

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

November 18, 2013

AGENDA

PLACE: Ventura County Employees' Retirement Association
Second Floor Boardroom
1190 South Victoria Avenue
Ventura, CA 93003

TIME: 9:00 a.m.

ITEM:

- | | | |
|------|--|-----------------|
| I. | <u>INTRODUCTION OF MEETING</u> | Master Page No. |
| II. | <u>APPROVAL OF AGENDA</u> | 1 - 3 |
| III. | <u>APPROVAL OF MINUTES</u> | |
| | A. Disability Meeting of November 4, 2013. | 4 - 10 |
| IV. | <u>CONSENT AGENDA</u> | |
| | THE FOLLOWING ITEMS ARE ANTICIPATED TO BE ROUTINE AND NON-CONTROVERSIAL. CONSENT ITEMS WILL BE APPROVED WITH ONE MOTION IF NO MEMBER OF THE BOARD WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND TRANSFERRED TO THAT SECTION OF THE AGENDA DEEMED APPROPRIATE BY THE CHAIR. | |
| | A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of October 2013. | 11 - 12 |
| | B. Receive and File Report of Checks Disbursed in October 2013. | 13 - 22 |
| | C. Receive and File Asset Allocation as of October 31, 2013. | 23 |

IV. CONSENT AGENDA (continued)

- | | |
|---|--------|
| D. Receive and File Statement of Plan Net Position, Statement of Changes in Plan Net Position, Investments & Cash Equivalents, and Schedule of Investment Management Fees September 30, 2013. | 24- 29 |
| E. Receive and File Budget Summary for FY 2013-14 Month ending September 2013. | 30 |
| F. Receive and File Budget Summary for FY 2013-14 Month ending October 2013. | 31 |

END OF CONSENT AGENDA

V. STANDING ITEM

- A. Receive an Oral Update on Pensionable Compensation and PEPRA.

VI. INVESTMENT INFORMATION

- A. Hewitt EnnisKnupp - John J. Lee, and Kevin Chen.
- | | |
|---|-----------|
| 1. Receive and File Third Quarter 2013 Performance Report. | 32 - 167 |
| 2. Receive and File Monthly Manager Performance Report, October 2013. | 168 - 172 |
- B. Consider Approval of Custodial Fee Proposal. 173 - 175
- | | |
|--|-----------|
| 1. Custodial Fee Proposal – Yolanda Diaz, State Street Bank and Trust. | 176 - 178 |
| 2. Consultant Memo – Allan Martin, Don Stracke, CFA, CAIA, and Anthony Ferrara, NEPC, Inc. | 179 |
| 3. Consultant Memo – Joel Brightfield, Trust Services & John J. Lee, Hewitt EnnisKnupp. | 180 - 183 |
| 4. Supporting Data: a. Custodial Fee Survey, b. 2002 Fee, c. 1997 Contract. | 184 - 208 |
- C. Oral Discussion of PIMCO Credit Default Swap and Redemption Activity – Trustee Chris Johnston.

VI. INVESTMENT INFORMATION (continued)

- D. The 5th Annual NEPC Public Fund Workshop, January 27-28, 2014, Tempe, Arizona and Authorization for Up to Three Trustees to Attend. 209 - 211

VII. NEW BUSINESS

- A. Receive and File Quarterly PAS (VCERIS) Report – Brian Colker, Linea Solutions. 212 - 223
- B. Review and Approval of 2014 Board Meeting Dates & Investment Manager Presentations. 224 - 226
- C. Review and Approval of Due Diligence Calendar for 2014. 227 - 228
- D. Receive and File Walter Scott Due Diligence Report – Trustees McCormick and Towner. 229 - 233
- E. Receive Fall 2013 SACRS Conference Oral Reports.

VIII. PUBLIC COMMENT

IX. BOARD MEMBER COMMENT

X. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

November 4, 2013

MINUTES

DIRECTORS William W. Wilson, Chair, Public Member
PRESENT: Tracy Towner, Vice Chair, Safety Employee Member
Steven Hintz, Treasurer-Tax Collector
Peter C. Foy, Public Member
Joseph Henderson, Public Member
Mike Sedell, Public Member
Tom Johnston, General Employee Member
Deanna McCormick, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Alternate Safety Employee Member

DIRECTORS None.

ABSENT:

STAFF

PRESENT:

Donald C. Kendig, Retirement Administrator
Henry Solis, Chief Financial Officer
Lori Nemiroff, Assistant County Counsel
Glenda Jackson, Program Assistant
Angie Tolentino, Retirement Benefits Specialist

PLACE: Ventura County Employees' Retirement Association
Second Floor Boardroom
1190 South Victoria Avenue
Ventura, CA 93003

TIME: 9:00 a.m.

ITEM:

I. INTRODUCTION OF MEETING

Chairman Wilson called the Disability Meeting of November 4, 2013, to order at 9:01 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve the agenda.

Moved by Goulet, seconded by T. Johnston.

Vote: Motion carried

Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No: -

Absent: Foy, Sedell

III. APPROVAL OF MINUTES

A. Business Meeting of October 21, 2013.

MOTION: Approve the Minutes.

Moved by Goulet, seconded by T. Johnston.

Vote: Motion carried

Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No: -

Absent: Foy, Sedell

IV. PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Receive and file the Pending Disability Application Status Report.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No: -

Absent: Foy, Sedell

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Non-Service and Service Connected Disability Retirement; Carmen Castaneda; Case No. 12-014.

John Gilman was present representing the County of Ventura Risk Management. James Segall-Gutierrez, Attorney at Law, was present representing the applicant. The applicant, Carmen Castaneda, was not present.

After statements by both parties, the following Motion was made:

MOTION: Adopt the recommendation of the hearing officer and grant the application for non-service connected disability retirement.

Moved by Henderson, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No: -

Absent: Foy, Sedell

- B. Application for Service Connected Disability Retirement; David Nadon; Case No. 11-008.

Trustee Foy arrived at 9:11 a.m.

Stephen Roberson was present representing the County of Ventura Risk Management. Anthony Strauss, Attorney at Law, was present representing the applicant. The applicant, David Nadon, was present.

After statements by both parties, the following Motion was made:

MOTION: Adopt the recommendation of the hearing officer and grant the application for service connected disability retirement.

Moved by Towner, seconded by Hintz.

Vote: Motion failed

Yes: Hintz, McCormick, Towner

No: Foy, Goulet, Henderson, Wilson

Abstain: T. Johnston

Absent: Sedell

After further discussion by the Board, the following Motion was made:

MOTION: Pursuant to Government Code section 31534(b), the Board will obtain transcript of all testimony, hold a hearing and take action as indicated by the evidence.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Towner, Wilson

No:

Abstain:

Absent: Sedell

- C. Application for Service Connected Disability Retirement; Susan Moser; Case No. 11-018.

Trustee Sedell arrived at 9:53 a.m.

Stephen Roberson was present representing the County of Ventura Risk Management. Timothy Ehritt, Attorney at Law, was present representing the applicant. The applicant, Susan Moser, was not present.

After statements by both parties, the following Motion was made:

MOTION: Deny the petition for reconsideration.

Moved by Goulet, seconded by Foy.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No:

Abstain:

- D. Application for Service Connected Disability Retirement; Susan Chavez; Case No. 13-009.

Stephen Roberson was present representing the County of Ventura Risk Management. The applicant, Susan Chavez, was not present.

After discussion, the following Motion was made:

MOTION: Issue an order from the Board for Susan Chavez to attend a deposition set at the offices of the Ventura County Employees' Retirement Association.

Moved by Hintz, seconded by Goulet.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No:

Abstain:

VI. STANDING ITEM

- A. Receive and File Monthly PAS (VCERIS) Report for September 2013.

MOTION: Receive and file the report.

Moved by Henderson, seconded by Hintz.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

Abstain:

VII. INVESTMENT INFORMATION

- A. Approval and Execution of the NEPC Investment Consulting Agreement.

After Board discussion, the following Motion was made:

MOTION: Authorize the Chair to execute the Agreement as modified to include an effective date and termination date, and add a comma after the words shall include, on the Agreement under item 2. Consulting Services, and direct staff to send HEK a 30-day notice of termination.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

Abstain:

VIII. NEW BUSINESS

- A. Receive and File Staff Notice Regarding Custodial Fee Proposal.

After Board discussion, the following Motion was made:

MOTION: Receive and file the fee proposal.

Moved by Henderson, seconded by T. Johnston.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

Abstain:

- B. Authorization of the Engagement of Human Resources to Review the Proposed Job Specifications, and Establish an Appropriate Title and Salary Range for a Retirement Investment Analyst.

After Board discussion, the following Motion was made:

MOTION: Modify the proposed job specifications and continue the item to next Business meeting.

Moved by Goulet, seconded by T. Johnston.

Vote: Motion carried

Yes: Foy, Goulet, Henderson, Hintz, T. Johnston, McCormick, Sedell,
Towner, Wilson

No: -

Abstain:

IX. CLOSED SESSION

It is the Intention of the Board of Retirement to Meet in Closed Session to Discuss the Following Items.

A. CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION

CONFERENCE WITH LEGAL COUNSEL PURSUANT TO THE PROVISIONS OF GOVERNMENT CODE SECTION 54956.9 – EXISTING LITIGATION.

NAME OF CASE: COUNTY OF VENTURA V. BOARD OF RETIREMENT AND MARK B. LOPEZ.

No reportable action taken.

X. PUBLIC COMMENT

None.

XI. BOARD MEMBER COMMENT

Trustee Hoag provided an update on the schedule of the Ad Hoc Management Committee.

Trustee Goulet commented on Board Counsel review of Board letters that are administrative and not of a legal nature.

Vice Chair Towner informed the Board that the Water Scott Due Diligence travel report will be presented at the November 18, 2013 Business meeting.

XII. ADJOURNMENT

The meeting was adjourned at 11:19 a.m.

Respectfully submitted,



DONALD C. KENDIG, Retirement Administrator

Approved,

WILLIAM W. WILSON, Chairman

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

OCTOBER 2013

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
------------	-----------	-----	--------------------	---------------	---------------	------------	----------------

REGULAR RETIREMENTS:

Susan M.	Benavides	G	11/18/1984	29.35	B = 0.53	Health Care Agency	09/14/13
Vernon	Burkhart	S	09/19/1977	26.46		Fire Protection District	03/30/13
Irene	Cortez	G	01/29/1995	20.84	A = 2.25 B = 0.11	Human Services Agency	08/19/13
Delia G.	Dobbins	G	10/12/1999	13.86		Superior Courts	09/27/13
Kerry L.	Dufrain	G	09/21/1986	28.18	A = 0.92 B = 0.31	Agriculture Department	08/31/13
Kathleen A.	Ford	G	06/30/1985	28.19		District Attorney	09/21/13
Robert	Guerra	G	04/08/2002	11.42		Superior Courts	09/07/13
Carol K.	Hughes	G	09/07/1997	17.51	A = 1.59	Health Care Agency	09/14/13
Jane E.	King	G	10/29/1989	8.73		Resource Management Agency (From Deferred)	09/10/13
Kenneth R.	Klopmanbaerseelman	G	10/16/1986	0.82	C = 29.53	Sheriff's Department (From Deferred)	08/17/13
Edward S.	Lara	G	05/16/1999	14.07		Health Care Agency	09/23/13
Linda M.	Lash	G	02/16/1992	17.80	B = 0.12	Health Care Agency	08/31/13
Maria S.	Lozano	G	05/29/1988	1.13	C = 23.65	Human Services Agency (From Deferred)	05/01/13
Russell	Melvin	G	05/11/2003	8.32		Health Care Agency (From Deferred)	08/07/13
Steve J.	Morgan	G	09/19/2005	8.01	C = 28.50	General Services Agency	09/21/13
Celia	Pena	G	04/29/1990	22.70		Health Care Agency	09/14/13
Carol E.	Stengem	G	11/16/1997	15.77		Health Care Agency	08/31/13
Laura	Whyte	G	01/06/1978	32.95		Health Care Agency	09/14/13
Gregory L.	Yates	S	02/02/81	32.64		Fire Protection District	09/23/13

DEFERRED RETIREMENTS:

Aimee	Brown	G	04/05/1998	14.88		Superior Courts	09/20/13
Ann	Doherty	G	02/02/1992	15.32	* B=.81680	Health Care Agency	09/25/13
Ronald	Andersen	G	02/12/2006	8.86	A=2.25280	Health Care Agency	09/30/13
Linda	Finnerty	G	06/02/1996	17.24		District Attorney	09/13/13
Thomas	Fratello	G	10/05/2008	4.98	C=19.3270	Health Care Agency	09/28/13
Nikole	Gooden	G	03/26/2006	7.51		Superior Courts	10/04/13
Diana	Heyman	G	05/21/2008	5.38		Health Care Agency	10/04/13
Nicole	Hackbarth	G	11/15/2009	3.77	C=1.26497	Fire Protection District	09/03/13
Garrett	Johnson	G	05/08/2005	7.35		Sheriff's Department	09/26/13
Michelle	Longo	G	07/17/2005	8.24		Superior Courts	10/11/13
Phonetip	Wilson	G	11/11/2002	10.62		Health Care Agency	09/27/13

SURVIVORS' CONTINUANCES:

Kenneth W.	Bailey
Alejandro G.	Cuellar
Herta K.	Garcia
Alyce L.	Hunter
Charles R.	Weston

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

OCTOBER 2013

FIRST NAME	LAST NAME	DATE OF	TOTAL	OTHER	DEPARTMENT	EFFECTIVE
		G/S	MEMBERSHIP	SERVICE		DATE

* = Member Establishing Reciprocity
A = Previous Membership
B = Other County Service (eg Extra Help)
C = Reciprocal Service
D = Public Service

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 1 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company: VCERA										
Acct / Sub:	1002		00							
022903	CK	10/3/2013	102125 BELEN M. HERRERA	04-14	017708	VO	REFUND	10/3/2013	0.00	72,160.33
022904	CK	10/3/2013	119304 ENRIQUE J. MARSHALL	04-14	017709	VO	REFUND	10/3/2013	0.00	5,560.99
022905	CK	10/3/2013	120966 JPMORGAN CHASE BANK, N.	04-14	017710	VO	ROLLOVER	10/3/2013	0.00	4,581.65
022906	CK	10/3/2013	121117 MEGHAN E. MENDOZA	04-14	017711	VO	REFUND	10/3/2013	0.00	172.62
022907	CK	10/3/2013	121268 ERIKA LOYA-CASTRO	04-14	017712	VO	REFUND	10/3/2013	0.00	9,457.40
022908	CK	10/3/2013	121663 ADAM O. BERNAL	04-14	017713	VO	REFUND	10/3/2013	0.00	1,170.76
022909	CK	10/3/2013	122241 JENNIFER R. MACIAS	04-14	017714	VO	REFUND	10/3/2013	0.00	1,905.78
022910	CK	10/3/2013	122508 ANN R. FISHER	04-14	017715	VO	REFUND	10/3/2013	0.00	2,534.29
022911	CK	10/3/2013	122533 JARED M. DECAMP	04-14	017716	VO	REFUND	10/3/2013	0.00	1,996.20
022912	CK	10/3/2013	122882 EDWARD MONTOYA	04-14	017717	VO	REFUND	10/3/2013	0.00	1,967.93
022913	CK	10/3/2013	122928R ING NATIONAL TRUST	04-14	017718	VO	ROLLOVER	10/3/2013	0.00	1,187.44
022914	CK	10/3/2013	106762S THOMAS MARQUEZ	04-14	017719	VO	DEATH BENEFIT	10/3/2013	0.00	40,082.79
022915	CK	10/3/2013	F2225B1 MARGARET LENGYEL	04-14	017720	VO	DEATH BENEFIT	10/3/2013	0.00	1,329.76

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 2 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
022916	CK	10/3/2013	F2225B2 CAROL M. SHEKER	04-14	017721	VO	DEATH BENEFIT	10/3/2013	0.00	1,290.66
022917	CK	10/3/2013	F2225B3 SUSAN MELVIN	04-14	017722	VO	DEATH BENEFIT	10/3/2013	0.00	1,290.66
022918	CK	10/3/2013	F6031B1 DIANNE BAXTER	04-14	017723	VO	DEATH BENEFIT	10/3/2013	0.00	406.18
022919	CK	10/3/2013	F8325B1 HEATHER K. WONDRA	04-14	017724	VO	DEATH BENEFIT	10/3/2013	0.00	76,305.48
022920	CK	10/3/2013	F8325B1R FRANKLIN TEMPLETON	04-14	017725	VO	ROLLOVER	10/3/2013	0.00	117,468.65
022921	CK	10/3/2013	ADP ADP INC	04-14	017726	VO	ADMIN EXP	10/3/2013	0.00	2,470.29
022922	CK	10/3/2013	LOWE AL LOWE CONSTRUCTIONS,	04-14	017727	VO	IT	10/3/2013	0.00	1,296.66
022923	CK	10/3/2013	MANATT MANATT, PHELPS, PHILLIPS	04-14	017728	VO	LEGAL FEES	10/3/2013	0.00	661.01
022924	CK	10/3/2013	MF M.F. DAILY CORPORATION	04-14	017729	VO	ADMIN EXP	10/3/2013	0.00	282.07
022925	CK	10/3/2013	TRI TRI COUNTY OFFICE FURNIT	04-14	017730	VO	ADMIN EXP	10/3/2013	0.00	256.12
022926	CK	10/3/2013	102661 LORI NEMIROFF	04-14	017731	VO	TRAVEL REIMB	10/3/2013	0.00	76.98
022927	CK	10/3/2013	990002 ARTHUR E. GOULET	04-14	017732	VO	TRAVEL REIMB	10/3/2013	0.00	101.70
022928	CK	10/10/2013	103453 IRENE CORTEZ	04-14	017733	VO	REFUND T2 COL	10/10/2013	0.00	15,241.41

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 3 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
022929	CK	10/10/2013	105250 SUSANA LOPEZ MIX	04-14	017734	VO	REFUND	10/10/2013	0.00	29,371.96
022930	CK	10/10/2013	109567 CHRISTINA L. SOUTHWICK	04-14	017735	VO	REFUND	10/10/2013	0.00	24,633.54
022931	CK	10/10/2013	121666 ADRIANNA VALLADOLID	04-14	017736	VO	REFUND	10/10/2013	0.00	3,646.54
022932	CK	10/10/2013	121951 SEAN T. CREADICK	04-14	017737	VO	REFUND	10/10/2013	0.00	1,534.10
022933	CK	10/10/2013	123287 WILBERT MARTIN JR	04-14	017738	VO	REFUND	10/10/2013	0.00	801.97
022934	CK	10/10/2013	F2464S RELIANCE STANDARD LIFE II	04-14	017739	VO	ROLLOVER	10/10/2013	0.00	4,947.37
022935	CK	10/10/2013	F7983S METLIFE INVESTORS USA	04-14	017740	VO	ROLLOVER	10/10/2013	0.00	4,483.71
022936	CK	10/10/2013	990002BM ARTHUR E GOULET	04-14	017741	VO	BRD MEM FEES	10/10/2013	0.00	100.00
022937	CK	10/10/2013	990004BM WILL HOAG	04-14	017742	VO	BRD MEM FEES	10/10/2013	0.00	100.00
022938	CK	10/10/2013	990005BM WILLIAM W WILSON	04-14	017743	VO	BRD MEM FEES	10/10/2013	0.00	100.00
022939	CK	10/10/2013	990006BM MICHAEL SEDELL	04-14	017744	VO	BRD MEM FEES	10/10/2013	0.00	100.00
022940	CK	10/10/2013	BARNEY ABU COURT REPORTING INC	04-14	017745	VO	ADMIN EXP	10/10/2013	0.00	945.00
022941	CK	10/10/2013	ACCESS ACCESS INFORMATION MAN	04-14	017746	VO	ADMIN EXP	10/10/2013	0.00	322.96
022942	CK	10/10/2013	ADP ADP INC	04-14	017747	VO	ADMIN EXP	10/10/2013	0.00	8,241.53

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 4 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
022943	CK	10/10/2013	ANTHONY RICHARD C. ANTHONY	04-14	017748	VO	ADMIN EXP	10/10/2013	0.00	2,362.50
022944	CK	10/10/2013	COMPUWAVE COMPUWAVE	04-14	017749	VO	IT	10/10/2013	0.00	814.57
022945	CK	10/10/2013	CORPORATE STAPLES ADVANTAGE	04-14	017750	VO	ADMIN EXP	10/10/2013	0.00	751.13
022946	CK	10/10/2013	FEDEX FED EX	04-14	017751	VO	ADMIN EXP	10/10/2013	0.00	36.57
022947	CK	10/10/2013	PALADINO ANNETTE A. PALADINO	04-14	017752	VO	ADMIN EXP	10/10/2013	0.00	2,497.73
022948	CK	10/10/2013	PEREA KENNETH A. PEREA	04-14	017753	VO	ADMIN EXP	10/10/2013	0.00	6,212.50
022949	CK	10/10/2013	SEGAL SEGAL CONSULTING	04-14	017754	VO	ACTUARY FEES	10/10/2013	0.00	30,000.00
022950	CK	10/10/2013	SPRUCE SPRUCEGROVE INVESTMEN	04-14	017755	VO	INVESTMENT FEES	10/10/2013	0.00	54,273.44
022951	CK	10/10/2013	VITECH VITECH SYSTEMS GROUP IN	04-14	017756	VO	IT/PAS	10/10/2013	0.00	2,500.00
022952	CK	10/10/2013	VOLT VOLT	04-14	017757	VO	ADMIN/PAS	10/10/2013	0.00	1,261.48
022953	CK	10/17/2013	113901 DELFINO OCHOA III	04-14	017758	VO	REFUND	10/17/2013	0.00	411.48
022954	CK	10/17/2013	120756 DAVID BORUNDA	04-14	017759	VO	REFUND	10/17/2013	0.00	4,095.61
022955	CK	10/17/2013	120756R WELLS FARGO RETIREMENT	04-14	017760	VO	ROLLOVER	10/17/2013	0.00	22,076.70

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 5 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period		Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
				To Post	Closed						
022956	CK	10/17/2013	122012 LAUREN E. LAWSON	04-14		017761	VO	REFUND	10/17/2013	0.00	4,502.47
022957	CK	10/17/2013	122881 ROCQUE BERNALDO	04-14		017762	VO	REFUND	10/17/2013	0.00	1,017.59
022958	CK	10/17/2013	122967 GRACIELA B. LOPEZ	04-14		017763	VO	REFUND	10/17/2013	0.00	885.22
022959	CK	10/17/2013	F2128B1 WILSON FAMILY TRUST	04-14		017764	VO	DEATH BENEFIT	10/17/2013	0.00	4,642.61
022960	CK	10/17/2013	F2936B1 THE DAVIS LIVING TRUST	04-14		017765	VO	DEATH BENEFIT	10/17/2013	0.00	4,001.96
022961	CK	10/17/2013	F4757S ALEJANDRO G. CUELLAR	04-14		017766	VO	DEATH BENEFIT	10/17/2013	0.00	2,839.60
022962	CK	10/17/2013	F5985 CHRISTINE L. ABTEY	04-14		017767	VO	PENSION PAYMENT	10/17/2013	0.00	413.93
022963	CK	10/17/2013	F7932B1 KATHLEEN A. WHEELER	04-14		017768	VO	DEATH BENEFIT	10/17/2013	0.00	1,475.77
022964	CK	10/17/2013	F8100S KENNETH W. BAILEY	04-14		017769	VO	DEATH BENEFIT	10/17/2013	0.00	3,773.59
022965	CK	10/17/2013	AT&T AT & T MOBILITY	04-14		017770	VO	IT	10/17/2013	0.00	216.90
022966	CK	10/17/2013	BARNEY ABU COURT REPORTING INC	04-14		017771	VO	ADMIN EXP	10/17/2013	0.00	315.00
022967	CK	10/17/2013	TWC TIME WARNER CABLE	04-14		017772	VO	IT/PAS	10/17/2013	0.00	448.47
022968	CK	10/17/2013	VOLT VOLT	04-14		017773	VO	ADMIN EXP	10/17/2013	0.00	858.60
022969	CK	10/24/2013	102236 CELIA PENA	04-14		017774	VO	REFUND T2 COL	10/24/2013	0.00	10,490.22

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 6 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
022970	CK	10/24/2013	104898 EDWARD S. LARA	04-14	017775	VO	REFUND T2 COL	10/24/2013	0.00	14,581.51
022971	CK	10/24/2013	104122 CAROL K. HUGHES	04-14	017776	VO	REFUND T2 COL	10/24/2013	0.00	3,786.10
022972	CK	10/24/2013	116355 CAMILLE L. ADAIR	04-14	017777	VO	REFUND	10/24/2013	0.00	21,587.80
022973	CK	10/24/2013	120103 SUSAN P. GLENNAN	04-14	017778	VO	REFUND	10/24/2013	0.00	4,727.37
022974	CK	10/24/2013	120103R STIFEL, NICOLAUS & COMPA	04-14	017779	VO	ROLLOVER	10/24/2013	0.00	13,498.89
022975	CK	10/24/2013	114642 LESLIE VALLEE-MILLER	04-14	017780	VO	REFUND	10/24/2013	0.00	3,134.44
022976	CK	10/24/2013	BROWN BROWN ARMSTRONG	04-14	017781	VO	ADMIN EXP	10/24/2013	0.00	26,808.36
022977	CK	10/24/2013	CMP CMP & ASSOCIATES, INC	04-14	017782	VO	IT/PAS	10/24/2013	0.00	22,423.75
022978	CK	10/24/2013	COUNTY COUNTY COUNSEL	04-14	017783	VO	LEGAL FEES	10/24/2013	0.00	26,772.00
022979	CK	10/24/2013	LINEA LINEA SOLUTIONS	04-14	017784	VO	IT/PAS	10/24/2013	0.00	52,145.25
022980	CK	10/24/2013	MBS MANAGED BUSINESS SOLUT	04-14	017785	VO	PAS	10/24/2013	0.00	13,431.25
022981	CK	10/24/2013	OPERS PUBLIC PENSION FINANCIAL	04-14	017786	VO	ADMIN EXP	10/24/2013	0.00	575.00
022982	CK	10/24/2013	SUBIC SUBIC & ASSOCIATES, INC.	04-14	017787	VO	IT EXP	10/24/2013	0.00	1,326.17

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 7 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
022983	CK	10/24/2013	VOLT VOLT	04-14	017788	VO	ADMIN/PAS	10/24/2013	0.00	1,437.24
022984	CK	10/24/2013	WALTER WALTER SCOTT & PARTNER:	04-14	017789	VO	INVESTMENT FEES	10/24/2013	0.00	198,021.19
022985	CK	10/24/2013	119663 DEBBIE DOWNEY	04-14	017790	VO	MILEAGE REIMB	10/24/2013	0.00	23.96
022985	CK	10/24/2013	119663 DEBBIE DOWNEY	04-14	017791	VO	TRAVEL REIMB	10/24/2013	0.00	98.38
022986	CK	10/24/2013	990002 ARTHUR E. GOULET	04-14	017792	VO	MILEAGE REIMB	10/24/2013	0.00	61.02
022987	CK	10/24/2013	990003BM JOSEPH HENDERSON	04-14	017793	VO	BRD MEM FEES	10/24/2013	0.00	100.00
022988	CK	10/29/2013	CALPERS CALPERS LONG-TERM	04-14	017794	VO	INSURANCE	10/29/2013	0.00	18,418.90
022989	CK	10/29/2013	CA SDU CALIFORNIA STATE	04-14	017795	VO	CRT ORDERED PMT	10/29/2013	0.00	1,005.01
022990	CK	10/29/2013	CHILD5 STATE DISBURSEMENT UNIT	04-14	017796	VO	CRT ORDERED PMT	10/29/2013	0.00	511.00
022991	CK	10/29/2013	CHILD9 SHERIDA SEGALL	04-14	017797	VO	CRT ORDERED PMT	10/29/2013	0.00	260.00
022992	CK	10/29/2013	CHILD21 OREGON DEPT OF JUSTICE	04-14	017798	VO	CRT ORDERED PMT	10/29/2013	0.00	171.74
022993	CK	10/29/2013	CVMP COUNTY OF VENTURA	04-14	017799	VO	INSURANCE	10/29/2013	0.00	582,314.26
022994	CK	10/29/2013	FTBCA3 FRANCHISE TAX BOARD	04-14	017800	VO	GARNISHMENT	10/29/2013	0.00	77.11
022995	CK	10/29/2013	IRS6 INTERNAL REVENUE SERVIC	04-14	017801	VO	GARNISHMENT	10/29/2013	0.00	321.00
Check Total									0.00	122.34

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 8 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period		Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
				To Post	Closed						
022996	CK	10/29/2013	SEIU SEIU LOCAL 721	04-14		017802	VO	DUES	10/29/2013	0.00	314.50
022997	CK	10/29/2013	SPOUSE2 KELLY SEARCY	04-14		017803	VO	CRT ORDERED PMT	10/29/2013	0.00	1,874.00
022998	CK	10/29/2013	SPOUSE3 ANGELINA ORTIZ	04-14		017804	VO	CRT ORDERED PMT	10/29/2013	0.00	250.00
022999	CK	10/29/2013	SPOUSE4 CATHY C. PEET	04-14		017805	VO	CRT ORDERED PMT	10/29/2013	0.00	550.00
023000	CK	10/29/2013	SPOUSE5 SUZANNA CARR	04-14		017806	VO	CRT ORDERED PMT	10/29/2013	0.00	829.00
023001	CK	10/29/2013	SPOUSE6 BARBARA JO GREENE	04-14		017807	VO	CRT ORDERD PMT	10/29/2013	0.00	675.00
023002	CK	10/29/2013	VCDSA VENTURA COUNTY DEPUTY	04-14		017808	VO	INSURANCE	10/29/2013	0.00	243,958.64
023003	CK	10/29/2013	VCPFF VENTURA COUNTY PROFES	04-14		017809	VO	INSURANCE	10/29/2013	0.00	76,069.02
023004	CK	10/29/2013	VCREA RETIRED EMPLOYEES' ASSC	04-14		017810	VO	DUES	10/29/2013	0.00	4,273.50
023005	CK	10/29/2013	VRSD VENTURA REGIONAL	04-14		017811	VO	INSURANCE	10/29/2013	0.00	7,136.69
023006	CK	10/29/2013	VSP VISION SERVICE PLAN - (CA)	04-14		017812	VO	INSURANCE	10/29/2013	0.00	6,005.42
023007	CK	10/29/2013	ADP ADP INC	04-14		017813	VO	ADMIN EXP	10/29/2013	0.00	2,492.79
023008	CK	10/29/2013	ANTHONY RICHARD C. ANTHONY	04-14		017814	VO	ADMIN EXP	10/29/2013	0.00	4,375.00
023009	CK	10/29/2013	BARNEY ABU COURT REPORTING INC	04-14		017815	VO	ADMIN EXP	10/29/2013	0.00	315.00

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 9 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
023010	CK	10/29/2013	BOFA BANK OF AMERICA	04-14	017816	VO	ADMIN EXP	10/29/2013	0.00	4,273.29
023011	CK	10/29/2013	COMPUWAVE COMPUWAVE	04-14	017817	VO	IT EXP	10/29/2013	0.00	131.10
023012	CK	10/29/2013	ENNIS HEWITT ENNIS KNUPP, INC	04-14	017818	VO	INVESTMENT FEES	10/29/2013	0.00	61,050.00
023013	CK	10/29/2013	FOLEY FOLEY AND LARDNER LLP	04-14	017819	VO	LEGAL FEES	10/29/2013	0.00	107.50
023014	CK	10/29/2013	MF M.F. DAILY CORPORATION	04-14	017820	VO	ADMIN EXP	10/29/2013	0.00	15,102.21
023015	CK	10/29/2013	PIMCO PACIFIC INVESTMENT MGMT	04-14	017821	VO	INVESTMENT FEES	10/29/2013	0.00	88,169.21
023016	CK	10/29/2013	PRIHAR MICHAEL PRIHAR	04-14	017822	VO	ADMIN EXP	10/29/2013	0.00	875.00
023017	CK	10/29/2013	TRI TRI COUNTY OFFICE FURNIT	04-14	017823	VO	ADMIN EXP	10/29/2013	0.00	1,188.29
023018	CK	10/29/2013	VOLT VOLT	04-14	017824	VO	ADMIN/PAS	10/29/2013	0.00	4,102.99

Date: Monday, November 04, 2013
 Time: 02:27PM
 User: ASOLIS

Ventura County Retirement Assn
Check Register - Standard
 Period: 04-14 As of: 11/4/2013

Page: 10 of 10
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid	
Check Count:		116								Acct Sub Total:	2,135,496.98

Check Type	Count	Amount Paid
Regular	116	2,135,496.98
Hand	0	0.00
Electronic Payment	0	0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	116	2,135,496.98

Company Disc Total	0.00	Company Total	2,135,496.98
---------------------------	-------------	----------------------	---------------------

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ASSET ALLOCATION
As of 10/31/2013

Mandate	\$ Actual	% of Actual	\$ Target	% Target	Permissible		Outside	Calculated	Proposed	Closing	Proposed	After
					Min	Max	Permissible	Adjustments	Adjustments	Balance	Allocation	Rebalancing
BlackRock Extended Equity Index Fund	41,026,569	1.02%	40,352,940	1.00%	0.5%	2.0%	OK	(673,629)		41,026,569	1.02%	OK
Western U.S. Index Plus	114,974,687	2.85%	121,058,819	3.00%	2.0%	4.0%	OK	6,084,132		114,974,687	2.85%	OK
BlackRock Equity Market Fund	1,101,436,878	27.30%	1,049,176,433	26.00%	22.0%	30.0%	OK	(52,260,445)		1,101,436,878	27.34%	OK
Total U.S. Equities	1,257,438,134	31.16%	1,210,588,192	30.00%	24.5%	36.0%	OK	(46,849,942)	-	1,257,438,134	31.21%	OK
BlackRock ACWI ex-U.S. Index	287,606,058	7.13%	242,117,638	6.00%	4.0%	8.0%	OK	(45,488,420)		287,606,058	7.14%	OK
Sprucegrove	182,600,708	4.53%	161,411,759	4.00%	3.0%	6.0%	OK	(21,188,949)		182,600,708	4.53%	OK
Hexavest	79,226,957	1.96%	80,705,879	2.00%	1.0%	3.0%	OK	1,478,922		79,226,957	1.97%	OK
Walter Scott	93,324,322	2.31%	80,705,879	2.00%	1.5%	4.0%	OK	(12,618,443)		93,324,322	2.32%	OK
Total Non-U.S. Equities	642,758,045	15.93%	564,941,156	14.00%	9.5%	21.0%	OK	(77,816,889)	-	642,758,045	15.95%	OK
GMO (Global)	204,189,811	5.06%	201,764,699	5.00%	3.0%	7.0%	OK	(2,425,112)		204,189,811	5.07%	OK
BlackRock MSCI ACWI Equity Index	205,901,575	5.10%	201,764,699	5.00%	3.0%	7.0%	OK	(4,136,876)		205,901,575	5.11%	OK
Total Global Equities	410,091,386	10.16%	403,529,397	10.00%	6.0%	14.0%	OK	(6,561,989)	-	410,091,386	10.18%	OK
Total Equities	2,310,287,565	57.25%	2,179,058,745	54.00%	44.0%	64.0%	OK	(131,228,820)	-	2,310,287,565	57.34%	OK
Western (Core)	249,366,732	6.18%	242,117,638	6.00%	3.0%	9.0%	OK	(7,249,094)	-	249,366,732	6.19%	OK
BlackRock U.S. Debt Fund	132,365,985	3.28%	121,058,819	3.00%	3.0%	6.0%	OK	(11,307,166)		132,365,985	3.29%	OK
Reams (Core Plus)	249,494,355	6.18%	282,470,578	7.00%	6.0%	9.0%	OK	32,976,223		249,494,355	6.19%	OK
Loomis Sayles (Full Discretion)	66,900,088	1.66%	80,705,879	2.00%	1.0%	4.0%	OK	13,805,791		66,900,088	1.66%	OK
Total Domestic Fixed Income	698,127,160	17.30%	726,352,915	18.00%	13.0%	28.0%	OK	28,225,755	-	698,127,160	17.33%	OK
PIMCO (Global Unhedged)	123,606,322	3.06%	121,058,819	3.00%	2.0%	4.0%	OK	(2,547,503)		123,606,322	3.07%	OK
Loomis Sayles (Strategic Alpha)	40,389,486	1.00%	40,352,940	1.00%	0.0%	4.0%	OK	(36,546)		40,389,486	1.00%	OK
Loomis Sayles (Global)	92,489,076	2.29%	80,705,879	2.00%	1.0%	4.0%	OK	(11,783,197)		92,489,076	2.30%	OK
Total Global Fixed Income	256,484,884	6.36%	242,117,638	6.00%	3.0%	8.0%	OK	(14,367,246)	-	256,484,884	6.37%	OK
Total Fixed Income	954,612,044	23.66%	968,470,553	24.00%	16.0%	36.0%	OK	13,858,509	-	954,612,044	23.69%	OK
Prudential Real Estate	91,859,316	2.28%	121,058,819	3.00%	2.0%	4.0%	OK	29,199,503		91,859,316	2.28%	OK
UBS Real Estate	185,881,917	4.61%	151,323,524	3.75%	3.0%	6.0%	OK	(34,558,393)		185,881,917	4.61%	OK
RREEF	8,369,326	0.21%	10,088,235	0.25%	0.0%	1.0%	OK	1,718,909		8,369,326	0.21%	OK
Real Estate	286,110,559	7.09%	282,470,578	7.00%	5.0%	11.0%	OK	(3,639,981)	-	286,110,559	7.10%	OK
Adams Street Partners	36,720,618	0.91%	121,058,819	3.00%	1.0%	4.0%	LOW	84,338,201		36,720,618	0.91%	LOW
Pantheon Ventures	8,703,475	0.22%	10,088,235	0.25%	0.0%	2.0%	OK	1,384,760		8,703,475	0.22%	OK
HarbourVest	10,628,079	0.26%	70,617,645	1.75%	0.0%	2.0%	OK	59,989,566	-	10,628,079	0.26%	OK
Private Equity	56,052,172	1.39%	201,764,699	5.00%	1.0%	8.0%	OK	145,712,527	-	56,052,172	1.39%	OK
Bridgewater (See Note 1)	258,962,605	6.42%	282,470,578	7.00%	2.0%	8.0%	OK	23,507,973		258,962,605	6.43%	OK
Tortoise Capital Advisors	116,401,313	2.88%	121,058,819	3.00%	1.0%	5.0%	OK	4,657,506		116,401,313	2.89%	OK
Alternatives	375,363,918	9.30%	403,529,397	10.00%	3.0%	13.0%	OK	28,165,479	-	375,363,918	9.32%	OK
Clifton (Cash Overlay)	46,627,247	1.16%	-	0.00%	0.0%	3.0%	OK	(46,627,247)		46,627,247	1.16%	OK
In-House Cash (Treasury)	6,240,467	0.15%	-	0.00%	0.0%	3.0%	OK	(6,240,467)		6,240,467	0.15%	OK
Other Assets	52,867,714	1.31%	-	0.00%	0.0%	3.0%	OK	(52,867,714)	-	46,627,247	1.16%	OK
Total Investment Portfolio	4,035,293,972	100.00%	4,035,293,972	100.00%				0	-	4,029,053,505	100.00%	

Note 1 - This amount is estimated based on October performance as reported by Bridgewater.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF PLAN NET POSITION
SEPTEMBER 30, 2013

ASSETS

CASH & CASH EQUIVALENTS **\$85,136,508**

RECEIVABLES

ACCRUED INTEREST AND DIVIDENDS	3,166,273
SECURITY SALES	25,789,484
MISCELLANEOUS	365
TOTAL RECEIVABLES	28,956,122

INVESTMENTS AT FAIR VALUE

DOMESTIC EQUITY SECURITIES	93,892,441
DOMESTIC EQUITY INDEX FUNDS	1,101,546,425
INTERNATIONAL EQUITY SECURITIES	345,548,920
INTERNATIONAL EQUITY INDEX FUNDS	376,886,647
GLOBAL EQUITY	343,712,907
PRIVATE EQUITY	53,482,761
DOMESTIC FIXED INCOME - CORE PLUS	541,147,092
DOMESTIC FIXED INCOME - U.S. INDEX	131,280,757
GLOBAL FIXED INCOME	255,307,549
REAL ESTATE	288,019,847
ALTERNATIVES	363,544,960
CASH OVERLAY - CLIFTON	(1,939)
TOTAL INVESTMENTS	3,894,368,368

PENSION SOFTWARE DEVELOPMENT COSTS **3,443,718**

TOTAL ASSETS **4,011,904,716**

LIABILITIES

SECURITY PURCHASES PAYABLE	59,139,716
ACCOUNTS PAYABLE	1,890,105
PREPAID CONTRIBUTIONS	127,219,593
	188,249,414

TOTAL LIABILITIES **188,249,414**

NET POSITION HELD IN TRUST FOR PENSION BENEFITS **\$3,823,655,302**

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

ADDITIONS

CONTRIBUTIONS

EMPLOYER	\$32,174,161
EMPLOYEE	9,520,496
TOTAL CONTRIBUTIONS	<u>41,694,658</u>

INVESTMENT INCOME

NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	202,590,328
INTEREST INCOME	3,310,584
DIVIDEND INCOME	4,064,036
REAL ESTATE OPERATING INCOME, NET	3,670,505
SECURITY LENDING INCOME	25,471
TOTAL INVESTMENT INCOME	<u>213,660,924</u>

LESS INVESTMENT EXPENSES

MANAGEMENT & CUSTODIAL FEES	2,944,268
SECURITIES LENDING BORROWER REBATES	(8,485)
SECURITIES LENDING MANAGEMENT FEES	11,599
TOTAL INVESTMENT EXPENSES	<u>2,947,381</u>

NET INVESTMENT INCOME 210,713,542

TOTAL ADDITIONS 252,408,200

DEDUCTIONS

BENEFIT PAYMENTS	53,380,822
MEMBER REFUNDS	849,573
ADMINISTRATIVE EXPENSES	2,027,970
TOTAL DEDUCTIONS	<u>56,258,365</u>

NET INCREASE/(DECREASE) 196,149,835

NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

BEGINNING OF YEAR 3,627,505,467

ENDING BALANCE \$3,823,655,302

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
SEPTEMBER 30, 2013

EQUITY

DOMESTIC EQUITY

WESTERN ASSET INDEX PLUS	\$93,892,441	\$16,414,940
TOTAL DOMESTIC EQUITY	93,892,441	16,414,940

DOMESTIC INDEX FUNDS

BLACKROCK - US EQUITY MARKET	1,061,688,848	0
BLACKROCK - EXTENDED EQUITY	39,857,577	1
TOTAL EQUITY INDEX FUNDS	1,101,546,425	1

INTERNATIONAL EQUITY

SPRUCEGROVE	177,176,169	0
HEXAVEST	76,842,723	0
WALTER SCOTT	91,530,028	0
TOTAL INTERNATIONAL EQUITY	345,548,920	0

INTERNATIONAL INDEX FUNDS

BLACKROCK - ACWIXUS	376,886,647	0
TOTAL INTERNATIONAL INDEX FUNDS	376,886,647	0

GLOBAL EQUITY

GRANTHAM MAYO AND VAN OTTERLOO (GMO)	195,487,334	0
BLACKROCK - GLOBAL INDEX	148,225,573	0
TOTAL GLOBAL EQUITY	343,712,907	0

PRIVATE EQUITY

ADAMS STREET	35,828,946	0
PANTHEON	8,604,232	0
HARBOURVEST	9,049,583	0
TOTAL PRIVATE EQUITY	53,482,761	0

FIXED INCOME

DOMESTIC

LOOMIS SAYLES AND COMPANY	61,253,136	4,048,121
REAMS	247,024,329	0
WESTERN ASSET MANAGEMENT	232,869,627	11,781,817
TOTAL DOMESTIC	541,147,092	15,829,938

DOMESTIC INDEX FUNDS

BLACKROCK - US DEBT INDEX	131,280,757	0
TOTAL DOMESTIC INDEX FUNDS	131,280,757	0

GLOBAL

LOOMIS SAYLES AND COMPANY	66,554,856	0
LOOMIS ALPHA	40,049,443	0
PIMCO	148,703,250	9,098,085
TOTAL GLOBAL	255,307,549	9,098,085

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

EQUITY MANAGERS

DOMESTIC

BLACKROCK - US EQUITY	\$58,000
BLACKROCK - EXTENDED EQUITY	4,000
WESTERN ASSET INDEX PLUS	52,000
TOTAL	114,000

INTERNATIONAL

BLACKROCK - ACWIXUS	90,000
SPRUCEGROVE	164,815
HEXAVEST	86,547
WALTER SCOTT	198,021
TOTAL	539,383

GLOBAL

GRANTHAM MAYO VAN OTTERLOO (GMO)	266,000
BLACKROCK - GLOBAL INDEX	14,000
TOTAL	280,000

PRIVATE EQUITY

ADAMS STREET	382,292
HARBOURVEST	
PANTHEON	37,500
TOTAL	419,792

FIXED INCOME MANAGERS

DOMESTIC

BLACKROCK - US DEBT INDEX	23,000
LOOMIS, SAYLES AND COMPANY	71,175
REAMS ASSET MANAGEMENT	111,000
WESTERN ASSET MANAGEMENT	118,000
TOTAL	323,175

GLOBAL

LOOMIS, SAYLES AND COMPANY	49,566
LOOMIS ALPHA	34,270
PIMCO	88,169
TOTAL	172,005

REAL ESTATE

PRUDENTIAL REAL ESTATE ADVISORS	189,291
RREEF	24,975
UBS REALTY	452,174
TOTAL	666,440

ALTERNATIVES

BRIDGEWATER	170,422
TORTOISE	177,001
TOTAL	347,423

CASH OVERLAY - CLIFTON

21,000

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2013**

SECURITIES LENDING	
BORROWERS REBATE	(8,485)
MANAGEMENT FEES	11,599
TOTAL	<u>3,113</u>
OTHER	
INVESTMENT CONSULTANT	61,050
INVESTMENT CUSTODIAN	
TOTAL	<u>61,050</u>
TOTAL INVESTMENT MANAGEMENT FEES	<u><u>\$2,947,381</u></u>

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET SUMMARY FISCAL YEAR 2013-2014
September 2013 - 25.0% of Fiscal Year Expended

EXPENDITURE DESCRIPTIONS	Adopted 2013/2014 Budget	Adjusted 2013/2014 Budget	Sep-13	Year to Date Expended	Available Balance	Percent Expended
Salaries & Benefits:						
Salaries	\$ 1,725,600.00	\$ 1,725,600.00	\$ 144,310.80	\$ 358,861.20	\$ 1,366,738.80	20.80%
Extra-Help	25,000.00	25,000.00	4,129.33	8,958.96	16,041.04	35.84%
Overtime	1,500.00	1,500.00	0.00	51.25	1,448.75	3.42%
Supplemental Payments	53,700.00	53,700.00	3,934.80	10,474.44	43,225.56	19.51%
Vacation Redemption	87,500.00	87,500.00	9,110.21	28,277.07	59,222.93	32.32%
Retirement Contributions	424,800.00	424,800.00	31,581.55	79,831.42	344,968.58	18.79%
OASDI Contributions	107,800.00	107,800.00	8,802.69	23,333.06	84,466.94	21.64%
FICA-Medicare	27,000.00	27,000.00	2,229.62	5,627.90	21,372.10	20.84%
Retiree Health Benefit	16,200.00	16,200.00	1,351.56	4,054.68	12,145.32	25.03%
Group Health Insurance	170,800.00	170,800.00	12,558.00	33,314.08	137,485.92	19.50%
Life Insurance/Mgmt	1,000.00	1,000.00	79.58	212.76	787.24	21.28%
Unemployment Insurance	2,200.00	2,200.00	173.11	420.21	1,779.79	19.10%
Management Disability Insurance	4,200.00	4,200.00	307.78	826.93	3,373.07	19.69%
Worker' Compensation Insurance	10,900.00	10,900.00	968.22	2,461.03	8,438.97	22.58%
401K Plan Contribution	33,800.00	33,800.00	2,249.18	5,772.02	28,027.98	17.08%
Transfers In	60,800.00	60,800.00	3,784.87	14,850.27	45,949.73	24.42%
Transfers Out	(60,800.00)	(60,800.00)	(3,784.87)	(14,850.27)	(45,949.73)	24.42%
Total Salaries & Benefits	\$ 2,692,000.00	\$ 2,692,000.00	\$ 221,786.43	\$ 562,477.01	\$ 2,129,522.99	20.89%
Services & Supplies:						
Telecommunication Services - ISF	\$ 46,600.00	\$ 46,600.00	\$ 2,137.95	\$ 7,553.41	\$ 39,046.59	16.21%
General Insurance - ISF	12,300.00	12,300.00	0.00	0.00	12,300.00	0.00%
Office Equipment Maintenance	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00%
Membership and Dues	9,300.00	9,300.00	41.93	4,241.93	5,058.07	45.61%
Education Allowance	6,000.00	6,000.00	0.00	2,000.00	4,000.00	33.33%
Cost Allocation Charges	57,300.00	57,300.00	0.00	0.00	57,300.00	0.00%
Printing Services - Not ISF	6,000.00	6,000.00	216.17	216.17	5,783.83	3.60%
Books & Publications	2,000.00	2,000.00	0.00	50.00	1,950.00	2.50%
Office Supplies	20,000.00	20,000.00	2,435.87	4,419.92	15,580.08	22.10%
Postage & Express	55,000.00	55,000.00	3,181.77	10,238.25	44,761.75	18.62%
Printing Charges - ISF	12,500.00	12,500.00	0.00	0.20	12,499.80	0.00%
Copy Machine Services - ISF	7,100.00	7,100.00	0.00	0.00	7,100.00	0.00%
Board Member Fees	11,000.00	11,000.00	1,000.00	2,500.00	8,500.00	22.73%
Professional Services	960,400.00	960,400.00	85,844.40	219,599.70	740,800.30	22.87%
Storage Charges	4,000.00	4,000.00	823.11	1,311.20	2,688.80	32.78%
Equipment	15,000.00	15,000.00	0.00	468.69	14,531.31	3.12%
Office Lease Payments	186,400.00	186,400.00	15,102.21	45,306.63	141,093.37	24.31%
Private Vehicle Mileage	8,300.00	8,300.00	451.84	2,130.75	6,169.25	25.67%
Conference, Seminar and Travel	65,000.00	65,000.00	15,310.31	30,531.86	34,468.14	46.97%
Furniture	11,200.00	11,200.00	0.00	7,725.35	3,474.65	68.98%
Facilities Charges	62,200.00	62,200.00	0.00	0.00	62,200.00	0.00%
Transfers In	11,300.00	11,300.00	682.47	2,677.74	8,622.26	23.70%
Transfers Out	(11,300.00)	(11,300.00)	(682.47)	(2,677.74)	(8,622.26)	23.70%
Total Services & Supplies	\$ 1,558,600.00	\$ 1,558,600.00	\$ 126,545.56	\$ 338,294.06	\$ 1,220,305.94	21.70%
Total Sal, Ben, Serv & Supp	\$ 4,250,600.00	\$ 4,250,600.00	\$ 348,331.99	\$ 900,771.07	\$ 3,349,828.93	21.19%
Technology:						
Computer Hardware	\$ 22,200.00	\$ 15,200.00	\$ (2,295.46)	663.01	\$ 14,536.99	4.36%
Computer Software	46,200.00	36,700.00	9,948.70	16,506.70	20,193.30	44.98%
Systems & Application Support	419,900.00	451,400.00	36,771.80	72,021.94	379,378.06	15.96%
Pension Administration System	2,494,400.00	2,692,100.00	404,410.52	1,037,846.78	1,654,253.22	38.55%
Total Technology	\$ 2,982,700.00	\$ 3,195,400.00	\$ 448,835.56	\$ 1,127,038.43	\$ 2,068,361.57	35.27%
Contingency	\$ 695,900.00	\$ 483,200.00	\$ -	\$ -	\$ -	0.00%
Total Current Year	\$ 7,929,200.00	\$ 7,929,200.00	\$ 797,167.55	\$ 2,027,809.50	\$ 5,901,390.50	25.57%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET SUMMARY FISCAL YEAR 2013-2014
October 2013 - 33.33% of Fiscal Year Expended

EXPENDITURE DESCRIPTIONS	Adopted 2013/2014 Budget	Adjusted 2013/2014 Budget	Sep-13	Year to Date Expended	Available Balance	Percent Expended
Salaries & Benefits:						
Salaries	\$ 1,725,600.00	\$ 1,725,600.00	\$ 144,310.80	\$ 545,889.67	\$ 1,179,710.33	31.63%
Extra-Help	25,000.00	25,000.00	4,129.33	12,417.52	12,582.48	49.67%
Overtime	1,500.00	1,500.00	0.00	51.25	1,448.75	3.42%
Supplemental Payments	53,700.00	53,700.00	3,934.80	16,198.54	37,501.46	30.16%
Vacation Redemption	87,500.00	87,500.00	9,110.21	37,278.81	50,221.19	42.60%
Retirement Contributions	424,800.00	424,800.00	31,581.55	123,476.82	301,323.18	29.07%
OASDI Contributions	107,800.00	107,800.00	8,802.69	33,607.57	74,192.43	31.18%
FICA-Medicare	27,000.00	27,000.00	2,229.62	8,478.68	18,521.32	31.40%
Retiree Health Benefit	16,200.00	16,200.00	1,351.56	5,406.24	10,793.76	33.37%
Group Health Insurance	170,800.00	170,800.00	12,558.00	51,789.00	119,010.92	30.32%
Life Insurance/Mgmt	1,000.00	1,000.00	79.58	330.40	669.60	33.04%
Unemployment Insurance	2,200.00	2,200.00	173.11	644.47	1,555.53	29.29%
Management Disability Insurance	4,200.00	4,200.00	307.78	1,279.50	2,920.50	30.46%
Worker' Compensation Insurance	10,900.00	10,900.00	968.22	3,713.97	7,186.03	34.07%
401K Plan Contribution	33,800.00	33,800.00	2,249.18	8,688.51	25,111.49	25.71%
Transfers In	60,800.00	60,800.00	3,784.87	20,965.88	39,834.12	34.48%
Transfers Out	(60,800.00)	(60,800.00)	(3,784.87)	(20,965.88)	(39,834.12)	34.48%
Total Salaries & Benefits	\$ 2,692,000.00	\$ 2,692,000.00	\$ 221,786.43	\$ 849,251.03	\$ 1,842,748.97	31.55%
Services & Supplies:						
Telecommunication Services - ISF	\$ 46,600.00	\$ 46,600.00	\$ 2,137.95	\$ 10,539.60	\$ 36,060.40	22.62%
General Insurance - ISF	12,300.00	12,300.00	0.00	0.00	12,300.00	0.00%
Office Equipment Maintenance	1,000.00	1,000.00	0.00	165.84	834.16	16.58%
Membership and Dues	9,300.00	9,300.00	41.93	4,350.00	4,950.00	46.77%
Education Allowance	6,000.00	6,000.00	0.00	2,000.00	4,000.00	33.33%
Cost Allocation Charges	57,300.00	57,300.00	0.00	0.00	57,300.00	0.00%
Printing Services - Not ISF	6,000.00	6,000.00	216.17	216.17	5,783.83	3.60%
Books & Publications	2,000.00	2,000.00	0.00	50.00	1,950.00	2.50%
Office Supplies	20,000.00	20,000.00	2,435.87	5,466.23	14,533.77	27.33%
Postage & Express	55,000.00	55,000.00	3,181.77	13,220.17	41,779.83	24.04%
Printing Charges - ISF	12,500.00	12,500.00	0.00	0.20	12,499.80	0.00%
Copy Machine Services - ISF	7,100.00	7,100.00	0.00	622.05	6,477.95	8.76%
Board Member Fees	11,000.00	11,000.00	1,000.00	3,000.00	8,000.00	27.27%
Professional Services	960,400.00	960,400.00	85,844.40	335,964.28	624,435.72	34.98%
Storage Charges	4,000.00	4,000.00	823.11	1,311.20	2,688.80	32.78%
Equipment	15,000.00	15,000.00	0.00	468.69	14,531.31	3.12%
Office Lease Payments	186,400.00	186,400.00	15,102.21	60,408.84	125,991.16	32.41%
Private Vehicle Mileage	8,300.00	8,300.00	451.84	3,220.79	5,079.21	38.80%
Conference, Seminar and Travel	65,000.00	65,000.00	15,310.31	34,142.90	30,857.10	52.53%
Furniture	11,200.00	11,200.00	0.00	9,169.76	2,030.24	81.87%
Facilities Charges	62,200.00	62,200.00	0.00	2,904.90	59,295.10	4.67%
Transfers In	11,300.00	11,300.00	682.47	3,780.47	7,519.53	33.46%
Transfers Out	(11,300.00)	(11,300.00)	(682.47)	(3,780.47)	(7,519.53)	33.46%
Total Services & Supplies	\$ 1,558,600.00	\$ 1,558,600.00	\$ 126,545.56	\$ 487,221.62	\$ 1,071,378.38	31.26%
Total Sal, Ben, Serv & Supp	\$ 4,250,600.00	\$ 4,250,600.00	\$ 348,331.99	\$ 1,336,472.65	\$ 2,914,127.35	31.44%
Technology:						
Computer Hardware	\$ 22,200.00	\$ 15,200.00	\$ (2,295.46)	1,592.86	\$ 13,607.14	10.48%
Computer Software	46,200.00	36,700.00	9,948.70	16,637.80	20,062.20	45.33%
Systems & Application Support	419,900.00	451,400.00	36,771.80	100,493.45	350,906.55	22.26%
Pension Administration System	2,494,400.00	2,692,100.00	404,410.52	1,114,755.67	1,577,344.33	41.41%
Total Technology	\$ 2,982,700.00	\$ 3,195,400.00	\$ 448,835.56	\$ 1,233,479.78	\$ 1,961,920.22	38.60%
Contingency	\$ 695,900.00	\$ 483,200.00	\$ -	\$ -	\$ -	0.00%
Total Current Year	\$ 7,929,200.00	\$ 7,929,200.00	\$ 797,167.55	\$ 2,569,952.43	\$ 5,359,247.57	32.41%



Ventura County Employees' Retirement Association

Third Quarter 2013

Hewitt EnnisKnupp, Inc.

200 East Randolph Street, Suite 1500

Chicago, IL 60601

phone: 1-312-381-1200

www.hewitennisknupp.com

CONTENTS

1	Market Environment
17	Total Fund
33	Total U.S. Equity
39	Total U.S. Equity Managers
47	Total Non-U.S. Equity
53	Total Non-U.S. Equity Managers
63	Total Global Equity
69	Total Global Equity Managers
75	Total U.S. Fixed Income
81	Total U.S. Fixed Income Managers
93	Total Global Fixed Income
97	Total Global Fixed Income Managers
101	Total Real Estate
105	Total Real Estate Managers
115	Total Private Equity
117	Total Liquid Alternatives
121	Appendix

(This page left blank intentionally)



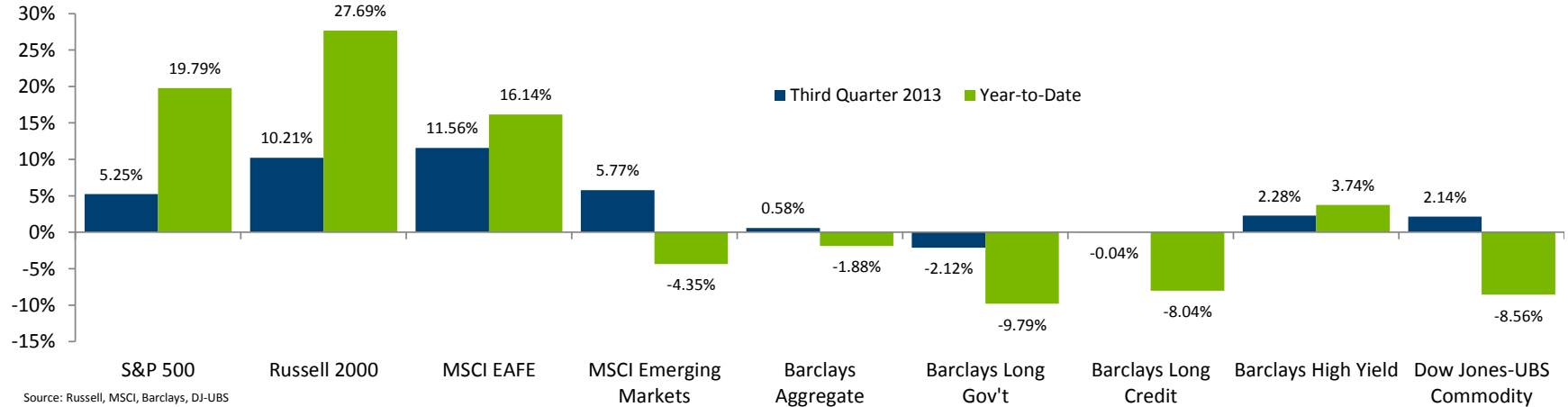
Market Environment

Third Quarter 2013

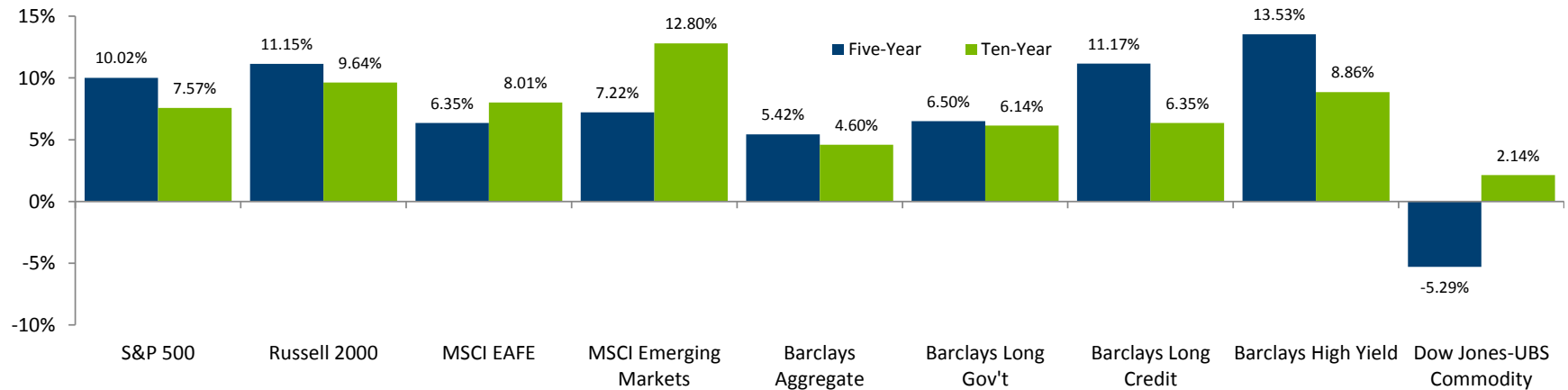
To protect the confidential and proprietary information included in this material, it may not be disclosed or provided to any third parties without the approval of Aon Hewitt.

Market Highlights

SHORT TERM RETURNS AS OF 09/30/2013



LONG TERM ANNUALIZED RETURNS AS OF 09/30/2013



Market Highlights

Returns of the Major Capital Markets						
	Periods Ending 09/30/2013					
	Third Quarter	Year-to-Date	1-Year	3-Year ¹	5-Year ¹	10-Year ¹
Equity						
MSCI All Country World IMI	8.28%	15.20%	18.65%	10.53%	8.29%	8.28%
MSCI All Country World	7.90%	14.43%	17.73%	10.21%	7.71%	7.86%
Dow Jones U.S. Total Stock Market	6.16%	21.22%	21.44%	16.77%	10.69%	8.32%
Russell 3000	6.35%	21.30%	21.60%	16.76%	10.58%	8.11%
S&P 500	5.25%	19.79%	19.34%	16.26%	10.02%	7.57%
Russell 2000	10.21%	27.69%	30.06%	18.29%	11.15%	9.64%
MSCI All Country World ex-U.S. IMI	10.37%	10.57%	16.91%	6.11%	6.82%	9.07%
MSCI All Country World ex-U.S.	10.09%	10.04%	16.48%	5.95%	6.26%	8.77%
MSCI EAFE	11.56%	16.14%	23.77%	8.47%	6.35%	8.01%
MSCI EAFE (100% Hedged)	6.96%	16.37%	24.54%	5.95%	3.07%	4.09%
MSCI EAFE (Local Currency)	7.51%	19.34%	28.31%	9.11%	5.54%	6.28%
MSCI Emerging Markets	5.77%	-4.35%	0.98%	-0.33%	7.22%	12.80%
Fixed Income						
Barclays Global Aggregate	2.81%	-2.15%	-2.62%	2.09%	5.07%	4.92%
Barclays Aggregate	0.58%	-1.88%	-1.67%	2.88%	5.42%	4.60%
Barclays Long Gov't	-2.12%	-9.79%	-10.43%	3.64%	6.50%	6.14%
Barclays Long Credit	-0.04%	-8.04%	-6.89%	5.36%	11.17%	6.35%
Barclays Long Gov't/Credit	-0.83%	-8.74%	-8.33%	4.70%	9.07%	6.34%
Barclays US TIPS	0.71%	-6.74%	-6.09%	4.03%	5.31%	5.24%
Barclays High Yield	2.28%	3.74%	7.15%	9.19%	13.53%	8.86%
SSB Non-U.S. WGBI	4.06%	-3.37%	-5.65%	0.55%	4.27%	4.91%
JP Morgan EMBI Global (Emerging Markets)	0.87%	-7.43%	-4.34%	5.32%	9.95%	8.70%
Commodities						
Dow Jones-UBS Commodity	2.14%	-8.56%	-14.35%	-3.16%	-5.29%	2.14%
Goldman Sachs Commodity	4.78%	-0.89%	-4.15%	3.59%	-8.46%	1.83%
Hedge Funds						
HFR I Fund-Weighted Composite ²	2.28%	5.58%	7.13%	3.87%	5.03%	5.92%
HFR I Fund of Funds ²	2.13%	5.56%	6.96%	2.62%	2.02%	3.43%
Real Estate						
NAREIT U.S. Equity REITS	-3.09%	3.20%	5.87%	12.34%	5.75%	9.54%
NCREIF ODCE ³	3.50%	10.38%	12.97%	14.25%	0.67%	7.07%
Private Equity						
Thomson Reuters VentureXpert ⁴	4.93%	4.93%	12.71%	13.80%	6.13%	18.29%
Infrastructure						
Macquarie Global Infrastructure - North America	0.86%	9.64%	8.19%	12.91%	9.39%	11.12%

MSCI Indices and NCREIF ODCE show net returns.

MSCI EAFE (100% Hedged) shows price return.

All other indices show total returns.

¹ Periods are annualized.

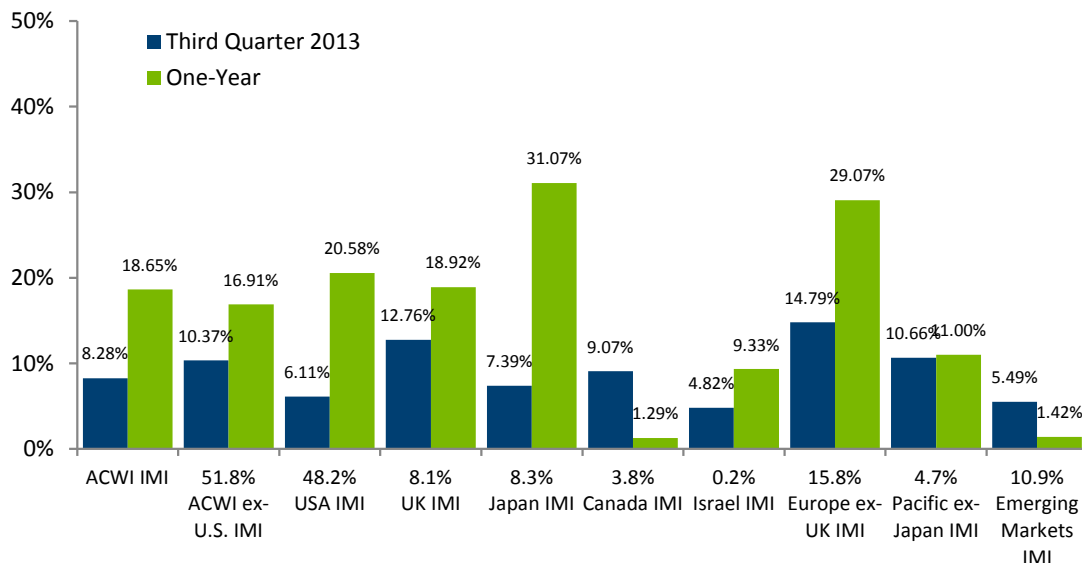
² Latest 5 months of HFR data are estimated by HFR and may change in the future.

³ Third quarter results are preliminary.

⁴ Benchmark is as of 03/31/2013.

Global Equity Markets

**GLOBAL MSCI IMI INDEX RETURNS
AS OF 09/30/2013**

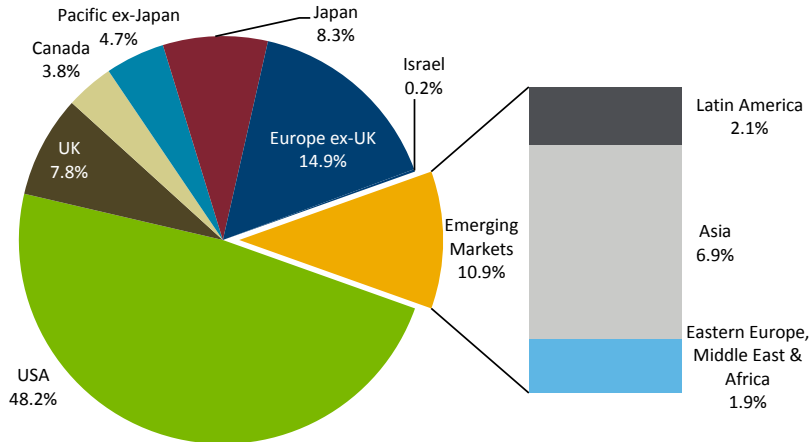


Source: MSCI

- Global equity markets increased in value over the third quarter, but progress was volatile.
- Equities started the quarter positively with markets buoyed by positive economic data, particularly from the US manufacturing sector. However, concerns over the Fed's decision whether or not to begin tapering its quantitative easing program and mounting worries of a possible military strike in Syria pushed equity markets lower through August.
- Upward revisions to second quarter GDP and lowered likelihood of military action in Syria provided investors with some respite, and the market rallied in the first half of September. But the unexpected decision by the Fed not to begin tapering QE (indicating Fed concerns about the strength of the economy) and investor apprehension over the lack of progress in the US debt ceiling and budget negotiations left equity markets falling though September.
- Europe ex-UK proved to be the best performing region; the worst performing region was the Emerging Markets.

Global Equity Markets

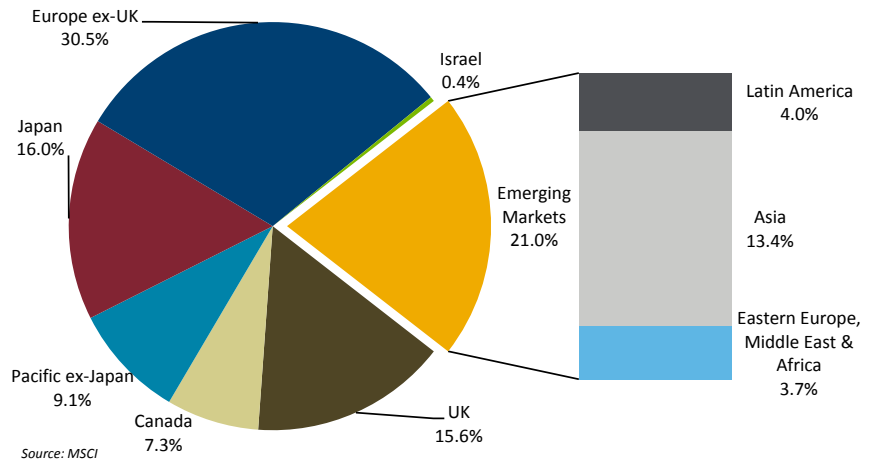
**MSCI ALL COUNTRY WORLD IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 09/30/2013**



Source: MSCI

- The two exhibits on this slide illustrate the percentage that each country/region represents of the global equity market as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index.

