VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY & BUSINESS MEETING

APRIL 19, 2021

AGENDA

PLACE: *In Accordance with the Governor's Executive Order N-29-20 (3), the Members of the Board will be participating via teleconference. Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning the below mentioned business.*

The public may listen to the Public Session and offer comments by calling: +1 213-338-8477, using Meeting ID: 971-8163-9366. Persons may also submit written comments to publiccomment@vcera.org prior to and during the Board meeting. Please include your name, agenda item, the last 4 numbers of the telephone number that will be used to call in, and your comment. Public comment emails will be read into the record or summarized if lengthy.

TIME: 9:00 a.m.

ITEM:

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I.	**CALL TO ORDER**	
II.	**APPROVAL OF AGENDA**	1 – 5
III.	**APPROVAL OF MINUTES**	
A.	Business Meeting of February 22, 2021. *To be Provided.*	
B.	Special Meeting for March 1, 2021.	6 – 8
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B.	Receive and File Report of Checks Disbursed in March 2021.	26 – 28
C.	Receive and File Budget Summary Admin. – Disability for FY 2020-21 Month Ending March 31, 2021.	29
D.	Receive and File Budget Summary Combined for FY 2020-21 Month Ending March 31, 2021.	30 – 31
V.	**RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT**	32 – 67

VI. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service-connected Disability Retirement – Inman, Erin K.; Case No. 15-004.

1. Proposed Findings of Fact and Recommended Decision to Grant the Application for Service-connected Disability Retirement, filed by Hearing Officer Humberto Flores, dated January 14, 2021. 68 – 83

2. Applicant's Objections to the Hearing Officer's Proposed Findings of Fact and Recommended Decision, filed by Warren S. Sieder Law Corp., Attorney for Applicant, dated February 2, 2021. 84 – 89

3. Response to Applicant's Objections to the Hearing Officer's Proposed Findings of Fact and Recommended Decision, filed by Michael Youril, Attorney for Respondent, dated March 18, 2021. 90 – 92

4. Hearing Notice, dated March 24, 2021. 93 – 94

B. Application for Nonservice-connected Disability Retirement – Maiman, Amy A.; Case No. 19-017.

1. Employer's Statement of Position, submitted by County of Ventura-Risk Management, in support of the Application for Nonservice-connected Disability Retirement, dated March 18, 2021. 95 – 100

2. Supporting Documentation for Employer's Statement of Position. 101 – 219

3. Application for Nonservice-connected Disability Retirement, filed by Applicant, dated April 16, 2019. 220 – 225

4. Hearing Notice, dated April 5, 2021. 226 – 227

VII. INVESTMENT MANAGER PRESENTATIONS

A. Receive Annual Investment Presentation, Sprucegrove Investment Management, Tasleem Jamal and Arjun Kumar. 228 – 290

B. Receive Annual Investment Presentations from State Street Bank, Julianna Frank, Grant Dannar, and John Muir. 291 – 340

C. Receive Investment Presentation from Abbott Capital Management, Arianna Merrill, Matthew Smith, Young Lee. 341 – 375

VIII. INVESTMENT INFORMATION

VCERA – Dan Gallagher, Chief Investment Officer
NEPC – Allan Martin

A. 2021 VCERA Asset Allocation Recommendation
RECOMMENDED ACTION: Approve.

VIII. INVESTMENT INFORMATION (continued)

1. Staff Letter by Chief Investment Officer. 376

2. Asset Allocation Analysis and Proposed Mix – NEPC. 377 – 378

3. VCERA Asset-Liability Study Report – NEPC. 379 – 428

B. 2021 VCERA Private Equity Annual Plan
RECOMMENDED ACTION: Approve.

1. Staff Letter by Chief Investment Officer. 429

2. Proposed 2021 VCERA Annual Private Equity Plan - Abbott Capital Management, Arianna Merrill, Matthew Smith, Young Lee. 430 – 439

C. Recommendation to Commit $15 Million Add-On Investment in Abbott Secondary Opportunities Fund II (ASO II).
RECOMMENDED ACTION: Approve.

1. Staff Letter by Chief Investment Officer. 440

2. ASO II Diligence Report - NEPC 441 – 444

3. ASO II Presentation Deck - Abbott Capital Management, Arianna Merrill, Matthew Smith, Young Lee. 445 – 495

D. Preliminary Performance Report for Month Ending March 31, 2021. 496 – 514
RECOMMENDED ACTION: Receive and File.

IX. OLD BUSINESS

A. Request to Ratify Staff Determination on Pay Codes Impacted by the October 12, 2020, Resolution Regarding Alameda Implementation for Compensation Earnable and Pensionable Compensation.
RECOMMENDED ACTION: Approve.

1. Letter by Chair Sedell. 515 – 516

2. Recommended List of Impacted Pay Codes for Ratification. 517 – 522

B. Request for Approval of Contract Amendment with Vitech and Authorize Retirement Administrator to Execute Agreement.
RECOMMENDED ACTION: Approve.

1. Staff Letter by Retirement Administrator. 523

2. Staff Letter by Chief Technology Officer (Previously Provided). 524 – 525

3. Vitech Agreement. 526 – 527

IX. OLD BUSINESS (continued)

C. Recommendation to Approve Surplus Property Policy.
RECOMMENDED ACTION: Approve.

1. Staff Letter by Retirement Administrator, dated March 29, 2021. 528
2. Proposed VCERA Surplus Property Policy (Redline). 529 – 530
3. Proposed VCERA Surplus Property Policy (Clean). 531 – 532

X. NEW BUSINESS

A. Recommendation for Amendments to the VCERA Management Employees' Resolution.
RECOMMENDED ACTION: Approve.

1. Staff Letter by Chair Sedell. 533 – 534
2. VCERA Management Employees' Resolution (Redline). 535 – 541
3. VCERA Management Employees' Resolution (Clean). 542 – 545

B. Renewal of Segal Actuarial Services, and Proposed Schedule of Fixed Fees and Hourly Billing Rates.
RECOMMENDED ACTION: Approve.

1. Staff Letter by Retirement Administrator. 546
2. Proposed Schedule of Fixed Fees and Hourly Billing Rates. 547 – 549

C. SACRS Business Meeting Agenda Items.
RECOMMENDED ACTION: Give Direction to Voting Delegate.

1. Legislative Proposal Materials for the May 14, 2021 SACRS Business Meeting. 550 – 659
2. SACRS 2021 Spring Conference Agenda. 660

D. Quarterly Retirement Administrator's Report for January - March 2021.
RECOMMENDED ACTION: Receive and File.
To be Provided.

E. Quarterly Chief Investment Officers Report for January - March 2021. 661
RECOMMENDED ACTION: Receive and File.

XI. INFORMATIONAL

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B. State Association of County Retirement Systems (SACRS) Legislative Update – April 2021. 691 – 693

XI. INFORMATIONAL (continued)

C. CALAPRS Program Announcement – Advanced Principles of Pension Governance for Trustees. 694 – 695

XII. PUBLIC COMMENT

XIII. STAFF COMMENT

XIV. BOARD MEMBER COMMENT

XV. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

SPECIAL MEETING

MARCH 1, 2021

MINUTES

TRUSTEES PRESENT: Mike Sedell, Chair, Public Member
Arthur E. Goulet, Vice-Chair, Retiree Member
Steven Hintz, Treasurer-Tax Collector
Aaron Grass, Safety Employee Member
Cecilia Hernandez-Garcia, General Employee Member
Kelly Long, Public Member
Tommie E. Joe, Public Member
Jordan Roberts, General Employee Member
Sim Tang-Paradis, Public Member
Robert Ashby, Alternate Safety Employee Member
Will Hoag, Alternate Retiree Member

TRUSTEES ABSENT:

STAFF PRESENT: Henry Solis, Chief Financial Officer
Julie Stallings, Chief Operations Officer
Dan Gallagher, Chief Investment Officer
Lori Nemiroff, General Counsel
Leah Oliver, Chief Technology Officer
Josiah Vencel, Retirement Benefits Manager
Nancy Jensen, Retirement Benefits Specialist
Jess Angeles, Communications Officer
Chris Ayala, Program Assistant

PLACE: ***Please take notice that:*** *The Chair of the Board of Retirement, pursuant to Government Code §54956, hereby calls a Special Meeting to take place on March 1, at 2:00 P.M. In Accordance with the Governor's Executive Order N-29-20 (3) The Members of the Board will be participating via teleconference. Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning the below mentioned business.*

TIME: 2:00 p.m.

ITEM:

I. CALL TO ORDER

Chair Sedell called the Special meeting of March 1, 2021 to order at, 2:02 p.m.

II. APPROVAL OF AGENDA

MOTION: Approve.
Moved by Hintz seconded by Roberts
Vote: Motion carried
Yes: Grass, Goulet, Hernandez-Garcia, Hintz, Joe, Long, Roberts, Tang-Paradis, Sedell
No: -
Absent: -
Abstain: -

III. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant Exposure to Litigation Pursuant to Paragraph (2) of Subdivision (d) of Section 54956.9: One (1) Case.

The Board went into Closed Session at 2:05 p.m.

The Board returned to Open session at 2:47 p.m.

Trustee Hintz did not return to Open Session after the closed session meeting.

IV. PUBLIC SESSION

A. Report of Action Taken in Closed Session.

Following Closed Session, Chair Sedell called the Open Session meeting back to order.

Ms. Nemiroff said that there was no reportable action from the Closed Session meeting.

V. PUBLIC COMMENT

None.

MOTION: Adjourn the Meeting.
Moved by Roberts seconded by Joe
Vote: Motion carried
Yes: Grass, Goulet, Hernandez-Garcia, Hintz, Joe, Long, Roberts, Tang-Paradis, Sedell
No: -
Absent: Hintz
Abstain: -

VI. ADJOURNMENT

The Chair adjourned the meeting at 2:50 p.m.

Respectfully submitted,

LINDA WEBB, Retirement Administrator

Approved,

_____
MIKE SEDELL, Chair

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

MARCH 8, 2021

MINUTES

TRUSTEES PRESENT:
Mike Sedell, Chair, Public Member
Arthur E. Goulet, Vice-Chair, Retiree Member
Steven Hintz, Treasurer-Tax Collector
Aaron Grass, Safety Employee Member
Cecilia Hernandez-Garcia, General Employee Member
Kelly Long, Public Member
Tommie E. Joe, Public Member
Jordan Roberts, General Employee Member
Sim Tang-Paradis, Public Member
Robert Ashby, Alternate Safety Employee Member
Will Hoag, Alternate Retiree Member

TRUSTEES ABSENT:

STAFF PRESENT:
Linda Webb, Retirement Administrator
Lori Nemiroff, General Counsel
Henry Solis, Chief Financial Officer
Julie Stallings, Chief Operations Officer
Dan Gallagher, Chief Investment Officer
Leah Oliver, Chief Technology Officer
Josiah Vencel, Retirement Benefits Manager
Nancy Jensen, Retirement Benefits Specialist
Jess Angeles, Communications Officer
Chris Ayala, Program Assistant

PLACE: In Accordance with the Governor's Executive Order N-29-20 (3), the Members of the Board will be participating via teleconference. Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning the below mentioned business.

TIME: 9:00 a.m.

ITEM:

I. CALL TO ORDER

Chair Sedell called the Disability Meeting of March 8, 2021, to order at 9:03 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Hintz seconded by Roberts

Vote: Motion carried
Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell
No: -
Absent: Hernandez-Garcia
Abstain: -

III. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

Ms. Webb informed the Board that staff would discuss with Trustee Goulet his suggestions regarding the formatting of the status report in the near future.

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

MOTION: Receive and File.

Moved by Goulet seconded by Long

Vote: Motion carried
Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell
No: -
Absent: Hernandez-Garcia
Abstain: -

IV. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Nonservice and Service-connected Disability Retirement – Wise, Melissa S.; Case No. 19-005

1. Proposed Findings of Fact and Recommended Decision to Deny the Application for Nonservice and Service-connected Disability Retirement, filed by Hearing Officer Irene P. Ayala, dated January 24, 2021.

2. Hearing Notice, dated February 24, 2021.

Stephen Roberson, Attorney at Law, and Catherine Laveau were present on behalf of County of Ventura-Risk Management. Josiah Vencel and Nancy Jensen were present on behalf of VCERA. The applicant, Melissa S. Wise, was not present.

Mr. Roberson made a brief summary statement.

Trustee Joe noted that on January 21, 2021, Dr. Boone had administered 11 tests to the applicant, and the applicant had failed 10 of them. He asked what the tests were regarding.

Mr. Roberson explained that they were validity tests to determine if the applicant could perform to her true capabilities.

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

MOTION: Approve the Recommendation by the Hearing Officer to Deny the Application for Nonservice and Service-connected Disability Retirement.

Moved by Goulet seconded by Grass

Vote: Motion carried
Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell
No: -
Absent: Hernandez-Garcia
Abstain: -

B. Application for Service-connected Disability Retirement – Ho, Edward M.; Case No. 19-026.

1. Employer's Statement of Position, submitted by County of Ventura-Risk Management, in support of the Application for Service-connected Disability Retirement, dated February 1, 2021.

2. Supporting Documentation for Employer's Statement of Position.

3. Application for Service-connected Disability Retirement, filed by Thomas J. Wicke, Attorney for Applicant, dated June 17, 2019.

4. Hearing Notice, dated February 25, 2021.

Stephen Roberson, Attorney at Law, and Catherine Laveau were present on behalf of County of Ventura-Risk Management. Josiah Vencel and Nancy Jensen were present on behalf of VCERA. Thomas Wicke, Attorney at Law, was present on behalf of applicant, Edward M. Ho, who was not present.

Mr. Wicke made a brief summary statement.

Ms. Laveau also made a brief summary statement.

Trustee Goulet asked Ms. Laveau if Risk Management had investigated whether Mr. Ho may have had another occupation or hobby that might have caused or contributed to the applicant's condition.

Ms. Laveau replied that Risk Management had obtained the applicant's deposition and those issues were examined, and she believed that findings regarding that information was in the report, as well as being provided to the doctor.

Trustee Goulet asked that Risk Management provide a statement in future cases that referred to an applicant's other occupations or hobbies that could contribute to or cause an injury.

Ms. Laveau said that such a statement was in her report, but she would note to provide that information more clearly going forward.

Trustee Goulet also reported that currently a total knee replacement procedure was an out-patient surgery, which did not require overnight hospitalization.

Trustee Ashby noted that there was a typographical error on the retirement application regarding the applicant's spouse's birthday.

Chair Sedell said that the typographical errors regarding the applicant's date of the last day worked as well as the spouse's birth date would be corrected.

Trustee Roberts noted that Mr. Wicke said that staff had recommended granting the disability application, but it was actually County Risk Management that presented its position.

Regarding Trustee Goulet's earlier comment, Ms. Laveau confirmed that Risk Management's report stated on page 4 that the deposition transcript provided to the evaluating physician did address issues related to other occupations and hobbies that could have contributed to the applicant's disability.

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

MOTION: Approve Application for Service-connected Disability Retirement, As Amended, to Correct Applicant's Last Day Worked and Spouse's Birth Date

Moved by Roberts seconded by Grass

Vote: Motion carried
Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell
No: -
Absent: Hernandez-Garcia
Abstain: -

V. OLD BUSINESS

A. Appointment of Finance Committee.
RECOMMENDED ACTION: DETERMINE SCOPE OF FINANCE COMMITTEE, APPOINT TRUSTEES, AND DIRECT COMMITTEE TO RETURN WITH A DRAFTED CHARTER FOR FULL BOARD REVIEW AND APPROVAL.

1. Staff Letter.

2. Sample Committee Charter.

Ms. Webb said the Board had voiced interest for some time regarding the creation of a Finance Committee, which would serve as a standing committee. Therefore, staff had submitted a sample

charter, which listed a wide variety of tasks for the committee's review to determine which areas were most appropriate for the committee to oversee, in terms of their duties and responsibilities. Also, once the committee was appointed, they could return to the Board with a revised charter for adoption by the Board.

Trustee Goulet noted the recommendation from staff was that the Board would determine the scope of the responsibilities it would oversee, however he believed that trustees should be appointed to the committee and the Board should direct them to return with a draft charter for full Board review and approval.

Ms. Webb said that she believed that was reflective of staff's actual recommendation.

Chair Sedell said that he believed that the Board should provide some high level direction for the Finance Committee. He himself had many concerns about the broad list of potential responsibilities in the sample charter. He believed the finance committee should perform a more in-depth look at the budget and other financial items, and then submit to the entire Board any issues or concerns regarding the Plan's finances. The committee could also review the yearly budget with staff and work on any issues with it and ultimately submit those to the Board prior to its consideration for approval. He had seen other such committees go overboard by directing staff to do things differently apart from a Board's previous direction, and creating more work for staff. He had also known of other Boards that had separate committees, where one would review the budget and another could review the auditing of the Plan, so that they could each devote more time to those tasks. Such auditing committees would also be involved with the selection of an auditor every 5 years, which was what these other organizations had done. Though he did not disagree with Trustee Goulet's suggestion, he still believed that the Board should provide some broad direction relating to the scope of the committee's duties.

Trustee Goulet said that he felt that he was in agreement with Chair Sedell, but he had not done a detailed review of the sample charter. The Board could direct the committee to review important financial issues, as well as being a part of the auditor selection, initial review of the Comprehensive Annual Financial Report (CAFR) and also coordinate with the auditor. There may also be some other minor things that the Trustees on the committee might believe should be included in their list of responsibilities as well.

Chair Sedell said that he agreed with Trustee Goulet and that the Board should provide the committee the broad direction he previously mentioned, but the committee members would also help to determine the scope of their responsibilities.

Trustee Joe then asked if the meetings held by the finance committee would be subject to the Brown Act, as referenced in the staff letter provided to the Board. If the committee were to be working with staff on the details of a budget, would that need to be an official open meeting.

Ms. Nemiroff replied that if the committee had ongoing jurisdiction over a particular subject matter, then it would qualify as a standing committee, versus an ad hoc committee that was constituted for a particular purpose or project, and was not long in duration, and more project based. Ad hoc committees were not subject to the Brown Act, where standing committees were, and one may notice that among the other retirement systems that had Audit Committees, Finance Committees or Budget Committees, those were standing committees and therefore, their meetings were subject to the Brown Act and were also open to the public.

Ms. Webb said that typically when there was standing committee, different committee members could still meet with staff on their own, but when the committee met as a whole it would be subject to the Brown Act.

Trustee Long remarked that after reviewing the sample draft charter for the committee, she agreed with Trustee Goulet and Chair Sedell that the committee should just oversee the areas that would be outlined by the Board, but not go as in depth in scope. She would prefer that VCERA's Finance Committee meet and then bring any issues they find to the Board to avoid having them work independently from the Board and refrain from acting without the Board knowledge.

Chair Sedell said that he agreed with Trustee Long and that the committee would not be authorized to act independently in any case, as all decisions would require Board approval, with which he believed Trustee Goulet would agree.

Ms. Webb also said that the committee would be bring all recommended actions to the Board for full Board approval. She also said that she did not believe that VCERA's Finance Committee would want to take on all of the items in the sample charter, as it had been intentionally broad to allow the Board to decide which responsibilities were appropriate for committee involvement.

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

MOTION: Approve the Establishment of the Finance Committee.

Moved by Hintz seconded by Ashby.

Vote: Motion carried
Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell
No: -
Absent: Hernandez-Garcia
Abstain: -

Chair Sedell then asked if there were any volunteers to join the Finance Committee.

Trustee Joe said he volunteered to join the Finance Committee.

Trustee Roberts also said he volunteered to join the Finance Committee.

Trustee Goulet also said he volunteered to join the Finance Committee.

Chair Sedell then appointed Trustee Joe, Trustee Roberts and Trustee Goulet to the Finance Committee as the chair.

VI. NEW BUSINESS

A. Mid-Year Budget Update for FY 2020-21.
RECOMMENDED ACTION: Receive and File.

1. Staff Letter by C.F.O., Henry Solis.

2. Attachment A.

3. Attachment B.

Mr. Solis presented the Mid-Year Budget for Fiscal Year 2020-21.

Chair Sedell noted that staff's recommended action for the item said, "If necessary, staff would return to the Board after year end, and if required, request appropriation adjustments between object levels to close out the year". He said currently the Retirement Administrator had the authorization to approve minor adjustments throughout the year and only major adjustments would need to be approved by the Board, so why would staff be required to come back to the Board to approve some minor adjustments.

Ms. Webb replied that the Board would approve the final budget, once it was complete, so even if staff made minor adjustments with her approval, the final budget would still return to the Board. Also, staff was planning to bring a few requests for allocations to the Board, in the new budget year, which will include a V3 system updates as well as programming. Further, some items would be brought back to the Board for transparency, even though she had authority to approve so that the Board was apprised of them.

Chair Sedell said that he just wanted to ensure that staff was not having to do extra work, while making sure that the Board was aware of changes to the budget.

Ms. Webb also said that the Finance Committee could also recommend some guidelines regarding budget presentations, such as when they were presented to the Board and who had the authority to approve these types of requests.

Mr. Solis remarked that another reason staff had traditionally brought these types of budget items to the Board for approval in the event of any unanticipated expenses that would require an explanation from staff and Board approval for the needed adjustments to the budget for those expenses.

Trustee Goulet said that he wanted to compliment Mr. Solis for a very good letter, which was really outlined everything well.

MOTION: Receive and File.

Moved by Ashby seconded by Tang-Paradis

Vote: Motion carried
Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell
No: -
Absent: Hernandez-Garcia
Abstain: -

B. Request for Hearing Regarding VCPFA Claims for Correction of Membership Dates Based on Alleged Pre-Membership Misclassification of Members as Seasonal/Intermittent Employees. **RECOMMENDED ACTION: Direct Staff to Investigate Facts and Circumstances of Intermittent Tenures and Report Back with Options for Response to Claims.**

1. Staff Letter.

2. Letter from Law Offices of Ian Bondsmith, dated 2/3/21.

3. Response from VCERA General Counsel to Bondsmith, dated 3/2/21.

4. Letter from Law Offices of Ian Bondsmith to County CEO Powers, dated 3/2/2020.

5. County Response Letter County Labor Relations, dated 4/16/2020.

Ms. Webb related that the original claim was directed to the County of Ventura from Mr. Bondsmith who was representing the Ventura County Professional Firefighters' Association (VCPFA). The claim was regarding 16 employees and their previous seasonal/intermittent employment status. Later, VCERA had also received a letter from Mr. Bondsmith where he asserts that the Board had a mandatory duty to investigate the County's seasonal/intermittent classification of those employees. Mr. Bondsmith also asserts that the Board had an obligation to make an independent determination on the proper definition of seasonal and intermittent classifications. As Ms. Nemiroff's letter to Mr. Bondsmith indicated, it was staff's position that while the Board had the purview to investigate, they did not believe that it had a mandatory obligation to do so, or that the Board was required to adopt its own definition of those terms. Traditionally, VCERA had accepted the employee classification given by the employer, but in light of Mr. Bondsmith's questions, staff would be reviewing VCERA's own Member Sworn Statements to see if there were any clear issues with the classification status of those members. So, as Ms. Nemiroff's letter indicated, staff's recommendation was to have staff investigate the facts and documents, which the County had provided. Staff also believed that the County should discuss the matter further with Mr. Bondsmith, staff believed that the issue was with the County and how they designated the classification for those employees. Lastly, Mr. Bondsmith and a couple of representatives from the County had requested to make a public comment on the issue.

Mr. Bondsmith, Attorney at Law, commented on behalf of the Ventura County Professional Firefighters' Association (VCPFA). He explained that the issue was that the Fire Department had been using Fire Control Workers or hand crews to perform various tasks for the Fire Department. For example, they have needed two, 20-person hand crews, with many of them hired as intermittent employees. The contention was the Fire Department's need for year-around employees was greater than the number of regular employees, and as a result there have been several employees who have been misclassified as being intermittent. This was due to the fact that the nature of the work that the County needed was not intermittent work, but was in fact work that required year-around employees. As a result, the claim that VCERA had an independent duty to investigate was based on the County Employees Retirement Law (CERL) and VCERA's own bylaws, that stated that in cases of doubt of whether an employee was eligible to be a member, the VCERA Board shall decide, and the Board's own bylaws mirror that language. Given that Ms. Nemiroff's letter, which he received the previous week, indicated that the VCERA staff was willing to engage in an investigation, he did not feel it was necessary to quibble over whether VCERA had a mandatory duty because the fact was that if VCERA's staff was willing to investigate the matter, he did not feel it was important of the Board to make that determination. However, he did believe that the Board could provide some guidance to the standard by which intermittent employment should be determined. Again, it was their position that intermittent employment was not based on a classification that the County gave, but whether or not that the work that employee was performing was in fact intermittent work. Although the CERL and the VCERA bylaws themselves did not define what intermittent work was, what was clear from those sources as well as the County's rules themselves, was that the nature of the work was periodic and fluctuating work, not work that was continuous on a year to year basis. Referencing the exhibit he provided, Mr. Bondsmith noted there were several members who worked consecutive years as intermittent employees before they were converted to regular employment status, and they have since worked for decades as regular fire control workers since. There were long term workers who have had their retirement service credit truncated because for the first number of years of their employment they were improperly classified as intermittent. While Ms. Nemiroff's letter indicated that she believed that VCERA did have the authority

to enroll these employees notwithstanding the County's agreement, as her letter continually stated that if the County agreed that the employees were misclassified, then VCERA would make the change. His position was that under the authorities that were outlined in his letter, VCERA not only had the duty to review the issue, but also the authority to make the change, if in fact that it was found that the employees were misclassified, according to CERL and VCERA's bylaws.

Ms. Nemiroff said that she did believe that the VCERA Board has the authority to enroll the employees in question at an early membership date, if it were found that there was some abuse of the intermittent designation and that the employee should have been classified as, "regular employed;, however she also believed that VCERA needed to conduct a more thorough investigation before VCERA could come to such a conclusion.

Matthew Smith, Assistant County Counsel for Ventura County responded on behalf of the County of Ventura. He said he had read Ms. Nemiroff's letter, and while he agreed with most of it, as to her last point he did not necessarily agree that VCERA had the ability to appoint the employees in question, notwithstanding the County's determination or to appoint to membership, because employment with the County was by statute. Also, there was a definition within the Personnel Rules that defined what a regular employee was, and if someone did not meet that definition, they were not a regular employee. Membership in VCERA was premised on someone being a "regular employee" and a regular County employee was someone who held an allocated full-time or part-time fixed position within the County budget and excluded, among others, extra-help, fixed-term and intermittent employees. The County had established limits for itself on intermittent employees, but within the general definition of an intermittent employee, those limits were dependent on what the County wanted to do with its intermittent employees, and the consequences for exceeding that had to do with the Auditor-Controllers ability to pay the individual. However, those limits did not establish whether an individual was an intermittent employee or not because if the County hired someone as an intermittent employee for temporary or sporadic work, then that was an intermittent employee. Even if the County exceeded its own limits on employee work hours, that did not turn an intermittent employee into a regular employee, because again, they would have to meet the statutory definition, so there was no de facto regular employee. Therefore, he believed that as VCERA went forward with its investigation, they should keep those principles in mind. VCERA had relied on County determinations regarding employee classifications, which is appropriate because it was the County who appointed its employees and set the terms of the employment. Lastly, the County's staff was fully cooperative and willing to work with VCERA's staff during the investigation and if there were any questions that arose during the process both he and the Labor Relations staff were available.

Trustee Goulet asked why the claim was not filed a long time ago, as none of the issues were recent. He had to believe that the affected individuals knew or should have known that had not received credit for their time as Fire Control Workers, and they should have filed the claim back then.

Ms. Webb replied that in terms of the timing, Mr. Bondsmith may be the best person to address why he brought that action at this time.

Mr. Bondsmith said that while he understood Trustee Goulet's question, but he felt that it was one more that related to remedy rather than the issue at hand. He assumed that he was bringing up the issue, because he believed that it could be barred by, Laches, however, he believed Ms. Nemiroff's letter indicated that there was a continuing duty on the part of the Board that members who were entitled to be enrolled, were enrolled. All he could say was that the issue was brought to his attention and that they were raising the issue with the Board now and the Board had a continuing

duty to ensure that members and those people who were entitled to retirement benefits received the statutory benefits which they were entitled.

Chair Sedell said that the best thing may be to ask staff to continue that line of questioning as part of the investigation.

Trustee Roberts asked Mr. Smith how Fire Control Workers were currently classified.

Mr. Smith said that unfortunately he was not the best person to answer that question, but he believed that the Fire Department staff, or the Labor Relation staff would be able to provide that information to him.

Trustee Long noted that the second recommendation by staff requested that the County of Ventura engage further with the impacted members and their counsel to examine the issue. She then asked if the County would then report back to VCERA or would VCERA be engaged in those discussions as well.

Ms. Webb said that VCERA staff could not direct County staff to engage further with the impacted members, they could only encourage them to. As for VCERA staff's part, they would certainly be asking questions as part of the investigation and Mr. Curnow and his staff had been very forthcoming by providing documents that VCERA staff had requested. Whether or not the County wanted to engage separately with the other parties out of the process, was something entirely up to them, which was why VCERA staff used the word "encouraged." VCERA staff's role was to review the documents in the investigation, ask any follow up questions with the County and meet with them if necessary, and then report back to with their findings and provide options on how they could proceed from there.

Trustee Long said that she appreciated that, as she also had concerns that were similar to Trustee Goulet's in regard to the issues were in the past and why were they just coming to the County and the Board with them now.

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

MOTION: Adopt Staff's Recommendation for the Board to Direct Staff to Investigate the Facts and Circumstances of Intermittent Tenures and Report Back with Options for Responses to the Claim.

Moved by Ashby seconded by Joe

Vote: Motion carried
Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell
No: -
Absent: Hernandez-Garcia
Abstain: -

C. Review of 2020 Board Member Education Compliance.
RECOMMENDED ACTION: Approve.

1. Staff Letter.

2. Board Education Compliance Report for 2020.

Ms. Webb explained that the Trustee Education report was an annual reporting requirement, though the trustee education requirements were on a 2-year basis, and sometimes this was confusing. So, at times it may appear that a trustee was behind on training, when in fact that may be on a good pace to complete their 2-year training requirement. Also, staff did conduct some initial training for the new Trustees and staff will be going back to review the number of hours as they should be credited and included. Also, the SACRS Spring Conference was coming up quickly and two of the required courses for trustee training would be offered, so she encouraged the trustees who needed to take those courses to register. Lastly, if any of the Trustees had taken any other training that was not reflected, to please report that to staff so that those hours would be credited, because the training could be self-reported.

MOTION: Approve.

Moved by Long seconded by Tang-Paradis

Vote: Motion carried
Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell
No: -
Absent: Hernandez-Garcia
Abstain: -

D. SACRS 2021 Spring Voting Proxy.

1. Staff Letter.

Ms. Webb said every SACRS Conference included a business meeting where the 20 CERL systems were represented, so each board traditionally appointed a Voting Proxy to represent their system and vote at the meeting. The Board could appointee the voting proxy from among those attending the conference. She herself would be in attendance and was willing to be appointed as the voting proxy as well if needed.

Chair Sedell asked if there were any volunteers among the Board members to serve as the Voting Proxy.

Trustee Hoag said that he believed that he would be attending that meeting and would be willing to serve as the Voting Proxy for the Board.

Ms. Webb then said that she would be willing to serve as a backup for Trustee Hoag.

Chair Sedell then appointed Trustee Hoag as the Voting Proxy and Ms. Webb as a backup.

E. Ad Hoc Compensation Review Committee Progress Report and Proposed Request for Proposal.
RECOMMENDED ACTION: Approve.

1. Letter from Ad Hoc Compensation Review Committee.

2. Proposed Request for Proposal.

Ms. Webb said that the Ad Hoc Compensation Review Committee had been appointed by the Board to review the compensation for the 5 senior staff who reported to the Board. Trustee Goulet was the Chair of that committee and she deferred to him to present the materials that had been provided to the Board.

Trustee Goulet explained that the committee was requesting authorization from the Board to issue a Request for Proposal (RFP) for a compensation study. They had prepared a proposed RFP which was submitted to the Board along with a letter from the committee, though he wanted to point out an error in the letter. He said in the 2nd paragraph, it read, "*We received no comments for improvement of the scope of work*", and he should have read, "*We received suggestions and corrections or improvements for the RFP, but no substantial comments to change the scope*". Also, he and the committee thought that it would be beneficial to have staff review the RFP to ensure that what they hoped to see accomplished would be. He then said that he would entertain any comments the Board had or a motion to approve the item.

Chair Sedell noted that he was impressed by how professional the RFP looked, though it implied a much broader scope than just a market-based analysis. Also, the RFP referenced a fee of $35,000, as the maximum amount, but he was unsure how the committee had arrived at that amount. He recognized 3 of the 4 firms that were chosen to receive the RFP, and asked how those 4 were chosen and if there were other firms that should be considered.

Trustee Goulet replied that the committee had come up of the list of the 4 firms after consulting with other retirement systems. He also did not expect to receive any other proposals since the RFP was only going to be sent to the 4 recommended firms. As for the fee amount, $35,000 was the maximum, but he estimated that the fee would most likely be under $30,000, but they would not know until they received the proposals from the firms.

Chair Sedell then asked if the committee had a recommendation for how frequently the Board should conduct a market-based study for those 5 executive managers.

Trustee Goulet replied that he believed that the Board's policy stated that the Board should conduct one every 3 years.

Ms. Nemiroff noted that in the VCERA Management Resolution that was adopted by the Board stated that the Board "shall endeavor" every 3 years to have a study conducted. The Board was welcome to change that guideline, but that was what the Resolution currently said.

MOTION: Approve.

Moved by Ashby seconded by Roberts

Vote: Motion carried
Yes: Grass, Goulet, Hintz, Joe, Long, Roberts, Tang-Paradis, Ashby, Sedell
No: -
Absent: Hernandez-Garcia
Abstain: -

VII. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code section 54956.9(a)) Name of Case: Ventura County Employees' Retirement Association v. County of Ventura, et. al, Case No.: VENCI00546574.

Chair Sedell said that they had already discussed the informational item during the SACRS Voting Proxy item, and suggested that the Board hear Public Comment, Staff Comment and Board

Member Comments before going into Closed Session, without formally modifying the agenda formally, if the Board had no objection.

The Board then advanced to item, IX., “Staff Comment” since there were no objections by the rest of the Board.

After hearing staff comments, the Board withdrew into Closed Session at 10:36 a.m., after announcing they would be adjourning out of Closed Session, as there would be no announcements at its conclusion.

VIII. INFORMATIONAL

A. SACRS Spring Conference 2021 – Conference Information.

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

Ms. Webb reminded the Board that the April meeting was a combined meeting, which typically longer than a typical meeting. She also corrected her earlier statement regarding how staff was calculating retirements in regard to flex credit. While staff was including the flex credit in their calculations for retiring members, an additional calculation was provided to the member so that they were aware of what their benefits may be without the inclusion of the flex credit, given the pending litigation on the matter which may be resolved differently in the future. As for the estimates, staff was providing them to

members without the inclusion of flex credit, and a note was included to inform members that the item was being litigated.

Ms. Webb also informed the Board that VCERA would be mailing out Annual Statements to its members soon and that the statements had certain required items that must be included in them, such as the amount of accumulated contributions. In the past, VCERA had been providing benefit projections based on the members' final average compensation. However, this year she had directed staff not to include those projections because the pension administration system was still programmed to include not only flex credit, but all of the PEPRA exclusion pay items. Thus, the projections would be overstated, and it would be imprudent to send them as members could rely on those figures for planning. Staff had communicated this decision to the County, and they had voiced concerns on the disclaimer language in the statement, as the statement traditionally combined the VCERA annual statement with that of the County's 401k and 457 plans. Therefore, staff would be setting up a meeting with the County to discuss their concerns.

Ms. Webb also announced VCERA's Chief Operations Officer, Julie Stallings, had announced she would be retiring in April. She had been with VCERA for quite a long time and had more than 30 years of County service. As some the Board members may recall, she had taken the lead on the Pension Administration System project and oversaw VCERA Operations staff. While it would be a difficult to lose her, staff wished her the best and Ms. Webb asked that the Board join her in congratulating Ms. Stallings and wishing her the best. Lastly, because the COO was such a key position in the organization, staff would be returning to the Board to discuss the steps for filling that vacancy.

Chair Sedell remarked that Ms. Stallings was highly regarded and had done a great job for VCERA and the Board was very appreciative of that. The Board had always had a certain comfort level knowing that she was taking care of VCERA's members, and he could not recall any member complaints because of the work she done.

Ms. Webb said that Ms. Stallings was a very collaborative team member, well respected by her staff and also a very caring manager. Considering all of the things that staff have had to go through in the last few years, such as implementing a new pension system database, office remodel, COVID, and changes in retirement benefits, Ms. Stallings had helped her staff navigate through all of that very well, and again she would be sorely missed.

Trustee Ashby thanked Ms. Stallings for all of her support since he had been on the Board. She had always been available to answer questions and she would be sorely missed. He had known her for quite a few years, and she would be very hard to replace.

Trustee Goulet said he wanted to express his appreciation for the good work she had done for the many years that he had been on the Board.

Trustee Long expressed her thanks to Ms. Stallings. She said that Ms. Stallings had been very dedicated in looking out for the employees and she appreciated her efforts on behalf of all of the employees.

Trustee Roberts said that while they had not worked together for very long, he appreciated all of the work her and the staff had accomplished over that last year, especially with COVID and the uncertainty that it brought, and so he appreciated her dedication and many years of service.

Trustee Hoag said that he had known Ms. Stallings for many years, and she had done a very good job for VCERA.

Chair Sedell again thanked Ms. Stallings for the great work she had done, as well as her service to the County.

Following the vote on the item, the Board returned to agenda item VII.A., “Closed Session”.

XI. BOARD MEMBER COMMENT

None.

XII. ADJOURNMENT

The Chairman adjourned the meeting from closed session at 10:36 a.m.

Respectfully submitted,

LINDA WEBB, Retirement Administrator

Approved,

MIKE SEDELL, Chair

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

MARCH 2021

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	BENEFIT SERVICE*	DEPARTMENT	EFFECTIVE DATE
REGULAR RETIREMENTS:						
DORA MARIE	ARIAS	G	10/6/1996	20.12	HUMAN SERVICES AGENCY	1/8/2021
BERTHA A	AYALA	G	4/15/2002	13.88	HUMAN SERVICES AGENCY	1/5/2021
MICHAEL LOY	BECKETT	S	3/31/1991	29.95	SHERIFF'S OFFICE	1/30/2021
TERESITA G	BROWNE	G	8/9/2009	18.81	HEALTH CARE AGENCY	2/1/2021
JEFFREY DAVID	CHIARELLA	G	11/12/2014	6.20	GENERAL SERVICES AGENCY	1/30/2021
DONALD C	DOUGLASS	S	8/31/2003	17.38	PROBATION AGENCY	1/22/2021
SILVIA B	EDBER	G	1/30/2005	16.02	SUPERIOR COURT	2/27/2021
RALPH GONZALEZ	ELVIRA	S	1/9/2011	10.02	DISTRICT ATTORNEY	1/22/2021
ARLEEN	ESCANDON	G	11/11/1990	17.81	HEALTH CARE AGENCY (DEFERRED)	1/1/2021
ANTONIO	ESPINOZA	G	9/3/2000	20.42	INFORMATION TECHNOLOGY SERVICES	2/13/2021
NANCY R	FERRERIA	G	6/25/2000	20.56	PROBATION AGENCY	1/31/2021
KEVIN	FLORES	G	9/15/2015	5.40	HEALTH CARE AGENCY	2/12/2021
DONNA LEE	FOSTER	G	12/26/2010	9.64	HUMAN SERVICES AGENCY	2/5/2021
BRAD J	GLASSMAN	G	4/12/1986	6.32 *	REGIONAL SANITATION DISTRICT (DEFERRED)	12/31/2020
JULIAN	GUTIERREZ ESQUIVEL	G	2/6/2011	9.86	HUMAN SERVICES AGENCY	1/4/2021
MOIRA AILEEN	HEWSON	G	12/3/2014	6.10	PUBLIC WORKS AGENCY	2/25/2021
GARY RICHARD	HOLT	G	2/14/2016	5.00	FIRE PROTECTION DISTRICT	2/19/2021
DANIEL SHERWIN	KELLEY	G	10/13/2013	7.04	INFORMATION TECHNOLOGY SERVICES (DEFERRED)	1/25/2021
JOAN F	KIDDIE	G	7/12/1998	21.70	SUPERIOR COURT	1/28/2021
ELLEN MARIE	KRAGH	G	10/28/1990	30.54	AGRICULTURAL COMMISSIONER	2/20/2021
GUADALUPE	LEDESMA	G	1/15/2006	14.73 *	HEALTH CARE AGENCY (DEFERRED)	1/27/2021
NANCY A	LORENZEN	S		10.70	FIRE PROTECTION DISTRICT (DRO NON-MEMBER)	2/1/2021
RUSSELL G	MACALUSO	S	6/4/1995	25.72	PROBATION AGENCY	2/19/2021
POLINA M	MANZANO	G	1/6/1991	30.14	HUMAN SERVICES AGENCY	1/30/2021
JESUS S	MARTINEZ	G	3/17/1991	29.86	HEALTH CARE AGENCY	1/29/2021
MICHAEL LEE	MORROW	G	10/5/2008	12.35	HEALTH CARE AGENCY	2/13/2021
SHARON DENISE	MOSES	G	10/23/2005	15.26	HUMAN SERVICES AGENCY	1/30/2021
CYNTHIA	NAVARRETTE	G	4/2/2001	18.35	HEALTH CARE AGENCY	2/27/2021
TRACI M	NEWBURN	G	8/30/2015	5.39	HUMAN SERVICES AGENCY	1/30/2021
MARIA C	PINEDO	G	7/19/1992	28.26	HUMAN SERVICES AGENCY	1/30/2021
CINDY M.	PRIEBE	G	1/28/2007	1.81 *	FIRE PROTECTION DISTRICT (DEFERRED)	2/1/2021
RICHARD AMADO	RAIGOZA	G	8/27/2006	14.34	SUPERIOR COURT	2/17/2021
RACHEL	SALES	G	4/18/1999	21.79	SUPERIOR COURT	2/20/2021
DONNA JEAN	SCHMIDT	G	2/12/2014	6.92	GENERAL SERVICES AGENCY	1/30/2021
JOSEPH PATRICK	SCHOOLER	G	9/25/2005	12.37	PUBLIC WORKS AGENCY (DEFERRED)	1/13/2021
MARCO UMBLAS	SEGUI	G	10/16/2001	19.34	PUBLIC WORKS AGENCY	2/26/2021
ELIZABETH ESTHER	SMITHERMAN	G	9/8/2015	5.36	HEALTH CARE AGENCY	1/23/2021
DAVID E	STUART	G	6/19/2000	20.67	INFORMATION TECHNOLOGY SERVICES	2/27/2021
DOLORES M	SUAREZ	G	2/16/1992	28.99	HUMAN SERVICES AGENCY	2/20/2021
CARL MANUEL	VALDEZ	G	3/12/2002	5.19 *	PUBLIC WORKS AGENCY	12/31/2021
DENISE M	WRIGHT	S		14.13	SHERIFF'S OFFICE (DRO NON-MEMBER)	3/1/2021
DEFERRED RETIREMENTS:						
ANA M	ALAMILLO	G	5/6/2020	0.51	HEALTH CARE AGENCY	1/9/2021
HANNAH B	ANDRE	G	2/9/2020	0.83	HEALTH CARE AGENCY	1/19/2021
JESSICA F	ANUNWAH	G	9/27/2015	5.24	HEALTH CARE AGENCY	1/10/2021
CHRISTINA M	BAILEY	G	9/10/2017	2.74	HEALTH CARE AGENCY	1/1/2021
MELISSA L	BLACKWELL	G	1/17/2021	0.01	AUDITOR-CONTROLLER	1/25/2021
JESSICA A	CLARK	G	8/27/2006	11.68	SUPERIOR COURT	3/19/2021
JESSICA A	CLEAVENGER	G	2/23/2020	0.82 *	RESOURCE MANAGEMENT AGENCY	12/29/2020
JEFFREY A	DAVIS	G	7/1/2007	13.45	FIRE PROTECTION DISTRICT	1/16/2021
JERREMY M	DITLOVE	S	2/27/2005	15.84	FIRE PROTECTION DISTRICT	12/31/2020
ERIK S	FRUTH	G	11/15/2020	0.19	AGING AREA AGENCY	1/26/2021
DANNY E	HARRIS	G	3/20/2011	5.69	RESOURCE MANAGEMENT AGENCY	1/14/2021
JENNIFER A	HASKINS	G	9/28/2015	5.19	ANIMAL SERVICES	1/10/2021
PAULA	HAYES-ZANAHURIA	G	7/1/2018	2.48 *	HUMAN SERVICES AGENCY	1/2/2021

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REPORT OF REGULAR AND DEFERRED RETIREMENTS AND SURVIVORS CONTINUANCES

MARCH 2021

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	BENEFIT SERVICE*	DEPARTMENT	EFFECTIVE DATE
CHRISTIAN R	HOLM	S	10/6/2019	1.25	SHERIFF'S OFFICE	1/15/2021
DANIELLE R	KEYS	G	7/9/2017	3.47 **	COUNTY EXECUTIVE OFFICE	1/2/2021
SHALINI	KHULLAR	G	12/14/2008	11.77	PUBLIC DEFENDER	1/28/2021
ANTHONY J	LOPEZ	G	5/31/2016	4.73 **	PUBLIC WORKS AGENCY	2/26/2021
RON C	MACADANGDANG	G	11/15/2020	0.15	HEALTH CARE AGENCY	1/14/2021
KIMBERLY A	MADDEN	G	12/1/2019	1.05	HEALTH CARE AGENCY	12/31/2020
AARON D	MCCANTS	G	10/4/2010	10.17 *	ASSESSOR	1/23/2021
DARLINE A	MERIDA	G	9/12/2005	3.49	HUMAN SERVICES AGENCY	1/19/2021
MELISSA A	MITROU	G	6/22/2020	0.51	HEALTH CARE AGENCY	12/31/2020
ERIK A	NASARENKO	G	8/3/2008	12.62	DISTRICT ATTORNEY	1/27/2021
SILVIA	ROQUE MENDOZA	G	2/9/2020	0.88	HEALTH CARE AGENCY	1/7/2021
ANDREW J	ROSALES	S	11/17/2019	1.10	FIRE PROTECTION DISTRICT	1/7/2021
ROCKY	RUTHERFORD	G	8/3/2020	0.47	REGIONAL SANITATION DISTRICT	1/25/2021
DIANA	SERVIN	G	3/22/2020	0.68	HEALTH CARE AGENCY	1/20/2021
CATHYNA V	SOUKTHAVONE	G	11/30/2020	0.08	HEALTH CARE AGENCY	12/31/2020
CLAIRE N D	STARON	G	9/6/2020	0.29	HEALTH CARE AGENCY	1/6/2021
KEITH B	STRMISKA	S	11/1/2020	0.17	FIRE PROTECTION DISTRICT	1/5/2021
JOEL IAN O	SY	G	12/8/2013	6.66	HEALTH CARE AGENCY	1/26/2021
CATHERINE M	VOELKER	G	2/13/2005	15.58	DISTRICT ATTORNEY	1/1/2021
DIMITRI F	XAVIER	G	5/16/2010	10.07	HEALTH CARE AGENCY	1/9/2021

SURVIVORS' CONTINUANCES:

WILLIAM H	FORESTELLE
ANNIS M	GEORGE
RITA M	GONZALES
JANET L	HARRISON
CARLOS	PADILLA
GEORGE T	ROBERTS
SIGNE I	SMALE
ARLENE R	SMITH
JUNE I	WOOD

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

Date: Monday, April 12, 2021
Time: 11:45: AM
User: 123750

Ventura County Retirement Assn

Check Register - Standard

Period: 09-21 As of: 4/12/2021

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								
028915	CK	3/10/2021	ACCESSINFO ACCESS INFORMATION PROT	09-21		001722	VO	ADMIN EXP	3/9/2021	0.00	426.79
028916	CK	3/10/2021	DIGITALDEP DIGITAL DEPLOYMENT	09-21		001723	VO	IT	3/9/2021	0.00	650.00
028917	CK	3/10/2021	EXECUTIVED EXECUTIVE DATA SYSTEMS, I	09-21		001724	VO	IT	3/9/2021	0.00	585.00
028918	CK	3/10/2021	HARRISWATE HARRIS WATER CONDITIONIN	09-21		001725	VO	ADMIN EXP	3/9/2021	0.00	44.50
028919	CK	3/10/2021	NOSSAMAN NOSSAMAN LLP	09-21		001726	VO	INVESTMENT EXP	3/9/2021	0.00	19,087.65
028920	CK	3/10/2021	SBSGROUP VELOSIO	09-21		001731	VO	IT	3/9/2021	0.00	71.10
028921	CK	3/10/2021	SPRUCEGROV SPRUCEGROVE INVESTMENT	09-21		001728	VO	INVESTMENT FEES	3/9/2021	0.00	70,784.34
028922	CK	3/10/2021	TEAMLEGAL TEAM LEGAL, INC.	09-21		001729	VO	DISABILITY EXP	3/9/2021	0.00	1,052.35
028923	CK	3/10/2021	THOMSONREU THOMSON REUTERS- WEST	09-21		001730	VO	ADMIN EXP	3/9/2021	0.00	508.25
028924	CK	3/10/2021	TIMEWARNER TIME WARNER CABLE	09-21		001727	VO	IT	3/9/2021	0.00	294.99
028925	CK	3/10/2021	VITECHSYST VITECH SYSTEMS GROUP, IN(	09-21		001732	VO	IT	3/9/2021	0.00	168,717.94
028926	CK	3/17/2021	ATTMOBILIT AT&T MOBILITY	09-21		001733	VO	IT	3/17/2021	0.00	365.08
028927	CK	3/17/2021	BANKOFAMER BUSINESS CARD	09-21		001734	VO	IT/ADMIN EXP	3/17/2021	0.00	242.99

Date: Monday, April 12, 2021
Time: 11:45: AM
User: 123750

Ventura County Retirement Assn

Check Register - Standard

Period: 09-21 As of: 4/12/2021

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
028928	CK	3/17/2021	BRENTWOODI BRENTWOOD IT	09-21		001735	VO	IT	3/17/2021	0.00	1,465.00
028929	CK	3/17/2021	LINEASOLUT LINEA SOLUTIONS	09-21		001736	VO	IT/ADMIN EXP	3/17/2021	0.00	10,730.62
028930	CK	3/17/2021	SHREDITUSA SHRED-IT	09-21		001737	VO	ADMIN EXP	3/17/2021	0.00	136.38
028931	CK	3/17/2021	SOFTWAREON SOFTWARE ONE, INC.	09-21		001738	VO	IT	3/17/2021	0.00	36.30
028932	CK	3/17/2021	SPRUCEGROV SPRUCEGROVE INVESTMENT	09-21		001739	VO	INVESTMENT FEES	3/17/2021	0.00	71,141.12
028933	CK	3/17/2021	TEAMLEGAL TEAM LEGAL, INC.	09-21		001740	VO	DISABILITY EXP	3/17/2021	0.00	240.90
028934	CK	3/26/2021	HANSONBRID HANSON BRIDGETT LLP	09-21		001743	VO	LEGAL FEES	3/24/2021	0.00	1,698.30
028935	CK	3/26/2021	HARTLEYDOR DOROTHEA W. HARTLEY & AS	09-21		001742	VO	DISABILITY EXP	3/24/2021	0.00	500.00
028936	CK	3/26/2021	MEGAPATH FUSION, LLC	09-21		001745	VO	IT	3/24/2021	0.00	615.40
028937	CK	3/26/2021	MFDAILYCOR M.F. DAILY CORPORATION	09-21		001744	VO	ADMIN EXP	3/24/2021	0.00	22,080.83
028938	CK	3/26/2021	NOSSAMAN NOSSAMAN LLP	09-21		001746	VO	LEGAL FEES	3/24/2021	0.00	37,883.41
028939	CK	3/26/2021	PRUDENTIAL PRUDENTIAL INSURANCE	09-21		001747	VO	INVESTMENT FEES	3/24/2021	0.00	159,977.50
028940	CK	3/26/2021	TAYLORDAVI DAVID TAYLOR, M.D	09-21		001741	VO	DISABILITY EXP	3/24/2021	0.00	3,200.00

Check Count: 26

Acct Sub Total: 572,536.74

Date: Monday, April 12, 2021
Time: 11:45: AM
User: 123750

Ventura County Retirement Assn

Check Register - Standard

Period: 09-21 As of: 4/12/2021

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid

Check Type	Count	Amount Paid
Regular	26	572,536.74
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:	**26**	**572,536.74**

Company Disc Total	**0.00**	**Company Total**	**572,536.74**

Legend:

CK - Check

VC – Voided Check.

ZC – Zero check. Voided check that was not reissued.

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2020 -2021
For the Nine Months Ended March 31, 2021 (Fiscal Year-To-Date)- 75.00%
Admin - Disability (CAP)

	Adopted 2021 Budget	Adjusted 2021 Budget	March 2021	Expended Fiscal Year to Date	Available Balance	Percent Expended
Salaries and Benefits						
Regular Salary	$274,600.00	$274,600.00	$22,039.72	$186,960.42	$87,639.58	68.08%
Supplemental Payments	12,500.00	12,500.00	771.40	6,553.97	5,946.03	52.43%
Vacation Redemption	4,300.00	4,300.00	0.00	4,486.93	(186.93)	104.35%
Retirement Contributions	47,000.00	47,000.00	3,688.18	31,823.77	15,176.23	67.71%
OASDI Contribution	20,600.00	20,600.00	1,373.41	12,211.82	8,388.18	59.28%
FICA-Medicare	4,800.00	4,800.00	321.21	2,855.99	1,944.01	59.50%
Medical Insurance	39,500.00	39,500.00	3,512.00	27,583.00	11,917.00	69.83%
Life Insurance	100.00	100.00	9.30	81.49	18.51	81.49%
Unemployment Insurance	100.00	100.00	11.08	97.18	2.82	97.18%
Mgmt Disability Insurance	2,000.00	2,000.00	163.32	1,349.66	650.34	67.48%
Workers Compensation Insurance	7,400.00	7,400.00	613.04	5,332.26	2,067.74	72.06%
401K Plan Contribution	5,000.00	5,000.00	398.72	3,208.02	1,791.98	64.16%
Total Salaries & Benefits	$417,900.00	$417,900.00	$32,901.38	$282,544.51	$135,355.49	67.61%
Services & Supplies						
Other Professional Services	$78,500.00	$78,500.00	$4,993.25	$24,717.64	$53,782.36	31.49%
Hearing Officers	56,000.00	56,000.00	0.00	29,422.50	26,577.50	52.54%
Legal	17,300.00	17,300.00	0.00	0.00	17,300.00	0.00%
Postage	500.00	500.00	0.00	120.03	379.97	24.01%
Training/Travel-Staff	1,100.00	1,100.00	0.00	0.00	1,100.00	0.00%
Facilities-Meeting Room Rental	0.00	0.00	0.00	44.00	(44.00)	0.00%
Office Supplies	0.00	0.00	0.00	2.16	(2.16)	0.00%
Total Services & Supplies	$153,400.00	$153,400.00	$4,993.25	$54,306.33	$99,093.67	35.40%
Total Sal, Ben, Serv & Supp	$571,300.00	$571,300.00	$37,894.63	$336,850.84	$234,449.16	58.96%
Total Current Year	$571,300.00	$571,300.00	$37,894.63	$336,850.84	$234,449.16	58.96%

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2020 -2021
For the Nine Months Ended March 31, 2021 (Fiscal Year-To-Date)- 75.00%

	Adopted 2021 Budget	Combined Adjusted 2021 Budget	March 2021	Expended Fiscal Year to Date	Available Balance	Percent Expended
Salaries and Benefits						
Regular Salary	$3,748,400.00	$3,748,400.00	$268,832.23	$2,472,949.78	$1,275,450.22	65.97%
Extra-Help/Temporary Services	166,300.00	166,300.00	10,730.62	109,002.38	57,297.62	65.55%
Overtime	0.00	0.00	0.00	163.60	(163.60)	0.00%
Supplemental Payments	80,100.00	80,100.00	5,954.44	55,858.45	24,241.55	69.74%
Vacation Redemption	166,600.00	166,600.00	7,957.67	176,593.80	(9,993.80)	106.00%
Retirement Contributions	599,700.00	599,700.00	45,007.52	380,797.12	218,902.88	63.50%
OASDI Contribution	228,500.00	228,500.00	17,403.03	129,123.05	99,376.95	56.51%
FICA-Medicare	63,500.00	63,500.00	4,070.04	39,075.20	24,424.80	61.54%
Medical Insurance	435,200.00	435,200.00	31,900.00	278,168.84	157,031.16	63.92%
Retiree Health Insurance	26,700.00	26,700.00	2,514.46	20,881.02	5,818.98	78.21%
Life Insurance	1,300.00	1,300.00	93.00	860.31	439.69	66.18%
Unemployment Insurance	1,900.00	1,900.00	136.38	1,261.06	638.94	66.37%
Mgmt Disability Insurance	27,800.00	27,800.00	1,723.04	15,506.77	12,293.23	55.78%
Workers Compensation Insurance	101,800.00	101,800.00	7,831.30	(9,776.61)	111,576.61	-9.60%
401K Plan Contribution	90,400.00	90,400.00	6,433.68	59,277.25	31,122.75	65.57%
Total Salaries & Benefits	$5,738,200.00	$5,738,200.00	$410,587.41	$3,729,742.02	$2,008,457.98	65.00%
Services & Supplies						
Board Member Stipend	$13,200.00	$13,200.00	$2,200.00	$5,400.00	$7,800.00	40.91%
Other Professional Services	156,900.00	156,900.00	5,129.63	55,845.33	101,054.67	35.59%
Auditing	101,400.00	101,400.00	0.00	45,820.25	55,579.75	45.19%
Hearing Officers	56,000.00	56,000.00	0.00	29,422.50	26,577.50	52.54%
Legal	442,300.00	442,300.00	58,669.36	357,822.30	84,477.70	80.90%
Election Services	40,000.00	40,000.00	0.00	10,742.18	29,257.82	26.86%
Actuary-Valuation	63,000.00	63,000.00	0.00	63,000.00	0.00	100.00%
Actuary-GASB 67	13,000.00	13,000.00	0.00	13,000.00	0.00	100.00%
Actuary-Assump/Exp	48,000.00	48,000.00	0.00	0.00	48,000.00	0.00%
Actuary-415 Calculation	15,000.00	15,000.00	0.00	8,955.00	6,045.00	59.70%
Actuary-Misc Hrly Consult	16,000.00	16,000.00	0.00	14,734.00	1,266.00	92.09%
Printing	45,000.00	45,000.00	0.00	10,253.72	34,746.28	22.79%
Postage	68,000.00	68,000.00	6,924.00	25,049.16	42,950.84	36.84%
Copy Machine	4,000.00	4,000.00	0.00	1,933.00	2,067.00	48.33%
General Liability	15,800.00	15,800.00	0.00	7,876.50	7,923.50	49.85%
Fiduciary Liability	86,000.00	86,000.00	0.00	83,609.00	2,391.00	97.22%
Cost Allocation Charges	42,000.00	42,000.00	0.00	20,997.00	21,003.00	49.99%
Education Allowance	4,000.00	4,000.00	0.00	0.00	4,000.00	0.00%
Training/Travel-Staff	62,900.00	62,900.00	200.00	11,850.00	51,050.00	18.84%
Training/Travel-Trustee	33,200.00	33,200.00	0.00	1,640.00	31,560.00	4.94%
Travel-Due Diligence-Staff	12,800.00	12,800.00	0.00	0.00	12,800.00	0.00%
Travel-Due Diligence-Trustee	22,600.00	22,600.00	0.00	0.00	22,600.00	0.00%
Mileage-Staff	4,500.00	4,500.00	0.00	0.00	4,500.00	0.00%
Mileage -Trustee	4,500.00	4,500.00	0.00	0.00	4,500.00	0.00%
Mileage-Due Diligence-Staff	700.00	700.00	0.00	0.00	700.00	0.00%
Mileage-Due Diligence-Trustee	700.00	700.00	0.00	0.00	700.00	0.00%
Auto Allowance	6,900.00	6,900.00	575.00	5,175.00	1,725.00	75.00%
Facilities-Meeting Room Rental	0.00	0.00	0.00	44.00	(44.00)	0.00%
Facilities-Security	2,700.00	2,700.00	346.00	2,624.00	76.00	97.19%
Facilities-Maint & Repairs	3,300.00	3,300.00	0.00	910.56	2,389.44	27.59%
Equipment-Maint & Repairs	2,000.00	2,000.00	0.00	909.73	1,090.27	45.49%
General Office Expense	10,400.00	10,400.00	44.50	2,554.51	7,845.49	24.56%
Books & Publications	9,000.00	9,000.00	518.24	14,802.35	(5,802.35)	164.47%
Office Supplies	15,000.00	15,000.00	0.00	2,237.97	12,762.03	14.92%
Memberships & Dues	17,900.00	17,900.00	33.00	15,513.00	2,387.00	86.66%
Offsite Storage	5,200.00	5,200.00	426.79	3,712.53	1,487.47	71.39%
Rents/Leases-Structures	258,000.00	258,000.00	21,725.22	190,464.82	67,535.18	73.82%
Non-Capital Furniture	15,800.00	15,800.00	0.00	1,911.65	13,888.35	12.10%
Depreciation /Amortization	1,562,700.00	1,562,700.00	129,313.62	1,194,212.42	368,487.58	76.42%
Total Services & Supplies	$3,280,400.00	$3,280,400.00	$226,105.36	$2,203,022.48	$1,077,377.52	67.16%
Total Sal, Ben, Serv & Supp	$9,018,600.00	$9,018,600.00	$636,692.77	$5,932,764.50	$3,085,835.50	65.78%

Ventura County Employees' Retirement Association
Budget Summary Fiscal Year 2020 -2021
For the Nine Months Ended March 31, 2021 (Fiscal Year-To-Date)- 75.00%

	Adopted 2021 Budget	*Combined Adjusted 2021 Budget*	*March 2021*	*Expended Fiscal Year to Date*	*Available Balance*	*Percent Expended*
Technology						
Technology Hardware	$98,000.00	$98,000.00	$0.00	$44,050.65	$53,949.35	44.95%
Technology Hardware Support	10,000.00	10,000.00	0.00	1,149.00	8,851.00	11.49%
Technology Software Lic & Maint.	75,400.00	75,400.00	1,577.83	39,277.44	36,122.56	52.09%
Technology Software Suppt & Maint.	41,500.00	41,500.00	0.00	43.75	41,456.25	0.11%
Technology Cloud Services	6,100.00	6,100.00	36.30	2,655.07	3,444.93	43.53%
Technology Website Services	8,900.00	8,900.00	650.00	6,649.96	2,250.04	74.72%
Technology Infrastruct Support	186,100.00	186,100.00	5,392.84	61,890.77	124,209.23	33.26%
Technology V3 Software & VSG	747,000.00	747,000.00	168,717.94	569,757.06	177,242.94	76.27%
Technology Data Communication & Cyber Security	88,000.00	88,000.00	6,169.59	43,806.22	44,193.78	49.78%
Total Technology	$1,261,000.00	$1,261,000.00	$182,544.50	$769,279.92	$491,720.08	61.01%
Capital Expenses						
Capitalized Structures	$0.00	$0.00	$0.00	$12,109.95	($12,109.95)	0.00%
Total Capitalized Expenses	$0.00	$0.00	$0.00	$12,109.95	($12,109.95)	0.00%
Contingency	$845,000.00	$845,000.00	$0.00	$0.00	$845,000.00	0.00%
Total Current Year	$11,124,600.00	$11,124,600.00	$819,237.27	$6,714,154.37	$4,410,445.63	60.35%

Sprucegrove
INVESTMENT MANAGEMENT LTD.
Global Perspective. Unwavering Discipline. Committed to Excellence.
Ventura County Employees' Retirement Association
International Equities
Tasleem Jamal, Arjun Kumar
April 19th, 2021
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 $23.8 billion**
  as at March 31, 2021.
- **60 clients firm-wide**
  - No clients gained and four clients lost in Q1.
- **International, ACWI ex. U.S., Global and ACWI mandates** are **open** to new investors

Signatory of:

PRI Principles for Responsible Investment

Investment Results[1]

- **For Q1 2021**
  the Fund's investment return was **+7.0%**
  vs. MSCI EAFE **+3.5%**
- **For the one year period**
  ending March 31, 2021:
  the Fund's investment return was **+57.7%**
  vs. MSCI EAFE **+44.6%**
- **Since your inception**
  on April 1, 2002 through March 31, 2021:
  the Fund's annualized return was **+7.9%**
  vs. MSCI EAFE **+6.2%**

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 Industrials, Materials, and Consumer Discretionary.
- 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 Germany.
- The Fund has **exposure to the Emerging Markets** (7.9%)

[1]Preliminary returns are for the Sprucegrove U.S. International Pooled Fund, gross of fees in U.S. dollars, as at March 31, 2021.
Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.
Source: Sprucegrove, MSCI.
See Important Information.

Annualized Performance Results

Sprucegrove International Equities, as at March 31, 2021

	Q1 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)	20 Years (%)	25 Years (%)	30 Years (%)	35 Years (%)	Since Inception (%)
Sprucegrove U.S. International Pooled Fund[1]	7.0	57.7	9.4	5.0	7.7	10.2	6.0	5.3	8.0	8.4	9.2	10.6	11.2
MSCI EAFE	3.5	44.6	11.3	6.0	8.2	8.8	5.5	4.1	5.5	5.0	5.6	6.7	7.9
MSCI EAFE Value	7.4	45.7	6.1	1.8	4.3	6.6	3.7	2.6	4.8	5.0	5.9	7.3	8.5
Ventura County Employees' Retirement Association (net of fees)[2]	6.8	57.1	8.8	4.4	7.0	9.5	5.3	4.6	-	-	-	-	7.4
Ventura County Employees' Retirement Association (gross of fees)[2]	7.0	57.7	9.4	5.0	7.7	10.2	6.0	5.3	-	-	-	-	7.9
MSCI EAFE	3.5	44.6	11.3	6.0	8.2	8.8	5.5	4.1	-	-	-	-	6.2
MSCI EAFE Value	7.4	45.7	6.1	1.8	4.3	6.6	3.7	2.6	-	-	-	-	5.4

[1]Inception date: 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). Preliminary returns presented.
[2]Inception date of Ventura County Employees Retirement Association: April 1, 2002. Preliminary returns presented.

