

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY & BUSINESS MEETING

APRIL 20, 2020

AGENDA

PLACE: *In Accordance with the Governor's Executive Order N-29-20 (3) The Members of the Board will be participating via teleconference. Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning the below mentioned business.*

TIME: 9:00 a.m.

The public may listen to the Public Session and offer comments by calling: 1-855-678-1883, using Conference Number: 407-656-1875#. Persons may also submit written comments to publiccomment@vcera.org prior to and during the Board meeting. Please include your name, agenda item, the last 4 numbers of the telephone number that will be used to call in, and your comment. Public comment emails will be read into the record, or summarized if lengthy.

ITEM:

- | | |
|-----------------------------------------------------------------------------------------------------|-----------------|
| I. <u>CALL TO ORDER</u> | Master Page No. |
| II. <u>APPROVAL OF AGENDA</u> | 1 – 5 |
| III. <u>APPROVAL OF MINUTES</u> | |
| A. Special Meeting for April 8, 2020. | 6 – 13 |
| IV. <u>CONSENT AGENDA</u> | |
| A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of March 2020. | 14 |
| B. Receive and File Budget Summary for FY 2019-20 Month Ending March 31, 2020. | 15 – 16 |
| V. <u>RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT</u> | 17 – 58 |
| VI. <u>APPLICATIONS FOR DISABILITY RETIREMENT</u> | |
| A. Application for Nonservice-connected Disability Retirement—Cornell, Anita L.; Case No. 20-005. | 59 – 133 |
| 1. Application for Nonservice-connected Disability Retirement, filed February 5, 2020. | |

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VI. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

2. Medical Analysis and Employer's Statement of Position, including Supporting Medical Documentation, submitted by County of Ventura-Risk Management, in support of the Application for Nonservice-connected Disability Retirement, dated March 11, 2020.
3. Hearing Notice, dated April 2, 2020.
- B. Application for Nonservice-connected Disability Retirement—McKinney, Kameron M.; Case No. 19-004. 134 – 182
 1. Application for Nonservice-connected Disability Retirement, filed February 1, 2019.
 2. Application Amendment, filed August 20, 2019, with supplemental information.
 3. Medical Analysis and Employer's Statement of Position, including Supporting Medical Documentation, submitted by County of Ventura-Risk Management, in support of the Application for Nonservice-connected Disability Retirement, dated February 24, 2020.
 4. Supplemental Documentation Regarding Applicant's Medications, Supplements and Physicians.
 5. Hearing Notice, dated April 2, 2020.
- C. Application for Service-connected Disability Retirement—Dawson, Fred W.; Case No. 18-008. 183 – 202
 1. Staff memo regarding Motion to Dismiss Application of Fred W. Dawson, dated April 20, 2020.
 2. Motion to Dismiss Application for Service-connected Disability Retirement with Exhibits from Respondent, County of Ventura-Risk Management, filed by Carol Kempner, Attorney for Respondent, dated February 26, 2020.
 3. Hearing Notice, dated April 2, 2020.
- D. Application for Service-connected Disability Retirement—Bittmann, Janeen R.; Case No. 17-014. 203 – 205
 1. Parties' Mutual Request for an Extension through June 1, 2020, submitted by County of Ventura-Risk Management, dated April 15, 2020.
 2. Hearing Notice, dated April 15, 2020.
- E. Application for Service-connected Disability Retirement—Gonzalez, Carmen M.; Case No. 15-028. 206 – 250

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VI. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

1. Petition for Reconsideration with Attachments, filed by Carmen M. Gonzalez, Applicant, dated January 13, 2020.
2. Opposition to Petition for Reconsideration, filed by Stephen D. Roberson, Attorney for Respondent, County of Ventura-Risk Management, dated January 28, 2020.
3. Hearing Notice, April 2, 2020.

VII. INVESTMENT MANAGER PRESENTATIONS

- | | | |
|----|------------------------------------------------------------------------------------------------------------|-----------|
| A. | Receive Investment Presentation from Abbott Capital Management, Matthew Smith and Arianna Merrill. | 251 – 286 |
| B. | Recommendation to Adopt 2020 Private Equity Annual Investment Plan.
RECOMMENDED ACTION: Approve. | |
| 1. | Staff Letter from Chief Investment Officer, Dan Gallagher. | 287 |
| 2. | Private Equity Annual Plan Presentation. | 288 – 301 |
| C. | Receive Annual Investment Presentations from State Street Bank, Jared Douglas, Grant Dannar and John Muir. | |
| 1. | State Street Custody and Securities Lending Presentation. | 302 – 337 |
| D. | Receive Annual Investment Presentation, Sprucegrove Investment Management, Tasleem Jamal and Arjun Kumar. | 338 – 403 |

VIII. INVESTMENT INFORMATION

NEPC – Allan Martin
VCERA – Dan Gallagher, Chief Investment Officer

- | | | |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| A. | Recommendation to Consent to Assignment of Western Asset Management Company Core Bond and Index Plus Manager Agreements to Franklin Templeton. RECOMMENDED ACTION: Approve. | |
| 1. | Staff Letter by Chief Investment Officer, Dan Gallagher. | 404 |
| 2. | WAMCO Notice - Parent Legg Mason and Affiliates Acquired by Franklin Templeton. | 405 |
| 3. | WAMCO Consent Form. | 406 – 407 |
| B. | County Contribution Pre-Funding Discount.
RECOMMENDED ACTION: Approve. | |
| 1. | Staff Letter by Chief Investment Officer, Dan Gallagher. | 408 – 411 |

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VIII. INVESTMENT INFORMATION (continued)

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|--------------------------------------------------------------------------------------------------------------------|-----------|
| 2. NEPC Report. | 412 – 414 |
| 3. Parametric Pre-Funding Analysis. | 415 – 429 |
| C. Preliminary Performance Report for Month Ending March 31, 2020.
RECOMMENDED ACTION: Receive and File. | 430 – 444 |

IX. OLD BUSINESS

- A. None.

X. NEW BUSINESS

- | | |
|--------------------------------------------------------------------------------------------------------------------------|-----------|
| A. Ipad Refresh for Board Trustees, Executives and Administrative Staff.
RECOMMENDED ACTION: Approve. | |
| 1. Staff Letter by Chief Technology Officer, Leah Oliver. | 445 – 446 |
| B. Request to Engage Consultant for VCERA Managers
Compensation Survey.
RECOMMENDED ACTION: Approve. | |
| 1. Letter from Trustee Wilson. | 447 |
| C. Quarterly Retirement Administrator's Report for January - March 2020.
RECOMMENDED ACTION: Receive and File. | 448 – 450 |
| D. Quarterly Chief Investment Officers Report for January - March 2020.
RECOMMENDED ACTION: Receive and File. | 451 |

XI. CLOSED SESSION

- | | |
|-----------------------------------------------------------------------------------------------------------------------|--|
| A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Retirement Administrator
(Government Code section 54957(b)(1)) | |
| B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Counsel
(Government Code section 54957(b)(1)) | |
| C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Investment Officer
(Government Code section 54957(b)(1)) | |

XII. INFORMATIONAL

- | | |
|---------------------------------------------------------------------------------------|-----------|
| A. Special Report from Hanson Bridgett to SACRS Legislative Committee on
COVID-19. | 452 - 457 |
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XIII. PUBLIC COMMENT

XIV. STAFF COMMENT

XV. BOARD MEMBER COMMENT

XVI. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

SPECIAL MEETING

APRIL 8, 2020

MINUTES

DIRECTORS
PRESENT: Arthur E. Goulet, Vice-Chair, Retiree Member
Steven Hintz, Treasurer-Tax Collector
Steve Bennett, Public Member
Mike Sedell, Public Member
Robert Ashby, Safety Employee Member
Jordan Roberts, General Employee Member
Will Hoag, Alternate Retiree Member

DIRECTORS
ABSENT: William W. Wilson, Chair, Public Member
Craig Winter, General Employee Member

STAFF
PRESENT: Linda Webb, Retirement Administrator
Henry Solis, Chief Investment Officer
Dan Gallagher, Chief Investment Officer
Lori Nemiroff, County Counsel
Leah Oliver, Chief Technology Officer
Josiah Vencel, Retirement Benefits Manager
Chris Ayala, Program Assistant

PLACE: *In Accordance with the Governor's Executive Order N-29-20 (3) The Members of the Board will be participating via teleconference. Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning the below mentioned business.*

TIME: 2:00 p.m.

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ITEM:

I. CALL TO ORDER

Chair Goulet called the Special Meeting of April 8, 2020, to order at 2:00 p.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Sedell seconded by Ashby

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell

No: -

Absent: Wilson, Winter

Abstain:

III. APPROVAL OF MINUTES

A. Disability Minutes for March 9, 2020.

After discussion by the Board, the following motion was made:

MOTION: Approve.

Moved by Ashby seconded by Bennett.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell

No: -

Absent: Wilson, Winter

Abstain:

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of February 2020.

B. Receive and File Report of Checks Disbursed in February 2020.

C. Receive and File Report of Checks Disbursed in March 2020.

D. Receive and File Budget Summary for FY 2019-20 Month Ending January 31, 2020.

E. Receive and File Budget Summary for FY 2019-20 Month Ending February 29, 2020.

F. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending January 31, 2020.

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- G. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending February 29, 2020.

MOTION: Approve.

Moved by Sedell, seconded by Bennett.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell

No: -

Absent: Wilson, Winter

Abstain:

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation from Harbourvest, Jackie Peradotto and Mark Radville.

Jackie Peradotto and Mark Radville reviewed Harbourvest's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

- B. Receive Annual Investment Presentation from Pantheon, Kevin Dunwoodie and Iain Jones.

Kevin Dunwoodie and Iain Jones reviewed Pantheon's organizational changes, and discussed the firm's investment outlook, portfolio strategy, composition and performance.

VI. INVESTMENT INFORMATION

NEPC – Allan Martin.

VCERA – Dan Gallagher, Chief Investment Officer.

- A. VCERA Portfolio and Investment Markets Update Due to COVID-19.
RECOMMENDED ACTION: Receive and File.

1. Staff Letter by C.I.O., Dan Gallagher.
2. NEPC Presentation.

Mr. Gallagher provided a brief summary to the Board regarding the overall health of VCERA's portfolio and the recent liquidity driven market decline in investment markets related to the COVID-19 pandemic. He said it would be unimaginable that VCERA would ever be unable to pay retirement benefits. He had been working with VCERA's consultants and investment managers across all asset classes to ensure sufficient liquidity for VCERA's priorities in the following order: retiree payroll, then capital calls, then portfolio rebalancing, and finally continued evaluation of attractive investment opportunities. He noted that he, the consultants and managers had all been through periods of significant market declines, and that this period shared similar characteristics to past market declines. He said that the Fed and the government had learned a lot from previous declines, and have quickly taken steps to mitigate some of the damage.

Following the initial discussion on this item, the Board advanced to agenda items VIII.B, "Retirement Administrator's Report on COVID-19 Impact on VCERA Operations."

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Mr. Martin of NEPC then gave a brief presentation to the Board entitled, "NEPC Latest Market Perspectives".

Chair Goulet said that he did not believe that VCERA should give a 7.5% discount to the County of Ventura for contributing early to the pension fund when the economic indicators did not support 7.5% earnings.

Trustee Bennett replied that would be a decision for the Board of Retirement to make, which then the Board of Supervisors would have to decide if they would like to contribute early if there was not a discount for doing so.

Chair Goulet then said that he was expecting a report from staff at the next meeting in regards to the discounted early pre-payment County annual contribution.

After discussion by the Board, staff, and consultant, the following motion was made:

MOTION: Receive and File.

Moved by Sedell, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell

No: -

Absent: Wilson, Winter

Abstain:

Following the vote on this item, the Board advanced to agenda items VIII.A., "Possible Adjustment to UAAL Amortization Periods to Manage Tail Volatility."

B. Preliminary Performance Report Month Ending February 29, 2020.

RECOMMENDED ACTION: Receive and File.

MOTION: Receive and File.

Moved by Sedell, seconded by Ashby.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell

No: -

Absent: Wilson, Winter

Abstain:

VII. OLD BUSINESS

A. None.

VIII. NEW BUSINESS

A. Possible Adjustment to UAAL Amortization Periods to Manage Tail Volatility.

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1. Staff Letter.
To be provided.
2. Previously Provided Letter from Segal Consulting.
3. Written Feedback from County of Ventura Regarding Proposed UAAL Adjustment, dated April 6, 2020.

Ms. Webb said this issue was originally raised by Paul Angelo of Segal Consulting during the December 9, 2019, meeting and Mr. Angelo was in attendance during the teleconference meeting today to discuss it again with the Board. In Segal's letter, dated January 24, 2020, Mr. Angelo explained how such an adjustment would work, and in February Segal's letter was provided to the County of Ventura and other participating employers, in advance of formal Board consideration, which was originally scheduled for the business meeting of March 30, 2020, which had been cancelled. The County of Ventura and SEIU Local 721 Union had submitted a response to the letter, which had been provided to the Board. Staff had provided two options for the Board to consider.

Mr. Angelo presented the two options to the Board and explained the merits of those two options.

Trustee Sedell said that the Board had not yet heard from the County of Ventura or SEIU yet and asked if the Board wanted to hear from them before discussing the options.

Ms. Webb replied that Mr. Robert Bravo from the County of Ventura was in attendance on the teleconference, and Mr. Ramon Rubalcava of SEIU Local 721 was listening, but not intending to speak during the teleconference, as he believed that SEIU's letter was provided to the Board to express their preference on the subject.

Mr. Bravo said that as the County of Ventura had noted in their letter, they would be supportive of the Segal's original recommendation, as well as the newly proposed option 2. Also, as it was noted in the County's letter, they had also asked for the Board to consider retroactively smoothing out the 2020-2021 year, but the County had been told that it was not feasible due to the timing. The County was also planning on using the analysis provided by their actuary, Bartel Associates, LLC to internally smooth the County's retirement costs for budget purposes only.

Ms. Webb commented that she had just received an email from SEIU Local 721 which said that they did not have any objection to option 2.

Chair Goulet said that he was a traditionalist and the Board had been using a 15-year amortization period for many years and it had been working very well for VCERA, thus far. Therefore, he felt that the Board should not change it, especially since the County had indicated that they were interested in adjusting it in the future.

Trustee Sedell said he believed that the Board should try something new because it may work better for all parties involved and just because it worked before in the past, did not mean that it would necessarily work again. So, he would be supportive of option 2.

Mr. Angelo commented that it was nationally known that he was a big promoter of the layered amortization model and it was an enormously powerful tool that had great transparency, however it came with a price. When staying with the predetermined layers, they would see this tail volatility phenomenon and adjusting it would not change any associated policy, since it was simply a managerial task that was almost imposed by the policy. He urged the Board to view the

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recommendation as not overruling the policy, but simply managing the tool that was adopted. He said that the model practice was to use layered amortization, and then under very specified conditions, incorporate some active managing of the layers. Therefore, he said that he respectfully disagreed with Chair Goulet.

Ms. Webb asked Mr. Angelo if the adjustment was something that could be characterized as an additional layer of smoothing.

Mr. Angelo said that he would call it another form of volatility management.

Ms. Webb said that Trustee Bennett had lost his connection to the meeting and was trying to reconnect.

Trustee Roberts said that he believed that the Board should do whatever they could to stabilize the tail volatility, especially in this uncertain time. Therefore, he believed that the Board should consider approving option 1 and then at a later date, consider adjusting the second period of tail volatility based on the market at that time.

Trustee Bennett was able to reconnect.

Ms. Webb asked Mr. Angelo to repeat his recommendation regarding the adjustment to UAAL amortization periods for Trustee Bennett's benefit.

Mr. Angelo provided Mr. Bennett with an overview of his recommendation. He said that in regards to Trustee Roberts suggestion of adjusting the first period of tail volatility now and considering adjusting the second period at a later date, he said that the sooner the adjustment was made the better, because the longer VCERA waits, the more layers will drop off, which would mean a larger adjustment cost. Therefore, if Segal would recommend option 2.

Chair Goulet said that amortizing \$775 million was not the complete picture of the issue, since the fund would probably lose \$125 million in 2020.

Mr. Angelo noted that Chair Goulet's comment was related to Trustee Roberts question of why not wait and see what the effects on are from COVID-19. Mr. Angelo said if there were market loss in the 2020 valuation, it would not influence the curve in Exhibit C's table concerning VCERA's Projection of UAAL Contribution Rates, because the new loss would be a new 15-year layer.

Ms. Webb reminded the Board that Mr. Angelo had done the recalculation after she had submitted her staff letter, so even though the staff letter stated that the preferred option was option 1, Mr. Angelo now stated that he was in favor of option 2 for the reasons explained.

Trustee Bennett said that the Board had a unique situation in which the actuaries for the Board of Retirement and the County of Ventura were in favor of option 2 and at the same time the County of Ventura was also volunteering to pay more into the retirement system next year. So, he felt compelled to support option 2.

After discussion by the Board, staff, and consultant, the following motion was made:

MOTION: Direct Segal Consulting to Adjust the Amortization Schedule for Both Periods of Tail Volatility (2020-2024 and 2025-2032) and Return to the Board with a Proposal to Incorporate it into the June 30, 2020 Valuation.

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Moved by Bennet, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Bennett, Hintz, Roberts, Sedell

No: Goulet

Absent: Wilson, Winter

Abstain:

Following the vote on this item, the Board advanced to agenda items IX.A., "Emergency Orders and Legislation of Interest to VCERA and Other California Public Employee Retirement Plans".

B. Retirement Administrator's Report on COVID-19 Impact on VCERA Operations.

1. Staff Letter.

Ms. Webb explained that even though there had been some minor difficulties to having staff work remotely, they had prepared well before the shelter in place order by having staff test their ability to work remotely, though some processes moved more slowly. This was also the time of year for Operations staff to begin implementing Cost of Living Adjustments, which may take more effort given the challenges. She said her biggest concern however, was in making sure that retirees were paid correctly and on time, and that had been successful and smooth. Therefore, overall VCERA was doing very well under the circumstances.

Chair Goulet thanked Ms. Webb and staff on behalf of the Board, for their hard work in keeping VCERA's running during this difficult time.

Ms. Webb said that she appreciated that and that she was proud of staff for having a great attitude, and being willing to learn new technologies, and find new ways to accomplish tasks.

After discussion by the Board, the following motion was made:

MOTION: Receive and File.

Moved by Ashby, seconded by Hintz.

Vote: Motion carried

Yes: Ashby, Bennett, Goulet, Hintz, Roberts, Sedell

No: -

Absent: Wilson, Winter

Abstain:

Following the discussion on this item, the Board returned to agenda item VI.A., "VCERA Portfolio and Investment Markets Update Due to COVID-19", to hear Mr. Martin's presentation.

IX. INFORMATIONAL

A. Emergency Orders and Legislation of Interest to VCERA and Other California Public Employee Retirement Plans.

1. Staff Letter by Retirement Administrator, Linda Webb and General Counsel, Lori Nemiroff.

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Ms. Webb noted that both she and Ms. Nemiroff had worked on the staff letter for the agenda item, and Ms. Nemiroff had been instrumental in assisting staff with deciphering the new exceptions to the Brown Act. She then said that they had provided the agenda item to inform the Board of the emergency orders and legislation regarding COVID-19, which explained its impact on VCERA, as well as other public retirement systems.

Chair Goulet replied that he also appreciated Ms. Nemiroff's work.

B. SACRS Board of Director Elections 2020-2021 Elections – Final Ballot Notice.

C. Letter to SACRS from Edelstein, Gilbert, Robson & Smith LLC, Legislative Update – April 2020.

X. PUBLIC COMMENT

None.

XI. STAFF COMMENT

Ms. Webb said that staff had recently received a formal resignation from Trustee Winter, who had been out on an extended leave and would be retiring from County service. Consequently, VCERA would be holding an election for that vacancy on the Board and staff would be working with the Elections Office on a election calendar, which staff would also be circulating when it become available. Since, the Board would likely be holding virtual Board Meetings for some time, staff would be working on incorporating video capabilities into the meeting and may purchase a Zoom subscription to facilitate that.

XII. BOARD MEMBER COMMENT

Trustee Hoag informed the Board that at the next Board Meeting on April 20th there would be a Closed Session item for the performance evaluations of the Retirement Administrator, General Counsel and Chief Investment Officer. He asked that the Board to be prepared to discuss the item during the meeting.

XIII. ADJOURNMENT

The Chairman adjourned the meeting at 3:23 p.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,

WILLIAM W. WILSON, Chairman

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
REPORT OF REGULAR AND DEFERRED RETIREMENTS AND SURVIVORS CONTINUANCES**

MARCH 2020

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	BENEFIT SERVICE*	DEPARTMENT	EFFECTIVE DATE
REGULAR RETIREMENTS:						
Cres	Aquiler	G	5/8/1994	25.73	Human Services Agency	2/15/2020
Loretta	Badgett	G	2/7/1999	20.93	Probation Agency	2/8/2020
Christine Marie	Butler	G	7/24/2000	5.56	Superior Court (deferred)	1/20/2020
Maria G.	Carbajal	G	12/31/2001	18.10	Health Care Agency	2/18/2020
Robert	Coughlin	S	10/7/2007	12.43	District Attorney	3/7/2020
Deanna	Crawford	G	9/20/2009	12.83	Treasurer - Tax Collector	3/6/2020
Clinton	Crow	G	12/29/1985	23.37	Sheriff's Office	2/29/2020
Thomas J.	Davis				County Executive Office (alt-payee)	3/7/2015
Fred	Garcia	G	12/03/1995	24.22	Human Services Agency	2/29/2020
Janean	Hansen	G	11/12/2001	17.94	Human Services Agency	1/31/2020
Eric	Hatlee	S	7/9/1989	30.75	Sheriff's Office	2/22/2020
Kevin	Hockstedler	G	1/3/2006	13.43	Public Works Agency	3/1/2020
Beatrice	Hughes	S	2/23/1997	22.96	Sheriff's Office	3/7/2020
Adrian	Manzano	G	8/5/1990	28.74	Health Care Agency	2/22/2020
Rhonda	Moore	G	11/11/2001	11.48	Health Care Agency (deferred)	1/10/2020
Thomas	Murray	G	10/5/1991	2.46	Regional Sanitation District (deferred)	2/29/2020
Julie Ann	Nautu	G	11/2/1997	22.17	Superior Court	2/8/2020
Roberto R.	Orellana	G	4/11/2005	14.29	County Counsel	1/25/2020
Celestina	Seang	G	11/1/2009	10.32	Health Care Agency	2/22/2020
James	Sharp	S	11/12/1989	30.42	Sheriff's Office	2/23/2020
Suzanne M.	Squires	G	6/4/2006	11.02	Ventura County Library	2/14/2020
Kathy Carmen Bass	Torres	G	10/15/2000	5.94	Sheriff's Office (deferred)	2/10/2020
Karen M.	Vera	G	11/29/1999	9.25	Human Services Agency (deferred)	2/10/2020
Nuruddin	Waliany	G	8/27/2006	7.39	Information Technology Services (deferred)	2/11/2020
Barbra	Winter	G	2/5/2001	4.63	Health Care Agency (deferred)	1/28/2020
Paul	Young	G	9/2/1990	29.61	General Services Agency	2/22/2020

DEFERRED RETIREMENTS:

Guadalupe	Cervantes	G	10/8/2006	7.94	Health Care Agency	3/4/2020
Diana E.	Flores	G	3/2/2014	5.68	Human Services Agency	2/15/2020
Hany	Habil	G	9/21/2014	5.45	Health Care Agency	3/2/2020
Colleen	Skopnik	G	10/3/2011	8.39	Assessor	3/7/2020

SURVIVORS' CONTINUANCES:

Ian P. Burroughs
James L. Williams

* = Excludes reciprocal service or service from any previous retirements

** = Member establishing reciprocity

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2019-2020
For the Nine Months Ended March 31, 2020 and Year-To-Date - 75.00% of Fiscal Year Expended

	<i>Adopted 2020 Budget</i>	<i>Adjusted 2020 Budget</i>	<i>March 2020</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Salaries and Benefits						
Regular Salary	\$3,299,200.00	\$3,359,100.00	\$233,610.69	\$2,247,573.58	\$1,111,526.42	66.91%
Extra-Help/Temporary Services	170,900.00	170,900.00	13,633.00	128,180.68	42,719.32	75.00%
Supplemental Payments	65,400.00	65,400.00	4,857.04	44,416.59	20,983.41	67.92%
Vacation Redemption	162,200.00	162,200.00	11,692.25	133,064.35	29,135.65	82.04%
Retirement Contributions	603,400.00	603,400.00	45,186.11	400,037.50	203,362.50	66.30%
OASDI Contribution	200,400.00	200,400.00	15,502.64	115,646.01	84,753.99	57.71%
FICA-Medicare	55,300.00	55,300.00	3,625.61	35,126.39	20,173.61	63.52%
Medical Insurance	360,600.00	360,600.00	25,641.00	239,575.55	121,024.45	66.44%
Retiree Health Insurance	0.00	0.00	2,222.94	13,991.24	(13,991.24)	0.00%
Life Insurance	1,300.00	1,300.00	82.15	804.66	495.34	61.90%
Unemployment Insurance	1,700.00	1,700.00	119.01	1,116.21	583.79	65.66%
Mgmt Disability Insurance	24,400.00	24,400.00	1,429.43	15,700.38	8,699.62	64.35%
Workers Compensation Insurance	114,000.00	114,000.00	8,369.26	81,021.43	32,978.57	71.07%
401K Plan Contribution	86,600.00	86,600.00	5,492.86	53,418.23	33,181.77	61.68%
Total Salaries & Benefits	\$5,145,400.00	\$5,205,300.00	\$371,463.99	\$3,509,672.80	\$1,695,627.20	67.42%

Services & Supplies

Board Member Stipend	\$13,200.00	\$13,200.00	\$800.00	\$5,900.00	\$7,300.00	44.70%
Other Professional Services	93,000.00	93,000.00	8,211.28	38,156.36	54,843.64	41.03%
Auditing	101,400.00	101,400.00	0.00	45,108.65	56,291.35	44.49%
Hearing Officers	40,000.00	40,000.00	0.00	41,965.00	(1,965.00)	104.91%
Legal	425,000.00	425,000.00	76,806.45	198,608.94	226,391.06	46.73%
Election Services	0.00	0.00	0.00	12,031.05	(12,031.05)	0.00%
Actuary-Valuation	62,000.00	62,000.00	0.00	62,000.00	0.00	100.00%
Actuary-GASB 67	13,000.00	13,000.00	0.00	13,000.00	0.00	100.00%
Actuary-415 Calculation	110,000.00	110,000.00	34,545.00	54,796.00	55,204.00	49.81%
Actuary-Misc Hrly Consult	16,000.00	16,000.00	5,373.00	5,288.00	10,712.00	33.05%
Printing	40,000.00	40,000.00	2,961.82	19,971.17	20,028.83	49.93%
Postage	65,000.00	65,000.00	5,141.16	60,801.34	4,198.66	93.54%
Copy Machine	4,500.00	4,500.00	1,323.47	1,622.90	2,877.10	36.06%
General Liability	15,200.00	15,200.00	0.00	7,600.50	7,599.50	50.00%
Fiduciary Liability	86,000.00	86,000.00	0.00	83,609.00	2,391.00	97.22%
Cost Allocation Charges	34,400.00	34,400.00	0.00	17,193.00	17,207.00	49.98%
Education Allowance	6,000.00	6,000.00	0.00	305.00	5,695.00	5.08%
Training/Travel-Staff	64,600.00	64,600.00	2,663.99	14,989.34	49,610.66	23.20%
Training/Travel-Trustee	38,200.00	38,200.00	3,100.00	8,495.77	29,704.23	22.24%
Travel-Due Diligence-Staff	9,300.00	9,300.00	0.00	2,911.86	6,388.14	31.31%
Travel-Due Diligence-Trustee	13,600.00	13,600.00	0.00	1,842.64	11,757.36	13.55%
Mileage-Staff	4,800.00	4,800.00	66.70	1,481.67	3,318.33	30.87%
Mileage -Trustee	5,000.00	5,000.00	0.00	1,826.32	3,173.68	36.53%
Mileage-Due Diligence-Staff	1,000.00	1,000.00	0.00	159.38	840.62	15.94%
Mileage-Due Diligence-Trustee	1,000.00	1,000.00	0.00	176.32	823.68	17.63%
Auto Allowance	6,900.00	6,900.00	575.00	5,175.00	1,725.00	75.00%
Facilities-Security	2,700.00	2,700.00	770.04	4,553.99	(1,853.99)	168.67%
Facilities-Maint & Repairs	3,300.00	3,300.00	504.24	629.24	2,670.76	19.07%
Equipment-Maint & Repairs	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00%
General Office Expense	10,400.00	10,400.00	1,049.50	6,534.76	3,865.24	62.83%
Books & Publications	2,500.00	2,500.00	9.99	691.66	1,808.34	27.67%
Office Supplies	17,000.00	17,000.00	3,585.42	5,731.69	11,268.31	33.72%
Memberships & Dues	16,300.00	16,300.00	0.00	15,737.63	562.37	96.55%
Bank Service Charges	500.00	500.00	39.44	420.82	79.18	84.16%
Offsite Storage	5,200.00	5,200.00	393.69	3,228.62	1,971.38	62.09%
Rents/Leases-Structures	210,900.00	210,900.00	9,489.27	129,167.04	81,732.96	61.25%
Depreciation /Amortization	1,460,600.00	1,460,600.00	121,716.16	1,095,445.44	365,154.56	75.00%
Total Services & Supplies	\$3,000,500.00	\$3,000,500.00	\$279,125.62	\$1,967,156.10	\$1,033,343.90	65.56%
Total Sal, Ben, Serv & Supp	\$8,145,900.00	\$8,205,800.00	\$650,589.61	\$5,476,828.90	\$2,728,971.10	66.74%

***Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2019-2020
For the Nine Months Ended March 31, 2020 and Year-To-Date - 75.00% of Fiscal Year Expended***

	<i>Adopted 2020 Budget</i>	<i>Adjusted 2020 Budget</i>	<i>March 2020</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
<i>Technology</i>						
Technology Hardware	\$118,500.00	\$118,500.00	\$2,071.29	\$81,099.24	\$37,400.76	68.44%
Technology Software Lic & Maint.	60,000.00	60,000.00	1,910.39	41,697.34	18,302.66	69.50%
Technology Software Suppt & Maint.	41,500.00	41,500.00	71.10	3,527.58	37,972.42	8.50%
Technology Systems Support	0.00	0.00	0.00	65,318.20	(65,318.20)	0.00%
Technology Cloud Services	3,600.00	3,600.00	458.20	2,759.50	840.50	76.65%
Technology Website Services	8,900.00	8,900.00	650.00	5,200.00	3,700.00	58.43%
Technology Infrastruct Support	168,100.00	168,100.00	8,547.40	64,291.60	103,808.40	38.25%
Technology V3 Software & VSG	754,900.00	754,900.00	176,697.50	442,321.10	312,578.90	58.59%
Technology Data Communication	55,700.00	55,700.00	7,282.88	43,515.45	12,184.55	78.12%
Total Technology	<u>\$1,211,200.00</u>	<u>\$1,211,200.00</u>	<u>\$197,688.76</u>	<u>\$749,730.01</u>	<u>\$461,469.99</u>	<u>61.90%</u>
<i>Capital Expenses</i>						
Capitalized Structures	1,184,000.00	1,200,000.00	38,747.97	770,450.29	429,549.71	64.20%
Total Capitalized Expenses	<u>\$1,184,000.00</u>	<u>\$1,200,000.00</u>	<u>\$38,747.97</u>	<u>\$770,450.29</u>	<u>\$429,549.71</u>	<u>64.20%</u>
Congtingency	<u>\$747,700.00</u>	<u>\$671,800.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$671,800.00</u>	<u>0.00%</u>
Total Current Year	<u><u>\$11,288,800.00</u></u>	<u><u>\$11,288,800.00</u></u>	<u><u>\$887,026.34</u></u>	<u><u>\$6,997,009.20</u></u>	<u><u>\$4,291,790.80</u></u>	<u><u>61.98%</u></u>

ABBOTT CAPITAL



VCERA
VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

Abbott Capital Management Presentation to:
Ventura County Employees' Retirement Association

April 2020

Abbott Presenters



Matthew M. Smith – Managing Director

Mr. Smith has more than 19 years of private equity investment experience. He is responsible for reviewing investment opportunities with specific emphasis on analysis and due diligence for prospective investments and is engaged in the negotiation of business and legal issues, ongoing monitoring of investments and profit realization from distributed securities. Mr. Smith, as Abbott's ESG Officer, is responsible for building upon the strong foundation Abbott has set in adopting the UN Principles for Responsible Investment and integrating ESG considerations into Abbott's investment process. Mr. Smith also serves on several partnership advisory boards. Prior to joining Abbott in 2000, he was a financial examiner at the Federal Reserve Bank of New York. He also worked for First Trust Washington and Bank of America as a trust officer. Mr. Smith received his A.B. in History and his M.B.A. in Finance from Georgetown University.



Arianna Merrill – Vice President

Ms. Merrill reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Prior to joining Abbott Capital in 2018, Ms. Merrill worked at Partners Group where she made investments in private equity funds as well as co-investments, and Top Tier Capital Partners where she focused on investing in venture capital funds. Ms. Merrill received her B.A. in Economics and Political Science from Connecticut College and her M.B.A. from Cornell University.

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Abbott Overview

Abbott Capital Management, LLC

As of 12/31/2019

Abbott's platform offers a distinctive combination of scale and focus to benefit our clients

1986

Abbott Founded

\$9.7B

Assets Under Management¹

\$21B+

Aggregate Commitments since Inception

50+

Professionals Dedicated to Private Equity

\$950M+

Capital Deployed Annually²

100+

Advisory Board Seats

Firm Overview

- First customized mandate launched in 1986; first commingled fund raised in 1995
- Independently owned with a 30+ year track record focused exclusively on private equity
- SEC-registered and FCA-authorized investment adviser with offices in New York and London, PRI Signatory
- Investment capabilities across primary, secondary, and co-investments
- Stable, multi-generational management team

Experience

Relationship Advantage

- Deep relationships and networks among GPs and LPs
- Recognized across the asset class as a sophisticated investor of scale
- Long-standing tenure and relationships give access to capacity-constrained opportunities

Information Advantage

- Customized database of information on over 9,000 funds
- Over 500 primary investments and an average of \$20 billion in secondary deal flow reviewed annually²
- Over 120 co-investment opportunities offered by Abbott GPs to LPs, representing >\$13 billion of equity value³

Focus Advantage

- Disciplined underwriting standards
- Rigorous due diligence process, honed over several decades of private equity investing

¹AUM herein is defined as (unfunded commitments + NAV) and includes non-discretionary assets for which Abbott does not provide continuous and regular supervisory or management services but provides ongoing investment monitoring, valuation, and reporting functions; AUM as of 9/30/2019. ²Annual average over past 3 calendar years. ³Over the past 5 calendar years. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance, and calculation of both AUM and RAUM.

Abbott's Private Equity-Focused Organization

Investments



Jonathan Roth
Managing Director,
President (1992)



Timothy Maloney
Managing Director
(2004)



Meredith Rerisi
Managing Director
(1998)



Matthew Smith
Managing Director
(2000)



Len Pangburn
Managing Director
(2005)



Young Lee
Managing Director
(2007)



Katie Stokel
Managing Director,
COO (1998)



Jobst Klemme
Director



Jennie Benza
Principal



Wolf Witt
Vice President



Lance Zhou
Vice President



Arianna Merrill
Vice President



Jonathan Tubiana
Vice President



Moritz Turck
Vice President



Brian Susetka
Senior Associate



Declan Feeley
Associate



Sean Bacon
Analyst



Taylor McGinnis
Analyst

Client Relations and Business Development



Ryan Green
Director



Melanie Jones
Vice President



Dan Kettner
Vice President



Kristin Kunert
Vice President



Valentine Whittaker
Vice President

Operations, Finance, Legal & Compliance



Lauren Massey
Managing Director,
CAO (1995)



Paolo Parziale
Managing Director,
CFO (2002)



Mary Hornby
Managing Director,
General Counsel (2004)

Abbott's Managing Directors have an average of over 21 years experience and over 18 years working together

VCERA Private Equity Program

VCERA Private Equity Program

Objectives, Key Events in 2019, Recommendation

- Abbott manages a customized private equity separate account with the following objectives:
 - Target allocation of 13% of the portfolio in private equity investments
 - The target allocation was increased from 10% to 13% in 2019
 - Monitor and manage VCERA's private equity portfolio through a comprehensive, turn-key solution that covers the development, implementation, management, and administration of the private equity portfolio
- Key 2019 developments:
 - Committed approximately \$227 million in 2019 via Abbott-directed commitments and VCERA-initiated commitments, compared to a commitment target of \$230 million
 - \$137 million in Abbott-directed commitments
 - \$90 million of VCERA-initiated commitments
 - Increased allocation to private equity investments to 7.7% of total plan, up from 6.9% at the end of 2018
 - Current Plan size of \$6,148,524,885 as of December 31, 2019
- Pursuant to the Private Equity Policy, Abbott is submitting the Annual Plan for 2020 for review and approval
 - Abbott recommends a 2020 commitment target of \$250 million based on the December 31, 2019 Plan size, with an average of approximately \$200 million committed per year over the next five years

Past performance is not a guide to future results and is not indicative of expected realized returns.

VCERA Private Equity Program

Impact of COVID-19 Pandemic

- The 2020 Annual Plan is being presented during a time of uncertainty, which will be marked by great challenges and opportunities
- Overall the Plan will face volatility and the “denominator effect”
 - A shrinking overall plan size and lagging downward valuation adjustments may cause the Plan’s private equity exposure on a reported NAV basis to approach or exceed the target
 - Capital calls, distribution, and NAV will be affected by the current situation
 - The pacing model is based on 20 years of cash flow patterns, encompassing various economic cycles
- Despite interim volatility, long-term private equity investors have benefitted from market dislocations to achieve compelling returns
 - Historically, investors who have remained true to their long-term pacing plan have benefitted from dollar-cost averaging into private equity and access to attractive vintage years during and immediately following times of economic and capital markets disruption

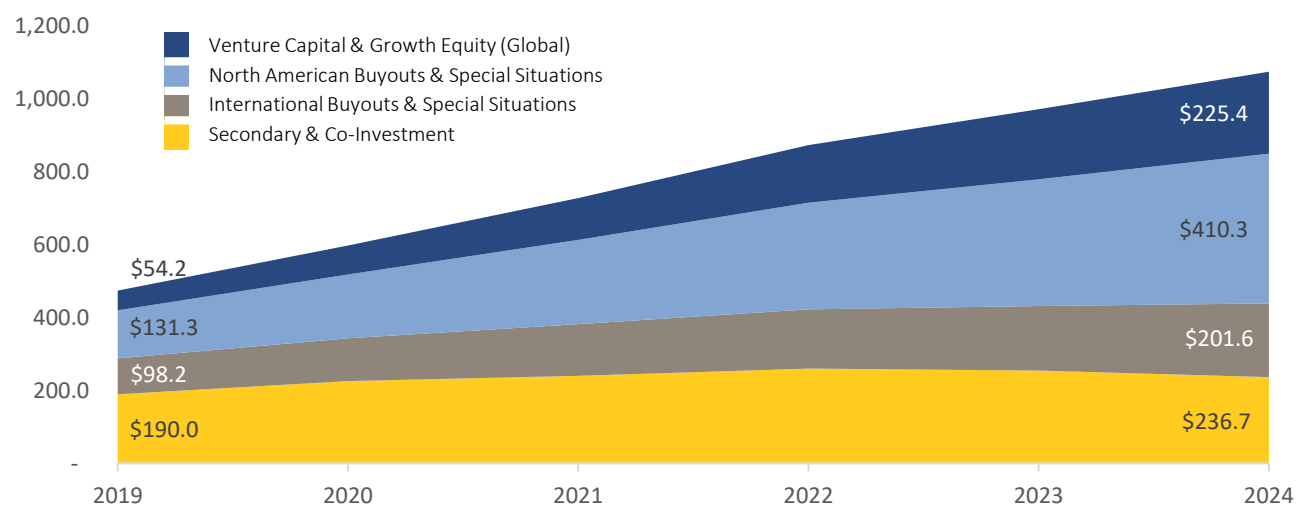
Past performance is not a guide to future results and is not indicative of expected realized returns.

Current Private Equity Investments

Funding by Strategy

Strategy	12/31/2019		
	NAV (\$m)	Undrawn (\$m)	Exposure (\$m)
VCERA Private Equity Program			
Venture Capital & Growth Equity (Global)	\$54.2	\$91.9	\$146.1
North American Buyouts & Special Situations	\$131.3	\$155.4	\$286.7
International Buyouts & Special Situations	\$98.2	\$89.8	\$188.0
Secondary & Co-Investment	\$190.0	\$216.0	\$406.0
VCERA Private Equity Program Totals	\$473.7	\$553.1	\$1,026.8

Strategy Diversification by NAV



Strategy	2023 Target Range
VCGE	10%-30%
NA BO & SS	35%-55%
International BO & SS	10%-30%
Secondary & Co-Investment	5%-40%

Plan Size: \$6.1b
PE NAV: \$474m
2019

Projected Plan Size: \$8.5b
Projected PE NAV: \$1.1b
2024

NAV is estimated based on September 30, 2019 net asset values, adjusted by net cash flows through December 31, 2019. NAV will differ from preliminary December 31, 2019 valuations provided on slides 16-18. Undrawn represents the balance of uncalled commitments as of December 31, 2019 (Commitment – Paid In). Diversification will not guarantee profitability or protection against loss. Actual exposure may differ from amounts shown above due to market conditions, investment opportunities, and other factors, and such differences may be material. Please see Appendix for Strategy Definitions.

VCERA Investment Activity

2019 Investment Activity

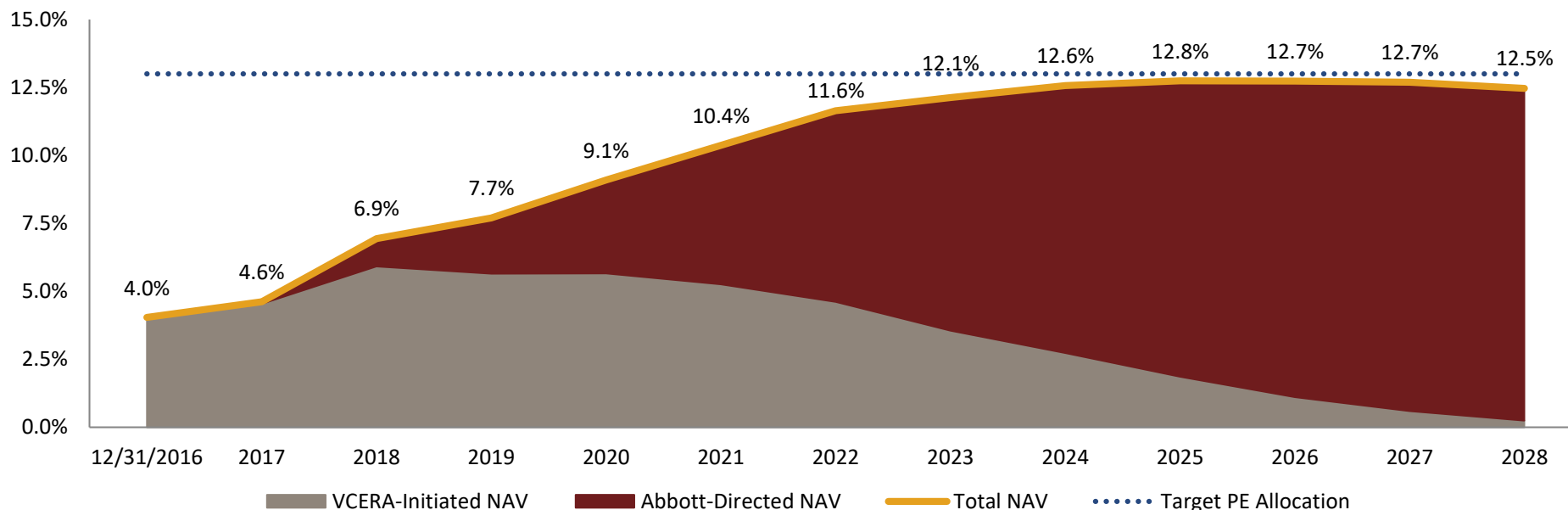
Fund	VCERA Commitment (\$MM)	Strategy
Abbott-Directed Investments		
Advent International GPE IX	\$10.0	International Buyouts & Special Situations
Astorg VII^	\$8.6	International Buyouts & Special Situations
Flexpoint Fund IV-A	\$10.7	North American Buyouts & Special Situations
Flexpoint Overage Fund IV-A	\$3.6	North American Buyouts & Special Situations
Genstar Capital Partners IX	\$7.5	North American Buyouts & Special Situations
Genstar Capital Partners IX Opportunities	\$2.5	North American Buyouts & Special Situations
Great Hill Equity Partners VII	\$8.9	North American Buyouts & Special Situations
Green Equity Investors VIII	\$15.0	North American Buyouts & Special Situations
Oak HC/FT Partners III	\$15.0	Venture Capital & Growth Equity (Global)
TA XIII	\$10.0	North American Buyouts & Special Situations
Buenaventure One, LLC	\$45.6	Various
Total Abbott-Directed Investments	\$137.3	
VCERA-Initiated Investments		
HarbourVest Co-Investment V	\$35.0	Secondary & Co-Investment
HarbourVest Dover Street X	\$40.0	Secondary & Co-Investment
Drive Capital Fund III	\$7.5	Venture Capital & Growth Equity (Global)
Drive Capital Overdrive Fund I	\$7.5	Venture Capital & Growth Equity (Global)
Total VCERA-Initiated Post-June 2017 Investments	\$90.0	
Grand Total	\$227.3	

- Abbott-directed investments include 14 primary commitments across 12 managers including four separate managers in Buenaventure One

^Non-USD denominated funds. Commitment amounts, which may fluctuate due to exchange rate changes, were converted as of December 31, 2019. Commitment for Buenaventure One, LLC reflects the aggregate amount committed to portfolio funds in 2019 held in the Buenaventure One, LLC portfolio. Totals may not sum due to rounding or late interest charges.

Pacing

Twelve-Year Pacing Illustration



Total Plan Projected Net Growth Rate	6.8%
Private Equity Target	13%

Pacing Analysis/Projected Cash flows (millions)

Year	12/2016	12/2017	12/2018	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	12/2025	12/2026	12/2027	12/2028
Annual Commitments		\$90.0	\$209.1	\$227.3	\$250.0	\$225.0	\$150.0	\$150.0	\$250.0	\$250.0	\$200.0	\$200.0	\$200.0
Annual PE Capital Calls		66.4	123.7	107.9	159.6	189.6	218.1	184.1	181.8	190.5	199.2	202.8	206.2
Annual PE Distributions		42.7	51.7	46.1	104.9	151.2	189.6	216.2	219.2	244.2	261.5	269.1	295.2
Annual PE Net Cash Flow		(23.6)	(72.0)	(61.8)	(54.7)	(38.5)	(28.5)	32.1	37.4	53.7	62.3	66.3	89.0
PE NAV	188.4	250.2	361.1	473.7	597.4	727.2	872.1	970.8	1,074.0	1,163.4	1,241.7	1,321.6	1,386.5
Plan Assets	4,665.0	5,420.5	5,198.1	6,148.5	6,566.6	7,013.2	7,490.0	7,999.4	8,543.3	9,124.3	9,744.7	10,407.4	11,115.1
PE NAV as % of Plan Assets:	4.0%	4.6%	6.9%	7.7%	9.1%	10.4%	11.6%	12.1%	12.6%	12.8%	12.7%	12.7%	12.5%

NAV is estimated based on September 30, 2019 net asset values, adjusted by net cash flows through December 31, 2019. NAV will differ from preliminary December 31, 2019 valuations provided on slides 16-18. Actual exposure may differ from amounts shown above due to market conditions, investment opportunities, and other factors, and such differences may be material.

VCERA Investment Activity

2020 Investment Activity (1/1/2020 – 3/31/2020)

Fund	Commitment (\$MM)	Strategy	Status
Abbott-Directed Investments			
Battery Ventures XIII	\$9.2	Venture Capital & Growth Equity (Global)	Closed
Battery Ventures XIII Side Fund	\$6.2	Venture Capital & Growth Equity (Global)	Closed
Clearlake Capital Partners VI	\$18.7	North American Buyouts & Special Situations	Closed
Buenaventure One, LLC	\$23.3	Various	Closed
Abbott Secondary Opportunities II	\$25.0	Secondary & Co-Investment	Closed
Total	\$82.4		
VCERA-Initiated Investments			
Pantheon Global Secondary Fund VI	\$25.0	Secondary & Co-Investment	Closed
Total	\$25.0		
Total	\$107.4		

- Abbott-directed investments include six primary commitments across four managers including two separate managers in Buenaventure One

Commitment for Buenaventure One, LLC reflects the aggregate amount committed to portfolio funds in 2020 held in the Buenaventure One, LLC portfolio. Totals may not sum due to rounding or late interest charges.

VCERA Investment Activity

2020 Pipeline

- Eight investments pending or closed in 2020
 - Six Abbott-directed investments⁽¹⁾, Abbott Secondary Opportunities II, and one VCERA-initiated investment
 - Pipeline of investments in active due diligence totaling approximately \$140 million
- Forward pipeline in excess of \$250 million across all strategies

Potential Investments – Active Due Diligence In Progress

Fund	Strategy
Venture Capital Fund A	Venture Capital & Growth Equity (Global)
Venture Capital Fund B	Venture Capital & Growth Equity (Global)
Buyout Fund A	North American Buyouts & Special Situations
Buyout Fund B	North American Buyouts & Special Situations
Buyout Fund C	International Buyouts & Special Situations
Buyout Fund D	International Buyouts & Special Situations
Buyout Fund E	International Buyouts & Special Situations

Current Pipeline

Venture Capital & Growth Equity	
Sub-Strategy	# of Funds
Early Stage VC	3
Growth Equity	1
Multi-Stage VC	1
Total	5

North American Buyouts & Special Situations	
Sub-Strategy	# of Funds
Lower Middle-Market	1
Middle-Market	8
Upper Middle-Market	0
Total	9

International Buyouts & Special Situations	
Sub-Strategy	# of Funds
Lower Middle-Market	1
Middle-Market	5
Upper Middle-Market	1
Total	7

(1) Three of the six Abbott-directed investments are held in Buenaventure One, LLC. 2020 Pipeline represents investment opportunities only and an investment decision with respect thereto may not be final. Every investment decision is subject to appropriate due diligence and allocation availability. Diversification will not guarantee profitability or protection against loss. Actual exposure may differ from amounts shown above due to market conditions, investment opportunities, and other factors, and such differences may be material. Please see Appendix for Strategy Definitions.

Private Equity Annual Plan

The Annual Plan reviews the current state of the portfolio and includes recommended pacing.

- Based on the current Plan size and growth assumptions, Abbott recommends a 2020 commitment target of \$250 million
 - Commitment target includes both Abbott-directed and VCERA-initiated commitments
 - This is a slight increase from the 2019 target of \$230 million
- Preliminary modeling suggests an average commitment level of approximately \$200 million over the next five years
 - This is higher than the prior plan to account for the increase in target allocation to private equity investments to 13%
- While the 2020 Annual Plan is being presented during a time of uncertainty, periods of market dislocation have historically been a good time to deploy capital and short-term changes in the environment should not influence long-term strategic portfolio decisions

Abbott continues to work closely and collaboratively with the Board, Staff, and NEPC to meet VCERA's overall private equity objectives

Past performance is not a guide to future results and is not indicative of expected realized returns.

VCERA Preliminary Portfolio Performance as of 12/31/2019

Primary Investments

Venture Capital and Growth Equity	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation ⁽¹⁾	Total Value	TVPI	IRR
Battery Ventures XII	02/01/2018		2018	\$9,050,000	\$3,051,660	\$5,998,340	-	\$6,811,629	\$6,811,629	1.14x	NM
Battery Ventures XII Side Fund	02/01/2018		2018	\$5,050,000	\$1,201,395	\$3,848,605	-	\$4,529,144	\$4,529,144	1.18x	NM
Drive Capital Fund II	08/19/2016		2016	\$15,000,000	\$3,320,626	\$11,682,584	-	\$18,067,393	\$18,067,393	1.55x	33.51%
Drive Capital Fund III	04/05/2019		2019	\$7,500,000	\$7,463,075	\$36,925	-	(\$2,092)	(\$2,092)	-0.06x	NM
Drive Capital Overdrive Fund I	04/05/2019		2019	\$7,500,000	\$4,704,233	\$2,795,767	-	\$2,654,080	\$2,654,080	0.95x	NM
GGV Capital VII	08/15/2018		2019	\$10,160,000	\$6,705,600	\$3,454,400	-	\$3,341,804	\$3,341,804	0.97x	NM
GGV Capital VII Plus	08/15/2018		2019	\$2,540,000	\$1,714,500	\$825,500	-	\$826,455	\$826,455	1.00x	NM
GGV Discovery II	08/15/2018		2019	\$2,100,000	\$1,596,000	\$504,000	-	\$495,512	\$495,512	0.98x	NM
Oak HC/FT Partners III	07/31/2019		2019	\$15,000,000	\$14,046,957	\$953,043	-	\$776,109	\$776,109	0.81x	NM
Total Venture Capital and Growth Equity				\$73,900,000	\$43,804,046	\$30,099,164	-	\$37,500,034	\$37,500,034	1.25x	24.95%

Buyouts	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation ⁽¹⁾	Total Value	TVPI	IRR
Advent International GPE IX	05/23/2019		2019	\$10,000,000	\$8,850,000	\$1,150,000	-	\$1,041,566	\$1,041,566	0.91x	NM
Astorg VII	12/17/2018		2019	\$8,625,609	\$7,717,515	\$908,094	-	\$728,891	\$728,891	0.80x	NM
CapVest Equity Partners IV	07/11/2018		2019	\$12,346,457	\$12,346,457	-	-	(\$228,147)	(\$228,147)		NM
ECI 11	07/05/2018		2018	\$9,739,754	\$6,885,900	\$2,853,854	-	\$2,830,351	\$2,830,351	0.99x	NM
Flexpoint Fund IV-A	07/02/2019		2019	\$10,650,000	\$10,650,000	-	-	-	-		N/A
Flexpoint Overage Fund IV-A	07/02/2019		2019	\$3,550,000	\$3,550,000	-	-	-	-		N/A
Genstar Capital Partners IX	02/21/2019		2019	\$7,500,000	\$5,761,755	\$1,738,245	-	\$1,784,383	\$1,784,383	1.03x	NM
Genstar Capital Partners IX Opportunities Prc	02/21/2019		2019	\$2,500,000	\$1,752,648	\$747,352	-	\$771,621	\$771,621	1.03x	NM
Green Equity Investors VIII	10/18/2019		2019	\$15,000,000	\$15,000,000	-	-	-	-		N/A
Hellman & Friedman Capital Partners IX	09/28/2018		2019	\$19,800,000	\$19,800,000	-	-	(\$182,204)	(\$182,204)		NM
M/C Partners VIII	04/02/2018		2019	\$10,000,000	\$9,044,016	\$955,984	-	\$478,315	\$478,315	0.50x	NM
Riverside Micro-Cap Fund V	08/21/2018		2019	\$10,000,000	\$7,979,338	\$2,020,662	-	\$1,932,310	\$1,932,310	0.96x	NM
TA XIII	05/02/2019		2019	\$10,000,000	\$8,500,000	\$1,500,000	-	\$1,420,892	\$1,420,892	0.95x	NM
The Resolute Fund IV	05/02/2018		2018	\$20,000,000	\$12,874,227	\$8,242,991	\$1,974,204	\$9,610,313	\$11,584,517	1.41x	NM
Total Buyouts & Minority Equity				\$149,711,819	\$130,711,855	\$20,117,182	\$1,974,204	\$20,188,292	\$22,162,496	1.10x	27.90%

N/A = Not applicable; these investments have not started calling capital. NM = Not Meaningful; portfolio funds less than three years of age from vintage year are not mature enough to generate meaningful performance. (1) Negative valuation is a result of accrued expenses and the use of a credit line early in the life of the fund. Performance is preliminary as of April 7, 2020 and subject to amendment and/or completion based on Abbott's valuation policy and continued receipt of yearend financial statements. **Past performance is not a guide to future results and is not indicative of expected realized returns.**

VCERA Preliminary Portfolio Performance as of 12/31/2019, cont.

