

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### BUSINESS MEETING

September 21, 2015

### AGENDA

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

**TIME:** 9:00 a.m.

*Members of the public may comment on any item under the Board's jurisdiction by filling out a speaker form and presenting it to the Clerk. Unless otherwise directed by the Chair, comments related to items on the agenda will be heard when the Board considers that item. Comments related to items not on the agenda will generally be heard at the time designated for Public Comment.*

### **ITEM:**

- |             |   |                 |
|-------------|---|-----------------|
| <b>I.</b>   | <b><u>CALL TO ORDER</u></b>   | Master Page No. |
| <b>II.</b>  | <b><u>APPROVAL OF AGENDA</u></b>  | 1 – 4           |
| <b>III.</b> | <b><u>APPROVAL OF MINUTES</u></b>   |                 |
|             | A. Disability Meeting of September 14, 2015.  | 5 – 12          |
| <b>IV.</b>  | <b><u>CONSENT AGENDA</u></b>  |                 |
|             | A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of July 2015   | 13 – 14         |
|             | B. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of August 2015 | 15 – 16         |
|             | C. Receive and File Report of Checks Disbursed in July 2015   | 17 – 27         |
|             | D. Receive and File Report of Checks Disbursed in August 2015                                       | 28 – 37         |

**IV. CONSENT AGENDA (continued)**

- |  |         |
|--|---------|
| E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending June 30, 2015. | 38 – 43 |
| F. Receive and File Budget Summary for FY 2014-15 Month Ending June 30, 2015 (Final)   | 44      |
| G. Receive and File Budget Summary for FY 2015-16 Month Ending July 31, 2015   | 45      |
| H. Receive and File Budget Summary for FY 2015-16 Month Ending August 31, 2015   | 46      |

**V. INVESTMENT MANAGER PRESENTATIONS**

- |   |          |
|---|----------|
| A. Receive Annual Investment Presentation, Loomis Sayles, Stephanie S. Lord, Vice President (30 Minutes)  | 47 – 81  |
| B. Receive Annual Investment Presentation, PIMCO, David J. Blair, Senior Vice President, Account Manager, Sasha Talcott, Vice President, Account Manager (30 Minutes) | 82 – 105 |

**VI. INVESTMENT INFORMATION**

- |  |           |
|--|-----------|
| A. NEPC – Allan Martin, Partner.   |           |
| 1. Quarterly Performance Report Month Ending June 30, 2015<br><b>RECOMMENDED ACTION: Receive and file.</b>     | 106 – 182 |
| 2. Preliminary Performance Report Month Ending August 31, 2015<br><b>RECOMMENDED ACTION: Receive and file.</b> | 183 – 189 |

**VII. ACTUARIAL INFORMATION**

- |  |           |
|--|-----------|
| A. Governmental Accounting Standards (GAS) 68 Actuarial Valuation as of June 30, 2015.<br>Paul Angelo, FSA and John Monroe, ASA of Segal Consulting, Presenting via Teleconference<br>Time: 10:00 a.m. | 190 – 252 |
|--|-----------|

**VII. ACTUARIAL INFORMATION (continued)**

- B. Segal Contract Renewal for Actuarial Services, and Proposed Schedule of Fixed Fees and Hourly Billing Rates 253
  - 1. Proposed Schedule of Fixed Fees and Hourly Billing Rates 254 – 257
  - 2. Actuarial Services Agreement between VCERA and The Segal Company (2003) 258 – 298

**VIII. OLD BUSINESS**

- A. VCERIS Pension Administration Project Linea Solutions Change Order #7 Correction
  - 1. Staff Letter 299 – 300
  - 2. Corrected Change Order #7 301

**IX. NEW BUSINESS**

- A. Discussion of Reporting Relationships of VCERA Executive Management Staff to the Board and Retirement Administrator

**X. INFORMATIONAL**

- A. Letter to Board of Supervisors Regarding Board Member Terms, dated September 18, 2015 302

**XI. CLOSED SESSION**

- A. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Government Code section 54956.9(a)  
Name of Case: In Re Motors Liquidation Company, et al, Bankr. Case No. 09-50026 (REG) Motors Liquidation Company Avoidance Action Trust v. JPMorgan Chase Bank, N.A. et al, Adv. Pro. 09-00504 (REG)
- B. CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION (Gov. Code sec. 54956.9(c))  
Consider and take possible action regarding filing of amicus curiae brief in support of retirement system respondent in Flethez v. San Bernardino County Employees' Retirement Association (California Supreme Court Case No. S227679)

- XII.     PUBLIC COMMENT**
- XIII.    STAFF COMMENT**
- XIV.    BOARD MEMBER COMMENT**
- XV.     ADJOURNMENT**



# **VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

## **BOARD OF RETIREMENT**

### **DISABILITY MEETING**

**September 14, 2015**

### **MINUTES**

**DIRECTORS** Tracy Towner, Chair, Alternate Safety Employee Member  
**PRESENT:** William W. Wilson, Vice Chair, Public Member  
Peter C. Foy, Public Member  
Joseph Henderson, Public Member  
Mike Sedell, Public Member  
Deanna McCormick, General Employee Member  
Craig Winter, General Employee Member  
Chris Johnston, Safety Employee Member  
Arthur E. Goulet, Retiree Member  
Will Hoag, Alternate Retiree Member

**DIRECTORS** Steven Hintz, Treasurer-Tax Collector  
**ABSENT:**

**STAFF** Linda Webb, Retirement Administrator  
**PRESENT:** Henry Solis, Chief Financial Officer  
Lori Nemiroff, Assistant County Counsel  
Dan Gallagher, Chief Investment Officer  
Julie Stallings, Chief Operations Officer  
Vickie Williams, Retirement Benefits Manager  
Donna Edwards, Retirement Benefits Specialist  
Chantell Garcia, Retirement Benefits Specialist  
Stephanie Caiazza, Program Assistant

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

**TIME:** 9:00 a.m.

**ITEM:**

**I. CALL TO ORDER**

Chair Towner called the Disability Meeting of September 14, 2015, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve the agenda.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

Yes: Goulet, Sedell, Johnston, Winter, Henderson, McCormick, Wilson

No: -

Absent: Foy, Hintz

**III. APPROVAL OF MINUTES**

A. Business Meeting of July 20, 2015.

MOTION: Approve.

Moved by Henderson, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Sedell, Johnston, Winter, Henderson, McCormick, Wilson

No: -

Absent: Foy, Hintz

**IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT**

Trustee Foy arrived at 9:01 a.m.

MOTION: Approve.

Moved by Goulet, seconded by Johnston.

Vote: Motion carried.

Yes: Goulet, Foy, Sedell, Johnston, Winter, Henderson, McCormick, Wilson

No: -

Absent: Hintz

**V. APPLICATIONS FOR DISABILITY RETIREMENT**

A. Application for Service Connected Disability Retirement, Ronna Robledo; Case No. 14-007.

1. Application for Service Connected Disability Retirement and Supporting Documentation.

2. Hearing Notice Served on September 2, 2015.

Paul Hilbun was present on behalf of County of Ventura Risk Management. The applicant, Ronna Robledo, was also present.

Both parties declined to make a statement.

The following motion was made:

MOTION: Grant the applicant, Ronna Robledo, a service connected disability retirement.

Moved by Johnston, seconded by McCormick.

Vote: Motion carried.

Yes: Foy, Sedell, Johnston, Winter, Henderson, McCormick, Wilson

No: Goulet

Absent: Hintz

Trustee Goulet stated that he voted against the motion because the doctor's report was insufficient.

The parties agreed to waive preparations of Findings of Fact and Conclusions of Law.

B. Application for Service Connected Disability Retirement, Karen Anderson; Case No. 11-021.

(Continued from the Disability Meeting of May 4, 2015)

1. Proposed Findings of Fact, Conclusions of Law, and Recommendation, submitted by Hearing Officer Kenneth A. Perea, dated March 18, 2015.

2. Hearing Notice Served on June 1, 2015.

Staff informed the Board that the applicant's attorney reported that he was unable to attend the meeting due to unexpected medical issues.

Chair Towner stated that this item will be rescheduled to the next disability meeting.

C. Application for Service Connected Disability Retirement, Rafael Meza, Case No. 12-046

1. Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommended Decision, submitted by Hearing Officer Irene P. Ayala, dated August 14, 2015.
2. Hearing Notice served on September 1, 2015.

Derek Straatsma, Attorney at Law, was present on behalf of County of Ventura Risk Management. David Schumaker, Attorney at Law, was present on behalf of the applicant.

After statements from both parties, the following motion was made:

MOTION: Adopt the Hearing Officer's Recommendation and deny the applicant, Rafael Meza, a service connected disability retirement.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried.

Yes: Goulet, Foy, Sedell, Johnston, Winter, Henderson, McCormick, Wilson

No: -

Absent: Hintz

D. Application for Service Connected Disability Retirement, Karen Vera, Case No. 13-039

1. Summary of Evidence, Findings of Fact, Conclusions of Law, and Recommendations, submitted by Hearing Officer John L. Rosenthal, dated July 5, 2015.
2. Hearing Notice served on July 31, 2015.

Steve Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management. David Schumaker, Attorney at Law, was present on behalf of the applicant.

Both parties declined to make a statement.

The following motion was made:

MOTION: Adopt the Hearing Officer's Recommendation and deny the applicant, Karen Vera, a service connected disability retirement.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried.

Yes: Goulet, Foy, Sedell, Johnston, Winter, Henderson, McCormick,  
Wilson

No: -

Absent: Hintz

**VI. NEW BUSINESS**

- A. Recommendation to Approve Chief Financial Officer's Attendance at 2015 P2F2 Conference, October 25 – 28th, 2015, San Diego, CA.

MOTION: Approve.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried.

Yes: Goulet, Foy, Sedell, Johnston, Winter, Henderson, McCormick,  
Wilson

No: -

Absent: Hintz

- B. Recommendation to Approve Chief Operations Officer's Attendance at 2015 National Pension Education Association Conference, October 24 – 28<sup>th</sup>, 2015, Lexington, KY.

MOTION: Approve.

Moved by McCormick, seconded by Johnston.

Vote: Motion carried.

Yes: Goulet, Foy, Sedell, Johnston, Winter, Henderson, McCormick,  
Wilson

No: -

Absent: Hintz

Several Board members expressed an interest in revising the Board Education and Travel Policy to expand the Retirement Administrator's authority to approve staff travel costs. Ms. Webb stated that staff had gathered information regarding meal reimbursements and could bring both issues up together when the revisions are brought before the Board for consideration at an upcoming meeting.

C. Recommendation to Include HCFVC as an Approved Charitable Organization Under Government Code Section 31452.5, to Allow Donation Deduction For VCERA Retirees

1. Letter from Staff
2. Letter from Michael Powers, County Executive Officer, and Noel Klebaum, Secretary and Treasurer of Health Care Foundation for Ventura County, dated August 11, 2015.

MOTION: Approve.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried.

Yes: Goulet, Foy, Sedell, Johnston, Winter, Henderson, McCormick,  
Wilson

No: -

Absent: Hintz

D. Ventura County Employees' Retirement Information System (VCERIS) Pension Administration Project

1. Letter from Staff
2. VCERIS Project Quarterly Status Update

Brian Colker from Linea presented the 2<sup>nd</sup> quarter VCERIS Project Status Update through June 30, 2015, and also updated the Board verbally of the progress for the current quarter to date. He indicated that the project is currently on track for the scheduled Go-Live in April 2016. He further shared details related to the current testing efforts and the next scheduled phases leading to that date.

Mr. Colker explained the system by which project errors are recorded, monitored, and categorized. He said that none of the existing errors are considered "critical" and the number of errors considered "high" had been reduced from 41 to 33 since the 2<sup>nd</sup> quarter report was issued. Trustee Goulet asked about 5 categories being different from the 3 he was accustomed to seeing; Mr. Colker responded that the testers use a more granular 5-level system, while his reports and the contract roll them into 3.

MOTION: Receive and file.

Moved by Henderson, seconded by Wilson.

Vote: Motion carried.

Yes: Goulet, Foy, Sedell, Johnston, Winter, Henderson, McCormick,  
Wilson

No: -

Absent: Hintz

**VII. INFORMATIONAL**

A. Reams Notice of Name Change

B. SACRS Fall Conference 2015, November 17 – 20, 2015, San Diego, CA

**VIII. PUBLIC COMMENT**

None.

**IX. STAFF COMMENT**

Mr. Gallagher provided background and update on item VII.A. Reams Notice of Name Change.

**X. BOARD MEMBER COMMENT**

Trustee Johnston directed staff to add the topic of securities lending to an upcoming agenda.

Chair Towner informed the Board that the next meeting agenda will include a recommendation to engage outside counsel to facilitate successful implementation of the AB 1291 legislation for the five VCERA executive manager positions that will be appointed as “District” employees.

**XI. ADJOURNMENT**

The meeting was adjourned at 9:55 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Linda Webb", is written above a horizontal line.

---

LINDA WEBB, Retirement Administrator

Approved,

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TRACY TOWNER, Chairman



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

JULY 2015

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
<b>REGULAR RETIREMENTS:</b>							
Monica	Arellanes	S	08/01/1993	21.80	B=0.1151	Probation Agency	06/06/15
Sally C.	Armstrong	G	03/27/2000	15.20		Auditor-Controller	06/27/15
Pamela D.	Barnett	G	11/03/2007	13.70	A=2.0252 B=4.77280	Health Care Agency	06/28/15
Debra K.	Barron	G	12/09/2002	12.20		Human Services Agency	06/06/15
Miroslav	Borak	G	12/09/2002	11.90		Child Support Services	06/10/15
Jacquelyn A.	Bravo	G	02/21/1988	26.80		Child Support Services	06/13/15
William D.	Byrd	G	05/27/2003	12.20	A=0.26370	Human Services Agency	05/27/15
Catherine M.	Duggan	G	12/04/2000	14.50		District Attorney	05/30/15
Carmen Chita M.	Hart	G	11/07/1993	21.30		Health Care Agency	06/20/15
Jimmie	Hicks	G	10/14/1979	33.70		Public Works	06/29/15
Laurence R.	Holmer	G	06/19/2005	6.70		Courts (Deferred)	06/19/15
Claude A.	Jung	G	08/30/1981	33.92	B=0.11340	Assessor	06/20/15
Robert A.	King	G	06/05/2005	10.00		Sheriff's Department	06/20/15
Mary A.	Lintz	G	09/21/1997	21.70	A=3.8670 B=0.2022	Information Services Department	05/29/15
Jeffrey D.	Manory	S	07/08/1990	22.20		Sheriff's Department	07/21/13
Kevin A.	McCormack	G	01/14/2002	13.50		Health Care Agency	06/26/15
Keith D.	McCourtney	G	04/15/2002	12.90		Health Care Agency	05/30/15
Donald E.	McMahon	G	04/23/2006	11.90	A=1.71150 D=3.11070	Health Care Agency (Deferred)	06/15/15
Darrell J.	Newson	G	10/27/2003	10.90		General Services Agency	06/23/15
Wayne A.	Simmons	S	09/09/2002	14.20	D=1.43460	District Attorney	06/05/15
Elena	Nitu	G	05/29/2001	13.90		Information Services Department	05/30/15
Reymundo D.	Olmos	G	05/16/1999	14.70		Human Services Agency	06/30/15
Sylvia M.	Ramirez	G	02/01/2004	12.70	B=1.53260	Library Services Agency	06/13/15
Colleen R.	Rydjord	G	01/18/2004	3.00	* C=25.08103	Health Care Agency (Deferred)	06/06/15
Elizabeth J.	Sanders	G	07/10/1988	29.30	A=0.41710 B=3.09780	Human Services Agency	06/19/15
Lynn C.	Siegel	G	04/09/1995	5.10	* C=15.000	Health Care Agency (Deferred)	07/01/15
Mary R.	Stewart	G	06/23/2002	6.70		Library Services Agency (Deferred)	06/24/15
Kurt D.	Thinnes	G	06/15/1986	29.00		Public Works	06/06/15
Yolanda	Tibbet	G	08/30/1981	33.20		Animal Regulations	06/13/15
Tawny	Trefsgar	G	08/14/1994	20.40		Human Services Agency	06/06/15
Hendrik C.	Van Der Kraan	G	06/11/1989	26.00		Sheriff's Department	06/20/15

**DEFERRED RETIREMENTS:**

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

JULY 2015

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
Kenneth	Bonner	G	12/17/2006	7.61		Health Care Agency	06/30/2015
Judith	Brinkman	G	01/07/2001	12.87		Sheriff's Department	06/30/2015
Roberta	Chinery	G	10/20/1996	15.45		Human Services Agency	07/03/2015
Emily	Cleary	G	08/03/2003	10.78		Fire Protection District	07/04/2015
Jason	Colasito	G	06/03/2007	7.15		Health Care Agency	06/25/2015
Raul	Kottler	G	05/30/2006	5.09		General Services Agency	06/30/2006
Sandra	Lee	G	06/18/2006	6.59		Health Care Agency	06/26/2015
Jason	Lorenzana	G	11/15/2009	6.00		Health Care Agency	06/26/2015
Robert E.	Stanley	G	11/29/1999	15.53		Public Works Agency	06/12/2015
Andrew C.	Stevens	G	12/27/2009	5.56		Human Services Agency	07/17/2015
Russell E.	Stevens, II	G	09/14/2003	9.92		Library Services Agency	06/12/2015
Jorge	Tapia	G	07/02/2008	6.91		County Clerk-Recorder	07/03/2015
Sharra M.	Walton	G	03/31/2002	12.08		Child Support Services	06/22/2015
Richard	Weaver	G	09/25/2001	13.77		Information Technology Services	06/26/2015
Rosetta	Willms	G	07/16/2006	10.06	A=1.30170 B=0.08440	Health Care Agency	06/19/2015

**SURVIVORS' CONTINUANCES:**

Kay B.	Cox
Debra P.	Gardia
Dixie L.	Holden
Setsuko	Kawaguchi
Julia C.	Macasieb
Luz	Orosco
Malinda K.	Palovich
Michael J.	Sedell

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

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

AUGUST 2015

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
<b>REGULAR RETIREMENTS:</b>							
Karen L.	Bateman	G	08/29/1982	31.20		Health Care Agency	08/01/15
Carlotta M.	Barnes	G	12/08/2013	10.70		Health Care Agency (31680.4 & 31680.5)	07/18/15
Michelle M.	Baylis	G	06/25/2000	14.99	* C=15.497	Sheriff's Department	06/20/15
Patrick J.	Biondo	S	3/18/2001	13.80		Probation Agency	07/31/15
Judith A.	Brinkman	G	01/07/2001	12.90		Sheriff's Department	07/28/15
Shirley J.	Brown	G	07/18/1982	31.80	B=0.23877	Health Care Agency	07/16/15
Carolyn	Campato	S	8/4/2002	12.90		Sheriff's Department	07/11/15
Mario F.	Carpio	G	07/11/1999	15.00		Health Care Agency	07/11/15
Maria T.	Cole	G	01/27/1985	30.00	B=0.1151	Health Care Agency	07/25/15
Deborah	Edwards	G	12/10/1989	11.40		Air Pollution Control District (Deferred)	07/31/15
Brenda S.	Ferruzza	S	02/04/2014	8.10		Sheriff's Department (Non-member spouse, deferred)	07/22/15
Sanjuana L.	Gonzalez	G	05/31/1998	16.10		Health Care Agency	07/03/15
Carol L.	Grant	G	07/22/1990	25.10	B=0.1134	Child Support Services	07/17/15
Shala J.	Gudino	G	03/02/2003	12.30		Health Care Agency	07/18/15
Sherrie	Henjum	G	05/15/1988	13.00		Health Care Agency (Deferred)	07/20/15
Linda J.	Holloway	G	07/31/1983	31.90		Human Services Agency	07/18/15
Scott A.	Hyatt	S	08/01/1993	9.70		Sheriff's Department (Deferred)	06/05/15
Kathleen T.	Johnston	G	04/30/2006	10.20	A=1.03010	Assessor	07/17/15
Steven L.	Johnston	G	06/19/2005	10.00		Health Care Agency	08/06/15
Patrick D.	Kelly	G	11/27/1988	26.10		General Services Agency	07/03/15
Mary K.	Lynch	G	01/27/1985	29.90	B=0.48470	Library Service Agency	07/03/15
Richard B.	Mathis	G	05/02/1992	4.40	* C=21.231	Regional Sanitation District (Deferred)	06/19/15
Stephen D.	McAtee	G	07/11/1999	15.90		Resource Management Agency (Deferred)	07/02/15
Crystal L.	McCuller	G	03/17/1991	23.60		Human Services Agency	07/03/15
Nancy C.	Nazario	G	01/20/1980	34.50	B=0.1107 C=2.50	General Services Agency	07/18/15
Emilia	Oseguera	G	09/07/1997	11.90		Health Care Agency	07/27/15
Lucianne	Ranni	G	05/07/1995	20.20	B=0.1112	Health Care Agency	07/03/15
Laurence H.	Rios	G	06/29/1997	6.20		Human Services Agency (Deferred)	07/04/15
Grasiela E.	Romero	G	09/21/1986	30.10	B=1.3110	Human Services Agency	07/03/15
Timothy J.	Snaith	S	02/07/1999	6.80		Sheriff's Department (Deferred)	07/18/15
Hedi M.	Young	G	10/10/1993	21.80	B=0.1080	Health Care Agency	07/24/15

**DEFERRED RETIREMENTS:**

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

AUGUST 2015

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
Elesha	Aguirre	G	02/20/2001	12.42		Superior Courts	08/06/2015
Jessica A.	Alvarez	G	01/15/2006	7.57		Health Care Agency	07/28/2015
Kristi L.	Andrews-Avila	G	08/28/2005	9.81		Human Services Agency	07/31/2015
Larry M.	Balian	G	08/26/2007	7.88		Auditor Controller	07/31/2015
Paul G.	Bock	G	10/31/1999	15.68		Airports	08/07/2015
Veronica	Castanon	G	08/05/1996	17.94		Health Care Agency	08/07/2015
Chad	Christensen	G	12/04/2005	9.68		Assessor	08/14/2015
Brenda K.	Davison	G	04/20/2008	7.18		Human Services Agency	08/03/2015
G. Stanton	Hakes	G	01/06/2009	6.56	C=25.597	Board of Supervisors	07/24/2015
Sandra M.	Fay	G	06/04/2006	5.78		Health Care Agency	07/31/2015
Deanna J.	King	G	03/12/2006	8.15		VC Fire Protection District	07/21/2015
Genevieve	Lavigne-Westerhol	G	12/22/2002	12.40	B=0.1918	Health Care Agency	08/14/2015
Anthony	Mendoza	G	11/04/2002	12.69		Health Care Agency	07/31/2015
Marilyn F.	Mendoza	G	06/18/1995	19.47		Health Care Agency	08/07/2015
Rogelio	Montiel	G	01/07/2002	12.91		General Services Agency	07/13/2015
Cynthia A.	Nestor	S	09/02/2001	12.36		Fire Protection District	07/21/2015
Elizabeth	Renteria	G	02/05/2006	9.44		Area Agency on Aging	07/24/2015
Gabrielle R.	Rodriguez	S	11/03/2006	8.57		Sheriff's Department	06/23/2015
Yadira	Ruiz	G	10/09/2005	8.89		Human Services Agency	07/07/2015
Richard A.	Saville	G	08/04/2002	12.39		Sheriff's Department	08/07/2015
Steven	Sherry	G	10/07/2003	9.49		Health Care Agency	08/07/2015
Gary G.	Thompson	G	11/01/2011	3.75	C=5.37720	Sheriff's Department	07/28/2015
Adolfo	Vega, Jr.	G	06/01/2009	6.18		General Services Agency	07/31/2015

**SURVIVORS' CONTINUANCES:**

Palma Ball  
Rosalina M. Bautista  
Jeffrey L. Boyd  
Robert A. Carrier  
Lee Muth  
Pedro R. Prado

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

Date: Tuesday, September 15, 2015  
Time: 10:03AM  
User: 103745

**Ventura County Retirement Assn**  
**Check Register - Standard**  
Period: 01-16 As of: 9/15/2015

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Company: VCERA

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025314	CK	7/2/2015	100938 NANCI CARBONELL	01-16	01-16	020180	VO	REFUND T2 COL	7/2/2015	0.00	8,902.68
025314	VC	7/2/2015	100938 NANCI CARBONELL	01-16	01-16	020180	VO	REFUND T2 COL	7/2/2015	0.00	-8,902.68
025315	CK	7/2/2015	F1447B1 BRADLEY E. PARKE	01-16		020181	VO	DEATH BENEFIT	7/2/2015	0.00	1,825.93
025316	CK	7/2/2015	F1447B2 ALLISON M. PARKE	01-16		020182	VO	DEATH BENEFIT	7/2/2015	0.00	1,825.94
025317	CK	7/2/2015	F1406S SHEILA M. MORTENSEN	01-16		020183	VO	DEATH BENEFIT	7/2/2015	0.00	3,947.26
025318	CK	7/2/2015	F1689S WAYNE C. ROSS	01-16		020184	VO	DEATH BENEFIT	7/2/2015	0.00	2,915.71
025319	CK	7/2/2015	F2552S SHARON R. CLINE	01-16		020185	VO	DEATH BENEFIT	7/2/2015	0.00	6,331.80
025320	CK	7/2/2015	F4486B1 DOLAS L. TUBBS	01-16		020186	VO	DEATH BENEFIT	7/2/2015	0.00	265.32
025321	CK	7/2/2015	F4486B2 SHIRLEY A. MCGINLEY	01-16		020187	VO	DEATH BENEFIT	7/2/2015	0.00	265.31
025322	CK	7/2/2015	F5761B1 MARLA BEIMFORDE FAMILY TRU	01-16	01-16	020188	VO	DEATH BENEFIT	7/2/2015	0.00	4,805.14
025322	VC	7/2/2015	F5761B1 MARLA BEIMFORDE FAMILY TRU	01-16	01-16	020188	VO	DEATH BENEFIT	7/2/2015	0.00	-4,805.14
025323	CK	7/2/2015	F7566S MARJORIE D. WILLIS	01-16		020189	VO	DEATH BENEFIT	7/2/2015	0.00	3,286.28
025324	CK	7/2/2015	F7674B1 SONIA CERVANTEZ	01-16		020190	VO	DEATH BENEFIT	7/2/2015	0.00	275.66
025325	CK	7/2/2015	F7764S JOHN W. BARRY	01-16		020191	VO	DEATH BENEFIT	7/2/2015	0.00	2,280.83
<b>Check Total</b>										<b>0.00</b>	

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025326	CK	7/2/2015	F7803S KEITH B. FILEGAR	01-16		020192	VO	DEATH BENEFIT	7/2/2015	0.00	3,999.46
025327	CK	7/2/2015	ALLIANT ALLIANT INSURANCE SERVICES	01-16		020193	VO	ADMIN EXP	7/2/2015	0.00	84,588.00
025328	CK	7/2/2015	100938 NANCI CARBONELL	01-16		020180	VO	REFUND T2 COL	7/2/2015	0.00	8,902.68
025329	CK	7/2/2015	F5761B1 MARLA BEIMFORDE FAMILY TRU	01-16	01-16	020188	VO	DEATH BENEFIT	7/2/2015	0.00	4,805.14
025329	VC	7/7/2015	F5761B1 MARLA BEIMFORDE FAMILY TRU	01-16	01-16	020188	VO	DEATH BENEFIT	7/2/2015	0.00	-4,805.14
025330	CK	7/7/2015	F5761B1 MARLA BEIMFORDE FAMILY TRU	01-16	01-16	020188	VO	DEATH BENEFIT	7/2/2015	0.00	4,805.14
025330	VC	7/7/2015	F5761B1 MARLA BEIMFORDE FAMILY TRU	01-16	01-16	020188	VO	DEATH BENEFIT	7/2/2015	0.00	-4,805.14
<b>Check Total</b>											<b>0.00</b>
025331	ZC	7/7/2015	F5761B1 MARLA BEIMFORDE FAMILY TRU	01-16	01-16	020188	VO	DEATH BENEFIT	7/2/2015	0.00	4,805.14
025331	ZC	7/7/2015	F5761B1 MARLA BEIMFORDE FAMILY TRU	01-16	01-16	020194	AD	CANCEL	7/7/2015	0.00	-4,805.14
<b>Check Total</b>											<b>0.00</b>
025332	CK	7/7/2015	F5761B1 MARLA BEIMFORDE FAMILY TRU	01-16		020195	VO	DEATH BENEFIT	7/7/2015	0.00	4,805.14
025333	VC	7/8/2015	103300 TAWNY TREFSGAR	01-16	01-16						
025334	VC	7/8/2015	104129 MARY A. LINTZ	01-16	01-16						
025335	VC	7/8/2015	106341 ELENA NITU	01-16	01-16						
025336	CK	7/8/2015	107935 WILLIAM D. BYRD	01-16		020199	VO	REFUND T2 COL	7/8/2015	0.00	20,653.17

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025337	CK	7/8/2015	F5122B2 DEWAYNE K. BARKEMEYER	01-16	020200	VO	DEATH BENEFIT	7/8/2015	0.00	23.27
025338	CK	7/8/2015	F5122B1 DONNA M. LITTLE	01-16	020201	VO	DEATH BENEFIT	7/8/2015	0.00	23.28
025339	CK	7/8/2015	F5674S KAY B. COX	01-16	020202	VO	DEATH BENEFIT	7/8/2015	0.00	3,113.42
025340	CK	7/8/2015	F8318S SETSUKE KAWAGUCHI	01-16	020203	VO	DEATH BENEFIT	7/8/2015	0.00	2,487.73
025341	CK	7/8/2015	F1647B1 GERALD K. RIEDMILLER	01-16	020204	VO	DEATH BENEFIT	7/8/2015	0.00	4,104.51
025342	CK	7/8/2015	103300 TAWNY TREFSGAR	01-16	020196	VO	REFUND T2 COL	7/8/2015	0.00	14,628.15
025343	CK	7/8/2015	104129 MARY A. LINTZ	01-16	020197	VO	REFUND T2 COL	7/8/2015	0.00	3,486.21
025344	CK	7/8/2015	106341 ELENA NITU	01-16	020198	VO	REFUND T2 COL	7/8/2015	0.00	12,032.66
025345	CK	7/8/2015	101602 HENRY SOLIS	01-16	020205	VO	ADMIN EXP	7/8/2015	0.00	30.75
025346	CK	7/8/2015	102661 LORI NEMIROFF	01-16	020206	VO	ADMIN EXP	7/8/2015	0.00	1,437.68
025347	CK	7/8/2015	990002 ARTHUR E. GOULET	01-16	020207	VO	ADMIN EXP	7/8/2015	0.00	290.75
025348	CK	7/8/2015	CALAPRS CALAPRS	01-16	020208	VO	ADMIN EXP	7/8/2015	0.00	900.00
025349	CK	7/8/2015	CPS COOPERATIVE PERSONNEL SEF	01-16	020209	VO	ADMIN EXP	7/8/2015	0.00	131.20
025350	CK	7/8/2015	INTERGRATE INTEGRATED FIRE & SAFETY	01-16	020210	VO	IT	7/8/2015	0.00	125.00

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025351	CK	7/8/2015	HANSONBRID HANSON BRIDGETT LLP	01-16	020211	VO	ADMIN EXP	7/8/2015	0.00	2,757.60
025352	CK	7/8/2015	MEGAPATH GLOBAL CAPACITY	01-16	020212	VO	IT/PAS	7/8/2015	0.00	603.63
025353	CK	7/8/2015	ROSENTHAL JOHN L. ROSENTHAL	01-16	020213	VO	ADMIN EXP	7/8/2015	0.00	4,418.75
025354	CK	7/8/2015	VSG VSG HOSTING, INC	01-16	020214	VO	PAS	7/8/2015	0.00	19,500.00
025355	CK	7/8/2015	VOLT VOLT	01-16	020215	VO	ADMIN EXP	7/8/2015	0.00	1,611.09
025356	CK	7/16/2015	100678 SYLVIA M. RAMIREZ	01-16	020216	VO	REFUND T2 COL	7/16/2015	0.00	11,854.82
025357	CK	7/16/2015	101654 JACQUELYN A. BRAVO	01-16	020217	VO	REFUND T2 COL	7/16/2015	0.00	16,490.73
025358	CK	7/16/2015	107612 DEBRA K. BARRON	01-16	020218	VO	REFUND T2 COL	7/16/2015	0.00	13,326.43
025359	CK	7/16/2015	107614 MIROSLAV BORAK	01-16	020219	VO	REFUND T2 COL	7/16/2015	0.00	17,579.29
025360	CK	7/16/2015	116052 JUAN ANTONIO DIAZ	01-16	020220	VO	REFUND CONTRIB	7/16/2015	0.00	24,924.83
025361	CK	7/16/2015	118056 LYNDSEY A. SCHROEDER	01-16	020221	VO	REFUND CONTRIB	7/16/2015	0.00	3,692.65
025362	CK	7/16/2015	119830R PACIFIC OAKS FEDERAL CREDIT	01-16	020222	VO	ROLLOVER	7/16/2015	0.00	1,473.79
025363	CK	7/16/2015	122415 LYNDA M. MARTIN	01-16	020223	VO	REFUND CONTRIB	7/16/2015	0.00	6,148.59



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025364	CK	7/16/2015	122707 MICHAEL W. ZINGALI	01-16	020224	VO	REFUND CONTRIB	7/16/2015	0.00	5,652.19
025365	CK	7/16/2015	123070R VANGUARD FTC	01-16	020225	VO	ROLLOVER	7/16/2015	0.00	10,001.46
025366	CK	7/16/2015	123393 BARRY HIRST JR.	01-16	020226	VO	REFUND CONTRIB	7/16/2015	0.00	3,926.85
025367	CK	7/16/2015	123621 NANCY PEREZ	01-16	020227	VO	REFUND CONTRIB	7/16/2015	0.00	3,453.68
025368	CK	7/16/2015	124438 YESENIA GARCIA	01-16	020228	VO	REFUND CONTRIB	7/16/2015	0.00	1,232.71
025369	CK	7/16/2015	124555 JULIE CERNA	01-16	020229	VO	REFUND CONTRIB	7/16/2015	0.00	1,783.57
025370	CK	7/16/2015	124791 STEVEN A. FRANK	01-16	020230	VO	REFUND CONTRIB	7/16/2015	0.00	715.50
025371	CK	7/16/2015	F0761S VERA T. GARCIA	01-16	020231	VO	DEATH BENEFIT	7/16/2015	0.00	2,079.46
025372	CK	7/16/2015	F5951S DEBRA P. GARDIA	01-16	020232	VO	DEATH BENEFIT	7/16/2015	0.00	2,276.36
025373	CK	7/16/2015	F7409 CHIYOKO Y. NISHIMORI	01-16	020233	VO	PENSION PAYMENT	7/16/2015	0.00	928.50
025374	CK	7/16/2015	AT&T AT & T MOBILITY	01-16	020234	VO	IT	7/16/2015	0.00	292.65
025375	CK	7/16/2015	CMP CMP & ASSOCIATES, INC	01-16	020235	VO	IT/PAS	7/16/2015	0.00	21,896.25
025376	CK	7/16/2015	COMPUWAVE COMPUWAVE	01-16	020236	VO	IT	7/16/2015	0.00	1,612.20
025377	CK	7/16/2015	CORPORATE STAPLES ADVANTAGE	01-16	020237	VO	ADMIN EXP	7/16/2015	0.00	1,297.65

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025378	CK	7/16/2015	COUNTY COUNTY COUNSEL	01-16	020238	VO	LEGAL FEES	7/16/2015	0.00	28,422.97
025379	CK	7/16/2015	HARRIS HARRIS WATER CONDITIONING	01-16	020239	VO	ADMIN EXP	7/16/2015	0.00	144.50
025380	CK	7/16/2015	HEXAVEST HEXAVEST INC	01-16	020240	VO	INVESTMENT FEES	7/16/2015	0.00	94,736.93
025381	CK	7/16/2015	NOSSAMAN NOSSAMAN LLP	01-16	020241	VO	LEGAL FEES	7/16/2015	0.00	2,522.30
025382	CK	7/16/2015	SACRS SACRS	01-16	020242	VO	ADMIN EXP	7/16/2015	0.00	4,000.00
025383	CK	7/16/2015	VOLT VOLT	01-16	020243	VO	ADMIN EXP	7/16/2015	0.00	758.16
025384	CK	7/22/2015	104895 REYMUNDO D. OLMOS	01-16	020244	VO	REFUND T2 COL	7/22/2015	0.00	13,376.05
025385	CK	7/22/2015	104914 IRENE CAMARENA	01-16	020245	VO	REFUND T2 COL	7/22/2015	0.00	1,885.58
025386	CK	7/22/2015	106871 KEVIN A. MCCORMACK	01-16	020246	VO	REFUND T2 COL	7/22/2015	0.00	20,418.65
025387	CK	7/22/2015	108385 DARRELL J. NEWSON	01-16	020247	VO	REFUND T2 COL	7/22/2015	0.00	750.89
025388	CK	7/22/2015	119569 DANIEL J. JACQUEZ	01-16	020248	VO	REFUND CONTRIB	7/22/2015	0.00	8,034.30
025389	CK	7/22/2015	122460 JENNIFER CHAVEZ	01-16	020249	VO	REFUND CONTRIB	7/22/2015	0.00	7,902.48
025390	CK	7/22/2015	124279 SARAH DAVISON	01-16	020250	VO	REFUND CONTRIB	7/22/2015	0.00	2,984.82

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025391	CK	7/22/2015	F5147S MALINDA K. PALOVICH	01-16	020251	VO	DEATH BENEFIT	7/22/2015	0.00	3,537.46
025392	CK	7/22/2015	124415 VICTORIA P. WILLIAMS	01-16	020252	VO	TRAVEL REIMB	7/22/2015	0.00	220.96
025393	CK	7/22/2015	990004 WILL HOAG	01-16	020253	VO	TRAVEL REIMB	7/22/2015	0.00	21.44
025394	CK	7/22/2015	BARNEY A.B.U. COURT REPORTING, INC.	01-16	020254	VO	ADMIN EXP	7/22/2015	0.00	315.00
025395	CK	7/22/2015	ACCESS ACCESS INFORMATION MANAGE	01-16	020255	VO	ADMIN EXP	7/22/2015	0.00	320.62
025396	CK	7/22/2015	ADP ADP, LLC	01-16	020256	VO	ADMIN EXP	7/22/2015	0.00	9,518.52
025397	CK	7/22/2015	ASSIMA ASSIMA, INC.	01-16	020257	VO	PAS	7/22/2015	0.00	7,680.00
025398	CK	7/22/2015	BOFA BUSINESS CARD	01-16	020258	VO	ADMIN EXP	7/22/2015	0.00	1,354.20
025399	CK	7/22/2015	BROWN BROWN ARMSTRONG	01-16	020259	VO	ADMIN EXP	7/22/2015	0.00	1,915.00
025400	CK	7/22/2015	CALAPRS CALAPRS	01-16	020260	VO	ADMIN EXP	7/22/2015	0.00	1,000.00
025401	CK	7/22/2015	CLIFTON PARAMETRIC PORTFOLIO ASSO	01-16	020261	VO	INVESTMENT FEES	7/22/2015	0.00	24,109.00
025402	CK	7/22/2015	LOOMIS LOOMIS, SAYLES & CO., LP	01-16	020262	VO	INVESTMENT FEES	7/22/2015	0.00	182,548.26
025403	CK	7/22/2015	MBS MANAGED BUSINESS SOLUTION	01-16	020263	VO	PAS	7/22/2015	0.00	2,378.75
025404	CK	7/22/2015	NOSSAMAN NOSSAMAN LLP	01-16	020264	VO	ADMIN EXP	7/22/2015	0.00	1,500.00

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025405	CK	7/22/2015	SHRED-IT SHRED-IT USA	01-16		020266	VO	ADMIN EXP	7/22/2015	0.00	130.40
025406	CK	7/22/2015	CORPORATE STAPLES ADVANTAGE	01-16		020267	VO	ADMIN EXP	7/22/2015	0.00	24.18
025407	CK	7/22/2015	STATE STATE STREET BANK AND TRUS	01-16		020268	VO	INVESTMENT FEES	7/22/2015	0.00	140,395.53
025408	CK	7/22/2015	WALTER BNY MELLON INV MGMNT CAYM	01-16		020269	VO	INVESTMENT FEES	7/22/2015	0.00	212,409.74
025409	CK	7/22/2015	VOLT VOLT	01-16		020270	VO	ADMIN EXP	7/22/2015	0.00	3,524.26
025410	CK	7/22/2015	124247 NANCY JENSEN	01-16		020271	VO	ADMIN EXP	7/22/2015	0.00	76.55
025411	CK	7/29/2015	CA SDU CALIFORNIA STATE	01-16		020273	VO	CRT ORDERED PMT	7/29/2015	0.00	1,052.47
025412	CK	7/29/2015	CHILD5 STATE DISBURSEMENT UNIT (SI	01-16		020274	VO	CRT ORDERED PMT	7/29/2015	0.00	511.00
025413	CK	7/29/2015	CHILD21 OREGON DEPT OF JUSTICE	01-16		020276	VO	CRT ORDERED PMT	7/29/2015	0.00	171.74
025414	CK	7/29/2015	SPOUSE2 KELLY SEARCY	01-16		020282	VO	CRT ORDERED PMT	7/29/2015	0.00	1,874.00
025415	CK	7/29/2015	SPOUSE3 ANGELINA ORTIZ	01-16		020283	VO	CRT ORDERED PMT	7/29/2015	0.00	250.00
025416	CK	7/29/2015	SPOUSE4 CATHY C. PEET	01-16		020284	VO	CRT ORDERED PMT	7/29/2015	0.00	550.00
025417	CK	7/29/2015	SPOUSE5 SUZANNA CARR	01-16		020285	VO	CRT ORDERED PMT	7/29/2015	0.00	829.00

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025418	CK	7/29/2015	SPOUSE6 BARBARA JO GREENE	01-16	020286	VO	CRT ORDERED PMT	7/29/2015	0.00	675.00
025419	CK	7/29/2015	SPOUSE7 MARIA G. SANCHEZ	01-16	020287	VO	CRT ORDERED PMT	7/29/2015	0.00	104.00
025420	CK	7/29/2015	SPOUSE8 DEBBIE ANN BETTIS	01-16	020288	VO	CRT ORDERED PMT	7/29/2015	0.00	1,358.00
025421	CK	7/29/2015	FTBCA3 FRANCHISE TAX BOARD	01-16	020289	VO	GARNISHMENT	7/29/2015	0.00	137.26
025422	CK	7/29/2015	IRS6 INTERNAL REVENUE SERVICE	01-16	020290	VO	GARNISHMENT	7/29/2015	0.00	321.00
025423	CK	7/29/2015	IRS7 INTERNAL REVENUE SERVICE	01-16	020291	VO	GARNISHMENT	7/29/2015	0.00	500.00
025424	CK	7/29/2015	REAVC RETIRED EMPLOYEES' ASSOCIATION	01-16	020292	VO	DUES	7/29/2015	0.00	4,261.50
025425	CK	7/29/2015	SEIU SEIU LOCAL 721	01-16	020293	VO	DUES	7/29/2015	0.00	385.50
025426	CK	7/29/2015	CALPERS CALPERS LONG-TERM	01-16	020294	VO	INSURANCE	7/29/2015	0.00	20,542.12
025427	CK	7/29/2015	CVMP COUNTY OF VENTURA	01-16	020295	VO	INSURANCE	7/29/2015	0.00	602,044.37
025428	CK	7/29/2015	VCDSA VENTURA COUNTY DEPUTY	01-16	020296	VO	INSURANCE	7/29/2015	0.00	246,399.92
025429	CK	7/29/2015	VCPFF VENTURA COUNTY PROFESSIONAL	01-16	020297	VO	INSURANCE	7/29/2015	0.00	71,688.55
025430	CK	7/29/2015	VRSD VENTURA REGIONAL	01-16	020298	VO	INSURANCE	7/29/2015	0.00	7,660.24
025431	CK	7/29/2015	VSP VISION SERVICE PLAN - (CA)	01-16	020299	VO	INSURANCE	7/29/2015	0.00	10,216.61

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025432	CK	7/29/2015	COUNTY2 COUNTY OF VENTURA		01-16	020300	VO	PENSION PAYMENT	7/29/2015	0.00	57,462.86
025433	CK	7/29/2015	CHILD9 SHERIDA SEGALL		01-16	020301	VO	CRT ORDERED PMT	7/29/2015	0.00	260.00
025434	CK	7/29/2015	BARNEY A.B.U. COURT REPORTING, INC.		01-16	020302	VO	ADMIN EXP	7/29/2015	0.00	315.00
025435	CK	7/29/2015	CS&A CALIFORNIA STRATEGIES & ADV		01-16	020303	VO	ADMIN EXP	7/29/2015	0.00	2,500.00
025436	CK	7/29/2015	MF M.F. DAILY CORPORATION		01-16	020304	VO	ADMIN EXP/PAS	7/29/2015	0.00	16,611.72
025437	CK	7/29/2015	PIMCO PACIFIC INVESTMENT MGMT CC		01-16	020305	VO	INVESTMENT FEES	7/29/2015	0.00	104,968.79
025438	CK	7/29/2015	ROSENTHAL JOHN L. ROSENTHAL		01-16	020306	VO	ADMIN EXP	7/29/2015	0.00	18,427.50
025439	CK	7/29/2015	SBS SBS GROUP		01-16	020307	VO	IT	7/29/2015	0.00	900.56
025440	CK	7/29/2015	SPRUCE SPRUCEGROVE INVESTMENT M		01-16	020308	VO	INVESTMENT FEES	7/29/2015	0.00	57,756.95
025441	CK	7/29/2015	CORPORATE STAPLES ADVANTAGE		01-16	020309	VO	ADMIN EXP	7/29/2015	0.00	783.20
025442	CK	7/29/2015	TORTOISE TORTOISE CAPITAL ADVISORS		01-16	020310	VO	INVESTMENT FEES	7/29/2015	0.00	212,227.41
025443	CK	7/29/2015	LINEA LINEA SOLUTIONS		01-16	020311	VO	IT	7/29/2015	0.00	6,613.75
025444	CK	7/29/2015	VSG VSG HOSTING, INC		01-16	020312	VO	PAS	7/29/2015	0.00	19,500.00

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025445	CK	7/29/2015	TWC TIME WARNER CABLE	01-16	020313	VO	ADMIN EXP	7/29/2015	0.00	485.32
025446	CK	7/31/2015	F7538 MICHAEL D. FEILER	01-16	020314	VO	PENSION PMT	7/31/2015	0.00	891.95

Check Count: 137

**Acct Sub Total: 2,620,669.12**

Check Type	Count	Amount Paid
Regular	129	2,643,987.22
Hand	0	0.00
Electronic Payment	0	0.00
Void	7	-23,318.10
Stub	0	0.00
Zero	1	0.00
Mask	0	0.00
<b>Total:</b>	<b>137</b>	<b>2,620,669.12</b>

<b>Company Disc Total</b>	<b>0.00</b>	<b>Company Total</b>	<b>2,620,669.12</b>
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<b>Company: VCERA</b>										
Acct / Sub:	1002		00							
025447	CK	8/6/2015	104438 SANJUANA L. GONZALEZ	02-16	020315	VO	REFUND T2 COL	8/6/2015	0.00	12,399.16
025448	CK	8/6/2015	105000 STEPHEN D. MCATEE	02-16	020316	VO	REFUND T2 COL	8/6/2015	0.00	19,242.19
025449	CK	8/6/2015	105163 VERA L. CABRERA	02-16	020317	VO	REFUND MARIN	8/6/2015	0.00	14,559.39
025450	CK	8/6/2015	107728R FIRST CLEARING	02-16	020318	VO	ROLLOVER	8/6/2015	0.00	16,960.47
025451	CK	8/6/2015	116481 KENNETH BONNER	02-16	020319	VO	REFUND CONTRIB	8/6/2015	0.00	25,090.02
025452	CK	8/6/2015	116757 GLENDA ADAMS-CALLWOOD	02-16	020320	VO	REFUND CONTRIB	8/6/2015	0.00	3,568.00
025453	CK	8/6/2015	118260 KAREN N. GOODMAN	02-16	020321	VO	REFUND CONTRIB	8/6/2015	0.00	17,374.96
025454	CK	8/6/2015	118873 JESSE CISNEROS JR.	02-16	020322	VO	REFUND CONTRIB	8/6/2015	0.00	37,914.98
025455	CK	8/6/2015	120500 APRIL T. HAMILTON	02-16	020323	VO	REFUND CONTRIB	8/6/2015	0.00	18,773.23
025456	CK	8/6/2015	120500R CITIBANK N.A.	02-16	020324	VO	ROLLOVER	8/6/2015	0.00	8,000.00
025457	CK	8/6/2015	121308 MICHAEL R. FOSTER	02-16	020325	VO	REFUND CONTRIB	8/6/2015	0.00	18,495.88
025458	CK	8/6/2015	121535 JAMES P. GIVEN	02-16	020326	VO	REFUND CONTRIB	8/6/2015	0.00	13,783.83
025459	CK	8/6/2015	122837 DEBRAA. HEMPHILL	02-16	020327	VO	REFUND CONTRIB	8/6/2015	0.00	3,118.56



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025460	CK	8/6/2015	123865 KALEE FRITZINGER	02-16	020328	VO	REFUND CONTRIB	8/6/2015	0.00	3,331.16
025461	CK	8/6/2015	124442R WELLS FARGO, N.A	02-16	020329	VO	ROLLOVER	8/6/2015	0.00	1,664.27
025462	CK	8/6/2015	F0147B1 GARY E. ARNETTE	02-16	020330	VO	DEATH BENEFIT	8/6/2015	0.00	94.25
025463	CK	8/6/2015	F0287S JEFFREY L. BOYD	02-16	020331	VO	DEATH BENEFIT	8/6/2015	0.00	4,545.86
025464	CK	8/6/2015	F2137B1 SANDRA L. WIMMER	02-16	020332	VO	DEATH BENEFIT	8/6/2015	0.00	467.70
025465	CK	8/6/2015	F3506S DIXIE L. HOLDEN	02-16	020333	VO	DEATH BENEFIT	8/6/2015	0.00	3,758.29
025466	CK	8/6/2015	F4484SR FCC AS CUSTODIAN	02-16	020334	VO	ROLLOVER	8/6/2015	0.00	5,174.51
025467	CK	8/6/2015	F8866S ROBERT A. CARRIER JR.	02-16	020335	VO	DEATH BENEFIT	8/6/2015	0.00	4,228.30
025468	CK	8/6/2015	XXXXX9202S ROLANDO C. TOLIBAS	02-16	020336	VO	DEATH BENEFIT	8/6/2015	0.00	1,193.15
025469	CK	8/6/2015	F4905 CRAIG L. PHILLIPS	02-16	020337	VO	PENSION PAYMENT	8/6/2015	0.00	846.92
025470	CK	8/6/2015	F6744 JESSE C. AFABLE	02-16	020338	VO	PENSION PAYMENT	8/6/2015	0.00	1,329.04
025471	CK	8/6/2015	101602 HENRY SOLIS	02-16	020340	VO	REIMBURSEMENT	8/6/2015	0.00	18.79
025472	CK	8/6/2015	990002 ARTHUR E. GOULET	02-16	020339	VO	MILEAGE REIMB	8/6/2015	0.00	39.10

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025473	CK	8/6/2015	ADP ADP, LLC	02-16	020341	VO	ADMIN EXP	8/6/2015	0.00	2,618.41
025474	CK	8/6/2015	COMPUWAVE COMPUWAVE	02-16	020342	VO	IT	8/6/2015	0.00	927.35
025475	CK	8/6/2015	CORPORATE STAPLES ADVANTAGE	02-16	020346	VO	ADMIN EXP	8/6/2015	0.00	455.46
025476	CK	8/6/2015	MEGAPATH GLOBAL CAPACITY	02-16	020343	VO	IT/PAS	8/6/2015	0.00	603.63
025477	CK	8/6/2015	NPEA NPEA	02-16	020344	VO	ADMIN EXP	8/6/2015	0.00	500.00
025478	CK	8/6/2015	REAMS REAMS ASSET MANAGEMENT	02-16	020345	VO	INVESTMENT FEES	8/6/2015	0.00	125,946.00
025479	CK	8/6/2015	SAFEGUARD SAFEGUARD BUSINESS SYSTEM	02-16	020349	VO	ADMIN EXP	8/6/2015	0.00	218.31
025480	CK	8/6/2015	VOLT VOLT	02-16	020347	VO	ADMIN EXP	8/6/2015	0.00	1,705.86
025481	CK	8/6/2015	WESTERN WESTERN ASSET MANAGEMENT	02-16	020348	VO	INVESTMENT FEES	8/6/2015	0.00	192,266.18
025482	CK	8/12/2015	102317 CAROL L. GRANT	02-16	020355	VO	REFUND T2 COL	8/12/2015	0.00	16,479.97
025483	CK	8/12/2015	105101 MARIO F. CARPIO	02-16	020356	VO	REFUND T2 COL	8/12/2015	0.00	10,669.33
025484	CK	8/12/2015	F2137B2 WAYNE WINTERBOURNE	02-16	020357	VO	DEATH BENEFIT	8/12/2015	0.00	432.61
025485	CK	8/12/2015	F2926B2 REYNALDO G. MACASIEB	02-16	020358	VO	DEATH BENEFIT	8/12/2015	0.00	900.92
025486	CK	8/12/2015	F2926B3 RICK MACASIEB	02-16	020359	VO	DEATH BENEFIT	8/12/2015	0.00	900.92

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025487	CK	8/12/2015	F2926B4 SUSAN M. OBRAD	02-16	020360	VO	DEATH BENEFIT	8/12/2015	0.00	900.91
025488	CK	8/12/2015	F4281B1 CONNI LEE BASS	02-16	020361	VO	DEATH BENEFIT	8/12/2015	0.00	1,896.07
025489	CK	8/12/2015	F4281B2 JULIE A. NAUTU	02-16	020362	VO	DEATH BENEFIT	8/12/2015	0.00	1,896.06
025490	CK	8/12/2015	101602 HENRY SOLIS	02-16	020363	VO	REIMBURSEMENT	8/12/2015	0.00	200.00
025491	CK	8/12/2015	124968 DAN GALLAGHER	02-16	020364	VO	TRAVEL REIMB	8/12/2015	0.00	336.13
025492	CK	8/12/2015	990007 DEANNA MCCORMICK	02-16	020365	VO	TRAVEL REIMB	8/12/2015	0.00	77.56
025493	CK	8/12/2015	HARRIS HARRIS WATER CONDITIONING	02-16	020366	VO	ADMIN EXP	8/12/2015	0.00	159.50
025494	CK	8/12/2015	NCPERS NCPERS	02-16	020367	VO	ADMIN EXP	8/12/2015	0.00	650.00
025495	CK	8/12/2015	VOLT VOLT	02-16	020368	VO	ADMIN EXP	8/12/2015	0.00	876.62
025496	CK	8/20/2015	101002 LINDA J. HOLLOWAY	02-16	020369	VO	REFUND T2 COL	8/20/2015	0.00	15,644.05
025497	CK	8/20/2015	103079 HEDI M. YOUNG	02-16	020372	VO	REFUND T2 COL	8/20/2015	0.00	14,391.74
025498	CK	8/20/2015	104598 EMILIA OSEGUERA	02-16	020373	VO	REFUND T2 COL	8/20/2015	0.00	6,265.02
025499	CK	8/20/2015	105958 JUDITH A. BRINKMAN	02-16	020370	VO	REFUND T2 COL	8/20/2015	0.00	12,254.51

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025500	CK	8/20/2015	116248 STEVEN L. JOHNSTON	02-16		020371	VO	REFUND T2 COL	8/20/2015	0.00	6,236.57
025501	CK	8/20/2015	116646 GUADALUPE V. RIOS	02-16	02-16	020377	VO	REFUND CONTRIB	8/20/2015	0.00	13,436.54
025501	VC	8/20/2015	116646 GUADALUPE V. RIOS	02-16	02-16	020377	VO	REFUND CONTRIB	8/20/2015	0.00	-13,436.54
<b>Check Total</b>											<b>0.00</b>
025502	CK	8/20/2015	117170 KATHLEEN T. JOHNSTON	02-16		020374	VO	REFUND T2 COL	8/20/2015	0.00	14,455.24
025503	CK	8/20/2015	124523R UNIFIED TRUST	02-16		020384	VO	ROLLOVER	8/20/2015	0.00	2,711.04
025504	CK	8/20/2015	124694 KATHLEEN BAUGHMAN	02-16		020375	VO	REFUND CONTRIB	8/20/2015	0.00	1,074.20
025505	CK	8/20/2015	124908 FRANK J. COFFEY	02-16		020376	VO	REFUND CONTRIB	8/20/2015	0.00	856.03
025506	CK	8/20/2015	F1378B1 JAMES R. MOLDENHAUER	02-16		020382	VO	DEATH BENEFIT	8/20/2015	0.00	4,395.99
025507	CK	8/20/2015	F2926B1 CARMEN MACASIEB DESAMPAR	02-16		020380	VO	DEATH BENEFIT	8/20/2015	0.00	900.91
025508	CK	8/20/2015	F3520B1 TERESA LUKSA	02-16		020383	VO	DEATH BENEFIT	8/20/2015	0.00	3,733.74
025509	CK	8/20/2015	F5218B1 NANCY A. MURPHY	02-16		020381	VO	DEATH BENEFIT	8/20/2015	0.00	30.23
025510	CK	8/20/2015	F6535B1 LESLIE S. LAMBETH	02-16		020378	VO	DEATH BENEFIT	8/20/2015	0.00	45.37
025511	CK	8/20/2015	F6535B3 KENT GROENEVELD	02-16		020379	VO	DEATH BENEFIT	8/20/2015	0.00	44.04
025512	ZC	8/20/2015	116646 GUADALUPE V. RIOS	02-16	02-16	020377	VO	REFUND CONTRIB	8/20/2015	0.00	13,436.54

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025512	ZC	8/20/2015	116646 GUADALUPE V. RIOS	02-16 02-16	020395	AD	CANCEL	8/20/2015	0.00	-13,436.54
<b>Check Total</b>										<b>0.00</b>
025513	CK	8/20/2015	116646 GUADALUPE V. RIOS	02-16	020396	VO	REFUND CONTRIB	8/20/2015	0.00	13,436.54
025514	CK	8/20/2015	ADP ADP, LLC	02-16	020385	VO	ADMIN EXP	8/20/2015	0.00	9,555.66
025515	CK	8/20/2015	AT&T AT & T MOBILITY	02-16	020386	VO	IT	8/20/2015	0.00	292.65
025516	CK	8/20/2015	BLACKROCK BLACKROCK INSTL TRUST CO, N	02-16	020387	VO	INVESTMENT FEES	8/20/2015	0.00	180,039.95
025517	CK	8/20/2015	HANSONBRID HANSON BRIDGETT LLP	02-16	020388	VO	LEGAL FEES	8/20/2015	0.00	7,044.30
025518	CK	8/20/2015	MBS MANAGED BUSINESS SOLUTION	02-16	020389	VO	PAS	8/20/2015	0.00	12,608.75
025519	CK	8/20/2015	SHRED-IT SHRED-IT USA	02-16	020390	VO	ADMIN EXP	8/20/2015	0.00	195.60
025520	CK	8/20/2015	TWC TIME WARNER CABLE	02-16	020391	VO	IT	8/20/2015	0.00	399.96
025521	CK	8/20/2015	VITECH VITECH SYSTEMS GROUP, INC.	02-16	020392	VO	PAS	8/20/2015	0.00	17,850.00
025522	CK	8/20/2015	VOLT VOLT	02-16	020393	VO	ADMIN EXP	8/20/2015	0.00	2,807.56
025523	CK	8/20/2015	BROWN BROWN ARMSTRONG	02-16	020394	VO	ADMIN EXP	8/20/2015	0.00	1,955.00
025524	CK	8/26/2015	ACCESS ACCESS INFORMATION MANAGE	02-16	020397	VO	ADMIN EXP	8/26/2015	0.00	372.62
025525	CK	8/26/2015	ADP ADP, LLC	02-16	020398	VO	ADMIN EXP	8/26/2015	0.00	120.00

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025526	CK	8/26/2015	BOFA BUSINESS CARD	02-16	020399	VO	ADMIN/PAS	8/26/2015	0.00	3,998.35
025527	CK	8/26/2015	CS&A CALIFORNIA STRATEGIES & ADV	02-16	020400	VO	ADMIN EXP	8/26/2015	0.00	2,500.00
025528	CK	8/26/2015	CORPORATE STAPLES ADVANTAGE	02-16	020401	VO	ADMIN EXP	8/26/2015	0.00	794.65
025529	CK	8/26/2015	MF M.F. DAILY CORPORATION	02-16	020402	VO	ADMIN EXP	8/26/2015	0.00	16,611.72
025530	CK	8/27/2015	CA SDU CALIFORNIA STATE	02-16	020403	VO	CRT ORDERED PMT	8/27/2015	0.00	1,052.47
025531	CK	8/27/2015	CHILD5 STATE DISBURSEMENT UNIT (SI	02-16	020404	VO	CRT ORDERED PMT	8/27/2015	0.00	511.00
025532	CK	8/27/2015	CHILD9 SHERIDA SEGALL	02-16	020405	VO	CRT ORDERED PMT	8/27/2015	0.00	260.00
025533	CK	8/27/2015	CHILD21 OREGON DEPT OF JUSTICE	02-16	020406	VO	CRT ORDERED PMT	8/27/2015	0.00	171.74
025534	CK	8/27/2015	SPOUSE2 KELLY SEARCY	02-16	020407	VO	CRT ORDERED PMT	8/27/2015	0.00	1,874.00
025535	CK	8/27/2015	SPOUSE3 ANGELINA ORTIZ	02-16	020408	VO	CRT ORDERED PMT	8/27/2015	0.00	250.00
025536	CK	8/27/2015	SPOUSE4 CATHY C. PEET	02-16	020409	VO	CRT ORDERED PMT	8/27/2015	0.00	550.00
025537	CK	8/27/2015	SPOUSE5 SUZANNA CARR	02-16	020410	VO	CRT ORDERED PMT	8/27/2015	0.00	829.00
025538	CK	8/27/2015	SPOUSE6 BARBARA JO GREENE	02-16	020411	VO	CRT ORDERED PMT	8/27/2015	0.00	675.00

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025539	CK	8/27/2015	SPOUSE7 MARIA G. SANCHEZ	02-16	020412	VO	CRT ORDERED PMT	8/27/2015	0.00	104.00
025540	CK	8/27/2015	SPOUSE8 DEBBIE ANN BETTIS	02-16	020413	VO	CRT ORDERED PMT	8/27/2015	0.00	1,358.00
025541	CK	8/27/2015	FTBCA3 FRANCHISE TAX BOARD	02-16	020414	VO	GARNISHMENT	8/27/2015	0.00	137.26
025542	CK	8/27/2015	IRS6 INTERNAL REVENUE SERVICE	02-16	020415	VO	GARNISHMENT	8/27/2015	0.00	321.00
025543	CK	8/27/2015	IRS7 INTERNAL REVENUE SERVICE	02-16	020416	VO	GARNISHMENT	8/27/2015	0.00	500.00
025544	CK	8/27/2015	CALPERS CALPERS LONG-TERM	02-16	020417	VO	INSURANCE	8/27/2015	0.00	20,542.12
025545	CK	8/27/2015	CVMP COUNTY OF VENTURA	02-16	020418	VO	INSURANCE	8/27/2015	0.00	604,900.00
025546	CK	8/27/2015	SEIU SEIU LOCAL 721	02-16	020419	VO	DUES	8/27/2015	0.00	383.50
025547	CK	8/27/2015	VCDSA VENTURA COUNTY DEPUTY	02-16	020420	VO	INSURANCE	8/27/2015	0.00	247,096.06
025548	CK	8/27/2015	VCPFF VENTURA COUNTY PROFESSIONI	02-16	020421	VO	INSURANCE	8/27/2015	0.00	70,483.77
025549	CK	8/27/2015	VRSD VENTURA REGIONAL	02-16	020422	VO	INSURANCE	8/27/2015	0.00	8,800.31
025550	CK	8/27/2015	VSP VISION SERVICE PLAN - (CA)	02-16	020423	VO	INSURANCE	8/27/2015	0.00	10,209.62
025551	CK	8/27/2015	REAVC RETIRED EMPLOYEES' ASSOCIAT	02-16	020424	VO	DUES	8/27/2015	0.00	4,251.00
025552	VC	8/27/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16					

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 Report: 03630.rpt  
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Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
025553	CK	8/27/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020425	VO	JUDGEMENT EXP	8/27/2015	0.00	3,677.13
025553	VC	8/27/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020425	VO	JUDGEMENT EXP	8/27/2015	0.00	-3,677.13
025554	ZC	8/27/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020425	VO	JUDGEMENT EXP	8/27/2015	0.00	3,677.13
025554	ZC	8/27/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020426	AD	CANCEL	8/27/2015	0.00	-3,677.13
025555	CK	8/27/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020427	VO	REIMBURSEMENT	8/27/2015	0.00	3,677.13
025555	VC	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020427	VO	REIMBURSEMENT	8/27/2015	0.00	-3,677.13
025556	CK	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020427	VO	REIMBURSEMENT	8/27/2015	0.00	3,677.13
025556	CK	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020428	VO	CANCEL	8/31/2015	0.00	3,677.13
025556	CK	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020429	VO	REIMBURSEMENT	8/31/2015	0.00	1,838.57
025556	VC	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020427	VO	REIMBURSEMENT	8/27/2015	0.00	-3,677.13
025556	VC	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020428	VO	CANCEL	8/31/2015	0.00	-3,677.13
025556	VC	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020429	VO	REIMBURSEMENT	8/31/2015	0.00	-1,838.57
025557	ZC	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020427	VO	REIMBURSEMENT	8/27/2015	0.00	3,677.13
025557	ZC	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020428	VO	CANCEL	8/31/2015	0.00	3,677.13
025557	ZC	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020429	VO	REIMBURSEMENT	8/31/2015	0.00	1,838.57
025557	ZC	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16	02-16	020430	AD	CANCEL	8/31/2015	0.00	-9,192.83
025558	CK	8/31/2015	TEMPLE THOMAS W. TEMPLE AND	02-16		020431	VO	REIMBURSEMENT	8/31/2015	0.00	1,838.57



Date: Tuesday, September 15, 2015  
 Time: 10:04AM  
 User: 103745

**Ventura County Retirement Assn**  
**Check Register - Standard**  
 Period: 02-16 As of: 9/15/2015

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: 1,928,310.22
			Check Type	Count	Amount Paid					
			Regular	108	1,958,293.85					
			Hand	0	0.00					
			Electronic Payment	0	0.00					
			Void	5	-29,983.63					
			Stub	0	0.00					
			Zero	3	0.00					
			Mask	0	0.00					
			<b>Total:</b>	<b>116</b>	<b>1,928,310.22</b>					
					Company Disc Total	0.00	Company Total	1,928,310.22		

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2015**

**ASSETS**

<b>CASH &amp; CASH EQUIVALENTS</b>	<b>\$59,061,354</b>
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**RECEIVABLES**

EMPLOYER/EMPLOYEE CONTRIBUTIONS	6,872,228
ACCRUED INTEREST AND DIVIDENDS	3,213,855
SECURITY SALES	38,357,646
MISCELLANEOUS	32,056
<b>TOTAL RECEIVABLES</b>	<b>48,475,784</b>

**INVESTMENTS AT FAIR VALUE**

DOMESTIC EQUITY SECURITIES	124,566,002
DOMESTIC EQUITY INDEX FUNDS	1,202,502,936
INTERNATIONAL EQUITY SECURITIES	358,997,087
INTERNATIONAL EQUITY INDEX FUNDS	261,074,854
GLOBAL EQUITY	443,040,988
PRIVATE EQUITY	136,414,245
DOMESTIC FIXED INCOME - CORE PLUS	617,745,596
DOMESTIC FIXED INCOME - U.S. INDEX	139,156,681
GLOBAL FIXED INCOME	256,846,664
REAL ESTATE	340,986,568
ALTERNATIVES	415,341,114
CASH OVERLAY - CLIFTON	(84)
<b>TOTAL INVESTMENTS</b>	<b>4,296,672,651</b>

<b>COLLATERAL HELD FOR SECURITIES LENDING</b>	<b>63,260,292</b>
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<b>CAPITAL ASSET - SOFTWARE DEVELOPMENT</b>	<b>9,426,005</b>
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<b>TOTAL ASSETS</b>	<b>4,476,896,087</b>
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**LIABILITIES**

SECURITY PURCHASES PAYABLE	46,451,890
ACCOUNTS PAYABLE	2,361,658
PREPAID CONTRIBUTIONS	27,060
COLLATERAL HELD FOR SECURITIES LENDING	63,260,292

<b>TOTAL LIABILITIES</b>	<b>112,100,899</b>
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<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<b>\$4,364,795,188</b>
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**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2015**

**ADDITIONS**

**CONTRIBUTIONS**

EMPLOYER	\$175,099,550
EMPLOYEE	63,678,770
<b>TOTAL CONTRIBUTIONS</b>	<b>238,778,319</b>

**INVESTMENT INCOME**

NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	42,588,163
INTEREST INCOME	14,378,534
DIVIDEND INCOME	30,277,508
REAL ESTATE OPERATING INCOME, NET	15,915,556
SECURITY LENDING INCOME	172,371
<b>TOTAL INVESTMENT INCOME</b>	<b>103,332,132</b>

**LESS INVESTMENT EXPENSES**

MANAGEMENT & CUSTODIAL FEES	14,603,935
SECURITIES LENDING BORROWER REBATES	(5,519)
SECURITIES LENDING MANAGEMENT FEES	53,393
<b>TOTAL INVESTMENT EXPENSES</b>	<b>14,651,808</b>

**NET INVESTMENT INCOME** **88,680,323**

**TOTAL ADDITIONS** **327,458,643**

**DEDUCTIONS**

BENEFIT PAYMENTS	228,422,980
MEMBER REFUNDS	5,272,233
ADMINISTRATIVE EXPENSES	3,854,106
<b>TOTAL DEDUCTIONS</b>	<b>237,549,319</b>

**NET INCREASE/(DECREASE)** **89,909,324**

**NET POSITION RESTRICTED FOR PENSIONS**

**BEGINNING OF YEAR** **4,274,885,864**

**ENDING BALANCE** **\$4,364,795,188**

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
SCHEDULE OF INVESTMENT MANAGEMENT FEES  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2015**

**EQUITY MANAGERS**

**DOMESTIC**

BLACKROCK - US EQUITY	\$245,910
BLACKROCK - EXTENDED EQUITY	18,725
WESTERN ASSET INDEX PLUS	258,168
<b>TOTAL</b>	<b>522,803</b>

**INTERNATIONAL**

BLACKROCK - ACWIXUS	261,267
SPRUCEGROVE	701,237
HEXAVEST	372,982
WALTER SCOTT	830,814
<b>TOTAL</b>	<b>2,166,300</b>

**GLOBAL**

GRANTHAM MAYO VAN OTTERLOO (GMO)	1,218,461
BLACKROCK - GLOBAL INDEX	90,712
<b>TOTAL</b>	<b>1,309,173</b>

**PRIVATE EQUITY**

ADAMS STREET	1,520,579
HARBOURVEST	438,249
PANTHEON	588,767
<b>TOTAL</b>	<b>2,547,595</b>

**FIXED INCOME MANAGERS**

**DOMESTIC**

BLACKROCK - US DEBT INDEX	95,741
LOOMIS, SAYLES AND COMPANY	287,160
REAMS ASSET MANAGEMENT	495,888
WESTERN ASSET MANAGEMENT	500,569
<b>TOTAL</b>	<b>1,379,358</b>

**GLOBAL**

LOOMIS, SAYLES AND COMPANY	277,545
LOOMIS ALPHA	169,072
PIMCO	425,555
<b>TOTAL</b>	<b>872,171</b>

**REAL ESTATE**

PRUDENTIAL REAL ESTATE ADVISORS	822,803
RREEF	98,977
UBS REALTY	2,010,292
<b>TOTAL</b>	<b>2,932,071</b>

**ALTERNATIVES**

BRIDGEWATER	1,102,178
TORTOISE	899,246
<b>TOTAL</b>	<b>2,001,424</b>

**CASH OVERLAY - CLIFTON**

**101,264**

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**INVESTMENTS AND CASH EQUIVALENTS**  
**JUNE 30, 2015**

**EQUITY**

**DOMESTIC EQUITY**

WESTERN ASSET INDEX PLUS	\$124,566,002	\$17,815,826
<b>TOTAL DOMESTIC EQUITY</b>	<b>124,566,002</b>	<b>17,815,826</b>

**DOMESTIC INDEX FUNDS**

BLACKROCK - US EQUITY MARKET	1,153,653,122	0
BLACKROCK - EXTENDED EQUITY	48,849,814	1
<b>TOTAL EQUITY INDEX FUNDS</b>	<b>1,202,502,936</b>	<b>1</b>

**INTERNATIONAL EQUITY**

SPRUCEGROVE	183,233,372	0
HEXAVEST	80,481,482	0
WALTER SCOTT	95,282,233	0
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>358,997,087</b>	<b>0</b>

**INTERNATIONAL INDEX FUNDS**

BLACKROCK - ACWIXUS	261,074,854	0
<b>TOTAL INTERNATIONAL INDEX FUNDS</b>	<b>261,074,854</b>	<b>0</b>

**GLOBAL EQUITY**

GRANTHAM MAYO AND VAN OTTERLOO (GMO)	214,152,731	0
BLACKROCK - GLOBAL INDEX	228,888,257	0
<b>TOTAL GLOBAL EQUITY</b>	<b>443,040,988</b>	<b>0</b>

**PRIVATE EQUITY**

ADAMS STREET	82,232,175	0
PANTHEON	13,374,984	0
HARBOURVEST	40,807,086	0
<b>TOTAL PRIVATE EQUITY</b>	<b>136,414,245</b>	<b>0</b>

**FIXED INCOME**

**DOMESTIC**

LOOMIS SAYLES AND COMPANY	68,297,202	3,789,044
REAMS	285,857,315	0
WESTERN ASSET MANAGEMENT	263,591,078	3,643,756
<b>TOTAL DOMESTIC</b>	<b>617,745,596</b>	<b>7,432,800</b>

**DOMESTIC INDEX FUNDS**

BLACKROCK - US DEBT INDEX	139,156,681	0
<b>TOTAL DOMESTIC INDEX FUNDS</b>	<b>139,156,681</b>	<b>0</b>

**GLOBAL**

LOOMIS SAYLES AND COMPANY	89,353,853	0
LOOMIS ALPHA	42,618,653	0
PIMCO	124,874,158	3,059,065
<b>TOTAL GLOBAL</b>	<b>256,846,664</b>	<b>3,059,065</b>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**INVESTMENTS AND CASH EQUIVALENTS**  
**JUNE 30, 2015**

<b>REAL ESTATE</b>		
PRUDENTIAL REAL ESTATE	114,985,250	0
RREEF	6,348,663	0
UBS REALTY	219,652,656	0
<b>TOTAL REAL ESTATE</b>	<b>340,986,568</b>	<b>0</b>
<b>ALTERNATIVES</b>		
BRIDGEWATER	284,685,325	0
TORTOISE (MLP's)	130,655,789	5,209,980
<b>TOTAL ALTERNATIVES</b>	<b>415,341,114</b>	<b>5,209,980</b>
<b>CASH OVERLAY - CLIFTON GROUP</b>	<b>(84)</b>	<b>24,267,779</b>
<b>IN HOUSE CASH</b>		<b>1,275,903</b>
<b>TOTAL INVESTMENTS AND CASH</b>	<b>\$4,296,672,651</b>	<b>\$59,061,354</b>

***VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
SCHEDULE OF INVESTMENT MANAGEMENT FEES  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2015***

<b>SECURITIES LENDING</b>	
BORROWERS REBATE	(5,519)
MANAGEMENT FEES	53,393
<b>TOTAL</b>	<b>47,873</b>
<b>OTHER</b>	
INVESTMENT CONSULTANT	280,326
INVESTMENT CUSTODIAN	491,449
<b>TOTAL</b>	<b>771,775</b>
<b>TOTAL INVESTMENT MANAGMENT FEES</b>	<b>\$14,651,808</b>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**BUDGET SUMMARY FISCAL YEAR 2014-2015**  
**June 2015 (FINAL) - 100% of Fiscal Year Expended**