The MSCI EAFE is the benchmark for both, the Sprucegrove U.S. International Pooled Fund and the Ventura County Employees' Retirement Association. All supplementary indices are presented for comparative purposes only.

Assets Under Management: **$266,789,420.54**

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

Source: Sprucegrove, MSCI.
See Important Information.

Attribution Highlights – Q1 2021

Exposures with the most impact on relative performance

Country Allocation[2]		Sector Allocation[2]
Contributors • U.K. Aggreko, Anglo American • Hong Kong Jardine Strategic, Hong Kong Land	**Fund[1]: 7.0%** **vs.** **MSCI EAFE: 3.5%**	**Contributors** • Industrials Adani Ports, Aggreko • Materials Yara International, Anglo American
Detractors *No meaningful country detractors*		**Detractors** • Financials *Underweight* Banco Bradesco

All data as at March 31, 2021.

[1]Sprucegrove U.S International Pooled Fund. Preliminary returns presented.
[2]Selection of meaningful Countries/Sectors: contributes at least 20 bps or 10% of the total contribution to return whichever is greater in absolute terms. Under/overweight comments will be based on whichever component is greater than 66% of contribution. A combined comment may be used. Sequence of comments: The country/sector that are meaningful contributors and detractors will be listed first respectively. Securities listed: based on the impact on relative performance, typically 2 securities will be listed unless the subsequent ones have a similar impact.

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

Source: Sprucegrove, MSCI, SS&C, Factset.

See Important Information.

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	
1992	**0.4**	**(11.8)**	**12.2**	
1993	36.0	32.8	3.2	Japanese Asset Price Bubble
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**	
2002	**(0.8)**	**(15.9)**	**15.1**	
2003	34.5	38.6	(4.1)	Technology, Media and Telecom Bubble
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**	
2009	36.9	31.8	5.1	Global Financial Crisis
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	17.7	22.0	(4.3)	
2020	4.4	7.8	(3.4)	
YTD 2021[3]	7.0	3.5	3.5	
Since inception[2,3]	**11.2**	**7.9**	**3.3**	

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.
See Important Information.
Source: Sprucegrove, MSCI.

[1]Bold numbers indicate down markets (negative Index return).
Returns shorter than a 1-year period 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, 2021. Preliminary returns presented.

Application of the Process - Transaction Summary

Sprucegrove U.S. International Pooled Fund, Q1 2021

New Holdings* / Additions

	Sector	Projected ROE (%)	Normalized P/E (X)
***UPL**	**Materials**	**16.0**	**13.8**
***Couche-Tard**	**Cons. Staples**	**20.0**	**13.9**
TGS	Energy	18.0	7.1
Johnson Matthey	Materials	15.0	12.4
IMI	Industrials	25.0	17.4
Smiths Group	Industrials	20.0	13.5
Berkeley Group	Cons. Disc.	18.0	9.9
Brembo	Cons. Disc.	18.0	13.1
Toyota Motor	Cons. Disc.	11.0	9.1
Yue Yuen	Cons. Disc.	9.0	10.8
AIN Holdings	Cons. Staples	12.0	16.8
Ambev	Cons. Staples	24.0	13.9
Henkel	Cons. Staples	15.0	12.8
Saputo	Cons. Staples	15.0	15.2
Fresenius Medical Care	Health Care	13.0	12.4
SingTel	Comm. Services	15.0	9.5
Zee Entertainment	Comm. Services	18.0	11.9
Average		**16.6**	**12.6**
MSCI EAFE		**11.0**	**17.1**

Eliminations** / Reductions

	Sector	Projected ROE (%)	Normalized P/E (X)
****Ambuja Cements[1]**	**Materials**	13.0	18.8
****UPL[1]**	**Materials**	16.0	15.5
****Adani Ports[1]**	**Industrials**	20.0	25.9
****Maruti Suzuki[1]**	**Cons. Disc.**	18.0	23.9
****Nestlé**	**Cons. Staples**	15.0	41.6
****Tesco**	**Cons. Staples**	12.0	16.1
****HDFC[1]**	**Financials**	18.0	17.5
****Canon**	**Info. Tech.**	8.0	11.7
****China Mobile[2]**	**Comm. Services**	11.0	6.8
****Zee Entertainment[1]**	**Comm. Services**	18.0	11.9
****GAIL[1]**	**Utilities**	15.0	8.4
Carnival	Cons. Disc.	11.0	10.0
Xinyi Glass Holdings	Industrials	17.0	19.1
Diageo	Cons. Staples	35.0	28.8
Omron	Info. Tech.	11.0	30.9
Samsung Electronics	Info. Tech.	14.0	16.1
Average		**15.8**	**20.3**
MSCI EAFE		**11.0**	**17.1**

Transactions are for Q1 2021.

[1]These non-tactical eliminations were completed in March due to the transition of the portfolio into a publicly-available, 1940 Act mutual fund as previously communicated. As the Securities and Exchange Board of India does not permit the in-kind transfer of securities, such investments, which constituted 7.2% of the portfolio, had to be eliminated. These eliminations were non-tactical from a portfolio management perspective and were only initiated to facilitate the portfolio transition.

[2]As an identified prohibited security under Executive Order 13959, China Mobile was eliminated from the portfolio in advance of January 11, 2021.

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

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, FactSet.

See Important Information.

Sprucegrove

Application of the Process - Transaction Summary

Sprucegrove U.S. International Pooled Fund, Q1 2020

New Holdings* / Additions

	Sector	Projected ROE (%)	Normalized P/E (X)
***Johnson Matthey**	**Materials**	**15.0**	**12.6**
***FANUC**	**Industrials**	**13.0**	**15.1**
***Maruti Suzuki**	**Cons. Disc.**	**18.0**	**16.6**
***AIN Holdings**	**Cons. Staples**	**14.0**	**13.9**
***Ambev**	**Cons. Staples**	**24.0**	**12.5**
***HDFC**	**Financials**	**18.0**	**12.5**
***Checkpoint Software**	**Info. Tech.**	**22.0**	**16.4**
***Zee Entertainment**	**Comm. Services**	**18.0**	**11.2**
TGS	Energy	18.0	5.9
Total	Energy	14.0	5.2
Adelaide Brighton	Materials	15.0	9.5
Fuchs Petrolub	Materials	24.0	11.6
Nitto Denko	Materials	12.0	10.9
Victrex	Materials	23.0	15.7
Adani Ports	Industrials	20.0	11.7
Copa Holdings	Industrials	15.0	10.9
IMI	Industrials	25.0	11.3
Jardine Strategic	Industrials	11.0	3.3
Kubota	Industrials	12.0	12.5
Ryanair	Industrials	20.0	12.1
Smiths Group	Industrials	20.0	9.8
Travis Perkins	Industrials	12.0	6.1
Weir Group	Industrials	15.0	8.1
BMW	Cons. Disc.	10.0	4.2
Carnival	Cons. Disc.	11.0	7.5
Nokian Tyres	Cons. Disc.	16.0	11.5
Toyota Motor	Cons. Disc.	11.0	7.7
Yue Yuen	Cons. Disc.	9.0	9.8
Henkel	Cons. Staples	15.0	10.9
Tiger Brands	Cons. Staples	20.0	8.7
AIA Group	Financials	15.0	11.9
Banco Bradesco	Financials	17.0	5.8
Banco Santander	Financials	11.0	4.3
HSBC	Financials	10.0	6.9
Average		**16.0**	**10.1**
MSCI EAFE		**11.0**	**12.0**

Eliminations** / Reductions

	Sector	Projected ROE (%)	Normalized P/E (X)
****Fugro**	**Energy**	**12.0**	**4.4**
****POSCO**	**Materials**	**6.0**	**5.7**
****Alcon**	**Health Care**	**5.0**	**24.5**
****CLP Holdings**	**Utilities**	**12.0**	**13.5**
Air Liquide	Materials	14.0	23.7
CAE	Industrials	14.0	32.4
Bakkafrost	Cons. Staples	15.0	20.7
Nestlé	Cons. Staples	15.0	39.5
Tesco	Cons. Staples	12.0	12.8
Woolworths	Cons. Staples	17.0	32.2
State Bank of India	Financials	12.0	6.0
Infosys	Info. Tech.	26.0	20.2
Average		**13.3**	**19.6**
MSCI EAFE		**11.0**	**12.0**

Transactions are for Q1 2020.

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

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.

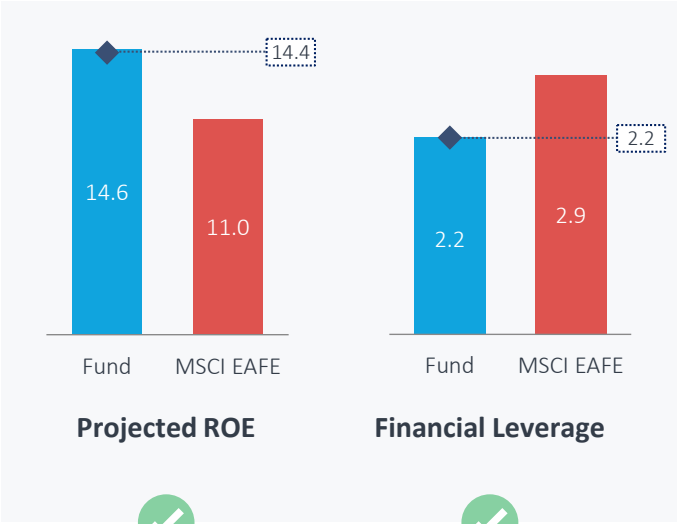
Source: Sprucegrove, MSCI, FactSet.

See Important Information.

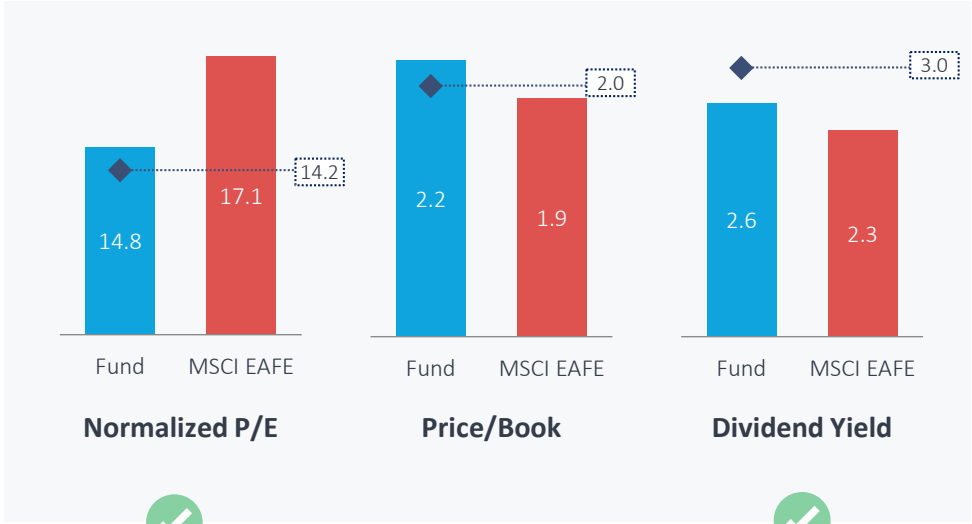
Portfolio Characteristics

as at March 31, 2021

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.

Source: Sprucegrove, MSCI, FactSet.

See Important Information.

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
2019	18.5	22.0	9.3	9.6	5.8	5.7	6.1	6.3	6.7	5.5	6.9	3.3	8.8	4.5
2020	4.9	7.8	2.4	4.3	8.8	7.4	4.3	4.4	5.3	5.5	7.0	4.5	9.3	5.7
Periods Outperformed	**66%**		**70%**		**90%**		**93%**		**96%**		**100%**		**100%**	
Number of Years	**23 / 35**		**23 / 33**		**28 / 31**		**27 / 29**		**25 / 26**		**16 / 16**		**6 / 6**	

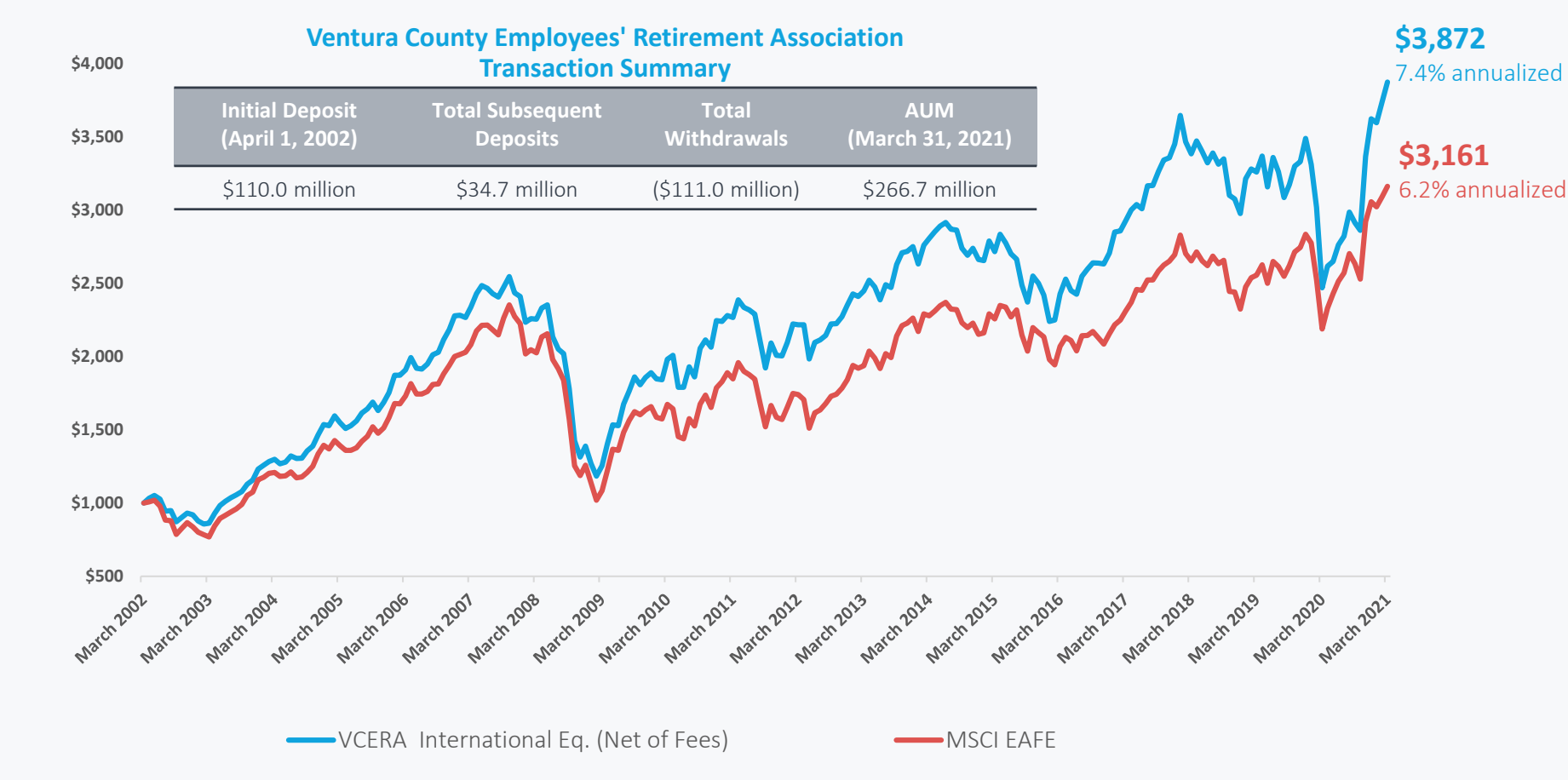
Legend	
Performance	Color
Outperform	
Underperform	

All data as at December 31.

Performance is gross of fees in U.S. dollars.
Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.
Source: Sprucegrove, MSCI.
See Important Information.

Cumulative total return history for VCERA

Growth of $1,000 since inception on April 1, 2002 to March 31, 2021



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

See Important Information.

Appendices

Partial List of Clients and Investors

As at March 31, 2021

Corporations

Vanguard ϕ | Cargill ϕ | Leith Wheeler ϕ | CO-OP | Manulife o | the co-operators ϕ | TEXTRON | STATE STREET GLOBAL ADVISORS | resolute Forest Products ϕ | iA Financial Group | WELLS FARGO

Public Plans

NYCERS ϕ | trsnyc ϕ | ϕ | ϕ | ϕ | SBA FLORIDA ϕ | BR CITY OF BATON ROUGE o | VCERA VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION o | Ville de Montréal o

Universities

SFU SIMON FRASER UNIVERSITY ϕ | UNB o | UNIVERSITY OF SASKATCHEWAN | ϕ

Non-Profits and Health Care

HARRISHEALTH SYSTEM | Diocese of Rockville Centre ϕ | Wespath o | Holy Redeemer ϕ | KAISER PERMANENTE

Insurance

MASSACHUSETTS ϕ | TexasMutual ϕ | canada life ϕ

Multi-Employer Plans

CAA AMA o | CSS PENSION PLAN ϕ

o Client-partnership spanning **10+ years**

ϕ Client-partnership spanning **20+ years**

The above list is a partial list of investors which are clients of Sprucegrove or investors in Funds managed by Sprucegrove. Sprucegrove sought consent from all such 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.

See Important Information.

Investment and Client Services Professionals

As at March 31, 2021

Portfolio Management	Sprucegrove Years	Industry Years
◆ Shirley Woo ∘ B.A., CFA Portfolio Manager	33*	33
Erik Parnoja[1] ∘ B.A., MBA, CFA Portfolio Advisor	25	25
◆ Arjun Kumar ∘ B.A., MBA, CFA Portfolio Manager	18	18
Chris Rankin ∘ B.A., B.Sc., MFin, CFA Assistant Portfolio Manager & Investment Analyst	18	21
Jonathan Singer ∘ B.A., CFA Assistant Portfolio Manager & Research Director	13	19

Assistant Research Director & Senior Investment Analyst	Sprucegrove Years	Industry Years
Matthew Bellis ∘ B.Comm., CFA Assistant Research Director & Investment Analyst	13	13
◆ Sabu Mehta ∘ B.Comm. Senior Investment Analyst	29*	33

Investment Analysts	Sprucegrove Years	Industry Years
Michael Jiang ∘ B.Sc., M.M.I.B., MBA	14	14
Hugh Nowers ∘ B.Comm., CFA	7	7
Kyle Koch ∘ B.Comm., MBA	4	4
David Kwok ∘ B.Comm., MBA, CFA	4	9
Chris Phillips ∘ B.A., CFA	5	5
Catherine Yi ∘ B.B.A., MBA, CFA	3	11
Ihsan Kohistani ∘ B.Comm., M.A.	3	3
Bradley Romain ∘ B.Sc., CFA	2	19
Rajeev Saffar B.Eng., MBA	2	3
Jonathan Eng B.B.A	<1	1

Marketing and Client Services	Sprucegrove Years	Industry Years
Tasleem Jamal ∘ B.Comm., B.A., MBA, CFA Vice President, Head of Marketing & Client Services	10	22
Sebastien Roy ∘ B.A., CFA Vice President, Marketing & Client Services	7	24
Dan Noot ∘ B.Sc., MBA, CTP, CFA Vice-President, Institutional Business Development & Client Services	2	22

An experienced team with a collaborative approach.

34 out of 51 employees are shareholders.

[1]Erik Parnoja: in preparation for his retirement on September 30, 2021, Erik has stepped down as Co-Lead to the Global and ACWI mandates and is serving as a Portfolio Advisor to the firm. Going forward, Shirley Woo and Arjun Kumar will remain as Co-Leads.

◆ Member of Sprucegrove's Board of Directors

o Sprucegrove shareholder

* Includes years with Sprucegrove & Confederation Life

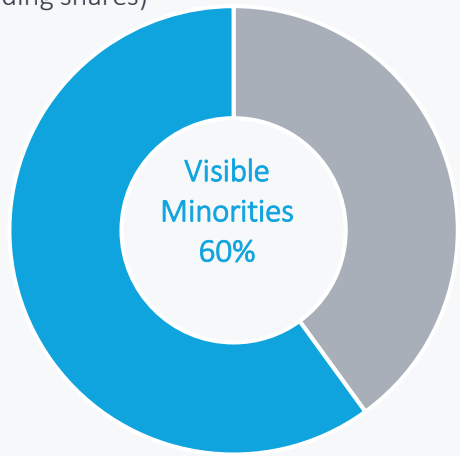
See Important Information.

Diversity and Inclusion

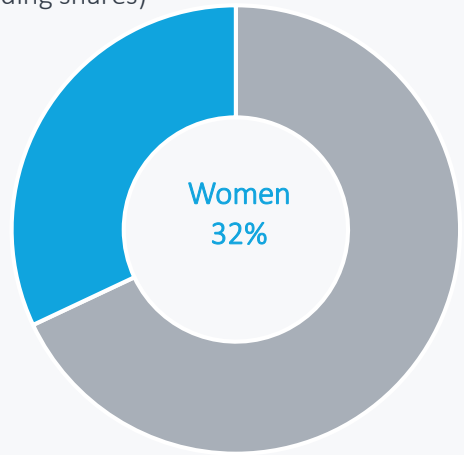
Firm Ownership**

certified by: CAMSC *

Visible Minorities*
(firm's outstanding shares)



Women
(firm's outstanding shares)



Approximately 68% of the firm's outstanding shares are held by Women, Minorities or both.

41%	% of Shareholders	**24%**
60%	% of Ownership	**32%**

All data as at March 31, 2021, all % are approximate.

*In accordance with its procedures, CAMSC (Canadian Aboriginal and Minority Supplier Council) independently verified and certifies that 51% or more of the outstanding common shares of Sprucegrove are held by Aboriginal peoples and/or visible minorities. For the purpose of CAMSC certification, visible minority status is based on ethnic origin and not gender.

** All figures presented in this slide are tabulated by Sprucegrove.
See Important Information.

Sprucegrove

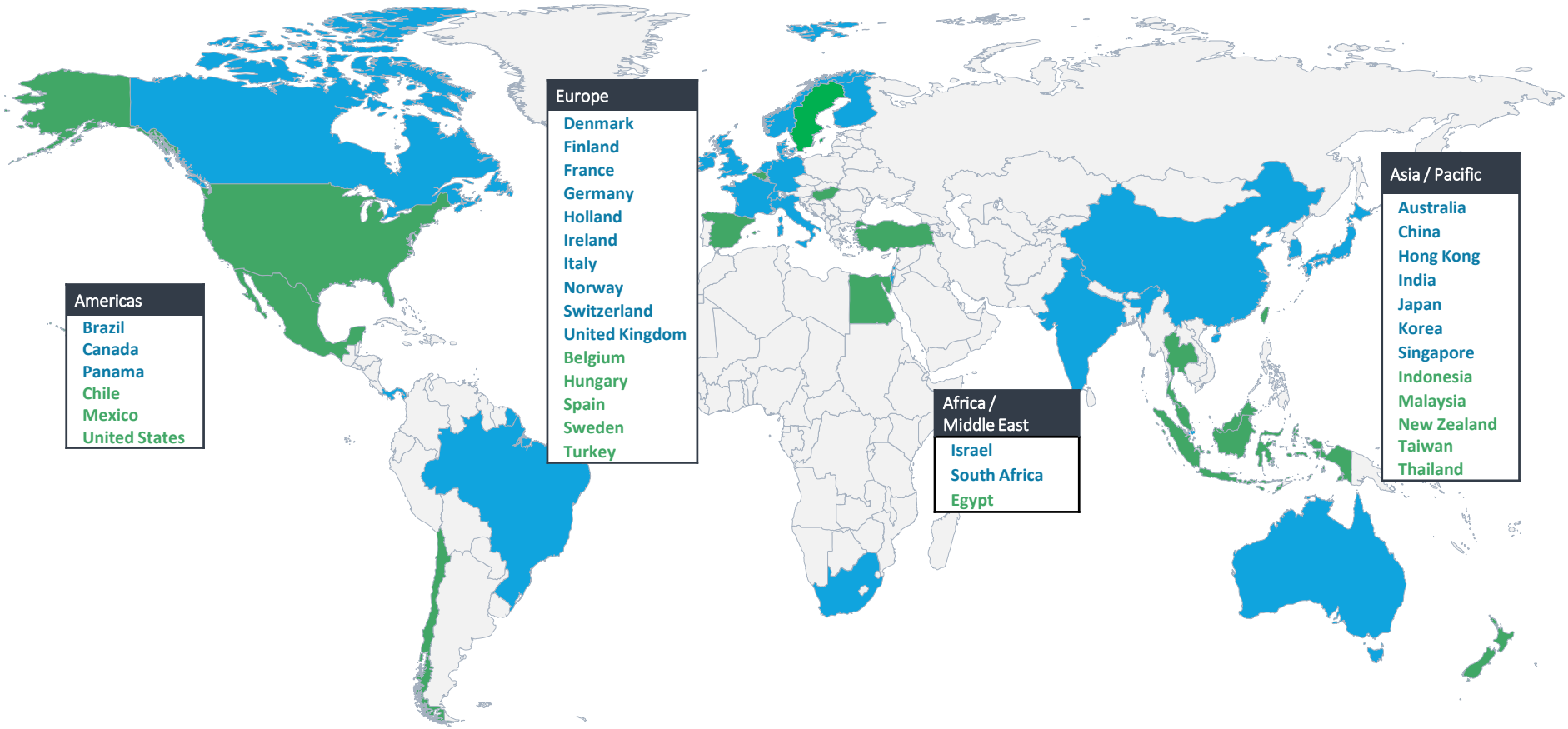
Foundation of our Investment Philosophy

All data as at March 31, 2021.
See Important Information.

Global Expertise

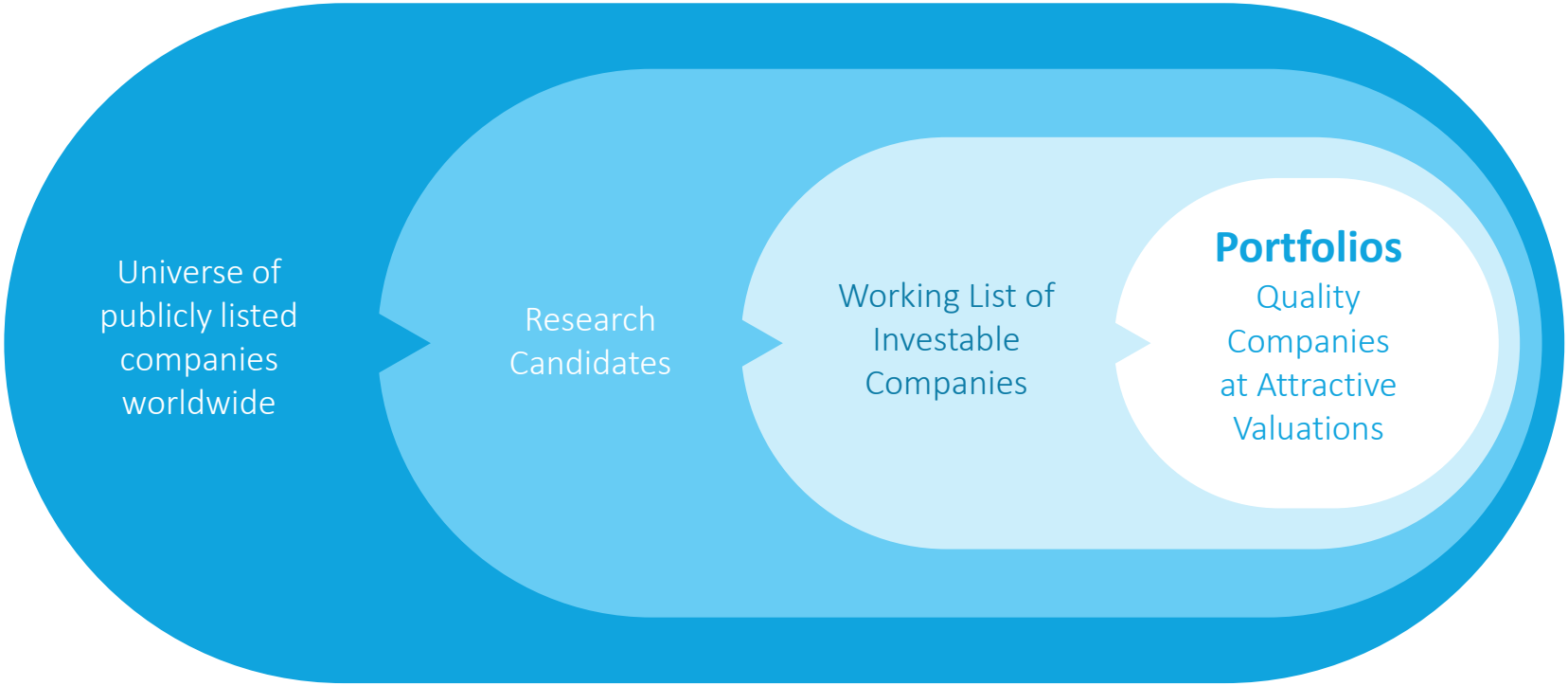
Canvassing the globe to discover, meet with and invest in quality companies

- ✓ Working list: 394 names in 36 countries
- ✓ >35 years investing in DM
- ✓ >30 years investing in EM
- ✓ Sprucegrove U.S. International Pooled Fund: 81 holdings in 22 countries



All data as at March 31, 2021.
Source: Sprucegrove.
See Important Information.

Investment Process



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

See Important Information.

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

See Important Information.

Environmental, Social and Governance (ESG)

Signatory of:

PRI Principles for Responsible Investment

Sprucegrove has been a signatory of the Principles for Responsible Investment (PRI) since 2016.

- ESG considerations have a role in identifying good long-term investments and potential investment risks.
- We aim to effectively promote positive change by being an engaged investor.
  - Our approach is to engage with companies privately.
  - We communicate with company management about ESG issues at in-person meetings or through formal correspondence and proxy voting.
- While we generally do not apply ESG by exclusion or restrict opportunities unless directed, we typically avoid investing in companies whose main activity is Tobacco, Casinos and Gaming or Firearms.

A component of our internal research for more than 25 years*

For illustrative purposes only

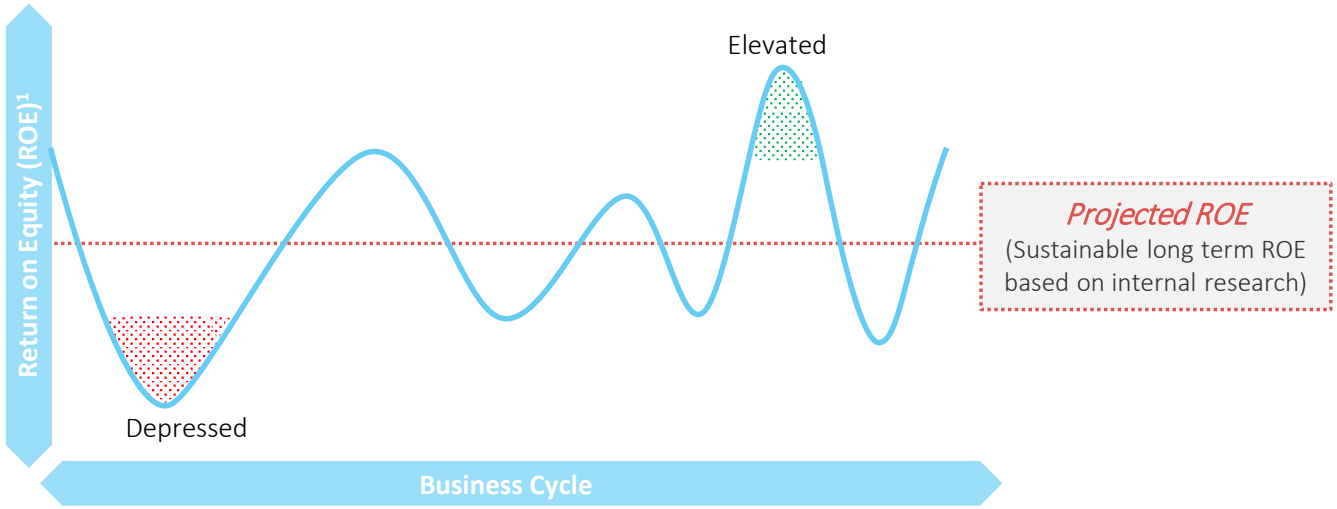
*All data as at March 31, 2021.
See Important Information.

Investment Process

1. QUALITY

Proprietary Research

Margin of Safety:
Conservative Projection

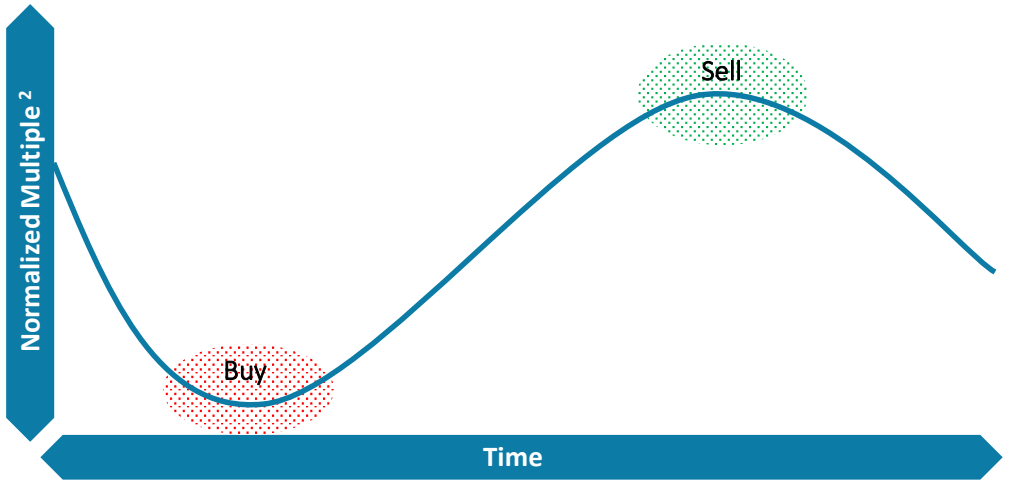


[1] **ROE** = (EBT / Sales) x (1-Tax) x (Sales / Total assets) x (Total assets / Total Common Equity)

2. VALUATION

Proprietary Method

Margin of Safety:
Disciplined Valuation



[2] Normalized Multiple = Price / **Normalized Earnings**; Normalized Earnings = BVPS x ***Projected ROE***

See Important Information.

Security Selection

Buy Discipline

Attractive Quality

BUSINESSES THAT

- We understand
- Meet our quality standards

Attractive Valuations

RELATIVE TO

- Market indices
- Historical valuation
- Global peers

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

See Important Information.

Alimentation Couche-Tard – Canada

New Holding – Q1 2021

LEADERSHIP POSITION	RECORD OF HIGH & CONSISTENT PROFITABILITY	FINANCIAL POSITION	GROWTH OPPORTUNITY	MANAGEMENT
▪ A global leader in convenience stores with fueling stations ▪ Largest independent US convenience store operator with 6% market share ▪ #1 in Canada with 28% market share	▪ Operating margin has averaged 4% over the last 10 years ▪ ROE has averaged 23% over the last 10 years	▪ Net debt to equity of 41%*	▪ Ongoing consolidation in a fragmented convenience industry ▪ Refinement of in-store offering (e.g. fresh food, fast food and greater localization)	▪ Management is disciplined and focused on innovation, operational excellence and low cost leadership

* Excluding lease liabilities

Market Cap.	$35.1 B USD		Alimentation Couche-Tard Q1 2021	S&P/TSX Q1 2021	MSCI EAFE Q1 2021
Quality	Projected ROE	(%)	**20.0**	11.0	11.0
	Financial Leverage	(X)	**2.3**	2.4	2.9
Valuation	Normalized P/E	(X)	**13.9**	18.2	17.1
	Price/Book	(X)	**2.8**	2.0	1.9
	Dividend Yield	(%)	**0.7**	2.8	2.3

Valuation characteristics are based on the average price of the transactions during the quarter and latest reported book value per share.
See Important Information
Source: Sprucegrove, MSCI, FactSet

Security Selection

Sell Discipline

Lower Quality

BUSINESSES THAT

- No longer meet our quality criteria

Higher Valuations

BUSINESSES THAT

- Are no longer attractively valued

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

See Important Information.

Omron – Japan

Recent Reduction – Q1 2021

LEADERSHIP POSITION	RECORD OF HIGH & CONSISTENT PROFITABILITY	FINANCIAL POSITION	GROWTH OPPORTUNITY	MANAGEMENT
▪ Leading producer of electronic components for factory automation & healthcare industry ▪ Over 40% market share of control related equipment in Japan ▪ 50% global market share of blood pressure monitors	▪ Operating margin averaged 8% over the past 10 years ▪ ROE averaged 10% over the past 10 years	▪ Net cash position	▪ Greater demand for productivity, efficiency and quality improvements ▪ An aging population and increasing demand for more remote medical services	▪ Progressive, experienced and disciplined ▪ Long term focus and financially conservative

Market Cap.	$16.1 B USD		**Omron** Q1 2021	MSCI Japan Q1 2021	MSCI EAFE Q1 2021
Quality	Projected ROE	(%)	**11.0**	7.0	11.0
	Financial Leverage	(X)	**1.4**	2.4	2.9
Valuation	Normalized P/E	(X)	**31.5**	22.3	17.1
	Price/Book	(X)	**3.5**	1.6	1.9
	Dividend Yield	(%)	**1.0**	1.9	2.3

Valuation characteristics are based on the average price of the transactions during the quarter and latest reported book value per share.
See Important Information
Source: Sprucegrove, MSCI, FactSet

Historical Characteristics

Sprucegrove U.S. International Pooled Fund

		'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20
Quality																					
Fund Projected ROE	%	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	14.3	14.7
MSCI EAFE Projected ROE	%	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	11.0	11.0
Fund Historical ROE	%	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	16.6	17.0
MSCI EAFE Historical ROE	%	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	9.5	9.5
Fund Fin. Leverage[1]	X	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	2.2	2.1
MSCI EAFE Fin. Leverage[1]	X	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	2.8	2.8
Valuation																					
Fund Normalized P/E	X	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	13.2	14.4
MSCI EAFE Normalized P/E	X	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	15.3	16.0

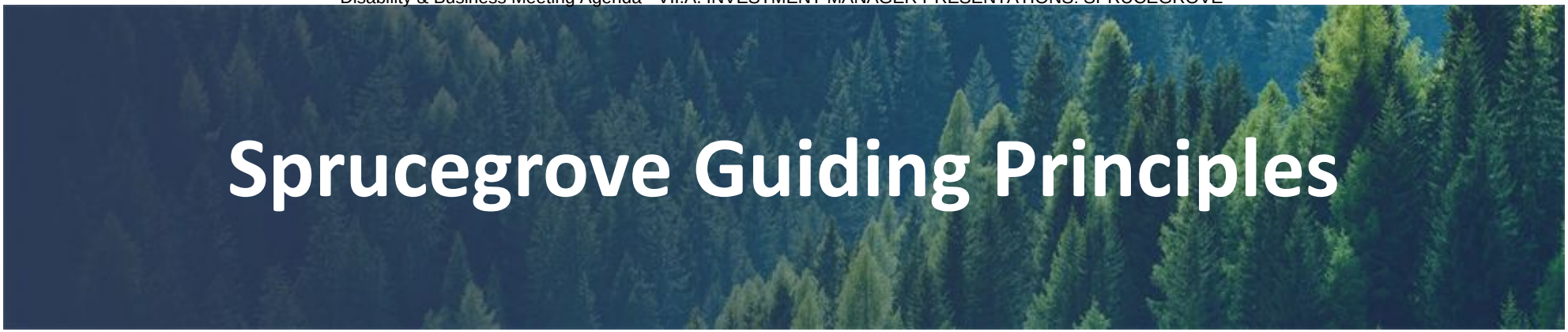
Consistently applied philosophy and process over time

All data as at December 31.

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

Source: Sprucegrove, MSCI, FactSet.

See Important Information.



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

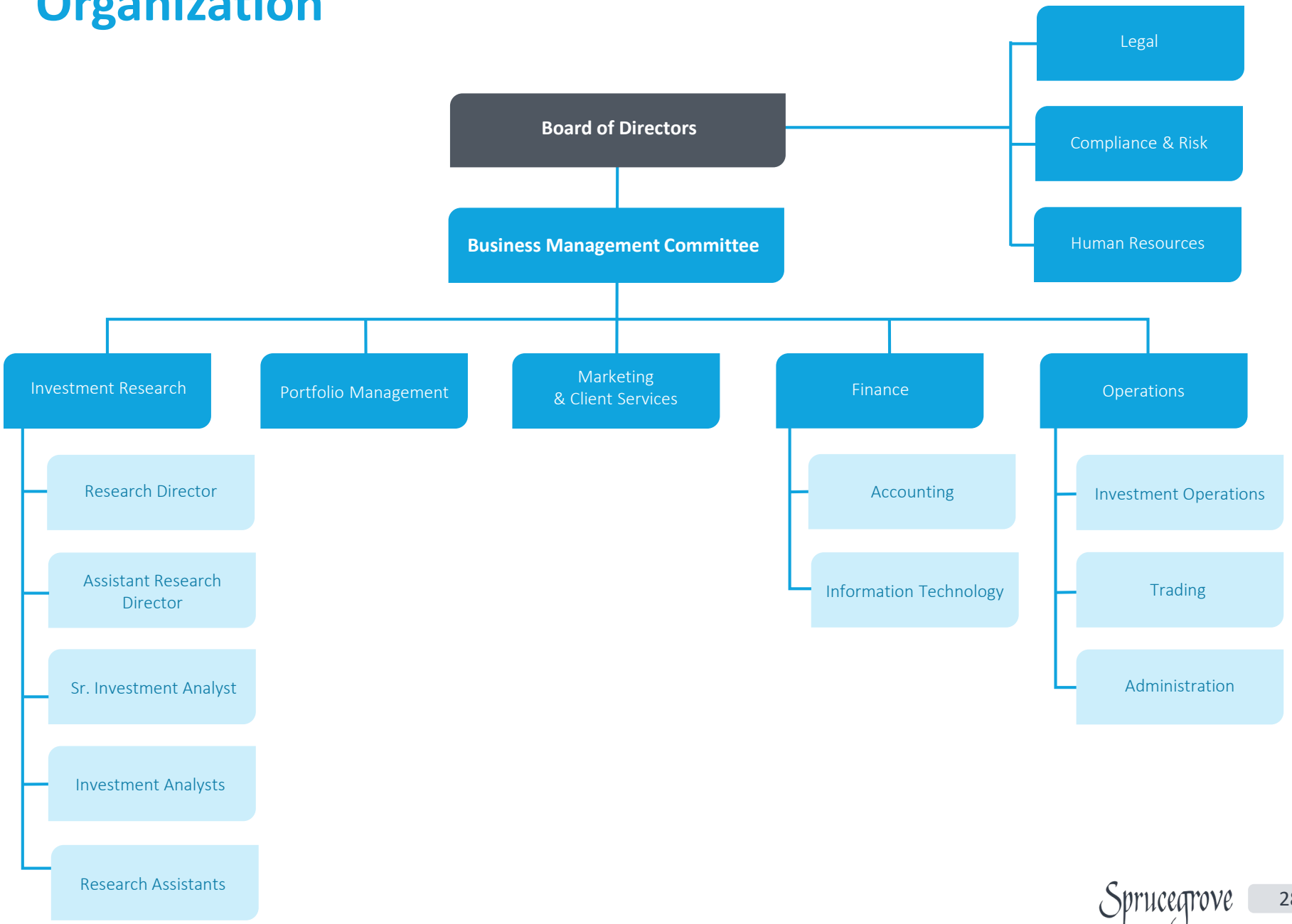
- We make each aspect of the firm stronger by working together as one team.
- We are independent and employee owned.
- We are a small, focused business, carefully controlling our growth.

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.

See Important Information.

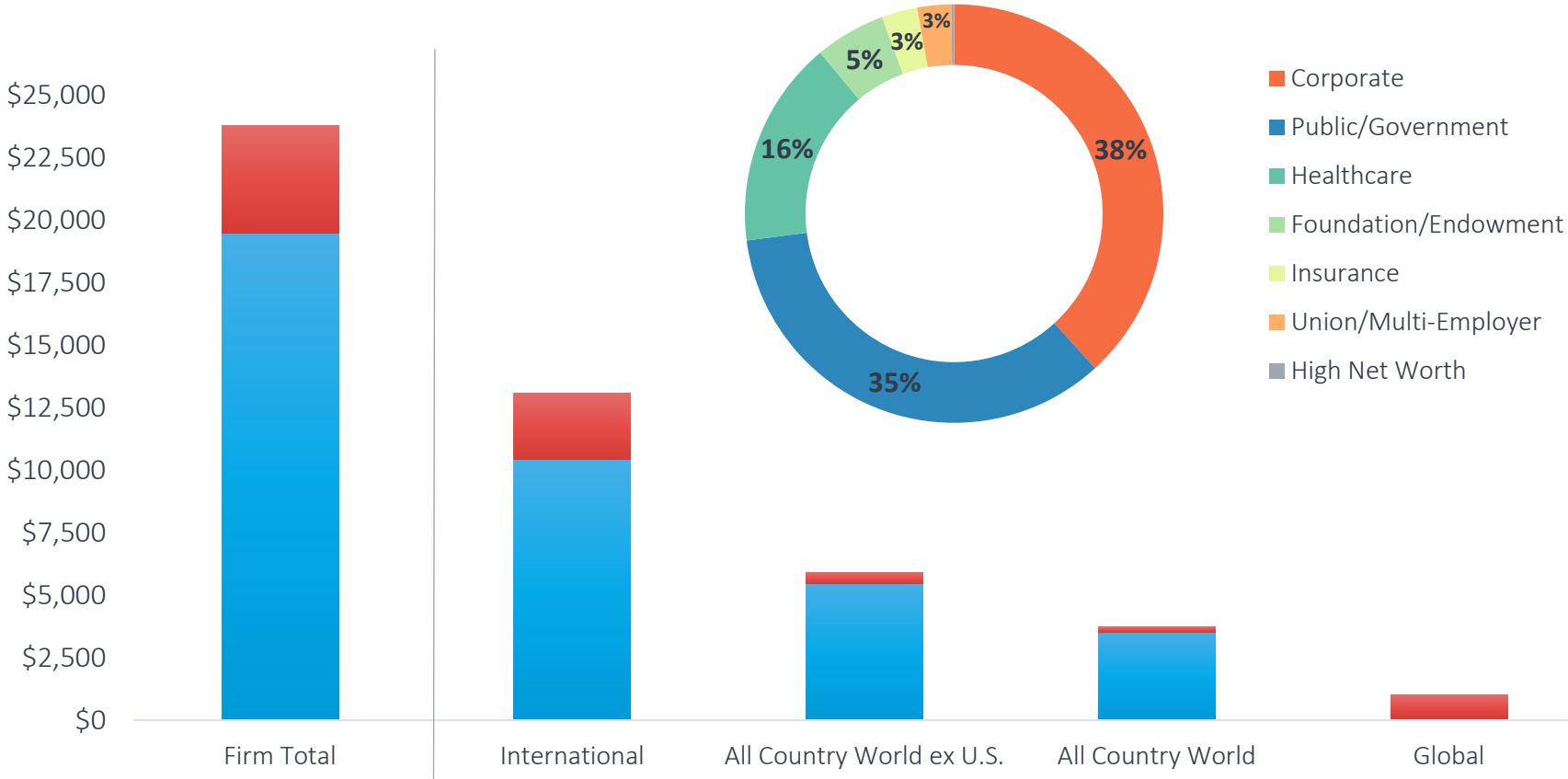
Organization



As at March 31, 2021.
See Important Information.

Assets Under Management

March 31, 2021



AUM (USD$)	$23,800.7	$13,114.7	$5,917.4	$3,751.6	$1,017.1
U.S. Clients	$19,505.6	$10,448.7	$5,463.8	$3,535.1	$58.0
Canadian Clients	$4,295.2	$2,666.0	$453.6	$216.6	$959.1
# Of Clients	**60**	**32**	**16**	**3**	**9**

All dollar amounts are in millions.

See Important Information.

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 (%)
Samsung Electronics	Korea	Information Technology	2.4	14.0	1.4	14.4	2.0	1.8
Denso	Japan	Consumer Discretionary	2.3	9.0	1.9	17.5	1.6	1.9
AIA Group	Hong Kong	Financials	2.2	14.0	5.1	16.6	2.3	1.4
BASF	Germany	Materials	2.2	15.0	2.2	10.7	1.6	4.7
Henkel	Germany	Consumer Staples	2.2	15.0	1.7	13.8	2.1	2.2
BMW	Germany	Consumer Discretionary	2.1	10.0	3.8	9.6	1.0	2.8
CRH	Ireland	Materials	2.1	11.0	2.3	18.0	2.0	2.1
Richemont	Switzerland	Consumer Discretionary	2.1	13.0	1.8	20.8	2.7	1.1
Smiths Group	U.K.	Industrials	2.1	20.0	2.3	13.7	2.7	0.8
Travis Perkins	U.K.	Industrials	2.1	12.0	2.2	11.8	1.4	0.0
Total			**21.8**					
Weighted Average				**13.3**	**2.2**	**14.7**	**1.9**	**1.9**
MSCI EAFE				**11.0**	**2.9**	**17.1**	**1.9**	**2.3**

All data as at March 31, 2021.

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

Source: Sprucegrove, MSCI, FactSet.

See Important Information.

Holdings in Energy

Sprucegrove U.S. International Pooled Fund

March 31, 2021		Quality		Valuation		
Company	**Country**	**Projected ROE** (%)	**Financial Leverage** (x)	**Normalized P/E** (x)	**Price/Book** (x)	**Dividend Yield** (%)
Royal Dutch Shell	United Kingdom	15.0	2.4	5.0	0.7	11.8
SBM Offshore	Holland	14.0	4.3	10.1	1.4	4.9
TGS	Norway	18.0	1.6	8.3	1.5	3.5
Total	France	14.0	2.6	8.8	1.2	6.5
Fund Energy Sector		**15.1**	**2.8**	**8.4**	**1.3**	**6.3**
Total Fund		**14.6**	**2.2***	**14.8**	**2.2**	**2.6**
MSCI EAFE Index		**11.0**	**2.9***	**17.1**	**1.9**	**2.3**

* Excludes Financials

Source: Sprucegrove, MSCI, FactSet.
See Important Information.

Holdings in Materials

Sprucegrove U.S. International Pooled Fund

March 31, 2021		Quality		Valuation		
Company	**Country**	**Projected ROE** (%)	**Financial Leverage** (x)	**Normalized P/E** (x)	**Price/Book** (x)	**Dividend Yield** (%)
Adelaide Brighton	Australia	11.0	1.7	17.2	1.9	3.4
Air Liquide	France	14.0	2.3	25.3	3.5	1.9
Anglo American	United Kingdom	13.0	2.4	14.3	1.9	3.0
BASF	Germany	15.0	2.2	10.7	1.6	4.7
BHP Group plc	United Kingdom	18.0	2.2	16.4	3.0	5.5
CRH	Ireland	11.0	2.3	18.0	2.0	2.1
Fuchs Petrolub	Germany	19.0	1.3	18.9	3.6	2.4
Johnson Matthey	United Kingdom	15.0	2.6	14.4	2.2	1.9
LafargeHolcim	Switzerland	9.0	2.2	14.5	1.3	3.6
Nitto Denko	Japan	11.0	1.4	18.6	2.0	2.1
Victrex	United Kingdom	23.0	1.2	17.4	4.0	1.8
Yara International	Norway	11.0	2.0	15.3	1.7	4.5
Fund Materials Sector		**13.9**	**2.0**	**16.5**	**2.3**	**3.1**
Total Fund		**14.6**	**2.2***	**14.8**	**2.2**	**2.6**
MSCI EAFE Index		**11.0**	**2.9***	**17.1**	**1.9**	**2.3**

* Excludes Financials

Source: Sprucegrove, MSCI, FactSet.
See Important Information.

Holdings in Industrials

Sprucegrove U.S. International Pooled Fund

March 31, 2021		Quality		Valuation		
Company	**Country**	**Projected ROE** (%)	**Financial Leverage** (x)	**Normalized P/E** (x)	**Price/Book** (x)	**Dividend Yield** (%)
Boskalis Westminster	Holland	10.0	2.0	15.6	1.6	1.8
FANUC	Japan	13.0	1.1	29.6	3.8	0.7
IMI	United Kingdom	25.0	2.5	18.1	4.5	1.7
Jardine Matheson	Hong Kong	12.0	3.2	6.7	0.8	2.6
Jardine Strategic	Hong Kong	11.0	2.6	4.7	0.5	1.1
Johnson Electric	Hong Kong	14.0	1.9	8.9	1.2	0.8
Jungheinrich	Germany	13.0	3.6	20.8	2.7	1.2
Komatsu	Japan	10.0	2.0	18.0	1.8	3.3
Kubota	Japan	12.0	2.2	17.1	2.0	1.4
Sembcorp Industries	Singapore	10.0	3.8	10.0	1.0	2.7
Smiths Group	United Kingdom	20.0	2.3	13.7	2.7	0.8
Travis Perkins	United Kingdom	12.0	2.2	11.8	1.4	0.0
Weir Group	United Kingdom	15.0	2.7	23.5	3.5	0.0
Aggreko	United Kingdom	15.0	1.9	13.0	2.0	1.7
Copa Holdings	Panama	15.0	3.0	17.7	2.7	1.0
Ryanair (ADR)	Ireland	20.0	2.9	22.4	4.5	0.0
SATS	Singapore	14.0	1.9	22.8	3.2	0.0
Fund Industrials Sector		**14.8**	**2.4**	**15.9**	**2.4**	**1.2**
Total Fund		**14.6**	**2.2***	**14.8**	**2.2**	**2.6**
MSCI EAFE Index		**11.0**	**2.9***	**17.1**	**1.9**	**2.3**

* Excludes Financials

Source: Sprucegrove, MSCI, FactSet.
See Important Information.

Holdings in Consumer Discretionary

Sprucegrove U.S. International Pooled Fund

March 31, 2021		Quality		Valuation		
Company	**Country**	**Projected ROE** (%)	**Financial Leverage** (x)	**Normalized P/E** (x)	**Price/Book** (x)	**Dividend Yield** (%)
BMW	Germany	10.0	3.8	9.6	1.0	2.8
Brembo	Italy	18.0	2.1	12.9	2.3	2.1
Denso	Japan	9.0	1.9	16.9	1.5	2.0
Nokian Tyres	Finland	16.0	1.5	17.5	2.8	2.6
Toyota Motor	Japan	11.0	2.7	9.8	1.1	2.7
Xinyi Glass Holdings Limited	Hong Kong	17.0	1.6	21.7	3.7	3.1
Berkeley Group	United Kingdom	18.0	1.8	10.0	1.8	4.6
Richemont	Switzerland	13.0	1.8	20.8	2.7	1.1
Swatch	Switzerland	12.0	1.2	10.8	1.3	2.0
Yue Yuen	Hong Kong	9.0	2.2	11.9	1.1	5.6
Carnival PLC	United Kingdom	11.0	2.6	10.2	1.1	2.4
Fund Consumer Discretionary Sector		**12.7**	**2.2**	**13.7**	**1.8**	**2.7**
Total Fund		**14.6**	**2.2***	**14.8**	**2.2**	**2.6**
MSCI EAFE Index		**11.0**	**2.9***	**17.1**	**1.9**	**2.3**

* Excludes Financials

Source: Sprucegrove, MSCI, FactSet.
See Important Information.

U.K. Holdings

Sprucegrove U.S. International Pooled Fund

March 31, 2021		Quality			Value			
Company	**Sector**	**Historical ROE (%)**	**Projected ROE (%)**	**Financial Leverage (x)**	**Normalized P/E (x)**	**Price/ Book (x)**	**Dividend Yield (%)**	**Non-U.K. Sales (%)**
Aggreko	Industrials	17.1	15.0	1.9	13.0	2.0	1.7	95
Anglo American	Materials	18.0	13.0	2.4	14.3	1.9	3.0	94
Berkeley Group	Consumer Discretionary	20.0	18.0	1.8	10.0	1.8	4.6	0
BHP Group PLC	Materials	24.8	18.0	2.2	16.4	3.0	5.5	100
Carnival PLC	Consumer Discretionary	9.0	11.0	2.6	10.2	1.1	2.4	97
Diageo	Consumer Staples	35.0	35.0	4.8	29.3	10.2	2.3	94
Electrocomponents	Information Technology	20.0	24.0	2.3	24.5	5.9	1.6	74
HSBC	Financials	12.0	10.0	17.2	6.8	0.7	2.6	82
IMI	Industrials	31.0	25.0	2.5	18.1	4.5	1.7	95
Johnson Matthey	Materials	17.8	15.0	2.6	14.4	2.2	1.9	78
Lloyds Banking Group	Financials	2.0	12.0	18.7	5.9	0.7	2.3	0
Royal Dutch Shell	Energy	20.0	15.0	2.4	5.0	0.7	11.8	93
Smiths Group	Industrials	25.0	20.0	2.3	13.7	2.7	0.8	94
Spectris	Information Technology	18.0	15.0	1.5	20.8	3.1	2.0	92
Travis Perkins	Industrials	13.0	12.0	2.2	11.8	1.4	0.0	0
Victrex	Materials	25.0	23.0	1.2	17.4	4.0	1.8	98
Weir Group	Industrials	19.2	15.0	2.7	23.5	3.5	0.0	99
Fund U.K. Average		**19.4**	**17.0**	**2.3***	**14.7**	**2.7**	**2.5**	
Total Fund Average		**16.7**	**14.6**	**2.2***	**14.8**	**2.2**	**2.6**	
MSCI EAFE Index		**9.5**	**11.0**	**2.9***	**17.1**	**1.9**	**2.3**	

* Excludes Financials

Source: Sprucegrove, MSCI, FactSet.
See Important Information.

Emerging Market Holdings

Sprucegrove U.S. International Pooled Fund

March 31, 2021			Quality		Valuation		
Company	**Country**	**Market Cap.** (US$ Bn)	**Projected ROE** (%)	**Financial Leverage** (x)	**Normalized P/E** (x)	**Price/Book** (x)	**Dividend Yield** (%)
Ambev (US$ ADR)	Brazil	43	24.0	1.8	12.7	3.0	4.7
Banco Bradesco	Brazil	39	17.0	11.1	9.2	1.6	2.1
Samsung Electronics	Korea	436	14.0	1.4	14.4	2.0	1.8
Copa Holdings	Panama	2	15.0	3.0	17.7	2.7	1.0
Tiger Brands	South Africa	3	18.0	1.4	12.4	2.2	2.5
Fund Emerging Markets		**105**	**17.3**	**1.8***	**13.5**	**2.3**	**2.4**
Total Fund		**44**	**14.6**	**2.2***	**14.8**	**2.2**	**2.6**
MSCI EM Index		**8**	**12.0**	**2.4***	**17.4**	**2.1**	**1.8**
MSCI EAFE Index		**16**	**11.0**	**2.9***	**17.1**	**1.9**	**2.3**

* Excludes Financials

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

Source: Sprucegrove, MSCI, FactSet.
See Important Information.

12 Month Trailing Portfolio Turnover

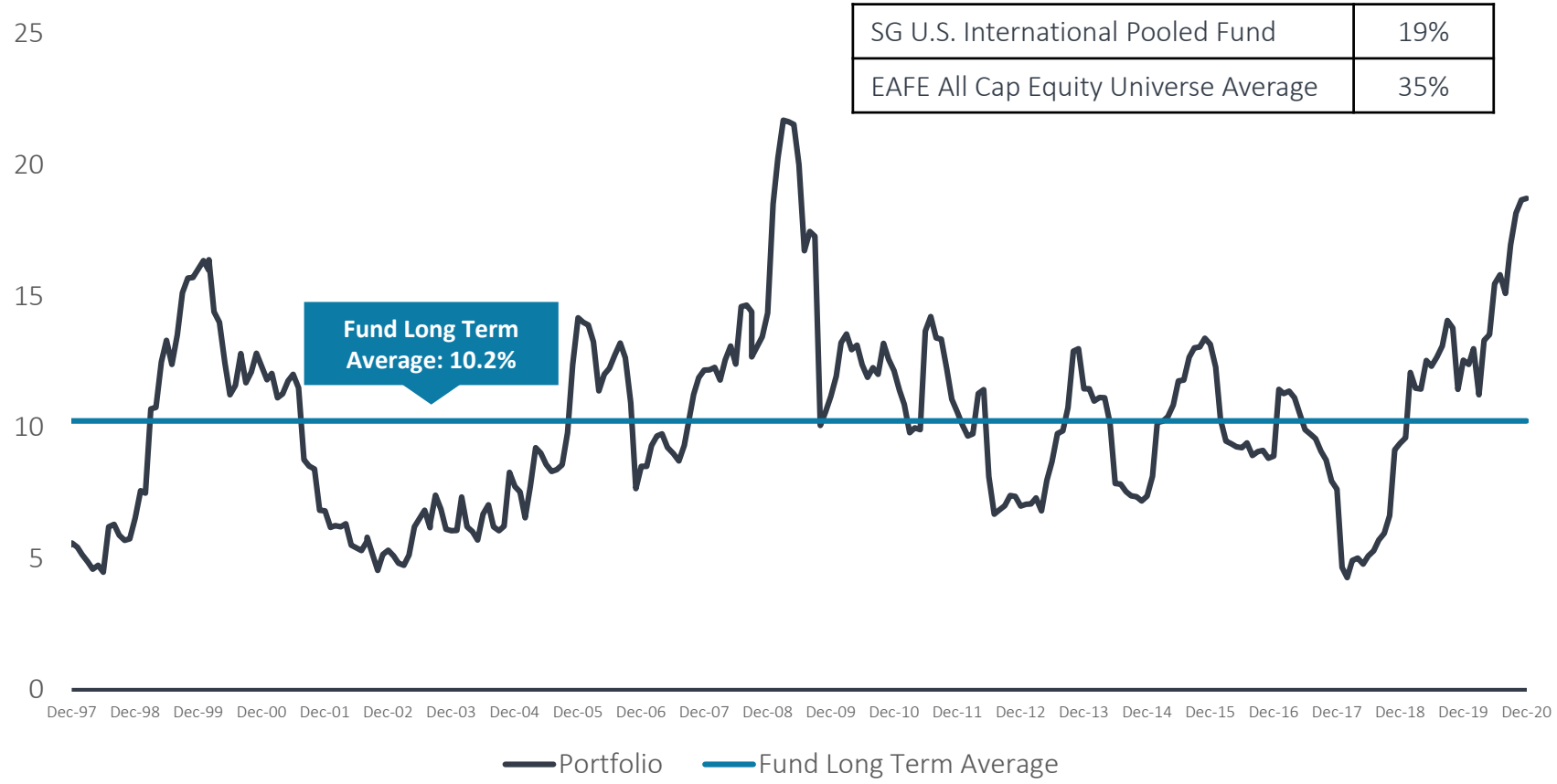
Sprucegrove U.S. International Pooled Fund

Turnover

Percent (%)

1 Year Turnover, as at December 31, 2020

SG U.S. International Pooled Fund	19%
EAFE All Cap Equity Universe Average	35%

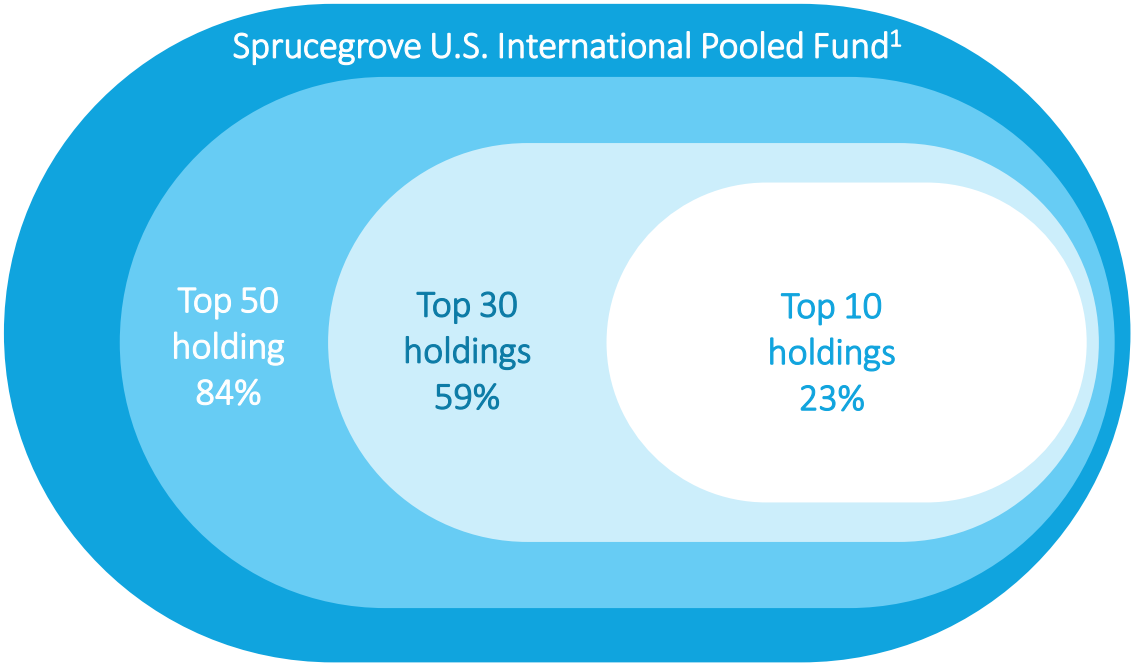


Source: Sprucegrove, eVestment.
Data from December 31, 1997 to December 31, 2020.
Turnover Calculated as: (Total of the lesser of buys or sales over 12 month period / Average market values over period) x 100.
See Important Information.

Portfolio Concentration and Active Share

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

# of Portfolio Holdings	72
# of MSCI EAFE Index Holdings	876
Active Share[2]	89%



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

All data as at March 31, 2021.

[1]Top portfolio holdings excluding cash.
[2]Active Share is a measure of the percentage of stock holdings in a portfolio that differ from the benchmark.
Source: Sprucegrove, MSCI, FactSet.
See Important Information.

