

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:

David Couch, Chair
Dustin Contreras, Vice-Chair
Phil Franey
Ajaib Gill
Joseph D. Hughes
Jordan Kaufman
Rick Kratt
John Sanders
Tyler Whitezell
Chase Nunneley, Alternate
Robb Seibly, Alternate
3rd Member (Vacant)

September 4, 2025

Trustees, Board of Retirement
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, September 10, 2025, at 8:30 a.m. in the KCERA Boardroom, 11125 River Run Boulevard, Bakersfield, California, 93311.

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# 823 2428 2240:

- (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/82324282240?pwd=pcxU49HbXZpaOfZlwyuHipXLtPeAzf.1>
- Passcode: 294206

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,

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

Dominic D. Brown
Chief Executive Officer

Attachments

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 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.

CALL TO ORDER

ROLL CALL (IN PERSON)

SALUTE TO FLAG / MOMENT OF SILENCE

AB 2449 REMOTE APPEARANCE(S)

Items 1 and/or 2 withdrawn from agenda if no trustee(s) request to appear remotely:

1. JUST CAUSE CIRCUMSTANCE(S):
 - a) The following Trustee(s) have notified the Board of a “Just Cause” to attend this meeting via teleconference. (See Government Code § 54953).
 - NONE
 - b) Call for Trustee(s) who wish to notify the Board of a “Just Cause” to attend this meeting via teleconference. (See Government Code § 54953) – RECEIVE/ HEAR REQUEST(S); NO BOARD ACTION REQUIRED

2. EMERGENCY CIRCUMSTANCE(S):
 - a) The following Trustee(s) have requested the Board approve their attendance of this meeting via teleconference due to an “Emergency Circumstance.” (See Government Code § 54953).
 - NONE
 - b) Call for Trustee(s) requesting the Board approve their attendance of this meeting via teleconference due to an “Emergency Circumstance.” (See Government Code § 54953) – TAKE ACTION ON REQUEST(S) FOR REMOTE APPEARANCE DUE TO EMERGENCY CIRCUMSTANCE

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.*

- *3. Application for service-connected disability retirement for Emma Cano, Behavioral Health (General) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT
- *4. Application for service-connected disability retirement for Jamal Fadel, Public Works (General) – ADOPT RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT
- *5. [Summary of proceedings of the following meetings:](#)
 - August 1, 2025 Administrative Committee
 - August 13, 2025 Board of Retirement
 - August 27, 2025 Investment Committee
- RECEIVE AND FILE
- *6. [Report from the KCERA office on members retired from service for the month of August 2025 – RATIFY](#)
- *7. [Report from the KCERA office on deceased retirees for the month of August 2025 – RECEIVE AND FILE](#)
- *8. [Report on current disability retirement applications and appeals of KCERA Board decisions for the period ending August 31, 2025 – RECEIVE AND FILE](#)
- *9. [Securities Lending Earnings Summary Report for the period ending July 31, 2025 from Deutsche Bank – RECEIVE AND FILE](#)
- *10. [KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the month of July 2025 – RECEIVE AND FILE](#)
- *11. [Report on Special Pay Codes classified by the Chief Executive Officer – RECEIVE AND FILE](#)

- *12. [Certificate of Achievement for Excellence in Financial Reporting for Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024](#) presented by the Government Finance Officers Association (GFOA) – RECEIVE AND FILE
- *13. [Invitation from National Conference on Public Employees Retirement Systems \(NCPERS\)](#) for Administrative Services Officer Aimee Morton to attend the NCPERS 2025 Public Pension HR Summit, September 24-26, 2025 in Philadelphia, Pennsylvania – RECEIVE AND FILE

PUBLIC COMMENTS

- 14. The public is provided the opportunity to comment on agenda items at the time those agenda items are discussed by the Board. This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification and, through the Chair, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. Speakers are limited to two minutes. Please state your name for the record prior to making a presentation.

INVESTMENT MATTERS

- 15. [Presentation on the 2nd Quarter Investment Performance Review period ending June 30, 2025](#) by Investment Consultants Scott Whalen and Brian Kwan, Verus – RECEIVE AND FILE
- 16. [Presentation on the 2nd Quarter 2025 Portfolio Review by Spencer Edge, Albourne America¹](#) – RECEIVE AND FILE

STAFF REPORTS

- 17. [Report from Chief Executive Officer](#)
- 18. [Report from Chief Investment Officer](#)
- 19. [Report from Chief Legal Officer](#)

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

COMMITTEE REPORTS

20. Report from Committee Chairs:
- a. Administrative Committee: Seibly
 - b. Finance Committee: Franey
 - c. Investment Committee: Sanders

CALL FOR PUBLIC COMMENT ON EXECUTIVE SESSION ITEM(S)

EXECUTIVE SESSION

Items 3-4 withdrawn from Executive Session if approved on consent agenda:

3. PUBLIC EMPLOYMENT (pursuant to Government Code § 54957) Application for service-connected disability retirement:
Emma Cano Behavioral Health (General)
4. PUBLIC EMPLOYMENT (pursuant to Government Code § 54957) Application for service-connected disability retirement:
Jamal Fadel Public Works (General)
21. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (pursuant to GOVERNMENT CODE §54957) – Title: Chief Executive Officer

RETURN TO PUBLIC SESSION

ROLL CALL TO CONFIRM QUORUM

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

REFERRALS TO STAFF, ANNOUNCEMENTS, OR REPORTS

22. 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

23. 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
24. Adjournment

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Administrative Committee
August 1, 2025**

8:34 a.m.

Committee Members: Contreras, Gill, Hughes, Chair Seibly, (Alternate Vacant)

ROLL CALL

Present: Contreras, Gill, Seibly

Absent: Hughes

NOTE: The vote is displayed in bold below each item. For example, Hughes-Contreras denotes Trustee Joseph D. Hughes made the motion and Trustee Dustin Contreras seconded the motion.

AB 2449 REMOTE APPEARANCE(S)

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

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

MATTERS FOR CONSIDERATION

4. Response to referrals to Administrative Committee to 1) consolidate KCERA Chief Executive Officer governance policies/charters and review evaluation form to incorporate changes, and 2) review the Annual KCERA Human Resources Report presented by Chief Executive Officer Dominic Brown, Chief Legal Officer Jennifer Zahry, and Governance Consultants Julie Becker and Benita Falls Harper, Aon – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; JULIE BECKER AND BENITA FALLS HARPER, AON, HEARD; TRUSTEES AJAIB GILL AND JOSEPH D. HUGHES HEARD

TRUSTEE JOSEPH D. HUGHES ARRIVED AT 8:37 AM

RECOMMENDED THE BOARD OF RETIREMENT APPROVE: 1) PROPOSED REVISIONS TO KCERA'S CHIEF EXECUTIVE OFFICER CHARTER, DUE DILIGENCE SERVICE PROVIDER SELECTION POLICY, AND BOARD OF RETIREMENT CHARTER; 2) NEW KCERA CEO EVALUATION FORM; AND 3) DELETION OF KCERA'S SECRETARY TO THE BOARD CHARTER

Contreras-Gill – 4 Ayes

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

5. 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 – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD; CHAIR ROBB SEIBLY HEARD; TRUSTEES DUSTIN CONTRERAS AND JOSEPH D. HUGHES HEARD
6. ADJOURNED – 9:07 A.M

Secretary, Board of Retirement

Chair, Administrative Committee

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Board of Retirement Meeting
August 13, 2025**

8:35 a.m.

Board Members: Vice-Chair Contreras (Alternate), Chair Couch, Franey, Gill, Hughes, Kaufman, Kratt, Nunneley (Alternate), Sanders, Seibly (Alternate), Whitezell, (3rd Member Vacant)

ROLL CALL (IN PERSON)

Present: Contreras, Couch, Franey, Gill, Hughes, Kaufman, Kratt, Nunneley, Sanders, Seibly, Whitezell

Absent: None

SALUTE TO FLAG – TRUSTEE JOSEPH D. HUGHES

MOMENT OF SILENCE

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

AB 2449 REMOTE APPEARANCE(S)

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

CONSENT MATTERS

All consent matter items listed below with an asterisk () were considered to be routine and non-controversial by staff and approved by one motion, unless otherwise noted.*

- *3. Application for service-connected disability retirement for Paul Allen, Sheriff (Safety) – **ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT**

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *4. Application for service-connected disability retirement for Alfred De La Rosa, Sheriff (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *5. Application for service-connected disability retirement for Dustin Spears-Huckabee, Sheriff (Safety) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT; MEMBER REQUIRED TO UNDERGO MEDICAL EXAMINATION IN ONE YEAR PER CAL. GOV. CODE 31729 ET SEQ. AND MEDICAL ADVISOR RECOMMENDATION

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *6. Application for service-connected disability retirement for Daren Stephan, Public Works (General) – ADOPTED RECOMMENDATION OF SDAG TO GRANT SERVICE-CONNECTED DISABILITY RETIREMENT; MEMBER ENTITLED TO RECEIVE SUPPLEMENTAL DISABILITY RETIREMENT ALLOWANCE PER CAL. GOV. CODE 31725.65 ET SEQ.

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *7. Application for non-service-connected disability retirement for Andre Taylor, Human Services (General) – ADOPTED RECOMMENDATION OF SDAG TO DENY NON-SERVICE-CONNECTED DISABILITY RETIREMENT

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *8. Summary of proceedings of the following meetings:

- June 11, 2025 Board of Retirement
- June 11, 2025 Finance Committee

RECEIVED AND FILED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *9. Report from the KCERA office on members retired from service for the months of June and July 2025 – RATIFIED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *10. Report from the KCERA office on deceased retirees for the months of June and July 2025 – RECEIVED AND FILED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *11. Report on current disability retirement applications and appeals of KCERA Board decisions for the periods ending June 30, 2025 and July 31, 2025 – RECEIVED AND FILED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *12. Securities Lending Earnings Summary Report for the periods ending May 31, 2025 and June 30, 2025 from Deutsche Bank – RECEIVED AND FILED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *13. KCERA asset allocation, cash flow position, investment fees cash flow, and operating expense budget status reports for the months of May and June 2025 – RECEIVED AND FILED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *14. KCERA Class Action Proceeds Report from April 1 through June 30, 2025 for the Northern Trust Company – RECEIVED AND FILED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *15. Semiannual Report on Overpayment/Underpayment of Member Benefits for the period January through June 2025 – RECEIVED AND FILED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *16. Semiannual Report on Overpayment/Underpayment of Member Contributions for the period January through June 2025 – RECEIVED AND FILED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *17. Service provider evaluation period initiated pursuant to Evaluation Period Policy – RATIFIED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

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

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *19. Board of Retirement Semiannual Trustee Education Report – RECEIVED AND FILED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *20. 2025 KCERA Retirement Benefit Statement and Cover Letter Sample – RECEIVED AND FILED; APPROVED

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *21. Proposed revisions to KCERA's Conflict of Interest Code – AMENDED WITH PROPOSED CHANGES AND DIRECTED STAFF TO SUBMIT TO THE KERN COUNTY BOARD OF SUPERVISORS FOR FINAL APPROVAL

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *22. Invitation from State Association of County Retirement Systems (SACRS) to Board of Directors to attend the SACRS Board of Directors Meeting, September 4-5, 2025, in Sacramento, California – APPROVED ATTENDANCE OF TRUSTEE JORDAN KAUFMAN

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

- *23. Invitation from State Association of County Retirement Systems (SACRS) to trustees to attend the SACRS UC Berkeley Program, July 13-16, 2025, in Berkeley, California – RATIFIED ATTENDANCE OF TRUSTEE JOSEPH D. HUGHES

Whitezell-Sanders – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

PUBLIC COMMENTS

24. 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 – JEANINE ADAMS, RETIREE, HEARD

ADMINISTRATIVE MATTERS

25. Trustee education regarding Quirky Disability Topics presented by Deputy Chief Legal Officer Kristen McDonald – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; DEPUTY CHIEF LEGAL OFFICER KRISTEN MCDONALD HEARD; CHAIR DAVID COUCH HEARD; VICE-CHAIR DUSTIN CONTRERAS HEARD; TRUSTEES RICK KRATT AND ROBB SEIBLY HEARD

RECEIVED EDUCATIONAL TRAINING (30 MINUTES TRUSTEE EDUCATION CREDIT)

26. Response to referrals to Administrative Committee to 1) consolidate KCERA Chief Executive Officer governance policies/charters and review evaluation form to incorporate changes, and 2) review the Annual KCERA Human Resources Report presented by Chief Executive Officer Dominic Brown, Governance Consultants Julie Becker and Benita Falls Harper, Aon, and the Administrative Committee – CHIEF EXECUTIVE OFFICER DOMINIC BROWN HEARD; JULIE BECKER, AON, HEARD; CHAIR DAVID COUCH HEARD; TRUSTEES RICK KRATT AND TYLER WHITEZELL HEARD

APPROVED: 1) PROPOSED REVISIONS TO KCERA'S CHIEF EXECUTIVE OFFICER CHARTER, DUE DILIGENCE SERVICE PROVIDER SELECTION POLICY, AND BOARD OF RETIREMENT CHARTER; 2) NEW KCERA CEO EVALUATION FORM; AND 3) DELETION OF KCERA'S SECRETARY TO THE BOARD CHARTER

Hughes-Kratt – 9 Ayes

Trustee Dustin Contreras voted in place of vacant 3rd seat

STAFF REPORTS

27. Report from Chief Executive Officer

CHIEF EXECUTIVE OFFICER DOMINIC BROWN REPORTED THE FOLLOWING:

- OFFICE UPDATE
- STAFFING UPDATE
- KERN 360 PLANNING MEETINGS
- ACCOUNTS PAYABLE IN-HOUSE
- RETIREMENT ACTIVITY UPDATE
- DISABILITY UPDATE
- ALIVE AND WELL PROJECT UPDATE
- KCERA ELECTION UPDATE
- PHISHING REMINDER PORTAL NOTIFICATION
- PERIODIC COUNTY MEETING UPDATE
- OPERATIONS ACTIVITY
- MEMBER OUTREACH AND EDUCATION
- UPCOMING EVENTS

CHAIR DAVID COUCH HEARD; TRUSTEE JOHN SANDERS HEARD

28. Report from Chief Investment Officer

CHIEF INVESTMENT OFFICER DARYN MILLER REPORTED THE FOLLOWING:

- REBALANCING – JUNE AND JULY ACTIVITY
- POSITIONING – ACTUAL VS. POLICY TARGET
- KEY INITIATIVES
- INVESTMENT COMMITTEE MEETINGS
- DELEGATION
- CLOSED INVESTMENTS

29. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- Q2 2025 METRICS
- LEGISLATIVE CALENDAR
- LEGAL TEAM PROJECTS
- LITIGATION UPDATE

CHAIR DAVID COUCH HEARD

COMMITTEE REPORTS

30. Report from Committee Chairs:
- a. Administrative Committee: SEIBLY – NONE
 - b. Finance Committee: FRANNEY – MEETING TO BE SCHEDULED
 - c. Investment Committee: SANDERS – MEETING ON AUGUST 27, 2025

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

EXECUTIVE SESSION

31. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

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

32. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code § 54956.9. (Number of potential cases: one).

RETURN TO PUBLIC SESSION

BOARD OF RETIREMENT RECONVENED IN PUBLIC SESSION AT 10:47 A.M.

ROLL CALL

To establish quorum present upon resuming public session

Present: Contreras, Couch, Franey, Gill, Hughes, Kaufman, Kratt, Nunneley, Sanders, Seibly, Whitezell

Absent: NONE

REPORT OF EXECUTIVE SESSION ACTIONS, IF APPLICABLE

ITEM 31 – NO REPORTABLE ACTION

ITEM 32 – NO REPORTABLE ACTION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

33. 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 – 10:48 A.M.

Secretary, Board of Retirement

Chair, Board of Retirement

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

11125 River Run Boulevard, Bakersfield, California

SUMMARY OF PROCEEDINGS

**Investment Committee
August 27, 2025**

8:30 a.m.

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

ROLL CALL

Present: Couch, Kaufman, Kratt, Sanders, Whitezell

Absent: None

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

AB 2449 REMOTE APPEARANCE(S)

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

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

MATTERS FOR CONSIDERATION

4. Response to referral regarding Currency/Foreign Exchange management presented by Chief Investment Officer Daryn Miller, Investment Officer Rafael Jimenez, and Investment Consultants Brian Kwan and Scott Whalen, Verus – CHIEF INVESTMENT OFFICER DARYN MILLER HEARD; INVESTMENT OFFICER RAFAEL JIMENEZ HEARD; TRUSTEES DAVID COUCH AND RICK KRATT HEARD; SCOTT WHALEN, VERUS, HEARD

HEARD PRESENTATION

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

5. 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
6. ADJOURNED – 9:05 A.M.

Secretary, Board of Retirement

Chair, Investment Committee



**Kern County Employees' Retirement Association
New Retirees – August 01, 2025 to August 31, 2025**

Employer Name: County Of Kern

Last Name	First Name	Retirement Date	Membership Tier	Department Name
Allbee	Sara	07/26/2025	General Tier I	County Counsel
Beard	Linda	07/12/2025	General Tier I	Aging And Adult Services
Caudle	Jason	07/02/2025	General Tier I	Board Of Supv-District 2
Hamby	William	07/04/2025	General Tier I	District Attorney
Hunt	Steven	07/25/2025	Safety Tier II	Sheriff
Hunt	Karl	07/26/2025	General Tier II	General Services Division
Isbell	Jimmy	07/26/2025	General Tier I	Assessor
Krating	Mary	07/18/2025	General Tier I	Behavioral Health & Reco
Mcarthur	Susan	07/26/2025	General Tier II	Depart Of Public Health
Mercado	Rebecca	07/26/2025	General Tier I	Depart Of Human Services
Raison	Margo	07/05/2025	General Tier I	County Counsel
Rowel	Alden	07/01/2025	Safety Tier I	Probation-Safety
Taylor	Lisa	07/26/2025	General Tier I	Public Works-Public Ways
Wegis	Ryan	07/26/2025	Safety Tier I	Probation-Safety
Yantis	Katherine	07/26/2025	General Tier I	Library



**Kern County Employees' Retirement Association
New Retirees – August 01, 2025 to August 31, 2025**

Employer Name: KC Hospital Authority

Last Name	First Name	Retirement Date	Membership Tier	Department Name
Clouden	Jemma	07/12/2025	General Tier I	Kern County Hospital Authority
Gibbons	Jennifer	07/26/2025	General Tier II	Kern County Hospital Authority
Toussaint	Olga	07/12/2025	General Tier I	Kern County Hospital Authority



**Kern County Employees' Retirement Association
New Retirees – August 01, 2025 to August 31, 2025**

Employer Name: Shafter Rec & Park District

Last Name	First Name	Retirement Date	Membership Tier	Department Name
Stricker	David	07/01/2025	General Tier I	Shafter Recreation & Park District



**Kern County Employees' Retirement Association
Decedents – August 01, 2025 to August 31, 2025**

Pre-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Bonilla	Bryan	General	County Of Kern
Carlsen	Vickie	General	County Of Kern
Lackey	Frances	General	County Of Kern
Murphy	Kimberly	General	County Of Kern

Post-Retirement Deaths

Last Name	First Name	Membership Type	Employer Name
Bryant	Gus	Safety	County Of Kern
Corley	Mary	General	County Of Kern
Cox	Evielee	General	County Of Kern
Etchamendy	Kimberly	General	County Of Kern
Gay	Mark	Safety	County Of Kern
Griffith	Helen	General	KC Superior Court
Hays	Ruth	General	County Of Kern
Hosey	Richard	Safety	County Of Kern
Hurley	Peter	Safety	County Of Kern
Martinson	Julie	General	County Of Kern
Mckenzie	Bill	Safety	County Of Kern
Meeks	David	Safety	County Of Kern
Moore	R	General	County Of Kern
Morse	Hazel	General	County Of Kern
Ramirez	Angelina	General	County Of Kern
Rodriguez	Ysabel	General	County Of Kern
Sharr	Herschel	General	County Of Kern
Taylor	David	General	County Of Kern
Trias	Jeanette	General	County Of Kern
Warren	Mary	General	County Of Kern

KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF AUGUST 31, 2025

NAME	PLAN SPONSOR/ DEPARTMENT	DATE FILED	DATE OF LAST CONTACT
Schefcick, Breanne	FIRE	8/5/2025	8/14/2025
England, Nicole	DEPARTMENT OF HUMAN SERVICES	6/30/2025	7/11/2025
NAME	PLAN SPONSOR/ DEPARTMENT	DATE FILED	MMRO ASSIGNED
Merchant, Sharon	PROBATION	6/17/2025	8/28/2025
Milford Jr., Richard	SHERIFF	6/17/2025	8/28/2025
Mehciz, Joseph	FIRE	5/27/2025	8/18/2025
Blumer, Tony	FIRE	4/25/2025	7/10/2025
Perez Victorio, Monica	PUBLIC WORKS	4/18/2025	7/10/2025
Hansen, David	FIRE	4/2/2025	6/23/2025
Embrey, Lesley Jo	SHERIFF	2/25/2025	5/27/2025
Williams, Eric	FIRE	2/20/2025	5/27/2025
Villarreal, Alicia	DEPARTMENT OF HUMAN SERVICES	2/14/2025	5/14/2025
Brar, Gurpreet	SAN JOAQUIN VALLEY AIR	1/15/2025	4/28/2025
Dobbs, Jacob	SHERIFF	9/4/2024	2/11/2025
Fadel, Jamal	PUBLIC WORKS	5/23/2024	11/27/2024
Mock, Tiffany	SHERIFF	4/30/2024	7/17/2024
Stewart, Emily	DEPARTMENT OF HUMAN SERVICES	4/10/2024	7/2/2024
Miarta, Richard	SHERIFF	2/10/2023	4/25/2023
Cockrell, June	DEPARTMENT OF HUMAN SERVICES	8/11/2022	10/18/2022
Hartley-Anders, Kim	KERN COUNTY SUPERIOR COURT	8/9/2022	11/22/2022
Carrillo, Aaron	SHERIFF	7/15/2022	9/30/2022
Pena, Armando	PROBATION	5/27/2022	9/19/2022
Cano, Emma	BEHAVIORAL HEALTH AND RECOVERY SERVICES	3/17/2022	8/19/2022
Leon, Theresa	DEPARTMENT OF HUMAN SERVICES	7/7/2021	10/18/2021
Sanders-Stubblefield, Misty	AGING AND ADULT SERVICES	2/25/2021	8/20/2021

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS
AS OF AUGUST 31, 2025**

COMPLETED IN 2025			
NAME	DEPARTMENT	FILED	DATE COMPLETED
Gaetzman, Travis	SHERIFF	8/10/2022	1/22/2025
Meeks, Sandra	BEHAVIORAL HEALTH & RECOVERY SERVICES	5/1/2023	1/22/2025
Brazeau, Bradley	FIRE	10/23/2023	1/22/2025
Perez, Manuelita	PROBATION	10/27/2022	2/12/2025
Riel, Elise	SHERIFF	5/9/2024	2/12/2025
Mena, Aaron	FIRE	7/16/2024	2/12/2025
Dunlap, James	SHERIFF	11/1/2022	3/12/2025
Romero, Anthony	FIRE	3/10/2023	3/12/2025
Lindley, Jeffrey	PUBLIC WORKS	12/14/2023	4/9/2025
Beyler, Shawn	PUBLIC WORKS	12/14/2023	4/9/2025
Linch, Valentine	FIRE	7/2/2024	4/9/2025
Wells, Michael	FIRE	2/23/2024	5/7/2025
Sutherland, Darrell	SHERIFF	2/8/2024	5/7/2025
Hill, Sheldon	SHERIFF	5/27/2022	5/7/2025
Harbour, Leslie	SHERIFF	2/6/2023	5/7/2025
McAdoo, John	SHERIFF	2/24/2021	6/11/2025
Fussel, Kathy	KERN COUNTY HOSPITAL AUTHORITY	11/3/2021	6/11/2025
Smith, Clifton	FIRE	8/15/2022	6/11/2025
Gonzalez-Lopez, Rebecca	DEPARTMENT OF HUMAN SERVICES	3/9/2023	6/11/2025
Muniz, Linda	BEHAVIORAL HEALTH & RECOVERY SERVICES	4/6/2023	6/11/2025
Rickels, Adam	SHERIFF	8/11/2023	6/11/2025
Geissel, Zachary	FIRE	2/28/2024	6/11/2025
Chow-Garcia, Arianne	SHERIFF	7/31/2024	6/11/2025
Allen, Paul	SHERIFF	2/22/2023	8/13/2025
Stephan, Daren	PUBLIC WORKS	7/7/2023	8/13/2025
De La Rosa, Alfred	SHERIFF	9/18/2023	8/13/2025
Taylor, Andre	DEPARTMENT OF HUMAN SERVICES	6/20/2024	8/13/2025
Spears-Huckabee, Dustin	SHERIFF	10/1/2024	8/13/2025

**KCERA
STATUS OF DISABILITY RETIREMENT APPLICATIONS: APPEALS
AS OF AUGUST 31, 2025**

ADMINISTRATIVE HEARING						
NAME	DEPARTMENT	DATE FILED	SDAG RECOMMENDATION	APPEAL RECEIVED	HEARING OFFICER SELECTED	STATUS
Norris, David	SHERIFF	5/26/2025	SDAG to deny SCD	7/28/2025	Pending Hearing Officer	Hearing Officer Selection Process
Mariscal, Veronica	RISK MANAGEMENT	12/16/2024	SDAG to deny SCD/ grant NSCD	8/25/2025	Pending Hearing Officer	Hearing Officer Selection Process
Miarta, Erica	SUPERIOR COURT	3/22/2024	SDAG to deny SCD	5/2/2025	5/22/2025	With Hearing Officer
Fulmer, Evon	DEPARTMENT OF HUMAN SERVICES	4/28/2023	SDAG to deny SCD/ grant NSCD	7/30/2025	Pending Hearing Officer	Hearing Officer Selection Process
Lock, Ranna	SHERIFF	2/1/2023	SDAG to deny SCD/ grant NSCD	6/19/2025	Pending Hearing Officer	Hearing Officer Selection Process
Hudson, Richard	SHERIFF	8/8/2022	SDAG to deny SCD	7/22/2024	2/20/2025	With Hearing Officer

WRIT OF MANDATE					
NAME	DEPARTMENT	DATE FILED	BOARD DECISION	PETITION FOR WRIT FILED	STATUS
Bankston, Josh	SHERIFF	2/9/2021	7/30/24	Board Denied Service-Connected Disability on 2/12/2025	Served with Summons

HEARINGS COMPLETED IN 2025				
NAME	DEPARTMENT	DATE FILED	DATE HEARING COMPLETED	BOARD DECISION

SECURITIES LENDING



Summary Earnings Report

Run Time: 08-Aug-2025 14:29 EDT
Date Range: 01-JUL-2025 To 31-JUL-2025
Location: New York
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
KNCTY - Harvest Midstream	CAKE18	27,099,289.83	14,682.27	1,321.40	13,360.86	KNC15
KNCTY - PIMCO Midstream	CAKE19	15,934,524.56	5,659.93	509.39	5,150.54	KNC16
KNCTY PIMCO Core Plus	CAKE07	43,300,697.22	10,135.41	912.19	9,223.22	KNC11
KNCTY PIMCO EMD	CAKE08	2,010,402.98	797.39	71.76	725.62	KNC12
KNTCY - Alliance Bernstein	CAKE15	26,203,534.64	11,514.25	1,036.28	10,477.96	2664130
KNTCY - Aristotle Short Duration	CAKE20	52,285,680.31	17,486.05	1,748.60	15,737.44	KNC21
KNTCY - Geneva	CAKE16	29,153,542.89	9,179.63	826.17	8,353.47	2667336
CCY Total USD:		195,987,672.45	69,454.92	6,425.80	63,029.12	
Grand Total USD:			69,454.92	6,425.80	63,029.12	

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KCERA ASSET ALLOCATION*
7/31/2025

Manager Name	Type	\$(000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) \$(000)
AllianceBernstein	Small Cap Value	68,143	1.0%			
Chilton Capital	Large Cap Core	167,288	2.6%			
Geneva Capital	Small Cap Growth	100,691	1.5%			
Mellon Capital Management EB DV	Large Cap Passive	670,128	10.3%			
PIMCO StockPlus	Large Cap Enhanced	172,100	2.6%			
Total Domestic Equity		\$1,178,350	18.1%	12 - 28%	18.1%	\$1,178,350
American Century	International Small	75,446	1.2%			
Cevian Capital II LP	International Large	53,545	0.8%			
Dalton Japan Long Only	International Small	86,196	1.3%			
Lazard Japanese Equity	International Large	158,981	2.4%			
Mellon DB SL Developed Markets EX U.S. Stock Index	International Large Passive	378,199	5.8%			
Total International Developed Equity		\$752,367	11.6%	5 - 18%	11.6%	\$752,367
ABS Direct Equity	Emerging Markets	79,796	1.2%			
Carrhae Long Only	Emerging Markets	70,000	1.1%			
DFA Emerging Markets Value Portfolio	Emerging Markets	62,995	1.0%			
Mellon Emerging Markets	Emerging Markets	24,075	0.4%			
Total Emerging Market Equity		\$236,866	3.6%	0 - 9%	3.6%	\$236,866
TOTAL EQUITY		\$2,167,583	33.4%	33.0%	0.4%	\$23,699
Aristotle Pacific Capital, LLC	Core	257,096	4.0%			
Mellon Capital Management Ag Bond	Core	139,425	2.1%			
PIMCO CP	Core Plus	183,296	2.8%			
Total Core		\$579,817	8.9%	15.0%	(6.1%)	(\$394,676)
Guggenheim Securitized Products	Credit	160,968	2.5%			
KKR US Broadly Syndicated Loan Fund	Credit	169,173	2.6%			
PIMCO EM Beta	Emerging Markets	166,702	2.6%			
Schroders Securitized Products	Credit	155,961	2.4%			
Western Asset Management - HY	High Yield	692	0.0%			
Total Credit		\$653,496	10.1%	10.0%	0.1%	\$3,834
TOTAL FIXED INCOME		\$1,233,313	19.0%	25.0%	(6.0%)	(\$390,842)
Wellington Trust Company (WTC)	Active	250,567	3.9%			
TOTAL COMMODITIES		\$250,567	3.9%	4.0%	(0.1%)	(\$9,298)
Aristeia International Ltd	Hedge Fund - Direct	80,475	1.2%			
Brevan Howard Fund Limited	Hedge Fund - Direct	59,503	0.9%			
D.E. Shaw Composite Fund	Hedge Fund - Direct	70,455	1.1%			
Elliott Associates, LP	Hedge Fund - Direct	49,280	0.8%			
HBK Multi-Strategy Fund	Hedge Fund - Direct	53,209	0.8%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	86,481	1.3%			
Indus Pacific Opportunities Fund	Hedge Fund - Direct	55,511	0.9%			
PIMCO Commodity Alpha Fund LLC	Hedge Fund - Direct	76,345	1.2%			
Pharo Macro Fund LTD	Hedge Fund - Direct	82,461	1.3%			
Sculptor Enhanced Domestic Partners LP	Hedge Fund - Direct	643	0.0%			
TOTAL HEDGE FUND		\$614,363	9.5%	10.0%	(0.5%)	(\$35,299)
Davidson Kempner	Hedge Fund - Direct	55,923	0.9%			
Garda Fixed Income	Hedge Fund - Direct	43,171	0.7%			
HBK Alpha Pool	Hedge Fund - Direct	20,511	0.3%			
Hudson Bay Enhanced Fund LP	Hedge Fund - Direct	39,579	0.6%			
TOTAL CE ALPHA POOL		\$159,184	2.5%	4.0%	(1.5%)	(\$100,681)
Harvest Midstream	Midstream	190,865	2.9%			
PIMCO Midstream	Midstream	118,953	1.8%			
TOTAL MIDSTREAM ENERGY		\$309,818	4.8%	5.0%	(0.2%)	(\$15,013)
ASB Capital Management	Core	115,790	1.8%			
Blue Owl Real Estate Fund VI	Core	29,222	0.4%			
BPC Real Estate Debt Fund LP	Core	11,770	0.2%			
Hudson Bay Real Estate Opportunities Fund	Core	28,183	0.4%			
JPMCB Strategic Property Fund	Core	91,994	1.4%			
Sculptor DREIT Inc-Issuance of Founders Class	Core	48,016	0.7%			
TPG AG Essential Housing Fund III	Core	20,422	0.3%			
TOTAL CORE REAL ESTATE		\$345,397	5.3%	5.0%	0.3%	\$20,566
Aristeia Select Opportunities II LP	Opportunistic	58,978	0.9%			
Pharo Opportunities Fund SPC	Opportunistic	11,852	0.2%			
Hudson Bay Special Opportunities Fund	Opportunistic	5,510	0.1%			
River Birch International Ltd	Opportunistic	366	0.0%			
Sixth Street TAO Partners (D)	Opportunistic	84,311	1.3%			
TOTAL OPPORTUNISTIC		\$161,017	2.5%	0.0%	2.5%	\$161,017
Northern Trust STIF	Short Term	81,922	1.3%			
BlackRock Short Duration	Short Term	117,109	1.8%			
Parametric	Overlay	16,634	0.3%			
Treasurers Pooled Cash	Short Term	12,559	0.2%			
Wells Fargo Bank	Short Term	6,054	0.1%			
TOTAL CASH AND OVERLAY		\$234,278	3.6%	-4.0%	7.6%	\$494,143
Transition Accounts	Liquidation	344	0.0%			
Other		\$344	0.0%	0.0%	0.0%	\$344
TOTAL PRIVATE EQUITY ***		\$351,756	5.4%	5.0%	0.4%	\$26,925
TOTAL PRIVATE CREDIT ***		\$411,812	6.3%	8.0%	(1.7%)	(\$107,917)
TOTAL PRIVATE REAL ASSETS ***		\$257,189	4.0%	5.0%	(1.0%)	(\$67,642)
As Allocated to Managers **		\$6,496,620	100.0%	100.0%	0.0%	\$0

*This report reflects the strategic asset allocation policy adopted by the Board of Retirement May 2024.

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

*** See second page of the report for account details.

KCERA ASSET ALLOCATION*
7/31/2025

Manager Name	Type	\$(000)	Current Allocation	Target Percentage	Variance Over Target (Under Target)	Variance Over Target (Under Target) \$(000)			
Abbott Capital Funds	Private Equity Fund of Funds	9,942	0.2%	Private Equity Range 0.0% - 10.0%					
Accel-KKR Capital Partners VII	Private Equity	1,296	0.0%						
Blue Owl Strategic Equity Partners	Private Equity	5,226	0.1%						
Brighton Park Capital Fund I & Fund II	Private Equity	56,514	0.9%						
Level Equity Growth Partners V & Fund 2021	Private Equity	27,645	0.4%						
LGT Crown Global V & VI	Private Equity	48,425	0.7%						
Linden Capital Partners V & Co-Investment	Private Equity	33,606	0.5%						
Longreach CAP Partners IV-JPY	Private Equity	3,756	0.1%						
OrbiMed Private Investments IX	Private Equity	4,154	0.1%						
Pantheon Funds	Private Equity Fund of Funds	4,256	0.1%						
Parthenon Investors VII	Private Equity	6,563	0.1%						
Peak Rock III	Private Equity	28,780	0.4%						
Rubicon Technology Partners IV	Private Equity	15,295	0.2%						
Vista Foundation Fund IV	Private Equity	24,271	0.4%						
Warren Equity Partners Fund III, Fund IV, Co-Investment	Private Equity	82,027	1.3%						
TOTAL PRIVATE EQUITY		\$351,756	5.4%				5.0%	0.4%	\$26,925
Ares Pathfinder Fund II	Private Credit	11,463	0.2%				Private Credit Range 0.0% - 13.0%		
Ares Senior Direct Lending III	Private Credit	7,958	0.1%						
Blue Torch Credit Opportunities II, Fund III & Fund IV	Private Credit	50,272	0.8%						
Brookfield Real Estate Finance Fund V	Private Credit	5,588	0.1%						
Castlelake Aviation V Stable Yield, LP	Private Credit	4,188	0.1%						
Cerberus Levered Loan Opportunities Fund V LP	Private Credit	24,848	0.4%						
Colony Distressed Credit Fund	Private Credit	16,673	0.3%						
Fortress Credit Opportunities Fund V Exp and Fund VI	Private Credit	43,116	0.7%						
Fortress Lending Fund II (A) & Fund III (A)	Private Credit	40,792	0.6%						
H.I.G Bayside Loan Opportunity Fund V	Private Credit	39,935	0.6%						
HPS Special Situations Opportunity Fund II	Private Credit	9,761	0.2%						
ITE Rail Fund LP	Private Credit	40,611	0.6%						
Magnetar Constellation Fund V	Private Credit	10,102	0.2%						
Oak Hill Advisors Structured Products Fund III LP	Private Credit	18,164	0.3%						
OrbiMed Royalty & Credit Opportunities IV	Private Credit	16,683	0.3%						
Quantum Capital Solutions II & Co-investment	Private Credit	10,060	0.2%						
Silver Point Specialty Credit Fund III	Private Credit	11,836	0.2%						
Sixth Street TAO Partners (B)	Private Credit	49,761	0.8%						
TOTAL PRIVATE CREDIT		\$411,811	6.3%	8.0%	(1.7%)	(\$107,919)			
Covenant Apartment Fund X, Fund XI & Fund XII	Private Real Assets	57,578	0.9%	Private Real Estate Range 0.0% - 10.0%					
Invesco Real Estate Funds III & IV	Private Real Assets	138	0.0%						
Juniper Capital IV LP & Co-Investment	Private Real Assets	11,525	0.2%						
KSL Capital Partners VI, LP	Private Real Assets	7,906	0.1%						
LBA Logistics Value Fund IX	Private Real Assets	24,641	0.4%						
Landmark Real Estate Partners VIII & IX & Project Yeti	Private Real Assets	56,087	0.9%						
Long Wharf Real Estate Partners VI	Private Real Assets	33,849	0.5%						
Merit Hill Self-Storage V, LP	Private Real Assets	21,885	0.3%						
Post Oak Energy Partners V, LP	Private Real Assets	20,420	0.3%						
Sculptor Real Estate Fund V LP	Private Real Assets	1,397	0.0%						
Singerman Real Estate Opportunity Fund IV	Private Real Assets	21,762	0.3%						
TOTAL PRIVATE REAL ASSETS		\$257,188	4.0%	5.0%	(1.0%)	(\$67,643)			
TOTAL PRIVATE MARKETS		\$1,020,755	15.7%	18.0%	(2.3%)	(\$148,636)			

KCERA
Operating Expense Budget Status Report
For the Month Ended July 31, 2025

Expense Type	Budget FY 2025/26	Expenses	Over (Under)
Personnel Costs			
Salaries	5,184,129	380,298	(4,803,831)
Benefits	2,918,170	202,881	(2,715,289)
Total Personnel Costs	8,102,299	583,179	(7,519,120)
Staff Development			
Education & professional development	147,000	19,952	(127,048)
Staff recognition	5,200	-	(5,200)
Total Staff Development	152,200	19,952	(132,248)
Professional Services			
Actuarial fees	157,250	-	(157,250)
Audit fees	53,300	-	(53,300)
Consultant fees	90,000	579	(89,421)
Custodial fees	562,000	-	
Disability services	250,000	-	(250,000)
Investment consultants	1,602,950	195,661	(1,407,289)
Legal fees	465,000	-	(465,000)
Total Professional Services *	3,180,500	196,240	(2,422,260)
Office Expenses			
Building expenses	232,000	7,350	(224,650)
Communication platforms	60,939	4,319	(56,620)
Equipment lease & maintenance	25,100	1,421	(23,679)
Member engagement	50,000	-	(50,000)
Subscriptions & memberships	36,200	5,815	(30,385)
Office supplies & misc. admin.	83,700	23,165	(60,535)
Payroll & accounts payable fees	25,000	-	(25,000)
Postage	30,000	1,327	(28,673)
Other services - Kern County	40,000	-	(40,000)
Utilities	37,980	417	(37,563)
Total Office Expenses	620,919	43,814	(577,107)
Insurance	199,594	80,656	(118,938)
Information Technology Systems			
Audit-security & vulnerability scan	4,000	-	(4,000)
Business continuity expenses	10,000	-	(10,000)
Hardware	51,114	7,018	(44,096)
Licensing & support	288,158	23,119	(265,039)
Software	356,243	140,845	(215,398)
Website design & hosting	19,200	4,285	(14,915)
Total Information Technology Systems	728,715	175,267	(553,448)
Board of Retirement			
Board compensation	16,000	-	(16,000)
Board conferences & training	50,000	8,332	(41,668)
Board elections	112,500	-	(112,500)
Board meetings	8,500	39	(8,461)
Total Board of Retirement	187,000	8,371	(178,630)
Depreciation	245,954	20,496	(225,458)
Total Operating Expenses	13,417,181	1,127,975	(11,727,208)

**KCERA
CASH FLOW POSITION
July, 2025**

TREASURERS POOLED CASH

Beginning Cash Balance:		\$	26,995,935
Contributions	38,350,657		
Miscellaneous	919		
Total Receipts:			38,351,576
Operating Expenses	(540,849)		
Transfers-out	(45,000,000)		
Total Disbursements:			<u>(45,540,849)</u>
Ending Cash Balance:			<u><u>19,806,661</u></u>

WELLS FARGO BANK

Beginning Cash Balance		\$	40,950,962
Contributions	46,491.21		
Transfer In Northern Trust	-		
Transfer In TPC - County	45,000,000		
ACH Returns / Deletes	62,751		
Total Receipts:			45,109,242
Operating Expenses	(47,472)		
Investment Expenses	(1,709,282)		
ACH Benefit Payments	(34,151,953)		
Total Checks Paid	(630,071)		
Taxes Withholding Deposits	(4,967,851)		
Bank Services	(32)		
Transfers Out Northern Trust	(38,500,000)		
Total Disbursements:			<u>(80,006,662)</u>
WFB ending Balance		\$	<u><u>6,053,542</u></u>

**KCERA
CASH FLOW POSITION
July, 2025**

NORTHERN TRUST

Beginning Cash Balance:		\$	89,884,712
Private Markets - Distributions	9,937,289		
Commingled Funds - Distributions	9,100,708		
Hedge Funds - Distributions	4,391,767		
Redemption TCW	91,041,157		
Redemption ASB	792,139		
Redemption Sculptor Domestic Partners II	31,511,951		
Transfer from WFB	38,500,000		
Dividend and Interest Income	1,428,131		
Class Action Proceeds	15		
Securities Lending Earnings (NET)	64,395		
Total Receipts:			186,767,553
Capital Calls Private Markets	(28,164,893)		
Capital Calls Hedge Funds	(12,761,594)		
Contribution Guggenheim	(60,000,000)		
Contribution Wellington	(122,437,984)		
Other Expenses	(8,765)		
Transfers-out - WFB	-		
Total Disbursements:			<u>(223,373,235)</u>
Ending Cash Balance:		\$	<u>53,279,029</u>

**KERN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT FEES CASH FLOW REPORT
FOR THE MONTH ENDED July 31, 2025**

Description	July	Total
Investment Base Fees:		
Domestic Equity:		
AllianceBernstein	57,598.30	57,598.30
Henderson Geneva Capital	189,429.00	189,429.00
Mellon Capital	42,127.47	42,127.47
International Equity:		
Lazard	120,362.24	120,362.24
Fixed Income:		
Aristotle Pacific Capital, LLC	38,798.00	38,798.00
Mellon Capital (Agg Bond)	16,602.26	16,602.26
Pacific Investment Management Company	359,485.30	359,485.30
Western Asset Management	0.00	0.00
Commodities:		
Wellington Trust Company	0.00	0.00
Real Estate:		
ASB Capital Management	0.00	0.00
Midstream Energy:		
Harvest Midstream	336,364.88	336,364.88
Cash & Overlay		
BlackRock	70,177.41	70,177.41
Parametric	0.00	0.00
Subtotal	1,230,944.86	1,230,944.86
Investment Professional Fees:		
Consulting:		
Abel Noser	0.00	0.00
Albourne America LLC	33,333.33	33,333.33
Cambridge Associates	187,500.00	187,500.00
Glass, Lewis & Co.	7,950.00	7,950.00
Verus	68,333.34	68,333.34
Consulting - Other Expenses	0.00	0.00
Custodial:		
The Northern Trust Co.	131,633.33	131,633.33
Legal:		
Foley & Lardner LLP	0.00	0.00
Hanson Bridgett LLP	0.00	0.00
Nossaman LLP	40,000.00	40,000.00
Due Diligence / Investment-Related Travel:	9,587.45	9,587.45
Subtotal	478,337.45	478,337.45
Total Investment Fees	1,709,282.31	1,709,282.31



SPECIAL PAY CODE CLASSIFICATIONS

SPECIAL PAY CODES – PENSIONABLE AND NON-PENSIONABLE

Dept./BU	Code	Title	Details	Legal Authority
SEIU	TK	<p>Tower Climber/ Rescuer Cert pay</p> <p>INCLUDED FOR LEGACY MEMBERS</p> <p>EXCLUDED FOR PEPRA MEMBERS</p>	<p>Climber/Rescuer Certification Pay. “Bi-weekly certification pay in the amount of 5% of bi-weekly base salary shall be paid to all employees occupying a permanent County position in the following classifications, provided the employee possesses and maintains a certification as a Tower Climber/ Rescuer: Communications Technician Senior Communications Technician”</p> <p>SEIU Local 521 MOU 7/1/2024 – 6/30/2026</p>	<p><i>Excluded from pensionable compensation by Cal. Gov. Code, §§ 7522.34(a) and (c)(7).</i></p> <p><i>Not excluded from compensation earnable by Cal. Gov. Code section 31461.</i></p>

THE FOLLOWING SPECIAL ALLOWANCE DESIGNATIONS DISPLAY THE SPECIAL ALLOWANCES CLASSIFIED BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO KCERA BOARD'S ADMINISTRATION OF SPECIAL ALLOWANCES POLICY & CA SUPREME COURT ALAMEDA DECISION (7/30/2020)

COMPENSATION EARNABLE

THE FOLLOWING SPECIAL ALLOWANCES ARE CONSIDERED COMPENSATION EARNABLE FOR APPLICABLE MEMBERS (MEMBERSHIP BEFORE 1/1/2013).