<u>EXPENDITURE DESCRIPTIONS</u>	<u>Adopted 2014/2015 Budget</u>	<u>Adjusted 2014/2015 Budget</u>	<u>Jun-15</u>	<u>Accruals</u>	<u>Year to Date Expended</u>	<u>Available Balance</u>	<u>Percent Expended</u>
<b>Salaries &amp; Benefits:</b>							
Salaries	\$ 1,842,500.00	\$ 1,842,500.00	\$ 203,785.58	\$ -	\$ 1,692,222.56	\$ 150,277.44	91.84%
Extra-Help	62,600.00	62,600.00	10,868.94	3,127.41	125,120.86	(62,520.86)	199.87%
Overtime	1,000.00	1,000.00	0.00	0.00	2,225.72	(1,225.72)	222.57%
Supplemental Payments	59,600.00	59,600.00	6,206.96	0.00	50,819.76	8,780.24	85.27%
Vacation Redemption	102,500.00	102,500.00	30.35	0.00	62,088.43	40,411.57	60.57%
Retirement Contributions	366,000.00	366,000.00	40,349.92	0.00	344,013.19	21,986.81	93.99%
OASDI Contributions	115,600.00	115,600.00	12,805.67	0.00	105,858.41	9,741.59	91.57%
FICA-Medicare	29,100.00	29,100.00	2,994.89	0.00	25,643.24	3,456.76	88.12%
Retiree Health Benefit	13,300.00	13,300.00	1,447.20	0.00	21,266.00	(7,966.00)	159.89%
Group Health Insurance	182,100.00	182,100.00	19,700.09	0.00	163,969.49	18,130.51	90.04%
Life Insurance/Mgmt	1,100.00	1,100.00	109.60	0.00	993.30	106.70	90.30%
Unemployment Insurance	2,300.00	2,300.00	247.34	0.00	2,047.16	252.84	89.01%
Management Disability Insurance	4,500.00	4,500.00	1,457.80	0.00	9,972.11	(5,472.11)	221.60%
Worker' Compensation Insurance	13,400.00	13,400.00	1,622.53	0.00	13,552.21	(152.21)	101.14%
401K Plan Contribution	33,100.00	33,100.00	3,889.07	0.00	28,811.65	4,288.35	87.04%
Transfers In	150,700.00	150,700.00	7,640.77	0.00	76,186.35	74,513.65	50.55%
Transfers Out	(150,700.00)	(150,700.00)	(7,640.77)	0.00	(76,186.35)	(74,513.65)	50.55%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 2,828,700.00</b>	<b>\$ 2,828,700.00</b>	<b>\$ 305,515.94</b>	<b>\$ 3,127.41</b>	<b>\$ 2,648,604.09</b>	<b>\$ 180,095.91</b>	<b>93.63%</b>
<b>Services &amp; Supplies:</b>							
Telecommunication Services - ISF	\$ 37,800.00	\$ 37,800.00	\$ 4,175.15	\$ 1,086.21	\$ 39,983.75	\$ (2,183.75)	105.78%
General Insurance - ISF	12,200.00	12,200.00	0.00	0.00	6,104.00	6,096.00	50.03%
Office Equipment Maintenance	1,000.00	1,000.00	178.78	0.00	718.58	281.42	71.86%
Membership and Dues	9,500.00	9,500.00	130.00	0.00	8,489.00	1,011.00	89.36%
Education Allowance	10,000.00	10,000.00	0.00	0.00	4,000.00	6,000.00	40.00%
Cost Allocation Charges	(35,400.00)	(35,400.00)	0.00	0.00	(34,996.00)	(404.00)	98.86%
Printing Services - Not ISF	3,000.00	3,000.00	129.00	0.00	2,533.47	466.53	84.45%
Books & Publications	2,500.00	2,500.00	450.00	2.25	2,382.29	117.71	95.29%
Office Supplies	20,000.00	20,000.00	1,383.29	1,320.89	16,269.18	3,730.82	81.35%
Postage & Express	59,700.00	59,700.00	7,218.87	2,475.91	66,953.67	(7,253.67)	112.15%
Printing Charges - ISF	10,000.00	10,000.00	0.00	0.00	15,780.00	(5,780.00)	157.80%
Copy Machine Services - ISF	6,500.00	6,500.00	0.00	953.04	2,896.23	3,603.77	44.56%
Board Member Fees	12,000.00	12,000.00	800.00	0.00	11,600.00	400.00	96.67%
Professional Services	1,074,000.00	1,091,500.00	67,422.01	97,929.95	1,011,080.84	80,419.16	92.63%
Storage Charges	5,500.00	5,500.00	320.62	320.62	3,984.22	1,515.78	72.44%
Equipment	0.00	0.00	0.00	0.00	8,277.50	(8,277.50)	#DIV/0!
Office Lease Payments	186,000.00	196,700.00	16,611.72	0.00	191,801.16	4,898.84	97.51%
Private Vehicle Mileage	9,000.00	9,000.00	1,168.38	189.96	7,889.11	1,110.89	87.66%
Conference, Seminar and Travel	63,000.00	63,000.00	9,373.07	2,390.12	59,420.64	3,579.36	94.32%
Furniture	5,000.00	5,000.00	0.00	0.00	4,190.48	809.52	83.81%
Facilities Charges	3,900.00	3,900.00	562.00	8,091.38	14,628.38	(10,728.38)	375.09%
Transfers In	16,000.00	16,000.00	811.41	0.00	8,090.64	7,909.36	50.57%
Transfers Out	(16,000.00)	(16,000.00)	(811.41)	0.00	(8,090.64)	(7,909.36)	50.57%
<b>Total Services &amp; Supplies</b>	<b>\$ 1,495,200.00</b>	<b>\$ 1,523,400.00</b>	<b>\$ 109,922.89</b>	<b>\$ 114,760.33</b>	<b>\$ 1,443,986.50</b>	<b>\$ 79,413.50</b>	<b>94.79%</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$ 4,323,900.00</b>	<b>\$ 4,352,100.00</b>	<b>\$ 415,438.83</b>	<b>\$ 117,887.74</b>	<b>\$ 4,092,590.59</b>	<b>\$ 259,509.41</b>	<b>94.04%</b>
<b>Technology:</b>							
Computer Hardware	\$ 32,600.00	\$ 32,600.00	\$ 1,089.33	\$ 210.70	6,387.29	\$ 26,212.71	19.59%
Computer Software	193,000.00	193,000.00	396.00	0.00	199,378.99	(6,378.99)	103.31%
Systems & Application Support	670,200.00	670,200.00	50,801.09	47,900.41	573,186.49	97,013.51	85.52%
Pension Administration System	1,621,400.00	1,972,800.00	551,030.89	(9,842.05)	1,940,987.04	31,812.96	98.39%
<b>Total Technology</b>	<b>\$ 2,517,200.00</b>	<b>\$ 2,868,600.00</b>	<b>\$ 603,317.31</b>	<b>\$ 38,269.06</b>	<b>\$ 2,719,939.81</b>	<b>\$ 148,660.19</b>	<b>94.82%</b>
Contingency	\$ 615,200.00	\$ 235,600.00	\$ -		\$ -	\$ 235,600.00	0.00%
<b>Total Current Year</b>	<b>\$ 7,456,300.00</b>	<b>\$ 7,456,300.00</b>	<b>\$ 1,018,756.14</b>	<b>\$ 156,156.80</b>	<b>\$ 6,812,530.40</b>	<b>\$ 643,769.60</b>	<b>91.37%</b>



**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**BUDGET SUMMARY FISCAL YEAR 2015-2016**  
**July 2015 - 8.33% of Fiscal Year Expended**

<u>EXPENDITURE DESCRIPTIONS</u>	<u>Adopted 2015/2016 Budget</u>	<u>Adjusted 2015/2016 Budget</u>	<u>Jul-15</u>	<u>Year to Date Expended</u>	<u>Available Balance</u>	<u>Percent Expended</u>
<b>Salaries &amp; Benefits:</b>						
Salaries	\$ 2,322,000.00	\$ 2,322,000.00	\$ 96,584.24	\$ 96,584.24	\$ 2,225,415.76	4.16%
Extra-Help	50,000.00	50,000.00	2,766.10	2,766.10	47,233.90	5.53%
Overtime	3,000.00	3,000.00	10.54	10.54	2,989.46	0.35%
Supplemental Payments	70,800.00	70,800.00	2,929.98	2,929.98	67,870.02	4.14%
Vacation Redemption	111,400.00	111,400.00	2,207.96	2,207.96	109,192.04	1.98%
Retirement Contributions	427,700.00	427,700.00	18,682.71	18,682.71	409,017.29	4.37%
OASDI Contributions	139,800.00	139,800.00	6,216.82	6,216.82	133,583.18	4.45%
FICA-Medicare	36,400.00	36,400.00	1,453.92	1,453.92	34,946.08	3.99%
Retiree Health Benefit	8,700.00	8,700.00	1,447.20	1,447.20	7,252.80	16.63%
Group Health Insurance	201,000.00	201,000.00	9,702.91	9,702.91	191,297.09	4.83%
Life Insurance/Mgmt	1,100.00	1,100.00	54.75	54.75	1,045.25	4.98%
Unemployment Insurance	2,900.00	2,900.00	117.27	117.27	2,782.73	4.04%
Management Disability Insurance	18,000.00	18,000.00	699.80	699.80	17,300.20	3.89%
Worker' Compensation Insurance	18,700.00	18,700.00	749.14	749.14	17,950.86	4.01%
401K Plan Contribution	47,500.00	47,500.00	1,927.76	1,927.76	45,572.24	4.06%
Transfers In	103,400.00	103,400.00	6,799.93	6,799.93	96,600.07	6.58%
Transfers Out	(103,400.00)	(103,400.00)	(6,799.93)	(6,799.93)	(96,600.07)	6.58%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 3,459,000.00</b>	<b>\$ 3,459,000.00</b>	<b>\$ 145,551.10</b>	<b>\$ 145,551.10</b>	<b>\$ 3,313,448.90</b>	<b>4.21%</b>
<b>Services &amp; Supplies:</b>						
Telecommunication Services - ISF	\$ 36,500.00	\$ 36,500.00	\$ -	\$ -	\$ 36,500.00	0.00%
General Insurance - ISF	12,500.00	12,500.00	0.00	0.00	12,500.00	0.00%
Office Equipment Maintenance	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00%
Membership and Dues	10,400.00	10,400.00	4,000.00	4,000.00	6,400.00	38.46%
Education Allowance	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00%
Cost Allocation Charges	17,000.00	17,000.00	0.00	0.00	17,000.00	0.00%
Printing Services - Not ISF	4,300.00	4,300.00	0.00	0.00	4,300.00	0.00%
Books & Publications	2,500.00	2,500.00	0.00	0.00	2,500.00	0.00%
Office Supplies	20,000.00	20,000.00	807.38	807.38	19,192.62	4.04%
Postage & Express	60,000.00	60,000.00	107.30	107.30	59,892.70	0.18%
Printing Charges - ISF	13,300.00	13,300.00	0.00	0.00	13,300.00	0.00%
Copy Machine Services - ISF	6,500.00	6,500.00	0.00	0.00	6,500.00	0.00%
Board Member Fees	12,000.00	12,000.00	0.00	0.00	12,000.00	0.00%
Professional Services	1,002,300.00	1,002,300.00	88,549.14	88,549.14	913,750.86	8.83%
Storage Charges	4,500.00	4,500.00	0.00	0.00	4,500.00	0.00%
Equipment	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Office Lease Payments	205,200.00	205,200.00	16,611.72	16,611.72	188,588.28	8.10%
Private Vehicle Mileage	10,000.00	10,000.00	426.75	426.75	9,573.25	4.27%
Conference, Seminar and Travel	100,000.00	100,000.00	3,988.00	3,988.00	96,012.00	3.99%
Furniture	24,000.00	24,000.00	0.00	0.00	24,000.00	0.00%
Facilities Charges	6,900.00	6,900.00	0.00	0.00	6,900.00	0.00%
Transfers In	10,900.00	10,900.00	718.57	718.57	10,181.43	6.59%
Transfers Out	(10,900.00)	(10,900.00)	(718.57)	(718.57)	(10,181.43)	6.59%
<b>Total Services &amp; Supplies</b>	<b>\$ 1,564,900.00</b>	<b>\$ 1,564,900.00</b>	<b>\$ 114,490.29</b>	<b>\$ 114,490.29</b>	<b>\$ 1,450,409.71</b>	<b>7.32%</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$ 5,023,900.00</b>	<b>\$ 5,023,900.00</b>	<b>\$ 260,041.39</b>	<b>\$ 260,041.39</b>	<b>\$ 4,763,858.61</b>	<b>5.18%</b>
<b>Technology:</b>						
Computer Hardware	\$ 91,600.00	\$ 91,600.00	\$ 1,612.20	1,612.20	\$ 89,987.80	1.76%
Computer Software	204,400.00	204,400.00	8,580.56	8,580.56	195,819.44	4.20%
Systems & Application Support	693,100.00	693,100.00	20,588.95	20,588.95	672,511.05	2.97%
Pension Administration System	2,660,500.00	2,660,500.00	0.00	0.00	2,660,500.00	0.00%
<b>Total Technology</b>	<b>\$ 3,649,600.00</b>	<b>\$ 3,649,600.00</b>	<b>\$ 30,781.71</b>	<b>\$ 30,781.71</b>	<b>\$ 3,618,818.29</b>	<b>0.84%</b>
<b>Contingency</b>	<b>\$ 812,400.00</b>	<b>\$ 812,400.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 812,400.00</b>	<b>0.00%</b>
<b>Total Current Year</b>	<b>\$ 9,485,900.00</b>	<b>\$ 9,485,900.00</b>	<b>\$ 290,823.10</b>	<b>\$ 290,823.10</b>	<b>\$ 9,195,076.90</b>	<b>3.07%</b>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**BUDGET SUMMARY FISCAL YEAR 2015-2016**  
**August 2015 - 16.68% of Fiscal Year Expended**

<u>EXPENDITURE DESCRIPTIONS</u>	<u>Adopted 2015/2016 Budget</u>	<u>Adjusted 2015/2016 Budget</u>	<u>Aug-15</u>	<u>Year to Date Expended</u>	<u>Available Balance</u>	<u>Percent Expended</u>
<b>Salaries &amp; Benefits:</b>						
Salaries	\$ 2,322,000.00	\$ 2,322,000.00	\$ 155,154.17	\$ 251,738.41	\$ 2,070,261.59	10.84%
Extra-Help	50,000.00	50,000.00	5,390.04	8,156.14	41,843.86	16.31%
Overtime	3,000.00	3,000.00	0.00	10.54	2,989.46	0.35%
Supplemental Payments	70,800.00	70,800.00	4,612.80	7,542.78	63,257.22	10.65%
Vacation Redemption	111,400.00	111,400.00	0.00	2,207.96	109,192.04	1.98%
Retirement Contributions	427,700.00	427,700.00	28,546.55	47,229.26	380,470.74	11.04%
OASDI Contributions	139,800.00	139,800.00	9,749.31	15,966.13	123,833.87	11.42%
FICA-Medicare	36,400.00	36,400.00	2,280.10	3,734.02	32,665.98	10.26%
Retiree Health Benefit	8,700.00	8,700.00	723.60	2,170.80	6,529.20	24.95%
Group Health Insurance	201,000.00	201,000.00	13,959.00	23,661.91	177,338.09	11.77%
Life Insurance/Mgmt	1,100.00	1,100.00	84.77	139.52	960.48	12.68%
Unemployment Insurance	2,900.00	2,900.00	188.17	305.44	2,594.56	10.53%
Management Disability Insurance	18,000.00	18,000.00	1,107.65	1,807.45	16,192.55	10.04%
Worker' Compensation Insurance	18,700.00	18,700.00	1,190.57	1,939.71	16,760.29	10.37%
401K Plan Contribution	47,500.00	47,500.00	3,111.79	5,039.55	42,460.45	10.61%
Transfers In	103,400.00	103,400.00	11,097.53	17,897.46	85,502.54	17.31%
Transfers Out	(103,400.00)	(103,400.00)	(11,097.53)	(17,897.46)	(85,502.54)	17.31%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 3,459,000.00</b>	<b>\$ 3,459,000.00</b>	<b>\$ 226,098.52</b>	<b>\$ 371,649.62</b>	<b>\$ 3,087,350.38</b>	<b>10.74%</b>
<b>Services &amp; Supplies:</b>						
Telecommunication Services - ISF	\$ 36,500.00	\$ 36,500.00	\$ 4,816.38	\$ 4,816.38	\$ 31,683.62	13.20%
General Insurance - ISF	12,500.00	12,500.00	0.00	0.00	12,500.00	0.00%
Office Equipment Maintenance	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00%
Membership and Dues	10,400.00	10,400.00	700.00	4,700.00	5,700.00	45.19%
Education Allowance	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00%
Cost Allocation Charges	17,000.00	17,000.00	0.00	0.00	17,000.00	0.00%
Printing Services - Not ISF	4,300.00	4,300.00	0.00	0.00	4,300.00	0.00%
Books & Publications	2,500.00	2,500.00	0.00	0.00	2,500.00	0.00%
Office Supplies	20,000.00	20,000.00	1,389.23	2,196.61	17,803.39	10.98%
Postage & Express	60,000.00	60,000.00	26.00	133.30	59,866.70	0.22%
Printing Charges - ISF	13,300.00	13,300.00	0.00	0.00	13,300.00	0.00%
Copy Machine Services - ISF	6,500.00	6,500.00	0.00	0.00	6,500.00	0.00%
Board Member Fees	12,000.00	12,000.00	0.00	0.00	12,000.00	0.00%
Judgement & Damages	0.00	0.00	1,838.57	1,838.57	(1,838.57)	#DIV/0!
Professional Services	1,002,300.00	1,002,300.00	14,792.73	103,341.87	898,958.13	10.31%
Storage Charges	4,500.00	4,500.00	372.62	372.62	4,127.38	8.28%
Equipment	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Office Lease Payments	205,200.00	205,200.00	16,611.72	33,223.44	171,976.56	16.19%
Private Vehicle Mileage	10,000.00	10,000.00	499.32	926.07	9,073.93	9.26%
Conference, Seminar and Travel	100,000.00	100,000.00	4,794.83	8,782.83	91,217.17	8.78%
Furniture	24,000.00	24,000.00	0.00	0.00	24,000.00	0.00%
Facilities Charges	6,900.00	6,900.00	0.00	0.00	6,900.00	0.00%
Transfers In	10,900.00	10,900.00	1,172.71	1,891.28	9,008.72	17.35%
Transfers Out	(10,900.00)	(10,900.00)	(1,172.71)	(1,891.28)	(9,008.72)	17.35%
<b>Total Services &amp; Supplies</b>	<b>\$ 1,564,900.00</b>	<b>\$ 1,564,900.00</b>	<b>\$ 45,841.40</b>	<b>\$ 160,331.69</b>	<b>\$ 1,404,568.31</b>	<b>10.25%</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$ 5,023,900.00</b>	<b>\$ 5,023,900.00</b>	<b>\$ 271,939.92</b>	<b>\$ 531,981.31</b>	<b>\$ 4,491,918.69</b>	<b>10.59%</b>
<b>Technology:</b>						
Computer Hardware	\$ 91,600.00	\$ 91,600.00	\$ 552.17	2,164.37	\$ 89,435.63	2.36%
Computer Software	204,400.00	204,400.00	375.18	8,955.74	195,444.26	4.38%
Systems & Application Support	693,100.00	693,100.00	14,299.17	34,888.12	658,211.88	5.03%
Pension Administration System	2,660,500.00	2,660,500.00	31,328.75	31,328.75	2,629,171.25	1.18%
<b>Total Technology</b>	<b>\$ 3,649,600.00</b>	<b>\$ 3,649,600.00</b>	<b>\$ 46,555.27</b>	<b>\$ 77,336.98</b>	<b>\$ 3,572,263.02</b>	<b>2.12%</b>
<b>Contingency</b>	<b>\$ 812,400.00</b>	<b>\$ 812,400.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 812,400.00</b>	<b>0.00%</b>
<b>Total Current Year</b>	<b>\$ 9,485,900.00</b>	<b>\$ 9,485,900.00</b>	<b>\$ 318,495.19</b>	<b>\$ 609,318.29</b>	<b>\$ 8,876,581.71</b>	<b>6.42%</b>

# Ventura County Employees' Retirement

Stephanie S. Lord, CFA, CIC  
Vice President, Client Portfolio Manager

September 21, 2015



[www.loomissayles.com](http://www.loomissayles.com) One Financial Center Boston, Massachusetts 02111 617 482-2450

BOSTON DETROIT SAN FRANCISCO LONDON SINGAPORE

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# loomis sayles at a glance

## A Rich Investment Tradition

Serving investors with integrity since 1926

\$242.2 billion assets under management\*

Expertise across all major asset classes

75% of investment professionals dedicated to research & trading; 144 CFA® charterholders\*\*

Global perspective: investors in Boston, San Francisco, Detroit, London and Singapore

## What Defines Us

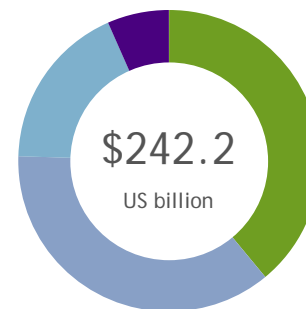
Core attributes: integrity, transparency and a team-oriented culture

Rigorous fundamental analysis complemented by robust macro and market insight

Portfolio managers, strategists, research analysts and traders collaborating to identify our best ideas

Small, accountable product teams implementing portfolio decisions

Disciplined risk awareness integrated into a high conviction investment process



## AUM by Global Accounts

- US mutual funds (\$94.4 b)
- US separate accounts (\$88.4 b)
- Non-US separate accounts (\$43.4 b)
- Non-US mutual funds (\$16.0 b)

As of 6/30/2015. \* Includes the assets of both Loomis, Sayles & Co., LP, and Loomis Sayles Trust Company, LLC. (\$16.1 billion for the Loomis Sayles Trust Company). Loomis Sayles Trust Company is a wholly owned subsidiary of Loomis, Sayles & Company, L.P. \*\* 276 investment professionals. 80% of CFA charterholders are investment professionals and 20% are non-investment professionals.

# strategy descriptions

## LOOMIS SAYLES MULTISECTOR FULL DISCRETION

- Value driven “long only” approach built around fundamental bottom-up research
- Opportunistic, “go anywhere” style
- Long term investment horizon
- Seeks to be a “provider of liquidity” when value is perceived to exist
- Typically seeks to maintain a yield advantage over the index
- Typically seeks to maximize specific risk and minimize market risk
- Greater long-term total return goal, along with higher associated volatility

## LOOMIS SAYLES STRATEGIC ALPHA

- Extension of Loomis Sayles’ fixed income capabilities
- Absolute return in nature, seeks participation in up-markets while attempting to limit exposure in down markets
- Long term view coupled with tactical ability to capture short term opportunities
- Actively manages beta exposure
  - Curve positioning (-2 to +5 year duration)
  - Credit spreads
  - Currencies
- Alpha opportunities
  - Security selection long and short
  - Sector allocation long and short
  - Currency allocation long and short
  - Interest rate decisions and term structure positioning
- Broad ability to implement exposures through derivatives
- Seeks to provide absolute returns in excess of LIBOR +2-4% over market cycle; managed to a 4-6% volatility target\*

*There is no guarantee that the investment objective will be realized or that the strategy will generate positive or excess return. All numbers are approximate and based on normal market conditions.*

*\*Although the strategy actively manages to a 4-6% standard deviation level, there is no guarantee that the strategy will always be able to maintain its targeted risk level.*

# guidelines comparison

## Multisector, Global & Strategic Alpha Fixed Income

	MSFD	GB NHIT	SA NHIT
Benchmark	65% Barclays Agg, 30% HY Mkt, 5% JP Morgan Ex US Hedged \$US	Barclays Global Agg	MLBoA USD Libor 3-Month Constant Maturity
Non-USD	20% Max	No Limit	50% Max
Foreign	40% Max	No Limit	No Limit
Duration	None	+/- 2 Years of Bench	+5 to -2 Years of Bench
High Yield	35% Max	20% Max	50% Max
Convertibles	No Limit	No Limit	No Limit
Equity	Prohibited (5% Max if derived from Convertibles)	None (80% Minimum in Fixed Income Securities)	5% Max
Preferred	No Limit	No Limit	No Limit
Futures	Yes	Yes	Yes
Fees	50 bps up to \$20M	30 bps up to \$100M	40bps
	40 bps on next \$30M	20 bps on assets thereafter	
	30 bps on assets thereafter		
Market value as of 9/13	\$72.1M	\$89.7M	\$42.4M

Data Source: Loomis Sayles.

# investment results

## CALENDAR YEAR RETURNS (%) AS OF 8/31/2015

### Multisector Full Discretion

	YTD	Aug 15	2Q15	2014	2013	2012	2011	2010	7/31/05 - 8/31/15 Annualized
Portfolio (Net)	0.27	-1.11	-0.58	6.68	1.36	16.70	4.19	13.61	6.75
Benchmark	0.24	-0.70	-1.20	4.92	0.85	7.47	7.07	8.72	5.39
Excess Return	0.03	-0.41	0.62	1.76	0.51	9.23	-2.88	4.89	1.36

### Global Bond

	YTD	Aug 15	Trailing Year	2014	Since Inception 6/29/12
Portfolio (Net)	-3.41	-0.12	-7.27	0.36	-0.54
Benchmark	-2.75	0.12	-6.44	0.59	-0.66
Excess Return	-0.66	-0.24	-0.83	-0.23	0.12

### Strategic Alpha

	YTD	Aug 15	2Q15	2014	7/15/13 - 8/31/15 Annualized
Portfolio (Net)	0.45	-0.74	-0.28	2.36	2.13
Benchmark	0.17	0.02	0.07	0.23	0.25
Excess Return	0.28	-0.76	-0.35	2.13	1.88

The current benchmark is comprised of 65% Barclays Aggregate, 30% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US. (1) 60% Barclays Aggregate, 35% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US from 7/31/2005 to 11/30/2007; and 65% Barclays Aggregate, 30% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US from 11/30/2007 to 7/31/2013. Returns over one year are annualized. Information is reported on a trade date basis.

Data Source: Barclays Capital, Bloomberg, JP Morgan

Benchmark for the Global account is the Barclays Global Aggregate

Benchmark for the Strategic Alpha account is the ML BoA 3-Month Libor Constant Maturity

# investment results

## ANNUALIZED RETURNS (%) AS OF 8/31/2015

### Multisector Full Discretion

	1 year	2 years	3 years	5 years	10 years	7/31/05 - 8/31/15 Annualized
Portfolio (Net)	-1.22	5.50	4.63	6.40	6.69	6.75
Benchmark	0.04	3.51	2.53	4.26	5.33	5.39
Excess Return	-1.26	1.99	2.10	2.14	1.36	1.36

### Global Bond

	1 year	2 years	3 years	6/29/12 - 8/31/15 Annualized
Portfolio (Net)	-7.27	-0.55	-1.20	-0.54
Benchmark	-6.44	-0.30	-1.36	-0.66
Excess Return	-0.83	-0.25	0.16	0.12

### Strategic Alpha

	1 year	2 years	7/15/13 - 8/31/15 Annualized
Portfolio (Net)	0.32	2.63	2.13
Benchmark	0.24	0.25	0.25
Excess Return	0.08	2.38	1.88

The current benchmark is comprised of 65% Barclays Aggregate, 30% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US. (1) 60% Barclays Aggregate, 35% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US from 7/31/2005 to 11/30/2007; and 65% Barclays Aggregate, 30% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US from 11/30/2007 to 7/31/2013. Returns over one year are annualized. Information is reported on a trade date basis.

Data Source: Barclays Capital, Bloomberg, JP Morgan

Benchmark for the Global account is the Barclays Global Aggregate

Benchmark for the Strategic Alpha account is the ML BoA 3-Month Libor Constant Maturity



# characteristics summary

## Multisector Full Discretion

	Ventura County Employees' Retirement 8/31/2015	65% Barclays Aggregate, 30% Citigroup HY Mkt, 5% JP Morgan ex US Hedged \$US 8/31/2015
Yield	4.50%	3.84%
Maturity	7.12 years	7.14 years
Duration	4.93 years	5.27 years
Coupon Rate	4.69%	4.36%
Quality	Baa2	Baa1
Current Yield (MKT)	4.70%	4.33%

## Global Bond

	Ventura County Employees' Retirement 8/31/2015	Barclays Global Aggregate 8/31/2015
Yield	2.57%	1.72%
Maturity	8.03 years	8.15 years
Duration	6.13 years	6.48 years
Coupon	3.28%	3.01%
Average Quality	A2	Aa3
Current Yield	3.36%	2.81%

## Strategic Alpha

	NHIT: Strategic Alpha Trust 8/31/2015
Yield	3.12%
Maturity	4.47 years
Duration	2.50 years
Coupon Rate	2.64%
Quality	Baa1

*Duration used is Effective. Equity securities are deemed to have a duration and maturity value of zero. Data Source: Barclays Capital, Citigroup, JP Morgan*

# investment process

## HIGHLY EXPERIENCED, SEASONED TEAM

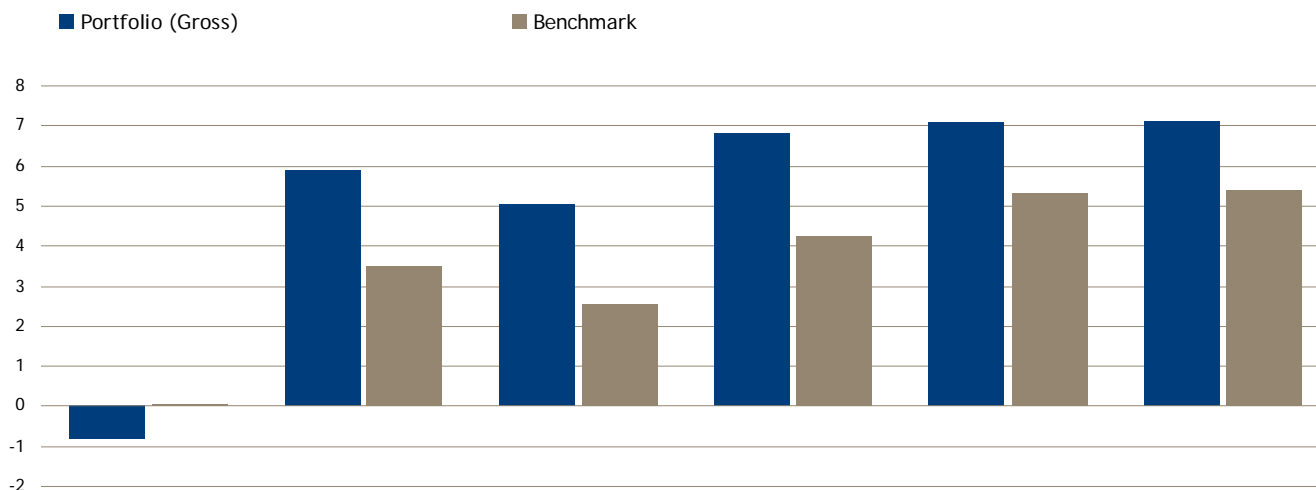
PRODUCT TEAM	MATTHEW EAGAN Portfolio Manager		DAN FUSS Portfolio Manager		ELAINE STOKES Portfolio Manager	
	Yrs of industry experience:		25		57	
	Yrs with firm:		18		39	
	BRIAN HESS Global Strategist		BRIAN KENNEDY Investment Grade, Bank Loan, Securitized Strategist		DIANA MONTEITH Convertibles and Special Situations Strategist	
	Yrs of industry experience:		12		21	
Yrs with firm:		1		15		
		TODD VANDAM High Yield Strategist		KEN JOHNSON Product Manager		FRED SWEENEY Product Manager
		21		24		28
		13		15		20
KEY SUPPORT						
		Investment Analysts			Portfolio Specialists	
		S. Darci      B. Hazelton			M. Fitzgerald      A. Steede	
		K. Doyle      C. Romanelli			R. Gartaganis      M. Tierney	
SECTOR TEAMS						
		Global Asset Allocation		Developed Non-US Markets		US Yield Curve
		Emerging Markets	High Yield / Bank Loans	Convertibles	Securitized Assets	Inv Grade / Global Credit
						US Government
FIRMWIDE RESOURCES						
		Macro Strategies Director Assoc. Director/ Senior Global Macro Strategist Senior Equity Strategist 2 Economists 3 Analysts Research Assistant		Credit Research Director 23 Senior Analysts 13 Analysts 9 Research Associates 8 Research Assistants		Quant. Research & Risk Analysis Deputy CIO, Director Manager, Equity Quantitative Strategist Senior Investment Specialist 3 Analysts - Equity 6 Analysts - Fixed
		Sovereign Research 6 Senior Analysts Analyst Research Associate		Securitized Research Director 4 Senior Analysts 2 Analysts 2 Associates		Convertibles & Special Situations Director 2 Senior Analysts 2 Research Associates
				Equity Research 22 Senior Analysts 9 Analysts Research Associate		Fixed Income Trading 28 Traders/TAs Director, Portfolio Implementation 14 Portfolio Specialists Director, Operational Trading Risk Mgt. Junior Risk Analyst

As of 6/30/2015.

As of 6/30/2015.

# investment results – multi sector

## ANNUALIZED RETURNS (%) AS OF 8/31/2015



	1 year	2 years	3 years	5 years	10 years	7/31/05 - 8/31/15 Annualized
Portfolio (Gross)	-0.83	5.92	5.04	6.80	7.10	7.15
Benchmark	0.04	3.51	2.53	4.26	5.33	5.39
Excess Return	-0.87	2.41	2.51	2.54	1.77	1.76

The current benchmark is comprised of 65% Barclays Aggregate, 30% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US (M). (1) 60% Barclays Aggregate, 35% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US (M) from 7/31/2005 to 11/30/2007; and 65% Barclays Aggregate, 30% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US (M) from 11/30/2007 to 8/31/2015. Returns over one year are annualized. Information is reported on a trade date basis. Data Source: Barclays Capital, Bloomberg, JP Morgan

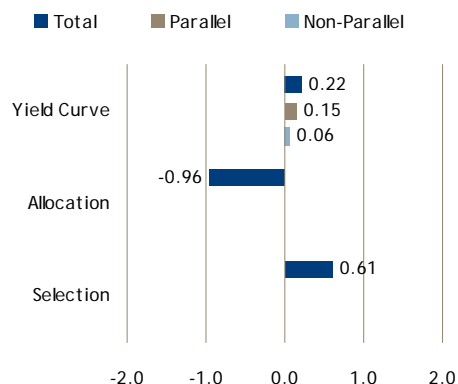
# performance attribution

8/31/2014 THROUGH 8/31/2015 (%)

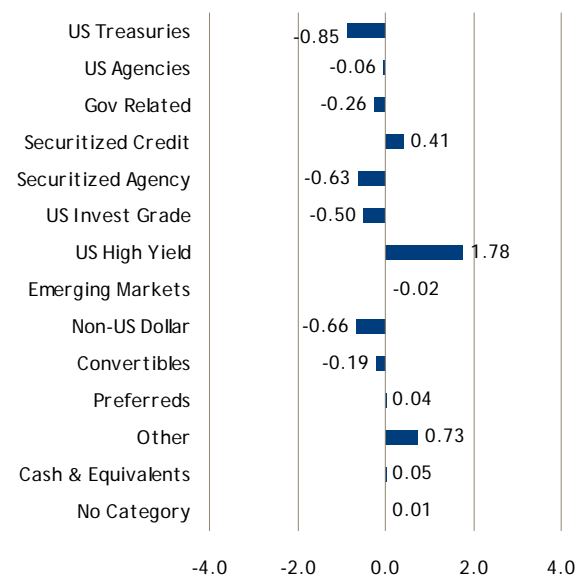
## Total Returns

Account Return	-0.83
Benchmark Return	0.04
Excess Return	-0.87

## Excess Return Attribution



## Excess Return Attribution by Sector



The Attribution benchmark is 65% Barclays Aggregate, 30% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US (M). Figures on bar charts may not add up to total excess return as they exclude impact of trading and pricing differences. Excess Return by sector includes yield curve impact. Data Source: Barclays Capital, Citigroup, JP Morgan

# attribution analysis

8/31/2014 THROUGH 8/31/2015 (%)

## Maturity Distribution

	Account Final Weight	Benchmark Final Weight	Account Average Weight	Benchmark Average Weight	Portfolio Return	Benchmark Return	Total Effect
Under 1 year	18.32	5.01	14.74	5.00	5.86	-11.32	1.53
1 - 3 years	13.30	18.40	13.94	18.39	-3.11	0.72	-0.66
3 - 5 years	10.49	19.87	10.42	21.06	-1.47	-0.75	-0.24
5 - 7 years	7.93	22.77	11.05	22.59	-2.16	-1.28	-0.15
7 - 10 years	31.38	23.36	27.70	22.48	-2.01	0.99	-0.76
10+ years	18.58	10.60	22.14	10.48	0.92	-0.27	0.15

## Sector Distribution

	Account Final Weight	Benchmark Final Weight	Account Average Weight	Benchmark Average Weight	Portfolio Return	Benchmark Return	Total Effect
US Treasuries	4.58	23.54	2.81	23.33	-2.07	2.30	-0.85
US Agencies	0.00	2.01	0.00	2.18	0.00	1.97	-0.06
Gov Related	1.41	3.90	2.50	4.00	-8.98	0.02	-0.26
Securitized Credit	14.63	1.26	15.55	1.31	2.22	1.61	0.41
Securitized Agency	0.00	18.74	0.00	18.90	0.00	2.66	-0.63
US Invest Grade	38.92	15.55	36.30	15.27	-1.88	-0.54	-0.50
IG - Financial	14.98	5.06	13.95	4.98	1.30	1.23	0.17
IG - Industrial	23.55	9.33	21.83	9.13	-3.91	-1.55	-0.65
IG - Utility	0.39	1.16	0.52	1.16	-1.21	-0.14	-0.02
US High Yield	26.63	29.86	30.11	29.89	1.81	-3.69	1.78
HY - Financial	6.81	2.75	7.23	2.70	0.39	0.46	0.06
HY - Industrial	17.61	23.70	19.91	23.89	2.26	-4.65	1.61
HY - Utility	2.21	3.41	2.97	3.30	2.63	-0.36	0.11
Emerging Markets	0.00	0.15	0.17	0.11	-13.98	-2.07	-0.02
Non-US Dollar	8.14	5.00	6.59	5.00	-12.95	-11.32	-0.66
Convertibles	0.42	0.00	0.86	0.00	-12.24	-0.69	-0.19
Preferreds	0.52	0.00	0.61	0.00	5.56	-0.69	0.04
Other	0.16	0.00	0.96	0.00	85.45	-0.69	0.73
Cash & Equivalents	4.59	0.00	3.50	0.00	-0.06	-0.69	0.05
No Category	0.00	0.00	0.04	0.00	2.62	-0.02	0.01

The Attribution benchmark is 65% Barclays Aggregate, 30% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US (M). Total Effects are impacted by sector returns, allocation shifts and market timing. Total Effect includes yield curve impact. Data Source: Barclays Capital, Citigroup, JP Morgan

# attribution analysis

8/31/2014 THROUGH 8/31/2015 (%)

Quality Distribution

	Account Final Weight	Benchmark Final Weight	Account Average Weight	Benchmark Average Weight	Portfolio Return	Benchmark Return	Total Effect
Aaa	16.67	46.43	14.04	46.52	-1.08	2.39	-1.51
Aa	0.06	2.94	0.42	3.00	-0.74	1.38	-0.07
A	16.69	7.39	8.40	7.53	-3.80	0.57	-0.36
Baa	45.28	8.25	40.82	7.95	-5.48	-2.11	-1.04
Ba	15.37	14.71	23.29	14.19	-1.45	-1.10	0.01
B	5.68	11.61	10.11	11.84	5.45	-4.20	1.01
Caa & Lower	0.10	3.68	1.53	3.96	-0.32	-10.99	0.45
Not Rated	0.16	5.00	1.40	5.00	24.38	-11.32	1.35

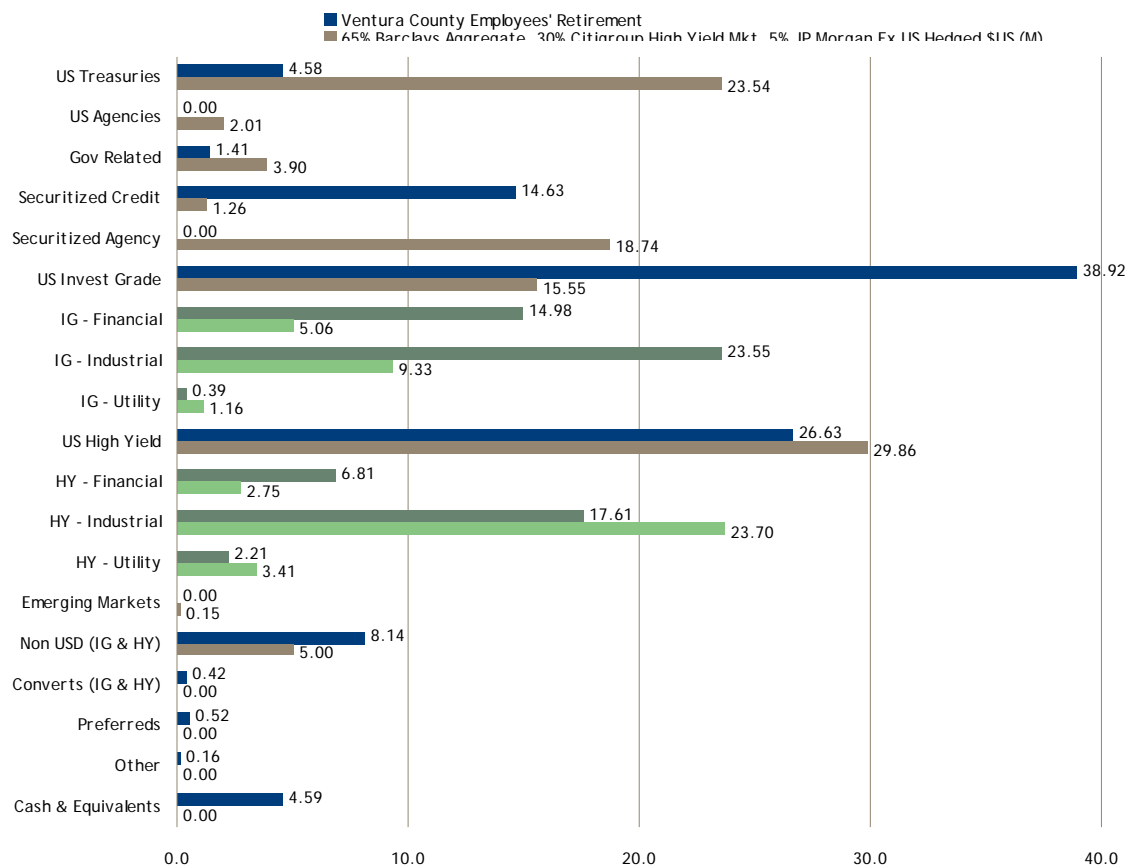
Currency Distribution

	Account Final Weight	Benchmark Final Weight	Account Average Weight	Benchmark Average Weight	Portfolio Return	Benchmark Return	Total Effect
Euro	0.08	2.26	0.28	2.25	-4.65	-12.51	0.25
British Pound Sterling	0.00	0.65	0.20	0.63	0.99	-1.23	0.00
Danish Krone	0.00	0.04	0.00	0.04	0.00	-12.59	0.01
Swedish Krona	0.00	0.03	0.00	0.03	0.00	-13.84	0.00
Japanese Yen	0.00	1.82	0.00	1.84	0.00	-12.32	0.23
Indian Rupee	1.34	0.00	1.19	0.00	-0.86	-0.69	-0.04
Philippine Peso	0.76	0.00	0.48	0.00	-5.56	-0.69	-0.05
Australian Dollar	0.41	0.10	0.47	0.10	-20.74	-18.78	-0.09
U S Dollars	91.86	95.00	93.40	95.00	0.30	-0.11	0.52
Brazilian Real	1.22	0.00	1.56	0.00	-35.42	-0.69	-0.67
Canadian Dollar	0.00	0.10	0.00	0.11	0.00	-14.28	0.02
Chilean Peso	0.38	0.00	0.43	0.00	-12.18	-0.69	-0.05
Colombian Peso*	1.03	0.00	0.00	0.00	0.23	-0.69	0.00
Mexican Peso	2.92	0.00	1.99	0.00	-11.24	-0.69	-0.27

The Attribution benchmark is 65% Barclays Aggregate, 30% Citigroup High Yield Mkt, 5% JP Morgan Ex US Hedged \$US (M). For split rated securities in the quality distribution, the highest of Moody, S&P, and Fitch is used. Unrated securities are rated by Loomis Sayles Research. Total Effects are impacted by sector returns, allocation shifts and market timing. Total Effect includes yield curve impact. Data Source: Barclays Capital, Citigroup, JP Morgan

# characteristics summary

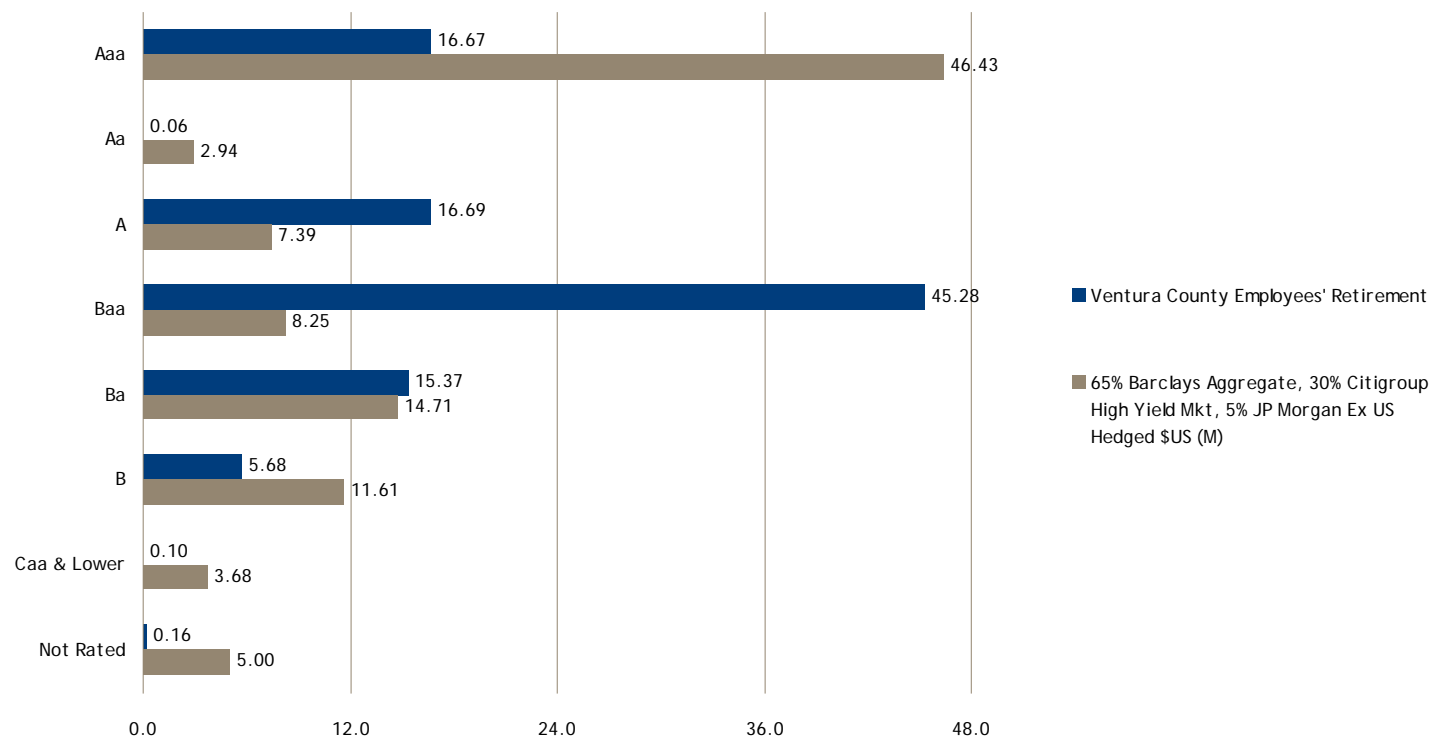
## SECTOR DISTRIBUTION (%) AS OF 8/31/2015



Data Source: Barclays Capital, Citigroup, JP Morgan

# characteristics summary

## QUALITY DISTRIBUTION (%) AS OF 8/31/2015



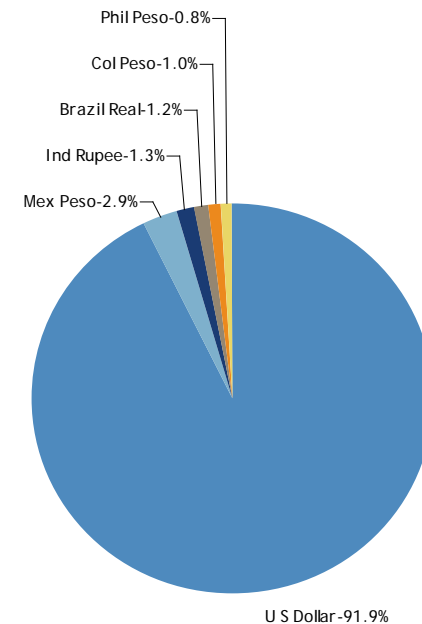
*For split rated securities in the quality distribution, the highest of Moody, S&P, and Fitch is used. Unrated securities are rated by Loomis Sayles Research. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Data Source: Barclays Capital, Citigroup, JP Morgan*



# currency summary

AS OF 8/31/2015 (%)

	Ventura County Employees' Retirement
U S Dollars	91.86
Mexican Peso	2.92
Indian Rupee	1.34
Brazilian Real	1.22
Colombian Peso	1.03
Philippine Peso	0.76
Australian Dollar	0.41
Chilean Peso	0.38
Euro	0.08



Data Source: Barclays Capital

# investment process

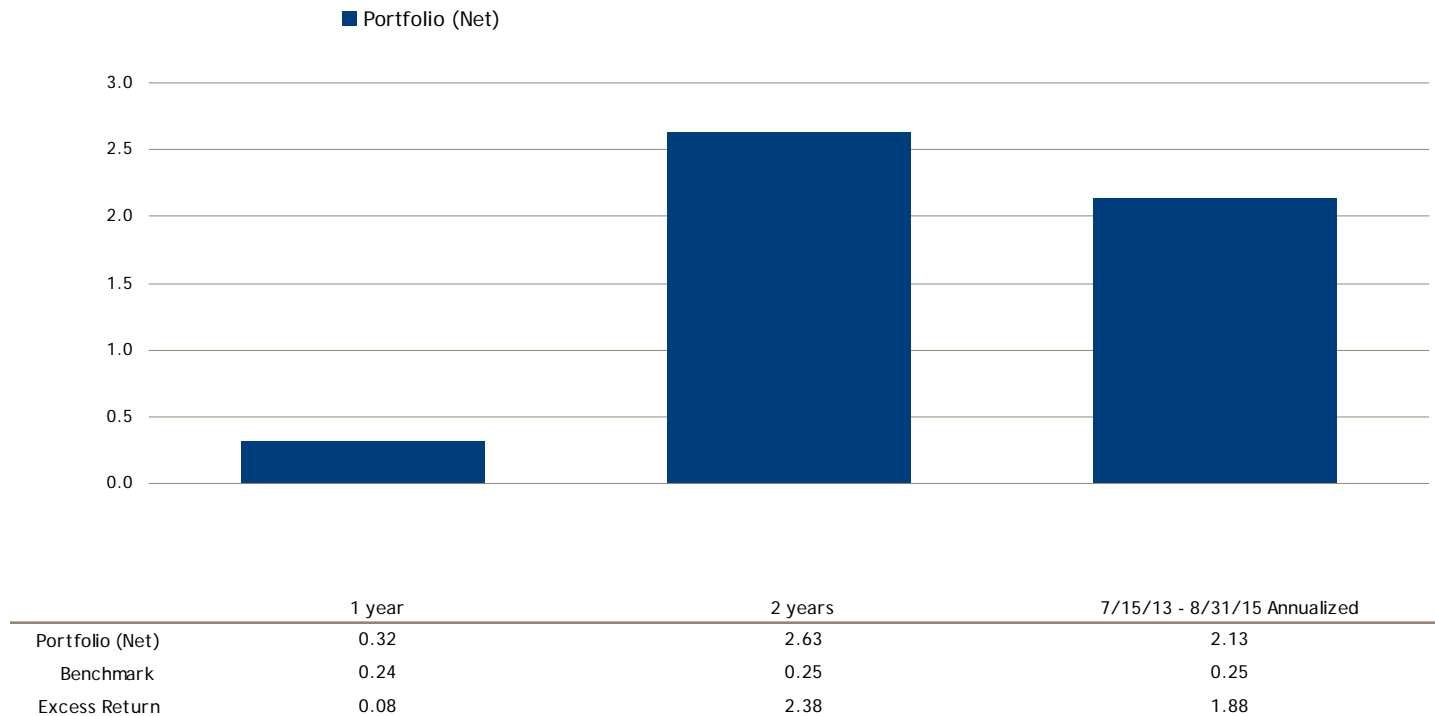
## HIGHLY EXPERIENCED, SEASONED TEAM

PRODUCT TEAM	MATTHEW EAGAN Portfolio Manager		KEVIN KEARNS Portfolio Manager		TODD VANDAM Portfolio Manager	
	Yrs of industry experience: 25		29		21	
	Yrs with firm: 18		8		21	
	BRIAN HESS Global Strategist	ELAINE KAN Rates & Currency Strategist	BILL WRIGHT Director of Credit, Bank Loans, and Derivatives Trading	MIKE CROWELL Quantitative Analyst	DIANA MONTEITH Convertibles and Special Situations Strategist	ROGER ACKERMAN Product Manager
KEY SUPPORT	Investment Analysts			Portfolio Specialists		
	Scott Darci	Kristen Doyle		Boeurn Kan-Crawford	Anthony Falzarano	
SECTOR TEAMS	Global Asset Allocation		Developed Non-US Markets		US Yield Curve	
	Emerging Markets	High Yield / Bank Loans	Convertibles	Securitized Assets	Inv Grade / Global Credit	US Government
FIRMWIDE RESOURCES	Macro Strategies Director Assoc. Director/ Senior Global Macro Strategist Senior Equity Strategist 2 Economists 3 Analysts Research Assistant		Credit Research Director 23 Senior Analysts 13 Analysts 9 Research Associates 8 Research Assistants		Quant. Research & Risk Analysis Deputy CIO, Director Manager, Equity Quantitative Strategist Senior Investment Specialist 3 Analysts - Equity 6 Analysts - Fixed	
	Sovereign Research 6 Senior Analysts Analyst Research Associate		Securitized Research Director 4 Senior Analysts 2 Analysts 2 Associates		Equity Research 22 Senior Analysts 9 Analysts Research Associate	
	Convertibles & Special Situations Director 2 Senior Analysts 2 Research Associates		Fixed Income Trading 28 Traders/TAs Director, Portfolio Implementation 14 Portfolio Specialists Director, Operational Trading Risk Mgt. Junior Risk Analyst			

As of 6/30/2015.

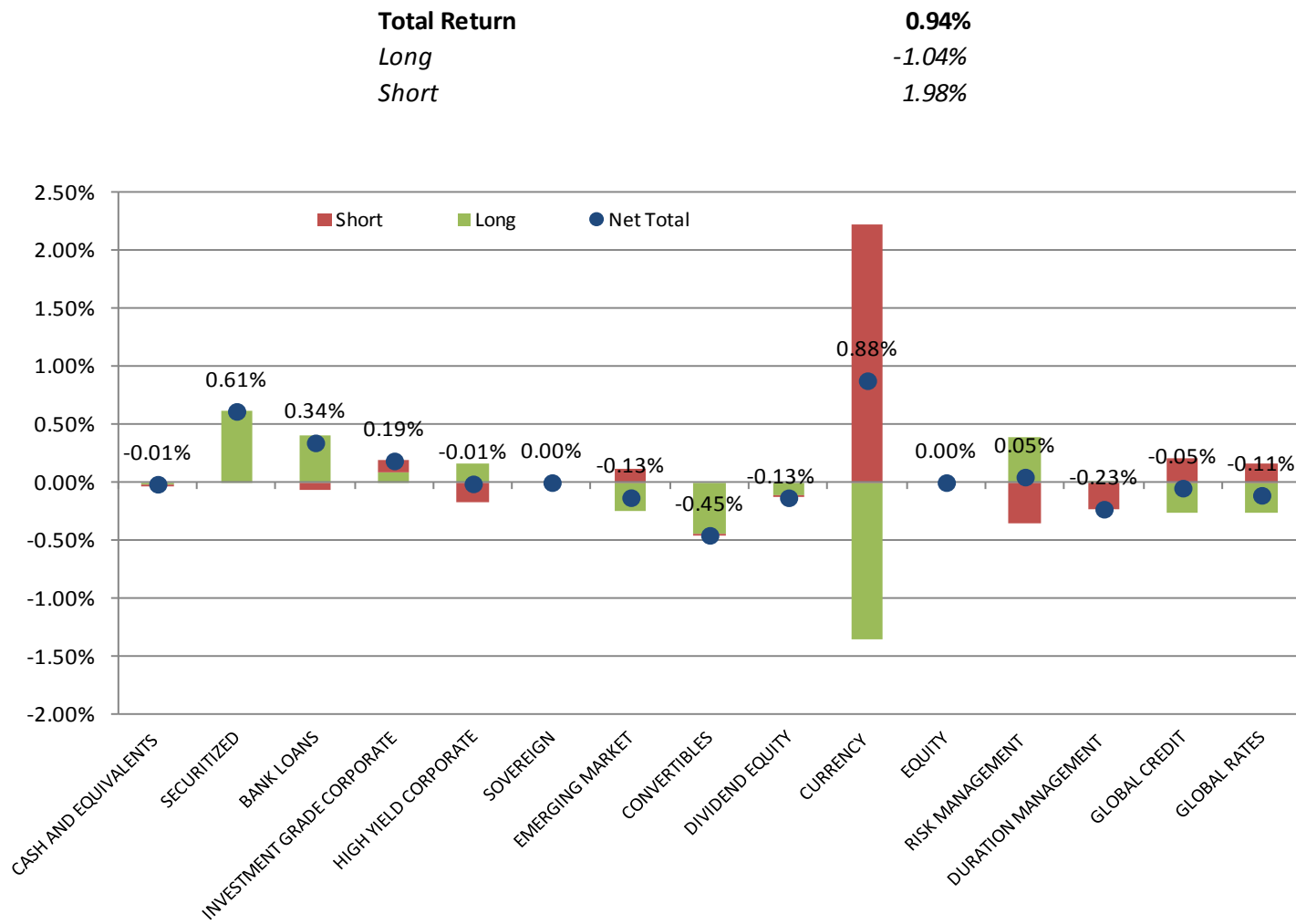
# investment results – strategic alpha

## ANNUALIZED RETURNS (%) AS OF 8/31/2015



Returns over one year are annualized. Information is reported on a trade date basis. Data Source: Merrill Lynch, Loomis Sayles.

# Performance: Attribution 8/31/2014 – 8/31/2015



Source: Loomis Sayles (Absolute Return Attribution)

Past performance does not guarantee future results.

# fund structure summary

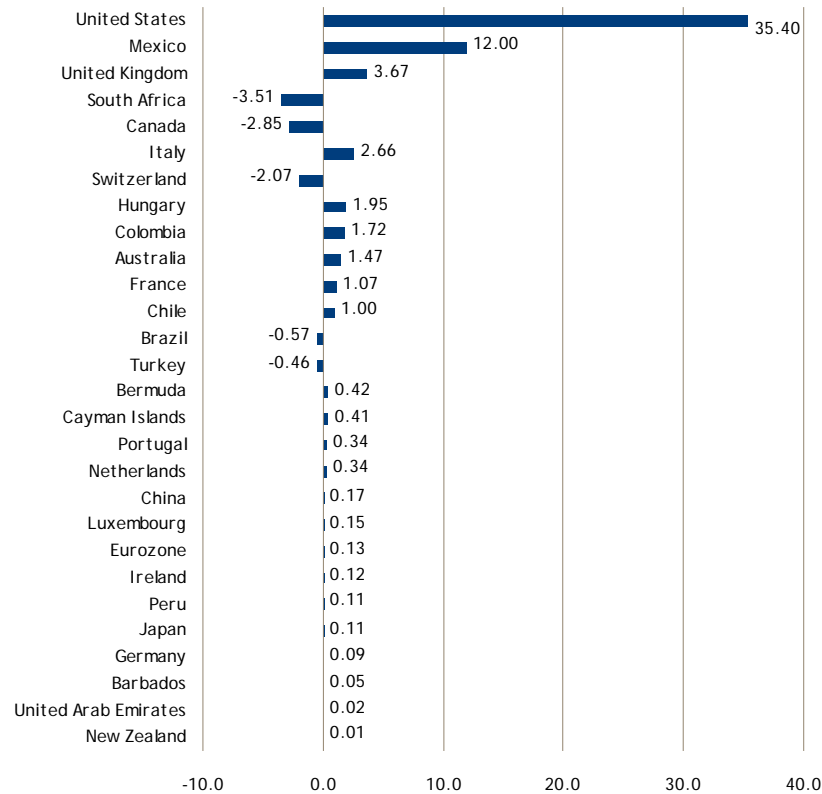
## SUMMARY OF STRATEGIES AND POSITIONS (%) AS OF 8/31/2015

Characteristics	Portfolio						
Effective Duration	2.14						
Yield	0.98						
Number of Issues	608						
Strategy	Net	Long Physical	Long Derivative	Long Exposure	Short Physical	Short Derivative	Short Exposure
Global Rates	-39.36	0.00	10.75	10.75	0.00	-50.11	-50.11
Securitized	33.77	33.76	0.01	33.77	0.00	0.00	0.00
Investment Grade Corporate	18.53	18.53	0.00	18.53	0.00	0.00	0.00
High Yield Corporate	15.79	13.43	2.36	15.79	0.00	0.00	0.00
Bank Loans	10.36	10.36	0.00	10.36	0.00	0.00	0.00
Currency	-3.85	0.00	12.43	12.43	0.00	-16.28	-16.28
Risk Management	-3.70	0.00	0.00	0.00	0.00	-3.70	-3.70
Convertibles	2.94	2.94	0.00	2.94	0.00	0.00	0.00
Global Credit	1.66	0.91	0.75	1.66	0.00	0.00	0.00
Emerging Market	1.26	1.26	0.00	1.26	0.00	0.00	0.00
UNCLASSIFIED	-0.40	0.00	0.00	0.00	0.00	-0.40	-0.40
Dividend Equity	0.25	0.25	0.00	0.25	0.00	0.00	0.00
<b>Subtotal</b>	<b>37.24</b>	<b>81.44</b>	<b>26.29</b>	<b>107.73</b>	<b>0.00</b>	<b>-70.50</b>	<b>-70.50</b>
Cash and Equivalents	17.70	17.70	0.00	17.70	0.00	0.00	0.00
Duration Management	-0.97	0.03	0.32	0.35	0.00	-1.33	-1.33
<b>Total</b>	<b>53.96</b>	<b>99.18</b>	<b>26.61</b>	<b>125.79</b>	<b>0.00</b>	<b>-71.82</b>	<b>-71.82</b>

Strategies are based on internal Loomis Sayles classifications. Equity securities are deemed to have a duration and maturity value of zero. Yield is Yield to Effective Maturity Data Source: Loomis Sayles.

# characteristics summary

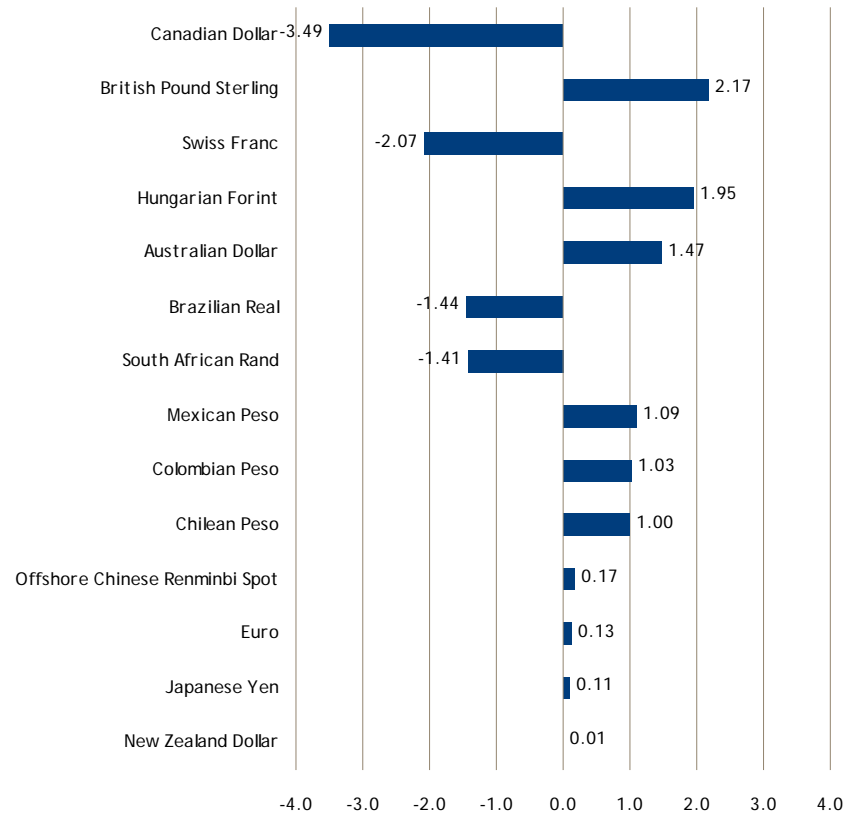
## NET EXPOSURE BY COUNTRY OF RISK (%) AS OF 8/31/2015



*Country exposure excludes currency forwards. Eurozone contains multi-country exposures. Country of Risk reflects the location of the issuer's primary business activities and not necessarily country of incorporation. Data Source: Loomis Sayles.*

# characteristics summary

## NET NON USD EXPOSURE BY CURRENCY (%) AS OF 8/31/2015



Currency exposure excludes credit derivatives. Data Source: Loomis Sayles.

# investment process

## HIGHLY EXPERIENCED, SEASONED TEAM

PRODUCT TEAM	KENNETH BUNTROCK, CFA, CIC Portfolio Manager			
	DAVID ROLLEY, CFA Portfolio Manager			
	LYNDA SCHWEITZER, CFA Portfolio Manager			
Yrs. in industry:	SCOTT SERVICE, CFA Portfolio Manager			
	41			
	35			
Yrs. in industry:	29			
	23			
	RAFFAELLO DISTEFANO, CFA Product Manager 21			
KEY SUPPORT	HANK LYNCH, CFA Product Manager 25			
	Investment Analysts			
	Global Credit Sector Analyst			
KEY SUPPORT	Client Service			
	Portfolio Specialists			
	O. Diolosa, CFA C. Gambino G. Mahler			
FIRMWIDE RESOURCES*	H. Ridill, CFA			
	J. Brenek T. Dunlap, CFA S. Goldych K. Lam, CFA			
	M. Baxter C. Boutwell, CFA R. Powers			
FIRMWIDE RESOURCES*	Macro Strategies Director Assoc. Director/ Senior Global Macro Strategist Senior Equity Strategist 2 Economists 3 Analysts Research Assistant			
	Credit Research Director 23 Senior Analysts 13 Analysts 9 Research Associates 8 Research Assistants			
	Quant. Research & Risk Analysis Deputy CIO, Director Manager, Equity Quantitative Strategist Senior Investment Specialist 3 Analysts - Equity 6 Analysts - Fixed			
FIRMWIDE RESOURCES*	Securitized Research Director 4 Senior Analysts 2 Analysts 2 Associates			
	Equity Research 22 Senior Analysts 9 Analysts Research Associate			
	Convertibles & Special Situations Director 2 Senior Analysts 2 Research Associates			
FIRMWIDE RESOURCES*	Sovereign Research 6 Senior Analysts Analyst Research Associate			
	Fixed Income Trading 28 Traders/TAs Director, Portfolio Implementation 14 Portfolio Specialists Director, Operational Trading Risk Mgt. Junior Risk Analyst			

As of 6/30/2015.

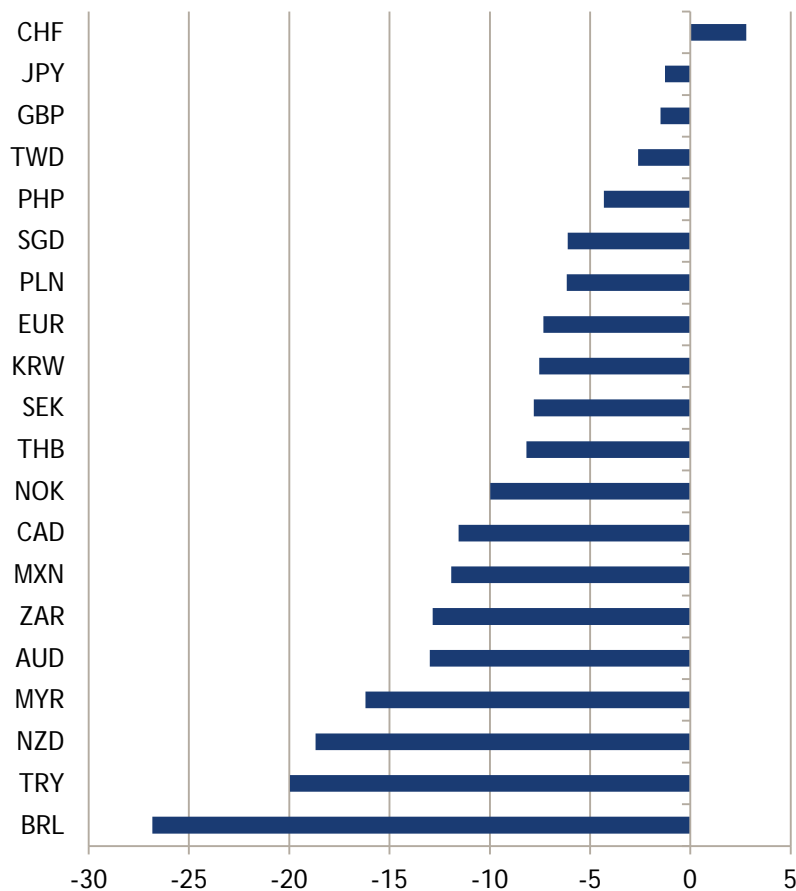
\*Includes 2 Senior Credit Research Analysts, 1 Credit Research Associate, 2 Traders and 1 Trading Assistant in London, and 1 Senior Credit Research Analyst, 1 Credit Research Associate and 1 Senior Sovereign Analyst in Singapore



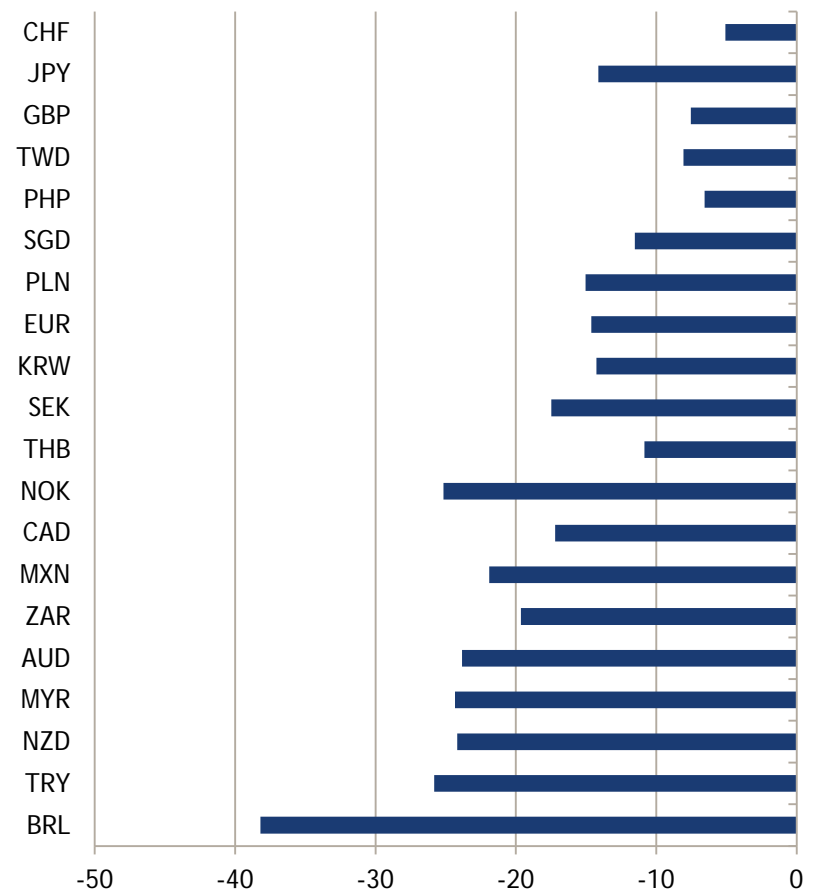
# market review

## SPOT CURRENCY (%) RETURNS IN USD TERMS

YTD August 2015 (%)



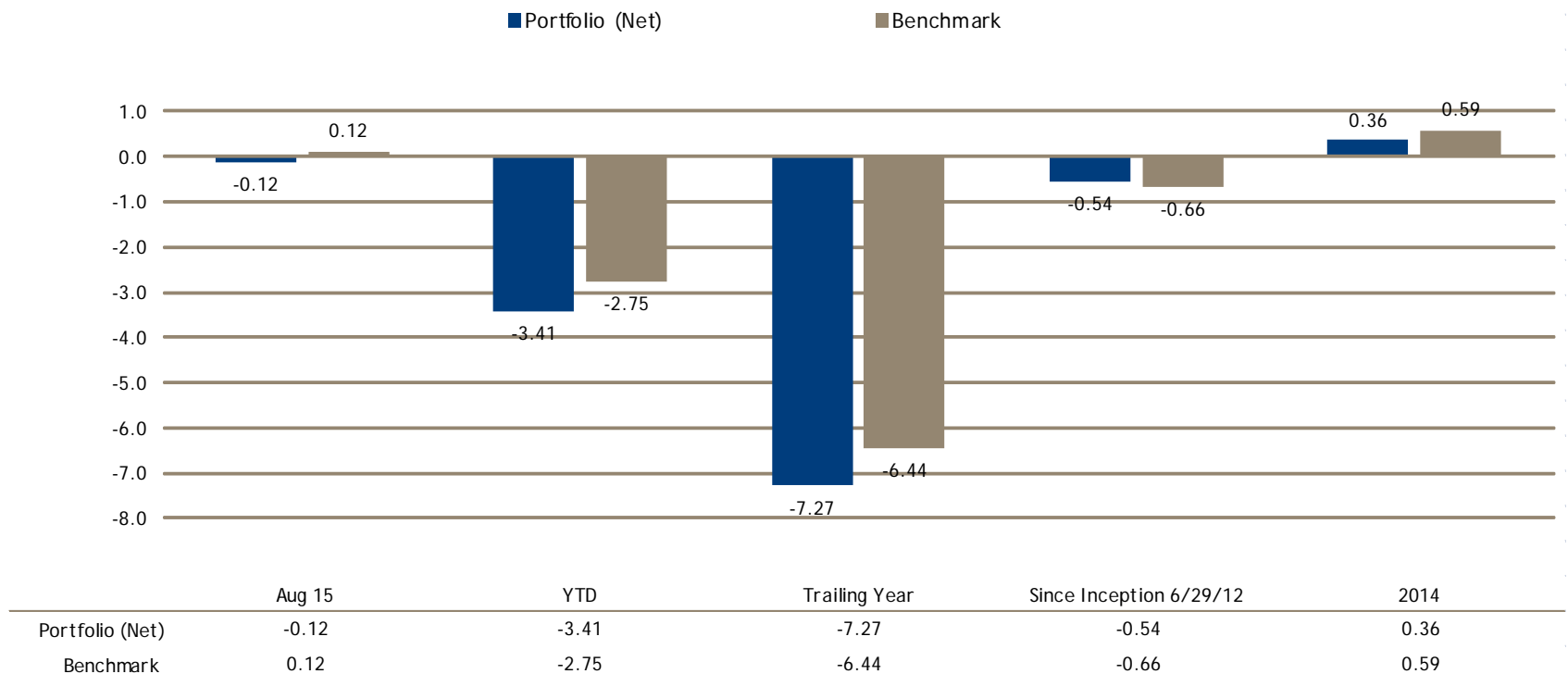
TRAILING 12 MONTHS (%)



Data Source: Loomis Sayles, Bloomberg

# portfolio review - global

## ACCOUNT PERFORMANCE AS OF 8/31/2015



Data Source: Loomis Sayles and Barclays. The benchmark is Barclays Global Aggregate.

# portfolio review

## SECTOR ALLOCATION AS OF 8/31/2015

	PORTFOLIO WEIGHT	BENCHMARK WEIGHT		PORTFOLIO WEIGHT	BENCHMARK WEIGHT
CASH	2.10	0.00	CORPORATES	28.05	17.91
CASH	2.10	0.00	FINANCIALS	10.99	7.13
			BANKING	6.65	5.12
GLOBAL TREASURIES	43.48	53.77	BROKERAGE_ASSETMANAGERS_EXCHANGES	0.00	0.16
GLOBAL TREASURIES	43.48	53.77	FINANCE COMPANIES	0.66	0.36
			FINANCIAL OTHER	0.00	0.10
GOVERNMENT RELATED	8.50	12.87	INSURANCE	2.50	1.00
GOVERNMENT GUARANTEE	0.46	2.70	REITS	1.17	0.39
GOVERNMENT SPONSORED	0.00	0.45	INDUSTRIALS	16.33	9.38
OWNED NO GUARANTEE	2.21	3.24	BASIC INDUSTRY	0.87	0.77
LOCAL AUTHORITIES	4.43	2.92	CAPITAL GOODS	0.84	0.71
SOVEREIGN	0.37	1.30	COMMUNICATIONS	4.70	1.69
SUPRANATIONAL	1.03	2.26	CONSUMER CYCLICAL	2.91	1.27
			CONSUMER NON CYCLICAL	4.04	2.12
SECURITIZED	11.74	15.45	ENERGY	1.84	1.43
ABS OTHER	1.58	0.02	INDUSTRIAL OTHER	0.00	0.18
CAR LOAN	0.80	0.04	TECHNOLOGY	0.78	0.72
CREDIT CARD	0.09	0.12	TRANSPORTATION	0.34	0.50
HOME EQUITY	1.42	0.00	UTILITIES	0.74	1.39
RESIDENTIAL MORTGAGE	0.00	0.01	ELECTRIC	0.74	1.02
STRANDED UTILITY	0.00	0.01	NATURAL GAS	0.00	0.25
STUDENT LOAN	0.07	0.00	UTILITY OTHER	0.00	0.12
WHOLE BUSINESS	0.00	0.05			
AGENCY_CMBS	0.00	0.21	MUTUAL FUND	5.77	0.00
NON_AGENCY_CMBS	2.66	0.32	LS SENIOR LOAN FUND 4.357 USD	3.22	0.00
COVERED OTHER	0.00	0.00	NHIT: EMERGING MARKETS CORPORA	2.55	0.00
HYBRID	0.00	0.08			
MORTGAGE ASSETS	0.95	2.59	UNREALIZED FX GAIN/LOSS	0.36	0.00
PUBLIC SECTOR LOANS	0.00	0.27	UNREALIZED FX GAIN/LOSS	0.36	0.00
AGENCY	4.17	11.73			

Data Source: Loomis Sayles and Barclays.

