

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
DISABILITY & BUSINESS MEETING

APRIL 15, 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.
I. <u>CALL TO ORDER</u>	
II. <u>APPROVAL OF AGENDA</u>	1 – 5
III. <u>APPROVAL OF MINUTES</u>	
A. Business Meeting for March 25, 2019.	6 – 15
IV. <u>CONSENT AGENDA</u>	
A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of March 2019.	16
B. Receive and File Report of Checks Disbursed in March 2019.	17 – 19
C. Receive and File Budget Summary for FY 2018-19 Month Ending March 31, 2019.	20 – 21
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 March 31, 2019.	22 – 27

**BOARD OF RETIREMENT
DISABILITY & BUSINESS MEETING**

APRIL 15, 2019

**AGENDA
PAGE 2**

V. DISABILITY APPLICATION STATUS REPORT

- A. Pending Disability Application Status Report, Updated April 8, 2019. 28 – 63
RECOMMENDED ACTION: Receive and file.
- B. Request for Feedback on Proposed New Format for Disability Status Report.
1. Staff Letter from Retirement Benefits Specialist, Donna Edwards. 64
 2. Proposed New Disability Status Format Excerpt. 65 – 67

VI. APPLICATIONS FOR DISABILITY RETIREMENT

- A. Application for Service-connected Disability Retirement - Fernandez, Renato N.; Case No. 15-009. 68 – 149
1. Application for Service-connected Disability Retirement, filed April 22, 2015.
 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 April 2, 2019.
 3. Hearing Notice, dated April 3, 2019.
- B. Application for Nonservice-connected Disability Retirement - Rodriguez, Catherine D.; Case No. 18-021. 150 – 189
1. Application for Nonservice-connected Disability Retirement, filed July 24, 2018.
 2. Staff Letter.
 3. Disability Retirement Evaluation Report, including Supporting Medical Documentation, submitted by LACERA, in support of the Application for Nonservice-connected Disability Retirement, received by VCERA on March 11, 2019.
 4. Hearing Notice, dated March 28, 2019.
- C. Application for Service-connected Disability Retirement - Gonzalez, Carmen M.; Case No. 15-028. 190 – 285
1. Memorandum from General Counsel, Lori Nemiroff.
 2. Documents Identified in Memorandum to Board of Retirement from General Counsel, dated April 10, 2019
 3. Hearing Notice, dated April 2, 2019.

**BOARD OF RETIREMENT
DISABILITY & BUSINESS MEETING**

APRIL 15, 2019

**AGENDA
PAGE 3**

VII. INVESTMENT MANAGER PRESENTATIONS

- | | | |
|----|--|-----------|
| A. | Receive Investment Presentation from Abbott Capital Management, Jonathan Roth, Matthew Smith, and Sean Long. | 286 – 331 |
| B. | Recommendation to Adopt 2019 Private Equity Annual Investment Plan.
RECOMMENDED ACTION: Approve. | |
| 1. | Staff Letter from Chief Investment Officer, Dan Gallagher. | 332 |
| 2. | Private Equity Annual Plan Presentation. | 333 – 334 |
| C. | Receive Annual Investment Presentations from State Street Bank. | |
| 1. | Custody Presentation by Julianna Frank, Grant Dannar, and Jared Douglas. | 335 – 352 |
| 2. | Securities Lending Presentation by John Muir. | 353 – 376 |
| D. | Receive Annual Investment Presentation, Sprucegrove Investment Management, Tasleem Jamal and Arjun Kumar. | 377 – 434 |

VIII. INVESTMENT INFORMATION

NEPC – Allan Martin

VCERA – Dan Gallagher, Chief Investment Officer

- | | | |
|----|---|-----------|
| A. | Recommendation for \$40 Million Investment in Harbourvest's Dover Street Fund X.
RECOMMENDED ACTION: Approve. | |
| 1. | Staff Letter from Chief Investment Officer, Dan Gallagher. | 435 |
| 2. | Memorandum from NEPC. | 436 – 438 |
| 3. | Harbourvest Dover Street Fund X Presentation. | 439 – 457 |
| B. | Real Assets Educational Presentation.
RECOMMENDED ACTION: Receive and file. | 458 – 469 |
| C. | Preliminary Performance Report for Month Ending March 31, 2019.
RECOMMENDED ACTION: Receive and file. | 470 – 481 |

IX. OLD BUSINESS

- | | | |
|----|--|--|
| A. | Update on Disability Procedures Discussions with County Risk Management. | |
| B. | Update on 415 Calculations. | |

**BOARD OF RETIREMENT
DISABILITY & BUSINESS MEETING**

APRIL 15, 2019

**AGENDA
PAGE 4**

X. NEW BUSINESS

- A. Update on VCERA Bylaws & Regulations.
1. Staff Letter. 482 – 483
 2. Staff Letter and Redline sent to County with Request for Feedback on November 1, 2018. 484 – 495
 3. Response from County on Bylaws, dated February 19, 2019. 496 – 501
 4. VCERA’s Response to County on Bylaws, dated February 27, 2019. 502 – 505
 5. Response from County on Bylaws, dated April 8, 2019. 506
- B. Recommendation to Approve Updated VSG Hosting Agreement.
RECOMMENDED ACTION: Approve.
1. Staff Letter. 507 – 508
- C. Request for Authorization for Trustee, C.I.O., and C.F.O. Due Diligence Visit to State Street Bank in Boston.
RECOMMENDED ACTION: Approve.
1. Staff Letter from Chief Investment Officer, Dan Gallagher. 509
- D. Report on Due Diligence Visits to NEPC and Pantheon Submitted by Trustee Bianchi and CIO Dan Gallagher. 510 – 515
RECOMMENDED ACTION: Receive and file.
- E. Quarterly Administrator’s Report for January - March 2019. 516 – 517
RECOMMENDED ACTION: Receive and file.
- F. Quarterly Chief Investment Officers Report for January - March 2019. 518
RECOMMENDED ACTION: Receive and file.
- G. SACRS Business Meeting Agenda Items.
RECOMMENDED ACTION: Give Direction to Voting Delegate.
1. Materials for May 20, 2019 SACRS Business Meeting. 519 – 589
 2. SACRS Board of Directors 2019-20 Elections – Recommended Ballot. 590 – 606

XI. CLOSED SESSION

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

**BOARD OF RETIREMENT
DISABILITY & BUSINESS MEETING**

APRIL 15, 2019

**AGENDA
PAGE 5**

XI. CLOSED SESSION (continued)

- C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Investment Officer
(Government Code section 54957(b)(1))

XII. INFORMATIONAL

- A. Safety Member Special Election Calendar for 2019. 607
- B. BlackRock: Organizational Announcement for April 2019. 608 – 609
- C. Article by James Grant: The Pundit in the Shower. 610 – 611
- D. Abbott Capital Management Client Conference and Annual Meetings,
November 4 – 5, 2019. 612

XIII. PUBLIC COMMENT

XIV. STAFF COMMENT

XV. BOARD MEMBER COMMENT

XVI. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

MARCH 25, 2019

MINUTES

DIRECTORS William W. Wilson, Chair, Public Member
PRESENT: Robert Bianchi, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Steve Bennett, Public Member
Mike Sedell, Public Member
Dan Shapiro, General Employee Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Safety Employee Member
Ed McCombs, Alternate Public Member

DIRECTORS Craig Winter, General Employee Member
ABSENT: Arthur E. Goulet, Retiree Member

STAFF Linda Webb, Retirement Administrator
PRESENT: Lori Nemiroff, County Counsel
Henry Solis, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Leah Oliver, Chief Technology Officer
Josiah Vencel, Communications Officer
Chris Ayala, Program Assistant
Shalaine Nolan, Office Assistant III-C

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

TIME: 9:00 a.m.

**BOARD OF RETIREMENT
BUSINESS MEETING**

MARCH 25, 2019

**MINUTES
PAGE 2**

ITEM:

I. CALL TO ORDER

Chair Wilson called the Business Meeting of March 25, 2019, to order at 9:02 a.m.

II. APPROVAL OF AGENDA

Presentation of Certificate of Appreciation in Honor of Trustee Chris Johnston.

Chair Wilson presented Trustee Johnston with a Certificate of Appreciation for his nearly 17 years of service on the Board of Retirement.

Trustee Bennett arrived 9:03 a.m., before voting on this item.

Ms. Nemiroff informed the Board that staff was suggesting that the "Closed Session" items IX. and X. be heard after item XIV. "Board Member Comments", to allow the Board to adjourn after closed session.

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

MOTION: Approve with Amendments.

Moved by Bianchi, seconded by Hintz.

Vote: Motion carried

Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson

No: -

Absent: Goulet, Winter

Abstain: -

III. APPROVAL OF MINUTES

A. Disability and Business Minutes for February 25, 2019.

MOTION: Approve.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson

No: -

Absent: Goulet, Winter

Abstain: -

B. Disability Minutes for March 11, 2019.

MOTION: Approve.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

**BOARD OF RETIREMENT
BUSINESS MEETING**

MARCH 25, 2019

**MINUTES
PAGE 3**

Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson
No: -
Absent: Goulet, Winter
Abstain: -

IV. CONSENT AGENDA

- A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of February 2019.
- B. Receive and File Report of Checks Disbursed in February 2019.
- C. Receive and File Budget Summary for FY 2018-19 Month Ending February 28, 2019.
- 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 January 31, 2019.

MOTION: Receive and File.

Moved by Hintz, seconded by Bianchi.

Vote: Motion carried
Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson
No: -
Absent: Goulet, Winter
Abstain: -

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Harbourvest, Brett Gordon and Mark Radville.

Brett Gordon and Mark Radville were present on behalf of Harbourvest to provide an organizational and investment performance update.

Trustee Shapiro arrived at 9:11a.m., during this presentation.

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

Matt Garfinkle, Kevin Dunwoodie, and Iain Jones were present on behalf of Pantheon to provide an organizational and investment performance update.

- C. Receive Annual Investment Presentation from UBS Real Estate, Mario Maturo and Mia Dennis.

Mario Maturo and Mia Dennis were present on behalf of UBS Real Estate to provide an organizational and investment performance update.

VI. INVESTMENT INFORMATION

**BOARD OF RETIREMENT
BUSINESS MEETING**

MARCH 25, 2019

**MINUTES
PAGE 4**

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

- A. Recommendation for \$7.5M Investment in Drive Capital Fund III & for \$7.5M Investment in Drive Capital OverDrive Fund I.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer, Dan Gallagher.
2. Memorandum from NEPC.
3. Drive Capital Presentation, by Mark Kvamme.

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

MOTION: Approve Recommendation for Allocation of \$7.5M to Drive Capital Fund III, and for \$7.5M to Drive Capital OverDrive Fund I, and Direct Staff and Counsel to Negotiate the Necessary Legal Documents; and, Subject to Approval of VCERA Legal Counsel, Authorize the Board Chair or the Retirement Administrator, and in their Absence the Chief Investment Officer, to Approve and Execute the Required Documentation.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried

Yes: Bennett, Bianchi, Hintz, Hoag, Johnston, Sedell, Shapiro, Wilson

No: -

Absent: Goulet, Winter

Abstain: -

- A. Recommendation for \$30M Investment in PIMCO Private Income Fund.

RECOMMENDED ACTION: Approve.

1. Staff Letter from Chief Investment Officer, Dan Gallagher.
2. Memorandum from NEPC.
3. PIMCO Presentation, by Jason Mandinach, Sasha Talcott, and Kevin Gray.

Trustee McCombs left at 10:27 a.m., before the Board voted on this item.

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

MOTION: Approve Recommendation of an Allocation of \$30 Million to PIMCO Private Income Fund, and Direct Staff and Counsel to Negotiate the Necessary Legal Documents; and, Subject to Successful Contract Negotiations, Authorize the Board Chair or the Retirement Administrator, or if both Unavailable, the Chief Investment Officer to Approve and Execute the Required Documentation.

Moved by Hintz, seconded by Sedell.

Vote: Motion carried

**BOARD OF RETIREMENT
BUSINESS MEETING**

MARCH 25, 2019

**MINUTES
PAGE 5**

Yes: Bennett, Hintz, Hoag, Sedell, Shapiro, Wilson
No: Bianchi, Johnston
Absent: Goulet, Winter
Abstain: -

- C. Private Credit Overview & Pacing Plan.
RECOMMENDED ACTION: Receive and file.

Trustees Sedell and Bennett left at 11:05 a.m., before the Board voted on this item.

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

MOTION: Receive and File.

Moved by Hintz, seconded by Johnston.

Vote: Motion carried
Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson
No: -
Absent: Bennett, Goulet, Sedell, Winter
Abstain: -

- D. Capital Market Assumptions for 2019.
RECOMMENDED ACTION: Receive and file.

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

MOTION: Receive and File.

Moved by Hintz, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson
No: -
Absent: Bennett, Goulet, Sedell, Winter
Abstain: -

- E. Preliminary Performance Report Month Ending February 28, 2019.
RECOMMENDED ACTION: Receive and file.

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

MOTION: Receive and File.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried
Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson
No: -
Absent: Bennett, Goulet, Sedell, Winter
Abstain: -

VII. OLD BUSINESS

- A. Report and Recommendation from Real Estate Committee to Approve Letter of Intent to Lease for VCERA Office Space and Direct Committee to Finalize Lease with M.F. Daily Corporation and Return to Board for Final Approval.
RECOMMENDED ACTION: Approve.

1. Committee Letter.
To be provided
2. Letter of Intent to Lease.
To be Provided.

Ms. Webb noted that the Real Estate Committee was not yet recommending approval of a lease, but the approval of a Letter of Intent. She said that if the letter was approved, then staff would return to present a final lease agreement to the Board for formal approval, along with an estimate of costs.

Mr. Dwyer informed the Board that he and the committee had been negotiating with competing properties, as well as the current landlord for the last several months, and he was pleased to present the counter-proposal from M.F. Daily, which was a ten-year lease renewal.

After discussion by the Board, the following motions were made:

MOTION: Approve Letter of Intent to Lease and Direct Real Estate Ad Hoc Committee to Finalize a Lease with M.F. Daily Corporation and Return to the Board for Final Approval.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Sedell, Winter

Abstain: -

Trustee Johnston said there was a member in attendance that had requested to address the Board regarding the item, VIII.B., but was pressed for time, and therefore he requested that the Board advance to that item.

The Board then advanced to item, VIII.B. "Announcement of Upcoming Vacancy in Seventh Member Board Position and Election to Fill Vacancy with Member from Fire Group."

VIII. NEW BUSINESS

- A. Request for Up to 140 Additional Hours of Support from Brentwood I.T.
RECOMMENDED ACTION: Approve.

1. Staff Letter.

**BOARD OF RETIREMENT
BUSINESS MEETING****MARCH 25, 2019****MINUTES
PAGE 7**

2. Memorandum from Chief Technology Officer, Leah Oliver.

Ms. Webb noted that the item addressed VCERA's long-term dependence on I.T. Contractor, Jo Ford of Brentwood I.T. She said that while a lot of tasks had been transitioned to the new Chief Technology Officer (CTO), Leah Oliver, she felt it more prudent for Mr. Ford, and the Chief Technology Officer to collaborate in completing or resolving certain I.T. related items.

Ms. Webb reminded the Board that in late 2016, VCERA was unsuccessful in recruiting two candidates for the CTO position, which prompted the Board to approve the staff's request to have the Retirement Administrator execute a contract for I.T. services with Brentwood I.T.

Ms. Webb then said that after previously speaking to Trustee Goulet, he recommended that staff request that the Board approve authorization for the Retirement Administrator to execute a new contract amendment, with a new not-to-exceed amount of \$295,000, and have the additional tasks specified, which the CTO had listed in the attached memorandum, with the understanding that if the tasks were not completed by June 30th, which was the current contract's expiration date, then it extended to December 31, 2019, to allow all remaining items to be completed.

After discussion by the Board, the following motions were made:

MOTION: Approve Request to Authorize Retirement Administrator to Execute a Contract Amendment with Brentwood I.T. to, Increase the Not-to-Exceed Amount to \$295,000; Add Specified Task Scope of Work; and Extend Contract Term to December 31, 2019, if Retirement Administrator Deems Necessary to Complete Tasks.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Sedell, Winter

Abstain: -

After the voting on this item the Board advanced to item, VIII.C. "Recommendation for Authorization for Retirement Benefits Manager, Shalini Nunna, to Attend the CALAPRS 2019 Management/Leadership Academy, Pasadena, CA, April 15 – 16, June 10 – 12, and July 22 – 24, 2019."

B. Announcement of Upcoming Vacancy in Seventh Member Board Position and Election to Fill Vacancy with Member from Fire Group.

1. Staff letter.

Ms. Webb said that the item was to notify the Board of an upcoming election due to Trustee Johnston's retirement from County service, and due to the Government Code, which stated that two Safety member seats have to be held by the two different Safety groups.

Therefore, staff would proceed in holding a special election, with candidates only from the Fire group, because of the previous direction from the Board regarding the other Safety member seat.

**BOARD OF RETIREMENT
BUSINESS MEETING****MARCH 25, 2019****MINUTES
PAGE 8**

Ms. Kasey L. Sirody from the Ventura County Deputy Sheriffs' Association presented a letter to the Board from the Association respectfully requesting that the other Safety member seat remain vacant, pending the resolution of Mr. Towner's Civil Service Commission (CSC) case.

Chair Wilson asked about the status of Mr. Towner's CSC case.

Ms. Webb replied that a second day of hearings were completed the previous week, and the CSC would need at least an additional day to finish; however, because of the County's unavailability in April, the next hearing date would be in May. She said that staff believed it should only take about 2 weeks to issue a ruling.

Trustee Johnston said that there was also in attendance a member from the Firefighters' Association to confirm their support of the Board action to leave the Safety Alternate seat open.

Robert Ashby from the Ventura County Professional Firefighters Association stood and confirmed his Associations support of the request made by Ms. Sirody.

Ms. Webb stated that staff would then proceed with the special election as described, unless otherwise directed by the Board.

After the Board heard this item, they returned to item VIII.A. "Request for Up to 140 Additional Hours of Support from Brentwood I.T".

- C. Recommendation for Authorization for Retirement Benefits Manager, Shalini Nunna, to Attend the CALAPRS 2019 Management/Leadership Academy, Pasadena, CA, April 15 – 16, June 10 – 12, and July 22 – 24, 2019.

Recommended Action: Approve.

1. Staff letter.
2. 2019 Management/Leadership Academy Announcement.

Ms. Webb explained that the item was a request for Retirement Benefits Manager, Shalini Nunna to attend CALAPRS 3-module course in Management/Leadership Academy, and recommended approval of the training request.

After discussion by the Board, the following motions were made:

MOTION: Approve Recommendation for Authorization for Retirement Benefits Manager, Shalini Nunna, to Attend the CALAPRS 2019 Management/Leadership Academy, Pasadena, CA, April 15 – 16, June 10 – 12, and July 22 – 24, 2019.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Hintz, Hoag, Johnston, Shapiro, Wilson

No: -

Absent: Bennett, Goulet, Sedell, Winter

**BOARD OF RETIREMENT
BUSINESS MEETING**

MARCH 25, 2019

**MINUTES
PAGE 9**

Abstain: -

Chair Wilson said that he had received a recommendation from staff to postpone the Closed Session items related to performance evaluations.

Ms. Webb remarked that staff recommended postponement in the interest of time, as several Trustees had left, and since the pending evaluations did not include any considerations for salary increases, the postponement would not have any adverse effect on the evaluated employees.

Chair Wilson agreed it best to postpone the performance evaluations, so that more Trustees could be present.

Before adjourning to Closed Session, the Board continued to items "XII. Public Comment", XIII. Staff Comment," and XIV. Board Member Comment."

IX. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION (Government Code section 54956.9(a) Name of Case: In Re Motors Liquidation Company, et al, Bankr. Case No. 09-50026 (REG) Motors Liquidation Company Avoidance Action Trust v. JPMorgan Chase Bank, N.A. et al, Adv. Pro. 09-00504 (REG).

X. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Retirement Administrator
(Government Code section 54957(b)(1))

B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Counsel
(Government Code section 54957(b)(1))

C. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Investment Officer
(Government Code section 54957(b)(1))

The agenda items from Closed Session, "X.A. through X.C." were postponed to the Disability and Business Meeting of April 15, 2019.

XI. INFORMATIONAL

A. 24th Annual NEPC Investment Conference Agenda.

XII. PUBLIC COMMENT

None.

XIII. STAFF COMMENT

**BOARD OF RETIREMENT
BUSINESS MEETING**

MARCH 25, 2019

**MINUTES
PAGE 10**

Ms. Webb reminded the Board to file their Form 700's if they had not yet done so. She also asked those Trustees to let staff know if they were interested in attending the SACRS 2019 Spring Conference.

The Board went into Closed Session at 11:27 a.m. and General Counsel stated that the Board would adjourn the meeting at the conclusion of closed session, as there would be no public announcement.

XIV. BOARD MEMBER COMMENT

Trustee Shapiro said that he wanted to thank Trustee Johnston for his years of service on the Board.

XV. ADJOURNMENT

The Chairman adjourned the meeting at the conclusion of closed session at 11:41 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,

Bill Wilson, Vice-Chairman

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

MARCH 2019

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	BENEFIT SERVICE*	DEPARTMENT	EFFECTIVE DATE
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REGULAR RETIREMENTS:

James	Adriansen	G	2/9/2014	5.04	District Attorney	2/23/2019
Angelica	Arellano	G	7/15/2002	11.32	Human Services Agency (deferred)	3/29/2019
Evelyn	Balam	G	12/1/1985	32.17	Superior Court	3/5/2019
Rhonda	Barnes	G	1/30/1983	28.59	Fire Protection District	3/2/2019
Robert	Berger	S	4/16/1989	30.03	Sheriff's Department	3/8/2019
Maria	Calvert	G	1/20/2002	14.79	Health Care Agency (deferred)	3/16/2019
MelindaRae	Castro	G	5/9/2004	10.59	Treasurer (deferred)	3/24/2019
Karen	Crass	G	01/11/1998	12.93	Sheriff's Department	3/9/2019
Irma	Cruz	G	10/11/1981	30.16	Human Services Agency	1/31/2019
Ronald	Ferrell	G	1/2/2007	12.13	General Services Agency	2/20/2019
Richard	Gallarza	S	11/29/1998	20.04	Probation Agency	3/9/2019
Connie	Gardner	G	10/1/1989	5.88	Health Care Agency (deferred)	2/25/2019
Linda	Goff	G	12/3/2006	12.17	Health Care Agency	2/22/2019
April	Haney				District Attorney (alternate payee)	2/6/2019
Juanita	Holguin	S	2/17/1991	27.53	Probation Agency	2/23/2019
Tanya	Jenkins	G	4/1/2002	15.92	Human Services Agency (deferred)	2/25/2019
Cheri	Larkowski	G	4/23/2006	14.75	Health Care Agency	2/2/2019
Patty	Manpearl	G	8/24/1997	18.50	Health Care Agency	2/26/2019
Michael	Milkovich	S	8/14/1989	29.52	Fire Protection District	2/16/2019
Raymond	Moreno	G	12/23/1990	27.87	General Services Agency	2/14/2019
Chris	Palomares	G	3/31/1991	5.52	Probation Agency (deferred)	3/1/2019
Adela	Ramos	G	3/5/1979	40.23	Public Defender	3/9/2019
Daniel	Searcy	G	4/6/1986	32.98	Air Pollution Control District	3/9/2019
Mary	Smith	G	3/1/1981	34.16	Health Care Agency	3/2/2019
Christopher	Stephens	G	10/21/2002	13.99	Regional Sanitation District (deferred)	2/15/2019
Gregory	Stout	G	7/19/1992	2.84	Health Care Agency (deferred)	12/31/2018
Alice	Ubry	G	8/15/1988	4.45	Human Services Agency (deferred)	2/1/2019
Kathleen	Van Norman	G	7/17/1983	36.77	CEO	3/9/2019
Esther	Vasquez	G	10/14/1979	37.87	Superior Court	2/23/2019
Cheryl	Wade	S	6/30/1985	23.26	Sheriff's Department	2/9/2019
Jody	Wortman	G	1/20/1980	38.64	Superior Court	2/14/2019
Sheri	Wyche	S	2/12/1995	23.59	Fire Protection District	2/22/2019

DEFERRED RETIREMENTS:

Theresa E.	Chinsio	G	09/12/2004	12.16	Health Care Agency	02/16/2019
Eloisa	Delgado	G	01/22/2002	16.84	Health Care Agency	02/09/2019
Marcella	Lozano	G	10/09/2016	2.29	Human Services Agency	01/19/2019
William	Mirabelli	G	04/23/2012	6.82	Regional Sanitation District	02/18/2019
Joaquin	Nava	G	12/22/2013	5.18 *	Public Defender	02/22/2019
Carl	Waite	G	03/22/2019	9.03	Agriculture Commissioner	03/22/2019

SURVIVORS' CONTINUANCES:

Willa	Brown				Alternate Payee	
Linda	Griffin					
Heidi	Hart					
Terry	Oliver					
Pamela	Randall					

* = Excludes reciprocal service or service from any previous retirements
** = Member establishing reciprocity

Date: Tuesday, April 09, 2019
 Time: 10:20: AM
 User: 103745

Ventura County Retirement Assn

Page: 1 of 3
 Report: 03630.rpt

Check Register - Standard

Company: VCERA

Period: 09-19 As of: 4/9/2019

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company: VCERA										
Acct / Sub: 10300 000000										
028001	CK	3/6/2019	ABUCOURTRE VERITEXT	09-19	000832	VO	ADMIN EXP	3/6/2019	0.00	671.80
028002	CK	3/6/2019	ADP ADP, LLC	09-19	000833	VO	ADMIN EXP	3/6/2019	0.00	2,560.72
028003	CK	3/6/2019	BRENTWOODI BRENTWOOD IT	09-19	000834	VO	IT	3/6/2019	0.00	5,180.00
028004	CK	3/6/2019	DIGITALDEP DIGITAL DEPLOYMENT	09-19	000835	VO	IT	3/6/2019	0.00	650.00
028005	CK	3/6/2019	EXECUTIVED EXECUTIVE DATA SYSTEMS, I	09-19	000836	VO	IT	3/6/2019	0.00	585.00
028006	CK	3/6/2019	GOULETARTH ARTHUR E. GOULET	09-19	000837	VO	MILEAGE REIMB	3/6/2019	0.00	57.97
028007	CK	3/6/2019	HARRISWATE HARRIS WATER CONDITIONIN	09-19	000838	VO	ADMIN EXP	3/6/2019	0.00	119.50
028008	CK	3/6/2019	NOSSAMAN NOSSAMAN LLP	09-19	000839	VO	LEGAL FEES	3/6/2019	0.00	37,769.40
028009	CK	3/6/2019	SEGALCONSU SEGAL CONSULTING	09-19	000840	VO	ACTUARY FEES	3/6/2019	0.00	23,008.00
028010	CK	3/6/2019	SPRUCEGROV SPRUCEGROVE INVESTMENT	09-19	000841	VO	INVESTMENT FEES	3/6/2019	0.00	64,804.01
028011	CK	3/6/2019	VSGHOSTING VSG HOSTING, INC.	09-19	000842	VO	IT	3/6/2019	0.00	63,060.00
028012	CK	3/13/2019	ACCESSINFO ACCESS INFORMATION PROT	09-19	000843	VO	ADMIN EXP	3/13/2019	0.00	400.46
028013	CK	3/13/2019	BANKOFAMER BUSINESS CARD	09-19	000844	VO	ADMIN/IT	3/13/2019	0.00	5,911.43

Date: Tuesday, April 09, 2019
 Time: 10:20: AM
 User: 103745

Ventura County Retirement Assn

Page: 2 of 3
 Report: 03630.rpt
 Company: VCERA

Check Register - Standard

Period: 09-19 As of: 4/9/2019

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
028014	CK	3/13/2019	NOSSAMAN NOSSAMAN LLP	09-19	000845	VO	LEGAL FEES	3/13/2019	0.00	12,000.00
028015	CK	3/13/2019	STAPLESADV STAPLES ADVANTAGE	09-19	000848	VO	ADMIN EXP	3/13/2019	0.00	372.10
028016	CK	3/13/2019	SUBICASSOC SUBIC & ASSOCIATES, INC	09-19	000847	VO	ADMIN EXP	3/13/2019	0.00	567.88
028017	CK	3/13/2019	TIMEWARNER TIME WARNER CABLE	09-19	000846	VO	IT	3/13/2019	0.00	294.99
028018	CK	3/13/2019	VENTURACOU VENTURA COUNTY STAR DIGI	09-19	000849	VO	ADMIN EXP	3/13/2019	0.00	19.61
028019	CK	3/13/2019	VITECHSYST VITECH SYSTEMS GROUP, INC	09-19	000850	VO	IT	3/13/2019	0.00	157,500.00
028020	CK	3/20/2019	ATTMOBILIT AT&T MOBILITY	09-19	000851	VO	IT	3/20/2019	0.00	401.18
028021	CK	3/20/2019	BROWARMST BROWN ARMSTRONG	09-19	000855	VO	ADMIN EXP	3/20/2019	0.00	401.00
028022	CK	3/20/2019	FEDEX FEDEX	09-19	000852	VO	ADMIN EXP	3/20/2019	0.00	40.41
028023	CK	3/20/2019	GALLAGHERD DAN GALLAGHER	09-19	000853	VO	TRAVELREIMB	3/20/2019	0.00	873.50
028024	CK	3/20/2019	HANSONBRID HANSON BRIDGETT LLP	09-19	000856	VO	LEGAL FEES	3/20/2019	0.00	2,399.40
028025	CK	3/20/2019	LINEASOLUT LINEA SOLUTIONS	09-19	000857	VO	ADMIN EXP	3/20/2019	0.00	10,840.75
028026	CK	3/20/2019	NEPC NEPC, LLC	09-19	000858	VO	INVESTMENT FEES	3/20/2019	0.00	77,500.00
028027	CK	3/20/2019	SBSGROUP	09-19	000854	VO	IT	3/20/2019	0.00	612.50

Date: Tuesday, April 09, 2019
 Time: 10:20: AM
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Ventura County Retirement Assn

Page: 3 of 3
 Report: 03630.rpt
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Check Register - Standard

Period: 09-19 As of: 4/9/2019

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
VELOSIO										
028028	CK	3/20/2019	THOMSONREU THOMSON REUTERS- WEST	09-19	000859	VO	IT	3/20/2019	0.00	461.00
028029	CK	3/20/2019	VITECHSYST VITECH SYSTEMS GROUP, INC	09-19	000860	VO	IT	3/20/2019	0.00	56,677.50
028030	CK	3/27/2019	BIANCHIROB ROBERT BIANCHI	09-19	000861	VO	TRVL/MILG REIMB	3/27/2019	0.00	282.14
028031	CK	3/27/2019	MEGAPATH FUSION	09-19	000862	VO	IT	3/27/2019	0.00	595.57
028032	CK	3/27/2019	MFDAILYCOR M.F. DAILY CORPORATION	09-19	000863	VO	ADMIN EXP	3/27/2019	0.00	17,974.92
028033	CK	3/27/2019	SBSGROUP VELOSIO	09-19	000864	VO	IT	3/27/2019	0.00	71.10
028034	CK	3/27/2019	STATESTREE STATE STREET BANK AND TR	09-19	000865	VO	INVESTMENT FEES	3/27/2019	0.00	82,669.79
028035	CK	3/27/2019	WEBBLINDA LINDA WEBB	09-19	000866	VO	IT	3/27/2019	0.00	101.15

Check Count: 35

Acct Sub Total: 627,434.78

Check Type	Count	Amount Paid
Regular	35	627,434.78
Hand	0	0.00
Electronic Payment		0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	35	627,434.78

Company Disc Total

0.00

Company Total

627,434.78

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2018-2019

For the Nine Months Ended March 31, 2019 and Year-To-Date - 75.00% of Fiscal Year Expended

	<i>Adopted 2019 Budget</i>	<i>Adjusted 2019 Budget</i>	<i>March 2019</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Salaries and Benefits						
Regular Salary	\$3,215,800.00	\$3,158,800.00	\$250,186.96	\$2,268,865.25	\$889,934.75	71.83%
Extra-Help/Temporary Services	158,500.00	158,500.00	10,840.75	88,773.15	69,726.85	56.01%
Supplemental Payments	63,500.00	63,500.00	4,621.78	39,899.39	23,600.61	62.83%
Vacation Redemption	146,800.00	146,800.00	7,572.50	143,867.22	2,932.78	98.00%
Retirement Contributions	546,000.00	535,100.00	45,432.00	385,801.28	149,298.72	72.10%
OASDI Contribution	196,700.00	189,900.00	16,207.93	117,973.49	71,926.51	62.12%
FICA-Medicare	55,500.00	55,700.00	3,790.58	35,320.92	20,379.08	63.41%
Medical Insurance	327,600.00	325,400.00	27,358.38	224,679.38	100,720.62	69.05%
Life Insurance	1,100.00	1,100.00	94.55	863.35	236.65	78.49%
Unemployment Insurance	2,300.00	2,300.00	177.87	1,593.12	706.88	69.27%
Mgmt Disability Insurance	23,500.00	23,500.00	1,619.57	14,660.50	8,839.50	62.39%
Workers Compensation Insurance	23,600.00	23,600.00	1,832.10	17,194.17	6,405.83	72.86%
401K Plan Contribution	81,700.00	81,700.00	5,933.76	54,831.97	26,868.03	67.11%
Total Salaries & Benefits	\$4,842,600.00	\$4,765,900.00	\$375,668.73	\$3,394,323.19	\$1,371,576.81	69.65%
Services & Supplies						
Board Member Stipend	\$13,200.00	\$13,200.00	\$800.00	\$6,700.00	\$6,500.00	50.76%
Other Professional Services	173,800.00	205,900.00	8,990.40	134,986.42	70,913.58	65.56%
Auditing	51,400.00	51,400.00	401.00	49,604.90	1,795.10	96.51%
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	51,047.20	208,832.15	113,167.85	64.85%
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	16,610.00	17,686.00	87,314.00	16.84%
Actuary-Misc Hrly Consult	16,000.00	16,000.00	6,398.00	6,762.00	9,238.00	42.26%
Printing	33,000.00	33,000.00	3,490.06	20,474.97	12,525.03	62.05%
Postage	70,000.00	70,000.00	11,016.08	52,593.70	17,406.30	75.13%
Copy Machine	3,000.00	3,000.00	711.09	1,692.78	1,307.22	56.43%
General Liability	15,100.00	15,100.00	0.00	7,542.50	7,557.50	49.95%
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	15,099.00	15,101.00	50.00%
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	3,743.32	29,173.88	22,426.12	56.54%
Training/Travel-Trustee	53,500.00	29,000.00	0.00	8,242.34	20,757.66	28.42%
Travel-Due Diligence-Staff	7,800.00	7,800.00	802.76	3,855.02	3,944.98	49.42%
Travel-Due Diligence-Trustee	13,400.00	13,400.00	109.30	4,648.69	8,751.31	34.69%
Mileage-Staff	4,800.00	4,800.00	0.00	1,547.01	3,252.99	32.23%
Mileage -Trustee	5,000.00	3,500.00	183.25	1,436.73	2,063.27	41.05%
Mileage-Due Diligence-Staff	1,000.00	1,000.00	70.74	213.75	786.25	21.38%
Mileage-Due Diligence-Trustee	1,000.00	1,000.00	47.56	96.61	903.39	9.66%
Auto Allowance	6,900.00	6,900.00	0.00	5,175.00	1,725.00	75.00%
Facilities-Security	2,700.00	2,700.00	269.56	2,341.08	358.92	86.71%
Facilities-Maint & Repairs	2,300.00	1,300.00	0.00	150.00	1,150.00	11.54%
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	984.50	3,512.90	2,887.10	54.89%
Books & Publications	2,500.00	2,500.00	19.61	736.39	1,763.61	29.46%
Office Supplies	18,000.00	14,000.00	623.22	7,393.46	6,606.54	52.81%
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	122.76	857.82	642.18	57.19%
Offsite Storage	4,800.00	4,800.00	400.46	5,153.78	(353.78)	107.37%
Rents/Leases-Structures	217,600.00	217,600.00	17,974.92	161,488.82	56,111.18	74.21%
Non-Capital Equipment	23,900.00	0.00	0.00	0.00	0.00	0.00%
Non-Capital Furniture	15,000.00	5,100.00	0.00	125.00	4,975.00	2.45%
Depreciation /Amortization	1,460,600.00	1,460,600.00	121,716.16	1,095,445.44	365,154.56	75.00%
Total Services & Supplies	\$2,851,000.00	\$2,911,100.00	\$246,531.95	\$2,041,137.65	\$869,962.35	70.12%
Total Sal, Ben, Serv & Supp	\$7,693,600.00	\$7,677,000.00	\$622,200.68	\$5,435,460.84	\$2,241,539.16	70.80%

***Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2018-2019***

For the Nine Months Ended March 31, 2019 and Year-To-Date - 75.00% of Fiscal Year Expended

	<i>Adopted 2019 Budget</i>	<i>Adjusted 2019 Budget</i>	<i>March 2019</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
<i>Technology</i>						
Technology Hardware	\$67,100.00	\$67,100.00	\$856.70	\$40,361.44	\$26,738.56	60.15%
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	159,339.65	203,648.68	10,951.32	94.90%
Technology Software Support	15,500.00	15,500.00	544.68	10,281.01	5,218.99	66.33%
Technology Systems Support	266,800.00	266,800.00	64,322.50	196,983.51	69,816.49	73.83%
Technology Infrastruct Support	500.00	500.00	7.99	347.97	152.03	69.59%
Technology Application Support	310,400.00	343,400.00	60,712.20	171,424.45	171,975.55	49.92%
Technology Data Communication	55,700.00	58,900.00	4,038.96	38,151.34	20,748.66	64.77%
Total Technology	\$930,600.00	\$966,800.00	\$289,822.68	\$665,166.72	\$301,633.28	68.80%
Congtingency	\$688,100.00	\$668,500.00	\$0.00	\$0.00	\$668,500.00	0.00%
Total Current Year	\$9,312,300.00	\$9,312,300.00	\$912,023.36	\$6,100,627.56	\$3,211,672.44	65.51%

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

Assets

Cash & Cash Equivalents		\$152,017,639
Receivables		
Interest and Dividends	4,112,824	
Securities Sold	20,893,145	
Miscellaneous	14,542	
Total Receivables	25,020,510	25,020,510
Investments at Fair Value		
Domestic Equity	1,558,396,433	
Non U.S. Equity	906,979,074	
Global Equity	612,427,844	
Fixed Income	1,093,700,565	
Private Equity	394,331,588	
Real Assets	875,627,922	
Cash Overlay	56,342	
Total Investments	5,441,519,767	5,441,519,767
Capital Assets, Net of Accumulated Depreciation & Amortization		12,008,835
Total Assets		5,630,566,751

Liabilities

Securities Purchased	31,456,701	
Accounts Payable	1,820,468	
Tax Withholding Payable	3,151,639	
Deferred Revenue (PrePaid Contributions)	32,338,007	
Total Liabilities	68,766,815	68,766,815
Net Position Restricted for Pensions		\$5,561,799,936

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

ADDITIONS

Contributions		
Employer	\$144,962,796	
Employee	54,331,947	
Total Contributions	<u>54,331,947</u>	199,294,743
Investment Income		
Net Appreciation (Depreciation) in Fair Value of Investments	172,992,214	
Interest Income	16,157,706	
Dividend Income	7,055,639	
Other Investment Income	(1,482,482)	
Real Estate Operating Income, Net	9,241,534	
Security Lending Income	951,143	
Total Investment Income	<u>204,915,754</u>	
Less Investment Expenses		
Management & Custodial Fees	12,149,699	
Other Investment Expenses	421,905	
Securities Lending Borrower Rebates	795,779	
Securities Lending Management Fees	50,723	
Total Investment Expenses	<u>13,418,106</u>	
Net Investment Income/(Loss)		<u>191,497,647</u>
Total Additions		390,792,391
DEDUCTIONS		
Benefit Payments	216,820,587	
Member Refunds and Death Benefit Payments	2,955,671	
Administrative Expenses	3,857,813	
Other Expenses	1,820,909	
Total Deductions	<u>225,454,980</u>	225,454,980
Net Increase/(Decrease)		165,337,411
Net Position Restricted For Pensions		
Beginning of Year		<u>5,396,462,523</u>
Ending Balance		<u><u>\$5,561,799,934</u></u>

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

	Investments	Cash & Cash Equivalents
Equity		
Domestic Equity		
Blackrock - Russell 1000	\$1,311,033,291	\$0
Blackrock - Russell 2500	63,961,157	0
Western Asset Enhanced Equity Index Plus	183,401,985	26,252,433
Total Domestic Equity	1,558,396,433	26,252,433
Non U.S. Equity		
Blackrock - ACWI ex - US	461,892,059	0
Hexavest	90,998,020	0
Sprucegrove	224,408,925	0
Walter Scott	129,680,070	0
Total Non U.S. Equity	906,979,074	0
Global Equity		
Blackrock - ACWI Index	612,427,844	0
Total Global Equity	612,427,844	0
Fixed Income		
Blackrock - Bloomberg Barclays Aggregate Index	231,881,448	0
Loomis Sayles Multi Sector	83,834,928	1,914,291
Loomis Sayles Strategic Alpha	47,530,377	0
Reams	319,242,898	10
Reams - US Treasury	99,952,034	80,457
Western Asset Management	311,258,879	11,226,821
Total Fixed Income	1,093,700,565	13,221,579
Private Equity		
Abbott Capital	(34,391)	0
Abbott Secondaries	14,719,907	0
Adams Street	175,376,370	0
Battery Ventures	5,203,894	0
Blue Bay	3,762,491	0
Buenaventure One	17,820,572	0
Buenaventure Two	181,338	0
Carval Investors	11,985,789	0
Clearlake Investors	5,353,070	0
GGV Capital	613,000	0
Drive Capital	6,833,057	0
ECI 11 GP LP	1,198,045	0
GTCR Fund XII	4,866,478	0
Harbourvest	83,115,155	0
Insight Ventures	12,545,624	0
Monroe Capital	10,042,621	0
Pantheon	38,545,064	0
Resolute Fund IV LP	2,203,503	0
Total Private Equity	394,331,588	0
Real Assets		
Prudential Real Estate	156,400,478	0
LaSalle	0	0
UBS Realty	276,737,035	0
Bridgewater All Weather	322,498,833	0
Tortoise (MLPs)	119,991,575	2,763,315
Total Real Assets	875,627,922	2,763,315

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

	<u>Investments</u>	<u>Cash & Cash Equivalents</u>
Parametric (Cash Equitization)	56,342	50,810,979
State Street Bank and Trust		45,564,764
County Treasury and Bank of America		13,404,568
Total Investments, Cash, and Cash Equivalents	<u><u>\$5,441,519,767</u></u>	<u><u>\$152,017,639</u></u>

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

Equity Managers	
Domestic Equity	
Blackrock - Russell 1000	\$39,436
Blackrock - Russell 2500	55,571
Western Asset Enhanced Equity Index Plus	280,718
Total Domestic Equity	375,725
Non U.S. Equity	
Blackrock - ACWI ex - US	331,943
Hexavest	305,739
Sprucegrove	583,509
Walter Scott	651,594
Total Non U.S. Equity	1,872,785
Global Equity	
Blackrock - ACWI Index	178,758
Total Global Equity	178,758
Fixed Income Managers	
Blackrock Bloomberg Barclays Aggregate Index	91,721
Loomis Sayles Multi Sector	208,791
Loomis Sayles Strategic Alpha	174,798
Reams Asset Management	408,168
Reams US Treasury	
Western Asset Management	399,554
Total Fixed Income	1,283,033
Private Equity	
Abbott Capital	137,082
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	
Total Private Equity	4,878,223
Real Assets	
Prudential Real Estate Advisors	803,390
LaSalle	
UBS Realty	970,400
Bridgewater All Weather	584,821
Tortoise (MLPs)	547,403
Total Real Assets	2,906,014
Cash Overlay (Parametric)	177,580

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

Securities Lending	
Borrower's Rebate	795,779
Management Fees	<u>50,723</u>
Total Securities Lending	846,502
Other	
Investment Consultant (NEPC)	232,500
Investment Custodian (State Street)	<u>245,082</u>
Total Other Fees	477,582
Total Investment Management Fees	<u><u>\$12,996,201</u></u>

ABBOTT CAPITAL



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

April 2019

Abbott Presenters



Jonathan D. Roth – Managing Director, President

Mr. Roth has 26 years of private equity investment experience and is responsible for the overall management of the firm. He also works closely with clients to develop and implement private equity investment programs. Mr. Roth reviews investment opportunities, with specific emphasis on the analysis and due diligence for prospective investments, and is engaged in the negotiation of business and legal issues, ongoing monitoring of investments and profit realization from distributed securities. Mr. Roth also serves on several partnership advisory boards. Prior to joining Abbott in 1992, Mr. Roth was an Associate at Elmrock Partners and a Financial Analyst with Amoco Corporation. Prior to obtaining his M.B.A., he worked for Chemical Bank as a corporate lending officer. Mr. Roth received his A.B. in Economics from Cornell University and his M.B.A. from The Fuqua School of Business at Duke University.



Matthew M. Smith – Managing Director

Mr. Smith has 17 years of private equity investment experience. He is responsible for reviewing investment opportunities with specific emphasis on analysis and due diligence for prospective investments and is engaged in the negotiation of business and legal issues, ongoing monitoring of investments and profit realization from distributed securities. Mr. Smith, as Abbott's ESG Officer, is responsible for building upon the strong foundation Abbott has set in adopting the UN Principles for Responsible Investment and integrating ESG considerations into Abbott's investment process. In addition, Mr. Smith oversees the operations of Abbott Capital (Europe), Ltd, Abbott's subsidiary which is authorized and regulated by the UK Financial Conduct Authority and located in London. Prior to joining Abbott in 2000, he was a financial examiner at the Federal Reserve Bank of New York. He also worked for First Trust Washington and Bank of America as a trust officer. Mr. Smith received his A.B. in History and his M.B.A. in Finance from Georgetown University.



Sean P. Long – Vice President

Mr. Long assists in all marketing, client services and business development activities. Prior to joining Abbott Capital in 2017, Mr. Long was a Senior Vice President at EnTrustPermal (formerly of The Permal Group), responsible for managing global relationships with both current and prospective investors, distributors, and large institutions. Mr. Long previously worked at Southport Harbor Associates, Coleman Research Group, and the Kellogg Capital Group where he assisted in researching and evaluating investment opportunities. Mr. Long received his B.A. in English from the University of San Diego.

Table of Contents

Section	Page
Abbott Overview	4
VCERA Private Equity Program	7
Private Equity Market Overview	19
Appendix	32

Abbott Overview

Abbott Capital Management, LLC

Organization

- Founded in 1986; over 30 year track record focused solely on private equity
- Over \$9 billion in AUM, typically deploy \$850 million annually
- First customized mandate launched in 1986; first commingled fund raised in 1995
- SEC registered and FCA authorized investment advisers with offices in New York and London
- Stable, multi-generational management team

Experience

- **Relationship Advantage**
 - ✓ Deep **relationships** and **networks** among GPs and LPs
 - ✓ Strong **primary** platform, and specialist portfolios
 - ✓ Demonstrated **capacity** with fund managers
 - ✓ Over 100 advisory board seats
- **Information Advantage**
 - ✓ Proprietary database of information on **over 8,000** funds
 - ✓ **Over 500** primary investments typically reviewed annually
 - ✓ Average of **\$15 billion** in secondary deal flow reviewed annually
- **Focus Advantage**
 - ✓ Disciplined underwriting standards
 - ✓ Restrained growth in AUM has enabled **access** to capacity constrained managers across client base
 - ✓ Highly **selective** portfolios

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

Abbott's Private Equity-Focused Organization

As of 3/15/2019

Investments



Jonathan Roth
Managing Director,
President



Timothy Maloney
Managing Director



Meredith Rerisi
Managing Director



Matthew Smith
Managing Director



Len Pangburn
Managing Director



Young Lee
Managing Director



Katie Stokel
Managing Director,
Chief Operating Officer



Jobst Klemme
Director



Jennie Benza
Principal



Wolf Witt
Vice President



Lance Zhou
Vice President



Martha Cassidy
Consultant / Director



Arianna Merrill
Senior Associate



Brian Susetka
Senior Associate



Jonathan Tubiana
Senior Associate



Moritz Turck
Senior Associate



Declan Feeley
Senior Analyst



Shaf Shaikh
Senior Analyst



Dan Brown
Analyst

Client Relations and Business Development



Ryan Green
Director



Dan Kettner
Vice President



Sean Long
Vice President



John Thomas
Vice President

Operations, Finance, Legal & Compliance



Lauren Massey
Managing Director



Paolo Parziale
Managing Director



Mary Hornby
Managing Director,
General Counsel

Abbott's Managing Directors have an average of 21 years experience and 17 years working together

VCERA Private Equity Program

VCERA Private Equity Program

Objectives, Key Events in 2018, Recommendation

- Abbott manages a customized private equity separate account with the following objectives:
 - Target allocation of 10% of the portfolio in private equity investments
 - Monitor and manage VCERA's private equity portfolio through a comprehensive, turn-key solution that covers the development, implementation, management, and administration of the private equity portfolio

- Key 2018 developments:
 - Committed approximately \$208.6 million in 2018 via Abbott-directed commitments and VCERA-initiated commitments
 - Increased allocation to private equity investments to 6.9% of total plan, up from 4.6% at the end of 2017
 - Current Plan size of \$5,198,137,872 as of December 31, 2018

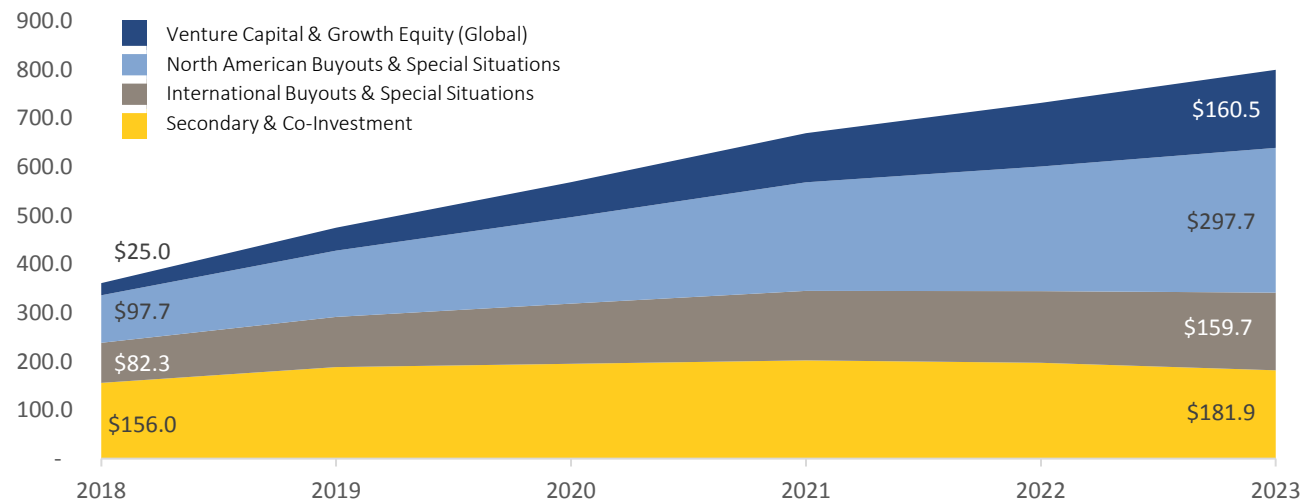
- Pursuant to the Private Equity Policy, Abbott is submitting the Annual Plan for 2019 for review and approval.
 - Abbott recommends a 2019 commitment target of \$230 million based on the Plan size, with an average of approximately \$150 million committed per year over the next five years.

Current Private Equity Investments

Funding by Strategy

Strategy	12/31/2018		
	NAV (\$m)	Undrawn (\$m)	Exposure (\$m)
VCERA Private Equity Program			
Venture Capital & Growth Equity (Global)	\$25.0	\$75.4	\$100.4
North American Buyouts & Special Situations	\$97.7	\$124.6	\$222.3
International Buyouts & Special Situations	\$82.3	\$72.3	\$154.6
Secondary & Co-Investment	\$156.0	\$181.9	\$337.9
VCERA Private Equity Program Totals	\$361.1	\$454.2	\$815.3

Strategy Diversification by NAV



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

Plan Size: \$5.2b
PE NAV: \$361m
2018

Projected Plan Size: \$7.2b
Projected PE NAV: \$800m
2023

PE NAV is estimated based on 9/30/2018 net asset values, adjusted by net cash flows through 12/31/18. Due to the estimated yearend values of the Plan's assets as of 9/30/18, PE NAV may differ from preliminary valuations provided on slides 15-17. Diversification will not guarantee profitability or protection against loss. Actual exposure may differ from amounts shown above due to market conditions, investment opportunities, and other factors, and such differences may be material. Please see Appendix for Strategy Definitions.

VCERA Investment Activity

2018 Investment Activity

Fund	VCERA Commitment (\$MM)	Strategy
Abbott-Directed Investments		
ABRY Partners IX*	\$10.6	North American Buyouts & Special Situations
Battery Ventures XII & Side Fund	\$14.1	Venture Capital & Growth Equity (Global)
CapVest Equity Partners IV^	\$12.6	International Buyouts & Special Situations
ECI 11^	\$9.5	International Buyouts & Special Situations
GGV Capital VII, VII Plus, & Discovery II	\$14.8	Venture Capital & Growth Equity (Global)
Hellman & Friedman Capital Partners IX	\$19.8	Venture Capital & Growth Equity (Global)
M/C Partners VIII	\$10.0	North American Buyouts & Special Situations
Riverside Micro-Cap Fund V	\$10.0	North American Buyouts & Special Situations
The Resolute Fund IV	\$20.0	North American Buyouts & Special Situations
Buenaventure One, LLC	\$57.2	North American Buyouts & Special Situations
Total Abbott-Directed Investments	\$178.6	
VCERA-Initiated Investments		
Adams Street Co-Investment Fund IV A	\$30.0	Secondary & Co-Investment
Total VCERA-Initiated Post-June 2017 Investments	\$30.0	
Grand Total	\$208.6	

- Abbott-directed investments included 18 primary commitments across 14 managers
- Buenaventure One includes six commitments in five managers

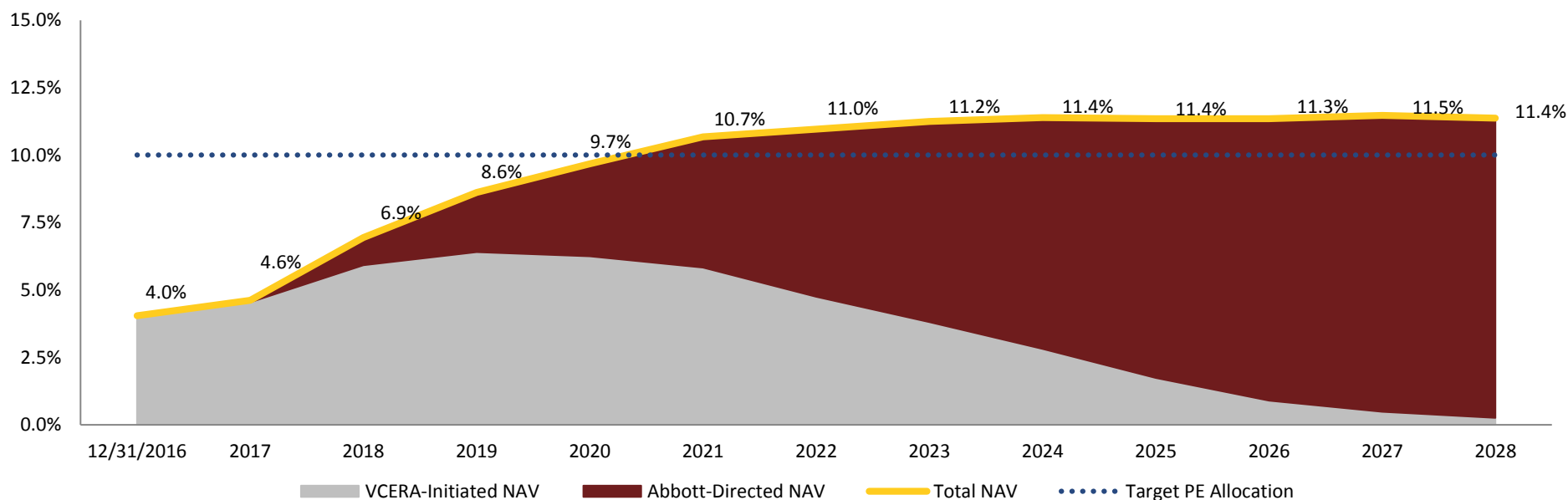
*\$7.6 million was committed to ABRY Partners IX in December 2018 and an additional \$3.0 million was committed in January 2019.

^Non-USD denominated funds. Commitment amounts, which may fluctuate due to exchange rate changes, were converted as of December 31, 2018.

Totals may not sum due to rounding or late interest charges.

Pacing

Twelve-Year Pacing Illustration



Total Plan Projected Net Growth Rate	6.8%
Private Equity Target	10%

Pacing Analysis/Projected Cash flows (millions)

Year	12/2016	12/2017	12/2018	12/2019	12/2020	12/2021	12/2022	12/2023	12/2024	12/2025	12/2026	12/2027	12/2028
Annual Commitments		\$90.0	\$208.6	\$230.0	\$120.0	\$120.0	\$185.0	\$185.0	\$185.0	\$185.0	\$185.0	\$185.0	\$185.0
Annual PE Capital Calls		66.4	123.7	145.1	148.1	155.8	154.2	150.9	156.4	163.1	171.5	174.6	177.1
Annual PE Distributions		42.7	51.7	92.2	120.7	147.5	181.4	183.4	198.8	210.4	224.2	221.6	239.2
Annual PE Net Cash Flow		(23.6)	(72.0)	(52.9)	(27.4)	(8.3)	27.2	32.5	42.4	47.4	52.7	47.1	62.1
PE NAV	188.4	250.2	361.1	475.0	568.6	669.3	731.6	799.7	864.3	922.0	987.0	1,068.4	1,134.4
Plan Assets	4,665.0	5,420.5	5,198.1	5,551.6	5,929.1	6,332.3	6,762.9	7,222.8	7,713.9	8,238.5	8,798.7	9,397.0	10,036.0
PE NAV as % of Plan Assets:	4.0%	4.6%	6.9%	8.6%	9.6%	10.6%	10.8%	11.1%	11.2%	11.2%	11.2%	11.4%	11.3%

PE NAV is estimated based on 9/30/2018 net asset values, adjusted by net cash flows through 12/31/18. Due to the estimated yearend values of the Plan's assets as of 9/30/18, PE NAV may differ from preliminary valuations provided on slides 15-17. Actual exposure may differ from amounts shown above due to market conditions, investment opportunities, and other factors, and such differences may be material.

VCERA Investment Activity

2019 Investment Activity (1/1/2019 – 3/31/2019)

Fund	Commitment (\$MM)	Strategy	Status
Abbott-Directed Investments			
Advent International GPE IX	\$10.0	International Buyouts & Special Situations	Pending
Astorg VII^	\$8.8	International Buyouts & Special Situations	Closed
Genstar Capital Fund IX & Overage Fund	\$10.0	North American Buyouts & Special Situations	Closed
TA XIII	\$10.0	North American Buyouts & Special Situations	Pending
Buenaventure One, LLC	\$10.0	Various	Closed
Total	\$48.8		
VCERA-Initiated Investments			
Drive III & Overdrive I	\$15.0	Venture Capital & Growth Equity (Global)	Pending
HarbourVest Partners Co-Investment V	\$35.0	Secondary & Co-Investment	Closed
Total	\$50.0		
Total	\$98.8		

^Non-USD denominated funds. Commitment amounts, which may fluctuate due to exchange rate changes, were converted as of multiple closing dates. Totals may not sum due to rounding or late interest charges.

VCERA Investment Activity

2019 Pipeline

- Seven investments pending or closed in 2019
 - Five Abbott-directed investments and two VCERA-initiated investments
 - Pipeline of investments in active due diligence totaling approximately \$50 million

- Forward pipeline in excess of \$150 million across all strategies

Potential Investments – Active Due Diligence In Progress

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

Current Pipeline

Venture Capital & Growth Equity	
Sub-Strategy	# of Funds
Early Stage VC	4
Growth Equity	1
Multi-Stage VC	3
Total	8

North American Buyouts & Special Situations	
Sub-Strategy	# of Funds
Lower Middle-Market	5
Middle-Market	7
Upper Middle-Market	1
Total	13

International Buyouts & Special Situations	
Sub-Strategy	# of Funds
Lower Middle-Market	3
Middle-Market	2
Upper Middle-Market	0
Total	5

Private Equity Annual Plan

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

- Based on the current Plan size and growth assumptions, Abbott recommends a 2019 commitment target of \$230 million
 - Includes \$120 million of Abbott-directed commitments and \$110 million of VCERA-initiated commitments
 - This is an increase from the 2018 target of \$185 million

- Preliminary modeling suggests an average commitment level of approximately \$150 million over the next five years
 - This is unchanged in the prior plan

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

VCERA Preliminary Portfolio Performance

Primary Investments

Venture Capital and Growth Equity	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Battery Ventures XII	02/01/2018		2018	\$9,050,000	\$7,004,700	\$2,045,300	-	\$1,850,367	\$1,850,367	0.90	-24.22%
Battery Ventures XII Side Fund	02/01/2018		2018	\$5,050,000	\$3,782,450	\$1,267,550	-	\$1,220,298	\$1,220,298	0.96	-11.77%
Drive Capital Fund II	08/19/2016		2016	\$15,000,000	\$8,647,908	\$6,355,302	-	\$5,811,980	\$5,811,980	0.91	-7.88%
GGV Capital VII	08/15/2018		2019	\$10,160,000	\$10,160,000	-	-	-	-		N/A
GGV Capital VII Plus	08/15/2018		2019	\$2,540,000	\$2,540,000	-	-	-	-		N/A
GGV Discovery II	08/15/2018		2019	\$2,100,000	\$2,100,000	-	-	-	-		N/A
Total Venture Capital and Growth Equity				\$43,900,000	\$34,235,058	\$9,668,152	-	\$8,882,645	\$8,882,645	0.92	-9.77%

Buyouts & Minority Equity	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Astorg VII	12/17/2018		2019	\$8,807,183	\$8,807,183	-	-	-	-		N/A
CapVest Equity Partners IV	07/11/2018		2019	\$12,610,285	\$12,610,285	-	-	-	-		N/A
ECI 11	07/05/2018		2018	\$9,532,886	\$8,280,356	\$1,252,530	-	\$1,157,595	\$1,157,595	0.92	-71.93%
Hellman & Friedman Capital Partners IX	09/28/2018		2019	\$19,800,000	\$19,800,000	-	-	-	-		N/A
M/C Partners VIII	04/02/2018		2019	\$10,000,000	\$10,000,000	-	-	-	-		N/A
Riverside Micro-Cap Fund V	08/21/2018		2019	\$10,000,000	\$10,000,000	-	-	(\$91,203) ¹	(\$91,203) ¹		-100.00%
The Resolute Fund IV	05/02/2018		2018	\$20,000,000	\$18,096,145	\$1,903,855	-	\$2,361,452	\$2,361,452	1.24	2546.47%
Total Buyouts & Minority Equity				\$90,750,353	\$87,593,968	\$3,156,385	-	\$3,427,844	\$3,427,844	1.09	245.52%

Special Situations	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
ABRY Partners IX	12/06/2018		2019	\$7,600,000	\$7,600,000	-	-	-	-		N/A
Clearlake Capital Partners V	12/22/2017		2018	\$9,950,000	\$5,974,799	\$3,976,011	\$38,823	\$4,619,260	\$4,658,083	1.17	44.13%
GTCR Fund XII	09/29/2017		2018	\$30,000,000	\$25,547,792	\$4,548,000	\$264,502	\$2,303,978	\$2,568,480	0.56	-87.45%
Insight Venture Partners X	10/13/2017		2018	\$25,000,000	\$14,750,000	\$10,250,000	\$8,561	\$10,410,846	\$10,419,407	1.02	4.58%
Total Special Situations				\$72,550,000	\$53,872,591	\$18,774,011	\$311,887	\$17,334,084	\$17,645,970	0.94	-16.10%

Past performance is not a guide to future results and is not indicative of expected realized returns. N/A = Not applicable; these investments have not started calling capital. (1) Negative valuation is a result of accrued expenses and the use of a credit line early in the life of the fund. Performance presented is preliminary and subject to amendment and/or completion based on Abbott's valuation policy.

VCERA Preliminary Portfolio Performance as of 12/31/2018, cont.

Primary Investments Continued

Fund of Funds	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Adams Street 2013 Global Fund	06/27/2013		2013	\$75,000,000	\$18,375,000	\$56,625,000	\$8,075,792	\$72,149,438	\$80,225,230	1.42	12.25%
Adams Street 2016 Global Fund	08/16/2016		2016	\$60,000,000	\$31,800,000	\$28,200,000	\$3,621,043	\$28,662,488	\$32,283,531	1.14	20.60%
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	05/21/2010		2010	\$25,500,000	\$3,174,751	\$22,325,249	\$15,702,344	\$18,169,510	\$33,871,854	1.52	11.93%
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	05/21/2010		2010	\$8,500,000	\$867,000	\$7,633,000	\$2,030,308	\$10,058,649	\$12,088,957	1.58	11.50%
Adams Street Partnership Fund - 2010 U.S. Fund	05/21/2010		2010	\$42,500,000	\$5,057,500	\$37,442,500	\$25,869,869	\$37,984,957	\$63,854,826	1.71	14.49%
Buenaventure One, LLC	01/05/2018		2018	\$57,172,500	\$38,816,910	\$18,355,590	\$403,156	\$18,414,139	\$18,817,295	1.03	9.27%
Total Fund of Funds				\$268,672,500	\$98,091,161	\$170,581,339	\$55,702,512	\$185,439,181	\$241,141,693	1.41	13.18%
Total Primary Investments				\$475,872,853	\$273,792,778	\$202,179,887	\$56,014,398	\$215,083,754	\$271,098,153	1.34	12.67%

Past performance is not a guide to future results and is not indicative of expected realized returns. Performance presented is preliminary and subject to amendment and/or completion based on Abbott's valuation policy.

VCERA Preliminary Portfolio Performance as of 12/31/2018, cont.

Secondary & Co-Investment Interests

Secondary Funds of Funds	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Abbott Secondary Opportunities, L.P.	12/21/2017		2016	\$25,000,000	\$12,014,011	\$13,348,706	\$2,625,000	\$12,219,907	\$14,844,907	1.11	23.35%
HarbourVest - Dover Street IX	07/08/2016		2016	\$60,000,000	\$28,200,000	\$31,800,000	\$7,282,016	\$32,485,052	\$39,767,068	1.25	36.69%
HarbourVest - Dover Street VIII	05/30/2013		2012	\$67,500,000	\$6,750,000	\$60,834,954	\$66,622,008	\$26,778,256	\$93,400,264	1.54	21.18%
Pantheon Global Secondary Fund IV	06/24/2010		2010	\$15,000,000	\$5,040,000	\$9,960,000	\$12,450,001	\$3,315,583	\$15,765,584	1.58	14.02%
Pantheon Global Secondary Fund V	02/06/2015		2015	\$50,000,000	\$16,433,491	\$33,566,509	\$9,600,205	\$35,579,481	\$45,179,686	1.35	18.94%
Total Secondary Funds of Funds				\$217,500,000	\$68,437,502	\$149,510,169	\$98,579,230	\$110,378,279	\$208,957,509	1.40	20.18%

Co-Investment Funds	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Adams Street 2010 Direct Fund	05/21/2010		2010	\$8,500,000	\$453,900	\$8,046,100	\$9,077,781	\$5,022,336	\$14,100,117	1.75	12.95%
Adams Street Co-Investment Fund IV A	09/24/2018		2018	\$30,000,000	\$25,500,000	\$4,567,808	-	\$4,500,000	\$4,500,000	0.99	-6.01%
HarbourVest Partners Co-Investment IV	05/31/2017		2016	\$30,000,000	\$7,768,149	\$22,428,591	\$1,736,653	\$24,908,366	\$26,645,019	1.19	15.67%
HarbourVest Partners Co-Investment V	07/31/2018		2019	\$35,000,000	\$35,000,000	-	-	-	-		N/A
Total Co-Investment Funds				\$103,500,000	\$68,722,049	\$35,042,499	\$10,814,434	\$34,430,702	\$45,245,136	1.29	13.49%

Total Secondary & Co-Investment Interests				\$321,000,000	\$137,159,551	\$184,552,668	\$109,393,664	\$144,808,981	\$254,202,645	1.38	18.72%
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Total Active Portfolio				\$796,872,853	\$410,952,329	\$386,732,555	\$165,408,063	\$359,892,735	\$525,300,798	1.36	15.10%
Net IRR											15.09%

Past performance is not a guide to future results and is not indicative of expected realized returns. N/A = Not applicable; investments have not started calling capital. Performance presented is preliminary and subject to amendment and/or completion based on Abbott's valuation policy. Please see Appendix for Definitions.