<u>SPECIAL ALLOWANCE</u>	
<u>CODE</u>	<u>FULL LEGEND</u>
TK	TOWER CLIMBER/ RESCUER CERT PAY

PENSIONABLE COMPENSATION

THE FOLLOWING SPECIAL ALLOWANCES ARE NOT CONSIDERED PENSIONABLE COMPENSATION FOR APPLICABLE MEMBERS (MEMBERSHIP ON OR AFTER 1/1/2013).

<u>SPECIAL ALLOWANCE</u>	
<u>CODE</u>	<u>FULL LEGEND</u>
TK	TOWER CLIMBER/ RESCUER CERT PAY



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Kern County Employees' Retirement Association
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Date: September 10, 2025
To: Trustees, Board of Retirement
From: Dominic D. Brown, Chief Executive Officer



Subject: **NCPERS 2025 Public Pension HR Summit**
Philadelphia, Pennsylvania
September 24-26, 2025

I have attached information concerning the above-captioned meeting, as follows:

- Agenda and supporting information on the pertinence and relevance of the following staff attendance – Administrative Services Officer Aimee Morton
- Specific information as to whether staff 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. Therefore, it is recommended that your Board receive and file.

Attachments



National Conference on Public Employee Retirement Systems

The Voice for Public Pensions

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[Home](#) > [Education](#) > [Public Pension HR Summit](#) > [HR Summit Agenda](#)

[Print Page](#)

HR Summit Agenda

2025 FINAL AGENDA

As of 8/8/25

WEDNESDAY, SEPTEMBER 24

- 2:00 PM–6:00 PM **REGISTRATION**
- 3:00 PM–5:00 PM **GENERAL SESSION**
- 3:00 PM–3:15 PM *Welcome Remarks*
Hank Kim, NCPERS

3:15 PM–4:00 PM

Introductions & Insights

Kick off the event in style! This interactive session is your chance to introduce yourself and share your expectations for the Summit. Connect with fellow attendees, spark conversations, and set the stage for meaningful discussions ahead.

4:00 PM–5:30 PM

Reality Check: An HR Open Forum on Local Disruptions and Global Risk

No script. No filter. Just a real conversation for HR professionals navigating today's storm—ICE raids, political unrest, layoffs, economic strain, Return to the office shifts, and the rising threat of war in the Middle East.

In a time of uncertainty and change, HR is being called to lead with steadiness, empathy, and compassion. Join us to share experiences, ask tough questions, and build practical strategies for supporting your people—and yourself—through disruption at every level.

FACILITATOR

Steve Edwards, Steven Edwards Consulting

6:00 PM–7:30 PM

WELCOME RECEPTION**THURSDAY, SEPTEMBER 25**

7:00 AM–5:00 PM

REGISTRATION

7:00 AM–8:00 AM

BREAKFAST

8:00 AM–5:00 PM

GENERAL SESSION

8:00 AM–9 :30 AM

Fireside Chat with Pension Plan CEOs: Leadership, Challenges & the Future

Join us for an exclusive fireside chat with top pension plan CEOs as they share insights on leadership, the evolving pension landscape, and the challenges shaping the industry. This candid conversation will explore how CEOs are navigating economic uncertainties, regulatory shifts, workforce expectations, and investment strategies. Gain firsthand perspectives on what's ahead for pension plans and how leadership decisions are driving innovation and long-term sustainability.

MODERATOR

Shunne Powell, Chief Organizational Excellence Officer, Teacher Retirement System of Texas

SPEAKERS

Brian Guthrie, Executive Director, Teachers Retirement System of Texas

Andrew Roth, Executive Director, Colorado Public Employees Retirement Association (COPERA)

Kevin Lindahl, Executive Director, Fire & Police Pension Association of Colorado (FPPA)

9:30 AM–10:15 AM

AI & HR in Public Pensions: What's Changing and What You Need to Know

Artificial Intelligence is rapidly reshaping the workplace and HR teams in public pension systems are no exception. From talent acquisition and workforce planning to employee engagement and policy compliance, AI is showing up in both subtle and transformative ways. This session will explore how public pension organizations are beginning to adopt AI tools to support HR functions and improve decision-making. The speakers will examine practical use cases, such as AI-driven recruitment platforms, predictive analytics for workforce trends, and automated tools for handling routine HR requests. The ethical, legal, and privacy considerations that are especially relevant in the public sector will also be discussed.

SPEAKERS

Madison Rose, Consultant, Linea Solutions

Michael Venezia, Vice President and Senior Consultant, Segal

Adam Franklin, General Counsel, Fire and Police Pension Association of Colorado

10:15 AM–10:30 AM

REFRESHMENT BREAK

10:30 AM–11:15 AM *Psychological Safety at Work: Building a Culture Where People Can Speak Up and Thrive*

In today's workplace, psychological safety is more than a buzzword—it's a critical factor in team performance, innovation, and employee well-being. This session explores how HR leaders can foster environments where employees feel safe to voice ideas, ask questions, and raise concerns without fear of embarrassment or retaliation. We'll look at the role of leadership, communication, and inclusive practices in shaping a culture of trust and respect. Attendees will leave with actionable strategies for assessing psychological safety in their organizations and practical tools to support open dialogue, reduce fear-based behaviors, and promote engagement across all levels of staff.

MODERATOR

Nichole Hemming, Chief Human Resources Officer, State Universities Retirement System

SPEAKER

Dr. Cris Tietsort, Professor of Communication, University of Denver

11:15 AM–12:00 PM *Hot Topics Breakout I*

Join your colleagues for a dynamic round of focused, small-group conversations designed to tap into collective experience, spark new ideas, and address the pressing challenges facing HR teams today. Lead by a facilitator, this session will focus on two specific subject areas providing a space to explore what's working, what's changing, and what's ahead.

Potential topics include:

- Strategies for implementing AI in HR workflows
- Generations in the Workforce, How to Recruit & Retain
- HR Tech Projects

12:00 PM–12:45 PM *Hot Topics Report Back*

Group reports back on the key discussions and insights from our recent roundtable discussions.

FACILITATOR

Steve Edwards, Steven Edwards Consulting

12:45 PM–1:45 PM **NETWORKING LUNCH**

2:00 PM–2:45 PM

The Art of Pivoting

Life is a pivot. Regardless of your background, profession, ethnicity, or religion, we all have to adjust to the unexpected roller coaster ride we call life. In this session Cornell Thomas will be discussing how to pivot during adversity by using the most powerful weapon human beings possess to combat these uncertain times, which is our minds. Cornell will share his own personal story of adversity that started at a very young age, and how he was able to turn his perceived disadvantages in life into an advantage.

SPEAKER

Cornell Thomas, Author

2:45 PM–3:30 PM

Hot Topics Breakout II

Lead by a facilitator, this session will focus on two specific subject areas providing a space to explore what's working, what's changing, and what's ahead.

Potential topics include:

- Employee Engagement
- New employment laws under new administration
- Remote and Hybrid Workforce Management
- Succession Planning & Knowledge Transfer

3:30 PM–3:45 PM

REFRESHMENT BREAK

3:45 PM–4:30 PM

Hot Topic Report Back

Group reports back on the key discussions and insights from our recent roundtable discussions.

FACILITATOR

Steve Edwards, Steven Edwards Consulting

4:30 PM–5:30 PM

Eunmi's Sound Healing (Traditional Sound Bath Experience)

Rooted in traditional Korean Buddhist yoga practices, Eunmi's teaching style blends instinctive wisdom with modern techniques, guiding you on a path of self-discovery and well-being.

6:00 PM–8:30 PM

NETWORKING RECEPTION & DINNER**FRIDAY, SEPTEMBER 26**

7:00 AM–12:00 PM **REGISTRATION**

7:00 AM–8:00 AM **BREAKFAST**

8:00 AM–12:00 PM **GENERAL SESSION III**

8:00 AM–8:45 AM *Latest Developments in Workforce Laws, Regulations, and Litigation*

This session will cover recent legal and regulatory updates affecting public sector HR professionals.

SPEAKER

Neil Reichenberg, former executive director of the International Public Management Association for Human Resources

8:45 AM– 9:30 AM *Keeping Pace in a Competitive Labor Market*

This session will highlight key strategies undertaken by the Commonwealth of Pennsylvania to recruit and retain qualified talent in a highly competitive labor market and how it is meeting the current moment to tap the influx of federal workers transitioning to new career opportunities. The presentation will provide overviews of several strategies, how they were implemented, and their results to date. Attendees will gain a better understanding of how their organizations can replicate Pennsylvania's success to help them address workforce gaps and support long-term organizational goals.

MODERATOR

Stacey Barnier, Chief Human Resources Officer, San Bernardino County Employees' Retirement Association (SBCERA)

SPEAKER

The Honorable Neil Weaver, Secretary, Office of Administration, Commonwealth of Pennsylvania

9:30 AM–10:15 AM *Hot Topics Breakout III*

Lead by a facilitator, this session will focus on two specific subject areas providing a space to explore what's working, what's changing, and what's ahead.

Potential topics include:

- Leadership Communication & Feedback
- Change Management and Organizational Agility
- Defining Workplace Happiness & Burnout
- Servant Leadership

10:15 AM–10:30 AM REFRESHMENT BREAK**10:30 AM–11:15 AM *Hot Topic Report Back***

Group reports back on the key discussions and insights from our recent roundtable discussions.

FACILITATOR

Steve Edwards, Steven Edwards Consulting

11:15 AM–12:00 PM *NCPERS 2025 Compensation Survey Report*

Get a sneak peek at the results of the 2025 Public Pension Compensation Survey. The survey, conducted annually by NCPERS and CBIZ, captures compensation data on 90 common positions found at public pension funds, as well as details on benefits, fund oversight, salary increase planning, and bonuses.

SPEAKERS

Joe Rice, CBIZ

Matthew Eckel, NCPERS

11:45 AM–12:00 PM CLOSING REMARKS

CONTINUING EDUCATION (CE) HOURS

Attendees of the Public Pension HR Summit will earn up to **12 Professional Development Credits (PDCs)** toward their SHRM-CP® or SHRM-SCP® recertification. By attending the Public Pension HR Summit, you can earn up to **12 Continuing Education (CE) hours** toward your Accredited Fiduciary (AF) recertification and/or state-mandated continuing education requirements.

NCPERS is accredited by the State Pension Review Board as a Minimum Educational Training (MET) sponsor for Texas public retirement systems. This accreditation does not constitute an endorsement by the Board regarding the quality of the MET program.



The National Conference on Public Employee Retirement Systems (NCPERS) is officially recognized by SHRM to offer Professional Development Credits (PDCs) for SHRM-CP® and SHRM-SCP® recertification activities.

Travel Subject	NCPERS 2025 Public Pension HR Summit
Sponsor	NCPERS
Date(s)	September 24-26, 2025
Location	Philadelphia, Pennsylvania
Proposed Attendee(s)	Aimee Morton
Estimated Total Travel Cost	\$2,994.81

Description	Computation		Morton	Totals	Borne By	
					KCERA	Sponsor
Registration fees	\$800.00	=	800.00	800.00	800.00	
Lodging expense	3 nights @ \$ 347.95 /night	=	1,043.84	1,043.84	1,043.84	
Per diem meals reimbursement:	4 days @ \$ 92.00 /day	=	368.00			
Less meals provided by sponsor	2 Breakfast, 1 Lunch, 1 Dinner = \$110.00	=	(\$110.00)			\$110.00
Total meals expense		=		368.00	258.00	
Rideshare expense	Rideshare Estimate	=	150.00	150.00	150.00	
Airfare	\$742.97	=	\$742.97	\$742.97	742.97	
Vehicle-related expenses:		=	-	-	-	
Parking	days @ _____ /day	=	-	-	-	
Mileage	miles @ 0.410 /mile (Department Head)	=	-	-	-	
	miles @ 0.700 /mile (Staff, Trustee)	=	-	-	-	
Rental car		=	-	-	-	
Rental car gasoline		=	-	-	-	
Totals		=	2,994.81	\$ 3,104.81	\$ 2,994.81	\$ 110.00



**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**



PERIOD ENDING: JUNE 30, 2025

Investment Performance Review for

Kern County Employees' Retirement Association

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LOS ANGELES 310.297.1777

SAN FRANCISCO 415.362.3484

Investment Landscape

TAB I

Investment Performance
Review

TAB II

A large, semi-transparent geometric pattern of interconnected triangles in shades of blue and green is overlaid on the left side of the image. A prominent white triangle with a blue base is positioned to the left of the main text.

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

**3RD QUARTER 2025
Investment Landscape**

Verus business update

Since our last Investment Landscape webinar:

- Verus hired Carlos Garcia as Accounting Specialist, and three new employees to join the Investment Analytics Team: Jonathan Verceles, Zander Richens, and Nick Utgard.
- Verus promoted Kelli Barkov to Business Operations Director, Anneke Meulblok to Business Operations Manager, Joe Ratliffe to Consulting Associate, and Nico Caballero to Private Markets Research Analyst.
- The 2025 Real Assets Outlook was released.
- Recent research, found at verusinvestments.com/research:
 - *State of the Core Real Estate Fund Universe*
 - *LDI for Public Sponsors*
 - *So, What Now?*
 - *This Matters, and This Doesn't*

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Economic environment 9

Fixed income rates & credit 20

Equity 25

Other assets 36

Appendix 40

Recent Verus research

Visit: verusinvestments.com/research

Thought leadership

STATE OF THE CORE REAL ESTATE FUND UNIVERSE

Verus addresses the state of the core real estate fund universe. Discussion includes the mixed fundamental conditions facing the asset class and the heavy redemption queues that continue to challenge certain funds and frustrate investors who are seeking liquidity.

SO, WHAT NOW?

Our CIO examines the current market environment after global tariffs are released by the U.S. government.

LDI FOR PUBLIC SPONSORS

We explore the dichotomy in LDI adoption between sponsor types. We discuss the characteristics of pension plans that make LDI strategies beneficial. We assess the current environment, to illustrate why LDI may appear relatively attractive today.

THIS MATTERS, AND THIS DOESN'T

We offer a few perspectives regarding what we watch out for to acknowledge or even avoid biases where possible. Deciding what matters most to the portfolio by ensuring a balanced set of information sources, keeping a watchful eye for biases and carefully thinking about incentives, and also determining what doesn't matter.

2nd quarter summary

THE ECONOMY

- Real GDP growth beat expectations in Q2, coming in at 3.0% quarter-over-quarter annualized (2.0% year-over-year) relative to expectations for a growth number in the mid-2s. This report was welcome news to investors and served as further evidence that the economy is moving along at a moderate pace, rather than slowing abruptly. Calendar year 2025 growth will likely be much milder than the surprising strength shown during 2024.
- U.S. inflation remained sticky and above the Fed's target, rising from 2.4% to 2.7%. There is evidence of price increases across particular items such as televisions, auto parts, and medical equipment, but these rises so far are not large enough to materially lift the overall inflation rate. Some broad inflation categories such as 'apparel' and 'new automobiles' have fallen in price since March.

EQUITY

- If U.S. businesses mostly choose to absorb the cost of tariffs rather than hike prices, that would be good for inflation. But this scenario would be damaging to corporate earnings as tariffs hit profit margins. Year-over-year Q2 S&P 500 earnings growth is expected to be +5.6%, according to FactSet as of July 11th. This would mark the weakest growth rate since Q4 2023. Earnings growth is expected to ramp up in the coming quarters, with +9.3% growth for calendar year 2025, according to FactSet.

FIXED INCOME

- The 10-year U.S. Treasury yield ended Q2 relatively unchanged at 4.23%. Shorter-term bond yields came down slightly, contributing to a positive return on short- and medium-term Treasury bonds.
- Credit spreads widened in April following tariff "Liberation Day", but quickly rebounded after delays, progress regarding negotiations, and muted economic impacts helped improve the outlook. Despite widening by nearly 1% in April, high yield bond spreads ended the quarter tighter by 56bps at 2.96%. Investment grade spreads similarly tightened, ending the quarter at 0.88%. These levels are extremely tight relative to history.

ASSET ALLOCATION ISSUES

- Regional equity markets delivered similar returns. U.S. investors experienced substantial underperformance from domestic equities. However, most of this underperformance was a product of changes in U.S. dollar value, rather than differences in returns between domestic and non-U.S. equity. Depreciation in the dollar resulted in large currency gains for unhedged investors.
- Market-priced volatility spiked above 50 to extreme levels in early April as trade policies shocked markets and led to fears of a trade slowdown and global recession. Bilateral de-escalation of tariffs has eased market volatility, as well as announcements of new trade agreements.

The U.S. job market, household spending, and business investment have remained fairly resilient

Surprisingly strong economic data suggests the likelihood of recession is low

What drove the market in Q2?

“The stock market is on the verge of an all-time record”

S&P 500						
Jan 1 st	Feb 1 st	Mar 1 st	Apr 8 th	May 1 st	June 1 st	July 1 st
5868	5994	5849	4982	5604	5935	6198

Article Source: CNN, June 25th, 2025 (April 8th shown as this was the market bottom)

“Israel-Iran Ceasefire Holds, Offering Hope...”

WTI Crude Oil					
April 1 st	April 30 th	May 15 th	May 30 th	June 20 th	June 30 th
\$71.2	\$58.2	\$61.6	\$60.8	\$73.8	\$65.1

Article Source: CBS News, June 25th, 2025

“Dollar drops on Middle East optimism, Euro highest since 2021”

Euro/USD Exchange Rate					
Jan '25	Feb '25	Mar '25	Apr '25	May '25	Jun '25
1.04	1.04	1.08	1.14	1.14	1.18

Article Source: Reuters, June 24th, 2025

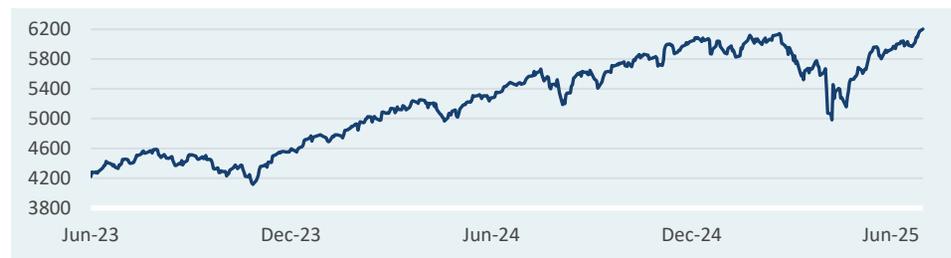
“Trump announces sweeping new tariffs to promote U.S. manufacturing, risking inflation and trade wars”

Average U.S. Tariff Rate					
2000	2005	2010	2015	2020	2025*
2.1%	1.8%	1.8%	1.7%	1.5%	15.6%

Article Source: Associated Press, April 3rd, 2025

*Yale Budget Lab estimate of tariff rate as of June 1st if tariff policy were to be held perpetually

U.S. EQUITY PERFORMANCE



Source: Standard & Poor's, as of 6/30/25

OIL PRICE (WTI CRUDE BBL)



Source: Bloomberg, as of 6/30/25

U.S. DOLLAR VALUE



Source: Bloomberg, as of 6/30/25

Economic environment

U.S. economics summary

- Real GDP growth beat expectations in Q2, coming in at 3.0% QoQ annualized (2.0% YoY) relative to expectations for a growth number in the mid-2s. This report was welcome news to investors and served as further evidence that the economy is moving along at a moderate pace, rather than slowing abruptly. Calendar year 2025 growth will likely be much milder than the surprising strength shown during 2024.
- There has been growing evidence that many worst case scenarios regarding tariffs and trade are unlikely to materialize. U.S. GDP growth rebounded strongly, the job market remains resilient, consumer spending growth is positive, and both business and household sentiment is improving. Inflation levels have fallen rather than risen, although uncertainty exists around how tariffs will impact everyday prices.
- The rate of unemployment fell to 4.1% in June, alongside a jobs report that beat expectations by a wide margin (147,000 vs. 117,500 expected). Weekly jobless claims activity has been very low (the number of individuals who newly filed for unemployment benefits).
- The Federal Reserve kept rates steady again in June at a target range of 4.25%-4.50%, expressing concerns about possible inflationary impacts of tariffs. Chair Jerome Powell at the meeting said that policymakers are “well positioned to wait” and that there are few signs of economic weakening.
- Inflation was sticky and above the Fed’s target during Q2, rising from 2.4% to 2.7%. Excluding food and energy prices, inflation held steady at 2.9% in June relative to 2.8% in March. So far, there is some evidence of tariff-driven inflation but not enough to lift the overall inflation rate.
- Poor consumer sentiment has been a key story of 2025, as households became concerned about inflation, slowing growth, and worse job prospects due to tariffs and shifting U.S. trade policy. However, sentiment improved in June according to the U of Michigan survey. One-year inflation expectations dropped significantly, from 6.6% in May to 5.0% in June, as Americans see that tariffs are not yet leading to broad-based price rises.

	Most Recent	12 Months Prior
Real GDP (YoY)	2.0% 6/30/2025	3.0% 6/30/2024
Inflation (CPI YoY, Core)	2.9% 6/30/2025	3.3% 6/30/2024
Expected Inflation (5yr-5yr forward)	2.3% 6/30/2025	2.3% 6/30/2024
Fed Funds Target Range	4.25% - 4.50% 6/30/2025	5.25% - 5.50% 6/30/2024
10-Year Rate	4.2% 6/30/2025	4.4% 6/30/2024
U-3 Unemployment	4.1% 6/30/2025	4.1% 6/30/2024
U-6 Unemployment	7.7% 6/30/2025	7.4% 6/30/2024

Inflation

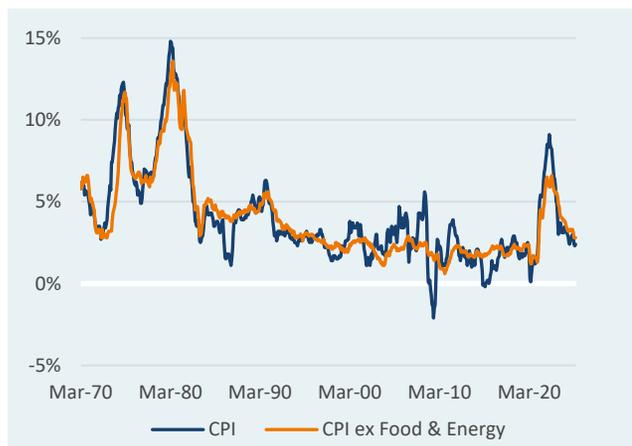
U.S. inflation (CPI) remained sticky and above the Fed’s target during Q2, rising from 2.4% to 2.7%. Excluding volatile food and energy prices, inflation held steady at 2.9% in June relative to 2.8% in March. We believe there is both some good news and also some bad news around recent inflation trends.

With regard to good news, investors have been watching closely for any signs of tariff-driven price increases, and after the government CPI report in June, there is evidence of price increases across particular items such as televisions, auto parts, and medical equipment, but these rises are so far not large enough to materially lift the overall inflation rate. Some broad inflation categories such as ‘apparel’ and ‘new automobiles’

reflect prices that are actually lower than March levels. Investors will need to continue to wait and see the degree to which businesses are passing tariff costs on to customers or are instead absorbing the costs.

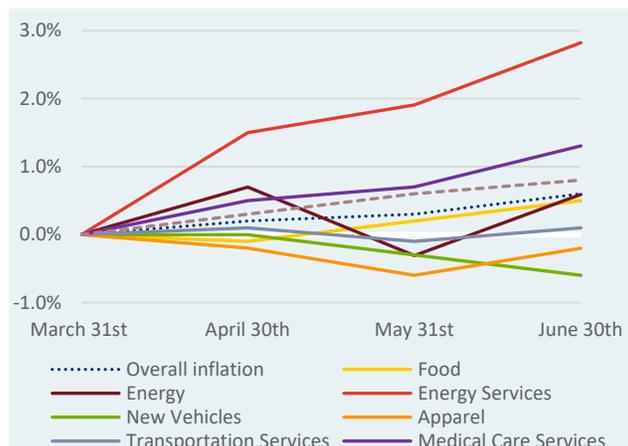
With regard to bad news around inflation, looking across all goods and service price categories, price rises were fairly broad and consistent in June. Inflation trends suggest perhaps a 2.5-3.5% range of inflation in the future—not too far from the recent range. Without further weakness in the economy, it is difficult to imagine price trends slowing materially or reversing, and the potential for tariff-fueled inflation adds some upside risk to the future range of outcomes.

U.S. CPI (YOY)



Source: BLS, as of 6/30/25

INFLATION SINCE “LIBERATION DAY”



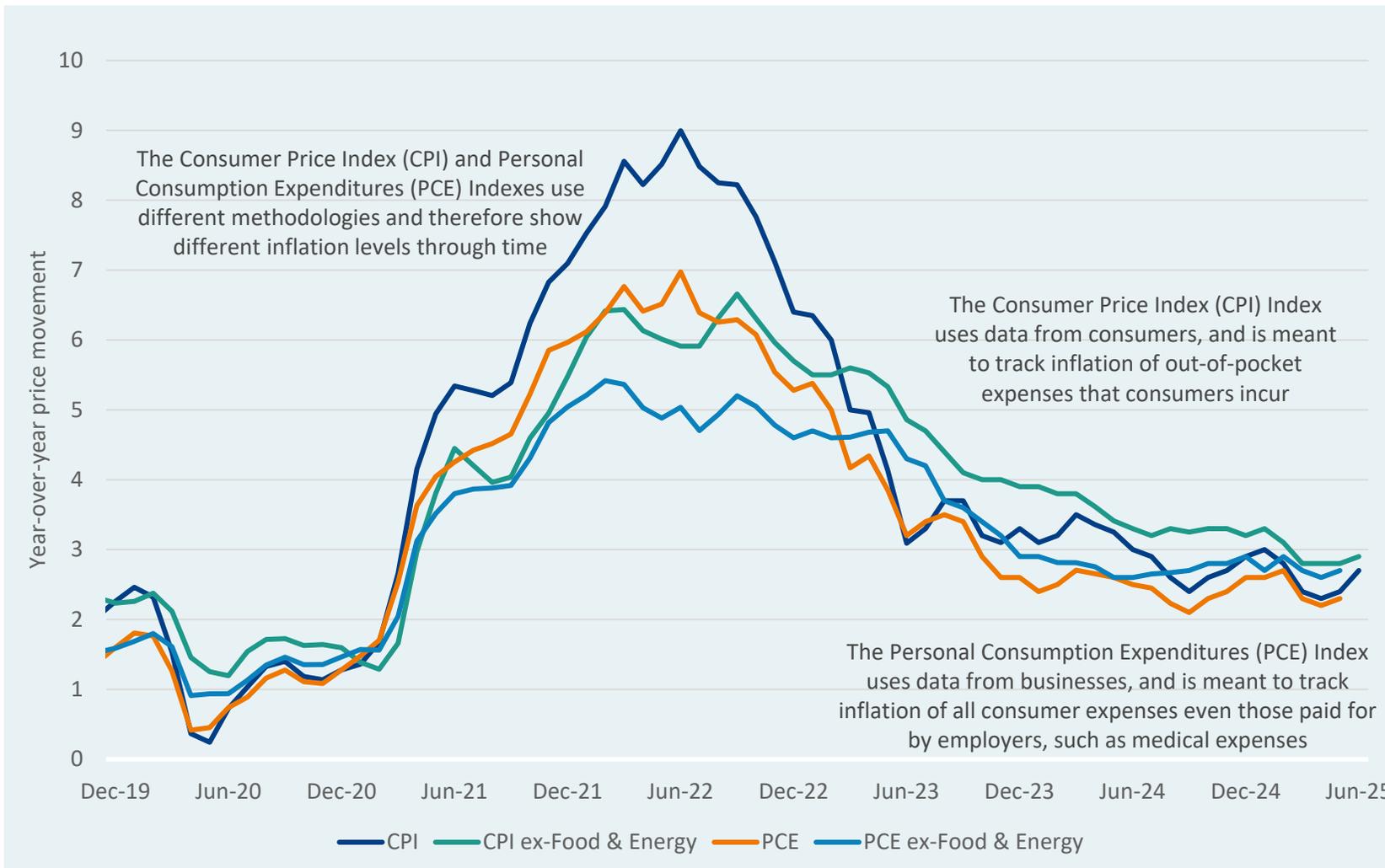
Source: Verus, BLS, as of 6/30/25

MONTHLY PRICE MOVEMENT (CPI)



Source: BLS, as of 6/30/25

U.S. inflation remains above the Fed target



Inflation remained sticky, above the Fed's 2% target

So far, there is little evidence of broad tariff-fueled price rises

Source: FRED, Verus, as of 6/30/25 – or most recent release

GDP growth

Real GDP growth beat expectations in Q2, coming in at 3.0% quarter-over-quarter annualized (2.0% year-over-year) relative to expectations for a growth number in the mid-2s. This report was welcome news to investors and served as further evidence that the economy is moving along at a moderate pace, rather than slowing abruptly. Calendar year 2025 growth will likely be much milder than the surprising strength shown during 2024.

Consumer spending, which is the largest component of the economy, once again showed a slow growth rate of 1.4% annualized, but growth was positive despite very poor sentiment since April. Business investment was also positive at a 1.9% annualized growth rate as businesses continued to spend and invest despite the shift in U.S. trade policy.

An interesting dynamic in the U.S. economy has been occurring across inventory purchases and import activity (see bottom right chart). The first and second quarters were nearly mirror opposite images of one another in this respect. In Q1, businesses dramatically increased their foreign purchases (imports) in an effort to avoid incoming tariffs. Imports often occur to the detriment of domestic purchases, which means imports dragged growth significantly lower in Q1. In Q2, this reversed as fewer imports were needed after such large Q1 purchases, meaning fewer imports greatly boosted growth in Q2. Inventories showed a similar effect but in opposite order—big inventory purchases occurred in Q1 as businesses avoided tariffs which boosted the economy and then in Q2 fewer inventories were needed which created a drag on the economy.

U.S. real GDP growth of 3% beat expectations and provided further evidence that economic activity remains stable

U.S. GDP GROWTH



Source: FRED, as of 6/30/25

U.S. REAL GDP COMPONENTS (QOQ)



Source: FRED, as of 6/30/25

Labor market

Most aspects of the labor market continue to suggest good to strong conditions. The rate of unemployment fell to 4.1% in June, alongside a jobs report that beat expectations by a wide margin (147,000 vs. 117,500 expected). Additionally, weekly jobless claims activity has been very low (the number of individuals who newly filed for unemployment benefits). In fact, job openings defied expectations in April and May, rising during both months. However, not all aspects of the job market have shown strength. Hiring activity has been muted and job seekers report having more difficulty finding work. Uncertainty exists around government layoffs and the ability of those workers to find new positions—this may be playing a part in jobs data (a large portion of job gains in June were for

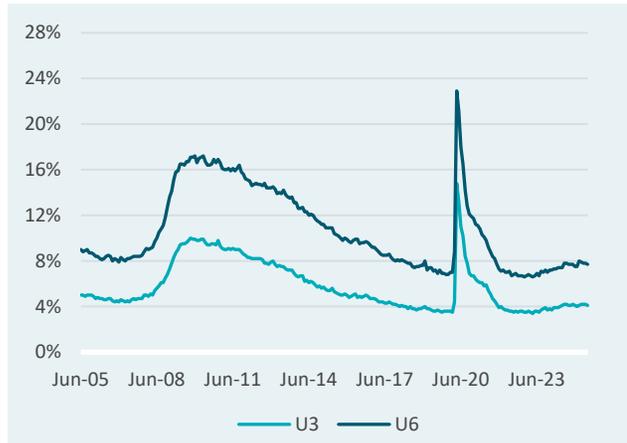
state & local government positions). The labor market tends to be a key indicator of the health of the economy, which suggests recession risk is low.

Less U.S. immigration will likely impact the economy throughout the year—as fewer workers are available in certain occupations and regions, perhaps pushing wages upwards due to less supply of cheap labor. In June it was reported that the Trump administration was considering exempting farms, hotels, and restaurants from immigration crackdowns. As certain businesses face pressure, we would not be surprised to see the executive branch ease immigration enforcement in some targeted ways.

The job market remains relatively strong

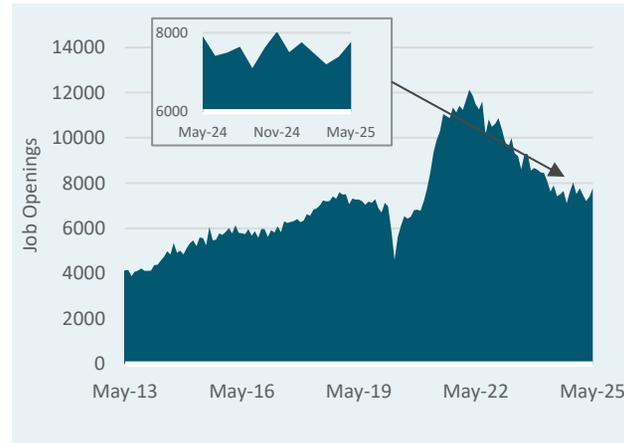
Immigration enforcement may impact business activity & wages in 2025

U.S. UNEMPLOYMENT



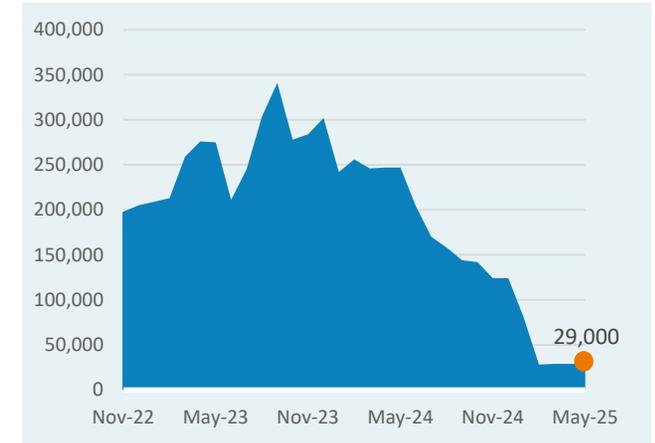
Source: FRED, as of 6/30/25

U.S. JOB CUT ANNOUNCEMENTS



Source: FRED, Nonfarm Job Openings, as of 5/31/25

U.S. BORDER ENCOUNTERS (MONTHLY)



Source: U.S. Customs & Border Protection total national unlawful encounters, as of 5/31/25

The consumer

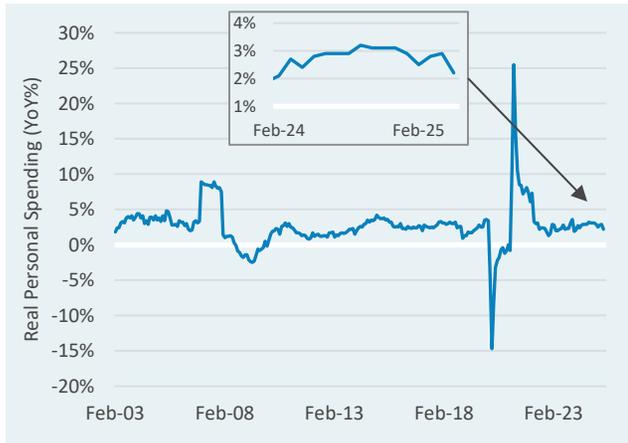
Inflation-adjusted personal spending growth was 2.2% year-over-year in May, materially weaker than the latter-half of 2024 (above 3%) but still at a level that implies a moderate U.S. economic growth rate. Spending has been somewhat volatile month-to-month and there is much uncertainty around the degree to which households are pulling back on purchases.