Primary Investments

Special Situations	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation ⁽¹⁾	Total Value	TVPI	IRR
ABRY Partners IX	12/06/2018		2019	\$10,600,000	\$8,226,278	\$2,373,722	-	\$2,269,685	\$2,269,685	0.96x	NM
Clearlake Capital Partners V	12/22/2017		2018	\$9,950,000	\$3,326,845	\$7,283,333	\$1,363,988	\$9,779,101	\$11,143,089	1.53x	NM
Great Hill Equity Partners VII	06/28/2019		2020	\$8,900,000	\$8,900,000	-	-	(\$24,715)	(\$24,715)		NM
GTCR Fund XII	09/29/2017		2017	\$30,000,000	\$20,697,000	\$9,303,000	\$540,067	\$9,828,711	\$10,368,778	1.11x	NM
Insight Venture Partners X	10/13/2017		2018	\$25,000,000	\$4,375,000	\$20,625,000	\$8,561	\$25,686,577	\$25,695,138	1.25x	NM
Total Special Situations				\$84,450,000	\$45,525,123	\$39,585,055	\$1,912,616	\$47,539,359	\$49,451,975	1.25x	27.04%

Fund of Funds	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation ⁽¹⁾	Total Value	TVPI	IRR
Adams Street 2013 Global Fund	06/27/2013		2013	\$75,000,000	\$13,650,000	\$61,350,000	\$15,450,212	\$79,464,799	\$94,915,011	1.55x	12.59%
Adams Street 2016 Global Fund	08/16/2016		2016	\$60,000,000	\$27,120,000	\$32,880,000	\$3,621,043	\$38,423,156	\$42,044,199	1.28x	18.36%
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	05/21/2010		2010	\$25,500,000	\$3,174,751	\$22,325,249	\$19,845,682	\$17,046,092	\$36,891,774	1.65x	12.58%
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	05/21/2010		2010	\$8,500,000	\$867,000	\$7,633,000	\$2,514,266	\$10,633,328	\$13,147,594	1.72x	11.39%
Adams Street Partnership Fund - 2010 U.S. Fund	05/21/2010		2010	\$42,500,000	\$5,057,500	\$37,442,500	\$33,006,870	\$36,489,196	\$69,496,066	1.86x	14.63%
Buenaventure One, LLC	01/05/2018		2018	\$102,316,500	\$71,585,910	\$30,730,590	\$403,156	\$31,717,466	\$32,120,622	1.05x	NM
Total Fund of Funds				\$313,816,500	\$121,455,161	\$192,361,339	\$74,841,229	\$213,774,037	\$288,615,266	1.50x	13.28%
Total Primary Investments				\$621,878,319	\$341,496,185	\$282,162,740	\$78,728,049	\$319,001,722	\$397,729,771	1.41x	14.19%

NM = Not Meaningful; portfolio funds less than three years of age from vintage year are not mature enough to generate meaningful performance. (1) Negative valuation is a result of accrued expenses and the use of a credit line early in the life of the fund. Performance is preliminary as of April 7, 2020 and subject to amendment and/or completion based on Abbott's valuation policy and continued receipt of yearend financial statements. **Past performance is not a guide to future results and is not indicative of expected realized returns.**

VCERA Preliminary Portfolio Performance as of 12/31/2019, cont.

Secondary Interests / Co-Investments

Secondary Funds of Funds	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Abbott Secondary Opportunities, L.P.	12/21/2017		2016	\$25,000,000	\$6,254,210	\$19,108,507	\$4,625,000	\$18,623,267	\$23,248,267	1.22x	20.11%
HarbourVest - Dover Street IX	07/08/2016		2016	\$60,000,000	\$16,800,000	\$43,200,000	\$15,641,322	\$44,751,818	\$60,393,140	1.40x	31.79%
HarbourVest - Dover Street VIII	05/30/2013		2012	\$67,500,000	\$6,075,000	\$61,509,954	\$73,012,162	\$25,404,454	\$98,416,616	1.60x	20.88%
HarbourVest - Dover Street X	05/31/2019		2019	\$40,000,000	\$40,000,000	-	-	\$231,069	\$231,069		N/A
Pantheon Global Secondary Fund IV	06/24/2010		2010	\$15,000,000	\$5,040,000	\$9,960,000	\$13,140,543	\$2,596,999	\$15,737,542	1.58x	13.42%
Pantheon Global Secondary Fund V	02/06/2015		2015	\$50,000,000	\$14,883,491	\$35,116,509	\$11,637,534	\$35,309,367	\$46,946,901	1.34x	13.24%
Total Secondary Funds of Funds				\$257,500,000	\$89,052,701	\$168,894,970	\$118,056,561	\$126,916,974	\$244,973,535	1.45x	19.23%

Co-Investment Funds	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Adams Street 2010 Direct Fund	05/21/2010		2010	\$8,500,000	\$433,500	\$8,066,500	\$9,748,384	\$4,927,964	\$14,676,348	1.82x	12.90%
Adams Street Co-Investment Fund IV A	09/24/2018		2018	\$30,000,000	\$23,100,000	\$6,967,808	-	\$7,714,666	\$7,714,666	1.11x	NM
HarbourVest Partners Co-Investment IV	05/31/2017		2016	\$30,000,000	\$5,732,352	\$24,464,388	\$4,951,347	\$27,479,488	\$32,430,835	1.33x	15.40%
HarbourVest Partners Co-Investment V	07/31/2018		2019	\$35,000,000	\$29,750,000	\$5,250,000	-	\$4,790,219	\$4,790,219	0.91x	NM
Total Co-Investment Funds				\$103,500,000	\$59,015,852	\$44,748,696	\$14,699,731	\$44,912,337	\$59,612,068	1.33x	13.23%
Total Secondary Interests				\$361,000,000	\$148,068,553	\$213,643,666	\$132,756,292	\$171,829,311	\$304,585,603	1.43x	17.86%
Total Active Portfolio Funds				\$982,878,319	\$489,564,738	\$495,806,406	\$211,484,341	\$490,831,033	\$702,315,374	1.42x	15.61%
Net IRR											15.57%

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VCERA Preliminary Portfolio Net Performance

VCERA Portfolio – Net Performance (based on preliminary values for the period ending December 31, 2019)						
Period	1 year	2 years	3 years	5 years	7 years	Since inception
VCERA Portfolio	16.9%	15.4%	16.7%	14.7%	15.8%	15.6%
Russell 3000 (PME) +300bps	33.5%	15.5%	17.8%	15.2%	16.5%	16.3%
Difference	(16.7%)	(0.1%)	(1.1%)	(0.4%)	(0.7%)	(0.8%)

Since inception refers to the date of the first cash flow from VCERA's legacy commitments made prior to Abbott's appointment as oversight manager in June 2017. Performance is **preliminary** as of April 7, 2020 and subject to amendment and/or completion based on Abbott's valuation policy and continued receipt of yearend financial statements. Please see Appendix for Definitions. **Past performance is not a guide to future results and is not indicative of expected realized returns.**

Private Equity Market Overview

Private Equity Environment – 2019 Market Review

Private Markets

- Capital raised across all segments remained at or near record levels as investor demand for venture capital and private equity continued
- Elevated public and private market valuations caused a slowdown in new private equity investment activity as private equity managers, in general, remained disciplined in deploying capital
- Private equity exit activity declined, likely a result of financial and strategic acquirers exercising caution and robust exit activity in preceding years

Private Equity	Venture Capital and Growth Equity	Secondaries
<ul style="list-style-type: none"> U.S. and European fundraising activity reached record levels in 2019 Investment activity decreased slightly YoY: 2019 deal value totaled \$678 billion, compared with \$730 billion in 2018 Pricing remained elevated in the U.S. with average purchase price multiples of nearly 11x, but ticked down in Europe, where average purchase price multiples declined by over 1x, to 9.2x in 2019 U.S. Exit value fell YoY in both number and exit value, with declines of 17% and 28%, respectively U.S. PE-backed IPO activity saw a dramatic slowdown during 2019, with the number of IPOs slashed in half compared with last year's activity 	<ul style="list-style-type: none"> VC fundraising remained strong following a record-setting 2018. In 2019, 259 funds raised \$46 billion – the second highest amount in a decade Deal activity remained elevated YoY, with 10,777 transactions totaling \$137 billion. The number of mega deals (deals over \$100 million) grew 11.8% YoY VC-backed exits surged in 2019, with exit value nearly doubling YoY; 882 companies exited totaling \$256 billion, dwarfing last year's \$130 billion <ul style="list-style-type: none"> Record-breaking exit value was largely driven by a handful of IPOs that occurred in Q2, which included Uber, Lyft, Slack, Pinterest, CrowdStrike, and DataDog 	<ul style="list-style-type: none"> 2019 represented the third straight record year in the secondary market as volume grew 19% from 2018, reaching \$88 billion <ul style="list-style-type: none"> 1H 2019 experienced a record-breaking high of \$46 billion in deal volume, a 56% increase year-over-year; 2H activity was softer than expected at \$42 billion, or a 2% YoY decline Buyout funds dominated the secondary market, as they comprised 55% of all transactions in 2019, with Venture Capital a distant second at 16% GP-led transactions totaled \$26 billion, accounting for 30% of total transaction volume, a \$2 billion increase YoY

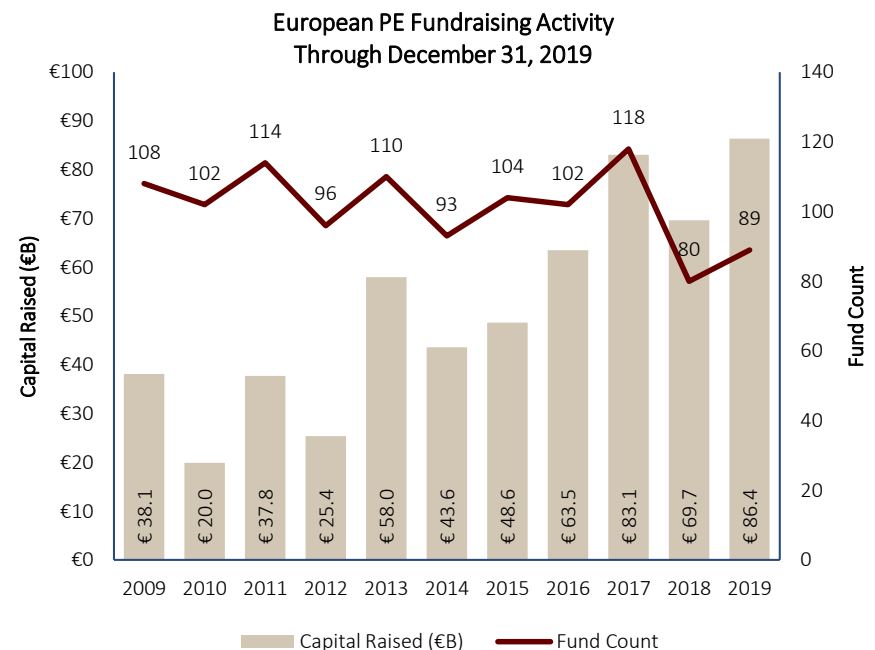
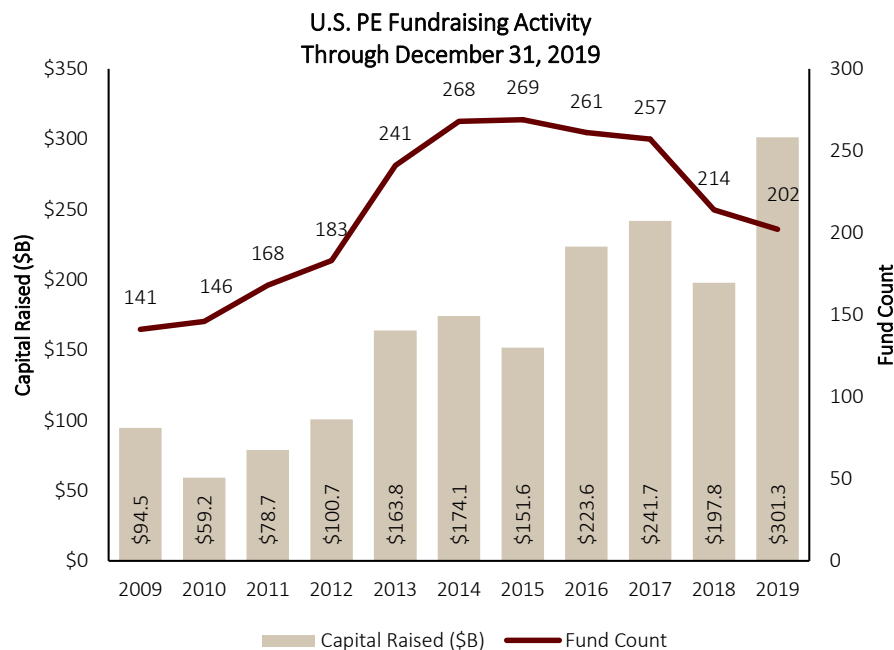
The views expressed are Abbott's opinion as of Q1 2020 and are subject to change without notice. Data provided is as of December 31, 2019. Sources consulted: PitchBook 2019 Annual US PE Breakdown; PitchBook 2019 Annual European PE Breakdown; Q4 2019 PitchBook-NVCA Venture Monitor, Greenhill: Global Secondary Market Trends & Outlook – January 2020.

Private Equity Fundraising Environment

As of 12/31/2019

U.S. and European fundraising activity reached record levels in 2019

- Over the past year in the U.S., 202 funds raised \$301 billion compared with \$198 billion raised by 214 funds in 2018, with 95% of new funds raised larger than their predecessor vehicles
- Across Europe, 89 funds raised €86 billion compared with €70 billion raised by 80 funds during the prior year
- Global fundraising was driven by technology-focused funds, which have demonstrated the greatest outperformance relative to public markets during the current cycle



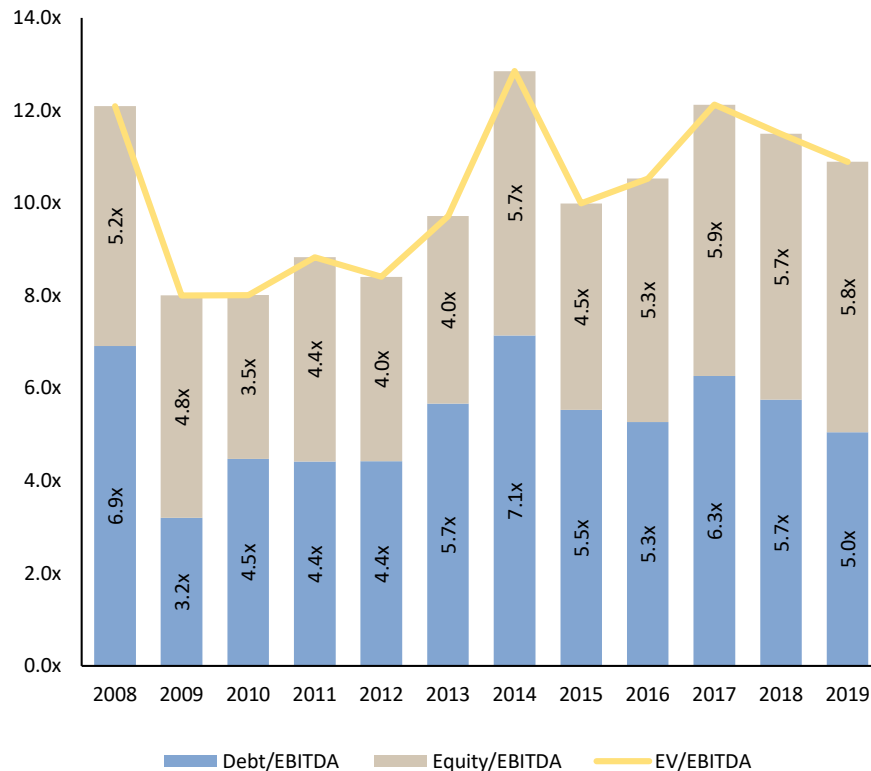
Data Source: PitchBook 2019 Annual US PE Breakdown; PitchBook 2019 Annual European PE Breakdown. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Private Equity Investment Environment

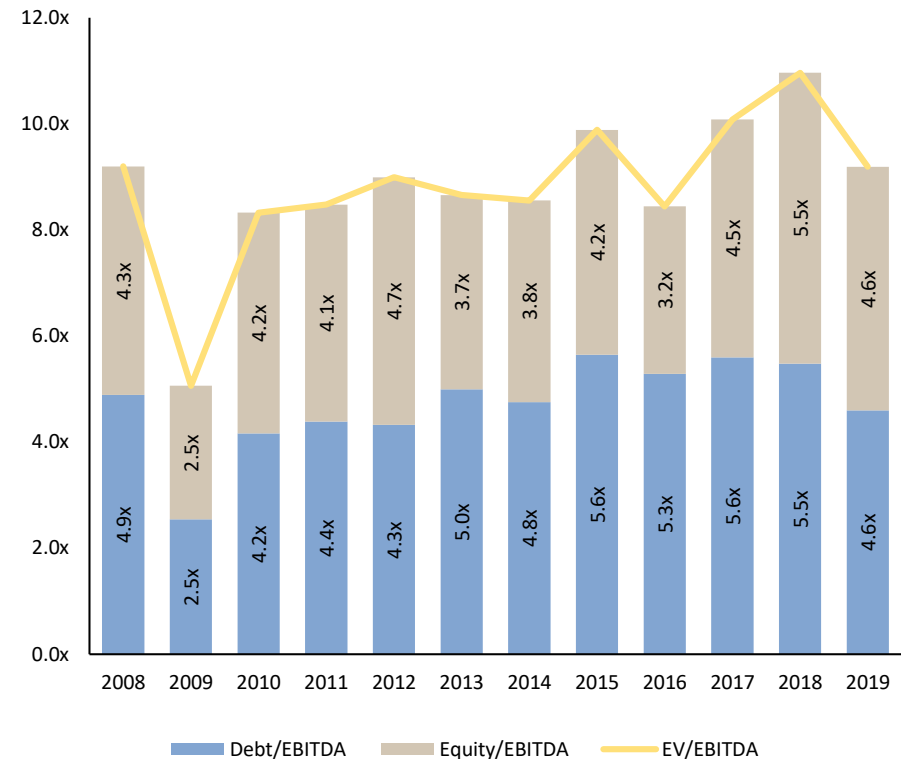
As of 12/31/2019

- The median purchase price multiple in the U.S. remained elevated, but were down slightly year-over-year, at 10.9x EV/EBITDA in 2019 compared with 11.5x in 2018

**U.S. Median PE EV/EBITDA Multiples
Through December 31, 2019**



**European Median PE EV/EBITDA Multiples
Through December 31, 2019**

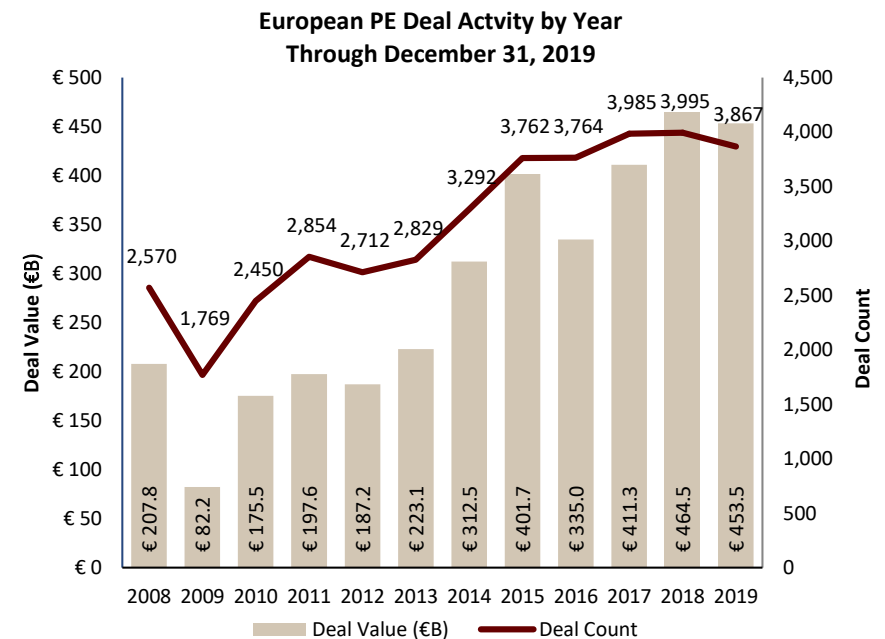
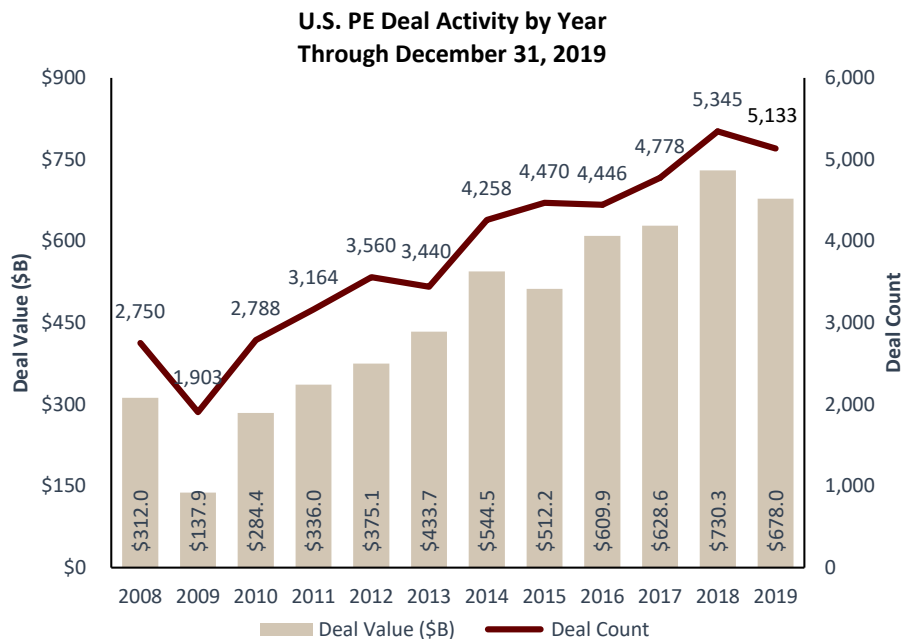


Data Source: PitchBook 2019 Annual US PE Breakdown; PitchBook 2019 Annual European PE Breakdown. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Private Equity Investment Environment

As of 12/31/2019

- New investment activity in both the U.S. and Europe was strong in 2019, although it fell short of record 2018 record levels
- In 2019, U.S. private equity firms executed 5,133 investments, representing \$678 billion in deal value versus 5,345 investments representing \$730 billion in deal value in 2018.
- New investment activity also fell slightly across Europe, with a total of 3,867 investments representing €454 billion in deal value versus 3,995 investments representing €465 billion in deal value in 2018



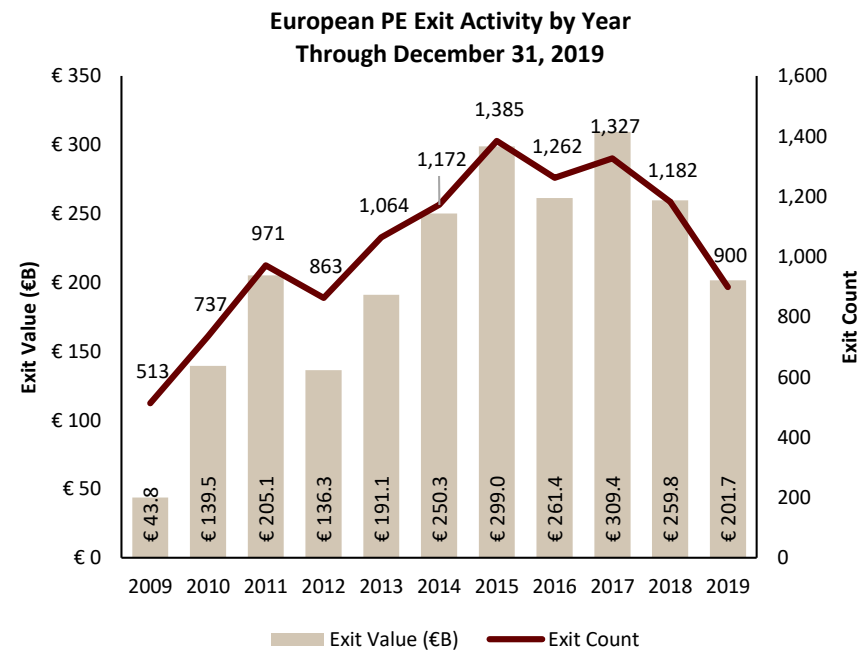
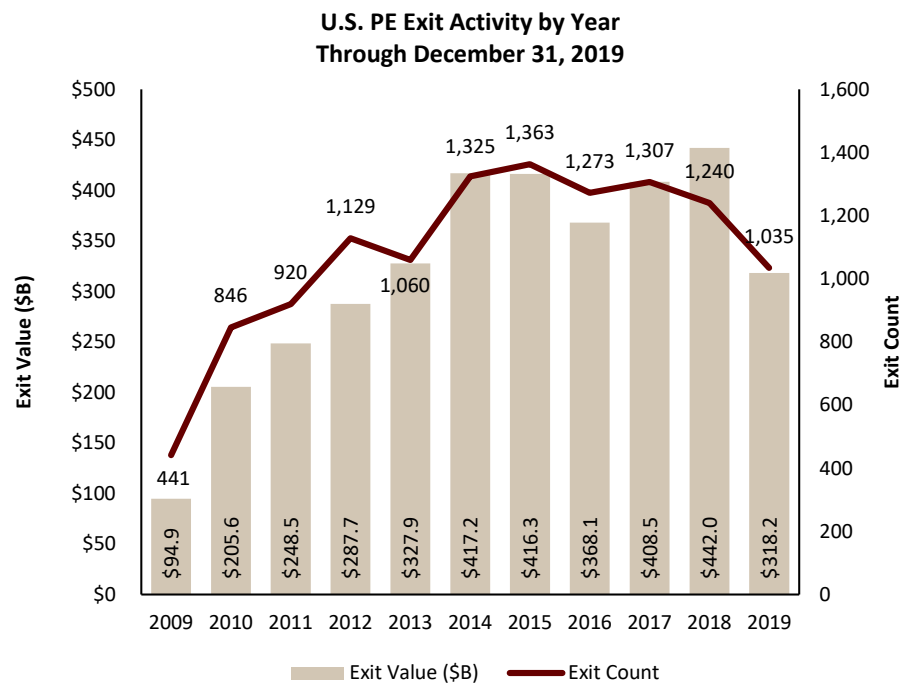
Data Source: PitchBook 2019 Annual US PE Breakdown; PitchBook 2019 Annual European PE Breakdown. U.S. PE Deal Activity by Year includes estimated deals totaling \$50.6 billion in value and 672 in number. European PE Deal Activity by Year includes estimated deals totaling €84.5 billion in value and 709 in number. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Private Equity Exit Environment

As of 12/31/2019

Private equity-backed exits in both the U.S. and Europe were down meaningfully in 2019

- In 2019, U.S. private equity-backed exits totaled \$318 billion across 1,035 transactions versus \$442 billion across 1,240 transactions in 2018
- European exit activity was also lower, with €202 billion in exit volume across 900 transactions versus €260 billion across 1,182 transactions in 2018
- Approximately 50% of private equity-backed exits, by exit value, were secondary acquisitions by other financial sponsors, which includes a significant number of recapitalizations whereby existing investors take partial liquidity and roll-over into the new transaction

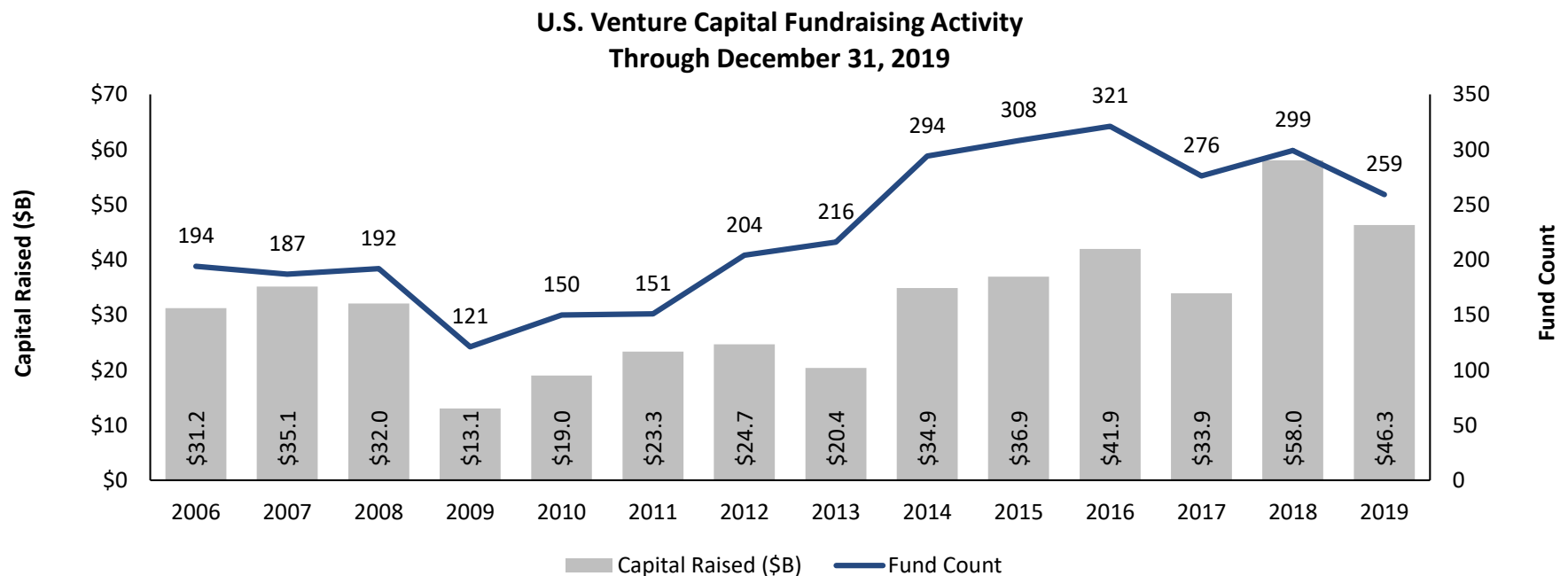


Data Source: PitchBook 2019 Annual US PE Breakdown; PitchBook 2019 Annual European PE Breakdown. U.S. PE Exit Activity includes estimated exits totaling \$27.1 billion in exit value and 131 in number. European PE Exit Activity by Year includes estimated exits totaling €31.1 billion in exit value and 102 in number. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Venture Capital Fundraising Environment

As of 12/31/2019

- Venture capital fundraising declined 20% year-over-year in terms of capital raised, admittedly off of a record year in 2018
- Overall, 259 venture capital funds raised \$46.3 billion in 2019. Despite the fewest number of venture funds raised since 2013, it is noteworthy that the aggregate capital raised still represented the second largest amount in the past decade
- Roughly 95% of successor funds raised in 2019 were larger than their predecessor funds, as venture capitalists continued to take advantage of favorable market conditions and robust limited partner demand

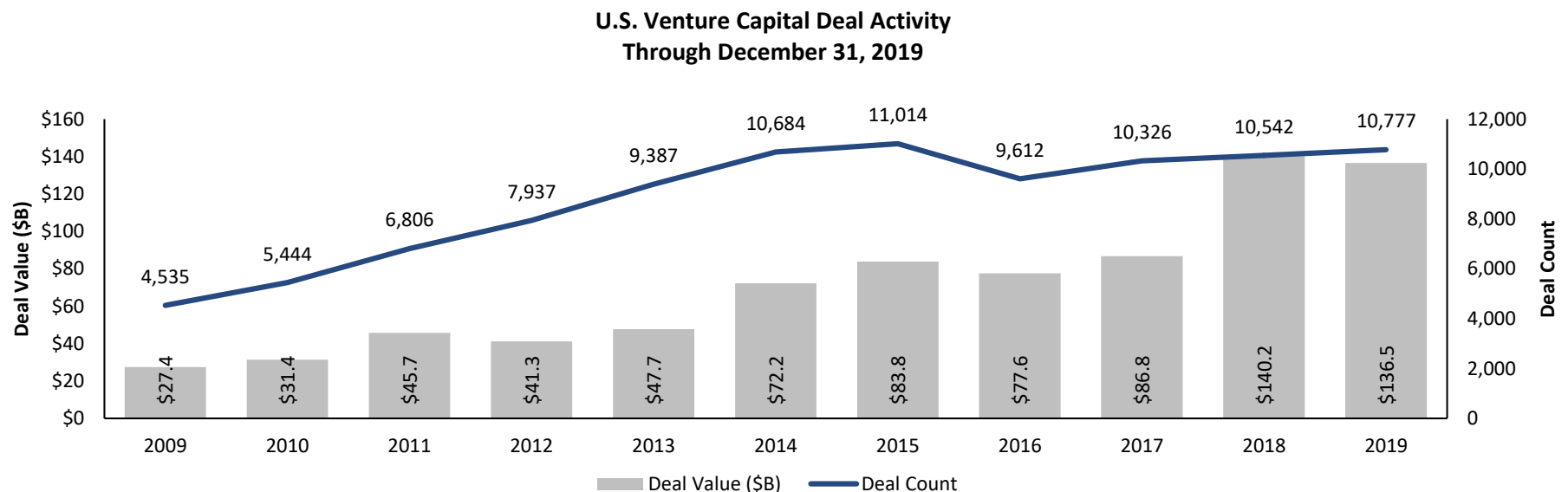


Data Source: Q4 2019 PitchBook-NVCA Venture Monitor. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Venture Capital Investment Environment

As of 12/31/2019

- Venture capitalists deployed over \$100 billion for the second year in a row, having deployed approximately \$137 billion across 10,777 investments in 2019
- Later stage deals accounted for roughly 62% of the total deal value as high-growth companies continued to attract significant capital at higher valuations
 - This trend was driven by mega-deals, or deals that raised greater than \$100 million; 181 such investments were executed in 2019 for year-over-year growth of approximately 10%
- Later stage, pre-money valuations also continued to rise, with the median valuation for 2019 growing to \$88 million, or 16% above 2018's median of \$76 million



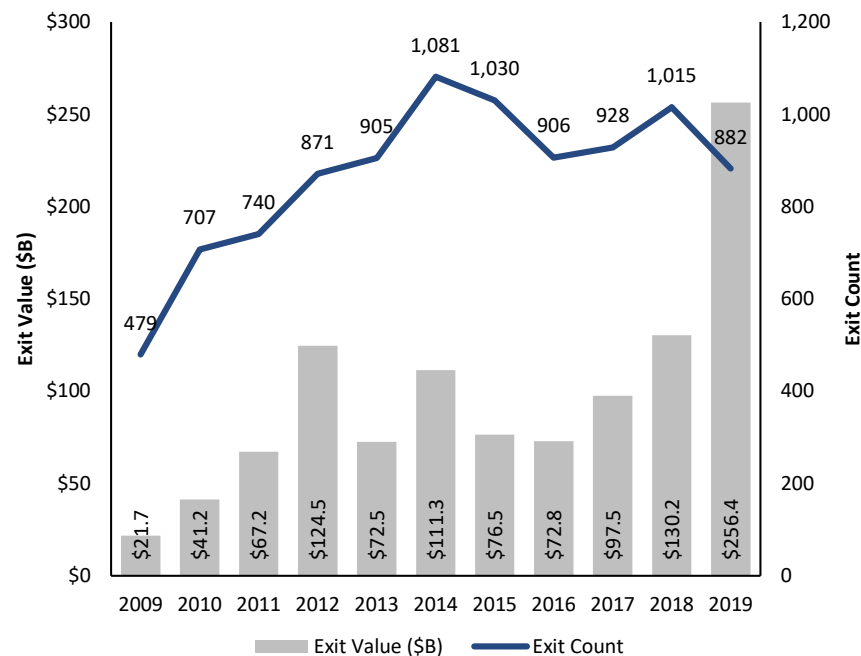
Data Source: Q4 2019 PitchBook-NVCA Venture Monitor. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Venture Capital Exit Environment

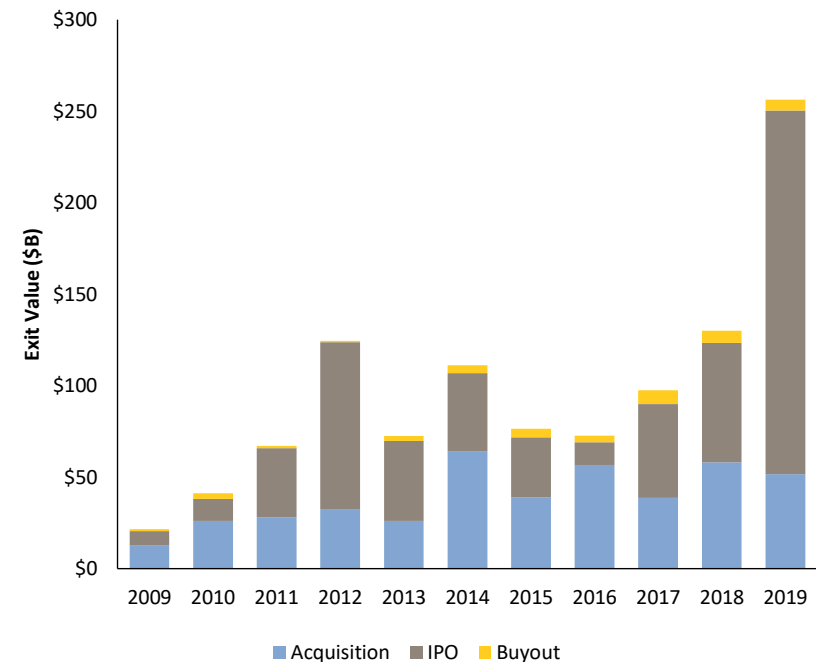
As of 12/31/2019

- Venture-backed exit activity increased 97% year-over-year; in fact, full-year 2018 activity was surpassed during the first two quarters of 2019 alone, driven largely by Uber's high-profile IPO during the second quarter
- While exit activity moderated during the second half of the year, 2019 still saw 882 exits generate \$256 billion
- After years of pent-up demand, venture-backed IPOs were the principal driver behind the record year. There were 80 venture-backed IPOs in the U.S. with a total value of just under \$200 billion in 2019, a marked increase of 204% in value from 2018

**U.S. Venture Capital Exit Activity
Through December 31, 2019**



**U.S. Venture Capital Exit Activity by Type
Through December 31, 2019**

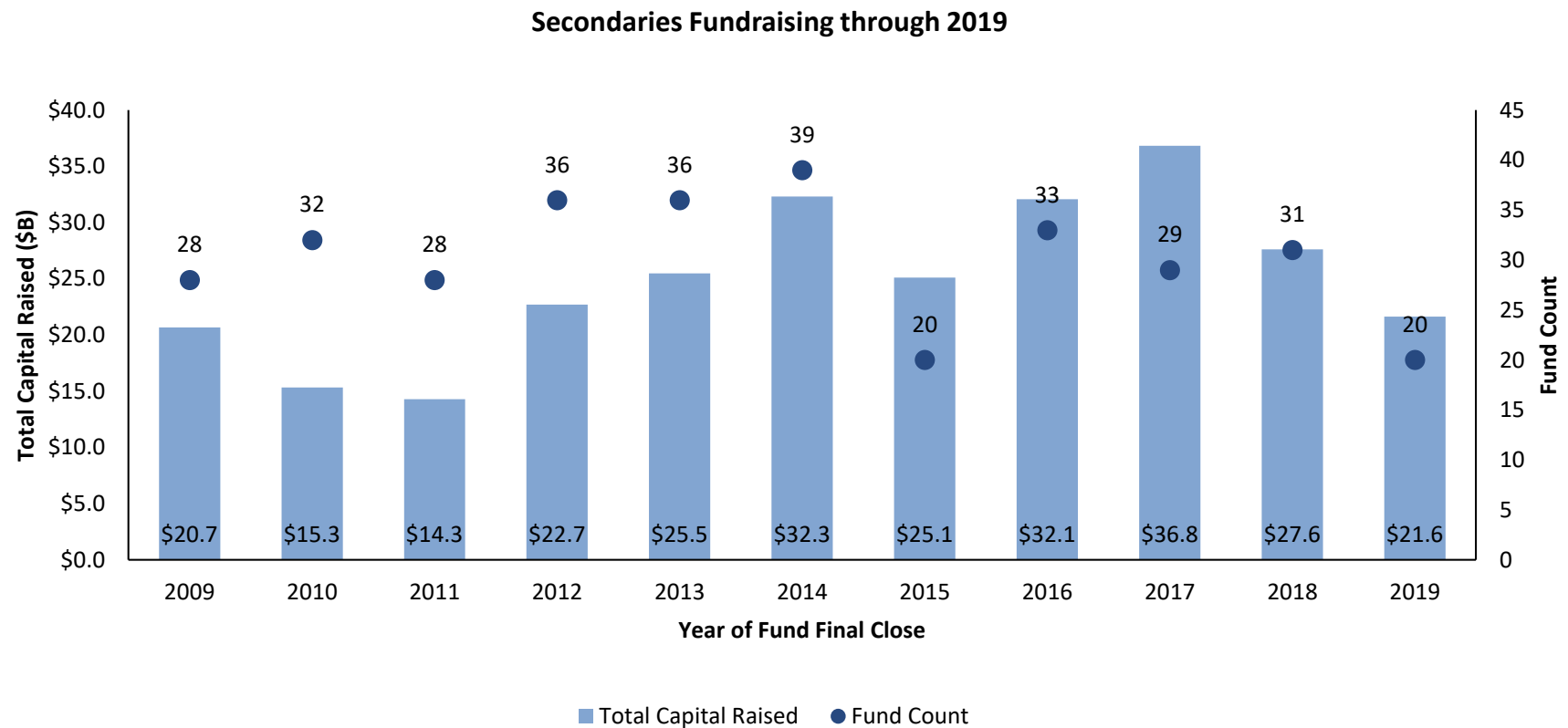


Data Source: Q4 2019 PitchBook-NVCA Venture Monitor. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Secondary Fundraising

As of 12/31/2019

- 2019 fundraising fell slightly from 2018 levels, with a 22% drop in capital raised and a 36% drop in number of funds closed
- According to *Secondaries Investor*, the ratio of dry powder to deal volume fell during 2019, favoring buyers, who can afford to be more selective in deal execution

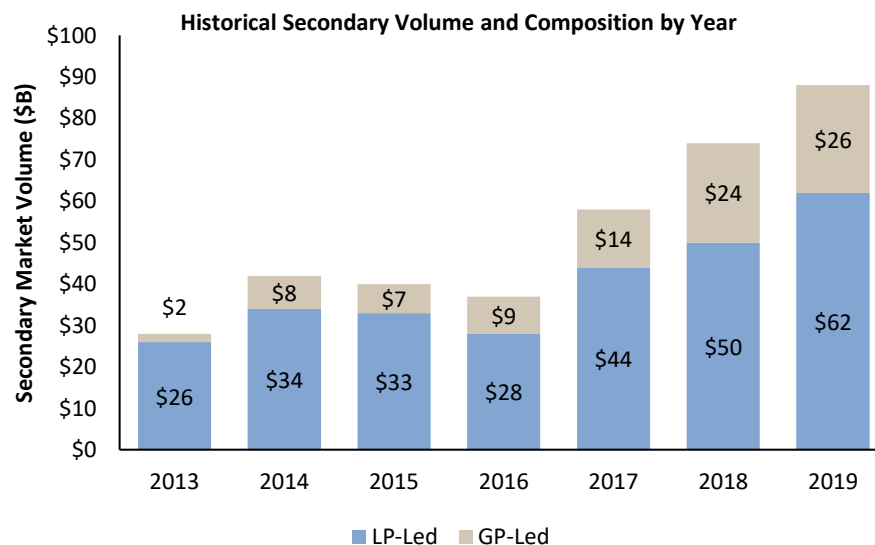


Data Source: PitchBook. Secondaries Fundraising through 2019 data sourced on 2/6/2020. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

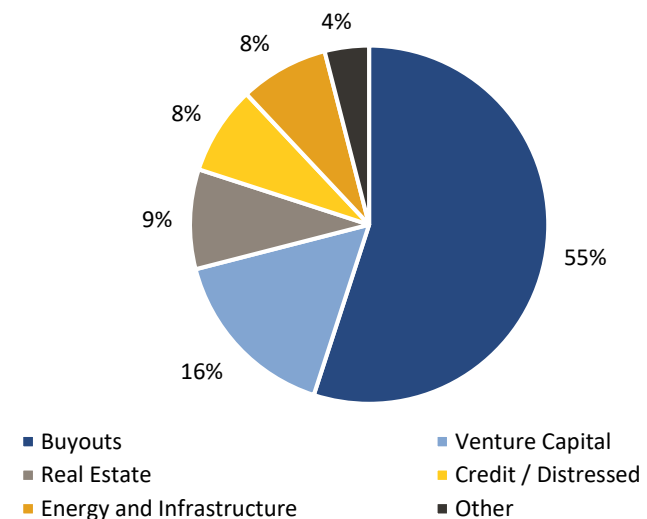
Secondary Volume

As of 12/31/2019

- Transaction volume totaled \$88 billion in 2019, a record high. Slightly more than half of the year's transaction volume occurred in 2H 2019
- GP-led transactions continued to grow in 2019, accounting for \$26 billion in transaction volume – a modest uptick from last year's \$24 billion, but a \$17 billion increase since YE 2016.
- While multi-asset deals dominated the GP-led secondaries space in 2019, single asset transactions gained in popularity – such transactions accounted for 26% of GP-led secondaries transaction value, compared with 4% in 2018
- By GP-led transaction volume, buyouts accounted for a majority of transaction activity



2019 GP-Led Transaction Volume by Strategy (% of Volume)

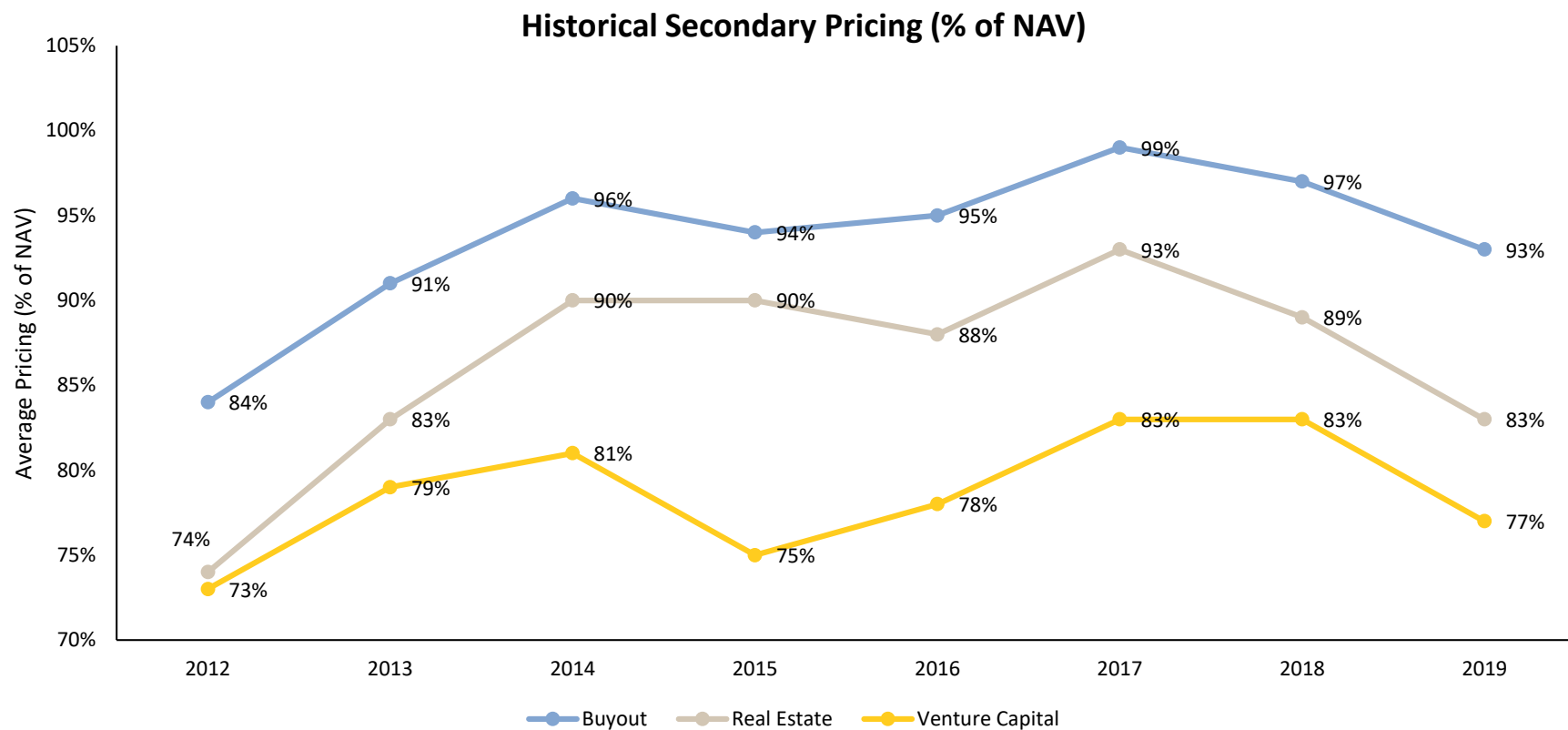


Data Source: Greenhill Global Secondary Market Trends & Outlook; January 2020. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Secondary Market Pricing Evolution Over Time

As of 12/31/2019

- Pricing across buyouts, real estate, and venture capital declined in 2019 despite strong public market performance
- The appetite for pre-crisis funds has softened, and declining pricing for such funds has diluted pricing across all strategies



Data Source: Greenhill Global Secondary Market Trends & Outlook; January 2020. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Appendix

Glossary of Terms

Strategy: The portfolio shall be diversified by the broad strategies described below. Further, the portfolio shall be diversified by stage (in the case of Venture Capital), by target company size (in the case of Buyout and Special Situations), and by fund size.

Venture Capital: Venture capital is an investment strategy that provides primary capital for young companies aiming for, or already exhibiting, rapid growth. Venture investing can involve various stages from Seed and Early Stage to Later Stage, reflecting the development of the company. Regardless of stage, Venture Capital investments are generally made into companies that are not yet profitable. Venture capital funds may specialize in one or more stages of investment and/or sectors (e.g., information technology, healthcare/life sciences).

Growth Equity: Growth Equity blends characteristics of Venture Capital and Buyouts. The strategy can include investments made directly into a company (primary capital) or acquired from earlier shareholders, often the founder (secondary capital). The target portfolio company is generally profitable or near profitability. The primary capital provided by the Growth Equity fund is frequently used to expand the company quickly via investments in production, in sales and marketing or through acquisitions while the secondary capital received by the current shareholders (founders, angel investors) provides for a partial or full liquidity event. The investor may hold a minority or controlling interest in the company.

Buyouts: Buyout transactions involve the acquisition of a controlling or non-controlling stake in the share capital of a company. These transactions are often also funded with a varying degree of debt (leveraged buyouts or LBOs), and/or alongside existing management (management buyouts or MBOs). Buyout transactions (and the funds that sponsor them) are further differentiated by size, including Small Buyouts (funds less than approximately \$750 million), Mid-Cap (funds up to \$5 billion), Large (funds up to \$10 billion) and Mega (funds larger than \$10 billion).

Special Situations: Special Situations funds may incorporate a specific strategy (e.g., build-ups or roll-ups of existing industries), may focus on a specific industry, may invest across a wide spectrum from venture capital to large buyouts, or may focus on distressed or turnaround situations. These funds may incorporate a combination of minority and majority ownership structures. Special Situations also encompasses funds that may be not be easily classified in other strategies.

Secondaries: A Secondary purchase is the acquisition of a fund interest from an existing investor. The purchaser acquires the existing net asset value and assumes any remaining unfunded commitment. A Direct Secondary is the acquisition of one or more portfolio companies from a private equity fund.

Co-Investments: Co-Investment is a direct investment into a company alongside a private equity sponsor.

Private Debt: Private Debt investments include loans, at various levels of seniority in the capital structure, to companies. This strategy can also include distressed debt investing. Other strategies with shorter average duration and predictable cash flows, such as the purchase of interests in royalty streams associated with intellectual property, could also be considered Private Debt. Please note, private debt is no longer included in VCERA's private equity portfolio.

Commitment: Amount committed by the LP to its portfolio funds and direct co-investments (if any) as of the Report Date.

NAV: Net Asset Value

Paid In: Amount Paid-in by the LP to its portfolio funds as of the Report Date.

Undrawn: Balance of uncalled commitments made by the LP to its portfolio funds and may not include all recallable capital (Undrawn = Commitment – Paid In).

Exposure: The total of the Net Asset Value and uncalled committed capital (Exposure = NAV + Undrawn)

Distribution: Amount Distributed by the relevant VCERA fund to VCERA as of the Report Date.

DPI: Distributions to Paid In (DPI = Distribution / Paid In)

TVPI: Total Value to Paid In (TVPI = (Distribution + Market Value) / Paid In)

Important Information

Past performance is not a guide to future results and is not indicative of expected realized returns. This material contains confidential and trade secret information regarding Abbott Capital Management, LLC ("Abbott"), its affiliates, funds sponsored by Abbott (the "Abbott Funds") and Abbott's managed account clients (collectively along with the Abbott Funds, the "Abbott Clients") as well as underlying portfolio funds held by the Abbott Clients and portfolio companies held by these funds. This material and the information contained in this material may not be reproduced or distributed to persons other than the recipient or its advisors, but solely to the extent such advisors are bound by a duty of confidentiality.

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Private equity investments are highly illiquid and are not suitable for all investors. All investments are subject to risk of loss, including the loss of principal. Private Equity performance is volatile and the value of investment(s) will fluctuate. Additional risks include, among others, those associated with the use of leverage, illiquidity and restrictions on transferability and resale of private equity investments, dependence on the performance and judgment of underlying portfolio investment managers over which Abbott has no control, Abbott's ability to access suitable investment opportunities sufficient to satisfy each client's investment objectives, and the speculative nature of private equity investments in general. Diversification will not guarantee profitability or protection against loss. There is no assurance that any Abbott Client's objective will be attained.

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Important Information

PME is a net internal rate of return calculated by Abbott using pooled net monthly cash flows (excluding gains and losses realized upon the sale of distributed stock but net of all advisory fees paid by VCERA to Abbott) of all portfolio investments made by Abbott on behalf of the VCERA account, and assuming such net cash flow was used to purchase or sell shares of a public market index. Any PME analysis is based on illiquid and unrealized values, which may vary considerably over the life of the VCERA account, thus making this type of comparison more relevant with respect to mature funds (i.e., where net asset value is a small fraction of total distributions). For purposes hereof, PME has been calculated based on "A Private Investment Benchmark", a 1996 white paper by Austin M. Long III and Craig J. Nickels.

The Russell 3000 Index ("Russell 3000") is a public market index representing the largest 3000 U.S. companies based on market capitalization. Data provided by Russell Indexes includes the reinvestment of dividends and income. Market volatility, liquidity and other characteristics of publicly traded securities may be materially different from private equity investments. The Russell 3000 Index is used herein due to its wide acceptance as a benchmark for the performance of U.S. public equity markets, as opposed to any relevance to the private equity market. A different methodology of calculating public market equivalent benchmarks may result in significant differences in performance.

The Net IRR represents the annualized internal rate of return over the relevant period using Latest Valuation and is calculated by Abbott based on the monthly net cash flows between the account and the partnership investments and the estimated fair value of the Account as of December 31, 2019. Estimated Fair Value of the partnership investments is based on the most recently available capital account balances reported to Abbott by the Portfolio Funds as of the report date, excluding allocations of unrealized gain or loss on the underlying portfolio company investments. Any net asset value reported to Abbott in a foreign currency is translated at the relevant exchange rate at the close of business on the report date. The capital account balances may have been adjusted by other amounts necessary to reflect the fair value of the Portfolio Funds as determined by Abbott during its most recently completed valuation review. Fair Value may also include the value of distributed stock that is unsold or unsettled as of the report date. Fair Value of distributed stock currently held and unsold is based on the closing sale price of the stock as of the report date. Fair Value of distributed stock pending settlement is based on the sale price of the stock on the trade date. Net IRR is net of all fees, expenses and carried interest charged by the underlying partnership investments, as well as Abbott's advisory fees and adjustments resulting from the gains and losses realized upon the sale of distributed stock and other expenses payable by the account, if any.

Abbott and Portfolio Investment Performance:

Internal Rate of Return (IRR) represents the annualized internal rate of return over the relevant period using Latest Valuation. Latest Valuation refers to the fair value of net assets as of the report date. Total Value equals Distributions plus Latest Valuation. TVPI represents the Total Value over Contributions. DPI represents Distributions over Contributions.

A Net IRR or a net multiple is net of underlying portfolio fund investment fees and expenses, net of fees paid (or pro forma fees paid) to Abbott as the investment adviser, and net of allocations of carried interest to Abbott, if any.

A Gross IRR or a gross multiple, and unless otherwise noted, any composite level or individual portfolio investment return, is net of underlying portfolio investment fees and expenses, but NOT net of fees paid, or allocations of carried interest made, to Abbott as the investment adviser, account level expenses and adjustments resulting from the gains and losses realized upon the sale of distributed stock. Actual returns to an individual investor or client would be further reduced for any such fees and expenses not accounted for in the performance calculations.