Sector Weightings/Returns – Q1 2021

Sprucegrove U.S. International Pooled Fund

	Weighting, as at March 31, 2021[1] (%)		Performance, Quarter ending March 31, 2021[1] (%)		
Sector	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund[2]	MSCI EAFE	Impact[3]
Energy	5.6	3.3	4.5	10.6	-
Materials	**20.5**	**8.0**	**7.5**	**5.2**	+
Industrials	**20.7**	**15.5**	**13.2**	**5.4**	+
Consumer Discretionary	17.4	12.8	7.2	5.8	+
Consumer Staples	**8.8**	**10.3**	**2.6**	**(2.6)**	+
Health Care	3.4	11.9	(12.6)	(3.9)	+
Financials	**10.3**	**17.3**	**6.2**	**9.7**	-
Information Technology	6.2	9.0	0.4	2.4	-
Communication Services	1.5	5.2	0.3	3.9	-
Utilities	1.0	3.7	17.2	(2.6)	+
Real Estate	0.9	3.1	22.6	2.5	+
Cash	3.7	-	-	-	
Total	**100.0**	**100.0**	**7.0**	**3.5**	

Industrials and Materials stock selection is the top contributor. Underweight Financials detracted modestly.

[1]Bold numbers indicate primary contributors to relative performance vs. the Index.
[2]Preliminary returns are gross of fees in U.S. dollars.
[3]Net impact of sector allocation and security selection on relative performance.

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

Source: Sprucegrove, MSCI, SS&C.

See Important Information.

Country Allocation & Performance – Q1 2021

Sprucegrove U.S. International Pooled Fund

	Weighting, as at March 31, 2021 (%)		Performance, Quarter ending March 31, 2021 (%)	
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund[1]	MSCI
Australia	1.6	7.0	9.3	3.4
Hong Kong	7.4	3.4	13.1	7.3
Japan	11.7	24.8	1.2	1.6
Singapore	5.2	1.1	7.3	8.9
Other	-	0.3	-	-
Pacific	25.9	36.6	5.9	2.5
Finland	1.5	1.0	4.6	(1.4)
France	3.4	11.1	4.8	4.4
Germany	10.0	9.5	2.1	4.2
Holland	3.3	4.2	5.9	11.2
Ireland	3.3	0.7	9.8	5.3
Italy	1.1	2.5	(5.6)	6.3
Spain	-	2.4	-	1.0
Other	-	1.3	-	-
Eurozone	22.5	32.7	4.0	4.7
Denmark	0.5	2.4	11.0	(3.0)
Norway	3.3	0.6	18.2	11.0
Sweden	-	3.6	-	11.3
Switzerland	7.1	9.2	2.5	(2.0)
U.K.	26.1	14.3	10.7	6.2
Other	-	-	-	-
Non-Eurozone	37.0	30.1	9.6	3.5
Israel	0.2	0.6	(15.8)	(0.3)
Europe and Middle East	59.7	63.4	7.3	4.0
Brazil	3.0	-	(10.5)	(10.0)
China	0.0	-	2.4	(0.4)
India	0.0	-	14.0	5.1
Korea	2.4	-	(0.1)	1.6
Panama	1.4	-	4.5	-
South Africa	1.1	-	3.4	12.1
Emerging Markets	7.9	-	4.6	2.3
Canada	2.7	-	11.8	9.6
Cash	3.7	-	-	-
Total	100.0	100.0	Fund: 7.0	EAFE: 3.5

U.K. and Hong Kong holdings are the top contributors.

[1]Preliminary returns are gross of fees in U.S. dollars.
Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.
Source: Sprucegrove, MSCI, SS&C.
See Important Information.

Impact Stocks – Q1 2021

Sprucegrove U.S. International Pooled Fund

	Country	Sector	Average Weighting (%)	Estimated Contribution (bps)
Top 5 Contributors				
Adani Ports[1]**	India	Industrials	1.4	69
Aggreko	United Kingdom	Industrials	1.6	56
Yara International	Norway	Materials	1.8	41
Anglo American	United Kingdom	Materials	2.0	34
BMW	Germany	Consumer Discretionary	1.7	29
				229
Bottom 5 Contributors				
Fuchs Petrolub	Germany	Materials	1.4	(21)
Weir Group	United Kingdom	Industrials	2.1	(20)
Nihon Kohden	Japan	Health Care	0.7	(19)
Ambev*	Brazil	Consumer Staples	1.4	(16)
Novartis	Switzerland	Health Care	1.7	(15)
				(91)

*Addition
**Reduction

[1]Holding was eliminated from the portfolio during Q1 2021.

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.

Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI, SS&C.
See Important Information.

Sector Weightings/Returns – 1 Year, ending December 31, 2020

Sprucegrove U.S. International Pooled Fund

	Weighting, as at December 31, 2020[1] (%)		Performance, 1 Year ending December 31, 2020[1] (%)		
Sector	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund[2]	MSCI EAFE	Impact[3]
Energy	**5.1**	**3.1**	**(22.9)**	**(27.5)**	-
Materials	**20.2**	**7.9**	**16.0**	**20.6**	+
Industrials	21.1	15.2	8.9	10.9	-
Consumer Discretionary	16.3	12.5	10.1	15.8	-
Consumer Staples	7.8	10.9	1.4	5.7	-
Health Care	3.1	12.9	11.0	11.4	-
Financials	**10.5**	**16.3**	**(19.1)**	**(3.9)**	-
Information Technology	7.8	8.9	27.7	28.4	+
Communication Services	**3.4**	**5.2**	**(16.5)**	**12.6**	-
Utilities	0.9	3.9	12.8	14.2	-
Real Estate	0.7	3.1	(24.1)	(6.9)	+
Cash	3.3	-	-	-	
Total	**100.0**	**100.0**	**4.4**	**7.8**	

Financials and Communications Services stock selection are the main detractors. Overweight Materials is a notable contributor.

[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.

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

Source: Sprucegrove, MSCI, SS&C.

See Important Information.

Impact Stocks – 1 Year, ending December 31, 2020

Sprucegrove U.S. International Pooled Fund

	Country	Sector	Average Weighting (%)	Estimated Contribution (bps)
Top 5 Contributors				
Samsung Electronics**Q4	Korea	Information Technology	2.5	109
Nitto Denko*Q1	Japan	Materials	1.8	108
Omron**Q3, Q4	Japan	Information Technology	1.8	89
Weir Group**Q4	United Kingdom	Industrials	1.6	87
Xinyi Glass Holdings**Q4	Hong Kong	Consumer Discretionary	0.8	69
				462
Bottom 5 Contributors				
Banco Santander[1]*Q1**Q3	Spain	Financials	0.9	(108)
State Bank of India	India	Financials	0.4	(98)
Lloyds Banking	United Kingdom	Financials	1.1	(97)
Carnival*Q1,Q2	United Kingdom	Consumer Discretionary	1.0	(89)
HSBC*Q1, Q4	United Kingdom	Financials	1.5	(88)
				(480)

*Addition
**Reduction

[1]Holding was eliminated from the portfolio during Q3 2020.

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.

Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI, SS&C.
See Important Information.

Country Allocation & Performance – 1 Year, ending December 31, 2020

Sprucegrove U.S. International Pooled Fund

	Weighting, as at December 31, 2020 (%)		Performance, 1 Year ending December 31, 2020 (%)	
	Sprucegrove U.S. International Pooled Fund	**MSCI EAFE**	**Sprucegrove U.S. International Pooled Fund[1]**	**MSCI**
Australia	**1.4**	7.1	**19.4**	8.7
Hong Kong	**6.7**	3.3	**7.7**	5.8
Japan	**12.7**	25.3	**24.9**	14.5
Singapore	**4.5**	1.0	**1.0**	(7.5)
Other	**-**	0.3	**-**	-
Pacific	**25.3**	37.0	**15.5**	11.9
Finland	**1.5**	1.0	**30.1**	20.4
France	**3.4**	11.1	**3.1**	4.1
Germany	**8.6**	9.4	**12.5**	11.5
Holland	**3.3**	3.9	**2.0**	24.1
Ireland	**3.2**	0.7	**14.0**	15.1
Italy	**0.9**	2.4	**30.2**	1.8
Spain	**-**	2.4	**-**	(4.8)
Other	**-**	1.3	**-**	-
Eurozone	**20.9**	32.2	**6.1**	6.6
Denmark	**0.5**	2.5	**(3.7)**	43.7
Norway	**2.6**	0.6	**(16.5)**	(1.8)
Sweden	**-**	3.4	**-**	23.9
Switzerland	**7.6**	9.6	**8.4**	11.6
U.K.	**23.5**	14.0	**(7.5)**	(10.5)
Other	**-**	-	**-**	-
Non-Eurozone	**34.1**	30.2	**(4.6)**	2.7
Israel	**0.3**	0.6	**51.4**	15.0
Europe and Middle East	**55.2**	63.0	**(0.9)**	5.5
Brazil	**2.7**	-	**(35.3)**	(19.0)
China	**0.7**	-	**(27.9)**	29.5
India	**6.1**	-	**11.3**	15.6
Korea	**2.6**	-	**45.8**	44.6
Panama	**1.3**	-	**(27.8)**	-
South Africa	**1.0**	-	**(5.6)**	(4.0)
Emerging Markets	**14.5**	-	**4.2**	18.3
Canada	**1.7**	-	**(0.3)**	5.3
Cash	**3.3**	**-**	**-**	**-**
Total	**100.0**	**100.0**	**Fund: 4.4**	**EAFE: 7.8**

Underweight to markets heavily exposed to Technology (Holland) and Health Care (Denmark) and an overweight to the U.K. are the main detractors.

[1]Returns are gross of fees in U.S. dollars.
Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.
Source: Sprucegrove, MSCI, SS&C.
See Important Information.

Sprucegrove

Attribution Highlights – 1 Year, ending December 31, 2020

Exposures with the most impact on relative performance

Country Allocation[3]		Sector Allocation[3]
Contributors • Japan Nitto Denko, Omron	**Fund[1]: 4.4%** **vs.** **MSCI EAFE: 7.8%**	**Contributors** • Materials Nitto Denko, Air Liquide
Detractors • Holland *Underweight Information Technology,* *ASML Holdings*[2] • Denmark *Underweight Health Care* • United Kingdom Overweight		**Detractors** • Financials Banco Santander, State Bank of India, HSBC • Communication Services SingTel, China Mobile[4]

All data as at December 31, 2020.

[1]Sprucegrove U.S International Pooled Fund.

[2]*Non holdings or holding underweight relative to the index.*

[3]Selection of meaningful Countries/Sectors: contributes at least 20 bps or 10% of the total contribution to return whichever is greater in absolute terms. Under/overweight comments will be based on whichever component is greater than 66% of contribution. A combined comment may be used. Sequence of comments: The country/sector that are meaningful contributors and detractors will be listed first respectively. Securities listed: based on the impact on relative performance, typically 2 securities will be listed unless the subsequent ones have a similar impact.

[4]As an identified prohibited security under Executive Order 13959, China Mobile was eliminated from the portfolio in advance of January 11, 2021.

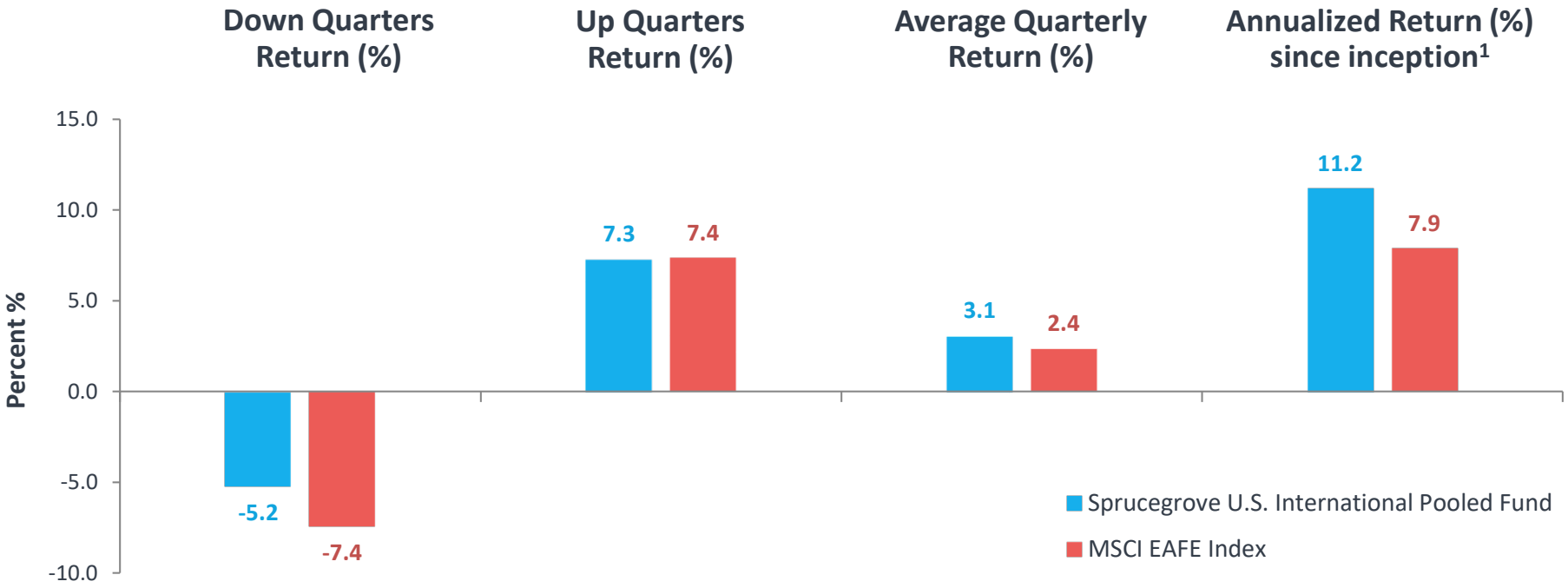
Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

Source: Sprucegrove, MSCI, SS&C, FactSet.

See Important Information.

Average Quarterly Up and Down Market Performance

Sprucegrove U.S. International Pooled Fund vs. MSCI EAFE, as at March 31, 2021



% of down quarters since inception[1]: 35%	% of up quarters since inception[1]: 66%
% of times Fund outperformed: 75% Down-market capture: 70% [2]	% of times Fund outperformed: 45% Up-market capture: 99% [2]

[1]Inception date of Fund: September 30, 1985.
[2] Preliminary, subject to change

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

Source: Sprucegrove, eVestment, MSCI.
See Important Information.

MSCI EAFE Value and Growth Indices

Annual Performance Results

	2020 (%)	2019 (%)	2018 (%)	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)
MSCI EAFE Value	(2.6)	16.1	(14.8)	21.4	5.0	(5.7)	(5.4)	23.0	17.7	(12.2)	3.2
MSCI EAFE Growth	18.3	27.9	(12.8)	28.9	(3.0)	4.1	(4.4)	22.5	16.9	(12.1)	12.2

Data as at December 31.

Annualized Performance Results

	Q1 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	15 Years (%)	20 Years (%)	25 Years (%)	30 Years (%)
MSCI EAFE Value	7.4	45.7	6.1	1.8	4.3	6.6	3.7	2.6	4.8	5.0	5.9
MSCI EAFE Growth	(0.6)	42.6	15.9	9.8	11.7	10.8	7.2	5.5	6.0	4.9	5.2

Preliminary data as at March 31, 2021.

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.

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

Source: MSCI.
See Important Information.

Historical Country Weightings

Sprucegrove U.S. International Pooled Fund

	Weightings (%)										
	Sprucegrove U.S. International Pooled Fund										MSCI EAFE
Country	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2020**
Australia	2.7	2.8	2.5	2.3	2.4	2.5	2.0	2.3	2.5	1.4	7.1
Hong Kong	5.4	5.4	5.7	6.7	6.8	6.6	6.1	7.0	6.2	6.7	3.3
Japan	20.8	19.5	16.7	15.5	13.8	12.8	12.2	11.9	12.1	12.7	25.3
Singapore	5.6	6.4	6.0	6.6	6.1	5.2	6.1	5.8	5.1	4.5	1.0
Other	-	-	-	-	-	-	-	-	-	-	0.3
Pacific	**34.5**	**34.1**	**30.9**	**31.1**	**29.1**	**27.1**	**26.4**	**26.9**	**25.9**	**25.3**	**37.0**
Finland	-	-	0.3	0.8	1.7	1.2	0.8	0.6	1.1	1.5	1.0
France	3.4	3.6	3.6	3.3	3.9	4.7	4.7	4.7	4.2	3.4	11.1
Germany	3.7	4.3	3.4	3.2	4.1	3.1	3.6	4.6	6.0	8.6	9.4
Holland	4.1	4.1	4.9	4.3	4.2	4.3	4.4	4.3	3.9	3.3	3.9
Ireland	4.5	4.4	4.0	3.5	3.6	2.4	1.5	1.7	2.7	3.2	0.7
Italy	1.0	1.0	1.1	1.0	1.0	0.6	0.5	0.7	-	0.9	2.4
Spain	1.6	2.0	2.5	2.6	2.2	2.1	2.3	1.7	1.5	-	2.4
Other	-	-	-	-	-	-	-	-	-	-	1.3
Eurozone	**18.2**	**19.2**	**19.7**	**18.7**	**20.7**	**18.3**	**17.9**	**18.2**	**19.5**	**20.9**	**32.2**
Denmark	-	-	-	-	-	-	0.2	0.4	0.6	0.5	2.5
Norway	-	0.4	0.8	1.9	2.1	3.1	3.1	3.5	3.4	2.6	0.6
Sweden	-	-	-	-	-	-	-	-	-	-	3.4
Switzerland	12.0	11.7	11.3	8.8	8.5	9.7	9.1	8.5	8.5	7.6	9.6
U.K.	17.6	18.1	18.9	19.1	20.7	22.3	22.6	23.1	24.6	23.5	14.0
Other	-	-	-	-	-	-	-	-	-	0.3	0.6
Non-Eurozone	**29.7**	**30.2**	**31.0**	**29.8**	**31.2**	**35.0**	**35.0**	**35.4**	**37.1**	**34.1**	**30.2**
Israel	-	-	-	-	-	-	-	-	-	0.3	0.6
Europe & Middle East	**47.9**	**49.4**	**50.8**	**48.5**	**52.0**	**53.3**	**52.9**	**53.6**	**56.6**	**55.2**	**63.0**
Brazil	1.2	0.9	1.5	1.3	0.6	1.3	1.6	2.3	1.8	2.7	-
China	1.6	1.7	1.8	2.3	2.3	1.7	1.4	1.6	1.2	0.7	-
Hungary	0.4	0.4	0.5	0.3	-	-	-	-	-	-	-
India	1.4	1.7	2.9	4.0	4.3	3.9	4.7	5.0	4.0	6.1	-
Korea	3.5	3.5	3.3	3.1	3.1	4.0	3.7	3.0	3.3	2.6	-
Malaysia	0.4	0.2	0.3	0.4	0.4	-	-	-	-	-	-
Mexico	-	-	-	-	-	-.	-	-	-	-	-
Panama	-	-	-	-	-	0.8	0.5	0.7	0.8	1.3	-
South Africa	2.8	2.5	2.3	2.3	2.1	2.3	2.4	2.2	1.0	1.0	-
Emerging Markets	**11.2**	**11.0**	**12.5**	**13.6**	**12.7**	**14.0**	**14.3**	**14.8**	**12.0**	**14.5**	**-**
Canada	2.8	3.0	3.5	3.6	3.0	3.0	2.1	1.9	1.7	1.7	-
Cash	**3.6**	**2.5**	**2.4**	**3.2**	**3.2**	**2.6**	**4.4**	**2.8**	**3.8**	**3.3**	**-**
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.

Source: Sprucegrove, MSCI.

See Important Information.

Historical Sector Weightings

Sprucegrove U.S. International Pooled Fund

	Weightings (%)										
	Sprucegrove U.S. International Pooled Fund										MSCI EAFE
Sector	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2020**
Energy	11.3	10.1	11.6	10.0	10.0	11.0	9.8	9.1	7.6	**5.1**	**3.1**
Materials	11.6	11.4	11.8	11.7	10.8	15.0	15.5	17.3	18.4	**20.2**	**7.9**
Industrials	17.4	18.9	19.4	19.0	17.3	16.7	16.3	16.4	17.0	**21.1**	**15.2**
Consumer Discretionary	15.0	14.4	13.0	12.4	15.7	14.0	13.4	11.9	14.1	**16.3**	**12.5**
Consumer Staples	4.7	4.8	4.6	4.6	5.9	6.5	7.1	7.8	7.9	**7.8**	**10.9**
Health Care	9.3	8.1	7.5	6.1	4.8	3.5	3.5	4.4	3.3	**3.1**	**12.9**
Financials	9.9	11.0	12.9	15.4	15.5	14.3	14.6	14.8	13.8	**10.5**	**16.3**
Information Technology	10.9	12.4	11.4	11.4	10.9	11.1	10.1	9.0	9.6	**7.8**	**8.9**
Telecomm. Services	3.1	3.0	2.6	3.0	2.8	2.1	2.1	-	-	**-**	**-**
Communication Services	-	-	-	-	-	-	-	2.9	2.5	**3.4**	**5.2**
Utilities	3.2	3.3	2.9	3.2	3.2	1.9	2.1	2.3	1.1	**0.9**	**3.9**
Real Estate	-	-	-	-	-	1.3	1.2	1.3	1.0	**0.7**	**3.1**
Cash	3.6	2.5	2.4	3.2	3.2	2.6	4.4	2.8	3.8	**3.3**	**-**
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

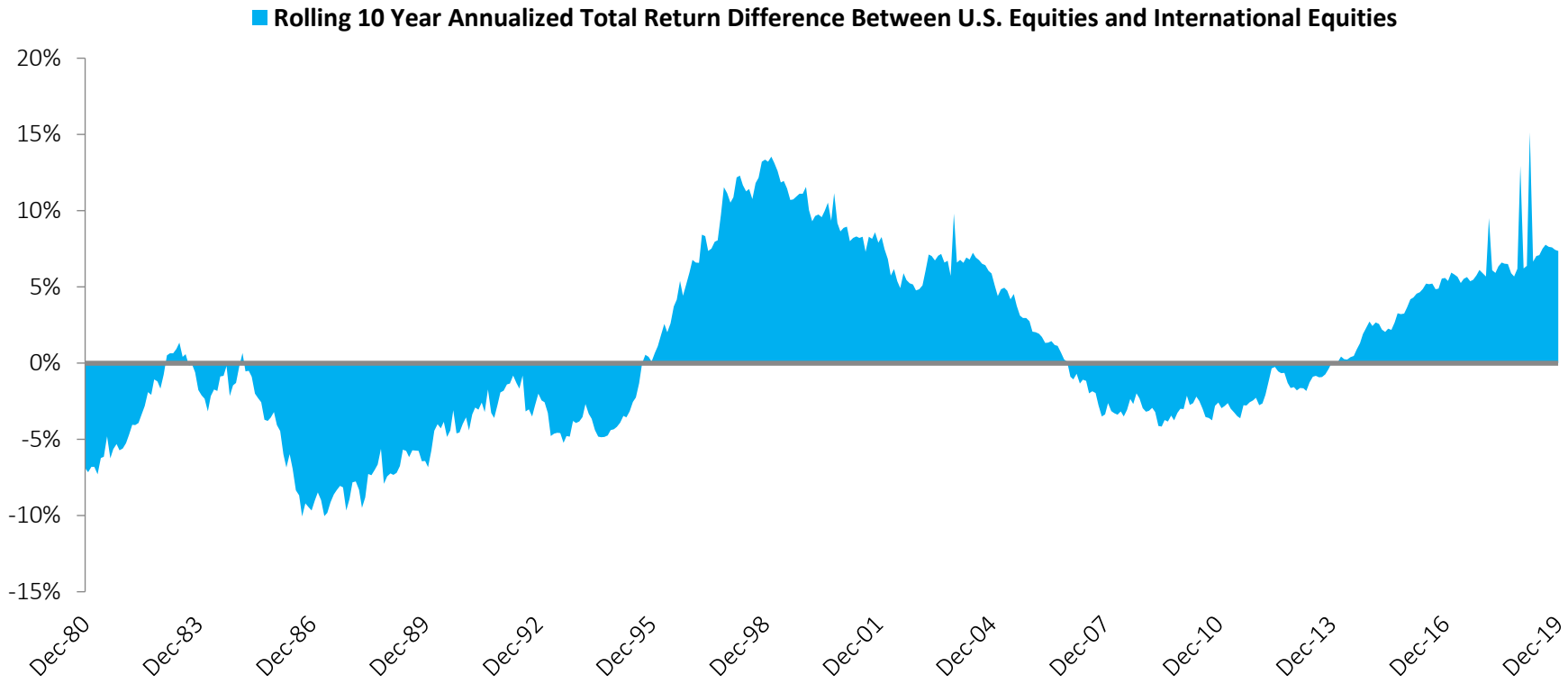
All data as at December 31.

Source: Sprucegrove, MSCI.

See Important Information.

Why invest outside of the U.S.?

Diversification benefits can be seen from change in market leadership



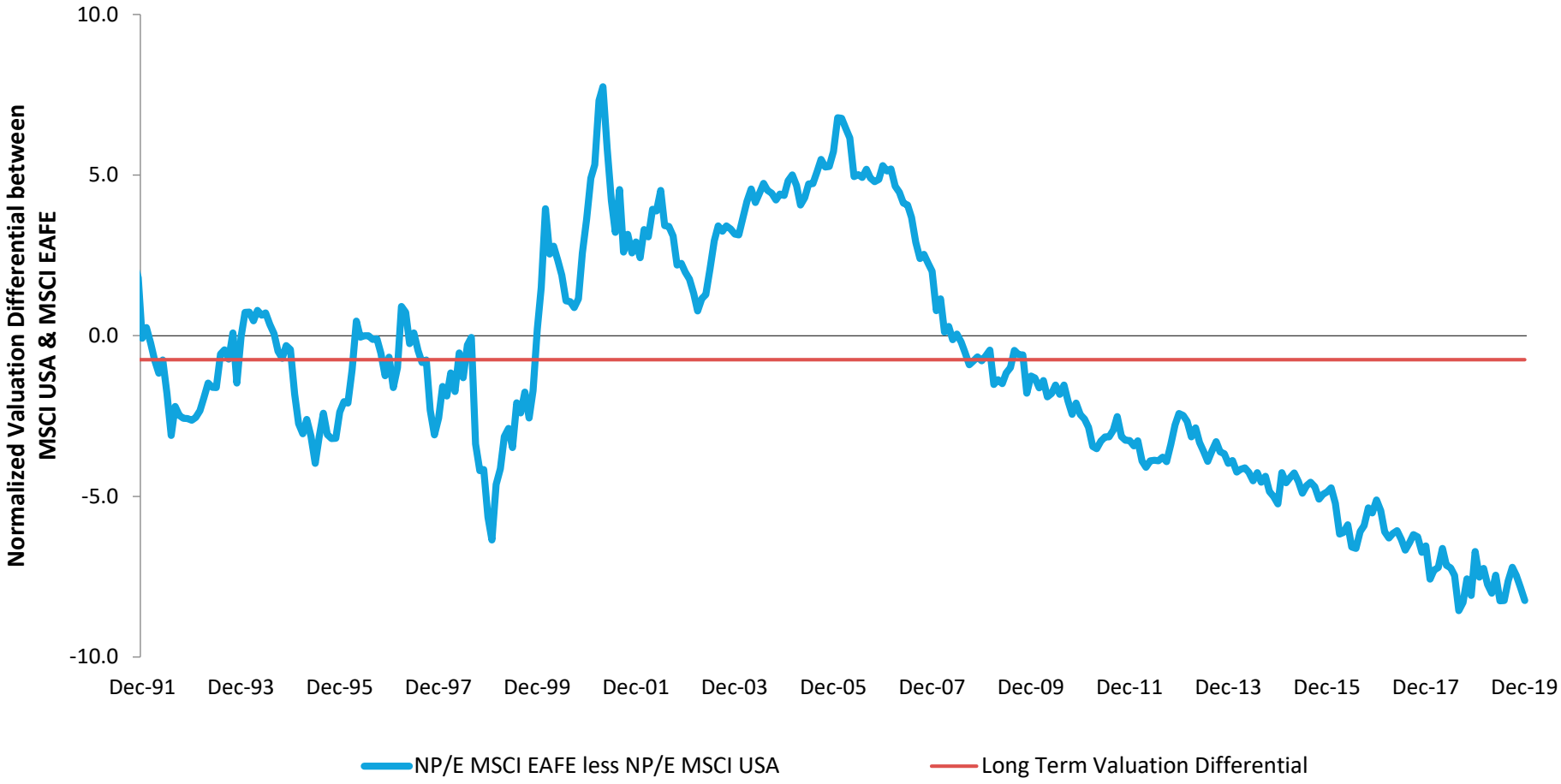
Source: MSCI data; MSCI USA gross Index used for U.S. equities; MSCI EAFE net Index (January 1970 – March 2000) and MSCI ACWI ex-U.S. net Index (January 2001 – December 2019) used for International Equities. In U.S. dollars.

Investment performance will be reduced by investment management fees.

See Important Information.

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.

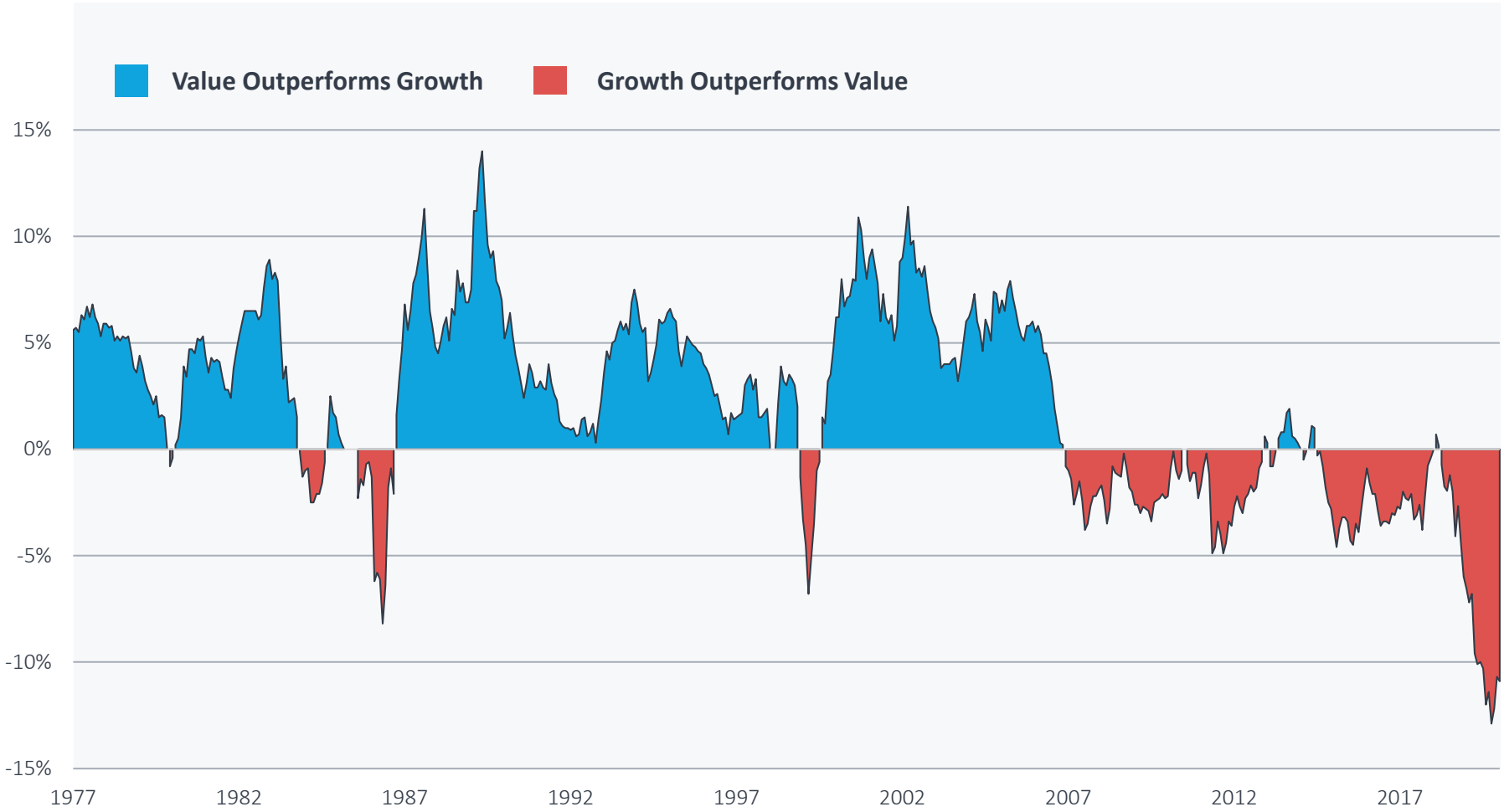
Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.

Source: MSCI, Sprucegrove.

See Important Information.

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

See Important Information.

Source: eVestment.

Risk Management

Internal Research
Invest in attractively priced, quality companies to control company specific and portfolio risk.

Portfolio Guidelines
Ensures overall diversification.
PMs review exposure to individual securities, sectors, countries daily.

- Company specific risks
- Quality Assessment
- Weight determination

- Overall valuation
- Absolute and relative
- Incremental buying and selling approach

- Industry risk factors
- Total industry exposure

- Country risk factors
- Total country exposure

- Additional margin of safety in both weights and valuations

Risk control and oversight is an integral part of our investment process

See Important Information.

Currency

See Important Information.

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	Cash & Short Term Equities	0% - 10% 90% - 100%
Region	Minimum three countries from EAFE Europe region and three countries from EAFE Asia/Pacific region.	
Country	The Fund will be subject to the following minimum - maximum country weightings:	
	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	Minimum 7 of 11 MSCI sectors Maximum individual sector 30%	
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.	

For the sake of clarity and avoidance of any doubt, these diversification and risk control limits shall be solely evaluated at the time of purchase and any subsequent variances therefrom due to price changes, market movements, volatility or other factors shall not be considered a violation of these investment guidelines and do not require immediate action by Sprucegrove.

See Important Information.

Policy Guidelines

Sprucegrove All Country World ex US Fund

Methodology	Value approach using a bottom-up, stock selection process with an emphasis on owning quality companies at attractive valuations.
Mandate	All Country World ex. US equities
Benchmark	MSCI All Country World ex USA Net Index (U.S. Dollars)

Restrictions/Limits		
Asset Mix	Cash & Short Term Equities	0% - 10% 90% - 100%
Region	A minimum of 3 countries from each of the Europe and Asia/Pacific Basin regions.	
Country	The Fund will be subject to the following minimum - maximum country weightings:	
	United States	0% or excluded
	Japan	5% - 50%
	United Kingdom	0% - 50%
	Canada	0% - 15%
	Other ACWI countries	0% - 20%
	Emerging Market countries	0% - 50%
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.	

For the sake of clarity and avoidance of any doubt, these diversification and risk control limits shall be solely evaluated at the time of purchase and any subsequent variances therefrom due to price changes, market movements, volatility or other factors shall not be considered a violation of these investment guidelines and do not require immediate action by Sprucegrove.

See Important Information.

Assets Under Management

Breakdown by Mandates, $USD

	Firm			EAFE			Global			ACW ex U.S.			ACW			U.S. Equity
Year[1]	Total Assets	U.S. Clients	Canadian Clients	Total Assets	U.S. Clients	Canadian Clients	Total Assets	U.S. Clients	Canadian Clients	Total Assets	U.S. Clients	Canadian Clients	Total Assets	U.S. Clients	Canadian Clients	Canadian Clients
2010	**19,364**	8,512	10,624	**14,537**	8,512	6,025	**3,539**	228	3,311	-	-	-	-	-	-	1,288
2011	**17,788**	7,737	10,050	**12,737**	7,341	5,396	**3,703**	396	3,307	-	-	-	-	-	-	1,348
2012	**21,421**	9,455	11,966	**14,684**	8,977	5,706	**5,244**	478	4,766	-	-	-	-	-	-	1,493
2013	**24,583**	11,245	13,337	**16,949**	10,667	6,282	**5,690**	578	5,112	-	-	-	-	-	-	1,943
2014	**22,652**	10,719	11,933	**15,371**	10,046	5,325	**5,374**	673	4,701	-	-	-	-	-	-	1,907
2015	**17,375**	8,826	8,548	**12,931**	8,740	4,191	**2,982**	86	2,896	-	-	-	-	-	-	1,462
2016	**14,888**	8,946	5,942	**12,198**	8,946	3,252	**2,683**	-	2,683	-	-	-	-	-	-	6
2017	**16,104**	10,316	5,788	**14,173**	10,316	3,857	**1,720**	-	1,720	-	-	-	**204**	-	204	6
2018	**12,880**	8,378	4,501	**11,133**	8,234	2,899	**1,486**	-	1,486	**144**	144	-	**117**	-	117	-
2019	**15,070**	9,803	5,268	**12,280**	9,324	2,956	**1,750**	-	1,750	**898**	479	419	**143**	-	143	-
2020	**22,524**	18,144	4,380	**12,499**	9,876	2,623	**1,217**	53	1,164	**5,410**	4,967	442	**3,399**	3,247	151	-

[1]For the years ended December 31.

Source: Sprucegrove.

See Important Information.

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)
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	(13.6)	(13.8)	11.7	11.2	14	0.8	8,234	12,880
2019	18.5	22.0	12.5	10.8	14	3.4	9,324	15,070

Composite creation date: October 1, 1985.
[1]For the years ended December 31.

Investment performance will be reduced by investment management fees. Refer to Performance Footnotes in the appendix for additional details.
Source: Sprucegrove, MSCI.
See Important Information.

GIPS Disclosures

GIPS Compliance

Sprucegrove Investment Management Ltd. (Sprucegrove) claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Sprucegrove has been independently verified for the years 1985 through 2019. The EAFE U.S. Clients composite has been examined for the years 1985 through 2019. The verification report is available upon request.

Definition of the Firm

Sprucegrove Investment Management Ltd. ("Sprucegrove" or the "Firm") is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC) and registered as a Portfolio Manager in most provinces in Canada. Sprucegrove is an independent investment management firm that is not affiliated with any parent organization. Sprucegrove manages fully discretionary accounts for fee paying clients and is located in Toronto, Ontario. The firm was founded in 1993 by the global portfolio management team, formerly at Confederation Life of Canada. Sprucegrove has been managing international equity mandates since 1985.

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. Valuations are computed and performance is reported in US dollars.

Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Composite and benchmark returns are presented gross of non-reclaimable withholding taxes. [Composite net-of-fees returns are calculated by deducting 5.83 bps from the monthly gross composite return.]

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.

Composite and Benchmark

Composite Description – Sprucegrove's composites are composed of all fee-paying, discretionary accounts greater than $5 million managed by Sprucegrove in this investment style and mandate. This was changed from a minimum market value of $15 million in July 2016. The Sprucegrove EAFE U.S. Clients Composite was created in October 1985 and represents an equity strategy managed for U.S. clients that utilizes a value approach to invest in companies domiciled in developed, excluding the United States, and emerging market countries. The maximum holding in emerging markets is 15%. The performance of the Composite is stated in U.S. dollars and is net of non-reclaimable withholding taxes on dividends, interest income and capital gains where applicable. Sprucegrove's policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Prior to December 31, 2011, the name of the composite was EAFE Pooled and Separate Accounts Combined – U.S. Clients.

Prior to Sprucegrove commencing operations in 1993, the Sprucegrove team managed the Confederation Life American International Pooled Fund at Confed, from its inception in 1985 until the portfolio was acquired by Sprucegrove in 1994. Accordingly, the performance of the Fund from 1985 to 1994 is linked to its continuation at Sprucegrove. The investment mandate and approach did not change during this transition.

Benchmark Description – The Morgan Stanley Capital International EAFE Net Index (MSCI EAFE Index) is presented as the benchmark for investment performance. The MSCI EAFE Index is the arithmetical average, weighted by market value of the performance of companies representing the stock markets of Europe, Australasia, and the Far East. The MSCI EAFE Index is an equity index that captures large and mid-cap representation across 21 developed markets countries around the world, excluding the US and Canada. With 918 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. Developed Markets countries in the MSCI EAFE Index are Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the UK. The MSCI EAFE Index returns assume reinvestment of dividends. (Any reference to MSCI EAFE Index data is provided for comparative purposes only and may not be used in any way without the express permission of MSCI).

See Important Information.

Continued on next page

GIPS Disclosures (continued)

International Equity Vehicles available in the U.S.

Mandate	Vehicles Available	Valuation	Custodian
International Equities	Sprucegrove U.S. International Investment Fund (Delaware)	Monthly	JP Morgan Chase Bank
	Sprucegrove U.S. International Pooled Fund (Group Trust)	Daily	JP Morgan Chase Bank
	Sprucegrove International Equity Fund	Daily	Brown Brothers Harriman
	Sprucegrove International CIT	Daily	Brown Brothers Harriman
	Separate Account	Client Determines	Client Determines

Fee Schedules

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

Pooled Fund Accounts	Assets Managed	Rate
First	$5,000,000.00	0.70%
Next	$10,000,000.00	0.65%
Next	$25,000,000.00	0.55%
Next	$35,000,000.00	0.50%
Next	$225,000,000.00	0.25%
Balance		0.20%

CIT Accounts	Invested Plan Assets	Rate
Class A	$0 - $15 million	0.70%
Class B	$15 - $50 million	0.60%
Class C	$50 - $100 million	0.55%
Class D	$100 - $400 million	0.35%
Class E	Over $400 million	0.25%

Separate Fund Accounts	Assets Managed	Rate
First	$25,000,000.00	0.70%
Next	$25,000,000.00	0.60%
Next	$25,000,000.00	0.50%
Next	$225,000,000.00	0.25%
Balance		0.20%

Calculations

Composite dispersion is calculated as the difference in percentage between the highest and lowest annual portfolio return in the composite.

Internal dispersion is calculated using asset-weighted portfolio returns.

The three-year annualized standard deviation measures the variability of the composite gross returns and the benchmark returns over the preceding 36-month period.

Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

Further Information

For further information, please contact your client service representative.

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Important Information

All vehicles available in the U.S. by Mandate

Mandate	Vehicles Available	Valuation	Custodian
International Equities	Sprucegrove U.S. International Investment Fund (Delaware)	Monthly	JP Morgan Chase Bank
	Sprucegrove U.S. International Pooled Fund (Group Trust)	Daily	JP Morgan Chase Bank
	Sprucegrove International Equity Fund	Daily	Brown Brothers Harriman
	Sprucegrove International CIT	Daily	Brown Brothers Harriman
	Separate Account	Client Determines	Client Determines
All Country World ex US Equities	Sprucegrove All Country World ex. U.S. Fund (Delaware)	Monthly	JP Morgan Chase Bank
	Sprucegrove All Country World ex U.S. CIT	Daily	Brown Brothers Harriman
	Separate Account	Client Determines	Client Determines
Global Equities	Sprucegrove Global CIT	Daily	Brown Brothers Harriman
	Separate Account	Client Determines	Client Determines
All Country World Equities	Sprucegrove All Country World CIT	Daily	Brown Brothers Harriman
	Sprucegrove All Country World Fund (Delaware)	Daily	Northern Trust
	Separate Account	Client Determines	Client Determines

Indices

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 unless stated otherwise. 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 26 emerging market countries. The MSCI ACWI Index captures large and mid cap representation across 23 developed markets and 26 emerging markets counties. 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.

The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, Sprucegrove. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering and securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the "MSCI Parties") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. [www.msci.com)

Index information is provided for illustrative purposes only and is not intended to imply past or future performance. Please note an investor cannot invest directly in an index. Unless otherwise noted, index returns reflect the reinvestment of income and dividends, if any, but do not reflect fees, brokerage commissions or other expenses of investing.

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.

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.

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.

Continued on next page

Important Information (continued)

Products and services described herein are provided by Sprucegrove Investment Management Ltd. ("Sprucegrove"). The information in this document is confidential and may not be reproduced or redistributed in whole or in part without the prior written consent of Sprucegrove.

All returns are in U.S. dollars, unless otherwise noted.

Weightings may not total 100% due to rounding in this report.

This portfolio data is "as of" the date indicated and should not be relied upon as a complete or current listing of holdings (or top holdings) of the [fund/account/composite]. The holdings are subject to change without notice, and may not represent current or future portfolio composition.

Past performance is no guarantee of future results. Performance data assumes reinvestment of dividends. Performance is shown gross of investment management fees, which will reduce the client's return. 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. Our fees are described in Form ADV Part 2. Returns are calculated on a time weighted, total return basis which includes dividend and interest income, realized and unrealized gains or losses, transaction costs and other expenses, if any.

Index information is provided for illustrative purposes only and is not intended to imply past or future performance. Please note an investor cannot invest directly in an index. Unless otherwise noted, index returns reflect the reinvestment of income and dividends, if any, but do not reflect fees, brokerage commissions or other expenses of investing.

This is not an offer to purchase or sell, or the solicitation of an offer to purchase or sell, any securities, any investment funds, vehicles or accounts (each, a "fund"), any investment advice, or any other service by Sprucegrove. An investment in a fund may be offered only pursuant to the fund's offering memorandum and/or other offering materials. A fund's offering materials will contain disclosure relating to certain risk factors, conflicts of interest and other considerations that should be carefully evaluated before making an investment in a fund or account managed by Sprucegrove. An investment in a fund or account managed by Sprucegrove is not suitable or desirable for all investors; investors may lose all or a portion of the capital invested.

The opinions, estimates and views expressed are on behalf of Sprucegrove for the period ending March 31, 2021 (Unless otherwise stated), constitute Sprucegrove's best judgement as of the date of this document and are subject to change at any time based on market or other conditions. Sprucegrove does not guarantee the accuracy, adequacy or completeness of any third party data. Any predictions, opinions, and other information contained in this report are subject to change and without notice of any kind and may no longer be true and accurate after the date this report was first completed and disseminated. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. In addition, any forecasts are based upon subjective estimates and assumptions about circumstances and events that may not yet have taken place or may never do so. While the information set out in this document has been prepared in good faith, no representation or warranty is given, and no responsibility is accepted, by Sprucegrove in relation to its accuracy or completeness.

The information provided herein should not be considered a recommendation to purchase or sell any particular security. The securities discussed herein are examples of Sprucegrove's investment approach but do not represent an entire portfolio or the performance of a fund or strategy and in the aggregate may represent only a small percentage of portfolio holdings. It should not be assumed that any of the securities discussed herein were or will prove to be profitable, or that the investment recommendations or decisions made by Sprucegrove in the future will be profitable.

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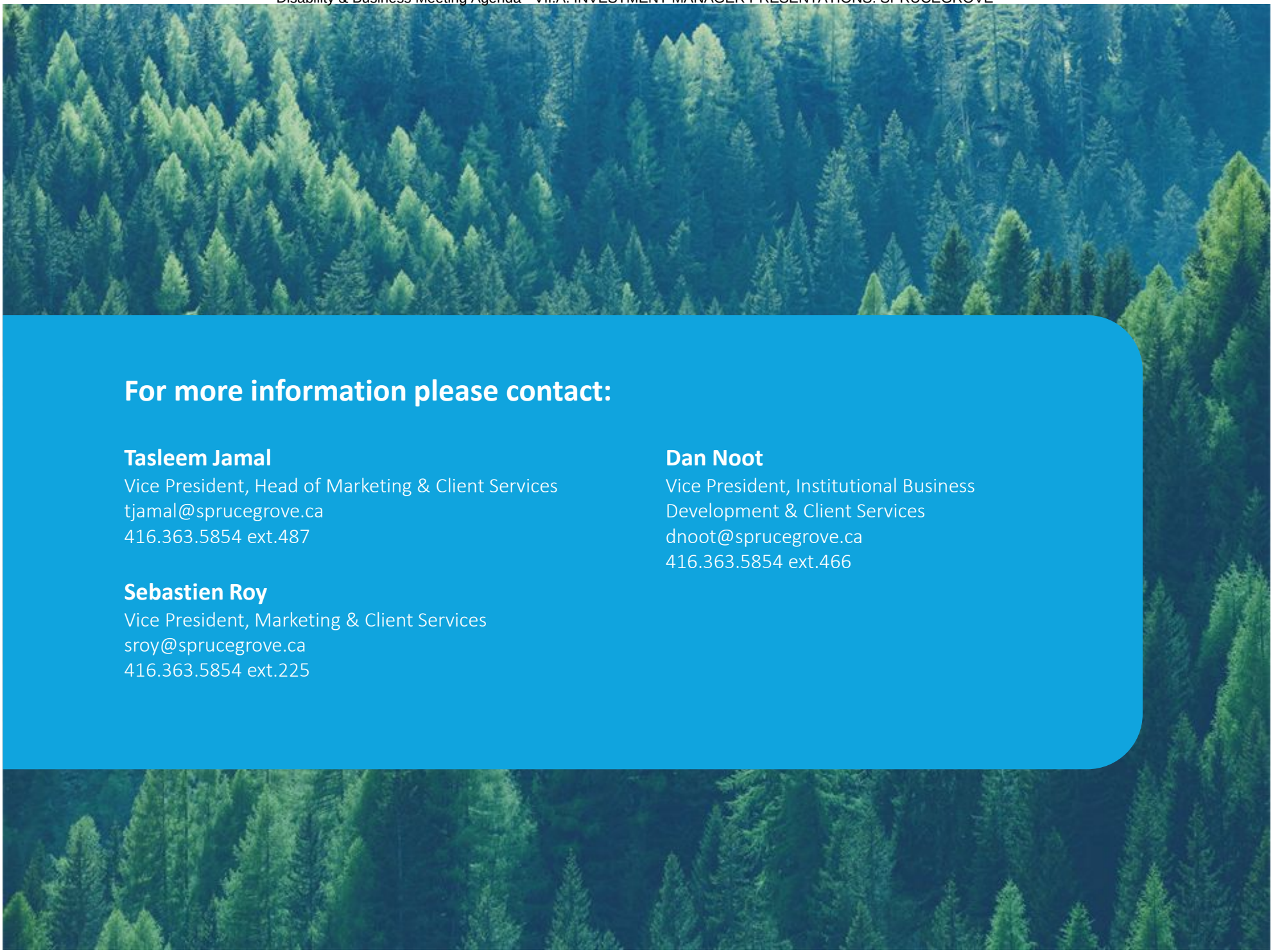
This material is for informational purposes only to provide general information and is not meant to be legal or tax advice for any particular investor, which can only be provided by qualified tax and legal counsel. Please read the constating documents carefully prior to investing. Parties should independently investigate any investment strategy or manager, and should consult with qualified investment, legal, and tax professionals before making any investments.



For more information please contact:

Tasleem Jamal
Vice President, Head of Marketing & Client Services
tjamal@sprucegrove.ca
416.363.5854 ext.487

Sebastien Roy
Vice President, Marketing & Client Services
sroy@sprucegrove.ca
416.363.5854 ext.225

Dan Noot
Vice President, Institutional Business Development & Client Services
dnoot@sprucegrove.ca
416.363.5854 ext.466

April 19, 2021

Ventura County Employees' Retirement Association

Custody Services

Information Classification: Limited Access

Agenda

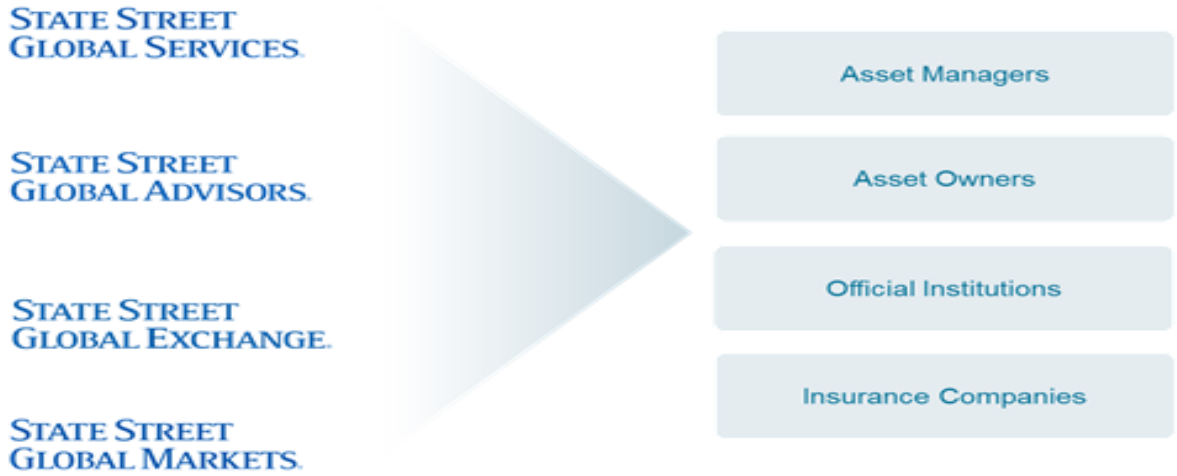
- State Street at a Glance
- Relationship Overview
- Risk and Controls
- Core Services
- Securities Finance
- Appendix

STATE STREET.

Information Classification: Limited Access

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.

Information Classification: Limited Access

STATE STREET.

Relationship Overview

Information Classification: Limited Access

Ventura County Employees' Retirement Association

At a Glance

Relationship

Ventura County Employees' Retirement Association

Client since 1997

Fiscal year-end: 6/30

Consultant: NEPC

Consultant: Abbott Capital Management

Contacts

Linda Webb

Lori Nemiroff

Dan Gallagher

Henry Solis

Karla Mairena

Vickie Dragan

Reporting

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 requirements as requested

.

Information Classification: Limited Access

STATE STREET.

Ventura County Employees' Retirement Association

Account Matrix

Fund	Name	Type	Total NAV as of 2/28/21
2M1G	PRUDENTIAL REAL ESTATE (PRISA)	Real Estate	168,998,677.93
2M1L	BGI U.S. DEBT INDEX	Commingled	175,503,291.62
2M1N	WESTERN ASSET MGMT (CORE BOND)	Global Fixed Income	299,986,660.20
2M1O	BGI RUSSELL 1000 LG CAP INDEX	Commingled	1,661,761,358.19
2M1W	REAMS ASSET MGMT CO(CORE PLUS)	Commingled	345,615,429.79
2M1X	SPRUCEGROVE INV MGMT LTD	Commingled	259,934,644.70
2M1Y	BGI RUSSELL 2500 SMID US EQIND	Commingled	92,483,715.83
2M1Z	UBS REALTY INVESTORS	Real Estate	243,594,337.22
2M2D	LOOMIS SAYLES & CO (MULTI SEC)	Global Fixed Income	90,500,027.73
2M2E	BGI ALL CNTY WRLD EX-US INDEX	Commingled	581,930,480.32
2M2F	WESTERN ASSET MGMT(PORT ALPHA)	Global Fixed Income	300,395,405.64
2M2G	PARAMETRIC	Overlay	75,444,250.81
2M2J	PRIVATE EQUITY	Private Equity	732,802,857.86
2M2L	HEXAVEST	Commingled	93,232,628.23
2M2M	WALTER SCOTT & PARTNERS	Commingled	175,768,082.42
2M2R	BGI MSCI ACWI GLOBAL EQ INDEX	Commingled	795,737,786.67
2M2S	TORTOISE CAPITAL ADVISORS	Domestic Equity	64,954,159.16
2M2U	BRIDGEWATER ASSOCIATES	Commingled	381,184,450.00
2M2V	LOOMIS SAYLES &CO(STRAT ALPHA)	Commingled	48,476,297.61
2M2W	PRIVATE CREDIT	Private Equity	157,522,833.49
2M2X	VCERA CASH	Cash Account	54,851,045.18
2M2Y	REAMS - US TREASURY PORTFOLIO	Domestic Fixed Income	88,129,043.03
2M2Z	REAL ASSETS	Real Estate	41,562,269.01
2V3A	BUENAVENTURE TWO LLC	Private Equity	764,492.09
Total			6,931,134,224.73

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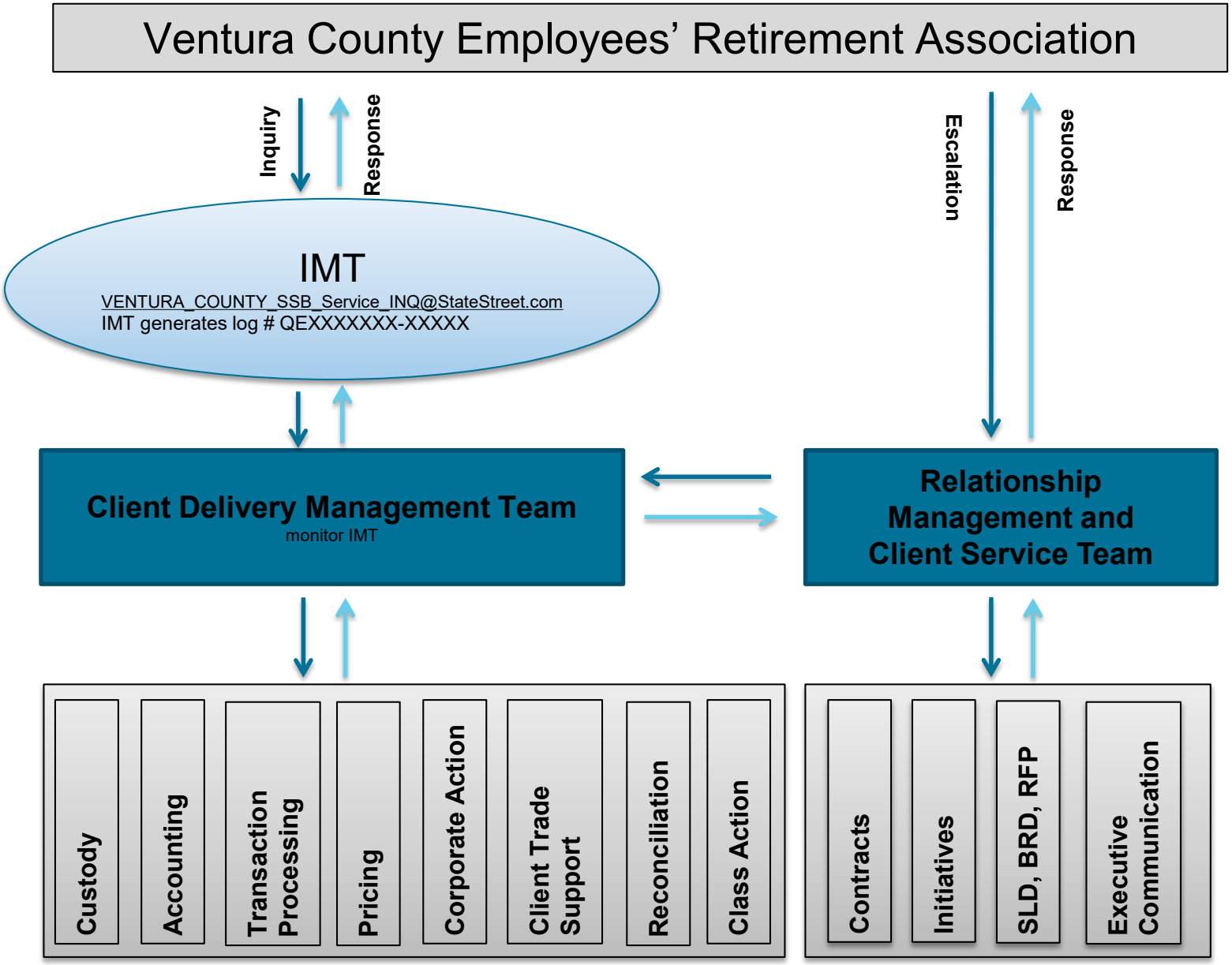
Relationship and Service Model

Executive Leadership	
Mark Schafer– SVP	• VCERA's executive advocate • Access to senior decision makers
Client Service and Delivery	
US Asset Owners	• Conversion and Implementation • Client Service advocates driving continuous improvement for VCERA • Manage business to business issues • Strategic planning • Contract and service level negotiations • Day to day servicing • Management of negotiated business requirements • Primary contact to disseminate news and impact to VCERA regarding day to day client direction • Primary contact for operational requests
Kate Hubbard – Vice President – Client Service Department Lead Grant Danner – Vice Present – Client Service Team Lead Jared Douglas– Officer– Client Service Owner Julianna Frank– Officer– Client Service Owner Sandeep Shetty– Officer– Client Service Delivery	
Functional Expertise of Extended Team	
Global Network / Corporate Actions / Class Action / Trade Processing Global Custody / Securities Pricing / Income Collections / Information Technology and Integration Reconciliations / FX Trading / Performance & Analytics / State Street Global Advisors	• Delivery of services • Subject matter expertise • Measure impact of regulatory change on clients

STATE STREET.

Inquiry Management Tool (IMT): Flow of Information



Our Operating Model & Footprint Strategy

A Follow-the-Sun Footprint Strategy

We're using technology, digitization and **time zones** to your advantage

Scale

We continue to scale our operating platform to address increased volumes and complexity in the service needs of our clients

Efficiency

Our follow the sun footprint is designed to deliver services rapidly and efficiently by taking advantage of multiple time zones, optimizing workflows, supporting employee lifestyles and delivering cost effective service solutions to enhance the client experience

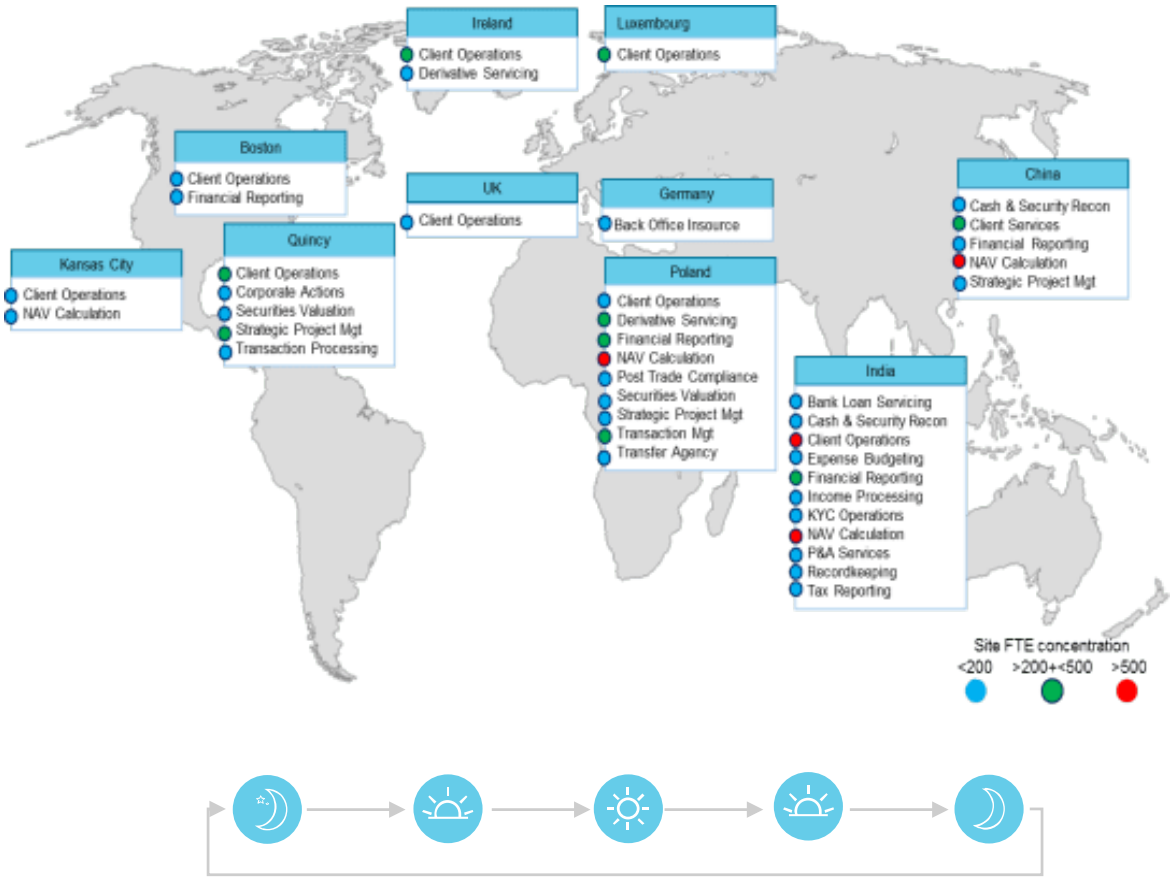
Innovation

State Street and our clients benefit from the diversity of opinion and creative innovation that a global workforce provides.

Risk Excellence

Reduce risk through streamlined, automated processes and strengthen business continuity with contingency support across multiple sites

Current Footprint of Global Delivery



Information Classification: Limited Access

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Risk and Controls

Risk Excellence

We're driving continuous improvement in our system of internal controls

1. **Actively manage our risk and control environments**
2. **Act at all times with the highest levels of integrity**
3. **Meet or exceed regulatory expectations**

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

State Street's Chief Administrative Officer leads:

- Key cross-enterprise initiatives in the business units, our first line of defense
- 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**

- 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.

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

- 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

Information Classification: Limited Access

STATE STREET.

Our Fully Integrated System

Global Horizon

A single platform which is the foundation for many critical business decisions

Global Horizon

- Real-time
- Base and local currency reporting
- Trade date calculation
- Full accrual and "as of" capabilities

Client Service Workstation

- Automated daily processing
- Exceptions identified daily
- 13 automated audits
  - 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

my.statestreet.com

- Web-based
- 24-hour access from work or home
- Reporting
  - Standard
  - Customized
  - Performance
  - Private assets
- Sophisticated Dashboards

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Your secure, online single entry point to a full suite of sophisticated market data and analysis applications

To help you achieve better outcomes and improve the interactions that you have with us, we have continued to evolve our client portal to make it easy for you to access all relevant tools, products and insights at a single location.

Here's a summary of what's new:

- Simpler Navigation
- Better Data Visualizations
- Improved Workflow Capabilities
- More Secure Document Sharing
- Better Information

Simpler Navigation

You'll find what's most important to you at your fingertips and reduce the number of choices you need to make in order to navigate the portal.

Example:

The new landing page shows you the applications and features you used most recently, allowing you to quickly pick up where you left off.

Better Data Visualizations

Dashboards have been simplified and the user experience is cleaner and less cluttered, allowing you to more quickly focus on key information you need.

Example:

The improved Custody dashboard provides an easy-to-read summary of your trade settlements, cash positions across your funds and your open foreign exchange transactions.

More Secure Document Sharing

You'll be able to ensure that documents are properly protected and delivered only to those individuals authorized to see them.

Example:

The updated Online Documents feature includes folder-level permissions and upload controls to reduce the risk of improper distribution and alerts that keep you informed when new documents are available.

Improved Workflow Capabilities

We continue to invest and deploy capabilities to enable you to initiate and track activity throughout a workflow cycle.