So far, data suggests a low chance of near-term recession. Consumer spending growth has been positive and, given the recent upturn in consumer sentiment, it would be surprising to see a sharp slowdown many months after the initial shock to confidence amidst tariff fears. Here we show automobile

and overall retail sales as possible barometers of discretionary spending. Auto sales saw large gains in spring but have since fallen back towards early 2025 levels, while retail sales overall have been steady.

The average household savings rate was relatively stable at 4.5% during the quarter, after rising notably through the first quarter. As always, it is difficult to pin down specific reasons for higher household savings. Elevated savings could be a product of more conservative spending habits if households are more concerned about the future, it could be a natural result of lower U.S. inflation as price rises slow and more income is left over to save, or it could be due to other factors.

REAL PERSONAL SPENDING



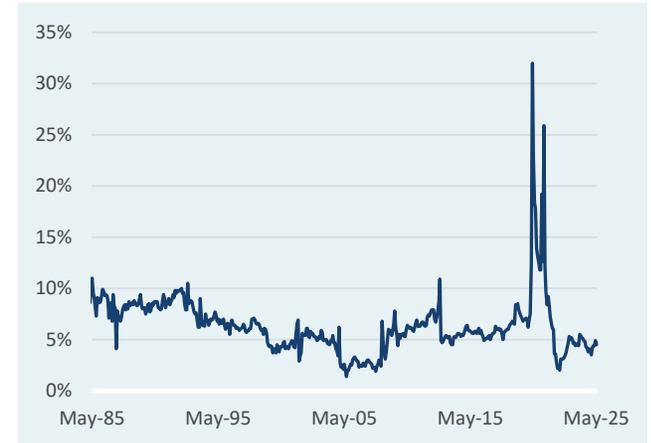
Source: FRED, as of 5/31/25

AUTO & RETAIL SALES



Source: FRED, as of 5/31/25

PERSONAL SAVINGS RATE



Source: FRED, as of 5/31/25

Sentiment

Very poor consumer sentiment has been a key story of 2025, as households became concerned about potentially rising inflation, a slowing economy, and worse job prospects as consequences of tariffs and shifting U.S. trade policy. However, sentiment has seen improvement according to popular sentiment surveys. It appears that some fears are easing as the economy and job market remain strong, though households are more pessimistic than prior to the shift in U.S. trade policy.

The University of Michigan survey improved in June, due to some easing of fears and acknowledgment that economic conditions remain surprisingly resilient. One-year inflation expectations dropped significantly, from 6.6% in May to 5.0% as Americans see that tariffs are not leading to broad price rises.

The Conference Board Consumer Confidence Index improved after April, but in June saw some deterioration. The Future Expectations portion of the index, which reflects the shorter-term outlook for income, business, and labor market conditions, is at a low level that historically has suggested a recessionary outlook.

Small business sentiment moved slightly higher in Q2, from 97.4 to 98. Conditions are mildly better than the 50-year average level, with more business owners expecting better business conditions in the future. The greatest concern is labor quality with many employers struggling to find qualified workers.

Sentiment was mixed but is better than April levels, as households see that trade policies have not led to recession or materially higher inflation

CONSUMER SENTIMENT (UNIV. OF MICHIGAN)



Source: University of Michigan, as of 6/30/25

CONSUMER CONFIDENCE (CONFERENCE BOARD)



Source: Conference Board, as of 6/30/25

NFIB SMALL BUSINESS SENTIMENT



Source: NFIB, as of 5/31/25

Housing

Home prices in the United States rose 1% over the past year nationwide, according to Redfin, although price gains may be set to slow as new construction rises along with overall inventory, and homes are sitting on the market longer.

U.S. residential housing construction activity increased, now closer to long-term average levels. However, sales of those homes have lagged, resulting in historically high inventory levels *relative to sales*. It seems reasonable to assume that extreme unaffordability is contributing to sluggish new home sales. The 30-year average fixed mortgage rate sat at 6.8% to end Q2, only a bit lower than the recent high of 7.8%, which was

the highest mortgage rate since year 2000. The price of an average home has increased approximately 200% since the year 2000, according to the S&P CoreLogic Case-Shiller Index, while average household weekly wages have gone up only 100%.

National average rent costs are down -1% year-over-year according to Redfin. “Apartment construction in America has been hovering near a 50-year high, and even though renter demand is strong, it’s not keeping pace with supply,” said Redfin Senior Economist Sheharyar Bokhari. Oversupply is becoming a problem as new apartment building vacancies sit near record levels.

30-YEAR MORTGAGE RATE (%)



Source: Freddie Mac, as of 6/30/25

EXISTING HOME SALES



Source: National Association of Realtors, as of 5/31/25

DAYS OF NEW HOUSING INVENTORY



Source: FRED, as of 4/30/25 – days of inventory relative to daily sales

International economics summary

- Economic growth for developed economies during 2025 is expected to be weak, ranging from 0.2% real GDP growth in Germany, to 0.8% in Japan, 1.0% in the Eurozone, and 1.5% in the U.S. These estimates moved lower alongside trade conflicts and barriers that will crimp economic activity.
- The ECB cut rates in June by 25bps, likely raising tensions between President Trump and Fed Chair Powell regarding U.S. rate policy. President Trump has been placing pressure on Powell very publicly, as he sees lower interest rates as stimulative to the economy and an approach to mitigate high national debt service costs.
- Escalating tensions between Iran and Israel led to fears of broader conflict. A ceasefire between the two nations was achieved after the U.S. executed a direct attack on Iranian nuclear facilities which was followed by a muted military response. This ceasefire agreement has held, although uncertainty remains high as

Iran's leadership ramped up anti-U.S. rhetoric in late-June.

- Following the German election win by the conservative Christian Democratic Union and its alliance the Christian Social Union, Friedrich Merz was elected Chancellor and a grand coalition with the Social Democratic Party was formed. The coalition's main priorities include economic growth, border security, a more pragmatic approach to energy, and further European integration.
- On May 8th, the BOE decided to cut interest rates by 25bps to 4.25%. This marked the fourth rate cut of 25bps since August, when the policy rate was 5.25%. The BOE cited cooling inflation, slowing growth, and a weaker job market as contributing factors.
- As the U.S. administration appears to be focusing maximum pressure on China regarding trade and business practices, the intense market volatility experienced in early April could be setting the stage for the rest of 2025.

	GDP (Real, YoY)	Inflation (CPI, YoY)	Unemployment
United States	2.0% <i>6/30/2025</i>	2.7% <i>6/30/2025</i>	4.1% <i>6/30/2025</i>
Eurozone	1.4% <i>6/30/2025</i>	2.0% <i>6/30/2025</i>	6.2% <i>6/30/2025</i>
Japan	1.7% <i>3/31/2025</i>	3.3% <i>6/30/2025</i>	2.6% <i>5/31/2025</i>
Canada	1.2% <i>5/31/2025</i>	1.9% <i>6/30/2025</i>	6.9% <i>6/30/2025</i>
BRICS Nations	5.1% <i>3/31/2025</i>	1.6% <i>6/30/2025</i>	4.9% <i>6/30/2025</i>
Brazil	2.9% <i>3/31/2025</i>	5.4% <i>6/30/2025</i>	5.8% <i>6/30/2025</i>
Russia	1.4% <i>3/31/2025</i>	9.4% <i>6/30/2025</i>	2.2% <i>6/30/2025</i>
India	7.4% <i>3/31/2025</i>	2.1% <i>6/30/2025</i>	8.5% <i>12/31/2017</i>
China	5.2% <i>6/30/2025</i>	0.1% <i>6/30/2025</i>	5.0% <i>6/30/2025</i>

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

International economics

The Eurozone grew 1.5% YoY in Q1. Full year growth is expected at only 0.9%, according to the ECB which cited trade policy uncertainty. On July 4th, the central bank cut rates to 2.0% as inflation continued to moderate, though a prolonged trade war could further weaken the economy and reignite some inflation pressure.

The U.S. expanded the initial February tariff rates on “Liberation Day”, including a 10% baseline and 54% on China, 20% on the EU, and 25% on Canada and Mexico. The U.S. cited business operation onshoring, national defense, improving the trade deficit / foreign terms of trade, and immigration and drug control as goals of tariff policy. No permanent trade deals were secured by mid-July, with partners making concessions but also claiming that they would seek to diversify trade away from the U.S. The trade war with China

escalated after “Liberation Day”, with tariff rates reaching 145% on Chinese goods and 125% on U.S. goods. A 90-day deal in June reduced tariffs to 30% on Chinese goods and 10% on U.S. goods and included a Chinese commitment to continue exports of rare earth minerals, alleviating the recent halt in exports.

Canada, Mexico, and the EU initially imposed counter-tariffs but suspended them after a 90-day pause was announced in May and later extended through August 1, bringing most countries to the baseline tariff rate of 10%. We believe it is likely that 10% baseline tariffs will stay in place long-term.

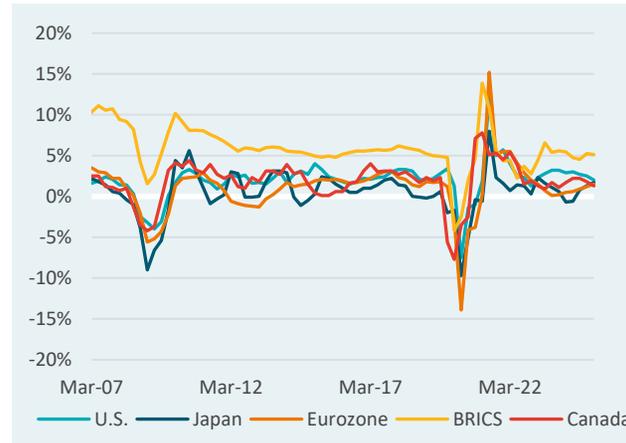
In May, the U.S. and U.K. announced a non-binding Economic Prosperity Deal, maintaining the 10% U.K. tariff while reducing rates on select sectors. The U.K.’s relatively low tariff rate may reflect its strategic alignment with the U.S.

INFLATION (CPI YEAR-OVER-YEAR)



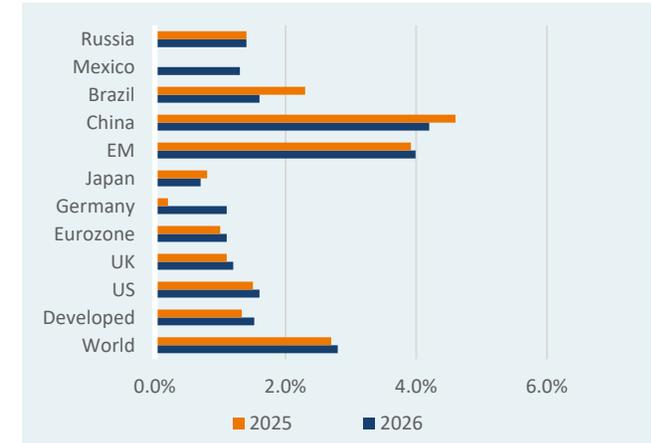
Source: BLS, Verus, as of 6/30/25 or most recent date

REAL GDP GROWTH (YEAR-OVER-YEAR)



Source: BLS, Verus, as of 3/31/25 or most recent date

GDP GROWTH EXPECTATIONS



Source: Bloomberg, as of 6/30/25

Fixed income rates & credit

Fixed income environment

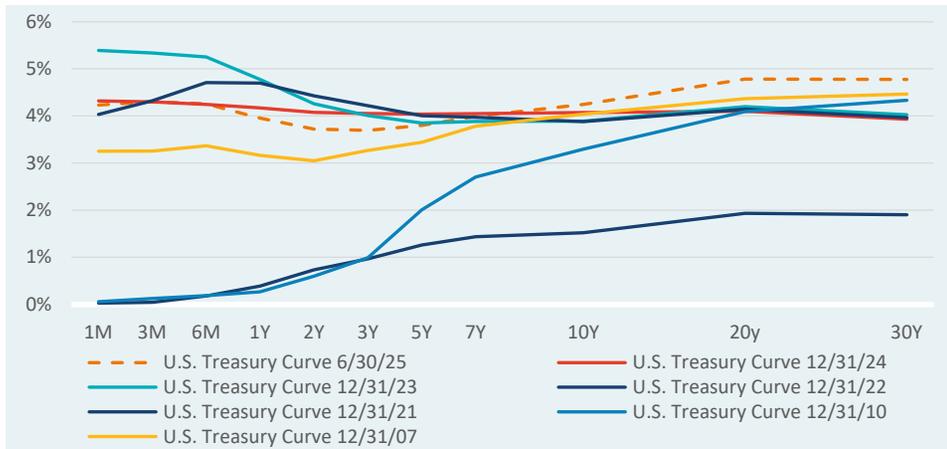
- The 10-year U.S. Treasury yield was unchanged at 4.23% during the quarter, although yields moved in a very wide range from slightly below 4.0% following trade “Liberation Day” to 4.6% after Moody’s downgraded the U.S. credit rating and fears circulated of a debt crisis. With notable upside and also downside risks to yields, investors may be justified in avoiding large bond duration bets.
- The Federal Reserve kept rates steady again in June at a target range of 4.25%-4.50%, expressing concerns about possible inflationary impacts of tariffs. Chair Jerome Powell at the meeting said that policymakers are “well positioned to wait” and that there were few signs of economic weakening. President Trump continued to place pressure on Jerome Powell to cut rates.
- The U.S. yield curve has returned to an upward sloping shape—the steepest since early 2022 when the Federal Reserve began quickly hiking interest rates. The 10-year U.S. Treasury yield was 0.6% higher than the 2-year yield as of June 30th.
- Longer duration credit lagged shorter duration. The yield curve experienced some steepening due primarily to a selloff in the longer end of the curve during April. Long duration corporate bonds lost -1.9% while Bank loans added +2.3% and high yield returned +3.5%.
- Credit spreads widened due to risk off movements, and lower quality spreads experienced the largest shifts. High yield bond spreads tightened by 56bps to 2.96%, while investment grade spreads fell to 0.88%. Leveraged loan spreads likewise tightened 25 basis points to 4.47%. Despite recent widening events, BB- and B- rated credit spreads remain below long-term historical averages while CCC-rated credit remains closer to the long-term average.

	QTD Total Return	1 Year Total Return
Core Fixed Income (Bloomberg U.S. Aggregate)	1.2%	6.7%
Core Plus Fixed Income (Bloomberg U.S. Universal)	1.4%	7.1%
U.S. Treasuries (Bloomberg U.S. Treasury)	0.8%	5.9%
U.S. Treasuries: Long (Bloomberg U.S. Treasury 20+)	-1.9%	2.1%
U.S. High Yield (Bloomberg U.S. Corporate HY)	3.5%	10.4%
Bank Loans (S&P/LSTA Leveraged Loan)	2.3%	7.3%
Emerging Market Debt Local (JPM GBI-EM Global Diversified)	7.6%	14.0%
Emerging Market Debt Hard (JPM EMBI Global Diversified)	3.3%	10.7%
Mortgage-Backed Securities (Bloomberg MBS)	1.1%	7.2%

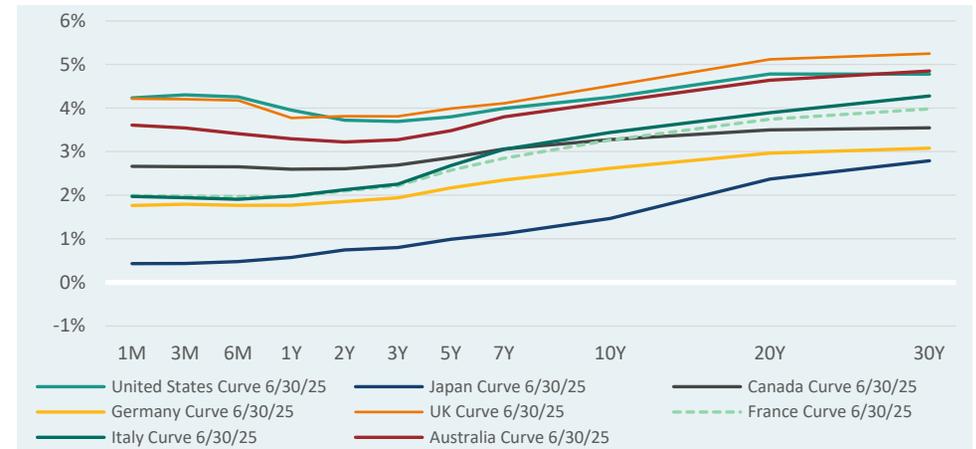
Source: Standard & Poor’s, J.P. Morgan, Bloomberg, as of 6/30/25

Yield environment

U.S. YIELD CURVE



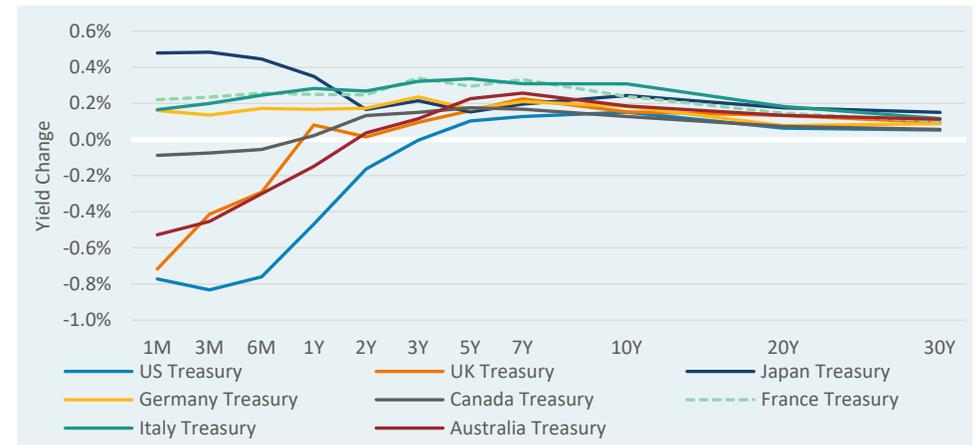
GLOBAL GOVERNMENT YIELD CURVES



YIELD CURVE CHANGES OVER LAST FIVE YEARS



IMPLIED CHANGES OVER NEXT YEAR



Source: Bloomberg, as of 6/30/25

Credit environment

During Q2, longer duration credit noticeably lagged shorter duration credit. The yield curve experienced a bearish steepening event in April due primarily to a selloff in the longer end of the curve (a move higher in yields). Shorter duration credit assets such as bank loans and high yield delivered +2.3% and +3.5% returns respectively, while long duration, higher quality credit lost -1.9%.

Returns within the high yield bond market were positive, with lower quality credits initially lagging BB- and B- rated bonds but outperforming during the months of May and June. Bonds rated CCC, including distressed, returned +4.4% on the quarter, compared to +3.6% and +3.7% for BB- and B- rated bonds, respectively. Lower quality bank loans saw less of a loss during April, subsequently resulting in less return during the rally that followed. CCC-

rated loans returned +2% while B- and BB- rated loans returned +2.6% and +2.3%, respectively.

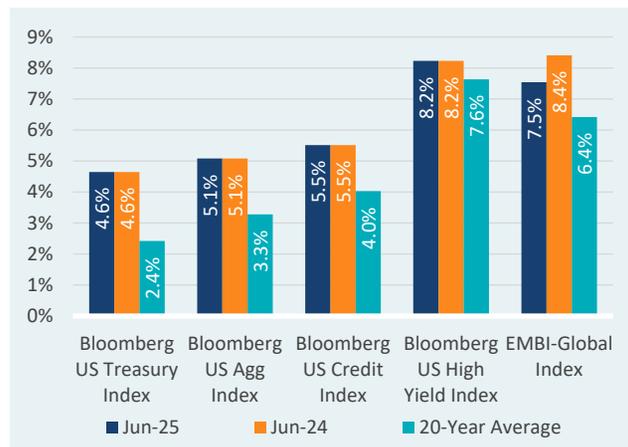
Credit spreads widened in April following “Liberation Day” but quickly rebounded as initial tariffs were delayed and the consumer outlook improved. Despite widening by nearly 1% in April, high yield bond spreads ended the quarter tighter by 56bps at 2.96%. Investment grade spreads similarly tightened, ending the quarter at 0.88%. Bank loan spreads widened less in April but still tightened in May and June, ending the quarter 25bps lower at 4.47%. After the recovery from April’s selloff, credit spreads remain well below long-term historical averages. This continues to reflect an apparent confidence in corporate debt, though the total impact of tariffs on U.S. businesses is not yet known.

SPREADS



Source: Barclays, Bloomberg, as of 6/30/25

YIELD TO MATURITY



Source: Morningstar, as of 6/30/25

CREDIT SPREAD (OAS)

Market	6/30/2025	6/30/2024
Long U.S. Corp	1.0%	1.2%
U.S. Inv Grade Corp	0.8%	0.9%
U.S. High Yield	2.9%	3.1%
U.S. Bank Loans*	4.4%	4.8%

Source: Barclays, Credit Suisse, Bloomberg, as of 6/30/25

*Discount margin (4-year life)

Default & issuance

Default activity trended lower during Q2, with no defaults occurring in June (only the third month of no defaults since 2022). During the full quarter, nine companies defaulted, totaling more than \$2.5 billion in bonds and \$3.9 billion in loans. While higher than Q1 default levels, this activity was half of the average default volume of the prior two years.

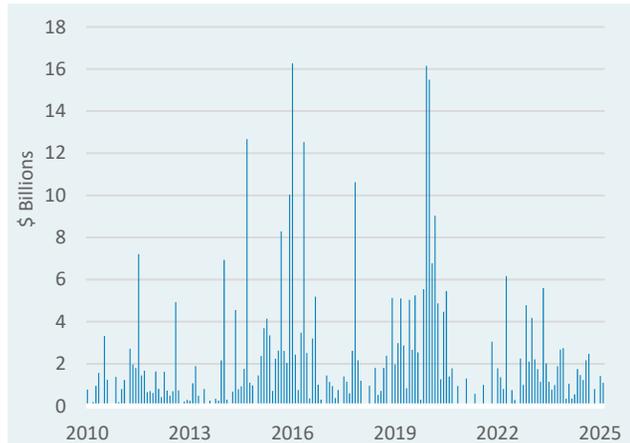
Loans continued to surpass bonds in both default and distressed activity. Distressed exchanges totaled \$2.8 billion in bonds and \$7.7 billion in loans. While this was higher than the recent average, distressed credit volumes have fallen since the nearly \$20 billion that occurred in Q4 of 2024.

High yield bond default rates rose 21bps to 1.4%, well below the long-term annual average of over 3.0%. Loan default rates, by comparison, dropped

slightly to 3.8%. While the default gap between bonds and loans shrank, the gap remains close to the post-2000 high of 3% experienced in 2024.

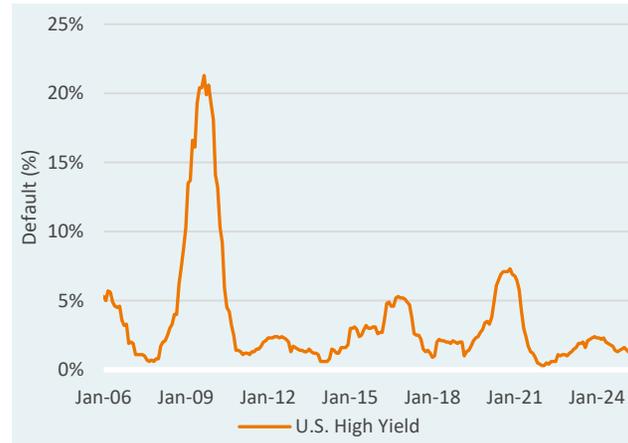
Quarterly issuance volume of high yield bonds was slightly higher, totaling \$77 billion, though still down -12% year-over-year. Notably, the majority of this issuance occurred in June, the highest single month of issuance (\$37 billion) since September 2021. Bank loans issuance slowed to \$103 billion. This figure contrasts with the prior two quarters, which saw the second highest (\$337 billion) and highest (\$505 billion) levels of bank loan issuance on record. That might be attributed to, among other factors, the stalling of deal activity during the month of April following “Liberation Day”, as reflected in April issuance of \$6.2 billion, which marked a 30-month low.

U.S. HIGH YIELD MONTHLY DEFAULTS



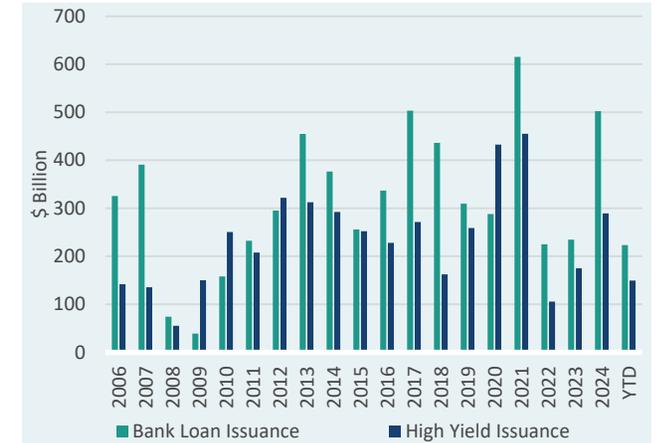
Source: BofA Merrill Lynch, Verus, as of 6/30/25 – par weighted

U.S. HIGH YIELD DEFAULTS (LAST 12 MONTHS)



Source: BofA Merrill Lynch, as of 6/30/25 – par weighted

USD ISSUANCE (\$ BILLIONS)



Source: BofA Merrill Lynch, as of 6/30/25

Equity

Equity environment

- Regional equity markets delivered nearly identical returns during Q2. Year-to-date the U.S. market has lagged by a wide margin, although most of this was caused by foreign currency movements (a substantial fall in U.S. dollar value recently created a performance tailwind for U.S. investors with unhedged foreign currency exposure).
- Following the rebound from April’s selloff, U.S. equity forward P/E multiples climbed back to very high levels. This recovery to new index highs surprised many investors who point to weaker earnings forecasts, slower economic growth, and a variety of new risks on the horizon.
- Value stocks trailed growth significantly during Q2 (Russell 1000 Value +3.8% vs. Russell 1000 Growth +17.8%). Index concentration in mega-cap growth stocks seems to be contributing to style factor volatility lately. The extreme drawdown of the

“Magnificent 7” stocks during 2022 led to the best value stock performance in decades, and then after those seven stocks rebounded led to exceptionally poor value stock performance.

- While Chinese equities rallied strongly during Q1, leading the overall index, this market stalled in Q2, and other regional markets roared back to life (MSCI China +2.1% vs. MSCI EM ex-China +16.5%). Chinese equities remain a laggard over the medium term.
- Market-priced volatility spiked to extreme levels on trade “Liberation Day” as fears of a trade slowdown and global recession circulated. In some places, bilateral de-escalation of tariffs and punitive trade proposals has eased volatility. In other places, the U.S. reached new trade agreements with its partners. This progress has helped bring market volatility back closer to the longer-term average.

	QTD TOTAL RETURN		1 YEAR TOTAL RETURN	
	(unhedged)	(hedged)	(unhedged)	(hedged)
U.S. Large Cap (S&P 500)	10.9%		14.9%	
U.S. Small Cap (Russell 2000)	8.5%		8.6%	
U.S. Equity (Russell 3000)	11.0%		15.1%	
U.S. Large Value (Russell 1000 Value)	3.8%		14.4%	
U.S. Large Growth (Russell 1000 Growth)	17.8%		16.1%	
Global Equity (MSCI ACWI)	11.5%	9.5%	15.9%	13.9%
International Large (MSCI EAFE)	11.8%	5.3%	17.5%	10.1%
Eurozone (EURO STOXX 50)	11.6%	3.1%	20.5%	12.0%
U.K. (FTSE 100)	9.5%	3.2%	20.5%	11.3%
Japan (TOPIX)	11.1%	8.7%	10.8%	8.0%
Canada (S&P/TSX)	13.3%	8.0%	25.4%	26.7%
Emerging Markets (MSCI Emerging Markets)	12.0%	8.0%	15.1%	12.8%

Source: Standard & Poor’s, FTSE, MSCI, STOXX, JPX, as of 6/30/25 – performance quoted from perspective of U.S. dollar investor

Domestic equity

U.S. equities rallied back strongly in Q2 (S&P 500 +10.9%) despite some weakening of economic conditions and ongoing inflation fears. This brought the domestic market to +6.2% year-to-date, which at first glance implies that the U.S. market has been one of the worst performers among global markets. However, most of the outperformance of international equity markets recently has been due to foreign currency movements rather than strong underlying equity market gains (most U.S. investors do not hedge foreign currency risk which exposes those investors to currency swings).

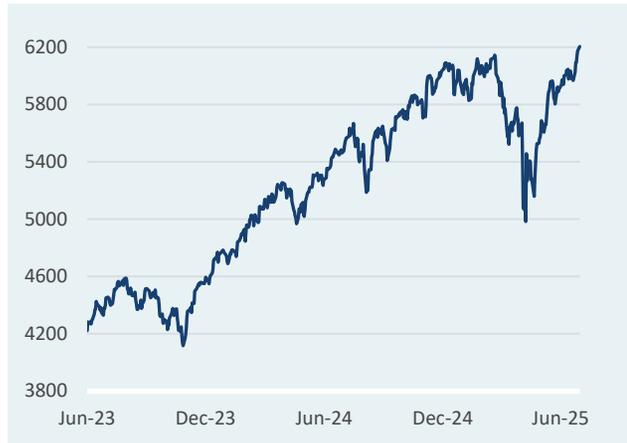
Year-over-year Q2 earnings growth of the S&P 500 is expected to be +5.6%, according to FactSet as of July 18th. This would

mark the weakest earnings growth since Q4 2023. However, given that most corporations end up beating earnings expectations, based on past trends reported earnings could ultimately top a +9% growth figure. For full year 2025, earnings growth is expected to rise to a +9.3% growth rate.

As domestic stocks have become more expensive, and as more of the index is composed of growth stocks with lower dividend payouts, the dividend yield of the S&P 500 reached an incredibly low 1.3% in Q2—the lowest level in market history other than what was seen during the late-1990s dot-com bubble. Investors will be far more dependent on earnings growth in the future, given a lack of dividend yield.

U.S. equities roared back in Q2, fully recovering April losses despite risks remaining on the horizon

S&P 500 PRICE INDEX



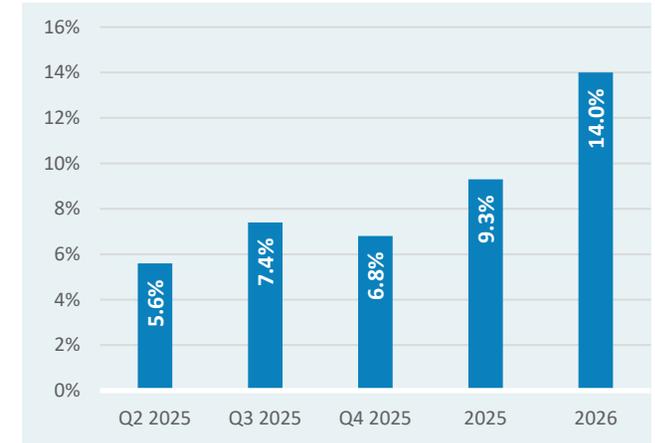
Source: Standard & Poor's, as of 6/30/25

S&P 500 DIVIDEND YIELD



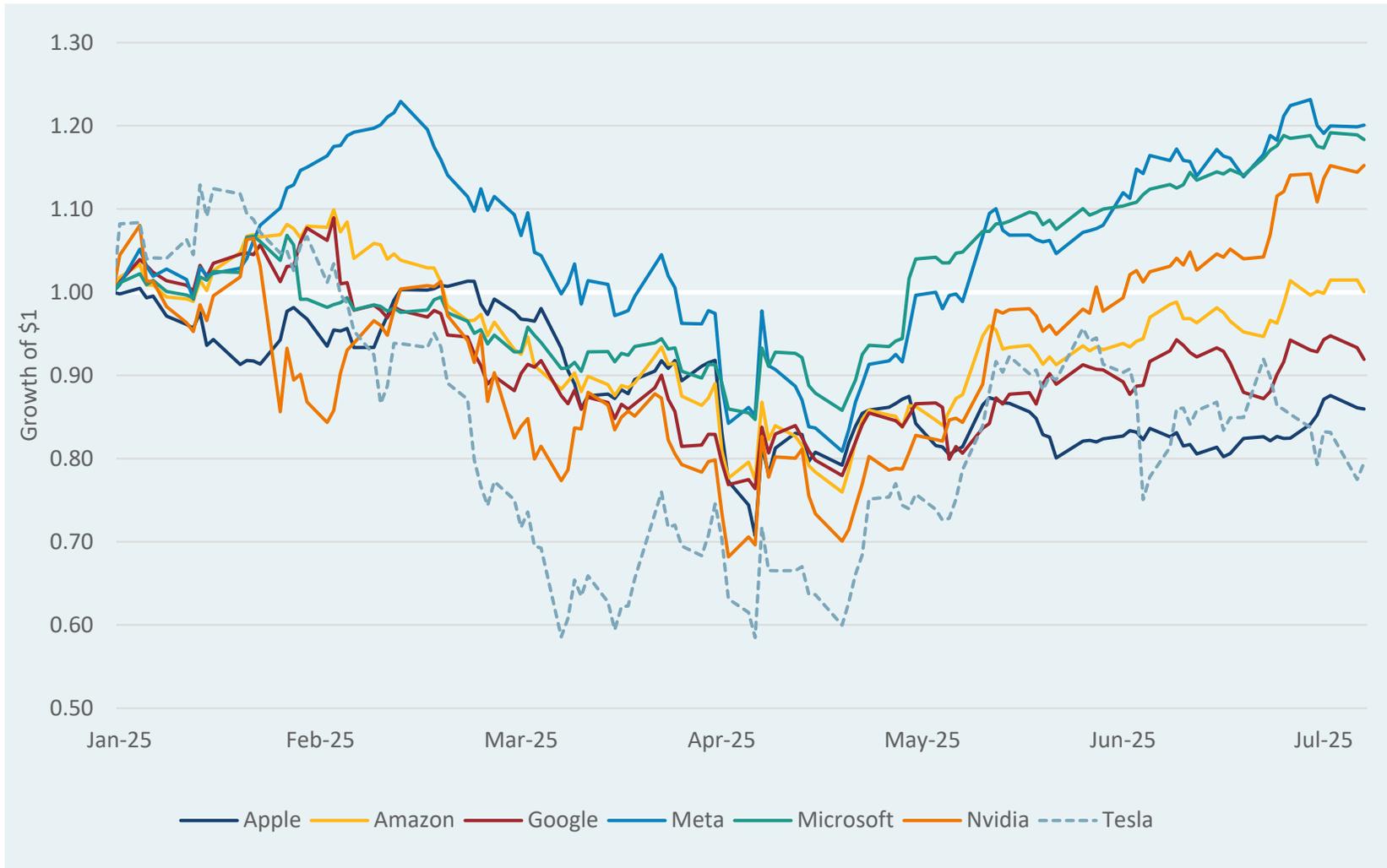
Source: Bloomberg, as of 6/30/25

S&P 500 EARNINGS FORECASTS (YOY)



Source: Factset, Verus, as of 7/18/25

Magnificent 7



Following a deep selloff during April, the Magnificent 7 stocks have recovered much of their year-to-date losses

Source: Bloomberg, Verus, as of 6/30/25

Domestic equity size & style

Small cap equities underperformed large caps during Q2 (FTSE Russell 2000 +8.5% vs. FTSE Russell 1000 +11.1%) and also year-to-date (-1.8% vs. +6.1%), continuing a long string of underperformance. Value stocks underperformed growth by a large margin during Q2 (Russell 1000 Value +3.8% vs. Russell 1000 Growth +17.8%) but were on par year-to-date (+6.0% vs 6.1%) as growth sectors saw bigger losses following “Liberation Day” but have since rebounded.

Very high index concentration in mega-cap growth stocks has contributed to style factor volatility lately. For example, as

shown in the chart below, the extreme drawdown of the “Magnificent 7” stocks during 2022 led to the best value stock performance in decades, and then once those seven stocks rebounded led to exceptionally poor value stock performance. We suspect that index concentration and sector effects are creating an even more difficult environment for investors to successfully make shorter-term factor tilts. We continue to believe that factor investing should be accomplished through longer-term strategic positioning, unless an unusually attractive tactical opportunity presents itself (and that these opportunities arise perhaps only once every decade or so).

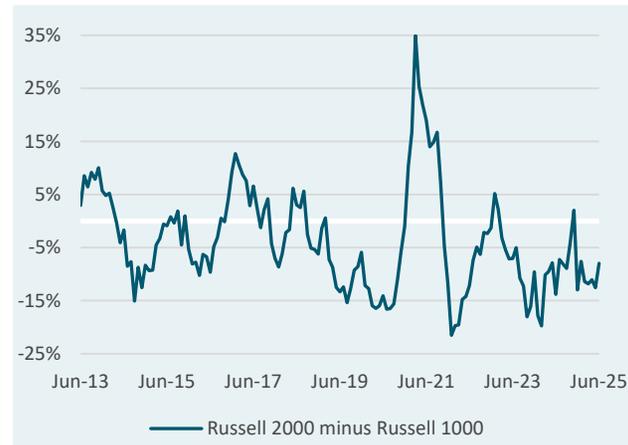
Small caps & value stocks both underperformed during Q2

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



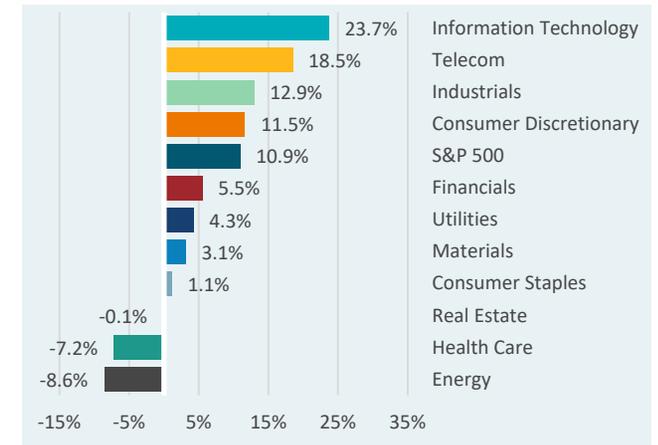
Source: FTSE, as of 6/30/25

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE Russell, as of 6/30/25

Q2 PERFORMANCE



Source: Morningstar, as of 6/30/25

A difficult decade for small caps

Small caps have consistently underperformed large caps for an extended period

Domestic small cap stocks have consistently underperformed large cap stocks for an extended period of time. Over the past decade, an investment in small caps would have ended in -45% less wealth than an investment in large caps¹. During that time, small caps underperformed in 2015, 2017, 2018, 2019, 2021, 2022, 2023, 2024, and 2025 year-to-date as of June 30th. Given weak earnings growth, aging businesses, and a rising portion of index companies that are unprofitable, many investors are questioning the case for a dedicated U.S. small cap allocation. However, we believe skilled active management has and may continue to assist investors in achieving alpha and mitigating some of these benchmark issues.



¹U.S. Large Cap defined as S&P 500, U.S. Small Cap defined as FTSE Russell 2000. While these indexes are not perfect academic representations of small cap vs. large cap performance, they are the most common indexes that investors use across the two asset classes.

Source: Verus, Standard & Poor's, FTSE Russell, as of 6/30/25

International developed equity

Broad regional equity markets delivered very positive, and nearly identical, results during Q2 as many of the worst trade war fears failed to materialize. International developed shares (MSCI EAFE +11.8%) and emerging market equities (MSCI EM +12.0%) both outperformed domestic stocks (S&P 500 +10.9%).

Non-U.S. markets have substantially outperformed domestic stocks year-to-date, although most of this outperformance was caused by foreign currency movements (because few U.S. investors hedge currency risk, this showed as an extreme impact on performance). So far in 2025, corporate earnings forecasts have been revised lower in the U.S., perhaps reflecting a marginally more bearish earnings outlook as trade frictions unfold.