Expenses, management fees and performance fees/carried interest paid by existing or past Abbott Clients may not be comparable to the expenses, management fees and performance fees/carried interest that another or future Abbott Client will pay in respect of its investments and such amounts may be lower or higher than amounts actually paid with respect to investors in prior or subsequent Abbott Funds or paid by discretionary separate account clients. Results portrayed may reflect the reinvestment of realized proceeds and other earnings by the Abbott Funds and the underlying portfolio investments. Exchange rate fluctuations may affect returns. Interim performance data may not accurately reflect the actual current or expected future performance of an Abbott Client. Performance data should not be used to compare returns among private equity funds due to, among other factors, differences in vintage year, investment strategy, investment size, etc. The performance herein has not been calculated, reviewed, verified or in any way sanctioned or approved by the general partners of the portfolio funds. There can be no assurance that any Abbott Client, its portfolio investments and underlying portfolio companies, or the private and public equity and debt markets in general, will perform, or continue to perform, similarly to prior periods, funds, investments, or accounts. It should not be assumed that any fund organized, or investment made, in the future will ultimately be profitable or will equal the performance of the funds, investments, or accounts listed in this presentation.

Unrealized valuations depend upon assumptions that may be reasonable under the circumstances and at the time made, but actual realized returns on unrealized investments will depend upon, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions used for the valuations incorporated herein. Actual realized returns on unrealized investments may differ materially and adversely from the returns indicated herein.

Important Information

Abbott Fund Performance: Unless otherwise noted, performance metrics are presented as net to the limited partners in the relevant Abbott Fund as a whole, and exclude Abbott's general partner interest. Performance for each individual limited partner will differ from the performance disclosed due to varying limited partner closing dates, negotiated or scaled management/performance fees, strategy allocations, and commitment amounts and such differences may be material. In addition, certain designated limited partners, including without limitation certain employees and affiliates of Abbott, maintain a separate mandate with Abbott and are subject to a negotiated management and performance fee arrangement that differs from the management and performance fee arrangement applicable in general to limited partners in the Abbott Fund and otherwise set forth in the Abbott Fund's organizational documents. Such amounts may be paid by the investor out of assets not applicable to the Abbott Fund and are not taken into account when Abbott calculates and presents Abbott Fund returns.

Certain Abbott Funds use a subscription line of credit. Performance may be favorably impacted when the Abbott Fund uses this line of credit to facilitate portfolio investments, or to pay expenses, because it defers the calling of capital from investors. Since IRR generally is calculated as of the date the Abbott Fund's capital is called, rather than at the earlier time of funding the portfolio investment or payment of the expense, the use of a subscription line of credit could have a favorable impact on performance returns. If a subscription line had not been used, the Net LP IRR may have been materially different due to the increased time an investor's capital was at risk.

Abbott may have arrangements with certain or prospective investors pursuant to which those investors receive additional information concerning the Abbott Fund portfolios.



April 20, 2020

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

SUBJECT: BOARD APPROVAL OF PRIVATE EQUITY INVESTMENT ANNUAL PLAN

Dear Board Members:

At its meeting of May 1, 2017, the Board selected Abbott Capital to provide private equity investment management services including consulting, investment management, and back office support.

Each year the Board reviews and approves a Private Equity Annual Plan for continued build-out of the private equity program. In combination with the Board's adopted Private Equity Investment Policy, the Private Equity Annual Plan presented by Abbott provides a framework for the management and oversight of the PE assets and commitments of VCERA. Note that pacing plans annual commitment targets are rough estimates, dependent on a number of variable such as partnerships available in the market to VCERA, partnerships' capacity constraints, negotiation of legal and business terms, etc.

Staff and NEPC have worked with Abbott in the continuing program development, and believe that the proposed 2020 Annual Plan is in the best interest of VCERA.

**RECOMMENDATION:
APPROVAL AND ADOPTION OF THE 2020 PRIVATE EQUITY ANNUAL PLAN AS
PROPOSED AND PRESENTED BY ABBOTT CAPITAL MANAGEMENT.**

Respectfully submitted,

Dan Gallagher
Chief Investment Officer



Private Equity Annual Plan

*Ventura County Employees' Retirement Association
2020*

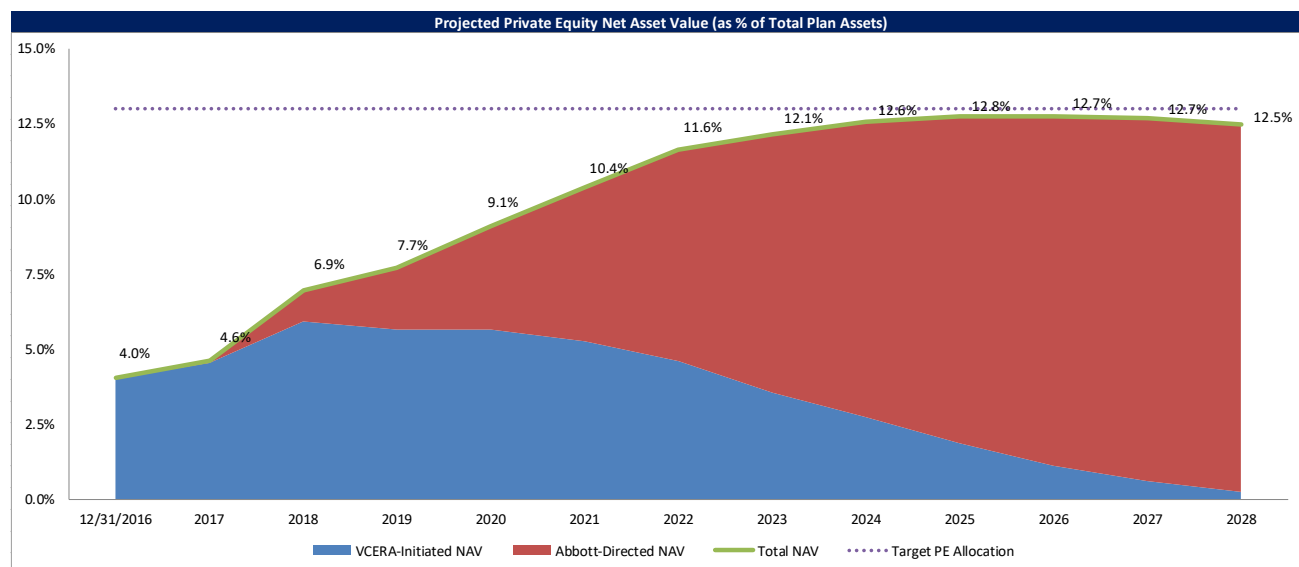
Ventura County Employees' Retirement Association

**ANNUAL PLAN**

For the period 1/1/20 through 12/31/20

A. FUNDING LEVEL ANALYSIS**I. FUNDING LEVEL**

<u>Actual Funding Position</u>	<u>1/1/2020</u>
Total Fund Market Value:	\$6,148.5 million
% Target for Private Equity:	13%
Total Private Equity Target Allocation:	\$799.3 million
VCERA-Initiated Portfolio Net Asset Value:	\$347.7 million
Abbott-Directed Portfolio Net Asset Value:	\$126.0 million
Total Net Asset Value:	\$473.7 million
NAV in excess of (short of) Target	(\$325.6 million)
<u>Projected Funding Position</u>	<u>12/31/2024</u>
Fund Market Value:	\$8,543.3 million
% Target for Private Equity:	13%
Total Private Equity Allocation:	\$1,110.6 million
2020 Commitment Target:	\$250 million
<i>Actual commitment may be greater or less depending on market opportunities</i>	





Ventura County Employees' Retirement Association

II. FUNDING BY STRATEGY

ABBOTT-DIRECTED PORTFOLIO		12/31/2019	
Strategy	NAV	Undrawn	Exposure
Venture Capital & Growth Equity (Global)	\$26.8m	\$64.4m	\$91.3m
North American Buyouts & Special Situations	\$48.3m	\$116.0m	\$164.3m
International Buyouts & Special Situations	\$21.5m	\$51.6m	\$73.0m
Secondary & Co-Investment	\$29.4m	\$56.7m	\$86.0m
TOTAL Abbott-Directed Portfolio	\$126.0m	\$288.7m	\$414.7m

VCERA-INITIATED PORTFOLIO			
Strategy	NAV	Undrawn	Exposure
Venture Capital & Growth Equity (Global)	\$27.3m	\$27.4m	\$54.8m
North American Buyouts & Special Situations	\$83.0m	\$39.4m	\$122.4m
International Buyouts & Special Situations	\$76.7m	\$38.3m	\$115.0m
Secondary & Co-Investment	\$160.6m	\$159.4m	\$320.0m
TOTAL VCERA-Initiated Portfolio	\$347.7m	\$264.4m	\$612.1m

TOTAL PORTFOLIO			
Strategy	NAV	Undrawn	Exposure
Venture Capital & Growth Equity (Global)	\$54.2m	\$91.9m	\$146.1m
North American Buyouts & Special Situations	\$131.3m	\$155.4m	\$286.7m
International Buyouts & Special Situations	\$98.2m	\$89.8m	\$188.0m
Secondary & Co-Investment	\$190.0m	\$216.0m	\$406.0m
TOTAL Portfolio	\$473.7m	\$553.1m	\$1,026.8m

NAV is estimated based on September 30, 2019 net asset values, adjusted by net cash flows through December 31, 2019. Undrawn represents the balance of uncalled commitments as of December 31, 2019 (Commitment – Paid In). Totals may not sum due to rounding.

I. STRATEGIC PORTFOLIO STRUCTURE

VCERA's Private Equity Portfolio will be constructed over time and in accordance with the diversification guidelines described in the Private Equity Investment Policy ("PE Policy"). The projected year-end 2024 Private Equity Target Allocation is \$1,110.6 million. The projected NAV and Exposure by strategy will be approximately as shown in the table below. Note that the actual NAV and Exposure will depend on market conditions, investment opportunities available to VCERA and other factors.

Total Private Equity Target 12/31/2024:		\$1,110.6m
Strategy	Projected NAV and Exposure	Range
Venture Capital & Growth Equity (Global)	20%	10%-30%
North American Buyouts & Special Situations	40%	35%-55%
International Buyouts & Special Situations	20%	10%-30%
Secondary & Co-Investment	20%	5%-40%
TOTAL	100%	

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**B. 2019 INVESTMENT ACTIVITY: ABBOTT-DIRECTED PORTFOLIO****I. PRIMARY COMMITMENTS**

Fund	Strategy	Commitment	Paid In	Undrawn
Advent International GPE IX	International Buyouts & Special Situations	\$10.0m	\$1.2m	\$8.9m
Astorg VII [^]	International Buyouts & Special Situations	\$8.6m	\$0.9m	\$7.7m
Flexpoint Fund IV-A	North American Buyouts & Special Situations	\$10.7m	\$0.0m	\$10.7m
Flexpoint Overage Fund IV-A	North American Buyouts & Special Situations	\$3.6m	\$0.0m	\$3.6m
Genstar Capital Partners IX	North American Buyouts & Special Situations	\$7.5m	\$1.7m	\$5.8m
Genstar Capital Partners IX Opportunities	North American Buyouts & Special Situations	\$2.5m	\$0.7m	\$1.8m
Great Hill Equity Partners VII	North American Buyouts & Special Situations	\$8.9m	\$0.0m	\$8.9m
Green Equity Investors VIII	North American Buyouts & Special Situations	\$15.0m	\$0.0m	\$15.0m
Oak HC/FT Partners III	Venture Capital & Growth Equity (Global)	\$15.0m	\$1.0m	\$14.0m
TA XIII	North American Buyouts & Special Situations	\$10.0m	\$1.5m	\$8.5m
Buenaventure One, LLC	Various	\$45.6m	\$2.1m	\$43.5m
TOTAL		\$137.3	\$9.1	\$128.2

[^]Non-USD denominated funds. Commitment amounts, which may fluctuate due to exchange rate changes, were converted as of 12/31/2019.

Commitment and Paid In as of December 31, 2019. Undrawn represents the balance of uncalled commitments as of December 31, 2019 (Commitment – Paid In). Amounts for Buenaventure One, LLC reflect aggregate amounts committed, paid-in, and undrawn for portfolio fund commitments made in 2019 held in the Buenaventure One, LLC portfolio. Totals may not sum due to rounding.

In 2019, on behalf of VCERA, Abbott made 14 primary commitments totaling \$137.3 million, of which four commitments are through Buenaventure One. In addition, a further \$90.0 million of VCERA-initiated commitments closed during the year, as detailed in Section C. In aggregate, VCERA closed on \$227.3 million of fund commitments during the year, against a target of \$230 million.

II. SECONDARY PURCHASES

No direct secondary purchases were made during 2019.

III. OTHER INVESTMENT ACTIVITY

In 2017, the Board approved the formation of Buenaventure One, LLC, a fund of one, to facilitate VCERA's participation in certain fund investments. Buenaventure One made its first commitment to an underlying fund in 2018. In total through year end 2019, the fund has made ten investments across Venture Capital & Growth Equity and North American Buyouts & Special Situations.

IV. DIVESTMENT, LIQUIDATION AND TERMINATION ACTIVITY

No funds in the Abbott-directed portfolio were divested, liquidated or terminated during the year.

V. PERFORMANCE COMMENTARY

VCERA approved its Private Equity Policy and first Annual Plan in June 2017, at which time Abbott began pursuing investments on VCERA's behalf. From the inception of VCERA's program through December 31, 2019, Abbott has committed in aggregate \$406 million to Abbott Secondary Opportunities (ASO) and 35 private equity funds with 28

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managers. For the full year 2019, Abbott made 14 commitments across 12 managers totaling approximately \$137 million (as shown above). Of the commitments made in 2019, three-quarters of the funds have started drawing capital. The pace of cash flows is slower than modeled, likely due to the increased use of credit lines by fund managers.

In 2017, VCERA committed \$25 million to ASO. The fund reached a final close in December 2017, with total commitments amounting to \$208 million. As of December 31, 2019, ASO invested \$209.5 million into 20 transactions, translating to invested capital of 101%. ASO closed four transactions in 2019 including two LP interests and two GP-led transactions.

VI. SPECIFIC SITUATIONS REQUIRING ADDITIONAL MONITORING

Abbott generally seeks advisory board or valuation committee seats for the funds to which it commits on behalf of its clients. Abbott's practice is to attend the annual meetings for each of the funds in our clients' portfolios. In addition, Abbott regularly visits managers in their offices as part of its ongoing monitoring and due diligence of new fund offerings, and managers frequently visit Abbott to provide updates. Beyond formal updates, Abbott speaks to managers on a regular basis using these opportunities to deepen its understanding of the general partner groups, as well as the performance of the underlying portfolio companies. This active monitoring enables Abbott to make informed decisions regarding whether groups in the portfolio should be supported in the future. Abbott also carefully evaluates requests for amendments to Limited Partnership Agreements that can occur over the life of a fund.

As of year-end, there were no situations requiring additional monitoring. Recently, the outbreak of the novel coronavirus (COVID-19) has impacted global economies and contributed to significant declines and volatility in financial markets. Abbott is actively monitoring recent events related to the COVID-19 pandemic and working closely with fund managers to assess the potential impact on the portfolio. As the situation continues to evolve rapidly, Abbott is fully committed to keeping VCERA apprised of any changes to the status of their portfolio.

C. 2019 INVESTMENT ACTIVITY: VCERA-INITIATED PORTFOLIO

I. PRIMARY COMMITMENTS

Fund	Strategy	Commitment	Paid In	Undrawn
HarbourVest Co-Investment V	Secondary & Co-Investment	\$35.0m	\$5.3m	\$29.8m
HarbourVest Dover Street X	Secondary & Co-Investment	\$40.0m	\$0.0m	\$40.0m
Drive Capital Fund III	Venture Capital & Growth Equity (Global)	\$7.5m	\$0.0m	\$7.5m
Drive Capital Overdrive Fund I	Venture Capital & Growth Equity (Global)	\$7.5m	\$2.8m	\$4.7m
TOTAL		\$90.0m	\$8.1m	\$81.9m

Commitment and Paid In as of December 31, 2019. Undrawn represents the balance of uncalled commitments as of December 31, 2019 (Commitment – Paid In). Totals may not sum due to rounding.

The total commitment target for 2019 was \$230 million. In 2019, VCERA met that target with \$90 million of VCERA-initiated commitments and \$137 million of Abbott-directed commitments, as noted above.

II. SECONDARY PURCHASES

There were no direct secondary purchases in 2019.

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III. OTHER INVESTMENT ACTIVITY

There was no other investment activity in the VCERA-initiated portfolio in 2019.

IV. DIVESTMENT, LIQUIDATION AND TERMINATION ACTIVITY

No funds were divested, liquidated or otherwise terminated in the VCERA-initiated portfolio in 2019.

V. TOTAL VCERA-INITIATED PORTFOLIO

Fund	Commitment	Cumulative Distributions	NAV
Adams Street 2010 Direct Fund	\$60.0m	\$3.6m	\$36.7m
Adams Street 2010 Non-US Developed Markets Fund	\$25.5m	\$19.8m	\$16.4m
Adams Street 2010 Non-US Emerging Markets Fund	\$8.5m	\$2.5m	\$10.5m
Adams Street 2010 US Fund	\$8.5m	\$9.7m	\$4.8m
Adams Street 2013 Global Fund	\$42.5m	\$33.0m	\$36.1m
Adams Street 2016 Global Fund	\$75.0m	\$15.5m	\$78.2m
Adams Street Co-Investment Fund IV	\$30.0m	\$0.0m	\$7.2m
Drive II	\$15.0m	\$0.0m	\$15.7m
Drive III	\$7.5m	\$0.0m	\$0.0m
Drive Overdrive I	\$7.5m	\$0.0m	\$2.7m
HarbourVest ColInvest IV	\$30.0m	\$1.7m	\$27.0m
HarbourVest ColInvest V	\$35.0m	\$0.0m	\$4.7m
HarbourVest Dover IX	\$60.0m	\$15.6m	\$44.1m
HarbourVest Dover VIII	\$67.5m	\$73.0m	\$25.0m
HarbourVest Dover X	\$40.0m	\$0.0m	\$0.4m
Pantheon Global Secondary Fund IV	\$15.0m	\$13.1m	\$2.5m
Pantheon Global Secondary Fund V	\$50.0m	\$11.6m	\$35.7m
Total	\$577.5m	\$199.4m	\$347.7m

Commitment and Distributions as of December 31, 2019. NAV is estimated based on September 30, 2019 net asset values, adjusted by net cash flows through December 31, 2019. Totals may not sum due to rounding.

As of December 31, 2019, the VCERA-initiated portfolio included total commitments of \$577.5 million of which \$338 million had been paid-in. From inception through December 31, 2019, VCERA had received cumulative distributions of approximately \$200 million, resulting in a DPI (Distributions to Paid In) of 0.59x. The reported remaining fair market value was \$347.7 million and the TVPI (Total Value to Paid In) was 1.61x.

VI. MONITORING OF THE VCERA-INITIATED PORTFOLIO

Abbott will continue to collect performance data on and to monitor developments in the VCERA-initiated portfolio. Abbott is currently not aware of any specific situations requiring additional monitoring. As mentioned above, Abbott is closely monitoring the COVID-19 pandemic and its potential effects on all aspects of VCERA's portfolio.

Overall the portfolio met expectations for 2019 in terms of portfolio NAV. However, capital calls and distributions received were slightly slower than expected. The lag in capital calls and distributions can largely be attributed to

Ventura County Employees' Retirement Association



secondary funds in VCERA's portfolio, in particular, Adams Street and HarbourVest funds, both of which drew capital and distributed capital more slowly than those managers had modeled.

D. 2020 INVESTMENT PLAN**I. POTENTIAL PIPELINE**

To build a portfolio capable of withstanding market cycles, VCERA will seek to diversify the portfolio over multiple vintage years with the goal of achieving the Strategic Portfolio Structure as shown on page 2.

Abbott is currently in active due diligence on seven Venture Capital & Growth Equity, North American Buyout & Special Situations, or International Buyouts & Special Situations funds that may be appropriate for VCERA's portfolio. These funds represent approximately \$140 million of possible commitments for VCERA (assuming they receive Abbott Investment Committee approval). The currently identified forward pipeline (not yet in due diligence) includes five Venture Capital & Growth Equity funds, nine North American Buyouts & Special Situations funds, and seven International Buyouts & Special Situations funds. This pipeline represents well in excess of \$250 million of potential 2020 commitments for VCERA.

II. DOLLAR AMOUNT TO BE INVESTED

Based on the current state of the portfolio, the projected capital calls, distributions, NAV appreciation, and Plan growth rate, VCERA should commit approximately \$250 million in 2020 and an average of approximately \$200 million per year for the next five years to reach the Private Equity Target Allocation.

Year to date in 2020, Abbott committed to six private equity funds, totaling approximately \$57 million, on behalf of VCERA and VCERA committed \$25 million to Abbott Secondary Opportunities II. The VCERA-initiated portfolio includes total commitments of \$25 million.

Abbott-Directed Commitments

Fund	Strategy	Commitment	Paid In	Undrawn
Battery Ventures XIII	Venture Capital & Growth Equity (Global)	\$9.2m	\$0.0m	\$9.2m
Battery Ventures XIII Side Fund	Venture Capital & Growth Equity (Global)	\$6.2m	\$0.0m	\$6.2m
Clearlake Capital Partners VI	North American Buyouts & Special Situations	\$18.7m	\$0.0m	\$18.7m
Buenaventure One, LLC	Various	\$23.3m	\$0.4m	\$22.9m
Abbott Secondary Opportunities II	Secondary & Co-Investment	\$25.0m	\$0.0m	\$25.0m
TOTAL		\$82.4m	\$0.4m	\$82.0m

VCERA-Initiated Commitments

Fund	Strategy	Commitment	Paid In	Undrawn
Pantheon Global Secondary Fund VI	Secondary & Co-Investment	\$25.0m	\$0.0m	\$25.0m
TOTAL		\$25.0m	\$0.0m	\$25.0m
TOTAL		\$107.4m	\$0.4m	\$107.0m

Commitment and Paid In as of December 31, 2019. Undrawn represents the balance of uncalled commitments as of December 31, 2019 (Commitment – Paid In). Amounts for Buenaventure One, LLC reflect aggregate amounts committed, paid-in, and undrawn for portfolio fund commitments made in 2019 held in the Buenaventure One, LLC portfolio. Totals may not sum due to rounding.

Ventura County Employees' Retirement Association



At present, Abbott has a strong pipeline across all segments in 2020, consisting of both new groups and existing relationships. While the program continues to focus on larger dollar commitments, capacity in top-tier private equity partnerships remains a constraint. As such, the program will remain flexible with commitment sizes to gain exposure to high-quality investment opportunities.

E. SUMMARY

Across both the Abbott-directed portion and the VCERA-initiated portion of the portfolio, VCERA closed on \$227 million of commitments in 2019. VCERA's goal is to build upon the solid foundation of its current private equity portfolio and to increase the allocation from the current level of 7.7% to reach the target allocation of 13% over the next several years. Current modeling of the portfolio supports a commitment pace of **\$250 million** in 2020, followed by commitments of \$225 million in 2021, \$150 million in 2022, and an average commitment level from 2020 through 2024 of approximately \$200 million per year. Note that market conditions, especially the Plan's actual attained growth rate, and the pace of capital calls, distributions and NAV appreciation in the private equity portfolio, may cause the projected commitment pace to change in the future.

In the first quarter of 2020, VCERA committed approximately \$107 million. With a robust pipeline visible for the balance of the year, VCERA expects to reach the commitment target for 2020.

While VCERA should continue to receive some level of distribution activity from the portfolio, the overall program remains in its development phase. Thus, capital calls are expected to continue to exceed distributions for several years.

The 2020 Annual Plan is being presented during a time of uncertainty, which will be marked by great challenges and opportunities. The overall VCERA Plan will face volatility, and the "denominator effect," a shrinking of overall plan size and lagging downward valuation adjustments, may cause exposure to private equity on a reported NAV basis to approach or exceed the target. However, the pacing model is based on 20 years of cash flow patterns, which encompass various economic cycles. Historically, investors who have remained true to their long-term pacing plan have experienced benefits from dollar-cost averaging into private equity through access to attractive vintage years during and immediately following times of economic and capital markets disruption. Despite interim volatility, long-term private equity investors may benefit from market dislocations to achieve compelling returns and short-term changes in the environment should not materially influence long-term strategic portfolio decisions.

We believe our long-standing commitment to portfolio diversification and our thorough due diligence processes will continue to provide the best potential for attractive risk-adjusted returns for our clients. As always, the program will maintain its rigorous selection criteria with the goal of building a diversified portfolio across Global Venture Capital and Growth Equity, North American Buyouts and Special Situations, International Buyouts and Special Situations, as well as other private equity strategies.

Ventura County Employees' Retirement Association

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All investments are subject to risk, including the loss of the principal amount invested.

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Abbott Capital Management, LLC
2019 Year-End Market Review



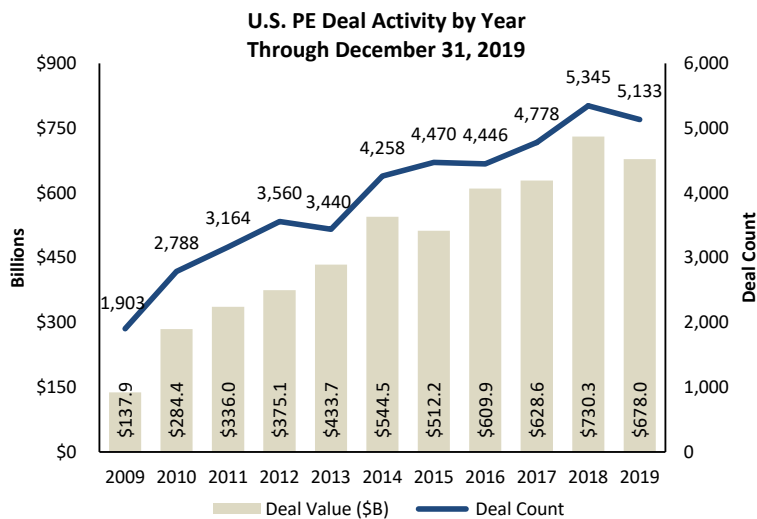
What a difference a year makes; after a volatile end to 2018, 2019 both began and closed with a bang, as the global economy and public equity markets demonstrated resiliency amid a myriad of uncertainties. The S&P 500 appreciated almost 30% in 2019, its highest yearly gain since 2013, while the tech-heavy NASDAQ produced even more impressive gains of approximately 35%. Growth outside of the U.S. was attractive, but more modest; the MSCI ACWI (global ex-U.S.) and MSCI Emerging Markets Index appreciated approximately 24% and 15%, respectively.

With respect to private equity, venture capital and growth equity, the levels of fundraising, investment, and exit activity of the recent past largely persisted in 2019. Capital raised across all segments remained elevated at or near record levels as investor demand for venture capital and private equity, two asset classes perceived to have alpha-generating return potential, continued. Elevated public and private market valuations caused a slowdown in new investment activity as private equity practitioners, in general, were disciplined deploying capital. Exit activity declined as well, likely a result of financial and strategic acquirers exercising caution and robust exit activity in the preceding years. With regard to the secondary market, general partner-led transactions remained prevalent; the continued maturation and institutionalization of the asset class has led both general and limited partners to seek eloquent liquidity solutions.

The following commentary provides an analysis of 2019 private equity, venture capital and growth equity, and secondary market activity.

Private Equity

U.S. and European fundraising activity reached record levels in 2019. Over the past year in the U.S., 202 funds raised \$301 billion compared with \$198 billion raised by 214 funds in 2018, with 95% of new funds raised larger than their predecessor vehicles. Across Europe, 89 funds raised €86 billion compared with €70 billion raised by 80 funds during the prior year. Global fundraising was driven by technology-focused funds, which have demonstrated the greatest outperformance relative to



Data Source: PitchBook 2019 Annual US PE Breakdown

public markets during the current cycle, in addition to larger funds with over \$5 billion in total commitments as limited partners continued to consolidate their number of general partner relationships.

New investment activity in both the U.S. and Europe was strong in 2019, although it fell short of 2018 levels as robust fundraising only partially offset concerns about market pricing and the current stage of the economic cycle. In 2019, U.S. private equity firms executed 5,133 investments, representing \$678 billion in deal value, versus 5,345 investments representing \$730 billion in deal value in 2018. Average median purchase price multiples in the U.S. also remained elevated, but were down slightly year-over-year, at 10.9x EV/EBITDA in 2019 compared with 11.5x in 2018. New investment activity also fell slightly across Europe, with a total of

3,867 investments representing €454 billion in deal value versus 3,995 investments representing €465 billion in deal value in 2018. As mentioned previously, software and other technology-related investments continued to gain share, with sector-focused and generalist firms alike pursuing investments in these sectors.

Private equity-backed exits in both the U.S. and Europe were down meaningfully in 2019, likely a result of significant exit activity and resulting distributions in prior years, as well as a general level of cautiousness with respect to capital deployment

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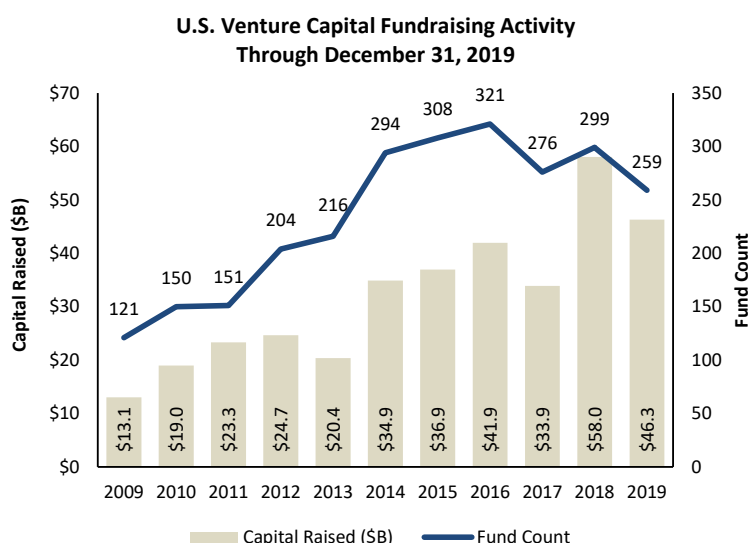
2019 Year-End Market Review

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by financial and strategic acquirers alike. In 2019, U.S. private equity-backed exits totaled \$318 billion across 1,035 transactions versus \$442 billion across 1,240 transactions in 2018. European exit activity was also lower, with €202 billion in exit volume across 900 transactions versus €260 billion across 1,182 transactions in 2018. Approximately 50% of private equity-backed exits, by value, were secondary acquisitions by other financial sponsors, which includes a significant number of recapitalizations whereby existing investors take partial liquidity and roll-over into the new transaction. These investments allow existing investors to generate partial liquidity for their limited partners, while also serving as a potential new investment opportunity in a company where the private equity firm has intricate knowledge of the company and thus seemingly lower team risk.

Venture Capital and Growth Equity

While overall investment activity in 2019 remained consistent with 2018 levels, activity during the second half of 2019 decelerated meaningfully when compared to the same time period last year. At the same time, venture capitalists were rewarded handsomely with record-breaking exit values, mostly the result of headline IPOs, although subsequent trading performance for many of these IPOs has been more challenged. Fundraising decreased year-over-year per numerous data sources, a slightly misleading statistic given the record fundraising market of 2018. Many venture capital and growth equity firms have deployed these funds faster than anticipated, and as a result fundraising in 2020 is once again expected to be robust.



As seen in the chart titled U.S. Venture Capital Fundraising Activity Through December 31, 2019, venture capital fundraising declined 20% year-over-year, admittedly off of a record year in 2018. Overall, 259 venture capital and growth funds raised \$46.3 billion in 2019. Despite the fewest number of venture funds raised since 2013, it is noteworthy that the aggregate capital raised still represented the second largest amount in the past decade. This can be rationalized by larger median fund sizes, which exhibited a 5% increase year-over-year and are now more than double the median fund size in 2013. In addition, successor funds raised in 2019 were on average 56% larger than their predecessor funds, as venture capitalists continued to take advantage of favorable market conditions and robust limited

Data Source: Q4 2019 PitchBook-NVCA Venture Monitor

partner demand. Further highlighting the trend towards larger funds, micro-funds, or funds with less than \$50 million in commitments, declined to the lowest levels since 2011. Furthermore, as smaller funds have declined, funds with committed capital between \$50 million and \$250 million increased to 43% of the overall fund count in 2019, 35% greater than during 2018.

According to the NVCA, venture capitalists deployed over \$100 billion for the second year in a row, having deployed approximately \$137 billion across 10,777 investments in 2019. Not surprisingly, later stage deals accounted for roughly 62% of the total deal value as high-growth companies continued to attract significant capital at higher valuations. This trend was driven by mega-deals, or deals that raised greater than \$100 million; 181 such investments were executed in 2019 for year-over-year growth of approximately 10%. Later stage, pre-money valuations also continued to rise, with the median valuation growing to \$88 million, or 16% above 2018. As discussed in numerous past market reviews, companies are staying private longer and seeking financings from later stage venture capitalists or other non-traditional venture capital investors. In fact,

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2019 Year-End Market Review

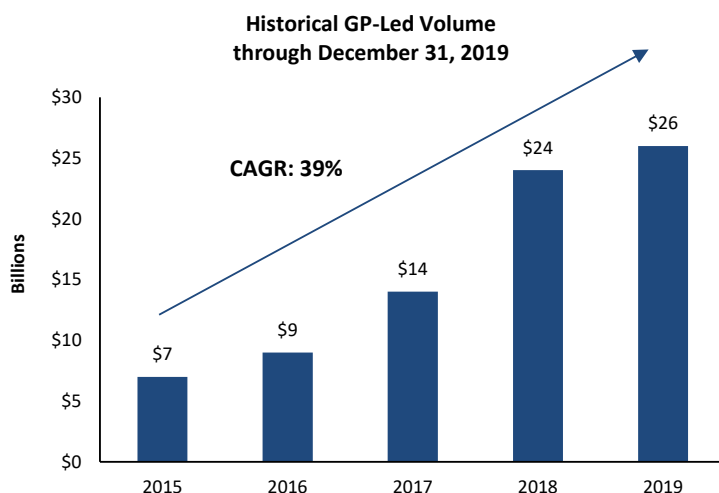
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85% of the completed mega-deals across all stages in 2019 saw participation from non-traditional investors, such as family offices, hedge funds, strategic investors and mutual funds. While later stage investments commanded most of the aggregate dollars and the largest valuations, pre-money valuations continue to increase across all stages. Median pre-money valuations grew 14% and 18% year-over-year across seed and early stage investments, respectively.

Venture-backed exit activity increased 97% year-over-year; in fact, full-year 2018 activity was surpassed during the first two quarters of 2019 alone, driven largely by Uber's high-profile IPO during the second quarter. Notably, industry data typically reports venture-backed IPOs as exits, although in most cases venture capitalists continue to own public shares and therefore performance remains unrealized from a limited partner perspective. Even though exit activity moderated during the second half of the year, 2019 still saw 882 exits generate \$256 billion. After years of pent-up demand, venture-backed IPOs were the principal driver behind the record year. There were 80 venture-backed IPOs in the U.S. with a total value of just under \$200 billion in 2019, a marked increase of 204% in value from 2018. In addition to Uber's offering, 2019 also saw IPOs from Lyft, Slack, Pinterest, DataDog, Peloton, and Cloudflare, among many others. However, post-IPO trading performance has been mixed for many of these companies over the second half of the year as public investors focused on operating metrics, most notably profitability, rather than top-line growth. This performance, as well as the highly publicized challenges and failed IPO of WeWork, has given pause to numerous technology companies that were in consideration for an IPO during Q4 2019. Of the resulting 13 IPOs in Q4 2019, nine were healthcare or life sciences businesses. Public market investors proved to have different price expectations for some of the highly-valued, venture-backed technology businesses.

Secondaries

As predicted in Abbott's mid-year market review, 2019 represented the third straight record year in the secondary market as volume grew 19% from 2018, reaching \$88 billion. However, 2019 was a year of two halves; while the first half experienced a record-breaking high of \$46 billion in deal volume, a 56% increase year-over-year, second half activity was softer than expected at \$42 billion, or a 2% year-over-year decline. Historically, second half volume represented close to two-thirds of the total for the year, compared with the roughly 50-50 split witnessed in 2019. Abbott believes the decline in second half activity was due to several reasons, first and foremost that the unprecedented volume of activity during the first half of 2019 allowed buyers to be more selective and opportunistic over the latter six months of the year. Similarly, there were fewer full portfolio solutions during the latter half of the year, thereby increasing the number of mosaic transactions. These deals generally have a lower likelihood of transacting given the mix of attractive and lower quality assets in a portfolio.



The headline transactions in the secondary market continued to be general partner-led deals ("GP-led"), which according to Greenhill, accounted for 30% of total volume in 2019. Similar to the broader market, GP-led activity in the first half of 2019 reached an all-time high, while second half activity stalled as several large transactions failed to garner requisite investor traction or were not able to successfully close by year-end. The chart to the left highlights the continued market trend of increasing GP-led transactions over the recent past.

Fund recapitalizations, otherwise known as continuation or extension fund deals, represented 76% of GP-led transactions, according to Lazard. A notable shift in 2019 was the prevalence of portfolio company concentration within such deals. According to

Data Source: Greenhill, *Global Secondary Market Trends & Outlook – January 2020*

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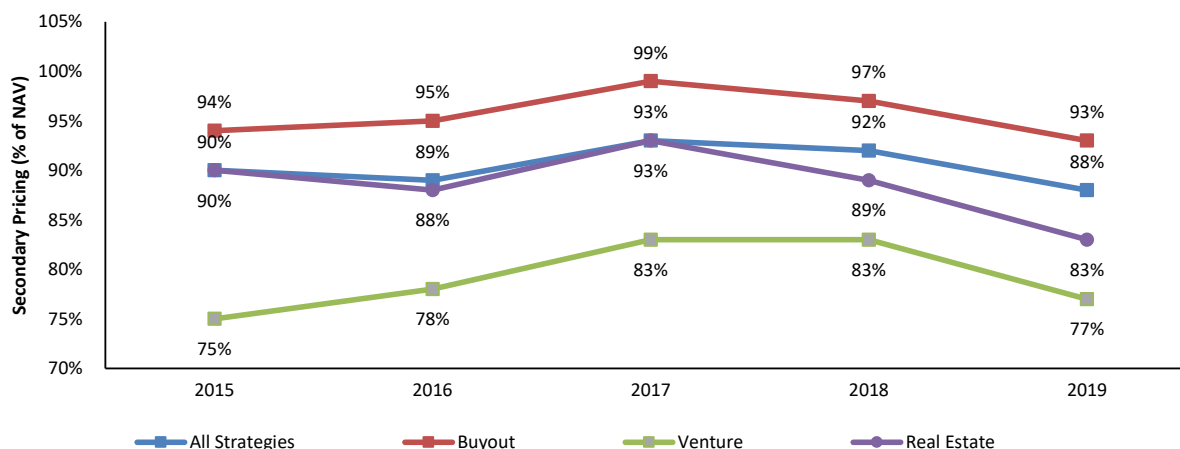
2019 Year-End Market Review

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Lazard, single assets made up more than one-third of fund recapitalizations in 2019, which was more than double the relative volume share from the prior year. In theory, these transactions allow general partners to continue to own a trophy asset despite an expiring fund term, and potentially generate even larger returns through an extended hold period. A cynic would also note these deals allow sponsors to reap additional fees and potentially future carry, while also crystalizing carried interest in their existing vehicles. As a result, it is imperative that limited partners fully scrutinize these deals to make sure both limited and general partners are fully aligned in these transactions.

Contrary to popular opinion of elevated secondary market valuations, secondary pricing fell across the board in 2019, as the average high bid declined by 400 basis point, to an average of 88% of NAV. Pricing remains higher for younger fund vintages, or funds raised in 2013 or later, but only modestly at 89%. These vintage year funds represented 51% of total transaction volume in 2019. In addition, venture funds, on average, continue to show larger discounts compared to their buyout brethren given the relative difficulty of underwriting high growth rates in less mature businesses. Overall, discounts of 20% or greater are generally required to entice buyers in pre-GFC funds given the concentrated nature of many of these remaining funds. However, such vintages still represented 35% of funds sold in 2019, by number of transactions.

Historical Pricing by Strategy



Data Source: Greenhill, *Global Secondary Market Trends & Outlook – January 2020*; Greenhill, *Global Secondary Market Trends & Outlook – July 2019*

Summary

The financial markets started and ended 2019 on a high note, as market conditions remained accommodative for sustained economic growth leading to significant public market appreciation. However, conditions changed drastically in Q1 2020 given the coronavirus pandemic and resulting uncertainty and disruptions it has caused. The true impact of this virus on the global economy and private equity industry cannot yet be quantified, but this is surely a development that is top of mind for many investors over the coming months.

SOURCES CONSULTED

With respect to private equity information, information was sourced through: Pitchbook 2019 Annual US PE Breakdown and Pitchbook 2019 Annual European PE Breakdown.

With respect to venture capital information, information was sourced through: Q4 2019 Pitchbook-NVCA Venture Monitor.

With respect to secondary investment information, information was sourced through: Greenhill, *Global Secondary Market Trends & Outlook – January 2020*; Greenhill, *Global Secondary Market Trends & Outlook – July 2019*; Lazard Private Capital Solutions, 2019 Financial Sponsor Secondary Market Review.

The views expressed are Abbott's opinion as of March 2020 and are subject to change without notice.

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April 20, 2020

Ventura County Employees' Retirement Association

Custody Services



STATE STREET®

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Agenda

- State Street at a Glance
- Relationship Overview
- Risk and Controls
- Core Services
- Securities Finance
- Appendix

Limited Access

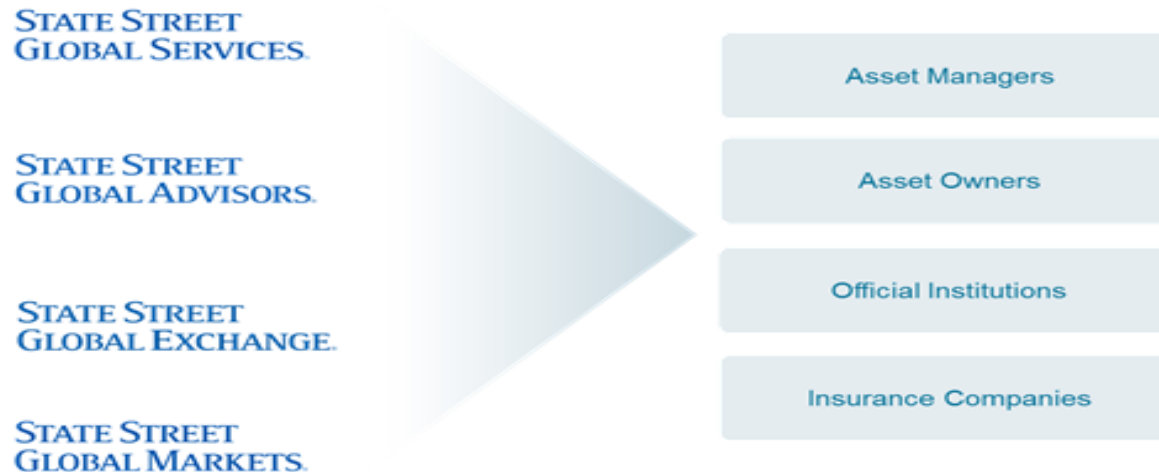
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Our Company Today

Delivering Integrated Solutions across Client Sectors



State Street Global Services, provides the essential financial infrastructure for delivering effective investment servicing solutions. Through our capabilities in investment operations outsourcing and analytics, collateral management and derivatives processing, alternative investment solutions, and performance measurement and analytics we deliver the services our clients need.

State Street Global Advisors, the corporation's asset management business, uses its disciplined, precise investment process and powerful global investment platform to give our clients access to every major asset class, capitalization range and style.

State Street Global Markets, our investment research and trading arm, provides specialized investment research, electronic trading, and securities lending solutions for owners and managers of institutional assets. We also create access to alpha, insights, liquidity and financing by enhancing our clients' portfolio values.

State Street Global Exchange combines information and insights, risk and trading analytics and data solutions to help clients focus on opportunities that generate the most value. We deliver market expertise and insight across investment strategy and data science, helping clients find new ways to drive performance.

Relationship Overview

Information Classification

STATE STREET®

Ventura County Employees' Retirement Association

At a Glance



Relationship

Ventura County Employees'
Retirement Association

Client since 1997

Fiscal year-end: 6/30

Consultant: NEPC



Contacts

Linda Webb

Dan Gallagher

Henry Solis

Vickie Dragan

Nida Williams



Reporting

Monthly Accounting Reporting

- Completed 5th BD

Monthend Accounting Reports

- Available on 6th BD via
MyStateStreet
- CD provided by 9th BD

Year End Reporting:

- Annuals completed by 6th BD
- GASB 53
- GASB 72
- Audit requirements as requested

Ventura County Employees' Retirement Association

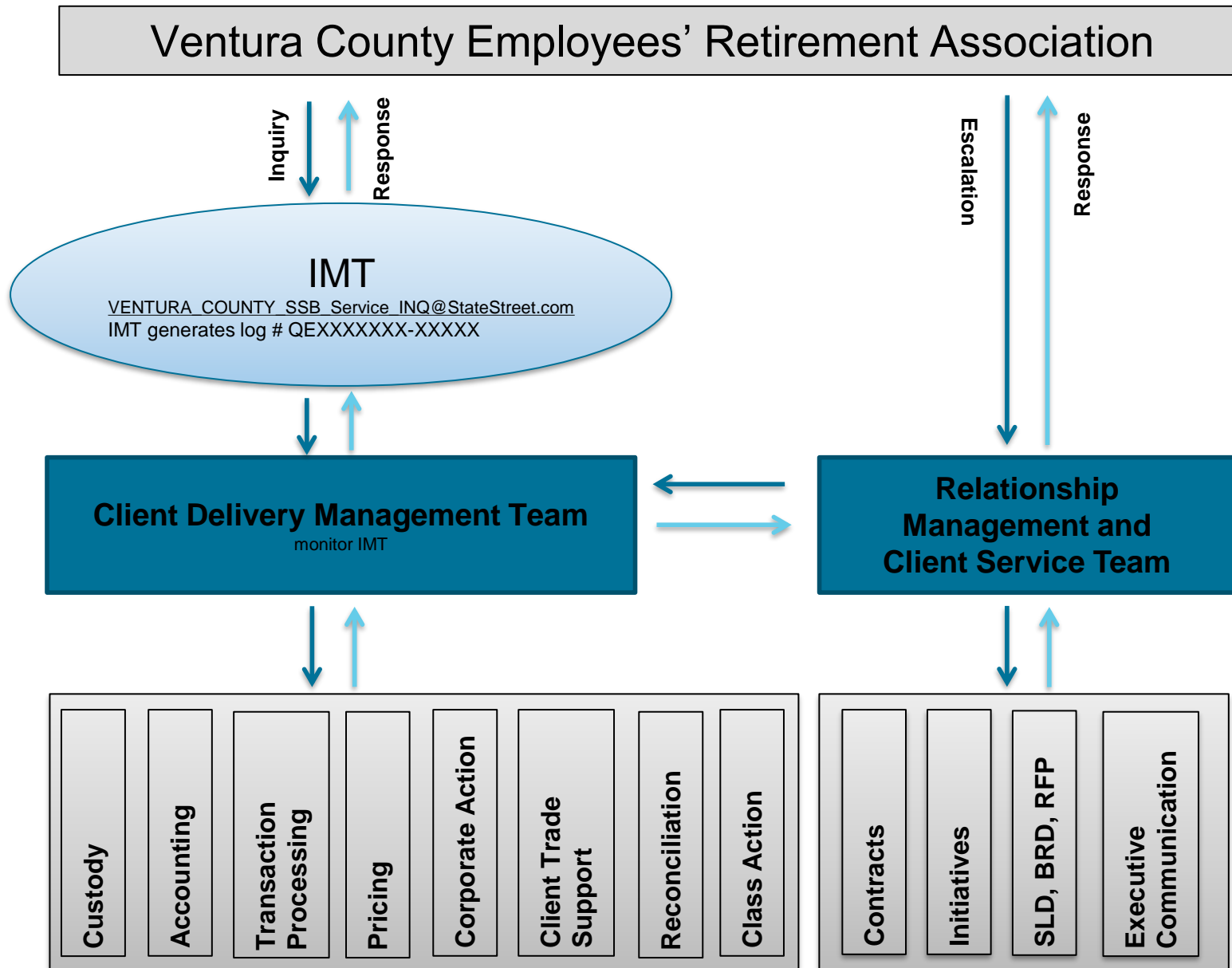
Account Matrix

Fund	Name	Type	Total NAV as of 2/29/20
2M1G	PRUDENTIAL REAL ESTATE (PRISA)	Real Estate	165,564,251.82
2M1L	BGI U.S. DEBT INDEX	Commingled	254,210,906.55
2M1N	WESTERN ASSET MGMT (CORE BOND)	Global Fixed Income	340,536,113.48
2M1O	BGI RUSSELL 1000 LG CAP INDEX	Commingled	1,296,632,882.04
2M1W	REAMS ASSET MGMT CO(CORE PLUS)	Commingled	334,629,147.07
2M1X	SPRUCEGROVE INV MGMT LTD	Commingled	208,310,332.58
2M1Y	BGI RUSSELL 2500 SMID US EQIND	Commingled	63,362,757.81
2M1Z	UBS REALTY INVESTORS	Real Estate	268,958,024.31
2M2D	LOOMIS SAYLES & CO (MULTI SEC)	Global Fixed Income	92,724,372.90
2M2E	BGI ALL CNTY WRLD EX-US INDEX	Commingled	456,496,655.98
2M2F	WESTERN ASSET MGMT(PORT ALPHA)	Global Fixed Income	229,119,465.29
2M2G	PARAMETRIC	Overlay	36,348,292.91
2M2J	PRIVATE EQUITY	Private Equity	436,669,167.49
2M2L	HEXAVEST	Commingled	85,552,445.93
2M2M	WALTER SCOTT & PARTNERS	Commingled	137,882,976.45
2M2R	BGI MSCI ACWI GLOBAL EQ INDEX	Commingled	608,589,294.10
2M2S	TORTOISE CAPITAL ADVISORS	Domestic Equity	95,184,753.45
2M2U	BRIDGEWATER ASSOCIATES	Commingled	354,539,425.00
2M2V	LOOMIS SAYLES & CO(STRAT ALPHA)	Commingled	49,230,589.36
2M2W	ABBOTT CAPITAL	Private Equity	138,866,016.86
2M2X	VCERA CASH	Cash Account	56,679,355.32
2M2Y	REAMS - US TREASURY PORTFOLIO	Domestic Fixed Income	113,954,524.91
2M2Z	LASALLE	Real Estate	0.00
2V3A	BUENAVENTURE TWO LLC	Private Equity	345,432.66
Total			5,824,387,184.27

Relationship and Service Model

Executive Leadership				
Mark Schafer– SVP				<ul style="list-style-type: none">• VCERA’s executive advocate• Access to senior decision makers
Client Service and Delivery				
US Asset Owners				<ul style="list-style-type: none">• Conversion and Implementation• Senior client advocate driving continuous improvement for VCERA• Manage business to business issues• Strategic planning• Contract and service level negotiations• Day to day servicing• Management of negotiated business requirements• Primary contact to disseminate news and impact to VCERA regarding day to day client direction• Primary contact for operational requests
Kate Hubbard – Vice President – Client Service Department Lead				
Grant Danner – Vice Present – Client Service Team Lead				
Jared Douglas– Officer– Client Service Owner				
Lauren Atkins – Vice President – Client Delivery Management				
Julianna Frank– Assistant Vice President– Client Delivery Management				
Functional Expertise of Extended Team				
Global Network	Corporate Actions	Class Action	Trade Processing	<ul style="list-style-type: none">• Delivery of services• Subject matter expertise• Measure impact of regulatory change on clients
Global Custody	Securities Pricing	Income Collections	Information Technology and Integration	
Reconciliations	FX Trading	Performance & Analytics	State Street Global Advisors	

Inquiry Management Tool (IMT): Flow of Information



Risk and Controls

Information Classification

STATE STREET®

Risk Excellence

Drive continuous improvement in our system of internal controls

1

Actively manage our risk and control environments

State Street recognizes the need for and value of meaningful and sustained focus on Risk Excellence, as well as client satisfaction and financial performance. We do this by:

- Coordinating risk management across all three lines of defense, with a standard language and methodology for identifying, evaluating, measuring and reporting risk
- Enhancing infrastructure, technology, operating standards and governance
- Communicating and enforcing our Standard of Conduct

2

Act at all times with the highest levels of integrity

3

Meet or exceed regulatory expectations

State Street's Chief Administrative Officer leads key cross-enterprise initiatives in the business units, our first line of defense, including oversight of our end-to-end resiliency framework and business controls. We established the Business Controls Program Office with a goal of embedding consistently strong business line risk management practices across the organization. Each business unit has a Business Controls team, working on:

- Risk assessment
- Risk monitoring
- Issues management

Anti-Money Laundering

Continue to weave AML & Sanctions risk management into our culture

1

Our AML and Sanctions program is evolving to balance the complex risk management demands of our regulators with the emerging investment landscape of our customers

2

Improving our approach and increasing our view of AML and Sanctions risk management to produce more impactful results and reporting

-
- Continue to work with business partners and internal stakeholders to review and revise our Global Policy and standards to reflect the needs of a complex global customer base.
 - Partnering and working closely with our global regulators to ensure our policies and controls are in line with their expectations on emerging investment schemes, including marijuana, digital assets (block chain) and other risk management challenged market opportunities.
- Increased information channels to better inform our business partners on effective suspicious activity reporting (SARs) to highlight our responsibility as a globally significant institution
 - Enhancing our alert data collection processes to utilize Artificial Intelligence (AI) principles that reduces the number of false alerts to provide more effective oversight

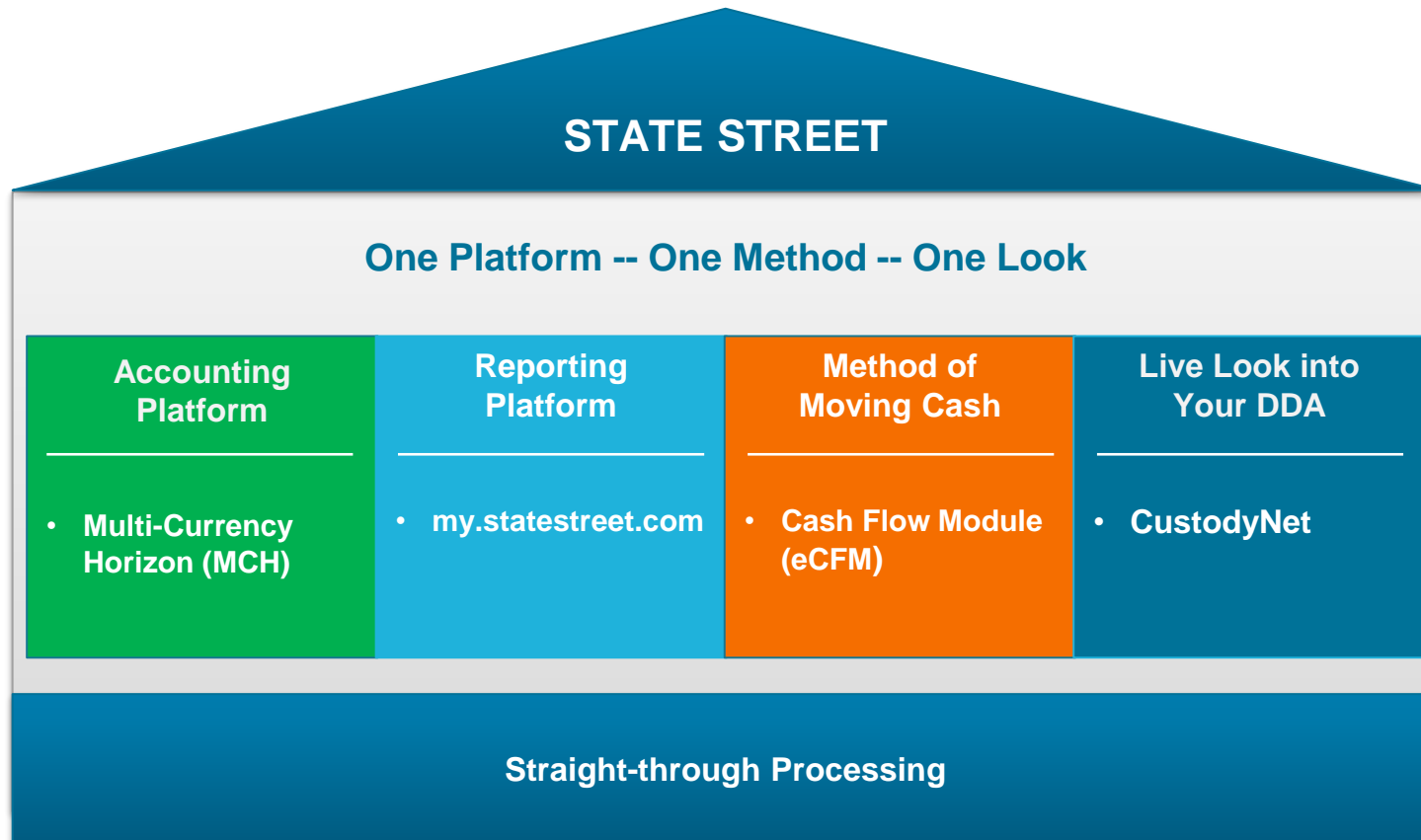
Our Fully Integrated System

Global Horizon A single platform which is the foundation for many critical business decisions		
Global Horizon	Client Service Workstation	my.statestreet.com
<ul style="list-style-type: none"> • Real-time • Base and local currency reporting • Trade date calculation • Full accrual and “as of” capabilities 	<ul style="list-style-type: none"> • Automated daily processing • Exceptions identified daily • 13 automated audits <ul style="list-style-type: none"> – Cost and Share – Price Tolerance – Price Consistency – Unrealized gain / loss – Realized gain / loss – Income Verification – Income Activity – Open Trades – Pending Foreign Exchange – Payable and Receivable – Local cash – Base Equivalent Cash – Trial Balance 	<ul style="list-style-type: none"> • Web-based • 24-hour access from work or home • Reporting <ul style="list-style-type: none"> – Standard – Customized – Performance – Private assets • Sophisticated Dashboards