VCERA Preliminary Portfolio Net Performance

VCERA Portfolio – Net Performance (for the period ending December 31, 2018)						
Period	1 year	2 years	3 years	5 years	7 years	Since inception
VCERA Portfolio	12.90%	16.25%	14.45%	14.23%	15.11%	15.09%
Russell 3000 (PME) +300bps	(4.05%)	8.09%	10.39%	9.65%	11.85%	11.72%
Difference	16.95%	8.16%	4.06%	4.58%	3.26%	3.37%

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

Private Equity Market Overview

Private Equity Environment

Private Markets

- While private equity fundraising declined in 2018, LP demand for the private markets remains strong as investors continue to increase allocations to PE
- GPs continue to raise increasing amounts of capital in shorter time periods
- Higher return potential compared with public equities
- Longer-dated investments afford investors the ability to minimize the impact of interim public and capital market volatility

Macroeconomic Outlook

- Uncertainty remains surrounding trade negotiations between the U.S. and China, interest rate policies in both the U.S. and abroad, and economic growth across the globe
- In the U.S. the Fed's actions bear careful watching – increasing interest rates coupled with balance sheet contraction

Private Equity

- U.S. and European fundraising activity declined compared with 2017 – largely due to the decrease in the number of mega funds raised
- Debt/EBITDA multiples remained steady for the last two years, while EV/EBITDA multiples decreased slightly year over year from 11.9x to 11.6x¹
- Elevated pricing has led many sponsors to utilize buy-and-build and add-on strategies as tools to average down initial entry multiples
- Current pace of private equity-backed exit activity is expected to continue through 2019

Venture Capital and Growth Equity

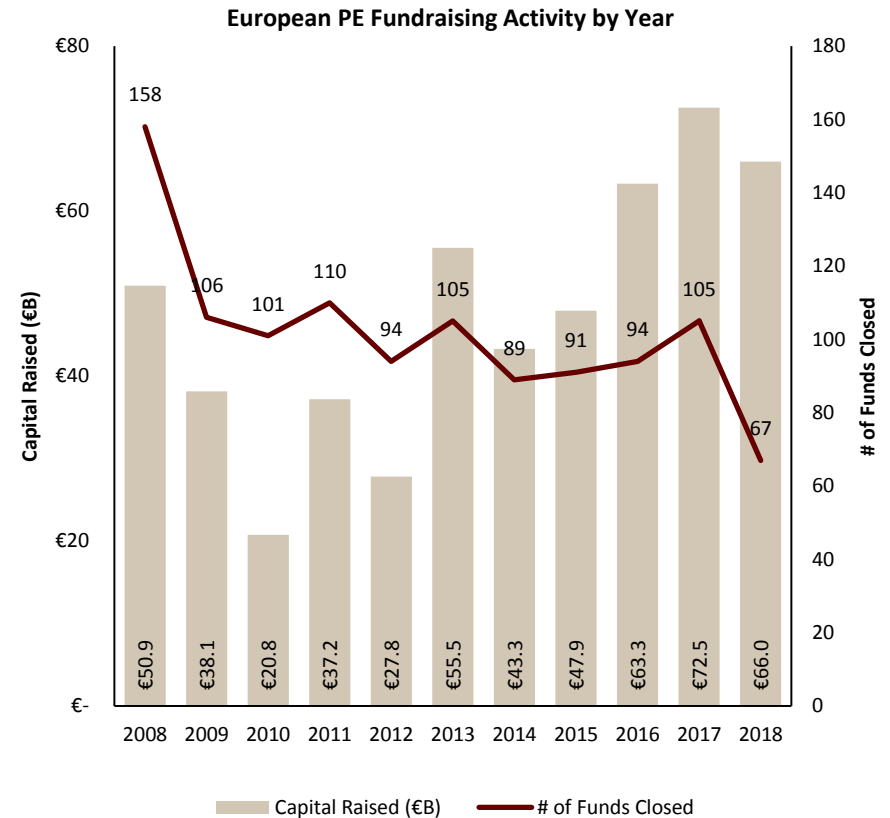
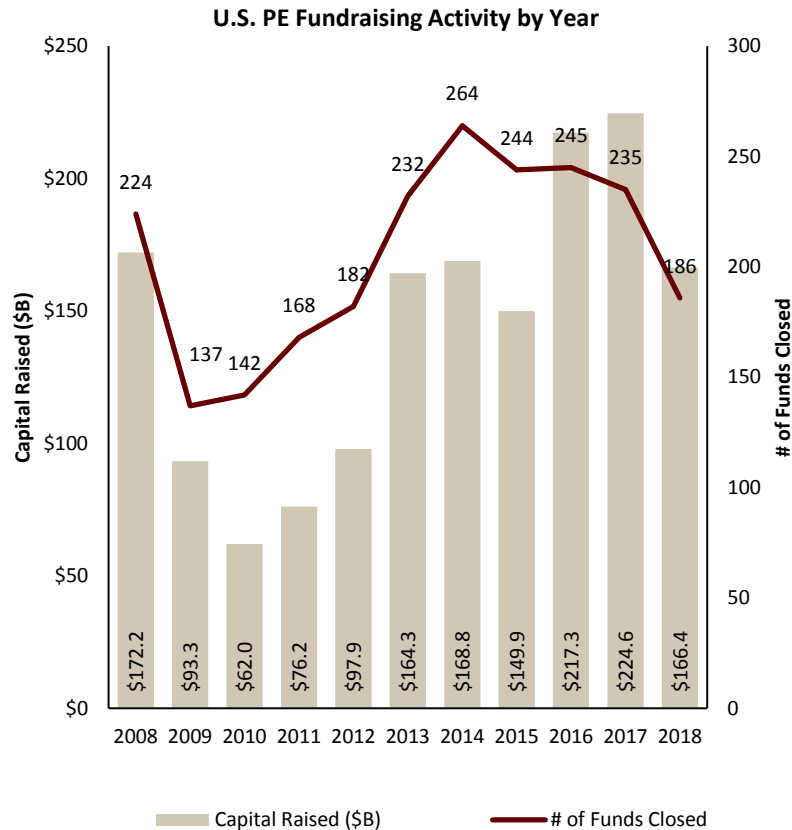
- LP demand remains high – U.S. VC fundraising surpassed the \$30B mark for the fifth consecutive year with \$55B in funds raised²
- Venture Capitalists invested money at a staggering pace in 2018, surpassing \$100B for the first time since the dot-com era²
- \$44 billion was invested across 120 deals into “unicorns,” or private companies with post-money valuations over \$1 billion, for a year-over-year increase of 150% and 58%, respectively²
- IPO market showed positive momentum for the second straight year with 85 venture-backed IPOs – the highest number since 2014 – and a 47% increase compared with 2017²

The views expressed are Abbott's opinion as of February 2019 and are subject to change without notice.

¹Source: PitchBook 2018 Annual U.S. PE Breakdown. PitchBook 2018 Annual European PE Breakdown.

²Source: 4Q 2018 PitchBook-NVCA Venture Monitor

Private Equity Fundraising Environment



- U.S. private equity fundraising activity declined in 2018 by approximately 26% in terms of dollars raised and 21% by number of funds raised
- The year-over-year decline is largely due to a decrease in the number of funds greater than \$1 billion funds raised in 2018 versus the prior year

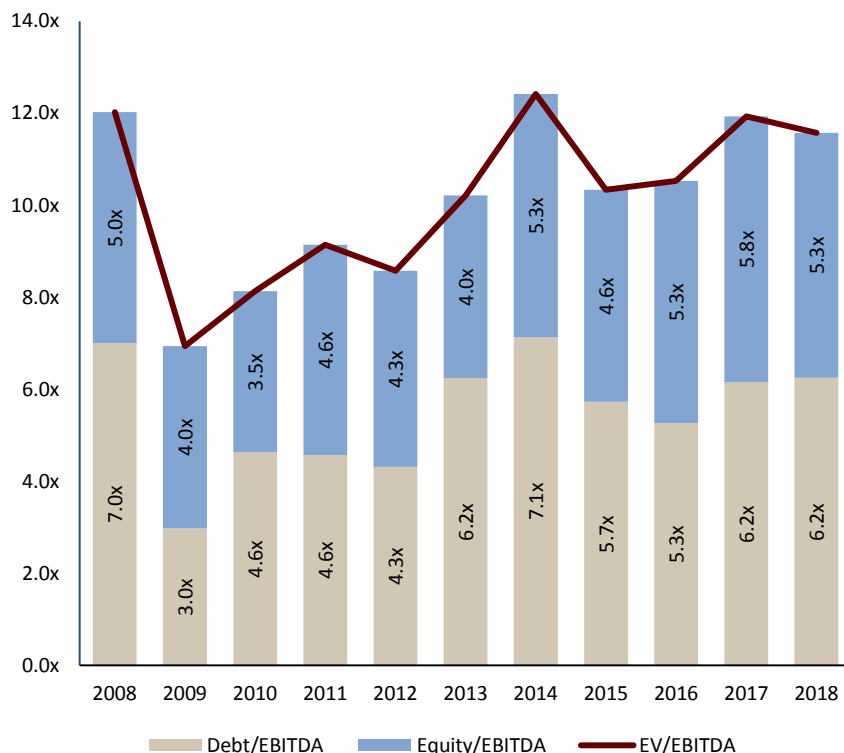
- European fundraising fell sharply in terms of number of funds raised, decreasing 36% year-over-year. 67 funds were raised in 2018, compared with 105 in 2017
- Despite the dip in number of funds and total dollars raised, average fund size grew more than 35% during the year to €1.1 billion

Source: PitchBook 2018 Annual U.S. PE Breakdown. PitchBook 2018 Annual European PE Breakdown.

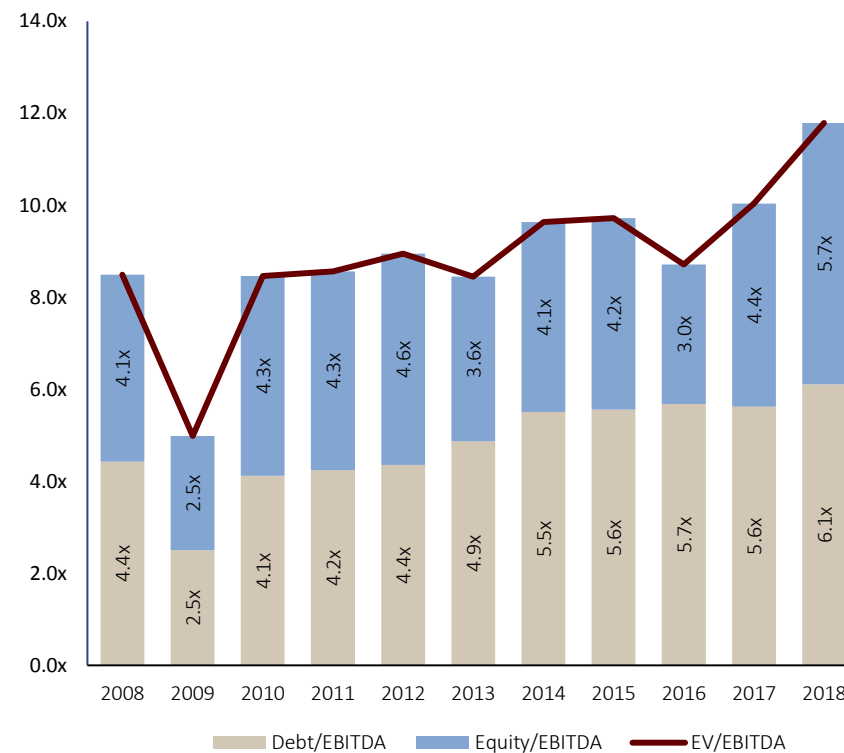
Private Equity Investment Environment

EV/EBITDA multiples remained elevated in both the U.S. and Europe through 2018 as managers sought to deploy the glut of dry powder

Median U.S. PE Buyout Multiples



Median European PE Buyout Multiples



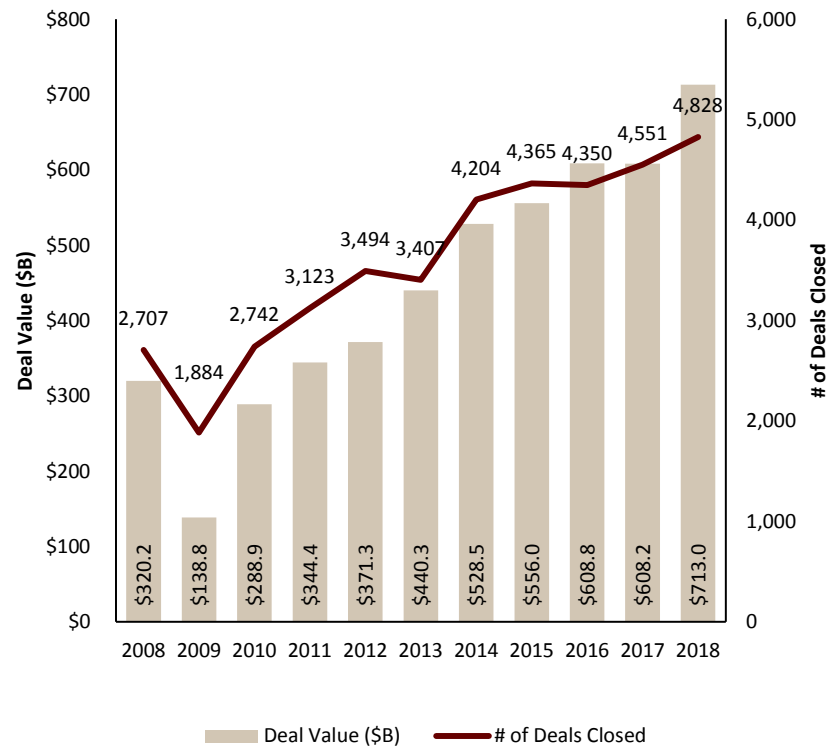
- Average EV/EBITDA multiples fell slightly to 11.6x, from 11.9x in 2017, with 61% of deals priced above 10.0x – the highest percentage on record

- Both EV/EBITDA and Debt/EBITDA multiples continued to rise, with medians hitting a 10-year high
- Favorable financing conditions allowed managers to pay a premium for deals

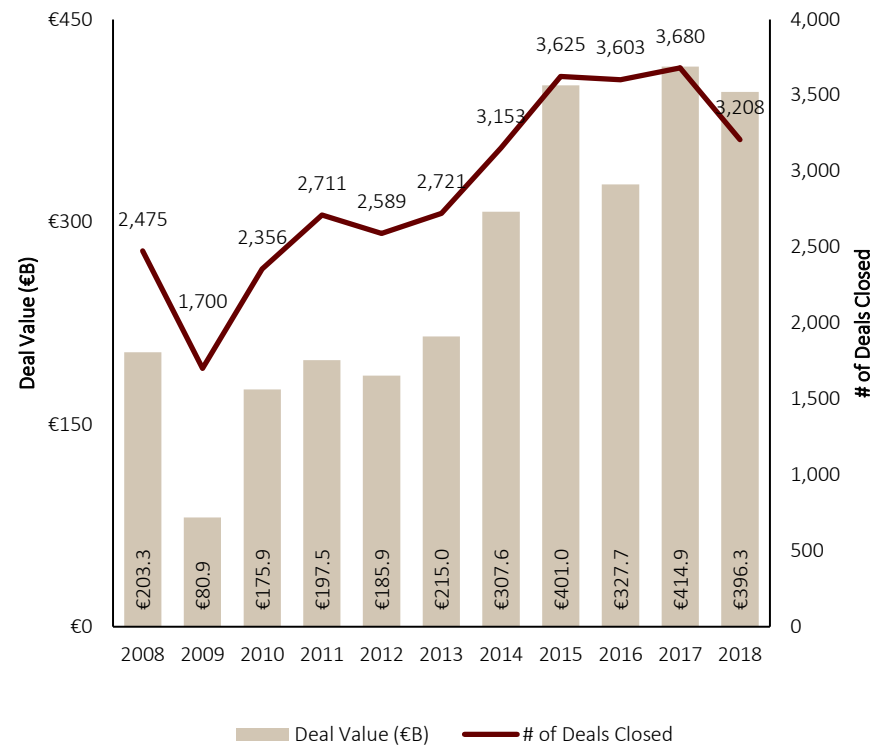
Source: PitchBook 2018 Annual U.S. PE Breakdown. PitchBook 2018 Annual European PE Breakdown.

Private Equity Investment Environment

U.S. PE Deal Activity by Year



European PE Deal Activity by Year



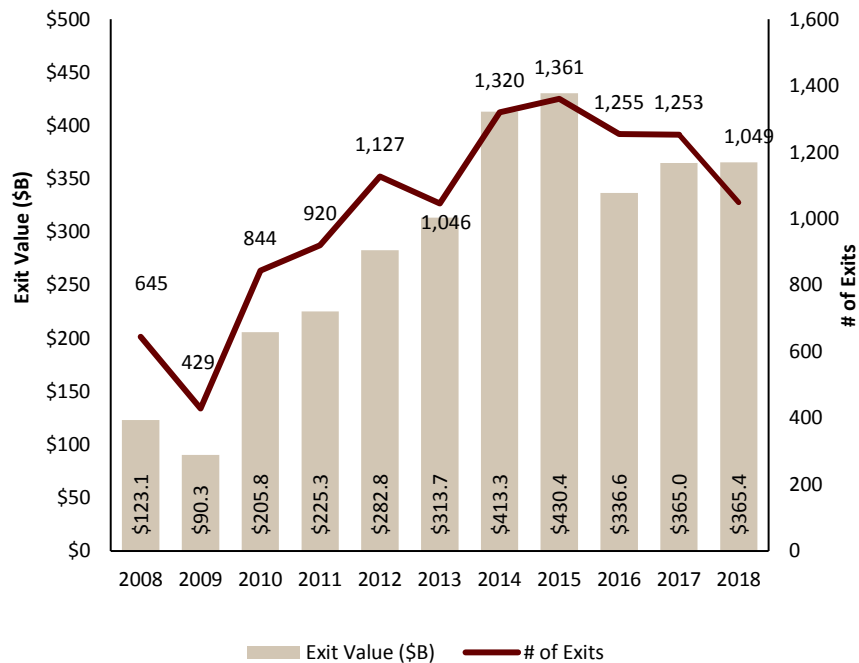
- U.S. deal activity for 2018 hit a record high with 4,828 transactions worth \$713 billion closed.
- A number of deals greater than \$1 billion contributed to this uptick, including the largest deal of 2018 – the \$21 billion buyout of Dr Pepper Snapple by BDT Capital Partners and JAB Holding

- European deal activity declined slightly in 2018 in terms of both deal value and count, showing a 4.5% and 12.8% drop, respectively
- Median deal size rose within the region and the number of deals greater than €1 billion climbed from 40 in 2017 to 45 in 2018

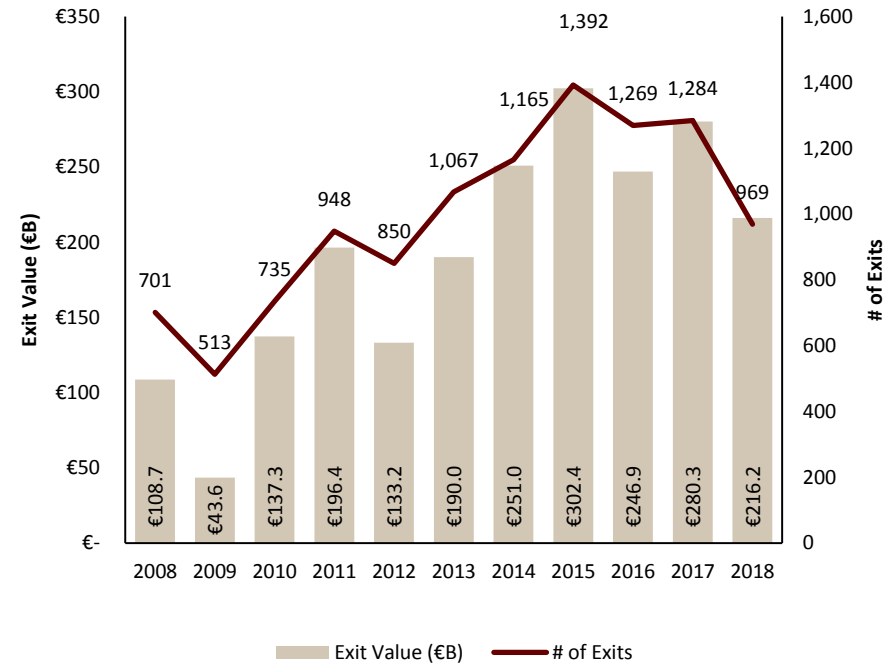
Source: PitchBook 2018 Annual U.S. PE Breakdown. PitchBook 2018 Annual European PE Breakdown. U.S. PE Deal Activity by Year includes estimated deals totaling \$47.9 billion in value and 250 in number. European PE Deal Activity by Year includes estimated deals totaling €18.6 billion in value and 142 in number.

Private Equity Exit Environment

U.S. PE-Backed Exit Activity by Year



European PE-Backed Exit Activity by Year



- In spite of robust deal activity and valuations, the reported number of private equity backed exits in the U.S. dropped 16% – from 1,253 in 2017 to 1,049 in 2018.
- 2018 deal value remained relatively flat, increasing only \$400 million over the prior year

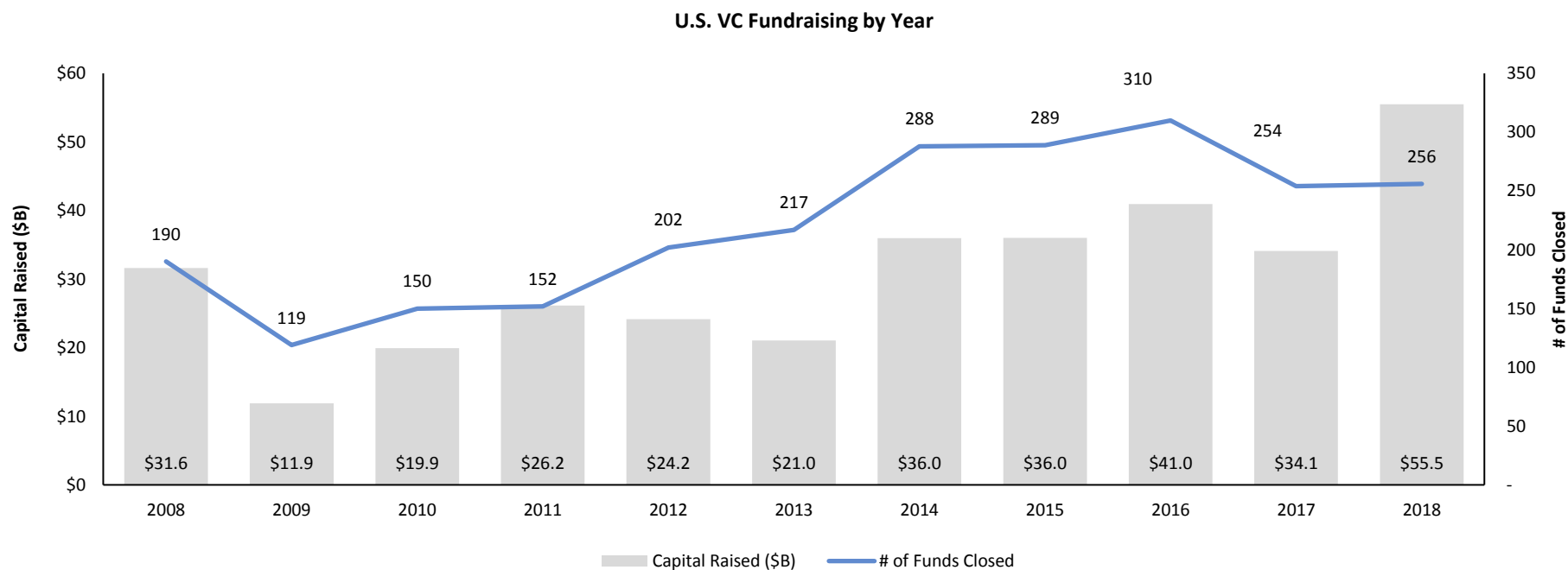
- The European exit environment declined substantially year-over-year; total 2018 exit value was €216 – its lowest in five years
- The European market is increasingly skewing toward secondary buyout opportunities over IPOs and mergers, with secondary buyout opportunities comprising more than 50% of transactions – a 25% increase from only five years ago.

Source: PitchBook 2018 Annual U.S. PE Breakdown. PitchBook 2018 Annual European PE Breakdown.

Venture Capital Fundraising Environment

Venture Capital Fundraising reached a record high in 2018

- In 2018, 256 funds raised \$55.5 billion, a 63% year-over-year increase. This was the most capital raised in over a decade and the fifth year in a row venture firms raised over \$30 billion
- In 2018, venture funds at or greater than \$500 million accounted for 57% of all capital raised in the U.S.; 11 funds raised \$1 billion or more
- First-time funds had a successful year setting records by both fund count and total capital raised, with \$5.3 billion raised across 52 funds, representing year-over-year increases of 52% and 30%, respectively

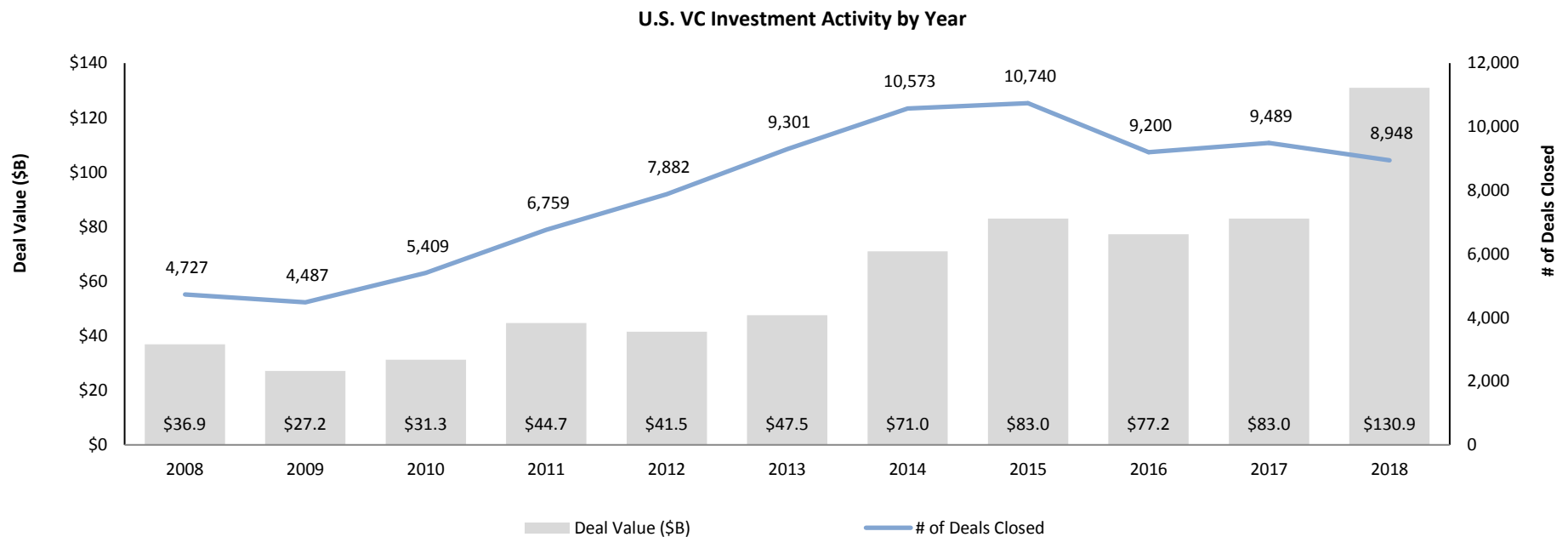


Source: 4Q 2018 PitchBook-NVCA Venture Monitor

Venture Capital Investment Environment

For the first time since the dot-com era, venture capitalists invested over \$100 billion in 2018

- \$130.9 billion was deployed across 8,948 deals, which far exceeded the \$105 billion invested in 2000, the previous record high
- Later-stage deals accounted for the highest proportion of total capital invested in 2018, which was driven by venture capitalists' participation in larger deals, as well as the continuing trend of companies opting to raise larger growth/late stage rounds and remain private longer
- Although over all deal count declined slightly year-over-year, the number of rounds over \$100 million nearly doubled from 104 in 2017 to 198 in 2018



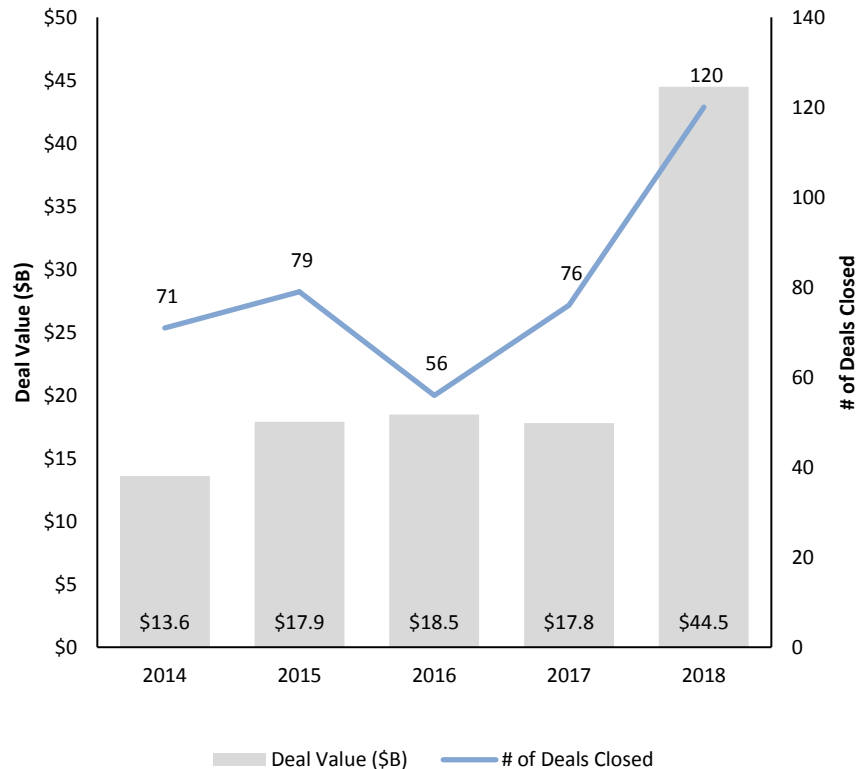
Source: 4Q 2018 PitchBook-NVCA Venture Monitor

Venture Capital Investment Environment

Unicorns had a record-breaking year and late stage investments surged in 2018

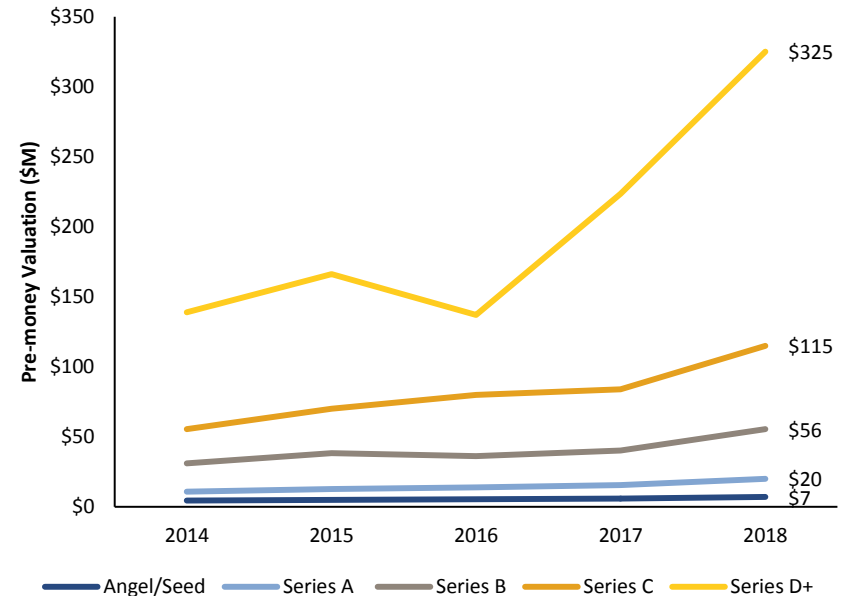
- Total deal value increased nearly 2.5x year-over year as \$45 billion was invested across 120 deals into “unicorns,” or private companies with post-money valuations over \$1 billion

U.S. VC Unicorn Activity by Year



- Valuations surged for later-stage companies (Series D+ rounds) with a 45% year-over-year increase. Early-stage valuations (Seed, Series A and B) were not far behind, with an approximate 35% year-over-year increase.
- Funding round sizes have continued to increase across all stages; compared with 2017, the average fundraising round for seed and early-stage investments increased 23% and 40%, respectively

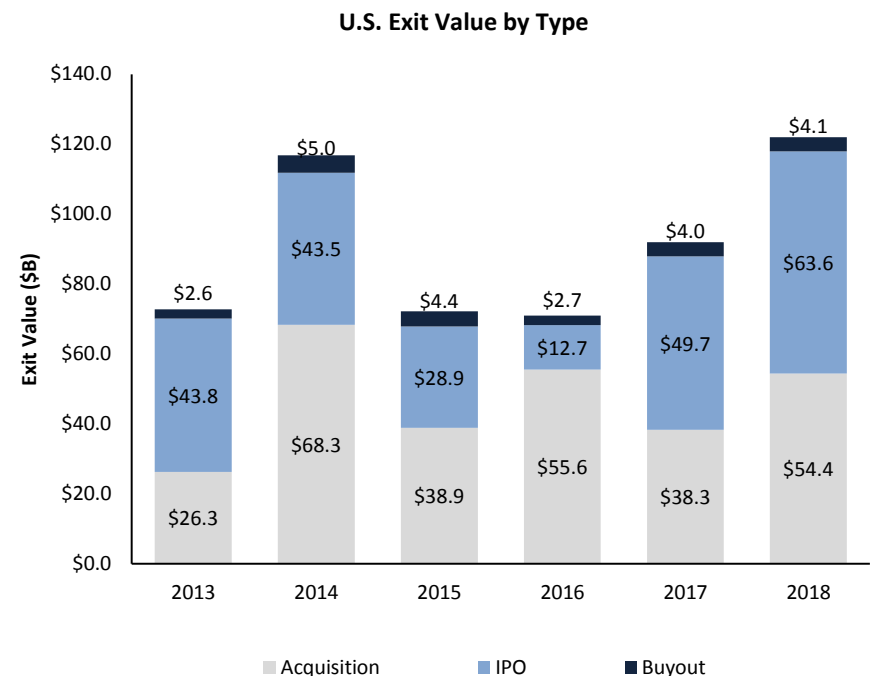
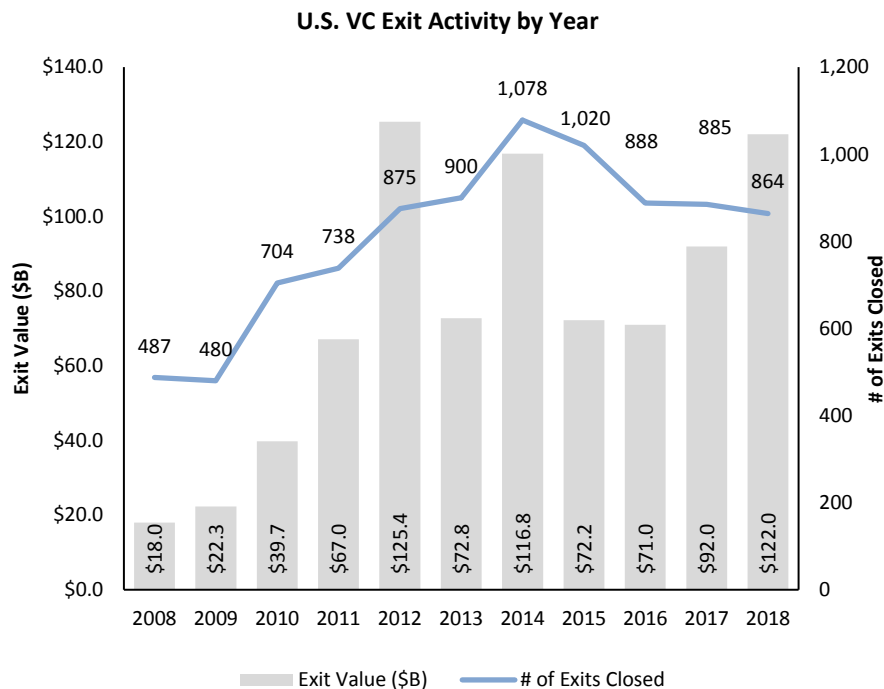
U.S. VC Median Pre-money Valuation by Series



Source: 4Q 2018 PitchBook-NVCA Venture Monitor

Venture Capital Exit Environment

- Venture-backed exit activity experienced a strong year in 2018, with \$122 billion in value generated across 864 exits. Over all exit value increased by 33%. The decline in the number of exits was likely due to fewer strategic acquisitions, which declined approximately 10% year-over year
- Total M&A exit value increased 42% from 2017 led by Microsoft’s \$7.5 billion acquisition of GitHub and Cisco’s \$2.4 billion acquisition of Duo Security
- IPOs accounted for an increased proportion of exits, both in terms of count and value
- In 2018, there were 85 IPOs with a total value of \$64 billion compared to 58 IPOs with a total value of \$50 billion in 2017
- 2018 had the highest number of venture-backed companies enter the public markets since 2014



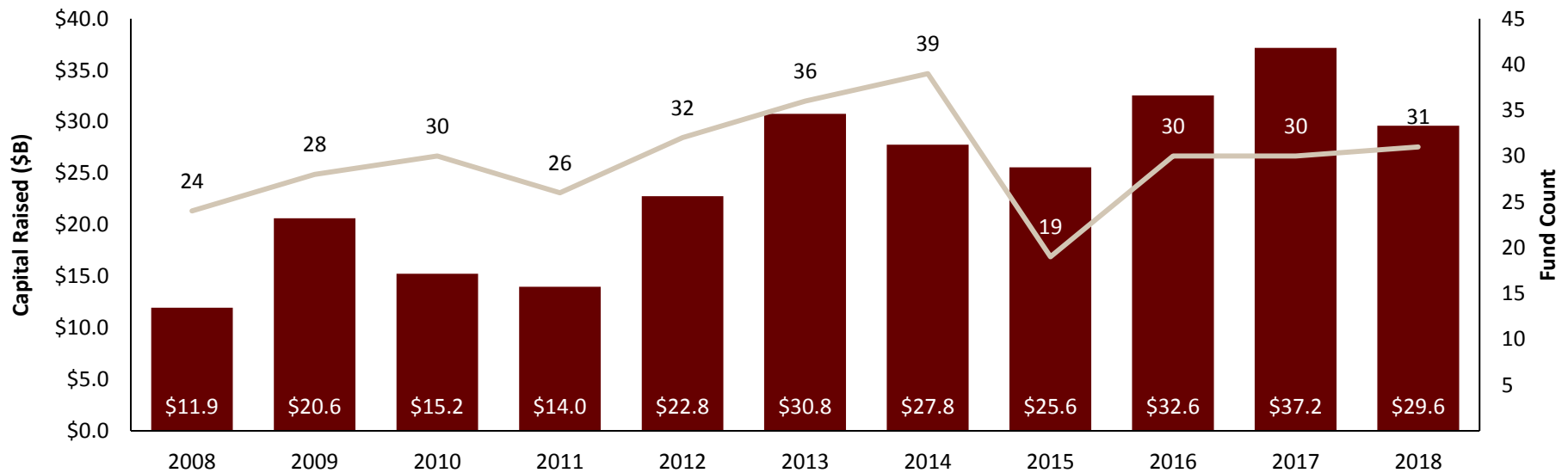
Source: 4Q 2018 PitchBook-NVCA Venture Monitor



Secondary Fundraising

- A strong fundraising environment and the widespread availability of leverage has brought secondary dry powder to an estimated \$192 billion
- While LP demand remains, secondary fundraising was down in 2018 in terms of value with approximately \$30 billion closed versus \$37 billion closed in the previous year
- According to Preqin, secondary fund closings totaling more than \$70 billion are anticipated in 2019

Global Secondaries Fundraising by Year

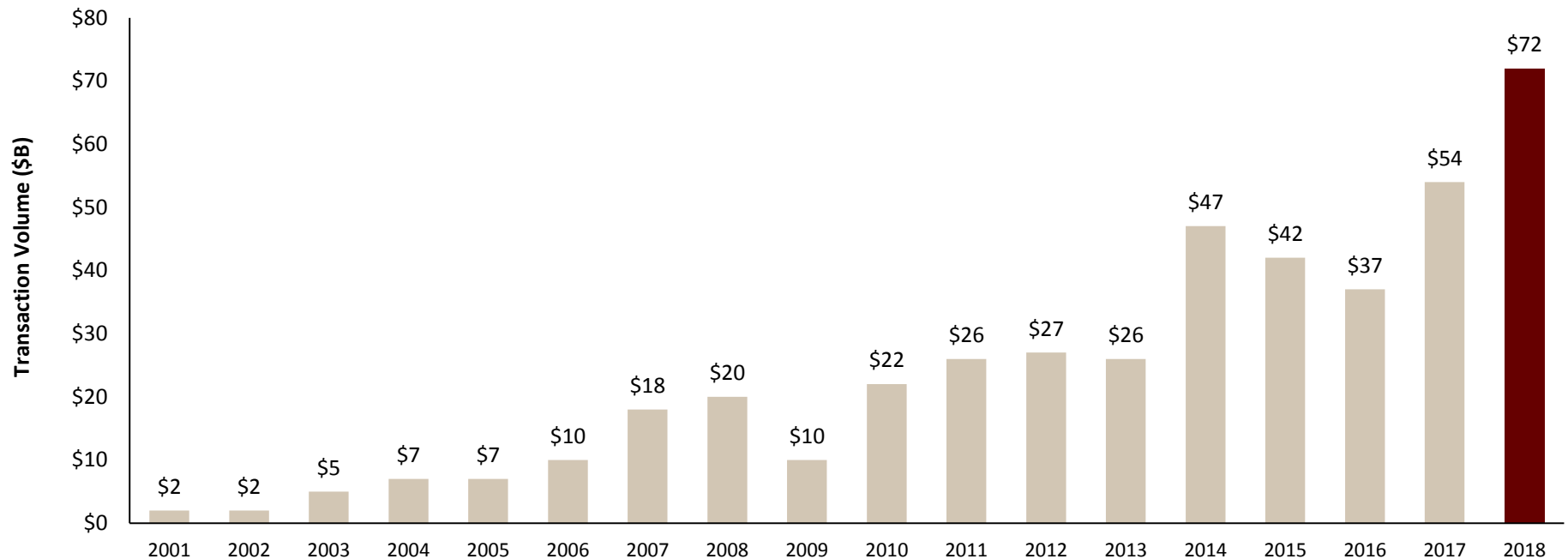


Source: Greenhill & Co., Inc., Global Secondary Market Trends & Outlook; January 2019. Source (histogram): PitchBook. Data sourced 3/1/2019. Data includes closed and open dedicated secondaries funds.

Secondary Volume

- Transaction volume at all-time high \$72 billion in 2018
- The top six buyers alone accounted for 50% of 2018 secondary transaction volume and over all, 89% of the total transaction volume was deployed by funds greater than \$1 billion
- GP-led transactions continued to grow in 2018 and are the second largest driver of secondary transactions after active portfolio management

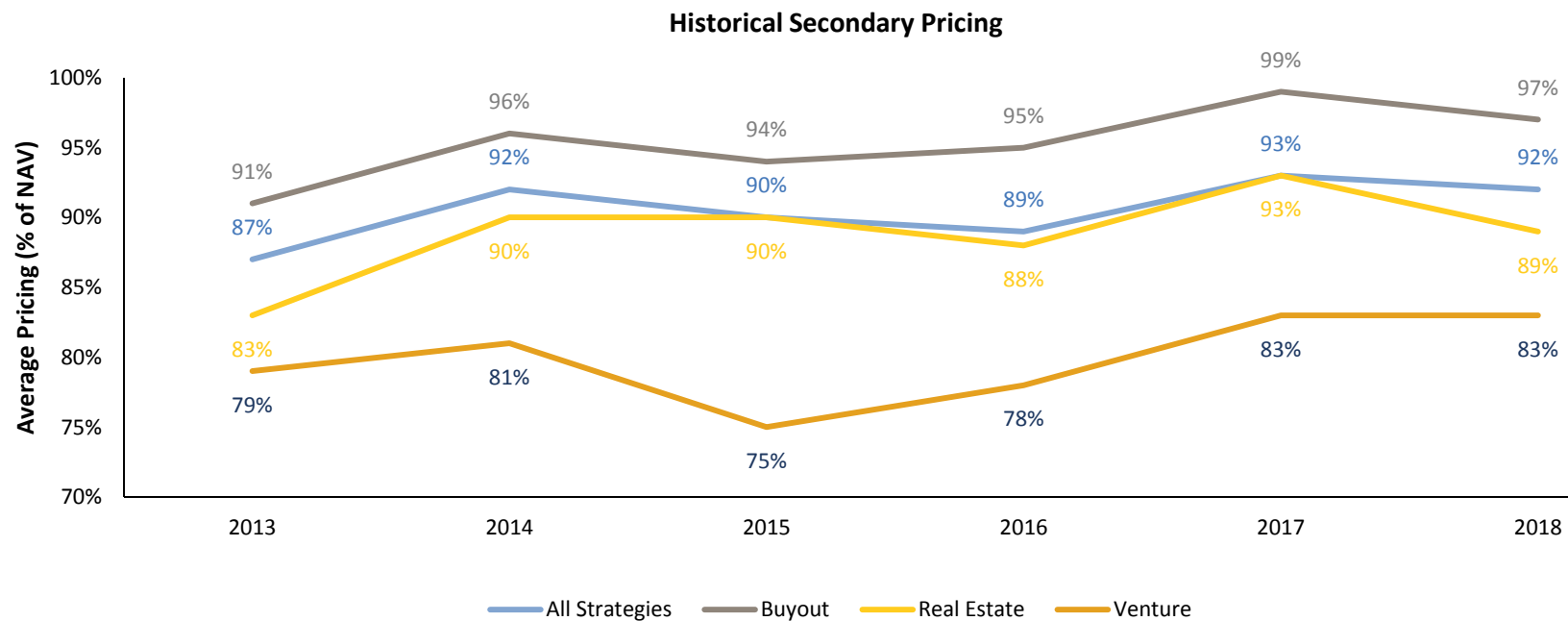
Transaction Volume



Source: Evercore Private Capital Advisory YE 2018 Secondary Market; January 2019

Secondary Market Pricing Evolution Over Time

- Strong pricing remains driven by the large amount of dry powder in the market, exacerbated by the continued use of leverage, particularly at the larger end of the market
- Competition at the larger end of the market is fierce, given that many of the mega funds are significantly increasing their new target fund size, in some cases by more than 50%



Source: Greenhill & Co., Inc., Global Secondary Market Trends & Outlook; January 2019

Appendix

Glossary of Terms

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

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

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

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

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

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

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

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

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

NAV: Net Asset Value

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

Undrawn: Balance of uncalled commitments made by the LP to its portfolio funds (Undrawn = Commitment – Paid In).

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

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

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

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

Important Information

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

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

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Important Information

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

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

The Net IRR represents the annualized internal rate of return over the relevant period using Latest Valuation and is calculated by Abbott based on the monthly net cash flows between the account and the partnership investments and the estimated fair value of the Account as of December 31, 2018. Estimated Fair Value of the partnership investments is based on the most recently available capital account balances reported to Abbott by the Portfolio Funds as of the report date, excluding allocations of unrealized gain or loss on the underlying portfolio company investments. Any net asset value reported to Abbott in a foreign currency is translated at the relevant exchange rate at the close of business on the report date. The capital account balances may have been adjusted by other amounts necessary to reflect the fair value of the Portfolio Funds as determined by Abbott during its most recently completed valuation review. Fair Value may also include the value of distributed stock that is unsold or unsettled as of the report date. Fair Value of distributed stock currently held and unsold is based on the closing sale price of the stock as of the report date. Fair Value of distributed stock pending settlement is based on the sale price of the stock on the trade date. Net IRR is net of all fees, expenses and carried interest charged by the underlying partnership investments, as well as Abbott's advisory fees and adjustments resulting from the gains and losses realized upon the sale of distributed stock and other expenses payable by the account, if any.

Abbott and Portfolio Investment Performance:

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

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

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

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

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

Important Information

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

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

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



April 15, 2019

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

SUBJECT: BOARD APPROVAL OF PRIVATE EQUITY INVESTMENT ANNUAL PLAN

Dear Board Members:

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

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

Staff and NEPC have worked with Abbott in the continuing program development, and believe that the proposed 2019 Annual Plan is in the best interest of VCERA.

**RECOMMENDATION:
APPROVAL AND ADOPTION OF THE 2019 PRIVATE EQUITY ANNUAL PLAN AS
PROPOSED AND PRESENTED BY ABBOTT CAPITAL MANAGEMENT.**

Respectfully submitted,

Dan Gallagher
Chief Investment Officer

Private Equity Annual Plan

*Ventura County Employees' Retirement Association
2019*



Private Equity Annual Plan

*Ventura County Employees' Retirement Association
2019*



Ventura County Employees' Retirement Association

ANNUAL PLAN

For the period 1/1/19 through 12/31/19

A. FUNDING LEVEL ANALYSIS

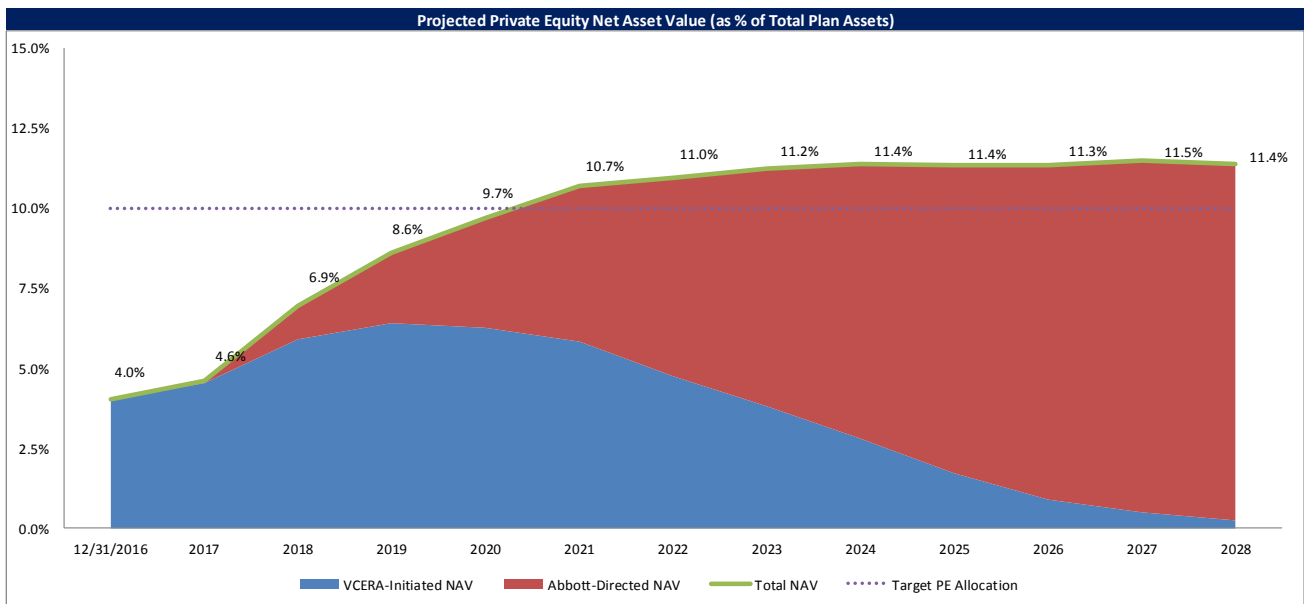
I. FUNDING LEVEL

Actual Funding Position

	<u>1/1/2019</u>
Total Fund Market Value:	\$5,198.1 million
% Target for Private Equity:	10%
Total Private Equity Target Allocation:	\$519.8 million
VCERA-Initiated Portfolio Net Asset Value:	\$307.5 million
Abbott-Directed Portfolio Net Asset Value:	\$53.6 million
Total Net Asset Value:	\$361.1 million
NAV in excess of (short of) Target	(\$158.7 million)

Projected Funding Position

	<u>12/31/2023</u>
Fund Market Value:	\$7,222.8 million
% Target for Private Equity:	10%
Total Private Equity Allocation:	\$722.3 million
2019 Commitment Target:	\$230 million
<i>Actual commitment may be greater or less depending on market opportunities</i>	





Ventura County Employees' Retirement Association

II. FUNDING BY STRATEGY

ABBOTT-DIRECTED PORTFOLIO			12/31/2018
Strategy	NAV	Undrawn	Exposure
Venture Capital & Growth Equity (Global)	\$10.3m	\$50.0m	\$60.3m
North American Buyouts & Special Situations	\$18.6m	\$90.0m	\$108.6m
International Buyouts & Special Situations	\$8.3m	\$40.0m	\$48.3m
Secondary & Co-Investment	\$16.4m	\$36.4m	\$52.8m
TOTAL Abbott-Directed Portfolio	\$53.6m	\$216.4m	\$270.0m

VCERA-INITIATED PORTFOLIO			
Strategy	NAV	Undrawn	Exposure
Venture Capital & Growth Equity (Global)	\$14.6m	\$25.4m	\$40.1m
North American Buyouts & Special Situations	\$79.1m	\$34.6m	\$113.7m
International Buyouts & Special Situations	\$74.1m	\$32.3m	\$106.4m
Secondary & Co-Investment	\$139.7m	\$145.4m	\$285.1m
TOTAL VCERA-Initiated Portfolio	\$307.5m	\$237.8m	\$545.3m

TOTAL PORTFOLIO			
Strategy	NAV	Undrawn	Exposure
Venture Capital & Growth Equity (Global)	\$25.0m	\$75.4m	\$100.4m
North American Buyouts & Special Situations	\$97.7m	\$124.6m	\$222.3m
International Buyouts & Special Situations	\$82.3m	\$72.3m	\$154.6m
Secondary & Co-Investment	\$156.0m	\$181.9m	\$337.9m
TOTAL Portfolio	\$361.1m	\$454.2m	\$815.3m

PE NAV is estimated based on 9/30/2018 net asset values, adjusted by net cash flows through 12/31/18. Totals may not sum due to rounding.

I. STRATEGIC PORTFOLIO STRUCTURE

VCERA's Private Equity Portfolio will be constructed over time and in accordance with the diversification guidelines described in the Private Equity Investment Policy ("PE Policy"). The projected year-end 2023 Private Equity Target Allocation is \$722.3 million. The projected NAV and Exposure by strategy will be approximately as shown in the table below. Note that the actual NAV and Exposure will depend on market conditions, investment opportunities available to VCERA and other factors.

Total Private Equity Target 12/31/2023:		\$722.3m
Strategy	Projected NAV and Exposure	Range
Venture Capital & Growth Equity (Global)	20%	10%-30%
North American Buyouts & Special Situations	40%	35%-55%
International Buyouts & Special Situations	20%	10%-30%
Secondary & Co-Investment	20%	5%-40%
TOTAL	100%	





Ventura County Employees' Retirement Association

B. 2018 INVESTMENT ACTIVITY: ABBOTT-DIRECTED PORTFOLIO**I. PRIMARY COMMITMENTS**

Fund	Strategy	Commitment	Paid In	Undrawn
ABRY Partners IX*	North American Buyouts & Special Situations	\$10.6m	\$0.0m	\$10.6m
Battery Ventures XII & Side Fund	Venture Capital & Growth Equity (Global)	\$14.1m	\$3.3m	\$10.8m
CapVest Equity Partners IV^	International Buyouts & Special Situations	\$12.6m	\$0.0m	\$12.6m
ECI 11^	International Buyouts & Special Situations	\$9.5m	\$1.3m	\$8.3m
GGV Capital VII, VII Plus, & Discovery II	Venture Capital & Growth Equity (Global)	\$14.8m	\$0.0m	\$14.8m
Hellman & Friedman Capital Partners IX	North American Buyouts & Special Situations	\$19.8m	\$0.0m	\$19.8m
M/C Partners VIII	North American Buyouts & Special Situations	\$10.0m	\$0.0m	\$10.0m
Riverside Micro-Cap Fund V	North American Buyouts & Special Situations	\$10.0m	\$0.0m	\$10.0m
The Resolute Fund IV	North American Buyouts & Special Situations	\$20.0m	\$1.9m	\$18.1m
Buenaventure One, LLC	Various	\$57.2m	\$18.4m	\$38.8m
TOTAL		\$178.6m	\$24.8m	\$153.8m

Totals may not sum due to rounding or late interest charges.

*\$7.6 million was committed to ABRY Partners IX in December 2018 and an additional \$3.0 million was committed in January 2019.

^Non-USD denominated funds. Commitment amounts, which may fluctuate due to exchange rate changes, were converted as of 12/31/2018.

In 2018, on behalf of VCERA, Abbott made 18 primary commitments across 14 managers totaling \$179 million, of which six commitments are in Buenaventure One, compared to the total commitment target of \$185 million. In addition, a further \$30 million of VCERA-initiated commitments closed during the year, as detailed in Section C. In aggregate, VCERA closed on approximately \$210 million of fund commitments during the year.

II. SECONDARY PURCHASES

No direct secondary purchases were made during 2018.

III. OTHER INVESTMENT ACTIVITY

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

IV. DIVESTMENT, LIQUIDATION AND TERMINATION ACTIVITY

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

V. PERFORMANCE COMMENTARY

VCERA approved its Private Equity Policy and first Annual Plan in June 2017, at which time Abbott began pursuing investments on VCERA's behalf. From the inception of VCERA's program through December 31, 2018, Abbott has committed \$269 billion to 22 private equity funds through primary commitments and Abbott Secondary Opportunities, L.P. (ASO). Through year-end 2018, Abbott commitments in 14 managers totaling approximately \$179 million (as shown



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above). Of the commitments made in 2018, approximately half have started drawing capital. The pace of cash flows is in line with the pacing model.

In 2017, VCERA made a \$25 million commitment to ASO. The fund reached a final close in December 2017, with total commitments amounting to \$208 million. As of December 31, 2018, ASO was 81% invested, which is in line with pacing expectations. ASO closed 10 transactions in 2018 including four LP interests, three GP-led transactions, and three other investments.

VI. SPECIFIC SITUATIONS REQUIRING ADDITIONAL MONITORING

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

As of year-end, there are no situations requiring additional monitoring.

C. 2018 INVESTMENT ACTIVITY: VCERA-INITIATED PORTFOLIO

I. PRIMARY COMMITMENTS

Fund	Strategy	Commitment	Paid In	Undrawn
Adams Street Co-Investment Fund IV A	Secondary & Co-Investment	\$30.0m	\$4.6m	\$25.5m
TOTAL		\$30.0m	\$4.6m	\$25.5m

Some figures may be estimated for VCERA-Initiated Portfolio; totals may not sum due to rounding.

The total commitment target for 2018 was \$185 million. In 2018, VCERA exceeded that with \$30 million of VCERA-initiated commitments and \$179 million of Abbott-directed commitments, as noted above.

II. SECONDARY PURCHASES

There were no direct secondary purchases in in 2018.

III. OTHER INVESTMENT ACTIVITY

There was no other investment activity in the VCERA-initiated portfolio in 2018.

IV. DIVESTMENT, LIQUIDATION AND TERMINATION ACTIVITY

No funds were divested, liquidated or otherwise terminated in the VCERA-initiated portfolio in 2018.





Ventura County Employees' Retirement Association

V. TOTAL VCERA-INITIATED PORTFOLIO

Fund	Commitment	Cumulative Distributions	NAV
Adams Street 2010 Direct Fund	\$8.5m	\$9.1m	\$5.8m
Adams Street - 2010 Non-U.S. Developed Markets Fund	\$25.5m	\$15.7m	\$18.1m
Adams Street - 2010 Non-U.S. Emerging Markets Fund	\$8.5m	\$2.0m	\$10.3m
Adams Street 2013 Global Fund	\$42.5m	\$8.1m	\$73.5m
Adams Street 2016 Global Fund	\$75.0m	\$3.6m	\$29.2m
Adams Street Co-Investment Fund IV A	\$30.0m	\$0.0m	\$4.3m
Adams Street Partnership Fund - 2010 U.S. Fund	\$8.5m	\$25.9m	\$38.2m
Drive Capital Fund II	\$15.0m	\$0.0m	\$5.8m
HarbourVest - Dover Street VIII	\$67.5m	\$66.6m	\$26.9m
HarbourVest - Dover Street IX	\$60.0m	\$7.3m	\$31.8m
HarbourVest Partners Co-Investment IV	\$30.0m	\$1.7m	\$24.9m
Pantheon Global Secondary Fund IV	\$15.0m	\$12.5m	\$3.4m
Pantheon Global Secondary Fund V	\$50.0m	\$9.6m	\$35.3m
TOTAL	\$436.0m	\$162.1m	\$307.5m

PE NAV is estimated based on 9/30/2018 net asset values, adjusted by net cash flows through 12/31/18. Totals may not sum due to rounding.

As of December 31, 2018, the VCERA-initiated portfolio included total commitments of \$436 million of which \$330 million had been paid-in. From inception through December 31, 2018, VCERA had received cumulative distributions of approximately \$162 million, resulting in a DPI (Distributions to Paid In) of 0.49x. The reported remaining fair market value was \$307.5 million and the TVPI (Total Value to Paid In) was 1.42x.

VI. MONITORING OF THE VCERA-INITIATED PORTFOLIO

Abbott will continue to collect performance data on and to monitor developments in the VCERA-initiated portfolio. Abbott is currently not aware of any specific situations requiring additional monitoring.

Overall the portfolio met expectations for 2018. Capital called by each manager was generally in line with expectations while distributions received were slightly slower. The lag in expected distributions can be attributed to lower distributions from secondary funds, in particular, Pantheon Global Secondary Fund IV and V, and HarbourVest - Dover Street IX.

D. 2019 INVESTMENT PLAN

I. POTENTIAL PIPELINE

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

Abbott is currently in active due diligence on three Venture Capital & Growth Equity funds and two North American Buyout & Special Situations funds that may be appropriate for VCERA's portfolio. These funds represent approximately \$50 million of possible commitments for VCERA (assuming they receive Abbott Investment Committee approval). The currently-identified forward pipeline includes eight Venture Capital & Growth Equity funds, 13 North American Buyouts

Ventura County Employees' Retirement Association



& Special Situations funds, and five International Buyouts & Special Situations funds. This pipeline represents in excess of \$150 million of potential commitments for VCERA.

II. DOLLAR AMOUNT TO BE INVESTED

Based on the current state of the portfolio, the projected capital calls, distributions, NAV appreciation, and Plan growth rate, VCERA should commit approximately \$230 million in 2019 and an average of approximately \$150 million per year for the next five years to reach the Private Equity Target Allocation.

Year to date in 2019, Abbott committed to six funds, totaling approximately \$50 million, on behalf of VCERA and the VCERA-initiated portfolio included total commitments of \$125 million.

Abbott-Directed Commitments

Fund	Strategy	Commitment	Paid In	Undrawn
Advent International GPE IX	International Buyouts & Special Situations	\$10.0m	\$0.0m	\$10.0m
Astorg VII [^]	International Buyouts & Special Situations	\$8.8m	\$0.0m	\$8.8m
Genstar Capital Fund IX	North American Buyouts & Special Situations	\$7.5m	\$0.0m	\$7.5m
Genstar Capital IX Overage Fund	North American Buyouts & Special Situations	\$2.5m	\$0.0m	\$2.5m
TA XIII	North American Buyouts & Special Situations	\$10.0m	\$0.0m	\$10.0m
Buenaventure One, LLC	Various	\$10.0m	\$0.0m	\$10.0m
TOTAL		\$48.8m	\$0.0m	\$48.8m

VCERA-Initiated Commitments

Fund	Strategy	Commitment	Paid In	Undrawn
Drive III & Overdrive I	Venture Capital & Growth Equity (Global)	\$15.0m	\$0.0m	\$15.0m
HarbourVest Partners Co-Investment V	Secondary & Co-Investments	\$35.0m	\$0.0m	\$35.0m
TOTAL		\$50.0m	\$0.0m	\$50.0m

TOTAL	\$98.8m	\$0.0m	\$98.8m
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Totals may not sum due to rounding or late interest charges.

[^]Funds denominated in EUR. Commitment amounts, which may fluctuate due to exchange rate changes, were converted as of multiple closings.

At present, Abbott has a strong pipeline across all segments in 2019, consisting of both new groups and existing relationships. While the program continues to focus on larger dollar commitments, capacity in top-tier private equity partnerships remains a constraint. As such, the program will remain flexible with commitment sizes to gain exposure to high-quality investment opportunities.

E. SUMMARY

Across both the Abbott-directed portion and the VCERA-initiated portion of the portfolio, VCERA closed on \$210 million of commitments in 2018. VCERA's goal is to build upon the solid foundation of its current private equity portfolio and to increase the allocation from the current level of 6.9% to reach the target allocation of 10% over the next several years. Current modeling of the portfolio supports a commitment pace of **\$230 million** in 2019, followed by commitments of \$120 million in 2020, \$120 million in 2021, and an average commitment level from 2019 through 2023 of approximately \$150 million per year. Note that market conditions, especially the Plan's actual attained growth rate, and the pace of capital calls, distributions and NAV appreciation in the private equity portfolio, may cause the projected commitment pace to change in the future.

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Through the end of the first quarter of 2019, VCERA has committed approximately \$100 million. With a robust pipeline visible for the balance of the year, VCERA expects to reach the commitment target for 2019.

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

As always, the program will maintain its rigorous selection criteria with the goal of building a diversified portfolio across Global Venture Capital and Growth Equity, North American Buyouts and Special Situations, International Buyouts and Special Situations, as well as other private equity strategies.



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APPENDIX 1

2018 Private Equity Market Review

Venture Capital and Growth Equity

The venture capital and growth equity strategies ultimately had a banner year, as evidenced by robust deal and fundraising activity, as well as strong overall performance and realizations through both strategic exits and IPOs.

For the first time since the dot-com era, venture capitalists invested over \$100 billion in 2018. According to the NVCA, approximately \$131 billion was deployed across 8,948 deals, which far exceeded \$105 billion invested in 2000, the previous record high. Later-stage deals accounted for the highest proportion of total capital invested in 2018. This was driven by venture capitalists' participation in larger deals, as well as the continuing trend of companies opting to raise larger growth/late stage rounds and remain private longer. Further, although overall deal count fell by 6% compared with 2017, the number of rounds over \$100 million nearly doubled from 104 in 2017 to 198 in 2018. Moreover, \$44 billion was invested across 120 deals into "unicorns," or private companies with post-money valuations over \$1 billion, reflecting a year-over-year increase of 150% and 58%, respectively. While later-stage deals continue to dominate the deal making environment, it is worth noting that round sizes have continued to increase across all stages. Compared with 2017, the average fundraising round for seed and early-stage investments increased 23% and 40%, respectively.

As evidenced by the decline in the number of deals closed despite record breaking capital invested, valuation trends remained consistent throughout 2018 with pre-money valuations continuing to rise across all stages. Valuations surged for later-stage companies (Series D+ rounds) with a 45% year-over-year increase. Early-stage valuations (Seed, Series A and B) were not far behind, with an approximate 35% year-over-year increase.