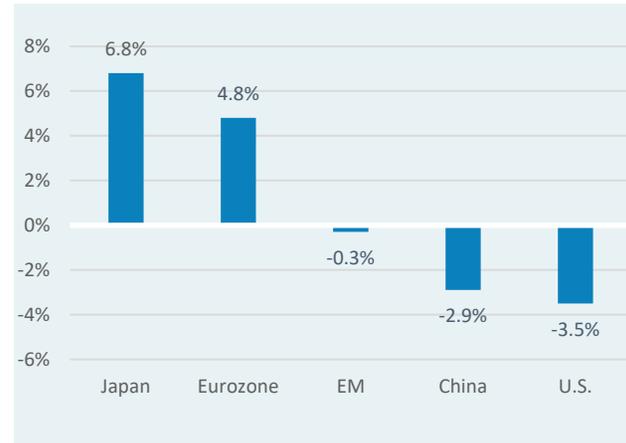
At the onset of the trade war earlier in the year, it may have been reasonable to assume that trading partners with the most to lose from a conflict with the United States would have seen notably poor equity market performance in recent months. So far, this has not been the case, as many countries and regions that have gone tit-for-tat with the U.S. regarding terms of trade have fared well in market performance year-to-date, significantly outperforming the U.S. market. We suspect that as investors learn more about how the trade war has impacted these economies so far, and what trade agreements are likely to be for the longer-term, more performance differentiation will be seen across markets.

INTERNATIONAL DEVELOPED EQUITY



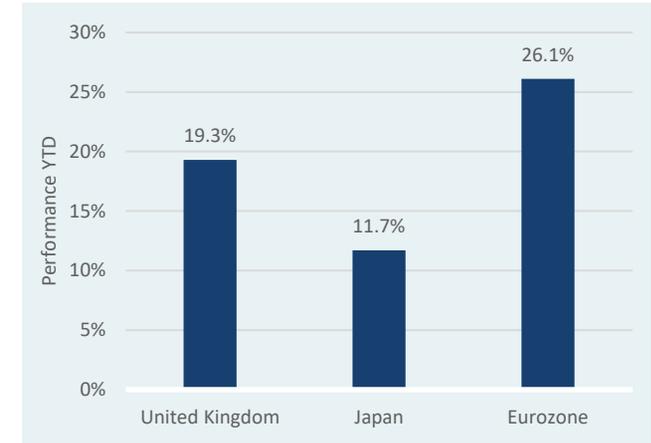
Source: MSCI, as of 6/30/25

YTD REVISIONS TO 2025 EARNINGS FORECASTS



Source: J.P. Morgan, FactSet - all indexes are MSCI other than the U.S. market which is represented by the S&P 500, as of 5/31/25

REGIONAL RETURNS (YEAR-TO-DATE)



Source: MSCI Indices, as of 6/30/25

Emerging market equity

Emerging market equities delivered strong results in Q2 (MSCI EM +12.0%) as markets bounced back from April's selloff and U.S. dollar depreciation boosted the returns of domestic investors with unhedged currency exposure.

Regional markets have arguably shown much less sensitivity to tariffs imposed by the U.S. administration than investors had expected. For example, Mexican equities are up 30.9% year-to-date in U.S. dollar terms despite aggressive trade penalties imposed by the United States. Taiwan and South Korea were two of the top performing markets in Q2, despite receiving some of the highest tariff rates among

other U.S. trading partners. Once more is known around the magnitude of trade policy impact on these economies, this could lead to more market performance differentiation.

Chinese equities lagged other regions during Q2 (MSCI China +2.1% vs. MSCI EM ex-China +16.5%), marking a change in pace from the recent China comeback story. MSCI China has underperformed other emerging markets by -31% over the past ten years.

EMERGING MARKET EQUITY



Source: MSCI, as of 6/30/25

MSCI EM 2025 Q2 COUNTRY RETURNS (USD)



Source: Verus, Bloomberg, as of 6/30/25

CHINA STILL LAGGING



Source: MSCI, as of 6/30/25

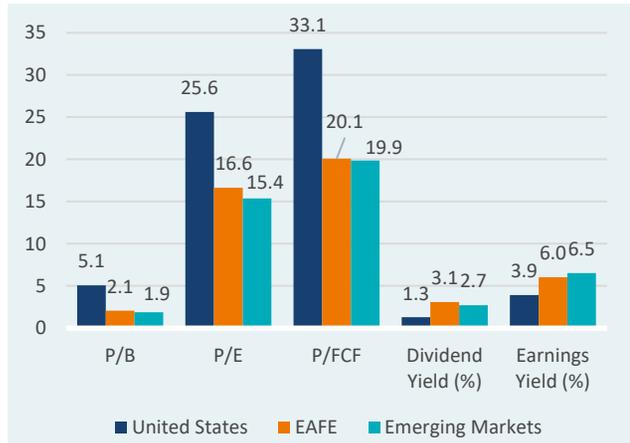
Equity valuations

Following a very strong rebound from the April “Liberation Day” selloff, U.S. equity forward P/E multiples have climbed back to levels near the upper end of the historical range. This full recovery to new all-time-highs has surprised many investors who point to weaker corporate earnings forecasts, slower economic growth, and a variety of new risks on the horizon (tariff-induced inflation and other trade frictions, for example) as reasons that could justify more moderate domestic valuations. However, ongoing earnings momentum—specifically, stellar earnings growth from the Magnificent 7—may allow for a continued march higher despite valuation concerns.

Some in the investor community over recent months have been concerned about a possible ‘buyer’s strike’ on U.S. assets (an intentional divestment from U.S. assets by foreign institutions in protest of the trade war). Three months have passed since “Liberation Day” and there is little evidence of this occurring.

As the U.S. market has become more concentrated in megacap high-growth businesses such as Nvidia, and more exposed to higher growth industry sectors, this has pushed up total index profitability and total index growth forecasts. Overall, U.S. large cap indexes have changed materially in characteristics and behavior, which creates challenges in comparing current valuations to those of the past.

MSCI VALUATION METRICS (3-MONTH AVG)



Source: MSCI, Verus, as of 6/30/25 – trailing P/E

FORWARD P/E



Source: MSCI, Canada shown as S&P/TSX, as of 6/30/25

YTD ADJUSTMENT IN EARNINGS FORECASTS



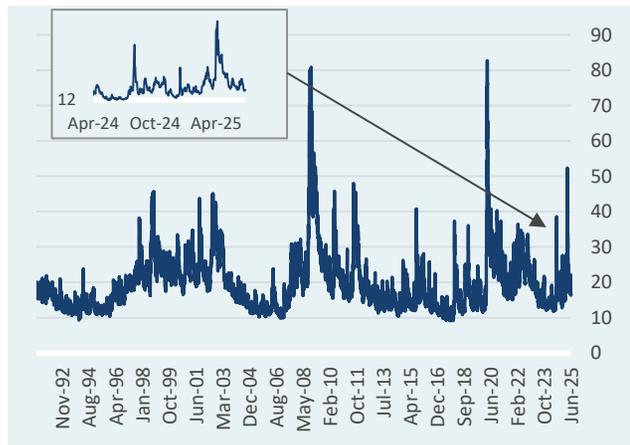
Source: J.P. Morgan, FactSet - all indexes are MSCI other than the U.S. market which is represented by the S&P 500, as of 5/31/25

Market volatility

Market-priced volatility (Cboe VIX Index) spiked above 50 to extreme levels in early April as trade “Liberation Day” shocked markets and led to fears of a trade slowdown and global recession. In some places, bilateral de-escalation of tariffs and punitive trade rules has eased market volatility. In other places, the United States has reached new trade agreements with trading partners. This progress, along with growing evidence that many of the feared *worst-case scenarios* around tariffs (ex: sharp slowdown in consumer spending, spiking inflation, weakening job market) have not come to fruition, has helped bring market volatility back closer to the longer-term average.

Implied bond market volatility also jumped in the first week of April but has since fallen to the lower-end of the three-year trading range. The risks priced into bond markets are numerous. Fluctuations in foreign demand for U.S. dollars due to radical shifts in the trade policy of the Trump administration many continue to add to jumps in prices. Impacts of the “One Big Beautiful Bill Act” on the U.S. fiscal situation have generated uncertainty around the creditworthiness of the nation.

U.S. IMPLIED VOLATILITY (VIX)



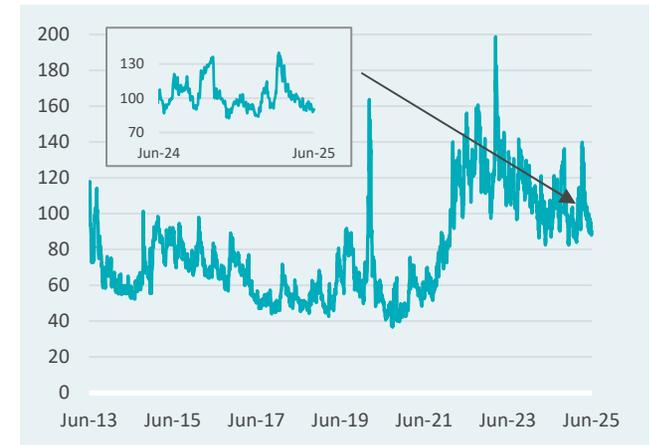
Source: Cboe, as of 6/30/25

REALIZED VOLATILITY



Source: Standard & Poor’s, MSCI, Verus, as of 6/30/25

U.S. TREASURY IMPLIED VOL (“MOVE” INDEX)



Source: BofA, as of 6/30/25

Long-term equity performance



Source: Standard & Poor's, FTSE, MSCI, Verus, as of 6/30/25

Other assets

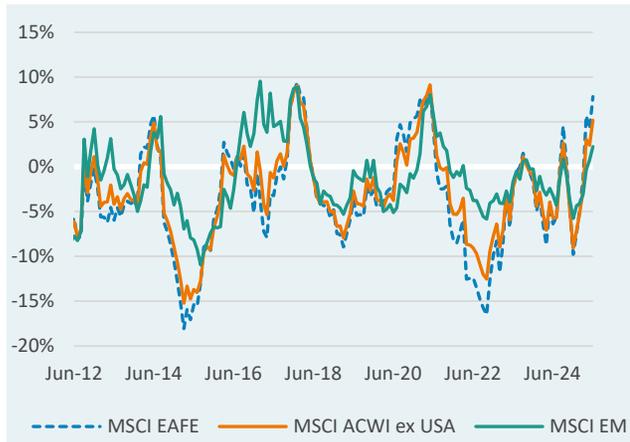
Currency

The U.S. dollar fell materially again during Q2, down -11% since the beginning of the year according to the U.S. Dollar Index (DXY). These large swings in the dollar continue to have significant impacts on performance for U.S. investors who do not have a currency hedging program in place. Tariff and trade fears, downward adjustments to economic growth expectations, and possibly international fund flows have impacted the value of the dollar. These swings will also create some degree of inflation in the U.S., as many imported goods are beginning to rise in price.

Dollar swings raised the portfolio returns of U.S. investors with unhedged foreign currency exposure—a gain of +11.6% from currency moves across international equities (MSCI EAFE) year-to-date.

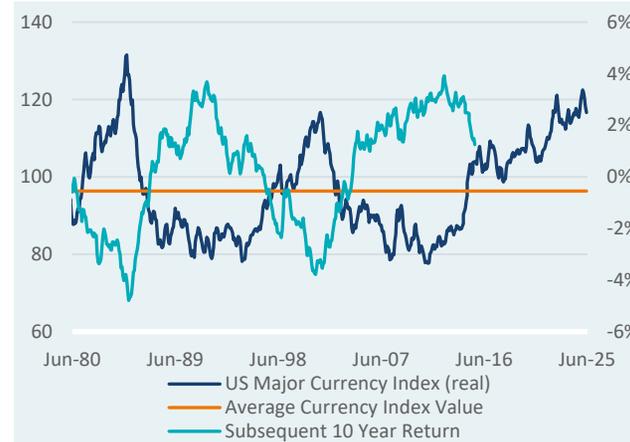
A more thoughtful portfolio approach to currency exposure has provided lower portfolio volatility and higher long-term returns—a rare proposition. This approach involves reducing the uncompensated risk of unhedged foreign currency exposure, and instead of unhedged exposure, making a passive investment in the currency market by investing in currencies with higher interest rates, undervalued currencies, and currencies showing positive price momentum. This approach, represented by the MSCI Currency Factor Mix Index, has offered a positive one-year rolling return over most periods with far lower volatility than an unhedged approach, although the past year of currency volatility has resulted in an historically less common environment of Currency Factor Mix underperformance and embedded (unhedged) currency outperformance.

EFFECT OF CURRENCY (1-YEAR ROLLING)



Source: MSCI, Verus, as of 6/30/25

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: FRED, Verus, as of 6/30/25

EMBEDDED CURRENCY VS CURRENCY FACTORS



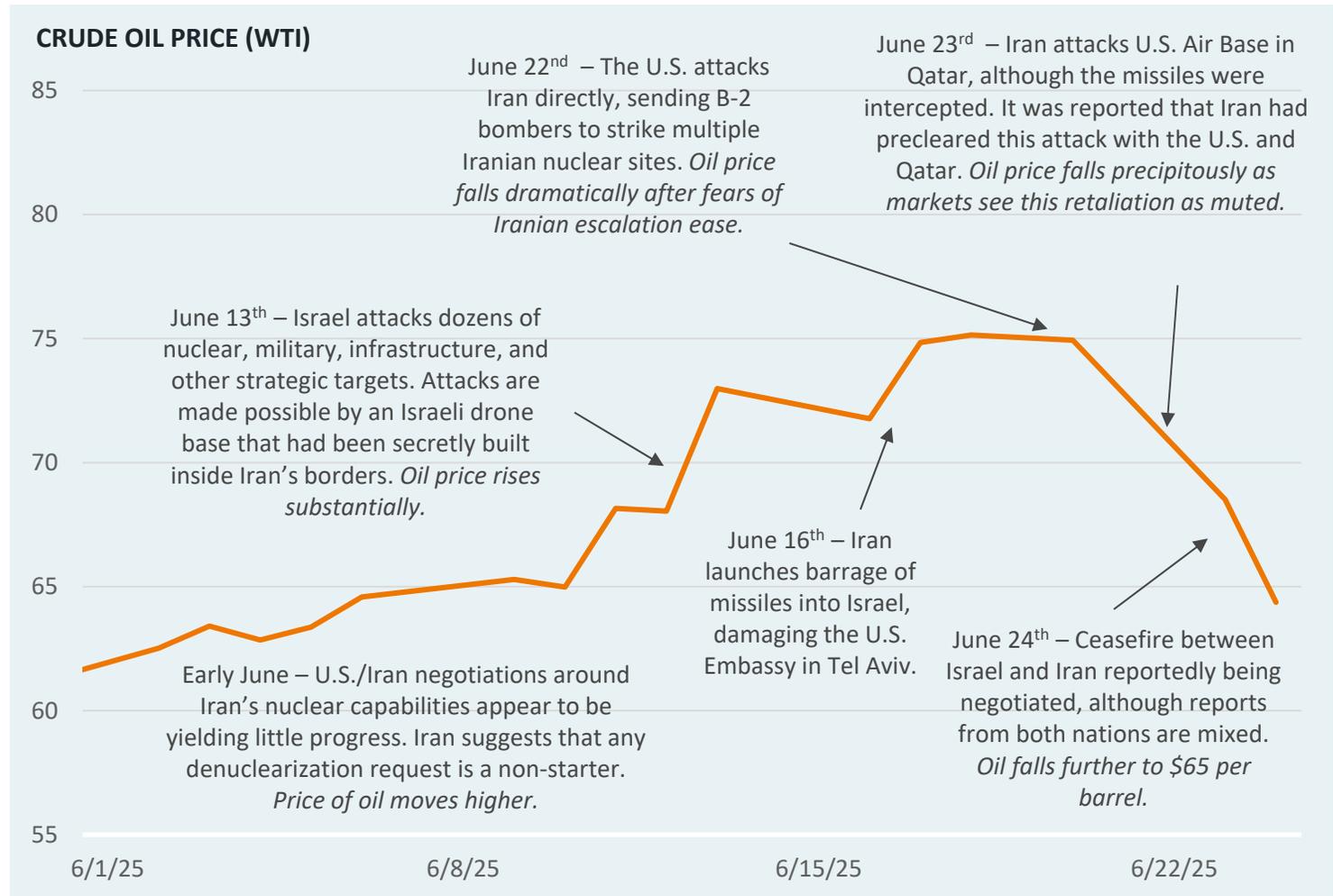
Source: MSCI, Verus, as of 6/30/25 “Embedded Currency Exposure” is the currency return impact from not hedging currency risk

Middle East tensions & energy prices

A wild ride for energy markets

Escalating tensions between Iran and Israel have led to fears of broader military conflict and a possible energy supply shock in the second quarter. Iran produces nearly 5% of the world's oil, and approximately 20% of global oil and gas is shipped through the Strait of Hormuz, which could be quickly blocked by Iran.

A ceasefire between the two nations has been achieved after the United States executed a direct attack on Iranian nuclear facilities which was followed by a muted response from Iran. This ceasefire agreement has held and appears likely to hold, which has sent oil prices tumbling. Uncertainty remains high, however. With energy as an important element of inflation baskets, this may have implications for inflation and interest rates in the medium term.



Source: Verus, Bloomberg – West Texas Intermediate (WTI) oil futures price

Hedge funds – macro & event-driven

The gap between machine-driven, systematic macro trading strategies and human driven, discretionary macro funds widened significantly in the first half of 2025. Systematic strategies rely on identifying historical patterns in fundamental, technical, or economic market data to predict future price patterns. Given the rapidly evolving geopolitical dynamics and divergent economic implications, systematic strategies such as ‘trend following’ have been caught offside in multiple asset classes and were whipsawed recently.

Event driven strategies, such as those focused on mergers, activism, and other special situations investments, have seen greater upside participation in recent quarters. After a slump in corporate activity and M&A following the SPAC bubble bursting in '21-22, the number of deals announced or proposed in the first half of 2025 was the highest since 2021. Strong tailwinds for M&A should support greater upside across a variety of hedge fund strategies, including multi-strategy and ‘pod shop’ funds that make extensive use of both hard catalyst and merger arbitrage trading styles.

3 YR ROLLING RETURNS OF HFRI MACRO



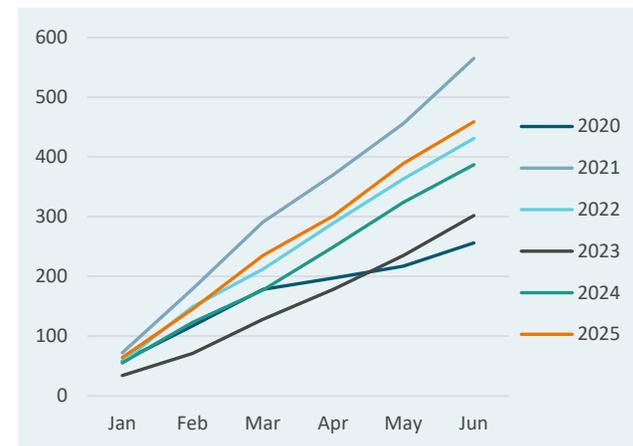
Source: MPI, HFR, as of 6/30/25

12M UP MARKET CAPTURE % VS S&P 500



Source: MPI, HFR, as of 6/30/25

ANNOUNCED STOCK OR CASH DEALS IN H1 2025

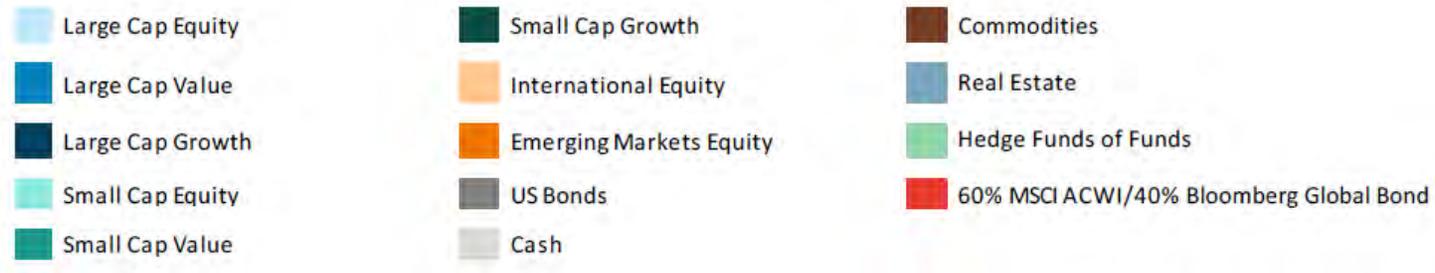


Source: Bloomberg, as of 6/30/25

Appendix

Periodic table of returns

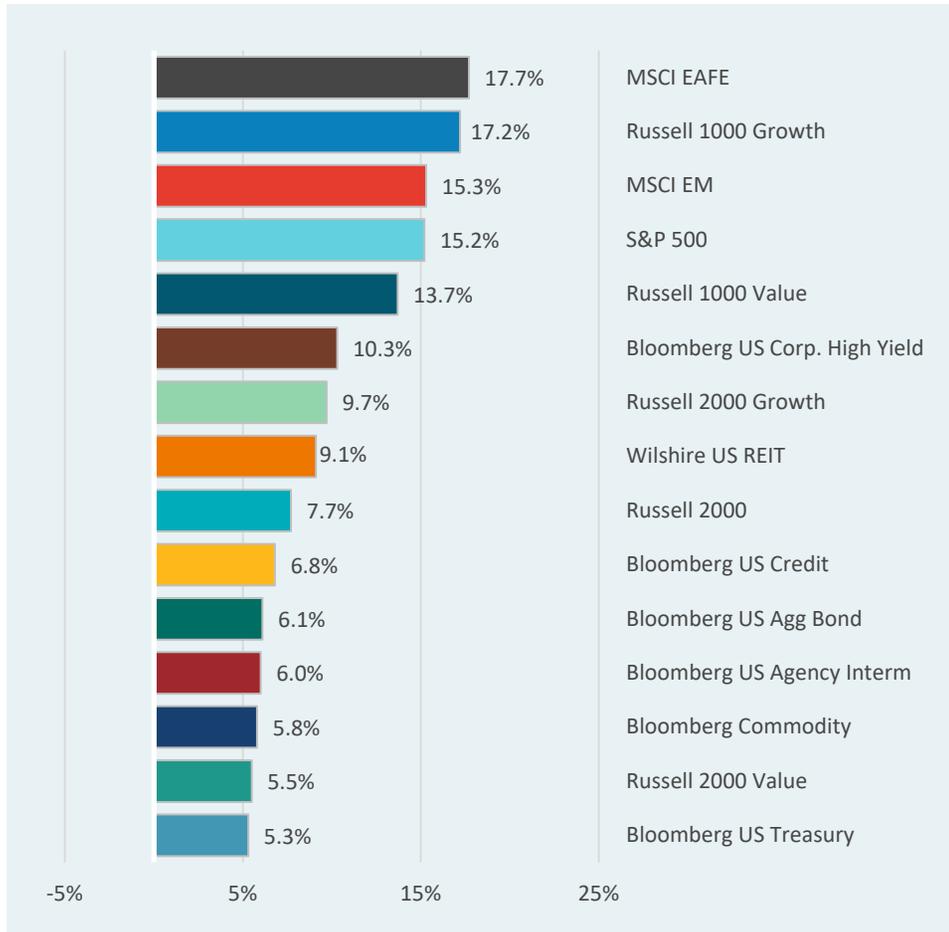
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	5-Year	10-Year
International Equity	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	28.3	16.1	42.7	33.4	19.4	18.1	17.0
Emerging Markets Equity	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	27.6	9.4	26.5	24.5	15.3	16.3	13.4
60/40 Global Portfolio	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	27.1	1.5	18.7	15.2	9.0	13.9	9.2
Large Cap Equity	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	26.5	-4.7	18.2	14.4	6.1	12.7	7.1
Large Cap Growth	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	25.2	-7.5	16.9	11.5	6.1	12.5	7.1
Large Cap Value	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.4	14.0	17.7	-13.0	15.4	9.9	6.0	11.2	6.7
Commodities	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.0	10.3	14.8	-14.5	14.6	9.5	5.5	10.0	6.5
US Bonds	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	11.3	-14.5	11.5	8.1	4.0	7.4	6.1
Hedge Funds of Funds	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	8.9	-17.3	9.8	7.5	3.0	7.4	5.4
Real Estate	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	6.5	-19.1	6.3	5.4	2.2	6.8	4.8
Cash	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	2.8	-20.1	5.5	5.3	2.1	6.2	3.8
Small Cap Growth	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	0.0	-20.4	5.0	3.8	-0.5	3.3	2.0
Small Cap Equity	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	-1.5	-26.4	-7.9	1.3	-1.8	2.7	1.9
Small Cap Value	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-2.5	-29.1	-7.9	0.4	-3.2	-0.7	1.8



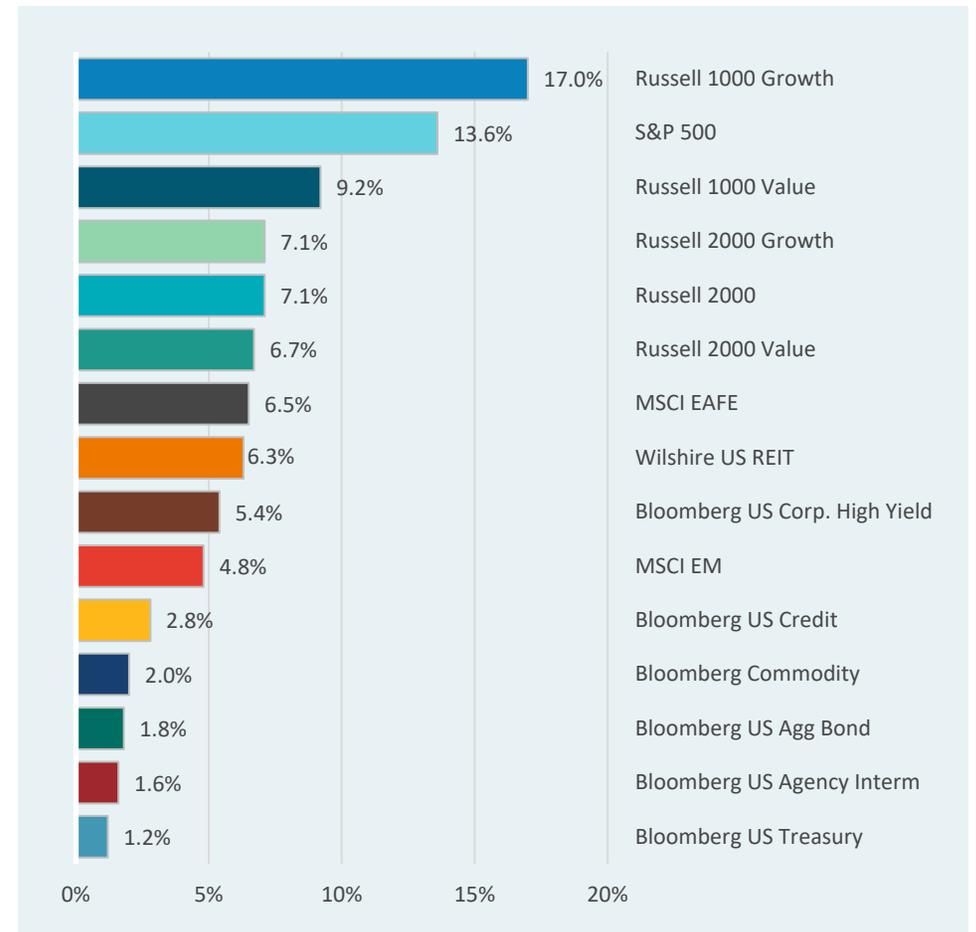
Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 3/31/25.

Major asset class returns

ONE YEAR ENDING JUNE



TEN YEARS ENDING JUNE



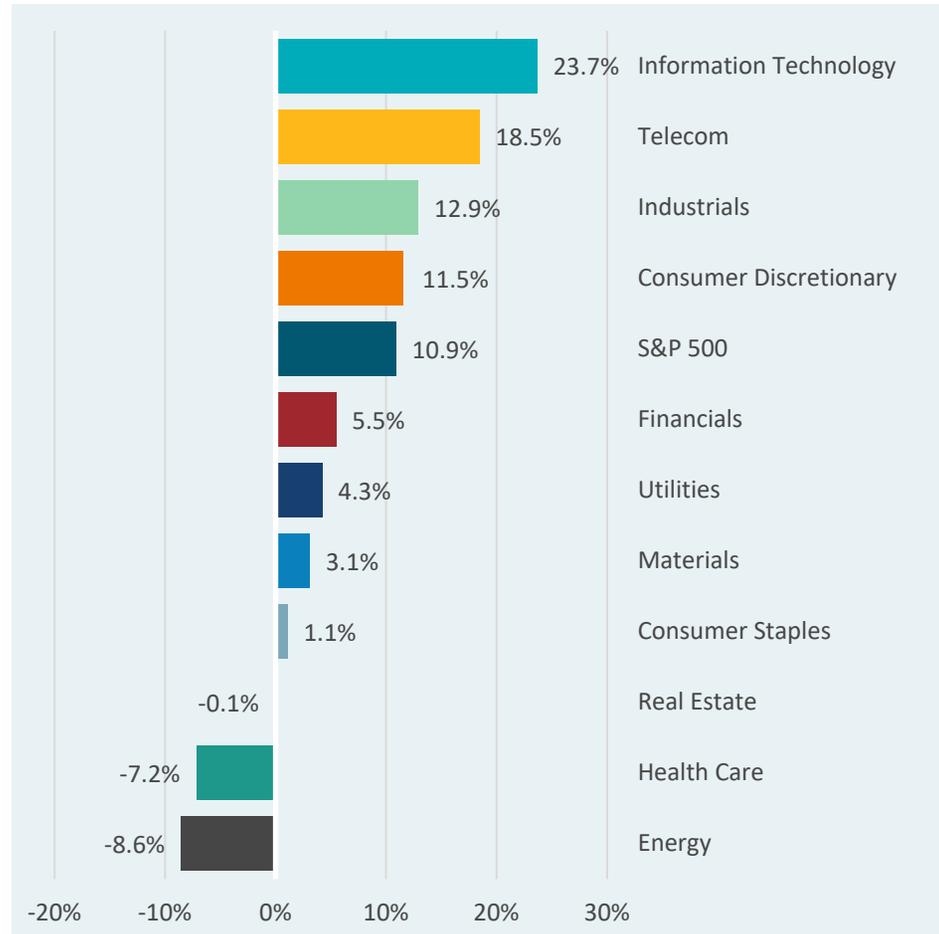
*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 6/30/25

Source: Morningstar, as of 6/30/25

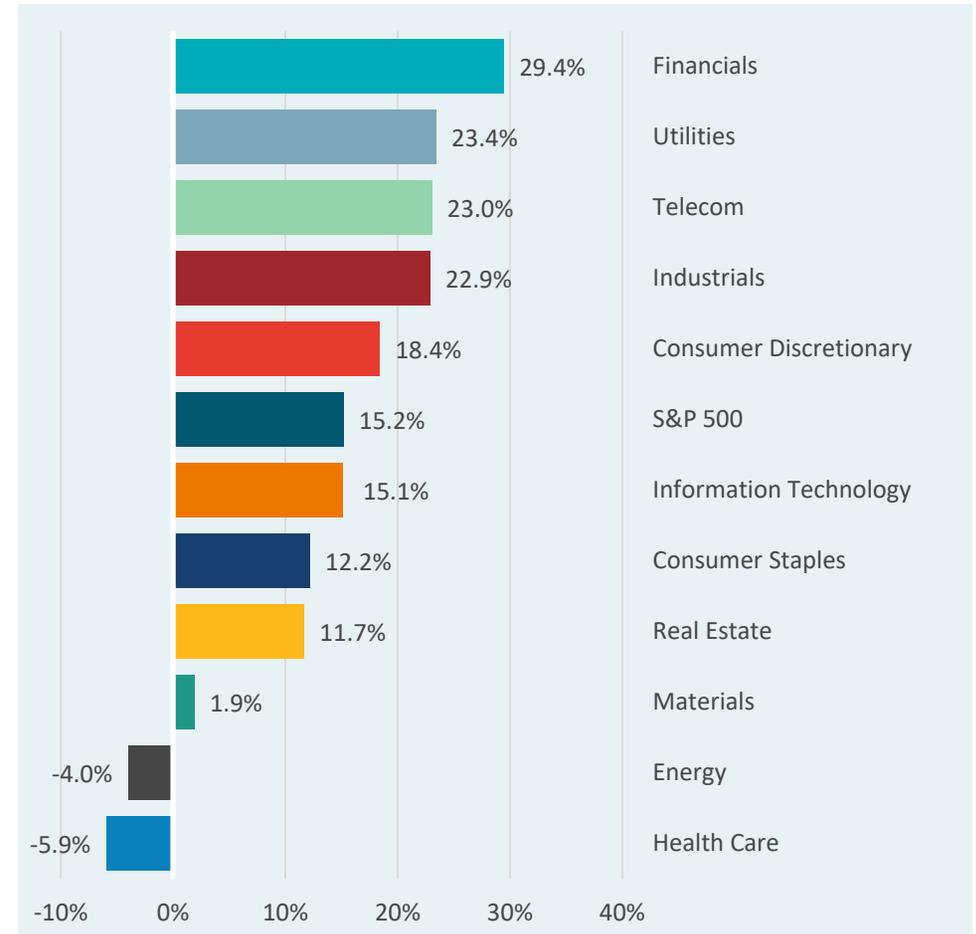
S&P 500 sector returns

QTD



Source: Morningstar, as of 6/30/25

ONE YEAR ENDING JUNE



Source: Morningstar, as of 6/30/25

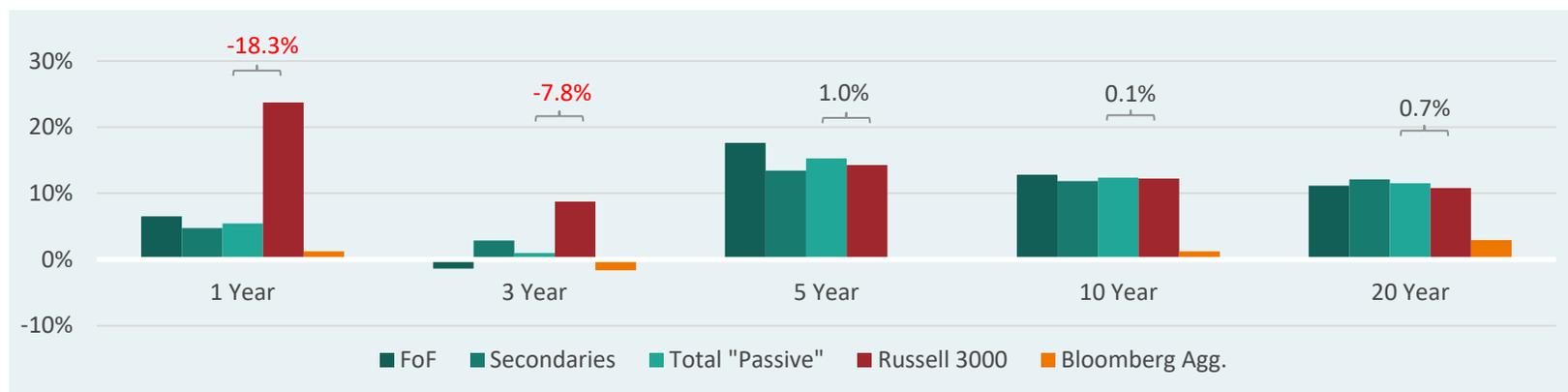
Private equity vs. traditional assets performance

DIRECT PRIVATE EQUITY FUND INVESTMENTS



Direct P.E Fund Investments vs. public equities has been mixed.

“PASSIVE” STRATEGIES

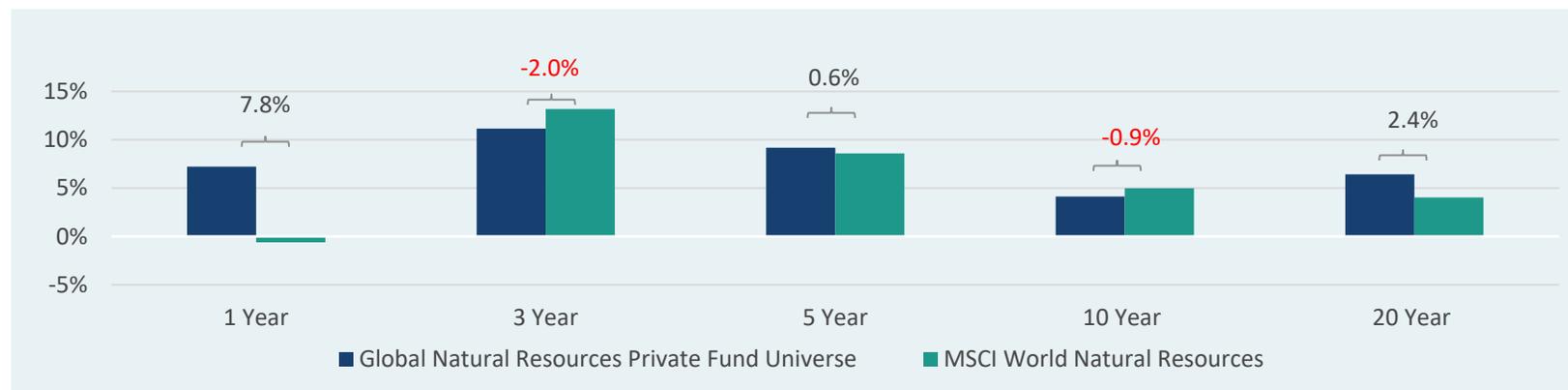


“Passive” strategies vs public equities has been mixed.

Sources: FTSE PME: U.S. Direct Private Equity and “Passive” returns are as of December 31, 2024. Public Market Equivalent returns resulted from “Total Passive” and Total Direct’s identical cash flows invested into and distributed from respective traditional asset comparable.

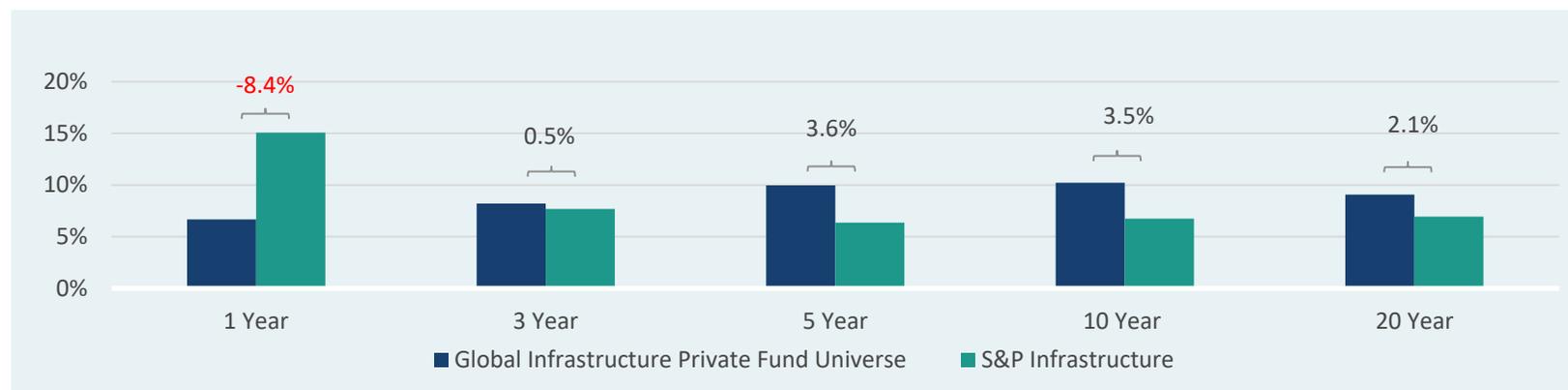
Private vs. liquid real assets performance

GLOBAL NATURAL RESOURCES FUNDS



N.R. funds vs. the MSCI World Natural Resources benchmark has been mixed.

GLOBAL INFRASTRUCTURE FUNDS

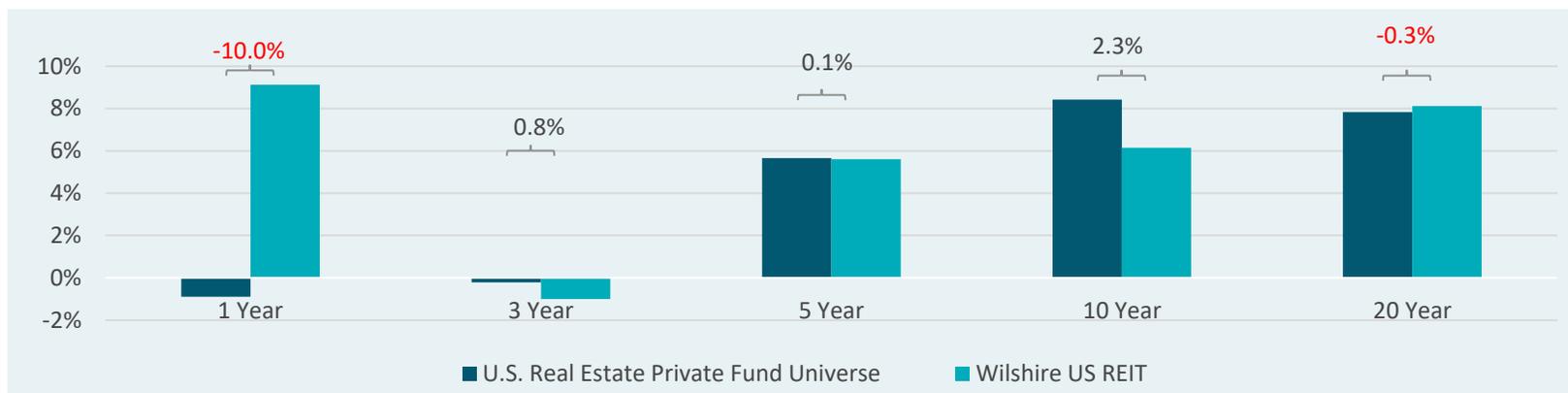


Infra. funds outperformed S&P Infra. over most periods.

