

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### BUSINESS MEETING

JUNE 17, 2019

### AGENDA

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

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

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

### **ITEM:**

	Master Page No.
<b>I. <u>CALL TO ORDER</u></b>	
<b>II. <u>APPROVAL OF AGENDA</u></b>	1 – 3
<b>III. <u>APPROVAL OF MINUTES</u></b>	
A. Disability Meeting of June 3, 2019	4 – 10
<b>IV. <u>CONSENT AGENDA</u></b>	
A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of May 2019.	11
B. Receive and File Report of Checks Disbursed in May 2019.	12 – 15
C. Receive and File Budget Summary for FY 2018-19 Month Ending May 31, 2019.	16 – 17
D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending May 31, 2019.	18 – 23

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**V. INVESTMENT MANAGER PRESENTATIONS**

- A. Receive Annual Investment Presentation from Parametric, Justin Henne. 24 – 47

**VI. INVESTMENT INFORMATION**

NEPC – Allan Martin and Tony Ferrara.  
VCERA – Dan Gallagher, Chief Investment Officer.

- A. Request to Approve BlueBay's Private Debt Business Spin-Out.  
**RECOMMENDED ACTION: Approve.**
1. Staff Letter by C.I.O., Dan Gallagher. 48
  2. Memorandum from NEPC. 49 – 50
  3. Press Release. 51 – 53
- B. Preliminary Performance Report Month Ending May 31, 2019. 54 – 65  
**RECOMMENDED ACTION: Receive and file.**

**VII. OLD BUSINESS**

- A. Update to Budget with Positions Approved by Board.  
**RECOMMENDED ACTION: Receive and File.**
1. Staff Letter by C.F.O., Henry Solis. 66
  2. Adopted Budget. 67 – 77

**VIII. NEW BUSINESS**

- A. Recommendation for Approval of Office Renovation Budget.  
**RECOMMENDED ACTION: Approve.**
1. Staff Letter. 78 – 81
  2. Projected Renovation Budget. 82
- B. Recommendation for Approval for Trustee Ashby to Attend the CALAPRS Principles of Pension Governance for Trustees, Pepperdine University, August 26 - 29, 2019.  
**RECOMMENDED ACTION: Approve.**
1. Staff Letter. 83
  2. CALAPRS Principles of Pension Governance for Trustees Packet. 84 – 87

**IX. INFORMATIONAL**

**X. PUBLIC COMMENT**

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- XI. STAFF COMMENT
- XII. BOARD MEMBER COMMENT
- XIII. ADJOURNMENT

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**BOARD OF RETIREMENT**

**DISABILITY MEETING**

**JUNE 3, 2019**

**MINUTES**

**TRUSTEES  
PRESENT:**

William W. Wilson, Chair, Public Member  
Robert Bianchi, Vice-Chair, Public Member  
Steven Hintz, Treasurer-Tax Collector  
Mike Sedell, Public Member  
Dan Shapiro, General Member  
Will Hoag, Alternate Retiree Member  
Robert Ashby, Safety Member  
Ed McCombs, Alternate Public Member

**TRUSTEES  
ABSENT:**

Steve Bennett, Public Member  
Arthur E. Goulet, Retiree Member  
Craig Winter, General Member

**STAFF  
PRESENT:**

Linda Webb, Retirement Administrator  
Lori Nemiroff, General Counsel  
Henry Solis, Chief Financial Officer  
Leah Oliver, Chief Technology Officer  
Shalini Nunna, Retirement Benefits Manager  
Donna Edwards, Retirement Benefits Specialist  
Nancy Jensen, Retirement Benefits Specialist  
Chris Ayala, Program Assistant  
Shalaine Nolan, Office Assistant III-C

**PLACE:**

Ventura County Employees' Retirement Association  
Second Floor Boardroom  
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Ventura, CA 93003

**TIME:**

9:00 a.m.

**BOARD OF RETIREMENT  
DISABILITY MEETING**

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**ITEM:**

**I. CALL TO ORDER**

Chair Wilson called the Disability Meeting of June 3, 2019 to order at 9:02 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve.

Moved by Hintz, seconded by Shapiro.

Vote: Motion carried

Yes: Ashby, Bianchi, Hintz, McCombs, Sedell, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Winter

Abstain: -

**III. APPROVAL OF MINUTES**

A. Business Meeting of May 20, 2019.

Trustee Sedell said he noticed that the minutes showed Trustee Bennett as voting while absent during a few votes. He believed the minutes needed to be clarified.

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

MOTION: Approve with Corrections.

Moved by Sedell, seconded by Hintz.

Vote: Motion carried

Yes: Ashby, Bianchi, Hintz, McCombs, Sedell, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Winter

Abstain: -

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

MOTION: Receive and File.

Moved by Bianchi, seconded by Shapiro.

Vote: Motion carried

Yes: Ashby, Bianchi, Hintz, McCombs, Sedell, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Winter

Abstain: -

**V. APPLICATIONS FOR DISABILITY RETIREMENT**

**BOARD OF RETIREMENT  
DISABILITY MEETING**

**JUNE 3, 2019**

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- A. Application for Service-connected Disability Retirement - Hallinan, Daniel J.; Case No. 16-022.
1. Application for Service-connected Disability Retirement, filed July 20, 2016.
  2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Service-connected Disability Retirement, dated May 20, 2019.
  3. Hearing Notice, dated May 21, 2019.

Catherine Laveau was present on behalf of County of Ventura, Risk Management. Ron Christensen, Attorney at Law, was present on behalf of Daniel J. Hallinan, who was also present.

Both parties declined to make statements.

MOTION: Approve the Application for Service-connected Disability Retirement.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

Yes: Ashby, Bianchi, Hintz, McCombs, Sedell, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Winter

Abstain: -

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

- B. Application for Service-connected Disability Retirement - Goodrich, Daniel B.; Case No. 17-010.
1. Application for Service-connected Disability Retirement, filed May 16, 2017.
  2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Service-connected Disability Retirement, dated May 10, 2019.
  3. Hearing Notice, dated May 21, 2019.

Stephen D. Roberson was present on behalf of County of Ventura, Risk Management. Ron Christensen, Attorney at Law, was present on behalf of Daniel B. Goodrich, who was also present.

Both parties declined to make statements.

MOTION: Approve the Application for Service-connected Disability Retirement.

Moved by Bianchi, seconded by Shapiro.

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Vote: Motion carried

Yes: Ashby, Bianchi, Hintz, McCombs, Sedell, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Winter

Abstain: -

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

C. Application for Service-connected Disability Retirement - Turner, Matthew J.;  
Case No. 18-026.

1. Application for Service-connected Disability Retirement, filed October 24, 2018.
2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Service-connected Disability Retirement, dated May 14, 2019.
3. Hearing Notice, dated May 17, 2019.

Catherine Laveau was present on behalf of County of Ventura, Risk Management. The applicant, Matthew J. Turner, was also present.

Both parties declined to make statements.

Ms. Edwards noted that if the applicant's disability case were to be approved, the Board would need to determine the effective date of the disability retirement. Ms. Edwards explained that staff would support an earlier effective date of the application, as the delay in filing was due to the County of Ventura spending considerable time trying to find an alternative position that could accommodate the Applicant's work restrictions and for which he qualified.

Ms. Nemiroff asked Ms. Laveau if Risk Management agreed that the facts in the case supported a determination that the Applicant's delay in filing the disability retirement application was due to administrative oversight, such that the Board could deem the application filed on the day following the date the member last received regular compensation. Ms. Laveau said yes, and that Risk Management concurred with this determination.

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

MOTION: Approve the Application for Service-connected Disability Retirement.

Moved by Sedell, seconded by Shapiro.

Vote: Motion carried

Yes: Ashby, Bianchi, Hintz, McCombs, Sedell, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Winter

Abstain: -

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

- D. Application for Service-connected Disability Retirement - Delpit, Danielle I.; Case No. 19-003.
1. Application for Service-connected Disability Retirement, filed January 25, 2019.
  2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Service-connected Disability Retirement, dated May 14, 2019.
  3. Hearing Notice, dated May 17, 2019.

Catherine Laveau was present on behalf of County of Ventura, Risk Management. The applicant, Danielle I. Delpit, was also present.

The applicant declined to make a statement.

Ms. Laveau said that the applicant's physician, Dr. Bergenstal, issued an additional opinion after Risk Management submitted its report to VCERA. She read the physician's statement into the record for the Board's consideration: "In response to your inquiry on May 17, 2019, it is my opinion that Ms. Delpit's not taking psychotropic medication did not alter her capacity to return to work as a Deputy Sheriff."

MOTION: Approve the Application for Service-connected Disability Retirement.

Moved by Bianchi, seconded by Sedell.

Vote: Motion carried

Yes: Ashby, Bianchi, Hintz, McCombs, Sedell, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Winter

Abstain: -

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

**VI. OLD BUSINESS**

- A. Carmen M. Gonzalez, Application for Service-Connected Disability Retirement: Notice of Distribution of Transcript of Testimony and Other Evidence Received by Appointed Hearing Officer for Board Consideration and Action at Hearing Set for September 2, 2019, Pursuant to Government Code Section 31534(b).

**Recommended Action: Receive and File.**

1. Staff Letter.
2. Administrative Record for Carmen M. Gonzalez.



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Ms. Webb said that at the Disability & Business Meeting on April 15, 2019, the Board voted to review the administrative record for Ms. Gonzalez. Due to the size of the case file, staff had made it available to the Board electronically to ensure ample time to review the file before the disability meeting in September 2019.

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

MOTION: Receive and File.

Moved by Hintz, seconded by Bianchi.

Vote: Motion carried

Yes: Ashby, Bianchi, Hintz, McCombs, Sedell, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Winter

Abstain: -

**VII. NEW BUSINESS**

A. Renewal of Hearing Officer Contracts.  
**RECOMMENDED ACTION: Approve.**

1. Staff Letter.
2. Proposed Contract.

Ms. Webb said that staff believed the list of hearing officers recommended for contract renewal was sufficient for VCERA's needs in the coming year.

Trustee Hintz remarked that a retiring colleague was interested in serving as a hearing officer for VCERA. He asked if the Board might reconsider its policy requiring hearing officers to have an active California State Bar license, which may exclude former Superior Court judges from being able to serve.

Ms. Nemiroff said the licensing requirement was part of VCERA's hearing officer contracts and a common practice among retirement boards, although it was not a bylaws issue. She did not know if having an active State Bar license was legally required of hearing officers, but she would research the issue.

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

MOTION: Approve the Renewal of Hearing Officer Contracts for the Officers Listed.

Moved by Sedell, seconded by Shapiro.

Vote: Motion carried

Yes: Ashby, Bianchi, Hintz, McCombs, Sedell, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Winter

Abstain: -

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**VIII. INFORMATIONAL**

None.

**IX. PUBLIC COMMENT**

None.

**X. STAFF COMMENT**

Ms. Webb said that staff planned to propose edits to the Education & Travel Policy at the June 17, 2019 Business Meeting. She also noted that Mr. Towner's Civil Service Commission proceedings had concluded, and a decision would likely be issued mid-June.

**XI. BOARD MEMBER COMMENT**

None.

**XII. ADJOURNMENT**

The meeting was adjourned at 9:20 a.m.

Respectfully submitted,



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LINDA WEBB, Retirement Administrator

Approved,

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WILLIAM W. WILSON, Chairman

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

**May 2019**

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	BENEFIT SERVICE*	DEPARTMENT	EFFECTIVE DATE
<b>REGULAR RETIREMENTS:</b>						
Corry	Bell				Sheriff's Department (alt-payee)	05/01/2019
Sergio	Candelario	G	04/11/2004	14.91	Probation Agency	04/26/2019
Denise	Castillo	G	03/22/2009	10.10	Health Care Agency	04/20/2019
Gladys	Comia	G	03/27/2005	13.87	Health Care Agency	04/16/2019
Ma. Evita	Conjares				District Attorney (alt-payee)	09/29/2012
Cynthia	Covey	G	06/30/1996	21.13	*** Public Works Agency	04/06/2019
Lisa	Espinoza	G	01/15/2006	11.83	Health Care Agency	04/21/2019
Denise	Heath	G	06/16/1985	33.91	Sheriff's Department	04/06/2019
Cecilia	Hernandez	G	02/01/1981	38.25	Superior Court	04/03/2019
Kevin	Johnson	S	02/18/2001	5.29	Probation Agency (deferred)	05/14/2019
Kimberly	Kandarian	G	08/09/1998	15.43	Health Care Agency (deferred)	04/05/2019
Everett	King	G	09/24/2006	3.35	Public Works Agency (deferred)	05/01/2019
Kathy	Loest	G	07/01/2007	13.21	Harbor Department	04/13/2019
Cynthia	Morelli	G	03/27/2005	14.04	Human Services Agency	04/05/2019
David	Panaro	G	04/14/1991	28.05	Public Works Agency	04/20/2019
Adam	Pearlman	G	03/26/1995	8.16	District Attorney (deferred)	05/16/2019
Kirk	Peterson	G	06/30/1997	8.00	Superior Court (deferred)	04/30/2019
Jose	Quiray	G	05/13/1990	30.92	Public Works Agency (deferred)	05/15/2019
Alejandro	Romano	G	11/07/2004	12.34	Health Care Agency (deferred)	05/09/2019
Antonia	Romero	G	01/26/1997	20.41	Health Care Agency	05/02/2019
Alejandro	Sarreal	G	04/23/2006	13.03	Sheriff's Department	05/03/2019
Michael	Sperrer	S	03/17/1991	6.98	Fire Protection District (deferred)	04/08/2019
Vicky	Steele	G	03/16/2014	5.07	Auditor-Controller	04/06/2019
Dawn	Taylor	G	12/05/1993	25.53	Auditor-Controller	05/03/2019

**DEFERRED RETIREMENTS:**

Cody J.	Nash	G	01/06/2014	5.30	Regional Sanitation District	04/26/2019
Evelyn C	Perez	G	09/09/2007	8.52	Health Care Agency	03/08/2019

**SURVIVORS' CONTINUANCES:**

Gwyn	Goodman
Arthur	Hill
Connie	Hindman
Betty	Hitchingham
Kenneth	Luckey
Cristina	Puno
William	Richards
Helen	Schmit

\* = Excludes reciprocal service or service from any previous retirements

\*\* = Member establishing reciprocity

\*\*\* = Member elected retirement Option 4, reduction to be calculated in accordance with actuarial requirements.

Business Meeting Agenda - IV. CONSENT AGENDA

Date: Monday, June 03, 2019  
 Time: 02:33PM  
 User: 101602

**Ventura County Retirement Assn**

**Check Register - Standard**

Period: 11-19 As of: 6/3/2019

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 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
<b>Company: VCERA</b>										
Acct / Sub:	10300		000000							
028061	CK	5/1/2019	ABUCOURTRE VERITEXT	11-19	000892	VO	ADMIN EXP	5/1/2019	0.00	315.00
028062	CK	5/1/2019	ADP ADP, LLC	11-19	000906	VO	ADMIN EXP	5/1/2019	0.00	2,795.84
028063	CK	5/1/2019	CDWGOVERN CDW GOVERNMENT	11-19	000893	VO	IT	5/1/2019	0.00	252.00
028064	CK	5/1/2019	GALLAGHER DAN GALLAGHER	11-19	000894	VO	MILEAGE REIMB	5/1/2019	0.00	99.99
028065	CK	5/1/2019	MEGAPATH FUSION	11-19	000895	VO	IT	5/1/2019	0.00	595.57
028066	CK	5/1/2019	MFDAILYCOR M.F. DAILY CORPORATION	11-19	000896	VO	ADMIN EXP	5/1/2019	0.00	18,382.92
028067	CK	5/1/2019	NOSSAMAN NOSSAMAN LLP	11-19	000897	VO	LEGAL FEES	5/1/2019	0.00	20,055.30
028068	CK	5/1/2019	NUNNASHALI SHALINI NUNNA	11-19	000898	VO	TRAVEL REIMB	5/1/2019	0.00	339.00
028069	CK	5/1/2019	OLIVERLEAH LEAH OLIVER	11-19	000899	VO	TRAVEL REIMB	5/1/2019	0.00	32.48
028070	CK	5/1/2019	REAMSASSET SCOUT INVESTMENTS, INC	11-19	000900	VO	INVESTMENT FEES	5/1/2019	0.00	138,466.00
028071	CK	5/1/2019	ROSENBERGR RICHARD ROSENBERG MD	11-19	000901	VO	ADMIN EXP	5/1/2019	0.00	6,147.00
028072	CK	5/1/2019	SAFEGUARDB SAFEGUARD BUSINESS SYSTEM	11-19	000902	VO	ADMIN EXP	5/1/2019	0.00	253.98
028073	CK	5/1/2019	STAPLESADV STAPLES ADVANTAGE	11-19	000903	VO	ADMIN EXP	5/1/2019	0.00	3,195.58

Business Meeting Agenda - IV. CONSENT AGENDA

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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
028074	CK	5/1/2019	TORTOISECA TORTOISE CAPITAL ADVISORS,	11-19	000905	VO	INVESTMENT FEES	5/1/2019	0.00	191,804.53
028075	CK	5/1/2019	TRICOUNTYO TRI COUNTY OFFICE FURNITURI	11-19	000904	VO	IT	5/1/2019	0.00	881.57
028076	CK	5/8/2019	ABBOTTCAP ABBOTT CAPITAL MANAGEMEN	11-19	000907	VO	INVESTMENT FEES	5/8/2019	0.00	85,830.00
028077	CK	5/8/2019	ACCESSINFO ACCESS INFORMATION PROTEC	11-19	000908	VO	ADMINE EXP	5/8/2019	0.00	380.17
028078	CK	5/8/2019	BRENTWOODI BRENTWOOD IT	11-19	000909	VO	IT	5/8/2019	0.00	2,415.00
028079	CK	5/8/2019	DIGITALDEP DIGITAL DEPLOYMENT	11-19	000917	VO	IT	5/8/2019	0.00	650.00
028080	CK	5/8/2019	HANSONBRID HANSON BRIDGETT LLP	11-19	000910	VO	LEGAL FESS	5/8/2019	0.00	99.90
028081	CK	5/8/2019	HARRISWATE HARRIS WATER CONDITIONING	11-19	000911	VO	ADMIN EXP	5/8/2019	0.00	139.50
028082	CK	5/8/2019	INCENTIVES INCENTIVE SERVICES	11-19	000912	VO	ADMIN EXP	5/8/2019	0.00	215.50
028083	CK	5/8/2019	PARAMETRIC PARAMETRIC PORTFOLIO ASSO	11-19	000913	VO	INVESTMENT FEES	5/8/2019	0.00	45,118.00
028084	CK	5/8/2019	REAMSASSET SCOUT INVESTMENTS, INC	11-19	000914	VO	INVESTMENT FEES	5/8/2019	0.00	307.00
028085	CK	5/8/2019	SPRUCEGROV SPRUCEGROVE INVESTMENT M	11-19	000915	VO	INVESTMENT FEES	5/8/2019	0.00	65,501.86
028086	CK	5/8/2019	WESTERNASS WESTERN ASSET MANAGEMEN	11-19	000916	VO	INVESTMENT FEES	5/8/2019	0.00	230,282.20

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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
028087	CK	5/16/2019	ATTMOBILIT AT&T MOBILITY	11-19	000918	VO	IT	5/16/2019	0.00	401.18
028088	CK	5/16/2019	BANKOFAMER BUSINESS CARD	11-19	000919	VO	ADMIN/IT	5/16/2019	0.00	1,076.64
028089	CK	5/16/2019	BROWARMST BROWN ARMSTRONG	11-19	000920	VO	ADMIN EXP	5/16/2019	0.00	430.00
028090	CK	5/16/2019	FEDEX FEDEX	11-19	000921	VO	ADMIN EXP	5/16/2019	0.00	35.25
028091	CK	5/16/2019	SHREDITUSA SHRED-IT USA	11-19	000922	VO	ADMIN EXP	5/16/2019	0.00	178.20
028092	CK	5/16/2019	THOMSONREU THOMSON REUTERS- WEST	11-19	000923	VO	IT	5/16/2019	0.00	461.00
028093	CK	5/16/2019	VITECHSYST VITECH SYSTEMS GROUP, INC.	11-19	000924	VO	IT	5/16/2019	0.00	21,150.00
028094	CK	5/22/2019	ABUCOURTRE VERITEXT	11-19	000935	VO	ADMIN EXP	5/22/2019	0.00	1,569.85
028095	CK	5/22/2019	BIANCHIROB ROBERT BIANCHI	11-19	000925	VO	MILEAGE REIMB	5/22/2019	0.00	62.64
028096	CK	5/22/2019	CDWGOVERN CDW GOVERNMENT	11-19	000926	VO	IT	5/22/2019	0.00	161.01
028097	CK	5/22/2019	HOAGWILL WILL HOAG	11-19	000927	VO	TRAVEL REIMB	5/22/2019	0.00	702.44
028098	CK	5/22/2019	JANOPRINTI JANO PRINTING & MAILWORKS	11-19	000928	VO	ADMIN EXP	5/22/2019	0.00	8,085.46
028099	CK	5/22/2019	LINEASOLUT LINEA SOLUTIONS	11-19	000929	VO	ADMIN EXP	5/22/2019	0.00	14,909.25
028100	CK	5/22/2019	OLIVERLEAH LEAH OLIVER	11-19	000930	VO	TRAVEL REIMB	5/22/2019	0.00	1,282.32

Business Meeting Agenda - IV. CONSENT AGENDA

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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
028101	CK	5/22/2019	PRUDENTIAL PRUDENTIAL INSURANCE	11-19	000931	VO	INVESTMENT FEES	5/22/2019	0.00	154,122.04
028102	CK	5/22/2019	SHAPIRODAN DAN SHAPIRO	11-19	000932	VO	TRAVEL REIMB	5/22/2019	0.00	573.17
028103	CK	5/22/2019	TIMEWARNER TIME WARNER CABLE	11-19	000933	VO	IT	5/22/2019	0.00	294.99
028104	CK	5/22/2019	TRICOUNTYO TRI COUNTY OFFICE FURNITURI	11-19	000934	VO	ADMIN EXP	5/22/2019	0.00	883.18
028105	CK	5/24/2019	MFDAILYCOR M.F. DAILY CORPORATION	11-19	000936	VO	ADMIN EXP	5/24/2019	0.00	18,867.91

Check Count: 45

**Acct Sub Total: 1,039,802.42**

Check Type	Count	Amount Paid
Regular	45	1,039,802.42
Hand	0	0.00
Electronic Payment	0	0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
<b>Total:</b>	<b>45</b>	<b>1,039,802.42</b>

**Company Disc Total 0.00 Company Total 1,039,802.42**

**Ventura County Employees' Retirement Association**  
**Budget Summary Fiscal Year 2018-2019**  
**For the Eleven Months Ended May 31, 2019 and Year-To-Date - 91.67% of Fiscal Year Expended**

