

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

March 21, 2016

AGENDA

PLACE: Ventura County Government Center
Hall of Administration- 3rd Floor Multipurpose Room
800 S. Victoria Ave.
Ventura, CA 93009

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:

- | | Master Page No. |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| I. <u>CALL TO ORDER</u> | |
| II. <u>APPROVAL OF AGENDA</u> | 1 – 3 |
| III. <u>APPROVAL OF MINUTES</u> | |
| A. Disability Meeting of March 7, 2016 | 4 – 10 |
| IV. <u>CONSENT AGENDA</u> | |
| A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of February 2016 | 11 – 12 |
| B. Receive and File Report of Checks Disbursed in February 2016 | 13 – 22 |
| C. 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 January 31, 2016 | 23 – 28 |

IV. CONSENT AGENDA (continued)

- D. 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 February 29, 2016 29 – 34
- E. Receive and File Budget Summary for FY 2015-16 Month Ending February 29, 2016 35

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Harbour Vest, Greg Stento and Brett Gordon 36 – 61
- B. Receive Annual Investment Presentation, Adams Street Partners, Scott Hazen and Saguna Malhotra 62 – 94
- C. Receive Annual Investment Presentation, Pantheon, Dennis McCrary, Matt Garfinkle, and Sprague Von Stroh 95 – 126

VI. INVESTMENT INFORMATION

- A. NEPC – Allan Martin, Partner
1. Presentation of Investment Performance Report Month Ending February 29, 2016 127 – 134
RECOMMENDED ACTION: Receive and file.
2. NEPC 2016 Capital Market Assumptions 135 – 224
RECOMMENDED ACTION: Receive and file.

VII. NEW BUSINESS

- A. Request to Include VCDSA Charitable Trust as an Approved Charitable Organization Under Government Code Section 31452.5, to Allow Donation Deduction for Retirees
1. Staff Letter 225
2. Request from VCDSA 226 – 232
RECOMMENDED ACTION: Approve.

VII. NEW BUSINESS (continued)

- B. Recommendation to Approve Trustee Johnston's Attendance at the NCPERS 2016 Annual Conference and Exhibition, May 16-18, 2016 in San Diego, CA and the Pre-Conference Accredited Fiduciary Program on May 14th and 15th
RECOMMENDED ACTION: Approve. 233 - 241
- C. Report on Due Diligence Visit to Pantheon and NEPC Submitted by Trustee Sedell and CIO Dan Gallagher
RECOMMENDED ACTION: Receive and file. 242– 247
- D. Ventura County Employees' Retirement Information System (VCERIS) Pension Administration Project Monthly Status Update February 2016
RECOMMENDED ACTION: Receive and file. 248

VIII. INFORMATIONAL

- A. Announcement from Bridgewater Associates 249 – 251

IX. PUBLIC COMMENT

X. STAFF COMMENT

XI. BOARD MEMBER COMMENT

XII. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

March 7, 2016

MINUTES

DIRECTORS Tracy Towner, Chair, Alternate Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Joseph Henderson, 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 Peter C. Foy, Public Member
ABSENT: Mike Sedell, Public Member

STAFF Lori Nemiroff, Assistant County Counsel
PRESENT: Dan Gallagher, Chief Investment Officer
Julie Stallings, Chief Operations Officer
Donna Edwards, Retirement Benefits Specialist
Chantell Garcia, Retirement Benefits Specialist
Nancy Jensen, Office Assistant
Stephanie Caiazza, Program Assistant

PLACE: Ventura County Government Center
Hall of Administration- 3rd Floor Multipurpose Room
800 S. Victoria Ave.
Ventura, CA 93009

TIME: 9:00 a.m.

ITEM:

I. CALL TO ORDER

Chair Towner called the Disability Meeting of March 7, 2016, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Hintz, Henderson, Johnston, Winter, McCormick

No: -

Absent: Foy, Sedell, Wilson

III. APPROVAL OF MINUTES

A. Business Meeting of February 22, 2016.

MOTION: Approve.

Moved by Henderson, seconded by Goulet.

Vote: Motion carried

Yes: Goulet, Hintz, Henderson, Johnston, Winter, McCormick

No: -

Absent: Foy, Sedell, Wilson

IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Approve.

Moved by Goulet, seconded by Henderson.

Vote: Motion carried

Yes: Goulet, Hintz, Henderson, Johnston, Winter, McCormick

No: -

Absent: Foy, Sedell, Wilson

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service Connected Disability Retirement,
Nadon, David J.; Case No. 11-008

1. Memo from County Counsel, dated March 7, 2016
2. Ruling on Petition for Writ of Mandate
3. Notice of Entry of Judgement-Granting Peremptory Writ of Mandamus

4. Minute Order-Attorney's fees
5. Hearing Notice served on February 4, 2016

Stephen D. Roberson, Attorney at Law, was present on behalf of County of Ventura Risk Management. Anthony Strauss, Attorney at Law, was present on behalf of the applicant.

Trustee Wilson entered the meeting at 9:04 a.m.

Both parties declined to make statements.

The following motion was made:

MOTION: 1.) Set aside the Board's decision of February 3, 2014, denying David Nadon's Application for a service connected disability retirement, and make a new decision granting Mr. Nadon's application for service connected disability retirement, based on the court ruling dated October 27, 2015.

2.) Direct staff to pay Mr. Nadon's attorney fees in the amount of \$28,800.

Moved by Winter, seconded by McCormick.

Vote: Motion carried

Yes: Hintz, Henderson, Johnston, Winter, McCormick, Wilson

No: Goulet

Absent: Foy, Sedell

**B. Application for Service Connected Disability Retirement,
Zaslove, Scott; Case No. 14-022**

1. Application for Service Connected Disability Retirement
2. Medical Analysis and Recommendation by County of Ventura, Risk Management, to grant Application for Service Connected Disability Retirement and supporting documentation
3. Hearing Notice served on February 5, 2016

Paul Hilbun was present on behalf of County of Ventura Risk Management. Thomas Wicke, Attorney at Law, was present on behalf of the applicant. The applicant, Scott Zaslove, was also present.

Both parties declined to make statements.

The following motion was made:

MOTION: Grant the applicant, Scott Zaslove, a service connected disability retirement.

Moved by Johnston, seconded by Winter.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

Both parties agreed to waive preparation of findings of fact and conclusions of law.

C. Application for Non-Service Connected Disability Retirement,
Mora, Arthur R.; Case No. 15-021

1. Application for Non-Service Connected Disability Retirement
2. Medical Analysis and Recommendation by County of Ventura, Risk Management to grant Application for Non-Service Connected Disability Retirement and supporting documentation
3. Hearing Notice served on February 23, 2016

Paul Hilbun was present on behalf of County of Ventura Risk Management. The applicant, Arthur R. Mora, was also present.

The applicant declined to make a statement.

Mr. Hilbun offered a correction to the last line of the last page of Risk Management's analysis, which incorrectly stated that the applicant's employment with Ventura County "substantially caused or aggravated his incapacity". Mr. Hilbun clarified that Risk Management's recommendation is that the Board grant a non-service connected disability retirement.

MOTION: Grant the applicant, Arthur R. Mora, a non-service connected disability retirement, with approval of the correction to Risk Management's analysis.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

Both parties agreed to waive preparation of findings of fact and conclusions of law.

D. Application for Non-Service Connected Disability Retirement, Regalado, Roseann R.; Case No. 15-017

1. Application for Non-Service Connected Disability Retirement
2. Medical Analysis and Recommendation by County of Ventura, Risk Management to grant Application for Non-Service Connected Disability Retirement and supporting documentation
3. Hearing Notice served on February 23, 2016

Paul Hilbun was present on behalf of County of Ventura Risk Management. The applicant, Roseanne R. Regalado, was also present.

The applicant declined to make a statement.

Mr. Hilbun requested that the Board grant the applicant a non-service connected disability retirement.

The following motion was made:

MOTION: Grant the applicant, Roseanne R. Regalado, a non-service connected disability retirement.

Moved by Henderson, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

Both parties agreed to waive preparation of findings of fact and conclusions of law.

VI. NEW BUSINESS

A. SACRS Board of Directors 2016-17 Elections Recommended Ballot

MOTION: Approve.

Moved by McCormick, seconded by Johnston.

Vote: Motion carried

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

No: -

Absent: Foy, Sedell

VII. OLD BUSINESS

A. AB 1291 Position Update

Shawn Atin, Assistant County Executive Officer, Human Resources, was present to discuss recent progress on the adoption of the AB 1291 positions. Mr. Atin informed the Board that County HR has amended vendor contracts for health, dental, disability, and other benefits, and that amendments to the Deferred Compensation Plans will be submitted to the Deferred Compensation Committee for approval in March 2016, and then submitted to the Board of Supervisors in April 2016. Regarding the Proposed Memorandum of Agreement, Mr. Atin stated that County HR is ready to meet with VCERA representatives to move forward.

VIII. INFORMATIONAL

A. Letter to Court of Appeal, Joining in OCERS' Request for Publication of Astorga v. Board of Retirement of the Santa Barbara County Employees Retirement System; Case No. B263325; Santa Barbara County Superior Court Case No. 1468905

1. Published Opinion

B. Save the Date - NEPC's 21st Annual Investment Conference, May 10 – 11, 2016, Boston, MA

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

None.

XI. BOARD MEMBER COMMENT

Chair Towner informed the Board that he will absent from the March 21, 2016 business meeting.

Trustee Wilson stated that he applied for reappointment to the position of the 4th member of the Board of Retirement, pursuant to new appointment procedures put into place by the County CEO's office.

XII. ADJOURNMENT

The meeting was adjourned at 9:30 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,

TRACY TOWNER, Chairman

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

FEBRUARY 2016

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
REGULAR RETIREMENTS:							
Clifford L.	Ball	G	10/27/1991	24.00		Agriculture Department	01/16/16
William M.	Ballew	G	2/3/1991	25.00	B=0.104740	Information Services Department	01/05/16
Elizabeth A.	Barbic	S	9/23/2007	5.80		Sheriff's Department	12/21/13
Paul J.	Derse	G	4/10/1983	32.90	B=0.09590	CEO	01/23/16
Violeta S.	Dimalanta	G	6/29/1986	33.00	A=1.64360 B=1.81301	Human Services Agency	01/15/16
Bruce K.	Doenges	G	12/1/1985	30.10		Courts	01/05/16
Sheryl A.	Dorris	G	11/11/1979	13.00		Health Care Agency (Deferred)	01/03/16
Patricia A.	England	G	10/13/1991	24.30	B=0.11110	Child Support Services	01/30/16
Tracey	Ferguson	S	7/16/2015	8.20		Fire Protection District (Non Member Spouse)	08/01/15
Maria	Garay	G	7/28/1996	15.60		Health Care Agency	01/13/16
David A.	Gomez	G	1/1/2006	7.50		Sheriff's Department (Deferred)	01/13/16
Michael	Hartmann	G	1/21/2001	6.90		Health Care Agency (Deferred)	01/04/16
Rosemary L.	Hernandez	G	8/29/2004	9.50		Area Agency on Aging	01/30/16
Jeffrey D.	Hill	S	7/8/1984	31.50		Sheriff's Department	01/13/16
Thomas	Hughes	G	1/2/2001	15.00		Information Services Department	01/15/16
Linda E.	Krulac	G	9/5/2010	0.20	C=6.0010	Fire Protection District (Deferred)	01/29/16
Mary C.	Lombera	G	9/18/2000	14.90		Human Services Agency	01/09/16
Nannette P.	Manansala	G	10/27/1991	25.00	B=1.01360	Health Care Agency	01/30/16
Blanche	McWane	G	1/16/2005	9.10		Health Care Agency (Deferred)	01/11/16
Helen I.	Mueller	G	4/8/1984	26.20		Health Care Agency	01/29/16
Cynthia A.	Nance	G	9/9/1973	22.10	A=14.20586 B=1.06530	Resource Management (Deferred)	02/03/16
Raymond L.	Ortiz	G	6/15/1997	18.30		Health Care Agency	01/23/16
Juana A.	Payne	G	9/15/1975	40.30		Human Services Agency	01/16/16
Linda B.	Ramirez	G	4/5/1987	28.80	B=0.09590	Probation Agency	01/16/16
Rogaciano T.	Sanchez	G	3/28/1977	38.80		Child Support Services	01/30/16
Cynthia M.	Schneider	G	11/2/1986	29.10	B=0.11510	Health Care Agency	01/16/16
Dennis J.	Watson	G	1/8/2006	5.00		Health Care Agency	01/21/16

DEFERRED RETIREMENTS:

Martha M.	Arana	G	04/05/2009	6.79		Health Care Agency	01/31/16
Gladys A.	Barajas	G	12/05/2004	8.28		Human Services Agency	01/06/16
Elizabeth A.	Barbic	S	09/23/2007	5.84		Sheriff's Department	01/31/16
Monica L.	Campbell	G	01/11/2009	6.71		Superior Court	01/22/16

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

FEBRUARY 2016

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
Truong Q.	Dinh	G	10/18/2009	6.27		Resource Management Agency	01/21/2016
Pamela	Fisher	G	04/22/2007	8.83		Health Care Agency	02/12/2016
Laura	Guanill	G	06/17/2007	7.83		Health Care Agency	01/29/2016
Maria	Herrera	G	06/14/2009	6.50		Superior Court	01/29/2016
Burrell	Kiser	G	08/24/2008	6.43		General Services Agency	01/28/2016
Sheila A.	Sattar	G	06/21/2015	0.36 *		Public Defender	10/29/2015
Nicole M.	Turner	G	04/22/2002	13.18		Public Works Agency	01/26/2016

SURVIVORS' CONTINUANCES:

Nina O. Dixon
 Janet Gyrion
 Joyce A. Iverson
 Elizabeth P. Miller
 Richard P. Trautner
 Alice M. Williamson

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

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

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

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company: VCERA										
Acct / Sub:	1002		00							
026116	CK	2/3/2016	115613R JP MORGAN CHASE BANK N.	08-16	020994	VO	ROLLOVER	2/3/2016	0.00	96,535.84
026117	CK	2/3/2016	F6583 JONETTE E. DUCHAI	08-16	020995	VO	PENSION PAYMENT	2/3/2016	0.00	3,255.41
026118	CK	2/3/2016	F2608B3 KEVIN FLAHARTY	08-16	020996	VO	DEATH BENEFIT	2/3/2016	0.00	944.59
026119	CK	2/3/2016	F2608B2 DENNIS R. FLAHARTY	08-16	020997	VO	DEATH BENEFIT	2/3/2016	0.00	944.59
026120	CK	2/3/2016	F2608B1 COLLEEN S. BOWLES	08-16	020998	VO	DEATH BENEFIT	2/3/2016	0.00	973.20
026121	CK	2/3/2016	F0932B2 L. CHRISTOPHER HINKLE	08-16	020999	VO	DEATH BENEFIT	2/3/2016	0.00	2,418.46
026122	CK	2/3/2016	F0932B1 WILLIAM HINKLE	08-16	021000	VO	DEATH BENEFIT	2/3/2016	0.00	2,418.46
026123	CK	2/3/2016	F4489B1 LISA M. ISBELL	08-16	021001	VO	DEATH BENEFIT	2/3/2016	0.00	2,123.80
026124	CK	2/3/2016	F4819S LORNA F. PINLAC	08-16	021002	VO	DEATH BENEFIT	2/3/2016	0.00	5,646.80
026125	CK	2/3/2016	F2673B1 SUNISA GRENTZER	08-16	08-16 021003	VO	DEATH BENEFIT	2/3/2016	0.00	5,032.75
026125	VC	2/3/2016	F2673B1 SUNISA GRENTZER	08-16	08-16 021003	VO	DEATH BENEFIT	2/3/2016	0.00	-5,032.75
									Check Total	0.00
026126	CK	2/3/2016	F0519S BARBARA B. CUDMORE	08-16	021004	VO	DEATH BENEFIT	2/3/2016	0.00	3,241.33
026127	CK	2/3/2016	120115 DEBORA MARKLEY	08-16	021005	VO	REFUND CONTRIB	2/3/2016	0.00	10,342.90

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

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

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period		Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
				To Post	Closed						
026128	CK	2/3/2016	121883 KATHERINE A. MORENO	08-16		021006	VO	REFUND CONTRIB	2/3/2016	0.00	8,930.72
026129	CK	2/3/2016	106486 LIZETTE K. PEREZ	08-16		021007	VO	REFUND CONTRIB	2/3/2016	0.00	33,900.76
026130	CK	2/3/2016	124172 LETICIA ORDONEZ	08-16		021008	VO	REFUND CONTRIB	2/3/2016	0.00	2,067.43
026131	CK	2/3/2016	122921 JUAN C. TORRES	08-16		021009	VO	REFUND CONTRIB	2/3/2016	0.00	7,085.05
026132	CK	2/3/2016	123436 GIUSEPPE SANTELLI	08-16	08-16	021010	VO	REFUND CONTRIB	2/3/2016	0.00	5,634.56
026132	VC	2/4/2016	123436 GIUSEPPE SANTELLI	08-16	08-16	021010	VO	REFUND CONTRIB	2/3/2016	0.00	-5,634.56
Check Total										0.00	
026133	CK	2/3/2016	125007 IAN BROCK	08-16		021011	VO	REFUND CONTRIB	2/3/2016	0.00	1,654.83
026134	CK	2/3/2016	122912 ADRIENNE ALCOZAR VILLAR	08-16		021012	VO	REFUND CONTRIB	2/3/2016	0.00	5,821.47
026135	CK	2/3/2016	125170 LEAH M. FARRELL	08-16		021013	VO	REFUND CONTRIB	2/3/2016	0.00	1,436.26
026136	CK	2/3/2016	125255 HEATHER KORDA	08-16		021014	VO	REFUND CONTRIB	2/3/2016	0.00	393.32
026137	CK	2/3/2016	119575 TREVOR LOFLAND	08-16		021015	VO	REFUND CONTRIB	2/3/2016	0.00	29,352.16
026138	CK	2/3/2016	124968 DAN GALLAGHER	08-16		021016	VO	TRAVEL REIMB	2/3/2016	0.00	460.56
026139	CK	2/3/2016	124247 NANCY JENSEN	08-16		021017	VO	REIMBURSEMENT	2/3/2016	0.00	26.90
026140	CK	2/3/2016	VOLT VOLT	08-16		021018	VO	ADMIN EXP	2/3/2016	0.00	1,578.92

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

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

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period		Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
				To Post	Closed						
026141	CK	2/3/2016	CORPORATE STAPLES ADVANTAGE	08-16		021019	VO	ADMIN EXP	2/3/2016	0.00	1,001.11
026142	CK	2/3/2016	F2673B1 SUNISA GRENTZER	08-16		021003	VO	DEATH BENEFIT	2/3/2016	0.00	5,032.75
026143	CK	2/4/2016	123436 GIUSEPPE SANTELLI	08-16		021010	VO	REFUND CONTRIB	2/3/2016	0.00	5,634.56
026144	CK	2/10/2016	122164 WENDY BREEDLOVE	08-16		021020	VO	REFUND CONTRIB	2/10/2016	0.00	2,670.32
026145	CK	2/10/2016	125290 ELIZABETH ANNE TUMULAK	08-16		021021	VO	REFUND CONTRIB	2/10/2016	0.00	679.58
026146	CK	2/10/2016	124805 CAROLYN EMIKO SEEGER	08-16		021022	VO	REFUND CONTRIB	2/10/2016	0.00	2,313.73
026147	CK	2/10/2016	123330 FRED PEREZ	08-16		021023	VO	REFUND CONTRIB	2/10/2016	0.00	4,481.75
026148	CK	2/10/2016	105128 SALLY GOMEZ	08-16		021024	VO	RFUND CONTRIB	2/10/2016	0.00	20,284.77
026149	CK	2/10/2016	124828 MATTHEW R. FRERKER	08-16		021025	VO	REFUND CONTRIB	2/10/2016	0.00	2,062.90
026150	CK	2/10/2016	121275 ANGELA JESKE	08-16		021026	VO	REFUND CONTRIB	2/10/2016	0.00	21,204.41
026151	CK	2/10/2016	122604 JOHN CORTES	08-16		021027	VO	REFUND CONTRIB	2/10/2016	0.00	20,838.08
026152	CK	2/10/2016	124365R JOHN HANCOCK USA CN #01	08-16		021028	VO	ROLLOVER	2/10/2016	0.00	4,559.21
026153	CK	2/10/2016	F847 MARGUERITE HAMMETT	08-16		021030	VO	PENSION PAYMENT	2/10/2016	0.00	516.45
026154	CK	2/10/2016	F7610B2 SHARON H. BOOTH	08-16		021031	VO	DEATH BENEFIT	2/10/2016	0.00	615.75

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

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

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
026155	CK	2/10/2016	F7946 MARIA AROS	08-16	021032	VO	PENSION PAYMENT	2/10/2016	0.00	1,555.16
026156	CK	2/10/2016	F4081B1 ERIK LAWYER	08-16	021049	VO	DEATH BENEFIT	2/10/2016	0.00	75.42
026157	CK	2/10/2016	124968 DAN GALLAGHER	08-16	021033	VO	TRAVEL REIMB	2/10/2016	0.00	84.31
026158	CK	2/10/2016	990002 ARTHUR E. GOULET	08-16	021034	VO	TRAVEL REIMB	2/10/2016	0.00	228.71
026159	CK	2/10/2016	BARNEY A.B.U. COURT REPORTING, II	08-16	021035	VO	ADMIN EXP	2/10/2016	0.00	315.00
026160	CK	2/10/2016	CMP CMP & ASSOCIATES, INC	08-16	021036	VO	IT/PAS	2/10/2016	0.00	35,903.75
026161	CK	2/10/2016	HANSONBRID HANSON BRIDGETT LLP	08-16	021037	VO	LEGAL FEES	2/10/2016	0.00	731.70
026162	CK	2/10/2016	HARRIS HARRIS WATER CONDITIONII	08-16	021038	VO	ADMIN EXP	2/10/2016	0.00	129.50
026163	CK	2/10/2016	MEGAPATH GLOBAL CAPACITY	08-16	021039	VO	IT/PAS	2/10/2016	0.00	603.63
026164	CK	2/10/2016	CLIFTON PARAMETRIC PORTFOLIO AS	08-16	021040	VO	INVESTMENT FEES	2/10/2016	0.00	31,892.00
026165	CK	2/10/2016	SPRUCE SPRUCEGROVE INVESTMEN	08-16	021041	VO	INVESTMENT FEES	2/10/2016	0.00	53,859.25
026166	CK	2/10/2016	PRUDENTIAL PRUDENTIAL INSURANCE	08-16	021042	VO	INVESTMENT FEES	2/10/2016	0.00	222,994.01
026167	CK	2/10/2016	STROUD STROUD DESIGN, INC.	08-16	021043	VO	ADMIN EXP	2/10/2016	0.00	4,350.00

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

Page: 5 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
026168	CK	2/10/2016	TORTOISE TORTOISE CAPITAL ADVISOF	08-16	021044	VO	INVESTMENT FEES	2/10/2016	0.00	164,194.59
026169	CK	2/10/2016	VITECH VITECH SYSTEMS GROUP, IN	08-16	021045	VO	PAS	2/10/2016	0.00	40,000.00
026170	CK	2/10/2016	VOLT VOLT	08-16	021046	VO	ADMIN EXP	2/10/2016	0.00	3,561.60
026171	CK	2/10/2016	VSG VSG HOSTING, INC	08-16	021047	VO	PAS	2/10/2016	0.00	19,500.00
026172	CK	2/10/2016	WEST WEST COAST AIR CONDITIOI	08-16	021048	VO	IT	2/10/2016	0.00	75.00
026173	CK	2/18/2016	120736R FIDELITY MANAGEMENT TRU	08-16	021050	VO	ROLLOVER	2/18/2016	0.00	11,286.58
026174	CK	2/18/2016	105942 THOMAS S. HUGHES	08-16	021051	VO	REFUND T2 COL	2/18/2016	0.00	23,404.72
026175	CK	2/18/2016	102690 CLIFFORD L. BALL	08-16	021052	VO	REFUND T2 COL	2/18/2016	0.00	11,815.44
026176	CK	2/18/2016	105200 ROSEMARY L. HERNANDEZ	08-16	021053	VO	REFUND T2 COL	2/18/2016	0.00	9,648.29
026177	CK	2/18/2016	102671 PATRICIA A. ENGLAND	08-16	021054	VO	REFUND T2 COL	2/18/2016	0.00	22,231.40
026178	CK	2/18/2016	104063 RAYMOND L. ORTIZ	08-16	021055	VO	REFUND T2 COL	2/18/2016	0.00	17,137.58
026179	CK	2/18/2016	104908 MARIA GARAY	08-16	021056	VO	REFUND T2 COL	2/18/2016	0.00	9,082.43
026180	CK	2/18/2016	F2123S ALICE M. WILLIAMSON	08-16	021057	VO	DEATH BENEFIT	2/18/2016	0.00	2,615.38
026181	CK	2/18/2016	F1637S JOANN RIBBLE	08-16	021058	VO	DEATH BENEFIT	2/18/2016	0.00	5,835.70

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

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

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
026182	CK	2/18/2016	F5495S JANET H. GYRION	08-16	021059	VO	DEATH BENEFIT	2/18/2016	0.00	1,271.81
026183	CK	2/18/2016	F1824B1 GREGORY R. SMITH	08-16	021060	VO	DEATH BENEFIT	2/18/2016	0.00	151.62
026184	CK	2/18/2016	F2670S RICHARD P. TRAUTNER	08-16	021061	VO	DEATH BENEFIT	2/18/2016	0.00	3,867.63
026185	CK	2/18/2016	F2977S NINA O. DIXON	08-16	021062	VO	DEATH BENEFIT	2/18/2016	0.00	2,122.54
026186	CK	2/18/2016	F7215B1 JASON D. ROSENTHAL	08-16	021063	VO	DEATH BENEFIT	2/18/2016	0.00	1,402.17
026187	CK	2/18/2016	F7215B2 MARLA A. ROSENTHAL	08-16	021064	VO	DEATH BENEFIT	2/18/2016	0.00	1,360.92
026188	CK	2/18/2016	F7215B3 STACY L. ROSENTHAL	08-16	021065	VO	DEATH BENEFIT	2/18/2016	0.00	1,360.92
026189	CK	2/18/2016	F3580S JOYCE A. IVERSEN	08-16	021066	VO	DEATH BENEFIT	2/18/2016	0.00	4,000.00
026190	CK	2/18/2016	120736 MICHAEL WATANABE	08-16	021067	VO	REFUND CONTRIB	2/18/2016	0.00	781.83
026191	CK	2/18/2016	121813 LETICIA MEJIA	08-16	021068	VO	REFUND CONTRIB	2/18/2016	0.00	4,706.42
026192	CK	2/18/2016	122252 MARISSA RAMOS	08-16	021069	VO	REFUND CONTRIB	2/18/2016	0.00	21,032.34
026193	CK	2/18/2016	105236 MICHELLE HERNANDEZ	08-16	021070	VO	MILEAGE REIMB	2/18/2016	0.00	60.05
026194	CK	2/18/2016	AT&T AT & T MOBILITY	08-16	021071	VO	IT	2/18/2016	0.00	292.65

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

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

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
026195	CK	2/18/2016	ACCESS ACCESS INFORMATION MAN.	08-16	021072	VO	ADMIN EXP	2/18/2016	0.00	320.62
026196	CK	2/18/2016	BARNEY A.B.U. COURT REPORTING, II	08-16	021073	VO	ADMIN EXP	2/18/2016	0.00	630.00
026197	CK	2/18/2016	FEDEX FEDEX	08-16	021074	VO	ADMIN EXP	2/18/2016	0.00	42.00
026198	CK	2/18/2016	SHRED-IT SHRED-IT USA LLC	08-16	021075	VO	ADMIN EXP	2/18/2016	0.00	134.40
026199	CK	2/18/2016	TWC TIME WARNER CABLE	08-16	021076	VO	IT	2/18/2016	0.00	452.57
026200	CK	2/18/2016	WESTERN WESTERN ASSET MANAGEM	08-16	021077	VO	INVESTMENT FEES	2/18/2016	0.00	192,327.63
026201	CK	2/18/2016	VOLT VOLT	08-16	021078	VO	ADMIN EXP	2/18/2016	0.00	1,732.84
026202	CK	2/24/2016	990002 ARTHUR E. GOULET	08-16	021079	VO	TRAVEL REIMB	2/24/2016	0.00	98.94
026203	CK	2/24/2016	102661 LORI NEMIROFF	08-16	021080	VO	TRAVEL REIMB	2/24/2016	0.00	80.80
026204	CK	2/24/2016	BOFA BUSINESS CARD	08-16	021081	VO	ADMIN/PAS/IT	2/24/2016	0.00	17,549.55
026205	CK	2/24/2016	LINEA LINEA SOLUTIONS	08-16	021082	VO	IT/PAS	2/24/2016	0.00	54,846.25
026206	CK	2/24/2016	FEDEX FEDEX	08-16	021083	VO	ADMIN EXP	2/24/2016	0.00	44.09
026207	CK	2/24/2016	MF M.F. DAILY CORPORATION	08-16	021084	VO	ADMIN EXP	2/24/2016	0.00	16,753.12
026208	CK	2/24/2016	MBS MANAGED BUSINESS SOLUT	08-16	021085	VO	PAS	2/24/2016	0.00	3,508.75

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

Page: 8 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
026209	CK	2/24/2016	NOSSAMAN NOSSAMAN LLP	08-16	021086	VO	LEGAL FEES	2/24/2016	0.00	1,454.66
026210	CK	2/24/2016	PENSION THE PENSION BRIDGE, INC.	08-16	021087	VO	ADMIN EXP	2/24/2016	0.00	189.00
026211	CK	2/24/2016	CORPORATE STAPLES ADVANTAGE	08-16	021088	VO	ADMIN EXP	2/24/2016	0.00	226.88
026212	CK	2/24/2016	TOWERS TOWERS WATSON DELAWAF	08-16	021089	VO	ADMIN EXP	2/24/2016	0.00	22,562.16
026213	CK	2/25/2016	CALPERS CALPERS LONG-TERM	08-16	021090	VO	INSURANCE	2/25/2016	0.00	20,757.14
026214	CK	2/25/2016	CVMP COUNTY OF VENTURA	08-16	021091	VO	INSURANCE	2/25/2016	0.00	669,312.93
026215	CK	2/25/2016	SEIU SEIU LOCAL 721	08-16	021092	VO	DUES	2/25/2016	0.00	393.50
026216	CK	2/25/2016	VCDSA VENTURA COUNTY DEPUTY	08-16	021093	VO	INSURANCE	2/25/2016	0.00	248,882.21
026217	CK	2/25/2016	VCPFF VENTURA COUNTY PROFES	08-16	021094	VO	INSURANCE	2/25/2016	0.00	66,470.12
026218	CK	2/25/2016	REAVC RETIRED EMPLOYEES' ASSO	08-16	021095	VO	DUES	2/25/2016	0.00	4,264.50
026219	CK	2/25/2016	VRSD VENTURA REGIONAL	08-16	021096	VO	INSURANCE	2/25/2016	0.00	8,495.13
026220	CK	2/25/2016	VSP VISION SERVICE PLAN - (CA)	08-16	021097	VO	INSURANCE	2/25/2016	0.00	12,111.42
026221	CK	2/25/2016	CA SDU CALIFORNIA STATE	08-16	021098	VO	CRT ORDERED PMT	2/25/2016	0.00	1,052.47

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

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

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period		Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
				To Post	Closed						
026222	CK	2/25/2016	CHILD5 STATE DISBURSEMENT UNIT	08-16		021099	VO	CRT ORDERED PMT	2/25/2016	0.00	511.00
026223	CK	2/25/2016	CHILD9 SHERIDA SEGALL	08-16		021100	VO	CRT ORDERED PMT	2/25/2016	0.00	260.00
026224	CK	2/25/2016	CHILD21 OREGON DEPT OF JUSTICE	08-16		021101	VO	CRT ORDERED PMT	2/25/2016	0.00	171.74
026225	CK	2/25/2016	CHILD22 LOS ANGELES COUNTY CSSI	08-16		021102	VO	CRT ORDERED PMT	2/25/2016	0.00	200.00
026226	CK	2/25/2016	SPOUSE2 KELLY SEARCY	08-16		021103	VO	CRT ORDERED PMT	2/25/2016	0.00	1,874.00
026227	CK	2/25/2016	SPOUSE3 ANGELINA ORTIZ	08-16		021104	VO	CRT ORDERED PMT	2/25/2016	0.00	250.00
026228	CK	2/25/2016	SPOUSE4 CATHY C PEET	08-16		021105	VO	CRT ORDERED PMT	2/25/2016	0.00	550.00
026229	CK	2/25/2016	SPOUSE5 SUZANNA CARR	08-16		021106	VO	CRT ORDERED PMT	2/25/2016	0.00	829.00
026230	CK	2/25/2016	SPOUSE6 BARBARA JO GREENE	08-16		021107	VO	CRT ORDERED PMT	2/25/2016	0.00	675.00
026231	CK	2/25/2016	SPOUSE7 MARIA G. SANCHEZ	08-16		021108	VO	CRT ORDERED PMT	2/25/2016	0.00	104.00
026232	CK	2/25/2016	SPOUSE8 DEBBIE BETTIS	08-16		021109	VO	CRT ORDERED PMT	2/25/2016	0.00	800.00
026233	CK	2/25/2016	IRS6 INTERNAL REVENUE SERVIC	08-16		021110	VO	GARNISHMENT	2/25/2016	0.00	321.00

Date: Tuesday, March 01, 2016
 Time: 07:49AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 08-16 As of: 3/1/2016

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:		120								Acct Sub Total:	2,400,210.60

Check Type	Count	Amount Paid
Regular	118	2,410,877.91
Hand	0	0.00
Electronic Payment	0	0.00
Void	2	-10,667.31
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	120	2,400,210.60

Company Disc Total	0.00	Company Total	2,400,210.60
---------------------------	-------------	----------------------	---------------------

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
JANUARY 31, 2016 (UNAUDITED)

ASSETS

CASH & CASH EQUIVALENTS **\$320,203,963**

RECEIVABLES

EMPLOYER/EMPLOYEE CONTRIBUTIONS	142
ACCRUED INTEREST AND DIVIDENDS	3,904,404
SECURITY SALES	63,791,256
MISCELLANEOUS	4,895
TOTAL RECEIVABLES	67,700,696

INVESTMENTS AT FAIR VALUE

DOMESTIC EQUITY SECURITIES	115,587,327
DOMESTIC EQUITY INDEX FUNDS	1,115,084,687
INTERNATIONAL EQUITY SECURITIES	311,721,045
INTERNATIONAL EQUITY INDEX FUNDS	221,783,786
GLOBAL EQUITY	390,740,712
PRIVATE EQUITY	154,107,900
DOMESTIC FIXED INCOME - CORE PLUS	616,358,496
DOMESTIC FIXED INCOME - U.S. INDEX	142,155,262
GLOBAL FIXED INCOME	42,636,984
REAL ESTATE	358,956,726
ALTERNATIVES	345,826,362
CASH OVERLAY - PARAMETRIC	12,017
TOTAL INVESTMENTS	3,814,971,303

CAPITAL ASSET - SOFTWARE DEVELOPMENT **9,426,005**

TOTAL ASSETS **4,212,301,968**

LIABILITIES

SECURITY PURCHASES PAYABLE	67,284,979
ACCOUNTS PAYABLE	987,496
PREPAID CONTRIBUTIONS	68,172,614
	136,445,088

TOTAL LIABILITIES **136,445,088**

NET POSITION RESTRICTED FOR PENSIONS **\$4,075,856,879**

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2016 (UNAUDITED)**

ADDITIONS

CONTRIBUTIONS

EMPLOYER	\$96,873,796
EMPLOYEE	38,131,879
TOTAL CONTRIBUTIONS	<u>135,005,674</u>

INVESTMENT INCOME

NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	(315,837,884)
INTEREST INCOME	8,841,543
DIVIDEND INCOME	27,575,962
REAL ESTATE OPERATING INCOME, NET	8,219,251
SECURITY LENDING INCOME	117,160
TOTAL INVESTMENT INCOME	<u>(271,083,968)</u>

LESS INVESTMENT EXPENSES

MANAGEMENT & CUSTODIAL FEES	7,332,710
SECURITIES LENDING BORROWER REBATES	33,690
SECURITIES LENDING MANAGEMENT FEES	27,295
TOTAL INVESTMENT EXPENSES	<u>7,393,696</u>

NET INVESTMENT INCOME/(LOSS) **(278,477,664)**

TOTAL ADDITIONS **(143,471,990)**

DEDUCTIONS

BENEFIT PAYMENTS	138,436,638
MEMBER REFUNDS	2,498,423
ADMINISTRATIVE EXPENSES	4,531,258
TOTAL DEDUCTIONS	<u>145,466,319</u>

NET INCREASE/(DECREASE) **(288,938,308)**

NET POSITION RESTRICTED FOR PENSIONS

BEGINNING OF YEAR 4,364,795,188

ENDING BALANCE \$4,075,856,880

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
JANUARY 31, 2016 (UNAUDITED)

EQUITY

DOMESTIC EQUITY

WESTERN ASSET INDEX PLUS	\$115,587,327	\$25,509,701
TOTAL DOMESTIC EQUITY	115,587,327	25,509,701

DOMESTIC INDEX FUNDS

BLACKROCK - US EQUITY MARKET	1,073,906,221	0
BLACKROCK - EXTENDED EQUITY	41,178,466	1
TOTAL EQUITY INDEX FUNDS	1,115,084,687	1

INTERNATIONAL EQUITY

SPRUCEGROVE	152,323,277	0
HEXAVEST	72,767,694	0
WALTER SCOTT	86,630,074	0
TOTAL INTERNATIONAL EQUITY	311,721,045	0

INTERNATIONAL INDEX FUNDS

BLACKROCK - ACWIXUS	221,783,786	0
TOTAL INTERNATIONAL INDEX FUNDS	221,783,786	0

GLOBAL EQUITY

GRANTHAM MAYO AND VAN OTTERLOO (GMO)	185,714,515	0
BLACKROCK - GLOBAL INDEX	205,026,197	0
TOTAL GLOBAL EQUITY	390,740,712	0

PRIVATE EQUITY

ADAMS STREET	94,533,541	0
PANTHEON	15,891,978	0
HARBOURVEST	43,682,381	0
TOTAL PRIVATE EQUITY	154,107,900	0

FIXED INCOME

DOMESTIC

LOOMIS SAYLES AND COMPANY	65,580,652	3,795,362
REAMS	281,815,209	107
WESTERN ASSET MANAGEMENT	268,962,635	574,861
TOTAL DOMESTIC	616,358,496	4,370,330

DOMESTIC INDEX FUNDS

BLACKROCK - US DEBT INDEX	142,155,262	0
TOTAL DOMESTIC INDEX FUNDS	142,155,262	0

GLOBAL

LOOMIS SAYLES AND COMPANY	0	0
LOOMIS ALPHA	41,447,396	0
PIMCO	1,189,589	195,766
TOTAL GLOBAL	42,636,984	195,766

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
JANUARY 31, 2016 (UNAUDITED)**

REAL ESTATE		
PRUDENTIAL REAL ESTATE	124,454,632	0
RREEF	1,601,221	0
UBS REALTY	232,900,873	0
TOTAL REAL ESTATE	<u>358,956,726</u>	<u>0</u>
ALTERNATIVES		
BRIDGEWATER	255,595,225	0
TORTOISE (MLP's)	90,231,137	941,496
TOTAL ALTERNATIVES	<u>345,826,362</u>	<u>941,496</u>
CASH OVERLAY - PARAMETRIC	12,017	283,123,317
IN HOUSE CASH	<u> </u>	<u>6,063,352</u>
TOTAL INVESTMENTS AND CASH	<u><u>\$3,814,971,303</u></u>	<u><u>\$320,203,963</u></u>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2016 (UNAUDITED)**

EQUITY MANAGERS

DOMESTIC

BLACKROCK - US EQUITY	\$118,816
BLACKROCK - EXTENDED EQUITY	9,224
WESTERN ASSET INDEX PLUS	130,408
TOTAL	258,447

INTERNATIONAL

BLACKROCK - ACWIXUS	82,654
SPRUCEGROVE	329,685
HEXAVEST	180,744
WALTER SCOTT	404,878
TOTAL	997,961

GLOBAL

GRANTHAM MAYO VAN OTTERLOO (GMO)	688,743
BLACKROCK - GLOBAL INDEX	83,004
TOTAL	771,747

PRIVATE EQUITY

ADAMS STREET	727,446
HARBOURVEST	345,332
PANTHEON	299,795
TOTAL	1,372,573

FIXED INCOME MANAGERS

DOMESTIC

BLACKROCK - US DEBT INDEX	48,089
LOOMIS, SAYLES AND COMPANY	141,098
REAMS ASSET MANAGEMENT	250,526
WESTERN ASSET MANAGEMENT	251,865
TOTAL	691,577

GLOBAL

LOOMIS, SAYLES AND COMPANY	134,794
LOOMIS ALPHA	85,159
PIMCO	209,112
TOTAL	429,064

REAL ESTATE

PRUDENTIAL REAL ESTATE ADVISORS	441,010
RREEF	15,279
UBS REALTY	1,087,599
TOTAL	1,543,888

ALTERNATIVES

BRIDGEWATER	529,506
TORTOISE	324,660
TOTAL	854,166

CASH OVERLAY - PARAMETRIC

68,221

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2016 (UNAUDITED)**

SECURITIES LENDING	
BORROWERS REBATE	33,690
MANAGEMENT FEES	<u>27,295</u>
TOTAL	60,985
OTHER	
INVESTMENT CONSULTANT	142,660
INVESTMENT CUSTODIAN	<u>202,405</u>
TOTAL	345,065
TOTAL INVESTMENT MANAGEMENT FEES	<u>\$7,393,696</u>

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
FEBRUARY 29, 2016 (UNAUDITED)

ASSETS

CASH & CASH EQUIVALENTS **\$308,980,403**

RECEIVABLES

EMPLOYER/EMPLOYEE CONTRIBUTIONS	142
ACCRUED INTEREST AND DIVIDENDS	2,813,869
SECURITY SALES	30,601,999
MISCELLANEOUS	4,951
TOTAL RECEIVABLES	33,420,962

INVESTMENTS AT FAIR VALUE

DOMESTIC EQUITY SECURITIES	116,068,957
DOMESTIC EQUITY INDEX FUNDS	1,114,938,677
INTERNATIONAL EQUITY SECURITIES	312,706,121
INTERNATIONAL EQUITY INDEX FUNDS	219,738,046
GLOBAL EQUITY	387,489,222
PRIVATE EQUITY	154,107,900
DOMESTIC FIXED INCOME - CORE PLUS	619,719,037
DOMESTIC FIXED INCOME - U.S. INDEX	143,105,351
GLOBAL FIXED INCOME	41,183,038
REAL ESTATE	358,956,726
ALTERNATIVES	344,339,562
CASH OVERLAY - PARAMETRIC	1,431
TOTAL INVESTMENTS	3,812,354,067

CAPITAL ASSET - SOFTWARE DEVELOPMENT **9,426,005**

TOTAL ASSETS **4,164,181,438**

LIABILITIES

SECURITY PURCHASES PAYABLE	40,514,195
ACCOUNTS PAYABLE	322,607
PREPAID CONTRIBUTIONS	54,398,763

TOTAL LIABILITIES **95,235,565**

NET POSITION RESTRICTED FOR PENSIONS **\$4,068,945,873**

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2016 (UNAUDITED)**

ADDITIONS

CONTRIBUTIONS

EMPLOYER	\$110,630,316
EMPLOYEE	43,451,535
TOTAL CONTRIBUTIONS	<u>154,081,852</u>

INVESTMENT INCOME

NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	(322,733,411)
INTEREST INCOME	9,964,416
DIVIDEND INCOME	28,481,910
REAL ESTATE OPERATING INCOME, NET	8,219,251
SECURITY LENDING INCOME	138,817
TOTAL INVESTMENT INCOME	<u>(275,929,017)</u>

LESS INVESTMENT EXPENSES

MANAGEMENT & CUSTODIAL FEES	7,416,616
SECURITIES LENDING BORROWER REBATES	44,277
SECURITIES LENDING MANAGEMENT FEES	30,882
TOTAL INVESTMENT EXPENSES	<u>7,491,774</u>

NET INVESTMENT INCOME/(LOSS) **(283,420,791)**

TOTAL ADDITIONS **(129,338,940)**

DEDUCTIONS

BENEFIT PAYMENTS	158,461,911
MEMBER REFUNDS	3,047,503
ADMINISTRATIVE EXPENSES	5,000,962
TOTAL DEDUCTIONS	<u>166,510,376</u>

NET INCREASE/(DECREASE) **(295,849,315)**

NET POSITION RESTRICTED FOR PENSIONS

BEGINNING OF YEAR 4,364,795,188

ENDING BALANCE \$4,068,945,873

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
FEBRUARY 29, 2016 (UNAUDITED)

EQUITY

DOMESTIC EQUITY

WESTERN ASSET INDEX PLUS	\$116,068,957	\$24,471,944
TOTAL DOMESTIC EQUITY	116,068,957	24,471,944

DOMESTIC INDEX FUNDS

BLACKROCK - US EQUITY MARKET	1,073,570,021	0
BLACKROCK - EXTENDED EQUITY	41,368,656	1
TOTAL EQUITY INDEX FUNDS	1,114,938,677	1

INTERNATIONAL EQUITY

SPRUCEGROVE	153,063,224	0
HEXAVEST	72,597,281	0
WALTER SCOTT	87,045,615	0
TOTAL INTERNATIONAL EQUITY	312,706,121	0

INTERNATIONAL INDEX FUNDS

BLACKROCK - ACWIXUS	219,738,046	0
TOTAL INTERNATIONAL INDEX FUNDS	219,738,046	0

GLOBAL EQUITY

GRANTHAM MAYO AND VAN OTTERLOO (GMO)	183,756,681	0
BLACKROCK - GLOBAL INDEX	203,732,541	0
TOTAL GLOBAL EQUITY	387,489,222	0

PRIVATE EQUITY

ADAMS STREET	94,533,541	0
PANTHEON	15,891,978	0
HARBOURVEST	43,682,381	0
TOTAL PRIVATE EQUITY	154,107,900	0

FIXED INCOME

DOMESTIC

LOOMIS SAYLES AND COMPANY	65,271,386	4,303,871
REAMS	283,314,188	107
WESTERN ASSET MANAGEMENT	271,133,463	1,791,248
TOTAL DOMESTIC	619,719,037	6,095,226

DOMESTIC INDEX FUNDS

BLACKROCK - US DEBT INDEX	143,105,351	0
TOTAL DOMESTIC INDEX FUNDS	143,105,351	0

GLOBAL

LOOMIS SAYLES AND COMPANY	0	0
LOOMIS ALPHA	41,107,353	0
PIMCO	75,685	2,588,894
TOTAL GLOBAL	41,183,038	2,588,894

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
FEBRUARY 29, 2016 (UNAUDITED)**

REAL ESTATE		
PRUDENTIAL REAL ESTATE	124,454,632	0
RREEF	1,601,221	0
UBS REALTY	232,900,873	0
TOTAL REAL ESTATE	<u>358,956,726</u>	<u>0</u>
ALTERNATIVES		
BRIDGEWATER	252,696,725	0
TORTOISE (MLP's)	91,642,837	2,139,835
TOTAL ALTERNATIVES	<u>344,339,562</u>	<u>2,139,835</u>
CASH OVERLAY - PARAMETRIC	1,431	268,727,563
IN HOUSE CASH		<u>4,956,940</u>
TOTAL INVESTMENTS AND CASH	<u><u>\$3,812,354,067</u></u>	<u><u>\$308,980,403</u></u>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2016 (UNAUDITED)**

EQUITY MANAGERS

DOMESTIC

BLACKROCK - US EQUITY	\$118,816
BLACKROCK - EXTENDED EQUITY	9,224
WESTERN ASSET INDEX PLUS	130,408
TOTAL	258,447

INTERNATIONAL

BLACKROCK - ACWIXUS	82,391
SPRUCEGROVE	329,685
HEXAVEST	180,744
WALTER SCOTT	404,878
TOTAL	997,698

GLOBAL

GRANTHAM MAYO VAN OTTERLOO (GMO)	772,912
BLACKROCK - GLOBAL INDEX	83,004
TOTAL	855,916

PRIVATE EQUITY

ADAMS STREET	727,446
HARBOURVEST	345,332
PANTHEON	299,795
TOTAL	1,372,573

FIXED INCOME MANAGERS

DOMESTIC

BLACKROCK - US DEBT INDEX	48,089
LOOMIS, SAYLES AND COMPANY	141,098
REAMS ASSET MANAGEMENT	250,526
WESTERN ASSET MANAGEMENT	251,865
TOTAL	691,577

GLOBAL

LOOMIS, SAYLES AND COMPANY	134,794
LOOMIS ALPHA	85,159
PIMCO	209,112
TOTAL	429,064

REAL ESTATE

PRUDENTIAL REAL ESTATE ADVISORS	441,010
RREEF	15,279
UBS REALTY	1,087,599
TOTAL	1,543,888

ALTERNATIVES

BRIDGEWATER	529,506
TORTOISE	324,660
TOTAL	854,166

CASH OVERLAY - PARAMETRIC

68,221

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE EIGHT MONTHS ENDED FEBRUARY 29, 2016 (UNAUDITED)**

SECURITIES LENDING	
BORROWERS REBATE	44,277
MANAGEMENT FEES	<u>30,882</u>
TOTAL	75,159
OTHER	
INVESTMENT CONSULTANT	142,660
INVESTMENT CUSTODIAN	<u>202,405</u>
TOTAL	<u>345,065</u>
TOTAL INVESTMENT MANAGEMENT FEES	<u><u>\$7,491,774</u></u>

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET SUMMARY FISCAL YEAR 2015-2016
February 2016 - 67.67% of Fiscal Year Expended

EXPENDITURE DESCRIPTIONS	Adopted 2015/2016 Budget	Adjusted 2015/2016 Budget	Feb-16	Year to Date Expended	Available Balance	Percent Expended
Salaries & Benefits:						
Salaries	\$ 2,322,000.00	\$ 2,322,000.00	\$ 167,459.32	\$ 1,325,964.56	\$ 996,035.44	57.10%
Extra-Help	50,000.00	50,000.00	6,873.36	51,994.99	(1,994.99)	103.99%
Overtime	3,000.00	3,000.00	0.00	101.99	2,898.01	3.40%
Supplemental Payments	70,800.00	70,800.00	4,962.12	38,868.60	31,931.40	54.90%
Vacation Redemption	111,400.00	111,400.00	0.00	63,436.87	47,963.13	56.95%
Retirement Contributions	427,700.00	427,700.00	30,686.94	243,827.64	183,872.36	57.01%
OASDI Contributions	139,800.00	139,800.00	10,489.46	78,503.73	61,296.27	56.15%
FICA-Medicare	36,400.00	36,400.00	2,453.13	20,410.39	15,989.61	56.07%
Retiree Health Benefit	8,700.00	8,700.00	794.15	6,653.50	2,046.50	76.48%
Group Health Insurance	201,000.00	201,000.00	14,257.73	116,624.64	84,375.36	58.02%
Life Insurance/Mgmt	1,100.00	1,100.00	84.77	700.04	399.96	63.64%
Unemployment Insurance	2,900.00	2,900.00	202.61	1,609.46	1,290.54	55.50%
Management Disability Insurance	18,000.00	18,000.00	1,178.54	11,476.49	6,523.51	63.76%
Worker' Compensation Insurance	18,700.00	18,700.00	1,280.72	10,637.38	8,062.62	56.88%
401K Plan Contribution	47,500.00	47,500.00	3,500.84	27,185.10	20,314.90	57.23%
Transfers In	103,400.00	103,400.00	10,945.79	72,761.34	30,638.66	70.37%
Transfers Out	(103,400.00)	(103,400.00)	(10,945.79)	(72,761.34)	(30,638.66)	70.37%
Total Salaries & Benefits	\$ 3,459,000.00	\$ 3,459,000.00	\$ 244,223.69	\$ 1,997,995.38	\$ 1,461,004.62	57.76%
Services & Supplies:						
Telecommunication Services - ISF	\$ 36,500.00	\$ 36,500.00	\$ 3,087.61	\$ 22,807.93	\$ 13,692.07	62.49%
General Insurance - ISF	12,500.00	12,500.00	0.00	6,260.00	6,240.00	50.08%
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	0.00	9,270.00	1,130.00	89.13%
Education Allowance	10,000.00	10,000.00	0.00	3,795.84	6,204.16	37.96%
Cost Allocation Charges	17,000.00	17,000.00	0.00	8,506.00	8,494.00	50.04%
Printing Services - Not ISF	4,300.00	4,300.00	0.00	3,000.77	1,299.23	69.79%
Books & Publications	2,500.00	2,500.00	0.00	337.61	2,162.39	13.50%
Office Supplies	20,000.00	20,000.00	1,281.71	9,511.49	10,488.51	47.56%
Postage & Express	60,000.00	60,000.00	173.57	24,651.72	35,348.28	41.09%
Printing Charges - ISF	13,300.00	13,300.00	13.20	3,231.26	10,068.74	24.30%
Copy Machine Services - ISF	6,500.00	6,500.00	0.00	712.50	5,787.50	10.96%
Board Member Fees	12,000.00	12,000.00	1,800.00	6,900.00	5,100.00	57.50%
Professional Services	1,002,300.00	1,002,300.00	30,368.08	621,324.28	380,975.72	61.99%
Storage Charges	4,500.00	4,500.00	320.62	2,296.34	2,203.66	51.03%
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	16,753.12	133,154.69	72,045.31	64.89%
Private Vehicle Mileage	10,000.00	10,000.00	828.60	8,320.01	1,679.99	83.20%
Conference, Seminar and Travel	100,000.00	100,000.00	858.77	35,986.46	64,013.54	35.99%
Furniture	24,000.00	24,000.00	0.00	2,478.61	21,521.39	10.33%
Facilities Charges	6,900.00	6,900.00	555.50	2,125.50	4,774.50	30.80%
Judgement & Damages	0.00	0.00	0.00	1,838.57	(1,838.57)	#DIV/0!
Transfers In	10,900.00	10,900.00	1,156.68	7,688.93	3,211.07	70.54%
Transfers Out	(10,900.00)	(10,900.00)	(1,156.68)	(7,688.93)	(3,211.07)	70.54%
Total Services & Supplies	\$ 1,564,900.00	\$ 1,564,900.00	\$ 56,040.78	\$ 906,509.58	\$ 658,390.42	57.93%
Total Sal, Ben, Serv & Supp	\$ 5,023,900.00	\$ 5,023,900.00	\$ 300,264.47	\$ 2,904,504.96	\$ 2,119,395.04	57.81%
Technology:						
Computer Hardware	\$ 91,600.00	\$ 91,600.00	\$ 17,375.12	72,140.56	\$ 19,459.44	78.76%
Computer Software	204,400.00	204,400.00	605.79	22,752.63	181,647.37	11.13%
Systems & Application Support	693,100.00	693,100.00	57,934.33	396,806.22	296,293.78	57.25%
Pension Administration System	2,660,500.00	2,660,500.00	93,036.25	1,661,107.75	999,392.25	62.44%
Total Technology	\$ 3,649,600.00	\$ 3,649,600.00	\$ 168,951.49	\$ 2,152,807.16	\$ 1,496,792.84	58.99%
Contingency	\$ 812,400.00	\$ 812,400.00	\$ -	\$ -	\$ 812,400.00	0.00%
Total Current Year	\$ 9,485,900.00	\$ 9,485,900.00	\$ 469,215.96	\$ 5,057,312.12	\$ 4,428,587.88	53.31%

Ventura County Employees' Retirement Association

March 2016

Table of contents

- I. HarbourVest Overview
 - II. Investment Update
 - III. Custom Solutions Overview
- Appendix

This document has been prepared for Ventura County Employees' Retirement Association (March 2016). It has been prepared on the basis that you are an investment professional, is for the sole use of your organization, and should not be shared with any other parties.

These materials do not constitute an offer to sell or the solicitation of an offer to buy interests in any Fund (the "Fund") or any other investment sponsored by HarbourVest Partners L.P. or its affiliates. Any offering of interests in any Fund will be made solely pursuant to the Private Placement Memorandum of the Fund and subscriptions will be accepted solely pursuant to definitive documentation. Offers and sales of interests in the Fund will not be registered under the laws of any jurisdiction and will be made solely to "qualified purchasers" as defined in the U.S. Investment Company Act of 1940, as amended. These materials are highly confidential and must be read in conjunction with the Private Placement Memorandum of the Fund. These materials do not purport to contain all the information relevant to evaluating an investment in the Fund. For additional legal and regulatory information please refer to important legal disclosures (<http://www.harbourvest.com/important-legal-disclosures>).

See final pages for additional notes.



HarbourVest Overview

HarbourVest overview

Established Firm

- Team formed in 1982
- More than \$50 billion committed to investments over three decades
- Registered investment adviser with the U.S. Securities and Exchange Commission*
- AIFMD-compliant investment products for European investors*
- Independent, employee owned

Experienced & Stable Team

- Deep team of 340+ employees with more than 90 investment professionals
- 36 managing directors with an average firm tenure of 14 years
- Local teams in Beijing, Boston, Bogotá, Hong Kong, London, Seoul, Tel Aviv, Tokyo and Toronto

Focus on Private Markets

- Global expertise across primary partnerships, secondary investments and direct co-investments provide clients with market perspectives and actionable insights
- Comprehensive and specialized programs

Proven Track Record

- One of the longest track records in the industry
- Demonstrated performance across all strategies
- Consistent approach to portfolio construction

Superior Client Service

- Distinguished global investor base
- Responsive to client needs
- Broad infrastructure – accounting, treasury, tax, compliance/regulatory, trading, investor relations

Strong Risk Controls

- SOC 1 reports on controls available to clients and their auditors

* This does not indicate approval or endorsement of HarbourVest by the U.S. SEC or U.K. FCA

HarbourVest – Global private markets platform

One of the longest established firms in the industry

North America

First investment 1978
\$29.0 billion committed

EMEA

First investment 1984
\$16.8 billion committed

Asia Pacific

First investment 1984
\$4.4 billion committed

Latin America

First investment 1994
\$0.7 billion committed

Expertise across capital structure (equity and debt) and investment types		
PRIMARY	SECONDARY	DIRECT CO-INVEST
\$31.6 billion committed	\$14.1 billion committed	\$5.2 billion committed

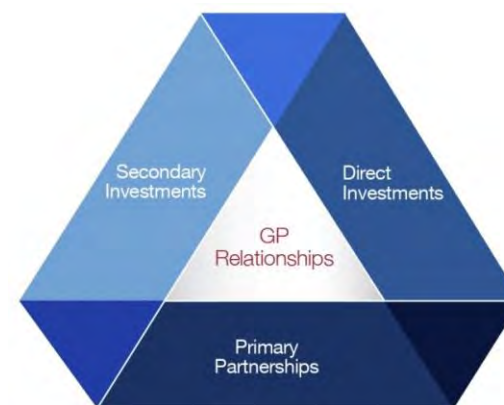
As of December 31, 2015

Based on primary, secondary, and direct commitments made by HarbourVest

Indicates HarbourVest team location

The HarbourVest platform – An integrated approach

- Consistent approach for three decades
- Integrated investment platform provides significant advantages
 - Overlapping knowledge base
 - Strong relationships across the industry
 - Collaborative environment
 - Enhanced deal flow, evaluation, and monitoring



Cohesive, global platform provides significant advantages in relationship network, knowledge sharing, deal flow, evaluation, and monitoring

Investment teams are highly selective, aiming to identify and deliver strong returns over time

Shared economics across the organization promotes team stability, collaboration, and continual information exchange

Comprehensive, industry-leading team

Consistency, reliability, accessibility and deep knowledge

Executive Management Committee	Investment Committee	Allocation Committee
John Toomey	Kathleen Bacon	Brett Gordon
Robert Wadsworth	Gregory Stento	Ian Lane
Peter Wilson	John Toomey	Julie Ocko
Brooks Zug	Robert Wadsworth	

- 40+ Professionals
- Service-oriented
- Locally accessible
- Timely and informative communications
- Value added insight focused on client needs



- 90+ Professionals
- Shared insight from deep and broad investment team
- Decades of institutional private markets knowledge
- Resources across regions and sectors
- Long-standing general partner relationships

- 150+ Professionals
- Experienced and credentialed team
- Controls, policies, and procedures for each division

Industry leadership



Signatory



George Anson, Chairman, 2013-2014



Kathleen Bacon, 2015



HarbourVest (Europe)*



Scott Voss, Board of Directors



PRIVATE EQUITY INTERNATIONAL
AWARDS 2014

Fund of funds
manager of the year
in North America

Fund of funds
manager of the year
in Asia



Founding Member 2013



Kathleen Bacon, 2015



Founding Member 2001



Founding Member



Fund of Funds
of the Year

* HarbourVest Partners (Europe) Limited, 3rd Floor, 33 Jermyn Street, London SW1Y 6DN registered in England and Wales number 8618271. Authorized and regulated by the Financial Conduct Authority.

Awards do not necessarily represent investor experience with HarbourVest or its funds, nor do they constitute a recommendation of HarbourVest or its services. Awards are based on surveys that are not limited to investors in HarbourVest funds and may not have included all of the investors in HarbourVest funds. They are not intended to be used as a basis for investment decisions.



Investment Update

HarbourVest secondary overview

Strive to deliver top quartile rates of return while assuming less risk

Differentiated Approach

Focus on less efficient segments of the market

Build diversified portfolios

Make investments with outperformance potential

Experienced Team

30 years of secondary investing

Over **400** transactions

27 secondary professionals

20 senior professionals with average tenure of **10** years

HarbourVest Platform*

Over **500** managers, **1,000** partnerships, and **550** advisory board seats

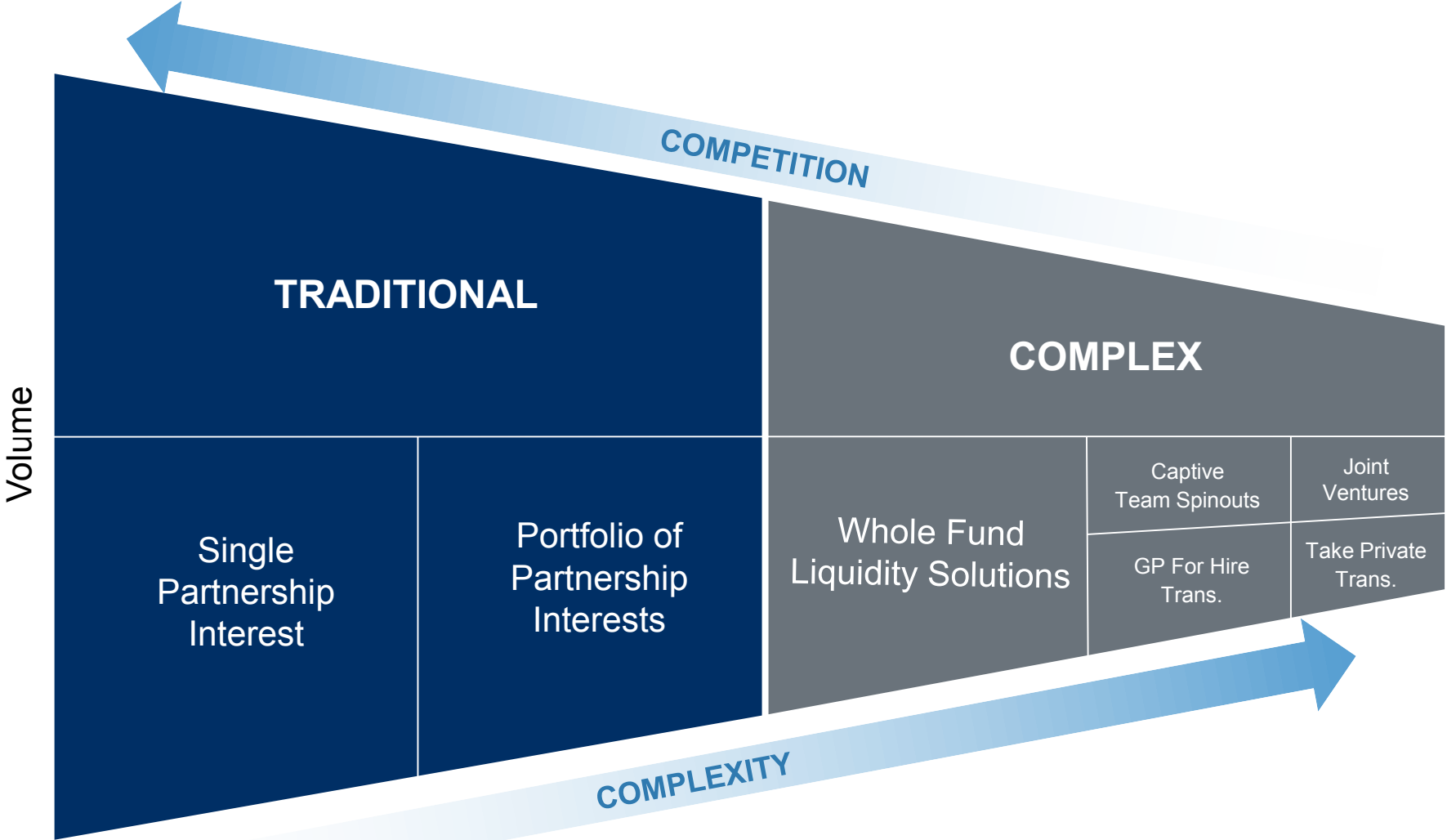
Exposure to more than **7,900** underlying companies

85+ investment professionals

9 offices

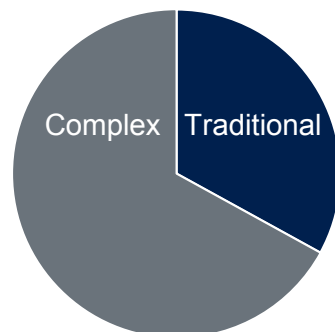
* As of December 31, 2015

Secondary transaction types

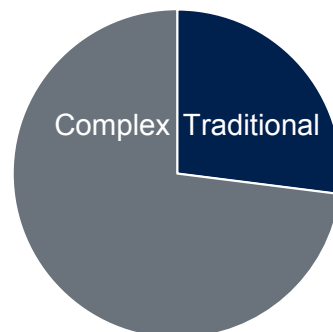


Differentiated approach to portfolio construction

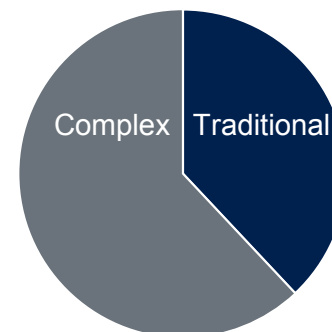
Dover V
2003



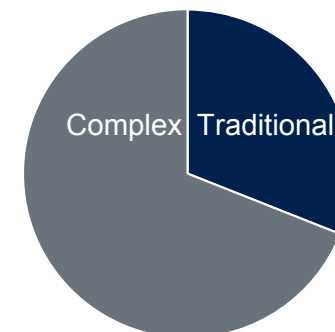
Dover VI
2005



Dover VII
2008



Dover VIII
2012



Traditional

- Leverage primary relationships and strategic value to general partners
- Be selective, exercise pricing discipline, and focus on higher quality managers
- HarbourVest is a market pioneer
 - \$6.4 billion invested across 900 funds since 1986

Complex

- Focus on less-efficient segments given experience, skills, and resources required to execute
- Leverage HarbourVest platform to enhance competitive positioning
- HarbourVest is a market leader
 - \$6.9 billion invested across 70 deals since 1995

Dover Street VIII

March 2015

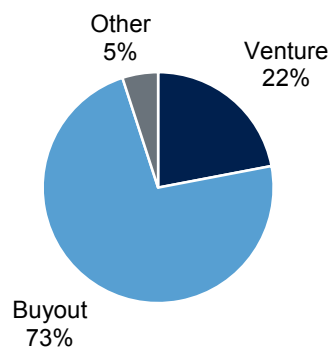
Update

- \$3.6 billion fund began investing in 2H 2012
- 91% committed to 34 deals since inception; \$0.9 billion committed in 2015
- Well diversified portfolio consistent with stated strategy
- Portfolio performing ahead of plan
- Fund projected to complete investment period in 1H 2016

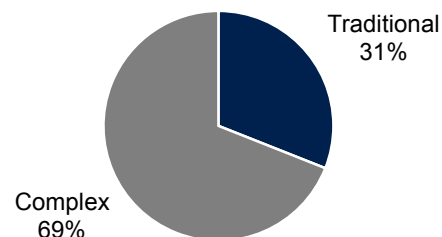
\$ Millions

As of	Sep 30	Feb 29
Committed Capital	\$67.5	\$67.5
Committed to Investments	81%	91%
Contributed Capital	\$40.5	\$47.8
% Called	60%	71%
Distributions	\$13.6	\$21.1
Net Distributed / Contributed	0.3x	0.4x
Total Value	\$3,171.0	
Net Total Value / Contributed	1.4x	
Net L.P. IRR	38.0%	

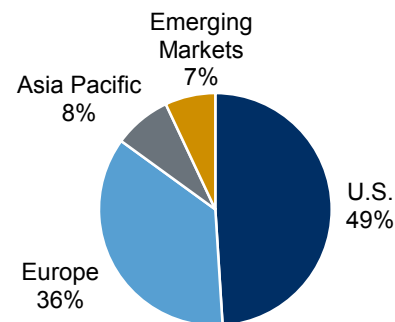
Stage



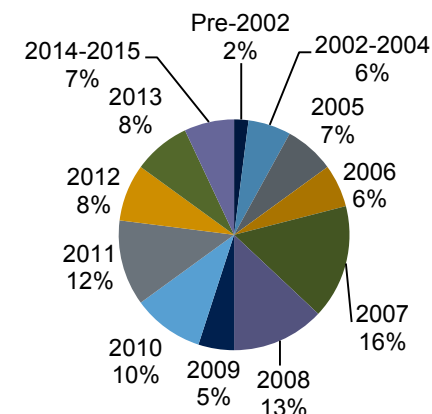
Transaction Type



Geography



Investment Year

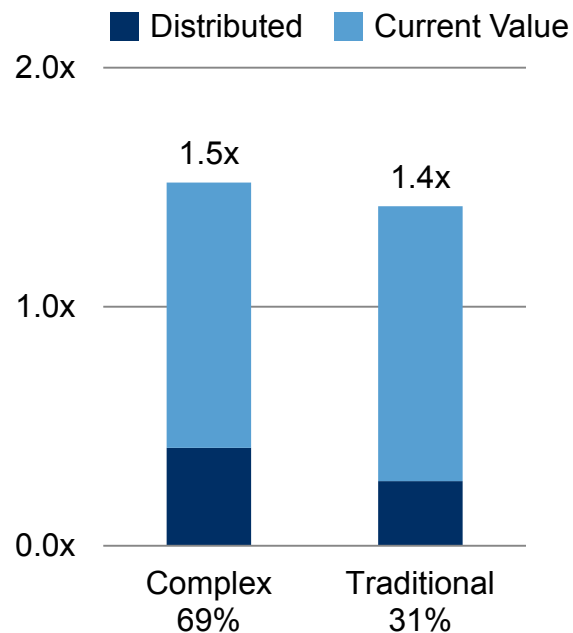


Pie charts are based on cumulative cost of company investments as of September 30, 2015. The performance of Dover Street VIII is subject to change given a substantial amount of capital has yet to be invested.