Sources: FTSE 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, 2024. Public Market Equivalent returns resulted from identical cash flows invested into and distributed from respective liquid real assets universes.

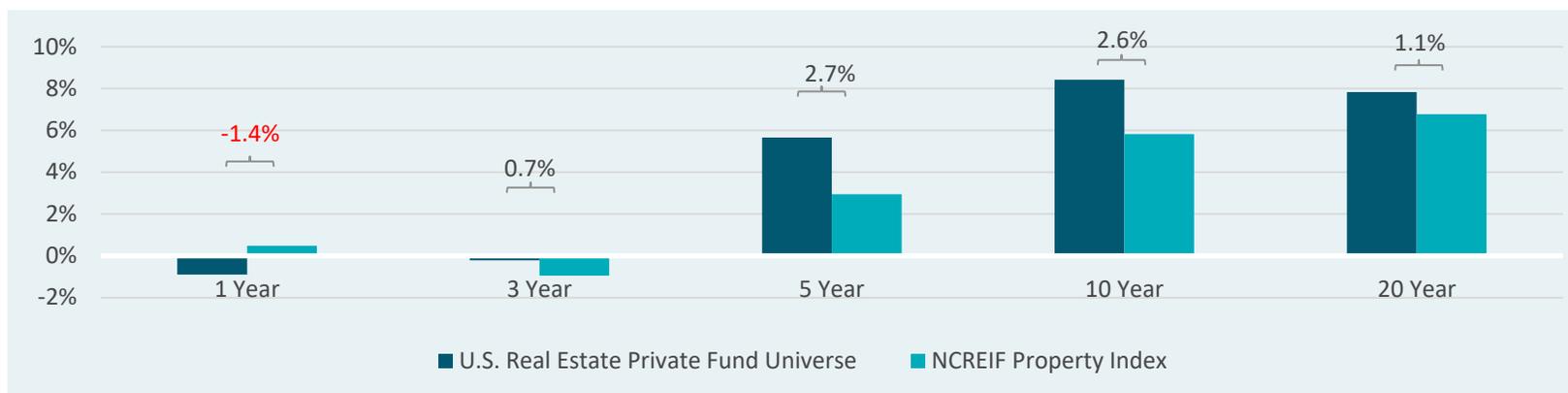
Private vs. liquid and core real estate performance

U.S. PRIVATE REAL ESTATE FUNDS VS. LIQUID UNIVERSE



U.S. Private R.E. funds vs. the Wilshire U.S. REIT Index was mixed.

U.S. PRIVATE REAL ESTATE FUNDS VS. CORE FUNDS



U.S. Private R.E. Funds outperformed the NCREIF Property Index across most time periods.

Sources: FTSE PME: U.S. Real Estate universes as of December 31, 2024. 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	5.1	10.9	6.2	15.2	19.7	16.6	13.6
S&P 500 Equal Weighted	3.4	5.5	4.8	12.7	12.8	14.4	10.7
DJ Industrial Average	4.5	5.5	4.5	14.7	15.0	13.5	12.1
Russell Top 200	5.4	11.8	6.5	15.8	21.3	17.3	14.6
Russell 1000	5.1	11.1	6.1	15.7	19.6	16.3	13.4
Russell 2000	5.4	8.5	(1.8)	7.7	10.0	10.0	7.1
Russell 3000	5.1	11.0	5.8	15.3	19.1	16.0	13.0
Russell Mid Cap	3.7	8.5	4.8	15.2	14.3	13.1	9.9
Style Index							
Russell 1000 Growth	6.4	17.8	6.1	17.2	25.8	18.1	17.0
Russell 1000 Value	3.4	3.8	6.0	13.7	12.8	13.9	9.2
Russell 2000 Growth	5.9	12.0	(0.5)	9.7	12.4	7.4	7.1
Russell 2000 Value	4.9	5.0	(3.2)	5.5	7.5	12.5	6.7

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	4.5	11.5	10.0	16.2	17.3	13.7	10.0
MSCI ACWI ex US	3.4	12.0	17.9	17.7	14.0	10.1	6.1
MSCI EAFE	2.2	11.8	19.4	17.7	16.0	11.2	6.5
MSCI EM	6.0	12.0	15.3	15.3	9.7	6.8	4.8
MSCI EAFE Small Cap	4.3	16.6	20.9	22.5	13.3	9.3	6.5
Style Index							
MSCI EAFE Growth	2.7	13.5	16.0	11.4	13.6	7.9	6.7
MSCI EAFE Value	1.7	10.1	22.8	24.2	18.4	14.3	6.1
Regional Index							
MSCI UK	1.4	8.7	19.3	20.0	15.2	14.0	5.4
MSCI Japan	1.7	11.4	11.7	13.9	15.0	8.8	6.1
MSCI Euro	2.5	12.7	26.1	22.2	21.3	13.4	7.3
MSCI EM Asia	6.3	12.4	13.9	14.9	9.4	6.5	5.7
MSCI EM Latin American	6.1	15.2	29.9	13.4	11.6	11.1	3.7

Source: Morningstar, HFRI, as of 6/30/25

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	1.0	0.5	4.7	5.8	2.3	1.6	2.7
Bloomberg US Treasury Bills	0.3	1.1	2.1	4.8	4.6	2.8	2.0
Bloomberg US Agg Bond	1.5	1.2	4.0	6.1	2.5	(0.7)	1.8
Bloomberg US Universal	1.6	1.4	4.1	6.5	3.3	(0.1)	2.1
Duration							
Bloomberg US Treasury 1-3 Yr	0.6	1.2	2.8	5.7	3.4	1.3	1.6
Bloomberg US Treasury Long	2.5	(1.5)	3.1	1.6	(3.7)	(8.2)	0.1
Bloomberg US Treasury	1.3	0.8	3.8	5.3	1.5	(1.6)	1.2
Issuer							
Bloomberg US MBS	1.8	1.1	4.2	6.5	2.3	(0.6)	1.3
Bloomberg US Corp. High Yield	1.8	3.5	4.6	10.3	9.9	6.0	5.4
Bloomberg US Agency Interm	0.8	1.4	3.4	6.0	3.4	0.8	1.6
Bloomberg US Credit	1.8	1.8	4.2	6.8	4.2	0.1	2.8
OTHER							
Index							
Bloomberg Commodity	2.4	(3.1)	5.5	5.8	0.1	12.7	2.0
Wilshire US REIT	(0.6)	(1.2)	(0.2)	9.1	5.7	8.7	6.3
S&P UBS Leveraged Loan	1.4	1.0	1.9	6.7	8.4	7.5	5.0
S&P Global Infrastructure	2.0	10.4	15.5	27.7	12.5	13.1	7.7
Alerian MLP	2.6	(4.9)	7.1	13.9	26.2	28.1	5.2
Regional Index							
JPM EMBI Global Div	2.4	3.3	5.6	10.0	8.9	1.8	3.5
JPM GBI-EM Global Div	2.8	7.6	12.3	13.8	8.5	1.9	2.1
Hedge Funds							
HFRI Composite	2.4	4.4	3.9	8.0	7.5	8.4	5.3
HFRI FOF Composite	1.8	3.4	3.0	7.3	6.5	6.2	3.8
Currency (Spot)							
Euro	3.4	8.7	13.4	9.5	3.9	0.9	0.5
Pound Sterling	1.6	6.2	9.4	8.4	4.1	2.1	(1.4)
Yen	(0.1)	3.5	8.8	11.4	(2.0)	(5.7)	(1.6)

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, 2025



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

SEATTLE 206.622.3700

CHICAGO 312.815.5228

PITTSBURGH 412.784.6678

LOS ANGELES 310.297.1777

SAN FRANCISCO 415.362.3484

Total Fund
Portfolio Reconciliation

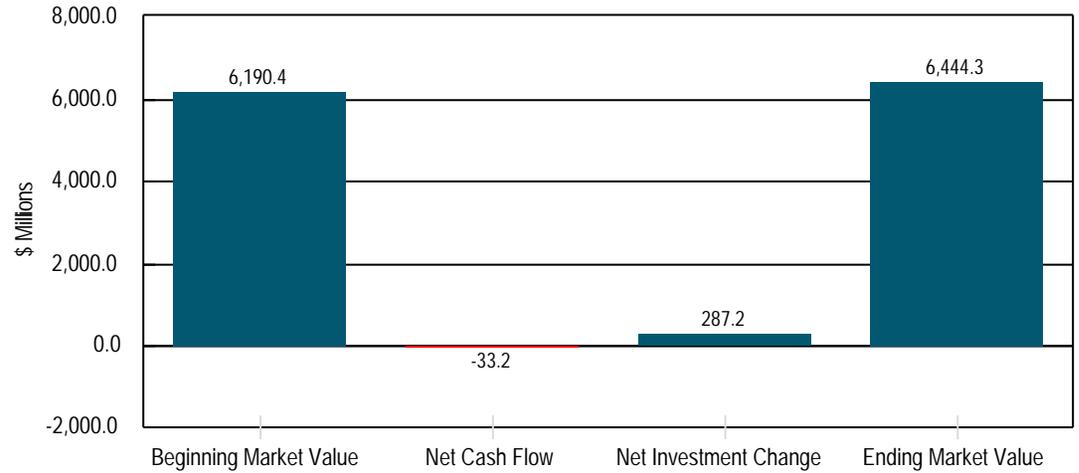
Kern County Employees' Retirement Association
Period Ending: June 30, 2025

Portfolio Reconciliation

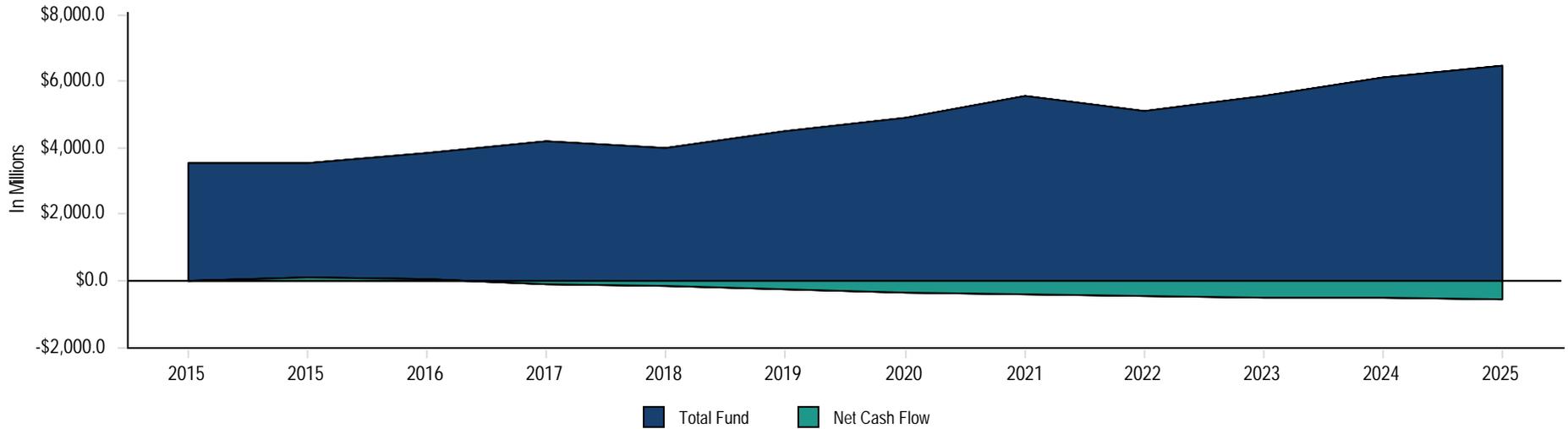
Last Three Months

Beginning Market Value	\$6,190,407,316
Net Cash Flows	-\$33,173,184
Net Investment Change	\$287,198,566
Ending Market Value	\$6,444,339,563

Change in Market Value
Last Three Months



Market Value History



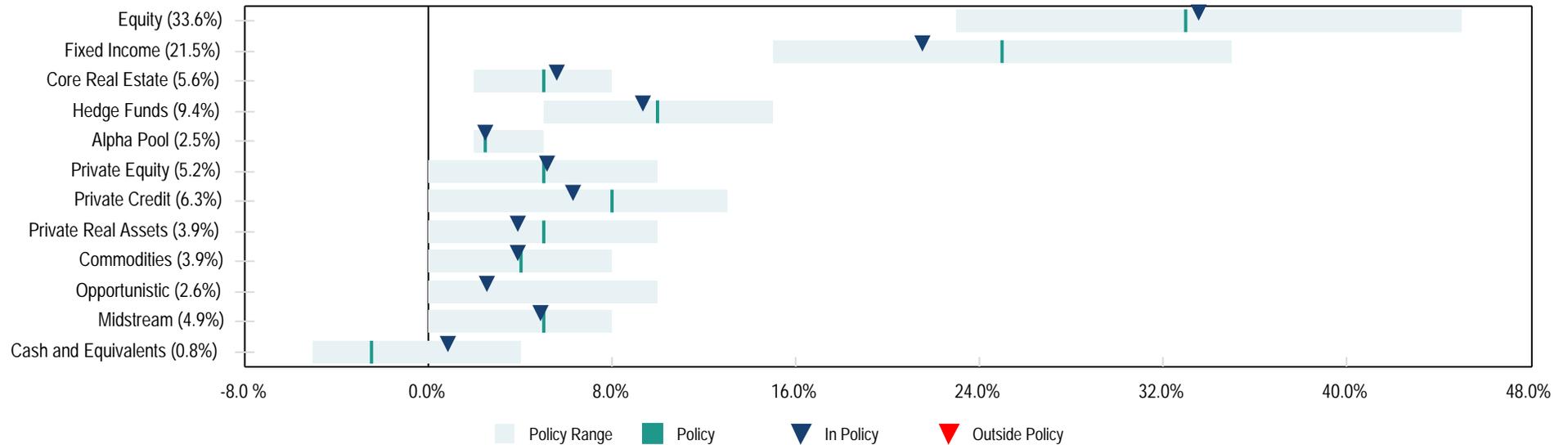
Total Fund

Asset Allocation vs. Policy

Kern County Employees Retirement Association
 Period Ending: June 30, 2025

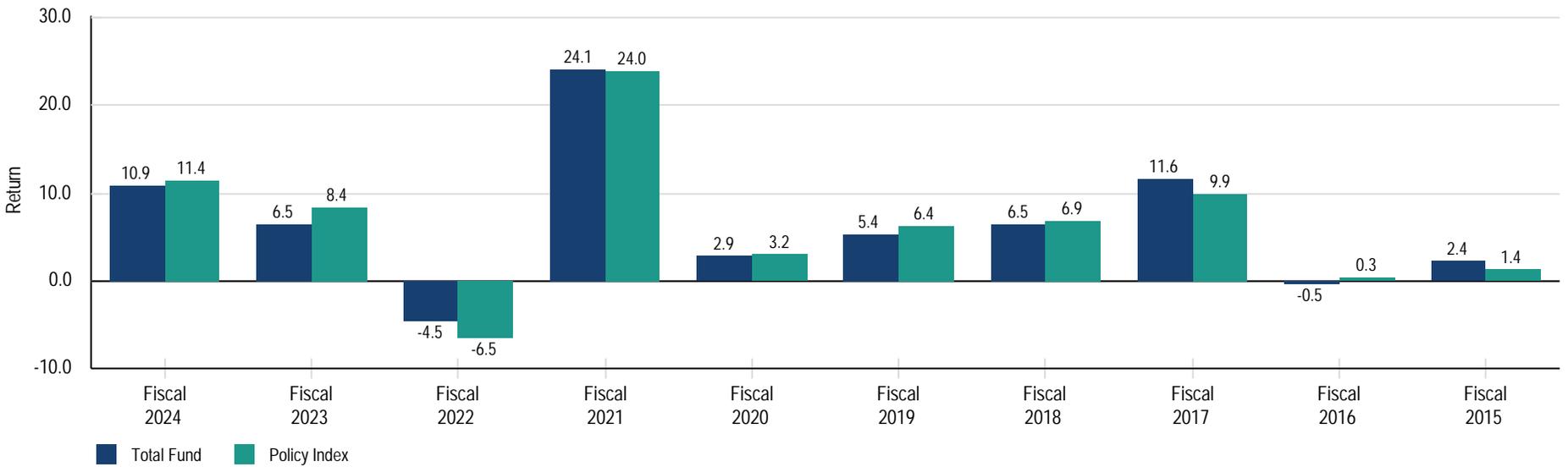
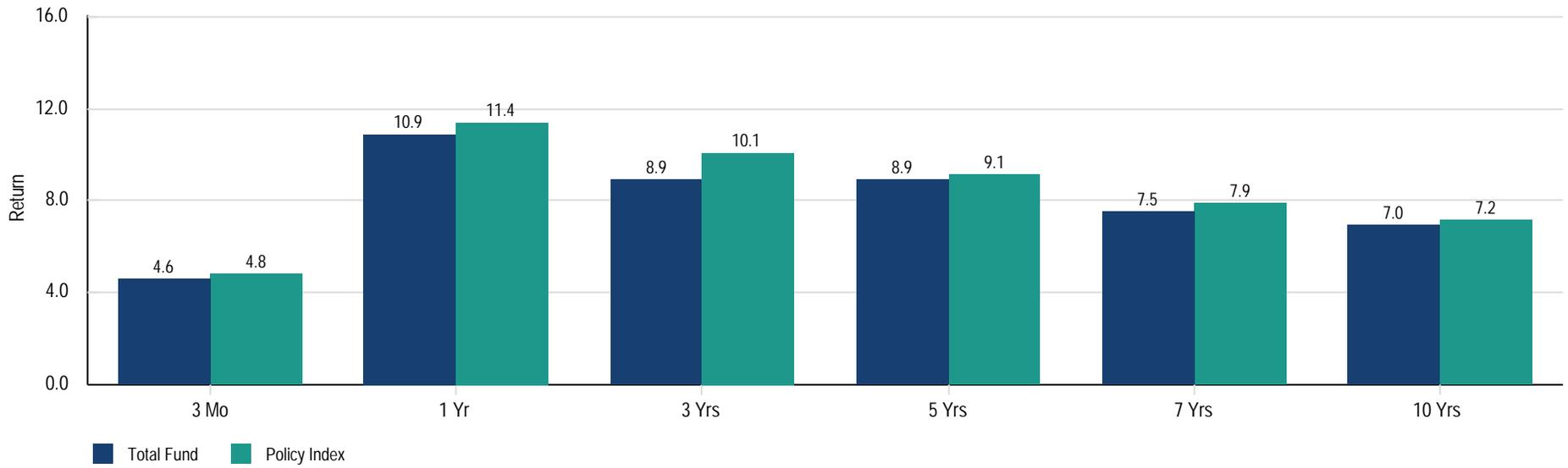
	Current Balance (\$)	Current Allocation (%)	Policy Allocation (%)	Excess Allocation (%)	Policy Range (%)	Within IPS Range?
Equity	2,163,118,845	33.6	33.0	0.6	23.0 - 45.0	Yes
Fixed Income	1,385,395,986	21.5	25.0	-3.5	15.0 - 35.0	Yes
Core Real Estate	359,635,361	5.6	5.0	0.6	2.0 - 8.0	Yes
Hedge Funds	603,308,350	9.4	10.0	-0.6	5.0 - 15.0	Yes
Alpha Pool	158,822,269	2.5	2.5	0.0	2.0 - 5.0	Yes
Private Equity	334,025,975	5.2	5.0	0.2	0.0 - 10.0	Yes
Private Credit	404,673,592	6.3	8.0	-1.7	0.0 - 13.0	Yes
Private Real Assets	251,833,184	3.9	5.0	-1.1	0.0 - 10.0	Yes
Commodities	249,749,478	3.9	4.0	-0.1	0.0 - 8.0	Yes
Opportunistic	166,383,003	2.6	0.0	2.6	0.0 - 10.0	Yes
Midstream	313,908,819	4.9	5.0	-0.1	0.0 - 8.0	Yes
Cash and Equivalents	53,484,699	0.8	-2.5	3.3	-5.0 - 4.0	Yes
Total	6,444,339,563	100.0	100.0	0.0		

Executive Summary



Total Fund
Performance vs. Policy (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2025



Total Fund
Executive Summary (Gross of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020
Total Fund	6,444,339,563	100.0	4.7	11.2	11.2	9.2	9.2	7.3	9.7	6.7	-4.2	24.4	3.2
<i>Policy Index</i>			<i>4.8</i>	<i>11.4</i>	<i>11.4</i>	<i>10.1</i>	<i>9.1</i>	<i>7.2</i>	<i>10.5</i>	<i>8.4</i>	<i>-6.5</i>	<i>24.0</i>	<i>3.2</i>
<i>InvMetrics Public DB > \$1B Rank</i>			<i>82</i>	<i>25</i>	<i>25</i>	<i>52</i>	<i>44</i>	<i>51</i>	<i>58</i>	<i>71</i>	<i>37</i>	<i>88</i>	<i>22</i>
Equity	2,163,118,845	33.6	10.9	14.8	14.8	16.0	13.4	10.2	17.1	15.9	-14.9	41.2	0.7
<i>MSCI AC World IMI Index (Net)</i>			<i>11.6</i>	<i>15.9</i>	<i>15.9</i>	<i>16.8</i>	<i>13.4</i>	<i>9.7</i>	<i>18.4</i>	<i>16.1</i>	<i>-16.5</i>	<i>40.9</i>	<i>1.2</i>
Domestic Equity	1,155,091,987	17.9	9.6	12.9	12.9	17.7	15.5	13.2	22.4	17.8	-12.0	43.6	6.3
<i>MSCI USA IMI</i>			<i>11.1</i>	<i>15.2</i>	<i>15.2</i>	<i>19.2</i>	<i>16.1</i>	<i>13.1</i>	<i>23.3</i>	<i>19.2</i>	<i>-13.7</i>	<i>44.4</i>	<i>6.7</i>
International Developed Equity	758,643,414	11.8	12.0	17.8	17.8	15.3	11.0	6.8	11.0	17.2	-19.6	37.0	-5.5
<i>MSCI World ex U.S. IMI Index (Net)</i>			<i>12.7</i>	<i>19.3</i>	<i>19.3</i>	<i>15.4</i>	<i>11.3</i>	<i>6.6</i>	<i>10.8</i>	<i>16.3</i>	<i>-17.7</i>	<i>34.8</i>	<i>-5.1</i>
Emerging Markets Equity	249,381,660	3.9	14.3	17.0	17.0	12.1	9.2	5.1	14.2	5.3	-21.4	40.6	-10.9
<i>MSCI Emerging Markets IMI (Net)</i>			<i>12.7</i>	<i>14.3</i>	<i>14.3</i>	<i>10.2</i>	<i>7.6</i>	<i>4.9</i>	<i>13.6</i>	<i>3.2</i>	<i>-24.8</i>	<i>43.2</i>	<i>-4.0</i>
Fixed Income	1,385,395,986	21.5	1.9	7.4	7.4	4.9	1.2	2.9	4.2	3.1	-12.7	5.4	6.6
<i>Fixed Income Custom Benchmark</i>			<i>2.1</i>	<i>7.4</i>	<i>7.4</i>	<i>4.7</i>	<i>1.1</i>	<i>2.7</i>	<i>4.8</i>	<i>1.9</i>	<i>-11.6</i>	<i>4.0</i>	<i>5.2</i>
Core Fixed Income	677,673,929	10.5	1.2	5.6	5.6	2.4	-0.8	2.0	2.5	-0.9	-11.2	1.0	9.5
<i>Core Fixed Income Benchmark</i>			<i>1.3</i>	<i>5.8</i>	<i>5.8</i>	<i>2.4</i>	<i>-0.8</i>	<i>1.7</i>	<i>2.5</i>	<i>-0.9</i>	<i>-10.3</i>	<i>-0.3</i>	<i>8.7</i>
Credit Fixed Income	707,468,816	11.0	3.0	10.0	10.0	8.8	4.3	3.9	7.1	9.3	-14.2	11.6	-0.2
<i>Credit Fixed Income Benchmark</i>			<i>3.7</i>	<i>10.5</i>	<i>10.5</i>	<i>9.3</i>	<i>4.3</i>	<i>4.3</i>	<i>8.2</i>	<i>9.2</i>	<i>-15.7</i>	<i>12.2</i>	<i>-1.1</i>
Commodities	249,749,478	3.9	-0.4	6.6	6.6	4.6	14.5	4.5	14.6	-6.3	20.1	43.5	-10.7
<i>Bloomberg Commodity Index Total Return</i>			<i>-3.1</i>	<i>5.8</i>	<i>5.8</i>	<i>0.1</i>	<i>12.7</i>	<i>2.0</i>	<i>5.0</i>	<i>-9.6</i>	<i>24.3</i>	<i>45.6</i>	<i>-17.4</i>
Hedge Funds	603,308,350	9.4	2.9	9.0	9.0	8.3	8.8	6.5	9.2	6.9	2.9	16.3	7.3
<i>75% (3 Month T-Bill + 3%) + 25% MSCI ACWI Net</i>			<i>4.2</i>	<i>10.0</i>	<i>10.0</i>	<i>10.3</i>	<i>8.0</i>	<i>6.5</i>	<i>11.4</i>	<i>9.4</i>	<i>-1.7</i>	<i>11.4</i>	<i>4.5</i>
Alpha Pool	158,822,269	2.5	1.3	6.2	6.2	2.0	4.3	-	0.7	-0.9	1.5	14.5	-
<i>3-Month Treasury Bill +3%</i>			<i>1.8</i>	<i>7.8</i>	<i>7.8</i>	<i>7.7</i>	<i>5.8</i>	-	<i>8.6</i>	<i>6.7</i>	<i>3.2</i>	<i>3.1</i>	-
Midstream Energy	313,908,819	4.9	-0.3	22.4	22.4	24.3	-	-	30.6	20.1	9.7	-	-
<i>Alerian Midstream Energy Index</i>			<i>-1.2</i>	<i>30.8</i>	<i>30.8</i>	<i>22.9</i>	-	-	<i>26.7</i>	<i>12.2</i>	<i>11.4</i>	-	-
Core Real Estate	358,808,370	5.6	2.5	4.6	4.6	-9.6	-0.2	3.3	-19.8	-11.9	25.6	6.6	2.3
<i>NCREIF ODCE (Net)</i>			<i>0.8</i>	<i>2.7</i>	<i>2.7</i>	<i>-6.2</i>	<i>2.5</i>	<i>4.4</i>	<i>-10.0</i>	<i>-10.7</i>	<i>28.3</i>	<i>7.1</i>	<i>1.3</i>
Private Real Assets	252,660,175	3.9	-0.2	0.4	0.4	0.4	9.1	8.7	-6.4	7.9	38.8	9.6	4.4
			<i>-0.2</i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>	<i>9.1</i>	<i>8.7</i>	<i>-6.4</i>	<i>7.9</i>	<i>38.8</i>	<i>9.6</i>	<i>4.4</i>
Private Equity	334,025,975	5.2	3.3	9.1	9.1	6.7	15.9	10.4	11.9	-0.6	21.5	41.9	-10.5
			<i>3.3</i>	<i>9.1</i>	<i>9.1</i>	<i>6.7</i>	<i>15.9</i>	<i>10.4</i>	<i>11.9</i>	<i>-0.6</i>	<i>21.5</i>	<i>41.9</i>	<i>-10.5</i>
Private Credit	404,673,592	6.3	0.6	9.7	9.7	8.6	6.1	-	13.1	3.2	0.3	4.8	5.5
			<i>0.6</i>	<i>9.7</i>	<i>9.7</i>	<i>8.6</i>	<i>6.1</i>	-	<i>13.1</i>	<i>3.2</i>	<i>0.3</i>	<i>4.8</i>	<i>5.5</i>

Policy Index: 33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 19% Core (12% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index), 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index; 0.50% Bloomberg ABS Index; 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index, 4% Emerging Market Debt (2% JPM EMBI Global Div/2% JPM GBI EM Global Div), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual time-weighted Private Equity Returns, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool.*

Total Fund
Executive Summary (Gross of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020
Opportunistic	166,383,003	2.6	3.9	18.4	18.4	7.0	13.2	-	2.9	0.6	-5.3	60.3	-
<i>Assumed Rate of Return +3%</i>			<i>2.4</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	-	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	<i>10.0</i>	-
Cash	250,828,300	3.9	1.2	5.4	5.4	4.8	2.8	2.5	6.4	2.6	-0.1	0.1	1.0
<i>3 Month T-Bill</i>			<i>1.0</i>	<i>4.7</i>	<i>4.7</i>	<i>4.6</i>	<i>2.8</i>	<i>2.0</i>	<i>5.4</i>	<i>3.6</i>	<i>0.2</i>	<i>0.1</i>	<i>1.6</i>

Policy Index: 33% MSCI ACWI (Net), 27% Fixed Income Blend - 19% Core (12% Bloomberg US Aggregate Index, 3% ICE BotFAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index), 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index; 0.50% Bloomberg ABS Index; 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index, 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual time-weighted Private Equity Returns, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*; 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool.*

Performance and Attribution

Total Fund
Performance (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Inception	Inception Date
Total Fund	6,444,339,563	100.0	4.6	10.9	10.9	8.9	8.9	7.0	9.5	6.5	-4.5	24.1	2.9	6.9	Jun-11
<i>Policy Index</i>			4.8	11.4	11.4	10.1	9.1	7.2	10.5	8.4	-6.5	24.0	3.2	7.0	
Equity	2,163,118,845	33.6	10.9	14.6	14.6	15.7	13.1	9.8	16.9	15.7	-15.1	40.7	0.3	9.7	Jun-11
<i>MSCI AC World IMI Index (Net)</i>			11.6	15.9	15.9	16.8	13.4	9.7	18.4	16.1	-16.5	40.9	1.2	9.3	
Domestic Equity	1,155,091,987	17.9	9.5	12.7	12.7	17.4	15.3	12.8	22.1	17.6	-12.2	43.2	6.0	12.3	Jul-14
<i>MSCI USA IMI</i>			11.1	15.2	15.2	19.2	16.1	13.1	23.3	19.2	-13.7	44.4	6.7	12.5	
Mellon DB SL Stock Index Fund	655,409,933	10.2	10.9	15.1	15.1	19.7	16.6	-	24.5	19.6	-10.6	40.8	7.5	14.1	Oct-17
<i>S&P 500 Index</i>			10.9	15.2	15.2	19.7	16.6	-	24.6	19.6	-10.6	40.8	7.5	14.1	
PIMCO StocksPLUS	168,332,044	2.6	10.9	15.1	15.1	19.8	16.3	13.5	25.6	18.8	-12.8	41.7	7.7	11.5	Jul-03
<i>S&P 500 Index</i>			10.9	15.2	15.2	19.7	16.6	13.6	24.6	19.6	-10.6	40.8	7.5	10.8	
Chilton High Conviction Equity	160,783,574	2.5	-	-	-	-	-	-	-	-	-	-	-	7.2	May-25
<i>S&P 500 Index</i>			-	-	-	-	-	-	-	-	-	-	-	6.4	
AB US Small Cap Value Equity	67,984,676	1.1	5.0	4.8	4.8	6.1	12.2	-	9.1	4.3	-16.1	77.5	-19.4	6.4	Jul-15
<i>Russell 2000 Value Index</i>			5.0	5.5	5.5	7.5	12.5	6.7	10.9	6.0	-16.3	73.3	-17.5	6.8	
Geneva Capital Small Cap Growth	102,581,759	1.6	4.4	3.3	3.3	9.4	7.0	-	9.8	15.6	-22.1	37.6	9.3	9.4	Jul-15
<i>Russell 2000 Growth Index</i>			12.0	9.7	9.7	12.4	7.4	7.1	9.1	18.5	-33.4	51.4	3.5	7.0	
International Developed Equity	758,643,414	11.8	12.0	17.7	17.7	15.2	11.4	6.7	10.9	17.1	-17.8	36.7	-5.7	6.0	Jul-14
<i>MSCI World ex U.S. IMI Index (Net)</i>			12.7	19.3	19.3	15.4	11.3	6.6	10.8	16.3	-17.7	34.8	-5.1	5.5	
Mellon DB SL World ex-US Index Fund	382,686,441	5.9	12.2	19.0	19.0	16.2	12.3	-	11.7	17.9	-16.1	35.6	-5.5	7.9	Jul-18
<i>MSCI World ex U.S. IMI Index (Net)</i>			12.7	19.3	19.3	15.4	11.3	-	10.8	16.3	-17.7	34.8	-5.1	7.1	
Cevian Capital II	53,594,602	0.8	5.2	13.2	13.2	20.0	18.4	9.3	21.8	25.3	-8.2	46.8	-8.2	9.3	Dec-14
<i>MSCI Europe Index (Net) Hedged</i>			1.9	6.9	6.9	12.1	10.0	6.7	12.2	17.3	-8.6	25.0	-5.6	7.0	
Lazard Japanese Equity	160,482,986	2.5	10.0	14.2	14.2	-	-	-	-	-	-	-	-	20.0	Nov-23
<i>TOPIX Net Total Return Index</i>			11.3	15.5	15.5	-	-	-	-	-	-	-	-	18.9	
American Century Non-US Small Cap	75,445,746	1.2	20.3	16.9	16.9	10.9	-	-	8.3	7.9	-27.4	-	-	3.0	Dec-20
<i>MSCI World ex U.S. Small Cap Growth Index (Net)</i>			19.0	22.1	22.1	12.2	-	-	5.6	9.5	-28.6	-	-	2.8	
Dalton Japan Long Only	86,433,639	1.3	12.0	23.5	23.5	-	-	-	-	-	-	-	-	22.2	Oct-23
<i>MSCI Japan Small Cap Index (Net)</i>			12.4	22.9	22.9	-	-	-	-	-	-	-	-	20.4	
Emerging Markets Equity	249,381,660	3.9	14.1	16.5	16.5	11.5	8.6	4.3	13.8	4.6	-21.9	39.5	-11.8	3.4	Jul-14
<i>MSCI Emerging Markets IMI (Net)</i>			12.7	14.3	14.3	10.2	7.6	4.9	13.6	3.2	-24.8	43.2	-4.0	4.1	
DFA Emerging Markets Value I	62,205,550	1.0	11.0	11.9	11.9	12.1	12.6	6.1	16.7	7.9	-12.9	47.6	-17.7	5.6	Mar-14
<i>MSCI Emerging Markets Value (Net)</i>			10.0	12.7	12.7	10.2	9.1	4.0	14.1	4.1	-18.6	41.6	-15.7	3.8	
Mellon Emerging Markets Stock Index Fund	23,588,101	0.4	11.9	15.5	15.5	9.5	6.7	-	12.0	1.6	-25.5	41.1	-	6.5	Jun-20
<i>MSCI Emerging Markets (Net)</i>			12.0	15.3	15.3	9.7	6.8	-	12.5	1.7	-25.3	40.9	-	8.2	
Carrhae Capital Long Master Fund Ltd	85,455,259	1.3	17.1	-	-	-	-	-	-	-	-	-	-	22.1	Aug-24
<i>MSCI Emerging Markets IMI (Net)</i>			12.7	-	-	-	-	-	-	-	-	-	-	14.0	
ABS Emerging Market Direct	78,132,749	1.2	14.1	-	-	-	-	-	-	-	-	-	-	11.4	Aug-24
<i>MSCI Emerging Markets IMI (Net)</i>			12.7	-	-	-	-	-	-	-	-	-	-	12.5	
Fixed Income	1,385,395,986	21.5	1.8	7.2	7.2	4.7	1.0	2.7	3.9	2.9	-13.0	5.1	6.3	3.4	Jun-10
<i>Fixed Income Custom Benchmark</i>			2.1	7.4	7.4	4.7	1.1	2.7	4.8	1.9	-11.6	4.0	5.2	3.3	
Core Fixed Income	677,673,929	10.5	1.2	5.5	5.5	2.3	-0.9	1.9	2.4	-1.0	-11.4	0.8	9.3	1.8	Jul-14
<i>Core Fixed Income Benchmark</i>			1.3	5.8	5.8	2.4	-0.8	1.7	2.5	-0.9	-10.3	-0.3	8.7	1.7	
Aristotle Short Duration Bond Strategy	256,555,255	4.0	1.6	-	-	-	-	-	-	-	-	-	-	3.6	Jan-25
<i>Blimb. U.S. Corporate 1-3 Year Index</i>			1.5	-	-	-	-	-	-	-	-	-	-	3.1	

Policy Index: 33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 19% Core (12% Bloomberg US Aggregate Index, 3% ICE BotAAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index), 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index; 0.50% Bloomberg ABS Index; 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index, 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual time-weighted Private Equity Returns; 6% actual time-weighted Private Credit Returns; 4% actual time-weighted Private Real Estate Returns; 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool.