	<i>Adopted 2019 Budget</i>	<i>Adjusted 2019 Budget</i>	<i>May 2019</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
<b>Salaries and Benefits</b>						
Regular Salary	\$3,215,800.00	\$3,158,800.00	\$249,987.39	\$2,769,663.91	\$389,136.09	87.68%
Extra-Help/Temporary Services	158,500.00	158,500.00	14,909.25	114,227.03	44,272.97	72.07%
Supplemental Payments	63,500.00	63,500.00	4,668.84	49,216.31	14,283.69	77.51%
Vacation Redemption	146,800.00	146,800.00	4,336.97	149,943.74	(3,143.74)	102.14%
Retirement Contributions	546,000.00	535,100.00	44,708.00	475,108.04	59,991.96	88.79%
OASDI Contribution	196,700.00	189,900.00	16,000.51	149,862.39	40,037.61	78.92%
FICA-Medicare	55,500.00	55,700.00	3,742.06	42,778.80	12,921.20	76.80%
Medical Insurance	327,600.00	325,400.00	26,552.00	277,583.38	47,816.62	85.31%
Life Insurance	1,100.00	1,100.00	91.92	1,047.73	52.27	95.25%
Unemployment Insurance	2,300.00	2,300.00	177.22	1,948.16	351.84	84.70%
Mgmt Disability Insurance	23,500.00	23,500.00	1,616.42	17,901.70	5,598.30	76.18%
Workers Compensation Insurance	23,600.00	23,600.00	1,810.75	20,796.60	2,803.40	88.12%
401K Plan Contribution	81,700.00	81,700.00	5,980.05	66,816.17	14,883.83	81.78%
<b>Total Salaries &amp; Benefits</b>	<b>\$4,842,600.00</b>	<b>\$4,765,900.00</b>	<b>\$374,581.38</b>	<b>\$4,136,893.96</b>	<b>\$629,006.04</b>	<b>86.80%</b>
<b>Services &amp; Supplies</b>						
Board Member Stipend	\$13,200.00	\$13,200.00	\$1,100.00	\$9,800.00	\$3,400.00	74.24%
Other Professional Services	173,800.00	205,900.00	13,420.89	157,832.95	48,067.05	76.66%
Auditing	51,400.00	51,400.00	430.00	50,034.90	1,365.10	97.34%
Hearing Officers	50,000.00	29,600.00	0.00	12,372.50	17,227.50	41.80%
Legal	275,000.00	322,000.00	20,155.20	252,381.20	69,618.80	78.38%
Election Services	12,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Actuary-Valuation	61,000.00	61,000.00	0.00	61,000.00	0.00	100.00%
Actuary-GASB 67	13,000.00	13,000.00	0.00	13,000.00	0.00	100.00%
Actuary-415 Calculation	0.00	105,000.00	0.00	17,686.00	87,314.00	16.84%
Actuary-Misc Hrlly Consult	16,000.00	16,000.00	0.00	6,762.00	9,238.00	42.26%
Printing	33,000.00	33,000.00	9,385.69	33,090.96	(90.96)	100.28%
Postage	70,000.00	70,000.00	14,257.80	71,846.36	(1,846.36)	102.64%
Copy Machine	3,000.00	3,000.00	0.00	1,692.78	1,307.22	56.43%
General Liability	15,100.00	15,100.00	7,542.50	15,085.00	15.00	99.90%
Fiduciary Liability	86,000.00	83,700.00	0.00	83,609.01	90.99	99.89%
Cost Allocation Charges	30,200.00	30,200.00	0.00	30,128.00	72.00	99.76%
Education Allowance	4,000.00	4,000.00	0.00	4,000.00	0.00	100.00%
Training/Travel-Staff	76,100.00	51,600.00	1,853.08	34,927.53	16,672.47	67.69%
Training/Travel-Trustee	53,500.00	29,000.00	1,868.24	10,110.58	18,889.42	34.86%
Travel-Due Diligence-Staff	7,800.00	7,800.00	0.00	3,855.02	3,944.98	49.42%
Travel-Due Diligence-Trustee	13,400.00	13,400.00	0.00	4,977.65	8,422.35	37.15%
Mileage-Staff	4,800.00	4,800.00	257.75	1,804.76	2,995.24	37.60%
Mileage -Trustee	5,000.00	3,500.00	190.01	1,626.74	1,873.26	46.48%
Mileage-Due Diligence-Staff	1,000.00	1,000.00	0.00	213.75	786.25	21.38%
Mileage-Due Diligence-Trustee	1,000.00	1,000.00	0.00	96.61	903.39	9.66%
Auto Allowance	6,900.00	6,900.00	575.00	6,325.00	575.00	91.67%
Facilities-Security	2,700.00	2,700.00	230.56	2,802.20	(102.20)	103.79%
Facilities-Maint & Repairs	2,300.00	1,300.00	0.00	225.00	1,075.00	17.31%
Equipment-Maint & Repairs	2,000.00	1,000.00	0.00	0.00	1,000.00	0.00%
General Office Expense	10,400.00	6,400.00	139.50	3,796.90	2,603.10	59.33%
Books & Publications	2,500.00	2,500.00	300.00	1,047.25	1,452.75	41.89%
Office Supplies	18,000.00	14,000.00	3,517.40	10,910.86	3,089.14	77.93%
Memberships & Dues	13,500.00	13,500.00	0.00	13,588.00	(88.00)	100.65%
Bank Service Charges	1,500.00	1,500.00	39.54	937.64	562.36	62.51%
Offsite Storage	4,800.00	4,800.00	380.17	5,954.70	(1,154.70)	124.06%
Rents/Leases-Structures	217,600.00	217,600.00	37,250.83	198,739.65	18,860.35	91.33%
Non-Capital Equipment	23,900.00	0.00	0.00	160.41	(160.41)	0.00%
Non-Capital Furniture	15,000.00	5,100.00	1,764.75	1,889.75	3,210.25	37.05%
Depreciation /Amortization	1,460,600.00	1,460,600.00	121,716.16	1,338,877.76	121,722.24	91.67%
<b>Total Services &amp; Supplies</b>	<b>\$2,851,000.00</b>	<b>\$2,911,100.00</b>	<b>\$236,375.07</b>	<b>\$2,463,189.42</b>	<b>\$447,910.58</b>	<b>84.61%</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$7,693,600.00</b>	<b>\$7,677,000.00</b>	<b>\$610,956.45</b>	<b>\$6,600,083.38</b>	<b>\$1,076,916.62</b>	<b>85.97%</b>



**Ventura County Employees' Retirement Association**  
**Budget Summary Fiscal Year 2018-2019**  
**For the Eleven Months Ended May 31, 2019 and Year-To-Date - 91.67% of Fiscal Year Expended**

	<i>Adopted 2019 Budget</i>	<i>Adjusted 2019 Budget</i>	<i>May 2019</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
<b>Technology</b>						
Technology Hardware	\$67,100.00	\$67,100.00	(\$36.29)	\$40,922.64	\$26,177.36	60.99%
Technology Hardware Support	0.00	0.00	0.00	3,968.32	(3,968.32)	0.00%
Technology Software	214,600.00	214,600.00	1,441.96	206,252.29	8,347.71	96.11%
Technology Software Support	15,500.00	15,500.00	297.68	11,123.37	4,376.63	71.76%
Technology Systems Support	266,800.00	266,800.00	650.00	198,808.51	67,991.49	74.52%
Technology Infrastruct Support	500.00	500.00	54.51	402.48	97.52	80.50%
Technology Application Support	310,400.00	343,400.00	25,199.10	215,279.10	128,120.90	62.69%
Technology Data Communication	55,700.00	58,900.00	4,260.11	45,963.18	12,936.82	78.04%
Total Technology	<u>\$930,600.00</u>	<u>\$966,800.00</u>	<u>\$31,867.07</u>	<u>\$722,719.89</u>	<u>\$244,080.11</u>	<u>74.75%</u>
Congtingency	<u>\$688,100.00</u>	<u>\$668,500.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$668,500.00</u>	<u>0.00%</u>
Total Current Year	<u><u>\$9,312,300.00</u></u>	<u><u>\$9,312,300.00</u></u>	<u><u>\$642,823.52</u></u>	<u><u>\$7,322,803.27</u></u>	<u><u>\$1,989,496.73</u></u>	<u><u>78.64%</u></u>

**Ventura County Employees' Retirement Association**  
**Statement of Fiduciary Net Position**  
**As of May 31, 2019 (Unaudited)**

**Assets**

**Cash & Cash Equivalents** **\$96,777,927**

**Receivables**

Interest and Dividends	4,504,990	
Securities Sold	5,666,870	
Miscellaneous	24,137	
<b>Total Receivables</b>	<b>10,195,997</b>	<b>10,195,997</b>

**Investments at Fair Value**

Domestic Equity	1,524,290,253	
Non U.S. Equity	883,046,819	
Global Equity	596,259,248	
Fixed Income	1,107,068,833	
Private Equity	409,142,177	
Real Assets	871,123,951	
Cash Overlay	45,073	
<b>Total Investments</b>	<b>5,390,976,355</b>	<b>5,390,976,355</b>

**Capital Assets,  
Net of Accumulated Depreciation & Amortization** **11,765,403**

**Total Assets** **5,509,715,681**

**Liabilities**

Securities Purchased	17,929,050	
Accounts Payable	378,188	
Tax Withholding Payable	3,344,726	
Deferred Revenue (PrePaid Contributions)	1,944,152	
	<b>23,596,116</b>	

**Total Liabilities** **23,596,116**

**Net Position Restricted for Pensions** **\$5,486,119,565**

***Ventura County Employees' Retirement Association  
Statement of Changes in Fiduciary Net Position  
For The Eleven Months Ending May 31, 2019 (Unaudited)***

**ADDITIONS****Contributions**

Employer	\$175,417,350	
Employee	65,987,518	
<b>Total Contributions</b>	<u>241,404,868</u>	<b>241,404,868</b>

**Investment Income**

Net Appreciation (Depreciation) in Fair Value of Investments	97,989,472	
Interest Income	20,195,384	
Dividend Income	9,035,298	
Other Investment Income	(1,484,677)	
Real Estate Operating Income, Net	13,890,801	
Security Lending Income	1,495,353	
<b>Total Investment Income</b>	<u>141,121,631</u>	

**Less Investment Expenses**

Management & Custodial Fees	13,055,316	
Other Investment Expenses	512,910	
Securities Lending Borrower Rebates	1,291,354	
Securities Lending Management Fees	69,016	
<b>Total Investment Expenses</b>	<u>14,928,596</u>	

<b>Net Investment Income/(Loss)</b>	<u>126,193,035</u>	
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<b>Total Additions</b>	<u>367,597,902</u>	
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**DEDUCTIONS**

Benefit Payments	267,567,478	
Member Refunds and Death Benefit Payments	3,563,488	
Administrative Expenses	4,695,811	
Other Expenses	2,114,082	
<b>Total Deductions</b>	<u>277,940,859</u>	

<b>Net Increase/(Decrease)</b>	<u>89,657,043</u>	
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**Net Position Restricted For Pensions**

<b>Beginning of Year</b>	<u>5,396,462,523</u>	
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<b>Ending Balance</b>	<u><u>\$5,486,119,566</u></u>	
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**Ventura County Employees' Retirement Association**  
**Investments, Cash, and Cash Equivalents**  
**As of May 31, 2019 (Unaudited)**

	Investments	Cash & Cash Equivalents
<b>Equity</b>		
<b>Domestic Equity</b>		
Blackrock - Russell 1000	\$1,277,103,034	\$0
Blackrock - Russell 2500	61,484,108	0
Western Asset Enhanced Equity Index Plus	185,703,112	26,981,246
<b>Total Domestic Equity</b>	<b>1,524,290,253</b>	<b>26,981,246</b>
<b>Non U.S. Equity</b>		
Blackrock - ACWI ex - US	449,099,865	0
Hexavest	87,185,606	0
Sprucegrove	217,517,980	0
Walter Scott	129,243,369	0
<b>Total Non U.S. Equity</b>	<b>883,046,819</b>	<b>0</b>
<b>Global Equity</b>		
Blackrock - ACWI Index	596,259,248	0
<b>Total Global Equity</b>	<b>596,259,248</b>	<b>0</b>
<b>Fixed Income</b>		
Blackrock - Bloomberg Barclays Aggregate Index	236,062,907	0
Loomis Sayles Multi Sector	82,931,059	3,654,907
Loomis Sayles Strategic Alpha	47,870,420	0
Reams	323,333,237	10
Reams - US Treasury	102,271,319	100,913
Western Asset Management	314,599,892	6,751,088
<b>Total Fixed Income</b>	<b>1,107,068,833</b>	<b>10,506,917</b>
<b>Private Equity</b>		
Abbott Capital	(34,391)	0
Abbott Secondaries	14,719,907	0
Adams Street	173,230,371	0
Battery Ventures	6,095,144	0
Blue Bay	4,733,896	0
Buenaventure One	20,295,572	0
Buenaventure Two	206,338	0
Carval Investors	13,485,789	0
Clearlake Investors	5,353,070	0
GGV Capital	1,920,600	0
Drive Capital	8,540,477	0
ECI 11 GP LP	1,198,045	0
GTCR Fund XII	5,871,478	0
Harbourvest	87,746,258	0
Insight Ventures	15,295,624	0
Monroe Capital	9,687,064	0
Pantheon	38,545,064	0
Resolute Fund IV LP	1,382,761	0
The Riverside Fund V LP	869,109	0
<b>Total Private Equity</b>	<b>409,142,177</b>	<b>0</b>
<b>Real Assets</b>		
Prudential Real Estate	159,078,815	0
LaSalle	0	0
UBS Realty	278,139,027	0
Bridgewater All Weather	321,277,549	0
Tortoise (MLPs)	112,628,560	5,151,060
<b>Total Real Assets</b>	<b>871,123,951</b>	<b>5,151,060</b>

*Ventura County Employees' Retirement Association  
Investments, Cash, and Cash Equivalents  
As of May 31, 2019 (Unaudited)*

	<u>Investments</u>	<u>Cash &amp; Cash Equivalents</u>
Parametric (Cash Equitization)	45,073	31,843,443
State Street Bank and Trust		20,681,443
County Treasury and Bank of America		1,613,818
Total Investments, Cash, and Cash Equivalents	<u>\$5,390,976,355</u>	<u>\$96,777,927</u>

*Ventura County Employees' Retirement Association  
Schedule of Investment Management Fees  
For the Eleven Months Ending May 31, 2019 (Unaudited)*

<b>Equity Managers</b>	
<b>Domestic Equity</b>	
Blackrock - Russell 1000	\$71,360
Blackrock - Russell 2500	23,544
Western Asset Enhanced Equity Index Plus	280,718
<b>Total Domestic Equity</b>	<b>375,622</b>
<b>Non U.S. Equity</b>	
Blackrock - ACWI ex - US	333,123
Hexavest	305,739
Sprucegrove	583,509
Walter Scott	651,594
<b>Total Non U.S. Equity</b>	<b>1,873,965</b>
<b>Global Equity</b>	
Blackrock - ACWI Index	179,382
<b>Total Global Equity</b>	<b>179,382</b>
<b>Fixed Income Managers</b>	
Blackrock Bloomberg Barclays Aggregate Index	92,072
Loomis Sayles Multi Sector	208,791
Loomis Sayles Strategic Alpha	173,472
Reams Asset Management	408,168
Reams US Treasury	307
Western Asset Management	399,554
<b>Total Fixed Income</b>	<b>1,282,364</b>
<b>Private Equity</b>	
Abbott Capital	200,000
Abbott Secondary Opportunities	238,450
Adams Street	1,680,918
Battery Ventures	102,550
Blue Bay	
Buenaventure One	
Carval, CVI A Fund	55,598
Clearlake	54,460
Drive Capital	225,000
ECI 11 GP LP	43,562
GGV Capital	
GTCR XII/A & B	464,030
Harbourvest	1,163,662
Insight Venture Partners	305,583
Monroe Capital	
Pantheon	407,327
Resolute Fund	
<b>Total Private Equity</b>	<b>4,941,141</b>
<b>Real Assets</b>	
Prudential Real Estate Advisors	1,139,433
LaSalle	
UBS Realty	1,466,840
Bridgewater All Weather	594,012
Tortoise (MLPs)	547,395
<b>Total Real Assets</b>	<b>3,747,680</b>
<b>Cash Overlay (Parametric)</b>	<b>177,580</b>

*Ventura County Employees' Retirement Association  
Schedule of Investment Management Fees  
For the Eleven Months Ending May 31, 2019 (Unaudited)*

<b>Securities Lending</b>	
Borrower's Rebate	1,291,354
Management Fees	<u>69,016</u>
<b>Total Securities Lending</b>	<b><u>1,360,370</u></b>
<b>Other</b>	
Investment Consultant (NEPC)	232,500
Investment Custodian (State Street)	<u>245,082</u>
<b>Total Other Fees</b>	<b><u>477,582</u></b>
<b>Total Investment Management Fees</b>	<b><u><u>\$14,415,686</u></u></b>



# Overlay Solutions Performance Review

Ventura County Employees' Retirement Association (VCERA)

**June 17, 2019**



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Portfolio Management  
Justin Henne, CFA  
Managing Director – Customized  
Exposure Management  
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# Program Review for VCERA

# Parametric Overlay Solutions by the Numbers<sup>1</sup>



**\$80B+**  
overlay assets under  
management<sup>2</sup>



**34**  
dedicated investment  
professionals, including 22  
portfolio managers and 12  
investment support



**210+**  
institutional  
investors

## Types of clients that utilize Parametric overlay strategies include:

- Corporate pension plans
- Endowments
- Faith-based
- Family offices
- Foundations
- Healthcare
- Multi-Manager/DC Portfolios
- Outsourced CIO
- Public pension plans
- Taft Hartley

<sup>1</sup>As of 3/31/2019.

<sup>2</sup>Overlay assets under management are included in Parametric Investment & Overlay Strategies segment of parametric. Parametric is divided into two segments: Parametric Investment & Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management. For Compliance with the Global Investment Performance Standards (GIPS®), the Firm is defined and held out to the public as Parametric Investment & Overlay Strategies. Please refer to the Disclosures for additional information.

# Overlay Services - Big Picture

- Overlay strategies offer a convenient, low cost means for:
  - Enhancing expected return
  - Managing risk
  - Increasing efficiency
- Institutional investors employ overlay strategies to help them better implement and achieve their policy objectives
- Exchanged-traded futures are often utilized to add or remove exposure to a variety of asset classes
  - Integrate seamlessly into a fund's existing framework
  - Non-disruptive to existing manager portfolios

Investing in a derivatives strategy involves risk. Please refer to the Risks for additional information.



This material has been prepared for the exclusive use of VCERA in a one-on-one presentation only.  
First Quarter 2019      Overlay Solutions Performance Review

# Overlay Solutions Suite

Parametric overlay solutions can help mitigate policy implementation challenges including:

## Implementation challenges

**Performance drag due to liquidity needs / inefficient cash flow process**

**Residual manager cash balance performance drag**

**Eliminating exposure gaps during portfolio re-allocations and manager changes**

**Managing / adjusting fund exposures within desired targets**

Unique exposure needs

## Parametric overlay solutions

**Fund Cash Securitization**

**Manager Cash Securitization**

**Overlay Transition / Reallocation Management**

**Rebalancing / Portfolio Completion**

Outsourced Exposure Management

Investors choose from one or more overlay solutions to create a customized program designed to alleviate specific shortfalls and inefficiencies.

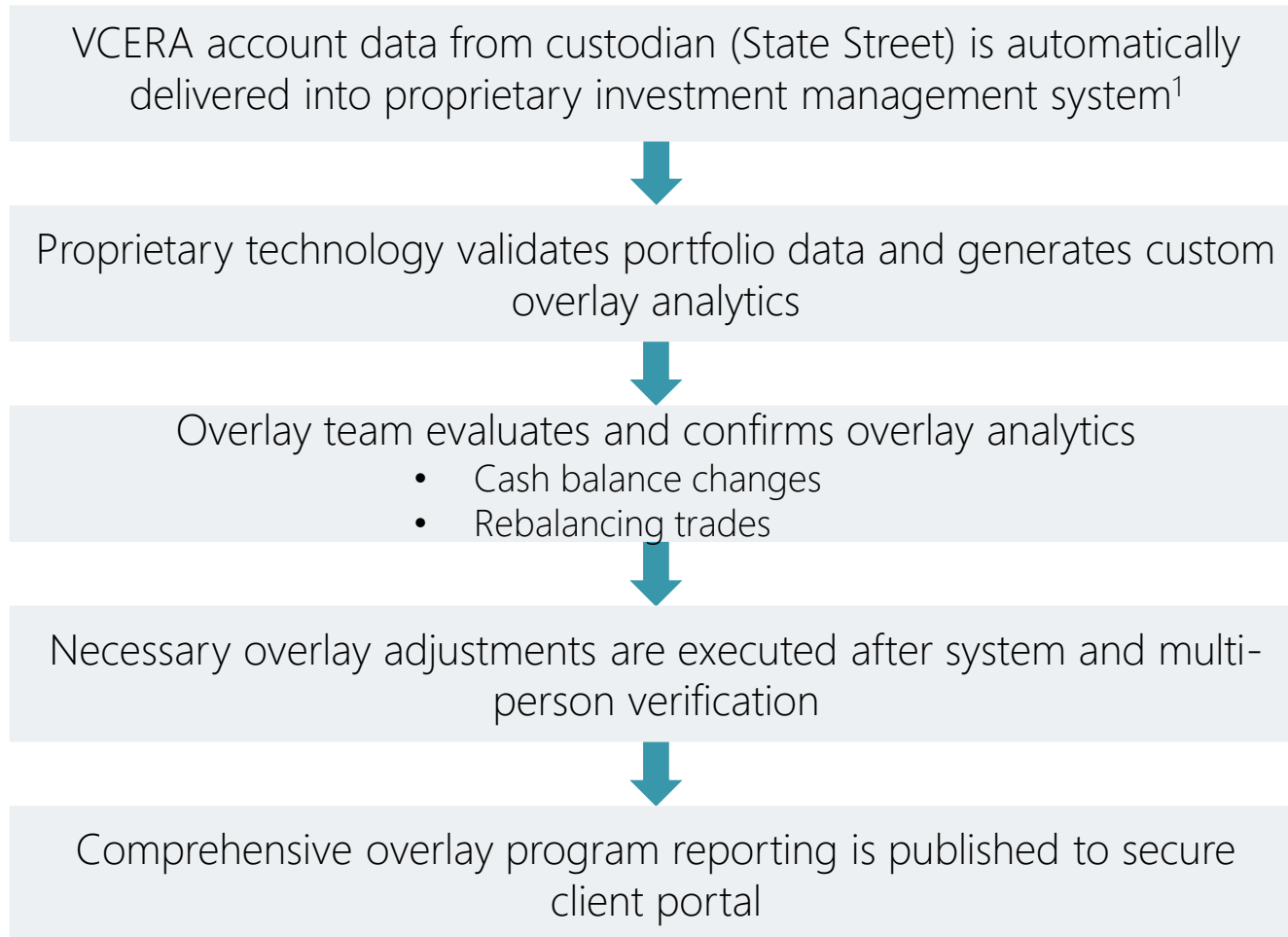
# VCERA Overlay Structure

- Overlay cash held for ongoing fund liquidity needs
  - Benefit payments
  - Capital calls
- Overlay cash within certain manager portfolios
  - Sprucegrove
- Maintain asset allocation and rebalance only after pre-defined thresholds are breached
- Maintain exposure throughout transition events
- Daily tracking allows for increased governance and oversight

## Key Takeaways

- Portfolio remains fully invested
- Reduced tracking error to policy benchmark
- Increased governance and oversight

# Portfolio Management Process



<sup>1</sup> In some cases, data may not be available on a daily basis or is not accessible because the balance is held by a manager who does not make information available electronically. For illustrative purposes only.