Fundraising also reached a record high in 2018, with 256 funds raising \$56 billion, a 63% year-over-year increase. This was the most capital raised in over a decade and the fifth year in a row venture firms raised over \$30 billion. Compared with 2017, the number of funds raised remained virtually unchanged, illustrating a preference for larger funds, as the need for follow-on capital to avoid dilution increases given companies' propensity to stay private longer. In 2018, venture funds of \$500 million or greater accounted for 57% of all capital raised. Further, there were a record 11 funds that raised \$1 billion or more, accounting for 43% of total capital raised, the highest proportion since 2006. At the same time, first-time funds had a successful year setting a record in terms of both number of funds and total capital raised, with \$5.3 billion raised across 52 funds, representing year-over-year increases of 52% and 30%, respectively.

Venture-backed exit activity also experienced a strong year in 2018, with \$122 billion in value generated across 864 exits. While the number of exits saw a slight decline from 2017, overall exit value increased by 33%. The decline in the number of exits was largely due to fewer strategic acquisitions, which declined approximately 10% year-over-year. However, total M&A exit value increased 42% from 2017 led by Microsoft's \$7.5 billion acquisition of GitHub and Cisco's \$2.4 billion acquisition of Duo Security. The IPO market showed positive momentum for the second straight year; in 2018, there were 85 IPOs with a total value of \$64 billion compared to 58 IPOs with a total value of \$50 billion in 2017. Notably, 2018 had the highest number of venture-backed companies enter the public markets since 2014, which was a welcomed development for the industry. Perhaps even more encouraging, the aggregate 2018 value raised by those IPOs outpaced every year over the past decade except for 2012, itself somewhat of an outlier due to Facebook's \$16 billion listing.



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Buyouts and Special Situations

The economy and credit markets remained accommodative in the U.S. during 2018, fueling robust private equity deal activity and relatively high valuations in spite of poor public market performance during the fourth quarter. According to Pitchbook, U.S. deal activity for 2018 hit a record high with \$713 billion closed across 4,828 transactions, a 17% increase in deployed capital year-over-year. A number of deals above \$1 billion contributed to this uptick, including the largest deal of 2018, the \$21 billion buyout of Dr Pepper Snapple by BDT Capital Partners and JAB Holding. European deal activity fell slightly in 2018 in terms of both deal value and count, declining 4.5% and 12.8%, respectively. At the same time, the median deal size rose across the region given an increase in the number of larger deals. In terms of pricing, the average EV/EBITDA multiples in the U.S. fell slightly to 11.6x, from 11.9x in 2017, with 61.4% of deals priced above 10.0x, the highest percentage on record. However, the fourth quarter saw a selective pullback in the credit markets, the longer-term impact of which remains to be seen. In light of current market multiples, general partners were increasingly focused on smaller, higher-growth opportunities, especially within software and healthcare sectors, as well as on buy-and-build consolidation strategies to average down initial entry multiples. Investing in this market, be it directly in companies or funds, requires a disciplined approach. Abbott continues to believe that managers who are cycle-tested and have demonstrated discipline in sticking to their stated strategies irrespective of market conditions have the greatest potential to outperform.

In spite of robust deal activity and valuations, the reported number of private equity-backed exits in the U.S. dropped 16.3%, from 1,253 in 2017 to 1,049 in 2018. At the same time, total deal value remained relatively flat, increasing approximately \$400 million over the prior year. Abbott's aggregate cash flow activity has contradicted this trend as distributions remained at or near historical levels for the firm. Anecdotally, general partners across all sizes continue to believe that the current market is more conducive to selling than investing, which is not surprising given the multiples discussed above. The European exit environment declined substantially year-over-year; total 2018 exit value was €216.2, its lowest in five years and a decline of 22.0% from the prior year. In addition, 2018 saw fewer €2.5 billion or greater exits, with a majority of disclosed exit values in the €1 billion to €2.5 billion size range. The European market is increasingly skewing toward secondary buyout opportunities over IPOs and mergers, as they comprised more than 50% of transactions in 2018, a 25% increase from only five years ago.

U.S. private equity fundraising activity in 2018 declined approximately 26% in terms of dollars raised and 21% when compared to the number of funds raised. This year-over-year decline is largely due to a decrease in the number of \$5 billion-plus funds raised in 2018 versus the prior year. European fundraising also fell sharply in terms of number, decreasing 36% year-over-year as the number of funds raised fell from 105 to 67. Total capital raised dipped slightly compared to 2017, falling from €72.5 to €66.0 billion. Yet, unlike the case within the U.S., the average fund size grew 36% during the year to €1.1 billion. In general, investors continued to increase allocations to private equity, and the fundraising environment remained strong in both in the U.S. and Europe. As industry-wide assets under management continue to increase, a fund manager's historical investment pace and capacity, both to lead new deals as well as to manage existing portfolios, should remain key considerations in the private equity investment decision-making process.

Secondary Activity

Secondary transaction volume saw a meaningful 33% increase in 2018, surpassing \$70 billion and setting a new all-time record. The increase in volume continued to be driven by larger transactions. In 2018, the top 21 buyers accounted for 90% market share and deployed a staggering \$252 million per transaction, on average. The top six buyers alone accounted for 50% of last year's secondary market and overall, 89% of the total transaction volume was deployed by funds greater than \$1 billion. As a result, a relatively small number of sizable funds are holding very large, highly-diversified portfolios.



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Sellers continue to use the secondary market for active portfolio management purposes to offload portfolios of limited partner positions, but general partner-led liquidity solutions are on the rise and today account for almost one-third of the overall market. According to Greenhill, such transaction volume grew to \$24 billion in 2018, a marked increase of 71% from the previous year. Since 2013, when these deals accounted for a mere 7% of the secondary market, general partner-led deal volume has grown at an impressive 64% CAGR. These deals are becoming more widely accepted and provide private equity firms with a proactive fund management tool to generate liquidity, de-risk the portfolio, or provide more time to maximize asset value. While the term "GP-led" appears to have become broadly recognized, it also covers a wide spectrum of different deal types ranging from limited partner tender offers, restructurings, asset sales, and strip sales. Each of these deals are unique and highly idiosyncratic, typically requiring intensive asset-level diligence in addition to structuring expertise.

Over the past five years, secondary pricing has been relatively stable, with buyout funds seeing a modest decline in average pricing, from 99% of NAV in 2017 to 97% this past year. Roughly 20% of bids recorded by Greenhill were at a premium to par, with pricing generally being the strongest for buyout funds with 2012 and earlier vintages, or those perceived with the most upside from their current valuations.

Strong pricing remained driven by the large amount of dry powder in the market, as well as through the continued use of leverage, particularly at the larger end of the market. Greenhill estimates near-term available capital for secondary transactions, including the top five buyers that are collectively attempting to raise approximately \$50 billion, to have reached a record of \$192 billion. This number is stark and represents about 2.6x last twelve months' secondary transaction volume alone. Competition at the larger end of the market will likely remain fierce, given that many \$5 billion-plus funds are significantly increasing their new target fund size, in some cases by more than 50%.

SOURCES CONSULTED

With respect to macroeconomic information, information was sourced through: <https://www.bea.gov/news/2019/initial-gross-domestic-product-4th-quarter-and-annual-2018>; <https://www.msci.com/>

With respect to private equity information, information was sourced through: Pitchbook 2018 Annual U.S. PE Breakdown and Pitchbook 2018 Annual European PE Breakdown

With respect to venture capital information, information was sourced through: Q4 2018 Pitchbook NVCA Monitor

With respect to secondary investment information, information was sourced through: Evercore Private Capital Advisory, YE 2018 Secondary Market; January 2019; Greenhill & Co., Inc., Global Secondary Market Trends & Outlook; January 2019

The views expressed are Abbott's opinion as of February 2019 and are subject to change without notice.



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Important Information

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

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Unrealized investments held by VCERA, or by an underlying partnership investment, may not be realized at the valuations herein disclosed or taken into account when calculating returns. The valuations of unrealized investments depend upon assumptions that may be reasonable under the circumstances and at the time made but actual realized returns on unrealized investments will depend upon, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transactions costs and the timing and manner of sale, all of which may differ from the assumptions used for the valuations incorporated herein. Accordingly, actual realized returns on unrealized investments may differ materially and adversely from the returns indicated herein.

April 15, 2019

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Custody Services



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Grant Danner

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

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

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

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

Information Classification: General



Jared Douglas

Officer, Client Service Owner
State Street Bank and Trust

Jared Douglas has been with State Street for over 11 years, all within the Institutional Investor Services (IIS) division. Jared currently serves as a Client Service Officer, acting as the point of contact for various public, corporate and nonprofit clients. He has a great deal of experience researching and resolving inquiries from clients, consultants and auditors, preparing and auditing financial statements, and processing and accounting for client cash activity.

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



Julianna Frank

Officer, Client Delivery Management
State Street Bank and Trust

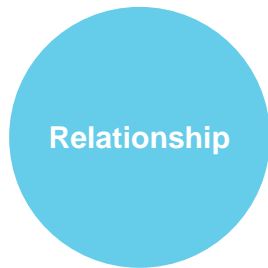
Julianna Frank is an Officer within the Client Delivery Management team. Julianna has nine years of industry experience at State Street Corporation servicing Public Fund, Not-for-profit, Taft Hartley and Corporate Clients. Julianna has been working with Ventura County Employees' Retirement Association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

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

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

Ventura County Employees Retirement Association

At a Glance



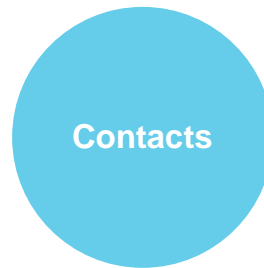
Legal Entity

Ventura County Employees'
Retirement Association

Client Since: 1997

Year End: 6/30

Consultant: NEPC



Linda Webb

Dan Gallagher

Henry Solis

Karen Scanlan

Nida Williams



Monthly Accounting Reporting

- Completed 5th BD

Monthend Accounting Reports

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

Year End Reporting:

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

Ventura County Employees' Retirement Association

Account Matrix

Fund ID	Fund Name	Fund Type	Total NAV as of Feb 28, 2019
2M1G	PRUDENTIAL REAL ESTATE (PRISA)	REAL ESTATE	156,400,478.34
2M1L	BGI U.S. DEBT INDEX	COMMINGLED	276,960,373.56
2M1N	WESTERN ASSET MGMT (CORE BOND)	GLOBAL FIXED INCOME	301,720,745.40
2M1O	BGI RUSSELL 1000 LG CAP INDEX	COMMINGLED	1,386,876,777.67
2M1W	REAMS ASSET MGMT CO(CORE PLUS)	COMMINGLED	315,089,085.50
2M1X	SPRUCEGROVE INV MGMT LTD	COMMINGLED	225,807,283.54
2M1Y	BGI RUSSELL 2500 SMID US EQIND	COMMINGLED	64,503,018.12
2M1Z	UBS REALTY INVESTORS	REAL ESTATE	276,737,035.42
2M2D	LOOMIS SAYLES & CO (MULTI SEC)	GLOBAL FIXED INCOME	84,862,282.63
2M2E	BGI ALL CNTY WRLD EX-US INDEX	COMMINGLED	459,175,409.20
2M2F	WESTERN ASSET MGMT(PORT ALPHA)	GLOBAL FIXED INCOME	210,935,755.22
2M2G	PARAMETRIC	OVERLAY	51,043,364.30
2M2J	PRIVATE EQUITY	PRIVATE EQUITY	324,841,207.66
2M2L	HEXAVEST	COMMINGLED	90,743,830.88
2M2M	WALTER SCOTT & PARTNERS	COMMINGLED	125,957,474.00
2M2R	BGI MSCI ACWI GLOBAL EQ INDEX	COMMINGLED	604,518,621.14
2M2S	TORTOISE CAPITAL ADVISORS	DOMESTIC EQUITY	117,268,334.59
2M2U	BRIDGEWATER ASSOCIATES	COMMINGLED	312,221,850.00
2M2V	LOOMIS SAYLES & CO(STRAT ALPHA)	COMMINGLED	47,417,029.66
2M2W	ABBOTT CAPITAL	PRIVATE EQUITY	62,716,563.67
2M2X	VCERA CASH	CASH ACCOUNT	26,206,947.78
2M2Y	REAMS - US TREASURY PORTFOLIO	DOMESTIC FIXED INCOME	0.00
2M2Z	LASALLE	REAL ESTATE	0.00
Total			5,522,003,468.28
2V3A	BUENAVENTURE TWO LLC	PRIVATE EQUITY	180,005.79

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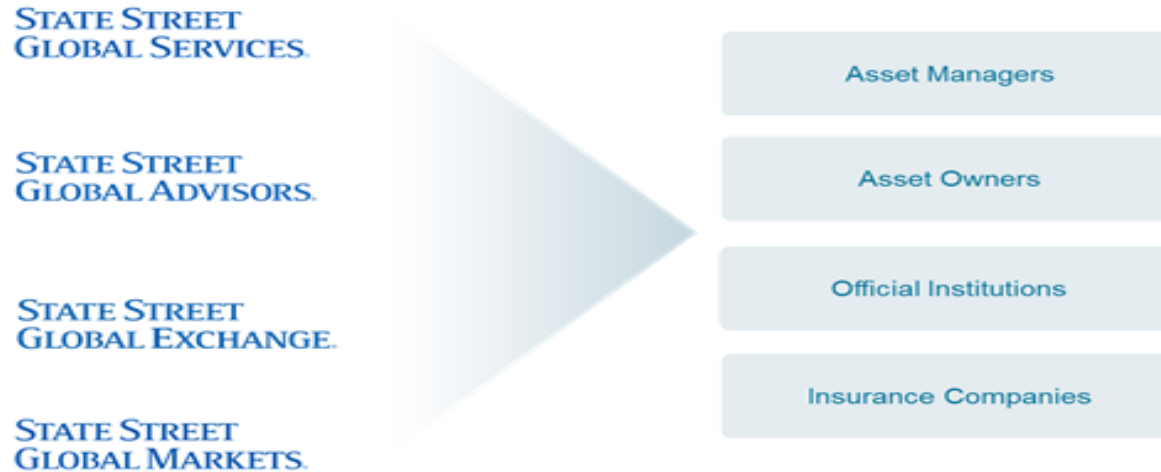
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Our Company Today

Delivering Integrated Solutions across Client Sectors



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

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

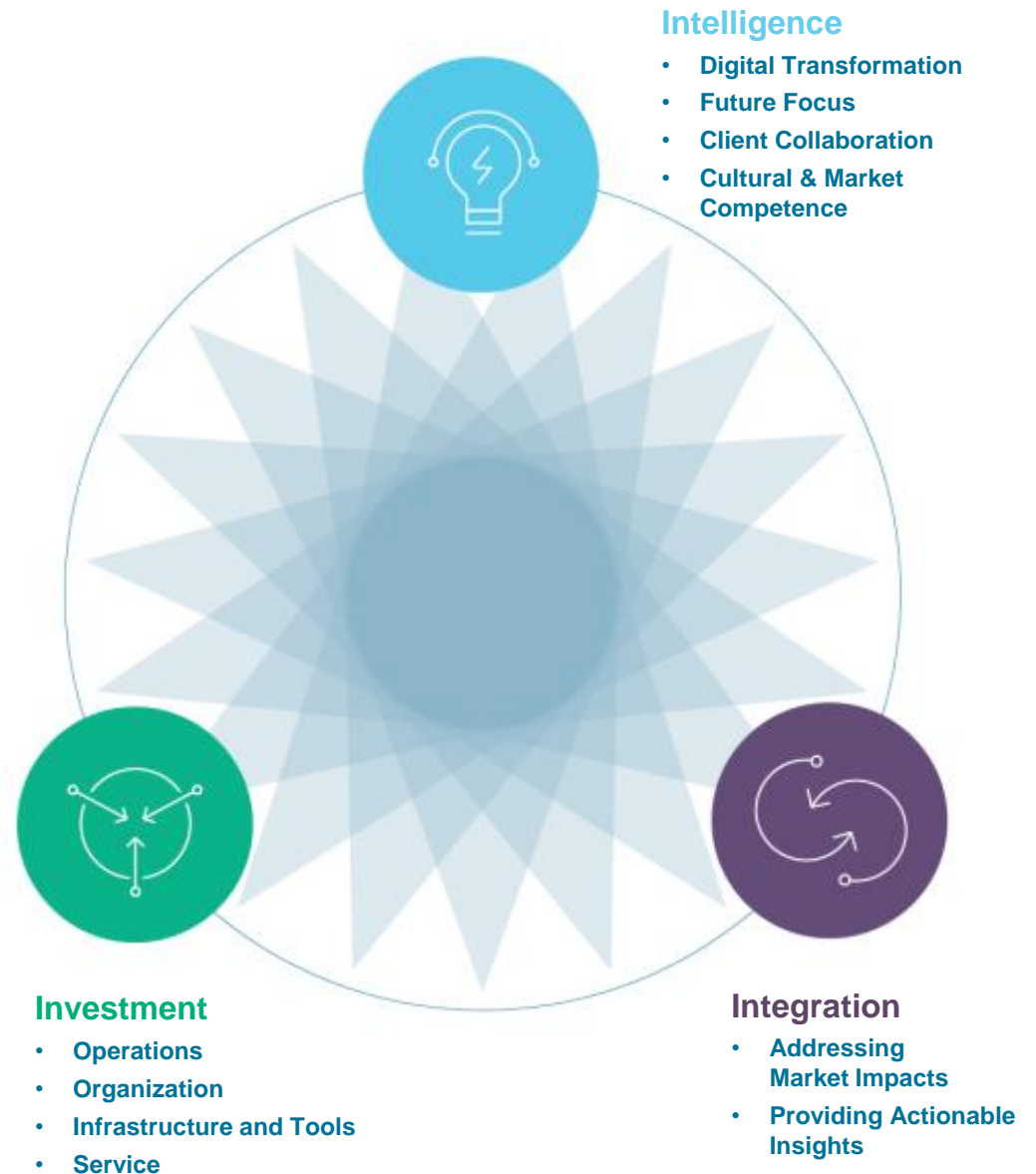
State Street Global Markets, our investment research and trading arm, provides specialized investment research, electronic trading, and securities lending solutions for owners and managers of institutional assets. We also create access to alpha, insights, liquidity and financing by enhancing our clients'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

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

Data and Technology

We are laying the foundation for the future of financial services so that regardless of what new technology presents itself, our clients will be ready.

We're combining data, insights and scale in creative new ways to deliver integrated solutions that solve our clients' most pressing challenges.



Focus on Risk and Controls

Limited Access

STATE STREET®

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MASTER PAGE NO. 342 of 612

Risk Excellence

Drive continuous improvement in our system of internal controls

1

Actively manage our risk and control environments

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

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

2

Act at all times with the highest levels of integrity

3

Meet or exceed regulatory expectations

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

- Risk assessment
- Risk monitoring
- Issues management

Anti-Money Laundering

Continue to weave AML & Sanctions risk management into our culture

1

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

2

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

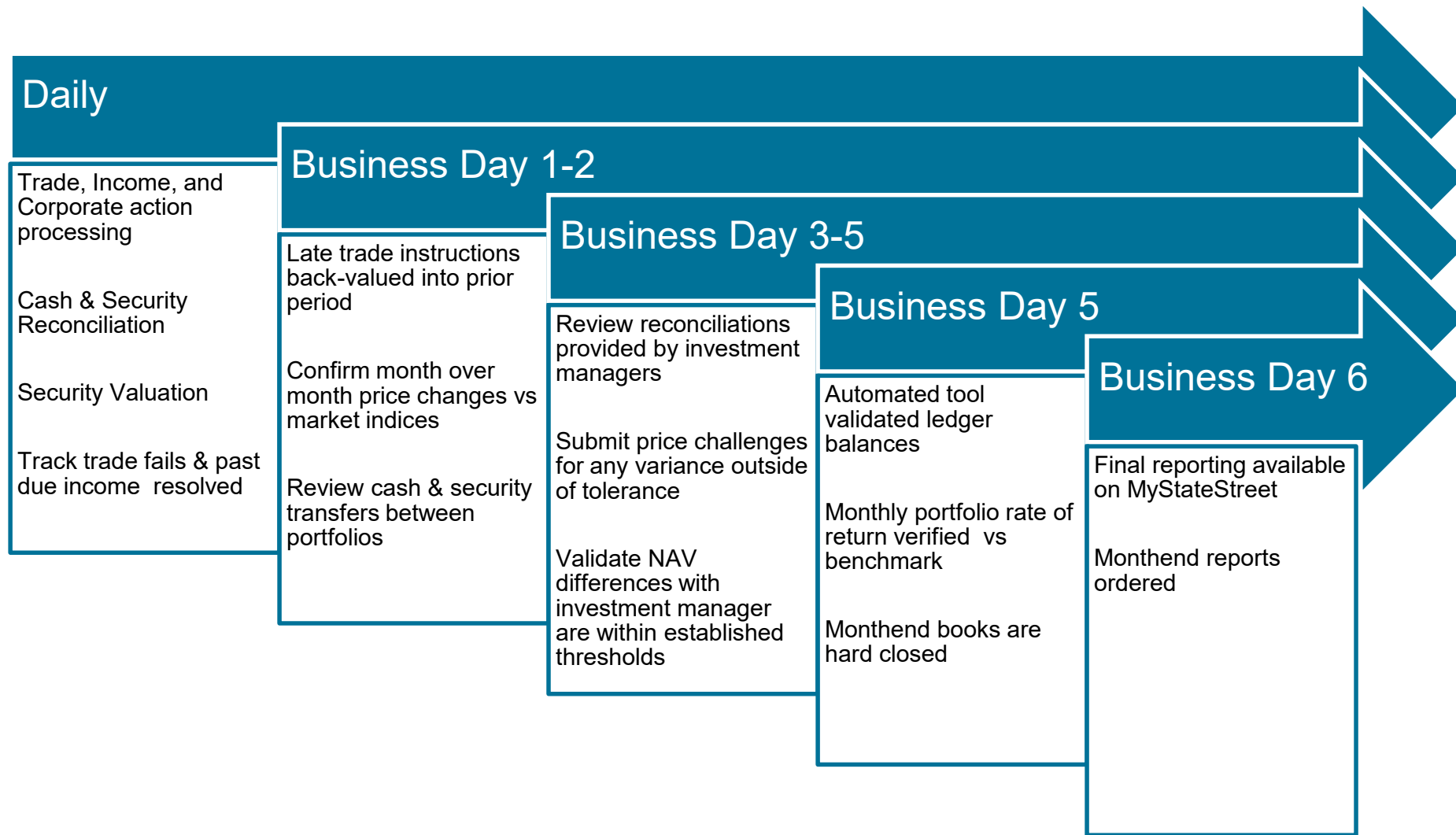
- Continue to work with business partners and internal stakeholders to review and revise our Global Policy and standards to reflect the needs of a complex global customer base.
- Partnering and working closely with our global regulators to ensure our policies and controls are in line with their expectations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

Core Services

Our Fully Integrated System

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

VCERA Monthly Timeline



Enterprise Cash Flow Module (eCFM)

Efficiently run your fund accounting and administrative activities

Reduce FTTOP callbacks

Our automated system helps to reduce manual fax interaction. You can use eCFM to electronically input and authorize money movement.

Schedule future-dated payments

You no longer need to maintain or monitor a manual paper file. Make sure payments are paid on time and recorded properly, by scheduling automatic, pre-approved payments. The system automatically triggers payment on the scheduled date, without requiring you to log in or maintain paper files.

Use built-in system check and balance controls

Approved invoices can be directly paid by wire or check, aiming to reduce the need for reconciliation between accounting and custody records. Our interface is specifically designed to support various approval groups. Standard controls are also built into the application to help you mitigate operational risk and reduce errors.

Audit and track user activity

Using the system's audit trail functionality, you can proactively monitor invoices and authorizations.

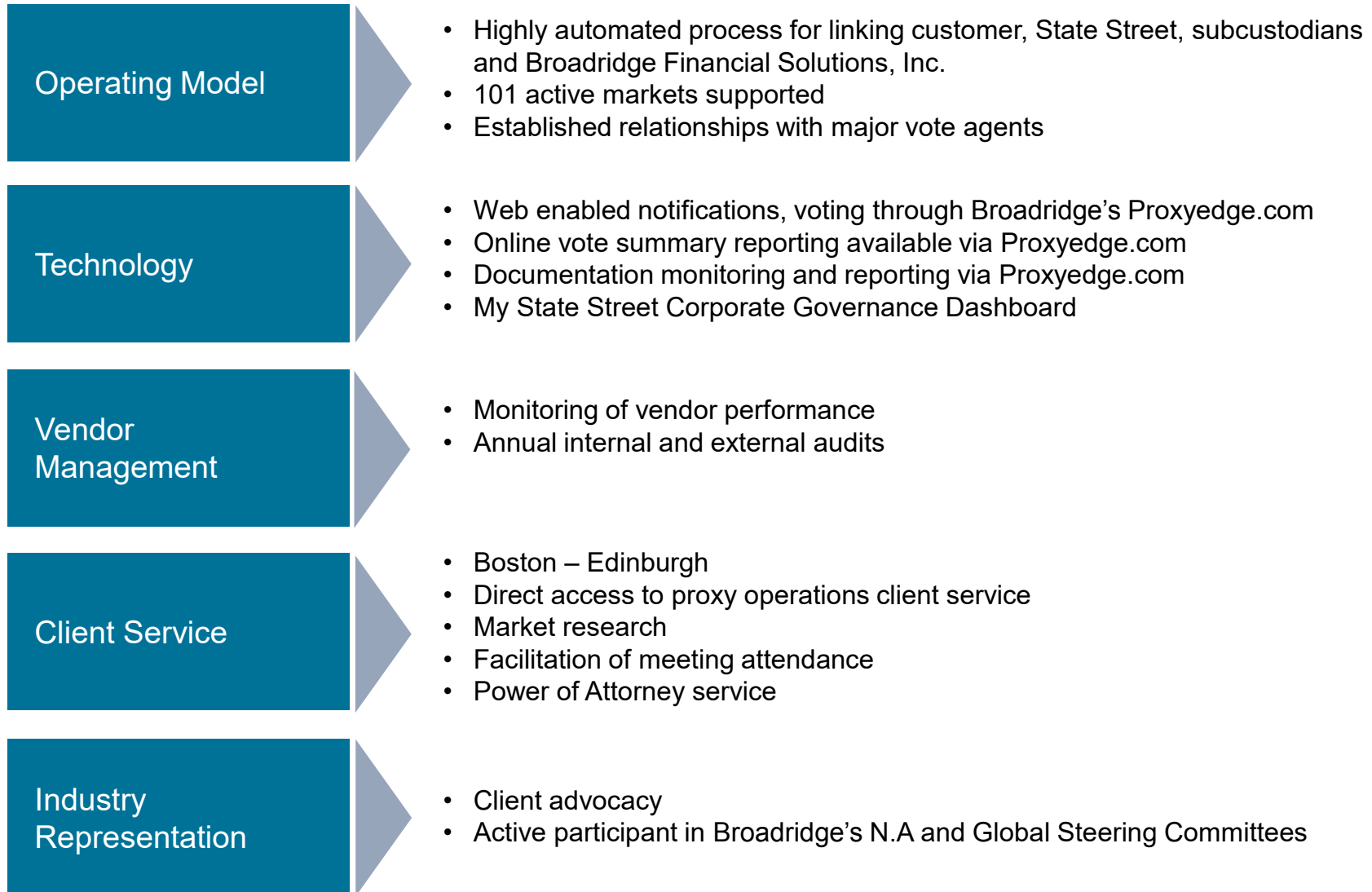
Access real-time data

View payment status at any point in the payment lifecycle. All payments are archived with an audit and log trail, so you can easily research historical payments.

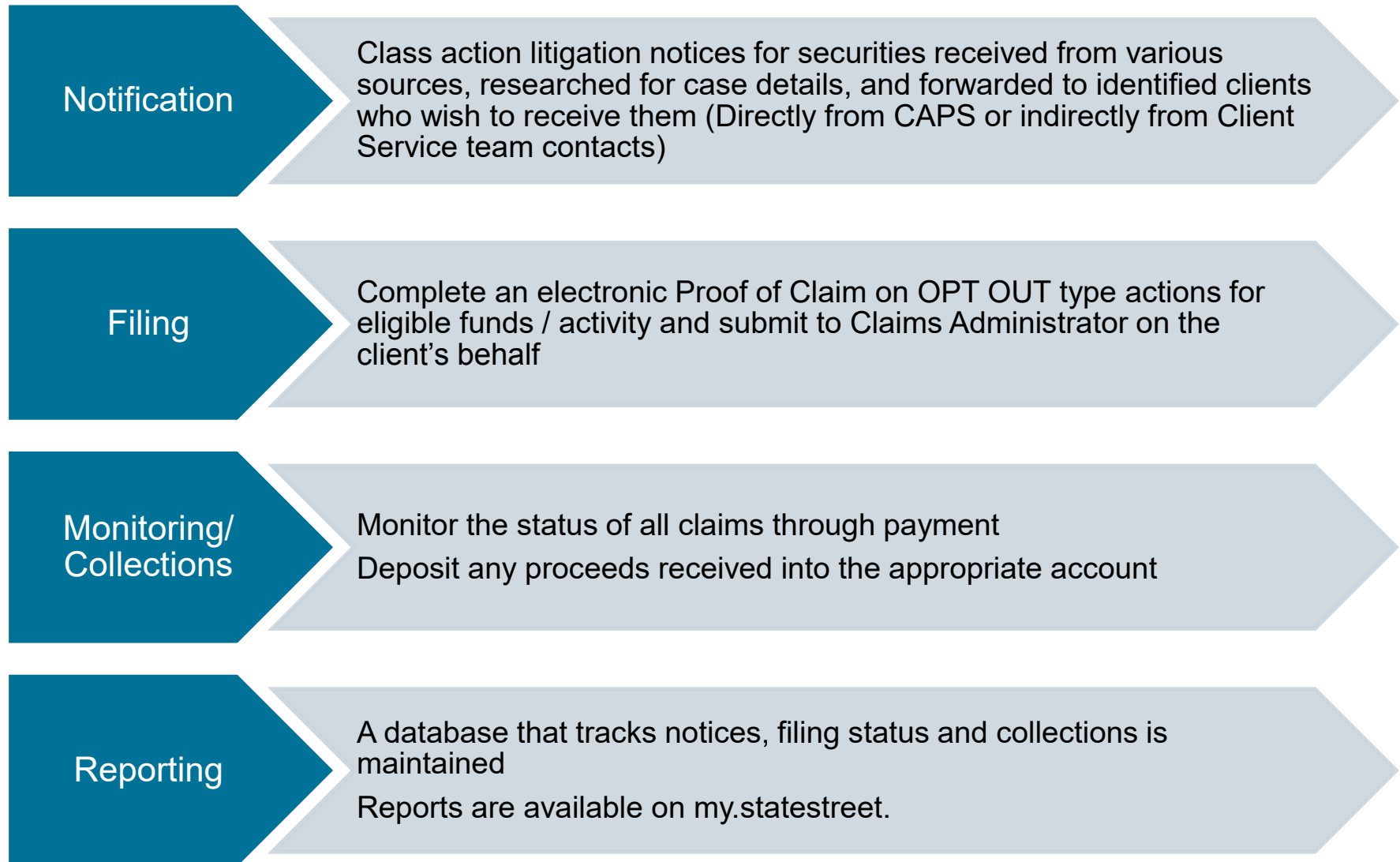
Select from user-defined SWIFT templates

The platform allows you to send an unlimited number of international payments in your local time zone via the SWIFT network. You can authorize outgoing payments with protected preformat templates and up-to-date routing information.

Proxy Service Delivery Model



Service Offering for U.S. Class Actions



Ventura County Class Action Statistics

Year	Class Action Amount Received
2009	\$582,561.81
2010	\$32,221.20
2011	\$169,231.02
2012	\$56,538.07
2013	\$67,646.38
2014	\$236,196.23
2015	\$1,006.73
2016	\$178,948.19
2017	\$192,083.41
2018	\$76,953.40
TOTAL	\$1,593,386.44

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Global Markets

Ventura County Employees' Retirement Association

State Street Securities Finance
Program Review
April 15, 2018



Agenda

VCERA's Performance Review

Page 3

Collateral Pool Review

Page 9

Global Markets

VCERA's Performance



Relationship Summary

- Our relationship commenced in May 1997
 - VCERA has 5 funds in securities lending
 - Earnings Summary (calendar year)
 - Since Inception ~ \$8.0 million (through 2018)
 - 2019 YTD ~ \$ 39 k (as of 4/8/19)
 - Programs
 - U.S. Equity
 - U.S. Corporate Bonds
 - U.S. Government
 - Cash Collateral
 - Quality D
 - VCERA is indemnified against borrower default
- 2M1N – Western Asset Management
 - 2M2D – Loomis, Sayles & Co. LP
 - 2M2F – Western Asset Management
 - 2M2S – Tortoise Capital Advisors
 - 2M2Y – Reams Asset Management

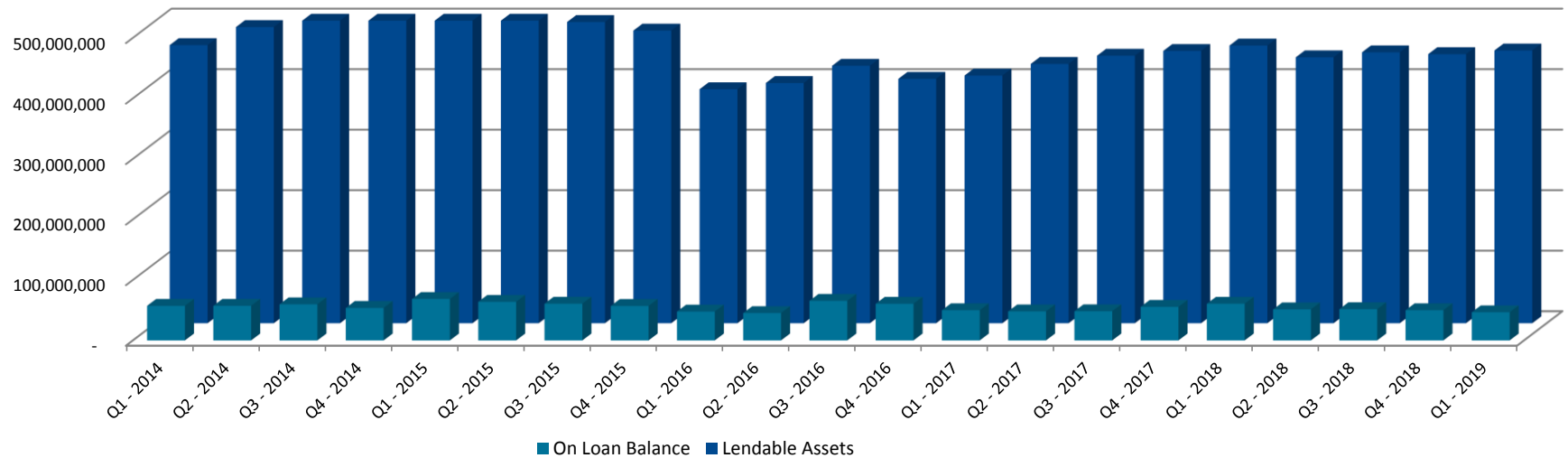
Notes:

(1) Data represents past performance and is not a guarantee of future results

(2) Data Source: Securities Finance Business Intelligence

Lendable and On Loan Trend

Q1 2014 – Q1 2019

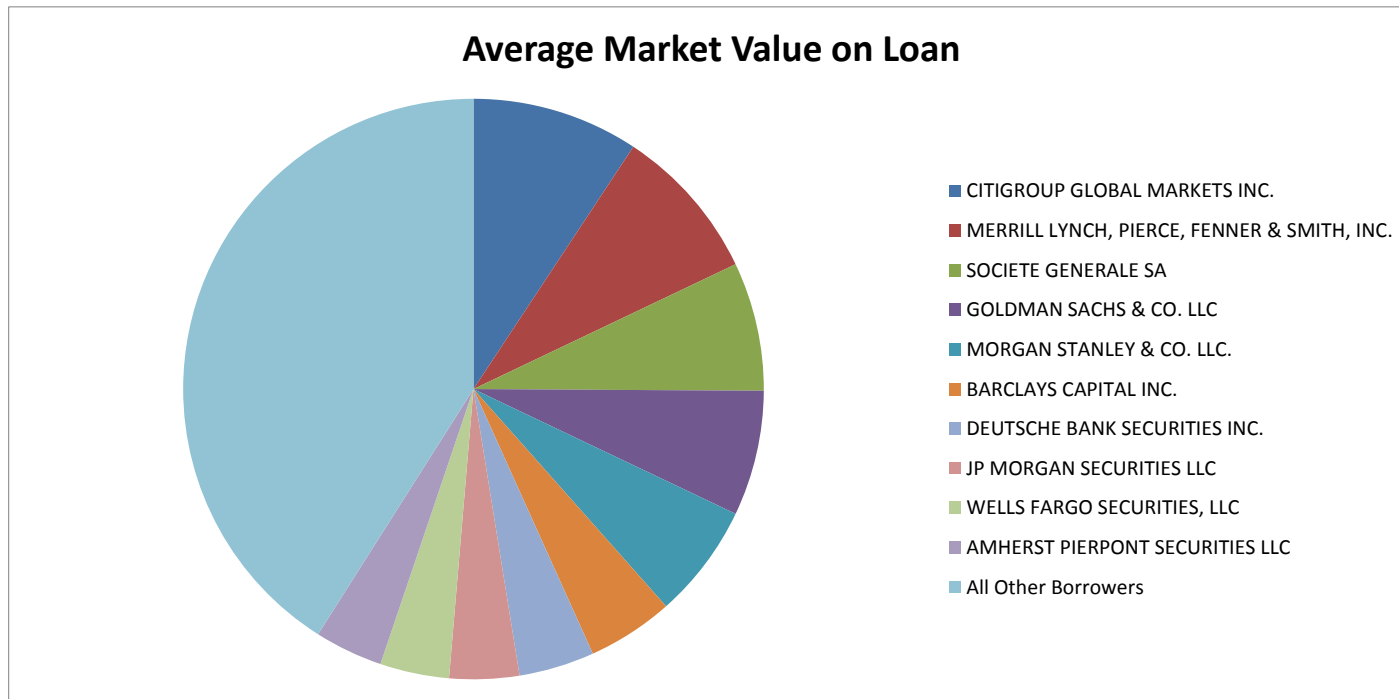


5 Performance data shown represents past performance and is no guarantee of future results.
 Source: Securities Finance Business Intelligence

Borrower Diversification

Average Market value on-loan (3/1/18 to 2/28/19)

Borrower Entity Legal Name	Average Market Value on Loan	Average Collateral - Cash	Average Collateral - Non Cash	Average Collateral Amount	% of Total
CITIGROUP GLOBAL MARKETS INC.	4,624,457.15	4,717,540.70	0.00	4,717,540.70	9.28%
MERRILL LYNCH, PIERCE, FENNER & SMITH, INC.	4,306,647.79	4,393,341.67	0.00	4,393,341.67	8.64%
SOCIETE GENERALE SA	3,572,278.48	3,648,503.26	0.00	3,648,503.26	7.17%
GOLDMAN SACHS & CO. LLC	3,477,045.64	3,549,723.49	0.00	3,549,723.49	6.98%
MORGAN STANLEY & CO. LLC.	3,180,483.44	3,246,346.68	0.00	3,246,346.68	6.38%
BARCLAYS CAPITAL INC.	2,392,411.98	2,443,796.52	0.00	2,443,796.52	4.80%
DEUTSCHE BANK SECURITIES INC.	2,094,497.27	2,137,318.81	0.00	2,137,318.81	4.20%
JP MORGAN SECURITIES LLC	1,935,386.07	1,975,943.52	0.00	1,975,943.52	3.88%
WELLS FARGO SECURITIES, LLC	1,919,132.86	1,959,621.91	0.00	1,959,621.91	3.85%
AMHERST PIERPONT SECURITIES LLC	1,890,968.22	1,930,236.73	0.00	1,930,236.73	3.80%
All Other Borrowers	20,434,316.96	20,862,325.73	0.00	20,862,325.73	41.01%
Summary	49,827,625.85	50,864,699.00	0.00	50,864,699.00	100.00%



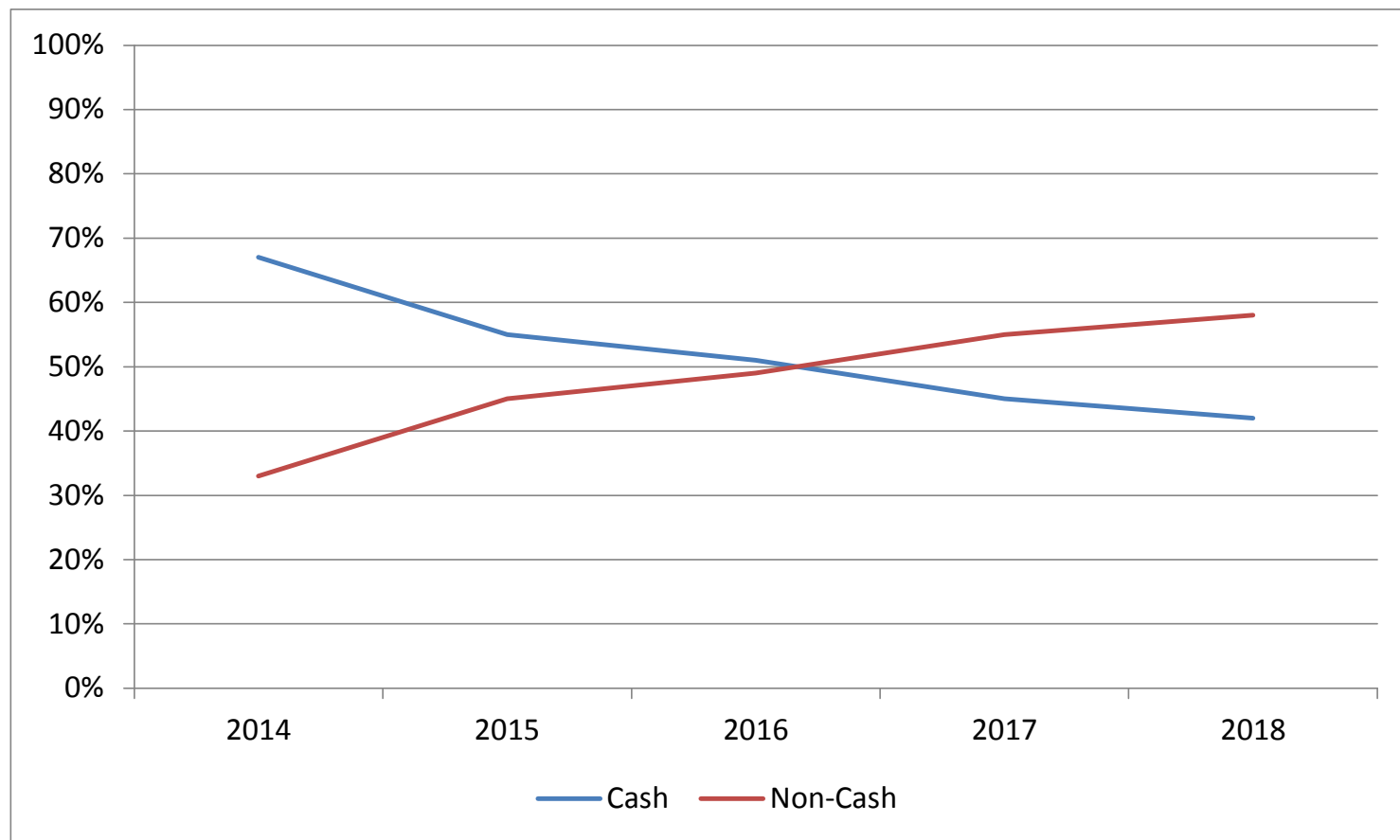
6 Performance data shown represents past performance and is no guarantee of future results.
Source: Securities Finance Business Intelligence and my.statestreet.com

Collateral Trend

2014 – 2018

Regulatory Requirement are driving the increased use of non-cash collateral

- Supplementary Leverage Ratio
- Liquidity Coverage Ratio



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

VCERA's Securities Lending Performance

Ventura County Employees' Retirement Association

	FY 2016	FY 2017	FY 2018	FYTD 2019
Average Lendable (\$)	441,700,804	416,763,423	447,538,975	446,500,550
Average On Loan (\$)	52,690,892	56,007,505	53,908,343	49,078,294
Utilization	11.9%	13.4%	12.0%	11.0%
Earnings by Program (\$)				
US Equity & Corp. Bond	53,861	68,967	109,224	83,471
US Government & Agency	55,147	124,160	58,141	20,172
Non-US Fixed	7,272	3,460	1,788	999
Total Earnings	116,280	196,588	169,153	104,641
Components of Spread (bps)				
Demand Spread	7	12	15	11
Reinvestment Spread	23	36	29	33
Net Spread	30	48	43	44
Return to Lendable (bps)	2.6	4.7	3.8	3.5

Notes:

(1) FYTD 2017 Data includes July 2018 - February 2019

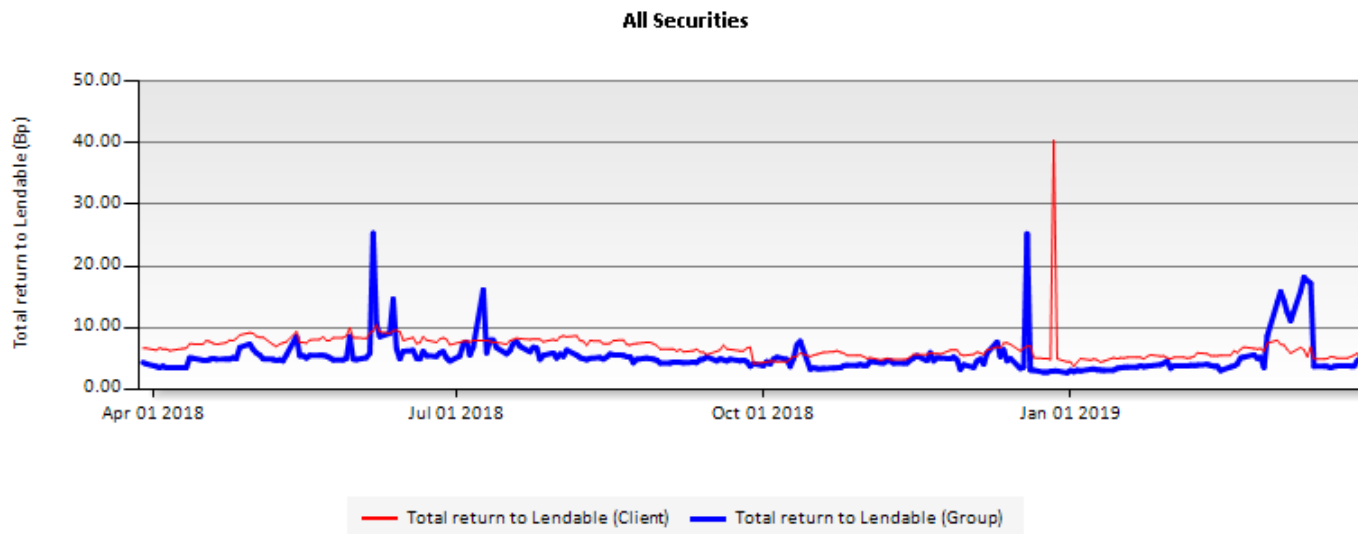
Performance Benchmarking

Demonstrated Results: PerformanceExplorer™- Return to Lendables

PerformanceExplorer™ provides independent performance benchmarking for securities lending.

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

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



Date Range: Mar29 2018 to Mar29 2019

Average Total return to Lendable (Client) : 6.69 (Bp)

Average Total return to Lendable (Group) : 5.32 (Bp)

VCERA's average return to lendable of 6.69 bps was 25.8% higher than the peer group level of 5.32bps.

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

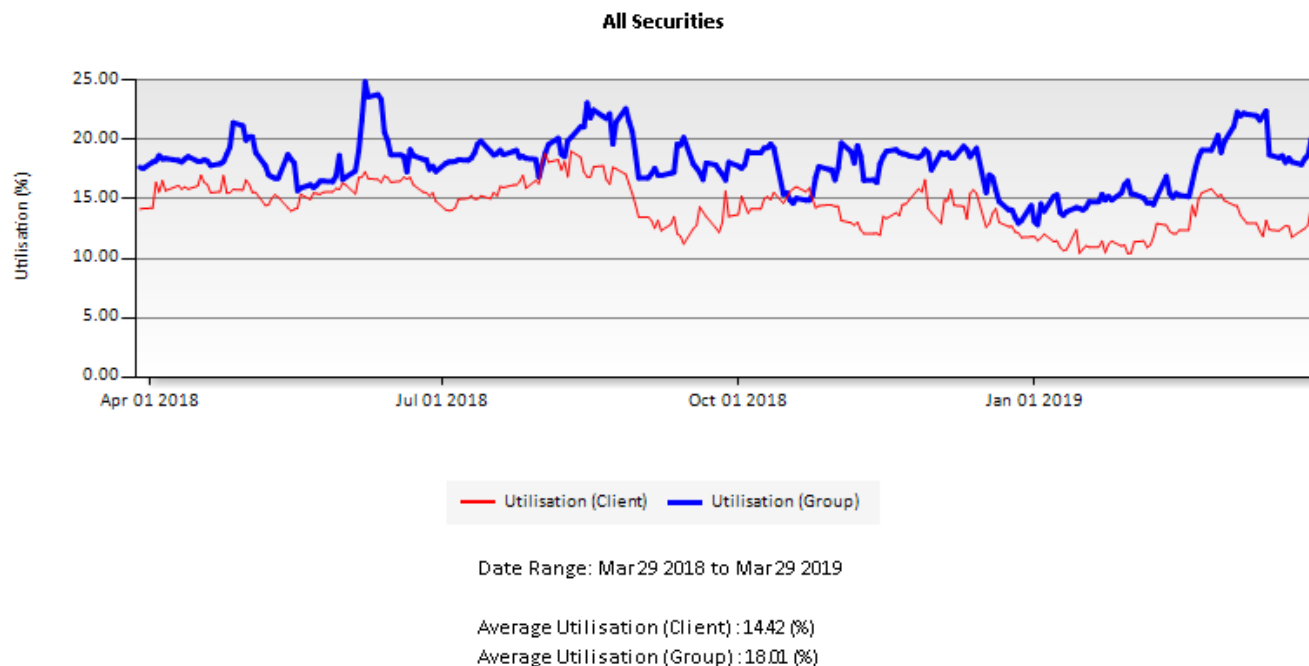
Performance Benchmarking

Demonstrated Results: PerformanceExplorer™ - Utilization

PerformanceExplorer™ provides independent performance benchmarking for securities lending.

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

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

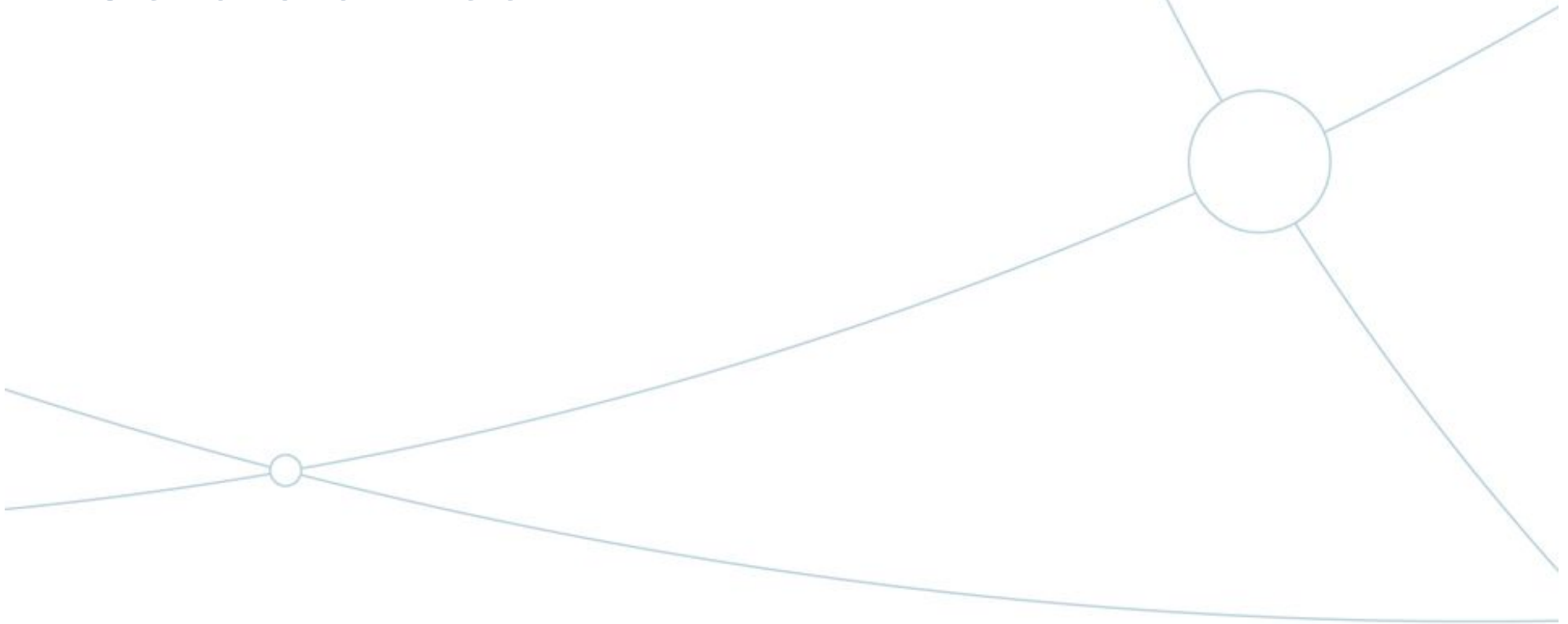


VCERA's utilization level of 14.42 bps was 25.00% lower than the peer group level of 18.01 bps.

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

Global Markets

Collateral Pool



Quality D collateral pool allocations

- On December 3, 2010 collateral pool allocation
 - Liquidity Pool ~ \$152.9 (68.9%)
 - Duration Pool ~ \$ 69.0 (31.1%)
- December 31, 2011 allocation
 - Liquidity Pool ~ \$ 64.7 (73.7%)
 - Duration Pool ~ \$ 23.0 (26.3%)
- December 31, 2012 allocation
 - Liquidity Pool ~ \$ 58.9 (85.6%)
 - Duration Pool ~ \$ 9.8 (14.4%)
- December 31, 2013 allocation
 - Liquidity Pool ~ \$ 43.5 (84.7%)
 - Duration Pool ~ \$ 7.8 (15.3%)
- December 31, 2014 allocation
 - Liquidity Pool ~ \$ 47.9 (89.3%)
 - Duration Pool ~ \$ 5.7 (10.7%)
- December 31, 2015 allocation
 - Liquidity Pool ~ \$ 38.4 (91.9%)
 - Duration Pool ~ \$ 3.4 (8.9%)
- December 31, 2016 allocation
 - Liquidity Pool ~ \$50.3 (96.9%)
 - Duration Pool ~ \$ 1.7 (3.1%)
- December 31, 2017 allocation
 - Liquidity Pool ~ \$ 34.8 (95.9%)
 - Duration Pool ~ \$ 1.5 (4.1%)
- December 31, 2018 allocation
 - Liquidity Pool ~ \$ 42.7 (99.0%)
 - Duration Pool ~ \$.4 (1.0%)
- On March 29, 2019 collateral pool allocation
 - Liquidity Pool ~ \$ 58.7 (99.3%)
 - Duration Pool ~ \$.4 (.7%)

Notes:

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

Quality Investment Fund D

FC14 — Quality D

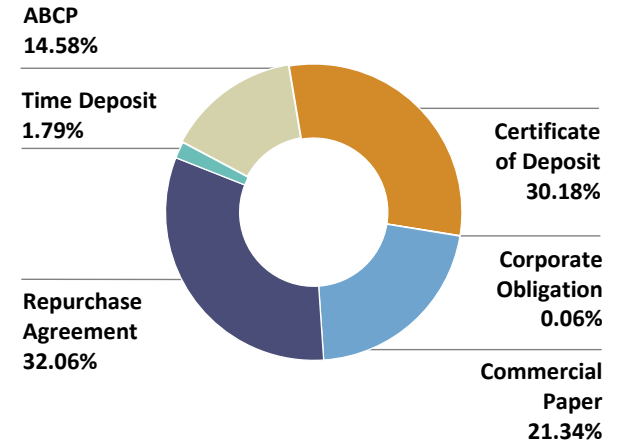
Summary Characteristics

As of February 28, 2019

1-Day Yield ¹ (%)	2.75
Par Position + Uninvested Cash (in millions)	8,114.63
Floating Rate (%)	61.54
Foreign Issuers ² (%)	26.63
Weighted Average Maturity (WAM) ³	23
Weighted Average Life (WAL) ⁴	93
Fund Price as of 02/28/19	1.00
Number of Holdings	73

Liquidity Schedule	% of Fund
Next Business Day (1 Day)	19.67
2–7 Days Liquidity	3.93
8–14 Days Liquidity	4.34
15–21 Days Liquidity	9.61
22–28 Days Liquidity	4.25
29–35 Days Liquidity	0.61
36–60 Days Liquidity	6.96
61–90 Days Liquidity	10.77
Greater than 90 Days Liquidity	39.85
90 Day Liquidity	60.15

Long-term Ratings	% of Fund
AAA	—
AA	3.94
A	19.63
BBB+	—
BBB	—
BBB-	—
BB+	—
BB	—
BB-	—
Short-term Ratings	% of Fund
A-1+/P-1	9.39
A-1/P-1	60.03
A-2	1.23
Other	5.78



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

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

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

² All YCD's and Repo are being reported as Domestic and thus not included in the % Foreign Issuers. % Foreign issuers is the % of the fund held in foreign issues (domicile of issuer which represents the issuer's country of incorporation, for repo it's where the counterparty is incorporated).

³ Weighted Average Maturity (WAM): aggregation of WAM of underlying securities in fund defined as (1) Floating rate securities: Next Reset Date – Current Date;

(2) Fixed Rate: Maturity Date – Current Date (defined in days)

⁴ Weighted Average Life (WAL): aggregation of WAL of underlying securities in fund defined as (1) Floating rate securities: Expected Maturity Date – Current Date;

(2) Fixed Rate: Expected Maturity Date – Current Date (defined in days)

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

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

Liquidity schedule is the maturity profile of the cash investment.

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Quality D Duration

FC4J — Quality D Duration

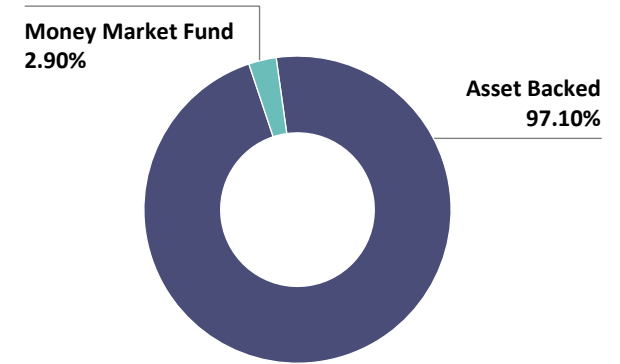
Summary Characteristics

As of February 28, 2019

1-Day Yield ¹ (%)	2.82
Par Position + Uninvested Cash (in millions)	33.86
Floating Rate (%)	97.10
Foreign Issuers ² (%)	63.07
Weighted Average Maturity (WAM) ³	38
Weighted Average Life (WAL) ⁴	1,708
Fund Price as of 02/28/19	0.94
Number of Holdings	3

Liquidity Schedule	% of Fund
Next Business Day (1 Day)	2.90
2–7 Days Liquidity	0.00
8–14 Days Liquidity	0.00
15–21 Days Liquidity	0.00
22–28 Days Liquidity	0.00
29–35 Days Liquidity	0.00
36–60 Days Liquidity	0.00
61–90 Days Liquidity	0.00
Greater than 90 Days Liquidity	97.10
90 DAY LIQUIDITY	2.90

Long-term Ratings	% of Fund
AAA	—
AA	63.07
A	—
BBB+	—
BBB	—
BBB-	—
BB+	—
BB	—
BB-	—
Short-term Ratings	% of Fund
A-1+/P-1	—
A-1/P-1	—
A-2	—
Other	36.93



Source: SSGA, Bloomberg. Ratings are from Bloomberg and are S&P. Past performance is not a guarantee of future results.

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

² All YCD's and Repo are being reported as Domestic and thus not included in the % Foreign Issuers. % Foreign issuers is the % of the fund held in foreign issues (domicile of issuer which represents the issuer's country of incorporation, for repo it's where the counterparty is incorporated).

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(2) Fixed Rate: Maturity Date – Current Date (defined in days)

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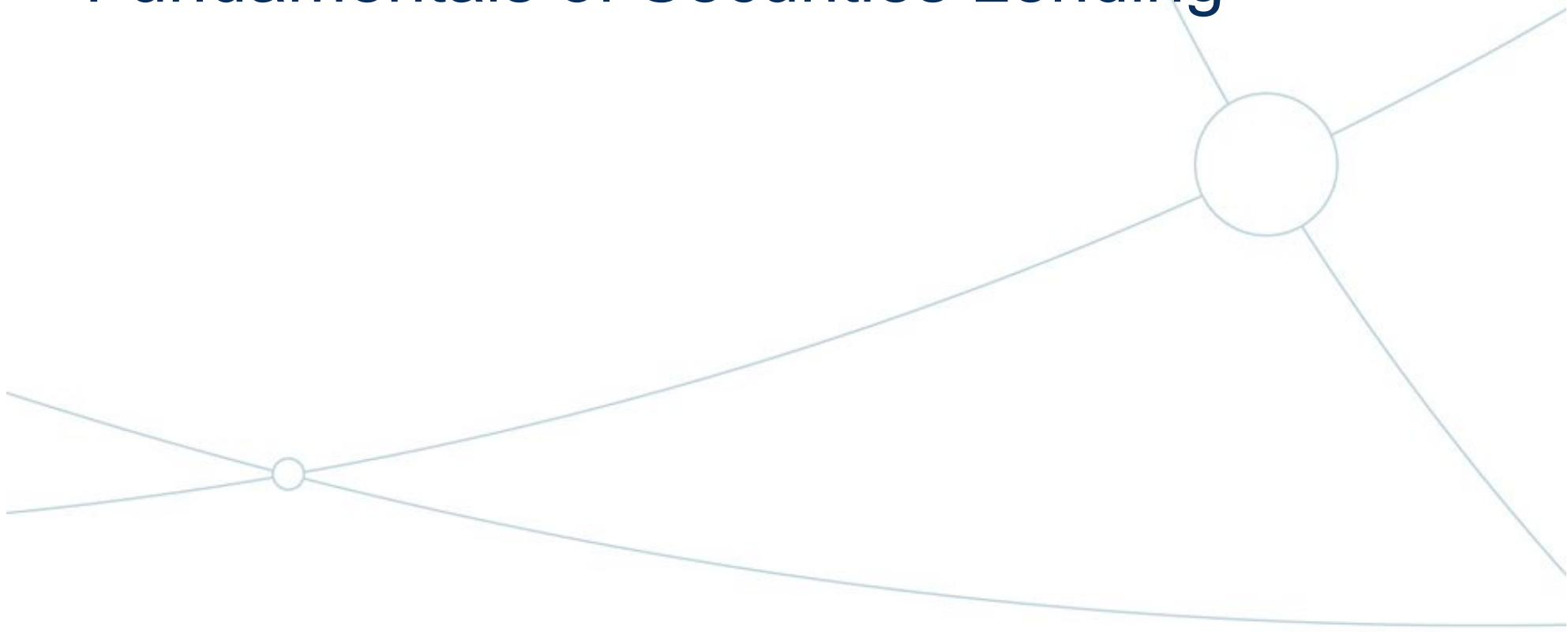
Liquidity schedule is the maturity profile of the cash investment.

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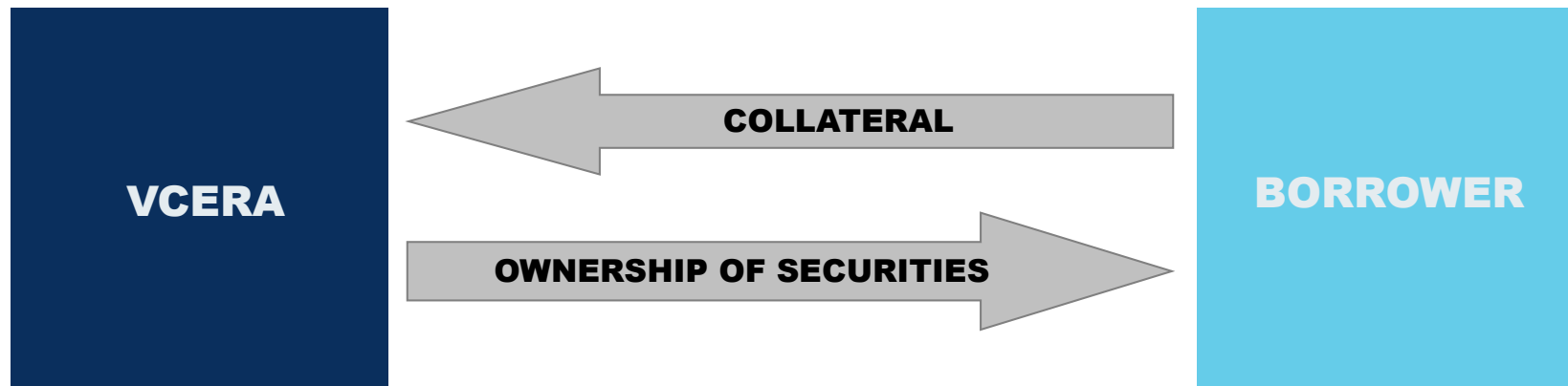
Global Markets

Fundamentals of Securities Lending



Securities Lending

An investment management product where participants generate revenue by temporarily transferring idle securities, in a collateralized transaction, to a borrower.



- Lender transfers legal ownership of securities while retaining rights of beneficial ownership (i.e., entitlements on all dividend distributions and corporate actions)
- Borrower is contractually obligated to return the securities upon recall by the lender

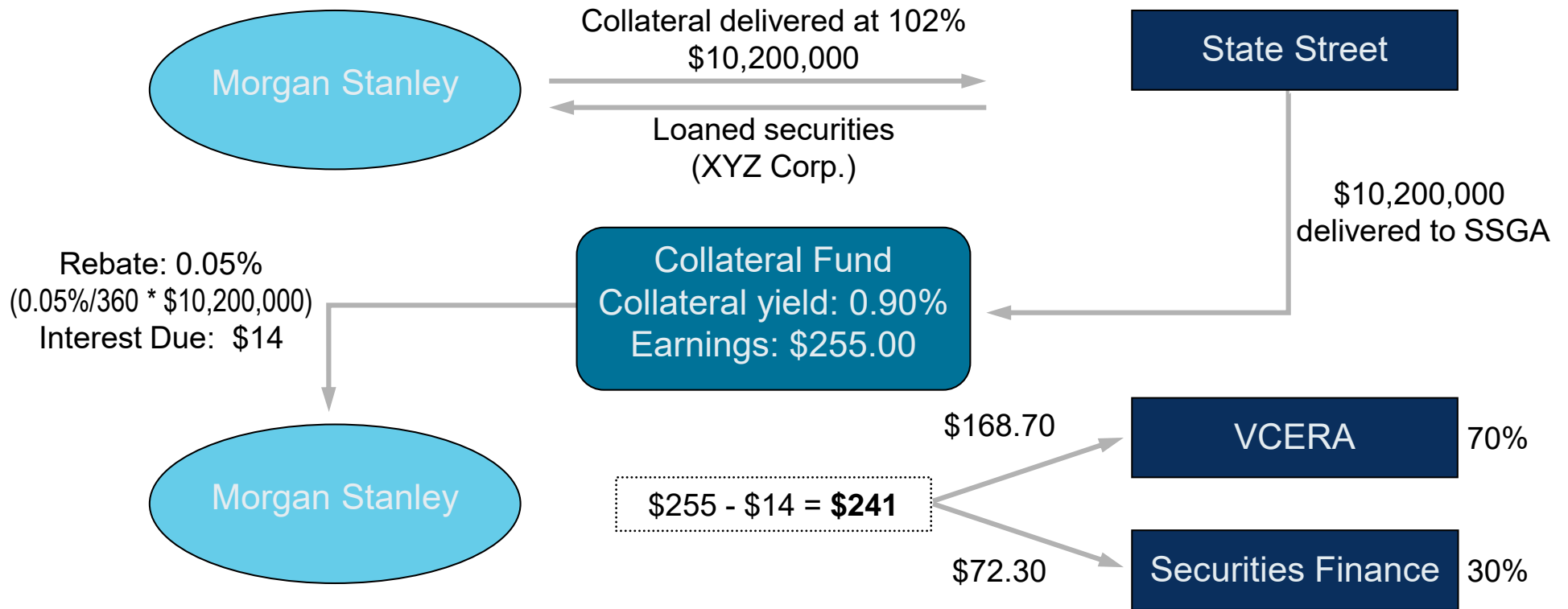
Fundamentals of Securities Lending

How are Earnings Generated?