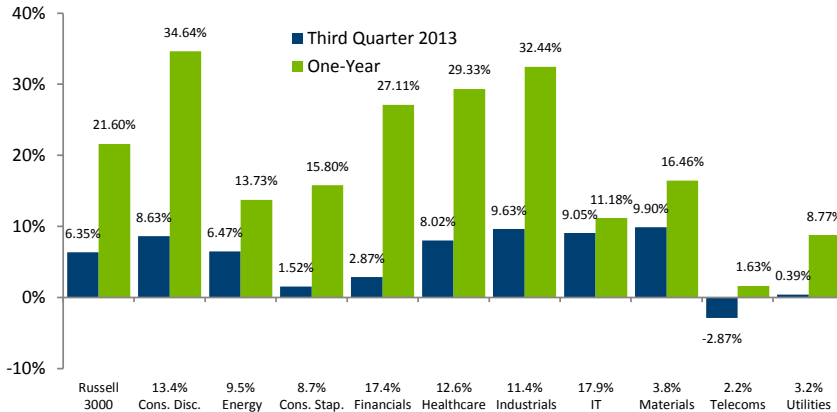
**MSCI ALL COUNTRY WORLD EX-U.S. IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 09/30/2013**



Source: MSCI

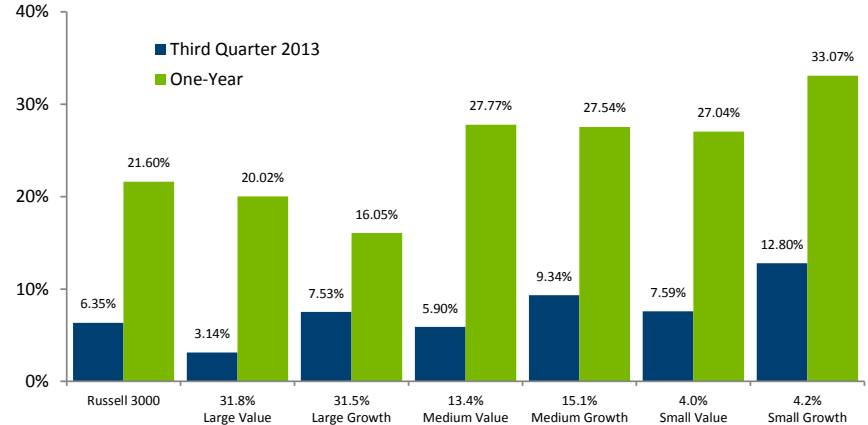
U.S. Equity Markets

**RUSSELL GICS SECTOR RETURNS
AS OF 09/30/2013**



Source: Russell Indexes

**RUSSELL STYLE RETURNS
AS OF 09/30/2013**

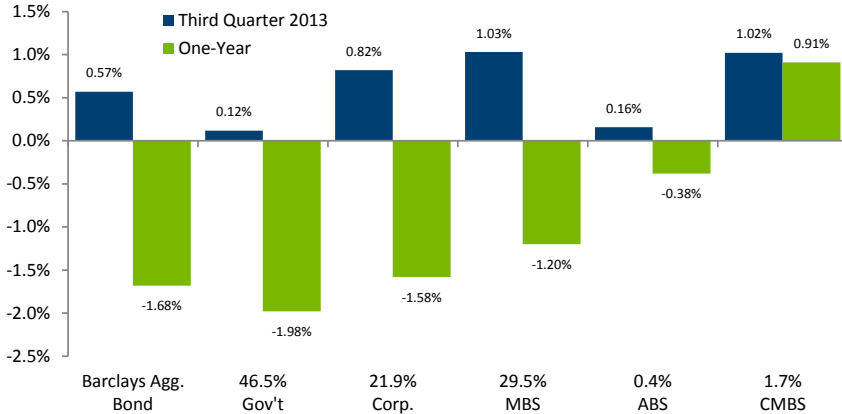


Source: Russell Indexes

- The Russell 3000 rose 6.35% during the quarter and returned 21.60% over the one-year period.
- During the third quarter, the Materials, Industrials, and IT sectors were the best performing sectors, posting returns of 9.90%, 9.63%, and 9.05%, respectively. The Telecoms and Utilities sectors were the worst performing sectors, producing returns of -2.87% and 0.39%, respectively.
- Overall, small cap outperformed both mid cap and large cap, and growth outperformed value across all size segments of the market.

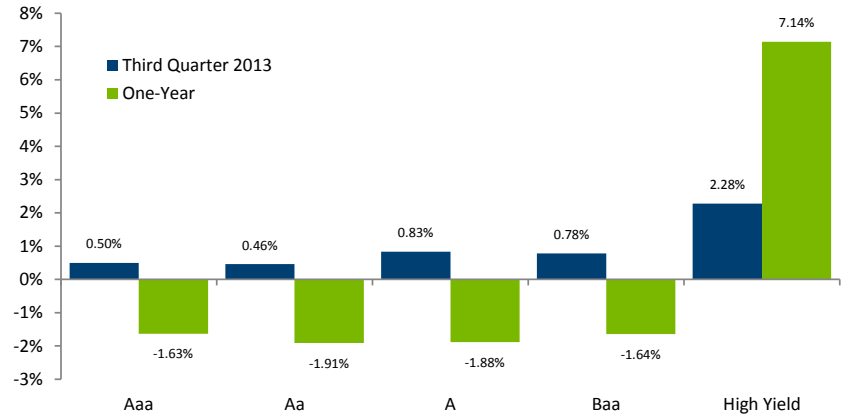
U.S. Fixed Income Markets

BARCLAYS AGGREGATE RETURNS BY SECTOR
AS OF 09/30/2013



Source: Barclays Live

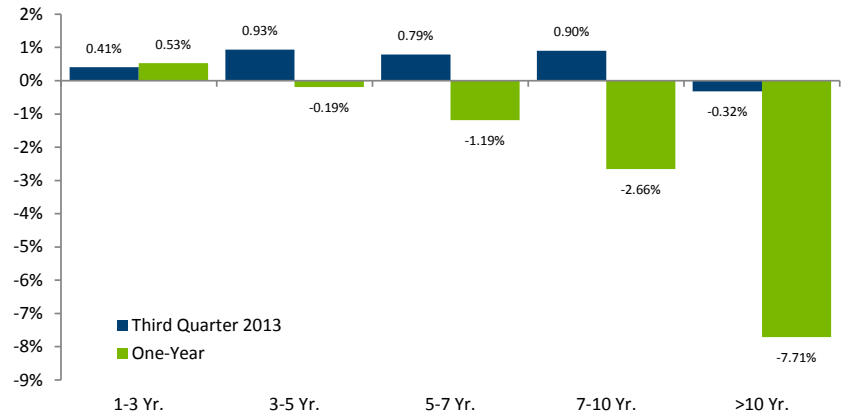
BARCLAYS AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS
AS OF 09/30/2013



Source: Barclays Live

- The Barclays Aggregate Bond Index returned 0.57% in the third quarter. Mortgage backed securities were the strongest performing bonds in the Aggregate, returning 1.03%.
- In the investment grade market, lower quality bonds outperformed higher quality bonds.
- High yield bonds significantly outperformed investment grade bonds.
- From a maturity perspective, intermediate term bonds outperformed, with the 3 - 10 year segment of the market outperforming the short and long maturity segments.

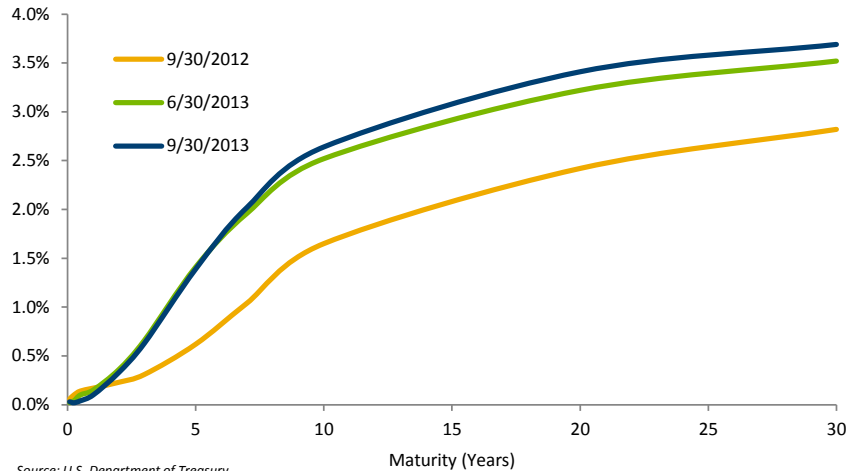
BARCLAYS AGGREGATE RETURNS BY MATURITY
AS OF 09/30/2013



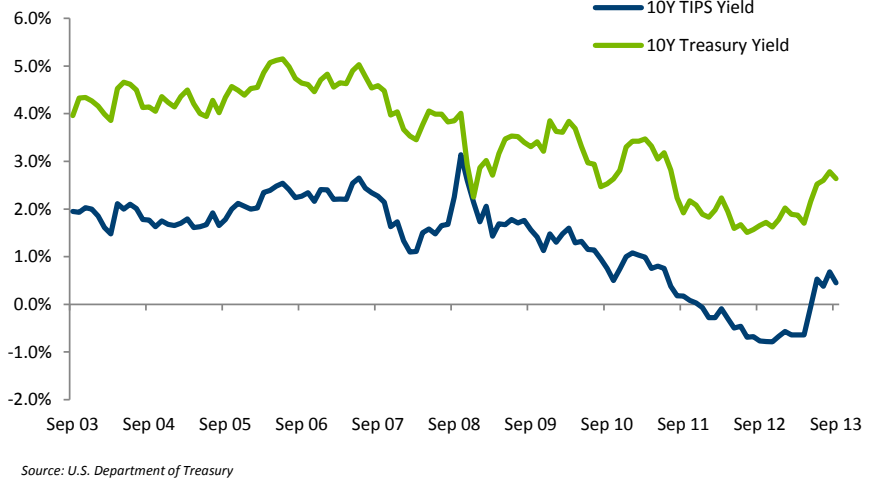
Source: Barclays Live

U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE



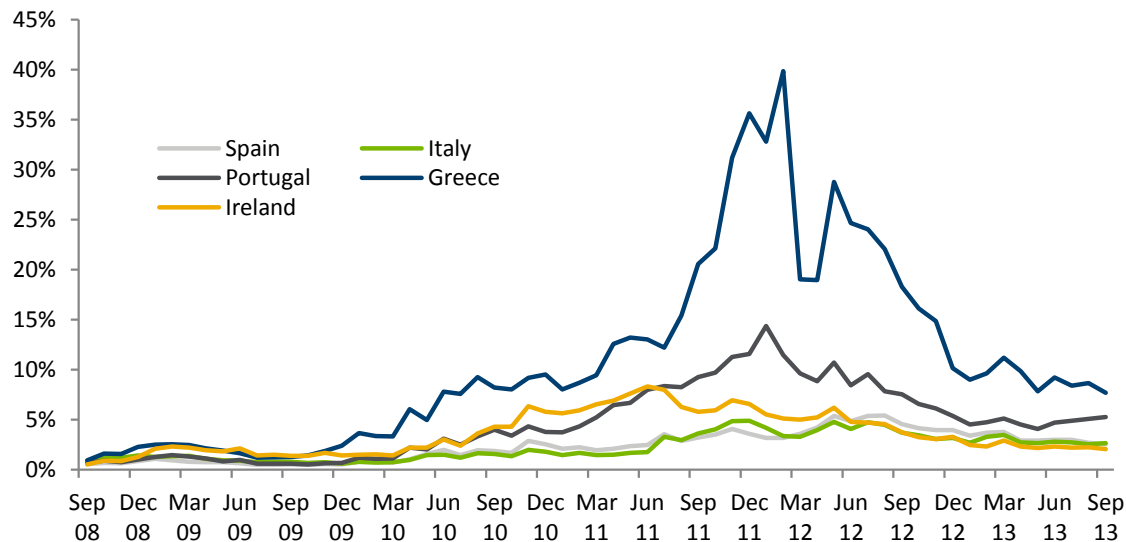
U.S. 10-YEAR TREASURY AND TIPS YIELDS



- The Treasury yield curve steepened during the quarter; the intermediate and long-term segments of the yield curve rose. Treasury yields were volatile over the quarter, with the 10 year Treasury yield breaching 3% in early September. However, yields fell sharply in late September after the Fed announced that tapering of QE would not begin in the near-term.
- The 10-year U.S. Treasury yield ended the quarter at 2.64%, 12 basis points higher than its level at the beginning of the quarter.
- 10-year TIPS yields fell by 8 basis points over the quarter, but remained firmly in positive territory with the yield at 0.45%.

European Fixed Income Markets

**EUROZONE PERIPHERAL BOND SPREADS
(10-YEAR SPREADS OVER GERMAN BUNDS)**



Source: DataStream

- The Eurozone showed some tentative signs of growth. Q3 GDP growth for the Eurozone was positive, breaking the streak of six consecutive quarters of negative growth (the longest on record for the bloc). However, markets were once again reminded of the fragility of the situation in the euro periphery with the stability of the Italian government coming into question at the end of the quarter. This sent Italian yield spreads higher.
- Eurozone bond spreads were broadly unchanged over the quarter.

Credit Spreads

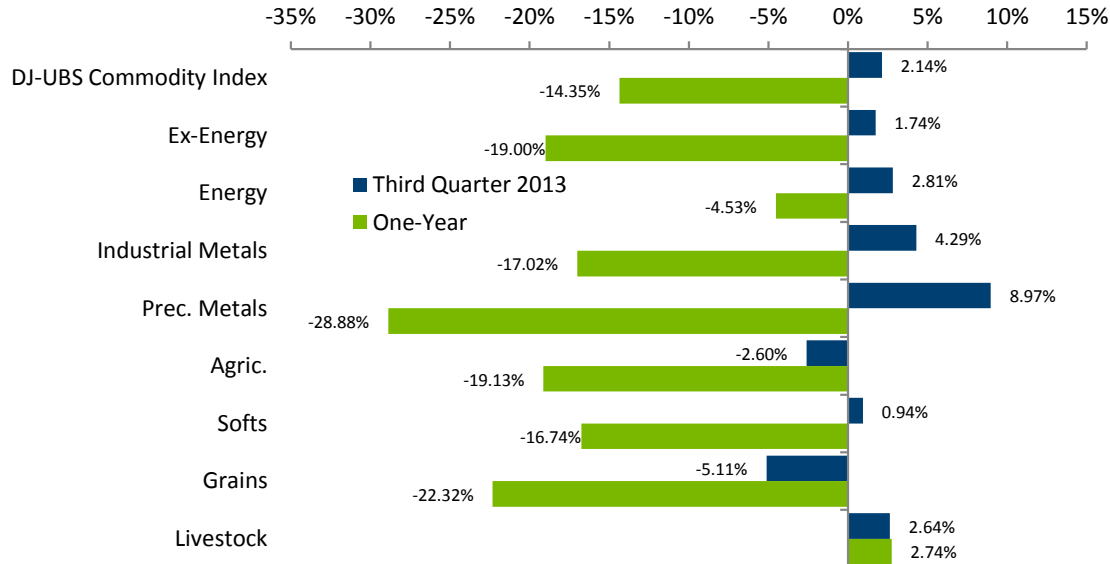
Spread (bps)	9/30/2013	6/30/2013	9/30/2012	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	54	61	49	-7	5
Long Gov't	6	6	4	0	2
Long Credit	189	198	191	-9	-2
Long Gov't/Credit	123	124	114	-1	9
MBS	43	60	24	-17	19
CMBS	141	150	155	-9	-14
ABS	64	58	44	6	20
Corporate	141	152	156	-11	-15
High Yield	461	492	551	-31	-90
Global Emerging Markets	330	345	332	-15	-2

Source: Barclays Live

- Credit spreads generally fell across fixed income markets, with the exception of the ABS market where spreads were marginally higher.
- High yield bond spreads (-31 basis points) fell by the most in the quarter, followed by MBS (-17 bps) and emerging markets (-15 bps).

Commodities

COMMODITY RETURNS AS OF 09/30/2013

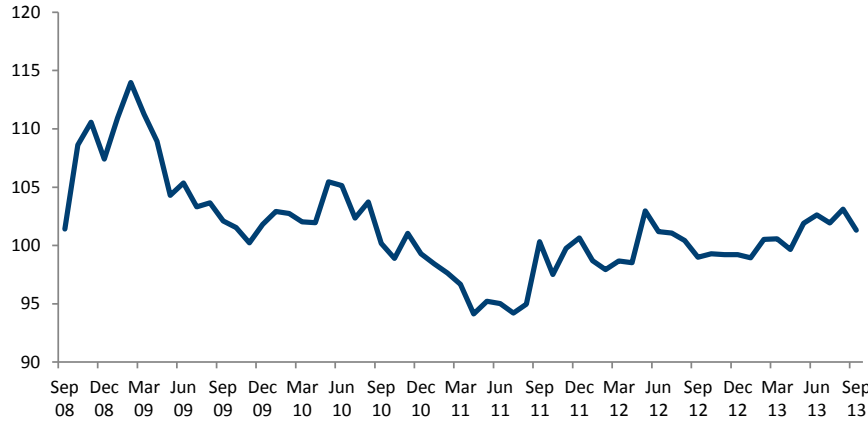


Source: Dow Jones-UBS

- The Dow Jones-UBS Commodity Index increased by 2.14% during the third quarter.
- Over the third quarter, the best performing segments of the market were Precious Metals and Industrial Metals, returning 8.97% and 4.29%, respectively.
- Grains and Agriculture were the worst performing sectors of the market during the third quarter with returns of -5.11% and -2.60%, respectively.

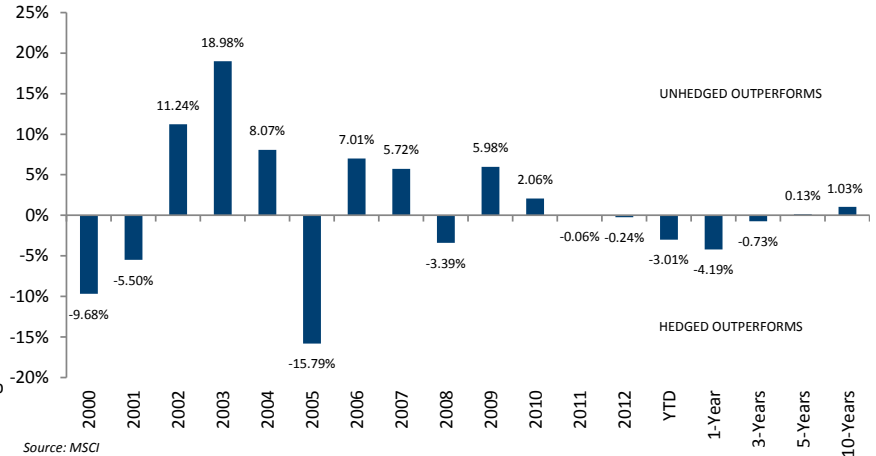
Currency

**TRADE WEIGHTED U.S. DOLLAR INDEX
(1997 = 100)**



Source: Federal Reserve

**DIFFERENCE BETWEEN MSCI EAFE UNHEDGED AND HEDGED INDICES
AS OF 09/30/2013**

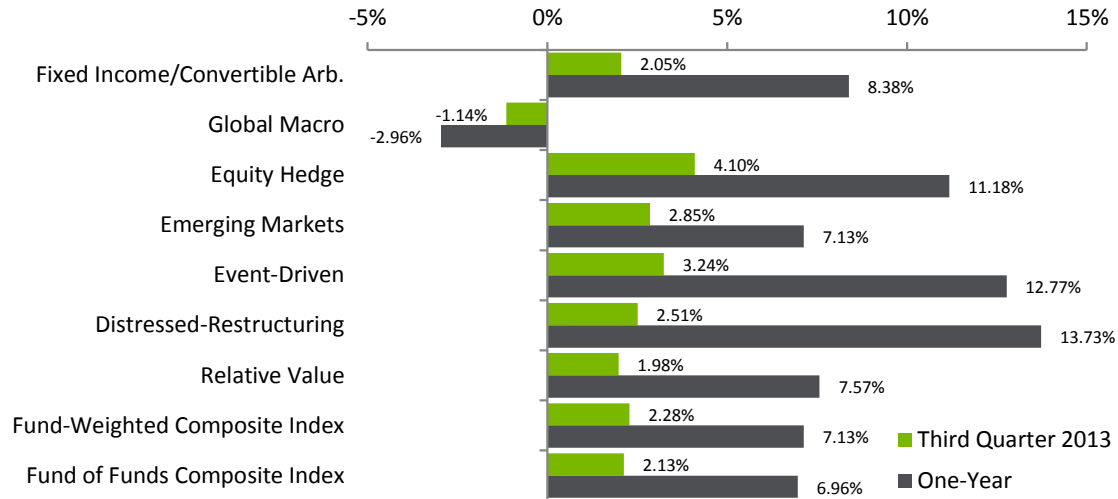


Source: MSCI

- As measured through the broad trade weighted U.S. dollar index, the U.S. dollar depreciated during the quarter.
- The MSCI EAFE Unhedged Index significantly underperformed the MSCI EAFE 100% Hedged Index during the year-to-date period, reflecting the appreciation of the U.S. dollar. The Unhedged Index underperformed the Hedged Index over the trailing 1 and 3 year periods.

Hedge Fund Markets Overview

HEDGE FUND PERFORMANCE AS OF 09/30/2013



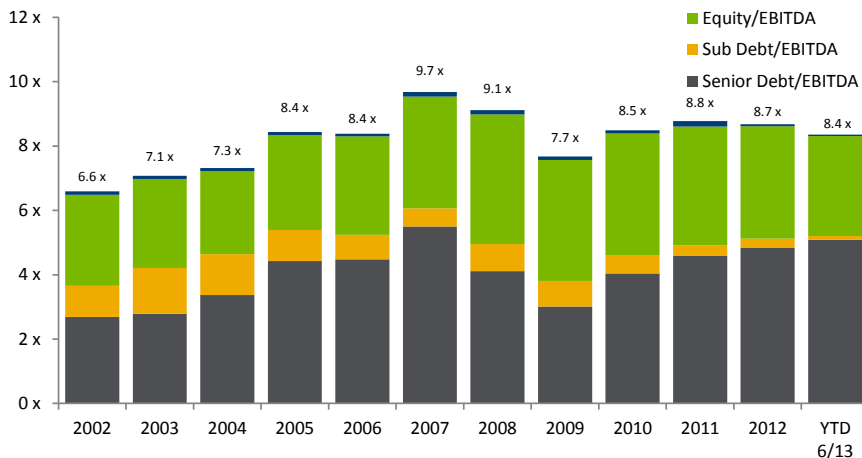
Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.

Source: HFR

- Most major hedge fund strategy types posted positive returns in the third quarter and during the trailing one year period.
- The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 2.28% and 2.13%, respectively, during the third quarter.
- Equity Hedge and Event-Driven strategies were the strongest performers during the quarter, gaining 4.10% and 3.24%, respectively.

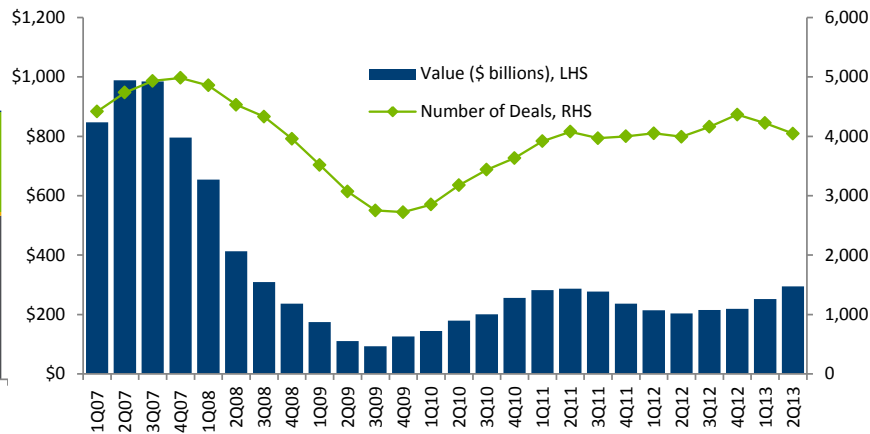
Private Equity Market Overview – Q2 2013

PURCHASE PRICE MULTIPLES



Source: S&P

LTM GLOBAL SPONSOR M&A DEAL VOLUME AND VALUE (TRAILING 12 MONTH DATA)

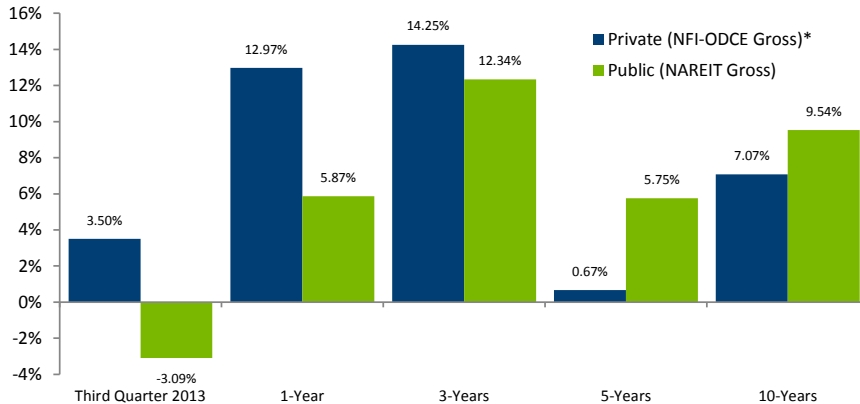


Source: ThomsonOne

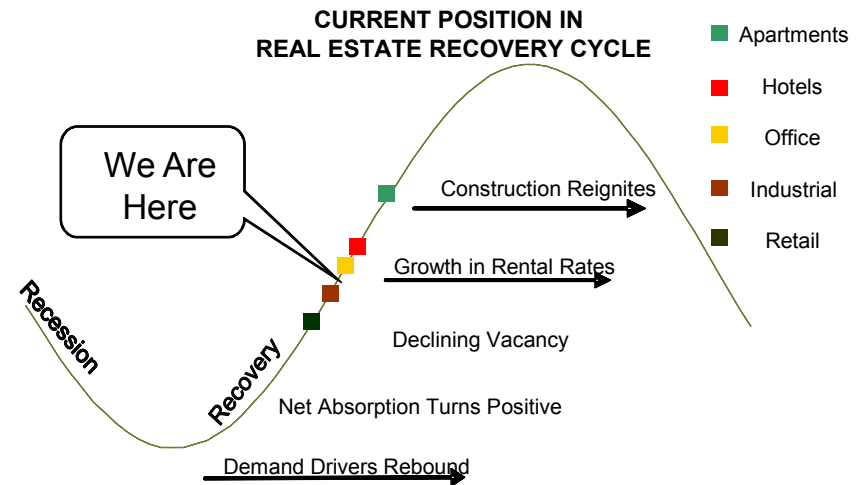
- **Fundraising:** \$276 billion closed during the LTM, a 1% increase over the prior year and just below the ten year average. This is a healthy but not excessive level and is well below the peak pre-crisis levels (\$490B). Dry powder is starting to rise, estimated at \$820 billion, 9% below the 2008 peak of \$897 billion.
- **Buyout:** Activity continues to climb. \$295 billion of LTM global sponsor-backed M&A deals closed, a 44% increase over the prior year. This is the highest LTM level post-Lehman and is only 13% below the ten year average. Purchase price multiples (PPMs) fell to a more reasonable 8.4x EBITDA from the 8.7x level at year end. European PPMs at all deal sizes were above their ten year average.
- **Venture capital:** Investment activity rose during 2Q 2013 to \$6.7 million in 913 deals vs. \$6.0 billion in 896 deals in Q1. YTD activity is on par with that of 1H 2012 by number of deals but 8% lower by capital. Exit activity continues to be low but shows some signs of improvement.
- **Mezzanine:** Mezzanine lenders continue to raise capital with levels being 29% above the ten year average on a LTM basis but are having trouble deploying capital. Estimated dry powder is \$40.4 billion, roughly 83% of the total funds raised in the last four years; funds are requesting investment period extensions.
- **Distressed Debt:** Despite the expected work-out of one of the largest distressed deals (TXU) in the second half of 2013, activity continues to be subdued and is expected to continue in this manner. According to Fitch Ratings, global corporate upgrades exceeded downgrades in all sectors, interrupting the negative trend experienced the last two years.
- **Secondaries:** Fund-raising slightly lags 2012 and activity has slowed due to improved public markets as well as delays in Dodd-Frank regulations. Non-traditional buyers have become increasingly active, bidding higher than secondary funds due to their lower costs of capital. Secondary returns will decline if prices continue to increase as was the case in 2006/2007 when some buyout funds traded at a premium to NAV.
- **Infrastructure:** Fund-raising is trending up although vacillating quarter to quarter. Activity seems to be falling or, at best, has reached a plateau given factors such as slow US market in terms of deal volume, the sovereign risk crisis, and additional regulation in Europe.

U.S. Commercial Real Estate Markets

**PRIVATE VS. PUBLIC REAL ESTATE RETURNS
AS OF 09/30/2013**



*Third quarter returns are preliminary
Sources: NCREIF, NAREIT



2013 U.S. Real Estate Outlook:

- Total returns in commercial real estate remain above average. For the quarter, the NFI-ODCE Index returned 3.5%*, gross of fees. The NFI-ODCE's performance was driven by both its high average asset quality, solid gains in occupancy and rental rates, and its use of leverage--which remains highly accretive at today's interest rates. The trailing 12-month returns continue to be above the sector's long run average, though momentum is expected to resume its slowing trend, moving the sector back towards its long run average over the next year.
- Public market performance demonstrated its heightened volatility over the third quarter. The FTSE NAREIT Equity REIT Index fell -3.1% over the quarter; though registering a 5.9% gain for the year ending 3Q2013. Despite this pause, pricing multiples remains above the sector's long run average and ahead of private market valuations. Above average volatility is expected to persist in this segment for some time to come.
- Sector fundamentals continued to firm at a modest but fairly steady pace as occupancy gains and rental rate growth continued to broaden geographically.
- Core rebound is mature and returns are expected to continue to moderate (consensus NPI forecast range is 6–9%, generally in line with long-term average).
 - Still solid investment option for long term investors seeking diversification and yield.
 - Consider debt plays as a substitute for Core returns (also good alternative for fixed income).
- Non Core opportunities remain in the sector's sweet spot, with above average return potential as positive spreads exist between stabilized and non-stabilized assets.
 - Distress, recapitalization, lease up, repositioning, and even some development opportunities appear attractive.

(This page is left blank intentionally)



Total Fund

Highlights

Return Summary

	Qtr	1 Yr	3 Yrs	5 Yrs
Dow Jones US Total Stock Index	6.2 %	21.4 %	16.8 %	10.7 %
MSCI All Country World ex-U.S. Index	10.1 %	16.5 %	5.9 %	6.3 %
MSCI EAFE Index	11.6 %	23.8 %	8.5 %	6.4 %
MSCI Emerging Markets Index	5.8 %	1.0 %	-0.3 %	7.2 %
MSCI All Country World Index	7.9 %	17.7 %	10.2 %	7.7 %
Barclays Aggregate Bond Index	0.6 %	-1.7 %	2.9 %	5.4 %

3Q 2013 Market Commentary

Equities soar, despite uncertainty. The third quarter of 2013 was rewarding for global investors as the Dow Jones U.S. Total Stock Market Index hit a new all-time high in September, and international equities soared as Europe emerged from its recession. Equity valuations continued to be driven by external forces during the quarter, including loose monetary policy and congressional gridlock in Washington due to debates over the Affordable Care Act, the debt ceiling, and the lead up to the first government shutdown since 1995-1996.

Employment remains weak. According to the Bureau of Labor Statistics (BLS), the unemployment rate dropped from 7.6% to 7.3%, and U.S. employers created 273,000 jobs during the first two months of the third quarter. U.S. GDP grew at a modest rate of 2.5% during the second quarter.

Residential real estate gains momentum. During the one-year period through July, home prices appreciated 12.3%, as measured by the S&P/Case Shiller Index, signaling that the real estate market may have found a floor during the second quarter of 2012 amidst an environment with sub-5% 30 year mortgage rates and population growth exceeding the rate of new home construction.

Fed surprises. The Federal Open Market Committee (FOMC) surprised investors by deciding not to taper its \$85 billion in monthly bond purchases during its September meeting. Regardless of the timing of the Fed's tapering, the FOMC will continue to maintain its target range for the federal funds rate at 0-0.25% for the foreseeable future. In September, Lawrence Summers withdrew his name from the race to become Ben Bernanke's replacement as chairman of the Federal Reserve. This announcement led to an outlook that the next Fed chair will likely be more dovish than the market previously handicapped.

U.S. equities surge; small cap and growth stocks lead the way. The U.S. equity market, as measured by the Dow Jones U.S. Total Stock Market Index, gained 6.2% during the third quarter. Growth outperformed value while small cap equities outperformed their large cap counterparts. Given the recent run-up in small cap stocks relative to large cap stocks, we prefer large cap to small cap on a relative basis.

Europe emerges from recession. Despite underperforming by more than 10% annually over the past three years, international equities (+10.4%) outperformed U.S. equities significantly during the third quarter as Europe unexpectedly emerged from its 18-month recession. We continue to prefer European equities over U.S. equities on a medium term basis from a valuation perspective. However, Europe still has several structural problems that will likely lead to heightened volatility in the near term, including risk of a revival of the debt crisis, and an unemployment rate that exceeds 12%. Emerging markets, up 5.5% during the third quarter, did well in September but it remains a difficult time given trends in global interest rates and relatively weak economic growth in the emerging world.

Bond market is soft as rates continue to rise. The U.S. bond market, as measured by the Barclays Aggregate Bond Index, returned 0.6% during the third quarter. Long duration bonds underperformed intermediate and short duration bonds as the yield curve rose during the quarter. High yield bonds (+2.3%) were the best performing segment within fixed income due to their decreased sensitivity to rising interest rates. Bond yields should rise much further over the medium-term, but the near-term outlook is for yields to remain relatively range-bound.

Highlights

Commentary on Investment Performance

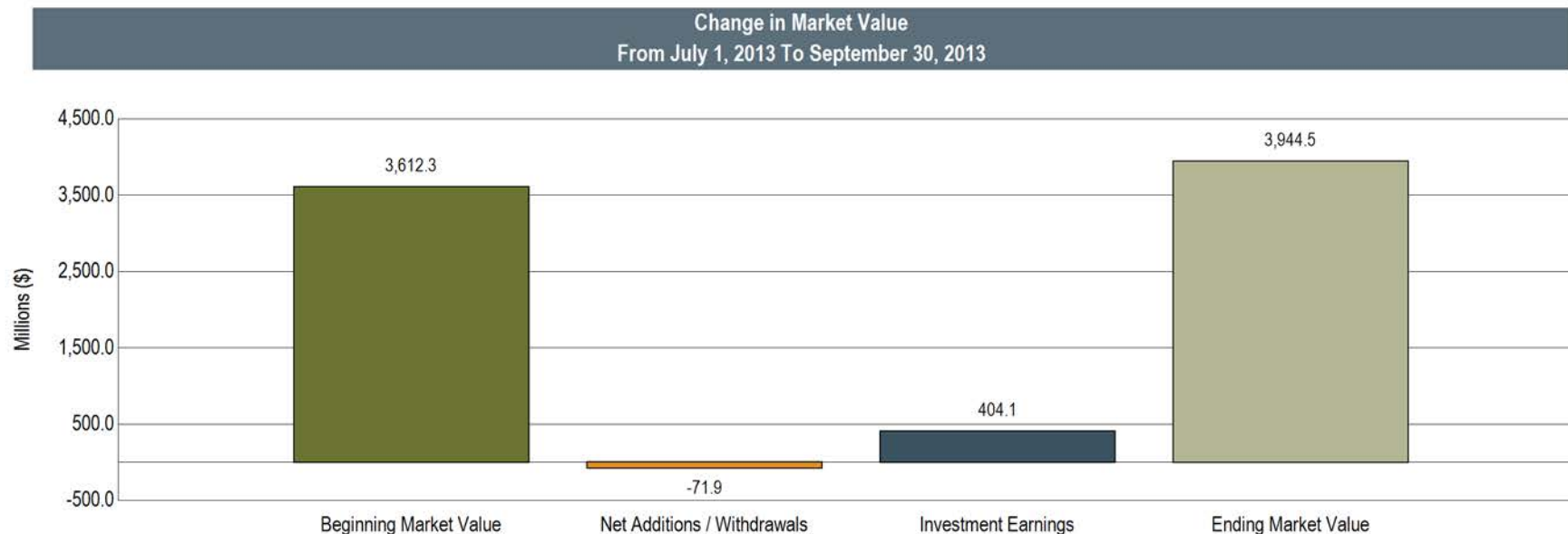
The Total Fund returned 6.0% during the third quarter, outperforming the return of the Policy Portfolio by 70 basis points. The Fund's U.S. Equity component added value over the benchmark, as well as the Alternatives component. Partially offsetting results was the below-benchmark return from the Global Equity component.

For the one-year ending September 30, 2013, the Total Fund advanced 14.2%, outpacing the return of the Policy Portfolio by 140 basis points. Overperformance was mainly attributed to above-benchmark returns from the U.S. Fixed Income, and Non-U.S. Equity components.

The Total Fund's longer-term relative performance has been showing positive divergence over the Policy Portfolio. The Total Fund has outperformed the return of its benchmark during the trailing five-year and three-year periods. The Fund's annualized since inception return is 8.2%, outperforming the Policy Portfolio.

The attribution analysis exhibits on page 31 provide additional information regarding each sub-component's contribution to performance during the quarter and year-to-date periods.

Plan Summary



Summary of Cash Flows

Sources of Portfolio Growth	Third Quarter	Year-To-Date	One Year
Beginning Market Value	\$3,612,254,371	\$3,498,758,840	\$3,483,762,393
Net Additions/Withdrawals	-\$71,875,960	-\$161,018,532	-\$191,857,740
Investment Earnings	\$404,143,017	\$606,781,120	\$652,616,775
Ending Market Value	\$3,944,521,428	\$3,944,521,428	\$3,944,521,428

Plan Performance

Benchmark: Policy Portfolio



VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Period Ending 09/30/2013

	3rd Quarter	Year-to-Date	1 Year Ending 09/30/2013	3 Years Ending 09/30/2013	5 Years Ending 09/30/2013	10 Years Ending 09/30/2013	Since Inception	Inception Date
BlackRock Extended Equity	10.0	27.3	30.9	18.9	13.2	10.9	12.5	10/31/02
Dow Jones U.S. Completion Total Stock Market Index	10.0	27.2	30.7	18.6	13.4	10.8	12.5	
Western U.S. Index Plus	5.4	20.1	20.1	17.6	10.8	--	0.3	5/31/07
S&P 500 Index	5.2	19.8	19.3	16.3	10.0	--	3.7	
BlackRock Equity Market Fund	6.2	21.2	21.5	16.8	10.7	--	5.4	12/31/07
Dow Jones U.S. Total Stock Market Index	6.2	21.2	21.4	16.8	10.7	--	5.4	
Total U.S. Equity	6.9	21.7	22.1	17.1	10.9	7.7	8.6	12/31/93
Performance Benchmark ¹	6.2	21.3	21.5	16.8	10.7	8.2	9.0	
BlackRock All Country World ex-U.S.	10.4	10.7	17.1	6.3	6.9	--	1.5	3/31/07
MSCI All Country World ex-U.S. IM Index	10.4	10.6	16.9	6.1	6.8	--	1.4	
Sprucegrove	10.1	11.7	18.1	8.4	8.0	9.3	8.7	3/31/02
MSCI EAFE Index	11.6	16.1	23.8	8.5	6.4	8.0	6.8	
MSCI All Country World ex-U.S. Index	10.1	10.0	16.5	6.0	6.3	8.8	7.6	
Hexavest	9.7	14.8	17.2	--	--	--	6.4	12/31/10
MSCI EAFE Index	11.6	16.1	23.8	--	--	--	6.8	
Walter Scott	8.2	9.5	14.5	--	--	--	6.7	12/31/10
MSCI All Country World ex-U.S. Index	10.1	10.0	16.5	--	--	--	3.8	
Total International	10.0	11.4	17.3	7.0	6.8	8.4	6.9	3/31/94
MSCI All Country World ex-U.S. Index	10.1	10.0	16.5	5.9	6.3	8.8	5.6	
GMO Global Fund	6.8	12.8	16.0	10.8	8.0	--	6.9	4/30/05
MSCI All Country World Index	7.9	14.4	17.7	10.2	7.7	--	6.3	
BlackRock MSCI ACWI Equity Index	7.7	14.6	17.9	--	--	--	20.4	6/30/12
MSCI All Country World Index	7.9	14.4	17.7	--	--	--	20.1	
Total Global Equity	7.2	13.6	16.9	10.5	6.3	--	5.3	4/30/05
MSCI All Country World Index	7.9	14.4	17.7	10.2	7.7	--	6.3	
Loomis Sayles Global Fixed Income	2.3	-2.2	-1.9	--	--	--	1.4	6/30/12
Barclays Capital Global Aggregate Bond Index	2.8	-2.2	-2.6	--	--	--	0.4	
PIMCO Global Fixed Income	2.7	-3.2	-3.7	--	--	--	-3.7	9/30/12
Barclays Capital Global Aggregate Bond Index	2.8	-2.2	-2.6	--	--	--	-2.6	
Loomis Sayles Strategic Alpha	--	--	--	--	--	--	-0.4	7/31/13
Barclays Capital Global Aggregate Bond Index	--	--	--	--	--	--	1.5	
Total Global Fixed Income	2.6	-2.5	-2.6	--	--	--	0.7	6/30/12
Barclays Capital Global Aggregate Bond Index	2.8	-2.2	-2.6	--	--	--	0.4	

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (Continued)
Period Ending 09/30/2013

	3rd Quarter	Year-to-Date	1 Year Ending 09/30/2013	3 Years Ending 09/30/2013	5 Years Ending 09/30/2013	10 Years Ending 09/30/2013	Since Inception	Inception Date
Western	0.5	-1.5	-0.6	4.9	8.0	5.5	6.5	12/31/96
Barclays Capital Aggregate Bond Index	0.6	-1.9	-1.7	2.9	5.4	4.6	5.8	
BlackRock U.S. Debt Fund	0.5	-1.8	-1.6	2.9	5.5	4.7	5.8	11/30/95
Barclays Capital Aggregate Bond Index	0.6	-1.9	-1.7	2.9	5.4	4.6	5.7	
Reams	0.6	0.7	1.9	6.0	10.5	7.0	6.7	9/30/01
ML 3 Month LIBOR Constant Maturity Index ²	0.1	-0.5	-0.3	3.3	5.7	4.7	5.1	
Loomis Sayles	0.9	-0.8	2.5	6.8	12.0	--	7.3	7/31/05
Performance Benchmark ³	1.1	-0.1	1.0	4.8	7.8	--	5.9	
Total U.S. Fixed Income	0.9	-1.1	-0.1	5.0	9.2	6.1	6.5	2/28/94
Barclays Capital Aggregate Bond Index	0.6	-1.9	-1.7	2.9	5.4	4.6	5.9	
Prudential Real Estate	3.5	10.0	11.9	14.6	-1.6	--	3.4	6/30/04
NCREIF Open-End Fund Property Index	2.6	8.2	11.0	12.7	3.4	--	8.3	
UBS Real Estate	2.5	7.1	9.0	10.6	1.2	6.8	7.0	3/31/03
NCREIF Open-End Fund Property Index	2.6	8.2	11.0	12.7	3.4	8.5	8.5	
RREEF	4.4	12.5	14.5	28.4	-10.7	--	-11.6	9/30/07
NCREIF Open-End Fund Property Index	2.6	8.2	11.0	12.7	3.4	--	3.7	
Total Real Estate	2.7	7.9	9.6	12.0	-1.9	5.0	7.5	3/31/94
NCREIF Open-End Fund Property Index ⁴	2.6	8.2	11.0	12.7	3.4	8.5	9.3	

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (Continued)**Period Ending 09/30/2013**

	3rd Quarter	Year-to-Date	1 Year Ending 09/30/2013	3 Years Ending 09/30/2013	5 Years Ending 09/30/2013	10 Years Ending 09/30/2013	Since Inception	Inception Date
Adams Street Partners	7.6	11.7	14.9	--	--	--	--	7/31/10
Dow Jones Total Stock Index + 3%	6.9	23.9	25.0	--	--	--	--	
Pantheon	1.4	12.1	17.2	--	--	--	--	8/31/10
Dow Jones Total Stock Index + 3%	6.9	23.9	25.0	--	--	--	--	
Harbourvest	0.0	--	--	--	--	--	--	5/31/13
Dow Jones Total Stock Index + 3%	6.9	--	--	--	--	--	--	
Total Private Equity	5.6	12.9	16.2	--	--	--	--	7/31/10
Dow Jones Total Stock Index + 3%	6.9	23.9	25.0	--	--	--	--	
Tortoise Energy Infrastructure	4.4	--	--	--	--	--	7.6	4/30/13
Wells Fargo MLP Index	-2.1	--	--	--	--	--	-0.9	
Bridgewater All Weather Fund	--	--	--	--	--	--	2.5	8/31/13
Dow Jones Total Stock Index + 3%	--	--	--	--	--	--	3.9	
Total Liquid Alternatives	4.4	--	--	--	--	--	7.7	4/30/13
Wells Fargo MLP Index	-2.1	--	--	--	--	--	-0.9	
Total Fund	6.0	12.2	14.2	11.1	8.8	7.3	8.2	3/31/94
Policy Portfolio ⁵	5.3	10.9	12.8	10.2	8.1	7.3	8.1	
Total Fund (ex-Private Equity)	4.8	10.4	12.2	--	--	--	--	3/31/94
Total Fund (ex-Clifton)	5.6	11.7	13.6	10.9	8.5	7.2	8.2	3/31/94

*Separate Accounts, Asset classes, and Total Fund performance reflects the return realized by the portfolio after accounting for cash flows. Individual fund performance reflects the manager stated returns.

¹Performance Benchmark defined in Appendix

²Prior to 2/6/13, The Barclays Capital Aggregate Bond Index

³A mix of 65% of the Barclays Capital Aggregate Bond Index, 30% of the Citigroup High Yield Market Index, and 5% of the J.P. Morgan Non-U.S. Hedged Bond Index.

⁴Prior to January 2006, the NCREIF Property Index.

⁵Policy Portfolio Benchmark is defined in Appendix

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Period Ending 09/30/2013

(\$ in Thousands)

	U.S. Equity	Non-U.S. Equity	Fixed Income	Real Estate	Private Equity	Liquid Alternatives	Cash	Total	Percent of Total	Evolving Policy	Policy Target
BlackRock Extended Equity Index	\$39,858							\$39,858	1.0%		
Western Index Plus	\$109,614							\$109,614	2.8%		
BlackRock Equity Market Fund	\$1,061,689							\$1,061,689	26.9%		
Total U.S. Equity	\$1,211,160							\$1,211,160	30.7%	30.0%	30.0%
BlackRock ACWI ex-U.S. Index		\$376,887						\$376,887	9.6%		
Sprucegrove		\$177,176						\$177,176	4.5%		
Hexavest		\$76,843						\$76,843	1.9%		
Walter Scott		\$91,530						\$91,530	2.3%		
Total Non-U.S. Equity		\$722,436						\$722,436	18.3%	14.0%	14.0%
GMO Global Equity	\$89,729	\$105,759						\$195,487	5.0%		
BlackRock MSCI ACWI Equity Index	\$68,628	\$79,597						\$148,226	3.8%		
Total Global Equity	\$158,357	\$185,356						\$343,713	8.7%	10.0%	10.0%
Western			\$246,533					\$246,533	6.3%		
BlackRock U.S. Debt Fund			\$131,281					\$131,281	3.3%		
Reams			\$247,024					\$247,024	6.3%		
Loomis Sayles Global			\$66,555					\$66,555	1.7%		
Loomis Sayles			\$65,385					\$65,385	1.7%		
PIMCO Global			\$122,896					\$122,896	3.1%		
Loomis Strategic Alpha			\$40,049					\$40,049	1.0%		
Total Fixed Income			\$919,723					\$919,723	23.3%	24.0%	24.0%
Prudential Real Estate				\$91,859				\$91,859	2.3%		
UBS Real Estate				\$187,244				\$187,244	4.7%		
RREEF				\$8,643				\$8,643	0.2%		
Total Real Estate				\$287,746				\$287,746	7.3%	7.0%	7.0%
Adams Street Partners					\$36,049			\$36,049	0.9%		
Pantheon Ventures					\$8,703			\$8,703	0.2%		
Harbourvest					\$8,968			\$8,968	0.2%		
Total Private Equity					\$53,720			\$53,720	1.4%	5.0%	5.0%
Tortoise Energy Infrastructure						\$113,326		\$113,326	2.9%		
Bridgewater All Weather Fund						\$252,610		\$252,610	6.4%		
Total Liquid Alternatives						\$365,937		\$365,937	9.3%	10.0%	10.0%
Clifton Group							\$40,087	\$40,087	1.0%		
Total Cash							\$40,087	\$40,087	1.0%	0.0%	0.0%
Total Assets	\$1,369,517	\$907,791	\$919,723	\$287,746	\$53,720	\$365,937	\$40,087	\$3,944,521	100.0%	100.0%	100.0%
Percent of Total	34.7%	23.0%	23.3%	7.3%	1.4%	9.3%	1.0%	100.0%			

* Private Equity reflects market values as of 6/30/2013 plus Capital Calls from 7/1/2013-9/30/2013

Calendar Year Performance

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
BlackRock Extended Equity	18.4	-3.4	29.0	35.0	-38.4	5.4	15.2	10.5	18.1	43.2
Dow Jones U.S. Completion Total Stock Market Index	17.9	-3.8	28.6	37.4	-39.0	5.4	15.3	10.0	18.0	44.0
Western U.S. Index Plus	20.6	0.8	24.6	42.0	-56.3	--	--	--	--	--
S&P 500 Index	16.0	2.1	15.1	26.5	-37.0	--	--	--	--	--
BlackRock Equity Market Fund	16.4	1.1	17.5	28.6	-37.2	--	--	--	--	--
Dow Jones U.S. Total Stock Market Index	16.4	1.1	17.5	28.6	-37.2	--	--	--	--	--
Total U.S. Equity	16.9	0.9	18.5	29.2	-40.0	4.3	15.3	5.2	11.8	32.0
Performance Benchmark ¹	16.4	1.1	17.5	28.6	-37.2	5.5	15.7	6.1	11.9	31.1
BlackRock All Country World ex-U.S.	17.2	-14.1	12.8	43.1	-45.6	--	--	--	--	--
MSCI All Country World ex-U.S. IM Index	17.0	-14.3	12.7	43.6	-45.9	--	--	--	--	--
Sprucegrove	17.1	-10.8	18.7	36.1	-42.5	5.8	29.9	14.3	24.6	33.8
MSCI EAFE Index	17.3	-12.1	7.8	31.8	-43.4	11.2	26.3	13.5	20.2	38.6
MSCI All Country World ex-U.S. Index	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6	20.9	40.8
Hexavest	13.9	-9.2	--	--	--	--	--	--	--	--
MSCI EAFE Index	17.3	-12.1	--	--	--	--	--	--	--	--
Walter Scott	20.4	-9.3	--	--	--	--	--	--	--	--
MSCI All Country World ex-U.S. Index	16.8	-13.7	--	--	--	--	--	--	--	--
Total International	17.9	-13.6	13.5	37.4	-44.1	11.7	25.2	19.3	18.8	36.0
Performance Benchmark	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6	20.9	40.8
GMO Global Fund	15.0	-2.0	10.2	24.3	-32.8	10.0	19.7	--	--	--
MSCI All Country World Index	16.1	-7.3	12.7	34.6	-42.2	11.7	21.0	--	--	--
BlackRock MSCI ACWI Equity Index	--	--	--	--	--	--	--	--	--	--
MSCI All Country World Index	--	--	--	--	--	--	--	--	--	--
Total Global Equity	14.4	-3.9	11.4	17.8	-37.3	11.3	19.5	--	--	--
MSCI EAFE Index	16.1	-7.3	12.7	34.6	-42.2	11.7	21.0	--	--	--
Loomis Sayles Global Fixed Income	--	--	--	--	--	--	--	--	--	--
Barclays Capital Global Aggregate Bond Index	--	--	--	--	--	--	--	--	--	--
PIMCO Global Fixed Income	--	--	--	--	--	--	--	--	--	--
Barclays Capital Global Aggregate Bond Index	--	--	--	--	--	--	--	--	--	--
Loomis Sayles Strategic Alpha	--	--	--	--	--	--	--	--	--	--
Barclays Capital Global Aggregate Bond Index	--	--	--	--	--	--	--	--	--	--
Total Global Fixed Income	--	--	--	--	--	--	--	--	--	--
Barclays Capital Global Aggregate Bond Index	--	--	--	--	--	--	--	--	--	--

Calendar Year Performance

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (Continued)

Calendar Year Performance

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Western	9.7	7.3	11.3	18.2	-8.9	4.8	5.1	3.2	6.4	9.1
Barclays Capital Aggregate Bond Index	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1
BlackRock U.S. Debt Fund	4.3	7.9	6.7	6.0	5.4	7.0	4.3	2.4	4.3	4.2
Barclays Capital Aggregate Bond Index	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1
Reams	9.9	8.3	10.1	35.9	-12.1	7.4	5.0	3.9	5.0	8.7
Barclays Capital Aggregate Bond Index	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1
Loomis Sayles	16.8	4.2	13.5	38.1	-19.9	6.7	9.0	--	--	--
Performance Benchmark ²	7.5	7.1	8.7	18.8	-4.6	5.1	6.8	--	--	--
Total U.S. Fixed Income	9.6	7.3	10.6	25.6	-8.7	6.3	5.3	3.2	5.2	7.1
Barclays Capital Aggregate Bond Index	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1
Prudential Real Estate	8.8	18.2	17.5	-34.8	-13.7	16.6	15.8	27.8	--	--
NCREIF Open-End Fund Property Index	10.5	14.3	13.1	-16.8	-6.5	15.8	15.3	20.1	--	--
UBS Real Estate	9.1	12.2	15.8	-23.2	-8.4	12.7	15.6	20.1	13.5	--
NCREIF Open-End Fund Index	10.5	14.3	13.1	-16.8	-6.5	15.8	15.3	20.1	14.5	--
RREEF	22.9	53.7	8.4	-64.5	-41.8	--	--	--	--	--
NCREIF Open-End Fund Index	10.5	14.3	13.1	-16.8	-6.5	--	--	--	--	--
Total Real Estate	9.1	14.4	15.4	-31.2	-16.0	12.8	15.7	26.6	7.5	12.1
NCREIF Open-End Fund Property Index ²	10.5	14.3	13.1	-16.8	-6.5	15.8	15.3	20.1	14.5	9.0
Adams Street Partners	10.8	--	--	--	--	--	--	--	--	--
Dow Jones Total Stock Index + 3%	19.8	--	--	--	--	--	--	--	--	--
Pantheon	0.9	--	--	--	--	--	--	--	--	--
Dow Jones Total Stock Index + 3%	19.8	--	--	--	--	--	--	--	--	--
Harbourvest	--	--	--	--	--	--	--	--	--	--
Dow Jones Total Stock Index + 3%	--	--	--	--	--	--	--	--	--	--
Total Private Equity	10.3	--	--	--	--	--	--	--	--	--
Dow Jones Total Stock Index + 3%	19.8	--	--	--	--	--	--	--	--	--
Tortoise Energy Infrastructure	--	--	--	--	--	--	--	--	--	--
Wells Fargo MLP Index	--	--	--	--	--	--	--	--	--	--
Bridgewater All Weather Fund										
Dow Jones Total Stock Index + 3%										
Total Liquid Alternatives	--	--	--	--	--	--	--	--	--	--
Wells Fargo MLP Index	--	--	--	--	--	--	--	--	--	--
Total Fund	14.0	0.3	15.1	24.2	-30.9	7.0	14.2	7.8	10.9	24.4
Policy Portfolio ⁴	12.9	0.5	13.2	21.0	-27.1	8.5	14.0	7.6	11.3	22.9
Total Fund (ex-Private Equity)	13.3	--	--	--	--	--	--	--	--	--
Total Fund (ex-Clifton)	13.7	0.6	14.5	23.3	-30.3	6.9	14.0	7.9	10.8	24.4

¹Separate Accounts, Asset classes, and Total Fund performance reflects the return realized by the portfolio after accounting for cash flows. Individual fund performance reflects the manager stated returns.

²Hybrid of the relative weights of U.S. Equity funds' benchmarks. Prior to May 2007, the Russell 3000 Index.

³A mix of 65% of the Barclays Capital Aggregate Bond Index, 30% of the Citigroup High Yield Market Index, and 5% of the J.P. Morgan Non-U.S. Hedged Bond Index.

⁴Prior to January 2006, the NCREIF Property Index.

⁵Policy Portfolio benchmark is defined in Appendix.

Manager "Watch" List

Manager "Watch" Status Policy

A manager may be placed on "Watch" status for:

- Failure to meet one or more of the standards, objectives, goals, or risk controls as set forth in this policy statement
- Violation of ethical, legal, or regulatory standards
- Material adverse change in the ownership of the firm or personnel changes
- Failure to meet reporting or disclosure requirements
- Failure to meet performance objectives or goals
- Any actual or potentially adverse information, trends, or developments that the Board feels might impair the investment manager's ability to deliver successful outcomes for the participants of the plan

The Board may take action to place a manager on Watch status. Managers placed on Watch status shall be notified in writing, and be made aware of the reason for the action and the required remediation. Watch status is an optional interim step that may be used to formally communicate dissatisfaction to the investment manager and the potential for termination. Watch status is not a required step in terminating a manager. Watch status will normally be for a period of six months, but the time frame may be determined by action of the Board. The Board retains the right to terminate the manager at any time, extend the period of the Watch status, or remove the manager from Watch status at any time.

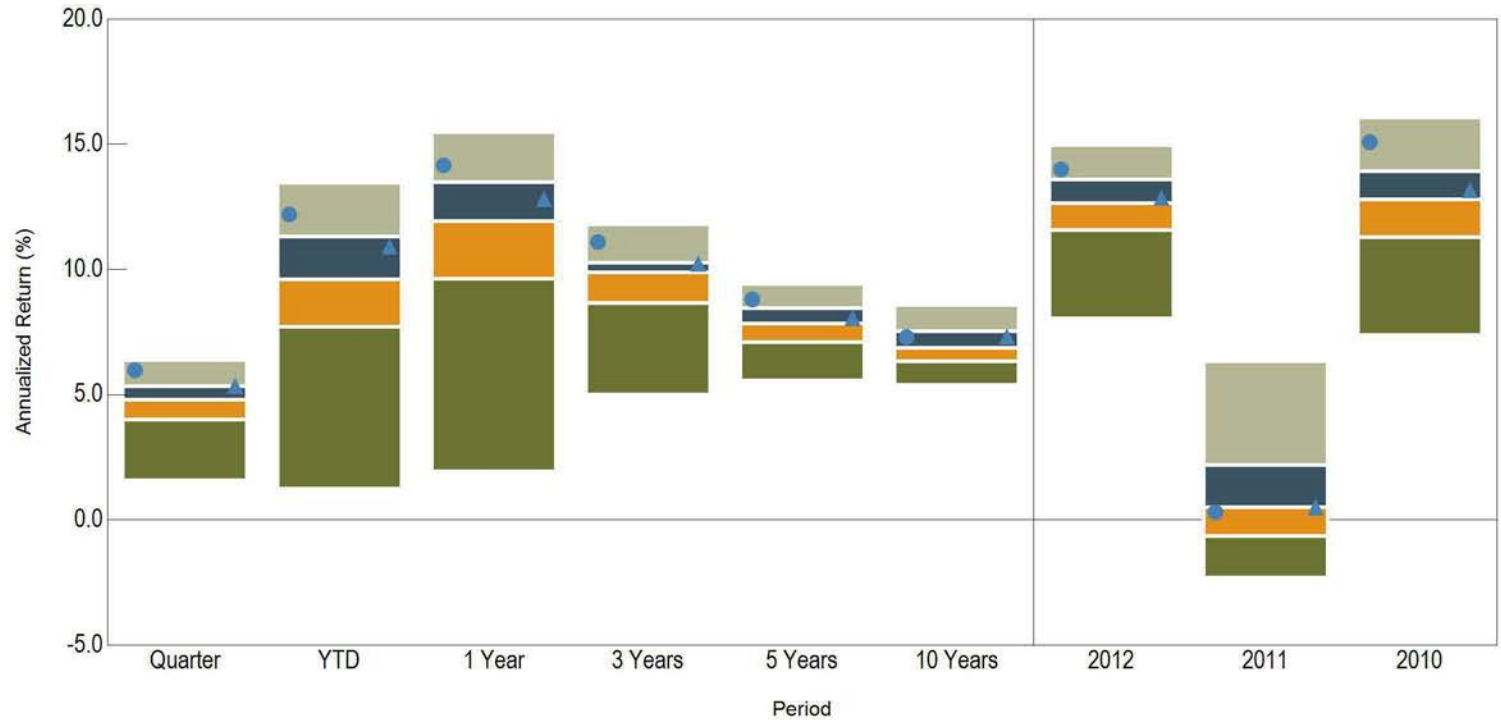
Watch status indicates that the manager shall be subject to increased focus on the remediation of the factors that caused the manager to be placed on Watch status. Discussion of the manager on Watch status shall become a regular monthly reporting agenda item for the Board. Staff or retained Consultant shall prepare a written monthly report addressing the progress of the manager in the remediation of the dissatisfaction.

Universe Comparison

Benchmark: Policy Portfolio

Universe: Public Funds Net

Ending September 30, 2013



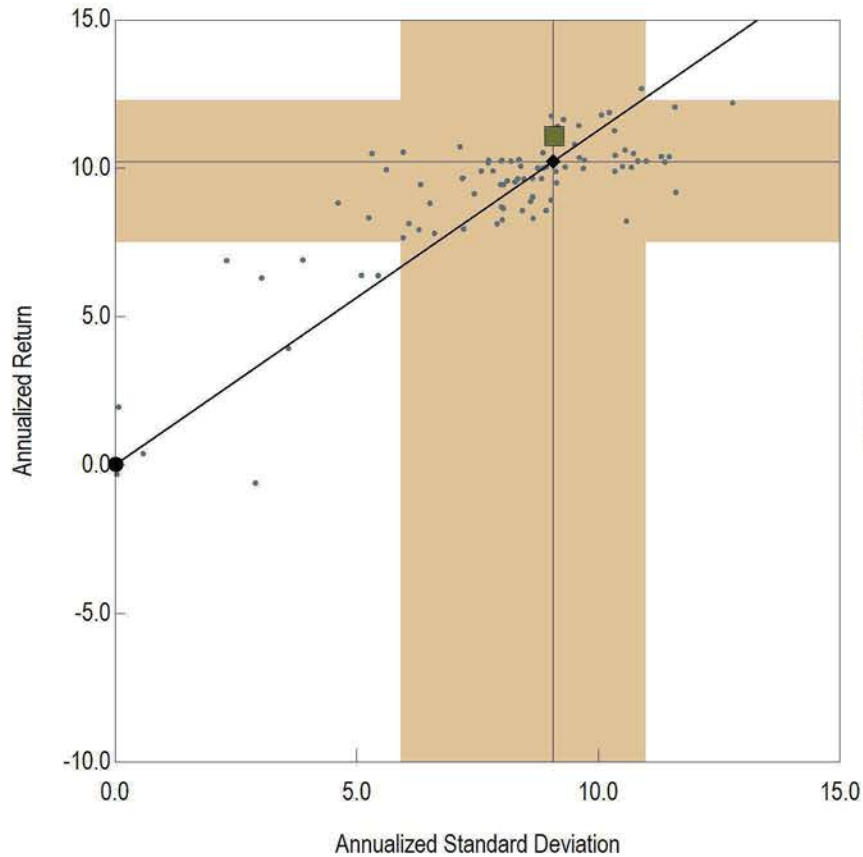
	Return (Rank)									
5th Percentile	6.4	13.4	15.5	11.8	9.4	8.6	15.0	6.3	16.1	
25th Percentile	5.3	11.3	13.5	10.3	8.5	7.5	13.6	2.2	13.9	
Median	4.8	9.6	11.9	9.9	7.8	6.9	12.7	0.5	12.8	
75th Percentile	4.0	7.7	9.6	8.7	7.1	6.3	11.6	-0.6	11.3	
95th Percentile	1.6	1.2	1.9	5.0	5.6	5.4	8.0	-2.3	7.4	
# of Portfolios	97	95	95	90	87	76	108	111	113	
● Total Fund	6.0 (9)	12.2 (13)	14.2 (15)	11.1 (11)	8.8 (15)	7.3 (37)	14.0 (19)	0.3 (55)	15.1 (10)	
▲ Policy Portfolio	5.3 (24)	10.9 (33)	12.8 (33)	10.2 (34)	8.1 (38)	7.3 (37)	12.9 (46)	0.5 (51)	13.2 (46)	

Risk Profile

Benchmark: Policy Portfolio

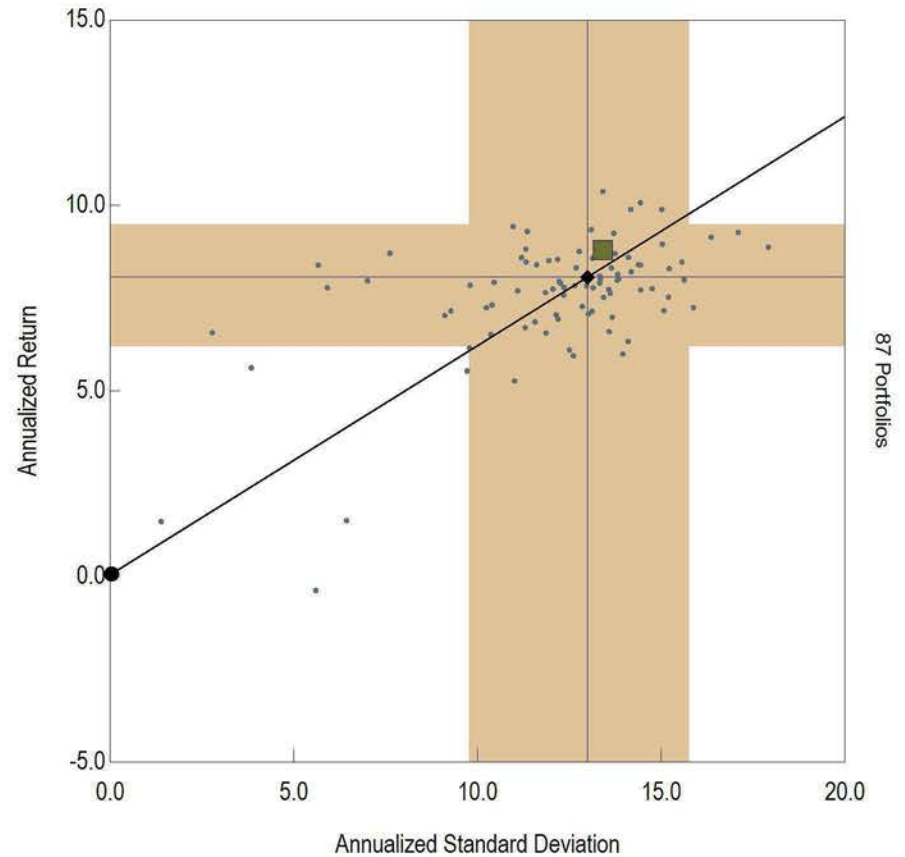
Universe: Public Funds Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- Total Fund
- ◆ Policy Portfolio
- Risk Free
- 68% Confidence Interval
- Public Funds Net

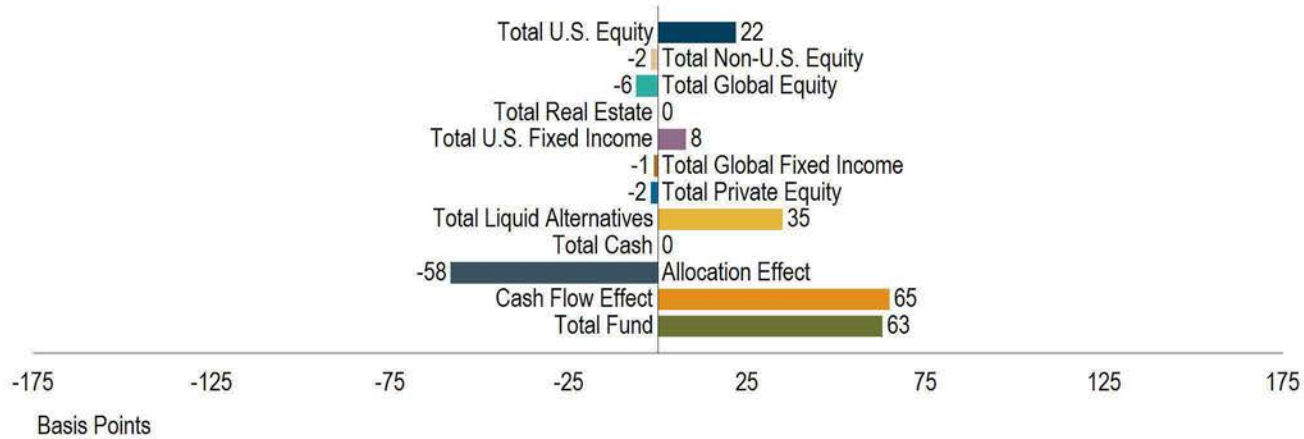
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



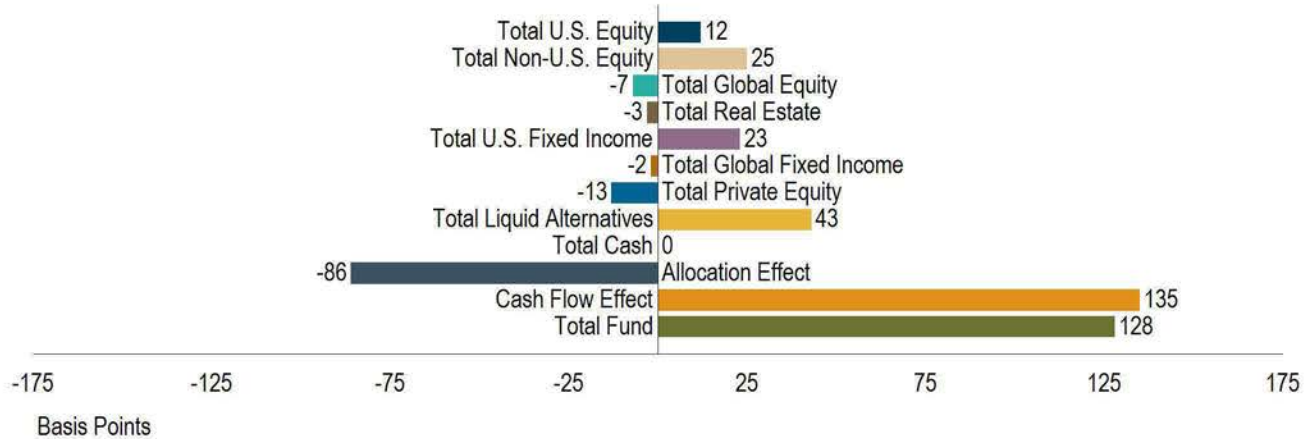
- Total Fund
- ◆ Policy Portfolio
- Risk Free
- 68% Confidence Interval
- Public Funds Net

Attribution

**TOTAL FUND ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/13**



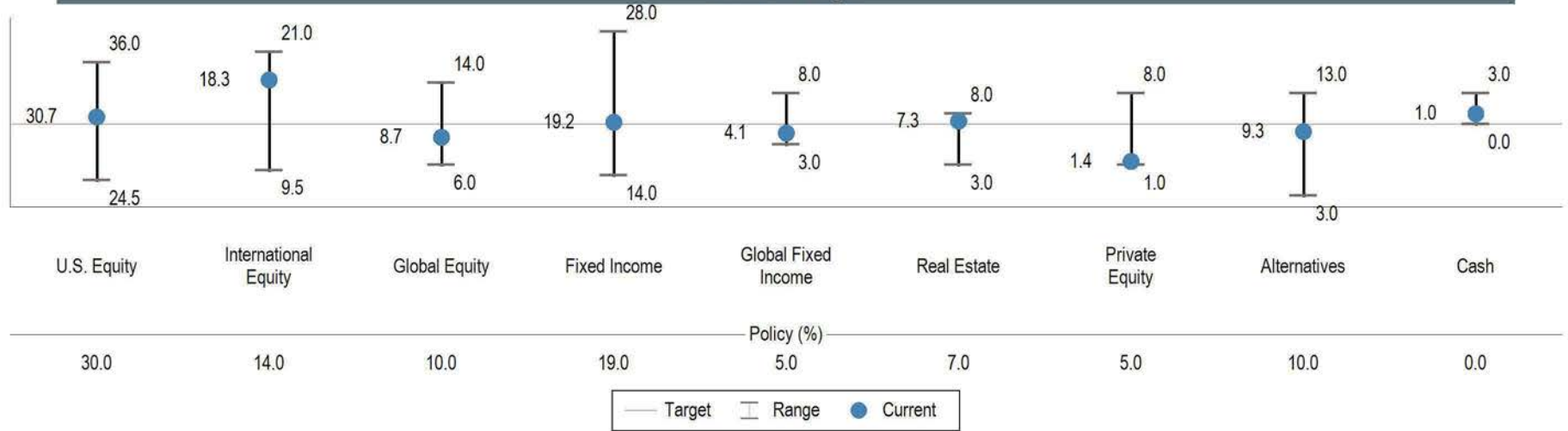
**TOTAL FUND ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/13**



Note: The Cash Flow Effect exhibited represents the effect the Clifton Group had on the Total Fund.