See final pages for additional notes

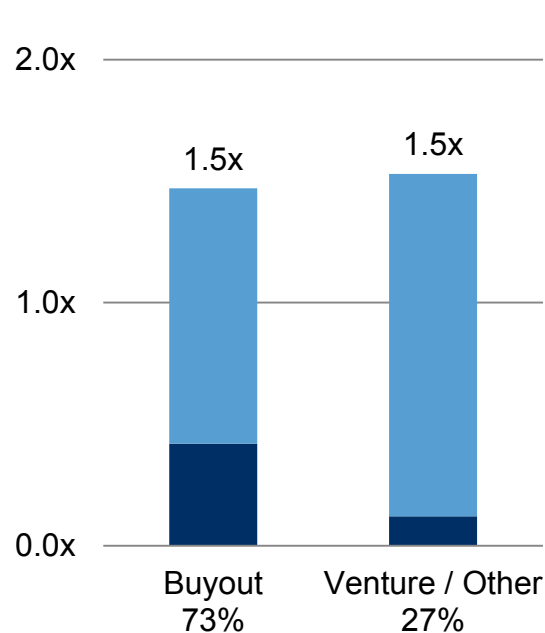
Dover Street VIII – Strong performance across type, stage, and geography

Deal Type



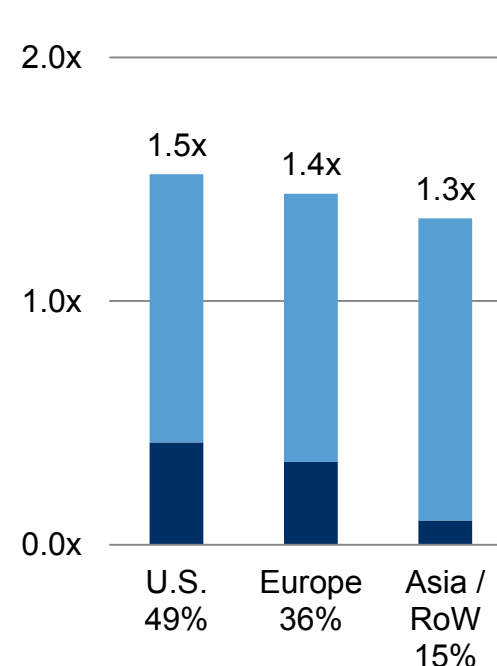
Differentiated Strategy

Stage



Diversified Approach

Geography



Global and Local

Dover Street VIII – Summary and outlook

- Market leading transactions
- Strong early performance; portfolio health remains strong
- Liquidity generation ahead of expectations
- Seller pricing expectations remain elevated
- Deep pipeline of attractive opportunities
- Expect to conclude commitment period in 1H 2016



Custom Solutions Overview

Private equity solutions for varied investor needs

- Helping clients access investment opportunities to reach their goals
- Comprehensive and specialized private markets solutions allow for a modular approach



HarbourVest approach to custom solutions

Strategic

- HarbourVest selectively offers customized programs with tailored investment options and a comprehensive menu of services
- Custom, flexible solutions offered over our 30-year history

Collaborative

- Work with client and consultant to define objectives consistent with the client's risk/return profile
- Cash flow modeling to project pacing needs
- Consistent communication on pipeline, portfolio construction, performance, and market trends

Flexible

- Approval of annual allocation and tactical plan
- Attend GP meetings and/or assume advisory board seats
- Coordination with current SMA manager(s)

What objectives are your highest priority?

Portfolio Construction

- Access niche markets
- Vintage year diversification
- Complement existing portfolio
- Shorter duration
- Manage overall portfolio volatility
- Manager concentration vs. proliferation
- Leverage co-invest flow from GPs

Cash Flow and Return Generation

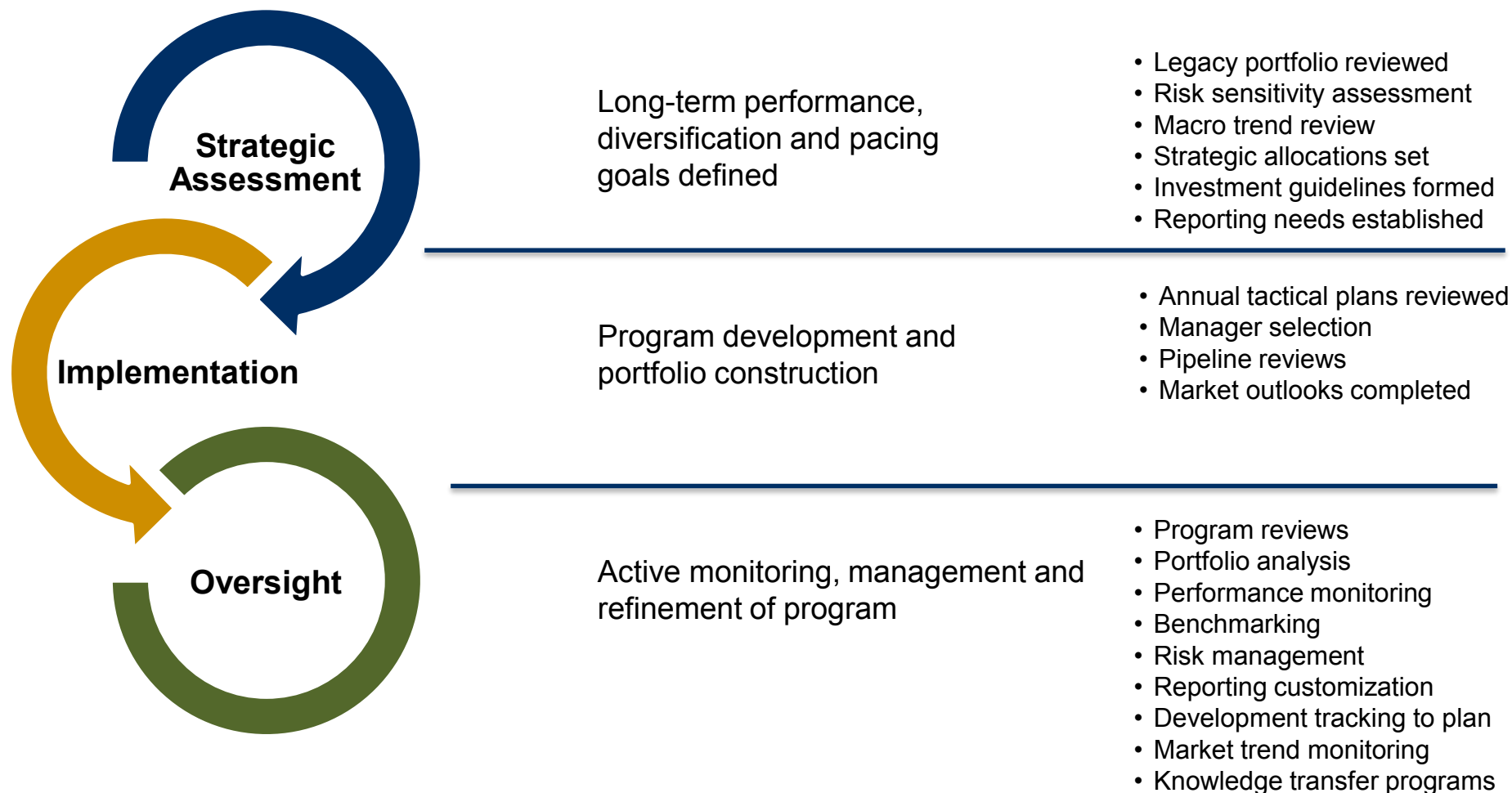
- Potential to generate alpha
- Flexible annual allocations
- Minimize fees
- J-curve mitigation
- Liquidity
- Generate current yield
- Deployment pace

Service and Flexibility

- Operational support
- Strong control environment
- Balance of internal and external resources
- Flexibility through ongoing refinement and steady communication

Strategic planning framework

Objectives and Approach



Achieve short and long-term strategy and performance goals

Comprehensive program oversight and administration

Monitoring and custom reporting executed in a strong control environment

Manage GP Relationships	Process Capital Calls	Process Distributions	Quarterly Valuations	Performance analysis	Portfolio Monitoring and Reporting	Ensure Document Retention and Business Continuity
Access GP portals	Receipt and review of capital call notices	Provide wiring instructions to GPs	Obtain and monitor receipt of financial statements	Track investment and company level data	Investment and company level diversification	Document management system
Provide contact information	Enter into systems	Receipt and review of distribution notices	Follow-up for missing statements as needed	Verify all cash flow activity and profit / loss activity	Quarterly reporting and dynamic ad hoc reporting	Comprehensive business continuity plan
Update contact information as needed	Verify call against unfunded amount	Enter into systems	Track auditor and auditor "quality"	Enter new company investment (name, location, business description)	Performance measurement including IRRs and multiples	Disaster recovery plan including replication of data
Maintain list of relevant GP contacts	Document uses of cash	Determine if deemed call / distribution or recallable distribution	Review audit opinion	Obtain and review company metrics (stage, % own, public/private)	Largest holdings, manager and company exposure	
Participate in GP calls and meetings	Verify wire instructions on file to notice	Document source of proceeds	Ensure valuations are in accordance with fair value standards	Capture company current and realized cost / value	Cash flow trends	
	Review and approval of funding	Liaise with GP for missing payments or discrepancies	If method other than fair value, determine fair value along with investment staff/GP	Track filing and IPO activity	Company level performance including IPOs and M&A events	
				Track M&A activity	Benchmarking	



Appendix

Contact information

BEIJING

**HarbourVest Investment Consulting
(Beijing) Company Limited**
+86 10 5706 8600

BOGOTÁ

HarbourVest Partners, LLC
Oficina de Representación
+57 1 552 1400

BOSTON

HarbourVest Partners, LLC
+1 617 348 3707

HONG KONG

HarbourVest Partners (Asia) Limited
+852 2525 2214

LONDON

HarbourVest Partners (U.K.) Limited
+44 (0)20 7399 9820

SEOUL

HarbourVest Partners Korea Ltd
+82 2 2010 8916

TEL AVIV

HarbourVest Partners (Israel) Ltd
+972 52 294 2851

TOKYO

HarbourVest Partners (Japan) Limited
+81 3 3284 4320

TORONTO

HarbourVest Partners (Canada) Limited
+1 416 642 8895

www.harbourvest.com

Additional information

Includes data (prior to 1998) related to transactions that occurred when the HarbourVest team was affiliated with Hancock Venture Partners, Inc.

In considering the prior performance information contained herein, prospective investors should bear in mind that past performance is not necessarily indicative of future results, and there can be no assurance that the Fund will achieve comparable results or be able to implement its investment strategy.

The foregoing performance information includes realized and unrealized investments. Unrealized investments are valued by the applicable general partner in accordance with the valuation guidelines contained in the applicable partnership agreement. Actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in prior performance data contained herein are based. Accordingly, the actual realized returns on these unrealized investments may differ materially from returns indicated herein.

1. Net L.P. Internal Rate of Return through the applicable date is the annualized return to limited partners after all fees, operating expenses and carried interest calculated using monthly cash flows to and from limited partners. In this calculation, the final cash flow to limited partners is the fair market value of the limited partners' capital accounts at the applicable date as determined by the General Partner in accordance with the valuation policies in the applicable Partnership Agreement.
2. Gross Portfolio IRR represents the annual return calculated using monthly cash flows from the funds managed by HarbourVest to and from the various partnerships in which the HarbourVest funds invested during the period specified, after the fees, expenses, and carried interest of the underlying partnership investments, but before the fees, expenses, and carried interest charged the HarbourVest Funds. HarbourVest vintage classification is based on year in which capital was first funded to each underlying fund (for primary fund investments) or the year of HarbourVest's purchase (for secondary investments).
For the purposes of comparing HarbourVest's gross return on European partnership investments to private equity benchmarks on a like basis, IRRs for European investments were calculated by converting U.S. \$ denominated cash flows to euro at historic daily exchange rates. The euro-based IRR is a hypothetical return since certain of the partnership investments were denominated in currencies other than the euro. These returns do not represent the returns to limited partners or the aggregate returns of any specific fund.
3. A direct comparison of private equity returns with public index total returns may not be meaningful because the returns presented for venture capital and buyout funds are IRRs (dollar-weighted), while the public index returns are geometric mean returns (time-weighted). Specifically, dollar-weighted returns are affected by the time value of money by application of a discount rate (the IRR), while time-weighted returns are simply the geometric mean of various holding period returns. Public market comparison represents performance if the respective index had been purchased and sold at the time of the limited partners' capital calls and distributions, with the remainder held at the date noted. Dividends are not reinvested. The securities comprising the public market benchmarks have substantially different characteristics than the investments held by the HarbourVest funds, and accordingly a direct comparison may not be meaningful.
4. Europe Composite Criteria: Includes all European partnership investments (primary and secondary) made by HarbourVest and/or by HVP Inc. through HIPEP I, II, III, IV, and V, their companion funds, Global Select, and Dover II, III, IV, V, and VI for the period specified. Investments made after 2007 are not included because they are still actively investing and performance is generally not meaningful during a partnership's early development. If the performance of investments made after 2006 was included, the HarbourVest Portfolio gross IRR would be the same.
U.S. Composite Criteria: Includes all U.S. partnership investments (primary and secondary) made by HarbourVest and/or by HVP Inc. through Fund III, IV, V, VI, VII, and VIII, their companion funds, and Dover Ia, II, III, IV, V, and VI for the period specified. Investments made after 2007 are not included because they are still actively investing and performance is generally not meaningful during a partnership's early development. If the performance of investments made after 2007 was included, the HarbourVest Portfolio gross IRR would be higher.
5. Vintage years 1993-2007: The ThomsonReuters Database is comprised of 1,381 U.S. private equity partnerships. The HarbourVest portfolio is comprised of 441 U.S. partnerships.
6. Vintage years 1993-2007: The ThomsonReuters Database is comprised of 978 European partnerships. The HarbourVest portfolio is comprised of 238 European partnerships.

Continued on next page.

Additional information

7. Net Portfolio IRR represents the annualized return calculated using monthly cash flows from the fund managed by HarbourVest to and from the various partnerships or companies in which the HarbourVest fund invested after all fees, expenses, and carried interest of the HarbourVest fund and any partnerships investments. The fees and expenses of the HarbourVest fund reflect a pro-rata share of the fund's actual fees and expenses, based on the amount that was committed to partnership or direct investments. The direct Net Portfolio IRR reflects deduction of the actual carried interest of the direct investments. The Net Portfolio IRR does not reflect the actual cash flow experience of limited partners; it does not represent the actual net performance of any specific fund or the return to limited partners of such fund. It should be noted that these funds called capital in set increments and/or on set schedules, which was industry standard at the time, and therefore held more cash than is customary today, creating a drag on the Net L.P. IRR.
8. Public market comparison represents performance if the respective index had been purchased and sold at the time of the limited partners' capital calls and distributions, with the remainder held at the date noted. Dividends are not reinvested. The securities comprising the public market benchmarks have substantially different characteristics than the investments held by the HarbourVest funds, and accordingly a direct comparison may not be meaningful.

The information contained herein is highly confidential and is being provided to you at your request for informational purposes only and is not, and may not be relied on in any manner as, legal, tax or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any investment sponsored by HarbourVest Partners L.P. or its affiliates (the "Fund"). A private offering of interests in the Fund will only be made pursuant to a confidential private placement memorandum (the "Memorandum") and the Fund's partnership agreement and subscription documents, which will be furnished to qualified investors on a confidential basis at their request for their consideration in connection with such offering. The information contained herein will be superseded by, and is qualified in its entirety by reference to, the Memorandum, which will contain information about the investment objective, terms and conditions of an investment in the Fund and will also contain tax information and risk disclosures that are important to any investment decision regarding the Fund. No person has been authorized to make any statement concerning the Fund other than as will be set forth in the Memorandum and any such statements, if made, may not be relied upon. The information contained herein must be kept strictly confidential and may not be reproduced or redistributed in any format without the express written approval of HarbourVest Partners L.P. (together with its affiliates, "HarbourVest").

Investment in the Fund will involve significant risks, including loss of the entire investment. Before deciding to invest in the Fund, prospective investors should pay particular attention to the risk factors contained in the Memorandum. Prospective investors should make their own investigations and evaluations of the information contained herein. Prior to the closing of a private offering of interests in the Fund, HarbourVest will give investors the opportunity to ask questions and receive additional information concerning the terms and conditions of such offering and other relevant matters. Each prospective investor should consult its own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning the information contained herein and such offering.

Certain information contained herein (including financial information and information relating to investments) has been obtained from published and non-published sources. Such information has not been independently verified by HarbourVest. Except where otherwise indicated herein, the information provided herein is based on matters as they exist as of the date of preparation and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available, or circumstances existing or changes occurring after the date hereof.

In considering any performance data contained herein, you should bear in mind that past performance is not indicative of future results. Certain information contained herein constitutes forward-looking statements, which can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue" or "believe" (or the negatives thereof) or other variations thereof. Due to various risks and uncertainties, including those discussed above, actual events or results or actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. As a result, investors should not rely on such forward-looking statements in making their investment decisions.

None of the information contained herein has been filed with the Securities and Exchange Commission, any securities administrator under any state securities laws or any other governmental or self-regulatory authority. No governmental authority has passed on the merits of the offering of interests in the Fund or the adequacy of the information contained herein. Any representation to the contrary is unlawful.



40+
YEARS
PRIVATE
MARKETS
LEADER



Ventura County Employees' Retirement Association

March 21, 2016

Presented by: Scott Hazen, CFA and Saguna Malhotra

ADAMS STREET
PARTNERS

MASTER PAGE NO. 69

Confidentiality Statement and Other Important Considerations

Adams Street Partners has provided this presentation (the "Presentation") to the recipient on a confidential and limited basis. This Presentation is not an offer or sale of any security or investment product or investment advice. Offerings are made only pursuant to a private offering memorandum containing important information regarding risk factors, performance and other material aspects of the applicable investment; the information contained herein should not be used or relied upon in connection with the purchase or sale of any security.

Statements in the Presentation are made as of the date of the Presentation unless stated otherwise, and there is no implication that the information contained herein is correct as of any time subsequent to such date. All information with respect to primary and secondary investments of Adams Street Partners funds (the "Funds") or Adams Street Partners' managed accounts (collectively, the "Investments"), the Investments' underlying portfolio companies, Fund portfolio companies, and industry data has been obtained from sources believed to be reliable and current, but accuracy cannot be guaranteed.

The Presentation contains highly confidential information. In accepting the Presentation, each recipient agrees that it will (i) not copy, reproduce or distribute the Presentation, in whole or in part, to any person or party (including any employee of the recipient other than an employee or other representative directly involved in evaluating the Funds) without the prior written consent of Adams Street Partners, (ii) keep permanently confidential all information not already public contained herein, and (iii) use the Presentation solely for the purpose set forth in the first paragraph.

The Presentation is not intended to be relied upon as investment advice. The contents herein are not to be construed as legal, business or tax advice, and each investor should consult its own attorney, business advisor and tax advisor as to legal, business and tax advice.

The internal rate of return (IRR) data and multiples provided in the Presentation are calculated as indicated in the applicable notes to the Presentation, which notes are an important component of the Presentation and the performance information contained herein. IRR performance data may include unrealized portfolio investments; there can be no assurance that such unrealized investments will ultimately achieve a liquidation event at the value assigned by Adams Street Partners or the General Partner of the relevant Investment, as applicable. References to the Investments and their underlying portfolio companies and to the Funds should not be considered a recommendation or solicitation for any such Investment, portfolio company, or Fund.

Past performance is not a guarantee of future results. Projections or forward looking statements contained in the Presentation are only estimates of future results or events that are based upon assumptions made at the time such projections or statements were developed or made. There can be no assurance that the results set forth in the projections or the events predicted will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections or forward looking statements.



Scott Hazen, CFA

Partner

Education: University of Notre Dame,
magna cum laude, BBA

University of Chicago Booth School of
Business, MBA

Years of Investment/
Operational Experience: 23



Saguna Malhotra

Partner

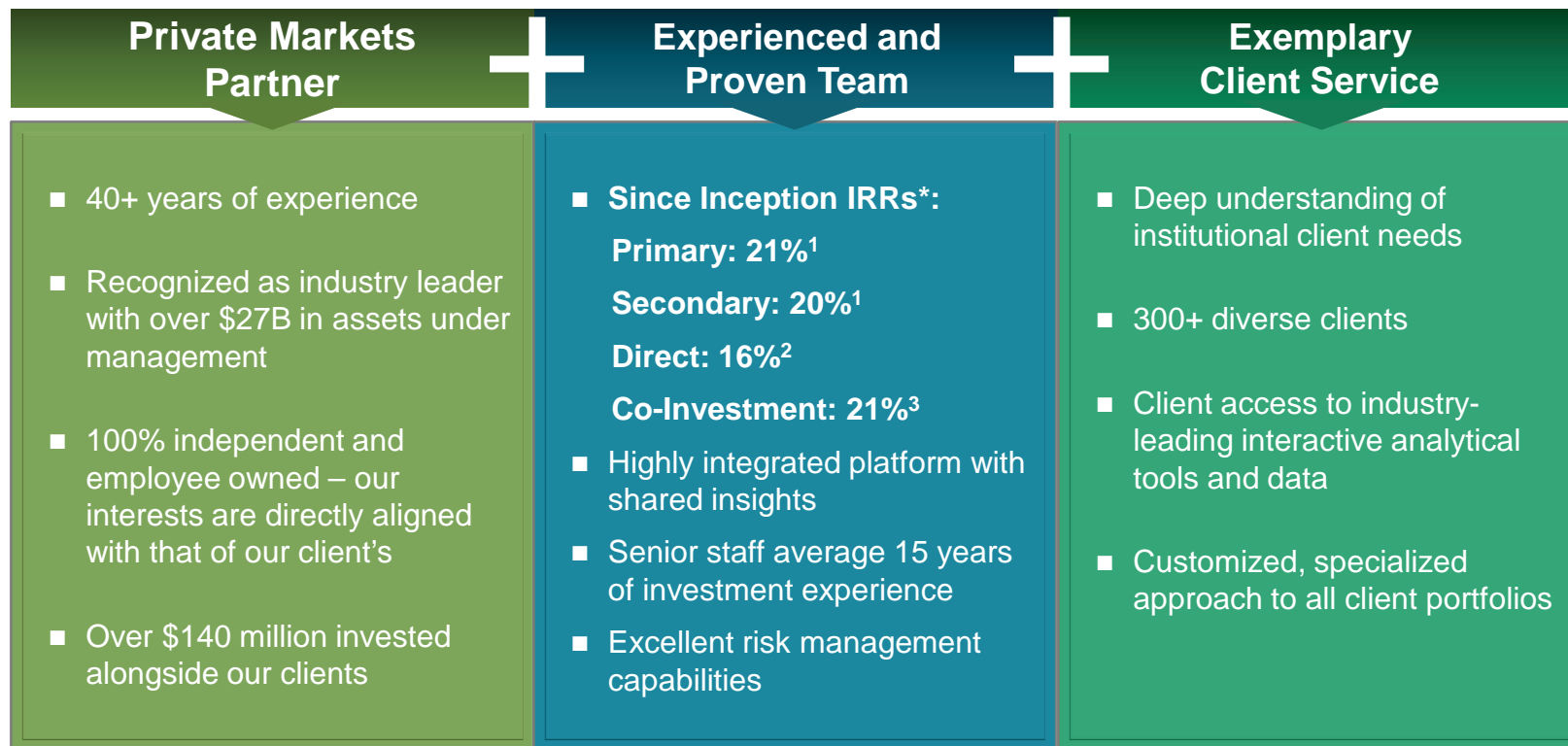
Education: The Wharton School at the
University of Pennsylvania, B.S.

Years of Investment/
Operational Experience: 18

	Page
Adams Street Update	5
VCERA Portfolio Review	11
Adams Street 2016 Global Program	23
Appendix	27

■ Adams Street Update





As of September 30, 2015

1. Composite since inception IRR of private equity fund investments in Adams Street Partners "Core Portfolios" which are funds and separate accounts (excluding special mandate funds and non-discretionary separate accounts) of which Adams Street Partners is the general partner, manager or investment adviser (as applicable) and for which Adams Street Partners makes discretionary investments in private equity. Primary inception date as of November 1, 1979. Secondary inception date as of August 29, 1986. IRRs are net of fees, carried interest and expenses charged to the underlying private equity funds, but are gross of Adams Street Partners' fees, carried interest and expenses, which reduce returns to investors. For the effect of Adams Street Partners' fees, carried interest and expenses on Adams Street Partners' fund returns to investors, please see Adams Street Partners Net Performance chart in this presentation.
2. Composite since inception IRR is net of Adams Street Partners' fees, carried interest and expenses. IVCF II, a component of this composite, charged only management fees and expenses. Inception date as of March 1, 1989. Includes IVCF II (invested in both partnerships and direct portfolio companies), IVCF III, BVCF IV, AS V, AS 2006, AS 2007, AS 2008, AS 2009, AS 2010, AS 2011, AS 2012, AS 2013, AS 2014, AS 2015 and AS Venture Growth VI.
3. Composite since inception IRR, which is net of Adams Street Partners' fees, carried interest and expenses. Inception date as of September 5, 1989. Includes a separate account (1992-1998), Co-Investment I (2006), II (2009) and III (2014).

* Past performance is not a guarantee of future results. The IRRs shown above are composite IRRs and do not represent returns achieved by any particular Adams Street Partners fund or any investor in an Adams Street Partners fund. There can be no guarantee that unrealized investments reflected in this performance data will ultimately be liquidated at values reflected above. For net performance of Adams Street Partners funds, see the Net Performance chart included in this presentation.

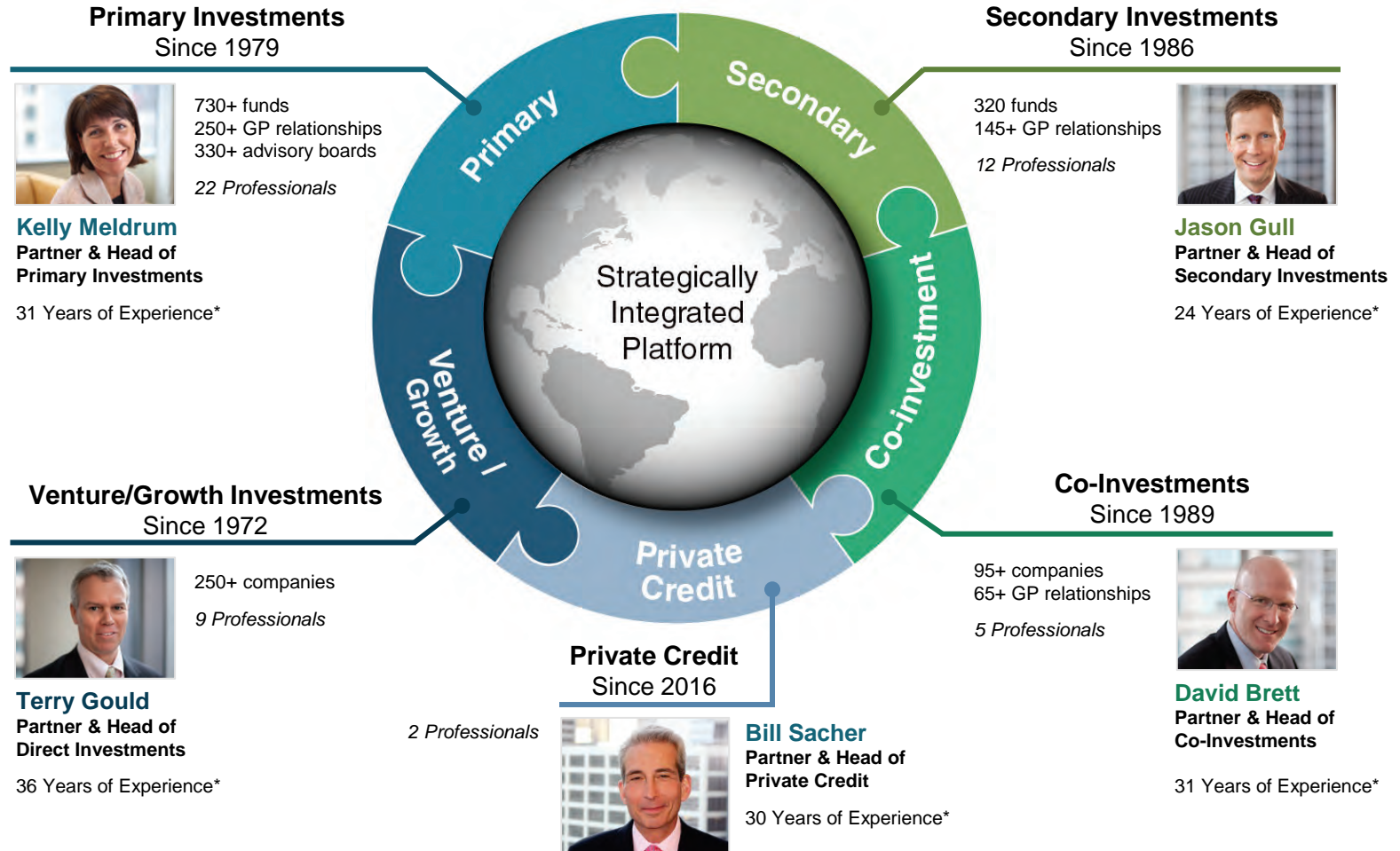
Experienced, Cohesive and Strategically Integrated Platform



Jeff Diehl
Managing Partner &
Head of Investments
21 Years of Experience*



Bon French
Executive
Chairman
39 Years of Experience*



*Investment and Operational
As of December 31, 2015.

Our Footprint Extends Across Five Continents



130+

PEOPLE



7

OFFICES



30+

NATIONS INVESTED



1500+

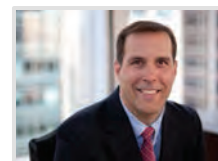
QUALITY OPPORTUNITIES
REVIEWED ANNUALLY

Deep Expertise Around the World

Bon French
Executive Chairman
Chicago



Jeff Diehl
Managing Partner &
Head of Investments
Chicago



FUND INVESTMENTS

Kelly Meldrum
Head of Primary
Investments
Menlo Park



Jason Gull
Head of
Secondary
Investments
Chicago



PRIMARY

Jeff Burgis
Chicago



Doris (Yiyang) Guo
Beijing



Sunil Mishra
Singapore



Michael Taylor
Menlo Park



Adam Chenoweth
Chicago



Jim Korczak
Chicago



Ross Morrison
London



Morgan Webber
Chicago



Arnaud de Cremiers
London



Dominic Maier
London



Sergey Sheshuryak
London



Ling Jen Wu
Singapore



Tom Gladden
Chicago



Saguna Malhotra
Menlo Park



Yar-Ping Soo
Singapore



Yu (Hubert) Zhang
Beijing



SECONDARY

Jeff Akers
Chicago



Joe Goldrick
Chicago



Troy Barnett
Chicago



Greg Holden
London



Charlie Denison
Chicago



Pinal Nicum
London



Kristof Van Overloop
London



DIRECT INVESTMENTS

Dave Brett
Head of
Co-Investments
Chicago



Terry Gould
Head of Direct
Investments
Chicago



Bill Sacher
Head of
Private Credit
New York



CO-INVESTMENTS

Sarah Finneran
Chicago



Sachin Tulyani
London



Benjamin Wallwork
London



Craig Waslin
Chicago



VENTURE CAPITAL/ GROWTH EQUITY

Tom Bremner
Chicago



Jeff Diehl
Chicago



Robin Murray
Menlo Park



Dave Welsh
Menlo Park



Mike Zappert
Menlo Park



PRIVATE CREDIT

Shahab Rashid
New York



INVESTMENT ANALYTICS

Ray Chan
Head of Risk Management
and Advanced Analytics
Chicago



Mharesh Madhavan
Chicago



Toby True
Chicago



Jian Zhang
Chicago



INVESTMENT STRATEGY

Miguel Gonzalo
Head of
Investment Strategy
Chicago



Investment Capabilities

Creating a strategic partnership to meet clients' goals and objectives

	In Market Investment Capabilities			
	Target net return	Strategy	Geographic diversification	Timing and Capacity
Annual Global Program¹	14-18%*	Fund of funds that includes venture, growth, buyout, secondaries, co-investments	Global	\$800 Million
Customized Solutions	Adams Street has flexibility built into our investment process and delivers highly customized portfolios that align with our client's expected risk and return requirements			
US Small Market Buyout Fund	15%+*	Buyout funds and co-investments (\$1.5 Billion and below) which target companies with \$500M or less in enterprise value	US	\$250 Million
Venture/Growth Fund VI	20%+*	Multi-stage IT & Healthcare companies	Mainly US and Western Europe	\$250 Million
Venture Innovation Fund	15%-20%+*	Primary only venture capital funds diversified across manager, stage and geography	Mainly US	\$150 Million
No Fund Currently Available				
Private Credit	10-12%*	Mid buyouts, private debt solutions (first lien, second lien, mezzanine, PIK notes)	US and Europe	2016
Secondaries	15%+*	Secondary transactions	Global	2016
Co-Investments	15-20%*	Buyouts and growth equity investments	Mainly US and Western Europe	2018
European Small Market Buyout Fund	15%+*	Buyout funds and co-investments (€1.5 Billion and below) which target companies with €500M or less in enterprise value	Europe ²	2017

1. Consists of a US Partnership Fund, a Non-US Partnership Fund and a Direct Venture/Growth Equity Fund.

2. Europe defined as Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, UK, Czech Republic, Hungary, Poland and Slovakia.

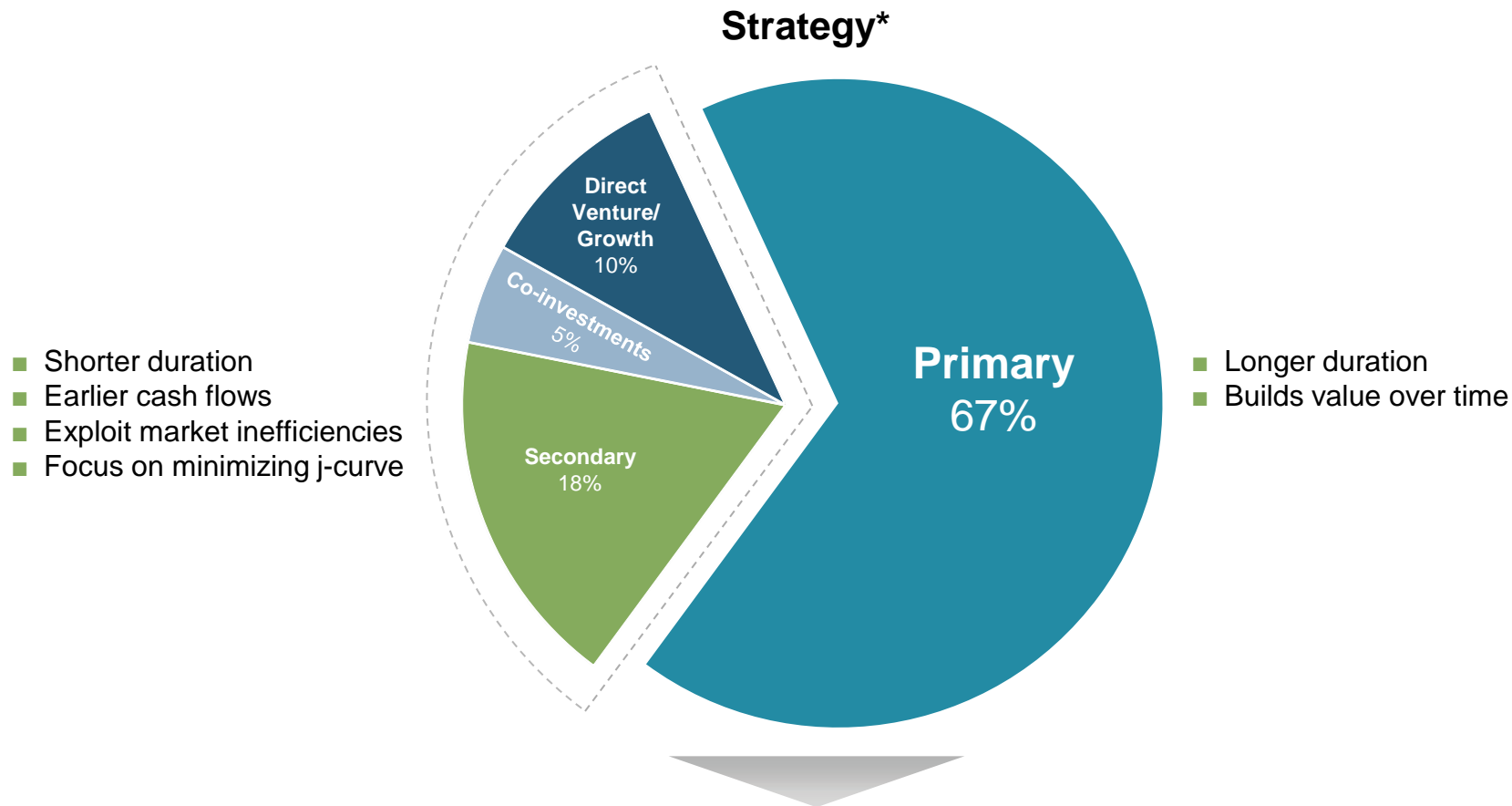
* The targeted annual net return (after Adams Street Partners' fees, expenses and carried interest) is only a target. There can be no guarantee that Adams Street Partners will achieve returns in the targeted range.

■ VCERA Portfolio Review



Building Value While Maximizing IRR

Constructing VCERA's Global Private Equity Program



Target Net Return: **MSCI World + 400 bps****

* Actual allocations will differ once the Program is fully invested.

** The targeted annual net return (after Adams Street Partners' fees, expenses and carried interest) is only a target. There can be no guarantee that the Global Private Equity Program will achieve returns in the targeted range.

Ventura County Employees' Retirement Association

Subscriptions to ASP Global Programs: \$160,000,000

Total portfolio as of September 30, 2015

	Subscription	Amount Drawn	Market Value (NAV)	Distributions Received (D)	Total Value (NAV + D)	3-Year Net IRR	5-Year Net IRR	Net IRR Since Inception	Inception Date	Total Value / Amount Drawn
ASP 2010 Global Program	\$85,000,000	\$56,690,750	\$61,064,467	\$16,203,367	\$77,267,834	14.55%	13.62%	13.51%		1.36x
ASP 2010 US Fund	\$42,500,000	\$26,690,000	\$31,077,446	\$8,147,483	\$39,224,929	16.77%	15.99%	16.40%	5/2010	1.47x
ASP 2010 Non-US Developed Fund	\$25,500,000	\$16,434,750	\$14,247,971	\$4,669,887	\$18,917,858	7.13%	7.20%	6.81%	5/2010	1.15x
ASP 2010 Emerging Markets Fund	\$8,500,000	\$5,729,000	\$6,744,175	\$314,436	\$7,058,611	14.82%	na	10.81%	1/2011	1.23x
ASP 2010 Direct Fund	\$8,500,000	\$7,837,000	\$8,994,875	\$3,071,561	\$12,066,436	18.66%	16.61%	15.32%	5/2010	1.54x
ASP 2013 Global Fund	\$75,000,000	\$27,337,500	\$28,828,954	\$222,166	\$29,051,120	na	na	5.84%	6/2013	1.06x
ASP Program Participant Total	\$160,000,000	\$84,028,250	\$89,893,421	\$16,425,533	\$106,318,954	12.96%	12.48%	12.40%		1.27x

	Committed / Subscription	Drawn / Subscription	Distributed / Drawn
2010 Subscription	100%	67%	29%
2013 Subscription	91%	36%	1%
Grand Total	96%	53%	20%

Activity Since 9/30/15 (10/1/2015 - 2/29/2016)

Commitments*: \$4,035,066

Draws: \$11,482,250

Distributions: \$6,842,128

As investments continue to be made and mature, the ASP Global Program is generating attractive returns and is returning capital to VCERA

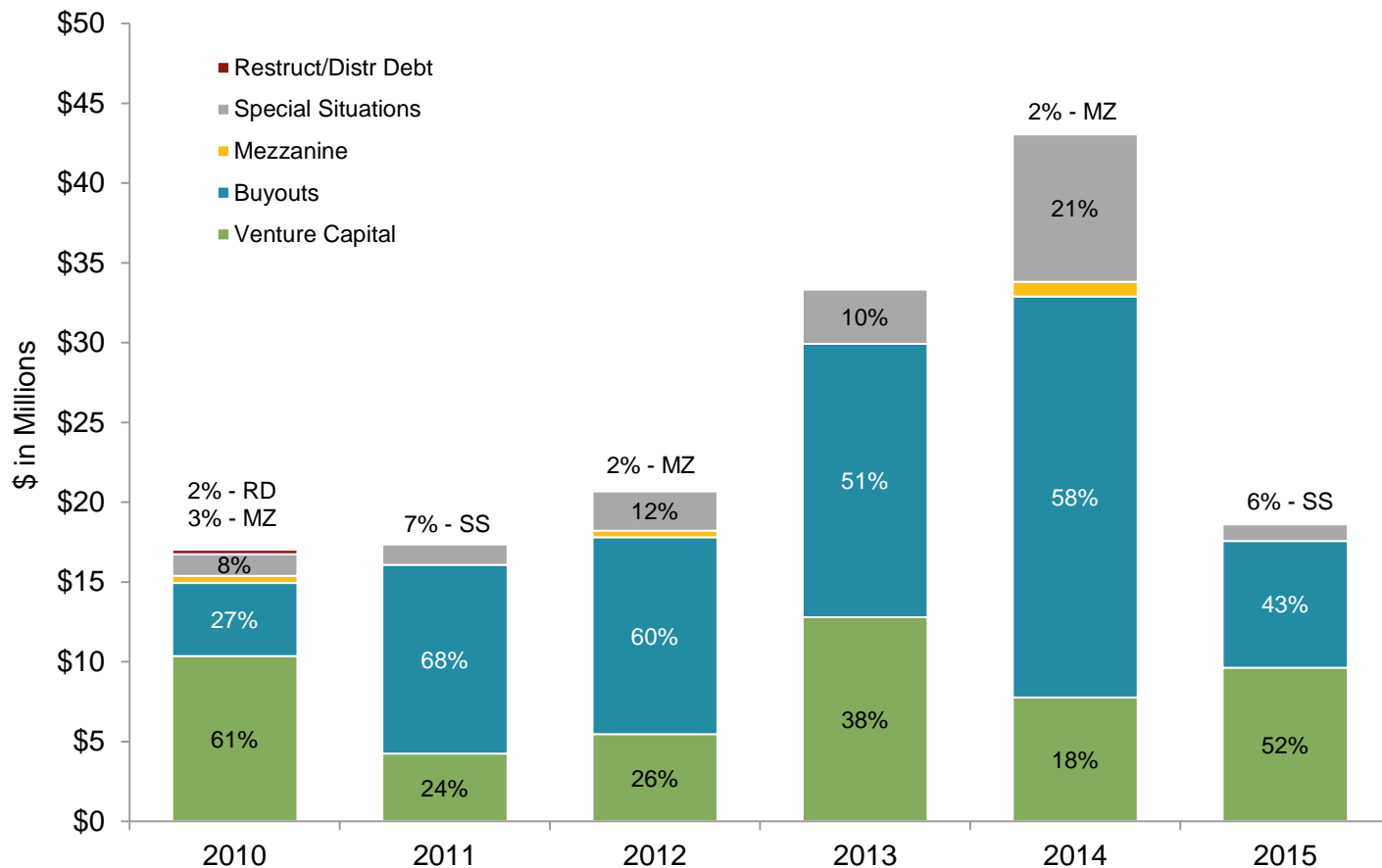
* Q4 2015 Commitments

Performance early in a fund's life is not generally meaningful due to fee drag and immature investments.

Ventura County Employees' Retirement Association

Diversification of underlying investment commitments by vintage year

Total portfolio as of September 30, 2015



Partnership IRR @ 09/30/15	17.9%	22.3%	14.7%	12.1%	N/A	N/A
PE Quartile*	1 st	1 st	2 nd	2 nd	N/A	N/A

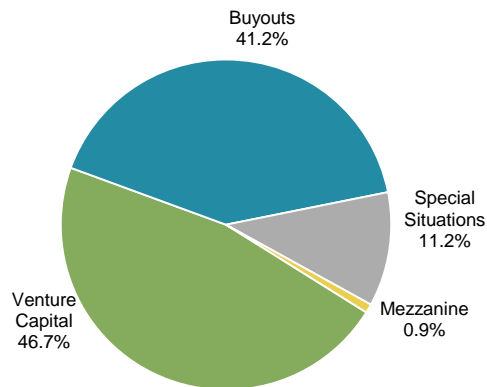
* The Burgiss data presented here includes a global set of funds which are invested on a primary basis in venture capital, buyout, and other strategies and excludes secondary investments. Numbers are subject to updates by Burgiss. Burgiss is a recognized source of private equity data, and the Burgiss Manager Universe includes funds representing the full range of private capital strategies; it may not include all private equity funds and may include some funds which have investment focuses that Adams Street Partners does not invest in. Data and calculations by Burgiss, sourced on January 8, 2016.

Ventura County Employees' Retirement Association

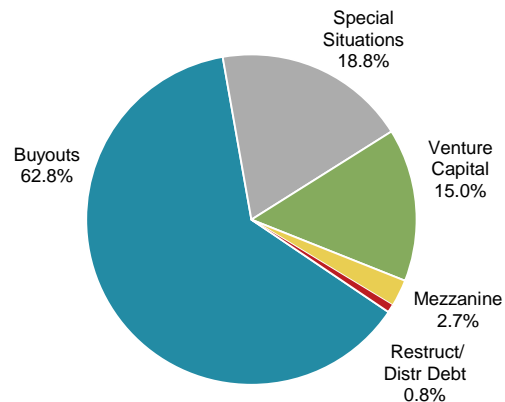
Diversification of investment commitments*

Total portfolio as of September 30, 2015

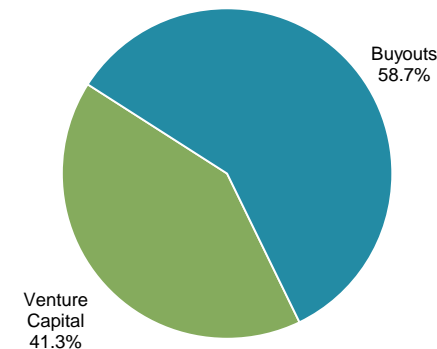
**Primary Partnerships
by Subclass – US**



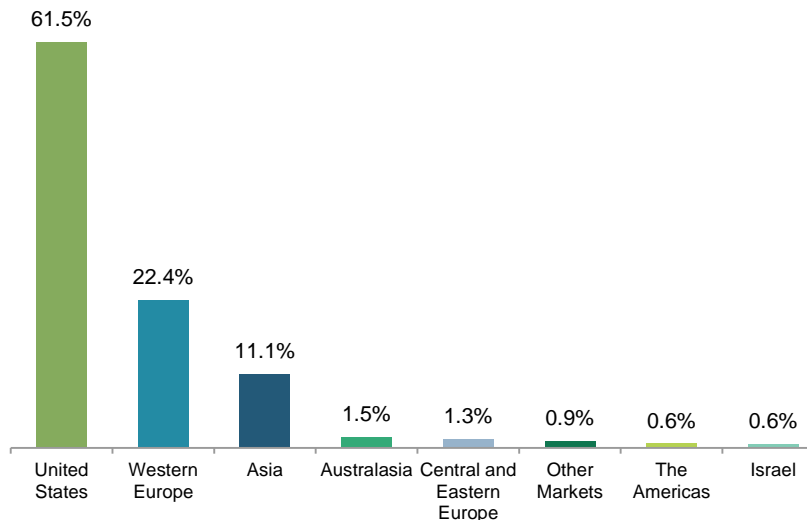
**Primary Partnerships
by Subclass – Developed**



**Primary Partnerships
by Subclass – Emerging**



Geographic – Total



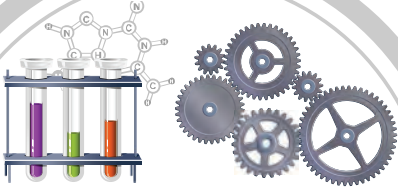
Current Investment Themes Drive our Manager Selection



Software and Technology Enabled Services

ANDREESSEN HOROWITZ Index Ventures

ACCEL KKR



Engineering and Manufacturing

I O P Deutsche Beteiligungs AG

SK CAPITAL



Healthcare 2020

ROUNDTABLE HEALTHCARE PARTNERS GSQUARE

博裕资本 BOYU CAPITAL



Changing Consumer

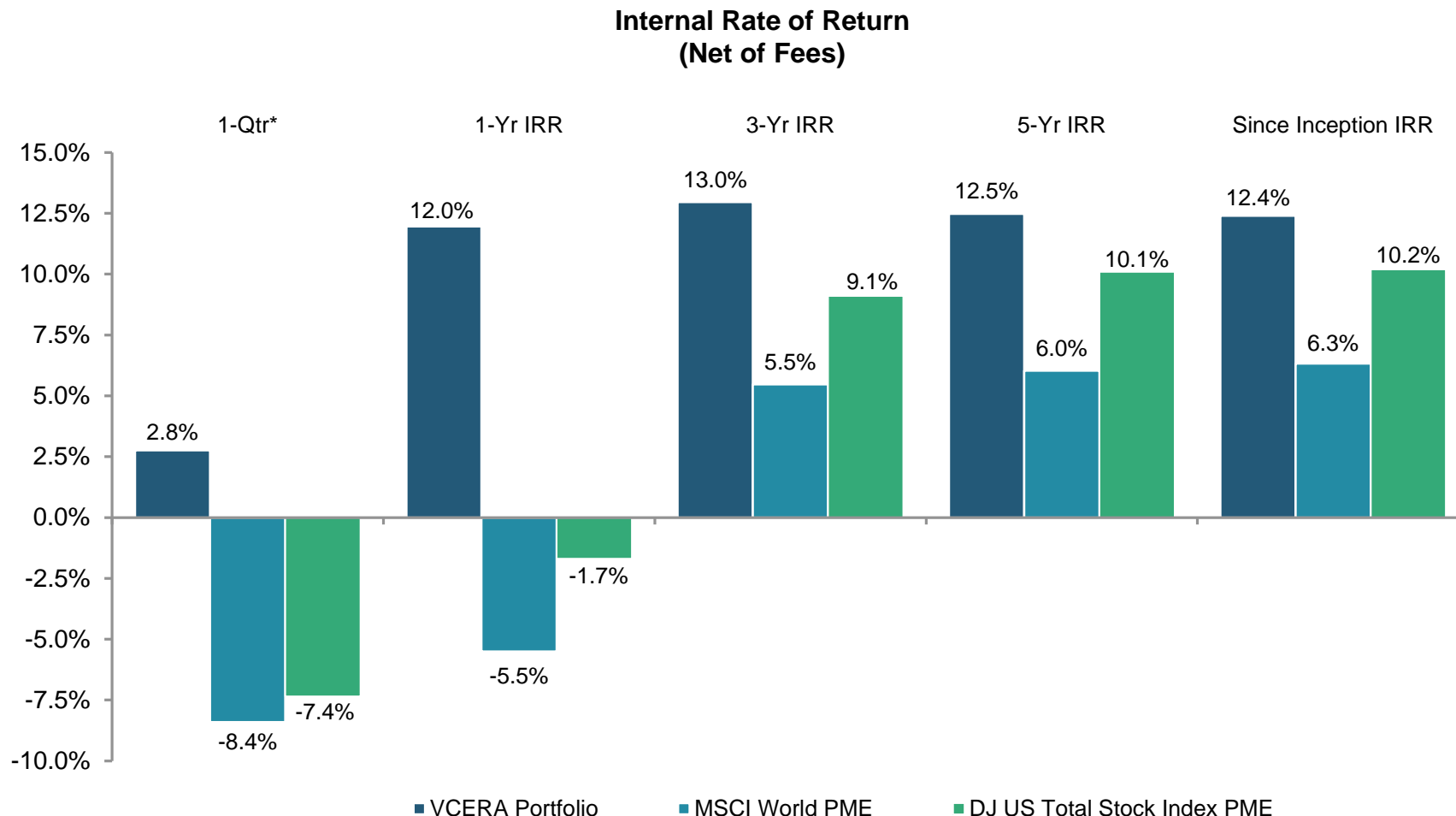
LIVING BRIDGE ALTAMONT CAPITAL PARTNERS

Berkshire Partners

Ventura County Employees' Retirement Association

Intraperiod Returns

Total Portfolio (2010 and 2013 Global Programs) as of September 30, 2015



VCERA's Global PE Program has established meaningful premium over global and US public equity markets

Ventura County Employees' Retirement Association

Performance contributors and detractors in past three years

Total portfolio (2010 and 2013 Global Programs) as of September 30, 2015

■ Contributors

- **Primary investments in venture capital funds** - strong returns in early stage IT focused venture funds have taken advantage of attractive purchase prices, followed by improved exit markets and receptive public markets. US and Emerging Markets most impacted. (28% of NAV)
- **Direct Venture/Growth Funds** - mix of growing IT and healthcare company investments made to date are performing well, with some early exits via IPO and strategic acquisitions driving 2014 and 2015 distributions (15% of NAV)
- **Primary and Secondary investments in buyout funds** – strong fundamental portfolio company growth across sectors well rewarded through favorable public market comparisons and receptive exit markets (47% of NAV)

■ Detractors

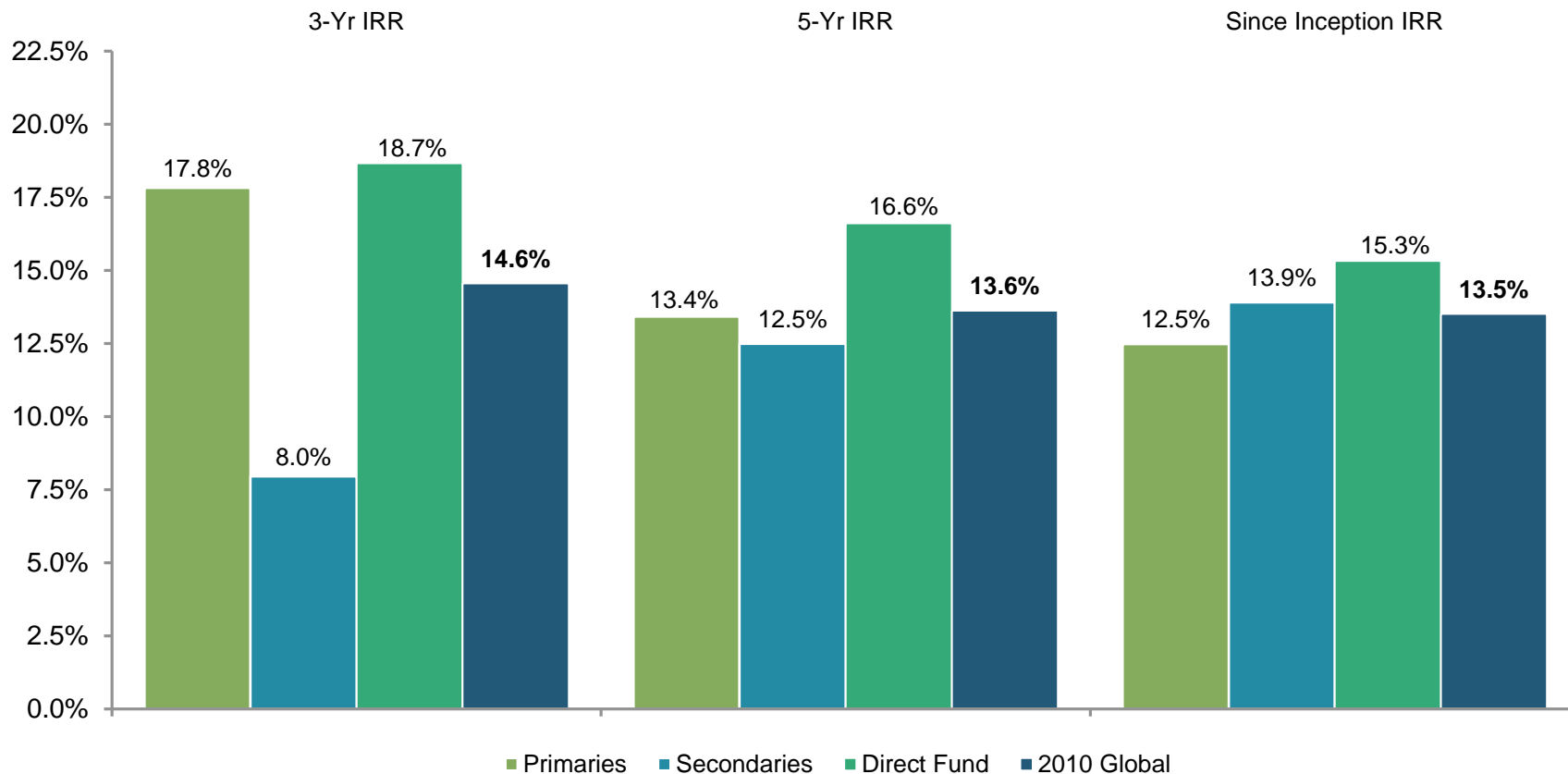
- **Primary and Secondary investments in energy funds** – commodity price pressure having a negative impact on asset valuations in energy space regardless of focus. We feel confident that our diversified mix of upstream E&P, midstream, services, mining & metals and power are well positioned longer term despite recent challenges (8% of NAV)

Ventura County Employees' Retirement Association

Complementary strategies drive long term value creation

2010 Global Program as of September 30, 2015

Internal Rate of Return (Net of Fees)

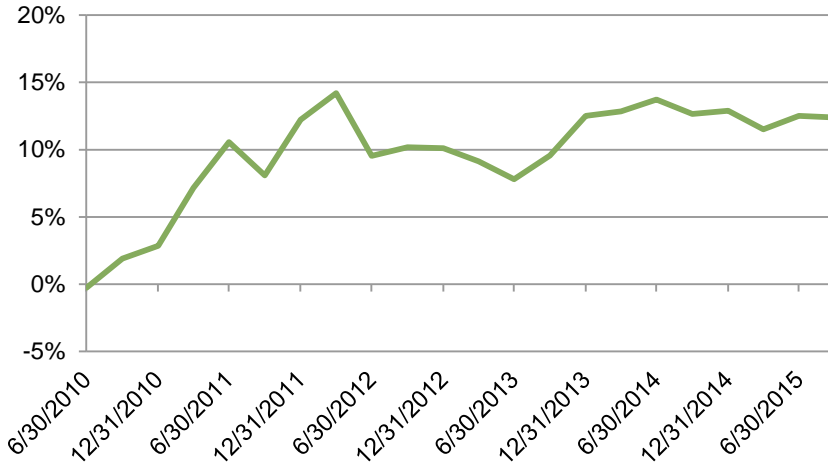


**As Global Program matures, performance drivers shift
from secondaries to primaries and Direct Fund**

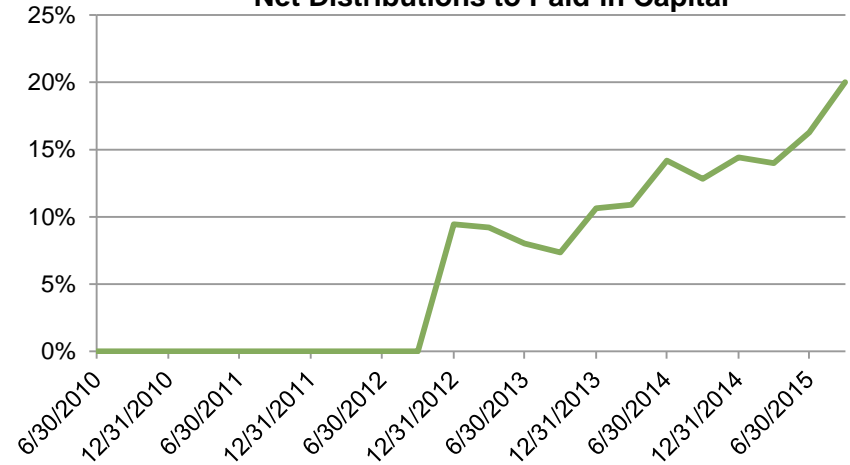
Ventura County Employees' Retirement Association

As of September 30, 2015

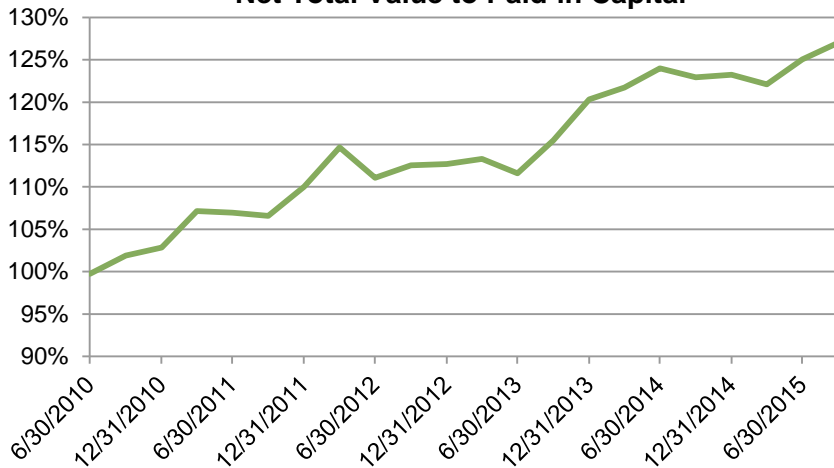
Net IRR



Net Distributions to Paid-in Capital



Net Total Value to Paid-in Capital

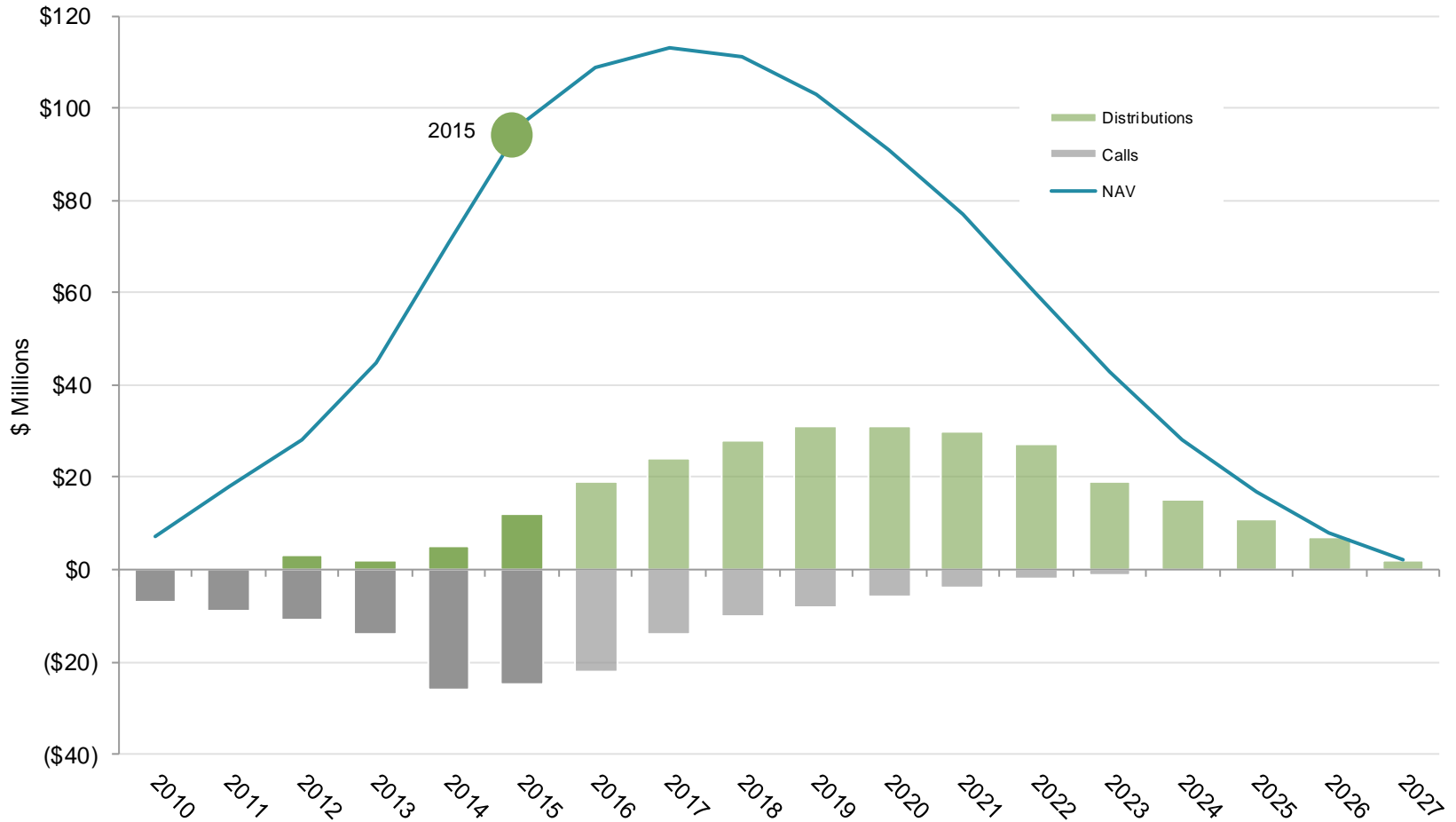


- Portfolio moved quickly through j-curve due to secondaries, value now being driven by maturing primaries
- Portfolio is 96% committed and 53% drawn
- Distribution activity continues to ramp up, now at 20% of drawn capital

Ventura County Employees' Retirement Association

Net asset value, capital calls and distributions (actual and projected)

Represents existing 2010 and 2013 Global Programs, assuming no new investments



NAV should build through 2017, then decline as distributions increase and calls decrease

Estimate/Projected
 \$290M distributed
 \$160M called

Ventura County Employees' Retirement Association

Confirmation of compliance

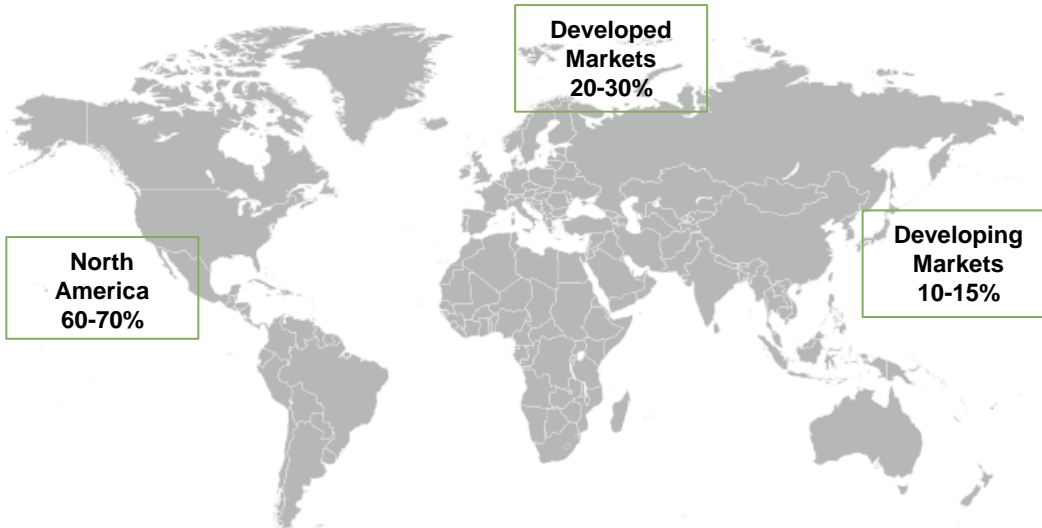
Ventura County Employees' Retirement Association is an investor in Adams Street US Fund 2010 LP, Adams Street Non-US Developed Fund 2010 LP, Adams Street Emerging Markets Fund 2010 LP, Adams Street Direct Fund 2010 LP and Adams Street Global Fund 2013 LP (the "Funds"). The Funds' general partner, Adams Street Partners, LLC, hereby certifies that, to the best of its knowledge, the Funds are in compliance in all material respects with the terms of their respective limited partnership agreements and applicable rules and regulations throughout the year ended December 31, 2015.