# VCERA Cash Securitization Overview

Parametric monitors cash exposure in the VCERA portfolio. Overlay exposures are utilized to securitize cash exposure into capital market exposure

- Fund cash and Manager cash is securitized in a manner that seeks to minimize exposure imbalances relative to target asset allocations

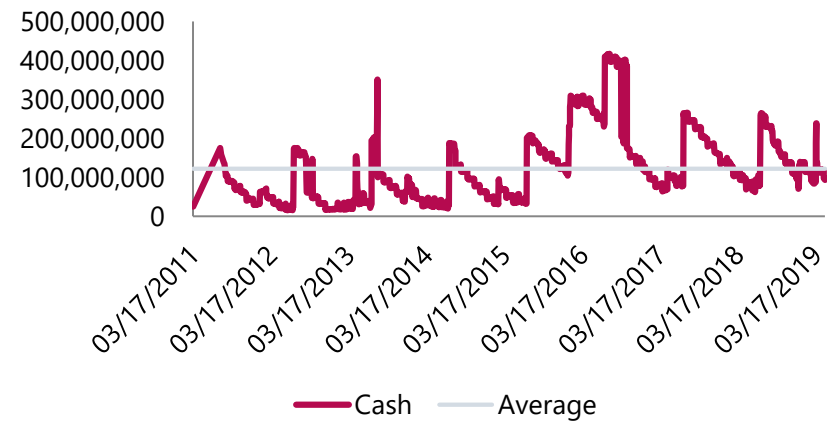
## VCERA Cash Exposure Summary

Cash Levels	Actual		Effective	
	Cash	%	Cash	%
Average	\$121,826,035	2.70%	\$1,407,254	0.03%
Maximum	\$416,891,442	9.03%		
Minimum	\$15,231,417	0.46%		

### Key Benefits:

- Increase expected returns
- Reduce transaction costs
- Increase liquidity

## VCERA Cash Exposure





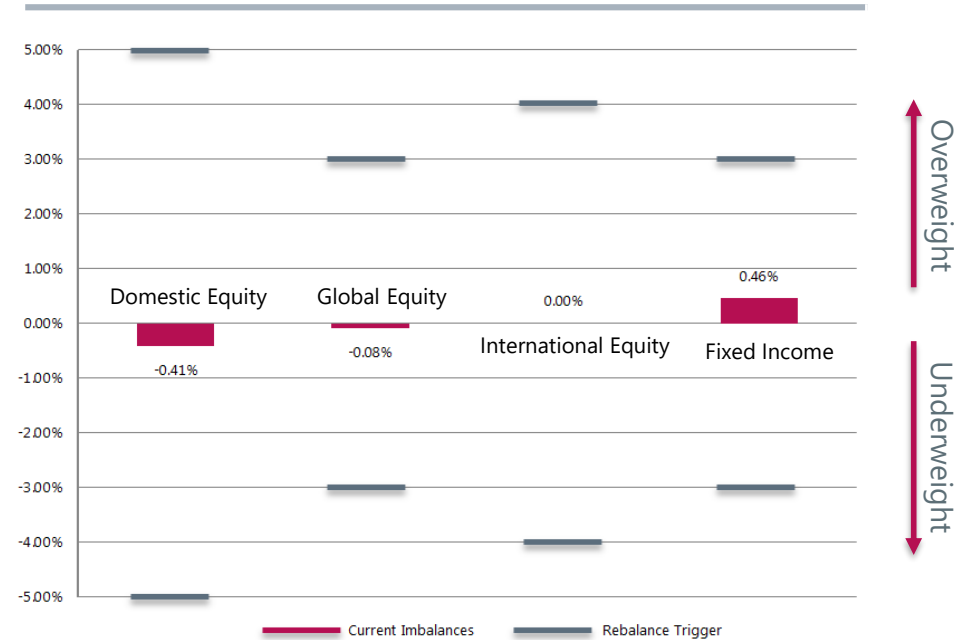
# VCERA Rebalancing Overview

Parametric monitors asset class exposures relative to VCERA's rebalancing ranges

## VCERA Rebalancing Ranges

Asset Class	Target %	Rebalancing Range
Domestic Equity	26.00%	±5%
Global Equity	10.00%	±3%
International Equity	17.00%	±4%
Fixed Income	19.00%	±3%

## Portfolio Exposures Relative to Target Allocation (4/30/2019)



Parametric rebalances portfolio exposures back to asset class targets once asset class exposures have exceeded one or more rebalancing ranges

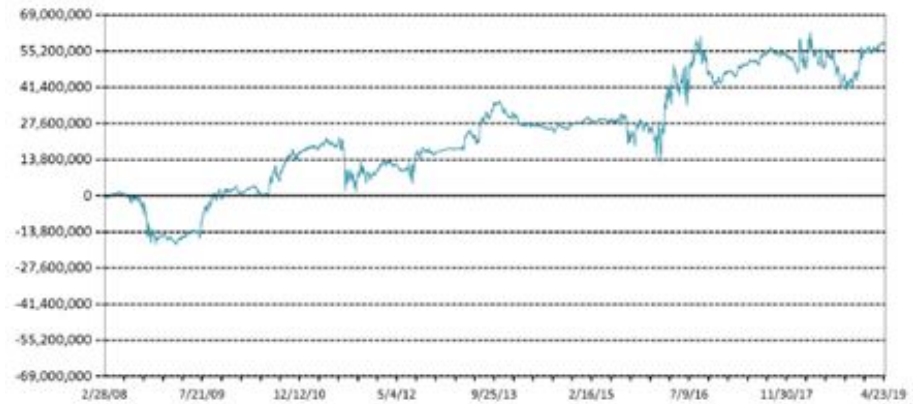
# Overlay Performance and Metrics (4/30/2019)

## Overlay Gain/Loss

Overlay Performance	Incremental Gain/Loss (Net)	Return as a % of Total Fund (Net)
1yr	\$2,063,710	0.05%
3yr	\$11,710,527	0.08%
5yr	\$30,101,081	0.14%
Inception (2/29/2008)	\$55,987,121	0.15%

Benefit to cost ratio of 43 to 1

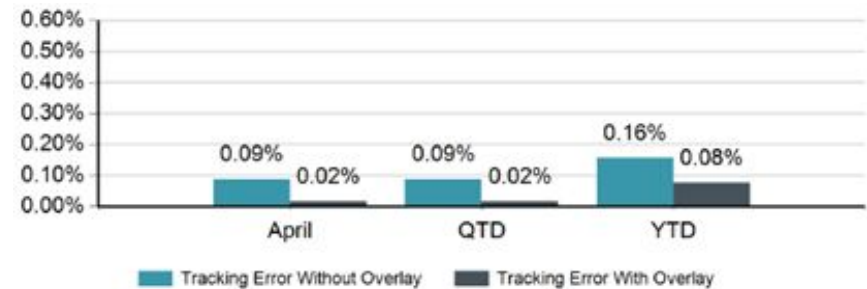
## Incremental Gain/Loss (2/29/2008 – 4/30/2019)



## Synthetic Benchmark Return vs. Benchmark Return



## Tracking Error Analysis



Returns are gross of management fees. The deduction of an advisory fee would reduce investor's return. Information subject to change. Past performance is not indicative of future results. Please refer to the disclosures at the end of this presentation. Source: Goldman Sachs, Bloomberg and Parametric; Date: 5/9/2019



# Risks

# Overlay Solutions: What Are the Risks?

Risk	Description	How Parametric mitigates
Market	Market performs in a way that was not anticipated. For example, cash outperforms capital markets.	Systematic market risk is an inherent part of the Overlay program and can neither be diversified away nor mitigated. Client specific policy guidelines are established to clearly define desired market risk based on client asset allocation targets.
Communication/ Information	Overlay index exposures are maintained based on underlying investment values provided by one or more third parties. There are often delays in the receipt of updated information which can lead to exposure imbalance risks. Inadequate communication regarding cash flow moves into and out of fund and manager changes can lead to unwanted asset class exposures and loss.	Parametric establishes communication links with custodial, manager, and other sources to obtain and verify positions and cash flow data as soon as it is available. Suspect data may be researched and staff notified.
Margin/Liquidity	Potential that the market moves in a manner adverse to the overlay position causing a mark-to-market loss of capital to the fund and a resulting need to raise liquidity or to close positions; this situation could happen at a time when underlying fund or positions are also declining in value.	Parametric strives to be aware of potential collateral and cash requirements to reduce the risk of needing to remove positions. Additional margin requirements are communicated via electronic mail and margin adequacy is available to the client daily.
Tracking Error	Futures (synthetic) index returns do not perfectly track benchmark index returns. This divergence between the price behavior of a position or portfolio and the price behavior of a benchmark is tracking error and impacts performance.	Parametric seeks to minimize tracking error by utilizing liquid futures contracts with sufficient daily trading volume and open interest. All derivative contracts will have some tracking error that cannot be mitigated by an overlay manager.
Leverage	Creation of market exposure in excess of underlying collateral value may lead to significant capital losses and result in position liquidation.	Parametric obtains daily collateral pool values and adjusts beta overlay positions to maintain the ratio of total exposure to collateral within a pre-defined client determined band.
Collateral	The program may experience losses on the underlying designated assets in addition to potential losses on the index market exposure overlaying these assets.	This risk cannot be mitigated by an overlay manager. Parametric discusses the potential for negative performance in the collateral used for the overlay prior to alpha transport applications with client.

# Appendices

# Overlay Program Reporting

Parametric's comprehensive reporting provides investors increased oversight and governance of total portfolio exposures

## Available information includes:

- Individual manager account values
- Total cash balance including fund level and residual manager cash
- Total asset class exposures and deviation from policy targets
- Overlay positions and liquidity analytics
- Custom portfolio metrics

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**Ventura County Employees' Retirement Association**



Account Number: 667600  
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Close Of: 6/4/2019

**Asset Summary**

	Security Total	Cash	Total Market Value	One Day % Change	MTD % Change	Cash %
<b>Domestic Equity - Russell 3000 Total Return Index</b>				<b>2.22 %</b>	<b>1.99 %</b>	
BlackRock Russell 1000 Index (pm)	1,301,622,054	0	1,301,622,054	2.19 %	1.92 %	0.00 %
BlackRock Russell 2500 Index (pm)	63,237,281	0	63,237,281	2.50 %	2.83 %	0.00 %
Western U.S. Index Plus (pm)	214,227,601	0	214,227,601	2.21 %	1.94 %	0.00 %
<b>Total</b>	<b>1,579,086,936</b>	<b>0</b>	<b>1,579,086,936</b>	<b>2.21 %</b>	<b>1.96 %</b>	<b>0.00 %</b>
<b>Global Equity - MSCI ACWI Net Total Return Index</b>				<b>1.37 %</b>	<b>1.45 %</b>	
BlackRock MSCI ACWI Equity Index (pm)	604,499,995	0	604,499,995	1.37 %	1.45 %	0.00 %
<b>Total</b>	<b>604,499,995</b>	<b>0</b>	<b>604,499,995</b>	<b>1.37 %</b>	<b>1.45 %</b>	<b>0.00 %</b>
<b>International Equity - MSCI ACWI ex. US Total Return Index</b>				<b>0.41 %</b>	<b>0.96 %</b>	
BlackRock ACWI ex-U.S. Index (pm)	453,024,637	0	453,024,637	0.41 %	0.96 %	0.00 %
Hexavest (pm)	88,332,983	0	88,332,983	0.58 %	0.98 %	0.00 %
Sprucegrove (pm)	213,189,217	8,421,196	221,610,412	0.41 %	0.96 %	3.80 %
Walter Scott (pm)	126,878,043	0	126,878,043	0.41 %	0.96 %	0.00 %
<b>Total</b>	<b>881,424,880</b>	<b>8,421,196</b>	<b>889,846,076</b>	<b>0.43 %</b>	<b>0.96 %</b>	<b>0.95 %</b>
<b>Fixed Income - Bloomberg Barclays US Agg Total Return Value Unhedged USD</b>				<b>-0.20 %</b>	<b>0.11 %</b>	
BlackRock U.S. Debt Fund (pm)	236,315,492	0	236,315,492	-0.20 %	0.11 %	0.00 %
Loomis Sayles (Full Discretion)	87,217,276	0	87,217,276	-0.03 %	0.33 %	0.00 %
Loomis Strategic Alpha (pm)	47,806,104	0	47,806,104	0.00 %	0.10 %	0.00 %
Reams - Treasury (pm)	99,251,841	0	99,251,841	0.00 %	0.00 %	0.00 %
Reams (pm)	325,757,567	0	325,757,567	-0.20 %	0.11 %	0.00 %
Western	312,603,018	0	312,603,018	-0.94 %	-0.35 %	0.00 %
<b>Total</b>	<b>1,108,951,298</b>	<b>0</b>	<b>1,108,951,298</b>	<b>-0.37 %</b>	<b>-0.02 %</b>	<b>0.00 %</b>
<b>Private Equity</b>						
Abbott Secondary Opportunities (pm)	15,456,051	0	15,456,051	0.00 %	0.00 %	0.00 %
Adams Street Partners (pm)	175,424,766	0	175,424,766	0.00 %	1.39 %	0.00 %
Battery Ventures (pm)	6,007,808	0	6,007,808	0.00 %	0.00 %	0.00 %
Blue Bay (pm)	5,681,786	0	5,681,786	20.02 %	20.02 %	0.00 %
Buenaventure (pm)	21,100,136	0	21,100,136	0.00 %	0.00 %	0.00 %
Clearlake Capital Partners V (pm)	5,664,127	0	5,664,127	0.00 %	0.00 %	0.00 %
CVI Credit Value Fund (pm)	15,555,669	0	15,555,669	0.00 %	10.67 %	0.00 %
Drive Capital Fund II (pm)	8,540,475	0	8,540,475	0.00 %	0.00 %	0.00 %
ECI 11 (pm)	1,415,637	0	1,415,637	0.00 %	0.00 %	0.00 %
GGV Capital (pm)	1,920,600	0	1,920,600	0.00 %	0.00 %	0.00 %
GTCR XII (pm)	6,277,695	0	6,277,695	0.00 %	0.00 %	0.00 %
HarbourVest (pm)	89,373,291	0	89,373,291	0.00 %	0.00 %	0.00 %
Insight Venture (pm)	15,410,843	0	15,410,843	0.00 %	0.00 %	0.00 %
Monroe PCF III (pm)	9,961,699	0	9,961,699	0.00 %	0.00 %	0.00 %
Pantheon LP (pm)	38,532,736	0	38,532,736	0.00 %	0.00 %	0.00 %
Riverside Micro-Cap Fund V	869,109	0	869,109	0.00 %	0.00 %	0.00 %
The Resolute Fund IV (pm)	1,540,709	0	1,540,709	0.00 %	0.00 %	0.00 %
<b>Total</b>	<b>418,733,137</b>	<b>0</b>	<b>418,733,137</b>	<b>0.23 %</b>	<b>1.17 %</b>	<b>0.00 %</b>
<b>Real Assets</b>						
Bridgewater All Weather (pm)	324,948,613	0	324,948,613	0.00 %	0.00 %	0.00 %



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Close Of: 6/4/2019

	Prudential Real Estate	159,078,815	0	159,078,815	0.00 %	0.00 %	0.00 %
	Tortoise (pm)	120,874,331	0	120,874,331	0.00 %	0.00 %	0.00 %
	UBS Real Estate	278,139,027	0	278,139,027	0.00 %	0.00 %	0.00 %
	<b>Total</b>	<b>883,040,786</b>	<b>0</b>	<b>883,040,786</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>
<b>Cash</b>							
	In-House Cash (pd)	0	1,600,000	1,600,000	0.00 %	0.00 %	100.00 %
	Operating Cash	0	12,117,591	12,117,591	-8.90 %	-28.47 %	100.00 %
	Parametric Minneapolis	0	32,839,722	32,839,722	-1.35 %	0.79 %	100.00 %
	<b>Total</b>	<b>0</b>	<b>46,557,313</b>	<b>46,557,313</b>	<b>-3.39 %</b>	<b>-8.93 %</b>	<b>100.00 %</b>
	<b>Security Total</b>		<b>Cash</b>	<b>Total Market Value</b>	<b>One Day % Change</b>	<b>MTD % Change</b>	<b>Cash %</b>
	<b>Fund Total</b>	<b>5,475,737,032</b>	<b>54,978,508</b>	<b>5,530,715,540</b>	<b>0.75 %</b>	<b>0.87 %</b>	<b>0.99 %</b>





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Close Of: 6/4/2019

**Exposure Summary**

	Actual Target	Adjusted Target	Physical Exposure	Physical Deviation From Adjusted Target	Overlay Exposure	Total Exposure	Total Exposure Deviation From Adjusted Target	Rebalance Trigger
Domestic Equity	1,437,986,040	1,527,117,806	1,579,086,936	51,969,130	-56,433,574	1,522,653,362	-4,464,444	-276,535,777
Global Equity	553,071,554	587,353,002	604,499,995	17,146,992	-19,033,748	585,466,247	-1,886,755	-165,921,466
International Equity	940,221,642	998,500,104	881,424,880	-117,075,224	111,844,405	993,269,285	-5,230,819	-221,228,622
Fixed Income	1,050,835,953	1,115,970,704	1,108,951,298	-7,019,406	17,562,187	1,126,513,485	10,542,780	165,921,466
Private Equity	553,071,554	418,733,137	418,733,137	0	0	418,733,137	0	0
Real Assets	995,528,797	883,040,786	883,040,786	0	0	883,040,786	0	0
Cash	0	0	54,978,508	54,978,508	-53,939,270	1,039,238	1,039,238	
	<b>5,530,715,540</b>	<b>5,530,715,540</b>	<b>5,530,715,540</b>	<b>0</b>	<b>0</b>	<b>5,530,715,540</b>	<b>0</b>	

	Actual Target	Adjusted Target	Physical Exposure	Physical Deviation From Adjusted Target	Overlay Exposure	Total Exposure	Total Exposure Deviation From Adjusted Target	Rebalance Trigger
Domestic Equity	26.00 %	27.61 %	28.55 %	0.94 %	-1.02 %	27.53 %	-0.08 %	-5.00 %
Global Equity	10.00 %	10.62 %	10.93 %	0.31 %	-0.34 %	10.59 %	-0.03 %	-3.00 %
International Equity	17.00 %	18.05 %	15.94 %	-2.11 %	2.02 %	17.96 %	-0.09 %	-4.00 %
Fixed Income	19.00 %	20.18 %	20.05 %	-0.13 %	0.32 %	20.37 %	0.19 %	3.00 %
Private Equity	10.00 %	7.57 %	7.57 %	0.00 %	0.00 %	7.57 %	0.00 %	0.00 %
Real Assets	18.00 %	15.97 %	15.97 %	0.00 %	0.00 %	15.97 %	0.00 %	0.00 %
Cash	0.00 %	0.00 %	0.99 %	0.99 %	-0.98 %	0.01 %	0.01 %	0.00 %
	<b>100.00 %</b>	<b>100.00 %</b>	<b>100.00 %</b>	<b>0.00 %</b>	<b>0.00 %</b>	<b>100.00 %</b>	<b>0.00 %</b>	

**Cash Allocation**

	Cash	Previous Day's Cash	Difference
Sprucegrove (pm)	8,421,196	8,386,653	34,543
In-House Cash (pd)	1,600,000	1,600,000	0
Operating Cash	12,117,591	13,301,867	-1,184,276
Parametric Minneapolis	32,839,722	33,290,056	-450,334
<b>Total</b>	<b>54,978,508</b>	<b>56,578,576</b>	<b>-1,600,068</b>



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**Synthetic Exposure**

Asset Class	Contract Symbol	Contract Description	Overlay Target	Overlay Exposure	Overlay Exposure Difference	Target Contracts	Actual Contracts	Difference
<b>Domestic Equity - Russell 3000 Total Return Index</b>								
	ESM9	S&P 500 Mini Futures (ES)	-48,978,699	-48,830,612	-148,087	-349.1	-348	-1.1
	FAM9	S&P Midcap 400 Mini Futures (FA)	-1,602,714	-2,619,229	1,016,516	-8.6	-14	5.4
	RTYM9	Russell 2000 Mini Futures (RTY)	-5,852,162	-4,983,733	-868,428	-77.5	-66	-11.5
			<b>-56,433,574</b>	<b>-56,433,574</b>	<b>0</b>			
<b>Global Equity - MSCI ACWI Net Total Return Index</b>								
	ESM9	S&P 500 Mini Futures (ES)	-10,577,054	-10,664,157	87,103	-75.4	-76	0.6
	MFSM9	MSCI EAFE Mini Futures (MFS)	-5,732,965	-5,878,338	145,373	-62.4	-64	1.6
	MESM9	MSCI EM Mini Futures (MES)	-2,131,780	-1,912,421	-219,359	-42.4	-38	-4.4
	PTM9	S&P/TSX 60 Futures (PT)	-591,950	-578,832	-13,117	-4.1	-4	-0.1
			<b>-19,033,748</b>	<b>-19,033,748</b>	<b>0</b>			
	COM9	Canadian Dollar (CD)	-591,950	-758,576	166,627	-18.8	-21	2.2
			<b>-591,950</b>	<b>-758,576</b>	<b>166,627</b>			
<b>International Equity - MSCI ACWI ex. US Total Return Index</b>								
	MFSM9	MSCI EAFE Mini Futures (MFS)	76,839,896	75,683,604	1,156,292	836.6	824	12.6
	MESM9	MSCI EM Mini Futures (MES)	28,333,794	28,635,983	-302,189	563.0	569	-6.0
	PTM9	S&P/TSX 60 Futures (PT)	7,709,953	7,524,818	185,135	53.3	52	1.3
			<b>112,883,643</b>	<b>111,844,405</b>	<b>1,039,238</b>			
	COM9	Canadian Dollar (CD)	7,709,953	7,766,200	-56,247	103.2	104	-0.8
			<b>7,709,953</b>	<b>7,766,200</b>	<b>-56,247</b>			
<b>Fixed Income - Bloomberg Barclays US Agg Total Return Value Unhedged USD</b>								
	TUU9	T-Note 2Y Futures (TU)	1,772,025	1,715,669	56,356	23.8	23	0.8
	FVU9	T-Note 5Y Futures (FV)	3,310,472	3,303,345	7,128	38.1	38	0.1
	TYU9	T-Note 10Y Futures (TY)	4,508,213	4,504,451	3,762	32.0	32	0.0
	USU9	T-Bond 20Y Futures (US)	7,971,477	8,038,723	-67,246	23.8	24	-0.2
			<b>17,562,187</b>	<b>17,562,187</b>	<b>0</b>			

**Cash Exposure Recap**

	Value	%
Cash Total	54,978,508	0.99 %
Net Overlay	53,939,270	0.98 %
Cash Target	0	0.00 %
Cash Exposure	1,039,238	0.02 %



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# Exchange Traded Futures

## Characteristics

- Standardized
- Regulated
- Small initial margin
- Marked to market daily (virtually eliminating credit risk)
- Liquid
- Efficiently priced with very low transaction costs
- Commonly used by Money Managers, Fund Sponsors, Index Funds, and Hedgers

## Counterparty Risk Controls

- All Futures Commission Merchants (“FCM”) (e.g. Goldman Sachs, Citigroup, etc.) post a performance bond, or deposit, with the clearing house in order to trade
- Performance bonds help to ensure that the FCMs will meet the contractual obligations of the trades they make
- Brokerage firms require performance bonds, in the form of initial margin, from both the contract buyer and contract seller
- FCMs must post a security deposit and pledge their assigned shares and memberships to the relevant exchange thus providing additional incremental credit protection

# Synthetic Indices<sup>1</sup>

The most often used index benchmarks are as follows:

## > Domestic Equity<sup>2</sup>

- S&P 500<sup>®</sup> Index
- S&P 400<sup>®</sup> Mid Cap Index
- MSCI USA IMI Index
- MSCI Small Cap USA Index
- Russell 1000<sup>®</sup> Index
- Russell 2000<sup>®</sup> Index
- Russell 3000<sup>®</sup> Index
- Wilshire 5000 Index

## > Fixed Income

- Bloomberg Barclays U.S. Aggregate Bond Index
- Bloomberg Barclays U.S. Aggregate Gov/Credit Index
- Bloomberg Barclays Intermediate U.S. Gov/Credit Index
- Bloomberg Barclays U.S. Long Gov/Credit Index
- Bloomberg Barclays U.S. Aggregate Long Treasury Index
- Bloomberg Barclays U.S. Long Treasury Index
- Bloomberg Barclays U.S. Universal Index
- Citi U.S. Broad Investment-Grade (USBIG) Bond Index
- BofA Merrill 1-3 Year U.S. Treasury Index
- Various Constant Duration Benchmarks

## > International Equity

- MSCI EAFE<sup>SM</sup> Index
- MSCI ACWI ex. U.S.<sup>SM</sup>
- MSCI ACWI ex. U.S. IMI
- MSCI Emerging Markets Index
- MSCI World ex. U.S.<sup>SM</sup>
- S&P Global Broad Market Index

## > Global Equity

- MSCI ACWI IMI
- MSCI World<sup>SM</sup>

## > Commodities

- S&P Goldman Sachs Commodity Index
- Bloomberg Commodities Index (BCOM)
- Custom Commodity Baskets

## > International Fixed Income

- Citigroup WGBI ex. US
- Bloomberg Barclays Global Aggregate Index ex. U.S.