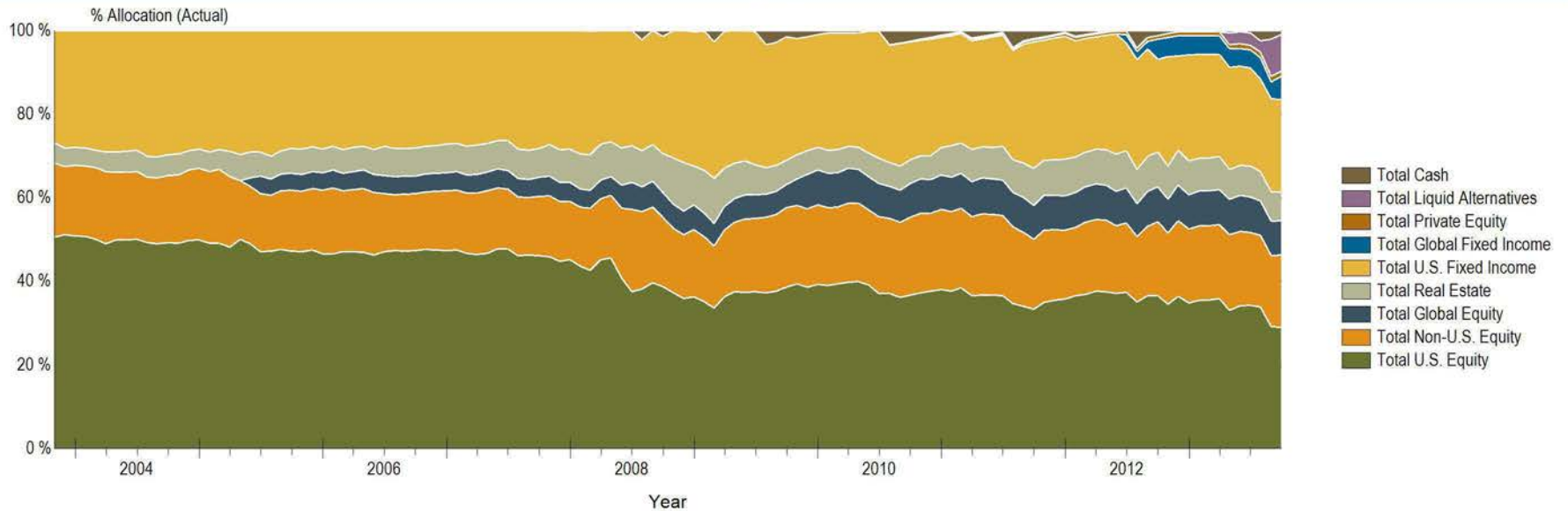
Asset Allocation

Actual vs. Target



Asset Allocation History

10 Years Ending September 30, 2013



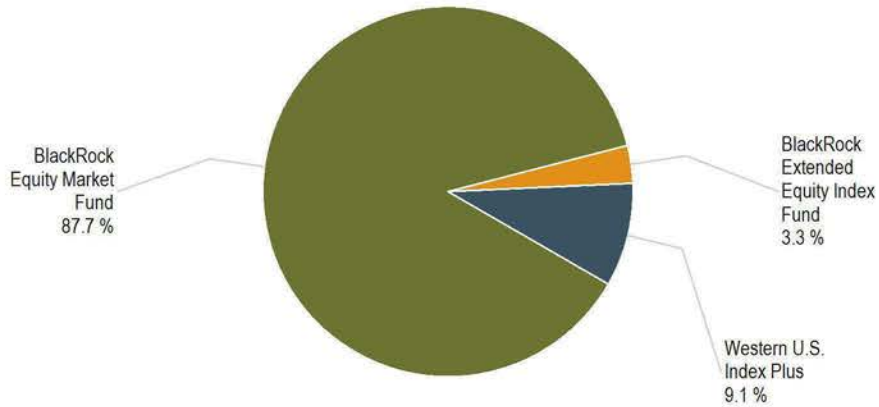


Total U.S. Equity

Overview

Benchmark: Performance Benchmark*

Current Allocation



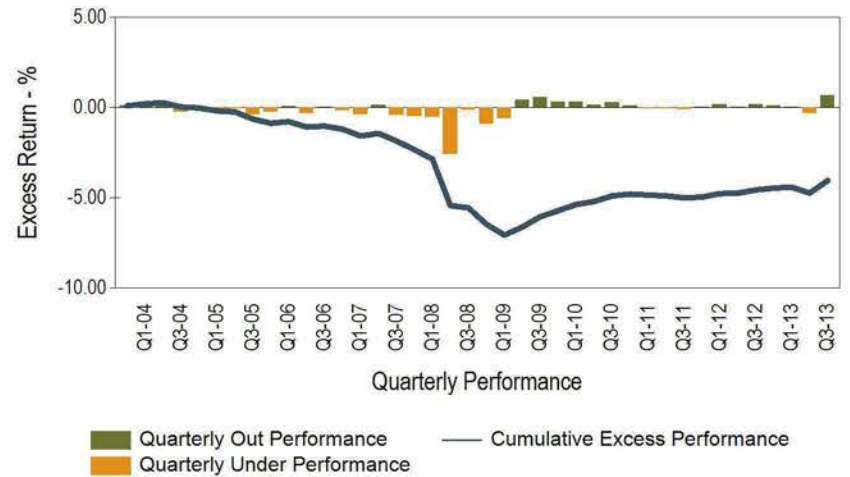
Return Summary



U.S. Effective Style Map 3 Years Ending September 30, 2013



Quarterly and Cumulative Excess Performance

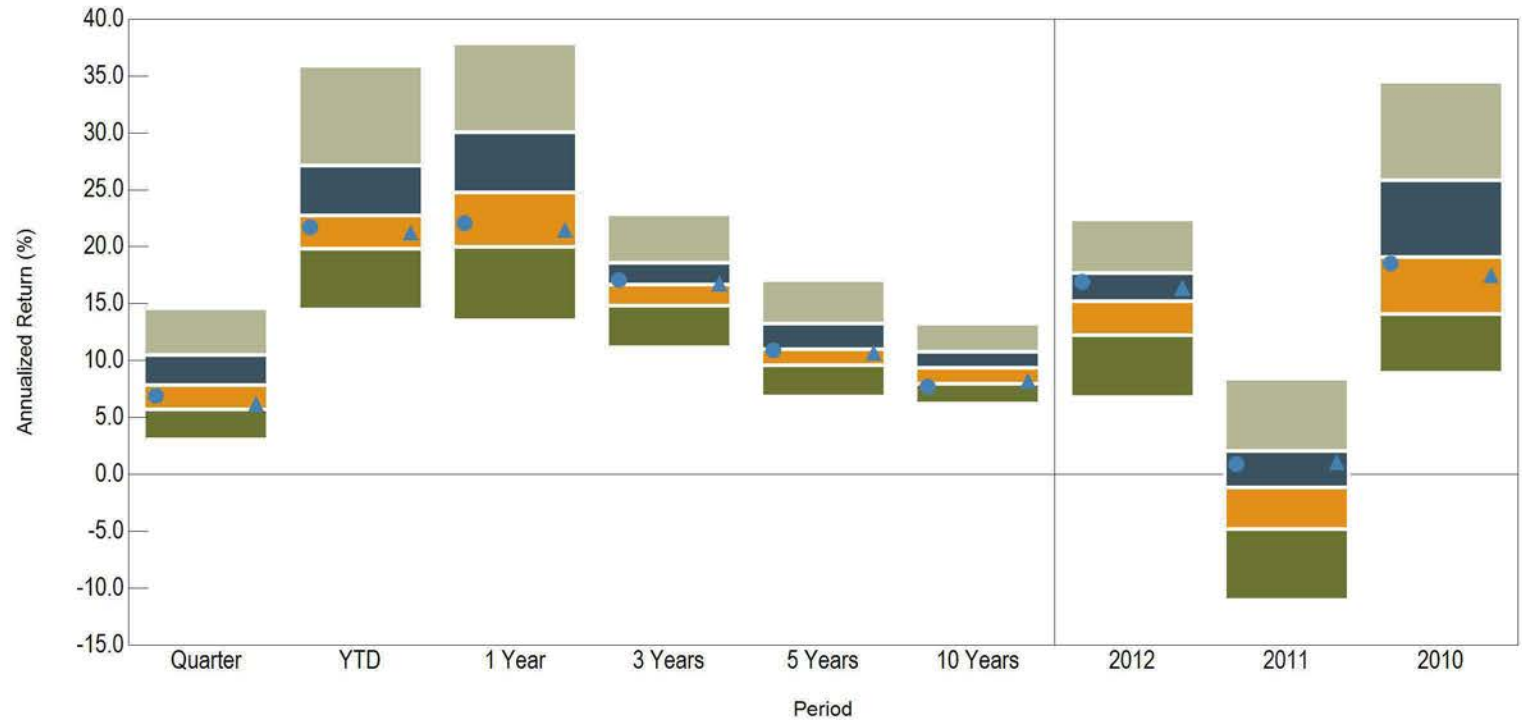


Universe Comparison

Benchmark: Performance Benchmark*

Universe: eA All US Equity Net

Ending September 30, 2013



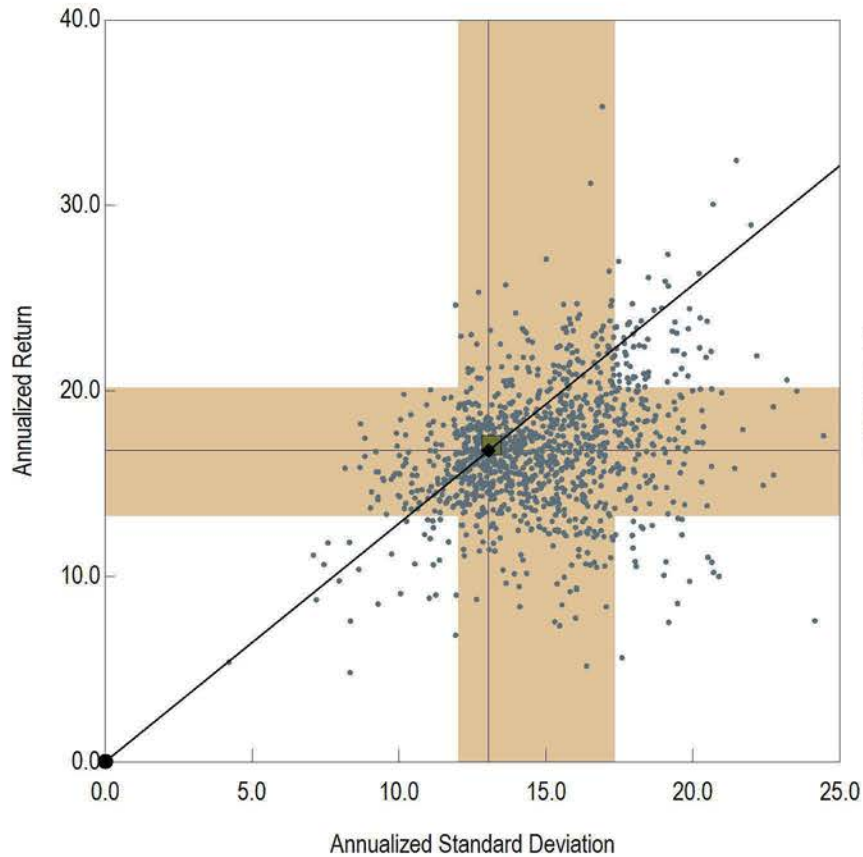
	Return (Rank)									
5th Percentile	14.6	35.9	37.8	22.8	17.0	13.2	22.4	8.4	34.5	
25th Percentile	10.5	27.2	30.1	18.6	13.3	10.8	17.7	2.1	25.9	
Median	7.8	22.8	24.8	16.7	11.0	9.4	15.3	-1.1	19.1	
75th Percentile	5.7	19.8	20.0	14.8	9.6	8.0	12.3	-4.8	14.1	
95th Percentile	3.1	14.5	13.5	11.2	6.9	6.2	6.8	-11.0	8.9	
# of Portfolios	1,315	1,312	1,304	1,171	1,094	725	1,223	1,081	1,035	
● Total U.S. Equity	6.9 (61)	21.7 (59)	22.1 (64)	17.1 (44)	10.9 (53)	7.7 (80)	16.9 (32)	0.9 (35)	18.5 (53)	
▲ Performance Benchmark*	6.2 (69)	21.3 (64)	21.5 (67)	16.8 (48)	10.7 (55)	8.2 (71)	16.4 (38)	1.1 (33)	17.5 (58)	

Risk Profile

Benchmark: Performance Benchmark*

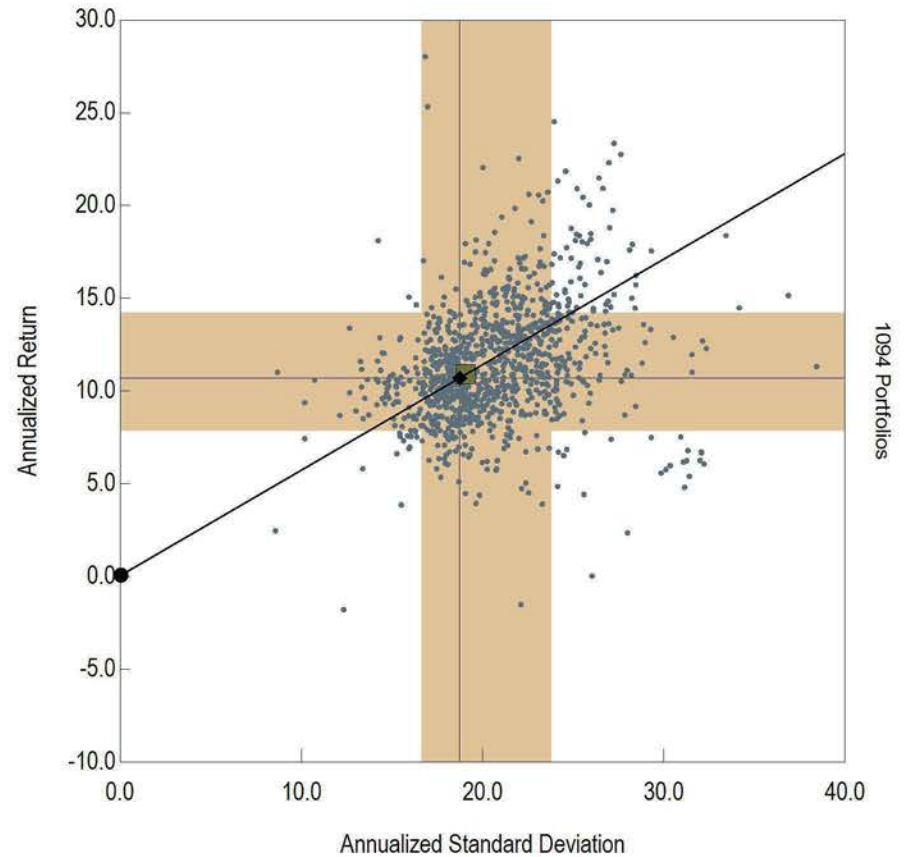
Universe: eA All US Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- Total U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All US Equity Net

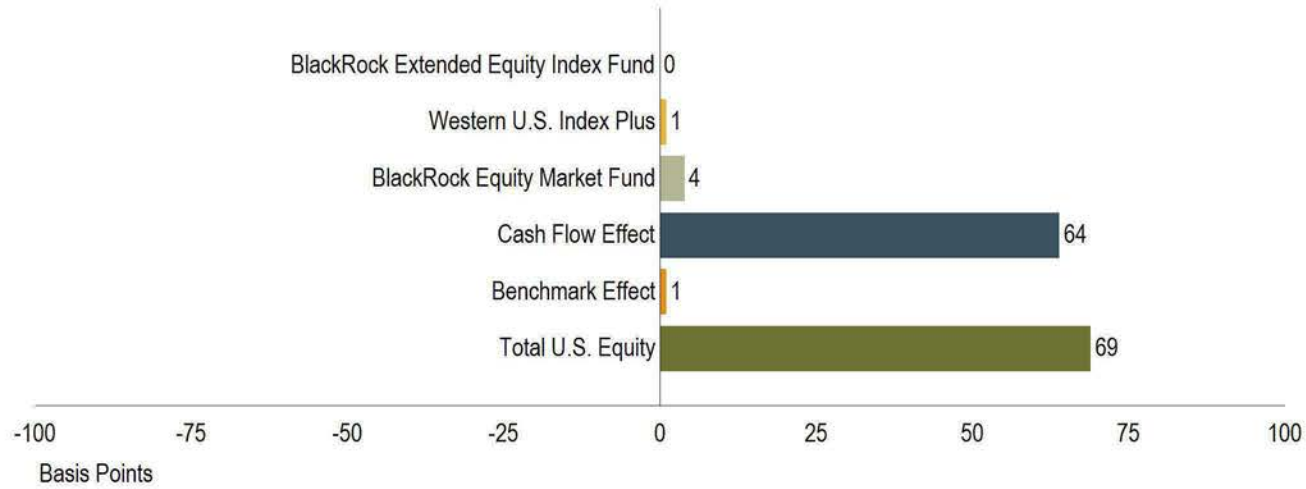
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



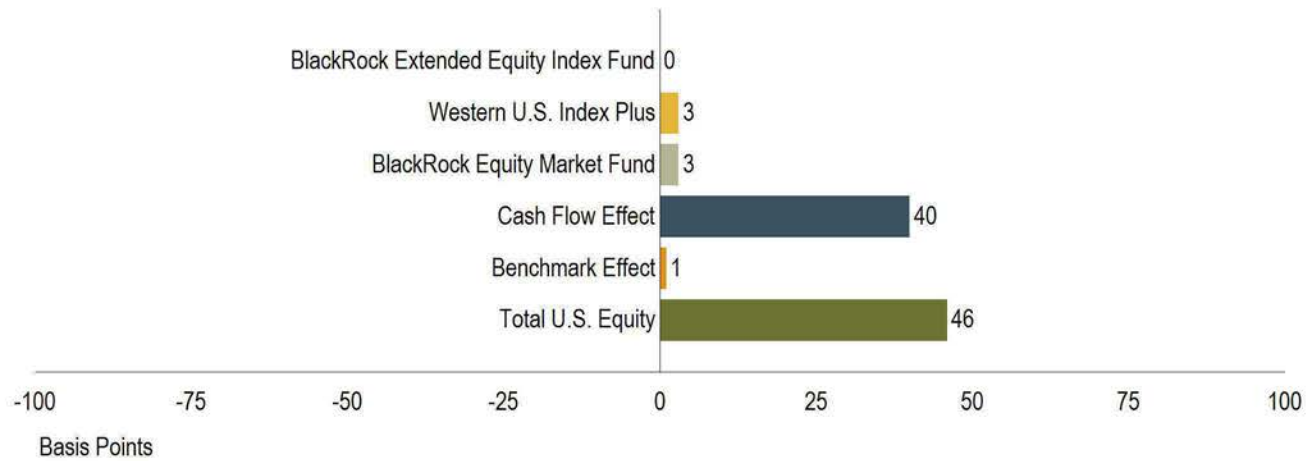
- Total U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All US Equity Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/13**



**MANAGER ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/13**



(This page left blank intentionally)

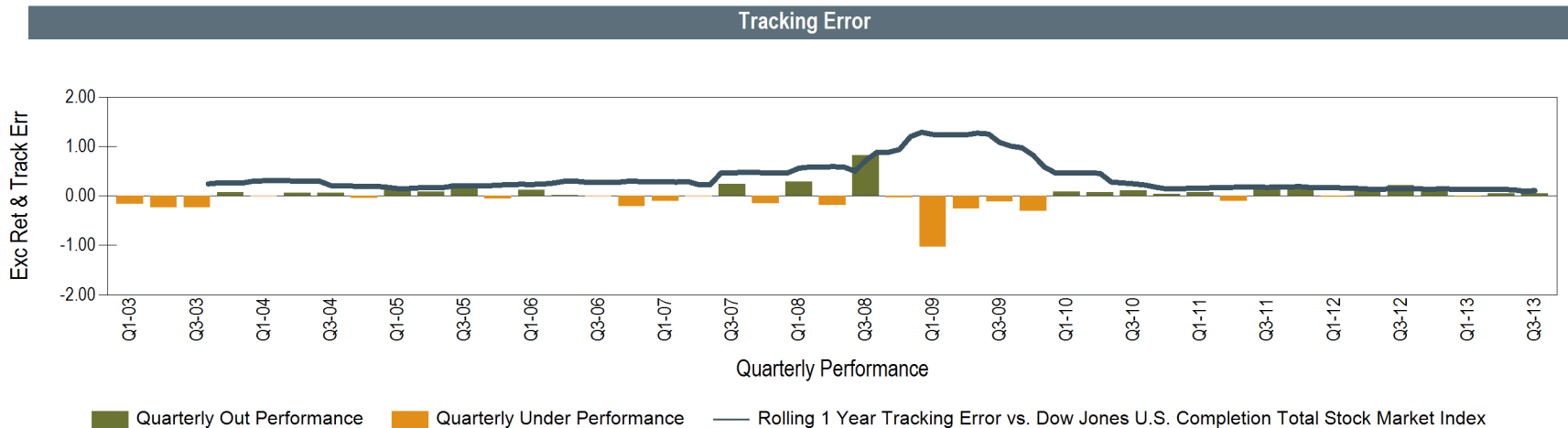
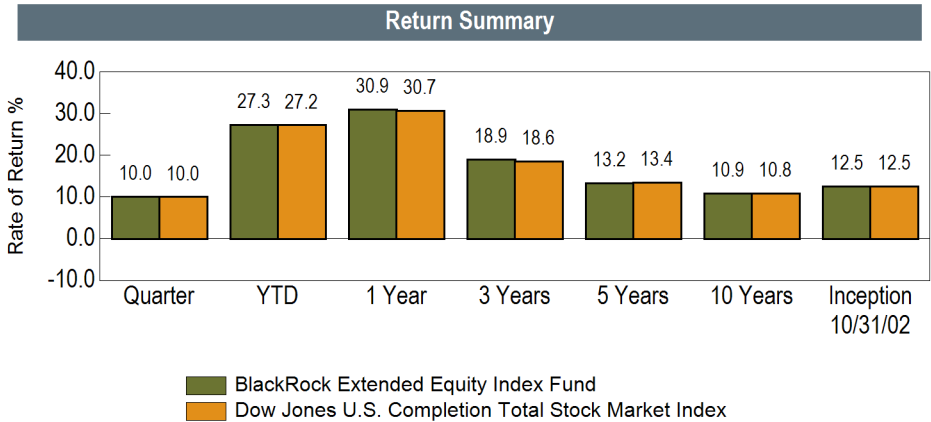
Manager Performance

Benchmark: Dow Jones U.S. Completion Total Stock Market Index

The BlackRock Extended Market Index Fund provides investment in the U.S. equity market excluding those stocks represented in the S&P 500 Index. The Fund is passively managed using a "fund optimization" technique. The Fund typically invests all, or substantially all, assets in the 1,300 largest stocks in the Index and in a representative sample of the remainder. Stocks are selected based on appropriate industry weightings, market capitalizations, and certain fundamental characteristics (e.g. price/earnings ratio and dividend yield) that closely align the Fund's characteristics with those of its benchmark.

The Fund does not hold publicly traded partnerships (PTPs) because of their potential to distribute unrelated business taxable income. However, the DJ U.S. Completion Total Stock Market Index includes PTPs which result in the Fund experiencing tracking discrepancies. While there will likely be tracking discrepancies on a quarter-to-quarter basis, we expect the difference to be minimal over longer time periods.

Account Information	
Account Name	BlackRock Extended Equity Index Fund
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	10/31/02
Account Type	US Stock
Benchmark	Dow Jones U.S. Completion Total Stock Market Index
Universe	eA US Small-Mid Cap Equity Net

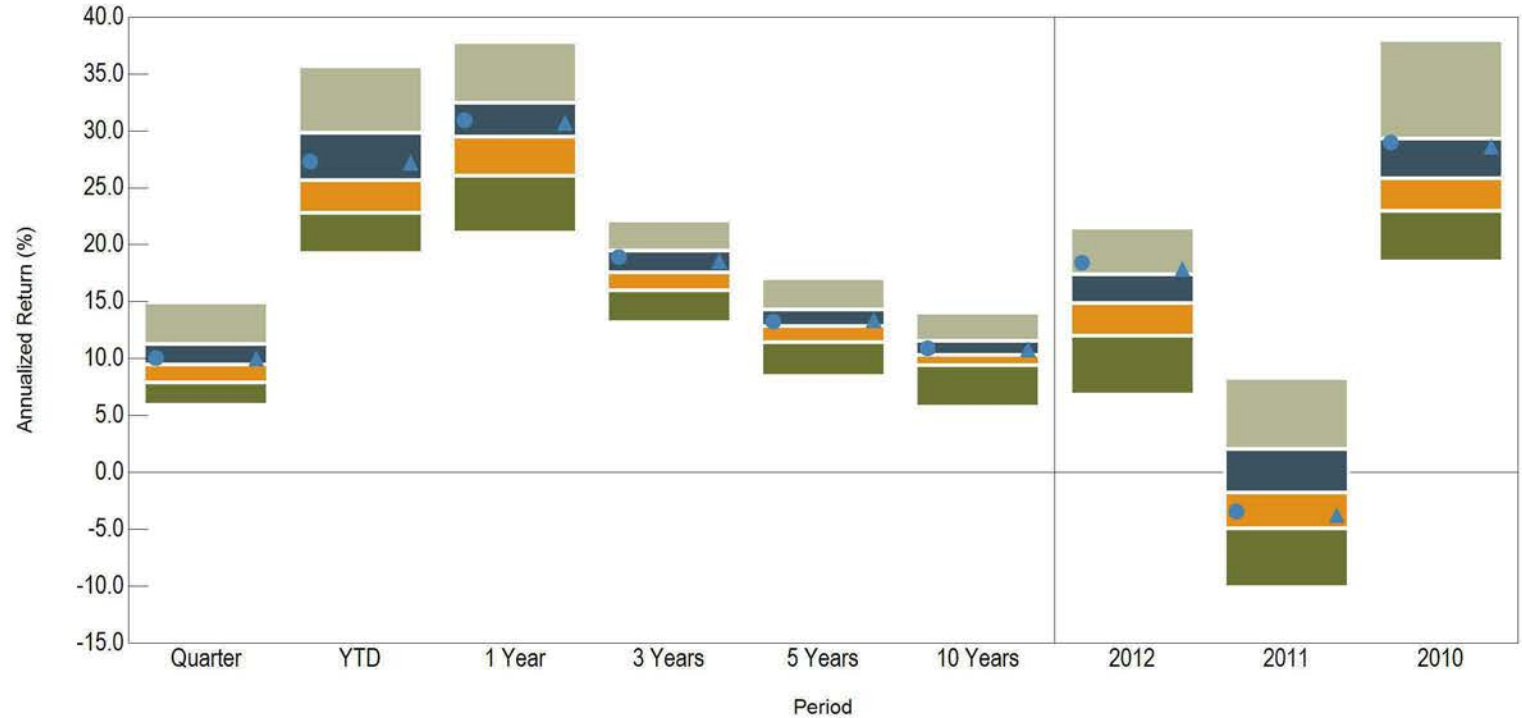


Universe Comparison

Benchmark: Dow Jones U.S. Completion Total Stock Market Index

Universe: eA US Small-Mid Cap Equity Net

Ending September 30, 2013



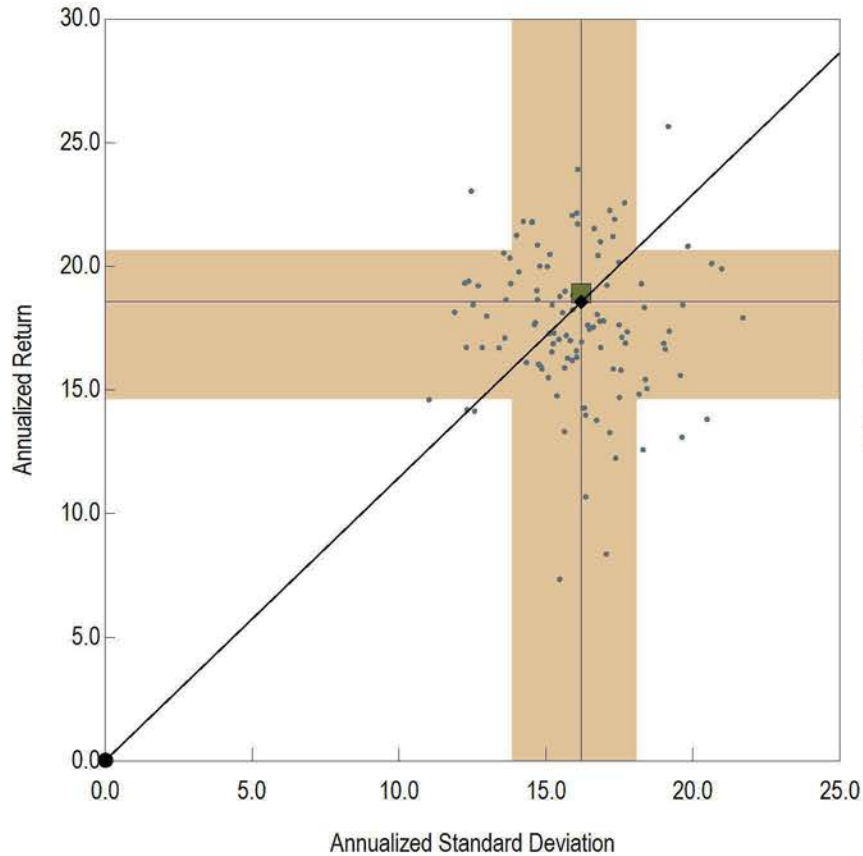
	Return (Rank)																	
5th Percentile	14.9	(45)	35.6	(36)	37.8	(39)	22.1	(32)	17.0	(45)	14.0	(43)	21.5	(18)	8.3	(66)	38.0	(28)
25th Percentile	11.3	(45)	29.8	(36)	32.5	(42)	19.5	(37)	14.4	(40)	11.6	(45)	17.5	(22)	2.1	(67)	29.3	(34)
Median	9.5	(45)	25.7	(36)	29.5	(42)	17.6	(37)	12.9	(45)	10.4	(43)	14.9	(22)	-1.7	(66)	25.8	(28)
75th Percentile	8.0	(45)	22.8	(36)	26.1	(42)	16.0	(37)	11.5	(40)	9.5	(45)	12.0	(22)	-4.9	(67)	23.0	(34)
95th Percentile	6.0	(45)	19.3	(36)	21.1	(42)	13.2	(37)	8.5	(40)	5.8	(45)	6.9	(22)	-10.1	(67)	18.5	(34)
# of Portfolios	126		126		125		112		101		55		115		93		89	
● BlackRock Extended Equity Index Fund	10.0	(45)	27.3	(36)	30.9	(39)	18.9	(32)	13.2	(45)	10.9	(43)	18.4	(18)	-3.4	(66)	29.0	(28)
▲ Dow Jones U.S. Completion Total Stock Mark	10.0	(45)	27.2	(36)	30.7	(42)	18.6	(37)	13.4	(40)	10.8	(45)	17.9	(22)	-3.8	(67)	28.6	(34)

Risk Profile

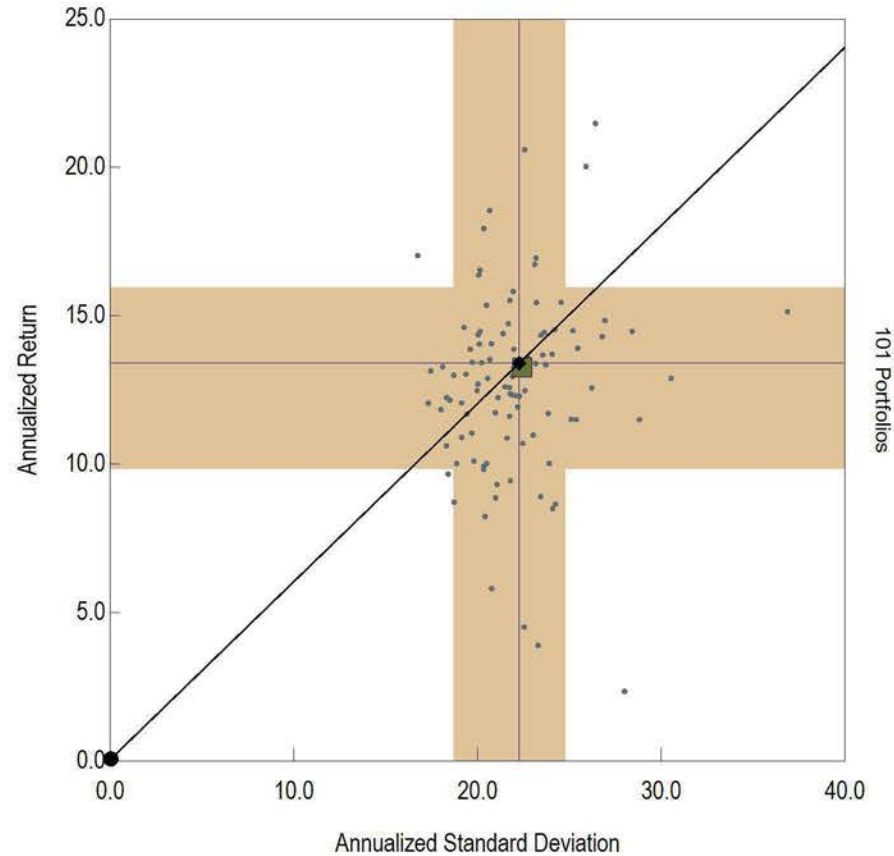
Benchmark: Dow Jones U.S. Completion Total Stock Market Index

Universe: eA US Small-Mid Cap Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



- BlackRock Extended Equity Index Fund
- ◆ Dow Jones U.S. Completion Total Stock Market Index
- Risk Free
- 68% Confidence Interval
- eA US Small-Mid Cap Equity Net

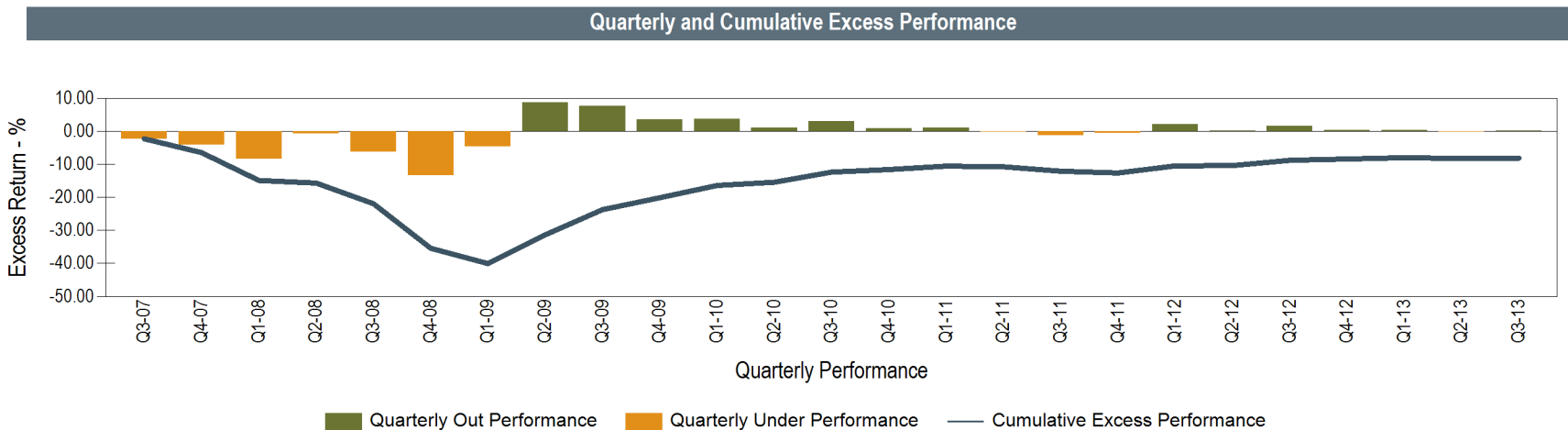
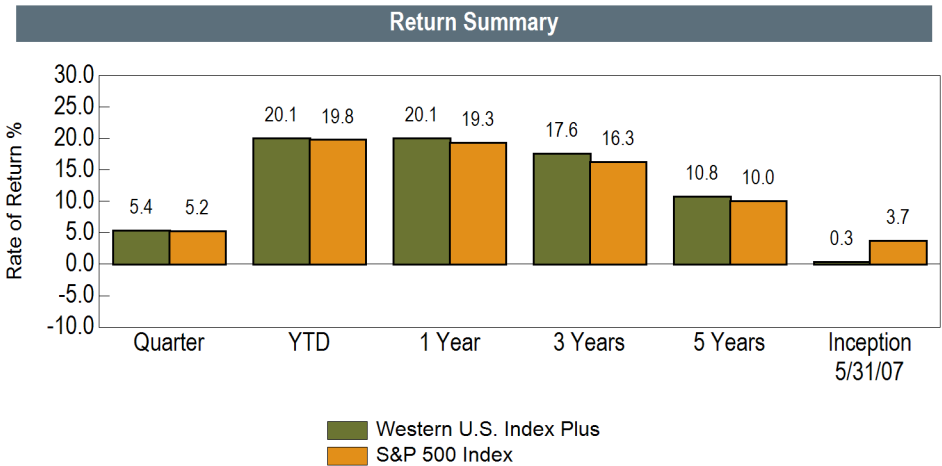
- BlackRock Extended Equity Index Fund
- ◆ Dow Jones U.S. Completion Total Stock Market Index
- Risk Free
- 68% Confidence Interval
- eA US Small-Mid Cap Equity Net

Manager Performance

Benchmark: S&P 500 Index

Western employs a value-oriented investment approach that has proven successful in adding excess returns across various market cycles. This versatility comes from the manager's multiple sources of value-added and focus on finding long-term fundamental value. Western seeks to achieve balance between multiple sources of value added - duration management, yield curve positioning, sector allocation, and security selection - while diversifying risk. Western has one of the deepest teams of investment/risk professionals in the industry. The manager also has dedicated significant resources to analytics and risk management. We would highlight that active sector rotation and portfolio construction are key strengths of Western.

Account Information	
Account Name	Western U.S. Index Plus
Account Structure	Separate Account
Investment Style	Passive
Inception Date	5/31/07
Account Type	US Stock
Benchmark	S&P 500 Index
Universe	eA All US Equity Net

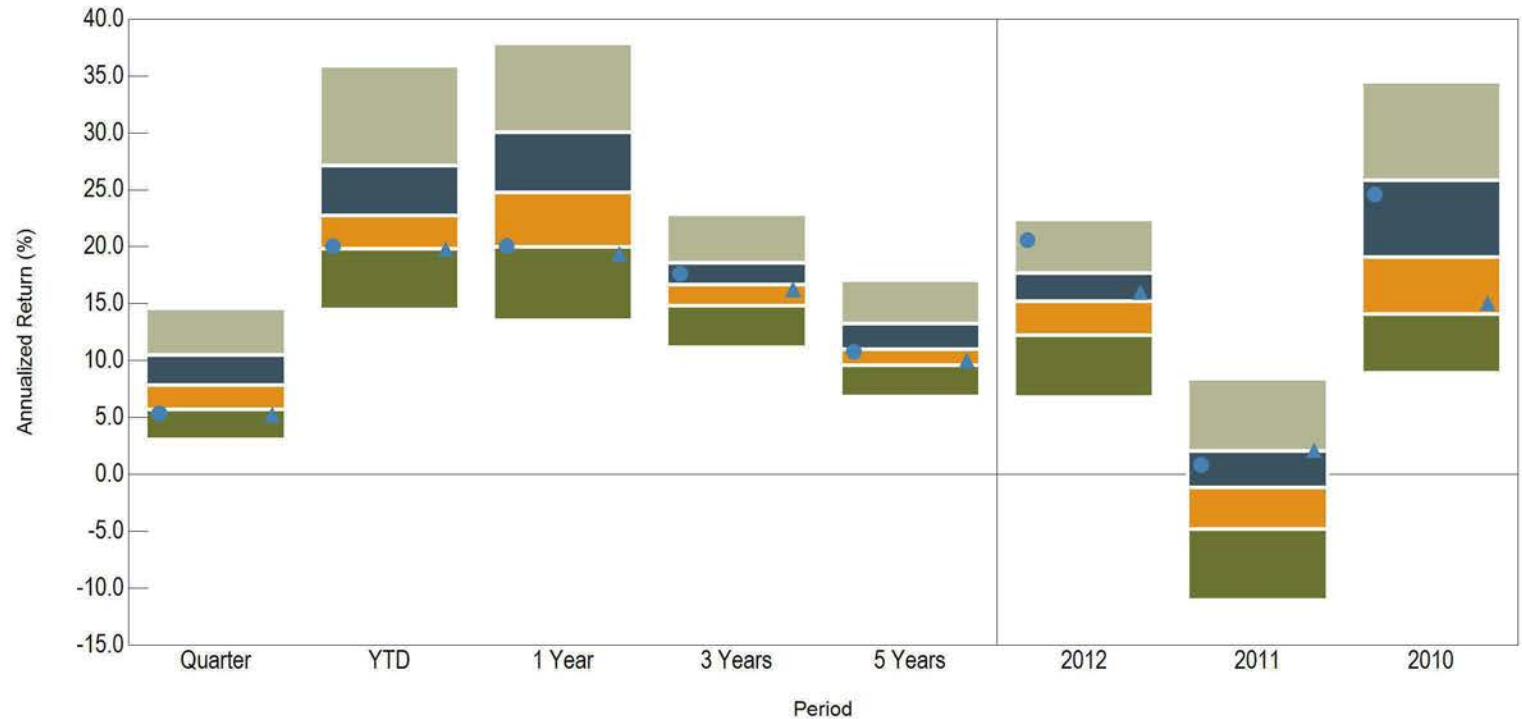


Universe Comparison

Benchmark: S&P 500 Index

Universe: eA All US Equity Net

Ending September 30, 2013



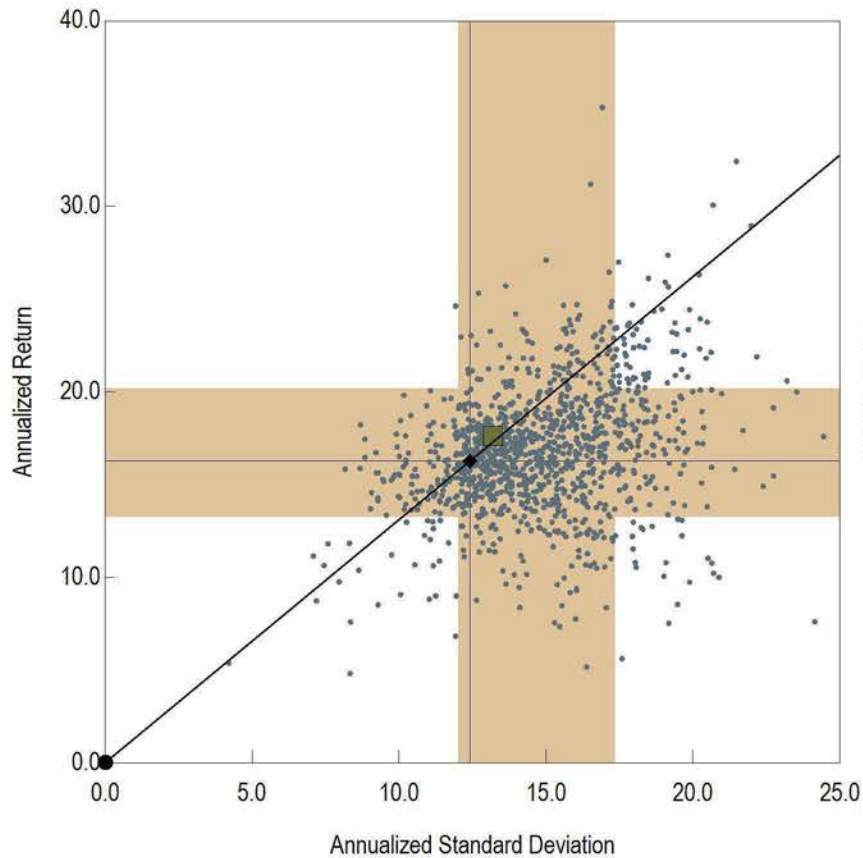
	Return (Rank)															
5th Percentile	14.6	35.9	37.8	22.8	17.0	22.4	8.4	34.5								
25th Percentile	10.5	27.2	30.1	18.6	13.3	17.7	2.1	25.9								
Median	7.8	22.8	24.8	16.7	11.0	15.3	-1.1	19.1								
75th Percentile	5.7	19.8	20.0	14.8	9.6	12.3	-4.8	14.1								
95th Percentile	3.1	14.5	13.5	11.2	6.9	6.8	-11.0	8.9								
# of Portfolios	1,315	1,312	1,304	1,171	1,094	1,223	1,081	1,035								
● Western U.S. Index Plus	5.4	(80)	20.1	(73)	20.1	(75)	17.6	(37)	10.8	(54)	20.6	(10)	0.8	(36)	24.6	(30)
▲ S&P 500 Index	5.2	(81)	19.8	(76)	19.3	(80)	16.3	(56)	10.0	(68)	16.0	(42)	2.1	(25)	15.1	(69)

Risk Profile

Benchmark: S&P 500 Index

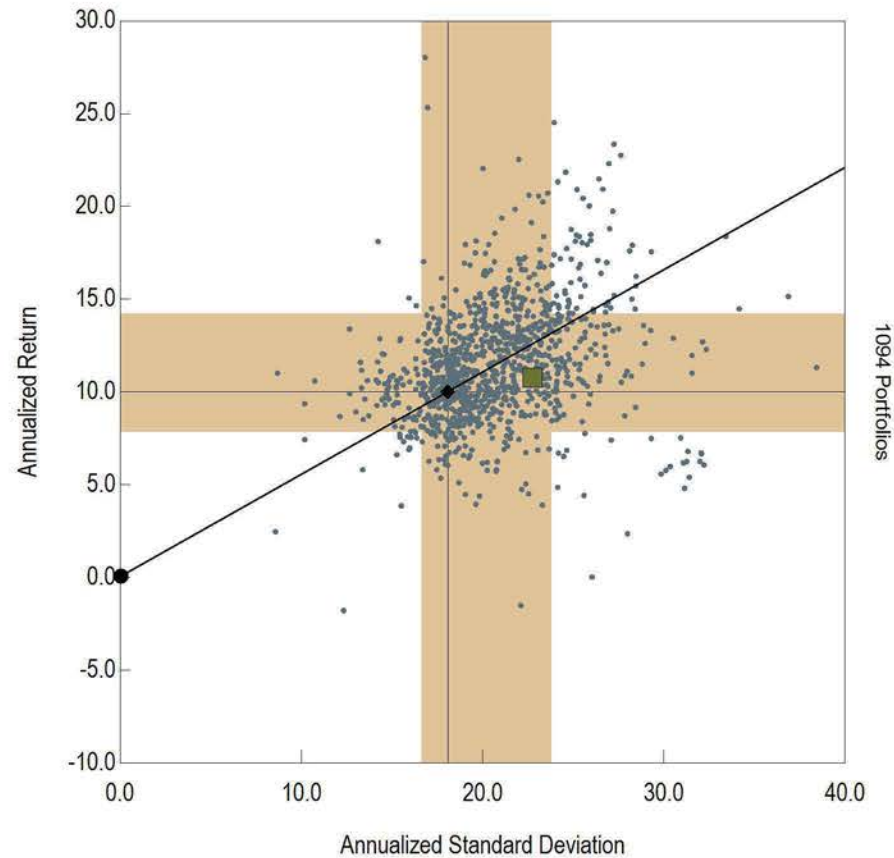
Universe: eA All US Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- Western U.S. Index Plus
- ◆ S&P 500 Index
- Risk Free
- 68% Confidence Interval
- eA All US Equity Net

Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



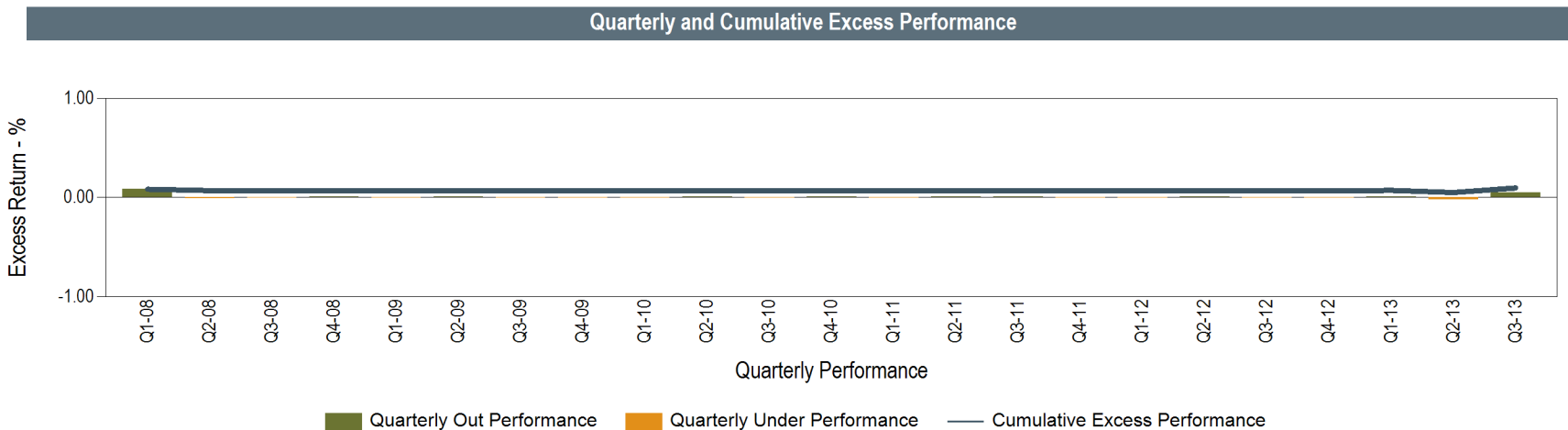
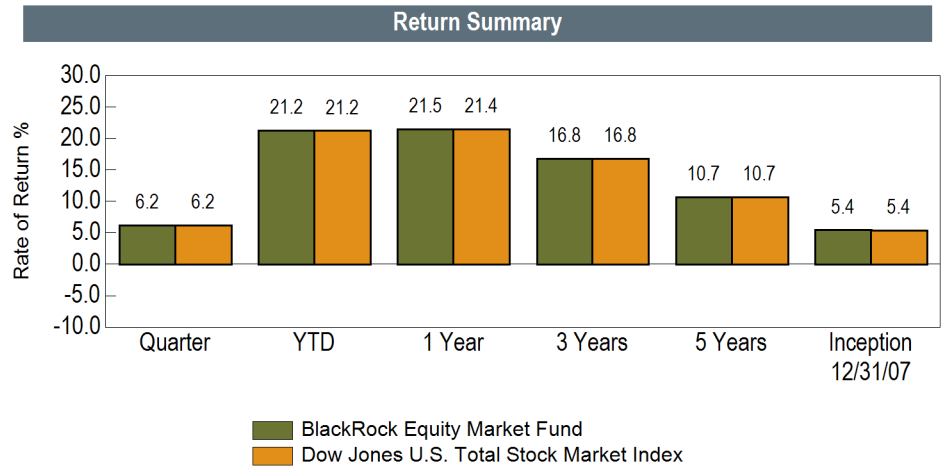
- Western U.S. Index Plus
- ◆ S&P 500 Index
- Risk Free
- 68% Confidence Interval
- eA All US Equity Net

Manager Performance

Benchmark: Dow Jones U.S. Total Stock Market Index

The objective of the BlackRock U.S. Equity Market Fund is to approximate the return of the Dow Jones U.S. Total Stock Market Index. The Dow Jones U.S. Total Stock Market Index contains essentially all publicly traded stocks in the U.S. Accordingly, it is the broadest available measure of the domestic stock market.

Account Information	
Account Name	BlackRock Equity Market Fund
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	12/31/07
Account Type	US Stock
Benchmark	Dow Jones U.S. Total Stock Market Index
Universe	eA All US Equity Net

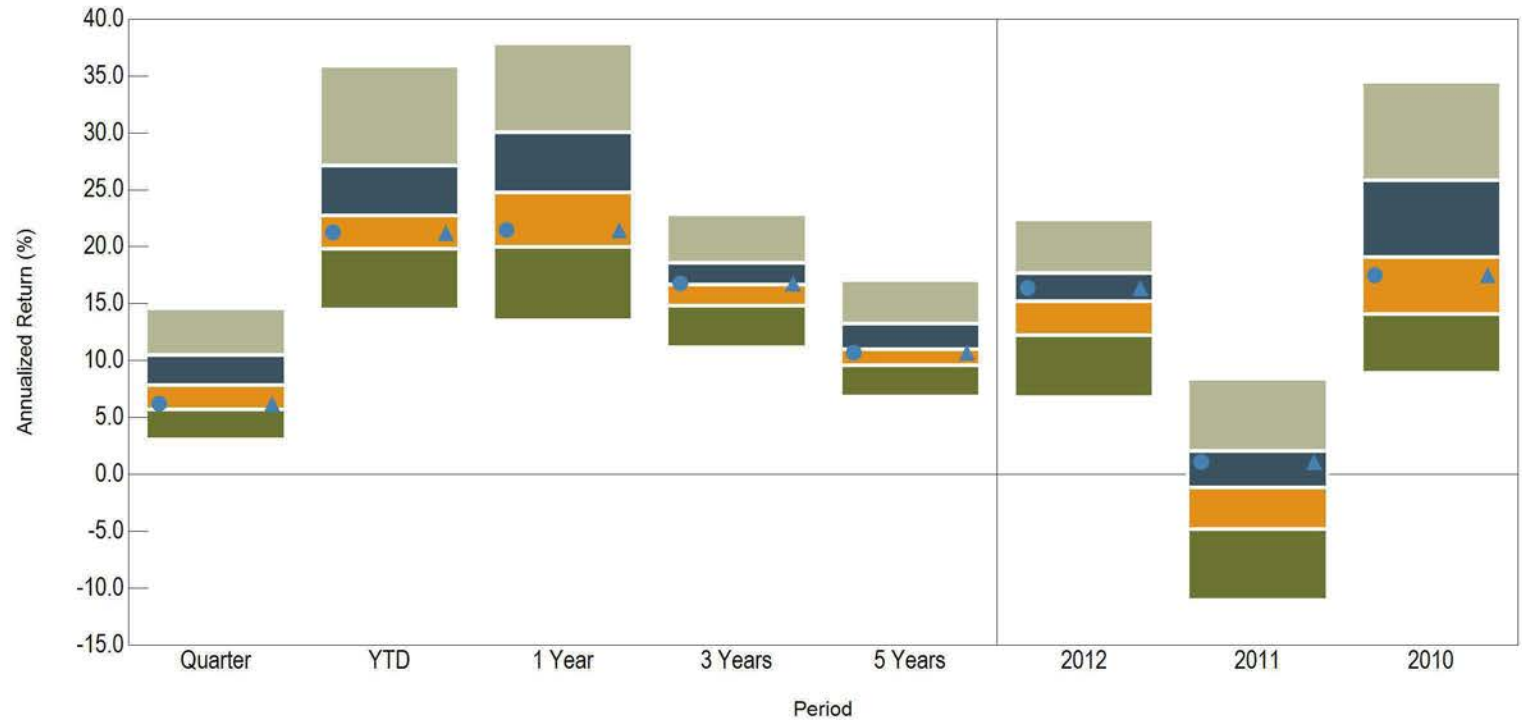


Universe Comparison

Benchmark: Dow Jones U.S. Total Stock Market Index

Universe: eA All US Equity Net

Ending September 30, 2013



	Return (Rank)															
5th Percentile	14.6	35.9	37.8	22.8	17.0	22.4	8.4	34.5								
25th Percentile	10.5	27.2	30.1	18.6	13.3	17.7	2.1	25.9								
Median	7.8	22.8	24.8	16.7	11.0	15.3	-1.1	19.1								
75th Percentile	5.7	19.8	20.0	14.8	9.6	12.3	-4.8	14.1								
95th Percentile	3.1	14.5	13.5	11.2	6.9	6.8	-11.0	8.9								
# of Portfolios	1,315	1,312	1,304	1,171	1,094	1,223	1,081	1,035								
● BlackRock Equity Market Fund	6.2	(69)	21.2	(64)	21.5	(67)	16.8	(48)	10.7	(55)	16.4	(38)	1.1	(33)	17.5	(58)
▲ Dow Jones U.S. Total Stock Market Index	6.2	(69)	21.2	(64)	21.4	(67)	16.8	(48)	10.7	(55)	16.4	(38)	1.1	(33)	17.5	(58)

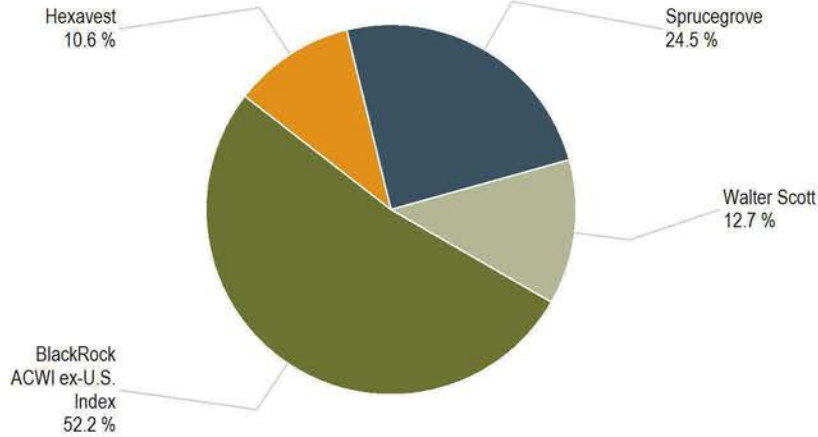


Total Non-U.S. Equity

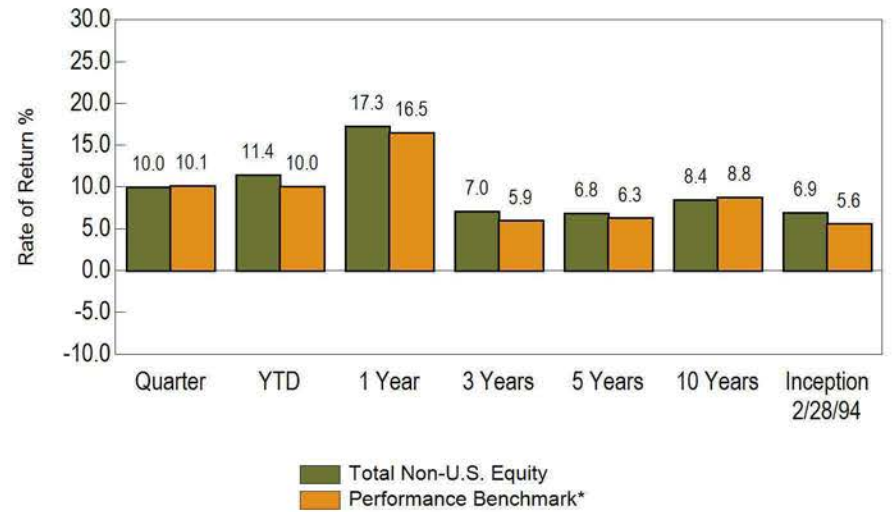
Overview

Benchmark: Performance Benchmark*

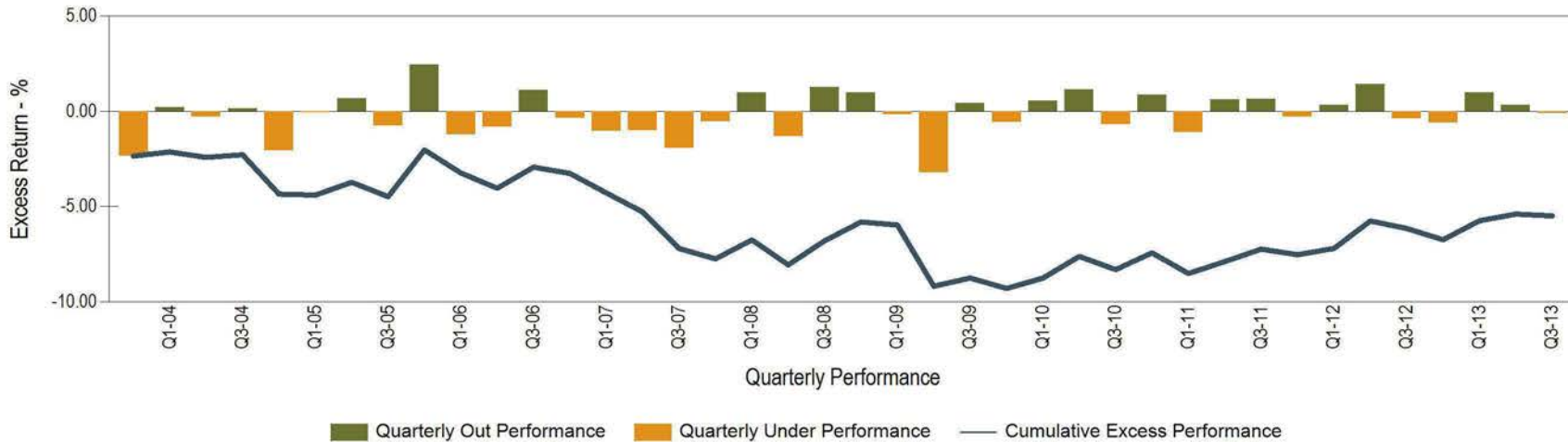
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

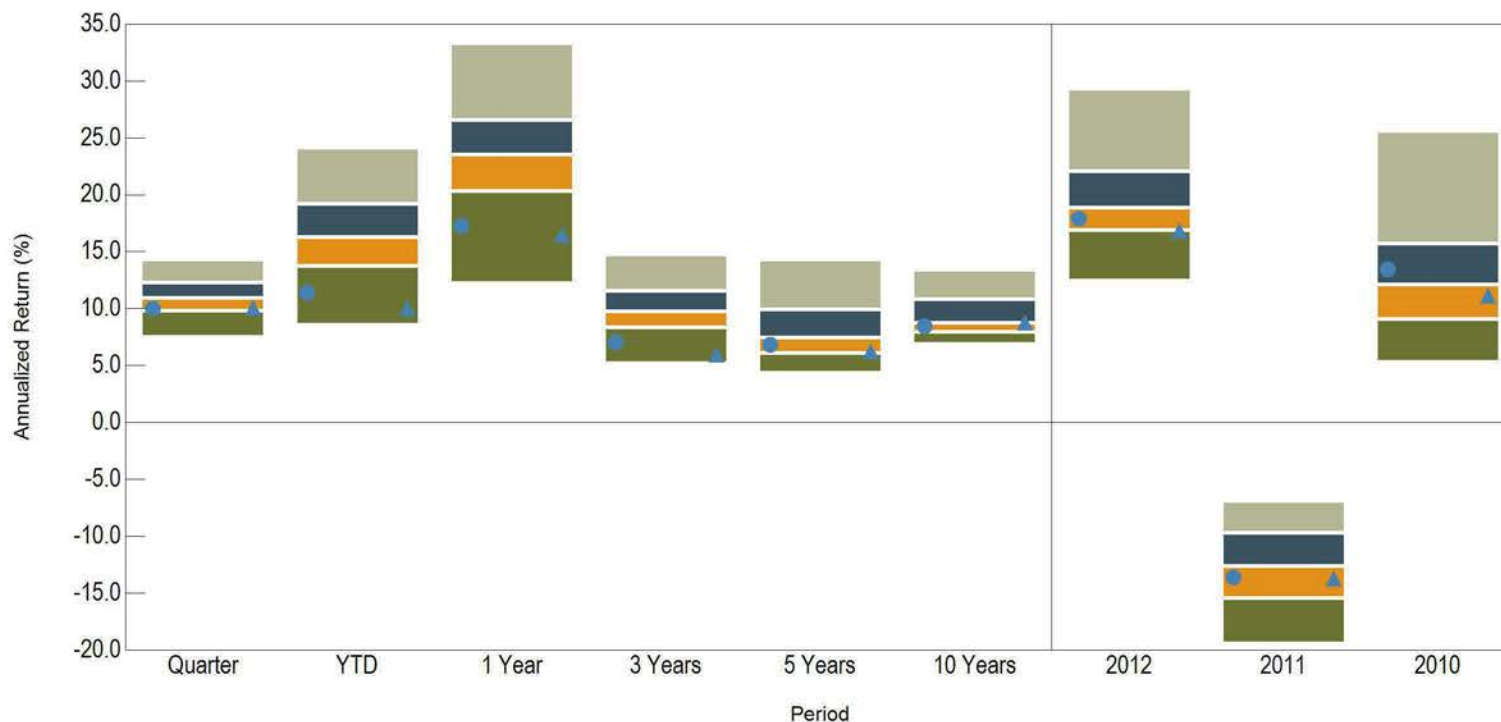


Universe Comparison

Benchmark: Performance Benchmark*

Universe: eA All EAFE Equity Net

Ending September 30, 2013



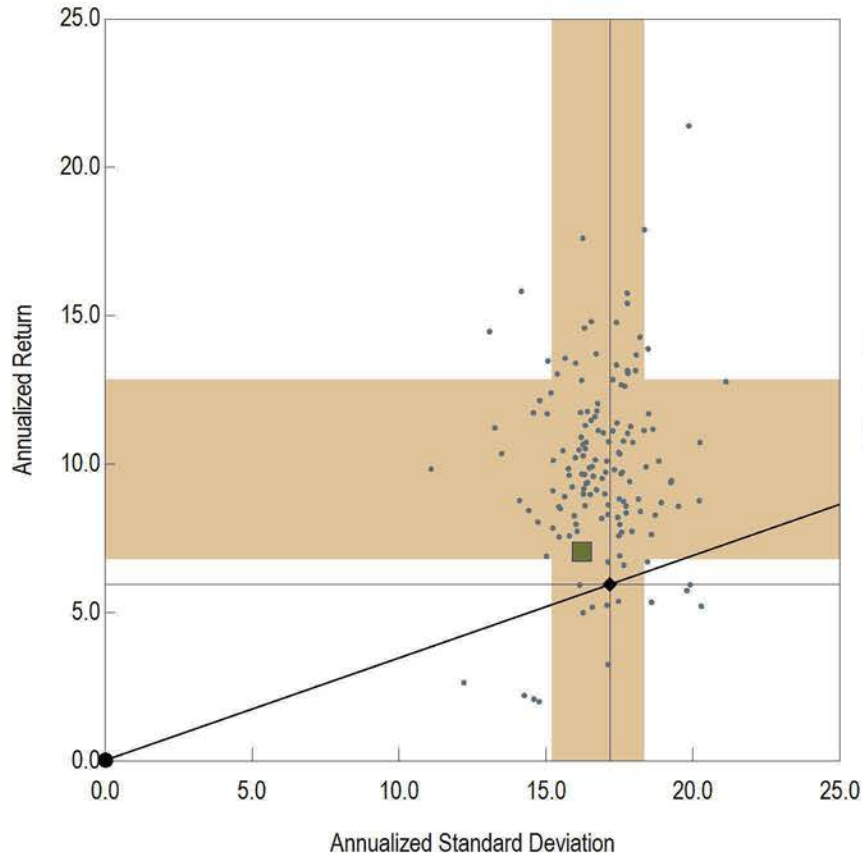
	Return (Rank)									
5th Percentile	14.3	24.1	33.3	14.7	14.3	13.4	29.3	-6.9	25.6	
25th Percentile	12.3	19.3	26.6	11.6	9.9	10.9	22.1	-9.7	15.7	
Median	11.0	16.3	23.6	9.8	7.5	8.8	18.9	-12.6	12.2	
75th Percentile	9.8	13.8	20.4	8.4	6.1	8.0	16.9	-15.4	9.1	
95th Percentile	7.5	8.6	12.3	5.2	4.4	6.9	12.5	-19.4	5.3	
# of Portfolios	157	157	157	145	134	82	144	129	143	
● Total Non-U.S. Equity	10.0 (73)	11.4 (88)	17.3 (88)	7.0 (88)	6.8 (63)	8.4 (60)	17.9 (63)	-13.6 (59)	13.5 (38)	
▲ Performance Benchmark*	10.1 (70)	10.0 (94)	16.5 (90)	5.9 (91)	6.3 (73)	8.8 (51)	16.8 (77)	-13.7 (60)	11.2 (54)	

Risk Profile

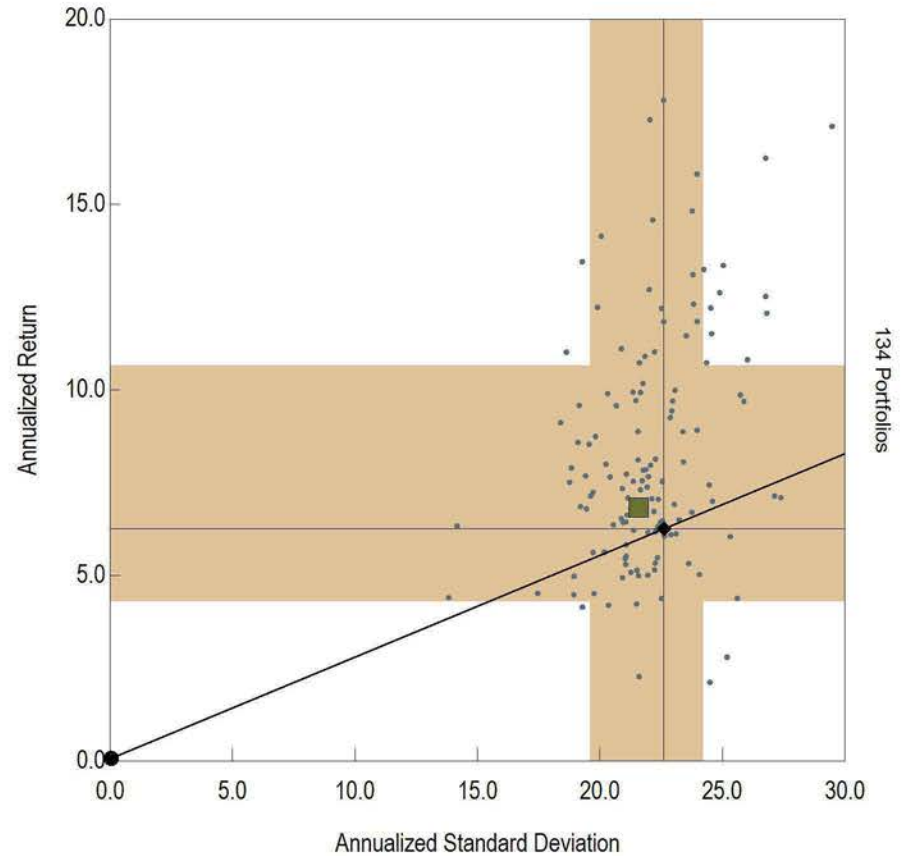
Benchmark: Performance Benchmark*

Universe: eA All EAFE Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013

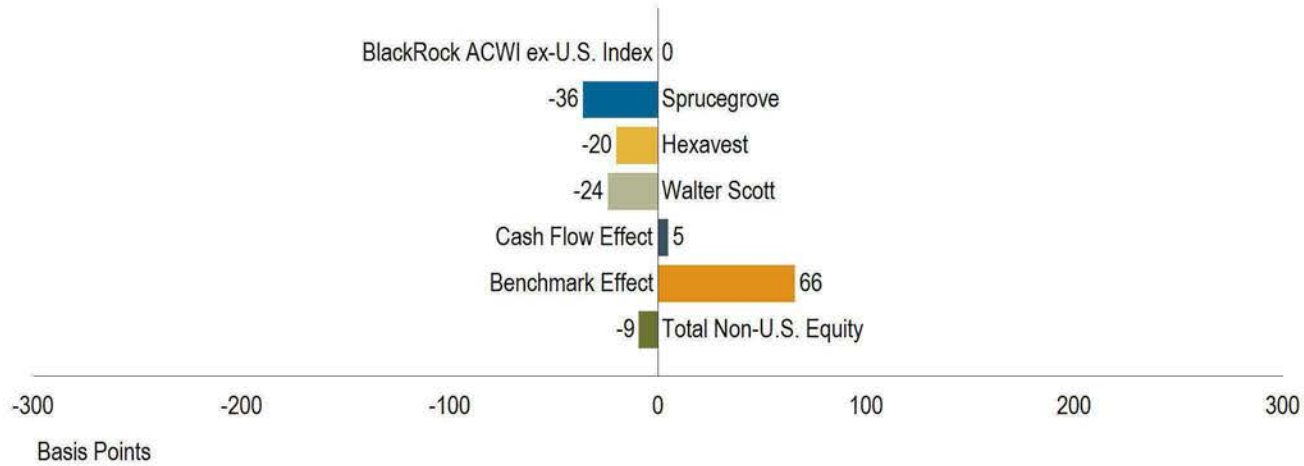


- Total Non-U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

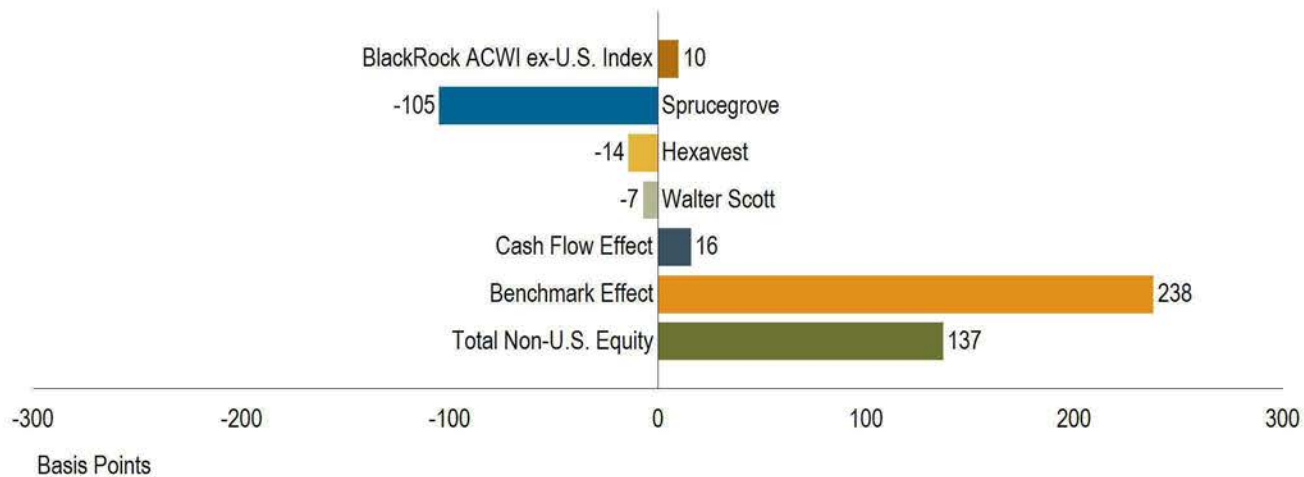
- Total Non-U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/13**



**MANAGER ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/13**



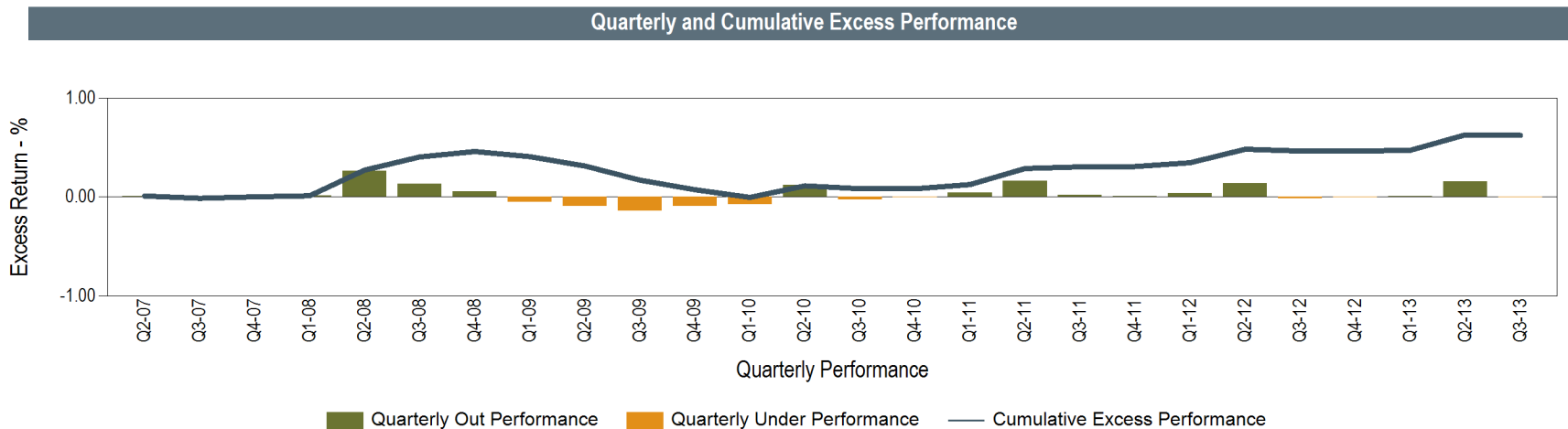
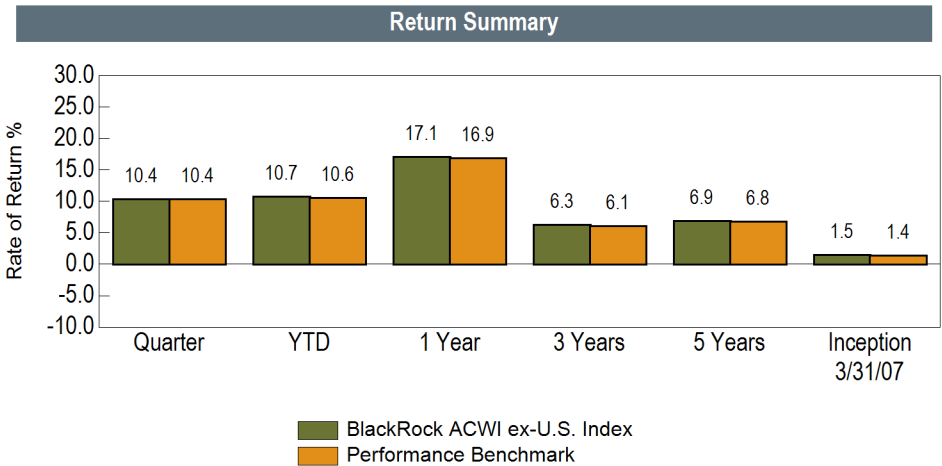
(This page left blank intentionally)

Manager Performance

Benchmark: Performance Benchmark

The BlackRock ACWI ex-U.S. Index Fund is designed to track the performance and risk characteristics of the MSCI All Country World ex-U.S. IM Index.