■ 2016 Global Program

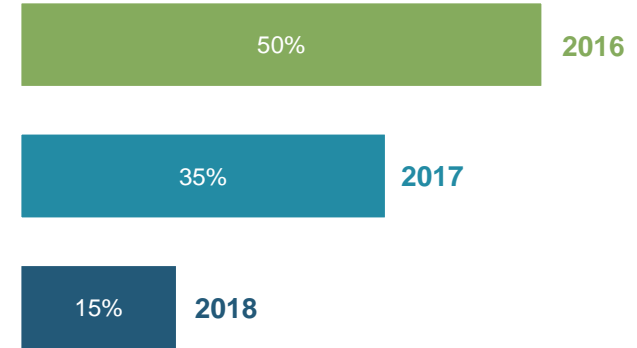


2016 Global Private Equity Program

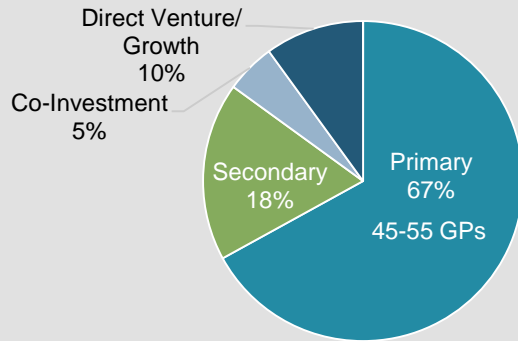
Projected allocations*



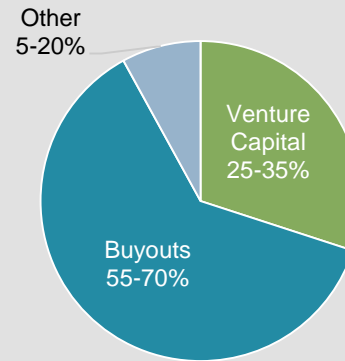
Commitment Pace



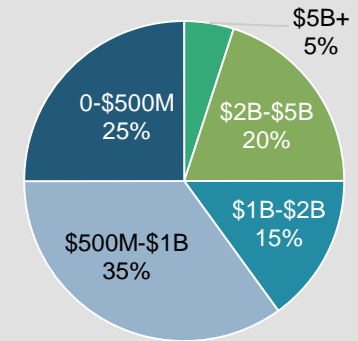
Strategy



Subclass



Primary Buyout Fund Sizes



2016 Annual Global Private Equity Program Already Committed/Near Term Pipeline:



Key Terms and Conditions - VCERA

Adams Street 2016 Global Fund LP*

Target Commitment Period	3 years	
Investment Mix	Expected portfolio ranges: 60-75% primaries; 20%-30% secondaries and co-investments; up to 10% direct venture/growth equity	
Partnership Fund** Management Fees	<u>Subscription Amount</u>	<u>Average Annual Fee***</u>
	First \$25 million	69 basis points
	Over \$25 million up to \$50 million	62
	Over \$50 million up to \$100 million	52
	Over \$100 million up to \$150 million	34
	Amounts Over \$150 million	28
	During the first three years of the Fund, fees are based on the actual amount of capital committed to underlying investments, and fees decline in the later years of the Fund.	
Credit for Prior Subscriptions	For VCERA subscription of \$75million+, a “credit” of \$50million may be applied towards the above management fee schedule.	
Carried Interest	10% on secondary and co-investments; no carried interest on primary investments.	
Direct Fund Management Fees	The portion of a participant’s subscription that is allocated to the Direct Fund will be assessed an annual fee of 2% and 20% carried interest.	

For 2016 commitment of \$75 million or greater, VCERA would pay average annual FoF management fee of 52bps on first \$50m and 34bps on next \$50m

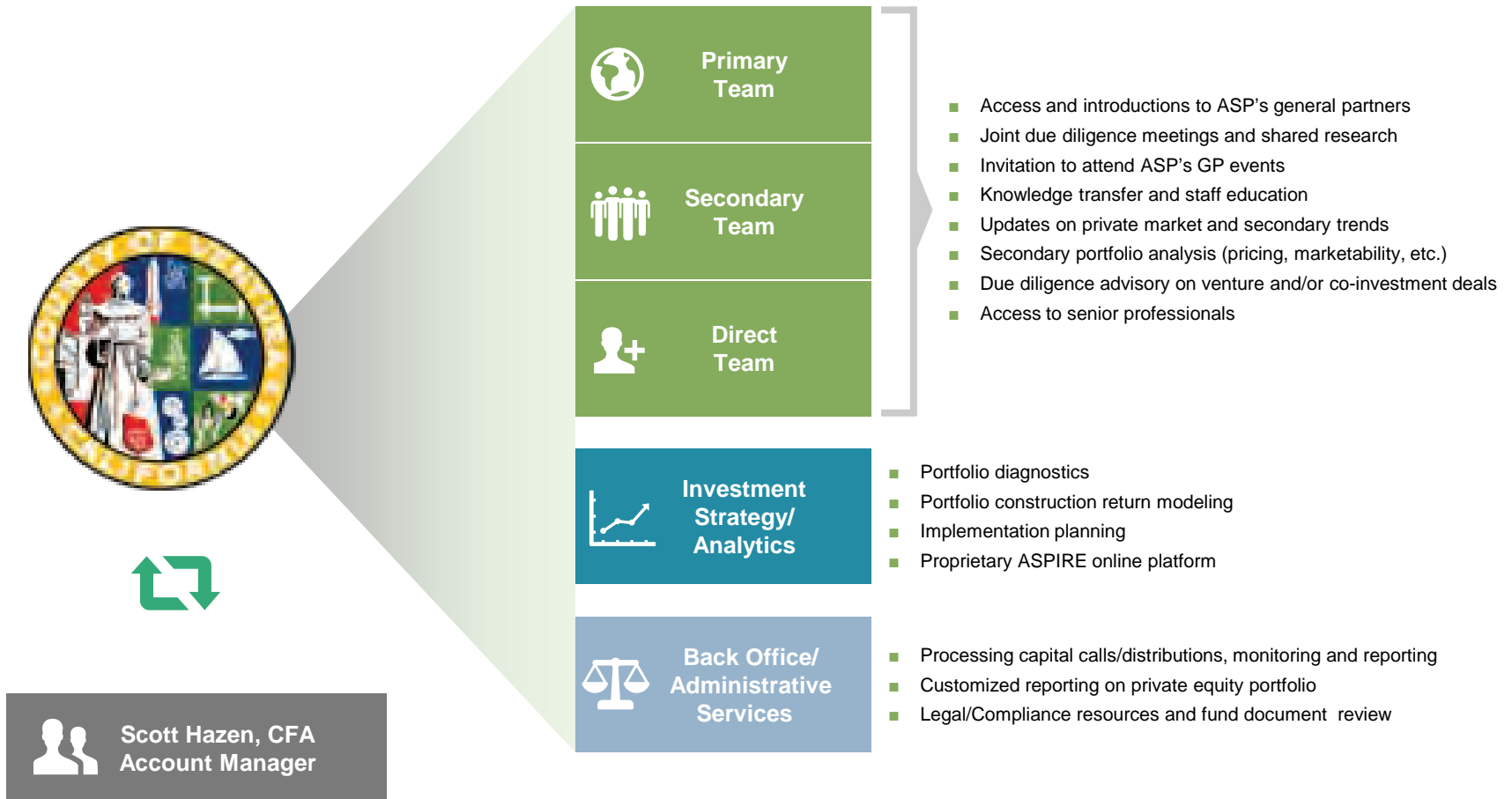
* Adams Street 2016 Global Fund LP solely invests in the Adams Street 2016 US Fund LP, the Adams Street 2016 Non-US Fund LP and the Adams Street 2016 Direct Fund LP.

** The term Partnership Fund refers to the Adams Street US Fund LP and Adams Street 2016 Non-US Fund LP.

*** Average Annual Fee refers to the rate charged on subscription amount, assumes a 15-year life and a commitment pace of 45% year one, 40% year two and 15% in year three. For example, an investor committing \$50 million would have an average Annual Fee of 69 bps on the first \$25 million and 62 bps on the second \$25 million.

Ventura County Employees' Retirement Association

Strategic partnership – access to all of ASP's firm-wide resources

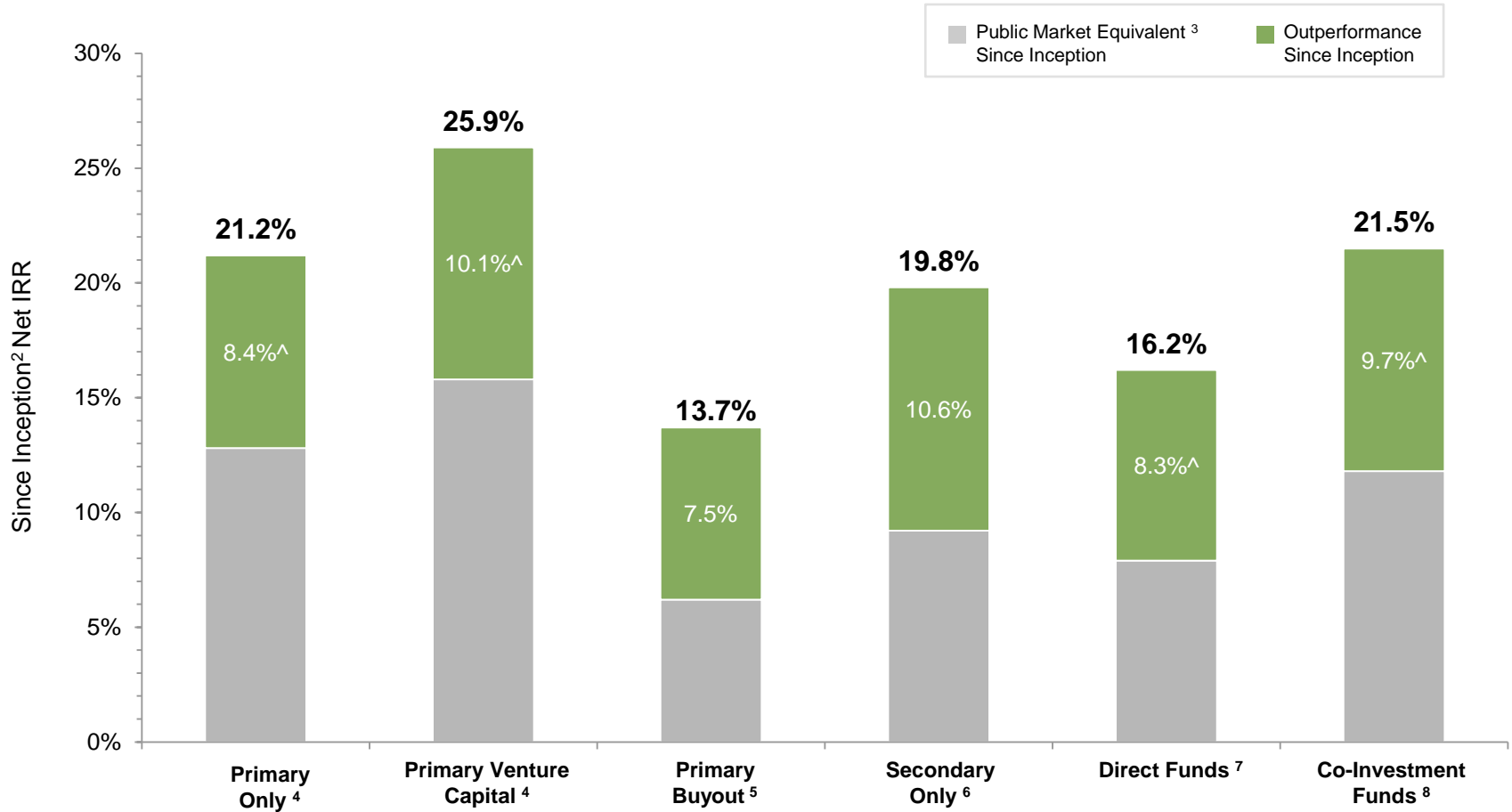


■ Appendix



All Strategies¹ Outperform Public Market Equivalents by 400 bps*

As of September 30, 2015



Investment Professionals

As of March 2, 2016

Name	Office	Title	Years of Private Equity Experience	Degrees and Professional Certifications	Languages
Executive Committee Members					
T. Bondurant French	Chicago	Executive Chairman	33	BA, MBA, CFA	
Jeffrey Diehl	Chicago	Managing Partner, Head of Investments	15	BS, MBA	
Terry Gould	Chicago	Head of Direct Investments	27	BA, MBA	
Jason Gull	Chicago	Head of Secondary Investments	19	BA, MBA, CFA	French
Kelly Meldrum	Menlo Park	Head of Primary Investments	26	BS, CFA	
Primary Investment Team					
Jeffrey Burgis	Chicago	Partner	14	BA, MBA, CPA	
Adam Chenoweth	Chicago	Senior Associate	8	BS, CFA	
Arnaud de Cremiers	London	Partner	14	MA, MS	French
Thomas Gladden	Chicago	Partner	15	BA, MS	
Doris Guo	Beijing	Partner	8	BE, CICPA	Mandarin
James Korczak	Chicago	Partner	16	BBA, MBA, CPA	
Dominic Maier	London	Senior Associate	4	BS, ACA	Croatian, Swedish
Saguna Malhotra	Menlo Park	Partner	19	BS	
Sunil Mishra	Singapore	Partner	9	BE, MBA	Hindi
Ross Morrison	London	Partner	14	BS, ACA	
Sergey Sheshuryak	London	Partner	17	MBA, MS	German, Russian
Yar-Ping Soo	Singapore	Partner	19	BCom., MBA, CFA, CPAA	Cantonese, Hokkien, Malay, Mandarin
Michael Taylor	Menlo Park	Senior Associate	4	BA	
Morgan Webber	Boston	Partner	9	BA, MBA	
Ling-Jen Wu	Singapore	Senior Associate	6	BS	Hokkien, Mandarin
Hubert Zhang	Beijing	Principal	5	BS, MBA	
Secondary Investment Team					
Jeffrey Akers	Chicago	Partner	13	BS, MBA	
Troy Barnett	Chicago	Partner	14	BS, MBA, CFA	
Charles Denison	Chicago	Principal	7	BS, MBA	
Joseph Goldrick	Chicago	Partner	10	BBA, MBA	
Gregory Holden	London	Partner	14	BBA, MBA, CPA	
Pinal Nicum	London	Partner	15	BSc, ACA	Hindi, Marathi
Kristof Van Overloop	London	Senior Associate	4	BS, MA, MA, CFA	Dutch, French

Investment Professionals

As of March 2, 2016

Name	Office	Title	Years of Private Equity Experience	Degrees and Professional Certifications	Languages
Venture Capital / Growth Equity Team					
Thomas Bremner	Chicago	Partner	7	BS, MBA, CFA	Spanish
Robin Murray	Menlo Park	Partner	18	BS, MBA, ACA	
David Welsh	Menlo Park	Partner	16	BA, JD	
Michael Zappert	Menlo Park	Partner	9	BA, MS	
Co-Investment Team					
David Brett	Chicago	Partner, Head of Co-Investments	28	BS, MBA, CPA	
Sarah Finneran	Chicago	Senior Associate	4	BS	
Sachin Tulyani	London	Partner	16	BE, MBA, CAIA, CFA	Hindi
Benjamin Wallwork	London	Principal	1	MA	
Craig Waslin	Chicago	Partner	18	BA, MBA, CFA	
Private Credit Team					
William Sacher	New York	Partner & Head of Private Credit	30	BS, MBA	
Shahab Rashid	New York	Partner & co-founder, Private Credit	15	BS	Urdu, Hindi
Strategy Team					
Miguel Gonzalo	Chicago	Partner, Head of Investment Strategy	16	BA, MBA, CFA	
Associates					
Alexandros Bozoglou	London	Associate	2	BA	Greek
Brian Dudley	Menlo Park	Associate	3	BS	
Jason Frank	Chicago	Associate	<1	BS	
Jonathan Goh	Singapore	Associate	<1	BS	
Eric Klen	Chicago	Associate	2	BS, Series 63	
Marcus Lindroos	Chicago	Associate	<1	BS	
Clinton Miller	Chicago	Associate	<1	BS	
Samuel Shanley	Chicago	Associate	2	BBA	
Alexander Silver	London	Associate	<1	BA	
Michaela Venuti	Menlo Park	Associate	2	BA	
Advanced Analytics & Performance Reporting					
Raymond Chan	Chicago	Partner, Head of Risk Management and Advanced Analytics	13	BS, MS, CFA, FRM	Cantonese, Mandarin
Mhahesh Madhavan	Chicago	Principal	<1	BS	Hindi, Malayalam, Tamil
Tobias True	Chicago	Partner	4	BS, MBA, CFA, FRM	
Jian Zhang	Chicago	Principal	3	BS, MS, PhD, CFA	Mandarin, Norwegian

Scott Hazen, CFA

Partner, Chicago



EDUCATION:

University of Notre Dame,
magna cum laude, BBA

University of Chicago Booth
School of Business, MBA

YEARS OF INVESTMENT/ OPERATIONAL EXPERIENCE:

23

- Scott is a Partner and member of the Client Service team. He works closely with clients in the management of their portfolios, including providing assistance in the development and monitoring of their private equity programs. Additionally, he is actively involved in the portfolio construction and ongoing monitoring of the various fund of funds programs and separate accounts. Scott is also involved in the tracking and analysis of portfolio performance measurement and in the development of consultant relationships.
- Prior to joining the Firm, Scott was an Executive Director and US Equity Strategist with UBS Global Asset Management focusing on portfolio management and client communication responsibilities.
- Prior to this, Scott was an Executive Director and Institutional Client Advisor with UBS Global Asset Management focusing on business development and client relationship management.
- Scott is a member of the CFA Institute and the CFA Society of Chicago.

Saguna Malhotra

Partner, Menlo Park



EDUCATION:

The Wharton School at the
University of Pennsylvania,
B.S

YEARS OF INVESTMENT/ OPERATIONAL EXPERIENCE:

18

- Saguna is a Partner within the Primary Investment Team. She specializes in buyout and venture fund investments, and manages General Partner relationships within these sectors.
- Prior to joining Adams Street, Saguna was the Managing Director of Private Equity at Stanford Management Company, where she oversaw a \$6.0 billion private equity portfolio. In this role, Saguna was also responsible for all facets of portfolio management, including asset allocation, identifying new investment opportunities, managing GP relationships, serving on fund advisory boards, co-investing, and proactively monitoring the portfolio. She was also a member of the investment committee, and was responsible for building and overseeing the broader investment team.
- Prior to joining Stanford in 2005, Saguna was Vice President at Ripplewood Holdings, LLC in New York. In this role she managed business diligence and deal negotiations, including negotiating financing documents, purchase agreements and employment contracts, conducting operational due diligence, and developing business plans. Saguna commenced her career at Morgan Stanley in their Financial Sponsors Group.

Notes to Performance: All Strategies¹ Outperform Public Market Equivalents by 400 bps*

As September 30, 2015

* The strategies listed exceeded public market equivalents by 400 bps based on the composite, since inception IRR for each strategy as described herein.

1. This chart, in USD, shows composite performance of private equity fund investments in Adams Street Partners “Core Portfolios” which are funds and separate accounts (excluding special mandate funds and non-discretionary separate accounts) of which Adams Street Partners is the general partner, manager or investment adviser (as applicable) and for which Adams Street Partners makes discretionary investments in private equity. For each category listed in the chart, performance is shown on a composite basis for all investments in Core Portfolios that are within that category. The returns presented in this chart do not represent returns achieved by any particular Adams Street Partners fund or any investor in an Adams Street Partners fund. For Adams Street Partners funds’ net returns, please see the Adams Street Partners Net Performance chart in the notes section of this presentation.
2. With respect to Adams Street Partners primary and secondary investments, IRRs are net of fees, carried interest and expenses charged to the underlying private equity funds, but are gross of Adams Street Partners’ fees, carried interest and expenses, which reduce returns to investors. For the effect of Adams Street Partners’ fees, carried interest and expenses on Adams Street Partners’ fund returns to investors, please see Adams Street Partners Net Performance chart in the notes section of this presentation. There can be no guarantee that unrealized investments will ultimately be liquidated at the values reflected in this return data. With respect to Adams Street Partners direct/co-investment funds included in this data, performance is net of Adams Street Partners’ fees, carried interest and expenses.
3. Public Market Equivalent (PME) is calculated using the MSCI World Index.
4. Inception date as of November 1, 1979.
5. Inception date as of February 21, 1985.
6. Inception date as of August 29, 1986.
7. Inception date as of March 1, 1989. Composite since inception IRR is net of Adams Street Partners’ fees, carried interest and expenses. IVCF II, a component of this composite, charged only management fees and expenses. Includes IVCF II (invested in both partnerships and direct portfolio companies), IVCF III, BVCF IV, AS V, AS 2006, AS 2007, AS 2008, AS 2009, AS 2010, AS 2011, AS 2012, AS 2013, AS 2014, AS 2015 and AS Venture/Growth VI. Inception date as of September 5, 1989. Co-Investment Funds includes a separate account (1992-1998), Co-Investment I (2006), II (2009) and III (2014).
8. Inception date as of July 8, 1992. Co-Investment Funds includes a separate account (1992-1998), Co-Investment I (2006), II (2009) and III (2014).

^ For some periods, it was not possible to calculate traditional PME because the pace of distributions would have created a short position in the public index. In these cases PME is calculated using the “Direct Alpha” PME methodology (Gredil, Griffiths, Stucke, “Benchmarking Private Equity: The Direct Alpha Method,” 2014). Mathematically, Direct Alpha PME is equal to the IRR of the future value of cash flows, where future value is based on the return of the benchmark index, less than the IRR of the actual value of the cash flows.

Past performance is not a guarantee of future results.



Ventura County Employees' Retirement Association

March 21, 2016

Presenting to you today



Dennis McCrary, Partner (joined 2007, 22 years of private equity experience)

Dennis is Chair of the Co-Investment Committee and the Global Secondary Investment Committee and is a member of the U.S. Regional Investment Committee and the International Investment Committee. Dennis was previously the head of the U.S. Partnership Team at Adams Street Partners where he was responsible for primary and secondary fund investments, and was a member of the firm's global investment committee. Previously, Dennis held several investment banking and principal investing positions during a 20-year career with Bank of America and Continental Bank. Dennis received an MBA from the University of Michigan and a BA from Michigan State University. Dennis is based in San Francisco and Chicago.

dennis.mccrary@pantheon.com



Matt Garfinkle, Partner (joined 1999, 18 years of private equity experience)

Matt leads Pantheon's San Francisco secondary team and is a member of the Global Secondary Investment Committee as well as the Global Infrastructure & Real Assets Committee. Matt assists in the sourcing, evaluation, structuring, execution and monitoring of North American secondary investment opportunities. He also participates in fund monitoring, firm marketing and client reporting. Matt joined Pantheon in July 1999, having worked the previous three years with Cambridge Associates in their Boston and Menlo Park offices. Matt received a BA in history and economics from Brown University, and is a CFA charterholder. Matt is based in San Francisco.

matt.garfinkle@pantheon.com



Sprague Von Stroh, Principal (joined 2007, 9 years of private equity experience)

Sprague focuses on client servicing and marketing efforts in North America. Previously, Sprague was an associate at Grosvenor Capital Management, L.P., a hedge fund of funds in Chicago. Prior to that, Sprague was an institutional sales associate at Fulcrum Global Partners, L.P., a sell-side research and brokerage firm in Chicago, where she worked on the sales and trading desk. Sprague held internship positions at Prudential Securities, Bourgeon Capital Management, LLC, and Fulcrum Global Partners, L.P. while attending Colgate University, where she received a BA in psychology with an emphasis in research. Sprague is based in San Francisco.

sprague.vonstroh@pantheon.com

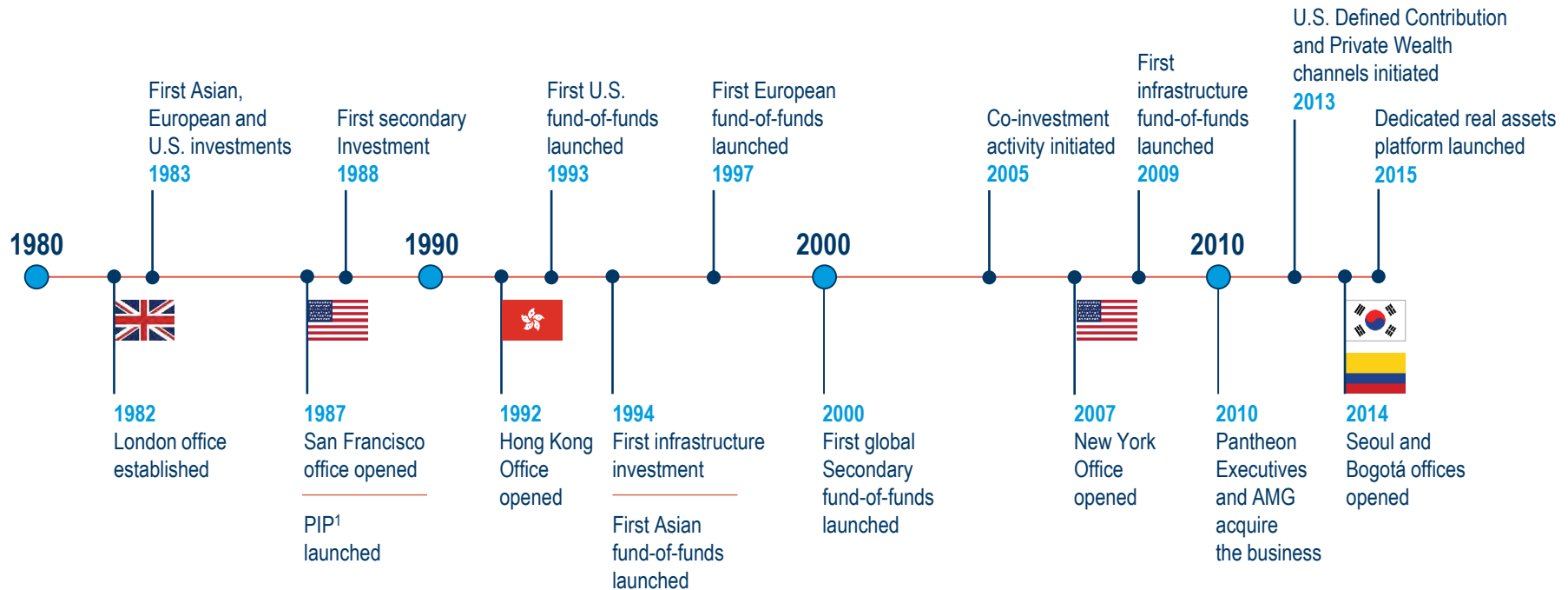
Agenda

- Pantheon overview
- Partnering with Pantheon
- Secondaries Update
- Appendix



Pantheon overview

Investing in private equity assets for over 30 years



69 investment professionals²

\$32.4bn funds under management³

8,000 GPs in Pantheon's database

Pantheon holds over **300** advisory board seats

Over **380** individual institutional clients globally

33 years of investment experience covering global private markets

¹ Pantheon International PLC

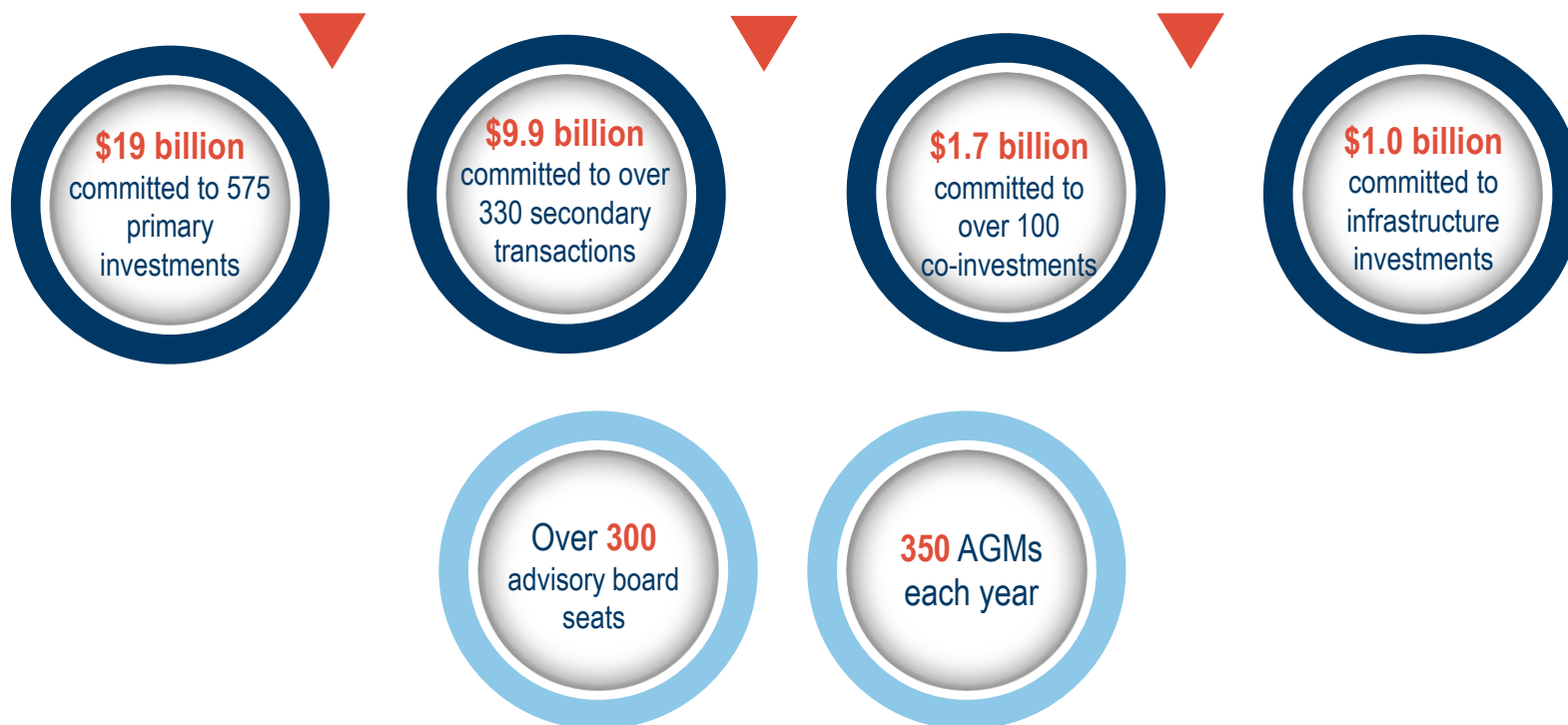
² As of March 1, 2016

³ As of September 30, 2015. This figure includes assets subject to discretionary or non-discretionary management, advice or those limited to a reporting function



Pantheon: private markets specialist

\$32.4 billion managed for over 380 investors



The above invested and distributed figures are as of September 30, 2015. All other figures as of October 1, 2015
The figure includes assets subject to discretionary and non-discretionary management advice as these limited to a reporting function.



Global capabilities

International Investment Committee



Chris Meads
Head of Investment



Susan Long McAndrews
Partner



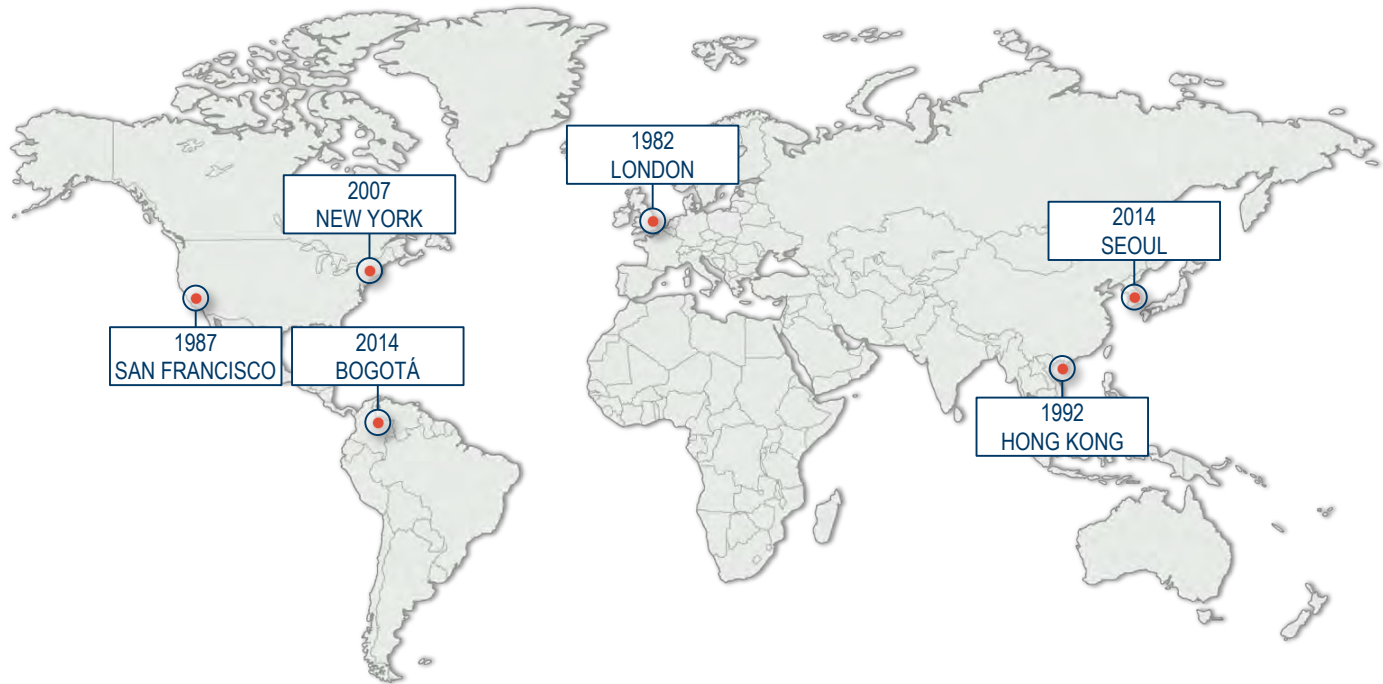
Dennis McCrary
Partner



Helen Steers
Partner



Elly Livingstone
Partner



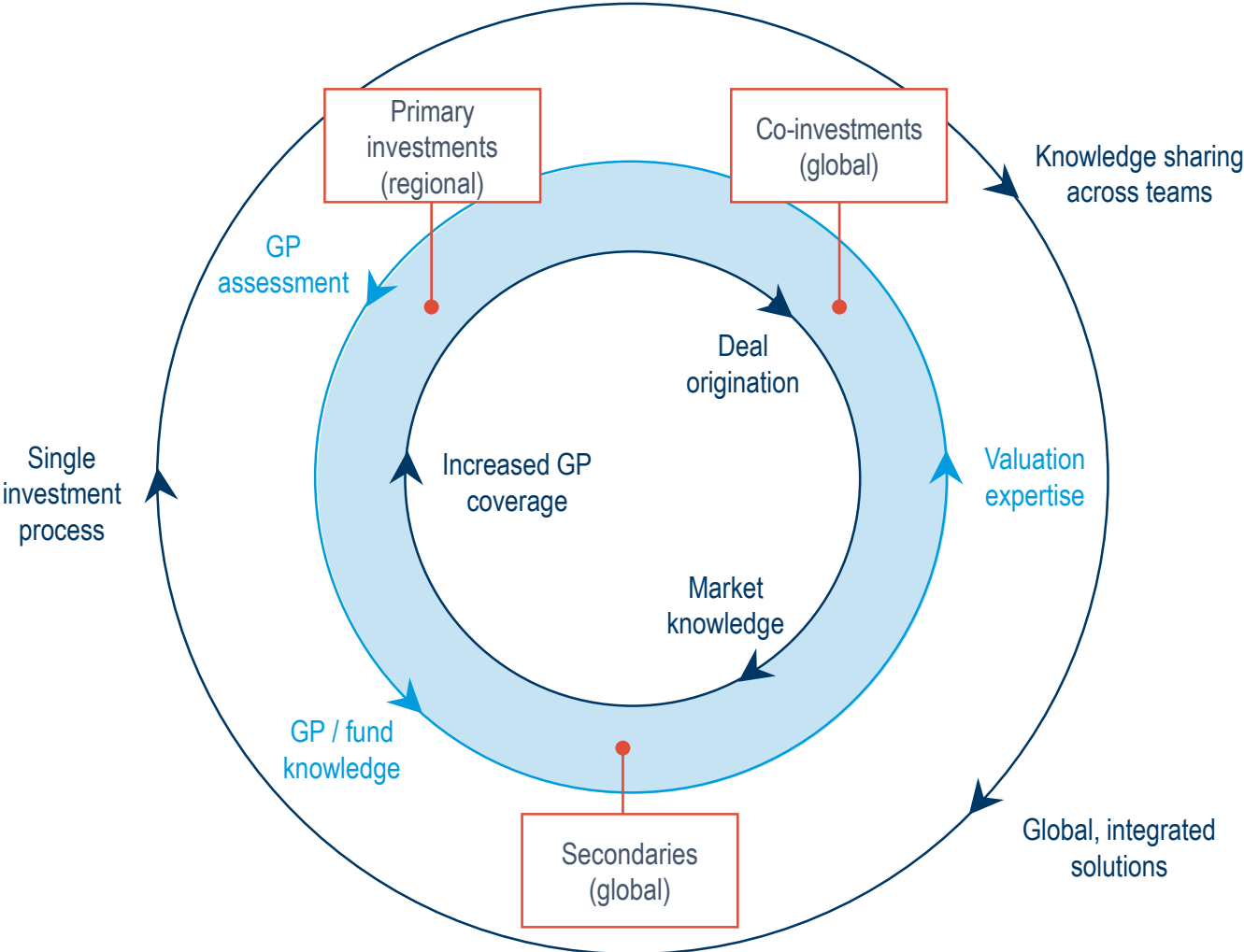
The Americas	Europe	Asia
29 years Ten U.S. funds US\$17.9bn AUM¹	34 years Eight European funds US\$8.1bn AUM¹	24 years Seven Asian funds US\$3.5bn AUM¹
<ul style="list-style-type: none"> > Investment team: 34 > PE Experience: 339 years > Languages: 9 	<ul style="list-style-type: none"> > Investment team 27 > PE Experience: 330 years > Languages: 14 	<ul style="list-style-type: none"> > Investment team: 8 > PE Experience: 91 years > Languages: 6

As of March 1, 2016

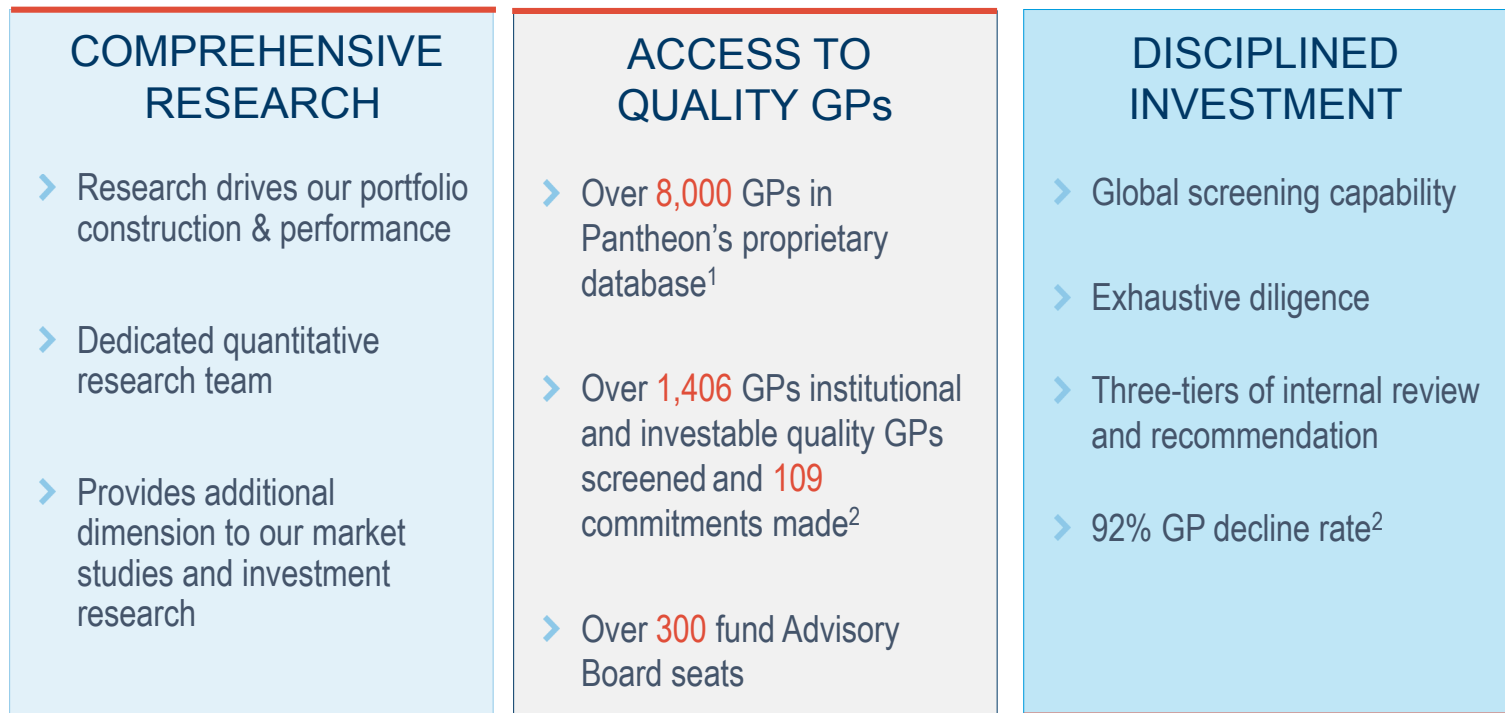
¹ As of September 30, 2015. This figure includes assets subject to discretionary or non-discretionary management, advice or those limited to a reporting function. Excludes Global and RoW.



Integrated global platform



Disciplined investment approach

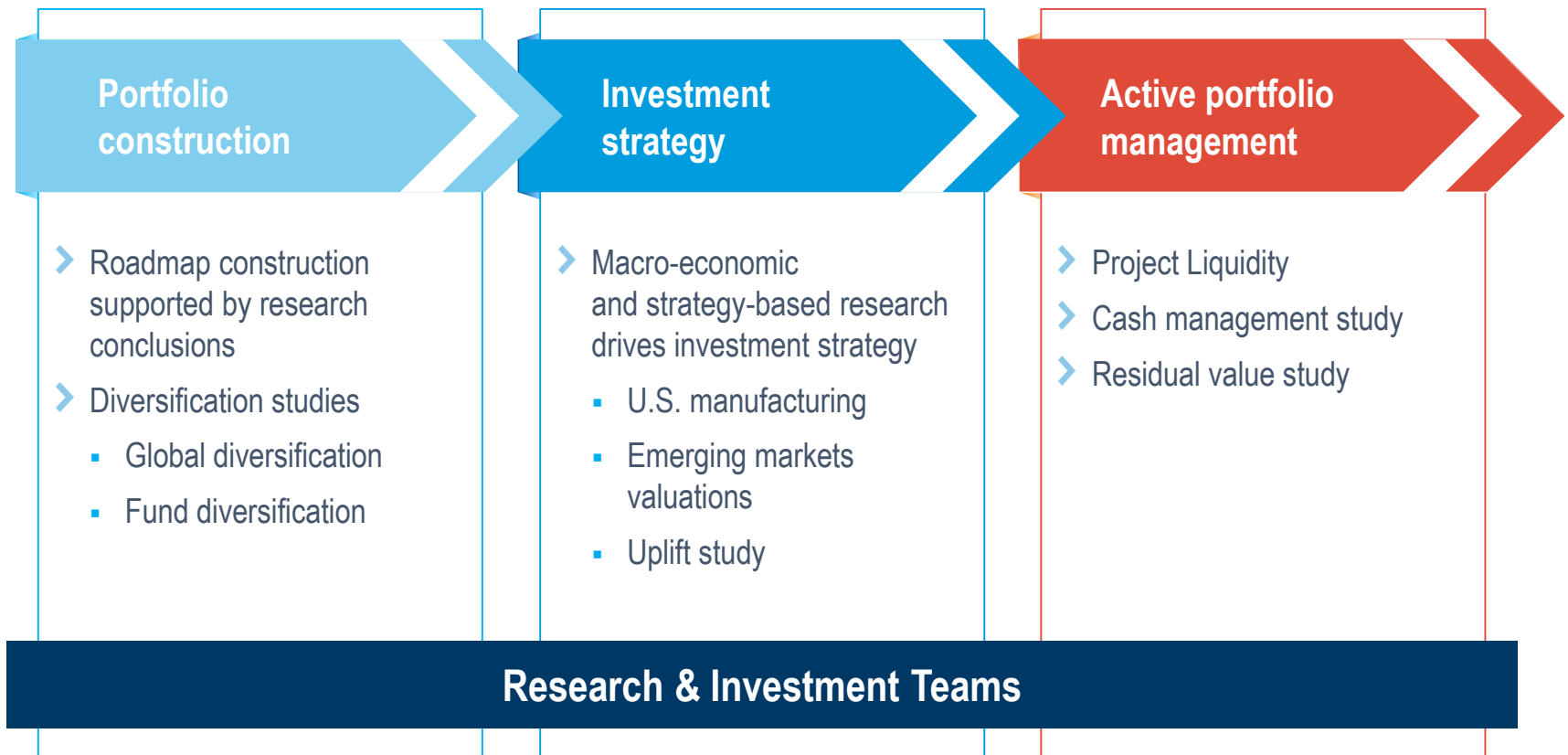


← Each of these plays a significant role in manager selection →

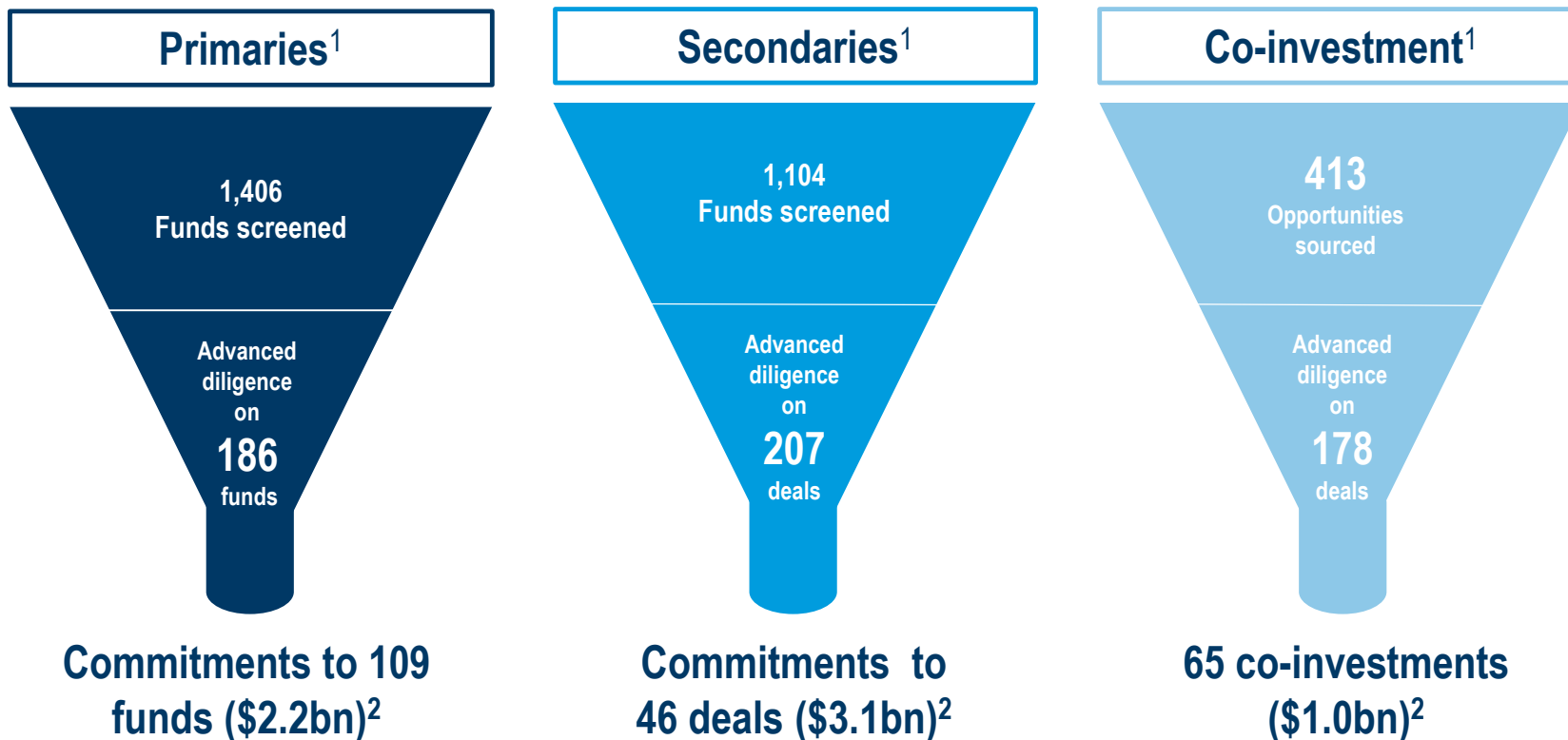
¹ Source: Pantheon, Pantheon has data on more than 8,000 GPs in its proprietary database as at January 31, 2014

² Source: Pantheon; Funds reviewed by Pantheon from 2012 – 2015 as of September 30, 2015

Research drives investment strategy



Comprehensive market coverage



Pantheon holds over 300 advisory board seats

The numbers above are subject to rounding differences.

Private equity primary funds, secondaries and co-investment opportunities reviewed by Pantheon from 2012-2015

¹Funds reviewed by Pantheon from 2012-2015. ²As of September 30, 2015

Pantheon's rigorous diligence approach



➤ Identify key capabilities and drivers of success

- Decision making dynamics
- Robustness of systems and processes
- Business culture
- Manager Life Cycle
- Succession



➤ Detailed assessment of manager's track-record applying proprietary tools

- Understand value creation mechanisms
- Identify contribution of key individuals and sector, stage and geography exposures
- Cross-reference track-record with proposed strategy



➤ Develop a view on effectiveness and relevance of Manager's strategy

- Evaluate manager's skill-set and assess ability to deliver strategy according to plan
- Benchmark manager against relevant peer group
- Identify threats to successful execution of stated strategy



➤ Assess investment fit with portfolio and impact on diversification by

- Industry
- Geography
- Stage
- Sponsor
- Vintage year
- Evaluate alternative managers to ensure optimal portfolio fit

Integrated process with specialist teams



Partnering with Pantheon



What does Pantheon offer?

Secondary funds

- Investors commit capital to a secondary fund, which identifies and buys interests in existing primary funds from other investors
- Buyer retains seller in the acquired primary funds
- Usually the primary funds are partially or fully invested, so acquired assets are generally known at the time of purchase

Secondary funds are typically structured as follows:

```

    graph TD
      LP[Primary LP] --> SF[Secondary Fund LP]
      SF --> SF1[Primary Fund 1]
      SF --> SF2[Primary Fund 2]
      SF --> SF3[Primary Fund 3]
      SF --> SF4[Primary Fund 4]
      SF --> SF5[Primary Fund 5]
      SF --> SF6[Primary Fund 6]
      SF --> SF7[Primary Fund 7]
      SF --> SF8[Primary Fund 8]
      SF --> SF9[Primary Fund 9]
      SF --> SF10[Primary Fund 10]
      SF --> SF11[Primary Fund 11]
      SF --> SF12[Primary Fund 12]
      SF --> SF13[Primary Fund 13]
      SF --> SF14[Primary Fund 14]
      SF --> SF15[Primary Fund 15]
      SF --> SF16[Primary Fund 16]
      SF --> SF17[Primary Fund 17]
      SF --> SF18[Primary Fund 18]
      SF --> SF19[Primary Fund 19]
      SF --> SF20[Primary Fund 20]
      SF --> SF21[Primary Fund 21]
      SF --> SF22[Primary Fund 22]
      SF --> SF23[Primary Fund 23]
      SF --> SF24[Primary Fund 24]
      SF --> SF25[Primary Fund 25]
      SF --> SF26[Primary Fund 26]
      SF --> SF27[Primary Fund 27]
      SF --> SF28[Primary Fund 28]
      SF --> SF29[Primary Fund 29]
      SF --> SF30[Primary Fund 30]
      SF --> SF31[Primary Fund 31]
      SF --> SF32[Primary Fund 32]
      SF --> SF33[Primary Fund 33]
      SF --> SF34[Primary Fund 34]
      SF --> SF35[Primary Fund 35]
      SF --> SF36[Primary Fund 36]
      SF --> SF37[Primary Fund 37]
      SF --> SF38[Primary Fund 38]
      SF --> SF39[Primary Fund 39]
      SF --> SF40[Primary Fund 40]
      SF --> SF41[Primary Fund 41]
      SF --> SF42[Primary Fund 42]
      SF --> SF43[Primary Fund 43]
      SF --> SF44[Primary Fund 44]
      SF --> SF45[Primary Fund 45]
      SF --> SF46[Primary Fund 46]
      SF --> SF47[Primary Fund 47]
      SF --> SF48[Primary Fund 48]
      SF --> SF49[Primary Fund 49]
      SF --> SF50[Primary Fund 50]
      SF --> SF51[Primary Fund 51]
      SF --> SF52[Primary Fund 52]
      SF --> SF53[Primary Fund 53]
      SF --> SF54[Primary Fund 54]
      SF --> SF55[Primary Fund 55]
      SF --> SF56[Primary Fund 56]
      SF --> SF57[Primary Fund 57]
      SF --> SF58[Primary Fund 58]
      SF --> SF59[Primary Fund 59]
      SF --> SF60[Primary Fund 60]
      SF --> SF61[Primary Fund 61]
      SF --> SF62[Primary Fund 62]
      SF --> SF63[Primary Fund 63]
      SF --> SF64[Primary Fund 64]
      SF --> SF65[Primary Fund 65]
      SF --> SF66[Primary Fund 66]
      SF --> SF67[Primary Fund 67]
      SF --> SF68[Primary Fund 68]
      SF --> SF69[Primary Fund 69]
      SF --> SF70[Primary Fund 70]
      SF --> SF71[Primary Fund 71]
      SF --> SF72[Primary Fund 72]
      SF --> SF73[Primary Fund 73]
      SF --> SF74[Primary Fund 74]
      SF --> SF75[Primary Fund 75]
      SF --> SF76[Primary Fund 76]
      SF --> SF77[Primary Fund 77]
      SF --> SF78[Primary Fund 78]
      SF --> SF79[Primary Fund 79]
      SF --> SF80[Primary Fund 80]
      SF --> SF81[Primary Fund 81]
      SF --> SF82[Primary Fund 82]
      SF --> SF83[Primary Fund 83]
      SF --> SF84[Primary Fund 84]
      SF --> SF85[Primary Fund 85]
      SF --> SF86[Primary Fund 86]
      SF --> SF87[Primary Fund 87]
      SF --> SF88[Primary Fund 88]
      SF --> SF89[Primary Fund 89]
      SF --> SF90[Primary Fund 90]
      SF --> SF91[Primary Fund 91]
      SF --> SF92[Primary Fund 92]
      SF --> SF93[Primary Fund 93]
      SF --> SF94[Primary Fund 94]
      SF --> SF95[Primary Fund 95]
      SF --> SF96[Primary Fund 96]
      SF --> SF97[Primary Fund 97]
      SF --> SF98[Primary Fund 98]
      SF --> SF99[Primary Fund 99]
      SF --> SF100[Primary Fund 100]
      
```

Secondary funds are typically structured as follows:

- Primary LP
- Secondary Fund LP
- Primary Fund 1
- Primary Fund 2
- Primary Fund 3
- Primary Fund 4
- Primary Fund 5
- Primary Fund 6
- Primary Fund 7
- Primary Fund 8
- Primary Fund 9
- Primary Fund 10
- Primary Fund 11
- Primary Fund 12
- Primary Fund 13
- Primary Fund 14
- Primary Fund 15
- Primary Fund 16
- Primary Fund 17
- Primary Fund 18
- Primary Fund 19
- Primary Fund 20
- Primary Fund 21
- Primary Fund 22
- Primary Fund 23
- Primary Fund 24
- Primary Fund 25
- Primary Fund 26
- Primary Fund 27
- Primary Fund 28
- Primary Fund 29
- Primary Fund 30
- Primary Fund 31
- Primary Fund 32
- Primary Fund 33
- Primary Fund 34
- Primary Fund 35
- Primary Fund 36
- Primary Fund 37
- Primary Fund 38
- Primary Fund 39
- Primary Fund 40
- Primary Fund 41
- Primary Fund 42
- Primary Fund 43
- Primary Fund 44
- Primary Fund 45
- Primary Fund 46
- Primary Fund 47
- Primary Fund 48
- Primary Fund 49
- Primary Fund 50
- Primary Fund 51
- Primary Fund 52
- Primary Fund 53
- Primary Fund 54
- Primary Fund 55
- Primary Fund 56
- Primary Fund 57
- Primary Fund 58
- Primary Fund 59
- Primary Fund 60
- Primary Fund 61
- Primary Fund 62
- Primary Fund 63
- Primary Fund 64
- Primary Fund 65
- Primary Fund 66
- Primary Fund 67
- Primary Fund 68
- Primary Fund 69
- Primary Fund 70
- Primary Fund 71
- Primary Fund 72
- Primary Fund 73
- Primary Fund 74
- Primary Fund 75
- Primary Fund 76
- Primary Fund 77
- Primary Fund 78
- Primary Fund 79
- Primary Fund 80
- Primary Fund 81
- Primary Fund 82
- Primary Fund 83
- Primary Fund 84
- Primary Fund 85
- Primary Fund 86
- Primary Fund 87
- Primary Fund 88
- Primary Fund 89
- Primary Fund 90
- Primary Fund 91
- Primary Fund 92
- Primary Fund 93
- Primary Fund 94
- Primary Fund 95
- Primary Fund 96
- Primary Fund 97
- Primary Fund 98
- Primary Fund 99
- Primary Fund 100

Proprietary due diligence tools support thorough analysis

- Portfolio analysis tool**
 - Performance analysis on attribution and trended components
 - Thorough report of key portfolio metrics
 - Provides trends for further investigation
- Profit utilization**
 - Provides insight into how managers create value
 - Evaluates impact of leverage, market arbitrage and savings growth
- Peer group benchmarking**
 - Best-in-class analysis of asset class manager performance
 - Surveys global portfolio to advanced

Research

in>focus: Keeping Close Watch on China's Debt Problem

Executive Summary

China's debt problem is a major concern for investors. The government's debt-to-GDP ratio is rising, and the country's credit rating is under pressure. This paper aims to provide a comprehensive overview of the debt problem and its implications for investors.

The debt problem is a major concern for investors. The government's debt-to-GDP ratio is rising, and the country's credit rating is under pressure. This paper aims to provide a comprehensive overview of the debt problem and its implications for investors.

Investment Expertise

Excellent global long-term track record As of March 31, 2015

Pantheon Europe Fund V/W LP Portfolio Risk Ratings

Pantheon Europe Fund V/W LP Risk Report 31 December 2013

Investors

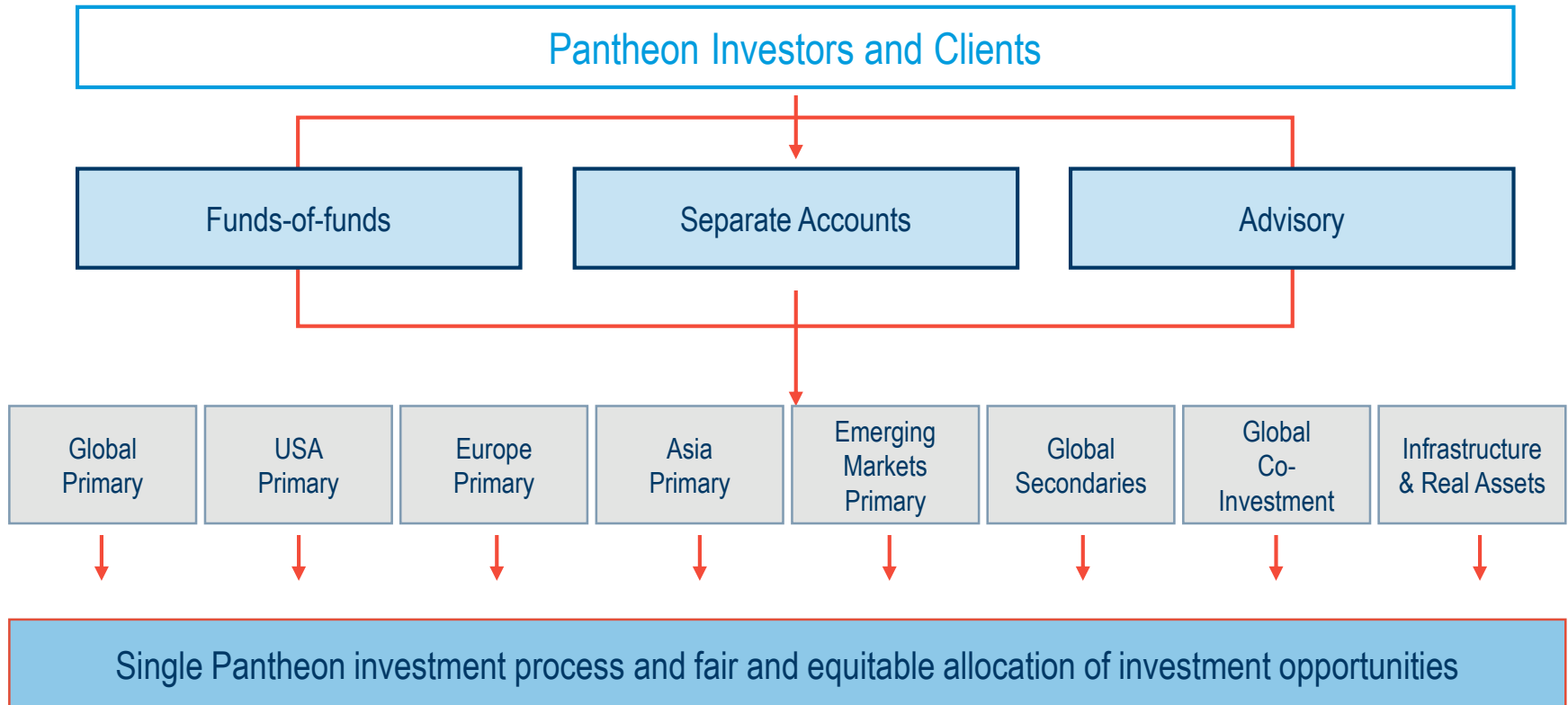
Education and Advice

Investment Expertise

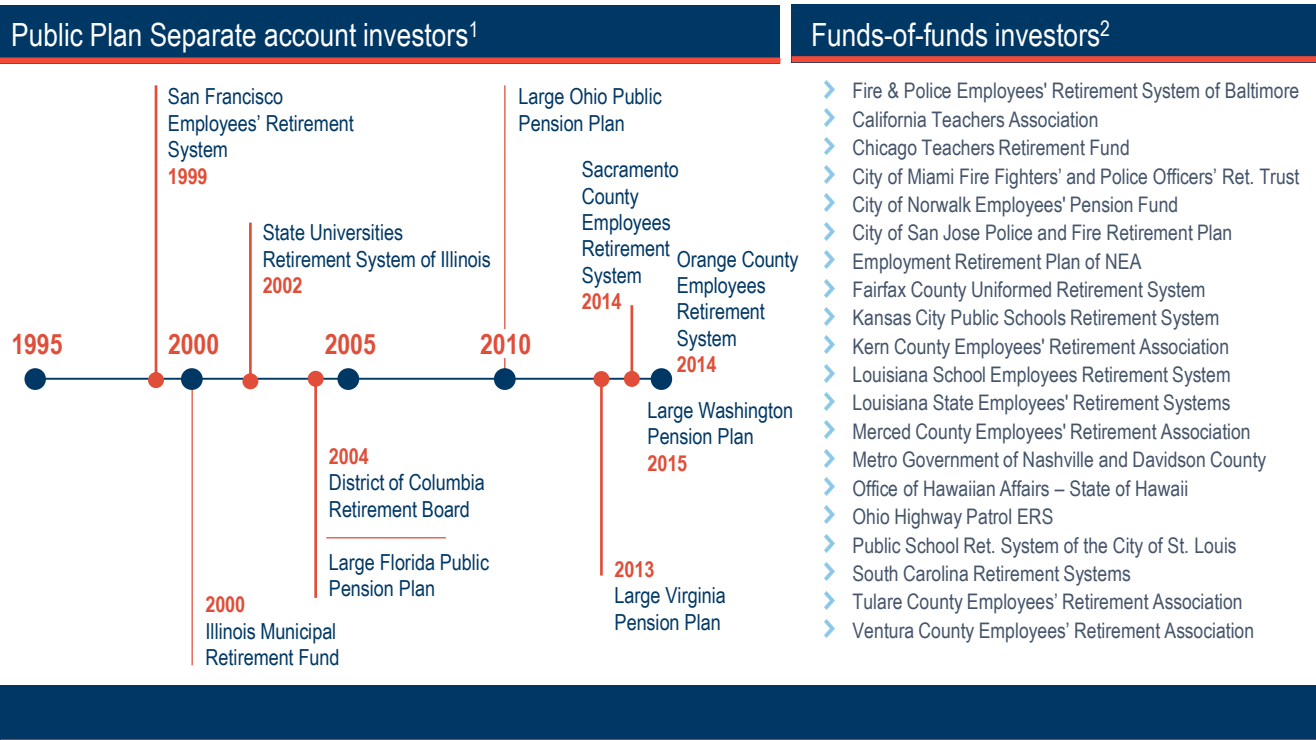
Research

Comprehensive Reporting

Flexible Delivery



Partnering with U.S. public pensions since 1998



¹This reflects all US public pension plans that are separate account investors. ² This is a list of all US public pensions invested in Pantheon funds-of-funds who have given permission to Pantheon to disclose their names in marketing materials. Inclusion in either list does not indicate a client's approval of Pantheon or it's services.