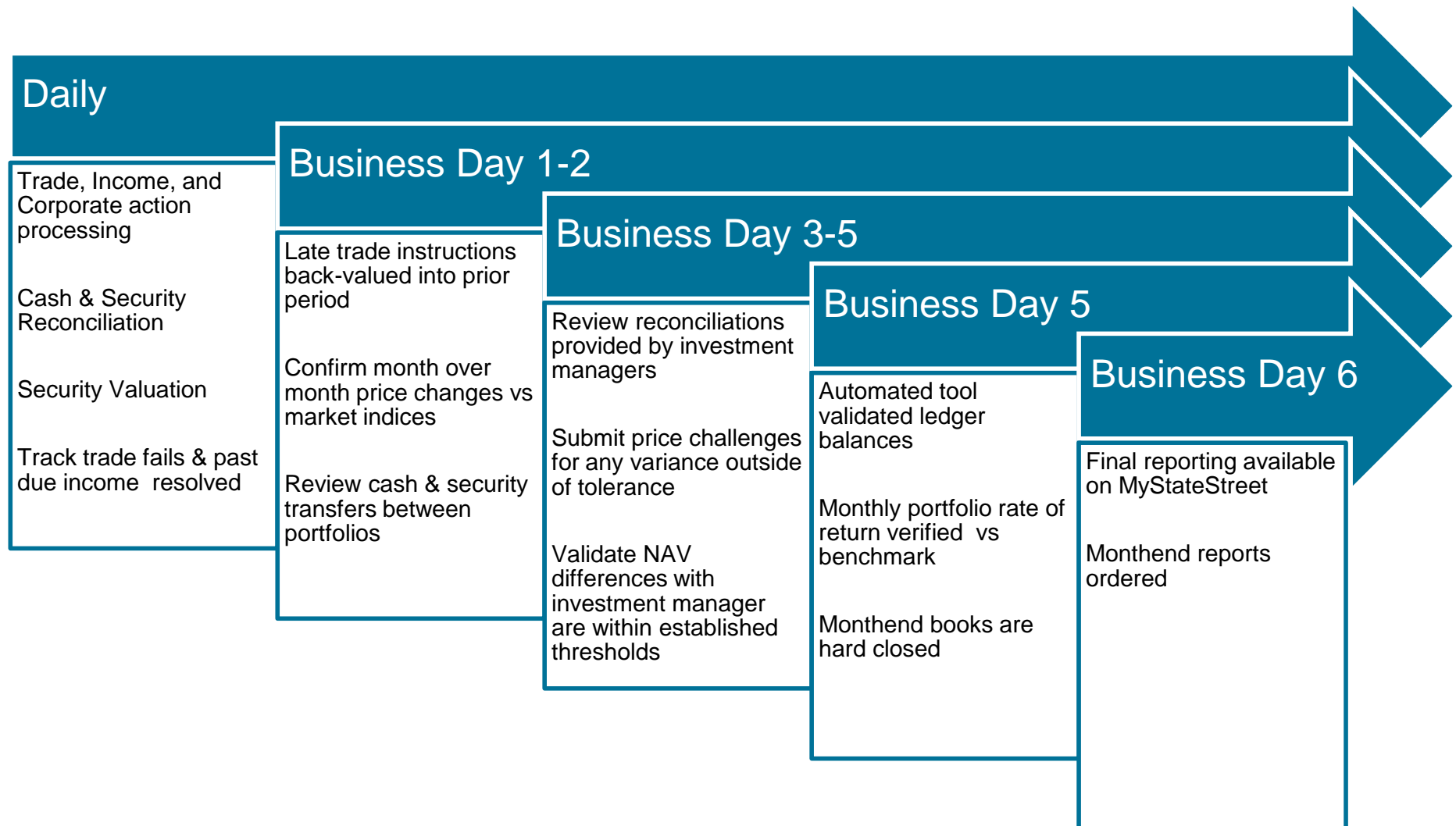
Core Services

State Street's Suite of Technology Working for VCERA

Industry Expertise At Your Fingertips



VCERA Monthly Timeline

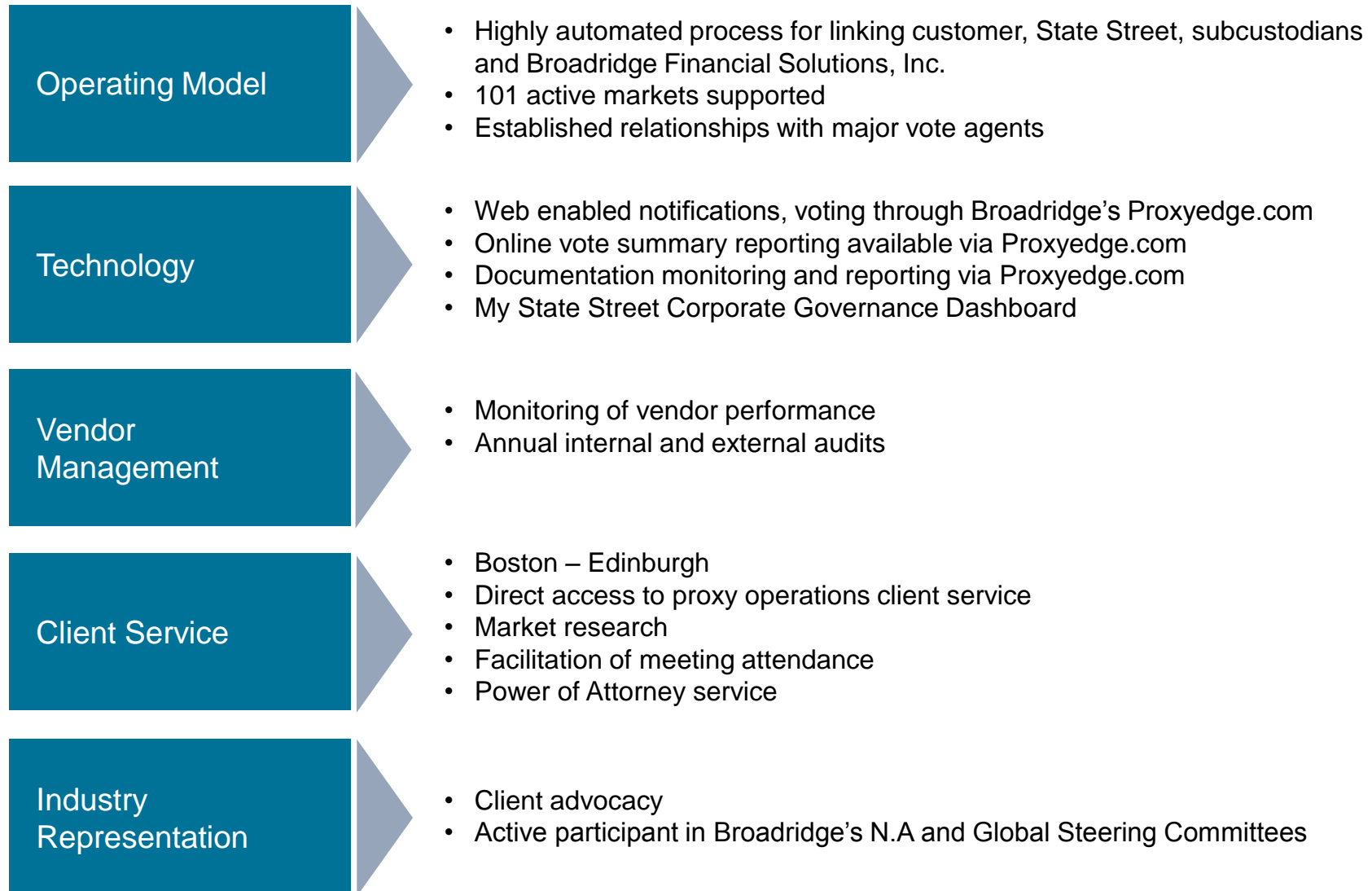


Enterprise Cash Flow Module (eCFM)

Efficiently run your fund accounting and administrative activities

Reduce FTTOP callbacks <p>Our automated system helps to reduce manual fax interaction. You can use eCFM to electronically input and authorize money movement.</p>	Schedule future-dated payments <p>You no longer need to maintain or monitor a manual paper file. Make sure payments are paid on time and recorded properly, by scheduling automatic, pre-approved payments. The system automatically triggers payment on the scheduled date, without requiring you to log in or maintain paper files.</p>	Use built-in system check and balance controls <p>Approved invoices can be directly paid by wire or check, aiming to reduce the need for reconciliation between accounting and custody records. Our interface is specifically designed to support various approval groups. Standard controls are also built into the application to help you mitigate operational risk and reduce errors.</p>
Audit and track user activity <p>Using the system's audit trail functionality, you can proactively monitor invoices and authorizations.</p>	Access real-time data <p>View payment status at any point in the payment lifecycle. All payments are archived with an audit and log trail, so you can easily research historical payments.</p>	Select from user-defined SWIFT templates <p>The platform allows you to send an unlimited number of international payments in your local time zone via the SWIFT network. You can authorize outgoing payments with protected preformat templates and up-to-date routing information.</p>

Proxy Service Delivery Model



Service Offering for U.S. Class Actions

Notification

Class action litigation notices for securities received from various sources, researched for case details, and forwarded to identified clients who wish to receive them (Directly from CAPS or indirectly from Client Service team contacts)

Filing

Complete an electronic Proof of Claim on OPT OUT type actions for eligible funds / activity and submit to Claims Administrator on the client's behalf

Monitoring/ Collections

Monitor the status of all claims through payment
Deposit any proceeds received into the appropriate account

Reporting

A database that tracks notices, filing status and collections is maintained
Reports are available on my.statestreet.

Ventura County Class Action Statistics

Year	Class Action Amount Received
2010	\$32,221.20
2011	\$169,231.02
2012	\$56,538.07
2013	\$67,646.38
2014	\$236,196.23
2015	\$1,006.73
2016	\$178,948.19
2017	\$192,083.41
2018	\$76,953.40
2019	\$111,496.35
TOTAL	\$1,122,320.98

Securities Finance

- Performance Update
- Collateral Pool Discussion

Limited Access

STATE STREET®

Relationship Summary

Our relationship commenced in May 1997

VCERA has 5 funds in securities lending

Earnings Summary (calendar year)

- Since Inception ~ \$8.4 million (through 2019)
- 2020 YTD ~ \$ 120 k (as of 3/31/20)

Programs

- U.S. Equity
- U.S. Corporate Bonds
- U.S. Government

Cash Collateral

- Quality D

VCERA is indemnified against borrower default

Notes:

- (1) Data represents past performance and is not a guarantee of future results
(2) Data Source: Securities Finance Business Intelligence

Ventura County Employees' Retirement Association

Enrolled Funds – February 29, 2020

Western Asset Management Equity Index Plus

Loomis Sayles & Co – Multi Sector Bond Fund

Western Asset Management - Core Fixed Income

Tortoise Capital Advisors - MLP

Reams Asset Management – US Treasury Note Fund

Lendable and On Loan Trend

Q1 2014 – Q1 2020



Performance data shown represents past performance and is no guarantee of future results.

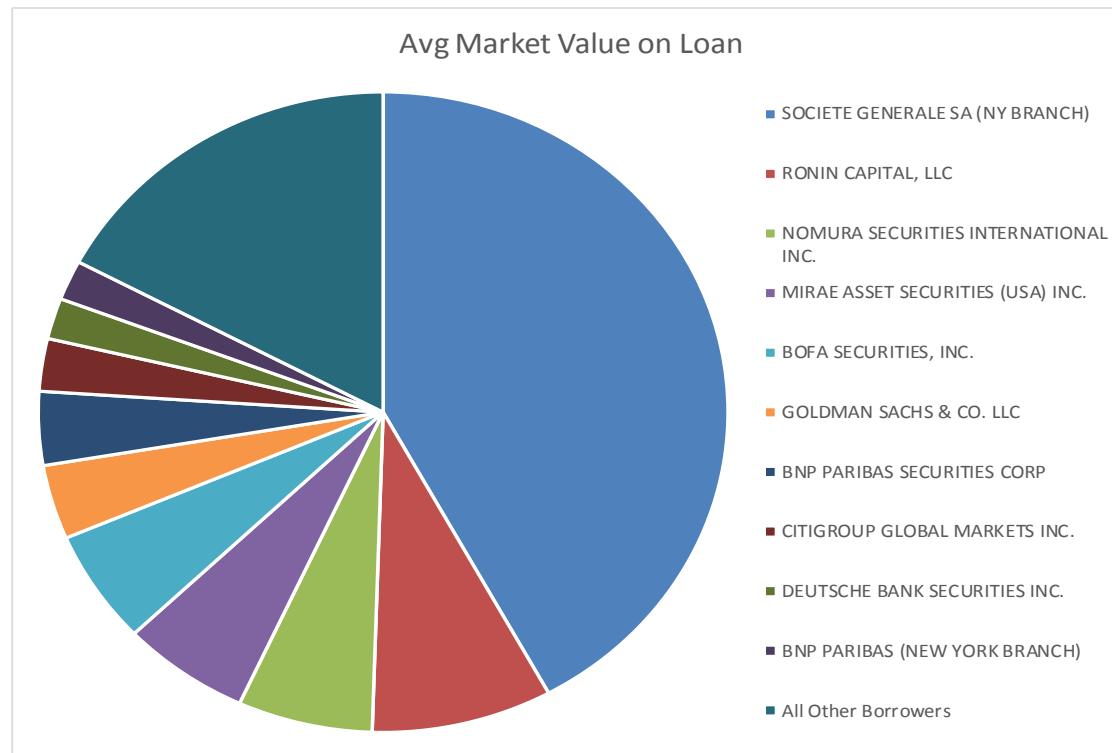
Source: Securities Finance Business Intelligence

Q1 2020 is the average of January 2020 and February 2020

Borrower Diversification

Average Market value on-loan (7/1/19 to 2/29/20)

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION					Period: 7/1/19 to 2/29/20
Borrower Name	Avg Market Value on Loan	Avg Collateral Amount Cash	Avg Collateral Amount Non Cash	Avg Collateral Amount	Collateralization Level
SOCIETE GENERALE SA (NY BRANCH)	62,144,757.96	63,399,832.94	0.00	63,399,832.94	102.02%
RONIN CAPITAL, LLC	12,530,254.32	12,786,352.62	0.00	12,786,352.62	102.04%
NOMURA SECURITIES INTERNATIONAL INC.	9,356,122.44	9,582,251.58	0.00	9,582,251.58	102.42%
MIRAE ASSET SECURITIES (USA) INC.	8,882,600.61	9,062,409.26	0.00	9,062,409.26	102.02%
BOFA SECURITIES, INC.	8,469,998.17	8,640,890.21	0.00	8,640,890.21	102.02%
GOLDMAN SACHS & CO. LLC	5,550,236.18	5,659,093.50	0.00	5,659,093.50	101.96%
BNP PARIBAS SECURITIES CORP	5,499,559.57	5,610,644.53	0.00	5,610,644.53	102.02%
CITIGROUP GLOBAL MARKETS INC.	3,925,090.22	4,014,743.87	0.00	4,014,743.87	102.28%
DEUTSCHE BANK SECURITIES INC.	3,044,115.91	3,097,577.56	0.00	3,097,577.56	101.76%
BNP PARIBAS (NEW YORK BRANCH)	2,974,631.53	3,037,277.13	0.00	3,037,277.13	102.11%
All Other Borrowers	25,472,924.04	26,036,202.25	0.00	26,036,202.25	102.21%
Summary	147,850,290.94	150,927,275.43	0.00	150,927,275.43	102.08%



Performance data shown represents past performance and is no guarantee of future results.
Source: Securities Finance Business Intelligence and my.statestreet.com

VCERA's Securities Lending Performance

Ventura County Employees' Retirement Association

	FY 2017	FY 2018	FYTD 2019	FYTD 2020
Average Lendable (\$)	416,763,423	447,538,975	446,500,550	573,262,752
Average On Loan (\$)	56,007,505	53,908,343	49,078,294	147,850,291
Utilization	13.4%	12.0%	11.0%	25.8%
Earnings by Program (\$)				
US Equity & Corp. Bond	68,967	109,224	83,471	67,289
US Government & Agency	124,160	58,141	20,172	233,620
Non-US Fixed	3,460	1,788	999	0
Total Earnings	196,588	169,153	104,641	300,909
Components of Spread (bps)				
Demand Spread	12	15	11	13
Reinvestment Spread	36	29	33	29
Net Spread	48	43	44	44
Return to Lendable (bps)				
	4.7	3.8	3.5	7.7

Notes:

(1) FYTD 2019 Data includes July 2018 - February 2019

(2) FYTD 2020 Data includes July 2019 - February 2020

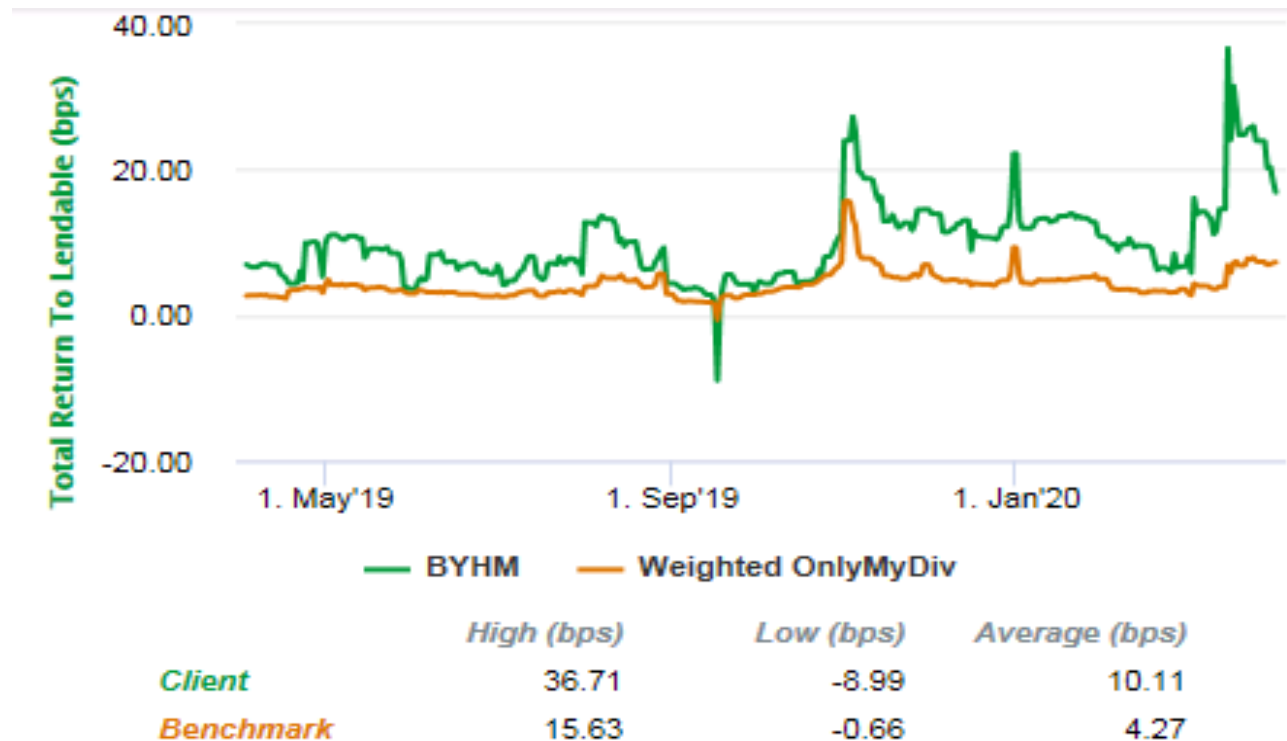
Performance Benchmarking

Demonstrated Results: PerformanceExplorer™- Return to Lendables

PerformanceExplorer™ provides independent performance benchmarking for securities lending.

Group includes data from agent lenders, principal lenders, borrowers and beneficial owners (BNY Mellon, JP Morgan Chase, Northern, HSBC, UBS, Brown Brothers, State Street & others).

VCERA's securities lending program with State Street has outperformed the peer group as indicated.



VCERA's average return to lendable of 10.11 bps was 137% higher than the peer group level of 4.27bps.

Source: The above data is provided by Markit Securities Finance and is underpinned by source data provided by PerformanceExplorer™ participants and also market data. However, because of the possibility of human or mechanical errors, neither Markit Securities Finance, nor the providers of the source or market data can guarantee the accuracy, adequacy or completeness of the information. This summary contains information that is confidential and is the property of Markit Group Limited. It may not be copied, published or used, in whole or in part, for any purpose other than expressly authorized by the owners.

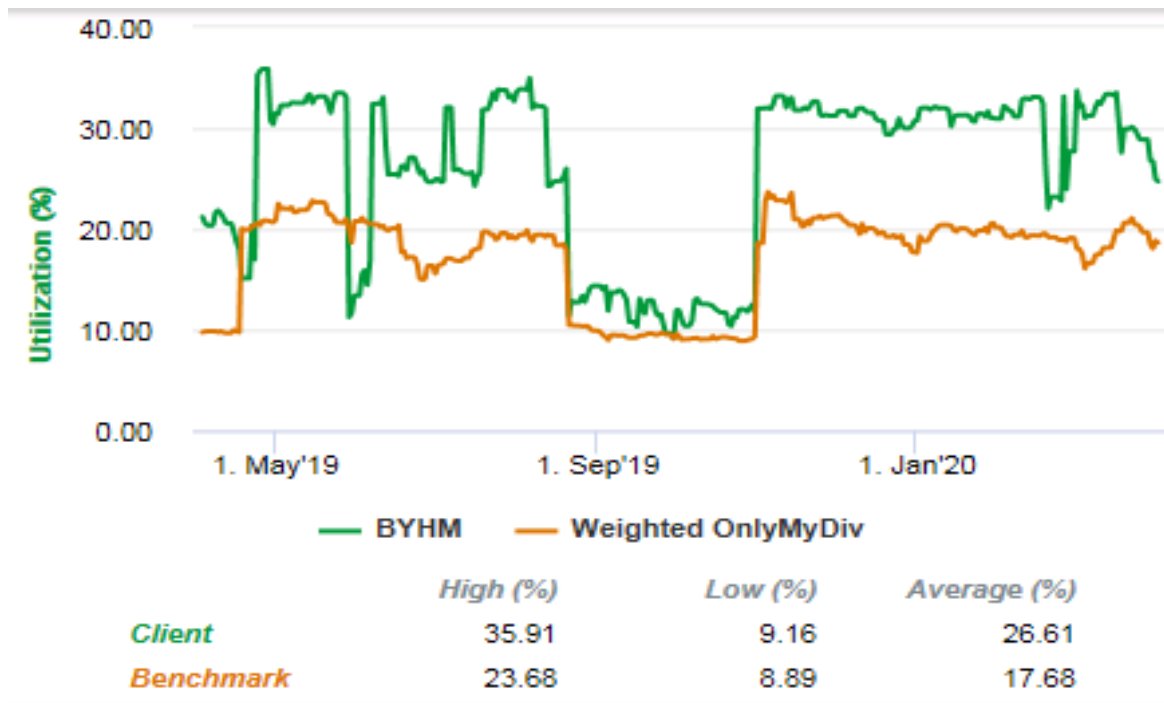
Performance Benchmarking

Demonstrated Results: PerformanceExplorer™ - Utilization

PerformanceExplorer™ provides independent performance benchmarking for securities lending.

Group includes data from agent lenders, principal lenders, borrowers and beneficial owners (BNY Mellon, JP Morgan Chase, Northern, HSBC, UBS, Brown Brothers, State Street & others).

VCERA's securities lending program with State Street has underperformed the peer group as indicated.



VCERA's utilization level of 26.61% was 51% lower than the peer group level of 17.68 %.

Source: The above data is provided by Markit Securities Finance and is underpinned by source data provided by PerformanceExplorer™ participants and also market data. However, because of the possibility of human or mechanical errors, neither Markit Securities Finance, nor the providers of the source or market data can guarantee the accuracy, adequacy or completeness of the information. This summary contains information that is confidential and is the property of Markit Group Limited. It may not be copied, published or used, in whole or in part, for any purpose other than expressly authorized by the owners.

Quality D collateral pool allocations

- On December 3, 2010 collateral pool allocation
 - Liquidity Pool ~ \$152.9 (68.9%)
 - Duration Pool ~ \$ 69.0 (31.1%)
- December 31, 2011 allocation
 - Liquidity Pool ~ \$ 64.7 (73.7%)
 - Duration Pool ~ \$ 23.0 (26.3%)
- December 31, 2012 allocation
 - Liquidity Pool ~ \$ 58.9 (85.6%)
 - Duration Pool ~ \$ 9.8 (14.4%)
- December 31, 2013 allocation
 - Liquidity Pool ~ \$ 43.5 (84.7%)
 - Duration Pool ~ \$ 7.8 (15.3%)
- December 31, 2014 allocation
 - Liquidity Pool ~ \$ 47.9 (89.3%)
 - Duration Pool ~ \$ 5.7 (10.7%)
- December 31, 2015 allocation
 - Liquidity Pool ~ \$ 38.4 (91.9%)
 - Duration Pool ~ \$ 3.4 (8.9%)
- December 31, 2016 allocation
 - Liquidity Pool ~ \$50.3 (96.9%)
 - Duration Pool ~ \$ 1.7 (3.1%)
- December 31, 2017 allocation
 - Liquidity Pool ~ \$ 34.8 (95.9%)
 - Duration Pool ~ \$ 1.5 (4.1%)
- December 31, 2018 allocation
 - Liquidity Pool ~ \$ 42.7 (99.0%)
 - Duration Pool ~ \$.4 (1.0%)
- On December 31, 2019 collateral pool allocation
 - Liquidity Pool ~ \$158.6 (99.8%)
 - Duration Pool ~ \$.4 (.2%)
- On March 31, 2020 collateral pool allocation
 - Liquidity Pool ~ \$113.5 (99.7%)
 - Duration Pool ~ \$.4 (.3%)

Notes:

- (1) Data represents past performance and is not a guarantee of future results
- (2) Data Source: Securities Finance Business Intelligence

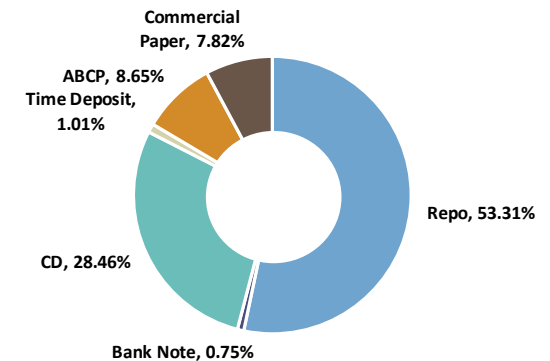
Quality Investment Fund D

FC14 — Quality Investment Fund D

As of February 28, 2020

Summary Characteristics	
1-Day Yield ¹	1.85%
Par Position + Uninvested Cash (in millions)	6021.89
Floating Rate %	54.53
Foreign Issuers % ²	12.13
Weighted Average Maturity (WAM) ³	29.9
WAM to Call	29.9
Call v. Mat Spread	0
% Callables	--
Weighted Average Life (WAL) ⁴	104.55
Fund Price as of 02/28/2020	100.02
Number of Holdings	86
Credit Quality BreakDown	
Long-term Ratings	% of Fund
AAA	--
AA	7.90
A	18.55
BBB	--
Below Investment Grade LT	--
Short-term Ratings	% of Fund
A-1+	6.74
A-1	45.6
A-2/A-3	--
Below Investment Grade ST	--
No Ratings	% of Fund
NR	21.21

Liquidity Schedule	% of Fund
Next Business Day	15.43
1 Week Liquidity⁵	19.34
2-30 Days Liquidity	8.62
31-60 Days Liquidity	3.92
61-90 Days Liquidity	15.29
90 Days Liquidity	43.26
91-120 Days Liquidity	32.78
121-150 Days Liquidity	4.55
151-180 Days Liquidity	1.78
181-270 Days Liquidity	14
271-360 Days Liquidity	2.47
12-15 Months Liquidity	1.16
15-18 Months Liquidity	--
18-21 Months Liquidity	--
21-24 Months Liquidity	--
Greater Than 2 Years Liquidity	--
YE 2020 Liquidity	97.59
Floating Rate Index Breakdown	% of Fund
FED FUNDS	6.64
1 MO LIBOR	19.23
3 MO LIBOR	5.68
3 MO TBILL	--
FCPR	--
OBFR	21.67
SOFR	1.31
Floating Rate Reset Buckets	% of Fund
Next Business Day	30.7
2-7 Days	1.08
8-31 Days	18.2
1-2 Months	1.66
2-3 Months	2.89



Repo Collateral	% of Fund
Treasuries	--
Agencies	1.66
Agency MBS	4.58
Money Markets	1.99
Corporates	11.54
Asset Backed	--
Equities	33.53

Source:SSGA Bloomberg. Ratings are from Bloomberg and are S&P. Past performance is not a guarantee of future results. ABCP are asset backed commercial papers.

¹ 1 Day Yield is the Net Yield (income minus expenses). The fund is in USD and the benchmark is the Overnight Bank Funding Rate (OBFR).

State Street Global Advisors investment management fee is 1.75 bps per annum

² All YCD's are being reported as Domestic and thus not included in the % Foreign Issuers. % Foreign issuers is the % of the fund held in foreign issues (domicile of issuer which represents the issuer's country of incorporation, for repo it's where the counterparty is incorporated).³ Weighted Average Maturity (WAM): aggregation of WAM of underlying securities in fund defined as (1) Floating rate securities: Next Reset Date – Current Date; (2) Fixed Rate: Maturity Date – Current Date (defined in days)⁴ Weighted Average Life (WAL): aggregation of WAL of underlying securities in fund defined as (1) Floating rate securities: Expected Maturity Date – Current Date; (2) Fixed Rate: Expected Maturity Date – Current Date (defined in days)

Any S&P ratings below BB- or below A-1 as well as Unrated securities are included in the "Other" category

Floating rate % is the % of floating rate securities held in the fund.

Liquidity schedule is the maturity profile of the cash investment.

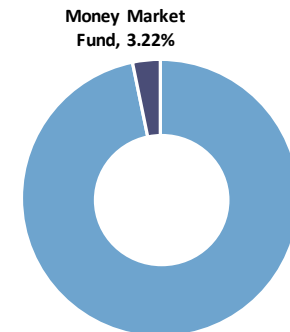
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As of February 28, 2020

Summary Characteristics	
1-Day Yield ¹	1.92%
Par Position + Uninvested Cash (in millions)	28.87
Floating Rate %	96.78
Foreign Issuers % ²	65.37
Weighted Average Maturity (WAM) ³	38.99
WAM to Call	38.99
Call v. Mat Spread	0
% Callables	--
Weighted Average Life (WAL) ⁴	1639.71
Fund Price as of 02/28/2020	94.87
Number of Holdings	3
Credit Quality BreakDown	
Long-term Ratings	% of Fund
AAA	--
AA	65.37
A	--
BBB	--
Below Investment Grade LT	31.41
No Ratings	% of Fund
NR	3.22

Liquidity Schedule	% of Fund
Next Business Day	3.22
1 Week Liquidity⁵	3.22
2-30 Days Liquidity	--
31-60 Days Liquidity	--
61-90 Days Liquidity	--
90 Days Liquidity	3.22
91-120 Days Liquidity	--
121-150 Days Liquidity	--
151-180 Days Liquidity	--
181-270 Days Liquidity	--
271-360 Days Liquidity	--
12-15 Months Liquidity	--
15-18 Months Liquidity	--
18-21 Months Liquidity	--
21-24 Months Liquidity	--
Greater Than 2 Years Liquidity	96.78
YE 2020 Liquidity	3.22
Floating Rate Index Breakdown	% of Fund
FED FUNDS	--
1 MO LIBOR	31.41
3 MO LIBOR	65.37
3 MO TBILL	--
FCPR	--
OBFR	--
SOFR	--
Floating Rate Reset Buckets	% of Fund
Next Business Day	--
2-7 Days	--
8-31 Days	31.41
1-2 Months	65.37
2-3 Months	--



**Asset Backed,
96.78%
ABS Sub Sector**

Auto Retail	--	RMBS: AU	--
CMBS	--	RMBS: UK	65.37
Credit Card	--	RMBS: Other	--
Floor Plan	--	Student Loan	--
Home Equity	31.41	Other	--

Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Investing involves risk including the risk of loss of principal. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. Fixed income securities generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates raise, fixed income security prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

Appendix

- Our Strategy
- Thought Leadership
- Speaker Biographies

Limited Access

STATE STREET®

A Strategy Designed to Help You Succeed



Your essential partner

Earning your trust with a proactive, strategic and insightful approach to understanding and solving your problems

Generating new ideas and insights to keep you on the cutting edge

Making it easy for you to access everything State Street has to offer

Working together to set industry standards and share best practices to help you succeed



Connecting your front, middle and back office

An interoperable platform, powered by standardized data, that will help you improve investment performance, simplify your operations and reduce costs

An integrated suite of services spanning pre-trade analysis to portfolio construction, risk, compliance, trading, reporting, and custody – all connected to a single source of truth



Straight-through processing at scale

Globally consistent processes and systems ensure high quality, speed and efficiency

Business optimization enables accelerated expansion and product development

Skill and economies of scale drive better results for even the largest investors



Outcome-driven and accountable

Dedicated to cultivating teams who bring passion, creativity, cognitive diversity, a focus on quality and an innovative spirit

Committed to serving you with honesty, transparency and accountability

Thought Leadership / Research Corner

April 2020

Our Clients' Essential Partner

Global efforts to contain the COVID-19 outbreak are changing the way we work. Andrew Erickson, head of our global services business, describes how we are collaborating with clients to shift operations for the current environment and adapt business models for the future.

[Watch the video](#)



Helping Clients Meet the Liquidity Challenge

Donna Milrod, head of our global clients division and client coverage, answers key questions about our participation in the Federal Reserve's new Money Market Mutual Fund Liquidity Facility and what this means for our clients.

[Get the details](#)



The View from Mainland China: Confronting the COVID-19 Crisis Head-On

Matt Leonard, our chief operations officer at State Street Hangzhou, talks about what work and life has been like in China throughout the COVID-19 crisis and what we can learn from all that China has already experienced. He gives insights into how State Street is continuing to deliver for our clients in this new environment, how investments in technology and business continuity planning have helped us weather the crisis, and how our employees are going above and beyond to ensure that operations run smoothly.

[Read the Interview](#)



Our Outsourced Trading Solution Offers Multi-Asset Class Trading Support

Nadine Chakar, head of our Global Markets business, highlights the benefits of outsourcing your trading function, especially in times like these.

[Learn More](#)



Market Snapshot from Global Macro Strategist Michael Metcalfe

Two-way risk has returned to markets so far this week with some equity indices reporting their best days in more than a decade thanks in part to the expected passage of a US\$2 trillion US fiscal stimulus bill. If 2008 is any guide, though, caution will still be required in what are still highly systemic markets.

For more market commentary, view the results of our [March Investor Confidence Index](#)



Source: Bloomberg, State Street Global Markets



Grant Danner

**Vice President, Client Service Team Lead
State Street Bank and Trust**

Grant Danner is a Vice President within Institutional Investor Services at State Street. He is responsible for leading the client service team which oversees Public Funds, Corporate Pensions, Endowments and Foundations. He works directly with clients and client leads to develop and strengthen partnerships through communication and keeping up on industry initiatives. He began his career in the financial services industry in 2002 and joined State Street in 2004. Throughout various leadership roles at State Street he has provided excellent levels of service to a variety of clients across the organization.

Grant is also active with many of the volunteer opportunities offered by State Street. He has participated in hosting young professionals for PREP-KC, which helps prepare urban youth for college and professional careers in the fields of business and finance. Additionally he has volunteered to build houses for the Veterans Community Project, which helps serve homeless veterans.

Grant has earned Bachelor of Science degrees in accounting and finance from Kansas State University and a Master's of Business Administration degree from Baker University.

Information Classification: General



Jared Douglas

**Officer, Client Service Owner
State Street Bank and Trust**

Jared Douglas has been with State Street for over 13 years, all within the Institutional Investor Services (IIS) division. Jared currently serves as a Client Service Officer, acting as the point of contact for various corporate and nonprofit clients. He has a great deal of experience researching and resolving inquiries from clients, consultants and auditors, preparing and auditing financial statements, and processing and accounting for client cash activity.

Jared earned a Bachelor of Arts degree in Business Administration from William Jewell College and a Master's degree in Business Administration from Park University.



Julianna Frank

**Officer, Client Delivery Management
State Street Bank and Trust**

Julianna Frank is an Officer within the Client Delivery Management team. Julianna has 10 years of industry experience at State Street Corporation servicing Public Fund, Not-for-profit, Taft Hartley and Corporate Clients. Julianna has been working with Ventura County Employees' Retirement Association for the past six years.

Prior to her current roll, Julianna worked as a Senior Portfolio accountant within the accounting team. During her time in the accounting team, Julianna serviced a number of Public Fund, Not-for-profit, Taft Hartley and Corporate Clients. Julianna began working at State Street in 2010 as a Portfolio Accountant. She was promoted to Client Service Operations Manager within the accounting team in 2013.

Julianna earned a Bachelor of Science in Accounting with a minor in Finance from Missouri Western State University in 2008. In 2013, Julianna received a Master's in Business Administration from Baker University.

STATE STREET

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John Muir
Vice President
Account Management
Securities Finance



John Muir is a vice president and relationship manager in State Street's Securities Finance division. He is responsible for the overall service delivery and satisfaction for strategic lending customers, across U.S. public funds, not-for-profit sectors and corporate pension plans. He also acts as the point of contact and advocate for Securities Finance-related matters.

Mr. Muir has over 20 years' experience in the financial services industry focusing on client service and reporting. Prior to assuming his current role, Mr. Muir was a department manager in the Institutional Investor Services division at State Street responsible for the accounting and operations for a large group of strategic public fund clients.

Mr. Muir holds a Bachelors of Science in business administration from Bryant University.

State Street provides experienced securities lending capabilities and supplies liquidity across more than 36 markets, worldwide, via Securities Finance offices and trading desks located throughout the Americas, Europe/Middle-East/Africa and Asia/Pacific regions.

Disclaimer

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DISCIPLINED INVESTING

International Equities

Ventura County Employees' Retirement Association

APRIL 20, 2020

Tasleem Jamal, Arjun Kumar

Private & Confidential

Presenters

Tasleem Jamal, B.Comm., M.B.A., CFA

Vice President, Head of Marketing and Client Services



Ms. Jamal graduated from McMaster University with Bachelor of Commerce and Bachelor of Arts (Psychology) degrees in 1996 and with an MBA (Finance) in 1999. In 1998, Ms. Jamal joined Ernst & Young Investment Advisory Services as an Investment Analyst and in 2000 she was promoted to Vice President. In this role she provided investment consulting services and managed the performance reporting team of analysts. In 2003, she joined Hewitt Associates as an Investment Consultant providing a variety of institutional client's investment consulting services including asset allocation, investment policy development, manager reviews and searches. In 2007, she joined Burgundy Asset Management where she focused on client relationship management and business development for Burgundy's Canadian institutional clients. Ms. Jamal was appointed Vice President of the firm in July 2010.

Ms. Jamal joined Sprucegrove in 2010 as Vice President, Marketing & Client Services and was promoted to Vice President, Head of Marketing & Client Services in 2014, overseeing all Marketing & Client servicing operations for North America. Ms. Jamal was appointed to the Business Management Committee in 2014, which is responsible for the day-to-day management of Sprucegrove. Ms. Jamal is a CFA charterholder.

Arjun Kumar, B.A., M.B.A., CFA

Portfolio Manager and Board Director



Mr. Kumar graduated from the University of Toronto with an Honours Bachelor of Arts (Economics & Commerce) degree in 1998. Upon graduation, Mr. Kumar worked as an Account Manager for Procter & Gamble, focusing on the sales and marketing of consumer products. Subsequently, he joined Accenture as a senior consultant - working within the process and strategy competencies area. Mr. Kumar obtained an MBA from the University of Toronto in 2002.

Mr. Kumar joined Sprucegrove in 2002 as an Investment Analyst, focusing on global equities. In 2010, Mr. Kumar was promoted to Senior Investment Analyst, with a larger role in mentoring and training new Analysts. As an analyst Mr. Kumar's broad coverage included companies globally, particularly in technology, banking and emerging markets. Mr. Kumar was promoted to Assistant Portfolio Manager in 2013 and in 2014, Mr. Kumar was appointed Portfolio Manager and Co-Lead of the International Equities strategy, a role in which he currently holds. Mr. Kumar joined the Sprucegrove Business Management Committee in 2015 with the responsibility for managing the day-to-day running of the business. In 2017, Mr. Kumar was appointed to the Sprucegrove Board of Directors, which oversees the strategic direction and compensation for the firm. Mr. Kumar is a CFA charterholder.

Executive Summary

Firm Update

- **Assets under management were \$11.0 billion** as at March 31, 2020.
- **63 clients firm-wide**
 - Five clients gained and no clients lost in Q1.
- **International, ACWI ex. U.S., Global and ACWI mandates are open** to new investors

Signatory of:



Investment Results¹

- **For Q1 2020:** the Fund's investment return was **-29.2%** vs. **MSCI EAFE -22.8%**
- **For the 1 Year period** ending March 31, 2020: the Fund's investment return was **-24.0%** vs. **MSCI EAFE -14.4%**
- **Since your inception** on April 1, 2002 through March 31, 2020: the Fund's annualized return was **+5.6%** vs. **MSCI EAFE +4.4%**

Investment Strategy

- As a **bottom-up value investor**, sector and country weightings are a residual of our stock selection process.
- The Fund remains **well diversified** and has holdings in all eleven sectors.
 - The largest sector exposures are Materials, Industrials and Consumer Discretionary.
- The Fund has **holdings in 22 different countries** and has **exposure to 12 different currencies**.
 - The largest country exposures are the U.K., Japan and Switzerland.
- The Fund has **exposure to the Emerging Markets** (12.5%)

¹ Returns are for the Sprucegrove U.S. International Pooled Fund, gross of fees in U.S. dollars, as at March 31, 2020. Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details. See Important Information. Source: Sprucegrove, MSCI

Annualized Performance Results

Sprucegrove U.S. International Pooled Fund

	Q1 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)	20 Years (%)	25 Years (%)	30 Years (%)	Since Inception (%)
Sprucegrove U.S. International Pooled Fund¹	(29.2)	(24.0)	(14.3)	(5.2)	0.8	(1.5)	2.6	3.6	5.4	7.0	7.8	10.1
MSCI EAFE	(22.8)	(14.4)	(9.2)	(1.8)	1.4	(0.6)	2.7	3.1	2.0	4.0	4.4	7.0
MSCI EAFE Value	(28.2)	(22.8)	(14.8)	(6.6)	(1.4)	(3.8)	0.6	1.5	2.1	4.0	4.6	7.6
Ventura County Employees' Retirement Association (net of fees)²	(29.4)	(24.6)	(14.9)	(5.8)	0.1	(2.2)	1.9	2.9	-	-	-	5.1
Ventura County Employees' Retirement Association (gross of fees)²	(29.2)	(24.0)	(14.3)	(5.2)	0.8	(1.5)	2.6	3.6	-	-	-	5.6
MSCI EAFE	(22.8)	(14.4)	(9.2)	(1.8)	1.4	(0.6)	2.7	3.1	-	-	-	4.4
MSCI EAFE Value	(28.2)	(22.8)	(14.8)	(6.6)	(1.4)	(3.8)	0.6	1.5	-	-	-	3.6
MSCI ACWI ex USA	(23.4)	(15.6)	(10.1)	(2.0)	1.6	(0.6)	2.1	3.4	-	-	-	4.9

All data as at March 31, 2020

¹ Inception date of Fund: September 30, 1985

Fund performance reflects a linking between the Sprucegrove U.S. International Pooled Fund and the Confederation Life International Pooled Fund for periods prior to 1994 (for which the Sprucegrove Investment Management team managed the portfolio since its inception).

² Inception date of Ventura County Employees Retirement Association: April 1, 2002

Assets Under Management: \$170,475,881.18

Returns shorter than a 1-year period are arithmetic returns and have not been annualized. Returns greater than a 1-year period have been annualized. Returns are gross of fees in U.S. dollars. Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, MSCI



Multiple headwinds so far in 2020

Several factors have simultaneously affected relative performance

Estimated impact on relative performance

Country Allocation		2020 YTD Return Fund ¹ : (29.2%) vs. MSCI EAFE: (22.8%) Underperformance 6.4%		Sector Allocation	
United Kingdom (Travis, Weir Group, Carnival)	~40%			~30%	Industrials (Travis, Weir Group)
Exposure to Emerging Markets (Banco Bradesco, State Bank of India)	~25%			~30%	Underweight Defensives Consumer Staples, Health Care and Utilities (For Valuation Reasons)
Underweight to Japan	~15%			~20%	Exposure to Commodities Energy and Materials (TGS, Royal Dutch Shell, Anglo American, Lafarge Holcim)

Elevated macro-economic uncertainty has provided opportunities to initiate new and increase positions in several quality companies at attractive valuations.

All data as at March 31, 2020

¹Sprucegrove U.S. International Pooled Fund

~ the percentage for each factor is approximately +/- 5%

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, MSCI, SS&C



Annual Performance Results

Sprucegrove U.S. International Pooled Fund

Year	Sprucegrove U.S. International Pooled Fund ¹ (%)	MSCI EAFE ¹ (%)	Difference (%)	
1986	45.8	69.6	(23.8)	
1987	14.7	24.9	(10.2)	
1988	26.3	28.6	(2.3)	
1989	27.8	10.8	17.0	
1990	(6.8)	(23.2)	16.4	
1991	24.0	12.5	11.5	
1992	0.4	(11.8)	12.2	Japanese Asset Price Bubble
1993	36.0	32.8	3.2	
1994	6.1	8.0	(1.9)	
1995	12.3	11.5	0.8	
1996	18.2	6.3	11.9	
1997	10.5	1.9	8.6	
1998	9.8	20.2	(10.4)	
1999	23.2	27.1	(3.9)	
2000	2.3	(14.1)	16.4	
2001	(5.0)	(21.6)	16.6	
2002	(0.8)	(15.9)	15.1	Technology, Media and Telecom Bubble
2003	34.5	38.6	(4.1)	
2004	25.2	20.3	4.9	
2005	14.7	13.5	1.2	
2006	30.4	26.3	4.1	
2007	6.2	11.2	(5.0)	
2008	(42.2)	(43.4)	1.2	Global Financial Crisis
2009	36.9	31.8	5.1	
2010	19.4	7.8	11.6	
2011	(10.3)	(12.1)	1.8	
2012	17.7	17.3	0.4	
2013	17.5	22.8	(5.3)	
2014	(2.9)	(4.9)	2.0	
2015	(8.8)	(0.8)	(8.0)	
2016	12.3	1.0	11.3	
2017	27.9	25.0	2.9	
2018	(13.5)	(13.8)	0.3	
2019	17.7	22.0	(4.3)	
YTD³ 2020	(29.2)	(22.8)	(6.4)	
Since inception^{2,3}	10.1	7.0	3.1	

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.
 See Important Information.
 Source: Sprucegrove, MSCI



Application of the Process - Transaction Summary

Sprucegrove U.S. International Pooled Fund

New Holdings* / Additions

	Sector	Projected ROE (%)	Normalized P/E (X)
*Johnson Matthey	Materials	15.0	12.6
*Fanuc	Industrials	13.0	15.1
*Maruti Suzuki	Cons. Disc.	18.0	16.6
*AIN Holdings	Cons. Staples	14.0	13.9
*Ambev	Cons. Staples	24.0	12.5
*HDFC	Financials	18.0	12.5
*Checkpoint Software	Info. Tech.	22.0	16.4
*Zee Entertainment	Comm. Services	18.0	11.2
TGS	Energy	18.0	5.9
Total	Energy	14.0	5.2
Adelaide Brighton	Materials	15.0	9.5
Fuchs Petrolub	Materials	24.0	11.6
Nitto Denko	Materials	12.0	10.9
Victrix	Materials	23.0	15.7
Adani Ports	Industrials	20.0	11.7
Copa Holdings	Industrials	15.0	10.9
IMI	Industrials	25.0	11.3
Jardine Strategic	Industrials	11.0	3.3
Kubota	Industrials	12.0	12.5
Ryanair	Industrials	20.0	12.1
Smiths Group	Industrials	20.0	9.8
Travis Perkins	Industrials	12.0	6.1
Weir Group	Industrials	15.0	8.1
BMW	Cons. Disc.	10.0	4.2
Carnival	Cons. Disc.	11.0	7.5
Nokian Tyres	Cons. Disc.	16.0	11.5
Toyota Motor	Cons. Disc.	11.0	7.7
Yue Yuen	Cons. Disc.	9.0	9.8
Henkel	Cons. Staples	15.0	10.9
Tiger Brands	Cons. Staples	20.0	8.7
AIA Group	Financials	15.0	11.9
Banco Bradesco	Financials	17.0	5.8
Banco Santander	Financials	11.0	4.3
HSBC	Financials	10.0	6.9
Average		16.0	10.1
MSCI EAFE		11.0	12.0

Eliminations** / Reductions

	Sector	Projected ROE (%)	Normalized P/E (X)
**Fugro	Energy	12.0	4.4
**POSCO	Materials	6.0	5.7
**Alcon	Health Care	5.0	24.5
**CLP Holdings	Industrials	12.0	13.5
Air Liquide	Materials	14.0	23.7
CAE	Industrials	14.0	32.4
Bakkafrost	Cons. Staples	15.0	20.7
Nestlé	Cons. Staples	15.0	39.5
Tesco	Cons. Staples	12.0	12.8
Woolworths	Cons. Staples	17.0	32.2
State Bank of India	Financials	12.0	6.0
Infosys	Info. Tech.	26.0	20.2
Average		13.3	19.6
MSCI EAFE		11.0	12.0

Transactions are for Q1 2020

Valuation characteristics are at the time of the transaction; Index data is at the end of the quarter.

The information presented is an example of investment technique and should not be construed as representative of investment performance. A list of all securities purchased and sold within the past year together with dates and prices is available upon request.

See Important Information.

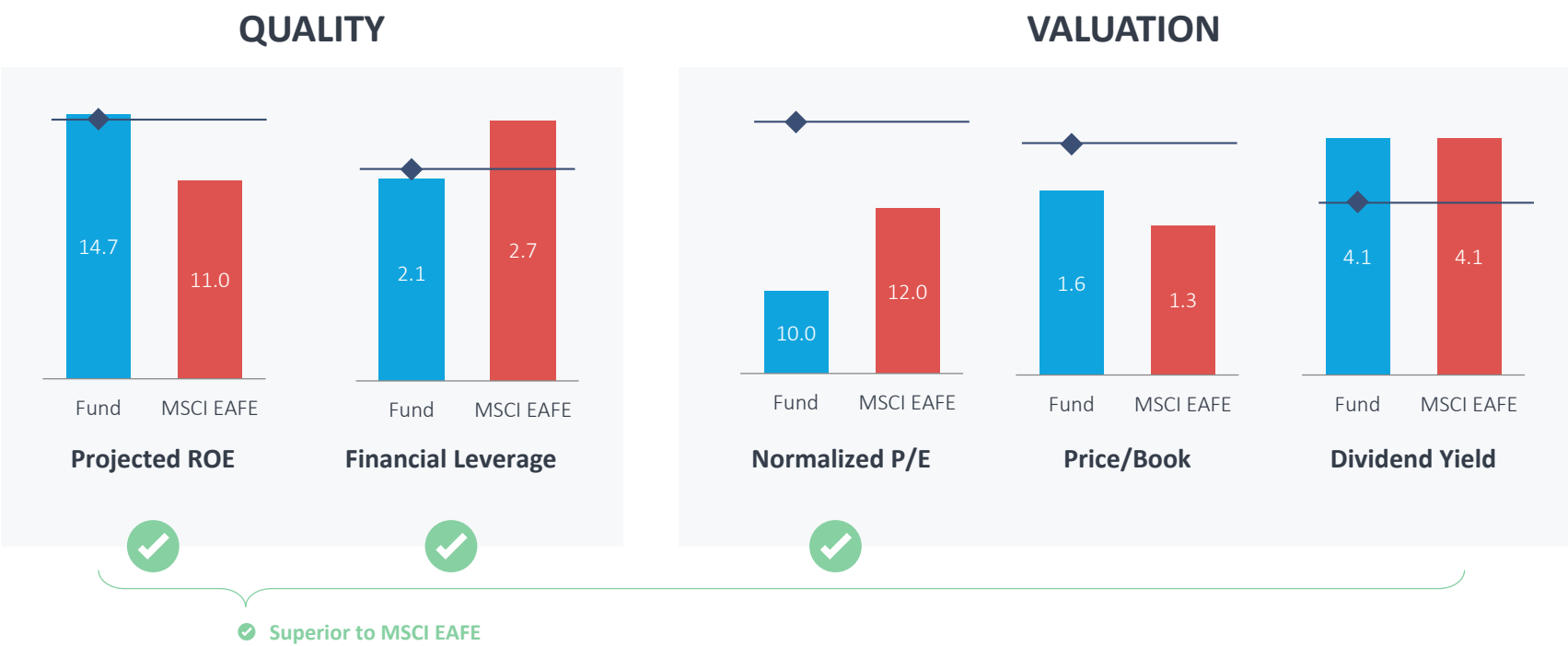
Source: Sprucegrove, MSCI, Capital IQ

Sprucegrove

7

Portfolio Characteristics

as at March 31, 2020



✓ Superior to MSCI EAFE

Quality companies at attractive valuations

Financial Leverage weighted average excludes companies in the Financials sector.
◆ Sprucegrove U.S. International Pooled Fund’s long term average since inception, September 30, 1985
See Important Information.
Source: Sprucegrove, MSCI, Capital IQ

Historical Rolling Returns

Sprucegrove EAFE – U.S. Client Composite

	Annual (%)		3 Years (%)		5 Years (%)		7 Years (%)		10 Years (%)		20 Years (%)		30 Years (%)	
	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE
1986	45.8	69.4												
1987	14.7	24.6												
1988	26.3	28.3	28.3	39.4										
1989	27.8	10.5	22.8	20.9										
1990	-6.8	-23.4	14.6	2.8	20.3	18.1								
1991	24.0	12.1	13.9	-1.7	16.4	8.7								
1992	1.3	-12.2	5.4	-9.0	13.6	1.4	17.9	12.3						
1993	37.3	32.6	19.9	9.3	15.5	2.0	16.9	8.5						
1994	6.2	7.8	13.9	7.9	11.3	1.5	15.6	6.2						
1995	12.3	11.2	17.8	16.7	15.5	9.4	13.6	4.1	17.9	13.6				
1996	17.9	6.0	12.0	8.3	14.3	8.2	12.3	3.5	15.4	8.4				
1997	10.4	1.8	13.5	6.3	16.3	11.4	15.1	7.8	14.9	6.3				
1998	9.0	20.0	12.4	9.0	11.1	9.2	13.0	8.8	13.3	5.5				
1999	22.3	27.0	13.7	15.7	14.3	12.8	16.1	14.7	12.8	7.0				
2000	2.5	-14.2	11.0	9.4	12.2	7.1	11.3	7.8	13.8	8.2				
2001	-5.0	-21.4	6.0	-5.0	7.5	0.9	9.6	3.0	10.8	4.5				
2002	-1.1	-15.9	-1.2	-17.2	5.1	-2.9	7.6	-1.0	10.6	4.0				
2003	34.2	38.6	8.0	-2.9	9.6	-0.1	9.6	2.9	10.3	4.5				
2004	24.9	20.3	18.3	11.9	10.0	-1.1	11.6	5.3	12.1	5.6				
2005	14.4	13.5	24.2	23.7	12.5	4.6	12.3	4.5	12.3	5.8	15.1	9.7		
2006	30.4	26.3	23.0	19.9	19.8	15.0	13.4	4.4	13.5	7.7	14.4	8.1		
2007	5.0	11.2	16.1	16.8	21.3	21.6	13.8	8.4	12.9	8.7	13.9	7.5		
2008	-42.2	-43.4	-7.5	-7.3	2.5	1.7	6.0	3.4	6.0	0.8	9.6	3.1		
2009	36.6	31.8	-6.1	-6.0	4.3	3.5	11.0	10.3	7.2	1.2	9.9	4.1		
2010	19.6	7.8	-1.9	-7.0	5.3	2.5	9.2	6.4	8.8	3.5	11.3	5.9		
2011	-10.3	-12.2	13.6	7.6	-2.3	-4.7	4.1	1.7	8.2	4.7	9.5	4.6		
2012	18.1	17.3	8.2	3.6	0.0	-3.7	4.6	2.2	10.1	8.2	10.4	6.1		
2013	17.6	22.8	7.6	8.2	15.3	12.4	3.1	1.8	8.7	6.9	9.5	5.7		
2014	-3.5	-4.9	10.2	11.1	7.5	5.3	1.8	-0.5	5.9	4.4	9.0	5.0		
2015	-8.7	-0.8	1.3	5.0	1.9	3.6	8.7	7.8	3.6	3.0	7.9	4.2	11.1	7.4
2016	11.4	1.0	-0.6	-1.6	6.5	6.5	5.6	3.8	2.0	0.7	7.6	4.2	10.1	5.6
2017	27.4	25.0	9.0	7.8	8.1	7.9	6.6	6.0	4.0	1.9	8.4	5.3	10.5	5.6
2018	-13.5	-13.8	7.1	2.9	1.6	0.5	6.0	5.8	8.2	6.3	7.1	3.5	9.1	4.2
2019	18.5	22.0	9.3	9.6	5.8	5.7	6.1	6.3	6.7	5.5	6.9	3.3	8.8	4.5
Periods Outperformed	68%		72%		90%		96%		100%		100%		100%	
Number of Years	23 / 34		23 / 32		27 / 30		27 / 28		25 / 25		15 / 15		5 / 5	

Legend	
Performance	Color
Outperform	
Underperform	

All data as at December 31 unless stated otherwise.