# portfolio review

## CURRENCY EXPOSURE AND DURATION AS OF 8/31/2015

CURRENCY	PORTFOLIO WEIGHT PRE- HEDGE (%)	PORTFOLIO WEIGHT POST- HEDGE (%)	BENCHMARK WEIGHT PRE- HEDGE (%)	PORTFOLIO DURATION	BENCHMARK DURATION	PORTFOLIO CONTRIBUTION TO DURATION (%)	BENCHMARK CONTRIBUTION TO DURATION (%)
Euro	17.12	17.97	24.45	7.42	6.34	1.27	1.55
British Pound Sterling	6.66	6.21	6.29	9.26	9.79	0.62	0.62
Danish Krone	0.96	0.96	0.28	3.79	8.10	0.04	0.02
Hungarian Forint	0.52	0.52	0.00	4.48	0.00	0.02	0.00
Norwegian Krone	2.40	2.09	0.13	5.09	4.60	0.12	0.01
Polish Zloty	1.48	1.48	0.20	3.62	4.32	0.05	0.01
Swedish Krona	0.97	0.55	0.46	3.33	4.33	0.03	0.02
Swiss Franc	0.65	0.65	0.76	6.38	7.12	0.04	0.05
New Turkish Lira	0.08	0.08	0.15	1.62	3.72	0.00	0.01
South African Rand	0.32	0.32	0.22	4.76	6.82	0.02	0.01
Other Europe and EMEA	0.00	0.00	0.30				0.01
TOTAL EUROPE AND EMEA	31.16	30.83	33.24			2.21	2.31
Japanese Yen	11.93	15.35	15.74	8.83	8.31	1.05	1.31
Indonesian Rupiah	0.92	0.02	0.00	2.89	0.00	0.03	0.00
Singapore Dollar	0.33	0.19	0.16	4.18	5.94	0.01	0.01
Thailand Baht	0.01	0.01	0.25	0.00	6.74	0.00	0.02
South Korean Won	0.00	1.67	1.19	0.00	5.62	0.00	0.07
Philippine Peso	0.00	0.61	0.00	0.00	0.00	0.00	0.00
Other Asia	0.00	0.00	0.30				0.01
TOTAL ASIA	13.19	17.85	17.64			1.09	1.42
Australian Dollar	3.11	1.18	1.23	5.87	5.08	0.18	0.06
Other Oceania	0.00	0.01	0.13				0.01
TOTAL OCEANIA	3.11	1.19	1.36			0.18	0.07
U S Dollars	45.56	45.44	44.85	4.66	5.50	2.29	2.47
Brazilian Real	0.12	0.00	0.00	3.42	0.00	0.00	0.00
Canadian Dollar	3.44	1.60	2.54	5.61	7.77	0.19	0.20
Mexican Peso	3.06	2.72	0.35	4.97	5.89	0.15	0.02
Other Americas	0.00	0.00	0.01				0.00
TOTAL AMERICAS	52.18	49.76	47.75			2.63	2.69
Unrealized FX Gain/Loss	0.36	0.36	0.00	0.00	0.00	0.00	0.00
TOTAL	100.00	100.00	100.00				

Data Source: Loomis Sayles and Barclays.

# portfolio review

## COUNTRY OF RISK AS OF 8/31/2015

	Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight		Portfolio Weight	Benchmark Weight
<u>Africa</u>	<u>1.02</u>	<u>0.26</u>	<u>Europe</u>	<u>33.98</u>	<u>33.10</u>	<u>Middle East</u>	<u>0.23</u>	<u>0.49</u>
Morocco	0.17	0.02	Austria	0.00	0.78	Bahrain	0.00	0.02
Namibia	0.07	0.00	Belgium	1.05	1.13	Israel	0.00	0.19
South Africa	0.78	0.24	Bulgaria	0.00	0.01	Kuwait	0.00	0.01
			Czech Republic	0.00	0.14	Qatar	0.00	0.09
<u>Americas</u>	<u>43.89</u>	<u>43.06</u>	Denmark	0.96	0.39	Saudi Arabia	0.00	0.02
Bermuda	0.21	0.01	Eurozone	0.24	0.00	United Arab Emirates	0.23	0.16
Brazil	0.72	0.33	Finland	2.10	0.36			
Canada	3.73	3.19	France	2.95	5.98	<u>Oceania</u>	<u>4.69</u>	<u>1.66</u>
Chile	0.30	0.11	Germany	3.68	5.31	Australia	4.39	1.52
Colombia	0.24	0.08	Hungary	0.52	0.00	New Zealand	0.29	0.14
Mexico	3.37	0.73	Iceland	0.00	0.01			
Panama	0.00	0.03	Ireland	0.97	0.37	<u>Other</u>	<u>1.48</u>	<u>2.28</u>
Peru	0.00	0.07	Italy	4.28	4.20	Cayman Islands	0.09	0.00
United States	35.32	38.48	Latvia	0.00	0.01	Jersey	0.00	0.01
Uruguay	0.00	0.02	Lithuania	0.00	0.02	Supra_National	1.03	2.27
			Luxembourg	0.34	0.03	Unrealized FX Gain/Loss	0.36	0.00
<u>Asia</u>	<u>14.72</u>	<u>19.14</u>	Netherlands	1.55	1.85			
China	0.14	0.42	Norway	1.72	0.40			
Hong Kong	0.18	0.21	Poland	1.58	0.34			
India	0.29	0.10	Portugal	0.34	0.06			
Indonesia	1.14	0.13	Romania	0.00	0.04			
Japan	12.13	15.93	Russia	0.00	0.09			
Kazakstan	0.00	0.05	Slovakia	0.00	0.09			
Malaysia	0.04	0.32	Slovenia	0.00	0.07			
Philippines	0.00	0.08	Spain	2.66	2.68			
Singapore	0.33	0.21	Sweden	0.88	0.90			
South Korea	0.48	1.40	Switzerland	0.30	0.97			
Thailand	0.01	0.28	Turkey	0.48	0.34			
			United Kingdom	7.38	6.50			

Data Source: Loomis Sayles and Barclays.

# global growth themes & forecasts

## EUROPE

### US

GDP growth, down to 2.1% from early estimate of 2.9% in 2015.



Low interest rates, low energy prices, solid job growth, easy lending conditions, well-balanced economy with the current account and budget deficits in 2.5% of GDP range



Profits recession risk, strong dollar, oil bust, misallocation of capital in energy, commodities.

Cyclical recovery to produce 1.6% GDP growth, supported by QE, cheap oil & weak euro, but surprise is over.



Bank lending is coming back, strengthening consumer, less fiscal drag



Greece and political cycle in Spain in focus

### CHINA

GDP growth will continue to slow to 6.5% in 2015, maybe a short lived bounce.



Housing glut, tight LGFV financing, weaker investment spending, which is almost 50% of GDP

Gov't is getting more nervous and rolling out infrastructure deals, rate cuts, delicate balancing act between tight credit policies and stimulus programs to support economy.

### JAPAN

Real GDP growth around 1.0% in 2015.



Strong corporate profits, tourism, tight labor market, lower energy prices, and now rising wages, corporate reform



Income stuck in corporate sector, poor demographics

## AFRICA & MIDDLE EAST

GDP growth to slow, but decent in 2% to 4% range. Huge dispersion in region.



Unstable governments, terrorism, weaker oil and commodity prices



Growing intra-regional trade and investment; huge long-term potential in certain frontier markets

## LATIN AMERICA

Struggling economies with ZERO GDP growth in 2015, compared to growth in 4%-6% range last decade.



Recession in Brazil, other countries facing terms of trade shock with much weaker commodity prices



Still positive outlook for Mexico, regardless of oil prices. Currencies getting cheap in the region, with relatively high interest rates

## ASIA PACIFIC

Growth to moderate further, but on aggregate, remain well above LATAM and EEMEA peers with growth rates in 5% to 6% range.



Weaker energy prices, stronger US growth, better part of elections cycle for exports



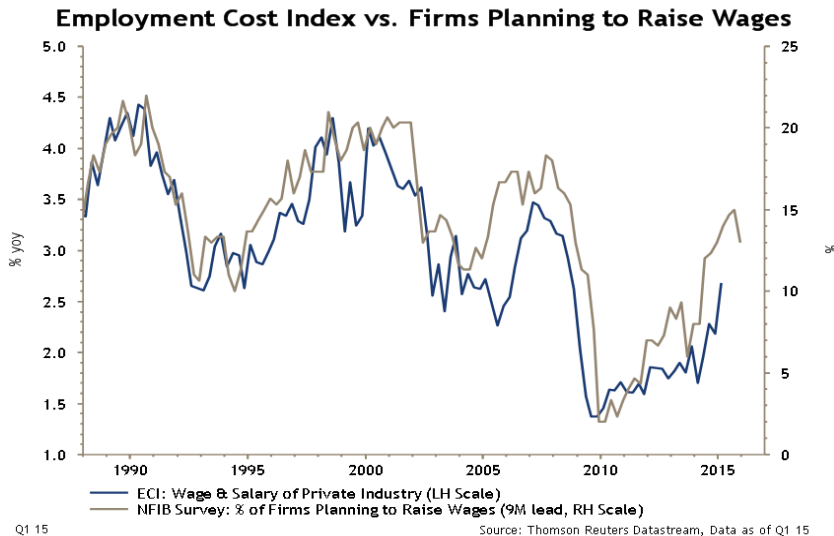
Slower China imports, weak yen, overhang of debt in a number of countries and coming off a credit boom

*Views as of 6/30/2015. This material is provided for informational use only and should not be considered investment advice. The forecasted views and opinions expressed reflect those of the authors and do not necessarily reflect the views of Loomis, Sayles & Company L.P. All statements are made as of the date of the presentation and are subject to change at any time without notice.*

# fed rate hike: is it time?

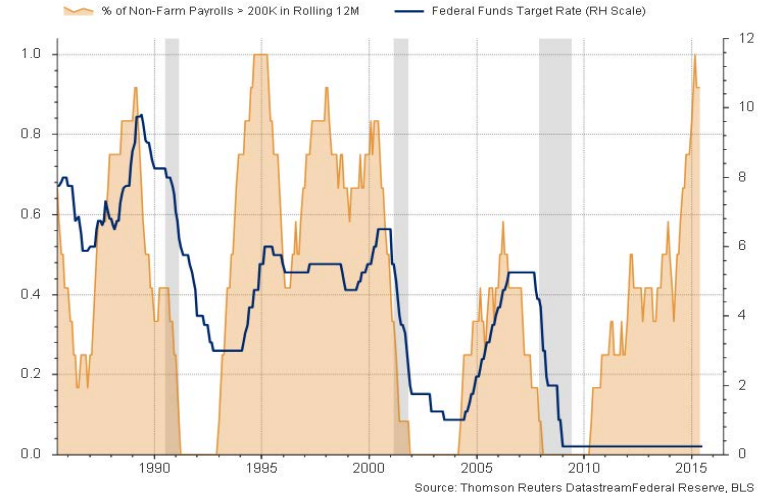
THERE IS MOUNTING EVIDENCE THAT THE LABOR MARKET IS BECOMING TIGHT

Employment Cost Index vs.  
Firms Planning to Raise Wages



Source: Datastream, data as of February 13, 2015.

Nonfarm Payroll vs. Fed Funds Target Rate

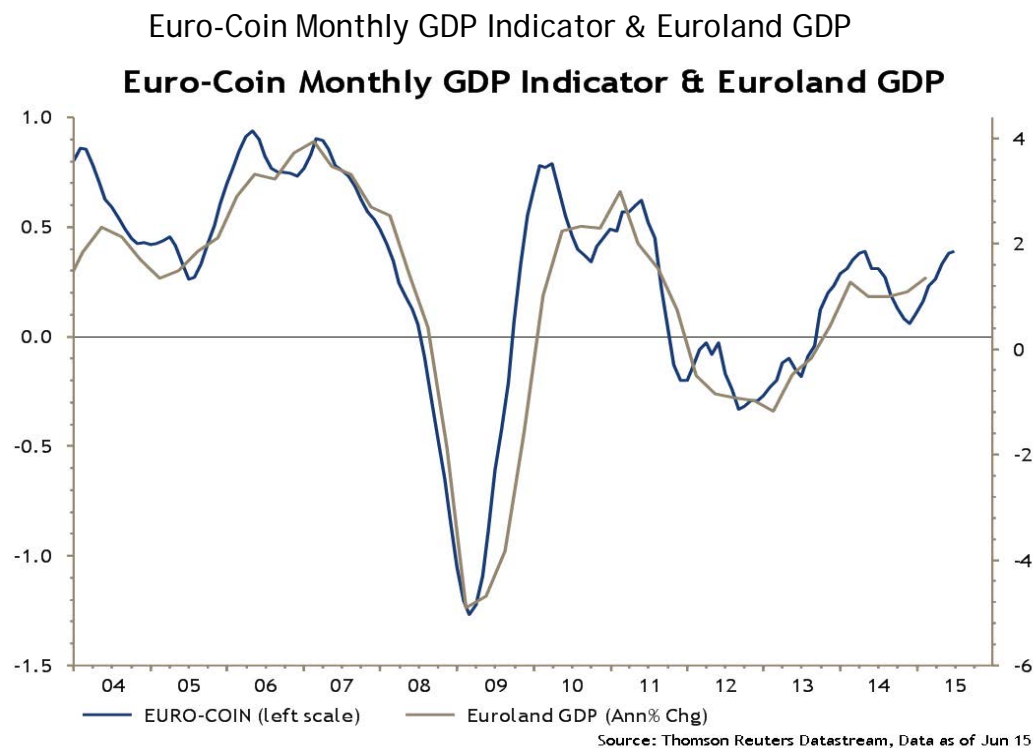


Source: Datastream, data as of May 29, 2015.  
Shaded areas represent US recessions.

# europe: will a greek tragedy sidetrack the region's growth?

## EUROZONE GROWTH LOOKING BETTER

Europe is still benefitting from improved credit growth, low interest rates from ECB QE, and weaker FX



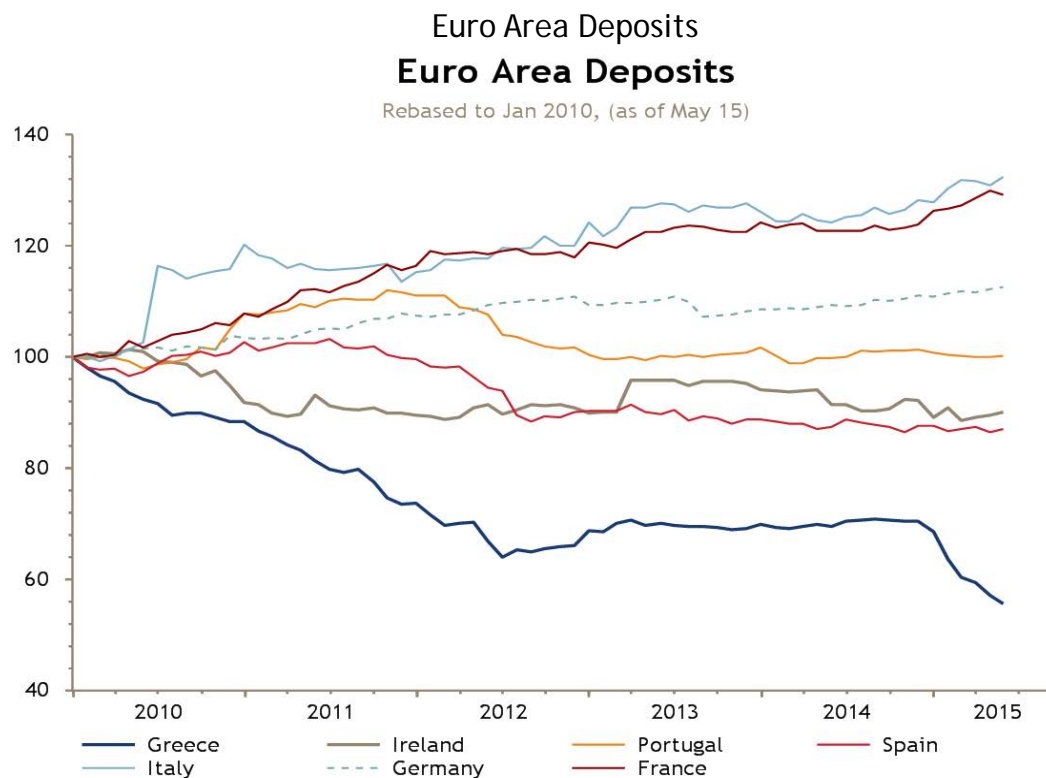
Source: Datastream, data as of May 29, 2015.



# europe: will a greek tragedy sidetrack the region's growth?

## FROM BANK JOG TO BANK RUN?

Bank funding becoming more reliant on emergency lending from the ECB;  
risk of capital controls is high



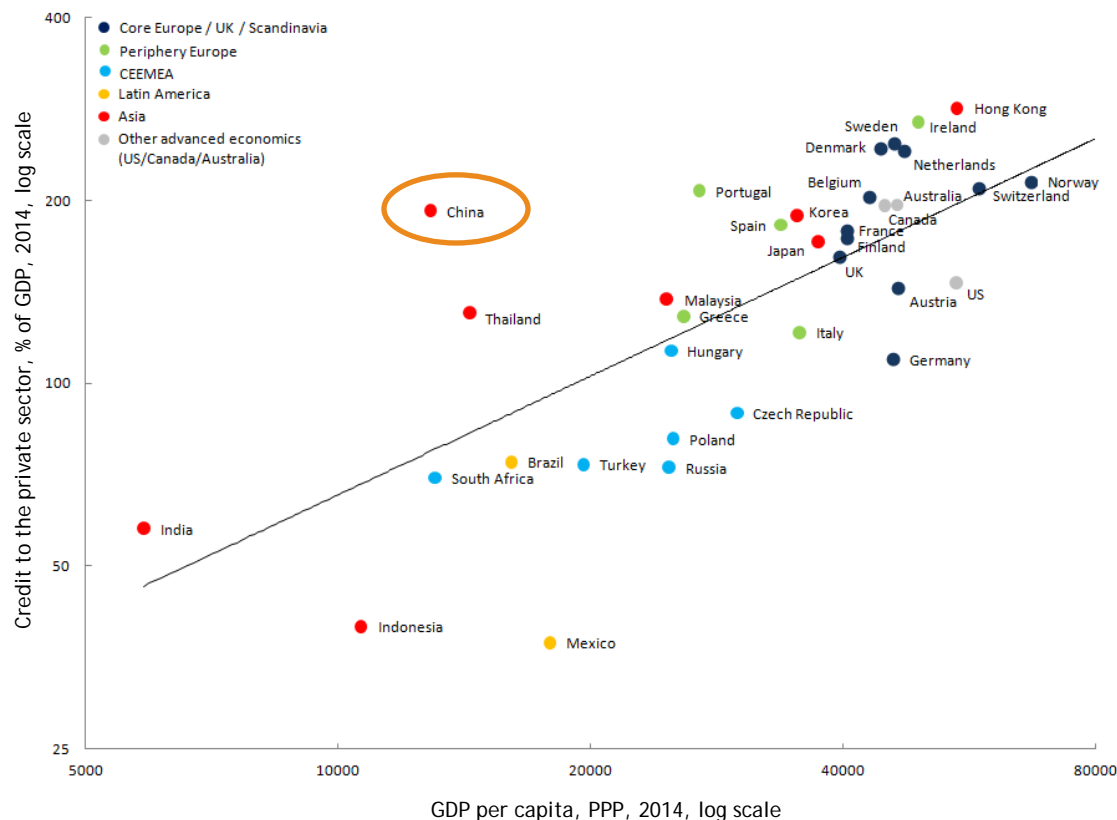
Source: Datastream, data as of April 30, 2015.

Source: Thomson Reuters Datastream, Data as of May 15

# difficult outlook for EM: china deleveraging & weak global trade

## CHINA'S DELEVERAGING HAS A LONG WAY TO GO

Lower structural growth path remains in tact as policymakers begin to ease aggressively



Source: Haver Analytics, BIS, IMF, data as of 12/31/2014.

# difficult outlook for EM: china deleveraging & weak global trade

## IS CHINA RUNNING OUT OF OPTIONS TO REFLATE THE ECONOMY?

China is encouraging more investors to participate in the equity market

Is it a bubble? PE ratio is still only half of the 2007 peak

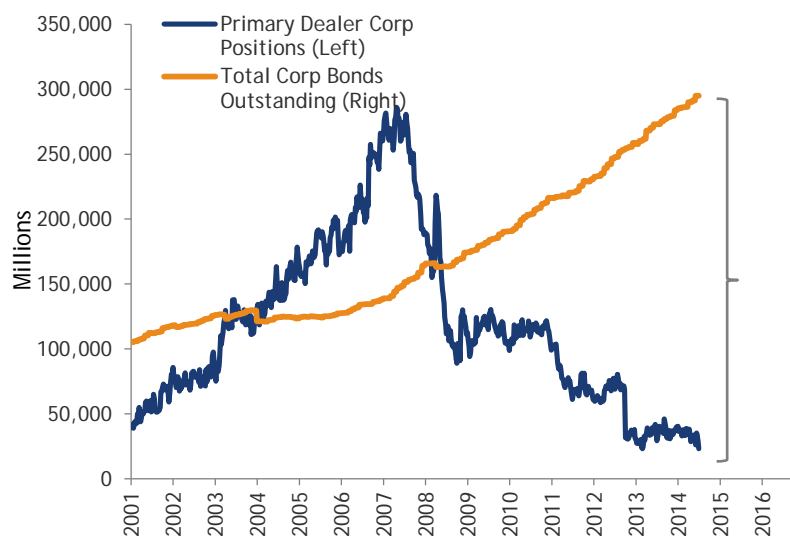


Source: Bloomberg, data as of May 29, 2015.

# reduced liquidity + volatility = greater market fragility

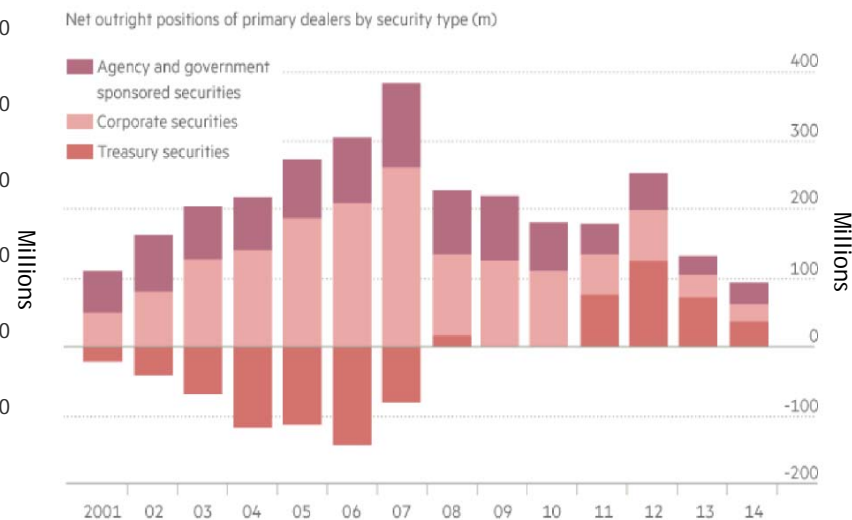
## MARKET ILLIQUIDITY REMAINS A CONCERN

Liquidity in Corporate Sector



Data sources: Deutsche Bank, Barclays and Bloomberg, history through 12/31/14.

Size and Composition of Banks' Trading Book Inventories



Source: FRB; JP Morgan Management, data as of 6/18/2015.

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Strategy review

## Ventura County Employees' Retirement Association

21 September 2015



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# Disclosures

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# Biographical information

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## David J. Blair, CFA

Mr. Blair is a senior vice president and account manager in the Newport Beach office. He was a member of PIMCO's municipal portfolio management team from 2006-2010 and was previously a credit analyst for 10 years at Nuveen Investments, focusing on high yield California bonds, primarily in the land-secured sector, as well as utilities, multi-family housing and toll road bonds. Mr. Blair was also an auditor and certified public accountant at Arthur Andersen for three years. He has 21 years of investment experience and holds an MBA from the University of Chicago Graduate School of Business. He holds an undergraduate degree from the University of California, Santa Barbara.

## Sasha Talcott, CFA

Ms. Talcott is a vice president and account manager in the Newport Beach office, focusing on institutional client servicing. Prior to joining PIMCO in 2012, she was director of communications and outreach for Harvard Kennedy School's Belfer Center for Science and International Affairs, a research center that focuses on topics ranging from international security to energy policy. Previously, she was a business reporter for the Boston Globe, where she covered the banking and insurance sectors. She holds an MBA from MIT Sloan School of Management and received an undergraduate degree from Northwestern University.



# Agenda

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1. PIMCO update
2. Market review
3. Global Bond strategy
4. Economic outlook

## PIMCO update

# PIMCO update: Focused on managing risks and delivering returns

## Firm snapshot

### Assets under management

- \$1.52 trillion

### Global resources

- 13 offices across five continents
- 2,412 total employees
  - 763 IPs; 14 years average investment experience
  - 260+ Portfolio Managers
  - 60+ Credit Analysts

### Comprehensive investment solutions

- Alternatives
- Asset allocation
- Equities
- Fixed income

### Diversified global business

- 80% of AUM in non-core strategies
- One of largest alternatives platforms
- 120+ funds with positive inflows for the trailing six month period<sup>1</sup>

## PIMCO's value proposition

### Time-tested investment philosophy

- Diversified set of alpha engines
  - **Top down:** Reflects PIMCO's global economic research
  - **Bottom up:** Drives industry, company and security level selection
  - **Structural tilts:** Captures recurring risk premia in markets

### Long-term investment results

- 80% of AUM outperformed benchmark over five-year period<sup>2</sup>

### Client-focused culture

- Client education
- Solutions capabilities
  - Asset allocation and optimization
  - Liability driven investing
  - Defined contribution plan design
  - Analysis of Alternatives
  - Tail-risk hedging

### Thought leadership

- Global market dynamics
- Economic analysis
- Central bank policy
- Industry trends

## "What's new?"

### New hires

- 24 Senior IP hires in last 12 months
- Joachim Fels: MD, Global Economics
- Ben Bernanke: Advisor, Economic Policy

### Regulatory update

- "BOND" ETF subject to Wells Notice
- SIFI debate shifts away from Asset Managers

### Equity business re-alignment

- Expanded Research Affiliates relationship
- Closing global deep value and EM funds
- Virginie Maisonneuve to depart PIMCO

### New product launches

- Hybrid Target Date strategy: Passive equity, active fixed income
- Enhanced Fundamental Index equities
- Opportunistic credit "follow-on" PE-style vehicle

As of 30 June 2015

Effective 31 March 2012, PIMCO began reporting the assets managed on behalf of its parent's affiliated companies as part of its assets under management

<sup>1</sup> Based on 314 funds domiciled in Cayman Islands, Bermuda, certain Ireland domiciled funds and our U.S. open-end 1940 act funds excluding exchange traded funds.

<sup>2</sup> Based on 30 June 2015 data of PIMCO managed portfolios with at least a 5-years history. The net-of-fees performance of each portfolio was compared to the portfolio's primary benchmark. If the net-of-fees portfolio performance was greater than the benchmark performance for a given period, the assets in that portfolio were included in the outperforming data. Benchmark outperformance indicates the performance of a portfolio as compared to its benchmark. As such, it does not indicate that a portfolio's performance was positive during any given period. For example, if a portfolio declined 3% during a given period, and its benchmark declined 4%, the portfolio would have outperformed its benchmark, even though it lost value during the period. Certain absolute return oriented portfolios contained within the data may inflate the data either positively or negatively due to the low return/volatility characteristics of the primary benchmark. For example a portfolio measured against 3-month USD Libor would be more likely to out- or underperform its benchmark. No measure of past performance should be understood to ensure that future performance will be positive, whether on a relative or absolute basis.

# Assets under management by strategy

*PIMCO manages \$1.52 trillion in assets, including \$1.15 trillion in third-party client assets*

Alternatives		Billions (\$)
Liquid Absolute Return	Unconstrained bond strategies, credit absolute return, other absolute return strategies	20.82
Hedge Funds	Global macro, long/short credit, multi-asset volatility arbitrage strategies, relative value commodities	15.67
Opportunistic/Distressed	Opportunistic strategies focusing on real estate related assets (residential, commercial), corporate credit	5.72
Asset Allocation		
Asset Allocation Strategies	Global Multi Asset, All Asset, EM Multi Asset, Real Retirement, Inflation-Response Multi Asset, DRA	59.07
Equities		
Equity Strategies	Combines enhanced equities and active equities	25.82
Real Return		
Real Return Strategies	Combines inflation linked strategies, actively managed commodities, and real-estate linked exposure	71.59
Fixed Income		
Total Return <sup>1</sup>	Total Return	125.48
Intermediate <sup>2</sup>	Core Strategies, Moderate Duration	136.68
Credit	Investment Grade Corporates, Bank Loans, High Yield Corporates, Convertibles	167.71
Long Duration	Focus on long-term bonds; asset liability management	118.79
Global	Non-U.S. and global multiple currency formats	98.75
Cash Management <sup>2</sup>	Money Market, Short-Term, Low Duration	92.09
Income	Income-oriented, insurance income	85.75
Emerging Markets	Local debt, external debt, currency	47.66
Mortgages	Agency MBS, structured credit (non-Agency MBS, CMBS, and ABS)	33.39
Diversified Income	Global credit combining corporate and emerging markets debt	22.63
Municipals	Tax-efficient total return management	12.58
Other	Custom mandates	9.19
Total assets under management		\$ 1,149.39 B
Stable Value <sup>2</sup>	Stable income with emphasis on principal stability	22.36
Tail-Risk Hedging <sup>3</sup>	Pooled and customized portfolios of actively managed tail-risk hedges	45.29

As of 30 June 2015

SOURCE: PIMCO

Assets reflect those managed on behalf of third-party clients and exclude affiliated assets. Fund of funds assets have been netted from each strategy.

Potential differences in asset totals are due to rounding. Represents assets of strategy group in dedicated and non-dedicated portfolios.

<sup>1</sup> Total Return has been segregated to isolate the assets of PIMCO sponsored U.S. Total Return 1940-act fund and foreign pool fund accounts. All other U.S. Total Return portfolios are included in the Intermediate category

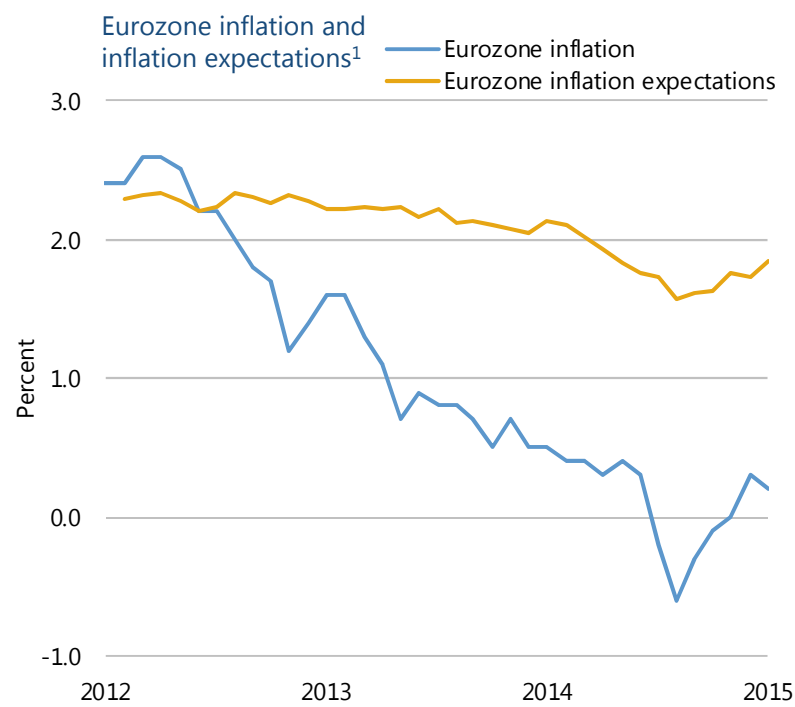
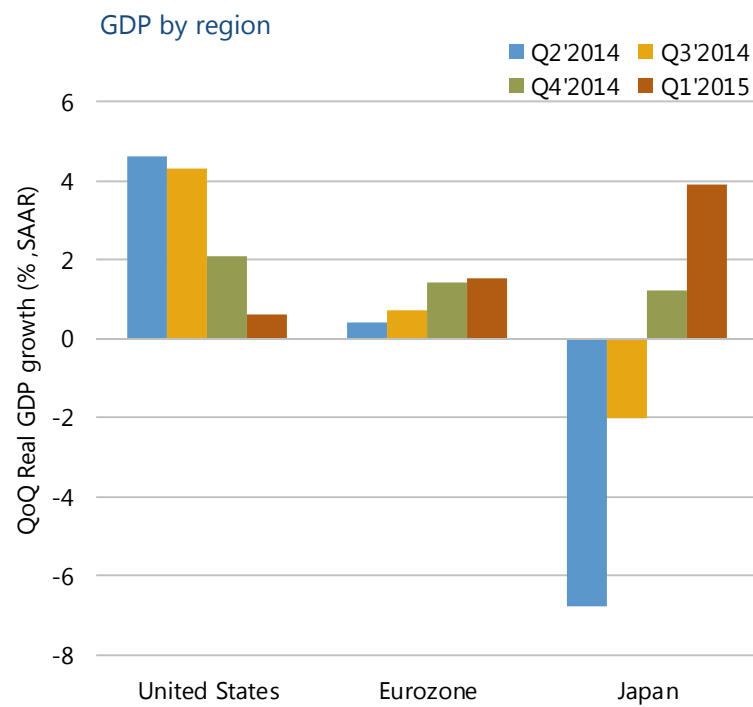
<sup>2</sup> Stable value assets have not been netted from U.S. Total Return, U.S. Moderate Duration and U.S. Low Duration assets

<sup>3</sup> Tail-risk hedging assets reflect total notional value of dedicated mandates and are not counted towards PIMCO total assets under management



## Market review

# Growth prospects improved as deflation fears receded



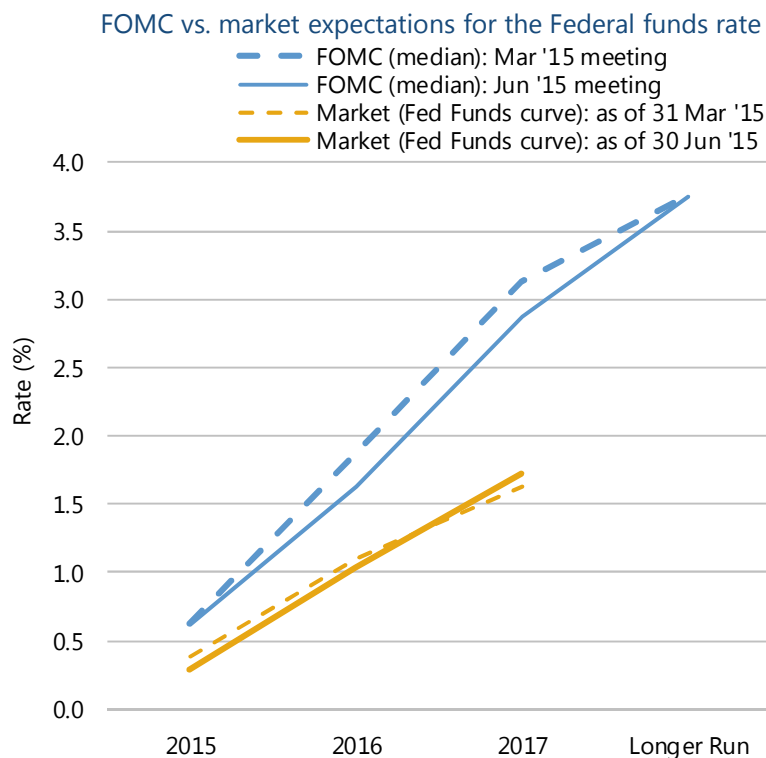
- Non-U.S. growth beat expectations while the dip in Q1 GDP in the U.S. was likely due to transitory factors
- Inflation rebounded in the Eurozone and longer-term expectations appeared to stabilize

After months of deflationary concerns, economic sentiment firmed across the globe

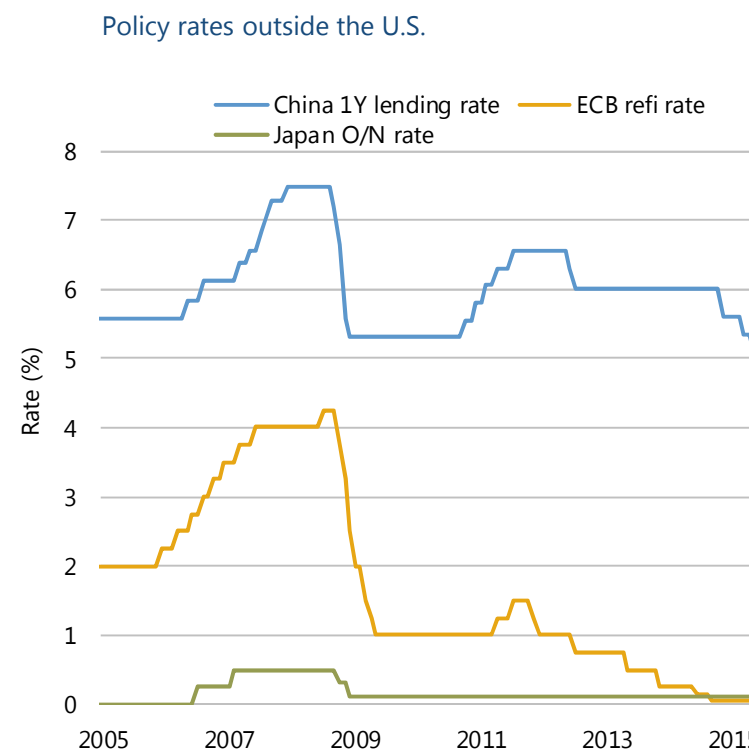
As of 30 June 2015  
SOURCE: Bloomberg

<sup>1</sup> Eurozone inflation reflects Eurozone YoY HICP. Inflation expectations are the 5y5y forward EUR inflation swap rates.

# Monetary policy divergence continued to be a theme



- The latest "blue dots" suggested a dovish Fed, though markets remained even more so

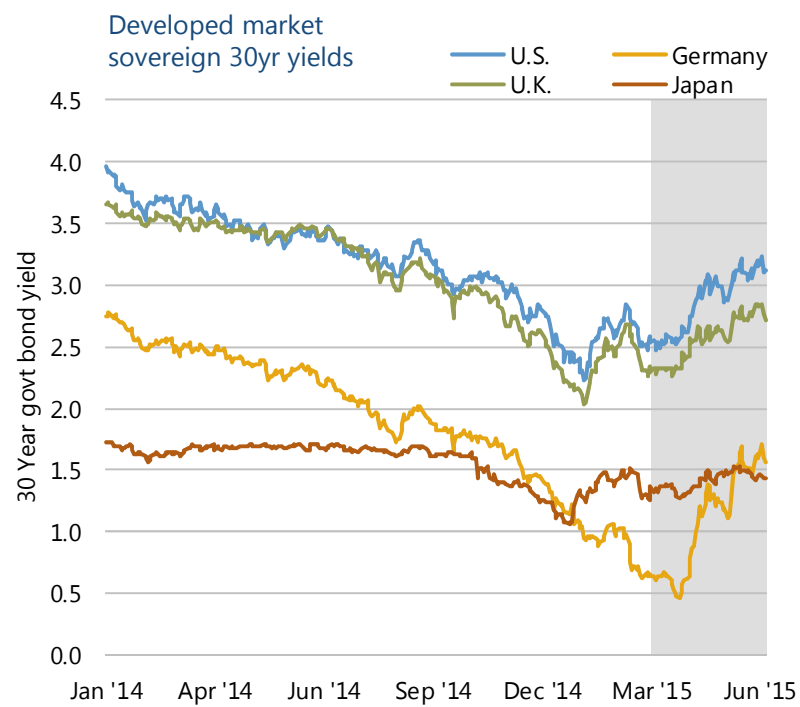


- The PBoC's additional easing highlighted continued accommodation outside the U.S.

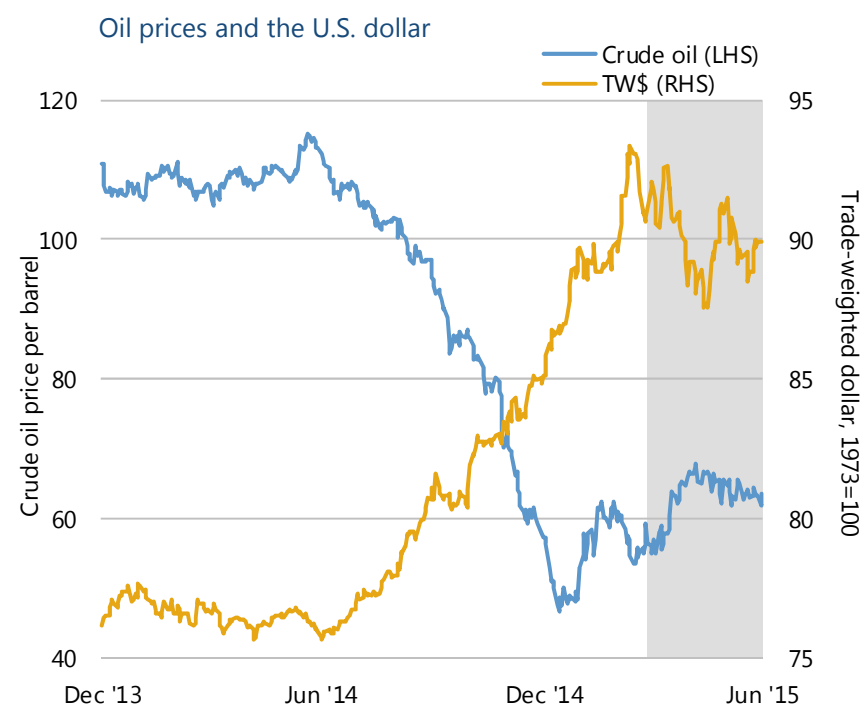
Debate around the timing and pace of policy normalization intensified in the U.S., while policy support continued outside

As of 30 June 2015  
SOURCE: Bloomberg, Federal Reserve

# Volatility increased and trends reversed



- An abrupt increase in term premiums caused yield curves to steepen across developed markets



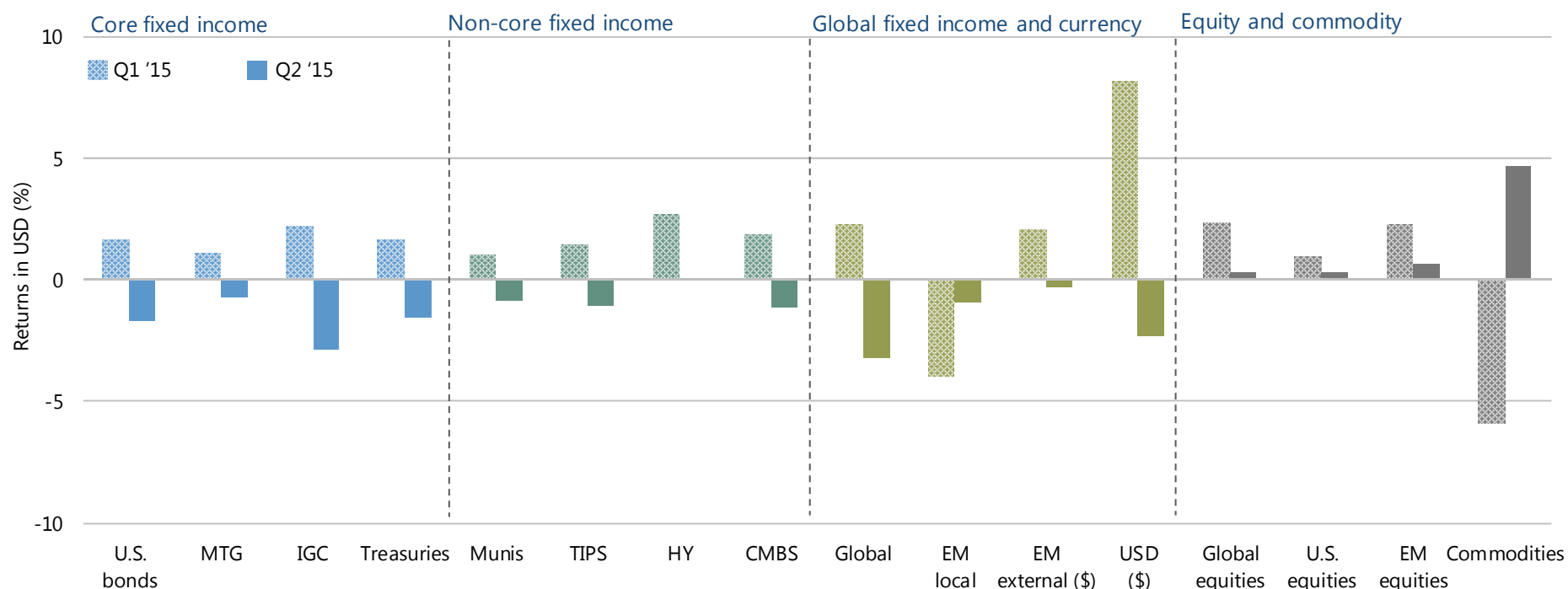
- Recent trends, including falling oil prices and a steadily strengthening dollar, appeared to turn

Trends prevalent since the latter part of 2014 appeared to lose momentum as bouts of volatility persisted

As of 30 June 2015  
SOURCE: Bloomberg



# A reversal in recent trends marked asset class returns



- Treasury yields rose and curves steepened, sparked by a sell-off in German government bonds
- Corporate credit underperformed Treasuries amid elevated volatility and a record pace of IG issuance

- TIPS outperformed treasuries as inflation expectations firmed across the globe
- High yield returns were flat on the quarter as losses from modestly wider spreads were offset by higher carry

- Global sovereign bonds sold off as European core rates rose sharply following months of decline
- The U.S. dollar's rally lost steam and reversed to an extent

- U.S. equities had choppy performance to end the quarter flat, while EM equities gave back gains from April over the rest of the quarter
- Oil prices led commodities higher as global growth expectations firmed

As of 30 June 2015

SOURCE: Barclays, Bloomberg, Federal Reserve, JPMorgan, PIMCO

Barclays U.S. Aggregate; Barclays MBS Fixed Rate Mortgage; Barclays Investment Grade Credit; Barclays U.S. Treasury; Barclays Municipal Bond; Barclays U.S. TIPS; BofA Merrill Lynch U.S. High Yield BB-B Rated; Barclays CMBS ERISA-Eligible; JPMorgan EMBI Global; JPMorgan GBI Global ex-U.S. USD Hedged Index, JPMorgan GBI-EM Global Diversified (Unhedged); MSCI World; S&P 500; MSCI EM; Bloomberg Commodity

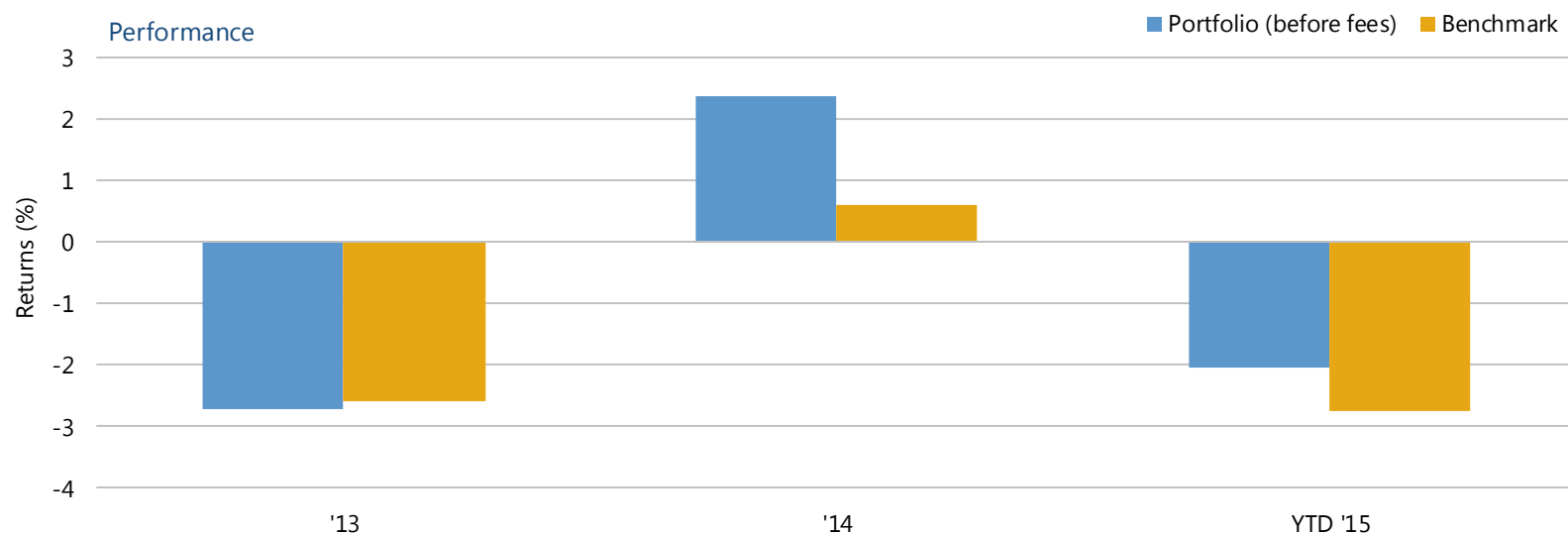
USD (\$) measured relative to basket of seven currencies on a trade-weighted basis

## Global Bond strategy

# Performance review

## Ventura County (VCERA) - Global

Market value as of Aug '15 \$ 123,287,522



## Ventura County (VCERA) - Global

	Since inception 16 Oct '12	1 yr.	6 mos.	3 mos.	YTD 31 Aug '15
Before fees (%)	-1.0	-4.6	-2.2	-0.4	-2.0
After fees (%)	-1.3	-4.9	-2.4	-0.5	-2.3
Benchmark (%)	-1.9	-6.4	-1.8	-0.1	-2.8

As of 31 August 2015

All periods longer than one year are annualized

Benchmark: Barclays Global Aggregate USD Unhdg

# Portfolio performance attribution

## KEY STRATEGIES

## STRATEGY IMPACT

### INTEREST RATE STRATEGIES

- Overweight Italy and Spain contributed as peripheral sovereign spreads narrowed
- German duration exposure detracted as core yield curves steepened and volatility rose sharply
- An underweight to duration in the U.K detracted as rates rallied in the region
- Underweight duration exposure in the U.S. detracted

12 mo

Negative

### SPREAD SECTORS

- Positions in U.S. TIPS detracted as inflation expectations fell
- Underweight investment-grade corporate debt contributed as sector spreads widened
- Underweight Agency MBS added to performance as sector spreads widened

12 mo

Positive

### CURRENCY STRATEGIES

- Underweights to the euro and yen contributed as the currencies depreciated 14.9% and 16.7% against the U.S. dollar respectively
- An underweight to the Swiss franc contributed as the currency depreciated 5.6% against the U.S. dollar

12 mo

Positive

As of 31 August 2015  
SOURCE: PIMCO

# Strategic outlook

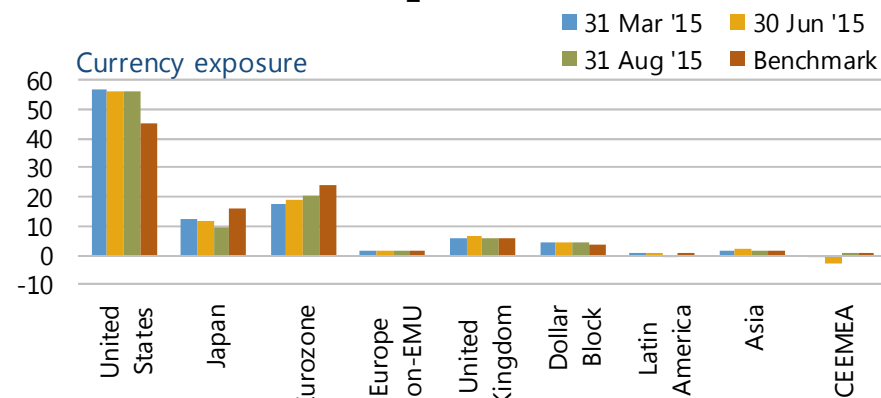
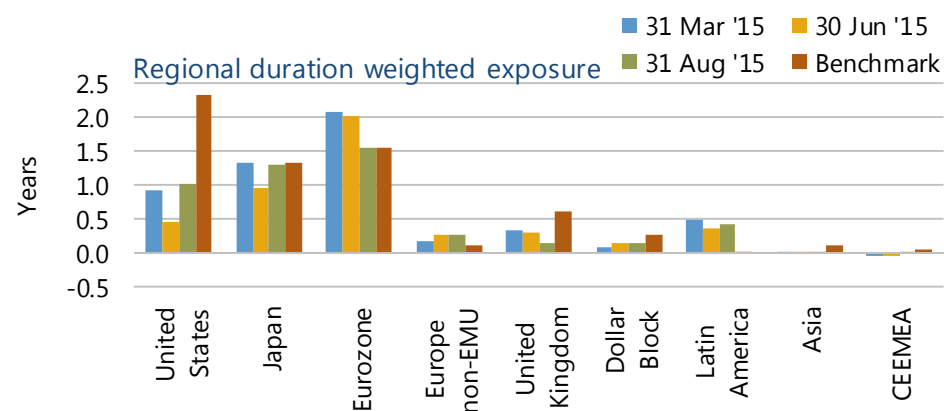
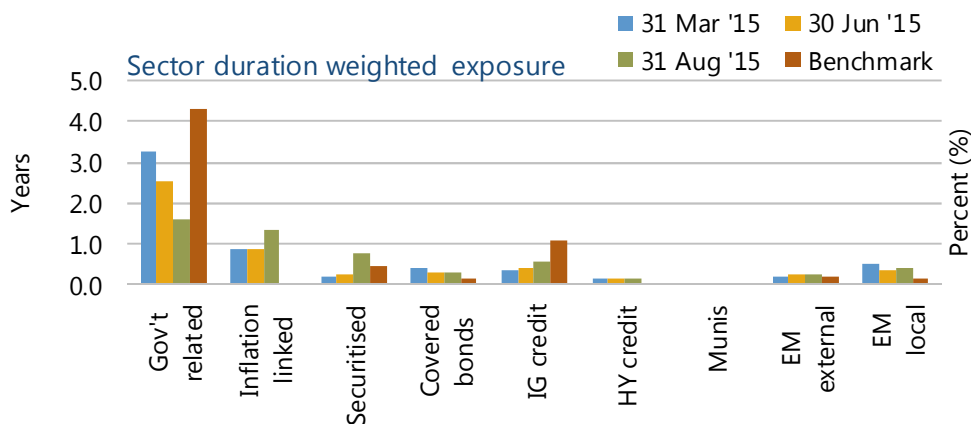
## Select investment themes in Global

	Position	Rationale
1. Curve positions	<ul style="list-style-type: none"> <li>OW Japan long-end</li> <li>UW U.S. front-end</li> </ul>	<ul style="list-style-type: none"> <li>Overweight long-end duration in Japan as the BoJ extends maturity of holdings, though underweight overall Japanese duration given level of yields</li> <li>Underweight front-end in the U.S. as we approach lift-off in policy rate</li> </ul>
2. Eurozone country positioning	<ul style="list-style-type: none"> <li>OW Spain and Italy</li> <li>Bulleted curve position in core</li> </ul>	<ul style="list-style-type: none"> <li>Overweight bonds in systemically important peripheral countries that offer attractive spread over Bunds including Italy and Spain, though cautious of event-risk volatility in the eurozone</li> <li>Focus on the 10-year part of the German bund curve, given rich valuations at the front- and long-end of the curve</li> </ul>
3. Spread strategies	<ul style="list-style-type: none"> <li>OW spread strategies</li> <li>Select positions in European financials</li> </ul>	<ul style="list-style-type: none"> <li>Given low global sovereign rates, retain higher yielding exposures to non-agency mortgages, European securitized debt and government related debt in Europe</li> <li>Prefer European financials that stand to benefit from supportive ECB policy and reflect the bank deleveraging cycle</li> </ul>
4. Currencies	<ul style="list-style-type: none"> <li>Long USD, INR</li> <li>Short EUR, JPY</li> </ul>	<ul style="list-style-type: none"> <li>Strong U.S. growth and Fed policy normalization will support the USD, though the pace and magnitude of appreciate will moderate</li> <li>Small overweight to the Indian rupee given structural reform and high carry</li> <li>Bearish on the EUR and JPY given aggressive easing and anchored interest rates at the zero-bound</li> </ul>

As of 31 August 2015  
SOURCE: PIMCO

# Portfolio positioning

Ventura County (VCERA) - Global	31 Mar '15	30 Jun '15	31 Aug '15	Benchmark
Effective duration (yrs)	5.5	4.6	4.9	6.4
Total carry (bps)	135	251	269	222
Quality	AA-	A+	AA-	AA-



As of 31 August 2015

Benchmark: Barclays Global Aggregate USD Unhdg

Europe non-EMU: Denmark, Iceland, Norway, Sweden and Switzerland

CEEMEA includes countries in Central and Eastern Europe, the Middle East and Africa

government related: Government bonds, local authority bonds, interest-rate swaps, financial futures and agencies

## Economic outlook

# PIMCO's Secular Outlook

## *The New Neutral Revisited*

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### **Growth**

Cautiously optimistic as the world has learned to live with leverage

### **Inflation**

Deflation has been averted, but limited room to maneuver in the event of a downturn

### **Financial system**

Banks are more stable, but the broader system may be more susceptible to temporary dislocations

### **Energy revolution**

Positive in aggregate, but the transition from scarcity to abundance will create winners and losers

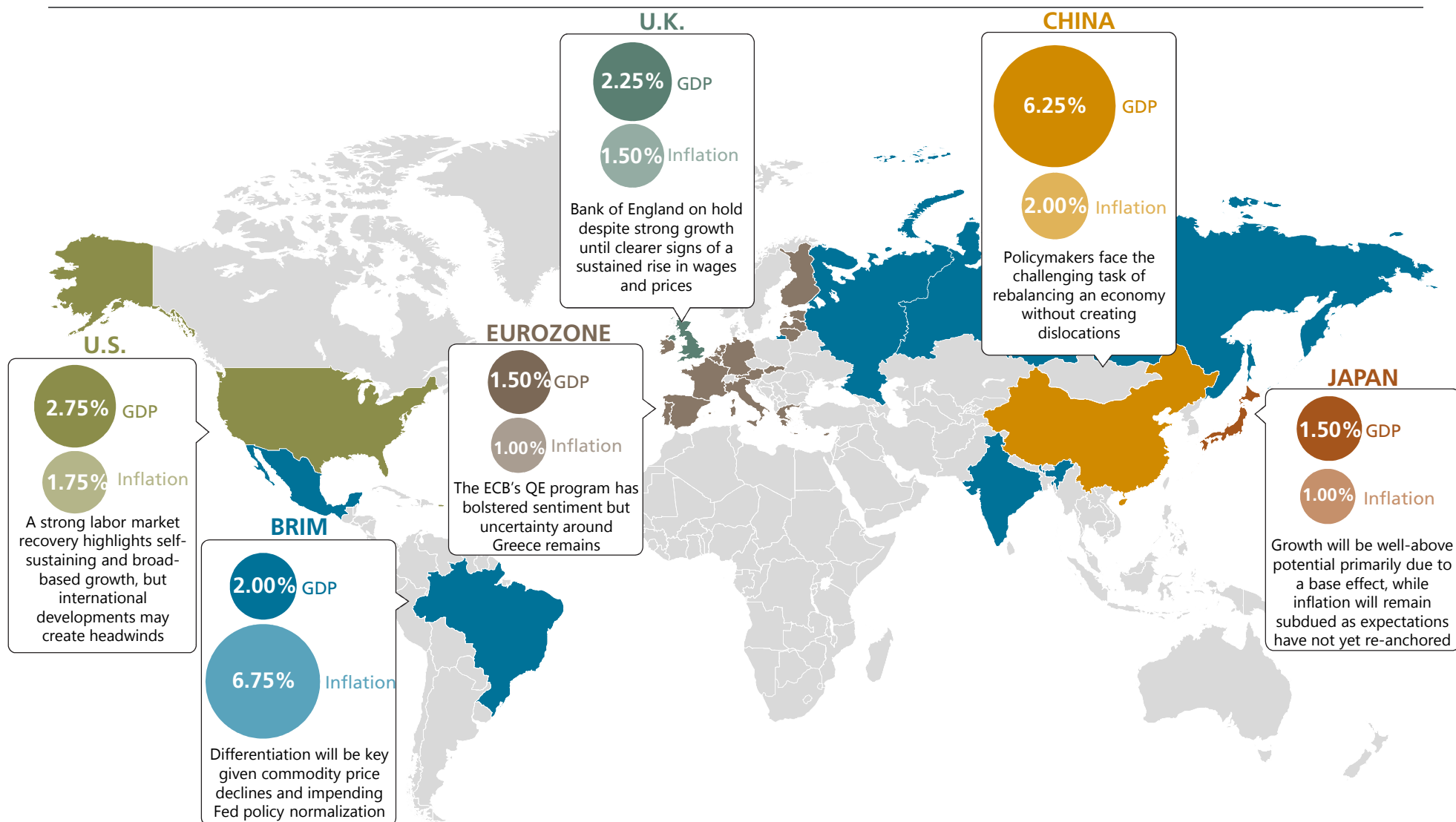
### **Geopolitics**

Risks remain and shocks can emanate from multiple regions

As of 30 June 2015  
SOURCE: PIMCO



# PIMCO's Cyclical Outlook

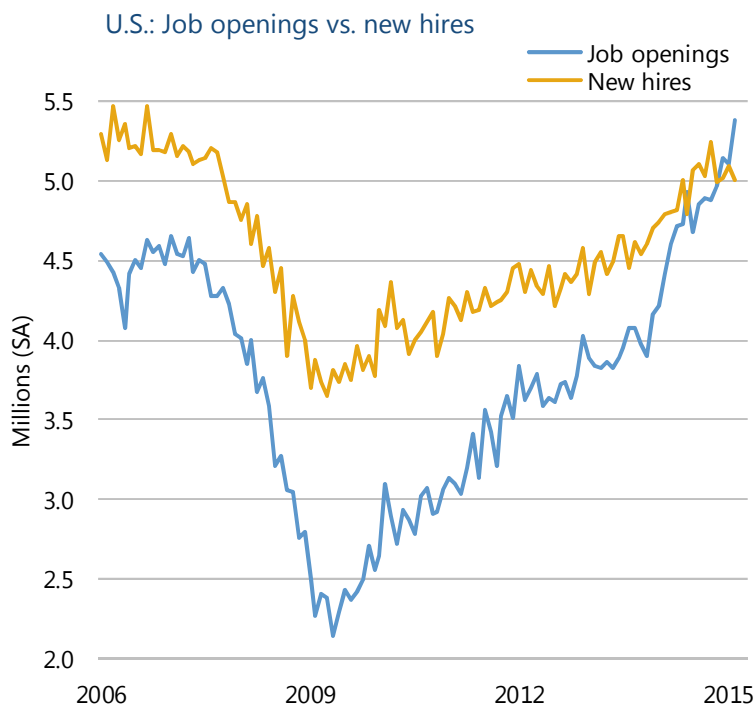


PIMCO forecast as of 11 June 2015

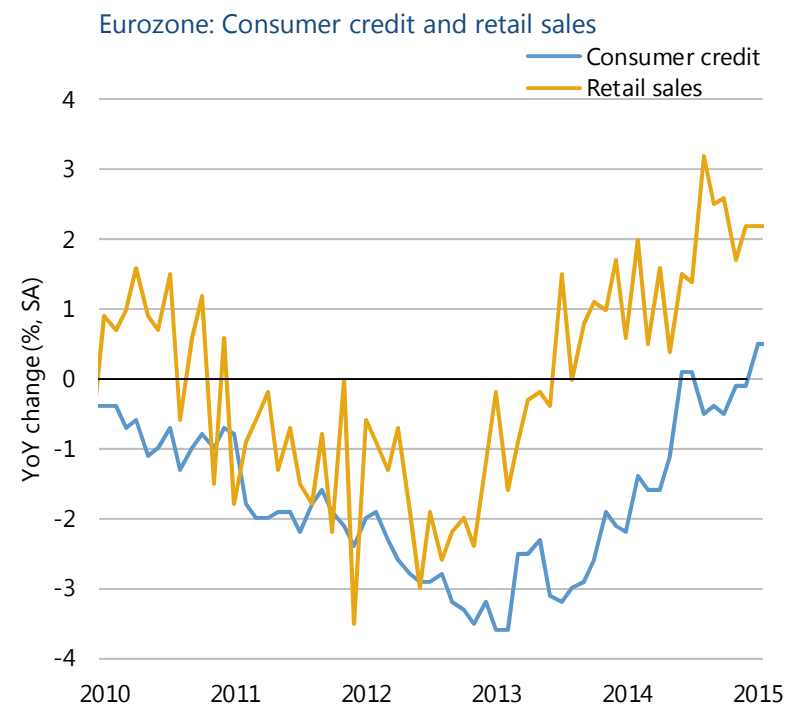
BRIM is Brazil, Russia, India and Mexico

Real GDP and inflation projections reflect the midpoints of PIMCO's forecasts for the four quarters ending Q1 2016

# Consumption-driven growth likely to continue in the U.S. and Eurozone



- Various labor market indicators are at or approaching pre-recession peaks, supporting incomes and consumption



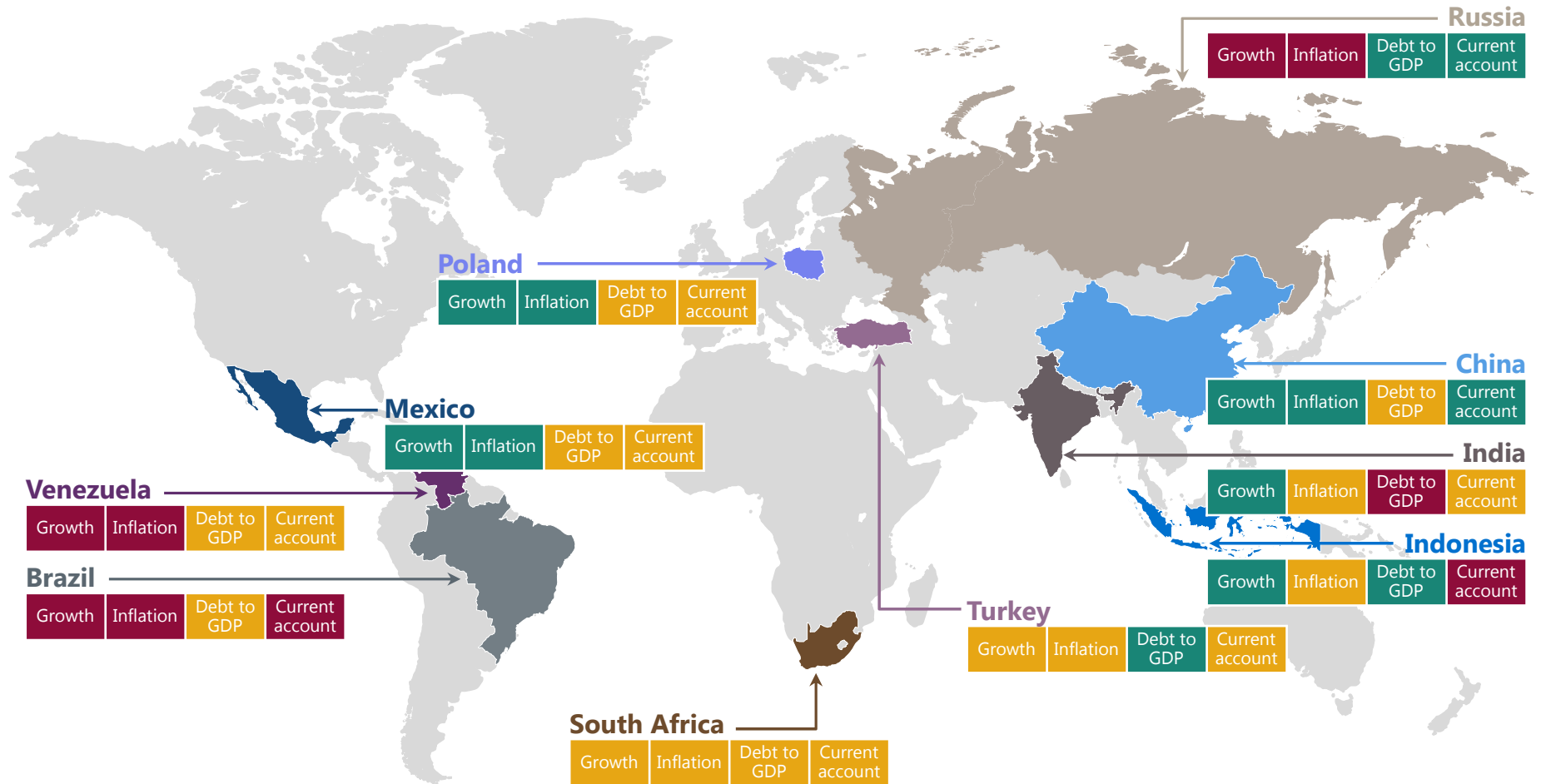
- Consumer optimism and credit expansion are supporting consumption in the eurozone

Labor market strength should warrant normalization in Fed policies while ECB accommodation should support modest growth in the eurozone

As of 30 June 2015

SOURCE: Bureau of Labor Statistics, Bureau of Economic Analysis

# In emerging markets, differentiation remains key



As of 30 June 2015  
SOURCE: PIMCO

## Appendix

# Compliance certification

---

September 10, 2015

Henry Solis  
Chief Financial Officer  
1190 South Victoria Avenue Suite 200  
Ventura, CA 93003

Dear Mr. Solis:

During the year ending, August 31, 2015, the portfolio we manage on behalf of Ventura County was in compliance with the investment guidelines and policies set forth in the Investment Management Agreement with PIMCO.

**Ventura County VCERA- Global (Account 7384):**

- No issues were discovered.

Please contact me at (949) 720-6107 with any questions.

Sincerely,



Joel Reynolds  
Senior Vice President, Head of U.S. Portfolio Compliance  
Pacific Investment Management Company LLC



NEPC, LLC

YOU DEMAND MORE. *So do we.*<sup>SM</sup>



## Ventura County Employees' Retirement Association

### Investment Summary Quarter Ending June 30, 2015

Daniel LeBeau, Consultant  
Allan Martin, Partner,  
Anthony Ferrara, CAIA, Senior Analyst

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

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

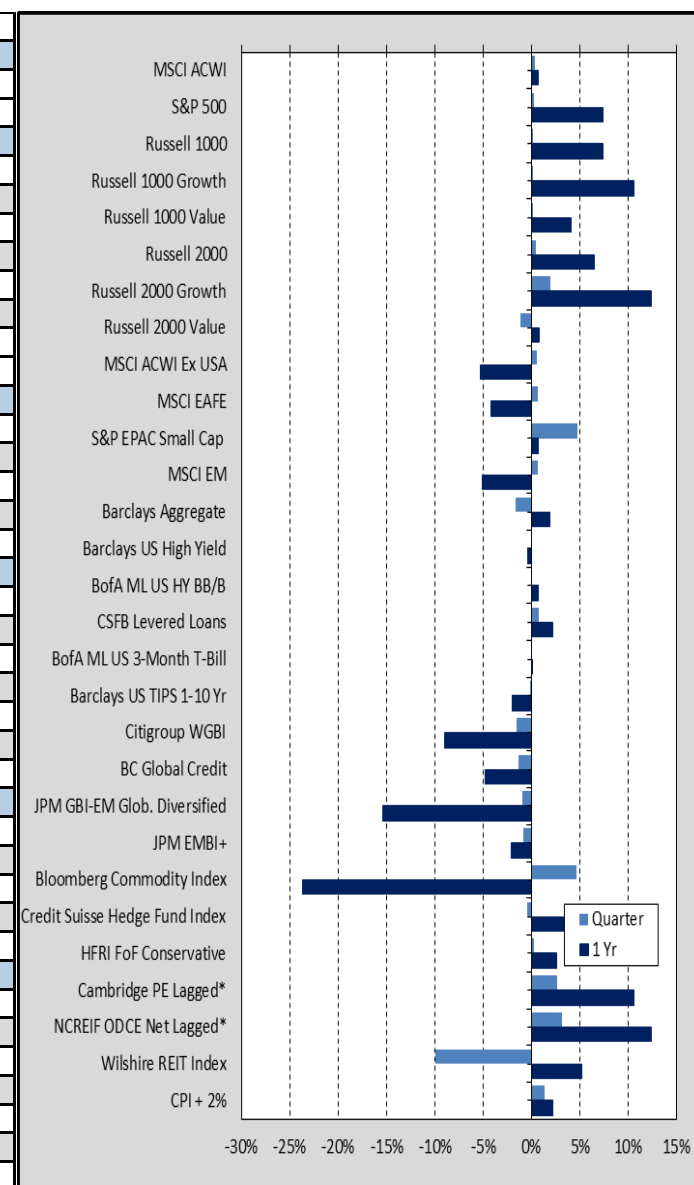
# Market Environment Update and Outlook

- **Second quarter GDP growth rate printed at +2.3%.**
  - Retail sales (ended May) at +1.6% on a year-over-year growth rate basis.
  - The inventory-to-sales ratio at May 31 was flat at 1.4 and has remained relatively flat since early 2010.
  - Corporate profits as a percent of GDP increased in the first quarter to 10.7% from 10.4% in the fourth quarter and remain elevated relative to historical levels.
  - The U.S. trade deficit widened slightly during May.
- **The unemployment rate fell to 5.3% in Q2 from 5.5% in Q1 2014; U-6, a broader measure of unemployment, fell to 10.5% during the second quarter.**
- **The Case-Shiller Home Price Index (as of 4/30) increased slightly to 170.0 from first quarter levels (168.2) and is at levels higher than that of pre-financial crisis levels of 150.92.**
- **Rolling 12-month seasonally adjusted CPI increased to +0.2% from -0.02% at the end of March; Capacity Utilization increased slightly to 77.8% in June.**
- **Fed Funds rate remains at 0.25%, while the 10-year Treasury Yield finished Q2 at 2.4% up 50 basis points from Q1.**
- **The Fed balance sheet declined slightly in Q2 2015, while the European Central Bank balance sheet increased in the same period.**
  - ECB continues asset purchases of €60 billion per month.
- **S&P valuations increased in June remaining above the 10-year and long-term averages**
  - Cyclically adjusted Shiller PE ratio (26.6x) is above the long-term average of 16.4x and above the 10-year average of 22.9x.
- **The U.S. Dollar continues to strengthen against a basket of major currencies as the Fed ends its quantitative easing program and the ECB ramps up easing.**
  - Currency volatility has seen a sustained uptick since Q1.



# Market Environment – Q2 2015 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>World Equity Benchmarks</b>						
MSCI ACWI	World	0.3%	0.7%	13.0%	11.9%	6.4%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Domestic Equity Benchmarks</b>						
S&P 500	Large Core	0.3%	7.4%	17.3%	17.3%	7.9%
Russell 1000	Large Core	0.1%	7.4%	17.7%	17.6%	8.1%
Russell 1000 Growth	Large Growth	0.1%	10.6%	18.0%	18.6%	9.1%
Russell 1000 Value	Large Value	0.1%	4.1%	17.3%	16.5%	7.0%
Russell 2000	Small Core	0.4%	6.5%	17.8%	17.1%	8.4%
Russell 2000 Growth	Small Growth	2.0%	12.3%	20.1%	19.3%	9.9%
Russell 2000 Value	Small Value	-1.2%	0.8%	15.5%	14.8%	6.9%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>International Equity Benchmarks</b>						
MSCI ACWI Ex USA	World ex-US	0.5%	-5.3%	9.4%	7.8%	5.5%
MSCI EAFE	Int'l Developed	0.6%	-4.2%	12.0%	9.5%	5.1%
S&P EPAC Small Cap	Small Cap Int'l	4.7%	0.7%	16.3%	12.9%	7.7%
MSCI EM	Emerging Equity	0.7%	-5.1%	3.7%	3.7%	8.1%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Domestic Fixed Income Benchmarks</b>						
Barclays Aggregate	Core Bonds	-1.7%	1.9%	1.8%	3.3%	4.4%
Barclays US High Yield	High Yield	0.0%	-0.4%	6.8%	8.6%	7.9%
BofA ML US HY BB/B	High Yield	0.0%	0.7%	6.8%	8.4%	7.2%
CSFB Levered Loans	Bank Loans	0.8%	2.2%	5.3%	5.7%	4.8%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.0%	0.1%	0.1%	1.4%
Barclays US TIPS 1-10 Yr	Inflation	-0.1%	-1.9%	-0.5%	2.4%	3.7%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Global Fixed Income Benchmarks</b>						
Citigroup WGBI	World Gov. Bonds	-1.5%	-9.0%	-2.4%	1.0%	3.1%
BC Global Credit	Global Bonds	-1.3%	-4.8%	2.2%	4.3%	4.2%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	-1.0%	-15.4%	-3.8%	0.9%	5.9%
JPM EMBI+	Em. Mkt. Bonds	-0.9%	-2.1%	2.8%	6.2%	7.2%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
<b>Alternative Benchmarks</b>						
Bloomberg Commodity Index	Commodity	4.7%	-23.7%	-8.8%	-3.9%	-2.6%
Credit Suisse Hedge Fund Index	Hedge Fund	-0.5%	3.3%	7.1%	6.2%	5.9%
HFRI FoF Conservative	Fund of Funds	0.2%	2.6%	5.5%	3.6%	2.6%
Cambridge PE Lagged*	Private Equity	2.6%	10.5%	14.4%	15.1%	13.7%
NCREIF ODCE Net Lagged*	Real Estate	3.2%	12.4%	11.6%	13.4%	6.0%
Wilshire REIT Index	REIT	-9.9%	5.2%	9.0%	14.7%	6.9%
CPI + 2%	Inflation/Real Assets	1.4%	2.2%	3.3%	3.9%	4.1%



\* As of 3/31/2015

## **Positives**

- **Divergence in monetary policies signaling different investment environments globally**
- **US Economy shows strength relative to other developed markets**
- **ECB monetary easing continues with €60 billion in monthly asset purchases**
  - ECB commits €1.3 trillion in asset purchases in the Eurozone
  - Global risk assets responding positively
  - Negative short dated interest rates in Eurozone
- **Contagion risk from Greece's Euro exit is largely contained**
  - Greece represents only 1.7% of total Eurozone GDP
- **Developed world inflation is low**
  - In US, CPI for all Urban Consumers on a seasonally adjusted basis bounced back to positive territory after posting negative results in Q1

## **Negatives**

- **Geopolitical instability continues to drive volatility**
  - Instability in the Mid-East, Eastern Europe, Greece, China
- **Slowing economic growth in China may have broad implications for many emerging economies**
  - Commodity producers impacted
- **Fed rate hike uncertainty contributed to volatility in domestic markets**
  - Market expecting a slow pace to rate increases
- **Valuations remain above 10 year and long term averages**
  - Developed Equity P/Es above median

## Global Equity

- **U.S. equities posted modest gains in the second quarter as global monetary accommodation ramped up.**
- **Small cap stocks outperformed large cap stocks during the quarter, with the Russell 2000 Index returning 0.4% and the Russell 1000 Index returning 0.1%.**
- **International equities outperformed U.S. markets during the quarter, returning 0.5%, as measured by the MSCI ACWI ex-U.S. Index.**
  - Developed markets returned 0.6% as measured by the MSCI EAFE Index. Relatively strong returns were posted by Hong Kong and Japan at +5.6% and +3.1% respectively.
  - Emerging markets returned +0.7% as measured by the MSCI Emerging Markets Index in U.S. dollar terms. Russia and China bolstered the quarter returning +7.6% and +6.0% respectively.