- Cash collateral is posted by the borrower at the inception of the lending transaction
- State Street pays interest (the “rebate”) on the cash to the borrower at a rate that reflects the supply/demand characteristics of the loaned security
- State Street invests this cash collateral according to the VCERA’s investment guidelines
- The difference between the yield on the investment of the cash and the interest paid to the borrower represents the earnings or “spread”

Fundamentals of Securities Finance

One Day Sample Transaction Diagram



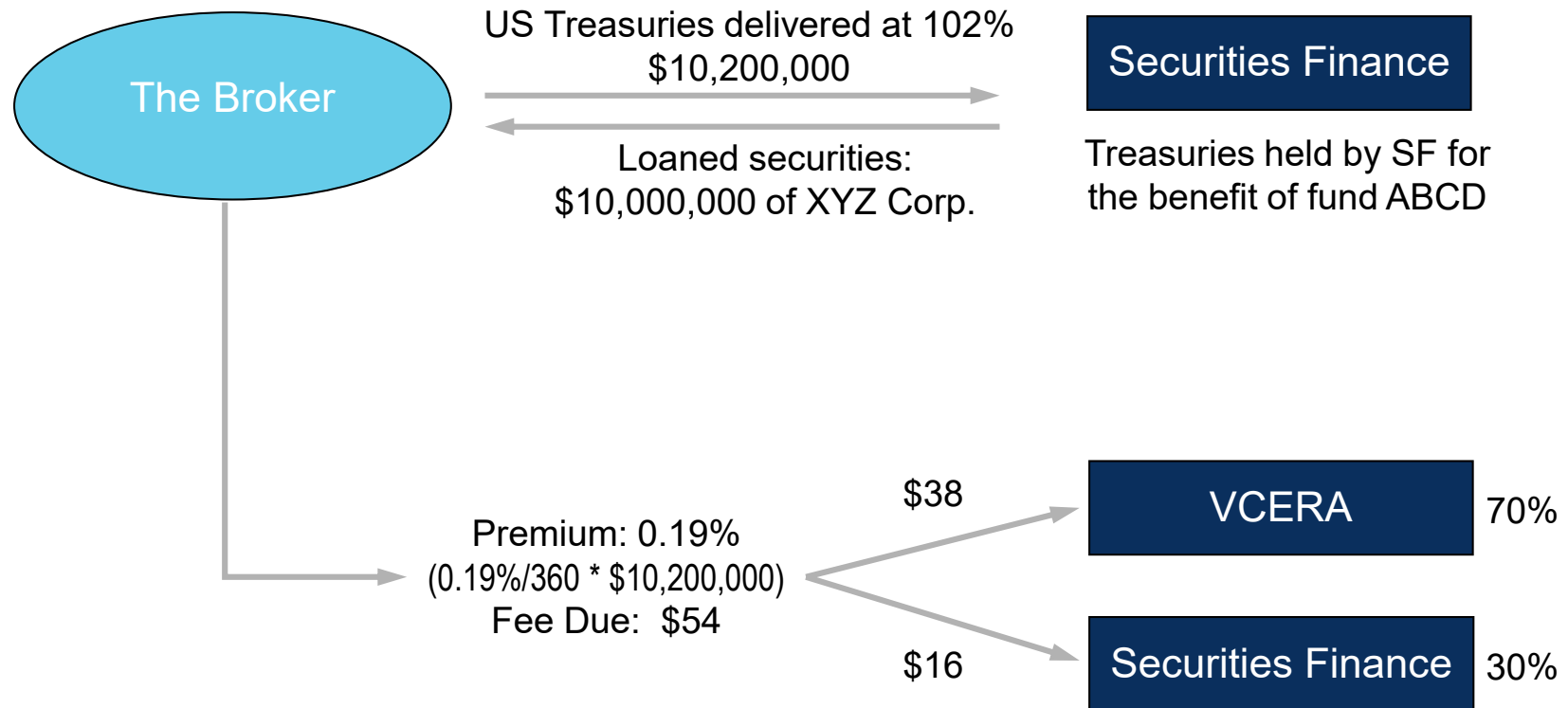
Yield – Rebate = **Total Spread**
 $0.90\% - 0.05\% = 0.85\%$ (85 bps)

Yield – OBFR = **Investment Spread**
 $0.90\% - 0.25\% = 0.65\%$ (65 bps)

OBFR – Rebate = **Demand Spread**
 $0.25\% - 0.05\% = 0.20\%$ (20 bps)

Fundamentals of Securities Finance

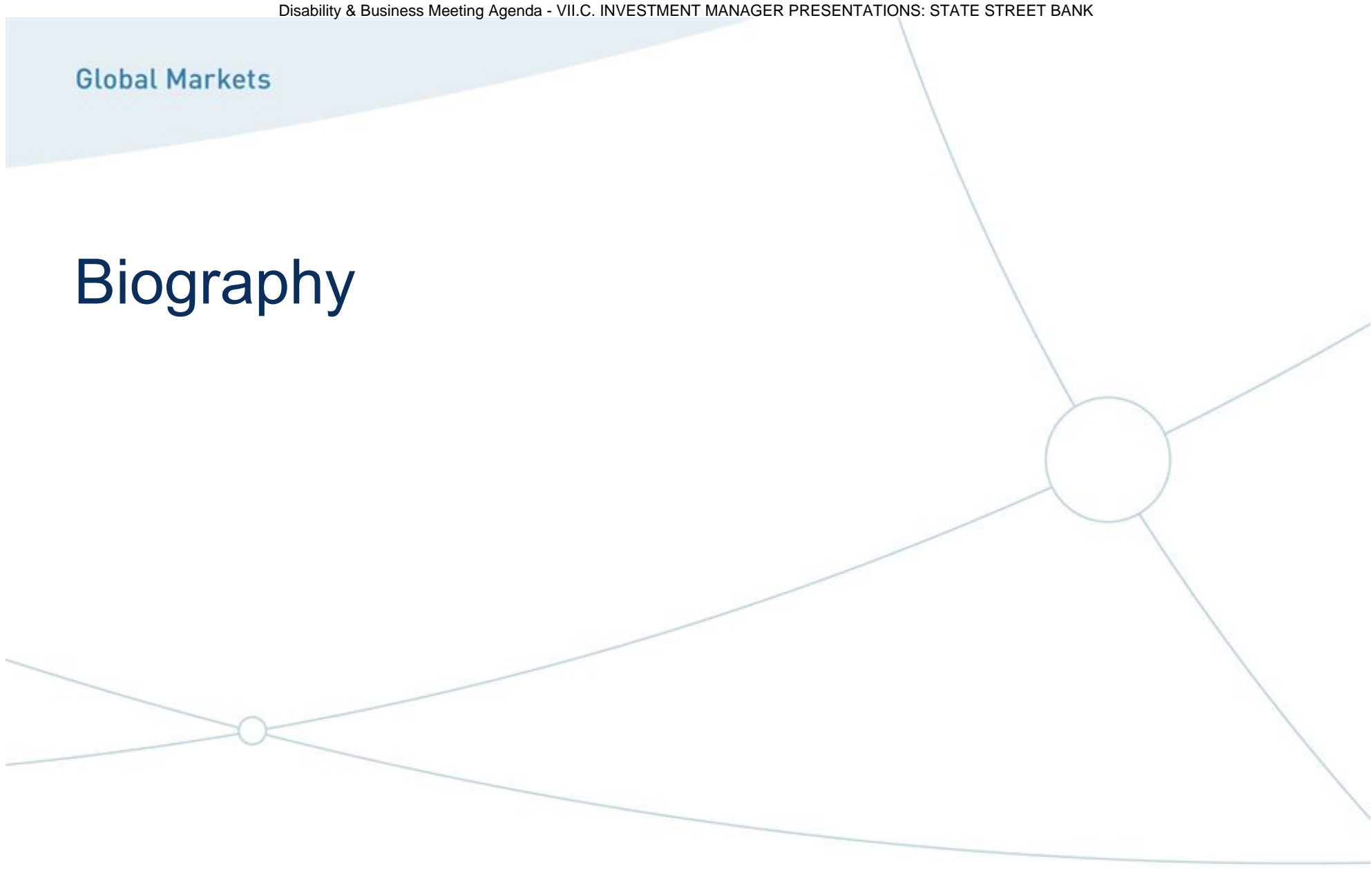
One Day Sample Transaction Diagram – Non-Cash Collateral (US Treasuries)



Premium rate annualized using a 360-day basis.

Global Markets

Biography



Biography

John Muir
Vice President
Account Management
Securities Finance



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

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

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

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

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Effective 3/14/18

18

Important Disclosures

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THANK YOU!



DISCIPLINED INVESTING

International Equities

Ventura County Employees' Retirement Association

APRIL 15, 2019

Tasleem Jamal, Arjun Kumar

Private & Confidential

Presenters

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

Vice President, Head of Marketing and Client Services



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

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

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

Portfolio Manager and Board Director



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

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

Executive Summary

Firm Update

- **Assets under management were \$14.0 billion**
as of March 31, 2019
- **56 clients firm-wide**
 - No clients gained and no clients lost in Q1 2019
- **International, ACWI ex. U.S., Global and ACWI mandates are open** to new investors

Signatory of:



Investment Results¹

- **For Q1 2019:**
the Fund's investment return was **+9.7%**
vs. **MSCI EAFE +10.0%**
- **For the 1 Year period**
ending March 31, 2019:
the Fund's investment return was **-3.3%**
vs. **MSCI EAFE -3.7%**
- **Since your inception**
on April 1, 2002 through
March 31, 2019:
the Fund's annualized return was **+7.6%**
vs. **MSCI EAFE +5.7%**

Investment Strategy

- As a **bottom-up value investor**, sector and country weightings are a residual of our stock selection process.
- The Fund remains **well diversified** and has holdings in all eleven sectors.
 - The largest sector exposures are Materials, Industrials and Financials.
- The Fund has **holdings in 22 different countries** and has **exposure to 12 different currencies**.
 - The largest country exposures are the U.K., Japan and Switzerland.
- The Fund has **exposure to the Emerging Markets** (13.8%)

¹ Returns are for the Sprucegrove U.S. International Pooled Fund, gross of fees in U.S. dollars, as at March 31, 2019. It should not be assumed that investments made in the future will be profitable or will equal any results shown here. Refer to Performance Footnotes in the appendix for additional details.
Source: Sprucegrove, MSCI

Partial List of U.S. Clients and Investors

Corporations	STATE STREET GLOBAL ADVISORS.	Cargill	BASF	NiSource	TEXTRON	WELLS FARGO
Foundations & Endowments	Wespath	matherlifeways [®] Ways to Age Well		Blandin Foundation [™] STRENGTHENING RURAL MINNESOTA	SAINT LOUIS UNIVERSITY.	
Health Care	NYU Winthrop Hospital	Holy Redeemer HealthCare, HomeCare, LifeCare.	South Nassau COMMUNITIES HOSPITAL		KAISER PERMANENTE.	
Public Plans	NYCERS	SBA FLORIDA STATE BOARD OF ADMINISTRATION	BR CITY OF BATON ROUGE PARISH OF EAST BATON ROUGE		VCERA VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION	
Insurance	TexasMutual [®] Insurance Company	MASSACHUSETTS	Union & Multi-Employer	INTERNATIONAL LONGSHOREMEN'S ASSOCIATION		

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

Key Investment and Client Services Professionals

An experienced team with a collaborative approach

Name	Title	Education	Years Investment Experience	Years with Sprucegrove/Confed
Portfolio Management				
SHIRLEY WOO	Director and Portfolio Manager	B.A., CFA	31	31
ERIK PARNOJA	Portfolio Manager	B.A., M.B.A., CFA	23	23
ARJUN KUMAR	Director and Portfolio Manager	B.A., M.B.A., CFA	16	16
CHRISTOPHER RANKIN	Assistant Portfolio Manager and Investment Analyst	B.A., B.Sc., CFA	14	16
JONATHAN SINGER	Assistant Portfolio Manager and Investment Analyst	B.A., CFA	11	11
Research Director and Investment Analysts				
CHRISTINE MCLEAN	Research Director and Investment Analyst	B.S.B.A.	15	15
SABU MEHTA	Director and Senior Investment Analyst	B.Comm.	31	27
ALEX LIMION	Investment Analyst	B.A., M.B.A., CFA	17	17
MICHAEL JIANG	Investment Analyst	B.Sc., M.M.I.B., M.B.A.	12	12
MATTHEW BELLIS	Investment Analyst	B.Comm., CFA	11	11
HUGH NOWERS	Investment Analyst	B.Comm	5	5
Marketing and Client Services				
TASLEEM JAMAL	Vice President, Head of Marketing & Client Services	B.A., B.Comm., M.B.A., CFA	20	8
SEBASTIEN ROY	Vice President, Marketing & Client Services	B.A., CFA	22	5
Portfolio Managers: 3 Investment Analysts: 14 Research Assistants: 3 Marketing & Client Services: 3				

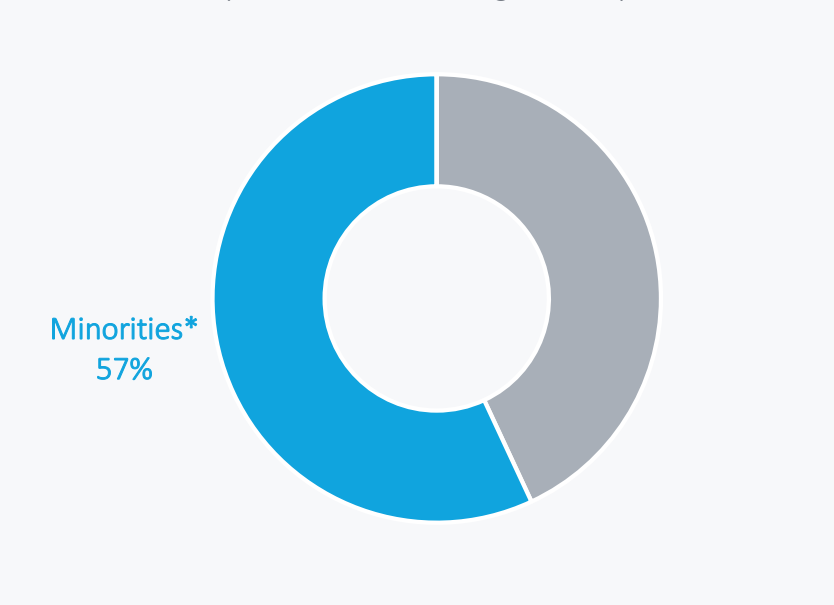
All data as at March 31, 2019

Diversity and Inclusion

Firm Ownership

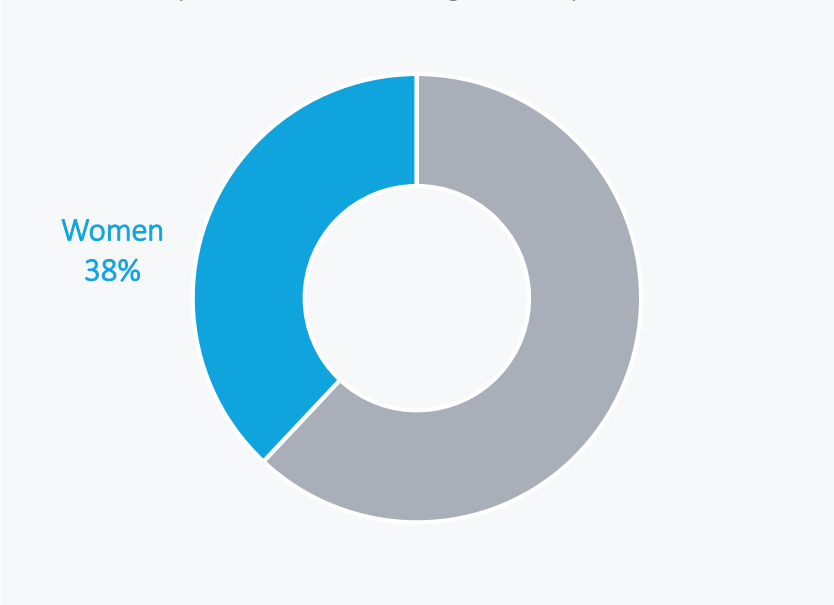
Minorities*

(firm's outstanding shares)



Women

(firm's outstanding shares)



*Minorities is defined to mean persons who are non-Caucasian in race or non-white in color.

40%	% of Shareholders	40%
57%	% of Ownership	38%

Approximately 67% of the firm's outstanding shares are held by Women, Minorities or both.

As of March 31, 2019, all % are approximate

Foundation of our Investment Philosophy



Investment Process



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

Investment Process

Research

We define quality through five criteria



Above Average
and Consistent
Profitability



Sustainable
Competitive
Advantages



Financial
Strength



Opportunity to
Grow the
Business



Capable
Management

Margin of safety on quality

Meetings with Company Management

10 Year Average



Average: 210 Company Meetings Annually

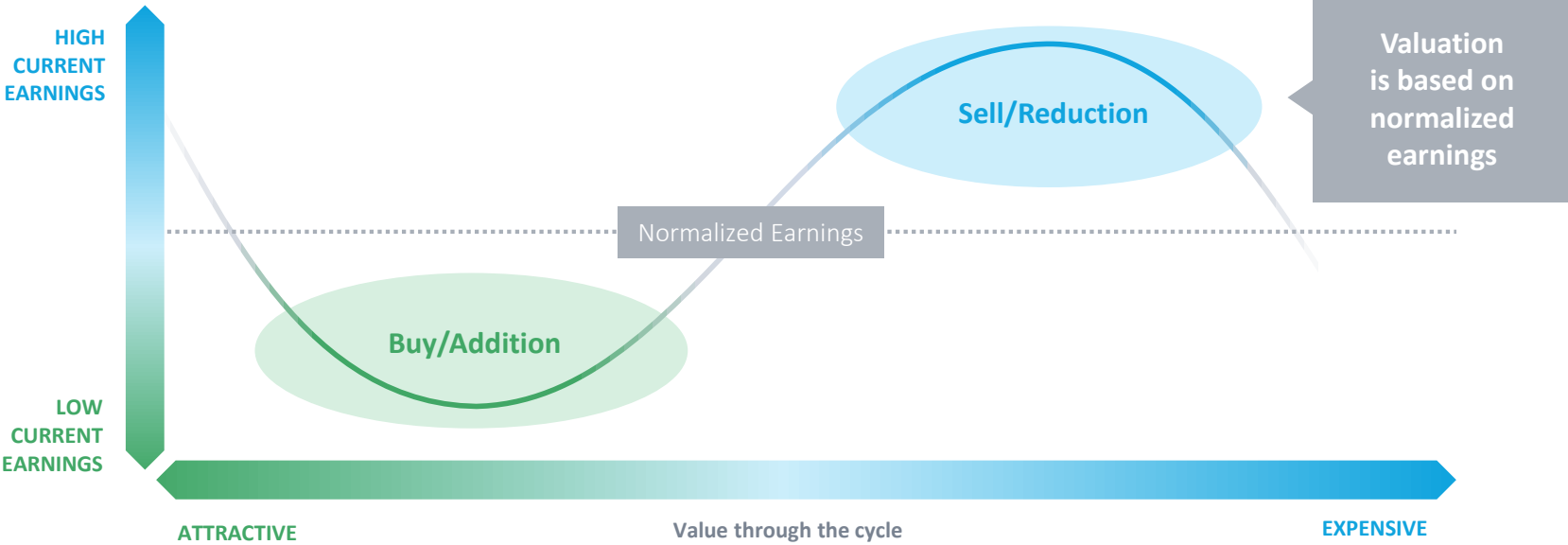
- Visits to see Company Management at their site
- Visits by Company Management to Sprucegrove
- Conference calls with Company Management

- International
- North America
- Emerging Markets

Meetings with company management, their competitors and suppliers are an important component of our in-depth research process

Investment Process

Valuation



Margin of safety on valuation

Projected Return on Equity: Sustainable long term ROE based on internal research

Normalized Earnings: Projected ROE * Book Value

Normalized Price/Earnings Ratio (N P/E): Share price / Normalized Earnings



Performance Review

Annual Performance Results

Sprucegrove U.S. International Pooled Fund

Year	Sprucegrove U.S. International Pooled Fund ¹ (%)	MSCI EAFE ¹ (%)	Difference (%)	
1986	45.8	69.6	(23.8)	
1987	14.7	24.9	(10.2)	
1988	26.3	28.6	(2.3)	
1989	27.8	10.8	17.0	
1990	(6.8)	(23.2)	16.4	
1991	24.0	12.5	11.5	Japanese Asset Price Bubble
1992	0.4	(11.8)	12.2	
1993	36.0	32.8	3.2	
1994	6.1	8.0	(1.9)	
1995	12.3	11.5	0.8	
1996	18.2	6.3	11.9	
1997	10.5	1.9	8.6	
1998	9.8	20.2	(10.4)	
1999	23.2	27.1	(3.9)	
2000	2.3	(14.1)	16.4	
2001	(5.0)	(21.6)	16.6	Technology, Media and Telecom Bubble
2002	(0.8)	(15.9)	15.1	
2003	34.5	38.6	(4.1)	
2004	25.2	20.3	4.9	
2005	14.7	13.5	1.2	
2006	30.4	26.3	4.1	
2007	6.2	11.2	(5.0)	
2008	(42.2)	(43.4)	1.2	Global Financial Crisis
2009	36.9	31.8	5.1	
2010	19.4	7.8	11.6	
2011	(10.3)	(12.1)	1.8	
2012	17.7	17.3	0.4	
2013	17.5	22.8	(5.3)	
2014	(2.9)	(4.9)	2.0	
2015	(8.8)	(0.8)	(8.0)	
2016	12.3	1.0	11.3	
2017	27.9	25.0	2.9	
2018	(13.5)	(13.8)	0.3	
2019 YTD ³	9.7	10.0	(0.3)	
Since inception^{2,3}	11.3	7.7	3.6	

¹ Bold numbers indicate down markets (negative Index return). Returns shorter than a 1-year period are arithmetic returns and have not been annualized. Returns greater than a 1-year period have been annualized. Returns are gross of fees in U.S. dollars.

² Fund Inception Date: September 30, 1985

³ Period ended March 31, 2019

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



Annualized Performance Results

	Q1 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	20 Years (%)	30 Years (%)	Since Inception (%)
Sprucegrove U.S. International Pooled Fund¹	9.7	(3.3)	5.9	10.7	5.1	3.4	10.5	7.6	9.6	11.3
MSCI EAFE	10.0	(3.7)	5.1	7.3	3.2	2.3	9.0	3.9	4.5	7.7
Ventura County Employees' Retirement Association (net of fees)²	9.6	(3.7)	5.5	10.3	4.7	3.1	10.0	-	-	7.2
Ventura County Employees' Retirement Association (gross of fees)²	9.7	(3.3)	5.9	10.7	5.1	3.4	10.5	-	-	7.6
MSCI EAFE	10.0	(3.7)	5.1	7.3	3.2	2.3	9.0	-	-	5.7
MSCI ACWI ex US	10.3	(4.2)	5.6	8.1	3.5	2.6	8.8	-	-	-

All data as at March 31, 2019

¹ Inception date of Fund: September 30, 1985

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

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

Assets Under Management: \$ 224,408,925.21

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

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

Source: Sprucegrove, MSCI



Sector Weightings/Returns – Q1 2019

Sprucegrove U.S. International Pooled Fund

Sector	Weighting, as at March 31, 2019 ¹ (%)		Performance, Quarter ending March 31, 2019 ¹ (%)		
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ²	MSCI EAFE	Impact ³
Energy	8.5	5.8	14.9	10.4	+
Materials	17.3	7.5	11.8	13.2	+
Industrials	15.8	14.4	9.6	10.6	-
Consumer Discretionary	11.2	11.0	1.1	7.5	-
Consumer Staples	7.9	11.8	12.1	12.4	-
Health Care	3.6	11.3	8.3	11.2	-
Financials	14.3	18.9	9.4	6.9	+
Information Technology	9.1	6.3	16.3	15.3	+
Communication Services	2.7	5.4	4.8	4.3	+
Utilities	1.9	3.7	(0.2)	9.0	-
Real Estate	1.3	3.9	15.4	14.0	-
Cash	6.2	-	-	-	-
Total	100.0	100.0	9.7	10.0	

Sector allocation is a residual of our bottom-up process

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

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

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

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

Source: Sprucegrove, MSCI

Impact Stocks – Q1 2019

Sprucegrove U.S. International Pooled Fund

	Country	Sector	Average Weighting (%)	Estimated Contribution (bps)
Top 5 Contributors				
SBM Offshore	Holland	Energy	2.2	58
Travis Perkins	United Kingdom	Industrials	2.1	57
BHP Group	United Kingdom	Materials	2.1	45
Anglo American	United Kingdom	Materials	2.2	45
Novartis	Switzerland	Health Care	2.7	41
				246
Bottom 5 Contributors				
Denso	Japan	Consumer Discretionary	1.9	(21)
Jardine Matheson	Hong Kong	Industrials	1.2	(11)
Nihon Kohden	Japan	Health Care	1.2	(10)
BMW	Germany	Consumer Discretionary	1.7	(5)
GAIL	India	Utilities	1.6	(4)
				(51)

*Addition

**Reduction

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

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

Source: Sprucegrove, MSCI

Sector Weightings/Returns – 1 Year, ending Dec. 31, 2018

Sprucegrove U.S. International Pooled Fund

Sector	Weighting, as at December 31, 2018 ¹ (%)		Performance, 1 Year ending December 31, 2018 ¹ (%)		
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ²	MSCI EAFE	Impact ³
Energy	9.1	5.9	(7.3)	(7.2)	+
Materials	17.3	7.4	(12.8)	(17.5)	+
Industrials	16.4	14.3	(20.8)	(15.7)	-
Consumer Discretionary	11.9	11.2	(21.6)	(16.1)	-
Consumer Staples	7.8	11.6	(11.3)	(10.8)	-
Health Care	4.4	11.2	15.4	(4.3)	+
Financials	14.8	19.5	(12.1)	(20.1)	+
Information Technology	9.0	6.0	(16.8)	(15.6)	-
Communication Services	2.9	5.6	(7.4)	(12.1)	+
Utilities	2.3	3.8	(4.8)	1.1	-
Real Estate	1.3	3.7	(8.1)	(9.9)	-
Cash	2.8	-	-	-	
Total	100.0	100.0	(13.5)	(13.8)	

Sector allocation is a residual of our bottom-up process

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

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

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

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

Source: Sprucegrove, MSCI

Impact Stocks – 1 Year, ending Dec. 31, 2018

Sprucegrove U.S. International Pooled Fund

	Country	Sector	Average Weighting (%)	Estimated Contribution (bps)
Top 5 Contributors				
Banco Bradesco ^{*Q2}	Brazil	Financials	1.8	31
Nihon Kohden	Japan	Health Care	1.0	30
Anglo American	United Kingdom	Materials	2.0	21
Jardine Matheson	Hong Kong	Industrials	1.1	19
Infosys ^{**Q4}	India	Information Technology	1.3	18
				119
Bottom 5 Contributors				
Boskalis Westminster ^{*Q1}	Holland	Industrials	1.9	(65)
Travis Perkins ^{*Q1}	United Kingdom	Industrials	1.9	(61)
Tiger Brands ^{*Q3, Q4}	South Africa	Consumer Staples	1.0	(57)
Banco Santander	Spain	Financials	2.0	(54)
Richemont	Switzerland	Consumer Discretionary	1.8	(50)
				(287)
^{*Addition}				
^{**Reduction}				

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

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

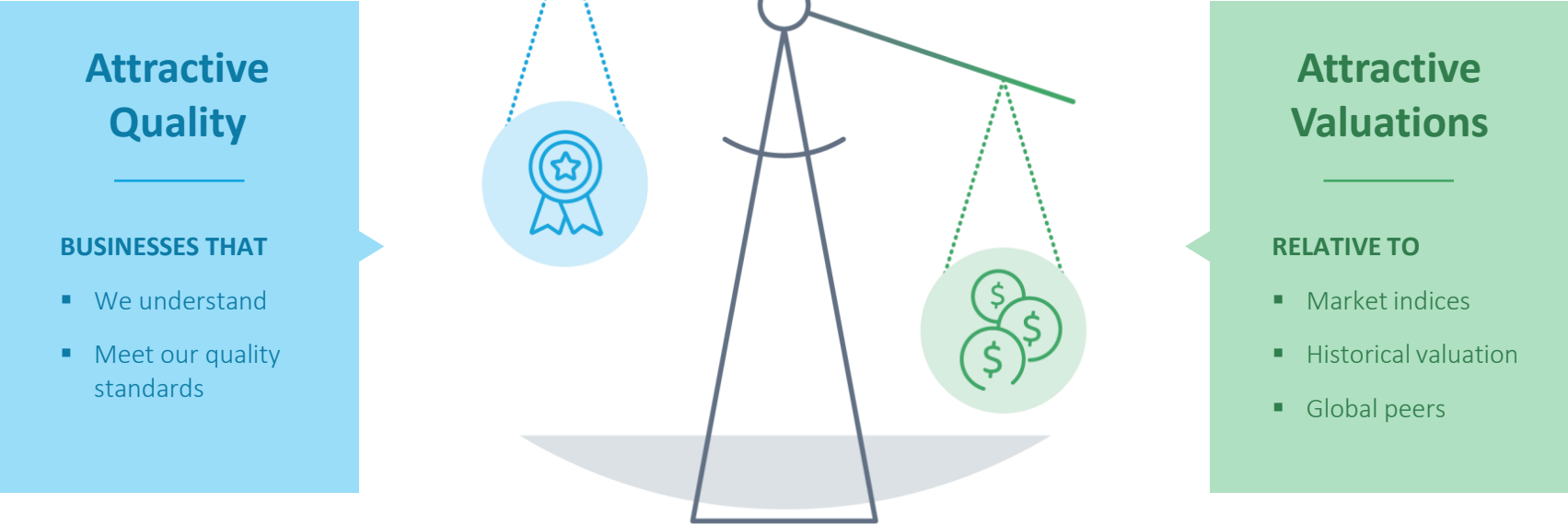
Source: Sprucegrove, MSCI



Portfolio Review

Security Selection

Buy Discipline



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

Fuchs Petrolub – Germany

Recent Addition – Q1 2019

LEADERSHIP POSITION	RECORD OF HIGH & CONSISTENT PROFITABILITY	FINANCIAL POSITION	GROWTH OPPORTUNITY	MANAGEMENT
<ul style="list-style-type: none"> The leading independent lubricants manufacturer Offers high-performing customized products that represent a small portion of the customers' costs 	<ul style="list-style-type: none"> Operating margin has averaged 15% over the last 10 years ROE has averaged 27% over the last 10 years 	<ul style="list-style-type: none"> Net cash position 	<ul style="list-style-type: none"> New market development and geographic expansion Clean and renewable energies provide a new market opportunity Launch of new and innovative products 	<ul style="list-style-type: none"> Remain focused on lubricants business Focused on R&D

Market Cap.	\$5.6 B USD	Fuchs Petrolub Q1 2019	MSCI Germany 3/31/2019	MSCI EAFE 3/31/2019
Quality	Projected ROE (%)	24.0	11.0	11.0
	Financial Leverage (X)	1.3	2.8	2.7
Valuation	Normalized P/E (X)	15.2	13.9	14.5
	Price/Book (X)	3.6	1.5	1.6
	Dividend Yield (%)	2.5	3.3	3.4

Valuation characteristics are based on the average price of the transactions during the quarter and latest reported book value per share.

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

Source: Sprucegrove, MSCI, Capital IQ

Security Selection

Sell Discipline



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

Banco Bradesco – Brazil

Recent Reduction – Q1 2019

LEADERSHIP POSITION	RECORD OF HIGH & CONSISTENT PROFITABILITY	FINANCIAL POSITION	GROWTH OPPORTUNITY	MANAGEMENT
<ul style="list-style-type: none"> A leading private sector bank in Brazil with a market share of 11% in loans and 13% in deposits Largest insurer in Brazil with a market share of 24% Widest distribution network in Brazil 	<ul style="list-style-type: none"> ROA has averaged 1.6% over the last 10 years ROE has averaged 19% over the last 10 years 	<ul style="list-style-type: none"> Financial leverage of 10.5x Basel III core capital ratio of 12.3% 	<ul style="list-style-type: none"> Further penetration in Brazil Cross-selling opportunities 	<ul style="list-style-type: none"> Conservative culture Committed to efficient operations and application of modern technology High retention and long-term development of employees

Market Cap.	\$68.7 B USD		Banco Bradesco Q1 2019	MSCI Brazil 3/31/2019	MSCI EAFE 3/31/2019
Quality	Projected ROE	(%)	17.0	13.0	11.0
	Financial Leverage	(X)	10.5	3.7	2.7
Valuation	Normalized P/E	(X)	16.5	15.7	14.5
	Price/Book	(X)	2.8	2.0	1.6
	Dividend Yield	(%)	3.7	3.5	3.4

Valuation characteristics are based on the average price of the transactions during the quarter and latest reported book value per share.

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

Source: Sprucegrove, MSCI, Capital IQ

Application of the Process - Transaction Summary

Sprucegrove U.S. International Pooled Fund

New Holdings* / Additions

	Sector	Projected ROE (%)	Normalized P/E (X)
*None			
Fugro	Energy	12.0	9.7
BASF	Materials	16.0	10.6
Fuchs Petrolub	Materials	24.0	15.2
Nitto Denko	Materials	12.0	11.5
IMI	Industrials	25.0	16.2
Kubota	Industrials	12.0	12.0
Smiths Group	Industrials	20.0	13.2
Weir Group	Industrials	15.0	12.3
Swatch Group	Cons. Disc.	12.0	10.5
Henkel	Cons. Staples	15.0	13.9
Tiger Brands	Cons. Staples	20.0	13.2
National Australia Bank	Financials	13.0	9.8
Omron	Info. Tech.	12.0	12.8
Average		16.0	12.4
MSCI EAFE		11.0	14.5

Eliminations** / Reductions

	Sector	Projected ROE (%)	Normalized P/E (X)
**SATS	Industrials	14.0	24.7
**Komeri	Cons. Disc.	8.0	8.9
Spirax-Sarco	Industrials	24.0	25.8
Nestlé	Cons. Staples	15.0	29.3
Banco Bradesco	Financials	17.0	16.5
Halma	Info. Tech.	21.0	27.4
CLP Holdings	Utilities	12.0	17.5
Average		15.9	21.4
MSCI EAFE		11.0	14.5

Transactions are for Q1 2019

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

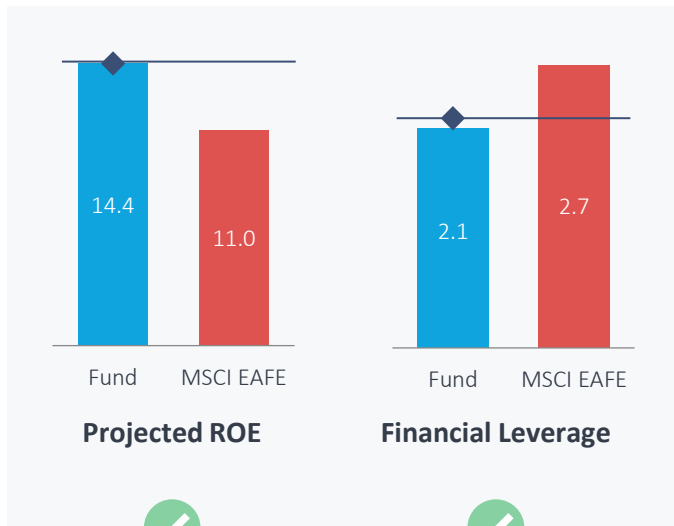
It should not be assumed that investments made in the future will be profitable or will equal any results shown here. The information presented is an example of investment technique and should not be construed as representative of investment performance. A list of all securities purchased and sold within the past year together with dates and prices is available upon request. Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI, Capital IQ

Portfolio Characteristics

as at March 31, 2019

QUALITY



VALUATION



✓ Superior to MSCI EAFE

Quality companies at attractive valuations

Financial Leverage weighted average excludes companies in the Financials sector.

◆ Sprucegrove U.S. International Pooled Fund’s long term average since inception, September 30, 1985

Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI, Capital IQ

Historical Characteristics

Sprucegrove U.S. International Pooled Fund

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

Consistently applied philosophy and process over time

All data as at December 31 unless stated otherwise.

¹ Financial Leverage weighted average excludes companies in the Financials sector

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

Source: Sprucegrove, MSCI, Capital IQ

A close-up photograph of a spruce tree branch with vibrant blue needles, serving as the background for the slide.

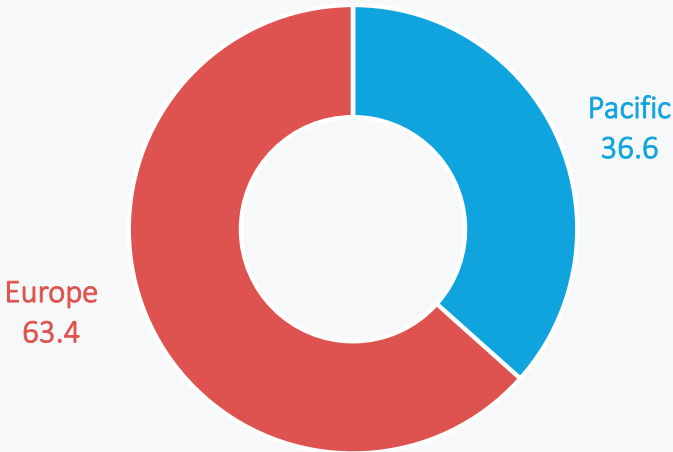
Sprucegrove

All Country World ex USA Equities

MSCI ACWI ex USA Composition

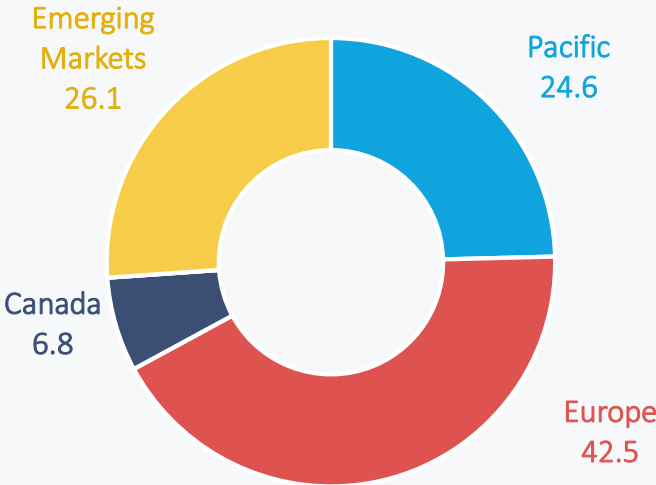
Regional breakdown at March 31, 2019

MSCI EAFE (%)



(Canada: 0 Emerging Markets: 0)

MSCI ACWI ex USA (%)



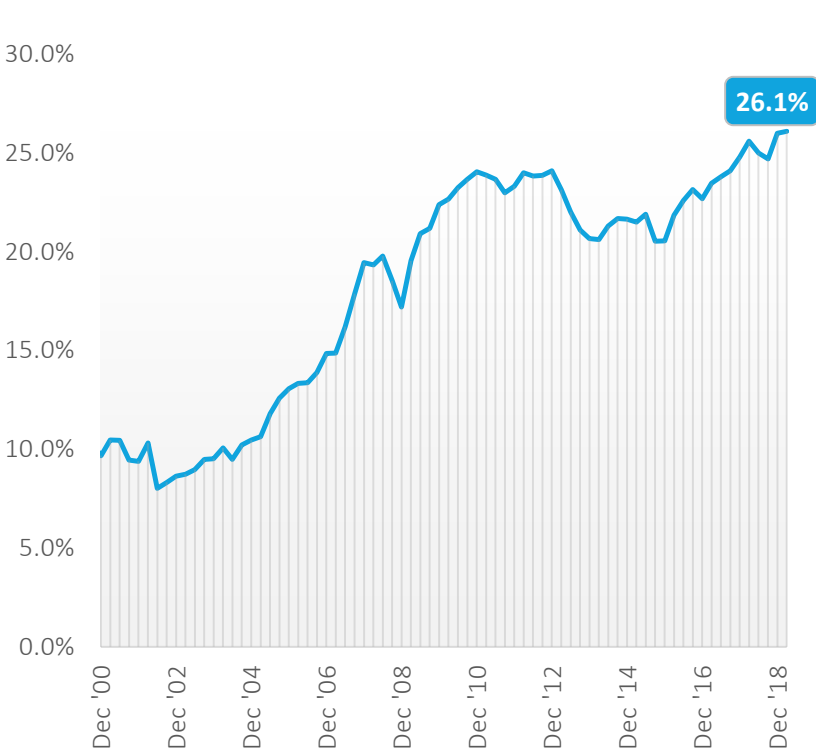
920	Number of stocks	2,148
21	Number of countries	46
0%	Weight in Emerging Markets	26.1%

Source: MSCI

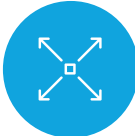
Why ACWI ex USA?

ACWI ex. USA has a higher allocation to Emerging Markets

MSCI ACWI ex. USA EM exposure



Better reflection of the investable universe



Expanded global opportunity set for quality companies



Increased access to diverse markets



Broad based market exposure

Source: MSCI

Annualized Performance Results

Sprucegrove U.S. International Pooled Fund

	Q1 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	20 Years (%)	30 Years (%)	Since Inception (%)
Sprucegrove U.S. International Pooled Fund¹	9.7	(3.3)	5.9	10.7	5.1	3.4	10.5	7.6	9.6	11.3
MSCI EAFE	10.0	(3.7)	5.1	7.3	3.2	2.3	9.0	3.9	4.5	7.7
MSCI EAFE Value	7.9	(6.1)	2.6	6.9	1.6	0.7	8.1	4.3	5.3	-
MSCI ACWI ex USA²	10.3	(4.2)	5.6	8.1	3.5	2.6	8.8	4.6	6.1	-

All data as at March 31, 2019

¹ Inception date of Fund: September 30, 1985

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

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

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

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

Source: Sprucegrove, MSCI

Annualized Performance Results

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

	Q1 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)	20 Years (%)
Developed Markets portion of the Fund¹	10.5	(3.6)	6.6	11.0	5.1	3.4	11.4	6.6	7.5
MSCI EAFE	10.0	(3.7)	5.1	7.3	3.2	2.3	9.0	5.1	3.9
Emerging Markets portion of the Fund¹	6.8	(3.0)	5.6	15.5	8.5	6.3	8.6	10.1	12.2
MSCI Emerging Markets²	9.9	(7.4)	7.6	10.7	4.5	3.7	8.9	7.9	8.4

All data as at March 31, 2019

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

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

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

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Policy Guidelines

Sprucegrove All Country World ex USA Pooled Fund

Methodology	Value approach using a bottom-up, stock selection process with an emphasis on owning quality companies at attractive valuations.	
Mandate	International equities	
Benchmark	MSCI ACWI ex USA Index	
Restrictions/Limits		
Asset Mix	Cash & Short Term Equities	0% - 10% 90% - 100%
Region	A minimum of three countries from the following lists in each of the European and Pacific Basin regions. Europe: Belgium, Denmark, France, Germany, Holland, Italy, Spain, Sweden, Switzerland, United Kingdom Pacific Basin: Australia, Hong Kong, Japan, New Zealand, Singapore, Thailand, Malaysia	
Country	The Fund will be subject to the following minimum - maximum country weightings:	
	Japan	5% - 50%
	United Kingdom	10% - 50%
	United States	excluded
	Other ACWI countries	0% - 15%
	Total Emerging Market countries	0% - 30%
Sector	Minimum 7 of 11 MSCI sectors Maximum individual industry 25%	
Company Holdings	Minimum 40 companies Maximum company weighting 5% Maximum ownership, lesser of outstanding shares 5%; free float 10%	
Other	In unusual circumstances, the Fund may exceed the above guidelines for short periods of time.	

Why Sprucegrove?

We offer consistency of philosophy, process and people.



Experienced
Investment
Management
Team



Patient,
Long-term,
Bottom-Up
Approach



Emphasis
on Internal
Research



Quality,
Value-Driven
Portfolios



Outstanding
Client Service



A close-up photograph of blue spruce branches with dense, needle-like foliage. The branches are in sharp focus in the foreground, while the background is softly blurred, creating a bokeh effect. The overall color palette is a range of blues, from deep navy to light sky blue.

Appendices

Sprucegrove Guiding Principles

Objectives

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

Organization

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

Core Values

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

Assets Under Management

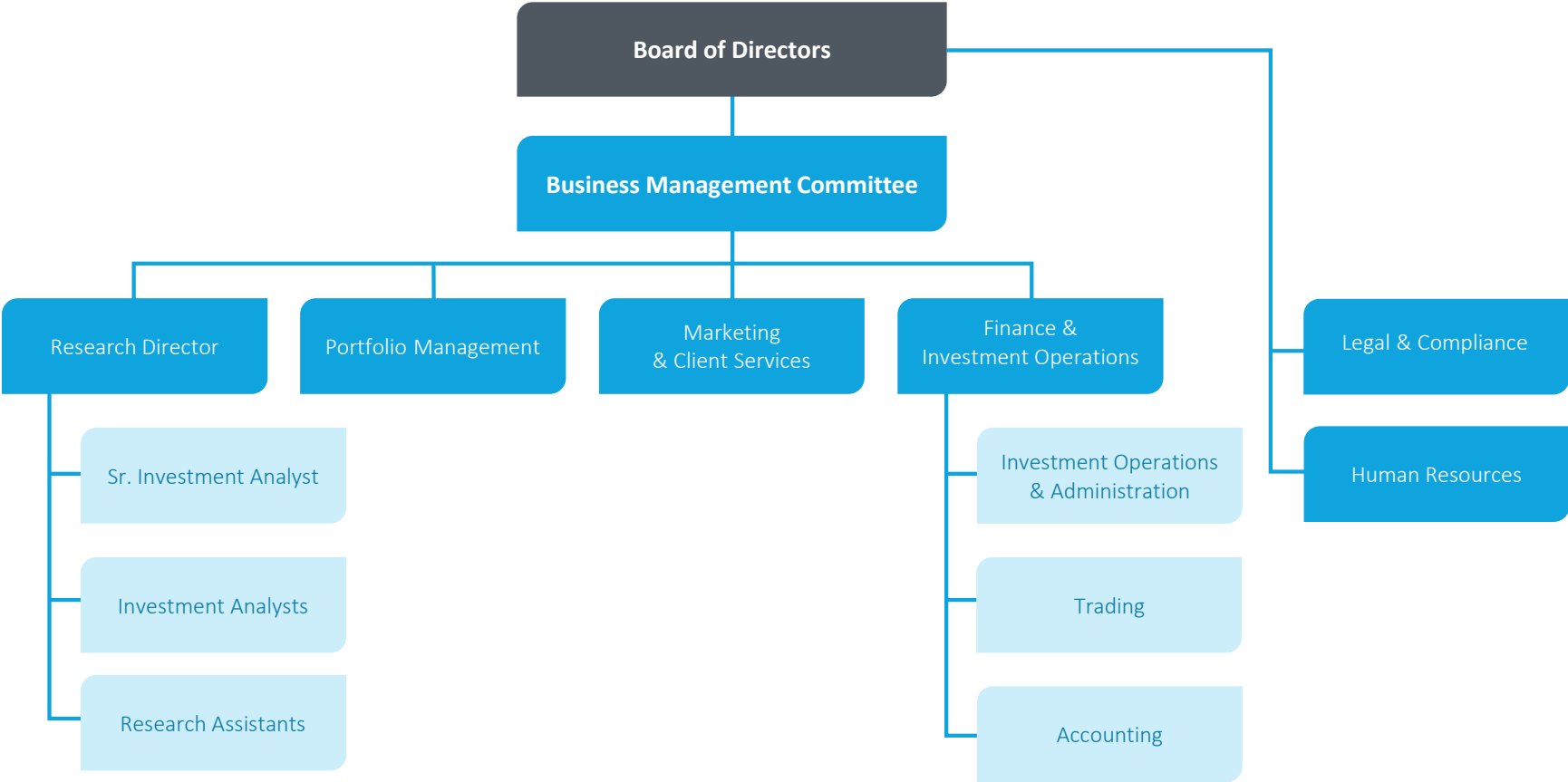
March 31, 2019

	\$ USD (millions)	Number of Portfolios	Number of Clients ¹
Pooled Funds			
For Canadian Clients:			
International	2,780.3	1	11
Global	1,003.3	2	12
All Country World	128.4	1	2
For U.S. Clients:			
International	1,603.7	3	21
All Country World ex U.S.	157.7	2	2
Separate Accounts			
For Canadian Clients:			
International	342.5	1	1
Global	607.0	1	1
For U.S. Clients:			
International	7,410.5	12	6
TOTAL	14,033.4	23	56

Preliminary.

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

Organization



Value in Emerging Market Companies

Sprucegrove U.S. International Pooled Fund

March 31, 2019		Quality				Valuation	
Company	Country	Market Cap. (US\$ Bn)	Projected ROE (%)	Financial Leverage (x)	Normalized P/E (x)	Price/Book (x)	Dividend Yield (%)
Banco Bradesco	Brazil	69	17.0	10.5	12.9	2.2	3.7
China Mobile	China	204	11.0	1.5	12.1	1.3	4.4
Ambuja Cements	India	7	13.0	1.7	16.0	2.1	1.5
GAIL	India	11	15.0	1.5	12.8	1.9	2.6
Infosys	India	47	26.0	1.3	19.6	5.1	2.4
State Bank of India	India	42	10.0	15.7	12.4	1.2	0.0
POSCO	Korea	19	10.0	1.8	4.5	0.5	4.1
Samsung Electronics	Korea	234	14.0	1.4	7.8	1.1	3.3
Copa Holdings	Panama	3	13.0	2.2	14.3	1.9	4.3
Sasol	South Africa	20	17.0	2.0	7.0	1.2	3.1
Tiger Brands	South Africa	3	20.0	1.4	12.7	2.5	4.1
Fund Emerging Markets		60	14.9	1.6	11.5	1.8	3.0
Total Fund		44	14.4	2.1	12.6	1.9	3.3
MSCI EM Index		5	12.0	2.6	13.6	1.6	2.7
MSCI EAFE Index		15	11.0	2.7	14.5	1.6	3.4

* Excludes Financials

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

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

Source: Sprucegrove, MSCI, Capital IQ

Top 10 Holdings

Sprucegrove U.S. International Pooled Fund

Stock	Country	Sector	% of Fund	Projected ROE (%)	Financial Leverage ¹ (x)	Normalized P/E (x)	P/B (x)	Dividend Yield (%)
Novartis	Switzerland	Healthcare	2.4	16.0	1.9	17.9	2.9	3.0
Air Liquide	France	Materials	2.2	14.0	2.4	19.5	2.7	2.3
Diageo	U.K.	Consumer Staples	2.1	34.0	3.4	24.0	8.2	2.1
LafargeHolcim	Switzerland	Materials	2.1	9.0	2.2	12.1	1.1	4.1
Yara International	Norway	Materials	2.0	14.0	1.9	9.2	1.3	1.8
United Overseas Bank	Singapore	Financials	2.0	12.0	10.3	9.4	1.1	4.7
Lloyds Banking	U.K.	Financials	2.0	12.0	16.0	8.5	1.0	4.8
SBM Offshore	Holland	Energy	2.0	14.0	3.8	10.8	1.5	1.9
Anglo American	U.K.	Materials	2.0	13.0	2.2	11.0	1.4	3.8
CRH	Ireland	Materials	1.9	11.0	2.2	12.7	1.4	2.6
Total			20.7					
Weighted Average				15.0	2.5	13.7	2.3	3.1
MSCI EAFE				11.0	2.7	14.5	1.6	3.4

All data as at March 31, 2019

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

It should not be assumed that investments made in the future will be profitable or will equal any results shown here. The information presented is an example of investment technique and should not be construed as representative of investment performance. A list of all securities purchased and sold within the past year together with dates and prices is available upon request. Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI, Capital IQ

Country Allocation & Performance – Q1 2019

Sprucegrove U.S. International Pooled Fund

	Weighting, as at March 31, 2019 (%)		Performance, Quarter ending March 31, 2019 (%)	
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ¹	MSCI
Australia	2.3	6.9	6.4	11.4
Hong Kong	6.5	4.1	6.9	15.6
Japan	11.1	24.0	3.6	6.7
Singapore	5.4	1.3	6.4	6.2
Other	-	0.2	-	-
Pacific	25.3	36.6	5.3	8.5
Finland	0.6	1.0	9.3	8.0
France	4.0	11.3	4.7	10.7
Germany	4.7	8.6	3.3	6.9
Holland	4.2	3.6	16.8	13.6
Ireland	1.9	0.5	19.7	11.4
Italy	0.6	2.4	20.0	14.6
Spain	1.7	3.0	3.9	7.0
Other	-	1.4	-	-
Eurozone	17.7	31.7	9.1	9.8
Denmark	0.4	1.8	1.4	12.8
Norway	3.4	0.7	9.4	7.0
Sweden	-	2.6	-	7.4
Switzerland	8.4	8.9	13.7	13.1
U.K.	22.8	17.1	16.2	11.9
Other	-	0.5	-	-
Non-Eurozone	35.0	31.7	14.8	11.8
Europe	52.8	63.4	12.8	10.8
Brazil	1.9	0.0	10.0	8.1
China	1.5	0.0	5.9	17.7
India	4.6	0.0	6.9	7.2
Korea	3.0	0.0	7.5	4.9
Panama	0.6	0.0	3.2	-
South Africa	2.2	0.0	2.7	4.4
Emerging Markets	13.8	0.0	6.8	9.9
Canada	1.9	0.0	16.1	15.4
Cash	6.2	-	-	-
Total	100.0	100.0	Fund: 9.7	EAFE: 10.0

Country allocation is a residual of our bottom-up process

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

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

Source: Sprucegrove, MSCI



Country Allocation & Performance – 1 Year, ending Dec. 31, 2018

Sprucegrove U.S. International Pooled Fund

	Weighting, as at December 31, 2018 (%)		Performance, 1 Year, ending December 31, 2018 (%)	
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ¹	MSCI
Australia	2.3	6.9	(10.4)	(12.0)
Hong Kong	7.0	3.9	(7.2)	(7.8)
Japan	11.9	24.6	(19.0)	(12.9)
Singapore	5.8	1.4	(13.3)	(9.4)
Other	-	0.2	-	-
Pacific	26.9	37.0	(14.1)	(12.0)
Finland	0.6	1.0	(29.1)	(3.4)
France	4.7	11.1	0.9	(12.8)
Germany	4.6	8.8	(18.2)	(22.2)
Holland	4.3	3.4	(25.5)	(13.1)
Ireland	1.7	0.5	(25.0)	(25.3)
Italy	0.7	2.3	(6.4)	(17.8)
Spain	1.7	3.1	(27.7)	(16.2)
Other	-	1.3	-	-
Eurozone	18.2	31.6	(17.1)	(16.4)
Denmark	0.4	1.7	18.1	(15.4)
Norway	3.5	0.7	(6.1)	(8.6)
Sweden	-	2.7	-	(13.7)
Switzerland	8.5	8.6	(14.9)	(9.1)
U.K.	23.1	16.9	(11.9)	(14.2)
Other	-	0.5	-	-
Non-Eurozone	35.4	31.3	(11.9)	(12.7)
Europe	53.6	63.0	(13.6)	(14.9)
Brazil	2.3	0.0	10.5	(0.5)
China	1.6	0.0	(0.4)	(18.9)
India	5.0	0.0	(6.5)	(7.3)
Korea	3.0	0.0	(26.3)	(20.9)
Panama	0.7	0.0	(39.6)	-
South Africa	2.2	0.0	(30.1)	(24.8)
Emerging Markets	14.8	0.0	(13.3)	(14.6)
Canada	1.9	0.0	(11.4)	(17.2)
Cash	2.8	-	-	-
Total	100.0	100.0	Fund: (13.5)	EAFE: (13.8)

Country allocation is a residual of our bottom-up process

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

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

Source: Sprucegrove, MSCI



Historical Rolling Returns

Sprucegrove EAFE – U.S. Client Composite

	Annual (%)		3 Years (%)		5 Years (%)		7 Years (%)		10 Years (%)		20 Years (%)		30 Years (%)	
	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE
1986	45.8	69.4												
1987	14.7	24.6												
1988	26.3	28.3	28.3	39.4										
1989	27.8	10.5	22.8	20.9										
1990	-6.8	-23.4	14.6	2.8	20.3	18.1								
1991	24.0	12.1	13.9	-1.7	16.4	8.7								
1992	1.3	-12.2	5.4	-9.0	13.6	1.4	17.9	12.3						
1993	37.3	32.6	19.9	9.3	15.5	2.0	16.9	8.5						
1994	6.2	7.8	13.9	7.9	11.3	1.5	15.6	6.2						
1995	12.3	11.2	17.8	16.7	15.5	9.4	13.6	4.1	17.9	13.6				
1996	17.9	6.0	12.0	8.3	14.3	8.2	12.3	3.5	15.4	8.4				
1997	10.4	1.8	13.5	6.3	16.3	11.4	15.1	7.8	14.9	6.3				
1998	9.0	20.0	12.4	9.0	11.1	9.2	13.0	8.8	13.3	5.5				
1999	22.3	27.0	13.7	15.7	14.3	12.8	16.1	14.7	12.8	7.0				
2000	2.5	-14.2	11.0	9.4	12.2	7.1	11.3	7.8	13.8	8.2				
2001	-5.0	-21.4	6.0	-5.0	7.5	0.9	9.6	3.0	10.8	4.5				
2002	-1.1	-15.9	-1.2	-17.2	5.1	-2.9	7.6	-1.0	10.6	4.0				
2003	34.2	38.6	8.0	-2.9	9.6	-0.1	9.6	2.9	10.3	4.5				
2004	24.9	20.3	18.3	11.9	10.0	-1.1	11.6	5.3	12.1	5.6				
2005	14.4	13.5	24.2	23.7	12.5	4.6	12.3	4.5	12.3	5.8	15.1	9.7		
2006	30.4	26.3	23.0	19.9	19.8	15.0	13.4	4.4	13.5	7.7	14.4	8.1		
2007	5.0	11.2	16.1	16.8	21.3	21.6	13.8	8.4	12.9	8.7	13.9	7.5		
2008	-42.2	-43.4	-7.5	-7.3	2.5	1.7	6.0	3.4	6.0	0.8	9.6	3.1		
2009	36.6	31.8	-6.1	-6.0	4.3	3.5	11.0	10.3	7.2	1.2	9.9	4.1		
2010	19.6	7.8	-1.9	-7.0	5.3	2.5	9.2	6.4	8.8	3.5	11.3	5.9		
2011	-10.3	-12.2	13.6	7.6	-2.3	-4.7	4.1	1.7	8.2	4.7	9.5	4.6		
2012	18.1	17.3	8.2	3.6	0.0	-3.7	4.6	2.2	10.1	8.2	10.4	6.1		
2013	17.6	22.8	7.6	8.2	15.3	12.4	3.1	1.8	8.7	6.9	9.5	5.7		
2014	-3.5	-4.9	10.2	11.1	7.5	5.3	1.8	-0.5	5.9	4.4	9.0	5.0		
2015	-8.7	-0.8	1.3	5.0	1.9	3.6	8.7	7.8	3.6	3.0	7.9	4.2	11.1	7.4
2016	11.4	1.0	-0.6	-1.6	6.5	6.5	5.6	3.8	2.0	0.7	7.6	4.2	10.1	5.6
2017	27.4	25.0	9.0	7.8	8.1	7.9	6.6	6.0	4.0	1.9	8.4	5.3	10.5	5.6
2018	-13.5	-13.8	7.1	2.9	1.6	0.5	6.0	5.8	8.2	6.3	7.1	3.5	9.1	4.2
Periods Outperformed	70%		74%		90%		100%		100%		100%		100%	
Number of Years	23 / 33		23 / 31		26 / 29		27 / 27		24 / 24		14 / 14		4 / 4	

All data as at December 31, unless stated otherwise.

Refer to Performance Footnotes in the appendix for additional details. It should not be assumed that investments made in the future will be profitable or will equal any results shown here. Performance is gross of fees in U.S. dollars.

Source: Sprucegrove, MSCI



Cumulative total return history (net of fees) for VCERA

Growth of \$1,000 since inception on April 1, 2002 to March 31, 2019

Value added over and above investment management fees



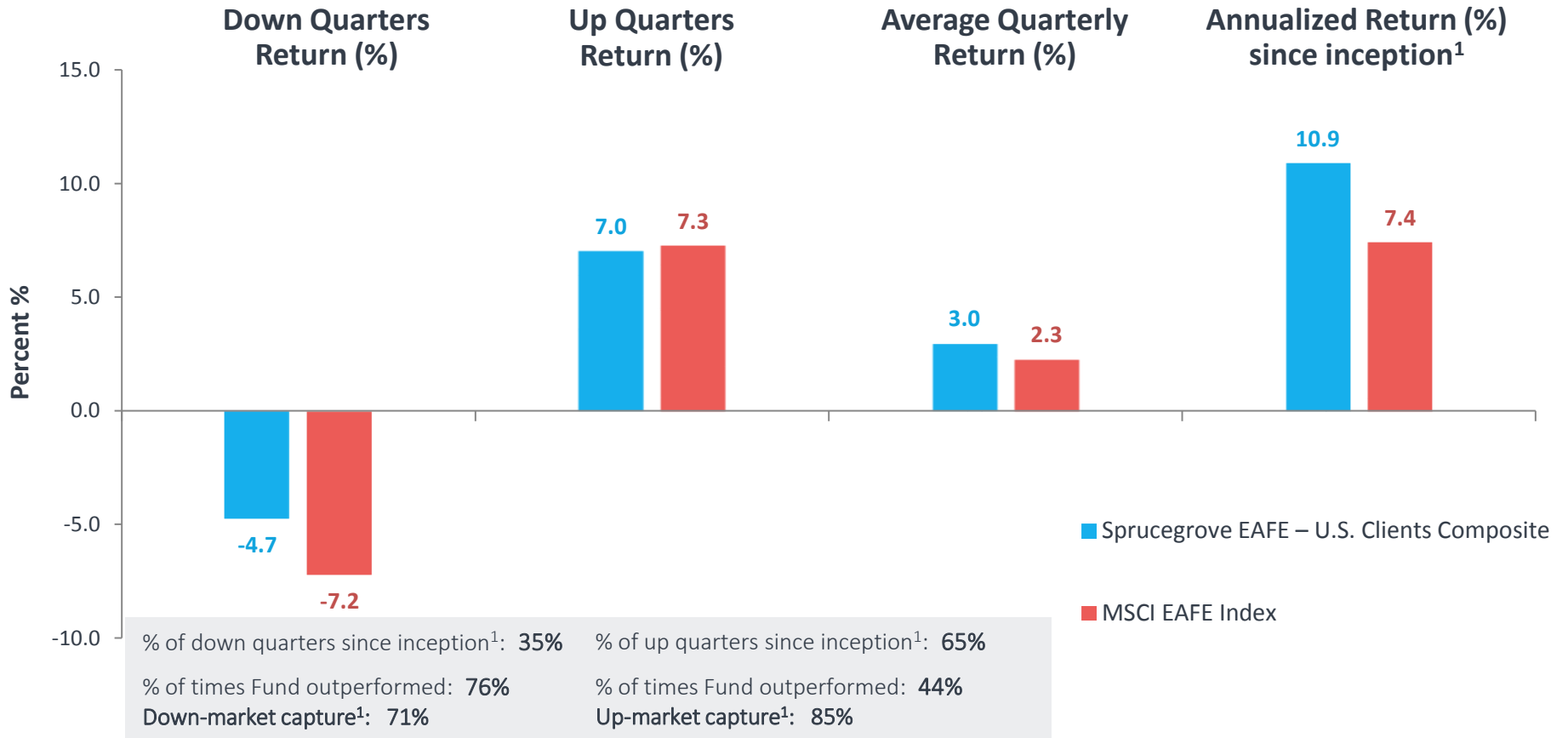
Returns are net of fees in U.S. dollars.

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

Source: Sprucegrove, MSCI

Average Quarterly Up and Down Market Performance

Sprucegrove EAFE – U.S. Clients Composite vs. MSCI EAFE, as of December 31, 2018



¹ Composite Creation Date: December 31, 1985. Preliminary performance.

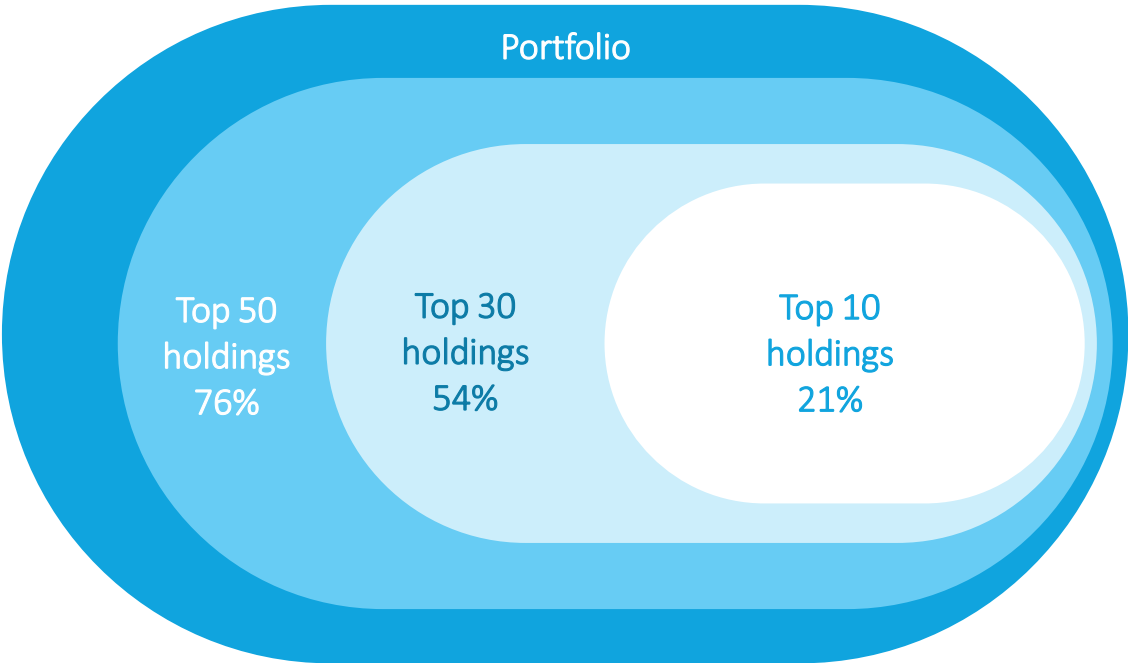
Negative Index returns in a quarter are considered down quarters whereas positive Index returns in a quarter are considered up quarters. Quarterly returns shown are not annualized and are simple arithmetic averages, for illustration purposes only. Returns are Gross of Fees in U.S. dollars. It should not be assumed that investments made in the future will be profitable or will equal any results shown here. Investment performance will be reduced by investment management fees.

Source: Sprucegrove, eVestment, MSCI

Portfolio Concentration and Active Share

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

# of Portfolio Holdings	87
# of MSCI EAFE Index Holdings	920
Active Share ¹	85%



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

Portfolio Holdings as at March 31, 2019, Active Share as at December 31, 2018

¹Active Share is a measure of the percentage of stock holdings in a portfolio that differ from the benchmark.