Performance is gross of fees in U.S. dollars.

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, MSCI

Sprucegrove



Appendices

A close-up photograph of spruce branches with dense, needle-like foliage, tinted in a deep blue color. The branches are in sharp focus in the foreground, while the background is softly blurred.

Investment Philosophy & Process

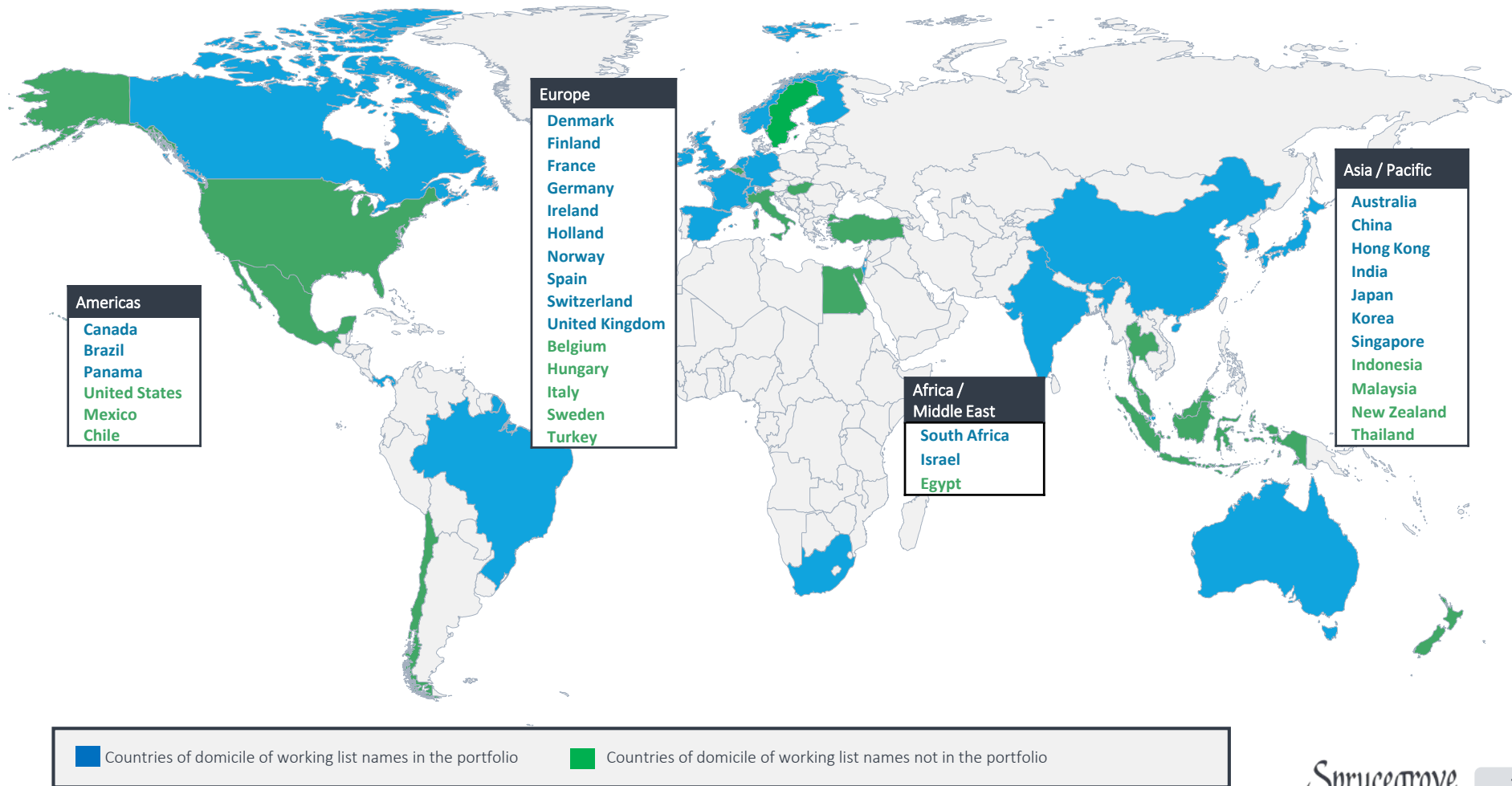
Foundation of our Investment Philosophy



Global Expertise

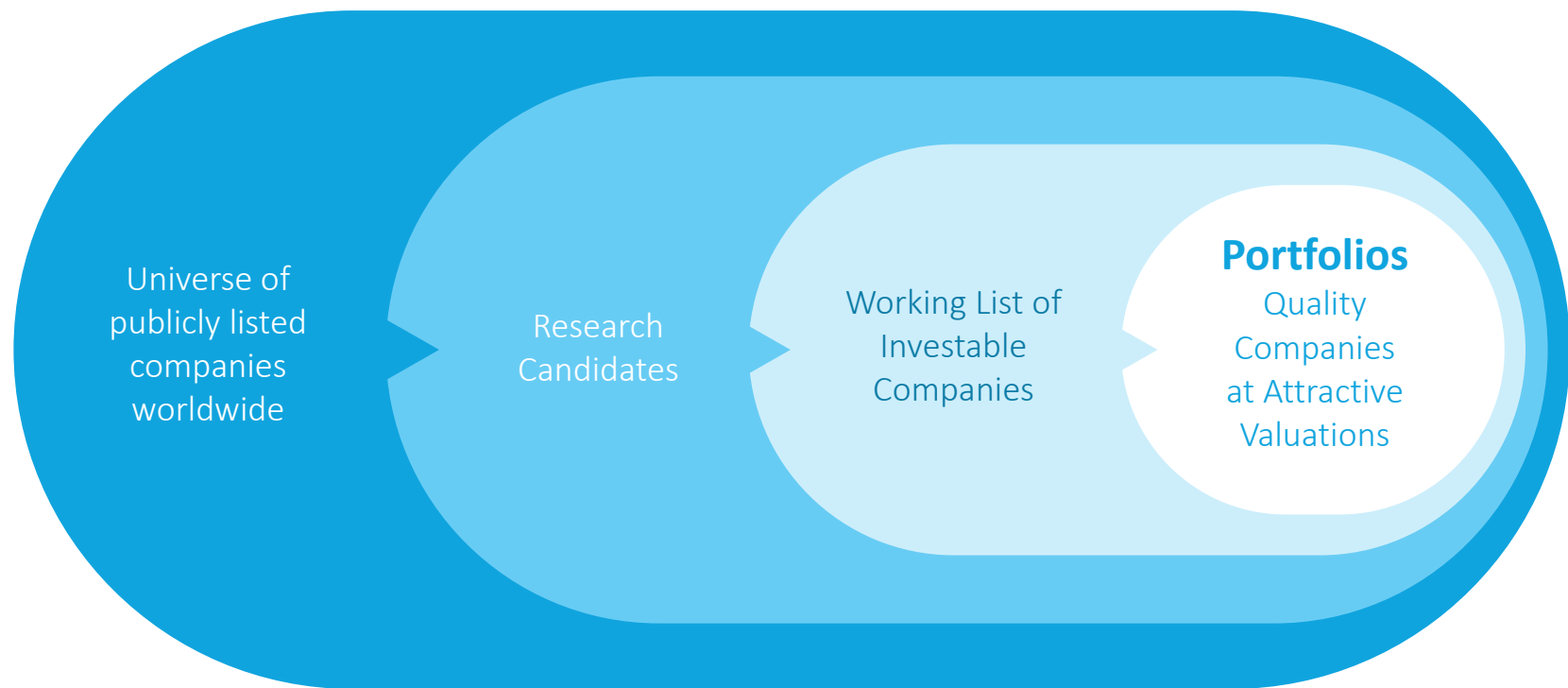
Canvassing the globe to discover, meet with and invest in quality companies

- ✓ **Working list: 378 names in 35 countries**
- ✓ **>30 years investing in DM**
✓ **>25 years investing in EM**
- ✓ **Sprucegrove U.S. International Pooled Fund:**
87 holdings in 22 countries



All data as at March 31, 2020
See Important Information.

Investment Process



Our portfolios are constructed from the bottom-up, based on quality & valuation

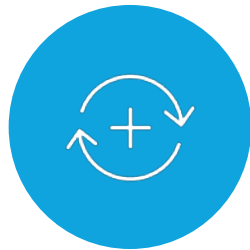
Investment Process

Research

We define quality through five criteria



Above Average
and Consistent
Profitability



Sustainable
Competitive
Advantages



Financial
Strength



Opportunity to
Grow the
Business



Capable
Management

Margin of safety on quality

Environmental, Social and Governance (ESG)

Signatory of:



Sprucegrove has been a signatory of the Principles for Responsible Investment (PRI) since 2016.

- ESG considerations have a role in identifying good long-term investments and potential investment risks.
- We aim to effectively promote positive change by being an engaged investor.
 - Our approach is to engage with companies privately.
 - We communicate with company management about ESG issues at in-person meetings or through formal correspondence and proxy voting.
- While we generally do not apply ESG by exclusion, we have historically avoided investing in companies whose main activity is Tobacco, Casinos and Gaming and Firearms.

A component of our internal research for more than 25 years



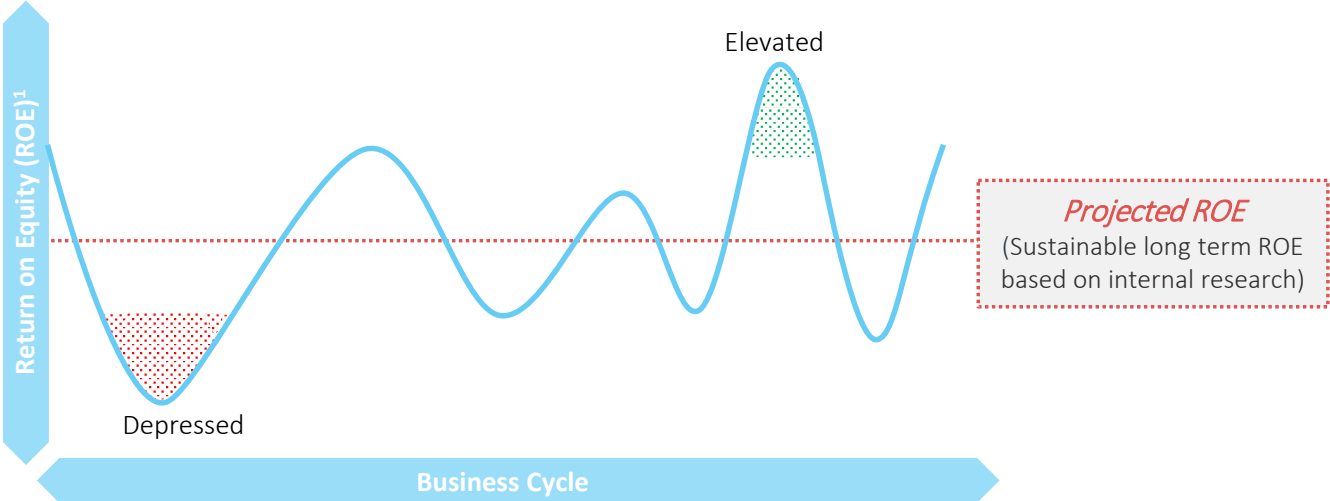
For illustrative purposes only

Investment Process

1. QUALITY

Proprietary Research

Margin of Safety:
Conservative Projection

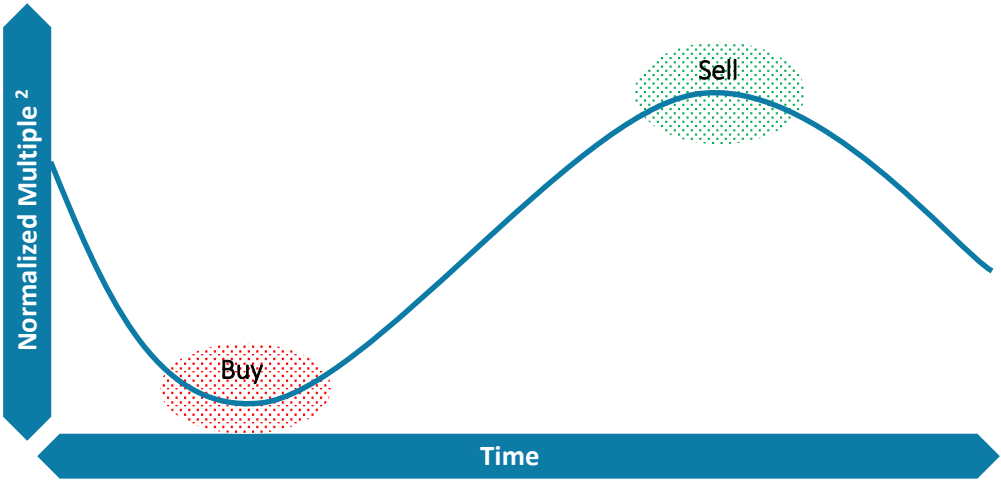


¹ ROE = (EBT / Sales) x (1-Tax) x (Sales / Total assets) x (Total assets / Total Common Equity)

2. VALUATION

Proprietary Method

Margin of Safety:
Disciplined Valuation



² Normalized Multiple = Price / Normalized Earnings; Normalized Earnings = BVPS x Projected ROE

Security Selection

Buy Discipline

Attractive Quality

BUSINESSES THAT

- We understand
- Meet our quality standards



Attractive Valuations

RELATIVE TO

- Market indices
- Historical valuation
- Global peers

A security is purchased when it meets our quality criteria and is attractively valued.

FANUC – Japan

New Holding – Q1 2020

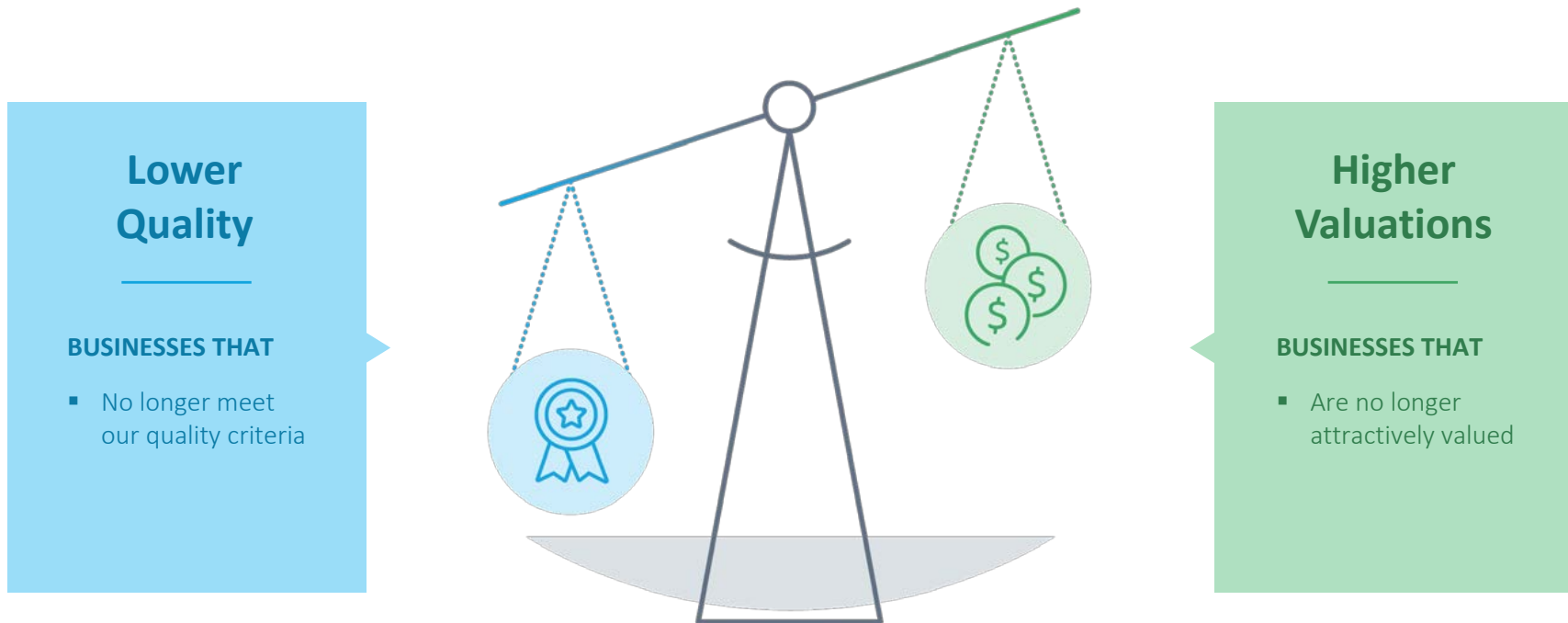
LEADERSHIP POSITION	RECORD OF HIGH & CONSISTENT PROFITABILITY	FINANCIAL POSITION	GROWTH OPPORTUNITY	MANAGEMENT
<ul style="list-style-type: none"> Leader in computer numerical control panels (50% market share) and industrial robots (20% market share) Strong reputation for building reliable and easy-to-use products 	<ul style="list-style-type: none"> Operating margin has averaged 34% over the last 10 years ROE has averaged 12% over the last 10 years 	<ul style="list-style-type: none"> Net cash equal to over 40% of assets 	<ul style="list-style-type: none"> Growing demand for factory automation in areas like food & beverage and warehouse-applications Growing their service-related revenues 	<ul style="list-style-type: none"> Experienced management team Focused on low cost manufacturing of high quality products

Market Cap. \$27.7 B USD			FANUC Holdings Q1 2020	MSCI Japan Q1 2020	MSCI EAFE Q1 2020
Quality	Projected ROE	(%)	13.0	7.0	11.0
	Financial Leverage	(X)	1.1	2.4	2.7
Valuation	Normalized P/E	(X)	15.1	15.4	12.0
	Price/Book	(X)	2.0	1.1	1.3
	Dividend Yield	(%)	2.6	2.8	4.1

Valuation characteristics are based on the average price of the transactions during the quarter and latest reported book value per share.
See Important Information
Source: Sprucegrove, MSCI, Capital IQ

Security Selection

Sell Discipline



A security is sold when it no longer meets our quality criteria or is no longer attractively valued.

Woolworths – Australia

Recent Reduction – Q1 2020

LEADERSHIP POSITION	RECORD OF HIGH & CONSISTENT PROFITABILITY	FINANCIAL POSITION	GROWTH OPPORTUNITY	MANAGEMENT
<ul style="list-style-type: none"> Market leader with 34% market share Competitive advantages in supply chain, store network, scale and selection 	<ul style="list-style-type: none"> Operating margin has averaged 5% over the last 10 years ROE has averaged 21% over the last 10 years 	<ul style="list-style-type: none"> Net Debt to Equity is 17% * 	<ul style="list-style-type: none"> Growth from online and Metro convenience stores 	<ul style="list-style-type: none"> Management has successfully refocused the company back to its core operations and strengths and stabilized profitability

*Excluding lease liabilities

Market Cap. \$27.0 B USD			Woolworths Q1 2020	MSCI Australia Q1 2020	MSCI EAFE Q1 2020
Quality	Projected ROE	(%)	17.0	12.0	11.0
	Financial Leverage	(X)	2.4	2.0	2.7
Valuation	Normalized P/E	(X)	32.2	13.2	12.0
	Price/Book	(X)	5.5	1.6	1.3
	Dividend Yield	(%)	2.9	5.7	4.1

Valuation characteristics are based on the average price of the transactions during the quarter and latest reported book value per share.
See Important Information
Source: Sprucegrove, MSCI, Capital IQ

A close-up photograph of evergreen tree branches, likely spruce or fir, with a strong blue color cast. The branches are covered in dense, needle-like foliage. The text "Portfolio Review" is centered over the image in a white, sans-serif font.

Portfolio Review

Top 10 Holdings

Sprucegrove U.S. International Pooled Fund

Stock	Country	Sector	% of Fund	Projected ROE (%)	Financial Leverage ¹ (x)	Normalized P/E (x)	P/B (x)	Dividend Yield (%)
Air Liquide	France	Materials	2.8	14.0	2.3	20.8	2.9	2.3
Novartis	Switzerland	Health Care	2.7	18.0	2.1	18.7	3.4	3.7
Samsung Electronics	Korea	Information Technology	2.5	14.0	1.3	7.9	1.1	3.2
CRH	Ireland	Materials	2.2	11.0	2.2	12.4	1.4	3.4
Diageo	U.K.	Consumer Staples	2.2	34.0	4.2	23.7	8.1	2.7
HSBC	U.K.	Financials	2.1	10.0	16.7	5.6	0.6	0.0
Yara International	Norway	Materials	2.1	14.0	1.9	8.2	1.2	4.6
Total	France	Energy	2.1	14.0	2.3	6.3	0.9	7.3
LafargeHolcim	Switzerland	Materials	2.1	9.0	2.2	8.4	0.8	5.7
United Overseas Bank	Singapore	Financials	2.0	12.0	10.2	6.7	0.8	6.8
Total			22.8					
Weighted Average				15.1	2.3	12.3	2.2	3.9
MSCI EAFE				11.0	2.7	12.0	1.3	4.1

All data as at March 31, 2020

¹ Financial Leverage weighted average excludes companies in the Financials sector.

See Important Information.

Source: Sprucegrove, MSCI, Capital IQ

Holdings in Energy

Sprucegrove U.S. International Pooled Fund

March 31, 2020		Quality			Valuation	
Company	Country	Projected ROE (%)	Financial Leverage (x)	Normalized P/E (x)	Price/Book (x)	Dividend Yield (%)
Royal Dutch Shell	United Kingdom	15.0	2.2	5.1	0.8	10.4
SBM Offshore	Holland	14.0	3.7	7.0	1.0	5.6
TC Energy Corp	Canada	14.0	3.7	15.7	2.2	4.8
TGS	Norway	18.0	1.4	5.2	0.9	9.1
Total	France	14.0	2.3	6.3	0.9	7.3
Fund Energy Sector		14.7	2.7	6.8	1.0	7.5
Total Fund		14.7	2.1*	10.0	1.6	4.1
MSCI EAFE Index		11.0	2.7 *	12.0	1.3	4.1

* Excludes Financials

All data as at March 31, 2020 unless stated otherwise.

It should not be assumed that investments made in the future will be profitable or will equal any results shown here. Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI, Capital IQ

See Important Information

Holdings in Materials

Sprucegrove U.S. International Pooled Fund

March 31, 2020		Quality			Valuation	
Company	Country	Projected ROE (%)	Financial Leverage (x)	Normalized P/E (x)	Price/Book (x)	Dividend Yield (%)
Adelaide Brighton	Australia	15.0	1.7	7.9	1.2	4.6
Air Liquide	France	14.0	2.3	20.8	2.9	2.3
Ambuja Cements	India	13.0	1.7	9.9	1.3	2.3
Anglo American	United Kingdom	13.0	2.3	7.2	0.9	6.0
BASF	Germany	15.0	2.2	6.5	1.0	7.6
BHP Group plc	United Kingdom	18.0	2.1	9.7	1.7	9.3
CRH	Ireland	11.0	2.2	12.4	1.4	3.4
Fuchs Petrolub	Germany	24.0	1.3	12.0	2.9	3.0
Johnson Matthey	United Kingdom	15.0	2.3	8.5	1.3	4.8
LafargeHolcim	Switzerland	9.0	2.2	8.4	0.8	5.7
Nitto Denko	Japan	12.0	1.3	8.6	1.0	3.7
Victrex	United Kingdom	23.0	1.2	16.0	3.7	3.0
Yara International	Norway	14.0	1.9	8.2	1.2	4.6
Fund Materials Sector		14.2	2.0	11.2	1.6	4.7
Total Fund		14.7	2.1*	10.0	1.6	4.1
MSCI EAFE Index		11.0	2.7 *	12.0	1.3	4.1

* Excludes Financials

All data as at March 31, 2020 unless stated otherwise.

It should not be assumed that investments made in the future will be profitable or will equal any results shown here. Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI, Capital IQ

See Important Information

Holdings in Industrials

Sprucegrove U.S. International Pooled Fund

March 31, 2020		Quality			Valuation	
Company	Country	Projected ROE (%)	Financial Leverage (x)	Normalized P/E (x)	Price/Book (x)	Dividend Yield (%)
Boskalis Westminster	Holland	16.0	1.9	5.4	0.9	6.1
CAE	Canada	14.0	3.1	14.9	2.1	2.4
FANUC	Japan	13.0	1.1	15.0	2.0	2.6
IMI	United Kingdom	25.0	2.6	11.4	2.9	2.0
Jardine Matheson	Hong Kong	12.0	3.2	5.0	0.6	3.5
Jardine Strategic	Hong Kong	11.0	2.7	3.1	0.3	1.6
Johnson Electric	Hong Kong	14.0	1.7	3.7	0.5	4.3
Komatsu	Japan	10.0	2.0	8.8	0.9	6.8
Kubota	Japan	12.0	2.2	9.1	1.1	2.8
Misumi	Japan	13.0	1.2	23.3	3.0	0.9
Sembcorp Industries	Singapore	10.0	3.9	4.5	0.5	3.3
Smiths Group	United Kingdom	20.0	2.3	10.3	2.1	3.8
Travis Perkins	United Kingdom	12.0	2.5	7.3	0.9	5.3
Ushio	Japan	7.0	1.4	8.6	0.6	5.0
Weir Group	United Kingdom	15.0	2.6	5.9	0.9	2.4
Aggreko	United Kingdom	15.0	1.9	6.1	0.9	0.0
Adani Ports	India	20.0	2.4	10.3	2.1	0.1
Copa Holdings	Panama	15.0	2.3	6.6	1.0	5.7
Ryanair (ADR)	Ireland	20.0	2.4	8.4	1.7	0.0
Fund Industrials Sector		14.5	2.3	7.0	1.2	3.2
Total Fund		14.7	2.1*	10.0	1.6	4.1
MSCI EAFE Index		11.0	2.7*	12.0	1.3	4.1

* Excludes Financials

See Important Information.
Source: Sprucegrove, MSCI, Capital IQ



Holdings in Consumer Discretionary

Sprucegrove U.S. International Pooled Fund

March 31, 2020		Quality			Valuation	
Company	Country	Projected ROE (%)	Financial Leverage (x)	Normalized P/E (x)	Price/Book (x)	Dividend Yield (%)
BMW	Germany	10.0	4.1	5.2	0.5	5.3
Denso	Japan	9.0	1.6	7.8	0.7	4.2
Honda Motors	Japan	10.0	2.5	4.7	0.5	4.9
Maruti Suzuki	India	18.0	1.4	15.4	2.8	1.9
Nokian Tyres	Finland	16.0	1.3	10.7	1.7	3.6
Toyota Motor	Japan	11.0	2.7	7.9	0.9	3.5
Xinyi Glass Holdings Limited	Hong Kong	17.0	1.7	9.8	1.7	6.3
Berkley Group	United Kingdom	18.0	1.7	8.3	1.5	3.3
Richemont	Switzerland	13.0	1.7	12.2	1.6	4.3
Swatch	Switzerland	12.0	1.2	7.3	0.9	4.1
Yue Yuen	Hong Kong	9.0	2.1	6.3	0.6	9.8
Carnival PLC	United Kingdom	11.0	1.8	3.1	0.3	12.2
Fund Consumer Discretionary Sector		12.4	2.0	8.0	1.1	4.9
Total Fund		14.7	2.1*	10.0	1.6	4.1
MSCI EAFE Index		11.0	2.7*	12.0	1.3	4.1

* Excludes Financials

See Important Information.
Source: Sprucegrove, MSCI, Capital IQ

U.K. Holdings

Sprucegrove U.S. International Pooled Fund

March 31, 2020		Quality			Value			
Company	Sector	Historical ROE (%)	Projected ROE (%)	Financial Leverage (x)	Normalized P/E (x)	Price/Book (x)	Dividend Yield (%)	Non-U.K. Sales (%)
Aggreko	Industrials	17.1	15.0	1.9	6.1	0.9	0.0	94.0
Anglo American	Materials	18.0	13.0	2.3	7.2	0.9	6.0	94.0
Berkeley Group	Consumer Discretionary	20.0	18.0	1.7	8.3	1.5	3.3	0.0
BHP Group PLC	Materials	24.8	18.0	2.1	9.7	1.7	9.3	100.0
Carnival PLC	Consumer Discretionary	9.0	11.0	1.8	3.1	0.3	12.2	93.5
Diageo	Consumer Staples	32.0	34.0	4.2	23.7	8.1	2.7	91.2
Electrocomponents	Information Technology	20.0	24.0	2.4	14.4	3.5	2.9	73.0
HSBC	Financials	12.0	10.0	16.7	5.6	0.6	0.0	67.1
IMI	Industrials	31.0	25.0	2.6	11.4	2.9	2.0	95.3
Johnson Matthey	Materials	16.0	15.0	2.3	8.5	1.3	4.8	82.9
Lloyds Banking Group	Financials	2.0	12.0	20.0	3.9	0.5	0.0	5.0
Royal Dutch Shell	Energy	20.0	15.0	2.2	5.1	0.8	10.4	85.9
Smiths Group	Industrials	25.0	20.0	2.3	10.3	2.1	3.8	95.6
Spectris	Information Technology	18.0	17.0	1.5	12.7	2.2	2.6	91.7
Tesco	Consumer Staples	14.1	12.0	3.3	12.5	1.5	3.1	19.2
Travis Perkins	Industrials	13.0	12.0	2.5	7.3	0.9	5.3	0.0
Victrex	Materials	25.0	23.0	1.2	16.0	3.7	3.0	98.0
Weir Group	Industrials	19.2	15.0	2.6	5.9	0.9	2.4	98.9
Fund U.K. Average		18.7	17.0	2.4*	9.7	2.0	4.0	
Total Fund Average		16.5	14.7	2.1*	10.0	1.6	4.1	
MSCI EAFE Index		9.5	11.0	2.7*	12.0	1.3	4.1	

* Excludes Financials

See Important Information.
Source: Sprucegrove, MSCI, Capital IQ

Emerging Market Holdings

Sprucegrove U.S. International Pooled Fund

March 31, 2020			Quality			Valuation	
Company	Country	Market Cap. (US\$ Bn)	Projected ROE (%)	Financial Leverage (x)	Normalized P/E (x)	Price/Book (x)	Dividend Yield (%)
Ambev (US\$ ADR)	Brazil	36	24.0	1.7	9.9	2.4	5.7
Banco Bradesco	Brazil	31	17.0	10.2	5.8	1.0	8.4
China Mobile	China	151	11.0	1.5	8.6	1.0	6.0
Adani Ports	India	7	20.0	2.4	10.3	2.1	0.1
Ambuja Cements	India	4	13.0	1.7	9.9	1.3	2.3
GAIL	India	5	15.0	1.5	4.8	0.7	3.9
HDFC Ltd	India	37	18.0	5.9	12.5	2.2	1.3
Infosys	India	36	26.0	1.3	15.6	4.0	3.2
Maruti Suzuki	India	17	18.0	1.4	15.4	2.8	1.9
State Bank of India	India	23	12.0	16.1	5.9	0.7	0.0
Zee Entertainment	India	2	18.0	1.5	7.0	1.3	2.8
Samsung Electronics	Korea	237	14.0	1.3	7.9	1.1	3.2
Copa Holdings	Panama	1	15.0	2.3	6.6	1.0	5.7
Tiger Brands	South Africa	2	20.0	1.5	10.0	2.0	4.1
Fund Emerging Markets		76	16.3	1.6*	8.6	1.5	3.8
Total Fund		45	14.7	2.1*	10.0	1.6	4.1
MSCI EM Index		3	12.0	2.5*	11.6	1.4	3.2
MSCI EAFE Index		12	11.0	2.7 *	12.0	1.3	4.1

* Excludes Financials

Sprucegrove's Emerging Markets holdings have higher quality and more attractive valuation than the Fund and relevant indices

See Important Information.
Source: Sprucegrove, MSCI, Capital IQ



Sector Weightings/Returns – Q1 2020

Sprucegrove U.S. International Pooled Fund

Sector	Weighting, as at March 31, 2020 ¹ (%)		Performance, Quarter ending March 31, 2020 ¹ (%)		
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ²	MSCI EAFE	Impact ³
Energy	6.6	4.0	(39.0)	(36.2)	-
Materials	18.6	6.7	(29.0)	(26.8)	-
Industrials	17.1	14.2	(36.4)	(26.4)	-
Consumer Discretionary	14.8	11.1	(31.7)	(26.8)	-
Consumer Staples	8.4	12.6	(21.5)	(13.5)	-
Health Care	4.2	14.3	2.1	(8.9)	-
Financials	12.8	16.4	(37.3)	(31.6)	-
Information Technology	11.0	7.6	(18.4)	(17.7)	+
Communication Services	3.4	5.5	(26.8)	(18.0)	-
Utilities	0.9	4.2	(32.3)	(13.2)	-
Real Estate	1.0	3.3	(32.1)	(27.6)	+
Cash	1.3	-	-	-	-
Total	100.0	100.0	(29.2)	(22.8)	

Holdings in the Industrials sector are the top detractors.

¹ Bold numbers indicate primary contributors to relative performance vs. the Index.

² Returns are gross of fees in U.S. dollars.

³ Net impact of sector allocation and security selection on relative performance.

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, MSCI, SS&C



Impact Stocks – Q1 2020

Sprucegrove U.S. International Pooled Fund

	Country	Sector	Average Weighting (%)	Estimated Contribution (bps)
Top 5 Contributors				
Nihon Kohden	Japan	Health Care	1.0	33
¹ Check Point Software*	Israel	Information Technology	0.1	4
¹ Fanuc*	Japan	Industrials	0.1	2
¹ AIN Holdings*	Japan	Consumer Staples	0.1	2
¹ HDFC*	India	Financials	0.0	0
				41
Bottom 5 Contributors				
Carnival*	United Kingdom	Consumer Discretionary	1.2	(113)
Travis Perkins*	United Kingdom	Industrials	1.9	(103)
Lloyds Banking	United Kingdom	Financials	1.6	(98)
Banco Bradesco*	Brazil	Financials	1.5	(96)
Weir Group*	United Kingdom	Industrials	1.3	(90)
				(500)

*Addition

**Reduction

¹ New holding added to the portfolio in Q1 2020

Average weighting is calculated as the average daily weight of the equity in the portfolio. Contribution to Fund Return is calculated using the geometric daily linking of the return multiplied by the beginning of day weight. A list of all holdings' contributions is available upon request.

Refer to Performance Footnotes in the appendix for additional details.
See Important Information.

Source: Sprucegrove, MSCI, SS&C

Country Allocation & Performance – Q1 2020

Sprucegrove U.S. International Pooled Fund

	Weighting, as at: March 31, 2020 (%)		Quarter ending March 31, 2020 (%)	
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ¹	MSCI
Australia	1.8	5.9	(33.7)	(33.2)
Hong Kong	7.0	3.7	(21.0)	(17.3)
Japan	15.1	26.3	(17.4)	(16.8)
Singapore	5.2	1.2	(30.2)	(28.2)
Other	-	0.3	-	-
Pacific	29.1	37.4	(22.0)	(20.3)
Finland	1.6	1.0	(15.2)	(19.1)
France	4.9	10.8	(17.6)	(27.6)
Germany	6.3	8.3	(30.4)	(27.0)
Holland	3.4	4.2	(33.1)	(20.6)
Ireland	2.9	0.6	(33.0)	(25.7)
Italy	-	2.2	-	(29.3)
Spain	1.4	2.6	(42.4)	(29.8)
Other	-	1.2	-	-
Eurozone	20.5	30.7	(28.6)	(27.0)
Denmark	0.5	2.2	(36.5)	(8.0)
Norway	2.9	0.5	(40.6)	(33.4)
Sweden	-	2.7	-	(21.4)
Switzerland	8.5	10.7	(24.2)	(11.5)
U.K.	23.0	15.1	(37.8)	(28.8)
Other	-	-	-	-
Non-Eurozone	34.8	31.3	(35.1)	(21.8)
Israel	0.3	0.6	14.6	(18.1)
Middle East	0.3	0.6	14.6	(18.1)
Europe and Middle East	55.7	62.6	(32.8)	(24.3)
Brazil	1.6	-	(53.4)	(50.2)
China	1.5	-	(11.5)	(10.2)
India	5.1	-	(38.2)	(31.1)
Korea	2.5	-	(24.2)	(22.4)
Panama	0.8	-	(57.5)	-
South Africa	1.1	-	(30.3)	(40.3)
Emerging Markets	12.5	-	(35.5)	(23.6)
Canada	1.3	-	(26.9)	(27.5)
Cash	1.3	-	-	-
Total	100.0	100.0	Fund: (29.2)	EAFE: (22.8)

Holdings in the U.K. and exposure to Emerging Markets are the main detractors.

¹ Returns are gross of fees in U.S. dollars.

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, MSCI, SS&C



Annualized Performance Results

Developed and Emerging Markets breakout of the Sprucegrove U.S. International Pooled Fund

	Q1 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)	20 Years (%)	25 Years (%)
Developed Markets portion of the Fund¹	(28.5)	(21.5)	(13.0)	(3.8)	1.8	(0.9)	3.6	3.6	5.5	6.9
MSCI EAFE	(22.8)	(14.4)	(9.2)	(1.8)	1.4	(0.6)	2.7	3.1	2.0	4.0
Emerging Markets portion of the Fund¹	(34.1)	(37.6)	(22.2)	(11.4)	(1.0)	(2.9)	(1.6)	5.2	7.1	7.2
MSCI Emerging Markets²	(23.6)	(17.7)	(12.7)	(1.6)	2.8	(0.4)	0.7	5.4	5.2	5.2

All data as at March 31, 2020

¹ Sprucegrove U.S. International Pooled Fund. Source: InterSec (data analytics service provider)

² Source: MSCI. Index performance reflects a linking of the Gross Index return to the Net Index return on January 1, 2001.

Returns shorter than a 1-year period are arithmetic returns and have not been annualized. Returns greater than a 1-year period have been annualized. Returns are gross of fees in U.S. dollars.

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Sector Weightings/Returns – 1 Year, ending December 31, 2019

Sprucegrove U.S. International Pooled Fund

Sector	Weighting, as at December 31, 2019 ¹ (%)		Performance, YTD ending December 31, 2019 ¹ (%)		
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ²	MSCI EAFE	Impact ³
Energy	7.6	4.9	19.7	7.6	+
Materials	18.4	7.1	22.1	22.9	-
Industrials	17.0	15.0	21.2	26.2	-
Consumer Discretionary	14.1	11.6	12.9	24.8	-
Consumer Staples	7.9	11.3	24.8	18.9	+
Health Care	3.3	12.2	17.3	30.7	-
Financials	13.8	18.6	13.7	17.7	-
Information Technology	9.6	7.1	33.6	37.7	+
Communication Services	2.5	5.2	3.1	12.7	+
Utilities	1.1	3.7	(27.4)	19.2	-
Real Estate	1.0	3.5	(5.3)	14.8	-
Cash	3.8	-	-	-	
Total	100.0	100.0	17.7	22.0	

Holdings in Consumer Discretionary and Health Care had the most impact on relative performance.

¹ Bold numbers indicate primary contributors to relative performance vs. the Index.

² Returns are gross of fees in U.S. dollars.

³ Net impact of sector allocation and security selection on relative performance.

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, MSCI, SS&C

Impact Stocks – 1 Year, ending December 31, 2019

Sprucegrove U.S. International Pooled Fund

	Country	Sector	Average Weighting (%)	Estimated Contribution (bps)
Top 5 Contributors				
Travis Perkins	United Kingdom	Industrials	1.9	105
CRH	Ireland	Materials	2.0	96
LafargeHolcim	Switzerland	Materials	2.2	76
Samsung Electronics*Q2	Korea	Information Technology	1.9	75
Novartis	Switzerland	Health Care	2.4	73
				425
Bottom 5 Contributors				
GAIL	India	Utilities	1.4	(61)
¹ Sasol**Q4	South Africa	Materials	0.7	(47)
Jardine Matheson	Hong Kong	Industrials	1.1	(25)
Jardine Strategic	Hong Kong	Industrials	1.2	(20)
Nihon Kohden	Japan	Health Care	1.0	(17)
				(170)

*Addition

**Reduction

¹ Sasol was eliminated from the Fund on October 3, 2019

Average weighting is calculated as the average daily weight of the equity in the portfolio. Contribution to Fund Return is calculated using the geometric daily linking of the return multiplied by the beginning of day weight. A list of all holdings' contributions is available upon request.

Refer to Performance Footnotes in the appendix for additional details.
See Important Information.

Source: Sprucegrove, MSCI, SS&C



Country Allocation & Performance – 1 Year, ending Dec. 31, 2019

Sprucegrove U.S. International Pooled Fund

	Weighting, as at December 31, 2019 (%)		Performance, 1 Year ending December 31, 2019 (%)	
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ¹	MSCI
Australia	2.5	6.8	16.1	22.9
Hong Kong	6.2	3.5	0.8	10.3
Japan	12.1	24.5	17.4	19.6
Singapore	5.1	1.3	12.3	15.0
Other	-	0.3	-	-
Pacific	25.9	36.4	12.0	19.3
Finland	1.1	0.9	(0.9)	9.5
France	4.2	11.4	20.2	25.7
Germany	6.0	8.7	15.2	20.8
Holland	3.9	4.0	18.4	32.1
Ireland	2.7	0.6	59.6	37.5
Italy	-	2.3	-	27.3
Spain	1.5	2.8	(2.8)	12.0
Other	-	1.4	-	-
Eurozone	19.5	32.1	19.6	22.9
Denmark	0.6	1.8	56.1	28.2
Norway	3.4	0.6	17.6	10.4
Sweden	-	2.7	-	21.2
Switzerland	8.5	9.3	26.6	32.3
U.K.	24.6	16.5	30.5	21.0
Other	-	0.6	-	-
Non-Eurozone	37.1	31.5	28.8	24.4
Europe	56.6	63.6	25.7	23.8
Brazil	1.8	-	13.9	26.3
China	1.2	-	(8.9)	23.5
India	4.0	-	(8.4)	7.6
Korea	3.3	-	22.2	12.5
Panama	0.8	-	41.6	-
South Africa	1.0	-	(23.5)	10.0
Emerging Markets	12.0	-	1.2	18.4
Canada	1.7	-	36.8	27.5
Cash	3.8	-	-	-
Total	100.0	100.0	Fund: 17.7	EAFE: 22.0

**Exposure to Emerging markets and Hong Kong
had the most impact on relative performance.**

¹ Returns are gross of fees in U.S. dollars.

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, MSCI, SS&C



Multiple headwinds in 2019

Strong absolute return, but disappointing relative performance

<p><u>2020, 1 Year Return</u> Fund: 17.7% vs. MSCI EAFE: 22.0%</p> <p>Underperformance 4.3%</p>	~60%	<p>Exposure to Emerging Markets</p> <p><i>Weakness in:</i></p> <ul style="list-style-type: none"> › India (GAIL, State Bank of India) › Korea (POSCO) › South Africa (Sasol, Tiger Brands) › Brazil (Banco Bradesco)
	~20%	<p>Geo-political instability</p> <ul style="list-style-type: none"> › Hong Kong protests (Jardine Matheson, HongKong Land)

On-going macro-economic uncertainty has provided opportunities to increase our position in several quality companies at attractive valuations.

All data as at March 31, 2020

¹Sprucegrove U.S. International Pooled Fund

~ the percentage for each factor is approximately +/- 5%

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, MSCI, SS&C, StyleAnalytics

Cumulative total return history (net of fees) for VCERA

Growth of \$1,000 since inception on April 1, 2002 to March 31, 2020

Value added over and above
investment management fees



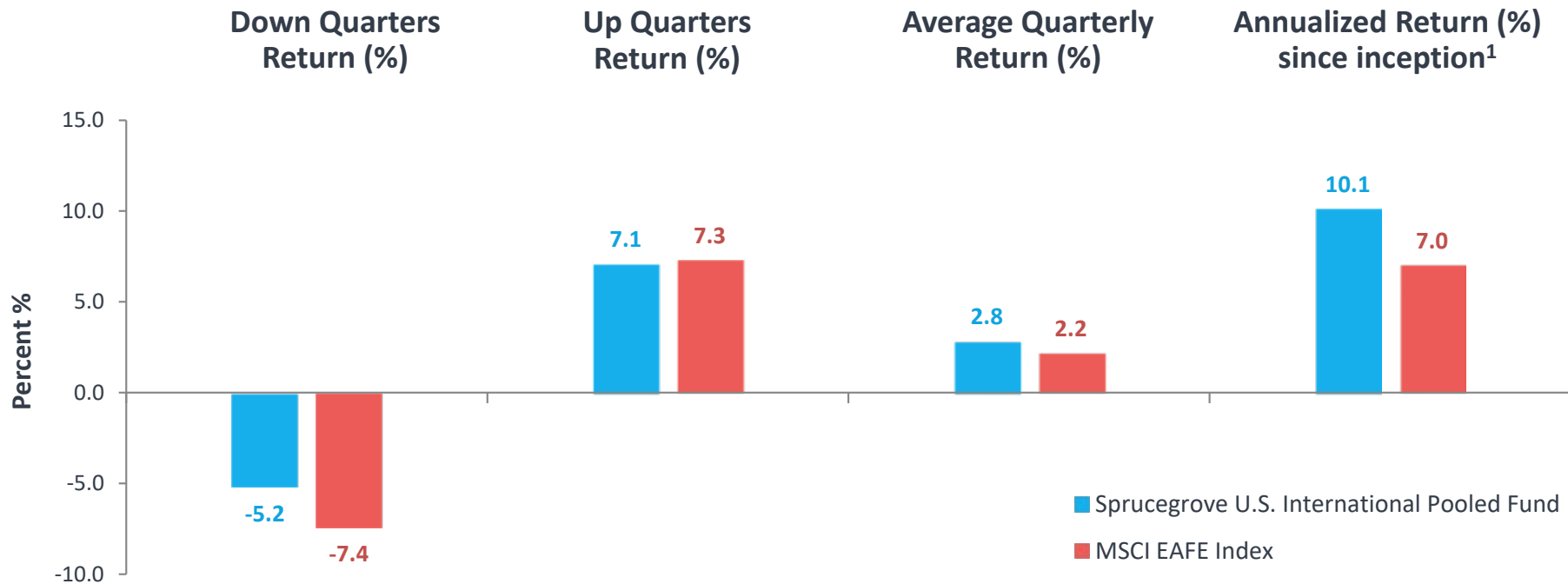
Returns are net of fees in U.S. dollars.

It should not be assumed that investments made in the future will be profitable or will equal any results shown here. Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI

Average Quarterly Up and Down Market Performance

Sprucegrove U.S. International Pooled Fund vs. MSCI EAFE, as at March 31, 2020



% of down quarters since inception ¹ : 35%	% of up quarters since inception ¹ : 65%
% of times Fund outperformed: 75%	% of times Fund outperformed: 43%
Down-market capture: 67% ²	Up-market capture: 84% ²

¹ Inception date of Fund: September 30, 1985

² Preliminary, subject to change

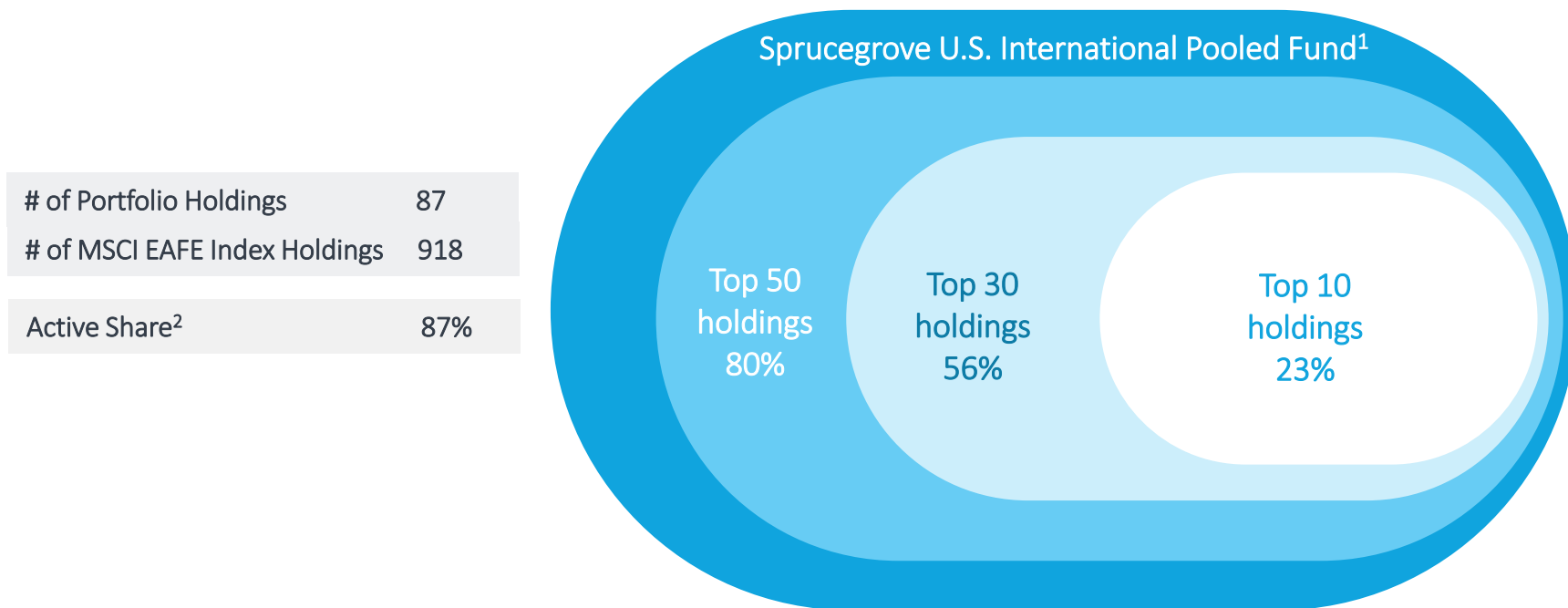
Negative Index returns in a quarter are considered down quarters whereas positive Index returns in a quarter are considered up quarters. Quarterly returns shown are not annualized and are simple arithmetic averages, for illustration purposes only. Returns are Gross of Fees in U.S. dollars. Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, eVestment, MSCI

Portfolio Concentration and Active Share

The majority of the portfolio is invested in the top 30-50 holdings



Our portfolios are constructed from the bottom-up, based on quality and valuation.

All data as at March 31, 2020

¹Top portfolio holdings excluding cash.

²Active Share is a measure of the percentage of stock holdings in a portfolio that differ from the benchmark.

Source: Sprucegrove, MSCI, Style Research

See Important Information.

Historical Characteristics

Sprucegrove U.S. International Pooled Fund

		'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19
Quality																					
Fund Projected ROE	%	13.6	14.6	14.6	14.5	14.5	15.0	16.5	17.5	16.9	15.9	15.4	15.2	15.0	15.1	15.0	14.9	14.2	14.4	14.4	14.3
MSCI EAFE Projected ROE	%	10.0	10.0	10.0	10.0	10.0	10.0	11.0	11.0	12.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Fund Historical ROE	%	13.7	14.3	14.1	14.5	14.6	16.0	17.5	18.4	17.8	17.4	17.0	16.8	16.6	16.8	16.6	16.8	17.3	16.3	16.7	16.6
MSCI EAFE Historical ROE	%	9.2	8.5	8.5	8.6	8.5	9.3	9.9	11.3	11.3	11.6	11.6	11.6	11.5	11.8	11.9	11.7	11.2	10.4	9.8	9.5
Fund Fin. Leverage¹	X	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.1	2.1	2.0	2.0	2.1	2.1	2.2	2.3	2.1	2.1	2.2
MSCI EAFE Fin. Leverage¹	X	3.2	3.1	3.1	3.2	3.2	3.1	3.0	2.8	2.8	2.8	2.8	2.7	2.8	2.7	2.7	2.7	2.7	2.7	2.7	2.8
Valuation																					
Fund Normalized P/E	X	17.7	15.0	12.8	14.4	15.8	17.3	17.3	14.4	9.8	12.8	13.5	11.4	12.5	13.7	13.4	12.0	13.3	14.2	11.7	13.2
MSCI EAFE Normalized P/E	X	28.0	21.5	16.1	19.9	20.0	23.6	22.3	20.0	10.1	14.6	14.0	11.5	13.0	15.6	15.0	14.8	15.0	15.9	13.3	15.3

Consistently applied philosophy and process over time

All data as at December 31 unless stated otherwise.

¹ Financial Leverage weighted average excludes companies in the Financials sector

See Important Information.

Source: Sprucegrove, MSCI, Capital IQ



Sprucegrove Guiding Principles

Objectives

- To provide clients with above average investment performance and superior service over the long term.
- To make our firm a good long-term investment, with the same quality and solid financial attributes we require from our investments.