## Private Equity

- **New private equity commitments totaled \$101.5 billion in Q2 2015.**
  - Rapid fundraising pace continues for high demand managers.
- **Buyout and growth equity funds raised \$57 billion in Q2 2015.**
  - Very strong Q2 totals driven by one fund which raised \$17 billion.
- **Venture capital raised \$24.6 billion ended June.**
  - At 13% of total private equity raised, commitments are just below the 10-year historic relative average and are buoyed by strong IPO and M&A environment.
- **Energy funds raised \$30.1 billion representing 16% of capital raised in Q2.**
  - Investors are opportunistically approaching the energy market dislocation.
- **Asian private equity commitments slowed to total 6% of total funds raised down from 10% in 2014.**
- **European commitments comprised 17% of all new PE commitments in Q2 2015.**
  - 70% of European funds raised were based in the United Kingdom.

## Fixed Income

- **The yield curve steepened amid global financial instability in the Eurozone and the Fed's rate hike signaling.**
- **The spread between two and 10-year rates increased to 176 basis points from 138 basis points ended March. Treasury Inflation-Protected Securities, or TIPS, returned -1.1% during the quarter, as measured by the Barclays US TIPS Index.**
- **The Barclays Long Duration Credit Index lost -7.3% as the long end of the curve ended the quarter 57 basis points higher.**
- **Long Treasuries fell -8.3% and investment-grade corporate debt lost -2.9%.**
  - Despite strong earnings and credit fundamentals, the overall performance of US high-grade corporate bonds was hindered by record new issuance, which contributed to 16 basis points of spread widening in the quarter. Issuance has totaled almost \$650 billion year-to-date (with a record issuance of \$155 billion in May). This issuance is over 20% higher than in the first half of 2014.
- **The Barclays 1-3 year Government/ Credit Index returned 0.1% and US high yield bonds were flat returning 0%.**
- **Emerging markets debt continued to slow in local and external currency as yields increased globally.**
  - US dollar-denominated debt, as measured by the JP Morgan EMBI Index, fell 34 basis points; local currency debt fell 96 basis points, according to the JP Morgan GBI-EM Index.
  - Emerging market currencies—in particular, the Mexican peso, Thai baht and Turkish Lira—weakens against the US dollar.

## Real Assets/Inflation-Linked Assets

- **Massive energy market dislocation.**
  - Oil prices trending lower.
  - Private equity and private debt opportunities attractive.
  - Potential for public stressed/distressed credit, equity and commodity plays.
- **OPEC and Saudi Arabia have indicated a willingness to allow lower oil prices to persist in efforts to cement market share and reduce marginal supply.**
- **Select infrastructure opportunities are attractive.**
  - Target opportunistic strategies in niche sub-sectors to take advantage of market dislocations.
- **NEPC continues to believe in the long-term demand drivers in agriculture.**
  - Long-term commodity prices driven by growing emerging market demand.
  - Softness in commodity prices may provide attractive entry point.
- **Timber opportunity set limited but warrants further review**
  - 45% increase in housing starts forecasted; timber prices highly correlated

## Commodities

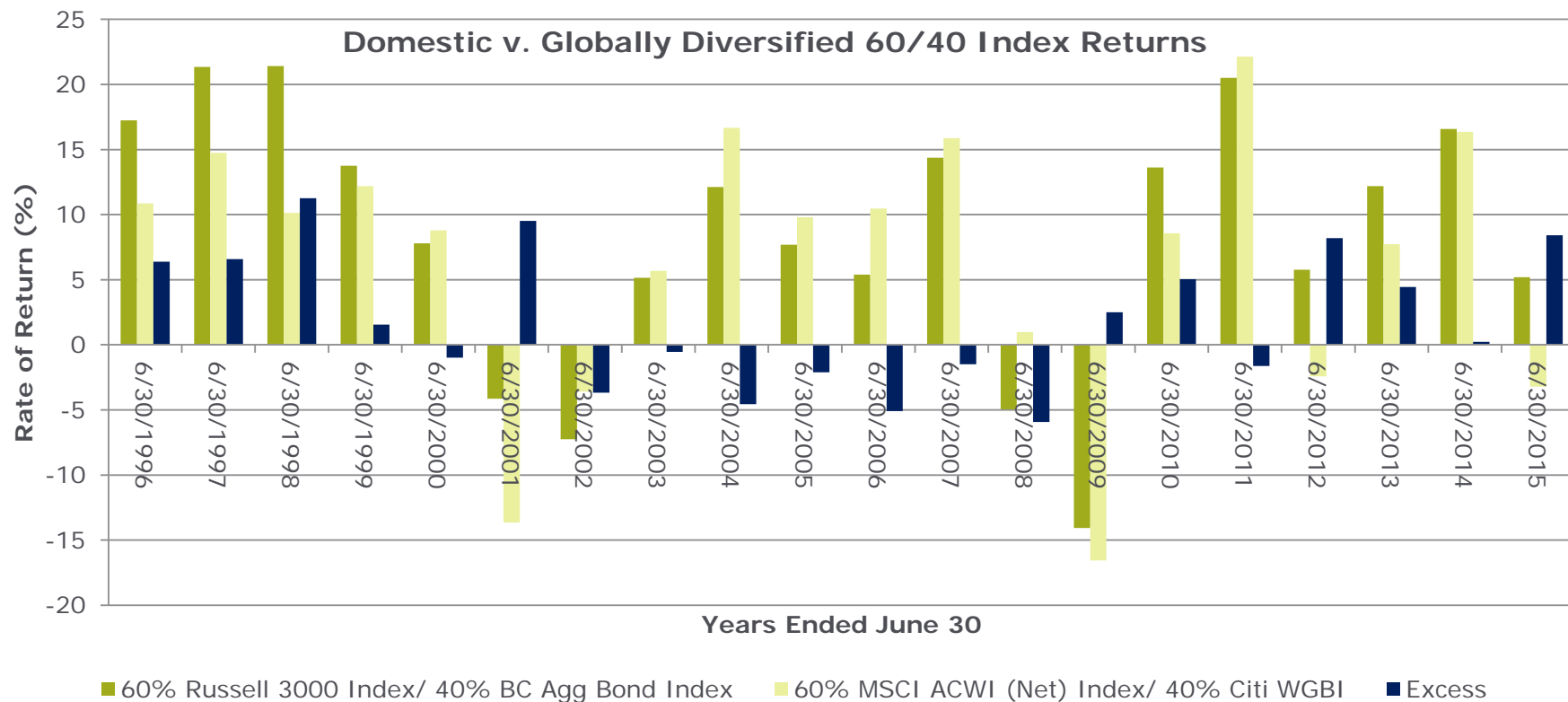
- **Commodities broke their three quarter losing streak with the Bloomberg Commodity Index posting a 4.7% gain.**
  - Energy and agriculture led the way, while industrial metals, precious metals and livestock declined.
  - The Bloomberg WTI Crude Oil Index gained 17.5% for the quarter amid continued declines in rig counts and announced project deferrals, expectations of demand rebounding and lower US output.

## Real Estate

- **NEPC continues to be neutral on core real estate in the US and remains positive on non-core real estate, that is, value-add and opportunistic strategies.**
- **Within U.S. core real estate, strong fundamentals continue to be the story along with attractive income spreads relative to interest rates.**
  - Real estate fundamentals and debt terms are attractive, however valuations are high and the possibility of rising interest rates and the impact on cap rates causes concern.
- **U.S. REITs posted a very weak quarter with a -9.9% return.**
  - FFO multiples are high, at approximately 15x but are decreasing.
  - REITs are trading at a discount to NAV.
- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**
- **Europe is viewed as the best place for a marginal dollar of non-core real estate investment.**
  - Europe is emerging from multi-year recession, but recovery is slow and uneven with global markets experiencing large capital inflows.
  - Banks in EU are still overleveraged and have significant real estate exposure to jettison.

- **Be judicious with risk**
  - Avoid chasing risk for only marginal return enhancements
  - Less liquid opportunities may provide the best risk-adjusted approach, but liquidity needs should be incorporated (e.g., substituting direct lending for high yield)
- **Catalysts are present to drive international equity markets above pre-financial crisis highs**
  - Encourage an equal weight exposure to international developed and US equities
  - If currency hedged, encourage larger international developed equity exposure relative to US equities
- **Question the “traditional” approach; different investment environments require different perspectives of risk and return**
  - A low-return environment may require a fresh perspective
  - Continue to remove traditional portfolio constraints by adding active managers with skill to exploit inefficiencies within and across asset classes (e.g., flexible global equity, global asset allocation, absolute return fixed income)
- **Rethink fixed income portfolio structure in light of current market environment**
  - Use of an unconstrained/multi-sector fixed income portfolio may provide sound diversification and enhanced liquidity
  - Examine if alternatives are available to traditional portfolio positions (e.g., combining cash and long treasuries vs. holding core bond portfolio)

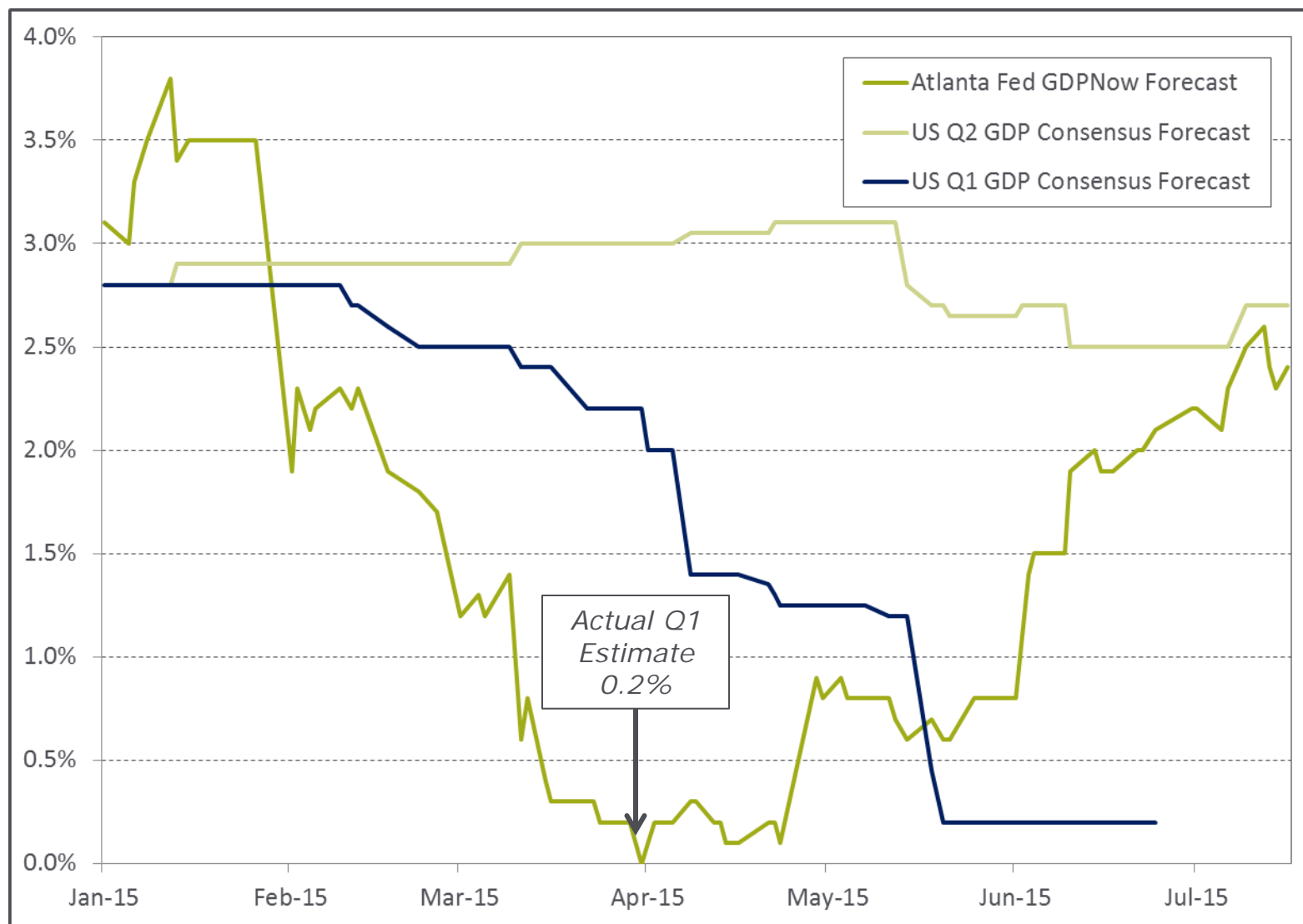
# Domestic vs. Internationally Diversified Index Returns



- In the past 20 years domestic focused portfolios have only experienced two periods of greater outperformance; 1998 and 2001

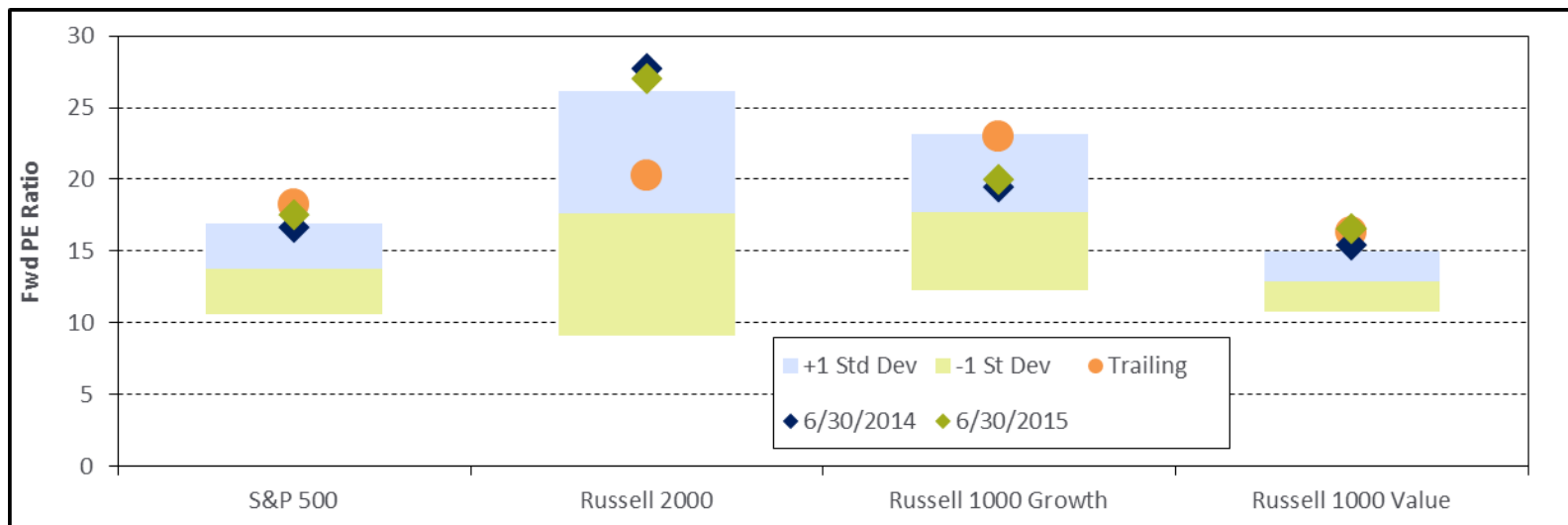


# US Economy Appears Poised to Rebound After Lackluster First Quarter



Source: Atlanta Fed, Bloomberg

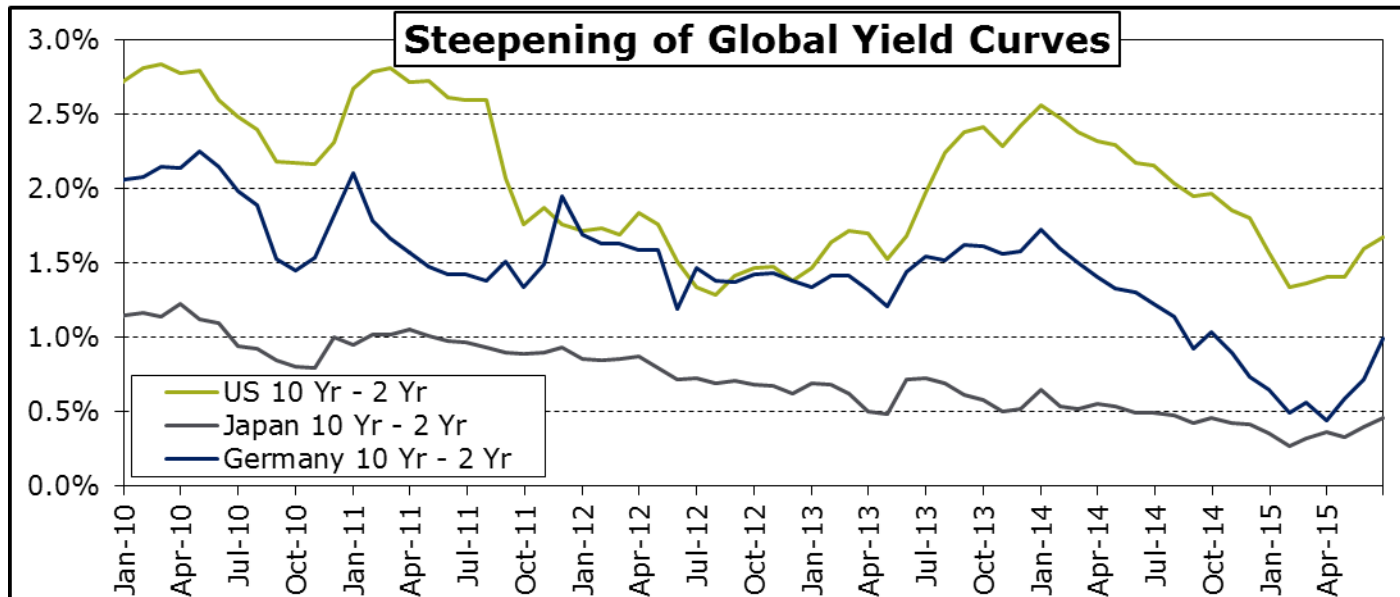
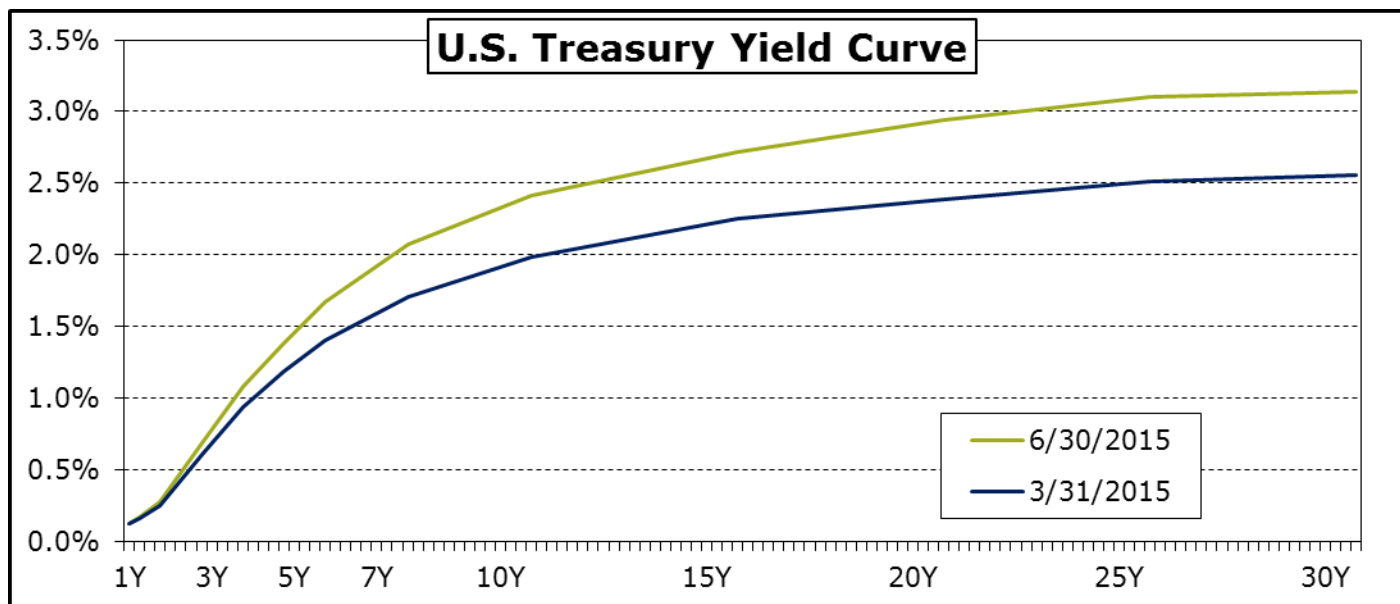
# Higher Valuations Supported by Expectations of Low Volatility



Source: Bloomberg, NEPC

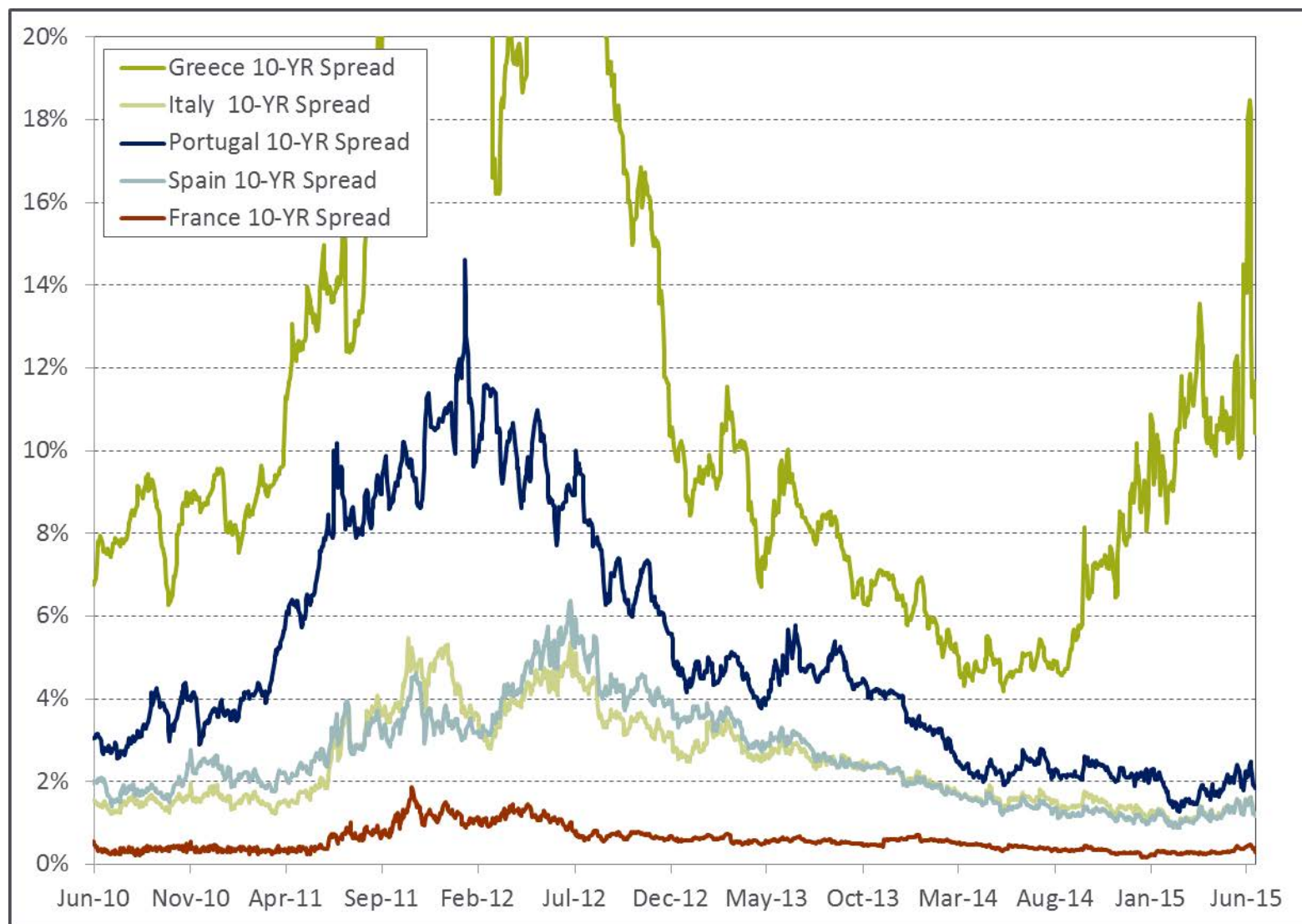


Source: Chicago Board Options Exchange, Bloomberg



Source: Bloomberg, as of 6/30/2015

## Contagion Risks Appear Contained – Spread Over German Yields Relatively Unchanged



Source: Bloomberg, NEPC

- **US equities face headwinds but without major concerns**
  - Cautiously optimistic on US economy but Fed rate hike remains on the horizon
  - Dollar strength likely to slow earnings growth and valuations above average
- **Recommend an overweight exposure to developed market equities**
  - Suggest investors opportunistically exploit future volatility to add to the overweight
  - Long-term opportunity remains as earnings improve off cyclical lows in Europe/Japan
  - We continue to recommend a 50% hedge for developed market currency exposure
- **Recommend investors maintain a benchmark neutral weight in emerging market equities**
  - Long-term EM fundamentals remain attractive but risks and divergences across countries are significant
  - Encourage the use of benchmark agnostic investment strategies with a bias towards emerging market countries undertaking both economic and political reforms
- **Encourage investors to shift from benchmark-focused global bond strategies to US duration exposures**
  - Global interest rate volatility enhanced by QE programs and central bank activity
  - Consider a small allocation to long duration treasuries, long gov/credit, or long TIPS to fill US duration exposure
- **Encourage investors to be patient with evolving opportunities in commodity markets as volatility is high**
  - Limited distress so far but credit conditions likely to weaken

# NEPC Updates

June 30, 2015

## Highlights of Second Quarter Happenings at NEPC

### NEPC Research

#### Recent White Papers

- 2015 2<sup>nd</sup> Quarter Market Thoughts
- *Rising Rates and Implications for Credit Investors* (April 2015) – Seth Bancroft, Senior Research Analyst, Traditional Research
- *Socially Responsible Investing in Action* (May 2015) – Sheila Healy Berube, CFA, Senior Consultant.
- *A Dynamic Approach to Pension Glide Paths* (May 2015) - Christopher A. Levell, ASA, CFA, CAIA, Partner, Client Strategy



### NEPC Client Recognitions

- NEPC is pleased to announce that two of our clients recently won *Institutional Investor Intelligence Awards*. Ruth Ryerson, Executive Director at Wyoming Retirement System, was a co-winner of the Executive Director of the Year award, along with Steve Yoakum from Public School and Education Employee Retirement Systems of Missouri. Dave Underwood, Deputy CIO and Portfolio Manager – Equities at Arizona State Retirement System, won the *Institutional Investor Intelligence Award: Innovator*.

### NEPC Recognitions

- We are pleased to announce that **NEPC has won two Alternative Investment Awards for 2015** from *Wealth & Finance International*, one for Sustained Excellence in Client Investment Management and the other for Macro Strategy Specialist of the Year – USA. Awards Coordinator Peter Rujgev commented, "The caliber of the 2015 nominees was simply outstanding and this ensured that the judging process was more than a little demanding. Put simply, our winners represent the very best of the best and with such a tremendous amount of competition, it is an honor to acknowledge them and wish them well for another award winning year ahead."

### News from NEPC

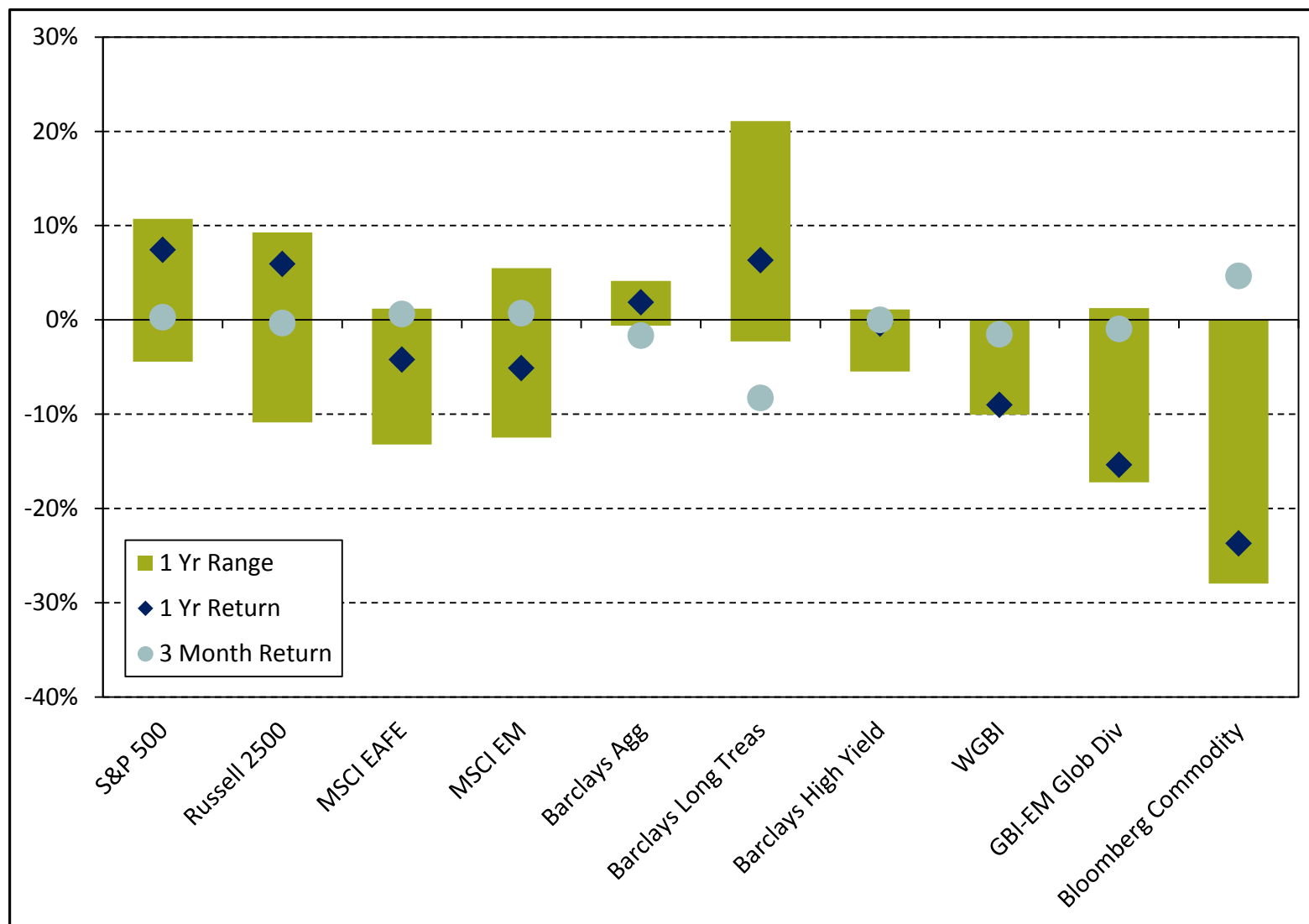
- **Doris Ewing honored by the NASP.** Please join us in congratulating retired NEPC Partner, Doris Ewing, who was honored as the first female African-American Partner of an Investment Consulting Firm at the NASP Women's Legends Tea on June 14 in Chicago. Congratulations Doris!

### Recent Events

- **NEPC Clients Invited to the White House.** A diverse group of NEPC clients were invited to the White House on June 16 for the Clean Energy Investment Summit. The goal of the event was to help address the fundraising gap for scalable investments in clean energy and catalyze more institutional investment. Attendees engaged with senior members of the Administration to discuss recent or potential clean energy investments.



# Broad Market Performance Summary as of 6/30/2015



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan  
 \*1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago

# Total Fund Performance

Note: All of the data shown on the following pages is as of June 30, 2015 and reflects the deduction of investment manager fees, unless otherwise noted.



# Ventura County Employees' Retirement Association

## Total Fund Performance Summary (Net)

	Market Value	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank	Return	Since
<b>Total Fund</b>	<b>\$4,338,136,581</b>	<b>-0.1%</b>	<b>72</b>	<b>1.9%</b>	<b>89</b>	<b>1.7%</b>	<b>70</b>	<b>11.0%</b>	<b>26</b>	<b>11.6%</b>	<b>14</b>	<b>6.5%</b>	<b>39</b>	<b>8.2%</b>	<b>Apr-94</b>
Policy Index		0.3%	52	2.3%	66	3.4%	25	11.1%	24	11.2%	22	6.7%	26	8.2%	Apr-94
Allocation Index		0.1%	59	2.0%	88	2.7%	50	10.4%	42	10.7%	41	6.3%	51	--	Apr-94
InvestorForce Public DB > \$1B Net Median		0.3%		2.7%		2.6%		10.2%		10.3%		6.3%		7.6%	Apr-94

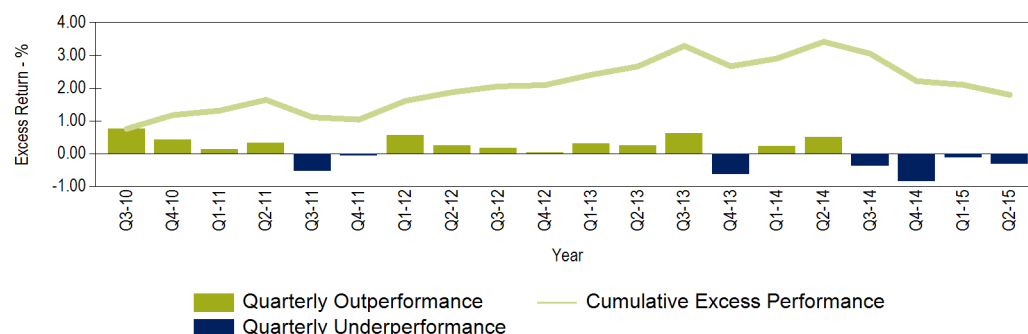
- For the one-year period ending June 30, 2015, the Fund produced a net investment gain of \$95 million, which includes a net investment gain of \$2.7 million in the quarter. Assets increased from \$4.26 billion one year ago to \$4.34 billion on June 30, 2015 with \$15.1 million in net distributions during the year.

- For the one-year period ending June 30, 2015, the Fund returned 1.7%, trailing the policy index by 1.7% and ranking in the 70th percentile of the InvestorForce Public Funds > \$1 Billion Universe (Net of Fees).

- For the three-year period ending June 30, 2015, the Fund returned 11.0%, underperforming the policy index by 0.1% and ranking in the 26th percentile of its peers. The Fund's volatility, as measured by standard deviation, ranked in the 67th percentile of its peers, and the risk-adjusted return, or Sharpe Ratio, ranks in the 49th percentile. This means that the Fund has earned more return per unit of risk taken than 51% of its peers.

- For the five-year period ending June 30, 2015, the Fund returned 11.6%, outperforming the policy index by 0.4% and ranking in the 14th percentile of its peers. The Fund's volatility ranks in the bottom quartile of its peers over this period, with the Fund's Sharpe Ratio being slightly above the median Fund in the universe.

### Quarterly and Cumulative Excess Performance



### 3 Years Ending June 30, 2015

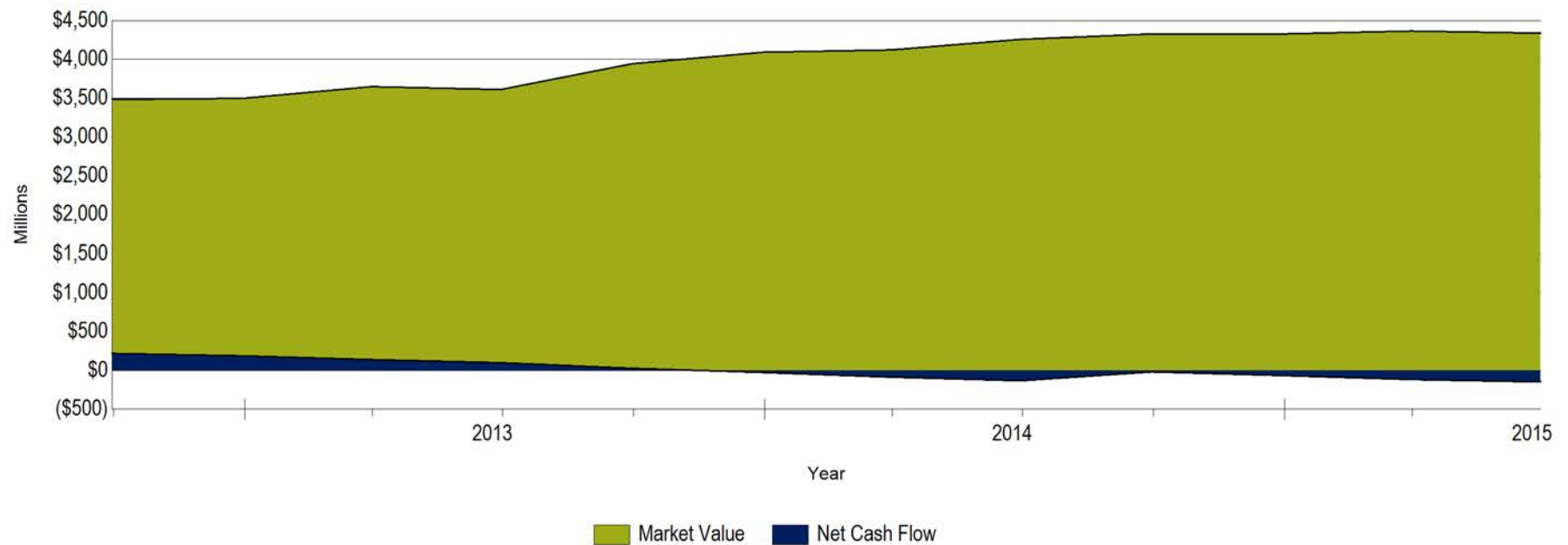
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Total Fund	11.0%	26	5.6%	67	2.0	49	4.9	18
Policy Index	11.1%	24	5.4%	55	2.0	31	4.9	17
InvestorForce Public DB > \$1B Net Median	10.2%	--	5.3%	--	1.9	--	4.1	--

### 5 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Total Fund	11.6%	14	8.6%	87	1.3	45	2.2	28
Policy Index	11.2%	22	8.4%	75	1.3	50	2.1	41
InvestorForce Public DB > \$1B Net Median	10.3%	--	7.6%	--	1.3	--	2.1	--

## Total Fund Asset Growth Summary

Market Value History  
3 Years Ending June 30, 2015

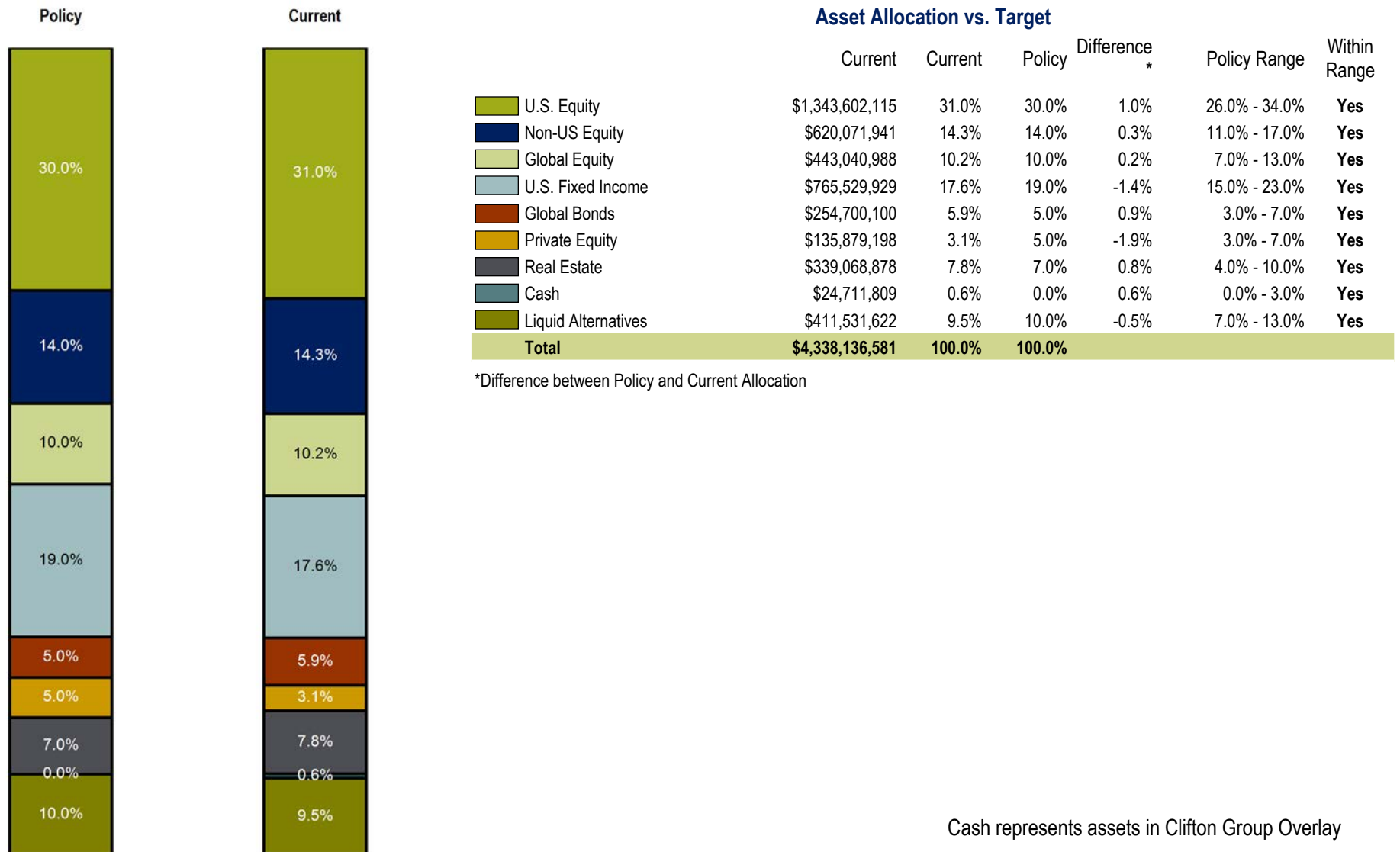


### Summary of Cash Flows

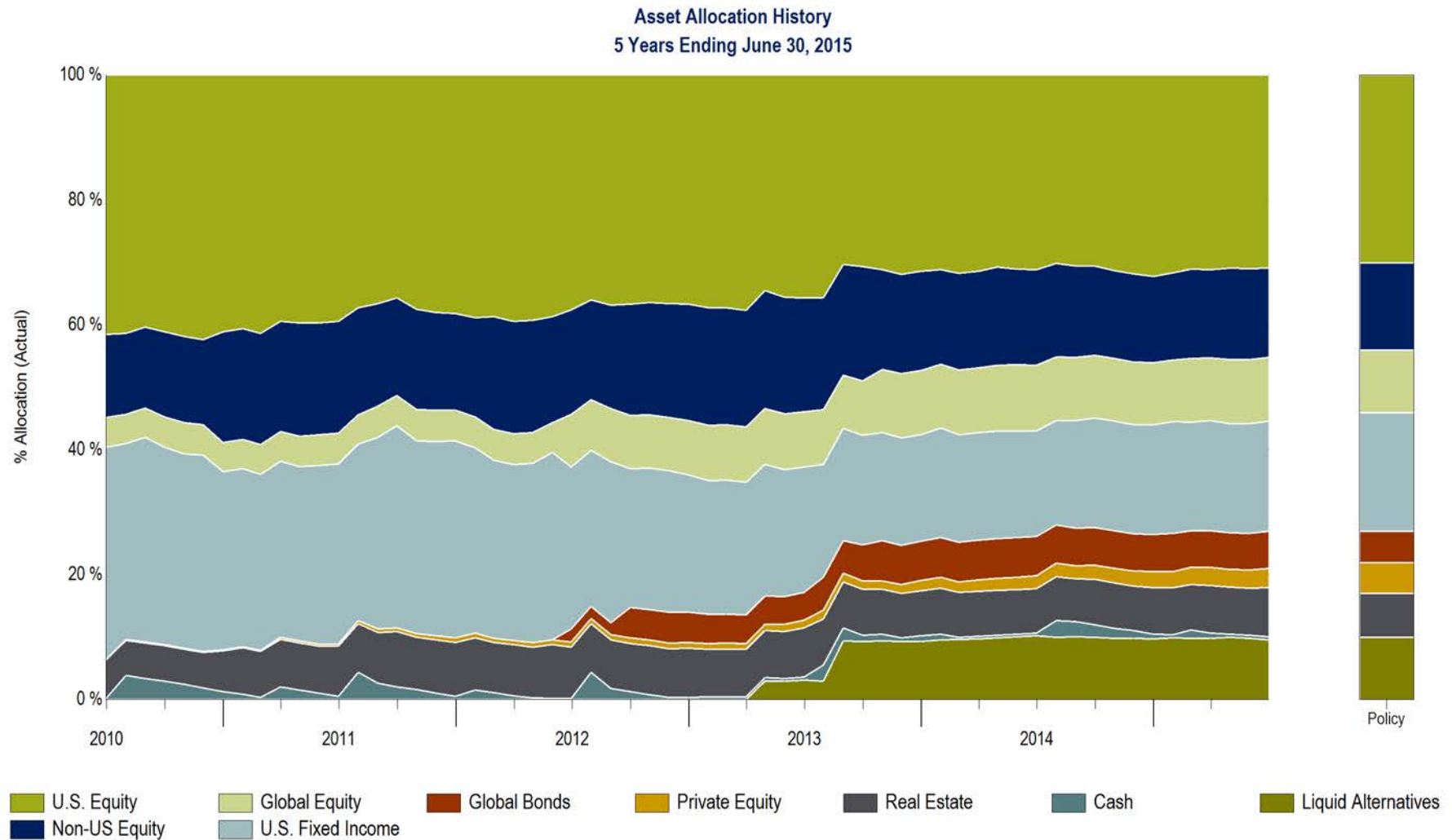
Sources of Portfolio Growth	Second Quarter	One Year	Three Years
Beginning Market Value	\$4,365,835,058	\$4,258,489,574	\$3,198,890,219
Net Additions/Withdrawals	-\$30,442,056	-\$15,081,037	-\$148,080,514
Investment Earnings	\$2,743,579	\$94,728,044	\$1,287,326,876
Ending Market Value	\$4,338,136,581	\$4,338,136,581	\$4,338,136,581

# Ventura County Employees' Retirement Association

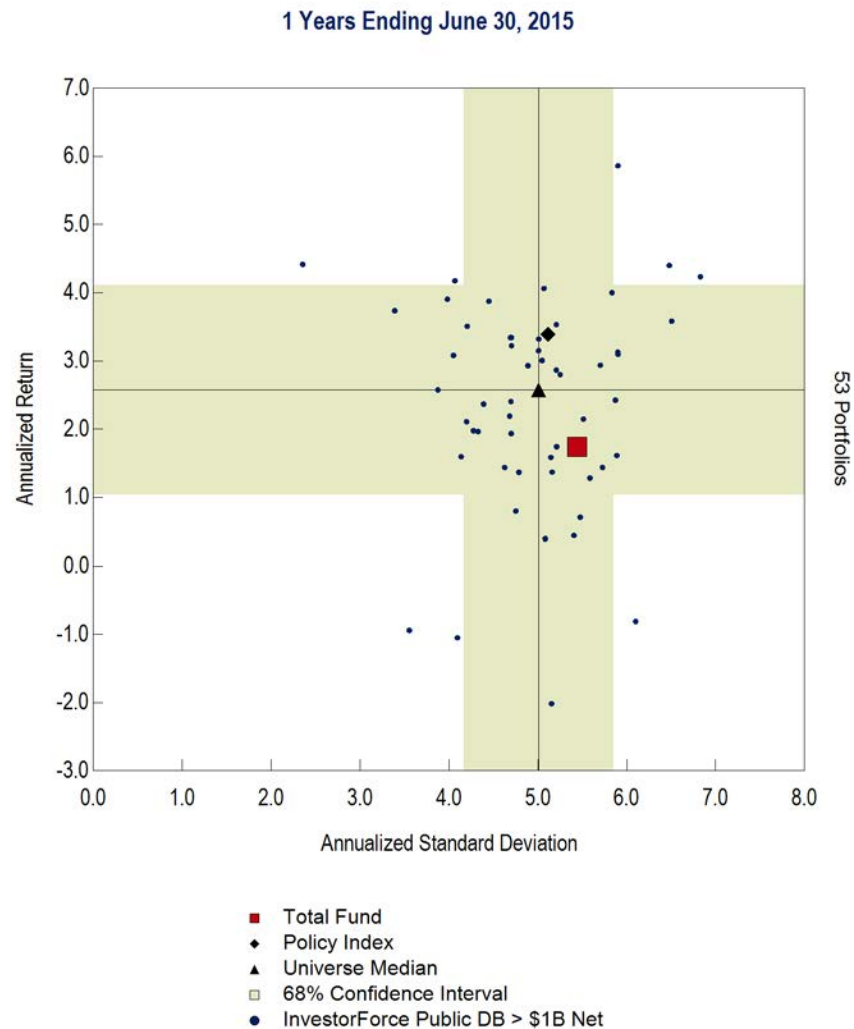
## Total Fund Asset Allocation vs. Policy Targets



# Total Fund Allocation History



## Total Fund Risk/Return

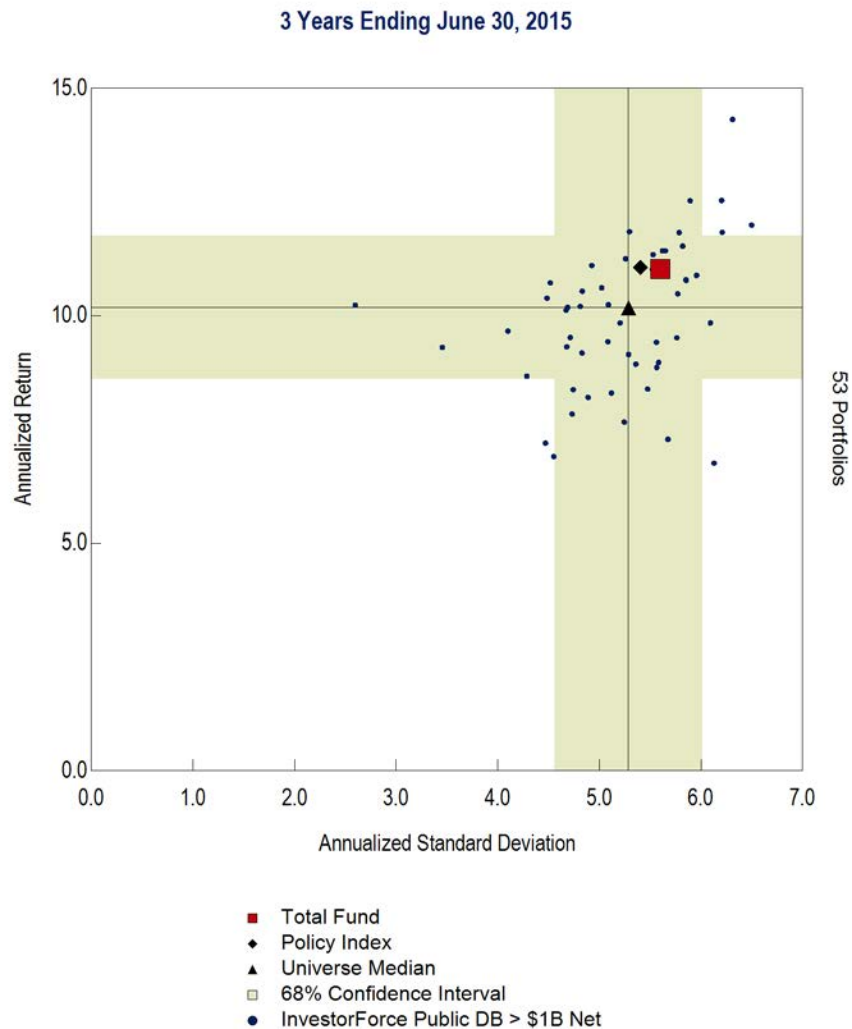


## 1 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	1.7%	70	5.4%	73
Policy Index	3.4%	25	5.1%	57
InvestorForce Public DB > \$1B Net Median	2.6%	--	5.0%	--

## 1 Years Ending June 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	0.3	73	0.8	66
Policy Index	0.7	31	1.9	9
InvestorForce Public DB > \$1B Net Median	0.5	--	1.0	--

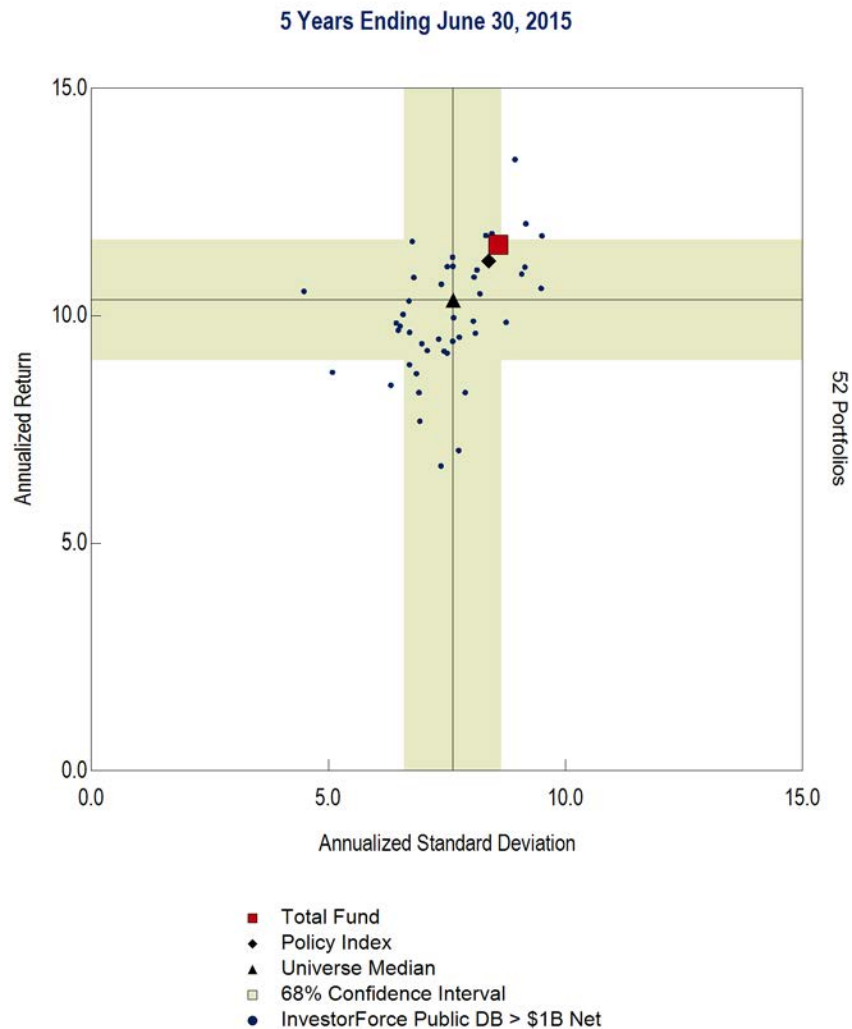


3 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	11.0%	26	5.6%	67
Policy Index	11.1%	24	5.4%	55
InvestorForce Public DB > \$1B Net Median	10.2%	--	5.3%	--

3 Years Ending June 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	2.0	49	4.9	18
Policy Index	2.0	31	5.0	17
InvestorForce Public DB > \$1B Net Median	1.9	--	4.1	--



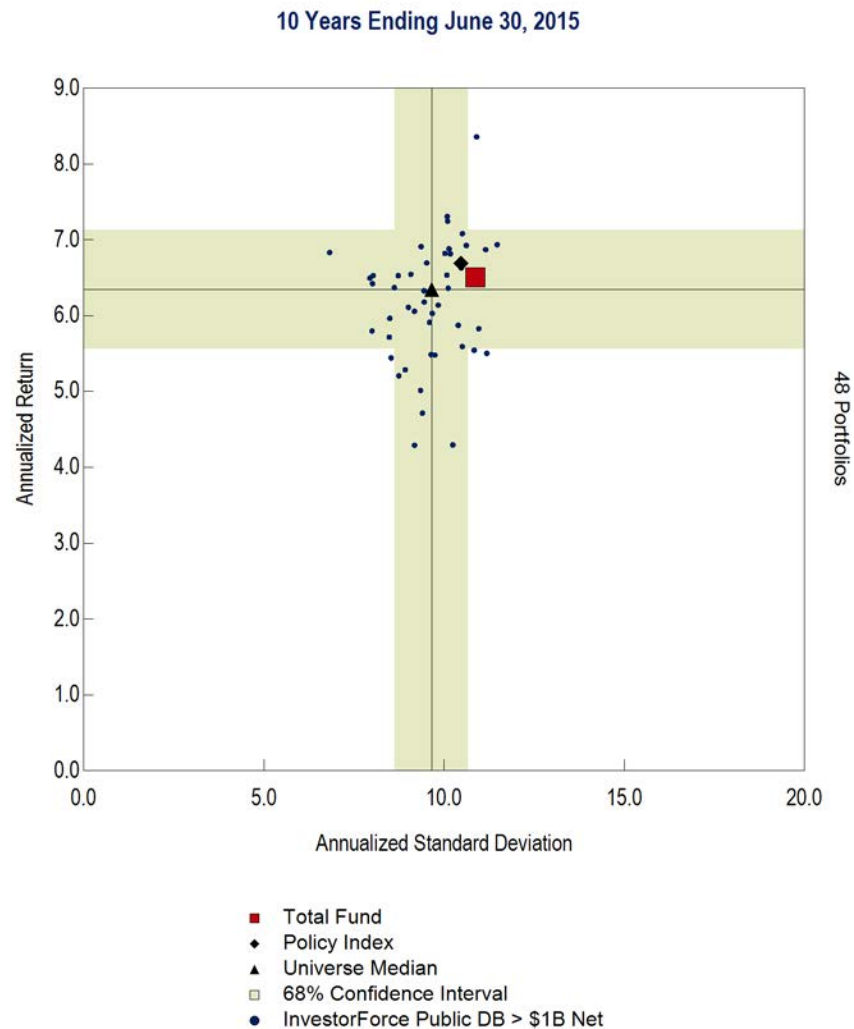
5 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	11.6%	14	8.6%	87
Policy Index	11.2%	22	8.4%	75
InvestorForce Public DB > \$1B Net Median	10.3%	--	7.6%	--

5 Years Ending June 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	1.3	45	2.2	28
Policy Index	1.3	50	2.2	40
InvestorForce Public DB > \$1B Net Median	1.3	--	2.1	--

## Total Fund Risk/Return



## 10 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	6.5%	39	10.9%	89
Policy Index	6.7%	26	10.5%	77
InvestorForce Public DB > \$1B Net Median	6.3%	--	9.7%	--

## 10 Years Ending June 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	0.5	71	0.7	62
Policy Index	0.5	52	0.7	49
InvestorForce Public DB > \$1B Net Median	0.5	--	0.7	--



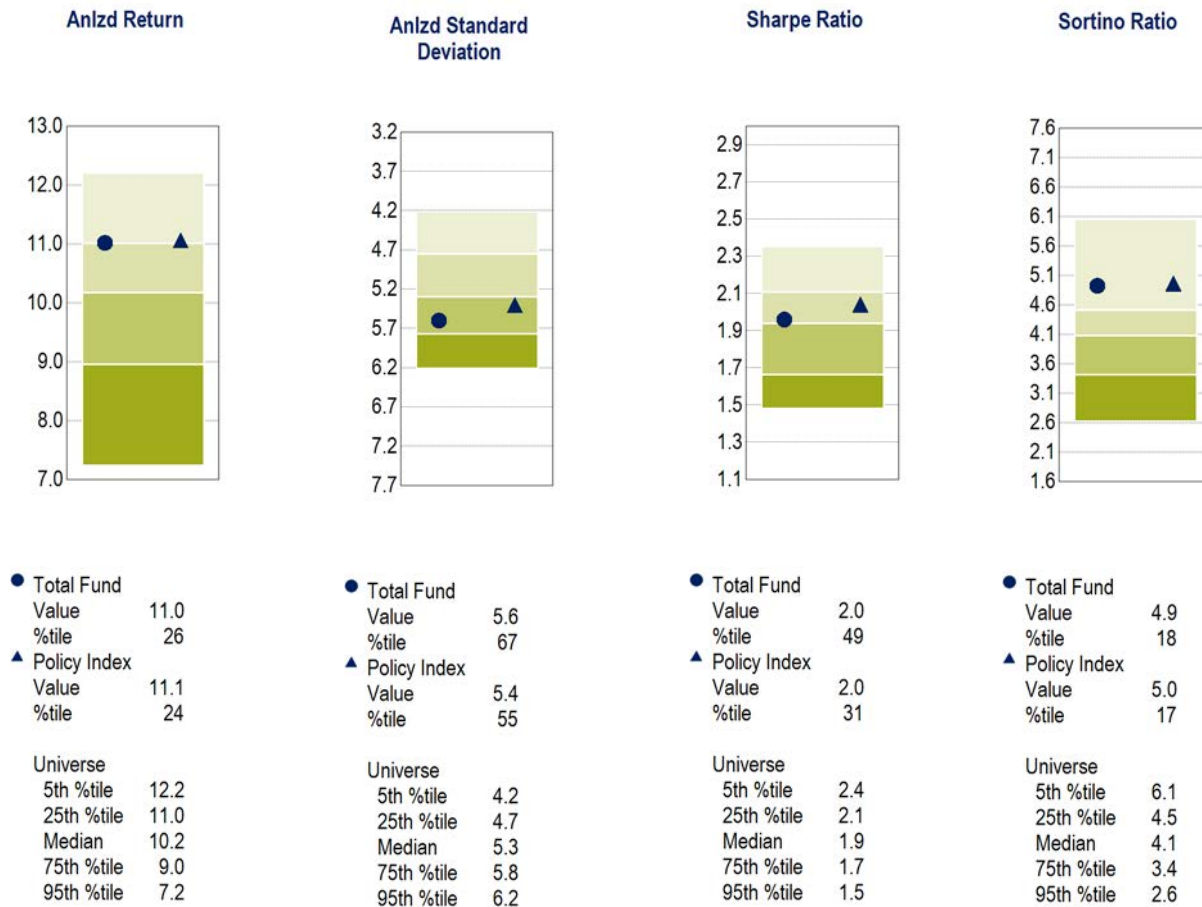
## Total Fund Risk Statistics vs. Peer Universe

### Total Fund vs. InvestorForce Public DB > \$1B Net 1 Year



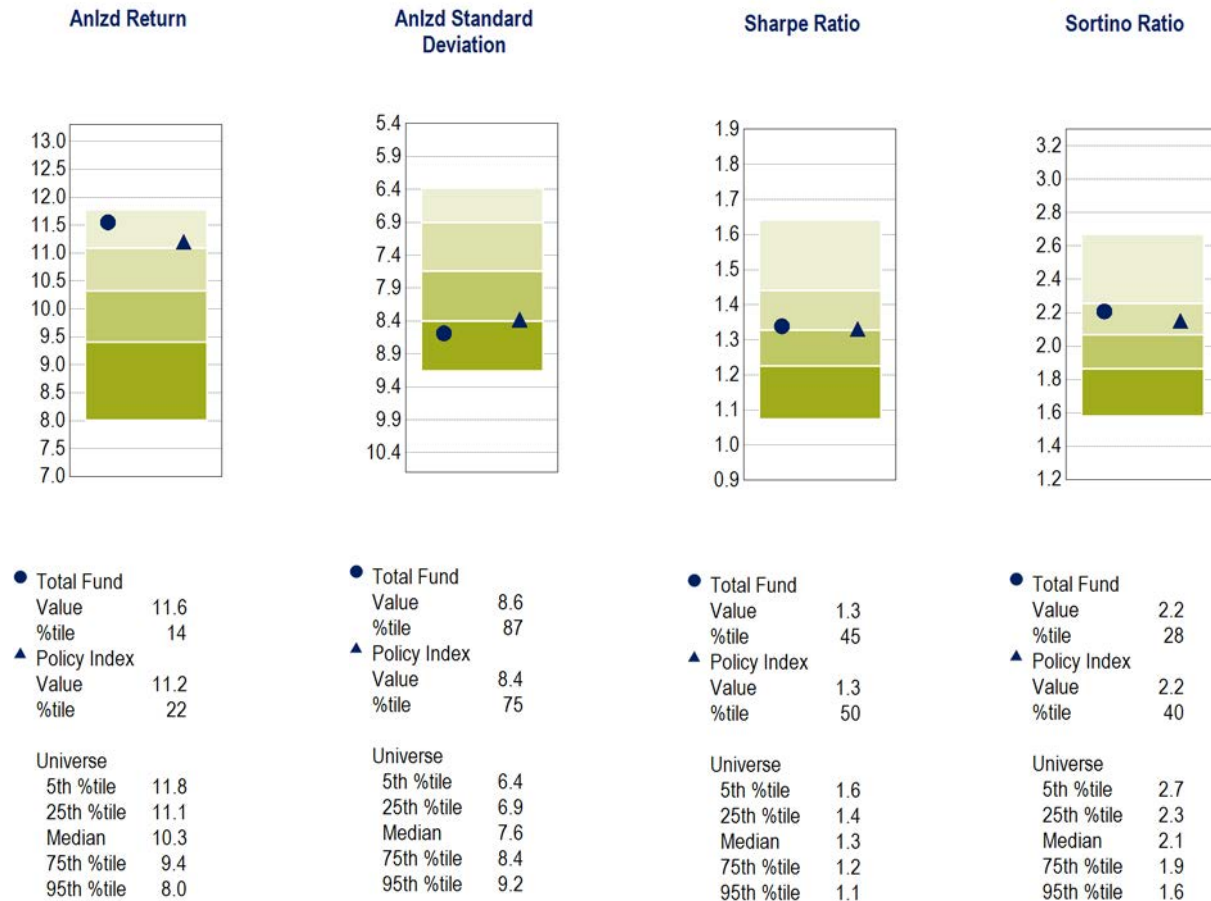
## Total Fund Risk Statistics vs. Peer Universe

### Total Fund vs. InvestorForce Public DB > \$1B Net 3 Years



## Total Fund Risk Statistics vs. Peer Universe

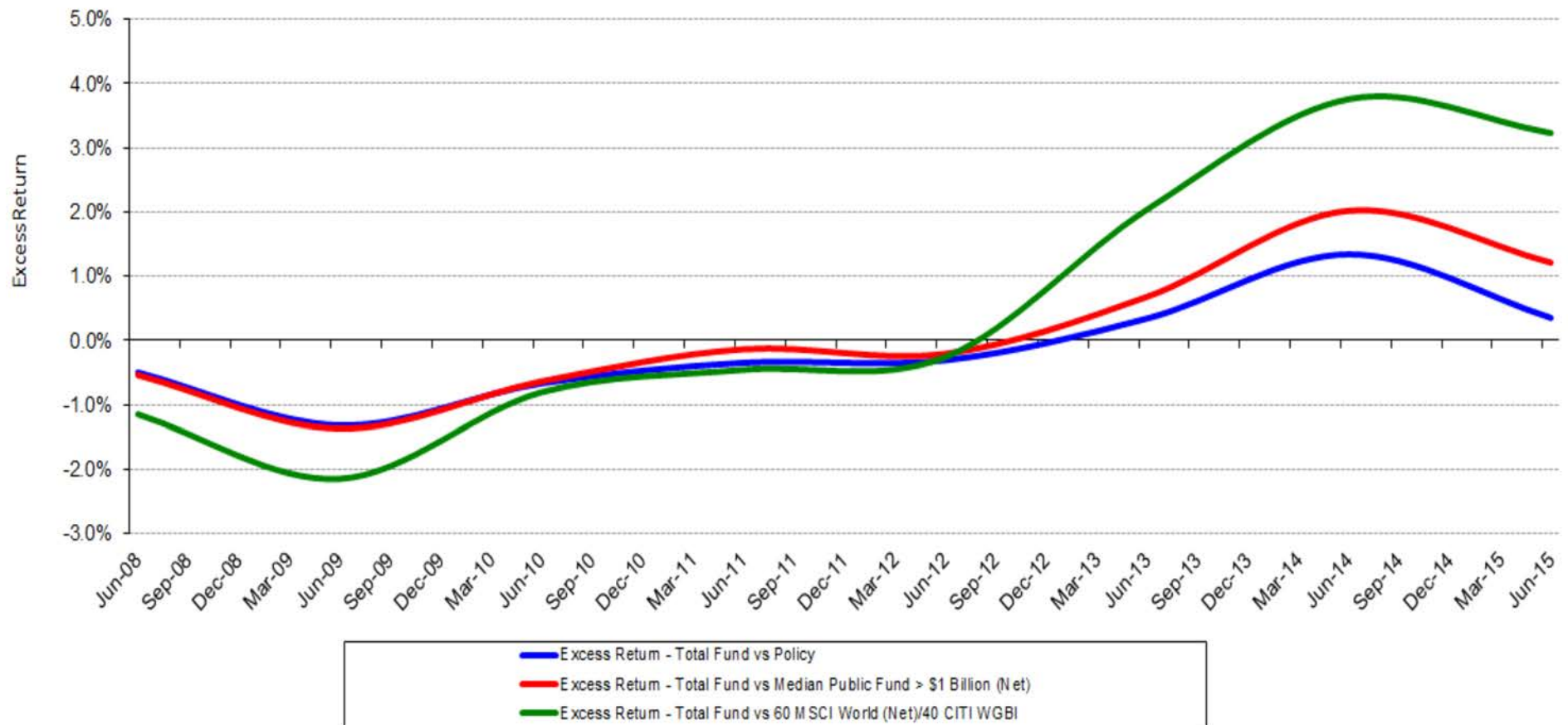
### Total Fund vs. InvestorForce Public DB > \$1B Net 5 Years



## Total Fund Risk Statistics vs. Peer Universe

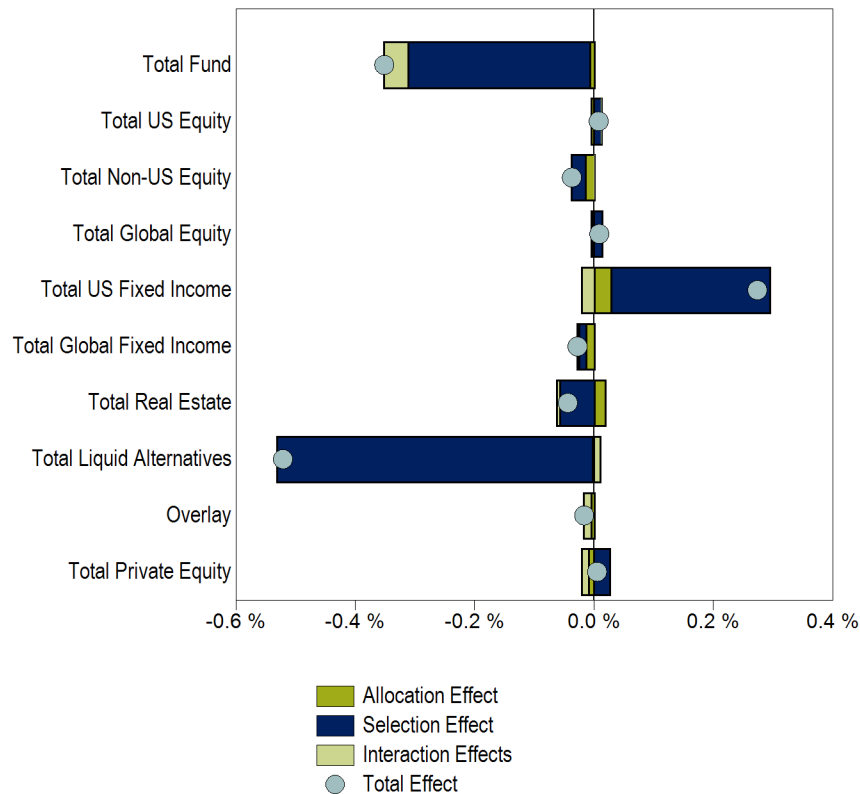
### Total Fund vs. InvestorForce Public DB > \$1B Net 10 Years





## Total Fund Attribution Analysis

Attribution Effects  
3 Months Ending June 30, 2015

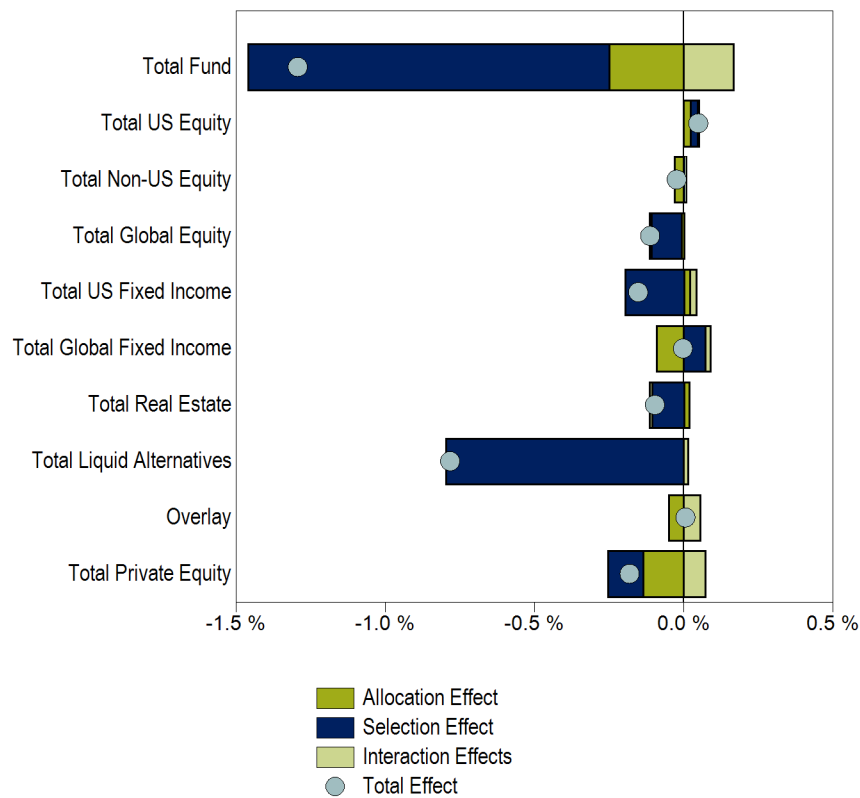


Attribution Summary  
3 Months Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Non-US Equity	0.4%	0.5%	-0.2%	0.0%	0.0%	0.0%	0.0%
Total Global Equity	0.5%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Total US Fixed Income	-0.3%	-1.7%	1.4%	0.3%	0.0%	0.0%	0.3%
Total Global Fixed Income	-1.4%	-1.2%	-0.2%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	3.0%	3.8%	-0.8%	-0.1%	0.0%	0.0%	0.0%
Total Liquid Alternatives	-3.2%	2.1%	-5.3%	-0.5%	0.0%	0.0%	-0.5%
Overlay	-0.2%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%
Total Private Equity	1.2%	0.7%	0.5%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>-0.1%</b>	<b>0.3%</b>	<b>-0.4%</b>	<b>-0.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-0.4%</b>