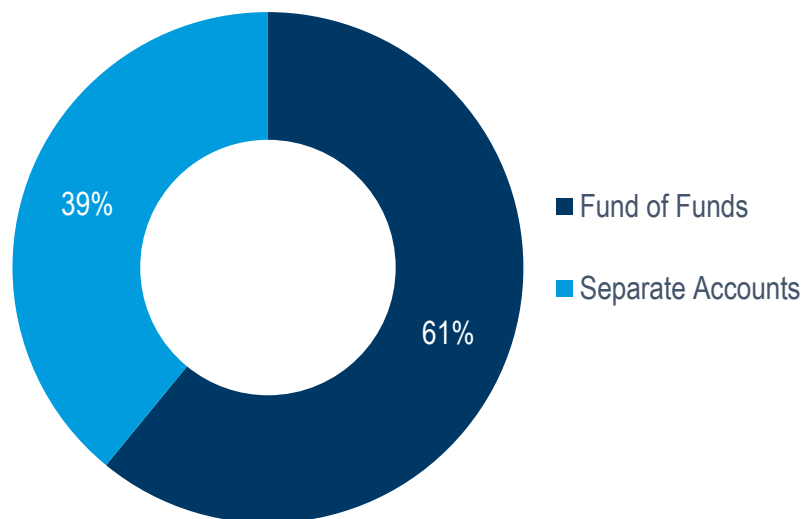
Trusted partner to separate account clients across the globe

Pantheon separate account program snapshot

- Total number of separate account clients globally: 39
- Separate accounts as a % of funds under management: 36%
- Client type: include sovereigns, pension funds and foundations
- Commencement of separate account program: 1983
- Longest period of active separate account client: 25 years¹
- Total number of client services professionals: 30²

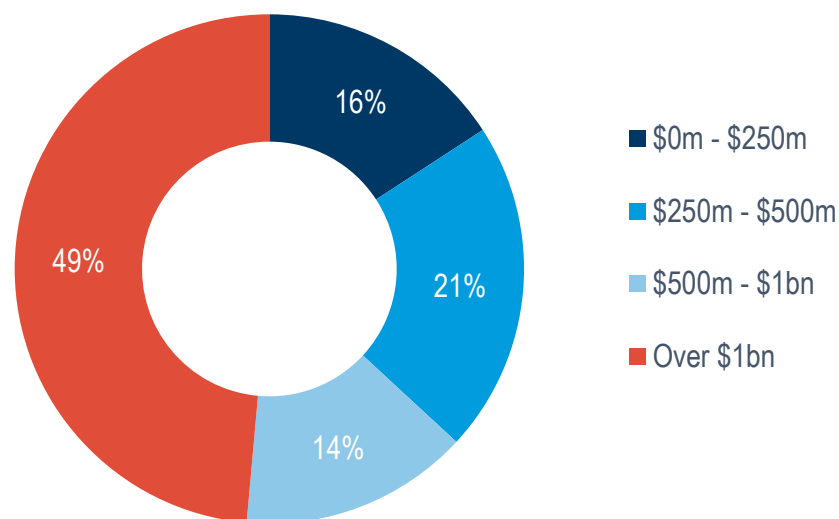
Pantheon Funds under Management³

(US\$32.4bn as at September 30, 2015)



Composition of separate accounts by FUM³

(\$12.6bn as at September 30, 2015)



¹ Among Pantheon separate account clients, the client who has been active longest and continues to be active today first invested with Pantheon through a segregated account in 1990

² As at March 1, 2016

³ This figure includes assets subject to discretionary or non-discretionary management, advice or those limited to a reporting function

Comprehensive Client Service

Advice

Cash flow projections

Risk factor modelling

Regular dialogue

Education

Symposiums and workshops

Topical white papers

Timely market information

Communication

Quarterly reporting

Client website

Market update calls

- Presentation at Annual board meeting
- Annual strategic review meeting
- Quarterly pipeline calls with investment team
- Invitation to Pantheon's Annual Investor Meeting
- On-site meetings in Pantheon offices
- Visits to underlying managers as desired

Operations, Finance, Tax & Risk Team

47 global members

Legal / Compliance Team

11 global members

Client Service Team

30 global members

IT & Systems Team

16 global members

Complete "On-call" access to the global Pantheon platform

Secondaries

Global investment team with deep experience

Global Secondary Investment Committee



Matt Garfunkle
Partner
San Francisco



Matt Jones
Partner
New York



Andrew Lebus
Partner
London



Dennis McCrary
Partner
San Francisco



Elly Livingstone
Partner
London



Nik Morandi
Partner
London



Rudy Scarpa
Partner
New York



Paul Ward¹
Partner
London

Brian Bueneke
Partner, San Francisco

Susan Long McAndrews
Partner, San Francisco

Petra Bukovec
Principal, London

Veena Isaac
Principal, New York

Sibing Huang
Vice President, Hong Kong

Kunal Sood
Vice President, Hong Kong

Andrea Echberg
Partner, London

Chris Meads
Partner, Hong Kong

Tanu Chita
Principal, London

Jaime Londono
Principal, Colombia

Greg Little
Vice President, San Francisco

Charlotte Westley
Vice President, San Francisco

Jie Gong
Partner, Hong Kong

Jeff Miller
Partner, San Francisco

Evan Corley
Head of Natural
Resources, San Francisco

Imogen Richards
Principal, London

Sara Lonergan
Vice President, San Francisco

Bing Wong
Vice President, San Francisco

Brett Johnson
Partner, San Francisco

Alex Scott
Partner, London

Maureen Downey
Principal, San Francisco

Toni Vainio¹
Principal, London

Xan Morgan
Principal, San Francisco

Ana Maria Zarruk Serrano
Vice President, Colombia

Kathryn Leaf Wilmes
Partner, New York

Helen Steers
Partner, London

Kevin Dunwoodie
Principal, San Francisco

Alex Wilmerding
Principal, Hong Kong

Jan Pribyl
Vice President, London

Brian Lim
Partner, Hong Kong

Francesco di Valmarana
Partner, London

Jerome Duthu-Bengtson
Principal, London

Erik Wong
Principal, London

Andrew Sherriff
Vice President, San Francisco

Global pool of 21 investment associates:

Senior Associates: Vladimir Balchev, Mark Etchin, Daniele Pitsch, Charlie Tafoya

Associates: Haley Carstensen, Jamie Hayford, Alexander Laird, Brandon Vu, Sophie Ward, Cullen Wilson, Richard Wong, Solaiman Zein

Analysts: Calvet Bauer, Jack Farr, Akua Gilfillian, Cyrus Harrison, Edwin Lee, Juanita Velez

Quantitative Research: Andrea Carnelli, Andres Reibel, Ian Roberts

¹ Observer. As of March 1, 2016. Those highlighted in blue are professionals focused on secondary investment

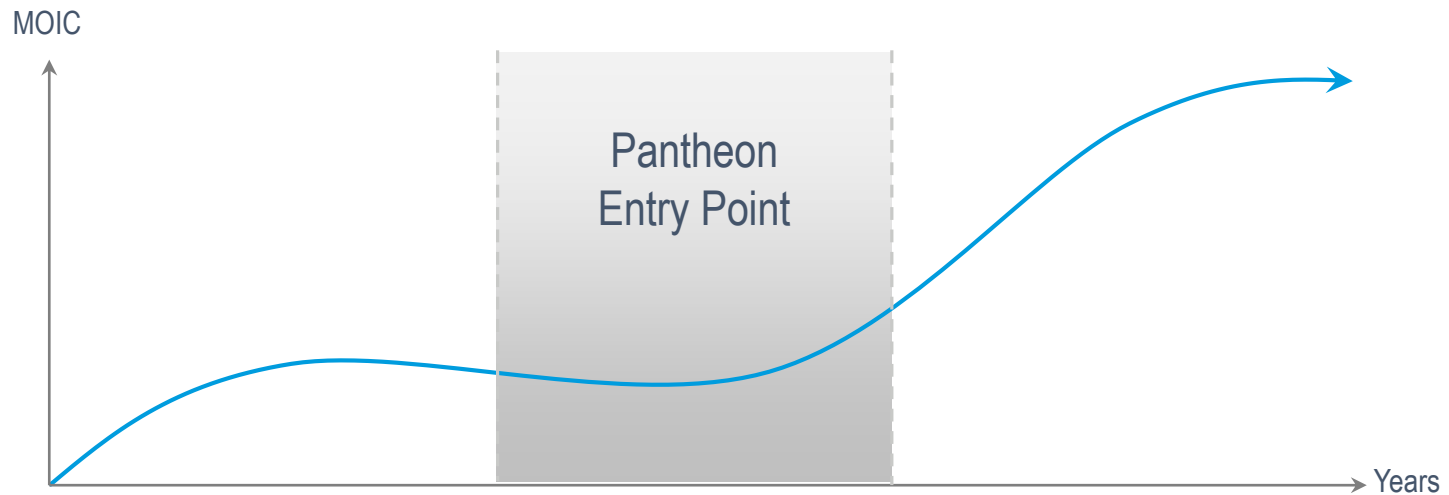
A leader in secondaries



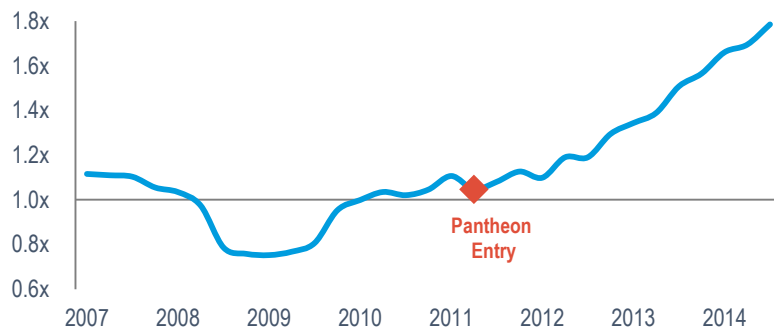
What sets us apart?



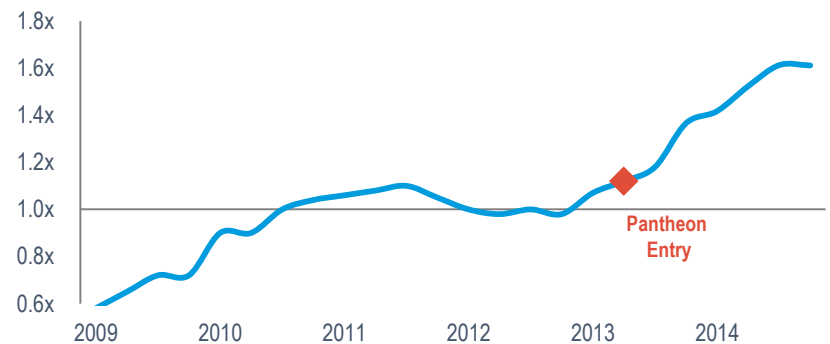
Investment strategy: information, inflection points, potential value



U.S. Mega Buyout



Europe Large Buyout



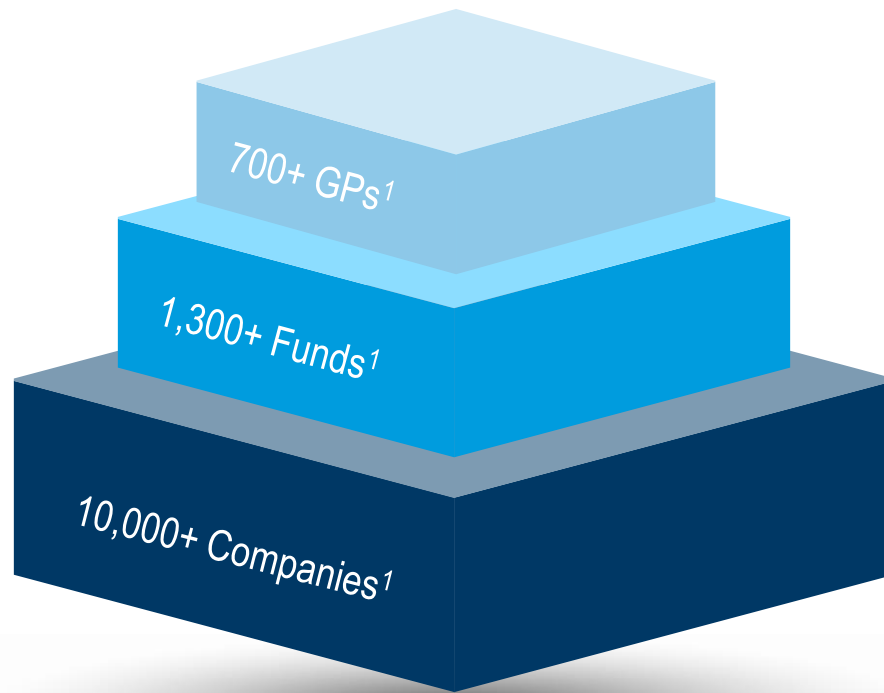
The top chart is an illustrative representation of Pantheon's entry point, supported by examples from PGSF IV and PGSF V. Please note this is at gross level and does not take into account underlying manager or Pantheon's fees. These examples of successful or potentially successful portfolio investments are not representative of every investment. PGSF V is at an early stage and these examples may not be representative of what may occur for PGSF V. Past performance is not indicative of future results. Future returns are not guaranteed and a loss of principal may occur. Please refer to slide 56 for the full PGSF track record. Source: Pantheon



Strong exposure to best of breed managers



Privileged information



- Pantheon monitors approximately **100 funds** quarterly as part of its secondary coverage
- Pantheon has carried out advanced due diligence on over **250² funds** and screened almost 2,000² **institutional-quality managers**
- Pantheon has attended over **350 AGMs** during 2014
- Pantheon holds over **300 advisory board seats³**

¹ Investments across all Pantheon platforms as of December 31, 2013

² Funds reviewed by Pantheon from 2010 – 2014

³ As of January 1, 2015

Update on commitments to PGSF IV and PGSF V

Summary of commitments

As at September 30, 2015

Ventura County Employees' Retirement Association

Fund	Vintage	Commitments (in USD)	Contributions since inception (in USD)	Distributions since inception (in USD)	Net IRR	Multiple
PGSF IV LP	2010	15,000,000	9,960,000	7,830,001	16.6%	1.46x
PGSF V LP	2014	50,000,000	5,857,128	-	Too Early	1.15x
Total		65,000,000	15,817,128	7,830,001	16.1%	1.34x

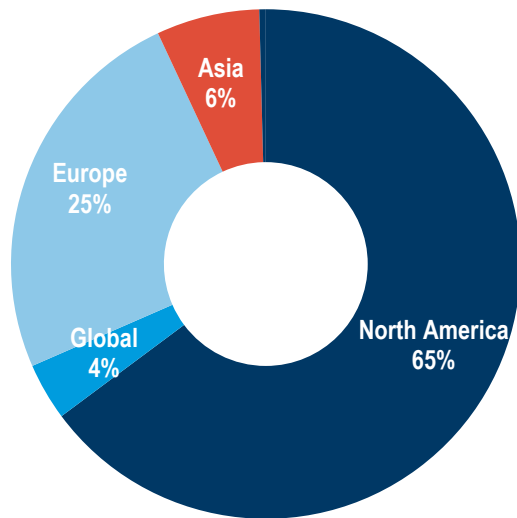
Note: The figures in this table are subject to rounding.

'Too Early' indicates it is too early to calculate a meaningful return.

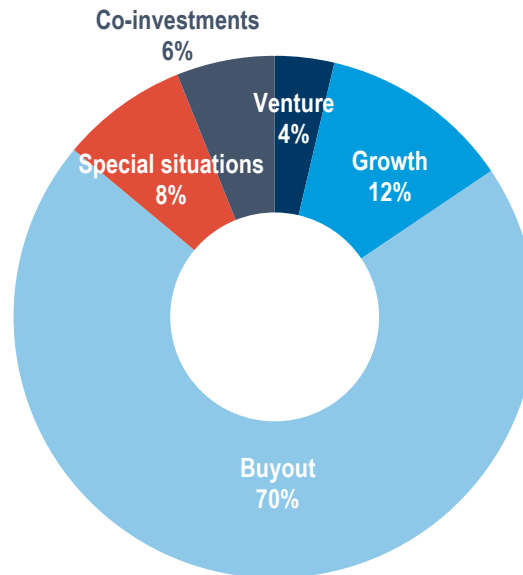
Past performance is not necessarily indicative of future results, future returns are not guaranteed and loss of principal may occur.

Portfolio diversification

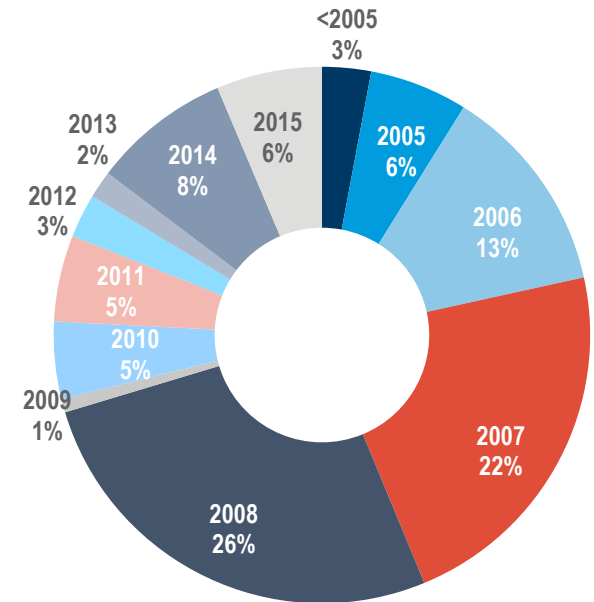
By geography¹



By strategy¹



By vintage²



As at September 30, 2015

The above charts are subject to rounding differences

¹The chart looks through the Pantheon funds-of-funds to show NAV and unfunded commitments to underlying funds, expressed in USD

²The chart shows USD total commitments to underlying funds

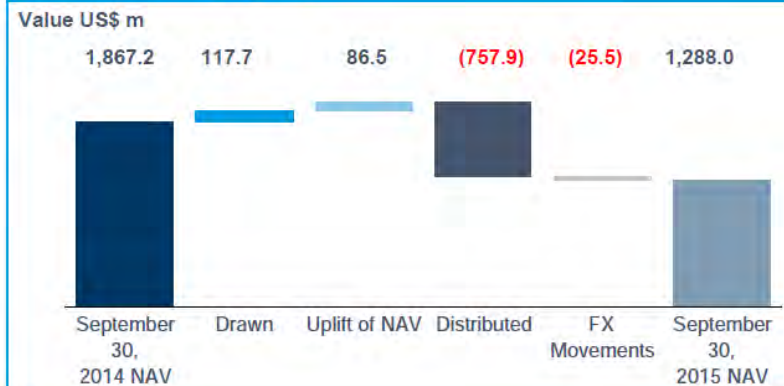


PGSF IV LP (2010)

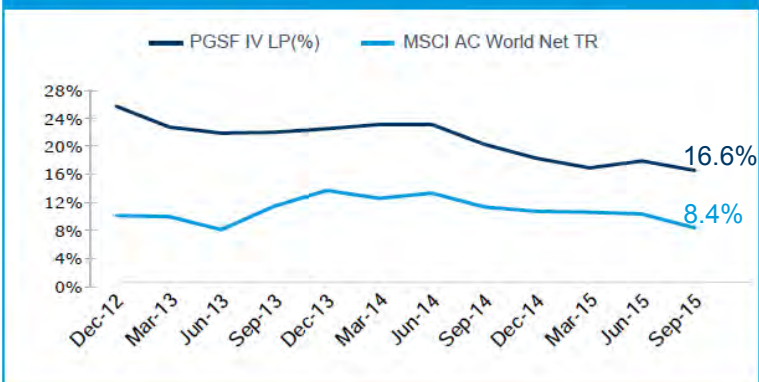
Performance valuation, September 30, 2015

Fund size	US\$2,156.5m	
	Q215	Q315
Net multiple	1.48x	1.46 x
Net IRR	17.9%	16.6%
Drawn from investors	66.4%	66.4%
Distributed to paid in ratio	0.79 x	0.79 x
Total calls Q4 2015	-	
Total distributions Q4 2015	2.0%	

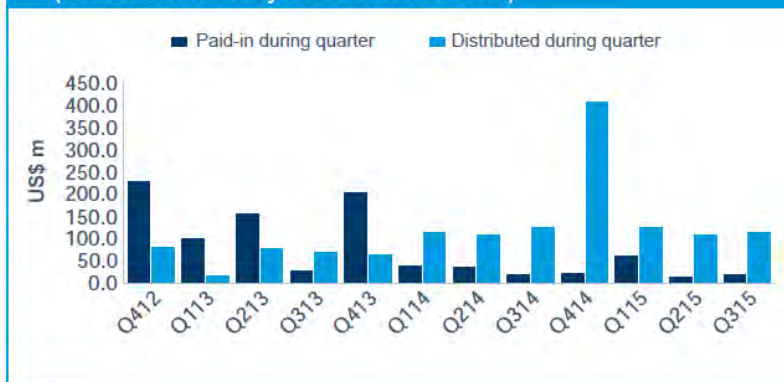
Recent portfolio progress



Net IRR progression



Quarterly calls and distributions (over recent history at investment level)



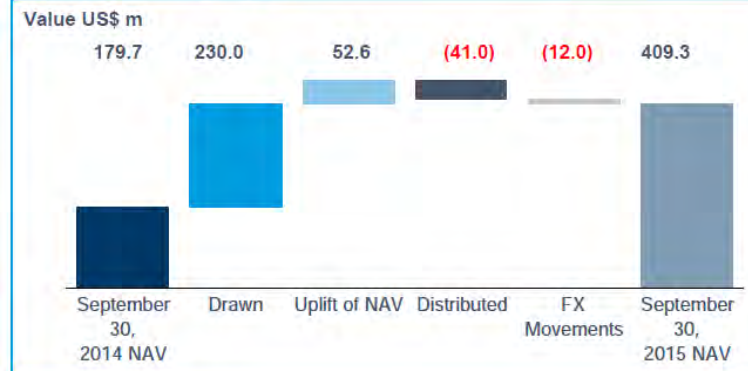
PGSF V LP (2014)

Performance valuation, September 30, 2015

Fund size	US\$1,610.2m	
	Q215	Q315
Net multiple	1.08x	1.15x
Net IRR	Too Early	Too Early
Drawn from investors	14.4%	11.7%
Distributed to paid in ratio	0.00 x	0.00 x
Total calls Q4 2015	7.8%	
Total distributions Q4 2015	0 %	

Note: Fund size as of Q3 2015 \$1,610.2m.

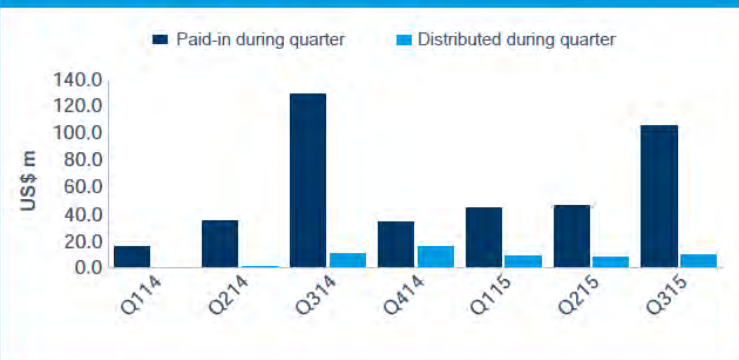
Recent portfolio progress



Net IRR progression

Too early

Quarterly calls and distributions (over recent history at investment level)



Disclosure

Confidential – for the exclusive use of recipient

This document and the information contained herein is the proprietary information of Pantheon; it may not be reproduced, provided or disclosed to others, without the prior written permission of Pantheon. This document is distributed by Pantheon which is comprised of operating entities principally based in San Francisco, New York, London and Hong Kong. Pantheon Ventures Inc. and Pantheon Ventures (US) LP are registered as investment advisers with the U.S. Securities and Exchange Commission. Pantheon Ventures (UK) LLP is authorised and regulated by the Financial Conduct Authority (FCA) in the United Kingdom. Pantheon Ventures (HK) LLP is regulated by the Securities and Futures Commission in Hong Kong. In Hong Kong, this document is distributed by a licensed representative of Affiliated Managers Group (Hong Kong) Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activity, on the basis that you are a Professional Investor as defined in the Securities and Futures Ordinance. By accepting this document you acknowledge and agree that this material is provided for your use only and that you will not distribute or otherwise make this material available to a person who is not a Professional Investor as defined in the Ordinance.

This document is a marketing communication, and has not been prepared in accordance with legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Nothing in this document constitutes an offer or solicitation to invest in a fund managed or advised by Pantheon or recommendation to purchase any security or service. The information contained in this document has been provided as a general market commentary only and does not constitute any form of legal, tax, securities or investment advice. It does not take into account the financial objectives, situation or needs of any persons, which are necessary considerations before making any investment decision. Unless stated otherwise all views expressed herein represent Pantheon's opinion. The general opinions and information contained in this publication should not be acted or relied upon by any person without obtaining specific and relevant legal, tax, securities or investment advice. The research data included in this publication is based upon information derived from public sources that are believed by Pantheon to be reliable, but Pantheon does not guarantee their accuracy or completeness. Pantheon does not undertake to update this document, and the information and views discussed may change without notice. Legal, accounting and tax restrictions, transaction costs and changes to any assumptions may significantly affect the economics and results of any transaction or investment. In general, alternative investments such as private equity or infrastructure involve a high degree of risk, including potential loss of principal invested. These investments can be highly illiquid, charge higher fees than other investments, and typically do not grow at an even rate of return and may decline in value. These investments are not subject to the same regulatory requirements as registered investment products. **In addition, past performance is not necessarily indicative of future results. Future performance is not guaranteed and a loss of principal may occur. Market and exchange rate movements may cause the capital value of investments, and the income from them, to go down as well as up and the investor may not get back the amount originally invested This presentation may include "forward-looking statements". All projections, forecasts or related statements or expressions of opinion are forward-looking statements. Although Pantheon believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to be correct, and such forward-looking statements should not be regarded as a guarantee, prediction or definitive statement of fact or probability.**

Pantheon has taken reasonable care to ensure that the information contained in this document is accurate at the date of publication. However, no warranty or guarantee (express or implied) is given by Pantheon as to the accuracy of the information in this document, and to the extent permitted by applicable law, Pantheon specifically disclaims any liability for errors, inaccuracies or omissions in this document and for any loss or damage resulting from its use.

In Australia, this document and the information contained herein is intended only for wholesale clients under section 761G of the Corporations Act 2001 (Cth) ("Wholesale Clients "). By receiving this document you represent and warrant that you are a Wholesale Client. Pantheon Ventures (UK) LLP is exempt from the requirement to hold an Australian financial services licence under the Corporations Act 2001 (Cth) in relation to the provision of any financial product advice regarding the financial products which are referred to in this document under ASIC Class Order 03/1099 and is regulated by the FCA under UK laws, which differ from Australian laws.

This document and the information contained herein is directed only at: (i) persons outside the United Kingdom and (ii) persons in the United Kingdom and who are "investment professionals" as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, persons falling within any of the categories of persons described in Article 49(2)(a) to (d) of that Order or other persons to whom it may lawfully be communicated in accordance with that Order. No other person in the United Kingdom should access this document and the information it contains, or act or rely upon by it. In all jurisdictions other than the United Kingdom, this document is intended only for institutional investors to whom this document can be lawfully distributed without any prior regulatory approval or action.

Any reference to the title of "Partner" in these materials refers to such person's capacity as a partner of Pantheon Ventures (UK) LLP. In addition, any reference to the title of "Partner" for persons located in the United States refers to such person's capacity as a limited partner of Pantheon Ventures (US) LP. Copyright © Pantheon 2016. All rights reserved.



NEPC, LLC

YOU DEMAND MORE. *So do we.*SM



Ventura County Employees' Retirement Association

**Preliminary Performance Report
Month Ending February 29, 2016**

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

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

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
Total Fund	4,110,812,106	100.0	100.0	-0.2	-4.4	-3.3	-5.9	-6.6	5.2	5.9	4.9	7.6	Apr-94
Policy Index				<u>0.1</u>	<u>-4.1</u>	<u>-3.1</u>	<u>-4.5</u>	<u>-4.6</u>	<u>5.7</u>	<u>6.0</u>	<u>5.2</u>	<u>7.7</u>	<u>Apr-94</u>
Over/Under				-0.3	-0.3	-0.2	-1.4	-2.0	-0.5	-0.1	-0.3	-0.1	
Allocation Index				<u>-0.1</u>	<u>-5.1</u>	<u>-4.0</u>	<u>-6.3</u>	<u>-6.9</u>	<u>4.7</u>	<u>5.3</u>	<u>4.7</u>	<u>--</u>	<u>Apr-94</u>
60% MSCI World (Net) / 40% CITI WGBI				<u>0.7</u>	<u>-3.0</u>	<u>-2.3</u>	<u>-4.0</u>	<u>-5.7</u>	<u>3.1</u>	<u>3.4</u>	<u>4.1</u>	<u>6.0</u>	<u>Apr-94</u>
Total Fund ex Parametric	3,843,048,727	93.5	--	-0.4	-3.9	-2.8	-5.3	-5.9	5.3	6.0	4.9	7.6	Apr-94
Total Fund ex Private Equity	3,956,399,710	96.2	--	-0.2	-4.6	-3.4	-6.4	-7.2	4.3	--	--	7.1	Jan-12
Policy Index				<u>0.1</u>	<u>-4.1</u>	<u>-3.1</u>	<u>-4.5</u>	<u>-4.6</u>	<u>5.7</u>	<u>6.0</u>	<u>5.2</u>	<u>8.0</u>	<u>Jan-12</u>
Over/Under				-0.3	-0.5	-0.3	-1.9	-2.6	-1.4			-0.9	
Total US Equity	1,248,853,389	30.4	30.0	0.0	-7.6	-5.7	-7.1	-7.9	10.2	9.7	6.0	8.4	Dec-93
Total U.S. Equity Benchmark				<u>0.0</u>	<u>-7.7</u>	<u>-5.7</u>	<u>-7.2</u>	<u>-8.0</u>	<u>9.9</u>	<u>9.5</u>	<u>6.4</u>	<u>8.7</u>	<u>Dec-93</u>
Over/Under				0.0	0.1	0.0	0.1	0.1	0.3	0.2	-0.4	-0.3	
BlackRock Equity Market Fund	1,073,570,021	26.1		0.0	-7.6	-5.7	-7.0	-7.8	10.1	9.6	--	5.9	Dec-07
Dow Jones U.S. Total Stock Market				<u>0.0</u>	<u>-7.6</u>	<u>-5.7</u>	<u>-7.1</u>	<u>-7.9</u>	<u>10.0</u>	<u>9.6</u>	<u>6.5</u>	<u>5.8</u>	<u>Dec-07</u>
Over/Under				0.0	0.0	0.0	0.1	0.1	0.1	0.0		0.1	
Western U.S. Index Plus	133,914,711	3.3		0.0	-6.8	-5.0	-5.3	-6.5	10.9	10.7	--	2.6	May-07
S&P 500				<u>-0.1</u>	<u>-6.6</u>	<u>-5.1</u>	<u>-4.9</u>	<u>-6.2</u>	<u>10.8</u>	<u>10.1</u>	<u>6.4</u>	<u>4.9</u>	<u>May-07</u>
Over/Under				0.1	-0.2	0.1	-0.4	-0.3	0.1	0.6		-2.3	
BlackRock Extended Equity Index	41,368,657	1.0		0.5	-11.9	-8.3	-15.4	-14.7	6.9	7.3	6.4	10.4	Oct-02
Dow Jones U.S. Completion Total Stock Market				<u>0.5</u>	<u>-12.0</u>	<u>-8.4</u>	<u>-15.6</u>	<u>-15.0</u>	<u>6.8</u>	<u>7.1</u>	<u>6.3</u>	<u>10.4</u>	<u>Oct-02</u>
Over/Under				0.0	0.1	0.1	0.2	0.3	0.1	0.2	0.1	0.0	

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 due to CPI monthly lag

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
Total Non-US Equity	532,444,166	13.0	14.0	-0.2	-8.4	-6.8	-14.3	-15.5	-1.2	-0.3	1.6	5.6	Mar-94
<i>Total Non-US Equity Benchmark</i>				<u>-1.1</u>	<u>-9.6</u>	<u>-7.9</u>	<u>-16.5</u>	<u>-17.4</u>	<u>-2.2</u>	<u>-1.3</u>	<u>1.4</u>	<u>4.3</u>	<i>Mar-94</i>
Over/Under				0.9	1.2	1.1	2.2	1.9	1.0	1.0	0.2	1.3	
BlackRock ACWI ex-U.S. Index	219,738,046	5.3		-0.9	-9.3	-7.8	-15.9	-16.2	-1.6	-0.8	--	-0.3	Mar-07
<i>MSCI ACWI ex USA</i>				<u>-1.1</u>	<u>-9.6</u>	<u>-7.9</u>	<u>-16.5</u>	<u>-17.4</u>	<u>-2.2</u>	<u>-1.3</u>	<u>1.4</u>	<u>-0.7</u>	<i>Mar-07</i>
Over/Under				0.2	0.3	0.1	0.6	1.2	0.6	0.5		0.4	
Sprucegrove	153,063,224	3.7		0.5	-10.0	-7.0	-16.7	-19.3	-2.3	-0.3	1.9	6.0	Mar-02
<i>MSCI ACWI ex USA</i>				<u>-1.1</u>	<u>-9.6</u>	<u>-7.9</u>	<u>-16.5</u>	<u>-17.4</u>	<u>-2.2</u>	<u>-1.3</u>	<u>1.4</u>	<u>5.3</u>	<i>Mar-02</i>
Over/Under				1.6	-0.4	0.9	-0.2	-1.9	-0.1	1.0	0.5	0.7	
Hexavest	72,597,281	1.8		-0.3	-5.6	-5.3	-10.1	-11.6	1.1	0.8	--	1.9	Dec-10
<i>MSCI EAFE</i>				<u>-1.8</u>	<u>-10.2</u>	<u>-8.9</u>	<u>-14.4</u>	<u>-15.2</u>	<u>0.4</u>	<u>0.6</u>	<u>1.5</u>	<u>1.6</u>	<i>Dec-10</i>
Over/Under				1.5	4.6	3.6	4.3	3.6	0.7	0.2		0.3	
Walter Scott	87,045,615	2.1		0.4	-5.6	-5.1	-9.2	-9.4	-0.3	1.5	--	2.1	Dec-10
<i>MSCI ACWI ex USA</i>				<u>-1.1</u>	<u>-9.6</u>	<u>-7.9</u>	<u>-16.5</u>	<u>-17.4</u>	<u>-2.2</u>	<u>-1.3</u>	<u>1.4</u>	<u>-0.6</u>	<i>Dec-10</i>
Over/Under				1.5	4.0	2.8	7.3	8.0	1.9	2.8		2.7	
Total Global Equity	387,489,222	9.4	10.0	-0.8	-8.3	-6.4	-12.6	-13.9	2.4	3.6	2.6	3.9	May-05
<i>MSCI ACWI</i>				<u>-0.7</u>	<u>-8.4</u>	<u>-6.7</u>	<u>-11.2</u>	<u>-12.3</u>	<u>3.7</u>	<u>3.7</u>	<u>3.6</u>	<u>5.0</u>	<i>May-05</i>
Over/Under				-0.1	0.1	0.3	-1.4	-1.6	-1.3	-0.1	-1.0	-1.1	
BlackRock MSCI ACWI Equity Index	203,732,541	5.0		-0.6	-8.3	-6.6	-11.0	-11.9	4.1	--	--	7.4	Jul-12
<i>MSCI ACWI</i>				<u>-0.7</u>	<u>-8.4</u>	<u>-6.7</u>	<u>-11.2</u>	<u>-12.3</u>	<u>3.7</u>	<u>3.7</u>	<u>3.6</u>	<u>7.0</u>	<i>Jul-12</i>
Over/Under				0.1	0.1	0.1	0.2	0.4	0.4			0.4	
GMO Global Equity	183,756,681	4.5		-1.1	-8.3	-6.1	-14.2	-16.0	0.7	3.0	3.3	4.7	Apr-05
<i>MSCI ACWI</i>				<u>-0.7</u>	<u>-8.4</u>	<u>-6.7</u>	<u>-11.2</u>	<u>-12.3</u>	<u>3.7</u>	<u>3.7</u>	<u>3.6</u>	<u>5.0</u>	<i>Apr-05</i>
Over/Under				-0.4	0.1	0.6	-3.0	-3.7	-3.0	-0.7	-0.3	-0.3	

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
Total Private Equity	154,412,397	3.8	5.0	0.0	2.2	0.0	8.4	12.1	15.3	--	--	14.7	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.2</u>	<u>-6.9</u>	<u>-5.2</u>	<u>-5.2</u>	<u>-5.1</u>	<u>13.3</u>	<u>12.8</u>	--	<u>16.2</u>	<i>Jan-12</i>
Over/Under				-0.2	9.1	5.2	13.6	17.2	2.0			-1.5	
Adams Street Partners	94,533,540	2.3		0.0	2.7	0.0	5.7	10.3	14.3	--	--	13.4	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.2</u>	<u>-6.9</u>	<u>-5.2</u>	<u>-5.2</u>	<u>-5.1</u>	<u>13.3</u>	<u>12.8</u>	--	<u>16.2</u>	<i>Jan-12</i>
Over/Under				-0.2	9.6	5.2	10.9	15.4	1.0			-2.8	
Harbourvest	44,018,920	1.1		0.0	2.6	-0.2	13.4	18.8	--	--	--	20.8	Jul-13
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.2</u>	<u>-6.9</u>	<u>-5.2</u>	<u>-5.2</u>	<u>-5.1</u>	<u>13.3</u>	<u>12.8</u>	--	<u>11.8</u>	<i>Jul-13</i>
Over/Under				-0.2	9.5	5.0	18.6	23.9				9.0	
Pantheon Global Secondary Fund IV	15,859,937	0.4		0.0	-1.4	0.0	11.5	6.3	9.4	--	--	9.1	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.2</u>	<u>-6.9</u>	<u>-5.2</u>	<u>-5.2</u>	<u>-5.1</u>	<u>13.3</u>	<u>12.8</u>	--	<u>16.2</u>	<i>Jan-12</i>
Over/Under				-0.2	5.5	5.2	16.7	11.4	-3.9			-7.1	

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

Private Equity Limited Partnership Performance

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date ¹	Outstanding Commitment ¹	Call Ratio	Interest Paid/(Rec'd)	Distributions to Date	Valuation	Total Value	Net Benefit	IRR	Since Inception	
													Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
Adams Street 2010 U.S. Fund	2010	5/21/2010	\$42,500,000	\$29,665,000	\$12,835,000	70%	\$15,213	\$10,764,481	\$31,435,448	\$42,199,929	\$12,519,716	14.5%	0.36x	1.42x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	\$25,500,000	\$17,697,000	\$7,803,000	69%	\$1,589	\$5,557,179	\$14,622,929	\$20,180,108	\$2,481,519	5.9%	0.31x	1.14x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	\$8,500,000	\$6,111,500	\$2,388,500	72%	\$0	\$314,436	\$7,126,675	\$7,441,111	\$1,329,611	9.0%	0.05x	1.22x
Adams Street 2010 Direct Fund	2010	5/21/2010	\$8,500,000	\$7,837,000	\$663,000	92%	\$6,697	\$3,933,030	\$8,133,406	\$12,066,436	\$4,222,739	14.0%	0.5x	1.54x
Total Adams Street 2010	2010	5/21/2010	\$85,000,000	\$61,310,500	\$23,689,500	72%	\$23,499	\$20,569,126	\$61,318,458	\$81,887,584	\$20,553,585	11.9%	0.34x	1.34x
Adams Street 2013 Global Fund	2013	6/27/2013	\$75,000,000	\$34,200,000	\$40,800,000	46%	\$10,728	\$2,698,535	\$33,215,085	\$35,913,620	\$1,702,892	4.1%	0.08x	1.05x
HarbourVest - Dover Street VIII	2013	5/30/2013	\$67,500,000	\$47,756,250	\$19,743,750	71%	\$84,954	\$21,100,286	\$43,682,380	\$64,782,666	\$16,941,462	29.8%	0.44x	1.35x
Pantheon Global Secondary Fund IV	2010	8/20/2010	\$15,000,000	\$9,960,000	\$5,040,000	66%	\$0	\$8,130,001	\$6,412,558	\$14,542,559	\$4,582,559	15.5%	0.82x	1.46x
Pantheon Global Secondary Fund V	2015	2/26/2015	\$50,000,000	\$8,972,068	\$41,027,932	18%	\$10,480	\$87,808	\$9,811,060	\$9,898,868	\$916,320	12.5%	0.01x	1.1x
Total VCERA Private Equity Program	--	5/21/2010	\$292,500,000	\$162,198,818	\$130,301,182	55%	\$129,661	\$52,585,756	\$154,439,541	\$207,025,297	\$44,696,818	14.4%	0.32x	1.28x

1. Includes recycled/recallable distributions received to date.

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

Distributions to Date shown for Pantheon Global Secondary Fund V includes management fee rebates paid to VCERA.

Performance shown is based on 9/30/2015 NAVs cash-adjusted for cash flows through 2/29/2016.

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
Total US Fixed Income	769,838,760	18.7	19.0	0.6	0.0	0.8	0.4	0.1	1.3	3.9	5.6	6.0	Feb-94
<i>Barclays Aggregate</i>				<u>0.7</u>	<u>1.8</u>	<u>2.1</u>	<u>2.8</u>	<u>1.5</u>	<u>2.2</u>	<u>3.6</u>	<u>4.7</u>	<u>5.6</u>	<i>Feb-94</i>
Over/Under				-0.1	-1.8	-1.3	-2.4	-1.4	-0.9	0.3	0.9	0.4	
BlackRock U.S. Debt Fund	143,105,352	3.5		0.7	1.8	2.1	2.8	1.5	2.3	3.7	4.8	5.5	Nov-95
<i>Barclays Aggregate</i>				<u>0.7</u>	<u>1.8</u>	<u>2.1</u>	<u>2.8</u>	<u>1.5</u>	<u>2.2</u>	<u>3.6</u>	<u>4.7</u>	<u>5.4</u>	<i>Nov-95</i>
Over/Under				0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	
Western	273,437,696	6.7		0.9	1.0	1.5	2.0	0.7	2.8	4.8	5.4	6.3	Dec-96
<i>Barclays Aggregate</i>				<u>0.7</u>	<u>1.8</u>	<u>2.1</u>	<u>2.8</u>	<u>1.5</u>	<u>2.2</u>	<u>3.6</u>	<u>4.7</u>	<u>5.5</u>	<i>Dec-96</i>
Over/Under				0.2	-0.8	-0.6	-0.8	-0.8	0.6	1.2	0.7	0.8	
Reams	283,314,296	6.9		0.5	-1.2	-0.1	-1.0	0.3	-0.4	3.2	5.7	5.5	Sep-01
<i>Reams Custom Index</i>				<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.3</u>	<u>0.4</u>	<u>0.3</u>	<u>2.3</u>	<u>4.1</u>	<u>4.3</u>	<i>Sep-01</i>
Over/Under				0.4	-1.3	-0.2	-1.3	-0.1	-0.7	0.9	1.6	1.2	
<i>Barclays Aggregate</i>				<u>0.7</u>	<u>1.8</u>	<u>2.1</u>	<u>2.8</u>	<u>1.5</u>	<u>2.2</u>	<u>3.6</u>	<u>4.7</u>	<u>4.7</u>	<i>Sep-01</i>
Loomis Sayles Multi Strategy	69,981,416	1.7		0.1	-2.5	-0.7	-4.3	-5.2	1.1	4.5	6.2	6.1	Jul-05
<i>Loomis Custom Index</i>				<u>0.7</u>	<u>0.0</u>	<u>1.1</u>	<u>-0.9</u>	<u>-1.8</u>	<u>1.6</u>	<u>3.7</u>	<u>5.2</u>	<u>5.1</u>	<i>Jul-05</i>
Over/Under				-0.6	-2.5	-1.8	-3.4	-3.4	-0.5	0.8	1.0	1.0	
<i>Barclays Govt/Credit</i>				<u>0.8</u>	<u>1.8</u>	<u>2.3</u>	<u>2.7</u>	<u>1.1</u>	<u>2.0</u>	<u>3.8</u>	<u>4.7</u>	<u>4.5</u>	<i>Jul-05</i>
Total Global Fixed Income	43,450,481	1.1	5.0	-0.7	-0.6	-0.6	-1.5	-3.7	-1.0	--	--	-0.3	Jun-12
<i>Barclays Global Aggregate</i>				<u>2.2</u>	<u>3.7</u>	<u>3.1</u>	<u>3.0</u>	<u>0.8</u>	<u>-0.1</u>	<u>1.4</u>	<u>4.0</u>	<u>0.2</u>	<i>Jun-12</i>
Over/Under				-2.9	-4.3	-3.7	-4.5	-4.5	-0.9			-0.5	
Loomis Strategic Alpha	41,107,353	1.0		-0.9	-2.3	-1.5	-3.8	-4.3	--	--	--	0.5	Jul-13
<i>Barclays Global Aggregate</i>				<u>2.2</u>	<u>3.7</u>	<u>3.1</u>	<u>3.0</u>	<u>0.8</u>	<u>-0.1</u>	<u>1.4</u>	<u>4.0</u>	<u>0.6</u>	<i>Jul-13</i>
Over/Under				-3.1	-6.0	-4.6	-6.8	-5.1				-0.1	

Loomis Sayles Global Fixed Income was liquidated 1/21/2016

PIMCO Global Fixed Income is liquidating. The market value as of 2/29/2016 is \$2,343,128

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
Total Real Estate	358,956,726	8.7	7.0	0.0	2.8	0.0	6.5	12.8	11.7	11.7	4.2	7.9	Mar-94
NCREIF ODCE Net				0.0	3.1	0.0	6.7	14.0	12.8	12.6	5.6	8.1	Mar-94
Over/Under				0.0	-0.3	0.0	-0.2	-1.2	-1.1	-0.9	-1.4	-0.2	
Prudential Real Estate	124,454,632	3.0		0.0	3.0	0.0	7.8	14.5	13.6	13.5	5.3	5.9	Jun-04
NCREIF ODCE Net				0.0	3.1	0.0	6.7	14.0	12.8	12.6	5.6	7.0	Jun-04
Over/Under				0.0	-0.1	0.0	1.1	0.5	0.8	0.9	-0.3	-1.1	
NCREIF ODCE				0.0	3.3	0.0	7.1	15.0	13.8	13.7	6.5	8.0	Jun-04
UBS Real Estate	232,900,873	5.7		0.0	2.8	0.0	6.0	11.9	10.6	10.6	5.8	7.6	Mar-03
NCREIF ODCE Net				0.0	3.1	0.0	6.7	14.0	12.8	12.6	5.6	7.2	Mar-03
Over/Under				0.0	-0.3	0.0	-0.7	-2.1	-2.2	-2.0	0.2	0.4	
NCREIF ODCE				0.0	3.3	0.0	7.1	15.0	13.8	13.7	6.5	8.2	Mar-03
RREEF	1,601,221	0.0		0.0	-0.9	0.0	-6.2	7.5	16.1	24.2	--	-4.9	Sep-07
NCREIF ODCE Net				0.0	3.1	0.0	6.7	14.0	12.8	12.6	5.6	3.4	Sep-07
Over/Under				0.0	-4.0	0.0	-12.9	-6.5	3.3	11.6	--	-8.3	
NCREIF ODCE				0.0	3.3	0.0	7.1	15.0	13.8	13.7	6.5	4.3	Sep-07
Total Liquid Alternatives	347,603,586	8.5	10.0	0.9	-5.9	-3.7	-15.7	-19.4	--	--	--	0.5	Apr-13
CPI + 4% (Unadjusted)				0.5	1.0	1.0	2.1	5.1	4.8	5.5	5.9	4.7	Apr-13
Over/Under				0.4	-6.9	-4.7	-17.8	-24.5	--	--	--	-4.2	
Bridgewater All Weather Fund	253,962,390	6.2		0.5	-3.3	-0.6	-7.9	-11.1	--	--	--	1.2	Aug-13
CPI + 5% (Unadjusted)				0.6	1.2	1.1	2.7	6.2	--	--	--	5.6	Aug-13
Over/Under				-0.1	-4.5	-1.7	-10.6	-17.3	--	--	--	-4.4	
Tortoise Energy Infrastructure	93,641,196	2.3		2.1	-12.3	-11.0	-31.4	-35.8	--	--	--	-5.9	Apr-13
Wells Fargo MLP Index				-0.4	-17.6	-13.4	-37.5	-42.6	-11.1	-1.3	--	-13.5	Apr-13
Over/Under				2.5	5.3	2.4	6.1	6.8	--	--	--	7.6	
Overlay	267,763,379	6.5	0.0										
Parametric	267,763,379	6.5											

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.

CPI+4% is estimated by carrying the last available month forward

Real Estate Valuation is as of 12/31/2015

Ventura County Employees' Retirement Association

Total Fund

Cash Flow Summary

Month Ending February 29, 2016

	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Adams Street Partners	\$94,533,540	\$0	\$0	\$0	\$0	\$0	\$94,533,540
BlackRock ACWI ex-U.S. Index	\$221,783,786	\$0	\$0	\$0	-\$19,978	-\$2,045,740	\$219,738,046
BlackRock Equity Market Fund	\$1,073,906,221	\$0	\$0	\$0	-\$19,976	-\$336,199	\$1,073,570,021
BlackRock Extended Equity Index	\$41,178,467	\$0	\$0	\$0	-\$2,758	\$190,190	\$41,368,657
BlackRock MSCI ACWI Equity Index	\$205,026,197	\$0	\$0	\$0	-\$8,458	-\$1,293,656	\$203,732,541
BlackRock U.S. Debt Fund	\$142,155,262	\$0	\$0	\$0	-\$8,104	\$950,089	\$143,105,352
Bridgewater All Weather Fund	\$252,696,731	\$0	\$0	\$0	-\$86,242	\$1,265,660	\$253,962,390
GMO Global Equity	\$185,714,515	\$0	\$0	\$0	-\$84,222	-\$1,957,834	\$183,756,681
Harbourvest	\$44,018,920	\$0	\$0	\$0	\$0	\$0	\$44,018,920
Hexavest	\$72,767,694	\$0	\$0	\$0	-\$28,366	-\$170,413	\$72,597,281
L - PIMCO Global Fixed Income	\$2,287,761	\$0	\$0	\$0	-\$683	\$55,367	\$2,343,128
Loomis Sayles Multi Strategy	\$69,909,718	\$0	\$0	\$0	-\$23,329	\$71,698	\$69,981,416
Loomis Strategic Alpha	\$41,447,396	\$0	\$0	\$0	-\$13,702	-\$340,042	\$41,107,353
Pantheon Global Secondary Fund IV	\$15,859,937	\$0	\$0	\$0	\$0	\$0	\$15,859,937
Parametric	\$287,250,743	-\$37,850,855	\$27,572,129	-\$10,278,726	-\$65,296	-\$9,208,638	\$267,763,379
Prudential Real Estate	\$124,454,632	\$0	\$0	\$0	\$0	\$0	\$124,454,632
Reams	\$281,815,316	\$0	\$0	\$0	-\$41,664	\$1,498,979	\$283,314,296
RREEF	\$1,601,221	\$0	\$0	\$0	\$0	\$0	\$1,601,221
Sprucegrove	\$152,323,277	\$0	\$0	\$0	-\$51,472	\$739,947	\$153,063,224
Tortoise Energy Infrastructure	\$91,620,923	\$0	\$0	\$0	-\$58,526	\$2,020,273	\$93,641,196
UBS Real Estate	\$232,900,873	\$0	\$0	\$0	\$0	\$0	\$232,900,873
Walter Scott	\$86,630,074	\$0	\$0	\$0	-\$65,398	\$415,541	\$87,045,615
Western	\$271,068,402	\$0	\$0	\$0	-\$46,680	\$2,369,294	\$273,437,696
Western U.S. Index Plus	\$133,939,732	\$0	\$0	\$0	-\$29,239	-\$25,021	\$133,914,711
Total	\$4,126,891,338	-\$37,850,855	\$27,572,129	-\$10,278,726	-\$654,092	-\$5,800,505	\$4,110,812,106

Loomis Sayles Global Fixed Income and PIMCO Global Fixed Income have been terminated
L - Account is liquidating



February 29, 2016



NEPC, LLC

YOU DEMAND MORE. So do we.SM



Ventura County Employees' Retirement Association

2016 Capital Market Assumptions and Actions for Clients

March 21, 2016

Allan Martin, Partner

Dan LeBeau, Consultant

Tony Ferrara, CAIA, Senior Analyst

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com

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

	<u>Page</u>
2016 Observations and Actions	3
VCERA Assumptions	6
General Client Actions	8
Key Themes and Background	16
Capital Market Observations	24
2016 Asset Class Assumptions	31
Appendix: Why Invest in Non-U.S. Equities	48
Appendix: Portfolio Efficiency	58
Appendix: Assumption Development	61
Appendix: Disclosures	88

2016 Observations and Actions

- **U.S. economic expansion continues as Federal Reserve begins policy shift**
 - Economic conditions and health of U.S. consumers remain supportive for growth
 - Profit margin declines and strong dollar are a challenge to corporate profitability

- **Central Banks continue to dictate the global investment outlook**
 - Path of Fed policy over next two years matters more than timing of the next Fed action
 - ECB and BoJ likely to maintain and extend accommodative policies
 - Easing in China is broadly stimulative but currency policy is unpredictable

- **Persistent strength of U.S. dollar reveals global market weakness**
 - World economy has experienced a “dollar recession” as global output slows
 - Dollar strength tightens global monetary conditions and strains global growth

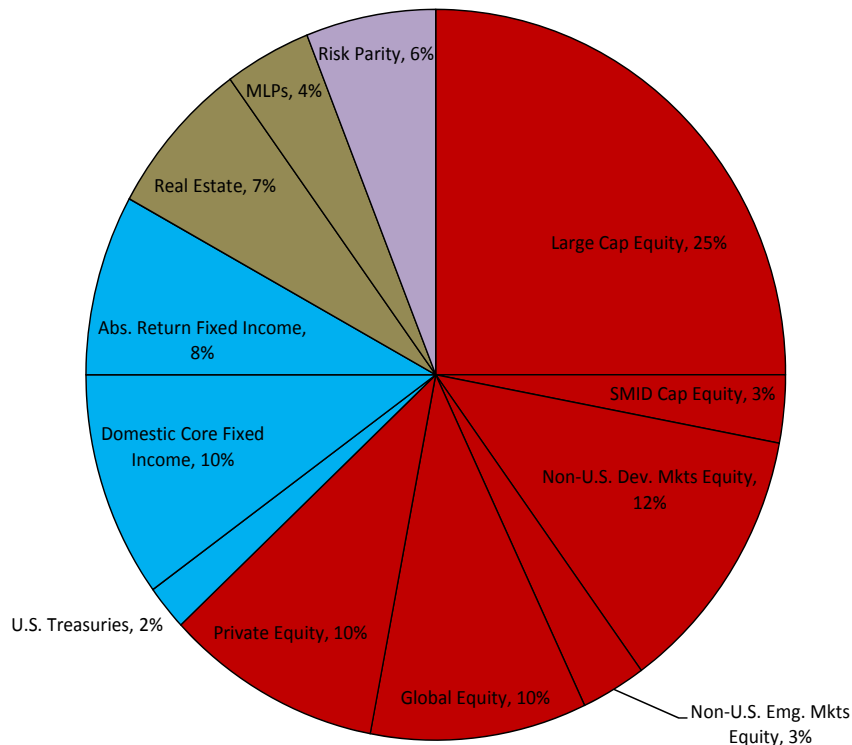
- **Weak growth should not lead to a financial crisis in emerging markets**
 - Negative asset returns reflect adjustments necessary for future economic success
 - Further political and market reforms are necessary for improved economic conditions

- **Stressed credit liquidity magnifies the scale of price movements**
 - Central bank easing and positive investor sentiment have masked deterioration in liquidity
 - Credit markets ability to absorb an exodus from crowded positions could be challenged

- **Return Assumption: Continue to evaluate long-term feasibility of actuarial rate of return assumption**
 - Long-term yields and risk premiums remain muted compared to historical (30-year) return expectations for most asset classes
- **Equities vs. Bonds: U.S. equities remain attractive relative to core bonds**
 - Look for opportunities to rebalance during periods of increasing volatility
- **Non-U.S. Equities: Within overall equity allocations, continue to consider an overweight to non-U.S. developed markets equities**
 - Continued stimulative monetary policy in Europe and Japan should support an improved economic environment and offers potential for upside surprises in corporate earnings
- **Emerging Markets: Revisit overall exposure (equity and debt)**
 - Determine total emerging markets exposure on a 'look-through' basis (including underlying exposure within GAA, Global Equity, Absolute Return Fixed Income, Hedge Funds, etc.)
 - Reaffirm comfort with amount of direct and indirect exposure
 - Valuations and long-term fundamentals suggest an overweight, but near term outlook is volatile
- **Core Fixed Income: Enhance, don't abandon, fixed income**
 - Treasury bonds and TIPS exposure in traditional core portfolios provides important downside protection in volatile 'risk-off' environments
 - Use of multi-sector/unconstrained fixed income strategies can provide a good complement to core, but should not be viewed as a stand-alone replacement
- **Commodities: Evaluate overall exposure to commodity price volatility**
 - Real assets (public and private), Risk Parity, GAA, and emerging markets allocations have varying degrees of commodity exposure
 - Return expectations for direct commodity exposure has continued to decline
 - Private market energy returns are becoming attractive

VCERA Assumptions

Long-Term Asset Allocation Targets



	5-7 Year		30 Year	
	2015	2016	2015	2016
Expected Return	6.4%	6.4%	7.7%	7.6%
Expected Volatility	13.1%	12.5%	13.1%	12.5%
Sharpe Ratio	0.35	0.39	0.34	0.37

Actuarial Assumed Rate of Return:
7.5%

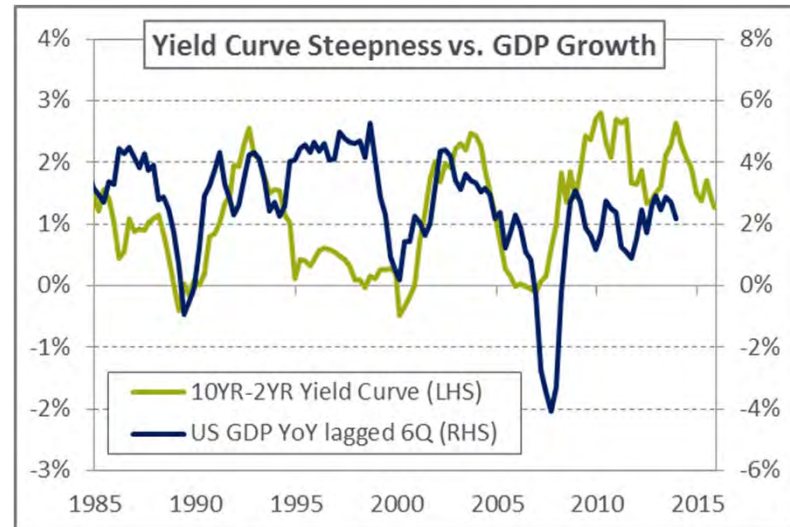
Probabilities Using 2016 Capital Market Assumptions

Probability of 1-Year Return Under 0%	30.3%
Probability of 6-Year Return Under 0%	10.4%
Probability of 1-Year Return Over 7.5%	46.5%
Probability of 6-Year Return Over 7.5%	41.6%
Probability of 30-Year Return Over 7.5%	51.8%

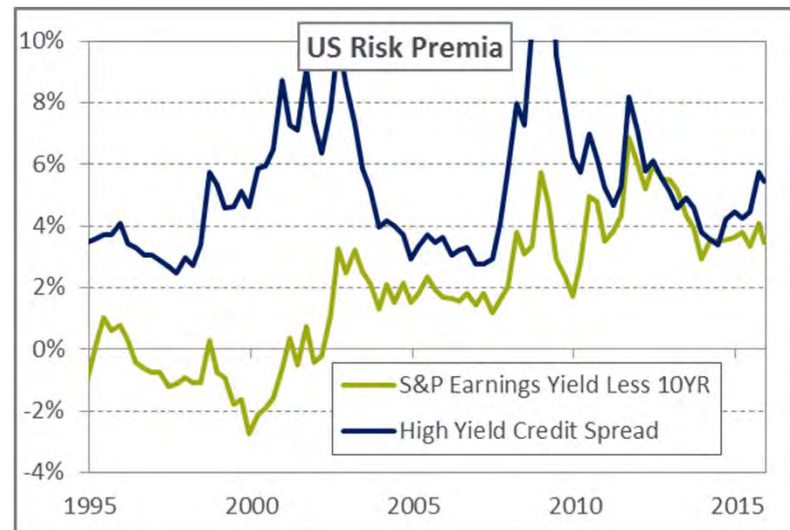
General Client Actions

- **Influence of monetary policy provides basis for extended U.S. economic cycle**
 - Continued growth supports accrual of risk premia even in a low expected return environment
 - Profit margin pressures and enhanced credit risk are challenges of a maturing economic cycle

- **U.S. equity and credit markets offer reasonable risk premia**
 - Equity markets are near fair value, but distortion from monetary policy supports continued positive returns
 - Pressure of stronger dollar and energy market distress are a headwind for returns
 - Focus on niche strategies and hedge funds to exploit potential volatility in equity and credit markets



Source: Bloomberg



Source: Bloomberg

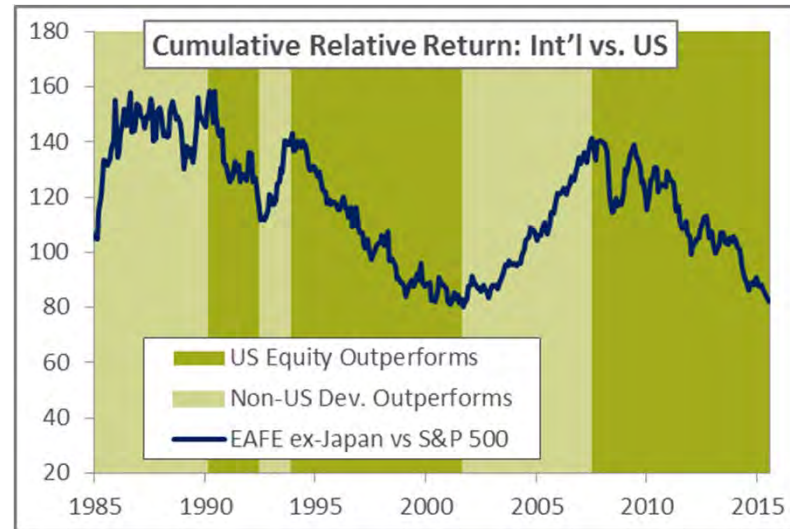
Non-U.S. Developed Markets Equities Remain Attractive Given Monetary Support

- **Europe and Japan have faced major economic challenges**
 - For Japan, these challenges extend over the previous two decades
 - Non-U.S. equity returns relative to domestic are highly cyclical

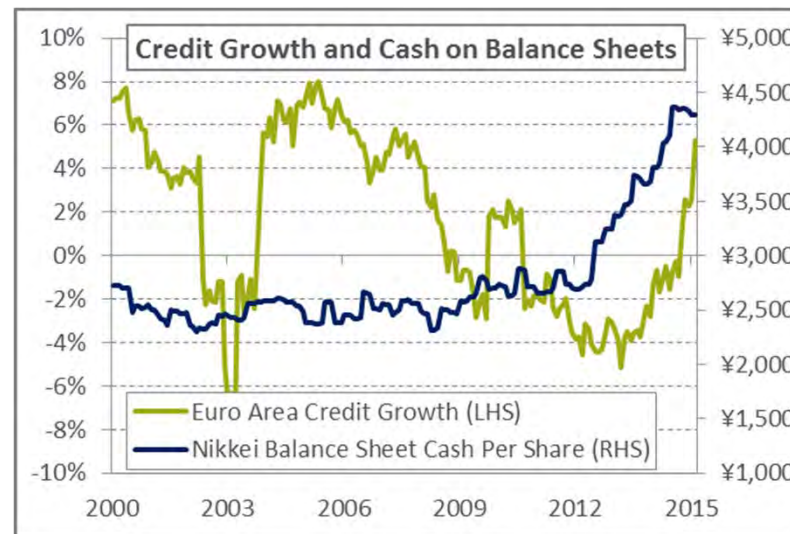
- **Success of U.S. monetary action galvanized unprecedented action by the European Central Bank and Bank of Japan**
 - Seeking positive response in both capital markets and real economy

- **Equities and other risky asset markets likely to benefit**
 - Stimulus promotes credit growth, spending and earnings
 - Japanese companies flush with cash also seeking improved profitability

- **Hedging a portion of non-U.S. developed currency exposure remains a strategic goal**
 - Dollar strength likely to persist as Fed policy lifts off



Source: Standard & Poors, MSCI, Bloomberg

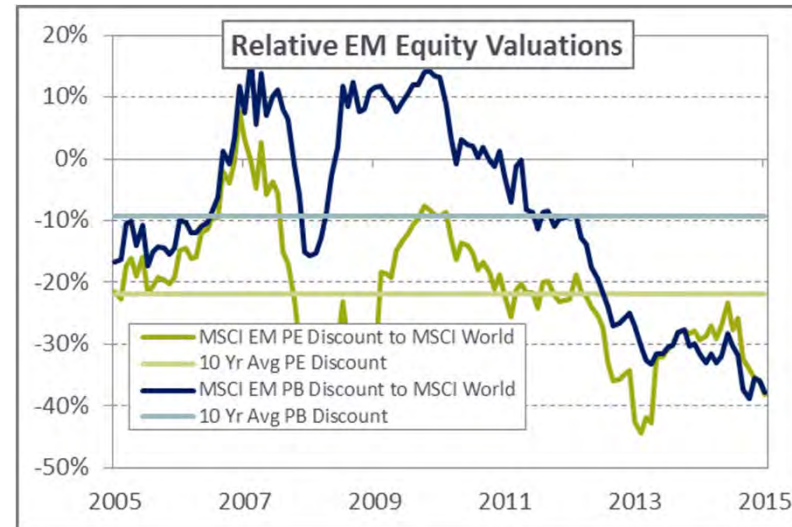


Source: TSE, ECB, Bloomberg

Emerging Markets Present Interesting Opportunity.. But Require Patience

- **Fundamentals of emerging markets suggest higher return potential than developed world**

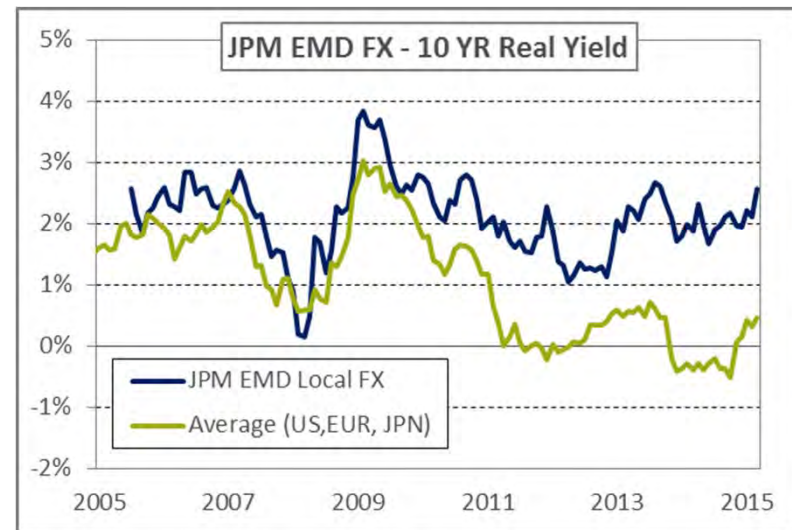
- Valuations appear reasonable, especially versus developed world
- Superior real yields and fundamentals expected to flow through to higher returns over time



Source: MSCI, Bloomberg

- **Unique risks across countries suggest caution and patience**

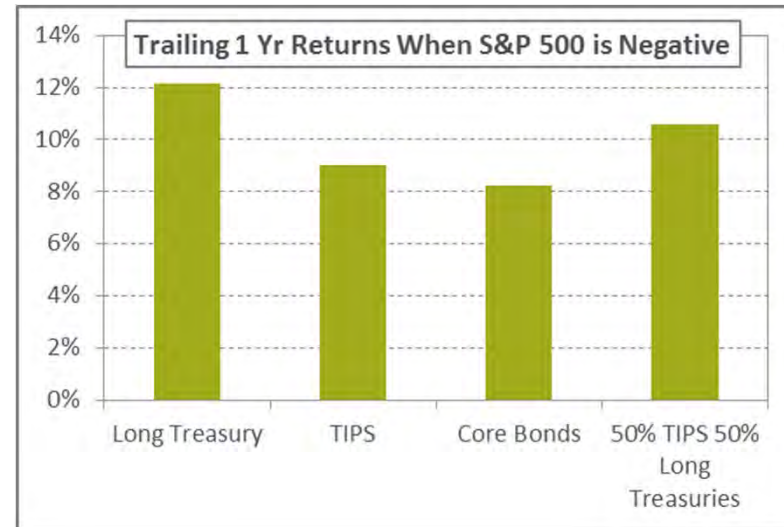
- China continues slow process to delicately rebalance economy
- Commodity dependent countries face financial challenges as they adjust to lower prices
- Credit dependence, particularly for dollar-based borrowers, could cause further strain



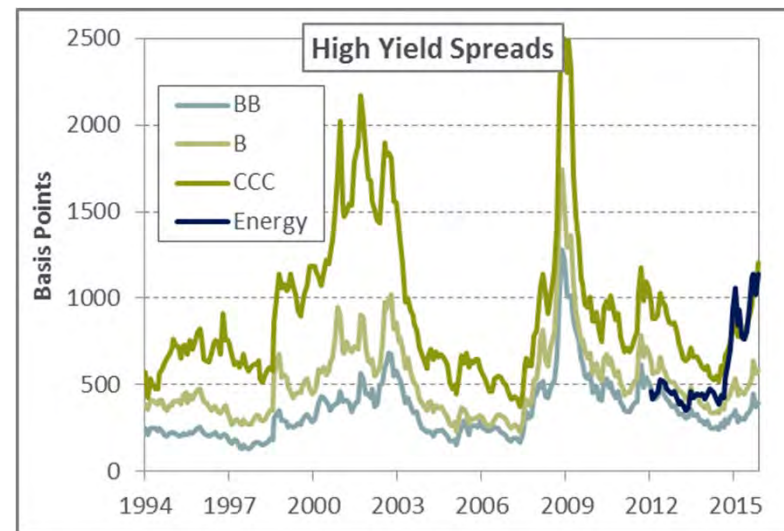
Source: JP Morgan, Bloomberg

Seek Differentiated Fixed Income Strategies, But Don't Abandon Safe Havens

- **Safe haven exposure is critical as an asset allocation building block**
 - Provides unique stability in times of equity market stress
- **Partial allocation to TIPS diversifies safe haven exposure**
 - Current low inflation breakevens make TIPS attractive relative to nominal U.S. Treasuries
- **Tactical bond strategies and unique credit exposures are key portfolio components**
 - Mitigate the impact of a rising interest rate environment
 - Credit selection is key given challenging environment today across credit qualities and sectors
 - Global multi-sector credit, absolute return fixed income, credit hedge funds, and private lending (particularly in non-U.S. markets) are a focus