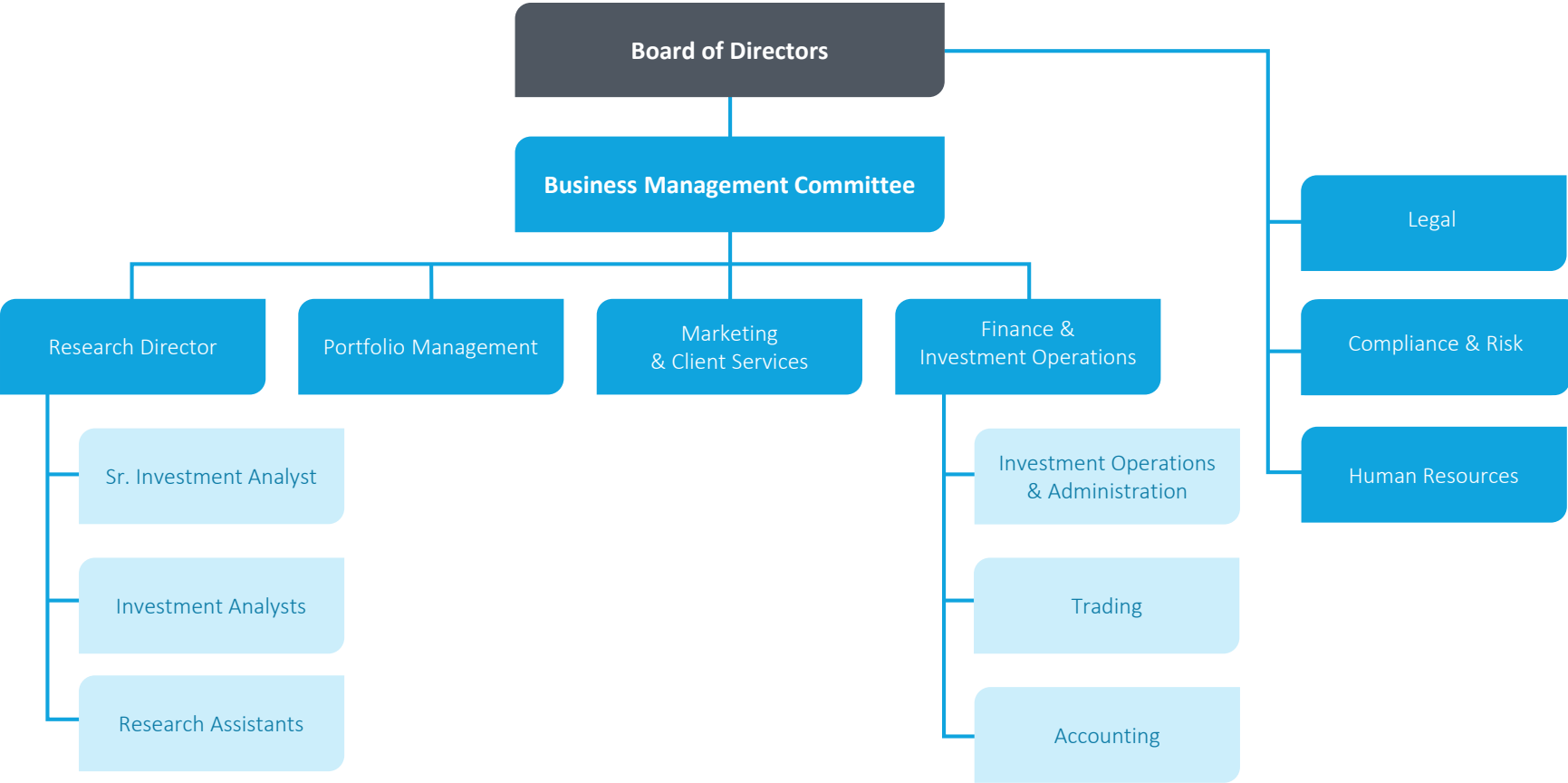
Organization

- We make each aspect of the firm stronger by working together as one team.
- We are independent and employee owned.
- We are a small, focused business, carefully controlling our growth.

Core Values

- **Trust** is the foundation of our team.
- We strive to act with **honesty and integrity** in all of our dealings to build strong relationships and our reputation.
- Showing **respect** for each other by being supportive and responsive.
- Putting our **clients' interests first**.
- **Leading by example**.
- Valuing **loyalty** to Sprucegrove, our colleagues, and our clients.
- Promoting a healthy **work/life balance**.
- Acting with **humility** and keeping a low profile.

Organization



As at March 31, 2020
See Important Information.

Investment and Client Services Professionals

As at March 31, 2020

Portfolio Management	Sprucegrove Years	Industry Years	Investment Analysts	Sprucegrove Years	Industry Years	Marketing and Client Services	Sprucegrove Years	Industry Years
◆ Shirley Woo ◦ B.A., CFA Portfolio Manager	32*	32	Alex Limion ◦ B.A., MBA, CFA	18	18	Tasleem Jamal ◦ B.Comm., B.A., MBA, CFA Vice President, Head of Marketing & Client Services	9	21
Erik Parnoja ¹ ◦ B.A., MBA, CFA Portfolio Advisor	24	24	Michael Jiang ◦ B.Sc., M.M.I.B., MBA	13	13	Sebastien Roy ◦ B.A., CFA Vice President, Marketing & Client Services	6	23
◆ Arjun Kumar ◦ B.A., MBA, CFA Portfolio Manager	17	17	Matthew Bellis ◦ B.Comm., CFA	12	12	Dan Noot B.Sc., MBA, CTP, CFA Vice-President, Institutional Business Development & Client Services	1	21
Chris Rankin ◦ B.A., B.Sc., CFA Assistant Portfolio Manager & Investment Analyst	16	19	Hugh Nowers ◦ B.Comm., CFA	6	6			
Jonathan Singer ◦ B.A., CFA Assistant Portfolio Manager & Investment Analyst	12	17	Kyle Koch ◦ B.Comm., MBA	3	3			
			David Kwok ◦ B.Comm., MBA, CFA	3	7			
			Chris Phillips ◦ B.A., CFA	4	4			
			Catherine Yi ◦ B.B.A., MBA, CFA	2	9			
Research Director & Senior Investment Analyst	Sprucegrove Years	Industry Years	Ihsan Kohistani B.Comm., M.A.	2	2			
Christine McLean ◦ B.S.B.A. Research Director & Investment Analyst	16	16	Bradley Romain B.Sc., CFA	1	18			
◆ Sabu Mehta ◦ B.Comm. Senior Investment Analyst	28*	32	Rajeev Saffar B.Eng., MBA	1	2			

An experienced team
with a collaborative
approach.

¹ Erik Parnoja: in preparation for his retirement on September 30, 2021, Erik will step down as Co-Lead to the Global and ACWI mandates and serve as a Portfolio Advisor to the firm. Going forward, Shirley Woo and Arjun Kumar will remain as Co-Leads.

◆ Member of Sprucegrove's Board of Directors

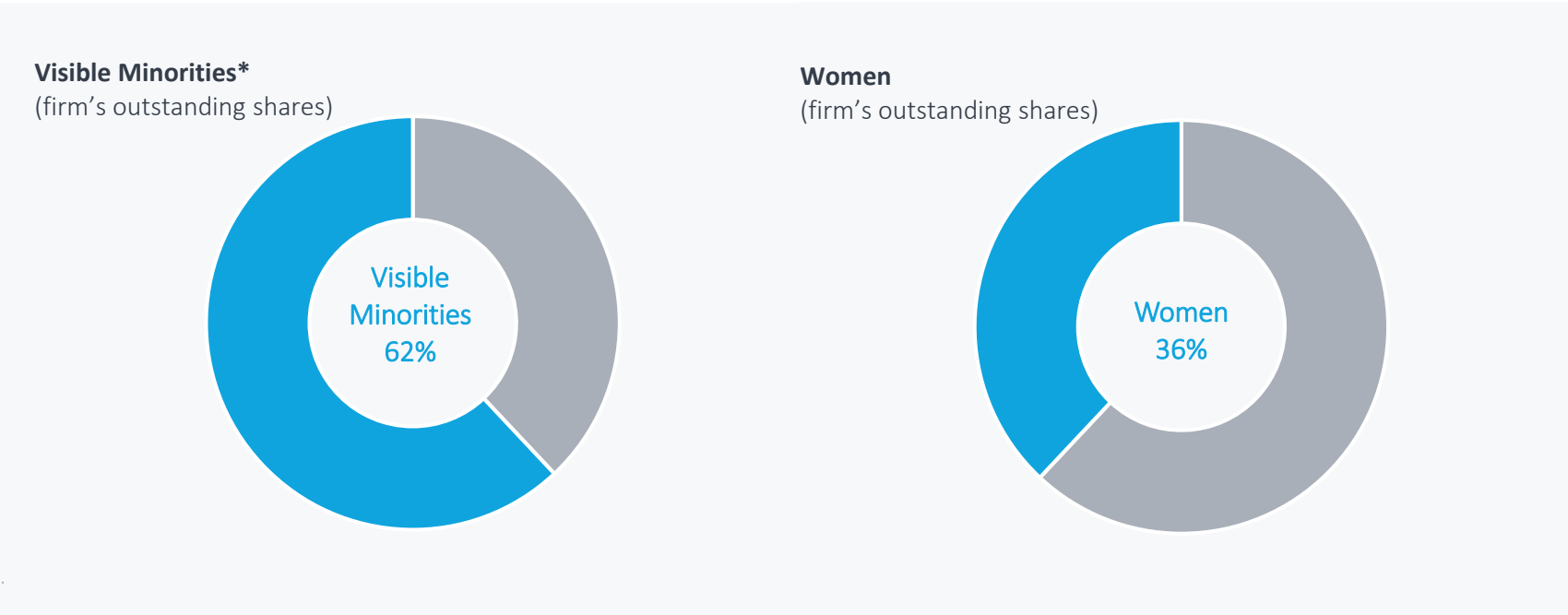
◦ Sprucegrove shareholder

* Includes years with Sprucegrove & Confederation Life

See Important Information.

Diversity and Inclusion

Firm Ownership**



Approximately 70% of the firm's outstanding shares are held by Women, Minorities or both.

39%	% of Shareholders	32%
62%	% of Ownership	36%

All data as at March 31, 2020, all % are approximate.

*In accordance with its procedures, CAMSC (Canadian Aboriginal and Minority Supplier Council) independently verified and certifies that 51% or more of the outstanding common shares of Sprucegrove are held by Aboriginal peoples and/or visible minorities. For the purpose of CAMSC certification, visible minority status is based on ethnic origin and not gender.

** All figures presented in this slide are tabulated by Sprucegrove.
See Important Information.

Partial List of Clients and Investors

Corporations



Public Plans



Universities



Non-Profits and Health Care



Insurance



Multi-Employer Plans



The above list is a partial list of investors which are clients of Sprucegrove or investors in Funds managed by Sprucegrove. Sprucegrove sought consent from all such clients and investors for their inclusion in this list. All clients and investors who provided their consent in writing are included. It is not known whether the listed clients and investors approve or disapprove of Sprucegrove or the advisory services provided.

Assets Under Management

March 31, 2020

	\$ USD (millions)	Number of Portfolios	Number of Clients ¹
Pooled Funds			
For Canadian Clients:			
International	1,795.1	1	9
Global	795.0	2	12
All Country World ex U.S.	293.9	2	2
All Country World	100.0	1	2
For U.S. Clients:			
International	1,139.5	3	18
Global	31.1	1	1
All Country World ex U.S.	593.1	2	11
Separate Accounts			
For Canadian Clients:			
International	265.7	1	1
Global	594.5	1	2
For U.S. Clients:			
International	5,419.0	11	5
TOTAL	11,026.9	25	63

¹ Clients with multiple mandates, accounted for in another category.

Historical Country Weightings

Sprucegrove U.S. International Pooled Fund

	Weightings (%)										MSCI EAFE
	Sprucegrove U.S. International Pooled Fund										
Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019
Australia	2.5	2.7	2.8	2.5	2.3	2.4	2.5	2.0	2.3	2.5	6.8
Hong Kong	5.0	5.4	5.4	5.7	6.7	6.8	6.6	6.1	7.0	6.2	3.5
Japan	20.8	20.8	19.5	16.7	15.5	13.8	12.8	12.2	11.9	12.1	24.5
Singapore	5.2	5.6	6.4	6.0	6.6	6.1	5.2	6.1	5.8	5.1	1.3
Other	-	-	-	-	-	-	-	-	-	-	0.3
Pacific	33.4	34.5	34.1	30.9	31.1	29.1	27.1	26.4	26.9	25.9	36.4
Finland	0.9	-	-	0.3	0.8	1.7	1.2	0.8	0.6	1.1	0.9
France	3.0	3.4	3.6	3.6	3.3	3.9	4.7	4.7	4.7	4.2	11.4
Germany	4.2	3.7	4.3	3.4	3.2	4.1	3.1	3.6	4.6	6.0	8.7
Holland	3.5	4.1	4.1	4.9	4.3	4.2	4.3	4.4	4.3	3.9	4.0
Ireland	4.3	4.5	4.4	4.0	3.5	3.6	2.4	1.5	1.7	2.7	0.6
Italy	2.6	1.0	1.0	1.1	1.0	1.0	0.6	0.5	0.7	-	2.3
Spain	1.7	1.6	2.0	2.5	2.6	2.2	2.1	2.3	1.7	1.5	2.8
Other	-	-	-	-	-	-	-	-	-	-	1.4
Eurozone	20.3	18.2	19.2	19.7	18.7	20.7	18.3	17.9	18.2	19.5	32.1
Denmark	-	-	-	-	-	-	-	0.2	0.4	0.6	1.8
Norway	-	-	0.4	0.8	1.9	2.1	3.1	3.1	3.5	3.4	0.6
Sweden	-	-	-	-	-	-	-	-	-	-	2.7
Switzerland	11.0	12.0	11.7	11.3	8.8	8.5	9.7	9.1	8.5	8.5	9.3
U.K.	18.7	17.6	18.1	18.9	19.1	20.7	22.3	22.6	23.1	24.6	16.5
Other	-	-	-	-	-	-	-	-	-	-	0.6
Non-Eurozone	29.7	29.7	30.2	31.0	29.8	31.2	35.0	35.0	35.4	37.1	31.5
Europe	50.0	47.9	49.4	50.8	48.5	52.0	53.3	52.9	53.6	56.6	63.6
Brazil	1.5	1.2	0.9	1.5	1.3	0.6	1.3	1.6	2.3	1.8	-
China	1.1	1.6	1.7	1.8	2.3	2.3	1.7	1.4	1.6	1.2	-
Hungary	0.6	0.4	0.4	0.5	0.3	-	-	-	-	-	-
India	1.3	1.4	1.7	2.9	4.0	4.3	3.9	4.7	5.0	4.0	-
Korea	3.8	3.5	3.5	3.3	3.1	3.1	4.0	3.7	3.0	3.3	-
Malaysia	0.6	0.4	0.2	0.3	0.4	0.4	-	-	-	-	-
Mexico	-	-	-	-	-	-	-	-	-	-	-
Panama	-	-	-	-	-	-	0.8	0.5	0.7	0.8	-
South Africa	2.4	2.8	2.5	2.3	2.3	2.1	2.3	2.4	2.2	1.0	-
Emerging Markets	11.3	11.2	11.0	12.5	13.6	12.7	14.0	14.3	14.8	12.0	-
Canada	2.4	2.8	3.0	3.5	3.6	3.0	3.0	2.1	1.9	1.7	-
Cash	2.8	3.6	2.5	2.4	3.2	3.2	2.6	4.4	2.8	3.8	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

All data as at December 31
See Important Information.
Source: Sprucegrove, MSCI

Historical Sector Weightings

Sprucegrove U.S. International Pooled Fund

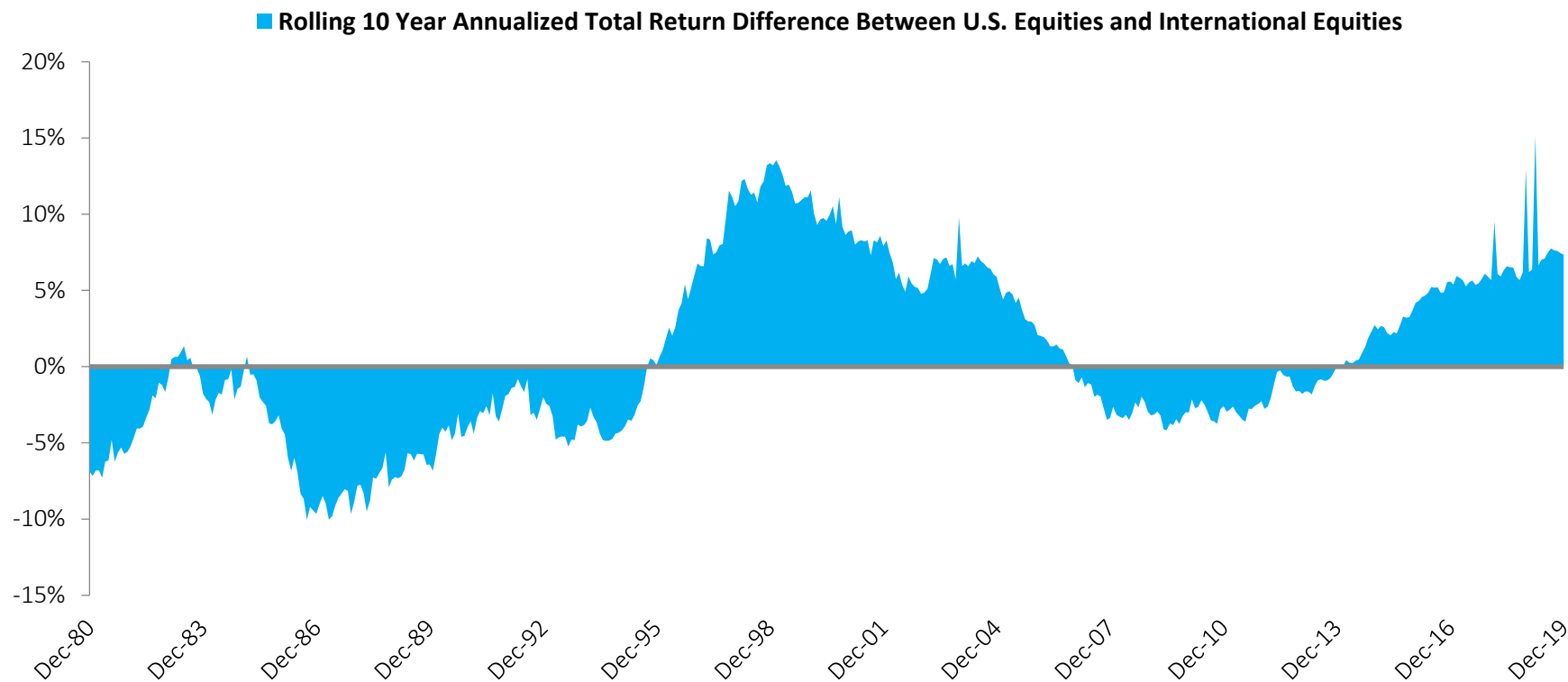
	Weightings (%)										MSCI EAFE
	Sprucegrove U.S. International Pooled Fund										
Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2019
Energy	11.2	11.3	10.1	11.6	10.0	10.0	11.0	9.8	9.1	7.6	4.9
Materials	10.4	11.6	11.4	11.8	11.7	10.8	15.0	15.5	17.3	18.4	7.1
Industrials	18.1	17.4	18.9	19.4	19.0	17.3	16.7	16.3	16.4	17.0	15.0
Consumer Discretionary	18.1	15.0	14.4	13.0	12.4	15.7	14.0	13.4	11.9	14.1	11.6
Consumer Staples	3.5	4.7	4.8	4.6	4.6	5.9	6.5	7.1	7.8	7.9	11.3
Health Care	7.6	9.3	8.1	7.5	6.1	4.8	3.5	3.5	4.4	3.3	12.2
Financials	9.5	9.9	11.0	12.9	15.4	15.5	14.3	14.6	14.8	13.8	18.6
Information Technology	12.4	10.9	12.4	11.4	11.4	10.9	11.1	10.1	9.0	9.6	7.1
Telecomm. Services	3.6	3.1	3.0	2.6	3.0	2.8	2.1	2.1	-	-	-
Communication Services	-	-	-	-	-	-	-	-	2.9	2.5	5.2
Utilities	2.8	3.2	3.3	2.9	3.2	3.2	1.9	2.1	2.3	1.1	3.7
Real Estate	-	-	-	-	-	-	1.3	1.2	1.3	1.0	3.5
Cash	2.8	3.6	2.5	2.4	3.2	3.2	2.6	4.4	2.8	3.8	-
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

All data as at December 31
See Important Information.
Source: Sprucegrove, MSCI



Why invest outside of the U.S.?

Diversification benefits can be seen from change in market leadership



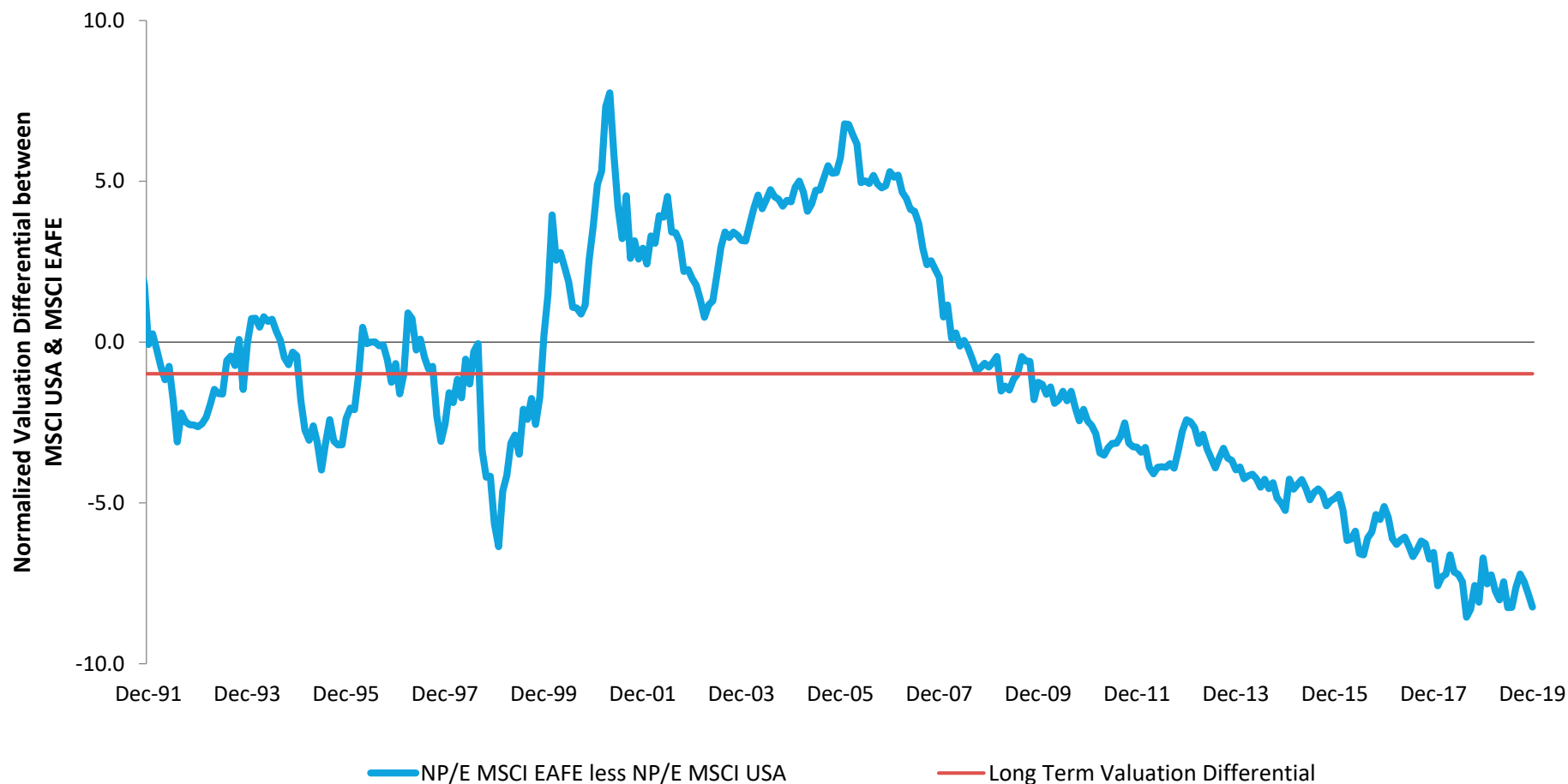
Source: MSCI data; MSCI USA gross Index used for U.S. equities; MSCI EAFE net Index (January 1970 – March 2000) and MSCI ACWI ex-U.S. net Index (January 2001 – March 2020) used for International Equities. In U.S. dollars.

Investment performance will be reduced by investment management fees. See Important Information.

See Important Information.

International stocks attractive

Normalized P/E of MSCI EAFE relative to MSCI USA

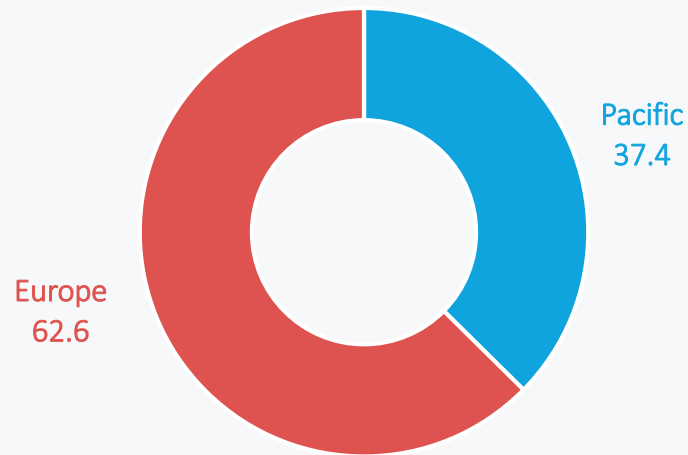


Normalized Earnings: Historical 10 Year Avg. ROE x Current Book Value
Normalized Price/Earnings Ratio (NP/E): Current Share price / Normalized Earnings
Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.
See Important Information.
Source: MSCI, Sprucegrove

MSCI ACWI ex USA Composition

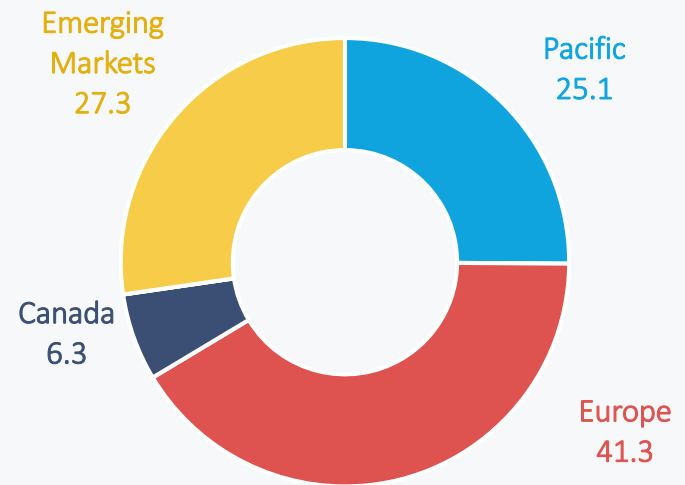
Regional breakdown at March 31, 2020

MSCI EAFE (%)



(Canada: 0 Emerging Markets: 0)

MSCI ACWI ex USA (%)



918

Number of stocks

2,411

21

Number of countries

48

0%

Weight in Emerging Markets

27.3%

Source: MSCI

See Important Information.

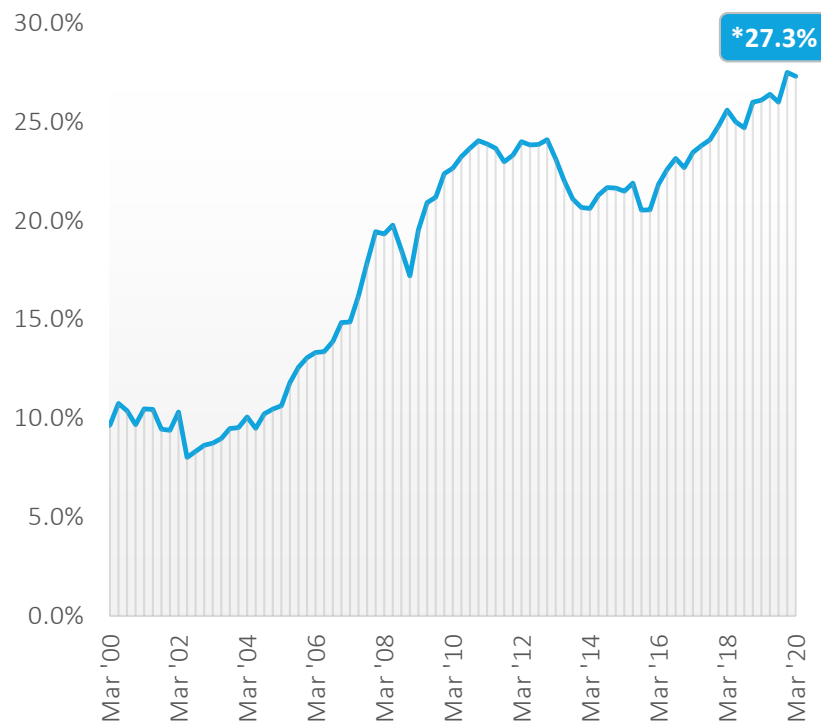
Sprucegrove

52

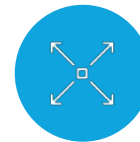
Why ACWI ex USA?

ACWI ex. USA has a higher allocation to Emerging Markets

MSCI ACWI ex. USA EM exposure



Better reflection of the investable universe



Expanded global opportunity set for quality companies



Increased access to diverse markets

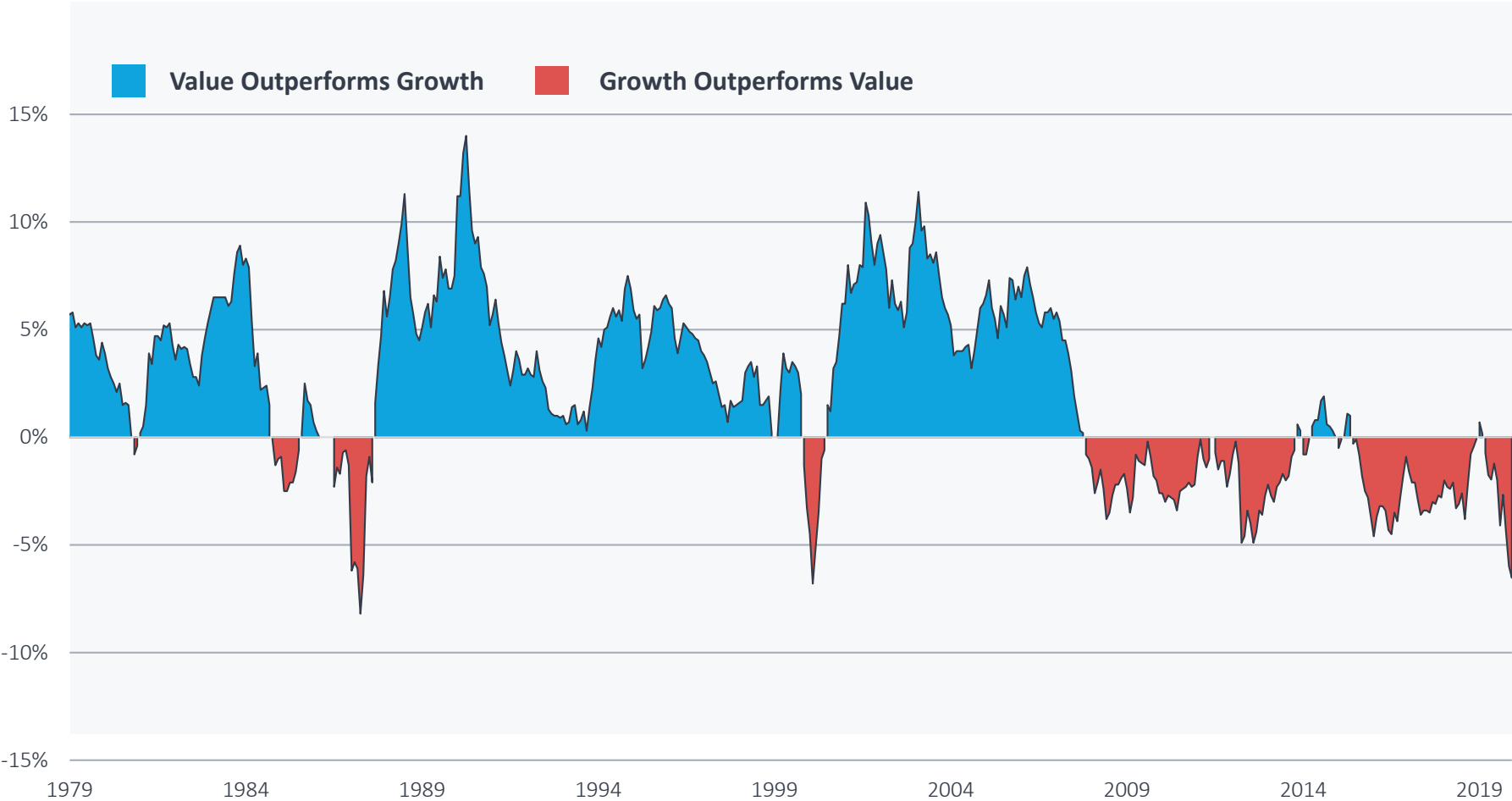


Broad based market exposure

*As at March 31, 2020
Source: MSCI
See Important Information.

MSCI Growth has outperformed the Value Index since 2007

3 Year Rolling Total Return Difference



Style Rotation depicts the MSCI EAFE Value and MSCI EAFE Growth Indices.
Performance is in U.S. dollars. Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.
See Important Information.
Source: eVestment.

MSCI EAFE Value and Growth Indices

Annual Performance Results

	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)
MSCI EAFE Value	16.1	(14.8)	21.4	5.0	(5.7)	(5.4)	23.0	17.7	(12.2)	3.2	34.2
MSCI EAFE Growth	27.9	(12.8)	28.9	(3.0)	4.1	(4.4)	22.5	16.9	(12.1)	12.2	29.4

Annualized Performance Results

	Q1 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)	20 Years (%)	25 Years (%)	30 Years (%)
MSCI EAFE Value	(28.2)	(22.8)	(14.8)	(6.6)	(1.4)	(3.8)	0.6	1.5	2.1	4.0	4.6
MSCI EAFE Growth	(17.5)	(5.8)	(3.6)	3.0	4.1	2.5	4.7	4.5	1.7	3.9	4.1

All data as at March 31, 2020

outperformed

Returns shorter than a 1-year period are arithmetic returns and have not been annualized. Returns greater than a 1-year period have been annualized. Returns are in U.S. dollars.

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details. See Important Information.

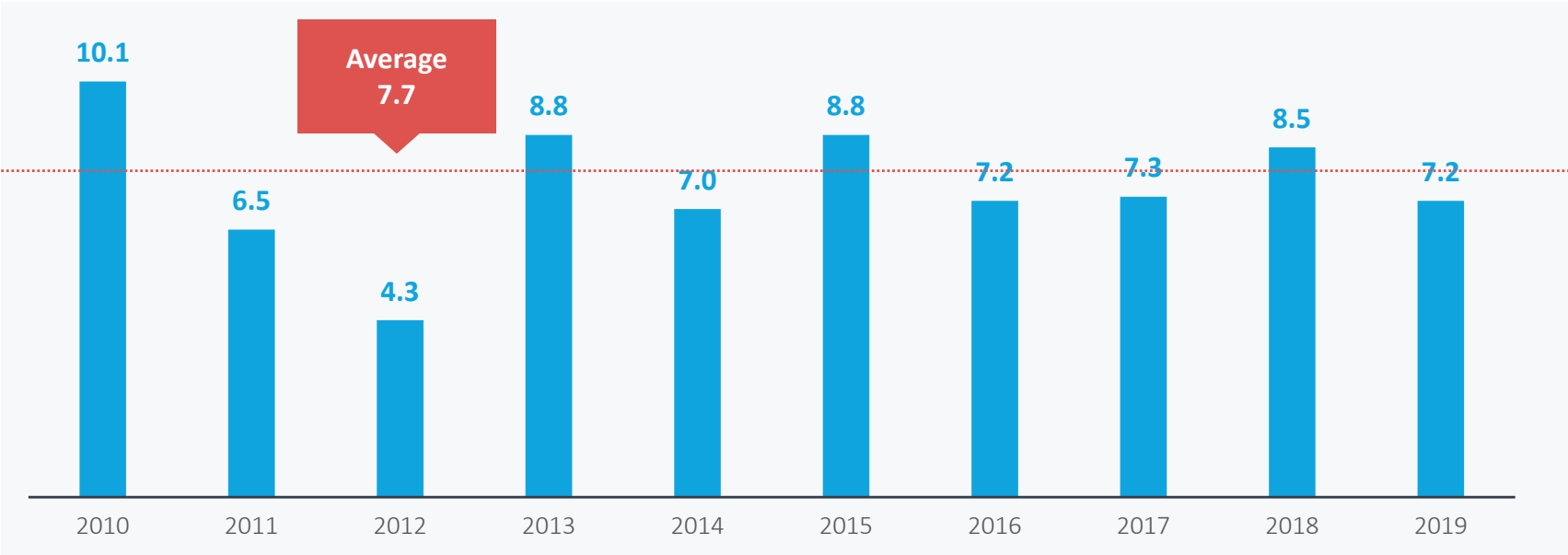
Source: MSCI



Historical Annual Turnover

Sprucegrove U.S. International Pooled Fund

Turnover (%)



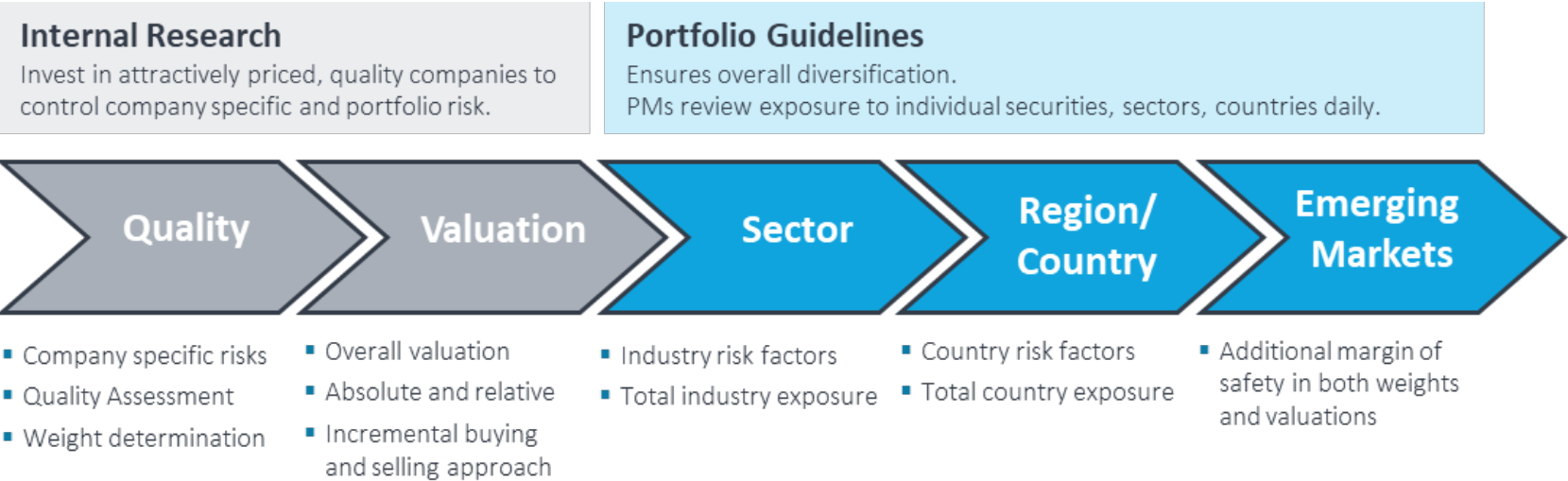
Average long-term holding period of over 12 years

All data as at December 31, 2019

See Important Information.



Risk Management



Risk control and oversight is an integral part of our investment process

Currency



Policy Guidelines

Sprucegrove U.S. International Pooled Fund

Methodology	Value approach using a bottom-up, stock selection process with an emphasis on owning quality companies at attractive valuations.		
Mandate	International equities		
Benchmark	MSCI EAFE Index (U.S. Dollars)		
Restrictions/Limits			
Asset Mix	Cash & Short Term Equities	0% - 10% 90% - 100%	
Region	Minimum three countries from EAFE Europe region and three countries from EAFE Asia/Pacific region.		
Country	The Fund will be subject to the following minimum - maximum country weightings:		
	Japan	5% - 50%	
	United Kingdom	10% - 50%	
	Canada	0% - 10%	
	United States	excluded	
	Other EAFE countries	0% - 15%	
	Total non-EAFE countries, excluding Canada	0% - 15%	
	Total non-EAFE countries	0% - 20%	
Sector	Minimum 7 of 11 MSCI sectors Maximum individual sector 30%		
Company Holdings	Minimum 40 companies Maximum company weighting 5% Maximum ownership, lesser of outstanding shares 5%; free float 10%		
Other	In unusual circumstances, the Fund may exceed the above guidelines for short periods of time.		

Assets Under Management

Breakdown by Mandates, \$USD

	Firm			EAFE			Global			U.S. Equity	ACW	ACW ex U.S.
Year ¹	Total Assets	U.S. Clients	Canadian Clients	Total Assets	U.S. Clients	Canadian Clients	Total Assets	U.S. Clients	Canadian Clients	Canadian Clients	Canadian Clients	U.S. Clients
2009	15,555	6,561	8,893	11,634	6,561	4,972	2,863	0	2,863	1,059	0	0
2010	19,364	8,512	10,624	14,537	8,512	6,025	3,539	228	3,311	1,288	0	0
2011	17,788	7,737	10,050	12,737	7,341	5,396	3,703	396	3,307	1,348	0	0
2012	21,421	9,455	11,966	14,684	8,977	5,706	5,244	478	4,766	1,493	0	0
2013	24,583	11,245	13,337	16,949	10,667	6,282	5,690	578	5,112	1,943	0	0
2014	22,652	10,719	11,933	15,371	10,046	5,325	5,374	673	4,701	1,907	0	0
2015	17,375	8,826	8,548	12,931	8,740	4,191	2,982	86	2,896	1,462	0	0
2016	14,888	8,946	5,942	12,198	8,946	3,252	2,683	0	2,683	6	0	0
2017	16,104	10,316	5,788	14,173	10,316	3,857	1,720	0	1,720	6	204	0
2018	12,880	8,378	4,501	11,133	8,234	2,899	1,486	0	1,486	0	117	144
2019 ²	15,045	9,782	5,263	12,256	9,303	2,954	1,748	0	1,748	0	562	479

¹For the years ended December 31²Preliminary, subject to change

Source: Sprucegrove

See Important Information.

Sprucegrove

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Annual Performance Results

Sprucegrove EAFE - U.S. Clients Composite

Year ¹	Composite Gross Return \$USD (%)	EAFE \$USD Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	# of Portfolios	Internal Dispersion (%)	Composite Assets (\$M)	Firm Assets (\$M)
2009	36.6	31.8	21.8	23.6	17	4.4	6,561	15,555
2010	19.6	7.8	24.6	26.2	18	2.8	8,512	19,364
2011	(10.3)	(12.1)	20.5	22.4	18	2.2	7,341	17,788
2012	18.1	17.3	17.8	19.4	18	1.2	8,977	21,421
2013	17.8	22.8	14.2	16.3	20	3.7	10,667	24,583
2014	(3.3)	(4.9)	11.6	13.0	20	2.4	10,046	22,652
2015	(8.7)	(0.8)	11.5	12.5	17	3.8	8,740	17,375
2016	11.4	1.0	12.5	12.5	17	4.3	8,946	14,888
2017	27.4	25.0	12.2	11.8	15	3.1	10,316	16,104
2018	(13.6)	(13.8)	11.7	11.2	14	0.8	8,234	12,880

Composite creation date: October 1, 1985

¹ For the years ended December 31

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

See Important Information.

Source: Sprucegrove, MSCI



GIPS Disclosures

GIPS Compliance

Sprucegrove Investment Management Ltd. (Sprucegrove) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sprucegrove has been independently verified for the years 1985 through 2018. The EAFE U.S. Clients composite has been examined for the years 1985 through 2018. The verification report is available upon request.

Definition of the Firm

Sprucegrove Investment Management Ltd. ("Sprucegrove" or the "Firm") is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC) and registered as a Portfolio Manager in most provinces in Canada. Sprucegrove is an independent investment management firm that is not affiliated with any parent organization. Sprucegrove manages fully discretionary accounts for fee paying clients and is located in Toronto, Ontario. The firm was founded in 1993 by the global portfolio management team, formerly at Confederation Life of Canada. Sprucegrove has been managing international equity mandates since 1985.

Sprucegrove Investment Returns

Investment performance returns exclude any investment management fees paid by the investor. Investment advisory fees will reduce stated returns. Performance returns are calculated on a time weighted, total return basis which includes dividend net of withholding taxes and interest income, realized and unrealized gains or losses, transaction costs and other expenses, if any. For example, a 70 basis point fee applied to an investment with an annual gross return of 10% will provide a compounded net return of 9.24% after 1 year and a 55.53% return after 5 years. Valuations are computed and performance is reported in US dollars.

Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Composite and benchmark returns are presented gross of non-reclaimable withholding taxes. [Composite net-of-fees returns are calculated by deducting 5.83 bps from the monthly gross composite return.]

Possibility of Loss

Investors should be aware that market conditions affect performance and that investment programs carry with them the possibility of loss. It should not be assumed that investments made in the future will be profitable or will equal any results shown in this document.

Composite and Benchmark

Composite Description – Sprucegrove's composites are composed of all fee-paying, discretionary accounts greater than \$5 million managed by Sprucegrove in this investment style and mandate. This was changed from a minimum market value of \$15 million in July 2016. The Sprucegrove EAFE U.S. Clients Composite was created in October 1985 and represents an equity strategy managed for U.S. clients that utilizes a value approach to invest in companies domiciled in developed, excluding the United States, and emerging market countries. The maximum holding in emerging markets is 15%. The performance of the Composite is stated in U.S. dollars and is net of non-reclaimable withholding taxes on dividends, interest income and capital gains where applicable. Sprucegrove's policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Prior to December 31, 2011, the name of the composite was EAFE Pooled and Separate Accounts Combined – U.S. Clients.

Prior to Sprucegrove commencing operations in 1993, the Sprucegrove team managed the Confederation Life American International Pooled Fund at Confed, from its inception in 1985 until the portfolio was acquired by Sprucegrove in 1994. Accordingly, the performance of the Fund from 1985 to 1994 is linked to its continuation at Sprucegrove. The investment mandate and approach did not change during this transition.

Benchmark Description – The Morgan Stanley Capital International EAFE Net Index (MSCI EAFE Index) is presented as the benchmark for investment performance. The MSCI EAFE Index is the arithmetical average, weighted by market value of the performance of companies representing the stock markets of Europe, Australasia, and the Far East. The MSCI EAFE Index is an equity index that captures large and mid-cap representation across 21 developed markets countries around the world, excluding the US and Canada. With 918 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Developed Markets countries in the MSCI EAFE Index are Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK. The MSCI EAFE Index returns assume reinvestment of dividends. (Any reference to MSCI EAFE Index data is provided for comparative purposes only and may not be used in any way without the express permission of MSCI).

GIPS Disclosures (continued)

International Equity Vehicles available in the U.S.			
Mandate	Vehicles Available	Valuation	Custodian
International Equities	Sprucegrove U.S. International Pooled Fund (Group Trust)	Monthly	JP Morgan Chase Bank
	Sprucegrove U.S. International Investment Fund (Delaware)	Monthly	JP Morgan Chase Bank
	Sprucegrove International CIT	Daily	Brown Brothers Harriman
	Separate Account	Client Determines	Client Determines

Fee Schedules								
The following are the standard fee schedules based on the market value of assets managed.								
Pooled Fund Accounts*	Assets Managed	Rate	CIT Accounts	Invested Plan Assets	Rate	Separate Fund Accounts	Assets Managed	Rate
First	\$5,000,000.00	0.70%	Class A	\$0 - \$15 million	0.7000%	First	\$25,000,000.00	0.70%
Next	\$10,000,000.00	0.65%	Class B	\$15 - \$50 million	0.6500%	Next	\$25,000,000.00	0.60%
Next	\$25,000,000.00	0.55%	Class C	\$50 - \$100 million	0.5500%	Next	\$25,000,000.00	0.50%
Next	\$35,000,000.00	0.50%	Class D	\$100 - \$400 million	0.3500%	Next	\$225,000,000.00	0.25%
Next	\$225,000,000.00	0.25%	Class E	Over \$400 million	0.2500%	Balance		0.20%
Balance		0.20%	Class F (Founder)*	\$20 million or more	0.2500%			

*With respect to the Sprucegrove International CIT (a "New Fund"), a founder's fee class of 0.25% (the "Founder Fee") will be available to each investor who invests or has invested a minimum of \$20 million (in the applicable currency) in the New Fund by June 30th, 2020. After June 30th, the Founder Fee (or related share class) will be closed to new investors. As long as a Founder remains invested in a New Fund, it will continue to be eligible for the Founder Fee, including on additional investments in the fund.

Calculations
Composite dispersion is calculated as the difference in percentage between the highest and lowest annual portfolio return in the composite.
Internal dispersion is calculated using asset-weighted portfolio returns.
The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period.
Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Further Information
For further information, please contact your client service representative.
GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

Important Information

All vehicles available in the U.S. by Mandate			
Mandate	Vehicles Available	Valuation	Custodian
International Equities	Sprucegrove U.S. International Pooled Fund (Group Trust)	Monthly	JP Morgan Chase Bank
	Sprucegrove U.S. International Investment Fund (Delaware)	Monthly	JP Morgan Chase Bank
	Sprucegrove International CIT	Daily	Brown Brothers Harriman
	Separate Account	Client Determines	Client Determines
All Country World ex US Equities	Sprucegrove All Country World ex. U.S. Fund (Delaware)	Monthly	JP Morgan Chase Bank
	Sprucegrove All Country World ex U.S. CIT	Daily	Brown Brothers Harriman
	Separate Account	Client Determines	Client Determines
	Separate Account	Client Determines	Client Determines
Global Equities	Separate Account	Client Determines	Client Determines
All Country World Equities	Separate Account	Client Determines	Client Determines

Indices

MSCI EAFE, World, ACWI ex. US and ACWI Indices

The Morgan Stanley Capital International (MSCI) EAFE, World, ACWI ex. US and ACWI Indices are presented as benchmarks for investment performance. The Indices are the arithmetical average, weighted by market value of the performance of companies representing the stock markets of Canada, the U.S., Europe, Australasia, the Far East and Emerging Markets. Returns shown assume reinvestment of dividends unless stated otherwise. The MSCI EAFE Index captures large and mid cap representation across 21 developed markets, excluding the US and Canada. The MSCI World Index captures large and mid cap representation across 23 developed markets, including the US and Canada. The MSCI ACWI ex US Index captures large and mid cap representation across 22 of 23 developed markets, excluding the US, and 26 emerging market countries. The MSCI ACWI Index captures large and mid cap representation across 23 developed markets and 26 emerging markets counties. Throughout this report MSCI data is provided as a comparative reference only and may not be used in any way without the express permission of MSCI.

The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Sprucegrove. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering and securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. [www.msci.com]

Index information is provided for illustrative purposes only and is not intended to imply past or future performance. Please note an investor cannot invest directly in an index. Unless otherwise noted, index returns reflect the reinvestment of income and dividends, if any, but do not reflect fees, brokerage commissions or other expenses of investing.

S&P 500 Index

The S&P 500 Index is presented as a benchmark for investment performance. The Index is the arithmetic average, weighted by market value of the performance of companies representing the stock markets of the U.S. Returns shown assume reinvestment of dividends. The S&P Index includes 500 leading companies in leading industries of the U.S. economy.

Criteria for Company Examples

In each case, the examples for (i) additions and (ii) reductions/eliminations are selected as follows. The most common security traded in the quarter across all accounts for a mandate is chosen unless the resulting example was disclosed as an example of an addition or reduction/elimination, as applicable, for the mandate within the past four quarters, in which case, the next most common security across all accounts in the mandate is chosen. In the event of a tie, the security within the mandate with the highest transaction by total dollar volume during the quarter is chosen. For any account that does not include the selected security, the security within such account with the largest transaction by total dollar volume during the quarter is selected. All examples are chosen based on active, non-program trades, and exclude exceptional events such as transfers. Eliminations are accounted for in the quarter in which they are completed.

Specific Recommendations

Examples of specific holdings are intended to demonstrate our investment process and should not be construed as representative of investment performance. It should not be assumed that investments made in the future will be profitable or will equal any results presented. A list of all securities purchased and sold within the past year (together with dates and prices) is available upon request.

Important Information (continued)

Products and services described herein are provided by Sprucegrove Investment Management Ltd. ("Sprucegrove"). The information in this document is confidential and may not be reproduced or redistributed in whole or in part without the prior written consent of Sprucegrove.

All returns are in U.S. dollars, unless otherwise noted.

Weightings may not total 100% due to rounding in this report.

This portfolio data is "as of" the date indicated and should not be relied upon as a complete or current listing of holdings (or top holdings) of the [fund/account/composite]. The holdings are subject to change without notice, and may not represent current or future portfolio composition.

Past performance is no guarantee of future results. Performance data assumes reinvestment of dividends. Performance is shown gross of investment management fees, which will reduce the client's return. For example, a 70 basis point fee applied to an investment with an annual gross return of 10% will provide a compounded net return of 9.24% after 1 year and a 55.53% return after 5 years. Our fees are described in Form ADV Part 2. Returns are calculated on a time weighted, total return basis which includes dividend and interest income, realized and unrealized gains or losses, transaction costs and other expenses, if any.

Index information is provided for illustrative purposes only and is not intended to imply past or future performance. Please note an investor cannot invest directly in an index. Unless otherwise noted, index returns reflect the reinvestment of income and dividends, if any, but do not reflect fees, brokerage commissions or other expenses of investing.

This is not an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, any investment funds, vehicles or accounts (each, a "fund"), any investment advice, or any other service by Sprucegrove. An investment in a fund may be offered only pursuant to the fund's offering memorandum and/or other offering materials. A fund's offering materials will contain disclosure relating to certain risk factors, conflicts of interest and other considerations that should be carefully evaluated before making an investment in a fund or account managed by Sprucegrove. An investment in a fund or account managed by Sprucegrove is not suitable or desirable for all investors; investors may lose all or a portion of the capital invested.

The opinions, estimates and views expressed are on behalf of Sprucegrove for the period ending March 31, 2020 (Unless otherwise stated), constitute Sprucegrove's best judgement as of the date of this document and are subject to change at any time based on market or other conditions. Sprucegrove does not guarantee the accuracy, adequacy or completeness of any third party data. Any predictions, opinions, and other information contained in this report are subject to change and without notice of any kind and may no longer be true and accurate after the date this report was first completed and disseminated. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. In addition, any forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place or may never do so. While the information set out in this document has been prepared in good faith, no representation or warranty is given, and no responsibility is accepted, by Sprucegrove in relation to its accuracy or completeness.

The information provided herein should not be considered a recommendation to purchase or sell any particular security. The securities discussed herein are examples of Sprucegrove's investment approach but do not represent an entire portfolio or the performance of a fund or strategy and in the aggregate may represent only a small percentage of portfolio holdings. It should not be assumed that any of the securities discussed herein were or will prove to be profitable, or that the investment recommendations or decisions made by Sprucegrove in the future will be profitable.

Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by Sprucegrove. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, Sprucegrove or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the portfolio or product to which Third Party Data relates.

This material is for informational purposes only to provide general information and is not meant to be legal or tax advice for any particular investor, which can only be provided by qualified tax and legal counsel. Please read the constating documents carefully prior to investing. Parties should independently investigate any investment strategy or manager, and should consult with qualified investment, legal, and tax professionals before making any investments.

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April 20, 2020

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

**SUBJECT: CONSENT TO ASSIGNMENT OF WESTERN ASSET MANAGEMENT
COMPANY CORE BOND AND INDEX PLUS MANAGER AGREEMENTS TO
FRANKLIN TEMPLETON**

Dear Board Members:

Franklin Templeton has signed an agreement to purchase Western Asset Management Company (WAMCO)'s parent company Legg Mason and its affiliates. The transaction is targeted to close in the third quarter of 2020.

As noted in WAMCO's attached memo to clients, there will be no change to the client relationship team, the investment teams, WAMCO's leadership team nor WAMCO's investment philosophy or process as a result of this acquisition.

Staff and NEPC believe that the change in ownership will not adversely affect the management of the WAMCO Core Fixed Income nor Index Plus portfolios. In addition, we believe that the scale of the combined entity will strengthen its resultant financial position. As such, approval and execution of the requested assignment of contracts consent is recommended.

RECOMMENDATION: THAT THE BOARD

- 1. CONSENT TO ASSIGNMENT OF WAMCO'S CORE BOND AND INDEX PLUS
MANAGER AGREEMENTS TO FRANKLIN TEMPLETON.**
- 2. AUTHORIZE THE BOARD CHAIR OR RETIREMENT ADMINISTRATOR TO EXECUTE
THE ASSIGNMENT CONSENT DOCUMENT, SUBJECT TO REVIEW AND APPROVAL
BY VCERA BOARD COUNSEL.**

Sincerely,

Dan Gallagher
Chief Investment Officer



February 18, 2020

Dear Valued Partner,

Today Franklin Templeton, a global leader in asset management, [announced](#) that it is purchasing Legg Mason and its affiliates, including Western Asset. We were an integral part of the discussions leading up to this deal, and Franklin Templeton shares our commitment to upholding Western Asset's full investment independence and organizational autonomy. We support the transaction wholeheartedly.

There will be no change to your relationship team, your investment team, the Western Asset leadership team nor our investment philosophy or process as a result of this acquisition. The combined company will have an unparalleled global footprint and breadth of investment offerings as one of the world's largest active managers with over \$1.5 trillion in assets under management. We look forward to accessing Franklin Templeton's expansive retail distribution platform and presence in key growth markets to help drive the continued success of our clients and our Firm.

All of us at Western Asset remain steadfast in our commitment to the assets you have entrusted to us and the high standards of service and performance that we have held for nearly 50 years. Our Client Service Team will be reaching out to key members of your organization to make sure that your questions are answered and to keep you apprised of any new developments.

Thank you for your continued partnership.