## Total Fund Attribution Analysis

**Attribution Effects**  
9 Months Ending June 30, 2015



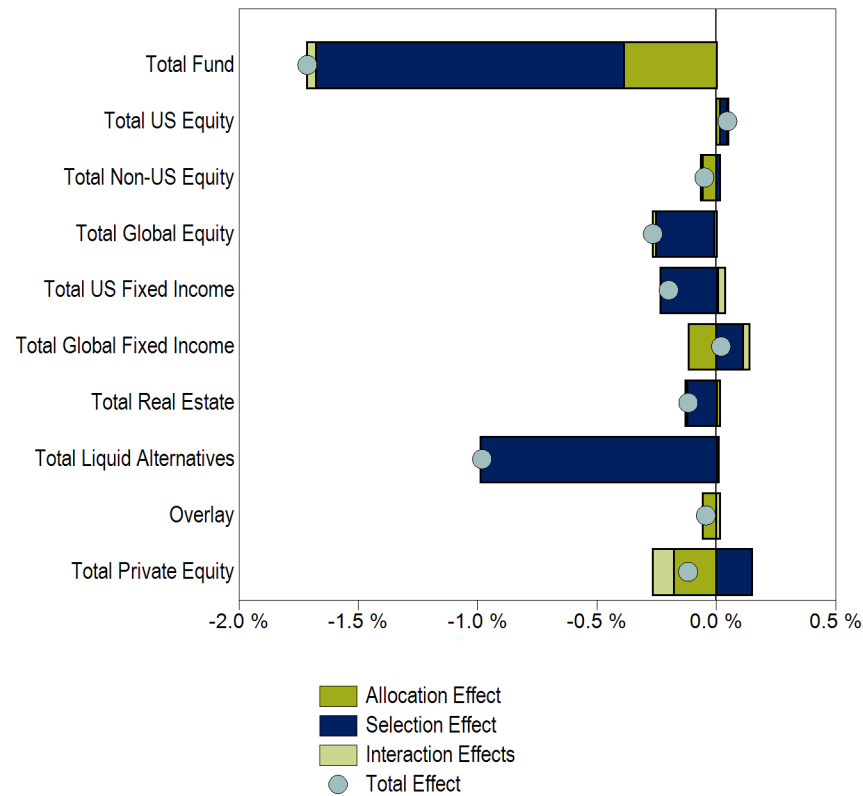
**Attribution Summary**  
9 Months Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	7.4%	7.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Non-US Equity	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Global Equity	2.1%	3.1%	-1.0%	-0.1%	0.0%	0.0%	-0.1%
Total US Fixed Income	0.7%	1.7%	-1.0%	-0.2%	0.0%	0.0%	-0.2%
Total Global Fixed Income	-2.7%	-4.1%	1.4%	0.1%	-0.1%	0.0%	0.0%
Total Real Estate	9.3%	10.8%	-1.6%	-0.1%	0.0%	0.0%	-0.1%
Total Liquid Alternatives	-4.5%	3.2%	-7.7%	-0.8%	0.0%	0.0%	-0.8%
Overlay	3.4%	0.0%	3.4%	0.0%	0.0%	0.1%	0.0%
Total Private Equity	7.3%	9.5%	-2.2%	-0.1%	-0.1%	0.1%	-0.2%
<b>Total</b>	<b>2.9%</b>	<b>4.2%</b>	<b>-1.3%</b>	<b>-1.2%</b>	<b>-0.3%</b>	<b>0.2%</b>	<b>-1.3%</b>

# Ventura County Employees' Retirement Association

## Total Fund Attribution Analysis

**Attribution Effects**  
1 Year Ending June 30, 2015



**Attribution Summary**  
1 Year Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	7.3%	7.2%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Non-US Equity	-5.1%	-5.3%	0.2%	0.0%	-0.1%	0.0%	-0.1%
Total Global Equity	-1.7%	0.7%	-2.4%	-0.2%	0.0%	0.0%	-0.3%
Total US Fixed Income	0.7%	1.9%	-1.2%	-0.2%	0.0%	0.0%	-0.2%
Total Global Fixed Income	-5.0%	-7.1%	2.1%	0.1%	-0.1%	0.0%	0.0%
Total Real Estate	12.6%	14.4%	-1.9%	-0.1%	0.0%	0.0%	-0.1%
Total Liquid Alternatives	-5.7%	4.1%	-9.8%	-1.0%	0.0%	0.0%	-1.0%
Overlay	5.0%	0.0%	4.9%	0.0%	-0.1%	0.0%	0.0%
Total Private Equity	13.6%	10.2%	3.4%	0.1%	-0.2%	-0.1%	-0.1%
<b>Total</b>	<b>1.7%</b>	<b>3.4%</b>	<b>-1.7%</b>	<b>-1.3%</b>	<b>-0.4%</b>	<b>0.0%</b>	<b>-1.7%</b>



# Ventura County Employees' Retirement Association

## Total Fund Risk Statistics

1 Year Ending June 30, 2015

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Tracking Error	Rank	Info Ratio	Rank	Anlzd AJ	Rank	Beta
Total Fund	100.0%	1.7%	70	5.4%	73	0.3	0.8%	25	-2.1	99	-1.8%	87	1.1
Policy Index	--	3.4%	25	5.1%	57	0.7	0.0%	1	--	--	0.0%	51	1.0
Total Equity	55.5%	2.3%	45	8.8%	43	0.3	1.6%	2	1.0	26	1.6%	47	1.0
MSCI ACWI	--	0.7%	62	9.0%	47	0.1	0.0%	1	--	--	0.0%	62	1.0
Total US Equity	31.0%	7.3%	46	9.5%	30	0.8	0.1%	1	1.8	5	0.1%	47	1.0
Total U.S. Equity Benchmark	--	7.2%	47	9.5%	30	0.8	0.0%	1	--	--	0.0%	47	1.0
Total Non-US Equity	14.3%	-5.1%	82	10.0%	53	-0.5	1.2%	1	0.1	80	-0.2%	85	0.9
Total Non-US Equity Benchmark	--	-5.3%	84	10.7%	74	-0.5	0.0%	1	--	--	0.0%	83	1.0
Total Global Equity	10.2%	-1.7%	79	9.7%	63	-0.2	1.5%	2	-1.6	93	-2.5%	79	1.1
MSCI ACWI	--	0.7%	62	9.0%	47	0.1	0.0%	1	--	--	0.0%	62	1.0
Total Fixed Income	23.5%	-0.8%	40	1.7%	5	-0.5	2.6%	27	2.5	10	1.7%	57	0.4
Barclays Global Aggregate	--	-7.1%	84	3.5%	43	-2.0	0.0%	1	--	--	0.0%	74	1.0
Total US Fixed Income	17.6%	0.7%	72	1.5%	24	0.4	2.6%	52	-0.5	66	0.1%	53	0.3
Barclays Aggregate	--	1.9%	26	3.3%	68	0.6	0.0%	1	--	--	0.0%	60	1.0
Total Global Fixed Income	5.9%	-5.0%	65	3.0%	19	-1.7	1.1%	9	1.9	29	0.8%	64	0.8
Barclays Global Aggregate	--	-7.1%	84	3.5%	43	-2.0	0.0%	1	--	--	0.0%	74	1.0
Total Real Estate	7.8%	12.6%	--	5.1%	--	2.4	0.9%	--	-2.1	--	0.0%	--	0.9
Total Real Estate Benchmark	--	14.4%	--	5.9%	--	2.5	0.0%	--	--	--	0.0%	--	1.0
Total Liquid Alternatives	9.5%	-5.7%	--	8.7%	--	-0.7	9.0%	--	-1.1	--	-2.5%	--	-0.8
CPI + 4% (Unadjusted)	--	4.1%	--	1.4%	--	2.9	0.0%	--	--	--	0.0%	--	1.0

# Ventura County Employees' Retirement Association

## Total Fund Risk Statistics

3 Year Ending June 30, 2015

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Tracking Error	Rank	Info Ratio	Rank	Anlzd AJ	Rank	Beta
Total Fund	100.0%	11.0%	26	5.6%	67	2.0	0.7%	14	-0.1	79	-0.4%	80	1.0
Policy Index	--	11.1%	24	5.4%	55	2.0	0.0%	1	--	--	0.0%	64	1.0
Total Equity	55.5%	14.4%	46	8.5%	16	1.7	1.4%	2	1.0	17	2.0%	47	1.0
MSCI ACWI	--	13.0%	60	8.7%	30	1.5	0.0%	1	--	--	0.0%	71	1.0
Total US Equity	31.0%	18.0%	46	8.8%	16	2.0	0.3%	1	1.0	6	0.3%	40	1.0
Total U.S. Equity Benchmark	--	17.6%	52	8.7%	15	2.0	0.0%	1	--	--	0.0%	44	1.0
Total Non-US Equity	14.3%	9.3%	96	9.8%	22	1.0	1.1%	1	-0.1	96	0.5%	95	0.9
Total Non-US Equity Benchmark	--	9.4%	95	10.4%	56	0.9	0.0%	1	--	--	0.0%	97	1.0
Total Global Equity	10.2%	11.8%	74	9.0%	41	1.3	1.1%	1	-1.1	91	-1.5%	82	1.0
MSCI ACWI	--	13.0%	60	8.7%	30	1.5	0.0%	1	--	--	0.0%	71	1.0
Total Fixed Income	23.5%	2.2%	56	2.5%	7	0.9	2.4%	26	1.2	42	2.6%	59	0.5
Barclays Global Aggregate	--	-0.8%	84	4.0%	30	-0.2	0.0%	1	--	--	0.0%	86	1.0
Total US Fixed Income	17.6%	2.7%	46	2.3%	39	1.1	1.8%	41	0.4	48	1.5%	34	0.6
Barclays Aggregate	--	1.8%	64	3.0%	53	0.6	0.0%	1	--	--	0.0%	83	1.0
Total Global Fixed Income	5.9%	0.1%	77	3.9%	29	0.0	1.1%	11	0.9	54	0.9%	76	1.0
Barclays Global Aggregate	--	-0.8%	84	4.0%	30	-0.2	0.0%	1	--	--	0.0%	86	1.0
Total Real Estate	7.8%	10.7%	--	4.4%	--	2.4	1.1%	--	-2.3	--	-0.1%	--	0.8
Total Real Estate Benchmark	--	13.1%	--	5.3%	--	2.5	0.0%	--	--	--	0.0%	--	1.0
Total Liquid Alternatives	9.5%	--	--	--	--	--	--	--	--	--	--	--	--
CPI + 4% (Unadjusted)	--	5.4%	--	1.2%	--	4.4	0.0%	--	--	--	0.0%	--	1.0

# Ventura County Employees' Retirement Association

## Total Fund Risk Statistics

5 Year Ending June 30, 2015

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Tracking Error	Rank	Info Ratio	Rank	Anlzd AJ	Rank	Beta
Total Fund	100.0%	11.6%	14	8.6%	87	1.3	0.8%	12	0.4	33	0.1%	49	1.0
Policy Index	--	11.2%	22	8.4%	75	1.3	0.0%	1	--	--	0.0%	57	1.0
Total Equity	55.5%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI	--	11.9%	68	13.6%	41	0.9	0.0%	1	--	--	0.0%	72	1.0
Total US Equity	31.0%	17.8%	38	12.6%	24	1.4	0.3%	1	1.0	1	0.2%	31	1.0
Total U.S. Equity Benchmark	--	17.5%	42	12.5%	23	1.4	0.0%	1	--	--	0.0%	33	1.0
Total Non-US Equity	14.3%	8.2%	87	14.9%	26	0.5	1.4%	1	0.3	80	0.8%	85	0.9
Total Non-US Equity Benchmark	--	7.8%	90	15.7%	58	0.5	0.0%	1	--	--	0.0%	89	1.0
Total Global Equity	10.2%	11.7%	72	12.7%	21	0.9	2.2%	6	-0.1	74	0.7%	63	0.9
MSCI ACWI	--	11.9%	68	13.6%	41	0.9	0.0%	1	--	--	0.0%	72	1.0
Total Fixed Income	23.5%	4.5%	52	2.7%	7	1.6	3.2%	35	0.8	40	3.5%	39	0.4
Barclays Global Aggregate	--	2.1%	86	4.8%	30	0.4	0.0%	1	--	--	0.0%	85	1.0
Total US Fixed Income	17.6%	4.8%	40	2.6%	38	1.8	2.0%	40	0.7	36	2.5%	26	0.7
Barclays Aggregate	--	3.3%	60	2.8%	48	1.2	0.0%	1	--	--	0.0%	85	1.0
Total Global Fixed Income	5.9%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Global Aggregate	--	2.1%	86	4.8%	30	0.4	0.0%	1	--	--	0.0%	85	1.0
Total Real Estate	7.8%	12.3%	--	5.1%	--	2.4	1.0%	--	-2.1	--	-0.2%	--	0.9
Total Real Estate Benchmark	--	14.4%	--	5.9%	--	2.4	0.0%	--	--	--	0.0%	--	1.0
Total Liquid Alternatives	9.5%	--	--	--	--	--	--	--	--	--	--	--	--
CPI + 4% (Unadjusted)	--	5.9%	--	1.2%	--	5.0	0.0%	--	--	--	0.0%	--	1.0

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Fund</b>	<b>4,338,136,581</b>	<b>100.0</b>	<b>100.0</b>	<b>-0.1</b>	<b>72</b>	<b>1.9</b>	<b>89</b>	<b>1.7</b>	<b>70</b>	<b>11.0</b>	<b>26</b>	<b>11.6</b>	<b>14</b>	<b>6.5</b>	<b>39</b>	<b>8.2</b>	<b>Apr-94</b>
Policy Index				0.3	52	2.3	66	3.4	25	11.1	24	11.2	22	6.7	26	8.2	Apr-94
Over/Under				-0.4		-0.4		-1.7		-0.1		0.4		-0.2		0.0	
Allocation Index				0.1	59	2.0	88	2.7	50	10.4	42	10.7	41	6.3	51	--	Apr-94
InvestorForce Public DB > \$1B Net Median				0.3		2.7		2.6		10.2		10.3		6.3		7.6	Apr-94
<b>Total Fund ex Parametric</b>	<b>4,313,424,772</b>	<b>99.4</b>	<b>--</b>	<b>-0.1</b>	<b>--</b>	<b>1.9</b>	<b>--</b>	<b>1.8</b>	<b>--</b>	<b>10.9</b>	<b>--</b>	<b>11.4</b>	<b>--</b>	<b>6.4</b>	<b>--</b>	<b>8.1</b>	<b>Apr-94</b>
<b>Total Fund ex Private Equity</b>	<b>4,202,257,383</b>	<b>96.9</b>	<b>--</b>	<b>-0.1</b>	<b>75</b>	<b>1.8</b>	<b>91</b>	<b>1.5</b>	<b>77</b>	<b>10.2</b>	<b>50</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>10.6</b>	<b>Jan-12</b>
Policy Index				0.3	52	2.3	66	3.4	25	11.1	24	11.2	22	6.7	26	11.2	Jan-12
Over/Under				-0.4		-0.5		-1.9		-0.9						-0.6	
InvestorForce Public DB > \$1B Net Median				0.3		2.7		2.6		10.2		10.3		6.3		10.2	Jan-12
<b>Total US Equity</b>	<b>1,343,602,115</b>	<b>31.0</b>	<b>30.0</b>	<b>0.2</b>	<b>50</b>	<b>2.0</b>	<b>62</b>	<b>7.3</b>	<b>46</b>	<b>18.0</b>	<b>46</b>	<b>17.8</b>	<b>38</b>	<b>7.8</b>	<b>71</b>	<b>9.0</b>	<b>Dec-93</b>
Total U.S. Equity Benchmark				0.1	51	1.9	63	7.2	47	17.6	52	17.5	42	8.3	59	9.4	Dec-93
Over/Under				0.1		0.1		0.1		0.4		0.3		-0.5		-0.4	
eA All US Equity Net Median				0.2		3.0		6.8		17.7		17.1		8.5		10.5	Dec-93
BlackRock Equity Market Fund	1,153,653,122	26.6		0.2	50	2.0	63	7.3	46	17.7	51	17.6	42	--	--	7.4	Dec-07
Dow Jones U.S. Total Stock Market				0.1	51	1.9	64	7.2	47	17.6	52	17.5	42	8.3	58	7.4	Dec-07
Over/Under				0.1		0.1		0.1		0.1		0.1				0.0	
eA All US Equity Net Median				0.2		3.0		6.8		17.7		17.1		8.5		7.7	Dec-07
Western U.S. Index Plus	141,099,179	3.3		0.2	50	1.3	70	7.4	44	18.5	40	19.1	19	--	--	3.5	May-07
S&P 500				0.3	45	1.2	72	7.4	44	17.3	56	17.3	46	7.9	69	6.0	May-07
Over/Under				-0.1		0.1		0.0		1.2		1.8				-2.5	
eA All US Equity Net Median				0.2		3.0		6.8		17.7		17.1		8.5		6.7	May-07
BlackRock Extended Equity Index	48,849,814	1.1		-0.5	71	4.8	49	6.2	48	19.1	41	18.3	38	9.6	31	12.5	Oct-02
Dow Jones U.S. Completion Total Stock Market				-0.5	72	4.8	49	6.2	48	19.0	42	18.1	42	9.6	33	12.5	Oct-02
Over/Under				0.0		0.0		0.0		0.1		0.2		0.0		0.0	
eA US Small Cap Equity Net Median				0.6		4.6		6.0		18.4		17.4		8.8		11.9	Oct-02

Color Coding: PERFORMANCE: Green-Over performance, Red-Under performance / Color Coding: RANKS: 1 - 25 Green - Positive Result, 26 - 50 Yellow, 50 - 75 Orange, 76 - 100 Red - Negative Result

Policy Index: Currently, 30% Total U.S. Equity Benchmark, 19% Barclays Aggregate, 14% MSCI ACWI ex U.S., 10% MSCI ACWI, 5% Barclays Global Aggregate, 5% DJ U.S. Total Stock Market Index + 3%, 10% CPI+4% Index, and 7% NCREIF ODCE Real Estate Index

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

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Non-US Equity</b>	<b>620,071,941</b>	<b>14.3</b>	<b>14.0</b>	<b>0.4</b>	<b>85</b>	<b>3.5</b>	<b>92</b>	<b>-5.1</b>	<b>82</b>	<b>9.3</b>	<b>96</b>	<b>8.2</b>	<b>87</b>	<b>5.5</b>	<b>64</b>	<b>6.6</b>	<b>Mar-94</b>
Total Non-US Equity Benchmark				0.5	83	4.0	88	-5.3	84	9.4	95	7.8	90	5.5	63	5.3	Mar-94
Over/Under				-0.1		-0.5		0.2		-0.1		0.4		0.0		1.3	
eA All EAFE Equity Net Median				1.6		6.7		-2.0		12.8		10.7		6.3		6.7	Mar-94
BlackRock ACWI ex-U.S. Index	261,074,854	6.0		1.1	50	4.7	68	-4.8	76	10.0	70	8.2	87	--	--	1.8	Mar-07
MSCI ACWI ex USA				0.5	65	4.0	77	-5.3	77	9.4	75	7.8	91	5.5	80	1.4	Mar-07
Over/Under				0.6		0.7		0.5		0.6		0.4				0.4	
eA ACWI ex-US All Cap Equity Net Median				1.0		5.5		-1.8		11.7		10.3		6.6		2.8	Mar-07
Sprucegrove	183,233,372	4.2		-0.6	97	1.4	97	-7.4	91	8.8	96	8.6	72	5.6	55	7.8	Mar-02
MSCI EAFE				0.6	83	5.5	73	-4.2	71	12.0	65	9.5	64	5.1	73	6.4	Mar-02
Over/Under				-1.2		-4.1		-3.2		-3.2		-0.9		0.5		1.4	
MSCI ACWI ex USA				0.5	84	4.0	84	-5.3	81	9.4	93	7.8	85	5.5	60	7.0	Mar-02
eA EAFE All Cap Equity Net Median				1.5		6.6		-1.9		12.7		10.5		5.8		7.5	Mar-02
Hexavest	80,481,482	1.9		0.0	91	3.7	91	-4.3	72	9.3	94	--	--	--	--	4.6	Dec-10
MSCI EAFE				0.6	83	5.5	73	-4.2	71	12.0	65	9.5	64	5.1	73	5.5	Dec-10
Over/Under				-0.6		-1.8		-0.1		-2.7						-0.9	
eA EAFE All Cap Equity Net Median				1.5		6.6		-1.9		12.7		10.5		5.8		6.2	Dec-10
Walter Scott	95,282,233	2.2		0.6	63	4.0	77	-2.0	52	7.7	94	--	--	--	--	4.6	Dec-10
MSCI ACWI ex USA				0.5	65	4.0	77	-5.3	77	9.4	75	7.8	91	5.5	80	3.4	Dec-10
Over/Under				0.1		0.0		3.3		-1.7						1.2	
eA ACWI ex-US All Cap Equity Net Median				1.0		5.5		-1.8		11.7		10.3		6.6		5.7	Dec-10

Total Non-U.S. Equity Benchmark: MSCI ACWI ex US Free, prior to May 2002, the MSCI EAFE

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Global Equity</b>	<b>443,040,988</b>	<b>10.2</b>	<b>10.0</b>	<b>0.5</b>	<b>49</b>	<b>2.9</b>	<b>55</b>	<b>-1.7</b>	<b>79</b>	<b>11.8</b>	<b>74</b>	<b>11.7</b>	<b>72</b>	<b>5.4</b>	<b>88</b>	<b>5.6</b>	<b>May-05</b>
MSCI ACWI				0.3	52	2.7	59	0.7	62	13.0	60	11.9	68	6.4	69	6.6	May-05
Over/Under				0.2		0.2		-2.4		-1.2		-0.2		-1.0		-1.0	
eA All Global Equity Net Median				0.4		3.2		1.8		13.8		13.1		7.2		7.4	May-05
<b>BlackRock MSCI ACWI Equity Index</b>	<b>228,888,257</b>	<b>5.3</b>		<b>0.5</b>	<b>49</b>	<b>2.9</b>	<b>57</b>	<b>1.1</b>	<b>58</b>	<b>13.4</b>	<b>55</b>	--	--	--	--	<b>13.4</b>	<b>Jul-12</b>
MSCI ACWI				0.3	52	2.7	59	0.7	62	13.0	60	11.9	68	6.4	69	13.0	Jul-12
Over/Under				0.2		0.2		0.4		0.4						0.4	
eA All Global Equity Net Median				0.4		3.2		1.8		13.8		13.1		7.2		13.8	Jul-12
<b>GMO Global Equity</b>	<b>214,152,731</b>	<b>4.9</b>		<b>0.5</b>	<b>49</b>	<b>3.0</b>	<b>54</b>	<b>-4.5</b>	<b>88</b>	<b>10.4</b>	<b>82</b>	<b>11.3</b>	<b>76</b>	<b>6.4</b>	<b>69</b>	<b>6.6</b>	<b>Apr-05</b>
MSCI ACWI				0.3	52	2.7	59	0.7	62	13.0	60	11.9	68	6.4	69	6.6	Apr-05
Over/Under				0.2		0.3		-5.2		-2.6		-0.6		0.0		0.0	
eA All Global Equity Net Median				0.4		3.2		1.8		13.8		13.1		7.2		7.4	Apr-05

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Private Equity</b>	<b>135,879,198</b>	<b>3.1</b>	<b>5.0</b>	<b>1.2</b>	--	<b>5.7</b>	--	<b>13.6</b>	--	<b>14.5</b>	--	--	--	--	--	<b>15.1</b>	<b>Jan-12</b>
DJ U.S. Total Stock Market Index + 3%				0.7	--	3.3	--	10.2	--	21.0	--	21.0	--	--	--	21.4	Jan-12
Over/Under				0.5		2.4		3.4		-6.5						-6.3	
Adams Street Partners	82,092,743	1.9		1.0	--	4.3	--	11.7	--	13.4	--	--	--	--	--	14.3	Jan-12
DJ U.S. Total Stock Market Index + 3%				0.7	--	3.3	--	10.2	--	21.0	--	21.0	--	--	--	21.4	Jan-12
Over/Under				0.3		1.0		1.5		-7.6						-7.1	
Pantheon Ventures	13,083,839	0.3		-6.7	--	-4.6	--	-1.5	--	7.3	--	--	--	--	--	7.5	Jan-12
DJ U.S. Total Stock Market Index + 3%				0.7	--	3.3	--	10.2	--	21.0	--	21.0	--	--	--	21.4	Jan-12
Over/Under				-7.4		-7.9		-11.7		-13.7						-13.9	
Harbourvest	40,702,616	0.9		4.8	--	13.1	--	24.8	--	--	--	--	--	--	--	20.8	Jul-13
DJ U.S. Total Stock Market Index + 3%				0.7	--	3.3	--	10.2	--	21.0	--	21.0	--	--	--	19.1	Jul-13
Over/Under				4.1		9.8		14.6								1.7	

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

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total US Fixed Income</b>	<b>765,529,929</b>	<b>17.6</b>	<b>19.0</b>	<b>-0.3</b>	<b>40</b>	<b>0.7</b>	<b>37</b>	<b>0.7</b>	<b>72</b>	<b>2.7</b>	<b>46</b>	<b>4.8</b>	<b>40</b>	<b>5.7</b>	<b>26</b>	<b>6.2</b>	<b>Feb-94</b>
Barclays Aggregate				-1.7	79	-0.1	80	1.9	26	1.8	64	3.3	60	4.4	54	5.7	Feb-94
Over/Under				1.4		0.8		-1.2		0.9		1.5		1.3		0.5	
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		5.6	Feb-94
BlackRock U.S. Debt Fund	139,156,682	3.2		-1.7	79	-0.1	80	1.9	23	1.9	62	3.4	59	4.5	51	5.5	Nov-95
Barclays Aggregate				-1.7	79	-0.1	80	1.9	26	1.8	64	3.3	60	4.4	54	5.5	Nov-95
Over/Under				0.0		0.0		0.0		0.1		0.1		0.1		0.0	
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		5.4	Nov-95
Western	267,583,057	6.2		-1.8	81	0.4	56	2.0	21	3.6	32	5.4	34	5.2	33	6.5	Dec-96
Barclays Aggregate				-1.7	79	-0.1	80	1.9	26	1.8	64	3.3	60	4.4	54	5.5	Dec-96
Over/Under				-0.1		0.5		0.1		1.8		2.1		0.8		1.0	
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		5.5	Dec-96
Reams	285,857,316	6.6		1.9	1	1.2	21	-1.2	93	1.4	76	4.1	47	6.0	23	5.8	Sep-01
Reams Custom Index				0.1	22	0.1	69	0.3	82	0.6	91	2.6	76	4.0	63	4.5	Sep-01
Over/Under				1.8		1.1		-1.5		0.8		1.5		2.0		1.3	
Barclays Aggregate				-1.7	79	-0.1	80	1.9	26	1.8	64	3.3	60	4.4	54	4.8	Sep-01
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		4.9	Sep-01
Loomis Sayles Multi Strategy	72,932,875	1.7		-0.7	52	1.4	19	0.8	67	6.3	11	7.5	17	6.9	13	7.0	Jul-05
Loomis Custom Index				-1.1	65	0.8	33	1.1	57	3.2	37	4.9	39	5.5	29	5.5	Jul-05
Over/Under				0.4		0.6		-0.3		3.1		2.6		1.4		1.5	
Barclays Govt/Credit				-2.1	85	-0.3	85	1.7	32	1.8	66	3.5	58	4.4	55	4.5	Jul-05
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		4.6	Jul-05

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

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



# Ventura County Employees' Retirement Association

## Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Global Fixed Income</b>	<b>254,700,100</b>	<b>5.9</b>	<b>5.0</b>	<b>-1.4</b>	<b>61</b>	<b>-2.2</b>	<b>67</b>	<b>-5.0</b>	<b>65</b>	<b>0.1</b>	<b>77</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>0.1</b>	<b>Jun-12</b>
Barclays Global Aggregate				-1.2	57	-3.1	77	-7.1	84	-0.8	84	2.1	86	3.5	84	-0.8	Jun-12
Over/Under				-0.2		0.9		2.1		0.9						0.9	
eA All Global Fixed Inc Net Median				-1.0		-0.1		-2.9		2.8		4.6		4.6		2.8	Jun-12
Loomis Sayles Global Fixed Income	89,353,853	2.1		-1.3	53	-3.2	74	-7.4	85	-0.5	74	--	--	--	--	-0.5	Jun-12
Barclays Global Aggregate				-1.2	53	-3.1	73	-7.1	83	-0.8	79	2.1	80	3.5	77	-0.8	Jun-12
Over/Under				-0.1		-0.1		-0.3		0.3						0.3	
eA Global Fixed Inc Unhedged Net Median				-1.1		-0.6		-4.3		1.9		3.8		4.1		1.9	Jun-12
PIMCO Global Fixed Income	122,727,594	2.8		-1.9	80	-2.6	65	-5.4	61	--	--	--	--	--	--	-1.6	Sep-12
Barclays Global Aggregate				-1.2	53	-3.1	73	-7.1	83	-0.8	79	2.1	80	3.5	77	-2.0	Sep-12
Over/Under				-0.7		0.5		1.7								0.4	
eA Global Fixed Inc Unhedged Net Median				-1.1		-0.6		-4.3		1.9		3.8		4.1		0.6	Sep-12
Loomis Strategic Alpha	42,618,653	1.0		-0.3	31	1.3	26	1.7	7	--	--	--	--	--	--	2.7	Jul-13
Barclays Global Aggregate				-1.2	53	-3.1	73	-7.1	83	-0.8	79	2.1	80	3.5	77	-0.8	Jul-13
Over/Under				0.9		4.4		8.8								3.5	
eA Global Fixed Inc Unhedged Net Median				-1.1		-0.6		-4.3		1.9		3.8		4.1		1.6	Jul-13

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Real Estate</b>	<b>339,068,878</b>	<b>7.8</b>	<b>7.0</b>	<b>3.0</b>	--	<b>6.0</b>	--	<b>12.6</b>	--	<b>10.7</b>	--	<b>12.3</b>	--	<b>4.6</b>	--	<b>7.9</b>	<b>Mar-94</b>
<i>Total Real Estate Benchmark</i>				<u>3.8</u>	--	<u>7.3</u>	--	<u>14.4</u>	--	<u>13.1</u>	--	<u>14.4</u>	--	<u>6.8</u>	--	<u>9.0</u>	<i>Mar-94</i>
<i>Over/Under</i>				-0.8		-1.3		-1.8		-2.4		-2.1		-2.2		-1.1	
Prudential Real Estate	114,985,250	2.7		<b>3.3</b>	--	<b>6.6</b>	--	<b>13.9</b>	--	<b>12.2</b>	--	<b>13.9</b>	--	<b>5.7</b>	--	<b>5.6</b>	Jun-04
<i>NCREIF-ODCE</i>				<u>3.8</u>	--	<u>7.3</u>	--	<u>14.4</u>	--	<u>13.1</u>	--	<u>14.4</u>	--	<u>6.8</u>	--	<u>7.8</u>	<i>Jun-04</i>
<i>Over/Under</i>				-0.5		-0.7		-0.5		-0.9		-0.5		-1.1		-2.2	
UBS Real Estate	219,652,656	5.1		<b>2.7</b>	--	<b>5.5</b>	--	<b>11.6</b>	--	<b>9.9</b>	--	<b>11.1</b>	--	<b>6.0</b>	--	<b>7.5</b>	Mar-03
<i>NCREIF-ODCE</i>				<u>3.8</u>	--	<u>7.3</u>	--	<u>14.4</u>	--	<u>13.1</u>	--	<u>14.4</u>	--	<u>6.8</u>	--	<u>8.1</u>	<i>Mar-03</i>
<i>Over/Under</i>				-1.1		-1.8		-2.8		-3.2		-3.3		-0.8		-0.6	
RREEF	4,430,973	0.1		<b>12.0</b>	--	<b>14.5</b>	--	<b>22.9</b>	--	<b>22.2</b>	--	<b>29.0</b>	--	--	--	<b>-4.5</b>	Sep-07
<i>NCREIF-ODCE</i>				<u>3.8</u>	--	<u>7.3</u>	--	<u>14.4</u>	--	<u>13.1</u>	--	<u>14.4</u>	--	<u>6.8</u>	--	<u>3.7</u>	<i>Sep-07</i>
<i>Over/Under</i>				8.2		7.2		8.5		9.1		14.6				-8.2	

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

# Ventura County Employees' Retirement Association

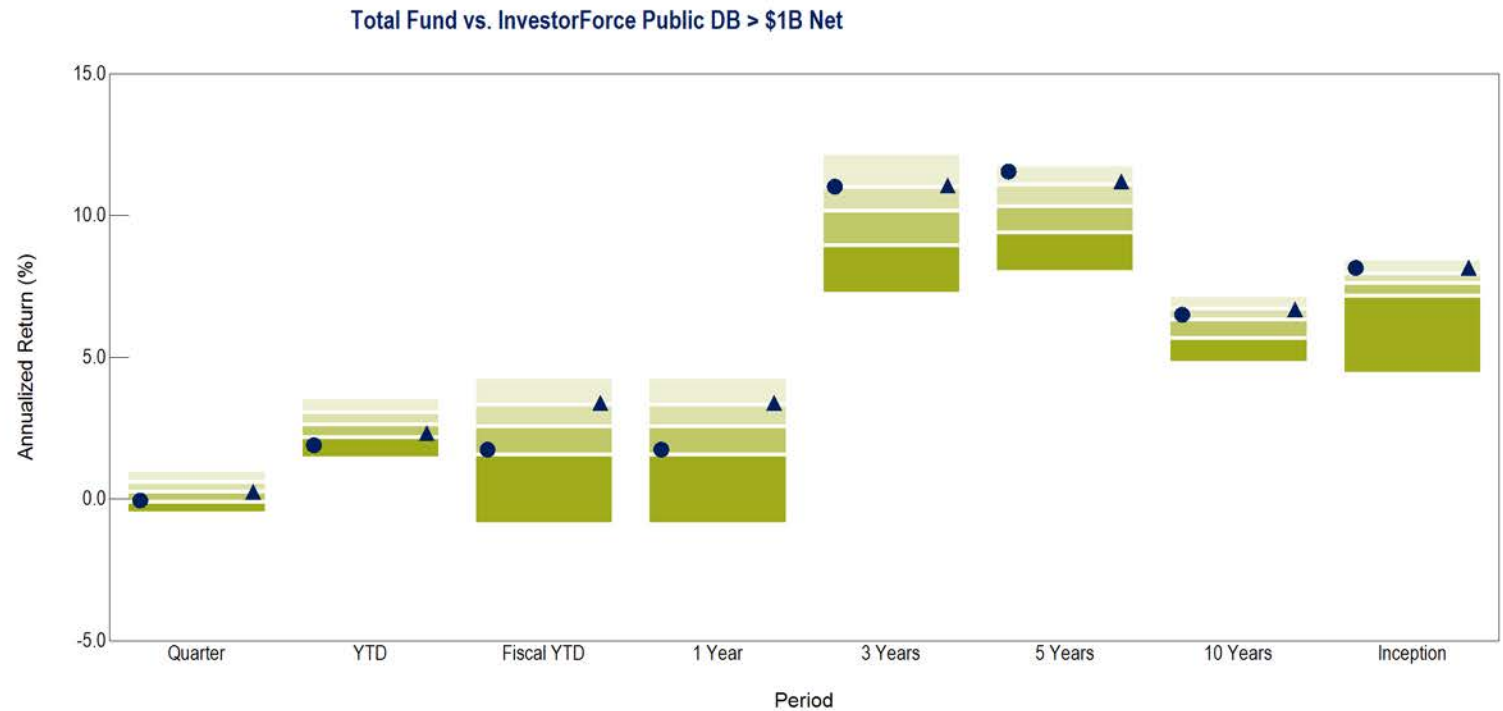
## Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
<b>Total Liquid Alternatives</b>	<b>411,531,622</b>	<b>9.5</b>	<b>10.0</b>	<b>-3.2</b>	--	<b>-1.6</b>	--	<b>-5.7</b>	--	--	--	--	--	--	--	<b>8.9</b>	<b>Apr-13</b>
<i>CPI + 4% (Unadjusted)</i>				<u>2.1</u>	--	<u>3.6</u>	--	<u>4.1</u>	--	<u>5.4</u>	--	<u>5.9</u>	--	<u>6.1</u>	--	<u>5.2</u>	<i>Apr-13</i>
Over/Under				-5.3		-5.2		-9.8								3.7	
Bridgewater All Weather Fund	275,705,737	6.4		<b>-3.1</b>	--	<b>0.5</b>	--	<b>-1.2</b>	--	--	--	--	--	--	--	<b>6.3</b>	Aug-13
<i>CPI + 5% (Unadjusted)</i>				<u>2.3</u>	--	<u>4.1</u>	--	<u>5.1</u>	--	--	--	--	--	--	--	<u>6.2</u>	<i>Aug-13</i>
Over/Under				-5.4		-3.6		-6.3								0.1	
Tortoise Energy Infrastructure	135,825,886	3.1		<b>-3.4</b>	--	<b>-5.5</b>	--	<b>-13.5</b>	--	--	--	--	--	--	--	<b>9.9</b>	Apr-13
<i>Wells Fargo MLP Index</i>				<u>-3.9</u>	--	<u>-6.3</u>	--	<u>-14.7</u>	--	<u>10.7</u>	--	--	--	--	--	<u>3.0</u>	<i>Apr-13</i>
Over/Under				0.5		0.8		1.2								6.9	
<b>Overlay</b>	<b>24,711,809</b>	<b>0.6</b>	<b>0.0</b>														
Parametric	24,711,809	0.6															

Overlay performance is not applicable on an individual account level

# Ventura County Employees' Retirement Association

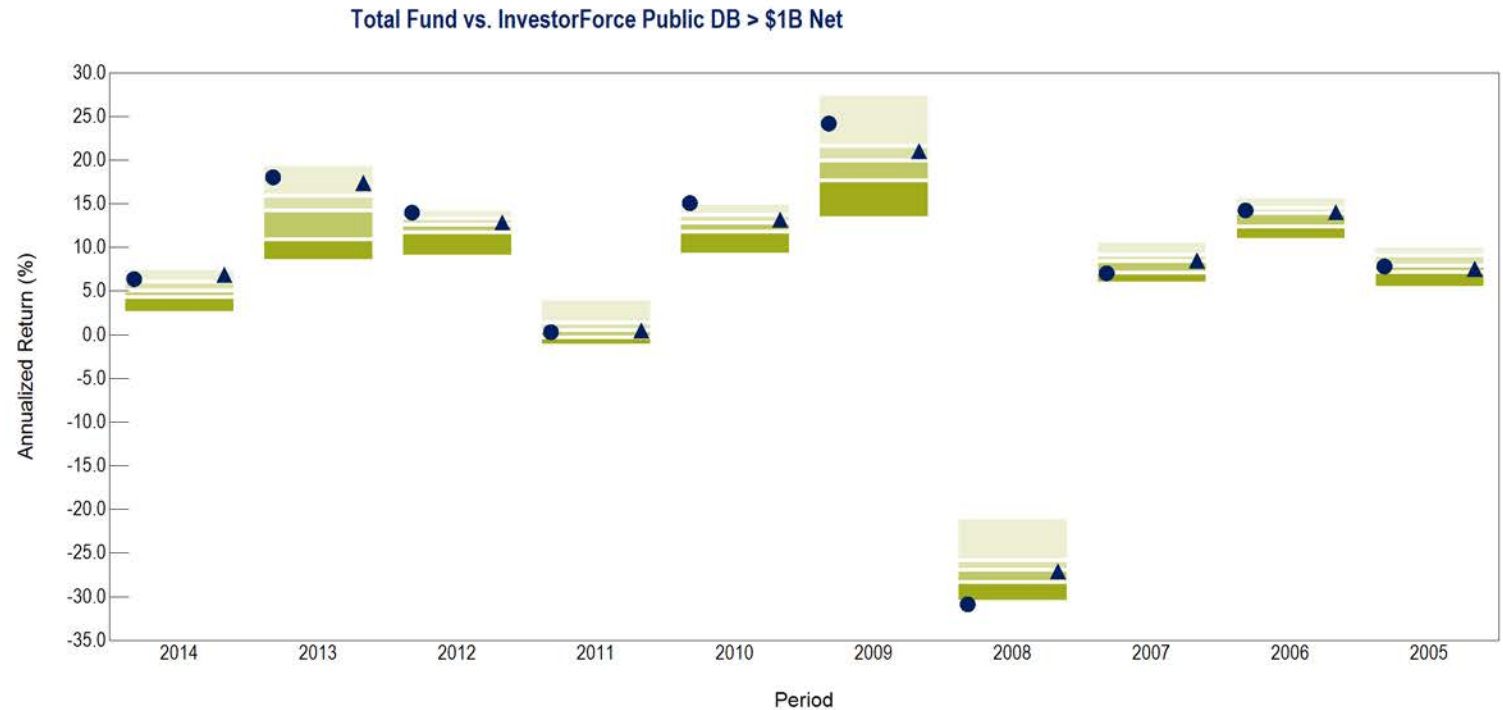
## Total Fund Return Summary vs. Peer Universe



		Return (Rank)															
5th Percentile		1.0	3.6	4.3	4.3	12.2	11.8	7.2	8.5								
25th Percentile		0.6	3.1	3.3	3.3	11.0	11.1	6.7	8.0								
Median		0.3	2.7	2.6	2.6	10.2	10.3	6.3	7.6								
75th Percentile		-0.1	2.2	1.6	1.6	9.0	9.4	5.7	7.2								
95th Percentile		-0.5	1.5	-0.9	-0.9	7.2	8.0	4.8	4.4								
# of Portfolios		53	53	53	53	53	52	48	32								
●	Total Fund	-0.1	(72)	1.9	(89)	1.7	(70)	1.7	(70)	11.0	(26)	11.6	(14)	6.5	(39)	8.2	(20)
▲	Policy Index	0.3	(52)	2.3	(66)	3.4	(25)	3.4	(25)	11.1	(24)	11.2	(22)	6.7	(26)	8.2	(19)

# Ventura County Employees' Retirement Association

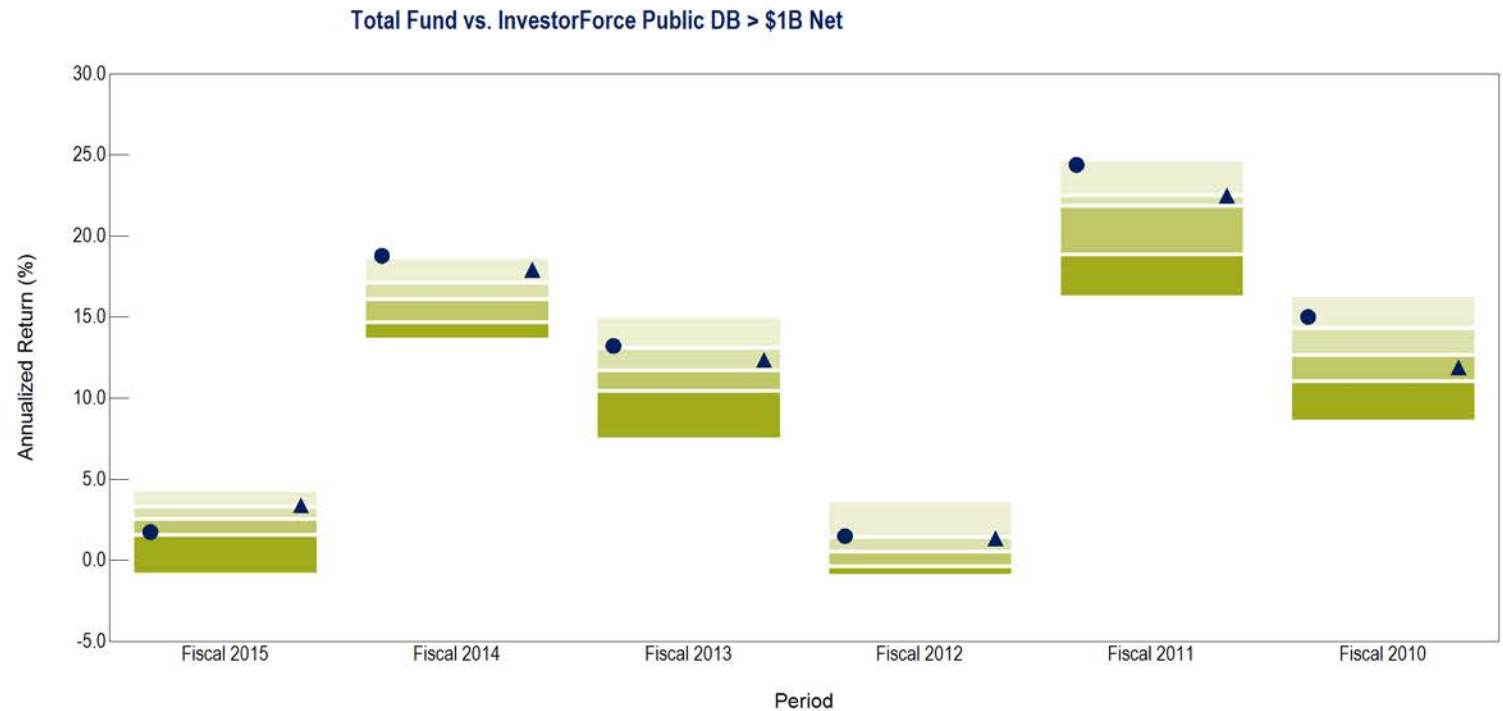
## Total Fund Return Summary vs. Peer Universe



	Return (Rank)									
5th Percentile	7.6	19.5	14.3	4.2	15.1	27.5	-20.9	10.7	15.8	10.2
25th Percentile	6.1	16.0	13.4	1.5	13.8	21.7	-25.7	9.2	14.6	9.1
Median	5.1	14.3	12.7	0.6	12.8	20.0	-26.9	8.5	14.0	8.0
75th Percentile	4.4	11.0	11.8	-0.3	11.8	17.7	-28.3	7.1	12.5	7.2
95th Percentile	2.6	8.5	9.0	-1.2	9.3	13.4	-30.5	5.9	10.9	5.4
# of Portfolios	55	48	44	42	41	40	39	39	38	37
● Total Fund	6.4 (19)	18.0 (10)	14.0 (15)	0.3 (61)	15.1 (6)	24.2 (16)	-30.9 (98)	7.0 (77)	14.2 (41)	7.8 (56)
▲ Policy Index	6.9 (11)	17.4 (13)	12.9 (41)	0.5 (55)	13.2 (44)	21.0 (33)	-27.1 (54)	8.5 (50)	14.0 (50)	7.6 (67)

# Ventura County Employees' Retirement Association

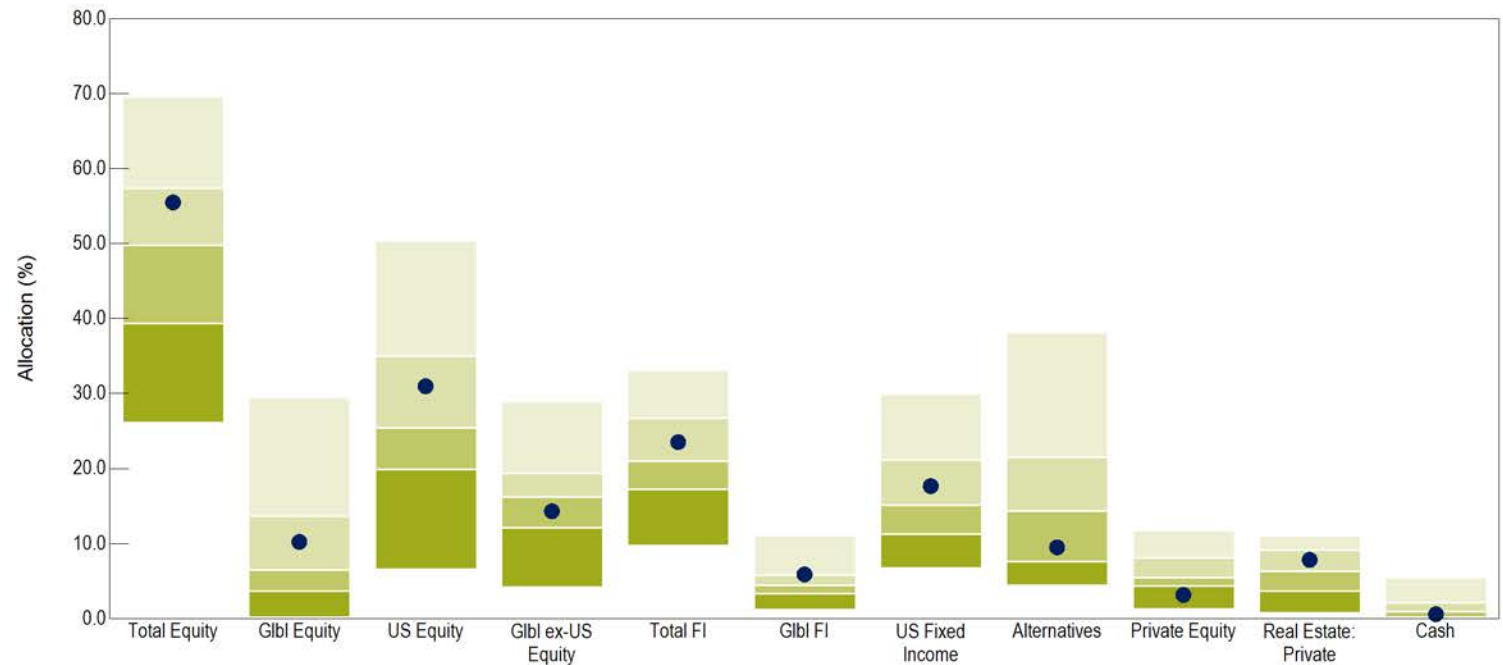
## Total Fund Return Summary vs. Peer Universe



	Return (Rank)											
5th Percentile	4.3		18.7		15.0		3.7		24.7		16.3	
25th Percentile	3.3		17.2		13.1		1.5		22.5		14.4	
Median	2.6		16.1		11.8		0.5		21.9		12.7	
75th Percentile	1.6		14.7		10.5		-0.3		18.9		11.1	
95th Percentile	-0.9		13.6		7.5		-0.9		16.3		8.6	
# of Portfolios	53		43		56		41		42		41	
● Total Fund	1.7	(70)	18.8	(5)	13.2	(22)	1.5	(25)	24.4	(10)	15.0	(15)
▲ Policy Index	3.4	(25)	17.9	(17)	12.4	(39)	1.4	(27)	22.5	(30)	11.9	(64)

## Total Fund Allocations vs. Peer Universe

Total Plan Allocation vs. InvestorForce Public DB > \$1B Net



	Allocation (Rank)																						
5th Percentile	69.6	29.5	50.3	29.0	33.1	11.1	30.0	38.1	11.8	11.0	5.5	--											
25th Percentile	57.5	13.7	35.0	19.4	26.8	5.9	21.2	21.6	8.2	9.2	2.2	--											
Median	49.8	6.6	25.5	16.3	21.1	4.5	15.1	14.4	5.5	6.4	1.0	--											
75th Percentile	39.5	3.7	19.9	12.2	17.3	3.4	11.4	7.7	4.4	3.8	0.2	--											
95th Percentile	26.2	0.3	6.6	4.2	9.8	1.3	6.8	4.5	1.3	0.8	0.0	--											
# of Portfolios	51	24	50	50	50	25	46	44	42	39	46	--											
● Total Fund	55.5	(33)	10.2	(35)	31.0	(29)	14.3	(64)	23.5	(41)	5.9	(25)	17.6	(38)	9.5	(69)	3.1	(83)	7.8	(40)	0.6	(55)	--

# Manager Due Diligence



## Due Diligence Monitor

The items below summarize the recent quarter's performance and any changes or announcements from the Plan's managers/products. A "-" indicates there were no material announcements. A "Yes" indicates there was an announcement and a brief summary is provided on the following pages. NEPC's Due Diligence Committee meets every two weeks to review events as they relate to investment managers and determine if any action should be taken (by NEPC and/or by our clients). Events are rated: No Action, Watch, Hold, Client Review or Terminate. NEPC's recommendation in view of the recent quarter's developments (performance, manager events, and any of the longer-term trending data) is refreshed quarterly.

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC DD Committee Rec.	Plan Rec.	Comments	Last Onsite Conducted
BlackRock Equity Market Index	-	-	-	-		10/2013
Western U.S. Index Plus	Bottom Quartile	-	-	-		6/2014
BlackRock Extended Equity Index	-	-	-	-		10/2013
BlackRock MSCI ACWI ex-U.S. Index	-	-	-	-		10/2013
Sprucegrove	Bottom Decile	No	Hold	No Action	3Q 2014 Departure	N/A
Hexavest	Bottom Decile	-	-	-		1/2013
Walter Scott	-	-	-	-		10/2012
BlackRock MSCI ACWI Index	-	-	-	-		10/2013
GMO	-	-	-	-		7/2014
Adams Street	N/A	-	-	-		11/2013
HarbourVest	N/A	-	-	-		3/2014
Pantheon	N/A	-	-	-		1/2015
BlackRock U.S. Debt Fund	Bottom Quartile	-	-	-		10/2013
Western	Bottom Quartile	-	-	-		6/2014
Reams	Top Decile	-	-	-		11/2013
Loomis Sayles Multi-Sector Full Discretion	-	-	-	-		11/2013
Loomis Sayles Global Fixed Income	Bottom Quartile	-	-	-		11/2013
PIMCO Global Fixed Income	Bottom Quartile	No	Watch	No Action	Continued organizational developments	9/2014

## Due Diligence Monitor Continued

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC DD Committee Rec.	Plan Rec.	Comments	Last Onsite Conducted
Loomis Sayles Strategic Alpha	-	-	-	-		11/2013
Prudential	N/A	-	-	-		7/2014
RREEF	N/A	-	-	-		7/2013
UBS	N/A	-	-	-		8/2011
Bridgewater	N/A	-	-	-		9/2012
Tortoise	N/A	Yes	No Action	No Action	Organizational Changes	8/2013
Parametric/Clifton	N/A	-	-	-		7/2013

## NEPC Due Diligence Committee Recommendation Key

<b>No Action</b>	Informational items have surfaced; no action is recommended.
<b>Watch</b>	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
<b>Hold</b>	Serious issues have surfaced to be concerned over; manager cannot participate in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
<b>Client Review</b>	Very serious issues have surfaced with an Investment Manager; manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to review the manager.
<b>Terminate</b>	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

## Due Diligence Commentary

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

### Manager Changes/Announcements

#### Sprucegrove Investment Management Ltd.

On September 1, 2014, NEPC was notified that Co-President/Co-Portfolio Manager Peter Ellement resigned from the firm. Sprucegrove did not provide transparency into the exact reason for the departure other than there appeared to be some level of conflict between Mr. Ellement and other members of the firm. Shirley Woo will be joined by Arjun Kumar as the Co-Portfolio Managers on the International Equity Fund going forward. Craig Merrigan will become the sole President of the firm.

Sprucegrove and Peter have since come to an agreement on a financial payout with Peter since he left the firm in September of last year. They reiterated the fact that Peter will have no involvement with the firm going forward and hasn't since his departure. They came to a financial agreement amicably, and Peter currently does not have plans to go to another firm. All of the investment professionals on the team, started their careers at Sprucegrove, ownership is broadly distributed, and they are compensated on the quality of their analysis.

***NEPC recommends a due diligence status of HOLD for Sprucegrove as we would like to see performance rebound before removing the Hold recommendation.***

#### PIMCO

NEPC Research placed PIMCO on Client Review in September 2014 following the sudden departure of Founder and CIO Bill Gross. We felt a Client Review status was necessary given that Mr. Gross' departure was significant from both an investment and business standpoint. Since that time, NEPC Research has conducted an extensive due diligence review in order to gather additional information and ultimately formulate a follow-up recommendation to clients. While outflows continue at PIMCO, particularly from the flagship Total Return strategy, redemptions have slowed and performance has not materially suffered. Additionally, with the exception of a few individuals, PIMCO has retained its leading investment professionals throughout the period. We believe the level of business and investment risk associated with PIMCO as a firm has been reduced considerably as time has passed following the departure of Mr. Gross, although some products continue to exhibit a greater degree of uncertainty. Even with the changes summarized below, NEPC Research will continue to closely monitor PIMCO in the coming months.

As our Due Diligence event process outlines, the Client Review status is reassessed 6-12 months after an event occurs. After conducting analysis on PIMCO at both the firm and individual product level, we have made multiple changes to the Due Diligence status. The changes are summarized below:

- PIMCO Firm DD status will move from Client Review to **Watch**
- Total Return and Unconstrained Bond will maintain **Client Review** status
- All other PIMCO products will be upgraded from Client Review to **Watch**

In the months following the departure of Bill Gross, NEPC maintained a consistent dialogue with PIMCO executives, senior investment personnel, and staff. These interactions included two onsite meetings in Newport Beach, a conference call and in-person discussion with CEO Doug Hodge, several product-specific updates, and constant ad-hoc conversations with PIMCO representatives. Through these conversations, we gathered information related to Bill Gross' departure, specifically, the impact on investment performance, internal working environment, PIMCO's approach to managing a high level of redemptions, revenue losses and organizational flexibility, and retention of key professionals. The insight gained from these conversations combined with the actual results in the months after the announcement provide us with a basis on which to make a recommendation.

***NEPC recommends a due diligence status of WATCH for PIMCO as a firm and for the Global Fixed Income portfolio in which VCERA currently invests.***

## Due Diligence Commentary

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

**Manager Changes/Announcements**

**Tortoise Capital Advisors, LLC**

Dave Schulte, Managing Director and co-founder of Tortoise Capital Advisors, left the firm effective June 30, 2015. Mr. Schulte will retain his ownership of the firm and be stepping down from the Investment Committee. The departure will allow Mr. Schulte to focus his efforts on Corridor InfraTrust Management, an affiliate of Tortoise Capital, which he helped co-found in 2011. Joining the Investment Committee will be portfolio managers, Brian Kessens, Robert Thummel, James Mick, and Matthew Sallee, each of whom is also a Managing Director. The four join current Investment Committee members Kevin Birzer (CEO), Zach Hamel, Terry Matlack and Ken Malvey. The Investment Committee will continue to provide investment strategy oversight to the portfolio team, who implements the strategy.

Additionally, Tortoise announced the appointment of new officers for its registered closed-end funds, Tortoise Energy Infrastructure Corp. (TYG), Tortoise MLP Fund, Inc. (NTG), Tortoise Pipeline & Energy Fund, Inc. (TTP), Tortoise Power and Energy Infrastructure Fund, Inc. (TPZ) and Tortoise Energy Independence Fund, Inc. (NDP).

Brad Adams, Managing Director at Tortoise will serve as Chief Executive Officer of each fund.

Matthew Sallee, Managing Director and Portfolio Manager at Tortoise will serve as President of TYG and NTG.

Brian Kessens, Managing Director and Portfolio Manager at Tortoise will serve as President of TTP and TPZ.

Robert Thummel, Managing Director and Portfolio Manager at Tortoise will serve as President of NDP.

Brent Behrens, Director, Financial Operations at Tortoise will serve as Principal Financial Officer and Treasurer of each fund.

Shobana Gopal, Director, Tax at Tortoise will serve as Vice President of each fund.

Nick Holmes, Vice President and Investment Analyst at Tortoise will serve as Vice President of TYG and NTG.

Brett Jergens, Director and Investment Analyst at Tortoise will serve as Vice President of NDP.

Diane Bono, Director and Chief Compliance Officer at Tortoise will serve as Secretary of each fund.

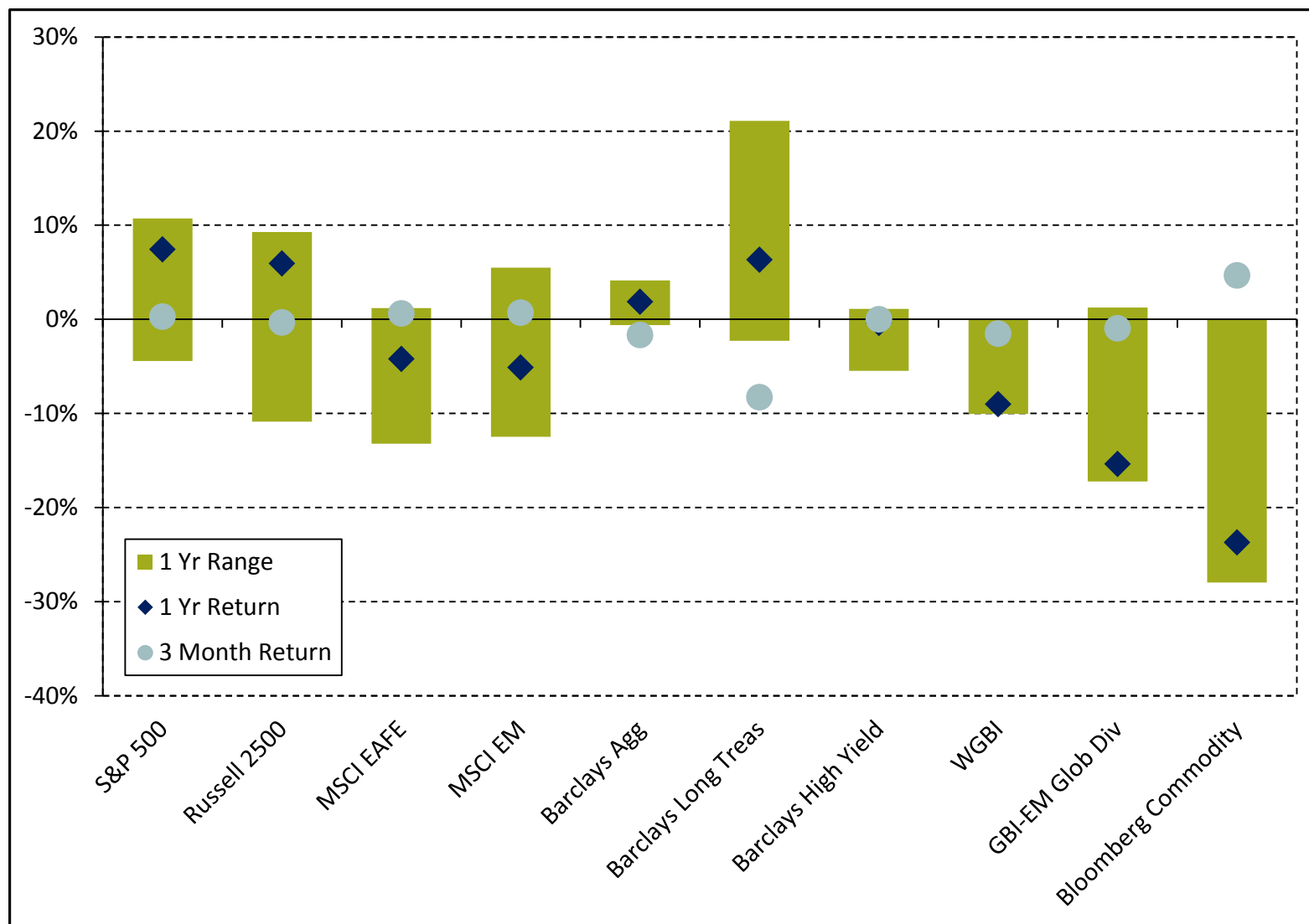
Cameron Willcott, Compliance Associate at Tortoise will serve as Assistant Secretary of each fund.

Despite Mr. Schulte's departure, we remain confident in Tortoise's deep staff and formal additions of Messrs. Kessens, Thummel, Mick, and Sallee to the Investment Committee.

***NEPC recommends a due diligence status of No Action as a result.***

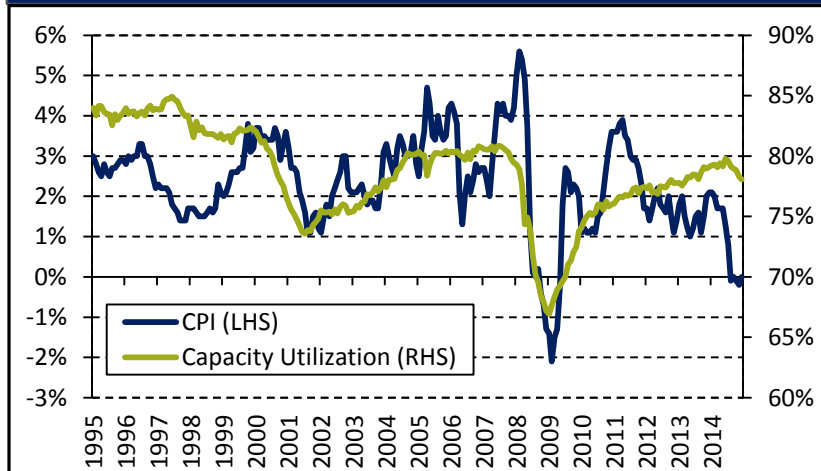
# Appendix

# Broad Market Performance Summary as of 6/30/2015



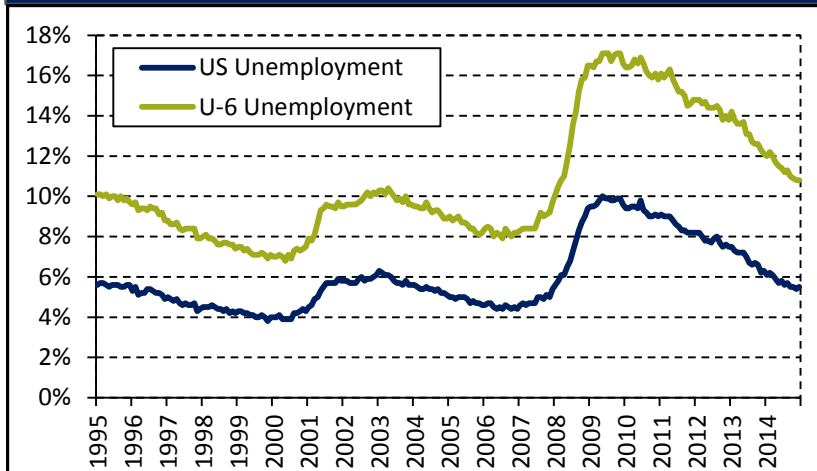
Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan  
 \*1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago

## Inflation has stayed low



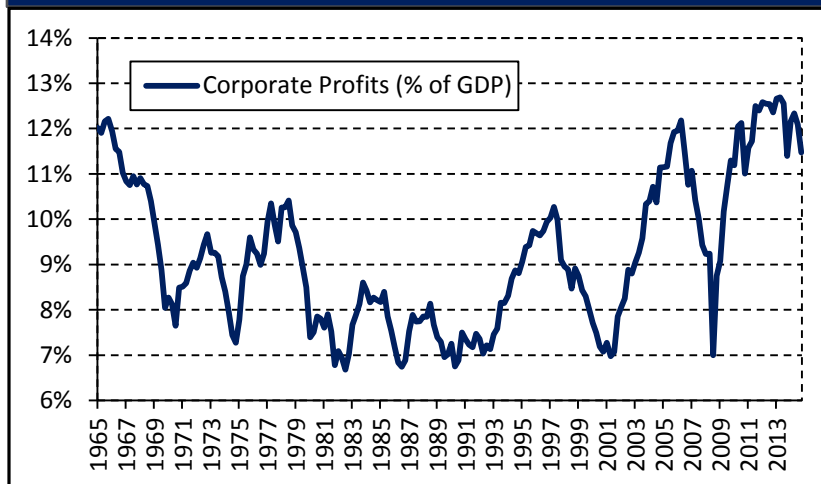
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

## Unemployment steadily improving



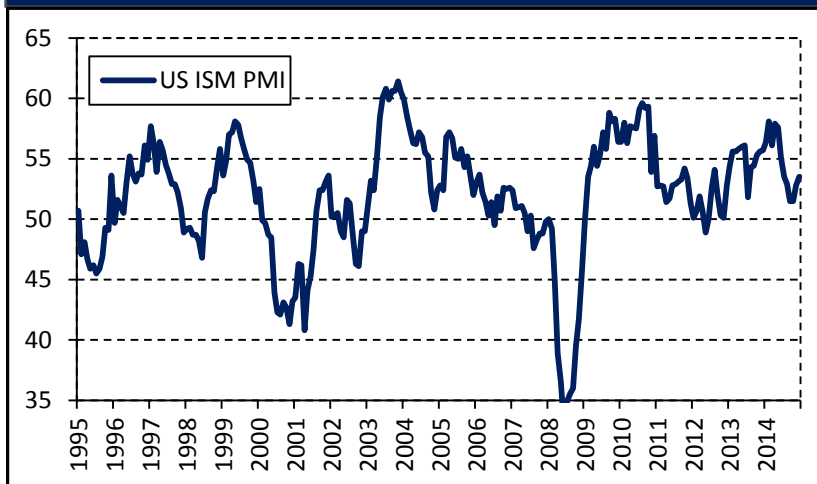
Source: Bloomberg, Bureau of Labor Statistics

## Corporate profits at secular highs



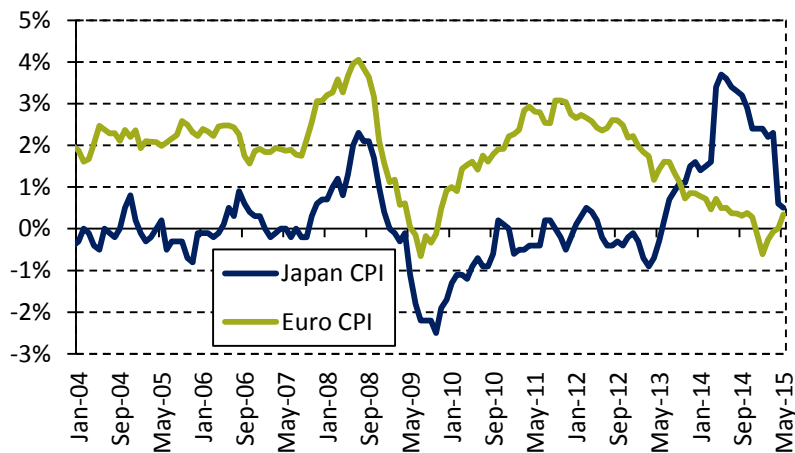
Source: Bloomberg, Bureau of Economic Analysis

## Manufacturing above average but trending lower



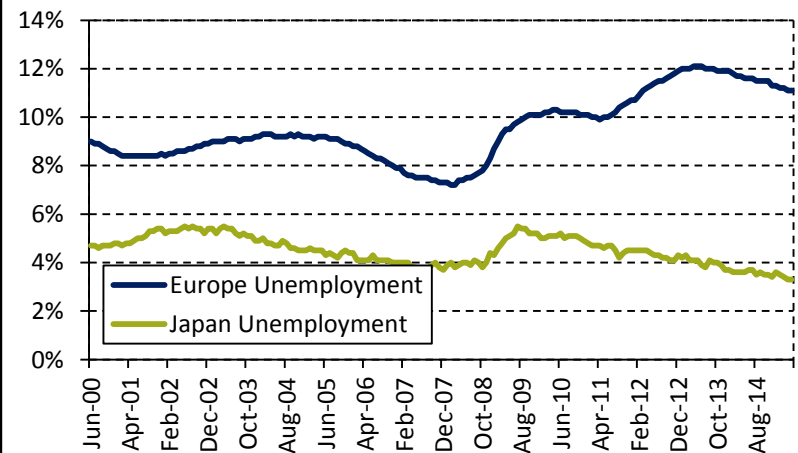
Source: Bloomberg, Institute for Supply Management

## Inflation outlook slowly improving



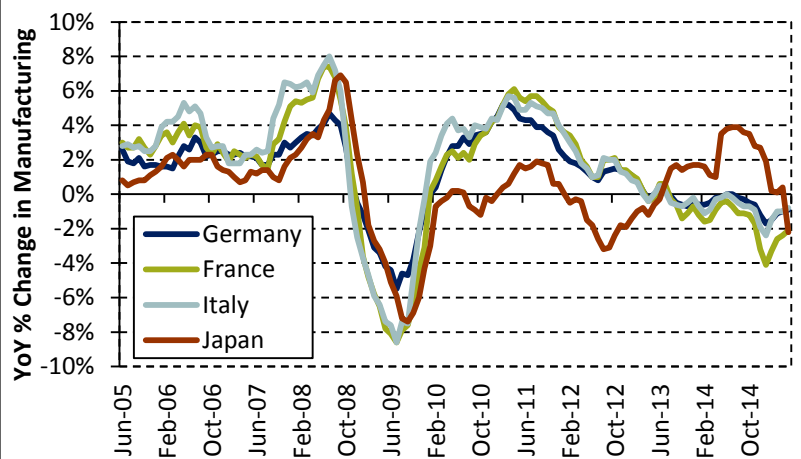
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

## Europe employment recovery lagging



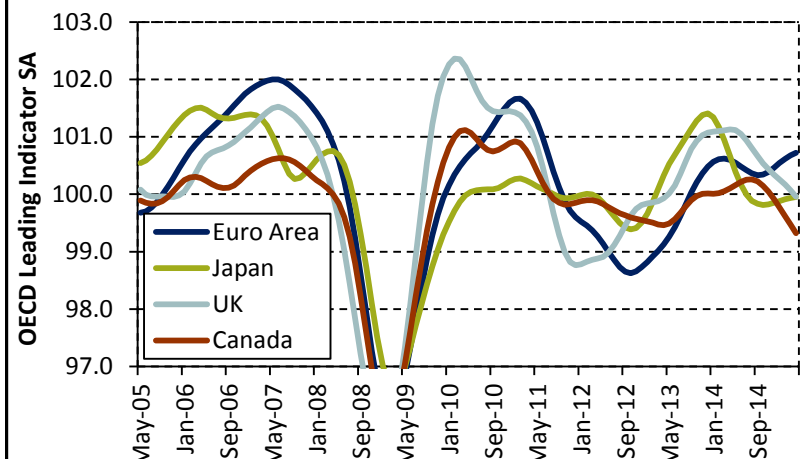
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

## Manufacturing in Japan has lagged



Source: Bloomberg, OECD, Eurostat

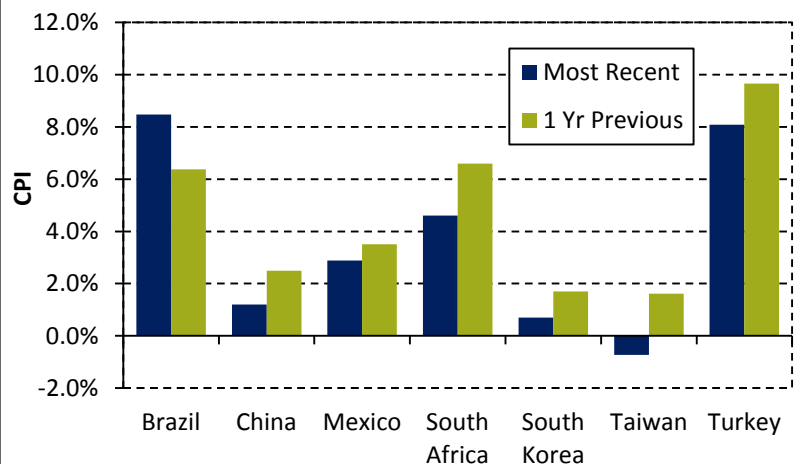
## Leading indicators neutral to positive