## > Currency

- Indexes
- Individual Currency Exposure

<sup>1</sup>Please note that only broad market (e.g. versus style) futures are available and/or liquid enough for use. Individuals may not invest directly into indexes.

<sup>2</sup>In the case of style asset exposure needs (i.e. small cap growth), Parametric can manage ETF exposures to fulfill client needs. Customized nonstandard indexes can be replicated using swaps.

For informational purposes only. This is not an offer to buy or sell securities.

# Biographies

## **Orison “Kip” Chaffee, CFA**

Managing Principal

Mr. Chaffee is responsible for formulating strategic direction and day-to-day management of the Minneapolis and Westport Offices. Prior to joining Parametric in 2008\*, Kip held a number of executive positions within the financial services industry including VP of Corporate Strategy and Development for Ameriprise Financial Services and President and COO of Hantz Financial Services. He earned his B.A. in Economics from Harvard University and an MBA with a finance concentration from The Wharton School of Business. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

## **Jack Hansen, CFA**

Chief Investment Officer

Mr. Hansen leads investment management teams focused on our derivative strategies. Since joining Parametric in 1985\*, Jack has managed futures, swaps, options, and other derivative based programs. He writes and lectures on the use of derivatives in portfolio management. He earned a B.S. degree in Finance and Economics from Marquette University and a M.S. in Finance from the University of Wisconsin, Madison. He is a CFA® charterholder and member of the CFA Society of Minnesota.

## **Justin Henne, CFA**

Managing Director – Customized Exposure Management

Mr. Henne leads the investment team responsible for the implementation and enhancement of Parametric’s Customized Exposure Management product. Since joining Parametric in 2004\*, Justin has gained extensive experience trading a wide variety of derivative instruments in order to meet each client’s unique exposure and risk management objectives. He earned a B.A. in Financial Management from the University of St. Thomas. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

## **Thomas Lee, CFA**

Managing Director – Investment Strategy and Research

Mr. Lee leads the investment team that oversees investment strategies managed in Parametric’s Minneapolis and Westport offices. In his current position, Tom directs the research efforts that support existing strategies and form the foundation for new strategies. He is also chair of the Investment Committee that has oversight of these strategies. Tom has co-authored articles on topics ranging from liability driven investments to the volatility risk premium. Prior to joining Parametric in 1994\*, Tom spent two years working for the Federal Reserve in Washington, D.C. He earned a B.S. in Economics and an MBA in Finance from the University of Minnesota. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

## **Jay Strohmaier, CFA**

Managing Director

Mr. Strohmaier leads a team of investment professionals responsible for developing and managing institutional portfolios with an emphasis on Defensive Equity, Global Defensive Equity, and related options-based Volatility Risk Premium strategies. He has extensive experience with futures and options and has been active in the investment industry since 1984. Prior to rejoining Parametric in 2009\*, Jay worked for Cargill, Peregrine Capital Management, and Advantus Capital Management. He earned a B.S. degree in Agricultural Economics from Washington State University and an M.S. in Applied Economics from the University of Minnesota. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

\*Reflects the year employee was hired by The Clifton Group, which was acquired by Parametric Portfolio Associates® LLC on December 31, 2012.

# Biographies

## **Christopher Haskamp, CFA**

Senior Portfolio Manager

Mr. Haskamp is dedicated to portfolio management and leading research projects in the area of risk management. Chris manages portfolios for the Liability Driven Investing program as well as for the enhanced index programs. Prior to joining Parametric in 2006\*, he spent three years as a scientist at the medical device firm Beckman Coulter Inc. Chris earned a B.S. in Biochemistry from the University of Minnesota and a M.S. in Chemistry from the University of California, San Diego. Chris earned an MBA in Finance from the University of Minnesota, Carlson School of Management in May of 2007 and started full time at Parametric in June of 2007. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

## **Clint Talmo, CFA**

Senior Portfolio Manager

Mr. Talmo leads a team of investment professionals responsible for designing, trading, and managing customized overlay portfolios utilizing a wide spectrum of asset classes across global markets. Prior to joining Parametric in 2014, Clint was a Partner at Aerwulf Asset Management. Previously, he worked for Interlachen Capital Group and EBF & Associates where his responsibilities included research, trading, and portfolio management. He earned a B.S. in Finance from the University of Colorado. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

## **Daniel Wamre, CFA**

Senior Portfolio Manager

Mr. Wamre leads a team of investment professionals responsible for designing, trading, and managing overlay portfolios. He has extensive experience helping clients and consultants manage portfolio exposures and risk through futures and options-based strategies. Prior to joining Parametric in 1995\* as an intern, and full-time in 1998\*, Dan spent four years as a Platoon Commander/Executive Officer in the United States Marine Corps. Upon completion of graduate school, he spent ten months working as a commercial banking credit analyst for U.S. Bank in Minneapolis. He earned a B.S. from North Dakota State University and an MBA in Finance from the University of Minnesota. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

## **Richard Fong, CFA**

Senior Portfolio Manager

Mr. Fong leads a team of investment professionals responsible for designing, trading, and managing overlay portfolios. Since joining Parametric in 2010\*, Ricky has become a valuable resource supporting management of client LDI and options-based risk management solutions. He earned a B.A. in Financial Economics from Gustavus Adolphus College. He is a CFA® charterholder and a member of the CFA Society of Minnesota.

\*Reflects the year employee was hired by The Clifton Group, which was acquired by Parametric Portfolio Associates® LLC on December 31, 2012.



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First Quarter 2019      Overlay Solutions Performance Review

# Disclosure

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

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

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

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June 17, 2019

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

**SUBJECT: REQUEST TO APPROVE BLUEBAY'S PRIVATE DEBT BUSINESS SPIN-OUT**

Attached are copies of an NEPC research report and a press release from BlueBay announcing that its private debt business is expected to become independent from BlueBay, with an anticipated close in the third quarter of 2019. The transaction and rationale are more thoroughly discussed in the attached press release and in NEPC's research report. The Board approved a \$25 million commitment to BlueBay Direct Lending Fund III at its meeting of December 10, 2018.

In summary, the new business will be 60% owned by employees of the new firm, and 40% owned by Dyal, a private equity manager, which will take a minority, passive equity stake in the business, without management or investment committee positions. The entire private debt team will be joining the new firm. Economics will be shared by all employees moving to the new business.

The private debt business had been operated largely independent of BlueBay with its own back office, legal, investor relations, and fund administration teams. BlueBay is fully supportive of the spin-out, believing that the move best supports the growth of both the legacy and the new private debt businesses. It also precludes potential conflicts raised by companies with public securities looking to do private deals, which might ultimately need to be restricted or turned down.

Consent of investors holding a majority of aggregate commitments will be required in order to pre-approve the waiver of a Key Executive Event, which is technically triggered by all of the Key Executives resigning from BlueBay but being employed immediately thereafter by the new business entity.

NEPC and staff believe that approval is beneficial for VCERA's investment in this fund.

**RECOMMENDED: SUBJECT TO LEGAL REVIEW AND APPROVAL, THE BOARD**

- 1. CONSENT TO BLUEBAY'S PRIVATE DEBT BUSINESS SPIN-OUT AS A NEW ENTITY AND,**
- 2. AUTHORIZE THE BOARD CHAIR OR RETIREMENT ADMINISTRATOR TO EXECUTE THE ENABLING DOCUMENTS WHEN THEY BECOME AVAILABLE.**

Respectfully submitted,

Dan Gallagher  
Chief Investment Officer





**To:** Ventura County Employees Retirement Association ("VCERA")  
**From:** NEPC Research, Allan Martin, Partner, and Tony Ferrara, Consultant  
**Date:** June 12, 2019  
**Subject:** BlueBay Direct Lending Team Spinout

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**Summary**

VCERA committed \$25 million to the BlueBay Direct Lending Fund III at the December 2018 meeting. On June 5, 2019, the Private Debt business of BlueBay Asset Management ("BlueBay" or the "Firm") announced that it has agreed to spinout from the Firm. The spinout was supported by Dyal Capital Partners ("Dyal"). The new entity will be independently owned; 60% by Private Debt management and 40% by Dyal. The Private Debt business has approximately \$14.8 billion in assets under management. The Private Debt team stated that the main reason it ultimately decided to spinout was conflicts with BlueBay around growth of the business. More specifically, the Private Debt team was receiving a lot of inbound flow from companies with public securities looking to do private deals. These deals would ultimately have to go on a restricted list or would have to be turned down. The Private Debt team stated that there were more than 15 deals like this just in the first quarter alone.

According to the Private Debt team, the business operated fairly independently from BlueBay with its own back office, legal, investor relations, and fund administration teams. In addition, the Private Debt team was located separately from the rest of BlueBay's businesses, including having different key cards and being on a different floor. The entire Private Debt team will be joining the new firm and has signed two-year non-competing agreement, the maximum allowed under UK law. Management has a four-year vesting period on equity ownership positions. The eventual plan is to have the equity flow through everyone at the new business.

As stated earlier, the new firm will be 60% owned by the Private Debt employees and 40% by Dyal. The Private Debt team is investing approximately €10 million into the new firm. The Private Debt team currently has more than €25 million in its own funds. The Dyal investment includes preferred equity. The stipulation is that the Private Debt management team needs to pay back half of Dyal's capital before it can start to collect its own economics. The Private Debt team will retain 67% of carried interest in the funds which does not change from the previous arrangement with BlueBay. The remaining 33% plus any excess management fees, will flow through the new holding company and then used to repay down Dyal's preferred equity.

There is a sunset provision in that Dyal's equity will decrease over time, but that horizon was not finalized. Dyal will retain minority protection rights but will not participate in any investment committees or board positions. In addition to its investment, Dyal is providing a significant working capital line for new strategies or hiring resources. The transition will

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officially begin in September 2019 and end in September 2020. Hedging will be the only area that the team will rely on BlueBay for during that time.

**Conclusion**

NEPC held a call with Anthony Fobel, head of the Private Debt business, and other members of the senior team to discuss the spinout. BlueBay is re-investing its proceeds from the sale into businesses that have better synergies with its public strategies. NEPC has viewed the Private Debt business as autonomous within BlueBay for quite some time and an eventual separation was expected at some point. The spinout will let the Private Debt business grow more naturally, both internally and externally. Dyal is expected to be a passive owner with little intrusion and an eventual stepdown in ownership.



## Press Release

### BlueBay's Private Debt business becomes independent from BlueBay

**EMBARGOED FOR 11AM 5 June 2019:** BlueBay Asset Management ("BlueBay") and BlueBay's Private Debt business have agreed that the Private Debt business will become an independent business from BlueBay. The move comes following the continued growth of the Private Debt business, from a small part of the BlueBay global leveraged finance business to a market leading EUR13 billion AUM largely stand-alone business within BlueBay.

As two distinct businesses, BlueBay and the Private Debt business believe the move is the best way to serve our clients and support the future growth of both businesses. BlueBay is fully supportive of the Private Debt business, to ensure it is in the best possible position to succeed as a standalone business.

BlueBay will continue to add new strategies and capabilities in liquid and illiquid fixed income, which complement its existing emerging and developed markets businesses, and reinforce its position as a firm at the convergence point between traditional and alternative asset managers.

Following the change, the Private Debt business will become independently owned and managed by the existing Private Debt management team and all persons directly involved in the business at BlueBay will be transferred to the new company at closing.

The new stand-alone business will also receive investment from Dyal Capital Partners, an almost USD20 billion AUM private equity manager. Dyal Capital Partners will hold a minority, passive equity interest in the business, with the Private Debt management team holding the majority of the equity.

Subject to obtaining certain regulatory and other approvals, the transaction is anticipated to complete in Q3 2019. Prior to completion, the Private Debt business will continue to operate as part of BlueBay and, following completion, there will be a transition period to ensure a smooth handover of any remaining shared functions between BlueBay and the Private Debt business.

**Commenting on the change, Erich Gerth, CEO of BlueBay Asset Management, said, "We are confident that this change will place both businesses in the best position to meet our clients' long-term investment objectives and needs as fixed income markets continue to evolve rapidly.**

The Private Debt business has been a great success for BlueBay, but we feel that this change will not only allow the Private Debt business to continue to grow and prosper but enable BlueBay to focus future investment on its current strategies and new businesses with greater direct synergies. We support the Private Debt business becoming independent and we wish it every success in the future."



**Anthony Fobel, Managing Partner of BlueBay's Private Debt Group, said,** "We are excited about the Private Debt business becoming a standalone, employee owned and managed business, with the support of Dyal Capital Partners, a leading investor in alternative asset managers. We believe that the move to independence represents a natural evolution of our business as it has grown to be a market leading private debt business in Europe.

We have always operated independently within BlueBay from an investment perspective and all investment and related non-investment staff will be moving to the new business, ensuring continuity for our portfolio companies, investors, private equity partners and advisers. We believe that independence should allow us to continue growing our business to meet the exciting opportunities for private debt in Europe."

The terms of the transaction have not been publicly disclosed.

#### **About BlueBay Asset Management**

BlueBay is a global specialist fixed income manager investing in traditional and alternative fixed income strategies for institutional and private clients. BlueBay has over USD60 billion in assets under management, deployed in both public and private markets, with an established track record of performance and innovation across the fixed income spectrum.

BlueBay's Private Debt business was established in 2011 and has circa EUR13 billion in assets under management. The Private Debt business provides capital to a diverse range of European companies and aims to deliver bespoke, flexible and holistic financing solutions across the entire capital structure.

BlueBay has offices in the UK, Switzerland, Germany, Luxembourg, US, Japan and Australia. BlueBay Asset Management LLP is wholly-owned by Royal Bank of Canada and part of RBC Global Asset Management. BlueBay Asset Management LLP is authorised and regulated by the Financial Conduct Authority.

#### **About Dyal Capital Partners**

Dyal Capital Partners, a division of Neuberger Berman Group, seeks to acquire minority equity interests in institutional alternative asset management businesses worldwide. Dyal Capital Partners was established in 2011 and currently has 39 minority partnerships. For more information, please visit [www.dyalcapital.com](http://www.dyalcapital.com).

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Neuberger Berman, founded in 1939, is a private, independent, employee-owned investment manager. The firm manages a range of strategies—including equity, fixed income, quantitative and multi-asset class, private equity and hedge funds—on behalf of institutions, advisors and individual investors globally. With offices in 23 countries, Neuberger Berman's team is more than 2,100 professionals. For five consecutive years, the company has been named first or second in Pensions & Investments Best Places to Work in Money Management survey (among those with 1,000 employees or more). Tenured, stable and long-term in focus, the firm has built a diverse team of individuals united in their commitment to delivering compelling investment results for our clients over the long term. That commitment includes active consideration of environmental, social and governance factors. The firm manages \$323 billion in client assets as of March 31, 2019. For more information, please visit our website at [www.nb.com](http://www.nb.com).

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# PRELIMINARY MONTHLY PERFORMANCE REPORT

## VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

May 31, 2019

Allan Martin, Partner

Anthony Ferrara, CAIA, Consultant

Michael Miranda, CFA, Senior Analyst



**VCERA**  
VENTURA COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION



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**Ventura County Employees' Retirement Association**

**TOTAL FUND PERFORMANCE DETAIL NET OF FEES**

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Fund</b>	<b>5,486,569,723</b>	<b>100.0</b>	<b>100.0</b>	<b>-3.1</b>	<b>7.4</b>	<b>2.8</b>	<b>2.8</b>	<b>8.2</b>	<b>5.6</b>	<b>9.7</b>	<b>7.9</b>	<b>Apr-94</b>
<i>Policy Index</i>				<i>-3.4</i>	<i>7.8</i>	<i>2.7</i>	<i>2.8</i>	<i>8.4</i>	<i>6.3</i>	<i>9.4</i>	<i>7.9</i>	<i>Apr-94</i>
Over/Under				0.3	-0.4	0.1	0.0	-0.2	-0.7	0.3	0.0	
60% MSCI ACWI (Net) / 40% FTSE WGBI				-2.9	6.8	1.1	0.7	6.1	3.5	6.6	--	Apr-94
60% S&P 500 / 40% BBgBarc Aggregate				-3.1	8.5	4.9	5.2	8.1	7.0	10.0	8.2	Apr-94
<b>Total Fund ex Parametric</b>	<b>5,453,942,549</b>	<b>99.4</b>	<b>--</b>	<b>-3.1</b>	<b>7.3</b>	<b>2.4</b>	<b>2.5</b>	<b>8.1</b>	<b>5.5</b>	<b>9.5</b>	<b>7.8</b>	<b>Apr-94</b>
<b>Total Fund ex Private Equity</b>	<b>5,097,304,251</b>	<b>92.9</b>	<b>--</b>	<b>-3.4</b>	<b>7.7</b>	<b>2.2</b>	<b>2.1</b>	<b>7.9</b>	<b>5.3</b>	<b>--</b>	<b>8.1</b>	<b>Jan-12</b>
<i>Policy Index</i>				<i>-3.4</i>	<i>7.8</i>	<i>2.7</i>	<i>2.8</i>	<i>8.4</i>	<i>6.3</i>	<i>9.4</i>	<i>8.8</i>	<i>Jan-12</i>
Over/Under				0.0	-0.1	-0.5	-0.7	-0.5	-1.0		-0.7	
<b>Total US Equity</b>	<b>1,548,674,652</b>	<b>28.2</b>	<b>28.0</b>	<b>-6.4</b>	<b>11.2</b>	<b>2.6</b>	<b>3.3</b>	<b>11.9</b>	<b>9.4</b>	<b>14.4</b>	<b>9.1</b>	<b>Dec-93</b>
<i>Russell 3000</i>				<i>-6.5</i>	<i>10.9</i>	<i>1.8</i>	<i>2.5</i>	<i>11.5</i>	<i>9.2</i>	<i>14.0</i>	<i>9.4</i>	<i>Dec-93</i>
Over/Under				0.1	0.3	0.8	0.8	0.4	0.2	0.4	-0.3	
Western U.S. Index Plus	210,087,511	3.8		-6.6	11.9	3.6	4.3	12.3	10.1	16.9	5.7	May-07
<i>S&amp;P 500</i>				<i>-6.4</i>	<i>10.7</i>	<i>3.1</i>	<i>3.8</i>	<i>11.7</i>	<i>9.7</i>	<i>13.9</i>	<i>7.3</i>	<i>May-07</i>
Over/Under				-0.2	1.2	0.5	0.5	0.6	0.4	3.0	-1.6	
Blackrock Russell 1000 Index	1,277,103,034	23.3		-6.4	11.1	2.8	3.5	--	--	--	9.2	May-17
<i>Russell 1000</i>				<i>-6.4</i>	<i>11.0</i>	<i>2.8</i>	<i>3.5</i>	<i>11.7</i>	<i>9.5</i>	<i>14.0</i>	<i>9.2</i>	<i>May-17</i>
Over/Under				0.0	0.1	0.0	0.0				0.0	
Blackrock Russell 2500 Index	61,484,108	1.1		-7.1	11.3	-5.0	-4.3	--	--	--	5.6	May-17
<i>Russell 2500</i>				<i>-7.1</i>	<i>11.3</i>	<i>-5.0</i>	<i>-4.3</i>	<i>9.8</i>	<i>7.2</i>	<i>13.8</i>	<i>5.6</i>	<i>May-17</i>
Over/Under				0.0	0.0	0.0	0.0				0.0	

Policy Index: Currently, 28% Russell 3000, 20% BBgBarc US Aggregate, 15% MSCI ACWI ex U.S., 10% MSCI ACWI, 10% Russell 3000 Index + 3%, 10% CPI+4% Index, and 7% NCREIF ODCE Real Estate Index.