Account Information	
Account Name	BlackRock ACWI ex-U.S. Index
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	3/31/07
Account Type	Non-U.S. Stock - All
Benchmark	Performance Benchmark
Universe	eA All EAFE Equity Net

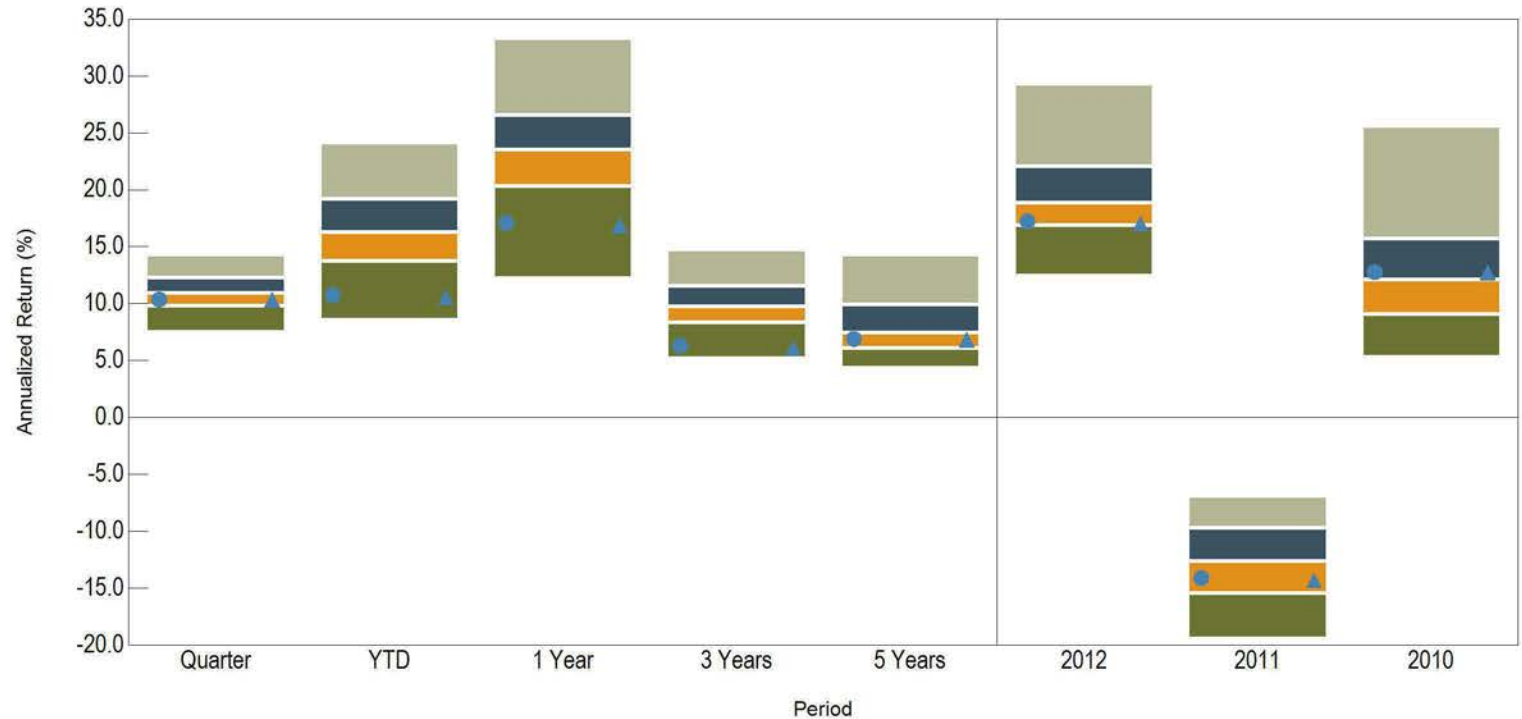


Universe Comparison

Benchmark: Performance Benchmark

Universe: eA All EAFE Equity Net

Ending September 30, 2013



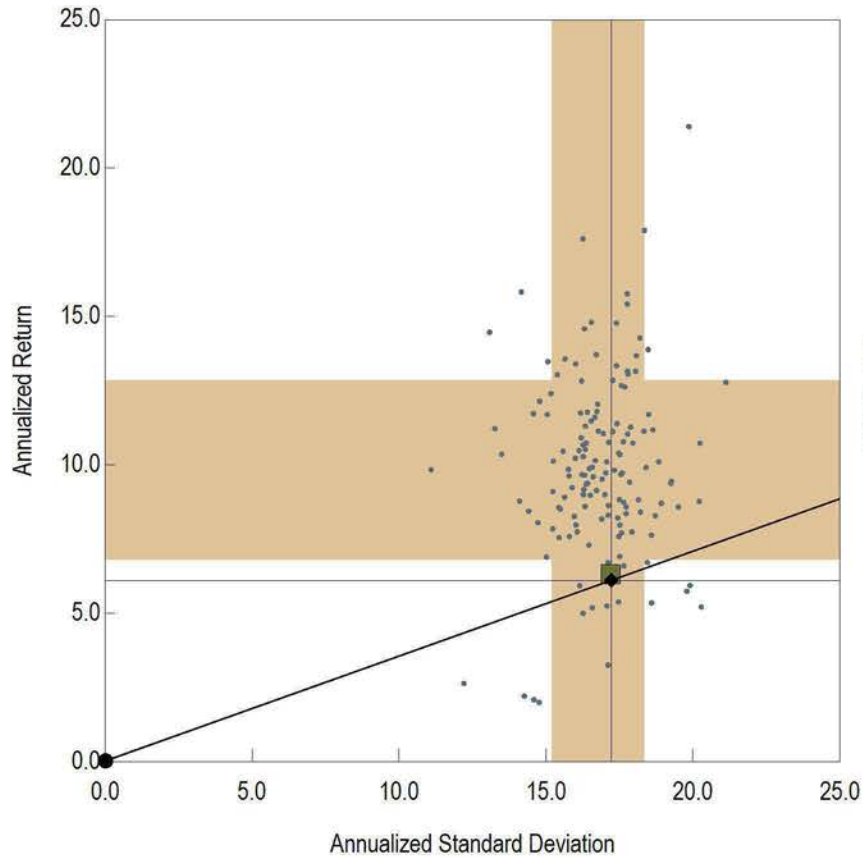
	Return (Rank)															
5th Percentile	14.3	24.1	33.3	14.7	14.3	29.3	-6.9	25.6								
25th Percentile	12.3	19.3	26.6	11.6	9.9	22.1	-9.7	15.7								
Median	11.0	16.3	23.6	9.8	7.5	18.9	-12.6	12.2								
75th Percentile	9.8	13.8	20.4	8.4	6.1	16.9	-15.4	9.1								
95th Percentile	7.5	8.6	12.3	5.2	4.4	12.5	-19.4	5.3								
# of Portfolios	157	157	157	145	134	144	129	143								
● BlackRock ACWI ex-U.S. Index	10.4	(65)	10.7	(92)	17.1	(89)	6.3	(91)	6.9	(62)	17.2	(72)	-14.1	(65)	12.8	(45)
▲ Performance Benchmark	10.4	(65)	10.6	(92)	16.9	(90)	6.1	(91)	6.8	(63)	17.0	(74)	-14.3	(66)	12.7	(45)

Risk Profile

Benchmark: Performance Benchmark

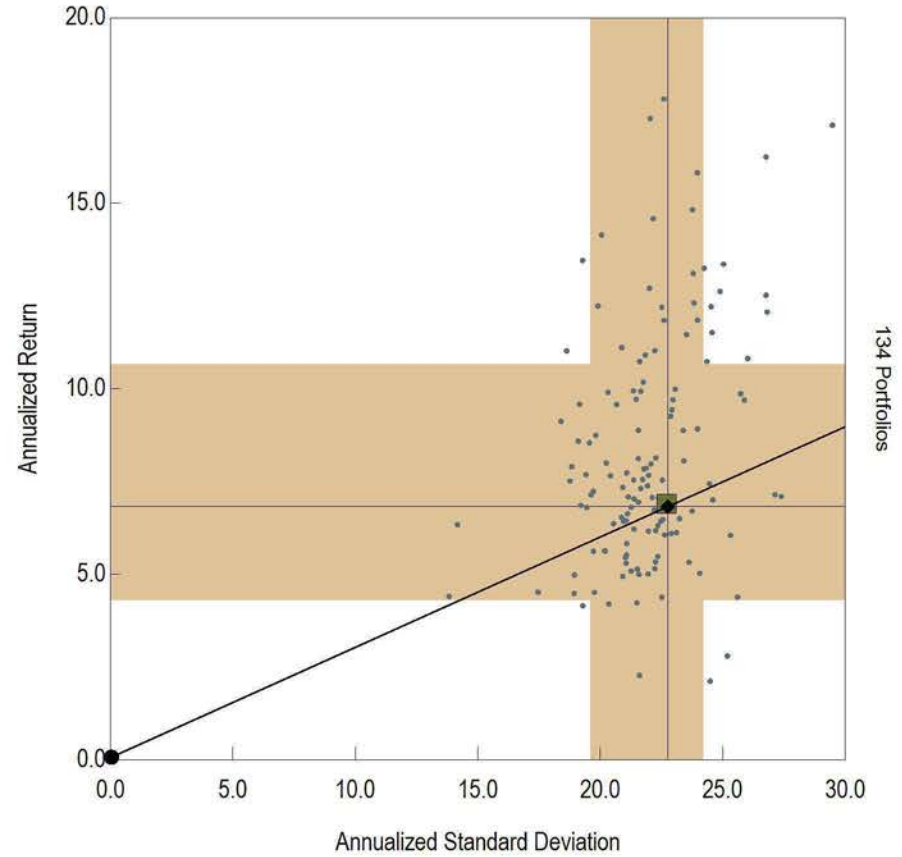
Universe: eA All EAFE Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- BlackRock ACWI ex-U.S. Index
- ◆ Performance Benchmark
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



- BlackRock ACWI ex-U.S. Index
- ◆ Performance Benchmark
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

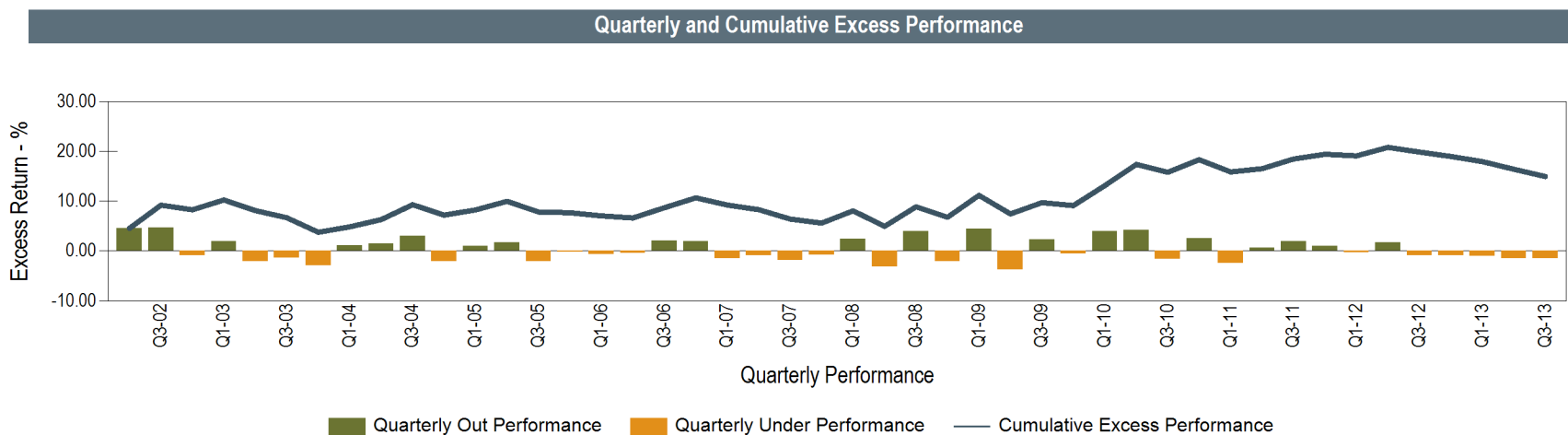
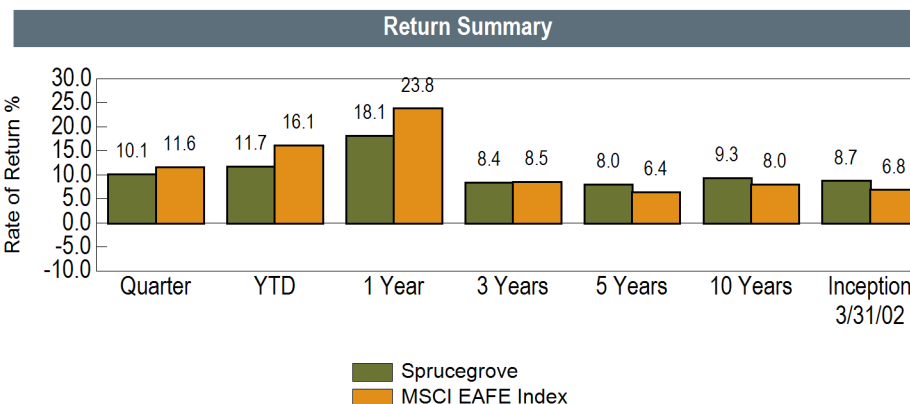
Manager Performance

Benchmark: MSCI EAFE Index

Sprucegrove is a value manager, following a bottom-up approach, and seeking to invest in quality companies selling at attractive valuations. As a value manager, Sprucegrove believes that the international markets are inefficient and by maintaining a long term perspective, they can capitalize on mispricings in the market. Investment objectives are: to maximize the long-term rate of return while preserving the investment capital of the fund by avoiding investment strategies that expose fund assets to excessive risk; to outperform the benchmark over a full market cycle; and to achieve a high ranking relative to similar funds over a market cycle.

High emphasis is given to balance sheet fundamentals, historical operating results, and company management. If a company is truly promising, the portfolio management team instructs the analyst to do a full research report to ensure the company qualifies for inclusion in Sprucegrove's investable universe. There are approximately 300 companies on Sprucegrove's working list.

Account Information	
Account Name	Sprucegrove
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	3/31/02
Account Type	Non-U.S. Stock - All
Benchmark	MSCI EAFE Index
Universe	eA All EAFE Equity Net

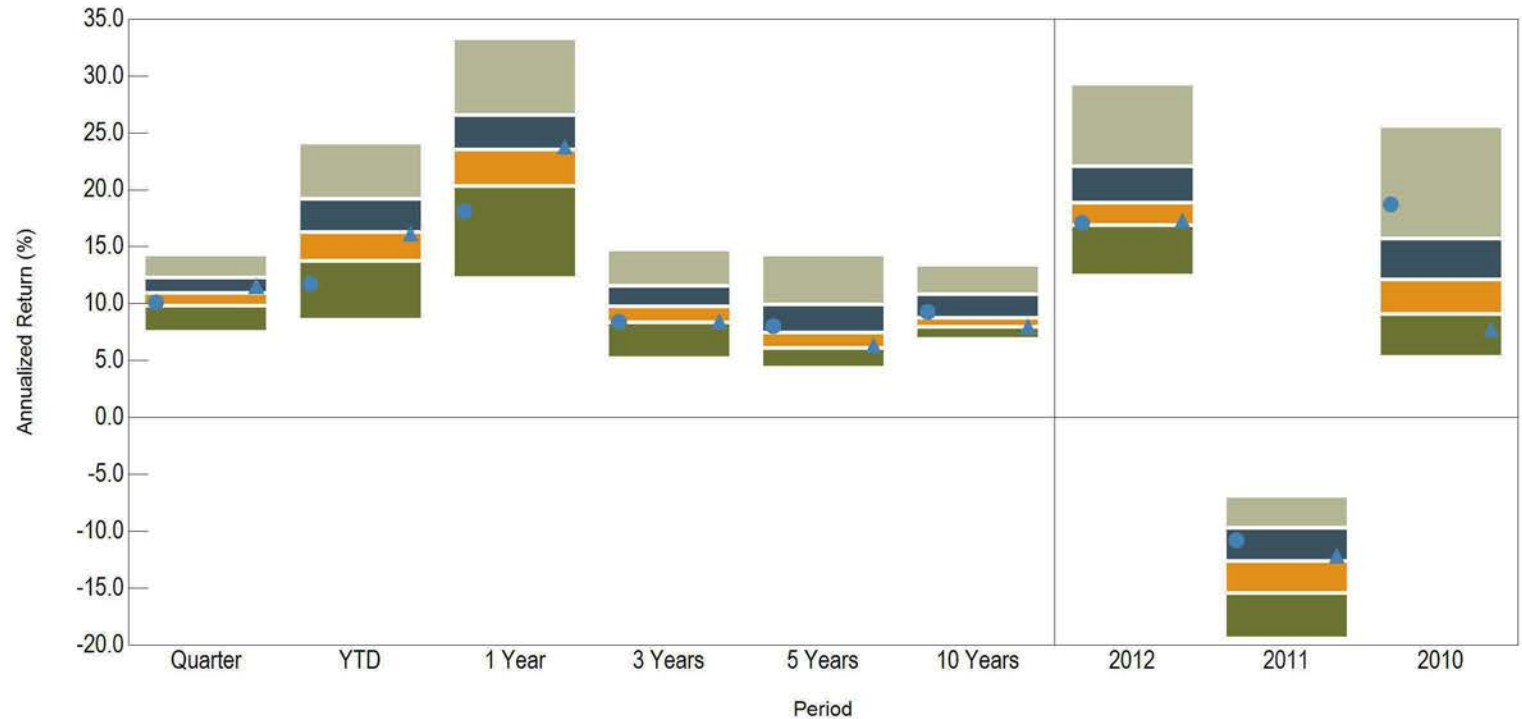


Universe Comparison

Benchmark: MSCI EAFE Index

Universe: eA All EAFE Equity Net

Ending September 30, 2013



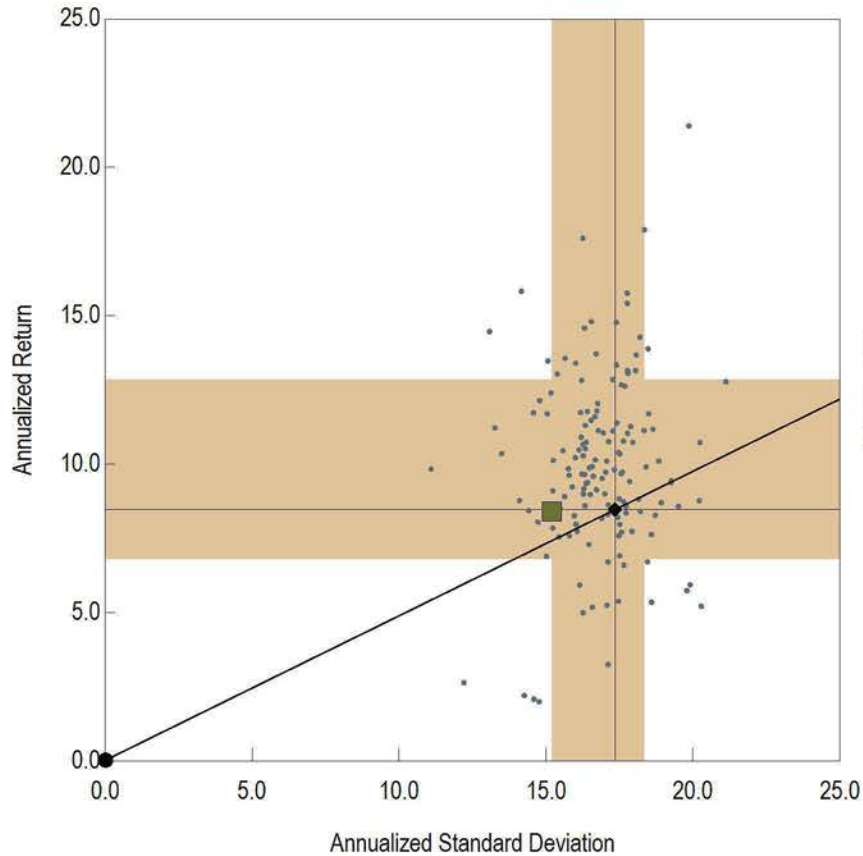
	Return (Rank)									
5th Percentile	14.3	24.1	33.3	14.7	14.3	13.4	29.3	-6.9	25.6	
25th Percentile	12.3	19.3	26.6	11.6	9.9	10.9	22.1	-9.7	15.7	
Median	11.0	16.3	23.6	9.8	7.5	8.8	18.9	-12.6	12.2	
75th Percentile	9.8	13.8	20.4	8.4	6.1	8.0	16.9	-15.4	9.1	
95th Percentile	7.5	8.6	12.3	5.2	4.4	6.9	12.5	-19.4	5.3	
# of Portfolios	157	157	157	145	134	82	144	129	143	
● Sprucegrove	10.1 (69)	11.7 (86)	18.1 (86)	8.4 (75)	8.0 (41)	9.3 (43)	17.1 (73)	-10.8 (31)	18.7 (15)	
▲ MSCI EAFE Index	11.6 (40)	16.1 (53)	23.8 (49)	8.5 (74)	6.4 (71)	8.0 (75)	17.3 (72)	-12.1 (45)	7.8 (83)	

Risk Profile

Benchmark: MSCI EAFE Index

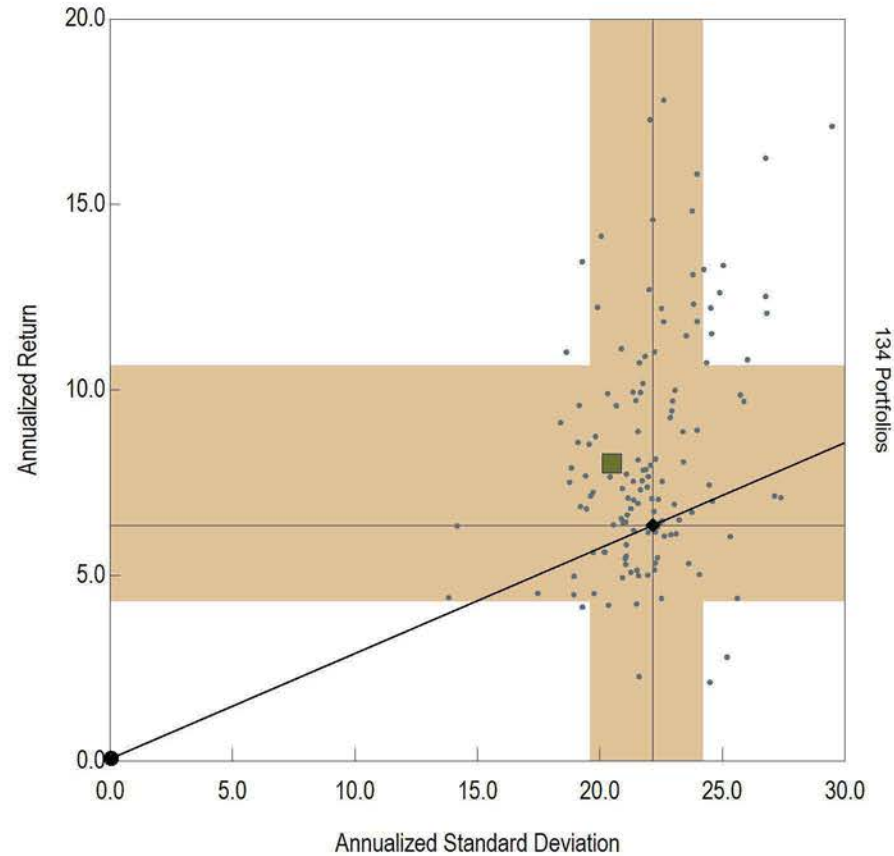
Universe: eA All EAFE Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- Sprucegrove
- ◆ MSCI EAFE Index
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



- Sprucegrove
- ◆ MSCI EAFE Index
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

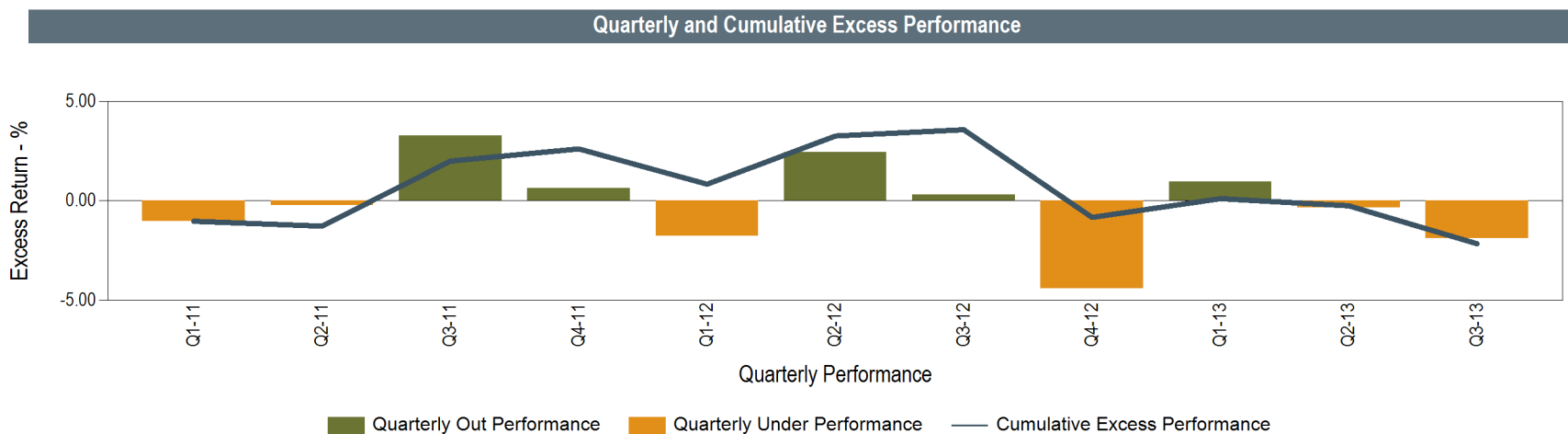
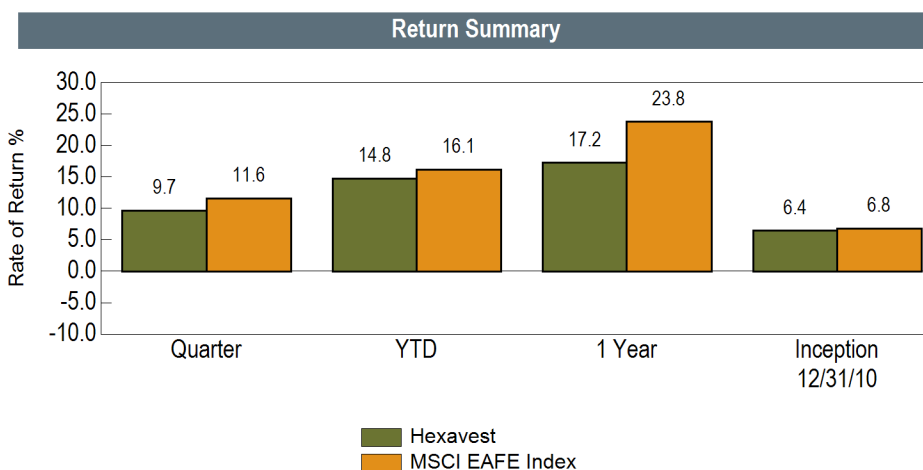
Manager Performance

Benchmark: MSCI EAFE Index

The manager's investment process was established in the early 1990s and at the time was almost entirely macro-focused. The model was enhanced in 1999 to include a bottom-up component, expected to contribute 20% to the overall decision making, so that portfolio managers can fine tune the active positions to further express their market views.

Hexavest attempts to identify inconsistencies at a macro level by analyzing the following three factor groups: economic environment (e.g., growth and interest rates), valuation of the individual markets, and sentiment (e.g., momentum and risk).

Account Information	
Account Name	Hexavest
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	12/31/10
Account Type	Non-U.S. Stock - All
Benchmark	MSCI EAFE Index
Universe	eA All EAFE Equity Net

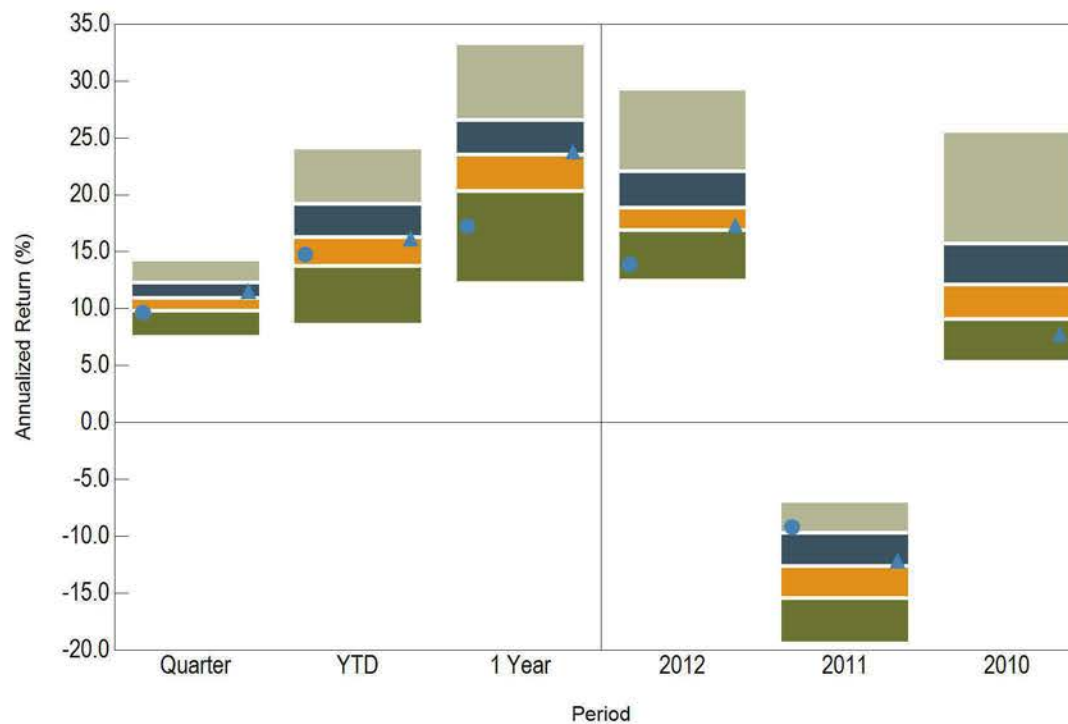


Universe Comparison

Benchmark: MSCI EAFE Index

Universe: eA All EAFE Equity Net

Ending September 30, 2013



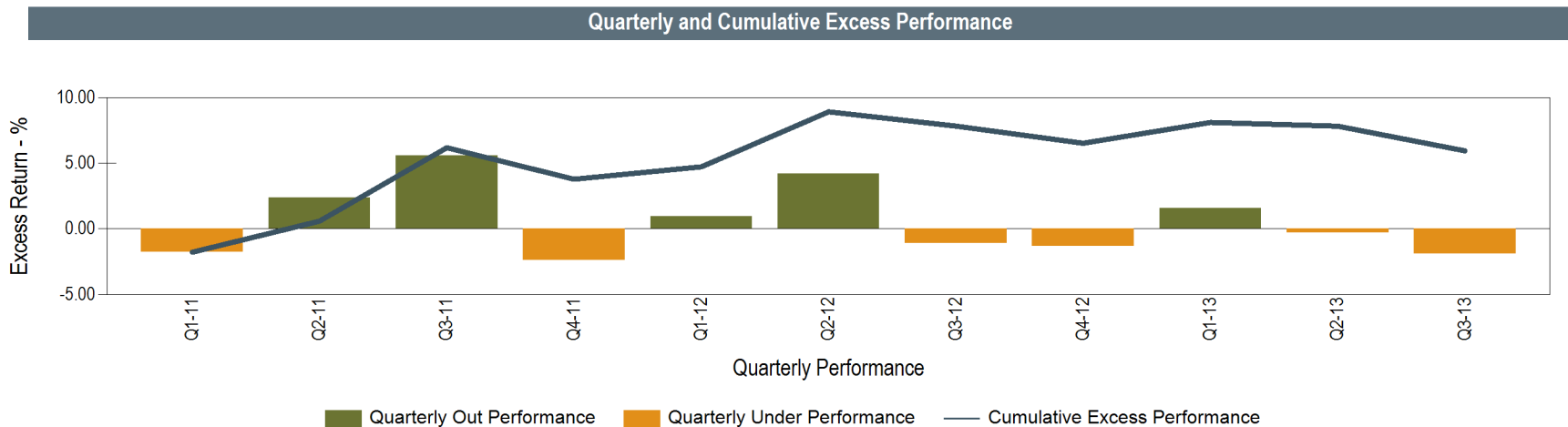
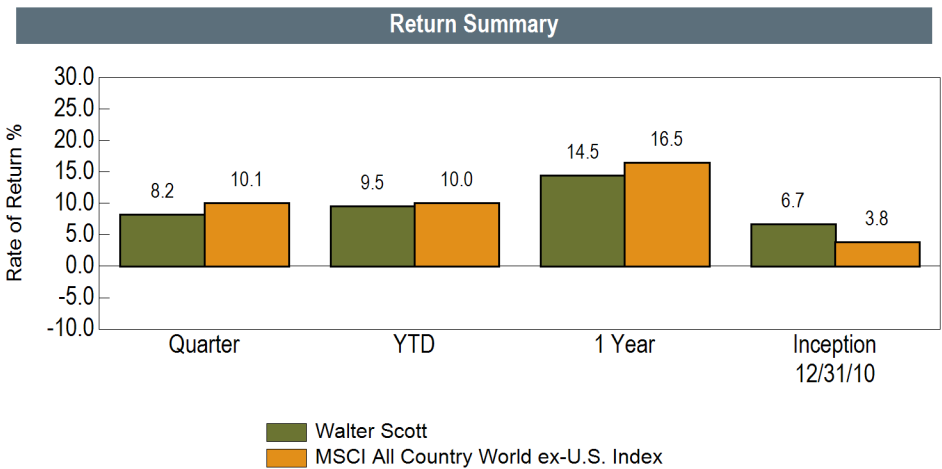
	Return (Rank)					
5th Percentile	14.3	24.1	33.3	29.3	-6.9	25.6
25th Percentile	12.3	19.3	26.6	22.1	-9.7	15.7
Median	11.0	16.3	23.6	18.9	-12.6	12.2
75th Percentile	9.8	13.8	20.4	16.9	-15.4	9.1
95th Percentile	7.5	8.6	12.3	12.5	-19.4	5.3
# of Portfolios	157	157	157	144	129	143
● Hexavest	9.7 (80)	14.8 (68)	17.2 (88)	13.9 (91)	-9.2 (22)	-- (--)
▲ MSCI EAFE Index	11.6 (40)	16.1 (53)	23.8 (49)	17.3 (72)	-12.1 (45)	7.8 (83)

Manager Performance

Benchmark: MSCI All Country World ex-U.S. Index

Walter Scott & Partners employs a bottom-up fundamental growth investment style. Security selection focuses on companies with 20% or more internal growth which will be sustainable over time. The manager identifies major political and economic trends that may impact industry or sector growth. At the company level, the manager utilizes fundamental analysis such as returns on invested capital, soundness of management, strength of balance sheet, and management track record. By gaining an understanding as to how the financial figures of the past were generated, the analysts will be able to better understand how future earnings will be generated.

Account Information	
Account Name	Walter Scott
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	12/31/10
Account Type	Non-U.S. Stock - All
Benchmark	MSCI All Country World ex-U.S. Index
Universe	eA All EAFE Equity Net

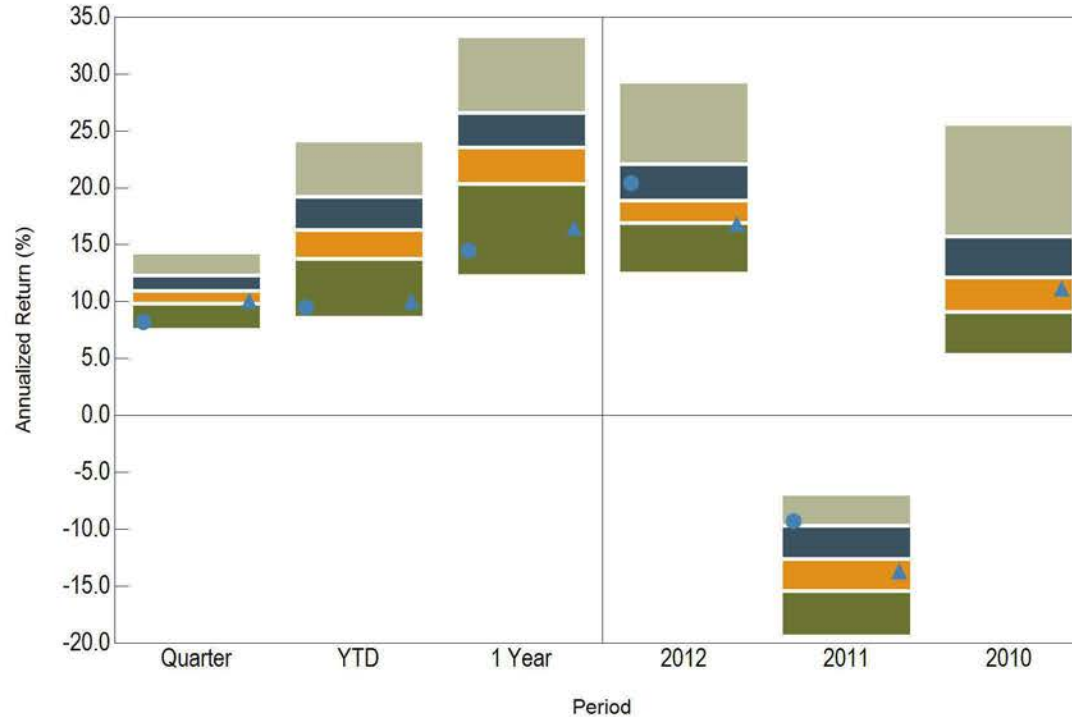


Universe Comparison

Benchmark: MSCI All Country World ex-U.S. Index

Universe: eA All EAFE Equity Net

Ending September 30, 2013



	Return (Rank)					
5th Percentile	14.3	24.1	33.3	29.3	-6.9	25.6
25th Percentile	12.3	19.3	26.6	22.1	-9.7	15.7
Median	11.0	16.3	23.6	18.9	-12.6	12.2
75th Percentile	9.8	13.8	20.4	16.9	-15.4	9.1
95th Percentile	7.5	8.6	12.3	12.5	-19.4	5.3
# of Portfolios	157	157	157	144	129	143
● Walter Scott	8.2 (91)	9.5 (94)	14.5 (93)	20.4 (41)	-9.3 (23)	-- (--)
▲ MSCI All Country World ex-U.S. Index	10.0 (70)	10.0 (94)	16.5 (90)	16.8 (77)	-13.7 (60)	11.2 (54)

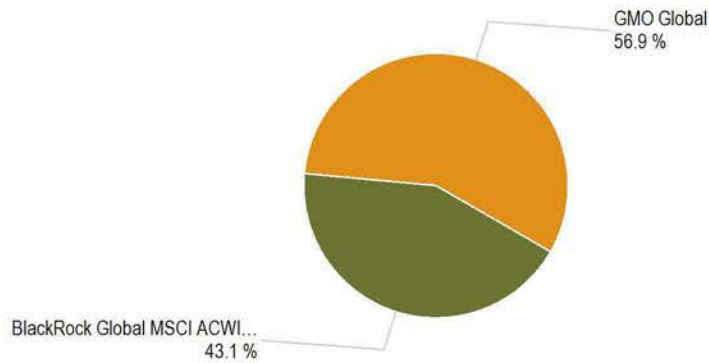


Total Global Equity

Overview

Benchmark: MSCI All Country World Index

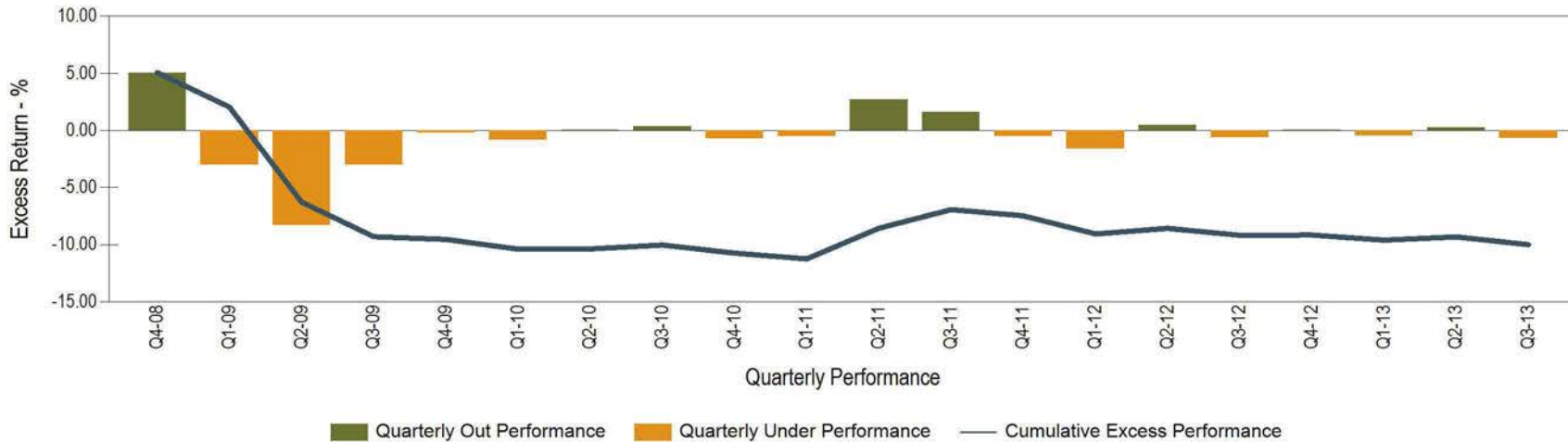
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

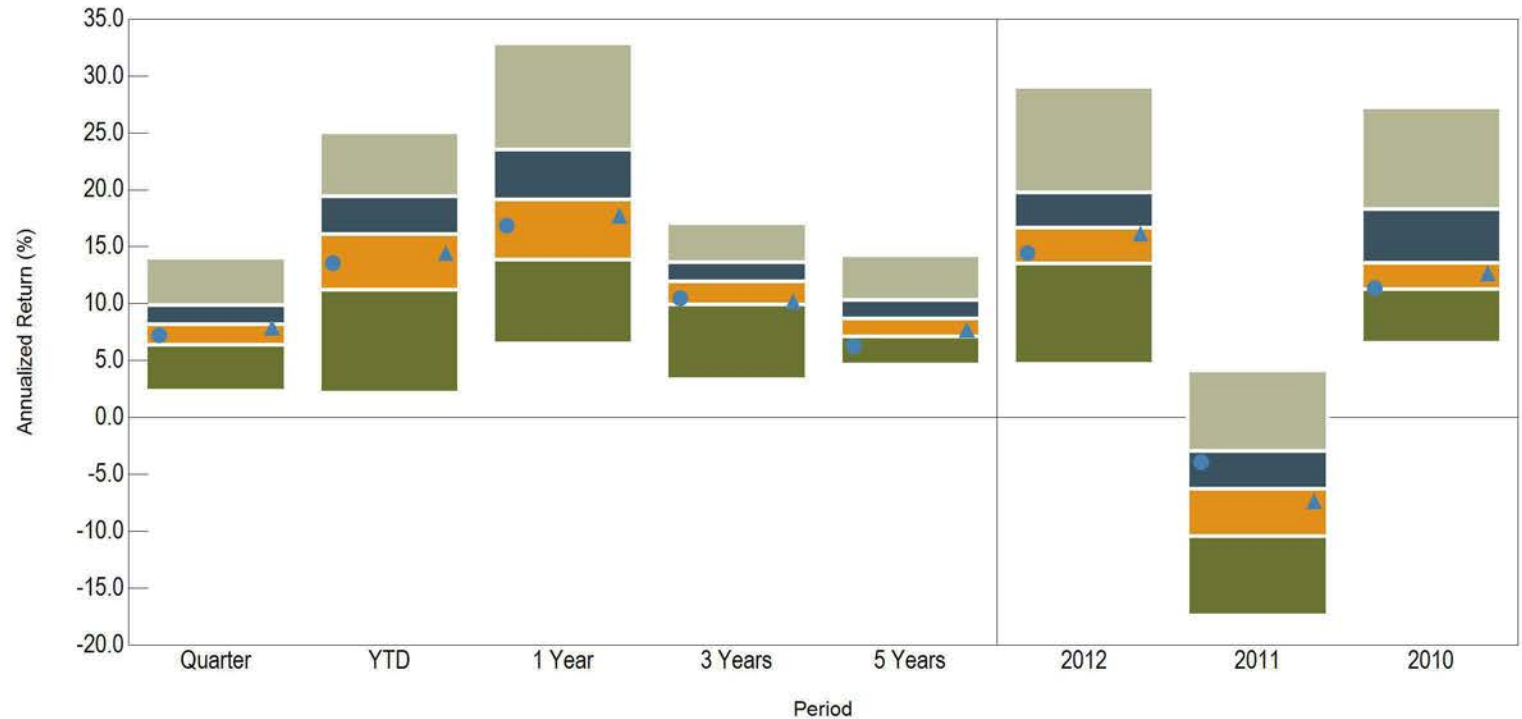


Universe Comparison

Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

Ending September 30, 2013



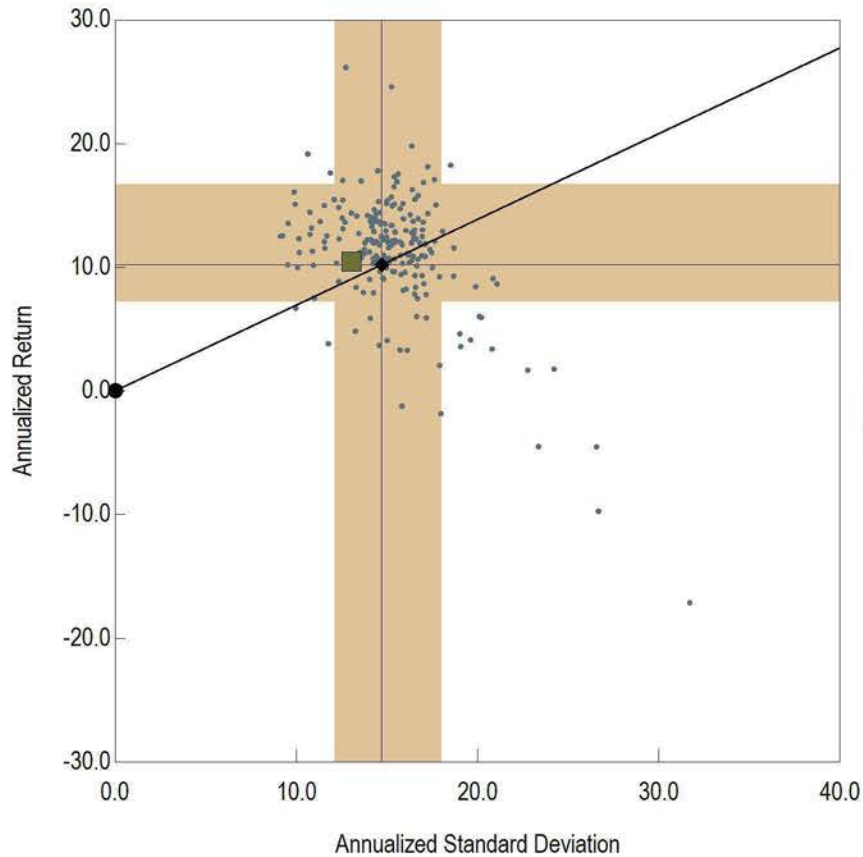
	Return (Rank)							
5th Percentile	14.0	25.0	32.8	17.1	14.3	29.0	4.1	27.2
25th Percentile	9.9	19.5	23.6	13.7	10.4	19.8	-2.9	18.3
Median	8.2	16.1	19.2	12.0	8.7	16.7	-6.3	13.6
75th Percentile	6.4	11.3	13.9	10.0	7.2	13.6	-10.4	11.3
95th Percentile	2.4	2.2	6.5	3.4	4.7	4.8	-17.4	6.6
# of Portfolios	258	256	256	213	173	230	186	140
● Total Global Equity	7.2 (68)	13.6 (66)	16.9 (66)	10.5 (70)	6.3 (87)	14.4 (70)	-3.9 (35)	11.4 (75)
▲ MSCI All Country World Index	7.9 (58)	14.4 (62)	17.7 (62)	10.2 (73)	7.7 (68)	16.1 (56)	-7.3 (56)	12.7 (56)

Risk Profile

Benchmark: MSCI All Country World Index

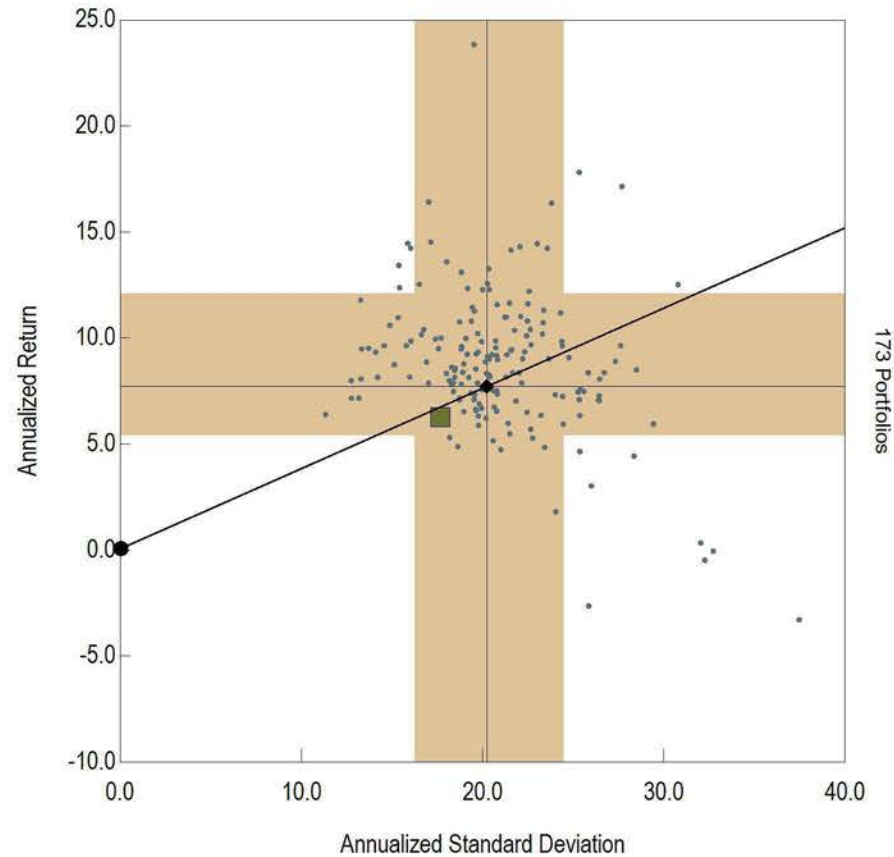
Universe: eA All Global Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- Total Global Equity
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

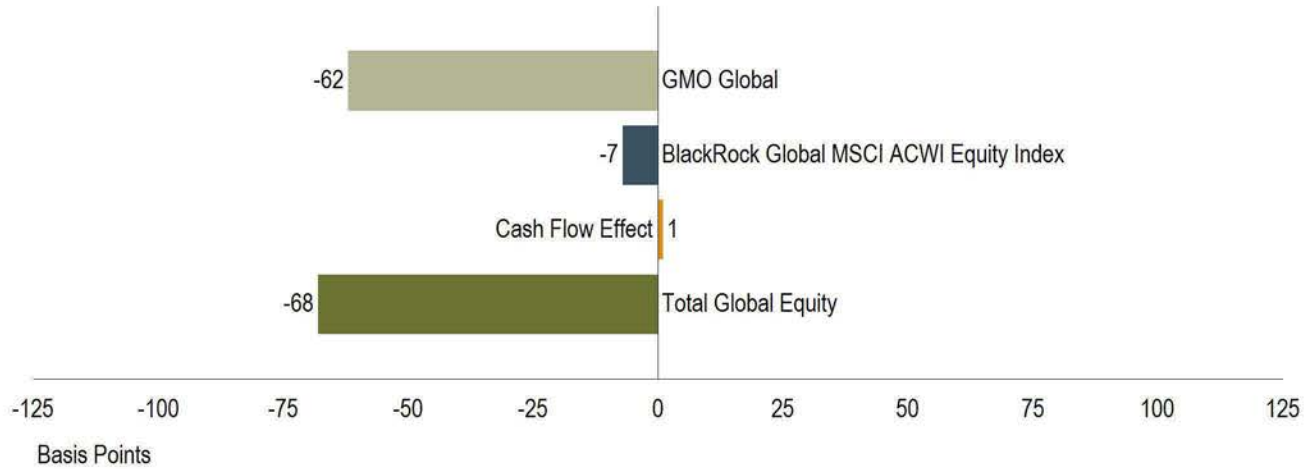
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



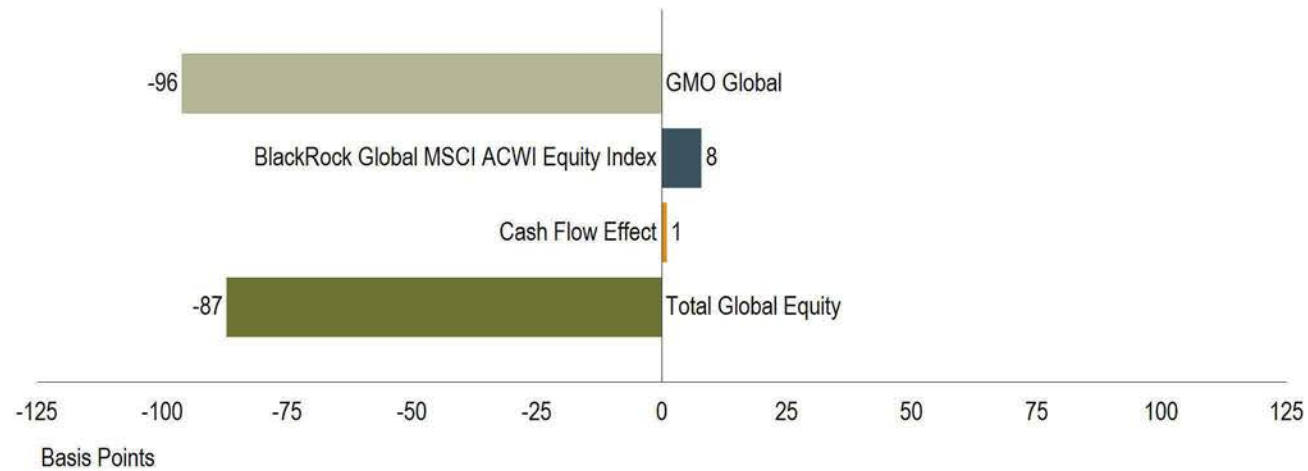
- Total Global Equity
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/13**



**MANAGER ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/13**



(This page left blank intentionally)

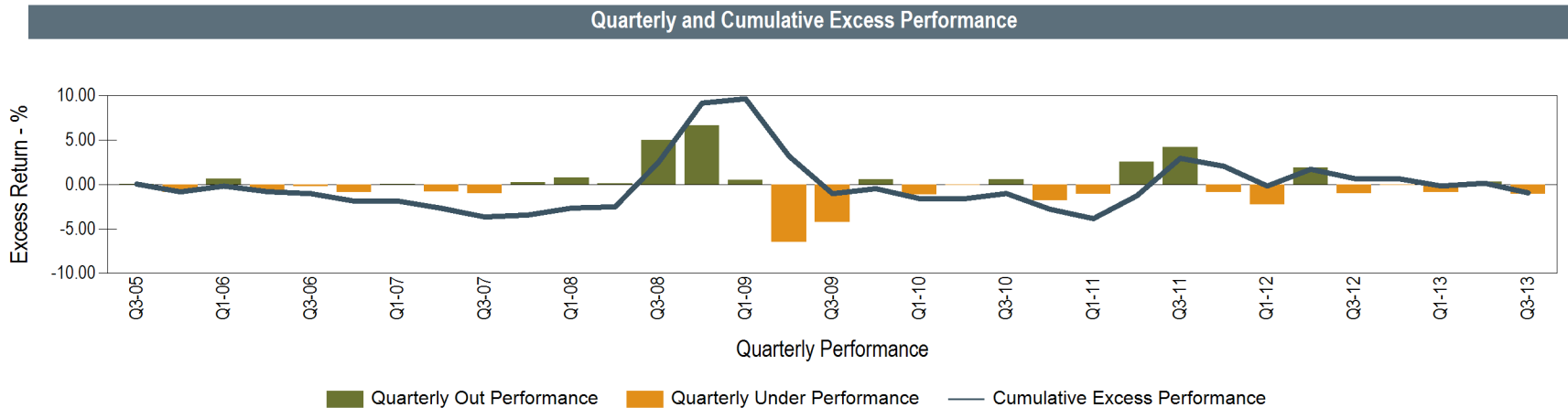
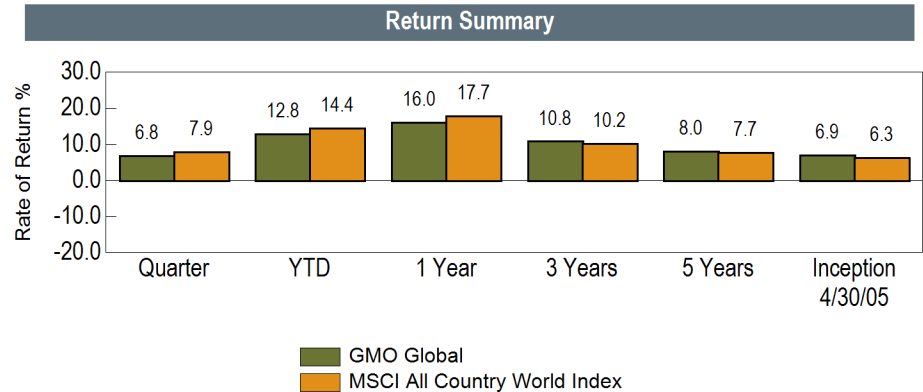
Manager Performance

Benchmark: MSCI All Country World Index

GMO uses a quantitative investment process to allocate between several of their mutual funds. They aim to add value both from opportunistic allocation between various segments of the market and from stock selection within the individual funds.

GMO does not employ a team of traditional fundamental security analysts. Instead, they attempt to exploit market inefficiencies by evaluating asset classes and individual securities largely through quantitative analysis. They prepare seven-year forecasts for different asset classes by conducting regression analysis on statistical and macroeconomic data. The forecasts are revised once every year, which leads to re-allocation among the different mutual funds. There is minimal rebalancing during the year. While the global equity allocation portfolio has no style bias, both value and momentum factors are taken into account when evaluating potential holdings (at the individual fund level). About 70% of the contribution to the portfolio is expected from value-related factors and 30% from momentum-related ones.

Account Information	
Account Name	GMO Global
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	4/30/05
Account Type	Global Equity
Benchmark	MSCI All Country World Index
Universe	eA All Global Equity Net

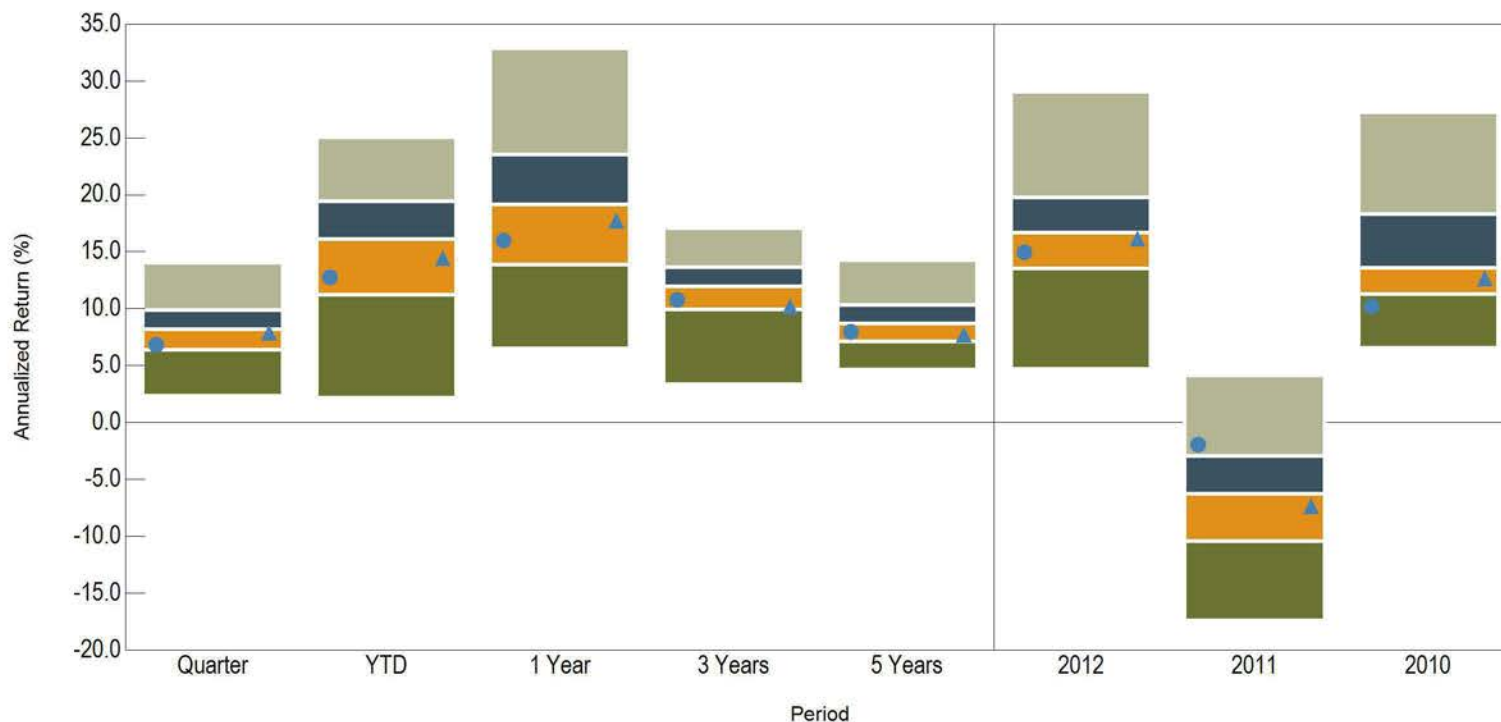


Universe Comparison

Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

Ending September 30, 2013



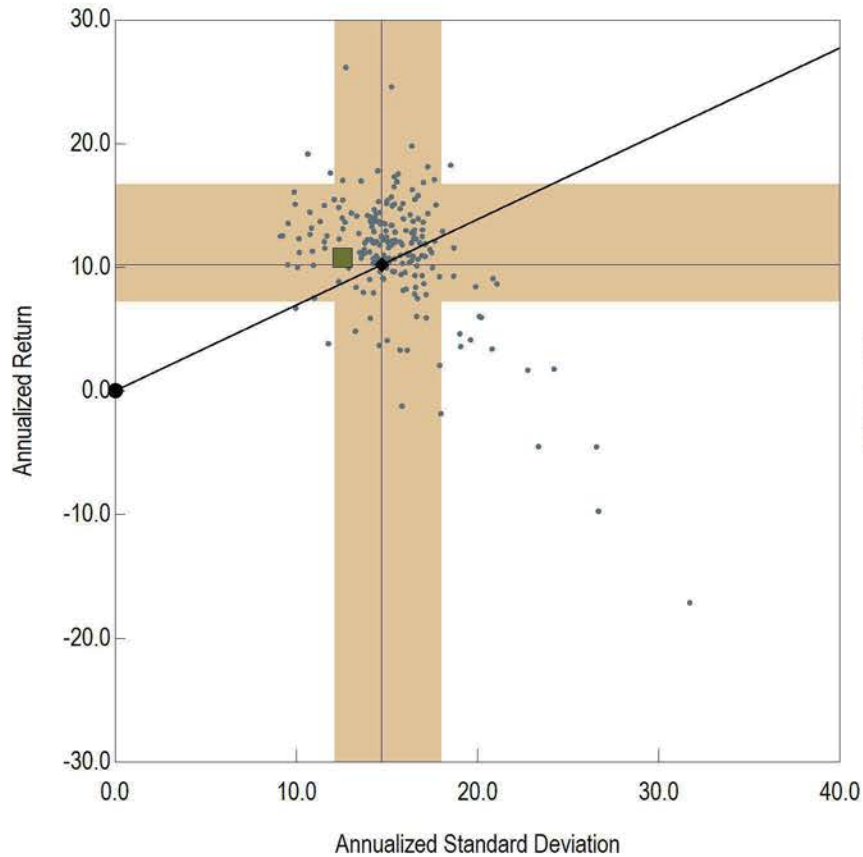
	Return (Rank)															
5th Percentile	14.0	25.0	32.8	17.1	14.3	29.0	4.1	27.2								
25th Percentile	9.9	19.5	23.6	13.7	10.4	19.8	-2.9	18.3								
Median	8.2	16.1	19.2	12.0	8.7	16.7	-6.3	13.6								
75th Percentile	6.4	11.3	13.9	10.0	7.2	13.6	-10.4	11.3								
95th Percentile	2.4	2.2	6.5	3.4	4.7	4.8	-17.4	6.6								
# of Portfolios	258	256	256	213	173	230	186	140								
● GMO Global	6.8	(72)	12.8	(69)	16.0	(69)	10.8	(65)	8.0	(64)	15.0	(68)	-2.0	(20)	10.2	(88)
▲ MSCI All Country World Index	7.9	(58)	14.4	(62)	17.7	(62)	10.2	(73)	7.7	(68)	16.1	(56)	-7.3	(56)	12.7	(56)

Risk Profile

Benchmark: MSCI All Country World Index

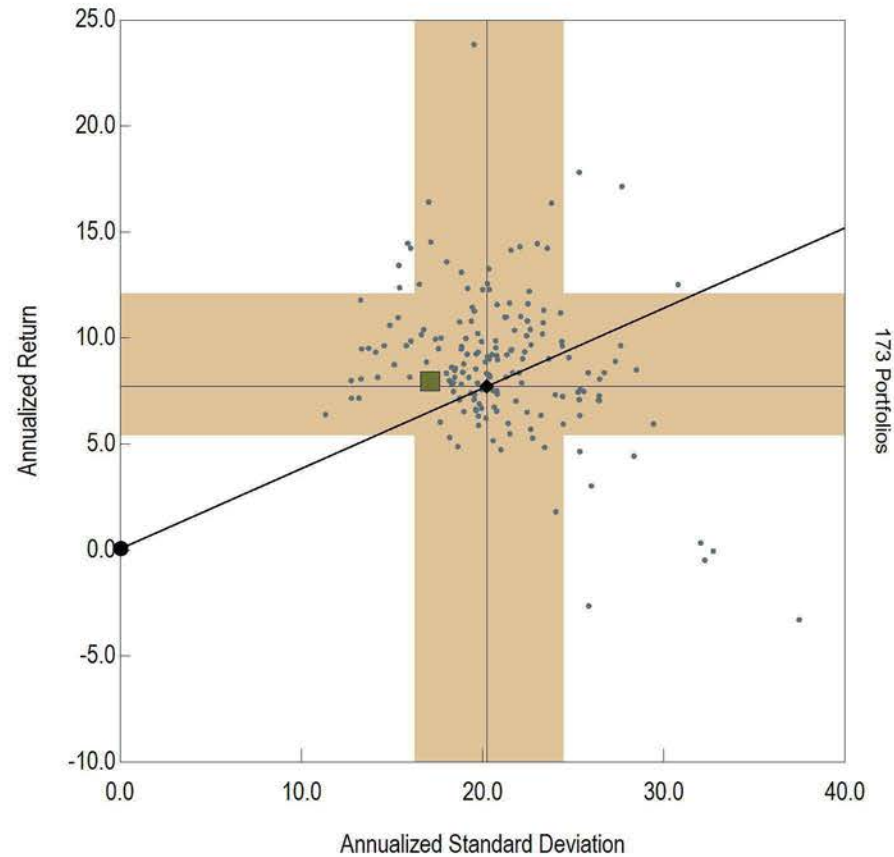
Universe: eA All Global Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- GMO Global
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



- GMO Global
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

Manager Performance

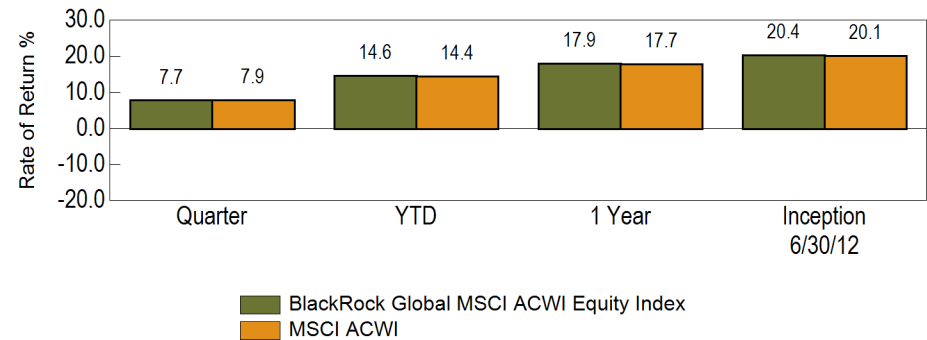
Benchmark: MSCI ACWI

The BlackRock ACWI IMI Index Fund is designed to replicate the total return of the MSCI All Country World IMI Index. As with all indexing strategies, the objective of the fund is to track the performance of its benchmark. BlackRock manages the fund with objective to deliver a high quality and cost-effective index-based portfolio available to institutional investors.