Source: Barclays, Bloomberg



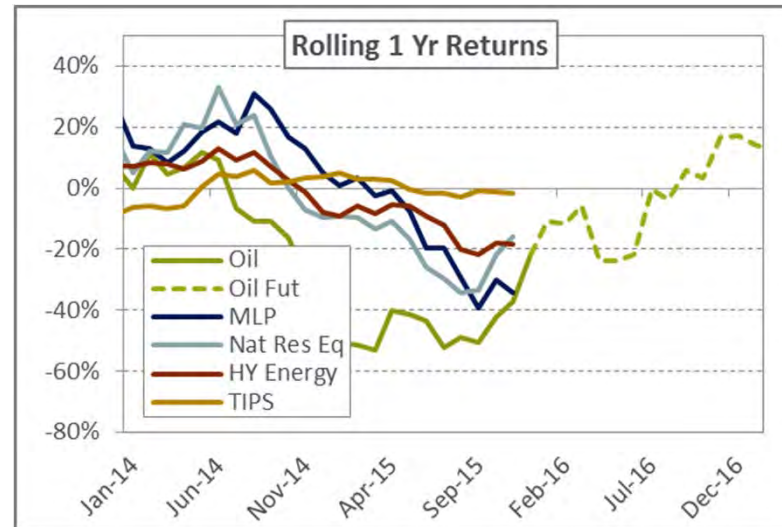
Source: Barclays, Bloomberg

Seek Opportunities From Energy Distress Outside Of Traditional Commodity Vehicles

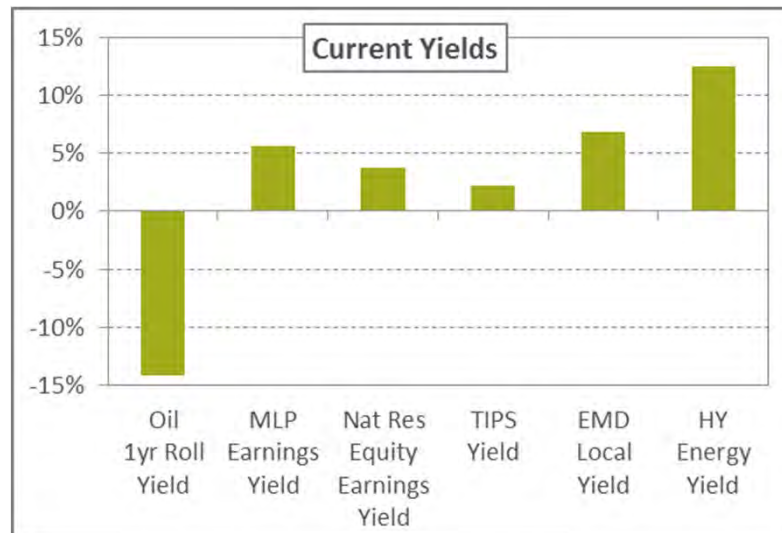
- **Massive oil sell-off generated distress across commodity markets**
 - Impacted oil-related and other inflation sensitive assets
 - Sell-off in related asset classes may present opportunities for active managers and private strategies

- **Seek inflation sensitive asset classes that offer positive yield**
 - Oil futures commodity roll yield is strongly negative
 - Other asset classes may offer attractive price upside

- **Private market strategies may be more attractive**
 - Patient capital can seize high return opportunities as they materialize



Source: Alerian, Standard & Poors, Barclays, JP Morgan, Bloomberg



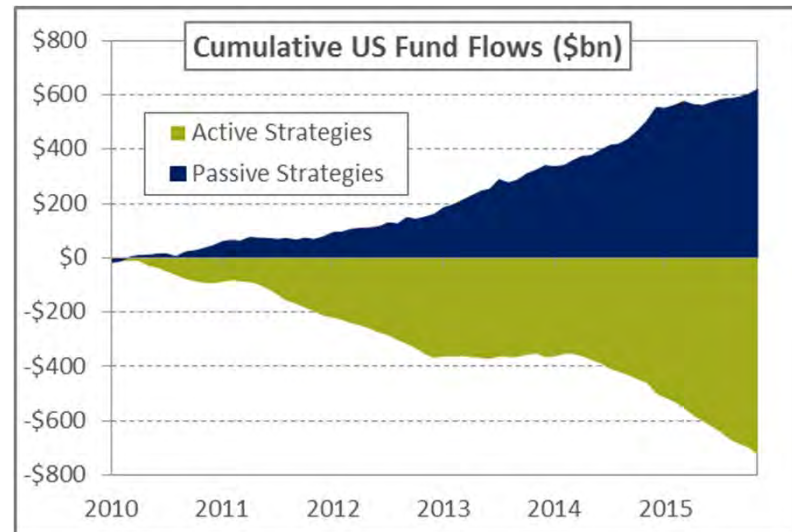
Source: Alerian, Standard & Poors, Barclays, JP Morgan, Bloomberg

Active Management – An Accelerating Trend To Passive Implementation

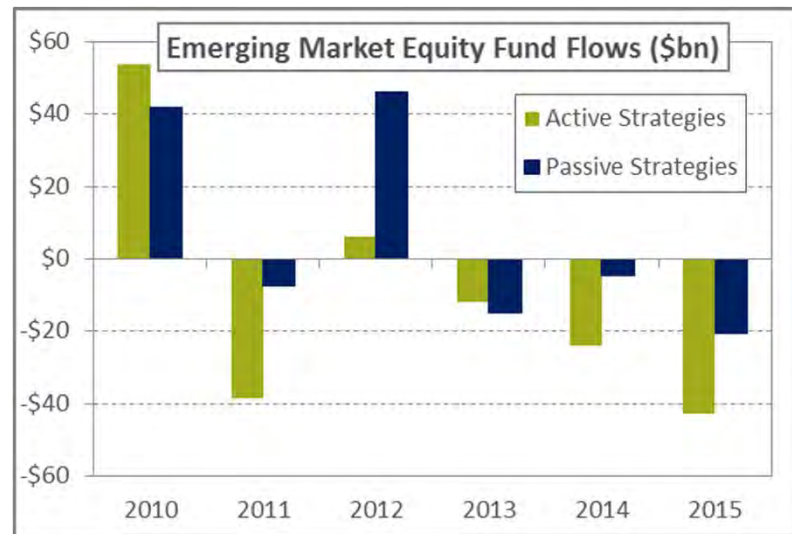
- **Passive trends a headwind for traditional active management**
 - Remain committed to high conviction active managers
 - Give managers greater discretion, but evaluate effectiveness of investment thesis over time
 - Reduced regional constraints provide expanded opportunity for alpha in global equity strategies

- **Untether exposures from traditional benchmark risks and bias in Emerging Markets**
 - Make use of small cap and consumer-focused equity strategies
 - Use non-traditional strategies with reduced constraints across markets to capitalize on divergences

- **Conviction in ability to generate alpha as well as uniqueness of strategy must align with fees**



Source: EPFR Global

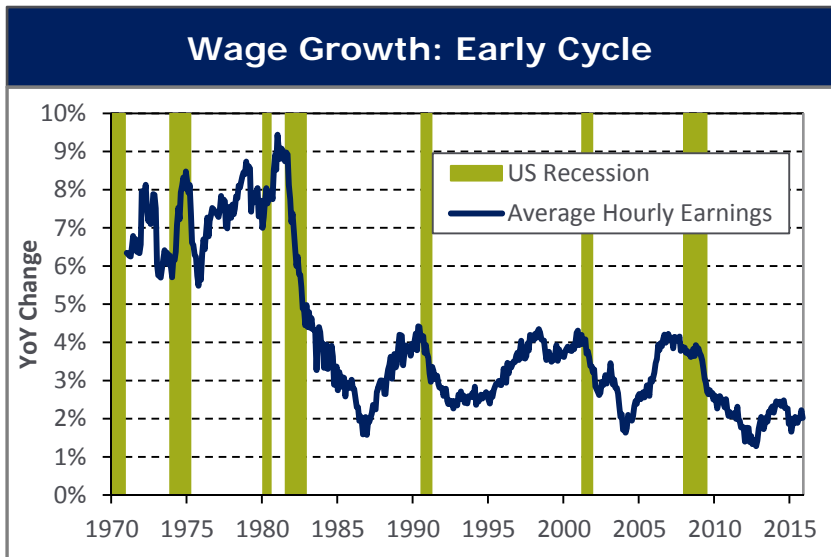
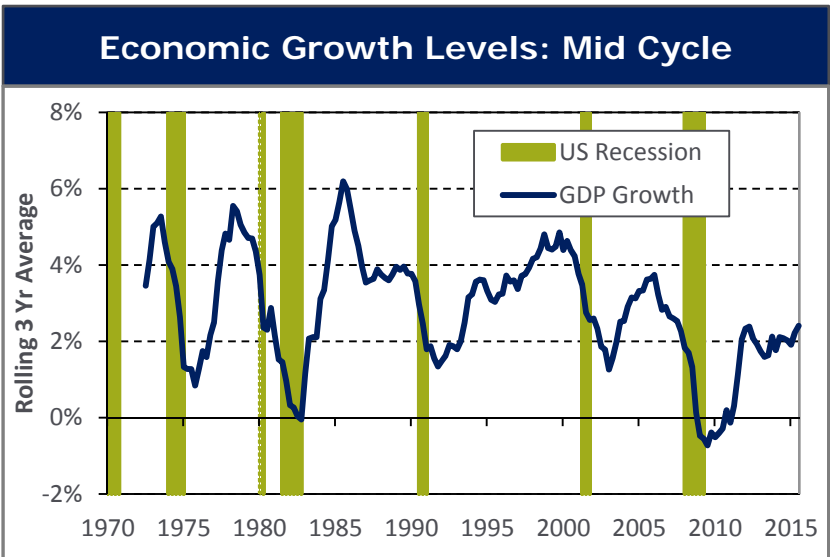
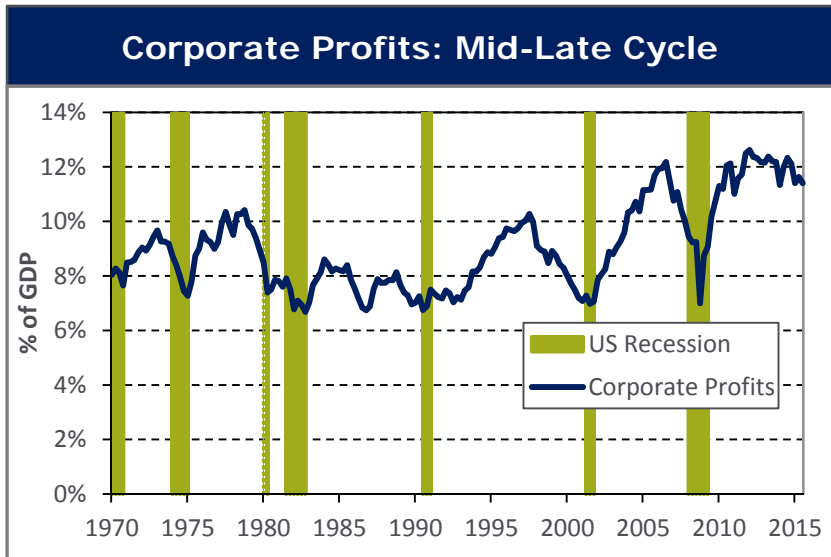


Source: EPFR Global

- **Global Equity**
 - Global strategies can exploit regional divergences, but is not a total equity replacement
- **Non-U.S. Developed Markets Equity**
 - Make use of currency hedged strategies to fund overweight allocation
- **Emerging Markets Equity**
 - Small cap and consumer-focused approach
- **Core Fixed Income**
 - Barbell Unconstrained with TIPS/Long Bonds
- **Credit Exposure**
 - Think outside the “benchmark box” - dynamic credit strategies, private lending
- **Emerging Markets Debt**
 - Blended approach and consider complementing with EM Macro hedge fund
- **Overlay**
 - Provides disciplined rebalance approach; ability to express tactical views
- **Risk Parity**
 - Risk balanced inflation-sensitive assets exposure preferable to long only commodities
- **Inflation-Sensitive Assets**
 - Make use of multi-asset inflation focused strategies to fund private real assets
- **Opportunistic Allocations**
 - Create an opportunistic “bucket” to exploit future market dislocations

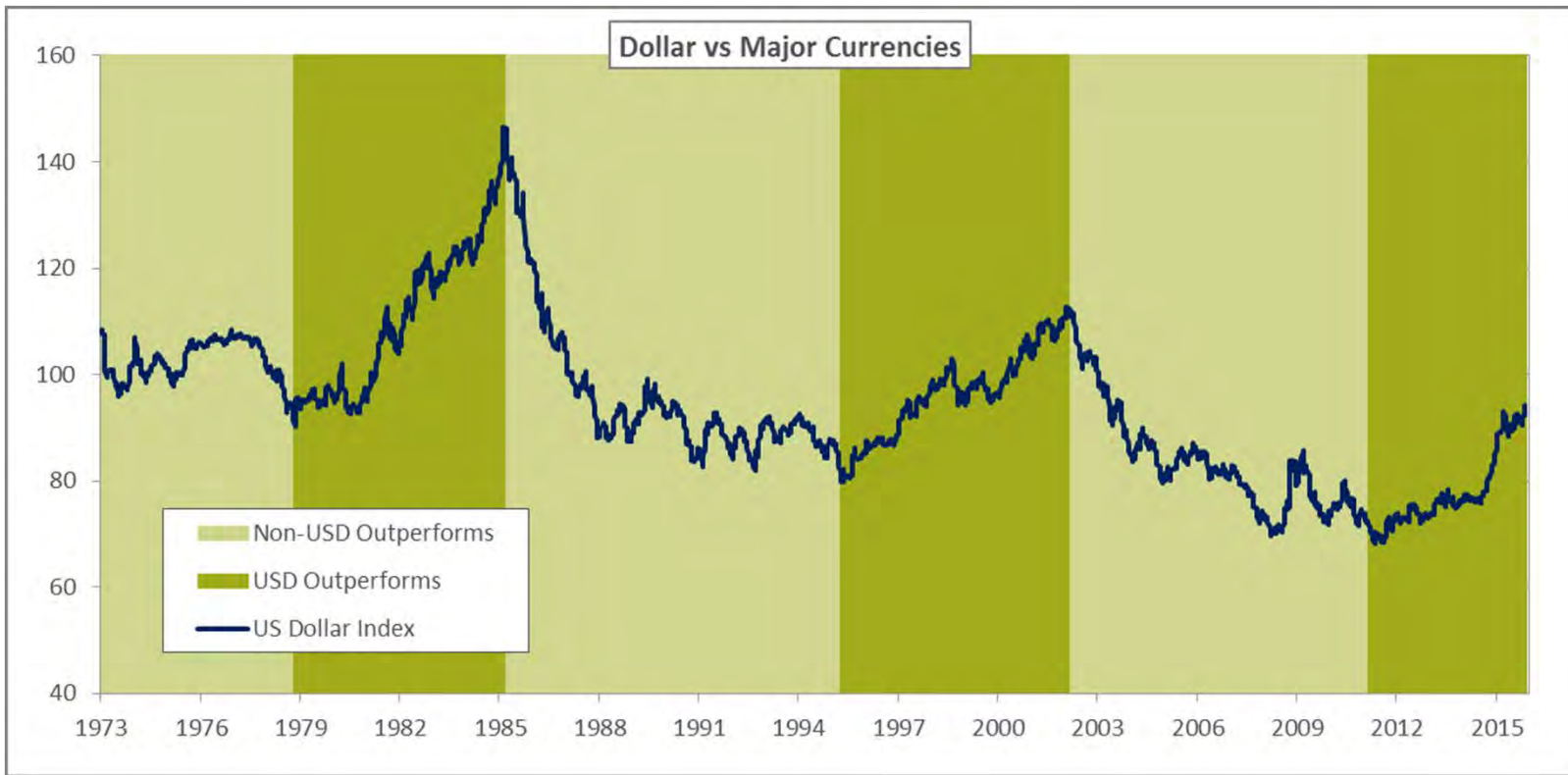
Key Themes and Background

- **NEPC's 2016 Assumptions and Actions cover both an intermediate (5-7 years) and long-term (30 years) forecast horizon**
 - Similar to prior years, November 30 market data is used for all assumption inputs
- **U.S. economic cycle and U.S. central bank policy are at the forefront of major cyclical and secular forces informing our Assumptions and Actions**
 - These factors interact to create a supportive environment for risk assets in the near term, but ultimately push long-term capital market forecasts lower relative to history
- **The U.S. economy is nearly 7 years removed from the previous recession, but the health of U.S. consumers can extend the expansion**
 - Prolonged U.S. economic cycle has the potential to push the U.S. dollar higher, straining commodity markets and international borrowers with dollar-based debt
- **Influence of central bank policies in the developed world remain broadly supportive for risk assets but come with long-term effects**
 - U.S. policy is diverging from Europe and Japan, but slow expected pace of hikes provides a positive backdrop for U.S. equities and credit in the near term
- **Emerging markets growth compressed, yet still stronger than developed markets; fears of further adjustments in China remain a near-term concern**
 - Large currency adjustments across most emerging countries healthy for future prospects
 - Chinese Yuan (RMB) devaluation has been incremental relative to other EM FX adjustments



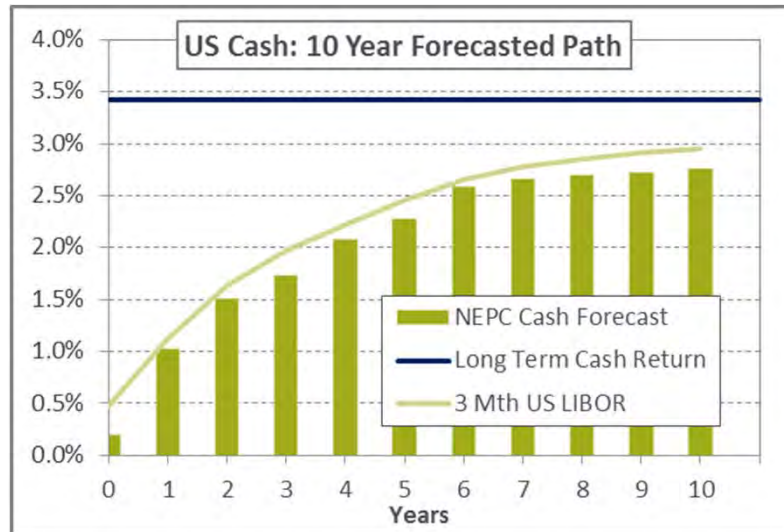
- ### Where Are We In the Economic Cycle?
- **Relative to the average length of economic cycles, the U.S. expansion is in its later stages**
 - **Improvements in wage growth and consumer spending can potentially extend expansion**
 - **Continued U.S. expansion provides a positive foundation for U.S. risk assets**

U.S. Dollar Cycle Characterized By Peaks Of Overvaluation

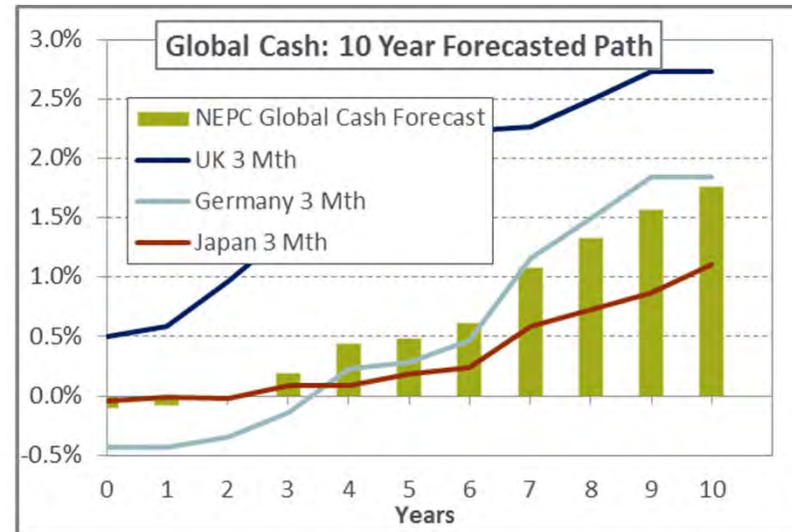


Source: Bloomberg, NEPC

- **A prolonged U.S. economic expansion is likely to have a significant influence on the U.S. dollar cycle**
 - Continued growth in consumer spending and U.S. economy have the potential to push the U.S. dollar to levels last seen in the late 1990's
- **U.S. dollar strength is interconnected with U.S. Federal Reserve policy**
 - Fed must balance the path of future interest rate increases relative to the disruptive effects of a strong dollar on global markets



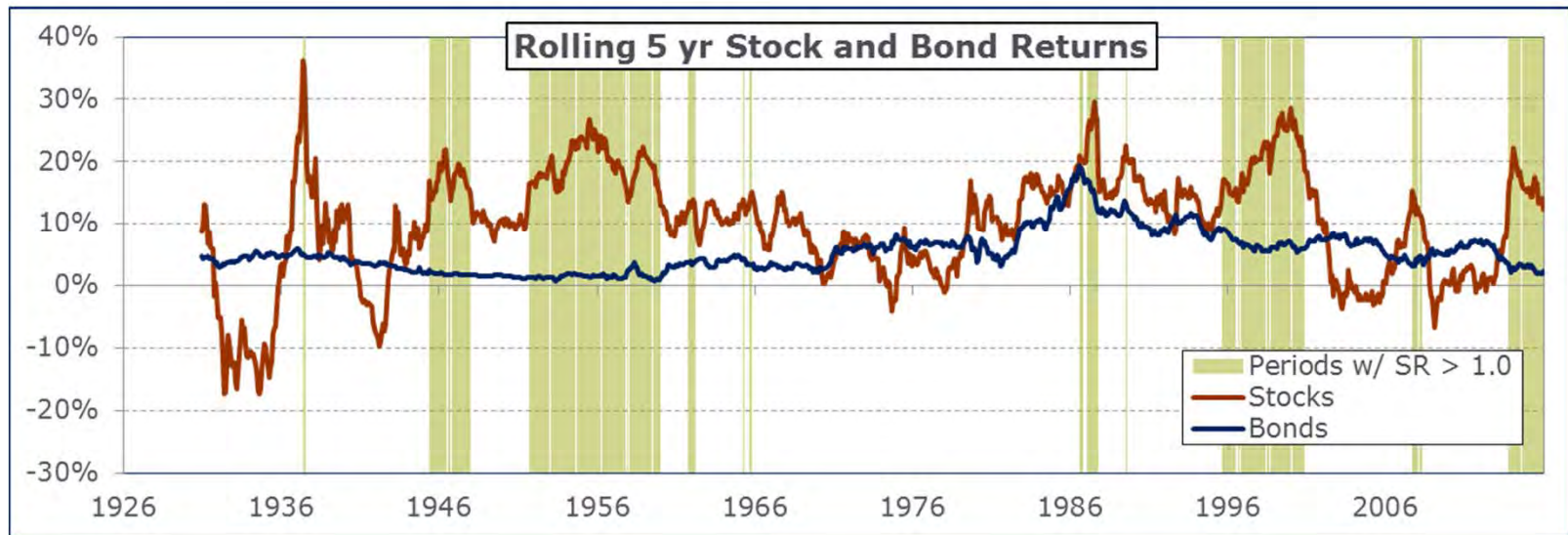
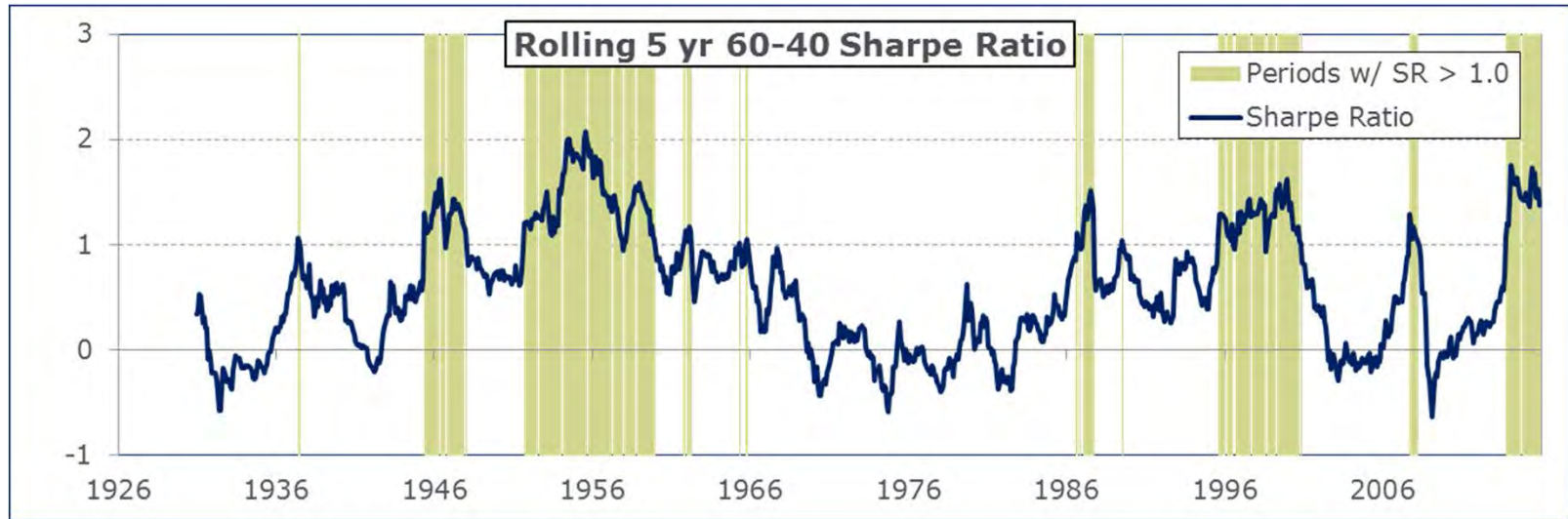
Source: Bloomberg, NEPC



Source: Bloomberg, NEPC

- **Accommodative global monetary policies flow through to markets, distorting the traditional asset return profile**
 - QE and negative interest rates suppress income while supporting higher valuations
 - Provides near-term support for market conditions in Europe and Japan
- **Potential extended period of low cash rates beyond market expectations poses challenges for all investors**
 - Subdued long-term cash expectations in the developed world compress long-term expected returns for both fixed income and equity

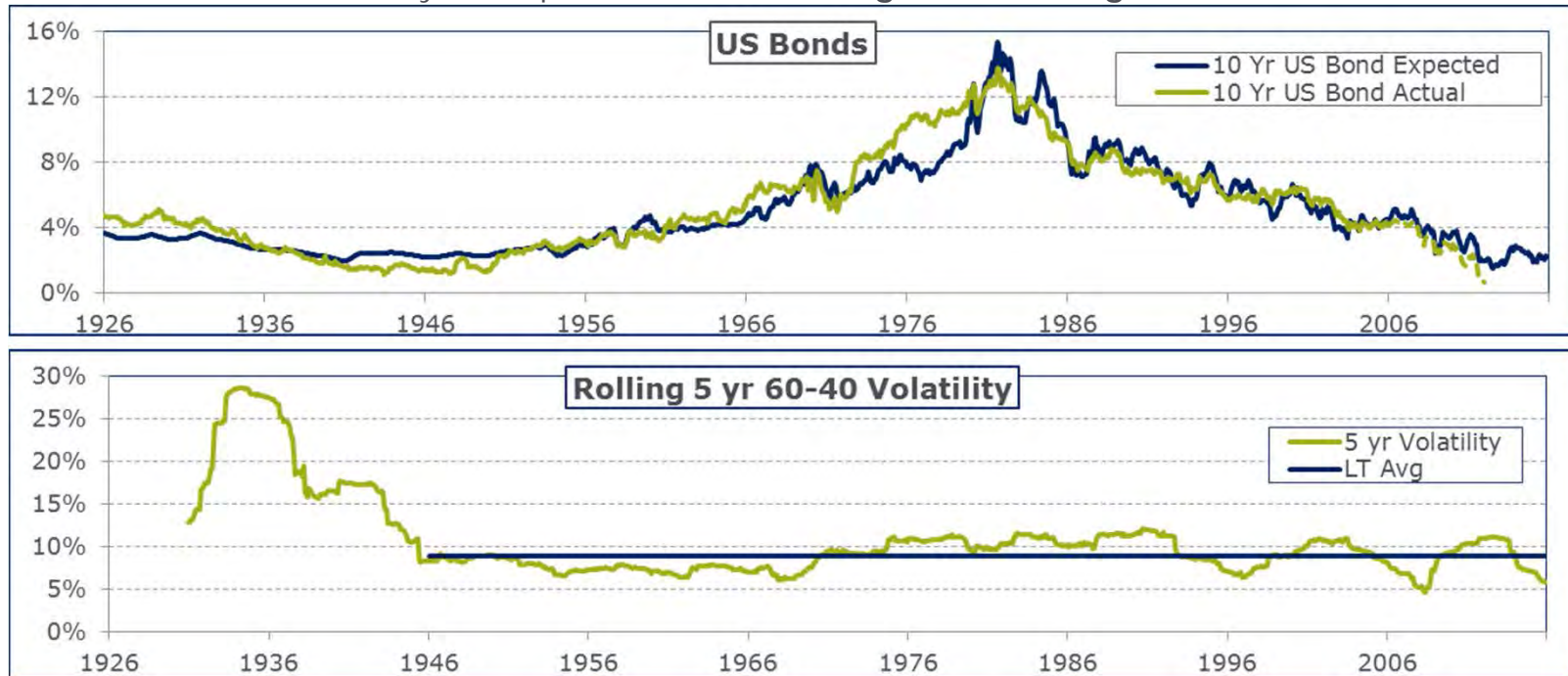
Maybe Occam Is Right... Is The Simplest Solution The Best?



Source: Shiller, Bloomberg, NEPC

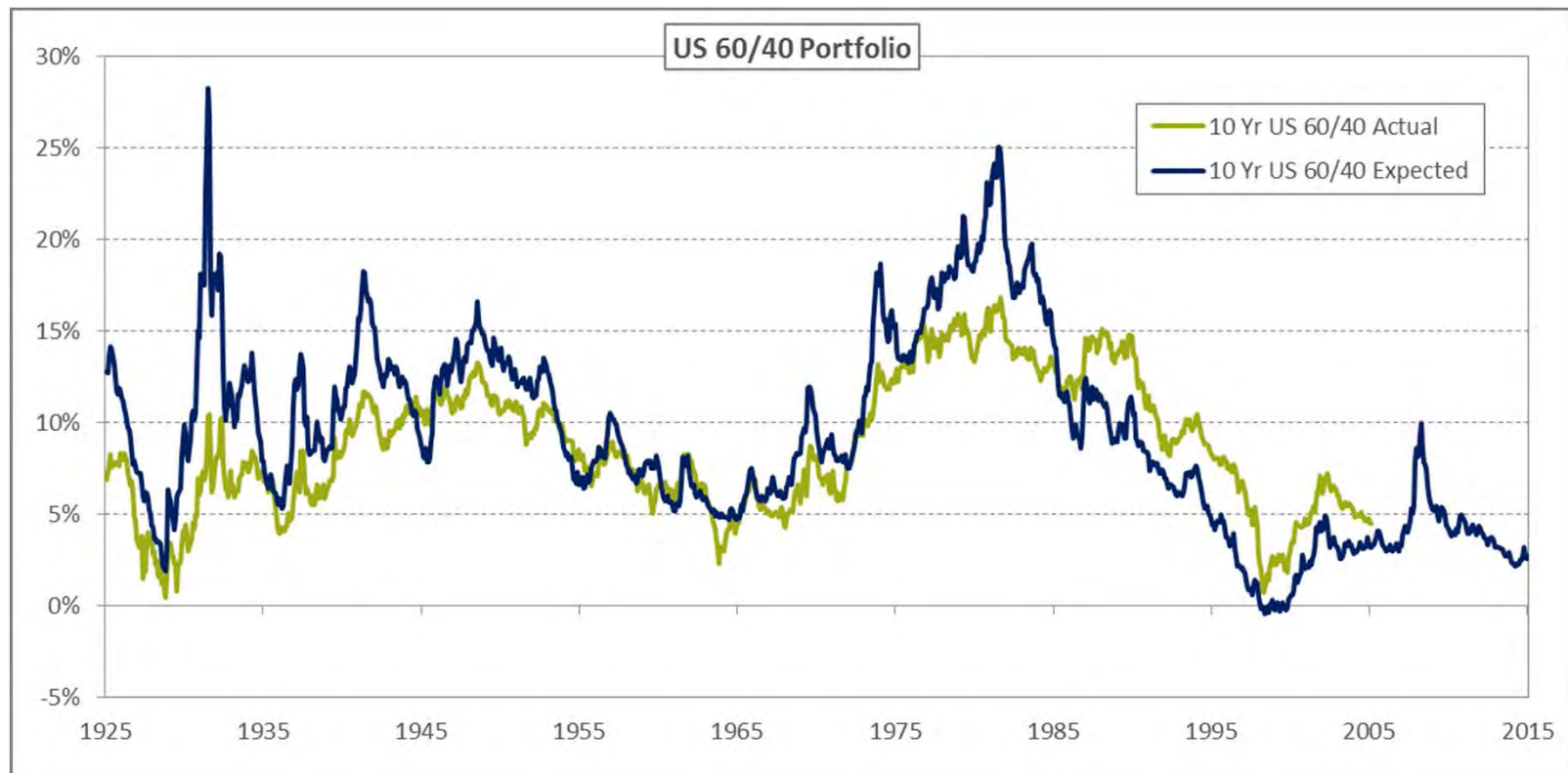
Occam's Razor Unpacked...

- **Occam's razor (in Latin *lex parsimoniae*: 'law of parsimony')**:
 - Among competing hypotheses, the one with the fewest assumptions should be selected
 - Interpretation: preference for fewer unknowns
 - But on any assumption – **better to be right than wrong**



- **What must you believe to expect 60/40 provides a 5 year Sharpe Ratio greater than 1.0?**
 - Assume Bonds return roughly 2.25% = 0.9% return contribution
 - Assume cash returns are in line with expectations (5-7 year assumption = 1.50%)
 - Assume volatility of 60/40 portfolio stays within a reasonable historical range
- **Equities must return 11-21% annualized over 5 years!**
 - Assuming range of 6-12% for 5 year annualized 60/40 volatility

Low Global Cash Rates Suppress Long-Term Return Expectations



Source: Shiller Data, NEPC

- **U.S. centric portfolios like 60/40 have worked historically, but forward looking return prospects are subdued**
 - Asset prices can be sustained, but low yields portend below average expected returns
- **Conventional investment approaches may fall short going forward**
 - Index focused approaches, such as core bonds, may be sub-optimal in current environment
 - Adjustments will be necessary to effectively meet and exceed long-term objectives

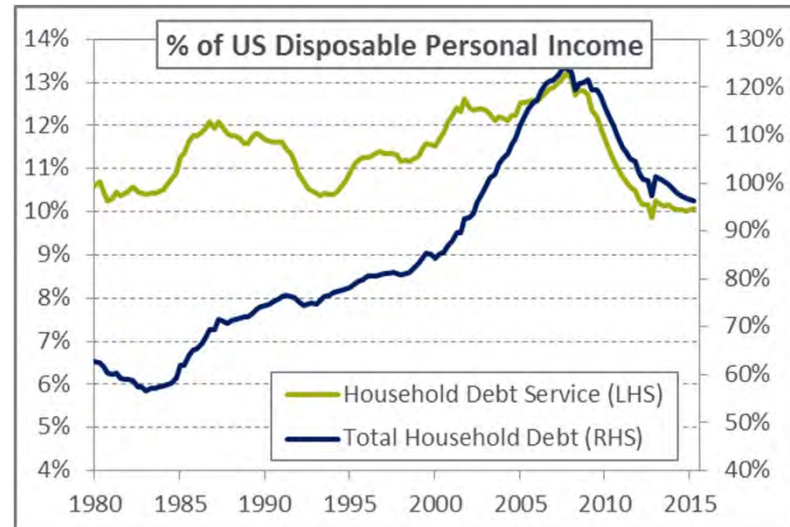
Capital Market Observations

Slow And Steady For U.S. Economy As Cycle Extends

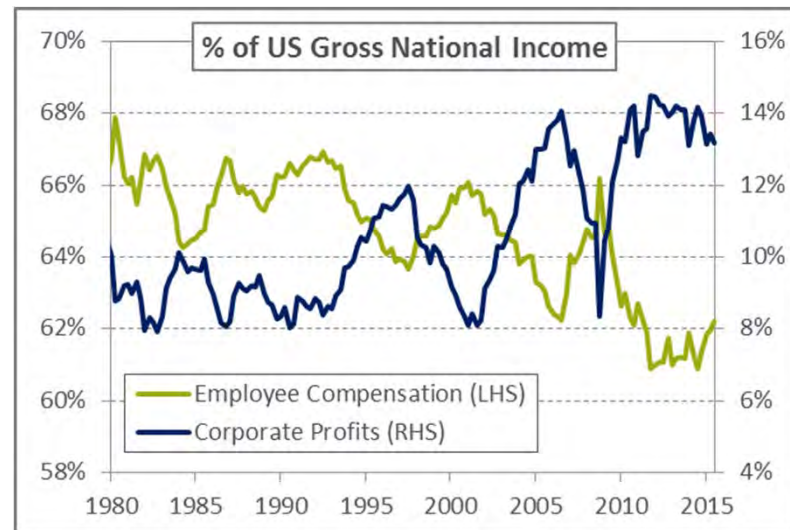
- **U.S. GDP continues to strengthen modestly**
 - Consumer spending supported by healthy balance sheets
 - Low energy prices and debt service have provided stimulation

- **U.S. economy shows resilience against headwinds**
 - Fed support through quantitative easing has been removed
 - Dollar strength pressures profit margins of global companies
 - Subdued global growth and challenges in certain emerging markets

- **Corporate profits begin to lag from secular highs**
 - Buybacks and financial engineering have buttressed earnings per share
 - Profitability has begun to slow from rising dollar and wage pressures



Source: St. Louis Federal Reserve

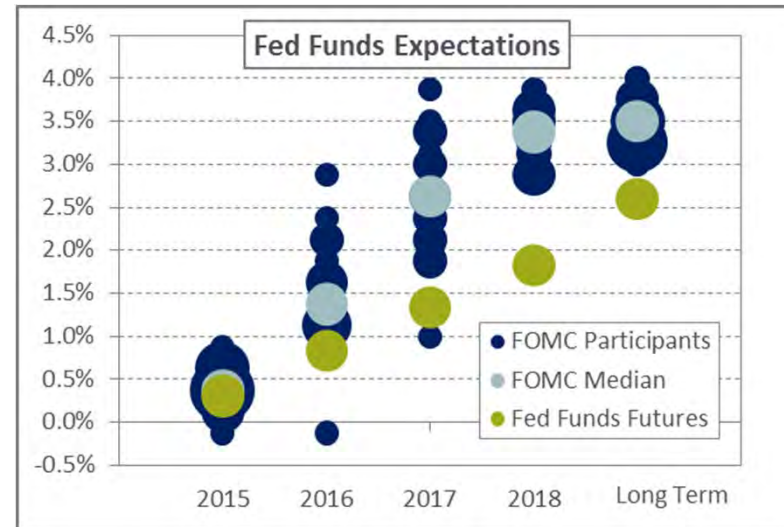


Source: St. Louis Federal Reserve

Follow The Money – Central Banks Continue To Drive Capital Market Results

- **Next steps in Fed policy closely watched, but path is a bigger (and more important) unknown**

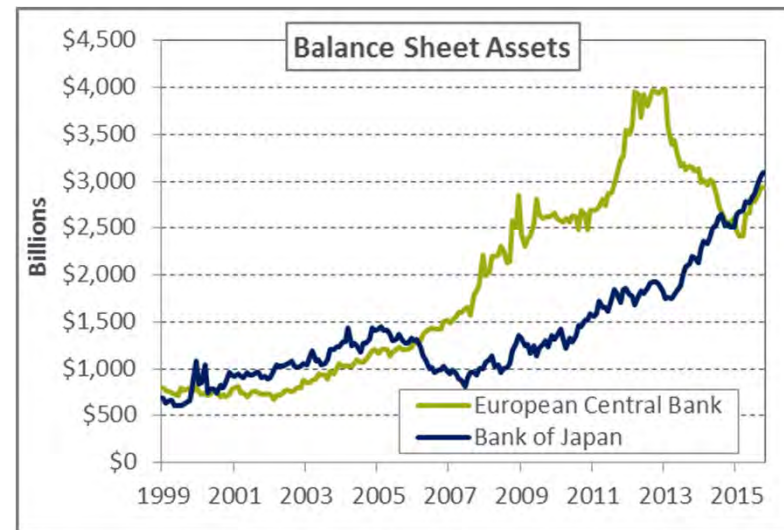
- 25 basis point increase unlikely to cause economic slowdown
- Rate increases beyond market expectations could prove challenging for asset prices
- Long-term terminal Fed Funds rate determines pricing for all assets



Source: FOMC, Bloomberg

- **Monetary stimulation in Europe and Japan has been effective**

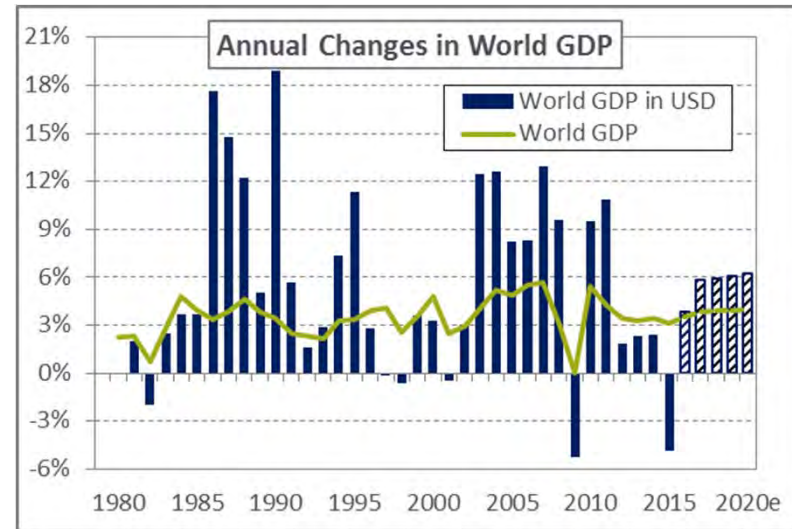
- Both regions require further accommodation to continue gradual economic recovery
- Effectiveness of easing may be challenged with bond yields and credit spreads relatively low
- However, zero interest rate bound has been broken, offering room for further easing



Source: European Central Bank, Bank of Japan, Bloomberg

Sustained U.S. Dollar Appreciation Is Globally Disruptive

- **Positive global GDP growth masks challenges of a strong dollar**
- **World economy has suffered a “dollar recession” as global GDP in USD terms has declined by nearly \$4 trillion**
 - Appreciation in U.S. dollar strains global liquidity and reveals underlying market weakness
 - Pressures commodity markets and credit growth for international borrowers holding dollar-based debt
- **Dollar strength impacts global economy in meaningful ways**
 - Improves competitiveness for countries and companies heavily reliant on exports to the U.S.
 - Represents a headwind to U.S. corporate earnings and exports
 - Fed is forced to balance slower interest rate increases or pushing the dollar higher



Source: IMF



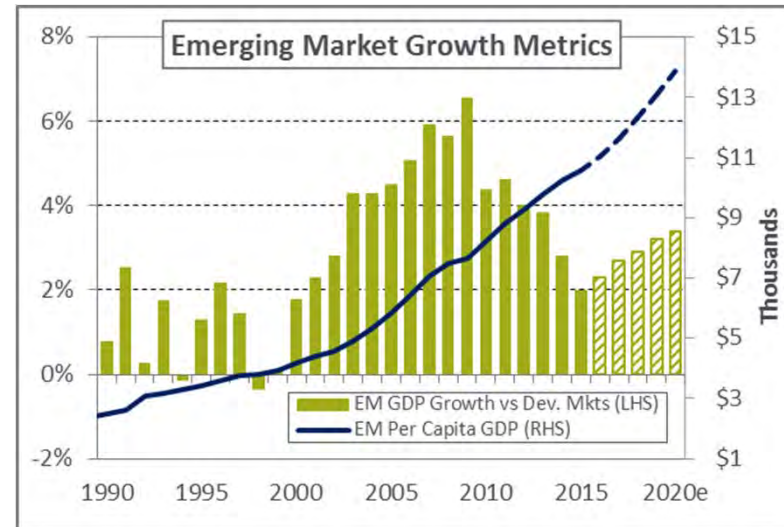
Source: St. Louis Federal Reserve

Emerging Market Growth Dependent On China And Rising Consumer Spending

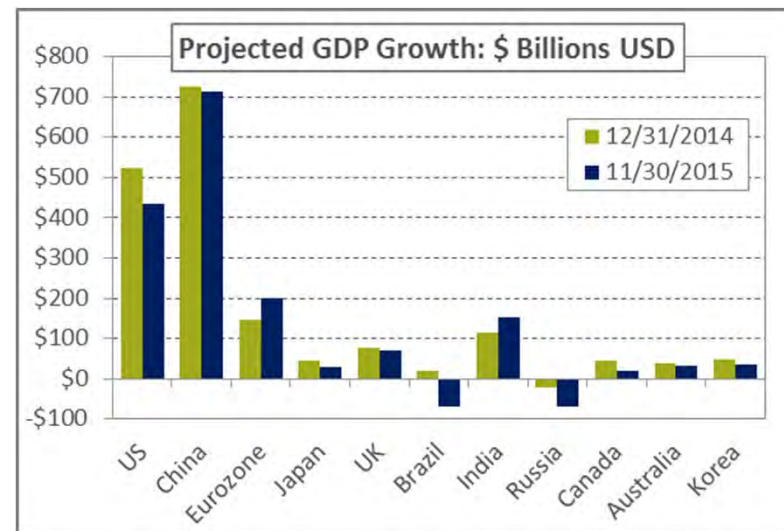
- **Emerging market growth premium relative to developed world remains but is subdued**
 - Per Capita GDP continues to rise, pushing standard of living higher and supporting consumer growth

- **Initiative to reform reflects the distinct and varied outlook across countries**
 - Political challenges and commodity market distress are material risks for both Russia and Brazil
 - Reform minded countries are realizing economic adjustments necessary for sustainable growth and economic success

- **Economic conditions across emerging world are distinct, but China is the focus**
 - China remains the growth engine for the world, but is transitioning to a new economic model



Source: IMF



Source: Bloomberg

Structural Economic Change In China Has Global Implications

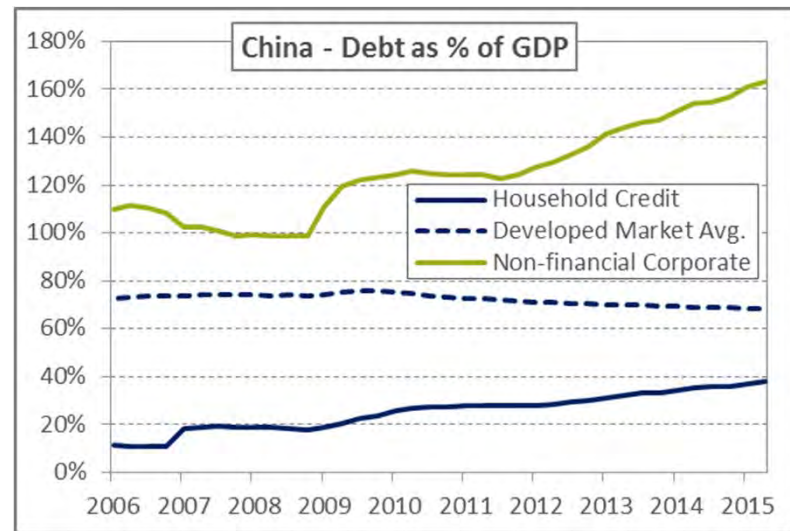
- **Decline in fixed investment is lowering China's growth rate**
 - Broad implications for many emerging economies and commodity producers

- **Shift is underway from an export and investment led economy to a consumer focus**
 - Adjustment is paired with ongoing market reforms to liberalize currency and financial markets
 - Continued strength of the U.S. dollar may force a more aggressive currency adjustment from China

- **Consumer spending likely to be the economic growth engine**
 - Retail sales have been immune to the extreme stock market volatility
 - Significant capacity for long-term credit growth among households

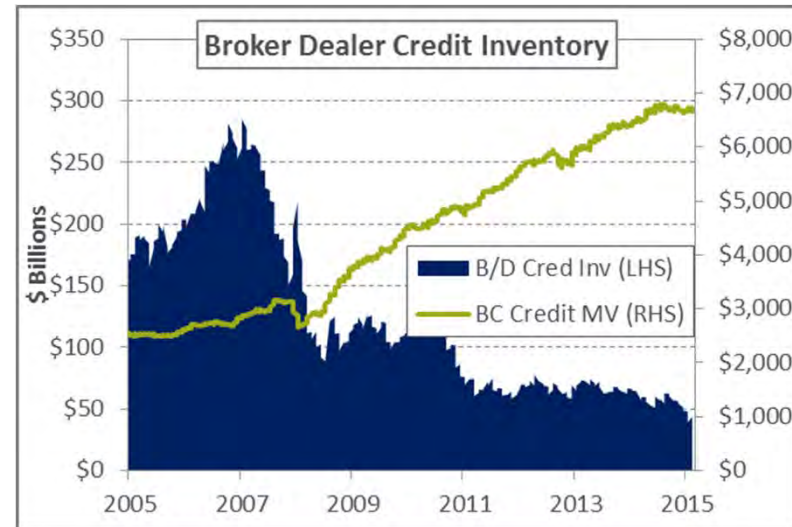


Source: Bloomberg

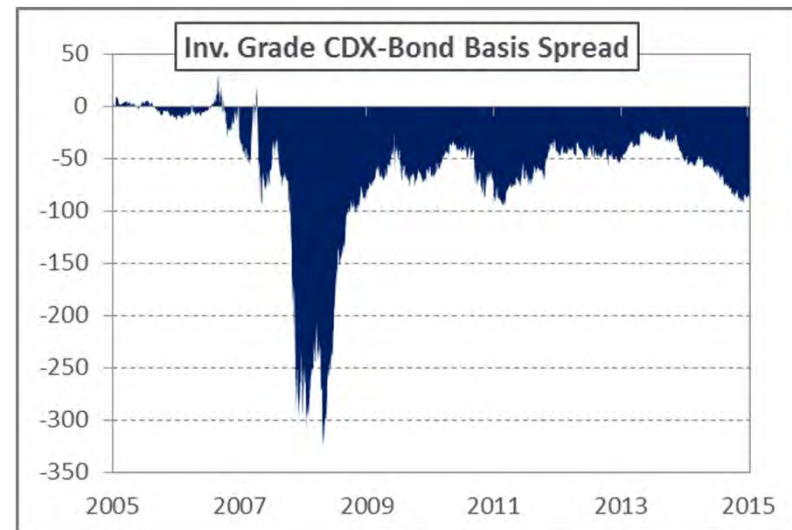


Source: Bank for International Settlements

- **Underlying market conditions remain fragile despite rebound from August sell-off**
 - Credit markets' could be challenged to absorb exodus from crowded positions
- **Credit inventories lower today with less bank capital at risk**
 - Liquidity provisions of new regulatory model are untested in true crisis
- **Derivative exposure less reliable**
 - Variable and negative CDX basis makes hedging unpredictable
- **Certain factors in place that can help stave off a liquidity crisis**
 - Low rate policies, bullish sentiment, positive economic results
- **Dynamic active strategies with disciplined credit approach can exploit periods of stress**



Source: NY Federal Reserve



Source: Barclays Capital

2016 Asset Class Assumptions

- **We use November 30 market data for all asset class assumptions**
- **Combination of historical data and forward looking analysis**
 - Expected returns based on current market pricing and forward looking estimates
 - Volatility and correlations based on history, while recognizing current uncertainty
- **Historical data is used to frame current market environment as well as to compare to similar historical periods**
 - Incorporates historical index returns, volatility, correlations, valuations, and yields
- **Forward-looking analysis is based on current market pricing and a building blocks approach**
 - Return = yield + changes in price (valuation, defaults, etc.)
 - Use of key economic observations (inflation, real growth, dividends, etc.)
 - Structural themes (supply and demand imbalances, capital flows, etc.)
- **Assumptions prepared by Asset Allocation Committee**
 - Asset Allocation team plus members of various consulting practice groups meet to develop themes and assumptions
 - Public markets, hedge fund and private market research teams provide insights
- **Assumptions and Actions reviewed and approved by Partners Research Committee**

- **We continue to refine and enhance our process where appropriate**
 - Changes are evolutionary rather than revolutionary
 - Addition of a dedicated 20+ Year STRIPS assumption

- **Added international small cap equity and emerging market small cap**
 - Recognizes the differentiated opportunity set associated with global small-cap equities

- **Fixed income model redesigned to highlight underlying building block market assumptions**
 - Includes major fixed income market drivers (yield, roll down, price change, credit, etc)

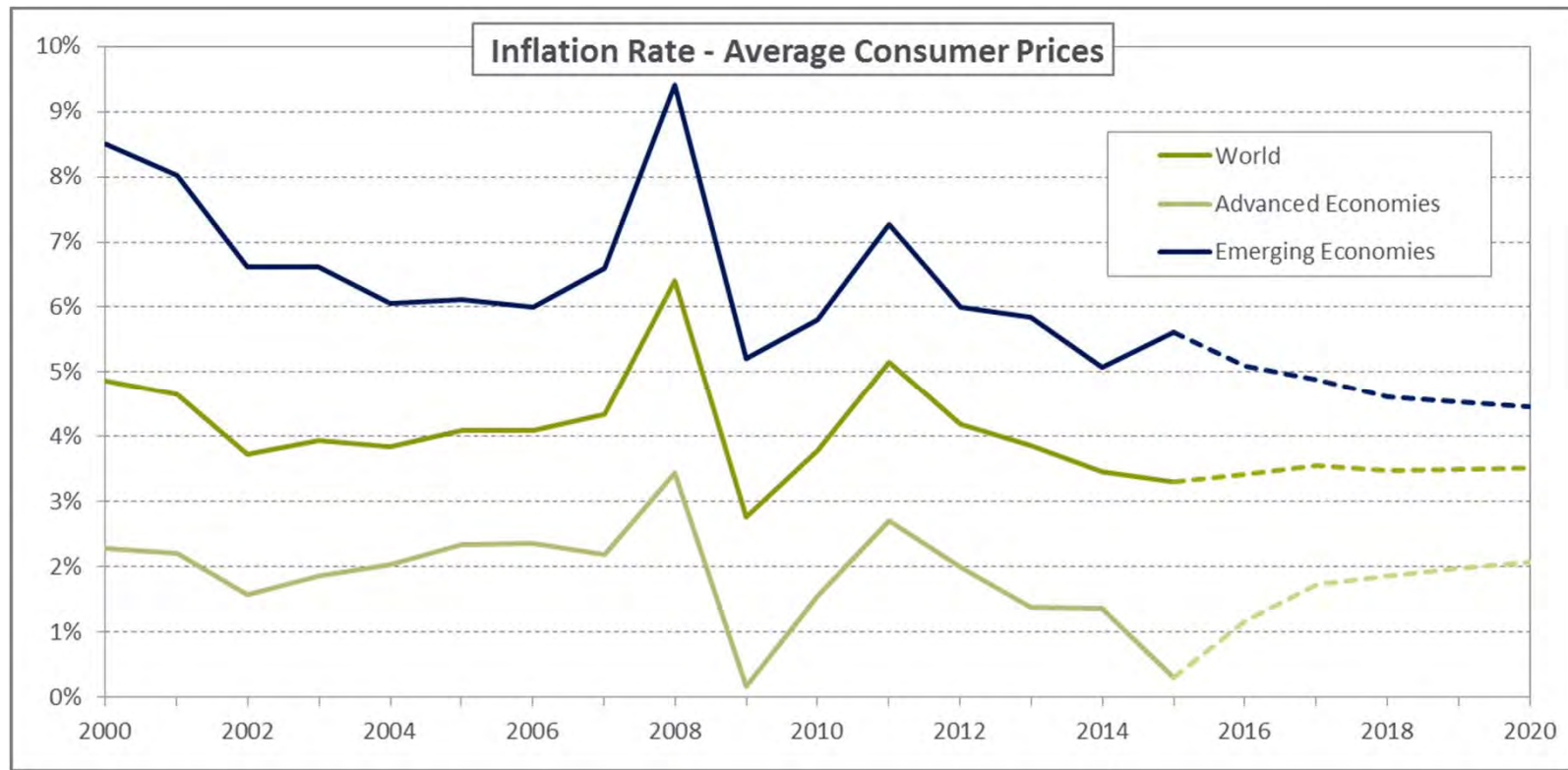
- **Broadened global bond country list to reflect index market exposure**
 - Inclusion of higher yielding government bond markets (Australia, Canada, Mexico, etc)

- **Refined commodity model to better account for market contango**
 - Developed improved curve forecast for each major commodity
 - Accounts for the significant negative roll yield of select commodities

- **Further refined development of asset class volatility assumptions**
 - Asset classes with evidence of autocorrelation adjusted to reflect experienced volatility

- **Inflation is an integral component of our asset allocation assumptions**
 - An essential building block for projecting returns in stocks, bonds, and commodities
- **There are several measures of inflation used to inform our view, all with some type of shortcoming**
 - Global forecasts, local consumer and producer price indices, TIPS break-even inflation
- **Institutional investment pools will experience asset inflation globally, encompassing both developed and emerging countries**
 - We use a 3% global inflation forecast over 5-7 years for our equity building blocks
 - Akin to assuming purchasing power parity holds across markets
 - Can be different from inflation experienced in local country liabilities or spending needs
 - Our expectation of U.S. CPI is 2.25% over 5-7 years and 2.75% over 30 years
- **Muted credit growth leaves inflation expectations unchanged in the near term, pressure for higher long-term inflation continues to build**
 - Money supply (M2) continued to expand while velocity remains depressed
 - Global monetary policy likely to remain stimulative in 2016
- **Given long-term inflation pressures, a modestly higher inflation assumption (3.25%) is used for determining 30 year equity return expectations**

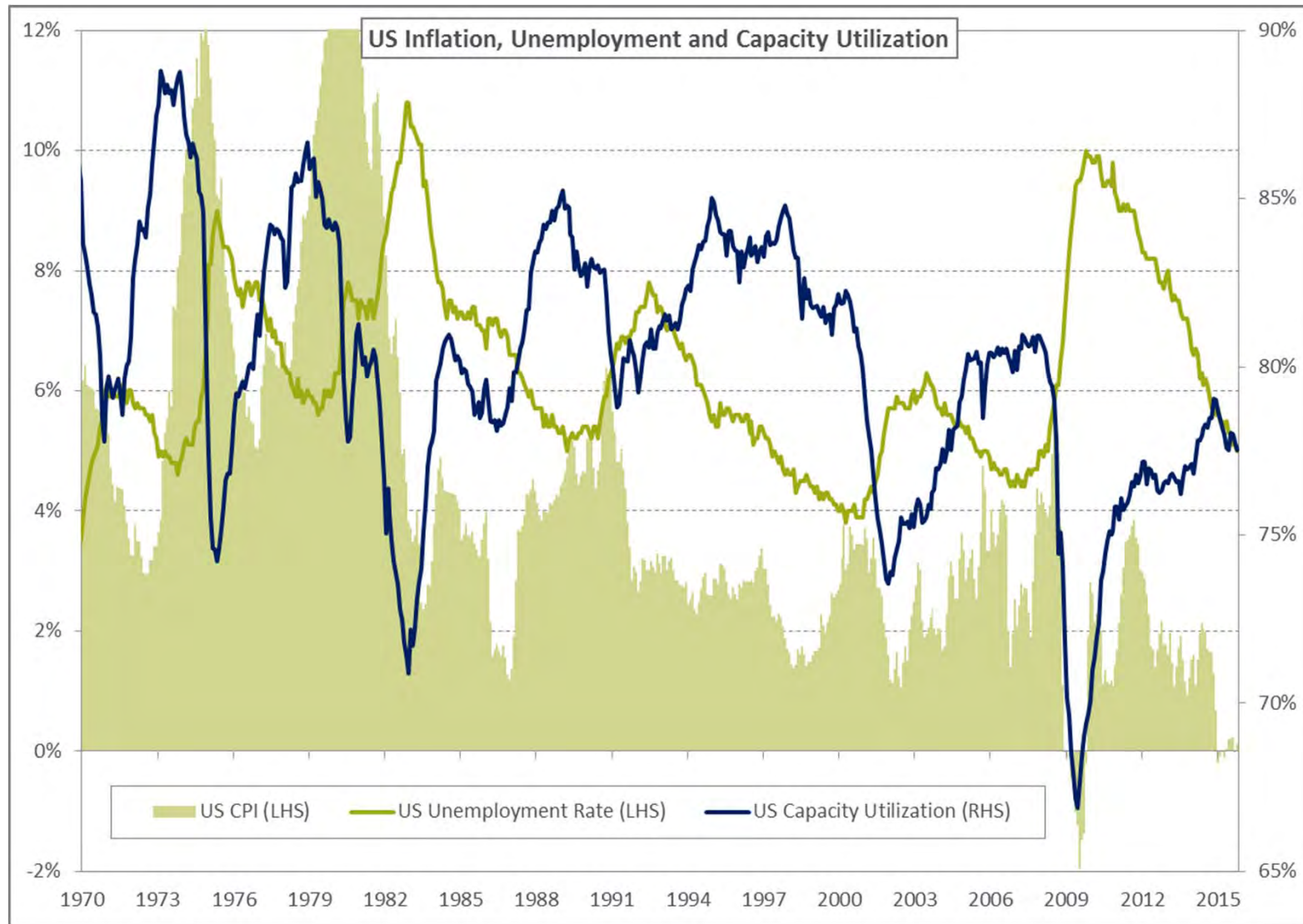
Global Inflation Forecasts



Source: IMF

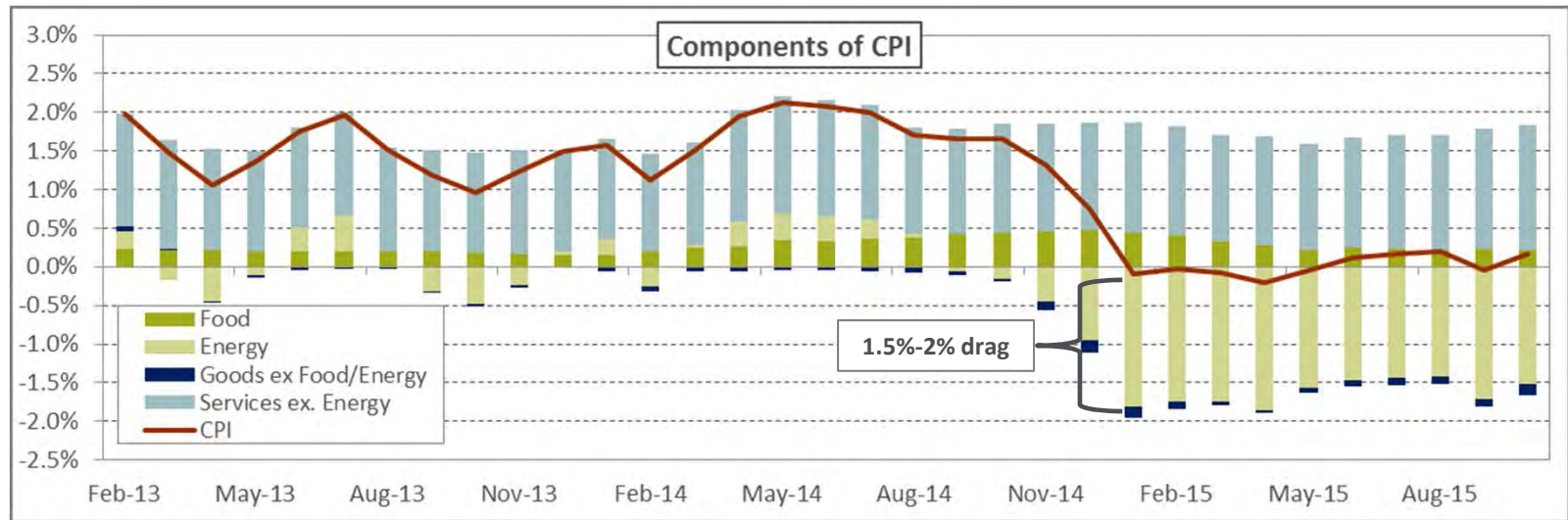
- **World inflation forecasts range from 3.4%-3.6% annually over the next five years**
 - Investment programs with a developed markets bias likely to experience less inflation than the global average

Realized U.S. Inflation Has Stayed Low Despite Economy Showing Capacity Improvements

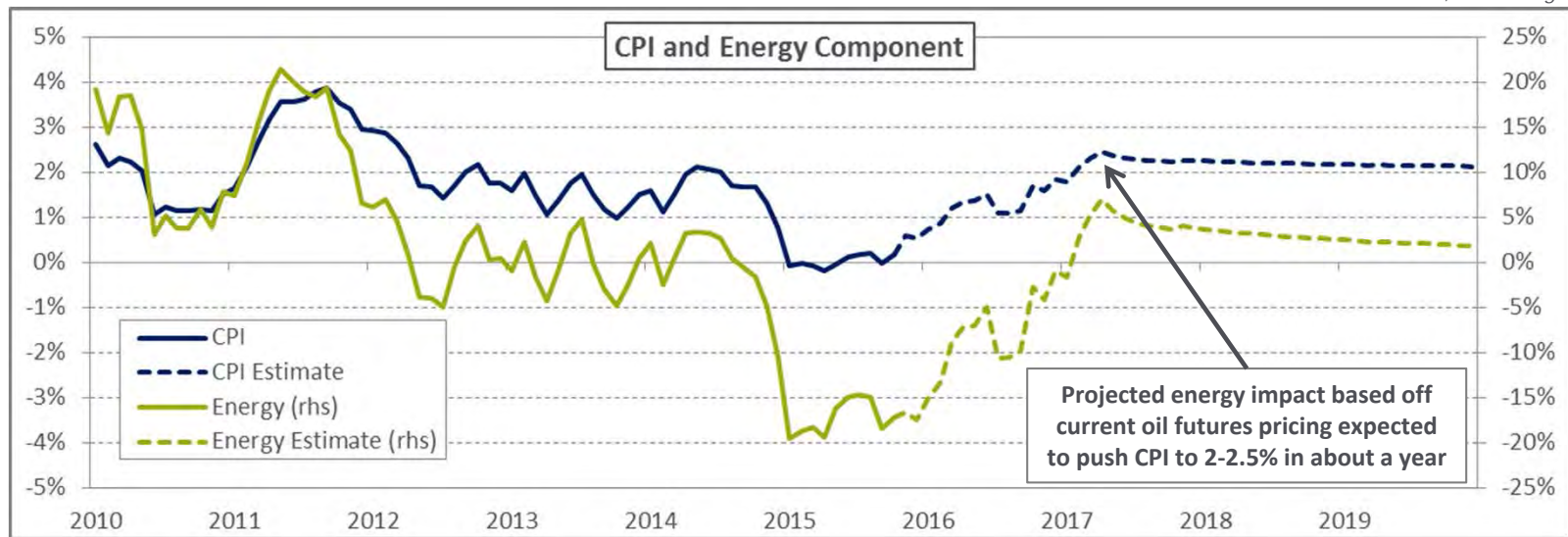


Source: Bureau of Labor Statistics, Federal Reserve, Bloomberg

Negative Energy Impact On CPI Expected To Fall Off In Early 2016

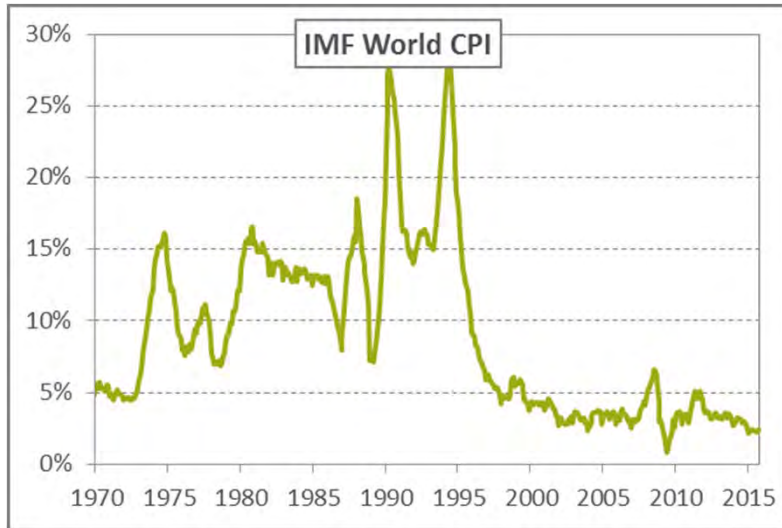


Source: Bureau of Labor Statistics, Bloomberg

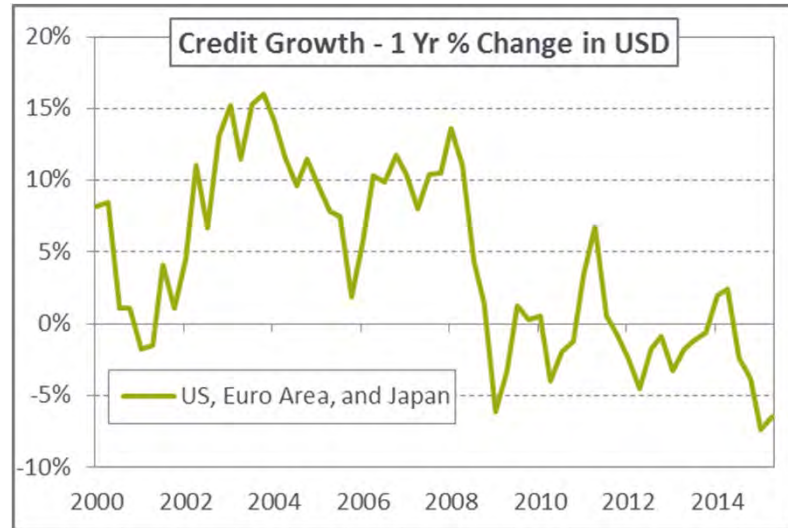


Source: Bureau of Labor Statistics, Bloomberg

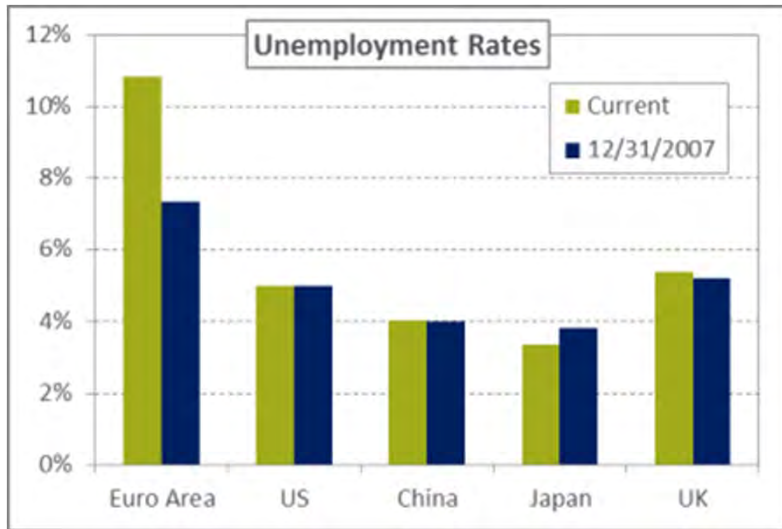
Global Economic Factors Driving Inflation Remain Subdued



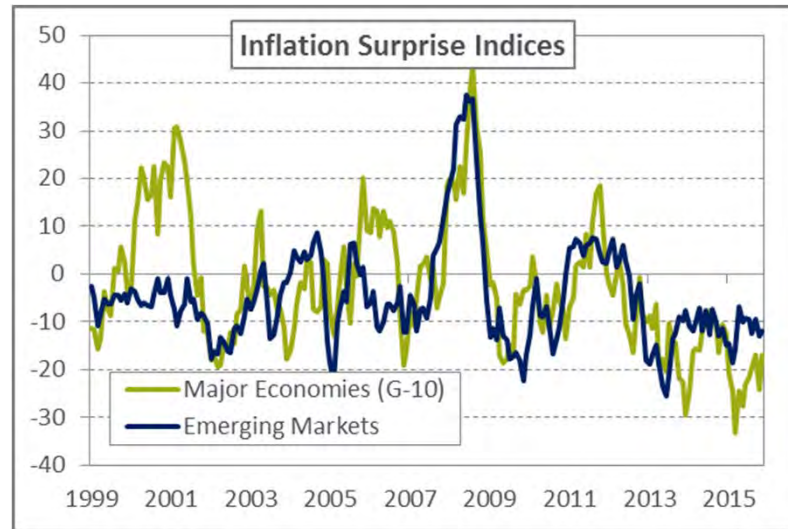
Source: IMF, Bloomberg



Source: Bank for International Settlements



Source: Bloomberg



Source: Citigroup, Bloomberg

2016 5-to-7 Year Return Forecasts

Geometric Expected Return			
Asset Class	2015	2016	2016-2015
Cash	1.75%	1.50%	-0.25%
Treasuries	1.75%	1.75%	
IG Corp Credit	3.25%	3.75%	0.50%
MBS	2.00%	2.00%	
Core Bonds*	2.30%	2.46%	0.16%
TIPS	2.25%	2.50%	0.25%
High-Yield Bonds	4.00%	5.25%	1.25%
Bank Loans	4.50%	5.50%	1.00%
Global Bonds (Unhedged)	1.00%	1.00%	
Global Bonds (Hedged)	1.13%	1.09%	-0.04%
EMD External	4.50%	4.75%	0.25%
EMD Local Currency	5.50%	6.50%	1.00%
Large Cap Equities	6.00%	6.00%	
Small/Mid Cap Equities	6.00%	6.25%	0.25%
Int'l Equities (Unhedged)	7.00%	7.25%	0.25%
Int'l Equities (Hedged)	7.39%	7.57%	0.18%
Emerging Int'l Equities	9.00%	9.75%	0.75%
Private Equity	8.50%	8.50%	
Private Debt	7.50%	7.50%	
Private Real Assets	8.00%	8.25%	0.25%
Real Estate	6.50%	6.50%	
Commodities	5.25%	4.50%	-0.75%
Absolute Return Hedge Funds	5.75%	5.75%	
Market Neutral Hedge Funds	4.75%	4.75%	

* Core Bonds assumption based on market weighted blend of components of Aggregate Index (Treasuries, IG Corp Credit, and MBS).