Example:

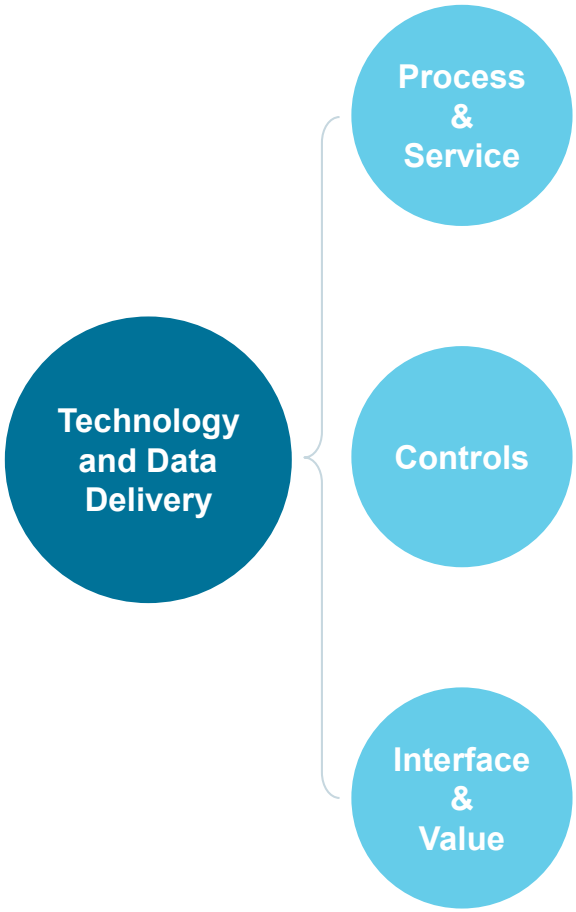
Creating process inquiries can be done from within the portal, and you can track and get updates on progress as an issue is being resolved.

STATE STREET.

Core Services

Information Classification: Limited Access

Technology, Data Delivery and Reporting Are Core to Service



eHorizon Global Platform

- eHorizon platform is designed to accommodate complex products and holdings in a daily environment
- Global custody and accounting operations performed on a single, global, proprietary platform
- Utilized across the globe in all servicing locations

Controls and Data Integrity

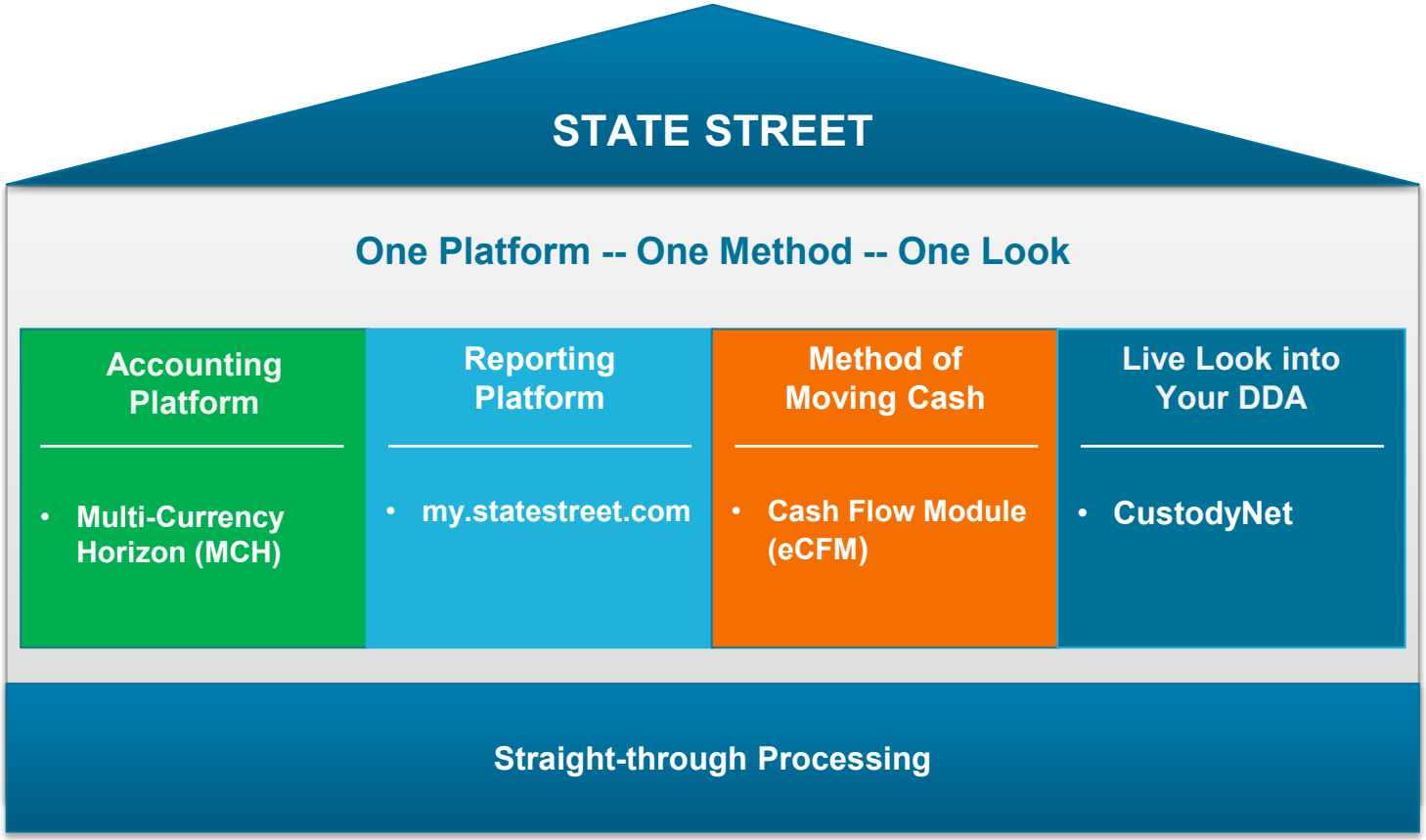
- Our global custody platform is a proprietary platform for which we own the code behind it
- We are able to control system upgrades, which enables us to minimize any client disruption
- Secured data through three global enterprise data centers, promoting “active-active-active” backups

Reporting and Client Views

- Agile technology promotes flexibility and integration with client systems and processes
- Near-real-time views into custody data
- Flexible and customizable reporting capabilities
- Standard reporting across all product lines

State Street's Suite of Technology Working for VCERA

Industry Expertise At Your Fingertips



Information Classification: Limited Access

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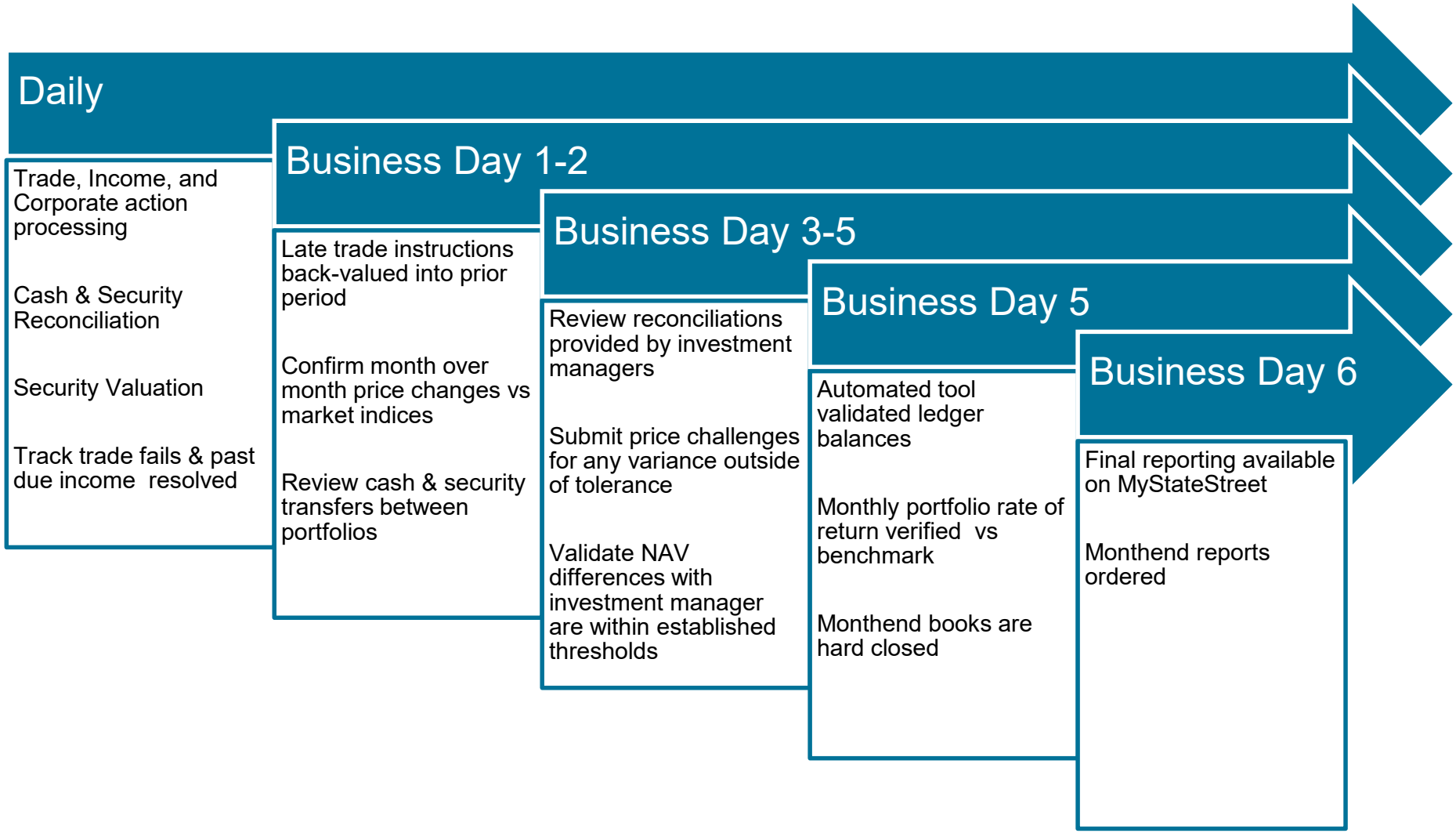
VCERA Monthly Timeline



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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.

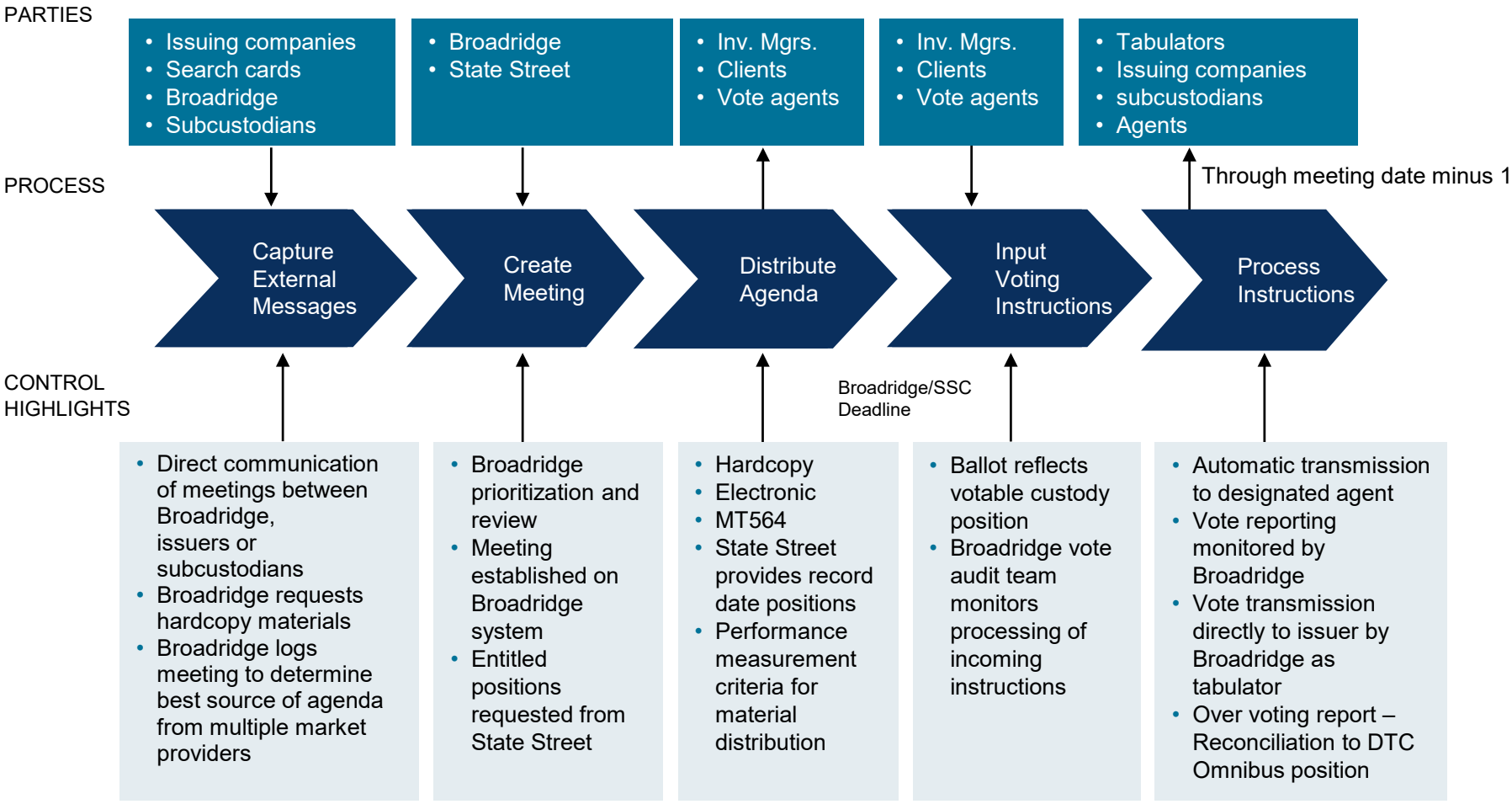
Access real-time data

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 Process and Controls



Information Classification: Limited Access

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Service Offering for U.S. Class Actions

Notification	Class action litigation notices for securities received from various sources, researched for case details, and forwarded to identified clients who wish to receive them (Directly from CAPS or indirectly from Client Service team contacts)
Filing	Complete an electronic Proof of Claim on OPT OUT type actions for eligible funds / activity and submit to Claims Administrator on the client's behalf
Monitoring/ Collections	Monitor the status of all claims through payment Deposit any proceeds received into the appropriate account
Reporting	A database that tracks notices, filing status and collections is maintained Reports are available on my.statestreet.

Information Classification: Limited Access

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Ventura County Class Action Statistics

Year	Class Action Amount Received
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
2019	$111,496.35
2020	$20,063.83
TOTAL	$1,110,163.61

Information Classification: Limited Access

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April 19, 2021

Ventura County Employees' Retirement Association

State Street Securities Finance

Information Classification: Limited Access

Agenda

- Performance Update
- Collateral Pool Discussion

Information Classification: Limited Access

Global Markets

VCERA's Performance

Information Classification: Limited Access

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Relationship Summary

Our relationship commenced in May 1997

VCERA has 4 funds in securities lending

- 2M1N – Western Asset Management
- 2M2D – Loomis, Sayles & Co. LP
- 2M2F – Western Asset Management
- 2M2Y – Reams Asset Management

Earnings Summary (calendar year)

- Since Inception ~ $8.5 million (through 2019)
- 2021 YTD ~ $ 71 k (as of 3/31/21)

Programs

- U.S. Equity
- U.S. Corporate Bonds
- U.S. Government

Cash Collateral

- Quality D

VCERA is indemnified against borrower default

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

Information Classification: Limited Access

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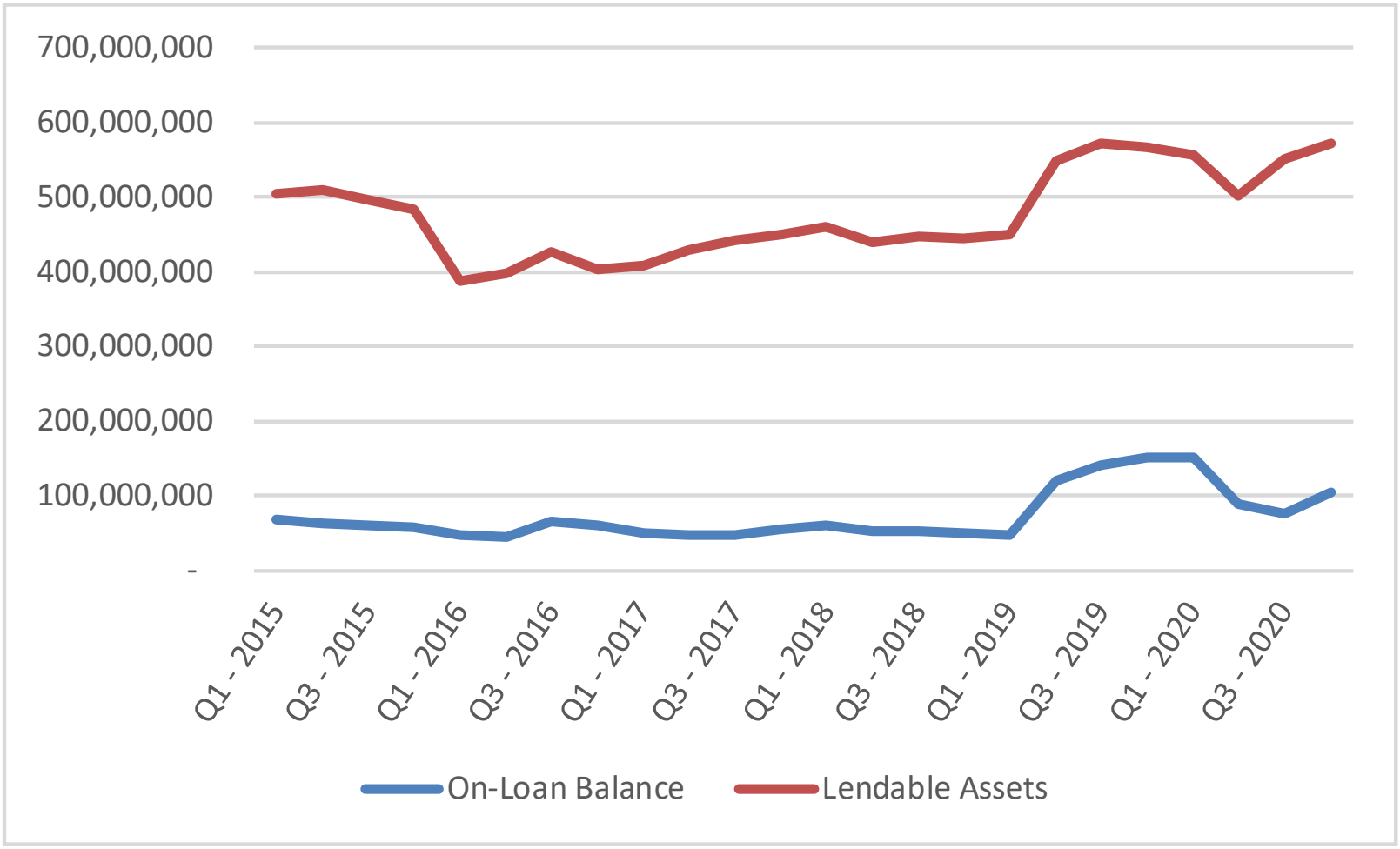
Lendable and On Loan Trend

Q1 2015 – Q4 2020



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

Information Classification: Limited Access

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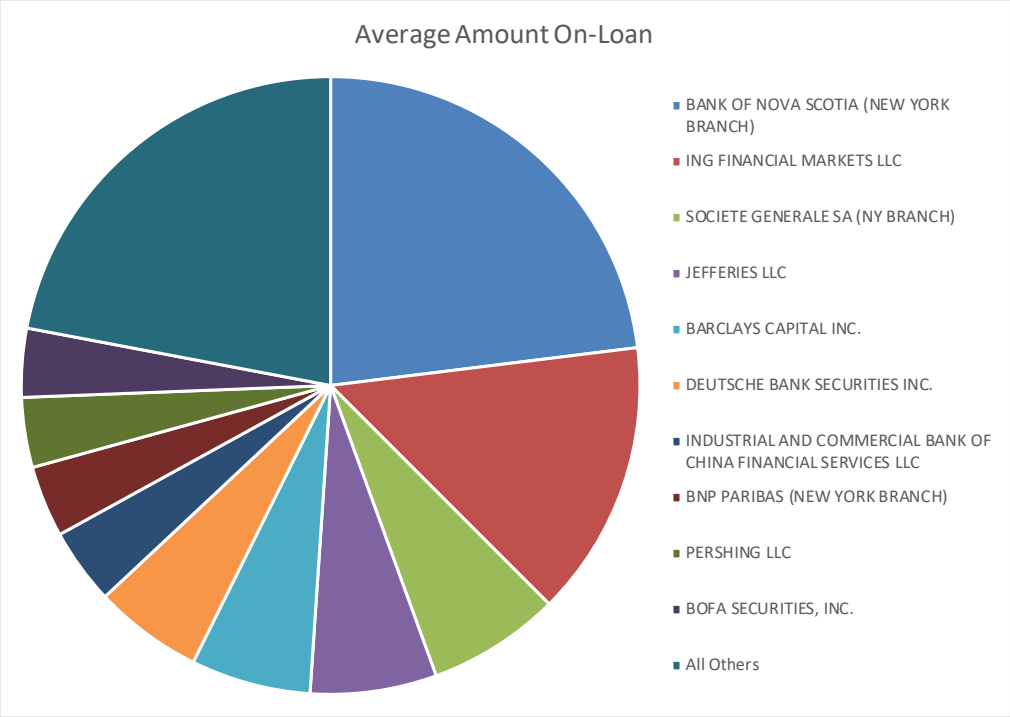
Borrower Diversification

Average Market value on-loan (7/1/20 to 2/28/21)

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION				Period: 7/1/20 to 2/28/21
Borrower External Name	**Average Amount On-Loan**	**Average Collateral Amount**	**Collateralization Level**	**% of Total**
BANK OF NOVA SCOTIA (NEW YORK BRANCH)	23,878,974.95	24,376,940.17	1.02	23%
ING FINANCIAL MARKETS LLC	14,998,942.31	15,333,841.32	1.02	14%
SOCIETE GENERALE SA (NY BRANCH)	7,196,643.70	7,346,402.97	1.02	7%
JEFFERIES LLC	6,847,684.78	6,987,586.04	1.02	7%
BARCLAYS CAPITAL INC.	6,493,226.42	6,634,068.88	1.02	6%
DEUTSCHE BANK SECURITIES INC.	5,891,732.05	6,015,474.05	1.02	6%
INDUSTRIAL AND COMMERCIAL BANK OF CHINA FINANCIAL SERVICES LLC	4,118,212.46	4,210,377.84	1.02	4%
BNP PARIBAS (NEW YORK BRANCH)	3,872,120.30	3,954,538.99	1.02	4%
PERSHING LLC	3,792,309.65	3,877,819.74	1.02	4%
BOFA SECURITIES, INC.	3,730,638.70	3,810,796.77	1.02	4%
All Others	22,818,323.02	23,299,823.78	1.02	22%
Summary	**103,638,808.35**	**105,847,670.56**	**1.02**	**100%**



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

Information Classification: Limited Access

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VCERA's Securities Lending Performance

Ventura County Employees' Retirement Association					
	FY 2017	FY 2018	FY 2019	FY 2020	FYTD 2021
Average Lendable ($)	416,763,423	447,538,975	472,795,194	548,912,492	560,793,186
Average On Loan ($)	56,007,505	53,908,343	66,868,032	132,261,116	103,638,808
Utilization	13.4%	12.0%	14.1%	24.1%	18.5%
Earnings by Program ($)					
US Equity & Corp. Bond	68,967	109,224	116,767	94,172	38,909
US Government & Agency	124,160	58,141	61,699	331,310	108,418
Non-US Fixed	3,460	1,788	999	8	0
Total Earnings	196,588	169,153	179,465	425,489	147,327
Components of Spread (bps)					
Demand Spread	12	15	2	(6)	4
Reinvestment Spread	36	29	35	51	26
Net Spread	48	43	37	44	29
Return to Lendable (bps)	4.7	3.8	3.8	7.8	3.9

Notes:

(1) FYTD 2021 Data includes July 2020 - February 2021

(2) Risk-Free rate used for spread calculations is Fed Funds Open until 10/2016. Post 10/2016 it is OBFR

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

(4) Data Source: Securities Finance Business Intelligence

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

Information Classification: Limited Access

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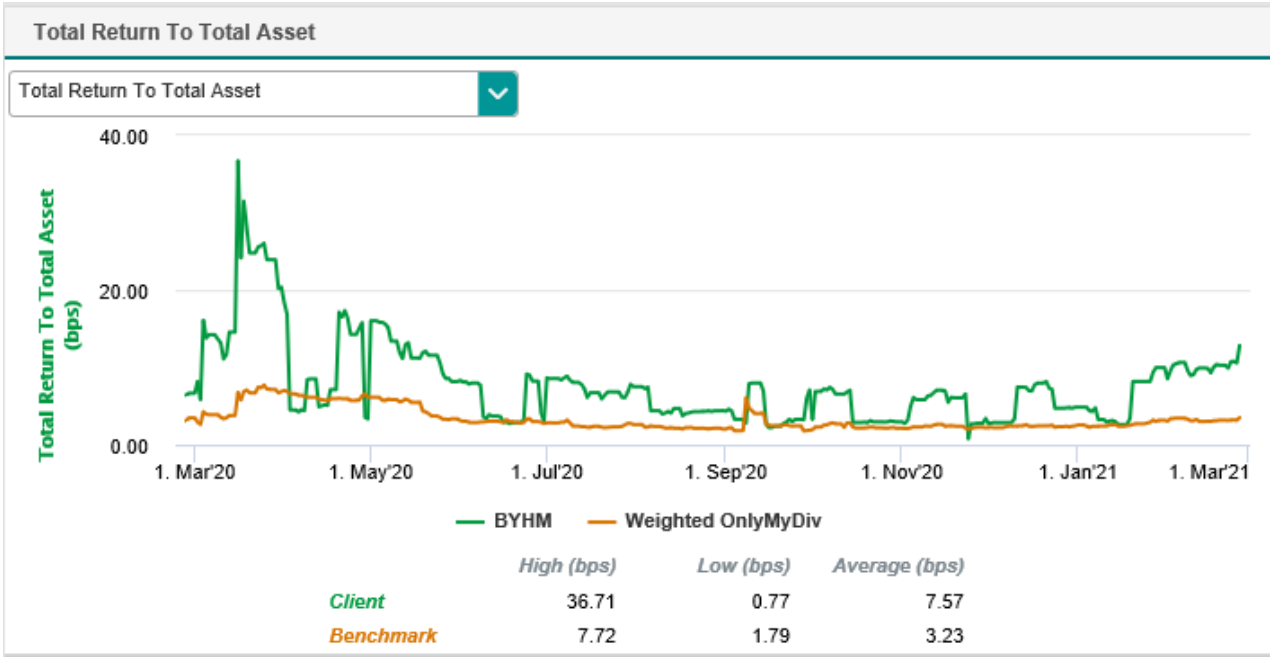
Performance Benchmarking

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.



	High (bps)	Low (bps)	Average (bps)
Client	36.71	0.77	7.57
Benchmark	7.72	1.79	3.23

VCERA's average return to lendable of 7.57 bps was 134% higher than the peer group level of 3.23 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.

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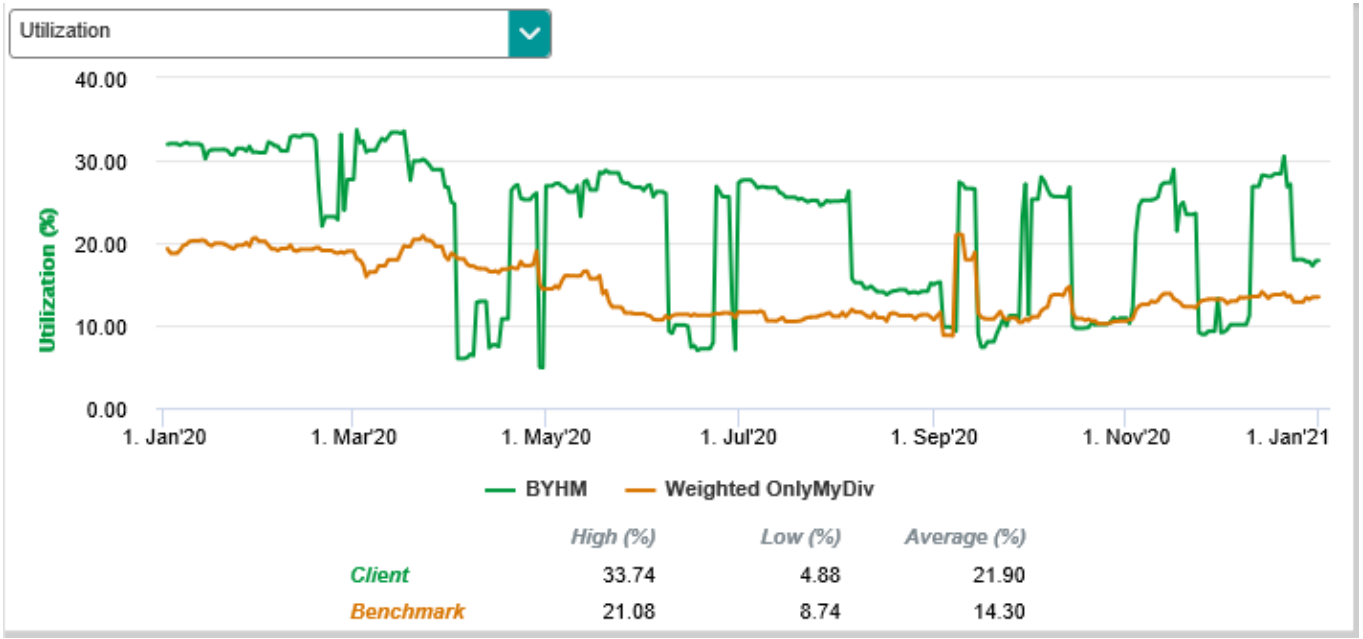
Performance Benchmarking

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 outperformed the peer group as indicated.



	High (%)	Low (%)	Average (%)
Client	33.74	4.88	21.90
Benchmark	21.08	8.74	14.30

VCERA's utilization level of 21.90% was 53% higher than the peer group level of 14.30 %.

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.

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Global Markets

Collateral Pool

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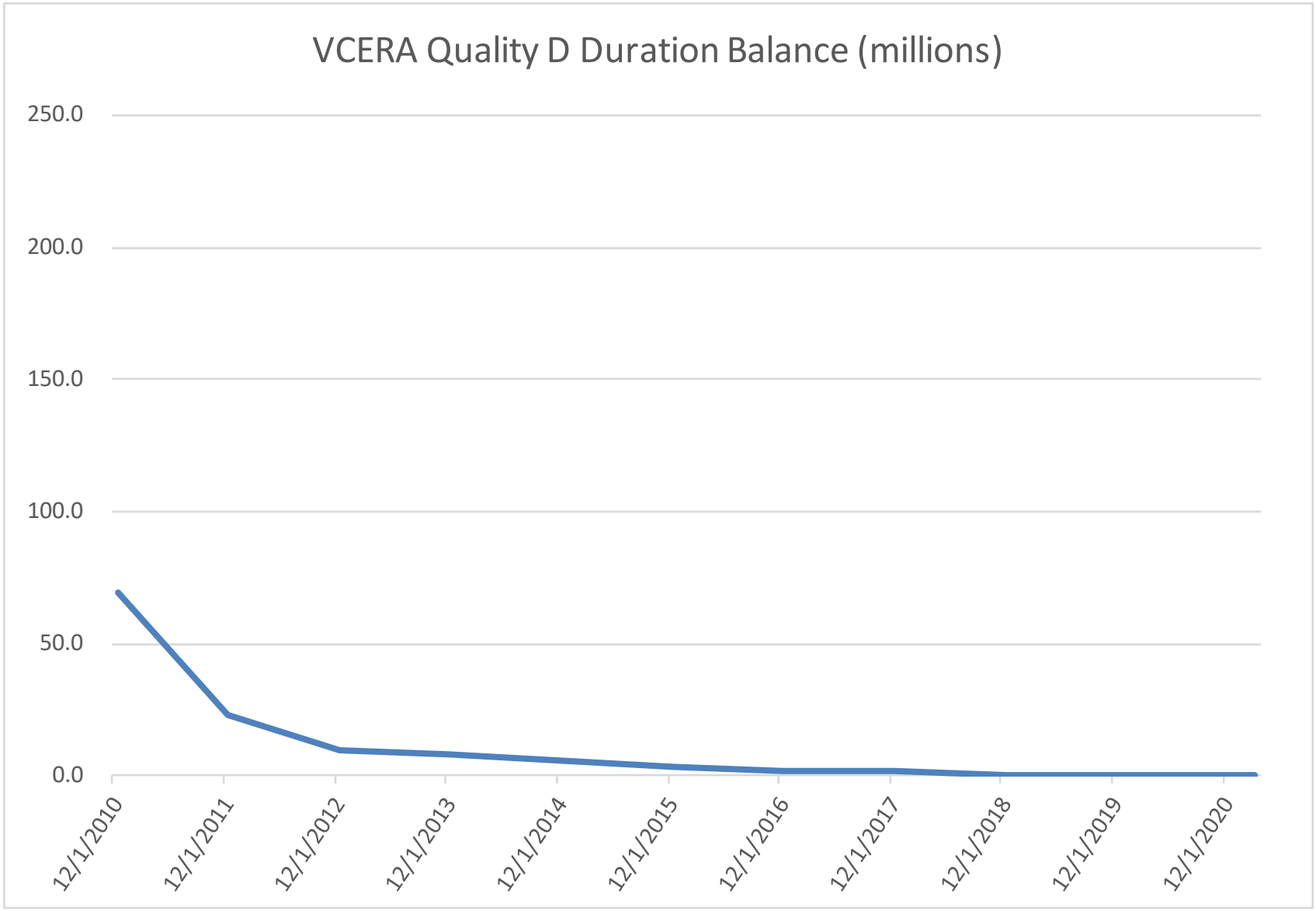
Quality D Duration Fund Balance



Performance data shown represents past performance and is no guarantee of future results
Source: Securities Finance Business Intelligence by Cognos
Balances are from December 31, 2010 thru March 31, 2021

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Information Classification: Limited Access

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 December 31, 2019 collateral pool allocation
  - Liquidity Pool ~ $158.6 (99.8%)
  - Duration Pool ~ $ .4 (.2%)
- On December 31, 2020 collateral pool allocation
  - Liquidity Pool ~ $97.2 (99.6%)
  - Duration Pool ~ $ .4 (.4%)
- On March 31, 2021 collateral pool allocation
  - Liquidity Pool ~ $122.6 (99.7%)
  - Duration Pool ~ $ .3 (.3%)

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

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Quality Investment Fund D

FC14 — Quality Investment Fund D

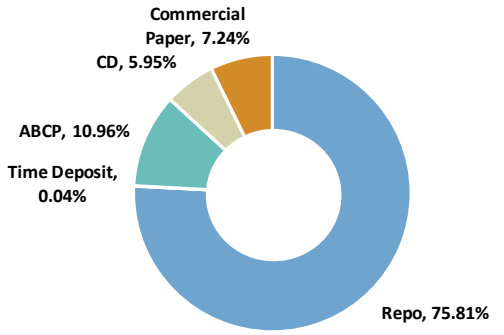
As of February 26, 2021

Summary Characteristics	
1-Day Yield[1]	0.38%
Par Position + Uninvested Cash (in millions)	7124.25
Floating Rate %	70.13
Foreign Issuers %[2]	21.43
Weighted Average Maturity (WAM)[3]	11.58
WAM to Call	11.47
Call v. Mat Spread	0.11
% Callables	0.62
Weighted Average Life (WAL)[4]	103.66
Fund Price as of 02/26/2021	100
Number of Holdings	79

Credit Quality BreakDown

Long-term Ratings	% of Fund
AAA	--
AA	0.59
A	3.44
BBB	--
Below Investment Grade LT	--
Short-term Ratings	**% of Fund**
A-1+	2.02
A-1	85.15
A-2/A-3	--
Below Investment Grade ST	--
No Ratings	**% of Fund**
NR	8.8

Liquidity Schedule	% of Fund
Next Business Day	14.18
1 Week Liquidity[5]	**23.18**
2-30 Days Liquidity	10.37
31-60 Days Liquidity	12.65
61-90 Days Liquidity	7.21
90 Days Liquidity	**44.42**
91-120 Days Liquidity	23.89
121-150 Days Liquidity	1.97
151-180 Days Liquidity	2.12
181-270 Days Liquidity	26.43
271-360 Days Liquidity	1.18
12-15 Months Liquidity	--
15-18 Months Liquidity	--
18-21 Months Liquidity	--
21-24 Months Liquidity	--
Greater Than 2 Years Liquidity	--
YE 2021 Liquidity	100
Floating Rate Index Breakdown	**% of Fund**
FED FUNDS	--
1 MO LIBOR	0.63
3 MO LIBOR	3.94
3 MO TBILL	--
FCPR	--
OBFR	63.66
SOFR	1.89
Floating Rate Reset Buckets	**% of Fund**
Next Business Day	65.55
2-7 Days	--
8-31 Days	2.12
1-2 Months	0.66
2-3 Months	1.8



Repo Collateral	% of Fund
Treasuries	--
Agencies	--
Agency MBS	--
Money Markets	--
Corporates	12.72
Asset Backed	--
Equities	63.09

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 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.

This material is for the investors in the account or vehicle mentioned above only; this content may not be further disseminated without the express written consent of State Street Global Advisors.

Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Investing involves risk including the risk of loss of principal. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. Fixed income securities generally present less short-term risk and volatility than stocks, but contain interest rate risk (as interest rates raise, fixed income security prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

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Quality D Duration

FC4J — Quality D Duration

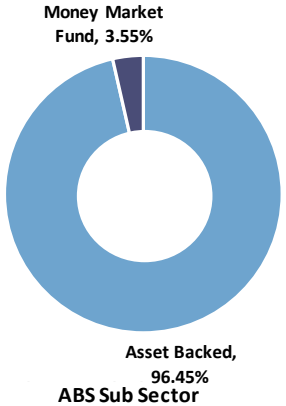
As of February 26, 2021

Summary Characteristics	
1-Day Yield[1]	0.35%
Par Position + Uninvested Cash (in millions)	22.15
Floating Rate %	96.45
Foreign Issuers %[2]	68.21
Weighted Average Maturity (WAM)[3]	40.47
WAM to Call	40.47
Call v. Mat Spread	0
% Callables	--
Weighted Average Life (WAL)[4]	1535.72
Fund Price as of 02/26/2021	96.09
Number of Holdings	3

Credit Quality BreakDown

Long-term Ratings	% of Fund
AAA	--
AA	68.21
A	--
BBB	--
Below Investment Grade LT	28.23
No Ratings	**% of Fund**
NR	3.55

Liquidity Schedule	% of Fund
Next Business Day	3.55
1 Week Liquidity[5]	**3.55**
2-30 Days Liquidity	--
31-60 Days Liquidity	--
61-90 Days Liquidity	--
90 Days Liquidity	**3.55**
91-120 Days Liquidity	--
121-150 Days Liquidity	--
151-180 Days Liquidity	--
181-270 Days Liquidity	--
271-360 Days Liquidity	--
12-15 Months Liquidity	--
15-18 Months Liquidity	--
18-21 Months Liquidity	--
21-24 Months Liquidity	--
Greater Than 2 Years Liquidity	96.45
YE 2021 Liquidity	3.55
Floating Rate Index Breakdown	**% of Fund**
FED FUNDS	--
1 MO LIBOR	28.23
3 MO LIBOR	68.21
3 MO TBILL	--
FCPR	--
OBFR	--
SOFR	--
Floating Rate Reset Buckets	**% of Fund**
Next Business Day	--
2-7 Days	--
8-31 Days	28.23
1-2 Months	68.21
2-3 Months	--



ABS Sub Sector

Auto Retail	--	RMBS: AU	--
CMBS	--	RMBS: UK	68.21
Credit Card	--	RMBS: Other	--
Floor Plan	--	Student Loan	--
Home Equity	28.23	Other	--

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 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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[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)

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

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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Global Markets

Fundamentals of Securities Lending

Information Classification: Limited Access

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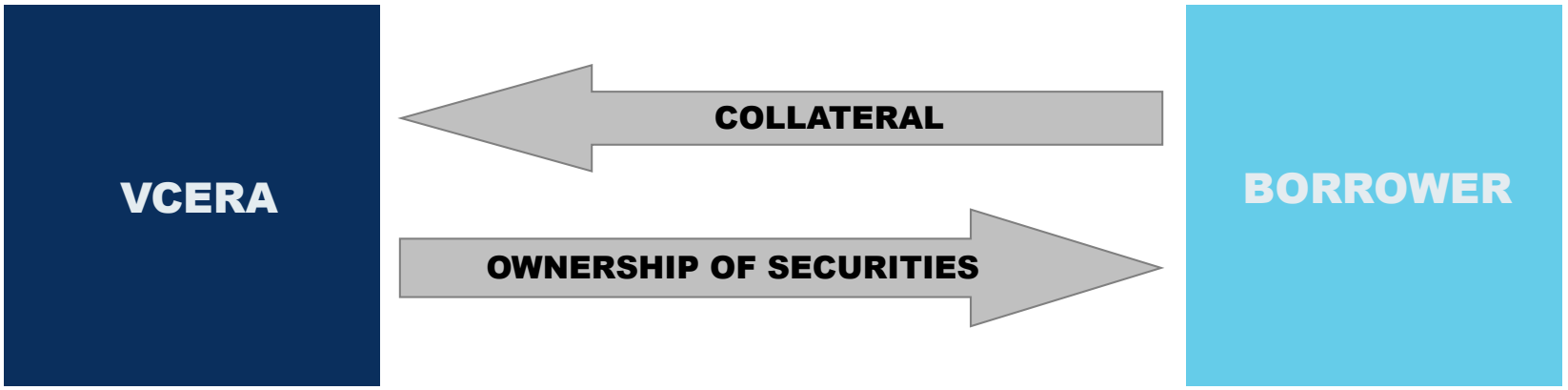
Securities Lending

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

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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

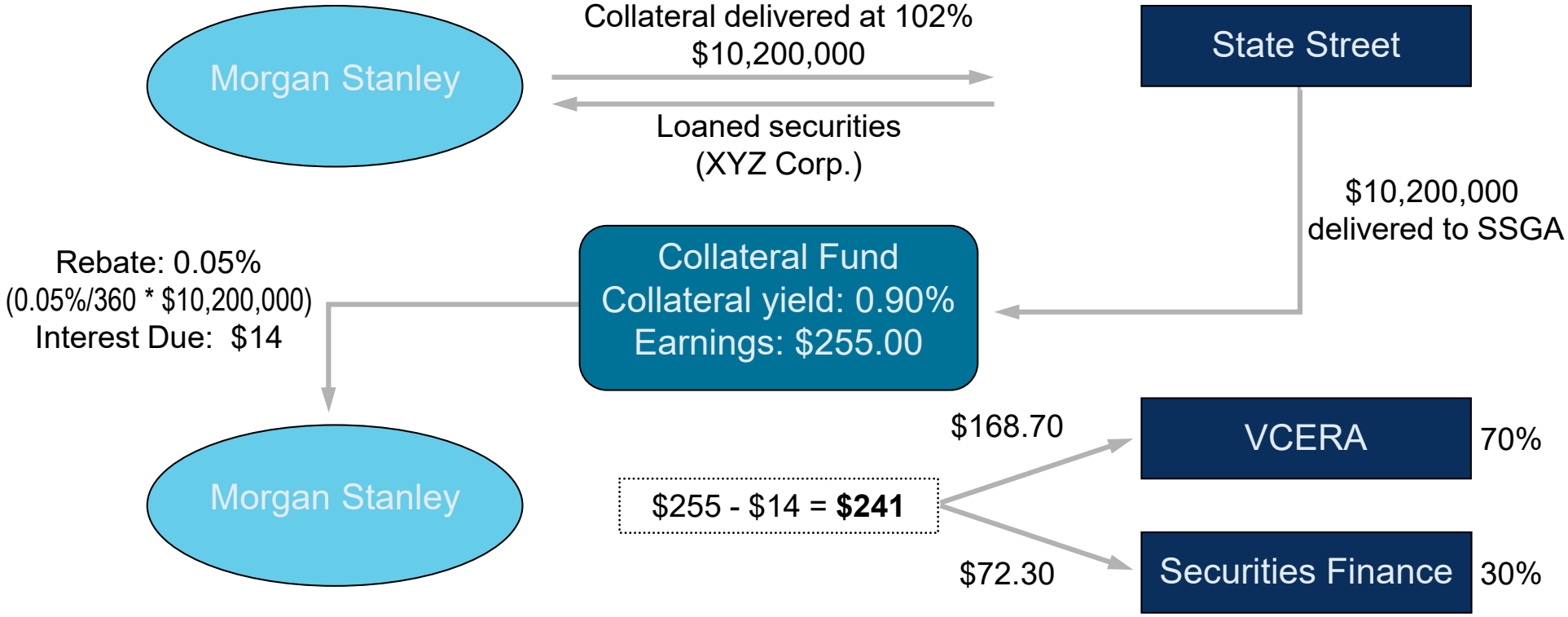
State Street invests this cash collateral according to the VCERA’s investment guidelines

The difference between the yield on the investment of the cash and the interest paid to the borrower represents the earnings or “spread”

Information Classification: Limited Access

Fundamentals of Securities Finance

One Day Sample Transaction Diagram



Yield – Rebate = **Total Spread**	Yield – OBFR = **Investment Spread**	OBFR – Rebate = **Demand Spread**
0.90% - 0.05% = 0.85% (85 bps)	0.90% - 0.25% = 0.65% (65 bps)	0.25% - 0.05% = 0.20% (20 bps)

OBFR = Overnight Bank Funding Rate

Collateral Yield and Rate are annualized using a 360 – day basis.

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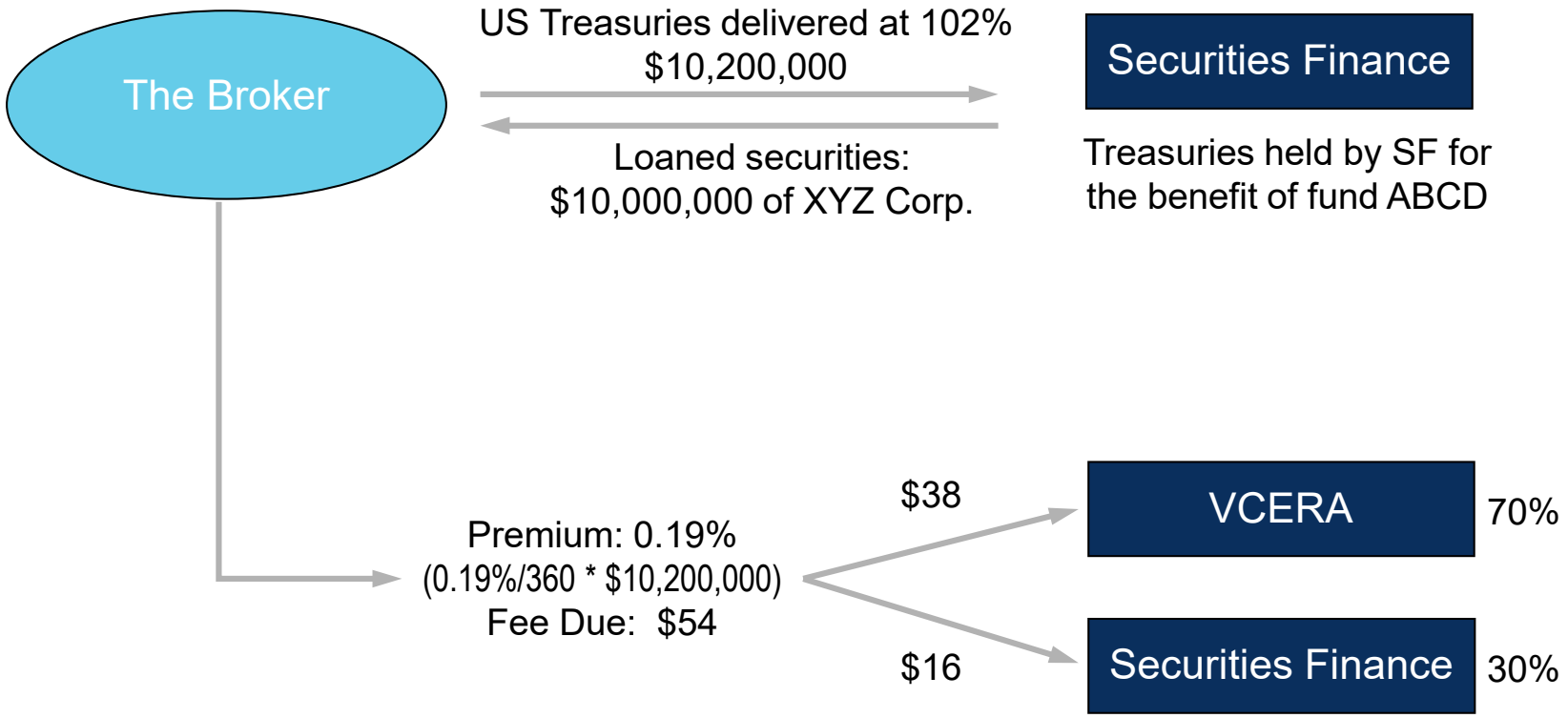
Fundamentals of Securities Finance

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



Premium rate annualized using a 360-day basis.

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Appendix

- Our Strategy
- Thought Leadership
- Speaker Biographies

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Thought Leadership / Research Corner

Leadership and Transformation Amid the Pandemic

Ron O'Hanley connected with Microsoft CEO Satya Nadella to discuss leadership, operational transformation, and ESG values

ESG and the Biden Presidency

The Biden administration could signal a shift to more rules-based disclosures, especially in climate risk, increasing the need for companies to track ESG metrics

The Next Generation of Investment Operations

Insurers observed a shift to remote working, quest for better outcomes and evolving regulations during COVID-19

The ETF Landscape

Three global megatrends are expected to accelerate across the ETF landscape, spanning fixed-income, ESG strategies and overall investor appetite

Shifting to the Front: The Changing Role of the Custodian

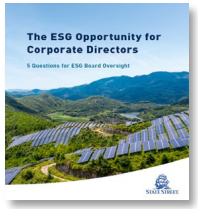
Dick Taggart, head of State Street Alpha(SM) platform solutions, discussed the front-office data challenges for both asset managers and owners and the changing role of custodians

Investor Confidence Decreased in February

The Global Investor Confidence Index decreased to 91.9, down 8.9 points from January's revised reading of 100.8. The North American ICI also declined, but by a smaller magnitude, falling 2.8 points to 93.3

The ESG Opportunity for Corporate Directors

At the National Association of Corporate Directors event, Ron O'Hanley presented five key questions that corporate directors must consider ESG oversight and steer companies toward a more resilient, sustainable and inclusive future



First Actively Managed Municipal Bond ETF

Global Advisors announced the launch of the SPDR Nuveen Municipal Bond ETF (MBND), the first actively managed municipal bond ETF

New Investment Research Platform, Insights

We launched Insights, a new research platform that offers clients proprietary research, exclusive data-driven indicators and the latest market commentary from the firm's team of global macro strategists

Collateral Solutions: No "One-Size-Fits-All"

Staffan Ahlner of Collateral Management shared his insights on the future of collateral and explained how the Uncleared Margin Rules are prompting a rethink of collateral programs for buy-side investment institutions globally

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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.

Jared Douglas

Officer, Client Service Owner
State Street Bank and Trust

Jared Douglas has been with State Street for over 14 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 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 Service Owner
State Street Bank and Trust

Julianna Frank is an Officer within the Client Delivery Management team. Julianna has 11 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 seven 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.

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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 pubic 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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ABBOTT CAPITAL

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

April 2021

ABBOTT CAPITAL MANAGEMENT, LLC | 1290 AVENUE OF THE AMERICAS, NEW YORK, NY 10104 | +1 212 757 2700

Abbott Presenters

Young Lee, CFA – Managing Director

Mr. Lee has more than 16 years of private equity investment experience. He reviews 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. Lee also serves on several partnership advisory boards. Prior to joining Abbott in 2007, Mr. Lee was an associate at The Henry J. Kaiser Family Foundation in Menlo Park, sourcing and leading due diligence on prospective private equity and hedge fund investments. Mr. Lee also worked as a product manager in the Online Business Services Division at Silicon Valley Bank and co-founded a company that matched university-based start-ups with angel investors. Mr. Lee received his B.A. in Economics from Stanford University, his M.B.A. from Columbia University and is a CFA® charterholder.

Matthew M. Smith – Managing Director

Mr. Smith has more than 20 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. Mr. Smith also serves on several partnership advisory boards. 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.

Arianna Merrill – Vice President

Ms. Merrill reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Prior to joining Abbott Capital in 2018, Ms. Merrill worked at Partners Group where she made investments in private equity funds as well as co-investments, and Top Tier Capital Partners where she focused on investing in venture capital funds. Ms. Merrill received her B.A. in Economics and Political Science from Connecticut College and her M.B.A. from Cornell University.

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Abbott Overview

Abbott Capital Management, LLC

1986
Abbott Founded

$11B+
Assets Under Management[1]

$22B+
Aggregate Commitments Since Inception

9,500+
Funds in Database

$1B+
Capital Deployed Annually[2]

140+
Advisory Board Seats

Heritage

- Pioneer in customized private equity solutions
- High-conviction, performance driven portfolio construction
- Independently owned with a 30+ year track record focused exclusively on private equity
- Offices in New York and London

Team

- Highly integrated and collegiate culture, 50+ professionals dedicated to private equity
- Cycle tested; Managing Directors have an average of 21 years of private equity experience
- Relationship and information advantages across the private equity ecosystem

Private Markets Solutions

Separately Managed Accounts	▪ Portfolios tailored to meet specific investment goals and objectives ▪ Customized reporting and administrative support ▪ Access to emerging buyout and venture managers, and other niche strategies
Global, Customizable Commingled Portfolios	▪ Access to multiple investment strategies, secondaries, and co-investments ▪ Simplified administration and reporting
Specialized Strategies	▪ Secondaries, with a focus on the smaller, less competitive transactions ▪ Co-investments sourced through Abbott's GP network
Administrative Support Services	▪ Customized data management, transaction facilitation, and reporting ▪ Fund administration services ▪ Distributed stock liquidation management; data analytics and benchmarking services

[1]AUM herein is defined as (unfunded commitments + NAV) and includes non-discretionary assets for which Abbott does not provide continuous and regular supervisory or management services but provides ongoing investment monitoring, valuation, and reporting functions; AUM as of 9/30/2020. Approximately $612M of the AUM represents assets Abbott manages but does not advise. [2]Annual average over past 3 calendar years. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance, and calculation of both AUM and RAUM.

Abbott's Private Equity-Focused Organization

Investments

Jonathan Roth
Managing Director, President (1992)

Timothy Maloney
Managing Director (2004)

Meredith Rerisi
Managing Director (1998)

Matthew Smith
Managing Director (2000)

Len Pangburn
Managing Director (2005)

Young Lee
Managing Director (2007)

Jobst Klemme*
Managing Director (2015)

Jennie Benza
Principal

Wolf Witt
Principal

Arianna Merrill
Vice President

Brian Susetka
Vice President

Jonathan Tubiana
Vice President

Moritz Turck*
Vice President

Lance Zhou
Vice President

Declan Feeley
Associate

Sean Bacon
Analyst

Taylor McGinnis
Analyst

Client Relations and Business Development

Ryan Green
Director

Melanie Jones
Vice President

Dan Kettner
Vice President

Kristin Kunert
Vice President

Valentine Whittaker
Vice President

Operations, Finance, Legal & Compliance

Lauren Massey
Managing Director, Chief Admin. Officer (1995)

Paolo Parziale
Managing Director, Chief Financial Officer (2002)

Mary Hornby
Managing Director, General Counsel (2004)

Monique Horton
Chief Compliance Officer

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

ABBOTT CAPITAL

(Year Managing Director joined Abbott).*Abbott Europe

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VCERA Private Equity Program

VCERA Private Equity Program

Objectives, Key Events in 2020, Recommendation

- Abbott manages a customized private equity separate account with the following objectives:
  - Target allocation of 16% of the portfolio in private equity investments(1)
  - Implement and monitor 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 2020 developments:
  - Committed approximately $278 million in 2020 via Abbott-sourced commitments and VCERA-sourced commitments, compared to a revised commitment target of $325 million
    - $228 million in Abbott-sourced commitments
    - $50 million of VCERA-sourced commitments
  - Increased private equity NAV to 10.2% of Plan, which is up from 8.1% at the end of 2019 and ahead of last year's projection of 9.3%
    - Current Plan size of $6,900,496,861 as of December 31, 2020

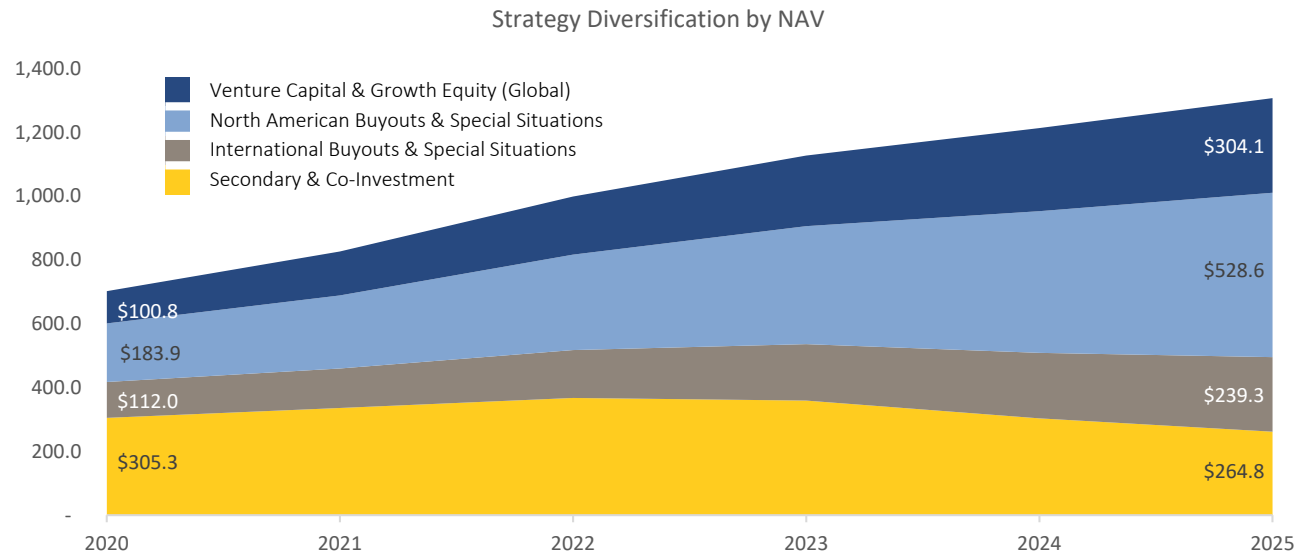
- Pursuant to the Private Equity Policy, Abbott is submitting the Annual Plan for 2021 for review and approval
  - Abbott recommends a 2021 commitment target of $325 million based on the December 31, 2020 Plan size, with an average of approximately $285 million committed per year over the next five years

(1)Proposed increase to the target allocation from 15% pending the outcome of the Board's decision on the asset allocation study and is the basis of the forward projections in this document. **Past performance is not a guide to future results and is not indicative of expected realized returns.**

Current Private Equity Investments

Funding by Strategy

	12/31/2020		
Strategy	**NAV ($m)**	**Undrawn ($m)**	**Exposure ($m)**
VCERA Private Equity Program			
Venture Capital & Growth Equity (Global)	$100.8	$110.5	$211.3
North American Buyouts & Special Situations	$183.9	$188.7	$372.6
International Buyouts & Special Situations	$112.0	$88.1	$200.1
Secondary & Co-Investment	$305.3	$201.9	$507.2
VCERA Private Equity Program Totals	**$702.0**	**$589.2**	**$1,291.2**



Strategy	2025 Target Range
VCGE	10%-30% $151-452m
NA BO & SS	35%-55% $527-828m
International BO & SS	10%-30% $151-452m
Secondary & Co-Investment	5%-40% $75-602m

Plan Size: $6.9b
PE NAV: $702.0m
2020

Projected Plan Size: $9.4b
Projected PE NAV: $1.5b
2025

NAV is estimated based on September 30, 2020 net asset values, adjusted by net cash flows through December 31, 2020. Undrawn represents the balance of uncalled commitments as of December 31, 2020 (Commitment – Paid In). 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 Private Equity Investment Activity

2020 Investment Activity

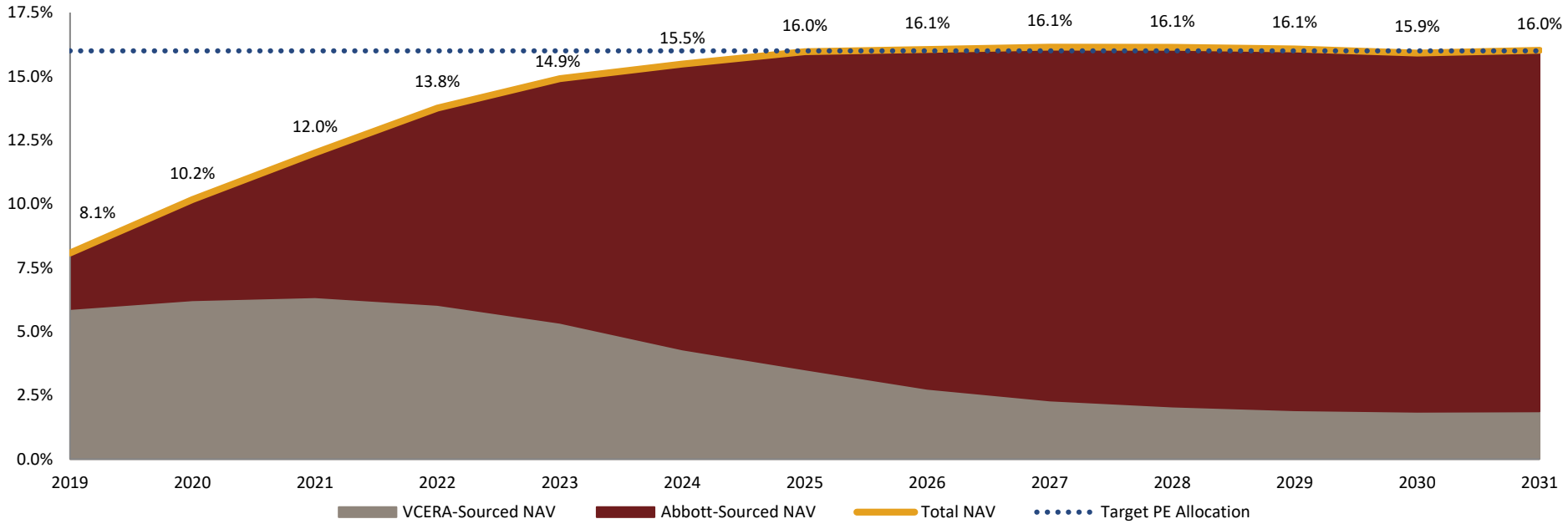
Fund	VCERA Commitment ($m)	Strategy
Abbott-Sourced Investments		
Battery Ventures XIII	$9.2m	Venture Capital & Growth Equity (Global)
Battery Ventures XIII Side Fund	$6.2m	Venture Capital & Growth Equity (Global)
Charlesbank Equity Fund X	$24.0m	North American Buyouts & Special Situations
Charlesbank Equity Overage Fund X	$6.0m	North American Buyouts & Special Situations
Clearlake Capital Partners VI	$18.7m	North American Buyouts & Special Situations
CRV XVIII	$15.0m	Venture Capital & Growth Equity (Global)
CVC Capital Partners VIII^	$22.6m	International Buyouts & Special Situations
GGV Capital VIII	$9.2m	Venture Capital & Growth Equity (Global)
GGV Capital VIII Plus	$2.3m	Venture Capital & Growth Equity (Global)
GGV Discovery III	$3.8m	Venture Capital & Growth Equity (Global)
GTCR Fund XIII	$30.0m	North American Buyouts & Special Situations
Vitruvian Investment Partnership IV^	$22.6m	International Buyouts & Special Situations
Buenaventure One, LLC	$58.7m	Various
Total Abbott-Sourced Investments	**$228.3**	
VCERA-Sourced Investments		
Abbott Secondary Opportunities II	$25.0	Secondary & Co-Investment
Pantheon Global Secondary Fund VI	$25.0	Secondary & Co-Investment
Total VCERA-sourced	**$50.0**	
Grand Total	**$278.3**	

- Abbott-sourced investments include 19 primary commitments across 13 managers including seven funds and five separate managers in Buenaventure One

^Non-USD denominated funds. Commitment amounts, which may fluctuate due to exchange rate changes, were converted as of December 31, 2020 Commitment for Buenaventure One, LLC reflects the aggregate amount committed to portfolio funds in 2020 held in the Buenaventure One, LLC portfolio. Totals may not sum due to rounding or late interest charges.

Pacing

Twelve-Year Pacing Illustration



Total Plan Projected Net Growth Rate	6.4%
Private Equity Target	16.0%

Pacing Analysis/Projected Cash flows (millions)

Year	12/31/2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Annual Commitments	$228.0	$278.3	$325.0	$275.0	$250.0	$275.0	$300.0	$300.0	$400.0	$425.0	$425.0	$450.0	$475.0
Annual PE Capital Calls	109.5	180.7	197.2	234.9	253.1	257.9	260.7	268.0	282.7	306.8	341.5	367.7	397.2
Annual PE Distributions	46.1	63.4	142.0	191.7	236.8	296.7	316.6	359.6	377.3	407.2	422.1	435.3	463.3
Annual PE Net Cash Flow	(63.4)	(117.3)	(55.2)	(43.1)	(16.3)	38.9	55.8	91.6	94.6	100.4	80.5	67.7	66.1
PE NAV	**496.5**	**702.0**	**881.0**	**1,074.8**	**1,239.0**	**1,369.2**	**1,502.1**	**1,607.1**	**1,719.6**	**1,829.3**	**1,938.8**	**2,042.0**	**2,187.3**
Plan Assets	6,148.5	6,900.5	7,342.1	7,812.0	8,312.0	8,844.0	9,410.0	10,012.2	10,653.0	11,334.8	12,060.2	12,832.1	13,653.3
PE NAV as % of Plan Assets:	**8.1%**	**10.2%**	**12.0%**	**13.8%**	**14.9%**	**15.5%**	**16.0%**	**16.1%**	**16.1%**	**16.1%**	**16.1%**	**15.9%**	**16.0%**

NAV is estimated based on September 30, 2020 net asset values, adjusted by net cash flows through December 31, 2020. Actual exposure may differ from amounts shown above due to market conditions, investment opportunities, and other factors, and such differences may be material.

