

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

SUMMARY OF PROCEEDINGS

Teleconference Meeting – Board of Retirement Meeting

August 10, 2022

8:33 a.m.

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

ROLL CALL

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

Absent: Matthews

SALUTE TO FLAG – TRUSTEE JOSEPH D. HUGHES

MOMENT OF SILENCE

CONSENT MATTERS

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

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

Hughes-Franey – 8 Ayes

*2. Summary of proceedings of the following meetings:

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

RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*3. Report from the KCERA office on members retired from service for the months of June and July 2022 – RATIFIED

Hughes-Franey – 8 Ayes

*4. Report from the KCERA office on deceased retirees for the months of June and July 2022 – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

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

Hughes-Franey – 8 Ayes

*6. Securities Lending Earnings Summary Report for the periods May 1-31, 2022 and June 1-30, 2022 from Deutsche Bank – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

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

Hughes-Franey – 8 Ayes

*8. KCERA Class Action Proceeds Report from April 1 through June 30, 2022 from the Northern Trust Company – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*9. Corrections in Benefit Payments Report for the period January through June 2022 – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

*10. Corrections in Benefit Contributions Report for the period January through June 2022 – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

- *11. Board of Retirement Semi-annual Trustee Education Report – RECEIVED AND FILED

Hughes-Franey – 8 Ayes

- *12. 2022 KCERA Retirement Benefit Statement and Cover Letter Sample – RECEIVED AND FILED; APPROVED

Hughes-Franey – 8 Ayes

- *13. Letter from Segal, dated June 15, 2022, regarding KCERA Tier 3 Supplemental Retiree Benefit Reserve Benefits for the period from July 1, 2022 through June 30, 2023 – APPROVED

Hughes-Franey – 8 Ayes

- *14. Invitation from State Association of County Retirement Systems (SACRS) to Board of Directors to attend the SACRS Board of Directors Meeting August 22, 2022, in Los Angeles, California – APPROVED ATTENDANCE OF TRUSTEE JORDAN KAUFMAN

Hughes-Franey – 8 Ayes

- *15. Invitation from California Association of Public Retirement Systems (CALAPRS) to trustees to attend the CALAPRS Principles of Pension Governance for Trustees, August 29-September 1, 2022 in Tiburon, California – APPROVED ATTENDANCE OF TRUSTEE DUSTIN CONTRERAS

Hughes-Franey – 8 Ayes

- *16. Invitation from ValueEdge Advisors to trustees to attend the 2022 Public Funds Forum, September 6-8, 2022 in Laguna Beach, California – APPROVED ATTENDANCE OF TRUSTEE JEANINE ADAMS

Hughes-Franey – 8 Ayes

- *17. Invitation from California Association of Public Retirement Systems (CALAPRS) to staff to attend the CALAPRS Administrators' Institute, September 28-30, 2022 in Long Beach, California – APPROVED ATTENDANCE OF CHIEF OPERATIONS OFFICER MATTHEW HENRY

Hughes-Franey – 8 Ayes

PUBLIC COMMENTS

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

ANGELA BONFIGLIO, UNITED RENTERS FOR JUSTICE, HEARD; MADELINE BANKSON, PRIVATE EQUITY STAKEHOLDER PROJECT, HEARD; JIMMY HARRIS, RENTERS FOR UNITED RENTERS FOR JUSTICE, HEARD; CHAIR JUAN GONZALEZ HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

INVESTMENT MATTERS

19. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Senior Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED UP TO \$30MM COMMITMENT TO COVENANT APARTMENT FUND XI; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Kaufman-Adams – 8 Ayes

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

20. Discussion and appropriate action on private market fund recommendation presented by Maria Surina, Senior Investment Director, Cambridge Associates¹, Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – MARIA SURINA, CAMBRIDGE ASSOCIATES, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEES JEANINE ADAMS AND JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD; CHIEF LEGAL OFFICER JENNIFER ZAHRY HEARD

PUBLIC COMMENT: JIMMY HARRIS, RENTERS FOR UNITED RENTERS FOR JUSTICE, HEARD

APPROVED UP TO \$40MM COMMITMENT TO LANDMARK REAL ESTATE PARTNERS FUND IX; DIRECTED STAFF TO REPORT BACK REGARDING RESOLUTION OF ISSUES RAISED BY MEMBERS OF THE PUBLIC; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN, SUBJECT TO LEGAL ADVICE AND REVIEW