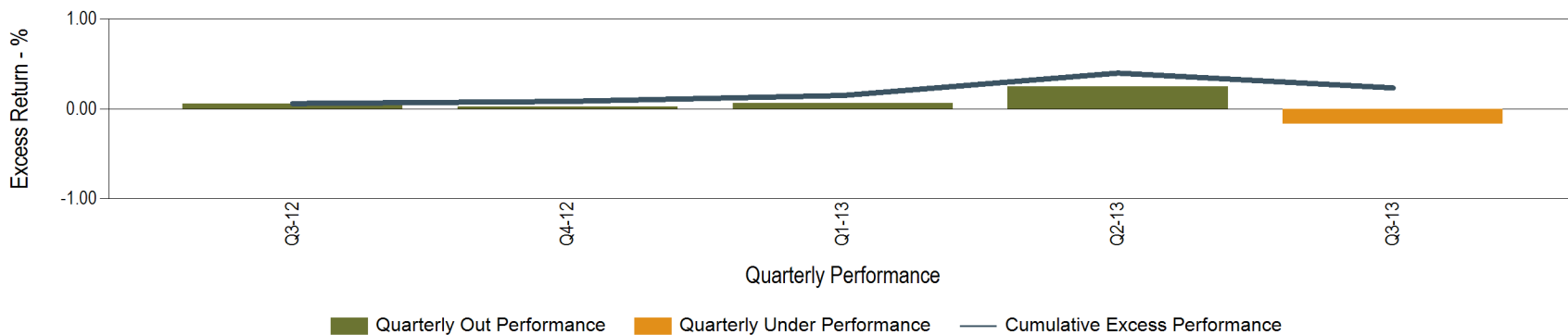
Account Information

Account Name	BlackRock Global MSCI ACWI Equity Index
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	6/30/12
Account Type	Global Equity
Benchmark	MSCI ACWI
Universe	eA All Global Equity Net

Return Summary



Quarterly and Cumulative Excess Performance

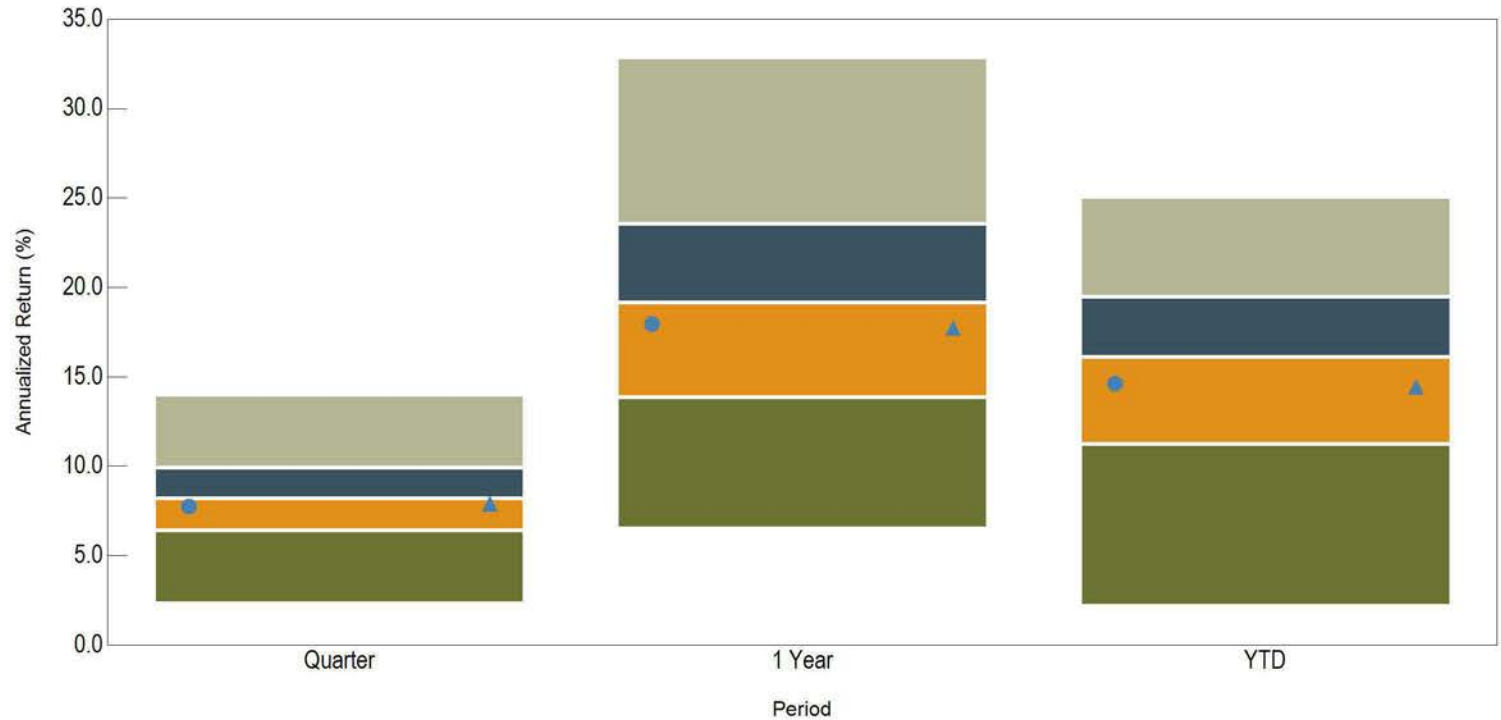


Universe Comparison

Benchmark: MSCI ACWI

Universe: eA All Global Equity Net

Ending September 30, 2013



	Return (Rank)					
5th Percentile	14.0		32.8		25.0	
25th Percentile	9.9		23.6		19.5	
Median	8.2		19.2		16.1	
75th Percentile	6.4		13.9		11.3	
95th Percentile	2.4		6.5		2.2	
# of Portfolios	258		256		256	
● BlackRock Global MSCI ACWI Equity Index	7.7	(60)	17.9	(61)	14.6	(62)
▲ MSCI ACWI	7.9	(58)	17.7	(62)	14.4	(62)

(This page left blank intentionally)

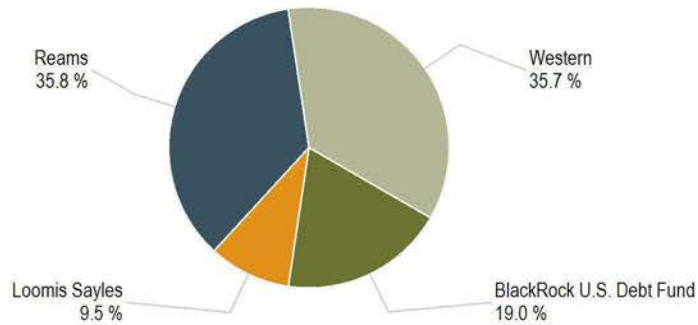


Total U.S. Fixed Income

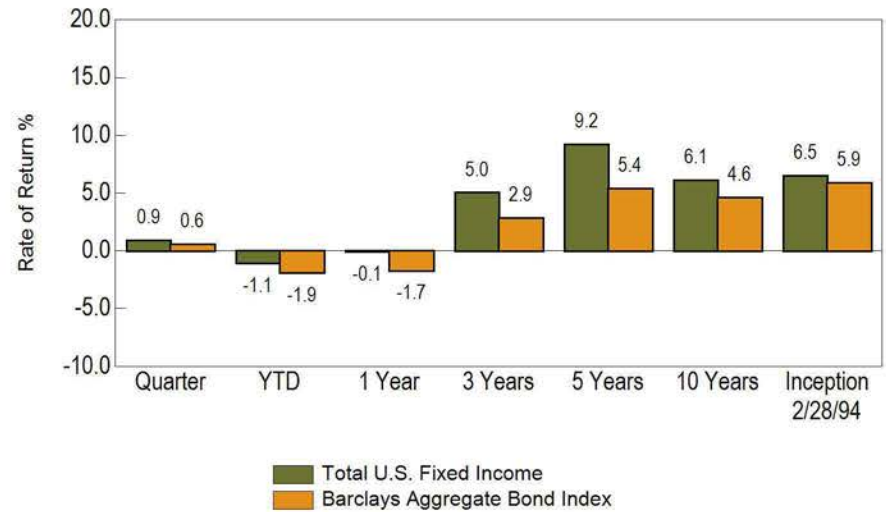
Overview

Benchmark: Barclays Aggregate Bond Index

Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

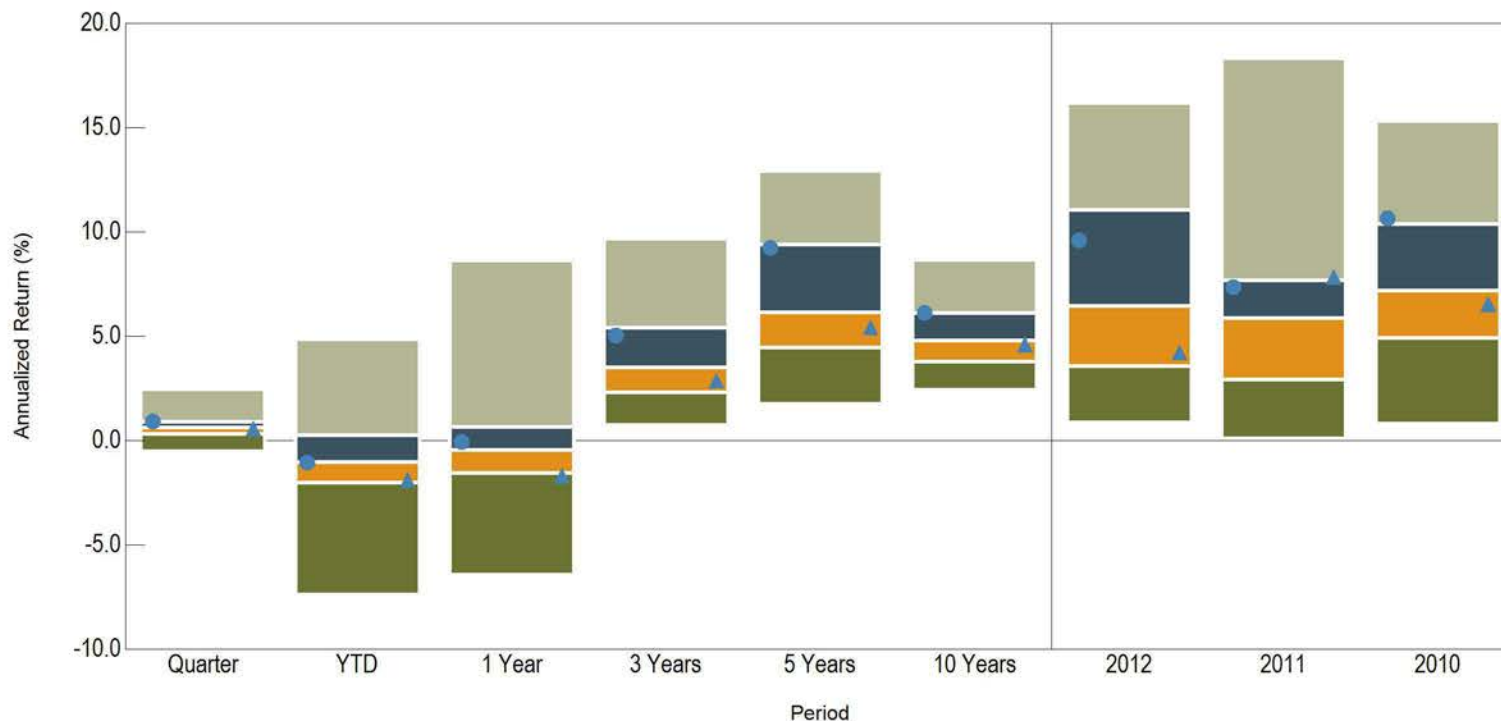


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending September 30, 2013



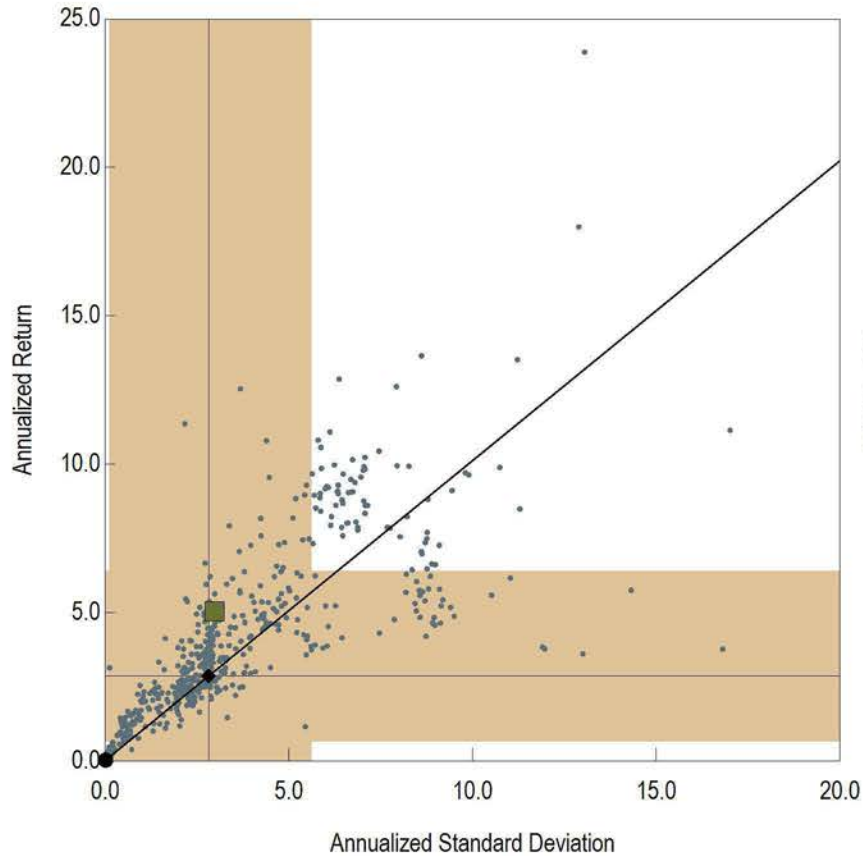
	Return (Rank)								
5th Percentile	2.4	4.8	8.6	9.7	12.9	8.7	16.1	18.3	15.3
25th Percentile	0.9	0.3	0.7	5.4	9.4	6.1	11.1	7.7	10.4
Median	0.6	-1.0	-0.4	3.5	6.2	4.8	6.5	5.9	7.2
75th Percentile	0.3	-2.0	-1.5	2.3	4.5	3.8	3.6	2.9	4.9
95th Percentile	-0.5	-7.4	-6.4	0.8	1.8	2.4	0.9	0.1	0.8
# of Portfolios	594	590	590	527	477	363	555	483	425
● Total U.S. Fixed Income	0.9 (26)	-1.1 (51)	-0.1 (44)	5.0 (29)	9.2 (26)	6.1 (26)	9.6 (32)	7.3 (30)	10.6 (25)
▲ Barclays Aggregate Bond Index	0.6 (58)	-1.9 (72)	-1.7 (80)	2.9 (63)	5.4 (61)	4.6 (56)	4.2 (70)	7.8 (24)	6.5 (59)

Risk Profile

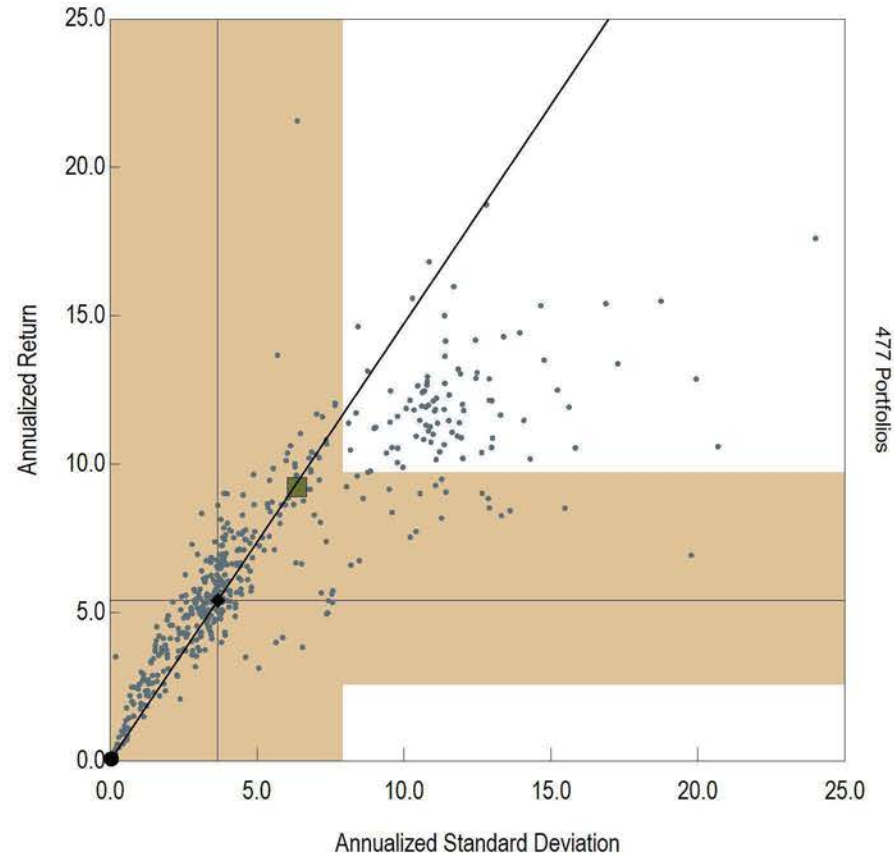
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013

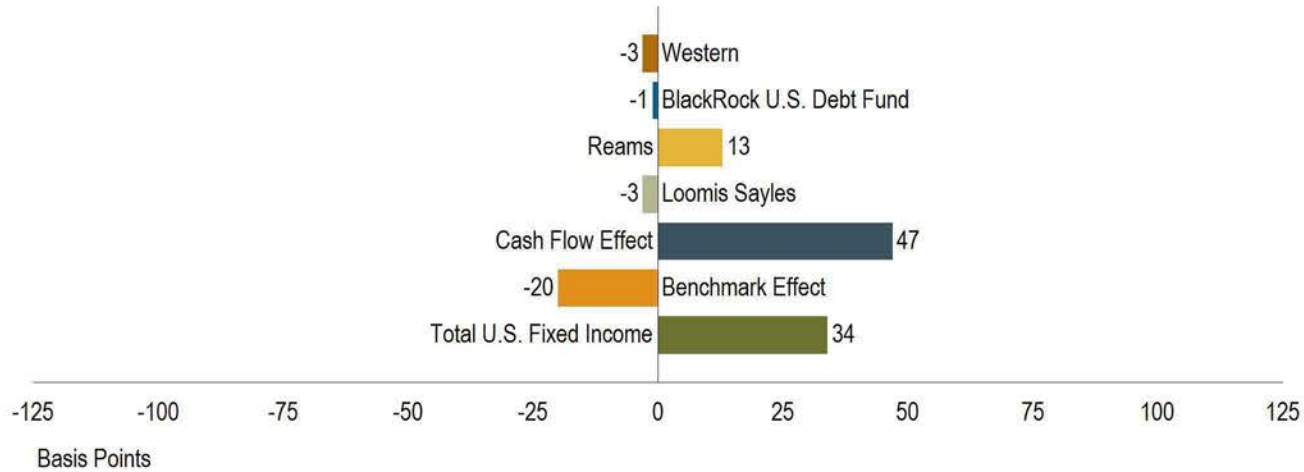


- Total U.S. Fixed Income
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

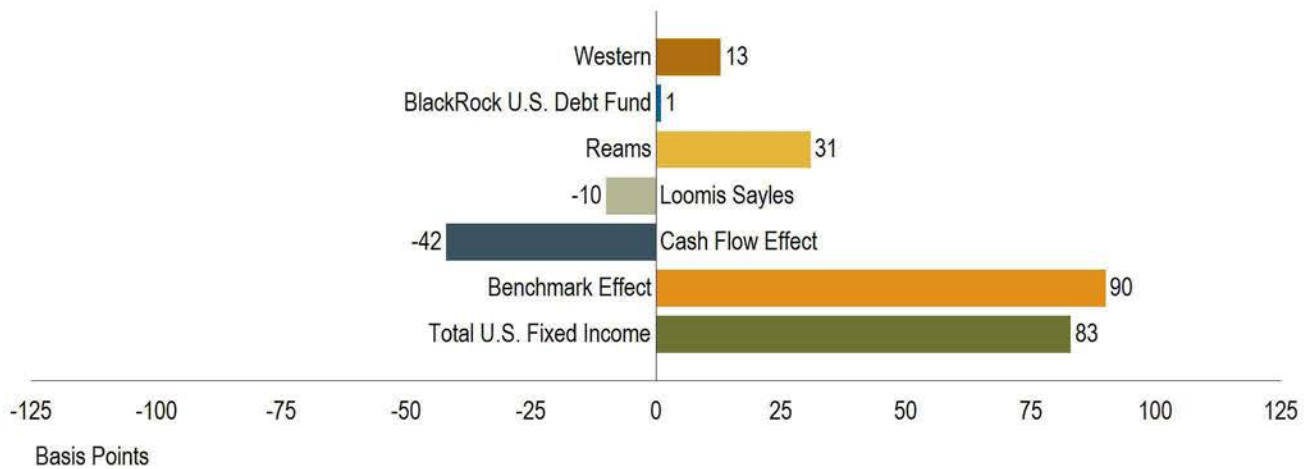
- Total U.S. Fixed Income
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/13**



**MANAGER ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/13**



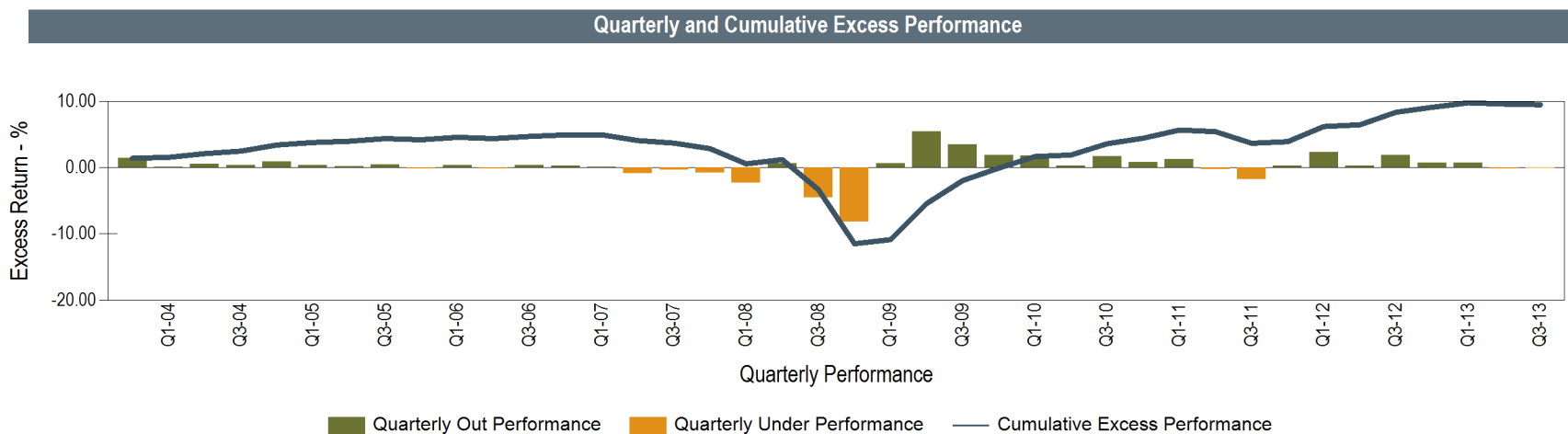
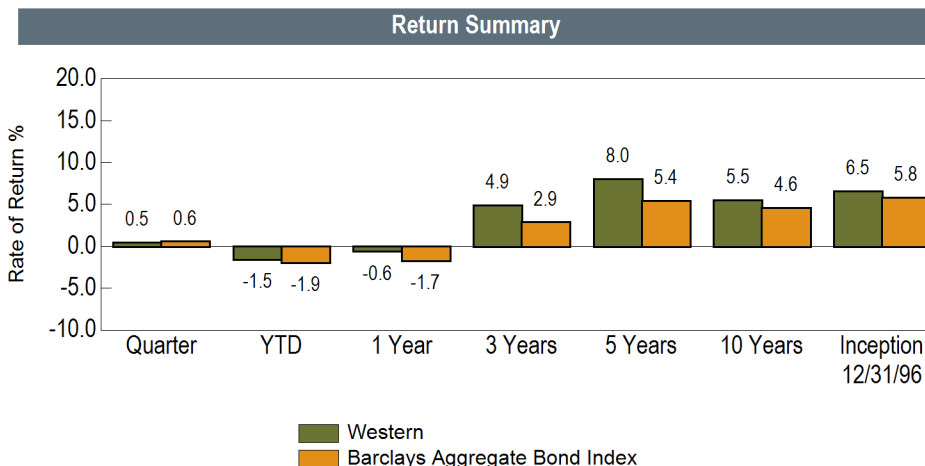
(This page left blank intentionally)

Manager Performance

Benchmark: Barclays Aggregate Bond Index

Western Asset Management seeks to add value in fixed income accounts by employing multiple investment strategies while controlling risk. Western is an active sector rotator and attempts to exploit market inefficiencies by making opportunistic trades. The firm emphasizes non-Treasury sectors such as corporate and mortgages. The firm's team approach to fixed income management revolves around an investment outlook developed by the Investment Strategy Group. This group interacts on a daily basis, evaluating developments in both the market and the economy. Additionally, the group meets formally twice a month to review its outlook and investment strategy.

Account Information	
Account Name	Western
Account Structure	Separate Account
Investment Style	Active
Inception Date	12/31/96
Account Type	U.S. Fixed Income
Benchmark	Barclays Aggregate Bond Index
Universe	eA All US Fixed Inc Net

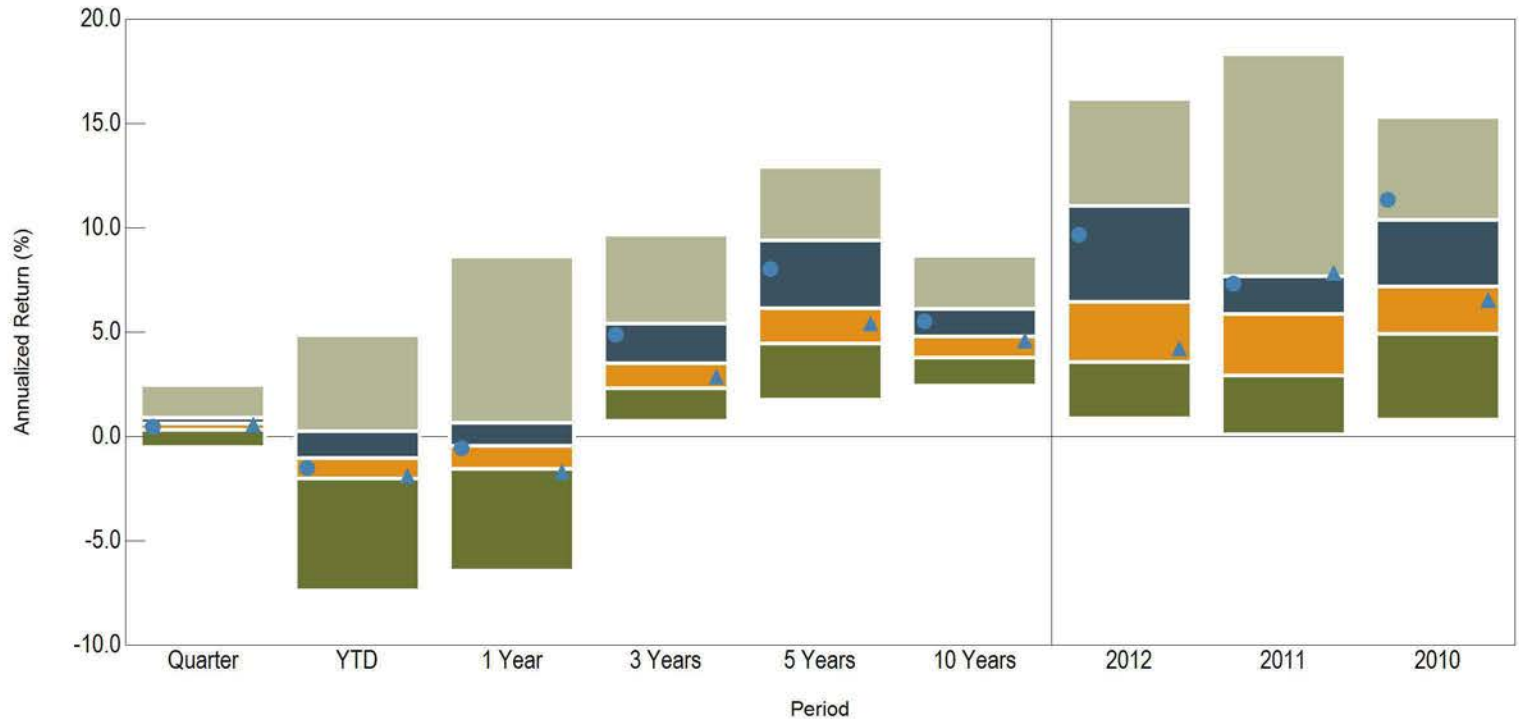


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending September 30, 2013



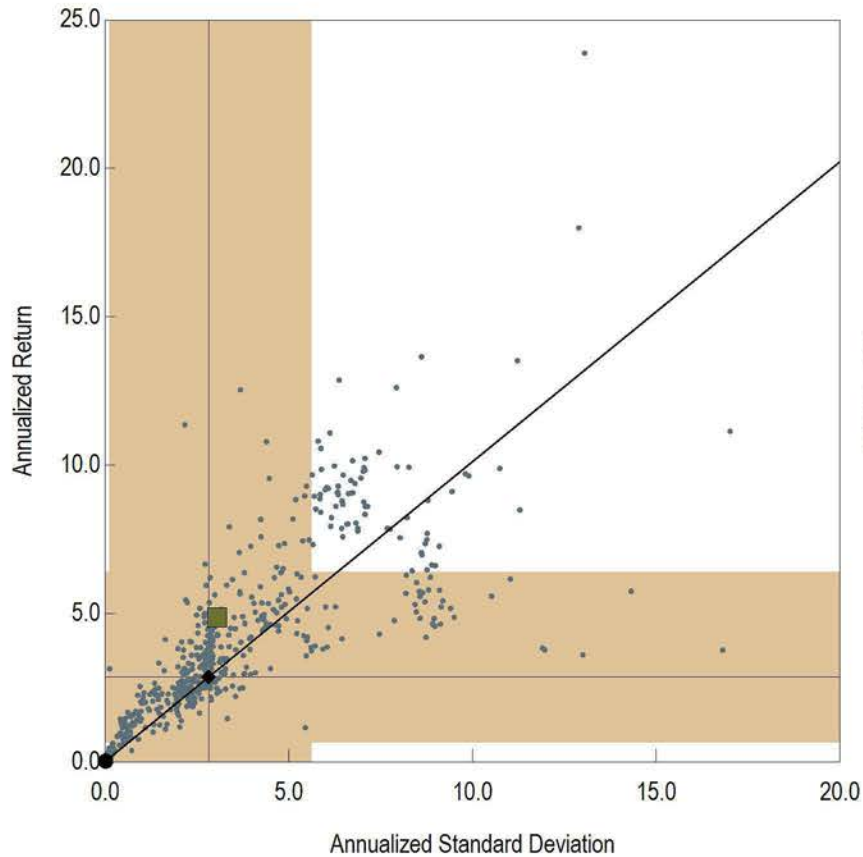
	Return (Rank)									
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	2012	2011	2010	
5th Percentile	2.4	4.8	8.6	9.7	12.9	8.7	16.1	18.3	15.3	
25th Percentile	0.9	0.3	0.7	5.4	9.4	6.1	11.1	7.7	10.4	
Median	0.6	-1.0	-0.4	3.5	6.2	4.8	6.5	5.9	7.2	
75th Percentile	0.3	-2.0	-1.5	2.3	4.5	3.8	3.6	2.9	4.9	
95th Percentile	-0.5	-7.4	-6.4	0.8	1.8	2.4	0.9	0.1	0.8	
# of Portfolios	594	590	590	527	477	363	555	483	425	
● Western	0.5 (68)	-1.5 (63)	-0.6 (54)	4.9 (31)	8.0 (34)	5.5 (34)	9.7 (31)	7.3 (31)	11.3 (20)	
▲ Barclays Aggregate Bond Index	0.6 (58)	-1.9 (72)	-1.7 (80)	2.9 (63)	5.4 (61)	4.6 (56)	4.2 (70)	7.8 (24)	6.5 (59)	

Risk Profile

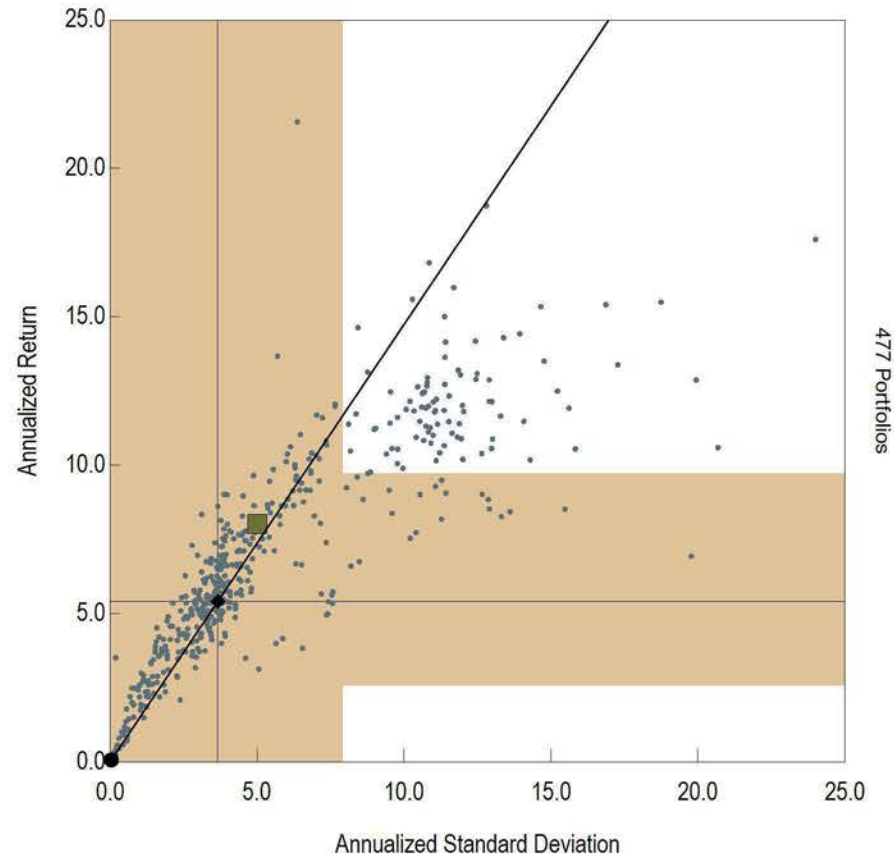
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013

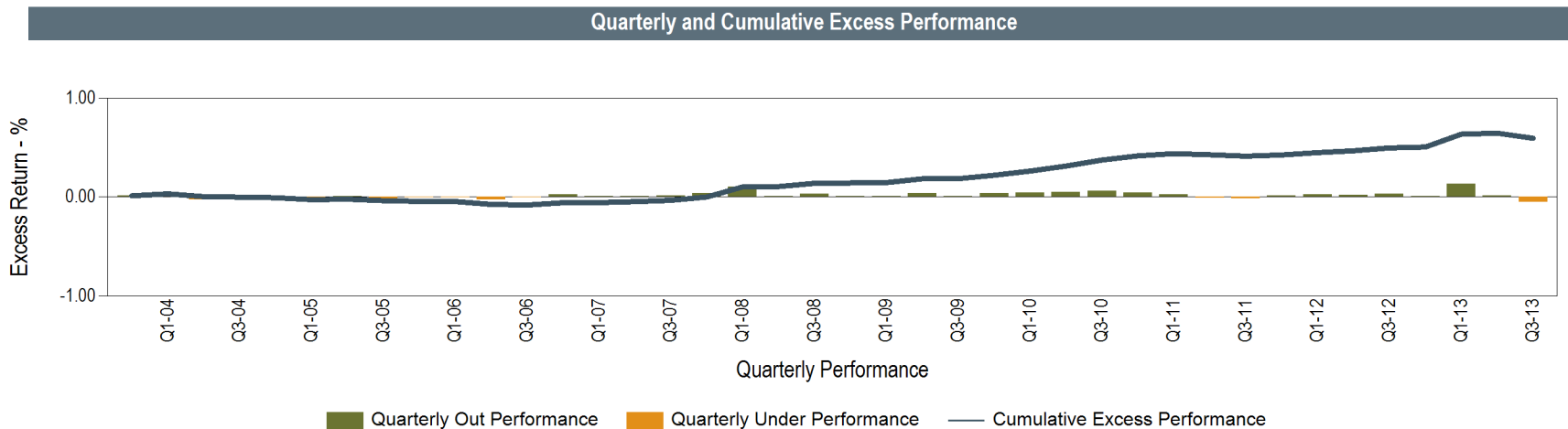
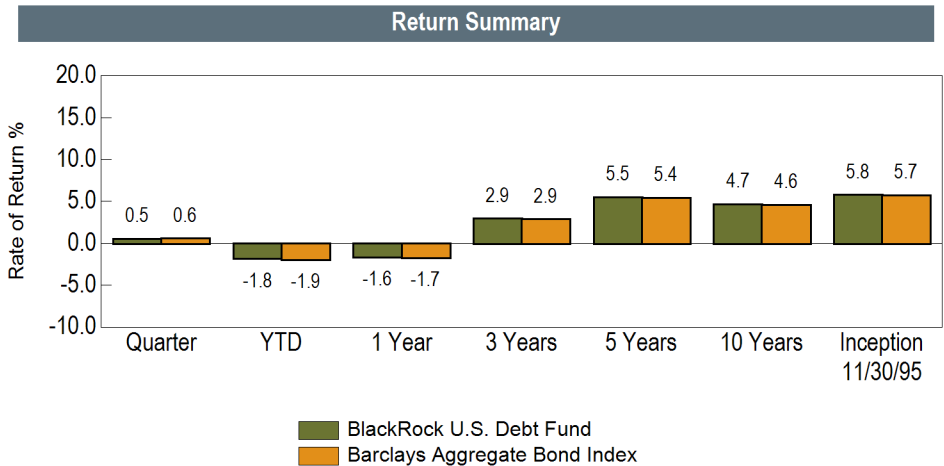


Manager Performance

Benchmark: Barclays Aggregate Bond Index

The BlackRock U.S. Debt Fund is an index fund which is designed to replicate the performance of the Barclays Capital Aggregate Bond Index. The U.S. Debt Fund is constructed by holding 7 different sub-funds that track specific sector/maturity combinations of the Barclays Capital Aggregate Bond Index.

Account Information	
Account Name	BlackRock U.S. Debt Fund
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	11/30/95
Account Type	U.S. Fixed Income
Benchmark	Barclays Aggregate Bond Index
Universe	eA All US Fixed Inc Net

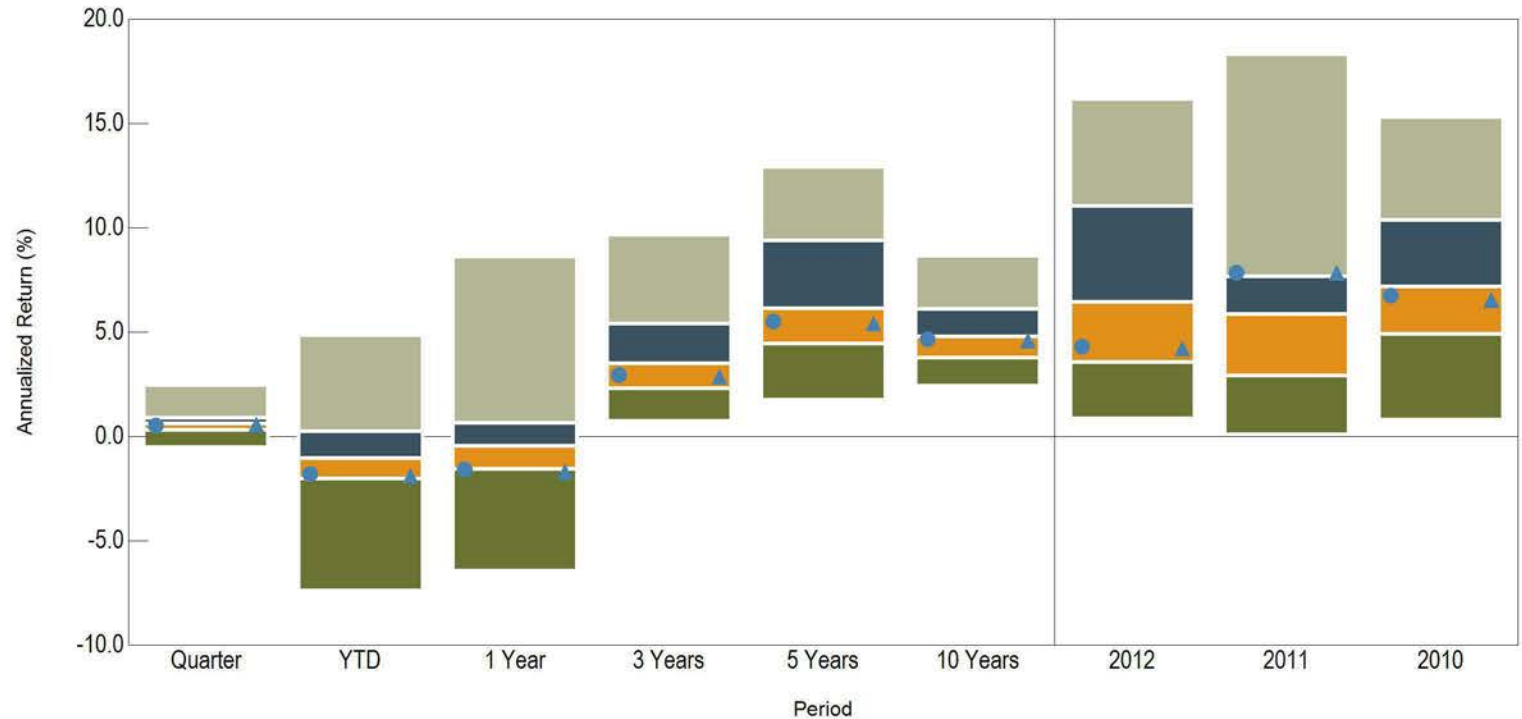


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending September 30, 2013



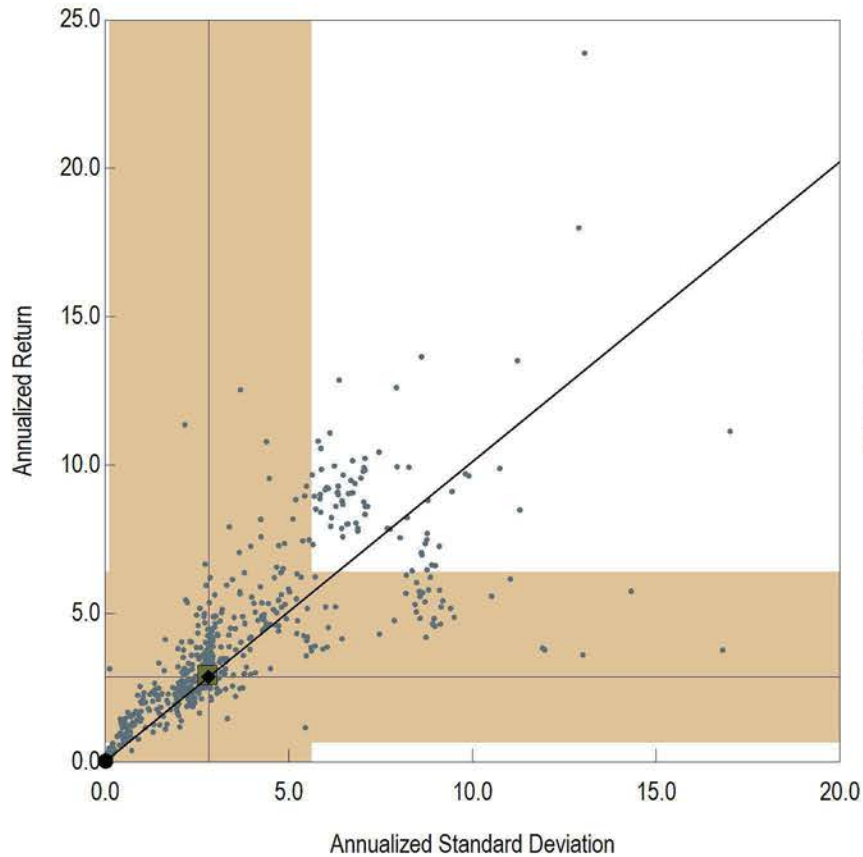
	Return (Rank)									
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	2012	2011	2010	
5th Percentile	2.4	4.8	8.6	9.7	12.9	8.7	16.1	18.3	15.3	
25th Percentile	0.9	0.3	0.7	5.4	9.4	6.1	11.1	7.7	10.4	
Median	0.6	-1.0	-0.4	3.5	6.2	4.8	6.5	5.9	7.2	
75th Percentile	0.3	-2.0	-1.5	2.3	4.5	3.8	3.6	2.9	4.9	
95th Percentile	-0.5	-7.4	-6.4	0.8	1.8	2.4	0.9	0.1	0.8	
# of Portfolios	594	590	590	527	477	363	555	483	425	
● BlackRock U.S. Debt Fund	0.5 (63)	-1.8 (71)	-1.6 (77)	2.9 (61)	5.5 (61)	4.7 (54)	4.3 (70)	7.9 (23)	6.7 (56)	
▲ Barclays Aggregate Bond Index	0.6 (58)	-1.9 (72)	-1.7 (80)	2.9 (63)	5.4 (61)	4.6 (56)	4.2 (70)	7.8 (24)	6.5 (59)	

Risk Profile

Benchmark: Barclays Aggregate Bond Index

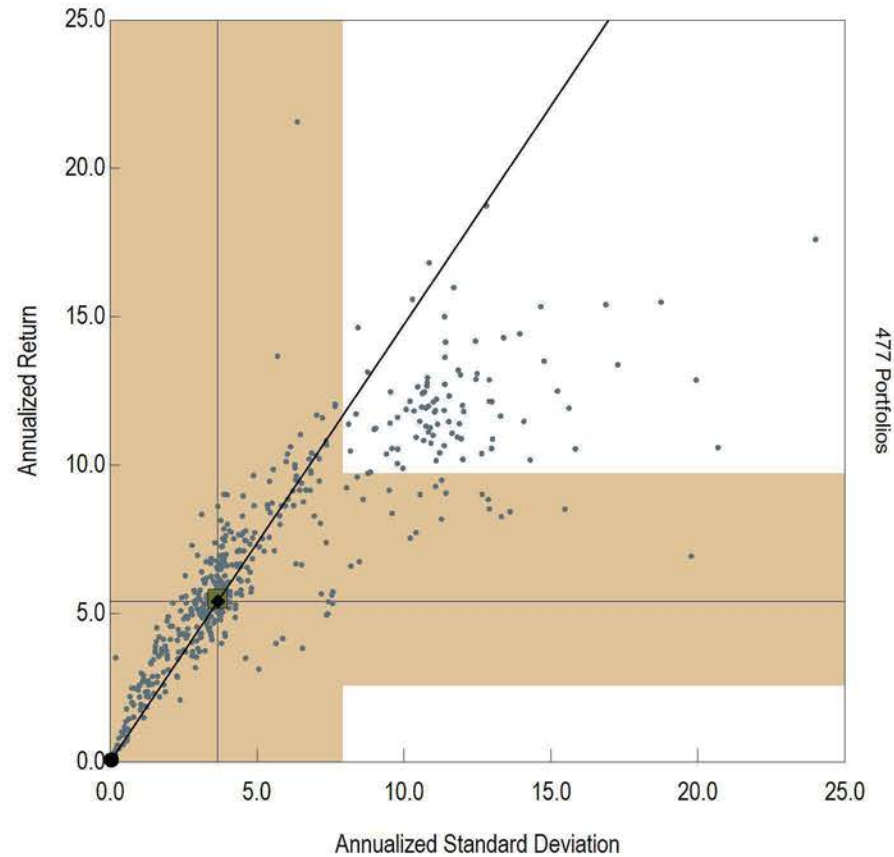
Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- BlackRock U.S. Debt Fund
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



- BlackRock U.S. Debt Fund
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

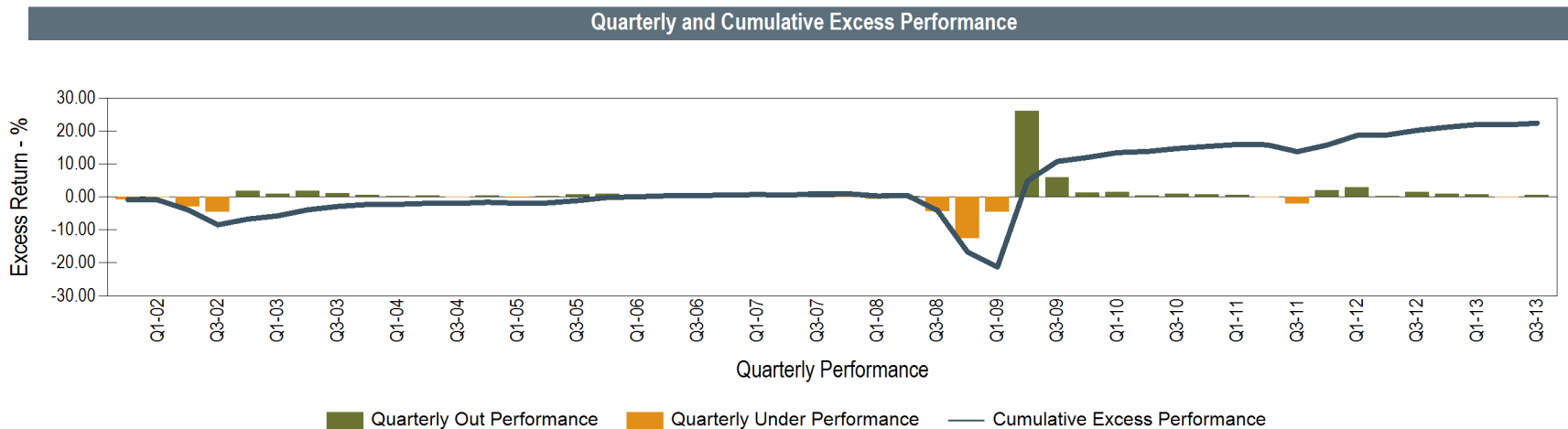
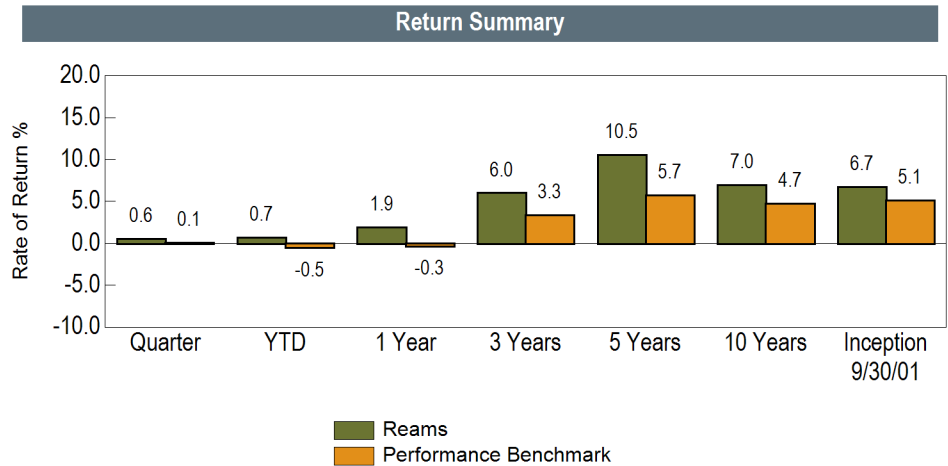
Manager Performance

Benchmark: Performance Benchmark

Reams' investment process revolves around the manager's ability to combine top-down macroeconomic portfolio positioning with bottom-up bond selection. The top-down interest rate positioning is somewhat contrarian in that the manager uses real interest rates to gauge when the market is expensive and when it is cheap, increasing duration when the market is cheap and decreasing duration when it is expensive.

The manager attempts to exploit its relatively small size and uncover issues not widely followed by Wall Street. The manager prefers to hold securities by underlying collateral. The firm tends to avoid residential mortgages in favor of commercial mortgages.

Account Information	
Account Name	Reams
Account Structure	Separate Account
Investment Style	Active
Inception Date	9/30/01
Account Type	U.S. Fixed Income
Benchmark	Performance Benchmark
Universe	eA All US Fixed Inc Net

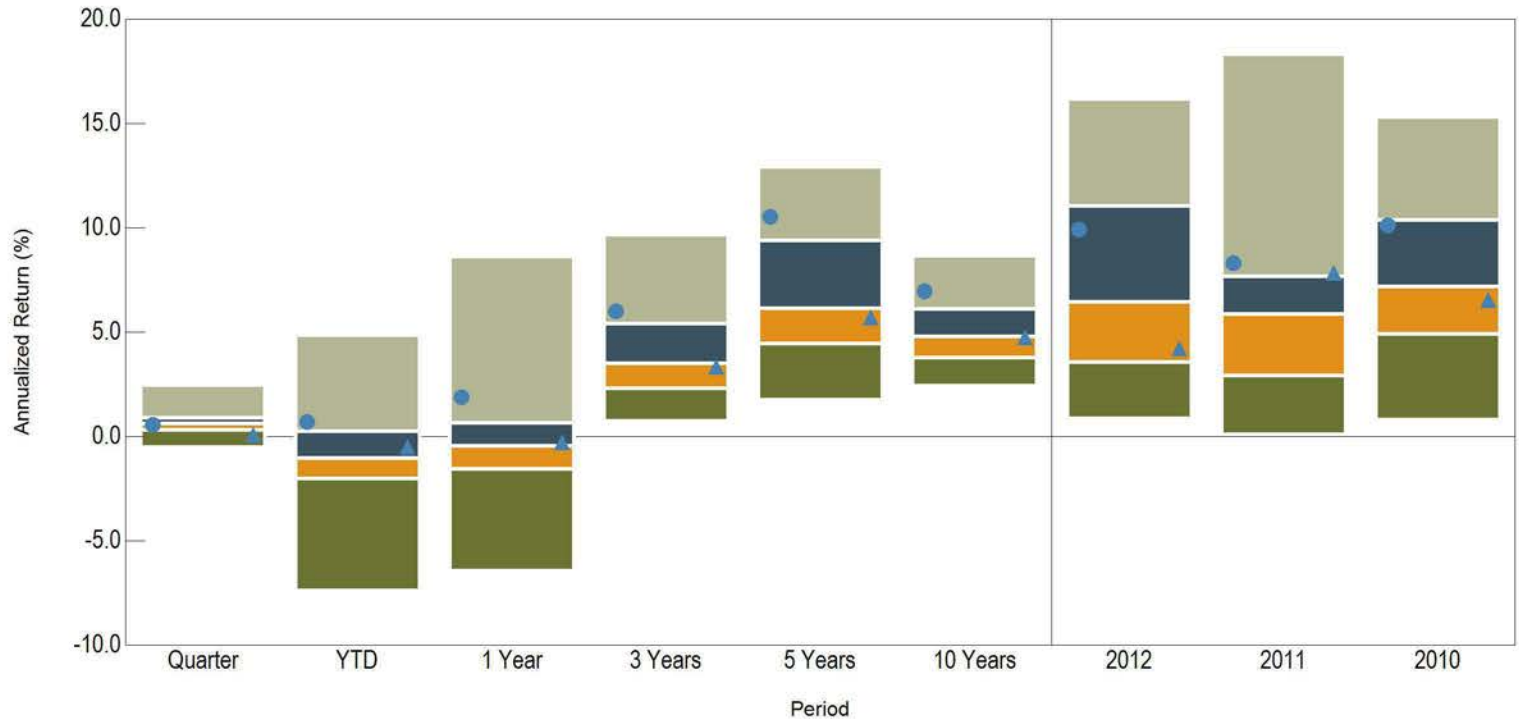


Universe Comparison

Benchmark: Performance Benchmark

Universe: eA All US Fixed Inc Net

Ending September 30, 2013



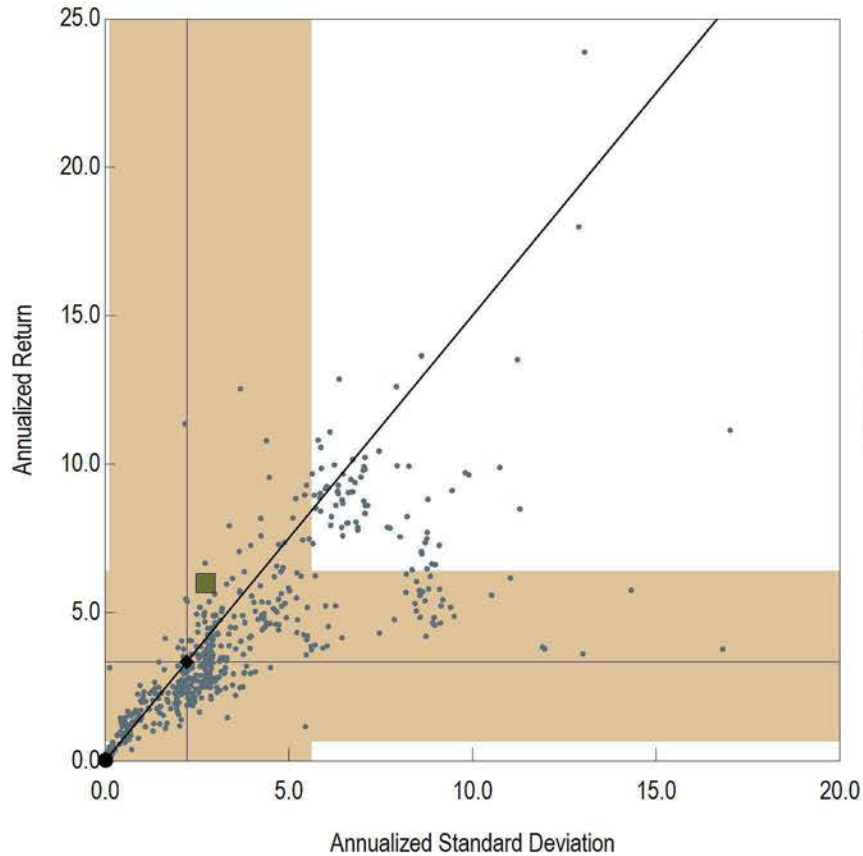
	Return (Rank)									
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	2012	2011	2010	
5th Percentile	2.4	4.8	8.6	9.7	12.9	8.7	16.1	18.3	15.3	
25th Percentile	0.9	0.3	0.7	5.4	9.4	6.1	11.1	7.7	10.4	
Median	0.6	-1.0	-0.4	3.5	6.2	4.8	6.5	5.9	7.2	
75th Percentile	0.3	-2.0	-1.5	2.3	4.5	3.8	3.6	2.9	4.9	
95th Percentile	-0.5	-7.4	-6.4	0.8	1.8	2.4	0.9	0.1	0.8	
# of Portfolios	594	590	590	527	477	363	555	483	425	
● Reams	0.6 (59)	0.7 (19)	1.9 (18)	6.0 (21)	10.5 (19)	7.0 (19)	9.9 (31)	8.3 (19)	10.1 (27)	
▲ Performance Benchmark	0.1 (88)	-0.5 (42)	-0.3 (49)	3.3 (54)	5.7 (57)	4.7 (52)	4.2 (70)	7.8 (24)	6.5 (59)	

Risk Profile

Benchmark: Performance Benchmark

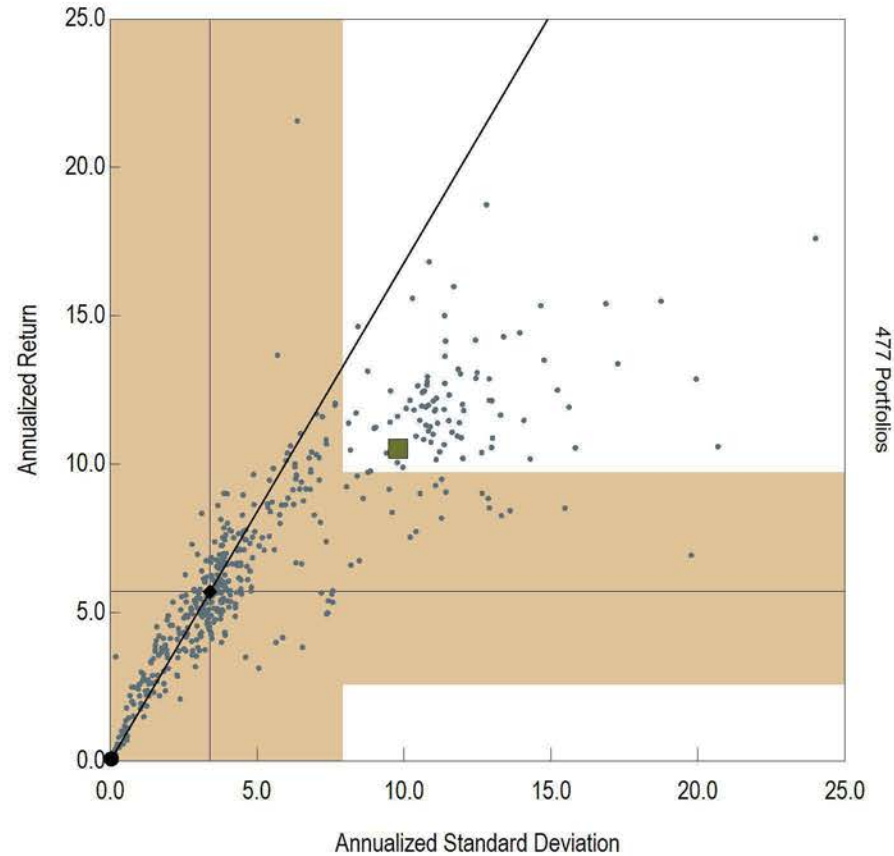
Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- Reams
- ◆ Performance Benchmark
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



- Reams
- ◆ Performance Benchmark
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

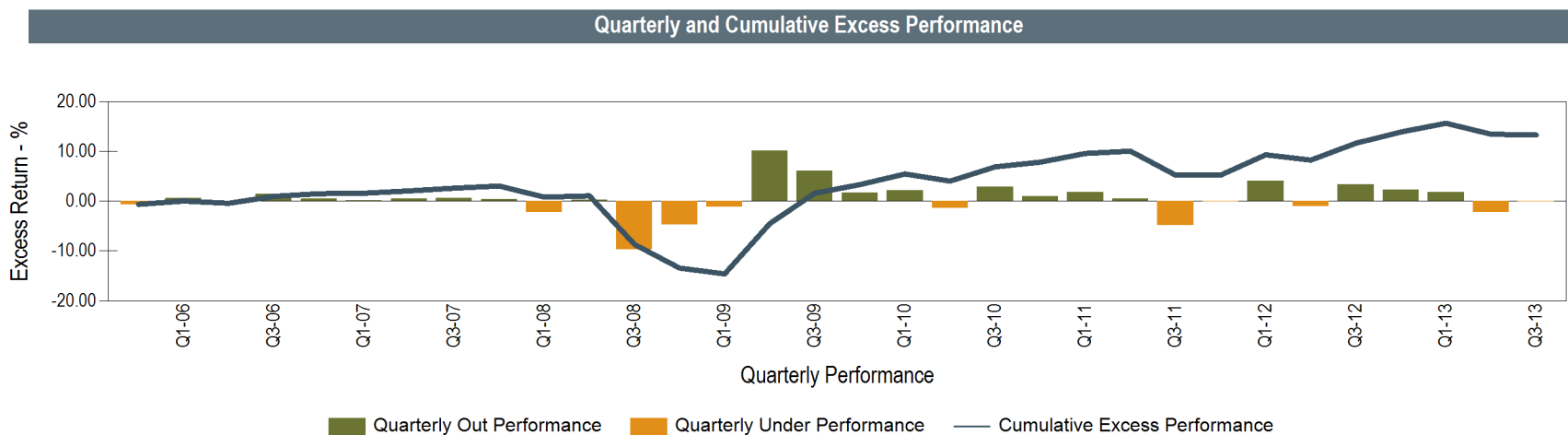
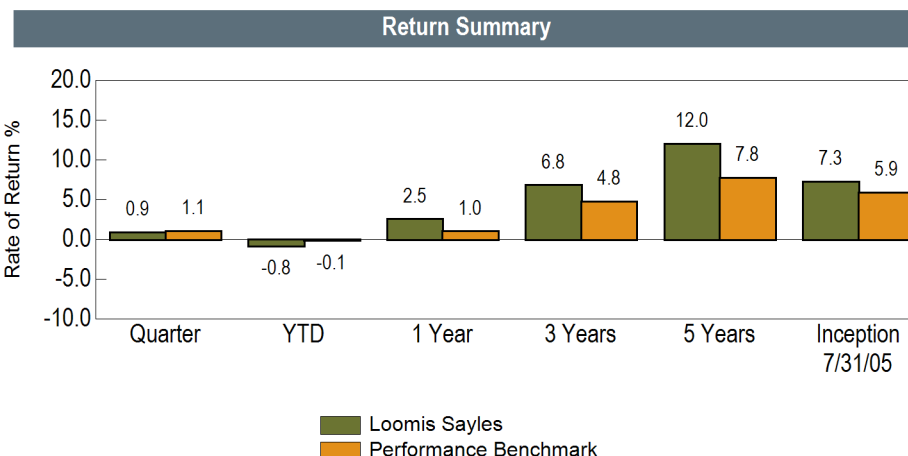
Manager Performance

Benchmark: Performance Benchmark

Loomis Sayles' fixed income philosophy is rooted in identifying undervalued securities through in-house credit research. Its philosophy emphasizes identifying issuers whose credit ratings appear likely to be upgraded or downgraded. The fixed income analysts use forward-looking analyses of cash flow, along with source and application of funds, to identify factors that may affect a debt issuer's future credit rating. Loomis Sayles believes that considerable value can be added by holding under-rated issues for which the firm has projected a credit upgrading.

Loomis typically allocates up to 40% of its assets to high yield securities and its portfolio's duration is significantly higher than that of the broad bond market. The manager also invests in convertible securities. The performance benchmark for the strategy is 60% Barclays Capital Aggregate Bond Index and 40% Barclays Capital High Yield Index.