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

Ventura County Employees' Retirement Association

# TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Non-US Equity</b>	<b>883,046,819</b>	<b>16.1</b>	<b>15.0</b>	<b>-5.2</b>	<b>7.1</b>	<b>-3.8</b>	<b>-5.4</b>	<b>7.4</b>	<b>2.1</b>	<b>6.6</b>	<b>6.1</b>	<b>Mar-94</b>
<i>MSCI ACWI ex USA</i>				<i>-5.4</i>	<i>7.2</i>	<i>-4.5</i>	<i>-6.3</i>	<i>6.7</i>	<i>1.3</i>	<i>5.8</i>	<i>4.9</i>	<i>Mar-94</i>
Over/Under				0.2	-0.1	0.7	0.9	0.7	0.8	0.8	1.2	
<i>MSCI EAFE</i>				<i>-4.8</i>	<i>7.6</i>	<i>-4.6</i>	<i>-5.7</i>	<i>5.8</i>	<i>1.3</i>	<i>6.2</i>	<i>4.6</i>	<i>Mar-94</i>
<i>MSCI ACWI ex USA NR LCL</i>				<i>-5.1</i>	<i>8.6</i>	<i>-1.8</i>	<i>-2.5</i>	<i>7.7</i>	<i>5.2</i>	<i>7.6</i>	<i>--</i>	<i>Mar-94</i>
<i>MSCI EAFE NR LCL</i>				<i>-4.6</i>	<i>9.0</i>	<i>-2.0</i>	<i>-2.3</i>	<i>6.9</i>	<i>5.0</i>	<i>7.9</i>	<i>4.7</i>	<i>Mar-94</i>
BlackRock ACWI ex-U.S. Index	449,099,865	8.2		-5.3	7.3	-5.1	-7.0	6.8	1.7	6.3	2.2	Mar-07
<i>MSCI ACWI ex USA IMI</i>				<i>-5.3</i>	<i>7.1</i>	<i>-5.2</i>	<i>-7.1</i>	<i>6.5</i>	<i>1.5</i>	<i>6.1</i>	<i>2.0</i>	<i>Mar-07</i>
Over/Under				0.0	0.2	0.1	0.1	0.3	0.2	0.2	0.2	
<i>MSCI ACWI ex USA NR LCL</i>				<i>-5.1</i>	<i>8.6</i>	<i>-1.8</i>	<i>-2.5</i>	<i>7.7</i>	<i>5.2</i>	<i>7.6</i>	<i>3.0</i>	<i>Mar-07</i>
Sprucegrove	217,517,980	4.0		-6.2	6.1	-4.9	-7.1	8.8	1.8	7.5	6.9	Mar-02
<i>MSCI ACWI ex USA</i>				<i>-5.4</i>	<i>7.2</i>	<i>-4.5</i>	<i>-6.3</i>	<i>6.7</i>	<i>1.3</i>	<i>5.8</i>	<i>6.0</i>	<i>Mar-02</i>
Over/Under				-0.8	-1.1	-0.4	-0.8	2.1	0.5	1.7	0.9	
<i>MSCI EAFE</i>				<i>-4.8</i>	<i>7.6</i>	<i>-4.6</i>	<i>-5.7</i>	<i>5.8</i>	<i>1.3</i>	<i>6.2</i>	<i>5.5</i>	<i>Mar-02</i>
<i>MSCI ACWI ex USA NR LCL</i>				<i>-5.1</i>	<i>8.6</i>	<i>-1.8</i>	<i>-2.5</i>	<i>7.7</i>	<i>5.2</i>	<i>7.6</i>	<i>5.0</i>	<i>Mar-02</i>
<i>MSCI EAFE NR LCL</i>				<i>-4.6</i>	<i>9.0</i>	<i>-2.0</i>	<i>-2.3</i>	<i>6.9</i>	<i>5.0</i>	<i>7.9</i>	<i>4.3</i>	<i>Mar-02</i>
Hexavest	87,185,606	1.6		-5.2	3.5	-4.4	-4.9	3.4	0.6	--	3.2	Dec-10
<i>MSCI EAFE</i>				<i>-4.8</i>	<i>7.6</i>	<i>-4.6</i>	<i>-5.7</i>	<i>5.8</i>	<i>1.3</i>	<i>6.2</i>	<i>4.1</i>	<i>Dec-10</i>
Over/Under				-0.4	-4.1	0.2	0.8	-2.4	-0.7	--	-0.9	
<i>MSCI EAFE NR LCL</i>				<i>-4.6</i>	<i>9.0</i>	<i>-2.0</i>	<i>-2.3</i>	<i>6.9</i>	<i>5.0</i>	<i>7.9</i>	<i>6.6</i>	<i>Dec-10</i>
Walter Scott	129,243,369	2.4		-2.7	10.8	3.5	3.2	9.8	5.4	--	5.8	Dec-10
<i>MSCI ACWI ex USA</i>				<i>-5.4</i>	<i>7.2</i>	<i>-4.5</i>	<i>-6.3</i>	<i>6.7</i>	<i>1.3</i>	<i>5.8</i>	<i>3.1</i>	<i>Dec-10</i>
Over/Under				2.7	3.6	8.0	9.5	3.1	4.1		2.7	
<i>MSCI ACWI ex USA NR LCL</i>				<i>-5.1</i>	<i>8.6</i>	<i>-1.8</i>	<i>-2.5</i>	<i>7.7</i>	<i>5.2</i>	<i>7.6</i>	<i>5.9</i>	<i>Dec-10</i>
<i>MSCI EAFE</i>				<i>-4.8</i>	<i>7.6</i>	<i>-4.6</i>	<i>-5.7</i>	<i>5.8</i>	<i>1.3</i>	<i>6.2</i>	<i>4.1</i>	<i>Dec-10</i>
<b>Total Global Equity</b>	<b>596,259,248</b>	<b>10.9</b>	<b>10.0</b>	<b>-5.9</b>	<b>9.3</b>	<b>-0.4</b>	<b>-0.9</b>	<b>9.6</b>	<b>4.7</b>	<b>8.9</b>	<b>5.7</b>	<b>May-05</b>
<i>MSCI ACWI</i>				<i>-5.9</i>	<i>9.1</i>	<i>-0.8</i>	<i>-1.3</i>	<i>9.1</i>	<i>5.2</i>	<i>9.4</i>	<i>6.4</i>	<i>May-05</i>
Over/Under				0.0	0.2	0.4	0.4	0.5	-0.5	-0.5	-0.7	
BlackRock MSCI ACWI Equity Index	596,259,248	10.9		-5.9	9.3	-0.4	-0.9	9.5	5.7	--	9.3	Aug-12
<i>MSCI ACWI</i>				<i>-5.9</i>	<i>9.1</i>	<i>-0.8</i>	<i>-1.3</i>	<i>9.1</i>	<i>5.2</i>	<i>9.4</i>	<i>8.9</i>	<i>Aug-12</i>
Over/Under				0.0	0.2	0.4	0.4	0.4	0.5		0.4	





## Ventura County Employees' Retirement Association

## TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Private Equity</b>	<b>389,265,472</b>	<b>7.1</b>	<b>10.0</b>	<b>1.1</b>	<b>2.5</b>	<b>11.3</b>	<b>14.6</b>	<b>14.8</b>	<b>14.5</b>	<b>--</b>	<b>14.4</b>	<b>Jan-12</b>
<i>Russell 3000 + 3%</i>				<u>-6.2</u>	<u>12.3</u>	<u>4.6</u>	<u>5.6</u>	<u>14.9</u>	<u>12.5</u>	<u>17.3</u>	<u>16.7</u>	<i>Jan-12</i>
Over/Under				7.3	-9.8	6.7	9.0	-0.1	2.0		-2.3	
<i>Cambridge Associates Global All PE (Qtr Lag)</i>				0.0	-1.1	6.7	9.8	12.6	10.9	13.1	12.3	<i>Jan-12</i>
Adams Street Global Fund Series	173,024,771	3.2		0.0	1.4	10.9	15.3	13.3	12.9	--	13.1	Jan-12
<i>Russell 3000 + 3%</i>				<u>-6.2</u>	<u>12.3</u>	<u>4.6</u>	<u>5.6</u>	<u>14.9</u>	<u>12.5</u>	<u>17.3</u>	<u>16.7</u>	<i>Jan-12</i>
Over/Under				6.2	-10.9	6.3	9.7	-1.6	0.4		-3.6	
Harbourvest	88,415,327	1.6		-1.1	0.9	11.2	13.7	17.2	18.6	--	18.5	Aug-13
<i>Russell 3000 + 3%</i>				<u>-6.2</u>	<u>12.3</u>	<u>4.6</u>	<u>5.6</u>	<u>14.9</u>	<u>12.5</u>	<u>17.3</u>	<u>13.9</u>	<i>Aug-13</i>
Over/Under				5.1	-11.4	6.6	8.1	2.3	6.1		4.6	
Pantheon Global Secondary Funds	38,532,736	0.7		0.0	-2.4	6.1	8.0	17.4	14.0	--	12.3	Jan-12
<i>Russell 3000 + 3%</i>				<u>-6.2</u>	<u>12.3</u>	<u>4.6</u>	<u>5.6</u>	<u>14.9</u>	<u>12.5</u>	<u>17.3</u>	<u>16.7</u>	<i>Jan-12</i>
Over/Under				6.2	-14.7	1.5	2.4	2.5	1.5		-4.4	
Drive Capital Fund II	11,081,827	0.2		35.3	33.7	35.8	35.8	--	--	--	-16.4	Sep-16
<i>Russell 3000 + 3%</i>				<u>-6.2</u>	<u>12.3</u>	<u>4.6</u>	<u>5.6</u>	<u>14.9</u>	<u>12.5</u>	<u>17.3</u>	<u>14.2</u>	<i>Sep-16</i>
Over/Under				41.5	21.4	31.2	30.2				-30.6	
Abbott Secondary Opportunities	15,456,051	0.3		0.0	4.3	31.4	31.4	--	--	--	21.3	Jan-18
<i>Russell 3000 + 3%</i>				<u>-6.2</u>	<u>12.3</u>	<u>4.6</u>	<u>5.6</u>	<u>14.9</u>	<u>12.5</u>	<u>17.3</u>	<u>6.7</u>	<i>Jan-18</i>
Over/Under				6.2	-8.0	26.8	25.8				14.6	
Clearlake Capital Partners V	6,517,668	0.1		15.1	21.8	61.8	61.8	--	--	--	44.1	Mar-18
<i>Russell 3000 + 3%</i>				<u>-6.2</u>	<u>12.3</u>	<u>4.6</u>	<u>5.6</u>	<u>14.9</u>	<u>12.5</u>	<u>17.3</u>	<u>6.0</u>	<i>Mar-18</i>
Over/Under				21.3	9.5	57.2	56.2				38.1	
Battery Ventures XII	6,013,492	0.1		0.1	-1.8	-9.7	-9.7	--	--	--	-8.4	Apr-18
<i>Russell 3000 + 3%</i>				<u>-6.2</u>	<u>12.3</u>	<u>4.6</u>	<u>5.6</u>	<u>14.9</u>	<u>12.5</u>	<u>17.3</u>	<u>8.1</u>	<i>Apr-18</i>
Over/Under				6.3	-14.1	-14.3	-15.3				-16.5	
Insight Venture Partners X	16,446,290	0.3		6.7	10.3	4.0	4.0	--	--	--	3.7	May-18
<i>Russell 3000 + 3%</i>				<u>-6.2</u>	<u>12.3</u>	<u>4.6</u>	<u>5.6</u>	<u>14.9</u>	<u>12.5</u>	<u>17.3</u>	<u>8.1</u>	<i>May-18</i>
Over/Under				12.9	-2.0	-0.6	-1.6				-4.4	

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



**Ventura County Employees' Retirement Association**

**TOTAL FUND PERFORMANCE DETAIL NET OF FEES**

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
GTCR Fund XII	6,108,073	0.1		-2.7	-5.8	-45.5	-45.5	--	--	--	-45.5	Jun-18
<i>Russell 3000 + 3%</i>				-6.2	12.3	4.6	5.6	14.9	12.5	17.3	5.6	Jun-18
Over/Under				3.5	-18.1	-50.1	-51.1				-51.1	
Buenaventure One, LLC	20,889,135	0.4		0.0	3.3	2.5	--	--	--	--	2.5	Jul-18
<i>Russell 3000 + 3%</i>				-6.2	12.3	4.6	5.6	14.9	12.5	17.3	4.6	Jul-18
Over/Under				6.2	-9.0	-2.1					-2.1	
ECI 11	1,336,063	0.0		-5.6	7.6	--	--	--	--	--	4.8	Dec-18
<i>Russell 3000 + 3%</i>				-6.2	12.3	4.6	5.6	14.9	12.5	17.3	2.1	Dec-18
Over/Under				0.6	-4.7						2.7	
Buenaventure Two, LLC	211,001	0.0		0.0	2.6	--	--	--	--	--	71.9	Dec-18
<i>Russell 3000 + 3%</i>				-6.2	12.3	4.6	5.6	14.9	12.5	17.3	2.1	Dec-18
Over/Under				6.2	-9.7						69.8	
The Resolute Fund IV L.P.	2,091,380	0.0		16.1	44.0	--	--	--	--	--	44.0	Jan-19
<i>Russell 3000 + 3%</i>				-6.2	12.3	4.6	5.6	14.9	12.5	17.3	12.3	Jan-19
Over/Under				22.3	31.7						31.7	
GGV Capital VII L.P.	1,371,600	0.0		0.0	--	--	--	--	--	--	0.0	Feb-19
<i>Russell 3000 + 3%</i>				-6.2	12.3	4.6	5.6	14.9	12.5	17.3	3.2	Feb-19
Over/Under				6.2							-3.2	
GGV Discovery II, L.P.	168,000	0.0		0.0	--	--	--	--	--	--	0.0	Feb-19
<i>Russell 3000 + 3%</i>				-6.2	12.3	4.6	5.6	14.9	12.5	17.3	3.2	Feb-19
Over/Under				6.2							-3.2	
Drive Capital Overdrive Fund I	351,951	0.0		0.0	--	--	--	--	--	--	0.0	May-19
<i>Russell 3000 + 3%</i>				-6.2	12.3	4.6	5.6	14.9	12.5	17.3	-6.2	May-19
Over/Under				6.2							6.2	
Riverside Micro Cap Fund V, LP	869,109	0.0										
GGV Capital VII Plus, LP	381,000	0.0										

Riverside Micro Cap Fund V and GGV Capital VII Plus funded 5/2019.

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 <sup>1</sup>	Outstanding Commitment <sup>1</sup>	Call Ratio	Add'l Fees <sup>2</sup>	Distributions to Date	Valuation	Total Value	Net Benefit	IRR	Since Inception	
													Distributions to Paid In Multiple (DPI)	Total Value to Multiple (TVPI)
Abbott Secondary Opportunities, LP.	2017	12/21/2017	\$25,000,000	\$15,937,843	\$9,424,874	64%	--	\$2,625,000	\$15,456,056	\$18,081,056	\$2,143,213	18.6%	0.16x	1.13x
ABRY Partners IX	2019	12/6/2018	\$10,600,000	--	\$10,600,000	0%	--	--	(\$100,766)	(\$100,766)	--	--	--	--
Adams Street 2010 U.S. Fund	2010	5/21/2010	\$42,500,000	\$37,442,500	\$5,057,500	88%	\$15,213	\$27,801,095	\$36,053,731	\$63,854,826	\$26,397,113	13.8%	0.74x	1.71x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	\$25,500,000	\$22,325,249	\$3,174,751	88%	\$1,589	\$17,113,349	\$16,758,505	\$33,871,854	\$11,545,016	11.3%	0.77x	1.52x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	\$8,500,000	\$7,633,000	\$867,000	90%	\$0	\$2,212,616	\$9,876,341	\$12,088,957	\$4,455,957	10.7%	0.29x	1.58x
Adams Street 2010 Direct Fund	2010	5/21/2010	\$8,500,000	\$8,066,500	\$433,500	95%	\$6,697	\$9,546,815	\$4,573,702	\$14,120,517	\$6,047,320	12.6%	1.18x	1.75x
Adams Street 2013 Global Fund	2013	6/27/2013	\$75,000,000	\$61,350,000	\$13,650,000	82%	\$10,728	\$11,799,337	\$73,150,893	\$84,950,230	\$23,589,502	10.9%	0.19x	1.38x
Adams Street 2016 Global Fund	2016	12/22/2016	\$60,000,000	\$28,200,000	\$31,800,000	47%	\$0	\$3,621,043	\$28,662,488	\$32,283,531	\$4,083,531	13.4%	0.13x	1.14x
Adams Street Co-Investment Fund IV A	2018	9/24/2018	\$30,000,000	\$4,567,808	\$25,500,000	15%	\$67,808	\$0	\$4,154,711	\$4,154,711	-\$480,905	-13.5%	--	0.91x
Astorg VII	2019	12/17/2018	\$8,573,180	--	\$8,573,180	0%	--	--	--	--	--	--	--	--
Battery Ventures XII	2018	2/1/2018	\$9,050,000	\$3,790,140	\$5,259,860	42%	\$0	\$0	\$3,613,190	\$3,613,190	-\$176,950	-8.7%	0x	0.95x
Battery Ventures XII Side Fund	2018	2/1/2018	\$5,050,000	\$2,459,855	\$2,590,145	49%	\$0	\$0	\$2,400,302	\$2,400,302	-\$59,553	-4.8%	0x	0.98x
Blue Bay Direct Lending Fund III	2019	2/12/2019	\$25,000,000	\$3,793,138	\$21,206,862	15%	--	\$30,646	\$3,762,491	\$3,793,137	-\$1	0.0%	0.01x	1x
Buenaventure One, LLC	2018	1/5/2018	\$67,072,500	\$20,830,590	\$46,241,910	31%	--	\$403,156	\$21,585,632	\$21,988,788	\$1,158,198	9.1%	0.02x	1.06x
CapVest Equity Partners IV	2019	7/11/2018	\$12,275,235	--	\$12,275,235	0%	--	--	(\$52,025)	(\$52,025)	--	--	--	--
Clearlake Capital Partners V	2017	12/22/2017	\$9,950,000	\$4,781,476	\$5,258,013	48%	\$46,158	\$150,190	\$6,517,670	\$6,667,860	\$1,840,226	54.8%	0.03x	1.39x
CVI Credit Value Fund IV	2017	12/31/2017	\$30,000,000	\$13,500,000	\$16,500,000	45%	--	\$6,147	\$14,055,669	\$14,061,816	\$561,816	5.6%	0x	1.04x
Drive Capital Fund II	2016	9/1/2016	\$15,000,000	\$8,817,135	\$6,186,075	59%	\$3,210	\$0	\$11,081,824	\$11,081,824	\$2,261,479	20.7%	0x	1.28x
Drive Capital Overdrive Fund I	2019	4/5/2019	\$7,500,000	\$351,951	\$7,148,049	5%	--	\$0	\$351,951	\$351,951	\$0	--	0x	1x
ECI 11	2018	7/5/2018	\$9,486,884	\$1,252,530	\$8,234,354	13%	--	\$0	\$1,060,031	\$1,060,031	-\$192,499	-29.5%	--	0.85x
Genstar Capital Partners IX	2019	2/21/2019	\$7,500,000	--	\$7,500,000	0%	--	--	--	--	--	--	--	--
Genstar Capital Partners IX Opportunities Program	2019	2/21/2019	\$2,500,000	--	\$2,500,000	0%	--	--	--	--	--	--	--	--
GGV Capital VII	2019	8/15/2018	\$10,160,000	\$1,371,600	\$8,788,400	14%	--	\$0	\$1,371,600	\$1,371,600	--	--	--	1x
GGV Capital VII Plus	2019	8/15/2018	\$2,540,000	\$381,000	\$2,159,000	15%	--	--	\$381,000	\$381,000	--	--	--	1x
GGV Discovery II	2019	8/15/2018	\$2,100,000	\$168,000	\$1,932,000	8%	--	\$0	\$168,000	\$168,000	--	--	--	1x
GTCR Fund XII	2017	9/29/2017	\$30,000,000	\$7,428,000	\$22,667,792	25%	--	\$264,502	\$5,335,795	\$5,600,297	-\$1,827,703	-41.4%	0.04x	0.75x
HarbourVest - Dover Street VIII	2013	5/30/2013	\$67,500,000	\$60,834,954	\$6,750,000	90%	\$84,954	\$67,749,682	\$25,439,643	\$93,189,325	\$32,269,417	20.2%	1.11x	1.53x
HarbourVest - Dover Street IX	2016	12/16/2016	\$60,000,000	\$34,800,000	\$25,200,000	58%	\$0	\$10,296,461	\$32,344,857	\$42,641,318	\$7,841,318	24.1%	0.3x	1.23x
HarbourVest - PRTNS CO INVEST IV L.P.	2017	6/2/2017	\$30,000,000	\$24,464,388	\$5,732,352	82%	\$0	\$2,641,347	\$25,712,087	\$28,353,434	\$3,889,046	10.7%	0.11x	1.16x
HarbourVest - PRTNS CO INVEST V L.P.	2019	7/31/2018	\$35,000,000	\$3,500,000	\$31,500,000	10%	--	\$0	\$3,500,000	\$3,500,000	--	--	--	--
Hellman & Friedman Capital Partners IX	2019	9/28/2018	\$19,800,000	--	\$19,800,000	0%	--	--	(\$35,474)	(\$35,474)	--	--	--	--
Insight Venture Partners X	2017	10/13/2017	\$25,000,000	\$15,250,000	\$9,750,000	61%	--	\$8,561	\$16,446,286	\$16,454,847	\$1,204,847	13.6%	0x	1.08x
M/C Partners VIII	2019	4/2/2018	\$10,000,000	--	\$10,000,000	0%	--	--	(\$59,981)	(\$59,981)	--	--	--	--
Monroe Capital Private Credit Fund III	2018	9/5/2018	\$25,000,000	\$10,000,000	\$15,000,000	40%	--	\$355,219	\$9,961,703	\$10,316,922	\$316,922	8.7%	0.04x	1.03x
Pantheon Global Secondary Fund IV	2010	8/20/2010	\$15,000,000	\$9,960,000	\$5,040,000	66%	\$0	\$12,450,001	\$3,165,594	\$15,615,595	\$5,655,595	13.6%	1.25x	1.57x
Pantheon Global Secondary Fund V	2015	2/26/2015	\$50,000,000	\$33,566,509	\$16,433,491	67%	(\$162,514)	\$9,962,534	\$35,028,104	\$44,990,638	\$11,586,643	15.7%	0.3x	1.34x
The Resolute Fund IV	2018	5/2/2018	\$20,000,000	\$3,021,073	\$18,096,145	15%	--	\$1,937,960	\$2,091,380	\$4,029,340	\$1,008,267	125.0%	0.64x	1.33x
Riverside Micro-Cap Fund V	2018	8/21/2018	\$10,000,000	\$869,109	\$9,130,891	9%	--	--	\$571,039	\$571,039	-\$298,070	-99.4%	--	0.66x
<b>Total VCERA Private Equity Program</b>	--	<b>5/21/2010</b>	<b>\$906,657,799</b>	<b>\$450,714,348</b>	<b>\$457,961,379</b>	<b>50%</b>	<b>\$73,843</b>	<b>\$180,975,661</b>	<b>\$414,384,029</b>	<b>\$595,359,690</b>	<b>\$144,819,745</b>	<b>13.8%</b>	<b>0.4x</b>	<b>1.32x</b>

1. Includes recycled/recallable distributions received to date.

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

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

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

Performance shown is based on 5/31/2019 statement of investments produced by Abbott Capital.



**Ventura County Employees' Retirement Association**

**TOTAL FUND PERFORMANCE DETAIL NET OF FEES**

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total US Fixed Income</b>	<b>1,008,428,892</b>	<b>18.4</b>	<b>20.0</b>	<b>1.4</b>	<b>4.6</b>	<b>6.0</b>	<b>5.8</b>	<b>3.2</b>	<b>2.9</b>	<b>5.7</b>	<b>5.8</b>	<b>Feb-94</b>
BBgBarc US Aggregate TR				1.8	4.8	6.5	6.4	2.5	2.7	3.8	5.2	Feb-94
Over/Under				-0.4	-0.2	-0.5	-0.6	0.7	0.2	1.9	0.6	
BlackRock U.S. Debt Fund	236,062,907	4.3		1.8	4.8	6.6	6.4	2.5	2.8	3.9	5.1	Nov-95
BBgBarc US Aggregate TR				1.8	4.8	6.5	6.4	2.5	2.7	3.8	5.1	Nov-95
Over/Under				0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.0	
Western	314,129,999	5.7		1.8	5.7	7.3	6.9	3.7	3.6	6.2	6.0	Dec-96
BBgBarc US Aggregate TR				1.8	4.8	6.5	6.4	2.5	2.7	3.8	5.1	Dec-96
Over/Under				0.0	0.9	0.8	0.5	1.2	0.9	2.4	0.9	
Reams	323,333,247	5.9		1.1	3.6	4.9	4.9	2.7	2.1	5.2	5.2	Sep-01
Reams Custom Index				0.2	1.1	2.4	2.6	1.8	1.2	2.8	3.8	Sep-01
Over/Under				0.9	2.5	2.5	2.3	0.9	0.9	2.4	1.4	
BBgBarc US Aggregate TR				1.8	4.8	6.5	6.4	2.5	2.7	3.8	4.4	Sep-01
3-Month LIBOR + 3%				0.5	2.4	5.2	5.7	4.8	4.2	3.8	4.8	Sep-01
Loomis Strategic Alpha	47,870,420	0.9		0.2	2.7	2.3	1.9	3.4	2.5	--	2.6	Jul-13
BBgBarc US Aggregate TR				1.8	4.8	6.5	6.4	2.5	2.7	3.8	3.0	Jul-13
Over/Under				-1.6	-2.1	-4.2	-4.5	0.9	-0.2		-0.4	
3-Month LIBOR + 3%				0.5	2.4	5.2	5.7	4.8	4.2	3.8	4.1	Jul-13
Loomis Sayles Multi Strategy	87,032,319	1.6		0.6	4.9	5.9	5.5	5.1	3.6	8.0	6.2	Jul-05
Loomis Custom Index				0.8	5.5	6.0	6.0	3.8	3.1	5.3	5.0	Jul-05
Over/Under				-0.2	-0.6	-0.1	-0.5	1.3	0.5	2.7	1.2	
BBgBarc US Govt/Credit TR				2.0	5.3	6.9	6.7	2.6	2.8	4.0	4.1	Jul-05

Reams Custom Index: Merrill Lynch 3 Month Libor Constant Maturity Index, prior to February 2013 the Barclays Aggregate.  
 Loomis Custom Index: 65% BBgBarc US Aggregate, 30% Citigroup High Yield Market Index and 5% JPM Non-US Hedged Bond Index.