VCERA Private Equity Investment Activity

2021 Investment Activity (1Q 2021)

Fund	Commitment ($m)	Strategy	Status
Abbott-Sourced Investments			
Oak HC/FT Partners IV	$10.0	Venture Capital & Growth Equity (Global)	Closed
Genstar X	$15.0	North American Buyouts & Special Situations	Committed
Genstar X Opportunities Fund	$5.0	North American Buyouts & Special Situations	Committed
Hellman & Friedman X	$20.0	North American Buyouts & Special Situations	Committed
Prairie VII	$10.8	North American Buyouts & Special Situations	Committed
Buenaventura One, LLC	$23.1	Various	Committed
Total	**$83.9**		
VCERA-Sourced Investments			
Total	**$0.0**		
Total	**$83.9**		

- Abbott-sourced investments include eight primary commitments across six managers including three separate funds with two managers in Buenaventure One

Commitment for Buenaventure One, LLC reflects the aggregate amount committed to portfolio funds in 2021 held in the Buenaventure One, LLC portfolio. Totals may not sum due to rounding or late interest charges.

VCERA Private Equity Investment Activity

2021 Pipeline

- Eight commitments across six managers pending or closed in 2021(1)
  - All Abbott-sourced commitments
- Q1 commitments plus forward pipeline in excess of $225 million across all primary 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)
Buyout Fund A	North American Buyouts & Special Situations
Buyout Fund B	North American Buyouts & Special Situations
Buyout Fund C	North American Buyouts & Special Situations

Current Pipeline

Venture Capital & Growth Equity	
Sub-Strategy	**# of Funds**
Early Stage VC	4
Growth Equity	10
Multi-Stage VC	1
Total	**15**

North American Buyouts & Special Situations	
Sub-Strategy	**# of Funds**
Lower Middle-Market	8
Middle-Market	9
Upper Middle-Market	1
Total	**18**

International Buyouts & Special Situations	
Sub-Strategy	**# of Funds**
Lower Middle-Market	3
Middle-Market	6
Upper Middle-Market	1
Total	**10**

(1) Three of the eight Abbott-sourced investments are held in Buenaventure One, LLC. 2021 Pipeline represents investment opportunities only and an investment decision with respect thereto may not be final. Every investment decision is subject to appropriate due diligence and allocation availability. 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.

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 2021 commitment target of $325 million
  - Commitment target includes both Abbott-sourced and VCERA-sourced commitments
  - This is inline with the revised 2020 target of $325 million

- Preliminary modeling suggests an average commitment level of approximately $285 million over the next five years
  - This is higher than the prior plan average of $250m to account for the proposed increase in target allocation to private equity investments to 16%

- While the 2021 Annual Plan is being presented during a time of continued uncertainty, private equity had a surprisingly strong 2020 and activity remains robust across the asset class and performance consistently positive

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

Past performance is not a guide to future results and is not indicative of expected realized returns.

VCERA Rollforward Portfolio Performance as of 12/31/2020

Primary Investments

Venture Capital and Growth Equity	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation[1]	Total Value	TVPI	IRR
Battery Ventures XII	02/01/2018		2018	$9,050,000	$1,621,760	$7,428,240	-	$10,338,549	$10,338,549	1.39	21.95%
Battery Ventures XII Side Fund	02/01/2018		2018	$5,050,000	$681,245	$4,368,755	-	$7,410,022	$7,410,022	1.70	35.57%
Battery Ventures XIII	02/11/2020		2020	$9,240,000	$6,800,640	$2,439,360	-	$2,433,803	$2,433,803	1.00	-0.74%
Battery Ventures XIII Side Fund	02/11/2020		2020	$6,160,000	$4,309,536	$1,850,464	-	$1,962,209	$1,962,209	1.06	29.66%
CRV XVIII	07/02/2020		2020	$15,000,000	$15,000,000	-	-	-	-		N/A
Drive Capital Fund II	08/19/2016		2016	$15,000,000	$860,693	$14,142,517	-	$20,288,060	$20,288,060	1.43	17.87%
Drive Capital Fund III	04/05/2019		2019	$7,500,000	$5,929,999	$1,570,001	-	$1,562,199	$1,562,199	1.00	-1.45%
Drive Capital Overdrive Fund I	04/05/2019		2019	$7,500,000	$3,403,179	$4,096,821	$12,492	$5,794,872	$5,807,364	1.42	34.24%
GGV Capital VII	08/15/2018		2019	$10,160,000	$3,048,000	$7,112,000	-	$7,326,101	$7,326,101	1.03	3.55%
GGV Capital VII Plus	08/15/2018		2019	$2,540,000	$939,800	$1,600,200	-	$1,827,953	$1,827,953	1.14	15.13%
GGV Capital VIII	10/30/2020		2020	$9,180,000	$9,180,000	-	-	-	-		N/A
GGV Capital VIII Plus	10/30/2020		2020	$2,295,000	$2,295,000	-	-	-	-		N/A
GGV Discovery II	08/15/2018		2019	$2,100,000	$903,000	$1,197,000	-	$1,299,218	$1,299,218	1.09	8.89%
GGV Discovery III	10/30/2020		2020	$3,825,000	$3,825,000	-	-	-	-		N/A
Oak HC/FT Partners III	07/31/2019		2019	$15,000,000	$5,299,163	$9,700,837	-	$10,491,077	$10,491,077	1.08	18.40%
Total Venture Capital and Growth Equity				**$119,600,000**	**$64,097,015**	**$55,506,195**	**$12,492**	**$70,734,063**	**$70,746,555**	**1.27**	**20.09%**

Buyouts & Minority Equity	Initial Closing Date	Liquidation Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Advent International GPE IX	05/23/2019		2019	$10,000,000	$6,325,029	$3,674,971	-	$4,419,336	$4,419,336	1.20	26.37%
Astorg VII	12/17/2018		2019	$9,288,744	$6,194,628	$3,094,116	-	$2,880,591	$2,880,591	0.93	-14.49%
CapVest Equity Partners IV	07/11/2018		2019	$13,496,827	$12,670,395	$826,432	-	($250,227)	($250,227)	-0.30	-100.00%
Charlesbank Equity Fund X	11/20/2020		2020	$24,000,000	$24,000,000	-	-	-	-		N/A
Charlesbank Equity Overage Fund X	11/20/2020		2020	$6,000,000	$6,000,000	-	-	-	-		N/A
CVC Capital Partners VIII	05/22/2020		2020	$22,599,616	$22,599,616	-	-	-	-		N/A
ECI 11	07/05/2018		2018	$9,927,209	$6,211,569	$3,715,640	-	$3,687,364	$3,687,364	0.99	-0.55%
Flexpoint Fund IV-A	07/02/2019		2019	$10,650,000	$8,866,053	$1,783,947	-	$1,496,238	$1,496,238	0.84	-41.87%
Flexpoint Overage Fund IV-A	07/02/2019		2019	$3,550,000	$3,550,000	-	-	($4,699)	($4,699)		-100.00%
Genstar Capital Partners IX	02/21/2019		2019	$7,500,000	$4,728,882	$2,944,241	$175,000	$3,377,223	$3,552,223	1.21	24.76%
Genstar Capital Partners IX Opportunities Program	02/21/2019		2019	$2,500,000	$1,002,741	$1,497,259	-	$1,649,234	$1,649,234	1.10	12.93%
Green Equity Investors VIII	10/18/2019		2020	$15,000,000	$13,025,703	$1,974,297	-	$1,955,243	$1,955,243	0.99	-16.76%
GTCR Fund XIII	10/27/2020		2020	$30,000,000	$30,000,000	-	-	-	-		N/A
Hellman & Friedman Capital Partners IX	09/28/2018		2019	$19,800,000	$10,740,568	$9,059,432	-	$9,369,152	$9,369,152	1.03	7.23%
M/C Partners VIII	04/02/2018		2019	$10,000,000	$6,919,747	$3,080,253	-	$2,653,349	$2,653,349	0.86	-15.78%
Riverside Micro-Cap Fund V	08/21/2018		2019	$10,000,000	$6,609,328	$3,390,672	-	$3,251,673	$3,251,673	0.96	-3.94%
TA XIII	05/02/2019		2019	$10,000,000	$4,500,000	$5,500,000	-	$5,699,260	$5,699,260	1.04	8.46%
The Resolute Fund IV	05/02/2018		2018	$20,000,000	$6,601,113	$16,476,664	$5,070,815	$19,874,775	$24,945,590	1.51	59.20%
Vitruvian Investment Partnership IV	06/03/2020		2020	$22,598,944	$22,320,427	$278,517	-	$167,147	$167,147	0.60	-100.00%
Total Buyouts & Minority Equity				**$256,911,340**	**$202,865,799**	**$57,296,441**	**$5,245,815**	**$60,225,659**	**$65,471,475**	**1.14**	**20.23%**

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. NAV is estimated based on September 30, 2020 net asset values, adjusted by net cash flows through December 31, 2020. **Past performance is not a guide to future results and is not indicative of expected realized returns.**

VCERA Rollforward Portfolio Performance as of 12/31/2020, cont.

Primary Investments

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	$10,600,000	$5,121,502	$5,478,498	-	$5,096,839	$5,096,839	0.93	-7.64%
Clearlake Capital Partners V	12/22/2017		2018	$9,950,000	$2,180,279	$9,163,056	$2,797,682	$12,564,560	$15,362,242	1.68	39.32%
Clearlake Capital Partners VI	01/02/2020		2020	$18,700,000	$13,966,872	$4,787,653	$155,933	$4,896,529	$5,052,462	1.06	18.79%
Great Hill Equity Partners VII	06/28/2019		2020	$8,900,000	$8,520,451	$379,549	-	$1,708,832	$1,708,832	4.50	>1,000%
GTCR Fund XII	09/29/2017		2017	$30,000,000	$12,024,000	$17,976,000	$4,079,641	$19,863,553	$23,943,194	1.33	23.40%
Insight Venture Partners X	10/13/2017		2018	$25,000,000	$643,372	$24,450,000	$1,654,457	$38,815,052	$40,469,509	1.66	32.30%
Total Special Situations				**$103,150,000**	**$42,456,475**	**$62,234,756**	**$8,687,713**	**$82,945,365**	**$91,633,078**	**1.47**	**30.37%**

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	$13,650,000	$61,350,000	$20,799,168	$82,341,378	$103,140,546	1.68	12.26%
Adams Street 2016 Global Fund	08/16/2016		2016	$60,000,000	$20,508,000	$39,492,000	$4,801,064	$46,586,129	$51,387,193	1.30	13.54%
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	05/21/2010		2010	$25,500,000	$2,537,251	$22,962,749	$23,288,863	$16,027,670	$39,316,533	1.71	12.50%
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	05/21/2010		2010	$8,500,000	$867,000	$7,633,000	$4,130,787	$9,843,935	$13,974,722	1.83	11.02%
Adams Street Partnership Fund - 2010 U.S. Fund	05/21/2010		2010	$42,500,000	$5,057,500	$37,442,500	$42,488,544	$35,114,468	$77,603,012	2.07	15.43%
Buenaventure One, LLC	01/05/2018		2018	$160,429,500	$99,998,910	$60,430,590	$403,156	$70,689,186	$71,092,341	1.18	14.41%
Total Fund of Funds				**$371,929,500**	**$142,618,661**	**$229,310,839**	**$95,911,582**	**$260,602,766**	**$356,514,347**	**1.55**	**13.42%**
Total Primary Investments				**$851,590,840**	**$452,037,951**	**$404,348,232**	**$109,857,602**	**$474,507,853**	**$584,365,455**	**1.45**	**15.00%**

NAV is estimated based on September 30, 2020 net asset values, adjusted by net cash flows through December 31, 2020. **Past performance is not a guide to future results and is not indicative of expected realized returns.**

VCERA Rollforward Portfolio Performance as of 12/31/2020, cont.

Secondary Interests / Co-Investments

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 II, L.P.	01/31/2020		2020	$25,000,000	$25,000,000	-	-	$605,838	$605,838		N/A
Abbott Secondary Opportunities, L.P.	12/21/2017		2016	$25,000,000	$1,388,355	$23,974,362	$16,750,000	$15,865,243	$32,615,243	1.36	22.82%
HarbourVest - Dover Street IX	07/08/2016		2016	$60,000,000	$12,000,000	$48,000,000	$23,553,089	$46,254,866	$69,807,955	1.45	23.81%
HarbourVest - Dover Street VIII	05/30/2013		2012	$67,500,000	$6,075,000	$61,509,954	$76,846,255	$23,302,085	$100,148,340	1.63	19.97%
HarbourVest - Dover Street X	05/31/2019		2019	$40,000,000	$31,000,000	$9,000,000	$935,750	$10,320,704	$11,256,454	1.25	75.50%
Pantheon Global Secondary Fund IV	06/24/2010		2010	$15,000,000	$2,040,000	$9,960,000	$13,694,043	$2,040,635	$15,734,678	1.58	13.04%
Pantheon Global Secondary Fund V	02/06/2015		2015	$50,000,000	$14,383,491	$35,616,509	$15,982,534	$33,229,899	$49,212,433	1.38	11.40%
Pantheon Global Secondary Fund VI	02/24/2020		2020	$25,000,000	$13,337,113	$11,897,805	$37,120	$13,648,009	$13,685,129	1.15	38.85%
Total Secondary Funds of Funds				**$307,500,000**	**$105,223,958**	**$199,958,631**	**$147,798,792**	**$145,267,279**	**$293,066,070**	**1.47**	**18.25%**

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	$331,500	$8,168,500	$10,372,022	$4,534,409	$14,906,431	1.82	12.40%
Adams Street Co-Investment Fund IV A	09/24/2018		2018	$30,000,000	$13,410,000	$16,684,931	-	$19,804,408	$19,804,408	1.19	16.17%
HarbourVest Partners Co-Investment IV	05/31/2017		2016	$30,000,000	$5,732,352	$24,464,388	$6,050,893	$30,963,905	$37,014,798	1.51	15.77%
HarbourVest Partners Co-Investment V	07/31/2018		2019	$35,000,000	$14,000,000	$21,000,000	-	$27,927,504	$27,927,504	1.33	45.49%
Total Co-Investment Funds				**$103,500,000**	**$33,473,852**	**$70,317,819**	**$16,422,915**	**$83,230,226**	**$99,653,141**	**1.42**	**16.10%**
Total Secondary Interests / Co-Investments				**$411,000,000**	**$138,697,810**	**$270,276,450**	**$164,221,707**	**$228,497,505**	**$392,719,211**	**1.45**	**17.70%**
Total Active Portfolio Funds				**$1,262,590,840**	**$590,735,761**	**$674,624,681**	**$274,079,308**	**$703,005,357**	**$977,084,666**	**1.45**	**16.00%**

N/A = Not applicable; investments have not started calling capital. NAV is estimated based on September 30, 2020 net asset values, adjusted by net cash flows through December 31, 2020. Please see Appendix for Definitions. **Past performance is not a guide to future results and is not indicative of expected realized returns.**

VCERA Portfolio Net Performance

VCERA Portfolio – Net Performance as of 9/30/20						
Period	**1 year**	**2 years**	**3 years**	**5 years**	**7 years**	**Since inception**
VCERA Portfolio	23.80%	18.43%	18.70%	17.00%	17.01%	17.01%
Russell 3000 (PME+) +300bps	19.16%	13.86%	15.37%	16.68%	15.23%	15.64%
Difference	4.64%	4.57%	3.33%	0.32%	1.78%	1.37%

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. Net IRR is shown net of investment management fees charged by Abbott and gross of gains and losses realized upon the sale of distributed stock. Russell 300 (PME +) + 300 is calculated using actual VCERA partnership level cash flows (net of investment management fees charged to Abbott), but scaling each distribution by a constant proportion such that after assuming the purchase or sale of shares of the public market index using such amount, the net remaining investment in the index equals the net asset value of the VCERA account at the measurement date. Please see Appendix for Definitions. **Past performance is not a guide to future results and is not indicative of expected realized returns.**

Private Equity Market Overview

Private Equity Environment – 2020 Market Review

Private Markets

- With respect to private equity, and venture capital and growth equity activity, fundraising remained strong, particularly in venture capital and growth equity, which saw record amounts of capital raised
- Transaction activity, both in terms of new investments and exits, increased during the second half of the year, most notably within sectors that proved more resilient during the preceding months
- Public market exits also roared back to life in 2020 with a record setting number of IPOs, including a significant number of venture-backed companies
- Secondary market volume was relatively limited in H1 2020, but robust during H2 after Q2 valuations were reported

Private Equity

- While fundraising in the U.S. and Europe remained strong through 2020, it declined from 2019's record breaking levels
- U.S. investment activity declined modestly YoY with 5,309 deals worth $708 billion, down approximately 3% and 7%, respectively
- 2020 Europe investment activity increased despite the pandemic – 4,179 transactions closed totaling €449 billion, representing YoY declines of only 2% and 3%, respectively
- Despite the pandemic, U.S. median purchase price multiples increased YoY to 14.1x versus 12.7x in 2019. This is likely reflective of the fact that transactions that did occur were generally in historically higher priced sectors, such as technology and healthcare
- The number of U.S. and Europe exits fell YoY, however U.S. exit value ticked up 6%

Venture Capital and Growth Equity

- Fundraising reached a record high in 2020, with approximately $74 billion raised by venture capitalists, propelled by larger, more established managers
- VCs invested approximately $156 billion across an estimated 12,254 companies in 2020, exceeding the $138 billion deployed in 2019. The increase in value can be attributed to later-stage transactions, which increased 29% year-over-year, to $104 billion
- Despite the pandemic, exit activity set all-time highs in 2020 led by software and pharma/biotechnology sectors. These two sectors accounted for 53% of total venture-backed exit value in 2020
- U.S. IPO activity totaled $222 billion, or 77% of the total exit value in 2020; $201 billion occurred in Q3 and Q4 2020, which included high-profile companies such as Airbnb, DoorDash, and Snowflake

Secondaries

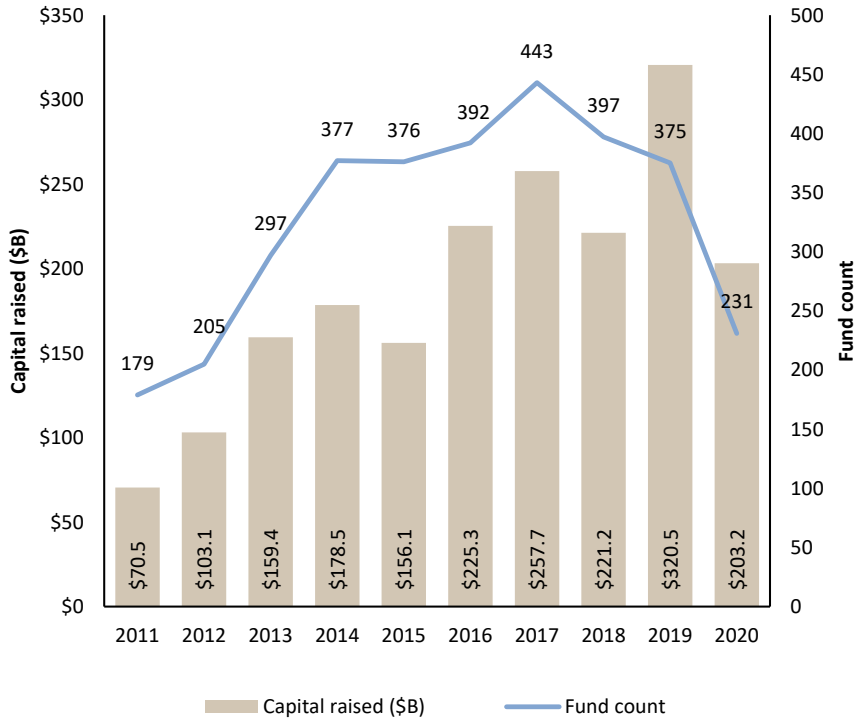
- 2020 secondary market volume declined 32% YoY to $60 billion
  - In H1, secondary market volume declined by 57% from the prior year, to $18 billion. As confidence returned to the market in H2, transaction volume more than doubled from the first half to $42 billion
- Average pricing in 1H was at 80% NAV
  - VC & GE pricing increased as the year progressed: the average price increased from 70% of NAV in the first half to 85% in the second half
  - Pricing for buyout transactions increased in the second half to 89% of NAV from 85% in H1. This can be attributed to sales of newer vintage funds and those with exposure to more COVID-19-resilient businesses, such as technology, healthcare, and consumer staples

The views expressed are Abbott's opinion as of Q1 2021 and are subject to change without notice. There is no assurance that any trends depicted or described will continue. Data provided is as of December 31, 2020. Sources consulted: PitchBook's 2020 Annual US PE Breakdown; PitchBook's 2020 Annual European PE Breakdown; Q4 2020 PitchBook-NVCA Venture Monitor, Greenhill: Global Secondary Market Trends & Outlook – January 2021.

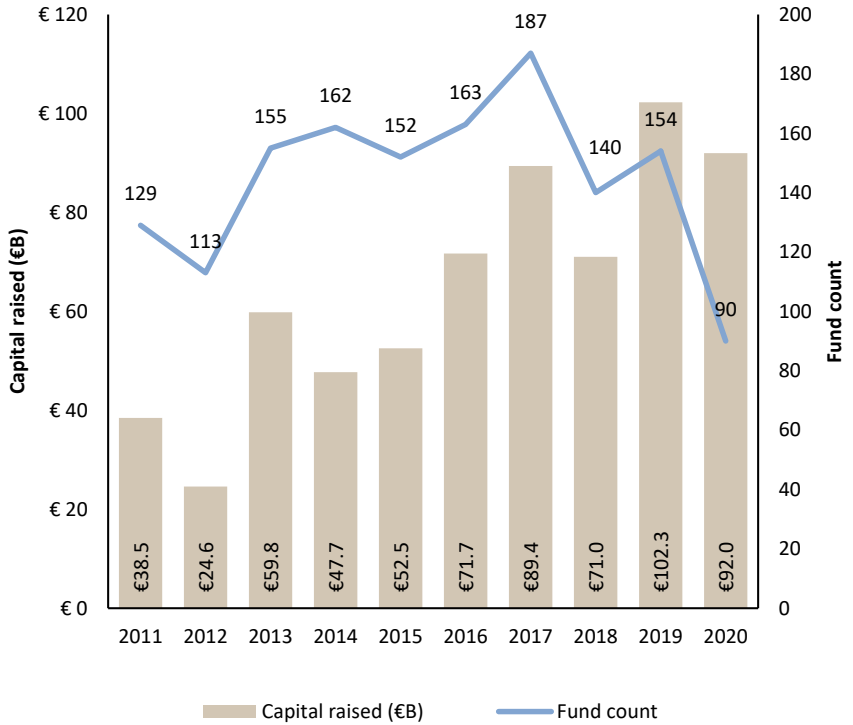
Private Equity Fundraising Environment

- U.S. private equity fundraising fell in 2020, with 231 funds closing on $203.2 billion, declines of 38% and 37%, respectively versus 2019
- European private equity fundraising proved resilient in 2020, while also highlighting limited partners' focus on re-ups and continued aim for concentrated rosters of private equity managers.
  - Ninety European private equity funds closed on €92 billion in 2020, nearly meeting the record-breaking amount of €102 billion raised in 2019; the average amount raised per fund (€1.2 billion) continued its upward trajectory, outpacing last year's average of €1.0 billion

U.S. PE Fundraising Activity
Through 12/31/2020



European PE Fundraising Activity
Through 12/31/2020



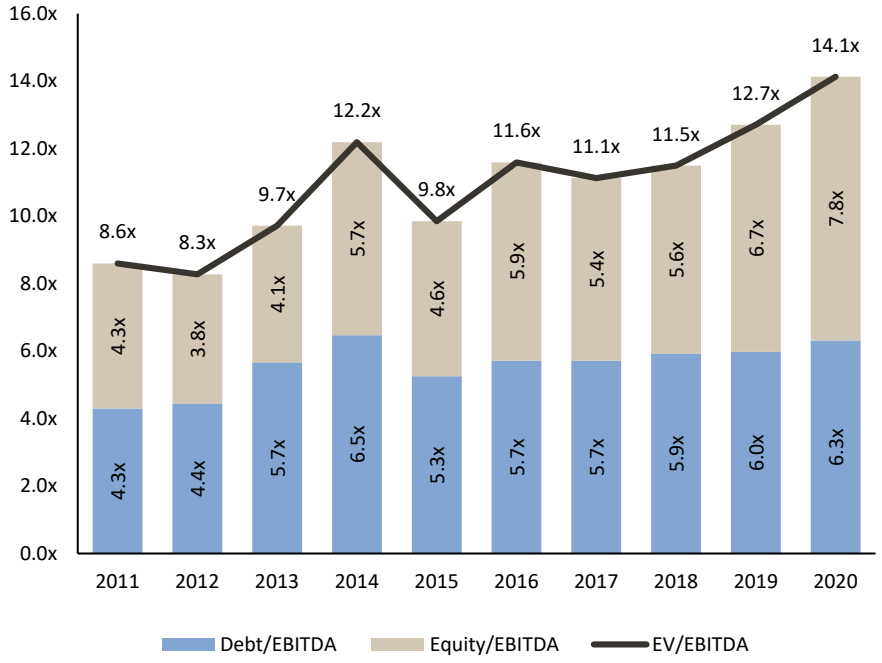
Data Source: PitchBook's 2020 Annual US PE Breakdown; PitchBook's 2020 Annual European PE Breakdown. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Private Equity Investment Environment

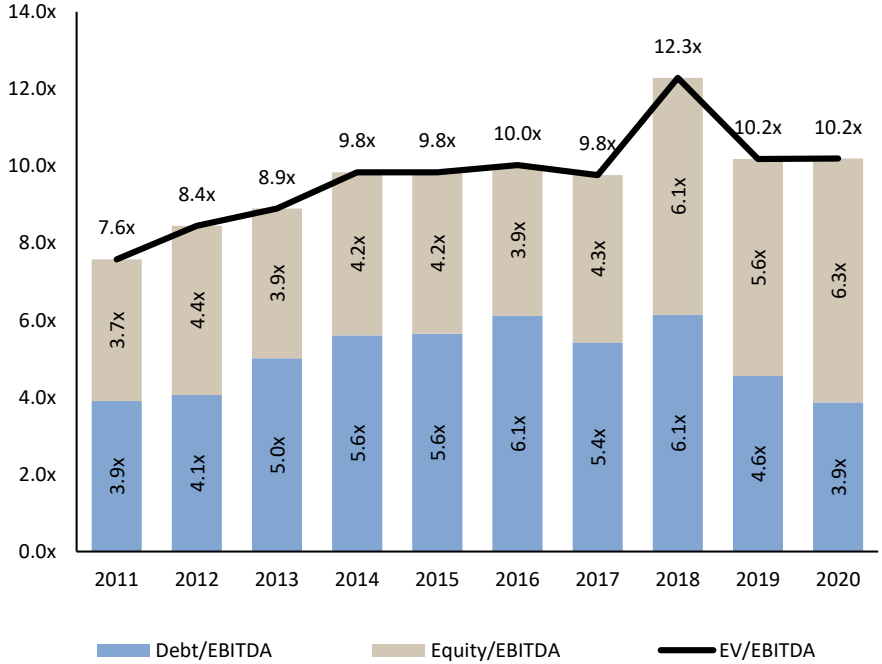
- Despite the pandemic, U.S. median purchase price multiples actually *increased* year-over-year, to 14.1x versus 12.7x in 2019
  - This increase is likely of the fact that transactions that did occur were generally in historically higher priced sectors, such as technology and healthcare
  - For investments that occurred in other sectors, growth premiums were applied to more historical multiples given the resilience many of these businesses demonstrated in this challenging environment.

- Europe purchase price multiples remained flat year-over-year, due to healthy businesses managing down their debt and sustaining revenues through the pandemic

Median U.S. PE buyout EV/EBITDA Multiples
Through 12/31/2020



Europe PE Buyout EV/EBITDA Multiples by Year
Through 12/31/2020

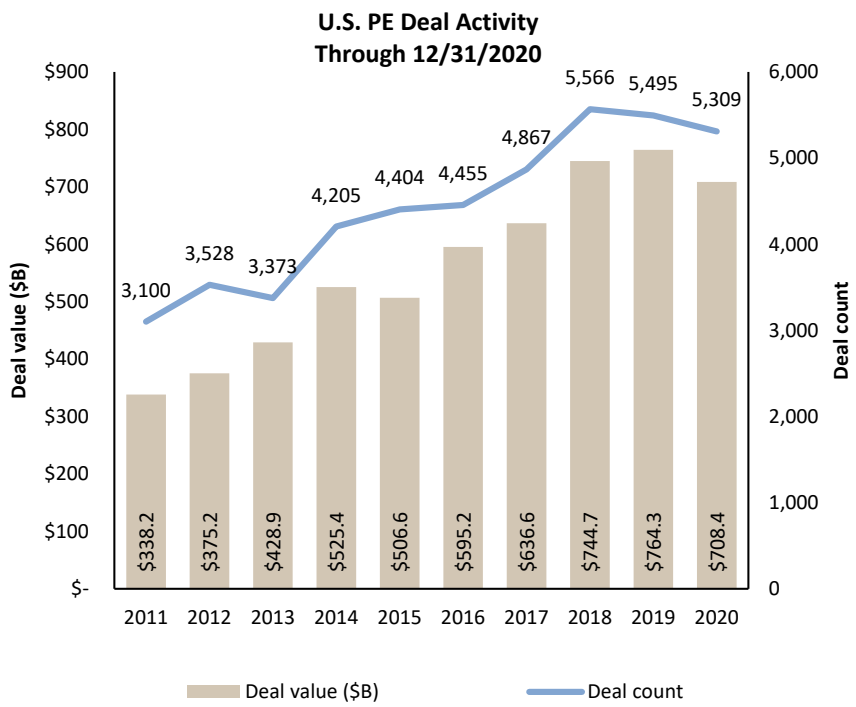


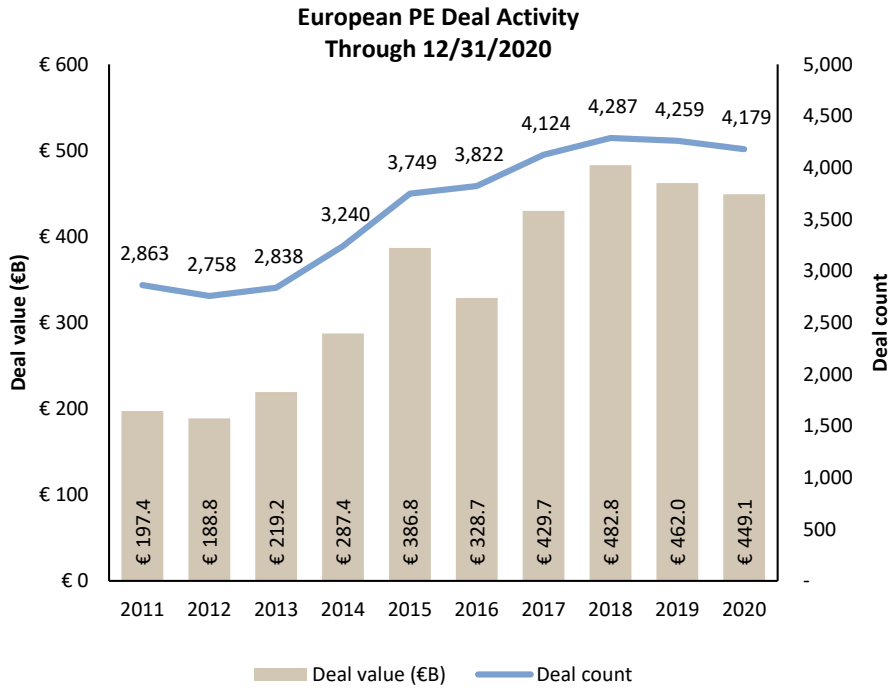
Data Source: PitchBook's 2020 Annual US PE Breakdown; PitchBook's 2020 Annual European PE Breakdown. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Private Equity Investment Environment

- Within the U.S., 2020 was a tale of two halves, with limited new investments executed during the first half of the year followed by a relatively sharp increase in H2 2020
  - Low interest rate policies and support from the financial sponsor and the private credit community alike helped to minimize COVID-19-related bankruptcies and contributed to this swift rebound in activity as stay-at-home orders eased

- Fueled by an unprecedented mix of fiscal and monetary stimuli, debt availability and lingering dry powder, European investment activity in 2020 proved relatively resilient despite the COVID-19 crisis
  - Much like their U.S. counterparts, European general partners were increasingly focused on business models that have proven more resilient and managed to demonstrate continued growth, have lower debt, and managed to sustain attractive margins throughout the pandemic



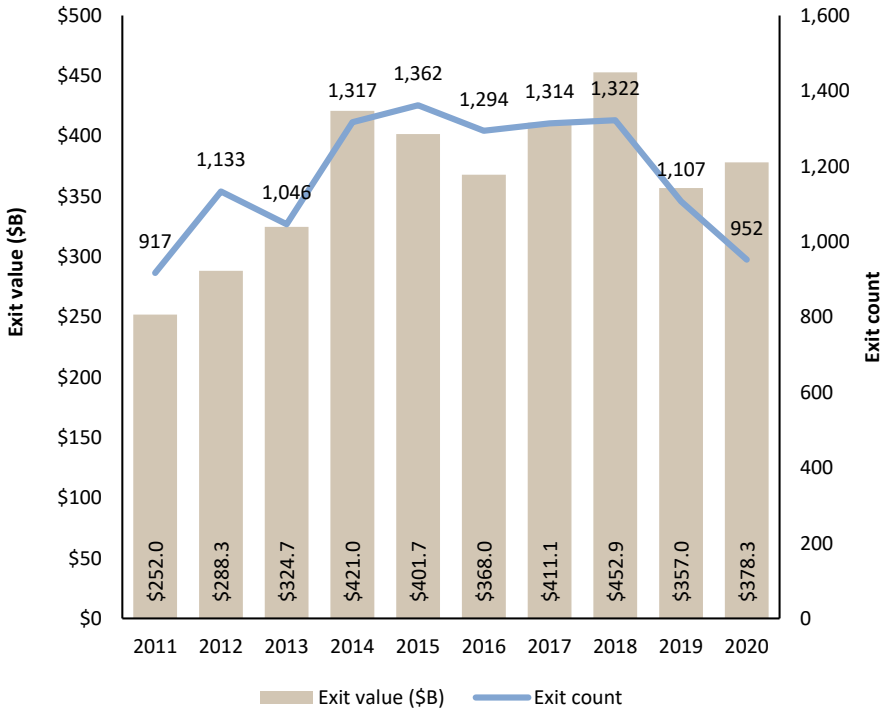


Data Source: PitchBook's 2020 Annual US PE Breakdown; PitchBook's 2020 Annual European PE Breakdown. U.S. PE Deal Activity by Year includes estimated deals totaling $147.1 billion in value and 975 in number. European PE Deal Activity by Year includes estimated deals totaling €100.1 billion in value and 1,051 in number. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

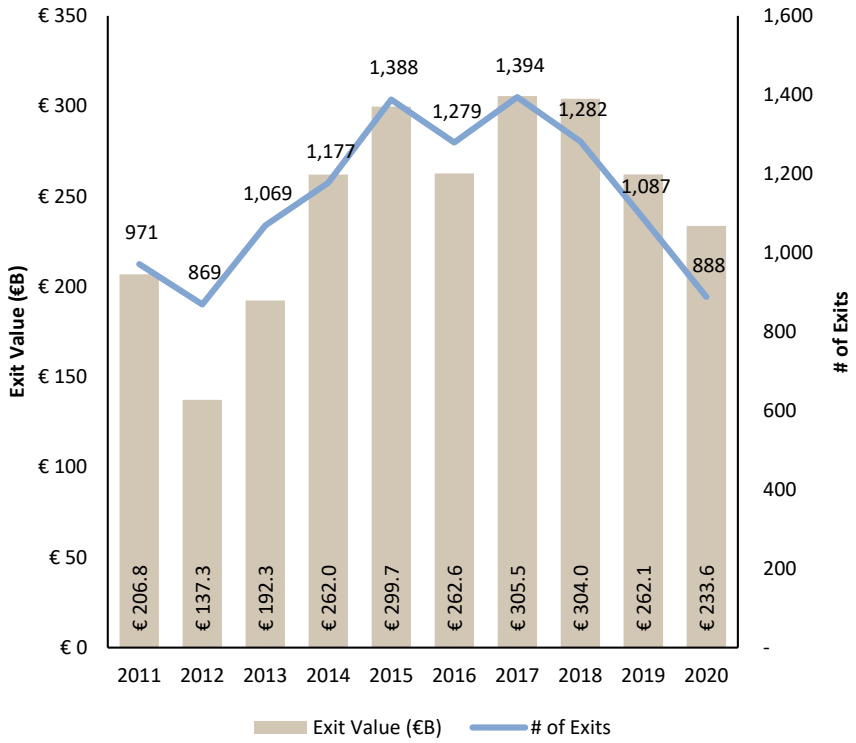
Private Equity Exit Environment

- U.S. private equity-backed exit activity was down by number year-over-year, with 952 portfolio companies exited for roughly $378 billion, representing a 14% decline by number. Exit value ticked up during the year by 6%, propelled by SPACs, several high-profile IPOs, and secondary buyouts and recaps
- Despite consistent deal activity, the reported number of European private equity-backed exits in 2020 was slower than that of previous years with 888 exits closing in 2020 for a total value of €234 billion compared with last year's 1,087 deals and €262 billion in deal value

U.S. PE Exit Activity
Through 12/31/2020



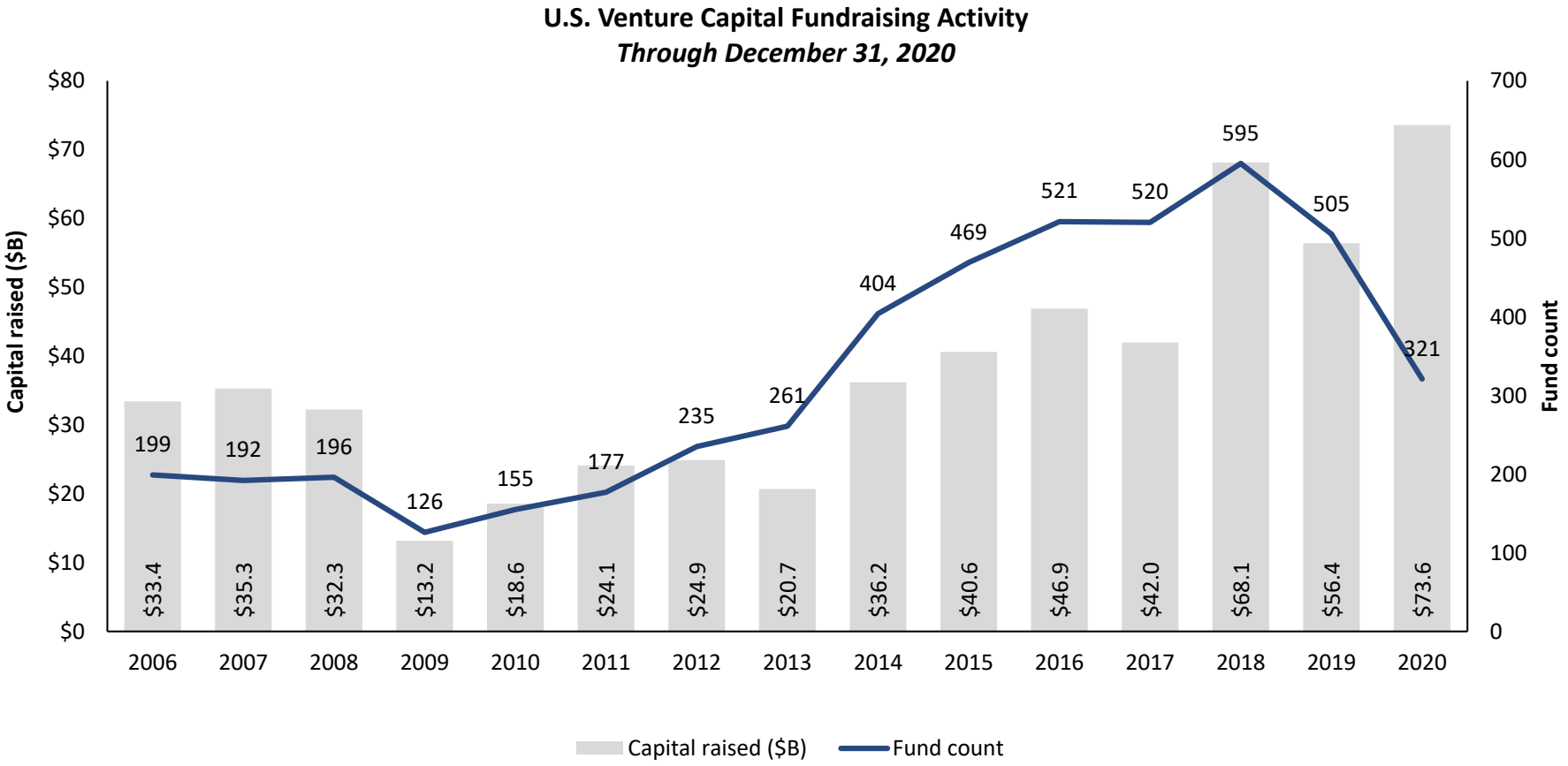
European PE Exit Activity
Through 12/31/2021



Data Source: PitchBook's 2020 Annual US PE Breakdown; PitchBook's 2020 Annual European PE Breakdown. U.S. PE Exit Activity includes estimated exits totaling $53.5 billion in exit value and 170 in number. European PE Exit Activity by Year includes estimated exits totaling €71.8 billion in exit value and 191 in number. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Venture Capital Fundraising Environment

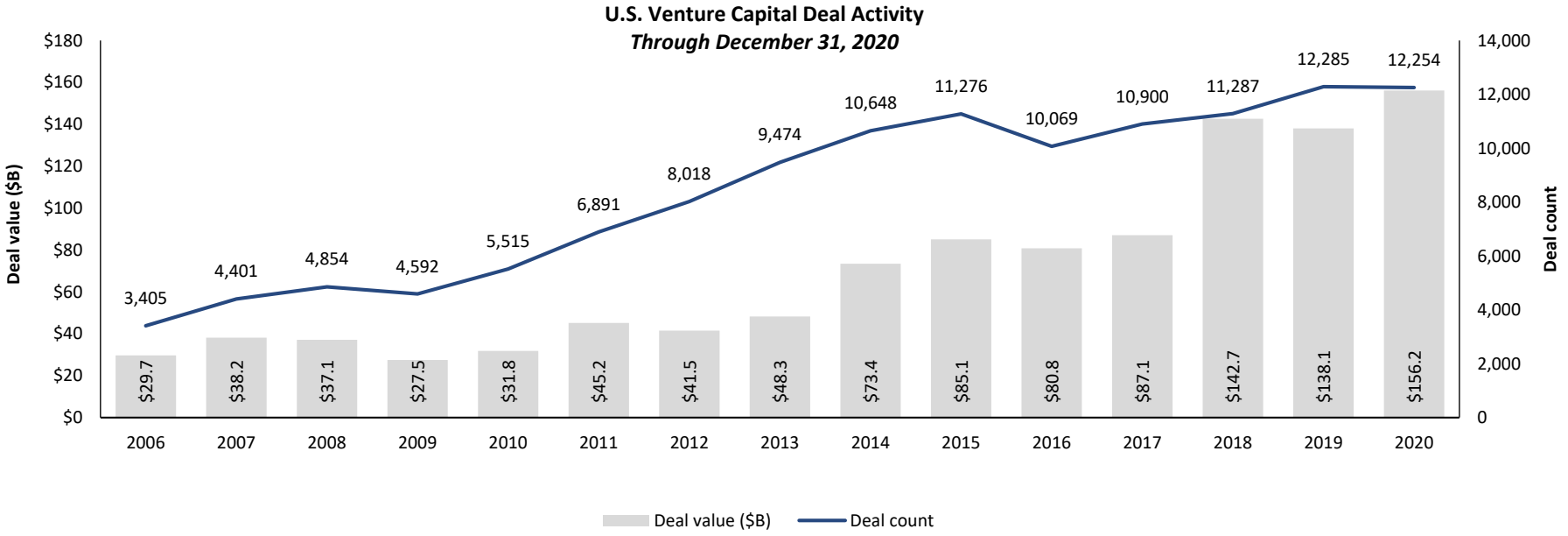
- Fundraising reached a record high in 2020, with approximately $74 billion raised by venture capitalists, although the number of funds raised was the lowest in seven years
  - Large and established venture managers commanded the majority of the fundraising dollars, with the median and average fund sizes increasing 69% and 78%, respectively
  - In total, 44 funds raised more than $500 million and accounted for nearly 64% of total capital raised. Further, there were a record 14 funds that raised over $1 billion, an increase of 75% from a year prior



Data Source: Q4 2020 PitchBook-NVCA Venture Monitor. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Venture Capital Investment Environment

- VCs invested approximately $156 billion across an estimated 12,254 companies in 2020
- Early-stage deal value decreased 11% to less than $42 billion.
- In terms of round size, after a decline in 2019, mega rounds, or rounds greater than $100 million, increased to nearly $71 billion, or 28% year-over-year
  - The number of mega rounds has steadily increased each year since 2017 and grew 33% to 321 total rounds in 2020.
  - Average pre-money valuations for later-stage companies grew to nearly $566 million, or a staggering 64% over 2019 figures, while average early-stage valuations declined 10% from year-end 2019
- As valuations continue to appreciate and companies elect to remain private longer, the number of unicorns, or companies valued over $1 billion, has meaningfully increased since 2017.
  - 50 billion was invested across 223 unicorn transactions, a notable increase from the $17.8 billion and 84 transactions completed only three years ago

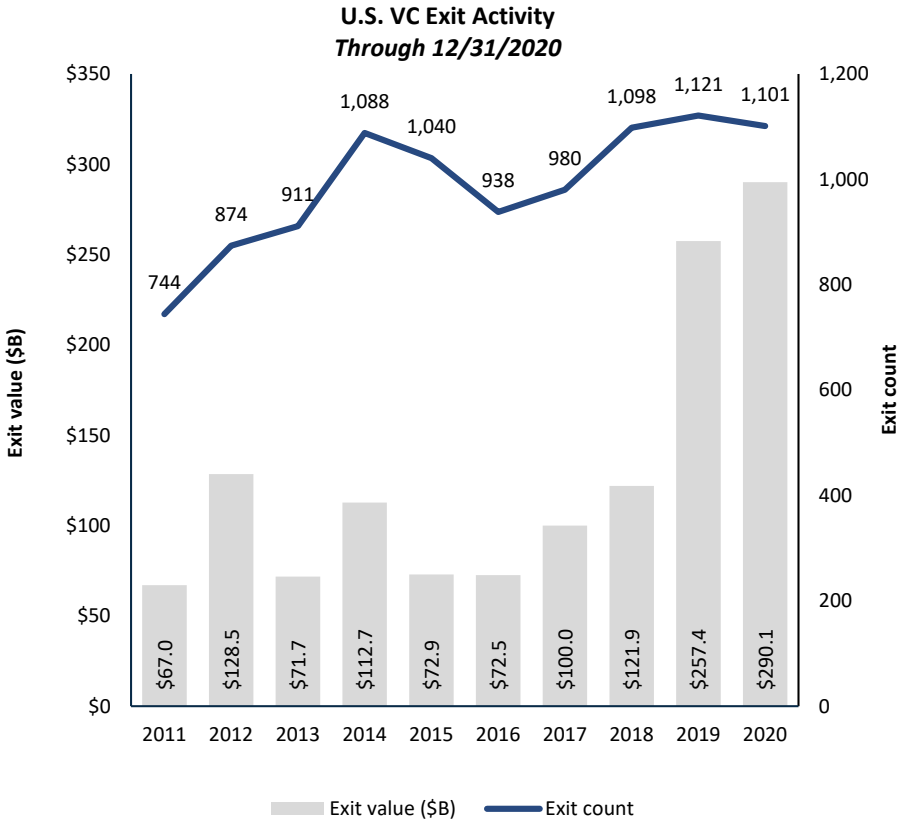


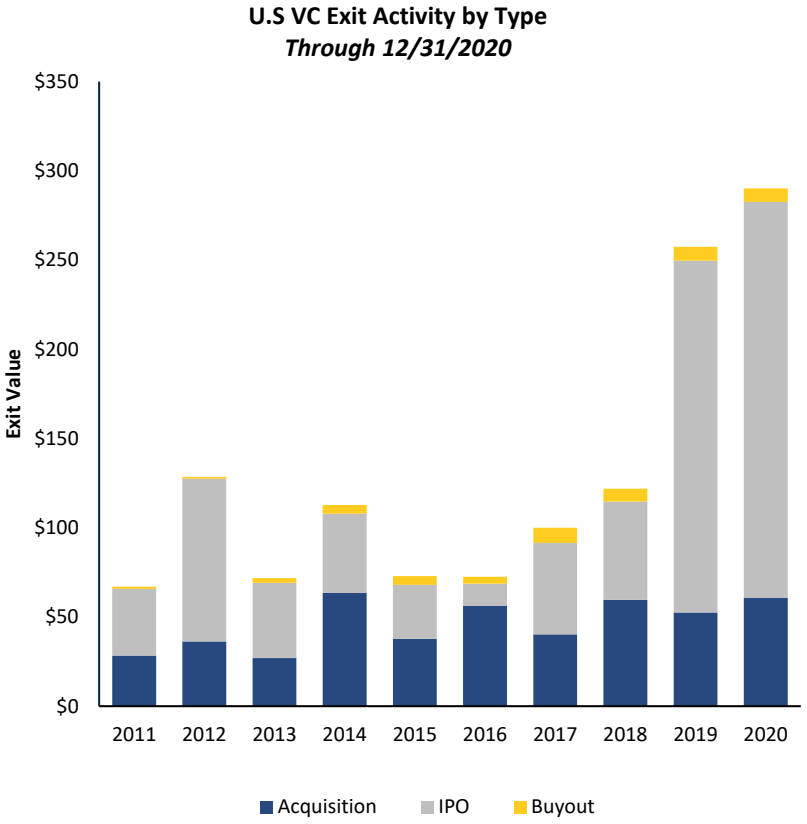
Data Source: Q4 2020 PitchBook-NVCA Venture Monitor. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Venture Capital Exit Environment

- While the number of exits was essentially flat when compared to 2019 levels, exit value increased 13% to just over $290 billion
  - After an initial decline in H1 2020, the second half of the year saw a healthy IPO market augmented by a government-supplied stimulus package and continued low interest rates.

- Special purpose acquisition vehicles ("SPACs") surged in 2020 as an alternative to a traditional IPO. The number of SPAC vehicles increased 372%, to 250, in 2020, and raised a record $57.1 billion, an increase of nearly 580% year-over-year

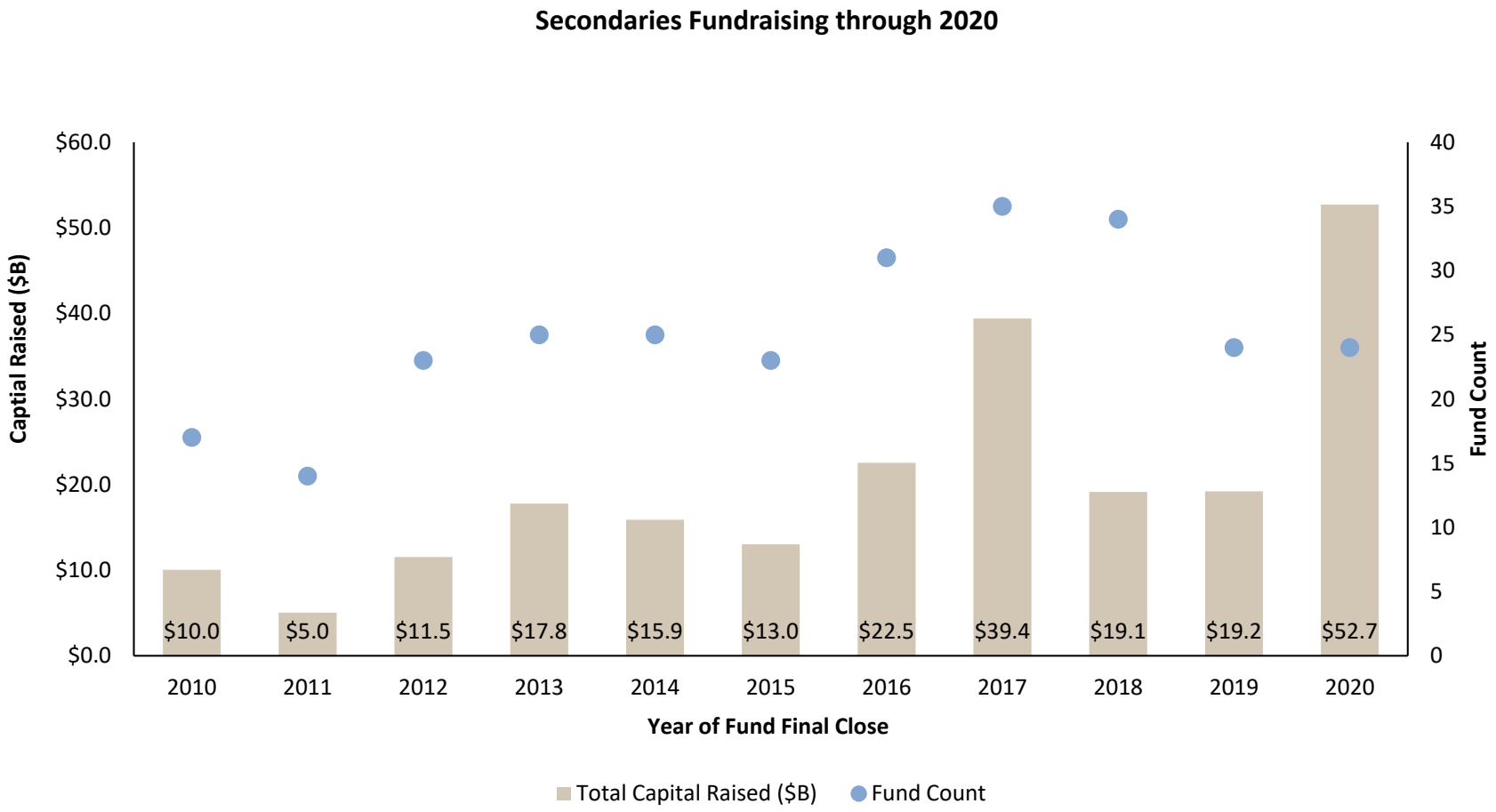




Data Source: Q4 2019 PitchBook-NVCA Venture Monitor. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Secondary Fundraising

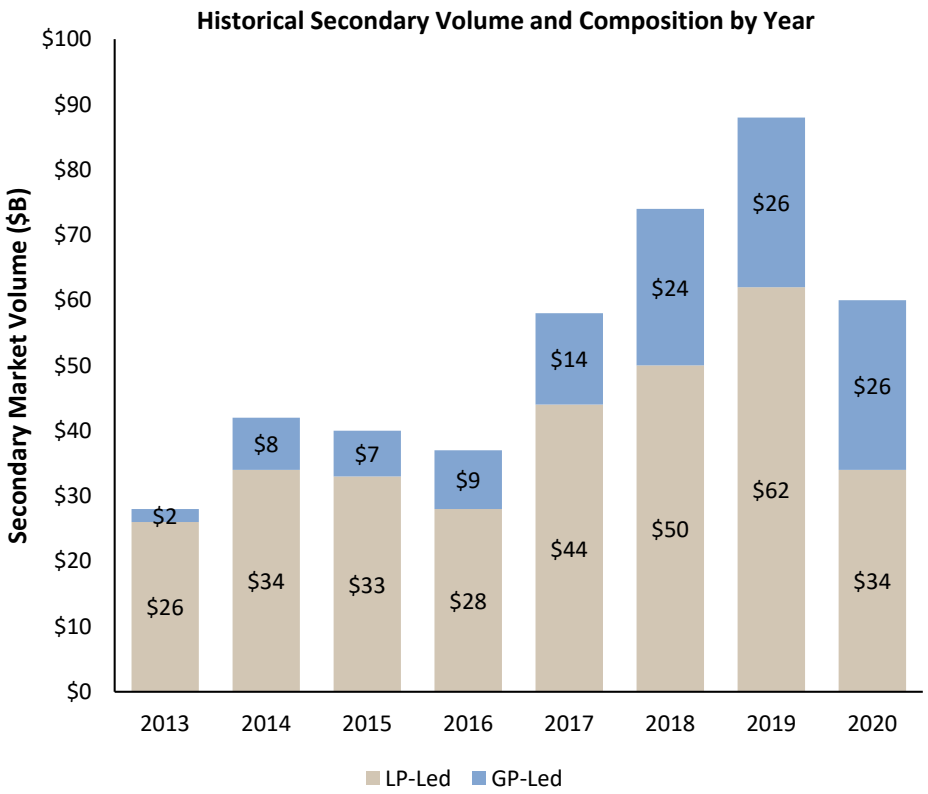
- 2020 secondaries fundraising more than doubled from 2019 levels in terms of capital raised, partly due to several larger $1 billion+ funds closing during the year

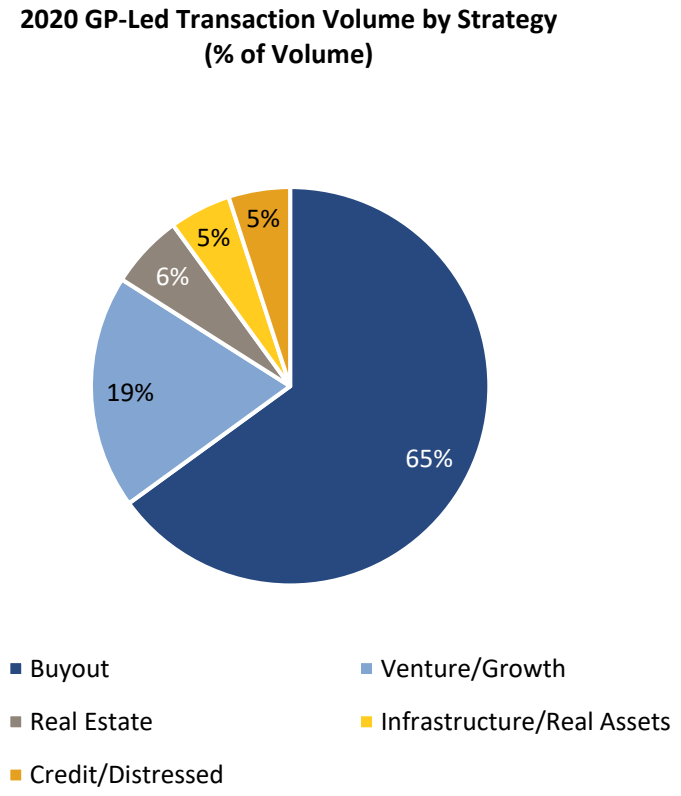


Data Source: PitchBook. Secondaries Fundraising through 2020 data sourced on 3/26/2021. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Secondary Volume

- Secondary market volume in 2020 declined 32%, to $60 billion, when compared to the record-setting $88 billion of transaction volume in 2019.
- Due to the onset of COVID-19 in the first half of the year, secondary market volume declined by 57% from the prior year, to $18 billion, a level not seen since the first half of 2016
- As confidence returned to the market in H2 2020, transaction volume more than doubled from the first half to $42 billion. It should be noted that even with the unprecedented impact of COVID-19, total secondary market volume in 2020 was the third highest on record

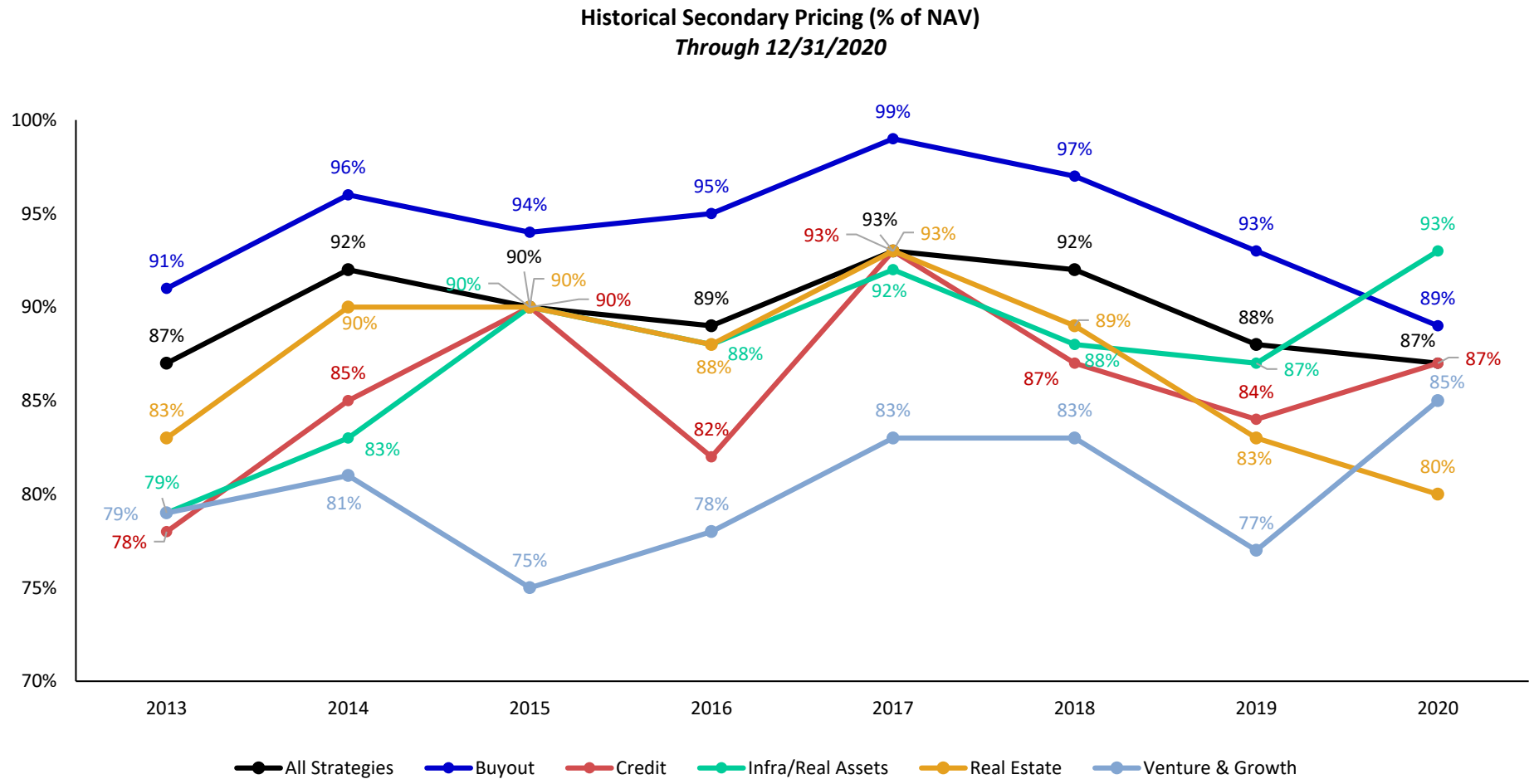




Data Source: Greenhill Global Secondary Market Trends & Outlook; January 2021. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Secondary Market Pricing Evolution Over Time

- Average pricing LP interests in 2020 declined by only 100 basis points, to 87% of NAV.
  - This average saw a remarkable rebound from the 1H, where pricing was at 80%. Pricing in the H2 was boosted by venture & growth equity funds, as the average price increased from 70% of NAV in the first half to 85% for 2020



Data Source: Greenhill Global Secondary Market Trends & Outlook; January 2021. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

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 and may not include all recallable capital (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

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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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Coronavirus Outbreak Risks. The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economies. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect many private equity investments and many of the industries in which private equity managers operate. The ability to operate effectively, including the ability of personnel or service providers and other contractors to function, communicate and travel to the extent necessary to carry out investment strategies and objectives and business, has been, and will continue to be, impaired. Markets are experiencing very high levels of volatility and generally stressed conditions. Businesses across the United States and the world, and across most sectors, are experiencing significant challenges to their revenues and business, which could make it difficult for businesses to continue as a going concern. Unemployment is likely to rise significantly and reduced revenues may reduce profits or lead to losses. Many governments--federal, state, local, and non-United States--have imposed limitations on businesses and intervened in markets in an effort to ensure they continue to function. It is unclear how long these conditions will continue and, the longer these conditions continue, the risk of a long term adverse effect increases. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to "re-open", it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro-and micro- economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

Important Information

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Abbott and Portfolio Investment Performance Information:
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 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.

AUM will not reflect Abbott's reported RAUM due to the inclusion of non-discretionary assets for which Abbott does not provide continuous and regular supervisory or management services and the inclusion of liabilities.

Since Inception refers to an Abbott inception date of March 31, 1987.

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 material.

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.

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.

Important Information

The hypothetical and pro forma information herein is for illustrative purposes only and is not indicative of any future performance as it is hypothetical and does not reflect the actual results achieved by Abbott or any of its client accounts or investors. There is no assurance that this information accurately represents the performance that an investor would have achieved had it invested in any included transaction or any Abbott portfolio or that an investor will be able to make any profit or be able to avoid incurring any substantial losses.

Market Performance and Indices: Market indices, benchmarks or other measures of relative market performance are provided for information only and do not imply that an Abbott Client will achieve, or should expect, similar returns, volatility or results, or that these are appropriate benchmarks to be used for comparison. The market volatility, liquidity and other characteristics of private equity investments are materially different from publicly-traded securities and the composition of these indices does not reflect the manner in which any Abbott Client portfolio is constructed with respect to expected or actual returns, portfolio guidelines/restrictions, investment strategies/sectors, or volatility, all of which change. Index returns will generally reflect the reinvestment of dividends, if any, but do not reflect the deduction of any fees or expenses which would reduce returns. An investor cannot invest directly in the indices.