Total Fund
Performance (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Inception	Inception Date
Fixed Income Beta Exposure	97,845,705	1.5	1.6	5.5	5.5	1.5	-	-	1.7	-2.5	-	-	-	2.3	Jun-22
<i>ICE BofA 7-10 Year U.S. Treasury Index</i>			<i>1.4</i>	<i>6.3</i>	<i>6.3</i>	<i>1.0</i>	-	-	<i>0.3</i>	<i>-3.3</i>	-	-	-	<i>0.7</i>	
Mellon DB SL Aggregate Bond Index Fund	139,786,570	2.2	1.2	6.1	6.1	2.6	-0.8	1.7	2.6	-0.9	-10.4	-0.4	8.8	2.2	Jan-11
<i>Bloomberg U.S. Aggregate Index</i>			<i>1.2</i>	<i>6.1</i>	<i>6.1</i>	<i>2.5</i>	<i>-0.7</i>	<i>1.8</i>	<i>2.6</i>	<i>-0.9</i>	<i>-10.3</i>	<i>-0.3</i>	<i>8.7</i>	<i>2.3</i>	
PIMCO Core Plus	183,486,399	2.8	1.6	7.4	7.4	3.4	0.1	2.2	3.6	-0.7	-9.9	1.1	8.7	2.7	Feb-11
<i>Bloomberg U.S. Aggregate Index</i>			<i>1.2</i>	<i>6.1</i>	<i>6.1</i>	<i>2.5</i>	<i>-0.7</i>	<i>1.8</i>	<i>2.6</i>	<i>-0.9</i>	<i>-10.3</i>	<i>-0.3</i>	<i>8.7</i>	<i>2.3</i>	
Credit Fixed Income	707,468,816	11.0	2.9	9.6	9.6	8.4	3.9	3.5	6.7	8.9	-14.6	11.1	-0.6	-	May-05
<i>Credit Fixed Income Benchmark</i>			<i>3.7</i>	<i>10.5</i>	<i>10.5</i>	<i>9.3</i>	<i>4.3</i>	<i>4.3</i>	<i>8.2</i>	<i>9.2</i>	<i>-15.7</i>	<i>12.2</i>	<i>-1.1</i>	<i>5.9</i>	
TCW Securitized Opportunities	93,049,527	1.4	2.5	10.2	10.2	5.8	3.9	-	3.1	4.4	-4.0	6.4	2.2	4.1	Feb-16
<i>Bloomberg U.S. High Yield - 2% Issuer Cap</i>			<i>3.5</i>	<i>10.3</i>	<i>10.3</i>	<i>9.9</i>	<i>6.0</i>	-	<i>10.4</i>	<i>9.1</i>	<i>-12.8</i>	<i>15.3</i>	<i>0.0</i>	<i>6.7</i>	
KKR US Broadly Syndicated Loan Fund	178,313,524	2.8	1.8	-	-	-	-	-	-	-	-	-	-	2.7	Oct-24
<i>Morningstar LSTA U.S. Leveraged Loan</i>			<i>2.3</i>	-	-	-	-	-	-	-	-	-	-	<i>4.3</i>	
Guggenheim Structured Credit	100,257,314	1.6	-	-	-	-	-	-	-	-	-	-	-	0.4	Jun-25
<i>50% Bloomberg Non-Agency CMBS Index, 33.33% Bloomberg ABS Index, 16.67% JPM CL</i>			-	-	-	-	-	-	-	-	-	-	-	<i>0.8</i>	
Schroders Credit	155,000,000	2.4	-	-	-	-	-	-	-	-	-	-	-	0.0	Jun-25
<i>50% Bloomberg Non-Agency CMBS Index, 33.33% Bloomberg ABS Index, 16.67% JPM CL</i>			-	-	-	-	-	-	-	-	-	-	-	<i>0.6</i>	
Stone Harbor Emerging Markets Debt Blend Portfolio	15,884,186	0.2	5.4	12.0	12.0	9.9	2.8	2.8	6.8	10.8	-20.9	9.5	-1.8	1.4	Aug-12
<i>50 JPM GBI-EM Global Div / 40 JPM EMBI Global Div / 10 JPM Corporate EM Bond Idx</i>			<i>5.3</i>	<i>11.7</i>	<i>11.7</i>	<i>8.6</i>	<i>2.0</i>	<i>2.9</i>	<i>4.9</i>	<i>9.2</i>	<i>-19.5</i>	<i>7.2</i>	<i>-0.8</i>	<i>2.1</i>	
PIMCO EMD	164,964,265	2.6	4.8	11.8	11.8	9.5	2.9	-	5.6	11.3	-19.2	8.7	-	1.9	Feb-20
<i>65 JPM EMBI Global Div / 35 JPM GBI EM Global Div</i>			<i>5.5</i>	<i>11.9</i>	<i>11.9</i>	<i>8.7</i>	<i>1.9</i>	-	<i>4.9</i>	<i>9.4</i>	<i>-20.2</i>	<i>7.1</i>	-	<i>0.8</i>	
Commodities	249,749,478	3.9	-0.5	5.9	5.9	3.9	13.8	3.8	13.7	-7.0	19.3	42.5	-11.3	1.2	Jul-13
<i>Bloomberg Commodity Index Total Return</i>			<i>-3.1</i>	<i>5.8</i>	<i>5.8</i>	<i>0.1</i>	<i>12.7</i>	<i>2.0</i>	<i>5.0</i>	<i>-9.6</i>	<i>24.3</i>	<i>45.6</i>	<i>-17.4</i>	<i>0.0</i>	
Wellington Commodities	249,749,478	3.9	-0.5	5.8	5.8	5.0	13.7	4.7	15.5	-5.2	17.2	40.2	-7.5	2.0	Sep-13
<i>S&P GSCI Commodity Equal Weighted</i>			<i>-0.8</i>	<i>4.8</i>	<i>4.8</i>	<i>2.9</i>	<i>12.8</i>	<i>4.1</i>	<i>10.4</i>	<i>-6.0</i>	<i>19.0</i>	<i>40.9</i>	<i>-12.4</i>	<i>1.6</i>	
Hedge Funds	603,308,350	9.4	2.8	8.4	8.4	8.1	8.7	6.1	8.9	7.0	3.4	16.1	6.9	5.9	Jun-13
<i>75% (3 Month T-Bill + 3%) + 25% MSCI ACWI Net</i>			<i>4.2</i>	<i>10.0</i>	<i>10.0</i>	<i>10.3</i>	<i>8.0</i>	<i>6.5</i>	<i>11.4</i>	<i>9.4</i>	<i>-1.7</i>	<i>11.4</i>	<i>4.5</i>	<i>6.2</i>	
Aristeia International Limited	79,678,154	1.2	1.3	6.9	6.9	5.8	8.0	7.1	5.1	5.5	1.8	21.6	8.7	5.4	May-14
Brevan Howard Fund	59,502,698	0.9	5.4	6.3	6.3	2.8	5.8	6.3	3.1	-1.0	15.2	6.1	20.5	6.8	Sep-13
D.E. Shaw Composite Fund	70,455,222	1.1	4.3	19.3	19.3	14.3	18.1	14.8	12.9	11.0	29.0	19.0	15.6	14.5	Jul-13
HBK Fund II	54,684,514	0.8	1.9	9.3	9.3	9.4	8.3	5.7	11.1	7.9	2.3	11.0	1.5	5.4	Nov-13
Hudson Bay Cap Structure Arbitrage Enhanced Fund	86,620,566	1.3	2.1	8.6	8.6	6.8	8.4	-	4.0	7.7	7.7	14.2	16.2	9.6	Jun-19
Indus Pacific Opportunities Fund	55,510,741	0.9	6.4	13.1	13.1	6.0	8.6	5.6	5.8	-0.4	-8.2	38.0	15.8	7.2	Jul-14
Pharo Macro Fund	82,460,889	1.3	6.3	16.2	16.2	9.8	4.1	-	12.7	1.2	-11.1	3.5	-	4.2	Dec-19
PIMCO Commodity Alpha Fund	76,936,625	1.2	-2.0	-6.7	-6.7	8.4	9.6	-	15.6	18.3	8.6	14.2	4.8	9.4	Jun-16
Elliott Associates	37,458,940	0.6	0.8	5.5	5.5	-	-	-	-	-	-	-	-	5.5	Jul-24
Alpha Pool	158,822,269	2.5	1.3	6.2	6.2	2.0	4.3	-	0.7	-0.9	1.5	14.5	-	4.3	Jul-20
<i>3-Month Treasury Bill +3%</i>			<i>1.8</i>	<i>7.8</i>	<i>7.8</i>	<i>7.7</i>	<i>5.8</i>	-	<i>8.6</i>	<i>6.7</i>	<i>3.2</i>	<i>3.1</i>	-	<i>5.8</i>	
Hudson Bay - Alpha Pool	39,439,929	0.6	1.3	5.7	5.7	0.5	-	-	-2.8	-1.1	6.7	-	-	4.1	Aug-20
Davidson Kempner Institutional Partners	55,923,059	0.9	1.3	8.0	8.0	1.6	-	-	1.2	-4.1	-3.4	-	-	2.1	Dec-20
HBK Fund II	20,287,798	0.3	1.1	6.4	6.4	3.1	-	-	4.0	-1.0	1.3	-	-	3.4	Dec-20
Garda Fixed Income Relative Value Opportunity Fund	43,171,484	0.7	1.3	4.2	4.2	3.2	-	-	1.8	3.6	-	-	-	4.0	Sep-21
Midstream Energy	313,908,819	4.9	-0.4	21.6	21.6	23.5	-	-	29.8	19.3	9.3	-	-	26.9	Sep-20
<i>Alerian Midstream Energy Index</i>			<i>-1.2</i>	<i>30.8</i>	<i>30.8</i>	<i>22.9</i>	-	-	<i>26.7</i>	<i>12.2</i>	<i>11.4</i>	-	-	<i>26.6</i>	
Harvest Midstream	193,380,301	3.0	-1.1	23.3	23.3	26.5	-	-	35.9	20.9	15.3	-	-	32.0	Aug-20

Policy Index: 33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 19% Core (12% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index), 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index; 0.50% Bloomberg ABS Index; 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index, 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual time-weighted Private Equity Returns*, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool.

Total Fund
Performance (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Fiscal 2024	Fiscal 2023	Fiscal 2022	Fiscal 2021	Fiscal 2020	Inception	Inception Date
<i>Alerian Midstream Energy Index</i>			-1.2	30.8	30.8	22.9	-	-	26.7	12.2	11.4	-	-	26.2	
PIMCO Midstream	120,528,518	1.9	0.0	19.3	19.3	19.9	-	-	23.6	16.9	2.2	-	-	22.0	Oct-20
<i>50/25/25 Alerian Midstream/ICE BofA US Pipeline/ICE BofA US HY Midstream</i>			-0.1	18.6	18.6	15.3	-	-	17.6	10.1	-0.7	-	-	16.3	
Core Real Estate	358,808,370	5.6	2.4	4.1	4.1	-10.1	-0.8	2.7	-20.2	-12.4	24.8	5.6	1.4	3.5	Oct-14
<i>NCREIF ODCE (Net)</i>			0.8	2.7	2.7	-6.2	2.5	4.4	-10.0	-10.7	28.3	7.1	1.3	5.0	
ASB Allegiance Real Estate Fund	116,581,713	1.8	1.8	2.8	2.8	-12.1	-2.5	1.6	-23.9	-13.3	23.0	5.4	1.5	3.3	Sep-13
<i>NCREIF ODCE</i>			0.8	2.7	2.7	-6.2	2.5	4.4	-10.0	-10.7	28.3	7.1	1.3	5.6	
JPMCB Strategic Property Fund	96,612,701	1.5	1.0	3.9	3.9	-7.8	1.2	3.7	-14.9	-11.4	27.9	5.9	1.3	4.4	Jul-14
<i>NCREIF ODCE</i>			0.8	2.7	2.7	-6.2	2.5	4.4	-10.0	-10.7	28.3	7.1	1.3	6.9	Jan-78
Blue Owl Real Estate Fund VI	32,709,368	0.5	11.9	12.0	12.0	-	-	-	-	-	-	-	-	-1.8	May-24
<i>NCREIF ODCE</i>			0.8	2.7	2.7	-	-	-	-	-	-	-	-	1.7	
Sculptor Diversified REIT	48,867,215	0.8	2.7	-	-	-	-	-	-	-	-	-	-	1.1	Dec-24
<i>NCREIF ODCE</i>			0.8	-	-	-	-	-	-	-	-	-	-	2.6	
Hudson Bay Real Estate Opportunities	28,183,404	0.4	0.0	-	-	-	-	-	-	-	-	-	-	1.5	Jan-25
<i>NCREIF ODCE</i>			0.8	-	-	-	-	-	-	-	-	-	-	1.7	
TPG AG Essential Housing III	20,460,703	0.3	0.0	-	-	-	-	-	-	-	-	-	-	2.5	Dec-24
<i>NCREIF ODCE</i>			0.8	-	-	-	-	-	-	-	-	-	-	2.6	
BPC Real Estate Debt Fund LP	15,393,266	0.2	3.2	-	-	-	-	-	-	-	-	-	-	8.5	Mar-25
<i>NCREIF ODCE</i>			0.8	-	-	-	-	-	-	-	-	-	-	1.7	
Private Real Assets	252,660,175	3.9	-0.2	0.4	0.4	0.4	9.1	8.7	-6.4	7.9	38.8	9.6	4.4	10.8	Mar-11
			-0.2	0.4	0.4	0.4	9.1	8.7	-6.4	7.9	38.8	9.6	4.4	10.5	
Private Equity	334,025,975	5.2	3.3	9.1	9.1	6.7	15.9	10.4	11.9	-0.6	21.5	41.9	-10.5	10.8	Sep-10
			3.3	9.1	9.1	6.7	15.9	10.4	11.9	-0.6	21.5	41.9	-10.5	10.7	
Private Credit	404,673,592	6.3	0.6	9.7	9.7	8.6	6.1	-	13.1	3.2	0.3	4.8	5.5	7.8	Jan-16
			0.6	9.7	9.7	8.6	6.1	-	13.1	3.2	0.3	4.8	5.5	7.8	
Opportunistic	166,383,003	2.6	3.9	18.4	18.4	7.0	13.2	-	2.9	0.6	-5.4	60.3	-	10.2	Jan-20
<i>Assumed Rate of Return +3%</i>			2.4	10.0	10.0	10.0	10.0	-	10.0	10.0	10.0	10.0	-	10.0	
River Birch International	4,478,943	0.1	3.4	39.7	39.7	38.5	-	-	31.0	45.1	-	-	-	42.8	Jun-22
<i>Assumed Rate of Return +3%</i>			2.4	10.0	10.0	10.0	-	-	10.0	10.0	-	-	-	10.0	
Sixth Street TAO Partners (D)	86,520,286	1.3	1.7	8.3	8.3	8.0	14.0	-	11.3	4.4	9.6	39.6	-	13.3	Mar-20
<i>Assumed Rate of Return +3%</i>			2.4	10.0	10.0	10.0	10.0	-	10.0	10.0	10.0	10.0	-	10.0	
Aristeia Select Opportunities II	58,978,303	0.9	6.3	35.1	35.1	4.2	-	-	-9.7	-7.2	-	-	-	4.4	Jul-21
<i>Assumed Rate of Return +3%</i>			2.4	10.0	10.0	10.0	-	-	10.0	10.0	10.0	-	-	10.0	
Hudson Bay Special Opportunities Fund LP	4,553,071	0.1	14.1	65.0	65.0	-	-	-	-	-	-	-	-	63.1	Feb-24
<i>Assumed Rate of Return +3%</i>			2.4	10.0	10.0	-	-	-	-	-	-	-	-	10.0	
Pharo Opportunities Fund SPC	11,852,400	0.2	4.8	18.5	18.5	-	-	-	-	-	-	-	-	18.4	Jun-24
<i>Assumed Rate of Return +3%</i>			2.4	10.0	10.0	-	-	-	-	-	-	-	-	10.0	
Cash	250,828,300	3.9	1.2	5.2	5.2	4.6	2.7	2.5	6.3	2.5	-0.2	0.1	1.0	2.0	Apr-11
<i>3 Month T-Bill</i>			1.0	4.7	4.7	4.6	2.8	2.0	5.4	3.6	0.2	0.1	1.6	1.4	

Policy Index: 33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 19% Core (12% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index), 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index; 0.50% Bloomberg ABS Index; 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index, 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual time-weighted Private Equity Returns*, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill. Fixed Income Beta Exposure return includes overlay cash and an implied hurdle rate also applied to the Alpha pool.

Total Fund
Total Private Equity

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

IRR Analysis as of IRR date

Vintage Year	Manager/Fund	Estimated Market Value as of 6/30/25	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./ Paid-In (DPI) ¹	Tot. Value/ Paid-In (TVPI) ²	Net IRR Since Inception ³	IRR Date
Private Equity												
2008	Abbott Capital PE VI	\$9,941,607	\$50,000,000	\$49,750,000	100%	\$250,000	\$83,815,491	\$13,242,893	1.68x	1.88x	12.2%	03/31/25
2006	Pantheon Global III	\$535,597	\$50,000,000	\$47,300,000	95%	\$2,700,000	\$52,000,000	\$537,225	1.10x	1.11x	1.9%	12/31/24
2002	Pantheon USA V	\$30,817	\$25,000,000	\$24,350,000	97%	\$650,000	\$38,291,224	\$30,817	1.57x	1.57x	9.0%	12/31/24
2004	Pantheon USA VI	\$311,635	\$35,000,000	\$33,075,000	95%	\$1,925,000	\$50,623,827	\$311,850	1.53x	1.54x	6.7%	12/31/24
2006	Pantheon USA VII	\$3,376,418	\$50,000,000	\$46,600,000	93%	\$3,400,000	\$83,279,998	\$4,226,046	1.79x	1.86x	10.0%	12/31/24
2020	Vista Foundation Fund IV	\$23,417,581	\$25,000,000	\$20,952,742	84%	\$4,047,258	\$30,252	\$23,417,581	0.00x	1.12x	2.3%	06/30/25
2021	Crown Global Secondaries V Master S.C.Sp	\$42,979,853	\$50,000,000	\$34,250,000	69%	\$15,750,000	\$6,900,000	\$42,979,853	0.20x	1.46x	19.4%	08/30/25
2021	Brighton Park Capital Fund I	\$43,650,978	\$30,000,000	\$30,000,000	100%	\$0	\$4,690,392	\$43,650,978	0.16x	1.61x	13.4%	06/30/25
2021	Warren Equity Partners Fund III	\$39,342,340	\$32,500,000	\$29,682,245	91%	\$2,917,755	\$618,327	\$39,342,340	0.02x	1.35x	11.4%	06/30/25
2021	Peak Rock Capital Fund III	\$28,841,956	\$30,000,000	\$23,476,166	78%	\$6,523,834	\$7,068,422	\$28,841,956	0.30x	1.53x	26.9%	06/30/25
2021	Level Equity Growth Partners V	\$14,139,808	\$15,000,000	\$12,019,949	80%	\$2,980,051	\$2,393	\$14,139,808	0.00x	1.18x	11.3%	06/30/25
2021	Level Equity Opportunities Fund 2021	\$11,959,372	\$15,000,000	\$9,737,446	65%	\$5,262,554	\$0	\$11,959,372	0.00x	1.23x	17.4%	06/30/25
2022	Linden Capital Partners V LP	\$20,425,051	\$22,500,000	\$17,787,791	79%	\$4,712,209	\$0	\$20,425,051	0.00x	1.15x	14.1%	06/30/25
2022	Rubicon Technology Partners IV LP	\$15,295,404	\$30,000,000	\$14,481,332	48%	\$15,518,668	\$0	\$15,295,404	0.00x	1.06x	3.0%	06/30/25
2022	OrbiMed Private Investments IX, LP	\$4,622,243	\$10,000,000	\$4,399,201	44%	\$5,600,799	\$765,338	\$4,622,243	0.17x	1.22x	24.1%	06/30/25
2022	Brighton Park Capital Fund II	\$11,812,393	\$30,000,000	\$14,626,198	49%	\$15,373,802	\$3,722,467	\$11,812,393	0.25x	1.06x	2.6%	06/30/25
2022	Linden Co-Investment V LP	\$7,246,467	\$7,500,000	\$9,054,807	121%	-\$1,554,807	\$55,503	\$7,246,467	0.01x	0.81x	22.1%	06/30/25
2022	Warren Equity Partners Fund IV	\$24,482,939	\$32,500,000	\$14,821,090	46%	\$17,678,910	\$0	\$24,482,939	0.00x	1.65x	27.5%	06/30/25
2023	WEP Co-Invest IV	\$9,677,226	\$10,000,000	\$9,757,415	98%	\$242,585	\$173,170	\$9,693,935	0.02x	1.01x	0.0%	03/31/25
2023	Crown Global Secondaries Fund VI	\$5,845,574	\$30,000,000	\$4,350,000	15%	\$25,650,000	\$0	\$5,845,574	0.00x	1.34x	49.2%	06/30/25
2023	Parthenon Investors VII	\$3,316,568	\$30,000,000	\$3,604,963	12%	\$26,395,037	\$250,000	N/A	N/A	N/A	N/A	N/A
2024	Longreach Capital Partners	\$3,392,495	\$15,000,000	\$4,320,870	29%	\$10,679,130	\$421,772	\$3,318,576	0.10x	0.88x	N/A	N/A
2024	Blue Owl Strategic Equity	\$5,241,421	\$25,000,000	\$6,904,011	28%	\$18,095,989	\$5,856,633	N/A	N/A	N/A	N/A	N/A
2025	WEP IV TreeCo Co-Invest	\$3,790,842	\$5,000,000	\$3,866,955	77%	\$1,133,045	\$0	N/A	0.00x	0.98x	6.8%	06/30/25
2025	Accel-KKR Capital Partners VII	\$349,389	\$25,000,000	\$349,389	1%	\$24,650,611	\$0	N/A	N/A	N/A	N/A	N/A
2025	Level Equity Growth Partners VI	\$0	\$15,000,000	\$0	0%	\$15,000,000	\$0	N/A	N/A	N/A	N/A	N/A
2025	Level Equity Opportunities Fund 2025	\$0	\$15,000,000	\$0	0%	\$15,000,000	\$0	N/A	N/A	N/A	N/A	N/A
2025	Linden Capital Partners VI	\$0	\$30,000,000	\$0	0%	\$30,000,000	\$0	N/A	N/A	N/A	N/A	N/A
Total Private Equity		\$334,025,975	\$740,000,000	\$469,417,570	63%	\$270,582,430	\$338,565,209	\$325,423,302	0.72x	1.43x		
% of Portfolio (Market Value)		5.2%										

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 is provided by the Fund manager and is reflective of the Fund IRR, rather than KCERA's specific IRR.

Total Fund
Total Private Credit

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

IRR Analysis as of IRR date												
Vintage		Estimated Market Value	Total	Capital	%	Remaining	Capital		Distrib./	Tot. Value/	Net IRR	IRR
Year	Manager/Fund	6/30/2025	Commitment	Called	Called	Commitment	Returned	Market Value as of IRR date	Paid-in (DPI) ¹	Paid-in (TVPI) ²	Since Inception ³	Date
Private Credit												
2015	DC Value Recovery Fund IV ⁴	\$16,672,836	\$74,360,749	\$73,340,099	99%	\$1,020,650	\$44,343,375	N/A	0.60x	0.83x	N/A	N/A
2017	Sixth Street TAO Partners (B)	\$52,941,110	\$108,035,958	\$94,076,786	87%	\$13,959,172	\$48,567,799	\$53,630,984	0.52x	1.08x	9.7%	3/31/25
2017	Brookfield Real Estate Finance Fund V	\$5,593,475	\$50,000,000	\$39,198,138	78%	\$10,801,862	\$38,793,516	\$5,593,475	0.99x	1.13x	6.0%	6/30/25
2018	Magnetar Constellation Fund V	\$10,759,679	\$60,000,000	\$56,445,318	94%	\$3,554,682	\$57,647,898	\$10,759,679	1.02x	1.21x	4.8%	6/30/25
2018	H.I.G Bayside Loan Opportunity Fund V	\$38,993,387	\$60,000,000	\$35,821,497	60%	\$24,178,503	\$27,521,616	\$38,993,387	0.77x	1.86x	14.8%	6/30/25
2020	Blue Torch Credit Opportunities Fund II	\$12,893,298	\$20,000,000	\$17,296,007	86%	\$2,703,993	\$8,935,024	\$13,178,988	0.52x	1.26x	10.2%	3/31/25
2020	Fortress Credit Opportunities Fund V Expansion	\$33,136,198	\$40,000,000	\$32,853,973	82%	\$7,146,027	\$4,677,582	\$32,268,388	0.14x	1.15x	14.8%	3/31/25
2021	Fortress Lending Fund II	\$14,264,227	\$40,000,000	\$35,265,757	88%	\$4,734,243	\$26,695,299	\$14,264,227	0.76x	1.16x	8.4%	6/30/25
2022	Blue Torch Credit Opportunities Fund III	\$34,378,956	\$40,000,000	\$40,000,000	100%	\$0	\$14,999,536	\$33,856,667	0.37x	1.23x	16.7%	3/31/25
2022	Fortress Lending Fund III	\$28,814,785	\$40,000,000	\$26,960,070	67%	\$13,039,930	\$9,527,311	\$28,814,785	0.35x	1.42x	11.2%	6/30/25
2022	OrbiMed Royalty & Credit Opportunities IV	\$14,181,820	\$30,000,000	\$13,483,980	45%	\$16,516,020	\$4,594,099	\$14,181,820	0.34x	1.39x	13.3%	6/30/25
2023	Cerberus Business Finance V	\$21,847,785	\$30,000,000	\$22,055,642	74%	\$7,944,358	\$3,860,174	\$22,636,092	0.18x	1.17x	18.0%	3/31/25
2023	Silver Point – Specialty Credit Fund III	\$11,835,778	\$30,000,000	\$19,431,701	65%	\$10,568,299	\$10,495,495	\$11,835,778	0.54x	1.15x	14.6%	6/30/25
2023	Ares Pathfinder II	\$11,462,964	\$30,000,000	\$9,258,584	31%	\$20,741,416	\$0	\$9,330,977	0.00x	1.24x	21.6%	3/31/25
2023	Oak Hill Advisors Structured Products Fund III, L.P.	\$18,163,625	\$25,000,000	\$16,098,626	64%	\$8,901,374	\$1,127,312	\$17,488,491	0.07x	1.20x	13.9%	3/31/25
2023	Ares Senior Direct Lending III	\$7,949,978	\$30,000,000	\$7,747,966	26%	\$22,252,034	\$498,145	N/A	0.06x	1.09x	N/A	N/A
2024	ITE Rail Fund, L.P.	\$34,870,595	\$40,000,000	\$34,296,307	86%	\$5,703,693	\$999,444	N/A	0.03x	1.05x	N/A	N/A
2024	HPS Special Situations Opportunity Fund II, L.P.	\$9,052,334	\$25,000,000	\$8,385,898	66%	\$16,614,102	\$0	N/A	N/A	N/A	N/A	N/A
2024	Castlelake Aviation V Stable Yield	\$3,978,047	\$30,000,000	\$2,380,358	8%	\$27,619,642	\$409,975	N/A	0.17x	1.84x	N/A	N/A
2025	Fortress Credit Opportunities Fund VI	\$10,871,340	\$25,000,000	\$319,933	1%	\$24,680,067	\$0	N/A	N/A	N/A	N/A	N/A
2025	Quantum Capital Solutions II	\$7,545,293	\$39,800,000	\$2,917,168	7%	\$36,882,832	\$0	N/A	N/A	N/A	N/A	N/A
2025	Quantum Capital Solutions II Co-Investment Fund, LP	\$1,419,205	\$7,900,000	\$554,134	7%	\$7,345,866	\$0	N/A	N/A	N/A	N/A	N/A
2025	Blue Torch Credit Opportunities Fund IV	\$3,046,878	\$25,000,000	\$3,046,878	12%	\$21,953,122	\$0	N/A	N/A	N/A	N/A	N/A
2025	OrbiMed Royalty & Credit Opportunities V	\$0	\$30,000,000	\$0	0%	\$30,000,000	\$0	N/A	N/A	N/A	N/A	N/A
Total Private Credit		\$404,673,592	\$929,896,707	\$591,234,819	64%	\$190,380,359	\$303,633,602	\$306,833,737	0.51x	1.20x		
% of Portfolio (Market Value)		6.3%										

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 is provided by the Fund manager and is reflective of the Fund IRR, rather than KCERA's specific IRR.

⁴Name changed from Colony Distressed Credit fund to DC Value Recovery Fund IV

Total Fund
Total Private Real Assets

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

IRR Analysis as of IRR date												
Vintage Year	Manager/Fund	Estimated Market Value 6/30/2025	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 Assets												
2014	Invesco Real Estate Value-Add Fund IV	\$140,304	\$50,000,000	\$43,637,717	87%	\$6,362,283	\$56,824,750	\$157,969	1.30x	1.31x	11.6%	06/30/24
2017	Landmark Real Estate Partners VIII	\$31,084,215	\$80,000,000	\$46,233,098	77%	\$13,766,902	\$26,951,123	\$33,636,579	0.58x	1.26x	10.4%	12/31/24
2018	Long Wharf Real Estate Partners VI	\$33,719,376	\$50,000,000	\$50,000,000	100%	\$0	\$24,777,007	\$33,719,376	0.50x	1.17x	11.1%	06/30/25
2020	Covenant Apartment Fund X	\$25,660,024	\$30,000,000	\$25,507,333	85%	\$4,492,667	\$10,462,593	\$25,660,024	0.41x	1.42x	9.0%	06/30/25
2021	Singerman Real Estate Opportunity Fund IV	\$21,868,351	\$35,000,000	\$23,021,250	66%	\$11,978,750	\$5,074,955	\$18,703,195	0.22x	1.17x	9.1%	03/31/25
2022	LBA Logistics Value Fund IX, L.P.	\$24,641,187	\$40,000,000	\$20,615,384	52%	\$19,384,616	\$0	\$24,641,187	0.00x	1.20x	-3.0%	06/30/25
2022	Covenant Apartment Fund XI	\$29,448,634	\$30,000,000	\$20,850,000	70%	\$38,076,924	\$835,076	\$29,448,634	0.04x	1.45x	6.8%	06/30/25
2022	KSL Capital Partners VI	\$8,133,486	\$30,000,000	\$11,393,165	38%	\$18,606,835	\$489,911	\$8,133,486	0.04x	0.76x	-21.3%	06/30/25
2023	Merit Hill V	\$19,021,731	\$30,000,000	\$25,932,173	86%	\$4,067,827	\$7,084,980	\$9,610,459	0.27x	1.01x	2.0%	12/31/24
2024	Juniper Capital IV, L.P.	\$5,707,996	\$30,000,000	\$5,115,008	17%	\$24,884,992	\$59,700	\$5,394,886	0.01x	1.13x	13.8%	03/31/25
2024	Juniper High Noon Partners, L.P.	\$4,873,121	\$5,000,000	\$3,309,091	66%	\$1,690,909	\$0	\$3,313,080	0.00x	1.41x	46.1%	12/31/24
2024	Landmark Real Estate Partners IX	\$9,936,719	\$40,000,000	\$9,743,987	24%	\$30,256,013	\$0	N/A	0.00x	1.02x	N/A	N/A
2024	LRAF Holdings 21 Project Yeti II	\$13,693,257	\$25,000,000	\$16,186,912	65%	\$8,813,089	\$2,912,633	\$13,693,257	0.18x	1.03x	11.1%	06/30/25
2024	Post Oak Energy Partners GP V, LP	\$24,104,783	\$40,000,000	\$32,796,613	82%	\$7,203,387	\$5,882,500	\$24,104,783	0.18x	0.91x	50.1%	06/30/25
2025	Covenant Apartment Fund XII	\$826,991	\$30,000,000	\$900,000	3%	\$29,100,000	\$0	N/A	N/A	N/A	N/A	N/A
2025	Sculptor Real Estate V	\$0	\$50,000,000	\$0	0%	\$50,000,000	\$0	N/A	N/A	N/A	N/A	N/A
2025	SRE Opportunity Fund V	\$0	\$30,000,000	\$0	0%	\$30,000,000	\$0	N/A	N/A	N/A	N/A	N/A
Total Private Real Assets		\$252,660,175	\$605,000,000	\$335,241,732	55%	\$298,685,192	\$141,355,228	\$230,216,916	0.42x	1.18x		
% of Portfolio (Market Value)		3.9%										

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

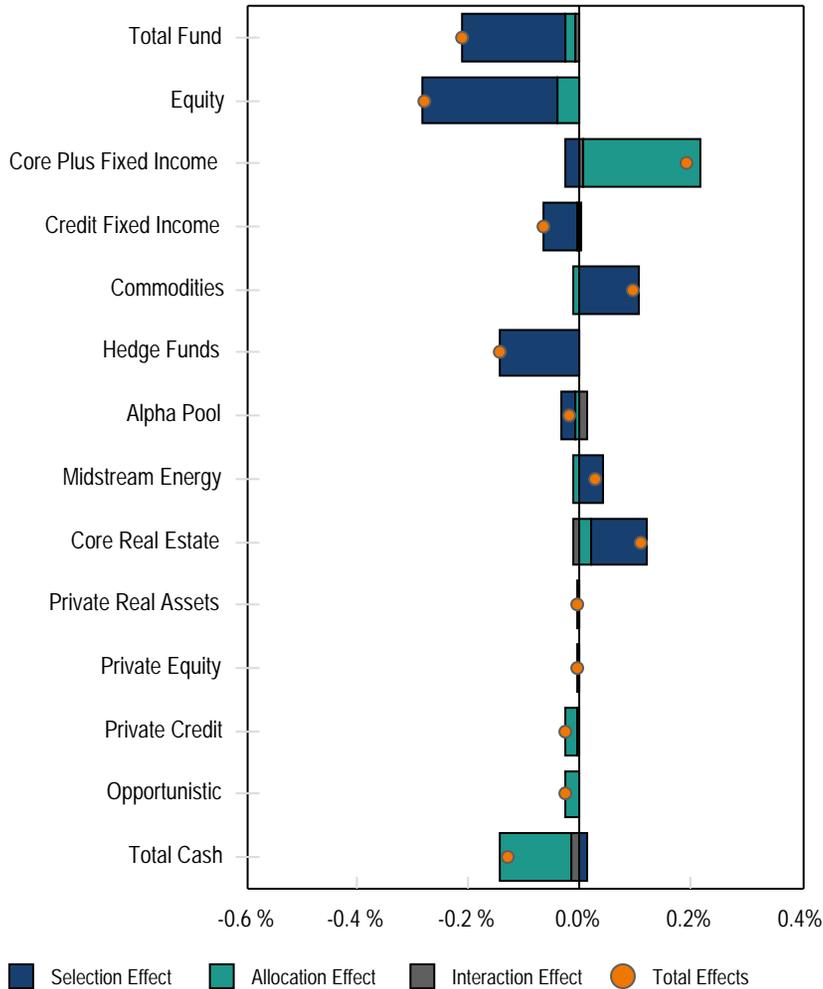
²(TVPI) is equal to (market value + capital returned) / capital called

³Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR is provided by the Fund manager and is reflective of the Fund IRR, rather than KCERA's specific IRR.

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

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

Attribution Effects
Last Three Months



Performance Attribution

	Last Three Months
Wtd. Actual Return	4.6
Wtd. Index Return	4.8
Excess Return	-0.2
Selection Effect	-0.2
Allocation Effect	0.0
Interaction Effect	0.0

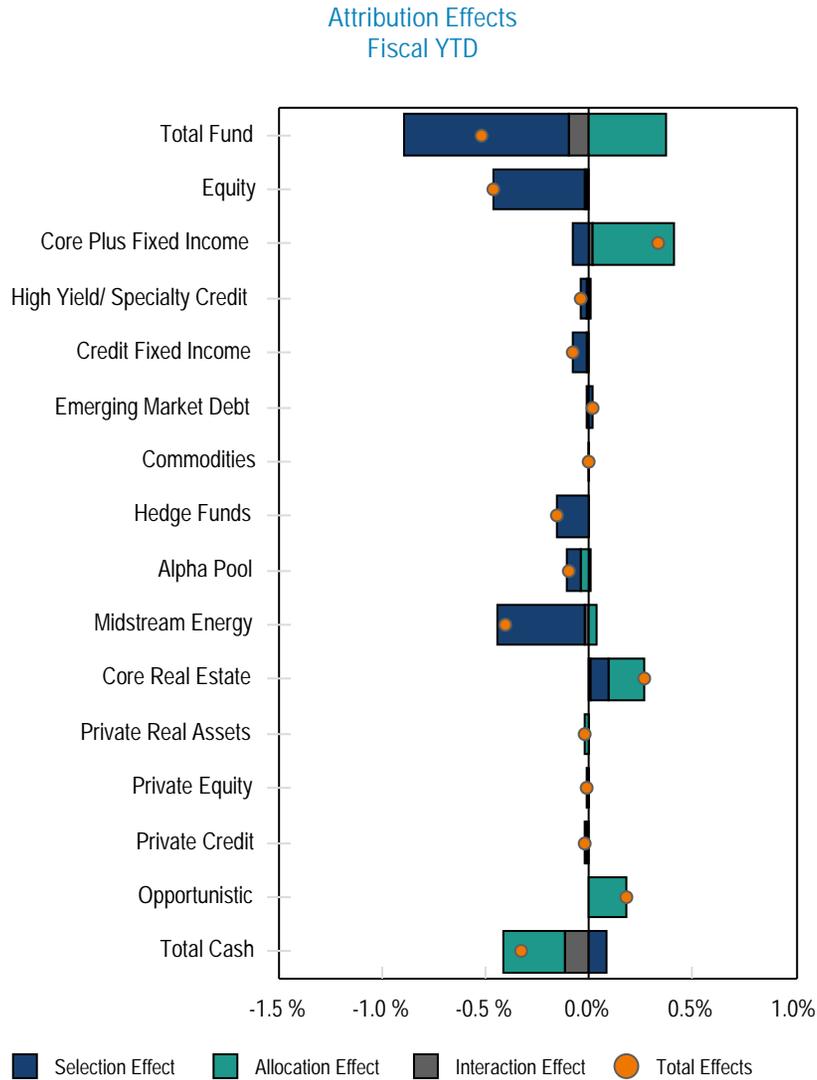
Attribution Summary
Last Three Months

	Actual Weight (%)	Policy Weight (%)	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	32.3	33.0	10.9	11.6	-0.8	-0.2	0.0	0.0	-0.3
Core Plus Fixed Income	13.5	19.0	1.2	1.3	-0.1	0.0	0.2	0.0	0.2
Credit Fixed Income	8.2	8.0	2.9	3.7	-0.8	-0.1	0.0	0.0	-0.1
Commodities	4.1	4.0	-0.5	-3.1	2.5	0.1	0.0	0.0	0.1
Hedge Funds	9.9	10.0	2.8	4.2	-1.4	-0.1	0.0	0.0	-0.1
Alpha Pool	2.5	3.0	1.3	1.8	-0.5	0.0	0.0	0.0	0.0
Midstream Energy	5.1	5.0	-0.4	-1.2	0.8	0.0	0.0	0.0	0.0
Core Real Estate	5.5	6.0	2.4	0.8	1.6	0.1	0.0	0.0	0.1
Private Real Assets	4.1	4.0	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0
Private Equity	5.3	5.0	3.3	3.3	0.0	0.0	0.0	0.0	0.0
Private Credit	6.5	6.0	0.5	0.6	-0.1	0.0	0.0	0.0	0.0
Opportunistic	2.6	0.0	3.9	2.4	1.4	0.0	0.0	0.0	0.0
Total Cash	0.4	-3.0	0.6	1.0	-0.4	0.0	-0.1	0.0	-0.1
Total Fund	100.0	100.0	4.6	4.8	-0.2	-0.2	0.0	0.0	-0.2

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. Selection Effect includes Other Effect in the Performance Attribution table.