Source: Sprucegrove, MSCI, Style Research

Historical Sector Weightings

Sprucegrove U.S. International Pooled Fund

Sector	Weightings (%)										
	Sprucegrove U.S. International Pooled Fund										MSCI EAFE
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
Energy	11.3	11.2	11.3	10.1	11.6	10.0	10.0	11.0	9.8	9.1	5.9
Materials	9.6	10.4	11.6	11.4	11.8	11.7	10.8	15.0	15.5	17.3	7.4
Industrials	17.7	18.1	17.4	18.9	19.4	19.0	17.3	16.7	16.3	16.4	14.3
Consumer Discretionary	17.6	18.1	15.0	14.4	13.0	12.4	15.7	14.0	13.4	11.9	11.2
Consumer Staples	4.8	3.5	4.7	4.8	4.6	4.6	5.9	6.5	7.1	7.8	11.6
Health Care	8.7	7.6	9.3	8.1	7.5	6.1	4.8	3.5	3.5	4.4	11.2
Financials	9.3	9.5	9.9	11.0	12.9	15.4	15.5	14.3	14.6	14.8	19.5
Information Technology	11.4	12.4	10.9	12.4	11.4	11.4	10.9	11.1	10.1	9.0	6.0
Telecomm. Services	3.0	3.6	3.1	3.0	2.6	3.0	2.8	2.1	2.1	-	-
Communication Services	-	-	-	-	-	-	-	-	-	2.9	5.6
Utilities	2.7	2.8	3.2	3.3	2.9	3.2	3.2	1.9	2.1	2.3	3.8
Real Estate	-	-	-	-	-	-	-	1.3	1.2	1.3	3.7
Cash	3.9	2.8	3.6	2.5	2.4	3.2	3.2	2.6	4.4	2.8	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

All data as at December 31

Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI



Historical Country Weightings

Sprucegrove U.S. International Pooled Fund

Country	Weightings (%)										MSCI EAFE
	Sprucegrove U.S. International Pooled Fund										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
Australia	2.3	2.5	2.7	2.8	2.5	2.3	2.4	2.5	2.0	2.3	6.9
Hong Kong	4.2	5.0	5.4	5.4	5.7	6.7	6.8	6.6	6.1	7.0	3.9
Japan	20.2	20.8	20.8	19.5	16.7	15.5	13.8	12.8	12.2	11.9	24.6
Singapore	4.9	5.2	5.6	6.4	6.0	6.6	6.1	5.2	6.1	5.8	1.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Pacific	31.6	33.4	34.5	34.1	30.9	31.1	29.1	27.1	26.4	26.9	37.0
Finland	1.4	0.9	0.0	0.0	0.3	0.8	1.7	1.2	0.8	0.6	1.0
France	3.7	3.0	3.4	3.6	3.6	3.3	3.9	4.7	4.7	4.7	11.1
Germany	3.8	4.2	3.7	4.3	3.4	3.2	4.1	3.1	3.6	4.6	8.8
Holland	2.7	3.5	4.1	4.1	4.9	4.3	4.2	4.3	4.4	4.3	3.4
Ireland	4.9	4.3	4.5	4.4	4.0	3.5	3.6	2.4	1.5	1.7	0.5
Italy	2.7	2.6	1.0	1.0	1.1	1.0	1.0	0.6	0.5	0.7	2.3
Spain	1.2	1.7	1.6	2.0	2.5	2.6	2.2	2.1	2.3	1.7	3.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Eurozone	20.4	20.3	18.2	19.2	19.7	18.7	20.7	18.3	17.9	18.2	31.6
Denmark	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.4	1.7
Norway	0.0	0.0	0.0	0.4	0.8	1.9	2.1	3.1	3.1	3.5	0.7
Sweden	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.7
Switzerland	12.7	11.0	12.0	11.7	11.3	8.8	8.5	9.7	9.1	8.5	8.6
U.K.	17.7	18.7	17.6	18.1	18.9	19.1	20.7	22.3	22.6	23.1	16.9
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Non-Eurozone	30.4	29.7	29.7	30.2	31.0	29.8	31.2	35.0	35.0	35.4	31.3
Europe	50.8	50.0	47.9	49.4	50.8	48.5	52.0	53.3	52.9	53.6	63.0
Brazil	1.7	1.5	1.2	0.9	1.5	1.3	0.6	1.3	1.6	2.3	0.0
China	0.4	1.1	1.6	1.7	1.8	2.3	2.3	1.7	1.4	1.6	0.0
Hungary	0.7	0.6	0.4	0.4	0.5	0.3	0.0	0.0	0.0	0.0	0.0
India	2.1	1.3	1.4	1.7	2.9	4.0	4.3	3.9	4.7	5.0	0.0
Korea	3.9	3.8	3.5	3.5	3.3	3.1	3.1	4.0	3.7	3.0	0.0
Malaysia	0.6	0.6	0.4	0.2	0.3	0.4	0.4	0.0	0.0	0.0	0.0
Mexico	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Panama	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.5	0.7	0.0
South Africa	1.8	2.4	2.8	2.5	2.3	2.3	2.1	2.3	2.4	2.2	0.0
Emerging Markets	11.4	11.3	11.2	11.0	12.5	13.6	12.7	14.0	14.3	14.8	0.0
Canada	2.3	2.4	2.8	3.0	3.5	3.6	3.0	3.0	2.1	1.9	0.0
Cash	3.9	2.8	3.6	2.5	2.4	3.2	3.2	2.6	4.4	2.8	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

All data as at December 31

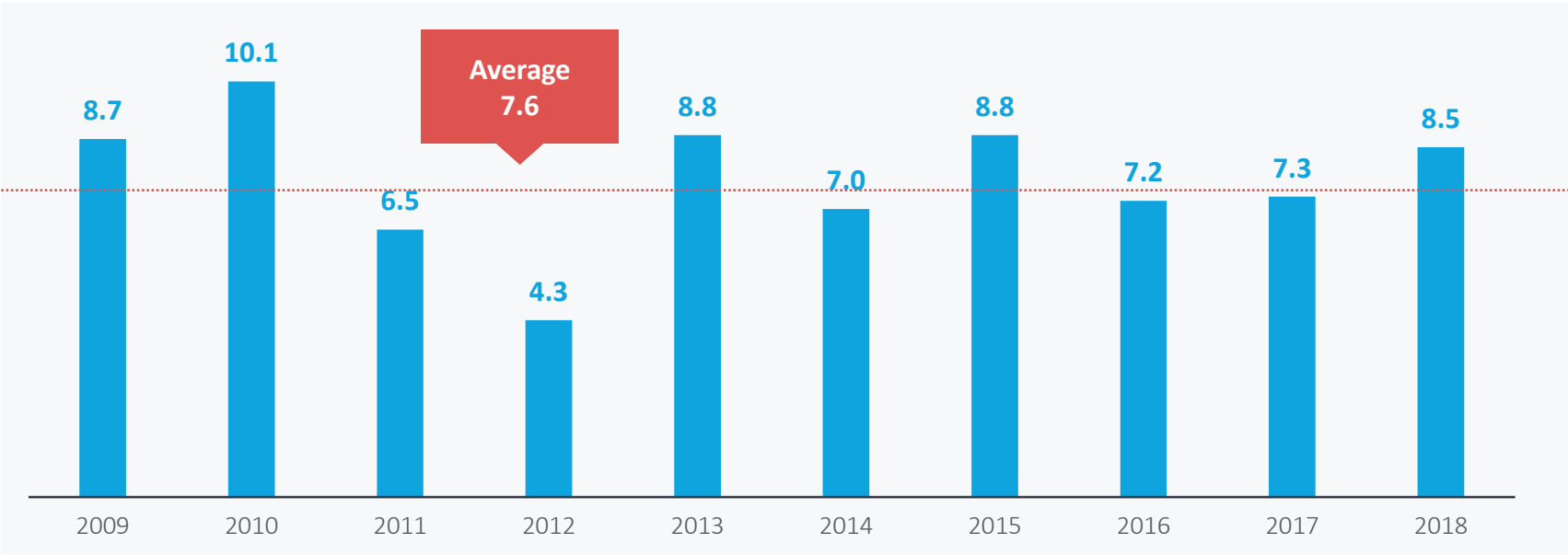
Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI

Historical Annual Turnover

Sprucegrove U.S. International Pooled Fund

Turnover (%)



Average long-term holding period of over 12 years

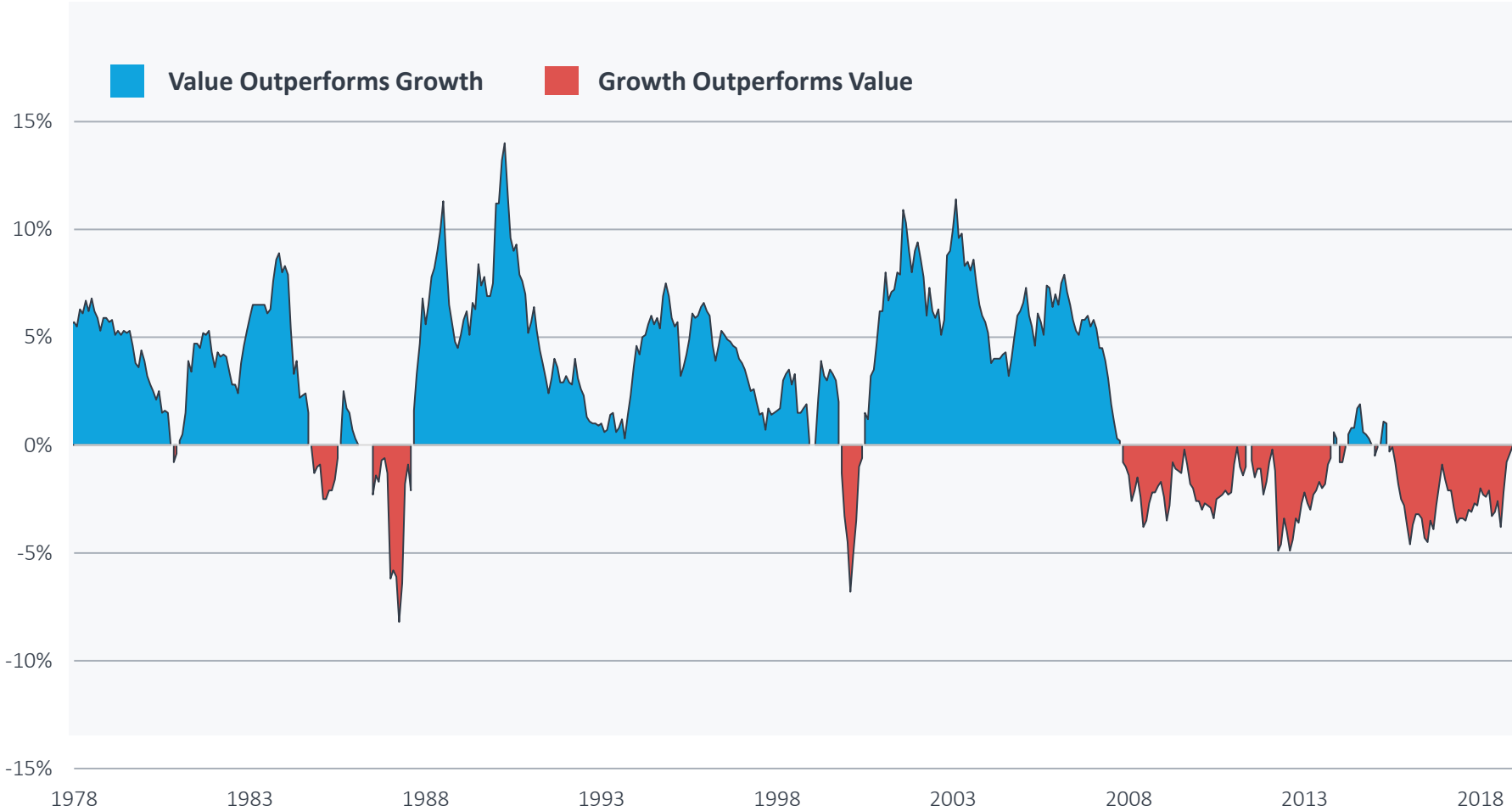
All data as at December 31

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



MSCI Growth has outperformed the Value Index since 2007

3 Year Rolling Total Return Difference



Style Rotation depicts the MSCI EAFE Value and MSCI EAFE Growth Indices. Performance is in U.S. dollars. It should not be assumed that investments made in the future will be profitable or will equal any results shown here. Source: eVestment.

MSCI EAFE Value and Growth Indices

Annual Performance Results

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

Annualized Performance Results

	Q4 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	20 Years (%)	30 Years (%)
MSCI EAFE Value	(11.7)	(14.8)	1.7	2.8	0.6	(0.6)	5.5	4.1	5.1
MSCI EAFE Growth	(13.3)	(12.8)	6.0	2.9	3.2	1.6	7.1	2.8	3.2

As at December 31, 2018

outperformed

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

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

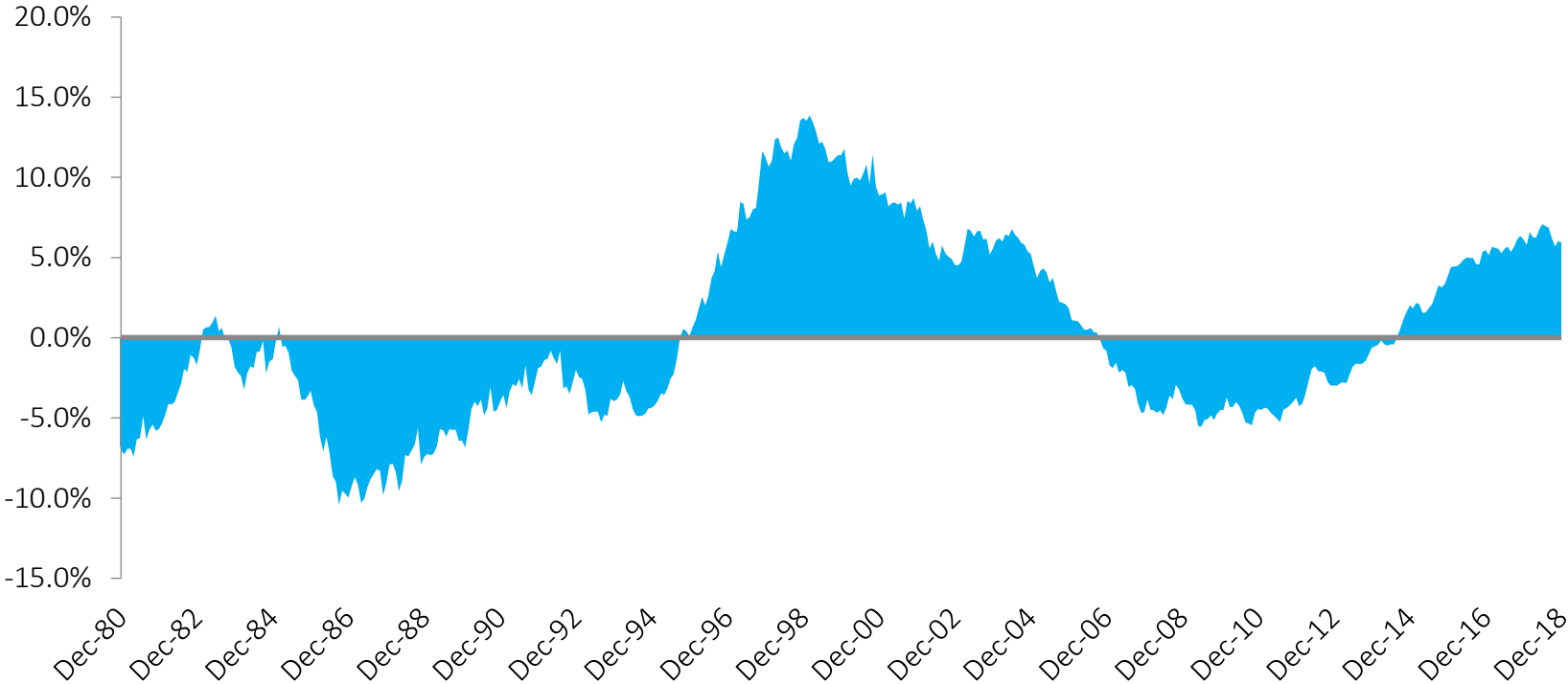
Source: MSCI



Why invest outside of the U.S.?

Diversification benefits can be seen from change in market leadership

■ Rolling 10 Year Annualized Total Return Difference Between U.S. Equities and International Equities



Source: MSCI data; MSCI USA gross Index used for U.S. equities; MSCI EAFE net Index (January 1970 – December 2000) and MSCI ACWI ex-U.S. net Index (January 2001 – December 2018) used for International Equities. In Canadian dollars.

It should not be assumed that investments made in the future will be profitable or will equal any results shown here.

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



International stocks attractive

Normalized P/E of MSCI EAFE relative to MSCI USA



Normalized Earnings: Historical 10 Year Avg. ROE x Current Book Value

Normalized Price/Earnings Ratio (NP/E): Current Share price / Normalized Earnings

Source: MSCI, Sprucegrove

It should not be assumed that investments made in the future will be profitable or will equal any results shown here.

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

Annual Performance Results

Sprucegrove EAFE - U.S. Clients Composite

Year ¹	Composite Gross Return \$USD (%)	EAFE \$USD Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	# of Portfolios	Internal Dispersion (%)	Composite Assets (\$M)	Firm Assets (\$M)
2008	(42.2)	(43.4)	18.2	19.2	20	2.2	4,906	11,861
2009	36.6	31.8	21.8	23.6	17	4.4	6,561	15,555
2010	19.6	7.8	24.6	26.2	18	2.8	8,512	19,364
2011	(10.3)	(12.1)	20.5	22.4	18	2.2	7,341	17,788
2012	18.1	17.3	17.8	19.4	18	1.2	8,977	21,421
2013	17.8	22.8	14.2	16.3	20	3.7	10,667	24,583
2014	(3.3)	(4.9)	11.6	13.0	20	2.4	10,046	22,652
2015	(8.7)	(0.8)	11.5	12.5	17	3.8	8,740	17,375
2016	11.4	1.0	12.5	12.5	17	4.3	8,946	14,888
2017	27.4	25.0	12.2	11.8	15	3.1	10,316	16,104
2018 ²	(13.6)	(13.8)	11.7	11.2	13	0.8	8,234	12,880

Composite creation date: October 1, 1985

¹ For the years ended December 31

² Preliminary

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



Currency



Policy Guidelines

Sprucegrove U.S. International Pooled Fund

Methodology	Value approach using a bottom-up, stock selection process with an emphasis on owning quality companies at attractive valuations.
Mandate	International equities
Benchmark	MSCI EAFE Index (U.S. Dollars)

Restrictions/Limits															
Asset Mix	<table border="0"> <tr> <td>Cash & Short Term</td> <td>0% - 10%</td> </tr> <tr> <td>Equities</td> <td>90% - 100%</td> </tr> </table>	Cash & Short Term	0% - 10%	Equities	90% - 100%										
Cash & Short Term	0% - 10%														
Equities	90% - 100%														
Region	Minimum three countries from EAFE Europe region and three countries from EAFE Asia/Pacific region.														
Country	<p>The Fund will be subject to the following minimum - maximum country weightings:</p> <table border="0"> <tr> <td>Japan</td> <td>5% - 50%</td> </tr> <tr> <td>United Kingdom</td> <td>10% - 50%</td> </tr> <tr> <td>Canada</td> <td>0% - 10%</td> </tr> <tr> <td>United States</td> <td>excluded</td> </tr> <tr> <td>Other EAFE countries</td> <td>0% - 15%</td> </tr> <tr> <td>Total non-EAFE countries, excluding Canada</td> <td>0% - 15%</td> </tr> <tr> <td>Total non-EAFE countries</td> <td>0% - 20%</td> </tr> </table>	Japan	5% - 50%	United Kingdom	10% - 50%	Canada	0% - 10%	United States	excluded	Other EAFE countries	0% - 15%	Total non-EAFE countries, excluding Canada	0% - 15%	Total non-EAFE countries	0% - 20%
Japan	5% - 50%														
United Kingdom	10% - 50%														
Canada	0% - 10%														
United States	excluded														
Other EAFE countries	0% - 15%														
Total non-EAFE countries, excluding Canada	0% - 15%														
Total non-EAFE countries	0% - 20%														
Sector	<p>Minimum 7 of 11 MSCI sectors Maximum individual sector 30%</p>														
Company Holdings	<p>Minimum 40 companies Maximum company weighting 5% Maximum ownership, lesser of outstanding shares 5%; free float 10%</p>														
Other	In unusual circumstances, the Fund may exceed the above guidelines for short periods of time.														

Notes

Sprucegrove Investment Returns

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

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

The Morgan Stanley Capital International (MSCI) EAFE, World, ACWI ex. US and ACWI Indices are presented as benchmarks for investment performance. The Indices are the arithmetical average, weighted by market value of the performance of companies representing the stock markets of Canada, the U.S., Europe, Australasia, the Far East and Emerging Markets. Returns shown assume reinvestment of dividends.

The MSCI EAFE Index captures large and mid cap representation across 21 developed markets, excluding the US and Canada. The MSCI World Index captures large and mid cap representation across 23 developed markets, including the US and Canada. The MSCI ACWI ex US Index captures large and mid cap representation across 22 of 23 developed markets, excluding the US, and 24 emerging market countries. The MSCI ACWI Index captures large and mid cap representation across 23 developed markets and 24 emerging markets countries. Throughout this report MSCI data is provided as a comparative reference only and may not be used in any way without the express permission of MSCI.

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S&P 500 Index

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

Specific Recommendations

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

Possibility of Loss

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

GIPS Compliance Notes

Sprucegrove Investment Management Ltd. (Sprucegrove) claims compliance with the Global Investment Performance Standards (GIPS®). Sprucegrove has been independently verified for the periods May 1, 1985 to December 31, 2017. The composites have been examined for the periods May 1, 1985 to December 31, 2017.

Continued on next page

Notes (continued)

Definition of the Firm

Sprucegrove is registered in most provinces in Canada as Investment Fund Manager and Portfolio Manager and with the SEC as an Investment Advisor. It manages fully discretionary accounts for fee paying clients. All portfolios with a market value greater than \$5 million are included in a composite.

Composite and Benchmark Definition

Composites and their corresponding benchmarks are determined by equity mandate (EAFE, Global, ACW ex US or ACW) and by the country in which the respective account is domiciled (Canada or the United States). The following is a list of the composites and their benchmarks:

Composite	Inception Date of Composite	Benchmark
EAFE - Canadian Clients Composite	May 1985	MSCI EAFE Net Index - CAD
Global - Canadian Clients Composite	July 1992	MSCI World Net Index - CAD
EAFE - U.S. Clients Composite	October 1985	MSCI EAFE Net Index - US
ACW - Canadian Clients Composite	December 2017	MSCI ACWI Net Index - US
ACW ex US - US Clients Composite	April 2018	MSCI ACWI ex. US Net Index - US

Fee Schedules

The following are the standard fee schedules based on the market value of assets managed.

Pooled Fund Accounts	Assets Managed	Rate	CIT Accounts	Invested Plan Assets	Rate	Separate Fund Accounts	Assets Managed	Rate
First	\$5,000,000.00	0.70%	Class A	\$0 - \$15 million	0.7000%	First	\$25,000,000.00	0.70%
Next	\$10,000,000.00	0.65%	Class B	\$15 - \$50 million	0.6500%	Next	\$25,000,000.00	0.60%
Next	\$25,000,000.00	0.55%	Class C	\$50 - \$100 million	0.5500%	Next	\$25,000,000.00	0.50%
Next	\$35,000,000.00	0.50%	Class D	\$100 - \$400 million	0.3500%	Next	\$225,000,000.00	0.25%
Next	\$225,000,000.00	0.25%	Class E	Over \$400 million	0.2500%	Balance		0.20%
Balance		0.20%						

Past Performance

Prior to Sprucegrove commencing operations in 1993, the Sprucegrove team managed two EAFE portfolios at Confederation Life Insurance, from their inception in 1985, until the portfolios were acquired by Sprucegrove in 1994. Accordingly the performance of these portfolios are linked to their continuation at Sprucegrove as follows: The EAFE Canadian Clients composite includes the performance of the Confederation Life International Pooled Fund from 1985 to 1994; The EAFE U.S. Clients composite includes the performance of the Confederation Life American International Pooled Fund from 1985 to 1994. Prior to December 31, 2011, the name of each composite included the term "Pooled and Separate Accounts Combined." This term was removed from the composite names as of December 31, 2011.

Criteria for Company Examples

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

Further Information

To obtain a presentation that complies with GIPS requirements, and/or a list of composite description, please contact your client service representative.

For more information please contact:

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416.363.5854 ext.487

Shayne Hansson

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shansson@sprucegrove.ca
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April 15, 2019

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

SUBJECT: \$40 MILLION INVESTMENT IN HARBOURVEST DOVER FUND X

Dear Board Members:

Attached is NEPC's investment summary with a joint recommendation by NEPC and I for a \$40 million investment in Harbourvest Partners' Dover Fund X.

Discussion

The Board adopted its Private Equity Annual Plan at its April 2018 meeting, with a goal of continuing to construct a high quality diversified portfolio in accordance with the Private Equity Investment Policy. The adopted pacing plan targets commitments of \$185 million per year. Secondary and co-investments complement longer term primary investments in portfolio construction as they get money deployed more quickly, helping to mitigate a "J-curve" impact.

Since 2013, VCERA has invested \$67.5 million and \$60 million in Harbourvest's Dover Funds VIII and IX, respectively, which are secondary funds of funds. In 2017, the Board also committed \$30 million to Harbourvest Co-Investment Fund IV, and in 2018, \$35 million to Co-Investment Fund V.

Dover Fund VIII's net internal rate of return (IRR) as of September 2018 was 22.5%, and had a multiple of invested capital (MOIC) of 1.6x. As of that same valuation date, Dover Fund IX had a net IRR of 54.5%, and a MOIC of 1.4x, with 42% of the capital called.

The proposed Dover Fund X is a follow-on secondaries fund of funds employing the same process and strategies as funds VIII and IX. HarbourVest is offering an annual 5 basis points discounted management fee for investors participating in the fund's first closing in May.

THEREFORE, IT IS RECOMMENDED THAT THE BOARD:

- 1. Approve an allocation of \$40 million to Harbourvest Dover Fund X and,**
- 2. Subject to successful negotiation and approval of VCERA legal counsel, authorize the Board Chair or the Retirement Administrator, or in the absence of both the Chief Investment Officer to approve and execute the required documentation.**

Respectfully submitted,

Dan Gallagher
Chief Investment Officer



To: Ventura County Employees' Retirement Association
From: NEPC Consulting Team
Date: Apr 15, 2019
Subject: HarbourVest Dover Street X Recommendation

Recommendation

VCERA staff and NEPC recommend that the Board of the Ventura County Employees' Retirement Association ("VCERA" or the "Plan") considers making a commitment of up to \$40 million to HarbourVest Dover Street X ("Dover Street X"). Dover Street X has been rated "1" by the NEPC Alternative Assets Committee indicating our high conviction in this product. VCERA is currently a \$67.5 million investor in Dover Street VIII (a 2013 vintage fund) and a \$60.0 million investor in Dover Street IX (a 2016 vintage fund). While performance on both funds is still maturing, they are generating top quartile returns relative to other secondary funds of similar vintages. VCERA also has prior commitments to HarbourVest's secondary fund-of-funds and direct co-investment fund programs.

Summary

HarbourVest was founded in 1978 and in 1982, the Firm formed its first fund, which was one of the first closed-end, institutionally-backed US private equity fund-of-funds. As the investment team expanded, it first secondary investment in 1986. The Firm has over 500 employees, including 126 investment professionals, 327 administrative professionals, six legal professionals and 41 individuals with other responsibilities. Today, the Firm invests in primary partnership interests, secondary private equity transactions, direct co-investments, private credit and real assets. HarbourVest has invested over \$34 billion in global primary fund investments, over \$19 billion in secondary transactions, and over \$8 billion in direct co-investments. As of September 30, 2018, the Firm has approximately \$58 billion in assets under management. HarbourVest established its first dedicated secondary investment funds in 1991. The Firm's experience and resources have grown with the growth of the secondary private equity industry, with the Firm developing a well-deserved reputation as a leading secondary investor.

Fund Description

Dover X intends to leverage HarbourVest's strategy of investing in the less efficient segments of the private equity secondary industry. The Dover X portfolio is expected to have an emphasis on complex secondary transactions, an area where HarbourVest has over 20 years of experience and developed a reputation for excelling. Complex transactions accounted for 33% of secondary industry deal flow from 2015-2017. By comparison, and consistent with the HarbourVest strategy, complex deals have represented 60-73% of the Dover V-IX portfolios, highlighting HarbourVest's focus on this part of the secondary

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landscape. Complex transactions include public-to-private transactions of listed private equity investment funds (primarily from Europe), GP-led transactions, structured liquidity solutions, and team spin-outs from corporations or asset management firms. The assets acquired in complex secondary transactions are typically the same or like those involved in traditional transactions, however the skill, resources and expertise required to negotiate and execute these more difficult secondary transactions, makes them less attractive for some other secondary investment firms. Dover Street X will also have exposure to traditional secondary purchases of LP interests, which will generally reflect opportunities where HarbourVest has a competitive advantage due to differentiated access to information, manager relationships, and/or compelling competitive positioning. This is done successfully by leveraging extensive in-house information and direct access to long standing general partner relationships through HarbourVest's primary platform.

Dover Street X is expected to be comprised of 35-45 transactions, of which 60%-75% will be complex secondary transactions and 25%-40% will be traditional LP secondary interests. This will likely provide investment exposure to more than 100 private equity partnerships and several hundred underlying companies. By strategy, the majority of the Fund's investments are expected to be in buyouts, however they expect to also make secondary investments in venture capital, growth equity, special situations, energy and private credit strategies. By geography, most of the Fund's investments are expected to be in US companies, however investments are also expected to provide exposure to European and Asia-Pacific companies. The Fund will have the ability to invest up to 5% of its capital commitments in strategic primary partnership investments that are made in conjunction with secondary partnership investments to secure GP transfer approvals.

Dover Street X is targeting to raise \$5.75 billion, up to a maximum of \$7.0 billion. This is a sizeable increase over the \$4.8 billion raised for Dover Street IX in 2016, however consistent with a secondary industry that has seen global annual transaction volume grow from \$40 billion at the start of Dover Street IX, to approximately \$70.0 billion in 2018. Dover Street X has a stated objective of generating investment returns that are "300-500 basis points in excess of public market benchmarks", which in our view translates into an expected net IRR of 12-18% and a 1.5x-1.7x net multiple on invested capital. Like many other secondary funds, due to the discounted purchases of private equity funds and the early use of debt financing, investors in Dover Street X may experience an inverted J-curve, where the initial net IRR is highly positive and gradually declines over time as investments mature and are realized. Also, as many secondary investments include the acquisition of mature private equity interests where portfolio companies are being actively marketed for sale, the pace of distributions in the early-years of Dover Street X are likely to exceed those that would come from similarly timed primary commitments into buyout or venture capital funds.

Dover Street has a stated 10-year fund life, which is subject to four one-year extensions with additional extensions possible with investor approval. The Fund's fee structure is a combination of management fees, performance-based carried interest and fund expenses. Management fees are estimated to be approximately 1.0% of commitments over the course of the first 10 years, at a rate that declines after the end of Dover Street X's five-year investment period. Management fees are consistent with those charged by other secondary funds of similar size, as is the GP carry rate. In general, the management fee and GP carry



rates charged by Dover Street and other secondary funds are approximately 50%-100% less than those rates used by primary buyout and venture capital funds.

As an incentive for early investors, Dover Street X is providing for an annual 5 basis point management fee discount over the life of the fund for investors who commit to Dover Street X prior to May 31, 2019. Dover Street X is expected to commence investing in the second half of 2019 or in early 2020. Dover Street X does not start charging management fees until it has activated the fund and commenced investment activities.

NEPC Research Ratings Definitions

Rating	Definition
1	A high conviction investment product. Product has a clear and economically-grounded investment thesis, and is managed by an investment team that is sufficiently resourced and incented to execute on the thesis.
2	NEPC has a positive view of the strategy. Strategy has a compelling and sound investment thesis. The manager is sufficiently resourced and incented to execute on the thesis. Strengths outweigh the weaknesses, but the strategy does not meet all requirements for a 1 rating.
3	A satisfactory investment product. The strategy lacks a compelling investment thesis, however there are no significant concerns around the manager's viability.
4	The strategy may have an unclear or ambiguous investment thesis or the manager may lack the ability to execute on the stated thesis. The strategy likely has strengths and weaknesses and the weaknesses may outweigh the strengths.
5	A strategy that lacks an investment thesis or NEPC has no confidence in the manager's ability to execute on the thesis, and/or the investment firm may not be viable. Serious issues have been identified with an investment manager or product. This rating aligns with a Terminate Due Diligence status for client-owned products.
NR	Due diligence has not been sufficiently completed on the product or manager.



Ventura County Employees' Retirement Association

April 1 2019

access OPPORTUNITY

HarbourVest representatives



MARK RADVILLE | Principal, Investor Relations, HarbourVest Partners, LLC (Boston)

Mark Radville joined HarbourVest's investor relations team in 2016. He focuses on coordinating, monitoring, and enhancing relationships with new and existing investors and consultants. Mark joined the Firm after nine years with multi-strategy asset manager Guggenheim Investments in Los Angeles where he was a managing director in the Institutional Sales and Client Service group. He was responsible for driving marketing and institutional asset management sales as well as providing client service efforts. Prior to Guggenheim, he was a managing director of sales and marketing at Financial Management Advisors, where he developed the firm's initial sales and marketing plan. His previous experience also includes positions at Merrill Lynch Investment Managers, Conseco Capital Management, and ICG Advisors. Mark received a BBA in Finance from Loyola University of Chicago.

Table of contents

- I. HarbourVest Overview
- II. Client Update
- III. Dover Program Update

This document has been prepared for Ventura County Employees' Retirement Association (April 2019). It has been prepared on the basis that you are an investment professional, is for the sole use of your organization, and should not be shared with any other parties.

These materials do not constitute an offer to sell or the solicitation of an offer to buy interests in any fund or any other investment product sponsored by HarbourVest Partners L.P. or its affiliates ("HarbourVest"), hereafter referred to as the "Fund". Any offering of interests in the Fund will be made by means of delivery of a confidential Private Placement Memorandum or similar materials that contain a description of the material terms of such investment and subscriptions will be accepted solely pursuant to definitive documentation. These materials do not purport to contain all the information relevant to evaluating an investment in the Fund. No sale will be made in any jurisdiction in which the offer, solicitation, or sale is not authorized or to any person to whom it is unlawful to make the offer, solicitation, or sale. Offers and sales of interests in the Fund will not be registered under the laws of any jurisdiction and will be made solely to "qualified purchasers" as defined in the U.S. Investment Company Act of 1940, as amended. These materials are highly confidential and may not be reproduced or redistributed in any format without the express written approval of HarbourVest. An investment in the Fund involves a high degree of risk and therefore should be undertaken only by prospective investors capable of evaluating the risks of the Fund and bearing the risks such an investment represents. There can be no assurance that the Fund will be able to achieve its investment objectives or that the investors will receive a return on their capital. For additional legal and regulatory disclosures, please refer to <http://www.harbourvest.com/important-legal-disclosures>. See also 'Additional Important Information' at the end of these materials.



HARBOURVEST OVERVIEW



HarbourVest Partners overview

Established Firm	<ul style="list-style-type: none"> > Team formed in 1982 > More than \$60 billion committed to investments over three decades > Registered investment adviser with the US Securities and Exchange Commission* > AIFMD-compliant investment products for European investors* > Independent, employee-owned
Experienced & Stable Team	<ul style="list-style-type: none"> > Deep team of 500+ employees with more than 100 investment professionals > 51 managing directors with an average firm tenure of 13 years > Local teams in Beijing, Bogotá, Boston, Hong Kong, London, Seoul, Tel Aviv, Tokyo and Toronto
Focus on Private Markets	<ul style="list-style-type: none"> > Global expertise across primary partnerships, secondary investments and direct co-investments provide clients with market perspectives and actionable insights > Comprehensive and specialized programs
Proven Track Record	<ul style="list-style-type: none"> > One of the longest track records in the industry > Demonstrated performance across all strategies > Consistent approach to portfolio construction
Superior Client Service	<ul style="list-style-type: none"> > Distinguished global investor base > Responsive to client needs > Broad infrastructure – accounting, treasury, tax, compliance/regulatory, trading, investor relations
Strong Risk Controls	<ul style="list-style-type: none"> > SOC 1 reports on controls available to clients and their auditors

* This does not indicate approval or endorsement of HarbourVest by the US SEC or UK FCA



CLIENT UPDATE



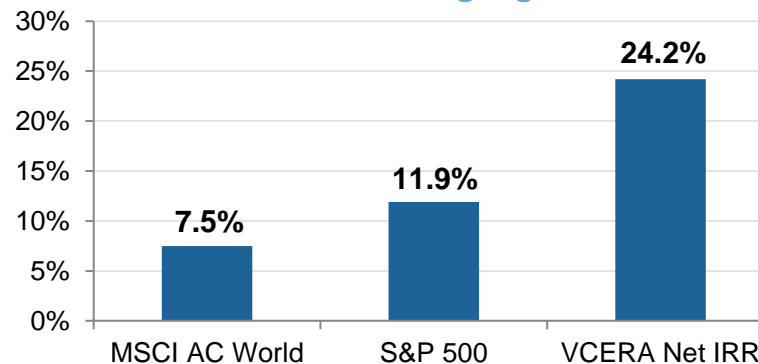
Investor summary

Ventura County Employees' Retirement Association

Assets Managed by HarbourVest as of September 30, 2018

Funds	NAV Date	Year	Committed Capital	Contributed Capital	Cumulative Distributions	NAV	Total Value	TV/C	Net LP IRR Since Incept			
									1 YR	3 YR	5 YR	
Global												
Co-Investment IV	09/30/18	2015	\$ 30,000,000	20,959,360	0	24,964,255	24,964,255	1.2x	18.1%	12.0%		
Dover VIII	09/30/18	2011	\$ 67,500,000	60,750,000	64,366,660	30,589,122	94,955,782	1.6x	22.5%	18.4%	13.6%	18.2%
Dover IX	09/30/18	2015	\$ 60,000,000	25,200,000	6,528,406	27,547,111	34,075,517	1.4x	54.5%	36.8%		
Total:			\$ 157,500,000	106,909,360	70,895,066	83,100,488	153,995,554	1.4x				
Co-Investment V	09/30/18	2017	\$ 35,000,000	0	0	0	0	0.0x				
Grand Total:			\$ 192,500,000	106,909,360	70,895,066	83,100,488	153,995,554	1.4x	24.2%	20.6%	17.7%	20.4%

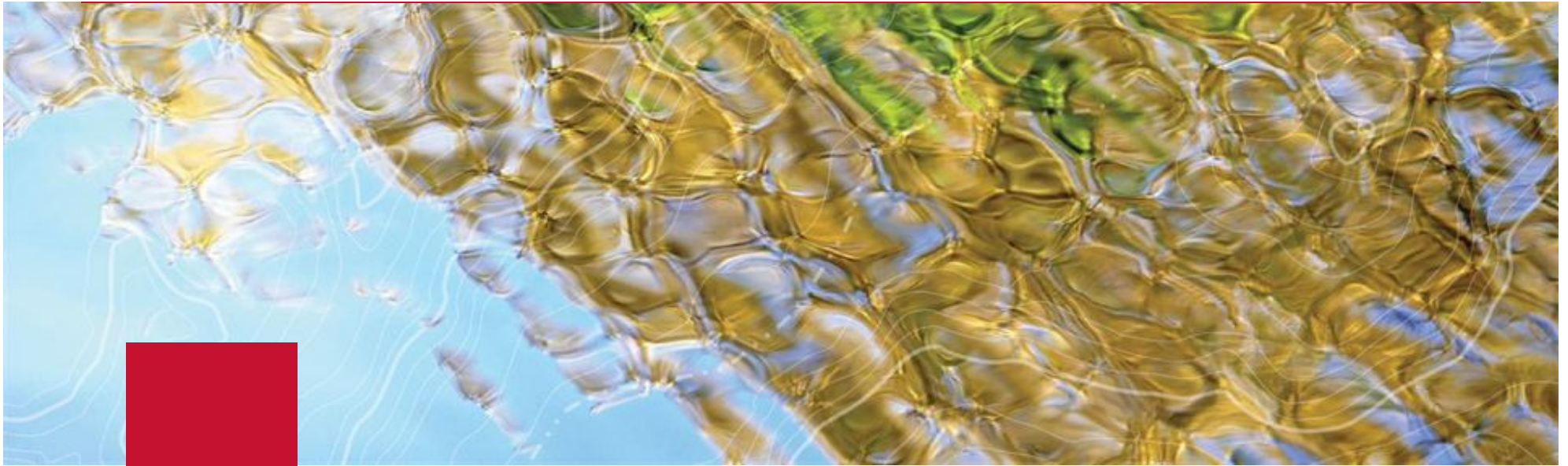
Performance Highlights*



As of September 30, 2018.

Grand Totals are based on historic exchange rates on date of actual cash flow. All funds include related AIVs. NAV and Total Value reflect values as of NAV Date, updated for capital calls and distributions through the As of Date. Investor IRRs are as of NAV Date. Grand Total IRR: Since Inception includes each fund as of its NAV Date. 1 year, 3 year and 5 year IRRs are based on the earliest NAV Date.

* Public market comparison represents performance if the respective index had been purchased and sold at the time of the limited partners' capital calls and distributions, with the remainder held at the date noted. Dividends are not reinvested. Using this methodology, the capital calls for the purchase of the public market index are the same as the capital calls for the HarbourVest fund. The distributions for the sales of the public market index are scaled to represent the same proportion of the fund's NAV at the time of the distribution. (For example, if the fund distributes 5% of NAV, then 5% of the index NAV is distributed.) The securities comprising the public market benchmarks have substantially different characteristics than the investments held by the HarbourVest funds, and accordingly a direct comparison may not be meaningful. Net L.P. IRR are the returns to Ventura County Employees' Retirement Association ("Ventura County") after all fees, operating expenses, and carried interest, and is calculated using daily cash flows to and from Ventura County. In this calculation, the final cash flow is the fair market value of Ventura County's capital account at the applicable date as determined by the general partner of the respective HarbourVest fund in accordance with the valuation policy. Past performance is not a reliable indicator of future results.



DOVER PROGRAM UPDATE

HarbourVest secondary investment capabilities

Building high-quality, diversified portfolios that seek outperformance and j-curve mitigation

Differentiated Approach

Focus on **less efficient** segments of the market

Act as a **solutions provider** to general partners and sellers

Highly selective strategy with emphasis on market-leading **complex deals**

Experienced, Stable Team

Decades of collaboration and industry experience

33
years of
secondary
investing

450+
transactions
executed

17
average
years of
MD tenure

HarbourVest Platform

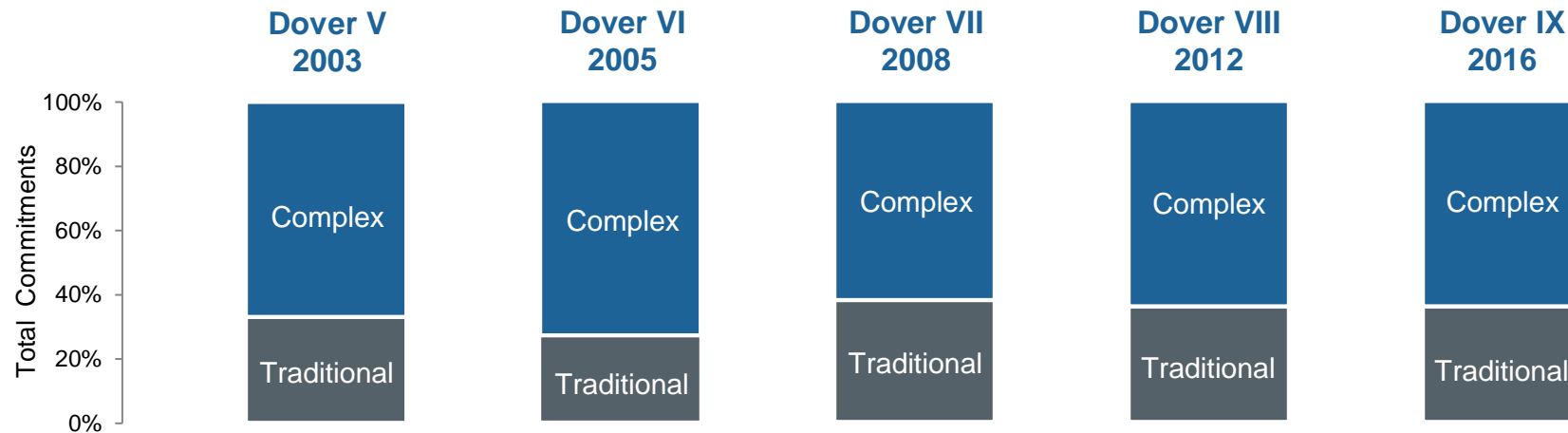
Deep relationships and information advantage

17,000+
partnerships
tracked

700+
advisory
board seats

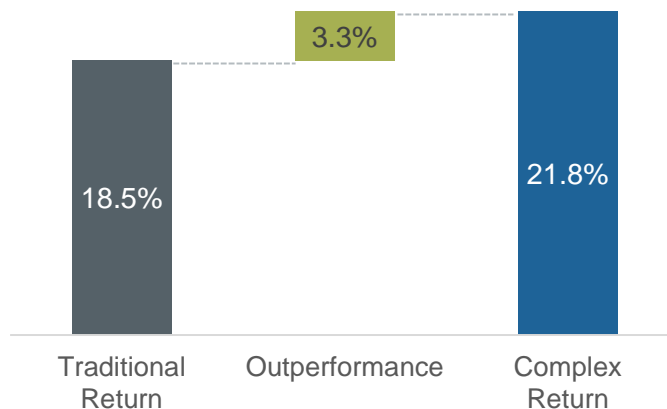
120+
investment
professionals

Consistent approach to portfolio construction



Complex investments have outperformed

Gross Model Portfolio IRR



Complex focus has not meant more risk

- > Complex and traditional transactions have had similar risk profiles
- > Complex transactions offer differentiated access to high-quality assets
- > To successfully source, diligence, structure, and execute complex transactions, deep experience, expertise, and resources are required

As of September 30, 2018. Dover Street IX is 80% committed to investments and final portfolio construction may differ from this illustration in the future once the fund is fully committed.

Gross model portfolio IRR is presented on a gross basis and reflects the performance of all private equity secondary investments (excluding secondary real assets) including those made by the Dover Street Program and other HarbourVest funds/accounts, broken out between traditional and complex transactions. Past performance is not a reliable indicator of future results. No investor received the gross model IRR. See 'Additional Important Information' at the end of the presentation, including important disclosures related to Gross Performance Returns, Model Performance, and Fees and Expenses.

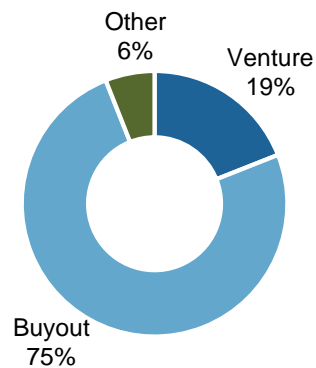
Dover Street VIII

- Update**
- > Committed from 2012-2016
 - > 100% committed to 37 deals since inception
 - > Well diversified portfolio consistent with stated strategy
 - > Portfolio performing ahead of plan
 - \$306 million gain through first three quarters of 2018 (12.7% of current portfolio value at year-end 2017)
 - \$2.3 billion gain since inception
 - Distributed-to-funded multiple of 1.1x
 - Total value-to-funded multiple of 1.8x
 - > \$1.1 billion distributed to LP's in 2018

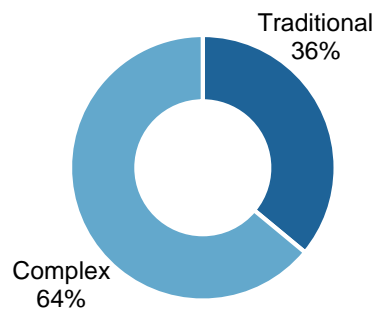
\$ Millions

As of	Sep-30 '18	Feb-28 '19
Fund Size	\$3,591.5	\$3,591.5
Committed to Investments	101%	101%
Paid-In Capital	\$3,183.8	\$3,183.8
% Called	90%	90%
Distributions	\$3,373.4	\$3,491.6
DPI	1.1x	1.1x
Total Value	\$4,976.5	
TVPI	1.6x	
Net IRR	22.2%	

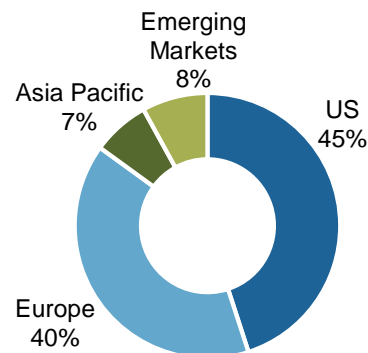
Stage



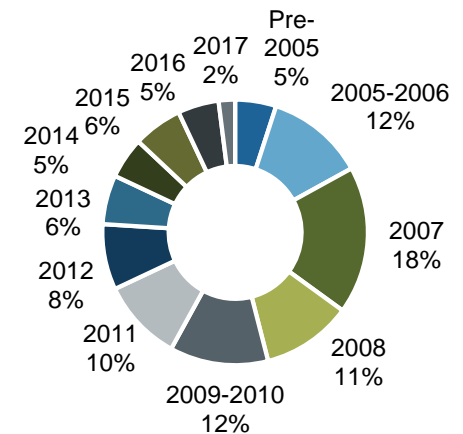
Transaction Type



Geography



Investment Year



Pie charts are based on cumulative cost of company investments as of September 30, 2018.

See final pages for additional notes. This page summarizes the activity and performance of a HarbourVest fund or account. There is no guarantee the investments and relationships referenced will be in a future portfolio. Past performance is not a reliable indicator of future results.

Dover Street IX

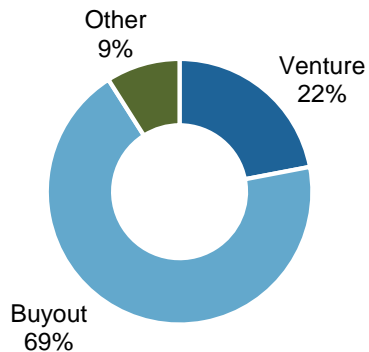


- Update**
- > Final closing in October 2016
 - > Commitment period from 2016 – 2019
 - > Initial capital call and distribution issued December 2016
 - > Approximately 93% committed to deals through December 31, 2018
 - > Portfolio generated a \$445 million gain in the first three quarters of 2018 and has a total value of 1.4x funded capital at September 30, 2018
 - > \$305 million distributed to LP's in 2018

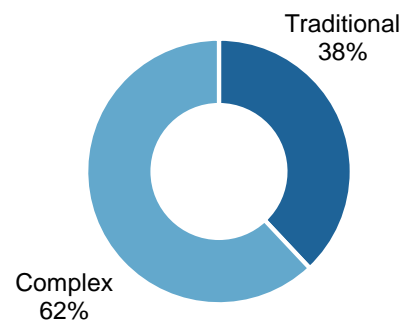
\$ Millions

As of	Sep-30 '18	Feb-28 '19
Fund Size	\$4,777.0	\$4,777.0
Committed to Investments	80%	93%
Paid-In Capital	\$1,976.2	\$2,729.1
% Called	42%	58%
Distributions	\$512.0	\$787.7
DPI	0.3x	0.3x
Total Value	\$2,678.0	
TVPI	1.4x	
Net IRR	54.9%	

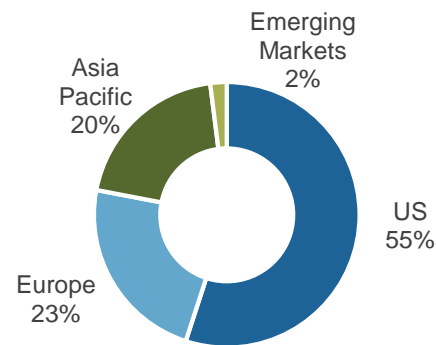
Stage



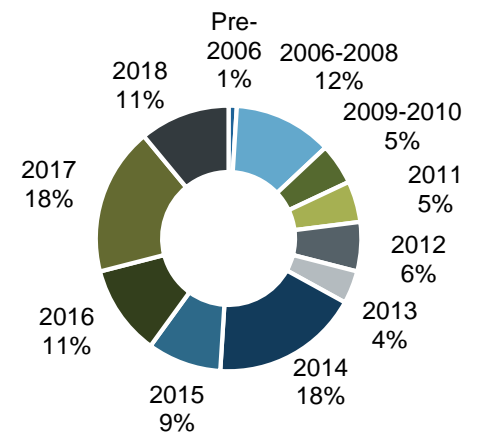
Transaction Type



Geography



Investment Year



Pie charts are based on cumulative cost of company investments as of September 30, 2018. Transaction type is as of December 31, 2018.

See final pages for additional notes. This page summarizes the activity and performance of a HarbourVest fund or account. There is no guarantee the investments and relationships referenced will be in a future portfolio. Past performance is not a reliable indicator of future results.

Dover Street X – Summary of terms

Target Size	\$5.75 billion
Investment Period	3-5 years
Term	10 years, with four one-year extensions at the option of the general partner
Management Fee	0.75% average annual management fee, based on committed capital*
Early Closing Fee Reduction[±]	5 bps
Carried Interest	<ul style="list-style-type: none"> • 12.5% on net investment profits • 8% limited partner preferred return with general partner catch up

* Average annual management fee of 0.75% is calculated over 14 years and assumes that the Fund's term is extended for four, one-year extensions, which can be exercised at the discretion of the general partner. The average annual management fee over the Fund's term without extensions (10 years) would be 1.01%. The actual average management fee will vary based on the Fund's actual term. The average fee rate provided applies to a limited partner's entire commitment.

Subject to regulatory approval, versions of the Fund that take AIFMD considerations into account are expected to be available in Q4 2018.

See 'Additional Important Information' at the end of the presentation, including important disclosures related to Fees and Expenses.

± Any limited partner that irrevocably commits to the Fund on or before May 31, 2019 will receive a 0.05% reduction in the annual management fee rates with respect to such early closing commitments amount. Any fee reduction(s) offered shall not reduce the management fee below zero in any year, nor shall they be applied as credits against any management fees payable in any period prior to or following a period in which such percentage is reduced to zero. As a result, the average annual management fee over the life of the Fund (including the four one-year extensions) may be reduced by less than five basis points.



ADDITIONAL IMPORTANT INFORMATION

Additional important information

Any data presented about investments prior to 1998 is related to transactions that occurred when the HarbourVest team was affiliated with Hancock Venture Partners, Inc.

In considering the prior performance information contained herein, prospective investors should bear in mind that past performance is not a reliable indicator of future results, and there can be no assurance that an investment sponsored (or an account managed) by HarbourVest will achieve comparable results or be able to implement its investment strategy or meet its performance objectives.

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

In certain cases, a Fund, or the partnerships in which it invests, may utilize a credit facility or other third-party financing. This is generally to bridge capital calls from limited partners or to pay for a portion of an investment. This may make the resulting IRR and multiples higher or lower than the IRR or multiples that would have been presented had drawdowns from partners or available cash been initially used to acquire or pay for the investment.

IRRs are calculated from the date of a fund's first cash flow from a limited partner, which may include capital contributions in connection with fund formation, as may occur with certain AIF-Related Funds (as defined below), and therefore can be earlier than the date of the first capital call from a limited partner for the purpose of investment. The start date for IRR calculations can also be later than the date of initial investment when a credit facility or other third-party financing is used to fund such investment.

Performance is expressed in US dollars, unless otherwise noted. Returns do not include the effect of any withholding taxes. Cash flows are converted to US dollars at historic daily exchange rates, unless otherwise indicated. The return to investors whose local currency is not the US dollar may increase or decrease as a result of currency fluctuations.

1. **Net Performance Returns** - DPI (Distributions / Paid-In Capital), TVPI (Total Value / Paid-In Capital), and Net IRR (Internal Rate of Return) through the applicable date are the returns to limited partners of a Fund after all fees, operating expenses, and carried interest. These returns reflect the combined return for all limited partners in a Fund and may not reflect an individual limited partner's actual return. The Net IRR is calculated using daily cash flows to and from limited partners. In this calculation, the final cash flow to limited partners is the fair market value of all limited partners' capital accounts at the applicable date as determined by the general partner of the respective Fund in accordance with the valuation policy. The net multiples (DPI and TVPI) are calculated based on the same cash flows. See note 8 below for additional disclosures related to fees and expenses of a Fund.
2. **Gross Performance Returns** - This information (Distributed / Funded, Total Value / Funded, TV/TC (Total Value / Total Cost), Gross Portfolio IRR, and Gross IRR), if shown, is presented on a gross basis and reflects the performance of the investment portfolio, including primary fund investments, secondary investments, and/or direct co-investments. Gross Portfolio IRR represents the annual return calculated using monthly cash flows from the Fund(s) to and from the various partnerships or companies in which the Fund(s) invested during the period specified. These returns reflect the fees, expenses, and carried interest of the primary investments, secondary investments, and co-investments, as applicable, but do not reflect the management fees, carried interest, and other expenses borne by investors in the Fund(s), which will reduce returns. See note 8 below for additional disclosures related to fees and expenses of a Fund.
3. **Portfolio Company Performance** – This information, if shown, is based on the cost and value of underlying company investments within the primary and secondary investment portfolios of the Fund(s). These returns do not reflect the fees, expenses, and carried interest of the partnership investments of the Fund(s), which will reduce returns. Performance may be aggregated when a company is held through multiple primary and secondary investments. These returns do not represent the performance of any specific Fund or the return to limited partners of any specific Fund. As a result, portfolio company performance returns are considered model performance. See notes 6 and 8 below for additional disclosures related to model performance and fees and expenses of a Fund, respectively.

Notes continued on next page.

Additional important information

4. **Public Market Comparison** – This information, if shown, represents adjusted model performance of each index as if the respective index had been purchased and sold at the time of the limited partners' capital calls and distributions, with the remainder held at the date noted. Dividends are not reinvested. Under this methodology, the capital calls for the purchase of the public market index are the same as the capital calls for the Fund(s). The distributions for the sales of the public market index are scaled to represent the same proportion of the Fund's NAV at the time of the distribution. For example, if the Fund distributes 5% of NAV, then 5% of the index NAV is distributed. Thus, the index returns presented are not actual index returns, but adjusted model returns. See note 6 for additional disclosures related to model performance.

In certain instances, where indicated as such herein, the comparison is based on the PME+ (public market equivalent) method as described in an article titled, "Beating the Public Market," by Christophe Rouvinez, as published in the Private Equity International in December 2003 / January 2004. When using this methodology, both the Fund and the adjusted index are assumed to have the same ending NAV. The ending NAV for the adjusted index is derived by scaling the distributions by a constant scaling factor, while preserving the overall cash flow pattern.

The MSCI AC World® Index (ACWI) is designed to measure the performance of publicly-traded equity securities in global developed and emerging markets. The MSCI ACWI Index is maintained by Morgan Stanley Capital International ("MSCI") and has historically captured approximately 85% coverage of the free float-adjusted market capitalization of its publicly-traded global equity opportunity set.

The MSCI AC World® (ACWI) Ex-US Index is designed to measure the performance of publicly-traded equity securities in global developed and emerging markets excluding the US. The MSCI ACWI Ex-US Index is maintained by MSCI and has historically captured approximately 85% coverage of the free float-adjusted market capitalization of its publicly-traded global equity opportunity set outside the US.

The MSCI EAFE® Index is designed to measure the performance of publicly-traded large and mid-capitalization equity securities across developed markets, including countries in Europe, Australasia, and the Far East, and excluding the US and Canada. The MSCI EAFE Index is maintained by MSCI and has historically captured approximately 85% coverage of the free float-adjusted market capitalization of publicly-traded equities in each included country.

The S&P 500® Index is designed to measure the performance of publicly-traded equity securities of the large capitalization sector of the US market and includes 500 large companies having common stock listed on the New York Stock Exchange or Nasdaq Stock Market. The S&P 500 Index is maintained by Standard & Poors ("S&P") and has historically captured approximately 80% coverage of available market capitalization of publicly-traded equities in the US market.

The Russell 2000® Index is designed to measure the performance of publicly-traded equity securities of the small capitalization sector of the US market and includes the 2,000 smallest companies in the Russell 3000® Index. These indexes are maintained by FTSE Russell, a subsidiary of the London Stock Exchange Group. The Russell 3000 Index consists of the 3,000 largest publicly-listed US companies, and has historically captured approximately 98% coverage of the total capitalization of the entire US stock market.

The JP Morgan Domestic High Yield Index is designed to mirror the investable universe of the U.S. dollar domestic high yield corporate debt market. The index is maintained by JP Morgan and has historically captured the performance of US and Canadian issues over \$75 million that have a credit rating of BB or lower.

The adjusted public market indices shown are not intended to, and do not, parallel the risk, investment strategy, or investment characteristics of a Fund. The securities comprising the public market indices have substantially different characteristics than the investments held by a Fund, and accordingly, a direct comparison may not be meaningful. The public market comparison is shown for illustrative purposes only. The adjusted indices are shown to demonstrate the approximate returns an investor may have received had the investor invested in certain publicly-traded equity securities in lieu of a Fund or the investments made by HarbourVest. An investor is not able to directly invest in a benchmark index.

Notes continued on next page.

Additional important information

Bloomberg is the source of the index data contained or reflected in this material. MSCI, S&P, and FTSE Russell are the owners of the index data contained or reflected in this material and all trademarks and copyrights related thereto. This is HarbourVest's presentation of the data. Bloomberg, MSCI, S&P, and FTSE Russell are not responsible for the calculations conducted by HarbourVest, the formatting or configuration of this material, or for any inaccuracy in presentation thereof.

5. **Vintage Years** - HarbourVest vintage classification is based on the year in which capital was first funded to each underlying fund (for primary fund investments) or the year of HarbourVest's purchase (for secondary investments).
6. **Monte Carlo Simulations** - These model (hypothetical) portfolios, if shown, are intended for illustrative purposes only. Performance information for each hypothetical portfolio utilized a Monte Carlo Simulation and are based on the actual cash flows of a proprietary data set that includes partnership investments made by Funds, along with partnership data from external sources. The capital calls and distribution data is based on historic partnership investment cash flows, but does not represent the actual experience of any investor or Fund. The results of the simulation are impacted by an uneven representation of funds with different vintage years, sizes, managers, and strategies, and a limited pool of investment cash flow data. The actual pace and timing of cash flows is likely to be different and will be highly dependent on the underlying partnerships' commitment pace, the types of investments made by the Fund(s), market conditions, and terms of any relevant management agreements. The results presented are based entirely on the output from numerous mathematical simulations. The simulations are unconstrained by the fund size, market opportunity, and minimum commitment amount, and do not take into account the practical aspects of raising and managing a fund. The simulated hypothetical portfolio results should be used solely as a guide and should not be relied upon to manage your investments or make investment decisions.
7. **Model Performance** - Model performance results, if shown, are inherently limited and should not be considered a reliable indicator of future results. **No investor received the indicated performance of the model portfolio(s).** Different model scenarios will provide different results. Individual fund and strategy performance can be better or worse than the model performance. While the model portfolio may consist of investments made by HarbourVest during the relevant period(s), they do not reflect an actual portfolio managed by HarbourVest during the relevant period(s). Thus, they do not represent the impact that material economic and market factors might have had on HarbourVest's decision making if HarbourVest had been managing a Fund that incorporated the investment strategy shown during the specified period(s). In addition, the Funds had investment results materially different from the results portrayed in the model portfolio during the relevant period(s). No representation is made that any Fund will or is likely to achieve returns similar to those presented. Current model performance may differ from that shown in this presentation.

The following is the criteria used when showing model portfolio performance that includes the following investment types:

Primary Investments – Based on the cash flows of all primary investments (or a subset as noted) made by Funds during the period(s) specified, with the exception of custom accounts that made investments primarily in emerging venture capital managers, emerging managers, diverse managers, or state-focused managers, as these strategies are outside of HarbourVest's core focus.

Secondary Investments – Based on the cash flows of all secondary investments (or a subset as noted) made by Funds during the period(s) specified.

Direct Co-investments – Based on the cash flows of all direct co-investments (or a subset as noted) made by Funds during the period(s) specified. This performance excludes custom accounts that may make investments outside of HarbourVest's core co-investment strategy (e.g., industry, sourcing, return profile). Co-investments are defined as: (i) buyout, recapitalization, and special situation investments; (ii) expansion capital, growth equity, or other venture capital investment in companies with greater than \$7.5 million in trailing 12-month revenues at the time of investment; or (iii) mezzanine investments. Early stage investments, defined as those companies with revenues less than \$7.5 million at the time of initial investment, which are outside of the focus of the Fund, are also not included in the model portfolio returns shown. If early stage investments were included in the model portfolio, returns would be lower.

Notes continued on next page.

Additional important information

8. **Fees and Expenses** - Actual management fees and carried interest will vary and are established in negotiations with the limited partners of a Fund or separate account client. Management fees may range from 0.5% to 2.0% of committed, called, or invested capital of a Fund, pursuant to the limited partnership agreement or investment management agreement. Fees for Funds in extension years may be reduced, including to nil. Fund investors will typically bear all the costs and expenses relating to the operations of a Fund and its general partners (or similar managing fiduciary). A Fund shall bear its pro rata share of any such expenses incurred in connection with any portfolio investment to the extent the same portfolio investment is being made by other Funds. Organization expenses of a Fund will also typically be borne by Fund investors. When a Fund is generally expected to invest alongside a Fund primarily intended for European-based investors, which takes into account the regulatory requirements of the Alternative Investment Fund Managers Directive (an "AIF Related Fund"), organization expenses may be aggregated and allocated pro-rata between a Fund and its AIF Related Fund based on the relative commitments of the partners of the Fund and the partners of its AIF Related Fund (unless HarbourVest, as general partner, determines in good faith that a different share is appropriate). The specific payment terms and other conditions of the management fees, carried interest, and other expenses of a Fund are set forth in the governing documents of the Fund. Fees and expenses are also described in HarbourVest's Form ADV, Part 2A brochure.

Gross performance returns, if shown, are presented before management fees, carried interest, and other expenses borne by investors in the Fund(s). An actual portfolio would bear such fees and expenses. If such fees and expenses were deducted from performance, returns would be lower. For example, if a fund appreciated by 10% a year for five years, the total annualized return for five years prior to deducting fees and expenses at the end of the five year period would be 10%. If total fund fees and expenses were 1% for each of the five years, the total annualized return of the fund for five years at the end of the five-year period would be 8.90%.

9. **Private Equity Index Data** - Unless otherwise indicated, all private equity fund benchmark data reflects the fees, carried interest, and other expenses of the funds included in the benchmark. Please note that Fund returns would be reduced by the fees, carried interest, and other expenses borne by investors in the Fund. Such fees, carried interest, and other expenses may be higher or lower than those of the funds included in the benchmark. Burgiss (unless otherwise noted) is the source and owner of any private equity index data contained or reflected in this material and all trademarks and copyrights related thereto. The material may contain confidential information and unauthorized use, disclosure, copying, dissemination, or redistribution is strictly prohibited. This is HarbourVest's presentation of the data. Burgiss is not responsible for the calculations conducted by HarbourVest, the formatting or configuration of this material, or for any inaccuracy in presentation thereof.