Public Market Equivalent (PME+) is an internal rate of return calculated as if investor cash flows were used to purchase and sell shares of a public market index. PME+ scales distributions by a constant proportion such that the net remaining investment in the index equals the actual net asset value at the measurement date. PME+ is provided because if a portfolio significantly outperforms the public market index due to a high level of distributions, the net remaining investment in the index may be in a short position. A PME+ return calculation permits the net remaining investment in the index to equal the net asset value of the private equity portfolio at the measurement date. Any PME+ analysis is based on illiquid and unrealized values which will vary considerably over the life of an investment, 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). **Horizon PMEs** are calculated using actual daily cash flows of each portfolio investment. 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.

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

April 19, 2021

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

SUBJECT: 2021 ASSET ALLOCATION RECOMMENDATION

Attached is a joint memo from NEPC and I recommending Board adoption of revised asset class targets. Also attached is a copy of the Asset Liability Study which provides the framework for the asset allocation decision.

Subject to Board approval of an asset allocation mix at this meeting, we will return to the Board at the May 17, 2021 business meeting with proposed ranges and benchmarks.

RECOMMENDED: THAT THE BOARD APPROVE THE ASSET ALLOCATION MIX RECOMMENDATION AS PRESENTED IN THE ATTACHED JOINT MEMO.

Respectfully submitted,

Daniel P. Gallagher

Dan Gallagher
Chief Investment Officer

H:\Asset Allocation\2021\20210419\Asst Alloc target change cover memo- Board rec.docx

NEPC, LLC

To: Ventura County Employees' Retirement Association

From: Dan Gallagher, CIO, and the NEPC Consulting Team

Date: April 19, 2021

Subject: Asset Allocation Recommendation

Recommendation

Staff and NEPC recommend that the Board ("VCERA" or the "Fund") adopt the proposed asset allocation targets to replace the current target asset allocation. Once approved, staff and NEPC will recommend the formal adoption of a complete asset allocation policy, including targets, ranges and benchmarks for each allocation

Background

As shown in the table on the next page, the changes being recommended will modestly increase the target allocations to US Large Cap Equity, Private Equity, and Private Debt, by 1% each with funding coming from publicly traded fixed income. We've included the current target allocation and a 60/33/7 passively managed allocation, together with relevant metrics. In general, with interest rates at all-time lows (due to the combination of extremely supportive monetary and fiscal policy), forward-looking expected returns are less robust than previously, resulting in the 30-year expected returns for an undiversified public equity/fixed income/real estate portfolios falling well below the typical Public Fund assumed rate.

Staff and NEPC are recommending these changes as we believe these changes will increase the Fund's expected 10-year portfolio rate of return by 20 basis points to 6.4%, and the 30-year expected return to 7.4%, relative to the current asset allocation targets. The level of volatility is expected to increase with this new mix as well, however the Fund's expected risk-adjusted performance as measured by the Sharpe Ratio is expected to remain the same as the current target. More importantly, the higher allocation to Private Equity and Private Debt will increase the likelihood of manager outperformance (alpha) through the selection of outperforming managers. VCERA has added value through approving opportunistic strategies that have provided strong net-of-fee returns while mitigating the effect of the J-curve.

We expect the proposed target asset allocation changes to be paced over three to four years for Private Equity and Private Debt as the allocations are currently 10.6% and 2.3% respectively as of February 28th.

	Current Target	Recommended	60/33/7
US Large-Cap Equity	22%	23%	0%
US Small/Mid-Cap Equity	3%	3%	0%
Non-US Developed Equity	13%	13%	0%
Emerging Market Equity	3%	3%	0%
Global Equity	10%	10%	60%
Private Equity	15%	16%	0%
Total Equity	**66%**	**68%**	**60%**
US Treasury Fixed Income	4%	2%	0%
US Aggregate Fixed income	5%	5%	33%
Absolute Return Fixed Income	6%	5%	0%
Private Debt	5%	6%	0%
Total Fixed Income	**20%**	**18%**	**33%**
Core Real Estate	6%	6%	7%
Non-Core Real Estate	2%	2%	0%
Private Real Assets	6%	6%	0%
Total Real Assets	**14%**	**14%**	**7%**
Expected Return 10 yrs	**6.2%**	**6.4%**	**4.8%**
Expected Return 30 yrs	**7.2%**	**7.4%**	**5.8%**
Standard Deviation	**14.5%**	**15.1%**	**11.5%**
Sharpe Ratio (10 years)	**0.37**	**0.37**	**0.35**
Sharpe Ratio (30 years)	**0.36**	**0.36**	**0.34**

ASSET/LIABILITY STUDY

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

March 2021

Allan Martin, Partner
Dan Hennessy, CFA, CAIA, Senior Consultant
Lynda Dennen Costello, ASA, EA, Principal

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

NEPC

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

AGENDA

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Executive Summary	1
Asset-Liability Study Overview	2
Current Target Profile	3
Alternative Allocations	4
Scenario Analysis	5
Stochastic Analysis	6
Appendix	7

EXECUTIVE SUMMARY – BACKGROUND

- **The goals of the study are to:**
  - Review the current and projected financial status of the Plan
    - Project Pension liabilities and benefit payments
    - Project asset growth and contribution levels
  - Assess the appropriateness of the current asset allocation relative to the expected progress of liabilities and cash flows
  - Evaluate alternative asset mixes in light of liabilities and cash flows
  - Use multiple models to develop comprehensive understanding of plan dynamics
    - Risk and return of asset allocation
    - Relationship between assets and liabilities

- **VCERA investment objectives:**
  - Earn the highest possible long-term rate of return consistent with a level of risk that is appropriate given the Plan's assets and liabilities, funded status, and capital markets outlook
  - Exceed the return of the Plan's long-term policy index

EXECUTIVE SUMMARY – KEY FINDINGS

- **The funded status of the Plan increased from 88.0% as of July 1, 2019 to 89.6% as of July 1, 2020 on a smoothed value basis**
  - However funded ratio fell 1.5% to 87.7% on a market value basis
  - Actual asset return for FYE June 30, 2020 was 3.5%, but the plan returned 17.5% in the first half of fiscal 2021

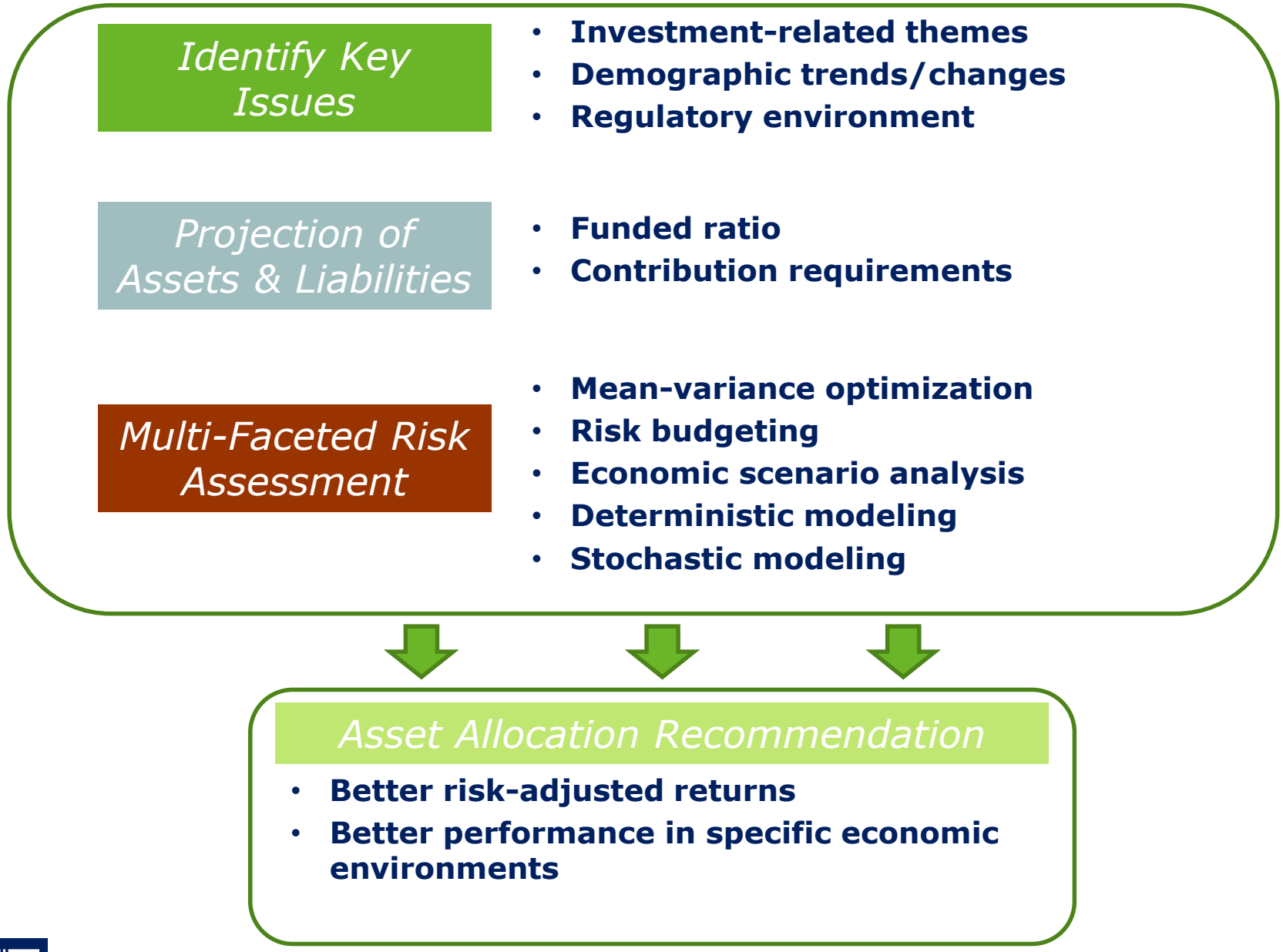
- **The Current Target allocation, excluding manager contribution, is expected to produce an average return of 7.2% over the next 30 years, barely less than the target of 7.25% expected return on assets (EROA)**
  - Due to lower interest rates in the long term, the 10-year return faces more headwinds and is expected to return 6.2% per year on average

- **This allocation and liability analysis investigates alternative Asset Mixes in order to improve financial outcomes**
  - Increasing public and private equity to increase return expectations
  - Reducing public fixed income and increasing private fixed income
  - Exploring reduction in dedicated U.S. Treasury exposure and modestly decreasing core bonds

ASSET-LIABILITY STUDY OVERVIEW

NEPC, LLC

ASSET LIABILITY FRAMEWORK



ASSET ALLOCATION APPROACH

Be Dynamic

Build a **long-term** strategic allocation that can meet long-term objectives

Look for **medium-term** "opportunistic ideas" to tilt away from the strategic allocation to add value, protect against drawdowns, and take advantage of **short-term** market dislocations

Build a Mosaic

No single asset allocation approach or model has all the answers

Minimize exposure to the shortcomings of any individual approach by using multiple perspectives and approaches

All analytical tools have the potential to provide useful insights but also including shortcomings

CURRENT TARGET PROFILE

NEPC, LLC

ASSET ALLOCATION

	Current Target
US Large-Cap Equity	22%
US Small/Mid-Cap Equity	3%
Non-US Developed Equity	13%
Emerging Market Equity	3%
Global Equity	10%
Private Equity	15%
Total Equity	**66%**
US Treasury Fixed Income	4%
US Aggregate Fixed income	5%
Absolute Return Fixed Income	6%
Private Debt	5%
Total Fixed Income	**20%**
Core Real Estate	6%
Non-Core Real Estate	2%
Private Real Assets	6%
Total Real Assets	**14%**
Expected Return 10 yrs	**6.2%**
Expected Return 30 yrs	**7.2%**
Standard Deviation	**14.5%**
Sharpe Ratio (10 years)	**0.37**
Sharpe Ratio (30 years)	**0.36**

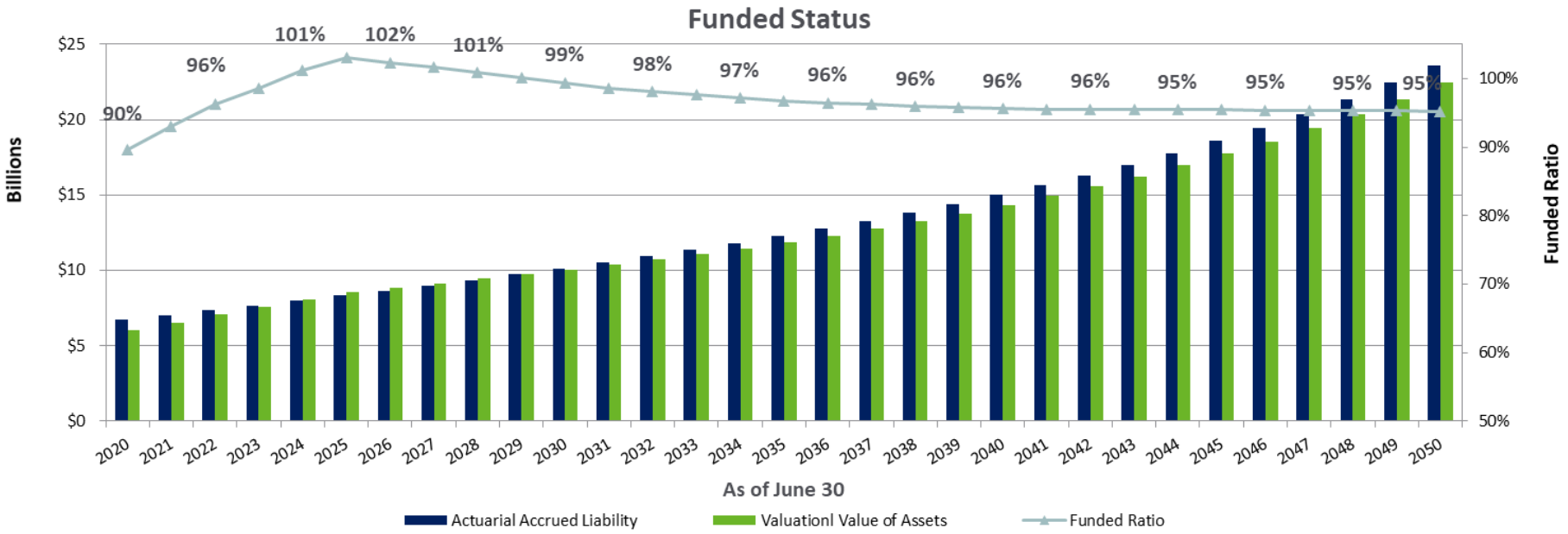
- **The Current Target has a ten-year expected return of 6.2% using Q4 2020 return projections**
- **The Association's 7.25% EROA is not expected to be achievable over the next 10-year market cycle under the Current Target**
- **The EROA is expected to be attained with a 41% probability over 10 years**
- **Over a longer 30-year time period, expected returns are higher for most asset classes and the expected return of the portfolio is 7.2%, in line with the 7.25% EROA**

ASSET ALLOCATION OBSERVATIONS

- **Asset allocation reflects VCERA' degree of risk tolerance**
  - Expected 30-year return is 7.2% which is just below the assumed actuarial rate of return of 7.25%
  - However, the Current Target encompasses a strategic, long-term perspective of capital markets as well as the nature and structure of VCERA' liabilities

- **Forward-looking environment may continue to be volatile with unique opportunities**
  - COVID-19 has had a significant effect on current market conditions, so it is important to focus on the long-term strategic outlook
  - Market corrections provide opportunities to add risk to the portfolio, while also highlighting the need to add protection against future market volatility
  - Borrowing costs are at all time lows, favoring borrowers
  - Long-term Treasury yields have risen over 50 basis points since this analysis was conducted

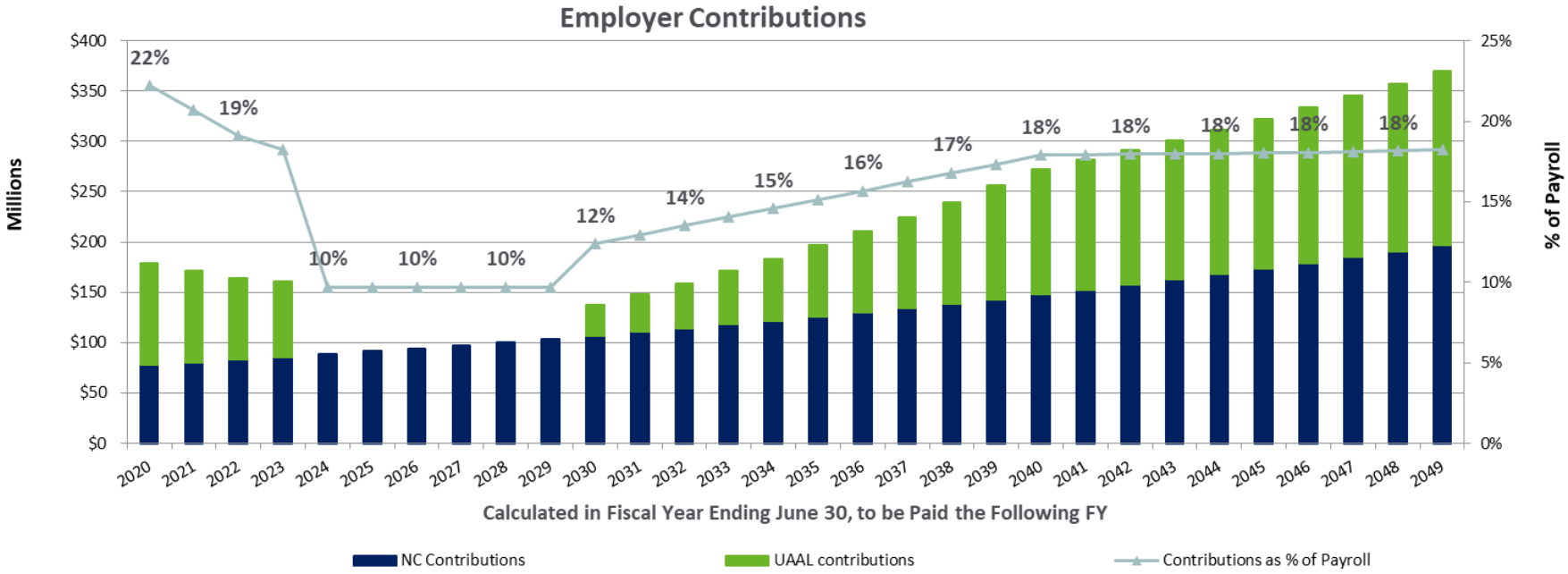
LONG-TERM EXPECTATIONS



- **The funded status of the plan is projected to increase steadily for the next 5 years, then decline slowly over the next 25 years while staying above 95% funded**
  - Funded Status = Valuation Value of Assets / Accrued Liability
- **Market value of assets assumed to return 7.2%, NEPC's 30-year expected return forecast for VCERA**
  - Average annual increase in Actuarial Value of assets is 4.4%
- **Liabilities are estimated to grow at an average pace of 4.3% per year**
  - Discount rate assumed to remain level at 7.25%

Deterministic projections based on the Current Target allocation and NEPC's 12-31-2020 30-year return assumptions. Fiscal YTD 2020 investment return was reported to be 17.5%.

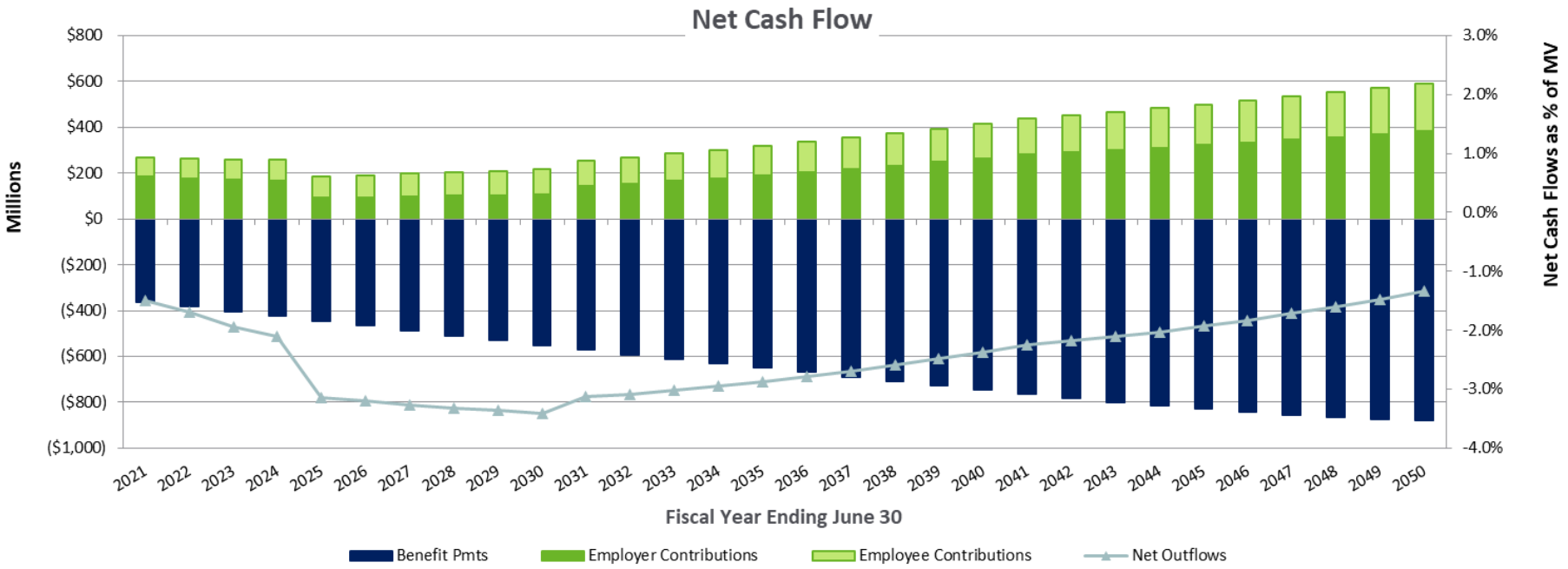
LONG-TERM EXPECTATIONS



- **Assuming a 7.2% investment return, Employer contributions are projected to dip to 10% of payroll by 2024, then slowly start to increase in 2030, ultimately leveling off around 18%**
- **Variations in contributions correspond to various amortization bases becoming fully amortized, and all prior bases being eliminated if a surplus exists**
- **The minimum contribution of 10% of payroll represents the annual normal cost less employee contributions, and is projected to increase annually (in dollar terms) by the 3.25% salary increase assumption**

Deterministic projections based on the Current Target allocation and NEPC's 12-31-2020 30-year return assumptions. Fiscal YTD 2020 investment return was reported to be 17.5%. Assumes prior bases are eliminated if plan reaches 100% funded.

LONG-TERM EXPECTATIONS



- **Benefit payments outweigh total contributions, creating a negative cash flow for the plan**
- **Average annual negative cashflow is 2.6% of market value over the next 30 years**
  - Within the range of a typical public fund pension plan, providing no liquidity concerns
- **Projection assumes a long-term investment return of 7.2%**

Deterministic projections based on the Current Target allocation and NEPC's 12-31-2020 30-year return assumptions. Fiscal YTD 2020 investment return was reported to be 17.5%.

SUMMARY OF CURRENT PROFILE

- **The Current Target allocation is not expected to meet plan objectives over the next 10 or 30 years**
  - Long-term plan expected return of 7.25% is not quite achieved with the December 31, 2020 long term assumption of 7.2%
  - Contributions are projected to remain at reasonable levels and decline over time as a percentage of payroll
- **The funded status of the plan has declined over the last fiscal year in market value terms**
  - Funded status of the plan is expected to increase if expectations are met and recommended contributions are made
- **Given these results, three alternate asset mixes and one comparison mix have been presented for further discussion and analysis in the next section**
  - Increase overall equity exposure through additions to public and private equities
  - Reduce international equity
  - Increase private debt and Treasuries, funded by absolute return
  - Reposition Real Assets Allocation

ALTERNATIVE ALLOCATIONS

NEPC, LLC

PROPOSED ASSET ALLOCATIONS

The goals of the proposed allocations are to achieve:

- Higher expected returns
- Better diversification and tail-risk protection

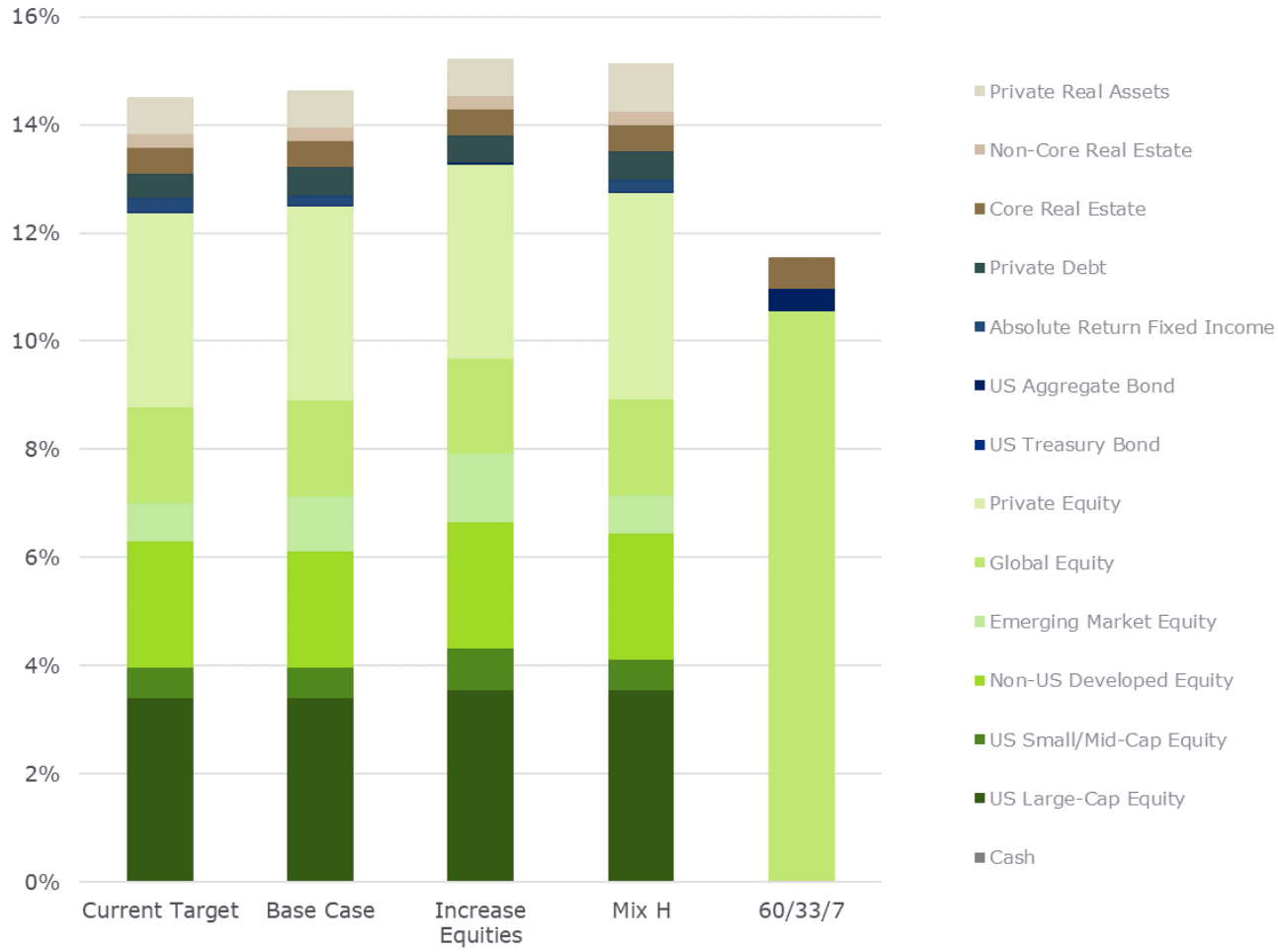
The following allocations are modeled in the next few pages under various economic scenarios:

- **Current Target**
  - Represents the current Investment Policy, which is a well-diversified allocation based on VCERA's risk tolerance
- **Base Case**
  - Makes small adjustments to the allocation by shifting 2% from international developed equities and increasing allocation to Emerging Market Equities
  - Reduces 2% from absolute return fixed income and increases Treasuries and private debt
- **Increase Equities**
  - Increases U.S. public equity by 2% and emerging equities by 2%, funded by elimination of absolute return fixed income
  - Adds 1% to each of Treasuries and private debt
- **Mix H**
  - Increases US large cap equities, private equity and private debt by 1% each, while reducing Treasuries
- **60/33/7**
  - Added for comparison only and represents a simple portfolio of 60% global equities, 33% core fixed income, and 7% real estate

ALTERNATE ALLOCATIONS

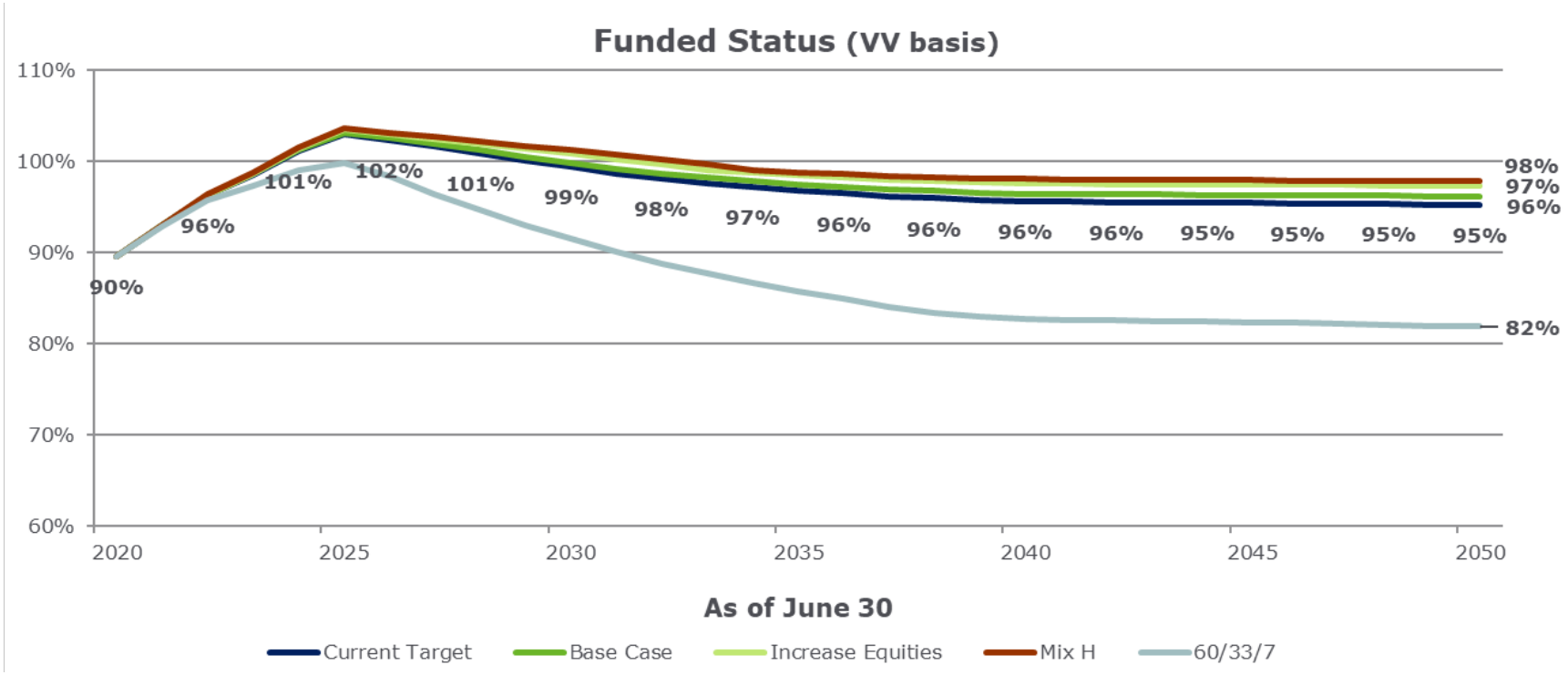
	Current Target	Base Case	Increase Equities	Mix H	60/33/7
US Large-Cap Equity	22%	22%	23%	23%	0%
US Small/Mid-Cap Equity	3%	3%	4%	3%	0%
Non-US Developed Equity	13%	12%	13%	13%	0%
Emerging Market Equity	3%	4%	5%	3%	0%
Global Equity	10%	10%	10%	10%	60%
Private Equity	15%	15%	15%	16%	0%
Total Equity	**66%**	**66%**	**70%**	**68%**	**60%**
US Treasury Fixed Income	4%	5%	5%	2%	0%
US Aggregate Fixed income	5%	5%	5%	5%	33%
Absolute Return Fixed Income	6%	4%	0%	5%	0%
Private Debt	5%	6%	6%	6%	0%
Total Fixed Income	**20%**	**20%**	**16%**	**18%**	**33%**
Core Real Estate	6%	6%	6%	6%	7%
Non-Core Real Estate	2%	2%	2%	2%	0%
Private Real Assets	6%	6%	6%	6%	0%
Total Real Assets	**14%**	**14%**	**14%**	**14%**	**7%**
Expected Return 10 yrs	**6.2%**	**6.2%**	**6.4%**	**6.4%**	**4.8%**
Expected Return 30 yrs	**7.2%**	**7.2%**	**7.3%**	**7.4%**	**5.8%**
Standard Deviation	**14.5%**	**14.6%**	**15.2%**	**15.1%**	**11.5%**
Sharpe Ratio (10 years)	**0.37**	**0.37**	**0.37**	**0.37**	**0.35**
Sharpe Ratio (30 years)	**0.36**	**0.36**	**0.36**	**0.36**	**0.34**

CONTRIBUTION TO RISK ANALYSIS



- **This chart shows the contribution to asset volatility of each asset class based on standard deviation and correlations**
- **Public and private equity have the greatest contribution to portfolio risk, while diversification of asset classes serves to reduce overall volatility**

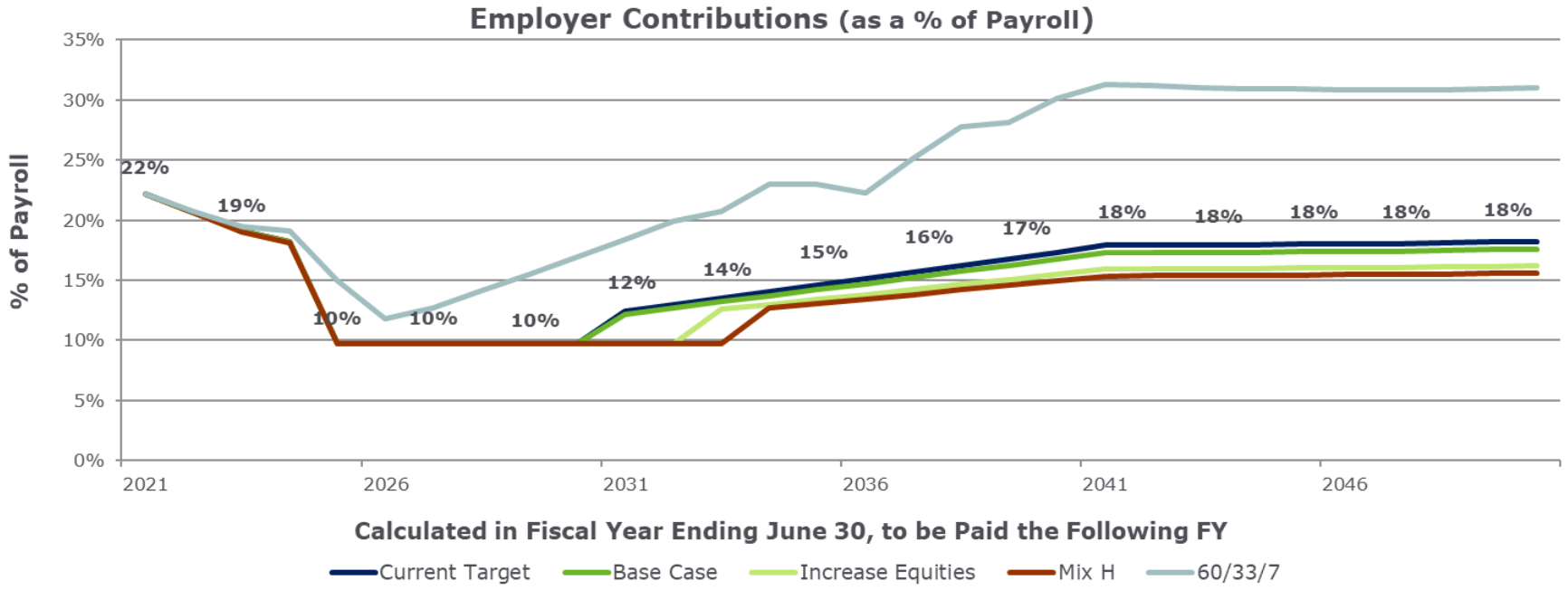
LONG-TERM EXPECTATIONS



- **Mix H and Increase Equities result in a slightly higher funded ratio than the Current Target due to their higher expected return**
  - Results in an approximately 2-3% higher funded status than Current Target over 30 years, but also add more risk
- **Base Case mix tracks closely to the Current Target, with lower funding ratios**
- **Mix 60/33/7 is less efficient with lower returns dragging down funded status over time**
- **Changes to the allocations are on the margins and will not have significant effect on long term funded status**

Deterministic projections based on NEPC's 12-31-2020 30-year return assumptions. Fiscal YTD 2020 investment return was reported to be 17.5%

LONG-TERM EXPECTATIONS



- **The 60/33/7 mix results in the highest contributions over the projection period**
- **Mix H and Increase Equities mix produce lower contributions than the Current Target in each year, with a reduction of up to 3% of payroll in 30 years**
- **Base Case mix tracks closely to the Current Target with slightly lower contributions throughout the projection**
- **Employee contributions are projected to be 9.9% over the projection period**

Deterministic projections based on NEPC's 12-31-2020 30-year return assumptions. Fiscal YTD 2020 investment return was reported to be 17.5%

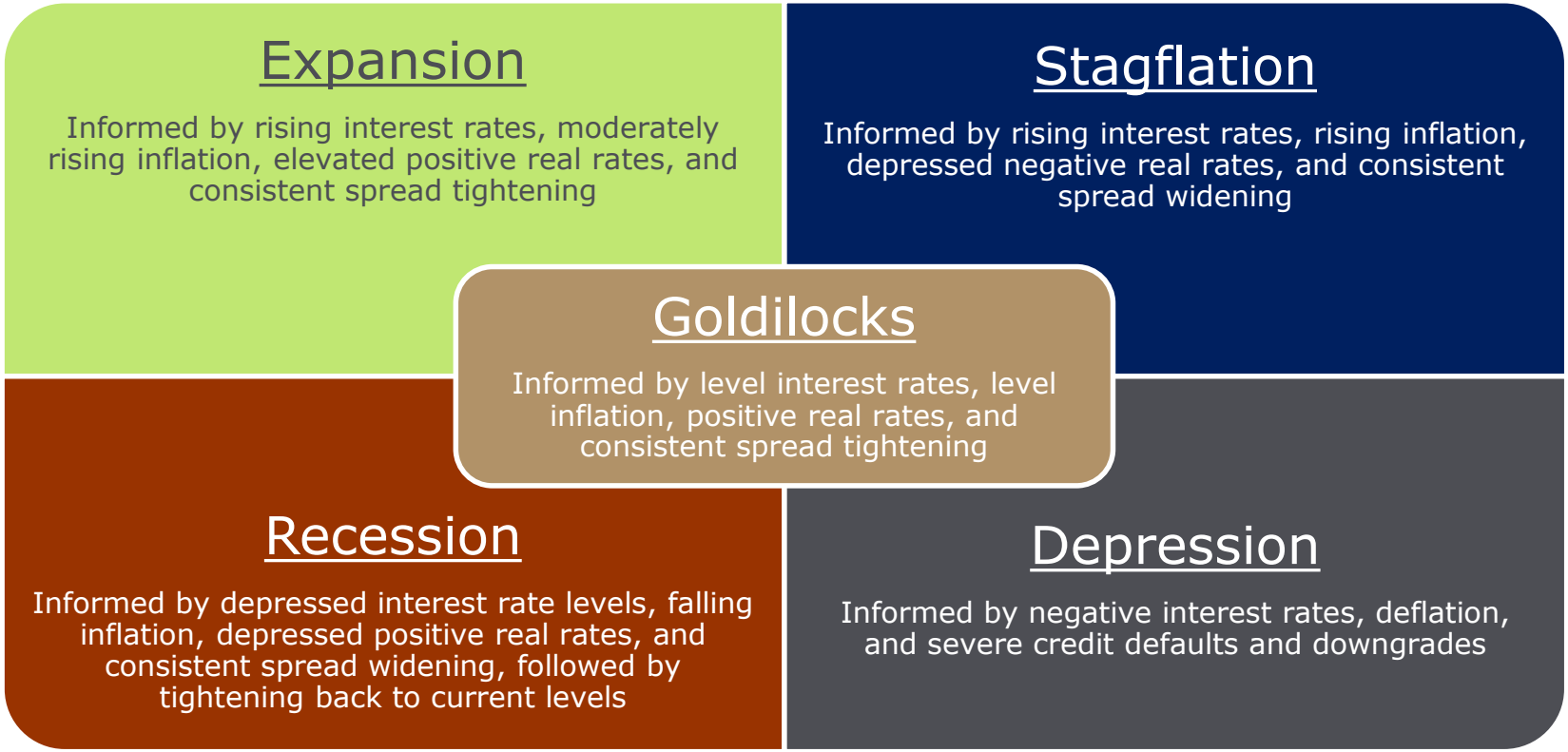
SCENARIO ANALYSIS

NEPC, LLC

SCENARIO ANALYSIS: REGIME CHANGES

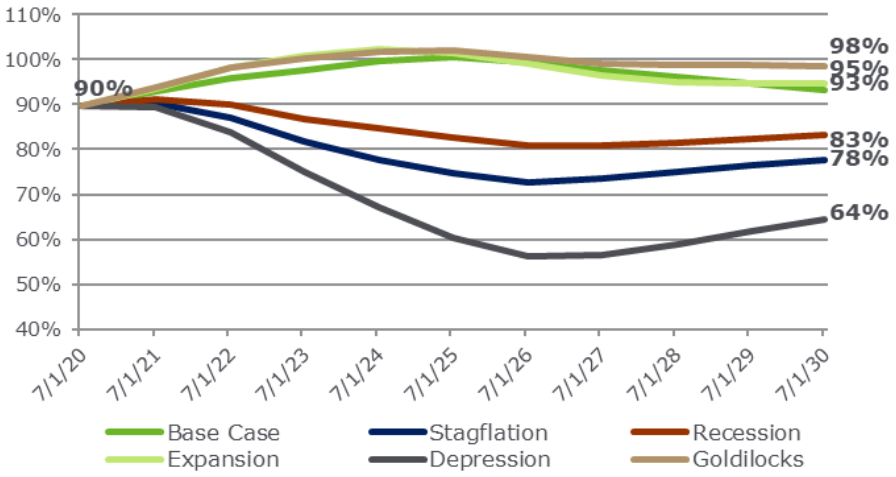
NEPC scenario analysis highlights the impact of shifting economic and market regimes on the portfolio and potential asset allocation mixes

Risk asset returns are informed by credit returns which are based on changes in real rate, inflation, and credit spreads experienced across market regimes

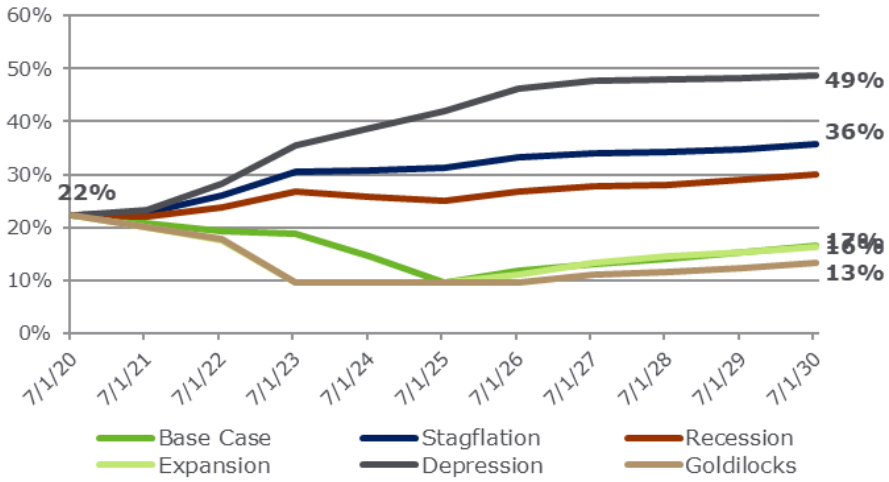


ECONOMIC SCENARIOS: POLICY TARGET

Funded Status (VV basis)

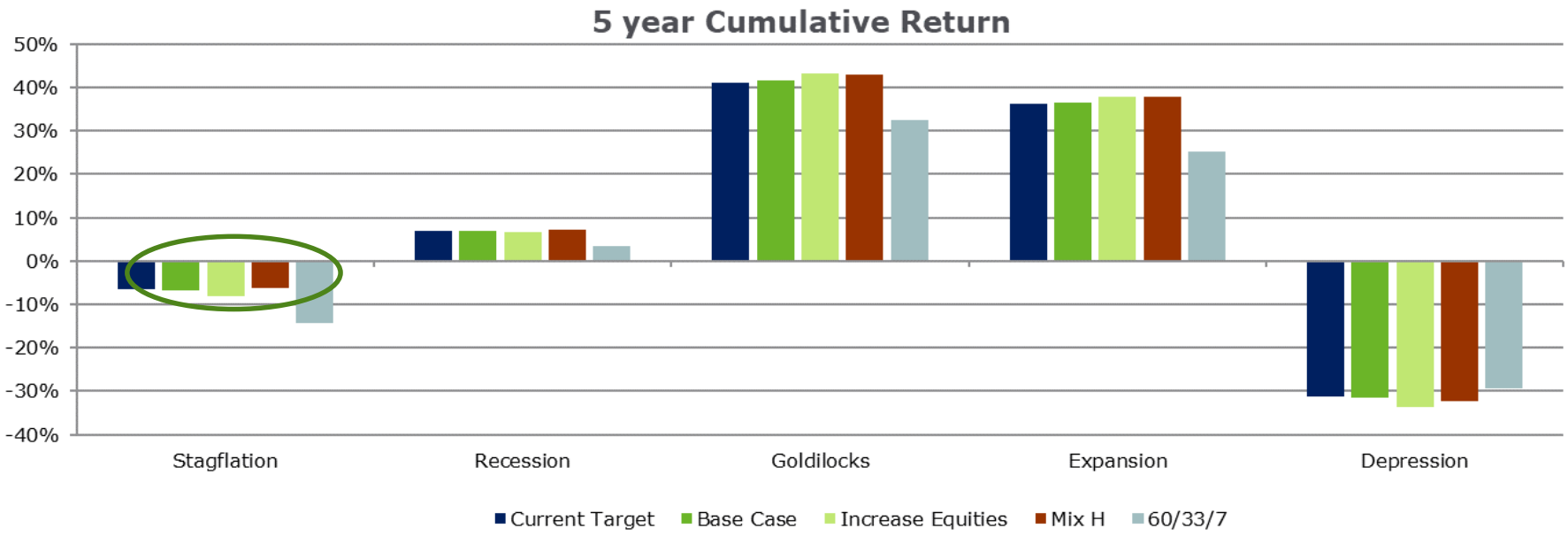


Contributions (% of payroll)



- **Funded status over the next 10 years is expected to increase, but could range between 57% and 102%**
- **The range of outcomes can be significant even with multiple smoothing techniques in place**
  - Actuarial assets smooths Market Value gains and losses over 5 years
  - Gains and losses in unfunded liabilities are amortized over 15 years
- **Negative asset returns under Depression, Recession and Stagflation have the most severe effect on funded status**
- **Contributions are expected to decrease over the next 10 years, but may increase under a weak economy**
  - Contributions could increase to as high as 49% of payroll under the Depression scenario

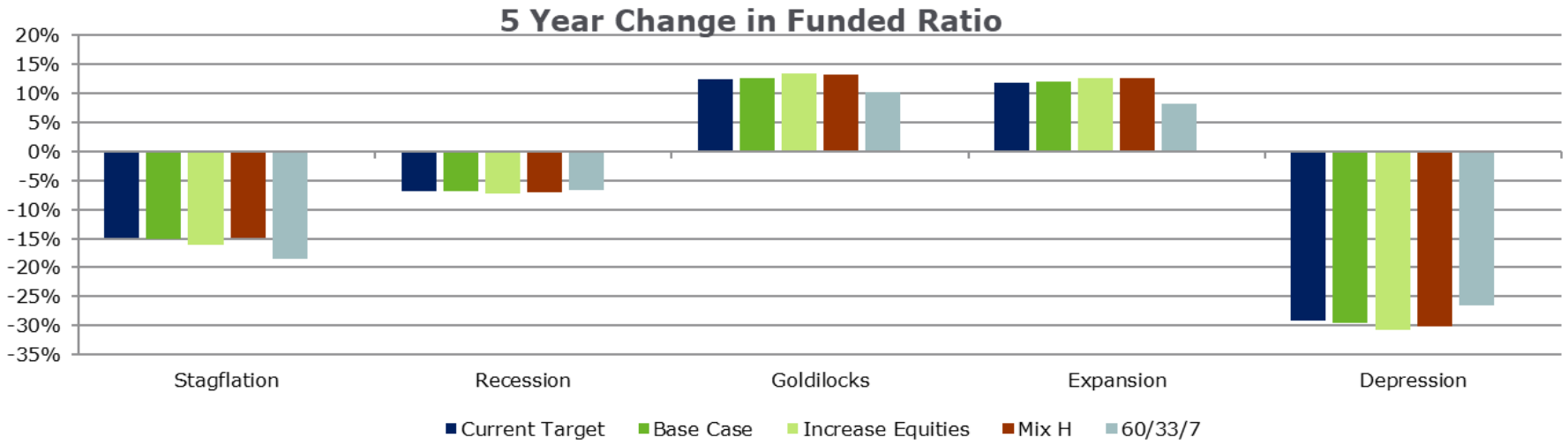
ECONOMIC SCENARIOS

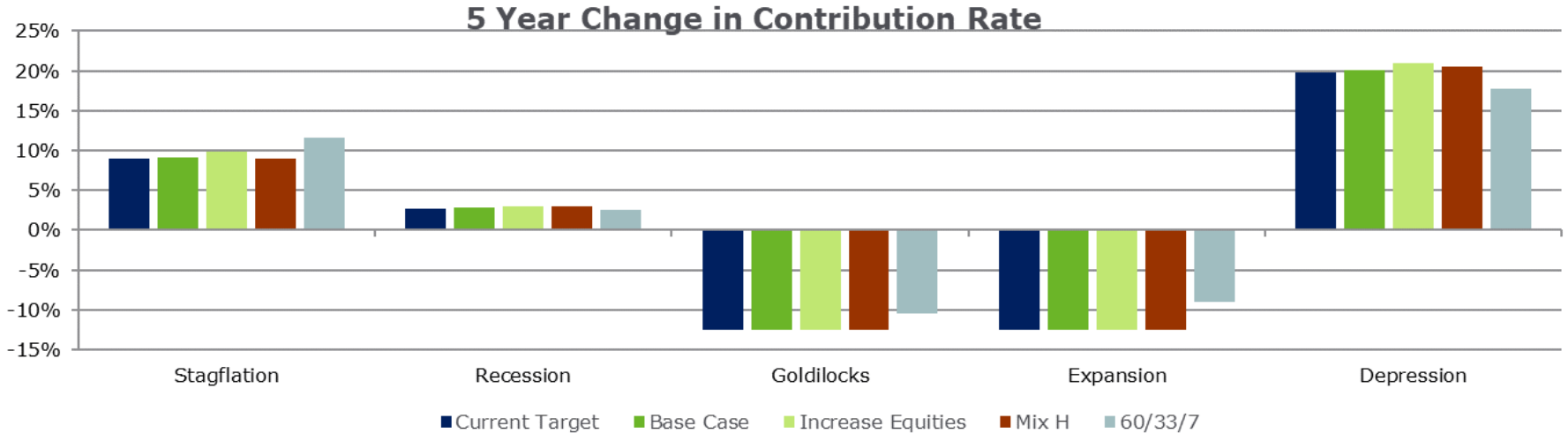


- **Mix H and Increase Equites have similar results in each scenario, with Mix H outperforming the Current Target and Increase Equities in a high inflation Stagflation environment**

- **Base Case, Increase Equities, and Mix H all outperform the Current Target in the strong economies, Goldilocks and Expansion, but lag the Current Target in negative economies, with Increase Equities being the most volatile**

ECONOMIC SCENARIOS



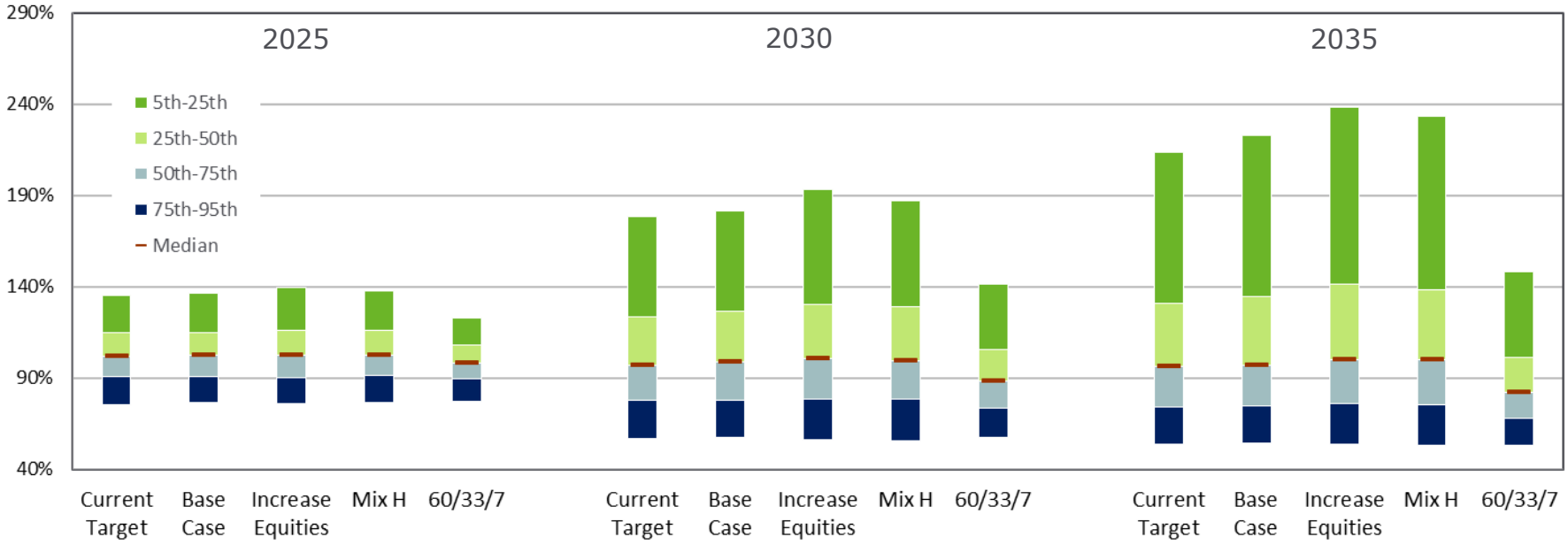


Funded Ratio = Valuation Value of Assets/Accrued Liability

STOCHASTIC ANALYSIS

NEPC, LLC

STOCHASTIC ANALYSIS
FUNDED STATUS

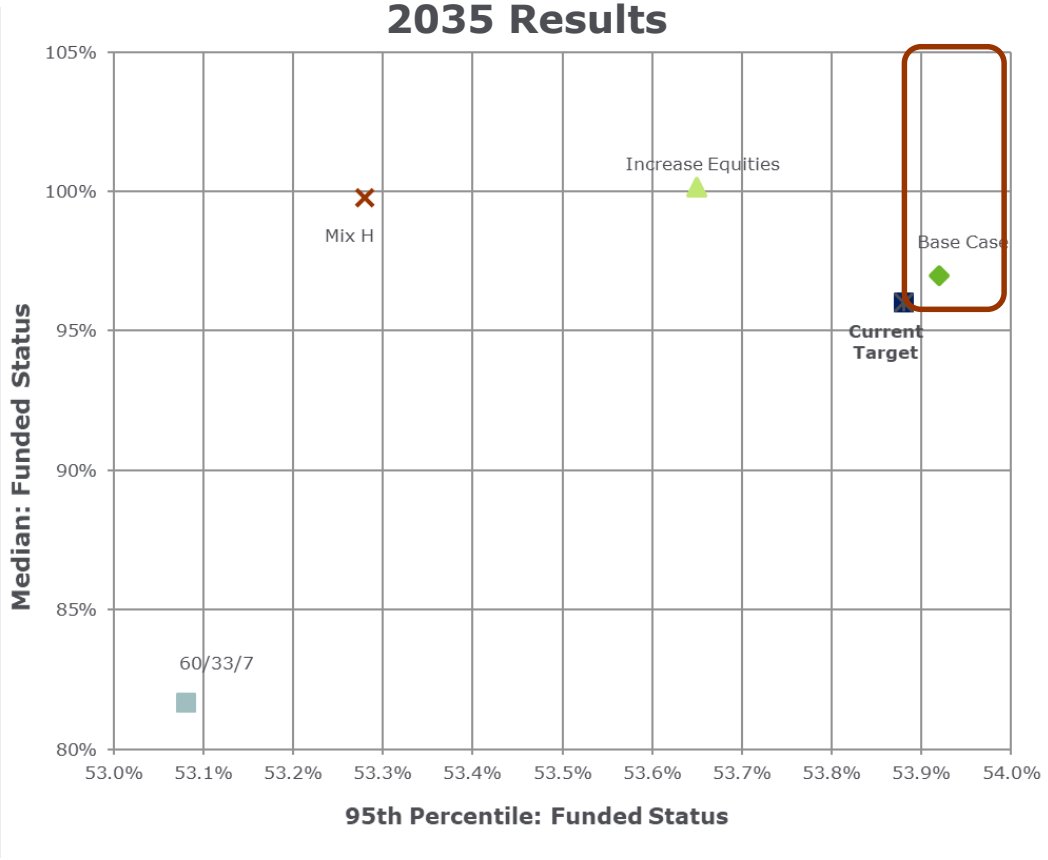


- **All the alternative mixes result in a higher median funded status than the Current Target, while increasing the range of outcomes to the upside, as contributions will increase as any losses are amortized**

- **Increase Equities mix results in the highest funded status at the median in 5, 10 and 15 years, however the Base Case mix has the highest funded status at the 95th percentile**

Note: Analysis uses NEPC's 10-year expected return assumptions as of 12/31/20 for each allocation and annualized standard deviation

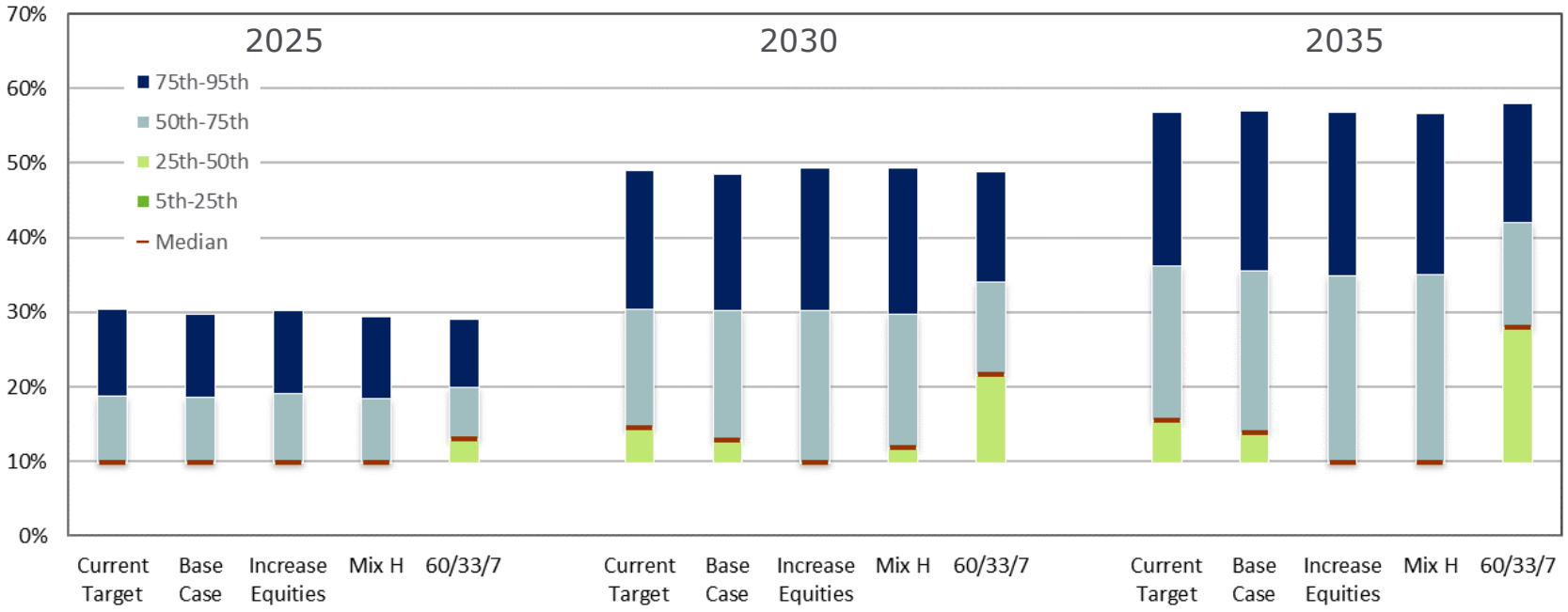
STOCHASTIC ANALYSIS
FUNDED STATUS



- **Looking at the results from year 2035, all of the mixes result in a higher median funded status, except for the 60/33/7 mix, with Increase Equities mix achieving the highest median funded status**
- **The Base Case mix achieves a higher funded status than the Current Target and also achieves the highest funded status when looking at the 95th percentile, or worst case scenario**

Note: Analysis uses NEPC's 10-year expected return assumptions as of 12/31/20 for each allocation and annualized standard deviation

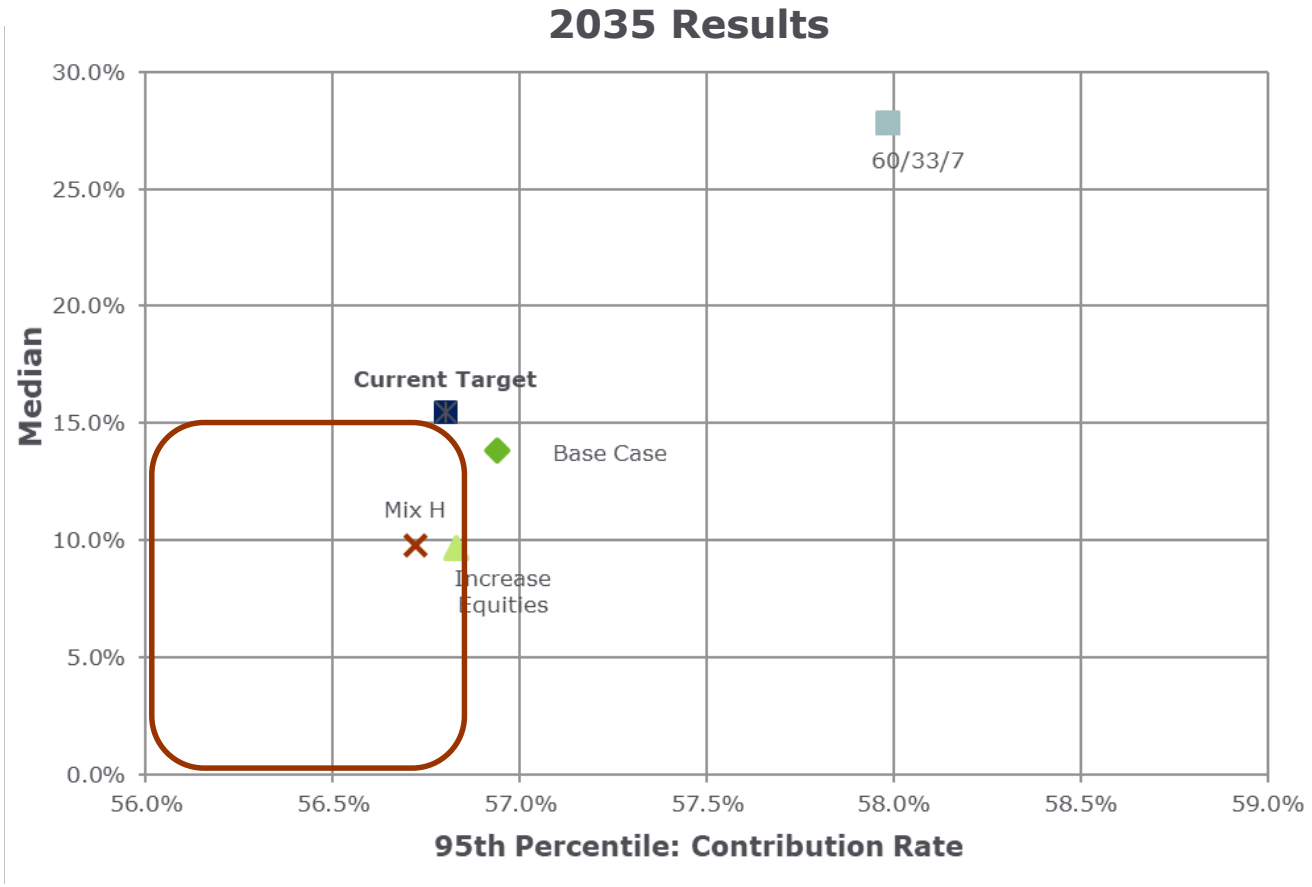
STOCHASTIC ANALYSIS
EMPLOYER CONTRIBUTION RATE



- **Increase Equities mix has the lowest contributions at the median in three years, and has the lowest contributions at the 95th percentile in 2035**
- **Contributions have a floor of the Employer Normal Cost which is around 10% of payroll and represents the additional annual benefits accruing for each participant, less employee contributions**

Note: Analysis uses NEPC's 10-year expected return assumptions as of 12/31/20 for each allocation and annualized standard deviation

STOCHASTIC ANALYSIS
EMPLOYER CONTRIBUTION RATE



- **Looking at the results from year 2035, all of the alternative mixes result in lower median contribution rates than the Current Target, except the 60/33/7 mix**
- **Mix H also results in a lower contribution in the worst case scenario (95th percentile)**

Note: Analysis uses NEPC's 10-year expected return assumptions as of 12/31/20 for each allocation and annualized standard deviation

