019 in Lake Tahoe, California - RECEIVE AND FILE
- *10. Resolution honoring Karen Frieson, Retirement Services Manager, upon her retirement with 22 years of dedicated service to the Kern County Employees' Retirement Association – RECEIVE AND FILE
- *11. Invitation from PIMCO to staff and trustees to attend the PIMCO Institute Seminar 2019, June 10-13, 2019 in Newport Beach, California – APPROVE ATTENDANCE OF TRUSTEE DUSTIN DODGIN
- *12. Invitation from the National Association of Public Pension Attorneys (NAPPA) to staff to attend the 2019 Legal Education Conference, June 25-28, 2019, in San Diego, California – APPROVE ATTENDANCE OF GENERAL COUNSEL JENNIFER ZAHRY
- *13. Invitation from Institutional Investor to staff to attend the AQR Forum and Redefining Fixed Income Forum, May 13-15, 2019 in Chicago, Illinois – APPROVE ATTENDANCE OF CHIEF INVESTMENT OFFICER DARYN MILLER

- *14. Invitation from Long Wharf Capital to staff to attend the 2019 Spring Long Wharf Advisory Committee Meeting, May 29-30, 2019 in Boston, Massachusetts – APPROVE ATTENDANCE OF CHIEF INVESTMENT OFFICER DARYN MILLER

15. Public Comments:

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 Chairman, 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.

ADMINISTRATIVE MATTERS

16. Trustee Education regarding KCERA Administrative Appeal Process presented by General Counsel Jennifer Zahry – RECEIVE EDUCATIONAL TRAINING (15 MINUTES TRUSTEE EDUCATION CREDIT)
17. Revisions to Administrative Appeals Process presented by Executive Director Dominic Brown and General Counsel Jennifer Zahry – APPROVE; TAKE OTHER ACTION, AS APPROPRIATE

INVESTMENT MATTERS

18. Discussion and appropriate action on the continued implementation of changes to the hedge fund allocation presented by Lincoln Smith and Spencer Edge, Albourne America¹, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – APPROVE INVESTMENT IN HEDGE FUND MANAGER IN THE HEDGE FUND PORTFOLIO
19. Discussion and appropriate action on the investment philosophy for the investment program by Scott Whalen, CFA, Verus, and Chief Investment Officer Daryn Miller, CFA – APPROVE INVESTMENT PHILOSOPHY
20. Presentation on the 1st Quarter Investment Performance Review period ending March 31, 2019 by Scott Whalen, CFA, Verus – RECEIVE AND FILE
21. Presentation on the 1st Quarter 2019 Portfolio Review presented by Lincoln Smith and Spencer Edge, Albourne America² – RECEIVE AND FILE

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.

STAFF/COMMITTEE REPORTS & NEW BUSINESS

22. Report from Executive Director
23. Report from Chief Investment Officer
24. Report from General Counsel
25. Report from Committee Chairs:
 - a. Administrative Committee – Gonzalez
 - b. Finance Committee – Skidmore
 - c. Investment Committee – Dodgin
 - d. KCERA Property, Inc. Board – Franey

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

26. On their own initiative, Board members may make a brief announcement or a brief report on their own activities.
27. Adjournment