Source: Bloomberg, OECD

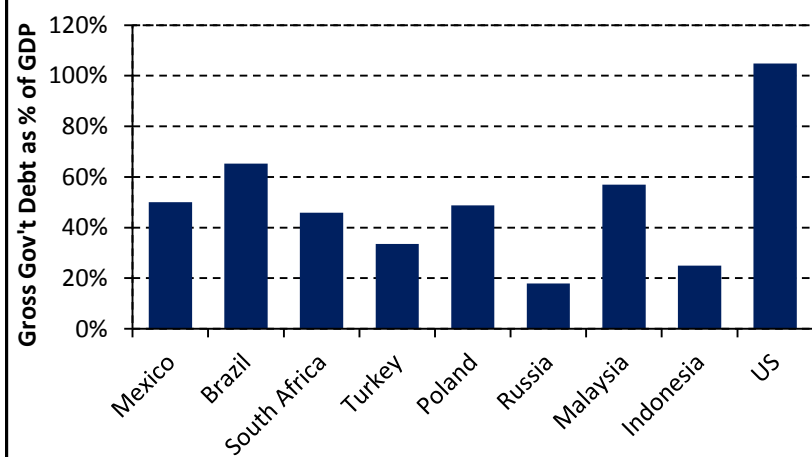


## EM inflation is varied by country



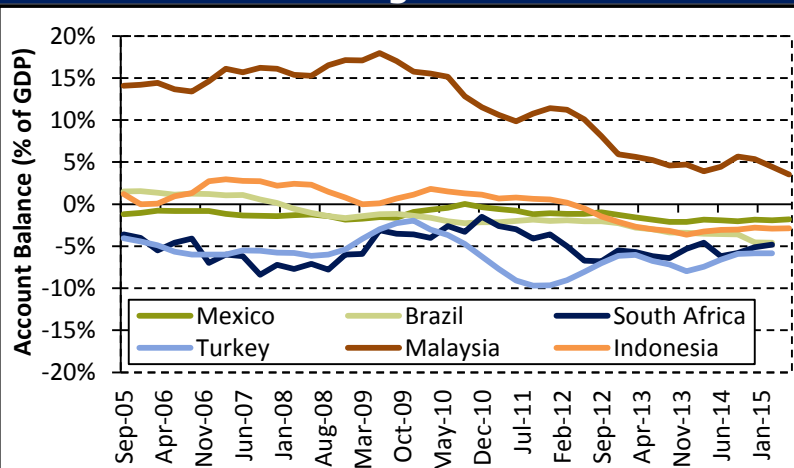
Source: Bloomberg

## Relatively healthy Debt/GDP ratios



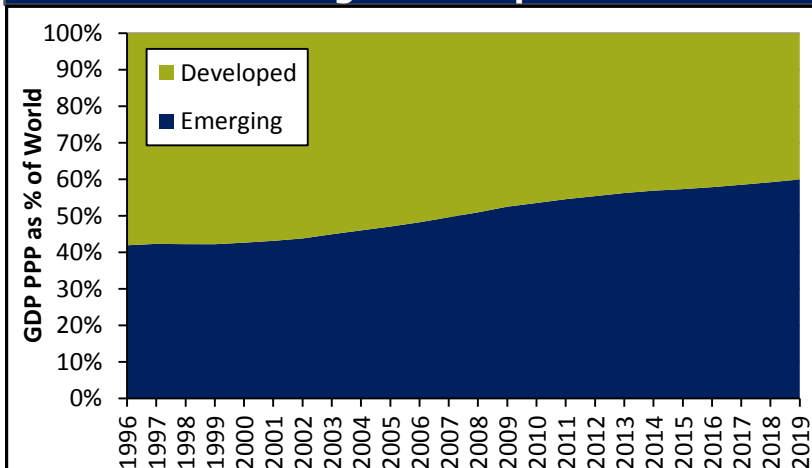
Source: Bloomberg, IMF

## Some improvement in account balance challenged countries



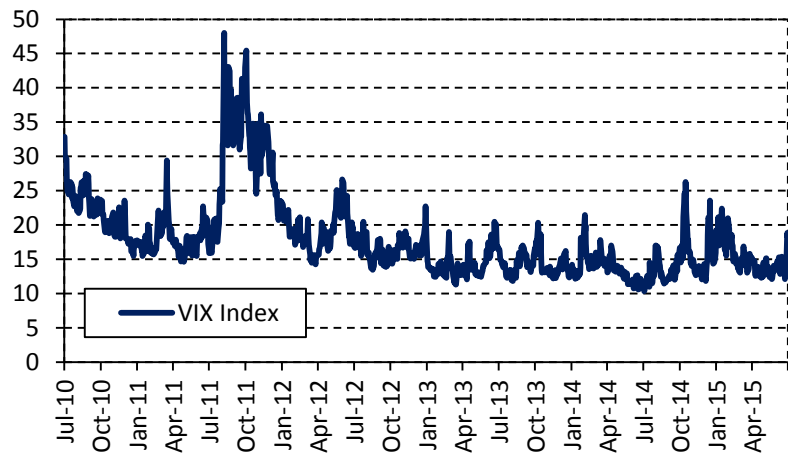
Source: Bloomberg

## Emerging economies make up >50% of global output



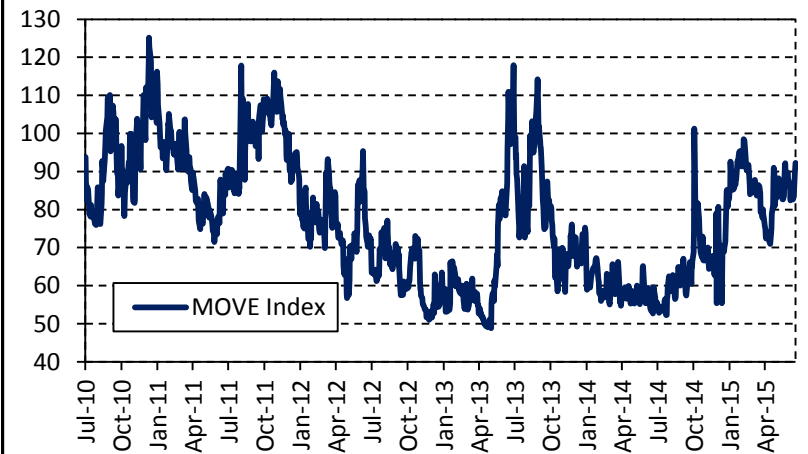
Source: Bloomberg, IMF

## Equity volatility remains low



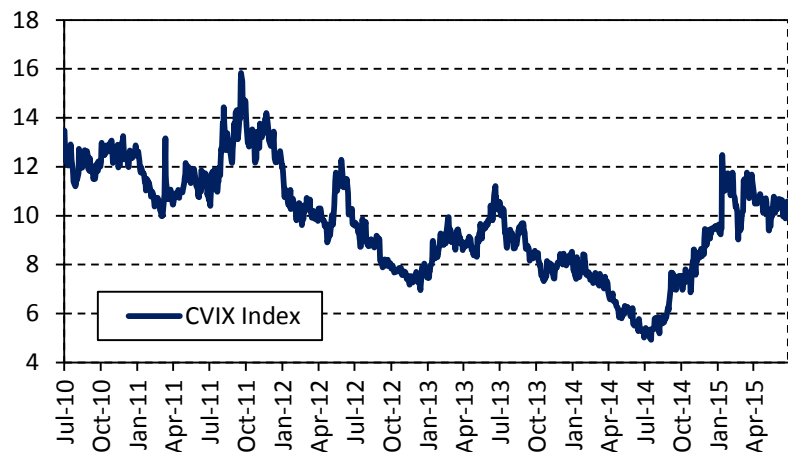
Source: Bloomberg, CBOE

## Treasury rates experiencing periods of higher volatility



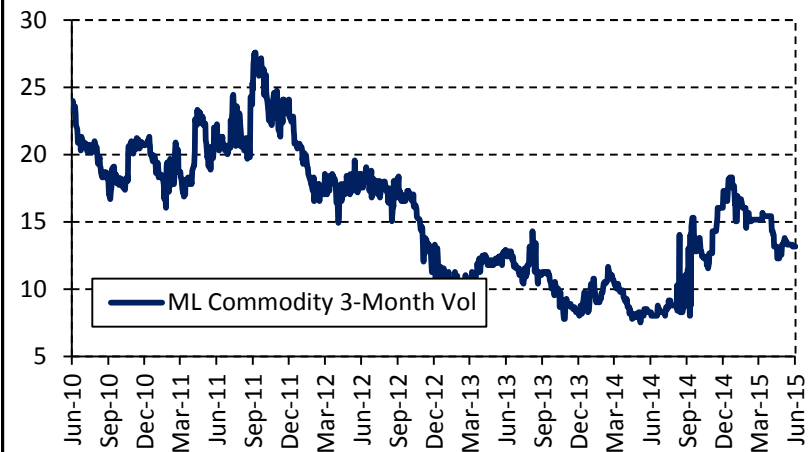
Source: Bloomberg, Merrill Lynch

## Sustained uptick in currency volatilities



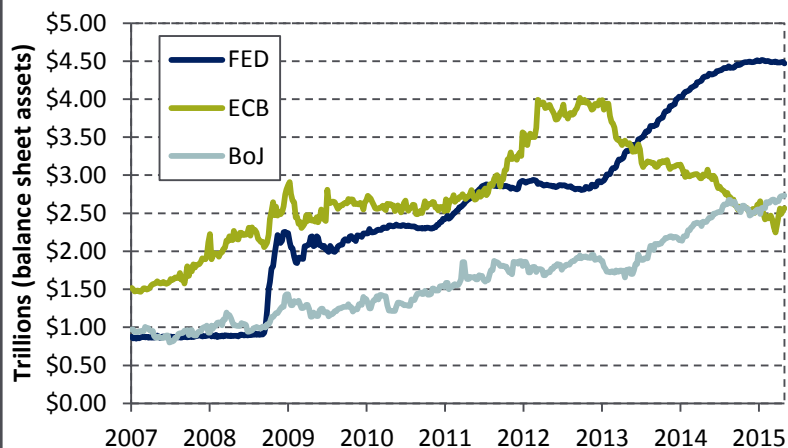
Source: Bloomberg, Deutsche Bank

## Commodity pricing volatility has moderated



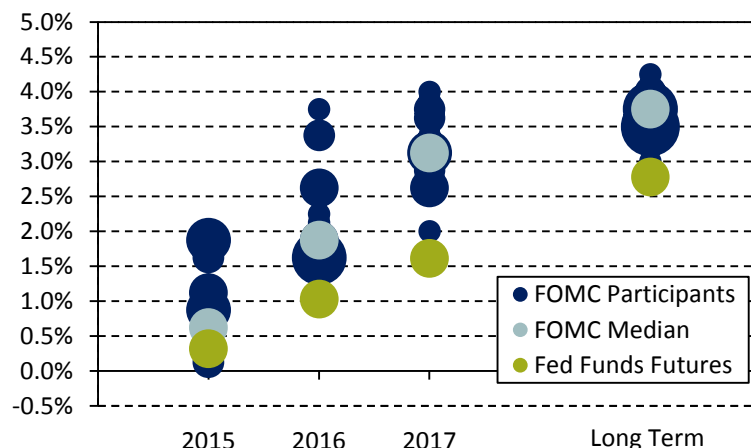
Source: Bloomberg, Merrill Lynch

## Major central bank policy divergence



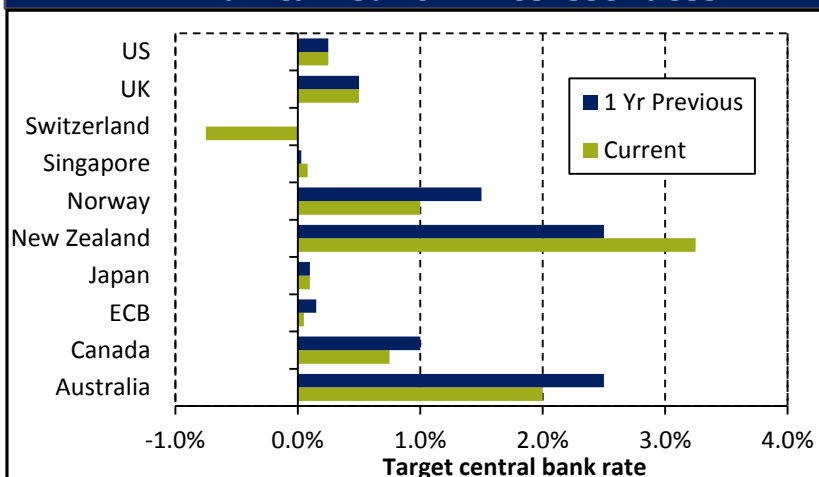
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

## Fed's ideal rate of policy firming above market expectations



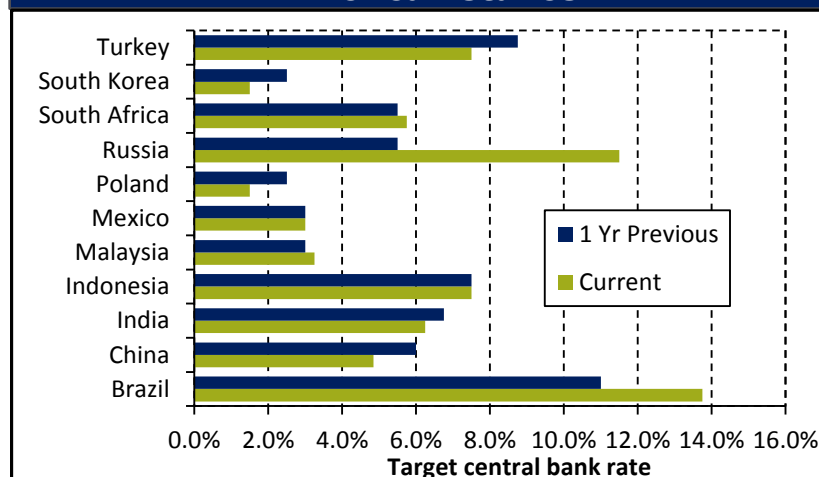
Source: Bloomberg, Federal Reserve, NEPC

## Many developed central banks have maintained low interest rates



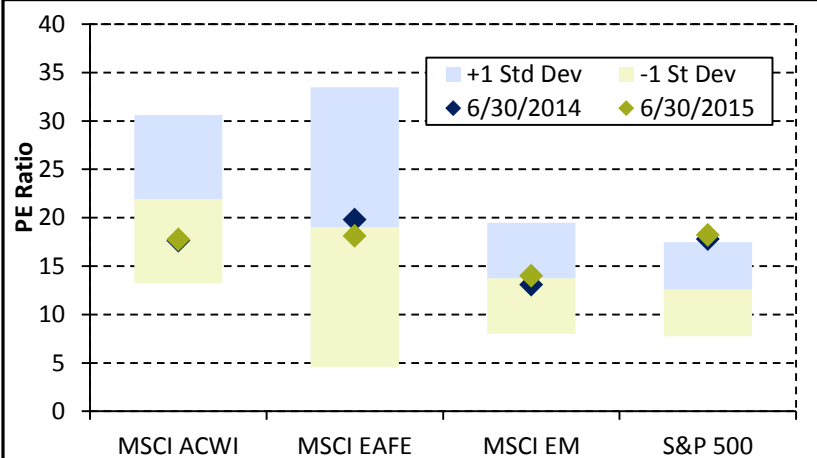
Source: Bloomberg

## EM central bank policies have varied by circumstance



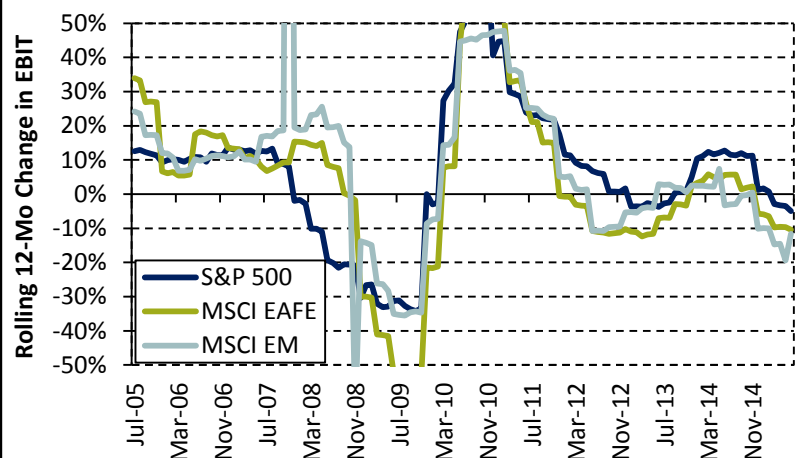
Source: Bloomberg

## Global valuations are mixed



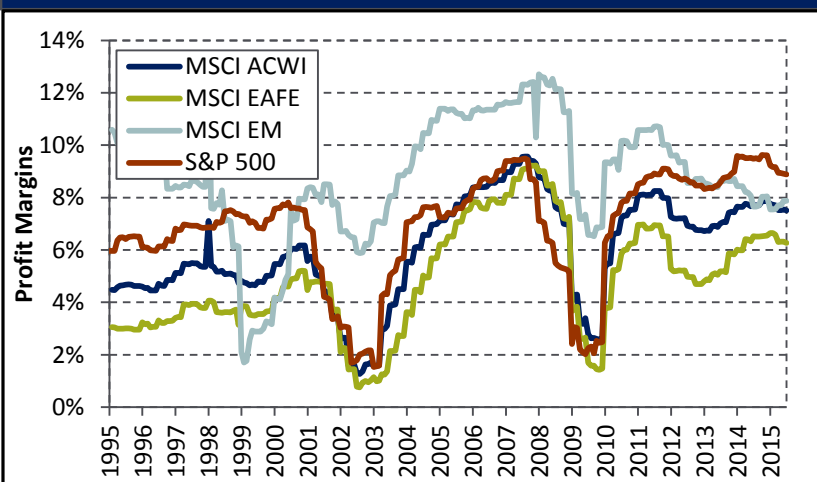
Source: Bloomberg, Standard and Poors, MSCI \*MSCI EAFE is ex UK Telecom

## Earnings growth trending lower



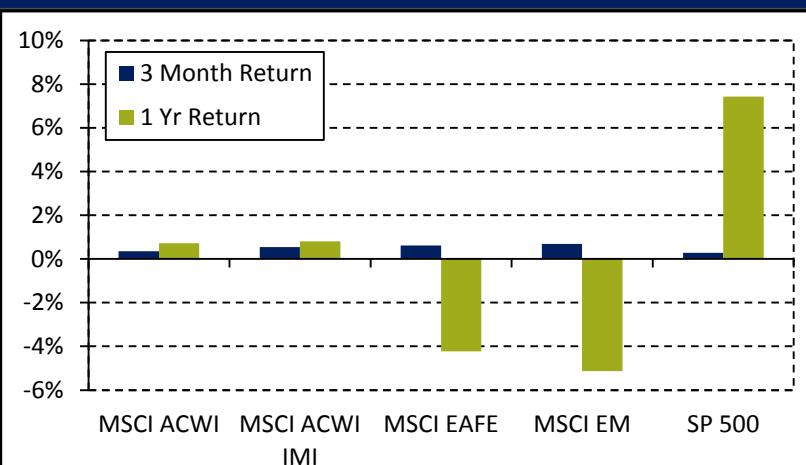
Source: Bloomberg, Standard and Poors, MSCI

## Margins elevated, but largely a US story



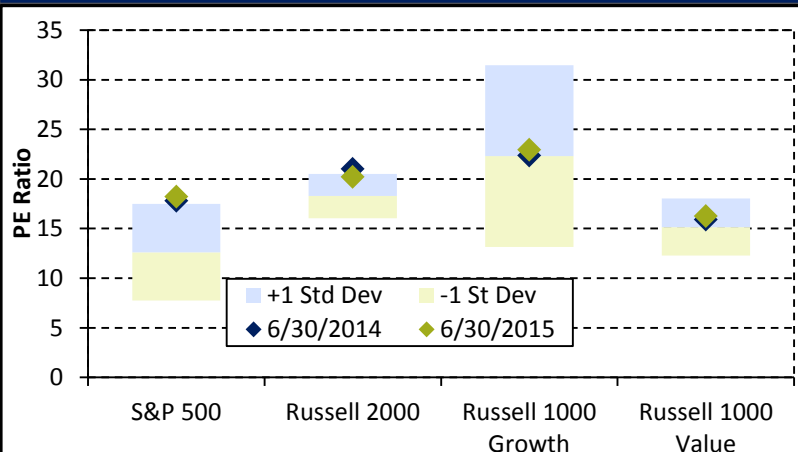
Source: Bloomberg, MSCI

## Significant global variance in returns



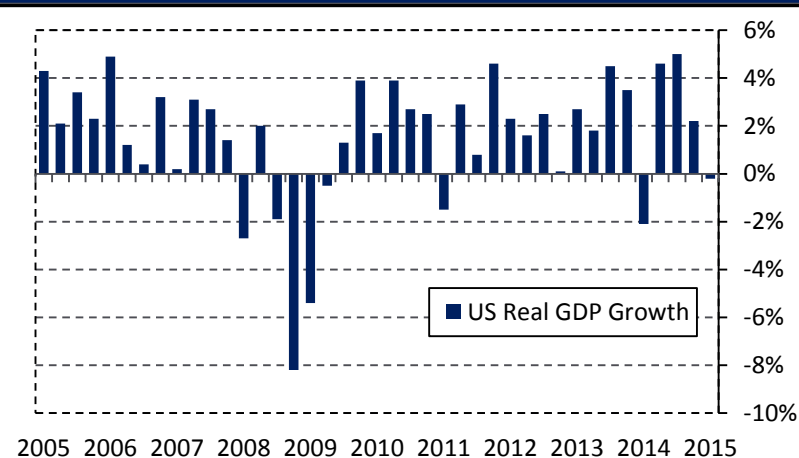
Source: Bloomberg, MSCI

## Valuations near or above historical norms



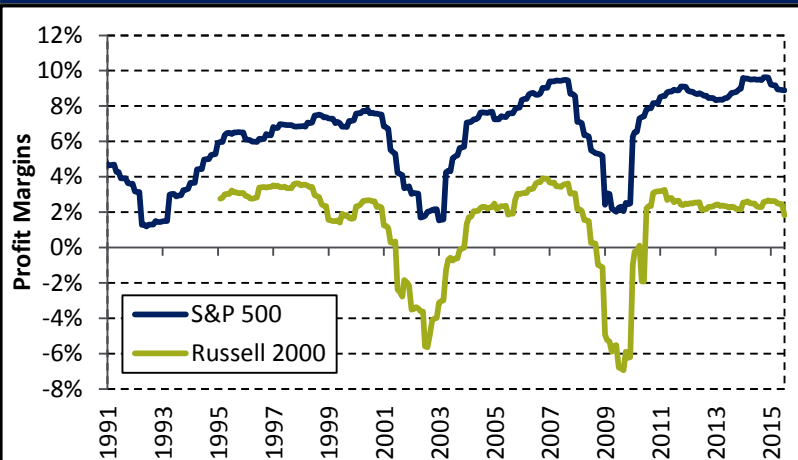
Source: Bloomberg, Standard and Poors, Russell \*Russell 2000 PE is index adjusted positive

## Growth recovery marked by inconsistency



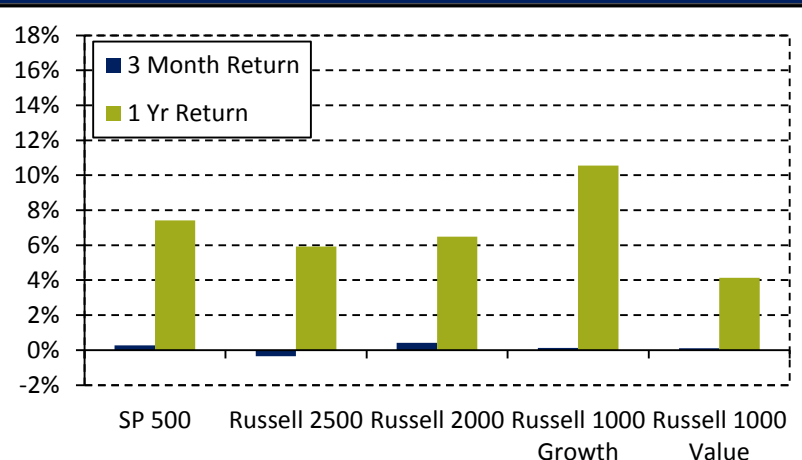
Source: Bloomberg, Bureau of Economic Analysis

## Profit margins remain elevated



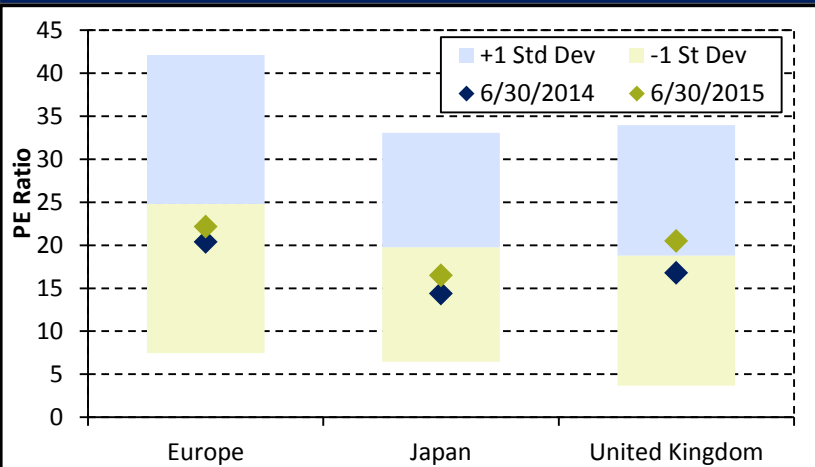
Source: Bloomberg, Standard and Poors, Russell

## Trailing performance is positive



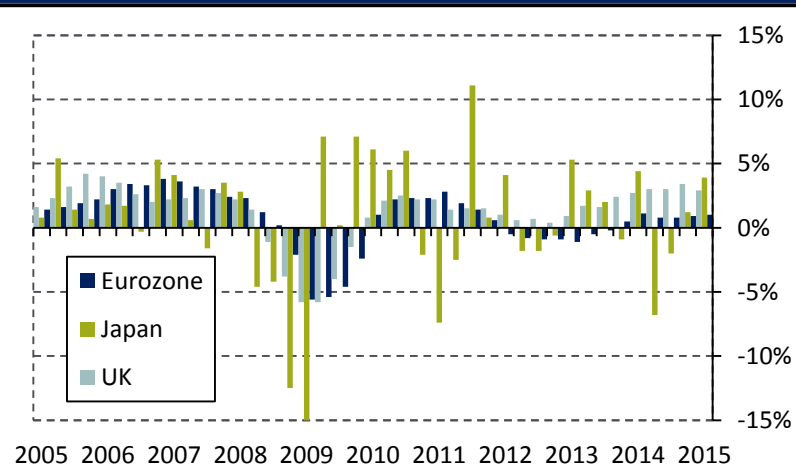
Source: Bloomberg, Standard and Poors, Russell

## PEs near historical medians



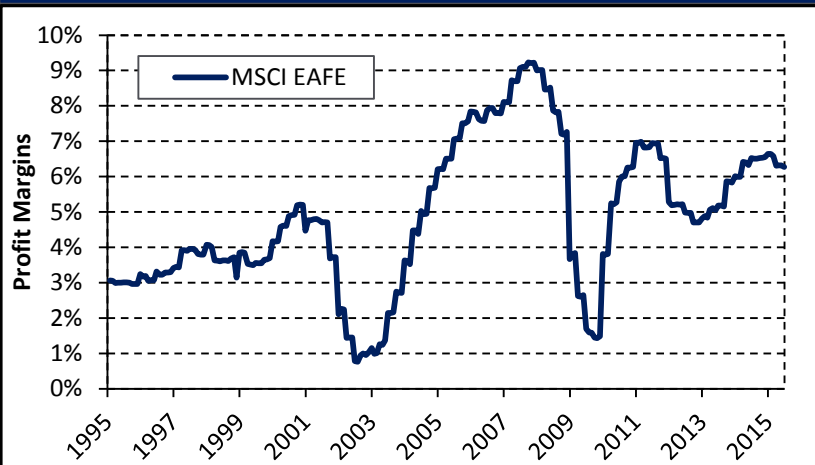
Source: Bloomberg, MSCI, FTSE \*UK represented by FTSE 100 Index

## Slow Global Growth



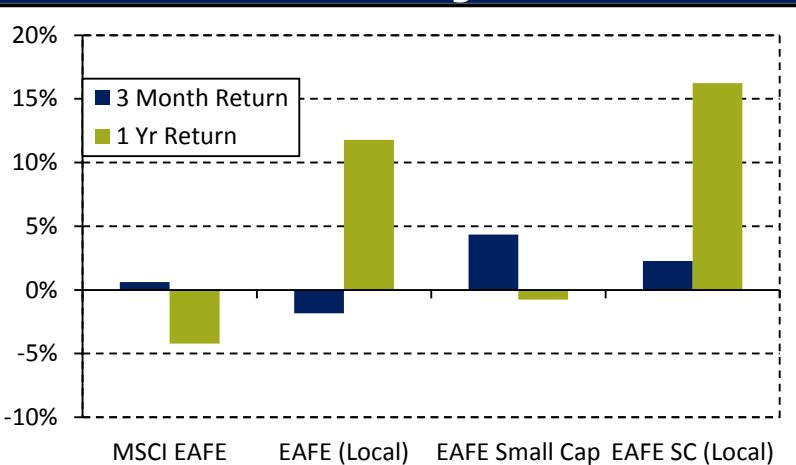
Source: Bloomberg

## Margins elevated but not at extremes



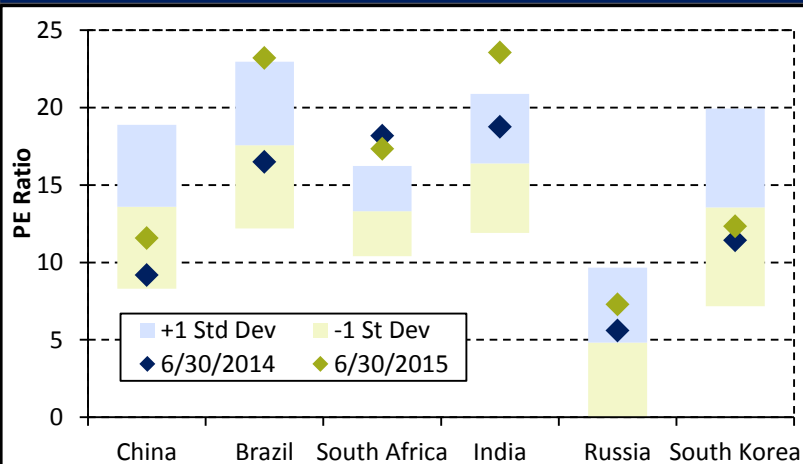
Source: Bloomberg, MSCI

## Positive performance muted by dollar strength



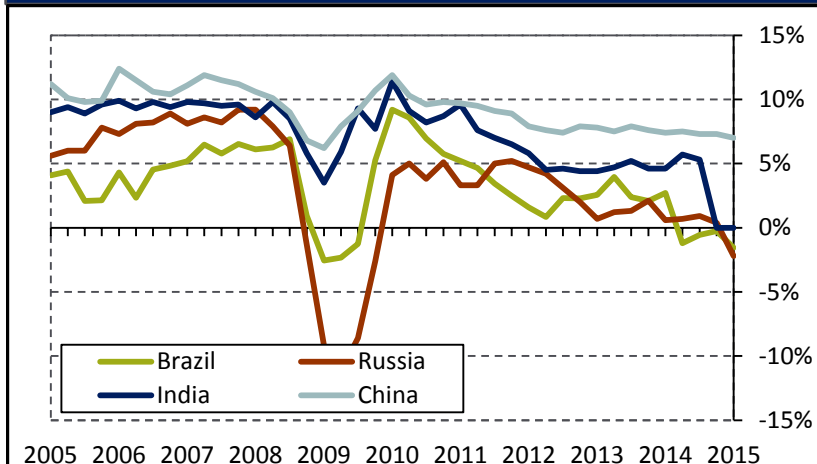
Source: Bloomberg, MSCI

## Regional valuations show divergence



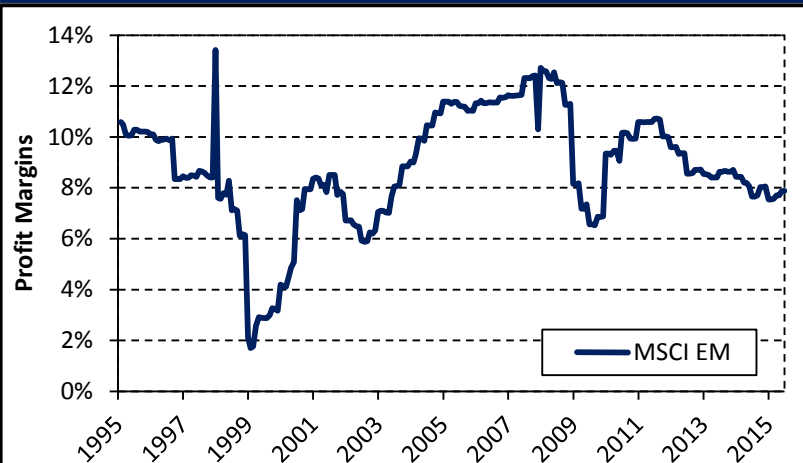
Source: Bloomberg, MSCI

## Slowing growth in major economies



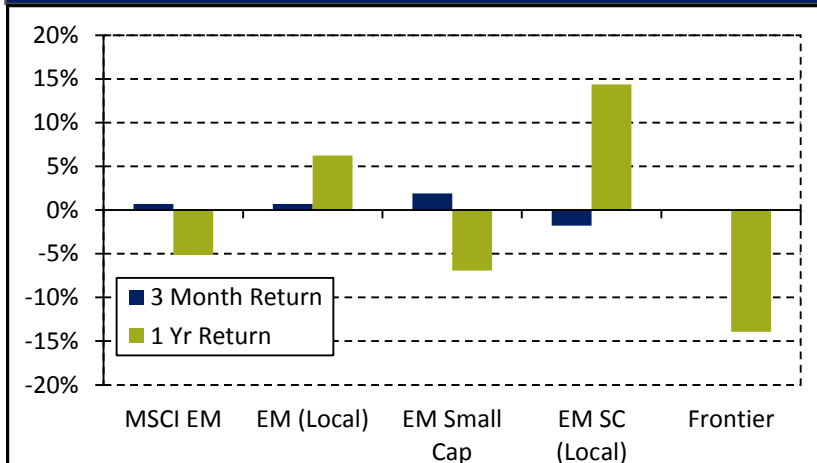
Source: Bloomberg

## Profit margins in line with history



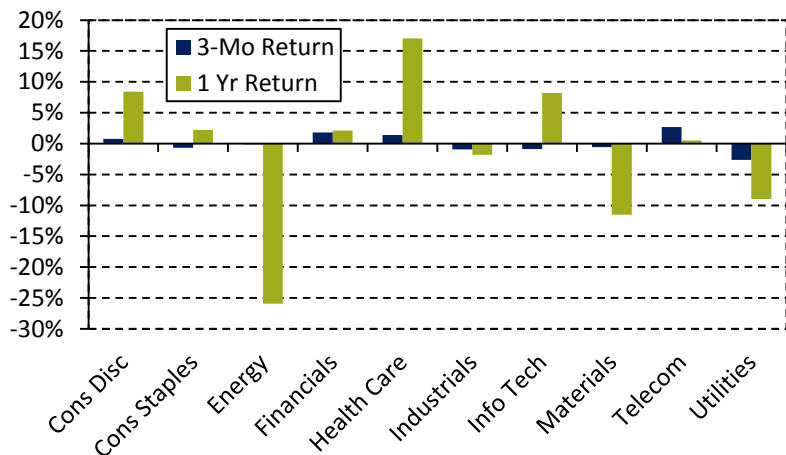
Source: Bloomberg, MSCI

## Dollar strength has detracted



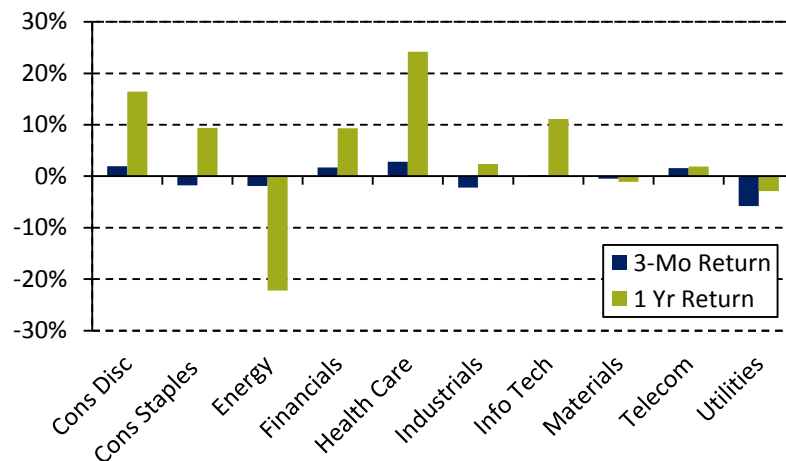
Source: Bloomberg, MSCI

## MSCI ACWI returns led by health care rally



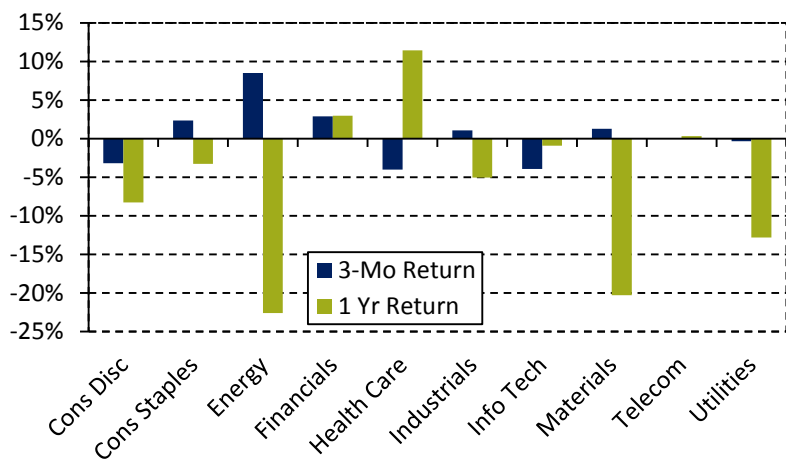
Source: Bloomberg, MSCI

## S&P 500 sector returns vary



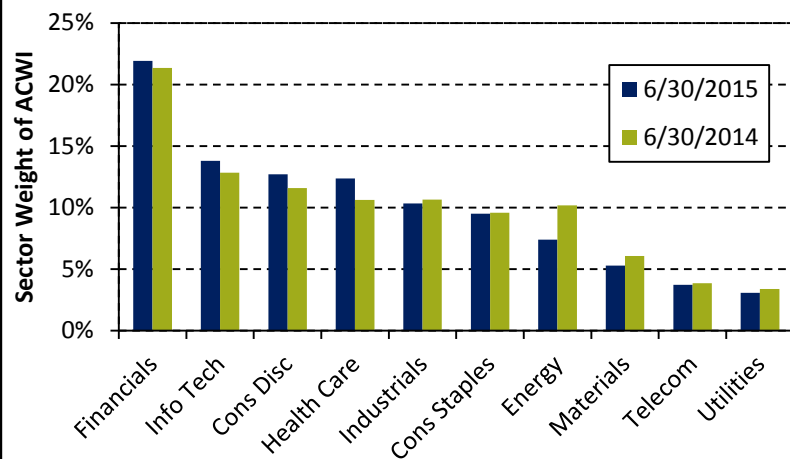
Source: Bloomberg, Standard and Poors

## Energy sensitivity especially pronounced in EM



Source: Bloomberg, MSCI

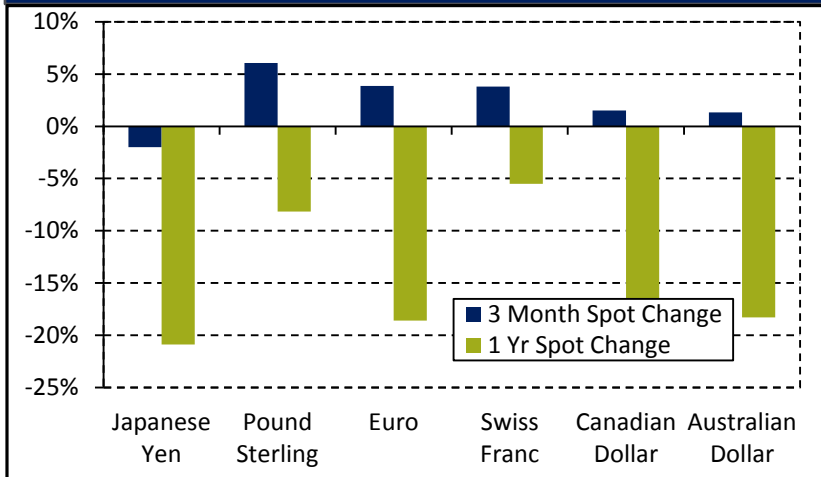
## Global energy sector weight has fallen



Source: Bloomberg, MSCI

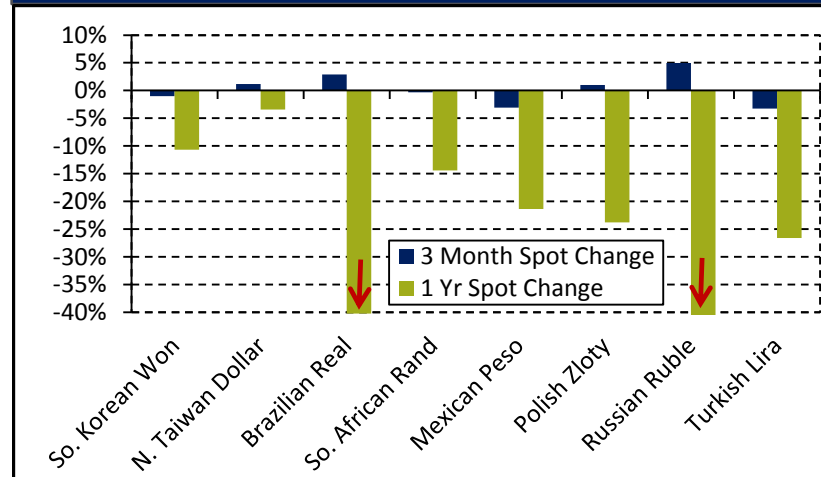


## Developed currencies showing recent signs of stabilization versus the dollar



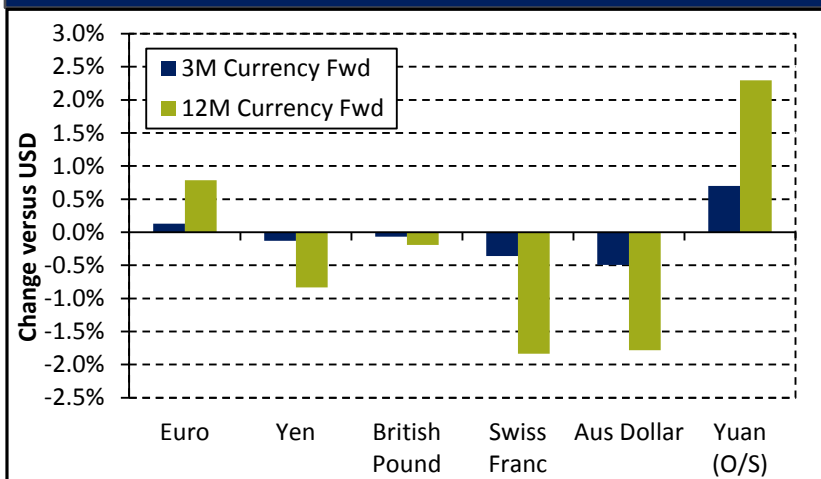
Source: Bloomberg

## EM currencies have suffered in unique fashions



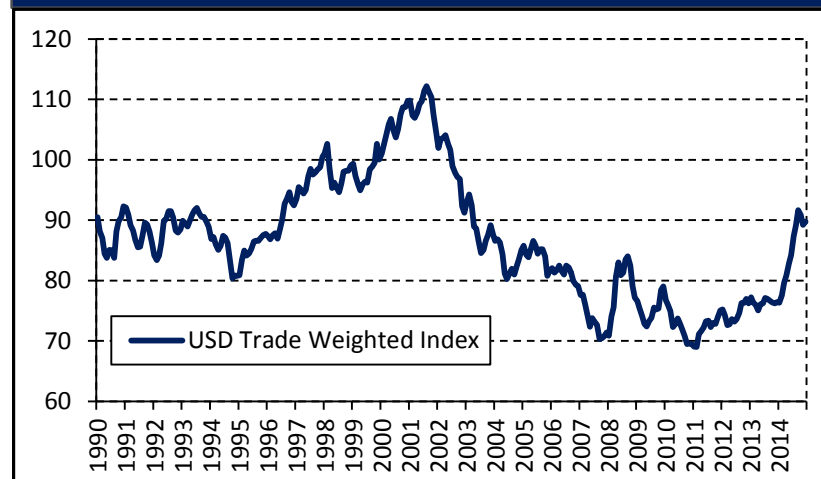
Source: Bloomberg

## Yen and GBP expect to decline versus USD



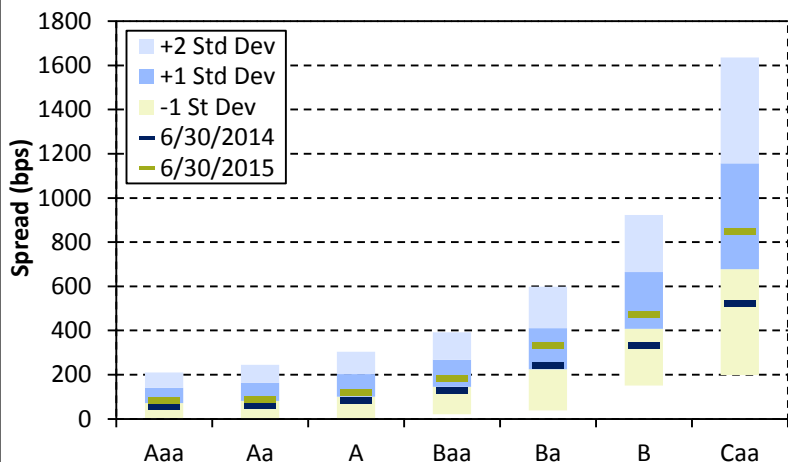
Source: Bloomberg

## Recent dollar strength pronounced



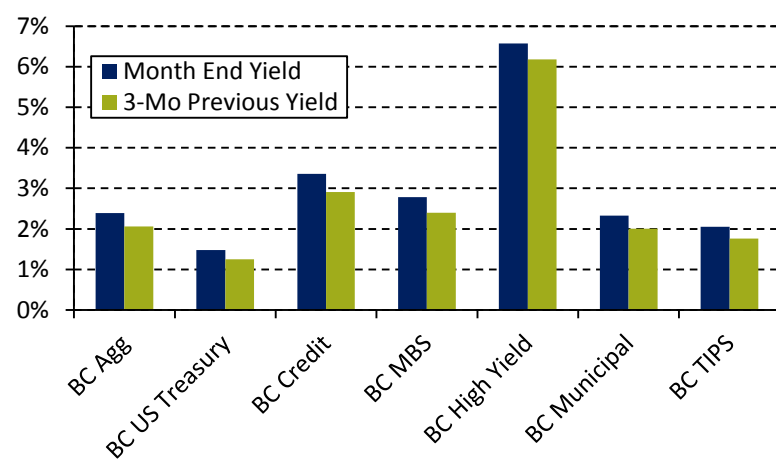
Source: Bloomberg, Federal Reserve

## Spreads levels in line with history



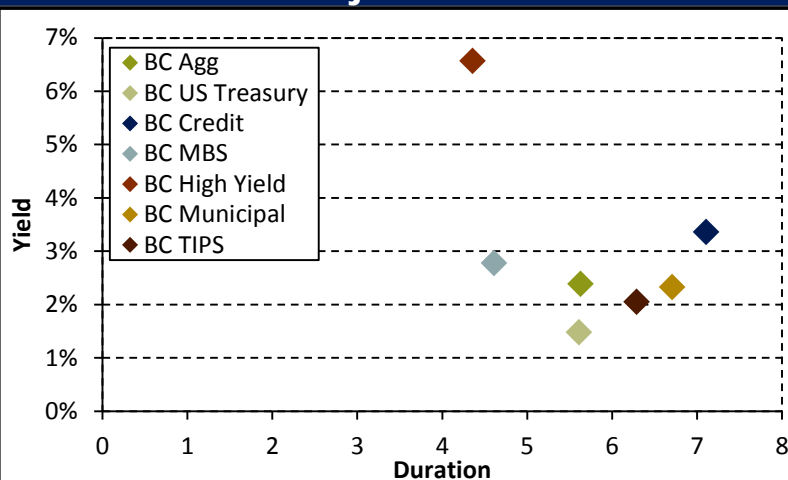
Source: Bloomberg, Barclays

## Yields have stayed mostly flat



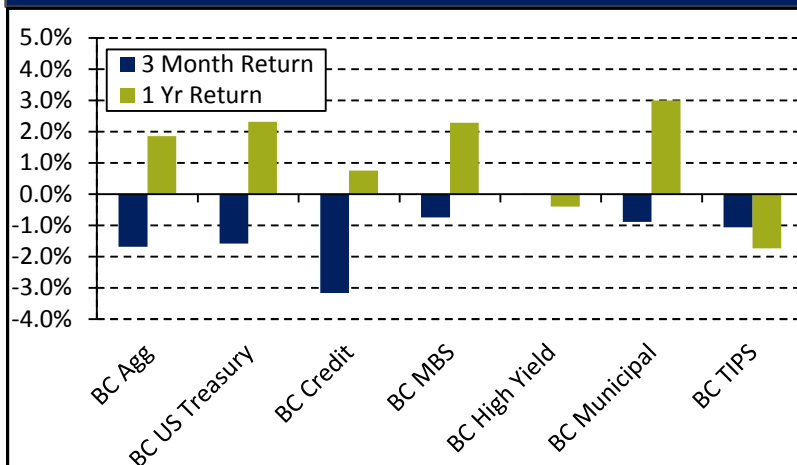
Source: Bloomberg, Barclays

## Similar yield/duration tradeoff among major US indices



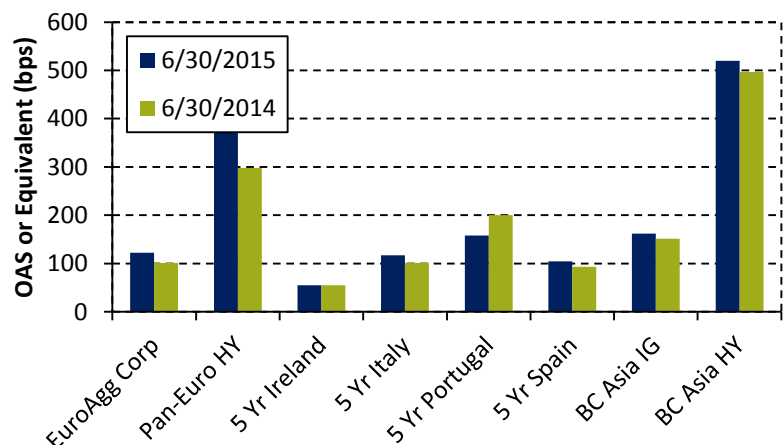
Source: Bloomberg, Barclays

## Recent performance muting trailing returns



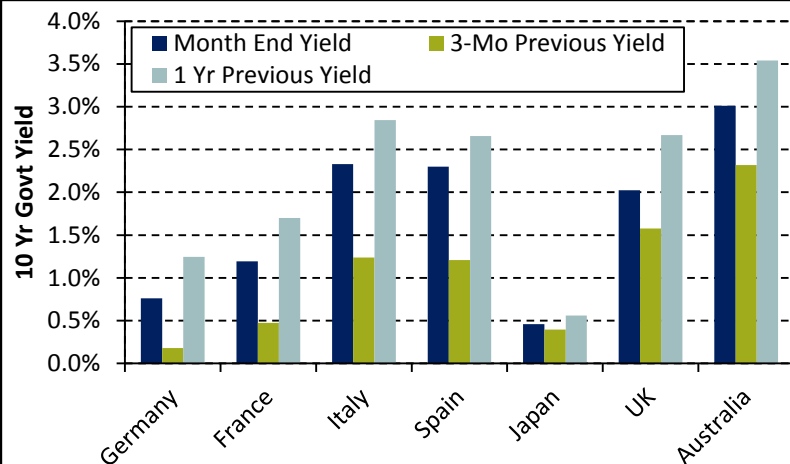
Source: Bloomberg, Barclays

## European periphery yields relatively lower versus Germany



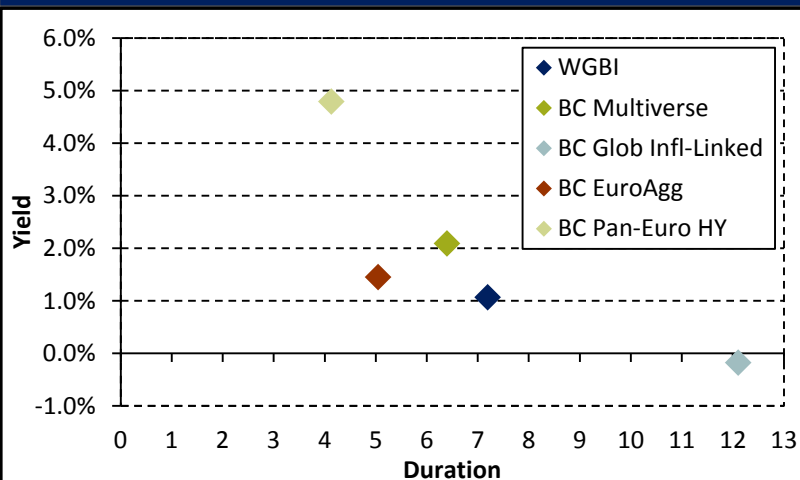
Source: Barclays, Bloomberg, \*European periphery spreads are over equivalent German Bund

## Global yields are at or near historic lows despite recent uptick



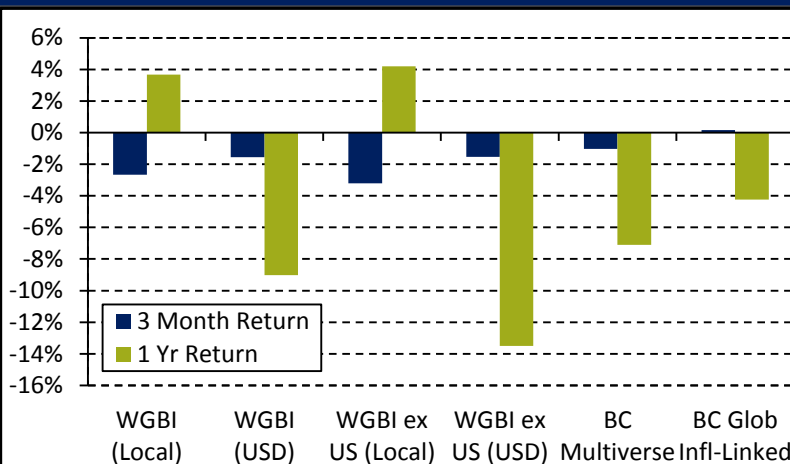
Source: Bloomberg

## Low global yields relative to duration



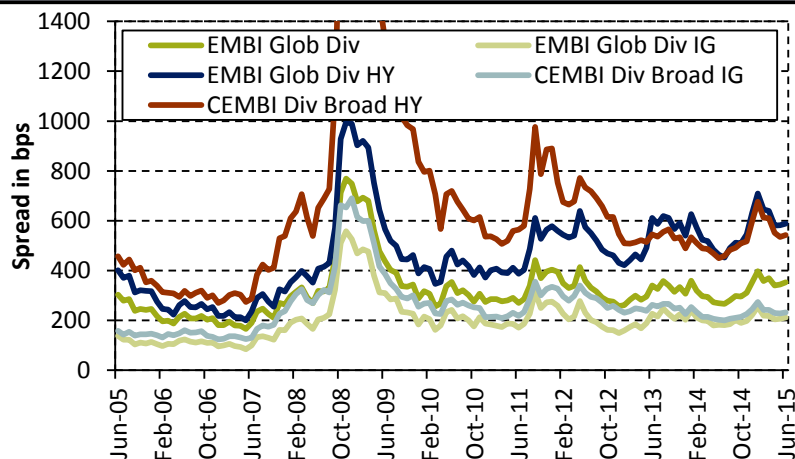
Source: Bloomberg, Citigroup, Barclays

## Global bonds negative in USD terms



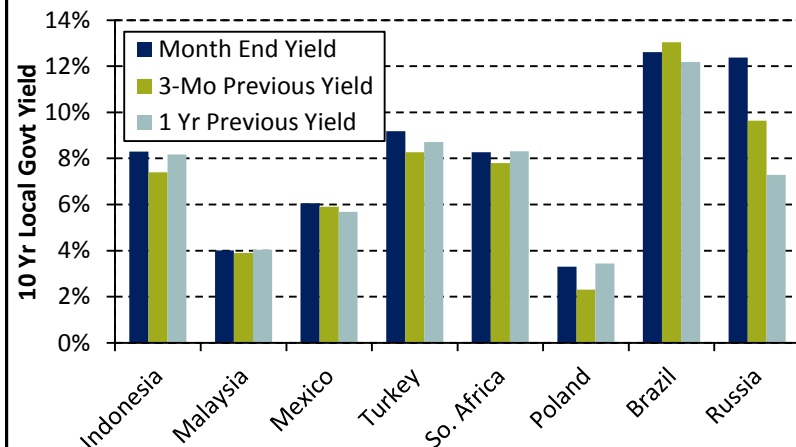
Source: Bloomberg, Citigroup, Barclays

## Spreads have compressed slightly, still in line with history



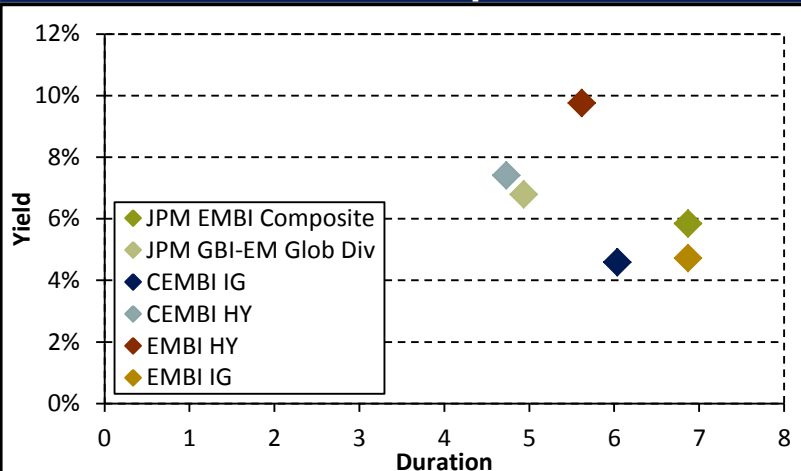
Source: Bloomberg, JP Morgan

## Emerging market bond yield changes have varied directionally



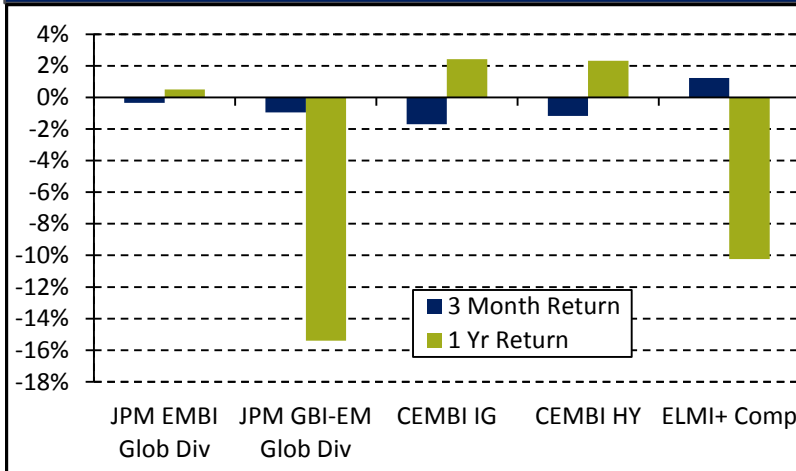
Source: Bloomberg

## EM yields higher versus global counterparts



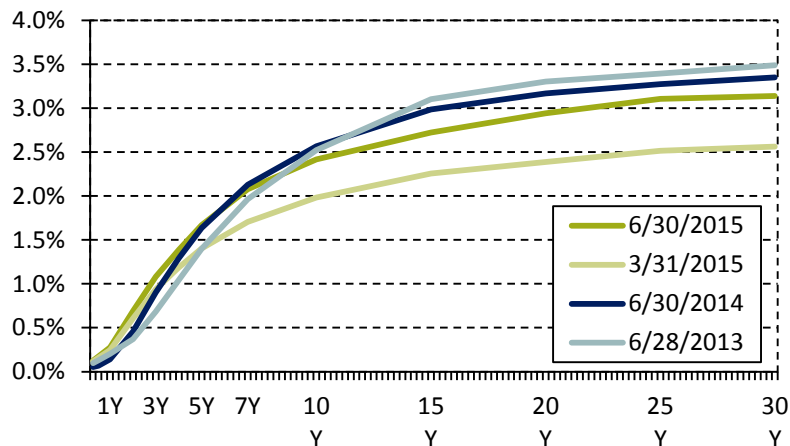
Source: Bloomberg, JP Morgan

## Currency effect pronounced in EMD returns



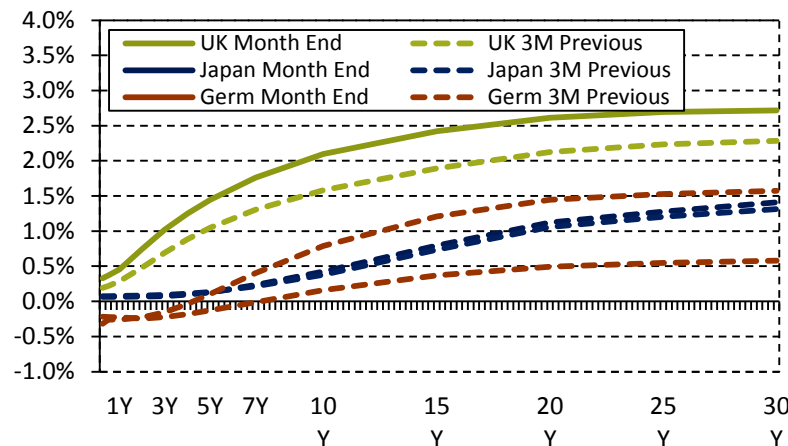
Source: Bloomberg, JP Morgan

### Treasury yield curve moderately higher during the year



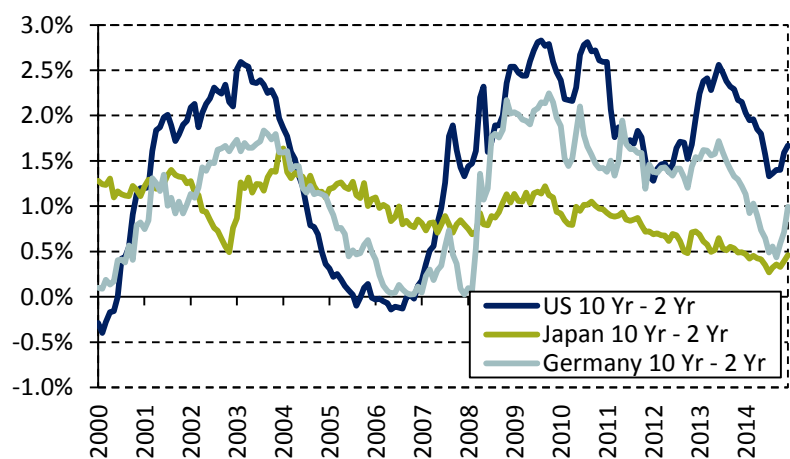
Source: Bloomberg

### German and UK curves have shifted upwards



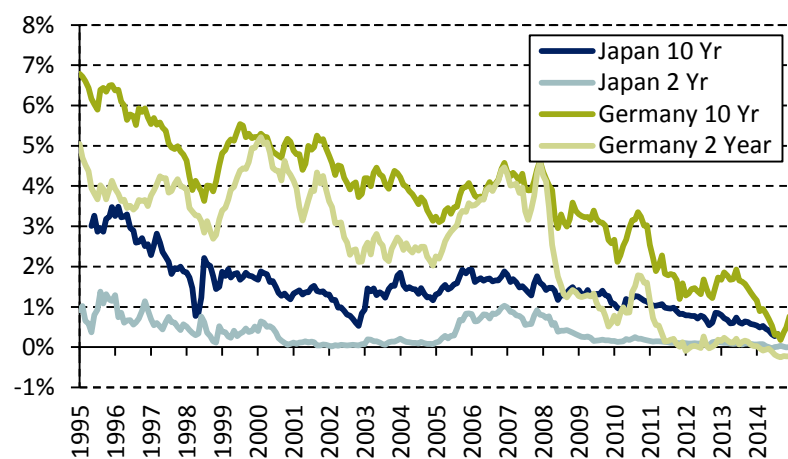
Source: Bloomberg

### Global yield curves have flattened



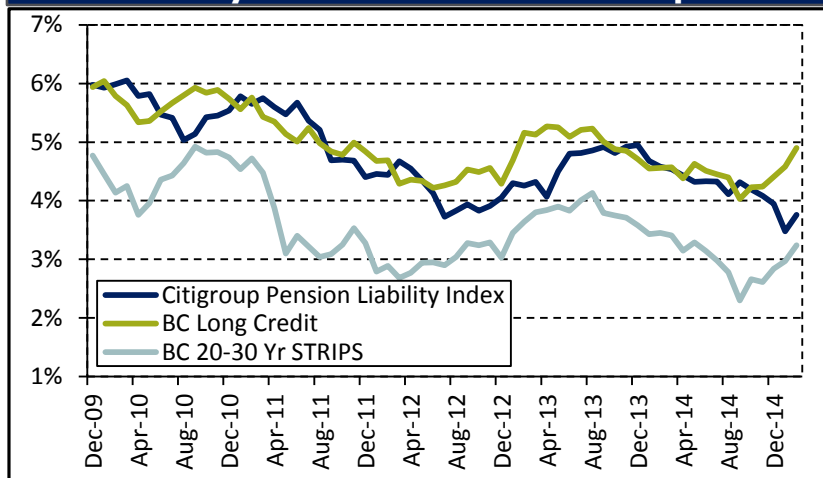
Source: Bloomberg

### Global yields have trended lower over long term



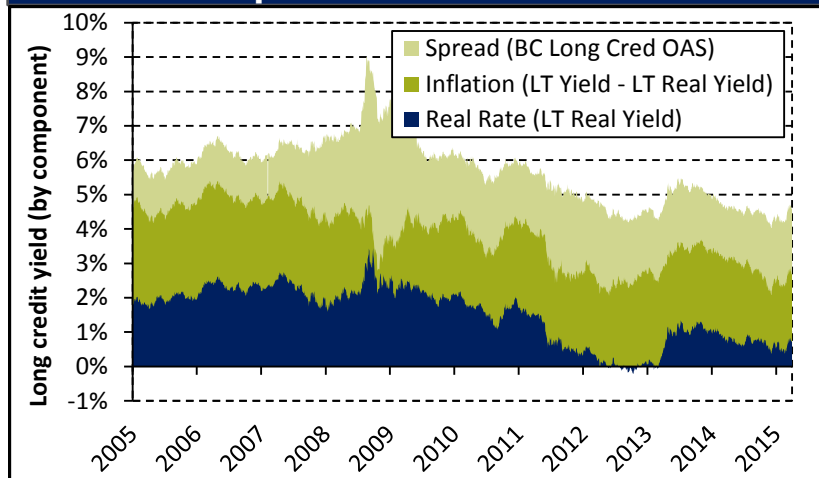
Source: Bloomberg

## Long duration yields have fallen over last few years even with recent uptick



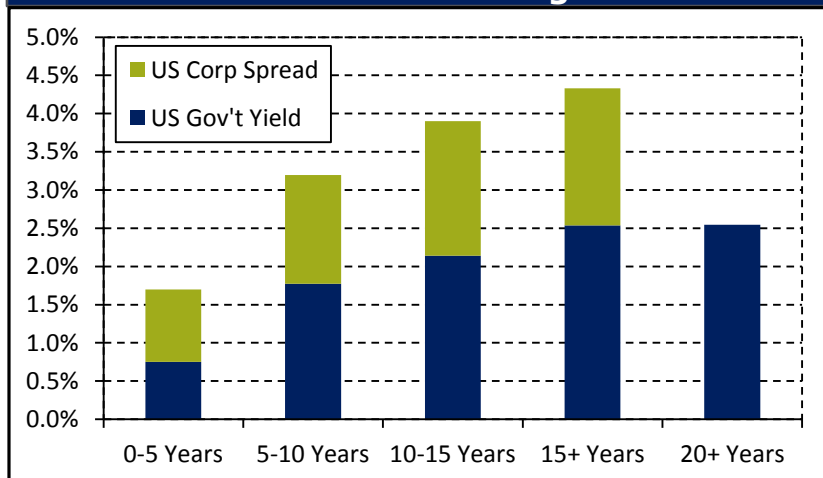
Source: Bloomberg, Citigroup, Barclays

## Lower yields driven by low inflation expectations and real rates



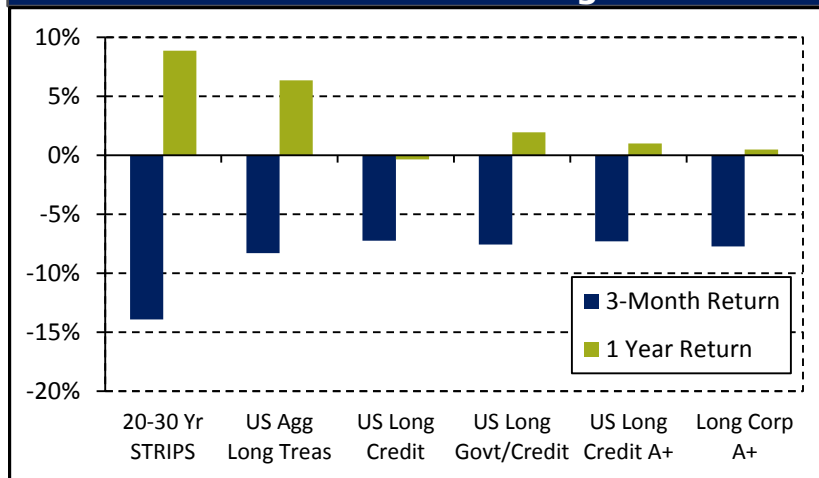
Source: Bloomberg, US Treasury, Barclays, NEPC

## Yields are low but spreads remain near historic averages



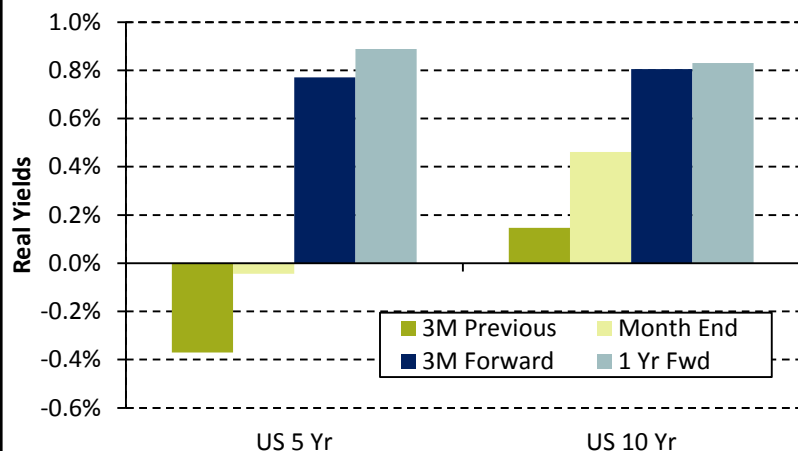
Source: Bloomberg, BofA Merrill Lynch, Barclays \*No index for 20+ year corporate

## Recent rise in rates have pushed long duration returns negative



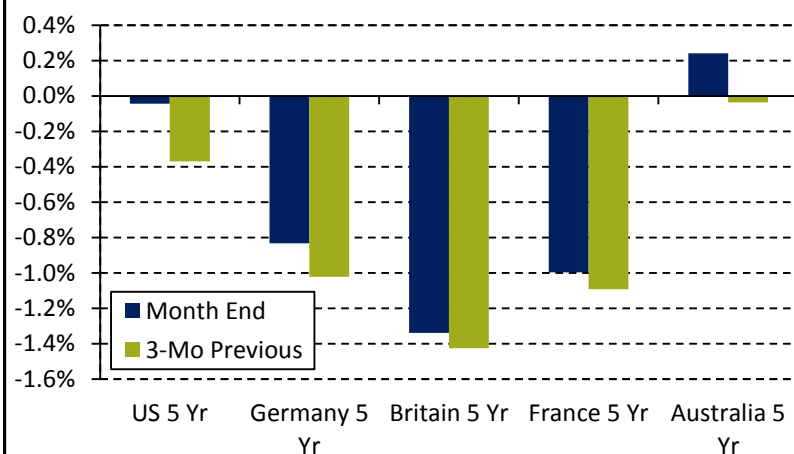
Source: Bloomberg, Barclays

## US real yields have risen slightly



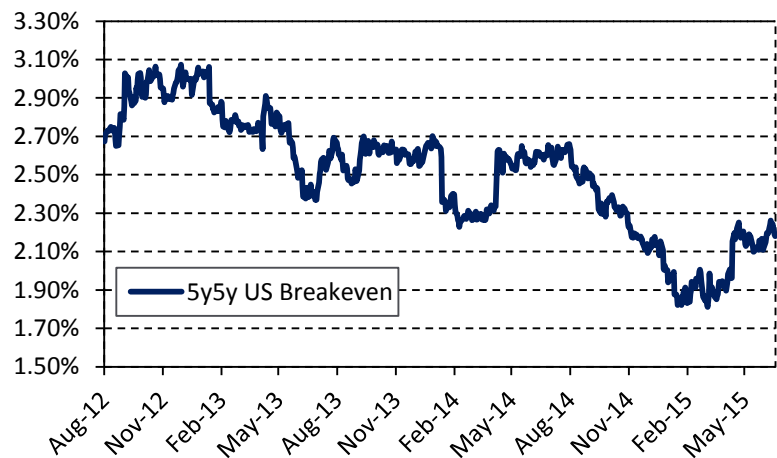
Source: Bloomberg

## Global real yields are flat to negative



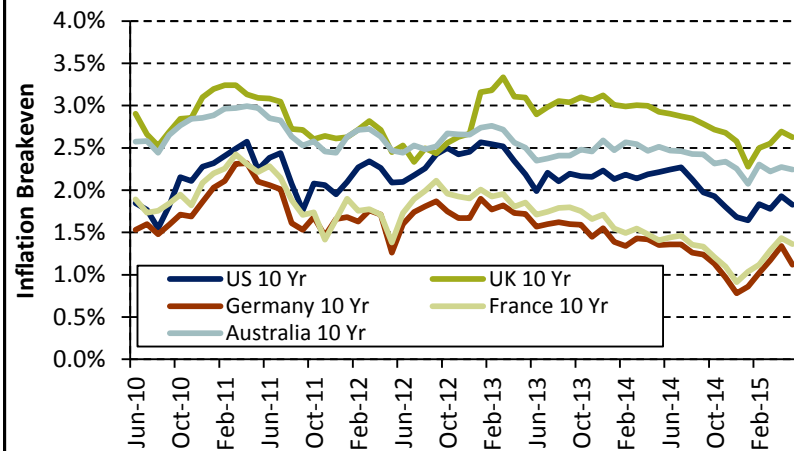
Source: Bloomberg

## US inflation expectations on downward trend



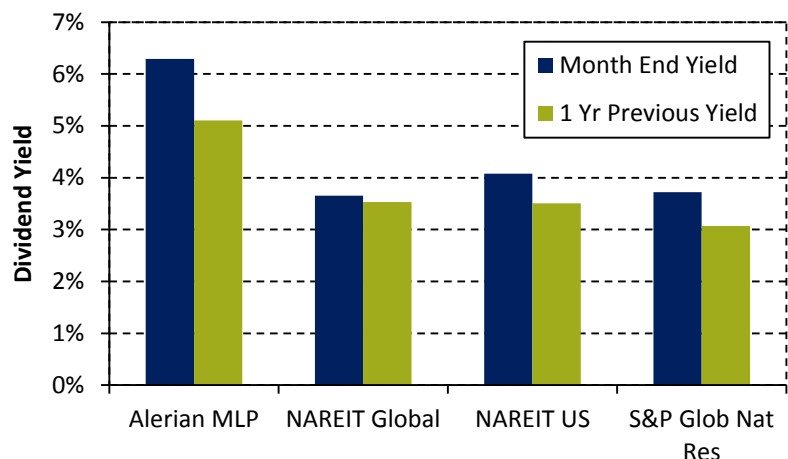
Source: Bloomberg

## Global inflation expectations remain subdued



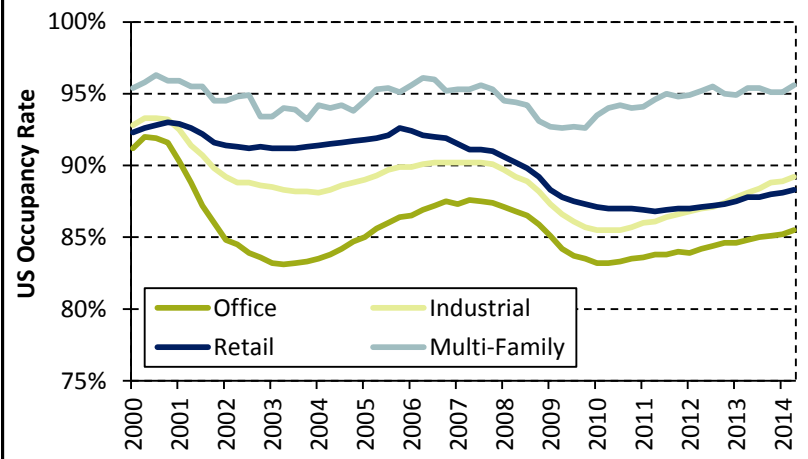
Source: Bloomberg

## Yields slightly higher relative to last year



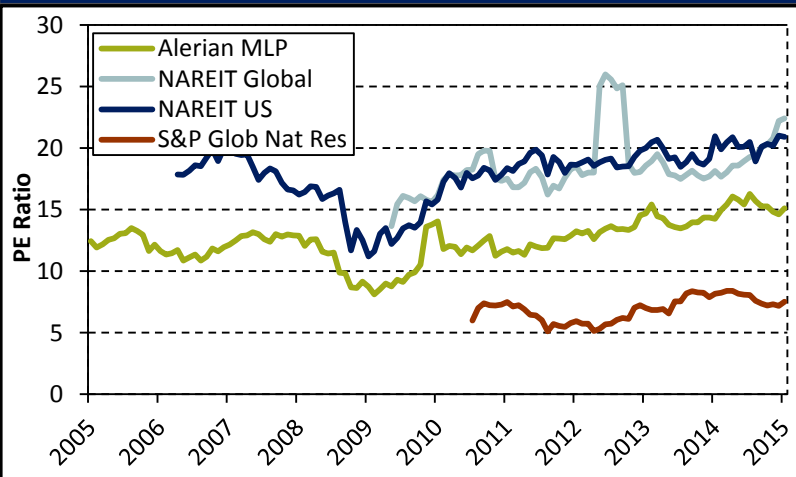
Source: Bloomberg, Alerian, Nareit, Standard and Poors

## Gradual recovery in occupancy rates



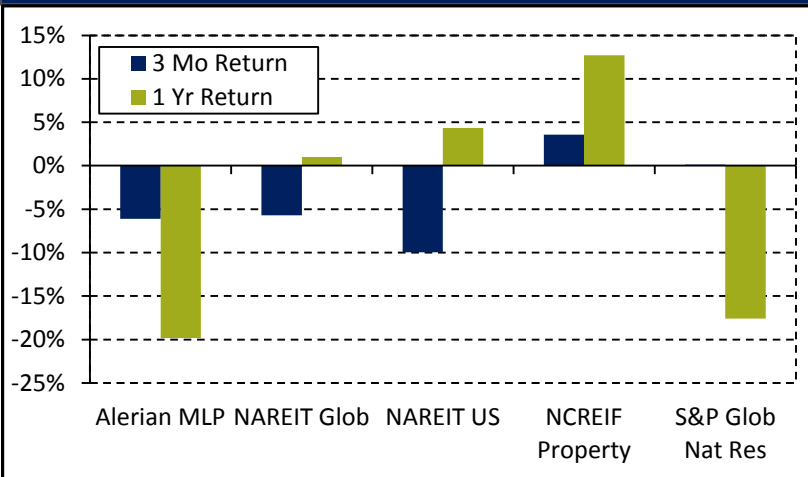
Source: Bloomberg, CB Richard Ellis

## PE Ratios near or above averages



Source: Bloomberg, US Census Bureau

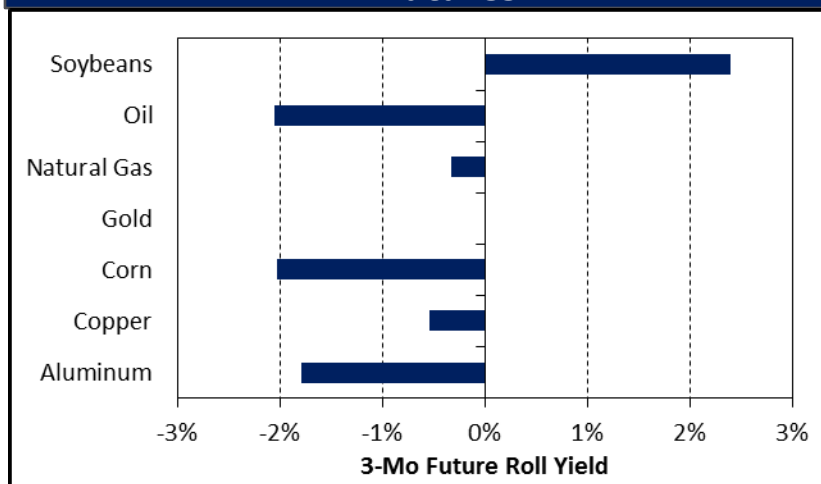
## Recent REIT selloff has cut into long rally



Source: Bloomberg, Alerian, Nareit, Standard and Poors

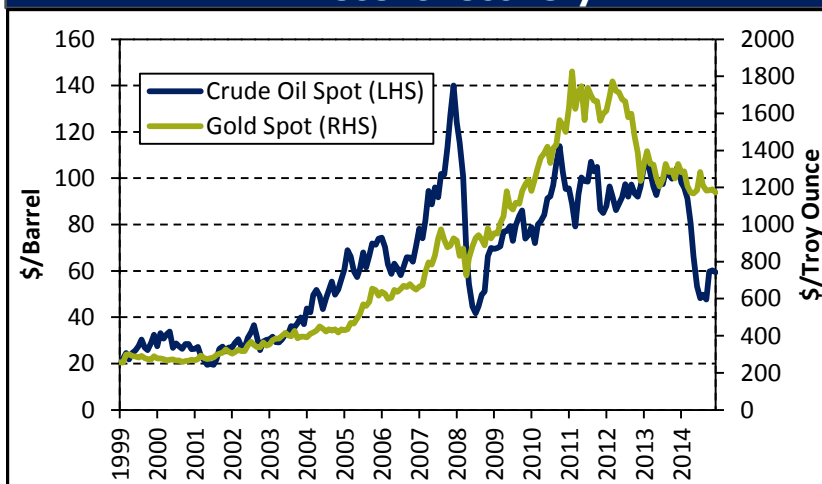


## Negative roll yields in major commodity futures



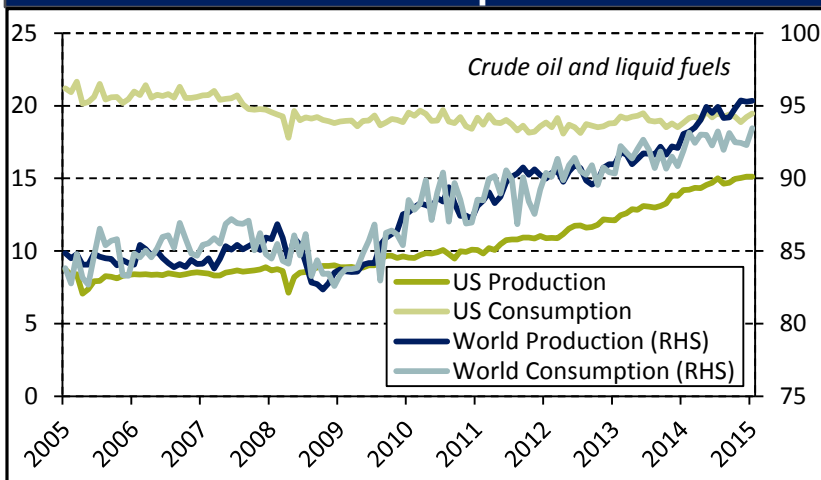
Source: Bloomberg

## Precipitous fall in oil prices with slight recent recovery



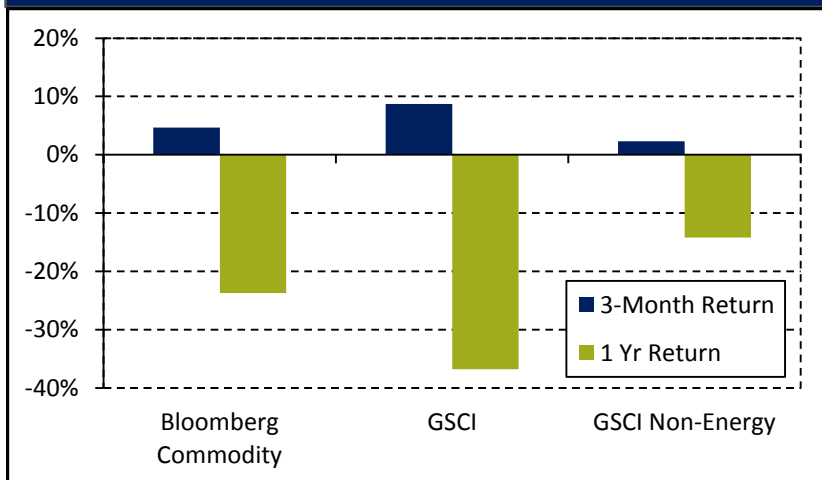
Source: Bloomberg

## US fuel production closing gap with consumption



Source: Bloomberg, US Department of Energy \*Crude oil and liquid fuels

## Commodity indices flat recently after oil-induced decline



Source: Bloomberg, Standard and Poors

- **Past performance is no guarantee of future results.**
- **The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.**
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NEPC, LLC

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## Ventura County Employees' Retirement Association

### **Preliminary Performance Report Month Ending August 31 2015**

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Allan Martin, Partner,  
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# Ventura County Employees' Retirement Association

## Total Fund Performance Detail Net of Fees

### Performance Summary

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Fund</b>	<b>4,305,689,699</b>	<b>100.0</b>	<b>100.0</b>	<b>-4.0</b>	<b>-5.0</b>	<b>-1.7</b>	<b>-3.5</b>	<b>-2.5</b>	<b>8.6</b>	<b>10.1</b>	<b>5.8</b>	<b>7.9</b>	<b>Apr-94</b>
Policy Index				-3.8	-4.1	-0.8	-3.1	-0.7	8.9	9.8	6.1	7.9	Apr-94
Over/Under				-0.2	-0.9	-0.9	-0.4	-1.8	-0.3	0.3	-0.3	0.0	
Allocation Index				-4.3	-4.8	-1.5	-3.5	-1.9	8.2	9.3	5.7	--	Apr-94
<b>Total Fund ex Parametric</b>	<b>4,157,671,379</b>	<b>96.6</b>	<b>--</b>	<b>-4.0</b>	<b>-4.9</b>	<b>-1.6</b>	<b>-3.4</b>	<b>-2.4</b>	<b>8.6</b>	<b>10.0</b>	<b>5.8</b>	<b>7.9</b>	<b>Apr-94</b>
<b>Total Fund ex Private Equity</b>	<b>4,168,161,267</b>	<b>96.8</b>	<b>--</b>	<b>-4.1</b>	<b>-5.2</b>	<b>-1.9</b>	<b>-3.6</b>	<b>-2.9</b>	<b>7.8</b>	<b>--</b>	<b>--</b>	<b>8.9</b>	<b>Jan-12</b>
Policy Index				-3.8	-4.1	-0.8	-3.1	-0.7	8.9	9.8	6.1	9.7	Jan-12
Over/Under				-0.3	-1.1	-1.1	-0.5	-2.2	-1.1			-0.8	
<b>Total US Equity</b>	<b>1,283,776,870</b>	<b>29.8</b>	<b>30.0</b>	<b>-6.0</b>	<b>-6.0</b>	<b>-2.5</b>	<b>-4.5</b>	<b>0.4</b>	<b>14.8</b>	<b>16.3</b>	<b>7.0</b>	<b>8.7</b>	<b>Dec-93</b>
Total U.S. Equity Benchmark				-6.0	-6.1	-2.6	-4.5	0.3	14.5	16.0	7.4	9.1	Dec-93
Over/Under				0.0	0.1	0.1	0.0	0.1	0.3	0.3	-0.4	-0.4	
BlackRock Equity Market Fund	1,102,711,703	25.6		-6.0	-6.0	-2.5	-4.4	0.4	14.6	16.1	--	6.6	Dec-07
Dow Jones U.S. Total Stock Market				-6.0	-6.1	-2.6	-4.5	0.3	14.5	16.0	7.5	6.6	Dec-07
Over/Under				0.0	0.1	0.1	0.1	0.1	0.1	0.1		0.0	
Western U.S. Index Plus	135,114,686	3.1		-6.3	-6.3	-3.0	-4.3	0.2	15.0	17.1	--	2.9	May-07
S&P 500				-6.0	-5.9	-2.9	-4.1	0.5	14.3	15.9	7.2	5.4	May-07
Over/Under				-0.3	-0.4	-0.1	-0.2	-0.3	0.7	1.2		-2.5	
BlackRock Extended Equity Index	45,950,481	1.1		-5.8	-6.6	-1.4	-5.9	-0.5	15.6	16.6	8.5	11.8	Oct-02
Dow Jones U.S. Completion Total Stock Market				-5.9	-6.7	-1.5	-6.0	-0.5	15.5	16.4	8.4	11.7	Oct-02
Over/Under				0.1	0.1	0.1	0.1	0.0	0.1	0.2	0.1	0.1	

Policy Index: Uses an estimated CPI+4% index due to CPI monthly lag

Policy Index: Currently, 30% Total U.S. Equity Benchmark, 19% Barclays Aggregate, 14% MSCI ACWI ex U.S., 10% MSCI ACWI, 5% Barclays Global Aggregate, 5% DJ U.S. Total Stock Market Index + 3%, 10% CPI+4% Index, and 7% NCREIF ODCE Real Estate Index

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

CPI+4% is estimated for latest month.