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

Kern County Employees' Retirement Association
Period Ending: June 30, 2025



Performance Attribution Fiscal YTD

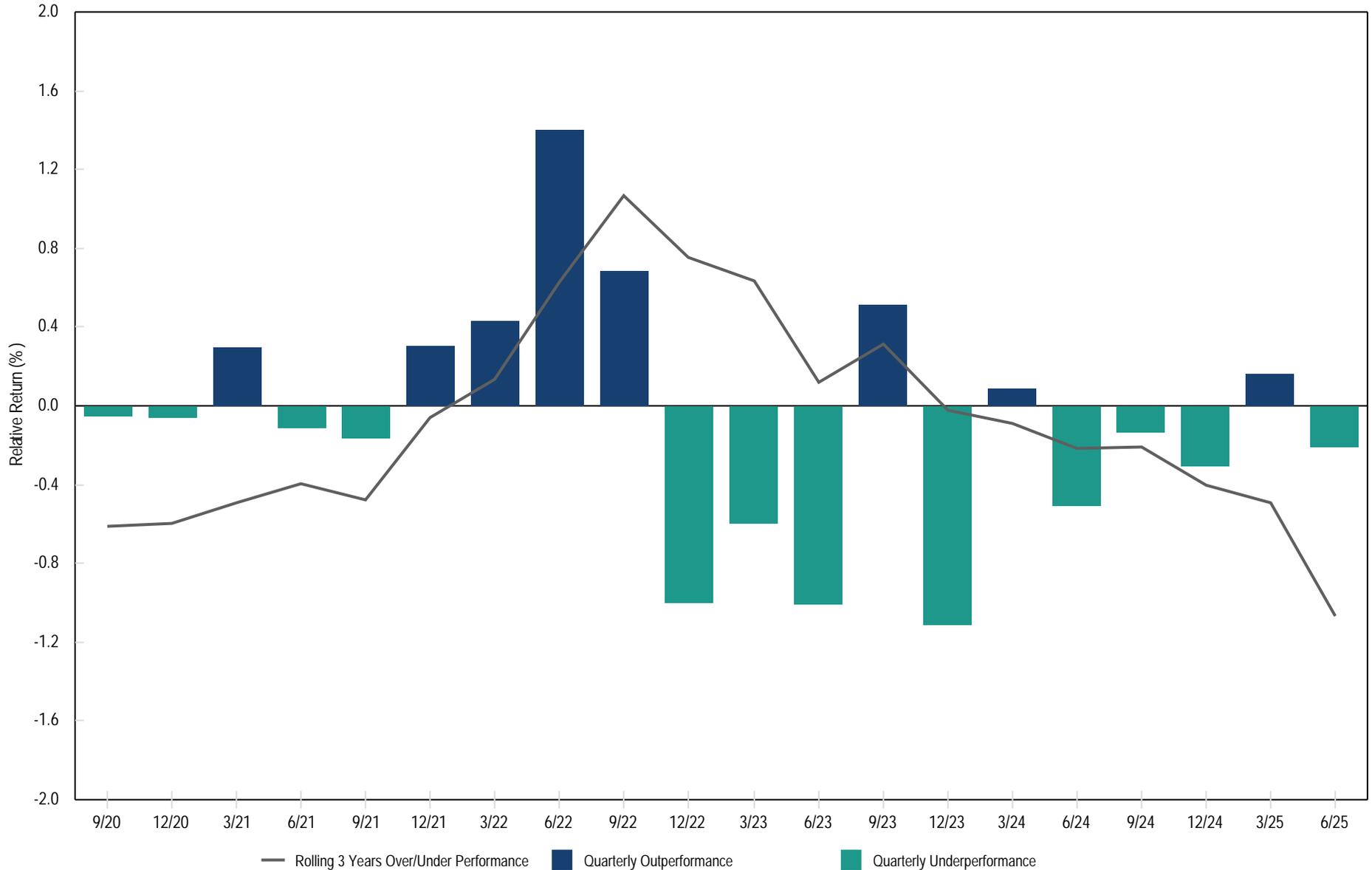
Component	Fiscal YTD
Wtd. Actual Return	10.9
Wtd. Index Return	11.4
Excess Return	-0.5
Selection Effect	-0.8
Allocation Effect	0.4
Interaction Effect	-0.1

Attribution Summary FYTD

	Actual Weight (%)	Policy Weight (%)	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Equity	33.1	33.0	14.6	15.9	-1.3	-0.3	0.0	0.0	-0.5
Core Plus Fixed Income	13.2	18.3	5.5	6.0	-0.4	0.0	0.4	0.0	0.3
High Yield/ Specialty Credit	1.5	2.0	4.3	4.7	-0.4	0.0	0.0	0.0	0.0
Credit Fixed Income	5.6	5.3	5.0	5.7	-0.8	-0.1	0.0	0.0	-0.1
Emerging Market Debt	1.3	1.3	4.7	4.2	0.5	0.0	0.0	0.0	0.0
Commodities	4.0	4.0	5.9	5.8	0.1	0.0	0.0	0.0	0.0
Hedge Funds	9.8	10.0	8.4	10.0	-1.6	-0.1	0.0	0.0	-0.2
Alpha Pool	3.0	3.8	6.2	7.8	-1.6	-0.1	0.0	0.0	-0.1
Midstream Energy	5.3	5.0	21.6	30.8	-9.1	-0.4	0.0	0.0	-0.4
Core Real Estate	4.7	6.7	4.1	2.7	1.5	0.1	0.2	0.0	0.3
Private Real Assets	3.4	3.3	0.4	0.4	0.0	0.0	0.0	0.0	0.0
Private Equity	4.9	5.0	9.1	9.1	0.0	0.0	0.0	0.0	0.0
Private Credit	6.3	6.0	9.6	9.7	-0.1	0.0	0.0	0.0	0.0
Opportunistic	2.6	0.0	18.4	10.0	8.4	0.0	0.2	0.0	0.2
Total Cash	1.2	-3.8	2.5	4.7	-2.1	0.1	-0.3	-0.1	-0.3
Total Fund	100.0	100.0	10.9	11.4	-0.5	-0.8	0.4	-0.1	-0.5

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

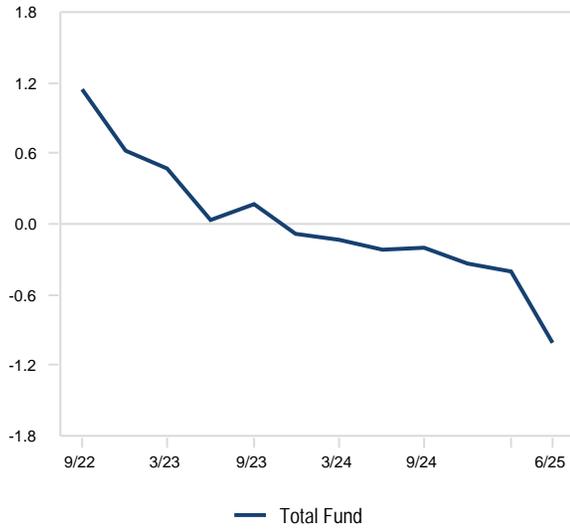
Rolling 3 Year Annualized Excess Performance



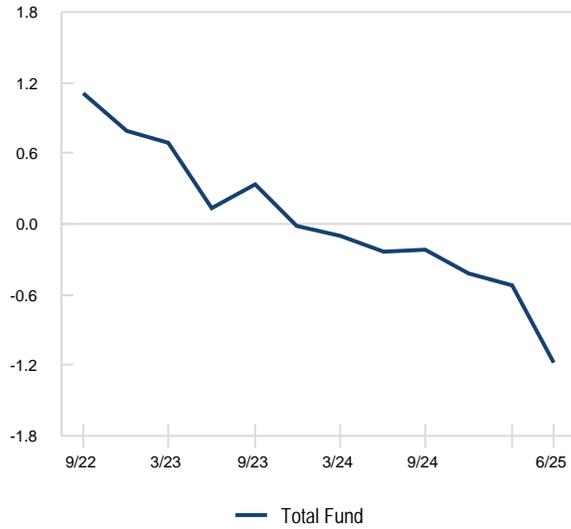
Total Fund
Rolling Risk Statistics: 3 Years (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

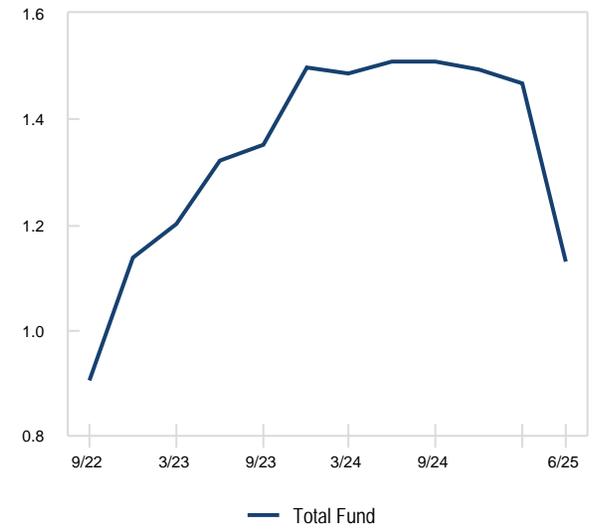
Rolling Information Ratio



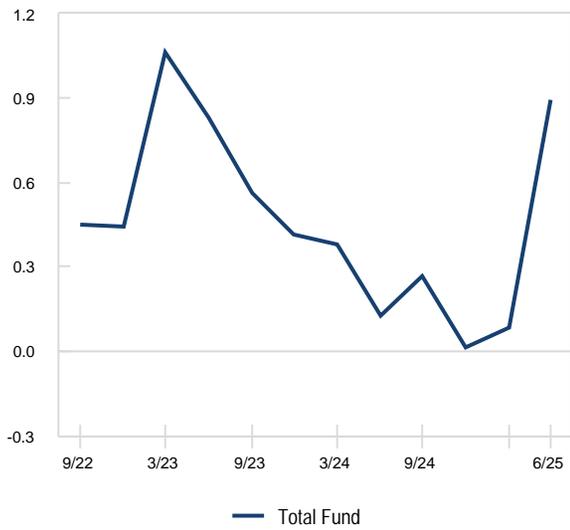
Rolling Annual Excess Benchmark Return



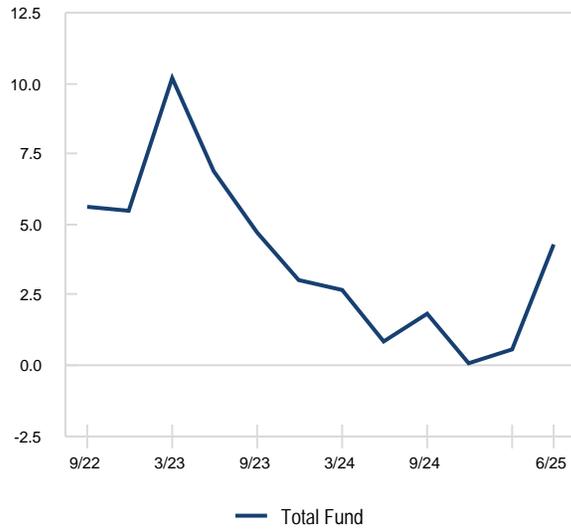
Rolling Tracking Error



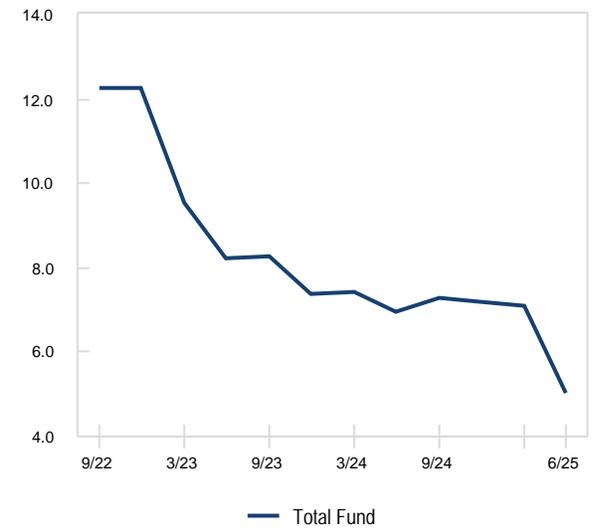
Rolling Sharpe Ratio



Rolling Annual Excess Risk Free Return



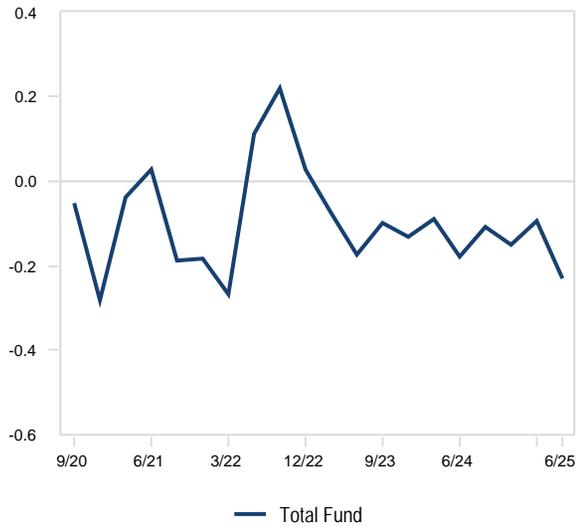
Rolling Annualized Standard Deviation



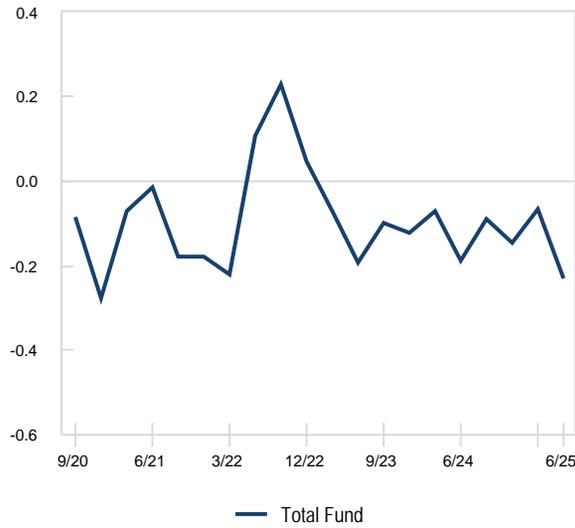
Total Fund
Rolling Risk Statistics: 5 Years (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

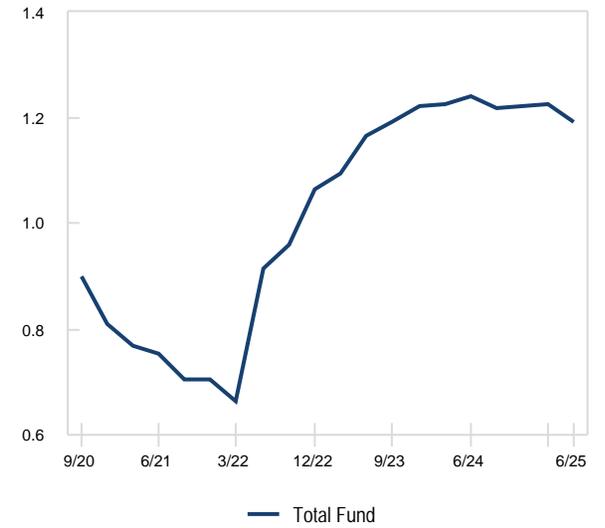
Rolling Information Ratio



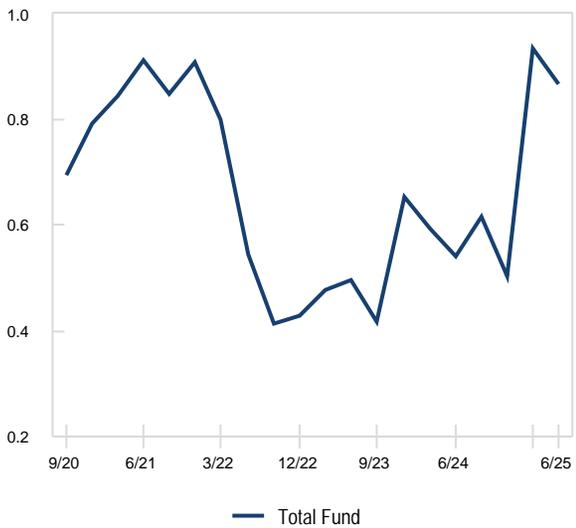
Rolling Annual Excess Benchmark Return



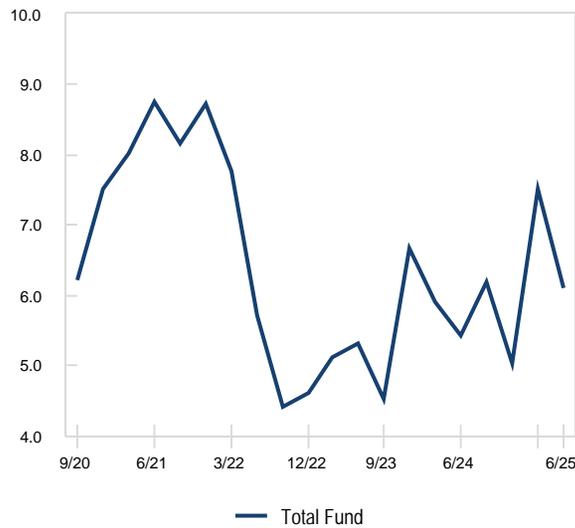
Rolling Tracking Error



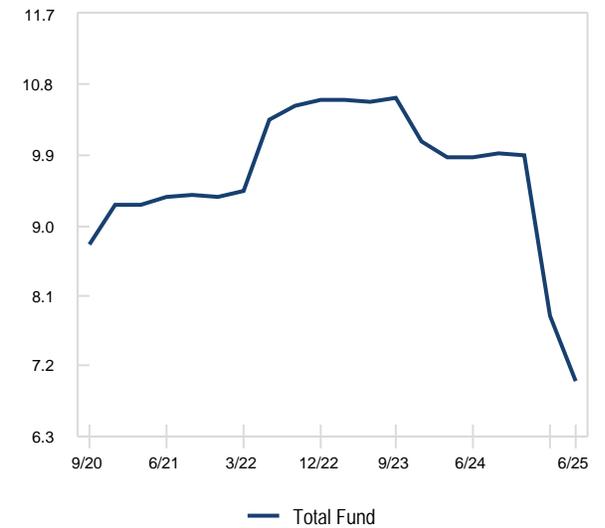
Rolling Sharpe Ratio



Rolling Annual Excess Risk Free Return



Rolling Annualized Standard Deviation



Cash Flows

Total Fund
Net Cash Flow: Last 1 Quarter

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
Equity	1,955,410,651		-60,093	-132,643	-6,844,064	214,629,990	2,163,118,845
Mellon DB SL Stock Index Fund	739,327,721				-150,000,000	66,082,212	655,409,933
PIMCO StocksPLUS	151,799,758					16,532,287	168,332,044
Chilton High Conviction Equity					150,000,001	10,783,573	160,783,574
AB US Small Cap Value Equity	88,372,355		-93		-25,000,000	4,497,411	67,984,676
Geneva Capital Small Cap Growth	89,616,699				8,000,000	4,965,060	102,581,759
Mellon DB SL World ex-US Index Fund	340,930,491					41,755,949	382,686,441
Cevian Capital II	50,930,437					2,664,165	53,594,602
Lazard Japanese Equity	140,780,057		-60,000	-155,935	5,155,935	14,762,928	160,482,986
American Century Non-US Small Cap	62,706,456					12,739,291	75,445,746
Dalton Japan Long Only	72,440,173			23,293	5,000,000	8,970,174	86,433,639
DFA Emerging Markets Value I	56,024,047					6,181,503	62,205,550
Mellon Emerging Markets Stock Index Fund	21,085,092					2,503,009	23,588,101
Carrhae Capital Long Master Fund Ltd	72,998,249					12,457,011	85,455,259
ABS Emerging Market Direct	68,397,281					9,735,468	78,132,749
Transition Equity	1,836					-51	1,785
Fixed Income	1,427,497,729	3,267,344	-67,718,528		-2,613,820	24,963,261	1,385,395,986
Fixed Income Beta Exposure	161,628,813	3,267,344	-67,681,372		-1,308,700	1,939,621	97,845,705
Mellon DB SL Aggregate Bond Index Fund	369,542,491				-230,000,000	244,078	139,786,570
PIMCO Core Plus	180,671,081					2,815,318	183,486,399
Aristotle Short Duration Bond Strategy	183,166,478				70,000,000	3,388,777	256,555,255
TCW Securitized Opportunities	92,714,524				-1,955,737	2,290,741	93,049,527
KKR US Broadly Syndicated Loan Fund	178,830,072				-3,617,529	3,100,981	178,313,524
Guggenheim Structured Credit					100,000,000	257,314	100,257,314
Schroders Credit					155,000,000		155,000,000
Stone Harbor Emerging Markets Debt Blend Portfolio	40,376,544				-25,000,000	507,642	15,884,186
PIMCO EMD	219,548,760				-65,000,000	10,415,505	164,964,265
Transition Fixed Income	237,313				-1,854	17,782	253,242
Commodities	260,392,521				-10,000,000	-643,043	249,749,478
Wellington Commodities	260,392,521				-10,000,000	-643,043	249,749,478
Hedge Funds	602,493,854				-16,156,371	16,970,867	603,308,350
Aristeia International Limited	78,662,412					1,015,742	79,678,154
Brevan Howard Fund	56,436,285					3,066,414	59,502,698

Total Fund
Net Cash Flow: Last 1 Quarter

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
D.E. Shaw Composite Fund	67,548,138					2,907,084	70,455,222
HBK Fund II	53,660,439					1,024,075	54,684,514
Hudson Bay Cap Structure Arbitrage Enhanced Fund	84,807,375					1,813,191	86,620,566
Indus Pacific Opportunities Fund	52,163,562					3,347,179	55,510,741
Pharo Macro Fund	77,545,058					4,915,831	82,460,889
PIMCO Commodity Alpha Fund	78,522,183					-1,585,558	76,936,625
Sculptor Master Fund	31,045,043				-31,511,951	466,909	
Elliott Associates	22,103,360				15,355,580		37,458,940
Alpha Pool	155,515,649				1,308,700	1,997,920	158,822,269
Hudson Bay - Alpha Pool	38,614,349				325,458	500,122	39,439,929
Davidson Kempner Institutional Partners	54,746,199				459,762	717,098	55,923,059
HBK Fund II	19,907,870				166,614	213,314	20,287,798
Garda Fixed Income Relative Value Opportunity Fund	42,247,231				356,866	567,387	43,171,484
Midstream Energy	321,652,429				-6,854,203	-889,407	313,908,819
Harvest Midstream	189,673,019				4,599,282	-892,000	193,380,301
PIMCO Midstream	131,979,410				-11,453,486	2,594	120,528,518
Core Real Estate	350,342,334			-93,673	74,143	8,485,567	358,808,370
ASB Allegiance Real Estate Fund	118,234,271				-3,669,443	2,016,885	116,581,713
JPMCB Strategic Property Fund	100,400,809			-93,673	-4,918,450	1,224,015	96,612,701
Blue Owl Real Estate Fund VI	29,758,038				-536,039	3,487,369	32,709,368
Sculptor Diversified REIT	48,437,900				-846,728	1,276,043	48,867,215
Hudson Bay Real Estate Opportunities	21,530,704				6,652,700		28,183,404
TPG AG Essential Housing III	18,372,444				2,088,259		20,460,703
BPC Real Estate Debt Fund LP	13,608,167				1,303,844	481,255	15,393,266
Private Real Assets	255,367,070				-2,322,216	-384,679	252,660,175
Invesco Real Estate Value-Add Fund IV	139,646					658	140,304
Landmark Real Estate Partners VIII	31,359,396					-275,181	31,084,215
Long Wharf Real Estate	32,951,932					767,444	33,719,376
Covenant Apartment Fund X	26,131,968				-501,193	29,249	25,660,024
Singerman Real Estate Opportunity Fund IV	18,703,195				3,281,250	-116,094	21,868,351
LBA Logistics Value Fund IX, L.P.	24,765,049					-123,862	24,641,187
Covenant Apartment Fund XI, LP	29,176,282				-282,686	555,038	29,448,634

Total Fund
Net Cash Flow: Last 1 Quarter

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
KSL Capital Partners VI	8,743,101				287,908	-897,523	8,133,486
Merit Hill Self-Storage V, LP.	19,423,646					-401,915	19,021,731
Juniper Capital IV, L.P	5,394,886					313,110	5,707,996
Landmark Real Estate Partners IX	9,143,147					793,572	9,936,719
Juniper High Noon Partners, L.P	4,247,953					425,168	4,673,121
LRAF Holdings 21 Yeti II LP	13,625,263				-1,360,002	1,427,995	13,693,257
Post Oak Energy Partners GP V, LP	30,661,607				-3,747,494	-2,809,330	24,104,783
Covenant Apartment Fund XII	900,000					-73,009	826,991
Private Equity	325,104,462				-1,688,018	10,609,531	334,025,975
Abbott VI	9,969,774					-28,167	9,941,607
Pantheon Secondary III	535,597						535,597
Pantheon V	30,817						30,817
Pantheon VI	311,635						311,635
Pantheon VII	2,976,583					399,835	3,376,418
Vista Foundation Fund IV	23,562,861					-145,280	23,417,581
Crown Global Secondaries V Master S.C.Sp	44,118,333				-3,350,000	2,211,520	42,979,853
Crown Global Secondaries VI Master S.C.Sp	4,430,264				1,200,000	215,310	5,845,574
Brighton Park Capital Fund I	41,606,915				-50,389	2,094,452	43,650,978
Warren Equity Partners Fund III	38,295,352				407,164	639,824	39,342,340
Peak Rock Capital Fund III	27,491,235				-200,935	1,551,656	28,841,956
Level Equity Growth Partners V	12,527,584				1,325,652	286,572	14,139,808
Level Equity Opportunities Fund 2021	10,310,633				1,027,124	621,615	11,959,372
Linden Capital Partners V LP	16,734,531				3,294,374	396,146	20,425,051
Rubicon Technology Partners IV L.P.	14,930,468					364,936	15,295,404
OrbiMed Private Investments IX, LP	4,199,424				500,000	-77,181	4,622,243
Brighton Park Capital Fund II, L.P	11,812,393						11,812,393
Linden Co-Investment V LP	7,073,911					172,556	7,246,467
Warren Equity Partners Fund IV	23,418,809					1,064,130	24,482,939
WEP IV TS Co-Investment, L.P.	9,693,935					-16,709	9,677,226
Parthenon Investors VII	3,226,583					89,985	3,316,568
Longreach Capital Partners	3,318,576					73,919	3,392,495
Blue Owl Strategic Equity Partners	10,311,905				-5,841,008	770,524	5,241,421
WEP TreeCo Co-Investment, L.P.	3,866,955					-76,113	3,790,842
Accel-KKR Capital Partners VII	349,389						349,389

Total Fund
Net Cash Flow: Last 1 Quarter

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
Private Credit	409,812,381		-50	-301,780	-7,215,321	2,378,362	404,673,592
DC Value Recovery Fund IV	15,400,945					1,271,891	16,672,836
Sixth Street TAO Partners (B)	53,630,984		-50		-439,574	-250,250	52,941,110
Brookfield Real Estate Finance Fund V	6,556,474				-102,857	-860,142	5,593,475
Magnetar Constellation Fund V	13,406,397				-2,554,068	-92,650	10,759,679
H.I.G. Bayside Loan Opportunity Fund V	39,282,302				-479,351	190,436	38,993,387
Blue Torch Credit Opportunities Fund II	13,178,986				-370,646	84,958	12,893,298
Fortress Credit Opportunites Fund V Expansion	32,268,388					867,810	33,136,198
Fortress Lending Fund II	17,646,988				-3,852,732	469,971	14,264,227
Blue Torch Credit Opportunities Fund III	33,856,667				-527,486	1,049,775	34,378,956
Fortress Lending Fund III	33,965,567				-5,851,578	700,796	28,814,785
OrbiMed Royalty & Credit Opportunities IV	14,130,229				-371,087	422,678	14,181,820
Cerberus Business Finance V	22,636,092			-301,780	-1,636,453	1,149,926	21,847,785
Silver Point Specialty Credit Fund III, L.P.	11,904,882				-381,925	312,821	11,835,778
Ares Pathfinder II	9,330,977				1,823,592	308,395	11,462,964
Oak Hill Advisors Structured Products Fund III, L.P.	17,488,491					675,134	18,163,625
ITE Rail Fund, L.P.	40,980,378				-1,143,300	-4,966,483	34,870,595
Ares Senior Direct Lending Fund III LP	6,521,691				1,199,262	229,025	7,949,978
HPS Special Situations Opportunity Fund II, L.P.	9,026,498					25,836	9,052,334
Castlelake Aviation V Stable Yield, L.P.	2,068,850				1,696,241	212,956	3,978,047
Fortress Credit Opportunites Fund VI Expansion	10,452,368				319,933	99,039	10,871,340
Quantum Capital Solutions II	5,097,635				2,009,038	438,620	7,545,293
Quantum Capital Solutions II Co-Investment Fund, LP	980,593				400,793	37,819	1,419,205
Blue Torch Credit Opportunities Fund IV					3,046,878		3,046,878
Opportunistic	162,657,094				-2,535,806	6,261,715	166,383,003
Sixth Street TAO Partners (D)	87,543,401				-2,535,806	1,512,691	86,520,286
Aristeia Select Opportunities II	55,479,201					3,499,103	58,978,303
River Birch International - Opportunistic Investment	4,330,108					148,835	4,478,943
Hudson Bay Special Opportunities Fund LP	3,990,684					562,387	4,553,071
Pharo Opportunities Fund SPC	11,313,700					538,700	11,852,400
Cash	220,887,245	10,485,351	-50,529,711	-185	66,846,977	2,818,481	250,828,300
Short Term Investment Funds	61,355,944	10,485,351	-50,529,711	-185	111,846,977	863,865	134,342,383
BlackRock Short Duration Fund	159,531,301				-45,000,000	1,954,616	116,485,917

Total Fund
Net Cash Flow: Last 1 Quarter

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
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Total Fund
 Net Cash Flow: Last 1 Quarter

Kern County Employees' Retirement Association
 Period Ending: June 30, 2025

	Estimated Beginning Market Value	Contributions	Withdrawals	Fees	Net Transfers	Net Investment Change	Estimated Ending Market Value
Other	-256,726,104	95,977,677	-24,595,174		-12,000,000		-197,343,601
Parametric Cash Overlay	22,397,706	11,780,744	-6,808,606		-12,021,000		15,348,844
Goldman Sachs Cash Account	-2,197,320	10,852,890	-11,061,293				-2,405,723
Futures Offset	-280,596,491	73,344,043	-5,233,275				-212,485,722
Collateral Cash	3,670,000		-1,492,000		21,000		2,199,000

Total Fund
Cash Flow History

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

Portfolio Reconciliation

	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Beginning Market Value	6,190,407,316	5,838,506,052	5,838,506,052	5,061,358,140	4,409,659,712	3,546,844,420
Contributions	1,377,706,713	4,626,249,526	4,626,249,526	9,384,238,326	16,403,698,135	23,150,037,824
Withdrawals	-1,410,879,897	-4,662,345,355	-4,662,345,355	-9,498,785,480	-16,689,086,257	-23,704,898,320
Fees	-528,281	-1,761,146	-1,761,146	-3,938,235	-35,998,982	-116,644,572
Net Cash Flows	-33,173,184	-36,095,829	-36,095,829	-114,547,154	-285,388,123	-554,860,495
Net Investment Change	287,105,431	641,929,340	641,929,340	1,497,528,577	2,320,067,974	3,452,355,639
Ending Market Value	6,444,339,563	6,444,339,563	6,444,339,563	6,444,339,563	6,444,339,563	6,444,339,563
Net Change \$	253,932,247	605,833,511	605,833,511	1,382,981,423	2,034,679,851	2,897,495,143

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, 2025

Correlation Matrix
3 Years Ending June 30, 2025

	A	B	C	D	E	F	G	H	I	J	K	L
A	1.00											
B	0.98	1.00										
C	0.93	0.96	1.00									
D	0.93	0.94	0.83	1.00								
E	0.73	0.74	0.58	0.76	1.00							
F	0.85	0.82	0.72	0.85	0.72	1.00						
G	0.79	0.75	0.65	0.79	0.65	0.99	1.00					
H	0.90	0.87	0.82	0.84	0.64	0.88	0.82	1.00				
I	0.84	0.83	0.69	0.87	0.86	0.92	0.86	0.78	1.00			
J	0.48	0.39	0.31	0.39	0.52	0.27	0.21	0.32	0.40	1.00		
K	0.41	0.39	0.42	0.33	0.15	0.22	0.15	0.40	0.26	0.17	1.00	
L	-0.09	-0.16	-0.14	-0.15	-0.17	-0.22	-0.24	-0.13	-0.20	-0.05	-0.12	1.00

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

Low Interaction
 Moderate Interaction
 Moderate to High Interaction
 High Interaction

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

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	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	0.4	0.8	1.0	8.9	-0.8	-1.2	1.5	0.6	4.4	7.0	0.9	86.4	84.1
Equity	-0.6	1.0	1.0	15.7	-0.8	-1.1	1.2	0.8	11.3	14.4	1.3	96.9	100.0
Domestic Equity	-1.5	1.0	1.0	17.4	-1.5	-1.8	1.0	0.8	13.0	16.1	1.3	97.1	103.3
International Developed Equity	0.5	0.9	1.0	15.2	-0.2	-0.2	1.8	0.7	10.8	14.5	1.2	97.7	97.3
Emerging Markets Equity	1.6	1.0	1.0	11.5	0.5	1.3	2.2	0.5	7.7	15.7	0.8	99.5	92.3
Fixed Income	0.1	1.0	1.0	4.7	0.0	0.0	0.6	0.0	0.3	6.7	0.1	98.6	98.0
Core Fixed Income	-0.2	1.0	1.0	2.3	-0.6	-0.3	0.5	-0.3	-2.0	7.0	-0.4	97.3	99.6
High Yield/ Specialty Credit	0.5	0.7	0.9	7.8	-0.8	-2.0	2.3	0.6	3.2	5.2	1.1	75.6	67.9
Emerging Market Debt	0.6	1.0	1.0	9.5	0.9	0.8	0.9	0.6	5.1	8.9	0.9	102.1	95.0
Commodities	3.7	0.8	0.8	3.9	0.8	3.7	4.5	0.0	-0.2	10.1	0.0	84.8	59.1
Hedge Funds	6.2	0.2	0.1	8.1	-0.8	-3.0	3.4	1.9	3.4	1.7	3.7	48.9	-118.5
Alpha Pool	12.0	-1.1	0.0	2.0	-3.0	-6.8	2.1	-1.2	-2.5	2.1	-1.3	23.5	-
Midstream Energy	3.6	0.8	0.9	23.5	0.0	0.6	4.5	1.2	17.9	14.9	2.3	88.6	68.7
Core Real Estate	-4.2	1.1	0.7	-10.1	-1.4	-4.6	3.4	-2.3	-14.8	6.4	-1.9	-23.8	147.8
Private Real Assets	0.0	1.0	1.0	0.4	-	0.0	0.0	-1.0	-3.9	3.9	-1.2	100.0	100.0
Private Equity	0.0	1.0	1.0	6.7	-	0.0	0.0	0.5	2.1	4.8	0.7	100.0	100.0
Private Credit	-0.1	1.0	1.0	8.5	-1.6	-0.1	0.0	0.9	3.9	4.5	2.7	99.5	100.0
Opportunistic	-	-	-	7.0	-0.3	-3.0	8.8	0.3	2.7	8.8	0.5	74.9	-

Risk Return Statistics: Last Three Years

Period Ending: June 30, 2025

	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% 3 Month T-Bill +4% / 25% MSCI ACWI (net)	Core Real Estate	NCREIF ODCE-monthly
RETURN SUMMARY STATISTICS														
Up Market Periods	23	23	19	19	25	25	23	23	19	19	25	25	29	29
Down Market Periods	13	13	17	17	11	11	13	13	17	17	11	11	7	7
Maximum Return	8.39	9.24	4.23	4.53	4.80	6.02	7.56	7.35	6.99	6.26	1.46	2.89	2.21	1.16
Minimum Return	-9.42	-9.65	-4.27	-4.32	-3.43	-4.02	-5.99	-5.62	-6.59	-8.11	-0.74	-1.96	-6.33	-4.97
Return	15.72	16.80	2.28	2.55	7.81	9.85	9.51	8.70	3.85	0.13	8.10	11.05	-10.06	-5.43
Excess Return	11.26	12.25	-1.97	-1.68	3.22	5.19	5.05	4.29	-0.16	-3.74	3.37	6.13	-14.81	-9.91
Excess Performance	-1.09	0.00	-0.27	0.00	-2.04	0.00	0.81	0.00	3.72	0.00	-2.95	0.00	-4.63	0.00
RISK SUMMARY STATISTICS														
Beta	0.98	1.00	0.97	1.00	0.74	1.00	1.02	1.00	0.85	1.00	0.17	1.00	1.12	1.00
Upside Risk	12.70	13.08	5.38	5.59	5.11	6.51	7.91	7.65	7.79	7.50	2.81	4.58	1.58	1.13
Downside Risk	8.19	8.30	4.56	4.61	2.49	3.19	5.00	4.95	6.61	7.91	0.48	1.29	6.90	4.99
RISK/RETURN SUMMARY STATISTICS														
Standard Deviation	14.41	14.72	7.02	7.20	5.23	6.69	8.95	8.75	10.15	10.90	1.74	3.65	6.41	4.87
Alpha	-0.58	0.00	-0.21	0.00	0.50	0.00	0.61	0.00	3.75	0.00	6.16	0.00	-4.15	0.00
Sharpe Ratio	0.78	0.83	-0.28	-0.24	0.61	0.77	0.57	0.49	-0.02	-0.34	1.88	1.68	-2.27	-2.00
Excess Risk	14.42	14.73	6.98	7.16	5.26	6.73	8.92	8.72	10.12	10.92	1.79	3.64	6.53	4.96
Tracking Error	1.24	0.00	0.46	0.00	2.34	0.00	0.87	0.00	4.47	0.00	3.42	0.00	3.41	0.00
Information Ratio	-0.80	-	-0.61	-	-0.84	-	0.88	-	0.80	-	-0.81	-	-1.44	-
CORRELATION STATISTICS														
R-Squared	0.99	1.00	1.00	1.00	0.91	1.00	0.99	1.00	0.83	1.00	0.13	1.00	0.73	1.00
Actual Correlation	1.00	1.00	1.00	1.00	0.95	1.00	1.00	1.00	0.91	1.00	0.36	1.00	0.85	1.00

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

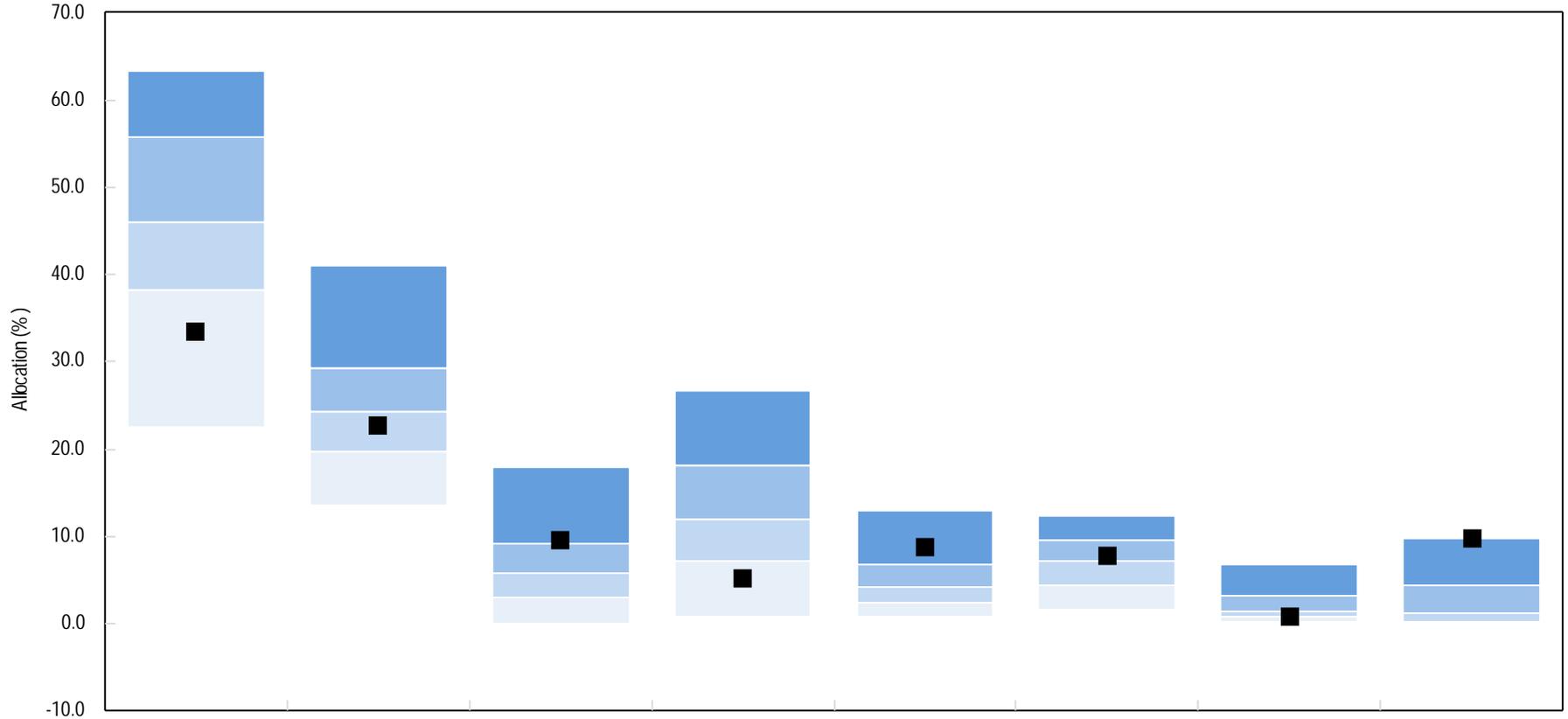
Risk Return Statistics: Last Two Years

	Midstream Energy	Alerian Midstream Energy Index	Opportunistic	Assumed Rate of Return +3%
2 Yrs				
RETURN SUMMARY STATISTICS				
Up Market Periods	17	17	24	24
Down Market Periods	7	7	0	0
Maximum Return	12.72	14.38	10.18	0.80
Minimum Return	-5.47	-6.10	-6.31	0.80
Return	25.66	28.72	10.37	10.00
Excess Return	18.88	21.55	5.42	4.64
Excess Performance	-3.06	0.00	0.37	0.00
RISK SUMMARY STATISTICS				
Beta	0.84	1.00	-	-
Upside Risk	13.06	14.90	8.62	2.76
Downside Risk	5.46	5.98	4.94	0.00
RISK/RETURN SUMMARY STATISTICS				
Standard Deviation	12.37	14.11	9.47	0.00
Alpha	1.57	0.00	-	-
Sharpe Ratio	1.53	1.53	0.57	28.03
Excess Risk	12.37	14.11	9.48	0.17
Tracking Error	4.18	0.00	9.47	0.00
Information Ratio	-0.64	-	0.08	-
CORRELATION STATISTICS				
R-Squared	0.92	1.00	-	-
Actual Correlation	0.96	1.00	-	-