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Additional important information

The information contained herein is highly confidential and is being provided to you at your request for informational purposes only and is not, and may not be relied on in any manner as, legal, tax, or investment advice or as an offer to sell or a solicitation of an offer to buy an interest in any fund or any other investment product sponsored by HarbourVest (the "Fund"). Any offering of interests in the Fund will be made by means of delivery of a confidential Private Placement Memorandum or similar materials (the "Memorandum") that contain a description of the material terms of such investment and subscriptions will be accepted solely pursuant to definitive documentation. These materials do not purport to contain all the information relevant to evaluating an investment in the Fund. The information contained herein will be superseded by, and is qualified in its entirety by reference to, the Memorandum, which will contain information about the investment objective, terms, and conditions of an investment in the Fund and will also contain tax information and risk disclosures that are important to any investment decision regarding the Fund. No person has been authorized to make any statement concerning the Fund other than as will be set forth in the Memorandum and any such statements, if made, may not be relied upon. No sale will be made in any jurisdiction in which the offer, solicitation, or sale is not authorized or to any person to whom it is unlawful to make the offer, solicitation, or sale. Offers and sales of interests in the Fund will not be registered under the laws of any jurisdiction and will be made solely to "qualified purchasers" as defined in the U.S. Investment Company Act of 1940, as amended. The information contained herein must be kept strictly confidential and may not be reproduced or redistributed in any format without the express written approval of HarbourVest.

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

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

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

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

PRIVATE REAL ASSETS STRATEGIC INVESTMENT PLAN

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

April 15, 2019

Allan Martin, Partner

Matt Ritter, Research Consultant, Real Assets



VCERA
VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION



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WHAT ARE REAL ASSETS?

- **What are Real Assets?**
 - Real Estate (Generally modelled as a separate allocation)
 - Commodities
 - Timber and farmland
 - Inflation-linked products (Infrastructure, Energy, Mining)
 - Treasury Inflation Protected Securities (TIPS), inflation-sensitive equities, etc.

- **Why invest in Real Assets?**
 - Diversification
 - Offers “real” (after inflation) return

- **Challenges**
 - Liquidity – depends on the strategy
 - Liquidity can also impact the correlation in periods of rising inflation
 - Return expectations
 - Generally have lower expected returns than public-market equities
 - Can underperform traditional markets for extended periods of time, especially if inflation is below expectations
 - Is now the right time for inflation protection?

- **Goal of real assets: help the portfolio maintain purchasing power through periods of rising inflation**



REAL ASSET SUB-SECTORS AND INVESTMENT STRUCTURES

Public Market or Liquid Strategies	Private Market or Illiquid Strategies
US TIPs	
Emerging Markets Currency/Bonds	
Core Real Estate	Real Estate
Energy	Energy
Commodities	Commodities (Metals & Mining)
Infrastructure	Infrastructure
Timber	Timber
Agriculture	Agriculture



Active and Passively Managed Funds



Open-end and Closed-End PE Funds

ROLE OF PRIVATE REAL ASSETS IN A PORTFOLIO

NEPC believes that Real Asset investments can play an important role as part of an overall investment plan

Real Asset Benefits

- **Low historical correlation** to stocks and bonds and should provide diversification benefits to the overall portfolio
- Provides both **current income** and the potential for **capital appreciation** (each of which can be enhanced with leverage)
- Over the long term, should provide a **hedge against inflation** as components of real assets are sensitive to inflation, especially unexpected inflation
- Offers a **spectrum of investment strategies** (providing different return and risk expectations) that can be customized to meet different objectives

However

Real Asset Considerations

- Investments may be **illiquid**, particularly during falling markets (excluding public investments)
- **Limited and imperfect benchmarks** exist to gauge investment performance
- Valuations are based on underlying transaction markets which have **limited transparency** and asset **appraisals can lag** real-time market valuations
- Real Asset strategies are affected by **macroeconomic factors** and are **cyclical by nature**
- The use of **leverage amplifies negative performance**

"CORE" REAL ASSET SECTORS

- **The following sectors of Real Assets generate a higher percentage of returns from current income/and or have lower expected returns**

Sector	Example Property Types	Key Return Drivers	Investment Considerations and Inflation Protection
Core Infrastructure	<ul style="list-style-type: none"> • Roads/Parking • Ports • Midstream Energy/Utilities • Water/Waste Water 	<ul style="list-style-type: none"> • GDP growth • Monopolistic markets with high barriers to entry which limits competition 	<ul style="list-style-type: none"> • Assets valued using discounted cash flow models • Leases/off put contracts typically inflation-linked • Non-contracted services rates linked to input costs providing inflation protection
Farmland	<ul style="list-style-type: none"> • Row Crops • Permanent Crops • Protein • Dairy 	<ul style="list-style-type: none"> • Biological growth • Crop prices • Land value 	<ul style="list-style-type: none"> • Ecological and regulatory risks • Value of crops and land increase in inflationary conditions
Timber	<ul style="list-style-type: none"> • Timberland – diversified by region and species 	<ul style="list-style-type: none"> • Biological Growth • Timber price • Land value 	<ul style="list-style-type: none"> • Manager selection is key to mitigate ecological and price risk and deal with operating constraints to add value • Value of timber linked to end products, value increases during periods of inflation • Land value increases with inflation



“OPPORTUNISTIC” REAL ASSET SECTORS

- The following sectors of Real Assets can be classified as “opportunistic” since capital appreciation typically drives returns

Sector	Example Property Types	Sector Economic Drivers	Investment Considerations and Inflation Protection
Upstream/ Midstream Energy	<ul style="list-style-type: none"> • Oil and Gas E&P • Oilfield/Pipeline services • Pipelines/Storage • Transmission/Distribution 	<ul style="list-style-type: none"> • GDP growth • Commodity price movements 	<ul style="list-style-type: none"> • Producing oil and gas projects use DCF valuation that reflects changes in commodity prices that track inflation • Pipeline contracts typically indexed to Producer Price Index of which inflation is a component
Metals and Mining	<ul style="list-style-type: none"> • Precious metals (gold, silver) • Base metals (copper, zinc) • Development mostly, some production 	<ul style="list-style-type: none"> • GDP Growth • Commodity price movements 	<ul style="list-style-type: none"> • Long-dated development projects that take years to mature • Underlying asset values tied to the value of the recoverable commodity, which generally tracks inflation
Opportunistic Infrastructure	<ul style="list-style-type: none"> • Greenfield/Brownfield projects consisting of multiple expansion or consolidation of services 	<ul style="list-style-type: none"> • GDP growth • Regulated Markets • Government concessions or incentives 	<ul style="list-style-type: none"> • Development generally predicated on long-term contracts that may have CPI linked agreements • Replacement costs of assets linked to inflation
Power Generation/ Renewables	<ul style="list-style-type: none"> • Coal Plants • Natural Gas Plants • Solar • Wind • Hydro • Biomass, Nuclear, others 	<ul style="list-style-type: none"> • GDP growth • Regulatory initiatives • Government incentives 	<ul style="list-style-type: none"> • Long term PPAs/availability contracts typically linked to CPI • Replacement costs of assets provide inflation protection



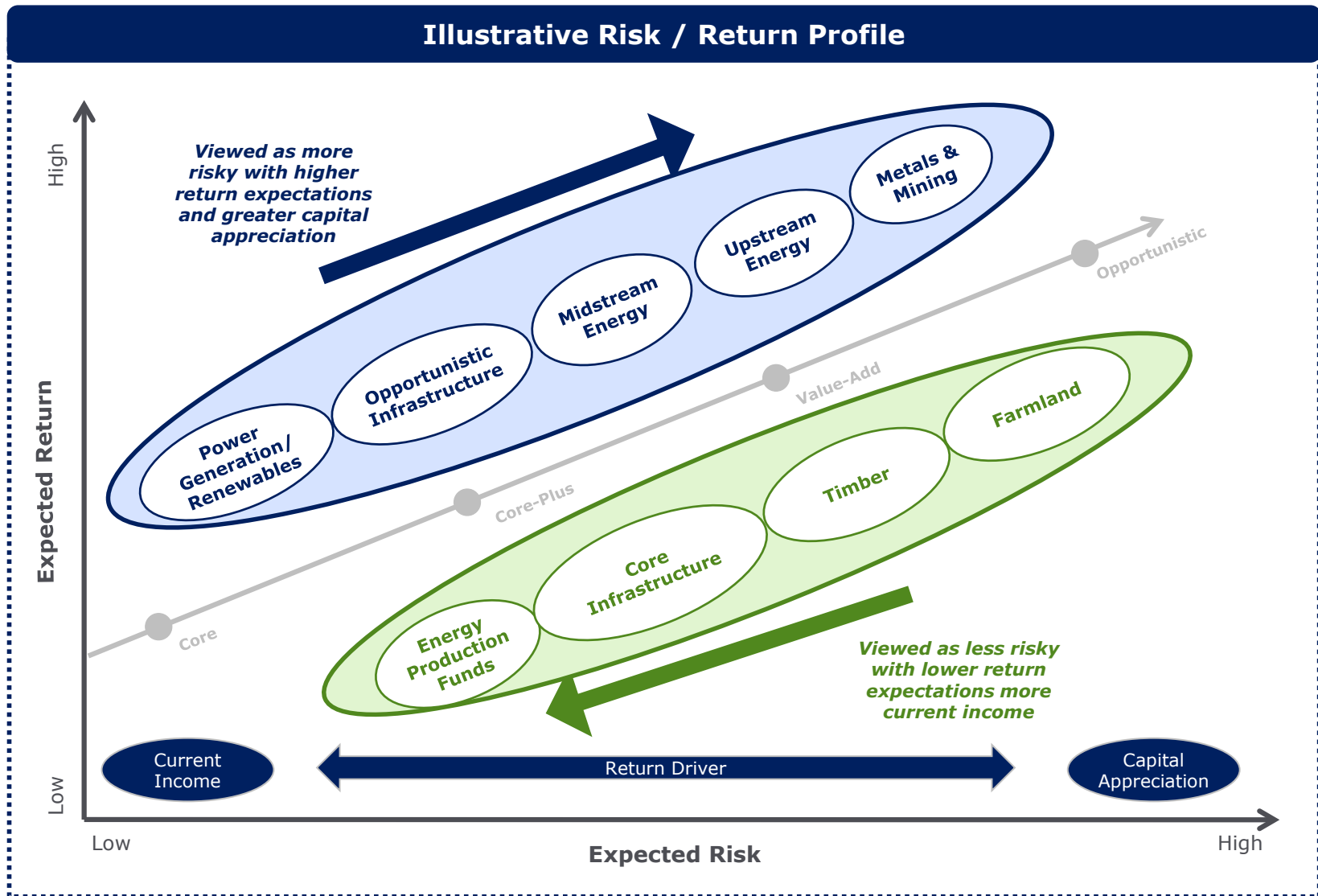
REAL ASSET INVESTMENT STYLES – NATURAL RESOURCES AND INFRASTRUCTURE

Investment Sector	Focus of Investment Strategies	Time Horizon to Liquidity	Expected Leverage	Target IRR/ Multiple	Primary Return Drivers
Energy	Upstream, Midstream, Downstream, Power Generation, Renewables	1-6 years	0-70%	10-25%+ 1.5x-3.0x+	Capital appreciation and current income
Metals & Mining	Base and precious metals mining development and production	2-12 years	0-60%	15-25%+ 2.0x-3.0x+	Capital Appreciation
Infrastructure	Transportation, Energy & Utilities, Communications, Social Infrastructure	3-15 years	0-70%	5-20% 1.25x-2.5x	Current Income and capital appreciation
Farmland	Row and Field Crops, Permanent Crops, Irrigated/Non-Irrigated, Multi-Year Crops	6-10 years	0-25%	6-12% 1.5x-2.5x	Current income and capital appreciation
Timber	Operating properties for timber production used for forest products (timber, fuel, chips, pulp)	6-10 years	0-50%	6-12% 1.5x-2.5x	Capital Appreciation with limited current income

Note: Debt-related strategies can span the investment sector spectrum and typically generates returns with a higher degree of current income



RELATIVE EXPECTED RISK RETURN PROFILE OF REAL ASSET SECTORS



Note: Debt-related strategies can span the illustrative risk / return spectrum depending on the specific strategy
 Note: Manager specific risk, operations and leverage can skew expected risk / return profile



LIQUID RA MARKET & 2019 VIEWS

General Market Thoughts

- **REITs are trading at slight discount to implied private valuations**
 - Wide disparity among underlying property types and by perceived asset quality
- **Commodities remain in contango; natural resource equities remain a more attractive option**
 - Some positive signs for commodities, but persistent negative roll yield makes direct investment less attractive
 - Monitoring for signs of inflation
- **Listed infrastructure offers low yields while adding volatility**
 - Significant exposure from broader equity benchmarks limits diversification benefits

Implementation Views

Strategy	Outlook	Commentary
REITs	Neutral	Valuation metrics appear healthy; REITs sold off with broader equities in Q4
Commodities (long-only)	Neutral	Meaningful negative roll yield across the commodity space continues to offset potentially favorable supply/demand dynamics
Natural Resource Equities	Positive	Focus on flexible mandates to be opportunistic; natural resource equities sold off in 2018 (along with commodities), but valuations are attractive and NREs will benefit from any rise in commodity prices
Listed Infrastructure	Neutral	Low yields and limited diversification benefits



ILLIQUID RA MARKET & 2019 VIEWS

General Market Thoughts

- **Opportunities remain for energy private equity**
- **Attractive opportunities in Infrastructure and related operating businesses**
 - Focus on “buy-fix-sell” strategies and managers with operating expertise
 - High valuations for large transactions creates poor entry point for core exposure
 - Higher yielding opportunities may exist in niche sectors (e.g. aviation leasing)
- **Improving Metals & Mining fundamentals but limited to assets near production**
- **Agriculture fundamentals interesting but limited manager universe**
- **Limited opportunities in Timber**

Implementation Views

Strategy	Outlook	Commentary
Energy	Positive	Continue to see attractive private equity opportunities; small players can be more nimble; large allocators can be strategic with acquisitions
Infrastructure	Neutral/ Neutral/ Positive	Continue to find attractive opportunities and a need for capital outside of core assets; favor managers with operating expertise who can drive asset cash flow growth and/or managers targeting yield-oriented niche assets
Renewables	Neutral	Favorable financing opportunities exist but regulatory risk remain
Metals & Mining	Positive	Assets with near-term cash flow most attractive; limited implementation options
Agriculture	Positive	Slowing appreciation creates attractive entry point; difficult to implement
Timber	Negative	Less attractive due to low yields and illiquidity



APPENDIX

NEPC, LLC

ALTERNATIVE INVESTMENT DISCLOSURES

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

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



PRELIMINARY MONTHLY PERFORMANCE REPORT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

March 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 (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	5,574,560,394	100.0	100.0	1.3	8.5	3.9	5.5	9.2	6.4	11.4	8.0	Apr-94
<i>Policy Index</i>				<u>1.3</u>	<u>8.9</u>	<u>3.8</u>	<u>5.4</u>	<u>9.3</u>	<u>7.0</u>	<u>10.9</u>	<u>8.0</u>	<i>Apr-94</i>
Over/Under				0.0	-0.4	0.1	0.1	-0.1	-0.6	0.5	0.0	
60% MSCI ACWI (Net) / 40% FTSE WGBI				1.3	7.9	2.2	1.2	6.8	4.2	8.2	--	Apr-94
60% S&P 500 / 40% BBgBarc Aggregate				1.9	9.3	5.7	7.8	8.9	7.7	11.1	8.3	Apr-94
Total Fund ex Parametric	5,522,362,105	99.1	--	1.3	8.5	3.4	5.0	9.1	6.3	11.1	7.9	Apr-94
Total Fund ex Private Equity	5,205,401,206	93.4	--	1.4	9.1	3.6	5.0	9.0	6.1	--	8.5	Jan-12
<i>Policy Index</i>				<u>1.3</u>	<u>8.9</u>	<u>3.8</u>	<u>5.4</u>	<u>9.3</u>	<u>7.0</u>	<u>10.9</u>	<u>9.2</u>	<i>Jan-12</i>
Over/Under				0.1	0.2	-0.2	-0.4	-0.3	-0.9		-0.7	
Total US Equity	1,590,544,662	28.5	28.0	1.7	14.2	5.4	9.3	13.8	10.5	16.5	9.3	Dec-93
<i>Russell 3000</i>				<u>1.5</u>	<u>14.0</u>	<u>4.7</u>	<u>8.8</u>	<u>13.5</u>	<u>10.3</u>	<u>16.0</u>	<u>9.6</u>	<i>Dec-93</i>
Over/Under				0.2	0.2	0.7	0.5	0.3	0.2	0.5	-0.3	
Western U.S. Index Plus	215,550,214	3.9		2.2	14.8	6.3	9.8	14.3	11.4	19.6	6.0	May-07
<i>S&P 500</i>				<u>1.9</u>	<u>13.6</u>	<u>5.9</u>	<u>9.5</u>	<u>13.5</u>	<u>10.9</u>	<u>15.9</u>	<u>7.6</u>	<i>May-07</i>
Over/Under				0.3	1.2	0.4	0.3	0.8	0.5	3.7	-1.6	
Blackrock Russell 1000 Index	1,311,033,291	23.5		1.7	14.0	5.6	9.4	--	--	--	11.6	May-17
<i>Russell 1000</i>				<u>1.7</u>	<u>14.0</u>	<u>5.5</u>	<u>9.3</u>	<u>13.5</u>	<u>10.6</u>	<u>16.0</u>	<u>11.5</u>	<i>May-17</i>
Over/Under				0.0	0.0	0.1	0.1				0.1	
Blackrock Russell 2500 Index	63,961,157	1.1		-0.8	15.8	-1.1	4.5	--	--	--	8.3	May-17
<i>Russell 2500</i>				<u>-0.8</u>	<u>15.8</u>	<u>-1.2</u>	<u>4.5</u>	<u>12.6</u>	<u>7.8</u>	<u>16.2</u>	<u>8.3</u>	<i>May-17</i>
Over/Under				0.0	0.0	0.1	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 (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Non-US Equity	906,979,074	16.3	15.0	0.6	10.1	-1.1	-2.8	8.9	3.3	9.4	6.3	Mar-94
<i>MSCI ACWI ex USA</i>				<u>0.6</u>	<u>10.3</u>	<u>-1.6</u>	<u>-4.2</u>	<u>8.1</u>	<u>2.6</u>	<u>8.8</u>	<u>5.1</u>	<i>Mar-94</i>
Over/Under				0.0	-0.2	0.5	1.4	0.8	0.7	0.6	1.2	
<i>MSCI EAFE</i>				0.6	10.0	-2.5	-3.7	7.3	2.3	9.0	4.7	<i>Mar-94</i>
<i>MSCI ACWI ex USA NR LCL</i>				1.3	10.8	0.3	2.1	9.3	6.2	9.7	--	<i>Mar-94</i>
<i>MSCI EAFE NR LCL</i>				1.3	10.6	-0.6	2.8	8.5	6.0	9.8	4.8	<i>Mar-94</i>
BlackRock ACWI ex-U.S. Index	461,892,059	8.3		0.6	10.3	-2.4	-4.6	8.2	2.9	9.4	2.5	Mar-07
<i>MSCI ACWI ex USA IMI</i>				<u>0.5</u>	<u>10.3</u>	<u>-2.4</u>	<u>-5.0</u>	<u>7.9</u>	<u>2.7</u>	<u>9.2</u>	<u>2.2</u>	<i>Mar-07</i>
Over/Under				0.1	0.0	0.0	0.4	0.3	0.2	0.2	0.3	
<i>MSCI ACWI ex USA NR LCL</i>				1.3	10.8	0.3	2.1	9.3	6.2	9.7	3.2	<i>Mar-07</i>
Sprucegrove	224,408,925	4.0		-0.6	9.6	-1.9	-3.7	10.3	3.1	10.0	7.2	Mar-02
<i>MSCI ACWI ex USA</i>				<u>0.6</u>	<u>10.3</u>	<u>-1.6</u>	<u>-4.2</u>	<u>8.1</u>	<u>2.6</u>	<u>8.8</u>	<u>6.2</u>	<i>Mar-02</i>
Over/Under				-1.2	-0.7	-0.3	0.5	2.2	0.5	1.2	1.0	
<i>MSCI EAFE</i>				0.6	10.0	-2.5	-3.7	7.3	2.3	9.0	5.7	<i>Mar-02</i>
<i>MSCI ACWI ex USA NR LCL</i>				1.3	10.8	0.3	2.1	9.3	6.2	9.7	5.2	<i>Mar-02</i>
<i>MSCI EAFE NR LCL</i>				1.3	10.6	-0.6	2.8	8.5	6.0	9.8	4.4	<i>Mar-02</i>
Hexavest	90,998,020	1.6		0.4	8.1	-0.1	-2.1	5.4	2.1	--	3.8	Dec-10
<i>MSCI EAFE</i>				<u>0.6</u>	<u>10.0</u>	<u>-2.5</u>	<u>-3.7</u>	<u>7.3</u>	<u>2.3</u>	<u>9.0</u>	<u>4.4</u>	<i>Dec-10</i>
Over/Under				-0.2	-1.9	2.4	1.6	-1.9	-0.2	--	-0.6	
<i>MSCI EAFE NR LCL</i>				1.3	10.6	-0.6	2.8	8.5	6.0	9.8	7.0	<i>Dec-10</i>
Walter Scott	129,680,070	2.3		2.9	11.4	3.9	4.8	11.0	6.3	--	6.0	Dec-10
<i>MSCI ACWI ex USA</i>				<u>0.6</u>	<u>10.3</u>	<u>-1.6</u>	<u>-4.2</u>	<u>8.1</u>	<u>2.6</u>	<u>8.8</u>	<u>3.5</u>	<i>Dec-10</i>
Over/Under				2.3	1.1	5.5	9.0	2.9	3.7	--	2.5	
<i>MSCI ACWI ex USA NR LCL</i>				1.3	10.8	0.3	2.1	9.3	6.2	9.7	6.3	<i>Dec-10</i>
<i>MSCI EAFE</i>				0.6	10.0	-2.5	-3.7	7.3	2.3	9.0	4.4	<i>Dec-10</i>
Total Global Equity	612,427,844	11.0	10.0	1.3	12.3	2.3	3.1	11.1	6.0	10.7	6.0	May-05
<i>MSCI ACWI</i>				<u>1.3</u>	<u>12.2</u>	<u>2.1</u>	<u>2.6</u>	<u>10.7</u>	<u>6.5</u>	<u>12.0</u>	<u>6.7</u>	<i>May-05</i>
Over/Under				0.0	0.1	0.2	0.5	0.4	-0.5	-1.3	-0.7	
BlackRock MSCI ACWI Equity Index	612,427,844	11.0		1.3	12.3	2.3	3.1	11.1	6.9	--	10.0	Aug-12
<i>MSCI ACWI</i>				<u>1.3</u>	<u>12.2</u>	<u>2.1</u>	<u>2.6</u>	<u>10.7</u>	<u>6.5</u>	<u>12.0</u>	<u>9.6</u>	<i>Aug-12</i>
Over/Under				0.0	0.1	0.2	0.5	0.4	0.4	--	0.4	



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Private Equity	369,159,188	6.6	10.0	0.5	0.6	9.2	13.8	14.2	14.3	--	14.5	Jan-12
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>17.4</u>	<i>Jan-12</i>
Over/Under				-1.2	-14.3	2.2	1.8	-2.7	0.7		-2.9	
<i>Cambridge Associates Global All PE (Qtr Lag)</i>				0.0	0.0	8.1	11.2	13.1	11.2	13.2	12.8	<i>Jan-12</i>
Adams Street Global Fund Series	175,170,760	3.1		1.4	1.4	10.9	15.3	13.3	12.9	--	13.4	Jan-12
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>17.4</u>	<i>Jan-12</i>
Over/Under				-0.3	-13.5	3.9	3.3	-3.6	-0.7		-4.0	
Harbourvest	82,365,498	1.5		-0.5	-0.8	9.3	13.9	17.1	19.1	--	18.8	Aug-13
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>14.8</u>	<i>Aug-13</i>
Over/Under				-2.2	-15.7	2.3	1.9	0.2	5.5		4.0	
Pantheon Global Secondary Funds	38,532,736	0.7		-2.4	-2.4	6.1	14.4	17.9	14.0	--	12.6	Jan-12
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>17.4</u>	<i>Jan-12</i>
Over/Under				-4.1	-17.3	-0.9	2.4	1.0	0.4		-4.8	
Drive Capital Fund	6,833,057	0.1		0.0	-1.2	0.3	-3.7	--	--	--	-26.5	Sep-16
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>16.2</u>	<i>Sep-16</i>
Over/Under				-1.7	-16.1	-6.7	-15.7				-42.7	
Abbott Secondary Opportunities	14,719,904	0.3		-0.7	-0.7	25.2	25.2	--	--	--	19.7	Jan-18
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>9.6</u>	<i>Jan-18</i>
Over/Under				-2.4	-15.6	18.2	13.2				10.1	
Clearlake Capital Partners V	5,353,071	0.1		0.0	0.0	32.9	29.7	--	--	--	27.1	Mar-18
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>9.2</u>	<i>Mar-18</i>
Over/Under				-1.7	-14.9	25.9	17.7				17.9	
Battery Ventures XII	5,116,558	0.1		0.0	-1.9	-9.8	-9.8	--	--	--	-9.8	Apr-18
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>12.0</u>	<i>Apr-18</i>
Over/Under				-1.7	-16.8	-16.8	-21.8				-21.8	
Insight Venture Partners X	12,660,848	0.2		0.0	3.3	-2.6	--	--	--	--	-2.6	May-18
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>11.3</u>	<i>May-18</i>
Over/Under				-1.7	-11.6	-9.6					-13.9	

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



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
GTCR Fund XII	5,272,698	0.1		0.0	-3.2	-44.0	--	--	--	--	-44.0	Jun-18
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>8.0</u>	<i>Jun-18</i>
Over/Under				-1.7	-18.1	-51.0					-52.0	
Buenaventure One, LLC	18,414,135	0.3		3.3	3.3	2.5	--	--	--	--	2.5	Jul-18
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>7.0</u>	<i>Jul-18</i>
Over/Under				1.6	-11.6	-4.5					-4.5	
ECl 11	1,559,469	0.0		-3.3	25.6	--	--	--	--	--	22.4	Dec-18
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>4.4</u>	<i>Dec-18</i>
Over/Under				-5.0	10.7						18.0	
Buenaventure Two, LLC	186,001	0.0		3.3	2.6	--	--	--	--	--	71.9	Dec-18
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>4.4</u>	<i>Dec-18</i>
Over/Under				1.6	-12.3						67.5	
The Resolute Fund IV L.P.	2,361,452	0.0		15.3	24.0	--	--	--	--	--	24.0	Jan-19
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>14.9</u>	<i>Jan-19</i>
Over/Under				13.6	9.1						9.1	
GGV Capital VII L.P.	508,000	0.0		0.0	--	--	--	--	--	--	0.0	Feb-19
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>5.5</u>	<i>Feb-19</i>
Over/Under				-1.7							-5.5	
GGV Discovery II, L.P.	105,000	0.0		0.0	--	--	--	--	--	--	0.0	Feb-19
<i>Russell 3000 + 3%</i>				<u>1.7</u>	<u>14.9</u>	<u>7.0</u>	<u>12.0</u>	<u>16.9</u>	<u>13.6</u>	<u>19.4</u>	<u>5.5</u>	<i>Feb-19</i>
Over/Under				-1.7							-5.5	

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 PARTNERSHIP PERFORMANCE

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date ¹	Outstanding Commitment ¹	Call Ratio	Add'l Fees ²	Distributions to Date	Valuation	Total Value	Net Benefit	IRR	Since Inception	
													Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
Abbott Secondary Opportunities, LP.	2017	12/21/2017	\$25,000,000	\$15,937,843	\$9,424,874	64%	--	\$2,625,000	\$14,719,907	\$17,344,907	\$1,407,064	15.3%	0.16x	1.09x
ABRY Partners IX	2019	12/6/2018	\$10,600,000	--	\$10,600,000	0%	--	--	--	--	--	--	--	--
Adams Street 2010 U.S. Fund	2010	5/21/2010	\$42,500,000	\$37,442,500	\$5,057,500	88%	\$15,213	\$26,681,710	\$37,173,116	\$63,854,826	\$26,397,113	14.0%	0.71x	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	\$16,269,043	\$17,602,811	\$33,871,854	\$11,545,016	11.6%	0.73x	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	\$2,030,308	\$10,058,649	\$12,088,957	\$4,455,957	11.0%	0.27x	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	12.7%	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	11.4%	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	15.6%	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	--	\$4,500,000	\$4,500,000	-\$135,616	-3.0%	--	0.99x
Astorg VII	2019	12/17/2018	\$8,653,645	--	\$8,653,645	0%	--	--	--	--	--	--	--	--
Battery Ventures XII	2018	2/1/2018	\$9,050,000	\$3,201,890	\$5,848,110	35%	\$0	\$0	\$3,006,957	\$3,006,957	-\$194,933	-13.0%	0x	0.94x
Battery Ventures XII Side Fund	2018	2/1/2018	\$5,050,000	\$2,156,855	\$2,893,145	43%	\$0	\$0	\$2,109,603	\$2,109,603	-\$47,252	-5.5%	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	\$18,355,590	\$48,716,910	27%	--	\$403,156	\$18,414,139	\$18,817,295	\$461,705	4.9%	--	1.03x
CapVest Equity Partners IV	2019	7/11/2018	\$12,390,446	--	\$12,390,446	0%	--	--	--	--	--	--	--	--
Clearlake Capital Partners V	2017	12/22/2017	\$9,950,000	\$4,781,476	\$5,258,013	48%	\$46,158	\$150,190	\$5,295,982	\$5,446,172	\$618,538	25.0%	0.03x	1.14x
CVI Credit Value Fund IV	2017	12/31/2017	\$30,000,000	\$12,000,000	\$18,000,000	40%	--	\$6,147	\$11,998,081	\$12,004,228	\$4,228	0.1%	0x	1x
Drive Capital Fund II	2016	9/1/2016	\$15,000,000	\$7,461,666	\$7,541,544	50%	\$3,210	\$0	\$6,918,344	\$6,918,344	-\$546,532	-6.3%	0x	0.93x
ECI 11	2018	7/5/2018	\$9,813,200	\$1,252,530	\$8,560,670	13%	--	--	\$1,196,783	\$1,196,783	-\$55,747	-13.6%	--	0.96x
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	\$508,000	\$9,652,000	5%	--	--	\$508,000	\$508,000	--	--	--	1x
GGV Capital VII Plus	2019	8/15/2018	\$2,540,000	--	\$2,540,000	0%	--	--	--	--	--	--	--	--
GGV Discovery II	2019	8/15/2018	\$2,100,000	\$105,000	\$1,995,000	5%	--	--	\$105,000	\$105,000	--	--	--	1x
GTCR Fund XII	2017	9/29/2017	\$30,000,000	\$6,423,000	\$23,672,792	21%	--	\$264,502	\$4,032,467	\$4,296,969	-\$2,126,031	-61.0%	0.04x	0.67x
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	20.6%	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	27.9%	0.3x	1.23x
HarbourVest - PRTRS CO INVEST IV L.P.	2017	6/2/2017	\$30,000,000	\$22,428,591	\$7,768,149	75%	\$0	\$1,736,653	\$24,580,984	\$26,317,637	\$3,889,046	12.0%	0.08x	1.17x
HarbourVest - PRTRS CO INVEST V L.P.	2019	7/31/2018	\$35,000,000	--	\$35,000,000	0%	--	--	(\$111,140)	(\$111,140)	--	--	--	--
Hellman & Friedman Capital Partners IX	2019	9/28/2018	\$19,800,000	--	\$19,800,000	0%	--	--	--	--	--	--	--	--
Insight Venture Partners X	2017	10/13/2017	\$25,000,000	\$12,500,000	\$12,500,000	50%	--	\$8,561	\$12,660,846	\$12,669,407	\$169,407	2.6%	0x	1.01x
M/C Partners VIII	2019	4/2/2018	\$10,000,000	--	\$10,000,000	0%	--	--	--	--	--	--	--	--
Monroe Capital Private Credit Fund III	2018	9/5/2018	\$25,000,000	\$10,000,000	\$15,000,000	40%	--	\$248,169	\$10,068,753	\$10,316,922	\$316,922	15.8%	--	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	\$3,315,583	\$15,765,584	\$5,805,584	13.9%	1.25x	1.58x
Pantheon Global Secondary Fund V	2015	2/26/2015	\$50,000,000	\$33,566,509	\$16,433,491	67%	(\$162,514)	\$9,962,534	\$35,217,152	\$45,179,686	\$11,775,691	17.0%	0.3x	1.35x
The Resolute Fund IV	2018	5/2/2018	\$20,000,000	\$1,903,855	\$18,096,145	10%	--	--	\$2,361,452	\$2,361,452	\$457,597	99.3%	--	1.24x
Riverside Micro-Cap Fund V	2018	8/21/2018	\$10,000,000	--	\$10,000,000	0%	--	--	--	--	--	--	--	--
Total VCERA Private Equity Program	--	5/21/2010	\$899,679,791	\$431,555,954	\$469,024,547	48%	\$73,843	\$175,879,958	\$393,667,543	\$569,547,501	\$138,028,844	14.0%	0.41x	1.32x

1. Includes recycled/recallable distributions received to date.

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

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

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

Performance shown is based on 3/31/2019 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 (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total US Fixed Income	992,847,122	17.8	14.0	1.7	3.0	4.4	3.9	3.1	2.8	6.8	5.7	Feb-94
BBgBarc US Aggregate TR				1.9	2.9	4.6	4.5	2.0	2.7	3.8	5.2	Feb-94
Over/Under				-0.2	0.1	-0.2	-0.6	1.1	0.1	3.0	0.5	
BlackRock U.S. Debt Fund	231,881,448	4.2		1.9	3.0	4.7	4.5	2.1	2.8	3.8	5.1	Nov-95
BBgBarc US Aggregate TR				1.9	2.9	4.6	4.5	2.0	2.7	3.8	5.0	Nov-95
Over/Under				0.0	0.1	0.1	0.0	0.1	0.1	0.0	0.1	
Western	308,175,244	5.5		2.1	3.7	5.3	4.4	3.3	3.7	6.5	6.0	Dec-96
BBgBarc US Aggregate TR				1.9	2.9	4.6	4.5	2.0	2.7	3.8	5.0	Dec-96
Over/Under				0.2	0.8	0.7	-0.1	1.3	1.0	2.7	1.0	
Reams	319,242,898	5.7		1.3	2.3	3.6	3.5	2.7	1.6	7.2	5.2	Sep-01
Reams Custom Index				0.2	0.7	2.0	2.6	1.7	1.1	2.9	3.8	Sep-01
Over/Under				1.1	1.6	1.6	0.9	1.0	0.5	4.3	1.4	
BBgBarc US Aggregate TR				1.9	2.9	4.6	4.5	2.0	2.7	3.8	4.3	Sep-01
3-Month LIBOR + 3%				0.5	1.4	4.3	5.6	4.7	4.1	3.8	4.8	Sep-01
Loomis Strategic Alpha	47,530,377	0.9		0.2	2.0	1.6	1.6	3.9	2.5	--	2.6	Jul-13
BBgBarc US Aggregate TR				1.9	2.9	4.6	4.5	2.0	2.7	3.8	2.8	Jul-13
Over/Under				-1.7	-0.9	-3.0	-2.9	1.9	-0.2		-0.2	
3-Month LIBOR + 3%				0.5	1.4	4.3	5.6	4.7	4.1	3.8	4.0	Jul-13
Loomis Sayles Multi Strategy	86,017,155	1.5		1.3	3.8	4.7	3.6	5.6	3.9	9.3	6.2	Jul-05
Loomis Custom Index				1.6	4.2	4.7	4.9	4.0	3.2	5.9	4.9	Jul-05
Over/Under				-0.3	-0.4	0.0	-1.3	1.6	0.7	3.4	1.3	
BBgBarc US Govt/Credit TR				2.1	3.3	4.8	4.5	2.1	2.8	3.9	4.0	Jul-05

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



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Private Debt	26,253,401	0.5	3.0	2.0	2.0	4.4	6.8	--	--	--	5.4	Jan-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				0.6	5.9	5.3	6.4	--	--	--	5.6	Jan-18
Over/Under				1.4	-3.9	-0.9	0.4				-0.2	
CVI Credit Value Fund	12,422,154	0.2		1.6	1.4	3.7	6.1	--	--	--	4.8	Jan-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				0.6	5.9	5.3	6.4	--	--	--	5.6	Jan-18
Over/Under				1.0	-4.5	-1.6	-0.3				-0.8	
Monroe Capital Private Credit Fund III	10,068,756	0.2		3.2	3.2	--	--	--	--	--	3.2	Dec-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				0.6	5.9	5.3	6.4	--	--	--	3.8	Dec-18
Over/Under				2.6	-2.7						-0.6	
Bluebay Direct Lending Fund III	3,762,491	0.1										
Treasuries	100,032,491	1.8	2.0									
Reams 10-Year Treasuries	100,032,491	1.8										

Bluebay Direct Lending Fund III funded 3/8/2019.
Reams 10-Year Treasuries funded 3/31/2019.



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Real Estate	433,137,514	7.8	8.0	0.0	0.0	3.2	4.9	5.9	8.3	7.0	7.7	Mar-94
<i>NCREIF ODCE Net</i>				<u>0.0</u>	<u>0.0</u>	<u>3.4</u>	<u>5.3</u>	<u>6.6</u>	<u>8.9</u>	<u>7.6</u>	<u>8.0</u>	<i>Mar-94</i>
Over/Under				0.0	0.0	-0.2	-0.4	-0.7	-0.6	-0.6	-0.3	
Prudential Real Estate	156,400,478	2.8		0.0	0.0	4.0	5.8	7.1	9.6	7.9	6.2	Jun-04
<i>NCREIF ODCE Net</i>				<u>0.0</u>	<u>0.0</u>	<u>3.4</u>	<u>5.3</u>	<u>6.6</u>	<u>8.9</u>	<u>7.6</u>	<u>7.0</u>	<i>Jun-04</i>
Over/Under				0.0	0.0	0.6	0.5	0.5	0.7	0.3	-0.8	
<i>NCREIF ODCE</i>				<u>0.0</u>	<u>0.0</u>	<u>3.9</u>	<u>6.0</u>	<u>7.5</u>	<u>9.9</u>	<u>8.6</u>	<u>8.0</u>	<i>Jun-04</i>
UBS Real Estate	276,737,035	5.0		0.0	0.0	2.8	4.4	5.3	7.5	7.0	7.2	Mar-03
<i>NCREIF ODCE Net</i>				<u>0.0</u>	<u>0.0</u>	<u>3.4</u>	<u>5.3</u>	<u>6.6</u>	<u>8.9</u>	<u>7.6</u>	<u>7.2</u>	<i>Mar-03</i>
Over/Under				0.0	0.0	-0.6	-0.9	-1.3	-1.4	-0.6	0.0	
<i>NCREIF ODCE</i>				<u>0.0</u>	<u>0.0</u>	<u>3.9</u>	<u>6.0</u>	<u>7.5</u>	<u>9.9</u>	<u>8.6</u>	<u>8.2</u>	<i>Mar-03</i>
Total Real Assets	445,258,726	8.0	10.0	2.8	10.6	2.5	6.4	7.1	2.1	--	4.5	Apr-13
<i>CPI + 4% (Unadjusted)</i>				<u>0.9</u>	<u>2.2</u>	<u>3.9</u>	<u>5.9</u>	<u>6.3</u>	<u>5.5</u>	--	<u>6.3</u>	<i>Apr-13</i>
Over/Under				1.9	8.4	-1.4	0.5	0.8	-3.4		-1.8	
Bridgewater All Weather Fund	322,498,833	5.8		2.0	7.9	2.8	3.9	7.2	4.1	--	4.9	Aug-13
<i>CPI + 5% (Unadjusted)</i>				<u>1.0</u>	<u>2.4</u>	<u>4.6</u>	<u>6.9</u>	<u>7.3</u>	<u>6.5</u>	--	<u>6.6</u>	<i>Aug-13</i>
Over/Under				1.0	5.5	-1.8	-3.0	-0.1	-2.4		-1.7	
Tortoise Energy Infrastructure	122,759,894	2.2		4.7	18.2	1.7	13.6	6.8	-2.3	--	1.4	Apr-13
<i>Tortoise MLP Index</i>				<u>3.1</u>	<u>17.6</u>	<u>3.1</u>	<u>14.6</u>	<u>7.5</u>	<u>-4.4</u>	--	<u>-2.1</u>	<i>Apr-13</i>
Over/Under				1.6	0.6	-1.4	-1.0	-0.7	2.1		3.5	
Overlay	97,920,373	1.8	0.0									
Parametric	52,198,289	0.9										
Abbott Capital Cash	45,722,084	0.8										

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 12/31/2018.

Ventura County Employees' Retirement Association

TOTAL FUND

Cash Flow Summary							
Month Ending March 31, 2019							
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Abbott Capital Cash	\$26,206,948	\$252,407,665	-\$232,948,258	\$19,459,407	\$0	\$55,729	\$45,722,084
Abbott Secondary Opportunities	\$12,219,909	\$2,589,137	\$0	\$2,589,137	\$0	-\$89,143	\$14,719,904
Adams Street Global Fund Series	\$172,036,804	\$1,001,455	-\$277,941	\$723,514	\$0	\$2,410,442	\$175,170,760
Battery Ventures XII	\$5,116,558	\$0	\$0	\$0	\$0	\$0	\$5,116,558
BlackRock ACWI ex-U.S. Index	\$459,175,409	\$0	\$0	\$0	-\$40,158	\$2,716,650	\$461,892,059
BlackRock MSCI ACWI Equity Index	\$604,518,621	\$0	\$0	\$0	-\$22,081	\$7,909,222	\$612,427,844
Blackrock Russell 1000 Index	\$1,386,876,778	\$0	-\$100,000,000	-\$100,000,000	-\$11,342	\$24,156,513	\$1,311,033,291
Blackrock Russell 2500 Index	\$64,503,018	\$0	\$0	\$0	-\$1,066	-\$541,861	\$63,961,157
BlackRock U.S. Debt Fund	\$276,960,374	\$0	-\$50,000,000	-\$50,000,000	-\$11,063	\$4,921,074	\$231,881,448
Bluebay Direct Lending Fund III	\$0	\$3,762,491	\$0	\$3,762,491	\$0	\$0	\$3,762,491
Bridgewater All Weather Fund	\$316,052,327	\$0	\$0	\$0	-\$100,521	\$6,446,506	\$322,498,833
Buenaventure One, LLC	\$17,820,574	\$0	\$0	\$0	\$0	\$593,561	\$18,414,135
Buenaventure Two, LLC	\$180,006	\$0	\$0	\$0	\$0	\$5,996	\$186,001
Clearlake Capital Partners V	\$5,353,071	\$0	\$0	\$0	\$0	\$0	\$5,353,071
CVI Credit Value Fund	\$12,231,704	\$0	\$0	\$0	\$0	\$190,450	\$12,422,154
Drive Capital Fund	\$6,833,057	\$0	\$0	\$0	\$0	\$0	\$6,833,057
ECI 11	\$1,612,067	\$0	\$0	\$0	\$0	-\$52,598	\$1,559,469
GGV Capital VII L.P.	\$508,000	\$0	\$0	\$0	\$0	\$0	\$508,000
GGV Discovery II, L.P.	\$105,000	\$0	\$0	\$0	\$0	\$0	\$105,000
GTCR Fund XII	\$5,272,692	\$0	\$0	\$0	\$0	\$6	\$5,272,698
Harbourvest	\$84,142,132	\$0	-\$1,378,878	-\$1,378,878	\$0	-\$397,755	\$82,365,498
Hexavest	\$90,636,638	\$0	\$0	\$0	-\$34,499	\$361,382	\$90,998,020



Ventura County Employees' Retirement Association

TOTAL FUND

	Month Ending March 31, 2019						
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Insight Venture Partners X	\$12,660,848	\$0	\$0	\$0	\$0	\$0	\$12,660,848
Loomis Sayles Multi Strategy	\$84,862,283	\$0	\$0	\$0	-\$27,338	\$1,154,872	\$86,017,155
Loomis Strategic Alpha	\$47,417,030	\$0	\$0	\$0	-\$15,843	\$113,347	\$47,530,377
Monroe Capital Private Credit Fund III	\$9,751,831	\$0	\$0	\$0	\$0	\$316,925	\$10,068,756
Pantheon Global Secondary Funds	\$39,845,681	\$0	-\$362,329	-\$362,329	\$0	-\$950,616	\$38,532,736
Parametric	\$51,043,364	\$0	\$0	\$0	-\$5,392	\$1,154,925	\$52,198,289
Prudential Real Estate	\$156,400,478	\$0	\$0	\$0	\$0	\$0	\$156,400,478
Reams	\$315,089,076	\$0	\$0	\$0	-\$46,155	\$4,153,822	\$319,242,898
Reams 10-Year Treasuries	\$0	\$100,000,000	\$0	\$100,000,000	\$0	\$32,491	\$100,032,491
Sprucegrove	\$225,807,284	\$0	\$0	\$0	-\$66,335	-\$1,398,358	\$224,408,925
The Resolute Fund IV L.P	\$2,047,844	\$0	\$0	\$0	\$0	\$313,609	\$2,361,452
Tortoise Energy Infrastructure	\$117,268,335	\$0	\$0	\$0	\$0	\$5,491,559	\$122,759,894
UBS Real Estate	\$276,737,035	\$0	\$0	\$0	\$0	\$0	\$276,737,035
Walter Scott	\$125,957,474	\$0	\$0	\$0	-\$86,715	\$3,722,596	\$129,680,070
Western	\$301,720,745	\$0	\$0	\$0	-\$51,022	\$6,454,498	\$308,175,244
Western U.S. Index Plus	\$210,935,755	\$0	\$0	\$0	-\$39,444	\$4,614,458	\$215,550,214
Total	\$5,525,906,748	\$359,760,748	-\$384,967,406	-\$25,206,657	-\$558,973	\$73,860,303	\$5,574,560,394



Information Disclaimer

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

Reporting Methodology

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





April 15, 2019

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

SUBJECT: UPDATE ON PROPOSED CHANGES TO VCERA BYLAWS & REGULATIONS

Dear Board Members:

Background

The County Employees Retirement Law of 1937 (CERL) authorizes boards to make regulations and requires that certain provision be included in the regulations. Although VCERA has recently adopted additional regulations as part of its IRS Tax Compliance process, the VCERA Board of Retirement Bylaws and Regulations document address other administrative and operational matters and has been essentially unchanged since 1999.

Recent Recommended Changes and County Feedback

On October 22, 2018, in an effort to streamline the Bylaws and Regulations document, and to better align with our CERL peers, staff recommended simplifying the language to eliminate unnecessary provision language by which VCERA is already bound, by either CERL or separate policy. The proposed changes fell under the following category reasons:

- Streamlining with eliminations of unnecessary provision language;
- Updating of terminology, references, etc. to better reflect current usage;
- Reflect changes of policy, practice and/or legislation since last bylaw review;
- Remove disability procedures addendum.

The Board instructed staff to share the proposed changes with the County for feedback, and the following has taken place since the Board issued that instruction. (Corresponding materials are provided.)

- November 1, 2018: Staff sent letter and redline to County with request for feedback.
- February 19, 2019: Assistance County Executive Officer Mike Pettit sent written response with questions about proposed changes.
- February 27, 2019: Staff sent written response to Mike Pettit to answer questions.
- April 8, 2019: Mike Pettit sends written response with County's input on and requested changes for the proposed bylaws changes.

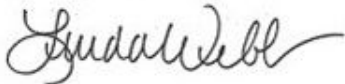
April 15, 2019

Page 2 of 2

Staff considers the recently-received input from the County to be substantive, and will review and confer with Counsel before bringing a proposed final draft and recommendation to the Board. Then, in accordance with Government Code 31525, a Board-approved final version of the Bylaws and Regulations would then be presented to the County Board of Supervisors for approval.

VCERA staff will be pleased to respond to any questions you may have at the April 15, 2019 business meeting.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda Webb".

Linda Webb

Retirement Administrator



October 22, 2018

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

SUBJECT: DRAFT AMENDMENTS TO BYLAWS & REGULATIONS FOR REVIEW AND DISCUSSION

Dear Board Members:

Background

The County Employees Retirement Law of 1937 (CERL) authorizes boards to make regulations and requires that certain provision be included in the regulations. Although VCERA has recently adopted additional regulations as part of its IRS Tax Compliance process, the VCERA Board of Retirement Bylaws and Regulations document has been essentially unchanged since 1999.

The CERL provisions that govern adoption of regulations are contained in Government Code sections 31525 through 31527. Section 31525 provides the general authority for adoption of regulations not inconsistent with the CERL and provides:

§31525. Regulations; approval

The board may make regulations not inconsistent with this chapter. The regulations become effective when approved by the board of supervisors.

Section 31526 sets forth the provisions that must be included in the board's regulations:

§31526. Requisites of regulations

The regulations shall include provisions:

(a) For the election of officers, their terms, meetings, and all other matters relating to the administrative procedure of the board.

(b) For one of the following:

(1) The filing of a sworn statement by every person who is or becomes a member, showing date of birth, nature and duration of employment with the county, compensation received, and other information as is required by the board.

(2) In lieu of a sworn statement, the submission by the member's employer to the retirement association of the information otherwise required in paragraph (1), in a form determined by the retirement association.

(c) For forms of annuity certificates and other forms as required.

October 22, 2018

Page 2 of 3

While §31526 lists the **required** provisions, §31527 lists additional provisions that **may** be included, if the system chooses; these are shown on Attachment A. In addition, PEPRA also authorizes retirement board to adopt regulations or resolutions as necessary to comply with PEPRA. (See Govt. Code § 7522.02(j).) VCERA has elected to utilize resolutions for this purpose.

Traditionally, the VCERA bylaws/regulations have contained a good deal of information and language not required by §31526. In an effort to streamline VCERA's document, and to better align with our CERL peers, staff recommends simplifying the language to eliminate unnecessary provision language by which VCERA is already bound, by either CERL or separate policy. Therefore, the proposed amendments reflect limiting the document to the provisions required by §31526 required provisions, with the additional inclusion of two provisions based on what is permissible §31527:

(c) For a period of time longer than one year during which a member brought within the field of membership may pay into the retirement fund the amount equal to the contributions he or she would have made plus interest, if he or she had been a member from the date of its organization, or from the date of his or her entrance into service, whichever is later.

(h) The day upon which each person becomes a member of the association if it is to be other than the first day of the calendar month after his or her entrance into service. However, that day shall be no later than 12 weeks after his or her entrance into service, or the day upon which the member terminates service credited by the association, and that the day shall be no earlier than 12 weeks prior to the member's termination from employment.

(i) Notwithstanding any other law, for the use and acceptance of a document requiring a signature that is submitted by a member using an electronic signature, if the document and electronic signature are submitted using technology the board deems sufficient to ensure its integrity, security, and authenticity. A document submitted pursuant to the regulation shall be given the same force as a signed, valid original document.

These three additional provisions are included to 1) specify the current practice of a one-year repayment period for service purchases or repayments; 2) to allow VCERA to delay a member's entry into membership where necessary to avoid "overlapping service" with another system to enable a member to establish reciprocity, and; 3) to allow for VCERA to develop a policy for accepting electronic signatures on certain transactions in the future.

Further, while CERL requires all systems to administer disability retirement benefits, it does not require that disability retirement procedures be included in the body of the regulations or as an attachment or addendum thereto – and most CERL systems do not incorporate those procedures into their by-laws. Staff recommends this change as well, both to simply the document, and so that as the procedures are updated and improved in the coming months, each iteration will not need to go through the Board of Supervisors approval process multiple times.

October 22, 2018

Page 3 of 3

Summary

The provided redline document shows the proposed amendments, which fall under the following category reasons:

- Streamlining as described with eliminations of unnecessary provision language;
- Updating of terminology, references, etc. to better reflect current usage;
- Reflect changes of policy, practice and/or legislation since last bylaw review.
- Remove disability procedures addendum.

Staff requests Board feedback on the draft by-law amendments, and authorization to transmit the approved draft to the County CEO's office for further discussion. A proposed final draft would be brought back to the Board for approval. Then, in accordance with Government Code 31525, the by-laws would then be presented to the County Board of Supervisors for approval.

VCERA staff will be pleased to respond to any questions you may have at the October 22, 2018 business meeting.

Sincerely,

A handwritten signature in cursive script that reads "Linda Webb".

Linda Webb
Retirement Administrator

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT
BYLAWS AND REGULATIONS

APPROVED BY THE BOARD OF RETIREMENT
~~APRIL 5, 1999~~

APPROVED BY THE BOARD OF SUPERVISORS
~~APRIL 27, 1999~~

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BYLAWS AND REGULATIONS

ARTICLE I. ADMINISTRATION

1. NAME: The name of this Association is ~~"Ventura County Employees' Retirement Association" (hereinafter "VCERA Association").~~ "Ventura County Employees' Retirement Association" (hereinafter "VCERA Association")."
2. AUTHORITY: ~~VCERA The Association~~ is governed by the provisions of the County Employees Retirement Law of 1937 ("CERL") (California Government Code Section 31450 et. seq.).
3. MANAGEMENT: The management and administration of the ~~VCERA Association~~ is vested with the Board of Retirement (Board) as provided for by Government Code Section 31520 and Section 17A of Article XVI of the California Constitution.
4. BYLAWS: ~~VCERA The Association~~ Bylaws, as adopted by the Board pursuant to Government Code Sections 31525, 31526 and 31527, are intended to be the rules and regulations governing the operation of the Retirement Board and the administration of ~~VCERA, the Association.~~
5. ELECTION OF OFFICERS: At ~~its~~ the first regular meeting in December, the Board shall elect from its members a Chair and Vice Chair to hold office for a period of one year commencing on January 1 of the following year. No member shall be elected to the position of Chair or Vice Chair until he/she has served on the Board for a minimum of one year.

The Chair shall preside at all meetings of the Board, shall appoint all committees and perform any other duties incidental to that office. The Vice Chair shall take the place of, and perform the duties of, the Chair in his/her absence. ~~The Chair The County Treasurer, ex officio member of the Board,~~ shall attest to Resolutions, Contracts and other such documents on behalf of the Board. In the absence of the Chair and Vice Chair, the ~~Retirement Administrator County Treasurer~~ shall ~~preside for~~ take the sole purpose ~~place of facilitating and perform the election duties of a presiding officer from among those members present, who shall preside only until~~ the Chair or Vice Chair becomes available to do so.

6. EXECUTIVE STAFF: ~~Notwithstanding RETIREMENT ADMINISTRATOR: A Retirement Administrator shall be appointed by the board in accordance with~~ Government Code Sections 31522.1 and 31522.2, Executive Staff identified in Government Code Section 31522.10 shall be appointed by the Board. The Retirement Administrator shall

serve as the chief executive officer to the Board and, under the general direction of the Board, shall plan, organize, direct and supervise the activities, budget and operations of the VCERA Retirement Association office and its personnel, unless otherwise designated by the Board. The Administrator shall be directed by, serve at the pleasure of, and may be dismissed at the will of the Board.

7. COMMITTEES: The Chair of the Board shall appoint committees as necessary to carry out the business of the Board. Each committee shall consist of no fewer than three Board members and shall include at least one elected and one appointed Board member, unless the Board approves an alternative composition by majority vote~~Member~~. Committee meetings may be called by the committee Chair or Board Chair.
8. BOARD MEMBER CONFLICT OF INTEREST: The Board shall establish and maintain a Conflict of Interest Code, applicable to its Board members and designated employees. Statements of Economic Interests shall be filed with and maintained by the Retirement Administrator.

~~BOARD MEMBER CONFLICT OF INTEREST:—No member of the Board shall engage in any employment, activity or enterprise for compensation which is inconsistent, incompatible or in conflict with his/her duties as a member of the Board. Such member shall not perform any work, service or counsel for compensation outside of his/her Board responsibilities where any part of his/her efforts will be subject to approval by the Board of Retirement. Board members shall timely file such Statements of Financial Interest as required by the Board's Conflict of Interest Code, as amended from time to time.~~COUNSEL:
~~The Ventura County Counsel shall advise the Board pursuant to Government Code section 31529, except the Board may contract with an attorney in private practice pursuant to Government Code section 31529.5.~~

ARTICLE II. MEETINGS

1. REGULAR: ~~The Board shall adopt an annual calendar of meetings; regular~~Regular meetings of the Board shall be held on the first and third Monday of each month, though generally avoiding legal holidays and consecutive Mondays. Meetings will be held at 9:00 a.m. at the offices of the Ventura County Employees' Association. A Government Center, Administration Building, Third Floor Multipurpose Room, 800 South Victoria Avenue, Ventura. ~~The~~ regular meeting may be rescheduled for an earlier or later time, or day, or held at a different location if ordered by a majority vote of members of the Board.

~~Disability hearings and business~~Meetings held on the first Monday of the month will be scheduled for the first meeting of the month; investment and administrative businessfor the purpose of the Board may be considered as well. The second meeting will generally be devoted to conducting the investment and administrative business of the Board, though ~~Meetings held on the third Monday will be devoted to~~ disability hearings. ~~The Board may~~

~~consider disability related matters may be scheduled at the direction of the Chair. No meetings shall be held on first meeting of the month and administrative business at the third meeting of the month. If a legal holiday, recognized by the County of Ventura, falls on the first or third Monday of the month, the meeting shall be scheduled for the Monday following the holiday~~

2. SPECIAL: Special meetings of the Board of Retirement may be called at any time by the Chair, Vice Chair, or by vote of any five members of the Board.
3. NOTICE: Notice of all regular, special and committee meetings of the Board shall be provided as required by the Ralph M. Brown Act (Brown Act), Government Code Section 54950 et. seq.
4. CLOSED MEETINGS: The Board may meet in closed session to consider and vote on litigation, personnel and disability related matters so long as such issues are conducted in accordance with the provisions of the Brown Act.
5. ORDER OF BUSINESS: The Chair shall require approval of the agenda at the beginning of each meeting. In the absence of instructions from the Board, the order of business set forth on the agenda shall be at the discretion of the Retirement Administrator. The Chair shall have the discretion to call for discussion and/or action on any agenda item in the order deemed by the Chair to be most efficient.
6. RULES OF ORDER: The Board shall conduct its business in accordance with the provisions of the Government Code and these regulations. The Chair shall be entitled to vote on all issues to the extent permitted by law and shall not be required to relinquish the chair in order to participate in matters before the Board.
7. QUORUM: Five members of the Board who are eligible to vote at the same time shall constitute a quorum.
- ~~8. AGENDA ITEMS: Members of the Board, administrative staff and others who wish to place items on the Board agenda may do so by notifying the Retirement Administrator, in writing, no later than seven (7) business days prior to any regularly scheduled or special meeting of the Board. The request should specify the nature of the item to be placed on the agenda and include any documentation which is to be included with the packet to be distributed to the members of the Board. The Retirement Administrator may accept items for the agenda submitted after the deadline if it can reasonably be done without violating the notice requirements of the Brown Act.~~
- 9.8. MINUTES: The Retirement Administrator shall record in the minutes the time and place of each meeting of the Board, the names of the members present, all official acts of the Board, the votes given by the members of the Board ~~except where the action is unanimous,~~ and when requested, a member's dissent or approval with the stated his/her reasons. The minutes shall be presented to the Board for approval at the next regular meeting. The

minutes shall be signed by the chair of that meeting~~Chair~~, and shall become a permanent record of the Board.

~~10.9.~~ PUBLIC COMMENT: The Board shall permit public comment on any item on the agenda and shall include a public comment section on the agenda in order to allow comment on items relating to the retirement system that are not listed on the agenda. The Chair may limit public comment to no more than five minutes.

~~11.10.~~ COMPENSATION: ~~Appointed and elected retired~~The fourth, fifth, sixth, eighth and ninth members of the Board (~~Board of Supervisor appointees and elected retiree member~~) shall be compensated in accordance with Government Code section 31521. The Treasurer and elected general and safety members of the Board shall not receive such compensation, but shall receive regular County/District compensation while attending official~~for their attendance at each Board meeting at the rate of \$100.00 per meeting for not more than five meetings and functions per month, including, but not limited to, other lawfully called special meetings, conferences, due diligence visits and training sessions authorized by of the Board of Retirement during regular working hours. and meetings of Board committees when such meetings are held on a day that the full Board does not meet.~~

ARTICLE III. MEMBERSHIP

1. EMPLOYEES INCLUDED: All ~~non-safety nonsafety~~ regular employees of the County of Ventura, and other employer members of the Ventura County Employees' Retirement Association, who are scheduled to work 64 hours or more biweekly, and shall become members of the Association on the first day of the fourth pay period following appointment. The three pay period delay in membership shall terminate for all nonsafety regular employees, who would otherwise be included in membership, on July 11, 1999. Effective on such date, all nonsafety regular employees shall become members upon appointment to an eligible position. All safety employees of the County of Ventura and the Ventura County Fire Protection District shall become members of VCERA on appointment. Members may delay the effective start date of their membership up to twelve weeks after the date of employment for the purpose of establishing reciprocity with another public retirement system as described in CERL. ~~shall become members upon appointment.~~
2. EXCLUDED POSITIONS: Employees who are filling positions that meet any of the following descriptions shall be excluded from membership in VCERA~~the Association~~:
 - (A) Extra Help Employee: A person employed for temporary work on a day to day basis who is compensated on an hourly basis.
 - (B) Intermittent Employee: A person employed for intermittent or temporary work on a day to day basis who is compensated on an hourly basis.
 - (C) Part-Time Employee: A regular employee scheduled to work less than 64 hours biweekly.

Regular employee members who reduce their scheduled work hours to below 64 biweekly shall be required to retain membership in ~~VCERA, the Association~~. Those employees will contribute to, and accrue retirement service credit on a pro rata basis.

3. EXCLUSION FROM MEMBERSHIP: Exclusions from membership for a regular employee member shall not be granted by the Board under any circumstances.
4. ELECTED OFFICIALS: Membership in the ~~VCERA Association~~ is optional for elected officials, in accordance with Government Code 31533.
5. DETERMINATION OF ELIGIBILITY: In all cases, the Board shall determine eligibility for membership in ~~VCERA the Association~~.

ARTICLE IV. COMPENSATION EARNABLE

1. ~~COMPENSATION EARNABLE~~ (DEFINITION): For purposes of calculating retirement benefits, “compensation earnable” means the average “compensation” (see Gov. Code, section 31460) as determined by the Board of Retirement, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The compensation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence. Compensation earnable will not include true overtime pay or expense reimbursements.
2. ~~BASIS OF CONTRIBUTIONS/BENEFITS~~: The amount upon which appropriate member contribution rates are applied or upon which retirement benefits are calculated shall be based upon the forms of cash paid remuneration included in the definition of compensation earnable as determined, from time to time, by the Board of Retirement in a manner consistent with applicable law.

ARTICLE IV. CONTRIBUTIONS

1. ~~NORMAL CONTRIBUTIONS~~: Normal contributions shall be based upon the employee’s compensation earnable, as defined in Article IV, and actuarially determined contribution rates adopted by the Ventura County Board of Supervisors. Normal contributions shall be deducted from the member’s biweekly pay only for the pay period during which service for compensation is rendered.
2. ~~WITHDRAWAL OF CONTRIBUTIONS~~: Any member of the Retirement Association upon termination of his employment with the County of Ventura, or employer member of the Ventura County Employees’ Retirement Association, may withdraw all of his/her accumulated contributions, except the Retirement Association shall withhold for federal tax purposes 20% of the taxable contributions, or such other amount as dictated by applicable federal and state

~~law, unless the member elects to rollover the taxable contributions to a qualified plan or Individual Retirement Account (IRA).~~

~~In no event shall any member be refunded any portion of his/her accumulated contributions until such time as that member, their legal guardian or conservator or other person(s) responsible for the members affairs, executes a "Disposition of Separated Employees Retirement Contributions" form with the Retirement Department.~~

REDEPOSIT OF CONTRIBUTIONS WITHDRAWN & DEDUCTION OF PAST DUE CONTRIBUTIONS

~~3.1. REDEPOSIT OF CONTRIBUTIONS WITHDRAWN: An active or deferred member of VCERA the Retirement Association may, prior to filing an application for retirement, redeposit in lump sum, or, in the case of an active member, by payroll deductions not to exceed one year unless otherwise approved by the Board a cumulative total of five years, an amount equal to all of the accumulated normal contributions he/she has withdrawn, plus regular interest thereon from the date of separation from the retirement system as provided by Government Code section 31652.~~

~~Retirement service credit for the redeposit of contributions for previous membership shall be considered credited to the member upon completion of the redeposit of all funds, and shall be granted at the retirement tier in which the service was earned. If the redeposit of contributions for previous membership is for service accrued under retirement tier 1, and the member's current service is being accrued under tier 2, the member shall have all his/her current service converted to retirement tier 1. Such conversion will be considered complete when the member has paid in full to the Retirement Association all prior tier 1 contributions previously withdrawn, plus regular interest and further, deposits with the Association the contribution deficiency, in any, between the member's current and former tiers.~~

~~Notwithstanding the above, under no circumstances will the redeposit of contributions for previous safety membership entitle a current nonsafety member to have his/her current service converted to safety member service.~~

~~4.2. DEDUCTION OF PAST DUE CONTRIBUTIONS: If, as a result of a clerical or other type of error, retirement contributions are not deducted at the time and manner required by law, or by the regulations of the Board, the member will be permitted to make past due contributions through payroll deductions over a period of time not to exceed one year.~~

ARTICLE VI. SWORN STATEMENT

Every employee who is to become a member of VCERA the Retirement Association shall complete ~~and execute~~ a sworn statement, with written or electronic signature, as provided in Government Code Sections 31526(b)(1) and 31527(i). Such statement shall show the

member's date of birth, date of hire by the County or other participating employer ~~member~~ of the Ventura County Employees' Retirement Association, compensation and the name, relationship, date of birth and address of the member's designated~~member's~~ beneficiary.

ARTICLE VII. USE OF ELECTRONIC SIGNATURES & RECORDED TELEPHONE COMMUNICATIONS FOR TRANSACTIONS

The Board of Retirement may adopt procedures to allow for use and acceptance of member electronic signatures and/or use of recorded telephone communications for processing authorized transactions affecting a member's account, as provided in Government Code Section 31527 (i) and (j).

ARTICLE VIII. DISABILITY RETIREMENT HEARING PROCEDURES

1. DISABILITY HEARING PROCEDURES: The Board of Retirement shall promulgate disability hearing procedures to ensure maintain Disability Hearing Procedures for the purpose of providing an equitable, fair and efficient proceedings regarding impartial method for acting upon applications for rights, benefits and privileges under the County Employees' Retirement Law of 1937, as amended, to the end that applications for disability retirement, may be expeditiously processed with a minimum lapse of time, and that, when a hearing is required by law, all parties will have notice of the hearing and an opportunity to appear before the board or duly appointed hearing officer and present their case. The Board of Retirement Disability Hearing Procedures are appended to these bylaws as Attachment A.

ARTICLE IXIII.

ARTICLE VIII. AMENDMENTS

These regulations may be amended by a quorum majority vote of the ~~entire~~ Board of Retirement ~~(5)~~ and shall become effective on the first day of the month following approval by the Ventura County Board of Supervisors.

ARTICLE IX. ARTICLE IX. REPEALS

All former Bylaws, regulations, and resolutions of policy inconsistent with these regulations are hereby repealed.

Bylaws Adopted ~~by~~By the Board of Retirement _____ ~~April 5, 1999.~~

William

WILLIAM W. ~~Wilson~~WILSON, Vice-Chair

Upon the motion of Supervisor _____, seconded by Supervisor _____, the Board of Retirement Bylaws are hereby APPROVED this _____~~_____~~^{27th} day of _____, _____.

BOARD OF SUPERVISORS ~~April~~
~~1999.~~
COUNTY OF VENTURA



COUNTY EXECUTIVE OFFICE
MICHAEL POWERS
County Executive Officer

Mike Pettit
Assistant County Executive Officer

Kaye Mand
County Chief Financial Officer

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

February 19, 2019

Linda Webb, Retirement Administrator
Ventura County Employees Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, California 93003

RE: Proposed Bylaw Changes

Dear Ms. Webb:

Thank you for the opportunity to review the Ventura County Employees' Retirement Association (VCERA) proposed changes to the bylaws and regulations. It has been about 20 years since this document was reviewed by the Board of Supervisors. Thus, this would seem an appropriate time to ensure the bylaws and regulations have kept current with the VCERA and County practices. I hope you will understand the delay in getting back to you given the unprecedented local emergencies the County has faced these past several months. In reviewing the document, it would be helpful to understand the rationale for the changes that would result in material alterations.