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Non-US Equity</b>	<b>575,961,942</b>	<b>13.4</b>	<b>14.0</b>	<b>-6.9</b>	<b>-9.8</b>	<b>-3.9</b>	<b>-7.2</b>	<b>-11.0</b>	<b>5.5</b>	<b>5.5</b>	<b>4.1</b>	<b>6.1</b>	<b>Mar-94</b>
Total Non-US Equity Benchmark				<u>-7.6</u>	<u>-10.5</u>	<u>-4.2</u>	<u>-7.9</u>	<u>-12.4</u>	<u>5.3</u>	<u>4.8</u>	<u>4.0</u>	<u>4.9</u>	Mar-94
Over/Under				0.7	0.7	0.3	0.7	1.4	0.2	0.7	0.1	1.2	
BlackRock ACWI ex-U.S. Index	240,616,565	5.6		-7.4	-10.3	-3.5	-7.9	-11.8	5.8	5.2	--	0.8	Mar-07
MSCI ACWI ex USA				<u>-7.6</u>	<u>-10.5</u>	<u>-4.2</u>	<u>-7.9</u>	<u>-12.4</u>	<u>5.3</u>	<u>4.8</u>	<u>4.0</u>	<u>0.4</u>	Mar-07
Over/Under				0.2	0.2	0.7	0.0	0.6	0.5	0.4		0.4	
Sprucegrove	168,840,887	3.9		-6.7	-10.4	-6.6	-7.9	-13.2	5.1	6.0	4.2	7.0	Mar-02
MSCI EAFE				<u>-7.4</u>	<u>-8.1</u>	<u>-0.2</u>	<u>-5.4</u>	<u>-7.5</u>	<u>8.5</u>	<u>7.0</u>	<u>4.0</u>	<u>5.9</u>	Mar-02
Over/Under				0.7	-2.3	-6.4	-2.5	-5.7	-3.4	-1.0	0.2	1.1	
MSCI ACWI ex USA				-7.6	-10.5	-4.2	-7.9	-12.4	5.3	4.8	4.0	6.2	Mar-02
Hexavest	77,726,102	1.8		-5.6	-6.1	0.1	-3.5	-6.0	6.5	--	--	3.7	Dec-10
MSCI EAFE				<u>-7.4</u>	<u>-8.1</u>	<u>-0.2</u>	<u>-5.4</u>	<u>-7.5</u>	<u>8.5</u>	<u>7.0</u>	<u>4.0</u>	<u>4.0</u>	Dec-10
Over/Under				1.8	2.0	0.3	1.9	1.5	-2.0			-0.3	
Walter Scott	88,778,387	2.1		-7.4	-10.5	-3.2	-7.0	-8.7	3.9	--	--	2.9	Dec-10
MSCI ACWI ex USA				<u>-7.6</u>	<u>-10.5</u>	<u>-4.2</u>	<u>-7.9</u>	<u>-12.4</u>	<u>5.3</u>	<u>4.8</u>	<u>4.0</u>	<u>1.5</u>	Dec-10
Over/Under				0.2	0.0	1.0	0.9	3.7	-1.4			1.4	
<b>Total Global Equity</b>	<b>412,798,685</b>	<b>9.6</b>	<b>10.0</b>	<b>-6.9</b>	<b>-9.1</b>	<b>-4.1</b>	<b>-6.8</b>	<b>-8.3</b>	<b>8.0</b>	<b>9.3</b>	<b>4.2</b>	<b>4.8</b>	<b>May-05</b>
MSCI ACWI				<u>-6.9</u>	<u>-8.3</u>	<u>-3.5</u>	<u>-6.0</u>	<u>-6.3</u>	<u>9.4</u>	<u>9.6</u>	<u>5.3</u>	<u>5.8</u>	May-05
Over/Under				0.0	-0.8	-0.6	-0.8	-2.0	-1.4	-0.3	-1.1	-1.0	
BlackRock MSCI ACWI Equity Index	215,175,403	5.0		-6.8	-8.2	-3.3	-6.0	-5.9	9.8	--	--	10.5	Jul-12
MSCI ACWI				<u>-6.9</u>	<u>-8.3</u>	<u>-3.5</u>	<u>-6.0</u>	<u>-6.3</u>	<u>9.4</u>	<u>9.6</u>	<u>5.3</u>	<u>10.1</u>	Jul-12
Over/Under				0.1	0.1	0.2	0.0	0.4	0.4			0.4	
GMO Global Equity	197,623,282	4.6		-7.1	-10.1	-4.9	-7.7	-10.7	6.4	8.6	5.1	5.7	Apr-05
MSCI ACWI				<u>-6.9</u>	<u>-8.3</u>	<u>-3.5</u>	<u>-6.0</u>	<u>-6.3</u>	<u>9.4</u>	<u>9.6</u>	<u>5.3</u>	<u>5.8</u>	Apr-05
Over/Under				-0.2	-1.8	-1.4	-1.7	-4.4	-3.0	-1.0	-0.2	-0.1	

Total Non-U.S. Equity Benchmark: MSCI ACWI ex US Free, prior to May 2002, the MSCI EAFE

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Private Equity</b>	<b>137,528,432</b>	<b>3.2</b>	<b>5.0</b>	<b>0.0</b>	<b>-0.2</b>	<b>5.8</b>	<b>0.1</b>	<b>13.8</b>	<b>15.2</b>	<b>--</b>	<b>--</b>	<b>14.4</b>	<b>Jan-12</b>
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>-5.8</u>	<u>-5.4</u>	<u>-0.7</u>	<u>-4.0</u>	<u>3.3</u>	<u>17.9</u>	<u>19.4</u>	--	<u>19.0</u>	<i>Jan-12</i>
Over/Under				5.8	5.2	6.5	4.1	10.5	-2.7			-4.6	
Adams Street Partners	84,754,452	2.0		0.0	0.2	4.5	0.2	11.9	14.1	--	--	13.7	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>-5.8</u>	<u>-5.4</u>	<u>-0.7</u>	<u>-4.0</u>	<u>3.3</u>	<u>17.9</u>	<u>19.4</u>	--	<u>19.0</u>	<i>Jan-12</i>
Over/Under				5.8	5.6	5.2	4.2	8.6	-3.8			-5.3	
Harbourvest	40,702,616	0.9		0.0	0.5	13.1	0.0	25.2	--	--	--	19.1	Jul-13
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>-5.8</u>	<u>-5.4</u>	<u>-0.7</u>	<u>-4.0</u>	<u>3.3</u>	<u>17.9</u>	<u>19.4</u>	--	<u>15.4</u>	<i>Jul-13</i>
Over/Under				5.8	5.9	13.8	4.0	21.9				3.7	
Pantheon Global Secondary Fund IV	12,071,364	0.3		0.0	-3.8	-4.6	0.0	-1.5	10.1	--	--	7.2	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>-5.8</u>	<u>-5.4</u>	<u>-0.7</u>	<u>-4.0</u>	<u>3.3</u>	<u>17.9</u>	<u>19.4</u>	--	<u>19.0</u>	<i>Jan-12</i>
Over/Under				5.8	1.6	-3.9	4.0	-4.8	-7.8			-11.8	

Please Note:

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

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total US Fixed Income</b>	<b>766,363,894</b>	<b>17.8</b>	<b>19.0</b>	<b>-0.4</b>	<b>-0.8</b>	<b>0.8</b>	<b>0.1</b>	<b>0.6</b>	<b>1.9</b>	<b>4.2</b>	<b>5.7</b>	<b>6.2</b>	<b>Feb-94</b>
Barclays Aggregate				-0.1	-0.5	0.4	0.6	1.6	1.5	3.0	4.5	5.7	Feb-94
Over/Under				-0.3	-0.3	0.4	-0.5	-1.0	0.4	1.2	1.2	0.5	
BlackRock U.S. Debt Fund	139,941,051	3.3		-0.1	-0.5	0.5	0.6	1.6	1.6	3.1	4.5	5.5	Nov-95
Barclays Aggregate				-0.1	-0.5	0.4	0.6	1.6	1.5	3.0	4.5	5.5	Nov-95
Over/Under				0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0	0.0	
Western	269,011,237	6.2		-0.4	-0.9	0.9	0.5	1.4	3.0	4.8	5.2	6.4	Dec-96
Barclays Aggregate				-0.1	-0.5	0.4	0.6	1.6	1.5	3.0	4.5	5.5	Dec-96
Over/Under				-0.3	-0.4	0.5	-0.1	-0.2	1.5	1.8	0.7	0.9	
Reams	284,999,573	6.6		-0.4	-0.6	0.9	-0.3	-0.4	0.5	3.6	5.9	5.7	Sep-01
Reams Custom Index				0.0	0.1	0.2	0.0	0.3	0.1	2.1	4.0	4.4	Sep-01
Over/Under				-0.4	-0.7	0.7	-0.3	-0.7	0.4	1.5	1.9	1.3	
Barclays Aggregate				-0.1	-0.5	0.4	0.6	1.6	1.5	3.0	4.5	4.7	Sep-01
Loomis Sayles Multi Strategy	72,412,034	1.7		-0.7	-2.2	0.7	-0.8	-0.8	4.8	6.5	6.7	6.8	Jul-05
Loomis Custom Index				-0.7	-1.7	0.3	-0.5	0.0	2.5	4.2	5.3	5.4	Jul-05
Over/Under				0.0	-0.5	0.4	-0.3	-0.8	2.3	2.3	1.4	1.4	
Barclays Govt/Credit				-0.2	-0.7	0.2	0.5	1.1	1.4	3.0	4.4	4.5	Jul-05
<b>Total Global Fixed Income</b>	<b>254,587,646</b>	<b>5.9</b>	<b>5.0</b>	<b>-0.2</b>	<b>-0.9</b>	<b>-2.3</b>	<b>-0.1</b>	<b>-5.0</b>	<b>-0.5</b>	<b>--</b>	<b>--</b>	<b>0.1</b>	<b>Jun-12</b>
Barclays Global Aggregate				0.1	-0.1	-2.7	0.3	-6.4	-1.4	1.2	3.5	-0.7	Jun-12
Over/Under				-0.3	-0.8	0.4	-0.4	1.4	0.9			0.8	
Loomis Sayles Global Fixed Income	89,179,674	2.1		-0.1	-1.0	-3.4	-0.2	-7.3	-1.2	--	--	-0.5	Jun-12
Barclays Global Aggregate				0.1	-0.1	-2.7	0.3	-6.4	-1.4	1.2	3.5	-0.7	Jun-12
Over/Under				-0.2	-0.9	-0.7	-0.5	-0.9	0.2			0.2	
PIMCO Global Fixed Income	123,129,361	2.9		-0.1	-0.6	-2.4	0.3	-5.0	--	--	--	-1.4	Sep-12
Barclays Global Aggregate				0.1	-0.1	-2.7	0.3	-6.4	-1.4	1.2	3.5	-1.8	Sep-12
Over/Under				-0.2	-0.5	0.3	0.0	1.4				0.4	
Loomis Strategic Alpha	42,278,611	1.0		-0.7	-1.7	0.5	-0.9	0.3	--	--	--	2.0	Jul-13
Barclays Global Aggregate				0.1	-0.1	-2.7	0.3	-6.4	-1.4	1.2	3.5	-0.5	Jul-13
Over/Under				-0.8	-1.6	3.2	-1.2	6.7				2.5	

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

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

# Ventura County Employees' Retirement Association

## Total Fund Performance Detail Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Real Estate</b>	<b>339,068,878</b>	<b>7.9</b>	<b>7.0</b>	<b>0.0</b>	<b>2.9</b>	<b>5.8</b>	<b>0.0</b>	<b>12.3</b>	<b>10.6</b>	<b>12.2</b>	<b>4.4</b>	<b>7.8</b>	<b>Mar-94</b>
<i>Total Real Estate Benchmark</i>				<u>0.0</u>	<u>3.8</u>	<u>7.3</u>	<u>0.0</u>	<u>14.4</u>	<u>13.1</u>	<u>14.4</u>	<u>6.8</u>	<u>8.9</u>	<i>Mar-94</i>
Over/Under				0.0	-0.9	-1.5	0.0	-2.1	-2.5	-2.2	-2.4	-1.1	
Prudential Real Estate	114,985,250	2.7		0.0	3.1	6.2	0.0	13.3	12.0	13.8	5.6	5.4	Jun-04
UBS Real Estate	219,652,656	5.1		0.0	2.7	5.5	0.0	11.6	9.9	11.1	6.0	7.4	Mar-03
RREEF	4,430,973	0.1		0.0	12.0	14.5	0.0	22.9	22.2	29.0	--	-4.4	Sep-07
<b>Total Liquid Alternatives</b>	<b>387,585,033</b>	<b>9.0</b>	<b>10.0</b>	<b>-4.4</b>	<b>-9.6</b>	<b>-7.3</b>	<b>-5.9</b>	<b>-12.8</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>5.5</b>	<b>Apr-13</b>
<i>CPI + 4% (Unadjusted)</i>				<u>0.3</u>	<u>1.4</u>	<u>4.3</u>	<u>0.7</u>	<u>4.4</u>	<u>5.2</u>	<u>5.9</u>	<u>6.0</u>	<u>5.2</u>	<i>Apr-13</i>
Over/Under				-4.7	-11.0	-11.6	-6.6	-17.2	--	--	--	0.3	
Bridgewater All Weather Fund	263,192,998	6.1		-4.1	-7.5	-4.0	-4.5	-7.4	--	--	--	3.3	Aug-13
<i>CPI + 5% (Unadjusted)</i>				<u>0.4</u>	<u>1.6</u>	<u>5.0</u>	<u>0.8</u>	<u>5.4</u>	--	--	--	<u>6.1</u>	<i>Aug-13</i>
Over/Under				-4.5	-9.1	-9.0	-5.3	-12.8	--	--	--	-2.8	
Tortoise Energy Infrastructure	124,392,035	2.9		-5.2	-13.7	-13.6	-8.5	-22.4	--	--	--	5.1	Apr-13
<i>Wells Fargo MLP Index</i>				<u>-6.0</u>	<u>-16.9</u>	<u>-16.2</u>	<u>-10.0</u>	<u>-27.2</u>	<u>4.2</u>	--	--	<u>-2.0</u>	<i>Apr-13</i>
Over/Under				0.8	3.2	2.6	1.5	4.8	--	--	--	7.1	
<b>Overlay</b>	<b>148,018,320</b>	<b>3.4</b>	<b>0.0</b>										
Parametric	148,018,320	3.4											

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

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

Total Liquid Alternatives index, the CPI+4% is estimated by carrying the last available month forward

CPI+5% and CPI+4% are estimated by carrying the last available month forward

Real Estate Valuation is as of 6/30/2015



# Ventura County Employees' Retirement Association

## Total Fund

### Cash Flow Summary

Month Ending August 31, 2015

	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Adams Street Partners	\$84,388,885	-\$314,436	\$680,000	\$365,564	\$0	\$3	\$84,754,452
BlackRock ACWI ex-U.S. Index	\$259,688,402	\$0	\$0	\$0	-\$21,718	-\$19,071,836	\$240,616,565
BlackRock Equity Market Fund	\$1,172,698,407	\$0	\$0	\$0	-\$20,462	-\$69,986,704	\$1,102,711,703
BlackRock Extended Equity Index	\$48,778,298	\$0	\$0	\$0	-\$3,063	-\$2,827,817	\$45,950,481
BlackRock MSCI ACWI Equity Index	\$230,890,678	\$0	\$0	\$0	-\$8,839	-\$15,715,275	\$215,175,403
BlackRock U.S. Debt Fund	\$140,127,368	\$0	\$0	\$0	-\$7,998	-\$186,317	\$139,941,051
Bridgewater All Weather Fund	\$274,332,489	\$0	\$0	\$0	-\$88,165	-\$11,139,491	\$263,192,998
GMO Global Equity	\$212,721,378	\$0	\$0	\$0	-\$90,577	-\$15,098,095	\$197,623,282
Harbourvest	\$40,702,616	\$0	\$0	\$0	\$0	\$0	\$40,702,616
Hexavest	\$82,298,163	\$0	\$0	\$0	-\$30,075	-\$4,572,061	\$77,726,102
Loomis Sayles Global Fixed Income	\$89,266,764	\$0	\$0	\$0	-\$22,295	-\$87,090	\$89,179,674
Loomis Sayles Multi Strategy	\$72,877,672	\$0	\$0	\$0	-\$23,936	-\$465,638	\$72,412,034
Loomis Strategic Alpha	\$42,580,870	\$0	\$0	\$0	-\$14,093	-\$302,260	\$42,278,611
Pantheon Global Secondary Fund IV	\$12,071,364	\$0	\$0	\$0	\$0	\$0	\$12,071,364
Parametric	\$155,016,530	-\$12,411,818	\$6,876,848	-\$5,534,971	-\$25,381	-\$1,463,240	\$148,018,320
PIMCO Global Fixed Income	\$123,233,862	\$0	\$0	\$0	-\$34,949	-\$104,501	\$123,129,361
Prudential Real Estate	\$114,985,250	\$0	\$0	\$0	\$0	\$0	\$114,985,250
Reams	\$286,233,544	\$0	\$0	\$0	-\$41,875	-\$1,233,971	\$284,999,573
RREEF	\$4,430,973	\$0	\$0	\$0	\$0	\$0	\$4,430,973
Sprucegrove	\$180,880,194	\$0	\$0	\$0	-\$54,759	-\$12,039,307	\$168,840,887
Tortoise Energy Infrastructure	\$131,139,848	\$0	\$0	\$0	-\$75,204	-\$6,747,813	\$124,392,035
UBS Real Estate	\$219,652,656	\$0	\$0	\$0	\$0	\$0	\$219,652,656
Walter Scott	\$95,774,728	\$0	\$0	\$0	-\$66,264	-\$6,996,341	\$88,778,387
Western	\$270,077,445	\$0	\$0	\$0	-\$46,126	-\$1,066,209	\$269,011,237
Western U.S. Index Plus	\$144,135,715	\$0	\$0	\$0	-\$29,389	-\$9,021,029	\$135,114,686
<b>Total</b>	<b>\$4,488,984,099</b>	<b>-\$12,726,254</b>	<b>\$7,556,848</b>	<b>-\$5,169,407</b>	<b>-\$705,170</b>	<b>-\$178,124,993</b>	<b>\$4,305,689,699</b>

# **Ventura County Employees' Retirement Association**

**Governmental Accounting Standards (GAS) 68  
Actuarial Valuation as of June 30, 2015**



This report has been prepared at the request of the Board of Retirement to assist the sponsors of the Fund in preparing their financial report for the pension plan. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

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July 22, 2015

*Board of Retirement  
Ventura County Employees' Retirement Association  
1190 S. Victoria Avenue, Suite 200  
Ventura, CA 93003-6572*

*Dear Board Members:*

*We are pleased to submit this Governmental Accounting Standard (GAS) 68 Actuarial Valuation as of June 30, 2015. It contains various information that will need to be disclosed in order to comply with GAS 68.*

*This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist the sponsors in preparing their financial report for the pension plan. The census and financial information on which our calculations were based was provided by VCERA. That assistance is gratefully acknowledged.*

*The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.*

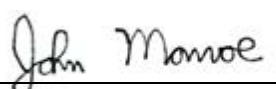
*The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for VCERA.*

*We look forward to reviewing this report with you and to answering any questions.*

*Sincerely,*

*Segal Consulting, a Member of The Segal Group, Inc.*

By:   
Paul Angelo, FSA, MAAA, FCA, EA  
Senior Vice President and Actuary

  
John Monroe, ASA, MAAA, EA  
Vice President and Actuary

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## SECTION 1

### VALUATION SUMMARY

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## SECTION 1: Valuation Summary for Ventura County Employees' Retirement Association

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### Purpose

This report has been prepared by Segal Consulting to present certain disclosure information required by Governmental Accounting Standard (GAS) 68 as of June 30, 2015. The results used in preparing this GAS 68 report are comparable to those used in preparing the Governmental Accounting Standard (GAS) 67 report for the plan based on a reporting date and a measurement date as of June 30, 2014. This valuation is based on:

- The benefit provisions of VCERA, as administered by the Board;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2013, provided by VCERA;
- The assets of the Plan as of June 30, 2014, provided by VCERA;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

### Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

- The Governmental Accounting Standards Board (GASB) approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statement 27 and is for employer reporting. Statement 67 is effective with the fiscal year ending June 30, 2014 for Plan reporting and Statement 68 is effective with the fiscal year ending June 30, 2015 for employer reporting. The information contained in this valuation is intended to be used (along with other information) in order to comply with Statement 68.
- It is important to note that the new GASB rules only redefine pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for pension funding purposes. Employers and plans can still develop and adopt funding policies under current practices.
- When measuring pension liability GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as VCERA uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is determined generally on the same basis as VCERA's Actuarial Accrued Liability (AAL) measure for funding. We note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.

## SECTION 1: Valuation Summary for Ventura County Employees' Retirement Association

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- The TPL and the Plan's Fiduciary Net Position include liabilities and assets held for the Supplemental Medical (\$27.50) Reserve. The TPL only includes a liability up to the amount in the Supplemental Medical (\$27.50) Reserve. This is because we understand that the Supplemental Medical (\$27.50) benefit is a nonvested benefit and once the reserve is depleted no further benefits would need to be paid.
- The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) on a market value basis. The NPL decreased from \$995 million as of June 30, 2013 to \$553 million as of June 30, 2014 due to the approximately 18% return on the market value of assets during 2013/2014 that exceeded the assumed return of 7.75%. Changes in these values during the last two fiscal years ending June 30, 2013 and June 30, 2014 can be found in Exhibit 5.
- For this report, the reporting dates for the employer are June 30, 2015 and June 30, 2014. The NPL was measured as of June 30, 2014 and 2013, respectively, and determined based upon rolling forward the TPL from actuarial valuations as of June 30, 2013 and 2012, respectively. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement dates. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2014 and June 30, 2013 are not adjusted or rolled forward to June 30, 2015 and June 30, 2014 reporting dates, respectively.
- The discount rates used to determine the TPL and NPL as of June 30, 2014 and 2013 were 7.75% and 7.75%, respectively, following the same assumptions used by VCERA in the funding valuations as of June 30, 2013 and June 30, 2012. The detailed calculations used in the derivation of the discount rate can be found in Appendix A of Section 3. Various other information that is required to be disclosed can be found throughout Exhibits 1 through 13 in Section 2.
- Results shown in this report exclude any employer contributions made after the measurement date of June 30, 2014. Employers should consult with their auditors to determine the deferred outflow that should be created for these contributions.

## SECTION 1: Valuation Summary for Ventura County Employees' Retirement Association

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- The Safety Tier has only one employer (County of Ventura), so all of the NPL for that tier as of both June 30, 2013 and June 30, 2014 are allocated to the County.

For the other two tiers that have multiple employers, the NPL as of June 30, 2013 and June 30, 2014 is allocated based on the actual compensation for each employer in that tier during 2013/2014. The steps we used are as follows:

- Calculate ratio of employer's compensation to the total compensation for the tier.
- This ratio is multiplied by the NPL for the tier to determine the employer's proportionate share of the NPL for the tier.
- If the employer is in several tiers, the employer's total allocated NPL is the sum of its allocated NPL from each tier.
- In this allocation, General Tier 1 and 2 are treated as one tier (combined) consistent with the determination of the Basic UAAL rate in the valuation.

Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers. The NPL allocation can be found in Exhibit 7 in Section 2.

## SECTION 1: Valuation Summary for Ventura County Employees' Retirement Association

### Summary of Key Valuation Results

Reporting Date for Employer under GAS 68	6/30/2015 <sup>(1)</sup>	6/30/2014 <sup>(2)</sup>
Measurement Date for Employer under GAS 68	6/30/2014	6/30/2013
<b>Disclosure elements for fiscal year ending June 30:</b>		
1. Service cost	\$122,896,442	\$118,839,073
2. Total Pension Liability	4,828,039,882	4,622,116,813
3. Plan's Fiduciary Net Position	4,274,885,864	3,627,505,467
4. Net Pension Liability	553,154,018	994,611,346
5. Pension expense	70,043,220	N/A
<b>Schedule of contributions for fiscal year ending June 30:</b>		
6. Actuarially determined contributions	\$161,247,000	\$142,370,000
7. Actual contributions	161,247,000	142,370,000
8. Contribution deficiency (excess) (6) – (7)	0	0
<b>Demographic data for plan year ending June 30:</b>		
9. Number of retired members and beneficiaries	6,121	5,888
10. Number of vested terminated members <sup>(3)</sup>	2,339	2,249
11. Number of active members	8,210	8,068
<b>Key assumptions as of June 30:</b>		
12. Investment rate of return	7.75%	7.75%
13. Inflation rate	3.25%	3.25%
14. Projected salary increases <sup>(4)</sup>	4.50% - 12.50%, varying by service, including inflation	4.50% - 12.50%, varying by service, including inflation

<sup>(1)</sup> The reporting date and measurement date for the plan are June 30, 2014.

<sup>(2)</sup> The reporting date and measurement date for the plan are June 30, 2013.

<sup>(3)</sup> Includes terminated members with member contributions on deposit.

<sup>(4)</sup> Includes inflation at 3.25% plus real across-the-board salary increase of 0.75% plus merit and promotional increases that vary by service.



## SECTION 1: Valuation Summary for Ventura County Employees' Retirement Association

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### Important Information about Actuarial Valuations

In order to prepare an actuarial valuation, Segal Consulting (“Segal”) relies on a number of input items. These include:

- **Plan of benefits** Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan description in this report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
- **Participant data** An actuarial valuation for a plan is based on data provided to the actuary by VCERA. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
- **Assets** This valuation is based on the market value of assets as of the valuation date, as provided by VCERA.
- **Actuarial assumptions** In preparing an actuarial valuation, Segal projects the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This projection requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year. In addition, the benefits projected to be paid for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The projected benefits are then discounted to a present value, based on the assumed rate of return that is expected to be achieved on the plan’s assets. There is a reasonable range for each assumption used in the projection and the results may vary materially based on which assumptions are selected. It is important for any user of an actuarial valuation to understand this concept. Actuarial assumptions are periodically reviewed to ensure that future valuations reflect emerging plan experience. While future changes in actuarial assumptions may have a significant impact on the reported results, that does not mean that the previous assumptions were unreasonable.

The user of Segal’s actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The valuation is prepared at the request of the Board to assist the sponsors of the Fund in preparing items related to the pension plan in their financial reports. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement of the plan’s assets and liabilities at a specific date. Accordingly, except where otherwise noted, Segal did not perform an analysis of the potential range of future financial measures. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

## **SECTION 1: Valuation Summary for Ventura County Employees' Retirement Association**

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- If VCERA is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting, or tax advice. Segal's valuation is based on our understanding of applicable guidance in these areas and of the plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

As Segal Consulting has no discretionary authority with respect to the management or assets of VCERA, it is not a fiduciary in its capacity as actuaries and consultants with respect to VCERA.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

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### EXHIBIT 1

#### General Information – “Financial Statements”, Note Disclosures and Required Supplementary Information for a Cost-Sharing Pension Plan

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##### Plan Description

*Plan administration.* The Ventura County Employees' Retirement Association (VCERA) was established by the County of Ventura in 1947. VCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.) and the California Public Employees' Pension Reform Act of 2013 or “PEPRA” (California Government Code Section 7522 et. seq.). VCERA is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the safety and general members employed by the County of Ventura. VCERA also provides retirement benefits to the employee members of the Ventura County Courts, Air Pollution Control District, and the Ventura Regional Sanitation District.

The management of VCERA is vested with the VCERA Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is elected by the general public and is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the general membership; one member and one alternate are elected by the safety membership, one member and one alternate are elected by the retired members of VCERA. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

*Plan membership.* At June 30, 2014, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	6,121
Vested terminated members entitled to but not yet receiving benefits <sup>(1)</sup>	2,339
Active members	<u>8,210</u>
Total	16,670

<sup>(1)</sup> Includes terminated members with member contributions on deposit.

*Benefits provided.* VCERA provides service retirement, disability, death and survivor benefits to eligible employees. All permanent employees of the County of Ventura or contracting district who work a regular schedule of 64 or more hours per bi-weekly pay period become members of VCERA upon appointment. There are separate retirement plans for safety and general member employees. Safety membership is extended to those involved in active law enforcement, fire

## **SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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suppression, and probation. Any new Safety Member who becomes a member on or after January 1, 2013 is designated PEPRA Safety. All other employees are classified as general members. There are four tiers applicable to general members. Those hired prior to June 30, 1979, and certain management personnel who entered service prior to October 16, 2001, are included in Tier 1. Those hired after that date are included in Tier 2. New Members employed after January 1, 2013 are designated as PEPRA Tier 1 or 2.

General members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 52, and have acquired five or more years of retirement service credit.

Safety members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 50, and have acquired five or more years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits for Tier 1 and Tier 2 are calculated pursuant to the provisions of sections 31676.11 and 31676.1, respectively. The monthly allowance is equal to 1/90th of the first \$350 of final compensation, plus 1/60th of the excess final compensation times years of accrued retirement service credit times age factor from either section 31676.11 (Tier 1) or 31676.1 (Tier 2). General member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from section 7522.20(a).

Safety member benefits are calculated pursuant to the provisions of California Government Code Section 31664. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from Section 31664. For those Safety member benefits first hired on or after January 1, 2013, are calculated pursuant to the provision California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from section 7522.25(d).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no final compensation limit on the maximum retirement benefit for members with membership dates on or after January 1, 2013.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

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The maximum amount of compensation earnable that can be taken into account for 2014 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is \$260,000. For members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2014 is equal to \$115,064 for those enrolled in Social Security (\$138,077 for those not enrolled in Social Security). These limits are adjusted on an annual basis. Members are exempt from paying member contributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

Final average compensation consists of the highest 12 consecutive months for a Safety or Tier 1 General member and the highest 36 consecutive months for a Tier 2, PEPR Tier 1 and 2, General and PEPR Safety member.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse. An eligible surviving spouse is one married to the member at least two years prior to the date of death and has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse or named beneficiary having an insurable interest in the life of the member.

VCERA provides an annual cost-of-living benefit to Safety and Tier 1 General member retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the Los Angeles, Riverside, Orange County area, is capped at 3.0%. Certain Tier 2 general member retirees receive a fixed 2% cost-of-living adjustment pursuant to collective bargaining agreements.

The County of Ventura and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from VCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2014 for 2013-2014 (based on the June 30, 2012 valuation) was 26.63% of compensation.

Members are required to make contributions to VCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2014 for 2013-2014 (based on the June 30, 2012 valuation) was 8.53% of compensation.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 2

#### Net Pension Liability

Reporting Date for Employer under GAS 68	June 30, 2015	June 30, 2014
Measurement Date for Employer under GAS 68	June 30, 2014	June 30, 2013
The components of the Net Pension Liability are as follows:		
Total Pension Liability	\$4,828,039,882	\$4,622,116,813
Plan's Fiduciary Net Position	<u>-4,274,885,864</u>	<u>-3,627,505,467</u>
Association's Net Pension Liability	\$553,154,018	\$994,611,346
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	88.54%	78.48%

The Net Pension Liability (NPL) was measured as of June 30, 2014 and 2013. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of June 30, 2013 and 2012, respectively.

*Plan provisions.* The plan provisions used in the measurement of the NPL are the same as those used in the VCERA actuarial valuation as of June 30, 2013. The TPL and the Plan's Fiduciary Net Position include liabilities and assets held for the Supplemental Medical (\$27.50) Reserve.

*Actuarial assumptions and methods.* The TPL as of June 30, 2014 and June 30, 2013 were determined by actuarial valuations as of June 30, 2013 and June 30, 2012, respectively. The actuarial assumptions used were based on the results of an experience study for the period July 1, 2008 through June 30, 2011. They are the same as the assumptions used in the June 30, 2013 and June 30, 2014 funding actuarial valuations for VCERA. The assumptions used in the funding valuations are outlined on page 10 of this report. Those assumptions are also used for determining the TPL except that, for GAS 67 purposes, the investment return assumption used is net of investment expenses only and is not net of administrative expenses. In particular, the following actuarial assumptions were applied to all periods included in the measurement for both the June 30, 2013 and June 30, 2012 actuarial valuations:

Inflation	3.25%
Salary increases	4.50% to 12.50%, varying by service, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Other assumptions	Same as those used in June 30, 2014 funding valuation

## **SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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The Entry Age Actuarial Cost Method used in VCERA's annual actuarial valuation has also been applied in measuring the service cost and TPL with one exception. For purposes of measuring the service cost and TPL, we have reflected the same plan provisions used in determining the member's Actuarial Present Value of Projected Benefits. This is different from the version of this method applied in VCERA's annual funding valuation, where the Normal Cost and Actuarial Accrued Liability are determined as if the current benefit accrual rate had always been in effect.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

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### EXHIBIT 3

#### Target Asset Allocation

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The long-term expected rate of return on pension plan investments was determined in 2012 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	39.00%	6.22%
International equity	21.00%	6.78%
Core Bonds	16.25%	1.06%
Global Bonds	5.00%	1.45%
Real Estate	10.00%	5.05%
Credit Strategies	3.75%	4.18%
Private Equity	<u>5.00%</u>	11.08%
<b>Total</b>	100.00%	

*Discount rate:* The discount rate used to measure the Total Pension Liability (TPL) was 7.75% as of both June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of both June 30, 2014 and June 30, 2013.



## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

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### EXHIBIT 4

#### Discount Rate Sensitivity

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*Sensitivity of the Net Pension Liability to changes in the discount rate.* The following presents the Net Pension Liability (NPL) of the VCERA as of June 30, 2014, calculated using the discount rate of 7.75%, as well as what the VCERA's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

Net Pension Liability	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
County of Ventura	\$1,128,527,905	\$531,314,302	\$33,210,978
Ventura County Courts	36,074,595	16,984,027	1,061,624
Ventura County Air Pollution Control Department	4,967,961	2,338,931	146,200
Ventura Regional Sanitation District	<u>5,345,672</u>	<u>2,516,758</u>	<u>157,316</u>
Total for all Employers	\$1,174,916,133	\$553,154,018	\$34,576,118

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 5

#### Schedule of Changes in Net Pension Liability – Last Two Fiscal Years

Reporting Date for Employer under GAS 68	June 30, 2015	June 30, 2014
Measurement Date for Employer under GAS 68	June 30, 2014	June 30, 2013
<b>Total Pension Liability</b>		
1. Service cost	\$122,896,442	\$118,839,073
2. Interest	355,299,273	339,999,929
3. Change of benefit terms	0	0
4. Differences between expected and actual experience	-48,740,356	-94,020,350
5. Changes of assumptions	0	0
6. Benefit payments, including refunds of member contributions	<u>-223,532,290</u>	<u>-209,957,957</u>
7. Net change in Total Pension Liability	\$205,923,069	\$154,860,695
8. Total Pension Liability – beginning	<u>4,622,116,813</u>	<u>4,467,256,118</u>
9. Total Pension Liability – ending	<u>\$4,828,039,882</u>	<u>\$4,622,116,813</u>
<b>Plan's Fiduciary Net Position</b>		
10. Contributions – employer	\$169,703,083	\$150,687,842
11. Contributions – employee	46,674,443	44,463,983
12. Net investment income	658,579,885	436,638,119
13. Benefit payments, including refunds of member contributions	-223,532,290	-209,957,957
14. Administrative expense	-4,044,724	-3,943,727
15. Other	<u>0</u>	<u>0</u>
16. Net change in Plan's Fiduciary Net Position	\$647,380,397	\$417,888,260
17. Plan's Fiduciary Net Position – beginning	<u>3,627,505,467</u>	<u>3,209,617,207</u>
18. Plan's Fiduciary Net Position – ending	\$4,274,885,864	\$3,627,505,467
19. Net Pension Liability – ending (9) – (18)	<u>\$553,154,018</u>	<u>\$994,611,346</u>
20. Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	88.54%	78.48%
21. Covered employee payroll <sup>(1)</sup>	\$642,779,000	\$632,146,000
22. Plan's Net Pension Liability as percentage of covered employee payroll	86.06%	157.34%

#### Notes to Schedule:

*Benefit changes:* All members with membership dates on or after January 1, 2013 enter the new tiers created by the California Public Employees' Pension Reform Act of 2013 (PEPRA).

<sup>(1)</sup> Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

**EXHIBIT 6**

**Schedule of Employer Contributions – Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Actuarially Determined Contributions<sup>(1)(2)</sup></b>	<b>Contributions in Relation to the Actuarially Determined Contributions<sup>(2)</sup></b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered-Employee Payroll<sup>(3)</sup></b>	<b>Contributions as a Percentage of Covered Employee Payroll</b>
2005	\$51,792,000	\$51,792,000	\$0	\$475,935,000	10.88%
2006	74,373,000	74,373,000	0	478,053,000	15.56%
2007	86,455,000	86,455,000	0	519,145,000	16.65%
2008	104,429,000	104,429,000	0	551,968,000	18.92%
2009	105,278,000	105,278,000	0	599,173,000	17.57%
2010	97,324,000	97,324,000	0	634,777,000	15.33%
2011	111,585,000	111,585,000	0	654,829,000	17.04%
2012	132,386,000	132,386,000	0	637,037,000	20.78%
2013	142,370,000	142,370,000	0	632,146,000	22.52%
2014	161,247,000	161,247,000	0	642,779,000	25.09%

*See accompanying notes to this schedule on next page.*

<sup>(1)</sup> All "Actuarially Determined Contributions" through June 30, 2014 were determined as the "Annual Required Contribution" under GAS 25 and 27.

<sup>(2)</sup> Actuarially Determined Contributions exclude employer paid member contributions.

<sup>(3)</sup> Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

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### Notes to Exhibit 6

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#### Methods and assumptions used to establish "actuarially determined contribution" rates:

<b>Valuation date</b>	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
<b>Actuarial cost method</b>	Entry Age Actuarial Cost Method
<b>Amortization method</b>	Level percent of payroll (4.00% payroll growth assumed)
<b>Remaining amortization period</b>	15 years for UAAL as of June 30, 2004. Any changes in UAAL after June 30, 2004 are separately amortized over a 15-year closed period effective with that valuation. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with that valuation.
<b>Asset valuation method</b>	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. The Actuarial Value of Assets is reduced by the value of the supplemental medical benefit reserve and statutory contingency reserve. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.
<b>Actuarial assumptions:</b>	
Investment rate of return	7.75%, net of pension plan administration and investment expenses, including inflation
Inflation rate	3.25%
Real across-the-board salary increase	0.75%
Projected salary increases <sup>(1)</sup>	4.50% - 12.50%, varying by service, including inflation
Cost of living adjustments	For General Tier 1 and Safety, 3% (actual increases are contingent upon CPI increases with a 3.00% maximum). For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.
Other assumptions	Same as those used in the June 30, 2013 and June 30, 2014 funding actuarial valuations.

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<sup>(1)</sup> Includes inflation at 3.25% plus real across-the-board salary increase of 0.75% plus merit and promotional increases.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 7

#### Determination of Proportionate Share

##### July 1, 2013 to June 30, 2014 Actual Compensation by Employer and Tier

Employer ID	Employer	General Tier 1 and 2	General Tier 1 and 2 %	Safety Tier	Safety Tier %	Total Compensation	Total %
01	County of Ventura	\$435,463,038	91.340%	\$166,030,608	100.000%	\$601,493,646	93.577%
10	Ventura County Courts	\$32,106,371	6.735%	\$0	0.000%	\$32,106,371	4.995%
11	Ventura County Air Pollution Control Department	\$4,421,483	0.927%	\$0	0.000%	\$4,421,483	0.688%
22	Ventura Regional Sanitation District	<u>\$4,757,644</u>	<u>0.998%</u>	<u>\$0</u>	<u>0.000%</u>	<u>\$4,757,644</u>	<u>0.740%</u>
	Total	\$476,748,535	100.000%	\$166,030,608	100.000%	\$642,779,144	100.000%

##### Allocation of June 30, 2014 Estimated Net Pension Liability (NPL)

Employer ID	Employer	General Tier 1 and 2	General Tier 1 and 2 %	Safety Tier	Safety Tier %	Total NPL	Employer Allocation Percentage
01	County of Ventura	\$230,356,648	91.340%	\$300,957,654	100.000%	\$531,314,302	96.052%
10	Ventura County Courts	16,984,027	6.735%	0	0.000%	16,984,027	3.070%
11	Ventura County Air Pollution Control Department	2,338,931	0.927%	0	0.000%	2,338,931	0.423%
22	Ventura Regional Sanitation District	<u>2,516,758</u>	<u>0.998%</u>	<u>0</u>	<u>0.000%</u>	<u>2,516,758</u>	<u>0.455%</u>
	Total	\$252,196,364	100.000%	\$300,957,654	100.000%	\$553,154,018	100.000%

##### Notes:

Actual July 1, 2013 through June 30, 2014 compensation information was provided by VCERA.

The Net Pension Liability (NPL) for each tier is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position. The TPL for each tier is obtained from internal valuation results based on the actual participants in each tier. The Plan's Fiduciary Net Position for each tier was determined by adjusting each tier's internally tracked valuation value of assets (which is used to determine employer contribution rates by tier) by the ratio of the total VCERA Plan's Fiduciary Net Position to total VCERA valuation value of assets. Based on this methodology, any non-valuation reserves (such as the \$27.50 Supplemental Medical Benefit) are allocated amongst the tiers based on each tier's valuation value of assets.

The Safety Tier only has one employer (County of Ventura), so all of the NPL for that tier is allocated to the County.

For the two other tiers that have multiple employers, the NPL is allocated based on the actual compensation for each employer in the tier during the period ending on the measurement date within the tier.

- Calculate ratio of employer's compensation to the total compensation for the tier.
- This ratio is multiplied by the NPL for the tier to determine the employer's proportionate share of the NPL for the tier.
- If the employer is in several tiers, the employer's total allocated NPL is the sum of its allocated NPL from each tier.
- Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.
- In this allocation, General Tier 1 and 2 were treated as one tier (combined) consistent with the determination of the Basic UAAL rate in the actuarial valuation.

For purposes of the above results, the reporting date for the employer under GAS 68 is June 30, 2015. The reporting date and measurement date for the plan under GAS 67 are assumed to be June 30, 2014. Consistent with the provisions of GAS 68, the assets and liabilities measured as of June 30, 2014 are not adjusted or "rolled forward" to June 30, 2015 for employer reporting under GAS 68. Other results, such as the total deferred inflows and outflows would also be allocated based on the same proportionate shares determined above.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

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### EXHIBIT 7 (continued)

#### Determination of Proportionate Share

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##### Notes:

The following items are allocated based on the corresponding employer allocation percentage or proportionate share shown above within each tier.

- 1) Net Pension Liability
- 2) Service cost
- 3) Interest on the Total Pension Liability
- 4) Expensed portion of current-period benefit changes
- 5) Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability
- 6) Member contributions
- 7) Projected earnings on plan investments
- 8) Expensed portion of current-period differences between actual and projected earnings on plan investments
- 9) Administrative expense
- 10) Recognition of beginning of year deferred outflows of resources as pension expense
- 11) Recognition of beginning of year deferred inflows of resources as pension expense

Only for this initial transition year, the beginning of year Net Pension Liability was allocated by using the same employer allocation percentage shown above.

**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association****EXHIBIT 8****Pension Expense – Total for all Employers**

<b>Reporting Date for Employer under GAS 68</b>	<b>June 30, 2015</b>
<b>Measurement Date for Employer under GAS 68</b>	<b>June 30, 2014</b>
<b>Components of Pension Expense</b>	
1. Service cost	\$122,896,442
2. Interest on the Total Pension Liability	355,299,273
3. Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	0
4. Expensed portion of current-period benefit changes	0
5. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(9,248,644)
6. Expensed portion of current-period changes of assumptions or other inputs	0
7. Member contributions	(46,674,443)
8. Projected earnings on plan investments	(280,697,694)
9. Expensed portion of current-period differences between actual and projected earnings on plan investments	(75,576,438)
10. Administrative expense	4,044,724
11. Other	0
12. Recognition of beginning of year deferred outflows of resources as pension expense	0
13. Recognition of beginning of year deferred inflows of resources as pension expense	0
14. Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0
<b>Pension Expense</b>	<b><u>\$70,043,220</u></b>

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 8 (continued)

#### Pension Expense – County of Ventura

Reporting Date for Employer under GAS 68	June 30, 2015
Measurement Date for Employer under GAS 68	June 30, 2014
Components of Pension Expense	
1. Service cost	\$118,044,225
2. Interest on the Total Pension Liability	341,271,290
3. Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	(139,771)
4. Expensed portion of current-period benefit changes	0
5. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(8,883,487)
6. Expensed portion of current-period changes of assumptions or other inputs	0
7. Member contributions	(44,831,635)
8. Projected earnings on plan investments	(269,615,143)
9. Expensed portion of current-period differences between actual and projected earnings on plan investments	(72,592,517)
10. Administrative expense	3,885,029
11. Other	0
12. Recognition of beginning of year deferred outflows of resources as pension expense	0
13. Recognition of beginning of year deferred inflows of resources as pension expense	0
14. Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0
<b>Pension Expense</b>	<b><u>\$67,137,991</u></b>



## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 8 (continued)

#### Pension Expense – Ventura County Courts

Reporting Date for Employer under GAS 68	June 30, 2015
Measurement Date for Employer under GAS 68	June 30, 2014
Components of Pension Expense	
1. Service cost	\$3,773,409
2. Interest on the Total Pension Liability	10,909,100
3. Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	101,037
4. Expensed portion of current-period benefit changes	0
5. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(283,970)
6. Expensed portion of current-period changes of assumptions or other inputs	0
7. Member contributions	(1,433,091)
8. Projected earnings on plan investments	(8,618,535)
9. Expensed portion of current-period differences between actual and projected earnings on plan investments	(2,320,497)
10. Administrative expense	124,189
11. Other	0
12. Recognition of beginning of year deferred outflows of resources as pension expense	0
13. Recognition of beginning of year deferred inflows of resources as pension expense	0
14. Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0
<b>Pension Expense</b>	<b><u>\$2,251,642</u></b>

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 8 (continued)

#### Pension Expense – Ventura County Air Pollution Control Department

Reporting Date for Employer under GAS 68	June 30, 2015
Measurement Date for Employer under GAS 68	June 30, 2014
Components of Pension Expense	
1. Service cost	\$519,650
2. Interest on the Total Pension Liability	1,502,331
3. Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	24,127
4. Expensed portion of current-period benefit changes	0
5. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(39,107)
6. Expensed portion of current-period changes of assumptions or other inputs	0
7. Member contributions	(197,356)
8. Projected earnings on plan investments	(1,186,889)
9. Expensed portion of current-period differences between actual and projected earnings on plan investments	(319,564)
10. Administrative expense	17,103
11. Other	0
12. Recognition of beginning of year deferred outflows of resources as pension expense	0
13. Recognition of beginning of year deferred inflows of resources as pension expense	0
14. Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0
<b>Pension Expense</b>	<b><u>\$320,295</u></b>

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 8 (continued)

#### Pension Expense – Ventura Regional Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2015
Measurement Date for Employer under GAS 68	June 30, 2014
Components of Pension Expense	
1. Service cost	\$559,158
2. Interest on the Total Pension Liability	1,616,552
3. Expensed portion of current-period changes in proportion and differences between employer's contributions and proportionate share of contributions	14,607
4. Expensed portion of current-period benefit changes	0
5. Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	(42,080)
6. Expensed portion of current-period changes of assumptions or other inputs	0
7. Member contributions	(212,361)
8. Projected earnings on plan investments	(1,277,127)
9. Expensed portion of current-period differences between actual and projected earnings on plan investments	(343,860)
10. Administrative expense	18,403
11. Other	0
12. Recognition of beginning of year deferred outflows of resources as pension expense	0
13. Recognition of beginning of year deferred inflows of resources as pension expense	0
14. Net amortization of deferred amounts from changes in proportion and differences between employer's contributions and proportionate share of contributions	0
<b>Pension Expense</b>	<b><u>\$333,292</u></b>

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 9

#### Deferred Outflows of Resources and Deferred Inflows of Resources – Total for all Employers

Reporting Date for Employer under GAS 68	June 30, 2015
Measurement Date for Employer under GAS 68	June 30, 2014
<b>Deferred Outflows of Resources</b>	
1. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$596,823
2. Changes of assumptions or other inputs	0
3. Net difference between projected and actual earnings on pension plan investments	0
4. Difference between expected and actual experience in the Total Pension Liability	<u>0</u>
5. Total Deferred Outflows of Resources	\$596,823
<b>Deferred Inflows of Resources</b>	
6. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$596,823
7. Changes of assumptions or other inputs	0
8. Net difference between projected and actual earnings on pension plan investments	302,305,753
9. Difference between expected and actual experience in the Total Pension Liability	<u>39,491,712</u>
10. Total Deferred Inflows of Resources	\$342,394,288

Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

Reporting Date for Employer under GAS 68 Year Ended June 30:	
2016	\$(84,825,082)
2017	(84,825,082)
2018	(84,825,082)
2019	(84,825,083)
2020	(2,497,136)
Thereafter	0

<sup>(1)</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 9 (continued)

#### Deferred Outflows of Resources and Deferred Inflows of Resources – County of Ventura

Reporting Date for Employer under GAS 68	June 30, 2015
Measurement Date for Employer under GAS 68	June 30, 2014
<b>Deferred Outflows of Resources</b>	
1. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$0
2. Changes of assumptions or other inputs	0
3. Net difference between projected and actual earnings on pension plan investments	0
4. Difference between expected and actual experience in the Total Pension Liability	<u>0</u>
5. Total Deferred Outflows of Resources	\$0
<b>Deferred Inflows of Resources</b>	
6. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$596,823
7. Changes of assumptions or other inputs	0
8. Net difference between projected and actual earnings on pension plan investments	290,370,069
9. Difference between expected and actual experience in the Total Pension Liability	<u>37,932,493</u>
10. Total Deferred Inflows of Resources	\$328,899,385

Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>	
2016	\$(81,615,776)
2017	(81,615,776)
2018	(81,615,776)
2019	(81,615,777)
2020	(2,436,280)
Thereafter	0

<sup>(1)</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 9 (continued)

#### Deferred Outflows of Resources and Deferred Inflows of Resources – Ventura County Courts

Reporting Date for Employer under GAS 68	June 30, 2015
Measurement Date for Employer under GAS 68	June 30, 2014
<b>Deferred Outflows of Resources</b>	
1. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$431,427
2. Changes of assumptions or other inputs	0
3. Net difference between projected and actual earnings on pension plan investments	0
4. Difference between expected and actual experience in the Total Pension Liability	<u>0</u>
5. Total Deferred Outflows of Resources	\$431,427
<b>Deferred Inflows of Resources</b>	
6. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$0
7. Changes of assumptions or other inputs	0
8. Net difference between projected and actual earnings on pension plan investments	9,281,988
9. Difference between expected and actual experience in the Total Pension Liability	<u>1,212,553</u>
10. Total Deferred Inflows of Resources	\$10,494,541

Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>	
2016	\$(2,503,430)
2017	(2,503,430)
2018	(2,503,430)
2019	(2,503,430)
2020	(49,394)
Thereafter	0

<sup>(1)</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 9 (continued)

#### Deferred Outflows of Resources and Deferred Inflows of Resources – Ventura County Air Pollution Control Department

Reporting Date for Employer under GAS 68	June 30, 2015
Measurement Date for Employer under GAS 68	June 30, 2014
<b>Deferred Outflows of Resources</b>	
1. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$103,022
2. Changes of assumptions or other inputs	0
3. Net difference between projected and actual earnings on pension plan investments	0
4. Difference between expected and actual experience in the Total Pension Liability	<u>0</u>
5. Total Deferred Outflows of Resources	\$103,022
<b>Deferred Inflows of Resources</b>	
6. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$0
7. Changes of assumptions or other inputs	0
8. Net difference between projected and actual earnings on pension plan investments	1,278,256
9. Difference between expected and actual experience in the Total Pension Liability	<u>166,985</u>
10. Total Deferred Inflows of Resources	\$1,445,241

Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>	
2016	\$(334,543)
2017	(334,543)
2018	(334,543)
2019	(334,543)
2020	(4,047)
Thereafter	0

<sup>(1)</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 9 (continued)

#### Deferred Outflows of Resources and Deferred Inflows of Resources – Ventura Regional Sanitation District

Reporting Date for Employer under GAS 68	June 30, 2015
Measurement Date for Employer under GAS 68	June 30, 2014
<b>Deferred Outflows of Resources</b>	
1. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$62,374
2. Changes of assumptions or other inputs	0
3. Net difference between projected and actual earnings on pension plan investments	0
4. Difference between expected and actual experience in the Total Pension Liability	<u>0</u>
5. Total Deferred Outflows of Resources	\$62,374
<b>Deferred Inflows of Resources</b>	
6. Changes in proportion and differences between employer's contributions and proportionate share of contributions <sup>(1)</sup>	\$0
7. Changes of assumptions or other inputs	0
8. Net difference between projected and actual earnings on pension plan investments	1,375,440
9. Difference between expected and actual experience in the Total Pension Liability	<u>179,681</u>
10. Total Deferred Inflows of Resources	\$1,555,121

Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:

<b>Reporting Date for Employer under GAS 68 Year Ended June 30:</b>	
2016	\$(371,333)
2017	(371,333)
2018	(371,333)
2019	(371,333)
2020	(7,415)
Thereafter	0

<sup>(1)</sup> Calculated in accordance with Paragraphs 54 and 55 of GAS 68.



## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

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### EXHIBIT 9 (continued)

#### Deferred Outflows of Resources and Deferred Inflows of Resources

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There are differences between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2014. These differences are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through VCERA which is 5.27 years determined as of June 30, 2013 (the beginning of the measurement period ending June 30, 2014).

There are no changes in each employer's proportionate share of the Net Pension Liability (NPL) during the measurement period ended June 30, 2014. This is because only for this initial transition year, the beginning of year NPL was allocated by using the same employer allocation percentage as was determined at the end of the year.

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

We did not attempt to determine the beginning balances for deferred inflows of resources and deferred outflows of resources as of the beginning of the period for the 2013/14 fiscal year. Per paragraph 137 of GAS 68, these balances are assumed to be zero.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

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### EXHIBIT 10

#### Schedule of Proportionate Share of the Net Pension Liability – Total for all Employers

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Reporting Date for Employer under GAS 68 as of June 30	Proportion of the Net Pension Liability	Proportionate share of Net Pension Liability	Covered- employee payroll <sup>(1)</sup>	Proportionate share of the Net Pension Liability as a percentage of its covered- employee payroll	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2014	100.000%	\$994,611,346	\$632,146,000	157.34%	78.48%
2015	100.000%	553,154,018	642,779,000	86.06%	88.54%

<sup>(1)</sup> Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT 10 (continued)**

**Schedule of Proportionate Share of the Net Pension Liability – County of Ventura**

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<b>Reporting Date for Employer under GAS 68 as of June 30</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate share of Net Pension Liability</b>	<b>Covered- employee payroll<sup>(1)</sup></b>	<b>Proportionate share of the Net Pension Liability as a percentage of its covered- employee payroll</b>	<b>Plan's Fiduciary Net Position as a percentage of the Total Pension Liability</b>
2014	96.052%	\$955,341,940	\$593,955,000	160.84%	78.48%
2015	96.052%	531,314,302	601,494,000	88.33%	88.54%

<sup>(1)</sup> Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT 10 (continued)**

**Schedule of Proportionate Share of the Net Pension Liability – Ventura County Courts**

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<b>Reporting Date for Employer under GAS 68 as of June 30</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate share of Net Pension Liability</b>	<b>Covered- employee payroll<sup>(1)</sup></b>	<b>Proportionate share of the Net Pension Liability as a percentage of its covered- employee payroll</b>	<b>Plan's Fiduciary Net Position as a percentage of the Total Pension Liability</b>
2014	3.070%	\$30,538,522	\$31,643,000	96.51%	78.48%
2015	3.070%	16,984,027	32,106,000	52.90%	88.54%

<sup>(1)</sup> Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT 10 (continued)**

**Schedule of Proportionate Share of the Net Pension Liability – Ventura County Air Pollution Control Department**

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<b>Reporting Date for Employer under GAS 68 as of June 30</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate share of Net Pension Liability</b>	<b>Covered- employee payroll<sup>(1)</sup></b>	<b>Proportionate share of the Net Pension Liability as a percentage of its covered- employee payroll</b>	<b>Plan's Fiduciary Net Position as a percentage of the Total Pension Liability</b>
2014	0.423%	\$4,205,569	\$4,389,000	95.82%	78.48%
2015	0.423%	2,338,931	4,421,000	52.91%	88.54%

<sup>(1)</sup> Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT 10 (continued)**

**Schedule of Proportionate Share of the Net Pension Liability – Ventura Regional Sanitation District**

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<b>Reporting Date for Employer under GAS 68 as of June 30</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate share of Net Pension Liability</b>	<b>Covered- employee payroll<sup>(1)</sup></b>	<b>Proportionate share of the Net Pension Liability as a percentage of its covered- employee payroll</b>	<b>Plan's Fiduciary Net Position as a percentage of the Total Pension Liability</b>
2014	0.455%	\$4,525,315	\$2,159,000	209.60%	78.48%
2015	0.455%	2,516,758	4,758,000	52.90%	88.54%

<sup>(1)</sup> Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

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### EXHIBIT 11

#### Schedule of Reconciliation of Net Pension Liability – Total for all Employers

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<b>Reporting Date for Employer under GAS 68</b>	<b>June 30, 2015</b>
<b>Measurement Date for Employer under GAS 68</b>	<b>June 30, 2014</b>
<b>Reconciliation of Net Pension Liability</b>	
1. Beginning Net Pension Liability	\$994,611,346
2. Pension Expense	70,043,220
3. Employer Contributions	(169,703,083)
4. New Net Deferred Inflows/Outflows	(341,797,465)
5. New Net Deferred Flows Due to Change in Proportion	0
6. Recognition of Prior Deferred Inflows/Outflows	<u>0</u>
7. Ending Net Pension Liability	\$553,154,018

**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT 11 (continued)**

**Schedule of Reconciliation of Net Pension Liability – County of Ventura**

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<b>Reporting Date for Employer under GAS 68</b>	<b>June 30, 2015</b>
<b>Measurement Date for Employer under GAS 68</b>	<b>June 30, 2014</b>
<b>Reconciliation of Net Pension Liability</b>	
1. Beginning Net Pension Liability	\$955,341,940
2. Pension Expense	67,137,991
3. Employer Contributions	(162,266,244)
4. New Net Deferred Inflows/Outflows	(328,302,562)
5. New Net Deferred Flows Due to Change in Proportion	(596,823)
6. Recognition of Prior Deferred Inflows/Outflows	<u>0</u>
7. Ending Net Pension Liability	\$531,314,302



**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT 11 (continued)**

**Schedule of Reconciliation of Net Pension Liability – Ventura County Courts**

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<b>Reporting Date for Employer under GAS 68</b>	<b>June 30, 2015</b>
<b>Measurement Date for Employer under GAS 68</b>	<b>June 30, 2014</b>
<b>Reconciliation of Net Pension Liability</b>	
1. Beginning Net Pension Liability	\$30,538,522
2. Pension Expense	2,251,642
3. Employer Contributions	(5,743,023)
4. New Net Deferred Inflows/Outflows	(10,494,541)
5. New Net Deferred Flows Due to Change in Proportion	431,427
6. Recognition of Prior Deferred Inflows/Outflows	<u>0</u>
7. Ending Net Pension Liability	\$16,984,027

**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT 11 (continued)**

**Schedule of Reconciliation of Net Pension Liability – Ventura County Air Pollution Control Department**

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<b>Reporting Date for Employer under GAS 68</b>	<b>June 30, 2015</b>
<b>Measurement Date for Employer under GAS 68</b>	<b>June 30, 2014</b>
<b>Reconciliation of Net Pension Liability</b>	
1. Beginning Net Pension Liability	\$4,205,569
2. Pension Expense	320,295
3. Employer Contributions	(844,714)
4. New Net Deferred Inflows/Outflows	(1,445,241)
5. New Net Deferred Flows Due to Change in Proportion	103,022
6. Recognition of Prior Deferred Inflows/Outflows	<u>0</u>
7. Ending Net Pension Liability	\$2,338,931

**SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association**

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**EXHIBIT 11 (continued)**

**Schedule of Reconciliation of Net Pension Liability – Ventura Regional Sanitation District**

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<b>Reporting Date for Employer under GAS 68</b>	<b>June 30, 2015</b>
<b>Measurement Date for Employer under GAS 68</b>	<b>June 30, 2014</b>
<b>Reconciliation of Net Pension Liability</b>	
1. Beginning Net Pension Liability	\$4,525,315
2. Pension Expense	333,292
3. Employer Contributions	(849,102)
4. New Net Deferred Inflows/Outflows	(1,555,121)
5. New Net Deferred Flows Due to Change in Proportion	62,374
6. Recognition of Prior Deferred Inflows/Outflows	<u>0</u>
7. Ending Net Pension Liability	\$2,516,758

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 12

#### Schedule of Recognition of Changes in Total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total Pension Liability									
Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Expected and Actual Experience	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						
			2015	2016	2017	2018	2019	2020	Thereafter
2015	\$(48,740,356)	5.27	<u>\$(9,248,644)</u>	<u>\$(9,248,644)</u>	<u>\$(9,248,644)</u>	<u>\$(9,248,644)</u>	<u>\$(9,248,644)</u>	<u>\$(2,497,136)</u>	-
Net increase (decrease) in pension expense			\$(9,248,644)	\$(23,359,544)	\$(23,359,544)	\$(9,248,644)	\$(9,248,644)	\$(2,497,136)	-

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Assumption Changes									
Reporting Date for Employer under GAS 68 Year Ended June 30	Effect of Assumption Changes	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						
			2015	2016	2017	2018	2019	2020	Thereafter
2015	\$0	5.27	-	-	-	-	-	-	-
Net increase (decrease) in pension expense			-	-	-	-	-	-	-

As described in Exhibit 9, the average of the expected remaining service lives of all employees that are provided with pensions through VCERA (active and inactive employees) determined as of June 30, 2013 (the beginning of the measurement period ending June 30, 2014) is 5.27 years.

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 12 (continued)

#### Schedule of Recognition of Changes in Total Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of Differences between Projected and Actual Earnings on Pension Plan Investments									
Reporting Date for Employer under GAS 68 Year Ended June 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:						
			2015	2016	2017	2018	2019	2020	Thereafter
2015	\$(377,882,191)	5.00	<u>\$(75,576,438)</u>	<u>\$(75,576,438)</u>	<u>\$(75,576,438)</u>	<u>\$(75,576,438)</u>	<u>\$(75,576,439)</u>	-	-
Net increase (decrease) in pension expense			\$(75,576,438)	\$(75,576,438)	\$(75,576,438)	\$(75,576,438)	\$(75,576,439)	-	-

The differences between projected and actual earnings on pension plan investments are recognized over a five-year period per Paragraph 33b. of GASB 68.

Reporting Date for Employer under GAS 68 Year Ended June 30	Total Increase (Decrease) in Pension Expense							
	Total Differences	Reporting Date for Employer under GAS 68 Year Ended June 30:						
		2015	2016	2017	2018	2019	2020	Thereafter
2015	\$(426,622,547)	<u>\$(84,825,082)</u>	<u>\$(84,825,082)</u>	<u>\$(84,825,082)</u>	<u>\$(84,825,082)</u>	<u>\$(84,825,083)</u>	<u>\$(2,497,136)</u>	<u>-</u>
Net increase (decrease) in pension expense		\$(84,825,082)	\$(84,825,082)	\$(84,825,082)	\$(84,825,082)	\$(84,825,083)	\$(2,497,136)	-

## SECTION 2: GAS 68 Information for the Ventura County Employees' Retirement Association

### EXHIBIT 13

#### Allocation of Changes in Total Net Pension Liability

In addition to the amounts shown in Exhibit 12, there are differences between the actual employer contributions and the proportionate share of the employer contributions during the measurement period ended June 30, 2014. These differences are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through VCERA which is 5.27 years determined as of June 30, 2013 (the beginning of the measurement period ending June 30, 2014).

There are no changes in each employer's proportionate share of the Net Pension Liability (NPL) during the measurement period ended June 30, 2014. This is because only for this initial transition year, the beginning of year NPL was allocated by using the same employer allocation percentage as was determined at the end of the year.

These amounts are shown below. While these amounts are different for each employer, they sum to zero over the entire VCERA.

#### **Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of the Change in Proportion and Change in Employer Contributions for the Year Ended June 30, 2014**

	Total Change to be Recognized	Recognition Period (Years)	Reporting Date for Employer under GAS 68 Year Ended June 30:					
			2015	2016	2017	2018	2019	2020
County of Ventura	\$(736,594)	5.27	\$(139,771)	\$(139,771)	\$(139,771)	\$(139,771)	\$(139,771)	\$(37,739)
Ventura County Courts	532,464	5.27	101,037	101,037	101,037	101,037	101,037	27,279
Ventura County Air Pollution Control Department	127,149	5.27	24,127	24,127	24,127	24,127	24,127	6,514
Ventura Regional Sanitation District	<u>76,981</u>	5.27	<u>14,607</u>	<u>14,607</u>	<u>14,607</u>	<u>14,607</u>	<u>14,607</u>	<u>3,946</u>
Total for all Employers	\$0		\$0	\$0	\$0	\$0	\$0	\$0

**SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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**Actuarial Assumptions and Methods**

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**Post – Retirement Mortality Rates:**

<i>Healthy:</i>	For all Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year.
<i>Disabled:</i>	<p>For General Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set forward five years for males and seven years for females.</p> <p>For Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year.</p> <p>The RP-2000 mortality tables projected with Scale AA to 2010 and adjusted by the applicable set backs and set forwards shown above reasonably reflect the projected mortality experience as of the measurement date. The additional projection to 2025 is a provision for future mortality improvements.</p>
<i>Beneficiaries:</i>	Beneficiaries are assumed to have the same mortality as a General Member of the opposite sex who has taken a service (non-disability) retirement.
<i>Member Contribution Rates:</i>	<p>For General Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year weighted 35% male and 65% female.</p> <p>For Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year weighted 80% male and 20% female.</p>

**SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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**Termination Rates Before Retirement:**

Age	Rate (%) Mortality			
	General		Safety	
	Male	Female	Male	Female
25	0.03	0.01	0.03	0.01
30	0.04	0.02	0.04	0.02
35	0.06	0.03	0.06	0.03
40	0.09	0.04	0.09	0.04
45	0.10	0.07	0.10	0.07
50	0.13	0.10	0.13	0.10
55	0.19	0.19	0.19	0.19
60	0.40	0.39	0.40	0.39
65	0.79	0.76	0.79	0.76

All pre-retirement deaths are assumed to be non-duty related.



**SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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**Termination Rates Before Retirement (continued):**

<b>Age</b>	<b>Rate (%)</b>	
	<b>Disability</b>	
	<b>General<sup>(1)</sup></b>	<b>Safety<sup>(2)</sup></b>
25	0.02	0.14
30	0.04	0.26
35	0.08	0.48
40	0.13	0.90
45	0.21	1.16
50	0.40	1.98
55	0.56	3.40
60	0.69	4.60
65	0.90	0.00
70	1.00	0.00

<sup>(1)</sup> 40% of General disabilities are assumed to be duty disabilities and the other 60% are assumed to be ordinary disabilities.

<sup>(2)</sup> 90% of Safety disabilities are assumed to be duty disabilities and the other 10% are assumed to be ordinary disabilities.

**SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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**Termination Rates Before Retirement (continued):**

<b>Rate (%)</b>		
<b>Withdrawal (Less than Five Years of Service)*</b>		
<b>Years of Service</b>	<b>General</b>	<b>Safety</b>
0	15.00	12.00
1	10.00	6.00
2	8.00	5.50
3	7.00	5.00
4	6.00	4.00

<b>Withdrawal (Five or More Years of Service)*</b>		
<b>Age</b>	<b>General</b>	<b>Safety</b>
20	6.00	4.00
25	6.00	4.00
30	5.70	3.40
35	4.90	2.40
40	3.90	1.40
45	2.90	0.70
50	2.20	0.20
55	1.70	0.00
60	1.20	0.00
65	1.00	0.00
70	0.00	0.00

\* The greater of a refund of member contributions and a deferred annuity is valued when a member withdraws.

No withdrawal is assumed after a member is first assumed to retire.

**SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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**Retirement Rates:**

<b>Age</b>	<b>General Tier 1 and 2</b>	<b>PEPRA General Tier 1 and 2</b>	<b>Safety</b>	<b>PEPRA Safety</b>
40	0.00	0.00	1.00	0.00
41	0.00	0.00	1.00	0.00
42	0.00	0.00	1.00	0.00
43	0.00	0.00	1.00	0.00
44	0.00	0.00	1.00	0.00
45	0.00	0.00	1.00	0.00
46	0.00	0.00	1.00	0.00
47	0.00	0.00	1.00	0.00
48	0.00	0.00	1.00	0.00
49	0.00	0.00	1.00	0.00
50	3.00	0.00	2.00	4.00
51	3.00	0.00	2.00	2.00
52	4.00	2.00	4.00	5.00
53	4.00	2.00	6.00	8.00
54	6.00	3.00	18.00	18.00
55	6.00	5.00	25.00	20.00
56	7.00	5.00	20.00	20.00
57	8.00	6.00	20.00	18.00
58	10.00	7.00	18.00	18.00
59	10.00	8.00	25.00	30.00
60	14.00	10.00	25.00	30.00
61	18.00	12.50	30.00	30.00
62	22.00	20.00	40.00	50.00
63	20.00	20.00	50.00	50.00
64	25.00	20.00	50.00	50.00
65	35.00	25.00	100.00	100.00
66	35.00	30.00	100.00	100.00
67	35.00	30.00	100.00	100.00
68	25.00	30.00	100.00	100.00
69	20.00	30.00	100.00	100.00
70	20.00	50.00	100.00	100.00
71	20.00	50.00	100.00	100.00
72	20.00	50.00	100.00	100.00
73	20.00	50.00	100.00	100.00
74	40.00	50.00	100.00	100.00
75	100.00	100.00	100.00	100.00

**SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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**Retirement Age and Benefit for  
Deferred Vested Members:**

For deferred vested members, we make the following retirement assumption:

General Age: 58  
Safety Age: 54

We assume that 50% and 65% of future General and Safety deferred vested members, respectively, will continue to work for a reciprocal employer. For reciprocals, we assume 4.50% compensation increases per annum.

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**Future Benefit Accruals:**

1.0 year of service per year.

**Unknown Data for Members:**

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

**Definition of Active Members:**

All active members of VCERA as of the valuation date.

**Percent Married:**

70% of male members and 50% of female members are assumed to be married at pre-retirement death or retirement. There is no explicit assumption for children's benefits.

**Age of Spouse:**

Female (or male) spouses are 3 years younger (or older) than their spouses.

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**Net Investment Return:**

7.75%, net of investment and administration expenses.

**Member Contribution  
Crediting Rate:**

3.25% (Actual increase is based on projected long term ten-year Treasury rate).

**Consumer Price Index:**

Increase of 3.25% per year; retiree COLA increases due to CPI are subject to a 3.0% maximum change per year for General Tier 1 and Safety. For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March 2003.

### SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association

#### In-Service Redemptions:

##### *Non-PEPRA Formulas*

The following assumptions for in-service redemptions pay as a percentage of final average compensation are used:

General Tier 1	8.00%
General Tier 2	3.50%
Safety	7.50%

For determining the cost of the basic benefit (i.e., non-COLA component), the cost of this pay element is currently recognized in the valuation as an employer only cost and does not affect member contribution rates.

##### *PEPRA Formulas*

None

#### Salary Increases:

##### Annual Rate of Compensation Increase

Inflation: 3.25% per year; plus “across the board” salary increases of 0.75% per year; plus the following promotional and merit increases:

Years of Service	General	Safety
Less than 1	5.00%	8.50%
1	3.75	6.25
2	3.00	4.75
3	2.50	4.00
4	2.00	3.00
5	1.50	2.50
6	1.00	2.00
7	1.00	1.50
8	0.75	1.25
9	0.50	1.00
10	0.50	0.75
11	0.50	0.75
12	0.50	0.75
13	0.50	0.75
14	0.50	0.75
15	0.50	0.75
16	0.50	0.50
17	0.50	0.50
18	0.50	0.50
19	0.50	0.50
20 and Over	0.50	0.50

**SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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**Increase in the Internal Revenue  
Code Section 401(a)(17)**

**Compensation Limit:** Increase of 3.25% per year from the valuation date.

**Increase in Section 7522.10**

**Compensation Limit:** Increase of 3.25% per year from the valuation date.

**Actuarial Cost Method:**

Entry Age Actuarial Cost Method. Entry Age is the age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation.

**Expected Remaining Service Lives:**

The average of the expected service lives of all employees is determined by:

- Calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired member.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

**SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

**APPENDIX A**

**Calculation of Discount Rate as of June 30, 2014  
Projection of Pension Plan's Fiduciary Net Position (\$ in millions)**

Year Beginning July 1,	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2013	\$3,628	\$216	\$224	\$4	\$659	\$4,275
2014	4,275	228	247	5	331	4,583
2015	4,583	224	263	5	354	4,893
2016	4,893	219	280	5	378	5,204
2017	5,204	209	298	6	401	5,510
2018	5,510	203	316	6	423	5,814
2019	5,814	150	334	6	444	6,068
2020	6,068	141	352	7	463	6,313
2021	6,313	120	372	7	480	6,534
2022	6,534	133	392	7	497	6,765
2038	8,123	27	665	9	607	8,082
2039	8,082	23	674	9	603	8,025
2040	8,025	20	683	9	598	7,952
2041	7,952	17	690	9	592	7,862
2042	7,862	14	695	9	585	7,758
2087	12,545	0	16	14	971	13,486
2088	13,486	0	13	15	1,044	14,503
2089	14,503	0	10	16	1,123	15,600
2090	15,600	0	7	17	1,208	16,783
2091	16,783	0	6	19	1,300	18,059
2124	190,012	0	0 *	212	14,718	204,518
2125	204,518					
2125 Discounted Value: 48 **						

\* Less than \$1 M, when rounded.

\*\* \$204,518 million when discounted with interest at the rate of 7.75% per annum has a value of \$48 M as of June 30, 2014.

### SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association

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#### APPENDIX A (continued)

##### Calculation of Discount Rate as of June 30, 2014 Projection of Pension Plan's Fiduciary Net Position (\$ in millions)

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Notes:

- (1) Amounts may not total exactly due to rounding.
- (2) Amounts shown in the year beginning July 1, 2013 row are actual amounts, based on the unaudited financial statements provided by VCERA.
- (3) Years 2023-2037, 2043-2086, and 2092-2123 have been omitted from this table.
- (4) Column (a): Except for the "discounted value" shown for 2125, none of the projected beginning Plan Fiduciary Net Position amounts shown have been adjusted for the time value of money.
- (5) Column (b): Projected total contributions include employee and employer normal cost rates applied to closed group projected payroll (based on covered active members as of June 30, 2013), plus employer contributions to the unfunded actuarial accrued liability. Contributions are assumed to occur halfway through the year, on average.
- (6) Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of June 30, 2013. The projected benefit payments reflect the cost of living increase assumptions used in June 30, 2013 valuation report and include projected benefits associated with the Supplemental Medical (\$27.50) Reserve.
- (7) Column (d): Projected administrative expenses are calculated as approximately 0.11% of the projected beginning Plan Fiduciary Net Position amount. The 0.11% portion was based on the actual fiscal year 2013/2014 administrative expenses (unaudited) as a percentage of the actual beginning Plan Fiduciary Net Position as of July 1, 2013. Administrative expenses are assumed to occur halfway through the year, on average.
- (8) Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.75% per annum and reflect the actual timing of benefit payments, which are made at the end of each month.
- (9) As illustrated in this Exhibit, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.75% per annum was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2014 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.



### **SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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#### **APPENDIX B**

#### **GLOSSARY**

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Definitions of certain terms *as they are used in Statement 68*; the terms may have different meanings in other contexts.

**Active employees**

Individuals employed at the end of the reporting or measurement period, as applicable.

**Actual contributions**

Cash contributions recognized as additions to a pension Plan's Fiduciary Net Position.

**Actuarial present value of projected benefit payments**

Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

**Actuarial valuation**

The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.

**Actuarial valuation date**

The date as of which an actuarial valuation is performed.

**Actuarially determined contribution**

A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

**Ad hoc cost-of-living adjustments (ad hoc COLAs)**

Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.

### **SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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#### **APPENDIX B (continued)**

#### **GLOSSARY**

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##### **Ad hoc postemployment benefit changes**

Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.

##### **Agent employer**

An employer whose employees are provided with pensions through an agent multiple-employer defined benefit pension plan.

##### **Agent multiple-employer defined benefit pension plan (agent pension plan)**

A multiple-employer defined benefit pension plan in which pension plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.

##### **Allocated insurance contract**

A contract with an insurance company under which related payments to the insurance company are currently used to purchase immediate or deferred annuities for individual employees. Also may be referred to as an annuity contract.

##### **Automatic cost-of-living adjustments (automatic COLAs)**

Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).

##### **Automatic postemployment benefit changes**

Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).

##### **Closed period**

A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.

### **SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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#### **APPENDIX B (continued)**

#### **GLOSSARY**

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##### **Collective deferred outflows of resources and deferred inflows of resources related to pensions**

Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.

##### **Collective Net Pension Liability**

The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.

##### **Collective pension expense**

Pension expense arising from certain changes in the collective Net Pension Liability.

##### **Contributions**

Additions to a pension Plan's Fiduciary Net Position for amounts from employers, nonemployer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.

##### **Cost-of-living adjustments**

Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.

##### **Cost-sharing employer**

An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.

##### **Cost-sharing multiple-employer defined benefit pension plan (cost-sharing pension plan)**

A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

##### **Covered-employee payroll**

The payroll of employees that are provided with pensions through the pension plan.

### **SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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#### **APPENDIX B (continued)**

#### **GLOSSARY**

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##### **Deferred retirement option program (DROP)**

A program that permits an employee to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The employee continues to provide service to the employer and is paid for that service by the employer after the DROP entry date; however, the pensions that would have been paid to the employee (if the employee had retired and not entered the DROP) are credited to an individual employee account within the defined benefit pension plan until the end of the DROP period.

##### **Defined benefit pension plans**

Pension plans that are used to provide defined benefit pensions.

##### **Defined benefit pensions**

Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement 68.)

##### **Defined contribution pension plans**

Pension plans that are used to provide defined contribution pensions.

##### **Defined contribution pensions**

Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.

### SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association

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#### APPENDIX B (continued)

#### GLOSSARY

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##### **Discount rate**

The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:

1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan's Fiduciary Net Position is projected (under the requirements of Statement 68) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments.
2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.

##### **Entry age actuarial cost method**

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the *normal cost*. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the *actuarial accrued liability*.

##### **Inactive employees**

Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.

##### **Measurement period**

The period between the prior and the current measurement dates.

##### **Multiple-employer defined benefit pension plan**

A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.

### **SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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#### **APPENDIX B (continued)**

#### **GLOSSARY**

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##### **Net Pension Liability**

The liability of employers and nonemployer contributing entities to employees for benefits provided through a defined benefit pension plan.

##### **Nonemployer contributing entities**

Entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of Statement 68, employees are not considered nonemployer contributing entities.

##### **Other postemployment benefits**

All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.<sup>4</sup>

##### **Pension plans**

Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed, and benefits are paid as they come due.

##### **Pensions**

Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.

##### **Plan members**

Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).

##### **Postemployment**

The period after employment.

##### **Postemployment benefit changes**

Adjustments to the pension of an inactive employee.

### SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association

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#### APPENDIX B (continued)

#### GLOSSARY

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**Postemployment healthcare benefits**

Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.

**Projected benefit payments**

All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.

**Public employee retirement system**

A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.

**Real rate of return**

The rate of return on an investment after adjustment to eliminate inflation.

**Service costs**

The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.

**Single employer**

An employer whose employees are provided with pensions through a single-employer defined benefit pension plan.

**Single-employer defined benefit pension plan (single-employer pension plan)**

A defined benefit pension plan that is used to provide pensions to employees of only one employer.

**Special funding situations**

Circumstances in which a nonemployer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either of the following conditions exists:

1. The amount of contributions for which the nonemployer entity legally is responsible is *not* dependent upon one or more events or circumstances unrelated to the pensions.
2. The nonemployer entity is the only entity with a legal obligation to make contributions directly to a pension plan.

**SECTION 3: Actuarial Assumptions and Methods and Appendices for the Ventura County Employees' Retirement Association**

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**APPENDIX B (continued)**

**GLOSSARY**

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**Termination benefits**

Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.

**Total Pension Liability**

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement 68.

5372909v6/05325.109



# 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>

---

September 21, 2015

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

**SUBJECT: SEGAL CONTRACT RENEWAL FOR ACTUARIAL SERVICES, AND  
PROPOSED SCHEDULE OF FIXED FEES AND HOURLY BILLING RATES**

Dear Board Members:

Please find the attached renewal for actuarial services from Segal, outlining the fees for the next three years, should VCERA choose to extend the original agreement for that period. I have also provided Segal's original Agreement for Actuarial Services for reference.

**RECOMMENDATION:** Review and approve the provided Proposed Schedule of Fixed Fees and Hourly Billing Rates, and authorize the Retirement Administrator to execute the contract on behalf of the Board.

I would be happy to answer any questions you may have at the September 21, 2015 meeting.

Sincerely,



Linda Webb  
Retirement Administrator

Attachments



100 Montgomery Street Suite 500 San Francisco, CA 94104-4308  
T 415.263.8200 www.segalco.com

**Paul Angelo, FSA, MAAA, FCA, EA**  
Senior Vice President & Actuary  
pangelo@segalco.com

September 17, 2015

Ms. Linda Webb  
Retirement Administrator  
Ventura County Employees' Retirement Association  
1190 S. Victoria Avenue, Suite 200  
Ventura, CA 93003

**Re: Proposed Schedule of Fixed Fees and Hourly Billing Rates**

Dear Linda:

This letter presents our proposed schedule of fixed valuation fees and hourly billing rates for our services to VCERA, commencing October 1, 2015. As you know, our initial April 1, 2003 Actuarial Services Agreement with VCERA provided for guaranteed rates for three years. For your reference, that agreement provides that "For later years Segal will present a schedule of current rates for review by VCERA prior to the beginning of each year. These rates would go into effect only upon mutual agreement between VCERA and Segal."

Our July 31, 2012 letter proposed fixed fees and hourly billing rates through mid-2015. As an aid to future budgeting, this letter proposes three years of fixed fees and hourly billing rates commencing October 1, 2015. We understand that the Board may wish to approve the rates shown only for some shorter period.

**Fixed Fee Valuation and Retainer Services**

<b>Task</b>	<b>Current: 6/30/2014</b>	<b>Proposed: 6/30/2015</b>	<b>Proposed: 6/30/2016</b>	<b>Proposed: 6/30/2017</b>
Actuarial Valuation (includes one meeting)	\$52,000	\$58,000	\$59,000	\$60,000
GASB 67 Valuation	N/A	\$12,000	\$12,500	\$13,000
GASB 68 Valuation	N/A	\$17,000	\$18,000	\$19,000
June 30, 2014 & June 30, 2017 Experience Analysis (includes one meeting)	\$40,000			\$45,000
General Consulting Services (per year)	\$16,000	\$16,000	\$16,000	\$16,000

Our fee for the last valuation as of June 30, 2014 was \$52,000. Our proposed fees for the next three valuations have been adjusted primarily to reflect the expansion of the valuation to include the new CalPEPRA tiers.

The increase in the fee for the experience analysis is based on actual time charges for this work as of June 30, 2011 and June 30, 2014, both of which exceeded \$50,000.

The Governmental Accounting Standards Board (GASB) approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statements 27 and is for employer reporting. As the valuation results for funding purposes can no longer be used for financial disclosure purposes, there is a significant amount of additional work in preparing the new disclosures.

Note that the first GASB 67 valuation (completed in late 2014) and first GASB 68 valuation (nearly completed) were performed on a time charges basis. We have included future GASB valuations as fixed fees services in the table on the prior page. These fixed fees assume no in person meetings, minimal GASB taskforce meetings and no material new changes to the scope of information provided in these valuation reports. If any of this changes, then we would need to discuss as appropriate.

### **Hourly Rates for Additional Services**

The table below shows the current rates and the rates we are proposing effective October 1, 2015. These new rates are generally the same as for our other similar California public sector retirement plan clients.

<b>Class of Personnel</b>	<b>Current: July 2014 to September 2015</b>	<b>Proposed: October 2015 to June 2016</b>	<b>Proposed: July 2016 to June 2017</b>	<b>Proposed: July 2017 to June 2018</b>
Principal Actuaries (Angelo)	\$490	\$500	\$500	\$510
Reviewing Actuaries	\$460	\$470	\$480	\$490
Supervising Actuaries (Monroe)	\$440	\$450	\$460	\$470
Senior Actuarial Analysts	\$285 - \$430	\$280 - \$440	\$290 - \$450	\$300 - \$460
Actuarial Analysts	\$170 - \$280	\$180 - \$270	\$190 - \$280	\$200 - \$290
Compliance Consultant	\$440	\$450	\$460	\$470
Clerical	No charge	No charge	No charge	No charge

Our signature on the enclosed agreement renewal form represents our agreement with the proposed fees and a continuation of the rest of the original contract terms as modified by the

First Amendment to the Actuarial Services Agreement. We propose that VCERA accept the proposed fees and agree to a continuation of rest of the original contract terms as modified by the First Amendment to the Actuarial Services Agreement by also signing the enclosure.

Thank you very much for your consideration of this matter. We greatly appreciate our relationship with you, your staff, and your Board. Please let us know if you need any additional information.

Cordially,

A handwritten signature in black ink, appearing to read 'Paul Angelo', written over a horizontal line.

Paul Angelo

MYM/gxk  
Enclosure

## **Agreement Renewal**

The fees described in the Proposed Schedule of Fixed Fees and Hourly Billing Rates letter dated September 17, 2015 shall be effective as of October 1, 2015. All other terms of the original Actuarial Services Agreement as modified by the First Amendment to the Actuarial Services Agreement between VCERA and Actuary shall remain in full force and effect.

EXECUTED AND AGREED TO by the parties by their duly authorized representatives:

THE SEGAL COMPANY

VENTURA COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION

By: \_\_\_\_\_  
PAUL ANGELO  
Senior Vice President & Actuary

By: \_\_\_\_\_  
LINDA WEBB  
Retirement Administrator

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

**ACTUARIAL SERVICES AGREEMENT**

**between**

**VENTURA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION**

**and**

**THE SEGAL COMPANY**

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# ACTUARIAL SERVICES AGREEMENT

between

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

and

THE SEGAL COMPANY

This Agreement is made and entered into as of April 1st, 2003 in Ventura, California, by and between the VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (hereinafter referred to as "VCERA") and The Segal Company (hereinafter referred to as "ACTUARY").

WHEREAS, the VCERA was created pursuant to the County Employees Retirement Law of 1937 (hereinafter referred to as the "'37 ACT") and is administered by the Board of Trustees (hereinafter referred to as the "BOARD");

WHEREAS, pursuant to Government Code section 31453, the Board, has a duty and a need to engage the services of an actuary;

WHEREAS, ACTUARY warrants and represents that it meets the standards of a qualified actuary under the provision of the Employee Retirement Income Security Act of 1974 and it is specially qualified and experienced to perform the actuarial services hereinafter described; and

WHEREAS, the BOARD has determined that it would be in the best interest of the VCERA if ACTUARY were to be retained to provide the actuarial services set forth herein below and, accordingly, has voted to approve this Agreement;

NOW, THEREFORE, in consideration of the above-stated premises, the terms, covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

1. DESCRIPTION OF ACTUARIAL SERVICES. The BOARD hereby delegates to ACTUARY the duties and ACTUARY hereby accepts and assumes responsibility to provide the actuarial services described in Exhibit "A", (hereto,

"Actuarial Services"), and described in Exhibit "C", the BOARD's RFP and the ACTUARY's written responses to the RFP.

2. PAYMENTS FOR ACTUARIAL SERVICES. In consideration of the services rendered in accordance with all terms and conditions and specifications set forth herein and set forth in Exhibits "A" and "C", BOARD shall make payment for actuarial services to ACTUARY as set forth in Exhibit "B", (hereto, "Fee Schedule"). Said payments shall be made within thirty (30) days after full completion of the services by the ACTUARY. Any amendments to the fee schedule, Exhibit "B", agreed to by both parties shall be set forth in a written modification to the Agreement. The fees set forth in this section shall be the sole compensation owed by or to any person for ACTUARY's services under this Agreement.

3. RELATIONSHIP OF THE PARTIES. It is understood that this is an Agreement by and between the BOARD and an Independent Contractor and it is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever other than that of Independent Contractor.

4. NON-ASSIGNABILITY. Contractor shall not assign this Agreement or any portion thereof to a third party without the prior written consent of the BOARD, and any attempted assignment without such prior written consent in violation of this section automatically shall terminate this Agreement.

5. TERM AND TERMINATION. This Agreement shall be in effect for a term of three years, starting March 1, 2003. Either party may terminate this Agreement at any time for any reason by providing thirty (30) days written notice. Termination to be effective on the date specified in the notice. In the event of termination under this paragraph, ACTUARY shall be paid for all work provided to the date of termination.

6. INDEMNIFICATION. The ACTUARY agrees to indemnify, defend and hold harmless the VCERA, its BOARD, trustees, officers and employees from any and

all claims, actions, losses, damages, and/or liability arising from ACTUARY's negligent acts, errors or omissions.

7. INSURANCE. Without in anyway affecting the indemnity herein provided and in addition thereto, the ACTUARY shall secure and maintain throughout the Agreement the following types of insurance with limits as shown:

A. Workers' Compensation - A program of Workers' Compensation Insurance or a State Approved Self-Insurance Program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer's Liability with Two Hundred and Fifty Thousand Dollars (\$250,000.00) limits, covering all persons providing services on behalf of ACTUARY and all risks to such persons under this Agreement.

B. Comprehensive General And Automobile Liability Insurance - This coverage to include contractual coverage and automobile liability coverage for owned, hired and non-owned vehicles. The policy shall have combined single limits for bodily injury and property damage or not less than Five Hundred Thousand Dollars (\$500,000.00)

C. Professional Errors and Omissions Liability Insurance - ACTUARY will secure an insurance policy for Professional Errors and Omissions insurance with coverage of at least one million dollars (\$1,000,000.00) per claim or occurrence and shall cover all ACTUARY's officers, owners, and employees.

8. ADDITIONAL NAMED INSURED. All policies, except for the Workers' Compensation and Professional Errors and Omissions Liability Insurance policies shall contain additional endorsements naming VCERA and its officers, employees, agents, and volunteers as additional named insureds with respect to liabilities arising out of the performance of services hereunder.

9. WAIVER OF SUBROGATION RIGHTS. Except for Professional Errors and Omissions Liability, ACTUARY shall require the carriers of the above required coverages to waive all rights of subrogation against VCERA, its BOARD, trustees, officers, and employees.

10. POLICIES PRIMARY AND NON-CONTRIBUTORY. All policies required above are to be primary and non-contributory with any insurance or self insurance programs carried or administered by VCERA.

11. PROOF OF COVERAGE. ACTUARY shall immediately furnish certificates of Insurance to the VCERA evidencing the Insurance coverage, including endorsements, above required prior to the commencement of performance of services hereunder, and ACTUARY shall maintain such insurance from the time ACTUARY commences performance of services hereunder until the completion of such services.

12. FORCE MAJEURE.

A. In the event ACTUARY is unable to comply with any provision of this Agreement due to causes beyond their control relating to acts of God, acts of war, civil disorders, or other similar acts, ACTUARY shall not be held liable to VCERA for such failure to comply.

B. In the event VCERA is unable to comply with any provision if this Agreement due to causes beyond their control relating to acts of God, acts of war, civil disorders, or other similar acts, VCERA shall not be held liable to ACTUARY for such failure to comply.

13. NOTICES AND REPORTS.

Any notices and reports required or desired to be services by either party upon the other shall be addressed to respective parties as set forth below:

VCERA: Van Perris, Administrator  
Ventura County Employees' Retirement Association  
1190 S. Victoria Avenue, Suite 200  
Ventura, CA 93003-6572  
(805) 339-4267; FAX (805) 339-4269

ACTUARY: Paul Angelo  
The Segal Company  
120 Montgomery Street, Suite 500  
San Francisco, California 94104-4308

And

Office of the of the President  
The Segal Company  
One Park Avenue  
New York, NY 10016-5895

14. GOVERNING LAW AND VENUE. This Agreement will be construed in accordance with and governed by the laws of the State of California. Should any party file a lawsuit over any matter arising out of this Agreement, said lawsuit will be filed and prosecuted in the County of Ventura, State of California, and all parties hereto hereby consent to such venue and the personal jurisdiction of all courts sitting within such local.

15. ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS LAWS.

ACTUARY hereby agrees and represents that it is an equal opportunity employer and has adopted policies to implement the purpose and provisions of the Civil Rights Act of 1964, 42 USC § 2000(e) et seq. to assure that no person is denied employment on the basis of race, creed, color, sex or national origin in connection with its performance of this Agreement.

16. AFFIRMATIVE ACTION. The ACTUARY shall take affirmative action to ensure that qualified applicants are employed, and that employees are treated fairly during employment, without regard to their race, color, religion, sex, handicap, ancestry or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

17. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

18. CONFIDENTIALITY. Except as provided by applicable law, or by order of a court or regulatory authority, ACTUARY shall maintain the confidentiality of all its records with respect to this Agreement, including, but not limited to, billing and the VCERA records. ACTUARY shall maintain the same confidentiality of these records as it does for other accounts.

19. VALIDITY. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision

20. WAIVER. No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. No waiver will be enforceable unless it is a written agreement executed by the party granting the waiver, making specific reference to this Agreement and reciting the parties' intention that it constitute a waiver. Failure of either party to enforce at any time, or from time to time, any provisions of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity.

21. ATTORNEY FEES. In the event of any litigation regarding this Agreement, the prevailing party as determined by the appropriate court shall be entitled to recover reasonable attorney's fees.

22. CHANGES AND AMENDMENTS. The VCERA and ACTUARY reserve the right to amend any such terms and conditions of this Agreement which may become necessary. Any revisions hereto will be accomplished by written agreement executed by both of the parties making specific reference to this Agreement and reciting the parties' intention that it constitute an amendment.

23. MERGER. This Agreement, and the Exhibits attached hereto, will constitute the complete and exclusive statement of understanding between the parties, superseding all previous agreements, written or oral, and all other previous communication between the parties relating to the subject matter of this Agreement.



24. SOLE PROPERTY OF THE BOARD. The data and analyses in reports developed, produced or provided under this Agreement shall become the sole property of the BOARD, but not the format.

25. AGREEMENT RENEWAL. This Agreement may be renewed for additional time periods provided that both parties sign renewal documents and the total payments during the renewal terms are specified.

EXECUTED AND AGREED TO by the parties as of the date first written above by their duly authorized representatives:

THE SEGAL COMPANY


By:   
PAUL ANGELO  
Vice President & Actuary

VENTURA COUNTY  
EMPLOYEES' RETIREMENT  
ASSOCIATION

By:   
VAN PERRIS  
Administrator

CONTRACT WITHOUT THE EXHIBITS  
APPROVED AS TO FORM:

FRANK O. SIEH  
\_\_\_\_\_  
County Counsel

By:   
LORI A. NEMIROFF  
\_\_\_\_\_  
Assistant County Counsel

## **Exhibit A – Actuarial Services**

### **Actuarial Valuation Services**

The Segal Company (“Segal”) will prepare three actuarial valuations for VCERA during the course of this contract, beginning with the June 30, 2003 valuation. Results will be presented in a formal written report and an oral presentation.

In addition to contribution rates, and unless eliminated in discussions with VCERA, our valuation reports will include, but not be limited to, the following information:

- i. An executive summary designed to provide highlights of the valuation results.
- ii. A narrative discussion of the key valuation results.
- iii. An actuarial valuation certification.
- iv. An analysis of actuarial gain/loss including a comparison of actual to expected assets and the impact of actuarial gain/loss on recommended contribution rates.
- v. Measures of funding progress (funding ratios) relative to the present value of accrued benefits and to the accrued liability (under VCERA’s actuarial cost method).
- vi. Analysis of Financial Experience as specified by the Government Financial Officers Association.
- vii. Supplemental calculations and financial disclosures required by GASB Statement 25, or successor standards.
- viii. Tabular or graphic presentation of demographic information, including age and service matrices for actives and age and benefit type for retirees.
- ix. Summary of plan provisions.
- x. Description of actuarial assumptions and methods.
- xi. A glossary of terms and sufficient explanatory text regarding methods and assumptions.

### **Experience Analysis Services**

Segal will prepare actuarial experience analyses for VCERA for the three-year period ending June 30, 2005. Results will be presented in a formal written report and an oral presentation.

As appropriate, the assumptions that will be included in the experience investigation are:

- |   |  |
|---|--|
| • Withdrawal of member contributions          | • Termination with a Vested Benefit                    |
| • Ordinary Death                              | • Duty Death   |
| • Service Retirement                          | • Disability Retirement                                |
| • Percentage of members married at retirement | • Reciprocity percentage for terminated vested members |



- Rates of service purchase
- Mortality after service retirement
- Investment return
- Aggregate payroll growth
- Terminal pay
- Mortality after disability retirement
- Individual compensation increases
- Inflation and COLA increases

Segal will also review the asset smoothing method and any other actuarial methods or practices.

As for the investment return assumption, the experience analysis and valuation reports will include a detailed development of a recommended investment return assumption by component, including the real returns by asset class and the risk adjustment.

### **Consulting Services**

Generally Segal will provide advice on any technical, policy or administrative issues arising in the course of operation. This advice will be delivered by meetings, telephone calls, e-mail and written correspondence. Segal will discuss legal issues with the understanding that they are not attorneys and do not give legal advice.

This advice will include making recommendations relative to possible improvements in the financing and benefit structure of VCERA and keeping VCERA apprised of trends in the public pension industry and the actuarial profession. Other advisory services include assisting in the drafting of proposed legislative changes and advising on the administrative and policy aspects of new legislation.

Segal will prepare various tables and factors required by the System, establish specifications for VCERA's data files, and prepare the auditor's information.

Segal will carry out special studies requested by the Board, and will appear at selected meetings and hearings to discuss actuarial issues, including those relating to funding benefits and to pricing legislation. Segal will also participate in educational programs for VCERA's staff. Fees for these items could vary significantly depending on the scope of our involvement, and will be based on actual time charges at the rates in Exhibit B.

Three visits to VCERA per year are included in the schedule of fees, plus an additional meeting in 2005 to cover presentation of the Experience Analysis.

Segal's VCERA team (and other required resources) will be made fully available to perform all services to VCERA and provide VCERA's deliverables within required time frames. Segal will be readily accessible to VCERA's Administrator or a designee within one working day, and will be available for meetings within five working days of the request.

## Exhibit B – Fees Schedule

Segal's fees for the services detailed in Exhibit A are shown below. These fees are guaranteed over a three-year contract term. Adjustments in the fees will most likely be made after the third year.

### Fixed Fees for Services

Task	Cost per Service
Actuarial Valuation (includes one meeting)	\$35,000
STAR COLA Valuation	\$5,000
Review of June 30, 2002 Experience Analysis	\$12,000
June 30, 2005 Experience Analysis (includes one meeting)	\$20,000
Vested \$108.44 Supplemental Benefit Valuation	\$3,000
\$5,000 Death Benefit Valuation	\$4,000
General Consulting Services (includes two meetings)	\$12,000/ year

### Additional Services

Segal's hourly rates for consulting services not included above and for any additional services are as follows. For any such services, as appropriate, Segal will estimate the time charges required and receive VCERA approval before commencing the project. These rates are guaranteed for the first three years of the contract. For later years Segal will present a schedule of current rates for review by VCERA prior to the beginning of each year. These rates would go into effect only upon mutual agreement between VCERA and Segal.

Class of Personnel	Hourly Rate
Paul Angelo, Drew James Principal Actuaries	\$350
Ted Shively, Dave Bergerson Reviewing Actuaries	\$330
John Monroe, Primary Support Actuary	\$300
Senior Actuarial Analysts	\$160 - \$290
Actuarial Analysts	\$130 - \$155
Rod Crane, Compliance Consultant	\$330

**Proposal to Provide  
Actuarial and Consulting Services to**

**Ventura County Employees' Retirement Association  
(VCERA)**



120 Montgomery Street, Suite 500  
San Francisco, CA 94104

*December 2002*

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THE SEGAL COMPANY

120 Montgomery Street, Suite 500 San Francisco, CA 94104-4308  
T 415.263.8200 F 415.263.8290 www.segalco.com

December 26, 2002

Mr. Van Perris, Administrator  
Ventura County Employees' Retirement Association  
1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003

Re: **Ventura County Employees' Retirement Association –  
Proposal for Actuarial and Consulting Services**

Dear Mr. Perris:

We are pleased to submit this proposal to provide actuarial consulting services to the Ventura County Employees' Retirement Association (VCERA) in accordance with its Request for Proposal (RFP).

As a comprehensive benefits consulting and actuarial firm, The Segal Company is able and willing to provide the entire scope of requested services. We have assembled a team with the experience and diversity of retirement plan consulting that most closely matches the structure and needs of VCERA.

The Segal Company is dedicated to total client satisfaction and is the architect of responsive and creative solutions to our clients' benefit needs. In particular, we want to highlight our:

- **Commitment to Service:** Our well-recognized position as a benefits consulting firm ensures VCERA of highly qualified services and diverse consulting perspectives which we are able to draw upon from our other clients. In addition to meeting the technical requirements of this contract, we look forward to developing an excellent rapport with VCERA and staff to achieve the Association's goals.
- **Commitment to Quality:** Actuarial work requires complex calculations and high-level computer programming, as well as a sophisticated understanding of the client's environment and objectives. Our intensive and multi-layered quality review process not only checks the accuracy of the calculations, but also analyzes the results and recommendations to assure consistency with both client needs and standards of practice.

Benefits, Compensation and HR Consulting ATLANTA BOSTON CHICAGO CLEVELAND DENVER HARTFORD HOUSTON LOS ANGELES MINNEAPOLIS  
NEW ORLEANS NEW YORK PHILADELPHIA PHOENIX SAN FRANCISCO SEATTLE TORONTO WASHINGTON, DC



Multinational Group of Actuaries and Consultants AMSTERDAM BARCELONA GENEVA HAMBURG LONDON MELBOURNE MEXICO CITY OSLO PARIS

Mr. Van Perris, Administrator  
Ventura County Employees' Retirement Association  
**Proposal for VCERA Actuarial and Consulting Services**  
December 26, 2002  
Page 2

- **Commitment to Clarity:** Actuarial consulting often involves arcane technical issues, which nevertheless have definite policy implications. Our consultants are skilled in making the technical issues clear and accessible so that our clients can make informed and independent policy decisions. These communication skills are developed not only in our client assignments but also in our many seminars and presentations to California and national retirement associations.
- **Commitment to Dependability:** Many of the services we perform must be completed within a very short time frame. We will dedicate the staff and resources necessary to meet deadlines. The trust that is developed over time with our long-term clients is something we value and strive to reinforce.
- **Commitment to Innovation:** Technical competence is important, but we also strongly believe that our role as actuarial consultant will be to add value for VCERA. We will identify emerging issues and propose innovative solutions to assist VCERA in meeting its vision and operational goals.

#### **Format of Proposal**

For your ease of reference, we have arranged our proposal in sections consistent with the lettered items from the "Proposal Questionnaire" of the RFP (Part III). Here is our contact information

**The Segal Company, 120 Montgomery Street, Suite 500, San Francisco, CA 94104-4308**

<b>Primary Contact:</b>	<b>Paul Angelo, FSA</b>	<b>(415) 263-8273</b>
<b>Secondary Contact:</b>	<b>Drew A. James, FSA</b>	<b>(415) 263-8270</b>

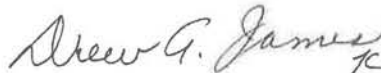
Detailed resumes for our primary staff are included in Section F. A sample contract is in Section G. A short consulting work sample is included in Section H. We have included several sample Segal publications (Section I), along with our sample reports (Sections J and K).

The Segal Company would be privileged to serve as actuarial consultant to VCERA. Our proposal is intended to be fully responsive to the RFP. We would welcome the opportunity to meet with you to discuss our experience and qualifications in greater detail.

Sincerely,



Paul Angelo, FSA, EA, MAAA  
Vice President and Actuary



Drew A. James, FSA, EA, MAAA  
Consulting Actuary

PPA:jc  
Enclosures

cc: Cathie G. Eitelberg

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# Section A. – Organization and Background

## 1. *About Segal.*

Segal's National Office is located at:  
One Park Avenue  
New York, New York 10016-5895

Services to VCERA will be performed out of our San Francisco office:

120 Montgomery Street, Suite 500  
San Francisco, CA 94104  
Phone: (415) 263-8200  
Fax: (415) 263-8290

The Segal Company has over 750 employees. Our Board consists of one outside and the remaining inside directors. There are three primary market divisions (Public Sector, Corporate and Multiemployer/Collective Bargaining), all of which provide pension, health and welfare, compliance, technology and communications consulting. We have an affiliate firm, Segal Advisors, Inc., that provides investment consulting services.

Comprehensive services are provided in all our offices by consultants and actuaries with broad experience and extensive knowledge of the employee benefits field. In addition to our New York City office, we have offices in San Francisco, Los Angeles and throughout the United States and Canada:

<i>Atlanta</i>	<i>Hartford</i>	<i>St. Louis</i>
<i>Boston</i>	<i>Houston</i>	<i>San Francisco</i>
<i>Chicago</i>	<i>Los Angeles</i>	<i>Seattle</i>
<i>Cleveland</i>	<i>Minneapolis</i>	<i>Toronto</i>
<i>Denver</i>	<i>New Orleans</i>	<i>Washington, D.C.</i>
<i>Edmonton</i>	<i>Phoenix</i>	

The San Francisco office currently has 50 employees, including 10 consultants, 13 health analysts, 6 compliance analysts, 2 health actuaries and 10 pension actuaries, plus national office and local support staff. Nine of our local employees are credentialed actuaries.

The Segal Company provides services in nearly all areas of human resource and benefits consulting. Our primary practices are Defined Benefit Actuarial and Consulting Services and Health Plan Analytic and Consulting Services. Our other services include:

- *Defined Contribution Plan Consulting Services*
- *Employee Communications Services*



- *Compensation Planning Services*
- *Flexible Benefit Plan Services*
- *Human Resources Consulting Services*
- *Administration and Technology Services*
- *Investment Performance Services (through our subsidiary, Segal Advisors)*

### *Our History*

In 1999, The Segal Company celebrated our 60th anniversary. As a private employee-owned actuarial and consulting firm, The Segal Company is a completely independent organization. Our independence allows us to provide totally unbiased consulting services for our clients.

Founded in 1939, early in the development of employee benefit plans in American industry, The Segal Company first conceived, designed and introduced many innovations that are now widely accepted benefit practices. The Segal Company's commitment to continued creativity is confirmed in our Statement of Values and Vision Statement.

### *Type of Business Entity and Ownership Structure of the Firm*

The Segal Company is an international corporation of employee benefit plan actuaries and consultants. Since its inception, the firm has been an independent employee-owned firm. The Segal Company is the business name of a group of companies that are wholly owned by a holding company, The Segal Group, Inc, which is incorporated in the State of Delaware. All stock issued by The Segal Group, Inc. is owned by the officers of the Company. The corporate headquarters for The Segal Group, Inc. is located at One Park Avenue, New York, NY 10016. Ownership or control has not changed in the past twenty-five years. We are committed to remaining an independent organization, and have no future plans that involve any changes of ownership or the ownership structure.

**2. *Are there any changes in ownership structure planned or anticipated in the next 24 months?***

No changes in ownership structure are planned or anticipated.

**3. *How many years has your firm provided actuarial services to public pension plans?***

Segal has served public pension plan clients for most, if not all, of its 63-year history.



4. *Number of public pension plan clients.*

Segal currently serves approximately 65 public pension plan clients. Following is a representative list of clients. Clients served by our San Francisco office are listed first, in bold type.

State	System Name	Number of Participants	Number of Years Retained	Scope of Services
<b>California</b>	<b>San Bernardino County Employees Retirement Association</b>	<b>25,000</b>	<b>&lt;1</b>	<b>Annual Valuations, Special projects</b>
<b>California</b>	<b>Los Angeles Water and Power Employees Retirement Plan</b>	<b>18,000</b>	<b>4</b>	<b>Annual Valuation</b>
<b>California</b>	<b>Los Angeles County Employees Retirement Association</b>	<b>128,000</b>	<b>4</b>	<b>Annual Audits, Special projects</b>
<b>Oregon</b>	<b>ATU/TRI-MET Pension Plan</b>	<b>2,700</b>	<b>12</b>	<b>Annual Valuation</b>
Michigan	State Retirement Systems (4)	536,000	9	Annual valuations
Missouri	University of Missouri	20,000	2	Annual Valuations
Missouri	St. Louis Retirement System	3,000	15	Annual Valuations
Nevada	Public Employees' Retirement System	76,000	22	Annual Valuations
Nevada	Judges' Retirement System	80	1	Annual Valuations
North Dakota	Retiree Health Insurance Credit Fund	15,000	8	Annual Valuations
North Dakota	Public Employees' Retirement System	15,000	20	Annual Valuations
North Dakota	Highway Patrolmen's Retirement System	185	20	Annual Valuations
North Dakota	Judges' Retirement System	70	20	Annual Valuations
Ohio	Police and Fire Pension Fund	50,000	2	Annual Valuations
Pennsylvania	Municipal Retirement System	10,000	14	Annual Valuations
Texas	Municipal Retirement System	110,000	5	Annual Valuations

**5. *List of five largest public pension clients.***

Our five largest clients (included on the list under 4., above) are:

- *Los Angeles County Employees' Retirement Association*
- *Texas Municipal Retirement System*
- *Public Employees' Retirement System of Nevada*
- *Michigan State Retirement Systems*
- *North Dakota Public Employees Retirement System*

**6. *Three actuarial accounts added and three actuarial accounts lost over the last two years.***

Three actuarial clients added are:

- *San Bernardino County Employees' Retirement Association*
- *Nevada Judges Retirement System*
- *Ohio Police and Fire Pension Fund*

Three actuarial clients lost are:

- *Santa Clara Valley Transportation Agency*
- *Employees' Retirement System of Hawaii*
- *El Paso County Retirement System*

**7. *Are there limits on the number of new clients we will accept? How will we manage growth of our list of clients?***

There are currently no formal limits on growing the number of Segal's clients. Segal maintains a strong commitment to growth, particularly in the public sector. We have developed "normal growth" staffing plans as well as contingency plans in the event that actual growth exceeds our expectations. However, before we submit a proposal for any new actuarial services, we consult with national and local leadership (including the local Actuarial Manager) to ensure that we can provide the prospective client with the high quality and responsive service they deserve.

8. *Has any company officer been involved in litigation relating to actuarial services during the last five years? Describe the level of errors and omissions coverage.*

With over 2,500 clients, the Segal Company is occasionally named as a party in litigation involving the performance of its services. The following is a description of litigation matters pending against The Segal Company:

- A. Frederic Breidenbach v. International Brotherhood of Electrical Workers Local 82 Joint Pension Fund: Union dissidents and participants in the Pension Plans are challenging various actions taken by the Trustees in 1984 (before The Segal Company was hired) and in 1989 (when Segal was the consultant) regarding the allocation and reallocation of funds between the defined benefit and defined contribution plans. It is alleged that Segal is a fiduciary, which is the basis for Segal's inclusion in the lawsuit. Segal contends that it acted as a consultant and not as a fiduciary, and has been actively defending itself. A settlement between the parties is being finalized. If the lawsuit is not settled, Segal will file a motion for summary judgment.
- B. Bretall v. Carlough: A participant in the Sheet Metal Workers National Pension Fund brought a lawsuit against the estates of two former Trustees of the Fund for actions taken in adopting a COLA benefit. The Segal Company had been the actuary and consultant to the Fund. Prior to the initiation of this lawsuit, Segal had entered into settlement discussions with the Fund. Segal and representatives of the Fund agreed upon a settlement, which required a bar order from the Court. In the interim, one of the defendants has brought Segal into the pending party through a third party complaint. We expect to resolve the matter in accordance with the settlement reached by the Fund.
- C. Burke, et al. v. Bodewes, et al: The current chair of the Board of Trustees of the Buffalo Carpenters Pension Fund and two named participants have filed a complaint in federal district court against current and former Trustees and The Segal Company alleging fiduciary breaches and other causes of action. The Segal Company was consultant and actuary to this Fund from approximately 1970 to 1999. We deny the allegations in the complaint and will vigorously defend our position that The Segal Company was not responsible for the Fund's financial problems."
- D. Randy Lang: Certain former Trustees of the Local 231-613-614 Welfare Fund alleged professional negligence on the part of Segal and the Fund's auditors. The complaint sought indemnification and contribution for the plaintiff's liability, if any, arising from allegations of breach of fiduciary duty asserted in an action commenced by the independent fiduciary of the Fund. A settlement was reached on an underlying action against the Trustees and the matter against Segal has been withdrawn. In a related matter, Silverman, an independent fiduciary appointed by a Federal Court Judge, initiated an action against 70 defendants alleging RICO

violations, and against Segal for one count of malpractice. The Silverman matter has been resolved subject to the approval of The Department of Labor.

Segal maintains \$5 million of errors and omissions insurance.

9. *Segal's actuarial consulting specialties, strengths and limitations.*

- ***Stability and Independence*** - Founded in 1939, we have extensive experience in providing actuarial and consulting services to the state and local government retirement sector. Our Company is employee owned and independent of any financial, insurance or investment entity.
- ***Top Talent*** - We are qualified for this assignment and have assigned one of our top teams of public retirement system consultants. Your Supervising Actuaries, Paul Angelo and Drew James, have extensive and recent experience in public sector consulting on actuarial matters, including particular experience with California county retirement systems.
- ***Valuation System Resources*** - The Segal Company has designed and programmed its own software for all actuarial functions for many years. Our Actuarial Technology and Systems (ATS) department is comprised of a group of dedicated systems developers responsible for providing and supporting the Segal Company's actuarial valuation system. The state-of-the-art actuarial valuation system has been designed internally to maintain control and flexibility to allow for modifications to best meet the unique needs of our clients.
- ***Commitment to Quality and Service*** - Our internal quality control standards require a three-stage production and review process of actuarial work. Also, our chief actuary, Tom Levy, annually reviews the work of all of our actuarial departments.
- ***Clear and Innovative Communication*** - Not only do we write our reports in a manner that effectively convey technical material and concepts to the reader, but we can work with the Board to communicate impacts of the results of the valuation in various formats. In addition to our work in board and client meetings, our consultants hone their communication skills by serving frequently as speakers, lecturers and panelists, and by authoring articles and papers in trade publications.
- ***Exploring the Cutting-Edge*** - Public plans today are facing a number of challenges: interest in defined contribution plans, demographic shifts, cash flow issues, protection of the trust and assets, federal law compliance and communicating with an increasing number of constituencies, to name but a few. The Segal Company has recent consulting experience in all of these areas and we help our clients to anticipate future demands and opportunities. For example, we are currently working with 1937 Act system boards, attorneys and accountants to address the policy and accounting issues for crediting interest on reserves in years of reduced or negative earnings.

- ***Federal Legislation Monitoring*** - Through a combination of our National Public Sector Practice Leader, Cathie Eitelberg, our National Director of Public Sector Compliance, Roderick B. Crane, and our Legal and Research Division, we are able to help our public retirement clients remain up-to-date on current federal legislative activity affecting governmental retirement and deferred compensation plans. We actively work with the public retirement plan industry groups (listed below) to monitor and evaluate federal legislation.

**10. *Does Segal act as a fiduciary when providing actuarial services?***

Segal does not act as a fiduciary in conducting its actuarial services. We partner with the Association's fiduciaries to assist them in making proper and prudent decisions. Actuarial decisions are ultimately made by the Board of Retirement based upon our recommendations. We work with the Board to develop a clear understanding of their funding policies and objectives. With this information, we can educate the Board about available alternatives and make recommendations that we believe are most suitable for those policies and objectives.

**11. *What distinguishes Segal from its competitors?***

Briefly, our distinguishing competitive advantages are:

- Two highly experienced consulting actuaries assigned to VCERA
- Senior level actuaries who have prior working experience with VCERA
- Independence of ownership, resources and systems
- Industry standard valuation systems and quality control procedures
- National resources and local responsiveness
- National commitment to Public Sector Retirement Systems
- Substantial experience with all types of public retirement systems in California
- Leading edge research and expertise on excess earnings issues for 1937 Act systems
- Superior communication skills of both of your assigned consulting actuaries

We will elaborate on two of these advantages, Commitment to Public Sector and Quality Control.

***Leadership in the Public Sector***

The Segal Company has taken a leadership role in the employee benefits field, and particularly with regard to the public sector. We actively participate in many public retirement organizations including the following:

***National Associations***

- *The National Association of State Retirement Administrators*
- *National Council on Teacher Retirement*
- *Government Finance Officers Association*

- *State and Local Government Benefits Association*
- *National Association of Governmental Deferred Compensation Administrators*
- *National Association of Public Pension Attorneys*
- *Association of Private Pension and Welfare Plans*
- *Employee Benefit Research Institute*
- *The International Foundation of Employee Benefit Plans (IFEBP)*

#### *State Associations*

- *The California Association of Public Retirement Systems (CALAPRS)*
- *The State Association of County Retirement Systems (SACRS)*

Our Company's role in the review and development of public employee benefit programs has been widely recognized. Our officers and professionals are frequent speakers at national and regional conferences on public sector benefits, and are consulted by governments, educational institutions, and leading publications on various aspects of retirement systems and group insurance programs for public employees.

In particular your Supervising Actuaries, Paul Angelo and Drew James, are frequent speakers at conferences, workshops and seminars sponsored by SACRS, CALAPRS and the IFEBP. For example, Mr. Angelo recently addressed the SACRS conference in Anaheim, California on *Public Retirement Benefit Plan Design*, and the IFEBP conference in Hawaii on *The Political Aspects of Overfunding*. Mr. Angelo and Mr. James recently authored a pair of articles in the Public Retirement Journal on excess earnings policies and practices, and interest crediting and reserve accounting for 1937 Act systems. Copies of that article are included in Section I.

#### ***Quality Control Procedures***

Segal has a battery of quality control practices and enforcement policies that is second to none in our industry. We have various quality control policies and procedures for our different services and practices. Here are the three policies most relevant to the actuarial services we would provide to VCERA.

***Actuarial Department.*** Our internal quality control standards for require a three-stage production and review process for all major actuarial projects, including annual valuations and experience investigations. After basic production, all results receive a "detailed review" that specifically checks all computer programs, valuation summaries and reports. Then a senior actuary in the department performs a "final review" insuring that all procedures and checklists have been followed, as well as providing a fresh look to insure that our results are consistent with all external documents such as plan documents, summary booklet and financial reports. Each level of review is documented in "review notes" that become part of the ongoing documentation for each client.



Departmental quality procedures are detailed, thorough and rigorous. They include standardized file contents and organization, procedural checklists specific to the type of valuation and exhaustive individual "test life" requirements.

**Annual Quality Audits.** At least once each year our Chief Actuary performs a two-day audit of each actuarial department. About ten valuations are selected at random for detailed review to check that all department procedures have been followed. The audit also includes a review of the consulting advice contained in our reports. The results of the audits are discussed in detail with local actuarial manager, the office head, and the senior staff for the audited cases.

**Senior Review.** Every piece of client communication that leaves our office is review by another consultant with expertise in the specific field who is does not work on the assignment in question. This review focus on the consulting information and presentation, and complements the technical review performed within the actuarial department.

12. ***Potential Conflicts***

We are not aware of any potential conflicts that Segal would have in servicing VCERA.

## Section B. – Segal’s VCERA Team

### 1. *Principal Actuary and Support Staff*

Your Lead Actuary will be Paul Angelo, Vice President and Actuary. Mr. Angelo has a number of key areas of expertise and experience in public retirement consulting, including:

- *Mr. Angelo has consulted to many retirement systems, with a particular focus on plan design, asset valuation methods, and funding policies. He is the lead actuary for the San Bernardino County Employees’ Retirement Association and the Los Angeles Water and Power Employees Retirement Plan.*
- *Mr. Angelo has conducted actuarial audits of the Orange County Employees Retirement System and the Los Angeles Water and Power Employees Retirement Plan, and is the retained audit actuary for the Los Angeles County Employees Retirement System (LACERA).*
- *Mr. Angelo is currently consulting to LACERA on a review of their funding policies, with particular emphasis on the measurement and distribution of excess earnings.*
- *Mr. Angelo is currently consulting to Ventura County and its employee organizations on various retirement benefit issues by conducting educational meetings (with both the bargaining parties and the Board of Supervisors), carrying out funding projections under alternative benefit designs, working with the system actuary and administrator, and identifying related practices and experience at other county retirement systems.*

Mr. Angelo has been assigned primary responsibility for eight clients.

Your second Lead Actuary will be Drew James, Consulting Actuary. Mr. James is an experienced public sector consultant and actuary who has served as valuation actuary for several city and county retirement systems in California. He is the second supervising actuary for the San Bernardino County Employees’ Retirement Association. Some of Mr. James’ past assignments include:

- *Creation of a DROP program for City of Ventura employees*
- *Managing a major CalPERS study on the impact of IRC Section 415 and assisting CalPERS develop Section 415 testing software and replacement benefit plans.*
- *Actuarial consultant to the Select Commission on Judicial Retirement with the charge of developing a new retirement benefit structure for California Judges*
- *Actuarial consultant to the Los Angeles County Economy and Efficiency Commission to solve “pension spiking” problem*



Mr. James has been assigned secondary responsibility for three clients.

Full resumes for both Mr. Angelo and Mr. James resumes can be found in Section F. They both exceed the Standards for Supervising Actuaries specified in the California Government Code. In particular:

- A. Both Mr. Angelo and Mr. James are Members of the American Academy of Actuaries and Enrolled Actuaries under ERISA. In addition, they are each Fellows of the Society of Actuaries, the most rigorous credential for actuaries practicing in North America.
- B. Both Mr. Angelo and Mr. James have over 20 years of experience each in providing consulting and technical actuarial services to large retirement systems, including public retirement systems.
- C. Mr. Angelo has supervised actuarial valuation work and provided direct consulting services to the San Bernardino County Employees' Retirement Association (25,000 members, \$3 billion), Los Angeles County Employees' Retirement Association (128,000 members, \$30 billion), Orange County Employees' Retirement System (33,000 members, \$5.5 Billion) and the Los Angeles Department of Water and Power Retirement System (18,000 members, \$5.8 billion), as well as many others.
- D. Mr. James has supervised actuarial valuation work and provided direct consulting services to the San Bernardino County Employees' Retirement Association (25,000 members, \$3 billion), Contra Costa County Employees' Retirement Association (14,000 members, \$2.9 billion), Alameda County Employees' Retirement System (15,000 members, \$3.8 billion) and the Sacramento County Employees' Retirement System (16,000 members, \$3.8 billion), as well as many others.
- E. Both Mr. Angelo and Mr. James have testified before legislative and/or administrative bodies in support of actuarial positions and/or the principles used in valuing retirement systems or pricing legislation. Mr. Angelo has testified before the Minnesota state legislature regarding the funding of the Minnesota State Teachers Retirement System. Mr. James has testified before various California State Assembly and Senate Committees, the Montana State Legislature Subcommittee, the Ohio State Legislature Subcommittee and the California Judicial Council.
- F. In addition to appearing before legislative bodies, Segal Company actuaries, including Mr. Angelo and Mr. James, regularly appear before Boards of Supervisors, City Councils and (non-client) Boards of Retirement to make formal presentations on the principles used in valuing the system or pricing legislation. Mr. Angelo has made such presentations recently before the Oakland City Council and the Oakland Police and Fire Retirement System, as well as the Ventura County Board of Supervisors. Mr. James has presented before the Fresno City Council and various county Boards of Supervisors.

- G. Communications is a crucial aspect of the consulting actuarial business, one that is sometimes under-emphasized. Actuarial concepts can be obscure, and there is a difficult balance to be found between providing too much or too little detail. Both written reports and oral presentations should make the essential decision information and concepts clear and accessible. This can be especially important for a public retirement system, where the interested parties come from a variety of backgrounds with various levels of experience.
- H. Both Mr. Angelo and Mr. James have statewide and national reputations for their ability to make the sometimes arcane business of actuarial science accessible to lay persons and policy makers. One measure of this ability is their active roles as speakers and lecturers on retirement topics for public sector audiences. Another is the testimonials they regularly receive from their clients who "never really understood this actuarial stuff before".

For a client's perspective on our communication skills, we suggest you contact:

Ms. Barbara A. Journet  
Director - Human Resources Department  
County of Ventura  
800 S. Victoria Avenue  
Ventura, CA 93009  
(805) 654-2561

Mr. Keith B. Filegar  
President  
Service Employees International Union, Local 998 AFL-CIO, CLC  
2472 Eastman Avenue, Unit 30  
Ventura, CA 93003  
(805) 644-8291

Ms. Pat Wiegert  
Retirement Administrator  
Contra Costa County Employees' Retirement Association  
1355 Willow Way, Suite 221  
Concord, CA 94520  
(925) 646-5741

Mr. Richard Goss  
Administrator  
California Association of Public Retirement Systems  
P.O. Box 7223  
Auburn, CA 95604  
(916) 788-0757

In addition to our sample reports, we wished VCERA to see a sample of "day to day" actuarial communication. We have include in Section H of our proposal an actual consulting work sample prepared by Mr. Angelo for the Los Angeles County Employees' Retirement Association (LACERA). LACERA had requested independent advice regarding an extremely technical distinction between two variants of a particular actuarial funding method. This work sample is included not so much for its technical content as for its demonstration of how everyday examples can be used to explain even the most difficult and subtle actuarial concepts. Section I contains another technical communications example, the articles Mr. Angelo and Mr. James recently authored in the Public Retirement Journal on excess earnings policies and practices, and interest crediting and reserve accounting for 1937 Act systems.

#### *Other Personnel*

Your supervising actuaries will be Ted Shively, A.S.A. and Dave Bergerson, A.S.A., who will have primary responsibility for supervising the production and certification of our actuarial services.

Mr. Shively is an experienced public sector actuary, and recently served as valuation actuary for the State of Hawaii. Mr. Angelo and Mr. Shively will work together on any actuarial or valuation policy issues relative to our work for VCERA. Mr. Shively holds degrees in mathematics and business, and has been with the Segal Company for 18 years.

Mr. Bergerson is the manager of our San Francisco actuarial department, and serves as the supervising actuary on our work for two other major California public retirement systems. Mr. Bergerson holds a degree in mathematics, has 15 years of actuarial consulting experience, and has been with The Segal Company for five years

Your primary support actuary will be John Monroe. Mr. Monroe currently serves as primary support actuary for the Los Angeles Water and Power Employees' Retirement Plan and for the San Bernardino Employees' Retirement Association.

Compliance service will be provided by Rod Crane, J.D. of our Denver office. Mr. Crane has over 15 years of consulting experience, all with The Segal Company.

Full resumes for Messrs. Shively, Bergerson, Monroe and Crane may also be found in Section F.

#### *Statement of Availability to VCERA*

With the exception of Mr. Crane (who is in the Denver office) all of the services for VCERA will be provided by our San Francisco office. Segal's VCERA team (and other required resources) will be made fully available to perform all services to VCERA and provide VCERA's deliverables within required time frames.

2. ***Number of Accounts Assigned to Segal Actuaries***

Segal does not have a formal process or formula for determining the number of accounts assigned to each actuary, since we find that different clients of comparable size can require varying degrees of attention and time commitment. Our office head works closely with each consulting actuary to monitor workload, including such considerations as the number and location of meetings during the year. A careful assessment is made to assure available capacity before a new client-consultant relationship is established.

Currently, Mr. Angelo is assigned as the primary consultant on eight accounts. Mr. James serves as the secondary consultant on three accounts. Both Mr. Angelo and Mr. James have ready capacity to serve VCERA.

3. ***Turnover of Segal's Personnel***

Over the past three years Segal has experienced a turnover rate of approximately 3% per year.

## Section C. – Client References

1. Mr. Timothy Barrett, CFA  
Executive Director / Chief Investment Officer  
San Bernardino County Employees' Retirement Association  
348 W. Hospitality Lane, 3<sup>rd</sup> Floor  
San Bernardino, CA 92415-0014  
(909) 885-7980
2. Mr. Greg Rademacher, Assistant Executive Officer  
Los Angeles County Employees' Retirement Association  
300 North Lake Avenue  
Pasadena, CA 91101  
(808) 586-1735
3. Mr. Duamel Vellon, Retirement Plan Manager  
Los Angeles Water and Power Employees Retirement Plan  
111 N. Hope Street, Room 357  
Los Angeles, CA 90012  
(213) 367-1689

Please see page 12 for additional references.

## Section D – General Information

### 1. *Description of computer facilities*

We have chosen to provide a rather brief description of our computer equipment. More information can be provided, if necessary.

All of the computer hardware and software is owned by Segal. The hardware is located in the San Francisco Office.

*Hardware Systems.* Actuarial processing is performed on Dell personal computers utilizing Windows NT workstations connected to Novell file servers located on the local area network (LAN) in the local office where actuarial work is performed. Your services will be performed in the San Francisco office.

Each local office LAN is connected via a frame relay network to form the Segal Company's wide area network (WAN). The current system has been in place for many years and is constantly upgraded. For example, in 2001 we upgraded the speed of the WAN as well as optimizing its networking features. Most recently, all the PCs used by the actuaries were upgraded (replaced) in 2002.

*Software Systems.* The Segal Company has designed and programmed its own software for all actuarial functions for many years. The Actuarial Technology and Systems (ATS) department is comprised of a group of dedicated systems developers responsible for providing and supporting the Segal Company's actuarial valuation system. The state-of-the-art actuarial valuation system has been designed internally to maintain control and flexibility to allow for modifications to best meet the unique needs of our clients. The PC-based actuarial valuation system is comprised of the following major components:

- ***Segal Data Handler*** - interactive processing of the participant data to generate a unified database that becomes the single source for all actuarial processing needs.
- ***PC-MESVAL*** - a multi-decrement actuarial valuation program that produces a comprehensive set of liability calculations associated with a wide range of benefit plans. The modular structure of the program allows for improvements to be implemented with a high degree of ease, speed and accuracy.
- ***Costs and Report Generator*** - the set of demographic and liability calculations produced by PC-MESVAL are automatically imported into an integrated costs and report generator program. This program produces actuarial calculations associated with the liabilities to meet regulatory, legislative and client requirements. The results of these calculations are electronically linked to a report generator that creates the valuation report including tables and graphs.

- ***Actuarial Utility Programs*** - these user-friendly tools are readily available to the actuaries for use in performing various actuarial calculations such as Section 415 limitations, social security calculations and generating annuity values.

The PC-based version of the Segal Company's actuarial valuation system has been in place since 1988. We are constantly upgrading our software to keep up with legislative, regulatory and technological changes.

2. ***Sample Actuarial Reports***

We have included a sample experience study report in Section J and a sample actuarial valuation report in Section K.

3. ***Standard Contract***

We have included a copy of our standard contract in Section G.

## Section E. – Proposed Fees

Our fees for the tasks detailed in Section II.E. of our proposal are shown in the following table. We have shown the cost for each performance of the task. We understand that the contract term is open and that these tasks would be performed at various times over the term of the contract. These fees are guaranteed over a three-year contract term. Adjustments in the fees will most likely be made after the third year.

Task	Cost per Service
Actuarial Valuation (each year)	\$35,000
Investigation of Experience	20,000
STARCOLA Valuation (each year)	5,000
Vested \$108.44 Supplemental Benefit Valuation	3,000
\$5,000 Death Benefit Valuation	4,000

### Handling of June 30, 2002 Experience Analysis Results

Section II of the RFP requested that we address the handling of the June 30, 2002 experience analysis results in the valuation process. Ordinarily we prefer to incorporate experience study results into the valuation process as of the same date that the experience analysis period closes. For example, we would include the July 1, 1999 to June 30, 2002 experience analysis results into the June 30, 2002 actuarial valuation. We understand that the June 30, 2002 actuarial valuation will not use the June 30, 2002 experience study results.

Given that the first valuation under this contract would be as of June 30, 2003, we suggest that the Board have the new actuary review the June 30, 2002 experience analysis results prior to incorporating them into the June 30, 2003 actuarial valuation. This could probably be done at a fee of about 60% of the ordinary experience analysis charge.



### Additional Services

Our hourly rates for additional services are as follows. For any such services, we would estimate the time charges required and receive VCERA approval before commencing the project.

<u>Class of Personnel</u>	<u>Hourly Rate</u>
Paul Angelo, Drew James Lead Actuaries	\$350
Ted Shively, Dave Bergerson Supervising Actuaries	\$330
John Monroe, Primary Support Actuary	<del>\$280</del> 300 <sup>00</sup>
Senior Actuarial Analysts	\$160 - \$275
Actuarial Analysts	\$130 - \$155
Rod Crane, Compliance Consultant	\$330

The above rates are all-inclusive. The Segal Company does not charge or load for computer time or system usage, nor do we charge for clerical support.

These rates are guaranteed for the first three years of the contract. For later years we would present a schedule of our current rates for review by VCERA prior to the beginning of each year. These rates would go into effect only upon mutual agreement between VCERA and The Segal Company.

## Section F – Resumes

### LEAD ACTUARY

**PAUL ANGELO, F.S.A., E.A., M.A.A.A., F.C.A.**

**Vice President and Actuary**

Paul Angelo is a Vice President and Actuary in the San Francisco office of the Segal Company, having joined the firm in January of 1998. Mr. Angelo has over twenty-two years of actuarial consulting experience, and is a Fellow of the Society of Actuaries and an ERISA Enrolled Actuary. He is also a Member of the American Academy of Actuaries and a Fellow of the Conference of Consulting Actuaries.

As a consulting actuary, Mr. Angelo's focus areas include the design, funding and administration of large defined benefit plans, including 1937 CERL Systems and other public retirement systems in California. His assignments for these systems have included actuarial audits, in-depth analyses of excess earnings distribution policies, the design of ad hoc supplemental COLAs, and consulting to bargaining parties on the design of a new tier.

Mr. Angelo also has extensive experience with Taft-Hartley (joint labor/management trustees) and other collectively bargained plans. In addition to regular valuation and consulting assignments, his work with these plans has included numerous collective bargaining negotiations and arbitrations on matters of plan design and funding.

In addition to his consulting activities, Mr. Angelo is an active speaker on retirement topics. Mr. Angelo has made presentations to the national Enrolled Actuaries Meeting on many topics, including divorce settlements in pension plans and asset smoothing methods. His presentations for CALAPRS include the all day seminar on Pension Funding and Actuarial Valuations, and the new trustees' course presented by at Stanford University. In November 2000, Mr. Angelo addressed the IFEBP conference on the political aspects of overfunding. Mr. Angelo is also on the faculty of the IFEBP CAPPP Program (Certificate of Achievement in Public Plan Policy).

Recent projects include:

- Review of funding, reserving and excess earnings distribution policy for a major county system.
- Review of asset valuation and reserving policies for a major California public utility.
- Consulting with bargaining parties to resolve plan design and funding issues that had lead to a recent work stoppage.
- Redesign of transit district negotiated plan based on coordinated consulting assignments from both labor and management.

## **LEAD ACTUARY**

### **DREW JAMES, F.S.A., E.A., M.A.A.A. Consulting Actuary**

Drew James is a consulting actuary in Segal's San Francisco office. He has more than 30 years experience in retirement, insurance, and health care benefits. He is a recognized expert in public retirement systems, including states, cities, counties, universities and public agencies. His assignments include those involving plan design, funding, financial reporting, administration, communications and actuarial valuations.

Mr. James has testified on actuarial issues before numerous government bodies, including various California and Montana legislative hearings, and meetings of numerous boards of supervisors, city councils, school boards and retirement boards. In this capacity, he has repeatedly demonstrated the capability to communicate complex actuarial principles and issues to wide audiences with a high degree of success. He was very heavily involved in the design and passage of SB65, which created the first actuarially funded retirement system for California judges.

Mr. James has served as actuarial consultant to several multi-billion dollar public retirement systems. Some of his relevant projects include:

- Creation of a DROP program for City of Fresno employees
- Managing a major CalPERS study on the impact of IRC Section 415 and assisting CalPERS develop Section 415 testing software and replacement benefit plans
- Actuarial consultant to the Select Commission on Judicial Retirement with the charge of developing a new retirement benefit structure for California Judges
- Actuarial consultant to the Los Angeles County Economy and Efficiency Commission to solve "pension spiking" problem

Drew joined Segal in March 2002 after eight years with William M. Mercer, Inc. Prior to that he spent 16 years with W F Corroon and its organizational predecessors. He graduated magna cum laude from San Francisco State University and is a Fellow of the Society of Actuaries, an ERISA Enrolled Actuary and a Member of the American Academy of Actuaries.

Drew has been a frequent speaker at public retirement conferences (CALAPRS, SACRS, etc.) and various actuarial organizations. He has authored articles on GASB pension reporting proposals, the role of the actuary, and has co-authored an article on the PERS Section 415 Benefit Replacement Program adopted by the CalPERS Board of Administration. Drew also serves on the investment committee of the Sisters of St. Dominic's Retirement Fund.

## **SUPERVISING ACTUARY**

**THEODORE J. SHIVELY, A.S.A., E.A., M.A.A.A.**

**Vice President and Actuary**

Mr. Shively joined The Segal Company's Chicago office in 1978. In 1984, he transferred to the San Francisco office where he worked until 1990. After working a few years at a property and casualty insurance company, Mr. Shively returned as an associate actuary in 1994.

Mr. Shively is a Phi Beta Kappa graduate of Michigan State University where he received a B.S. degree in mathematics. In addition, Mr. Shively received a M.B.A. degree from California State University at Hayward. He is an Associate of the Society of Actuaries, a Member of the American Academy of Actuaries and an Enrolled Actuary.

Mr. Shively recently served as valuation actuary to the State of Hawaii Employees Retirement System.

## **SUPERVISING ACTUARY**

**DAVE T. BERGERSON, A.S.A., M.A.A.A., E.A.**

**Vice President and Actuary**

Mr. Bergerson joined The Segal Company in 1996, and currently serves as the actuarial manager in our San Francisco office. Mr. Bergerson has over fifteen years of actuarial consulting experience, and is an Associate of the Society of Actuaries and an ERISA Enrolled Actuary. He is also a Member of the American Academy of Actuaries.

Mr. Bergerson is a graduate of the University of Minnesota where he received a B.A. degree in mathematics. Mr. Bergerson currently serves as valuation actuary to the Los Angeles Water and Power Employees Retirement Plan and the audit actuary for the Los Angeles County Employees' Retirement Association.

## **PRIMARY SUPPORT ACTUARY**

**JOHN MONROE**

**Actuarial Associate**

Mr. Monroe is a Senior Actuarial Analyst in the San Francisco office of the Segal Company, having joined the firm in April 1996.

Mr. Monroe currently serves as primary support actuary for the Los Angeles Water and Power Employees Retirement Plan. He recently served as the primary support actuary for the actuarial audit of the Orange County Employees Retirement System.

Mr. Monroe is a graduate of Oregon State University where he received a B.S. degree in mathematics.

## **COMPLIANCE CONSULTANT**

**RODERICK B. CRANE, J.D.**

**Vice President**

**National Government Compliance Director**

Mr. Crane is an attorney and an expert in the design and administration of public-sector retirement and savings plans including IRC §401 qualified defined benefit and defined contribution plans, §457 deferred compensation plans, §403(b) tax-sheltered annuities and §401(k) cash or deferred arrangements. Mr. Crane, before coming to The Segal Company, was counsel to the North Dakota Legislative Council's Committee on Public Employee Retirement Programs. Mr. Crane is also an expert on compliance with federal laws affecting governmental plans and serves in this capacity as the Company's National Government Compliance Director.

Mr. Crane is an active participant in the National Association of State Retirement Administrators, the National Association of Governmental Deferred Compensation Administrators, the National Association of Public Pension Plan Attorneys and the Government Finance Officers Association. He is a frequent speaker on public-sector retirement and deferred compensation issues, and has provided legislative testimony on numerous occasions. Most recently, he has authored two parts of the GFOA 's "Regulatory Compliance Guide" series: *Federal Health Care and Pension Laws Affecting State and Local Governments* and *Federal Workplace Laws Affecting Public-Sector Employee Benefit Programs*. He also recently presented a paper written for the Wharton School of Business – Pension Research Council titled *Federal Regulation and Taxation of Public Pension Plans*.

Mr. Crane received his B.A. degree in Economics from the University of North Dakota and his J.D. from the University of North Dakota School of Law. He has over 15 years of consulting experience, all of which have been with The Segal Company.

## Section I – Segal Publications

This Section includes the following:

- **The Public Retirement Journal, March 2002**  
Ver-r-r-y Interesting!  
1937 Act Interest Crediting and Reserve Accounting
- **The Public Retirement Journal, July/August 2002**  
Of Passing Interest  
Excess Earnings Principles and Practices Under the 1937 Act
- **Segal Public Sector Letter, December 2002**  
Reaping Rewards, The Benefits of Conducting Regular  
Reviews of Defined Contribution Plan Design and Service-  
Provider Performance.
- **Segal Public Sector Letter, February 2002**  
Providing Public Sector Services in a time of Change
- **The Segal Company Bulletin, September 2001**  
Public Sector Plan Issues in the Wake of the  
September 11 Tragedies
- **The Segal Company Public Sector Letter, November 2000**  
Disability Management

# 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>

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September 21, 2015

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

## **SUBJECT: CORRECTION OF LINEA SOLUTIONS CHANGE ORDER #7**

Dear Board Members:

Attached is a corrected Linea Solutions Change Order #7 (originally approved January 5<sup>th</sup>, 2015). The monthly fixed billing amount has been reduced.

### **Background**

Linea Solutions (Linea) submitted a change order on January 5<sup>th</sup>, 2015 for an eight month extension of the VCERIS project to accommodate additional development time for the Auditor-Payroll interface.

As part of that change order, Linea leveled their billing to a fixed monthly amount--\$61,440. That calculation was based upon Linea's remaining contract value as of 12/31/2014, plus the additional funds requested in the change order (\$440,000), divided by the remaining time on the project (19 months).

It came to VCERA's attention in July of 2015 that the monthly fixed price amount was incorrect. The monthly fixed price amount was greater than it should be, such that Linea's approved contract amount would have been exhausted in March of 2016, rather than in July of 2016 as intended. It should be noted that VCERA would not have paid Linea beyond the value of their approved contract amount, had the error been missed. Rather, payments to Linea would have ceased once the approved contract amount was exhausted.

Once the error was discovered, Linea Solutions' Project Advisor and VCERA's Chief Financial Officer each independently reviewed Linea Solutions' invoices for the entire project. They calculated the correct remaining contract value as of 12/31/2014, and then calculated what the fixed monthly billing should be for the 19 months covered by the change order. The correct monthly amount should have been \$48,510.



**AMENDMENT TO LINEA SOLUTIONS CHANGE ORDER #7**

September 21, 2015

Page 2 of 2

Linea and VCERA then reconciled the payments made to Linea between January and May of 2015, and Linea issued a credit to correct their billings back to January of 2015.

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

Sincerely,

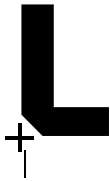
A handwritten signature in cursive script, appearing to read "Linda Webb".

LINDA WEBB

Retirement Administrator

Attachments (1)





Organization	VCERA		
Project	VCERIS		
Subject	Contract Amendment #7		
Written by	Brian Colker		
Date	1/5/2015		
Doc #	VC-CHG-07		
Vers.	12.0	Page	1 of 1

## Contract Amendment #7

This Change Order authorizes additional project management, testing, data conversion staging, design consulting, and training hours necessitated by the extension of the VCERIS project

The cost below is the monthly cost for the additional work.

Contract Amendment #7 Detail	Monthly Amount
Project Management, build testing, system testing, user acceptance testing (including script writing and test staging services), data conversion testing, oversight of the active payroll file development and testing process, legacy system data research and correction, oversight of the remaining V3 design process (including member web self-service), interfaces testing, assistance with V3 training, and production cut-over support. Includes travel fees.	\$55,000
<b>Total Estimated Cost, 8 Month Extension</b>	<b>\$440,000</b>

This contract amendment does not alter the terms or conditions of Linea's Statement of Work for Pension Administration Consulting Services, dated February 12, 2012, with the exception of a change in the billing method: Linea will bill the remaining project on a fixed monthly cost of ~~\$61,440~~<sup>48,510<sup>+</sup></sup>, as of January 2015, which includes all of the services and travel fees referenced above. This monthly fee is calculated by adding the remaining Linea contract value as of 1/1/2015 (\$481,683), plus the change order amount (\$440,000), divided by 19 months. In the event of a partial month, Linea will bill in quarter-month increments. Linea will not bill beyond 7/31/2016 without prior authorization and an associated change order.

LINEA SOLUTIONS, INC.

VCERA

By: \_\_\_\_\_  
Brian Colker, CFO

By: \_\_\_\_\_  
Tracy Towner, Chairman of the Board

Date: 1/5/2015

Date: \_\_\_\_\_

<sup>+</sup> Please note that the fixed monthly cost for the remaining 19 months of the project is higher than the monthly cost for the eight additional months proposed in this contract amendment. This is intentional. The fixed monthly cost represents an average cost for the 19 months; the change order calculation is only for the eight months of additional work.

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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<http://www.ventura.org/vcera>

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September 18, 2015

Kathy I. Long, Third District  
Chair, County of Ventura Board of Supervisors  
800 South Victoria Avenue, L#1860  
Ventura, CA 93009

**SUBJECT: Board of Retirement Appointed Member Terms**

Dear Chair Long,

This letter is provided as written notice of the December 31, 2015 expiration of the terms for the following Board of Retirement appointed positions:

- Fourth Position filled by William Wilson
- Fifth Position filled by Peter Foy

The new terms will start January 1, 2016 and expire December 31, 2018. An appointed member whose term has expired is considered a holdover and continues as an appointed member until s/he resigns or until the Board of Supervisors reappoints the sitting appointee or appoints a new member for the remainder of the term.

I look forward to the Board of Supervisors' actions on the above positions. You may reappoint the above-listed members or appoint new ones. Government Code section 31520.1 provides that the fourth, fifth, sixth and ninth members of the Board of Retirement shall be qualified electors of the county who are not connected with Ventura County government in any capacity, except one may be a Supervisor, and shall be appointed by the Board of Supervisors.

The Sixth Position, filled by Mike Sedell and the Ninth Position, filled by Joseph Henderson, are set to expire December 31, 2016. I will provide a written notice to the Chair of the Board of Supervisors, the member of the Board of Supervisors who sits on the Board of Retirement, if any, and the County Executive Officer during the month of September 2016.

Sincerely,



Linda Webb  
Retirement Administrator

c: Peter C. Foy, Fourth District  
Board of Supervisors Board of Retirement Appointee

Michael Powers, County Executive Officer