**Ventura County Employees' Retirement Association**

**TOTAL FUND PERFORMANCE DETAIL NET OF FEES**

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Private Debt</b>	<b>28,840,524</b>	<b>0.5</b>	<b>0.0</b>	<b>1.2</b>	<b>3.7</b>	<b>6.2</b>	<b>7.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>6.0</b>	<b>Jan-18</b>
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				<u>-0.5</u>	<u>7.0</u>	<u>6.4</u>	<u>6.7</u>	--	--	--	<u>5.7</u>	Jan-18
Over/Under				1.7	-3.3	-0.2	0.4				0.3	
CVI Credit Value Fund	14,136,458	0.3		0.6	3.1	5.4	6.4	--	--	--	5.5	Jan-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				<u>-0.5</u>	<u>7.0</u>	<u>6.4</u>	<u>6.7</u>	--	--	--	<u>5.7</u>	Jan-18
Over/Under				1.1	-3.9	-1.0	-0.3				-0.2	
Monroe Capital Private Credit Fund III	9,970,170	0.2		2.6	5.9	--	--	--	--	--	5.9	Dec-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				<u>-0.5</u>	<u>7.0</u>	<u>6.4</u>	<u>6.7</u>	--	--	--	<u>4.9</u>	Dec-18
Over/Under				3.1	-1.1						1.0	
Bluebay Direct Lending Fund III	4,733,896	0.1		0.0	--	--	--	--	--	--	0.0	Apr-19
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				<u>-0.5</u>	<u>7.0</u>	<u>6.4</u>	<u>6.7</u>	--	--	--	<u>1.0</u>	Apr-19
Over/Under				0.5							-1.0	
<b>Treasuries</b>	<b>102,372,231</b>	<b>1.9</b>	<b>0.0</b>	<b>3.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>2.3</b>	<b>Apr-19</b>
Reams 10-Year Treasuries	102,372,231	1.9		3.1	--	--	--	--	--	--	2.3	Apr-19
BBgBarc US Treasury 7-10 Yr TR				<u>3.0</u>	<u>5.5</u>	<u>8.6</u>	<u>8.6</u>	<u>1.8</u>	<u>3.0</u>	<u>4.2</u>	<u>2.5</u>	Apr-19
Over/Under				0.1							-0.2	



**Ventura County Employees' Retirement Association**

**TOTAL FUND PERFORMANCE DETAIL NET OF FEES**

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Total Real Estate</b>	<b>437,217,842</b>	<b>8.0</b>	<b>7.0</b>	<b>0.0</b>	<b>0.9</b>	<b>4.2</b>	<b>5.9</b>	<b>6.2</b>	<b>8.5</b>	<b>7.1</b>	<b>7.7</b>	<b>Mar-94</b>
NCREIF ODCE Net				0.0	1.2	4.7	6.6	7.0	9.2	7.7	8.0	Mar-94
Over/Under				0.0	-0.3	-0.5	-0.7	-0.8	-0.7	-0.6	-0.3	
Prudential Real Estate	159,078,815	2.9		0.0	1.7	5.8	7.6	7.7	9.9	8.1	6.3	Jun-04
NCREIF ODCE Net				0.0	1.2	4.7	6.6	7.0	9.2	7.7	7.0	Jun-04
Over/Under				0.0	0.5	1.1	1.0	0.7	0.7	0.4	-0.7	
NCREIF ODCE				0.0	1.4	5.4	7.5	8.0	10.2	8.7	8.0	Jun-04
UBS Real Estate	278,139,027	5.1		0.0	0.5	3.3	4.9	5.5	7.6	7.0	7.2	Mar-03
NCREIF ODCE Net				0.0	1.2	4.7	6.6	7.0	9.2	7.7	7.2	Mar-03
Over/Under				0.0	-0.7	-1.4	-1.7	-1.5	-1.6	-0.7	0.0	
NCREIF ODCE				0.0	1.4	5.4	7.5	8.0	10.2	8.7	8.2	Mar-03
<b>Total Real Assets</b>	<b>439,065,329</b>	<b>8.0</b>	<b>10.0</b>	<b>-1.5</b>	<b>9.0</b>	<b>1.0</b>	<b>0.0</b>	<b>5.0</b>	<b>0.6</b>	<b>--</b>	<b>4.1</b>	<b>Apr-13</b>
CPI + 4% (Unadjusted)				0.5	3.6	5.3	5.9	6.2	5.5	--	6.3	Apr-13
Over/Under				-2.0	5.4	-4.3	-5.9	-1.2	-4.9	--	-2.2	
Bridgewater All Weather Fund	321,277,549	5.9		-1.1	7.5	2.4	1.8	6.3	3.1	--	4.7	Aug-13
CPI + 5% (Unadjusted)				0.6	4.0	6.3	6.9	7.3	6.6	--	6.7	Aug-13
Over/Under				-1.7	3.5	-3.9	-5.1	-1.0	-3.5	--	-2.0	
Tortoise Energy Infrastructure	117,787,780	2.1		-2.6	13.2	-2.6	-4.5	1.6	-4.8	--	0.7	Apr-13
Tortoise MLP Index				-0.9	16.0	1.6	0.1	2.0	6.0	--	-2.3	Apr-13
Over/Under				-1.7	-2.8	-4.2	-4.6	-0.4	1.2	--	3.0	
<b>Overlay</b>	<b>53,398,714</b>	<b>1.0</b>	<b>0.0</b>									
Parametric	32,627,174	0.6										
Abbott Capital Cash	20,771,540	0.4										

Total Real Estate Benchmark: NCREIF ODCE; prior to January 2006, the NCREIF Property Index.  
 Real Estate managers and NCREIF ODCE are valued on a quarterly basis. Performance is not applicable in mid-quarter months, therefore 0% return is shown.  
 Real Estate Valuation is as of 3/31/2018.

## Ventura County Employees' Retirement Association

**TOTAL FUND**

Cash Flow Summary							
Month Ending May 31, 2019							
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Abbott Capital Cash	\$43,512,775	\$13,992,132	-\$36,801,537	-\$22,809,404	\$0	\$68,170	\$20,771,540
Abbott Secondary Opportunities	\$15,456,051	\$0	\$0	\$0	\$0	\$0	\$15,456,051
Adams Street Global Fund Series	\$174,144,151	\$0	-\$1,119,385	-\$1,119,385	\$0	\$5	\$173,024,771
Battery Ventures XII	\$5,116,558	\$891,250	\$0	\$891,250	\$0	\$5,683	\$6,013,492
BlackRock ACWI ex-U.S. Index	\$474,149,959	\$0	\$0	\$0	-\$39,092	-\$25,050,094	\$449,099,865
BlackRock MSCI ACWI Equity Index	\$633,419,669	\$0	\$0	\$0	-\$21,542	-\$37,160,420	\$596,259,248
Blackrock Russell 1000 Index	\$1,364,004,801	\$0	\$0	\$0	-\$11,059	-\$86,901,768	\$1,277,103,034
Blackrock Russell 2500 Index	\$66,207,985	\$0	\$0	\$0	-\$1,025	-\$4,723,877	\$61,484,108
BlackRock U.S. Debt Fund	\$231,944,864	\$0	\$0	\$0	-\$11,202	\$4,118,043	\$236,062,907
Bluebay Direct Lending Fund III	\$3,762,491	\$971,405	\$0	\$971,405	\$0	\$0	\$4,733,896
Bridgewater All Weather Fund	\$324,948,613	\$0	\$0	\$0	-\$100,266	-\$3,671,064	\$321,277,549
Buenaventure One, LLC	\$20,889,135	\$0	\$0	\$0	\$0	\$0	\$20,889,135
Buenaventure Two, LLC	\$211,001	\$0	\$0	\$0	\$0	\$0	\$211,001
Clearlake Capital Partners V	\$5,664,127	\$0	\$0	\$0	\$0	\$853,541	\$6,517,668
CVI Credit Value Fund	\$12,555,669	\$1,500,000	\$0	\$1,500,000	\$0	\$80,788	\$14,136,458
Drive Capital Fund II	\$8,188,524	\$0	\$0	\$0	\$0	\$2,893,303	\$11,081,827
Drive Capital Overdrive Fund I	\$351,951	\$0	\$0	\$0	\$0	\$0	\$351,951
ECI 11	\$1,415,637	\$0	\$0	\$0	\$0	-\$79,574	\$1,336,063
GGV Capital VII L.P.	\$965,200	\$406,400	\$0	\$406,400	\$0	\$0	\$1,371,600
GGV Capital VII Plus, LP	\$0	\$381,000	\$0	\$381,000	\$0	\$0	\$381,000
GGV Discovery II, L.P.	\$126,000	\$42,000	\$0	\$42,000	\$0	\$0	\$168,000
GTCR Fund XII	\$6,277,695	\$0	\$0	\$0	\$0	-\$169,622	\$6,108,073

GGV Capital VII Plus, LP funded 5/2019.



## Ventura County Employees' Retirement Association

**TOTAL FUND**

	Month Ending May 31, 2019						
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Harbourvest	\$85,873,291	\$3,500,000	\$0	\$3,500,000	\$0	-\$957,964	\$88,415,327
Hexavest	\$91,893,102	\$0	\$0	\$0	-\$33,229	-\$4,707,497	\$87,185,606
Insight Venture Partners X	\$13,910,843	\$1,500,000	\$0	\$1,500,000	\$0	\$1,035,447	\$16,446,290
Loomis Sayles Multi Strategy	\$86,519,515	\$0	-\$51	-\$51	-\$27,591	\$512,855	\$87,032,319
Loomis Strategic Alpha	\$47,757,072	\$0	\$0	\$0	-\$15,957	\$113,347	\$47,870,420
Monroe Capital Private Credit Fund III	\$9,961,699	\$0	-\$248,507	-\$248,507	\$0	\$256,978	\$9,970,170
Pantheon Global Secondary Funds	\$38,532,736	\$0	\$0	\$0	\$0	\$0	\$38,532,736
Parametric	\$33,310,560	\$0	\$0	\$0	-\$3,761	-\$683,386	\$32,627,174
Prudential Real Estate	\$159,078,815	\$0	\$0	\$0	\$0	\$0	\$159,078,815
Reams	\$319,732,718	\$0	\$0	\$0	-\$46,667	\$3,600,529	\$323,333,247
Reams 10-Year Treasuries	\$99,251,841	\$0	\$0	\$0	\$0	\$3,120,390	\$102,372,231
Riverside Micro Cap Fund V, LP	\$0	\$869,109	\$0	\$869,109	\$0	\$0	\$869,109
Sprucegrove	\$231,944,489	\$0	\$0	\$0	-\$64,900	-\$14,426,509	\$217,517,980
The Resolute Fund IV L.P	\$3,478,669	\$0	-\$1,937,960	-\$1,937,960	\$0	\$550,671	\$2,091,380
Tortoise Energy Infrastructure	\$120,874,331	\$0	\$0	\$0	-\$61,348	-\$3,086,551	\$117,787,780
UBS Real Estate	\$278,139,027	\$0	\$0	\$0	\$0	\$0	\$278,139,027
Walter Scott	\$132,794,586	\$0	\$0	\$0	-\$86,497	-\$3,551,217	\$129,243,369
Western	\$308,595,909	\$0	\$0	\$0	-\$51,766	\$5,534,090	\$314,129,999
Western U.S. Index Plus	\$224,818,519	\$707	-\$1,532	-\$825	-\$38,761	-\$14,730,183	\$210,087,511
<b>Total</b>	<b>\$5,679,780,579</b>	<b>\$24,054,003</b>	<b>-\$40,108,971</b>	<b>-\$16,054,969</b>	<b>-\$614,661</b>	<b>-\$177,155,887</b>	<b>\$5,486,569,723</b>

Riverside Micro Cap Fund V funded 5/2019.





### **Information Disclaimer**

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

### **Reporting Methodology**

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





June 17, 2019

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

**SUBJECT: ADOPTED FISCAL YEAR 2019-20 OPERATING BUDGET WITH BOARD APPROVED REVISIONS**

Board Members:

**Overview**

At the May 20, 2019, Business Board meeting, staff presented the proposed fiscal year 2019-20 operating budget. During budget deliberations, the board directed staff to add two full time equivalent (FTE) positions to the proposed budget that were not included in the proposed budget, having been withdrawn by staff. Included in the attached adopted budget are the following two position classifications:

Job Code	Description	FTE	Salary (S) Range (Annual)
01489	Program Assistant - NE	1.0	\$59,397.48 - \$83,164.68
01711	Staff Services Manager II (IT class TBD)	1.0	\$83,698.20 - \$117,189.00

Included in the Adopted Budget is an additional \$183,700 in appropriations compared to the Proposed Budget presented in May 2019. More specifically, the Adopted Budget includes \$167,000 in Salary and Benefits for six months funding the two positions noted above as staff does not anticipate filling these positions until January 2019. In addition, the contingency was increased by \$16,700, since the calculation is based on the total budget.

**RECOMMENDED ACTIONS:**

1. Receive and File the Adopted 2019-2020 Operating Budget.

We would be pleased to respond to any questions you may have on this matter.

Sincerely,

Linda Webb  
 Retirement Administrator

Henry C. Solis, CPA  
 Chief Financial Officer

Attachment – Adopted Budget

**VENTURA COUNTY EMPLOYEES' RETIREMENT  
ASSOCIATION**

**ADOPTED OPERATING BUDGET**

**FISCAL YEAR  
2019-20**

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
STATUTORY LIMIT SCHEDULE  
ADOPTED BUDGET - FISCAL YEAR 2019 – 2020**

Government Code section 31580.2 provides for the adoption by the Board of Retirement an annual budget covering the entire expense of administration. This expense of administration is a direct charge against the earnings of the fund and shall not exceed the greater of twenty-one hundredths of one percent of the accrued actuarial liability of the system or two million dollars (\$2,000,000), as adjusted annually by the amount of the annual cost-of-living adjustment. Government Code section 31580.2(b) provides that expenditures for software, hardware and computer technology are not considered a cost of administration. The calculations of the maximum allowable budget and requested budget are summarized below.

	2018 -2019 ADOPTED	%	2018 -2019 ADJUSTED	%	2019-2020 ADOPTED	%
Accrued Actuarial Liability (6/30/17, 6/30/18)	\$ 5,703,396,000	N/A	\$ 5,703,396,000	N/A	\$ 6,129,758,000	N/A
Allowable Budget for Cost of Administration (21/100 of 1.0%)	11,977,100	0.21%	11,977,100	0.21%	12,872,500	0.21%
Salaries and Benefits	\$ 4,551,600	0.080%	\$ 4,472,100	0.078%	4,842,500	0.079%
Services and Supplies	1,016,000	0.018%	924,100	0.016%	921,800	0.015%
Information Technology (IT) - Support	55,700	0.001%	58,900	0.001%	55,700	0.001%
Total Administrative (Subject to CAP)	\$ 5,623,300	0.099%	\$ 5,455,100	0.095%	\$ 5,820,000	0.095%
Under Statutory Limitation	\$ 6,353,800	0.111%	\$ 6,522,000	0.114%	\$ 7,052,500	0.115%
Expenditures Exempt from CAP:						
Investment	575,400	0.010%	625,200	0.011%	720,000	0.012%
Information Technology (IT) - Exempt-CAP	874,900	0.015%	907,900	0.016%	1,155,500	0.019%
Other Expenditures	1,550,600	0.027%	1,655,600	0.029%	1,661,600	0.027%
Total Expenditures Exempt from CAP	\$ 3,000,900	0.052%	\$ 3,188,700	0.056%	\$ 3,537,100	0.058%
Combined:						
Administrative	\$ 5,623,300	0.099%	\$ 5,455,100	0.096%	\$ 5,820,000	0.095%
Expenditures Exempt from CAP	3,000,900	0.052%	3,188,700	0.056%	3,537,100	0.058%
Contingency	688,100	0.010%	668,500	0.012%	747,700	0.012%
Total Budget	\$ 9,312,300	0.161%	\$ 9,312,300	0.163%	\$ 10,104,800	0.165%

Business Meeting Agenda - VII.A. OLD BUSINESS: UPDATE TO BUDGET WITH POSITIONS APPROVED BY BOARD

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
 COMBINED UNITS  
 ADOPTED OPERATING BUDGET  
 FISCAL YEAR 2019 - 2020

	2017-18 ACTUAL	2018-2019 ADJUSTED BUDGET	2018-2019 PROJECTED	2019-2020 ADOPTED Administration	2019-2020 ADOPTED IT Support	2019-2020 ADOPTED Investment	2019-2020 ADOPTED IT-Exempt-CAP	2019-2020 ADOPTED Other Expenditures	2019-2020 ADOPTED COMBINED	ADOPTED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
<b>Salaries and Benefits:</b>											
Full-Time Equivalents	27.5	29.5	29.5	27.5	3.0	1.0	0.0	0.0	31.5	2.0	6.8%
<b>Salaries:</b>											
Regular Salary	\$2,783,022	\$3,158,800	\$3,149,189	\$2,743,200	\$314,300	\$241,700	\$0	\$0	\$3,299,200	\$140,400	4.4%
Overtime	(222)	0	0	0	0	0	0	0	0	0	#DIV/0!
Extra-Help/Temporary Services	148,634	158,500	158,474	20,900	150,000	0	0	0	170,900	12,400	7.8%
<b>Total Salaries</b>	<b>2,931,434</b>	<b>3,317,300</b>	<b>3,307,663</b>	<b>2,764,100</b>	<b>464,300</b>	<b>241,700</b>	<b>0</b>	<b>0</b>	<b>3,470,100</b>	<b>152,800</b>	<b>4.6%</b>
<b>Benefits:</b>											
Supplemental Payments	46,265	63,500	56,201	52,800	12,600	0	0	0	65,400	1,900	3.0%
Vacation Redemption	146,572	146,800	134,753	146,300	15,900	0	0	0	162,200	15,400	10.5%
Retirement Contributions	482,385	535,100	533,263	518,700	63,500	21,200	0	0	603,400	68,300	12.8%
OASDI Contribution	152,938	189,900	181,746	171,100	21,100	8,200	0	0	200,400	10,500	5.5%
FICA-Medicare	42,546	55,700	58,744	46,200	5,400	3,700	0	0	55,300	(400)	(0.7%)
Medical Insurance	253,264	325,400	317,431	318,800	30,100	11,700	0	0	360,600	35,200	10.8%
Retiree Health Insurance	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Life Insurance	1,074	1,100	1,189	1,200	100	0	0	0	1,300	200	18.2%
Unemployment Insurance	2,209	2,300	2,224	1,400	200	100	0	0	1,700	(600)	(26.1%)
Mgmt Disability Insurance	18,139	23,500	21,994	20,300	2,300	1,800	0	0	24,400	900	3.8%
Workers Compensation Insurance	20,832	23,600	23,762	95,000	11,800	7,200	0	0	114,000	90,400	383.1%
401K Plan Contribution	67,233	81,700	75,605	72,400	6,900	7,300	0	0	86,600	4,900	6.0%
<b>Total Benefits</b>	<b>1,233,457</b>	<b>1,448,600</b>	<b>1,406,912</b>	<b>1,444,200</b>	<b>169,900</b>	<b>61,200</b>	<b>0</b>	<b>0</b>	<b>1,675,300</b>	<b>226,700</b>	<b>15.6%</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$4,164,891</b>	<b>\$4,765,900</b>	<b>\$4,714,575</b>	<b>\$4,208,300</b>	<b>\$634,200</b>	<b>\$302,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,145,400</b>	<b>\$379,500</b>	<b>8.0%</b>
<b>Services &amp; Supplies:</b>											
Board Member Stipend	\$12,500	\$13,200	\$12,700	\$13,200	\$0	\$0	\$0	\$0	\$13,200	\$0	0.0%
Other Professional Services	240,142	205,900	193,100	93,000	0	0	0	0	93,000	(112,900)	(54.8%)
Auditing	43,829	51,400	51,335	101,400	0	0	0	0	101,400	50,000	97.3%
Hearing Officers	39,375	29,600	29,875	40,000	0	0	0	0	40,000	10,400	35.1%
Temporary Services	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Legal	296,291	322,000	321,647	75,000	0	350,000	0	0	425,000	103,000	32.0%
Election Services	12,196	5,000	4,900	0	0	0	0	0	0	(5,000)	(100.0%)
Actuary-Valuation	60,000	61,000	61,000	0	0	0	0	62,000	62,000	1,000	1.6%
Actuary-GASB 67	13,000	13,000	13,000	0	0	0	0	13,000	13,000	0	0.0%
Actuary-Assump/Exp	45,000	0	0	0	0	0	0	0	0	0	#DIV/0!
Actuary-415 Calculation	4,300	105,000	111,076	0	0	0	0	110,000	110,000	5,000	4.8%
Actuary-Misc Hrly Consult	14,055	16,000	10,364	0	0	0	0	16,000	16,000	0	0.0%
Actuary-Actuarial Audit	53,801	0	0	0	0	0	0	0	0	0	#DIV/0!
Printing	11,570	33,000	32,988	40,000	0	0	0	0	40,000	7,000	21.2%
Postage	55,245	70,000	69,986	65,000	0	0	0	0	65,000	(5,000)	(7.1%)
Copy Machine	2,658	3,000	2,982	4,500	0	0	0	0	4,500	1,500	50.0%
Insurance - General Liability	9,488	15,100	15,143	15,200	0	0	0	0	15,200	100	0.7%
Insurance - Fiduciary Liability	84,488	83,700	83,609	86,000	0	0	0	0	86,000	2,300	2.7%
Cost Allocation Charges	33,470	30,200	30,199	34,400	0	0	0	0	34,400	4,200	13.9%
Education Allowance	4,000	4,000	4,000	6,000	0	0	0	0	6,000	2,000	50.0%

Business Meeting Agenda - VII.A. OLD BUSINESS: UPDATE TO BUDGET WITH POSITIONS APPROVED BY BOARD

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
 COMBINED UNITS  
 ADOPTED OPERATING BUDGET  
 FISCAL YEAR 2019 - 2020