Account Information	
Account Name	Loomis Sayles
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/31/05
Account Type	Global Fixed Income
Benchmark	Performance Benchmark
Universe	eA All US Fixed Inc Net

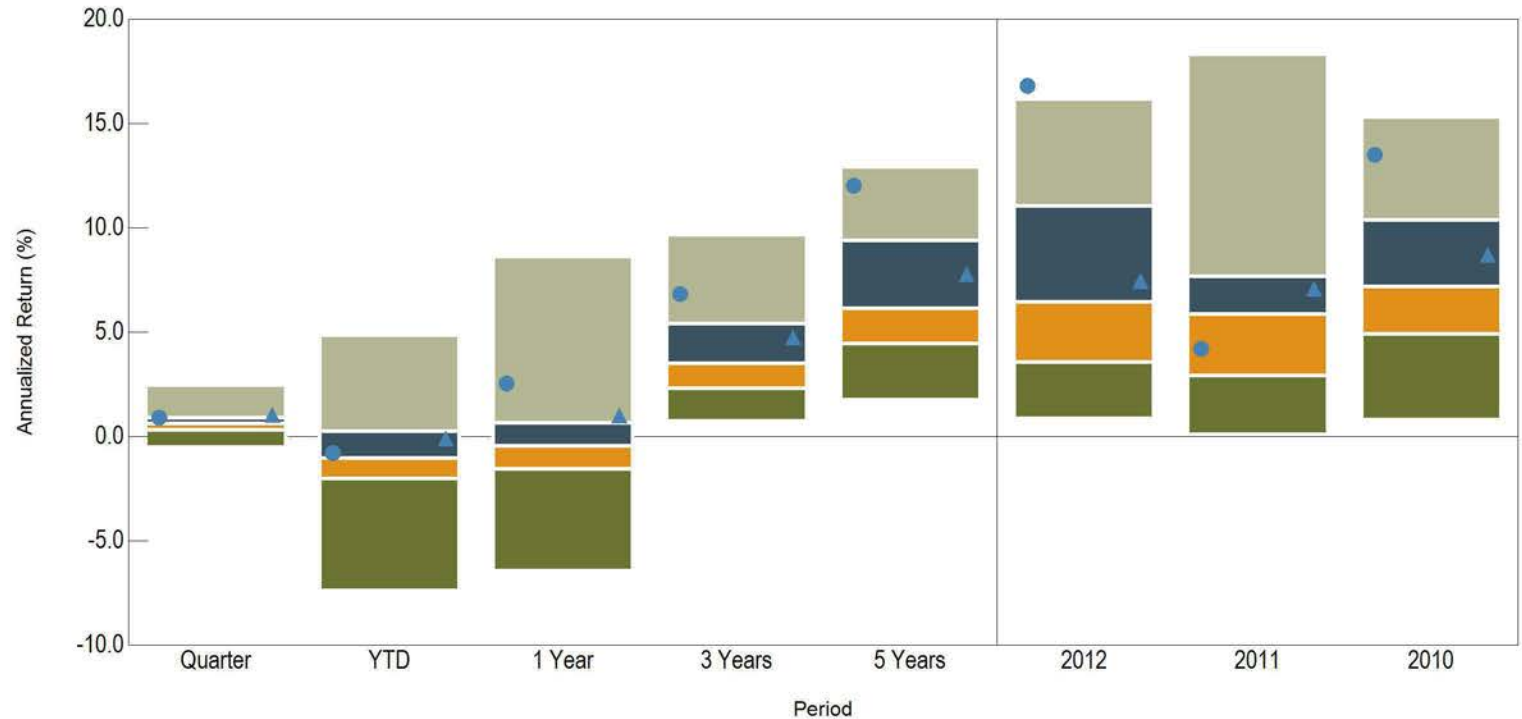


Universe Comparison

Benchmark: Performance Benchmark

Universe: eA All US Fixed Inc Net

Ending September 30, 2013



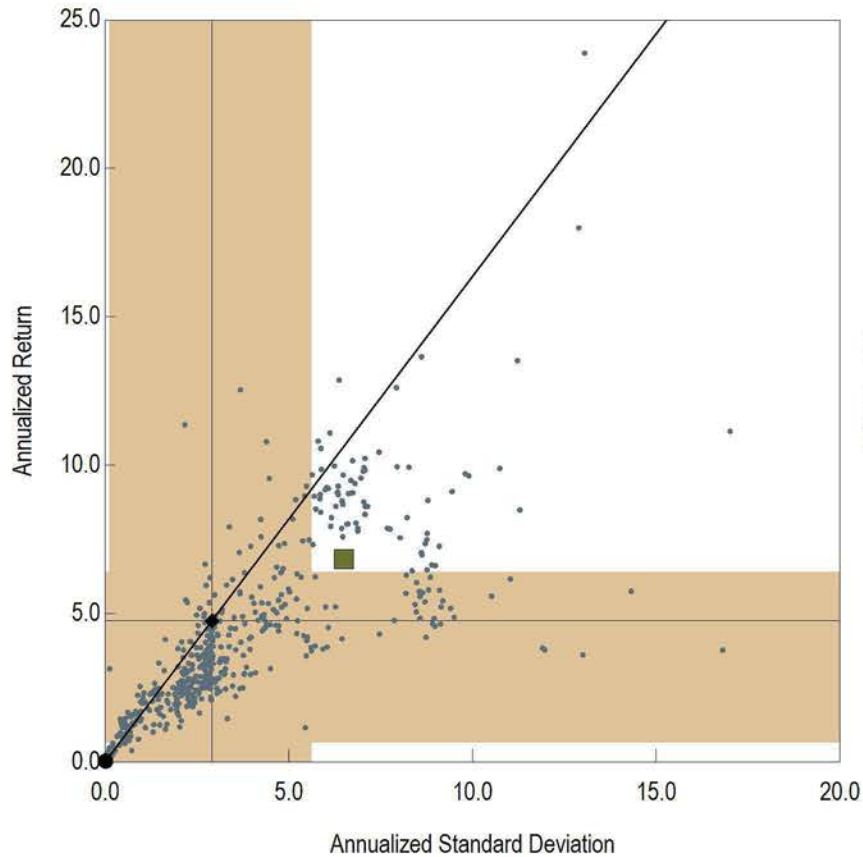
	Return (Rank)															
5th Percentile	2.4	4.8	8.6	9.7	12.9	16.1	18.3	15.3								
25th Percentile	0.9	0.3	0.7	5.4	9.4	11.1	7.7	10.4								
Median	0.6	-1.0	-0.4	3.5	6.2	6.5	5.9	7.2								
75th Percentile	0.3	-2.0	-1.5	2.3	4.5	3.6	2.9	4.9								
95th Percentile	-0.5	-7.4	-6.4	0.8	1.8	0.9	0.1	0.8								
# of Portfolios	594	590	590	527	477	555	483	425								
● Loomis Sayles	0.9	(27)	-0.8	(45)	2.5	(17)	6.8	(18)	12.0	(10)	16.8	(4)	4.2	(67)	13.5	(12)
▲ Performance Benchmark	1.1	(20)	-0.1	(36)	1.0	(22)	4.8	(33)	7.8	(35)	7.5	(42)	7.1	(35)	8.7	(34)

Risk Profile

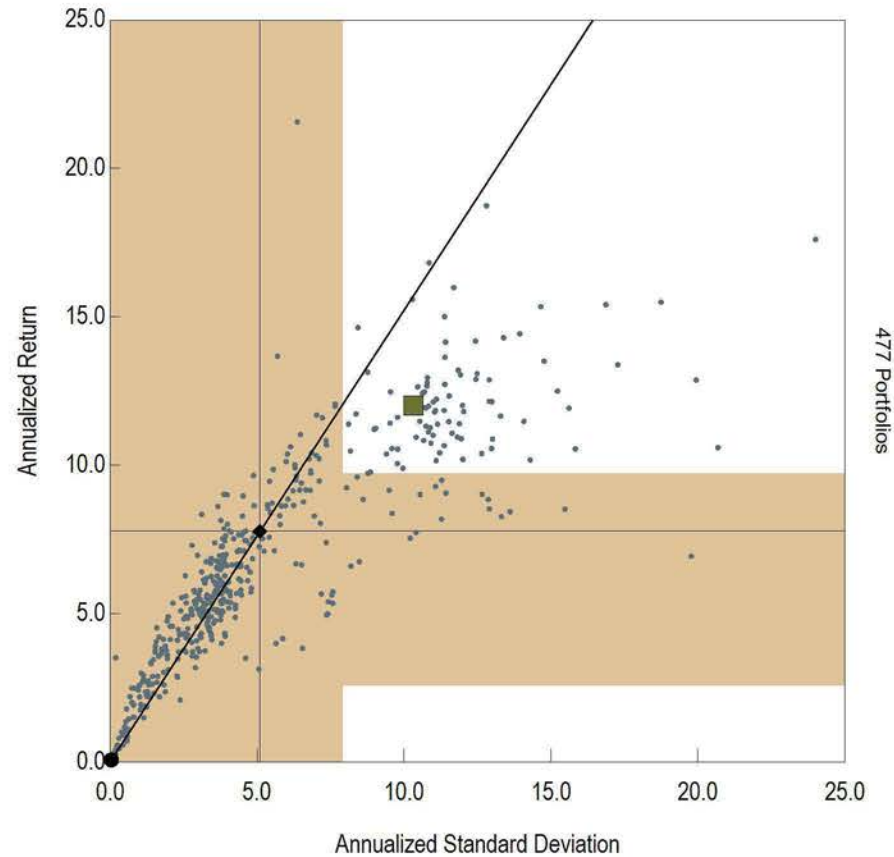
Benchmark: Performance Benchmark

Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



- Loomis Sayles
- ◆ Performance Benchmark
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

- Loomis Sayles
- ◆ Performance Benchmark
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

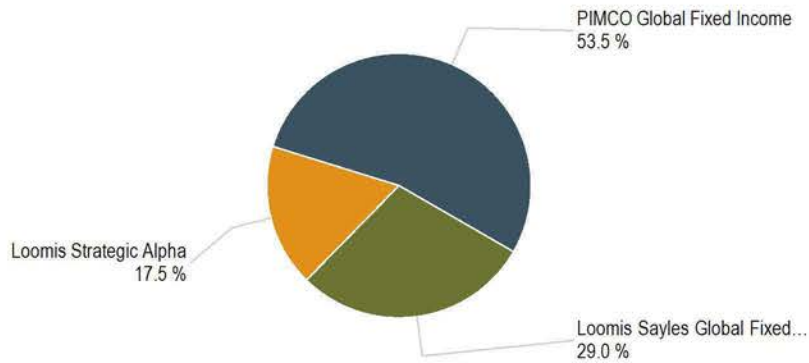


Total Global Fixed Income

Overview

Benchmark: Barclays Global Aggregate Bond Index

Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

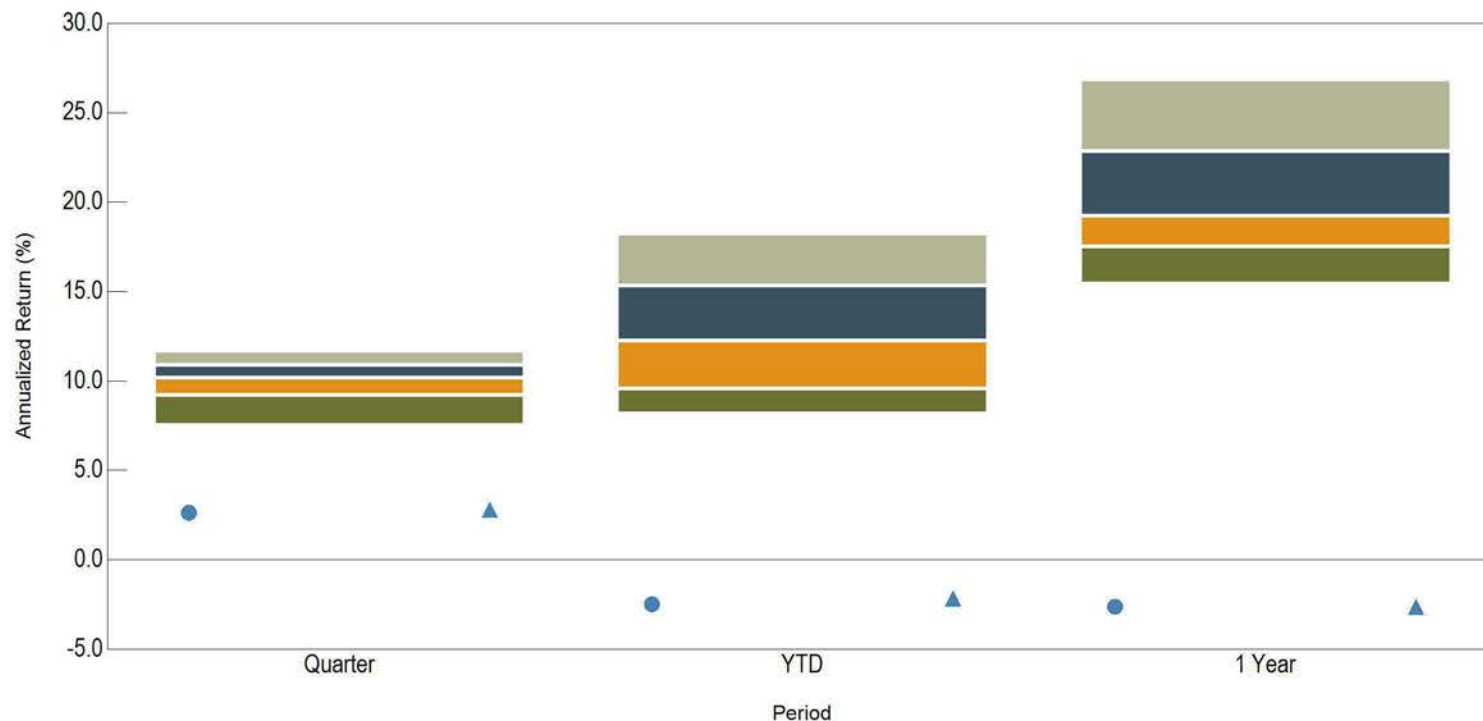


Universe Comparison

Benchmark: Barclays Global Aggregate Bond Index

Universe: Global xUS Fixed Income -Unhedged

Ending September 30, 2013



	Return (Rank)		Quarter		YTD		1 Year	
5th Percentile			11.7		18.2		26.9	
25th Percentile			10.9		15.3		22.9	
Median			10.2		12.3		19.2	
75th Percentile			9.2		9.6		17.5	
95th Percentile			7.6		8.2		15.5	
# of Portfolios			20		20		20	
● Total Global Fixed Income			2.6	(99)	-2.5	(99)	-2.6	(99)
▲ Barclays Global Aggregate Bond Index			2.8	(99)	-2.2	(99)	-2.6	(99)

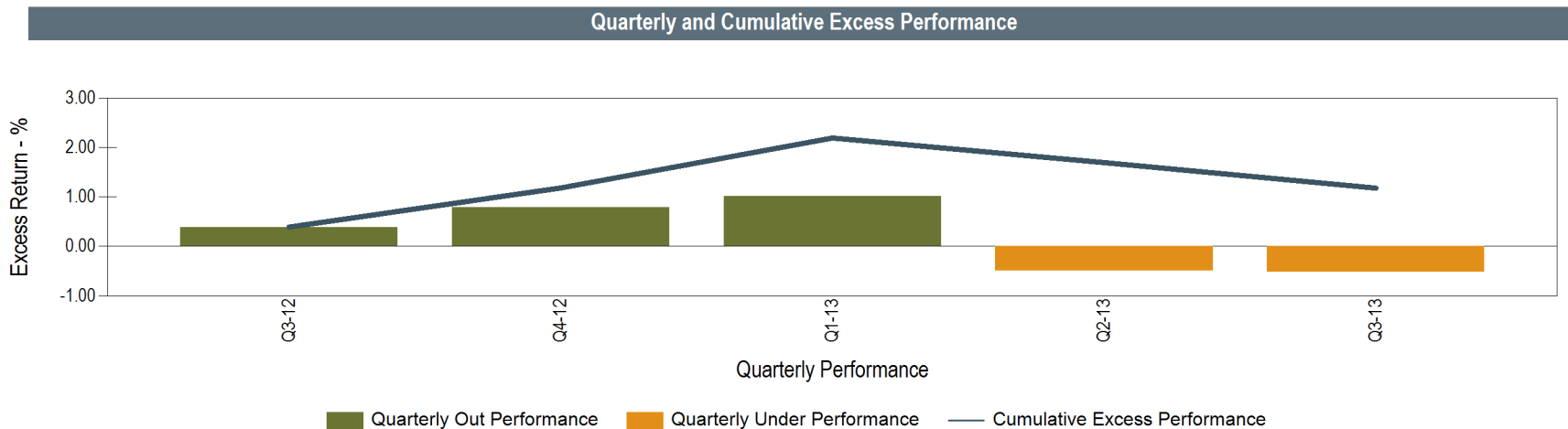
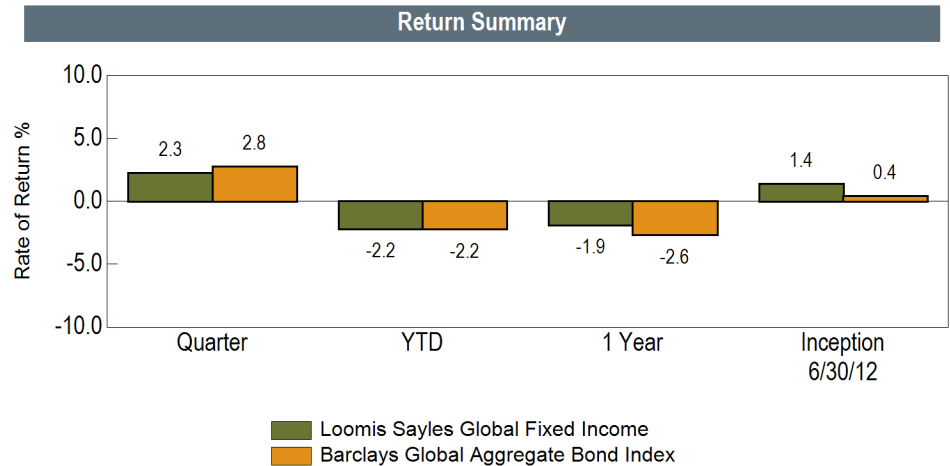
(This page left blank intentionally)

Manager Performance

Benchmark: Barclays Global Aggregate Bond Index

Loomis Sayles' fixed income philosophy is rooted in identifying undervalued securities through in-house credit research. Its philosophy emphasizes identifying issuers whose credit ratings appear likely to be upgraded or downgraded. The fixed income analysts use forward-looking analyses of cash flow, along with source and application of funds, to identify factors that may affect a debt issuer's future credit rating. Loomis Sayles believes that considerable value can be added by holding under-rated issues for which the firm has projected a credit upgrading.

Account Information	
Account Name	Loomis Sayles Global Fixed Income
Account Structure	Separate Account
Investment Style	Passive
Inception Date	6/30/12
Account Type	Global Fixed Income
Benchmark	Barclays Global Aggregate Bond Index
Universe	Global Fixed Income - Unhedged

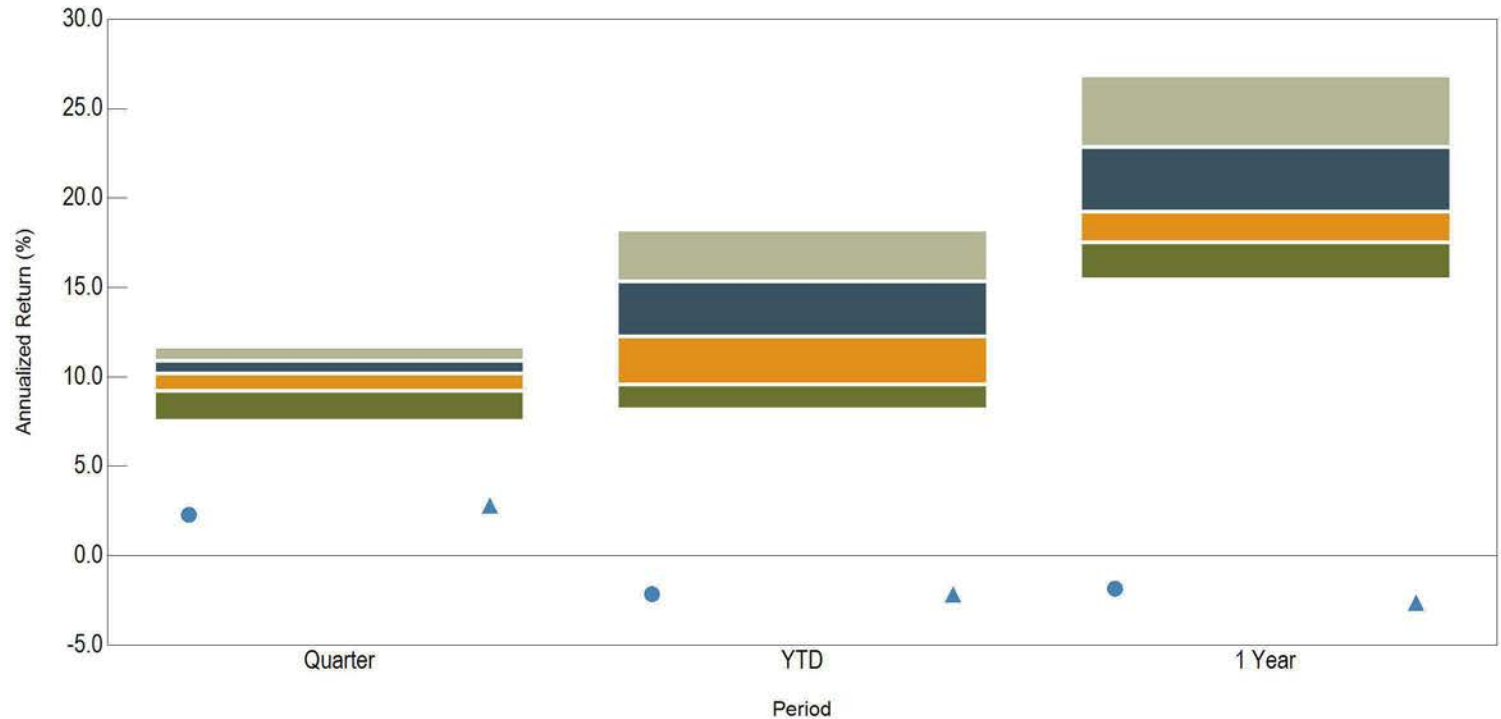


Universe Comparison

Benchmark: Barclays Global Aggregate Bond Index

Universe: Global Fixed Income - Unhedged

Ending September 30, 2013



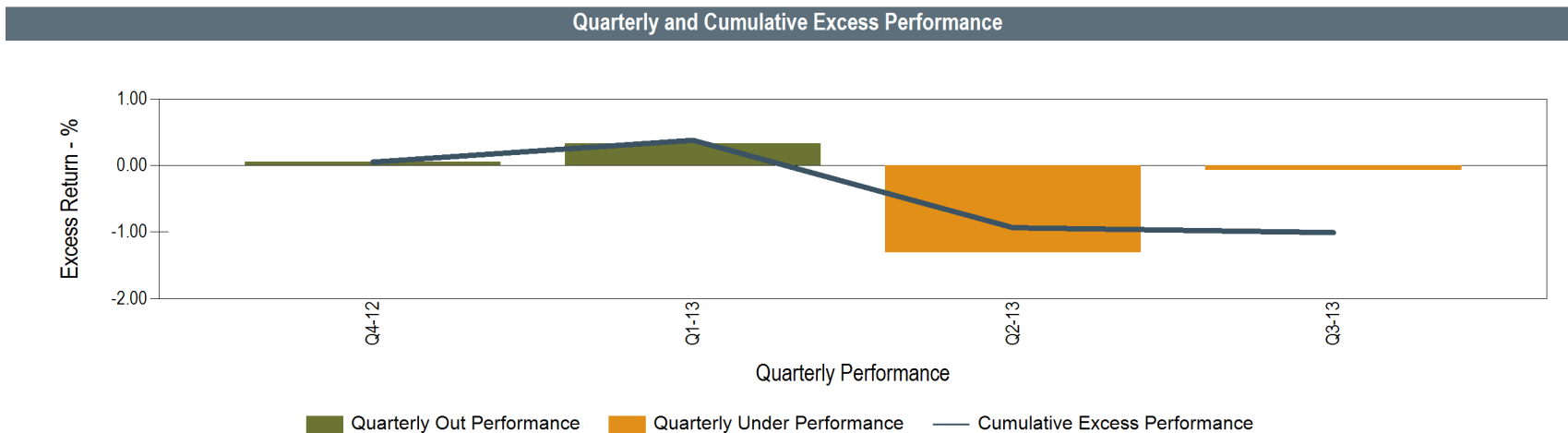
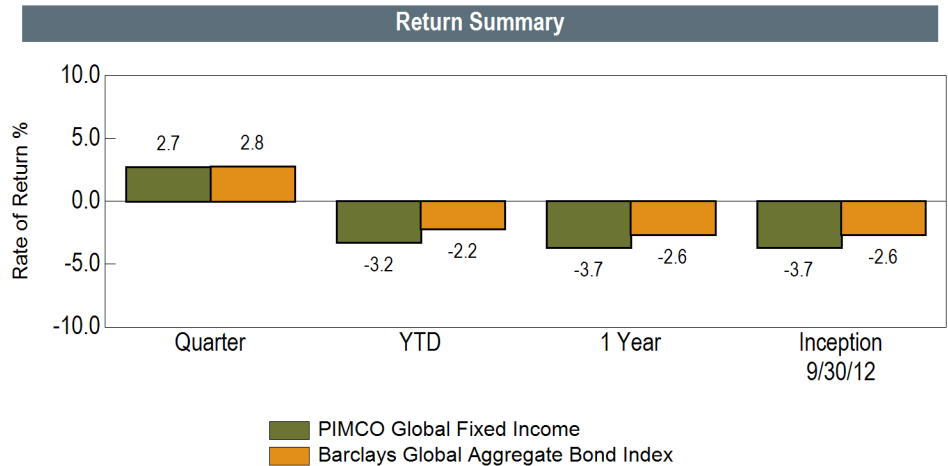
	Return (Rank)					
5th Percentile	11.7		18.2		26.9	
25th Percentile	10.9		15.3		22.9	
Median	10.2		12.3		19.2	
75th Percentile	9.2		9.6		17.5	
95th Percentile	7.6		8.2		15.5	
# of Portfolios	20		20		20	
● Loomis Sayles Global Fixed Income	2.3	(99)	-2.2	(99)	-1.9	(99)
▲ Barclays Global Aggregate Bond Index	2.8	(99)	-2.2	(99)	-2.6	(99)

Manager Performance

Benchmark: Barclays Global Aggregate Bond Index

PIMCO's Global strategy offers portfolios usually comprised of intermediate duration global fixed income securities, primarily from investment grade issuers in developed countries, denominated in major global currencies. PIMCO employs both strategic and tactical interest rate, currency, and sector exposures relative to the benchmark. Sector specialists are charged with determining relative value within their sectors and play a key role in security selection. An important resource for the sector specialists is PIMCO's team of global credit analysts who conduct independent security analysis. PIMCO also utilizes a library of proprietary analytical software to help quantify risks and relative value in different securities. Investment decisions are based on the anticipated performance of the securities given the firm's global interest rate and volatility forecasts, their credit worthiness, and liquidity. Current holdings are constantly re-evaluated for their relative attractiveness versus investments available in the marketplace.

Account Information	
Account Name	PIMCO Global Fixed Income
Account Structure	Mutual Fund
Investment Style	Passive
Inception Date	9/30/12
Account Type	Global Fixed Income
Benchmark	Barclays Global Aggregate Bond Index
Universe	Global Fixed Income - Unhedged

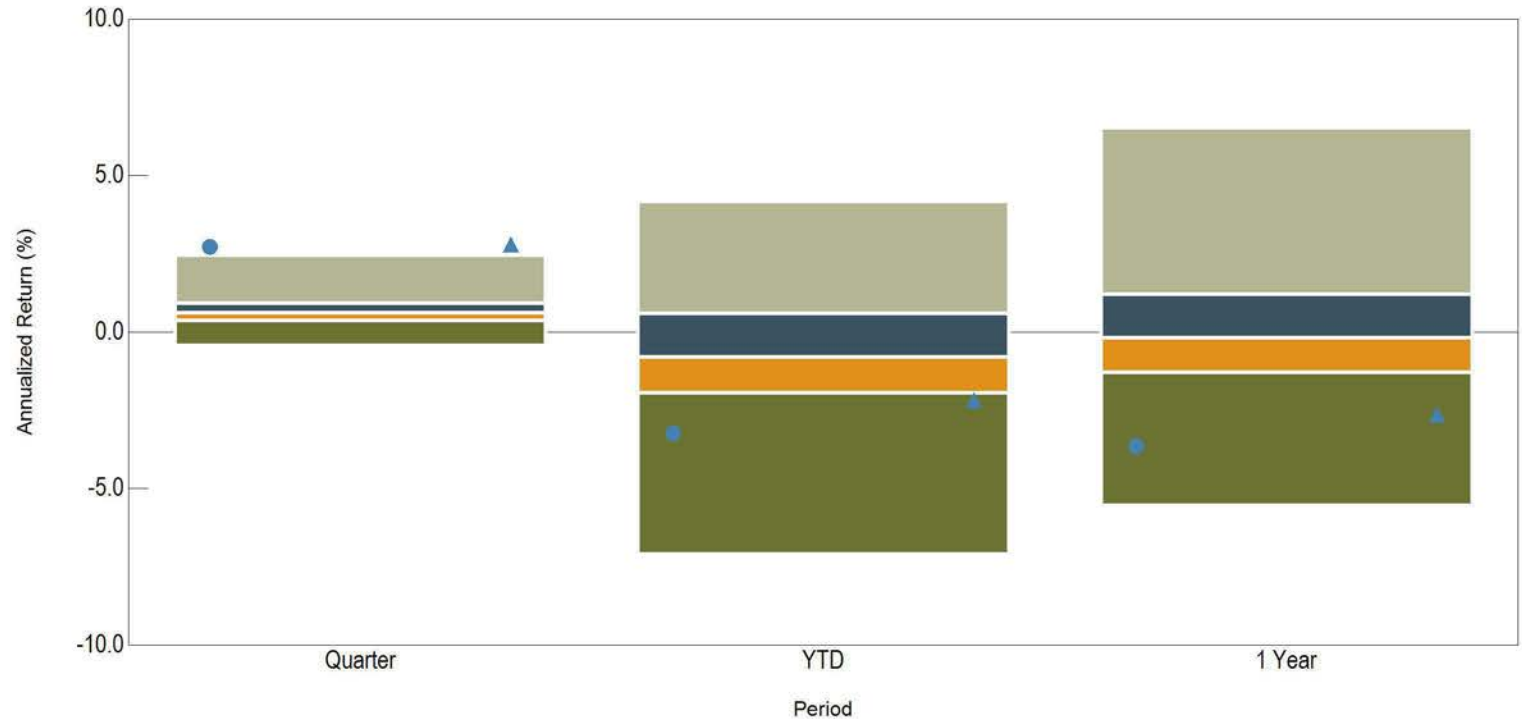


Universe Comparison

Benchmark: Barclays Global Aggregate Bond Index

Universe: Global Fixed Income - Unhedged

Ending September 30, 2013



	Return (Rank)		Quarter		YTD		1 Year	
5th Percentile			2.5		4.2		6.5	
25th Percentile			0.9		0.6		1.2	
Median			0.6		-0.8		-0.2	
75th Percentile			0.4		-1.9		-1.3	
95th Percentile			-0.4		-7.1		-5.5	
# of Portfolios			1,833		1,812		1,792	
● PIMCO Global Fixed Income			2.7	(3)	-3.2	(88)	-3.7	(92)
▲ Barclays Global Aggregate Bond Index			2.8	(3)	-2.2	(80)	-2.6	(90)

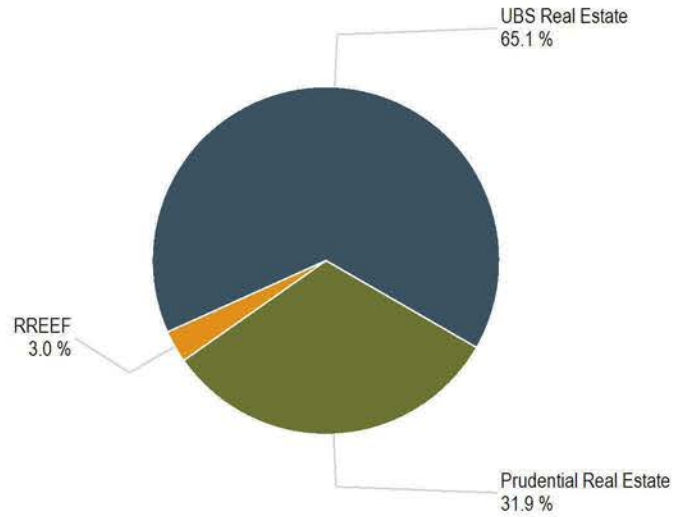


Total Real Estate

Overview

Benchmark: Policy Benchmark

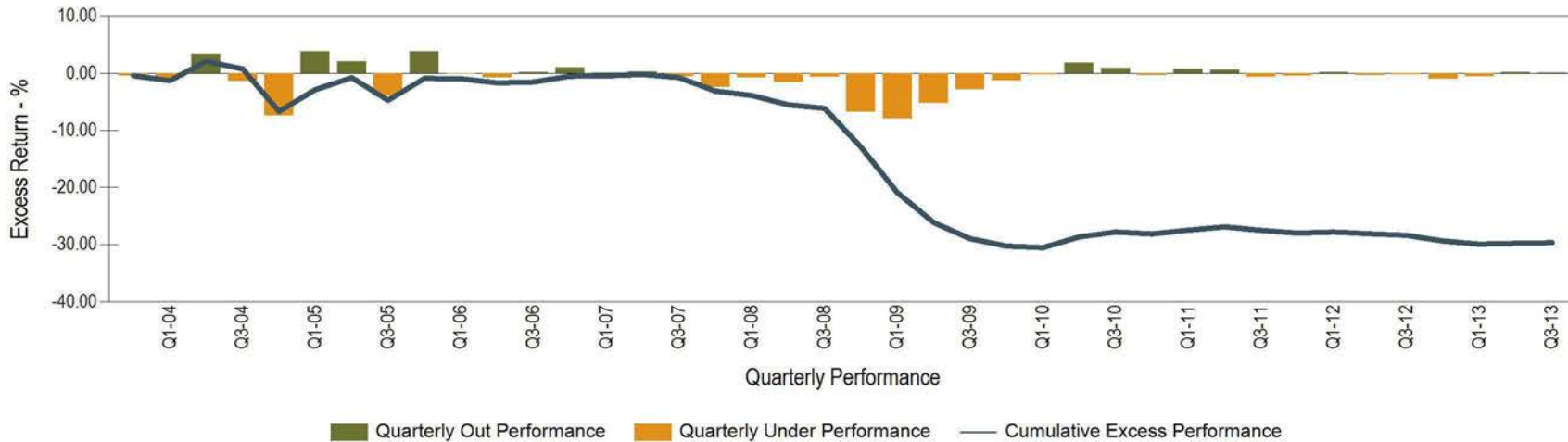
Current Allocation



Return Summary



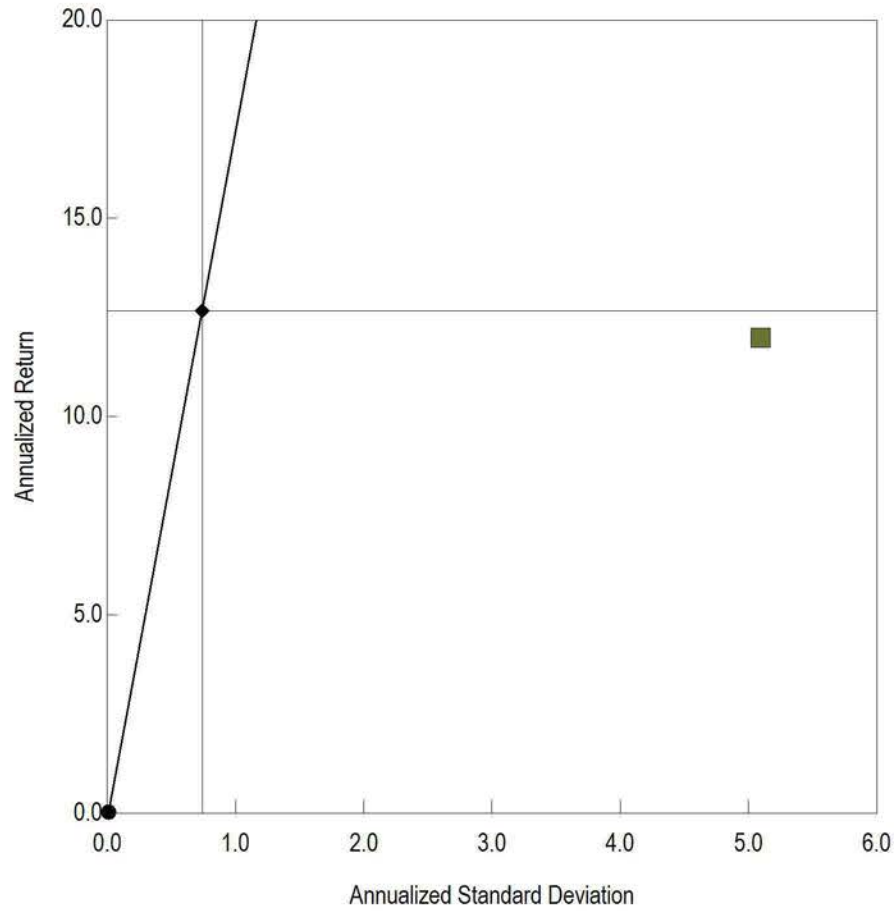
Quarterly and Cumulative Excess Performance



Risk Profile

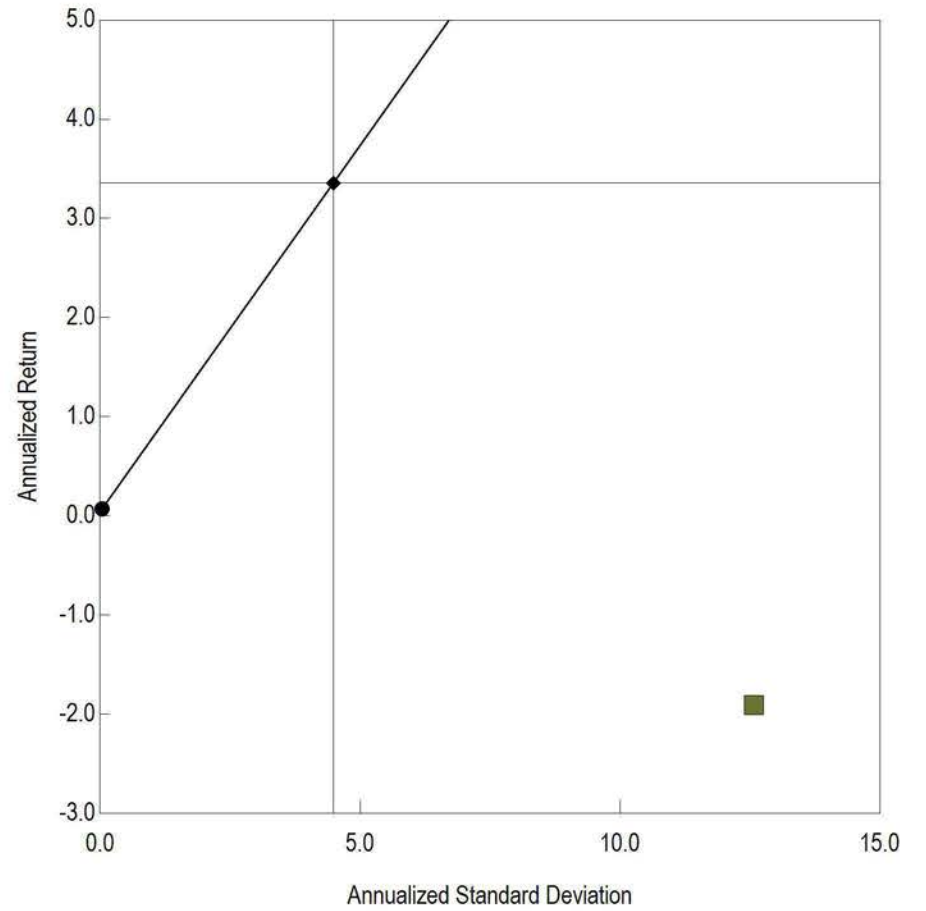
Benchmark: Policy Benchmark

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- Total Real Estate
- ◆ Policy Benchmark
- Risk Free

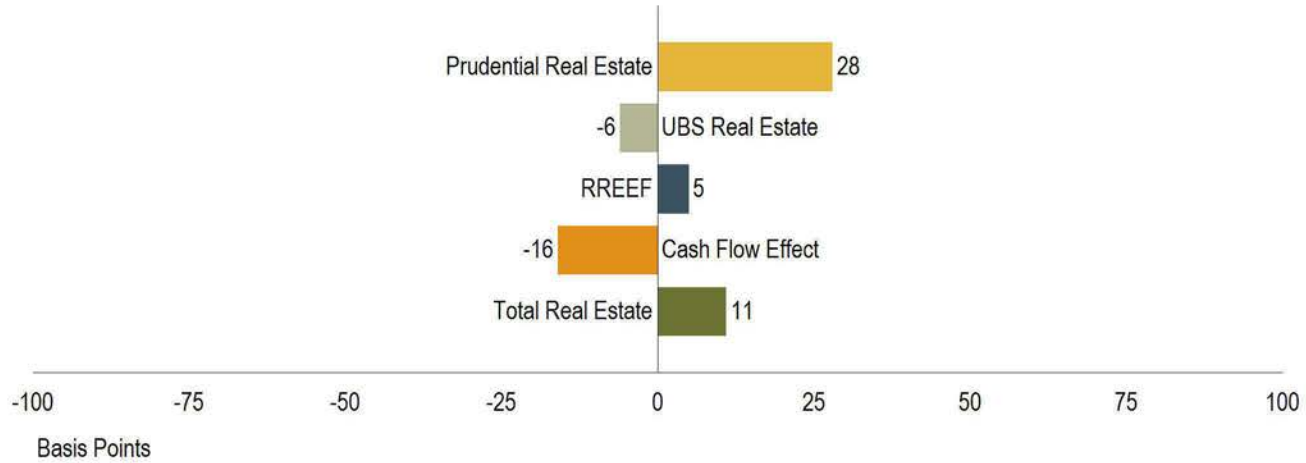
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



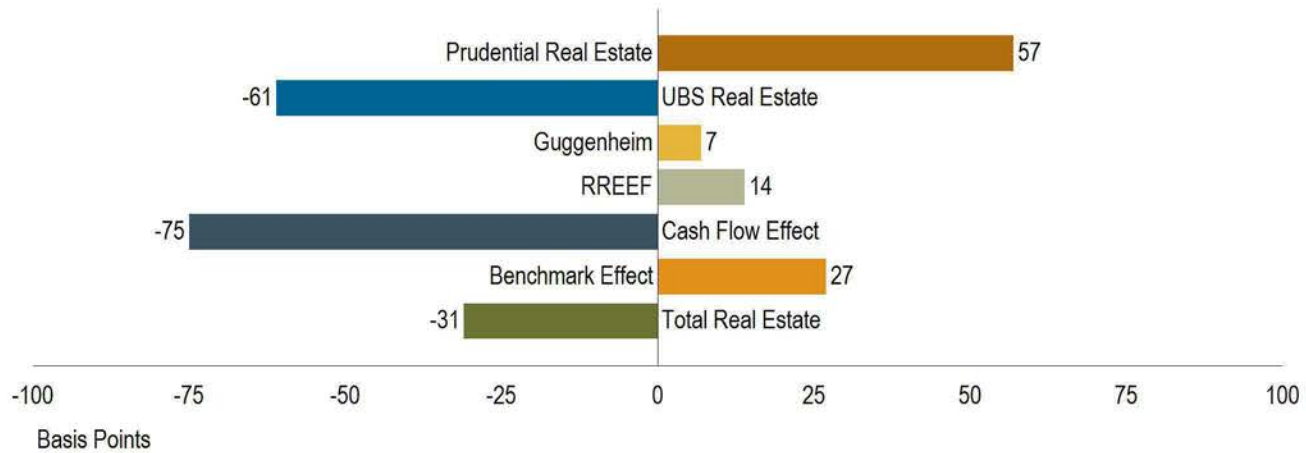
- Total Real Estate
- ◆ Policy Benchmark
- Risk Free

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/13**



**MANAGER ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/13**

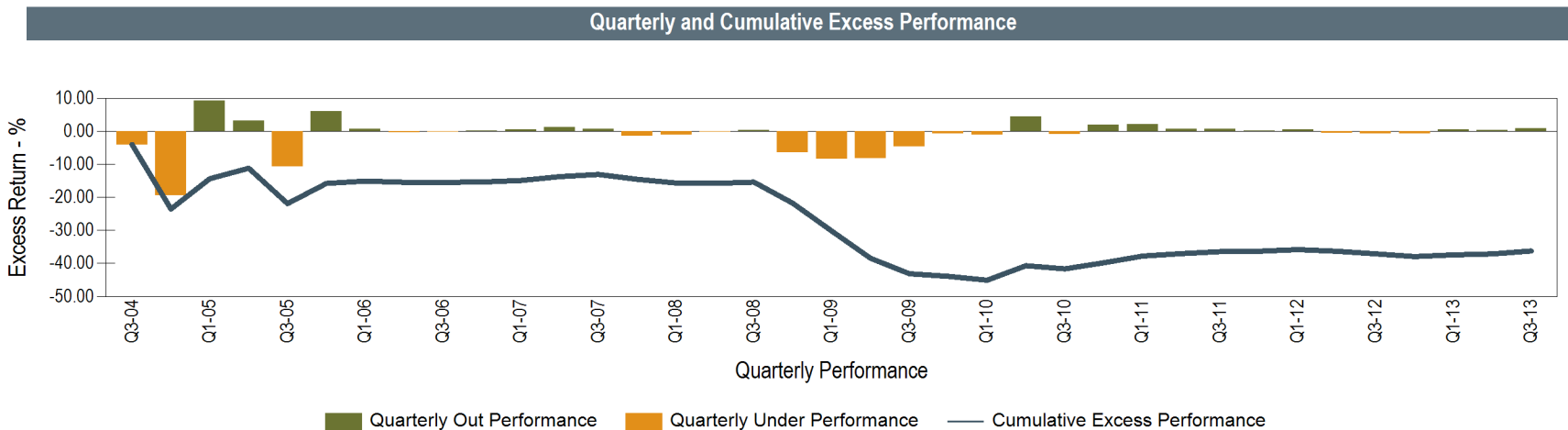
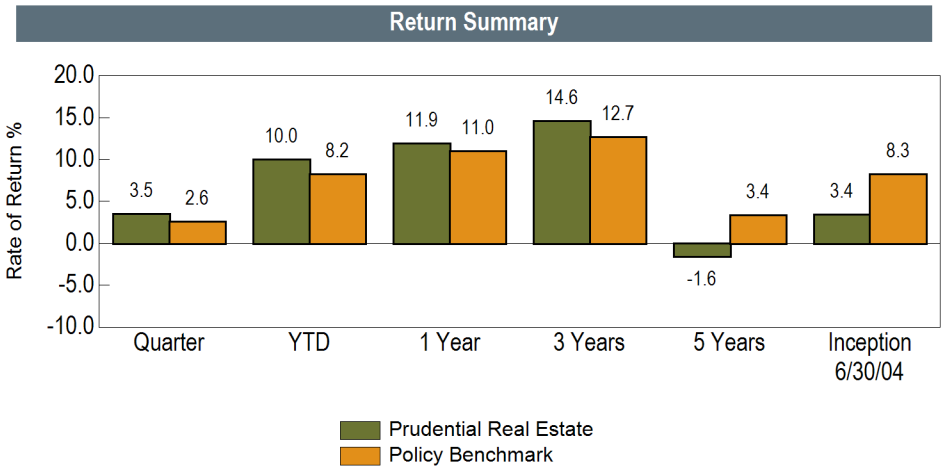


Manager Performance

Benchmark: Policy Benchmark

Prudential's PRISA is a core-only product with no value-added component. The manager utilizes low leverage (max 30%) and is diversified across both property types and regions. PRISA has a dedicated team of 15 regional research professionals who work on the portfolio. In constructing the PRISA portfolio, the lead portfolio manager annually develops a forward-looking three-year forecast. The forecast is based on macroeconomic predictions, along with input from the manager's proprietary software systems. The transaction team utilizes this forward-looking forecast in its search for potential properties.

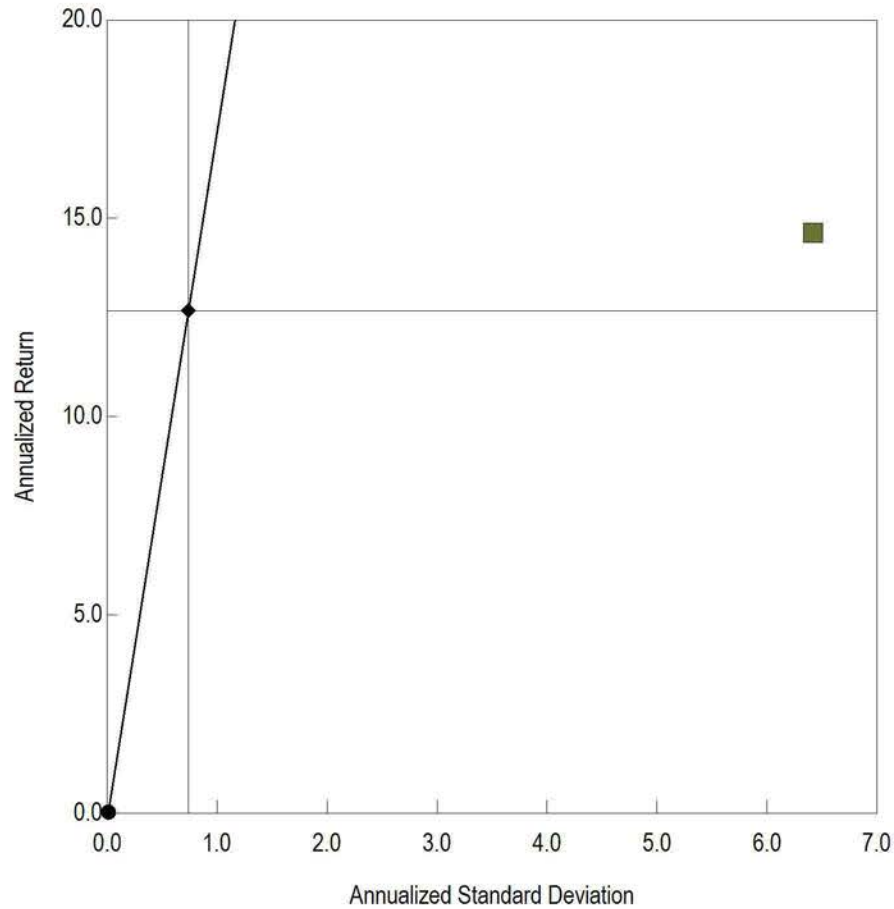
Account Information	
Account Name	Prudential Real Estate
Account Structure	Other
Investment Style	Active
Inception Date	6/30/04
Account Type	Real Estate
Benchmark	Policy Benchmark
Universe	eA US REIT Net



Risk Profile

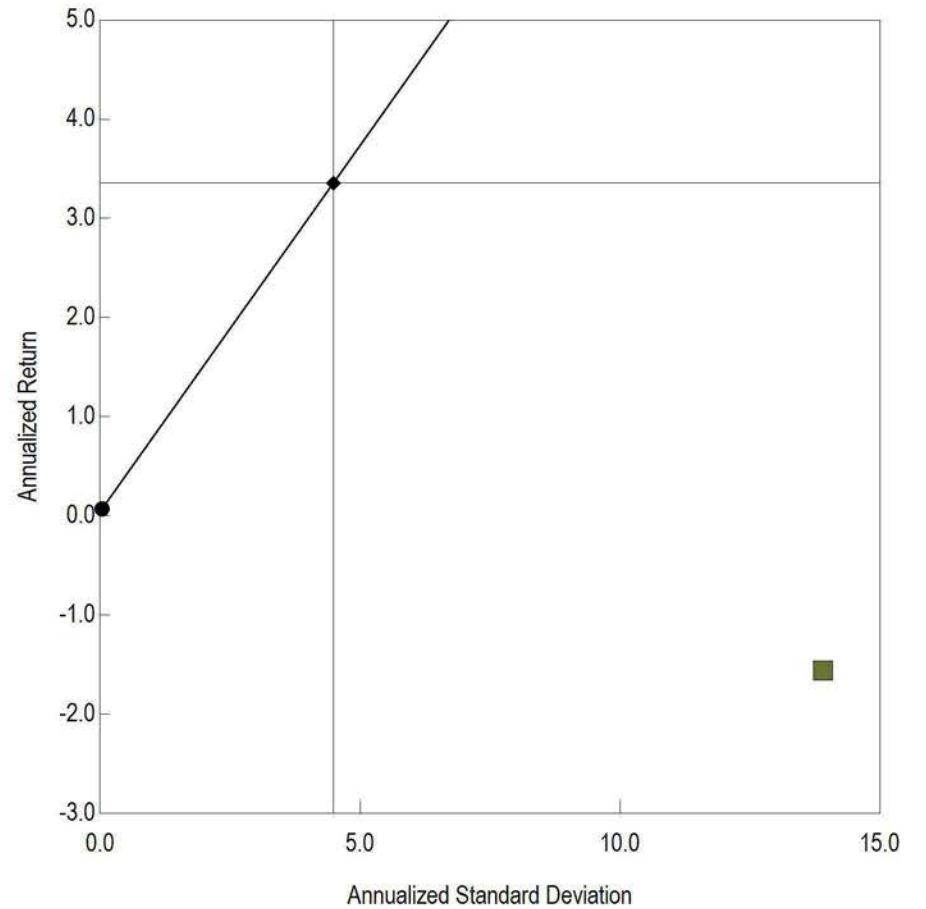
Benchmark: Policy Benchmark

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- Prudential Real Estate
- ◆ Policy Benchmark
- Risk Free

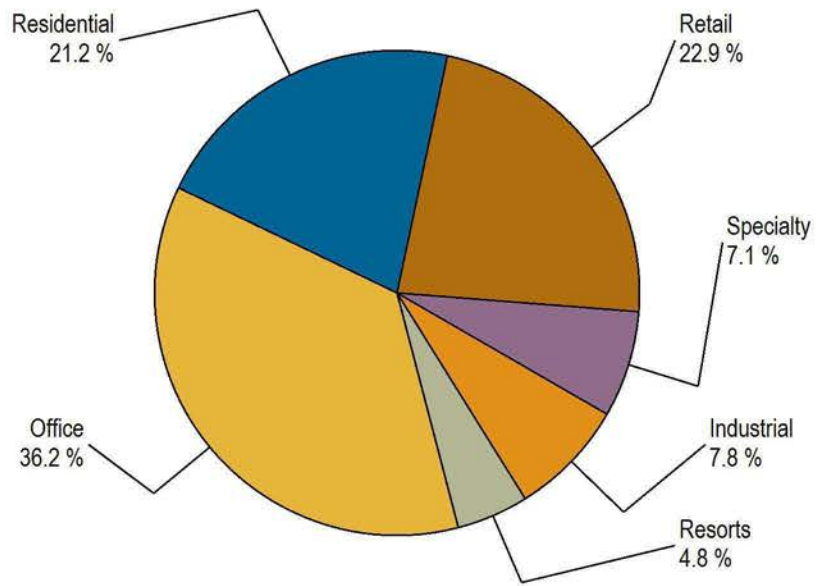
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



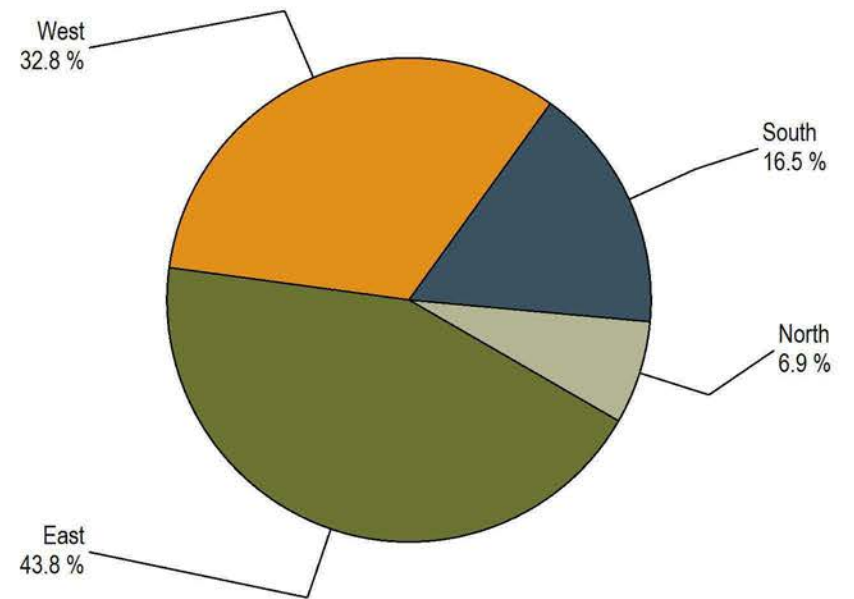
- Prudential Real Estate
- ◆ Policy Benchmark
- Risk Free

Manager Analysis

Property Type Allocation



Geographic Diversification

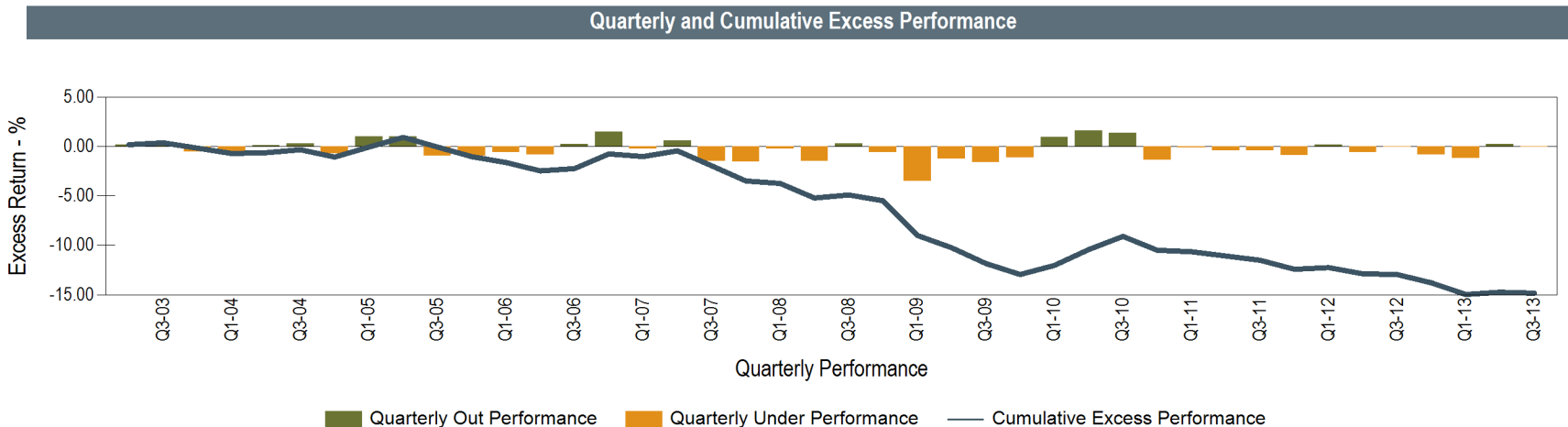
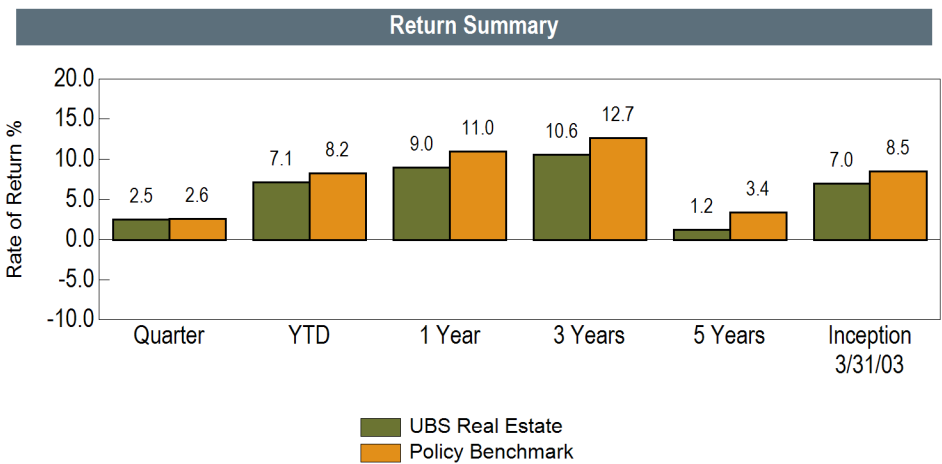


Manager Performance

Benchmark: Policy Benchmark

The UBS Trumbull Property (formerly RESA) team views the Fund's strategy as an enhanced index strategy. They measure the sector allocations of the high-quality institutional real estate universe and use those as a base for the Fund. The Fund will use extensive research to make small bets on sectors relative to the base allocations. The investment process for the portfolio is very analytic and research intensive. The investment team relies on multiple proprietary pricing and asset allocation models which analyze different property types in over 25 national markets. The UBS Realty Strategy Team, which is composed of the senior-most professionals from the different areas of UBS Realty, works on an ongoing basis with the research department to continually modify the proprietary modeling systems.

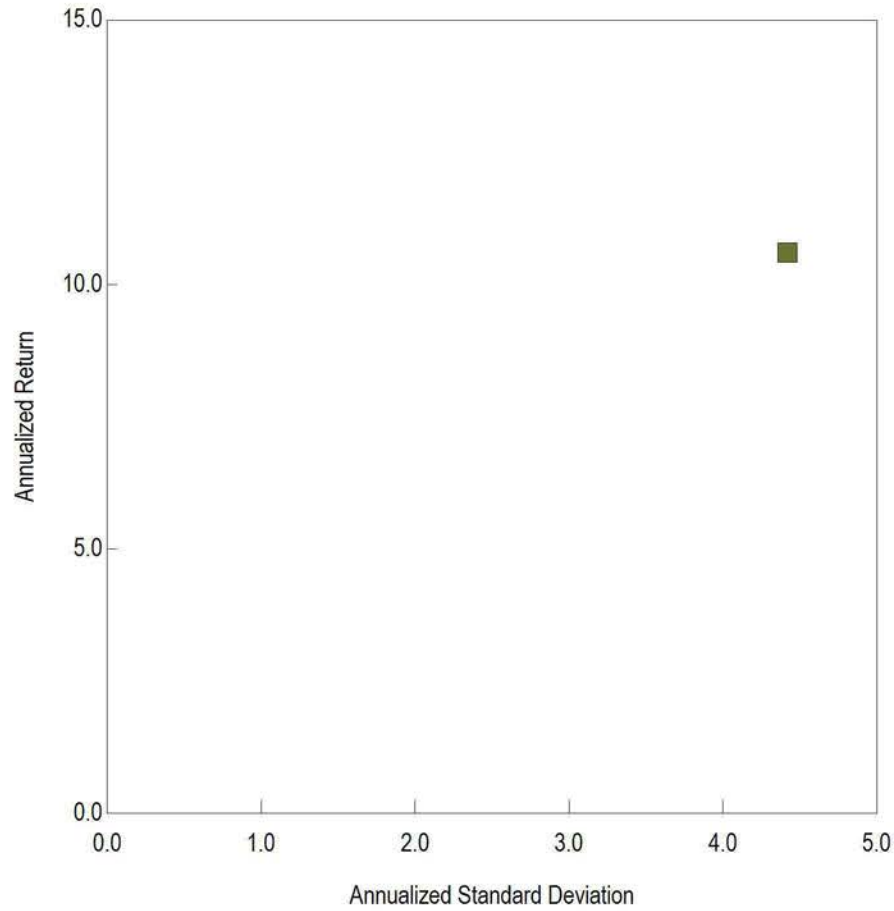
Account Information	
Account Name	UBS Real Estate
Account Structure	Other
Investment Style	Active
Inception Date	3/31/03
Account Type	Real Estate
Benchmark	Policy Benchmark
Universe	eA US REIT Net



Risk Profile

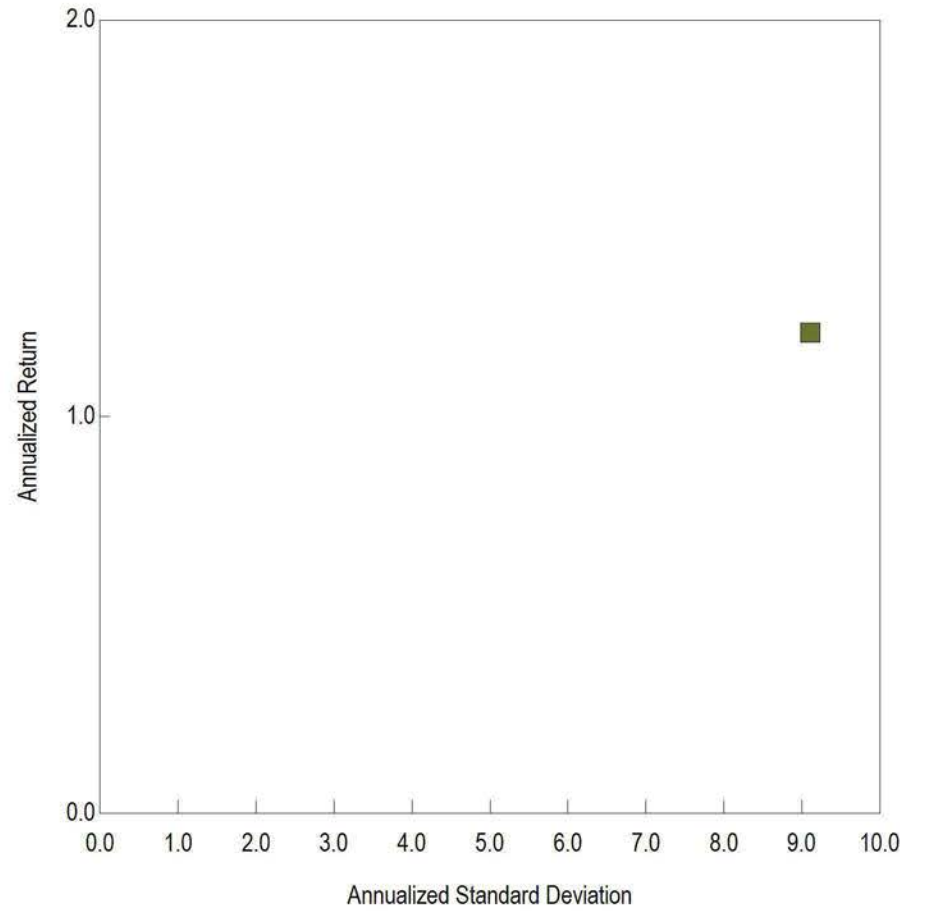
Benchmark: Policy Benchmark

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- UBS Real Estate
- ◆ NCREIF Open End Fund Index
- Risk Free

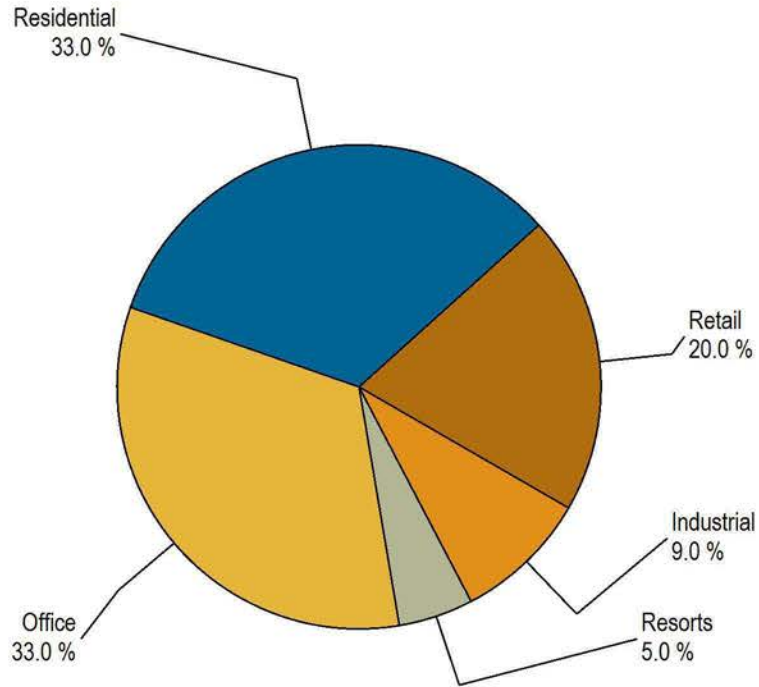
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



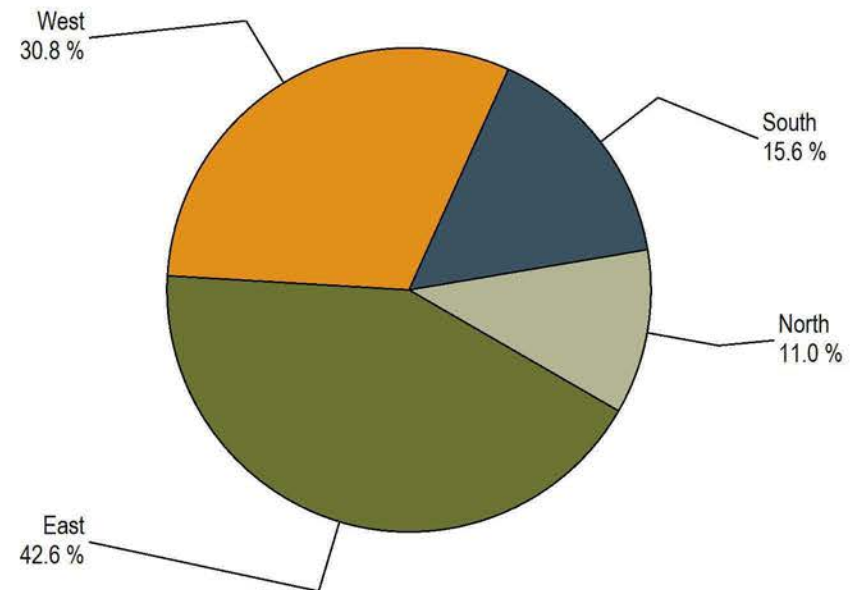
- UBS Real Estate
- ◆ NCREIF Open End Fund Index
- Risk Free

Manager Analysis

Property Type Allocation



Geographic Diversification



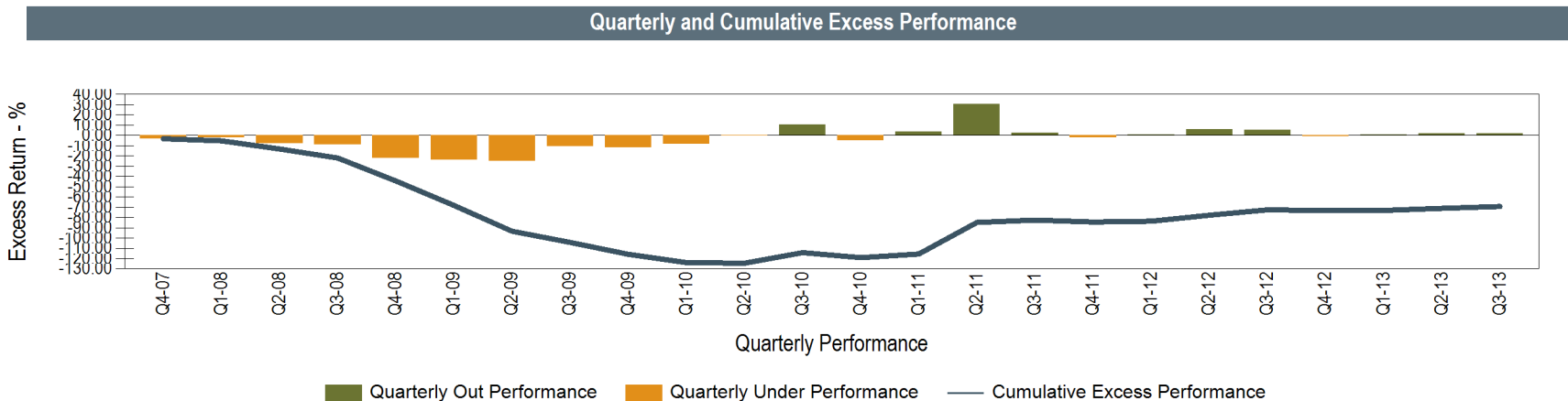
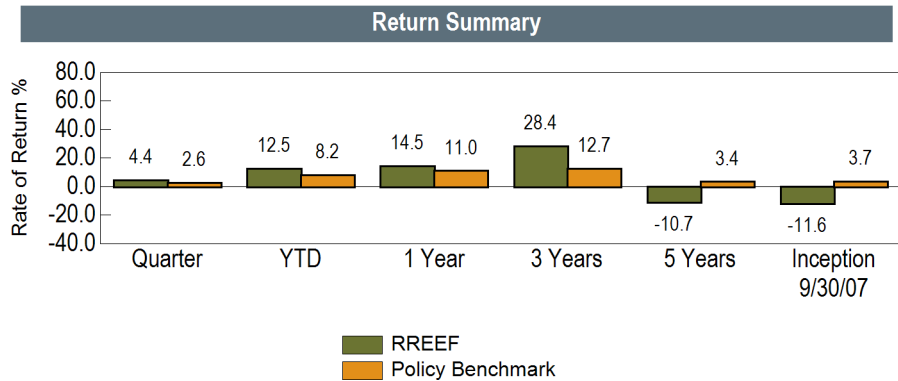
Manager Performance

Benchmark: Policy Benchmark

RREEF employs 600+ real estate investment professionals in 115 offices located in every major metropolitan market nationwide. RREEF America III (RA III) is a \$600 million open-end private REIT that pursues value-added investment opportunities in the U.S. The RREEF research process, dubbed the Market Profile Process, is led by Asieh Mansour, Ph. D and is roughly 65% bottom up asset-specific fundamental research and 25% top down market and demographic research. The remainder focuses on the investment performance of real estate in both public market and private market settings. This process is executed by the 17 members of the full-time research staff.

RA III has a target total fund size of \$1-2 billion, which RA III management expects to reach over a five year period. RREEF expects RA III to produce more than one-half of its total return from realized and unrealized gains resulting from the improvements it makes in the fund's assets. RA III investments will include income-producing properties, properties requiring re-positioning, and speculative development. The fund is scheduled to have a 15-year life and will commence an orderly liquidation of assets on January 22, 2016. RA III shareholders and the Board of Directors are considering a proposal to extend product life. As a REIT, oversight of RA III is maintained by an independent board that approves: the investment plan, dispositions, financing, and quarterly valuations.