2016 30-Year Return Forecasts

Geometric Expected Return			
Asset Class	2015	2016	2016-2015
Cash	3.25%	3.00%	-0.25%
Treasuries	3.50%	3.25%	-0.25%
IG Corp Credit	4.75%	5.00%	0.25%
MBS	3.75%	3.50%	-0.25%
<i>Core Bonds*</i>	<i>3.98%</i>	<i>3.89%</i>	<i>-0.09%</i>
TIPS	4.00%	4.00%	
High-Yield Bonds	5.75%	5.75%	
Bank Loans	6.00%	6.00%	
Global Bonds (Unhedged)	2.25%	2.75%	0.50%
Global Bonds (Hedged)	2.41%	2.87%	0.46%
EMD External	6.00%	6.00%	
EMD Local Currency	6.75%	6.50%	-0.25%
Large Cap Equities	7.50%	7.50%	
Small/Mid Cap Equities	7.75%	7.75%	
Int'l Equities (Unhedged)	8.00%	8.00%	
Int'l Equities (Hedged)	8.47%	8.39%	-0.08%
Emerging Int'l Equities	9.25%	9.50%	0.25%
Private Equity	9.50%	9.50%	
Private Debt	8.00%	8.00%	
Private Real Assets	7.75%	7.75%	
Real Estate	6.50%	6.50%	
Commodities	5.75%	5.50%	-0.25%
Absolute Return Hedge Funds	6.75%	6.50%	-0.25%
Market Neutral Hedge Funds	6.00%	5.75%	-0.25%

* Core Bonds assumption based on market weighted blend of components of Aggregate Index (Treasuries, IG Corp Credit, and MBS).

2016 Volatility Forecasts

Volatility			
Asset Class	2015	2016	2016-2015
Cash	1.00%	1.00%	
Treasuries	5.50%	5.50%	
IG Corp Credit	7.50%	7.50%	
MBS	7.00%	7.00%	
<i>Core Bonds*</i>	<i>6.03%</i>	<i>6.03%</i>	
TIPS	7.50%	6.50%	-1.00%
High-Yield Bonds	13.00%	13.00%	
Bank Loans	8.00%	9.00%	1.00%
Global Bonds (Unhedged)	9.00%	8.50%	-0.50%
Global Bonds (Hedged)	5.00%	5.00%	
EMD External	12.00%	13.00%	1.00%
EMD Local Currency	15.00%	15.00%	
Large Cap Equities	17.50%	17.50%	
Small/Mid Cap Equities	21.00%	21.00%	
Int'l Equities (Unhedged)	21.00%	21.00%	
Int'l Equities (Hedged)	17.50%	18.00%	0.50%
Emerging Int'l Equities	26.00%	27.00%	1.00%
Private Equity**	27.00%	18.00%	-4.00%
Private Debt**	17.00%	10.00%	-2.00%
Private Real Assets	23.00%	20.00%	-3.00%
Real Estate	15.00%	15.00%	
Commodities	18.00%	19.00%	1.00%
Absolute Return Hedge Funds	9.00%	9.00%	
Market Neutral Hedge Funds	6.75%	6.75%	

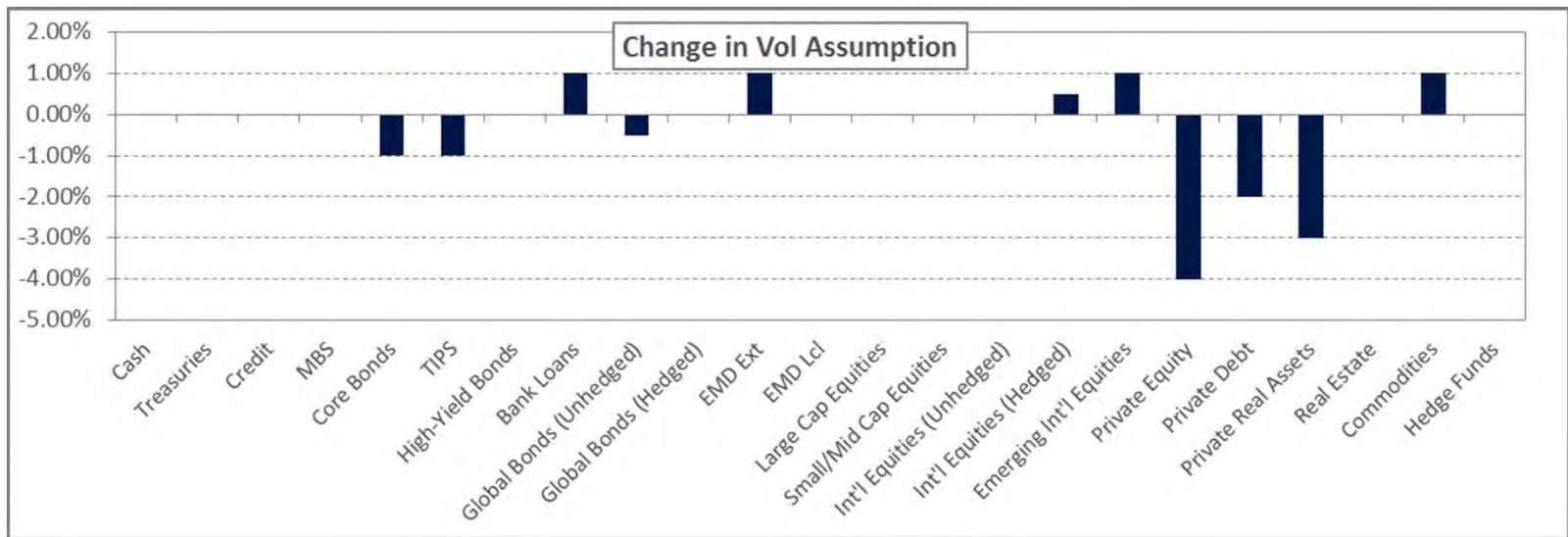
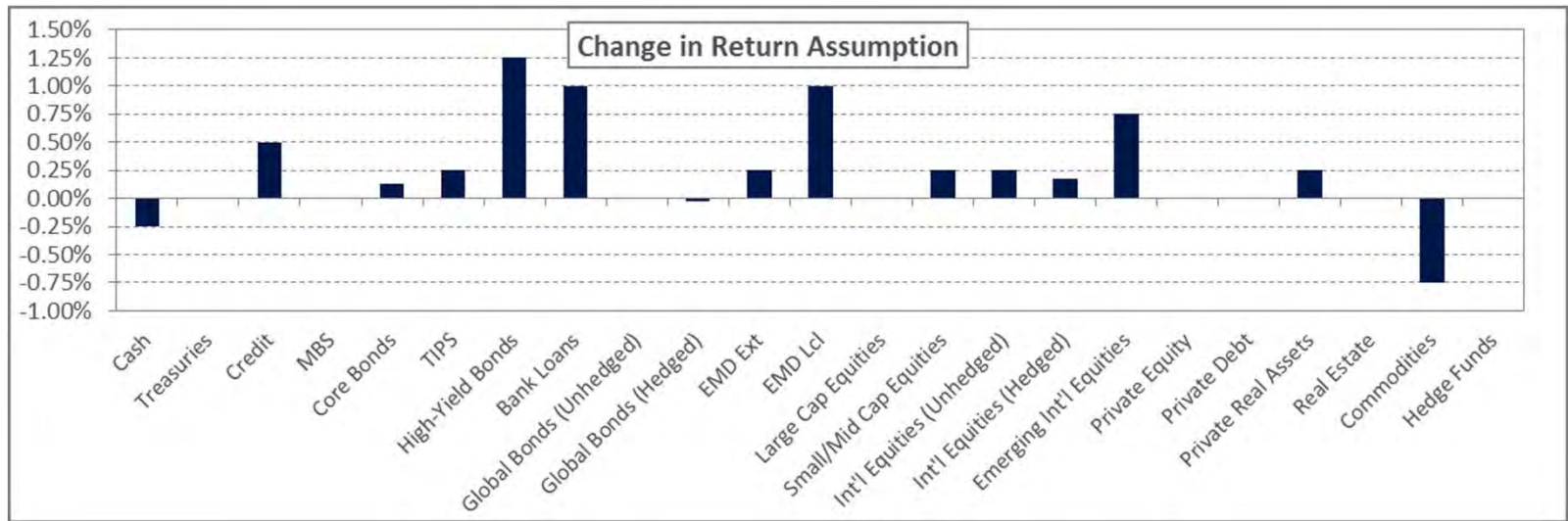
*Core Bonds assumption based on market weighted blend of components of Aggregate Index (Treasuries, IG Corp Credit, and MBS).

**Volatility adjusted year-over-year to reflect smoothing methodology.

2016 Correlations

Asset Class	Cash	Treas	Credit	MBS	TIPS	HY	Glob Bonds	Glob (H)	EMD (Ext)	EMD (Loc)	Large Cap	Sm/Mid	Intl Eq	Intl Eq (H)	EM Eq	Priv Eq	Priv Debt	Priv Real	Real Estate	Cmdy	Hedge Funds
Cash	1.00																				
Treasuries	0.20	1.00																			
IG Corp Credit	0.10	0.65	1.00																		
MBS	0.25	0.90	0.75	1.00																	
TIPS	0.00	0.65	0.60	0.70	1.00																
High-Yield Bonds	-0.05	0.20	0.55	0.30	0.20	1.00															
Global Bonds (Unhedged)	0.10	0.50	0.50	0.45	0.40	0.10	1.00														
Global Bonds (Hedged)	0.15	0.80	0.65	0.70	0.65	0.20	0.60	1.00													
EMD (External)	0.05	0.35	0.65	0.35	0.30	0.60	0.25	0.35	1.00												
EMD (Local Currency)	0.05	0.30	0.60	0.25	0.25	0.60	0.30	0.25	0.80	1.00											
Large Cap Equities	-0.10	-0.10	0.45	0.10	0.00	0.65	0.00	-0.10	0.55	0.65	1.00										
Small/Mid Cap Equities	-0.15	-0.15	0.45	0.10	-0.10	0.70	-0.05	-0.15	0.55	0.60	0.90	1.00									
Int'l Equities (Unhedged)	-0.10	0.00	0.30	0.05	-0.05	0.65	0.35	0.00	0.60	0.70	0.70	0.60	1.00								
Int'l Equities (Hedged)	0.00	0.00	0.30	0.05	-0.05	0.65	0.05	0.00	0.60	0.65	0.75	0.65	0.85	1.00							
Emerging Int'l Equities	-0.10	-0.10	0.25	-0.10	-0.10	0.70	0.05	-0.05	0.70	0.80	0.60	0.65	0.70	0.70	1.00						
Private Equity	-0.20	-0.15	0.30	0.10	-0.10	0.60	-0.15	-0.20	0.35	0.40	0.70	0.75	0.60	0.65	0.45	1.00					
Private Debt	0.00	-0.35	0.15	-0.15	-0.10	0.65	-0.10	-0.10	0.50	0.60	0.60	0.65	0.75	0.75	0.80	0.65	1.00				
Private Real Assets	0.15	-0.20	0.05	-0.15	0.00	0.40	-0.05	-0.05	0.40	0.40	0.55	0.60	0.50	0.50	0.50	0.65	0.60	1.00			
Real Estate	0.25	-0.05	0.15	0.05	0.10	0.25	0.05	-0.05	0.20	0.30	0.40	0.40	0.35	0.40	0.30	0.50	0.40	0.40	1.00		
Commodities	0.10	-0.10	0.10	-0.10	0.30	0.20	0.10	-0.10	0.35	0.45	0.30	0.30	0.35	0.35	0.40	0.25	0.30	0.45	0.30	1.00	
Hedge Funds	0.00	-0.20	0.35	-0.15	0.20	0.60	0.05	-0.20	0.55	0.60	0.60	0.65	0.70	0.65	0.70	0.75	0.80	0.65	0.25	0.50	1.00

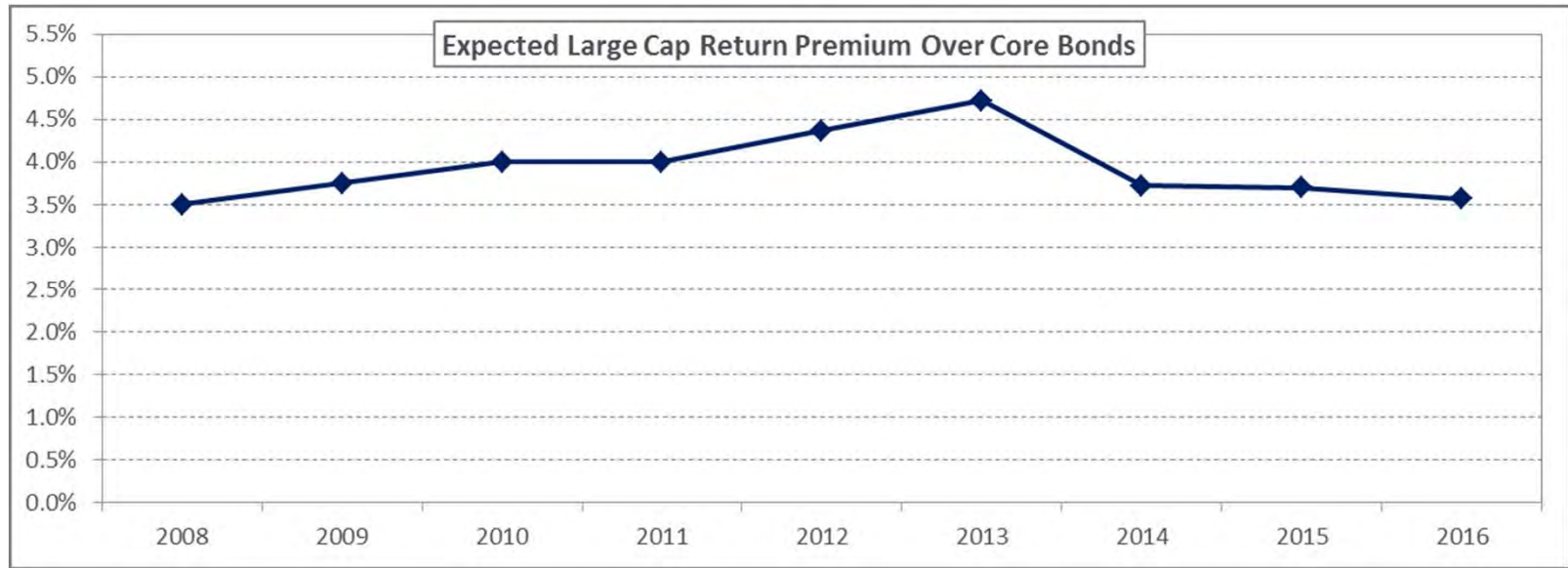
Summary Of Changes To 2016 Return And Volatility Expectations



Ventura County Employees' Retirement Association
Diversified Portfolio Return/Risk Comparison

	65/35	Risk Parity	Progressive Allocation
Large Cap Equities	35%	0%	15%
Small/Mid Cap Equities	15%	0%	5%
Int'l Equities (Hedged)	0%	0%	5%
Int'l Equities (Unhedged)	12%	0%	5%
Emerging Int'l Equities	3%	0%	5%
Total Equity	65%	0%	35%
Core Bonds	25%	0%	0%
High-Yield Bonds	5%	0%	0%
Global Bonds (Unhedged)	5%	0%	0%
Global Multi-Sector	0%	0%	10%
Absolute Return FI	0%	0%	5%
Long Treasuries	0%	0%	5%
Total Fixed Income	35%	0%	20%
Private Equity	0%	0%	10%
Private Debt	0%	0%	5%
Absolute Return Hedge Funds	0%	0%	10%
Total Alternatives	0%	0%	25%
Global Asset Allocation	0%	0%	10%
Risk Parity	0%	100%	10%
Total Other	0%	100%	20%
<i>2016 Expected Return (5-7 years)</i>	<i>5.5%</i>	<i>6.1%</i>	<i>6.6%</i>
<i>2016 Expected Return (30 years)</i>	<i>6.9%</i>	<i>7.5%</i>	<i>7.7%</i>
<i>2016 Standard Deviation</i>	<i>12.4%</i>	<i>13.2%</i>	<i>11.2%</i>

Major Asset Class Review (Geometric)



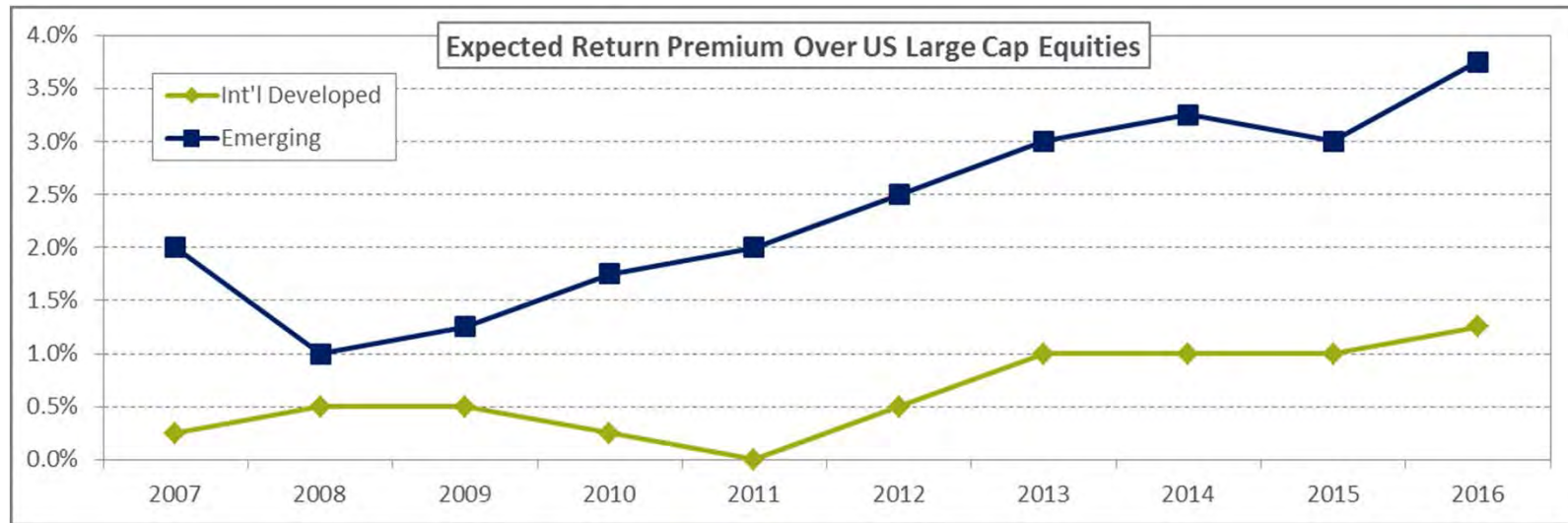
Source: Bloomberg, Morningstar Direct, NEPC

NEPC 5-7 Year Assumptions

	Long Term Avg	2008	2009	2010	2011	2012	2013	2014	2015	2016
Cash	3.42% ¹	4.00%	3.00%	2.00%	2.00%	1.25%	0.75%	1.50%	1.75%	1.50%
Core Bonds	7.70% ²	5.00%	5.50%	3.75%	3.00%	2.88%	2.03%	2.53%	2.30%	2.43%
Large Cap	10.05% ¹	8.50%	9.25%	7.75%	7.00%	7.25%	6.75%	6.25%	6.00%	6.00%
Int'l Developed	8.84% ³	9.00%	9.75%	8.00%	7.00%	7.75%	7.75%	7.25%	7.00%	7.25%

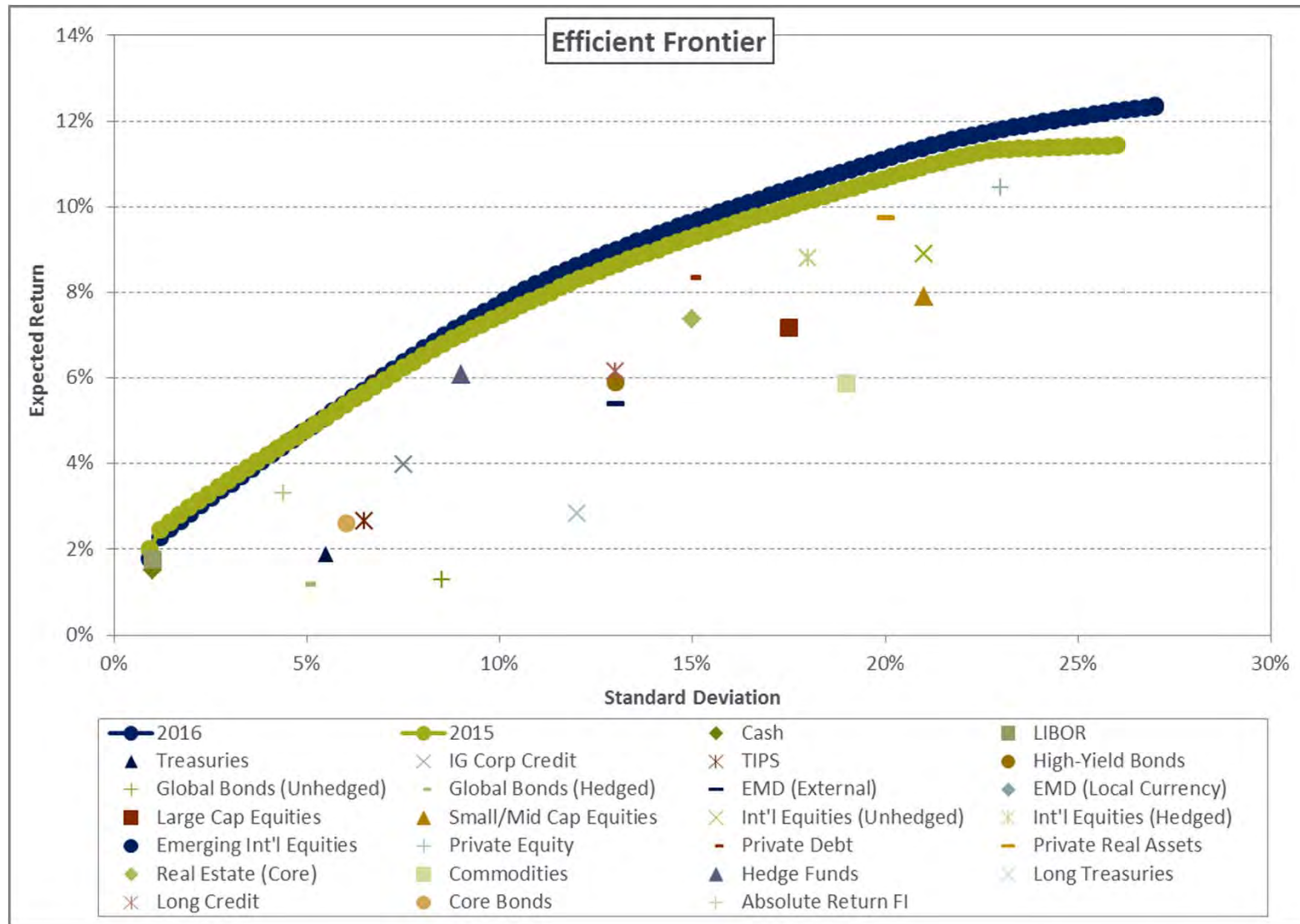
1. Reflects average annual return since 1926
 2. Reflects average annual return since 1976
 3. Reflects average annual return since 1970

Comparison Of International Equity And U.S. Large Cap Equity Expectations



- **Total return expectations for non-U.S. equities are higher vs. last year**
- **Expectations for U.S. equities are the same despite a relatively flat year**
 - Increased spread of 1.25% for developed non-U.S. relative to U.S. large cap
 - Increased premium for emerging equity as valuations have become more attractive
- **Meaningful downside risks remain in developed and emerging world**
- **While we expect investors to be compensated over 5-7 years with a higher relative return for holding non-U.S. equities, it is appropriate to use active management to mitigate exposure to downside risks**

Efficient Frontier Comparison



Appendix: Why Invest in Non-U.S. Equities?

****NEPC believes that investment decisions should be made with a view toward the future and not based on past performance results.***

Three scenarios could justify a reduction or elimination of non-U.S. equities:

- 1. Valuations outside of the U.S. reach levels that are extremely high relative to the U.S. (e.g. late 90s P/E ratios), causing our forward-looking return assumptions for non-U.S. equities to be reduced significantly below that of U.S. equities.**
- 2. Our forward-looking assumptions for asset class correlations moves to 1.0 across all asset classes, suggesting there is no diversification benefit to holding non-U.S. equities.**
- 3. Some material government change across the world that alters the basic foundation of capitalism. For example, government takeover of industries in the economies of Japan and Europe.**

- **Investing in international developed markets equities has been a challenging proposition for U.S. based investors over last 25 years**
 - Major regions have experienced significant economic adjustments that have been slow to heal and inflicted great deal of pain on equity markets

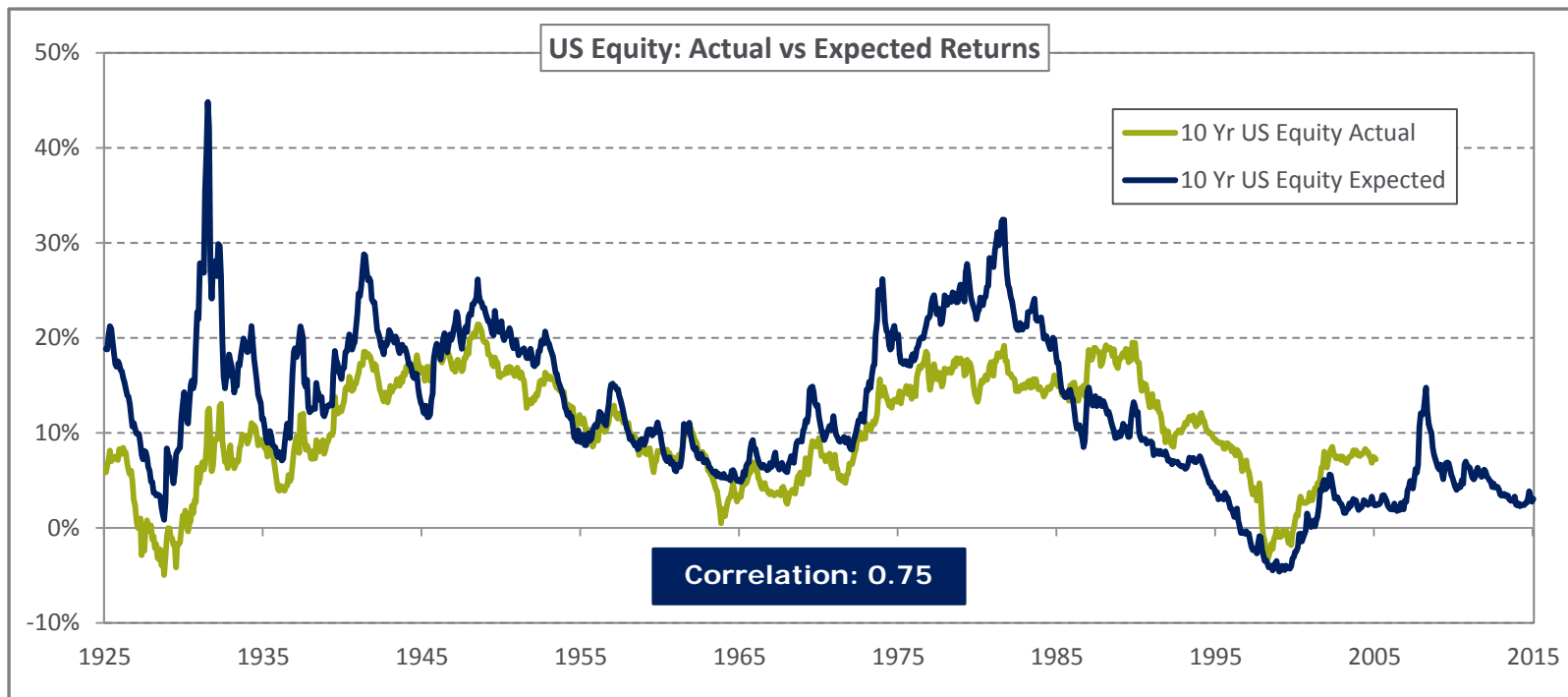
- **Many of these economic adjustments have now been digested and new opportunities can be found in non-U.S. developed markets**
 - An economic recovery is underway in Europe with improvements in labor markets and credit growth ultimately aiding a recovery in corporate earnings
 - Japan is experiencing a robust corporate earnings recovery along with capacity for further improvements in corporate profitability

- **Historically, non-U.S. developed markets characterized by extended periods of long-term cyclicity relative to U.S. markets**

- **NEPC currently encourages an overweight to non-U.S. developed market equities**
 - Hedging a portion of non-U.S. developed currency exposure remains a strategic initiative

- **NEPC favors international developed markets equities over the U.S.**
 - Encourage an equal weight exposure to international developed markets and U.S. equities
 - EAFE equity markets offer the potential for outsized returns relative to U.S. equities
- **Catalysts are present to drive international developed markets equity markets above pre-financial crisis highs**
 - Central bank support and dollar strength provide a positive economic backdrop
 - Potential for increased earnings growth as underlying economic conditions improve in both the Eurozone and Japan
- **Central Banks continue to dictate the global investment outlook**
 - Effectiveness of easing may be challenged with low bond yields and credit spreads
 - However, zero interest rate bound has been broken, offering room for further easing
- **Monetary stimulation in Europe and Japan has been effective**
 - ECB and BoJ likely to maintain and extend accommodative policies to support continued economic recovery

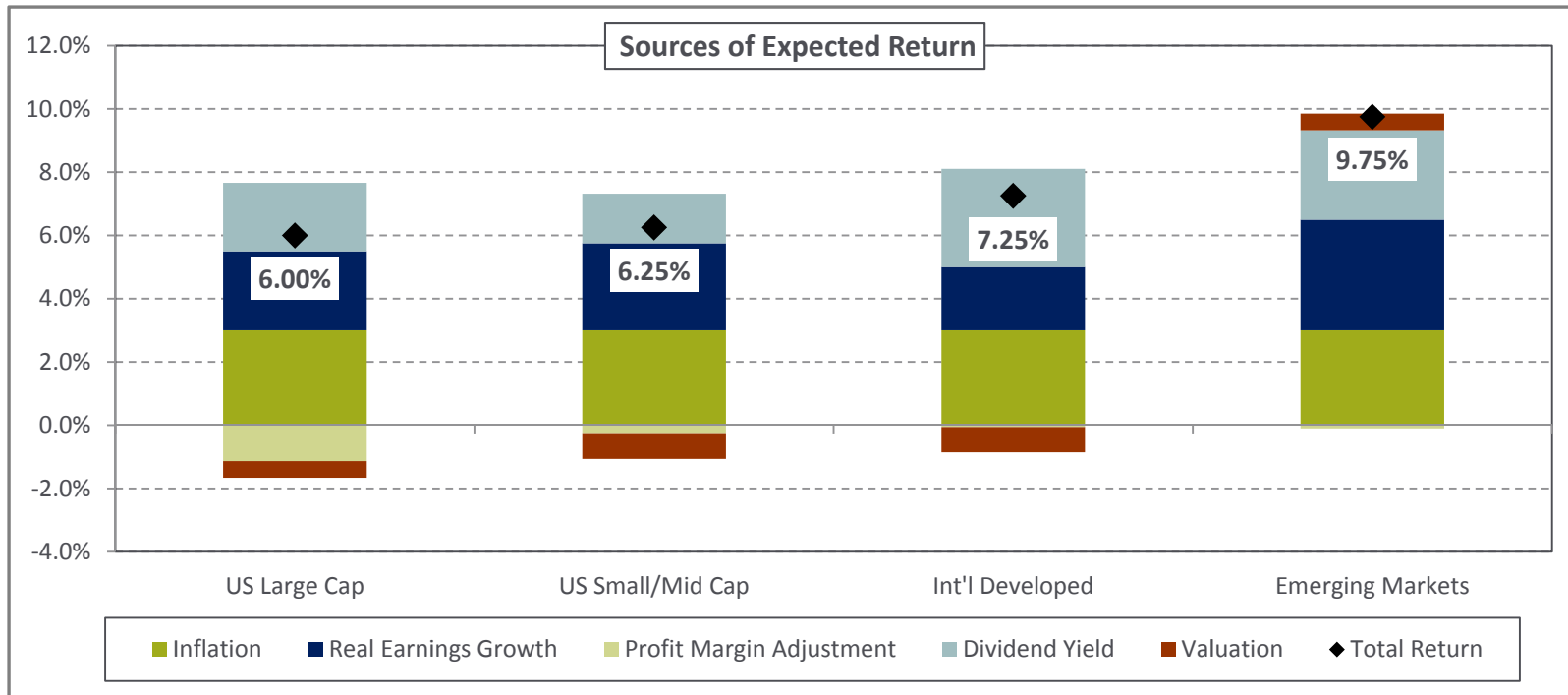
Rational Question Is Why Invest In Non-US Developed Markets Equities Now?



Source: Shiller Data, NEPC

- **U.S. centric portfolios have worked historically, but forward-looking return prospects are subdued**
 - Conventional investment approaches may fall short going forward, and a globally oriented equity portfolio may be needed to meet long-term return objectives
- **Non-U.S. developed markets equity exposure offers an alternative path**
 - Long-term cyclical opportunity as earnings and profitability improve in Europe/Japan
 - Offers a more favorable return outlook with superior valuations relative to U.S. equities

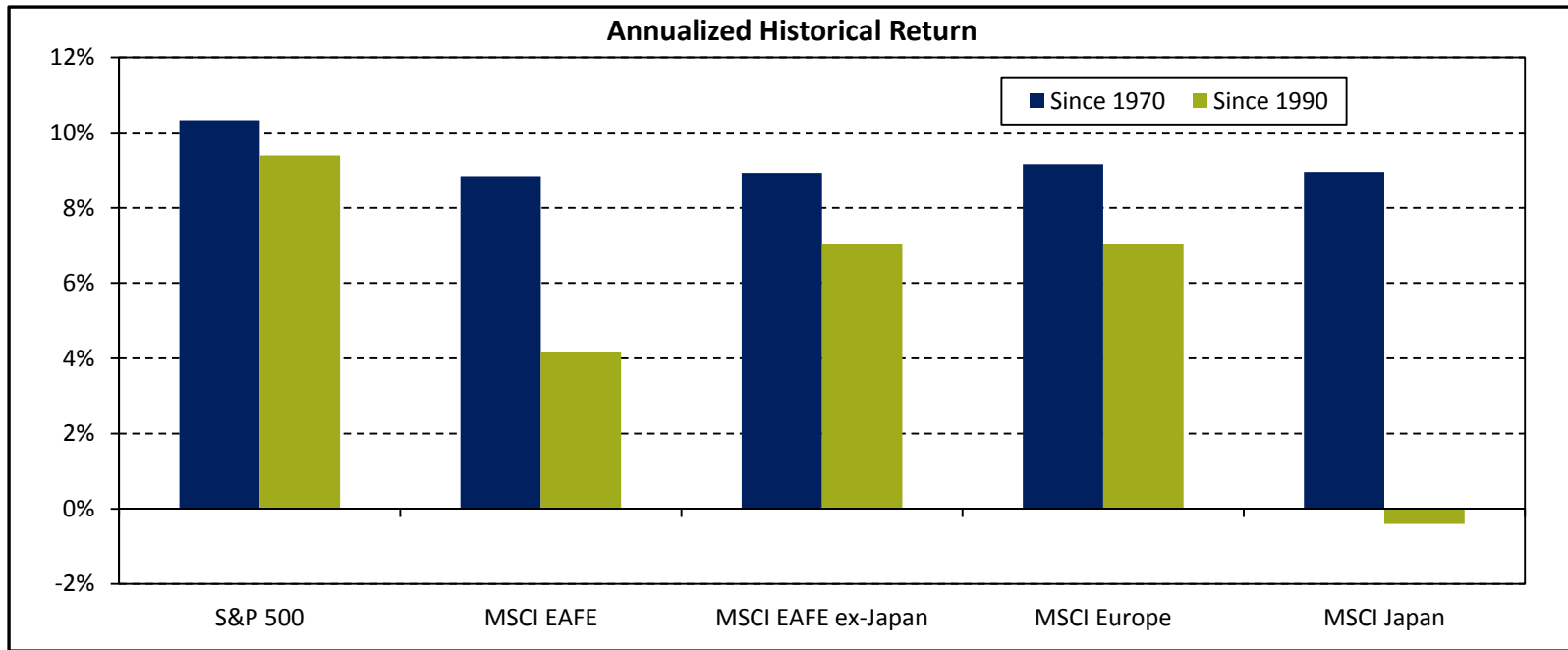
Over 5-7 Years, NEPC's Expected Return For Non-U.S. Developed Offers a Premium Over the U.S.



Index Current	U.S. Large Cap	U.S. Small/Mid Cap	Int'l Developed	Emerging Markets
Forward P/E	17.6	23.3	15.8	11.6
Profit Margins	8.3%	2.8%	6.0%	8.1%
Dividend Yield	2.1%	1.6%	3.2%	3.1%

- **Forecast for Non-U.S. Developed relies on conservative valuation assumptions and modest growth expectations**
- **Should earnings growth and valuations fueled by monetary policy move above our assumptions, returns are likely to be very robust**

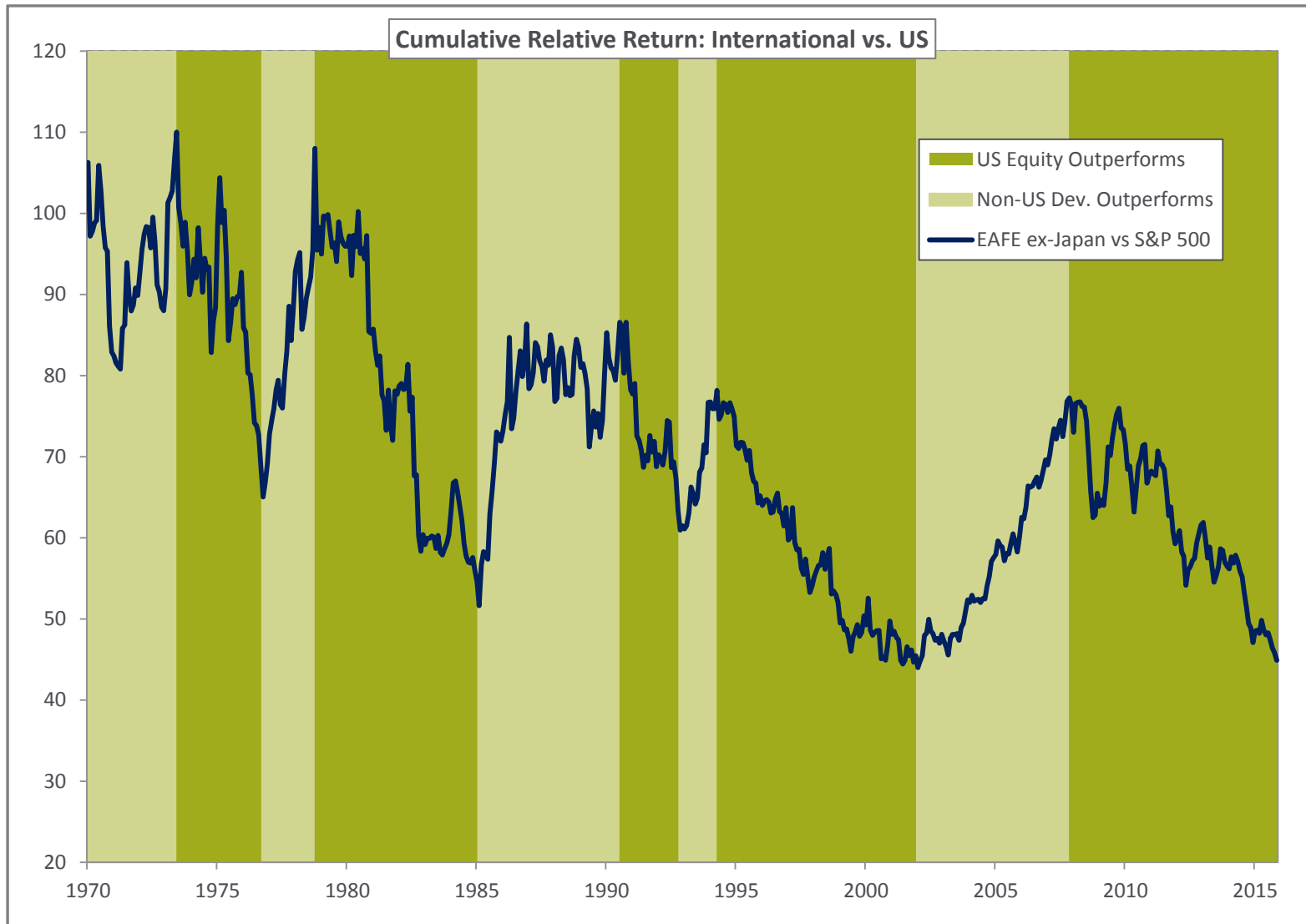
Long Term Non-U.S. Developed Returns Have Been Challenged Largely Due to Japan



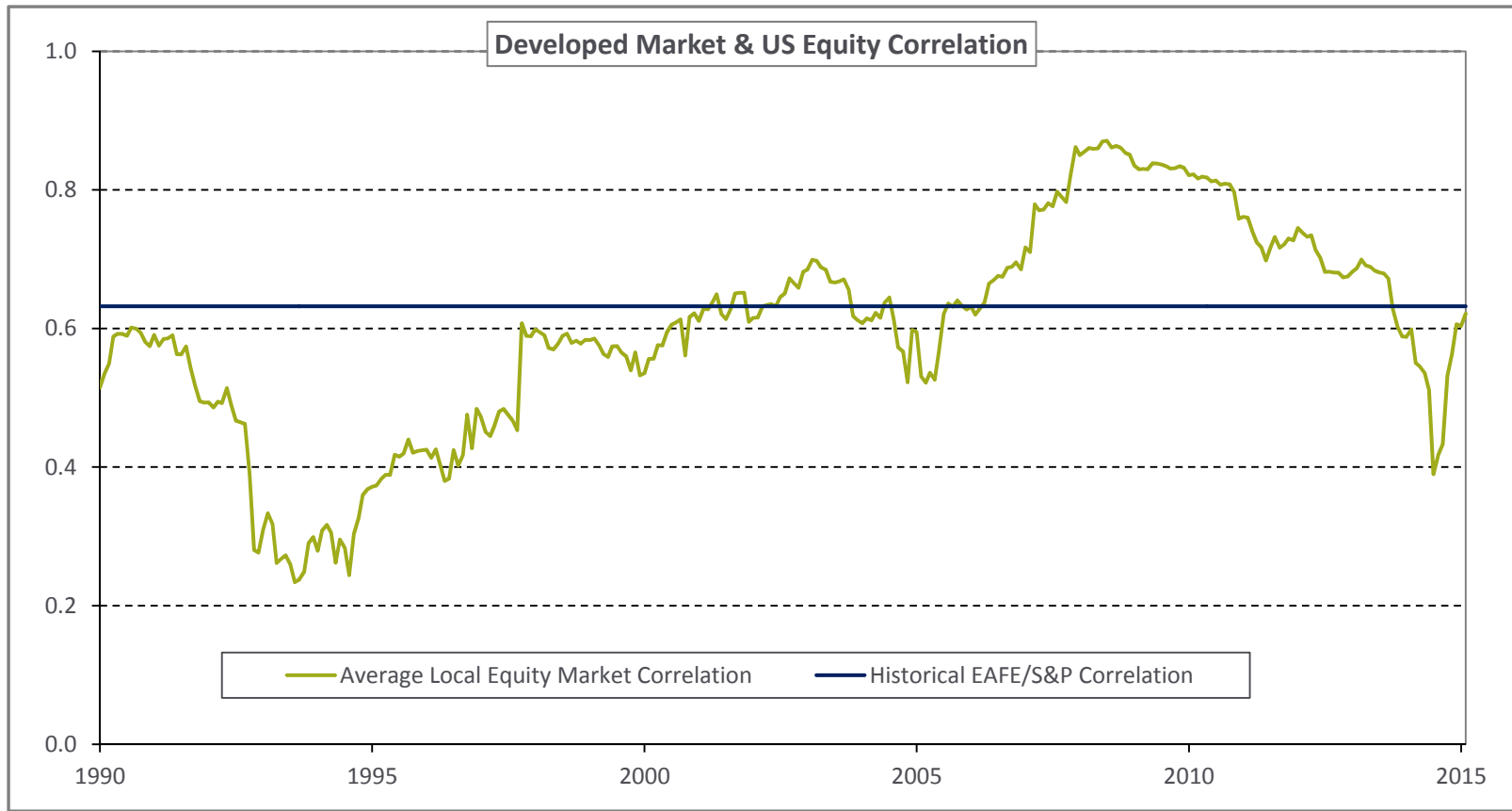
Source: Bloomberg

- **Japan experienced two lost decades as severe economic adjustments followed the late 1980s stock market and real estate bubbles**
 - These economic adjustments have largely been absorbed as the stress of one of the largest ever asset bubbles resulted in decades of deflation
- **Europe experienced its own unique macro economic crisis as concerns of the stability of the Eurozone hampered returns**
 - Corporate earnings in Europe remain below 2007 levels and have been slow to recover
 - With unprecedented monetary policy support from the European Central Bank, signs of a broad economic rebound can be found in Europe

Relative Performance Is Cyclical With Extended Periods Of International Equity Outperformance



Non-U.S. Developed Markets Offer Some Diversification Benefits



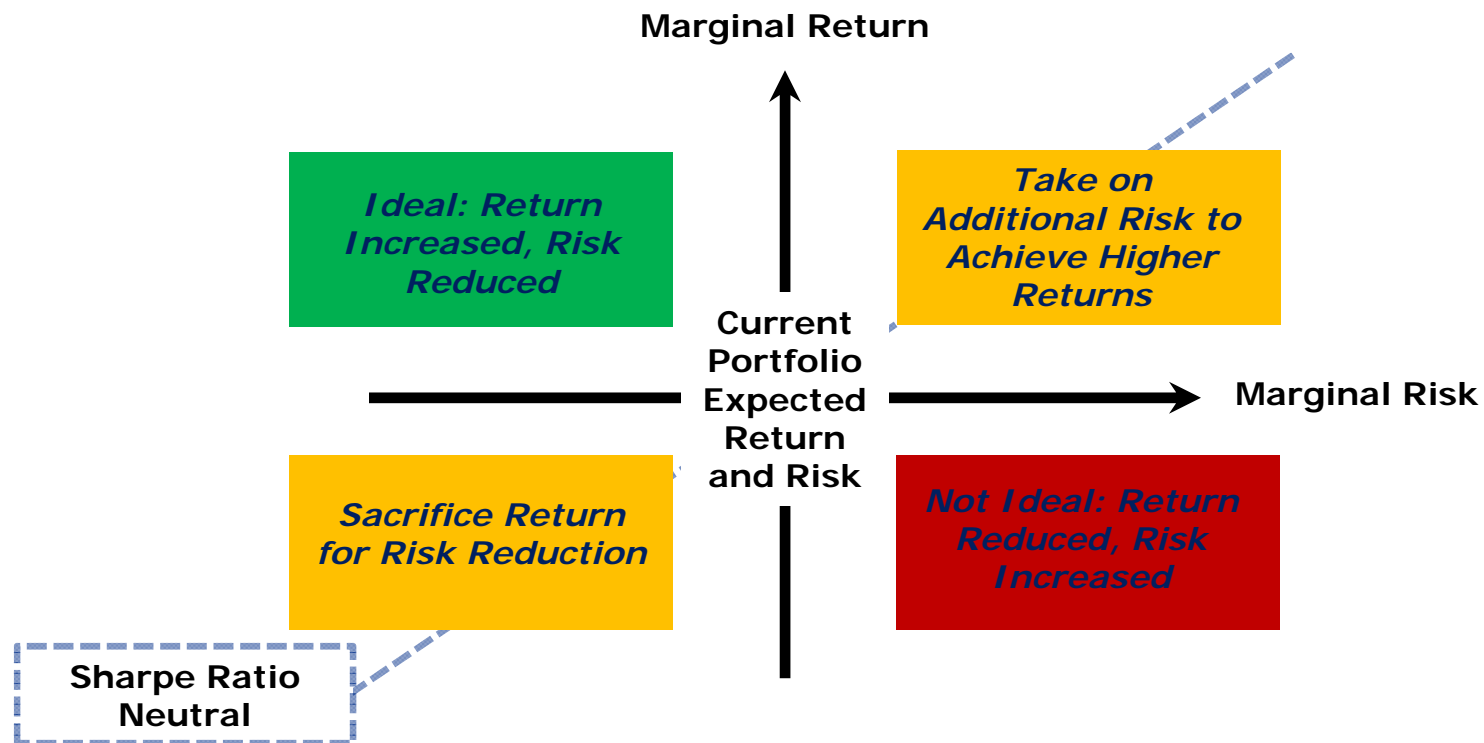
Source: Bloomberg, NEPC

- **Non-U.S. developed markets equities offer some level of diversification relative to U.S. equities, but profile is variable**
- **Over longer term periods, differing levels of earnings growth will ultimately offer a diversified return profile**

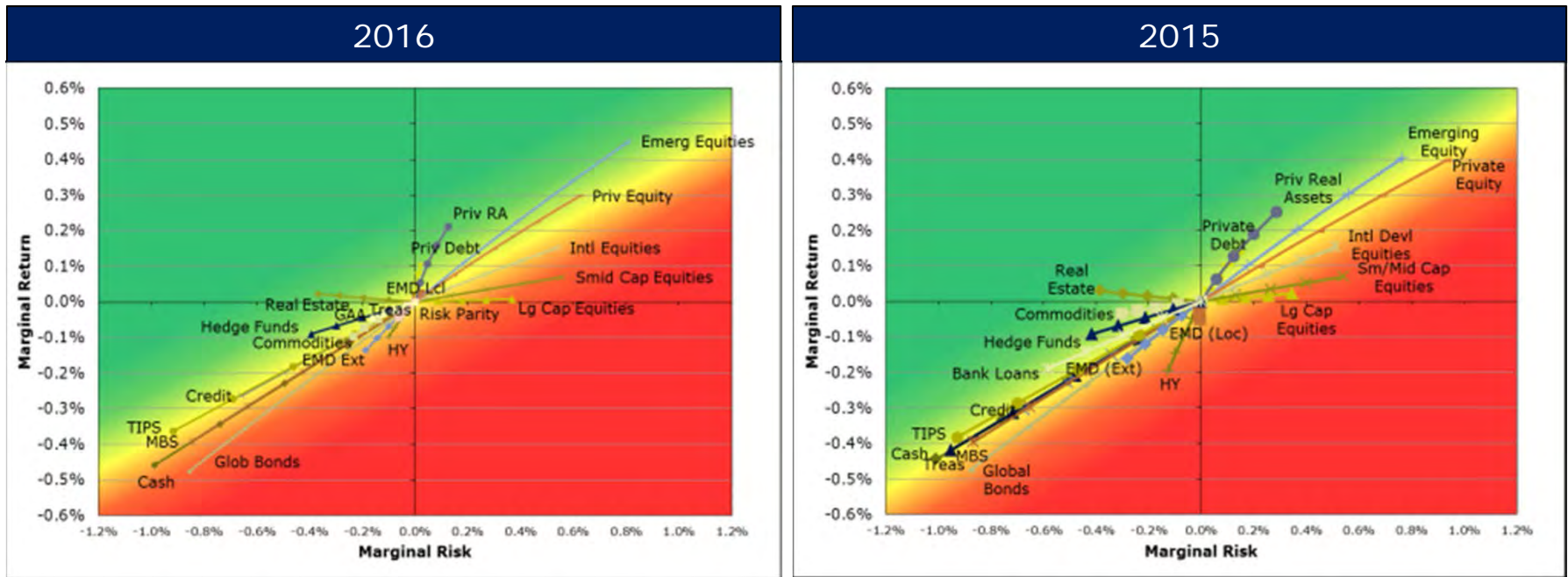
- **NEPC currently favors international developed markets equities over the U.S.**
 - Encourage an equal weight exposure to international developed and U.S. equities
 - EAFE equity markets offer the potential for outsized returns relative to U.S. equities
- **U.S. centric portfolios have worked historically, but forward-looking return prospects are subdued**
 - Conventional investment approaches may fall short going forward, and a globally oriented equity portfolio may be needed to meet long-term return objectives
- **Non-U.S. developed markets equity exposure offers an alternative path**
 - Long-term cyclical opportunity as earnings and profitability improve in Europe/Japan
 - Offers a more favorable return outlook with superior valuations relative to U.S. equities
- **Increased exposure to international equities is not without concern**
 - QE pull back in Europe and Japan would be a serious shock to equity markets
- **Hedging a portion of non-U.S. developed currency exposure remains a strategic initiative**
 - A 50% hedge ratio is an ideal strategic starting point for many institutional investors
 - If currency hedged, encourage larger international developed equity exposure relative to U.S. equities

Appendix: Portfolio Efficiency

- **Thinking about the marginal impact on risk and return from each asset class can be useful in evaluating asset allocation decisions**
 - In the analysis that follows, the marginal impact of increasing an allocation to a given asset class is plotted for a progressive portfolio and a traditional 65/35 allocation
- **Uses mean-variance assumptions**
 - Certain limitations (particularly liquidity) should be considered outside of this framework



Ventura County Employees' Retirement Association
 2016 vs. 2015 (Progressive Allocation; 2% Increments)

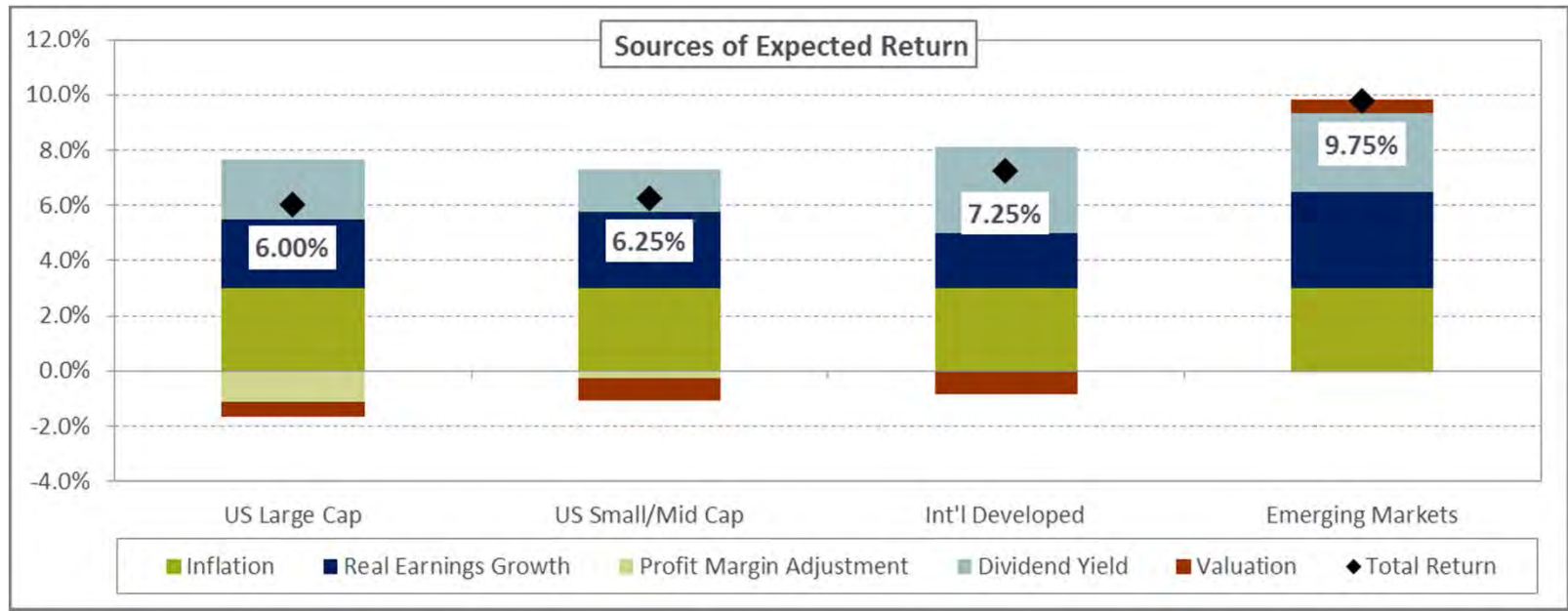


- **General takeaways for a progressive allocation**
 - Emerging markets equities are the most attractive liquid asset class on the margin
 - Private real assets are a beneficial complement to a private equity and debt program
 - Real estate provides a meaningful level of diversification

Appendix: Assumption Development

- **5-7 year return expectations moderately higher among global equity and credit assets relative to prior year**
 - Expected return outlook remains broadly subdued
 - Recent performance of emerging markets leads to increase in expectations
 - Expectations of slow Fed policy tightening reduce cash forecasts
 - Increase in expectations for credit markets reflect higher credit spread levels
 - Hedge fund expectations unchanged but incorporate anticipation of greater divergences across and within global markets
- **30-year returns have similar themes to 5-7 year forecasts**
 - Lower cash assumption flows through to long-term fixed income returns
 - Equity market assumptions largely unchanged
- **Volatility expectations reduced incrementally in certain asset classes**
 - Private market reductions echo normalized environment and asset class experience
 - Volatility for emerging markets and commodities increased to reflect probability of higher risk moments

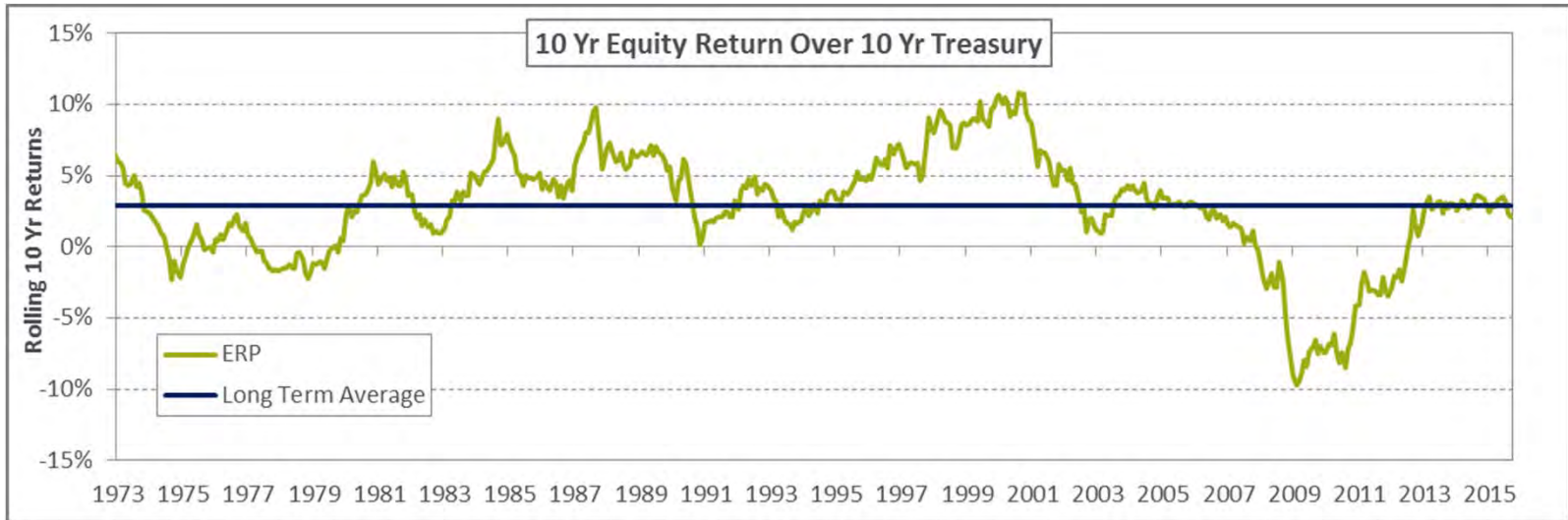
Assumption Development – Global Equities



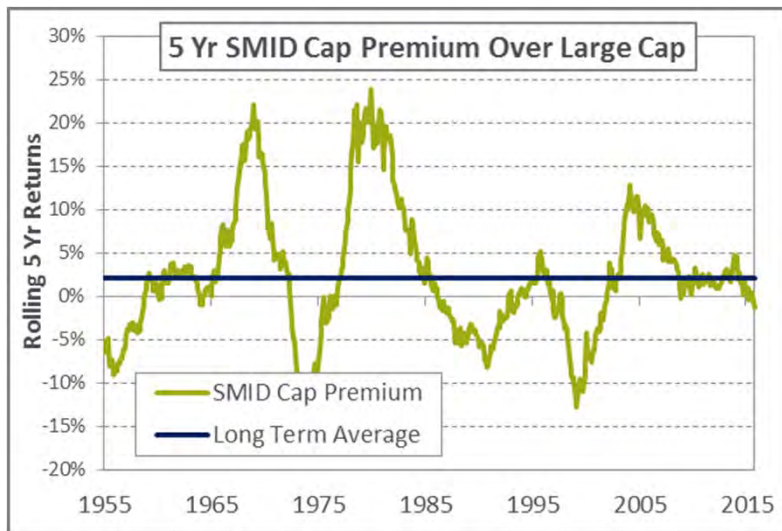
Index Current	U.S. Large Cap	U.S. Small/Mid Cap	Int'l Developed	Emerging Markets
Forward P/E	17.6	23.3	15.8	11.6
Profit Margins	8.3%	2.8%	6.0%	8.1%
Dividend Yield	2.1%	1.6%	3.2%	3.1%

- Real earnings growth assigned to each market over forecast period
- Valuation input based on current P/E trending to forecast value
- Profit margin adjustment shifts from current to forecast value
- Dividend yield based on current yield trending to forecast value
- Global inflation input of 3.0% flows through all global equity markets