	2017-18 ACTUAL	2018-2019 ADJUSTED BUDGET	2018-2019 PROJECTED	2019-2020 ADOPTED Administration	2019-2020 ADOPTED IT Support	2019-2020 ADOPTED Investment	2019-2020 ADOPTED IT-Exempt-CAP	2019-2020 ADOPTED Other Expenditures	2019-2020 ADOPTED COMBINED	ADOPTED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
Training/Travel-Staff	34,695	51,600	45,735	35,800	14,800	14,000	0	0	64,600	13,000	25.2%
Training/Travel-Trustee	30,111	29,000	25,420	18,200	0	20,000	0	0	38,200	9,200	31.7%
Travel-Due Diligence-Staff	4,212	7,800	13,052	0	0	9,300	0	0	9,300	1,500	19.2%
Travel-Due Diligence-Trustee	6,509	13,400	12,229	0	0	13,600	0	0	13,600	200	1.5%
Mileage-Staff	2,374	4,800	3,833	3,500	300	1,000	0	0	4,800	0	0.0%
Mileage -Trustee	3,424	3,500	2,684	4,000	0	1,000	0	0	5,000	1,500	42.9%
Mileage-Due Diligence-Staff	386	1,000	543	0	0	1,000	0	0	1,000	0	0.0%
Mileage-Due Diligence-Trustee	237	1,000	449	0	0	1,000	0	0	1,000	0	0.0%
Auto Allowance	6,900	6,900	6,900	6,900	0	0	0	0	6,900	0	0.0%
Facilities-Security	3,315	2,700	3,154	2,400	300	0	0	0	2,700	0	0.0%
Facilities-Maint & Repairs	3,673	1,300	1,050	2,500	800	0	0	0	3,300	2,000	153.8%
Equipment-Maint & Repairs	114	1,000	1,000	2,000	0	0	0	0	2,000	1,000	100.0%
General Office Expense	10,043	6,400	6,252	8,000	0	2,400	0	0	10,400	4,000	62.5%
Books & Publications	1,025	2,500	1,732	1,500	500	500	0	0	2,500	0	0.0%
Office Supplies	11,417	14,000	13,933	17,000	0	0	0	0	17,000	3,000	21.4%
Memberships & Dues	14,493	13,500	14,588	12,600	400	3,300	0	0	16,300	2,800	20.7%
Bank Service Charges	1,494	1,500	1,528	500	0	0	0	0	500	(1,000)	(66.7%)
Offsite Storage	2,830	4,800	6,642	5,200	0	0	0	0	5,200	400	8.3%
Claims, Judgements & Court Ord	555	0	0	0	0	0	0	0	0	0	#DIV/0!
Rents/Leases-Equipment	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Rents/Leases-Structures	210,970	217,600	217,109	210,900	0	0	0	0	210,900	(6,700)	(3.1%)
Non-Capital Equipment	0	0	0	0	0	0	0	0	0	0	#DIV/0!
Non-Capital Furniture	20,256	5,100	5,125	0	0	0	0	0	0	(5,100)	(100.0%)
Depreciation /Amortization	1,452,381	1,460,600	1,460,594	0	0	0	0	1,460,600	1,460,600	0	0.0%
<b>Total Services &amp; Supplies</b>	<b>\$2,856,822</b>	<b>\$2,911,100</b>	<b>\$2,891,456</b>	<b>\$904,700</b>	<b>\$17,100</b>	<b>\$417,100</b>	<b>\$0</b>	<b>\$1,661,600</b>	<b>\$3,000,500</b>	<b>\$89,400</b>	<b>3.1%</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$7,021,713</b>	<b>\$7,677,000</b>	<b>\$7,606,031</b>	<b>\$5,113,000</b>	<b>\$651,300</b>	<b>\$720,000</b>	<b>\$0</b>	<b>\$1,661,600</b>	<b>\$8,145,900</b>	<b>\$468,900</b>	<b>6.1%</b>
<b>Technology:</b>											
Technology-Hardware	19,760	\$67,100	\$62,902	\$0	\$0	\$0	\$118,500	\$0	\$118,500	\$51,400	76.6%
Technology-Hardware Support	7,235	0	3,968	0	0	0	0	0	0	0	#DIV/0!
Technology-Software Lic & Maint	205,906	214,600	206,241	0	0	0	60,000	0	60,000	(154,600)	(72.0%)
Technology-Software Support & Maint	12,117	15,500	11,448	0	0	0	41,500	0	41,500	26,000	167.7%
Technology-Cloud Services	313,215	266,800	266,574	0	0	0	3,600	0	3,600	(263,200)	(98.7%)
Technology-Website Support	0	0	0	0	0	0	8,900	0	8,900	8,900	#DIV/0!
Technology-Infrastructure Suppor	185	500	540	0	0	0	168,100	0	168,100	167,600	33520.0%
Technology-V3 Software & VSG											
Hosting	614,176	343,400	356,143	0	0	0	754,900	0	754,900	411,500	119.8%
Technology-Data Communication	52,068	58,900	58,902	0	55,700	0	0	0	55,700	(3,200)	(5.4%)
<b>Total Technology</b>	<b>\$1,224,663</b>	<b>\$966,800</b>	<b>\$966,719</b>	<b>\$0</b>	<b>\$55,700</b>	<b>\$0</b>	<b>\$1,155,500</b>	<b>\$0</b>	<b>\$1,211,200</b>	<b>\$244,400</b>	<b>25.3%</b>
<b>Total Before Contingency</b>	<b>\$8,246,376</b>	<b>\$8,643,800</b>	<b>\$8,572,750</b>	<b>\$5,113,000</b>	<b>\$707,000</b>	<b>\$720,000</b>	<b>\$1,155,500</b>	<b>\$1,661,600</b>	<b>\$9,357,100</b>	<b>\$713,300</b>	<b>8.3%</b>
Contingency	532,800	668,500	0						747,700	79,200	11.8%
<b>Total</b>	<b>\$8,779,176</b>	<b>\$9,312,300</b>	<b>\$8,572,750</b>	<b>\$5,113,000</b>	<b>\$707,000</b>	<b>\$720,000</b>	<b>\$1,155,500</b>	<b>\$1,661,600</b>	<b>\$10,104,800</b>	<b>\$792,500</b>	<b>9.2%</b>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
POSITION DETAIL BY CLASSIFICATION  
ADOPTED BUDGET**

Position Code	Position/Class Description	Biweekly Salary Range		ADOPTED		ADJUSTED		ADOPTED	
				FY 2018-19		FY 2018-19		FY 2019-20	
				FTE	POS	FTE	POS	FTE	POS
00623	Benefits Specialist (Program Administrator II)	2,550.50	3,571.05	13.0	13.0	13.0	13.0	13.0	13.0
00912	Senior Accountant - MB	2,559.49	3,583.28	1.0	1.0	1.0	1.0	1.0	1.0
00946	Manager, Accounting I	3,150.71	4,410.99	1.0	1.0	1.0	1.0	1.0	1.0
00981	Chief Financial Officer - Retirement	4,730.10	7,717.91	1.0	1.0	1.0	1.0	1.0	1.0
00982	General Counsel - Retirement	6,173.09	9,247.07	1.0	1.0	1.0	1.0	1.0	1.0
00983	Retirement Chief Operations Officer	3,856.14	6,795.72	1.0	1.0	1.0	1.0	1.0	1.0
00984	Retirement Chief Investment Officer	4,894.47	9,247.07	1.0	1.0	1.0	1.0	1.0	1.0
01174	Communications Officer (Senior Program Administrator)	3,000.94	4,201.73	1.0	1.0	1.0	1.0	1.0	1.0
01174	Senior Program Administrator	3,000.94	4,201.73	2.0	2.0	2.0	2.0	2.0	2.0
01350	Office Assistant III - Confidential	1,592.79	2,230.12	2.0	2.0	2.0	2.0	2.0	2.0
01318	Legal Management Asst III-C	1,990.93	2,787.30	0.5	0.5	0.5	0.5	0.5	0.5
01489	Program Assistant-NE	2,284.52	3,198.64	1.0	1.0	1.0	1.0	2.0	2.0
01617	Chief Technology Officer (Mgr Application Development)	4,003.30	5,605.17	1.0	1.0	1.0	1.0	1.0	1.0
01711	Staff Services Manager III (VCERA position name TBD)	3,219.16	4,507.27	0.0	0.0	0.0	0.0	1.0	1.0
01710	Benefits Manager (Staff Services Manager II)	3,000.94	4,201.73	2.0	2.0	2.0	2.0	2.0	2.0
01814	Retirement Administrator	6,555.56	10,247.57	1.0	1.0	1.0	1.0	1.0	1.0
	<b>Total</b>			<b>29.5</b>	<b>29.5</b>	<b>29.5</b>	<b>29.5</b>	<b>31.5</b>	<b>31.5</b>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**ADMINISTRATION**  
**ADOPTED BUDGET**  
**FISCAL YEAR 2019 - 2020**

	2017-18 ACTUAL	2018-2019 ADJUSTED BUDGET	2018-2019 PROJECTED	2019-2020 ADOPTED Administration	ADOPTED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
<b><u>Salaries and Benefits:</u></b>						
Full-Time Equivalents	25.5	27.5	27.5	27.5	0.0	0.0%
<b><u>Salaries:</u></b>						
Regular Salary	\$2,600,034	\$2,833,100.00	\$2,824,030	\$2,743,200	(\$89,900)	(3.2%)
Overtime	(222)	0	0	0	0	#DIV/0!
Extra-Help/Temporary Services	148,634	158,500.00	158,474	20,900	(137,600)	(86.8%)
<b>Total Salaries</b>	<b>2,748,446</b>	<b>2,991,600</b>	<b>2,982,503</b>	<b>2,764,100</b>	<b>(227,500)</b>	<b>(7.6%)</b>
<b><u>Benefits:</u></b>						
Supplemental Payments	44,697	58,500.00	52,018	52,800	(5,700)	(9.7%)
Vacation Redemption	146,572	146,800.00	134,753	146,300	(500)	(0.3%)
Retirement Contributions	459,739	498,300.00	497,523	518,700	20,400	4.1%
OASDI Contribution	144,584	173,300.00	167,059	171,100	(2,200)	(1.3%)
FICA-Medicare	39,563	49,200.00	51,715	46,200	(3,000)	(6.1%)
Medical Insurance	244,824	305,800.00	298,960	318,800	13,000	4.3%
Retiree Health Insurance	0	0	0	0	0	#DIV/0!
Life Insurance	1,029	1,100.00	1,122	1,200	100	9.1%
Unemployment Insurance	2,023	2,000.00	1,993	1,400	(600)	(30.0%)
Mgmt Disability Insurance	17,069	20,600.00	19,902	20,300	(300)	(1.5%)
Workers Compensation Insurance	19,709	21,100.00	21,792	95,000	73,900	350.2%
401K Plan Contribution	61,951	70,000	67,542	72,400	2,400	3.4%
<b>Total Benefits</b>	<b>1,181,760</b>	<b>1,346,700</b>	<b>1,314,380</b>	<b>1,444,200</b>	<b>97,500</b>	<b>7.2%</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$3,930,206</b>	<b>\$4,338,300</b>	<b>\$4,296,883</b>	<b>\$4,208,300</b>	<b>(\$130,000)</b>	<b>(3.0%)</b>
<b><u>Services &amp; Supplies:</u></b>						
Board Member Stipend	\$12,500	\$13,200	\$12,700	\$13,200	\$0	0.0%
Other Professional Services	116,137	94,300	101,050	93,000	(1,300)	(1.4%)
Auditing	43,829	51,400	51,335	101,400	50,000	97.3%
Hearing Officers	39,375	29,600	29,875	40,000	10,400	35.1%
Legal	36,714	40,000	39,972	75,000	35,000	87.5%
Election Services	12,196	5,000	4,900	0	(5,000)	(100.0%)
Actuary-Valuation	0	0	0	0	0	#DIV/0!
Actuary-GASB 67	0	0	0	0	0	#DIV/0!
Actuary-Assump/Exp	0	0	0	0	0	#DIV/0!
Actuary-415 Calculation	0	0	0	0	0	#DIV/0!
Actuary-Misc Hrly Consult	0	0	0	0	0	#DIV/0!
Actuary-Actuarial Audit	0	0	0	0	0	#DIV/0!
Advertising	0	0	0	0	0	#DIV/0!
Printing	11,570	33,000	32,988	40,000	7,000	21.2%
Postage	55,245	70,000	69,986	65,000	(5,000)	(7.1%)
Courier	0	0	0	0	0	#DIV/0!
Telephone	0	0	0	0	0	#DIV/0!
Copy Machine	2,658	3,000	2,982	4,500	1,500	50.0%
Insurance - General Liability	9,488	15,100	15,143	15,200	100	0.7%
Insurance - Fiduciary Liability	84,488	83,700	83,609	86,000	2,300	2.7%
Cost Allocation Charges	33,470	30,200	30,199	34,400	4,200	13.9%
Education Allowance	4,000	4,000	2,000	6,000	2,000	50.0%



**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**ADMINISTRATION**  
**ADOPTED BUDGET**  
**FISCAL YEAR 2019 - 2020**

	2017-18 ACTUAL	2018-2019 ADJUSTED BUDGET	2018-2019 PROJECTED	2019-2020 ADOPTED Administration	ADOPTED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
Training/Travel-Staff	28,895	36,900	36,794	35,800	(1,100)	(3.0%)
Training/Travel-Trustee	16,147	19,000	19,009	18,200	(800)	(4.2%)
Travel-Due Diligence-Staff	0	0	0	0	0	#DIV/0!
Travel-Due Diligence-Trustee	1,958	0	0	0	0	#DIV/0!
Mileage-Staff	2,092	3,500	3,262	3,500	0	0.0%
Mileage -Trustee	3,333	2,500	2,430	4,000	1,500	60.0%
Mileage-Due Diligence-Staff	0	0	0	0	0	#DIV/0!
Mileage-Due Diligence-Trustee	166	0	0	0	0	#DIV/0!
Auto Allowance	6,900	6,900	6,900	6,900	0	0.0%
Facilities-Security	3,177	2,400	2,806	2,400	0	0.0%
Facilities-Maint & Repairs	2,624	500	500	2,500	2,000	400.0%
Equipment-Maint & Repairs	0	1,000	1,000	2,000	1,000	100.0%
General Office Expense	8,446	4,000	3,712	8,000	4,000	100.0%
Books & Publications	930	1,500	1,000	1,500	0	0.0%
Office Supplies	11,417	14,000	13,933	17,000	3,000	21.4%
Memberships & Dues	10,440	9,800	9,958	12,600	2,800	28.6%
Bank Service Charges	1,494	1,500	1,528	500	(1,000)	(66.7%)
Offsite Storage	2,830	4,800	6,642	5,200	400	8.3%
Claims, Judgements & Court Ord	555	0	0	0	0	#DIV/0!
Rents/Leases-Equipment	0	0	0	0	0	#DIV/0!
Rents/Leases-Structures	210,970	217,600	217,109	210,900	(6,700)	(3.1%)
Non-Capital Equipment	0	0	0	0	0	#DIV/0!
Non-Capital Furniture	20,256	5,100	5,125	0	(5,100)	(100.0%)
Depreciation /Amortization	0	0	0	0	0	#DIV/0!
<b>Total Services &amp; Supplies</b>	<b>\$794,301</b>	<b>\$803,500</b>	<b>\$808,447</b>	<b>\$904,700</b>	<b>\$101,200</b>	<b>12.6%</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$4,724,507</b>	<b>\$5,141,800</b>	<b>\$5,105,330</b>	<b>\$5,113,000</b>	<b>(\$28,800)</b>	<b>(0.6%)</b>
<b>Total</b>	<b>\$4,724,507</b>	<b>\$5,141,800</b>	<b>\$5,105,330</b>	<b>\$5,113,000</b>	<b>(\$28,800)</b>	<b>(0.6%)</b>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
INFORMATION TECHNOLOGY (I/T) SUPPORT (Subject to CAP)  
ADOPTED BUDGET  
FISCAL YEAR 2019 - 2020**

	2017-18 ACTUAL	2018-2019 ADJUSTED BUDGET	2018-2019 PROJECTED	2019-2020 ADOPTED IT Support	ADOPTED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
<b><u>Salaries and Benefits:</u></b>						
Full-Time Equivalents	1.0	1.0	1.0	3.0	2.0	200.0%
<b><u>Salaries:</u></b>						
Regular Salary	\$0	\$87,200	\$86,649	\$314,300	\$227,100	260.4%
Overtime	0	0	0	0	0	#DIV/0!
Extra-Help/Temporary Services	0	0	0	150,000	150,000	#DIV/0!
<b>Total Salaries</b>	<b>0</b>	<b>87,200</b>	<b>86,649</b>	<b>464,300</b>	<b>377,100</b>	<b>432.5%</b>
<b><u>Benefits:</u></b>						
Supplemental Payments	0	5,000	4,182	12,600	7,600	152.0%
Vacation Redemption	0	0	0	15,900	15,900	#DIV/0!
Retirement Contributions	0	16,800	15,813	63,500	46,700	278.0%
OASDI Contribution	0	6,900	6,045	21,100	14,200	205.8%
FICA-Medicare	0	2,300	1,414	5,400	3,100	134.8%
Medical Insurance	0	8,700	7,449	30,100	21,400	246.0%
Retiree Health Insurance	0	0	0	0	0	#DIV/0!
Life Insurance	0	0	26	100	100	#DIV/0!
Unemployment Insurance	0	100	64	200	100	100.0%
Mgmt Disability Insurance	0	1,100	642	2,300	1,200	109.1%
Workers Compensation Insurance	0	1,200	706	11,800	10,600	883.3%
401K Plan Contribution	0	4,500	908	6,900	2,400	53.3%
<b>Total Benefits</b>	<b>0</b>	<b>46,600</b>	<b>37,250</b>	<b>169,900</b>	<b>123,300</b>	<b>264.6%</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$0</b>	<b>\$133,800</b>	<b>\$123,899</b>	<b>\$634,200</b>	<b>\$500,400</b>	<b>374.0%</b>
<b><u>Services &amp; Supplies:</u></b>						
Board Member Stipend	\$0	\$0	\$0	\$0	\$0	#DIV/0!
Other Professional Services	124,005	111,600	92,050	0	(111,600)	(100.0%)
Education Allowance	0	0	2,000	0	0	#DIV/0!
Training/Travel-Staff	0	6,700	4,600	14,800	8,100	120.9%
Mileage-Staff	0	300	300	300	0	0.0%
Facilities-Security	138	300	348	300	0	0.0%
Facilities-Maint & Repairs	1,050	800	550	800	0	0.0%
Books & Publications	95	500	228	500	0	0.0%
Office Supplies	0	0	0	0	0	#DIV/0!
Memberships & Dues	750	400	300	400	0	0.0%
Depreciation /Amortization	0	0	0	0	0	#DIV/0!
<b>Total Services &amp; Supplies</b>	<b>\$126,037</b>	<b>\$120,600</b>	<b>\$100,376</b>	<b>\$17,100</b>	<b>(\$103,500)</b>	<b>(85.8%)</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$126,037</b>	<b>\$254,400</b>	<b>\$224,275</b>	<b>\$651,300</b>	<b>\$396,900</b>	<b>156.0%</b>
<b><u>Technology:</u></b>						
Technology-Data Communication	52,068	58,900	58,902	55,700	(3,200)	(5.4%)
<b>Total Technology</b>	<b>\$52,068</b>	<b>\$58,900</b>	<b>\$58,902</b>	<b>\$55,700</b>	<b>(\$3,200)</b>	<b>(5.4%)</b>
<b>Total</b>	<b>\$178,105</b>	<b>\$313,300</b>	<b>\$283,178</b>	<b>\$707,000</b>	<b>\$393,700</b>	<b>125.7%</b>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
INVESTMENT  
ADOPTED BUDGET  
FISCAL YEAR 2019 - 2020**

	2017-18 ACTUAL	2018-2019 ADJUSTED BUDGET	2018-2019 PROJECTED	2019-2020 ADOPTED Investment	ADOPTED/ ADJUSTED VARIANCE	% INCREASE/ (DECREASE)
<b><u>Salaries and Benefits:</u></b>						
Full-Time Equivalents	1.0	1.0	1.0	1.0	0.0	0.0%
<b><u>Salaries:</u></b>						
Regular Salary	\$182,988	\$238,500	\$238,511	\$241,700	\$3,200	1.3%
Overtime	0	0	0	0	0	#DIV/0!
Extra-Help/Temporary Services	0	0	0	0	0	#DIV/0!
<b>Total Salaries</b>	<b>182,988</b>	<b>238,500</b>	<b>238,511</b>	<b>241,700</b>	<b>3,200</b>	<b>1.3%</b>
<b><u>Benefits:</u></b>						
Supplemental Payments	1,568	0	0	0	0	#DIV/0!
Vacation Redemption	0	0	0	0	0	#DIV/0!
Retirement Contributions	22,646	20,000	19,927	21,200	1,200	6.0%
OASDI Contribution	8,354	9,700	8,642	8,200	(1,500)	(15.5%)
FICA-Medicare	2,983	4,200	5,615	3,700	(500)	(11.9%)
Medical Insurance	8,440	10,900	11,022	11,700	800	7.3%
Retiree Health Insurance	0	0	0	0	0	#DIV/0!
Life Insurance	45	0	40	0	0	#DIV/0!
Unemployment Insurance	186	200	167	100	(100)	(50.0%)
Mgmt Disability Insurance	1,070	1,800	1,450	1,800	0	0.0%
Workers Compensation Insurance	1,123	1,300	1,264	7,200	5,900	453.8%
401K Plan Contribution	5,282	7,200	7,155	7,300	100	1.4%
<b>Total Benefits</b>	<b>51,697</b>	<b>55,300</b>	<b>55,282</b>	<b>61,200</b>	<b>5,900</b>	<b>10.7%</b>
<b>Total Salaries &amp; Benefits</b>	<b>\$234,685</b>	<b>\$293,800</b>	<b>\$293,793</b>	<b>\$302,900</b>	<b>\$9,100</b>	<b>3.1%</b>
<b><u>Services &amp; Supplies:</u></b>						
Board Member Stipend	\$0	\$0	\$0	\$0	\$0	#DIV/0!
Legal	259,577	282,000	281,675	350,000	68,000	24.1%
Training/Travel-Staff	5,800	8,000	4,341	14,000	6,000	75.0%
Training/Travel-Trustee	13,964	10,000	6,411	20,000	10,000	100.0%
Travel-Due Diligence-Staff	4,212	7,800	13,052	9,300	1,500	19.2%
Travel-Due Diligence-Trustee	4,552	13,400	12,229	13,600	200	1.5%
Mileage-Staff	282	1,000	271	1,000	0	0.0%
Mileage -Trustee	90	1,000	254	1,000	0	0.0%
Mileage-Due Diligence-Staff	386	1,000	543	1,000	0	0.0%
Mileage-Due Diligence-Trustee	71	1,000	449	1,000	0	0.0%
General Office Expense	1,597	2,400	2,540	2,400	0	0.0%
Books & Publications	0	500	504	500	0	0.0%
Memberships & Dues	3,303	3,300	4,330	3,300	0	0.0%
Depreciation /Amortization	0	0	0	0	0	#DIV/0!
<b>Total Services &amp; Supplies</b>	<b>\$293,833</b>	<b>\$331,400</b>	<b>\$326,599</b>	<b>\$417,100</b>	<b>\$85,700</b>	<b>25.9%</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$528,518</b>	<b>\$625,200</b>	<b>\$620,392</b>	<b>\$720,000</b>	<b>\$94,800</b>	<b>15.2%</b>
<b>Total</b>	<b>\$528,518</b>	<b>\$625,200</b>	<b>\$620,392</b>	<b>\$720,000</b>	<b>\$94,800</b>	<b>15.2%</b>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
INFORMATION TECHNOLOGY - EXEMPT-CAP  
ADOPTED BUDGET  
FISCAL YEAR 2019 - 2020**

	<b>2017-18 ACTUAL</b>	<b>2018-2019 ADJUSTED BUDGET</b>	<b>2018-2019 PROJECTED</b>	<b>2019-2020 ADOPTED IT-Exempt-CAP</b>	<b>ADOPTED/ ADJUSTED VARIANCE</b>	<b>% INCREASE/ (DECREASE)</b>
<b><u>Technology:</u></b>						
Technology-Hardware	\$19,760	\$67,100	\$62,902	\$118,500	\$51,400	76.6%
Technology-Hardware Support	7,235	0	3,968	0	0	#DIV/0!
Technology-Software Lic & Maint	205,906	214,600	206,241	60,000	(154,600)	(72.0%)
Technology-Software Support & Maint	12,117	15,500	11,448	41,500	26,000	167.7%
Technology-Cloud Services	313,215	266,800	266,574	3,600	(263,200)	(98.7%)
Technology-Website Support	0	0	0	8,900	8,900	#DIV/0!
Technology-Infrastructure Support	185	500	540	168,100	167,600	33520.0%
Technology-V3 Software & VSG						
Hosting	614,176	343,400	356,143	754,900	411,500	119.8%
Technology-Data Communication	0	0	0	0	0	#DIV/0!
<b>Total Technology</b>	<b>\$1,172,595</b>	<b>\$907,900</b>	<b>\$907,816</b>	<b>\$1,155,500</b>	<b>\$247,600</b>	<b>27.3%</b>
<b>Total</b>	<b>\$1,172,709</b>	<b>\$907,900</b>	<b>\$907,816</b>	<b>\$1,155,500</b>	<b>\$247,600</b>	<b>27.3%</b>

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
OTHER EXPENDITURES  
ADOPTED BUDGET  
FISCAL YEAR 2019 - 2020**

	<b>2017-18 ACTUAL</b>	<b>2018-2019 ADJUSTED BUDGET</b>	<b>2018-2019 PROJECTED</b>	<b>2019-2020 ADOPTED Other Expenditures</b>	<b>ADOPTED/ ADJUSTED VARIANCE</b>	<b>% INCREASE/ (DECREASE)</b>
<b><i>Services &amp; Supplies:</i></b>						
Board Member Stipend	\$0	\$0	\$0	\$0	\$0	#DIV/0!
Actuary-Valuation	60,000	61,000	61,000	62,000	1,000	1.6%
Actuary-GASB 67	13,000	13,000	13,000	13,000	0	0.0%
Actuary-Assump/Exp	45,000	0	0	0	0	#DIV/0!
Actuary-415 Calculation	4,300	105,000	111,076	110,000	0	0.0%
Actuary-Misc Hrly Consult	14,055	16,000	10,364	16,000	0	0.0%
Actuary-Actuarial Audit	53,801	0	0	0	0	#DIV/0!
Depreciation /Amortization	1,452,381	1,460,600	1,460,594	1,460,600	0	0.0%
<b>Total Services &amp; Supplies</b>	<b>\$1,642,537</b>	<b>\$1,655,600</b>	<b>\$1,656,034</b>	<b>\$1,661,600</b>	<b>\$1,000</b>	<b>0.1%</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$1,642,537</b>	<b>\$1,655,600</b>	<b>\$1,656,034</b>	<b>\$1,661,600</b>	<b>\$6,000</b>	<b>0.4%</b>
<b>Total</b>	<b>\$1,642,537</b>	<b>\$1,655,600</b>	<b>\$1,656,034</b>	<b>\$1,661,600</b>	<b>\$1,000</b>	<b>0.1%</b>



June 17, 2019

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

**SUBJECT: RECOMMENDATION TO APPROVE OFFICE RENOVATION BUDGET**

Dear Board Members:

In May, the Board of Retirement approved an office lease renewal for VCERA's current location at 1190 S. Victoria in Ventura, as well as the engagement of a project manager to manage the pending office renovations. At that time, staff and the committee communicated that the overall costs consisted not only of rental payments, but also the Build-Out Plan, including tenant improvements (less landlord contribution), cabling, moving existing offices, and purchasing new furnishings and fixtures. Though the Build-Out Plan was anticipated to be costly, overall it was determined that this option was the most cost effective, given the options available.