Sincerely,

Jim and Ken

James W. Hirschmann III, Chief Executive Officer
S. Kenneth Leech, Chief Investment Officer

Western Asset Management Company, LLC

385 East Colorado Blvd. Pasadena, CA 91101 · Tel: (626) 844 9400 · Fax (626) 844 9450 · www.westernasset.com



March 20, 2020

Dear Valued Partner:

I am writing to follow up on the letter you received dated February 18, 2020 about Franklin Templeton purchasing Legg Mason and its affiliates, including Western Asset.

As noted previously, we were an integral part of the discussions leading up to this deal, and we support the transaction wholeheartedly. Franklin Templeton is committed to Western Assets investment independence and operating autonomy, and you can continue to expect the same level of service from your relationship and investment team. The transaction does, however, represent a regulatory change of control which necessitates that we reach out for your consent.

More specifically, under the U.S. Investment Advisers Act of 1940, the indirect change in Western Assets ownership at the level of its ultimate parent will be deemed an "assignment" of the Firms investment management or advisory agreement(s) with you. In addition, many client contracts also require consent in this context. Accordingly, although the terms of our agreements will remain unchanged, we are required to obtain your consent for the deemed assignment resulting from the change of control.

Our goal is to make this process as straightforward and efficient as possible. To minimize administrative burden, we are simply asking that you please complete, sign and return the enclosed consent at your earliest convenience.

We believe our new relationship with Franklin Templeton will create exciting opportunities ahead which will help drive the continued success of our clients and our Firm for many years to come. We appreciate your continued trust and confidence.

Sincerely,

Marzo Bernardi, Director of Global Client Service & Marketing

Consent to Assignment of the Investment Management/Advisory Agreement

Please return the signed consent to your Western Asset representative.

The undersigned hereby consents to the assignment of the investment management/advisory agreement with Western Asset and its respective affiliates, if applicable, on behalf of the portfolio(s) listed below:

Portfolio Number	Portfolio Name
851	Ventura County Employees' Retirement Association Core Fixed Income Portfolio
2887	Ventura County Employees' Retirement Association US Overlay Solution

Ventura County Employees' Retirement Association:


By: _____

Name: _____

Title: _____

Date: _____

Western Asset Management Company, LLC:

By: 

Name: Marzo Bernardi

Title: Director of Global Client Service and Marketing

Date: March 20, 2020



April 20, 2020

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

SUBJECT: COUNTY CONTRIBUTION PRE-FUNDING DISCOUNT

Summary

In response to a request to report on the efficacy of the County's current 7.25% assumed rate lump sum pre-funding discount for its annual plan sponsor contribution for the next fiscal year, this analysis recommends that the Board select one of three options:

1. Continue to offer the County the historical actuarial assumed discount rate (currently at 7.25%)
2. Reduce the offered discount rate from the current 7.25% assumed rate to 6.0%, to be re-evaluated prospectively by the Board on an annual basis.
3. Eliminate the offered lump sum pre-funding discount.

Background

Decades ago VCERA, like many other California public funds, began offering its plan sponsors a discount for early receipt of lump sum annual payments for retirement contributions. Per VCERA Board Counsel, Government Code section 31582, subdivision (b) authorizes the advance payment of contributions by a county, but it does not, in and of itself authorize, require, or prohibit a discount from the contribution amount determined pursuant to Government Code section 31453.¹

As discussed in NEPC's memo (Attachment I), the annual discounts were chosen to reflect expected long-term investment returns, most frequently the actuary's assumed rate. The advantage to the retirement plans was early infusion of cash to take advantage of potential investment opportunities. An early cash infusion helps when markets are cheap and hurts when markets are fully priced. However, lump sum pre-funding adds tracking error and sequence risk over a short to intermediate term and eliminates the advantage of dollar cost averaging.

Plan actuaries noted that because of the long-term nature of plans and the employer contribution amounts required to be trued-up at the end of every year, any investment gains or losses associated with discounts would be amortized over future employer contributions and have no

¹ Government Code section 31582(b) provides, in pertinent part, "The board of supervisors may authorize the county auditor to make an advance payment of all or part of the county's estimated annual contribution to the retirement fund, provided the payment is made no later than 30 days after the commencement of the county's fiscal year."

Pre-Funding Discount Analysis

April 20, 2020

Page 2 of 4

impact on plan funding health. Government Code section 31582 provides that if the full amount of contributions is not paid in the entire amount up front, the amount “shall be adjusted at the end of the fiscal year to reflect the actuarial contribution required for that year”.

Pre-funding discounts have particularly benefitted the government plan sponsors who were able to earn a risk-free arbitrage between the very low-cost capital raised through the sale of double tax-free Tax Revenue Anticipation Notes (TRANs), and much higher discounts received from their defined benefit retirement plans for early lump sum payment of their annual mandatory contributions. In addition, pre-funding also serves sponsors as an available tool for budgeting to manage their operations.

Over the years, a number of California defined benefit retirement plans have taken a variety of different approaches to considering the advisability of continuing, modifying, or eliminating this lump sum pre-funding discounting practice. The different approaches have arrived at a variety of conclusions ranging from not offering or phasing out the discounts, or offering discounts less than the full assumed rate. One plan has reduced its offered discount rate more than once, and another believes that since gains and losses are recognized through the smoothing and amortization process, the only costs to be recovered are a fixed percentage in trading costs associated with pre-funding a large one-month cash inflow followed by 11 months of negative cash flow.

In a July 3, 2018 report by OCERS’ Assistant CEO Brenda Shott and CIO Molly Murphy to the OCERS Retirement Board, of the 1937 Act County systems, Contra Costa, Merced, Sonoma, San Mateo, and Ventura use their full assumed rate as a prepayment discount. Stanislaus, Tulare, San Bernardino, Orange County, and Los Angeles use some percentage of the assumed rate. Kern and Santa Barbara offer no discount, and plan sponsors in Mendocino, San Joaquin, Imperial, and Marin don’t pre-pay.

VCERA

Historically VCERA has used the full assumed rate for $\frac{1}{2}$ year when calculating the pre-payment cost. The actuary assumes that installment payments are made evenly across the year. So on average, that is equivalent to contributions being received in the *middle* of the year. Therefore, if payments are received in full at the *beginning* of the fiscal year, that would entitle sponsors to only $\frac{1}{2}$ year of interest credit because those contributions will only have been in the fund for an additional $\frac{1}{2}$ year. For VCERA, the assumed rate is 7.25%, so the County has received a discount of $\frac{1}{2} \times 7.125\%$, or 3.625% x the whole annual contribution.

NEPC (Attachment I) and Parametric (Attachment II) provided analysis of the current prefunding discount. NEPC considered lump sum pre-funding risk from a 10-year risk/return perspective to assess costs in terms of tracking error and arrived at a cost reflected in a lower discount rate of 6%.

Parametric analyzed pre-payment funds using three different methods: tracking error; stochastic modelling simulating expected portfolio returns against discount rates; and a simulation of portfolio returns to demonstrate various sequence risk scenarios.

Pre-Funding Discount Analysis

April 20, 2020

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Parametric found that the historical tracking error between the total policy index weight and the investible policy index weight suggests that within 1 standard deviation (approximately 2/3 of the time), there will be between 1% to 1.5% tracking error. This would imply that if the discount rate was indexed to the actuary's long term assumed rate, the discount should be reduced by 1 % to 1.5%, from the 7.25% assumed rate to between 6.25% to 5.75%.

In the second approach, Parametric used NEPC's 10-year expected return forecasts and found that reducing the lump sum discount rate to between 5% and 6% results in a 50% probability of the plan achieving a return equal to the discount rate.

Conclusion

There is no single correct answer. From the actuary's long-term 30- year perspective, using the full assumed rate as a pre-funding lump sum discount versus no discount makes no real long-term difference, as at the end of the 30-year period, differences due to investment gains and losses on those pre-funding contributions are recognized through the amortization process

Parametric's simulated returns analysis using a MonteCarlo simulation using the consultant's expected return forecasts, shows that the discount needed for a 50/50 chance of exceeding the NEPC's expected return would suggest a 5% to 6% lump sum pre-funding discount would be appropriate.

From the investment consultant's perspective, the discount should be reduced to account for the additional cost of tracking error. The consultant's 10-year expected return is a more accurate representation of near-term outcomes and is a better lens to view the cost of lump sum pre-funding in light of significant portfolio tracking error caused by illiquid draw-down investments. NEPC believes that the cost is the consultant's expected 10-year return (6.4%) reduced by tracking error cost (39 basis points), for a 6% pre-funding discount for the lump sum pre-payment.

I am supportive of NEPC's methodology and conclusion, as I believe that the approach NEPC has taken in its analysis is thoughtful and reasonable and arrives at a conclusion which is similar to that suggested by research done by Parametric.

The third option is to eliminate the prefunding discount option. The benefit of this choice is that it offers the dual advantage of a larger annual funding amount (by eliminating the prefunding discount), and by ceasing the lump sum prepayment, results in the lowest tracking error and sequence risk. I recommend the Board *not* eliminate discounted lump sum options at this time given the current premium value of a cash liquidity infusion both for opportunistic investments and to meet current and projected cash flow obligations of pension payments, capital calls, and potential margin calls. However, if a change in approach is selected, I recommend that it be phased in over 2 to 3 years to allow the plan sponsor time to adjust for the impact.

Pre-Funding Discount Analysis
April 20, 2020
Page 4 of 4

Each of the three options discussed above are supportable, each with their own advantages and disadvantages. Staff requests that the Board select one of the three options discussed and direct staff to implement the Board's selected option.

RECOMMENDATION: That the Board select one of the three below listed options and direct staff to so implement:

1. Continue to offer the County the historical full actuarial assumed discount rate (currently at 7.25%)
2. Reduce the offered pre-funding discount rate from the current 7.25% assumed rate to 6.0%, to be re-evaluated prospectively by the Board on an annual basis.
3. Eliminate the offered lump sum pre-funding discount.

Respectfully submitted,



Dan Gallagher
Chief Investment Officer



To: Ventura County Employees' Retirement Association
From: NEPC Research
Date: April 20, 2020
Subject: Prepayment of Annual Pension Contribution

Background/Summary of Options

Historically, Ventura County Defined Benefit plan sponsors (and most other California pension plan sponsors as well) elected to prepay their monthly pension contributions on or about July 1 of the new fiscal year. When this procedure was adopted (2004), the sponsors were granted a discount for the advanced payment. Typically, the amount of the discount was chosen to mirror the expected return that the plan anticipated. In 2004, the simplest and most straightforward metric to represent the plan's net expected return was the plan's actuarially-recommended assumed rate, a 30-year return expectation. In a normal rate environment, the actuarial discount rate does not differ materially from an investment consultant's forecasted portfolio rate of return for the intermediate time horizon. At that time, since the plan's investments were almost solely invested in publicly-traded assets, it was possible to invest the large cash contribution immediately without impacting the plan's performance versus policy.

Today, with interest rates at an all-time low, the plan's expected return (as provided by the retained investment advisor) is significantly lower than the current actuarial discount rate. In addition, since Private Market assets cannot be invested immediately, the plan incurs larger deviations (tracking error) from their policy benchmarks, since large cash flows are by necessity invested in the near-term only in public market equivalents. Overtime, there is an expected cost of incurring tracking error.

VCERA can continue to offer a discount rate based on a long-term, higher than expected return, without an adjustment for the costs associated with the receipt of funds all at once, or they can base the discount on a readily available expected 10 year expected return provided by the independent third party advisor, either adjusted or not adjusted for the expected tracking-error impact of the larger than normal cash contribution.

Discussion

Attachment I presents the 10-year expected return for the current Board-approved investment policy asset allocation. Based on 2020 capital market assumptions, the 10-year expected return for VCERA is 6.4%

Attachment II is an analysis of the tracking error created by receipt of a single annual payment versus monthly payments. We require a methodology to express tracking error as a cost. The most straightforward method to do so is to assume that the cost associated with incremental tracking error should match the plan's expected total return from incurring volatility risk in the total portfolio. This ratio, known as the Sharpe Ratio is also calculated as a byproduct of the asset allocation process. From Attachment I, the current projected

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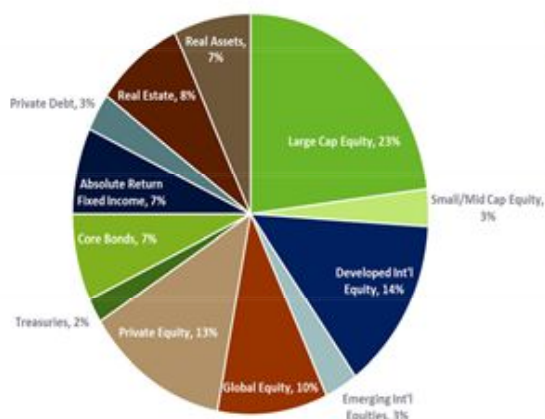


Sharpe Ratio for the VCERA portfolio is .39. Multiplying the Sharpe ratio by the projected incremental tracking error in Attachment II (1% represents the rounded result of the shorter-term tracking errors presented by Parametric on Page 2), yields a cost of .4%. Combining the two results yields an expected net-of-trading-impact expected portfolio return of 6% for the next 10-year period.

A lump-sum payment also exposes the plan to uncompensated sequence risk which is documented in Attachment II as well. This effect is significantly more difficult to quantify in terms of expected costs and is also likely to be smaller than the tracking-error effect. By having twelve months of capital to invest in the first month of the year, the early month results have a greater impact on subsequent full-period returns.

Attachment 1

VCERA TARGET MIX – USING NEPC’S 2020 ASSUMPTIONS



	5-7 Year/ 10 Year		30 Year	
	2019	2020	2019	2020
Expected Return	7.0%	6.4%	8.1%	7.6%
Expected Volatility	13.5%	11.8%	13.5%	11.8%
Sharpe Ratio	0.33	0.39	0.38	0.44
Sortino Ratio	0.63	0.67	0.75	0.83

Probabilities using 2020 Assumptions	
Probability of 1-Year Return Under 0.00%	29.2%
Probability of 10 Year Return Under 0.00%	4.2%
Probability of 10 Year Return Under 7.25%	58.8%
Probability of 30-Year Return Under 7.25%	43.5%



*2020 Expected Volatility assumption based on smoothed volatilities in private markets asset classes; these are incorporated into the 2020 Sharpe and Sortino Ratio estimates

*Smoothed volatility uses historical realized asset class volatility in determining the total portfolio expected volatility



Disclaimers

- Past performance is no guarantee of future results.
- The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.
- This memo contains summary information regarding the recommendation described herein but may not be a complete description of the research that supports this advice.
- The information in this memo has been obtained from sources NEPC believes to be reliable. While NEPC has exercised reasonable professional care in preparing this document, we cannot guarantee the accuracy of all source information contained within.



Pre Funding Analysis Ventura County

April 2020

This material is proprietary and confidential and has been prepared at the request of and for the exclusive use by Ventura County

Executive Summary

Ventura County approached Parametric to assist in evaluating the funding provided by the county on an annual basis

- Historically, Ventura County has received payments on a monthly basis to be used for beneficiary payments
- More recently the county has started to provide the payment as a lump sum at the beginning of the fiscal year.
 - The annualized assumed discount rate for the prepayment is 7.25%

Parametric analyzed the efficacy of the pre-payment using three different methods:

1. Given the short life of the pre-payment funds (the funds will be used for benefit payments within 12 months), it may not be practical or possible to invest these funds in all of VCERA's asset classes (e.g. private market investments). Parametric compared the tracking error of the short-term investable index vs. the long-term policy index.
2. A simulation to estimate the probability of the fund exceeding a specified discount rate.
 - We considered both the full allocation and "investable" version where less liquid allocations are mapped to exposures reliably achieved via futures.
 - The "investable" allocation also subtracts transaction and holding costs of futures contracts (~1 – 4 bps) but excludes management fees.
3. An analysis of how VCERA is exposed to the sequencing of returns (e.g. path dependency) given the fund pays benefits each month.



Method 1: Tracking Error Analysis

A portion of VCERA's asset classes may not be practical to invest in with a time horizon of less than one year. Parametric compared the tracking of the long-term policy index relative to the "investable" policy index over the past 20 years. The policy benchmarks and weightings utilized are as follows:

Asset Class	Benchmark	Total Policy Index Weight	Investable Policy Index Weight
Domestic Equity	Russell 3000	26.0%	36.1%
Global Equity	MSCI ACWI	10.0%	13.9%
International Equity	MSCI ACWI ex US	17.0%	23.6%
Fixed Income	Barclays US Agg	14.0%	24.4%
Treasuries	Barclays US Treasury 7 - 10	2.0%	2.0%
Private Equity	Russell 3000 + 3%	13.0%	-
Private Debt	50% BofA ML US HY/50% CS Leveraged Loan + 150bps	3.0%	-
Real Estate	NCREIF ODCE	8.0%	-
Real Assets	CPI + 4%	7.0%	-

**31% may be
uninvestable
with a short
time horizon**

Historical tracking error of the 2 portfolios is as follows:

- 5-Years: 0.98%
- 10-Years: 1.03%
- 20-Years: 1.32%

With almost 1/3 of the portfolio targeting less liquid assets classes, it would be reasonable to expect the investable portion of the portfolio to deviate from the total portfolio returns by ~1% - ~1.5%.

Said another way, Ventura County has a ~2/3 chance of outperforming or underperforming the total policy index return by up to 1% - 1.5% in a calendar year.

Tracking error results are simulated, for illustrative purposes only, do not represent the results of any investor and may not be relied upon for investment decisions. Actual results will vary. All investments are subject to loss. Results are gross of advisory fees.



This material has been prepared at the request of and for the exclusive use by Ventura County

Method 2: Expected Portfolio Returns vs. Discount Rate

Ventura County and NEPC provided Parametric assumed rates of returns, volatility, and correlations. These were used as the inputs to a Monte Carlo simulation, as seen in the following tables.

	Asset Class	10-Year Return	30-Year Return	Volatility
	Cash	1.8%	2.4%	1.00%
	US Inflation	2.3%	2.5%	-
Equity	Large Cap Equities	5.0%	6.7%	16.50%
	International Equities (Unhedged)	6.0%	7.0%	20.50%
	Emerging International Equities	9.0%	9.2%	28.00%
	Global Equity*	6.2%	7.5%	17.79%
	Private Equity*	9.4%	10.7%	24.58%
Fixed Income	Treasuries	1.9%	2.7%	5.50%
	Core Bonds*	2.5%	3.4%	6.01%
	TIPS	2.2%	2.7%	6.50%
	High Yield Bonds	4.1%	5.6%	12.50%
	Private Debt*	6.7%	7.8%	11.54%
Real Assets	Commodities	4.0%	4.8%	19.00%
	REITs	5.4%	6.5%	20.00%
	Core Real Estate	5.2%	6.0%	13.00%
	Private Real Assets: Infrastructure/Land	5.9%	6.7%	12.00%
Multi-Asset	US 60/40*	4.4%	5.8%	10.45%
	Global 60/40*	4.4%	5.8%	11.53%
	Absolute Return*	5.0%	5.9%	8.18%

Asset Class	Cash	US Leverage Cost	Large Cap Equities	SMID Cap Equities	Int'l Equities	EME Small Cap	Absolute Return - Long/Short	PE Buyout	PE Growth	PE Venture	Treasuries	High-Yield Bonds	Bank Loans	EMD (External)	EMD (Local Currency)	Short Treasuries (1-3 yr)	US 10 yr Treasuries	Absolute Return - Credit	PD Credit Opps	PD Distressed	PD Direct Lending	Core Real Estate	Non-Core Real Estate	Private Real Assets	Absolute Return - Macro
Cash	1.00	0.91	0.01	-0.03	-0.04	-0.02	0.05	0.00	-0.03	-0.02	0.16	-0.05	-0.01	0.00	0.03	0.49	0.09	0.01	-0.05	-0.04	-0.01	-0.03	-0.04	0.06	0.06
US Leverage Cost	0.91	1.00	0.07	0.03	0.04	0.06	0.11	0.06	0.04	0.04	0.33	0.11	0.10	0.20	0.18	0.63	0.25	0.16	0.11	0.10	0.09	0.04	0.07	0.12	0.18
Large Cap Equities	0.01	0.07	1.00	0.87	0.75	0.71	0.79	0.96	0.79	0.76	-0.11	0.61	0.44	0.65	0.62	-0.10	-0.12	0.67	0.57	0.66	0.42	0.37	0.46	0.34	0.32
Small/Mid Cap Equities	-0.03	0.03	0.87	1.00	0.70	0.70	0.71	0.90	0.91	0.87	-0.18	0.65	0.50	0.65	0.61	-0.18	-0.18	0.68	0.61	0.73	0.48	0.42	0.50	0.38	0.32
Int'l Equities (Unhedged)	-0.04	0.04	0.75	0.70	1.00	0.81	0.70	0.74	0.64	0.62	-0.12	0.57	0.42	0.65	0.73	-0.12	-0.13	0.59	0.53	0.59	0.40	0.33	0.42	0.38	0.45
Int'l Sm Cap Equities (Unhedged)	-0.04	0.04	0.70	0.65	0.93	0.75	0.65	0.69	0.60	0.58	-0.11	0.53	0.39	0.61	0.68	-0.11	-0.12	0.55	0.49	0.55	0.37	0.31	0.39	0.36	0.42
Emerging Int'l Equities	-0.02	0.06	0.69	0.69	0.73	0.95	0.64	0.69	0.65	0.63	-0.16	0.61	0.49	0.77	0.84	-0.14	-0.17	0.62	0.57	0.63	0.47	0.32	0.43	0.39	0.43
Emerging Int'l Sm Cap Equities	-0.02	0.06	0.71	0.70	0.81	1.00	0.67	0.71	0.65	0.63	-0.15	0.61	0.48	0.75	0.82	-0.14	-0.17	0.62	0.57	0.63	0.46	0.33	0.43	0.39	0.44
Absolute Return - Long/Short	0.05	0.11	0.79	0.71	0.70	0.67	1.00	0.77	0.64	0.62	-0.10	0.52	0.38	0.58	0.59	-0.07	-0.11	0.57	0.49	0.56	0.37	0.31	0.39	0.31	0.32
PE Buyout	0.00	0.06	0.96	0.90	0.74	0.71	0.77	1.00	0.82	0.79	-0.13	0.62	0.45	0.65	0.61	-0.13	-0.14	0.67	0.58	0.67	0.43	0.38	0.47	0.35	0.32
PE Growth	-0.03	0.04	0.79	0.91	0.64	0.65	0.64	0.82	1.00	0.84	-0.16	0.64	0.54	0.63	0.58	-0.16	-0.17	0.66	0.60	0.71	0.52	0.40	0.49	0.35	0.31
PE Venture	-0.02	0.04	0.76	0.87	0.62	0.63	0.62	0.79	0.84	1.00	-0.16	0.64	0.55	0.62	0.57	-0.16	-0.16	0.65	0.60	0.70	0.53	0.40	0.48	0.35	0.30
Treasuries	0.16	0.33	-0.11	-0.18	-0.12	-0.15	-0.10	-0.13	-0.16	-0.16	1.00	-0.06	-0.23	0.19	0.11	0.81	0.98	-0.06	-0.05	-0.12	-0.22	0.00	-0.02	-0.08	0.13
High-Yield Bonds	-0.05	0.11	0.61	0.65	0.57	0.61	0.52	0.62	0.64	0.64	-0.06	1.00	0.79	0.87	0.67	-0.08	-0.07	0.93	0.94	0.93	0.76	0.46	0.66	0.35	0.36
Bank Loans	-0.01	0.10	0.44	0.50	0.42	0.48	0.38	0.45	0.54	0.55	-0.23	0.79	1.00	0.64	0.52	-0.17	-0.24	0.73	0.74	0.80	0.96	0.39	0.54	0.30	0.28
EMD (External)	0.00	0.20	0.65	0.65	0.65	0.75	0.58	0.65	0.63	0.62	0.19	0.87	0.64	1.00	0.82	0.12	0.18	0.83	0.81	0.82	0.61	0.43	0.59	0.38	0.46
EMD (Local Currency)	0.03	0.18	0.62	0.61	0.73	0.82	0.59	0.61	0.58	0.57	0.11	0.67	0.52	0.82	1.00	0.11	0.09	0.66	0.62	0.65	0.49	0.36	0.47	0.42	0.60
Short Treasuries (1-3 yr)	0.49	0.63	-0.10	-0.18	-0.12	-0.14	-0.07	-0.13	-0.16	-0.16	0.81	-0.08	-0.17	0.12	0.11	1.00	0.74	-0.06	-0.08	-0.13	-0.17	-0.04	-0.05	-0.05	0.15
US 10 yr Treasuries	0.09	0.25	-0.12	-0.18	-0.13	-0.17	-0.11	-0.14	-0.17	-0.16	0.98	-0.07	-0.24	0.18	0.09	0.74	1.00	-0.07	-0.07	-0.13	-0.23	0.00	-0.03	-0.10	0.11
Absolute Return - Credit	0.01	0.16	0.67	0.68	0.59	0.62	0.57	0.67	0.66	0.65	-0.06	0.93	0.73	0.83	0.66	-0.06	-0.07	1.00	0.87	0.88	0.70	0.45	0.63	0.35	0.36
PD Credit Opportunities	-0.05	0.11	0.57	0.61	0.53	0.57	0.49	0.58	0.60	0.60	-0.05	0.94	0.74	0.81	0.62	-0.08	-0.07	0.87	1.00	0.87	0.71	0.43	0.62	0.33	0.34
PD Distressed	-0.04	0.10	0.66	0.73	0.59	0.63	0.56	0.67	0.71	0.70	-0.12	0.93	0.80	0.82	0.65	-0.13	-0.13	0.88	0.87	1.00	0.77	0.46	0.63	0.36	0.35
PD Direct Lending	-0.01	0.09	0.42	0.48	0.40	0.46	0.37	0.43	0.52	0.53	-0.22	0.76	0.96	0.61	0.49	-0.17	-0.23	0.70	0.71	0.77	1.00	0.37	0.52	0.28	0.26
Core Real Estate	-0.03	0.04	0.37	0.42	0.33	0.33	0.31	0.38	0.40	0.40	0.00	0.46	0.39	0.43	0.36	-0.04	0.00	0.45	0.43	0.46	0.37	1.00	0.78	0.24	0.20
Non-Core Real Estate	-0.04	0.07	0.46	0.50	0.42	0.43	0.39	0.47	0.49	0.48	-0.02	0.66	0.54	0.59	0.47	-0.05	-0.03	0.63	0.62	0.63	0.52	0.78	1.00	0.28	0.26
Private Real Assets	0.06	0.12	0.34	0.38	0.38	0.39	0.31	0.35	0.35	0.35	-0.08	0.35	0.30	0.38	0.42	-0.05	-0.10	0.35	0.33	0.36	0.28	0.24	0.28	1.00	0.52
Absolute Return - Macro	0.06	0.18	0.32	0.32	0.45	0.44	0.32	0.32	0.31	0.30	0.13	0.36	0.28	0.46	0.60	0.15	0.11	0.36	0.34	0.35	0.26	0.20	0.26	0.52	1.00

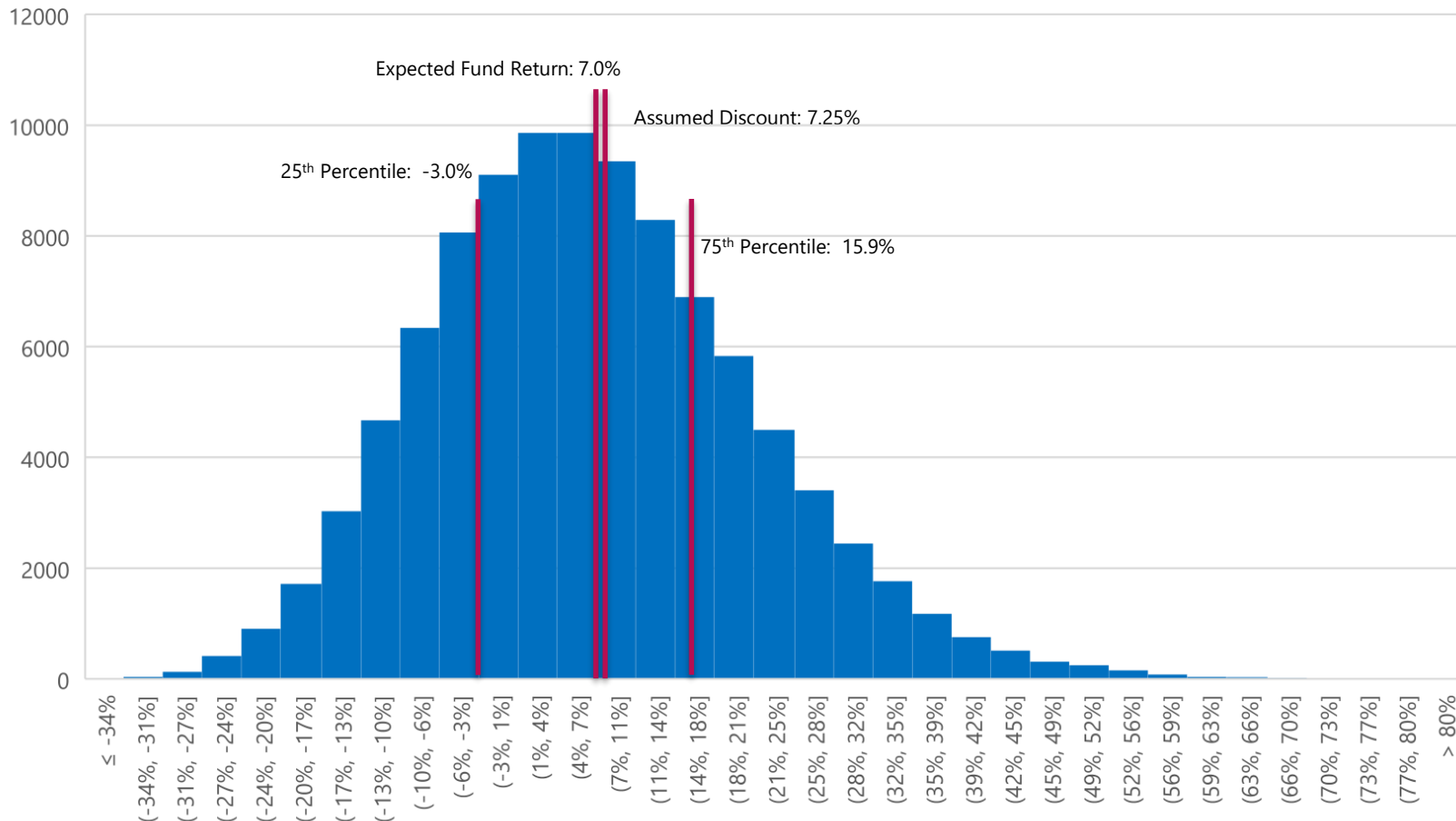
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Simulation of Fund Returns – Full Allocation

Distribution of Path Returns (100,000 Simulations)



The projections or other information generated by the Monte Carlo simulation tool regarding the likelihood of various investment outcomes are hypothetical in nature, are based on assumptions that the user provides, which could prove to be inaccurate over time, do not reflect actual investment results, and are not guarantees of future results. Results may vary with each use and over time. Simulated results are for illustrative purposes only, do not represent the results of any investor and may not be relied upon for investment decisions. Actual results will vary. All investments are subject to loss. Results are gross of advisory fees.

Source: Bloomberg, Parametric, Date: October 2019

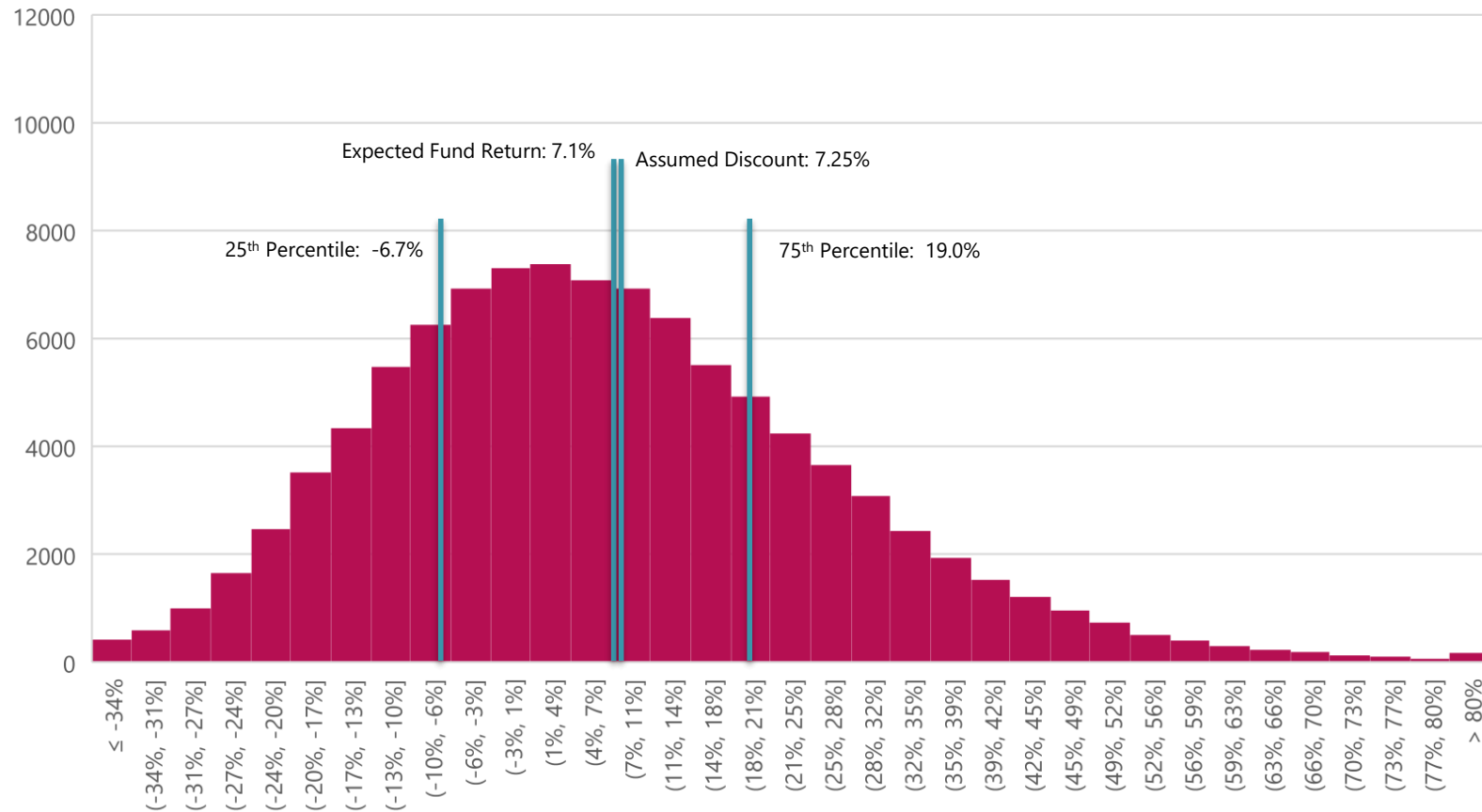


PARAMETRIC

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Simulation of Fund Returns – Investable Allocation

Distribution of Path Returns (100,000 Simulations)



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Source: Bloomberg, Parametric, Date: October 2019

Simulation of Fund Returns: Summary Statistics

The pre-payment exposes the plan to the volatility of the investment returns over the holding period

- For every x months early the plan receives a dollar, it is exposed to $19.5\% * \sqrt{x/12}$ volatility
- This indicates the likelihood of having the actual return exceed a hypothetical discount rate close to a coin toss, even if the expected return of the portfolio were to exceed the discount rate
- Due to the distribution induced by compounding, the average return is higher than the median return, which drives those probabilities down further

	Full Allocation	Investible Allocation
Mean	7.0%	7.1%
Median	6.0%	5.3%
Standard Deviation	14.2%	19.5%
Mean - 7.25%	-0.27%	-0.14%
(Mean - 7.25%)/TE -- Information Ratio	-0.02	-0.01
Median - 7.25%	-1.24%	-1.94%
(Median - 7.25%)/TE	-0.09	-0.10
10th	-10.4%	-16.4%
25th	-3.0%	-6.7%
50th (Median)	6.0%	5.3%
75th	15.9%	19.0%
90th	25.6%	32.7%

	Discount Rate	5.0%	5.5%	6.0%	6.5%	7.0%	7.25%	7.5%	8.0%	8.5%	9.0%	9.5%	10.0%
Probability of Exceeding	Full Allocation	52.8%	51.4%	50.0%	48.6%	47.1%	46.4%	45.7%	44.3%	43.0%	41.6%	40.2%	38.9%
Discount Rate	Investible Allocation	50.6%	49.6%	48.5%	47.5%	46.5%	46.0%	45.5%	44.5%	43.5%	42.4%	41.4%	40.4%

The projections or other information generated by the Monte Carlo simulation tool regarding the likelihood of various investment outcomes are hypothetical in nature, are based on assumptions that the user provides, which could prove to be inaccurate over time, do not reflect actual investment results, and are not guarantees of future results. Results may vary with each use and over time. Simulated results are for illustrative purposes only, do not represent the results of any investor and may not be relied upon for investment decisions. Actual results will vary. All investments are subject to loss. Results are gross of advisory fees.

Source: Bloomberg, Parametric, Date: October 2019

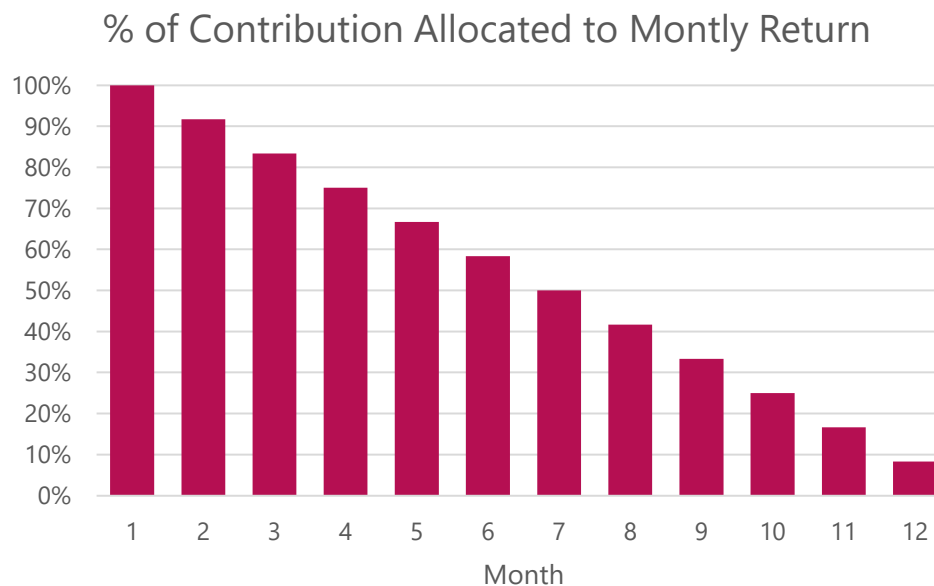


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Method 3: Sequence Risk

The lump sum payment also exposes the plan to considerable sequence risk. By having twelve months of capital to invest in the first month of the year vs. only one month of capital in the last month, early months have a much larger effect on the full period returns than later months.

- Suppose that we assume that $1/12^{\text{th}}$ of the portfolio will be withdrawn each month. We expose 100% of the portfolio to the first month's return and reduce by $1/12^{\text{th}}$ each proceeding month, such that $11/12^{\text{th}}$ of the portfolio is exposed to the second month's return, $10/12^{\text{th}}$ to the third month's return, etc.



For illustrative purposes only.

Simulation of Fund Returns: Conditional Returns by Quarter

We assume that 1/12th of the portfolio will be withdrawn each month. The table below reports the average full period return conditional on a particular quarterly realization.

Example:

- If we select only paths where the fourth quarter return falls between -5% and -10%, the average full 12-month period money-weighted return is 2.2%
- However if we instead realize that return between -5% and -10% in the **first** quarter, the average full 12-month period money-weighted return falls to -4.7%

	Average Full Period Return Conditional on Quarterly Return			
	Q1	Q2	Q3	Q4
> 10%	17.0%	13.3%	9.8%	6.2%
[10%, 5%]	9.1%	7.6%	6.3%	4.8%
[5%, 0%]	4.5%	4.5%	4.2%	3.9%
[0%, -5%]	-0.1%	1.0%	1.9%	3.1%
[-5%, -10%]	-4.7%	-2.2%	0.0%	2.2%
< -10%	-10.4%	-6.9%	-2.8%	1.2%

Quarterly results are simulated, for illustrative purposes only, do not represent the results of any investor and may not be relied upon for investment decisions. Actual returns will vary. All investments are subject to loss. Results are gross of advisory fees.

Source: Bloomberg, Parametric, Date: October 2019



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Summary

Tracking Error:

- A portion of Ventura County's asset classes may not be practical to invest in with a time horizon of less than one year. It would be reasonable to expect the investable portion of the policy index to deviate from the total policy index by ~1% - ~1.5% in a given year.

Simulation of Fund Returns

- The pre-payment exposes the plan to the volatility of the investment returns over the holding period. This makes the likelihood of having the return exceed the discount rate close to a coin toss, even when the expected return of the portfolio exceeds the discount rate.

Sequence Risk:

- The lump sum payment exposes the plan to considerable sequence risk. By having twelve months of capital to invest in the first month of the year vs. only one month of capital in the last month, early months have a much larger effect on the full period returns than later months.

Source: Bloomberg, Parametric, Date: October 2019



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Appendices

This material has been prepared for the exclusive use of the named client in a one-on-one presentation only.



Disclosure

Parametric Portfolio Associates LLC is an independent investment adviser registered under the Investment Advisers Act of 1940. Parametric Portfolio Associates LLC provides rules-based investment management services to institutional investors, individual clients and registered and non-registered investment vehicles including Systematic Alpha and Income Strategies, Custom Core, Centralized Portfolio Management (CPM), Overlay Services, Customized Exposure Management (CEM), Volatility Risk Premium (VRP) and Systematic Alternative Risk Premium (SARP). The Firm has complied with the GIPS® standards retroactive to January 1, 2000.

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References to specific securities are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations to buy or sell such securities. Any specific securities mentioned are not representative of all securities purchased, sold or recommended. It should not be assumed that any of the securities will be profitable.

Performance is presented gross of investment advisory fees. The deduction of an advisory fee would reduce an investor's return. Advisory fees are deducted quarterly from an investor's portfolio and would impact performance adversely. As an example, assuming (a) \$1,000,000 investment, (b) portfolio return of 5% per year, and (c) 1.00% annual investment advisory fee, the cumulative fees paid would be \$10,209.57 in the first year, \$55,254.43 over five years, and \$122,351.51 over ten years. Actual fees charged vary by portfolio due to various conditions, including account size. Parametric's investment advisory fees are described further in Part 2A of Form ADV, which is available upon request.

This material contains hypothetical, back-tested and/or model performance data, which may not be relied upon for investment decisions. Hypothetical, back-tested and/or model performance results have many inherent limitations, some of which are described below. Hypothetical returns are unaudited, are calculated in U.S. dollars using the internal rate of return, reflect the reinvestment of dividends, income and other distributions, but exclude transaction costs, advisory fees and do not take individual investor taxes into consideration. The deduction of such fees would reduce the results shown.

Model/target portfolio information presented, including, but not limited to, objectives, allocations and portfolio characteristics, is intended to provide a general example of the implementation of the strategy and no representation is being made that any client account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, simulated trading does not involve financial risk, and no simulated trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or to adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. Because there are no actual trading results to compare to the hypothetical, back-tested and/or model performance results, clients should be particularly wary of placing undue reliance on these hypothetical results. Perspectives, opinions and testing data may change without notice. Detailed back-tested and/or model portfolio data is available upon request. No security, discipline or process is profitable all of the time. There is always the possibility of loss of investment.



Disclosure (continued)

Benchmark/index information provided is for illustrative purposes only. Indexes are unmanaged and cannot be invested in directly. Deviations from the benchmarks provided herein may include, but are not limited to, factors such as: the purchase of higher risk securities, over/under-weighting specific sectors and countries, limitations in market capitalization, company revenue sources, and/or client restrictions. Parametric's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics. Thus returns may at times materially differ from the stated benchmark and/or other disciplines provided for comparison.

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Derivatives such as futures, swaps, and other investment strategies have certain disadvantages and risks. Futures require the posting of initial and variation margin. Therefore, a portion of risk capital must be preserved for this purpose rather than being allocated to a manager. Liquid futures may not exist for published benchmarks which may result in tracking error. Also, some intra-period mispricing may occur. Swaps require periodic payments, may be less liquid than futures, and may have counterparty/credit risk. Some investment strategies require a cash investment equal to the desired amount of exposure.

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Parametric is headquartered at 800 5th Ave, Ste. 2800, Seattle, WA 98104. Parametric's Minneapolis investment center is located at 3600 Minnesota Drive, Suite 325, Minneapolis, MN 55435. For more information regarding Parametric and its investment strategies, or to request a copy of Parametric's Form ADV, please contact us at 206.694.5575 (Seattle) or 952.767.7700 (Minneapolis), or visit our website, www.parametricportfolio.com.

PIOS® Composite

Parametric Portfolio Associates LLC

PIOS Composite Performance Presentation

As of December 31, 2018

Period	Returns			3 Yr. Annualized Standard Deviation		Dispersion	Number of Portfolios *	Assets	
	Total Gross Return AWR	Total Net Return AWR	Index	Composite	Index	Internal Equal Wtd.		Composite (MM) *	Total Firm (MM) *
2009	8.70%	8.54%	-	-	-	13.56%	128	17,483	-
2010	6.59%	6.43%	-	6.19%	-	7.20%	140	20,853	-
2011	2.80%	2.65%	-	5.53%	-	7.10%	188	19,771	-
2012	5.20%	5.04%	-	4.50%	-	5.22%	206	22,547	63,431
2013	4.81%	4.65%	-	3.54%	-	9.46%	215	30,045	80,896
2014	2.98%	2.83%	-	2.76%	-	6.11%	270	36,290	94,545
2015	-0.86%	-1.01%	-	2.82%	-	5.60%	333	43,711	99,248
2016	3.40%	3.24%	-	2.69%	-	8.53%	334	46,915	111,470
2017	9.03%	8.87%	-	2.97%	-	9.69%	335	45,026	137,760
2018	-2.86%	-3.01%	-	3.34%	-	5.17%	354	37,077	122,628

* The composite was not included in the Firm Assets prior to 2012 as it was being managed by a prior firm.

Index: None

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Prior to July 1, 2019, the firm included only the Parametric Investment & Overlay Strategies. On July 1, 2019, the firm was redefined to include the Parametric Custom Tax-Managed & Centralized Portfolio Management Strategies. For the purpose of complying with the GIPS standards, the Firm is defined and held out to the public as Parametric Portfolio Associates LLC.

Parametric Portfolio Associates LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Parametric Portfolio Associates LLC has been independently verified for the periods January 1, 2000 to December 31, 2018. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

The PIOS (Policy Implementation Overlay Service) Composite is comprised of all fully discretionary separate accounts that create custom overlay solutions designed to help investors achieve policy objectives. The PIOS strategy utilizes an array of investment instruments to achieve client objectives through adherence to detailed investment guidelines. Objectives can include interest rate management, currency management, rebalancing, transition management, cash securitization and neutralizing policy performance shortfalls.



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PIOS[®] Composite (Continued)

Parametric Portfolio Associates LLC

Composite creation date is December 2013.

This composite is not compared against a benchmark. There is no observable benchmark or index that exists with an objective similar to that of the strategy. It is not possible to directly invest in an index.

Derivative securities are used in the accounts which comprise this composite. The firm's strategies contain derivatives such as futures, options, swaps, and other investment strategies that may involve certain advantages and risks. Futures require the posting of initial and variation margin. Therefore, a portion of risk capital must be preserved for this purpose rather than being allocated to a manager. Swaps require periodic payments, which may be less liquid than futures, and certain swaps may have counterparty/credit risk. Some investment strategies may require a collateral investment equal to the desired amount of exposure.

Portfolio returns are calculated based on the sum of the daily gain/loss in the client account divided by the total portfolio value of the previous month end. The total portfolio value is the market value of the client's manager portfolios, as defined in the guidelines. The client account overlay target value at the prior month end is used for the composite asset weighted performance calculation.

Portfolio returns reflect the reinvestment of dividend and interest income.

Performance results are expressed in U.S. dollars.

Composite gross returns are after transaction costs and other direct expenses, but before management fees. Net returns reflect the deduction of model investment management fees, 0.15%. The fees for the investment management services herein are described in the fee schedule.

The separate account management fee schedule is as follows: First \$50M @ 0.15%; Thereafter @ 0.10%.

The dispersion of annual returns is measured by equal-weighted standard deviation of portfolio returns within the composite for the full year.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

A list of composite descriptions is available upon request.

Performance prior to January 2013 was achieved by the Clifton Group Investment Management prior to its merger with Parametric Portfolio Associates, LLC and has been linked to the performance history of Parametric Investment & Overlay Strategies. Performance results prior to January 2013 should not be interpreted as the actual historical performance of Parametric Investment & Overlay Strategies. Parametric Investment & Overlay Strategies has adhered to the performance record portability requirements of the GIPS standards in regard to the presentation and linking of this performance track record.

Past performance is not a guarantee of future results.

PRELIMINARY MONTHLY PERFORMANCE REPORT

Ventura County Employees' Retirement Association



VCERA
VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

March 31, 2020

Anthony Ferrara, CAIA, Consultant
Allan Martin, Partner
Michael Miranda, CFA, Sr. Consulting Specialist



BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	5,260,861,669	100.0	100.0	-9.2	-13.5	-8.3	-5.4	3.2	3.9	7.0	7.4	Apr-94
Policy Index				-9.3	-13.9	-7.8	-4.7	3.7	4.6	7.1	7.5	Apr-94
Over/Under				0.1	0.4	-0.5	-0.7	-0.5	-0.7	-0.1	-0.1	
60% MSCI ACWI (Net) / 40% FTSE WGBI				-8.3	-12.4	-7.6	-4.1	2.9	3.2	4.6	5.9	Apr-94
60% S&P 500 / 40% BBgBarc Aggregate				-7.6	-10.9	-4.2	-0.4	5.3	5.6	8.1	7.9	Apr-94
Total Fund ex Parametric	5,145,799,009	97.8	--	-9.2	-13.4	-8.4	-5.6	3.0	3.8	6.8	7.4	Apr-94
Total Fund ex Private Equity	4,750,421,641	90.3	--	-10.4	-15.2	-9.9	-7.2	2.3	3.3	--	6.4	Jan-12
Policy Index				-9.3	-13.9	-7.8	-4.7	3.7	4.6	7.1	7.4	Jan-12
Over/Under				-1.1	-1.3	-2.1	-2.5	-1.4	-1.3		-1.0	
Total US Equity	1,362,560,305	25.9	26.0	-14.3	-21.3	-13.0	-9.4	4.1	5.9	10.4	8.5	Dec-93
Russell 3000				-13.8	-20.9	-12.7	-9.1	4.0	5.7	10.2	8.8	Dec-93
Over/Under				-0.5	-0.4	-0.3	-0.3	0.1	0.2	0.2	-0.3	
Western U.S. Index Plus	187,420,311	3.6		-18.2	-25.4	-16.9	-13.2	3.0	5.6	10.9	4.4	May-07
S&P 500				-12.4	-19.6	-10.8	-7.0	5.1	6.7	10.5	6.4	May-07
Over/Under				-5.8	-5.8	-6.1	-6.2	-2.1	-1.1	0.4	-2.0	
Blackrock Russell 1000 Index	1,125,520,807	21.4		-13.2	-20.2	-11.8	-8.0	--	--	--	4.4	May-17
Russell 1000				-13.2	-20.2	-11.8	-8.0	4.6	6.2	10.4	4.4	May-17
Over/Under				0.0	0.0	0.0	0.0				0.0	
Blackrock Russell 2500 Index	49,619,186	0.9		-21.7	-29.7	-24.7	-22.4	--	--	--	-3.4	May-17
Russell 2500				-21.7	-29.7	-24.7	-22.5	-3.1	0.5	7.7	-3.4	May-17
Over/Under				0.0	0.0	0.0	0.1				0.0	

Policy Index: Currently, 26% Russell 3000, 19% BBgBarc US Aggregate, 17% MSCI ACWI ex U.S., 10% MSCI ACWI, 13% Russell 3000 Index + 3%, 7% CPI+2%, and 8% NCREIF ODCE Real Estate Index.

Prior to January 2016 the Total U.S. Equity Benchmark was a dynamic hybrid using the respective managers' market value weights within the U.S. Equity component toward their benchmark. Prior to May 2013, the Dow Jones U.S. Total Stock Market Index. Prior to May 2007, the Russell 3000 Index.

Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Non-US Equity	760,388,262	14.5	17.0	-14.4	-24.0	-19.0	-16.4	-2.1	-0.1	2.7	5.3	Mar-94
MSCI ACWI ex USA				-14.5	-23.4	-18.0	-15.6	-2.0	-0.6	2.1	4.2	Mar-94
Over/Under				0.1	-0.6	-1.0	-0.8	-0.1	0.5	0.6	1.1	
MSCI EAFE				-13.3	-22.8	-17.4	-14.4	-1.8	-0.6	2.7	3.9	Mar-94
MSCI ACWI ex USA NR LCL				-12.9	-20.1	-13.8	-11.9	-0.7	0.6	4.3	--	Mar-94
MSCI EAFE NR LCL				-12.5	-20.5	-15.0	-12.6	-1.8	-0.1	4.4	4.0	Mar-94
BlackRock ACWI ex-U.S. Index	387,771,075	7.4		-15.1	-24.1	-18.5	-16.1	-2.1	-0.5	2.3	0.9	Mar-07
MSCI ACWI ex USA IMI				-15.1	-24.1	-18.5	-16.3	-2.3	-0.7	2.1	0.7	Mar-07
Over/Under				0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	
MSCI ACWI ex USA NR LCL				-12.9	-20.1	-13.8	-11.9	-0.7	0.6	4.3	2.0	Mar-07
Sprucegrove	170,475,881	3.2		-18.2	-29.3	-26.5	-24.3	-5.5	-1.9	2.2	5.1	Mar-02
MSCI ACWI ex USA				-14.5	-23.4	-18.0	-15.6	-2.0	-0.6	2.1	4.9	Mar-02
Over/Under				-3.7	-5.9	-8.5	-8.7	-3.5	-1.3	0.1	0.2	
MSCI EAFE				-13.3	-22.8	-17.4	-14.4	-1.8	-0.6	2.7	4.4	Mar-02
MSCI ACWI ex USA NR LCL				-12.9	-20.1	-13.8	-11.9	-0.7	0.6	4.3	4.2	Mar-02
MSCI EAFE NR LCL				-12.5	-20.5	-15.0	-12.6	-1.8	-0.1	4.4	3.4	Mar-02
Hexavest	72,504,508	1.4		-15.3	-26.4	-21.9	-20.7	-5.5	-2.5	--	0.8	Dec-10
MSCI EAFE				-13.3	-22.8	-17.4	-14.4	-1.8	-0.6	2.7	2.2	Dec-10
Over/Under				-2.0	-3.6	-4.5	-6.3	-3.7	-1.9		-1.4	
MSCI EAFE NR LCL				-12.5	-20.5	-15.0	-12.6	-1.8	-0.1	4.4	4.7	Dec-10
Walter Scott	129,636,799	2.5		-6.0	-13.4	-6.0	-0.8	6.5	5.6	--	5.2	Dec-10
MSCI ACWI ex USA				-14.5	-23.4	-18.0	-15.6	-2.0	-0.6	2.1	1.2	Dec-10
Over/Under				8.5	10.0	12.0	14.8	8.5	6.2		4.0	
MSCI ACWI ex USA NR LCL				-12.9	-20.1	-13.8	-11.9	-0.7	0.6	4.3	4.2	Dec-10
MSCI EAFE				-13.3	-22.8	-17.4	-14.4	-1.8	-0.6	2.7	2.2	Dec-10
Total Global Equity	526,816,628	10.0	10.0	-13.4	-21.3	-14.1	-10.9	1.9	3.0	5.9	4.8	May-05
MSCI ACWI				-13.5	-21.4	-14.3	-11.3	1.5	2.8	5.9	5.4	May-05
Over/Under				0.1	0.1	0.2	0.4	0.4	0.2	0.0	-0.6	
BlackRock MSCI ACWI Equity Index	526,816,628	10.0		-13.4	-21.3	-14.1	-10.9	1.9	3.3	--	7.0	Aug-12
MSCI ACWI				-13.5	-21.4	-14.3	-11.3	1.5	2.8	5.9	6.6	Aug-12
Over/Under				0.1	0.1	0.2	0.4	0.4	0.5		0.4	



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Private Equity	510,440,029	9.7	13.0	4.0	7.0	10.1	15.3	16.3	13.7	--	14.6	Jan-12
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>14.3</u>	Jan-12
Over/Under				17.5	27.3	20.8	21.7	9.2	4.8		0.3	
Cambridge Associates Global All PE (Qtr Lag)				0.0	0.0	4.3	9.1	12.3	10.6	12.3	12.1	Jan-12
Adams Street Global Fund Series	194,157,079	3.7		6.3	12.3	11.4	15.3	15.9	12.6	--	13.6	Jan-12
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>14.3</u>	Jan-12
Over/Under				19.8	32.6	22.1	21.7	8.8	3.7		-0.7	
Harbourvest	103,590,994	2.0		0.0	4.9	10.7	18.6	19.4	17.7	--	18.8	Aug-13
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>11.4</u>	Aug-13
Over/Under				13.5	25.2	21.4	25.0	12.3	8.8		7.4	
Pantheon Global Secondary Funds	38,187,485	0.7		3.3	1.9	6.0	3.9	13.9	12.2	--	11.5	Jan-12
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>14.3</u>	Jan-12
Over/Under				16.8	22.2	16.7	10.3	6.8	3.3		-2.8	
Drive Capital Fund II	17,115,665	0.3		0.0	0.0	14.5	54.9	6.8	--	--	-9.5	Sep-16
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>9.4</u>	Sep-16
Over/Under				13.5	20.3	25.2	61.3	-0.3			-18.9	
Abbott Secondary Opportunities	17,373,266	0.3		0.0	7.7	8.5	18.1	--	--	--	19.0	Jan-18
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>2.2</u>	Jan-18
Over/Under				13.5	28.0	19.2	24.5				16.8	
Clearlake Capital Partners V	9,716,155	0.2		18.1	12.5	38.8	69.0	--	--	--	45.7	Mar-18
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>1.4</u>	Mar-18
Over/Under				31.6	32.8	49.5	75.4				44.3	
Battery Ventures XII	12,046,946	0.2		9.9	9.7	18.1	18.3	--	--	--	3.3	Apr-18
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>2.4</u>	Apr-18
Over/Under				23.4	30.0	28.8	24.7				0.9	
Insight Venture Partners X	27,149,069	0.5		8.0	5.6	19.0	24.1	--	--	--	10.4	May-18
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>2.2</u>	May-18
Over/Under				21.5	25.9	29.7	30.5				8.2	

Please Note: Private Equity performance is shown on a time-weighted return basis. Values are cash adjusted with current month cash flows.