STOCHASTIC RESULTS

Funded Status (VV basis)

2025	Current Target	Base Case	Increase Equities	Mix H	60/33/7
5th	135.2%	136.2%	139.4%	137.6%	123.0%
25th	114.5%	114.6%	116.1%	115.8%	107.6%
Median	102.0%	102.3%	102.7%	102.5%	98.3%
75th	90.8%	90.9%	90.2%	91.1%	89.1%
95th	75.3%	76.2%	75.5%	76.5%	77.1%

2030	Current Target	Base Case	Increase Equities	Mix H	60/33/7
5th	178.1%	181.7%	193.0%	186.8%	141.2%
25th	123.2%	126.8%	130.0%	128.7%	105.7%
Median	97.0%	98.8%	100.5%	99.6%	88.0%
75th	77.9%	77.9%	78.3%	78.5%	73.6%
95th	56.8%	57.3%	56.1%	55.7%	57.1%

2035	Current Target	Base Case	Increase Equities	Mix H	60/33/7
5th	213.7%	222.8%	238.4%	233.0%	148.1%
25th	130.9%	134.5%	141.5%	138.3%	101.4%
Median	96.0%	97.0%	100.2%	99.8%	81.7%
75th	74.0%	74.7%	75.7%	75.2%	67.8%
95th	53.9%	53.9%	53.7%	53.3%	53.1%

Contributions (% of payroll)

2025	Current Target	Base Case	Increase Equities	Mix H	60/33/7
95th	30.3%	29.8%	30.3%	29.5%	29.0%
75th	18.7%	18.6%	19.0%	18.4%	19.9%
Median	9.7%	9.7%	9.7%	9.7%	12.9%
25th	9.7%	9.7%	9.7%	9.7%	9.7%
5th	9.7%	9.7%	9.7%	9.7%	9.7%

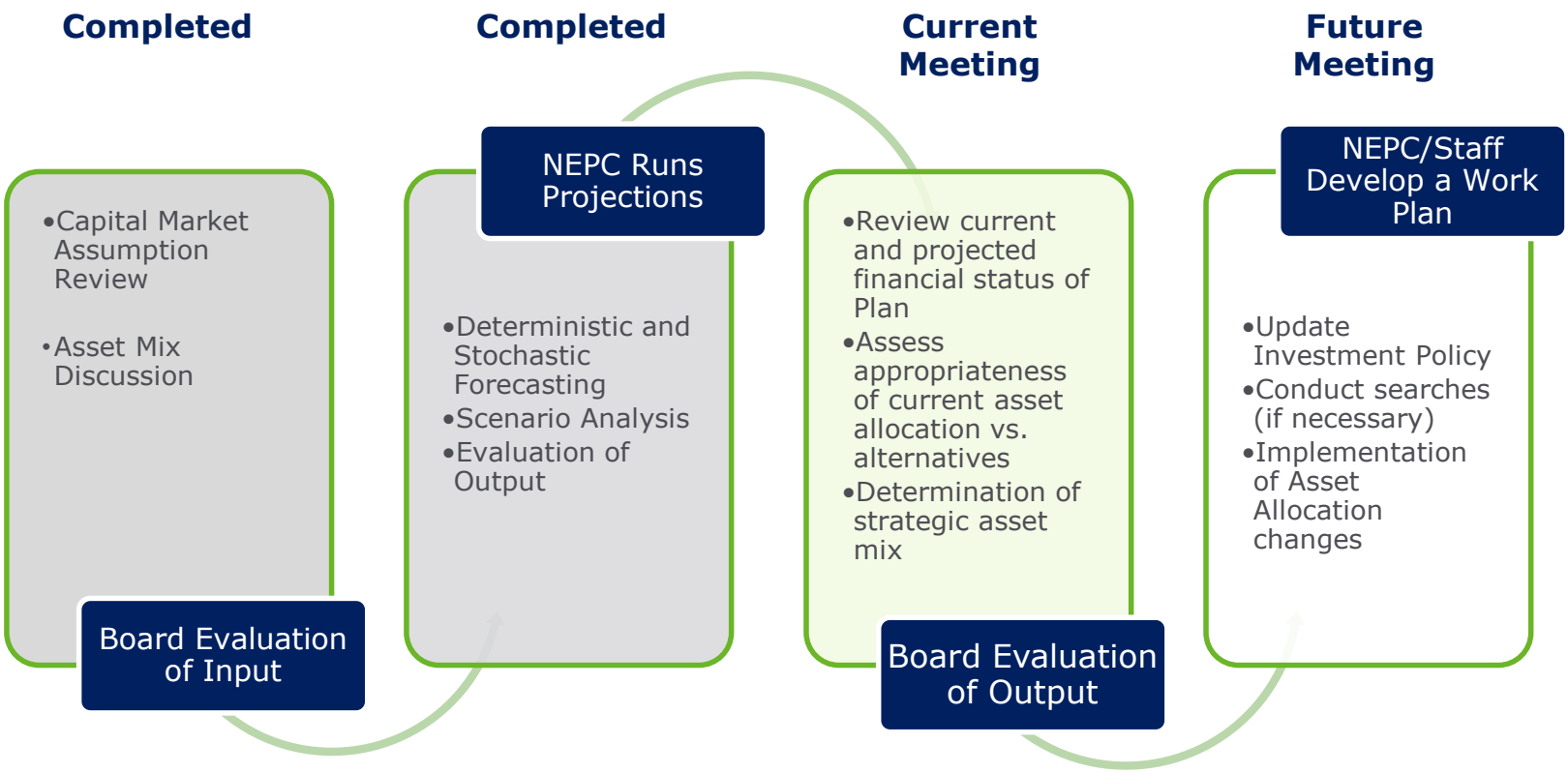
2030	Current Target	Base Case	Increase Equities	Mix H	60/33/7
95th	49.0%	48.4%	49.3%	49.3%	48.8%
75th	30.5%	30.2%	30.2%	29.8%	34.0%
Median	14.5%	12.8%	9.7%	11.8%	21.6%
25th	9.7%	9.7%	9.7%	9.7%	9.7%
5th	9.7%	9.7%	9.7%	9.7%	9.7%

2035	Current Target	Base Case	Increase Equities	Mix H	60/33/7
95th	56.8%	56.9%	56.8%	56.7%	58.0%
75th	36.2%	35.6%	34.9%	35.1%	42.0%
Median	15.5%	13.8%	9.7%	9.8%	27.9%
25th	9.7%	9.7%	9.7%	9.7%	9.7%
5th	9.7%	9.7%	9.7%	9.7%	9.7%

CONCLUSIONS

- **VCERA's funded status has fallen 1.5% over the last year on a market value basis, but asset smoothing helped funded status remain at 89.6%**
- **Funded status is projected to increase over the next five years if investment expectations are met and required plan contributions are made**
- **The Current Target allocation is not expected to meet the long-term expected return of 7.25% over the medium due to economic headwinds**
  - NEPC expectations average 6.2% over the next 10 years and 7.2% over 30 years, using December 31, 2020 forward-looking assumptions
- **The proposed asset allocation changes improve risk-adjusted returns**
- **All proposed asset mixes provide for an improvement to the funded ratio and a modest reduction for employer contributions over the Current Target**

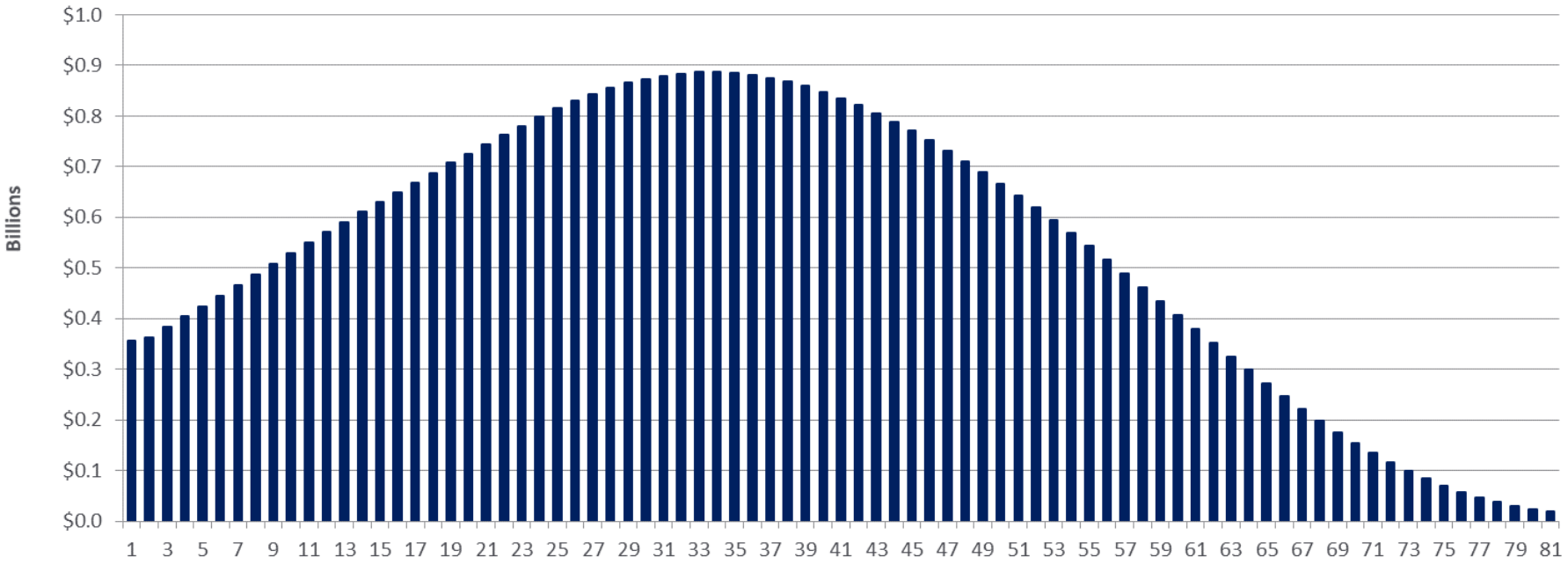
NEXT STEPS


Completed
•Capital Market Assumption Review
•Asset Mix Discussion
Board Evaluation of Input
Completed
NEPC Runs Projections
•Deterministic and Stochastic Forecasting
•Scenario Analysis
•Evaluation of Output
Current Meeting
•Review current and projected financial status of Plan
•Assess appropriateness of current asset allocation vs. alternatives
•Determination of strategic asset mix
Board Evaluation of Output
Future Meeting
NEPC/Staff Develop a Work Plan
•Update Investment Policy
•Conduct searches (if necessary)
•Implementation of Asset Allocation changes

APPENDIX

NEPC, LLC

PROJECTED BENEFIT PAYMENTS



- **Closed group benefit payments are projected to increase from $356 million per year to $886 million at their peak in 2054**

Source: Segal

ASSUMPTIONS AND METHODOLOGY

- **NEPC's 12/31/2020 asset class return assumptions were used after December 31, 2020**
  - Actual asset returns through December 31, 2020 (17.5% 2021 Fiscal YTD) were used in the projections
  - NEPC's 10-year geometric return of 6.2% for Medium-Term expectations for Current Target
  - NEPC's 30-year geometric return of 7.2% for Long-Term expectations for Current Target

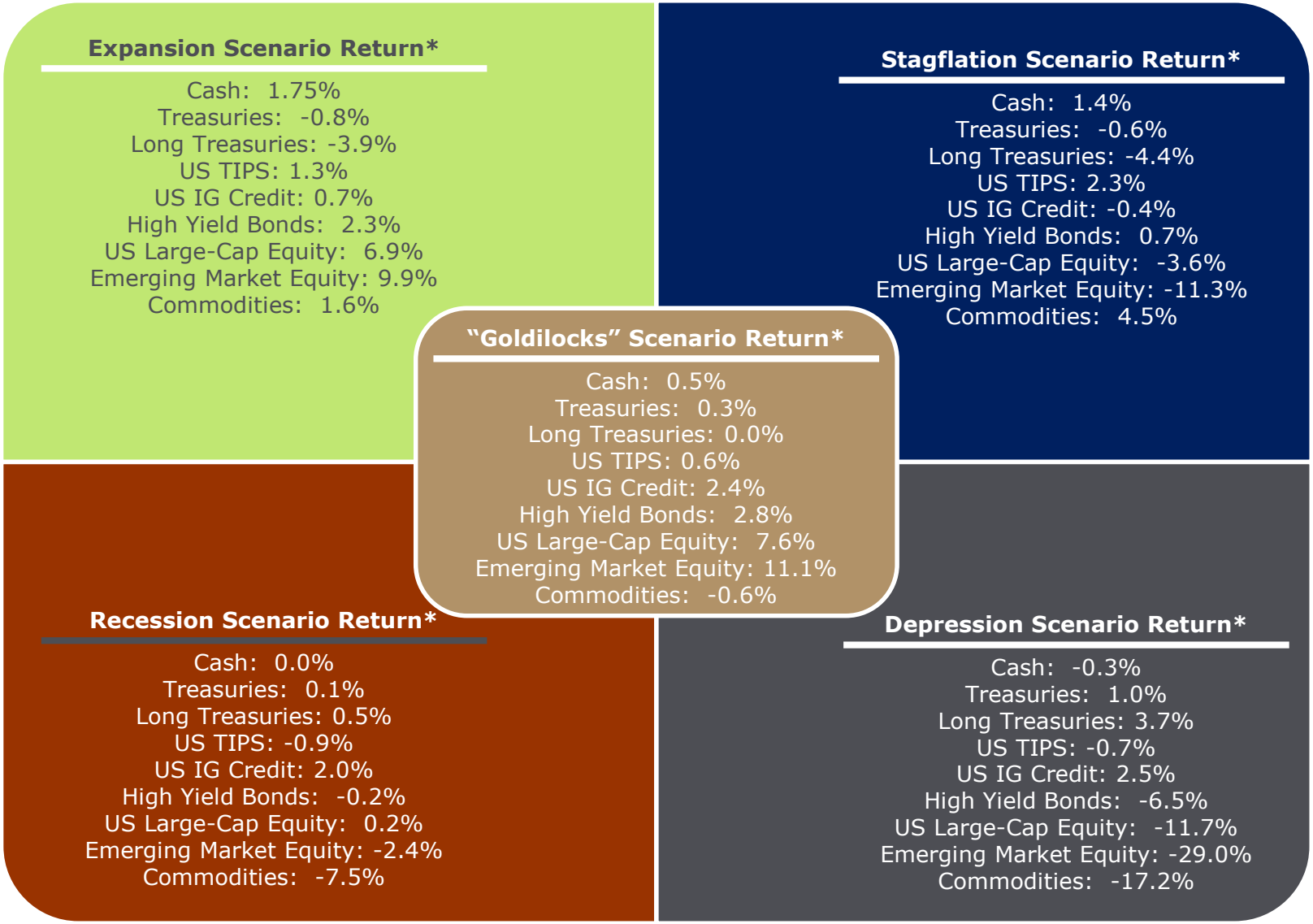
- **Deterministic projections use the Current Target allocation and NEPC's 10-year and 30-year geometric returns from NEPC's 12/31/2020 assumptions for investment returns**

- **Stochastic projections use the following assumptions:**
  - Expected return: 10-year arithmetic expected return based on NEPC's 12/31/20 asset class assumptions
  - Standard deviation: Annualized standard deviation based on NEPC's 12/31/20 asset class assumptions

- **Liability calculations follow a roll-forward methodology based on the June 30, 2020 actuarial valuation by Segal**
  - Accrued Liability and Normal Cost rolled forward annually, adjusted for benefit payment changes
  - Discount rate is assumed to remain at 7.25% each year in the future
  - Benefit payments as projected by the plan's actuary

- **Contribution calculations are based on the plan's funding policy formula**
  - Employer normal cost plus amortization of unfunded liability and various gain and loss and plan change bases
  - Future asset gains and losses are amortized over 15 years
  - If the plan becomes fully funded, all prior amortization bases are wiped out and new bases begin to layer from that date
  - Salary scale is assumed to remain at the 2020 assumed rate of 3.25%
  - Employee contribution rate is assumed to remain level at 9.91% of payroll

SCENARIO ANALYSIS: REGIME RETURNS



Scenario returns are a 5 year annualized returns

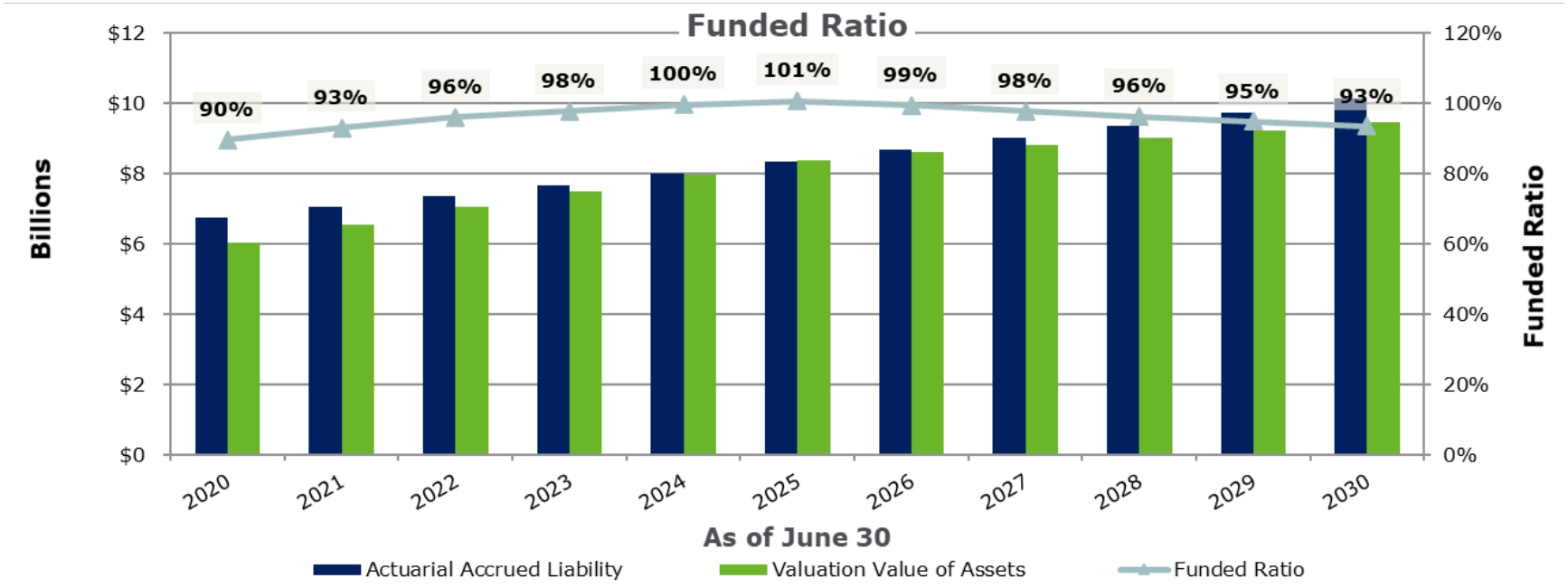
SCENARIO ANALYSIS: REGIME RETURNS

Current Policy

	Asset Returns					Five Year	Five Year
	2021	2022	2023	2024	2025	Average	Return
Base Case	6.2%	6.2%	6.4%	4.8%	6.4%	**6.01%**	**33.89%**
Stagflation	-25.8%	1.5%	3.9%	12.4%	6.3%	**-1.33%**	**-6.50%**
Recession	-14.2%	2.0%	4.7%	9.8%	6.5%	**1.37%**	**7.02%**
Expansion	15.4%	3.8%	0.5%	1.3%	11.6%	**6.36%**	**36.11%**
Depression	-34.1%	-12.1%	1.1%	5.2%	11.7%	**-7.20%**	**-31.19%**
Goldilocks	17.0%	-2.2%	4.4%	7.3%	10.1%	**7.13%**	**41.09%**

Based on NEPC's 12-31-2020 10-year return and 5-year scenario assumptions

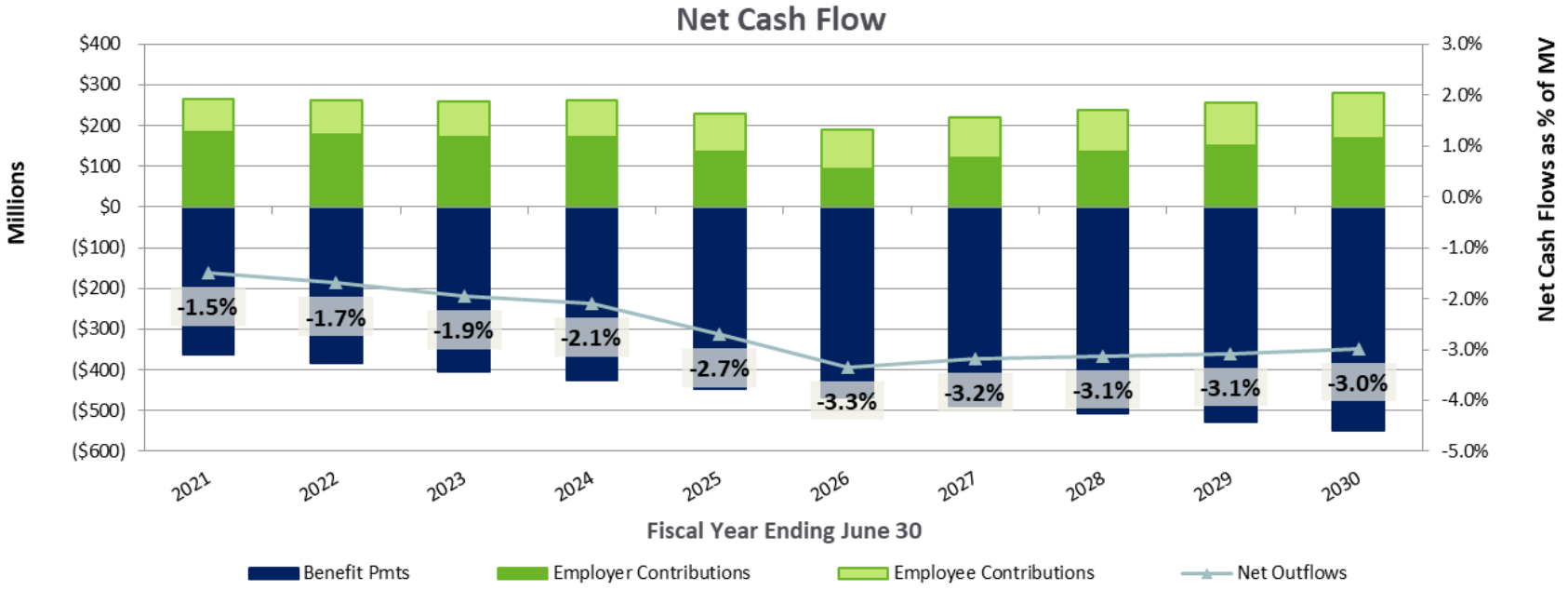
MEDIUM-TERM EXPECTATIONS



- **The funded status of the pension plan is estimated to increase over the next five years to 100% in 2024**
  - Funded Status = Valuation Value of Assets / Accrued Liability
- **Market value of assets is assumed to return 6.2%, NEPC's 10-year expected return forecast for VCERA**
  - Average annual increase in Valuation Value of assets is 4.6%
- **Liabilities grow at an average pace of 4.1% per year**
  - Discount rate is assumed to remain level at 7.25% over the projection period

Deterministic projections based on the Current Target allocation and NEPC's 12-31-2020 10-year return assumptions. Fiscal YTD 2020 investment return was reported to be 17.5%.

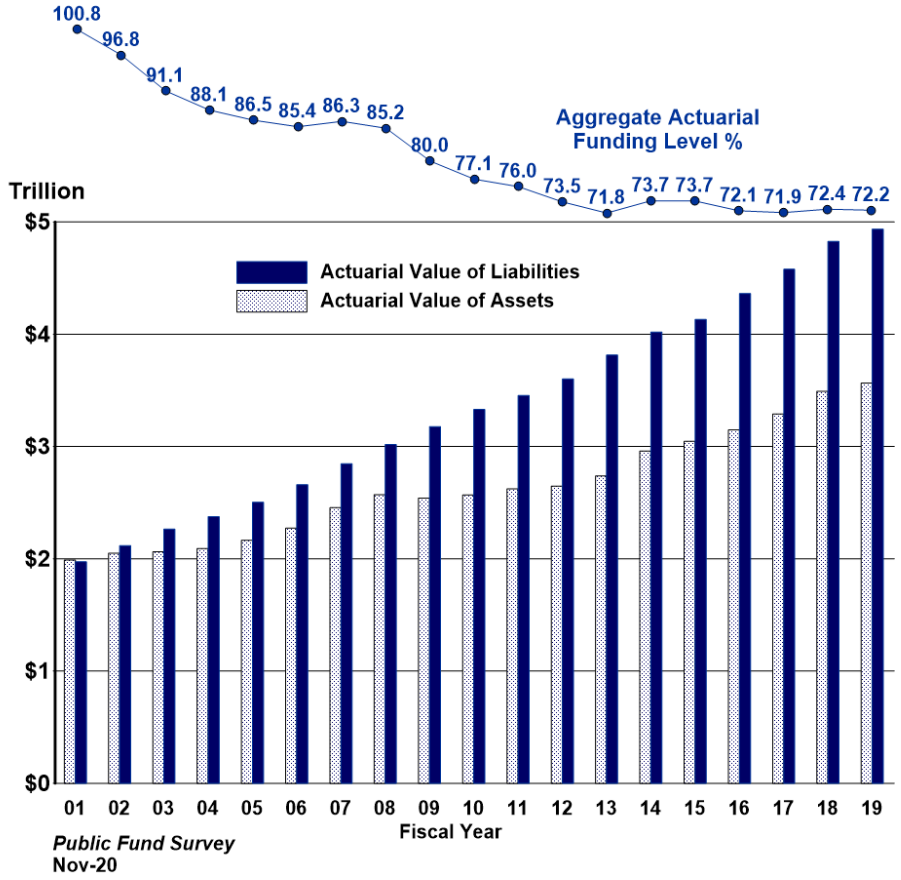
MEDIUM-TERM EXPECTATIONS



- **Benefit payments outweigh total contributions, creating a negative cash flow for the plan**
  - Difference must be made up through investment returns or additional contributions
- **Net cash outflows grow from 1.5% to 3.0% over the next 10 years**
  - A typical range for pension plans, presenting no unusual liquidity issues
- **Benefit payments average 5.9% of Market Value of Assets over the next ten years**

Deterministic projections based on the Current Target allocation and NEPC's 12-31-2020 10-year return assumptions. Fiscal YTD 2020 investment return was reported to be 17.5%.

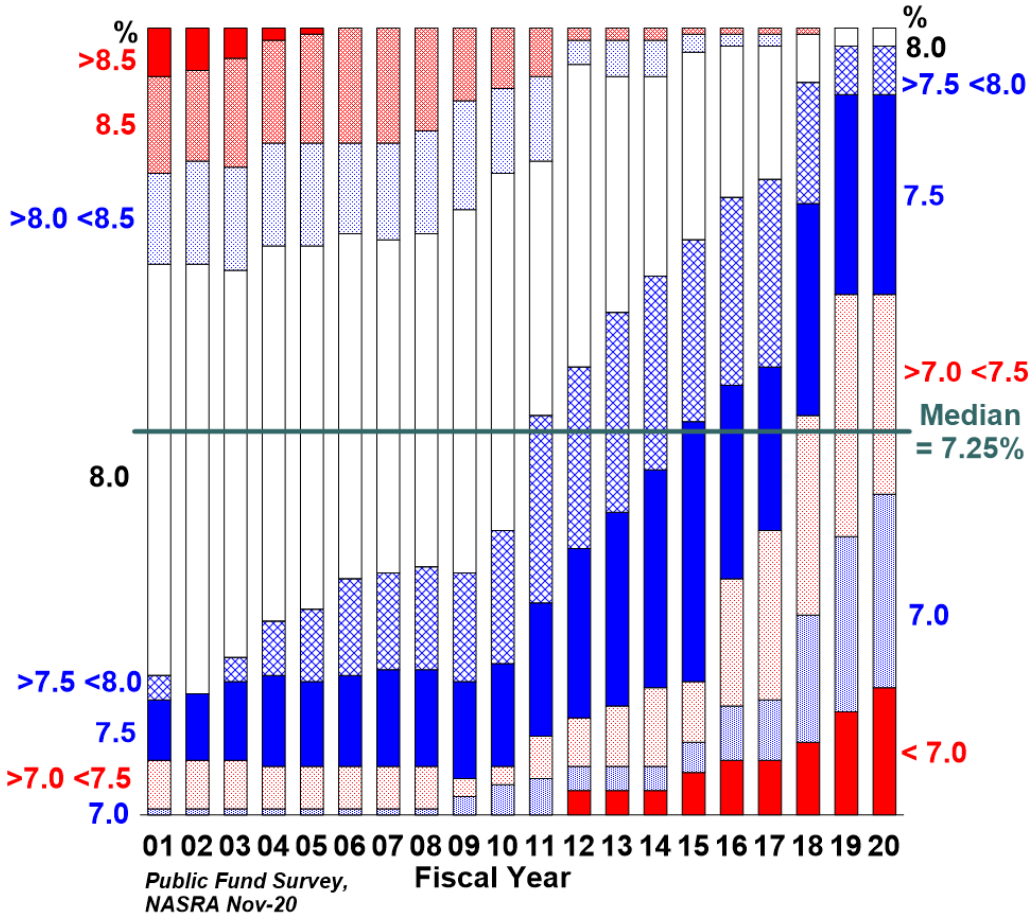
HISTORICAL FUNDED STATUS OF U.S. PUBLIC PENSION PLANS



- **As of July 2019, the average public fund had a funded percentage of 72.2%**
- **In comparison, VCERA funded status, on a valuation value basis, as of July 1, 2020 was 89.6%**

Source: National Association of State Retirement Administrators (NASRA) Public Fund Survey for Fiscal year 2019, published November 2020. The Systems included in the Survey comprise approximately 85 percent of the entire state and local government retirement systems in the US.

EXPECTED RETURN ON ASSETS ASSUMPTION OF U.S. PUBLIC PENSION PLANS



- **As of July 2019, the median Expected Return on Assets (EROA) assumption for U.S. public pension funds was 7.25%**
- **In comparison, VCERA currently has an EROA assumption of 7.25%**

Source: National Association of State Retirement Administrators (NASRA) Public Fund Survey for Fiscal year 2019, published November 2020. The Systems included in the Survey comprise approximately 85 percent of the entire state and local government retirement systems in the US.

GLOBAL INTEREST RATE EXPECTATIONS

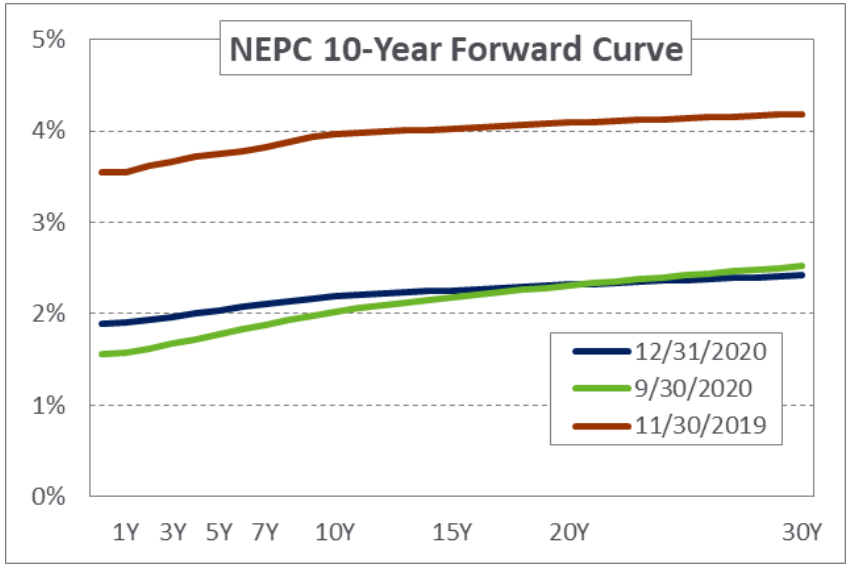
Negative real yields reflect central bank intervention

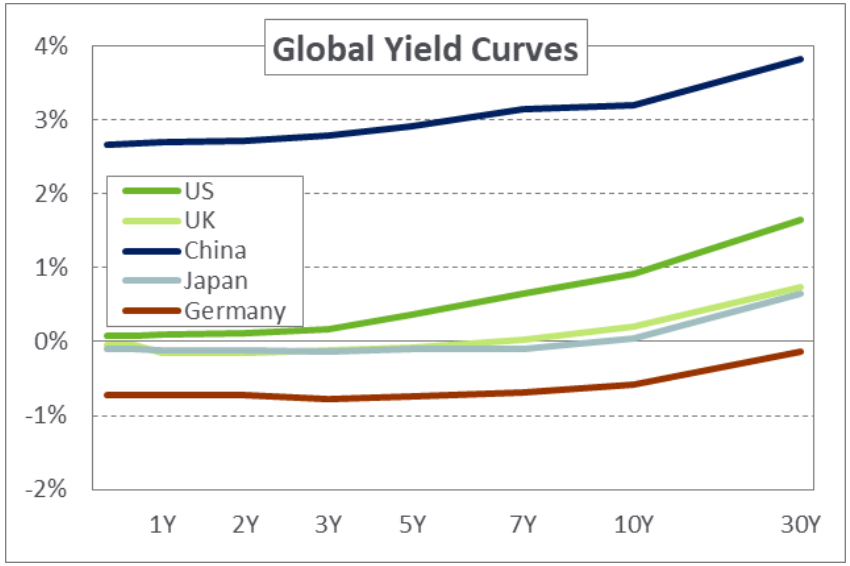
Low real rates depress returns for all assets in the long-term

The Fed's easy policy and low inflation suppress long term yield forecasts

The outlook for Japan and Europe bonds are poor due to negative nominal yields

Emerging market interest rates are higher relative to the developed world





Source: (Top) FactSet, NEPC
Source: (Bottom) FactSet, NEPC

CORE GEOMETRIC RETURN ASSUMPTIONS

	Asset Class	10-Year Return	30-Year Return	Volatility
	Cash	0.8%	1.9%	0.6%
	US Inflation	2.0%	2.2%	-
Equity	US Large-Cap Equity	5.4%	6.3%	16.6%
Equity	Non-US Developed Equity	5.9%	6.5%	19.7%
Equity	Emerging Market Equity	7.5%	8.4%	28.7%
Equity	*Global Equity**	*6.2%*	*7.0%*	*18.1%*
Equity	*Private Equity**	*9.3%*	*10.1%*	*24.8%*
Fixed Income	US Treasury Bond	0.9%	2.0%	5.3%
Fixed Income	*US Aggregate Bond**	*1.4%*	*2.7%*	*5.7%*
Fixed Income	US TIPS	1.0%	2.1%	5.8%
Fixed Income	US High Yield Corporate Bond	2.9%	5.0%	11.5%
Fixed Income	*Private Debt**	*6.1%*	*7.5%*	*11.9%*
Real Assets	Commodity Futures	0.9%	3.3%	18.5%
Real Assets	US REIT	5.5%	6.7%	21.4%
Real Assets	Gold	2.9%	3.7%	16.4%
Real Assets	Core Real Estate	4.4%	5.6%	15.0%
Real Assets	Private Real Assets - Infrastructure	5.4%	6.6%	12.5%
Multi-Asset	*60% S&P 500 & 40% US Aggregate*	*4.1%*	5.1%	*10.3%*
Multi-Asset	*60% MSCI ACWI & 40% US Aggregate*	*4.6%*	5.6%	*11.1%*
Multi-Asset	*Hedge Fund**	*4.0%*	5.2%	*8.7%*

*Calculated as a blend of other asset classes

12/31/20 CAPITAL MARKET ASSUMPTIONS

	Asset Class	10-Year Return	30-Year Return	Standard Deviation
MACRO	Inflation	2.0%	2.2%	—
	Cash	0.8%	1.9%	0.6%
	US Leverage Cost	1.2%	2.2%	0.7%
	Non-US Cash	0.0%	1.1%	0.6%
EQUITY	US Large-Cap Equity	5.4%	6.3%	16.6%
	US Small/Mid-Cap Equity	5.7%	6.6%	20.7%
	Non-US Developed Equity	5.9%	6.5%	19.7%
	Non-US Developed Equity (USD Hedge)	6.1%	6.7%	17.7%
	Non-US Developed Small-Cap Equity	6.1%	6.8%	22.5%
	Emerging Market Equity	7.5%	8.4%	28.7%
	Emerging Market Small-Cap Equity	8.1%	8.6%	31.5%
	*Global Equity**	*6.2%*	*7.0%*	*18.0%*
	Hedge Fund – Equity	4.0%	5.0%	11.5%
	Private Equity – Buyout	7.6%	8.5%	18.5%
	Private Equity – Growth	8.9%	9.8%	31.0%
	Private Equity – Venture	10.4%	10.7%	45.0%
	Private Equity – Secondary	7.1%	8.0%	19.5%
	Non-US Private Equity	10.7%	10.7%	32.0%
	*Private Equity**	*9.3%*	*10.1%*	*24.8%*
	China Equity	7.0%	7.8%	29.5%
	US Microcap Equity	6.6%	7.4%	25.0%

12/31/20 CAPITAL MARKET ASSUMPTIONS

	Asset Class	10-Year Return	30-Year Return	Standard Deviation
CREDIT	US TIPS	1.0%	2.1%	5.8%
	US Treasury Bond	0.9%	2.0%	5.3%
	US Corporate Bond	2.2%	3.7%	7.3%
	US Mortgage-Backed Securities	1.2%	2.3%	6.5%
	*US Aggregate Bond**	*1.4%*	*2.7%*	*5.7%*
	US High Yield Corporate Bond	2.9%	5.0%	11.5%
	US Leveraged Loan	3.9%	4.8%	9.2%
	Emerging Market External Debt	3.0%	4.5%	13.0%
	Emerging Market Local Currency Debt	5.0%	5.1%	13.0%
	Non-US Government Bond	0.6%	1.7%	9.5%
	Non-US Government Bond (USD Hedge)	0.8%	1.9%	3.9%
	*Global Government Bond**	*0.7%*	*1.8%*	*7.9%*
	*Global Government Bond (USD Hedge)**	*0.9%*	*2.0%*	*4.0%*
	Non-US Inflation-Linked Bond (USD Hedge)	0.1%	1.1%	5.9%
	*Diversified Fixed Income**	*3.0%*	*4.3%*	*7.9%*
	*Global Multi-Sector Fixed Income**	*3.0%*	*4.3%*	*7.9%*
	*Absolute Return Fixed Income**	*2.5%*	*4.0%*	*6.0%*
	US Municipal Bond	2.0%	2.3%	6.0%
	US Municipal Bond (1-10 Year)	1.1%	1.9%	4.5%
	US High Yield Municipal Bond	2.8%	3.9%	12.0%
	Hedge Fund - Credit	3.9%	5.3%	10.4%
	Private Debt - Credit Opportunities	6.2%	7.0%	14.0%
	Private Debt – Distressed	7.2%	7.8%	14.0%
	Private Debt - Direct Lending	5.4%	7.4%	11.5%
	*Private Debt**	*6.1%*	*7.5%*	*11.9%*

12/31/20 CAPITAL MARKET ASSUMPTIONS

	Asset Class	10-Year Return	30-Year Return	Standard Deviation
CREDIT	US Short-Term TIPS (1-3 Year)	1.1%	2.0%	3.2%
	US Short-Term Treasury Bond (1-3 Year)	1.0%	2.0%	2.1%
	US Short-Term Corporate Bond (1-3 Year)	1.8%	3.7%	3.0%
	US Short-Term High Yield Corporate Bond (1-3 Year)	2.5%	3.5%	8.6%
	US Intermediate-Term TIPS (3-10 Year)	1.0%	2.1%	5.4%
	US Intermediate-Term Treasury Bond (3-10 Year)	0.9%	2.1%	5.4%
	US Intermediate-Term Corporate Bond (3-10 Year)	2.3%	3.8%	7.6%
	US Long-Term Treasury Bond (10-30 Year)	0.7%	1.9%	11.5%
	US Long-Term TIPS (10-30 Year)	1.0%	2.0%	10.9%
	US Long-Term Corporate Bond (10-30 Year)	2.3%	3.8%	11.5%
	20+ Year US Treasury STRIPS	0.4%	1.7%	21.2%
	*US Long-Term Government/Credit**	1.7%	3.1%	10.6%
	US Corporate Bond - AAA	1.5%	2.8%	5.9%
	US Corporate Bond – AA	1.6%	2.9%	5.9%
	US Corporate Bond – A	1.9%	3.3%	7.2%
	US Corporate Bond – BBB	2.5%	3.9%	8.0%
	US Corporate Bond – BB	3.9%	5.6%	9.9%
	US Corporate Bond – B	3.0%	4.9%	12.1%
	US Corporate Bond - CCC/Below	-3.4%	-0.8%	21.7%
	US Securitized Bond	1.8%	3.1%	9.0%
	US Collateralized Loan Obligation	2.3%	3.3%	7.5%
	US High Yield Securitized Bond	2.3%	4.5%	11.0%
	US High Yield Collateralized Loan Obligation	4.6%	5.7%	11.0%
	US Taxable Municipal Bond	2.5%	3.9%	7.5%
	10 Year US Treasury Bond	0.9%	2.3%	7.4%
	10 Year Non-US Government Bond (USD Hedge)	-0.1%	1.1%	5.1%

12/31/20 CAPITAL MARKET ASSUMPTIONS

	Asset Class	10-Year Return	30-Year Return	Standard Deviation
REAL ASSETS	**Commodity Futures**	0.9%	3.3%	18.5%
	Midstream Energy	7.4%	7.3%	27.0%
	Public Real Assets (Multi-Asset)*	*4.4%*	*5.6%*	*14.2%*
	US REIT	5.5%	6.7%	21.4%
	Global Infrastructure Equity	5.9%	6.6%	20.4%
	Global Natural Resources Equity	6.7%	7.0%	22.8%
	Gold	2.9%	3.7%	16.4%
	Core Real Estate	4.4%	5.6%	15.0%
	Non-Core Real Estate	5.5%	7.0%	21.0%
	Private Debt - Real Estate	4.1%	5.2%	11.0%
	Private Real Assets - Natural Resources	8.0%	8.5%	32.0%
	Private Real Assets – Infrastructure	5.4%	6.6%	12.5%
MULTI-ASSET	**Hedge Fund – Macro**	3.6%	4.7%	9.2%
	Hedge Fund*	*4.0%*	*5.2%*	*8.7%*
	60% S&P 500 & 40% US Aggregate Bond*	*4.1%*	*5.1%*	*10.3%*
	60% MSCI ACWI & 40% US Aggregate Bond*	*4.6%*	*5.6%*	*11.1%*

INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for substantiating asset allocation recommendations. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.

This report is provided as a management aid for the client's internal use only. This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

ASSET LIABILITY DISCLOSURES

NEPC, LLC is an investment consulting firm. We provide asset-liability studies for certain clients but we do not provide actuarial services. Any projections of funded status or contributions contained in this report should not be used for budgeting purposes. We recommend contacting the plan's actuary to obtain budgeting estimates.

The goal of this report is to provide a basis for substantiating asset allocation recommendations.

The projection of liabilities in this report uses standard actuarial projection methods and does not rely on actual participant data. Asset and liability information was received from the plan's actuary, and other projection assumptions are stated in the report.

Assets are projected using a methodology chosen by the client. Gains and losses are estimated through investment returns generated by applying NEPC's medium and long term asset class assumptions and scenario assumptions as of December 31, 2020.

This report is based on forward-looking assumptions, which are subject to change.

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VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

April 19, 2021

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

SUBJECT: BOARD APPROVAL OF VCERA's 2021 PRIVATE EQUITY ANNUAL PLAN

Dear Board Members:

At its meeting of May 1, 2017, the Board selected Abbott Capital Management to provide private equity consulting and investment management services including policy development and advice, investment manager selection, overall private equity program monitoring and reporting, and back office support. NEPC has complemented Abbott's work with recommendations for investments with legacy managers, secondaries, and co-investments funds of funds.

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.

At its meeting on this date of April 19, 2021, it is anticipated that the Board will have increased the Private Equity allocation target from 15% to 16%. It is with this in mind that staff, Abbott and NEPC have worked to continue the program development as outlined in this proposed 2021 Annual Plan. If the Board chooses a different direction, we will come back to the Board with a revised 2021 Annual Plan at the Board's meeting of May 17, 2021.

RECOMMENDATION:
APPROVAL OF THE 2021 PRIVATE EQUITY ANNUAL PLAN AS PROPOSED AND PRESENTED BY ABBOTT CAPITAL MANAGEMENT.

Respectfully submitted,

Daniel P. Gallagher

Dan Gallagher
Chief Investment Officer

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Private Equity Annual Plan

Ventura County Employees' Retirement Association
2021

Ventura County Employees' Retirement Association

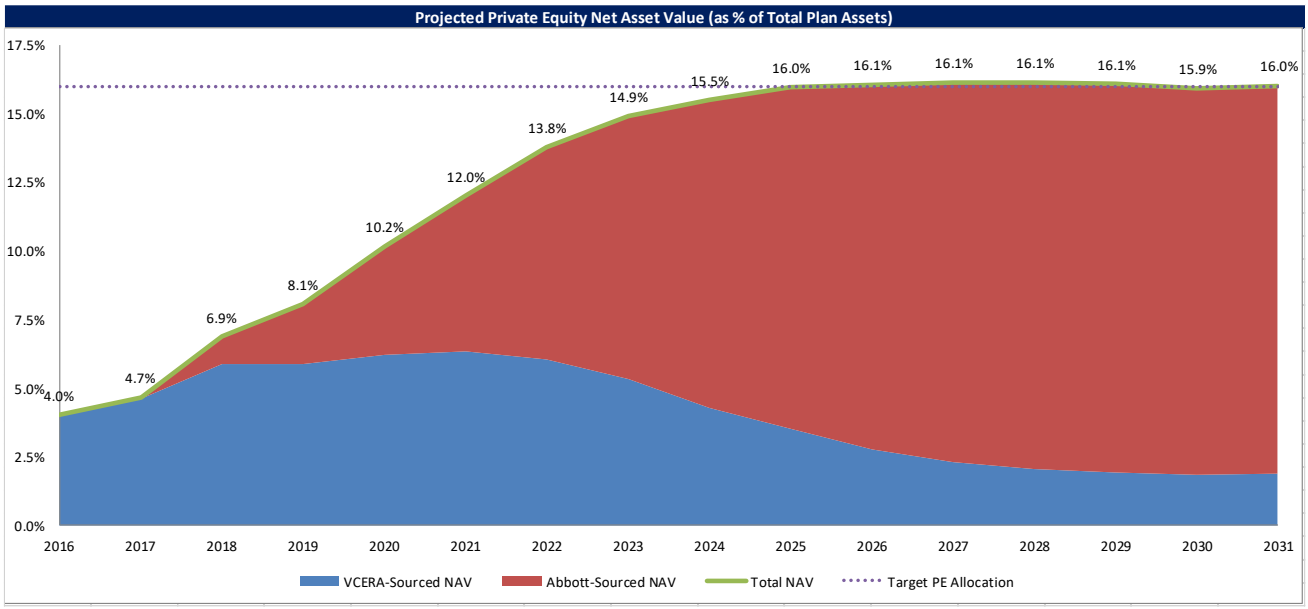
ANNUAL PLAN
For the period 1/1/21 through 12/31/21

A. FUNDING LEVEL ANALYSIS

I. FUNDING LEVEL

Actual Funding Position	1/1/2021
Total Fund Market Value:	$6,900.5 million
% Target for Private Equity:	15%
Total Private Equity Target Allocation:	$1,035.1 million
Abbott-Sourced Portfolio Net Asset Value:	$272.4 million
VCERA-Sourced Portfolio Net Asset Value:	$429.6 million
Total Net Asset Value:	$702.0 million
NAV in excess of (short of) Target	($333.1 million)

Projected Funding Position	12/31/2025
Fund Market Value:	$9,410.0 million
% Target for Private Equity:	16%[1]
Total Private Equity Allocation:	$1,505.6 million
2021 Commitment Target:	$325 million
Actual commitment may be greater or less depending on market opportunities	



[1]Proposed increase to the target allocation from 15% pending the outcome of the Board's decision on the asset allocation study and is the basis of the forward projections in this document.

Ventura County Employees' Retirement Association

II. FUNDING BY STRATEGY

ABBOTT-SOURCED PORTFOLIO **12/31/2020**

Strategy	NAV	Undrawn	Exposure
Venture Capital & Growth Equity (Global)	$64.0m	$98.9m	$162.9m
North American Buyouts & Special Situations	$115.2m	$178.1m	$293.2m
International Buyouts & Special Situations	$51.2m	$79.1m	$130.3m
Secondary & Co-Investment	$42.1m	$65.6m	$107.7m
TOTAL Abbott-Sourced Portfolio	**$272.4m**	**$421.7m**	**$694.1m**

VCERA-SOURCED PORTFOLIO

Strategy	NAV	Undrawn	Exposure
Venture Capital & Growth Equity (Global)	$36.8m	$11.6m	$48.4m
North American Buyouts & Special Situations	$68.7m	$10.6m	$79.4m
International Buyouts & Special Situations	$60.8m	$9.0m	$69.8m
Secondary & Co-Investment	$263.2m	$136.3m	$399.5m
TOTAL VCERA-Sourced Portfolio	**$429.6m**	**$167.5m**	**$597.1m**

TOTAL PORTFOLIO

Strategy	NAV	Undrawn	Exposure
Venture Capital & Growth Equity (Global)	$100.8m	$110.5m	$211.3m
North American Buyouts & Special Situations	$183.9m	$188.7m	$372.6m
International Buyouts & Special Situations	$112.0m	$88.1m	$200.1m
Secondary & Co-Investment	$305.3m	$201.9m	$507.2m
TOTAL Portfolio	**$702.0m**	**$589.2m**	**$1,291.2m**

NAV is estimated based on September 30, 2020 net asset values, adjusted by net cash flows through December 31, 2020. Undrawn represents the balance of uncalled commitments as of December 31, 2020 (Commitment – Paid In). Totals may not sum due to rounding.

III. 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 2025 Private Equity Target Allocation is $1,505.6 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 12/31/2025: $1,505.6m

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. 2020 INVESTMENT ACTIVITY: ABBOTT-SOURCED PORTFOLIO

I. PRIMARY COMMITMENTS

Fund	Strategy	Commitment	Paid In	Undrawn
Battery Ventures XIII	Venture Capital & Growth Equity (Global)	$9.2m	$2.4m	$6.8m
Battery Ventures XIII Side Fund	Venture Capital & Growth Equity (Global)	$6.2m	$1.9m	$4.3m
Charlesbank Equity Fund X	North American Buyouts & Special Situations	$24.0m	$0.0m	$24.0m
Charlesbank Equity Overage Fund X	North American Buyouts & Special Situations	$6.0m	$0.0m	$6.0m
Clearlake Capital Partners VI	North American Buyouts & Special Situations	$18.7m	$4.8m	$13.9m
CRV XVIII	Venture Capital & Growth Equity (Global)	$15.0m	$0.0m	$15.0m
CVC Capital Partners VIII^	International Buyouts & Special Situations	$22.6m	$0.0m	$22.6m
GGV Capital VIII	Venture Capital & Growth Equity (Global)	$9.2m	$0.0m	$9.2m
GGV Capital VIII Plus	Venture Capital & Growth Equity (Global)	$2.3m	$0.0m	$2.3m
GGV Discovery III	Venture Capital & Growth Equity (Global)	$3.8m	$0.0m	$3.8m
GTCR Fund XIII	North American Buyouts & Special Situations	$30.0m	$0.0m	$30.0m
Vitruvian Investment Partnership IV^	International Buyouts & Special Situations	$22.6m	$0.3m	$22.3m
Buenaventure One, LLC	Various	$58.7m	$6.3m	$52.4m
TOTAL		**$228.3m**	**$15.6m**	**$212.7m**

^Non-USD denominated funds. Commitment amounts, which may fluctuate due to exchange rate changes, were converted as of 12/31/2020. Commitment and Paid In as of December 31, 2020. Undrawn represents the balance of uncalled commitments as of December 31, 2020 (Commitment – Paid In). Amounts for Buenaventure One, LLC reflect aggregate amounts committed, paid-in, and undrawn for portfolio fund commitments made in 2020 held in the Buenaventure One, LLC portfolio. Totals may not sum due to rounding.

In 2020, on behalf of VCERA, Abbott made 19 primary commitments totaling $228.3 million, of which seven commitments are through Buenaventure One. In addition, a further $50.0 million of VCERA-sourced commitments closed during the year, as detailed in Section C. In aggregate, VCERA closed on $278.3 million of fund commitments during the year, compared to the revised target of $325.0 million. The annual commitment target was updated to reflect the Board's June 2020 decision to increase the Private Equity Target from 13% to 15%. The Board is currently considering an increase to the Private Equity Target to 16%, which is the basis of the forward projections of this document.

II. SECONDARY PURCHASES

No direct secondary purchases were made during 2020.

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. Since inception, Buenaventure One has made 17 investments totaling $162.1 million across Venture Capital & Growth Equity and North American Buyouts & Special Situations.

IV. DIVESTMENT, LIQUIDATION AND TERMINATION ACTIVITY

No funds in the Abbott-sourced 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, 2020, Abbott has committed in aggregate $611.7 million to 54 private equity funds with 35 managers. For the full year 2020, Abbott made 19 commitments across 13 managers totaling approximately $228.3 million (as shown above). Of the commitments made in 2020, nearly half of the funds have started drawing capital. While the Abbott-sourced portion of VCERA's private equity portfolio remains immature, NAV as well as capital calls and distributions are developing slightly ahead of projections.

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 were no specific situations requiring additional monitoring. The outbreak of the novel coronavirus (COVID-19) continues to impact global economies and financial markets. Abbott monitors the effects of the pandemic on underlying portfolio companies through regular interaction with general partners. In general, COVID-19 appears to have had a less severe impact on the portfolio than was initially anticipated.

C. 2020 INVESTMENT ACTIVITY: VCERA-SOURCED PORTFOLIO

I. PRIMARY COMMITMENTS

Fund	Strategy	Commitment	Paid In	Undrawn
Abbott Secondary Opportunities II	Secondary & Co-Investment	$25.0m	$0.0m	$25.0m
Pantheon Global Secondary Fund VI	Secondary & Co-Investment	$25.0m	$11.9m	$13.1m
TOTAL		**$50.0m**	**$11.9m**	**$38.1m**

Commitment and Paid In as of December 31, 2020. Undrawn represents the balance of uncalled commitments as of December 31, 2020 (Commitment – Paid In). Totals may not sum due to rounding.

In 2020, VCERA sourced and closed on commitments totaling $50 million, as shown in the table above.

In 2020, VCERA committed $25 million to ASO II, which closed four transactions during the year including two LP interests and two GP-led transactions. ASO II is the successor fund to Abbott Secondary Opportunities (ASO), to which VCERA committed $25 million in 2017. As of December 31, 2020, ASO was fully committed and had invested $210.6 million into 20 transactions, translating to invested capital of 101%. The IRR of VCERA's investment was 25% and DPI (Distributions to Paid In) was 0.5x as of September 30, 2020.

Ventura County Employees' Retirement Association

II. SECONDARY PURCHASES

There were no direct secondary purchases in 2020.

III. OTHER INVESTMENT ACTIVITY

There was no other investment activity in the VCERA-sourced portfolio in 2020.

IV. DIVESTMENT, LIQUIDATION AND TERMINATION ACTIVITY

No funds were divested, liquidated or otherwise terminated in the VCERA-sourced portfolio in 2020.

V. TOTAL VCERA-SOURCED PORTFOLIO

Fund	Commitment	Cumulative Distributions	NAV
Abbott Secondary Opportunities	$25.0m	$16.8m	$15.9m
Abbott Secondary Opportunities II	$25.0m	$0.0m	$0.6m
Adams Street 2010 Direct Fund	$8.5m	$10.4m	$4.5m
Adams Street 2010 Non-US Developed Markets Fund	$75.0m	$20.8m	$82.3m
Adams Street 2010 Non-US Emerging Markets Fund	$60.0m	$4.8m	$46.6m
Adams Street 2010 US Fund	$30.0m	$0.0m	$19.8m
Adams Street 2013 Global Fund	$25.5m	$23.3m	$16.0m
Adams Street 2016 Global Fund	$8.5m	$4.1m	$9.8m
Adams Street Co-Investment Fund IV	$42.5m	$42.5m	$35.1m
Drive II	$15.0m	$0.0m	$20.3m
Drive III	$7.5m	$0.0m	$1.6m
Drive Overdrive I	$7.5m	$0.0m	$5.8m
HarbourVest CoInvest IV	$60.0m	$23.6m	$46.3m
HarbourVest CoInvest V	$67.5m	$76.8m	$23.3m
HarbourVest Dover IX	$40.0m	$0.9m	$10.3m
HarbourVest Dover VIII	$30.0m	$6.1m	$31.0m
HarbourVest Dover X	$35.0m	$0.0m	$27.9m
Pantheon Global Secondary Fund IV	$15.0m	$13.7m	$2.0m
Pantheon Global Secondary Fund V	$50.0m	$16.0m	$33.2m
Pantheon Global Secondary Fund VI	$25.0m	$0.0m	$13.6m
Total	**$652.5m**	**$259.7m**	**$446.1m**

Commitment and Distributions as of December 31, 2020. NAV is estimated based on September 30, 2020 net asset values, adjusted by net cash flows through December 31, 2020. Totals may not sum due to rounding.

As of December 31, 2020, the VCERA-sourced portfolio included total commitments of $652.5 million of which $459.0 million had been paid-in. From inception through December 31, 2020, VCERA had received cumulative distributions of approximately $259.7 million, resulting in a DPI of 0.57x. The reported remaining fair market value was $446.1 million and the TVPI (Total Value to Paid In) was 1.54x.

VI. MONITORING OF THE VCERA-SOURCED PORTFOLIO

Abbott will continue to collect performance data on and to monitor developments in the VCERA-sourced portfolio. Abbott is currently not aware of any specific situations requiring additional monitoring. As mentioned above, Abbott is closely monitoring the COVID-19 pandemic and its potential effects on all aspects of VCERA's portfolio.

At the end of 2020, portfolio NAV for VCERA-sourced investments is ahead of projection. This is partially a consequence of slightly higher capital calls and slower distributions than expected, which can largely be attributed to legacy fund of funds in VCERA's portfolio, in particular, Adams Street and HarbourVest funds, both of which distributed capital more slowly than those managers had modeled.

D. 2021 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.

In 2021, Abbott will continue to review partnerships that meet the guidelines of VCERA's strategic portfolio structure across all broad categories of private equity. Abbott is currently in active due diligence on five Venture Capital & Growth Equity, North American Buyout & Special Situations, or International Buyouts & Special Situations funds that may be appropriate for VCERA's portfolio. The currently identified forward pipeline (not yet in due diligence) includes 13 Venture Capital & Growth Equity funds, 15 North American Buyouts & Special Situations funds, and 10 International Buyouts & Special Situations funds. Commitments made in Q1 2021 plus the forward pipeline represents well in excess of $225 million of potential primary commitments for VCERA in 2021. For the full year 2021, Abbott expects to make approximately 15 to 16 commitments, of which eight commitments were made to six managers in the first quarter, as described below.

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 $325 million in 2021 and an average of approximately $270 million per year for the next five years to reach the Private Equity Target Allocation. As Abbott seeks to build diversified portfolios over multiple vintage years it is often difficult to hit one-year targets. Therefore, VCERA is encouraged to look at its commitment pace over multiple periods, and not solely at any 12-month period.

Year to date through March 31, 2021, Abbott committed to eight private equity funds across six managers, totaling approximately $83.9 million, on behalf of VCERA.

Abbott-Sourced Commitments

Fund	Strategy	Commitment	Paid In	Undrawn
Oak HC/FT Partners IV	Venture Capital & Growth Equity (Global)	$10.0m	$0.0m	$10.0m
Genstar X	North American Buyouts & Special Situations	$15.0m	$0.0m	$15.0m
Genstar X Opportunities Fund	North American Buyouts & Special Situations	$5.0m	$0.0m	$5.0m
Hellman & Friedman X	North American Buyouts & Special Situations	$20.0m	$0.0m	$20.0m
Prairie VII	North American Buyouts & Special Situations	$10.8m	$0.0m	$10.8m
Buenaventure One, LLC	Various	$23.1m	$0.0m	$23.1m
TOTAL		**$83.9m**	**$0.0m**	**$83.9m**

VCERA-Sourced Commitments

Fund	Strategy	Commitment	Paid In	Undrawn
TOTAL		**$0.0m**	**$0.0m**	**$0.0m**

TOTAL		**$83.9m**	**$0.0m**	**$83.9m**

Commitment and Paid In as of December 31, 2020. Undrawn represents the balance of uncalled commitments as of December 31, 2020 (Commitment – Paid In). Amounts for Buenaventure One, LLC reflect aggregate amounts committed, paid-in, and undrawn for portfolio fund commitments made in 2020 held in the Buenaventure One, LLC portfolio. Totals may not sum due to rounding.

At present, Abbott has a strong pipeline across all segments in 2021, consisting of both new groups and existing relationships. We note that each fund, whether sponsored by a group already in VCERA's portfolio or new to VCERA, is subject to Abbott's thorough due diligence process and review. 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-sourced portion and the VCERA-sourced portion of the portfolio, VCERA closed on $278.3 million of commitments in 2020. VCERA's goal is to build upon the solid foundation of its current private equity portfolio to reach the target allocation of 16% over the next several years.

As of yearend 2020, Private Equity represented 10.2% of VCERA's total Plan, up from 8.1% at the end of 2019, and ahead of last year's projection of 9.3%. Current modeling of the portfolio supports a commitment pace of **$325.0 million** in 2021, followed by commitments of $250 million in 2022, $225 million in 2023, and an average commitment level from 2021 through 2025 of approximately $285 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.

In the first quarter of 2021, VCERA committed approximately $83.9 million. With a robust pipeline visible for the balance of the year, VCERA expects to reach the commitment target for 2021.

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.

The ongoing public health crisis will continue to impact daily life and the global economy, and the 2021 Annual Plan is being presented during a time of continued uncertainty. However, there was a clear divergence between global economic growth and public markets performance across the globe in 2020. Private equity also had a surprisingly

strong year. Fundraising and investment activity, and to some extent exit activity, remained robust across all segments. Overall, the asset class continues to benefit from a long-running favorable market and performance remained consistently positive. The pacing model is based on 20 years of cash flow patterns, which encompass various economic cycles. Historically, investors who have remained true to their long-term pacing plan have experienced benefits from dollar-cost averaging into private equity through access to attractive vintage years during and immediately following times of economic and capital markets disruption.

We believe our long-standing commitment to portfolio diversification and our thorough due diligence processes will continue to provide the best potential for attractive risk-adjusted returns for our clients. 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.

Ventura County Employees' Retirement Association

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VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

April 19, 2021

SUBJECT: $15 MILLION ADD-ON INVESTMENT IN ABBOTT SECONDARIES OPPORTUNITIES FUND II

Dear Board Members:

Attached is a joint memo from NEPC and I recommending a $15 million add-on investment in the Abbott Secondaries Opportunities Fund II (ASO II). Also attached for your reference is a presentation deck from Abbott.

Background

In May 2017, the Board selected Abbott Capital Management as its private equity consultant and separate account full discretion manager. In November 2017 the Board committed $25 million to the Abbott Secondaries Opportunities Fund I (ASO I), and a $25 million commitment to ASO II in January 2020.

As of December 31, 2020, ASO I had distributed 70% (.7x) of paid-in capital, and as of the most recent rankings, sits in the top quartile of DPI, TVPI, and net IRR metrics for all 2016 vintage year secondary funds of funds in Cambridge Analytics' universe. On March 31, 2021 ASO made an additional distribution, bring total distributions since inception to 80% (.8x) of paid-in capital.

VCERA earned a 10-basis points fee reduction for participating in the first closing, and an additional 10 basis points fee reduction for being a returning investor. Both fee reductions are for the life of the fund. For any additional commitments, VCERA will earn the same fee discount earned when we participated in the fund's first closing (20bp reduction of the initial fee rate of 1% of *invested* capital for the life of the fund).

Approval of an additional $15 million to ASO II increases VCERA's commitment in ASO II to $40 million, which is expected to represent less than 20% of the fund upon final close as Abbott anticipates this fund will be oversubscribed. ASO funds provide size diversification to VCERA's larger scale secondaries investments programs' exposures. Secondaries investments capital is turned around significantly faster than through more traditional primary private equity investments.

IT IS RECOMMENDED THAT THE BOARD:

1. **Approve an allocation of $15 million to Abbott's Secondary Opportunities Fund II, and direct staff and legal counsel to prepare the necessary legal documents; and,**
2. **Authorize the Board Chair or the Retirement Administrator, or in the absence of the Board Chair and Retirement Administrator, the Chief Investment Officer to approve and execute the required documentation.**

Respectfully submitted,

Daniel P. Gallagher

Dan Gallagher
Chief Investment Officer

1190 S. VICTORIA AVENUE, SUITE 200 • VENTURA, CA 93003
PHONE: 805-339-4250 • FAX: 805-339-4269 • WWW.VCERA.ORG

NEPC, LLC

To: Ventura County Employees' Retirement Association

From: NEPC Consulting Team

Date: April 19, 2021

Subject: $15 MM Increase in Commitment to Abbott Secondary Opportunities II, L.P.

Recommendation

VCERA staff and NEPC recommend that the Board of the Ventura County Employees' Retirement Association ("VCERA" or the "Plan") considers increasing its commitment to Abbott Secondary Opportunities II, L.P. ("Fund II") from $25.0 million to $40.0 million. VCERA has a history investing with Abbott within Private Equity going back to 2017. VCERA is invested in the preceding Abbott Secondary Opportunity Fund I with a commitment of $25 million which has a net IRR of 24.5% as of September 30, 2020 and a total value multiple (including distributions received – "TVPI") of approximately 1.5x amounts contributed and a distributed to paid-in multiple ("DPI") of 0.8x – these place ASO I in the top quartile for 2016 secondary funds in the Cambridge Associates database across net IRR, TVPI and DPI. Abbott Capital also manages a Private Equity separate account (aka Fund of One) on behalf of VCERA. Fund II is projecting a net IRR of 15-20%, and TVPI (total value per unit of capital paid-in) multiple of 1.5-2.0x. The NEPC Alternative Assets Committee believes the strategy is satisfactory and can replicate what Abbott has targeted and achieved with Fund I. Due to a weak key person clause, a small team, a focus on GP-Led deals which often have lower discounts than other secondaries, and high equity valuations, the Fund has received a "3" rating by our research team. A "3" rating means that we have a constructive view of the strategy and believe that it can play an appropriate role in certain client portfolios.