The next step was for staff to work with the Project Manager to compile cost data to present to the Board at a later date for authorization and necessary budgetary adjustments. This will be done in coordination with the Project Manager, if the recommendation is approved.

Staff has been working with the Project Manager, Anne Barronton of CBRE, to provide the projected cost for the pending renovation work, which will serve as a complete "refresh" of the entire 2<sup>nd</sup> floor. In addition to the construction work required to expand VCERA's space to include the entire floor, the planned project also provides for new cubicles (with adjustable desk functionality) throughout the office, and several technological upgrades, most of which are either long overdue or require additional wiring and thus a logical part of an overall refresh. A significant portion of those upgrades include the costs to upgrade the boardroom audio-visual capability, allowing for improved and expanded functionality for both Board use and for future member education sessions.

The real estate committee tasked with recommending lease and other considerations to the Board was given a rough estimate in April of \$1,034,000, exclusive of contingency amounts, accommodation of tariffs or other cost issues and allowing for the landlord's tenant allowance. The latest estimate compiled by the project manager in coordination with staff is \$1,184,000, inclusive of contingency, and also allowing for the landlord's tenant allowance. (Removal of the

## **VCERA OFFICE BUILD-OUT BUDGET RECOMMENDATION**

June 17, 2019

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contingency of \$202,000 would bring the actual cost to \$982,000 - or approximately 5% lower than originally anticipated.)

As mentioned during the presentation of the proposed budget in May 2019, the costs for the office renovation were not included in proposed budget due to timing of the lease renewal and insufficient time to solidify the Build-Out Plan costs. Staff will be requesting that the Board approve the inclusion of an additional \$1,184,000 to the adopted budget to cover the cost of the renovation with no adjustment to the overall budget contingency.

### **Cost Projections and Considerations**

Apart from project management fees previously approved, the main drivers of cost in the projected renovation budget fall into these categories:

- 1) Hard Costs: general contracting fees, required upgrades and fees, and contingency with potential tariff impact;
- 2) Soft Costs: architect, consultant(s), etc. with contingency;
- 3) Furniture, Fixtures and Electrical (FF&E): new cubicles, furnishings, etc.

#### Hard Costs

The general contractor figure(s) shown, reflect the lowest responsible bid that was received. This bid is from a contractor with whom VCERA has had positive experience and is familiar with the building from past work.

#### Soft Costs

The consultant/professional costs anticipated are listed, including \$20,000 for AV & security consultant. Staff recommends using Brentwood I.T. as this vendor. The high quality of the previous work by Brentwood I.T. would provide VCERA with confidence.

#### FF&E

The largest driver of the FF&E cost figure is clearly that of furniture, the cost of which is based on an estimate provided by the Project Manager until an estimate is provided from the County of Ventura-approved furniture vendor, with the associated County of Ventura-negotiated discount. This vendor has been used by the County of Ventura County-wide, including the recent renovations in the Auditor-Controller's office. The proposed layout will slightly reduce individual cubicle size to allow for future growth and incorporate ergonomic sit/stand workstations for all staff members.

### **Upgrades & Improvements**

Staff recommends that part of the overall renovation include some technological improvements in coordination with the wiring/cabling work pending as part of the construction. These include: expansion/upgrade of the existing server room, and enhanced audio/visual capability in the board room.

Server room – The current networking equipment is at capacity and a new rack is required to accommodate additional equipment to support the growing infrastructure

**VCERA OFFICE BUILD-OUT BUDGET RECOMMENDATION**

June 17, 2019

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due to layout changes with the floor plan and cubicle placement, additional staffing and preparation for future growth. Also, if the recommended audio/visual enhancements are adopted, VCERA will need to accommodate a server and processing equipment for audio capture in the Boardroom. A new rack also will provide the ability to upgrade the backup batteries that support the servers (to a redundant design) in the event of a power failure.

The increase to the overall size of the room will not only increase ADA accessibility, but will also accommodate the larger rack to house the network, servers and backup batteries for current and future infrastructure expansion as well as incorporate redundant battery backup (VCERA does not have a generator).

The estimated costs that accompany the increased size of the server room are the A/C and Fire Suppression System. The AC will need to be relocated and the Fire Suppression System will need to be upgraded to accommodate the increased size of the room and relocation of the emergency release switch and strobe light is required due to the new placement of the door.

Enhanced Audio/Visual - The current Boardroom A/V equipment has functioned adequately, but poor voice projection and recording quality has been an ongoing concern. To better project the Board Members so that the audience can hear clearly and provide clear digital audio capturing software, higher quality microphones are needed. Currently the Board Clerk records Board meetings on a pocket recorder; audio transcription software is being included to capture remarks and convert them to text automatically. With plans to use this room for training and member education, a wireless lapel microphone has been included to allow the presenter to freely walk about the room. Video conferencing hardware has been recommended to provide the ability to stream/record Board meetings, interact with presenters, and allow for enhanced member education in the future through high end cameras.

If all of these upgrades are performed, the costs include:

- Wireless Microphones (Gooseneck and Lapel);
- Audio recording and transcription software and hardware;
- Video Conferencing hardware;
- Control center/device to manage the microphones during Board meetings.

If the Board chooses to delay these upgrades, staff recommends the Boardroom cabling be performed during this remodel to reduce potential higher costs during additional phases in the future.

Security Cameras and additional Wireless Access Points – Both the Technology Officer and I.T. consultant recommend two additional security cameras and new Wireless Access Points (the five current ones are 4-5 years old). Upgrading would allow VCERA to benefit from the latest changes to encryption and security protocols. The total cost for the new access points and the additional security cameras is \$10,000.



**VCERA OFFICE BUILD-OUT BUDGET RECOMMENDATION**

June 17, 2019

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**Review of Invoices and Issuing of Payments**

Once the general contractor selection is formalized, VCERA and MF Daily will issue a joint letter of intent, after which MF Daily as the property owner will hold the contract. As work is done, the general contractor will issue pay applications to MF Daily, which will be reviewed by VCERA, the Project Manager, and the architect. (After initial pay application, subsequent pay applications will require receipt of unconditional lien waiver from the general contractor for prior pay application before next application will be submitted by reviewing parties for MF Daily to process.)

The first submitted pay applications will be paid by MF Daily and the allotted tenant improvement allowance (TIA) will be decremented. Once the TIA is expended, MF Daily will continue to pay the general contractor pay applications and request that VCERA issue reimbursement through invoicing.

**Summary**

The Build-Out Plan budget reflects a good faith effort to encompass all anticipated costs at reasonable market rates, and to allow for practical upgrades. It also will update and refresh the entire office environment for years to come to the benefit of the VCERA's performance and service to members.

Staff is also recommending that the Real Estate Subcommittee remain engaged to monitor progress for the duration of the project build out.

**RECOMMENDED ACTION:**

- 1. Approve the attached project cost plan;**
- 2. Authorize the Retirement Administrator to proceed awarding the construction to the lowest responsible General Contractor and issue joint letter of intent (LOI) with MF Daily;**
- 3. Authorize the following budgetary adjustments to the FY 2019-20 Budget:  
*Increase Capitalized Structures \$1,184,000.***

Staff and Ms. Barronton would be pleased to answer any questions you may have on this subject at our June 17, 2019, business meeting.

Sincerely,



Linda Webb

Retirement Administrator

Attachment: Projected Renovation Budget



DATE: 5/21/2019  
 UPDATED: 6/13/2019

**PROJECT COST MONITOR**  
 VCERA  
 1190 S. VICTORIA AVENUE; Ste 207 exp  
 VENTURA, CA

CATEGORY / ITEM		ROM BUDGET 6/10/19	COSTS / RSF
<b>1.0</b>	<b>TENANT COSTS</b>		
<b>1.1</b>	<b>SOFT COSTS</b>		
		<b>SOFT COSTS</b>	
1.1.1	Architect Consultant (SUBIC)	\$ 19,000	\$ 1.85
1.1.2	MEP Engineer Consultant (SEE HARD COST)	\$ -	\$ -
1.1.3	AV & Security Consultant (VENDOR NAME)	\$ 20,000	\$ 1.94
1.1.4	Acoustical Consultant (VENDOR NAME)	\$ -	\$ -
1.1.5	Lighting Consultants (VENDOR NAME)	\$ -	\$ -
1.1.6	Move Management (VENDOR NAME)	\$ -	\$ -
1.1.7	Other Consultants (Test Fit Reimbursement)	\$ (1,235)	\$ (0.12)
1.1.8	Other Consultants (VENDOR NAME)	\$ -	\$ -
1.1.9	Other Consultants (VENDOR NAME)	\$ -	\$ -
1.1.10	Other Consultants (VENDOR NAME)	\$ -	\$ -
1.1.P	Plan Check Costs (Est @ .75% Hard Costs)	\$ 3,285	\$ 0.34
1.1.R	Reimbursables (5%)	\$ 1,888	\$ 0.18
1.1.C	Contingency (10%)	\$ 4,105	\$ 0.40
	<b>TOTAL SOFT COSTS</b>	<b>\$ 47,044</b>	<b>\$ 4.57</b>
<b>1.2</b>	<b>FF&amp;E COSTS</b>		
		<b>FF&amp;E COSTS</b>	
1.2.1	System Furniture (TRICOUNTY)	\$ 308,670	\$ 30.00
1.2.2	Ancillary Furniture (TRICOUNTY/OTHER)	\$ 22,000	\$ 2.14
1.2.3	Low Voltage Cabling (VENDOR)	\$ 61,734	\$ 6.00
1.2.4	Security Equipment (VENDOR NAME): LEAH	\$ 40,000	\$ 3.89
1.2.5a	Board Room Audio Visual (VENDOR): LEAH	\$ 130,000	\$ 12.63
1.2.5b	General Audio Visual (VENDOR)	\$ 25,000	\$ 2.43
1.2.6	Artwork (VENDOR NAME): Member Highlight Photo	\$ 5,000	\$ 0.49
1.2.7	Interior Signage (VENDOR NAME)	\$ 5,000	\$ 0.49
1.2.8	Exterior Signage (VENDOR NAME)	\$ 2,500	\$ 0.24
1.2.9	Other FF&E (MOVE VENDOR)	\$ 45,730	\$ 4.44
1.2.10	Other FF&E (IT/Networking Costs): LEAH	\$ 61,734	\$ 6.00
1.2.P	Permit Fees (.75% of Costs Above)	\$ 5,305	\$ 0.52
1.1.C	Contingency (10%)+ Tariffs (5%)	\$ 106,901	\$ 10.39
	<b>TOTAL FF&amp;E COSTS</b>	<b>\$ 819,574</b>	<b>\$ 79.66</b>
<b>1.3</b>	<b>HARD COSTS</b>		
		<b>HARD COSTS</b>	
1.3.1	General Contractor (TBD)	\$ 365,000	\$ 35.47
1.3.2	General Contractor Change Orders (Tbd)	\$ -	\$ -
1.3.3	Other Construction (ADA Upgrades EXCL 2nd floor: Max 20% of hard costs)	\$ 73,000	\$ 7.09
1.3.4	Other Construction (VENDOR NAME)	\$ -	\$ -
1.3.5	Other Construction (VENDOR NAME)	\$ -	\$ -
1.3.6	Other Construction (VENDOR NAME)	\$ -	\$ -
1.3.7	Other Construction (VENDOR NAME)	\$ -	\$ -
1.3.P	Permit Fees (1.5% of Hard Costs)	\$ 6,570	\$ 0.64
1.3.BR	Builders Risk (1% of Hard Costs)	\$ 3,650	\$ 0.35
1.3.C	Contingency (10%) + Tariffs (15%)	\$ 91,250	\$ 8.87
	<b>TOTAL HARD COSTS</b>	<b>\$ 539,470</b>	<b>\$ 52.43</b>
<b>1.4</b>	<b>PROJECT MANAGEMENT</b>		
		<b>PROJECT MANAGEMENT</b>	
1.4.1	PJM Fees (CBRE)-pending	\$ 33,000.00	\$ 3.21
1.4.2	PJM Fees (OTHER)-Reimbursables	\$ 2,000	\$ 0.19
	<b>TOTAL PROJECT MANAGEMENT</b>	<b>\$ 35,000</b>	<b>\$ 3.40</b>
	<b>TOTAL TENANT COSTS</b>	<b>\$ 1,441,088</b>	<b>\$ 140.06</b>
<b>GRAND TOTAL PROJECT COSTS</b>		<b>\$1,441,088</b>	<b>\$140.06</b>
<b>GRAND TOTAL PROJECT COSTS</b>		<b>\$1,441,088</b>	
<b>LESS TI ALLOWANCE</b>		<b>\$257,225</b>	
<b>LESS RENT CREDIT</b>			
<b>NET TOTAL PROJECT COST</b>		<b>\$1,183,863</b>	
<b>TENANT OUT OF POCKET (BUDGET)</b>		<b>\$1,183,863</b>	



June 17, 2019

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

**SUBJECT: AUTHORIZATION FOR TRUSTEE ASHBY TO ATTEND THE CALAPRS PRINCIPLES OF PENSION MANAGEMENT FOR TRUSTEES, AUGUST 26 - 29, 2019 AT PEPPERDINE UNIVERSITY**

Dear Board Members:

Trustee Ashby has requested approval to attend the CALAPRS Principles of Pension Management for Trustees program being held August 26 – 29, 2019 at Pepperdine University in Malibu, CA. This training will fulfill a portion of the 24 hours of required education in a trustee's first two years, per the education policy, and will also fulfill the required ethics training for Trustee Ashby as well.

The registration cost of \$3,000 includes lodging and meals. Staff recommends approval of \$3,100 to allow for mileage and incidentals.

VCERA staff will be pleased to respond to any questions you may have at the June 17, 2019 business meeting.

Sincerely,



Linda Webb  
Retirement Administrator

*PRINCIPLES OF  
PENSION GOVERNANCE*  
A COURSE FOR TRUSTEES



*The Crane, An Age-Old  
Symbol Of Long Life*

*Sponsored By*



*to be held at the  
Pepperdine University  
Villa Graziadio Executive Center*

*August 26-29, 2019*

CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS'

***PRINCIPLES OF PENSION GOVERNANCE***  
A Course For Trustees

**A COURSE FOR TRUSTEES**

**CALAPRS' MISSION**

*"CALAPRS sponsors educational forums for sharing information and exchanging ideas among Trustees and staff to enhance their ability to administer public pension benefits and manage investments consistent with their fiduciary duty."*

**ABOUT THE COURSE**

Public Pension Fund Trustees bear a heavy fiduciary burden. On a cumulative basis, California's Constitution holds our members' **350** Trustees accountable for the stewardship of more than **\$450** Billion in retirement fund assets. **40** California public pension systems belong to CALAPRS. Over the past ten years, Trustees of our member retirement systems have participated in this unique training program presented exclusively for California public retirement system board members. This training focuses on the practical aspects of our Trustees' duties.

Now in its second year at the Pepperdine University Executive Center, adjacent to Pepperdine's graduate schools, CALAPRS continues to offer the same high-caliber coursework and faculty it has offered for the past twenty years on the Stanford University campus.

**WHO SHOULD ATTEND?**

The course is for Trustees. Attendance is recommended within the first year after assuming office. Experienced Trustees will use the program as a comprehensive refresher course.

For more experienced Trustees, the Advanced Principles of Pension Governance course at UCLA is suggested. This course is a pre-requisite for admission to the UCLA course.

**WHY ATTEND?**

- To gain insight into public pension policy issues
- To discuss alternative solutions to common problems
- To understand the complexities involved in administering public pension plans
- To appreciate the differences and similarities among California public pension plans
- To network with other Trustees and pension professionals
- To increase familiarity with pension terminology and concepts
- To receive the ethics training required for new Trustees

**FACULTY**

The Course will be taught by public pension practitioners, including Trustees, Consultants, Actuaries, Investment Managers, Attorneys & Administrators.

**THE CURRICULUM COMMITTEE**

*Principles of Pension Governance* is managed by CALAPRS' Curriculum Committee led by the course Dean: Julie Wyne, Chief Executive Officer, Sonoma County Employees' Retirement Association.

**LOGISTICS**

California Association of Public Retirement Systems:

Kerry Parker, Administrator

Alison Trejo, Administrator

Chezka Solon, Meeting Manager

CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS'

**PRINCIPLES OF PENSION GOVERNANCE**  
**A Course For Trustees**

**THE CURRICULUM**

Each participant must attend the full 3 days of intensive training. Sessions combine team teaching, case studies and mock board problem solving. All course materials are based on actual California public pension fund law, policies, practices and problems.

The *Wednesday Evening Case Study* will provide practical experience in a disability hearing. The *Thursday Evening Session* will consist of a 90-minute **TEAM CASE STUDY** to resolve significant Board of Retirement issues.

**MONDAY – AUGUST 26**

6:00 PM Reception & Dinner  
7:30 PM **Introductions and Course Overview**

**TUESDAY – AUGUST 27**

8:00 AM **Fiduciary Duty and Sound Decision Making**  
**How a Board Should Function**  
**Benefits Provided and the Board's Role**  
**Key Issues in Disability Retirement**  
5:30 PM Reception & Dinner  
6:30 PM **Case Study: Disability Hearing**

**WEDNESDAY – AUGUST 28**

8:00 AM **Addressing Pension Liabilities**  
**Investment Policy Basics**  
**Overseeing the Investment Program**  
5:45 PM Networking Dinner  
6:30PM **Stakeholder Case Study**

**THURSDAY – AUGUST 29**

8:00 AM **Required Ethics Training for Public Fund Trustees**  
**Course Summary**  
11:30 AM *Certificate Luncheon* and **Final Course Evaluation**

**CERTIFICATE OF COMPLETION**

Participants who successfully complete the course will receive a Certificate of Completion as well as a Certificate for completion of the AB1234 Ethics in Public Service. Trustees must attend all sessions to receive a completion certificate, at the discretion of the course faculty, and attendees who do not complete the course may return the following year to make up missed sessions at no additional charge.

**LOCATION & LODGING**

The program and lodging will be located at Villa Graziadio Executive Center, Pepperdine University, 24255 Pacific Coast Highway, Malibu, CA 90263. Lodging will be provided on campus for the nights of August 26, 27, and 28 and will be arranged by CALAPRS as part of the course for all participants. Meals will also be provided beginning with dinner on August 26 and ending with lunch on August 29.

**ENROLLMENT**

Minimum 20, Maximum 34 Trustees.

**APPLICATION & TUITION**

All applications must be received no later than **JUNE 14, 2019**. Unsigned applications will be returned to the sender for signature. Accepted applicants will be notified via email the week of **JUNE 17, 2019**. Tuition of \$3,000 (includes lodging, meals and materials) must be paid no later than **AUGUST 2, 2019**.



CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS'

PRINCIPLES OF PENSION GOVERNANCE

A Course For Trustees

APPLICATION FOR ENROLLMENT 2019

APPLICATIONS WITH BOTH REQUIRED SIGNATURES MUST BE RECEIVED BY JUNE 14, 2019.

Applicants must be trustees of a California public employee pension system. Attendance is recommended within the first year after assuming office. Experienced trustees will use the program as a comprehensive refresher course. Each system may enroll one Trustee as a "Delegate" and designate one additional Trustee as "1st Alternate" with the remainder as "2nd Alternate". Delegates will be admitted first. If vacancies remain, 1st Alternates will be admitted in the order received, followed by 2nd Alternates. All applicants will be notified the week of June 17.

Applicant Information

Trustee's Name (for certificate/name badge): \_\_\_\_\_

Retirement System: \_\_\_\_\_

Trustee Type:  Elected  Appointed  Ex-Officio Date Became a Trustee: \_\_\_\_\_ Date Term Expires: \_\_\_\_\_

Trustee's Mailing Address: \_\_\_\_\_

Trustee's Phone: \_\_\_\_\_ Trustees' Email: \_\_\_\_\_

Administrative Contact (name, email): \_\_\_\_\_

Emergency Contact (name, phone): \_\_\_\_\_

Dietary Restrictions (if any): \_\_\_\_\_

BIOGRAPHY: Email Trustee's biography (≤150 words) to register@calaprs.org for printing in the attendee binder.

Applicant Agreement

If admitted, I agree to attend the program in full and acknowledge that missing one or more sessions may result in forfeiture of my Certificate of Completion, as determined by the Faculty.

Trustee Signature (required) \_\_\_\_\_ Date: \_\_\_\_\_

Administrator Approval

Applicant Designation:  Delegate  1st Alternate  2nd Alternate

Administrator Name: \_\_\_\_\_ Email: \_\_\_\_\_

Administrator Signature (required): \_\_\_\_\_

Tuition Payment

Tuition of \$3,000 must be paid in full by August 2, 2019 and includes all meals, materials, and lodging. Payable by check only (no credit cards) to "CALAPRS". This application form serves as an invoice. No additional invoice will be sent. Cancellation refunds may be provided to the extent that costs are not incurred by CALAPRS.

On campus lodging is mandatory for all participants. CALAPRS will make the reservations and payment for the nights of August 26, 27, and 28 at the Villa Graziadio Executive Center on the Pepperdine campus.

RETURN COMPLETED APPLICATION BY JUNE 14, 2019

Mail, email or fax form and payment to CALAPRS 575 Market Street, Suite 2125 San Francisco, CA 94105 Phone: 415-764-4860 Fax: 415-764-4915 register@calaprs.org www.calaprs.org



If, due to a disability, you have any special needs, call 415-764-4860 to let us know. We will do our best to accommodate them.