Below please find reference to the sections and my thoughts, reviewing the proposed changes. Reference to Article and Section numbers refer to the original numbers in the 1999 Bylaws, as opposed to the revised Article and Section numbers.

Article I – Administration

Section 5 – Election of Officers:

5. **ELECTION OF OFFICERS:** At ~~its~~^{the} first regular meeting in December, the Board shall elect from its members a Chair and Vice Chair to hold office for a period of one year commencing on January 1 of the following year. No member shall be elected to the position of Chair or Vice Chair until he/she has served on the Board for a minimum of one year.

Linda Webb
February 19, 2019
Page 2

The Chair shall preside at all meetings of the Board, shall appoint all committees and perform any other duties incidental to that office. The Vice Chair shall take the place of, and perform the duties of, the Chair in his/her absence. ~~The Chair~~~~The County Treasurer,~~~~ex-officio member of the Board,~~ shall attest to Resolutions, Contracts and other such documents on behalf of the Board. In the absence of the Chair and Vice Chair, the ~~Retirement Administrator~~~~County Treasurer~~ shall ~~preside for~~~~take~~ the ~~sole purpose~~~~place~~ of ~~facilitating and perform~~ the ~~election~~~~duties~~ of a ~~presiding officer from among those members present, who shall preside only until the Chair or Vice Chair becomes available to do so.~~

Please provide an explanation for the rationale for the substitution of The Chair for the County Treasurer, ex officio member of the Board in the roles of attesting to Resolutions, Contracts and other documents, and presiding over the Board in the absence of the Chair and Vice Chair.

Section 8 – Board Member Conflict of Interest:

8. BOARD MEMBER CONFLICT OF INTEREST: The Board shall establish and maintain a Conflict of Interest Code, applicable to its Board members and designated employees. Statements of Economic Interests shall be filed with and maintained by the Retirement Administrator.

~~BOARD MEMBER CONFLICT OF INTEREST:—No member of the Board shall engage in any employment, activity or enterprise for compensation which is inconsistent, incompatible or in conflict with his/her duties as a member of the Board. Such member shall not perform any work, service or counsel for compensation outside of his/her Board responsibilities where any part of his/her efforts will be subject to approval by the Board of Retirement. Board members shall timely file such Statements of Financial Interest as required by the Board's Conflict of Interest Code, as amended from time to time. COUNSEL:—The Ventura County Counsel shall advise the Board pursuant to Government Code section 31529, except the Board may contract with an attorney in private practice pursuant to Government Code section 31529.5.~~

Please provide an explanation for the rationale for the elimination of statement of the policy in the Bylaws, retaining with the Board to establish and maintain a Conflict of Interest Code. Would this change result in eliminating any oversight responsibility by the Board of Supervisors?

Linda Webb
February 19, 2019
Page 3

Article II - Meetings

Section 8 – Agenda Items:

~~8. **AGENDA ITEMS:** Members of the Board, administrative staff and others who wish to place items on the Board agenda may do so by notifying the Retirement Administrator, in writing, no later than seven (7) business days prior to any regularly scheduled or special meeting of the Board. The request should specify the nature of the item to be placed on the agenda and include any documentation which is to be included with the packet to be distributed to the members of the Board. The Retirement Administrator may accept items for the agenda submitted after the deadline if it can reasonably be done without violating the notice requirements of the Brown Act.~~

Please provide an explanation for the rationale for elimination of this section. If the County, a retiree or a member of the public would like an item on the agenda, how would this be accomplished if this revision is accepted?

Article III - Membership

Section 1 – Employees Included:

1. ~~**EMPLOYEES INCLUDED:** All ~~non-safety-nonsafety~~ regular employees of the County of Ventura, and other employer members of the Ventura County Employees' Retirement Association, who are scheduled to work 64 hours or more biweekly, and shall become members of the Association on the first day of the fourth pay period following appointment. ~~The three pay period delay in membership shall terminate for all nonsafety regular employees, who would otherwise be included in membership, on July 11, 1999. Effective on such date, all nonsafety regular employees shall become members upon appointment to an eligible position. All safety employees of the County of Ventura and the Ventura County Fire Protection District shall become members of VCERA on appointment. Members may delay the effective start date of their membership up to twelve weeks after the date of employment for the purpose of establishing reciprocity with another public retirement system as described in CERL.~~ shall become members upon appointment.~~

Please provide the rationale for the revisions and how the delay in effective start date applies in establishing reciprocity with other public retirement systems.

Linda Webb
February 19, 2019
Page 4

Section 4 – Elected Officials:

4. ELECTED OFFICIALS: Membership in the VCERA Association is optional for elected officials, in accordance with Government Code 31533.

Reference to Government Codes §31533 appears to be misplaced. This section concerns appointment of a referee. It appears this should be Government Code §31553.

Article IV – Compensation Earnable

ARTICLE IV. COMPENSATION EARNABLE

~~1. COMPENSATION EARNABLE (DEFINITION): For purposes of calculating retirement benefits, "compensation earnable" means the average "compensation" (see Gov. Code, section 21460) as determined by the Board of Retirement, for the period under consideration upon the basis of the average number of days ordinarily worked by persons in the same grade or class of positions during the period, and at the same rate of pay. The compensation for any absence shall be based on the compensation of the position held by the member at the beginning of the absence. Compensation earnable will not include true overtime pay or expense reimbursements.~~

~~2. BASIS OF CONTRIBUTIONS/BENEFITS: The amount upon which appropriate member contribution rates are applied or upon which retirement benefits are calculated shall be based upon the forms of cash paid remuneration included in the definition of compensation earnable as determined, from time to time, by the Board of Retirement in a manner consistent with applicable law.~~

Please provide an explanation for the rationale for removal of this Article.

Article V - Contributions

Sections 1 and 2 –

ARTICLE IV. CONTRIBUTIONS

~~1. NORMAL CONTRIBUTIONS: Normal contributions shall be based upon the employee's compensation earnable, as defined in Article IV, and actuarially determined contribution rates adopted by the Ventura County Board of Supervisors. Normal contributions shall be deducted from the member's biweekly pay only for the pay period during which service for compensation is rendered.~~

Linda Webb
February 19, 2019
Page 5

~~2. WITHDRAWAL OF CONTRIBUTIONS: Any member of the Retirement Association upon termination of his employment with the County of Ventura, or employer member of the Ventura County Employees' Retirement Association, may withdraw all of his/her accumulated contributions, except the Retirement Association shall withhold for federal tax purposes 20% of the taxable contributions, or such other amount as dictated by applicable federal and state~~

~~law, unless the member elects to rollover the taxable contributions to a qualified plan or Individual Retirement Account (IRA).~~

~~In no event shall any member be refunded any portion of his/her accumulated contributions until such time as that member, their legal guardian or conservator or other person(s) responsible for the members affairs, executes a "Disposition of Separated Employees Retirement Contributions" form with the Retirement Department.~~

Normal Contributions and Withdrawal of Contributions: Please provide an explanation for the rationale for removing these two sections.

Section 3 – Redeposit of Contributions Withdrawn:

REDEPOSIT OF CONTRIBUTIONS WITHDRAWN
& DEDUCTION OF PAST DUE CONTRIBUTIONS

~~3.1. REDEPOSIT OF CONTRIBUTIONS WITHDRAWN: An active or deferred member of VCERA the Retirement Association may, prior to filing an application for retirement, redeposit in lump sum, or, in the case of an active member, by payroll deductions not to exceed one year unless otherwise approved by the Board a cumulative total of five years, an amount equal to all of the accumulated normal contributions he/she has withdrawn, plus regular interest thereon from the date of separation from the retirement system as provided by Government Code section 31652.~~

~~Retirement service credit for the redeposit of contributions for previous membership shall be considered credited to the member upon completion of the redeposit of all funds, and shall be granted at the retirement tier in which the service was earned. If the redeposit of contributions for previous membership is for service accrued under retirement tier 1, and the member's current service is being accrued under tier 2, the member shall have all his/her current service converted to retirement tier 1. Such conversion will be considered complete when the member has paid in full to the Retirement Association all prior tier 1 contributions previously withdrawn, plus regular interest and further, deposits with the Association the contribution deficiency, in any, between the member's current and former tiers.~~

~~Notwithstanding the above, under no circumstances will the redeposit of contributions for previous safety membership entitle a current nonsafety member to have his/her current service converted to safety member service.~~

Linda Webb
February 19, 2019
Page 6

Please explain the rationale for shortening the time permitted to redeposit withdrawn contributions from five years to one year, unless otherwise approved by the Board. Also, by deleting the third paragraph, should there be concern that someone may be able to effectively reinstate a safety membership?

Article VIII – Disability Hearing Procedures

Section 1 – Disability Hearing Procedures:

ARTICLE VIII. DISABILITY RETIREMENT HEARING PROCEDURES

1. DISABILITY HEARING PROCEDURES: The Board of Retirement shall promulgate disability hearing procedures to ensure maintain Disability Hearing Procedures for the purpose of providing an equitable, fair and efficient proceedings regarding impartial method for acting upon applications for rights, benefits and privileges under the County Employees' Retirement Law of 1937, as amended, to the end that applications for disability retirement may be expeditiously processed with a minimum lapse of time, and that, when a hearing is required by law, all parties will have notice of the hearing and an opportunity to appear before the board or duly appointed hearing officer and present their case. The Board of Retirement Disability Hearing Procedures are appended to these bylaws as Attachment A.

Please provide the rationale for the revisions to this section. In the proposed letter to the Board of Retirement it states that the disability section is removed to simplify the document and to permit future procedural changes without the need to go through the Board of Supervisors. How do you propose the County maintains its interest in developing procedures which impact County employees?

We look forward to learning more about VCERA's proposed revisions. Then we would be happy to collaborate to achieve your goals and objectives.

Sincerely,



Mike Pettit
Assistant County Executive Officer

cc. Mike Powers, Chief Financial Officer
Shawn Atin, Assistant County Executive Officer/Director of Human Resources
Chuck Pode, Risk Manager



February 27, 2019

Mike Pettit, Assistant County Executive Officer
Hall of Administration L#1940
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: COUNTY FEEDBACK ON VCERA PROPOSED BYLAW CHANGES

Dear Mr. Pettit:

Thank you for the feedback on VCERA's proposed bylaw changes. We are happy to explain our rationale for the proposed changes in response to your questions.

Article I – Administration

Section 5 – Election of Officers

<p><u>County Feedback:</u> Please provide an explanation for the rationale for the substitution of The Chair for the County Treasurer, ex officio member of the Board in the roles of attesting to Resolutions, Contracts and other documents, and presiding over the Board in the absence of the Chair and Vice Chair.</p>
<p><u>VCERA Response:</u> The previous language is decades old, and is a remnant from a time when the retirement system was an office/department within the Treasurer/Tax Collector's Office. While the Treasurer continues to be an ex officio member of the Board, the statute does not require that the Treasurer hold an office on the Board, nor does it give additional power or authority to that Board position than to any other. Within the other CERL system bylaws we reviewed, none designate the Treasurer the ability to serve in absence of the Chair and Vice Chair, and none designate the Treasurer with signatory or attestation authority.</p>

Section 8 – Board Member Conflict of Interest

<p><u>County Feedback:</u> Please provide an explanation for the rationale for the elimination of statement of the policy in the Bylaws, retaining with the Board to establish and maintain a Conflict of Interest Code. Would this change result in eliminating any oversight responsibility by the Board of Supervisors?</p>
<p><u>VCERA Response:</u> The Conflict of Interest Code requirements for VCERA are covered by statute and regulation; no existing oversight responsibility would change. VCERA is otherwise bound by statute to adopt a COI Code and to submit the COI code to the county Board of Supervisors as the code-reviewing body, making the bylaws language redundant.</p>

Article II – Meetings

Section 8 – Agenda Items

County Feedback:

Please provide an explanation for the rationale for the elimination of this section. If the County, a retiree or a member of the public would like an item on the agenda, how would this be accomplished if this revision is accepted?

VCERA Response:

The current language is outdated and does not align with VCERA’s practices concerning agenda management. In practice, all requests for items to be placed on the agenda are made by various parties to the Chair or the Retirement Administrator; with the elimination of this section, the County, a retiree, or member of the public may continue to request items be on the agenda in the same way as they currently do. Placement of items on the agenda will continue to be subject to the discretion of the Chair or Retirement Administrator. This policy is also more consistent with the practice of the Board of Supervisors. Exceptions to the 7-day requirement are frequently required, and subject to discretion of the Chair and Retirement Administrator. Elimination of this section will allow VCERA to more appropriately govern agenda management through policy.

Article III – Membership

Section 1 – Employees Included:

County Feedback:

Please provide the rationale for the revisions and how the delay in effective start date applies in establishing reciprocity with other public retirement systems.

VCERA Response:

Delaying membership date is specifically allowed by §31527, and enables members to establish reciprocity where there would otherwise be prohibited overlapping service. Delaying the membership date allows incoming employees to delay their VCERA membership date for up to 12 weeks after beginning County or district employment during the time that they are still on active payroll from their previous employer, i.e. “running out” vacation time. As a relevant example, the County hired Matthew Sandoval approximately one year ago as the Chief Deputy Director to oversee several agencies within HCA. At time of hire, he was running out his vacation time with San Bernardino County. This member would like to establish reciprocity but under the current bylaws, VCERA is unable to allow him to do so. The proposed change in the bylaws would allow VCERA to delay his membership date so as to avoid overlapping service, thereby allowing him to establish reciprocity. Such a provision is common among CERL systems.

Section 4 – Elected Officials

County Feedback:

Reference to Government Codes §31533 appears to be misplaced. This section concerns appointment of a referee. It appears this should be Government Code §31553.

VCERA Response:

Yes, that is an error; indeed, it should be §31553; we will make the appropriate correction.

Article IV – Compensation Earnable

<p><u>County Feedback:</u> Please provide an explanation for the rationale for removal of this article.</p>
<p><u>VCERA Response:</u> Compensation Earnable is governed by statute and case law and has changed over time, making the existing language outdated. VCERA has, over time, adopted various resolutions to specify what is included in compensation earnable. Other CERL systems have removed such a definition from their bylaws, and instead define compensation earnable by resolution.</p>

Article V – Contributions

Sections 1 and 2

<p><u>County Feedback:</u> Normal Contributions and Withdrawal of Contributions: Please provide an explanation for the rationale for removing these two sections.</p>
<p><u>VCERA Response:</u> The rules for contributions and withdrawals are otherwise governed by statute, to which VCERA is bound. Therefore, the detailed language in the bylaws is redundant. Further, the language provides references to the form name (which may change), and referred to VCERA as the “Retirement Department” – again, a remnant of when VCERA was an office/department in the Treasurer’s office.</p>

Section 3 – Redeposit of Contributions Withdrawn

<p><u>County Feedback:</u> Please provide the rationale for shortening the time permitted to redeposit withdrawn contributions from five years to one year, unless otherwise approved by the Board. Also, by deleting the third paragraph, should there be concern that someone may be able to effectively reinstate a safety membership?</p>
<p><u>VCERA Response:</u> The default period in §31527 is one year to complete a redeposit, and the proposed language would still allow the Board of Retirement the discretion to allow for up to a five-year repayment period when circumstances warrant. Regarding safety membership: redeposit of withdrawn contributions would reinstate Safety membership only for the prior Safety service and would not make the member eligible to convert current General service to Safety Service. Membership category (General or Safety) is dictated by the duties and responsibilities of the position held when service is performed and contributions are made; therefore, classifications that fall under General membership are not eligible for Safety membership, regardless of the repayment of withdrawn contributions. Eligibility to convert membership would be covered elsewhere by statute or, when applicable, bargaining or settlement agreements.</p>

VCERA Response
Page 4

Article VIII – Disability Hearing Procedures

Sections 1 – Disability Hearing Procedures

County Feedback:

Please provide the rationale for the revisions to this section. In the proposed letter to the Board of Retirement it states that the disability section is removed to simplify the document and to permit future procedural changes without the need to go through the Board of Supervisors. How do you propose the County maintains its interest in developing procedures which impact County employees?

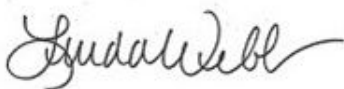
VCERA Response:

By California Constitution, the Board of Retirement has plenary authority over administration of the system, which includes administration of the disability program. It is the Board of Retirement's exclusive responsibility to ensure due process to members in a variety of situations in addition to disability retirement, i.e. felony forfeitures, exclusion of compensation deemed awarded for the sole purpose of enhancing retirement benefits (§31542), and for member appeals of staff determinations regarding benefit issues.

Each employer, including the County, has the opportunity to participate in the disability process as a party. Further, the County appoints four trustee members (and one alternate), ensuring that its interests are considered for all issues brought before the Board of Retirement. Most other CERL systems do not include disability hearing procedures in their by-laws. VCERA seeks to improve the disability process and will continue to collaborate with the County and districts to further the interests of both members and employers.

VCERA staff will be pleased to respond to any questions you may have on this matter at the March 27, 2017 business meeting.

Sincerely,



Linda Webb
Retirement Administrator

CC: Mike Powers, Chief Executive Officer
Shawn Atin, Asst. County Executive Officer/Director of Human Resources
Chuck Pode, Risk Manager



COUNTY EXECUTIVE OFFICE
MICHAEL POWERS
County Executive Officer

Mike Pettit
Assistant County Executive Officer

Kaye Mand
County Chief Financial Officer

Shawn Atin
Assistant County Executive Officer/
Human Resources Director
Labor Relations

April 8, 2019

Dear Ms. Webb,

Thank you for explaining VCERA's rationale for the proposed changes to its bylaws. The explanation significantly narrows the issues about which the County is concerned. Only three areas of concern remain.

Article II, Meetings (Section 8—Agenda Items)

We understand the Retirement Board's desire to streamline its agenda management practices. The County's preference, however, is to allow **any** Retirement Board member to place an item on the agenda, as opposed to just the Chair or the Retirement Administrator. Allowing any Retirement Board member to place an item on the agenda more closely aligns with the practice of the Board of Supervisors and provides a mechanism for the County, a retiree or a member of the public to get an item on the agenda, while still allowing VCERA to manage its agenda.

Article IV—Compensation Earnable

We agree with VCERA that the current language in the bylaws regarding compensation earnable is not necessary and that it is also outdated. The County suggests the following language in its place:

If the definition or scope of what constitutes "compensation earnable" changes, whether by statute or case law or any other way, prior to implementing any changes that result from the change in definition or scope, VCERA will consult and collaborate with County regarding its interpretation of the change and VCERA and County will work in good faith to attempt to reach an agreement regarding the interpretation and implementation of that change.

Article VIII—Disability Hearing Procedures

The County supports VCERA's efforts to update the existing disability hearing procedures. Since your most recent correspondence, we believe that the County and VCERA have made some progress toward a mutually satisfactory resolution regarding disability hearing procedures. It is my understanding that VCERA understands the advantages of having Risk Management participate in processing disability retirement claims. At this time, the County proposes that it and VCERA continue to collaborate on revising the existing disability hearing procedures and that such procedures remain incorporated as part of the bylaws to protect the interests of both the County and VCERA.

We look forward to continued collaboration with VCERA on these issues.

Sincerely,

A handwritten signature in black ink that reads "Mike Pettit".

Mike Pettit
Assistant County Executive Officer

pc: Michael Powers, County Executive Officer
Shawn Atin, Director, Department of Human Resources
Chuck Poda, Senior Deputy Executive Officer/Risk Manager

Hall of Administration L#1940
800 South Victoria Avenue, Ventura, CA 93009 • (805) 654-2681 • FAX (805) 658-4500



April 15, 2019

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

SUBJECT: RECOMMENDATION TO APPROVE UPDATED VSG HOSTING AGREEMENT

Dear Board Members:

VCERA's pension administration system is hosted by VSG Hosting. The previous hosting agreement expired in March 2019; since then, staff and VSG have been working through negotiations for a new hosting agreement. The old terms remain in effect through April 30, 2019 and the new hosting agreement is scheduled to take effect on May 1, 2019.

The new hosting agreement contains minor updates to wording which were made to reflect changes in current technology language. Significant changes to the VSG Hosting Agreement include automatic renewal terms, a percentage ceiling set for hosting fee increases (over the course of the agreement) and notification requirements for annual fee increases.

Specific changes to the agreement include:

- **Section 1.4** – Request for VSG Hosting to provide Disaster Recovery plans.
- **Section 1.5** – Approval for VCERA to perform Penetration and Security Vulnerability testing of the hosted environment.
- **Section 2.2** – Scheduled Down Time – VSG Hosting to provide advanced notice and a summary of work to be completed; as well as a report after work is completed, highlighting any outstanding issues.
- **Section 3** – Terms of Service were updated to reflect that *“hosting services will automatically renew for consecutive 1-year terms, unless and until terminated by either party, by giving notice of non-renewal at least 120 days prior to the end of term.”*
- **Section 7** – Confidentiality wording was updated to identify the requirements of the California Public Records Act and disclosing of information, that has been previously made public pursuant to laws governing VCERA.
- **Section 11.3** – Force Majeure wording was updated to state that neither party shall be responsible for delays or failures resulting in acts beyond the control of such Party.

April 15, 2019

Page 2 of 2

Additionally, the wording was updated to state that VCERA has the right to terminate the Hosting Services if services are not restored after 3 consecutive days (with 10 days' notice).

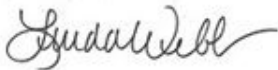
- **Schedule A – Order Form**

- Monthly Hosting Fee – 3% increase for new term starting 5/1/19 through 4/30/20
- Renewal Terms and Monthly Hosting Fee changes include:
 - Initial term and 3 renewal terms shall be increased by no more than 5% annually, provided that the maximum Capacity and Utilization Limits for the Initial Term are the same;
 - VSG Hosting will notify VCERA of increases to the Monthly Hosting Fee no later than 90 days prior to Renewal Term date.
- Removed Additional One-Time Fee

RECOMMENDATION: APPROVE UPDATED VSG HOSTING AGREEMENT

Staff would be more than happy to answer any questions at the April 15, 2019 Disability and Business Meeting.

Sincerely,



Linda Webb
Retirement Administrator



April 15, 2019

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

SUBJECT: REQUEST FOR AUTHORIZATION FOR TRUSTEE, CIO, AND CFO ON-SITE DUE DILIGENCE VISIT TO VCERA CUSTODIAN STATE STREET BANK IN BOSTON

Dear Board Members:

An all-day due diligence visit to VCERA's custodian State Street Bank is targeted for Wednesday, May 29, 2019 in Boston.

The estimated cost per traveler is around \$2200, including airfare, hotel, meals and other related expenses.

Staff requests approval and designation/confirmation of Board members, CIO, and CFO, so travel arrangements may be completed.

Respectfully submitted,

Dan Gallagher
Chief Investment Officer



April 15, 2019

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

Dear Board Members:

On March 18, 2019, VCERA Board Member Robert Bianchi and CIO Dan Gallagher conducted an on-site due diligence visit at the Redwood City offices of NEPC, met briefly with Yuliya Oryol and David Kimport of Nossaman, and concluded with an on-site due diligence visit at the San Francisco office of Pantheon. Following is our report.

NEPC

900 Veteran Blvd, Ste 340
Redwood City, CA 94063

Personnel

Partners Allan Martin, Carolyn Smith, and Kevin Leonard; Sr. Research Consultant Chris Hill; Consultant Tony Ferrara; and, Sr. Client Specialist Michael Malchenko.

We began our meeting at 8:00 am with an introduction to NEPC's VCERA team. Allan and Tony outlined their background, history with the firm, and current roles and responsibilities on VCERA's account, other public fund client accounts, and obligations and linkages within the NEPC organization.

NEPC Firm Overview

Allan described the history and evolution of NEPC, noting that the firm began in 1986, and has grown to 288 employees across 7 practice groups in 8 regional offices. NEPC is employee owned by 41 partners. Ownership is widely-distributed between the partners, with no one partner owning more than 10%. As a result, the risk of disruption is mitigated as legacy partners retire. NEPC has 366 clients with \$1.0 trillion of assets under management.

Next we were joined via teleconference by Kevin Leonard who is the partner in charge of public funds. Kevin noted that there are 69 public funds clients, accounting for more than \$630 billion (57%) of total assets, making NEPC the 11th largest consultant measured by assets, and the largest primary consultant to large public funds, measured by percentage of the top 250 public funds advised in the U.S.

Practice groups are broken up by client type. Client types include Taft-Hartley plans, public funds, defined contribution plans, corporate plans, endowments and foundations, and healthcare funds. Additional functional support groups include research, consulting services, finance, operations, and legal/compliance.

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

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

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

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

The Redwood City Office, which was opened in 2001, supports six consultants and two senior client specialists (one of whom recently relocated to Boston) providing the day to day support for VCERA. This office is supported by performance analytics personnel in Las Vegas, as well as numerous support and research functions in Boston. On a stand-alone basis, the Redwood City office is financially successful, serving 16 public plans, with combined assets in excess of \$150 billion.

NEPC targets a maximum of 5 – 7 clients per consultant. Their ideal client is between \$1 Billion and \$10 Billion where they can concentrate on total plan results. Each consultant is supported by one or more CSAs, and additional support from Boston and other offices as required. Allan Martin is the lead consultant on 6 clients, and Tony Ferrara is currently the secondary consultant on 5 clients.

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

Next we were joined via teleconference by Chris Hill. Chris provided an overview of private credit, reviewing a number of different approaches to the asset class. He described an evolution within clients' private credit portfolio structures starting with broadly diversified, core strategies, and later incorporating a range of niche strategies including aircraft leasing, media, private equity end of life funds and specialty financing; asset-backed, energy and infrastructure, healthcare, pharmaceutical, regulatory capital relief, software, and venture/growth lending, typical fund life, and targeted returns for each.

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

Allan perceived NEPC's biggest risks to be in retaining top quality talent. NEPC addresses this risk through frequent compensation surveys to ensure attractive compensation, a continuing clearly defined career path and opportunities to learn and grow, ensuring meaningful employee benefits, such as permitting employees to work from home, and allowing other concessions for employees to achieve a desirable work-life balance. Also, as public funds face increasing pressures to accomplish more with fewer resources, smaller and mid-sized consulting firms are being pressured to grow or merge to survive.

We ended our visit with NEPC at approximately 10:30 AM.

NOSSAMAN, LLP

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

Personnel

Attorneys Yuliya Oryol, and David Kimport.

We began our meeting with Nossaman at around noon with introductions by Yuliya and David.

Overview

Nossaman represents many of the city, county, and state public employee retirement funds in California in connection with alternative investments (through domestic and off-shore vehicles), including private equity funds, venture funds, hedge funds, infrastructure funds, funds of funds, hybrid funds, timber funds and other investments.

Nossaman also represents public pension plans with respect to investments through commingled funds, investment management agreements and fund of one vehicles. In addition, Nossaman assists clients with secondary sales and other exit strategies.

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

Our meeting ended at approximately 12:30 PM.

PANTHEON

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

Personnel

Partners Susan McAndrews, Matt Garfinkle, Kevin Dunwoodie; Kathryn Leaf Wilmes; Vice President Bing Wong; Relationship Manager Iain Jones; Associate Cassie Lue.

Ownership

We began our meeting with Pantheon at 1:00 pm with an introduction by Susan to Pantheon who provided an overview and update of Pantheon's business over the last two years. Susan began with a description of the firm's ownership structure. She explained that Pantheon is owned by the Pantheon partners and principals in partnership with Affiliated Managers Group Inc. ("AMG"). AMG's capital infusion has helped with Pantheon's succession planning and ownership transition. AMG owns over 30 boutique investment management firms with over \$804 billion in assets under management.

Pantheon retains full operational autonomy, with managerial authority to re-invest in the business. This ownership structure has enabled Pantheon to manage succession, and provides the foundation for the expansion and continued success of its business. Likewise, Pantheon's investment decision-making processes are independent of AMG, enabling Pantheon to maintain control over investment decision making.

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

Susan described the firm's global foot print with offices in London, Dublin, New York, San Francisco, Hong Kong, South Korea, Tokyo, and Columbia. She noted that the firm has \$42.4 billion under management, 81 investment professionals, 550 institutional clients, has 9,500 GPs in its database, and has 35 years of experience in the private markets. In addition, Pantheon holds over 348 advisory board seats.

Of \$42.4 billion under management, \$19.4 billion is invested in primary investments, \$6.2 billion is in secondary investments, \$4.5 billion is in co-investments strategies, and \$10.7 billion is in infrastructure and real assets.

VCERA is a Limited Partner in Pantheon's two most recent global secondary funds; Pantheon Global Secondary Fund IV ("PGSF IV"), and Pantheon Global Secondary Fund V ("PGSF V"). The table below sets out a summary of these investments as of September 30, 2018.

VCERA Investments with Pantheon	PGSF IV	PGSF V
Date of Commitment	June 24, 2010	February 6, 2015
Committed Capital (US\$m)	15.0	50.0
Amount Funded (US\$m)	10.0	42.0
NAV (US\$m)	15.8	36.3
Net IRR	14.2%	23.1%
Net Multiple	1.6x	1.4x

Decision Structure

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

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

Current Investments

Matt and Kevin discussed VCERA's investments in Pantheon's Global Secondaries Funds IV and V. They explained that Pantheon mitigated dilution of secondary opportunities by controlling allocations to clients so as not to exceed pre-established caps. Fund IV had thus far delivered an IRR of 14.2%, and earned a multiple of 1.6x invested capital. Fund V has called approximately 84% of the fund, and had thus far generated a multiple of 1.4x invested capital, and a net IRR of 23.1%.

Strategy

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

diligence. They reviewed their process for gauging value in different markets, their buy / sell decision process, and risk management considerations.

Pantheon derives much of the value of secondary investments from pre-investment identification and post investment monitoring, in Fund V thus far purchasing at an approximate 12% discount to intrinsic value.

Matt is most concerned about valuations (public and private markets) and the impact that elevated valuations (vs. intrinsic value) will have on deal performance. Pantheon's strategy is to acquire concentrated positions managed by high quality GPs at an effective discount and an attractive entry point vs. the intrinsic valuations. Pantheon believes this strategy works across market environments. Given the prevailing valuation environment, Pantheon is very focused on entry multiples, debt levels and capital structures, and the resilience of revenues/margins.

Finally, we had a brief introduction and educational presentation of Pantheon's real assets program. As of June 30, 2018, Pantheon managed \$10.7 billion in its real assets program across primary, secondary and co-investments, broadly diversified by sector and geography. Returns have ranged from -10% to 20%+ gross of fees, depending on the underlying subsector and risk profile.

We concluded our visit at approximately 3:15 PM.

Summary

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

We found no due diligence concerns with either NEPC or Pantheon.

Respectfully submitted,

Robert Bianchi
Dan Gallagher



April 15, 2019

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

SUBJECT: QUARTERLY RETIREMENT ADMINISTRATOR'S REPORT FOR THE PERIOD OF JANUARY - MARCH 2019

Dear Board Members:

In compliance with VCERA's Monitoring & Reporting Policy, this report will include information regarding travel, training, key meetings and media communications, as well as other key issues for January through March of 2019. In some cases, this report contains not only activity of the Retirement Administrator, but of the VCERA staff as a whole.

General

Work related to the office lease process was considerable in the first quarter. Dozens of meetings, conference calls, and related work resulted in demands on not only the Administrator's time, but other senior staff as well. Though a lease is close to being final, the coming months will be challenging for the entire staff as construction and its inconveniences impact day to day business. We are hopeful that engaging a project manager will lessen the demands on staff and help the process to run smoothly and on time.

In January, 1099R forms were mailed to VCERA's retirees. Each year, the process becomes smoother with the V3 pension administration system.

Annual benefit statements were issued, and for the first year VCERA did not incur the cost of an outside vendor to set up and merge the document data – thanks to the hiring of our Communications Officer who took on this work.

The Member Self Service portal was rolled out to more members, and thus far we have seen no major issues. MSS promises to be a great service for the entire VCERA membership.

It is notable that from 10/1/2018 through 3/31/2019 in the Operations Actives Unit, the average turn-around time for benefit estimate requests was 15 days, and the median turn-around time was 12 days.

Q1 2019 Report

Page 2

Travel & Training

In February, I attended the IFEBP Advanced Trustees & Administrators' Institute. While the content was educational, I found it was somewhat lacking in content specific to public pension plans (as opposed to ERISA plans.) In my conference feedback, I raised this issue and have been in contact with IFEBP administration who may be seeking my further input.

Board/Policy/Compliance

During the quarter, staff worked with both General Counsel and tax counsel on compliance work related to both 401(a)9 and 415(b) issues and processing. Staff also conferred with OCERS and SCERS (Sonoma) regarding their 401(a)9 history and processing.

Media

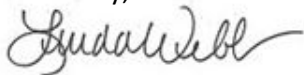
No media interaction this quarter.

Key Meetings

In addition to meetings with CBRE, contractors, architects and the real estate committee (which met twice in February and twice in March) directly related to VCERA's office needs, staff met with SEIU representatives and the A-C's staff to advance discussions of the impact of fire dispatchers' temporary schedule and explored potential paths to a compliant resolution. On February 2nd, staff met Vitech's new Director, Brian McKinney and discussed the history of our relationship with Vitech and our hopes for the future of the relationship.

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

Sincerely,



Linda Webb
Retirement Administrator



April 15, 2019

SUBJECT: CHIEF INVESTMENT OFFICER'S 1ST QUARTER 2019 INVESTMENT ACTIVITY REPORT

Dear Board Members:

Below is a summary of first quarter 2019 investment activity.

Publicly traded investments:

- \$100 million new U.S. Treasury bonds portfolio approved by the Board and funded, managed by VCERA current manager Reams Asset Management

Private investments closed:

- \$20 million new private equity commitments by Abbott Capital across two funds
- Of the above, \$10 million to one investment by the Fund of One
- \$25 million new private credit commitment to BlueBay Direct Lending Fund III
- \$100 new real estate commitment to LaSalle Growth and Income Fund VIII

Investment presentations:

- Adams Street 2010, 2013, 2016 annual programs and Co-Investment Fund IV: private equity
- Drive Capital Funds II, III, and OverDrive I: private equity venture and growth capital
- HarbourVest Dover Funds VIII and IX, and Co-Investment Funds IV and V: private equity
- LaSalle Growth and Income Fund VIII: value added real estate
- Pantheon Global Secondary Funds IV and V: private equity
- PIMCO Private Income Fund I: diversified private credit
- Prudential PRISA: core real estate
- UBS Trumbull Property Fund: core real estate
- NEPC
 - Fourth quarter 2018; and, November, December, January, and February monthly investment performance reports;
 - 2019 Capital Markets Outlook
 - 2019 Private Credit Overview and Pacing Plan
 - LaSalle research report and recommendation
 - Drive Capital research report and recommendation

On-site investment due diligence:

- Completed on-site visits with no due diligence concerns: NEPC and Pantheon
- On-site Due Diligence reports for HarbourVest and Prudential

Respectfully submitted,

Dan Gallagher
Chief Investment Officer



SACRS Business Meeting Packet

Friday, May 10, 2019

10:00 AM - Upon Adjournment

Resort at Squaw Creek
Olympic Valley, Lake Tahoe



SACRS Business Meeting Agenda
Friday, May 10, 2019
10:00 AM - Upon Adjournment
Resort at Squaw Creek
Lake Tahoe, CA

SACRS Parliamentarian – Lance Kjeldgaard
Sergeant at Arms – Bob Goodchild, San Diego CERA

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

2. Secretary’s Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. November 2018 SACRS Business Meeting Minutes

3. Treasurer’s Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2018 – February 2019 Financials

4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update – No Action

Eric Stern, Sacramento CERS & Dave Nelsen, Alameda CERA, SACRS Legislative Committee Co-Chairs

- A. 2019 Legislative Report

6. SACRS Nomination Committee - 2019-2020 SACRS Elections – Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

- A. SACRS Election 2019-2020

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS 2017-2018 Audit Report



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Spring Conference Evaluations 2019

9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

- A. SACRS Spring Conference Report 2019

10. SACRS Affiliate Committee Report – No Action

Ben Lazarus, Parametric, SACRS Affiliate Committee Chair

- A. Affiliate Committee Update

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Update

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 15, 2019, Hyatt Regency Hotel & Spa, Monterey, CA.



Providing insight. Fostering oversight.

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary



1. SACRS System Roll Call

Kathryn Cavness, SACRS Secretary

System	In Attendance	Absent	Delegate/Alternate Name
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



Providing insight. Fostering oversight.

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. November 2018 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, November 16, 2018
10:00 AM - Upon Adjournment
Renaissance Indian Wells Hotel and Spa
Indian Wells, CA

SACRS Parliamentarian – Lance Kjeldgaard
Sergeant at Arms – Bob Goodchild, San Diego CERA

Meeting called to order at 10:20 am

SACRS Board: Dan McAllister, President; Vivian Gray, Vice President; Harry Hagen, Treasurer; Kathryn Cavness, Secretary; Roger Hilton, General Member; Lesley Nettles, SACRS Affiliate Chair/Advisor to the Board; Ben Lazarus, Affiliate Vice Chair
Absent: Chris Cooper, General Member

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

Present: 18 SACRS Systems

Absent: Fresno and Stanislaus

(Stanislaus had a Trustee present; however, the Trustee was not the authorized Voting delegate-Mandip Dhillon or Alternate delegate –Michael O’Neal.)

2. Secretary’s Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. May 2018 SACRS Business Meeting Minutes

Motion: A motion to receive and file the SACRS Business Meeting Minutes from May 2018 was made by Mendocino.

2nd: Los Angeles

Yes: All

No: 0

Absent: Fresno, Stanislaus

Motion Passes

3. Treasurer’s Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2018 – August 2018 Financials

Motion: A motion to receive and file the Treasurers financial report was made by Orange.

2nd: Merced

Yes: All

No: 0



Absent: Fresno, Stanislaus

Motion Passes

4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

- A. SACRS President Update

Discussion:

No action taken, Dan McAllister gave an overview of the Board of Directors projects for the year and follow up on their goals from the Strategic Plan 2018-2019.

5. SACRS Legislative Committee Update - Vote

Vacant, SACRS Legislative Committee Chair

- A. 2018 Legislative Report – No Action
- B. Orange CERS Proposal – Withdrawn

Discussion:

No action was taken as the Orange CERS proposal was withdrawn. A verbal report was provided by the SACRS Lobbyist and a written report on the bills being tracked was provided in the Business meeting packet. Please refer to the packet for specific bills being tracked.

6. SACRS Nomination Committee - 2019-2020 SACRS Election Notice – No Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2019-2020

Discussion:

No action was taken, please see the 2019-2020 SACRS Election Notice in the packet that was provided by Ray McCray, Nomination Committee Chair.

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS Audit Committee Update

Discussion:

No action was taken, a verbal report as to the Audit status was provided by Steve Delaney. The 2017-2018 Audit will be completed in December and presented to the Board of Directors in January 2019. The Audit will then be provided to the membership at the May 10th Business meeting being held in Lake Tahoe at the Spring Conference.



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Fall Conference Evaluations 2018

Discussion:

No action taken; the delegation was reminded that evaluations are electronic this year, that all attendees can complete their evaluations online to receive credit toward their 24 hours of required continuing education.

9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

A. SACRS Fall Conference Report 2018

Discussion:

No action taken; Vivian Gray, Committee Chair thanked the committee members for their efforts and hard work developing a great program. Vivian asked members to please submit ideas for topics and suggestion online at the sacrs.org website.

10. SACRS Affiliate Committee Report – No Action

Lesley Nettles, Fairview Capital, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

Discussion:

No action taken; Lesley Nettles, Committee Chair thanked the Affiliate Committee members that helped develop the Affiliate Breakout session on Wednesday. The “speed dating” meeting style was well received and requested for the Spring Conference.

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update

Discussion:

No action taken; no report provided.

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.



A. Administrators

Discussion:

Dominic Brown, Kern CERA reported that the administrators had a great turnout, lively discussion and Eric Stern, Sacramento CERS volunteered to serve as the Spring 2019 representative/moderator.

B. Counsel

Discussion:

Karen Levy, Contra Costa CERA reported that the group discussed many issues, Error Correction Policies in Light of Krolikowski v. San Diego City, Military Leave Purchase Statutes in CERL, Retiree Return to Work: Policy and Procedure, Discontinuance of Employer Pre-Payments: KCERA's Story – see agenda for complete list. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.

C. Disability/ Operations & Benefits Combo

Discussion:

No report provided. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.

D. Internal Auditors

Discussion:

No report provided. Harsh Jadhav will be their representative/moderator for the Spring 2019 conference.

E. Investment Officers

Discussion:

No report provided. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.

F. Safety Trustees

Discussion:

Gabe Rodrigues, Contra Costa CERA Trustee reported that the group had a great roundtable discussion and good attendance. They do not have a representative/moderator volunteer for the Spring 2019 conference. If you are interested in volunteering for future conferences, please contact Sulema at SACRS.



G. General Trustees

Discussion:

Kathryn Cavness, Mendocino CERA Trustee reported that the speaker was hard to hear, chose not to utilize the microphone provided in the room. Good content but would have been a better session if the speaker did not move around the room without the aid of audio. Kathryn Cavness will be their representative/moderator for the Spring 2019 conference.

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA.

Adjournment:

Dan McAllister, SACRS President called for adjournment at 10:51 am.



Providing insight. Fostering oversight.

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2018 – February 2019 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

Balance Sheet

As of February 28, 2019

	<u>Feb 28, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 - First Foundation Bank-Checking	49,508.56
1001 - BofA Interest Checking 4389	375,602.77
1002 - First Foundation Bank ICS Acct	57,410.00
Total Checking/Savings	<u>482,521.33</u>
Other Current Assets	
1099 - CalTrust - BlackRock TempFund	8,033.39
1100 - CalTrust - Medium Term	1,152,689.56
1104 - CalTrust - BlackRock FedFund	772,534.07
1201 - Deposits in Transit	81,090.00
Total Other Current Assets	<u>2,014,347.02</u>
Total Current Assets	<u>2,496,868.35</u>
TOTAL ASSETS	<u><u>2,496,868.35</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 - Unrealized Gain (Loss)	44,179.03
Total Other Current Liabilities	<u>44,179.03</u>
Total Current Liabilities	<u>44,179.03</u>
Total Liabilities	44,179.03
Equity	
32000 - Retained Earnings	2,194,804.37
Net Income	257,884.95
Total Equity	<u>2,452,689.32</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,496,868.35</u></u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget Performance

July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 - Membership Dues				
4101 - Affiliates	265,000.00	268,750.00	-3,750.00	98.61%
4102 - Non Profit - Organizations	2,250.00	3,000.00	-750.00	75.0%
4103 - Non Profit - Systems	6,000.00	6,000.00	0.00	100.0%
4104 - Systems - Medium	52,000.00	52,000.00	0.00	100.0%
4105 - Systems - Large	42,000.00	42,000.00	0.00	100.0%
Total 4100 - Membership Dues	367,250.00	371,750.00	-4,500.00	98.79%
4250 - Product Income				
4251 - CERL	75.00			
4252 - Roster	25.00	0.00	25.00	100.0%
4254 - Website Job Board	0.00	500.00	-500.00	0.0%
4255 - Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
4256 - Conference Recordings	25.00			
4257 - Trustee Handbooks	25.00			
Total 4250 - Product Income	150.00	2,500.00	-2,350.00	6.0%
4270 - UC Berkeley Program				
4271 - Registrations	20,000.00	75,000.00	-55,000.00	26.67%
4272 - Sponsorships	37,000.00	50,000.00	-13,000.00	74.0%
Total 4270 - UC Berkeley Program	57,000.00	125,000.00	-68,000.00	45.6%
4300 - Fall Conference Registration				
4301 - Affiliates - Early	220,320.00	180,000.00	40,320.00	122.4%
4302 - Affiliates - Regular	64,410.00	90,000.00	-25,590.00	71.57%
4303 - Affiliates - Late/Onsite	30,720.00	40,000.00	-9,280.00	76.8%
4304 - Non Profit	960.00	1,000.00	-40.00	96.0%
4305 - Systems	23,040.00	26,000.00	-2,960.00	88.62%
4306 - Non-Members	250,980.00	255,000.00	-4,020.00	98.42%
4307 - Fun Run	1,100.00	1,000.00	100.00	110.0%
Total 4300 - Fall Conference Registration	591,530.00	593,000.00	-1,470.00	99.75%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget Performance
 July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
4350 - Spring Conference Registration				
4351 - Affiliates - Early	160,140.00	175,000.00	-14,860.00	91.51%
4352 - Affiliates - Regular	0.00	75,000.00	-75,000.00	0.0%
4353 - Affiliates - Late/Onsite	1,280.00	33,000.00	-31,720.00	3.88%
4354 - Non Profit	480.00	1,000.00	-520.00	48.0%
4355 - Systems	8,040.00	22,500.00	-14,460.00	35.73%
4356 - Non-Members	104,130.00	230,000.00	-125,870.00	45.27%
4357 - Fun Run	500.00	1,000.00	-500.00	50.0%
4358 - Yoga	200.00			
Total 4350 - Spring Conference Registration	274,770.00	537,500.00	-262,730.00	51.12%
4900 - Interest Earned	394.07			
Total Income	1,291,094.07	1,629,750.00	-338,655.93	79.22%
Gross Profit	1,291,094.07	1,629,750.00	-338,655.93	79.22%
Expense				
5000 - Administrative Fee - SYAI	116,932.88	175,267.01	-58,334.13	66.72%
5001 - Administrative Services	0.00	3,000.00	-3,000.00	0.0%
5002 - Awards	285.96	1,000.00	-714.04	28.6%
5003 - Bank Charges/Credit Card Fees	20,425.83	45,000.00	-24,574.17	45.39%
5010 - Berkeley & Symposium				
5011 - Audio/Visual	2,159.70	1,500.00	659.70	143.98%
5012 - Delivery & Shipping	22.29	0.00	22.29	100.0%
5013 - Hotel	16,619.02	12,000.00	4,619.02	138.49%
5014 - Food & Beverage	0.00	0.00	0.00	0.0%
5015 - Materials/Printing/Design	378.88	1,500.00	-1,121.12	25.26%
5016 - Travel	2,437.19	350.00	2,087.19	696.34%
5017 - UC Berkeley	0.00	180,000.00	-180,000.00	0.0%
Total 5010 - Berkeley & Symposium	21,617.08	195,350.00	-173,732.92	11.07%

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget Performance**

July 2018 through February 2019

	<u>Jul '18 - Feb 19</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5030 - CERL				
5031 - Materials/Printing/Design	16,302.45	20,000.00	-3,697.55	81.51%
5032 - Shipping	1,103.46	3,500.00	-2,396.54	31.53%
Total 5030 - CERL	17,405.91	23,500.00	-6,094.09	74.07%
5040 - Commissions & Fees	15,896.53	20,000.00	-4,103.47	79.48%
5041 - Consulting	13,328.00	20,000.00	-6,672.00	66.64%
5042 - Dues & Subscriptions	3,525.00	3,700.00	-175.00	95.27%
5050 - Fall Conference				
5051 - Audio/Visual	52,180.00	40,300.00	11,880.00	129.48%
5052 - Delivery & Shipping	1,920.05	2,500.00	-579.95	76.8%
5053 - Entertainment	3,000.00	0.00	3,000.00	100.0%
5054 - Hotel				
5054.1 - Wednesday Night Event	96,721.61	75,000.00	21,721.61	128.96%
5054.2 - Conference	14,265.00	0.00	14,265.00	100.0%
5054.3 - Food & Beverage	200,205.53	0.00	200,205.53	100.0%
5054 - Hotel - Other	1,478.63	275,000.00	-273,521.37	0.54%
Total 5054 - Hotel	312,670.77	350,000.00	-37,329.23	89.34%
5055 - Program Material	32,086.18	30,000.00	2,086.18	106.95%
5056 - Speakers	74,457.56	50,000.00	24,457.56	148.92%
5057 - Supplies	360.00	1,000.00	-640.00	36.0%
5058 - Travel	15,945.90	4,000.00	11,945.90	398.65%
Total 5050 - Fall Conference	492,620.46	477,800.00	14,820.46	103.1%
5070 - Insurance	3,967.00	6,000.00	-2,033.00	66.12%
5071 - Legal & Professional Fees	21,044.00	25,000.00	-3,956.00	84.18%
5072 - Legislative Advocacy	37,750.40	56,901.00	-19,150.60	66.34%

**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget Performance**

July 2018 through February 2019

	<u>Jul '18 - Feb 19</u>	<u>YTD Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
5080 - Magazine				
5081 - Delivery & Shipping	582.24	0.00	582.24	100.0%
5082 - Design/Printing/Etc.	14,336.04	20,000.00	-5,663.96	71.68%
5080 - Magazine - Other	401.36			
Total 5080 - Magazine	15,319.64	20,000.00	-4,680.36	76.6%
6000 - Board & Committees				
6001 - Board of Directors				
6001.1 - Food & Beverage	3,129.28	2,500.00	629.28	125.17%
6001.2 - Printing/Supplies	3,058.66	2,500.00	558.66	122.35%
6001.3 - Travel - BOD Meetings	7,034.33	15,000.00	-7,965.67	46.9%
6001.4 - Travel - Miscellaneous BOD	904.48	1,000.00	-95.52	90.45%
6001 - Board of Directors - Other	0.00	1,500.00	-1,500.00	0.0%
Total 6001 - Board of Directors	14,126.75	22,500.00	-8,373.25	62.79%
6002 - Legislative Committee Meetings	171.10	250.00	-78.90	68.44%
6003 - Program Committee Meetings	929.84	400.00	529.84	232.46%
6004 - Nominating Committee	4.65	0.00	4.65	100.0%
6005 - Audit Committee	6.57			
6000 - Board & Committees - Other	17.64			
Total 6000 - Board & Committees	15,256.55	23,150.00	-7,893.45	65.9%
6010 - Office Expenses / Supplies	2,213.21	2,500.00	-286.79	88.53%
6011 - Postage & Delivery	2,717.12	3,200.00	-482.88	84.91%
6020 - Spring Conference				
6021 - Audio/Visual	16,831.13	45,000.00	-28,168.87	37.4%
6022 - Delivery & Shipping	4,623.79	2,500.00	2,123.79	184.95%
6023 - Entertainment	343.72	0.00	343.72	100.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget Performance
 July 2018 through February 2019

	Jul '18 - Feb 19	YTD Budget	\$ Over Budget	% of Budget
6024 - Hotel				
6024.1 - Wednesday Night Event	56.68	75,000.00	-74,943.32	0.08%
6024.2 - Conference	10,033.81			
6024.3 - Food & Beverage	117,981.47			
6024 - Hotel - Other	16,001.63	275,000.00	-258,998.37	5.82%
Total 6024 - Hotel	144,073.59	350,000.00	-205,926.41	41.16%
6025 - Program Material	4,903.16	30,000.00	-25,096.84	16.34%
6026 - Speakers	1,520.37	50,000.00	-48,479.63	3.04%
6027 - Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 - Travel	10,514.00	3,000.00	7,514.00	350.47%
Total 6020 - Spring Conference	182,809.76	481,500.00	-298,690.24	37.97%
6051 - Taxes & Licenses	0.00	100.00	-100.00	0.0%
6053 - Technology/AMS/Website	41,304.05	15,000.00	26,304.05	275.36%
6054 - Travel	8,789.74	25,000.00	-16,210.26	35.16%
Total Expense	1,033,209.12	1,622,968.01	-589,758.89	63.66%
Net Ordinary Income	257,884.95	6,781.99	251,102.96	3,802.5%
Net Income	257,884.95	6,781.99	251,102.96	3,802.5%



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4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

A. SACRS President Update



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No Printed Materials For This Item



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5. SACRS Legislative Committee Update – No Action

Eric Stern, Sacramento CERS & Dave Nelsen, Alameda CERA, SACRS Legislative Committee Co-Chairs

A. 2019 Legislative Report



EDELSTEIN GILBERT ROBSON & SMITH^{LLC}

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd Associate

**State Association of County Retirement Systems
Spring Conference / Legislative Update**
by Mike Robson and Trent Smith
April 2, 2019

Overview

The State Association of County Retirement Systems' (SACRS) Spring Conference just about marks the halfway point in the 2019 legislative calendar. However, at the time of this writing, the legislative policy committees have only just begun meeting, hearing legislation, amending, and voting on the 2,500 bills introduced in the 2019 Legislative Session.

Legislation

The SACRS Legislative Committee has taken an initial review of introduced bills and is evaluating amendments to those bills. At this time, there have been no votes to support or oppose any specific legislative bills that are moving through the legislative process.

However, there are a number of bills that are of interest that are being monitored and for which information has been shared with policymakers and legislative staff.

1937 Act Legislation

**SB 783 (Senate Committee on Labor, Public Employment and Retirement) --
County Employees Retirement Law of 1937**

This is a technical committee bill that was introduced to serve as a legislative vehicle for cleaning up and making modifications to the County Employee Retirement Law (CERL). It is likely that this bill will move to the second house of the Legislature and then await amendments from SACRS and others who are seeking non-controversial changes in the CERL.

AB 664 (Cooper) -- County Employees Permanent Incapacity

This bill, as originally introduced, would have required a county retirement system to evaluate peace officer disability based on the ability to perform the full job of a sworn peace officer. This was a reintroduction of a bill Assemblyman Cooper carried in 2017 which passed the Assembly but was not heard in the Senate policy committee due to reservations expressed by the Chair of the Committee over potential increased costs to a system due to additional eligibility for disability retirements.

Assemblyman Cooper, who is carrying the bill on behalf of law enforcement managers in his district, amended the bill to take the statewide applicability out of the bill and make it specific to Sacramento County only. At the time of this writing, the bill has not been heard in committee.

State Association of County Retirement Systems
Spring Conference / Legislative Update
April 2, 2019
Page Two

AB 1212 (Levine) -- Infrastructure Investment

AB 1212 would require a state agency that is responsible for infrastructure projects to produce a list of priority infrastructure projects for funding consideration by public pension retirement boards and to provide it to them.

While this bill is not specific to the 37 Act systems, the author believes that local retirement boards are best positioned to invest in infrastructure projects, stating:

“Public pension funds in California make many investments in a wide array of investment opportunities. While there are conflict-of-interest rules that can limit public pension fund investments in state projects, local (e.g., county) pension funds are less likely to encounter those conflicts than the state’s two major pension funds.”

This bill is set for hearing in the Assembly Public Employment and Retirement Committee on April 24.

Divestment

Mandating or encouraging divestment as a means to influence social policy remains popular among some members of the Legislature.

AB 1320 (Nazarian) -- Divestment in Turkey

AB 1320 would require PERS and STRS to divest in any investment vehicle in Turkey, issued by the government of Turkey or that is owned, controlled, or managed by the government of Turkey. This divestment mandate is contingent on the passage of a federal law imposing sanctions on Turkey for failure to acknowledge the Armenian Genocide. Assemblyman Nazarian authored a similar bill last year, AB 1597, that was vetoed by Governor Brown.

AB 33 (Bonta) -- Divestment in Private Prisons

AB 33 would prohibit PERS and STRS from investing in private prisons and requires both entities to liquidate any investments in these companies by July 1, 2020. The author is focused on divestment of private prisons because many of these facilities have been used to detain undocumented immigrants, including children.

AB 1332 (Bonta) -- Sanctuary State Contracting

Assemblyman Bonta also introduced AB 1332, which would enact the Sanctuary State Contracting and Investment Act. This measure would prohibit state or local agencies

State Association of County Retirement Systems
Spring Conference / Legislative Update
April 2, 2019
Page Three

from entering into new, or extending, contracts with companies providing services to federal immigration agencies or detention facilities. As originally drafted, AB 1332 would have prohibited local governments, including counties, from making pension investments in these same business. However, the pension portion of the bill was poorly drafted and, upon being informed of implications to pension systems, the author was convinced to remove the pension investment provisions from the bill.

Governor/State Budget

Governor Newsom released his proposed State Budget in January which contemplates \$209 billion in state spending of which \$144.2 billion will be from the state General Fund. Governor Newsom, like his predecessor Governor Brown, has placed a premium on trying to be fiscally prudent by limiting ongoing state spending commitments in order to avoid spending cuts in the future should the economy decline. For that reason, while the Governor has many new spending proposals in his budget, 86 percent of his new spending is on a one-time basis.

One example is the Governor's \$6 billion, one-time expenditure to pay down future pension liabilities at both CalPERS and CalSTRS.



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6. SACRS Nomination Committee - 2019-2020 SACRS Elections – Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

A. SACRS Election 2019-2020



March 25, 2019

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2019-2020 Elections – Final Ballot

SACRS BOD 2019-2020 election process began January 2019. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2019	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2019	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2019	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 7-10, 2019)
May 10, 2019	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members

A. Immediate Past President. *The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.*

B. Two (2) Regular Members. *Two (2) regular members shall also be members of the Board with full voting rights.*

Section 2. Elections of Directors. *Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.*

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.



The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections will be held at the SACRS Spring Conference May 7-10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA. Elections will be held during the Annual Business meeting on Friday, May 10, 2019.

SACRS Nominating Committee Final Ballot:

- | | |
|------------------------------------|----------------|
| • Dan McAllister, San Diego CERA | President |
| • Vivian Gray, Los Angeles CERA | Vice President |
| • Harry Hagen, Santa Barbara, CERS | Treasurer |
| • Kathryn Cavness, Mendocino CERA | Secretary |
| • Roger Hilton, Orange CERS | Regular Member |
| • Chris Cooper, Marin CERA | Regular Member |

Additional Candidates Submitted:

- | | |
|--------------------------------------|----------------|
| • Vere Williams, San Bernardino CERA | Regular Member |
|--------------------------------------|----------------|

Please prepare your voting delegate to have the ability to vote by the recommended ballot and by each position separately.

If you have any questions, please contact me at Ray McCray, raym1@sbcglobal.net or (209) 471-4472.

Thank you for your prompt attention to this timely matter.

Sincerely,

Ray McCray

Ray McCray, San Joaquin CERA Trustee
SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Administrator



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Dan McAllister
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	619-531-5231 dan.mcallister@sdcounty.ca.gov 1600 Pacific Hwy, Room 112 San Diego, CA 92101
Name of Retirement System Candidate Currently Serves On	SDCERA
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	County Treasurer-Tax Collector, mandated member.
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input checked="" type="radio"/> Vice President <input checked="" type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<p>Dan McAllister has served San Diego County residents as the County's Treasurer-Tax Collector since 2002. He was re-elected to his fifth term in June. Dan oversees the collection of more than \$6 billion in property taxes each year, the management of \$11.6 billion in the County's Investment Pool, and the administration of the County's \$1.5 billion defined contribution program. Since assuming office, he has worked extensively to improve customer service, enhance communications and outreach initiatives, and ensure the fiscal stability of the treasury. Under his direction, his office collected a record high 60% of property tax payments electronically, while maintaining a 99% collection rate for the past three years. He is also a strong advocate for diversity, a value reflected in his staff that comes from all walks of life and backgrounds. His office now delivers service in 17 different languages.</p> <p>As part of his duties, Dan serves as a member of the San Diego County Employees Retirement Association (SDCERA), which manages more than \$13 billion of investments; he also serves as a board member of several non-profit organizations in San Diego.</p>



**TREASURER-TAX COLLECTOR
SAN DIEGO COUNTY**

www.sdttc.com

Dan McAllister
Treasurer-Tax Collector



February 21, 2019

Mr. Ray McCray
Chairman
Nominating Committee
State Association of County Retirement Systems

Dear Mr. McCray,

This is to officially submit my name for consideration by the Nominating Committee for the office of SACRS President.

When I first ran for the Presidency, I pledged to continue to help move our organization forward with strong, inclusive leadership. I also spoke of my experiences and accomplishments as San Diego County Treasurer-Tax Collector; and of serving as a Trustee on the San Diego County Employees Retirement Association (SDCERA) Board and two successful terms as Board Chair.

Over the past five years, it has been my distinct honor and pleasure to serve on the SACRS Board. First as Treasurer and now President. I am extremely proud of the work our board has completed during these years to improve our levels of customer service to our members. During the past two years for example the SACRS Board performed a comprehensive review and update of Board Policies and Procedures. We added two new seats to the Board to be more inclusive and give more members an opportunity to serve. We also made strong efforts to add new people to a number of our standing committees.

Indeed, it has been a productive year for the Board and we have made a difference for the SACRS membership. Ours has been a team effort and one that can point to positive developments and continuous improvement.

SACRS is a special organization and one that must continue to provide educational forums for disseminating information to Trustees and system staffs from all '37 Act counties. Additionally, SACRS must take an active role in the legislative process as it impacts county retirement systems.

As SACRS President for the coming year, I will continue to work collaboratively with the SACRS Board and Trustees statewide to ensure that our educational programs and conferences continue to be of the highest quality and content.

With your support and nomination, I would be honored to serve again as President of SACRS. Thank you in advance for your careful and positive consideration of my candidacy for re-election.

Sincerely,

A handwritten signature in blue ink that reads "Dan McAllister". The signature is stylized and cursive.

Dan McAllister



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2018-2019**

All interested candidates must complete this form and submit it along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2018.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net or to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	VIVIAN GRAY
Candidate Contact Information (Phone Number, Email Address and Mailing Address MUST be included)	Viviangray@aol.com, Vgray@lacera.com 300 N. Lake Ave., Ste. 820 Pasadena, CA 91101 Phone: (213) 440-0142
Name of Retirement System Candidate Currently Serves On	Los Angeles County Employees Retirement Association (LACERA)
Current Position On Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	General Elected Trustee, Board of Retirement http://www.lacera.com/about_lacera/bor/gray.html
Applying for SACRS Board of Directors Position (You may only select one)	<input type="radio"/> President <input checked="" type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<ul style="list-style-type: none"> • Chair, LACERA Board of Retirement 2018 • Chair, SACRS Program Committee • Elected general member trustee since 2012 35 years of service to Los Angeles County <ul style="list-style-type: none"> 10 years in Law Enforcement 25 years as an attorney for Los Angeles County • 6 years in private law practice • Education/Pension Trustee Certificates <ul style="list-style-type: none"> - Bachelors of Arts: UCLA - JD: UWLA - New York Law School - Public Pension Trustee Fiduciary Program - Stanford Law School (CALAPRS) - Principles of Pension Management - Harvard Law School Program - Trustee Work Life - UC Berkeley (SACRS) - Modern Investment Theory & Practice for Retirement Systems - IFEBP - Trustee Masters Program - NCPERS - Public Pension Funding Forum - Wharton Business School - Portfolio Concepts and Management (Pending) - National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

VIVIAN GRAY

300 N. LAKE AVENUE, SUITE 820 ~PASADENA, CA 91101 ~ VGRAY@LACERA.COM

February 20, 2019

VIA EMAIL

SACRS Nominating Committee
Mr. Ray McCray, Chair

Dear Mr. McCray:

I would like to express my interest in remaining SACRS' Vice President for 2019/2020.

I have been honored to serve as Vice President and Chair of the Program Committee for the past 2018/2019 year. During this past year SACRS has made considerable strides in remaining a relevant organization for trustee education for the 20 systems comprising the 1937 Act Counties.

As instituted by the revised SACRS Bylaws in 2018 the SACRS leadership was expanded to a seven member board of directors. This expansion has served SACRS well by fostering a cohesive elected board whose focus is to increase SACRS level of recognition while maintaining its reputation as an excellent educational forum for trustees, its affiliates and the related pension community.

Through its strong leadership, SACRS can continue to become the premier entity in the direct education of trustees. I believe SACRS is a viable organization among retirement systems. We have secured a presence not only in our CERL 37 Act Systems, but are gaining headway and recognition beyond CERL.

Your consideration of me to continue as vice president would be an honor.

I have attached the SACRS Nomination Form containing my brief bio.

Sincerely,

Vivian Gray

Vivian Gray

cc: Sulema Peterson, SACRS



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Harry E. Hagen
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	805-568-2490 hhagen@co.santa-barbara.ca.us P.O. Box 579 Santa Barbara, CA 93102-0579
Name of Retirement System Candidate Currently Serves On	SBCERS (Santa Barbara)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"> <input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="checkbox"/> Other Ex-officio member, Vice-Chair
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input type="radio"/> Vice President <input checked="" type="checkbox"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	See Attachment

February 28, 2019

To Ray McCray , SACRS Nominating Committee Chair,

I would like to continue serving on the SACRS Board of Directors and am submitting my letter of intent to run for the position of Treasurer.

I believe I am well qualified for the position based upon my educational and work experience. I am a 23-year employee of Santa Barbara County and the current Vice-Chair of the Santa Barbara County Employees Retirement System. I have served as the ex-officio member of SBCERS for over eight years. I was also an alternate member to the board for eight years as the Assistant Treasurer-Tax Collector-Public Administrator.

Should you have any questions, please don't hesitate to call me directly.

Thank you for your consideration.



Harry E. Hagen, CPA, CPFA, CPFO, CFIP, CGIP, ACPFIM
Treasurer-Tax Collector-Public Administrator-Public Guardian
County of Santa Barbara
(805) 568-2490
hhagen@co.santa-barbara.ca.us

Harry E. Hagen
Bio for SACRS Nomination Submission Form

I am the current Santa Barbara County Treasurer-Tax Collector-Public Administrator. I was first elected in 2010 and am currently serving in my third four-year term.

I am responsible for overseeing and investing a \$1.6 billion investment pool for local schools, general County government, and special districts. I manage the collection of taxes and general collections, administer Public Administrator estates and Public Guardian conservatorships, and oversee Veterans' Services programs. My duties also include serving as Chair of the County Debt Advisory Committee, implementing and managing the County's municipal financing program, and administering the County's deferred compensation program.

I hold a Bachelor's degree in Business Economics from UCSB, am a 27-year California Certified Public Accountant, and have completed the Certificate in Public Treasury Management from USC. Additionally, I have earned the designations of CPFO from the Government Finance Officers Association, CPFA and ACPFIM from the Association of Public Treasurers, CGIP from the Government Investment Officers Association, and CFIP from the Fixed Income Academy.



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Kathryn Cavness
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Home Phone (707) 459-2215 Cell Phone (707) 354-8105 Email k24u2figure@gmail.com Mailing Address 6500 Ridgewood Road, Willits, CA 95490
Name of Retirement System Candidate Currently Serves On	Mendocino County Employee Retirement Association (MCERA)
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc.)	MCERA Chair, General Elected
Applying for SACRS Board of Directors Position (select only one)	<input type="checkbox"/> President <input type="checkbox"/> Vice President <input type="checkbox"/> Treasurer <input checked="" type="checkbox"/> Secretary <input type="checkbox"/> Regular Member
Brief Bio	My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors: <ul style="list-style-type: none"> • Two years' experience as Secretary for SACRS Board of Directors • Trustee and Chair on the MCERA Board and member of the MCERA Auditing Committee • Executive Education Investment Program, Hass School of Business, UC Berkeley • Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University • Advanced Principles of Pension Management for Trustees, UCLA • Master's Degree in Business Administration/Accounting Emphasis • County of Mendocino District Attorney's Office Administrative Services Manager • Fiscal Officer for the Lake and Mendocino County Area Agency on Aging

Kathryn Cavness
6500 Ridgewood Road
Willits, CA 95490
(707) 459-2215
k24u2figure@gmail.com

January 29, 2017

Ray McCray, Chair
SACRS Nominating Committee
1415 L St., Suite 1000,
Sacramento, CA 95814

Dear Nominating Committee:

Please consider my request to run for Secretary of the State Association of County Retirement Systems (SACRS) Board of Directors in the upcoming May 2019 election. If elected, this will be my third term to serve as SACRS Secretary. I am also currently the Chair, as an Elected Trustee, of the Mendocino County Employee Retirement Association (MCERA) and member of the MCERA Audit Committee.

My interest in seeking the position of Secretary on the SACRS Board of Directors is to continue representing the interests of all 1937 Act County Trustees and to reach out to Trustees to attain greater participation in SACRS activities; my commitment to 1937 Act Trustees and Members is to carry out the goals and objectives of the SACRS strategic plan. If elected, my focus will be on improving our Trustee participation at the Spring and Fall Conferences, the UC Berkeley Educational Programs, and increasing membership on SACRS' Committees, including the Legislative, Program, Education and Bylaws Committees.

I wish to persist in my efforts to attain greater parity for the smaller, rural, central and northern 1937 Act systems; I am Chair of MCERA, the smallest, northernmost, rural SACRS retirement system. I have had the pleasure of visiting a few of the retirement systems in Northern California and I look forward to engaging in more of these relationship building activities to discover what individual retirement systems are seeking from SACRS.