Franey-Hughes – 8 Ayes

21. Discussion and appropriate action on hedge fund recommendation presented by Spencer Edge, Albourne America², Chief Investment Officer Daryn Miller, CFA, and the Investment Committee – CHAIR JUAN GONZALEZ HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

APPROVED TRANSFER FROM SCULPTOR ENHANCED FUND TO SCULPTOR MASTER FUND

Whitezell-Adams – 8 Ayes

22. Presentation on the 2nd Quarter Investment Performance Review period ending June 30, 2022 by Scott Whalen, CFA, Verus – SCOTT WHALEN, VERUS, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE PHIL FRANNEY HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

RECEIVED AND FILED

Franey-Kaufman – 8 Ayes

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

² Written materials and investment recommendations from the consultants, fund managers and KCERA investment staff relating to alternative investments are exempt from public disclosure pursuant to California Government Code §6254.26, §6255, and §54957.5.

23. Presentation on the 2nd Quarter 2022 Portfolio Review presented by Spencer Edge, Albourne America¹ – SPENCER EDGE, ALBOURNE AMERICA, HEARD; CHAIR JUAN GONZALEZ HEARD; TRUSTEE JORDAN KAUFMAN HEARD; CHIEF INVESTMENT OFFICER DARYN MILLER, CFA, HEARD

TRUSTEE DAVID COUCH LEFT AT 10:00 A.M.

RECEIVED AND FILED

Kaufman-Whitezell – 7 Ayes

STAFF REPORTS

24. Report from Chief Executive Officer

CHIEF EXECUTIVE DIRECTOR DOMINIC BROWN REPORTED THE FOLLOWING:

- RETIREMENT PLANNING SEMINAR SCHEDULED
- NEW WEBSITE LAUNCHED
- *ALAMEDA*/PEPRA IMPLEMENTATION UPDATE
- STAFFING UPDATE
- ANNUAL STATEMENTS
- SOLAR PROJECT UPDATE
- SRBR DISCUSSED AT FINANCE COMMITTEE; WILL COME TO BOARD OF RETIREMENT IN SEPTEMBER
- RFP FOR PLAN SPONSOR AUDITS
- MMRO UPDATE
- HR CONSULTANT
- OPERATIONS ACTIVITY
- UPCOMING MEETINGS AND EVENTS

CHAIR JUAN GONZALEZ HEARD; TRUSTEES PHIL FRANEY AND JORDAN KAUFMAN HEARD

25. Report from Chief Investment Officer

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

- JUNE AND JULY REBALANCING ACTIVITY
- PORTFOLIO POSITIONING AND MARKET UPDATE
- KEY INITIATIVES & UPDATES

CHAIR JUAN GONZALEZ HEARD; TRUSTEE PHIL FRANEY HEARD

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

26. Report from Chief Legal Officer

CHIEF LEGAL OFFICER JENNIFER ZAHRY REPORTED THE FOLLOWING:

- SACRS LEGISLATIVE UPDATE
- TIMING OF LEGISLATIVE CYCLE
- SEC PROPOSED RULE CHANGES

COMMITTEE REPORTS

27. Report from Committee Chairs:

- a. Administrative Committee: HUGHES – MEETING SCHEDULED SEPTEMBER 19, 2022
- b. Finance Committee: FRANEY – NONE
- c. Investment Committee: KAUFMAN – NONE
- d. KCERA Property, Inc.: SEIBLY – NONE

REFERRALS TO STAFF, ANNOUNCEMENTS OR REPORTS

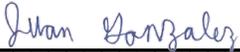
28. On their own initiative, Board members may make a brief announcement, refer matters to staff, subject to KCERA's rules and procedures, or make a brief report on their own activities – NONE

NEW BUSINESS

29. Consider, discuss, and take possible action to agendaize one or more items for future meetings of the Board of Retirement – NONE
30. ADJOURNED – 10:48 A.M.



Secretary, Board of Retirement



Chair, Board of Retirement