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

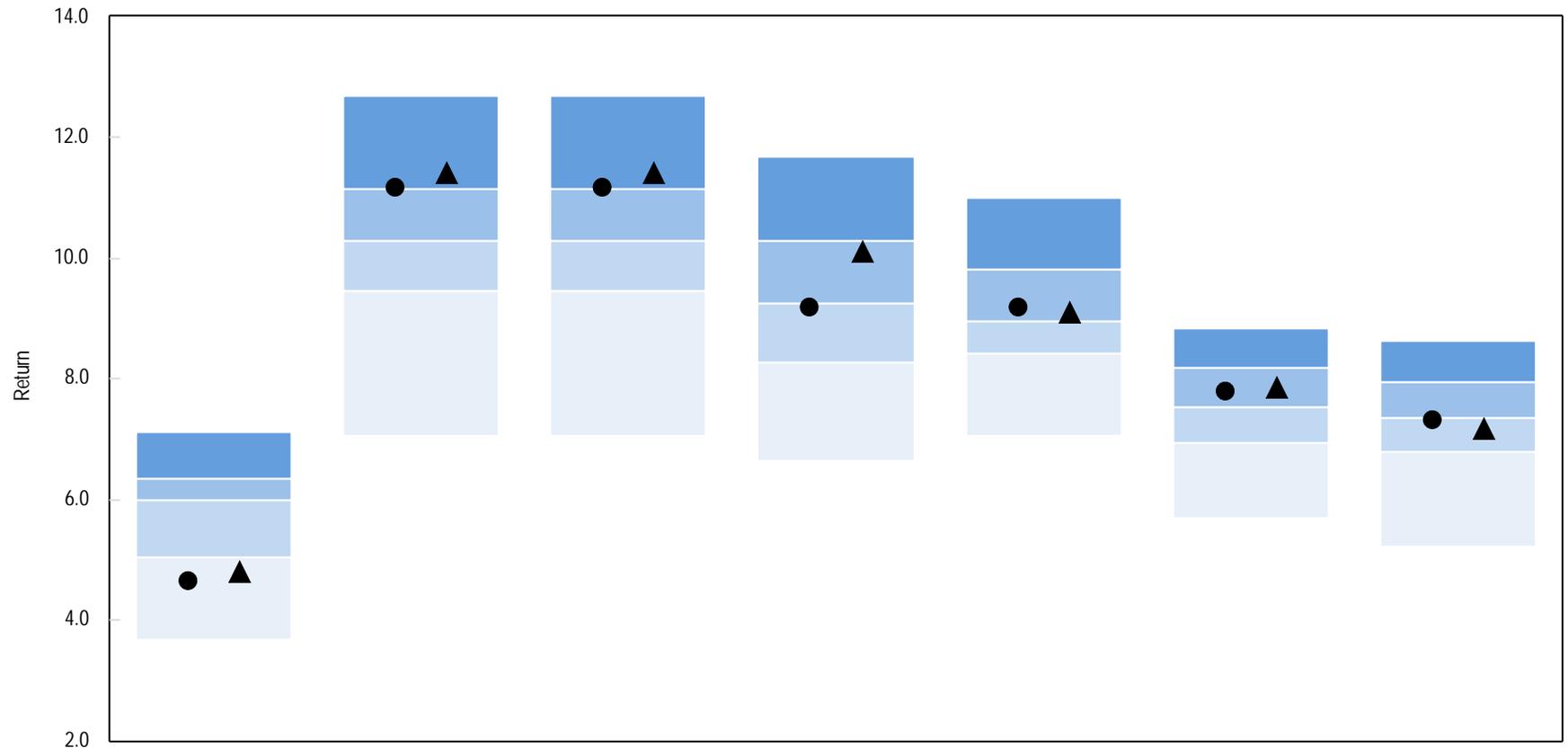
Peer Comparison

Total Plan Allocation vs. InvMetrics Public DB > \$1B
As of June 30, 2025



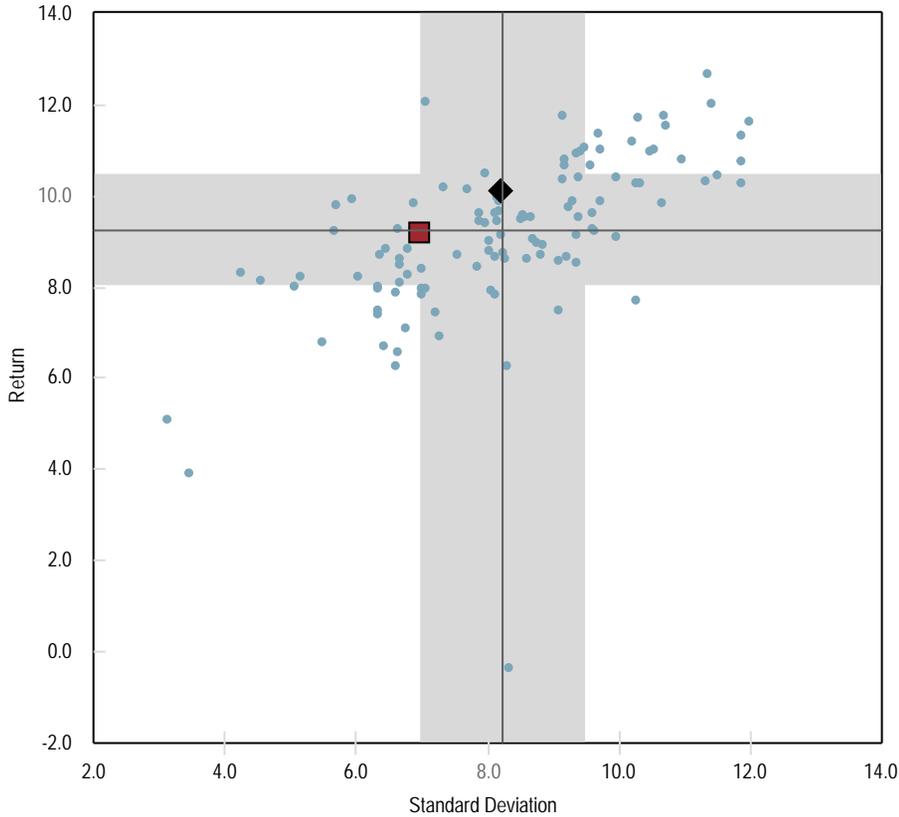
	Total Equity	Total Fixed Income	Hedge Funds	Private Equity	Real Assets/Commod	Real Estate - Private	Cash & Equivalents	Other
■ Total Fund	33.6 (86)	22.8 (57)	9.5 (21)	5.2 (83)	8.7 (19)	7.8 (40)	0.8 (70)	9.8 (1)
5th Percentile	63.4	41.1	18.0	26.7	13.0	12.3	6.7	9.8
1st Quartile	55.9	29.4	9.1	18.2	6.8	9.5	3.2	4.4
Median	46.1	24.3	5.8	12.0	4.3	7.2	1.4	1.1
3rd Quartile	38.3	19.7	2.9	7.1	2.4	4.4	0.7	0.3
95th Percentile	22.5	13.5	0.0	0.8	0.9	1.5	0.2	0.1
Population	110	111	52	100	78	93	105	18

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



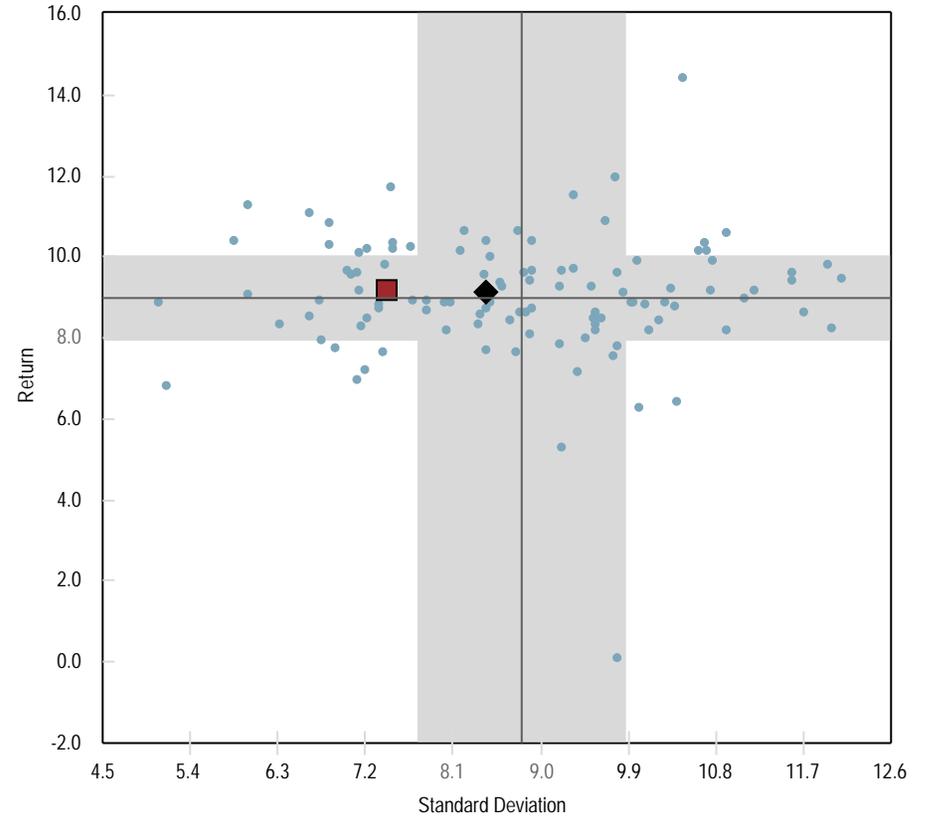
	Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years
● Total Fund	4.7 (82)	11.2 (25)	11.2 (25)	9.2 (52)	9.2 (44)	7.8 (40)	7.3 (51)
▲ Policy Index	4.8 (79)	11.4 (21)	11.4 (21)	10.1 (29)	9.1 (48)	7.9 (37)	7.2 (59)
5th Percentile	7.1	12.7	12.7	11.7	11.0	8.9	8.7
1st Quartile	6.4	11.2	11.2	10.3	9.8	8.2	7.9
Median	6.0	10.3	10.3	9.3	9.0	7.5	7.3
3rd Quartile	5.1	9.5	9.5	8.3	8.4	7.0	6.8
95th Percentile	3.7	7.1	7.1	6.7	7.1	5.7	5.2
Population	117	117	117	113	110	108	106

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2025



	Return	Standard Deviation
Total Fund	9.21	6.96
Policy Index	10.12	8.20
Median	9.26	8.22
Population	113	113

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2025



	Return	Standard Deviation
Total Fund	9.19	7.42
Policy Index	9.12	8.45
Median	8.97	8.80
Population	110	110

Other

Total Fund
Quarterly Historical Returns (Net of Fees)

Kern County Employees' Retirement Association
Period Ending: June 30, 2025

	2025 Q2	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
Total Fund	4.6	1.6	-0.4	4.8	1.2	3.8	5.1	-0.9	1.9	3.2	4.5	-3.1
<i>Policy Index</i>	4.8	1.4	-0.1	4.9	1.8	3.7	6.2	-1.4	2.9	3.8	5.5	-3.8

	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
<i>Policy Index</i>	-8.9	-1.3	3.3	0.7	5.6	3.2	8.8	4.5	10.1	-11.1	4.6	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
<i>Policy Index</i>	3.0	7.0	-5.5	2.2	0.7	-0.1	3.1	3.0	2.7	3.5	0.5	2.9

Total Fund Data Sources and Methodology

Kern County Employees' Retirement Association Period Ending: June 30, 2025

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

Investment Fund or Strategy	Fund Incepted	Data Source	Investment Fund or Strategy	Fund Incepted	Data Source
AB US Small Cap Value Equity	7/7/2015	Northern Trust	LBA Logistics Value Fund IX, L.P.	2/22/2022	LBA
Abbott Capital PE VI	3/31/2008	Abbott Capital	Level Equity Growth Partners V	11/1/2021	Level Equity
Accel-KKR Capital Partners VII	2/6/2025	Accel	Level Equity Opportunities Fund 2021	11/1/2021	Level Equity
ABS Emerging Market Direct	8/29/2024	ABS	LGT Crown	2/1/2021	LGT
American Century Non-US Small Cap	12/15/2020	American Century	Linden Capital Partners V LP	7/19/2022	Linden
Ares Pathfinder	10/1/2023	Ares	Linden Co-Investment V LP	6/30/2022	Linden
Aristeia International Limited	5/1/2014	Northern Trust	Longreach Capital Partners	5/28/2024	Long Reach
Aristotle Pacific Capital, LLC	1/6/2025	Aristotle	Long Wharf Real Estate	6/27/2019	Long Wharf
ASB Real Estate	9/30/2013	ASB	LRAF Holdings 21 Yeti II LP	12/6/2024	Long Wharf
Barclays Capital Aggregate Rebalancing Overlay	6/15/2022	Parametric	Magnetar Constellation	11/14/2018	Magnetar
BlackRock Short Duration Fund	9/8/2021	BlackRock	Mellon Aggregate Bond Index Fund	1/14/2011	Mellon
Blue Owl Real Estate Fund VI	3/18/2024	Blue Owl	Mellon EB DV Stock Index	10/18/2017	Mellon
Blue Owl Strategic Equity Partners	9/6/2024	Blue Owl	Mellon EB DV World ex-US Index	8/1/2018	Mellon
Blue Torch Credit Opportunities	7/24/2020	Blue Torch	Ment Hill Self Storage	11/3/2023	Merit
BPC Real Estate Debt Fund LP	3/1/2025	BPC	Myriad Opportunities Offshore	5/19/2016	Northern Trust
Brevan Howard	11/1/2013	Northern Trust	Oak Hill Advisors	12/22/2023	Oak Hill
Brighton Private Equity	3/28/2021	Brighton	OrbiMed Private Investments IV, LP	11/4/2022	OrbiMed
Brighton Park Capital Fund II, L.P.	9/30/2022	Brighton	OrbiMed Royalty & Credit Opportunities	9/12/2022	OrbiMed
Brookfield Real Estate Finance Fund V	12/18/2017	Northern Trust	Pantheon Global III	6/30/2000	Pantheon
Carrhae Capital Long Master Fund	8/1/2024	Carrhae	Pantheon USA V	6/30/2005	Pantheon
Castlelake Aviation V Stable Yield, L.P.	10/24/2024	Castlelake	Pantheon USA VI	3/31/2005	Pantheon
Cerberus Business Finance V	8/25/2023	Cerberus	Pantheon USA VII	3/31/2005	Pantheon
Cevian Capital II	12/30/2014	Northern Trust	Parametric Overlay/ Cap Efficiency Program	7/31/2020	Parametric
Chilton High Conviction Equity	5/1/2025	Chilton	Peak Rock Capital Fund III	7/13/2021	Peak Rock
Covenant Apartment Fund X	10/29/2020	Covenant	Pharo Opportunities Fund SPC	6/28/2024	Pharo
Covenant Apartment Fund XII	3/1/2025	Covenant	PIMCO Core Plus	1/21/2011	Northern Trust
Crown Global Secondaries V Master S.C.S.P.	2/1/2021	Crown	PIMCO Commodity Alpha	5/4/2016	PIMCO
Crown Global Secondaries Fund VI	2/1/2021	Crown	PIMCO EMD	2/29/2020	Northern Trust
Dalton Japan Long Only	10/31/2023	Dalton	PIMCO Midstream	10/9/2020	PIMCO
DC Value Recovery fund IV	12/28/2015	Colony	PIMCO StocksPLUS	7/14/2003	PIMCO
D.E. Shaw	6/30/2013	Northern Trust	Post Oak Energy Partners GP V, LP	3/1/2025	Post
DFA Emerging Markets Value I	3/7/2014	Northern Trust	Fidelity Non-US Small Cap Equity	6/10/2008	Northern Trust
Elliot Associates	7/1/2024	Elliott	Quantum Capital Solutions II	11/1/2024	Quantum
Fortress Credit Opportunities	12/17/2020	Fortress	Quantum Capital Solutions II Co-Investment Fund, LP	11/1/2024	Quantum
Fortress Lending Fund II	3/15/2021	Fortress	River Birch	8/3/2015	Northern Trust
Fortress Credit Opportunities Fund VI Expansion	10/1/2024	Fortress	Rubicon Technology Partners IV LP	11/30/2022	Rubicon
Garda Fixed Income Relative Value Opp	9/30/2021	Garda	Schroders	6/10/2025	Schroders
Geneva Capital Small Cap Growth	7/22/2015	Geneva	Silver Point Specialty Credit Fund III, L.P.	10/4/2023	Singerman
Gresham MTAP Commodity	9/3/2013	Gresham	Singerman Real Estate Opportunity Fund IV	10/27/2021	Sculptor
Guggenheim	6/2/2025	Guggenheim	Sculptor Diversified REIT	12/2/2024	Sculptor
Harvest Midstream	9/28/2020	Harvest Midstream	Sculptor Enhanced Domestic Partners	3/26/2019	Northern Trust
HBK Fund II	11/1/2013	Northern Trust	Short Term Cash Account	12/31/2000	Northern Trust
Henderson Smallcap Growth	7/22/2015	Northern Trust	Short Term Investment Funds	6/30/2000	Stone Harbor
H.I.G. Bayside Loan Opportunities Fund V	7/24/2019	H.I.G. Capital	Stone Harbor Emerging Markets Debt	8/8/2012	TPG Sixth Street
Hudson Bay	6/7/2019	Northern Trust	TAO Contingent	4/16/2020	TCW
Hudson Bay Real Estate Opportunities	1/23/2025	Hudson Bay	TCW Securitized Opportunities	2/3/2016	Northern Trust
Hudson Bay Special Opportunities Fund	2/20/2024	Hudson Bay	TPG AG Essential Housing III	11/1/2024	TPG Sixth Street
Indus Pacific Opportunities	6/30/2014	Northern Trust	Transition Equity	9/30/2010	Northern Trust
Invesco Real Estate III	6/30/2013	Invesco	Transition Fixed Income	9/30/2010	TPG Sixth Street
Invesco Real Estate IV	12/18/2015	Invesco	TSSP Adjacent Opportunities Partners	11/17/2017	Vista Equity
ITE Rail Fund, L.P.	2/27/224	ITE Rail	Vista Equity Partners	7/24/2020	Warren
J.P. Morgan Strategic Property	7/2/2014	J.P. Morgan	Warren Equity III	4/1/2021	Warren
Juniper High Noon Partners, L.P.	3/18/2024	Juniper	Warren Equity IV	1/1/2023	Wellington
Juniper Capital IV, L.P.	4/26/2023	Juniper	Wellington Alternative Investments	2/9/2023	Wellington
KKR US Broadly Syndicated Loan Fund	10/21/2024	Mellon	WEP IV TS Co-Investment, L.P.	8/14/2023	Northern Trust
KSL Capital Partners VI	4/26/2023	KSL Capital	WEP TreeCo Co-Investment, L.P.	2/7/2025	WEP
Landmark Real Estate Partners VIII	4/29/2018	Landmark	Western Asset Core Plus	5/31/2004	Northern Trust
Landmark Real Estate Partners IX	4/1/2024	Landmark	Western Asset High Yield Fixed Income	5/31/2005	Western Asset
Lazard Japanese Equity	11/1/2023	Lazard			

Total Fund Data Sources and Methodology

Kern County Employees' Retirement Association Period Ending: June 30, 2025

Policy & Custom Index Composition	
Policy Index: 5/1/2025 - Present	33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 19% Core (12% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index) 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index, 0.50% Bloomberg ABS Index, 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index, 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div)), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 2.5% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Net Monthly, 5% actual time-weighted Private Equity Returns*, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -2.5% 3-Month T-bill.
Policy Index: 1/1/2025 - Present	33% MSCI ACWI IMI (Net), 27% Fixed Income Blend - 19% Core (12% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index, 4% Bloomberg US Corporate Credit 1-3 Year Index) 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index, 0.50% Bloomberg ABS Index, 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index, 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div)), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 4% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 6% NCREIF-ODCE Gross Monthly, 5% actual time-weighted Private Equity Returns*, 6% actual time-weighted Private Credit Returns*, 4% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -4% 3-Month T-bill.
Policy Index: 11/1/2024 - 1/1/2025	Policy Index: 33% MSCI ACWI IMI (Net), 25% Fixed Income Blend - 17% Core (14% Bloomberg US Aggregate Index, 3% ICE BofAML 7-10 Year US Treasury Index), 8% Credit (1.5% Securitized (0.75% Bloomberg Non-Agency CMBS Index, 0.50% Bloomberg ABS Index, 0.25% J.P. Morgan CLOIE AAA Index) 2.5% Morningstar LSTA Leverage Loan Index, 4% Emerging Market Debt (2% JPM EMBI Global Div / 2% JPM GBI EM Global Div)), 4% Bloomberg Commodity Index, 10% Hedge fund (7.5% 3-Month T-bill + 3%, 2.5% MSCI ACWI (Net)), 4% 3-Month T-Bill + 3%, 5% Alerian Midstream Energy Index, 5% NCREIF-ODCE Gross Monthly, 5% actual time-weighted Private Equity Returns*, 8% actual time-weighted Private Credit Returns*, 5% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -4% 3-Month T-bill.
Policy Index: 10/1/2023 - 11/1/2024	33% MSCI ACWI IMI (Net), 15% 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 Global Diversified, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +3%, 2.5% MSCI ACWI (Net), 8% 90 Day T-Bill + 3%, 5% Alerian Midstream Energy Index, 5% NCREIF-ODCE Gross Monthly, 5% actual time-weighted Private Equity Returns*, 8% actual time-weighted Private Credit Returns*, 5% actual time-weighted Private Real Estate Returns*, 0% Assumed Rate of Return +3%, -8% 90 Day T-bill.
Policy Index: 4/1/2022-9/30/23	37% MSCI ACWI IMI (Net), 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 Global Diversified, 4% Bloomberg Commodity Index, 7.5% 3-Month T-bill +4%, 2.5% MSCI ACWI (Net), 8% 91 Day T-Bill + 4%, 5% NCREIF-ODCE Gross Monthly, 5% actual time-weighted Private Equity Returns*, 5% actual time-weighted Private Credit Returns*, 5% actual time-weighted Private Real Estate Returns*, 5% Alerian Midstream, 0% Assumed Rate of Return +3%, -8% 3-Month T-bill.
Policy Index: 7/1/2021-4/1/2022	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 Aggregate
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.

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: Portfolio Return - [Risk-free Rate + Portfolio Beta x (Market Return - Risk-free Rate)].

Benchmark R-squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager.

Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book-to-Market: The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios.

Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Price-to-Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

R-Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: Portfolio Excess Return / Portfolio Standard Deviation.

Sortino Ratio: Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

Standard Deviation: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

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ALTERNATIVE INVESTMENTS RECORDS

EXEMPT FROM PUBLIC DISCLOSURE

(California Government Code § 7928.710)

(California Government Code § 7922.000)

(California Government Code § 54957.5)

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Chief Executive Officer's Report

Presented by: Dominic Brown, Chief Executive Officer

September 2025



Office Update

- KCERA Election Update
- Staffing Update: Investment Analyst, Network Engineer, Member Services Technician
- Kern360 planning meetings continue (Payroll and Human Capital)
- Disability
- Alive and Well Project
- Government Finance Officers Association (GFOA) Award
- Office Construction
- Annual Statements



Operations Activity

Member Services

- 25 new retirements and calculations
- 59 death benefit calculations
- 47 service-credit purchase calculations
- 69 retirement estimates
- 79 new active members
- 78 terminations with disposition packets
- 28 in-person appointments
- 147 walk-ins
- 538 phone calls
- 240 emails

Accounting & Reporting

- Service Purchases <45 days
- A/P fully in house
- Monthly pension payroll now exceeds \$38M for almost 9,400 members (38 checks)

Information Technology

- We are lending support to Kern360 for testing
- AI Uses & Policy development
- Portal updates
 - Online Beneficiary Election
 - Member Documents Upload
 - Electronic Welcome Letter



Member Outreach & Education

Recent:

- 8/7 K.C. Superior Courts Payroll Clerk Training
- 8/12 R.E.O.K.C. Luncheon
- 8/18 S.J.V.A.P.C.D. Payroll Clerk Training
- 8/21 Kern County New Employee Orientation
- 8/26 S.J.V.A.P.C.D. Lunch N Learn (Bakersfield, Modesto, & Fresno)

Upcoming:

- 9/3 Kern County B.H.R.S. New Employee Orientation
- 9/9 R.E.O.K.C. Luncheon
- 9/15 Courts New Hire Orientation
- 9/18 KC New Employee Orientation
- **9/25 KCERA End-of-Career Seminar**
- 9/27 Kern County Career Expo



Upcoming Events

- Administrative Committee – Future meetings will address Post-Retirement Employment Policy and Model Tax Regulations
- Finance Committee – Meetings will be scheduled to discuss Internal Audit Plan, Normal Retirement Age, Interest Crediting
- Investment Committee – No meetings currently scheduled
- Board of Retirement – Next regular monthly meeting will be October 8, 2025
- Special Board of Retirement – Meeting will be scheduled to discuss new business





CIO REPORT

INVESTMENT PROGRAM
UPDATE
September 2025

Presented by:
Daryn Miller, CFA
Chief Investment Officer



Rebalancing

AUGUST ACTIVITY

- Public Equity
 - Regional and Market Cap Exposure Rebalance
 - Buy 30M Chilton Capital High Conviction Equity
 - Sell 20M ACI Intl. Developed Small Cap
 - Redeem 100% (70M) Alliance Bernstein Small Cap Value
 - Buy 40M Russell 2000 ETF (IWM)
- Fixed Income
 - Buy 5MM Guggenheim Securitized Products
 - Buy 10MM Aristotle Short Duration Bond Strategy
 - Buy 10MM Schroders Securitized Products
- Hedge Funds
 - Buy 50MM Hawk Ridge Master Fund
- Cash
 - Sell 20MM BlackRock Short Duration



Public Equity: Decreased underweight to U.S. equities and decreased overweight to International equities to bring regional exposures more in line with the Global benchmark

Within U.S. equity, Staff decreased overweight to Small Cap relative to the MSCI USA IMI Index and terminated AB Small Cap



Fixed Income: Staff continued the repositioning trades that took place in July to be consistent with the Plan's long-term Strategic Asset Allocation (SAA); the addition to Guggenheim, Aristotle, and Schroders brought exposure in line with Policy



Hedge Funds: Funded exposure to dedicated Equity Long/Short strategy in the Hedge Fund Portfolio; the addition of Hawk Ridge is consistent with the Plan's policy exposure guidelines



Cash: Reduced exposure to BlackRock to create liquidity; the Plan remains positioned to take advantage of cash returns

Asset Class	Actual	Policy Target	Adj. Policy Target	Diff. Act. vs. Adj. Pol.
Public Equities	33.6%	33.0%	32.7%	0.9%
Fixed Income	20.7%	25.0%	26.8%	-6.1%
Core	10.5%	15.0%	16.8%	-6.3%
Credit	10.2%	10.0%	10.0%	0.2%
Commodities	3.8%	4.0%	4.0%	-0.2%
Hedge Funds	10.2%	10.0%	10.0%	0.2%
Alpha Pool	2.4%	2.5%	2.5%	-0.1%
Midstream Energy	4.6%	5.0%	5.0%	-0.4%
Core Real Estate	5.4%	5.0%	5.9%	-0.4%
Private Real Assets	4.1%	5.0%	4.1%	0.0%
Private Equity	5.3%	5.0%	5.3%	0.0%
Private Credit	6.2%	8.0%	6.2%	0.0%
Opportunistic	2.6%	0.0%	0.0%	2.6%
Cash	0.9%	-2.5%	-2.5%	3.4%
Total	100.0%	100.0%	100.0%	0.0%

Positioning

ACTUAL VS POLICY TARGET

Public Equity: moderate overweight to policy target.

Core Fixed Income: underweight vs. policy target and adjusted policy target.

Exposure to Core Fixed Income has been primarily reallocated to Cash and Opportunistic. We maintain an underweight to Core Fixed Income on the view for slower yet positive economic growth, stickier inflation, and the potential for higher yields.

Credit: slight overweight coming from Bank Loan and EM Debt exposures.

Hedge Funds: slight overweight following the funding of Hawk Ridge.

Midstream Energy & Commodities: modest underweights given near-term outlooks for muted returns.

Cash: maintaining overweight position to take advantage of weighted average cash returns of 5-5.5%.



Key Initiatives

Enhancing return while managing risk

- **2035 Initiative**
- **Asset Class Deep Dives**
 - Alpha Pool
 - Hedge Fund
- **Opportunistic investments**
- **Private markets**
- **Repositioning fixed income**
- **Building Investment Program Infrastructure**
 - Researching DMS & RMS
- **Investment Analyst Recruitment**

Investment Committee Meetings

Next meeting October 2025

- Hedge Fund and Alpha Pool deep dives
- Update on 2035 Initiative

The last IC meeting was held on August 27th.



Delegation

The following investments fall within the parameters of the Delegation Policy and were approved by the CIO

\$8M



Beach Point Real Estate Debt Co-Investment - \$8M

The co-investment will be a construction loan to a multifamily building in San Jose, CA. The Plan has a current investment in the Beach Point Real Estate Debt Fund, and the investment presents an attractive risk-adjusted return opportunity. This will be a part of the Opportunistic portfolio.

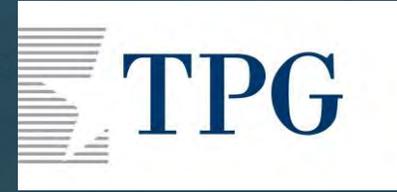
\$50M



Hawk Ridge Master Fund - \$50M

Hawk Ridge is a Long/Short Equity strategy that invests in SMID-cap stocks primarily domiciled in the U.S. and opportunistically in Developed ex-US Markets. The addition to the Hedge Fund portfolio ensures the Plan remains in compliance with policy exposure guidelines.

\$30M



TPG AG Asset Based Credit Evergreen Fund - \$30M

TPG will make broad-based specialty credit investments targeting income and capital appreciation across consumer, real estate, and other specialty credit markets. The diversified portfolio will be a part of the Private Credit allocation.

Termination



Alliance Bernstein Small Cap Value (AB) – Termination

AB was part of the Plan's Public Equity allocation. The decision to terminate was based on historical relative performance and the availability of suitable alternatives. The mandate had a market value of approximately \$70M.

Closed Investments

Contracting completed (all), and funded (liquid hedge fund investment)

- Beach Point Real Estate Debt Co-Investment (Opportunistic) - \$8MM
- Hawk Ridge Master Fund* (Hedge Funds) – \$50MM
 - *Staff funded the investment on 8/28; the subscription date is 9/1*

Reporting Period covers 08/01/2025 to 08/31/2025

**Indicates investment was also funded*

2

FUNDS

\$50M

FUNDED

\$8M

COMMITTED

Investment Activity

Passed Investments

The following investment opportunities were diligenced, but not pursued (last 4 quarters)

Description	Comments
Private Credit, specialty credit	Passed, lack of conviction in strategy
Private Real Assets, real estate – triple net lease	Passed, lack of conviction in strategy
Private Real Assets, real estate – value-add	Passed, lack of conviction in strategy
Private Credit, legal assets	Passed, lack of conviction in strategy
Private Credit, secondaries	Passed, portfolio fit
Commodities, carbon	Passed, portfolio fit
Commodities, carbon	Passed, portfolio fit
Commodities, carbon	Passed, portfolio fit
Private Credit, asset-based lending	Passed, portfolio fit
Private Credit, asset-based lending	Passed, found opportunity with better risk-adjusted returns
Private Credit, asset-based lending	Passed, found opportunity with better risk-adjusted returns

Description	Comments
Private Real Assets, real estate – European	Passed, portfolio fit
Private Real Assets, energy	Passed, portfolio fit
Core Real Estate, real estate debt	Passed, found opportunity with better risk-adjusted returns
Private Credit, specialty credit	Passed, found opportunity with better risk-adjusted returns
Private Credit, specialty credit	Passed, found opportunity with better risk-adjusted returns
Private Credit, specialty credit	Passed, found opportunity with better risk-adjusted returns
Private Credit, specialty credit	Passed, portfolio fit
Private Equity, GP stakes	Passed, portfolio fit
Private Real Assets, real estate – core-plus	Passed, portfolio fit



CLO Report
September 2025

Legislative Calendar

AB 339 – Adds section 3504.1 to the Gov. Code.

- Requires the governing body (or board) of a public agency give a recognized employee organization no less than ~~120~~ 45 days' written notice before issuing a request for proposals, etc., or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.
- **Amended 8/29/25. Exemption for public works projects. No meet and confer. In Senate. 2d reading.**

Legislative Update

SB 853 - CERL clean up - amendments authorized at SACRS

- 31470.14 – no retroactive benefit enhancements for general membership conversion to safety
- 31462.05 – clarifies how to calculate FAC with member absences
- 31680.9 – requires employer to “report” as required by the retirement plan re: post-retirement employment violations

Litigation Update

Sandhu v. Board of Administration – Post-Retirement Employment

- CalPERS determined Retiree Sandhu was a common law employee when he worked for several cities despite being hired by through a private company.
 - Sandhu worked for various public agencies 1989-2011. Retired 12/2011 and began receiving pension from CalPERS.
 - Feb. 2015 hired by Regional Government Services (RGS), a private company that hires people w/ prior public sector experience and assigns them to work for various public agencies. RGS was responsible for supplying insurance coverages, workers' comp, sick leave, etc. for Sandhu.
 - Under employment agreement w/ RGS, Sandhu was assigned to work for multiple cities at various times through RGS' contract with the cities.

Litigation Update

Sandhu v. Board of Administration – Post-Retirement Employment

- At each city assignment, Sandhu was given a city email, an office w/in the agency and served under various titles including “interim Finance Director,” “interim Finance Manager,” was referred to as “Staff Representative,” and performed most duties listed in the applicable job descriptions.
- City had the ability to terminate contract w/ RGS w/o cause or ask RGS for a new person to perform the work.
- City Manager had ultimate responsibility over the work performed.

Litigation Update

Sandhu v. Board of Administration – Post-Retirement Employment

- 2004 case – Metropolitan Water District v. Superior Court established that the PERL, which governs CalPERS employers and members, incorporates the common law test for employment.
- Sandhu court explained that Metropolitan ruling included temporary workers who meet the common law test for employment.
- Factors: (1) right to control – ability to terminate, control over the work; (2) secondary factors – whether the work was part of the usual business, length of work, supplies provided, place of work
- Held: Substantial evidence supported trial court finding that Sandhu met the common law employment test.

Legal Team Projects

- Updates in Progress
 - IRS Model Rules
 - Post-Retirement Employment Policy
 - Member Handbook
 - Normal Retirement Age
- Coming Attractions
 - Separate Accounts



TO: State Association of County Retirement Systems
FROM: Cara Martinson, Public House Consulting
Laurie Johnson, LJ Consulting & Advocacy
DATE: August 1, 2025
RE: **Legislative Update – August 2025**

The Legislature adjourned for its summer recess on July 18, following the final policy committee deadline. To remain active, all bills had to pass out of their respective policy committees and move either to the floor or, for fiscal bills, to the Appropriations Committees. The houses will be on summer break until August 18. Upon their return, the Legislature will be in a full sprint to move all remaining bills through the respective Appropriations Committees and then to the floor for debate and review.

The Legislature will adjourn for the year on September 12.

SACRS is tracking the following bills:

- **ACA 2 (Jackson)** - seeks to reinstate retirement for State Legislators. ACA 2 would establish a retirement system specifically for legislators elected or serving from November 1, 2010 onward. To qualify, legislators would be required to serve at least 10 years. If their service is less than 10 years, legislators could transfer their accumulated service credits to another public pension or retirement system they are a part of. Status: This bill did not receive a hearing and is now a 2-year bill.
- **AB 259 (Rubio)** - was amended to extend the 2026 sunset on existing laws governing teleconferencing procedures for public meetings to 2030. This bill is sponsored the CA Special District's Association (CSDA). Status: This bill is now a 2-year bill.
- **AB 288 (McKinnor)** - expands the jurisdiction of the Public Employment Relations Board (PERB) by authorizing certain workers to petition the PERB to protect and enforce their rights. Status: This bill will be heard in the Senate Appropriations Committee on 8/18.
- **AB 339 (Ortega)** - would require the governing body of a public agency to give a recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or



extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization. Status: This bill has been referred to the Senate Appropriations Committee.

- **AB 340 (Ahrens)** - would prohibit a public agency employer from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation. Status: This bill has been referred to the Senate Appropriations Committee.
- **AB 409 (Arambula)** - would extend the 2026 sunset on existing laws governing teleconferencing procedures for California Community College student body associations and student-run community college organizations to 2030. Status: This bill is now a 2-year bill.
- **AB 467 (Fong)** – would extend the sunset date from 2026 to 2030 (as opposed to 2031) for teleconferencing procedures for neighborhood councils, defined as an advisory body with the purpose to promote more citizen participation in government and make government more responsive to local needs that is established pursuant to the charter of a city with a population of more than 3,000,000 people that is subject to the Brown Act. Status: This bill is now a 2-year bill.
- **AB 569 (Stefani)** - was amended to maintain the proposed authorization to negotiate contributions to supplemental Defined Benefit plans but also maintain consistency with the existing PEPPRA prohibitions and limitations. Status: This bill was held on the Appropriations Suspense File and is now a 2-year bill.
- **AB 814 (Schiavo)**– This bill excludes from gross income, under the Personal Income Tax (PIT) Law, peace officer retirement pay and amounts received by the beneficiary of an annuity plan set up for the surviving spouse or dependent of a person that lost their life in services as a peace officer. Status: This bill was held on the Assembly Appropriations Suspense File.
- **AB 1054 (Gipson)** – This bill would establish the Deferred Retirement Option Program as a voluntary program within PERS for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). The bill would require



- these state bargaining units to bargain with the Department of Human Resources to implement the program. The bill would also require the program to result in a cost savings or be cost neutral. The bill would further require the department to work with the board of PERS to develop the program. Status: This bill was not taken up in the Assembly PERS Committee and is a 2-year bill.
- **AB 1323 (Chen)** – would increase the compensation rate for certain members of the Orange County Board of Retirement to not more than \$320 per meeting. Status: This bill did not receive a policy committee hearing and is now a 2-year bill.
 - **AB 1383 (McKinnor)** - This bill would establish new retirement formulas, for employees first hired on or after January 1, 2026, as 2.5% at age 55, 2.7% at age 55, or 3% at age 55. For new members hired on or after January 1, 2013, who are safety members, the bill would require employers to adjust the formulas for service performed on or after January 1, 2026, to offer one of the 3 formulas for safety members that is closest to the formula the employer provided pursuant to existing law. The bill would authorize a public employer and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under the act. This bill would authorize an employer and its employees to agree in a memorandum of understanding to be subject to a higher safety plan or a lower safety plan, subject to certain requirements, including that the memorandum of understanding is collectively bargained in accordance with applicable laws. Status: This bill was held on the Assembly Suspense File and is now a 2-year bill.
 - **AB 1439 (Garcia)** - would prohibit the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in California or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections. Status: This bill did not receive a policy committee hearing and is now a 2-year bill.
 - **SB 239 (Arreguín)** - allows flexibility for remote meetings of local advisory bodies (“subsidiary bodies” in the language of the bill). Specifically, this bill would allow the subsidiary body of a local agency to teleconference their meetings without having to make all locations publicly available and would



- require the subsidiary body to post the agenda at each physical meeting location. The bill also sunsets these provisions in 2030. Status: The bill was moved in the inactive file. The sponsors of this bill are now working with Senator Durazo on SB 707 as the consensus measure.
- **SB 301 (Grayson)** - would beginning on or after January 1, 2026, prohibit a city or district that contracts with a retirement system under the CERL from amending their contract with the system in a manner that provides for the exclusion of some, but not all, employees. This bill is on the Assembly Third Reading File.
 - **SB 443 (Rubio)** - This bill authorizes, on or after January 1, 2026, the Pajaro Regional Flood Management Agency (PRFMA) to offer an employee the pre-Public Employee Pension Reform Act of 2013 (PEPRA) defined benefit (DB) retirement plan or formula if the employee was already subject to that retirement plan or formula as an employee of the member agency (a “pre-PEPRA” employee). Similarly, the bill authorizes a non-founding member agency of a JPA formed on or after January 1, 2013, to offer a pre-PEPRA DB retirement plan or formula to an employee within 180 days of the agency becoming a member of the JPA.
Status: This bill is on the Assembly Third Reading File.
 - **SB 470 (Laird)** – would delete the 2026 sunset on existing laws governing teleconferencing procedures for state agencies relative to the Bagley-Keene Open Meeting Act and extend the sunset provision to 2030. Status: This bill has been referred to the Assembly Appropriations Committee.
 - **SB 707 (Durazo)** - would add additional teleconferencing meeting requirements for certain local governments until 2030 to allow members of the public to attend a public meeting via a two-way teleconferencing option. The bill would also require additional alternative language noticing requirements, among other requirements. The sponsors of SB 239 (Arreguin) are now working with Senator Durazo and have amended the bill to narrow the public participation requirements to cities, counties and special districts with certain population thresholds. The bill’s two-way conferencing and translation requirements appear to no longer apply to the County Boards of Retirement. Additional amendments were taken in the Assembly related to remote comments specifically, language around uniformity across all legislative bodies and clearly define permissible teleconference. Additionally, language was



taken to clarify public disruption authority and tightening language access provisions. Status: The bill will has been referred to the Assembly Appropriations Committee.

- **SB 853 (Committee Omnibus Bill)** - includes clarifying changes to the CERL:
 - Clarifies that for members subject to PEPRA, the retirement association shall compute absences using the member's pensionable compensation at the beginning of the member's absence.
 - Clarifies that where a member's service through reclassification, has been converted from general to safety member service, service converted after PEPRA's effective date is subject to PEPRA's prohibition of retroactive benefits. Thus, clarifies that conversion shall apply only to service after the operative date of the reclassification and not to all prior service.
 - Clarifies how CERL employers should report retired annuitants to their retirement association.
 - STATUS: This bill is on the Assembly Third Reading File.

Contact:

If you have any questions, please feel free to contact Cara Martinson at cara@publichouseconsulting.net, or Laurie Johnson at lauriejconsult@gmail.com.