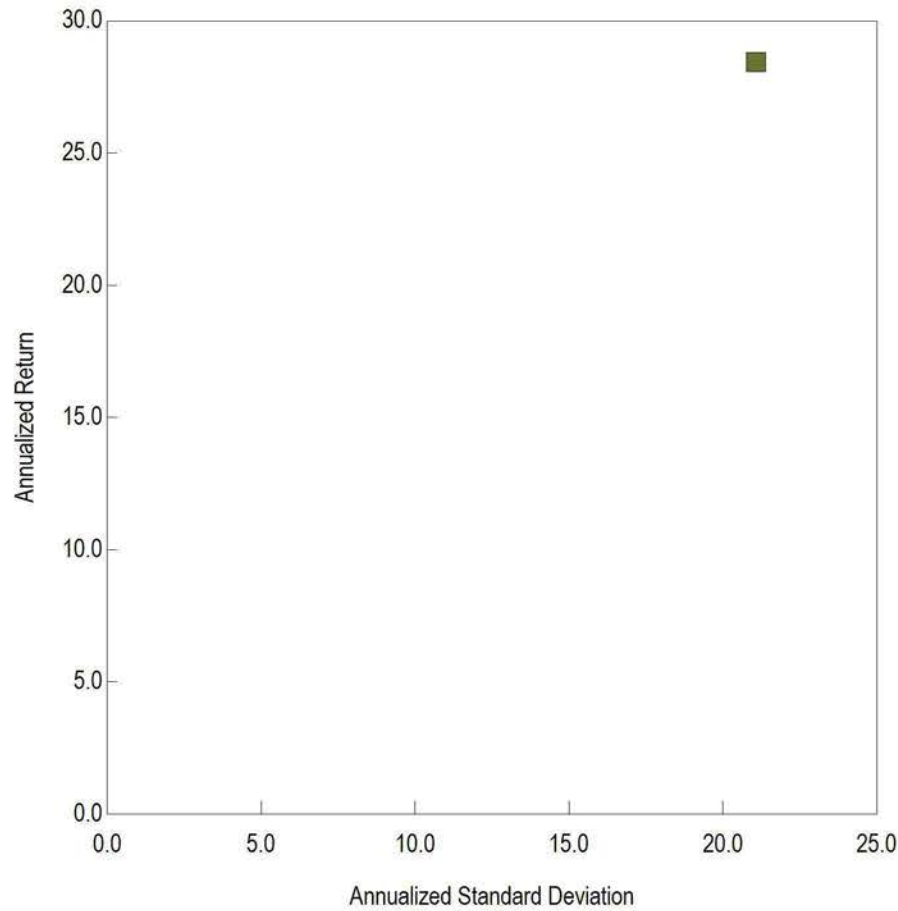
Account Information	
Account Name	RREEF
Account Structure	Other
Investment Style	Active
Inception Date	9/30/07
Account Type	Real Estate
Benchmark	Policy Benchmark
Universe	eA US REIT Net



Risk Profile

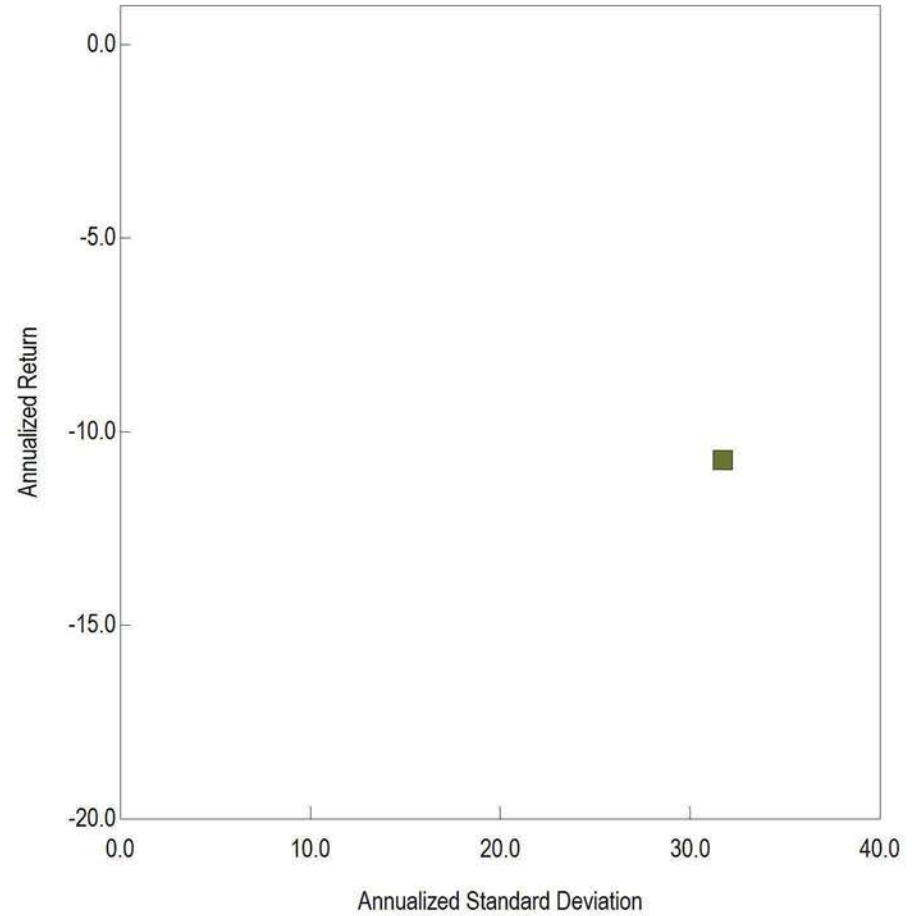
Benchmark: Policy Benchmark

Annualized Return vs. Annualized Standard Deviation
3 Years Ending September 30, 2013



- RREEF
- ◆ NCREIF Open End Fund Index
- Risk Free

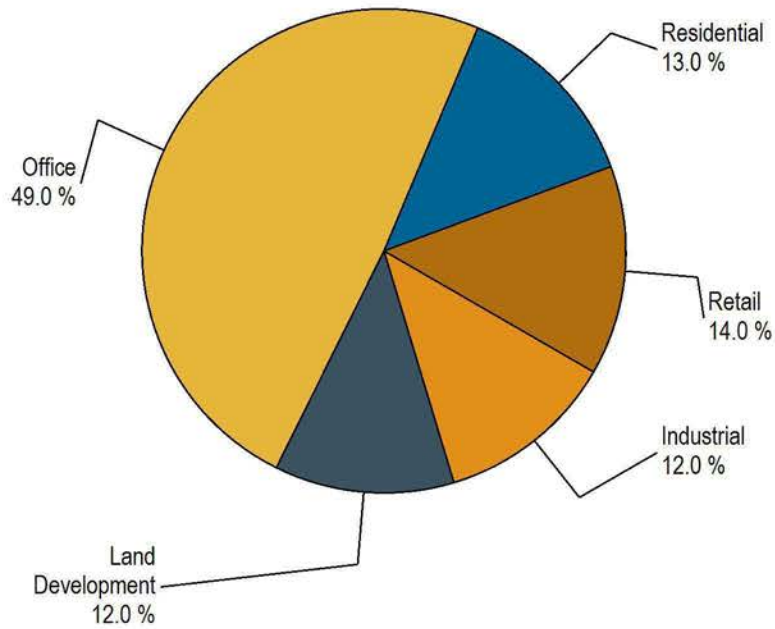
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2013



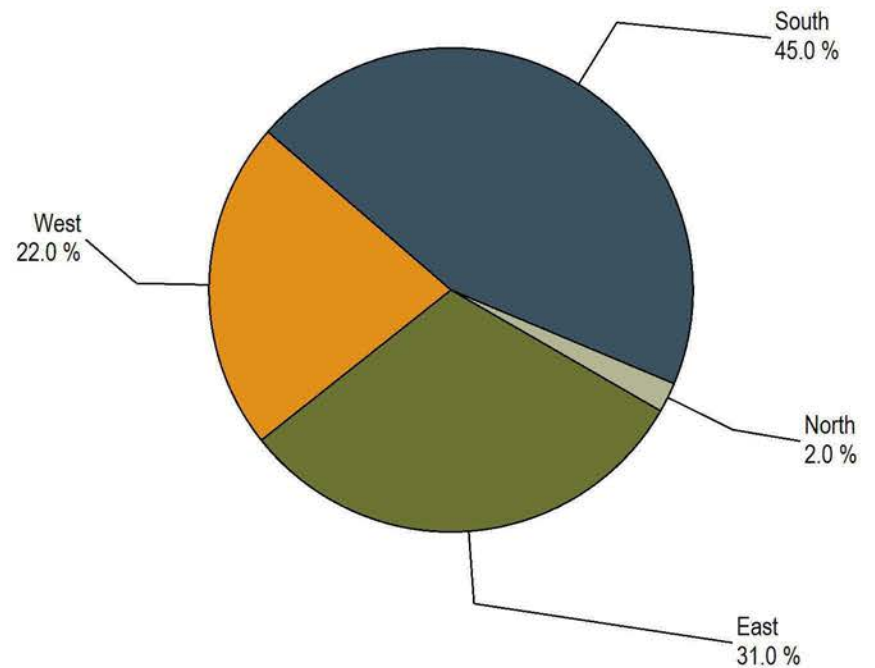
- RREEF
- ◆ NCREIF Open End Fund Index
- Risk Free

Manager Analysis

Property Type Allocation



Geographic Diversification



(This page left blank intentionally)



Total Private Equity

Overview

Adams Street Partnership

	As of 9/30/2013
Inception Date	May 2010
Capital Committed	\$85.0 million
Capital Called	\$31.86 million
Distributions	\$4.19 million
Carrying Values	\$36.05 million
Fee %	1.00%
Fee	\$850,000
Net IRR Since Inception	13.2%

Pantheon Ventures

	As of 9/30/2013
Inception Date	January 2010
Capital Committed	\$15.0 million
Capital Called	\$7.10 million
Distributions	\$1.60 million
Carrying Values	\$8.70 million
Fee %	1.00%
Fee	\$150,000
Net IRR Since Inception	22.5%

Harbourvest

	As of 9/30/2013
Inception Date	May 2013
Capital Committed	\$67.5 million
Capital Called	\$7.10 million
Distributions	\$1.87 million
Carrying Values	\$8.97 million
Fee %	1.00%
Fee	\$675,000
Net IRR Since Inception	26.3%

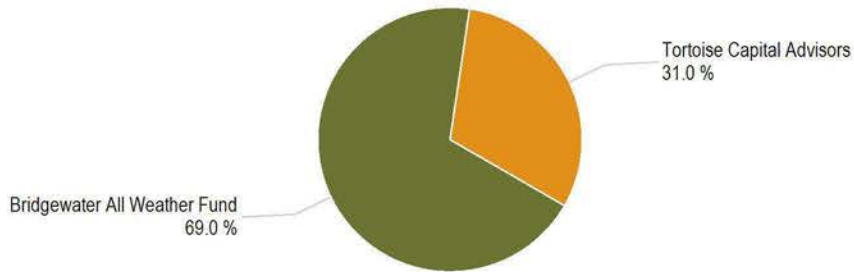


Total Liquid Alternatives

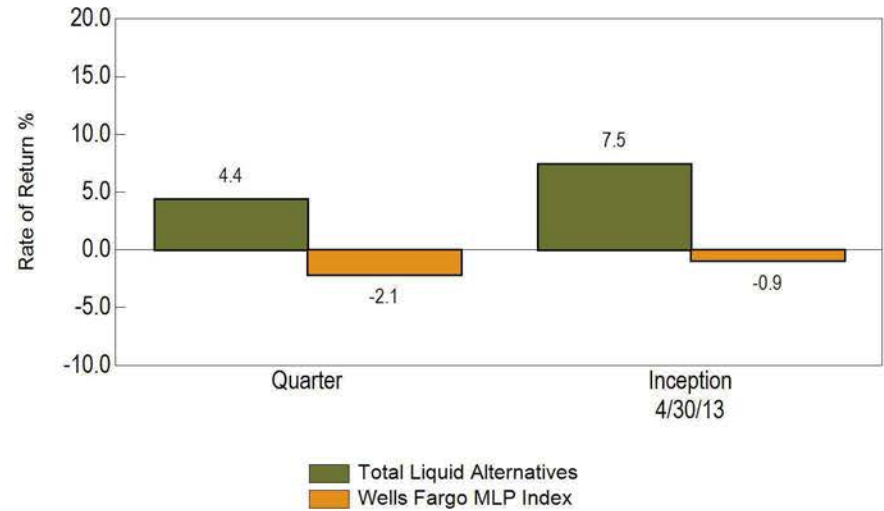
Overview

Benchmark: Wells Fargo MLP Index

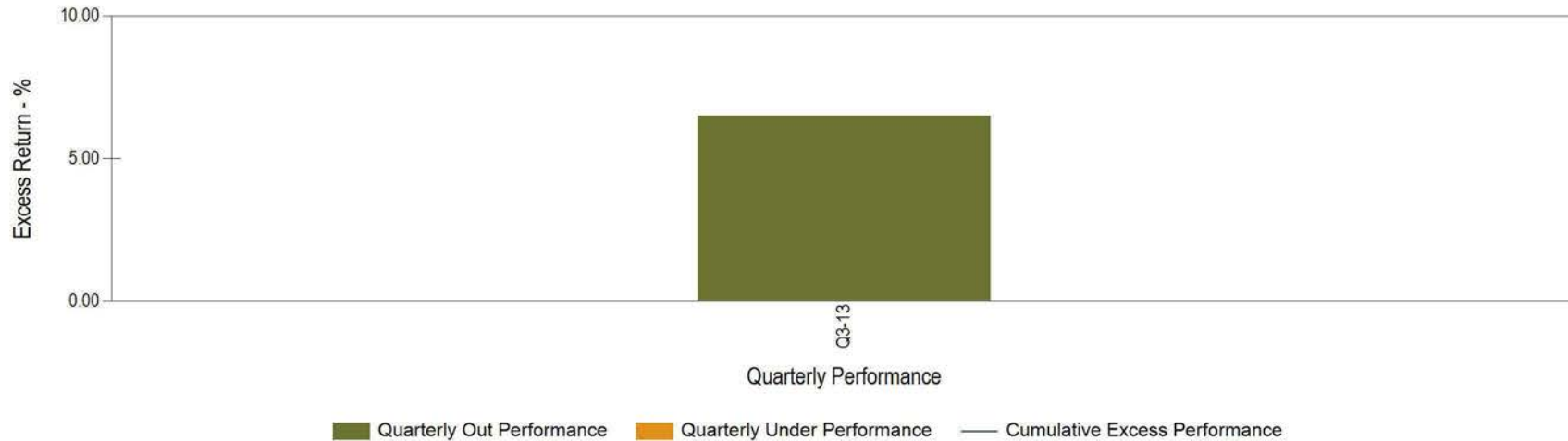
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

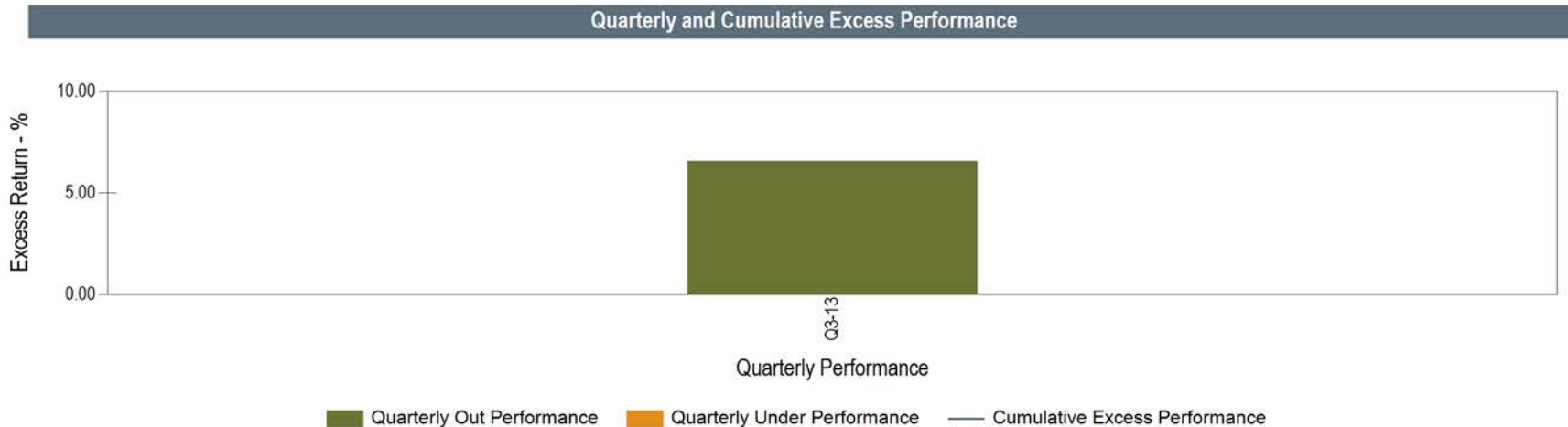
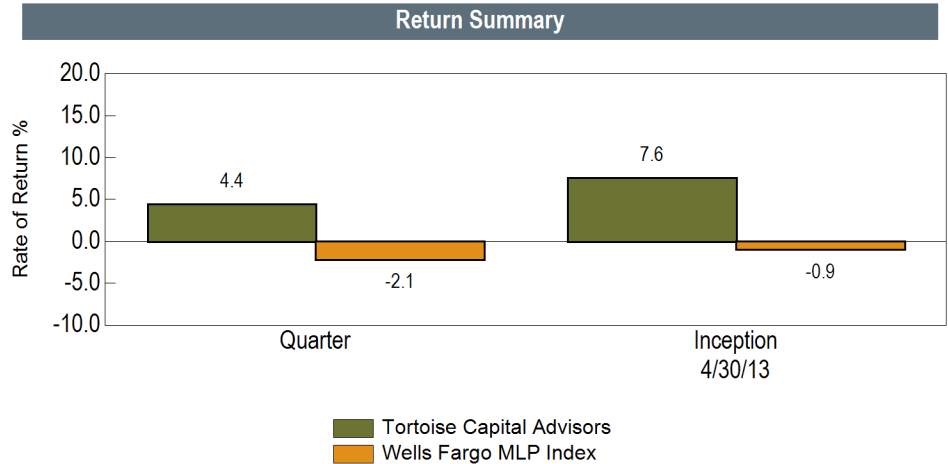


Manager Performance

Benchmark: Wells Fargo MLP Index

Tortoise Capital's MLP strategy consists of portfolios of publicly-traded securities of master limited partnerships in the energy sector. The companies primarily gather, transport, process, and store natural gas liquids, crude oil, and refined petroleum products. The strategy aims to provide a high level of total return, with an emphasis on current cash distributions and managed risk.

Account Information	
Account Name	Tortoise Capital Advisors
Account Structure	Separate Account
Investment Style	Active
Inception Date	4/30/13
Account Type	MLP
Benchmark	Wells Fargo MLP Index



(This page left blank intentionally)



Appendix

Fee Schedule

Account	Fee Schedule	Market Value As of 9/30/2013	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
BlackRock Extended Equity Index Fund	0.08% of First \$50.0 Mil, 0.06% of Next \$50.0 Mil, 0.04% Thereafter	\$39,857,578	1.0%	\$31,886	0.08%
Western U.S. Index Plus	0.15% of Assets	\$109,613,788	2.8%	\$164,421	0.15%
BlackRock Equity Market Fund	0.03% of First \$250.0 Mil, 0.02% Thereafter	\$1,061,688,848	26.9%	\$237,338	0.02%
BlackRock ACWI ex-U.S. Index	0.12% of First \$100.0 Mil, 0.10% Thereafter	\$376,886,647	9.6%	\$396,887	0.11%
Sprucegrove	0.90% of First \$5.0 Mil, 0.65% of Next \$10.0 Mil, 0.55% of Next \$25.0 Mil, 0.50% of Next \$35.0 Mil, 0.25% of Next \$225.0 Mil, 0.20% Thereafter	\$177,176,169	4.5%	\$677,940	0.38%
Hexavest	0.60% of First \$10.0 Mil, 0.50% of Next \$30.0 Mil, 0.40% of Next \$40.0 Mil	\$76,842,723	1.9%	\$357,371	0.47%
Walter Scott	1.00% of First \$50.0 Mil, 0.85% of Next \$25.0 Mil, 0.60% Thereafter	\$91,530,028	2.3%	\$811,680	0.89%
GMO Global	0.65% of Assets	\$195,487,334	5.0%	\$1,270,668	0.65%
BlackRock Global MSCI ACWI Equity Index	0.12% of First \$100.0 Mil, 0.10% of Next \$250.0 Mil	\$148,225,573	3.8%	\$168,226	0.11%
Prudential Real Estate	0.81% of Assets	\$91,858,664	2.3%	\$744,055	0.81%
UBS Real Estate	0.96% of Assets	\$187,243,945	4.7%	\$1,797,542	0.96%
RREEF	0.30% of Assets	\$8,643,282	0.2%	\$25,930	0.30%
Western	0.30% of First \$100.0 Mil, 0.15% Thereafter	\$246,533,314	6.3%	\$519,800	0.21%
BlackRock U.S. Debt Fund	0.06% of First \$100.0 Mil, 0.04% of Next \$400.0 Mil, 0.02% Thereafter	\$131,280,758	3.3%	\$72,512	0.06%
Reams	0.20% of First \$200.0 Mil, 0.15% Thereafter	\$247,024,329	6.3%	\$470,536	0.19%

Fee Schedule

Account	Fee Schedule	Market Value As of 9/30/2013	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Loomis Sayles	0.50% of First \$20.0 Mil, 0.40% of Next \$30.0 Mil, 0.30% Thereafter	\$65,384,529	1.7%	\$266,154	0.41%
Loomis Sayles Global Fixed Income	0.30% of First \$100.0 Mil, 0.20% Thereafter	\$66,554,856	1.7%	\$199,665	0.30%
PIMCO Global Fixed Income	0.35% of First \$100.0 Mil, 0.30% Thereafter	\$122,895,604	3.1%	\$418,687	0.34%
Loomis Strategic Alpha	0.40% of Assets	\$40,049,443	1.0%	\$160,198	0.40%
Adams Street Partners	1% of Capital Commitment - \$850,000	\$36,048,702	0.9%	--	--
Pantheon Ventures	1% of Capital Commitment - \$150,000	\$8,703,475	0.2%	--	--
Harbourvest	1% of Capital Commitment - \$675,000	\$8,968,279	0.2%	--	--
Tortoise Capital Advisors	0.63% of Assets	\$113,326,497	2.9%	\$708,291	0.63%
Bridgewater All Weather Fund	0.50% of First \$100.0 Mil, 0.35% of Next \$150.0 Mil, 0.25% Thereafter	\$252,610,108	6.4%	\$1,031,525	0.41%
Clifton Group	0.15% of First \$25.0 Mil, 0.10% of Next \$75.0 Mil, 0.40% Thereafter	\$40,086,955	1.0%	\$52,587	0.13%
Investment Management Fee		\$3,944,521,427	100.0%	\$10,583,897	0.27%

Note: Western's fees for both U.S. and Fixed Income products are calculated together. The first \$100 million of the combined assets is billed at 30bps, all assets thereafter are billed at 15 bps. Additionally, the Private Equity fees are 1% of committed capital to be paid as deemed necessary by the managers.

Market Returns

	Third Quarter	1-Year	Annualized Periods Ending 9/30/13			
			3-Year	5-Year	10-Year	15-Year
Domestic Stock Indices:						
Dow Jones US Total Stock Index	6.2	21.4	16.8	10.7	8.3	6.2
S&P 500 Index	5.2	19.3	16.3	10.0	7.6	5.3
Russell 3000 Index	6.3	21.6	16.8	10.6	8.1	6.0
Russell 1000 Value Index	3.9	22.3	16.2	8.9	8.0	6.6
Russell 1000 Growth Index	8.1	19.3	16.9	12.1	7.8	4.3
Russell MidCap Value Index	5.9	27.8	17.3	11.9	10.9	10.1
Russell MidCap Growth Index	9.3	27.5	17.7	13.9	10.2	8.2
Russell 2000 Value Index	7.6	27.0	16.6	9.1	9.3	9.8
Russell 2000 Growth Index	12.8	33.1	20.0	13.2	9.9	7.4
Domestic Bond Indices:						
Barclays Capital Aggregate Index	0.6	-1.7	2.9	5.4	4.6	5.3
Barclays Capital Govt/Credit Index	0.4	-2.0	2.9	5.7	4.5	5.2
Barclays Capital Long Govt/Credit Index	-0.8	-8.3	4.7	9.1	6.3	6.5
Barclays Capital 1-3 Year Govt/Credit Index	0.4	0.6	1.1	2.5	2.9	3.9
Barclays Capital U.S. MBS Index	1.0	-1.2	2.6	4.7	4.8	5.3
Barclays Capital High Yield Index	2.3	7.1	9.2	13.5	8.9	7.4
Barclays Capital Universal Index	0.7	-1.0	3.4	5.9	4.9	5.6
Real Estate Indices:						
NCREIF Property Index	2.6	11.0	12.7	3.4	8.7	8.9
NCREIF ODCE Index	3.3	12.0	13.2	-0.2	6.1	6.9
Dow Jones Real Estate Securities Index	-3.1	4.8	12.0	5.2	9.3	10.3
FTSE NAREIT US Real Estate Index	-2.6	6.2	12.8	6.0	9.7	10.3
Foreign/Global Stock Indices:						
MSCI All Country World Index	7.9	17.7	10.2	7.7	7.9	5.5
MSCI All Country World IMI	8.3	18.6	10.5	8.3	8.3	6.1
MSCI All Country World ex-U.S. Index	10.1	16.5	5.9	6.3	8.8	6.4
MSCI All Country World ex-U.S. IMI	10.4	16.9	6.1	6.8	9.1	6.8
MSCI All Country World ex-U.S. Small Cap Index	12.4	20.0	7.3	11.4	11.1	9.5
MSCI EAFE Index	11.6	23.8	8.5	6.4	8.0	5.5
MSCI EAFE IMI	12.0	24.4	8.8	6.9	8.3	5.9
MSCI EAFE Index (in local currency)	7.5	28.3	9.1	5.5	6.3	4.0
MSCI Emerging Markets IMI	5.5	1.4	-0.5	7.8	13.0	11.1
Foreign Bond Indices:						
Citigroup World Gov't Bond Index	4.1	-5.6	0.6	4.3	4.9	4.9
Citigroup Hedged World Gov't Bond Index	1.0	2.2	2.8	4.2	4.2	4.7
Cash Equivalents:						
Treasury Bills (30-Day)	0.0	0.0	0.0	0.1	1.3	2.0
Hewitt EnnisKnupp STIF Index	0.0	0.2	0.2	0.4	1.9	2.7
Inflation Index:						
Consumer Price Index	0.3	1.2	2.3	1.4	2.4	2.4

Benchmark and Universe Descriptions

Total Fund

Policy Portfolio- As of August 2013, a combination of 30% of the Total U.S. Equity Benchmark, 19% Barclays Aggregate Bond Index, 14% MSCI All Country World Ex-U.S. Index, 10% MSCI All Country World Index, 5% Barclays Global Aggregate Bond Index, 5% Dow Jones Total Stock Index + 3%, 10% Wells Fargo MLP Index, and 7% NCREIF Real Estate Index. Prior to August 2013, the return is based on a combination of 34% Dow Jones U.S. Total Stock Market Index, 23% Barclays Aggregate Bond Index, 16% MSCI All Country World Ex-U.S. Index, 10% MSCI All Country World Index, 2% Barclays Global Aggregate Bond Index, 5% Dow Jones Total Stock Index + 3%, and 8% NCREIF Real Estate Index. Prior to January 2013, the return is based on a combination of 36% Dow Jones U.S. Total Stock Market Index, 25% Barclays Aggregate Bond Index, 19% MSCI All Country World Ex-U.S. Index, 10% MSCI All Country World Index, 2% Barclays Global Aggregate Bond Index, and 8% NCREIF Real Estate Index. Prior to December 2012, the return is based on a combination of 37% DJ U.S. Total Stock Market Index, 27% Barclays Aggregate Bond Index, 18% MSCI All Country World Ex-U.S. Index, 10% MSCI All Country World Index and 8% NCREIF Real Estate Index. Prior to April 2010, the return was based on a combination of 40% DJ U.S. Total Stock Market Index, 27% Barclays Aggregate Bond Index, 18% MSCI All Country World Ex-U.S. Index, 7% MSCI All Country World Index and 8% NCREIF Real Estate Index. Prior to June 2008, the return was based on a combination of 47% DJ U.S. Total Stock Market Index, 27% Barclays Aggregate Bond Index, 14% MSCI All Country World Ex-U.S. Index, 4% MSCI All Country World Index and 8% NCREIF Real Estate Index. Prior to October 2007, the return was based on a combination of 47% DJ U.S. Total Stock Market Index, 29% Barclays Aggregate Bond Index, 14% MSCI All Country World Ex-U.S. Index, 4% MSCI All Country World Index and 6% NCREIF Real Estate Index. Prior to June 2005, the return was based on a combination of 49% Russell 3000 Index, 29% Barclays Aggregate Bond Index, 16% MSCI All Country World Ex-U.S. Index and 6% NCREIF Real Estate Index. Prior to April 2003, the return was based on a combination of 49% Russell 3000 Index, 32% Barclays Aggregate Bond Index, 16% MSCI All Country World Ex-U.S. Index and 3% NCREIF Real Estate Index. Prior to May 2002 the return was based on a combination of 49% Russell 3000 Index, 32% Barclays Aggregate Bond Index, 16% MSCI EAFE Index and 3% NCREIF Real Estate Index. Prior to April 2002 the return was based on a combination of 53% Russell 3000 Index, 32% Barclays Aggregate Bond Index, 12% MSCI Europe, Australasia and Far East (EAFE) Index and 3% NCREIF Real Estate Index. Prior to October 2001, the policy portfolio consisted of a combination of 53% Russell 3000, 22% Barclays Aggregate Bond Index, 12% MSCI Europe, Australasia and Far East (EAFE) Index, 3% NCREIF Real Estate Index, and 10% Solomon Brothers World Government Bond Index Hedged. Historically, the policy return is based on the historic policy allocations provided by the VCERA staff.

Public Fund Universe - An equal-weighted index that is designed to represent the average return earned by U.S. public pension funds. The index is calculated based on a universe of 112 funds compiled by BNY Mellon Performance & Risk Analytics, LLC.

Total U.S. Equity

Benchmark. The Benchmark is 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.

Universe. A universe of 1,310 domestic stock portfolios compiled by eVestment.

Benchmark and Universe Descriptions

BlackRock Extended Equity Index Fund

Benchmark. The Dow Jones U.S. Completion Total Stock Market Index.

Universe. A universe 124 small-mid cap stock portfolios compiled by eVestment.

Western U.S. Index Plus

Benchmark. The S&P 500 Index.

Universe. A universe of 1,310 domestic stock portfolios compiled by eVestment.

BlackRock Equity Market Fund

Benchmark. The Dow Jones U.S. Total Stock Market Index.

Universe. A universe of 1,310 domestic stock portfolios compiled by eVestment.

Total Non-U.S. Equity

Benchmark. The Morgan Stanley Capital International All Country World ex-U.S. Free Index. Prior to May 2002, the Morgan Stanley Capital International EAFE-Free Stock Index.

Universe. A universe of 149 international stock portfolios compiled by eVestment.

BlackRock ACWI ex U.S.

Benchmark. The MSCI All Country World ex-U.S. IMI Index

Universe. A universe of 149 international stock portfolios compiled by eVestment.

Benchmark and Universe Descriptions

Sprucegrove

Benchmark. The Morgan Stanley Capital International EAFE-Free Stock Index.

Universe. A universe of 149 international stock portfolios compiled by eVestment.

Hexavest

Benchmark. The Morgan Stanley Capital International EAFE-Free Stock Index.

Universe. A universe of 149 international stock portfolios compiled by eVestment.

Walter Scott

Benchmark. The Morgan Stanley Capital International All Country World ex-U.S. Free Index.

Universe. A universe of 149 international stock portfolios compiled by eVestment.

Total Global Equity

Benchmark. The Morgan Stanley Capital International All Country World Index.

Universe. A universe of 241 global stock portfolios compiled by eVestment.

Grantham Mayo Van Otterloo (GMO)

Benchmark. The Morgan Stanley Capital International All Country World Index.

Universe. A universe of 241 global stock portfolios compiled by eVestment.

Benchmark and Universe Descriptions

BlackRock All Country World Index

Benchmark. The Morgan Stanley Capital International All Country World Index.

Universe. A universe of 241 global stock portfolios compiled by eVestment.

Total Fixed Income

Benchmark. The Barclays Aggregate Bond Index.

Universe. A universe of 591 fixed income stock portfolios compiled by eVestment.

Western Asset Management

Benchmark. The Barclays Aggregate Bond Index.

Universe. A universe of 591 fixed income stock portfolios compiled by eVestment.

BlackRock U.S. Debt Index Fund

Benchmark. The Barclays Aggregate Bond Index.

Universe. A universe of 591 fixed income stock portfolios compiled by eVestment.

Reams

Benchmark. The Merrill Lynch 3 Month Libor Constant Maturity. Prior to 2/6/13, The Barclays Aggregate Bond Index.

Universe. A universe of 591 fixed income stock portfolios compiled by eVestment.

Benchmark and Universe Descriptions

Loomis Sayles

Benchmark. 60% of the Barclays Aggregate Bond Index, 30% of the Citigroup High Yield Market Index, and 5% of the J.P Morgan Non-U.S. Hedged Bond Index.

Universe. A universe of 591 fixed income stock portfolios compiled by eVestment.

Total Global Fixed Income

Benchmark. The Barclays Global Aggregate Bond Index.

Universe. A universe of 1,675 fixed income stock portfolios compiled by eVestment.

Loomis Sayles Global Fixed Income

Benchmark. The Barclays Global Aggregate Bond Index.

Universe. A universe of 1,675 fixed income stock portfolios compiled by eVestment.

PIMCO Global Fixed Income

Benchmark. The Barclays Global Aggregate Bond Index.

Universe. A universe of 1,675 fixed income stock portfolios compiled by eVestment.

Total Real Estate

Benchmark. The National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Fund. Prior to January 2006, the NCREIF Property Index.

Prudential Real Estate

Benchmark. The National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Fund. Prior to January 2006, the NCREIF Property Index.

UBS RESA

Benchmark. The National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Fund.

Benchmark Descriptions

RREEF

Benchmark. The National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Fund.

Adams Street Partners

Benchmark. Dow Jones Total Stock Index + 3%

Pantheon Ventures

Benchmark. Dow Jones Total Stock Index + 3%

Harbourvest Partners

Benchmark. Dow Jones Total Stock Index + 3%

Total Private Equity

Benchmark. Dow Jones Total Stock Index + 3%

Tortoise Capital Advisors

Benchmark. Wells Fargo MLP Index.

Bridgewater All Weather Fund

Benchmark. Dow Jones Total Stock Index + 3%

Total Liquid Alternatives

Benchmark. Wells Fargo MLP Index.

Russell 3000 Index- A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.

Benchmark Descriptions

S&P 500 Index- A capitalization-weighted index representing the 500 largest publicly traded U.S. stocks.

MSCI Europe, Australasia, Far East (EAFE) Foreign Index- A capitalization-weighted index of 20 stock markets in Europe, Australia, Asia and the Far East.

MSCI All Country World Index - An index of major world stock markets, including the U.S., representing countries according to their approximate share of world market capitalization. The weights are adjusted to reflect foreign currency fluctuations relative to the U.S. dollar.

Barclays Aggregate Bond Index- A market value-weighted index consisting of the Barclays Corporate, Government and Mortgage-Backed Indices. This index is the broadest available measure of the aggregate U.S. fixed income market.

NCREIF Open End Fund Index- A capitalization-weighted index of privately owned investment grade income-producing properties representing approximately \$89 billion in assets.

Description of Terms

Rank - A representation of the percentile position of the performance of a given portfolio, relative to a universe of similar funds. For example, a rank of 25 for a given manager indicates outperformance by that manager of 75% of other funds in that same universe.

Universe - A distribution of the returns achieved by a group of funds with similar investment objectives.

U.S. Stock Universe - The rankings are based on a universe that is designed to represent the average equity return earned by U.S. institutional investors (public funds, corporate funds, and endowment/foundations). The universe is calculated based on data provided by eVestment Alliance and includes 1,310 funds.

Non-U.S. Equity Universe - The rankings are based on a universe that is designed to represent the average international equity return earned by U.S. institutional investors (public funds, corporate funds, and endowment/foundations). The universe is calculated based on data provided by eVestment Alliance and includes 149 funds.

Global Equity Universe - The rankings are based on a universe that is designed to represent the average global equity return earned by U.S. institutional investors (public funds, corporate funds, and endowment/foundations). The universe is calculated based on data provided by eVestment Alliance and includes 241 funds.

Fixed Income Universe - The rankings are based on a universe that is designed to represent the average fixed income return earned by U.S. institutional investors (public funds, corporate funds, and endowment/foundations). The universe is calculated based on data provided by eVestment Alliance and includes 591 funds.

Global Fixed Income Universe - The rankings are based on a universe that is designed to represent the average fixed income return earned by U.S. institutional investors (public funds, corporate funds, and endowment/foundations). The universe is calculated based on data provided by eVestment Alliance and includes 1,675 funds.

Ratio of Cumulative Wealth Graph - An illustration of a portfolio's cumulative, unannualized performance relative to that of its benchmark. An upward sloping line indicates superior fund performance. Conversely, a downward sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

Risk-Return Graph - The horizontal axis, annualized standard deviation, is a statistical measure of risk, or the volatility of returns. The vertical axis is the annualized rate of return. As most investors generally prefer less risk to more risk and always prefer greater returns, the upper left corner of the graph is the most attractive place to be. The line on this exhibit represents the risk and return tradeoffs associated with market portfolios or index funds.

Style Map - This illustration represents the manager's style compared to that of the broadest stock index (the DJ U.S. Total Stock Market Index). Any manager falling above the axis is referred to as large-cap and any manager falling below the axis is considered to be medium- to small-cap.



Ventura County Employees' Retirement Association

Monthly Manager Performance Report October 2013

Performance Summary

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION Period Ending 10/31/2013

	October	Fiscal YTD	Year-to-Date	1 Year Ending 10/31/2013	3 Years Ending 10/31/2013	5 Years Ending 10/31/2013	10 Years Ending 10/31/2013	Since Inception	Inception Date
BlackRock Extended Equity	2.9	13.3	31.0	36.6	18.3	19.4	10.4	12.7	10/31/02
Dow Jones U.S. Completion Total Stock Market Index	2.9	13.1	30.9	36.3	18.0	19.4	10.3	12.7	
Western U.S. Index Plus	4.6	10.2	25.5	27.7	17.9	18.3	--	1.0	5/31/07
S&P 500 Index	4.6	10.1	25.3	27.2	16.6	15.2	--	4.4	
BlackRock Equity Market Fund	4.3	10.7	26.4	28.9	16.9	16.0	--	6.1	12/31/07
Dow Jones U.S. Total Stock Market Index	4.2	10.7	26.4	28.9	16.9	16.0	--	6.1	
Total U.S. Equity	4.3	11.4	26.9	29.5	17.2	16.4	7.5	8.8	12/31/93
Performance Benchmark ¹	4.2	10.7	26.4	28.9	16.9	16.0	8.0	9.2	
BlackRock All Country World ex-U.S.	3.6	14.3	14.7	20.9	6.3	13.2	--	2.0	3/31/07
MSCI All Country World ex-U.S. IM Index	3.6	14.3	14.5	20.7	6.1	13.2	--	1.9	
Sprucegrove	3.1	13.5	15.2	21.6	8.5	13.6	9.1	8.9	3/31/02
MSCI EAFE Index	3.4	15.3	20.0	26.9	8.4	12.0	7.7	7.1	
MSCI All Country World ex-U.S. Index	3.7	14.1	14.1	20.3	6.0	12.5	8.5	7.9	
Hexavest	3.1	13.0	18.3	21.1	--	--	--	7.4	12/31/10
MSCI EAFE Index	3.4	15.3	20.0	26.9	--	--	--	7.8	
Walter Scott	1.9	10.2	11.6	16.5	--	--	--	7.2	12/31/10
MSCI All Country World ex-U.S. Index	3.7	14.1	14.1	20.3	--	--	--	5.1	
Total International	3.2	13.6	15.0	20.8	7.0	12.8	8.2	7.1	3/31/94
MSCI All Country World ex-U.S. Index	3.7	14.1	14.1	20.3	6.0	12.5	8.5	5.7	
GMO Global Fund	4.5	11.6	17.8	22.3	11.1	12.6	--	7.4	4/30/05
MSCI All Country World Index	4.0	12.2	19.0	23.3	10.4	13.5	--	6.7	
BlackRock MSCI ACWI Equity Index	4.1	12.2	19.3	23.6	--	--	--	22.6	6/30/12
MSCI All Country World Index	4.0	12.2	19.0	23.3	--	--	--	22.3	
Total Global Equity	4.2	11.7	18.3	22.7	10.4	10.9	--	5.7	4/30/05
MSCI All Country World Index	4.0	12.2	19.0	23.3	10.4	13.5	--	6.7	
Loomis Sayles Global Fixed Income	1.0	3.3	-1.2	-0.9	--	--	--	2.1	6/30/12
Barclays Capital Global Aggregate Bond Index	1.0	3.8	-1.2	-1.5	--	--	--	1.2	
PIMCO Global Fixed Income	1.0	3.7	-2.3	-2.2	--	--	--	-2.5	9/30/12
Barclays Capital Global Aggregate Bond Index	1.0	3.8	-1.2	-1.5	--	--	--	-1.6	
Loomis Sayles Strategic Alpha	0.1	--	--	--	--	--	--	-0.3	7/31/13
Barclays Capital Global Aggregate Bond Index	1.0	--	--	--	--	--	--	2.5	
Total Global Fixed Income	0.8	3.4	-1.8	-1.6	--	--	--	1.3	6/30/12
Barclays Capital Global Aggregate Bond Index	1.0	3.8	-1.2	-1.5	--	--	--	1.2	

Performance Summary (continued)

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (Continued)

Period Ending 10/31/2013

	October	Fiscal YTD	Year-to-Date	1 Year Ending 10/31/2013	3 Years Ending 10/31/2013	5 Years Ending 10/31/2013	10 Years Ending 10/31/2013	Since Inception	Inception Date
Western	0.8	1.3	-0.7	-0.2	5.0	9.5	5.6	6.6	12/31/96
Barclays Capital Aggregate Bond Index	0.8	1.4	-1.1	-1.1	3.0	6.1	4.8	5.8	
BlackRock U.S. Debt Fund	0.8	1.4	-1.0	-0.9	3.1	6.2	4.8	5.8	11/30/95
Barclays Capital Aggregate Bond Index	0.8	1.4	-1.1	-1.1	3.0	6.1	4.8	5.7	
Reams	1.0	1.5	1.7	2.2	6.3	12.5	7.1	6.7	9/30/01
ML 3 Month LIBOR Constant Maturity Index ²	0.0	0.1	-0.5	-0.5	3.2	6.2	4.8	5.1	
Loomis Sayles	2.3	3.2	1.5	3.2	7.0	15.6	--	7.5	7/31/05
Performance Benchmark ³	1.3	2.4	1.2	1.9	4.9	9.4	--	6.0	
Total U.S. Fixed Income	1.0	1.9	-0.1	0.5	5.2	10.9	6.3	6.5	2/28/94
Barclays Capital Aggregate Bond Index	0.8	1.4	-1.1	-1.1	3.0	6.1	4.8	5.9	
Prudential Real Estate⁶	--	3.5	10.0	11.9	14.6	-1.6	--	3.4	6/30/04
NCREIF Open-End Fund Property Index ⁴	--	2.6	8.2	11.0	12.7	3.4	--	8.3	
UBS Real Estate⁶	--	2.5	7.1	9.0	10.6	1.2	6.8	7.0	3/31/03
NCREIF Open-End Fund Property Index ⁴	--	2.6	8.2	11.0	12.7	3.4	8.5	8.5	
RREEF⁶	--	4.4	12.5	14.5	28.4	-10.7	--	-11.6	9/30/07
NCREIF Open-End Fund Property Index ⁴	--	2.6	8.2	11.0	12.7	3.4	--	3.7	
Total Real Estate⁶	--	2.7	7.9	9.6	12.0	-1.9	5.0	7.5	3/31/94
NCREIF Open-End Fund Property Index ⁴	--	2.6	8.2	11.0	12.7	3.4	8.5	9.3	

Performance Summary (continued)

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (Continued)

Period Ending 10/31/2013

	October	Fiscal YTD	Year-to-Date	1 Year Ending 10/31/2013	3 Years Ending 10/31/2013	5 Years Ending 10/31/2013	10 Years Ending 10/31/2013	Since Inception	Inception Date
Adams Street Partners⁶	--	7.6	11.7	14.9	--	--	--	--	7/31/10
Dow Jones Total Stock Index + 3%	--	6.9	23.9	25.0	--	--	--	--	
Pantheon⁶	--	1.4	12.1	17.2	--	--	--	--	8/31/10
Dow Jones Total Stock Index + 3%	--	6.9	23.9	25.0	--	--	--	--	
Harbourvest⁶	--	0.0	--	--	--	--	--	--	5/31/13
Dow Jones Total Stock Index + 3%	--	6.9	--	--	--	--	--	--	
Total Private Equity⁶	--	5.6	12.9	16.2	--	--	--	--	7/31/10
Dow Jones Total Stock Index + 3%	--	6.9	23.9	25.0	--	--	--	--	
Tortoise Energy Infrastructure	2.7	7.3	--	--	--	--	--	10.5	4/30/13
Wells Fargo MLP Index	4.2	1.9	--	--	--	--	--	3.2	
Bridgewater All Weather Fund	2.5	--	--	--	--	--	--	5.1	8/31/13
Dow Jones Total Stock Index + 3%	4.5	--	--	--	--	--	--	8.6	
Total Liquid Alternatives	2.6	7.1	--	--	--	--	--	10.3	4/30/13
Wells Fargo MLP Index	4.2	1.9	--	--	--	--	--	3.2	
Total Fund	2.9	9.0	15.4	18.1	11.2	12.7	7.2	8.3	3/31/94
Policy Portfolio ⁵	2.8	8.3	14.1	16.6	10.3	11.8	7.2	8.2	
Total Fund (ex-Private Equity)	2.9	7.8	13.6	16.0	--	--	--	--	3/31/94
Total Fund (ex-Clifton)	2.9	8.6	14.9	17.5	11.0	12.4	7.1	8.3	3/31/94

*All returns are preliminary and net of investment management fees. Separate Accounts, Asset classes, and Total Fund performance reflects the return realized by the portfolio after accounting for cash flows. Individual fund performance reflects the manager stated returns.

¹Hybrid of the relative weights of U.S. Equity funds' benchmarks. Prior to May 2007, the Russell 3000 Index.

²Prior to 2/6/13, The Barclays Capital Aggregate Bond Index

³A mix of 65% of the Barclays Capital Aggregate Bond Index, 30% of the Citigroup High Yield Market Index, and 5% of the J.P. Morgan Non-U.S. Hedged Bond Index.

⁴Prior to January 2006, the NCREIF Property Index.

⁵Policy Portfolio benchmark is currently 30% Total U.S. Equity benchmark, 19% Barclays Aggregate Bond Index, 14% MSCI ACWI ex-US, 10% MSCI ACWI, 5% Barclays Global Aggregate Bond Index, 5% Dow Jones + 3%, 10% WF MLP Index, and 7% NCREIF Real Estate Index

⁶Returns shown are for the period ending 9/30/13

Note: Total Fund inception date is the longest time period that Hewitt EnnisKnupp has reliable historical monthly data.

Asset Allocations

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Period Ending 10/31/2013

(\$ in Thousands)

	U.S. Equity	Non-U.S. Equity	Fixed Income	Real Estate	Private Equity	Liquid Alternatives	Cash	Total	Percent of Total	Evolving Policy	Policy Target
BlackRock Extended Equity Index	\$41,027							\$41,027	1.0%		
Western Index Plus	\$114,653							\$114,653	2.8%		
BlackRock Equity Market Fund	\$1,107,023							\$1,107,023	27.4%		
Total U.S. Equity	\$1,262,702							\$1,262,702	31.3%	30.0%	30.0%
BlackRock ACWI ex-U.S. Index		\$287,606						\$287,606	7.1%		
Sprucegrove		\$182,601						\$182,601	4.5%		
Hexavest		\$79,227						\$79,227	2.0%		
Walter Scott		\$93,324						\$93,324	2.3%		
Total Non-U.S. Equity		\$642,758						\$642,758	15.9%	14.0%	14.0%
GMO Global Equity	\$93,723	\$110,467						\$204,190	5.1%		
BlackRock MSCI ACWI Equity Index	\$95,332	\$110,569						\$205,902	5.1%		
Total Global Equity	\$189,056	\$221,036						\$410,091	10.2%	10.0%	10.0%
Western			\$248,526					\$248,526	6.2%		
BlackRock U.S. Debt Fund			\$132,366					\$132,366	3.3%		
Reams			\$249,494					\$249,494	6.2%		
Loomis Sayles Global			\$92,489					\$92,489	2.3%		
Loomis Sayles			\$66,900					\$66,900	1.7%		
PIMCO Global			\$123,606					\$123,606	3.1%		
Loomis Strategic Alpha			\$40,083					\$40,083	1.0%		
Total Fixed Income			\$953,466					\$953,466	23.6%	24.0%	24.0%
Prudential Real Estate				\$91,859				\$91,859	2.3%		
UBS Real Estate				\$187,244				\$187,244	4.6%		
RREEF				\$8,643				\$8,643	0.2%		
Total Real Estate				\$287,746				\$287,746	7.1%	7.0%	7.0%
Adams Street Partners					\$36,940			\$36,940	0.9%		
Pantheon Ventures					\$8,703			\$8,703	0.2%		
Harbourvest					\$10,656			\$10,656	0.3%		
Total Private Equity					\$56,300			\$56,300	1.4%	5.0%	5.0%
Tortoise Energy Infrastructure						\$116,401		\$116,401	2.9%		
Bridgewater All Weather Fund						\$258,963		\$258,963	6.4%		
Total Liquid Alternatives						\$375,364		\$375,364	9.3%	10.0%	10.0%
Clifton Group							\$46,362	\$46,362	1.1%		
Total Cash							\$46,362	\$46,362	1.1%	0.0%	0.0%
Total Assets	\$1,451,758	\$863,794	\$953,466	\$287,746	\$56,300	\$375,364	\$46,362	\$4,034,789	100.0%	100.0%	100.0%
Percent of Total	36.0%	21.4%	23.6%	7.1%	1.4%	9.3%	1.1%	100.0%			

* Private Equity reflects market values as of 6/30/2013 plus Capital Calls from 7/1/2013-10/31/2013

**Market Value data is preliminary as final data is not yet available

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

November 18, 2013

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

SUBJECT: CUSTODIAL FEE PROPOSAL

Dear Board Members:

Background

On November 4, 2013 staff alerted the Board to a fee proposal by Yolanda Diaz, of State Street Bank and Trust (State Street). State Street is VCERA's custodial bank responsible for the safeguarding of its assets and is the provider of valuation data to staff, and the investment consultant that prepares VCERA's monthly and quarterly investment performance reports. At the November meeting, staff provided historical information regarding the introduction of the need to discuss custodial fees, reported that staff was conducting a survey of California retirement systems, and solicited Board questions and concerns in preparation for today's meeting.

Discussion

State Street has successfully provided VCERA custodial services for over 15 years and has not asked for a change in fees since 2002. In June of 2002 fees were set at \$95,000, when VCERA's assets were approximately \$2.1 billion dollars. The following table compares the differences in VCERA's account from 2002 to 2013.

Account Comparisons		
	2002	2013*
Fee	\$95,000	\$325,000 (Option 1)
Volume		
Funds	11	23
Holdings	303	1,203
Transactions	4,800	10,767
Revenue		
Gross Sec Lending revenue	\$637,116	\$198,000
Avg. STIF Balances	\$87.5MM	\$42.5 MM
Net Asset Value	\$2.1B	\$3.9B
New Investment Strategies	n/a	Bank Loans
	n/a	Overlay

*Annualized

CUSTODIAL FEE PROPOSAL

November 18, 2013

Page 2 of 3

The 2002 fee agreement has a guarantee that expired in the third quarter of 2005 when VCERA exceeded \$2.5 billion in assets. State Street postponed the commencement of fee negotiations given VCERA's frustration with State Street's organizational changes, and accuracy rates, which have since been rectified, as demonstrated at the August 12, 2013 site visit.

The attached fee proposal contains a number of options so that the Board can see how adjusting potential revenue offsets, such as securities lending share and short term investment fund (STIF) rates, affect proposed fee options. The only items that change in comparison to Option 1 are the proposed flat fee, STIF fees, and the securities lending split. The following table compares the 2002 fee with the 2013 Option 1 proposal.

Fee Comparisons		
	2002	2013
		Option 1
Flat Fee*	\$95,000	\$325,000
STIF Fees	12bps	12
Sec Lending split	70/30	70/30
On line services	Included	Included
Class Action Administration	Included	\$125 per class action processed**
Third Party FX transactions	No fee	\$75 per transaction***
SSGM processed FX transactions	No fee	No Fee
Third Party Transitions	No fee	Standard transaction fee schedule
*Flat Fee Includes:	Administration	Included
	Domestic & Global Portfolios	Included
	Domestic & Global Transactions	Included
	Global Documentation	Included
	Income Collection	Included
	Corporate Actions	Included
	Tax Reclaims	Included
	Standard Pricing	Included
	Proxy Services	Included
	Bank Loan Servicing	Included
	Derivatives Processing	Included
	Asset Manager Services	Included
	Inv Mgr Reconciliation	Included
	Vendor Support	Included
	Unlimited Training	Included

**Potential Class Action revenue based on prior year activity \$3,625

(Flat Fee is not impacted if VCERA selects a 3rd party class action service provider)

***Potential FX revenue based on prior year activity \$131,000

CUSTODIAL FEE PROPOSAL

November 18, 2013

Page 3 of 3

Both NEPC, Inc. (NEPC) and Hewitt EnnisKnupp (HEK) have provided the attached memos as requested. HEK conducted an analysis of the fee proposal and found that the proposal is reasonable. NEPC, VCERA's new investment consulting firm, concurs and further recommends that the Board of Retirement accept the proposed fee and re-examine it the middle of 2014 after completing a full investment program review. Staff's attached survey found 1) a wide variety of fee agreements, 2) that the systems with lower fees were in the middle of fee negotiations, and 3) that VCERA's fee of \$95,000 was very low, and that the proposed fee of \$325,000 with the unbundled services appear reasonable. The survey indicates that the proposed FX transaction settlement cost of \$75 is higher than the more common \$50 fee; however, upon inquiry, Ms. Diaz explained that FX transactions processed by State Street do not incur a fee and this is an area of services that could change depending on investment manager activity, potentially saving, or increasing, costs.

If approved, a revised fee proposal will be prepared, effective January 1, 2014, with the option selected. Staff provides, along with the survey, the 2002 fee agreement and the original 1997 contract as supporting data for this item.

Fiscal Impact

Approval of Option 1 of this new agreement, which matches our existing securities lending split and STIF rate, would result in a potential net increase of approximately \$182,300 in fiscal year 2013-14 over the existing fee agreement of \$95,000 or a total of \$229,800. Included in the total would be charges related to Class Action and FX transaction costs that were previously not charged estimated to be \$67,300 for the current fiscal year. The total Custodial fees for fiscal year 2013-14 would be \$277,300.

In future fiscal years, custodial fees would total approximately \$459,600 which is comprised of the flat fee of \$325,000 plus estimated fees for Class Action and FX transaction costs of \$134,600. On an annualized basis this would result in a net increase of \$364,600 over the current charges of \$95,000.

Custodial fees are excluded from the annual administrative budget limit and not subject to GC 31580.2, but are considered an expense of investing money subject to GC 31596.1 These costs are considered as a reduction in earnings from investments or a charge against the assets of the system.

Recommendation

This item and attachments have been reviewed by VCERA's executive team, HEK, NEPC, and State Street.

Staff recommends approving the proposed fee for Option 1, effective January 1, 2014, and authorizing the chair to execute a fee agreement to that effect.

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

Attachments (6)



STATE STREET.

Ventura County Employees' Retirement Association

State Street Fee Proposal Summary

	Option 1	Option 2	Option 3	Option 4	Option 5*
FLAT ANNUAL CUSTODY FEE	\$325,000	\$300,000	\$275,000	\$300,000	\$175,000
SECURITIES LENDING SPLIT	70/30	60/40	50/50	70/30	0/100
STIF FEE - bps	12	12	12	18	12

* Option 5 is based on current sec lending volumes and may result in more frequent evaluation.

SERVICES INCLUDED IN FLAT CUSTODY FEE

Total Assets Under Administration

Domestic Assets	Included
International Assets	Included
Loan Servicing Assets	Included

Portfolio Accounting & Reporting

Separately Managed Domestic Equity or Fixed Income	Included
Separately Managed International Equity or Fixed Income	Included
Mutual / Commingled Funds	Included
Bank Loan Fund	Included
Cash Accounts	Included
Overlay - FX/Swap/Options	Included
Private Equity/Real Estate	Included
Line items - Mutual Fund/Commingled Fund/Alternatives	Included

Domestic Transaction Processing Fees Per Trade (itemized transaction fees will apply for 3rd party transitions)

Transaction Processing Fees Per Trade (see Footnote below)

DTC Transactions	\$	10	Included
Fed Book Entry Transactions	\$	10	Included
Physical Transactions	\$	35	Included
Stock Distribution - DWAC	\$	10	Included
Physical (WTRN, Alternative Asset)	\$	35	Included
Futures/Options	\$	35	Included
OTC Derivatives Services	\$	30	Included
Bank Loan Servicing	\$	30	Included

International Transaction Processing (itemized transaction fees will apply for 3rd party transitions)

Group A	Group B	Group C		
\$25	\$45	\$100		
Australia	Brazil	Argentina	Hungary	Poland
Austria	Greece	Bahrain	Iceland	Qatar
Belgium	India	Bangladesh	Israel	Romania
Canada	Indonesia	Benin	Ivory Coast	Russia
Canada - Fiducie Desjardins	Ireland	Bermuda	Jamaica	Saudi Arabia
Cedel/Clearstream	Malaysia	Bosnia & Herzegov.	Jordan	Senegal
Denmark	Mexico	Botswana	Kazakhstan	Serbia
Euroclear	Portugal	Bulgaria	Kenya	Slovak Republic
Finland	Puerto Rico	Burkina Faso	Kuwait	Slovenia
France	South Korea	Cayman Island	Latvia	Sri Lanka
Germany	Thailand	Chile	Lebanon	Swaziland
Hong Kong		China	Lithuania	Taiwan
Italy		Colombia	Mali	Togo
Japan-Mizuho		Costa Rica	Malta	Trinidad & Tobago
Japan-Sumitomo		Croatia	Mauritius	Tunisia
Netherlands		Cyprus	Morocco	Turkey
New Zealand		Czech Republic	Namibia	Uganda
Norway		Dubai	Niger	Ukraine
Singapore		Ecuador	Nigeria	United Arab Emirates
South Africa		Egypt	Oman	Uruguay
Spain		Estonia	Pakistan	Venezuela
Sweden		Georgia	Palestine	Vietnam
Switzerland		Ghana	Panama	Zambia
United Kingdom		Guinea-Bissau	Peru	Zimbabwe
			Philippines	

Class Action Administration

For class action claims processed and administered through State Street, an administrative fee of \$125 per fund will be applied.

FOOTNOTES AND OTHER CHARGES:

Transaction Processing Fees

Transaction Processing Fees are per trade processing fees charged for processing settlement of transactions by State Street on behalf of its clients in connection with the provision of custody services hereunder. These Transaction Processing Fees, unless otherwise waived, apply whether the client or its third party investment managers entered into such transactions with or through State Street or one of its affiliates or a third party dealer or broker. The processing fees are in addition to, and are not to be construed as payments in lieu of, any compensation (as described below) that may be earned by State Street or any of its affiliates or by a third party dealer or broker in connection with such transaction.

These fees will be apply to all 3rd party transitions where the Transition Manager is other than SSGM.

Short Term Investment Fund

State Street to be the exclusive short term investment fund (STIF) manager for all residual cash balances held across all customer portfolios. An administrative/management fee of **12** basis points will be netted directly from the yield of the fund.

Settlement of Foreign Exchange (See foreign exchange footnote below)

Through State Street Global Markets the custody transaction processing fee is waived.
Through a Third Party there is a **\$75** per transaction fee.

Foreign Exchange

State Street Global Markets, as a separate division of State Street, offers principal or "dealer" trading services, as well as agency execution services (which include its proprietary electronic trading platforms) in a variety of asset classes, including most of those described in this schedule. The client or its third party fiduciary investment managers may select State Street Global Markets to effect principal or agency transactions; however, any such services irrespective of whether trade orders are transmitted through State Street's custody or trustee operations, are conducted under contractual or other arrangements that are distinct from its services and obligations under the trust/custody agreement. When State Street or State Street Global Markets act as counterparty (e.g., foreign exchange, over the counter derivatives, repurchase transactions) to the client, such transactions are principal transactions and State Street or State Street Global Markets enter into them as a dealer and not in a fiduciary, agency, or similar capacity (regardless of any other relationships between State Street and the client under the trust/custody agreement. In connection with such trading or agency execution services, State Street Global Markets may receive compensation from the client in a variety of forms, including a commission, click fee, revenue share, spread, mark-up, mark-down, interest, fee or similar amount.

Out - of - Pocket Expenses

Out of pocket expenses including, but not limited to, wires, stamp duties, re-registration fees, air freight, market imposed costs, derivative valuation expenses and other expenses not reasonably foreseen as part of the trust and custody relationship will be billed to the customer.

Additional Fees

New file transmission requests, custom reports, Independent valuation of derivatives may carry an additional fee to be quoted prior to implementation.

Overdrafts

An overdraft charge of Fed Funds plus **200** basis points will apply to all U.S. overdrafts.

Securities Lending

State Street to be the exclusive lending agent with access to all customer assets for securities lending activities. A securities lending collateral management fee will be netted from the yield prior to the securities lending fee split allocation.

Fee schedule assumes no material changes to volume, structure or asset composition assumptions used to construct this fee schedule. Any such changes could result in the need for amended fee terms.

State Street Bank and Trust Company

Ventura County Employees' Retirement Association

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



NEPC, LLC

To: VCERA Board of Retirement
From: Allan Martin, Don Stracke, CFA, CAIA, and Anthony Ferrara
Date: November 18, 2013
Subject: State Street Custody Proposal

Recommendation

NEPC recommends that the VCERA Board of Retirement accept the State Street Custody proposal, with a view to re-examining the relationship in mid-2014, after completing a full investment program review with your new investment consultant.

NEPC Perspective

- Without question, the fee increase proposed is significant. Custody fees increasing from \$95,000 to \$325,000 represent a nearly 350% increase. It would be understandable to seek confirmation that the proposed fee is reasonable and within industry standards.
- The custody business in the US is very concentrated with only a few large competitors. We have observed fees rising in general, although primarily to replace other declining revenue sources for the firms (securities lending/FX transactions).
- Both Hewitt Ennis Knupp and NEPC believe that the new fees are within industry norms and consistent with pricing that we have seen with other clients.
- Staff has done a good job of investigating what other systems in California are paying for fees and confirmed that the new fees are in line with what others are paying.
- Therefore it is NEPC's view that conducting a search for a new custodian at this time is unlikely to result in fees dramatically lower than the proposed new fees.
- Changing custodians can be a time-consuming process for staff and boards.
- NEPC feels that, in the short term, a full investment review of your current asset allocation and manager line-up is a higher priority than reviewing your custodial arrangement.

Therefore, our recommendation is to accept the new fee proposal and consider conducting an rfp process to review pricing and service capabilities in the custody area towards the middle of 2014. Alternatively, should the board so desire, NEPC is prepared to conduct such a process now, with an expectation that it would be a 3-6 month process.

Memo

To: **Ventura County Employees' Retirement Association**

From: Joel Brightfield, Trust Services
John Lee

Date: November 6, 2013

Re: Evaluation of State Street Custody Fee Proposals

Executive Summary

Ventura County Employees' Retirement Association (VCERA) asked Hewitt EnnisKnupp (HEK) to provide an evaluation of the fees proposed by State Street in conjunction with the fee renewal. VCERA first engaged State Street for custody services in 1997, and the last fee renewal occurred in 2002. Since 2002, both VCERA and the institutional trust and custody industry have evolved, and HEK believes that State Street's proposed fees appropriately reflect these changes.

Evaluation of Fee Proposals

The last fee renewal between VCERA and State Street in 2002 was for \$95,000 per year. For the current fee renewal, State Street has provided five fee proposal options for consideration. The fee for the short-term investment fund (STIF) and the securities lending split varies among each scenario, but the custody services provided are consistent across all scenarios. The current fee and proposed fees cover the following services:

- *Asset administration and safekeeping*
- *Domestic and global transactions*
- *Income collection*
- *Tax reclaims*
- *Proxy voting services*
- *Derivatives processing*
- *Investment manager reconciliation*
- *Training as needed*
- *Domestic and global custody accounts*
- *Global documentation*
- *Corporate actions*
- *Standard security pricing*
- *Bank loan servicing*
- *Asset manager services*
- *Vendor training*
- *Online access*

In addition, State Street has adjusted the manner in which it will charge for certain other services. The table below summarizes.

	Current	Proposals
Class Action Administration	No fee	\$125 / class action processed
Third Party FX Transactions	No fee	\$75 / transaction
Third Party Transitions	No fee	Per "standard" transaction schedule

The current rate of \$95,000 for the services listed on page 1 and above is very low relative to fees Hewitt EnnisKnupp observes for plans of similar size and composition. As a percentage of current overall assets, the current rate equates to a charge ¼ of 1 basis point (or 0.0025%). HEK typically observes custody fees ranging from 1 basis point to 5 basis points for large (greater than \$1 billion in total assets) defined benefit plans.

The proposed fees are notably higher. On a percentage-of-overall-assets basis, the highest proposed fee (Option 1; \$325,000) fee is still shy of 1 basis point (0.0083%). However, it is important to note that under the new fee proposals, State Street will assess charges for certain services that are not covered by the flat fee. Of these services, the one that stands to be for the most impactful is third party FX transactions. State Street has estimated based on 2012 volume a potential charge of \$131,000 per year. Adding this to the highest proposed fee would bring the overall fee paid to State Street to approximately 1.2 basis points.

While the magnitude of the fee increase is substantial, relative to current market rates, the overall custody fees appear to be reasonable. In addition to the fact that the last fee renewal was more than 10 years ago, HEK would also point to developments in both VCERA's plan as well as the institutional trust and custody industry as support for the higher fees.

Recent Developments

Hewitt EnnisKnupp believes that custody fees should appropriately reflect the size and composition of a plan, as well as the services provided. VCERA's size and composition has evolved since 2002. In 2002, the total assets were approximately \$2.1 billion. Current assets stand at approximately \$3.9 billion, nearly a 50% increase. The number of holdings under custody was at 303 in 2002, and is now over 1,200. Similarly, the number of funds has more than doubled from 11 in 2002 to 23 in 2013. Lastly, the number of transactions has increased from 4,800 to 10,767. All of these increases represent increased efforts on the part of State Street, thus suggesting a higher fee is appropriate.

The institutional trust and custody industry has also seen a number of changes since 2002. As a whole, the global banking industry faces a myriad of regulatory changes. Among the most notable are the Basel accords, a global effort to increase capital requirements among financial institutions. This has a trickle down effect to the trust and custody business in that banks are in search of steady revenue streams that can help meet regulatory ratios. Another major change has been observed in the securities lending industry.

Custody banks have long relied on revenue generated from securities lending. In the aftermath of the 2008 recession, lending volumes have significantly decreased as reinvestment guidelines no longer support large loan volumes. This is evidenced in VCERA's experience. In 2002, gross lending income was \$637,000. In 2012, gross lending income was \$198,000. While the entire decrease may not be attributable to more conservative reinvestment guidelines, it is representative of the overall decrease in revenues to custody banks from securities lending. As such, custody banks are looking to make up for lost revenues through other services.

Other Considerations

The proposals from State Street include variations in the securities lending split and the short-term investment fund (STIF) fee. VCERA's share of the securities lending income ranges from 0% for the lowest overall custody fee proposal to 70% for the highest overall custody fee proposal. HEK typically observes a clients share (or split) of securities lending income to be in the 60% - 80% range. As mentioned above, the securities lending industry has experienced a considerable decrease in revenue generation. HEK expects this to persist as forthcoming regulations stand to impact the revenue generated from securities lending. Lastly, HEK is wary of the scenario where VCERA would share in 0% of the securities lending income as it does not adequately align interests.

The STIF plays a vital role in the custody arrangement. HEK has observed fees for STIFs ranging from 10 basis points to 35 basis points. Thus, the management fee proposed by State Street, 12 basis points (18 basis points in one of the five scenarios), falls to the lower end of the range. HEK believes the STIF fees proposed by State Street are reasonable.

Conclusion

Hewitt EnnisKnupp believes that the fee proposals from State Street are reasonable. Coupled with the length of time since the last renewal and the changes to both the VCERA plan and the industry, the notable increase in overall custody fees is warranted. Even in the highest fee scenario, VCERA will be at the low range of custody fees observed by HEK.



Contact: Donald.Kendig@ventura.org

Retirement Administrator
1190 S. Victoria Ave., Ste. 200
Ventura, CA 93003-6572

Direct: 805-339-4262

Custodial Fee Survey

1	2	3	4	5 a.	5 b.	6	7	8
Plan	Custodian	MVA 6/30/2013	S/L Split	Fee Type	Fee Amount	STIF	Excluded Services + Fees	Miscellaneous
Alameda-Contra Costa Transit District	State Street Bank and Trust	\$ 525,000,000	n/a	Flat Actv. Man. Act Commingled Act	\$110,000 \$7,500 \$2,000	15	Class Action Administration - \$125 per fund DTC Transactions \$15 Fed Book Entry Transaction \$18 Physical Transactions \$25 Euroclear Transactions \$45 Third party FX \$45 ,Wires \$7 GASB 40 Int Rate Risk \$750 per portfolio Out of pocket Expenses - billed to customer	
Alameda County ERA	State Street Bank and Trust	\$ 5,967,672,000	80/20	Flat	\$500,000	12	PrivateEdge accounting – billed to customer Out of pocket Expenses - billed to customer Overdraft charges - Fed Funds plus 200bps New file transmissions, custom reports, independent valuations, etc. - fee quoted prior to implementation	Funds 56 Holdings 2,150 Trans avg 3,200 – includes FX trans Gross S/L Rev \$1.3MM Avg. STIF Bal \$82MM Global Sep Acctns - Yes
California State Teachers RS	State Street Bank and Trust	\$ 166,600,000,000	85/15	Flat Custody Flat Inv. Perf. Rpt Flat Fund Acctng Flat Brd Rpt/ Equity Rtn Break out	\$3,500,000 \$200,000 \$200,000 \$104,800	12	Document Custody Fees for enhanced home loan program – \$833.33/ per month	Funds: 201 portfolio acctns Holdings: 32,000 at Transactions 627,000 Gross S/L Rev \$130MM Avg. STIF Bal \$137.4MM
City of Fresno Retirement Systems	Northern Trust	\$ 2,215,416,098	80/20	Flat - Domestic Flat - Global MV - Non US	\$75,000 \$2,625 per acct 0.5625-26.25 bps	10	Non US Transactions Tier I-IV: \$6-\$37.50 Class Action Administration - Waived FX Settlement via 3rd party - \$35 per trans Out of pocket Expenses – See note 3 Bank Loans (mv based fee) 0.05 bps	Non US MV on a Tier I-IV range based on country. Funds 18 Gross S/L Rev Est \$1,291,108 Avg. STIF Bal \$30.9 MM Global Separate Acctns 7
Marin County ERA	State Street Bank and Trust	\$ 1,710,567,000	70/30	Flat	\$400,000	10		
Mendocino County ERA	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Orange County ERS	State Street Bank and Trust	\$ 10,400,000,000	80/20	Flat	\$300,000	12	All services included	
San Bernardino County ERS	State Street Bank and Trust	\$ 7,398,438,000	85/15g 80/20i 75/25u	Flat	\$400,000 up to 20 active portfolios	10	For each portfolio over 20, \$3,000 year + \$10 per DTC & Fed Book Entry trans \$25 per physical trade \$12 per option purchased, sold, exercised, or expired \$10 per wire transfer \$20 per Euroclear trade \$50 per Third Party FX	Funds: 130 w 19 sep and 111 commingled Net S/L Rev: \$510,000 to SBCERA Avg. STIF Bal \$256 MM



Contact: Donald.Kendig@ventura.org

Retirement Administrator
 1190 S. Victoria Ave., Ste. 200
 Ventura, CA 93003-6572

Direct: 805-339-4262

Custodial Fee Survey

1	2	3	4	5 a.	5 b.	6	7	8
Plan	Custodian	MVA 6/30/2013	S/L Split	Fee Type	Fee Amount	STIF	Excluded Services + Fees	Miscellaneous
San Joaquin County ERA	Northern Trust	\$ 2,182,006,275	75/25	Flat	\$235,000	7	Transaction Charges: \$20 future/options \$75 credit default or interest rate swaps \$125 Total Revenue swaps Derivatives per Position \$200 annually, over the counter simple \$500 annually, over the counter complex \$100 annually, invst mngr supplied prices \$20 swap reset \$20 margin/collateral movements	Funds 62 Holdings 2130 Transactions 46,180 Gross S/L Rev \$515,700 Avg. STIF Bal \$44.7MM Global Separate Acnts 5
San Mateo County ERA	State Street Bank and Trust	\$ 2,731,529,981	70/30	Flat Custody Flat Inv. Perf. Rpt 2.5% escalator 5yr fee agrmnt	\$79,475 \$67,333	12	Expenses such as courier, communication and charges paid by SSB to a 3rd party (3rd party foreign exchange, stamp tax, registration, etc.)	Funds 43 Holdings 1,911 Transactions 49,431 Gross S/L Rev \$621,892 Avg. STIF Bal \$ 30.6 MM
Sonoma County ERA	State Street Bank and Trust	\$ 2,000,492,000	75/25	Flat	\$500,000	10	Out of pocket Expenses - Billed to customer Overdraft charges - Fed Funds + 200bps	FX costs in flat fee. Funds: 12 separate account / 7 commingled Holdings: 2,596 Transactions: 33,578 Gross S/L Rev: \$341,000 Avg. STIF Bal \$33 MM Global Separate Accounts: 2 Global Equity Sep Acts
Tulare County ERA	BNY Mellon	\$ 1,108,445,000	70/30	Flat	\$182,000 through 9/30/2014	15	Class Action Admin - 2% of proceeds FX Settlement via 3rd party - \$50 per trans in excess of the first 15 Out of pocket Expenses - billed to customer New file transmissions, custom reports, independent valuations, etc. - rates vary; \$1,000 one-time devmnt fee per report	Funds 29 Gross S/L Rev \$119,000 @ 6/30/2013 Avg. STIF Bal. \$38MM
Ventura County ERA	State Street Bank and Trust	\$ 3,612,254,000	70/30	Flat	\$95,000 current \$325,000 proposed	12	Class Action Administration - \$125 per fund FX Settlement via 3rd party - \$75 per trans Out of pocket Expenses - billed to customer Overdraft charges - Fed Funds + 200bps New file transmissions, custom reports, independent valuations, etc. - fee quoted prior to implementation	Funds 22 Holdings 1,203 Transactions 10,767 Gross S/L Rev. \$198,000 Avg. STIF Bal. \$42.5MM Global Separate Acnts 1



Contact: Donald.Kendig@ventura.org

Retirement Administrator
 1190 S. Victoria Ave., Ste. 200
 Ventura, CA 93003-6572

Direct: 805-339-4262

Custodial Fee Survey

1	2	3	4	5 a.	5 b.	6	7	8
Plan	Custodian	MVA 6/30/2013	S/L Split	Fee Type	Fee Amount	STIF	Excluded Services + Fees	Miscellaneous

Legend:

STIF - Short Term Investment Fund (in basis points (bps))

S/L Split - the share of net securities lending revenue (Plan/Custodian)

MVA - Market Value of Assets

FX - Currency

g, i, & u - Government Securities, International Fixed Income and Equity, and US Fixed Income and Equity

Notes and Subjective Observations of the Compiler:

1. Marin's and Sonoma's relative fee difference can be partially explained by the 10 bps STIF, and Sonoma's S/L split. Orange County seems to have a good fee, but additional data on Inv. structure is needed.
2. Could be interesting to learn how Mendocino does it. Could be due to asset size or a longstanding banking relationship.
3. Debited from the appropriate account(s) as incurred. Includes execution attributable to settlement and associated activities in specific markets, including but not limited to market opening charges, stamp duty, securities re-reg fees, ADR/GDR agent pass through charges, third party fixed deposits, proxy voting physical representation/ad hoc expenses, Deposit/Withdrawal (DWAC) charges. Delivery and Receipt charges, which the markets' sub-custodian charges Northern, will be passed through to the Systems & debited from the accounts where applicable. Other security-related charges passed through by depositories.
4. San Mateo's fees are based on a 5 year contract, commencing April 2009 (with a base Custody fee of \$72,000 and base Investment Performance Reporting fee of \$61,000). Contract up in April 2014.
5. Miscellaneous stats are latest, annualized, or as of 6/30/2013 for relative comparison purposes. Many items, such as Gross S/L Rev. are approximate.
6. CalSTRS Avg fees based on No of assets in the portfolio: Performance: \$1,977 per fund per quarter and Accounting: \$3,125 per fund per quarter
7. Costs of custodial services can vary widely among plans due to MVA, Funds, Holdings, and Transactions & S/L Rev. (which can be affected by individual managers and fund types)

ATTACHMENT B (as amended)
State Street Bank and Trust Company
ANNUAL MASTER CUSTODY FEES
For
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (VCERA)

Total annual custody fee: \$ 95,000 *

Short Term Investment Fund (STIF) fee 12 basis points

Securities Lending split of revenue fees 70% to the VCERA and 30% to the State Street

Other:

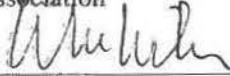
Stamp and Duty Registration
Expenses paid to a third party for stamp duty and registration will be billed to the client.