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
GTCR Fund XII	10,934,213	0.2		4.9	4.9	-9.6	-12.0	--	--	--	-32.0	Jun-18
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>0.6</u>	Jun-18
Over/Under				18.4	25.2	1.1	-5.6				-32.6	
Buenaventure One, LLC	39,142,479	0.7		0.0	0.7	0.6	3.9	--	--	--	3.7	Jul-18
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>0.1</u>	Jul-18
Over/Under				13.5	21.0	11.3	10.3				3.6	
ECI 11	3,315,932	0.1		-6.4	-6.4	15.0	0.0	--	--	--	16.4	Dec-18
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-1.7</u>	Dec-18
Over/Under				7.1	13.9	25.7	6.4				18.1	
The Resolute Fund IV L.P.	12,065,005	0.2		17.6	4.0	33.0	52.2	--	--	--	66.3	Jan-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>6.0</u>	Jan-19
Over/Under				31.1	24.3	43.7	58.6				60.3	
GGV Capital VII L.P.	3,646,604	0.1		1.7	3.5	-20.2	-20.2	--	--	--	-17.6	Feb-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-1.0</u>	Feb-19
Over/Under				15.2	23.8	-9.5	-13.8				-16.6	
GGV Discovery II, L.P.	737,012	0.0		-0.6	-0.6	-3.2	-3.2	--	--	--	-2.7	Feb-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-1.0</u>	Feb-19
Over/Under				12.9	19.7	7.5	3.2				-1.7	
Drive Capital Overdrive Fund I	2,766,681	0.1		0.0	0.0	-3.6	--	--	--	--	-3.6	May-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-10.2</u>	May-19
Over/Under				13.5	20.3	7.1					6.6	
Riverside Micro Cap Fund V, LP	1,932,311	0.0		8.5	8.5	33.0	--	--	--	--	-22.5	May-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-10.2</u>	May-19
Over/Under				22.0	28.8	43.7					-12.3	
GGV Capital VII Plus, LP	851,855	0.0		-0.1	-0.1	0.2	--	--	--	--	0.2	Jun-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-4.2</u>	Jun-19
Over/Under				13.4	20.2	10.9					4.4	

Please Note: Private Equity performance is shown on a time-weighted return basis. Values are cash adjusted with current month cash flows.
Private Equity composite includes an additional \$268,037 from custodian pass through value.

Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Astorg VII L.P.	789,664	0.0		6.9	13.1	-38.7	--	--	--	--	-38.7	Jul-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-10.7</u>	Jul-19
Over/Under				20.4	33.4	-28.0					-28.0	
M/C Partners Fund VIII LP. Limited Partnership	643,212	0.0		-28.7	-35.8	-47.5	--	--	--	--	-47.5	Jul-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-10.7</u>	Jul-19
Over/Under				-15.2	-15.5	-36.8					-36.8	
Genstar Capital Partners IX	1,789,406	0.0		4.5	5.7	--	--	--	--	--	--	Aug-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-12.2</u>	Aug-19
Over/Under				18.0	26.0							
Genstar IX Opportunities Fund I	771,621	0.0		3.4	3.1	--	--	--	--	--	2.8	Aug-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-12.2</u>	Aug-19
Over/Under				16.9	23.4						15.0	
ABRY Partners IX, LP	3,177,970	0.1		0.0	0.4	--	--	--	--	--	-14.8	Sep-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-10.6</u>	Sep-19
Over/Under				13.5	20.7						-4.2	
Advent International GPE IX LP	1,980,587	0.0		0.5	-2.5	--	--	--	--	--	-8.3	Nov-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-14.4</u>	Nov-19
Over/Under				14.0	17.8						6.1	
Drive Capital Fund III LP	111,720	0.0		0.0	0.0	--	--	--	--	--	0.0	Dec-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-17.8</u>	Dec-19
Over/Under				13.5	20.3						17.8	
Oak HC/FT Partners III LP	2,433,471	0.0		-4.8	-9.7	--	--	--	--	--	-9.7	Dec-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-17.8</u>	Dec-19
Over/Under				8.7	10.6						8.1	
TA XIII A LP	1,420,892	0.0		3.7	-5.3	--	--	--	--	--	-5.3	Dec-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-20.3</u>	Dec-19
Over/Under				17.2	15.0						15.0	
Dover Street X, LP	2,211,342	0.0		-0.3	--	--	--	--	--	--	-0.9	Feb-20
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-20.4</u>	Feb-20
Over/Under				13.2							19.5	



VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PRIVATE EQUITY LIMITED PARTNERSHIP PERFORMANCE

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date ¹	Outstanding Commitment ¹	Call Ratio	Add'l Fees ²	Distributions to Date	Valuation	Total Value	Net Benefit	IRR	Since Inception	
													Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
Abbott Secondary Opportunities, LP.	2017	12/21/2017	\$25,000,000	\$19,108,507	\$6,254,210	76%	--	\$5,875,000	\$17,373,267	\$23,248,267	\$4,139,760	16.9%	0.31x	1.22x
Abbott Secondary Opportunities II, LP.	2020	1/31/2020	\$25,000,000	--	\$25,000,000	--	--	--	--	--	--	--	--	--
ABRY Partners IX	2019	12/6/2018	\$10,600,000	\$3,342,603	\$7,257,397	32%	--	--	\$3,177,970	\$3,177,970	(\$164,633)	-10.5%	--	0.95x
Adams Street 2010 U.S. Fund	2010	5/21/2010	\$42,500,000	\$37,442,500	\$5,057,500	88%	\$15,213	\$35,812,083	\$33,683,983	\$69,496,066	\$32,038,353	14.3%	0.96x	1.86x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	\$25,500,000	\$22,325,249	\$3,174,751	88%	\$1,589	\$19,845,682	\$17,046,092	\$36,891,774	\$14,564,936	12.3%	0.89x	1.65x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	\$8,500,000	\$7,633,000	\$867,000	90%	--	\$2,734,134	\$10,413,460	\$13,147,594	\$5,514,594	11.0%	0.36x	1.72x
Adams Street 2010 Direct Fund	2010	5/21/2010	\$8,500,000	\$8,066,500	\$433,500	95%	\$6,697	\$9,748,384	\$4,927,964	\$14,676,348	\$6,603,151	12.7%	1.21x	1.82x
Adams Street 2013 Global Fund	2013	6/27/2013	\$75,000,000	\$61,350,000	\$13,650,000	82%	\$10,728	\$15,450,212	\$79,464,799	\$94,915,011	\$33,554,283	11.9%	0.25x	1.55x
Adams Street 2016 Global Fund	2016	12/22/2016	\$60,000,000	\$32,880,000	\$27,120,000	55%	--	\$3,621,043	\$38,423,156	\$42,044,199	\$9,164,199	15.8%	0.11x	1.28x
Adams Street Co-Investment Fund IV A	2018	9/24/2018	\$30,000,000	\$9,844,931	\$20,250,000	33%	\$67,808	--	\$10,564,666	\$10,564,666	\$651,927	7.8%	--	1.07x
Advent International GPE IX	2019	5/23/2019	\$10,000,000	\$2,200,000	\$7,800,000	--	--	--	\$1,980,588	\$1,980,588	(\$219,412)	-31.5%	--	0.9x
Astorg VII	2019	12/17/2018	\$8,528,026	\$908,094	\$7,619,932	11%	--	--	\$719,675	\$719,675	(\$188,419)	-36.5%	--	0.79x
Battery Ventures XII	2018	2/1/2018	\$9,050,000	\$6,527,765	\$2,522,235	72%	--	--	\$7,341,054	\$7,341,054	\$813,289	12.0%	--	1.12x
Battery Ventures XII Side Fund	2018	2/1/2018	\$5,050,000	\$4,025,355	\$1,024,645	80%	--	--	\$4,705,894	\$4,705,894	\$680,539	15.9%	--	1.17x
Battery Ventures XIII	2020	2/11/2020	\$9,240,000	--	\$9,240,000	--	--	--	--	--	--	--	--	--
Battery Ventures XIII Side Fund	2020	2/11/2020	\$6,160,000	--	\$6,160,000	--	--	--	--	--	--	--	--	--
Buenaventure One, LLC	2018	1/5/2018	\$112,216,500	\$38,155,590	\$74,060,910	34%	--	\$403,156	\$39,142,466	\$39,545,622	\$1,390,032	3.9%	0.01x	1.04x
CapVest Equity Partners IV	2019	7/11/2018	\$12,190,343	--	\$12,190,343	--	--	--	(\$225,262)	(\$225,262)	--	--	--	--
Clearlake Capital Partners V	2017	12/22/2017	\$9,950,000	\$7,912,531	\$3,430,645	80%	\$46,158	\$2,796,429	\$8,943,097	\$11,739,526	\$3,780,837	43.1%	0.35x	1.48x
Clearlake Capital Partners VI	2020	1/2/2020	\$18,700,000	--	\$18,700,000	--	--	--	--	--	--	--	--	--
Drive Capital Fund II	2016	9/1/2016	\$15,000,000	\$13,110,587	\$1,892,623	87%	\$3,210	--	\$19,495,396	\$19,495,396	\$6,381,599	28.2%	--	1.49x
Drive Capital Fund III	2019	4/5/2019	\$7,500,000	\$111,720	\$7,388,280	1%	--	--	\$72,703	\$72,703	(\$39,017)	-81.3%	--	0.65x
Drive Capital Overdrive Fund I	2019	4/5/2019	\$7,500,000	\$2,866,353	\$4,633,647	38%	--	--	\$2,724,666	\$2,724,666	(\$141,687)	-7.9%	--	0.95x
ECI 11	2018	7/5/2018	\$9,359,969	\$2,853,854	\$6,506,115	30%	--	--	\$2,674,246	\$2,674,246	(\$179,608)	-6.6%	--	0.94x
Flexpoint Fund IV-A	2019	7/2/2019	\$10,650,000	--	\$10,650,000	--	--	--	--	--	--	--	--	--
Flexpoint Overage Fund IV-A	2019	7/2/2019	\$3,550,000	--	\$3,550,000	--	--	--	--	--	--	--	--	--
Genstar Capital Partners IX	2019	2/21/2019	\$7,500,000	\$1,845,906	\$5,756,731	25%	--	\$102,637	\$1,789,407	\$1,892,044	\$46,138	6.1%	--	1.02x
Genstar Capital Partners IX Opportunities Program	2019	2/21/2019	\$2,500,000	\$749,672	\$1,750,328	30%	--	--	\$771,621	\$771,621	\$21,949	6.2%	--	1.03x
GGV Capital VII	2019	8/15/2018	\$10,160,000	\$3,759,200	\$6,400,800	37%	--	--	\$3,646,604	\$3,646,604	(\$112,596)	-4.9%	--	0.97x
GGV Capital VII Plus	2019	8/15/2018	\$2,540,000	\$850,900	\$1,689,100	34%	--	--	\$851,855	\$851,855	\$955	0.2%	--	1x
GGV Discovery II	2019	8/15/2018	\$2,100,000	\$745,500	\$1,354,500	36%	--	--	\$737,012	\$737,012	(\$8,488)	-2.0%	--	0.99x
Great Hill Equity Partners VII	2019	6/28/2019	\$8,900,000	--	\$8,900,000	--	--	--	(\$24,715)	(\$24,715)	--	--	--	--
Green Equity Investors VIII	2019	10/18/2019	\$15,000,000	--	\$15,000,000	--	--	--	--	--	--	--	--	--
GTCR Fund XII	2017	9/29/2017	\$30,000,000	\$13,065,000	\$16,935,000	44%	--	\$586,016	\$13,301,346	\$13,887,362	\$822,362	6.9%	0.04x	1.06x
HarbourVest - Dover Street VIII	2013	5/30/2013	\$67,500,000	\$61,509,954	\$6,075,000	91%	\$84,954	\$73,012,162	\$25,404,454	\$98,416,616	\$36,821,708	20.5%	1.19x	1.6x
HarbourVest - Dover Street IX	2016	12/16/2016	\$60,000,000	\$43,200,000	\$16,800,000	72%	--	\$15,641,322	\$44,751,818	\$60,393,140	\$17,193,140	27.5%	0.36x	1.4x
HarbourVest - Dover Street X	2019	5/31/2019	\$40,000,000	\$2,000,000	\$38,000,000	5%	--	--	\$2,231,069	\$2,231,069	\$231,069	66.8%	--	1.12x
HarbourVest - PRTNS CO INVEST IV L.P.	2017	6/2/2017	\$30,000,000	\$24,464,388	\$5,732,352	82%	--	\$4,951,347	\$27,479,488	\$32,430,835	\$7,966,447	13.8%	0.2x	1.33x
HarbourVest - PRTNS CO INVEST V L.P.	2019	7/31/2018	\$35,000,000	\$8,750,000	\$26,250,000	--	--	--	\$8,290,219	\$8,290,219	(\$459,781)	-12.0%	--	0.95x
Hellman & Friedman Capital Partners IX	2019	9/28/2018	\$19,800,000	--	\$19,800,000	--	--	--	(\$182,204)	(\$182,204)	--	--	--	--
Insight Venture Partners X	2017	10/13/2017	\$25,000,000	\$22,450,000	\$2,550,000	90%	--	\$8,561	\$27,149,077	\$27,157,638	\$4,707,638	18.2%	0x	1.21x
M/C Partners VIII	2019	4/2/2018	\$10,000,000	\$1,194,964	\$8,805,036	12%	--	--	\$643,211	\$643,211	(\$551,753)	-71.2%	--	0.54x
Oak HC/FT Partners III	2019	7/31/2019	\$15,000,000	\$2,697,195	\$12,302,805	18%	--	--	\$2,433,472	\$2,433,472	(\$263,723)	-39.3%	--	0.9x
Pantheon Global Secondary Fund IV	2010	8/20/2010	\$15,000,000	\$9,960,000	\$5,040,000	66%	--	\$13,140,543	\$2,596,999	\$15,737,542	\$5,777,542	13.3%	1.32x	1.58x
Pantheon Global Secondary Fund V	2015	2/26/2015	\$50,000,000	\$35,116,509	\$14,883,491	70%	(\$162,514)	\$12,598,723	\$34,348,178	\$46,946,901	\$11,992,906	12.3%	0.36x	1.34x
Pantheon Global Secondary Fund VI	2018	2/24/2020	\$25,000,000	--	\$25,000,000	--	--	--	--	--	--	--	--	--
The Resolute Fund IV	2018	5/2/2018	\$20,000,000	\$10,951,572	\$10,378,071	55%	--	\$2,186,629	\$12,065,007	\$14,251,636	\$3,300,064	66.4%	0.2x	1.3x
Riverside Micro-Cap Fund V	2018	8/21/2018	\$10,000,000	\$2,020,662	\$7,979,338	20%	--	--	\$1,932,310	\$1,932,310	(\$88,352)	-6.0%	--	0.96x
TA XIII	2019	5/2/2019	\$10,000,000	\$1,500,000	\$8,500,000	15%	--	--	\$1,420,892	\$1,420,892	(\$79,108)	17.0%	--	0.95x
Total VCERA Private Equity Program	--	5/21/2010	\$1,076,244,838	\$527,496,561	\$552,316,285	49%	\$73,843	\$218,514,063	\$514,287,000	\$732,801,063	\$205,662,840	14.6%	0.41x	1.39x

1. Includes recycled/recallable distributions received to date.

2. Add'l Fees represents notional interest paid/(received).

2. Add'l Fees for Pantheon Global Secondary Fund V includes notional interest paid/(received) and management fee rebates paid to VCERA.

Note: Private equity performance data is reported net of fees.

Performance shown is based on 3/31/2020 statement of investments produced by Abbott Capital.



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total US Fixed Income	929,780,649	17.7	14.0	-3.3	-1.1	1.4	4.2	3.4	3.1	4.3	5.7	Feb-94
BBgBarc US Aggregate TR				-0.6	3.1	5.7	8.9	4.8	3.4	3.9	5.4	Feb-94
Over/Under				-2.7	-4.2	-4.3	-4.7	-1.4	-0.3	0.4	0.3	
BlackRock U.S. Debt Fund	201,782,934	3.8		-0.6	3.1	5.7	8.9	4.9	3.4	3.9	5.2	Nov-95
BBgBarc US Aggregate TR				-0.6	3.1	5.7	8.9	4.8	3.4	3.9	5.2	Nov-95
Over/Under				0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	
Western	296,443,808	5.6		-4.1	-0.9	2.2	5.8	4.4	3.5	5.0	6.0	Dec-96
BBgBarc US Aggregate TR				-0.6	3.1	5.7	8.9	4.8	3.4	3.9	5.2	Dec-96
Over/Under				-3.5	-4.0	-3.5	-3.1	-0.4	0.1	1.1	0.8	
Reams	309,144,182	5.9		-2.9	-2.5	-0.3	1.6	2.1	2.8	3.7	5.0	Sep-01
Reams Custom Index				0.1	0.4	1.4	2.1	2.1	1.5	2.4	3.7	Sep-01
Over/Under				-3.0	-2.9	-1.7	-0.5	0.0	1.3	1.3	1.3	
BBgBarc US Aggregate TR				-0.6	3.1	5.7	8.9	4.8	3.4	3.9	4.5	Sep-01
3-Month LIBOR + 3%				0.4	1.1	3.7	5.1	5.1	4.5	3.9	4.8	Sep-01
Loomis Strategic Alpha	46,094,642	0.9		-6.4	-5.5	-4.9	-3.4	0.4	1.1	--	1.7	Jul-13
BBgBarc US Aggregate TR				-0.6	3.1	5.7	8.9	4.8	3.4	3.9	3.7	Jul-13
Over/Under				-5.8	-8.6	-10.6	-12.3	-4.4	-2.3		-2.0	
3-Month LIBOR + 3%				0.4	1.1	3.7	5.1	5.1	4.5	3.9	4.2	Jul-13
Loomis Sayles Multi Strategy	76,315,082	1.5		-6.9	-5.1	-2.8	0.0	2.8	2.9	5.4	5.8	Jul-05
Loomis Custom Index				-3.9	-1.9	0.9	3.8	3.5	3.1	4.3	4.9	Jul-05
Over/Under				-3.0	-3.2	-3.7	-3.8	-0.7	-0.2	1.1	0.9	
BBgBarc US Govt/Credit TR				-1.1	3.4	6.1	9.8	5.2	3.5	4.1	4.4	Jul-05

Reams Custom Index: Merrill Lynch 3 Month Libor Constant Maturity Index, prior to February 2013 the Barclays Aggregate.

Loomis Custom Index: 65% BBgBarc US Aggregate, 30% Citigroup High Yield Market Index and 5% JPM Non-US Hedged Bond Index.



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Debt	80,172,200	1.5	3.0	0.9	1.4	5.4	7.8	--	--	--	6.4	Jan-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				<u>-11.4</u>	<u>-12.2</u>	<u>-8.5</u>	<u>-6.1</u>	--	--	--	<u>0.2</u>	Jan-18
Over/Under				12.3	13.6	13.9	13.9				6.2	
CVI Credit Value Fund	28,836,940	0.5		0.2	2.0	5.4	7.7	--	--	--	6.1	Jan-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				<u>-11.4</u>	<u>-12.2</u>	<u>-8.5</u>	<u>-6.1</u>	--	--	--	<u>0.2</u>	Jan-18
Over/Under				11.6	14.2	13.9	13.8				5.9	
Monroe Capital Private Credit Fund III	18,215,769	0.3		2.8	2.8	7.9	10.7	--	--	--	10.5	Dec-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				<u>-11.4</u>	<u>-12.2</u>	<u>-8.5</u>	<u>-6.1</u>	--	--	--	<u>-1.9</u>	Dec-18
Over/Under				14.2	15.0	16.4	16.8				12.4	
Bluebay Direct Lending Fund III	9,797,454	0.2		1.7	0.7	6.8	8.6	--	--	--	8.6	Apr-19
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				<u>-11.4</u>	<u>-12.2</u>	<u>-8.5</u>	<u>-6.1</u>	--	--	--	<u>-6.1</u>	Apr-19
Over/Under				13.1	12.9	15.3	14.7				14.7	
Pimco Private Income Fund	8,250,000	0.2		0.0	0.0	--	--	--	--	--	0.0	Nov-19
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-14.4</u>	Nov-19
Over/Under				13.5	20.3						14.4	
Bridge Debt Strategies III Limited Partner	15,072,038	0.3		0.0	0.0	--	--	--	--	--	0.0	Jan-20
Russell 3000 + 3%				<u>-13.5</u>	<u>-20.3</u>	<u>-10.7</u>	<u>-6.4</u>	<u>7.1</u>	<u>8.9</u>	<u>13.4</u>	<u>-20.3</u>	Jan-20
Over/Under				13.5	20.3						20.3	
Treasuries	103,124,269	2.0	2.0	3.9	12.3	14.4	18.3	--	--	--	18.3	Apr-19
Reams 10-Year Treasuries	103,124,269	2.0		3.9	12.3	14.4	18.3	--	--	--	18.3	Apr-19
BBgBarc US Treasury 7-10 Yr TR				<u>3.5</u>	<u>10.1</u>	<u>11.8</u>	<u>16.2</u>	<u>7.0</u>	<u>4.4</u>	<u>5.4</u>	<u>16.2</u>	Apr-19
Over/Under				0.4	2.2	2.6	2.1				2.1	

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PRIVATE DEBT LIMITED PARTNERSHIP PERFORMANCE

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date ¹	Outstanding Commitment ¹	Call Ratio	Distributions to Date	Valuation	Total Value	Net Benefit	IRR	Since Inception	
												Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
BlueBay Direct Lending III	2019	2/12/2019	\$25,000,000	\$9,250,678	\$15,749,322	37%	\$49,774	\$9,797,454	\$9,847,228	\$596,550	8.9%	0.01x	1.06x
Bridge Debt Strategies III	2019	12/20/2019	\$25,000,000	\$15,318,397	\$9,681,603	61%	\$246,350	\$15,072,038	\$15,318,388	-\$9	0.0%	0.02x	1x
CVI Credit Value Fund IV	2017	12/31/2017	\$30,000,000	\$27,000,000	\$3,000,000	90%	\$6,147	\$28,836,940	\$28,843,087	\$1,843,087	6.9%	0x	1.07x
Monroe Capital Private Credit Fund III	2018	9/5/2018	\$25,000,000	\$17,652,142	\$7,347,858	71%	\$1,273,921	\$18,215,769	\$19,489,690	\$1,837,548	11.3%	0.07x	1.1x
PIMCO Private Income Fund	2019	3/25/2019	\$55,000,000	\$8,250,000	\$46,750,000	15%	\$0	\$8,250,000	\$8,250,000	\$0	0.0%	0x	1x
Total VCERA Private Debt Program	--		\$160,000,000	\$77,471,217	\$82,528,783	48%	\$1,576,192	\$80,172,201	\$81,748,393	\$4,277,176	7.5%	0.02x	1.06x

1. Includes recycled/recallable distributions received to date.

Note: Private debt performance data is reported net of fees.

Performance shown is based on 3/31/2020 cash-adjusted market values.



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Real Estate	449,553,278	8.5	8.0	0.0	0.0	1.4	-0.6	4.0	5.9	9.2	7.4	Mar-94
NCREIF ODCE Net				<u>0.0</u>	<u>0.0</u>	<u>2.4</u>	<u>3.2</u>	<u>5.6</u>	<u>7.3</u>	<u>10.3</u>	<u>7.9</u>	<i>Mar-94</i>
Over/Under				0.0	0.0	-1.0	-3.8	-1.6	-1.4	-1.1	-0.5	
Prudential Real Estate	165,564,252	3.1		0.0	0.0	2.7	4.1	6.5	8.1	11.4	6.2	Jun-04
NCREIF ODCE Net				<u>0.0</u>	<u>0.0</u>	<u>2.4</u>	<u>3.2</u>	<u>5.6</u>	<u>7.3</u>	<u>10.3</u>	<u>6.8</u>	<i>Jun-04</i>
Over/Under				0.0	0.0	0.3	0.9	0.9	0.8	1.1	-0.6	
NCREIF ODCE				<u>0.0</u>	<u>0.0</u>	<u>2.8</u>	<u>3.9</u>	<u>6.5</u>	<u>8.2</u>	<u>11.3</u>	<u>7.8</u>	<i>Jun-04</i>
UBS Real Estate	268,958,024	5.1		0.0	0.0	0.6	-3.3	2.5	4.7	8.1	6.6	Mar-03
NCREIF ODCE Net				<u>0.0</u>	<u>0.0</u>	<u>2.4</u>	<u>3.2</u>	<u>5.6</u>	<u>7.3</u>	<u>10.3</u>	<u>7.0</u>	<i>Mar-03</i>
Over/Under				0.0	0.0	-1.8	-6.5	-3.1	-2.6	-2.2	-0.4	
NCREIF ODCE				<u>0.0</u>	<u>0.0</u>	<u>2.8</u>	<u>3.9</u>	<u>6.5</u>	<u>8.2</u>	<u>11.3</u>	<u>8.0</u>	<i>Mar-03</i>
LaSalle Income + Growth VIII Limited Partnership	15,031,002	0.3		0.0	--	--	--	--	--	--	0.0	Mar-20
NCREIF ODCE Net				<u>0.0</u>	<u>0.0</u>	<u>2.4</u>	<u>3.2</u>	<u>5.6</u>	<u>7.3</u>	<u>10.3</u>	<u>0.0</u>	<i>Mar-20</i>
Over/Under				0.0							0.0	
NCREIF ODCE				<u>0.0</u>	<u>0.0</u>	<u>2.8</u>	<u>3.9</u>	<u>6.5</u>	<u>8.2</u>	<u>11.3</u>	<u>0.0</u>	<i>Mar-20</i>
Total Real Assets	391,109,105	7.4	7.0	-16.1	-19.3	-18.5	-16.5	-4.0	-2.8	--	1.1	Apr-13
Real Assets Index				<u>-0.1</u>	<u>0.9</u>	<u>2.3</u>	<u>4.1</u>	<u>5.5</u>	<u>5.6</u>	--	<u>5.9</u>	<i>Apr-13</i>
Over/Under				-16.0	-20.2	-20.8	-20.6	-9.5	-8.4		-4.8	
Bridgewater All Weather Fund	314,191,012	6.0		-9.8	-9.9	-6.1	-2.6	2.7	2.0	--	3.8	Aug-13
CPI + 5% (Unadjusted)				<u>0.2</u>	<u>1.7</u>	<u>4.5</u>	<u>6.6</u>	<u>7.0</u>	<u>6.9</u>	--	<u>6.6</u>	<i>Aug-13</i>
Over/Under				-10.0	-11.6	-10.6	-9.2	-4.3	-4.9		-2.8	
Tortoise Energy Infrastructure	57,301,795	1.1		-39.8	-49.3	-53.3	-53.6	-24.1	-16.9	--	-9.4	Apr-13
Tortoise MLP Index				<u>-46.4</u>	<u>-56.8</u>	<u>-59.8</u>	<u>-59.2</u>	<u>-27.8</u>	<u>-20.4</u>	--	<u>-13.7</u>	<i>Apr-13</i>
Over/Under				6.6	7.5	6.5	5.6	3.7	3.5		4.3	
Brookfield Infra Fund IV B LP	19,616,298	0.4		--	--	--	--	--	--	--	--	Apr-20
CPI + 2% (Unadjusted)				<u>-0.1</u>	<u>0.9</u>	<u>2.3</u>	<u>3.6</u>	<u>4.0</u>	<u>3.8</u>	<u>3.8</u>	--	<i>Apr-20</i>
Over/Under												
Overlay	146,916,945	2.8	0.0									
Parametric	93,409,117	1.8										
Abbott Capital Cash	53,507,828	1.0										

Total Real Estate Benchmark: NCREIF ODCE; prior to January 2006, the NCREIF Property Index.

Total Real Assets Benchmark CPI + 4% from inception until 6/30/2019; CPI +2% from 6/30/2019 to present.

Real Estate managers and NCREIF ODCE are valued on a quarterly basis. Performance is not applicable in mid-quarter months, therefore 0% return is shown.

Ventura County Employees' Retirement Association**TOTAL FUND**

	Cash Flow Summary						
	Month Ending March 31, 2020						Ending Market Value
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	
Abbott Capital Cash	\$56,679,355	\$131,530,588	-\$134,780,285	-\$3,249,697	\$0	\$78,170	\$53,507,828
Abbott Secondary Opportunities	\$17,373,266	\$0	\$0	\$0	\$0	\$0	\$17,373,266
ABRY Partners IX, LP	\$3,177,970	\$0	\$0	\$0	\$0	\$0	\$3,177,970
Adams Street Global Fund Series	\$181,343,427	\$1,350,000	\$0	\$1,350,000	\$0	\$11,463,652	\$194,157,079
Advent International GPE IX LP	\$1,423,179	\$550,000	\$0	\$550,000	\$0	\$7,408	\$1,980,587
Astorg VII L.P.	\$739,037	\$0	\$0	\$0	\$0	\$50,627	\$789,664
Battery Ventures XII	\$10,959,326	\$0	\$0	\$0	\$0	\$1,087,621	\$12,046,946
BlackRock ACWI ex-U.S. Index	\$456,496,649	\$0	\$0	\$0	-\$33,981	-\$68,725,575	\$387,771,075
BlackRock MSCI ACWI Equity Index	\$608,589,294	\$0	\$0	\$0	-\$19,227	-\$81,772,666	\$526,816,628
Blackrock Russell 1000 Index	\$1,296,632,847	\$0	\$0	\$0	-\$9,796	-\$171,112,040	\$1,125,520,807
Blackrock Russell 2500 Index	\$63,362,756	\$0	\$0	\$0	-\$827	-\$13,743,569	\$49,619,186
BlackRock U.S. Debt Fund	\$254,210,902	\$0	-\$50,000,000	-\$50,000,000	-\$10,059	-\$2,427,968	\$201,782,934
Bluebay Direct Lending Fund III	\$9,637,239	\$0	\$0	\$0	\$0	\$160,215	\$9,797,454
Bridge Debt Strategies III Limited Partner	\$15,072,038	\$0	\$0	\$0	\$0	\$0	\$15,072,038
Bridgewater All Weather Fund	\$348,401,257	\$0	\$0	\$0	-\$98,790	-\$34,210,245	\$314,191,012
Brookfield Infra Fund IV B LP	\$0	\$19,616,298	\$0	\$19,616,298	\$0	\$0	\$19,616,298
Buenaventure One, LLC	\$34,192,470	\$4,950,000	\$0	\$4,950,000	\$0	\$9	\$39,142,479
Buenaventure Two, LLC	\$345,433	\$50,000	\$0	\$50,000	\$0	-\$14,040	\$381,392



Ventura County Employees' Retirement Association**TOTAL FUND**

	Month Ending March 31, 2020						
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Clearlake Capital Partners V	\$9,024,699	\$629,198	-\$1,432,441	-\$803,243	\$0	\$1,494,699	\$9,716,155
CVI Credit Value Fund	\$24,284,409	\$4,500,000	\$0	\$4,500,000	\$0	\$52,531	\$28,836,940
Dover Street X, LP	\$2,218,138	\$0	\$0	\$0	\$0	-\$6,796	\$2,211,342
Drive Capital Fund II	\$17,115,665	\$0	\$0	\$0	\$0	\$0	\$17,115,665
Drive Capital Fund III LP	\$111,720	\$0	\$0	\$0	\$0	\$0	\$111,720
Drive Capital Overdrive Fund I	\$2,766,681	\$0	\$0	\$0	\$0	\$0	\$2,766,681
ECI 11	\$3,541,011	\$0	\$0	\$0	\$0	-\$225,078	\$3,315,932
Genstar Capital Partners IX	\$1,810,990	\$0	-\$102,637	-\$102,637	\$0	\$81,053	\$1,789,406
Genstar IX Opportunities Fund I	\$746,588	\$0	\$0	\$0	\$0	\$25,033	\$771,621
GGV Capital VII L.P.	\$3,283,462	\$304,800	\$0	\$304,800	\$0	\$58,342	\$3,646,604
GGV Capital VII Plus, LP	\$826,921	\$25,400	\$0	\$25,400	\$0	-\$466	\$851,855
GGV Discovery II, L.P.	\$656,751	\$84,000	\$0	\$84,000	\$0	-\$3,739	\$737,012
GTCR Fund XII	\$10,418,562	\$0	\$0	\$0	\$0	\$515,651	\$10,934,213
Harbourvest	\$105,221,135	\$0	-\$1,632,824	-\$1,632,824	\$0	\$2,683	\$103,590,994
Hexavest	\$85,552,446	\$0	\$0	\$0	-\$28,335	-\$13,047,938	\$72,504,508
Insight Venture Partners X	\$24,596,311	\$575,000	\$0	\$575,000	\$0	\$1,977,759	\$27,149,069
LaSalle Income + Growth VIII Limited Partnership	\$15,031,002	\$0	\$0	\$0	\$0	\$0	\$15,031,002
Loomis Sayles Multi Strategy	\$92,724,373	\$0	-\$10,000,000	-\$10,000,000	-\$24,912	-\$6,409,291	\$76,315,082



Ventura County Employees' Retirement Association**TOTAL FUND**

	Month Ending March 31, 2020						
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Loomis Strategic Alpha	\$49,230,589	\$0	\$0	\$0	-\$15,365	-\$3,135,947	\$46,094,642
M/C Partners Fund VIII LP, Limited Partnership	\$901,634	\$0	\$0	\$0	\$0	-\$258,422	\$643,212
Monroe Capital Private Credit Fund III	\$17,723,940	\$0	\$0	\$0	\$0	\$491,829	\$18,215,769
Oak HC/FT Partners III LP	\$1,787,353	\$744,885	\$0	\$744,885	\$0	-\$98,767	\$2,433,471
Pantheon Global Secondary Funds	\$37,893,773	\$0	-\$961,189	-\$961,189	\$0	\$1,254,901	\$38,187,485
Parametric	\$36,348,293	\$73,000,000	\$0	\$73,000,000	-\$8,826	-\$15,939,176	\$93,409,117
Pimco Private Income Fund	\$8,250,000	\$0	\$0	\$0	\$0	\$0	\$8,250,000
Prudential Real Estate	\$165,564,252	\$0	\$0	\$0	\$0	\$0	\$165,564,252
Reams	\$334,629,147	\$0	-\$15,000,000	-\$15,000,000	-\$44,893	-\$10,484,965	\$309,144,182
Reams 10-Year Treasuries	\$113,954,525	\$0	-\$15,000,000	-\$15,000,000	\$0	\$4,169,744	\$103,124,269
Riverside Micro Cap Fund V, LP	\$1,780,559	\$0	\$0	\$0	\$0	\$151,752	\$1,932,311
Sprucegrove	\$208,310,333	\$0	\$0	\$0	-\$55,099	-\$37,834,451	\$170,475,881
TA XIII A LP	\$1,370,078	\$0	\$0	\$0	\$0	\$50,814	\$1,420,892
The Resolute Fund IV L.P	\$10,255,851	\$0	\$0	\$0	\$0	\$1,809,154	\$12,065,005
Tortoise Energy Infrastructure	\$95,184,753	\$0	\$0	\$0	-\$29,845	-\$37,882,958	\$57,301,795
UBS Real Estate	\$268,958,024	\$0	\$0	\$0	\$0	\$0	\$268,958,024
Walter Scott	\$137,882,976	\$0	\$0	\$0	-\$86,693	-\$8,246,178	\$129,636,799
Western	\$340,536,113	-\$30,000,000	\$0	-\$30,000,000	-\$49,555	-\$14,092,305	\$296,443,808
Western U.S. Index Plus	\$229,119,465	\$0	\$0	\$0	-\$35,928	-\$41,699,154	\$187,420,311
Total	\$5,818,248,968	\$207,910,169	-\$228,909,375	-\$20,999,207	-\$552,131	-\$536,388,092	\$5,260,861,669



Information Disclaimer

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may be preliminary and subject to change.
- This report is provided as a management aid for the client's internal use only. Information contained in this report does not constitute a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

Reporting Methodology


- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.





April 20, 2020

To: VCERA Board of Trustees

From: Leah Oliver, Chief Technology Officer 

SUBJECT: IPAD REFRESH FOR BOARD TRUSTEES, EXECUTIVES AND ADMINISTRATIVE STAFF

VCERA's Board Trustees, Executives, IT Staff and Board Clerk, currently use iPad Pro 12.9-inch devices. These devices are over 3 years old and will soon be approaching end of life and support from Apple. Once a device is no longer supported by Apple, security updates, iOS updates and app updates are no longer available, thus making the device susceptible to security vulnerabilities.

The current iPad Pro (1st Generation) devices have: 12.9-inch screens, 128 GB of storage, WiFi and LTE capabilities. These devices are also equipped with 1st generation iPad Pencils and third-party keyboard folios. The original cost per device (including accessories) was approximately \$1,475.

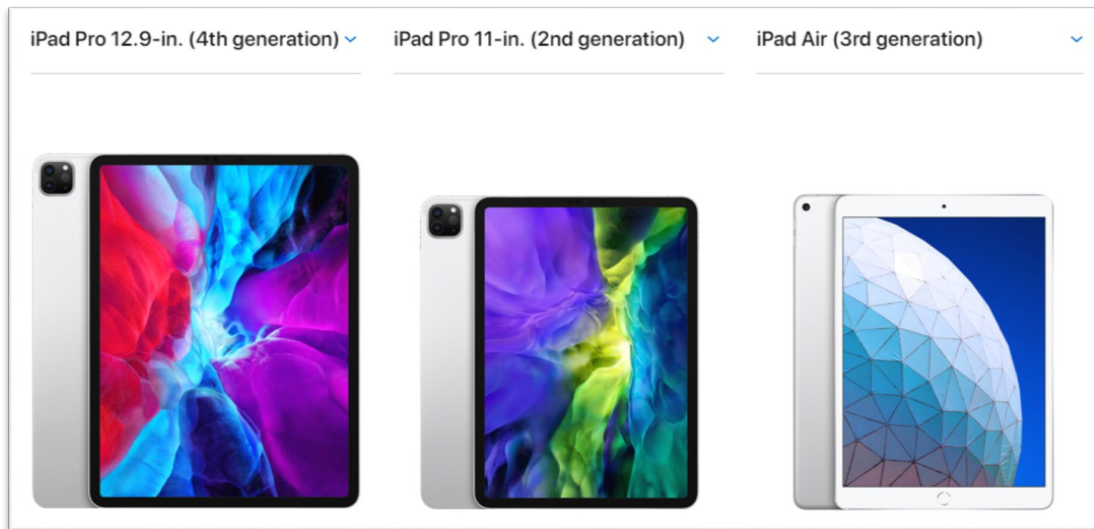
There are 20 iPads that require upgrades in Fiscal Year 20/21: 12 Trustees, 6 Executives and 2 VCERA Support Staff. The cost to replace these devices with the current version is approximately \$1,877 per device. The total cost of the refresh is significant and CTO, Leah Oliver would like to obtain guidance from VCERA Retirement Administrator and the Board of Trustees as to which of the options below would be acceptable.

There are various models of iPad based on screen size and storage capacity. The table below outlines the different sizing options and costs. A visual comparison is provided on Page 2.

iPad Options

	Screen Size	Storage Capacity	Apple Pencil	Keyboard Folio	Cost per Device	Cost for 20 Devices
Option 1: iPad Pro 2nd Gen	11-inch	256 GB	New	New	\$1,556	\$31,120
Option 2: iPad Pro 4th Gen	12.9-inch	256 GB	New	New	\$1,877	\$37,450
Option 3: iPad Air (3rd Gen)	10.5-inch	256 GB	Existing	New	\$1,027	\$20,540
Option 4: iPad Pro 4th Gen	12.9-inch	256 GB	New	New	\$1,877	TBD

iPad Visual Comparison



The CTO would appreciate the Retirement Administrator's and Board Members' input regarding the option listed above. Upon approval, the total cost will be included in the IT Budget for Fiscal Year 20/21.

RECOMMENDATION: SELECT PREFERRED OPTION 1-4 AND APPROVE COST TO BE BUDGETED FOR FISCAL YEAR 20/21.

Staff will be available to discuss further at the April 20, 2020 Board Meeting.

Request to Engage Consultant for VCERA Managers Compensation Survey

Dear Board Members:

Recently, the Board approved the formation of an ad hoc committee to oversee a compensation survey of the top managers of VCERA. (Retirement Administrator, General Counsel, Chief Investment Officer, Chief Financial Officer, and Chief Operating Officer)

The committee believes that there is a need for a more focused survey than currently done by the county for market-based salary adjustments. This will entail getting total compensation information on comparable positions within other County Employees Retirement Law county offices with similar staffing, membership and fund size.

The committee will engage a local compensation analyst to perform this study. We are asking that the consulting contract be reviewed by our outside counsel, Nossaman LLP, as our General Counsel's position is a subject of the study. The cost of the consultant services and legal review will not exceed \$5000. If you have any questions, please contact Bill Wilson, Mike Sedell or Will Hoag.

Sincerely,

William Wilson
Chair, Market-Based Adjustment Committee



April 20, 2020

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

**SUBJECT: QUARTERLY RETIREMENT ADMINISTRATOR'S REPORT FOR THE
PERIOD OF JANUARY – MARCH 2020**

Dear Board Members:

In compliance with VCERA's Monitoring & Reporting Policy, this report includes information regarding travel, training, key meetings and media communications, as well as other key issues for January through March of 2020.

General

The office renovations were completed during the first quarter, with the exception of the Board room. (Installation of the new table and various electronics has been postponed indefinitely as a result of COVID-19.) All staff were finally in their new offices and work stations, prior to the current period of working remotely.

Several recruitments were completed during the first quarter, including 2 Benefit Manager positions, both of which were filled by promotion of existing staff. The new Disability Manager position was filled by Josiah Vencel and the Benefits Manager position once held by Vickie Williams was filled by Rebekah Villalobos. The responsibilities of their former positions are currently being performed through temporary promotions of existing staff.

The recruitment for the new position of Senior Information Technology Specialist was also completed, and VCERA has welcomed Brian Owen to our team in that role. VCERA also welcomed new Office Assistant Veronica Pinzon in January and new Benefit Specialist Lydia Bakhoun in March.

Much work was done by Operations and Fiscal on the January issuing of 1099Rs, which went smoothly except for some necessary reprints as a result of a postal machine malfunction. Staff also worked through changes to materials and correspondence as a result of the IRS changing the Required Minimum Distribution age to 72.

Fiscal worked on several cyclical filings and reports for 2019 in the first quarter of 2020, as well as performing work related to interest posting, mid-year budget projections, and the regular monthly and

Q1 2020 Report
April 20, 2020
Page 2

quarterly reporting. CFO Solis worked closely with CIO Gallagher to project cash flow needs and process investment instructions.

The CTO and staff finished the replacement of VCERA staff computers, in addition to the regular cyclical work. As the CTO serves as team leader on the renovation, she spent a great deal of time facilitating various installations, inspections, etc.

Work continued through the quarter on the new disability processing model, with regular meetings and expansion of the procedures and supporting documents. The hiring of Josiah Vencel as the Disability Manager has accelerated the progress.

COVID-19

The month of March was heavily dominated by issues related to the COVID-19 pandemic. This included preparation, testing, precautionary measures, monitoring, and various other tasks. The entire staff pulled together in a professional and efficient way to keep VCERA operations on track. For more details, please refer to my April 8th COVID-19 report.

Board/Policy/Compliance

In the 1st quarter, staff conducted a comprehensive orientation session with Trustees Ashby and Roberts. Staff also worked with Segal on the tail volatility item, coordinating with employers and groups on their feedback.

The changes to the VCERA Bylaws were approved by the County Board of Supervisors in the first quarter.

The General Counsel provided guidance to help navigate the changes and exceptions to Brown Act as a result of COVID-19 to accommodate compliant meetings during the crisis. Her assistance has been critical during this time of navigating the changes as they were issued.

Travel & Training

In February, I attended the CALAPRS Administrators' Roundtable in Costa Mesa.

Media

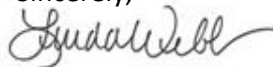
No media interaction in the 1st quarter.

Key Meetings

Key meetings during the 1st quarter focused on the work and issues described within this report.

Please contact me with any questions you may have regarding this quarterly report.

Sincerely,



Linda Webb
Retirement Administrator



April 20, 2020

SUBJECT: CHIEF INVESTMENT OFFICER'S 1st QUARTER 2020 INVESTMENT ACTIVITY REPORT

Dear Board Members:

Below is a summary of first quarter 2020 investment activity.

Private investments:

- \$25 million commitment for Abbott's Secondary Opportunities Fund II
- \$50 million new private credit commitment to PIMCO's Credit Opportunities Fund (COF) III
- Abbott will report on 1st quarter private equity activity and deals reviewed during their presentation

Investment presentations:

- Adams Street 2010, 2013, 2016 annual programs and Co-Investment Fund IV: private equity
- Pantheon Global Secondary Funds IV and V: private equity
- PIMCO Credit Opportunities Fund III: diversified private credit
- Prudential PRISA: core real estate
- UBS Trumbull Property Fund: core real estate
- CIO educational presentation on fees, economics, and reporting in private investments
- NEPC
 - November and December 2019, January 2020 monthly and Q4 2019 quarterly investment performance reports;
 - 2020 Capital Markets Outlook
 - 2020 Private Credit Overview and Pacing Plan
 -

On-site investment due diligence:

- On-site visit with WAMCO cancelled because of the coronavirus

Other:

- Daily teleconferences, phone calls etc. with investment managers across all asset classes, consultants, custodian, and industry peers in regards to actions taken to mitigate losses, and to ensure sufficient liquidity to effect VCERA priorities

Respectfully submitted,

Dan Gallagher

Chief Investment Officer



UPDATED Special Report To

SACRS Legislative Committee

COVID-19 Legislative and Regulatory Issues

UPDATED April 15, 2020

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The information in this report is intended to provide legal support to the Legislative Committee of the State Association of County Retirement Systems (SACRS) in its role as the Committee reviewing tax compliance issues for its membership. The Legislative Committee is tasked with monitoring tax compliance issues, making recommendations with respect to amending the County Employees' Retirement Law of 1937 (the '37 Act), or new model tax compliance regulations for SACRS member organizations.

This is an UPDATED Special Report covering recent developments related to the COVID-19 emergency pandemic as of April 15, 2020.

UPDATED Summary of FFCRA and the CARES Act for '37 Act Retirement Systems

The Families First Coronavirus Response Act (the "FFCRA") was enacted on March 18, 2020, and provides relief to individuals and businesses related to paid sick leave and extended family and medical leave, and provides expanded health services and unemployment assistance, related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted on March 27, 2020 and provides relief to individuals and businesses that have been negatively impacted by the COVID-19 pandemic.

CARES ACT PROVISIONS APPLICABLE TO '37 ACT SYSTEMS

We have determined that the CARES Act provisions related to coronavirus-related plan distributions apply to governmental tax-qualified defined benefit retirement systems, like the '37 Act systems, as described below.

Under the CARES Act, a participant who meets certain conditions can receive a coronavirus-related distribution from their retirement plans of up to \$100,000 any time in 2020. For this purpose, the CARES Act defines a retirement plan to include a tax-qualified 401(a) plan, such as a '37 Act system, in addition to 401(k) plans, 403(b) plans and governmental 457(b) plans. These distributions are exempt from the 10% early withdrawal penalty, can be included in the participant's income tax over three years, and are not subject to the mandatory 20% withholding for "eligible rollover distributions." We believe that these provisions of the CARES Act would apply to single sum distributions made from the '37 Act systems on account of a withdrawal of member contributions or a death benefit if the member (or beneficiary), or their spouse or dependent, was diagnosed with coronavirus, or the member (or beneficiary) suffered from adverse financial consequences due to coronavirus.

There are two approaches that a retirement system could take with respect to dealing with potential coronavirus distributions.

First, if a retirement system wanted to make it easier for participants and beneficiaries to utilize the coronavirus-related distribution rules, the retirement system could provide a member who requests a refund of contributions (or a beneficiary who is to receive a death benefit) during 2020 with a self-certification form at the same time they are provided the required Code section 402(f) rollover notice. The self-certification form would indicate that in order for the distribution to qualify as a coronavirus-related distribution, the member (or beneficiary) must certify that either:

- the member (or beneficiary), or their spouse or dependent, was diagnosed with COVID-19 by a test approved by the Centers for Disease Control and Prevention (CDC), or
- the member (or beneficiary) is experiencing adverse financial consequences related to COVID-19 as a result of: being quarantined; being furloughed, laid off, or having reduced work hours; being unable to work due to lack of child care; closing or

reducing hours of a business owned or operated by the member (or beneficiary); or other factors as determined by the Secretary of the Treasury.

The CARES Act provides that plan administrators, like the '37 Act systems, can rely on a member's (or beneficiary's) self-certification that he or she meets the conditions for a coronavirus-related distribution. The member (or beneficiary) would also need to certify that the aggregate amount of coronavirus-related distributions received by the member (or beneficiary) from all plans maintained by a participating employer in the system will not exceed \$100,000.

If the '37 Act system received a properly completed self-certification form back from the member (or beneficiary) then the system would not withhold the required 20% tax withholding that would normally apply to these single sum distributions, which are otherwise treated as rollover eligible distributions.

While the CARES Act also provides that coronavirus-related distributions may be repaid to the plan within three years, this requirement only applies to plans that allow rollovers into the plan. It is our understanding that the '37 Act systems do not allow rollovers into the plans (although plan-to-plan transfers may be allowed for service credit purchases).

Alternatively, a '37 Act system may choose not to facilitate the treatment of single sum distributions as coronavirus-related distributions. In that case, we believe that individuals who would otherwise qualify to treat the distributions as coronavirus-related distributions may still do so on their own tax returns, and presumably receive a refund or an offset against taxes owed for the 20% required withholding on the refund of contributions or death benefit payment that would have been submitted to the IRS on their behalf by the '37 Act system.

Since the only types of distributions from '37 Act systems that would be eligible for treatment as coronavirus distributions are already allowable distributions under the '37 Act, we do not believe that a system would need to amend any regulations or that the '37 Act would need to be amended in order for members or beneficiaries who qualify to utilize this provision of the CARES Act. In any event, governmental plans have until the end of the 2024 plan year to amend their plans.

OTHER FFCRA AND CARES ACT PROVISIONS THAT MAY BE OF INTEREST BUT DO NOT DIRECTLY IMPACT '37 ACT SYSTEMS

Other than the coronavirus-related distribution provisions discussed above, the FFCRA and the CARES Act do not include any other provisions that impact governmental tax-qualified defined benefit retirement systems, like the '37 Act systems. However, certain provisions may impact those systems that are separate Special Districts and thus are "employers" for purposes of some of the new requirements. These laws also may affect benefits available to employees working for the system and members of the system. In addition, for those systems that also offer health benefits to retirees, there are provisions that will impact those benefits. So that you are aware of the most up to date information, we have included below brief summaries of helpful information, along with the links to postings on our website where you can find detailed information on COVID-19 related benefits issues. We are making every effort to keep the information on our website updated for legislation and regulatory developments as they happen.

New Paid Sick Leave and Extended Family Medical Leave

Under the FFCRA, certain employers, including all governmental employers, must provide expanded paid leave under the Family and Medical Leave Act (FMLA) and paid sick leave to employees in circumstances related to the COVID-19 emergency. Both new paid leave requirements are effective as of April 1, 2020, and are scheduled to expire on December 31, 2020. For more information about the new paid leave requirements, see our [article](#) published on March 19, 2020. Governmental employers are not eligible for the tax credits provided under the FFCRA.

In addition, because the FFCRA also provides that any required emergency paid sick and expanded FMLA leave is not wages for FICA purposes, governmental employers who provide voluntary Social Security coverage (or to the extent Social Security coverage is mandatory for certain employees) will be relieved of withholding FICA and paying the employer portion of FICA for any required emergency leave payments.

Deferral of FICA Taxes

The CARES Act allows employers (including governmental employers who pay employer FICA tax) to defer payment of the employer share of the 6.2% Social Security payroll tax otherwise due on employee wages for the period from March 27, 2020 through December 31, 2020. The employer may extend payment of the employment taxes owed for such period over the following two years, with half paid by December 31, 2021 and half paid by December 31, 2022.

Questions and Answers Related to COVID-19 Health Plan and Cafeteria (Code Section 125) Plan Issues

As a growing number of the workforce is being affected by the COVID-19 pandemic, employers are raising benefits questions, particularly with respect to group health plans. Our most recent update to [Frequently Asked Questions](#) related to group health plans and cafeteria plan coverage was issued on March 30, 2020. Of course, each County's or System's particular benefit plan provisions may impact the answer to some of these questions. Please feel free to reach out to your tax counsel or your contact in the Employee Benefits Group at Hanson Bridgett if you have specific questions about health benefits issues.

Information Regarding Economic Assistance for Employees (Including Defined Contribution Plan Changes for COVID-19 Relief)

The FFCRA and the CARES Act have included a number of provisions intended to provide for Coronavirus-related plan distribution and loan enhancements and waiver of required minimum distributions for defined contribution plans, but not for defined benefit plans. Governmental employers, like other employers, may wish to explore new options for qualified disaster relief payments, donated leave programs, Internal Revenue Code section 139 payments, and new ability to provide student loan assistance. Our March 30, 2020 [article](#) provides the most up to date information about economic assistance that may be available for your members or for employees of a '37 Act System that is a special district.

The CARES Act also provides for enhanced unemployment benefits for workers affected by the COVID-19 pandemic. See our [article](#) published on March 30, 2020 for more information.

Information Regarding Other Relief for Employers

Both the FFCRA and the CARES Act include tax credits and the CARES Act includes a forgivable loan that may be useful to private sector employers to maintain workers on their payroll. See our March 25, 2020 [article](#), our March 27, 2020 [article](#) and our March 30, 2020 [article](#) for more information. These tax credits and the forgivable loans are not available to governmental employers.

Information Applicable Only to California Governmental Employers

We also have published a series of [Questions and Answers](#) directly related to issues for California governmental employers. You can find information about the treatment of rehired retirees and the break in service rules under the Governor's Executive Order N-25-20 in that article. We are updating these questions and answers for any new developments related to the COVID-19 emergency, so you may wish to check this information periodically.

Other Questions

If you have questions that we have not answered, please feel free to reach out to your contact in the Employee Benefits Group at Hanson Bridgett.

We invite you to visit Hanson Bridgett's Coronavirus (COVID-19) Resource Center – an online toolkit intended to help our clients confront and address legal issues arising from the ongoing COVID-19 pandemic, including a series of targeted alerts being updated on a daily basis. Hanson Bridgett has assembled a multidisciplinary response team available to help our clients navigate the myriad unique issues presented by the developing worldwide pandemic. As you might expect, our Employee Benefits Group have been heavily involved in producing this emerging information. There are also articles addressing issues for California public agencies that our firm published on [March 13th](#), [March 20th](#), and [March 30th](#). You may sign up to receive notifications by email when new content is added to our COVID-19 Resource Center: [Subscribe Here »](#)