Low Interest Rates Supportive Of An Elevated U.S. Risk Premium



Source: Standard & Poors, Federal Reserve, NEPC, Bloomberg

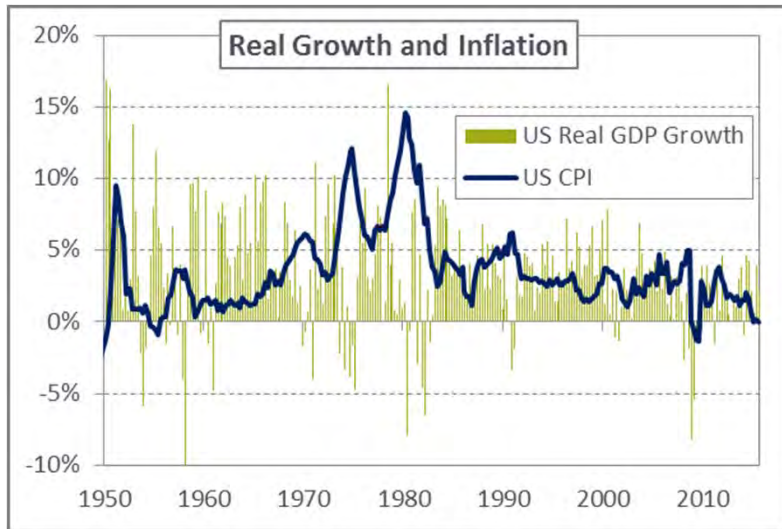


Source: Morningstar Direct, Bloomberg

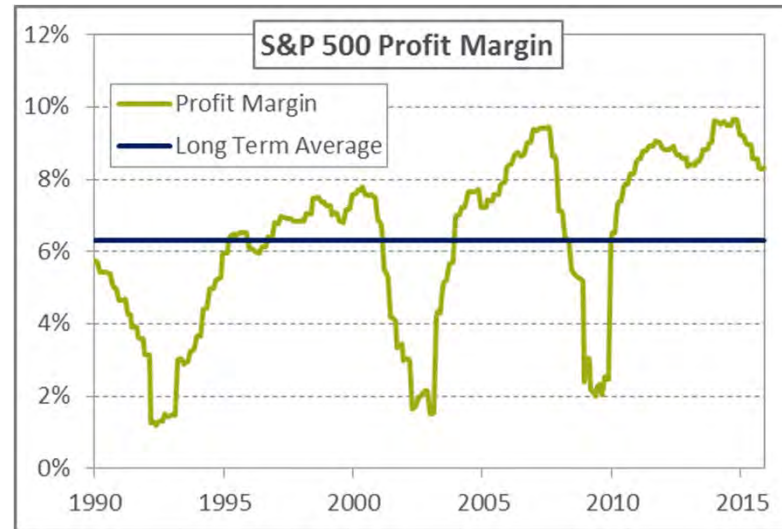
- **Equity Risk Premium over 10 year Treasury is volatile**
 - Stock and bond forecasts imply an Equity Risk Premium of 4.25%
 - While above the long-term average, about 37.5% of observations exceed this level since 1962

- **Small/Mid Cap equities have historically earned a premium over Large Cap equities**
 - Trailing 5 year premium below historical average

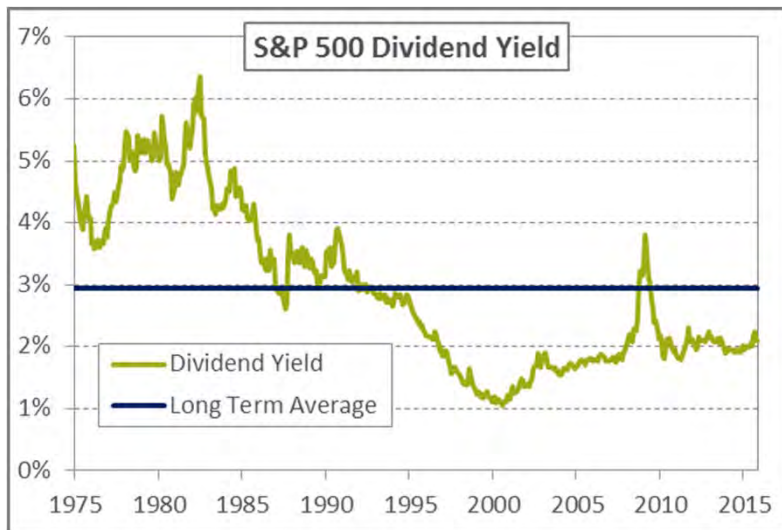
U.S. Large Cap Equity Building Blocks



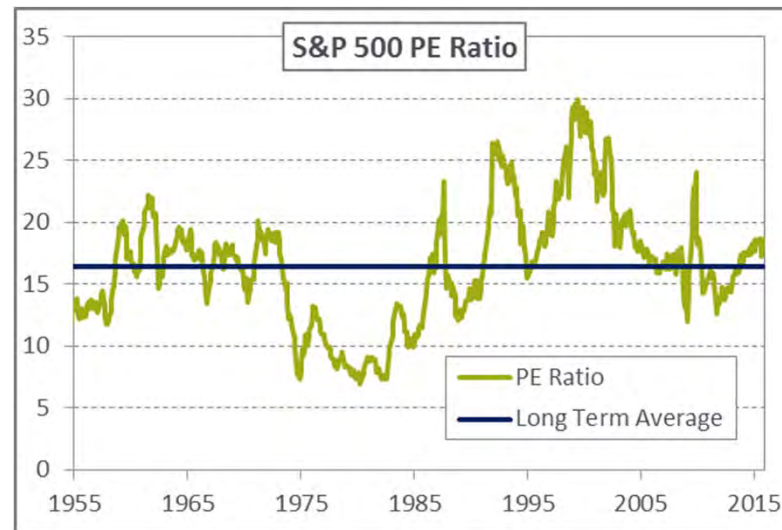
Source: Bureau of Labor Statistics, Bureau of Economic Analysis, Bloomberg



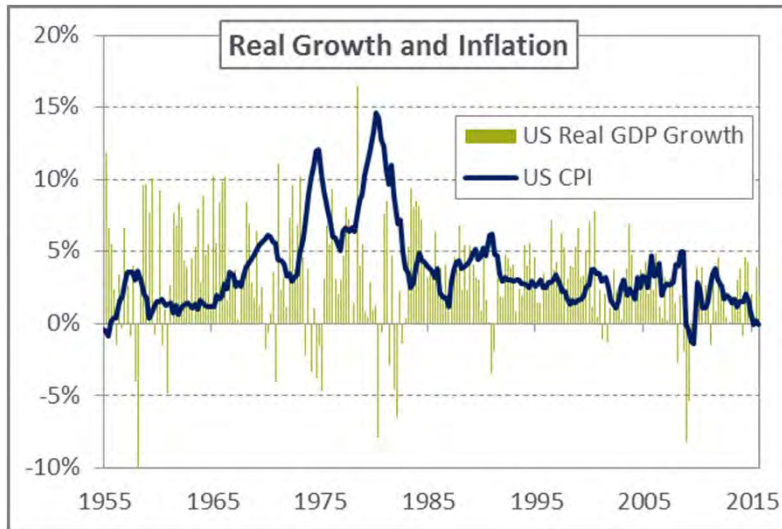
Source: Standard & Poors, Bloomberg



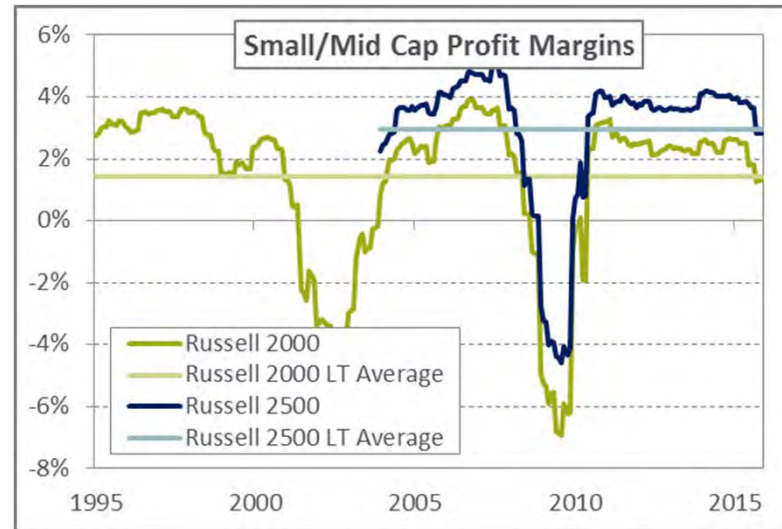
Source: Standard & Poors, Bloomberg



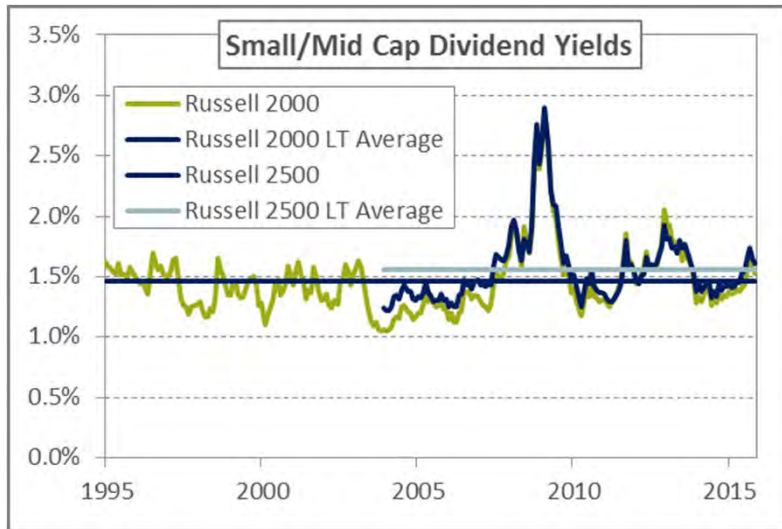
Source: Standard & Poors, Bloomberg



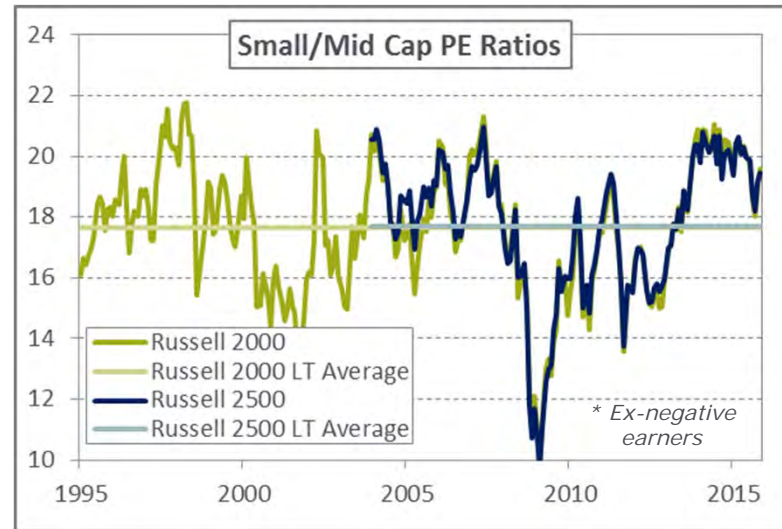
Source: Bureau of Labor Statistics, Bureau of Economic Analysis, Bloomberg



Source: Russell, Bloomberg



Source: Russell, Bloomberg

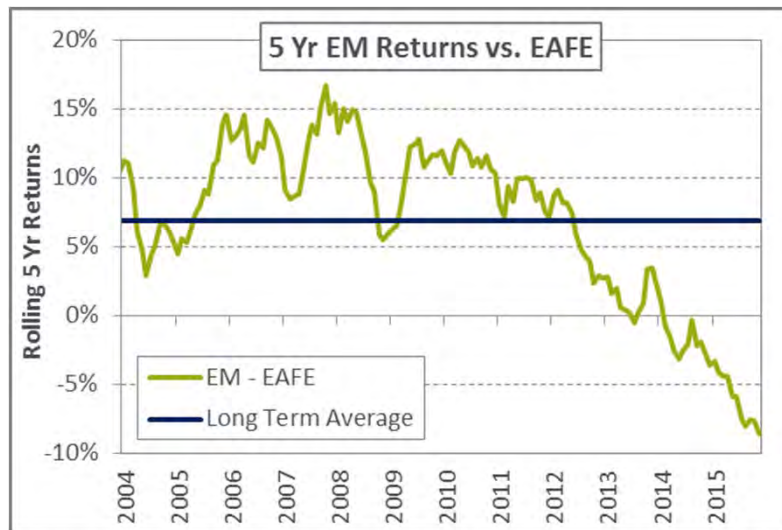


Source: Russell, Bloomberg

Recent Cyclical Underperformance Of International Developed Market Equities Relative To U.S.



Source: Standard & Poors, MSCI, Bloomberg

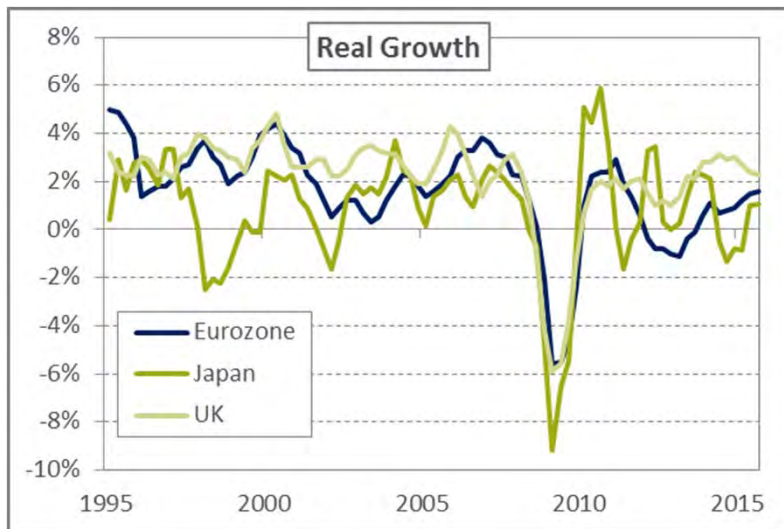


Source: MSCI, Bloomberg

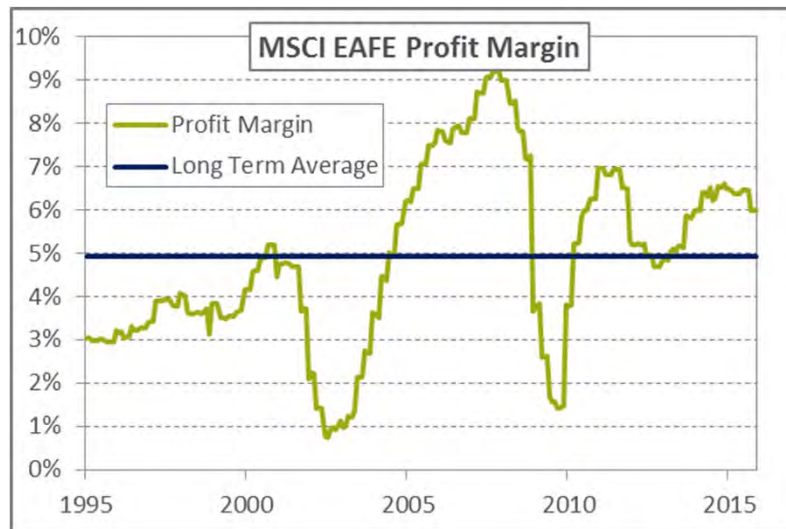
- **Developed markets supported by central bank policy**
 - Low growth prospects, but economic improvement can be found in Europe and Japan
 - Earnings and margins remain subdued relative to history

- **Emerging growth differential is less but remains well above developed world**
 - Valuations near long-term average

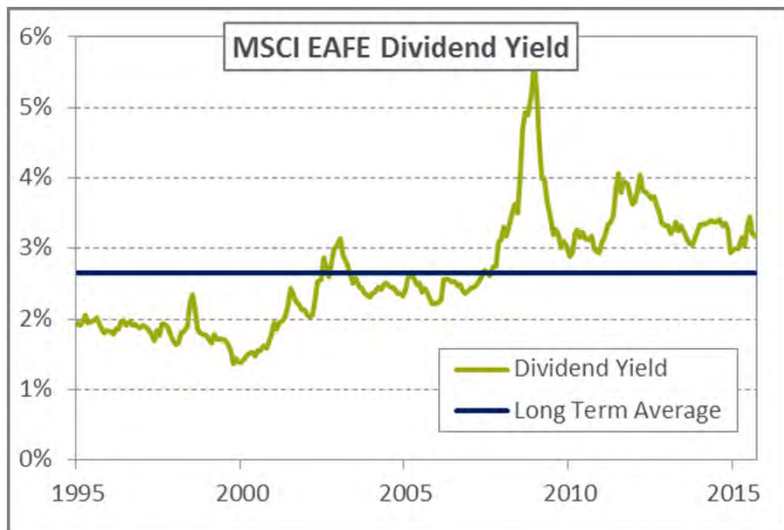
Ventura County Employees' Retirement Association
 International Developed Markets Equity Building Blocks



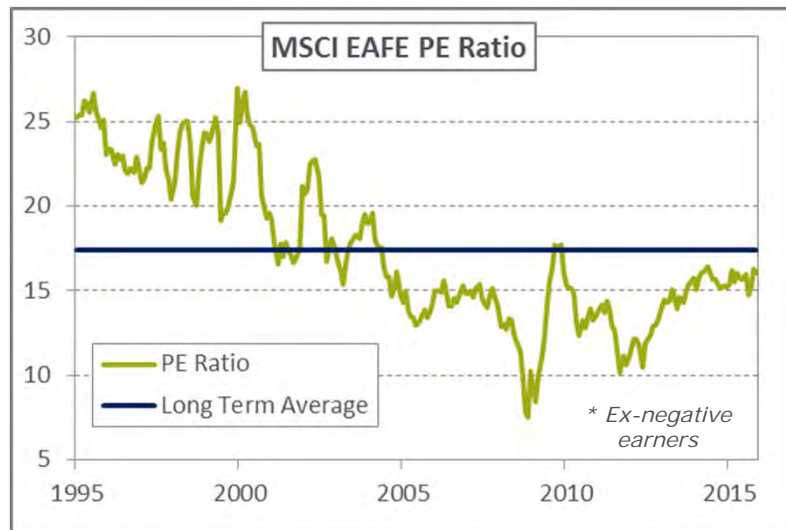
Source: Economic and Social Research Institute Japan, Bloomberg



Source: MSCI, Bloomberg

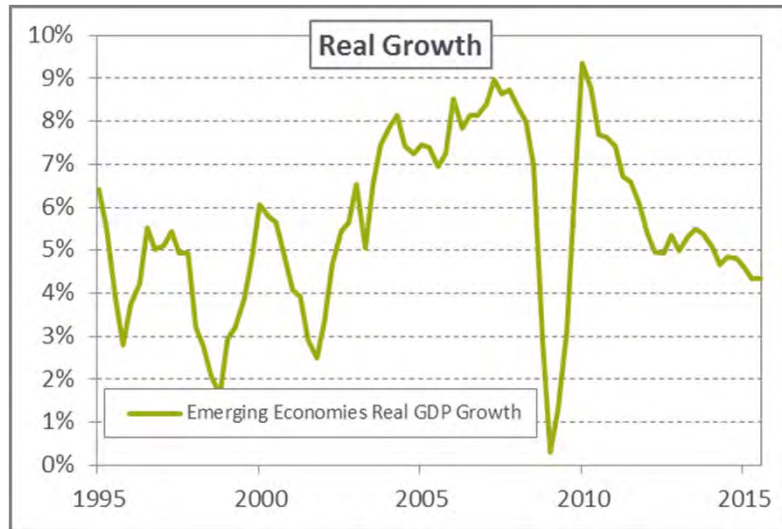


Source: MSCI, Bloomberg

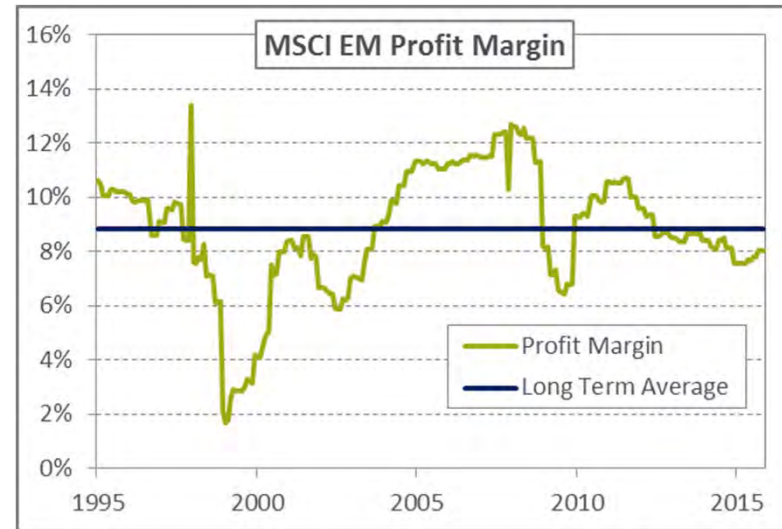


Source: MSCI, Bloomberg

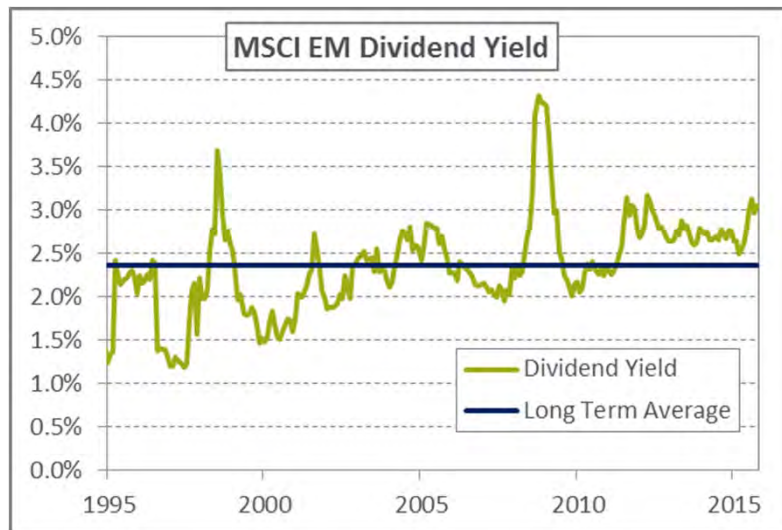
Emerging Markets Equity Building Blocks



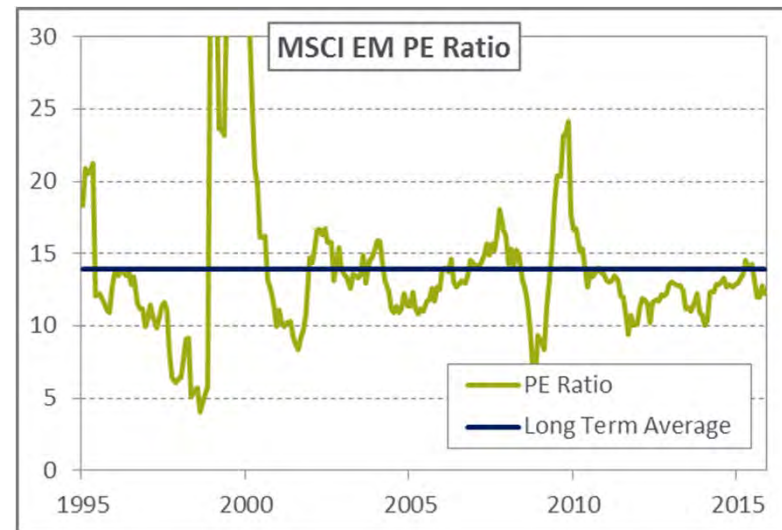
Source: Bloomberg



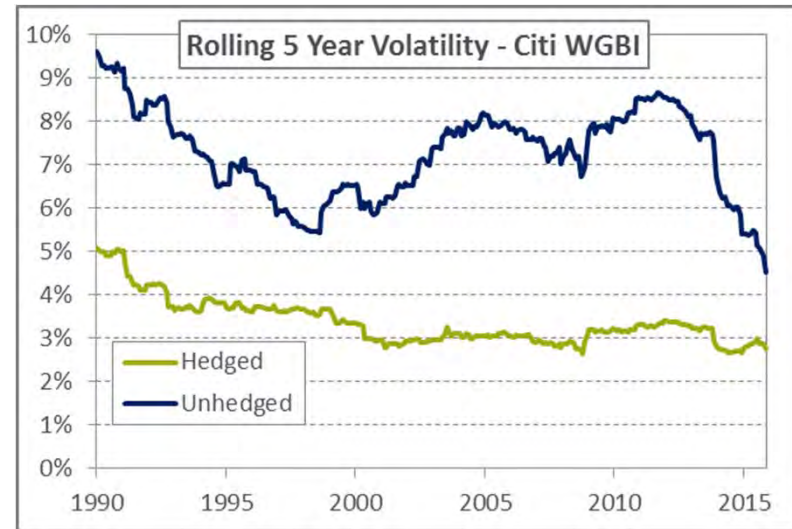
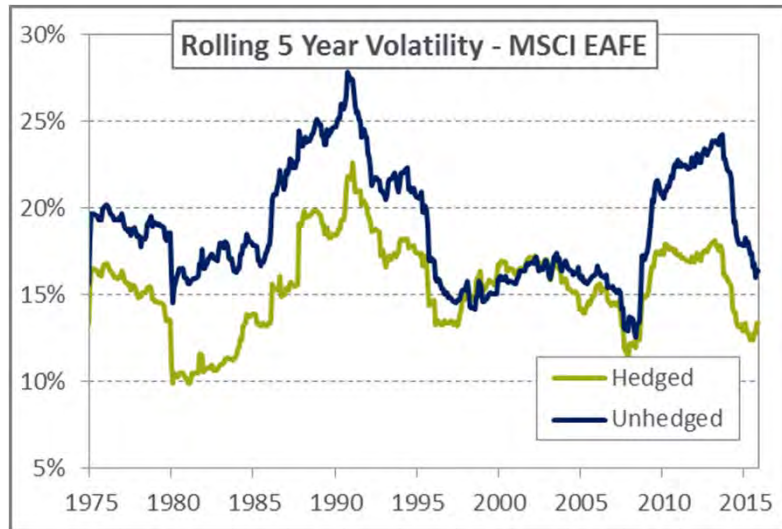
Source: MSCI, Bloomberg



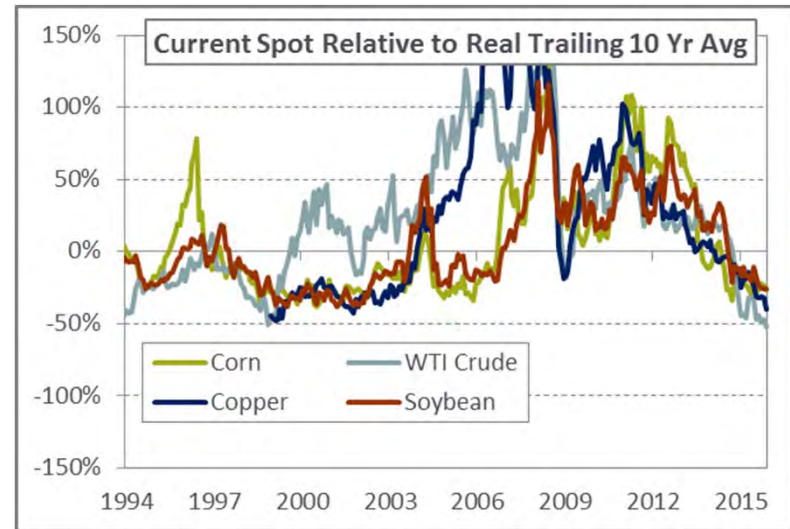
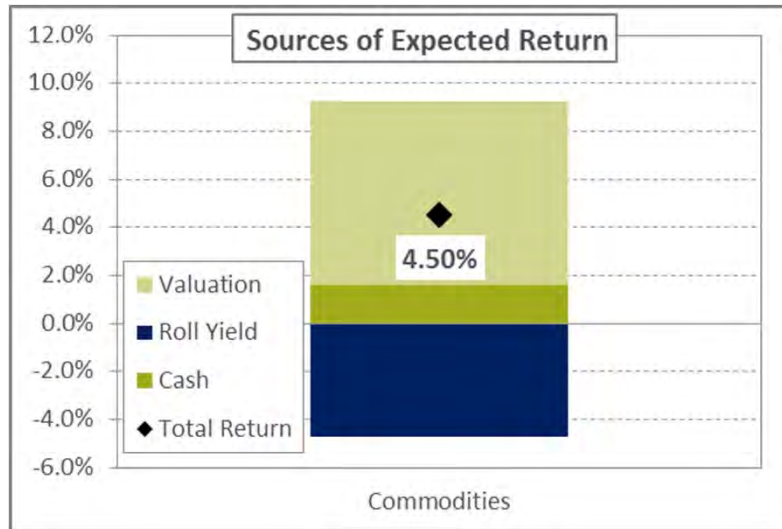
Source: MSCI, Bloomberg



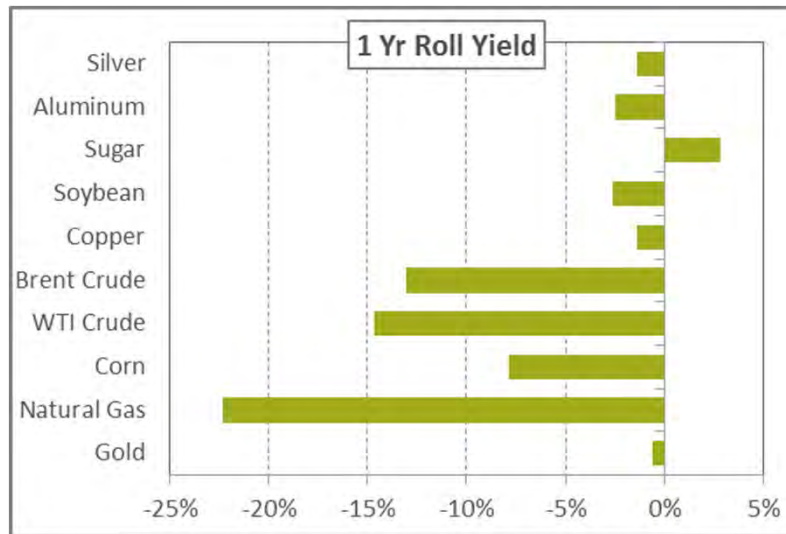
Source: MSCI, Bloomberg



- **Developed market currency exposure has largely been an uncompensated risk over the last 25 years**
- **Historically, it has been a source of volatility and provided limited diversification benefit**
 - Volatility differential (or currency impact on volatility) has persisted in recent history, most notably in MSCI EAFE
- **We use similar arithmetic returns (net of hedging costs) with lower expected volatility for hedged asset class based on relative risk contribution from currency exposure**



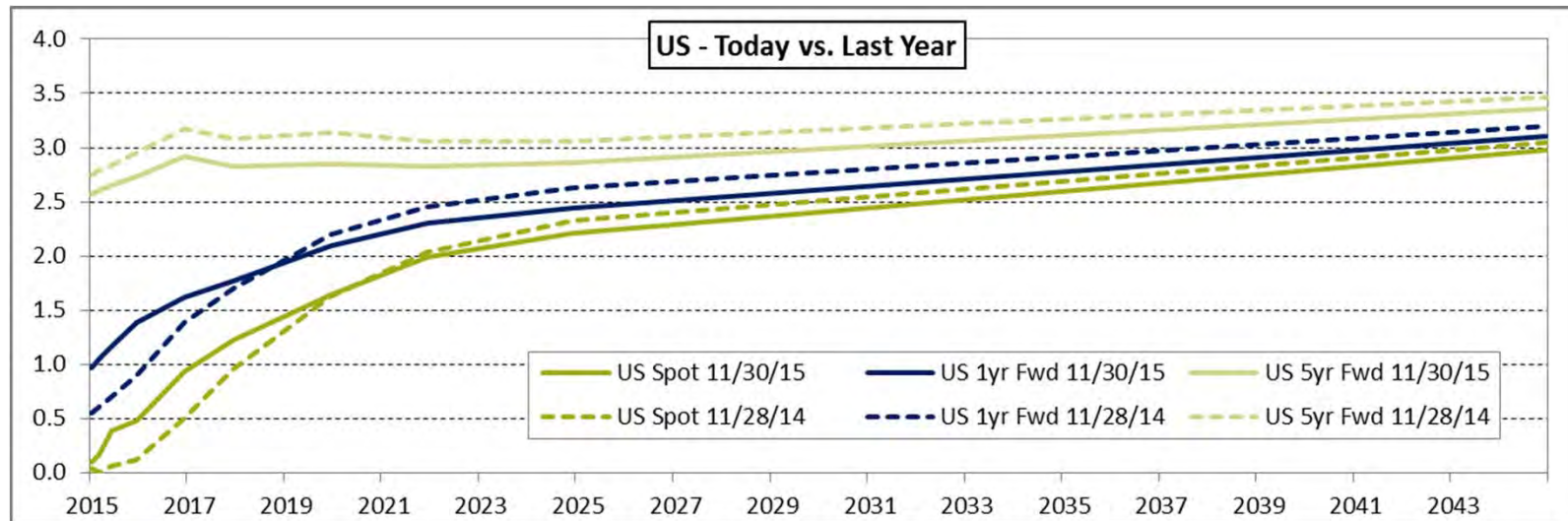
Source: Bloomberg, NEPC



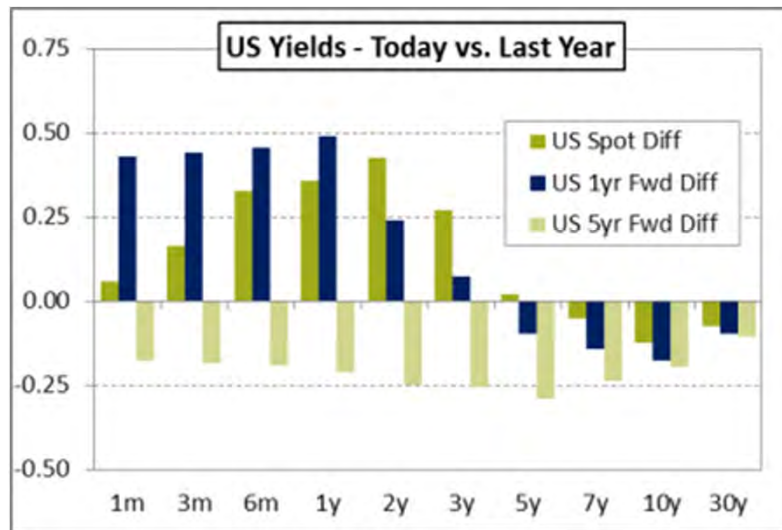
Source: Bloomberg

- **Roll yield in contango is a significant drag on future commodity returns**
 - Current roll yield forecast to narrow over 5-7 years to -3.0%
 - Expectations for Fed Funds increase aids cash input
- **Spot prices are trading well below long-term averages**
 - Spot prices forecast to revert to long-term average over 10 years

U.S. Treasury Spot and Forward Curves Are The Backdrop For Lower Bond Returns



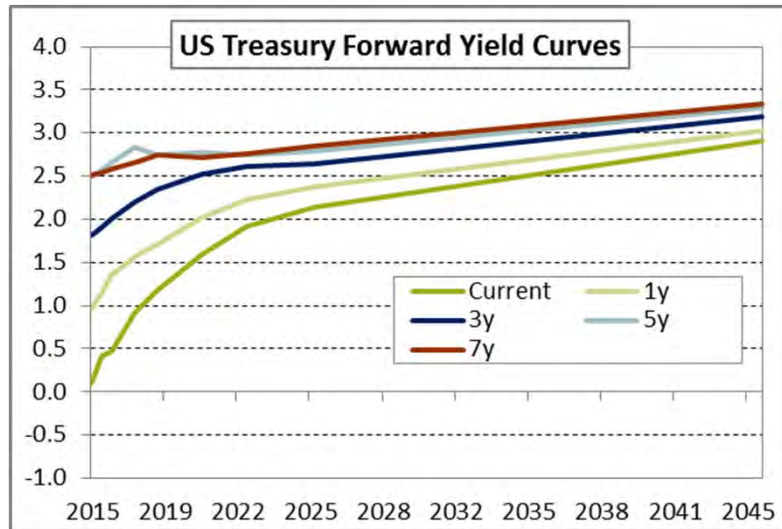
Source: Bloomberg



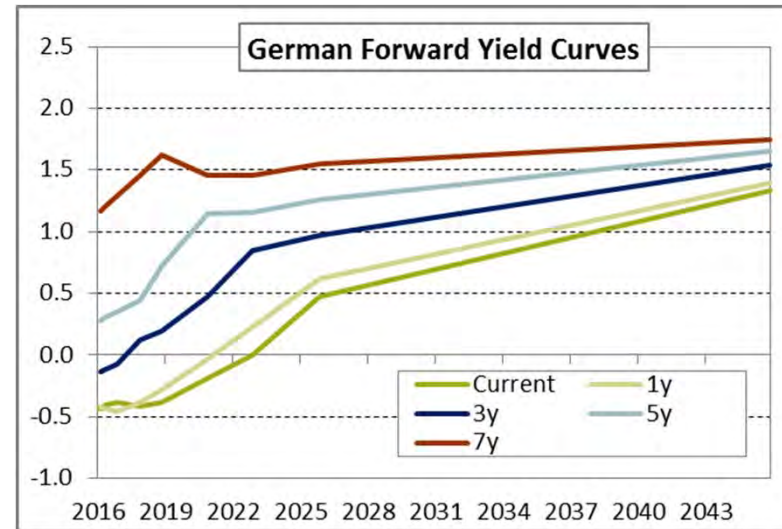
Source: Bloomberg

- **Spot curve elevated relative to prior year at the short end of the curve**
 - Reflects nearing of rate hike cycle, but with changing expectations that increases will play out more slowly than previously anticipated
 - Extension of the same trend from one year ago
- **Five year forwards are lower**
 - Entire curve is lower, driving lower cash and Treasury assumptions

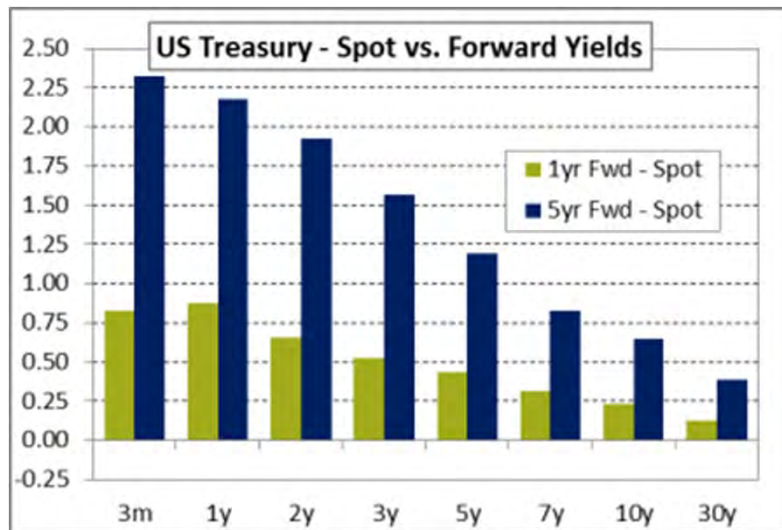
Rising Rates Expected To Impact Developed Market Fixed Income Returns



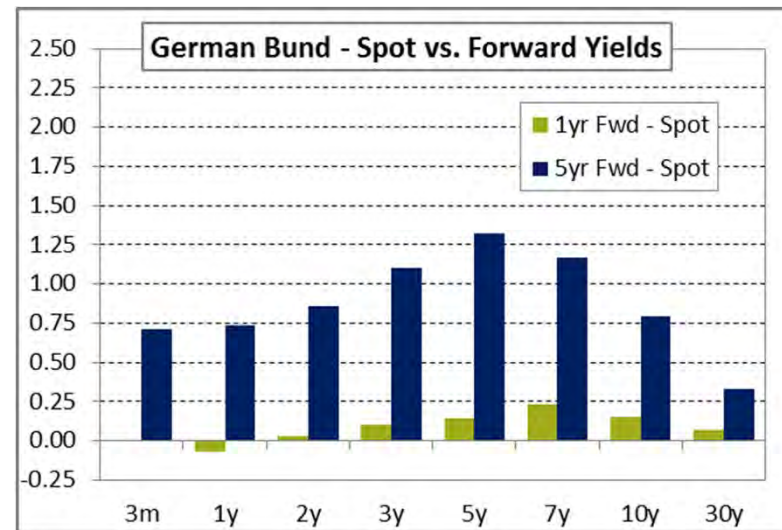
Source: Bloomberg



Source: Bloomberg

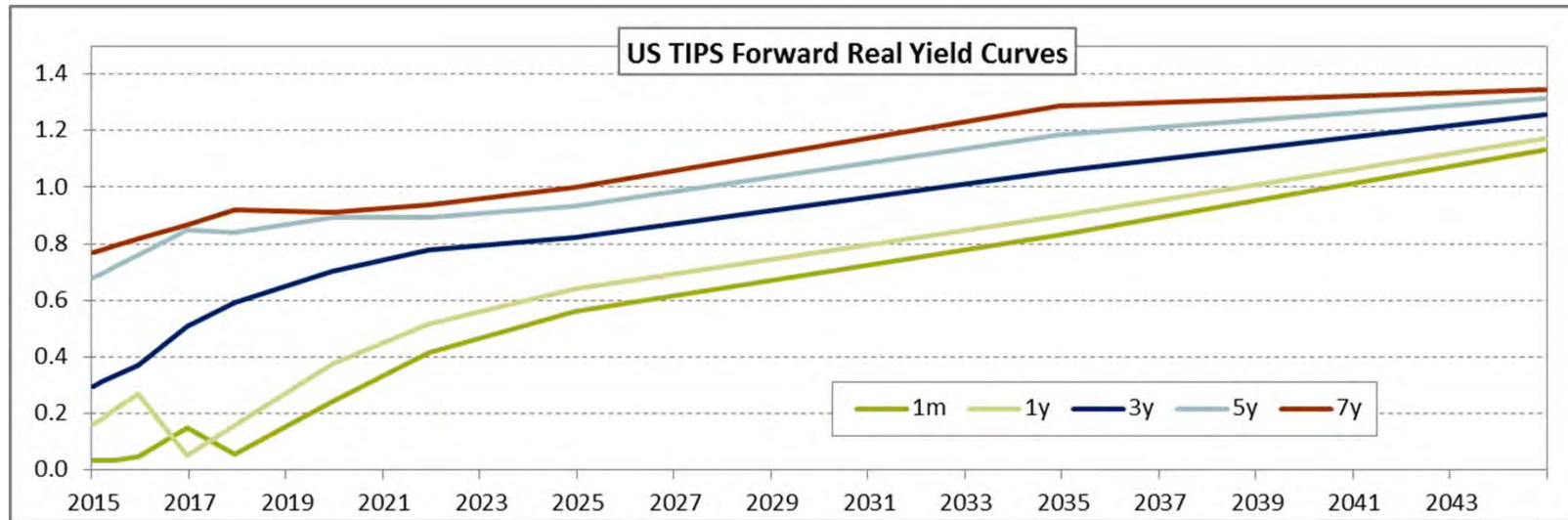


Source: Bloomberg

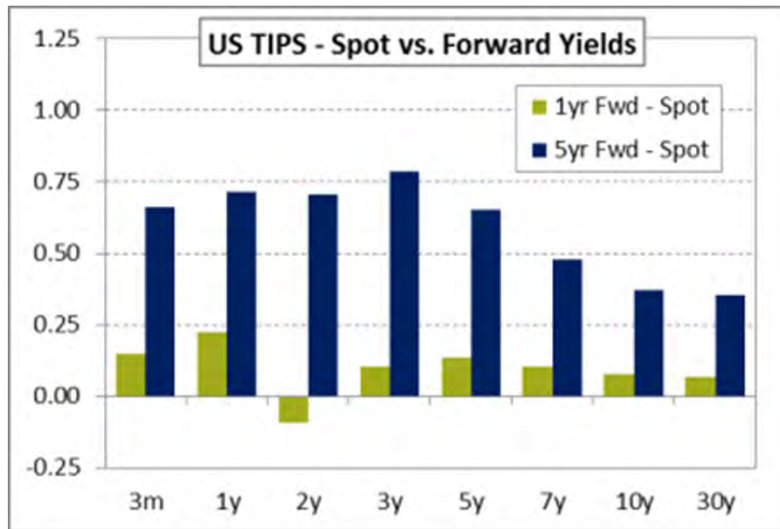


Source: Bloomberg

Low Real Yields In U.S. Support Risky Asset Returns In The Near Term

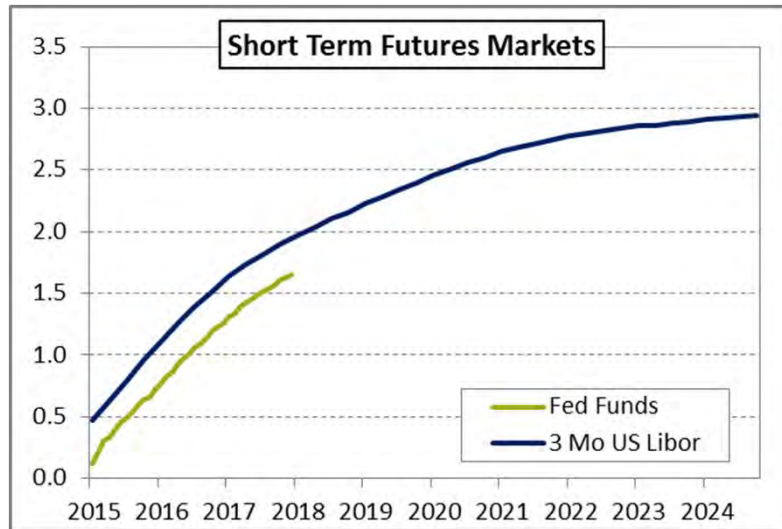


Source: Bloomberg

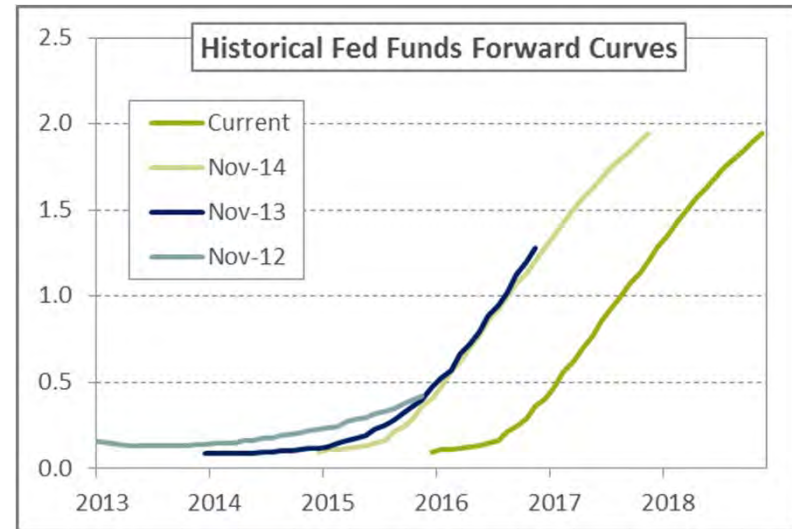


Source: Bloomberg

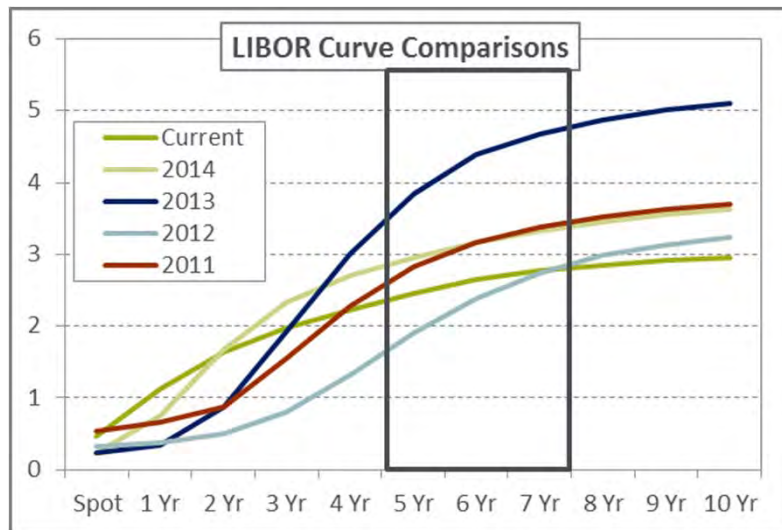
- **Market expects positive real yields going forward in U.S.**
 - Hikes are slower than what has been priced in the last few years
- **Long-term real yield is subdued**
 - Indicative of secular lower return expectations as real yields underlie all risk assets
- **Increase in real yields beyond expectations is a key risk**
 - Low risk today, but likely an issue if inflation moves higher



Source: Bloomberg



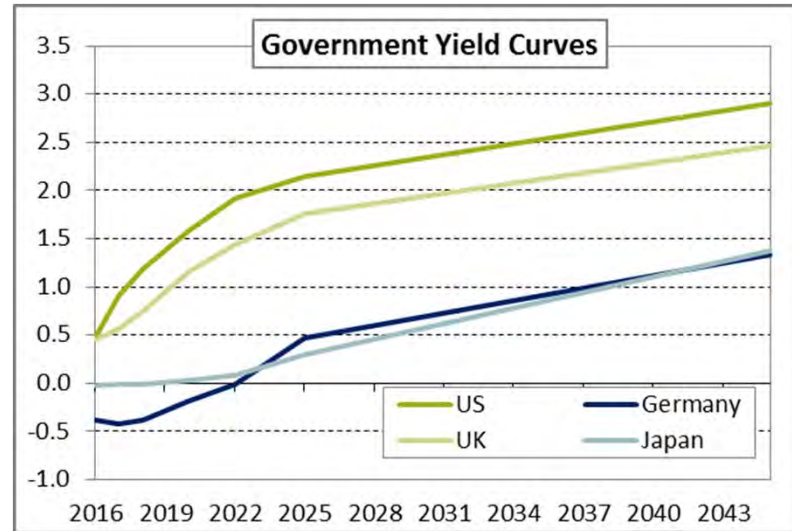
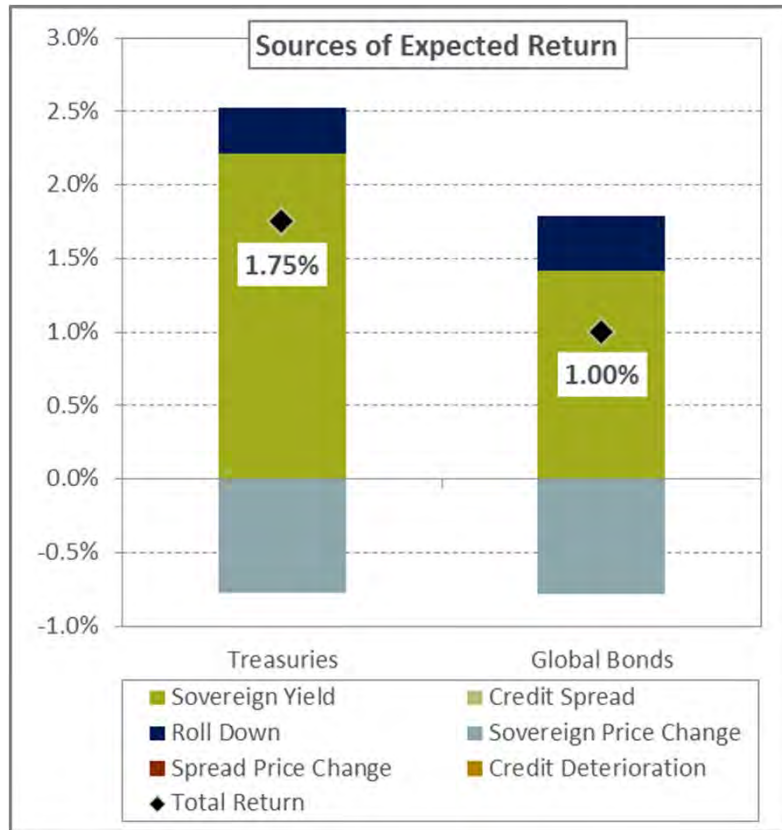
Source: Bloomberg



Source: Bloomberg

- **Fed Funds market similar to past years**
 - Fed hike likely as economic data appears supportive of higher rates
- **Longer term cash rate expectations are subdued**
 - LIBOR curve provides evidence
- **Cash forecast lower at 1.5%**
 - Lower long-term cash yields also portend lower expected returns

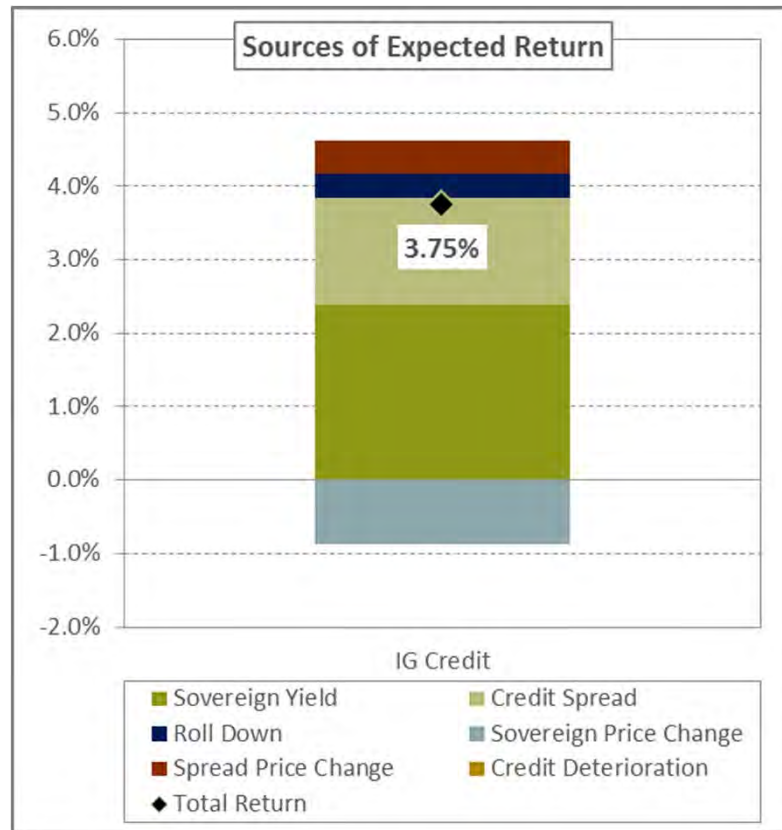
Assumption Development – Developed Market Government Debt



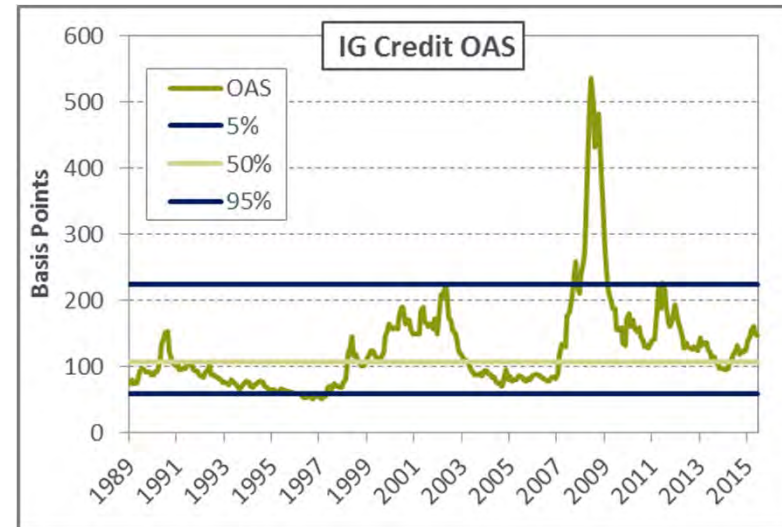
Source: Bloomberg

Index Current	U.S. Treasury	Global Sovereign
Yield	1.6	1.1
OAS	-	-
Duration	5.9	7.5
Quality	AAA/AAA	AA2/AA3
MV (mm)	6,589,175	23,026,329

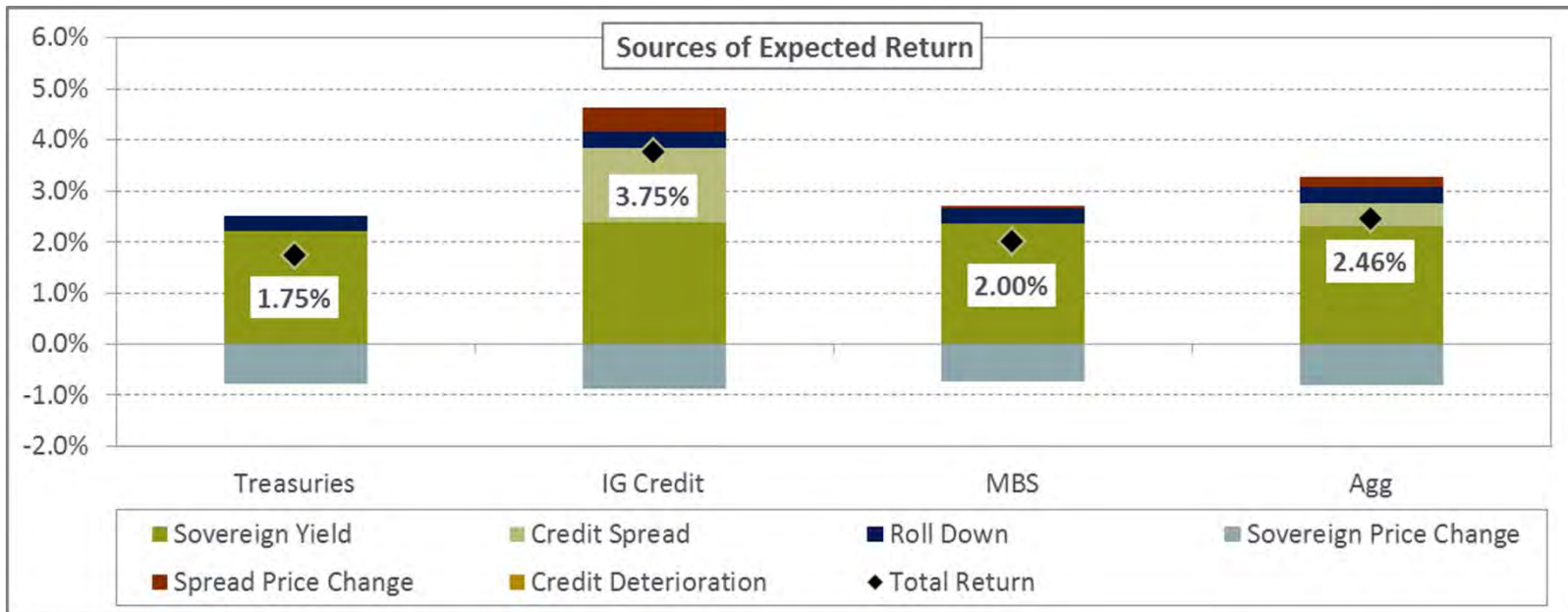
- **Depressed yields globally**
 - Negative through much of Europe
 - Rising rate expectations lower future returns relative to expected yield
- **U.S. is most attractive safe haven market, despite expected rate hikes**
 - Correlation/liquidity benefits in times of crisis make Treasuries an important asset allocation tool



Index Current	U.S. Credit
Yield	3.4
OAS	1.5
Duration	7.0
Quality	A2/A3
MV (mm)	5,447,909



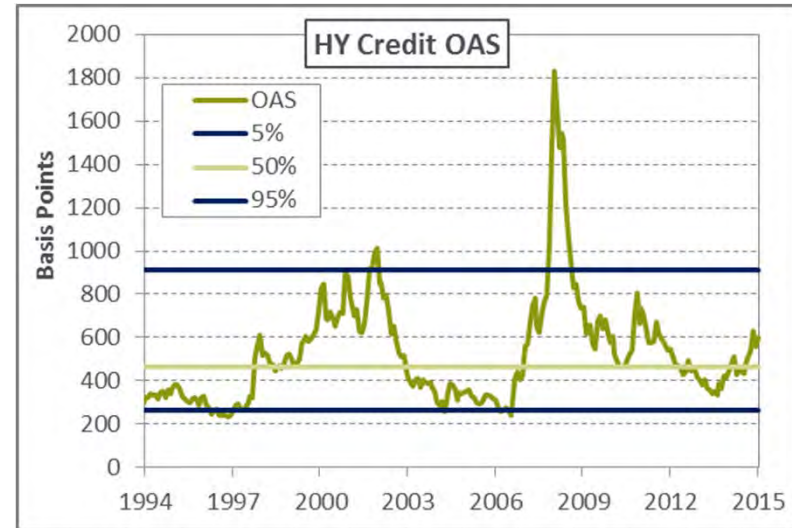
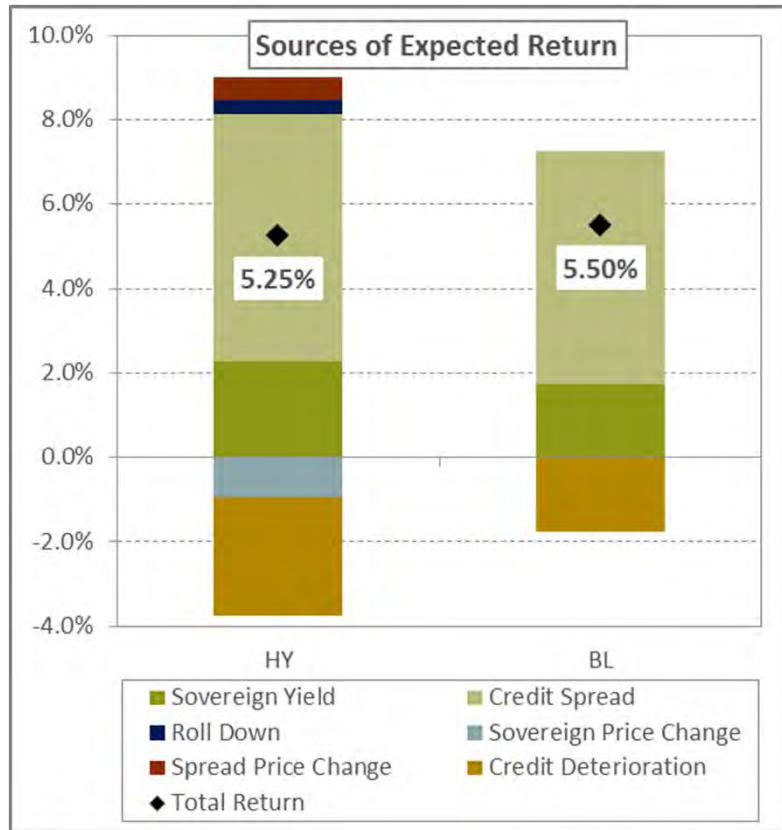
- Credit spreads have widened off cycle lows**
 - Market liquidity is lower relative to prior years and may be a challenge in later stages of credit cycle
 - Forecast assumes slower spread compression to long-term median
- Relatively steep credit curve adds to return**
 - Roll return and spread price change benefits from steep credit curve



Index Current	U.S. Treasury	U.S. Credit	U.S. Mortgage Backed Securities	U.S. Aggregate
Yield	1.6	3.4	2.7	2.5
OAS	-	1.5	0.2	0.5
Duration	5.9	7.0	4.4	5.7
Quality	AAA/AAA	A2/A3	AAA/AAA	AA1/AA2
MV (mm)	6,589,175	5,447,909	5,192,695	18,204,827

- Low yields persist throughout U.S. investment grade universe
- Expectations of rising rates expected to be 50-75 basis point drag
- MBS returns continue to compress toward that of Treasuries

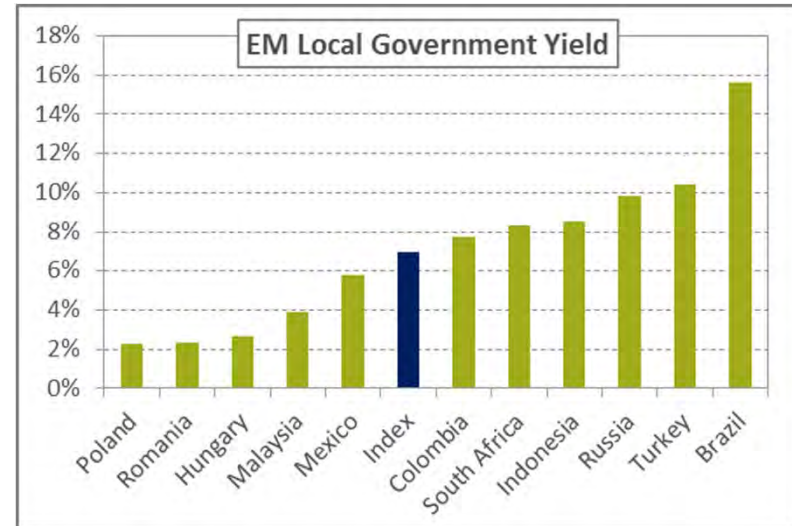
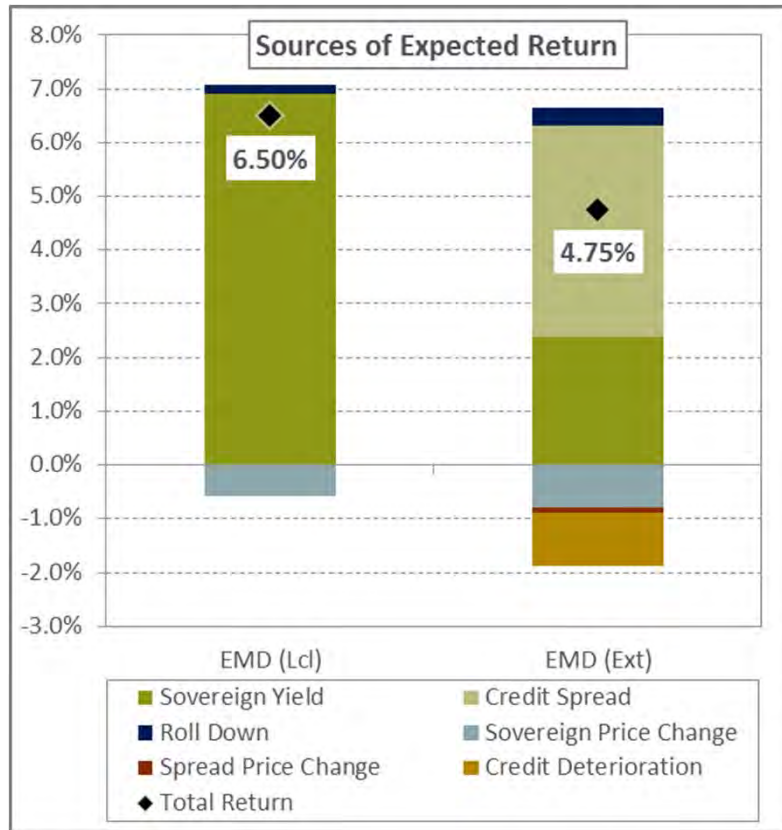
Assumption Development – U.S. High Yield And Bank Loans



Source: Barclays, Bloomberg

- **High yield spreads attractive but well below crisis peaks**
 - Energy a key driver today
 - Default rates and downgrades likely to increase at this point in cycle
- **Bank loans not exposed to rate changes with floating rate**
 - Less liquid market with larger retail presence than pre-crisis

Index Current	BC U.S. Corporate High Yield	Credit Suisse Levered Loan Index
Yield	8.0	6.9
OAS	6.0	6.2
Duration	4.3	0.1
Quality	Ba3/B1	Ba2
MV (mm)	1,261,041	944,881