My educational background and professional experience has provided me with a strong administrative/financial background ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors:

- Two years as Secretary for SACRS Board of Directors
- Chair on the MCERA Board and MCERA Auditing Committee Member
- County of Mendocino District Attorney's Office Administrative Services Manager
- Executive Education Investment Program, Hass School of Business, UC Berkeley
- Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University
- Advanced Principles of Pension Management for Trustees, UCLA
- MBA/Accounting Emphasis

Sincerely,

Kathryn Cavness



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Roger Hilton
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	(714) 325-9295, rhilton@ocers.org , roger@aocds.org 2223 East Wellington Ave. Suite 100 Santa Ana, CA 92701
Name of Retirement System Candidate Currently Serves On	Orange County Employees Retirement System (OCERS)
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	Vice-Chair - Elected Safety Member
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
Brief Bio	<ul style="list-style-type: none"> <input type="checkbox"/> Currently serving as SACRS Regular Board Member 2018-2019 <input type="checkbox"/> OCERS: served as Chairman of the board, chair of the Investment Committee, and have chaired several committees, elected 2012 - Present. <input type="checkbox"/> Association of Orange County Deputy Sheriffs (AOCDS) Board of Directors: Currently serving as Vice President and Political Action Chairman, 2011 - Present. <input type="checkbox"/> Trustee on Medical and Benefits Trusts, 2011 - Present. <input type="checkbox"/> Association of Deputy Marshals Board of Directors, 1992-2000 – Served as President 1996-2000, Treasurer 1993-1996. <p>Public Pension Trustee certificates: -Modern Investment Theory & Practice – UC Berkeley; -Portfolio concepts and Management -Wharton School of Business; -Certificate in Public Plan Policy I and II; -Principles of Pension Management - Stanford University; -Advanced Principles of Pension Management - UCLA; -Labor and Worklife Program, Harvard Law School</p>

February 15, 2019

2223 East Wellington Ave. Suite 100
Santa Ana, CA 92701

Ray McCray, SACRS Nominating Committee Chair

Dear Mr. McCray:

Please accept this letter as my intent to run for the Board of Directors for the position of Regular Member. I would request that my name be included in the 2019-2020 SACRS Nomination Slate at the upcoming elections in May 2019.

I believe my years of experience leading employee labor organizations and the OCERS Board of Retirement have uniquely prepared me for this challenge. I have 30 years of experience in law enforcement, 26 years serving in the leadership of employee labor organizations, 6 ½ years on the OCERS Board of Retirement, and a year on the SACRS Board. My experience is further outlined on the Nomination Submission form attached to this letter.

Since elected to OCERS, I have made it a point to attend the SACRS conferences. Through these conferences, I have learned a great deal about pensions and have found many friends and mentors. I believe that SACRS is the most effective and important conference '37 Act trustees should attend, because of its relevant content and top-notch presenters. My primary goal is to keep SACRS as the premier public pension organization. I plan to utilize my extensive leadership experience by reaching out to and communicating with our members so they fully understand the many benefits of SACRS. My focus will be on continuing successful conferences and keeping SACRS a professional organization.

It would be an honor to continue to serve on the SACRS Board of Directors and I appreciate the consideration.

Sincerely,



Roger Hilton

OCERS Board of Directors



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Chris C. Cooper
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	MCERA 1 McInnis Pkwy San Rafael, CA 94903 chriscooperinmarin@yahoo.com (415) 827-0772
Name of Retirement System Candidate Currently Serves On	Marin County Employees' Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"> <input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other ____ Elected Public Safety_____
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member XXXX
Brief Bio	<p>My name is Chris Cooper and I am running to be re-elected to the position of Regular Member on the SACRS Board of Directors. I served in the U.S. Army for 8 years as a Mandarin Linguist/Interrogator and then graduated from the University of California, Berkeley with a degree in Political Economy of Industrial Societies. After a career as a merchandise buyer for a large retailer, I left to own/manage several franchise stores.</p> <p>Gradually, my hobby of volunteering with Wilderness and Urban Search and Rescue pulled me back to a career in Public Service. I sold the stores and became a Paramedic then attended the Fire Academy. I have been a Fire Captain/Paramedic in the City of San Rafael for 9 years and have served on the Marin Board of Retirement for 7 years. I live in San Rafael with my wife Lisa and 2 children (Calvin 17, Lucy 13).</p> <p>Serving on the SACRS Board for the last year has been rewarding and I would like to continue for the next term.</p> <p>Thank you</p>

Election: SACRS Board of Directors

Letter of Intent

I am Chris Cooper and I have had the honor of serving on the SACRS Board of Directors for the last year as a Regular Member. I am a Fire Captain/Paramedic in San Rafael, CA and have served as the Elected Safety member on the Marin County Employees' Retirement Association for 7 years. Having attended SACRS conferences for 7 years, I want to give back to the Association and people who have given so much to help me be a better Trustee. The last year on the Board has been eye-opening and I would like to serve in the position another year.

Thank you,

Chris Cooper



SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Vere Williams
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	(760) 486-6311 verevlw@aol.com 8379 Icicle Drive Pinon Hills CA 92372
Name of Retirement System Candidate Currently Serves On	San Bernardino County Employees' Retirement Association (SBcera)
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	General Elected
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> <input type="radio"/> <input type="radio"/> Regular Member
Brief Bio	<p>Seated on the SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment committees. Served on the governing Boards of Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. Past president of the African-American Employees Association and currently Treasurer of the Hispanic Employees Alliance. Earned an MBA in Information Management/Accounting and has completed certification courses at UCLA, Pepperdine and Wharton on Retirement System Management. I have been an Enrolled Agent for over 20 years along with over 25 years experience working in the finance department at Arrowhead Regional Medical Center, Colton. I have been trained in conflict resolution and have attend various workshop and seminars on organizational dynamics and interplay.</p> <p>A guiding quote – <i>"J always wondered why somebody didn't do something about that, then J realized J was somebody."</i> – Lily Tomlin</p>

March 1, 2019

VIA Email

Ray McCray, Chair

SACRS Nominating Committee

Dear Mr. McCray,

Please accept this letter as my letter of intent to run for the position of Regular Member in SACRS Board of Directors Elections 2019-2020.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). I started on the SBcera Board in January 2015 and attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts or thought leaders in their field. Since then, I have attended several conferences sponsored by other organizations that are single topic focused and I have also completed certification programs at Wharton, Pepperdine and UCLA. In comparison, SACRS conferences provide a comprehensive insight into the "nuts and bolts" of the functioning of the retirement systems with an emphasis on current application of the topics. SACRS provides attendees an opportunity to understand different perspectives thereby encouraging clearer lines of communication and to hear about what works and what may be problematic. The networking and information sharing opportunities with colleagues at SACRS is immensely valuable.

SACRS recent expansion of the Board to include additional members was a very good strategic move that has helped to expand experience pool and knowledge base. If elected as a Regular Member, I would work to ensure that SACRS remain the preeminent educational organization for the CERL 37 Act Systems by maintaining the high caliber of our conferences. Additionally, I would seek to encourage even greater participation from trustees and staff of the 37 Act Systems. I believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending a few sessions. Over the years, I have served on the governing Boards of Teamsters Local 1932, Working Assembly of Governmental Employees and other organizations.

I thank you in advance for your kind consideration and support. It would be a high honor to be elected to serve on the SACRS Board for the 2019-2020 term.

Please find attached the completed SACRS nomination form.

Respectfully,



Vere Williams, MBA

SBcera Board of Directors – General Member

cc: Sulema Peterson, SACRS



Providing insight. Fostering oversight.

7. SACRS Audit Report – Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2017-2018 Audit Report



JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

**STATE ASSOCIATION OF
COUNTY RETIREMENT SYSTEMS**

**FINANCIAL STATEMENT
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2018 AND 2017**

701 HOWE AVENUE, E3
SACRAMENTO, CA 95825

(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPA.COM

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2018

BOARD OF DIRECTORS

Dan McAllister
President

Vivian Gray
Vice President

Harry Hagen
Treasurer

Kathryn Cavness
Secretary

Raymond McCray
Immediate Past President

Lesley Nettles
Affiliate Chair

Roger Hilton
Board Member

Chris Cooper
Board Member

* * * *

Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2018 AND 2017

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL SECTION	
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS	3
NOTES TO THE FINANCIAL STATEMENT	4
SUPPLEMENTARY INFORMATION	
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS	7
GRAPHICAL PRESENTATION OF CASH RECEIPTS	8
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS	10
CONFERENCE SUMMARY REPORT	12



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, California

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements, of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2018 and 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

James Marta & Company LLP
Certified Public Accountants

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the State Association of County Retirement Systems for the years ended June 30, 2018 and 2017, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Information

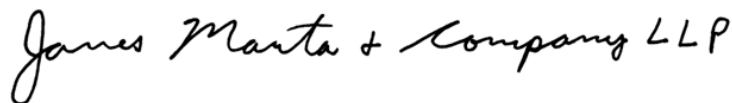
Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are presented for purposes of additional analysis and are not a required part of the financial statement.

The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11 is fairly stated in all material respects in relation to the financial statement as a whole.

The Conference Summary Report, on page 12, has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Restricted Use

This report is intended solely for the information and use of management and the board of directors of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
December 14, 2018

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

	2017-18	2016-17
<u>Cash Receipts</u>		
Dues	\$ 324,000	\$ 312,000
Conference		
Fall	581,490	566,200
Spring	546,860	575,399
Seminars	181,000	130,000
Other Admin Receipts	18,030	3,031
Other Conference Receipts	40	229
Interest	11,510	16,473
Total Cash Receipts	1,662,930	1,603,332
<u>Cash Disbursements</u>		
Conference		
Fall - 2017 and 2016		
Hotel and meals	304,155	310,266
Audio and visual	43,826	49,186
Program materials	78,637	86,216
Spring - 2018 and 2017		
Hotel and meals	167,017	114,162
Audio and visual	40,300	10,000
Program materials	56,567	58,546
Seminars	247,190	240,609
Conference Administration	12,416	39,672
Prior Year and Other Expenses	216,357	237,789
Total conference disbursements	1,166,465	1,146,446
Administration	345,134	398,845
Legislative representation	836	158
Lobbying	76,477	67,945
Newsletters	-	14,423
Committee meetings	24,997	18,831
Special projects	17,642	19,857
Total administration disbursements	465,086	520,059
Total Cash Disbursements	1,631,551	1,666,505
Excess (Deficit) of Cash Receipts over Cash Disbursements	31,379	(63,173)
Cash and Investments, Beginning	2,174,622	2,237,795
Cash and Investments, Ending	\$ 2,206,001	\$ 2,174,622
<i>Supplementary Information</i>		
<u>Cash and Investments at June 30,</u>	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	\$ 1,075,711	\$ 1,046,079
Current portion of investments	-	-
Non current portion of investments	1,130,290	1,128,543
Total Cash and Investments	\$ 2,206,001	\$ 2,174,622

The accompanying notes are an integral part of this financial statement.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

State Association of County Retirement Systems (SACRS) is a not-for-profit association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. SACRS was formed in the early 1970's to provide forums for disseminating knowledge of, and developing expertise in, the operation of county retirement systems existing under current law, as well as to foster and take an active role in the legislative process. To accomplish SACRS' mission of addressing issues of importance to members, SACRS, contracting with Strategic Local Government Services, provides a variety of association management services, including three magazines a year, membership directory, semi-annual conferences, and oversight of SACRS.org. The Association is supported primarily through membership dues and conference fees.

B. BASIS OF ACCOUNTING

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

Management has elected to use the cash basis of accounting for this entity given the nature of its receipts and disbursements: revenue is almost always received and earned in the same period (e.g. at the beginning of the year for annual memberships, and shortly prior to events for conference attendance) and most expenses are incurred evenly over the year, with the exception of the billing for the conference hotel expense. Financial results by conference are presented in the Conference Summary Report in the Supplementary Information section of this document.

C. INCOME TAXES

The Association is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701f of the California Revenue and Taxation Code.

D. CONTRACTUAL AGREEMENTS

The Association has entered into various contractual agreements for professional services. These agreements include compensation for services rendered to the Association.

E. COMPARATIVE DATA

Comparative data for the prior year have been presented in certain sections of the accompanying financial statement in order to provide an understanding of changes in the Association's financial position and operations.

Since SACRS uses the cash basis of accounting, the timing of events and the ultimate settlement of bills may vary from year to year. For example; the Spring conference costs could be settled by June (by year end) or be extended into the subsequent year. Also the timing of events could affect when payments are made from year to year. Payments after year end will be paid out of the surplus generated out of the prior year conference receipts. So the surplus cash at year end may have future demands for prior expenses. Management prepares a conference summary report that reconciles these payments when settled; this report is presented as supplementary information.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

2. CASH AND INVESTMENTS

Cash and Cash Equivalents

SACRS considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at June 30 include:

	<u>2018</u>	<u>2017</u>
Bank accounts	\$ 305,726	\$ 285,552
Bank certificates of deposit	-	-
Money market accounts	<u>769,985</u>	<u>760,527</u>
Total cash and cash equivalents	<u>\$ 1,075,711</u>	<u>\$ 1,046,079</u>

Cash in bank accounts at June 30, 2018 consisted of the following:

	<u>Bank of America</u>	<u>Community First Bank</u>	<u>Total</u>
Per bank	\$ 186,544	\$ 137,881	\$ 324,425
Checks outstanding	(1,186)	(17,513)	(18,699)
Deposits in transit	-	-	-
Total bank accounts	<u>\$ 185,358</u>	<u>120,368</u>	<u>\$ 305,726</u>

Cash in bank accounts at June 30, 2017 consisted of the following:

	<u>Bank of America</u>	<u>Community First Bank</u>	<u>Total</u>
Per bank	\$ 144,645	\$ 160,233	\$ 304,878
Checks outstanding	2,445	(17,513)	(15,068)
Deposits in transit	(4,258)	-	(4,258)
Total bank accounts	<u>\$ 142,832</u>	<u>\$ 142,720</u>	<u>\$ 285,552</u>

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). There were no amounts in excess of FDIC as of June 30, 2018 and 2017.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2018 AND 2017

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the “Fund”), depositing \$1,104,130. The balance as of June 30, 2018 and 2017 presented in the financial statement is \$1,130,290 and \$1,128,543; respectively. This balance includes reinvested interest income totaling \$15,892 and \$10,124, respectively, but does not include changes in fair market value for the year ended June 30, 2018 and 2017 totaling (\$1,140) and (\$2,262) respectively. The fair market value of SACRS’ investment in the Fund at June 30, 2018 and 2017 is \$1,129,150 and \$1,126,281, respectively. The current portion of the investment account represents underlying securities which are immediately redeemable (e.g. equities), or will mature within one year. The current portion of investments at June 30, 2018 and 2017 was \$0. The Fund is not rated or insured. Total return on the Fund for the years ended June 30, 2018 and 2017 was 1.41% and 1.28%, respectively.

3. CONTRACTS

SACRS has entered into contracts with various hotels to reserve facilities and guest rooms for its upcoming conferences and events. Cancellation fees associated with these contracts vary by date of notice. All hotel contracts specify the total number of guest room nights reserved at a group rate. If guest nights attributed to the convention fall below a specified minimum, SACRS is obligated to pay a room attrition rate for every guest night below the contracted minimum; standard room rates exceed the attrition rate. The organization is also responsible for food and beverage minimums as specified below. Hotel contracts entered into as of the audit date are summarized here:

Conference	Cancellation Fees	Food and Beverage Minimums	Guest Room Nights Reserved	Guest Room Nights Minimum	Rooms Attrition
Fall 2018	\$55,418-\$286,672	\$100,000	968	774	\$226 plus tax
Spring 2019	\$156,549-\$281,789	\$100,000	1035	880	\$189 plus tax
Fall 2019	\$84,596-\$181,192	\$120,000	875	700	\$199 plus tax
Spring 2020	\$214,705-\$316,464	\$170,000	1145	973	\$229 plus tax
Fall 2020	\$49,194-\$408,276	\$80,000	890	700	\$226 plus tax
Spring 2022	\$135,682-\$421,365	\$150,000	1185	948	\$229 plus tax
Fall 2023	\$123,832-\$397,665	\$150,000	1185	948	\$209 plus tax

4. DONATED SERVICES

Directors and officers have made a significant contribution of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statement of cash receipts and disbursements as no cash changed hands as a result of the donated services.

5. SUBSEQUENT EVENTS

SACRS’ management has evaluated subsequent events through December 12, 2018, the date which the financial statement was issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statement.

SUPPLEMENTARY INFORMATION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

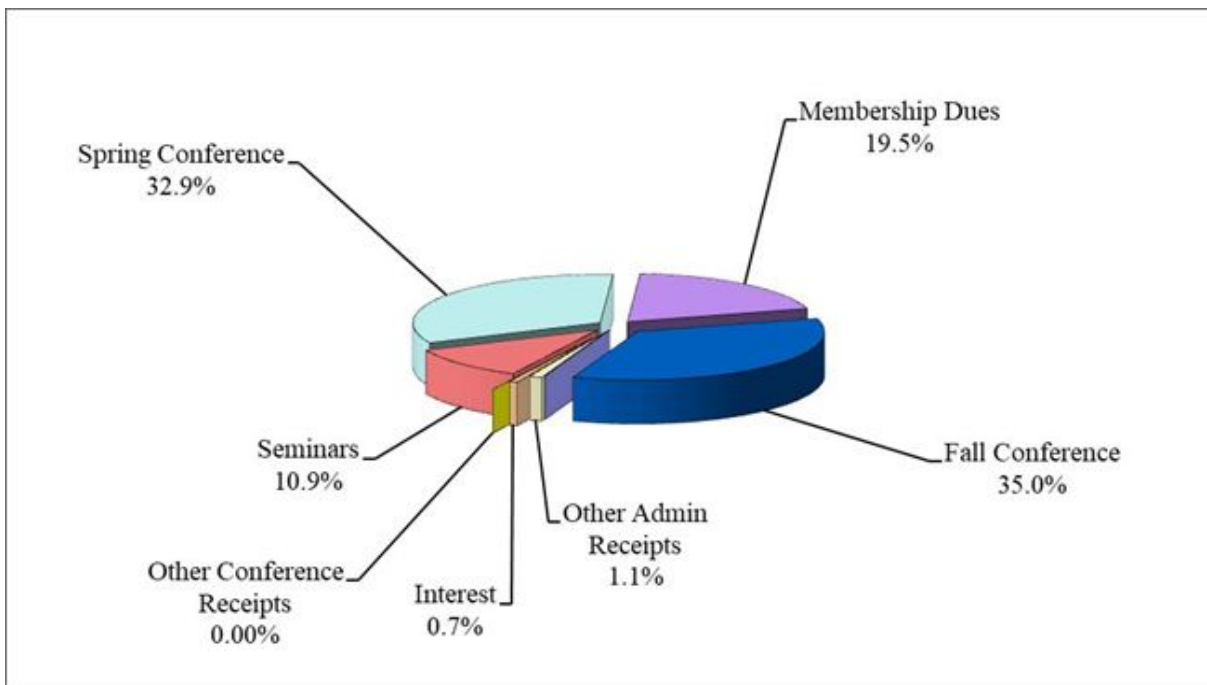
	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 324,000	\$ 324,000
Conference			
Fall	581,490	-	581,490
Spring	546,710	-	546,710
Seminars	181,000		181,000
Other Admin Receipts	-	18,180	18,180
Other Conference Receipts	40	-	40
Interest	11,510	-	11,510
	<u>1,320,750</u>	<u>342,180</u>	<u>1,662,930</u>
Total Cash Receipts			
<u>Cash Disbursements</u>			
Conference			
Fall - 2016			
Hotel and meals	304,155	-	304,155
Audio and visual	43,826	-	43,826
Program materials	78,637	-	78,637
Spring - 2017			
Hotel and meals	167,017	-	167,017
Audio and visual	40,300	-	40,300
Program materials	56,567	-	56,567
Seminars	247,190	-	247,190
Conference Administration	12,416	-	12,416
Prior Year and Other Expenses	216,357	-	216,357
Total conference disbursements	<u>1,166,465</u>	<u>-</u>	<u>1,166,465</u>
Administration	-	345,134	345,134
Legislative representation	-	836	836
Lobbying	-	76,477	76,477
Newsletters	-	-	-
Committee meetings	-	24,997	24,997
Special projects	-	17,642	17,642
Total administration disbursements	<u>-</u>	<u>465,086</u>	<u>465,086</u>
Total Cash Disbursements	<u>1,166,465</u>	<u>465,086</u>	<u>1,631,551</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	154,285	(122,906)	31,379
Cash and Investments, Beginning	<u>2,883,638</u>	<u>(709,016)</u>	<u>2,174,622</u>
Cash and Investments, Ending	<u>3,037,923</u>	<u>(831,922)</u>	<u>2,206,001</u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

CASH RECEIPTS BY SOURCE

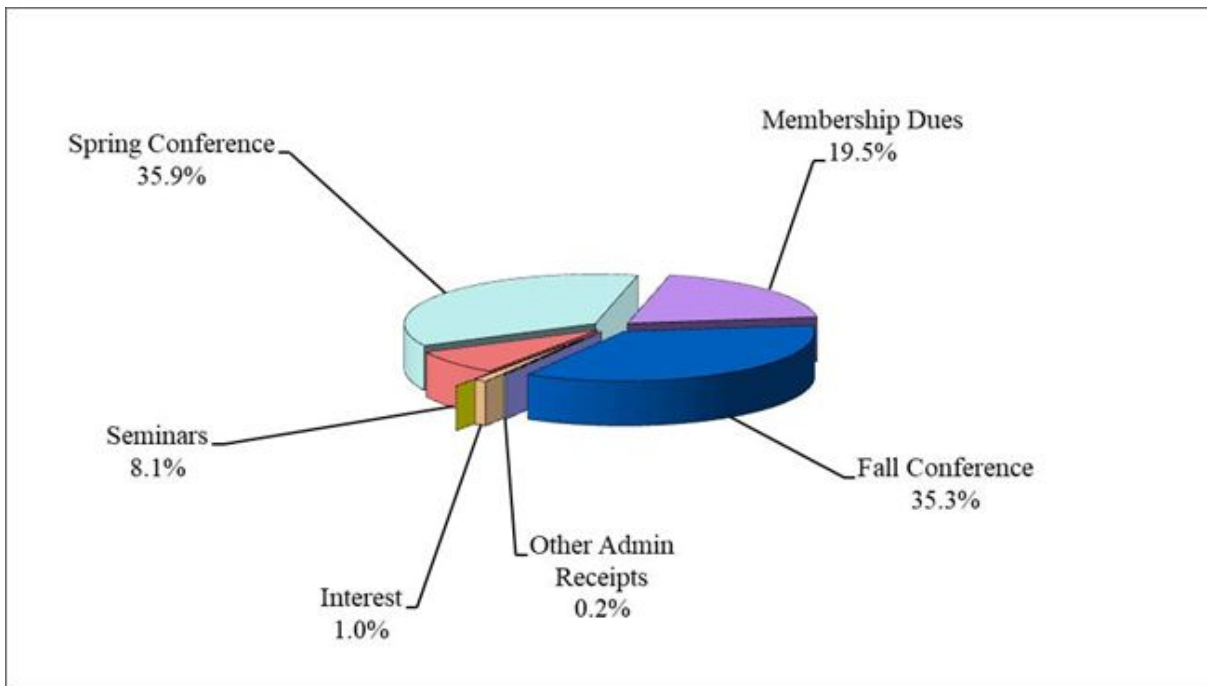


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

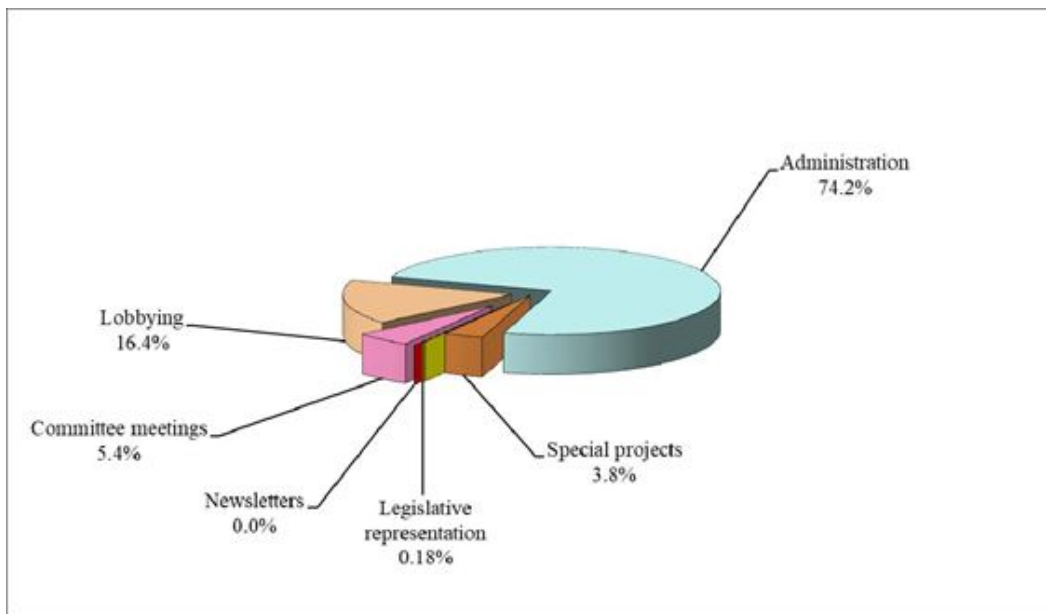
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

CASH RECEIPTS BY SOURCE

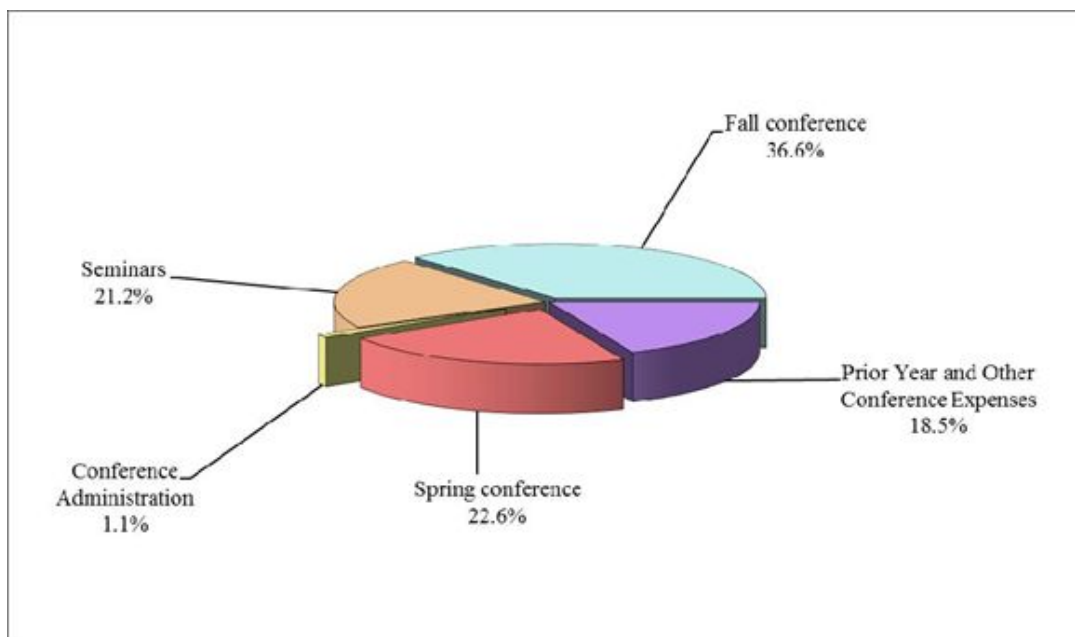


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ADMINISTRATION CASH DISBURSEMENTS



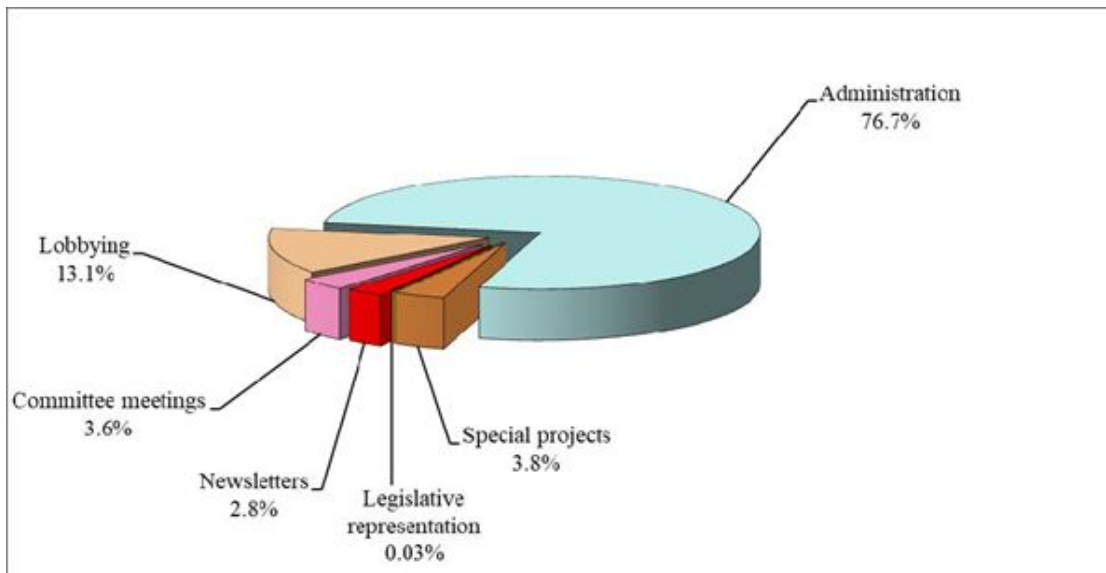
CONFERENCE CASH DISBURSEMENTS



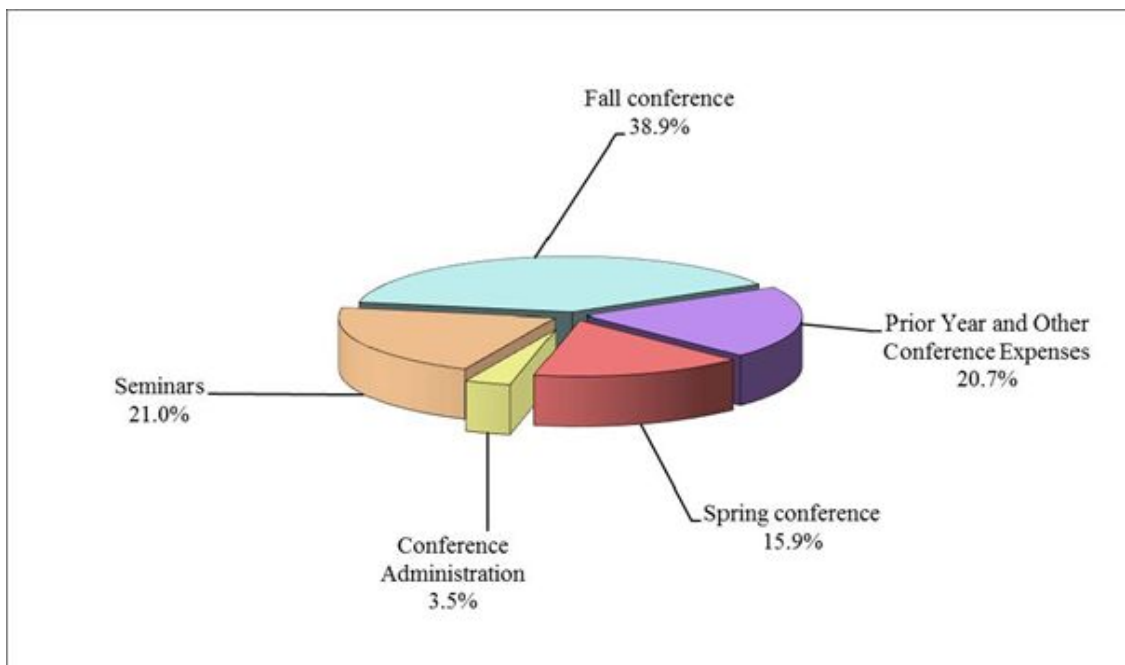
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

	Spring 2018 Anaheim	Fall 2017 San Francisco	Spring 2017 Napa	Fall 2016 Indian Wells	Spring 2016 Costa Mesa	Fall 2015 San Diego
Cash receipts						
Conference	\$ 546,900	\$ 581,490	\$ 572,159	\$ 566,265	\$ 494,920	\$ 586,885
Total cash receipts	<u>546,900</u>	<u>581,490</u>	<u>572,159</u>	<u>566,265</u>	<u>494,920</u>	<u>586,885</u>
Cash disbursements						
Hotel and meals	152,017	304,155	295,157	310,266	236,616	307,120
Audio and visual	40,300	43,826	10,000	49,186	39,483	42,378
Program materials	20,909	26,722	42,282	77,666	36,907	44,441
Program Speakers	35,159	50,363	-	-	-	-
Conference Administration	7,183	11,333	6,921	7,198	15,958	17,570
Total cash disbursements	<u>255,568</u>	<u>436,400</u>	<u>354,361</u>	<u>444,317</u>	<u>328,963</u>	<u>411,509</u>
Net cash provided by conference	\$ 291,332	\$ 145,090	\$ 217,798	\$ 121,948	\$ 165,957	\$ 175,376
Total attendees	599	603	611	597	601	715



Providing insight. Fostering oversight.

8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Spring Conference Evaluations 2019



Providing insight. Fostering oversight.

No Printed Materials For This Item



Providing insight. Fostering oversight.

9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

A. SACRS Spring Conference Report 2019



Providing insight. Fostering oversight.

No Printed Materials For This Item



Providing insight. Fostering oversight.

10. SACRS Affiliate Committee Report – No Action

Ben Lazarus, Parametric, SACRS Affiliate Committee Chair

A. Affiliate Committee Update



Providing insight. Fostering oversight.

No Printed Materials For This Item



Providing insight. Fostering oversight.

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update



Providing insight. Fostering oversight.

No Printed Materials For This Item



12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees



Providing insight. Fostering oversight.

No Printed Materials For This Item



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 15, 2019, Hyatt Regency Hotel & Spa, Monterey, CA.



March 25, 2019

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2019-2020 Elections – Final Ballot

SACRS BOD 2019-2020 election process began January 2019. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2019	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.
March 25, 2019	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2019	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 7-10, 2019)
May 10, 2019	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediate Past President, and two (2) regular members

A. Immediate Past President. The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.

B. Two (2) Regular Members. Two (2) regular members shall also be members of the Board with full voting rights.

Section 2. Elections of Directors. Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations no later than noon on March 1 of each calendar year regardless of whether March 1 is a Business Day. Each candidate may run for only one office. Write-in candidates for the final ballot, and nominations from the floor on the day of the election, shall not be accepted.

The Nominating Committee will report its suggested slate, along with a list of the names of all members who had been nominated, to each regular member County Retirement System prior to March 25.



The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's suggested slate to each trustee and placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform to Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

The elections will be held at the SACRS Spring Conference May 7-10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA. Elections will be held during the Annual Business meeting on Friday, May 10, 2019.

SACRS Nominating Committee Final Ballot:

- | | |
|------------------------------------|----------------|
| • Dan McAllister, San Diego CERA | President |
| • Vivian Gray, Los Angeles CERA | Vice President |
| • Harry Hagen, Santa Barbara, CERS | Treasurer |
| • Kathryn Cavness, Mendocino CERA | Secretary |
| • Roger Hilton, Orange CERS | Regular Member |
| • Chris Cooper, Marin CERA | Regular Member |

Additional Candidates Submitted:

- | | |
|--------------------------------------|----------------|
| • Vere Williams, San Bernardino CERA | Regular Member |
|--------------------------------------|----------------|

Please prepare your voting delegate to have the ability to vote by the recommended ballot and by each position separately.

If you have any questions, please contact me at Ray McCray, raym1@sbcglobal.net or (209) 471-4472.

Thank you for your prompt attention to this timely matter.

Sincerely,

Ray McCray

Ray McCray, San Joaquin CERA Trustee
SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Administrator



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Dan McAllister
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	619-531-5231 dan.mcallister@sdcounty.ca.gov 1600 Pacific Hwy, Room 112 San Diego, CA 92101
Name of Retirement System Candidate Currently Serves On	SDCERA
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	County Treasurer-Tax Collector, mandated member.
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> President <input checked="" type="radio"/> Vice President <input checked="" type="radio"/> Treasurer <input checked="" type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<p>Dan McAllister has served San Diego County residents as the County's Treasurer-Tax Collector since 2002. He was re-elected to his fifth term in June. Dan oversees the collection of more than \$6 billion in property taxes each year, the management of \$11.6 billion in the County's Investment Pool, and the administration of the County's \$1.5 billion defined contribution program. Since assuming office, he has worked extensively to improve customer service, enhance communications and outreach initiatives, and ensure the fiscal stability of the treasury. Under his direction, his office collected a record high 60% of property tax payments electronically, while maintaining a 99% collection rate for the past three years. He is also a strong advocate for diversity, a value reflected in his staff that comes from all walks of life and backgrounds. His office now delivers service in 17 different languages.</p> <p>As part of his duties, Dan serves as a member of the San Diego County Employees Retirement Association (SDCERA), which manages more than \$13 billion of investments; he also serves as a board member of several non-profit organizations in San Diego.</p>



**TREASURER-TAX COLLECTOR
SAN DIEGO COUNTY**

www.sdttc.com

Dan McAllister
Treasurer-Tax Collector



February 21, 2019

Mr. Ray McCray
Chairman
Nominating Committee
State Association of County Retirement Systems

Dear Mr. McCray,

This is to officially submit my name for consideration by the Nominating Committee for the office of SACRS President.

When I first ran for the Presidency, I pledged to continue to help move our organization forward with strong, inclusive leadership. I also spoke of my experiences and accomplishments as San Diego County Treasurer-Tax Collector; and of serving as a Trustee on the San Diego County Employees Retirement Association (SDCERA) Board and two successful terms as Board Chair.

Over the past five years, it has been my distinct honor and pleasure to serve on the SACRS Board. First as Treasurer and now President. I am extremely proud of the work our board has completed during these years to improve our levels of customer service to our members. During the past two years for example the SACRS Board performed a comprehensive review and update of Board Policies and Procedures. We added two new seats to the Board to be more inclusive and give more members an opportunity to serve. We also made strong efforts to add new people to a number of our standing committees.

Indeed, it has been a productive year for the Board and we have made a difference for the SACRS membership. Ours has been a team effort and one that can point to positive developments and continuous improvement.

SACRS is a special organization and one that must continue to provide educational forums for disseminating information to Trustees and system staffs from all '37 Act counties. Additionally, SACRS must take an active role in the legislative process as it impacts county retirement systems.

As SACRS President for the coming year, I will continue to work collaboratively with the SACRS Board and Trustees statewide to ensure that our educational programs and conferences continue to be of the highest quality and content.

With your support and nomination, I would be honored to serve again as President of SACRS. Thank you in advance for your careful and positive consideration of my candidacy for re-election.

Sincerely,

A handwritten signature in blue ink that reads "Dan McAllister". The signature is stylized and cursive.

Dan McAllister



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2018-2019**

All interested candidates must complete this form and submit it along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2018.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net or to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	VIVIAN GRAY
Candidate Contact Information (Phone Number, Email Address and Mailing Address MUST be included)	Viviangray@aol.com, Vgray@lacera.com 300 N. Lake Ave., Ste. 820 Pasadena, CA 91101 Phone: (213) 440-0142
Name of Retirement System Candidate Currently Serves On	Los Angeles County Employees Retirement Association (LACERA)
Current Position On Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	General Elected Trustee, Board of Retirement http://www.lacera.com/about_lacera/bor/gray.html
Applying for SACRS Board of Directors Position (You may only select one)	<input type="radio"/> President <input checked="" type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	<ul style="list-style-type: none"> • Chair, LACERA Board of Retirement 2018 • Chair, SACRS Program Committee • Elected general member trustee since 2012 35 years of service to Los Angeles County <ul style="list-style-type: none"> 10 years in Law Enforcement 25 years as an attorney for Los Angeles County • 6 years in private law practice • Education/Pension Trustee Certificates <ul style="list-style-type: none"> - Bachelors of Arts: UCLA - JD: UWLA - New York Law School - Public Pension Trustee Fiduciary Program - Stanford Law School (CALAPRS) - Principles of Pension Management - Harvard Law School Program - Trustee Work Life - UC Berkeley (SACRS) - Modern Investment Theory & Practice for Retirement Systems - IFEBP - Trustee Masters Program - NCPERS - Public Pension Funding Forum - Wharton Business School - Portfolio Concepts and Management (Pending) - National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

VIVIAN GRAY

300 N. LAKE AVENUE, SUITE 820 ~PASADENA, CA 91101 ~ VGRAY@LACERA.COM

February 20, 2019

VIA EMAIL

SACRS Nominating Committee
Mr. Ray McCray, Chair

Dear Mr. McCray:

I would like to express my interest in remaining SACRS' Vice President for 2019/2020.

I have been honored to serve as Vice President and Chair of the Program Committee for the past 2018/2019 year. During this past year SACRS has made considerable strides in remaining a relevant organization for trustee education for the 20 systems comprising the 1937 Act Counties.

As instituted by the revised SACRS Bylaws in 2018 the SACRS leadership was expanded to a seven member board of directors. This expansion has served SACRS well by fostering a cohesive elected board whose focus is to increase SACRS level of recognition while maintaining its reputation as an excellent educational forum for trustees, its affiliates and the related pension community.

Through its strong leadership, SACRS can continue to become the premier entity in the direct education of trustees. I believe SACRS is a viable organization among retirement systems. We have secured a presence not only in our CERL 37 Act Systems, but are gaining headway and recognition beyond CERL.

Your consideration of me to continue as vice president would be an honor.

I have attached the SACRS Nomination Form containing my brief bio.

Sincerely,

Vivian Gray

Vivian Gray

cc: Sulema Peterson, SACRS



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	Harry E. Hagen
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	805-568-2490 hhagen@co.santa-barbara.ca.us P.O. Box 579 Santa Barbara, CA 93102-0579
Name of Retirement System Candidate Currently Serves On	SBCERS (Santa Barbara)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"> <input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input checked="" type="checkbox"/> Other Ex-officio member, Vice-Chair
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input type="radio"/> Vice President <input checked="" type="checkbox"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	See Attachment

February 28, 2019

To Ray McCray , SACRS Nominating Committee Chair,

I would like to continue serving on the SACRS Board of Directors and am submitting my letter of intent to run for the position of Treasurer.

I believe I am well qualified for the position based upon my educational and work experience. I am a 23-year employee of Santa Barbara County and the current Vice-Chair of the Santa Barbara County Employees Retirement System. I have served as the ex-officio member of SBCERS for over eight years. I was also an alternate member to the board for eight years as the Assistant Treasurer-Tax Collector-Public Administrator.

Should you have any questions, please don't hesitate to call me directly.

Thank you for your consideration.



Harry E. Hagen, CPA, CPFA, CPFO, CFIP, CGIP, ACPFIM
Treasurer-Tax Collector-Public Administrator-Public Guardian
County of Santa Barbara
(805) 568-2490
hhagen@co.santa-barbara.ca.us

Harry E. Hagen

Bio for SACRS Nomination Submission Form

I am the current Santa Barbara County Treasurer-Tax Collector-Public Administrator. I was first elected in 2010 and am currently serving in my third four-year term.

I am responsible for overseeing and investing a \$1.6 billion investment pool for local schools, general County government, and special districts. I manage the collection of taxes and general collections, administer Public Administrator estates and Public Guardian conservatorships, and oversee Veterans' Services programs. My duties also include serving as Chair of the County Debt Advisory Committee, implementing and managing the County's municipal financing program, and administering the County's deferred compensation program.

I hold a Bachelor's degree in Business Economics from UCSB, am a 27-year California Certified Public Accountant, and have completed the Certificate in Public Treasury Management from USC. Additionally, I have earned the designations of CPFO from the Government Finance Officers Association, CPFA and ACPFIM from the Association of Public Treasurers, CGIP from the Government Investment Officers Association, and CFIP from the Fixed Income Academy.



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Name of Candidate	Kathryn Cavness
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Home Phone (707) 459-2215 Cell Phone (707) 354-8105 Email k24u2figure@gmail.com Mailing Address 6500 Ridgewood Road, Willits, CA 95490
Name of Retirement System Candidate Currently Serves On	Mendocino County Employee Retirement Association (MCERA)
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc.)	MCERA Chair, General Elected
Applying for SACRS Board of Directors Position (select only one)	<input type="checkbox"/> President <input type="checkbox"/> Vice President <input type="checkbox"/> Treasurer <input checked="" type="checkbox"/> Secretary <input type="checkbox"/> Regular Member
Brief Bio	My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors: <ul style="list-style-type: none"> • Two years' experience as Secretary for SACRS Board of Directors • Trustee and Chair on the MCERA Board and member of the MCERA Auditing Committee • Executive Education Investment Program, Hass School of Business, UC Berkeley • Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University • Advanced Principles of Pension Management for Trustees, UCLA • Master's Degree in Business Administration/Accounting Emphasis • County of Mendocino District Attorney's Office Administrative Services Manager • Fiscal Officer for the Lake and Mendocino County Area Agency on Aging

Kathryn Cavness
6500 Ridgewood Road
Willits, CA 95490
(707) 459-2215
k24u2figure@gmail.com

January 29, 2017

Ray McCray, Chair
SACRS Nominating Committee
1415 L St., Suite 1000,
Sacramento, CA 95814

Dear Nominating Committee:

Please consider my request to run for Secretary of the State Association of County Retirement Systems (SACRS) Board of Directors in the upcoming May 2019 election. If elected, this will be my third term to serve as SACRS Secretary. I am also currently the Chair, as an Elected Trustee, of the Mendocino County Employee Retirement Association (MCERA) and member of the MCERA Audit Committee.

My interest in seeking the position of Secretary on the SACRS Board of Directors is to continue representing the interests of all 1937 Act County Trustees and to reach out to Trustees to attain greater participation in SACRS activities; my commitment to 1937 Act Trustees and Members is to carry out the goals and objectives of the SACRS strategic plan. If elected, my focus will be on improving our Trustee participation at the Spring and Fall Conferences, the UC Berkeley Educational Programs, and increasing membership on SACRS' Committees, including the Legislative, Program, Education and Bylaws Committees.

I wish to persist in my efforts to attain greater parity for the smaller, rural, central and northern 1937 Act systems; I am Chair of MCERA, the smallest, northernmost, rural SACRS retirement system. I have had the pleasure of visiting a few of the retirement systems in Northern California and I look forward to engaging in more of these relationship building activities to discover what individual retirement systems are seeking from SACRS.

My educational background and professional experience has provided me with a strong administrative/financial background ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors:

- Two years as Secretary for SACRS Board of Directors
- Chair on the MCERA Board and MCERA Auditing Committee Member
- County of Mendocino District Attorney's Office Administrative Services Manager
- Executive Education Investment Program, Hass School of Business, UC Berkeley
- Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University
- Advanced Principles of Pension Management for Trustees, UCLA
- MBA/Accounting Emphasis

Sincerely,

Kathryn Cavness



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

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Name of Candidate	Roger Hilton
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	(714) 325-9295, rhilton@ocers.org , roger@aocds.org 2223 East Wellington Ave. Suite 100 Santa Ana, CA 92701
Name of Retirement System Candidate Currently Serves On	Orange County Employees Retirement System (OCERS)
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	Vice-Chair - Elected Safety Member
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input checked="" type="radio"/> Regular Member
Brief Bio	<ul style="list-style-type: none"> <input type="checkbox"/> Currently serving as SACRS Regular Board Member 2018-2019 <input type="checkbox"/> OCERS: served as Chairman of the board, chair of the Investment Committee, and have chaired several committees, elected 2012 - Present. <input type="checkbox"/> Association of Orange County Deputy Sheriffs (AOCDS) Board of Directors: Currently serving as Vice President and Political Action Chairman, 2011 - Present. <input type="checkbox"/> Trustee on Medical and Benefits Trusts, 2011 - Present. <input type="checkbox"/> Association of Deputy Marshals Board of Directors, 1992-2000 – Served as President 1996-2000, Treasurer 1993-1996. <p>Public Pension Trustee certificates: -Modern Investment Theory & Practice – UC Berkeley; -Portfolio concepts and Management -Wharton School of Business; -Certificate in Public Plan Policy I and II; -Principles of Pension Management - Stanford University; -Advanced Principles of Pension Management - UCLA; -Labor and Worklife Program, Harvard Law School</p>

February 15, 2019

2223 East Wellington Ave. Suite 100
Santa Ana, CA 92701

Ray McCray, SACRS Nominating Committee Chair

Dear Mr. McCray:

Please accept this letter as my intent to run for the Board of Directors for the position of Regular Member. I would request that my name be included in the 2019-2020 SACRS Nomination Slate at the upcoming elections in May 2019.

I believe my years of experience leading employee labor organizations and the OCERS Board of Retirement have uniquely prepared me for this challenge. I have 30 years of experience in law enforcement, 26 years serving in the leadership of employee labor organizations, 6 ½ years on the OCERS Board of Retirement, and a year on the SACRS Board. My experience is further outlined on the Nomination Submission form attached to this letter.

Since elected to OCERS, I have made it a point to attend the SACRS conferences. Through these conferences, I have learned a great deal about pensions and have found many friends and mentors. I believe that SACRS is the most effective and important conference '37 Act trustees should attend, because of its relevant content and top-notch presenters. My primary goal is to keep SACRS as the premier public pension organization. I plan to utilize my extensive leadership experience by reaching out to and communicating with our members so they fully understand the many benefits of SACRS. My focus will be on continuing successful conferences and keeping SACRS a professional organization.

It would be an honor to continue to serve on the SACRS Board of Directors and I appreciate the consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Roger Hilton". The signature is fluid and cursive, with a large initial "R" and "H".

Roger Hilton

OCERS Board of Directors



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

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Name of Candidate	Chris C. Cooper
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	MCERA 1 McInnis Pkwy San Rafael, CA 94903 chriscooperinmarin@yahoo.com (415) 827-0772
Name of Retirement System Candidate Currently Serves On	Marin County Employees' Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	<ul style="list-style-type: none"> <input type="radio"/> Chair <input type="radio"/> Alternate <input type="radio"/> General Elected <input type="radio"/> Retiree <input type="radio"/> Other ____ Elected Public Safety_____
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member XXXX
Brief Bio	<p>My name is Chris Cooper and I am running to be re-elected to the position of Regular Member on the SACRS Board of Directors. I served in the U.S. Army for 8 years as a Mandarin Linguist/Interrogator and then graduated from the University of California, Berkeley with a degree in Political Economy of Industrial Societies. After a career as a merchandise buyer for a large retailer, I left to own/manage several franchise stores.</p> <p>Gradually, my hobby of volunteering with Wilderness and Urban Search and Rescue pulled me back to a career in Public Service. I sold the stores and became a Paramedic then attended the Fire Academy. I have been a Fire Captain/Paramedic in the City of San Rafael for 9 years and have served on the Marin Board of Retirement for 7 years. I live in San Rafael with my wife Lisa and 2 children (Calvin 17, Lucy 13).</p> <p>Serving on the SACRS Board for the last year has been rewarding and I would like to continue for the next term.</p> <p>Thank you</p>

Election: SACRS Board of Directors

Letter of Intent

I am Chris Cooper and I have had the honor of serving on the SACRS Board of Directors for the last year as a Regular Member. I am a Fire Captain/Paramedic in San Rafael, CA and have served as the Elected Safety member on the Marin County Employees' Retirement Association for 7 years. Having attended SACRS conferences for 7 years, I want to give back to the Association and people who have given so much to help me be a better Trustee. The last year on the Board has been eye-opening and I would like to serve in the position another year.

Thank you,

Chris Cooper



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Name of Candidate	Vere Williams
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	(760) 486-6311 verevlw@aol.com 8379 Icicle Drive Pinon Hills CA 92372
Name of Retirement System Candidate Currently Serves On	San Bernardino County Employees' Retirement Association (SBcera)
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	General Elected
Applying for SACRS Board of Directors Position (select only one)	<input type="radio"/> <input type="radio"/> <input type="radio"/> Regular Member
Brief Bio	Seated on the SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment committees. Served on the governing Boards of Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. Past president of the African-American Employees Association and currently Treasurer of the Hispanic Employees Alliance. Earned an MBA in Information Management/Accounting and has completed certification courses at UCLA, Pepperdine and Wharton on Retirement System Management. I have been an Enrolled Agent for over 20 years along with over 25 years experience working in the finance department at Arrowhead Regional Medical Center, Colton. I have been trained in conflict resolution and have attend various workshop and seminars on organizational dynamics and interplay. A guiding quote – <i>"J always wondered why somebody didn't do something about that, then J realized J was somebody."</i> – Lily Tomlin

March 1, 2019

VIA Email

Ray McCray, Chair

SACRS Nominating Committee

Dear Mr. McCray,

Please accept this letter as my letter of intent to run for the position of Regular Member in SACRS Board of Directors Elections 2019-2020.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). I started on the SBcera Board in January 2015 and attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts or thought leaders in their field. Since then, I have attended several conferences sponsored by other organizations that are single topic focused and I have also completed certification programs at Wharton, Pepperdine and UCLA. In comparison, SACRS conferences provide a comprehensive insight into the "nuts and bolts" of the functioning of the retirement systems with an emphasis on current application of the topics. SACRS provides attendees an opportunity to understand different perspectives thereby encouraging clearer lines of communication and to hear about what works and what may be problematic. The networking and information sharing opportunities with colleagues at SACRS is immensely valuable.

SACRS recent expansion of the Board to include additional members was a very good strategic move that has helped to expand experience pool and knowledge base. If elected as a Regular Member, I would work to ensure that SACRS remain the preeminent educational organization for the CERL 37 Act Systems by maintaining the high caliber of our conferences. Additionally, I would seek to encourage even greater participation from trustees and staff of the 37 Act Systems. I believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending a few sessions. Over the years, I have served on the governing Boards of Teamsters Local 1932, Working Assembly of Governmental Employees and other organizations.

I thank you in advance for your kind consideration and support. It would be a high honor to be elected to serve on the SACRS Board for the 2019-2020 term.

Please find attached the completed SACRS nomination form.

Respectfully,



Vere Williams, MBA

SBcera Board of Directors – General Member

cc: Sulema Peterson, SACRS

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
RETIREMENT BOARD SPECIAL ELECTION CALENDAR
SAFETY MEMBER VACANCY
TERM COMMENCING JULY 1, 2019, ENDING DECEMBER 31, 2020
(Election Date is June 10, 2019)**

- April 8th** Elections Announcements to be emailed from VCERA to safety member employees and distributed to county departments via brown mail.
- April 10th** Nomination Packets will be available (Fire Group Only) from the Elections Division of the Ventura County Clerk & Recorder at 8:00 a.m.
- April 24th** Nomination Packets must be returned to Elections by 5:00 p.m.
- April 26th** Retirement staff to conduct random alpha drawing at 9:00 a.m. to determine order of placement of names on ballot. Email to Elections.
- May 1st** Elections to Provide Candidates Statements and Voting Instructions to Retirement for printing.
- May 3rd** Retirement Department to run Voter List Report of eligible safety member personnel after pay period ending May 5, 2019.
- May 8th** Elections to provide ballots to Retirement.
- May 10th** Retirement staff to deliver voter listings, mailing labels, ballots and envelopes to GSA for distribution (*VCERA to provide 25 "extras" to Elections*).
- May 17th** Supplemental voter list to be processed by retirement, after pay period ending May 18, 2019.
- May 24th** Official ballots, Instructions for Voting and Candidates Statements to be distributed by U.S. mail to all eligible Safety members.
- June 10th** Election Day. Last day for voted ballots to be returned to Elections **(Deadline 5:00 p.m.)**
- June 13th** Voted ballots to be counted by Elections at 9:00 a.m.; Elections subsequently certifies results to Retirement.
- June 18th** Certificate of Election Results to be received by Board of Supervisors.
- July 1st** Oath of Office to be administered at the Disability Meeting of July.

From: Castro (ICB), Rick <rick.a.castro@blackrock.com>
Sent: Tuesday, April 02, 2019 10:04 AM
To: Gallagher, Dan <Dan.Gallagher@ventura.org>
Subject: BlackRock: Organizational Announcement (April 2019)

Hi Dan,

Looking forward to our catch-up tomorrow.

As you may have seen in the press, BlackRock today announced the final in a series of recent leadership changes aimed at streamlining and simplifying the firm to enhance the client experience while continuing to drive strong investment performance and growth.

In November we named Geraldine Buckingham as head of Asia-Pacific, succeeding Ryan Stork, who becomes deputy chief operating office. In January, Mark Wiedman was named Head of International and of Corporate Strategy with Salim Ramji succeeding Mark as Global Head of ETF & Index Investments. Martin Small succeeded Salim as Head of U.S. Wealth Advisory.

These latest initiatives, which are effective immediately unless otherwise noted, include:

- Shifting the primary axis of client coverage to the regions, including regionalizing our Institutional Client Business (ICB)
- Ensuring consistent delivery of the entire firm to clients, especially our largest global clients, by creating a new Chief Client Officer role
- Taking our alternatives business to the next level of its development by making BlackRock Alternative Investors a specialized business unit that integrates certain client-facing and investment teams
- Leveraging the strength of some of our best investment talent more effectively across the alpha platform
- Fostering more dynamic product innovation and management through a Chief Product Officer
- Elevating the next generation of leaders across a range of vital functions

Some of the specific people moves include:

Client businesses

- Mark McCombe becomes Chief Client Officer to ensure a consistent experience for global clients and so we share best practices and knowledge across all client segments. He also leads client businesses in the U.S. and Canada.
- Rob Fairbairn, as Vice Chairman of the firm, is responsible for certain of our most complex, global clients.
- Continuing to lead US and Canada Defined Contribution, Anne Ackerley expands her responsibility to lead Retirement Solutions encompassing DC, Retail Financial Institutions Group and retirement strategy.
- To enhance what we offer financial industry clients, Financial Markets Advisory and our global FIG businesses will report to the same leader, Charles Hatami, while operating as distinct groups.
- Philipp Hildebrand serves as chairman of both FIG and FMA in addition to overseeing the BlackRock Investment Institute and BlackRock Sustainable Investing.
- Sarah Melvin returns to London as Head of the UK where she will lead holistic coverage across our UK clients.
- Zach Buchwald succeeds Sarah as Head of ICB U.S. and Canada.
- Armando Senra becomes Head of U.S., Canada and Latin America iShares where he will report to Salim Ramji.
- Dominik Rohe succeeds Armando as head for the Latin America region, reporting to Mark.
- Andrew Landman will succeed Dominik as Head of Australasia in June while continuing to serve as APAC's Head of Client Business until after his client business responsibilities have been transitioned to a successor.
- Jessica Tan, who has served as Larry's Chief of Staff and day-to-day lead of the Strategic Partner Program team, will become Head of Corporate Strategy, reporting to Mark.

Alternatives

- Edwin Conway becomes Global Head of BlackRock Alternative Investors and will be responsible for extending our investment capabilities and commercializing their potential, including a closer alignment between investment and distribution in BAI.
- Jim Barry becomes CIO for BAI. He continues as Global Head of Real Assets.
- David Blumer, who played a key role in building the foundational platform for BAI and EMEA, has opted to spend more time closer to home in Zurich and will become a senior advisor to the firm. Going forward, David will continue to contribute as Chairman of Switzerland and advisor to key leaders.

Trading and Liquidity Strategies

- After a distinguished career, including re-architecting Trading and Liquidity Strategies as industry conditions evolved, Richie Prager has decided to retire as of July 1 while facilitating a transition to the next generation of leadership.
- Supurna VedBrat will become Head of Global Trading, overseeing Trading, TRIM and Capital Markets. Justine Anderson continues to lead TRIM. Ben Spielman and Ed Cook continue as Co-Heads of Capital Markets.
- Phil Vasan will become Head of Global Lending & Liquidity, overseeing Cash, led by Tom Callahan, and Securities Lending, led by Roland Villacorta.

Product and Client Experience

- Patrick Olson will become Chief Product Officer to lead a more strategic approach to the way we manage our products and the client relationships they represent.
- Claude Wade, as Global Head of Client Experience, will work with client teams world-wide to translate client needs into the development of our client experience platform.
- Melanie Seymour takes responsibility for Global Client Services.

Investment Platform other than Global Allocation and GFI

- The Product Strategy teams currently reporting to Richie will report to their respective investment leaders with a joint report to Patrick to ensure they are coordinated across the firm.
- Ryan Stork, as part of his Deputy COO duties, will lead our process to maintain continued and strong connectivity among investment COOs across the platform.

These changes indicate BlackRock's commitment to constant reinvention and to the ongoing development of our senior leaders. They are designed to ensure we simplify our organization so that we can be more efficient and effective in delivering the solutions our clients need. Our goal is to make clear for you that BlackRock is unique in its ability to leverage its global scale and local capabilities in the rapidly changing world in which we live.

Happy to discuss in more detail tomorrow if you have any questions.

Best,
Rick

Rick Castro

Vice President | BlackRock
Phone: 213.613.3828 | Mobile: 415.653.2208

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CURRENT YIELD ■ By James Grant

The Pundit in the Shower

A once and future *Barron's* columnist on lessons of the 35-year bull bond market



This column marks a homecoming for Jim Grant, founder and editor of *Grant's Interest Rate Observer*. A *Barron's* staff writer from 1975 through 1988,

Grant now will be back twice a month with *Current Yield*, a credit markets column he originated in 1980. In this first installment, he reflects on what has happened to bonds in the 35 years since he last wrote for *Barron's*.

Interest rates can astound you. Thirty-five years ago, it was their height that beggared belief. Now it's their plunge from those heights that makes you shake your head. "Markets can do anything," said the late, great founder of the *Dow Theory Letters*, Richard Russell. The bond market, especially.

If you have to forecast interest rates, do it in the shower where nobody can hear you. But suppose, in the spring of 1984, as long-dated Treasuries hit 14%, you, our imaginary pundit, were touched with the gift of clairvoyance. You might have said this:

"A 14% Treasury yield is a gift from the gods. The consumer price index is running at just a little over 4%. In breaking the strike of the air traffic controllers, President Reagan has likewise broken organized labor. Paul Volcker is running the Federal Reserve. Inflation is over. Bonds are priced to deliver an equity return without the equity risk.

"Excess leads to an opposite excess," you continue, summarizing the second rule of investing of the strategist and technician Bob Farrell. "Today's towering yields sow the seeds of tomorrow's tiny ones. There's nothing in the economic data to justify 14%. It's the result of 35 years of bearish conditioning. Sedimentary deposits of bearishness have been collecting in the market's brainpan since 1946.

"Mark my words," you close with a flourish. "By the time this bull market is over, euro-denominated junk bonds will yield less than 1%."

Your prophecy came to pass, all right, but a lot of good it did you. You lost your job for talking gibberish. Not even the sell-side could stand to listen to you.

Jumping ahead 3½ decades, we arrive at another generational inflection point. In July 2016, the 10-year Treasury was quoted at 1.32%. Everything was different than 1984, yet, in a strange way, everything remained the same. People loved bonds when they yielded little, even more than they hated them when they yielded much. And in that season of yielding little, some \$10 trillion of fixed-income securities worldwide were actually priced to deliver a nominal yield of less than zero.

In 2016, again granted foreknowledge, you addressed your public, thus: "Thirty-five years ago, the Fed was trying to kill inflation. Now it's trying to rehabilitate it. It's defining 'price stability' as a 2% rate of inflation, a hefty premium, incidentally, to that puny 1.32% yield. A bond is a promise to pay money. But—in this age of monetary tinkering—what's money? The bond bull market is over."

Having learned your lesson in 1984, you push prescience no further. Nobody's going to believe you, anyway.

You're on safer ground with the history of interest rates, though even some of that

defies belief. One singular fact is that real, high-grade, sovereign yields have been on a general, jagged decline since the time of Christopher Columbus.

Here's another: In America, nominal yields have tended to rise and fall in multi-decade intervals—down in the final quarter of the 19th century, up through 1920, down till 1946, up till 1981, down till 2016, and now up again.

There was nothing precipitous about the tempo of rising rates in the early years of the previous bear bond market. Long-term government yields were 2.25% in 1946. They were 3.25% in 1956. You hardly noticed they'd moved.

Then, again, past performance guarantees nothing. Big deficits and radical monetary policy could force a faster rate of rise this time. America needed 192 years to amass its first \$1 trillion in gross public debt; it hit the mark in 1981. Now there's \$22 trillion on the books, with another \$1 trillion looming in this ostensibly prosperous fiscal year alone.

The dollar is another historical anomaly. It was first defined as a weight of silver,

next as a weight of gold. Then, in 1971, it was undefined. It became a piece of paper or a line of computer code—unconnected to the precious metals, its value is what the market says it is. Will you trust that piece of paper in the next bout of inflation?

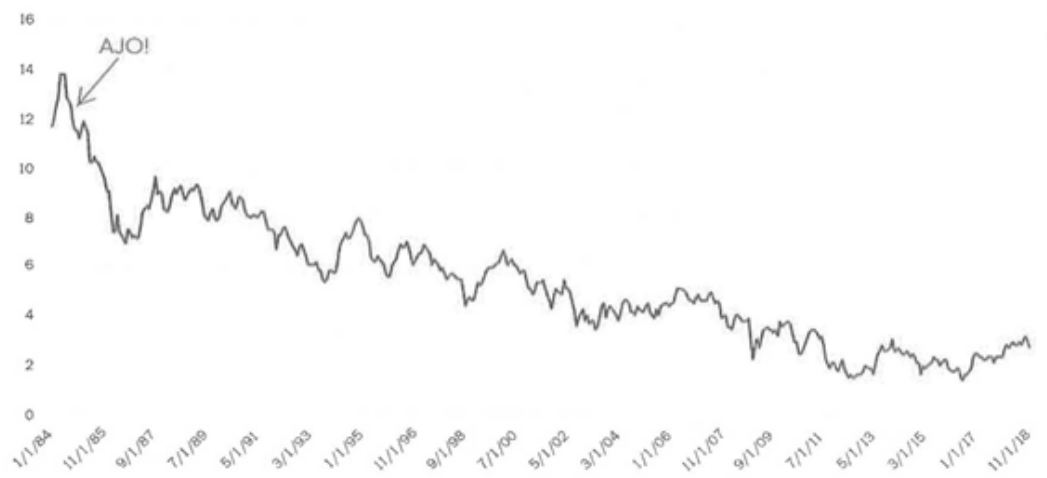
Having pushed aside the silver standard and the gold standard, the world today is on a Ph.D. standard. The central bankers and their theories come straight from the university economics departments (Jay Powell, to his credit, is neither economist nor professor). In response to the events of 2008, the doctors of economics pressed down interest rates and held them down. Cheap capital built leveraged, loss-making businesses. Private equity boomed. How will these bull-market creations fare in the face of higher rates, tighter credit, and cyclically stunted revenue growth? We are going to find out.

This column, in sum, judges that the July 2016 low in rates marked the start of a new, perhaps lengthy bond bear market, with lots of volatility along the way.

A detailed forecast will presently follow—we're stepping into the shower now.

The Good Old Days

Yields on 10-year Treasuries peaked at 14% in 1984 and seemed to have bottomed out in 2016 at 1.32%.



Source: Bloomberg



"I'm just glad we got out before interest rates went up again."

To Our Valued Clients,

We hope you can join us November 4th through November 5th in New York City for Abbott Capital's Client Conference and Annual Meetings. A brief schedule of events is outlined below. We expect to provide additional details, including a detailed agenda, in the coming weeks.

Thank you for your support and we look forward to hopefully seeing you in November!



ABBOTT CAPITAL MANAGEMENT CLIENT CONFERENCE AND ANNUAL MEETINGS:

Please join Abbott Capital November 4 – November 5, 2019

New York City

Monday, November 4, 2019

6:00 pm – 9:00 pm

Welcome Cocktails and Dinner

Tuesday, November 5, 2019

8:30 am – 1:30 pm

Client Conference and Annual Meetings

Additional details to follow.

Investor Relations | Abbott Capital Management, LLC

[Ryan Green](#) | [Dan Kettner](#) | [Sean Long](#) | [John Thomas](#)

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