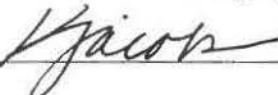
Out-of-pockets
Out-of-pockets such as wires, courier, communication and other applicable miscellaneous charges are borne by the client.

Master custody fee includes on-line services as detailed in the Data Access Agreement

The contract shall commence June 1, 2002.

* These annual fees will be a guaranteed fixed annual fee for the length of the custodian contract between State Street Bank and Trust Company and the Ventura County Employees' Retirement Association, or until portfolio assets increase to a total of \$2.5 billion, and/or actively managed investment accounts increase to a total of 12 accounts. Should either of these events occur during the length of time of the custodian contract, State Street reserves the right to re-open fee negotiations.

Ventura County Employees'
Retirement Association
By: 
Title: CHAIRMAN, BOARD OF RETIREMENT
Date: MAY 20, 2002

State Street Bank and Trust Company
By: 
Title: **Karen R. Jacobs**
Senior Vice President
Date: May 23, 2002

RECEIVED

MAY 29 2002

Risk & Compliance

RECEIVED
APR 2 - 1997
Via airmail Exp.
VENTURA COUNTY EMPLOYEES
RETIREMENT ASSOCIATION

CUSTODIAN CONTRACT

Between

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

And

STATE STREET BANK AND TRUST COMPANY

blrs\pubcust.doc
8/96

TABLE OF CONTENTS

	<u>PAGE</u>
1. EMPLOYMENT OF CUSTODIAN AND PROPERTY TO BE HELD BY IT	1
2. DUTIES OF THE CUSTODIAN WITH RESPECT TO PROPERTY OF THE ASSOCIATION HELD BY THE CUSTODIAN . .	1
2.1 Holding Securities	1
2.2 Delivery of Securities	2
2.3 Registration of Securities	3
2.4 Bank Accounts.	4
2.5 Income and Settlement Crediting.	4
2.6 Payment of Fund Moneys.	5
2.7 Appointment of Agents and Subcustodians. .	6
2.8 Proxies.	7
2.9 Communications Relating to Association Securities.	7
2.10 Proper Instructions.	8
2.11 Actions Permitted Without Express Authority	8
2.12 Evidence of Authority.	9
3. REPORTING	9
4. COMPENSATION OF CUSTODIAN	10
5. RESPONSIBILITY OF CUSTODIAN	10
6. SECURITY CODES.	11
7. TAX LAW	12
8. INVESTMENT MANAGER.	12
8.1 Appointment and Termination of Appointment	12
8.2 Authority.	13
9. EFFECTIVE PERIOD, TERMINATION AND AMENDMENT . .	13
10. ACTION ON TERMINATION	14
11. REPRESENTATIONS AND WARRANTIES.	15
12. NOTICES	16
13. CALIFORNIA LAW TO APPLY.	17
14. PRIOR CONTRACTS	17

CUSTODIAN CONTRACT

This Contract between the VENTURA COUNTY EMPLOYEE'S RETIREMENT ASSOCIATION, hereinafter called the "Association" or "Fund" as the context requires, and STATE STREET BANK AND TRUST COMPANY, a Massachusetts trust company, having its principal place of business at Boston, Massachusetts, USA, hereinafter called the "Custodian".

WITNESSETH:

That in consideration of the mutual covenants and agreements contained herein the Association and the Custodian agree as follows:

1. EMPLOYMENT OF CUSTODIAN AND PROPERTY TO BE HELD BY IT.

The Association hereby employs the Custodian as the custodian of the assets of the Ventura County Employee's Retirement Association. All property delivered to the Custodian, its agents or its subcustodians shall be held and dealt with as hereinafter provided. The Custodian shall not be responsible for any property of the Association not delivered to the Custodian, its agents or its subcustodians.

2. DUTIES OF THE CUSTODIAN WITH RESPECT TO PROPERTY HELD BY THE CUSTODIAN

2.1 Holding Securities. The Custodian shall hold, or direct its agents or its subcustodians to hold, for the account of the Association all securities and other noncash property other than securities which are held by the

Custodian, its agents or subcustodians in the Federal Reserve book-entry system, in a clearing agency which acts as a securities depository or in another book-entry system for the central handling of securities collectively referred to herein as "Securities System".

2.2 Delivery of Securities. The Custodian shall release and deliver, or direct its agents or its subcustodians to release, securities of the Association held by the Custodians, its agents or its subcustodians or in a Securities System account of the Custodian, its agents or its subcustodians only upon receipt of Proper Instructions (as defined in Section 2.10 herein), which may be standing instructions, in the following cases:

(a) Upon sale of such securities for the Association, unless otherwise directed by Proper Instructions; (i) in accordance with the customary or established practices and procedures in the jurisdiction or market where the transactions occur, including, without limitation, delivery to the purchaser thereof or to a dealer therefor (or an agent of such purchaser or dealer) against expectation of receiving later payment; or (ii) in the case of a sale effected through a Securities System, in accordance with the rules governing the operations of the Securities System;

(b) Upon the receipt of payment in connection with any repurchase agreement related to such securities;

(c) To the depository agent in connection with tender or other similar offers for securities;

(d) To the issuer thereof or its agent when such securities are called, redeemed, retired or otherwise become payable; provided that, unless otherwise directed by Proper Instructions, the cash or other consideration is to be delivered to the Custodian, its agents or its subcustodians;

(e) To the issuer thereof, or its agent, for transfer into the name of the Custodian or of any nominee of the Custodian or into the name of any of its agents or subcustodians or their nominees or for exchange for a different number of bonds, certificates or other evidence representing the same aggregate face amount or number of units;

(f) To brokers, clearing banks or other clearing agents for examination in accordance with "street delivery" custom;

(g) For exchange or conversion to any plan of merger, consolidation, recapitalization, reorganization or readjustment of the securities of the issuer of such securities, or pursuant to provisions for conversion contained in such securities, or pursuant to any deposit agreement; provided that, unless otherwise directed by Proper Instructions, the new securities and cash, if any, are to be delivered to the Custodian, its agents or its subcustodians;

(h) In the case of warrants, rights or similar securities, the surrender thereof in the exercise of such warrants, rights or similar securities or the surrender of interim receipts or temporary securities; provided that, unless otherwise directed by Proper Instructions, the new securities and cash, if any, are to be delivered to the Custodian, its agents or its subcustodians;

(i) For delivery as security in connection with any borrowings by the Fund requiring a pledge of assets by the Fund

(j) In connection with trading in options and futures contracts, including delivery as original margin and variation margin;

(k) In connection with securities lending by the Fund; and

(l) For any other purpose, but only upon receipt of Proper Instructions specifying the securities to be delivered and naming the person or persons to whom delivery of such securities shall be made.

2.3 Registration of Securities. Securities held by the Custodian, its agents or its subcustodians (other than bearer

securities or securities held in a Securities System) shall be registered in the name of the Custodian or in the name of any nominee of the Custodian or in the name of any of its agents or its subcustodians or of their nominees. The Custodian, its agents and its subcustodians shall not be obligated to accept securities on behalf of the Fund under the terms of this Contract unless such securities are in "street name" or other good delivery form.

2.4 Bank Accounts. The Custodian, its agents or its subcustodians may open and maintain a bank account or accounts in the name of the Custodian or otherwise, in such banks or trust companies as they may in their discretion deem advisable (including a bank of the Custodian), subject only to draft or order by the Custodian, its agents or its subcustodians acting pursuant to the terms of this Contract, and shall hold in such account or accounts, subject to the provisions hereof, cash received by or from or for the account of the Fund. Such funds shall be deposited by the Custodian, its agents or its subcustodians in their capacity as Custodian, agent or subcustodian and, except as otherwise provided under this Contract, shall be withdrawable by the Custodian, its agents or its subcustodians only in that capacity.

2.5 Income and Settlement Crediting. Subject to 2.5(a) and 2.5(b) below the Custodian shall credit or debit the appropriate cash account of the Fund in connection with the purchase, sale, maturity, redemption, income, dividends or

other disposition of securities and other assets held for the time being on behalf of the Association in said accounts on an actual settlement basis. The collection of income due the Fund on any securities loaned by the Fund other than through the Custodian's Securities Lending Program shall be the responsibility of the Association and such income shall be credited upon actual receipt by the Custodian.

(a) The Custodian may make available provisional credit of settlement, maturity redemption proceeds, income and dividends on a contractual settlement basis in markets deemed appropriate for such a practice by the Custodian. Income shall be credited contractually in markets identified on Schedule A, which may be amended from time to time. The Custodian reserves the right to reverse any such crediting at any time before actual receipt of the item associated with the credit when the Custodian determines that actual receipt will not be received in due course for such an item. In such instances, the Custodian may charge the appropriate cash account of the Association for the expense of providing funds associated with such advance.

(b) In markets where the Custodian makes available the provisions of Section 2.5(a), the consideration payable in connection with a purchase transaction shall be debited from the appropriate cash account of the Association upon the contractual settlement date for the relevant purchase transaction. The Custodian shall promptly recredit such amount at the time that the Association notifies the Custodian by Proper Instruction that such transaction has been canceled.

2.6 Payment of Fund Moneys. Upon receipt of Proper Instructions, which may be standing instructions, the Custodian shall pay out, or direct its agents or its subcustodians to pay out, moneys of the Fund in the following cases:

(a) Upon the purchase of securities for the Fund, unless directed by Proper Instructions; (i) in accordance with the customary or established practices and procedures in the jurisdiction or market where the transactions occur, including, without limitation, delivering money to the

1

seller thereof or to a dealer therefor (or an agent for such seller or dealer) against expectation of receiving later delivery of such securities; or (ii) in the case of a purchase effected through a Securities System, in accordance with the rules governing the operation of such Securities System;

(b) In connection with conversion, exchange or surrender of securities of the Fund as set forth in Section 2.2 hereof;

(c) For the payment of any expense or liability including but not limited to the following payments: interest, taxes, management, accounting, transfer agent fees, legal fees and operating expenses;

(d) To the trustee, including the Custodian, of any collective investment fund maintained for the investment of the assets of employee benefit plans qualified under Section 401(a) and exempt from tax under Section 501(a) of the Internal Revenue Code;

(e) For the purchase or sale of foreign exchange or foreign exchange contracts for the account of the Association, including transactions executed with or through the Custodian, its agents or its subcustodians;

(f) In connection with trading in options and futures contracts, including delivery as original margin and variation margin;

(g) In connection with securities borrowing by the Association; and

(h) For any other purpose, but only upon receipt of Proper Instructions specifying the amount of such payment and naming the person or persons to whom such payment is to be made.

2.7 Appointment of Agents and Subcustodians. The Custodian may at its discretion appoint and remove agents or subcustodians to carry out such of the provisions of this Contract as the Custodian may from time to time direct; provided, however, that such appointment shall not relieve the Custodian of its responsibilities or liabilities under this

Contract.

2.8 Proxies. The Custodian will, with respect to the securities held hereunder, cause to be promptly executed by the registered holder of such securities proxies received by the Custodian from its agents or its subcustodians or from issuers of the securities being held for the Association, without indication of the manner in which such proxies are to be voted, and shall promptly deliver such proxies, proxy soliciting materials and other notices relating to such securities directly to the Association.

2.9 Communications Relating to Association Securities. The Custodian shall transmit promptly to the Association or Investment Manager (as defined in Section 8 herein) written information (including, without limitation, pendency of calls and maturities of securities and expirations of rights in connection therewith) received by the Custodian from its agents or its subcustodians or from issuers of the securities being held for the Association. With respect to tender or exchange offers, the Custodian shall transmit promptly to the Association or Investment Manager written information received by the Custodian from its agents or its subcustodians or from issuers of the securities whose tender or exchange is sought and from the party (or his agents) making the tender or exchange offer. The Custodian shall not be liable for any untimely exercise of any tender, exchange or other right or power in connection with securities or other property, of the

Association at any time held by it unless (i) it or its agents or subcustodians are in actual possession of such securities or property and (ii) it receives Proper Instructions with regard to the exercise of any such right or power and both (i) and (ii) occur at least three (3) business days prior to the date on which such right or power is to be exercised.

2.10 Proper Instructions. The term "Proper Instructions" shall mean instructions received by the Custodian from the Association, the Investment Manager, or any person duly authorized by either of them. Such instructions may be in writing signed by the authorized person or may be in a tested communication or in a communication utilizing access codes effected between electro-mechanical or electronic devices or may be by such other means as may be agreed to from time to time by the Custodian and the party giving such instructions (including, without limitation, oral instructions). The Association shall cause its duly authorized officer, or the duly authorized officer of any Investment Manager, to certify to the Custodian in writing the names and specimen signatures of persons authorized to give Proper Instructions. The Custodian shall be entitled to rely upon the identity and authority of such persons until it receives notice from the Association or the Investment Manager to the contrary.

2.11 Actions Permitted without Express Authority. The Custodian may, at its discretion, without express authority from the Association or the Investment Manager:

(a) make payments to itself or others for minor expenses of handling securities or other similar items relating to its duties under this Contract, provided that all such payments shall be accounted for to the Association;

(b) surrender securities in temporary form for securities in definitive form;

(c) endorse for collection checks, drafts, and other negotiable instruments; and

(d) in general attend to all nondiscretionary details in connection with the sale, exchange, substitution, purchase, transfer and other dealings with the securities and property of the Association.

2.12 Evidence of Authority. The Custodian shall be protected in acting upon any instructions, notice, request, consent, certificate, instrument or paper reasonably believed by it to be genuine and to have been properly executed or otherwise given by or on behalf of the Association or an Investment Manager. The Custodian may receive and accept a certificate from the Association or an Investment Manager as conclusive evidence (i) of the authority of any person to act in accordance with such certificate or (ii) of any determination or of any action by the Association or the Investment Manager as described in such certificate, and such certificate may be considered as in full force and effect until receipt by the Custodian of written notice to the contrary.

3. REPORTING. The Custodian shall render to the Association a monthly report of all monies received or paid on behalf of the Association and an itemized statement of the securities

for which it is accountable under this Contract as of the end of each month, as well as a list of all securities transactions that remain unsettled at that time.

4. COMPENSATION OF CUSTODIAN. The Custodian shall be entitled to compensation for its services and expenses as Custodian set forth in a written Fee Schedule attached herein as Attachment B between the parties hereto until a different compensation shall be in writing agreed upon between the Association and the Custodian.

5. RESPONSIBILITY OF CUSTODIAN. The Custodian shall not be responsible for the title, validity or genuineness, including good deliverable form, of any property or evidence of title thereto received by it or delivered by it pursuant to this Contract and shall be held harmless in acting upon any notice, request, consent, certificate or instrument reasonably believed by it to be genuine and to be signed or otherwise given by the proper party or parties. The Custodian shall be held to the exercise of reasonable care in carrying out the provisions of this Contract, but shall be kept indemnified by the Association for any action taken or omitted by it in good faith and without negligence. The Custodian shall be without liability to the Association for any loss resulting from or caused by: (i) events or circumstances beyond its reasonable control including nationalization, expropriation, currency restrictions, act of war or terrorism, riot, revolution, acts of God or other similar events or acts; (ii) errors by the

Association or any Investment Manager in its instructions to the Custodian or (iii) acts or omissions by a Securities System. It shall be entitled to rely on and may act upon advice of counsel (who may be counsel for the Association or the Association) on all matters, and shall be without liability for any action reasonably taken or omitted pursuant to such advice.

If the Custodian advances cash or securities for any purpose, including the purchase or sale of foreign exchange or of contracts for foreign exchange, or in the event that the Custodian shall incur or be assessed taxes, interest, charges, expenses, assessments, or other liabilities in connection with the performance of this Contract, except such as may arise from its own negligent act or negligent omission, any property at any time held for the account of the Association or in the Account shall be security therefor and, should the Association fail to repay the Custodian promptly, the Custodian shall be entitled to utilize available cash and to dispose of the Association assets to the extent necessary to make itself whole.

6. SECURITY CODES. If the Custodian has issued to the Association, or to any Investment Manager, security codes or passwords in order that the Custodian may verify that certain transmissions of information, including Proper Instructions, have been originated by the Association or the Investment Manager, as the case may be, the Custodian shall be kept

indemnified by and be without liability to the Association for any action taken or omitted by it in reliance upon receipt by the Custodian of transmissions of information with the proper security code or password, including instructions purporting to be Proper Instructions, which the Custodian reasonably believes to be from the Association or Investment Manager.

7. TAX LAW. The Custodian shall have no responsibility or liability for any obligations now or hereafter imposed on the Association, the Fund or the Custodian as custodian of the Fund by the tax law of the United States of America or any state or political subdivision thereof. It shall be the responsibility of the Association to notify the Custodian of the obligations imposed on the Fund, the Association or the Custodian as custodian of the Fund by the tax law of jurisdictions other than those mentioned in the above sentence, including responsibility for withholding and other taxes, assessments or other governmental charges, certifications and governmental reporting. The sole responsibility of the Custodian with regard to such tax law shall be to use reasonable efforts to assist the Association with respect to any claim for exemption or refund under the tax law of jurisdictions for which the Association has provided such information.

8. INVESTMENT MANAGER.

8.1 Appointment and Termination of Appointment. The Association at any time may appoint one or more Investment

Managers to manage the investment of all or any portion of the Association. In such event, the Association shall notify the Custodian in writing of the appointment of such Investment Manager, and of the portion of the Fund over which the Investment Manager may exercise its authority. The Association similarly shall notify the Custodian of the termination of the appointment of any Investment Manager.

8.2 Authority. The Custodian, in performing its duties under this Contract, shall be entitled to rely upon Proper Instructions from the Investment Manager, with such limitations as the Association and the Custodian by written agreement provide. In the absence of such limitations, the Custodian shall accept Proper Instructions from the Investment Manager to the same extent as the Custodian would be entitled to accept such Proper Instructions from the Association if no Investment Manager has been appointed.

9. EFFECTIVE PERIOD, TERMINATION AND AMENDMENT. This Contract shall become effective as of the date hereinafter set forth, shall continue in full force and effect until terminated as hereinafter provided, may be amended at any time by mutual written agreement of the parties hereto and may be terminated by either the Association or the Custodian by an instrument in writing delivered or mailed, postage prepaid to the other party, such termination to take effect not sooner than sixty days after the date of such delivery or mailing unless a different period is agreed to in writing by the

parties. The provisions of Sections 5, 6 and 7 of this Contract shall survive termination of this Contract for any reason.

Upon termination of the Contract, the Association shall pay to the Custodian upon demand such compensation as may be due as of the date of such termination and shall likewise reimburse the Custodian for its costs, expenses and disbursements.

10. ACTION ON TERMINATION. If a successor custodian shall be appointed by the Association, the Custodian shall, within a reasonable time after termination, deliver to such successor custodian at the office of the Custodian, its agents or its subcustodians or as otherwise agreed, duly endorsed and in the form for transfer, all securities, funds and other property then held by it hereunder and shall transfer to any account of the successor custodian all of the Association's securities held in a Securities System.

If no such successor custodian shall be appointed, the Custodian shall, in like manner, upon receipt of Proper Instructions from the Association, deliver at the office of the Custodian, its agents or its subcustodians or as otherwise agreed and transfer such securities, funds and other property in accordance with such Proper Instructions.

In the event that no written order designating a successor custodian and no Proper Instructions as aforesaid shall have been delivered to the Custodian on or before the

date when such termination shall become effective, the Custodian shall have the right to deliver to a bank or trust company of its own selection, having an aggregate capital, surplus, and undivided profits, as shown by its last published report of not less than \$100,000,000 all securities, funds, and other property held by the Custodian. Thereafter, such bank or trust company shall be the successor of the Custodian under this Contract.

In the event that securities, funds, and other property remain in the possession of the Custodian, its agents or its subcustodians after the date of termination hereof owing to failure of the Association to appoint a successor custodian or to give the Proper Instructions referred to above, the Custodian shall be entitled to fair compensation for its services during such period as the Custodian retains possession of such securities, funds and other property and the provisions of this Contract relating to the duties and obligations of the Custodian shall remain in full force and effect. It is understood that "fair compensation" shall mean the contract amount of such compensation in effect at the time of termination unless a continuation of this amount shall work an injustice on either the Custodian or the Association due to increased or decreased responsibilities undertaken under this section.

11. REPRESENTATIONS AND WARRANTIES. The Association represents and warrants to the Custodian that:

(a) The Association has the power to enter into and perform its obligations under this Contract, and has duly executed this Contract so as to constitute valid and binding obligations of the Association.

(b) The Association has the power pursuant to the documents establishing the Association and any related plans and trusts to enter into this Contract and carry out its obligations hereunder.

(c) In giving any instructions which purport to be "Proper Instructions" under this Contract, the Association will act in accordance with the provisions of the documents establishing the Association and any related plans and trusts.

(d) The documents establishing the Association and any related plans and trusts permit investment in the collective investment funds referred to in Section 2.6(d) of this Contract and incorporate the terms of such collective funds by reference.

12. NOTICES. Notices and other writings shall be delivered or mailed postage prepaid to:

To the Association:

Harold S. Pittman, Administrator
Ventura County Employees' Retirement Association
800 S. Victoria Avenue
Ventura, CA 93009

To the Custodian:

State Street California, Inc.
1001 Marina Village Parkway
3rd Floor
Alameda, CA 94501

Association Manager

or to such other address as the Association or the Custodian may hereafter specify in writing.

Telephone and facsimile notices shall be sufficient if

communicated to the party entitled to receive such notice at the following numbers:

If to Association:

Telephone (510) 337-5720 Facsimile (510) 337-5791

If to Custodian:

Telephone _____ Facsimile _____

or to such other numbers as either party may furnish the other party by written notice under this Section.

13. CALIFORNIA LAW TO APPLY. This Contract shall be construed and the provisions thereof interpreted under and in accordance with laws of the state of California to the extent not pre-empted by federal law.

14. PRIOR CONTRACT. This Contract supersedes and terminates, as of the date hereof, all prior contracts between the Association and the Custodian relating to the custody of the Association's assets.

IN WITNESS WHEREOF, each of the parties has caused this instrument to be executed in its name and behalf by its duly authorized representative as of the 7th day of April, 1997.

ATTEST:

VENTURA COUNTY EMPLOYEES'
RETIREMENT SYSTEM

[Signature]

BY: *Vernon C. Maddy*
TITLE: Chairman, Board of Retirement

ATTEST:

STATE STREET BANK AND TRUST COMPANY

Kenneth R. Johnson

BY: *Jonathan W. Saulty*
Vice President

PUBCUST.DOC
3/95

REVIEWED
18104
J. S. S.
5/2/97

SCHEDULE A
Contractually Credited Income Markets
For Applicable Securities and Debt Instruments

Australia
Austria
Belgium
Canada
Denmark
Eurosecurities*
Finland
France
Germany
Hong Kong
Italy
Japan
Netherlands
New Zealand
Norway
Portugal
Singapore
Spain
Sweden
Switzerland
United Kingdom
United States of America

* for securities held at Euroclear

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

November 18, 2013

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

SUBJECT: AUTHORIZATION TO ATTEND THE 5TH ANNUAL NEPC PUBLIC FUND WORKSHOP, JANUARY 27-28, 2014, TEMPE, ARIZONA

Dear Board Members:

Background & Discussion

The attached provides information for a workshop hosted by NEPC, Inc. (NEPC). Two Trustees may attend, with the possibility of a third. Don Stracke, VCERA's consultant from NEPC, asked that staff provide this invitation for your consideration at November's Board meeting. Mr. Stracke will be in attendance to answer any questions.

The workshop conflicts with the proposed 2014 Board calendar, also presented today, and there is a potential that authorized Trustees will miss the January 27, 2014 Board meeting, if adopted. The Board's [Education and Travel Policy](#) requires that the approval for travel to this workshop be made in an open meeting of the Board.

Fiscal Impact

The Board's Education and Travel Policy requires that any workshop costs borne by NEPC be reimbursed by VCERA. The maximum cost per attendee is estimated to be \$1,500, which includes airfare (\$470), workshop registration (\$240), hotel (\$570), reception/dinner (\$120), and incidentals (\$100). The actual cost may be less taking advantage of booking airfare early or choosing not to participate in the reception and/or dinner. If three trustees attend, the total maximum cost would be \$4,500.

As of October 31, 2013, we have expended approximately 53%, or \$34,100, of the \$65,000 line budget approved for Conference, Seminar and Travel. Approximately \$21,600 of the total line expenditure was for the due diligence site visit to Walter Scott and travel associated with the investment consultant search. These trips were not anticipated or included in the adopted budget. However, the total FY 2013-14 approved administrative operating budget represents 51% of the allowable maximum per Government Code 31580.2. Your Board would still be within the total allowable administrative spending limit if you chose to approve this trip. It is unknown at this time if the excess cost can be absorbed within the current budget and staff will advise the Board if additional appropriations from contingency will be required during our mid-year budget update in January or February of 2014.

**AUTHORIZATION TO ATTEND THE 5TH ANNUAL NEPC PUBLIC FUND WORKSHOP,
JANUARY 27-28, 2014, TEMPE, ARIZONA**

November 18, 2013

Page 2 of 2

Conclusion

It is requested that your Board authorize attendance of up to three Trustees at the 5th Annual NEPC Public Fund Workshop. This item and attachment were reviewed by VCERA's executive team.

Mr. Stracke is available to answer any workshop-specific questions. Staff would be happy to answer any administrative questions.

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

Attachments (1)

SAVE THE DATE!
The 5th Annual NEPC
Public Fund Workshop
January 27-28, 2014
Tempe Mission Palms
Tempe, Arizona



NEPC, LLC

Please join us for our 5th annual Public Fund workshop! The workshop gives our large Public Fund clients an opportunity to hear from NEPC Consultants and Research Analysts, their peers and prominent thinkers of the industry about investment trends and issues that are faced by Public Funds.

This exclusive workshop is hosted in an intimate setting and is usually attended by several funds. The Workshop is designed to encourage participation and collaboration from everyone who attends!

We would welcome your input on the discussion topics and speakers for the 2014 workshop. Listed below are the topics that were discussed at our 2013 workshop.

- Public Plan Trends, Threats and Challenges
- Dynamic Asset Allocation in a Low-Return World
- The Role of Real Assets (including Real Estate) in a Retirement Plan (inflation/hedge, diversifier)
- Governance for Public Funds vs. Corporate or Endowment Funds
- Risk-Based Investing in a Low Interest Rate World
- Global Implications of the Rise of Emerging Markets
- Risk Monitoring/Management
- Plan Sponsor Issues and Challenges
- The Case for Emerging Markets
- Legal Threats and Challenges

We would like suggestions for topics that interest YOU! If you have a unique investment idea or a particular issue that your Fund is facing, and would like to lead a discussion about it at the workshop, please let us know. If you have seen an outside speaker recently that you think would be interesting or topical for the group, please let us know. We would be interested in them as well.

We would like to get an agenda together for the workshop by the end of November. If you are interested in participating in the 2014 Public Fund workshop, please respond to Starr Shiffler (sshiffler@nepc.com) with your proposed topics of interest or preferred speakers by November 20, 2013. We will distribute a proposed agenda and official invite for the workshop the first week of December. We hope to see you there!

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

November 18, 2013

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

SUBJECT: PENSION ADMINISTRATION SYSTEM (PAS) PROJECT UPDATE

Dear Board Members:

Attached is the Ventura County Employees' Retirement Information System ("VCERIS") project Quarterly Report.

(1) Project History—March 2012 to the Present

The VCERIS implementation is a multi-year effort to replace a legacy mainframe pension system, RDBS, with a modern, integrated pension administration system that will eventually automate many of VCERA's manual processes. Vitech Systems, Inc. was selected through an RFP process to provide functionality that supports all member processes—active member account tracking, retirement calculations, benefit setup, pension payroll, web-based access for members to the system, and a module to store member documents. This system requires an extensive server and database infrastructure, including regular IT support, and so VCERA elected to have Vitech host the system at its secure hosting facility in New Jersey. VCERA staff will access the system via a secure internet connection hosted by County ITS.

The other vendors involved in the project are Linea Solutions (Linea) and Managed Business Solutions (MBS). Both vendors were selected via RFP processes. Linea Solutions is providing project oversight, assisting with design, requirements tracking, managing the testing effort, performing testing and writing test scenarios, assisting with developing and executing staff training and training resources, and participating in data conversion and the active payroll interface tasks. Linea's services are therefore both technical and project management in nature. MBS was selected to perform the data conversion from the legacy systems to Vitech's database. These services are strictly technical: they are ensuring the data are cleansed, transformed, and reconciled between the two systems.

The project's initial budget was approved for \$8,436,107. Included in the total were the costs for the three vendors noted above (Linea, MBS, and Vitech), funds for temporary fixed-term staff positions, and for additional hardware and software needed to support the project. A 10% contingency of \$843,610 was subsequently established for change orders, increasing the total project budget to \$9,279,718.

A model of excellence for public pension plans around the World.

PENSION ADMINISTRATION SYSTEM (PAS) PROJECT UPDATE

November 18, 2013

Page 2 of 4

The implementation project began in March of 2012. The initial proposed schedule was 33 months. However, VCERA management concluded that, given the 20%+ staffing vacancies experienced, the internal staffing was insufficient to meet this schedule. The schedule was then extended to 39 months, to conclude in June 2015. Although the additional six months translated into significantly more hours and cost required for Vitech Systems and Linea, both vendors agreed to make this change at no cost, essentially avoiding an \$800,000 increase to the project budget.

The initial plan called for three rollouts. The active member system and associated processes would be completed in October, 2013. The retired member system and associated processes would be completed by March of 2015. The member web portal, which will allow members to access account information and submit forms via the web, would be completed by June of 2015.

Although discussions commenced shortly after launch in March of 2012, it was not until January 2013, that the team definitively learned that the Auditor-Controller was experiencing technical issues in producing all of the requested data elements for the active payroll interface, the main data feed to Vitech's V3 system. The file needed to be completed by June of 2013 in order to keep the first rollout on schedule. Over the ensuing five months, VCERA management and the Auditor-Controller worked together to develop two plans to move forward—the preferred solution is to have Auditor-Controller develop an automated interface between Peoplesoft and V3. The back-up solution is to have several key data elements hand-keyed into a pre-formatted spreadsheet. In either case, both sides are committed to having a solution in place by March of 2014.

In February of 2013, VCERA management concluded that, while staffing was now 100%, the Benefits staffing was not sufficient to support operations and the VCERIS project. Operations has experienced significant staffing issues with leaves of absence and turnover over the past three years, and management determined that an additional two staff members, in addition to the two temporary staff members, were needed to ensure both operations and the project could move forward. Your Board approved the addition of two Retirement Specialists in April, and the recruitment was completed successfully in July 2013. VCERA management determined that the staff could be sufficiently cross-trained to allow for two additional resources to be dedicated to the VCERIS project beginning January 2014.

During the period February to June 2013, the project team and VCERA management collaboratively analyzed the impact of staffing issues and the Active Member Interface on the project schedule, and concluded that the safest and most cost effective solution to address the unanticipated delays would be to combine the first and second rollouts, and have both go live in August 2015, approximately five months later than originally scheduled. Under the proposed revised schedule, the member web would be completed by November 2015. Vitech and Linea both offered discounted change orders for this project extension, which allows the project to remain under budget. This plan, and associated change orders were approved in July 2013 for \$314,800, and includes an extension of the RDBS system for one year, costing approximately \$236,250 for maintenance by CMP & Associates.

PENSION ADMINISTRATION SYSTEM (PAS) PROJECT UPDATE

November 18, 2013

Page 3 of 4

The project is currently on schedule per the revised project plan. As of September 30, 2013, the effort to implement the system, excluding member web, is approximately 40% complete, as expected.

(2) Progress Achieved between July 1 and September 30, 2013

For the last quarter, the team has stayed on track. VCERA has accepted as complete functionality related to Service Credit Purchases, Domestic Relations Order (DRO) processing, Board reports, and Refunds. Vitech has delivered functionality related to Benefit Estimates for testing.

The data conversion effort is proceeding on schedule, with approximately 85% of the conversion of RDBS completed, and approximately 65% of the overall conversion completed. However, the project team has utilized more hours than anticipated in accomplishing the tasks to date. The unanticipated hours were required due to both technical issues with the extraction process from RDBS, gaps in RDBS data that were impacting testing, and due to resource and planning delays early in the project. These excess hours were absorbed by Vitech and Linea Solutions; the project consultants worked excess hours on the project in order to accomplish these additional tasks. Vitech and Linea Solutions absorbed these hours because both companies have contractual limits on the number of hours that are expended on data conversion, and both preferred to avoid submitting a change order.

The remaining areas of conversion are related to retiree pay history. This data resides in VCERA's third party vendors (ADP) database and in RIS, which is a VCERA legacy database of 1099R retiree data. Prior to October of 2013, the team believed that the conversion of these systems would be considerably simpler than converting RDBS, and that the conversion would likely not require additional hours above the current contractual limits to complete. However, in the recent technical analysis meetings conducted in October, the team discovered that the conversion will be more complex than anticipated. More data is available to convert than anticipated, and the data mapping process is more complicated than anticipated.

The technical analysis of RIS and ADP will be completed in December in 2013. After this analysis, the team will determine if additional hours are needed by MBS, Vitech, or Linea to complete the conversion, and if additional VCERA resources may be needed as well. The team will bring options to the Board as soon as is practical regarding the strategy to move forward. These options may include reducing the scope of the conversion, increasing hours to the consultants, increasing VCERA's staff hours on the project, or a combination of these options.

The Auditor Controller and VRSD continue to make progress on providing the active payroll file interface to VCERA. As the attached report details, both employers have completed the demographics file, and both have made substantial progress on the other two interface files. Although the Auditor Controller is still determining how changes will be made to compensation earnable and retroactive adjustments, work is continuing on the interface files and both sides are confident the interface will be completed by the March 2014.

PENSION ADMINISTRATION SYSTEM (PAS) PROJECT UPDATE

November 18, 2013

Page 4 of 4

The recently hired VCERA staff are progressing very well in their training and in productivity, based on their knowledge and experience. Recently, Operations has had a staff resource in the Retiree Unit take an unexpected medical leave of absence. This leave of absence, if not addressed, would interrupt the training to allow the dedication of one of the additional resources to be assigned to the VCERIS project at the beginning of next year. To address this, however, Operations will be cross-training a Retirement Specialist within the Retiree Unit to mitigate the impact to the project.

Finally, we have reviewed the project budget and determined we are currently \$91,634 under budget. No change orders are proposed at this time.

We would be pleased to respond to any questions during the Board meeting.

Sincerely,



DONALD KENDIG
Retirement Administrator



BRIAN COLKER
Linea Solutions, Inc.

Attachment (1)



Ventura County Employees' Retirement Information System Status Report



Reporting to: Board of Retirement
Written by: Brian Colker

Report Date:

11/1/2013

Board of Retirement Ventura County Employees' Retirement Information System (VCERIS) Report

Reporting period: July 1st, 2013 – September 30th, 2013

Current Project Plan		
DATA AS OF 9/30/13:		
Rollout 1: Active Member & Retiree Combined	Rollout 2: Member Web	
Actual % Complete: 40.38%	Actual % Complete: N/A	
Planned % Complete: 40.38%	Planned % Complete: N/A	
Variance: 0%	Variance: N/A	
Rollout Timeline, Initial: July 2012 – October 2013	Rollout Timeline, Initial: January 2015 – June 2015	
Rollout Timeline, Revised: July 2012 – August 2015	Rollout Timeline, Revised: September 2015 – November 2015	
Initial Plan		
Rollout 1: Active Member	Rollout 2: Retiree	Rollout 3: Member Web
Rollout Timeline, Initial: July 2012 – October 2013	Rollout Timeline, Initial: November 2013 – April 2015	Rollout Timeline, Initial: January 2015 – June 2015



Ventura County Employees' Retirement Information System Status Report



Reporting to: Board of Retirement
Written by: Brian Colker

Report Date:

11/1/2013

Accomplishments for the Period 7/1/2013 – 9/30/2013

- Completed V3 upgrade to version 9.9
- Signed off on Segment C delivered functionality which included:
 - Service Credit Purchase – Part 2
 - DRO – Part 2
 - Board Reporting
- Signed off on Segment D, Track 1 delivered functionality (other Refund types)
- Began design and testing for Segment D, Track 2 functionality (Benefit Estimates)
- Wrote and executed tests for Segment C, and Segment D Tracks 1 and 2 (Service Credit Purchase, DRO, Board Reporting, Refunds, Benefit Estimates)
- To date, 727 tests have been executed and there are currently 71 open defects.
- MBS delivered Cycle 6A conversion files (RDBS active member data). These files were successfully loaded into V3 and the project team is in the process of analyzing the results.
- Plan Sponsors –Below is a snapshot of the status of the transmittal files:

File	VRSD	County
Demographics (Name, Address, etc.)	<ul style="list-style-type: none"> • Successfully received file via SFTP • Successfully processed the file into V3 	<ul style="list-style-type: none"> • Successfully received file via SFTP • Successfully processed the file into V3
Employment (Job Type, Job Class, Hours)	<ul style="list-style-type: none"> • Successfully received the second file via SFTP • File issues reported back and acknowledged by VRSD 	<ul style="list-style-type: none"> • Successfully received the second file via SFTP, including the test scenarios requested • Few minor issues with file reported back and acknowledged by County.
Contributions (Comp earnable, Contributions)	<ul style="list-style-type: none"> • Successfully received the first file • Design questions received by Vitech to date have been answered 	<ul style="list-style-type: none"> • Successfully received the second file via SFTP • All file issues reported back and acknowledged by County; working on next file iteration. • Design issues are still open related to comp. earnable and retroactive adjustments. • Reconciliation Milestone Achieved: The contributions reported on the file matched exactly to VCERA's 503 (Summary Contribution) Report.

- Auditor-Controller is still working on resolutions to retroactive adjustments and compensation earnable.



Ventura County Employees' Retirement Information System Status Report



Reporting to: Board of Retirement
Written by: Brian Colker

Report Date:

11/1/2013

Summary

Cost Item	Budget	Change Orders	Amended Budget ¹	Expended to Date	Remaining
Vitech (software, implementation, hosting)	\$ 4,986,500	\$ 250,000	\$ 5,236,500	\$ 2,454,960	\$ 2,781,540
Linea (project oversight, design, data conversion, testing, training)	2,088,407	118,800	2,207,207	1,092,965	1,114,242
External Costs	100,000	110,400	210,400	92,302	118,098
Third party data conversion	680,000	(90,538)	589,462	306,651	282,811
Limited Term Positions ²	581,200	(480,296)	100,904	100,904	-
Project Budget Subtotal	\$ 8,436,107	\$ (91,634)	\$ 8,344,473	\$ 4,047,781	\$ 4,296,692
Project Contingency	843,611	-	843,611	-	\$ 843,611
Total Project Budget	\$ 9,279,718	\$ (91,634)	\$ 9,188,084	\$ 4,047,781	\$ 5,140,303

¹Amended budget reflects only *approved* change orders.

²Limited term positions were converted to full-time employees as of 3/31/2013; costs will be reflected in Staff Costs from this point onward.

Detail

Milestone Description	Scheduled Invoice Date	Amended Budget	Holdback (15%)	Net Scheduled Payment	Amount Incurred
Project Initiation / Initial License Payment (Development License)	March-12	\$ 200,000	\$ -	\$ 200,000	\$ 200,000
QA Hardware and Software Installed and Configured	May-12	128,000	(19,200)	108,800	108,800
Detailed Implementation Plan Approved	June-12	96,000	(14,400)	81,600	81,600
V3 Baseline Application Configuration & Demonstration Complete	August-12	224,000	(33,600)	190,400	190,400
Rollout 1: VCERA Confirms Segment A Functionality Delivered and Validated	November-12	224,000	(33,600)	190,400	190,400
Rollout 1: VCERA Confirms Segment B Functionality Delivered	March-13	224,000	(33,600)	190,400	190,400
Rollout 1: VCERA Confirms Segment C Functionality Delivered	June-13	224,000	(33,600)	190,400	-
Change Order 3489 Execution	July-13	370,720		370,720	370,720
Holdback Release	July-13		168,000	168,000	168,000
Rollout 1: VCERA Confirms Segment D Track 1 Functionality Delivered	September-13	314,640		314,640	314,640
Rollout 1: VCERA Confirms Segment D Track 2 Functionality Delivered	December-13	314,640		314,640	-
Rollout 1: VCERA Confirms Segment F Functionality Delivered	March-14	139,200		139,200	-
Rollout 1: VCERA Confirms Segment G Functionality Delivered	July-14	139,200		139,200	-
Rollout 1: VCERA Confirms Segment H Functionality Delivered	August-14	139,200		139,200	-
Rollout 1: VCERA Begins Parallel Testing of Transmittal Files	October-14	139,200		139,200	-
Rollout 1: VCERA Confirms Segment I Functionality Delivered	December-14	139,200		139,200	-
Rollout 1: VCERA Begins UAT	March-15	40,000		40,000	-
Rollout 1: VCERA Accepts System for Production	July-15	400,000		400,000	-
Rollout 2: Start of MSS Implementation	August-15	72,000		72,000	-
Warranty Complete: Three Months after R1 Go-Live	October-15	100,000		100,000	-
Rollout 2: VCERA Accepts MSS for Production	November-15	72,000		72,000	-
Warranty Complete: Three Months after R2 Go-Live	Feb-16	50,000	-	50,000	-
Vitech Implementation Services Subtotal:		\$ 3,750,000	\$ -	\$ 3,750,000	\$ 1,814,960
Vitech Other Costs		Amended Budget		Paid This Qtr.	Cumulative
Vitech V3 License Fee	August-12	\$ 575,000			\$ 575,000
Vitech V3 Upgrade Fee -	Various	450,000			-
Infrastructure Hosting	Various	376,000			25,000
Travel	On-going	82,500		5,000	40,000
Software Escrow Agreement	FY 13/14	3,000			-
Vitech Other Costs Subtotal:		1,486,500		5,000	640,000
Vitech Services Total:		\$ 5,236,500		\$ 5,000	\$ 2,454,960



Ventura County Employees' Retirement Information System Status Report



Reporting to: Board of Retirement
Written by: Brian Colker

Report Date:

11/1/2013

Linea - Project Oversight and Integrating Services Description:		Amended Budget		Incurred This Qtr.	Cumulative
Project Oversight	On-going	\$ 764,040		\$ 94,108	\$ 566,871
Design Consulting	On-going	484,000		760	54,358
Testing	On-going	412,550		62,985	292,733
Interfaces	On-going	165,360		1,283	43,321
Cut-Over Support	On-going	140,700		-	-
Training	On-going	11,460		570	9,066
Data Conversion	On-going	65,600		5,415	45,606
Travel Expenses	On-going	163,497		13,210	81,010
Project Oversight and Integrating Services Total:		\$ 2,207,207		\$ 178,330	\$ 1,092,965
External Costs:		Amended Budget		Paid this Qtr	Cumulative
Software	Varies	\$ 75,500		\$ 6,180	\$ 54,870
Hardware	Varies	\$ 30,000		-	14,080
Broadband to Host Facility	On-going	\$ 14,800		673	1,831
Additional Project Workspace		\$ 52,500		5,050	21,520
Beneficiary Form Updates		\$ 37,600		-	
Data Conversion (Legacy (\$156,500 + Third Party \$431,712)		\$ 589,462		48,318	306,651
Limited Term Positions	To 3/31/13	\$ 100,904		-	100,904
3rd Party Hardware / Software / Other Total:		\$ 900,766		\$ 60,220	\$ 499,857
Total Project Expenditures					\$ 4,047,781
Total Amended Project Budget		\$ 8,344,473			

Original Project Budget	\$ 8,436,107	Variance from Original	\$ (91,634)
-------------------------	---------------------	------------------------	--------------------

Proposed Change Orders (see next page)			-
Proposed Amended Budget			-
Updated Variance from Original			-

Total Project Cost Summary

Total Project Expenditures	\$ 4,047,781
Staff Support Costs for the quarter (not in project budget)	65,836
Staff Support Costs to date (not in project budget)	331,762
Total Project Costs	\$ 4,379,543



Ventura County Employees' Retirement Information System Status Report



Reporting to: Board of Retirement
Written by: Brian Colker

Report Date:

11/1/2013

Change Orders This Period

NONE

Approved Change Orders (All To Date)

Name	Description	Cost Impact	Budget Year
Vitech CO 3223 – Revised Implementation Plan	Vitech submitted a change order adjusting the implementation schedule to extend the overall project by 6.5 months. They changed the payment milestones as part of the negotiation.	None (net over course of project)	FY'12-'13: \$163,200 FY'13-'14: \$147,388 FY'14-'15: (\$310,589)
Linea Change Order #1	Linea submitted a change order to adjust the implementation schedule to extend the overall project by 6.5 months.	None	N/A
Additional project workspace	The project team has determined that there is considerable advantage to in-person meetings.	\$49,500	FY'12-'13: \$13,500 FY'13-'14: \$18,000 FY'14-'15: \$18,000
Increased cost of Broadband to Host Facility	The secure point-to-point connection from VCERA to Vitech's hosting facility is considerably more expensive than anticipated.	\$68,100	FY'12-'13: \$0 FY'13-'14: \$3,300 FY'14-'15: \$32,400 FY'15-'16: \$32,400
Additional Project Software	This change covers the purchase of the Assima training tool.	\$43,900	FY'12-'13: \$22,900 FY'13-'14: \$7,000 FY'14-'15: \$7,000 FY'15-'16: \$7,000
Additional Data Conversion Assistance	This change covers VCERA's additional data conversion resources needed to support MBS in performing the data conversion (Includes Linea Change Order #2 for \$54,000).	\$147,000	FY'12-'13: \$75,000 FY'13-'14: \$50,000 FY'14-'15: \$22,000
Document Conversion Assistance	The change order is for Novanis, the current imaging company, to assist with converting images into V3.	\$50,250	FY'13-'14: \$50,250 (was previously allocated to FY'14-15)
County providing Broadband	County ITS was able to provide a secure broadband connection to Vitech's hosting facility, considerably decreasing the required cost for this service.	\$(101,300)	FY2012-2013 \$(7000) FY2013-2014 \$(31,100) FY2014-2015 \$(31,100) FY2015-2016 \$(31,100)
Vitech CO 3489 – Revised Implementation Plan	Vitech submitted a change order adjusting the implementation schedule to extend the overall project by 5 months. They changed the payment milestones as part of the negotiation. Vitech has offered a significant discount for these services; the normal cost for a 5 month	\$250,000	FY'15-'16: \$250,000



Ventura County Employees' Retirement Information System Status Report



Reporting to: Board of Retirement
Written by: Brian Colker

Report Date:

11/1/2013

Name	Description	Cost Impact	Budget Year
	extension would be \$675,000 (\$135,000 per month for 5 months)		
Linea Change Order #3	Linea submitted a change order to adjust the implementation schedule to extend the overall project by 5 months. These fees include project management, testing, training, design, QA, requirements confirmation and traceability. Linea has offered a significant discount for these services; the normal cost for a 5 month extension would be \$167,400 (\$33,480 per month for 5 months)	\$64,800	FY'15-'16: \$64,800
Construction costs for project office space	The additional leased office space on the first floor needs to be modified in order to accommodate the increase in Vitech and Linea resources that will be moving into the space after the first of the year.	\$3,000	FY'13-'14: \$3,000
Additional Assima License	This license will be needed to create training scripts for UAT testing. VCERA currently does not have enough licenses for the SMEs for this purpose.	\$9,600	FY'14-'15: \$9,600
Additional Data Conversion Assistance	Additional hours for CMP & Associates to assist with data conversion (previously approved by Board)	\$14,500	FY'13-'14: \$14,500 On 07/01/13 Board approved increase of \$9,300. No additional appropriations required.
Beneficiary designation form updates	V3 requires beneficiary information to provide accurate retirement estimates for members. RDBS does not currently contain beneficiary information so VCERA is going to conduct a mass mailing to members requesting new beneficiary forms be completed. Once returned to VCERA, the data will be entered onto a spreadsheet so it can be uploaded into V3 at go-live.	\$37,600	FY'13-'14: \$37,600
Third party data conversion	Third party vendor (MBS) costs were lower than budgeted.	\$(248,288)	
Limited term positions	The limited term positions allocated to the project were converted to permanent positions.	\$(480,296)	
Total		\$(91,634)	



Ventura County Employees' Retirement Information System Status Report



Reporting to: Board of Retirement
Written by: Brian Colker

Report Date:

11/1/2013

#	ISSUES / RISKS – Explanation of Issues	MITIGATION - Explanation of Action Needed	UPDATE – Current Status of Issue
1	Auditor Controller must make changes to the method by which Compensation Earnable and Retroactive Adjustments are reported or the new system will not be able to calculate final average salary correctly without substantial and ongoing manual clean-up. Auditor Controller has stated that these changes are significant.	The project schedule was changed to allow Auditor Controller sufficient time to address the issue. The project team and Auditor Controller are working collaboratively to determine an alternate solution if an automated solution cannot be delivered by March of 2014.	The Auditor Controller is in the process of completing the four files required for the active payroll interface. One file is completed, the second is substantially completed, and the third is in draft format. The Auditor Controller is in the process of determining how it will be able to meet VCERA's requirements for reporting Compensation Earnable and Retroactive Adjustments. RISK IS CONSIDERED MEDIUM
2	The Benefits staff continues to be impacted by illness and family issues. Given that the project is currently utilizing the absolute minimum number of resources, VCERA has needed to add staff resources in order to ensure the project timeline is not impacted.	VCERA Management has hired resources to be added to VCERA's staff to assist with operations. The recruitment and training of these resources will allow VCERA to add two resources to the project as required.	Two new staff members are in the process of being trained. The new staff members must be trained over the next six months to be able to backfill for the additional SMEs on the project. However, another Benefit Staff member has recently taken a medical leave. The team is currently analyzing current staffing to determine if additional staff is needed. RISK IS CONSIDERED MEDIUM



Ventura County Employees' Retirement Information System Status Report



Reporting to: Board of Retirement
Written by: Brian Colker

Report Date:

11/1/2013

Progress on Critical Success Factors

Factor	Acceptance Criteria	Short Term Impact?	Long-Term Impact?	Current State
Automation of Benefits Processes	<ul style="list-style-type: none"> System uses "wizards" to move through processes Minimal manual workarounds Reports support each process Online member access 	HIGH	HIGH	On Track
Payroll Interface Data	<ul style="list-style-type: none"> Active payroll data allows for significant automation of benefit estimates and benefit calculation VCERA receives full data elements needed for all calculations 	HIGH	HIGH	On Track
Moving to Current Technology	<ul style="list-style-type: none"> System utilizes current database technology System utilizes current application technology 	MEDIUM	HIGH	On Track
Project Cost	<ul style="list-style-type: none"> Project is within 15% of the original budget 	MEDIUM	LOW	On Track
Project Duration	<ul style="list-style-type: none"> Project completes within 20% of original duration 	HIGH	LOW	On Track

Explanation of "At Risk" Current State:

Not applicable.

Accomplishments Planned for Next Period (10/1/2013 – 12/31/2013)

- Data conversion JAD for Retired Member Data (RIS and ADP).
- Complete design for remaining Segment D, Track 2 functionality:
 - Benefit Estimates
 - Retirement Process – FAC
 - Retirement Process – Service and Age
 - Retirement – General Process
- Complete executing tests for Segment C delivered functionality (listed above)
- Write and execute tests for Segment D delivered functionality (listed above)
- Complete data mapping for retiree payroll (RIS and ADP)
- Continue to work with Plan Sponsors to develop new transmittal
- Continue testing converted data and resolving identified issues

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

November 18, 2013

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

SUBJECT: 2014 BOARD MEETING DATES AND INVESTMENT MANAGER PRESENTATIONS

Dear Board Members:

Background & Discussion

The Board has historically adopted a calendar for the subsequent calendar year at the November Business meeting. The 2014 calendar contains 1) proposed meeting date adjustments for anticipated holidays, 2) annual investment manager presentation lineups, and 3) other pertinent administrative tasks. The Board considers and adopts the initial Board calendar in November to confirm dates for scheduling purposes and to provide time for notices to the investment service providers of VCERA.

In accordance with the bylaws, the Board generally meets the first and third Monday of the month, unless there is a holiday, in which case the meeting is scheduled for the Monday following the holiday. In addition, the Board has been dark in August. 2014 holidays create three conflicts and the proposed 2014 Calendar has been adjusted as follows:

- Meet January 27 due to Dr. Martin Luther King Jr. Day on January 20.
- Meet February 24 due to Presidents' Day on February 17.
- Meet September 8 due to Labor Day on September 1.

Conclusion

Please adopt the proposed calendar as presented, or as modified, for any Board changes.

This item has been reviewed by Don Stracke, of NEPC, and the executive team. Staff would be pleased to respond to any questions you may have on this item.

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

Attachments (1)

VCERA's Rolling Board Calendar

Meeting Date	Investment Material Deadline	Meeting	Manager Presentations	Investment Performance Updates, Operational, Actuarial, Board Policy, Standing Items & Other Significant Items
1/6/2014	12/30/2013	Disability		Establish Personnel Committee (PC) for the review of the Retirement Administrator - Board PAS Monthly Rpt - Staff
1/27/2014	1/21/2014	Business	None	Quarterly Administrator Report - RA Quarterly Benefit Estimate Status Report - Ops December Monthly Performance - NEPC CalPEPRA Monthly Rpt - Counsel Annual Actuarial Report 2nd Hearing: Review & Approve - Segal CAFR Report: Review & Approve - Fiscal COLA Letter - Segal
2/3/2013	1/28/2013	Disability		PAS Monthly Rpt - Staff Quarterly PAS (VCERIS) Report - Linea
2/24/2014	2/18/2014	Business	Prudential – PRISA UBS Real Estate RREEF	Q4 Performance Report - NEPC January Monthly Performance - NEPC CalPEPRA Monthly Rpt - Counsel Annual Trustee Education Report - Fiscal Mid Year Budget Review - Fiscal
3/3/2013	2/25/2013	Disability		Disability Statistics Report Rollout - Ops PAS Monthly Rpt - Staff SACRS Spring Conference Items - COB
3/17/2013	3/11/2013	Business	Adams Street Pantheon HarbourVest	February Monthly Performance - NEPC CalPEPRA Monthly Rpt - Counsel SACRS Spring Conference Items - COB
4/7/2014	4/1/2014	Disability		PAS Monthly Rpt - Staff Conference Report(s): Manatt - Attendees
April	April	PC		Personnel Committee discusses the proposed evaluation criteria, relative weightings, and the evaluation form for the September Review.
4/21/2014	4/15/2014	Business	Sprucegrove SSgA Securities Lending	Quarterly Administrator Report - RA Quarterly Benefit Estimate Status Report - Ops March Monthly Performance - NEPC CalPEPRA Monthly Rpt - Counsel SACRS Spring Conference Items - COB
5/5/2014	4/29/2014	Disability		PAS Monthly Rpt - Staff Quarterly PAS (VCERIS) Report - Linea
5/19/2014	5/13/2014	Business	Tortoise Bridgewater	CalPEPRA Monthly Rpt - Counsel Q1 Performance Report - NEPC April Monthly Performance - NEPC
May/June	May/June	PC		Personnel Committee reviews the results of the evaluation forms.
6/2/2014	5/27/2014	Disability		First Hearing of the Budget and Business Plan - Staff PAS Monthly Rpt - Staff
6/16/2014	6/10/2014	Business	GMO Clifton/Parametric	Solicit Retreat Agenda Topics - NEPC May Monthly Performance - NEPC CalPEPRA Monthly Rpt - Counsel Second Hearing: Budget and Business Plan - Staff Education & Travel Policy Review - Staff Hearing Officer Contracts - Staff
7/7/2014	7/1/2014	Disability		PAS Monthly Rpt - Staff Fiduciary Liability Insurance Report - Risk Man.
July	n/a	PC		Personnel Committee meet with Administrator to discuss the review results.

VCERA's Rolling Board Calendar

Meeting Date	Investment Material Deadline	Meeting	Manager Presentations	Investment Performance Updates, Operational, Actuarial, Board Policy, Standing Items & Other Significant Items
7/21/2013	7/15/2013	Business	Walter Scott Hexavest	Closed Session: Annual Review of Retirement Administrator - Board and RA Quarterly Administrator Report - RA Quarterly Benefit Estimate Status Report - Ops Quarterly PAS (VCERIS) Report (early) - Linea CalPEPRA Monthly Rpt - Counsel Approve & Finalize Retreat Agenda Topics - NEPC June Monthly Performance - NEPC Annual Governance Report - Staff
9/8/2014	9/2/2014	Disability		PAS Monthly Rpt - Staff SACRS Fall Conference Items - COB
9/15/2013	9/9/2013	Business	Loomis PIMCo	Q2 Performance Report - NEPC July & August Monthly Performance - NEPC FY 2013-14 Final Budget Adjustments - Fiscal CalPEPRA Monthly Rpt - Counsel Annual Proxy Voting Certification Report - NEPC SACRS Fall Conference Items - COB
10/6/2014	9/30/2014	Disability		PAS Monthly Rpt - Staff
10/16/2014	10/10/2014	Investment	Board Investment Retreat	TBD TBD TBD TBD TBD
10/20/2014	10/14/2014	Business	Reams Western	SACRS Fall Conference Items - COB September Monthly Performance - NEPC CalPEPRA Monthly Rpt - Counsel Quarterly Administrator Report - RA Quarterly Benefit Estimate Status Report - Ops
11/3/2014	10/28/2014	Disability		PAS Monthly Rpt - Staff Quarterly PAS (VCERIS) Report - Linea
11/17/2014	11/10/2014	Business		Review Due Diligence Calendar - Staff & NEPC Set Board Meeting Dates & Investment Manager Presentations - Staff & NEPC Q3 Performance Report - NEPC October Monthly Performance - NEPC NEPC Public Funds Workshop Invite - NEPC SACRS Conference Oral Reports - Attendees CalPEPRA Monthly Rpt - Counsel
12/1/2014	11/25/2014	Disability		Appoint Chair and Vice Chair for 2014 - Board PAS Monthly Rpt - Staff
12/15/2014	12/9/2014	Business	Blackrock	Actuarial Report: Receive & File - Segal CalPEPRA Monthly Rpt - Counsel November Monthly Performance - NEPC SACRS peer comparison report - NEPC

Legend
Business Meetings
Disability Meetings (generally)
Personnel Committee (PC) Meetings
Ad Hoc Committee Meetings
Board Investment Retreat

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
<http://www.ventura.org/vcera>

November 18, 2013

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

SUBJECT: 2014 DUE DILIGENCE PLAN AND DESIGNATION OF TRUSTEES FOR SPRING SITE VISITS

Dear Board Members:

Background & Discussion

The Board's Education and Travel Policy provides for the scheduling of regular on-site due diligence evaluations with VCERA's investment managers every three years. On-site due diligence evaluations are conducted by one or more Trustees and may include the Administrator or his designee.

As part of the policy, the Administrator shall, in consultation with the Investment Consultant, agendaize a proposed schedule for all on-site due diligence trips to be conducted in the upcoming year. The Board Chair shall, with Board consent, designate the Trustee(s) to participate in each on-site evaluation.

Staff consulted Mr. Stracke, of NEPC, in the preparation of the attached schedule and will work with the investment managers, Mr. Stracke, and designated Trustee(s) on scheduling. In addition, staff will return to your Board one to two months in advance of scheduling the subsequent on-site due diligence trips for the Summer and Fall 2014.

It is asked that 1) the Board receive and file the attached 2014 investment manager due diligence schedule, 2) that Trustees provide input to the Chair on designations for the due diligence trip scheduled for the Spring 2014 period to coincide with the annual Manatt Fiduciary Forum, and 3) that the Chair designate the Trustees for the Spring 2014 trip.

This item has been reviewed by the executive team. Staff would be pleased to respond to any questions you may have on this item.

Sincerely,



Donald C. Kendig, CPA
Retirement Administrator

Attachments (1)

VCERA Rolling Due Diligence Calendar

Year	Service Provider	Location	Time Frame	Trustee(s)	Comments
2014					
	Prudential	San Francisco	Spring (Manatt)	_____	
	BlackRock	San Francisco		_____	
	UBS Realty	San Francisco		_____	
	Western	Pasadena	Summer	_____	
	PIMCO	Newport Beach		_____	
	Reams	Columbus, IN	Fall	_____	
	Tortoise	Leawood, KS		_____	

WALTER SCOTT DUE DILIGENCE VISIT.

Executive Summary:

In October 2013, a due-diligence visit was conducted by VCERA Board Members Deanna McCormick and Tracy Towner to the money manager company of Walter Scott. Because Walter Scott is based in Edinburgh, United Kingdom, we believe our meeting notes need to be extensive for two reasons: the distance to travel to the company's corporate location is significant and costly; and (2) this company is very unique in the money management world. Based on over 17 years of combined Board experience, and based upon personally participating in numerous on-site visits of money manager companies contracted with VCERA, Walter Scott is one company where they unequivocally, without a doubt understand every facet of their investment and business portfolio from a quantitative, qualitative, and business based approached-including competitors, supply vendors, etc.- perspective. Walter Scott is one of the very few managers firms that thoroughly understand their training and investment programs, company culture and, more importantly, themselves. From a fiduciary perspective, Walter Scott is a critical piece in VCERA's investment portfolio that more than likely will only be appreciated when there are "Black Swan" events in the overall global economy. It is for these sudden, irrationally driven economic downturns, along with the ability of Walter Scott to participate rationally in frothy markets that VCERA needs to continue its long-term relationship with Walter Scott.

MEETING NOTES

Company Overview

The meeting coordinator was Ms. Jane Kirk-Henderson. Mr. Phil True of Aon-Hewitt, was present as well. A firm introduction, business strategy and update were provided by Ms. Jane Henderson and Ms. Jane Kirk-Henderson. Ms. Henderson explained the recent changes to the firm from the first generation directors and/ or managers, retiring or passing away to the "second and a-half" generation. With the exception of those who passed away, the business transition had been planned for and carried through over a prolonged period of time. The firm is a \$68B investment manager, with approximately 100 people on staff. They all share offices including the Director, Managing Directors, Senior and Investment Managers; yes you read this correctly they ALL share offices and, literally, work in teams. Ms. Henderson explained the company's goal is to acquire 10 to 12 new clients per annum. They do so without marketing themselves. Why? They don't believe in it. Their philosophy is their performance sells itself.

Investment Philosophy

The Director, Mr. Roy Leckie, entered the meeting and we were able to discuss not only the Firm's investment philosophy, but also its portfolio construction and review. The philosophy is simple; they only invest in companies where they completely understand balance sheets (emphasis added on the footnotes), competitors, suppliers, business sectors, and management teams. Each member of the firm who is involved in investments goes through the same Walter Scott tutorial/ training process. For example, although they use Excel Spreadsheets to manually input the data from a company's financials, the training program's requires them to first use "pencil, paper and calculator" to learn how and understand "how" the spreadsheets are constructed. This also includes the calculation of a number of ratios used in their analysis. A typical company they will invest is one that has low debt, high cash, understandable financial statements, a management team that understands their business environment and financial data.

Other aspects of the investment program do not include turning to the stock market to make their investment decisions. Walter Scott invests for the long-term through businesses that are solid, have a history of success, and will not fall apart or dissolve when or if the market goes down or they have some type of temporary crisis. Although they can react to critical to events, they prefer to be cautious and make well informed decisions in their client's behalf. They believe since they meet with every business they invest with at least once a year, they are prepared to understand the true cause of any crisis. In trying to understand why they didn't invest in the dot com company's or in Enron, both Mr. Leckie and Ms. Henderson went into detail how they could not justify the valuation of companies that were not profitable or a company (Enron) whose financial footnotes could not be explained by the corporation's executive officers.

Investment Benchmark

With this philosophy and analysis, the question was asked how useful is their benchmark for comparison purposes? Their answer is the benchmark is not useful. Obviously, the next question of how a client gauges their performance? Both Ms. Henderson and Mr. Leckie stated their objectives of a real 7- 10% per annum are their internal and most useful benchmark! Walter Scott strives to achieve such returns by evaluating and purchasing equity in a company that is identified as "seriously profitable". The business must have a 7 to 10% return, plus 5% inflation. They will not consider a company that is not

prepared to absorb some negative macro-economic volatility. Their criteria expects the company they are considering to be solid despite the “the highs and lows” of a business cycle. In the end, Walter Scott feels very solid about their investment choices and has had a 60% success rate through their vetting and investing program.

Portfolio Structure

Walter Scott’s current portfolio is heavily weighted in Japanese holdings, followed by European, Asian and then United Kingdom companies. Their sectors of distribution are slightly weighted heavier in healthcare, with consumer staples and discretionary, financials, energy, and other lesser areas like industrial, information, utilities, etc.

Investment Process

The investment process, program involves the entire investment team, which is usually around 20 professionals, meet every Monday. Any member of the team can present a company they feel Walter Scott should invest. The team then critiques, analyzes, etc. the proposed investment. The decision to buy must be a unanimous team decision. Conversely, the decision to sell a current holding requires just a single dissenter. The question was asked, in evaluating the range of experience comprising the investment team, which includes the person with 1 year, does the new person have the ability to be that “single dissenter” and what measures are taking to reduce the liability of “group think” or “peer pressure”? The one year experienced investment team member does has the ability to be the “single dissenter”, but when Mr. Leckie and Ms. Henderson explained the process and reasoning the “single dissenter” needed to present their vote, it required the dissenter to spend an extensive amount of time and to acquire a tremendous amount of detailed research to become the “dissenter”. One would then presume such requirements would stifle the “less senior” people, yet I learned if you are not participating in discussions, your performance bonus could be affected.

Sample of Investment Team Members

Next, we met with some of the investment team members. Their backgrounds varied from Mr. Murdo Maclean having graduated from the university and living in Japan for 6 years, whereby he is fluent in Japanese, only then to return to Edinburgh and be hired by Walter Scot, to Mr. Alan Lander coming directly from the university with a mathematical degree and background. The importance of meeting them was corroborating two important philosophies of Walter Scott. First, they want people who will

complement and work with the team despite a financial background. Second, they believe their training program will provide their employees with the necessary well rounded tools to be successful. Lastly, they ensure all of their investment team employees have multiple opportunities to learn all the areas within Walter Scott which makes them very well rounded.

Trade Implementation and Accountability

Having discussed the investment program, the meeting turned toward the topic of implementing the trades. Both Mr. Jamie Mayer and Mr. Symon Scott entered the meeting and provided a detailed methodology of how the trading room receives and verify their trading orders. The process does require when they receive an order to get approval from a Managing Director prior to executing the trade. Their trades are conducted electronically with the intentions to reduce trading costs without sacrificing accountability; they constantly evaluate and re-evaluate their trading brokers. It should be noted as we toured the facility, this particular group, which is comprised of 4 individuals, are separated in an enclosed, secured glass wall area thereby limiting access to the room- we were not allowed to enter this office space but the glass walls made it very transparent, with the reasoning provided by Ms. Jane Kirk-Henderson.

Compliance

The final part of the meeting was with Ms. Anna Nicholl, who is their Chief Compliance Officer. Candidly, this area of an investment firm that is not a favorite subject to learn about because of the complex and ever-changing rules, regulations and regulatory agencies governing such firms. HOWEVER, in this case, Ms. Nicholl made it one of the most interesting parts of the day. Ms. Nicholl explained how Walter Scott's partnership with BNY Mellon has been an asset since they were acquired by them in 2006. They are able to use the parent company to help facilitate and coordinate their compliance in various investment areas of the world. For example, the United States, Canada and European Countries all have regulations where some of them overlap each other, while others don't, and yet there are those regulatory entities whose rules simply contradict each other. Ms. Nicholl explained how she and her staff are continuously able to remain compliant with ALL the various regulatory authorities and where BNY Mellon has enabled them to do so in a cost effective manner.

Employee Incentive Program

As we concluded the meeting, we were able to learn about our own employee incentive/investment program. There is a profit sharing program that encompasses a solid retirement plan and inspires and

motives their short and long term interest in the company. In addition, they were questioned about their security plans, if or when a disaster situation occurred. In fact, the day of the meeting and in the early morning, their electricity went out due to work on the streets. Because they have a diesel generator on site, the power outage immediately initiated to fill the power void. The generator has the capacity to run and take care of all their electrical and electronic needs for 24 hours before refueling is required. In addition, they have constant off-site backup, places rented where they can go immediately and that are located outside Edinburgh and situated in the Highlands, and even out of the Country if needed. They have 100 total employees that go through the drills for a variety of disasters situations so they can all be prepared and react appropriately if anything occurs.

Office Tour

The tour of the building had multiple rooms with two or more very large circular tables that had six to eight varied level employees all sitting around working and discussing their projects. They also serve meals to all employees on Tuesdays and Thursdays so they can eat and share both business and investment ideas together. The employees were well situated and comfortable in their surroundings.