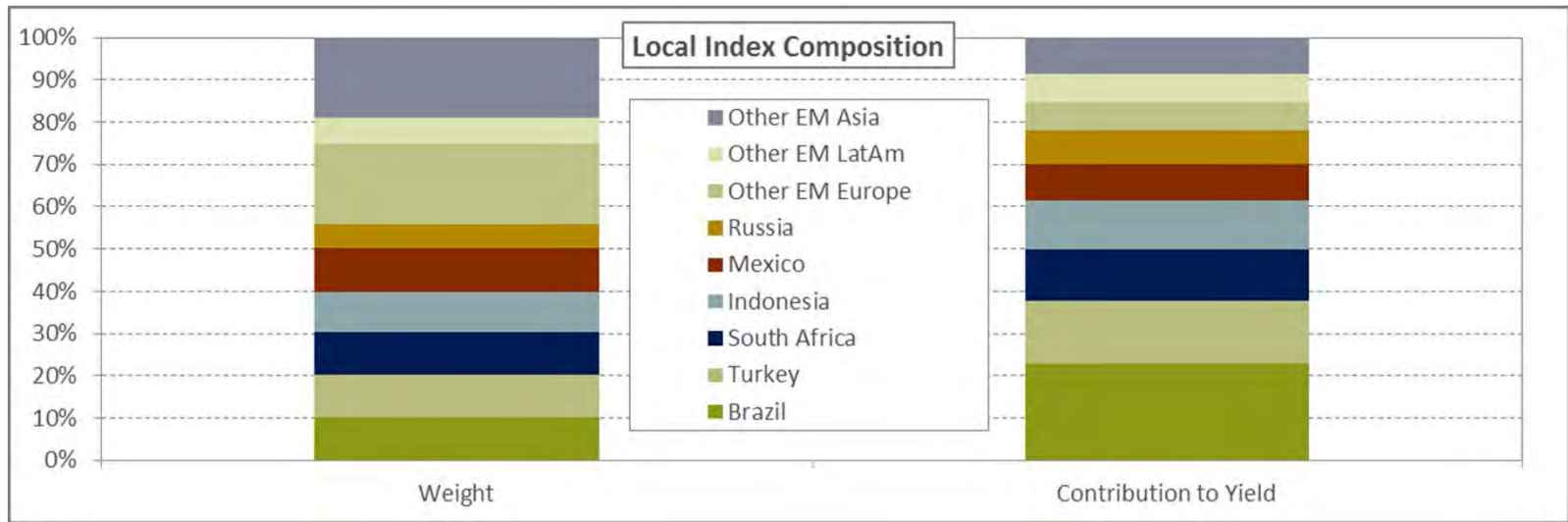


Source: Barclays, Bloomberg

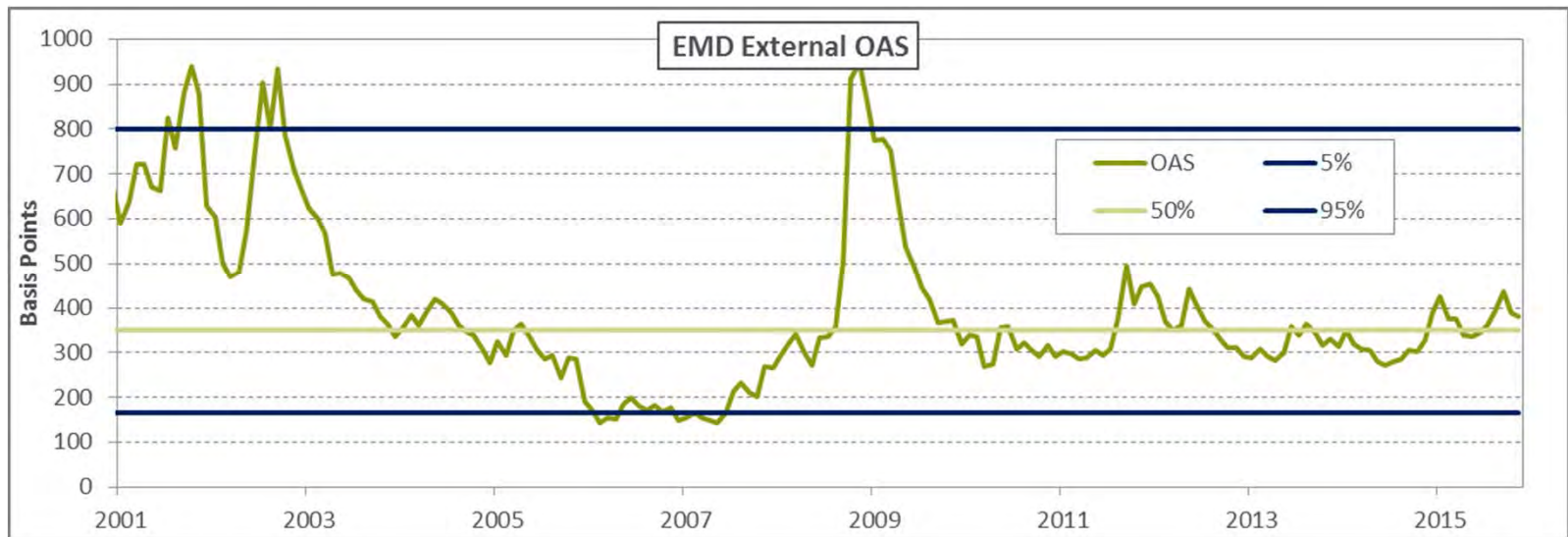
Index Current	JPM GBI EM Global Div	JPM EMBI Global Div
Yield	6.9	6.1
OAS	-	3.9
Duration	4.8	6.6
Quality	Baa2	Baa3
MV (mm)	840,908	687,743

- **Local yields high; average ~7%**
 - Countries facing political/geopolitical pressures (Brazil, Turkey, Russia) account for 50% of the index yield
 - More stable countries included in low global yield back drop
- **Currencies at fair value to cheap**
 - Given uncertainty, we make some accommodation for further deterioration in stressed currencies in near term
- **External debt priced at fair value**
 - Dollar denominated borrowers face repayment challenges due to dollar strength

Assumption Development – Emerging Market Debt (continued)

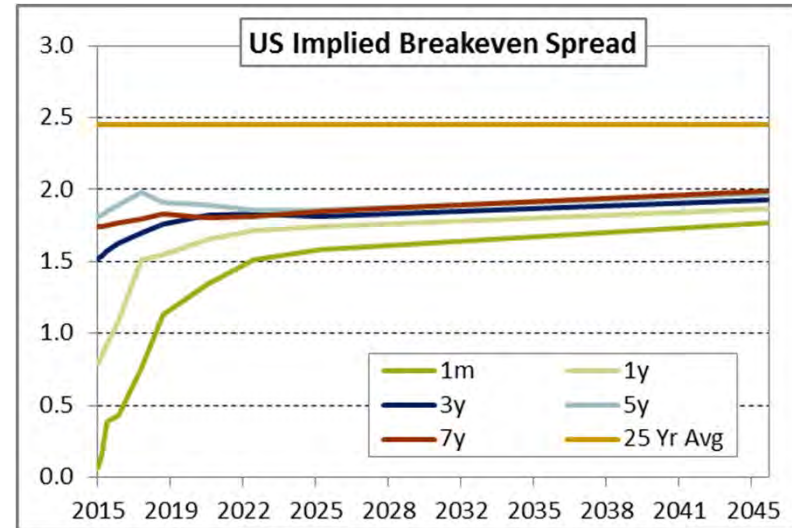
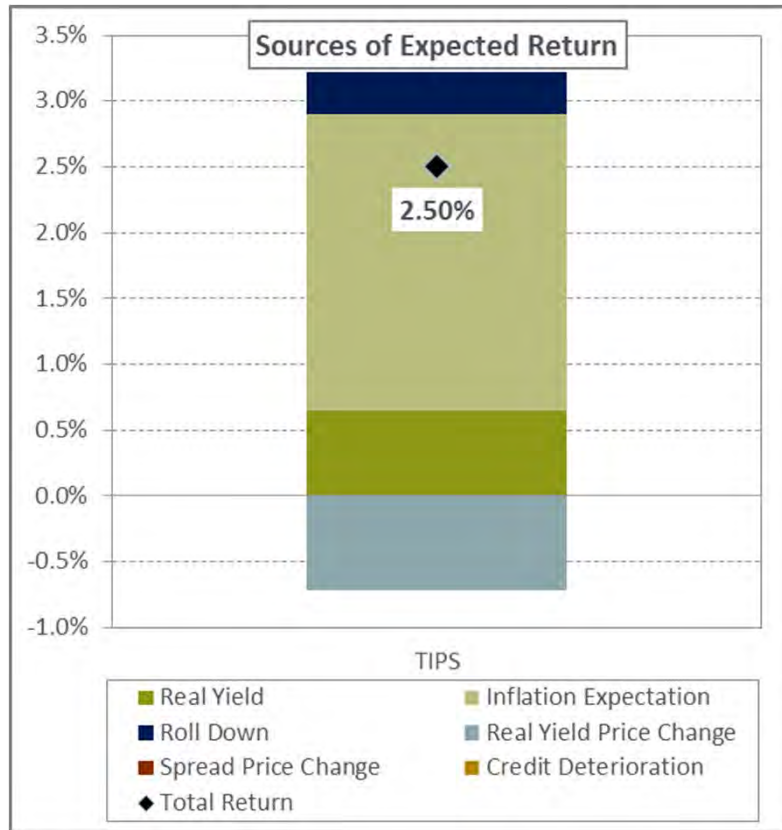


Source: Barclays, Bloomberg



Source: JP Morgan, Bloomberg

Assumption Development – TIPS



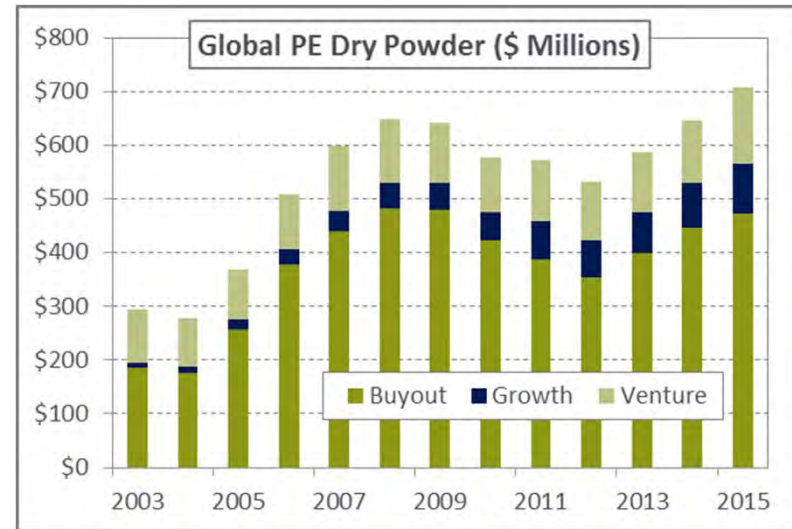
Source: Bloomberg

Index Current	U.S. Treasury: U.S. TIPS
Yield	2.1
OAS	0.0
Duration	5.5
Quality	AAA/AAA
MV (mm)	984,892

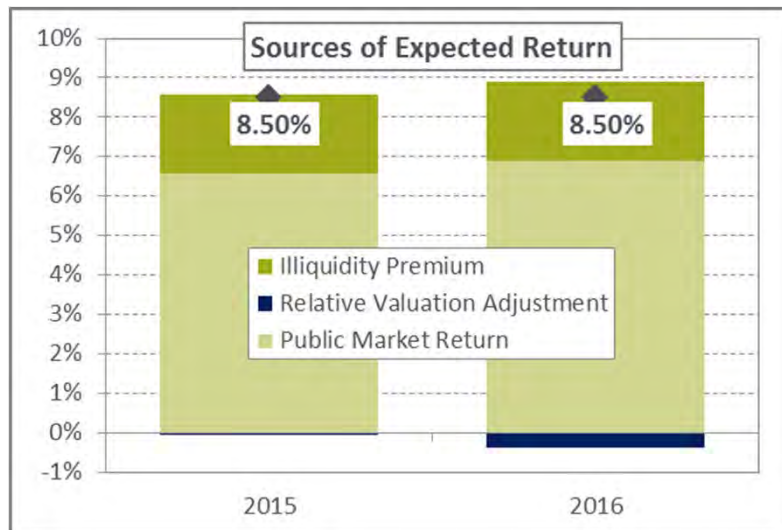
- Implied inflation breakevens are exceptionally low**
 - Average 1.75% over next 5-7 years
 - Fed targets approximately 2.0%
 - Average over last 25 years is 2.45%
 - NEPC assumes 2.25%
- TIPS will appreciate if inflation is realized higher than expected**
 - Nominal Treasuries more exposed to interest rate increases should inflation expectations move higher
 - Current bias to TIPS, but may not be as liquid in times of stress



Source: S&P Capital IQ

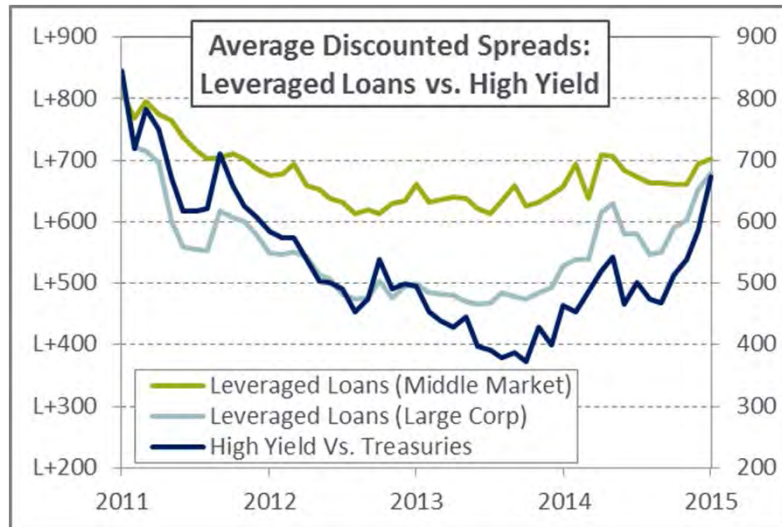


Source: Preqin

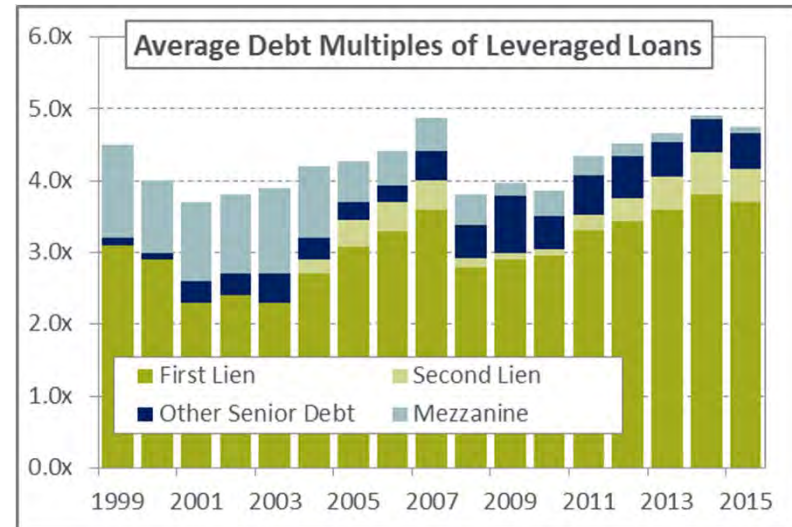


Note: Private equity assumption reflects 40% buyout, 25% growth equity, 20% secondaries, 15% venture. Public market equivalent defined as blend of 70% U.S. small/mid cap equities and 30% non-U.S. developed markets equities.

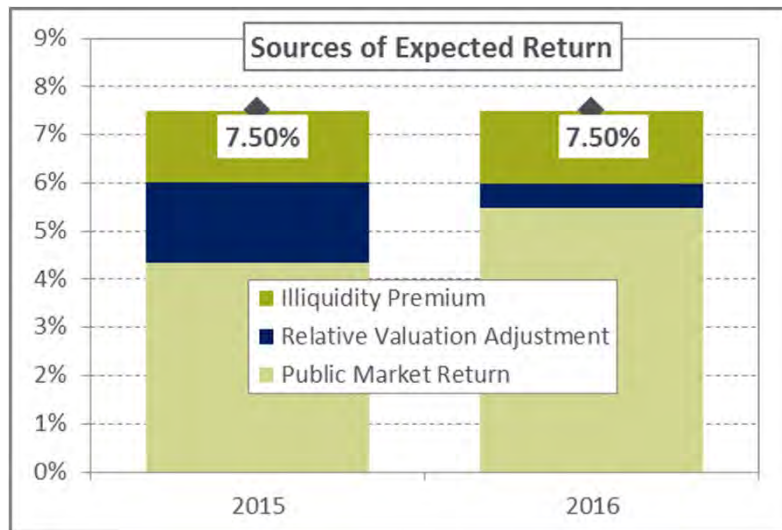
- **Global equity risk premia higher relative to prior year**
- **However, seeing increasing headwinds in private structures**
 - Purchase price multiples high relative to history
 - Dry powder has increased, particularly in the U.S.



Sources: S&P Capital IQ, BarCap Live

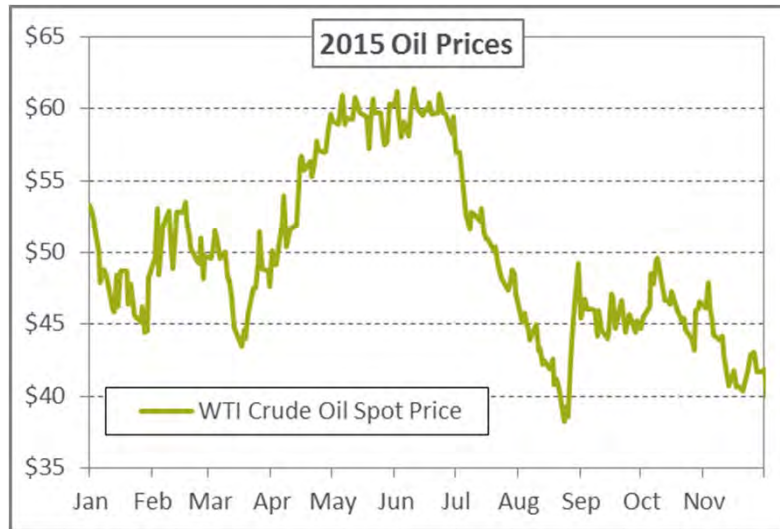


Source: S&P Capital IQ

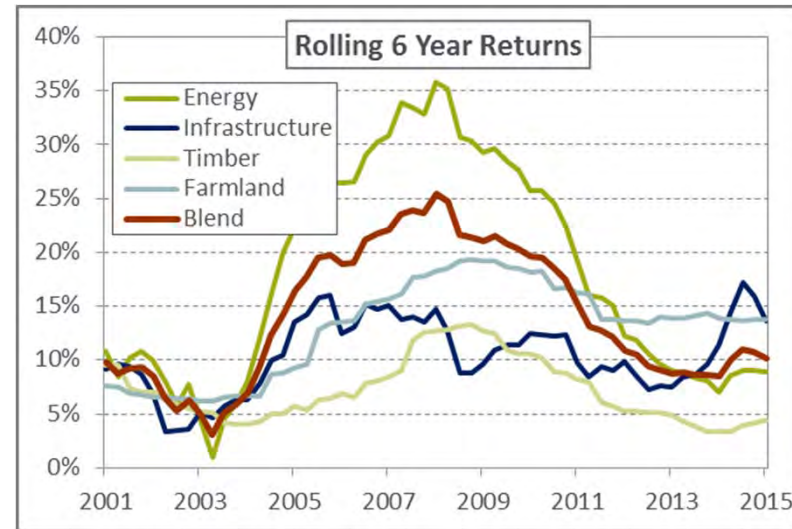


Note: Private debt assumption reflects 50% direct lending, 25% mezzanine, 25% distressed debt. Public market equivalent defined as blend of 50% high yield bonds and 50% bank loans.

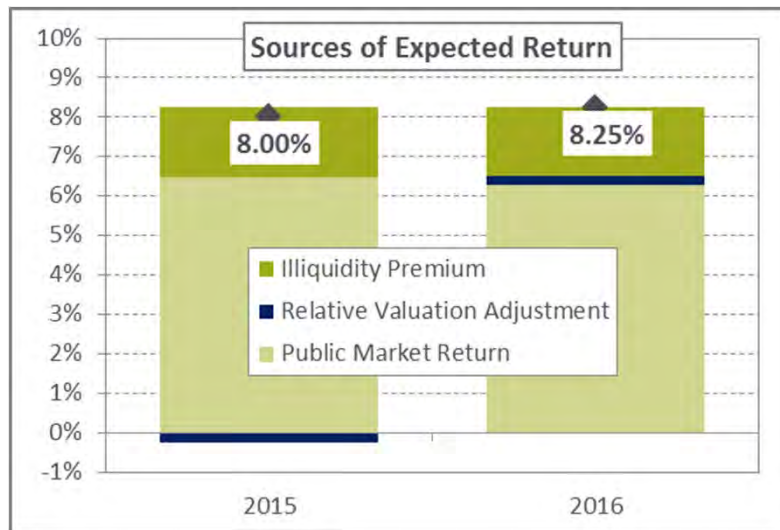
- Spreads on public and private credit have converged
- Debt multiples near cycle highs
- Higher equity participation changes risk profile for debt
 - Opportunity set for mezzanine has shrunk noticeably



Source: Bloomberg



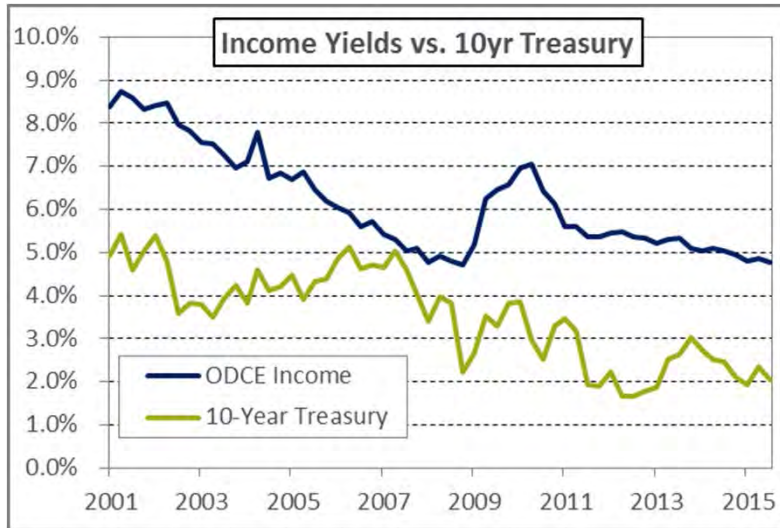
Source: NCREIF, Bloomberg



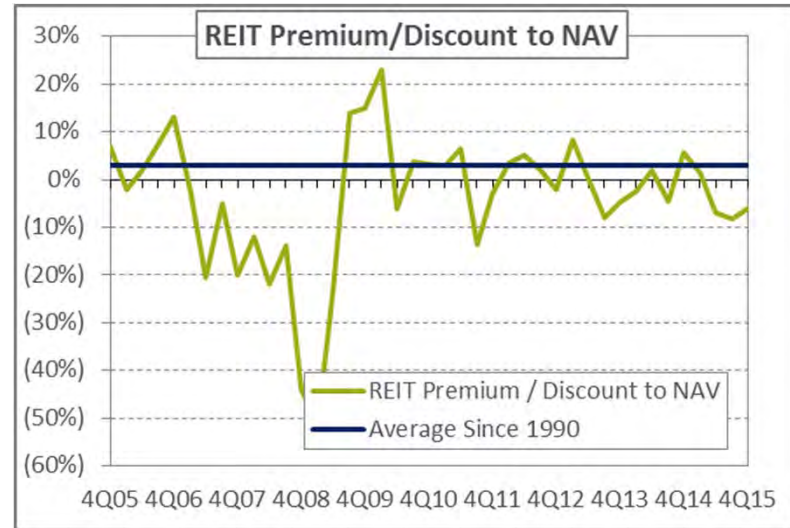
Note: Private real assets assumption reflects 50% energy, 25% infrastructure, 25% timber/agriculture. Public market equivalent defined as blend of 50% commodities, 25% natural resource equities, 25% MLPs.

- **Amidst significant volatility, oil prices continued downward trend that began in Q3 2014**
 - Current lows are an attractive entry point for private strategies
- **Private strategies may mitigate financial stress in challenging market for liquid commodities**

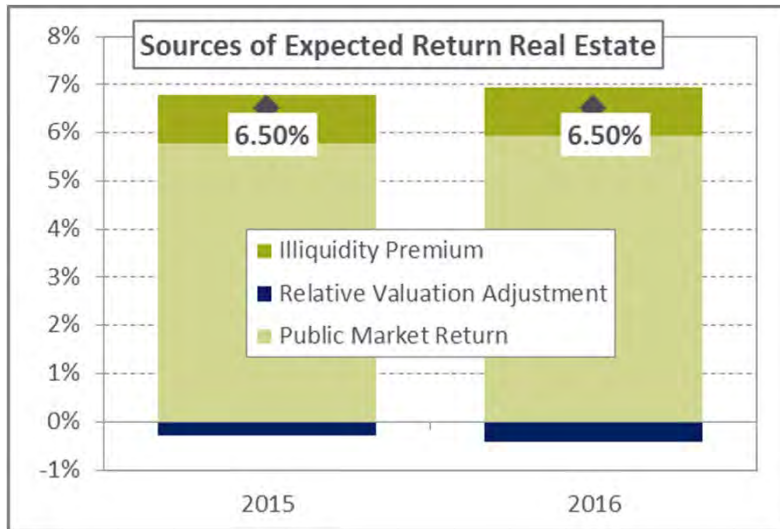
Ventura County Employees' Retirement Association
Assumption Development – Real Estate And REITs



Sources: NCREIF, US Department of Treasury



Source: Wells Fargo Securities



Note: Real estate assumption reflects U.S. core holdings as represented by the NCREIF ODCE. REIT assumption represented by the FTSE NAREIT Index. Public market equivalent defined as 100% REITs with embedded leverage adjustment (21% for ODCE vs. 45% for NAREIT).

- **Core real estate outlook largely unchanged over 5-7 years**
- **REITs are trading at discounts to NAV but still at historically high multiples**

- **Global Equity Building Blocks**
 - **Inflation:** Represents global inflation expectation over forecast period
 - **Real Earnings Growth:** Represents assumption for real growth for each market
 - **Profit Margin Adjustment:** Return due to shift of profit margins to forecast value
 - **Dividend Yield:** Represents dividend yield expectation over forecast period
 - **Valuation:** Return due to shift of current price/earnings ratio to forecast value
- **Commodities Building Blocks**
 - **Valuation:** Return from commodity spot price reverting to long-term real average
 - **Roll yield:** Average annual yield to roll futures contract over forecast period
 - **Cash:** Expected U.S. cash rate over forecast period
- **Fixed Income Building Blocks**
 - **Sovereign Yield:** Average expected government bond yield over forecast period
 - **Sovereign Price Change:** Expected price change due to changes in interest rates
 - **Roll Down:** Expected price change due to ageing of a bond along the yield curve
 - **Credit Spread:** Average expected credit spread over forecast period
 - **Spread Price Change:** Return due to shift of current credit spread to forecast value
 - **Credit Deterioration:** Return from credit downgrade and default over forecast period
 - **Real Yield:** Average expected government real yield over forecast period (TIPS)
 - **Real Yield Price Change:** Expected price change due to changes in real rates
 - **Inflation Expectation:** Expected inflation accrual over the forecast period (TIPS)
- **Private Markets Building Blocks**
 - **Illiquidity Premium:** Return associated with illiquidity factor specific to asset class
 - **Relative Valuation Adjustment:** Qualitative adjustment reflecting asset class views
 - **Public Market Return:** Return associated with equivalent public market beta

Appendix: Disclosures

- **Past performance is no guarantee of future results.**
- **The goal of this report is to provide a basis for substantiating asset allocation recommendations. 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.**
- **Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained herein.**
- **All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.**
- **This report is provided as a management aid for the client's internal use only. This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.**

It is important that investors understand the following characteristics of non-traditional investment strategies including hedge funds and private equity:

- 1. Performance can be volatile and investors could lose all or a substantial portion of their investment.**
- 2. Leverage and other speculative practices may increase the risk of loss.**
- 3. Past performance may be revised due to the revaluation of investments.**
- 4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms.**
- 5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value.**
- 6. These funds are not subject to the same regulatory requirements as registered investment vehicles.**
- 7. Managers may not be required to provide periodic pricing or valuation information to investors.**
- 8. These funds may have complex tax structures and delays in distributing important tax information.**
- 9. These funds often charge high fees.**
- 10. Investment agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy.**

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>

March 21, 2016

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

SUBJECT: RECOMMENDATION TO INCLUDE VCDSA CHARITABLE TRUST AS AN APPROVED CHARITABLE ORGANIZATION UNDER GOVERNMENT CODE SECTION 31452.5, TO ALLOW DONATION DEDUCTION FOR VCERA RETIREES

Dear Board Members:

VCERA recently received a request from Richard Shimmel, Executive Director of the Ventura County Deputy Sheriffs' Association (VCDSA) that the Board of Retirement approve the VCDSA Charitable Trust as an organization to which VCERA retirees may make voluntary charitable donations through a retirement check deduction option. That request is provided.

Government Code section 31452.5 provides, in part, that the Board of Retirement may comply with a written, revocable authorization from a member for a specific deduction from his or her retirement allowance for charitable organizations as approved by the Board of Retirement. This section also states that the Board may charge a reasonable fee for making such deductions and payments.

Recently, the Board took similar action, upon the County's request, to allow charitable deductions for the Health Care Foundation for Ventura County (HCFVC).

Staff has communicated with VCDSA the responsibilities, costs and administrative work that would be the responsibility of VCDSA Charitable Trust if voluntary donation deductions were approved. They have agreed to follow our processes, adhere to VCERA rules and guidelines, and absorb costs and responsibilities associated with implementation, such as postage, printing, documentation and the fielding of retiree calls and questions. At any time, retirees may revoke their voluntary option for this charitable deduction. For confidentiality purposes, when the Charitable Trust's invitation to participate is sent to retirees, their addresses will not be provided; mailings will be done by a third party at VCDSA Charitable Trust's cost.

RECOMMENDATION: APPROVE REQUEST FROM VCDSA CHARITABLE TRUST TO BE INCLUDED AS AN APPROVED CHARITABLE ORGANIZATION UNDER GOVERNMENT CODE SECTION 31452.5 TO ALLOW VCERA RETIREES TO MAKE VOLUNTARY REVOCABLE CHARITABLE DONATIONS THROUGH A RETIREMENT CHECK DEDUCTION OPTION.

Staff will be happy to answer any questions at the March 21, 2016, business meeting.

Sincerely,



Linda Webb
Retirement Administrator

Ventura County Deputy Sheriffs' Association

981 S. Victoria Avenue • Ventura, CA 93003
Email: vcdsa@vcdsa.org

Phone: 805 • 639-9218
Fax: 805 • 639-9278

March 11, 2016

Tracy Towner, Chairman
Ventura County Board of Retirement
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, California 93003

Re: Donation Opportunity to VCDSA Charitable Trust Fund through an Automatic Retirement Benefit Check Deduction Option

Dear Mr. Towner:

Recently, with the assistance of the Ventura County Auditor Controller's Office, VCDSA has created for its active-duty members the opportunity to support the VCDSA Charitable Trust (the Trust) through a payroll deduction option. The Trust has existed and operated for over two decades and in the last ten years alone has donated over \$500,000 back to the community to support numerous local charities and non-profit organizations. The Trust is registered with the Attorney General's Registry of Charitable Trusts, Registration No. 111073 and Organization No. 8812533. The Trust's Federal Employer Identification Number reflecting its tax exempt status is 77-0217063 (See attached).

The new active-duty payroll code (designated as "D_CT") will allow VCDSA members currently working in the Sheriff's Office and the District Attorney's Bureau of Investigation to make after-tax contributions to the Trust by payroll deduction, which will then appear on their biweekly pay advice. Prior to the addition of this payroll code, active *and* retired VCDSA members have supported the Trust on an ad hoc basis but the majority of the Trust's income has been derived from direct-mail solicitations to residents and businesses within the service area of the Ventura County Sheriff's Office.

We would appreciate the opportunity to extend this member-giving program to our *retired* VCDSA members by means of an optional, automatic retirement benefit check deduction. All VCDSA members, active and retired, are well aware that the Trust proceeds are donated back to the community to support local Boys & Girls Clubs, youth sports, academics and after-school programs, non-profits that aid veterans and victims of crime, illness or injury, homeless and housing assistance programs, and many more worthy groups. These donations enable VCDSA members, via the Trust, to give back to the communities they serve, directly aid programs that help deter youth from gangs and other criminal activities, support many key charities, and promote and enhance the image and reputation of the Sheriff's Office and of law enforcement generally.



~ Fifty years of representing the front-line protectors keeping Ventura County safe ~

Government Code section 31452.5 states, in part, that the Board of Retirement “may comply with and give effect to a revocable written authorization signed by a retired member” authorizing a specified deduction from the retirement allowance to be used for “Payment to a charitable organization...that is approved by the board.” The section goes on to state that the retirement board may charge a reasonable fee for the making of the deductions and payments. VCDSA will gladly work with VCERA Administration to help develop and implement this program, and will reimburse VCERA accordingly for all associated costs involved.

We sincerely appreciate the consideration of the Ventura County Board of Retirement in support of this member-giving opportunity for the VCDSA Charitable Trust. Should you have any questions about this request, please contact the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Shimmel".

Richard A. Shimmel
Executive Director

Attachments

Internal Revenue Service
District Director

Department of the Treasury

P O BOX 2350 ROOM 5127 ATTN: E.G.
LOS ANGELES, CA 900532350

Date: JUL. 3, 1989

VENTURA COUNTY DEPUTY SHERIFFS'
CHARITABLE TRUST
1690 VENTURA BLVD
CAMARILLO, CA 93010

Employer Identification Number:
77-0217063
Case Number:
959102042
Contact Person:
CIDLEK, THERESE A.
Contact Telephone Number:
(213) 894-4763

Accounting Period Ending:
December 31
Foundation Status Classification:
509(a)(2)
Advance Ruling Period Ends:
12-31-93
Caveat Applies:
yes

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in section 509(a)(2).

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date of your inception and ends on the date shown above.

Within 90 days after the end of your advance ruling period, you must submit to us information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a

JUL 5 1989

VENTURA COUNTY DEPUTY SHERIFFS'

final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(2) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(2) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(2) organization.

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

VENTURA COUNTY DEPUTY SHERIFFS'

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If the heading of this letter indicates that a caveat applies, the caveat below or on the enclosure is an integral part of this letter.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

ENCLOSURE
FORM 872-C

Sincerely yours,

ACTING *Brian McMahon*
District Director

VENTURA COUNTY DEPUTY SHERIFFS'

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fund-raising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fund-raising activities for charity.

MAY 31 1994

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
2 CUPANIA CIRCLE
MONTEREY PARK, CA 91755-7406

DEPARTMENT OF THE TREASURY

Date: MAY 27 1994

VENTURA COUNTY DEPUTY SHERIFFS
CHARITABLE TRUST
1690 VENTURA BLVD
CAMARILLO, CA 93010-7850

Employer Identification Number:
77-0217063
Case Number:
954123012
Contact Person:
TYRONE THOMAS
Contact Telephone Number:
(213) 894-2289
Our Letter Dated:
July 3, 1989
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(2).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(2) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(2) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,



Richard R. Orosco
District Director

Letter 1050 (DO/CG)

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>

March 21, 2016

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

SUBJECT: AUTHORIZATION FOR TRUSTEE JOHNSTON TO ATTEND THE NCPERS 2016 ANNUAL CONFERENCE AND EXHIBITION, MAY 16-18, 2016 IN SAN DIEGO, CA AND THE PRE-CONFERENCE ACCREDITED FIDUCIARY PROGRAM on MAY 14th and 15th.

Dear Board Members:

Trustee Johnston requests authorization to attend the National Conference on Public Employee Retirement Systems (NCPERS) 2016 Annual Conference and Exhibition, May 16-18, in San Diego, as well as the pre-conference modules of the NCPERS Accredited Fiduciary (NAF) Program. The cost to attend is approximately \$3,000 including registration for both the conference and pre-conference program, lodging, mileage, and other expenses. If VCERA is required to join NCPERS for Trustee Johnston to attend as a fund member, an additional \$500 will be incurred.

VCERA staff will be pleased to respond to any questions you may have on this matter at the March 21, 2016, business meeting.

Sincerely,



Linda Webb
Retirement Administrator

ADVOCACY

RESEARCH

EDUCATION

Celebrating 75 Years

2016 Annual Conference & Exhibition

San Diego, CA
May 14–19

NCPERS

NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS



FUND MEMBER REGISTRATION FORM

Follow Us on Twitter  #NCPERS16

PRE-CONFERENCE PROGRAM

TRUSTEE EDUCATIONAL SEMINAR (TEDS)



ABOUT

The Trustee Educational Seminar (TEDS) is intended for new and novice trustees who are seeking a better understanding of their roles and responsibilities as trustees of their pension funds. It also serves as a refresher for experienced trustees interested in staying up-to-date.

This two-day program provides an introduction to fiduciary responsibilities, creating a solid foundation of knowledge for those who have limited experience in pension plan trusteeship. Program content is designed to address the critical elements of trust fund management, including important topics such as investing, legal requirements, and trustee ethics.

Attendance at TEDS provides trustees with eight (8) hours of continuing education (CE) credit.

**Cost: \$400 (early-bird rate through April 22)
\$600 (after April 22 or on-site)**

SATURDAY, MAY 14

7:00 am – 8:00 am Breakfast

7:00 am – 1:00 pm Registration

8:00 am – 1:00 pm GENERAL SESSION I

- The Pension Promise: History, Evolution & Mechanics of a Pension
- Investments 101
- Emerging Managers

5:00 pm – 6:00 pm President's Reception

WHO SHOULD ATTEND?

- **New trustees** – get started with a solid foundation of knowledge so you'll be prepared to fulfill your obligations to your retirees.
- **Experienced trustees** – get updated on the most recent trends and developments in the public pension fund industry to ensure your continued success.
- **Administrators and pension staff** – be better prepared to do your job as a key implementer of policies and critical fund initiatives.

SUNDAY, MAY 15

7:00 am – 8:00 am Breakfast

7:00 am – 1:00 pm Registration

8:00 am – 1:00 pm GENERAL SESSION II

- Corporate Governance
- Best Practices Panel
- Due Diligence
- Pension Reforms: How To Do It Right

1:00 pm Presentation of Certificates

PRE-CONFERENCE PROGRAM

NEW

NCPERS ACCREDITED FIDUCIARY (NAF) PROGRAM

STRONG BOARDS, SOLID GOVERNANCE, STABLE RETURNS

An accredited program specifically tailored for public pension trustees – providing information, best practices, and strategies for governing public funds in an ever-changing environment. This program will include material from leading experts, dynamic classroom participation, and interactive simulations.

- Module 1** Governance and the Board's Role
- Module 2** Investment, Finance, and Accounting
- Module 3** Legal, Risk Management, and Communication
- Module 4** Human Capital

WHO SHOULD TAKE THIS?

Elected or appointed public pension trustees interested in the next level of professional development.

WHAT WILL YOU RECEIVE?

- Participants will earn six (6) hours of continuing education (CE) credit for each two (2) modules completed.
- Participants who complete all four (4) modules will have an opportunity to complete an exam and if successful, receive a certificate and plaque showcasing their newly earned **NCPERS Accredited Fiduciary (NAF)** designation.

MODULES 1 AND 2

Date: May 14 – 15 | **Time:** 8:00 am to 2:00 pm

Cost: \$550 (early-bird rate through April 22)
\$750 (after April 22 or on-site)

* Lunch included. Limited to 50 attendees.



MAY 14

Module 1 – Governance and the Board's Role

Learning Objectives

- Understanding the roles, responsibilities, and accountabilities of your public pension board as well as the differing governance models and principles that exist
- How to become a “high-functioning board”

Answers the Questions

- How active should your board be?
- How does your board culture impact your effectiveness to govern?
- What is your board's role in setting strategy and direction?
- How do you attract and retain top talent to your board?

MAY 15

Module 2 – Investment, Finance, and Accounting

Learning Objectives

- Understanding what you as a director need to know and how you access the required information to make informed financial decisions
- Proper administration of your fund's investments, ensuring compliance with investment policies, performance management, and adequate reporting

Answers the Questions

- What is the role of external advisors and how do you leverage them?
- What is the board's role in ensuring compliance with financial/investment policies?
- What are the roles and responsibilities of the audit/investment committee?

ANNUAL CONFERENCE & EXHIBITION



NCPERS' focus on trustee education makes the NCPERS Annual Conference the premier public pension education conference in the United States — and the best place to connect with pension trustees, administrators, staff members, union officials, and investment professionals. The Annual Conference provides an unparalleled opportunity to keep up-to-date on pension trends, best practices, and the latest news and information pertinent to your fiduciary obligations. Hear from noted expert speakers in the pension industry — and network with colleagues from across the United States and Canada.

Earn up to 16.5 hours of CE attending the Annual Conference.

**COST: \$800 (EARLY-BIRD RATE THROUGH APRIL 22)
\$1,000 (AFTER APRIL 22 OR ON-SITE)**

SUNDAY, MAY 15

2:00 pm – 6:00 pm	Registration
4:00 pm – 6:00 pm	Exhibition
4:00 pm – 6:00 pm	CorPERS Lounge
4:00 pm – 6:00 pm	Welcome Reception

MONDAY, MAY 16

6:30 am – 7:45 am	Breakfast
6:30 am – 2:00 pm	Registration
8:00 am – 10:30 am	First General Session
8:00 am – 1:30 pm	Exhibition
8:00 am – 1:30 pm	CorPERS Lounge
10:30 am – 11:00 am	Exhibit Break
11:00 am – 12:00 pm	Four (4) Concurrent Breakout Sessions
12:15 pm – 1:15 pm	Four (4) Concurrent Breakout Sessions
1:30 pm – 2:30 pm	Lunch & Lecture Series <i>(not open to guests)</i>
2:45 pm – 3:45 pm	National Committee Election

TUESDAY, MAY 17

6:30 am – 7:45 am	Breakfast
7:00 am – 2:00 pm	Registration
8:00 am – 10:30 am	Second General Session
8:00 am – 1:30 pm	Exhibition
8:00 am – 1:30 pm	CorPERS Lounge
10:30 am – 11:00 am	Exhibit Break

TUESDAY, MAY 17 (cont.)

11:00 am – 12:00 pm	Four (4) Concurrent Breakout Sessions
12:15 pm – 1:15 pm	Four (4) Concurrent Breakout Sessions
12:15 pm – 1:15 pm	Administrator's Open Forum
1:30 pm – 2:30 pm	Lunch & Lecture Series <i>(not open to guests)</i>
2:45 pm – 3:30 pm	National Committee Executive Board Elections

WEDNESDAY, MAY 18

6:30 am – 7:45 am	Breakfast
7:30 am – 12:00 pm	Registration
8:00 am – 10:30 am	Third General Session
10:30 am – 11:00 am	Refreshment Break
11:00 am – 12:00 pm	Three (3) Concurrent Breakout Sessions
12:15 pm – 1:15 pm	Three (3) Concurrent Breakout Sessions
1:30 pm – 2:30 pm	Lunch & Lecture Series <i>(not open to guests)</i>
6:00 pm – 7:00 pm	Closing Reception
7:00 pm – 9:00 pm	Closing Dinner & Entertainment

THURSDAY, MAY 19

9:00 am – 10:00 am	Annual Business Meeting
--------------------	-------------------------

For updates or to register online visit www.NCPERS.org. Fax registration forms to 202-624-1439.

Question? Call 1-877-202-5706 or e-mail registration@ncpers.org. MASTER PAGE NO. 237

CONFERENCE HIGHLIGHTS

EDUCATION

The NCPERS Annual Conference provides a multitude of educational offerings for its members at all levels of experience. These opportunities will help you develop the knowledge, skills, and ideas you need to better serve your fund or union, move forward in your professional development, and engage effectively with colleagues across the country and Canada.

NCPERS is recognized as a learning provider and is an accredited sponsor of continuing education in several states. By attending the Annual Conference, trustees can earn up to 16.5 hours of continuing education.

Educational sessions will include these:

- Economic Update
- Corporate Governance
- Shareholder Activism
- Trustee Ethics
- Pension Law Update
- Emerging Markets
- Pension Actuarial Science
- State Pension Battle Update
- Reform & Regulations
- Portfolio Risk and Performance
- Investment Strategies
- Healthcare Reform
- GASB Update
- Social Media

FEATURED SESSION



GASB Update: What NCPERS Members Need to Know

David A. Vaudt, Chairman, Governmental Accounting Standards Board (GASB)

In this session, GASB Chair David A. Vaudt will present his views on Board activities designed to improve accounting and financial reporting for U.S. state and

local governments, and highlight the key issues and impacts NCPERS members should know about. Specifically, Mr. Vaudt will discuss issues relating to these topics:

- The other postemployment benefits (OPEB) standards finalized in 2015
- Pensions
- Fair value

The GASB chair will also address member questions on these and other issues.

SOCIAL MEDIA TRACK



Have a Facebook account? Twitter? Whether you're already fully immersed in the waters of social media or are still standing on the shore wondering what to make of it all, learning how to interact on various social media platforms and getting the most of your online investments is crucial to survive and thrive in this age

of digital communication. This year NCPERS has enlisted James Spellos of Meetings U to help you demystify the use of social media and give you the fundamental information you need to be part of the social revolution.

Sessions include the following:

- Social Media 101
- Social Media 201
- It's App-tastic

ADMINISTRATOR'S OPEN FORUM

Tuesday, May 17, 12:15 pm – 1:15 pm

Hosted by David Clark, Arkansas Local Police & Fire Retirement System

Recognizing the need for small-plan administrators to meet and discuss issues with peers who have similar challenges, NCPERS will host an educational session devoted to the needs of municipal and county public plan administrators and staff. This session will be moderated by a city pension administrator and will allow attendees to ask questions, discuss issues related to their funds, and learn how others are addressing mutual concerns.

HOTEL INFORMATION

Hilton San Diego Bayfront

1 Park Boulevard | San Diego, CA 92101
Phone: 619-564-3333

RESERVATION DEADLINE APRIL 22

Book your hotel room at the Hilton and receive the discounted conference rate. **The group rate is available until Friday, April 22**, or until the group block is sold out, whichever comes first. After April 22, rates will be based on the hotel's prevailing room rates.

NCPERS GROUP RATE

\$265 single/double occupancy



**CALL 1-800-HILTONS OR 1-800-445-8667
BOOK ONLINE WWW.NCPERS.ORG**

GENERAL INFORMATION

MEMBERSHIP REQUIRED

NCPERS Annual Conference & Exhibition is a members-only conference. Your organization must be a current member of NCPERS in order for your registration to be processed.

To verify your organization's membership status, please e-mail your inquiry to membership@ncpers.org.

WHO ATTENDS?

Professionals from all venues of the pension industry, including trustees, administrators and staff, state and local officials, investment and financial consultants, individuals who provide products and services to pension plans, union officers, and regulators from across the United States and Canada.

CONTINUING EDUCATION (CE) CREDITS

NCPERS is recognized as a learning provider in the public pension industry and is an accredited sponsor of continuing education in several states.

Attending TEDS = up to 8 hours of CE

Attending NAF = up to 6 hours of CE

Attending Annual Conference = up to 16.5 hours of CE

REGISTRATION FEES

There are no per-day registration rates for TEDS or the Annual Conference. If you register on-site, the full conference rate will apply, regardless of the day you register on.

Registration fees include (unless otherwise noted) the following:

- Meeting materials, including the conference bag, lanyard, and pen
- Breakfast
- Refreshment breaks
- Receptions
- Lunch & Lecture Series (*Not applicable to guests*)
- Closing dinner and show

Registration fees do not include hotel accommodations, airfare, or transportation to and from the hotel.

GUEST REGISTRATION

A guest refers to a spouse or personal friend, not a business associate, staff member, or colleague. All guests must be registered to attend NCPERS events. No admittance will be given to guests without a registration name badge.

The guest fee includes access to breakfast (valued at \$30 per day), receptions (valued at \$60 per event), exhibit hall refreshment breaks (valued at \$20 per event), and closing dinner with show (valued at \$100 per person). **Guests cannot attend the Lunch & Lecture Series as this is an educational event for trustees.**

REGISTRATION DEADLINE

Register by Friday, April 22, to receive the early-bird conference rates and be included on the preliminary attendee list. You may still register for the conference after this date, but higher registration fees will apply.

REGISTRATION CHANGES

All registration changes must be received in writing. Please e-mail all registration changes to registration@ncpers.org or fax to 202-624-1439.

REGISTRATION METHODS



Submit your registration online at **www.NCPERS.org**. You will need your individual username and password to login.



Fax the registration form with credit card number to 202-624-1439.



Mail the registration form with check or credit card number to:

NCPERS
444 North Capitol Street, NW
Suite 630
Washington, DC 20001

FUND MEMBER REGISTRATION FORM

ATTENDEE REGISTRATION	Early-Bird Registration Fees (through April 22)	Registration Fees (after April 22 or on-site)
<input type="checkbox"/> Trustee Educational Seminar (TEDS)*	\$400/person	\$600/person
<input type="checkbox"/> NCPERS Accredited Fiduciary (NAF) Program*	\$550/person	\$750/person
<input type="checkbox"/> Annual Conference & Exhibition	\$800/person	\$1,000/person

* The NCPERS pre-conference programs will run concurrently. Attendees should register for only one of the programs.

(Please Print Clearly)

Organization Name: _____

First Name: _____ Last Name: _____

Title: _____

Preferred Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Daytime Phone: _____ E-mail Address: _____

Please provide your e-mail address for conference updates and registration confirmation.

GUEST REGISTRATION	Early-Bird Registration Fees (through April 22)	Registration Fees (after April 22 or on-site)
<input type="checkbox"/> TEDS/Accreditation Guest Registration	\$50/person	\$75/person
<input type="checkbox"/> Annual Conference Guest Registration	\$150/person	\$200/person
<input type="checkbox"/> Children 12 and Under	\$25/person	\$50/person

A guest refers to a spouse or personal friend, not a business associate, staff member, or colleague. All guests must be registered to attend NCPERS events. **See general information page for more details.**

First Name: _____ Last Name: _____

First Name: _____ Last Name: _____

REGISTRATION/ORDER SUMMARY

TEDS Registration \$ _____

NCPERS Accredited Fiduciary
(NAF) Program \$ _____

Annual Conference Registration \$ _____

Guest Registration \$ _____

GRAND TOTAL (U.S. funds) \$ _____

PAYMENT METHODS (All payments must be in U.S. funds)

Check

Send registration form(s) and check,
made payable to NCPERS, to:

444 North Capitol Street, NW
Suite 630
Washington, DC 20001

Credit Card

American Express  Visa  MasterCard 

Credit Card #: _____

Expiration Date: _____ CC Verification Code: _____

Name (as it appears on the card): _____

CC Billing Address: _____

Authorized Amount to Charge: \$ _____

By submitting this form, I certify I have read and understand the terms of this registration. If paying by credit card, I authorize NCPERS to charge my card for the total amount indicated.

Signature: _____

CANCELLATION POLICY

All registration cancellations must be received in writing before April 22 to receive a refund and will be subject to a processing fee: \$50 for TEDS/Accreditation Program, \$100 for Annual Conference, and \$50 for guest registrations. **No refunds will be given for cancellations after April 22 or for no-shows.** Please e-mail your cancellation request to registration@ncpers.org or fax it to 202-624-1439.



National Conference on Public Employee Retirement Systems
The Voice for Public Pensions

444 N. Capitol St., NW
Suite 630
Washington, DC 20001
Phone: 1-877-202-5706
Fax: 202-624-1439
info@NCPERS.org
www.NCPERS.org

The National Conference on Public Employee Retirement Systems (NCPERS) is the largest trade association for public-sector pension funds, representing more than 500 funds throughout the United States and Canada. It is a unique nonprofit network of trustees, administrators, public officials, and investment professionals who collectively manage nearly \$3.7 trillion in pension assets held in trust for approximately 21 million public employees and retirees — including firefighters, law enforcement officers, teachers, and other public servants.

Founded in 1941, NCPERS is the principal trade association working to promote and protect pensions by focusing on **A**dvocacy, **R**esearch, and **E**ducation for the benefit of public sector pension stakeholders... It's who we **ARE!**



For program updates and to register online
go to www.NCPERS.org/annconf

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>

March 7, 2016

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

Dear Board Members:

On February 29, 2016, VCERA Board Member Mike Sedell and CIO Dan Gallagher conducted an on-site due diligence visit at the Redwood City offices of NEPC, met briefly with Ashley Dunning, Yuliya Oryol, and David Kimport of Nossaman, and concluded with an on-site due diligence visit at the San Francisco office of Pantheon. Following is our due diligence report.

NEPC

900 Veteran Blvd, Ste 340
Redwood City, CA 94063

NEPC Personnel

Partner Allan Martin, Consultant Dan Le Beau, Consultant Support Analyst (CSA) Tony Ferrara.

We began our meeting at 10:00am with an introduction to NEPC's VCERA team. Each of the members outlined their background, history with the firm, and current roles and responsibilities on VCERA's account, other public fund client accounts, and obligations and linkages within the NEPC organization.

NEPC Firm Overview

Allan described the history and evolution of NEPC, noting that the firm began in 1986, and has grown to 251 employees in 7 regional offices; Boston, MA; Charlotte, NC; Detroit, MI; Redwood City, CA (the RWC office contains 12 employees); Atlanta, GA; Chicago, IL; Las Vegas, NV. Headquarters office is in Boston. He noted that the firm is employee-owned, with 34 partners. Ownership is widely-distributed within the partners, with no one partner owning more than 10%. As a result, the risk of disruption is mitigated as legacy partners retire. NEPC has 347 clients with \$927 billion of assets under advisement. Of these totals, there are 65 public funds clients, accounting for more than \$522 billion (56%) of total assets.

Practice groups are broken up by client type. Client types include Taft-Hartley, Public Funds, Defined Contribution, Corporate, Endowments and Foundations, and Healthcare.

Additional Functional Support Groups include Research, Consulting Services, Finance, Operations, and Legal/Compliance.

Firmwide, there are 95 consultants, 35 consultant support analysts, 18 research analysts, 57 portfolio analysts, and 47 systems and administration personnel. There are a total of 52 dedicated research professionals, 4 actuaries on staff, and one Ph.D. specializing on risk budgeting and asset allocation. Within the Public Funds group, there are 4 partners, 5 senior consultants, 2 consultants, and 6 senior analysts.

Allan described how NEPC balances resources, products and services, has recognized increased servicing requirements, and has become more selective in pursuing business opportunities.

Allan also noted that 100% of NEPC's revenues come from advisory and discretionary consulting services. NEPC treats their discretionary clients in a similar fashion to their traditional advisory clients, with an assigned lead consultant that makes recommendations to an internal committee versus a client Board. As a result, capacity in capacity limited-products is allocated proportionally across all NEPC clients, avoiding preferential treatment for discretionary clients. NEPC does not manage any fund-of-funds, and does not generate fees from services to investment managers.

NEPC encourages staff member education and development. A number of staff members are at any time pursuing advanced degrees. NEPC pays for CFA and CAIA credentials, and a wide variety of internal training programs. Compensation and benefits packages are above median in the industry, and there is a well-defined career path within NEPC, yielding an average of 1 - 2 staff members being promoted to partner each year. New partners go through a 6 month leadership training program. As a firm, NEPC engages in succession planning every couple of years.

The Redwood City Office provides the day to day support for VCERA. This office is supported by performance analytics personnel in Las Vegas (James Fitzgerald), as well as numerous support and research functions in Boston. On a stand-alone basis, the Redwood City office is financially successful, serving public plans with in excess of \$100 Billion in assets.

NEPC targets a maximum of 5 – 7 clients per consultant. Their ideal client is between \$1 Billion and \$10 Billion where they can concentrate on total plan results. Each consultant is supported by one or more CSAs, and additional support from Boston and other offices as required.

NEPC has retained 75% of clients gained over the last 15 years.

Dan and Tony demonstrated their technology platform's ability to remotely connect with Performance Analyst James Fitzgerald in NEPC's Las Vegas Office on a real time basis. They described how parties from multiple remote workstations might simultaneously call-in, review, and make real-time updates to spreadsheet and PowerPoint report screens.

We concluded our meeting with a discussion of the biggest industry challenges. Allan believe that they included keeping up with changing technology infrastructure and manager innovation, and being able to continue to harness its power in the most efficient ways; maintaining the highest quality of research; and, in ensuring an adequate diversification in client types across the client base. Additionally, as public funds face increasing pressures to accomplish more with fewer resources, NEPC is looking at enhancing investment related services for clients in a cost-effective manner.

Allan perceived NEPC's biggest risks to be in retaining top quality talent. NEPC addresses this risk through frequent compensation surveys to ensure attractive compensation, a continuing clearly defined career path and opportunities to learn and grow, ensuring meaningful employee benefits, such as permitting employees to work from home, and allowing other concessions for employees to achieve a desirable work-life balance.

We ended our visit with NEPC at noon.

Nossaman, LLP

50 California Street, 34th Floor
San Francisco, CA 94111

NOSSAMAN Personnel

Attorneys Ashley Dunning, Yuliya Oryol, and David Kimport.

We began our meeting with Nossaman at 1:00pm with introductions by Ashley, Yuliya and David.

Overview

Nossaman represents many of the city, county, and state public employee retirement funds in California in connection with alternative investments (through domestic and off-shore vehicles), including private equity funds, venture funds, hedge funds, infrastructure funds, funds of funds, hybrid funds, timber funds and other investments. Nossaman also represents public pension plans with respect to investments through commingled funds, investment management agreements and fund of one vehicles. In addition, Nossaman assists clients with secondary sales and other exit strategies.

Yuliya spoke about some of the current challenges relating to fees calculation methodologies, changing needs in terms of contract protections and, and different approaches taken by clients with regard to identified risks.

Ashley spoke about her legal background; her desire to move to a firm offering a closer alignment to her public funds clients relationships; then discovering that Nossaman, and in particular working with Yuliya offered a great fit, and drew Ashley to move to Nossaman. Ashley's rates declined significantly with her move to Nossaman. Ashley and Yuliya are co-chairs of Nossaman's 20 attorney pension group.

Our meeting ended at 1:25pm.

PANTHEON

Transamerica Center
600 Montgomery Street, 23rd Floor
San Francisco, CA 94111

PANTHEON Personnel

Partners Susan McAndrews, Jeff Miller, Matt Garfinkle; Head of Natural Resources Evan Corley; Principals Kevin Dunwoodie, Sprague Von Stroh; Vice President Charlotte Westley.

Ownership

We began our meeting with Pantheon at 1:40pm with an introductions by Susan, Jeff, Matt, Evan and Sprague. Susan began with a description of the firm's ownership structure. She explained that Pantheon is owned by the Pantheon Partners and Principals in partnership with Affiliated Managers Group Inc. ("AMG"). Approximately 26% of the economic interest in Pantheon is held by senior members of the Pantheon team. The remaining interest is held by AMG, which is a global asset management company with investments in boutique investment management firms and is listed on the New York Stock Exchange. Pantheon retains full operational autonomy, with the managerial authority to re-invest in the business. This ownership structure has enabled Pantheon to manage succession, and provides the foundation for the expansion and continued success of its business. Likewise, Pantheon's investment decision-making processes are independent, enabling Pantheon to maintain control over investment decision making.

Equity in the firm is widely held by the senior team, reinforcing an ownership culture and promoting an alignment of interests with clients. The ownership structure includes a solution to manage succession planning via recycling of the existing managements' partnership equity over time. This ensures that future generations share in the success of Pantheon.

Susan described the firm's global foot print with offices in London, New York, San Francisco, Hong Kong, South Korea, and Columbia. She noted that the firm has \$32.4 billion under management, 70 investment professionals, 380 institutional clients, has 8,000 GPs in its database, and has 33 years of experience in the private markets. In addition, Pantheon holds over 300 advisory board seats.

Of \$32.4 billion under management, \$20.8 billion is invested in primary investments, \$6.6 billion is in secondary investments, \$2.4 billion is in co-investments strategies, \$2.6 billion is in infrastructure and real assets. Of Pantheon's 388 clients, 93 are public pension funds representing \$10.6 billion in assets. California separate account clients include the City and County of San Francisco, Sacramento County, and Orange County.

VCERA is a Limited Partner in Pantheon’s two most recent global secondary funds; Pantheon Global Secondary Fund IV (“PGSF IV”), and Pantheon Global Secondary Fund V (“PGSF V”). The table below sets out a summary of these investments as of September 30, 2015.

VCERA Investments with Pantheon	PGSF IV	PGSF V
Date of Commitment	June 24, 2010	February 6, 2015
Committed Capital (US\$m)	15.0	50.0
Amount Funded (US\$m)	10.0	5.9
NAV (US\$m)	6.7	6.7
Net IRR	16.6%	Too early
Net Multiple	1.46x	1.15x

Decision Structure

Pantheon’s International Investment Committee (“IIC”) is responsible for strategy and oversight of investment policies and procedures relating to all of their investing activities. The IIC also reviews strategic investment issues and portfolio construction and is responsible for the second tier of review on all potential investment opportunities and approval of the allocations proposed by the Allocation Committee for how investments are shared between clients. This committee comprises Pantheon’s most senior investment professionals; Chris Meads, Elly Livingstone, Susan Long McAndrews, Dennis McCrary and Helen Steers.

In addition, Pantheon has a Global Secondaries Investment Committee (GSIC). Regional primary committees (for Europe, the U.S., Asia and Emerging Markets), Co-Investment and Infrastructure & Real Assets committees are comprised of “local” investment professionals who drive due diligence and investment analysis and form the first tier of review for investment opportunities for each investment program.

Employee Turnover

Over the past 5 years Pantheon has had very little turnover. Pantheon has transitioned the responsibilities of the original partners to the next generation. Specifically, the firm has replaced 2 partners; one on the Asian investment team, and one on the legal team. 2 partners retired in 2011, one retired in 2013, and 2 retired in 2015. An ongoing succession plan is now in place, which should ensure the gradual transition of ownership and responsibility over time to the next generation.

Susan described how Pantheon’s strategies and incentives provide for long-term employee retention. Such incentives include providing a supportive and challenging work environment, and giving employees progressively more responsibility to keep them intellectually engaged. Compensation is above industry averages. Approximately 50 employees have equity participation in the firm. Pantheon’s ownership structure also enables the firm to incentivize the next generation through future partnership equity allocations and a recycling of the existing managements’ partnership equity. This ensures that future generations share in the success at Pantheon and that all the professionals across the business are fully incentivized to deliver long-term value to their clients.

Current Investments

Jeff, Matt, and Charlotte discussed VCERA's investments in Pantheon's Global Secondaries Funds IV and V. They explained that Pantheon mitigated against dilution of secondary opportunities by controlling allocations to clients so as not to exceed pre-established caps. Fund IV has thus far delivered an IRR of 16.6%, and earned a multiple of 1.6x invested capital. Fund V has called approximately 11% of the fund, and has thus far generated a multiple of 1.15x invested capital. It is too early to estimate an IRR for Fund V.

Strategy

Pantheon reviewed their portfolio strategy, noting their focus on portfolio construction, a rigorous concentration on value driven investment, buying assets at a discount to intrinsic worth, and a focus on high asset quality. Pantheon may opportunistically hedge currency exposure. Pantheon uses 3 channels to source deals in the secondary markets: proactively approach institutions; networking relationships with fund managers; intermediaries. They target secondary deals involving combinations of assets where Pantheon enjoys a strong competitive position. This may include prior relationships with the vendor, existing investor status with the managers, proprietary knowledge of the underlying assets via other existing investments, or an execution advantage. They employ a top down bottom up process for both screening and due diligence. They reviewed their process for gauging value in different markets, their buy / sell decision process, and risk management considerations.

Pantheon derives much of the value of secondary investments from pre-investment identification and post investment monitoring.

Pantheon is not currently, and has not been involved in any litigation over the last 5 years.

We concluded our visit at 5:00 pm.

Summary

We found nothing unexpected in our visits; we found each of the firms to be forthcoming with information and responsive to our questions; and, we were impressed with the representatives we met.

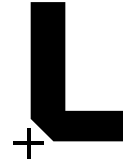
We found no due diligence concerns.

Respectfully submitted,

Mike Sedell, Trustee
Dan Gallagher, Chief Investment Officer



**Ventura County Employees' Retirement
Information System
Project Status Report
Month Ending: February 2016**



Reporting to: Board of Retirement
Written by: Brian Colker

Report Date:

02/08/16

PROJECT STATUS SUMMARY

Actual Percentage Complete: 95.92%*
Planned Percentage Complete: 95.92%*

*Note: The updated Sprint Schedule went into effect with the approval of the change orders presented to the Board 01/05/2015. The completion percentages have been adjusted to take into account the updates and changes per the new sprint schedule.

Scope	Schedule	Cost	Risks	Quality
-------	----------	------	-------	---------

The project remains on track for the April 2016 go-live for rollout #1 (the main pension administration system). We are still in User Acceptance Testing (UAT) and it is progressing as expected.

Risks

- Plan sponsor payroll transmittal – VCERA is still working with Auditor-Controller to identify processes for correcting transmittal errors post go-live. The project team continues to work with VRSD to test their transmittal files. No new issues have been identified.
- Resources – A key project resource for Vitech left the project in February. To address this risk, Vitech assigned two senior resources to fill in the gap. Additionally, the former employee agreed to continue to provide support on a part-time, contract basis. The project team believes that risk has been satisfactorily mitigated.

KEY ACCOMPLISHMENTS LAST MONTH

- There have been 1400 UAT tests executed to date. There are currently 95 UAT defects in an open status – 18 Critical priority, 28 General priority, 49 Minor priority. There are now 236 open defects from prior testing – 10 High priority, 74 Medium priority, and 152 Low priority. Of the 331 total open defects, 49 have a status of Re-Test which means Vitech has resolved the defect and is waiting for VCERA to re-test to confirm the issue is resolved.
- Identified all System Administration (Sys Admin) tasks required post go-live and presented to VCERA management. VCERA will now identify who will be responsible for conducting these tasks.
- Began the review off all cutover tasks and identified who is responsible for conducting each task.



Markets | Fri Mar 11, 2016 3:08am IST

Related: REGULATORY NEWS

UPDATE 2-Bridgewater continues management transition with Rubinstein co-CEO hire



(Adds background on succession planning at Bridgewater and perspective from third parties.)

By Lawrence Delevingne

Bridgewater Associates, the largest hedge fund manager in the world, continued its efforts to transition some responsibilities away from founder Ray Dalio.

The latest move, announced in a client note seen by Reuters on Thursday, was to hire Jon Rubinstein, a longtime technology executive who spent years working with Steve Jobs at Apple. Rubinstein is set to join Bridgewater as co-Chief Executive Officer in May, according to the memo.

Rubinstein will take a role currently held by Greg Jensen, who is also co-Chief Investment Officer (CIO). Jensen will depart the co-CEO post but will remain co-CIO. Eileen Murray will continue to serve as co-CEO.

Bridgewater, known for a unique culture that emphasizes a radical form of transparency, is in the middle of a management transition process started in 2010.

Since then, the Westport, Connecticut-based firm has experimented with different combinations of leadership and new senior roles, including using one, two or three CEOs simultaneously.

Dalio, a billionaire, has no specific plans to leave the firm he launched in 1975, and remains a key figure in guiding Bridgewater's macroeconomic-themed investments.

Bridgewater is known for being run according to a set of management "principles" from



TRENDING ON REUTERS

IEA says oil may have bottomed as non-OPEC producers cut output

1

Dalio that emphasize direct - if brutally honest - communication. Much of what's said inside the firm is recorded, and accessible for all to listen to.

The transition process, according to people familiar with it, is so that a team can help lead the increasingly large firm, especially its daily operations. Bridgewater now employs approximately 1,500 people and manages \$154 billion, according to its website. That's far larger than the average hedge fund firm, which employs fewer than 100 people.

Jensen was never an anointed successor to Dalio as some in the media have speculated, nor will any one person ever be, according to the people.

Today, Dalio remains co-CIO with Jensen and Robert Prince, and co-executive chairman of a "stakeholder's committee" with former Microsoft executive Craig Mundie, according to the memo. The group is essentially the firm's board of directors.

The core of Bridgewater's senior management, including Jensen and Prince, have been with the firm for decades.

Others are more recent hires as part of the approximately 10-year transition process, including now-president David McCormick, a former U.S. Treasury department official who joined in 2009, and Gerry Pasciucco, who was hired in 2015 after helping unwind American International Group's Financial Products unit following the financial crisis. Pasciucco's exact role was unclear.

Some management committee members hired in recent years have already departed, including former GE Capital executive Joe Parsons, former HSBC executive Tony Murphy, and former Accenture executive Kevin Campbell.

"It's impossible to replace Ray, and there's been a ton of thought around finding a group of people to carry on his responsibilities and the culture together," said Michael Sarnoff, an executive recruiter at Highland Road who has worked with Bridgewater.

SILICON VALLEY HIRE

Rubinstein was most recently senior vice president for product innovation in the personal systems group at HP, which he left in 2012. Rubinstein has also served as an executive at Palm Inc and was instrumental in creating Apple's iPod.

The Bridgewater memo said Rubinstein's technological prowess would help enhance the firm's systematized style of decision making.

Dalio routinely describes the global economy as a "machine" and uses large amounts of historical data to predict the movements of securities pricing. Bridgewater also uses technology to assess the strengths and weaknesses of each employee, who routinely rate each other on various attributes using proprietary software.

The Rubinstein hire followed a February report in The Wall Street Journal of tension between Jensen, 42, and Dalio, 66. Bridgewater called the account a "sensationalistic mischaracterization" shortly after it appeared.

Regardless, Bridgewater said in the new memo that it decided to split its CEO and CIO responsibilities given the size of the firm and its growth.

Shares bounce, euro fades after savage ECB reaction	2
Tycoon Mallya denies 'fleeing' India, Delhi left red-faced over exit	3
Indian reforms aim to unlock \$40 billion of oil and gas output	4
How a hacker's typo helped stop a billion dollar bank heist	5



"We have concluded that in order to have pervasive excellent management, we need CEOs who can give their full attention to the company's management, and we want Greg to shift his full attentions to investment responsibilities," the memo said.

The firm's main hedge fund, Pure Alpha II, has produced average annual returns of approximately 12.4 percent net of fees since 1991, according to performance information seen by Reuters. This year, the fund is down 4.4 percent through March 4.

Clients are largely supportive of the firm's transition efforts.

"Bridgewater is a great organization - Dalio is a man with real vision," said one investment manager of a public pension fund client who asked to remain anonymous. "I think they will come through just fine." (Reporting by Lawrence Delevingne; Editing by Meredith Mazzilli, Alan Crosby and Bernard Orr)