Summary

The strategy for Abbott Secondary Opportunities II ("ASO II" or "the Fund") is to raise approximately $250.0 million to make secondary investments primarily through the acquisition of single LP interests or small portfolios of LP interests or through GP-led secondary transactions. The Fund's strategy focuses on smaller transactions as well as complex deals, which are sourced through a variety of channels, including through existing GPs in its primary portfolios, GPs within the Abbott Capital network and limited partners, and to a lesser extent from intermediaries. With a smaller scale capital base and robust deal pipeline, the Fund expects to invest selectively in a small number of investments from a broad opportunity set. The Fund may also make opportunistic direct co-investments and seasoned primary commitments that have secondary-like characteristics.

Abbott Capital ("Abbott", "the GP" or "the Firm") was founded in 1986 and is 100% owned by its Managing Directors and retired-owners. As a leading independent investment adviser specializing in the creation and management of private equity

investment programs, Abbott focuses exclusively on private equity by making investments for both commingled funds sponsored by Abbott and separate account clients in professionally managed venture capital, growth equity, buyout, and special situations funds. Since inception, Abbott has committed more than $20 billion to more than 500 private equity investments on behalf of its clients. Abbott has been registered with the US Securities and Exchange Commission as an investment advisor since 1986.

The scale and longevity of Abbott's primary investment platform provides a robust set of fund manager relationships from which Abbott can source transactions outside of competitive auction channels. The large database of in-house information from the Firm's investment monitoring activities and efforts to maintain close relationships with fund managers in its primary programs provides Abbott with an ability to quickly and effectively assess the attractiveness of potential secondary transactions and enables them to be highly informed purchasers. While Abbott shares secondary deals between its secondary fund and its primary fund of fund and separate account programs, the combined capital that they are potentially going to deploy each year is relatively small compared with secondary programs managed by other private equity fund of fund platforms. By having a smaller amount of capital available to invest, Abbott should be able to be selective with its secondary investment decisions.

Abbott plans to invest in a combination of traditional secondary purchases of LP interests, in GP-led fund restructurings, which tend to be more concentrated, and opportunistically in single companies as co-investments. The flexibility to pursue any of these investments enables the Fund to capitalize on a broader range of investment opportunities. While GP-led deals and co-investments typically do not come with the benefits of immediately accretive purchase discounts, like traditional secondaries, they tend to have shorter hold periods than primary fund commitments and can provide greater alpha potential due to their higher concentration and stronger alignment of financial interests between the deal sponsor and Abbott.

The Fund may use short-term leverage to bridge capital calls from LPs, to replace unpaid contributions of a defaulting LP or to make distributions to a withdrawing LP due to ERISA. The Fund's LP Agreement allows for the use of long-term leverage, not to exceed 25% of the commitments to ASO II, for investments; however, the GP states that they do not intend to do so.

NEPC has negotiated a favorable fee agreement with Abbott for the Fund. The management fees and carried interest that ASO II is charging are lower than most secondary funds. Management fees will not commence until ASO II has completed its first investment. Management fees are initially charged at a rate of 1% of the sum of invested capital and unfunded commitments to invested secondary deals. This is less than if the investments were charged as 1% of LP commitments. After the fifth anniversary of ASO II's first investment, the annual management fee will change to a rate of 90% of the management fees charged in the previous year. ASO II investors who also invested in ASO (Fund I) will have the initial management fee rate for ASO II reduced by 10 bps. Additionally, all investors included in the first $125 million of capital raised by ASO II, which includes VCERA, are having their initial management fee rate reduced by 10 bps. By having met both discount criteria, VCERA is having

its initial management fee rate reduced by 20 bps. Should VCERA increase its commitment above the $25 million amount initially committed to ASO II, Abbott confirmed that any additional commitments would receive the same discounted fees as if they were included in the Fund's initial closing. ASO II has a 10% GP carried interest rate that is also subject to an 8% LP preferred return on unreturned capital. This 10% GP carry rate is lower than the 12.5% GP carry rate that is charged by many other secondary private equity funds.

Abbott indicates that they have closed on $152 million of commitments to ASO II to date. They communicated that there is another $40-$60 million of "hard circled" interest by investors that is currently in due diligence. Abbott plans to hold the ASO II final closing on June 30, 2021 with the Fund in the $200-$250 million range. While Abbott has not stated any intention to do so, it is possible that they ask ASO II investors for an extension to continue raising capital for ASO II beyond June 30, 2021.

ASO II has invested $42.3 million into six transactions to date. These transactions are summarized below (provided by Abbott):

- **Project Florida:** The purchase of an LP's interest in two assets with a small staple commitment to the GP's current fund. Abbott sourced this proprietary secondary deal directly from the seller and negotiated the transaction on a direct basis.
- **Project Baker:** The purchase of a small portfolio of two European assets through participation in a newly formed continuation fund SPV.
- **Project Forward:** A GP-led opportunity to back an attractive asset owned by two existing Abbott GPs that we believe can benefit from multiple value drivers.
- **Project Autumn:** Purchase of an LP interest in a tail-end portfolio, generating immediate liquidity that was enough to completely offset the purchase price at the closing of the transaction.
- **Project Chicago:** Purchase of an investment in a U.S. based insurance brokerage business with a successful long-term track record of organic growth and M&A managed by an existing Abbott GP.

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.

ABBOTT CAPITAL

Abbott Secondary Opportunities II, L.P.

Secondary Investing Leveraging a Global Private Equity Platform

ABBOTT CAPITAL MANAGEMENT, LLC | 1290 AVENUE OF THE AMERICAS, NEW YORK, NY 10104 | +1 212 757 2700

Table of Contents

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Abbott Secondary Opportunities II, L.P.	I
ASO Review	II
ASO II Investments	III
Appendix	IV

Abbott Capital Management, LLC

1986
Abbott Founded

$11B+
Assets Under Management[1]

$22B+
Aggregate Commitments Since Inception

9,500+
Funds in Database

$1B+
Capital Deployed Annually[2]

140+
Advisory Board Seats

Heritage

- Pioneer in customized private equity solutions
- High-conviction, performance driven portfolio construction
- Independently owned with a 30+ year track record focused exclusively on private equity
- Offices in New York and London

Team

- Highly integrated and collegiate culture, 50+ professionals dedicated to private equity
- Cycle tested; Managing Directors have an average of 21 years of private equity experience
- Relationship and information advantages across the private equity ecosystem

Private Markets Solutions

Separately Managed Accounts	▪ Portfolios tailored to meet specific investment goals and objectives ▪ Customized reporting and administrative support ▪ Access to emerging buyout and venture managers, and other niche strategies
Global, Customizable Commingled Portfolios	▪ Access to multiple investment strategies, secondaries, and co-investments ▪ Simplified administration and reporting
Specialized Strategies	▪ Secondaries, with a focus on the smaller, less competitive transactions ▪ Co-investments sourced through Abbott's GP network
Administrative Support Services	▪ Customized data management, transaction facilitation, and reporting ▪ Fund administration services ▪ Distributed stock liquidation management; data analytics and benchmarking services

[1]AUM herein is defined as (unfunded commitments + NAV) and includes non-discretionary assets for which Abbott does not provide continuous and regular supervisory or management services but provides ongoing investment monitoring, valuation, and reporting functions; AUM as of 9/30/2020. Approximately $612M of the AUM represents assets Abbott manages but does not advise. [2]Annual average over past 3 calendar years. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance, and calculation of both AUM and RAUM.

Abbott's Private Equity-Focused Organization

Investments

Jonathan Roth
Managing Director, President (1992)

Timothy Maloney
Managing Director (2004)

Meredith Rerisi
Managing Director (1998)

Matthew Smith
Managing Director (2000)

Len Pangburn
Managing Director (2005)

Young Lee
Managing Director (2007)

Jobst Klemme*
Managing Director (2015)

Jennie Benza
Principal

Wolf Witt
Principal

Arianna Merrill
Vice President

Brian Susetka
Vice President

Jonathan Tubiana
Vice President

Moritz Turck*
Vice President

Lance Zhou
Vice President

Declan Feeley
Associate

Sean Bacon
Analyst

Taylor McGinnis
Analyst

Client Relations and Business Development

Ryan Green
Director

Melanie Jones
Vice President

Dan Kettner
Vice President

Kristin Kunert
Vice President

Valentine Whittaker
Vice President

Operations, Finance, Legal & Compliance

Lauren Massey
Managing Director, Chief Admin. Officer (1995)

Paolo Parziale
Managing Director, Chief Financial Officer (2002)

Mary Hornby
Managing Director, General Counsel (2004)

Monique Horton
Chief Compliance Officer

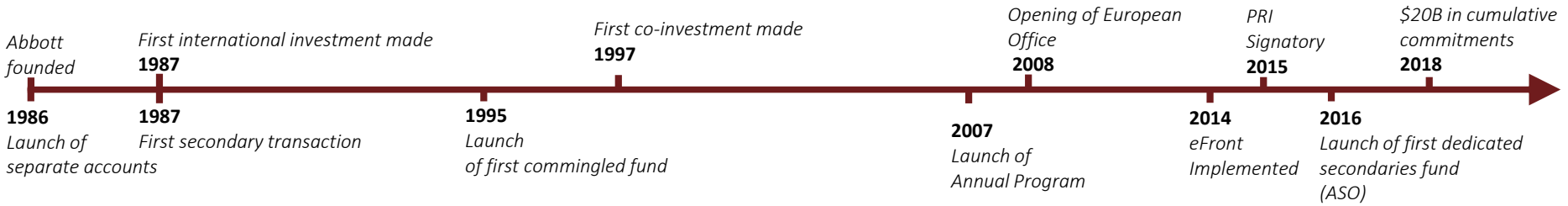
Abbott's Managing Directors have an average of 21 years experience and 17 years working together

ABBOTT CAPITAL

(Year Managing Director joined Abbott).*Abbott Europe

Confidential, Trade Secret and Proprietary Information For Recipient's Use Only.

Building Private Equity Portfolios for Institutional Investors



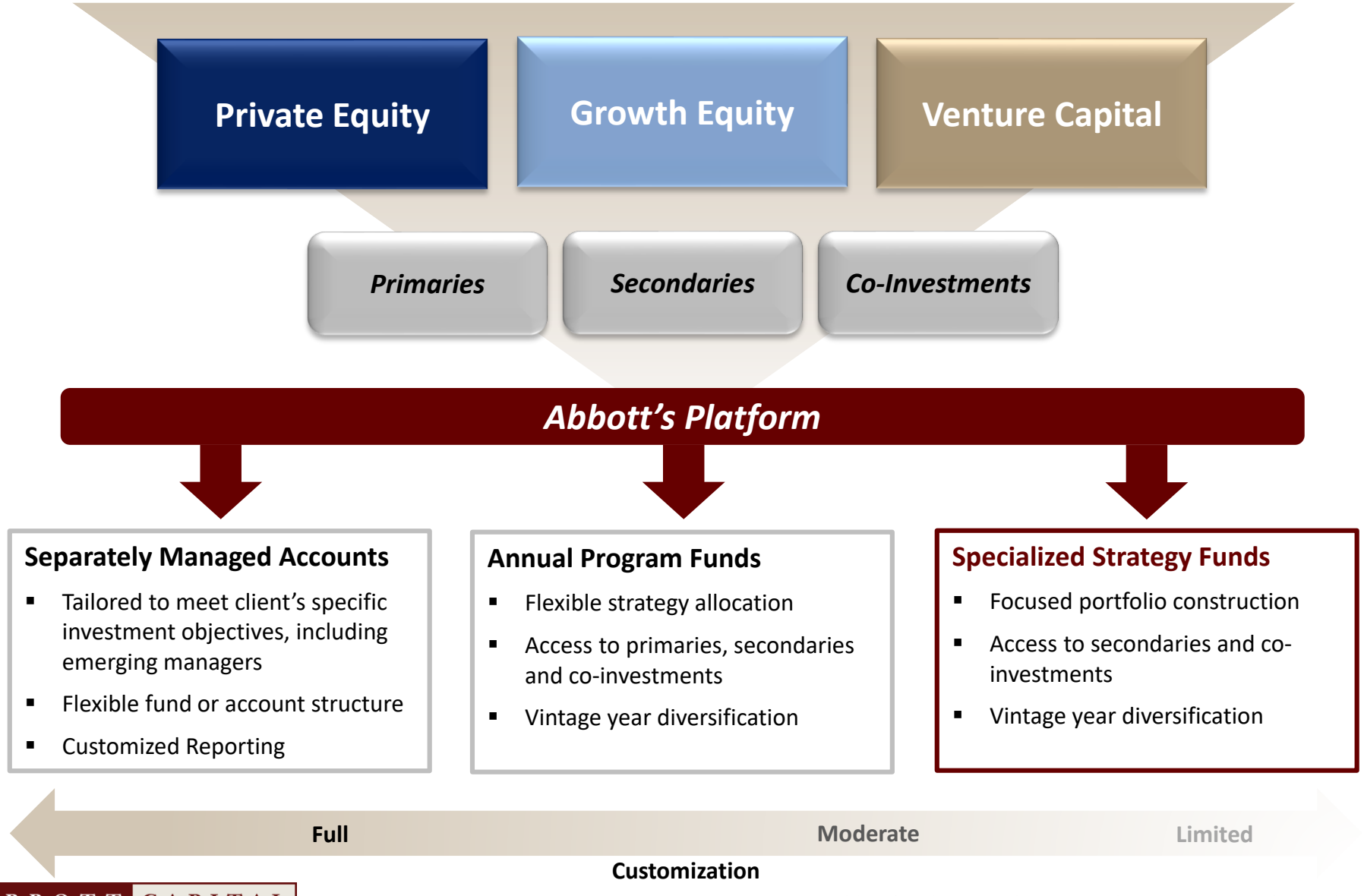
Representative Investor Relationships[1]

Public Pension Funds	Corporate Pension Funds & Insurance Companies	Endowments & Foundations
Alaska Retirement Management Board	Baxter International	Bradley University
Army & Air Force Exchange Service	Belk Pension Plan Trust	Community Investment Group
Baltimore Employees' Retirement System	BMW Pension Plan	Evangelical Covenant Church
British Coal Staff Superannuation Trust	Hess Corporation	Gates Family Foundation
City of Aurora General Employees' Retirement System	Michigan Catastrophic Claims Association	Grupo Guayacán
City of Milwaukee Employes' Retirement System	Portico Benefit Services	HFSF Grants Management, Inc.
Illinois Municipal Retirement Fund	Reuters Pension Fund Trustees Limited	M.J. Murdock Charitable Trust
Kern County Employees' Retirement Association	Reynolds American Inc.	NY Community Trust
Marin County Employees' Retirement Association	Severn Trent PIF Trustees, Ltd.	Polk Bros. Foundation
Nebraska Investment Council	The Trustees of BOCM PAULS Pension Scheme	The Greater Cincinnati Foundation
New York State Teachers' Retirement System	Triple – S Propiedad, Inc.	The Texas A&M University System
Orange County Employees Retirement System		
Sacramento County Employees' Retirement System		
Utah Retirement System		
Ventura County Employees' Retirement Association		

30+ years of building private equity portfolios for sophisticated, long-term investors around the world

[1]Represents up to the 10 largest investors by category that have committed to any Annual Program Fund, plus any Abbott Fund organized since 2007, plus each actively investing separately managed discretionary client account as of December 31, 2019, in each category. Excludes investors imposing confidentiality restrictions on use of their name or whose relationship with Abbott commenced after this date. References to any specific investor or client should not be construed as an endorsement of Abbott by any such investor.

Global Private Equity Solutions



Secondary Transaction Experience

As of 12/31/2020

Three decades of research and insight behind each transaction

1987
First secondary transaction

$22B
Secondary deal flow reviewed annually[1]

$761M
Invested in secondary transactions

67
Secondary transactions closed

- **30+ years** of primary and secondary investment experience – "One Team" approach benefits from knowledge and insight of entire Abbott Investment Team
- Stable provider of private capital – deployed an average of **$1B+** annually[1]
- **$11B+** platform dedicated to private equity – **$22B+** in aggregate commitments to more than **550** investments since 1987[2]
- Extensive networks enable **relationship-based** deal sourcing
- Emphasis on less competitive transactions in the smaller-end of the secondary market where Abbott can utilize our **Relationship**, **Information**, and **Focus** advantages

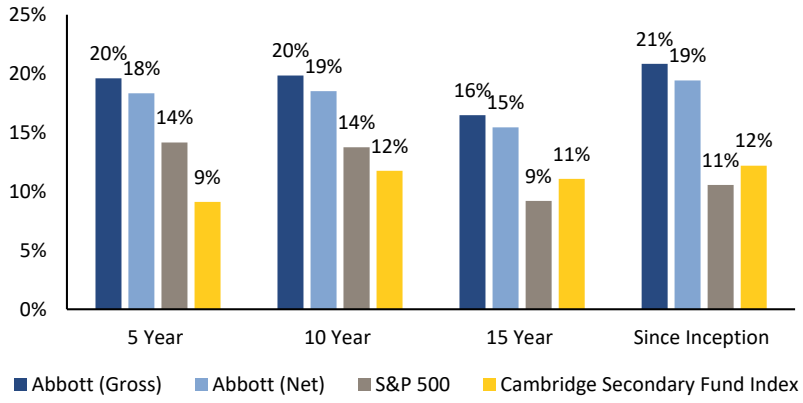
Abbott offers a distinctive combination of scale, focus, and experience to execute a broad range of secondary transactions

[1]Annual average over past 3 calendar years. [2]AUM herein is defined as (unfunded commitments + NAV) and includes non-discretionary assets for which Abbott does not provide continuous and regular supervisory or management services but provides ongoing investment monitoring, valuation, and reporting functions; AUM as of 9/30/2020. Approximately $612M of the AUM represents assets Abbott manages but does not advise. Past performance is not a guide to future results and is not indicative of expected realized returns. See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance, and calculation of both AUM and RAUM.

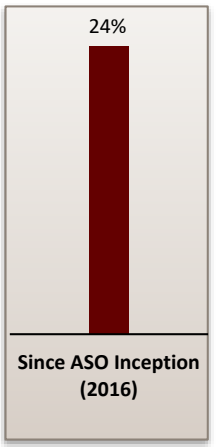
Secondaries Performance and Characteristics

- **19%** net IRR since inception (as of 9/30/2020)
- **Proven ability and expertise** to execute a variety of secondaries transactions in an evolving market
- 1/1/2000 – 12/31/2020: **78%** of Abbott's transactions have invested capital amounts **<u>≤</u>$20M**

Abbott Secondaries Horizon Performance
as of 9/30/2020



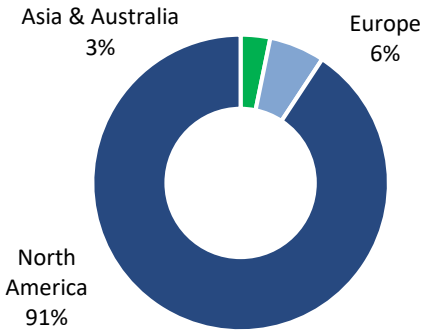
ASO Net LP IRR[1]
as of 9/30/2020



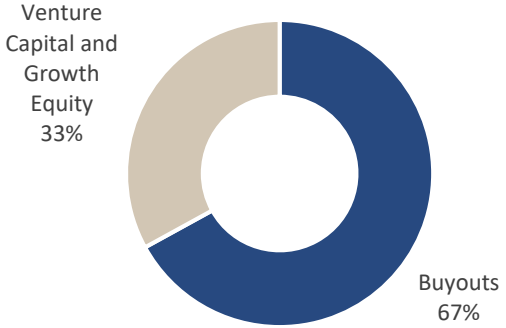
Secondaries Transaction Characteristics

by Invested Capital (1/1/2000 – 12/31/2020)

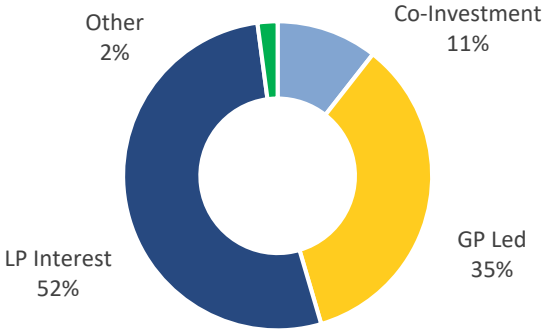
Geography



Strategy

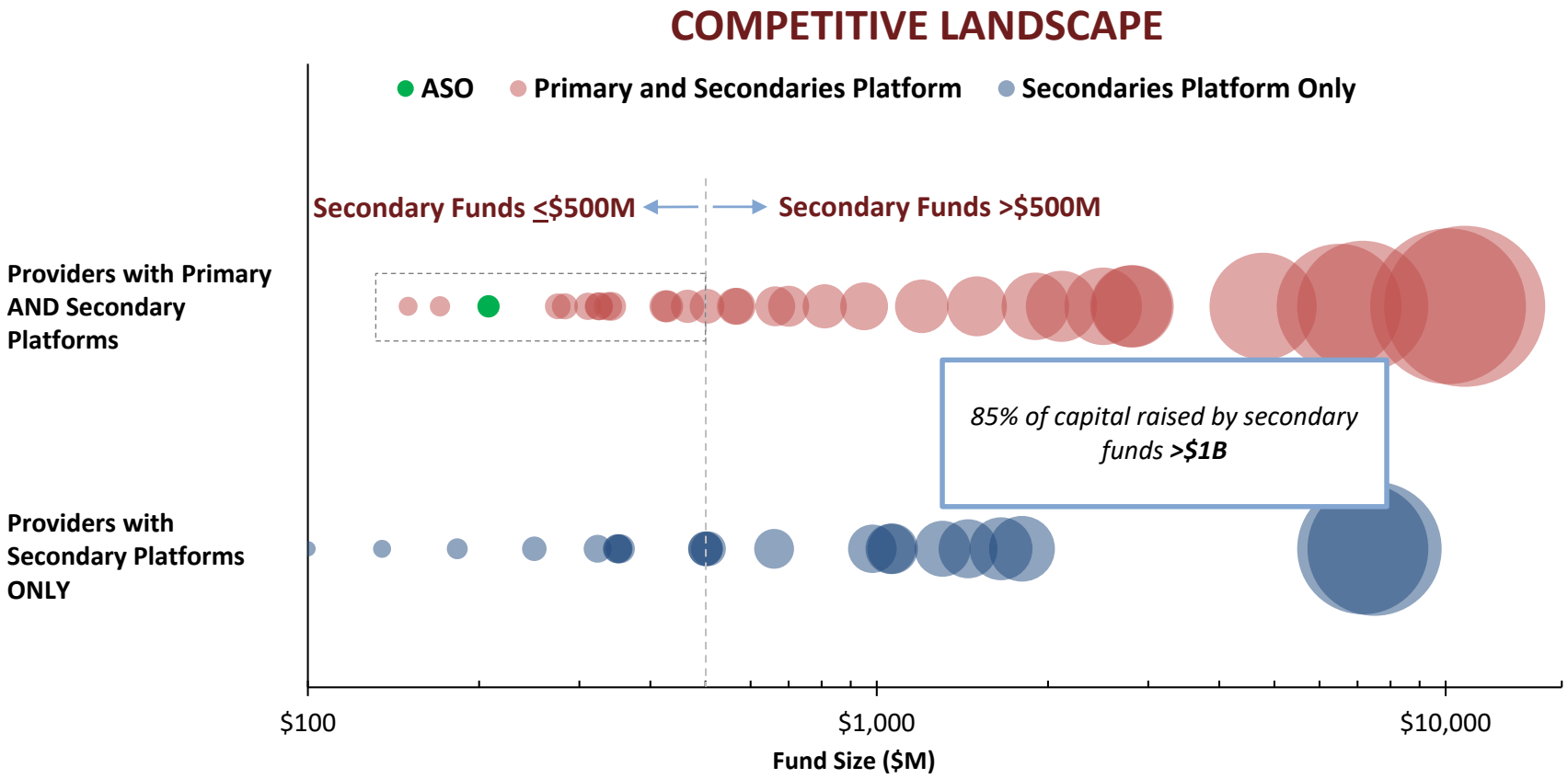


Transaction Type



The indices listed have not been selected to represent benchmarks, but rather allow for comparison of the performance to that of a widely recognized index. Cambridge Secondary Funds Index: Since Inception figure unavailable, figure shown is the 25 Year Horizon Pooled Return. [1]Net to the limited partners as a whole, excluding the general partner's interest. Individual LP performance varies due to different LP admission dates and management/performance fee arrangements. Such differences can be material. Buyouts may contain non-control strategies such as mezzanine, fund of funds, distressed debt and consolidation/hybrid. Number may not sum due to rounding. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance.

Less Competitive Transactions in the Smaller-end of the Market



Source: Preqin. Data sourced 11/13/2018. Includes only the last dedicated secondaries fund (VY 2014-2017) raised by each provider. Excludes geographic, sector, or strategy-specific focus.

For illustrative purposes only. There is no assurance that any trends depicted or described will continue. **Past performance is not a guide to future results and is not indicative of expected realized returns**. See Important Information pages at the back of this document and Abbott's Form ADV Part 2a for disclosures on risk and performance.

Secondaries Market Evolution

As of 12/31/2020

As secondaries grow increasingly common and complex, relationships are gaining importance

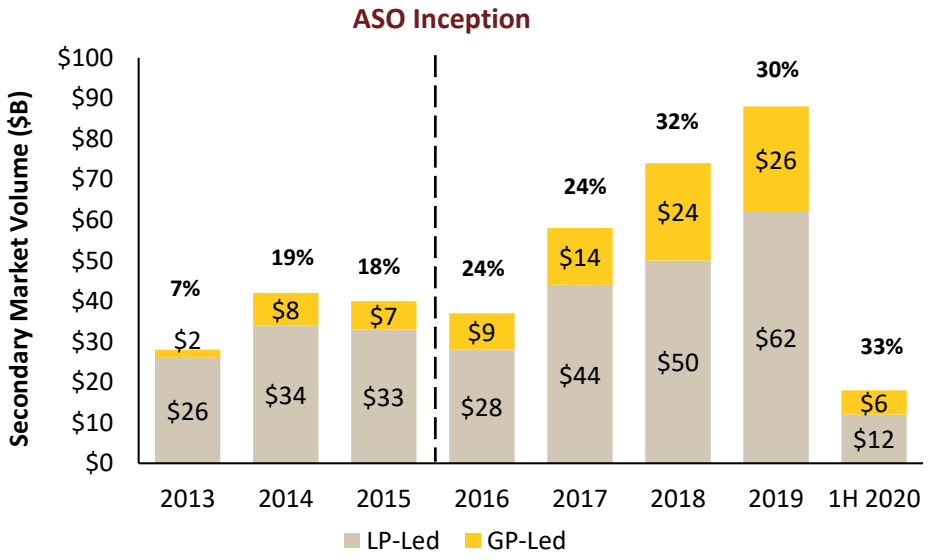
GP LED TRANSACTIONS

- Growing increasingly common as GPs seek to:
  - ✓ Provide liquidity to LPs
  - ✓ Restructure existing investments
  - ✓ Wind down older funds
- From 2016 to 2019, GP-led deals accounted for ~28% (**$73B**) of all secondary transactions; up from ~15% (**$17B**) in the 3 years prior

WHAT IT MEANS FOR LPs

- Must be able to accurately and quickly assess the impact and determine the ultimate beneficiary: GP, LP, or both?
- Important to have a "voice" during the structuring and approval process
- Having existing relationships with GPs and familiarity with fund terms and the underlying assets is beneficial

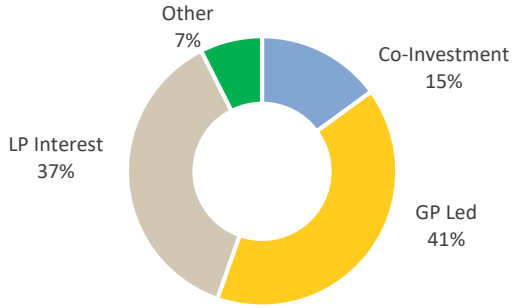
Historical Secondary Volume and Composition
Through June 30, 2020



Abbott Secondary Opportunities, L.P. (ASO)

- **63%** of transactions by invested capital were sourced directly through Abbott's network, highlighting the importance of a **robust primary platform**
- **Relationships** and **Information** are essential in sourcing and evaluating secondary transactions

Transaction Type
by Invested Capital



Abbott's network includes transactions sourced from the Abbott Platform and Proprietary channels. Source: Greenhill Global Secondary Market Trends & Outlook; July 2020. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Secondaries Sourcing

As of 12/31/2020

Abbott's Primary Platform Drives Secondary Deal Flow

Relationship Advantage

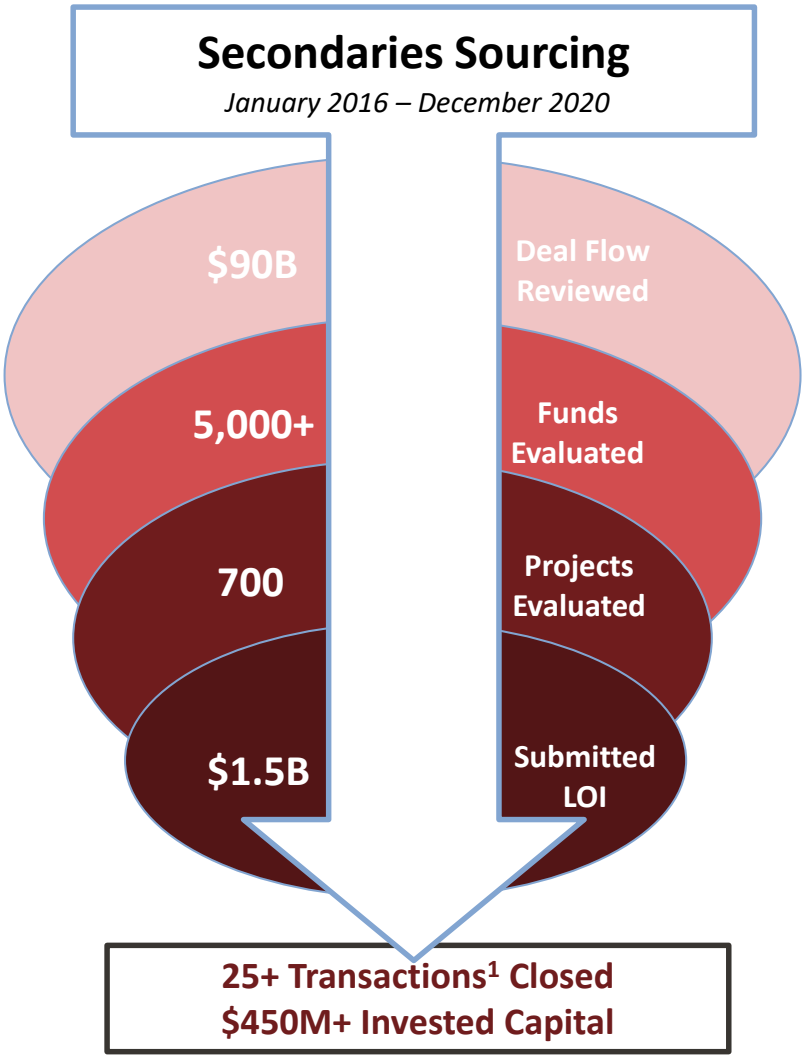
- ✓ **30+ years** of meeting GPs and building networks
- ✓ **140+** active advisory board seats
- ✓ Active in the LP community
- ✓ Partner of choice to GPs

Information Advantage

- ✓ **550+ primary opportunities** reviewed annually
- ✓ Proprietary database of information on **9,500+ funds**
- ✓ Active relationships with **>80 GPs**

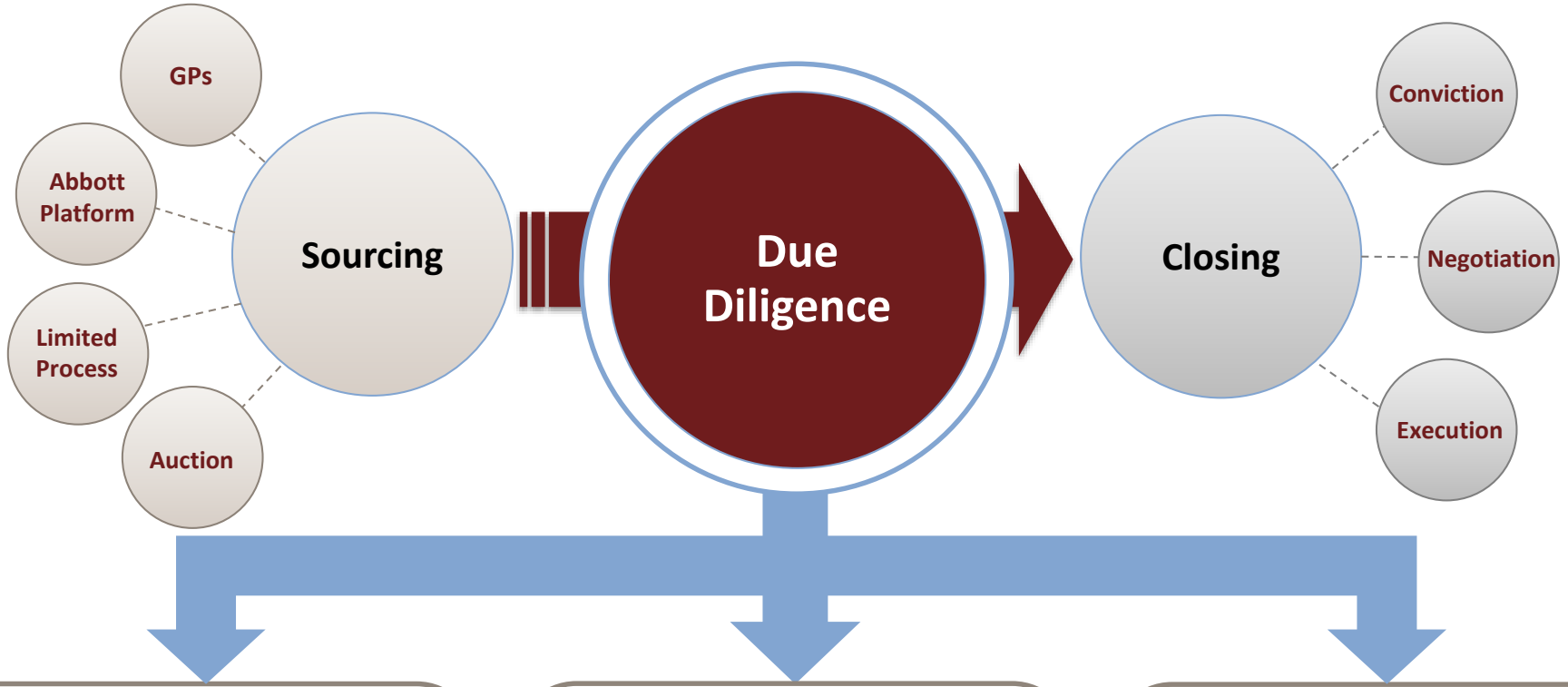
Focus Advantage

- ✓ Discipline enables Abbott to invest in **high-conviction opportunities**



For illustrative purposes only. [1]The number of transactions may not include post close, add-on, or staple commitments. There is no assurance that Abbott will continue to see similar levels of investment opportunities or execute on any particular investment opportunity in the future. See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance.

Secondaries Due Diligence Framework



FUND LEVEL

- Cross-reference GP and fund in Abbott database
- Analyze investment process and performance drivers – deal partners, strategy, value creation plan
- Quantitative and qualitative analysis, including GP valuation practices

ASSET LEVEL

- Identify largest/target assets, understand historical valuation
- Asset level diligence including assessment of valuation and path to liquidity
- Develop independent valuation including base case, upside, and downside scenarios

DEAL LEVEL

- Determine appropriate deal structure and Abbott's role – lead, syndicate member, or asset purchaser
- Assess idiosyncratic and transaction-related risks
- Evaluate transaction, regulatory, tax, legal, and financing terms

Although the foregoing describes the typical areas reviewed by Abbott when monitoring an investment, not every monitoring item occurs nor is every factor considered by Abbott in each instance it evaluates an investment.

Competitive Advantages in Action

	Transaction Type	Strategy	Focus	Source	Relationship Advantage	Information Advantage	Focus Advantage
Project Madison II *June 2016*	LP Interest	Venture Capital / Growth Equity	Financial Technology	Abbott Platform	✓ Strong familiarity with the team and portfolio from a 2014 transaction	✓ In-depth portfolio knowledge; used network for incremental due diligence	✓ Detailed diligence completed in condensed time period enabled Abbott to co-lead and negotiate staple terms
Project PF *October 2017*	GP Led	Buyouts	Consumer	Limited Process	✓ Conducted proprietary diligence on CEO from former portfolio company investment	✓ Leveraged Abbott's Network to gain industry insights and evaluate downside	✓ Co-led a syndicate of like-minded secondary investors underwriting asset and structuring the investment
Project Catamaran *January 2018*	LP Interest	Buyouts	Diversified	Limited Process	✓ Pre-qualified for limited GP-approved buyer list	✓ Leveraged recent primary due diligence that encompassed secondary portfolio	✓ Knowledge of the GP and portfolio allowed for efficient diligence and execution

The case studies included in this document are intended as a general illustration of Abbott's investment and due diligence process and of factors that are considered in the course of our secondaries investment program. These investments will not be held in any future Abbott product. All investments carry the risk of loss and no investment or due diligence process will be fail-safe. See Important Information pages at the back of this document and Abbott's Form ADV Part 2a for disclosures on risk and performance.

Abbott Secondary Opportunities II, L.P. Terms

Strong Alignment with Limited Partners

Target Fund Size	**$250M**
Closings	First close occurred January 2020
Term	**8 years**, with up to two 1-year extensions at the discretion of the General Partner
Investment Period	**4 years;** proceeds from investments may be recalled or reinvested
Average Annual Effective Fee	**0.75%**[1] of investor's subscription
Management Fee Schedule	**Years 1 – 5: 1.00% of Invested Capital** **Years 6+: 90% of prior year's management fee**
Carried Interest	10%
Profit Distributions	Carried interest payable after a full return of contributed capital, subject to an 8% preferred return *(European Waterfall)*
Minimum LP Subscription	$1 million, subject to General Partner's discretion
GP Commitment	1.00% of LP subscriptions (up to $2.5M)
Other Available Benefits	
Repeat LPs	**10 bps** reduction for LPs in Abbott Secondary Opportunities, L.P. ("ASO")

[1]Does not take into account any available fee reductions. Average annualized effective fee rate is calculated over 10 years. For illustrative purposes and uses assumptions that may not be ultimately applicable. The fees and expenses included herein are for reference/informational purposes only. Actual fees and expenses may vary depending on final commitment amounts/pacing or increases/decreases in Invested Capital.

Any summary of terms for Abbott Secondary Opportunities II, L.P., in whole or in part, is qualified in its entirety by the detailed information set forth in the Fund's confidential offering memorandum, limited partnership agreement, subscription agreement, and other agreements relating to the organization and management of the Fund. Abbott has the ability to negotiate or waive management fees and carried interest with respect to any investor and such fees may therefore differ from those described herein.

Differentiators and Key Takeaways

Competitive Advantages in Secondary Investing derived from Abbott Platform

Primary Platform
Institutional global platform with over $22bn committed to more than 550 fund investments since 1987[1]

Relationships
Deep relationships with GPs and industry contacts results in differentiation in deal sourcing and due diligence

Team
Single Investment Committee reviews and votes on all primary, secondary, and co-investment opportunities

Information
Proprietary database of information on over 9,500 funds and 10,000 portfolio companies enables evaluation of assets and attribution analysis

Experience
Three decades of experience investing in secondaries transactions and building private equity portfolios for institutional investors

Focus
Private equity transactions in the smaller end of the secondary market permit price discipline and transaction selectivity

Data as of 12/31/2020. [1]Includes primary and secondary investments.

Abbott Secondary Opportunities, L.P.

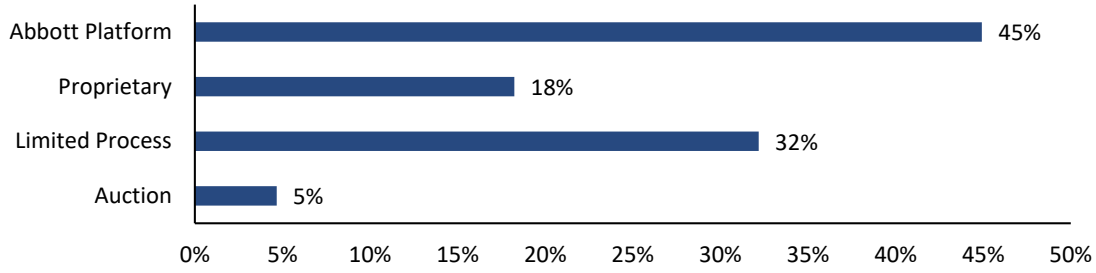
Abbott Secondary Opportunities, L.P.

Vintage Year	Fund Size	Invested Capital	Net TVPI[1]	Net LP IRR[1]
2016	$208M	$211M	1.4x	24.5%

Fund Highlights

Transactions	20
No. of Active Portfolio Companies	180
Avg. Age of Active Portfolio Company Investments	4.7 years

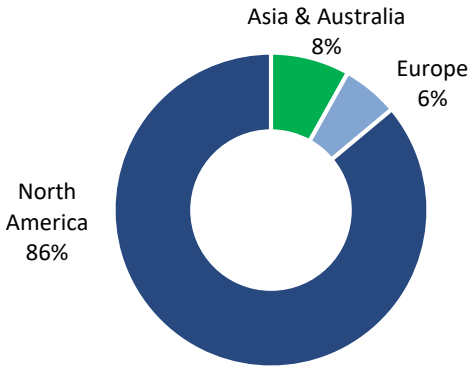
Transaction Sourcing
by Invested Capital



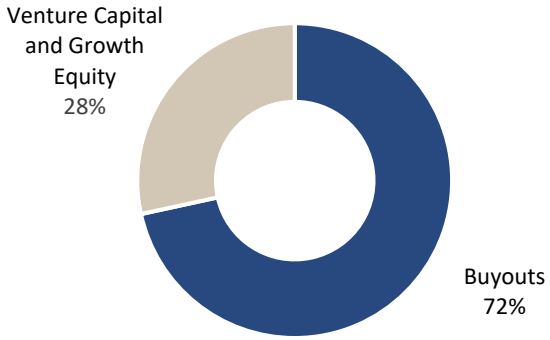
ASO Transaction Characteristics

by Invested Capital

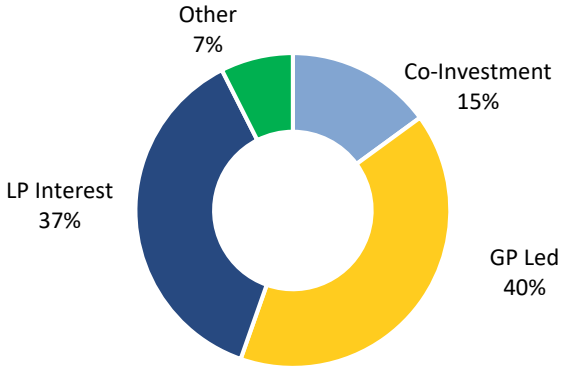
Geography



Strategy



Transaction Type



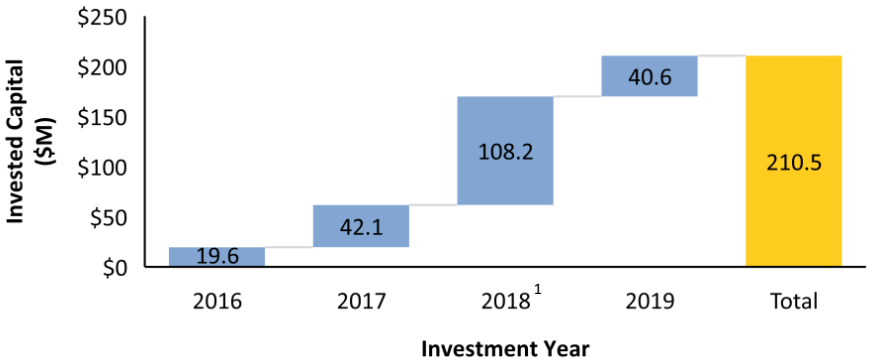
Data as of 9/30/2020. [1]Net to the limited partners as a whole, excluding the general partner's interest. Individual LP performance varies due to different LP admission dates and management/performance fee arrangements. Such differences can be material. Buyouts may contain non-control strategies such as mezzanine, distressed debt and consolidation/hybrid. Numbers may not sum due to rounding. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance.

Abbott Secondary Opportunities – Performance Overview

As of 9/30/2020

ASO Performance Overview

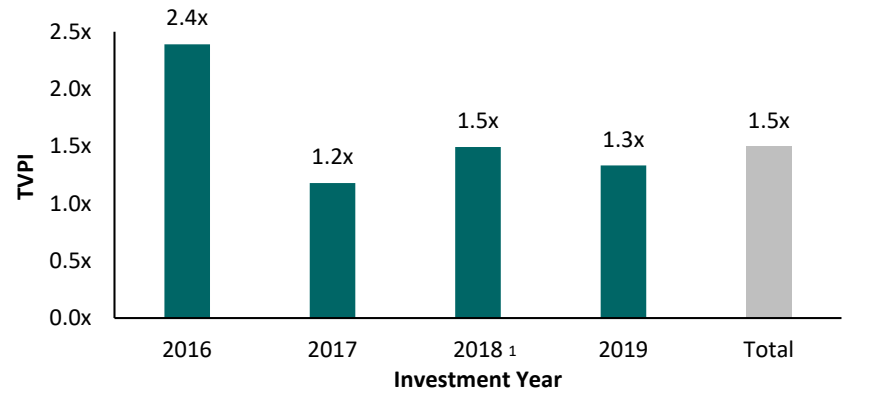
Invested Capital by Year



Secondary Transaction Performance by Year ($M)

Investment Year	Invested Capital	Paid-in	Distributed	Latest Valuation	Total Value	TVPI	IRR
2016	$19.6	$18.5	$32.4	$11.8	$44.3	2.4x	42.3%
2017	$42.1	$35.9	$5.7	$36.6	$42.3	1.2x	6.4%
2018[1]	$108.2	$99.4	$58.6	$90.0	$148.6	1.5x	26.3%
2019	$40.6	$32.4	$10.7	$32.5	$43.3	1.3x	33.9%
Total	$210.5	$186.2	$107.5	$170.9	$278.4	1.5x	24.5%

TVPI



Commentary

- ASO started investing in mid-2016 and accelerated its investment pace after the final closing in December 2017
- A significant amount of capital was invested in 2018
- Investments made in 2016 are starting to mature and generate liquidity
- Portfolio construction completed and distributions continued despite market dislocation

[1]Invested Capital for Project Newbury include a follow-on investment made in 2020. Invested Capital for a project may be reflected over multiple investment years. Invested Capital refers to the acquisition price of the Secondary Transaction plus related transaction costs and an estimate of the remaining unfunded amount that may be called by the manager or general partner of the underlying portfolio investments. Totals may not sum due to rounding. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance. Net performance not available by investment year.

ASO – Representative Relationships

Abbott's Platform & ASO Deal Flow

- **$21B+** in aggregate commitments
- Average of **$20 billion** in secondary deal flow reviewed annually[1]
- **54%** of ASO's invested capital has been sourced through Abbott's existing investment relationships

MERITECH · PAI PARTNERS · abry partners · WARBURG PINCUS · VITRUVIAN PARTNERS · PELION VENTURE PARTNERS · SPECTRUM EQUITY · MDP · NEXT Investors · THL Thomas H. Lee Partners

Representative ASO Portfolio Companies[2]

deltatre · workfront · APTTUS · FRONERI · asurion · SurveyMonkey · CrownRock · CLOUDFLARE · Aledade · Bats · CAPITAL FIRST · rackspace · ISLAND ENERGY · linimed · Syneos Health · ACCURUS · western window systems · Simplura HEALTH GROUP · planet fitness

[1]As of 12/31/2019, annual average over past 3 calendar years. All information provided as of the reference date indicated. [2]Selection criteria for the portfolio companies is available upon request. There is no assurance that Abbott will continue to see similar levels of investment opportunities or execute on any particular investment opportunity in the future. Does not necessarily represent managers that will be considered for Funds. Final portfolios will vary from these expectations based on available opportunities. Invested Capital refers to the acquisition price of the Secondary Transaction plus related transaction costs and an estimate of the remaining unfunded amount that may be called by the manager or general partner of the underlying portfolio investments. See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance.

ASO Investments

As of 9/30/2020

Transaction	Investment Date	Invested Capital	Strategy	% Funded at Closing	Transaction Type	Source	DPI	TVPI	IRR
Project Madison II	6/30/2016	$14.9	VCGE	70%	LP Interest	Abbott Platform	1.3x	1.8x	44.9%
Project WP	7/1/2016	$1.9	VCGE	68%	LP Interest	Proprietary	0.7x	1.6x	18.2%
Project Salt II	11/8/2016	$5.8	VCGE	90%	LP Interest	Abbott Platform	2.4x	3.6x	44.6%
Project Uno	1/31/2017	$5.1	Buyouts	40%	Other	Abbott Platform	0.3x	1.4x	11.8%
Project East	9/29/2017	$17.0	Buyouts	96%	GP Led	Limited Process	0.2x	0.9x	(3.5%)
Project PF[1]	10/13/2017	$20.8	Buyouts	65%	GP Led	Limited Process	0.0x	1.4x	13.0%
Project Catamaran[2]	1/31/2018	$6.6	Buyouts	82%	LP Interest	Limited Process	0.7x	1.7x	30.6%
Project Air	2/15/2018	$10.5	Buyouts	72%	Other	Abbott Platform	0.6x	1.2x	12.9%
Project Fuel	6/22/2018	$10.0	Buyouts	100%	GP Led	Auction	0.0x	0.8x	(11.4%)
Project Mobile	8/16/2018	$17.9	Buyouts	100%	Co-Investment	Abbott Platform	0.0x	1.3x	12.7%
Project Network	8/29/2018	$13.5	VCGE	100%	Co-Investment	Abbott Platform	2.7x	2.8x	79.3%
Project Enterprise	9/7/2018	$7.2	VCGE	62%	GP Led	Proprietary	0.2x	1.3x	19.6%
Project Bruin	12/21/2018	$18.8	Buyouts	76%	LP Interest	Proprietary	0.5x	1.5x	32.4%
Project Workflow	12/24/2018	$11.2	VCGE	91%	GP Led	Proprietary	0.0x	1.3x	16.2%
Project Newbury[1]	12/31/2018	$6.2	Buyouts	71%	LP Interest	Limited Process	0.4x	1.1x	3.5%
Project Steelers	12/31/2018	$6.4	VCGE	22%	LP Interest	Abbott Platform	0.0x	1.7x	54.1%
Project Survey	3/31/2019	$4.4	Buyouts	77%	LP Interest	Limited Process	0.8x	1.8x	82.3%
Project Vision	5/30/2019	$16.7	Buyouts	89%	GP Led	Abbott Platform	0.5x	1.6x	51.7%
Project Gold	9/30/2019	$14.0	Buyouts	64%	LP Interest	Limited Process	0.0x	0.9x	(6.5%)
Project Vanilla[2]	12/3/2019	$5.6	Buyouts	82%	GP Led	Abbott Platform	0.0x	1.0x	3.1%
TOTAL		**$214.3**					**0.6x**	**1.5x**	**24.5%**

[1]Invested Capital for Project PF and Project Newbury include follow-on investments made in 2020. [2]Non-US dollar denominated portfolio investment. Totals may not sum due to rounding. Invested Capital refers to the acquisition price of the Secondary Transaction plus related transaction costs and an estimate of the remaining unfunded amount that may be called by the manager or general partner of the underlying portfolio investments. Amounts in USD million. Actual returns to an individual investor or client would be reduced for fund level fees and expenses not accounted for in the performance calculations. Secondary Transactions made following March 2016 solely for clients other than ASO and its successor funds have been excluded. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance, and IRR.

ASO II Investment Update as of September 30, 2020

ASO II Investments

As of 9/30/2020

Transaction	Investment Date	Invested Capital	Strategy	% Funded at Closing	Transaction Type	Source	DPI	TVPI	IRR
Project Florida	6/30/2020	$11.7	Buyouts	71%	LP Interest	Proprietary	0.0x	1.3x	181.9%
Project Baker[1]	7/24/2020	$7.8	Buyouts	80%	GP Led	Limited Process	0.0x	1.1x	NM
Project Forward	9/14/2020	$6.0	Buyouts	74%	GP Led	Abbott Platform	0.0x	1.0x	NM
TOTAL		**$25.5**					**0.0x**	**1.2x**	**139.3%**
Subsequent Transactions									
Project Autumn	12/31/2020	$2.1	Buyouts	85%	LP Interest	Limited Process	-	-	-
Project Chicago	3/4/2021	$8.7	Buyouts	95%	GP Led	Abbott Platform	-	-	-
Project Everest	3/19/2021	$6.4	Venture	56%	Other	Abbott Platform	-	-	-
TOTAL *as of 3/31/2021*		**$42.6**							

[1]Non-US dollar denominated portfolio investment. Totals may not sum due to rounding. Invested Capital refers to the acquisition price of the Secondary Transaction plus related transaction costs and an estimate of the remaining unfunded amount that may be called by the manager or general partner of the underlying portfolio investments. Amounts in USD million. Actual returns to an individual investor or client would be reduced for fund level fees and expenses not accounted for in the performance calculations. As of September 30, 2020, there have not been any contributions paid by ASO II limited partners. As such, the Net LP IRR and TVPI are not calculable. However, Net LP IRR and TVPI calculated using the Latest Valuation of ASO II's investments as of 9/30/20 and cash flows between ASO II and the underlying investments, adjusted to reflect the impact of Abbott's management fee, ASO II expenses and the impact of any carried interest paid or allocated to the General Partner, if any, are 128.0% and 1.2x, respectively. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance, the definition of NM- non-primary fund investments, and IRR.

Project Florida

Purchase of an LP's interest in two assets with a small staple commitment to the GP's current fund. Abbott sourced this proprietary secondary deal directly from the seller and negotiated the transaction on a direct basis.

Underlying Portfolio Characteristics	
Strategy	Buyouts
Focus	Diversified
Vintage Year	Multiple
Transaction Characteristics	
ASO II Invested Capital	$11.7 million
Maturity	71% funded at closing
Transaction Type	LP Interest
Source	Proprietary
Seller Type	LP
Investment Date	June 30, 2020
Reference Date	December 31,2019
Diligence Time Frame	4 weeks
Reference Calls	10
Portfolio Characteristics at Acquisition	
# Portfolio Companies	2
% by Region (by NAV)	100% North America
Avg. age of portfolio companies	2.6 years

Portfolio Driver Descriptions

Company A

- A leading macro cell tower acquiror and operator in the US formed in 2017. The company services all major broadband service providers, as well as broadcasting and government tenants.
- Demonstrated strong historical growth and the ability to acquire towers on a micro basis for below market multiples. Completed transformative acquisition of a tower portfolio in January 2020.
- Run by a repeat management team with a long history and prior success in the tower industry.
- Future growth driven by strong industry tailwinds including increasing data demand and expansion of wireless infrastructure.

Company B

- Quick service restaurant (QSR) franchisee owner with greater than 30 locations in a concentrated geography.
- Formed in 2018, it operates one of the densest and highest performing portfolios of QSRs, with strong margins and store level economics.
- The company has consistently decreased wait times and increased customer satisfaction by implementing best in class management practices.
- Increased demand for drive through and take out as well as lower price point positions the company well for the current climate.

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Project Baker

Opportunity to back a small portfolio of two attractive European assets through a newly formed continuation fund SPV. The core asset operates as a global bakery platform with a long track record of organic growth and growth via M&A.

Underlying Portfolio Characteristics	
Strategy	Buyouts
Focus	Diversified
Vintage Year	2020

Transaction Characteristics	
ASO II Invested Capital	$7.8 million
Maturity	80% funded at closing
Transaction Type	GP Led
Source	Limited Process
Seller Type	LP
Investment Date	July 24, 2020
Reference Date	December 31, 2019
Diligence Time Frame	5 months
Reference Calls	15

Portfolio Characteristics at Acquisition	
# Portfolio Companies	2
% by Region (by NAV)	100% Europe
Avg. age of Portfolio Companies	8.7 years

Portfolio Driver Descriptions

Company A

- Global bakery platform headquartered in Spain with operations across Europe, the U.S., and South America (global manufacturing footprint with 22 global production sites)
- Focus on bread as well as viennoiserie products (including donuts and pastries) serving over 80,000 clients and 600 distributors
- Attractive market share in the fast growing “thaw & serve” segment
- Balanced channel mix between food service and retail
- Diversified customer base across products, sales channels, and geographies
- Strong management team with a proven track record of organic growth via product innovation as well as via M&A including international expansion (double-digit revenue CAGR from 2015-2019)

Company B

- Group of radiology clinics in Portugal with five sites, mainly located in the northwest of Portugal around Porto
- The services include diagnostic and therapeutic services in nuclear medicine, imaging, oncology, and radiotherapy
- The Company was started in 2007 and has grown through organic growth and via smaller acquisitions
- The Company operates its units either within a hospital setting (providing the equipment and handling of radiology procedures) or as independent stand-alone units
- Current ramp-up phase for a large new radiology campus that is expected to be transformational for the business

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Project Forward

Opportunity to back an attractive enterprise software platform of scale managed by an existing Abbott GP with a long and successful track record in technology investments.

Company Characteristics	
Strategy	Buyouts
Focus	Information Technology
Vintage Year	2020
Transaction Characteristics	
ASO II Invested Capital	$6.0 million
Maturity	74% funded at closing
Transaction Type	GP Led
Source	Abbott Platform
Seller Type	LP
Investment Date	September 14, 2020
Reference Date	N/A
Diligence Time Frame	1 month
Reference Calls	6
Company Financial Characteristics at Acquisition	
Entry Multiple	11.8x LTM EBITDA
Initial Leverage	5.8x

Description and Value Drivers

Company Description

- The Company provides IT management solutions to mid-market organizations that enables them to manage and secure their digital workplace
- Based in Utah, the Company operates as a global business with over 24,000 customers worldwide
- Only comprehensive platform of scale focused on the mid-market
- Two main offerings: (i) services management for IT departments and IT helpdesks, and (ii) unified endpoint management
- Large and growing industry with growth trends that have been accelerated by Covid-19
- Strong new management team focused on margin improvements and growth via M&A

Transaction Overview

- GP-led transaction of an asset that has been held by the GP across multiple investment vehicles since 2012
- Transfer of shares to an SPV capitalized by rollover investors and new secondary investors
- Valuation of 11.8x externally validated by minority investment of another GP

Financial Snapshot

- Over 70% of revenue is recurring, and net retention rates are over 95%
- Gross margins of ~85% and strong cash flow generation

Growth Opportunities

- Expected robust organic growth driven by product innovation and overall market tailwinds
- Additional growth potential from smaller M&A opportunities as well as from larger, transformational M&A

Description and Value Drivers provided are as of the investment date indicated. All investments carry the risk of loss and no investment or due diligence process will be fail-safe. See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance. **Past performance is not a guide to future results and is not indicative of expected realized returns.**

Project Autumn

Purchase of an LP fund interest of a tail-end, conservatively valued portfolio with embedded upside.

Underlying Portfolio Characteristics	
Strategy	Buyouts
Focus	Diversified
Vintage Year	2008
Transaction Characteristics	
ASO II Invested Capital	$2.1 million
Maturity	85% funded at closing
Transaction Type	LP Interest
Source	Limited Process
Seller Type	LP
Investment Date	December 31, 2020
Reference Date	June 30, 2020
Diligence Time Frame	1 month
Reference Calls	5
Portfolio Characteristics at Acquisition	
# Portfolio Companies	6[1]
% by Region (by NAV)	100% North America
Avg. age of portfolio companies	8.6 years

Portfolio Driver Descriptions

Company A

- Salesforce implementation and services consultant.
- The Company benefits from the growth of the Salesforce platform and increased migration to a cloud-based IT environment.
- Perceived conservative valuation as of reference date and confirmed by strong exit prior to the closing of this transaction.

Company B

- Specialized contract manufacturer of precision laser processing components for interventional medical devices.
- This is a platform investment of a buy-and-build thesis in a fragmented industry majority owned by another core Abbott GP.
- The Company enjoys strong secular tailwinds driven by increased outsourcing trends.
- Robust business operations buoyed by a sticky customer base where regulatory requirements further enhances customer retention and barriers to entry.

Company C

- Developer and manufacturer of thermoplastic composite solutions, primarily for the truck trailer industry.

[1]The investment was comprised of six portfolio companies as of the reference date. Company A was subsequently sold, and proceeds were distributed before the closing of Project Autumn.

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Project Chicago

The purchase of an investment in a U.S. based insurance brokerage business with a successful long-term track record of organic growth and M&A managed by an existing Abbott GP

Company Characteristics	
Strategy	Buyouts
Focus	Financial Services
Vintage Year	2021
Transaction Characteristics	
ASO II Invested Capital	$8.7 million
Maturity	95% funded at closing
Transaction Type	GP Led
Source	Abbott Platform
Seller Type	LP
Investment Date	March 4, 2021
Reference Date	September 30, 2020
Diligence Time Frame	2 months
Reference Calls	9
Company Financial Characteristics at Acquisition	
Entry Multiple	12.5x 2020E PF EBITDA
Financial Leverage	6.3x

Description and Value Drivers

Company Description

- Large U.S. insurance broker with a broad geographic footprint, 250+ offices across the U.S., and 5,100+ employees.
- Highly diversified customer base including 65,000+ corporate and 100,000+ individual clients
- Focus on three business segments including Corporate Benefits (CB), Property & Casualty (P&C) and Individual Solutions
- Asset-light business model with high revenue retention rates and strong free cash flow conversion

Transaction Overview

- GP-led transaction of an asset that has been held by the GP since 2013
- Transfer of investment to an SPV capitalized by rollover investors and new secondary investors
- Strong alignment with GP and management team

Financial Snapshot

- EBITDA margins of 30%+
- Net revenue retention rates of 90%+ across the CB and P&C segments
- Free cash flow conversion of 80%+

Growth Opportunities

- Organic growth opportunities driven by overall favorable market dynamics and the Company's ability to further disintermediate the P&C channel
- Additional growth from continuing to execute the M&A strategy focused on acquiring and integrating smaller brokerage platforms at accretive purchase prices

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Project Everest

Primary investment in a highly deployed, diverse, early-stage venture portfolio managed by an emerging VC known through the Abbott network

Underlying Portfolio Characteristics	
Strategy	Venture Capital
Focus	Information Technology
Vintage Year	2018

Transaction Characteristics	
Invested Capital	$6.4 million
Maturity	56% funded at closing
Transaction Type	Other
Source	Abbott Platform
Seller Type	N/A
Investment Date	March 19, 2021
Reference Date	September 30, 2020
Diligence Time Frame	5 months
Reference Calls	17

Portfolio Characteristics at Acquisition	
# Portfolio Companies	10[1]
% by Region (by NAV)	100% North America[1]
Avg. age of Portfolio Companies	1.4 years[1]

Portfolio Driver Descriptions

Company A

- Enterprise SaaS platform for law firms, often described as “Slack for lawyers”
- Offers a cloud-based solution that provides full customization and seamless collaboration, supporting a legal practice's day-to-day engagements
- The platform serves about 2,000 clients with a net retention rate of over 100%

Company B

- Internet safety platform that provides parents and schools with the ability to protect children online without compromising privacy
- Provides an AI layer that sits on top of mobile phone activity to monitor potential issues
- Recently released a hardware product that will allow parents to monitor the internet usage of children on home Wi-Fi

Company C

- White glove, concierge-like delivery service company
- Accept and store residential packages at local warehouses and coordinate door-to-door delivery with tenants directly
- Business model is to partner with large, multifamily property managers and charge on a per tenant basis

Company D

- Product lifecycle management solution that allows groups to collaborate in the production process from initial design to final production

Company E

- Female-oriented online career community platform

[1]Platform investments only and excludes seed investments.

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Appendix

Project Madison II

Single fund purchase with follow-on capital. The underlying portfolio is pursuing a growth equity strategy with a focus on financial technology. Abbott is familiar with the general partner and the portfolio via a prior secondary transaction.

Underlying Portfolio Characteristics	
Strategy	VCGE
Focus	Financial Technology
Vintage Year	Multiple
Transaction Characteristics	
ASO Invested Capital	$14.9 million
Maturity	70% funded at closing
Transaction Type	LP Interest
Source	Abbott Platform
Seller Type	LP
Investment Date	June 30, 2016
Reference Date	March 31, 2016
Diligence Time Frame	6 weeks
Reference Calls	15
Portfolio Characteristics at Acquisition	
# Portfolio Companies	24
% by Region (by NAV)	90% North America; 10% ex-North America
Avg. age of portfolio companies	5.6 years

Portfolio Driver Descriptions

Company A

- Develops and operates electronic markets for the trading of equity securities and equity options primarily catering to high-speed, statistically-driven liquidity providers
- Company successfully completed an initial public offering in the second quarter of 2016

Company B

- Provides a platform of data analysis and visualization technologies designed to help organizations integrate and utilize large pools of data
- With origins servicing the federal government, company has expanded its revenue base to state and local agencies as well as private companies

Company C

- Provider of individually underwritten medical expense and supplemental health insurance products that primarily caters to self-employed individuals and small business owners, a market traditionally underserved by the insurance industry

Company D

- Provides custom outsourced solutions to the global capital markets industry
- Key areas of business focus include fund administration, middle office outsourcing and technology solutions, which are being outsourced

Company E

- Employs wood and agricultural by-products to produce renewable liquid fuels as well as chemical products used as additives in refinery-produced fuels
- Company owns and operates a commercial production facility

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Project PF

Investment in the recapitalization of the largest franchisee of a fitness chain. Opportunity to capitalize on the continued growth in the business through new club openings as well as acquisitions.

Company Characteristics	
Strategy	Buyouts
Focus	Consumer
Vintage Year	2017[1]
Transaction Characteristics	
ASO Invested Capital	$17 million[2]
Maturity	Over 65% funded at closing
Transaction Type	GP Led
Source	Limited Process
Seller Type	GP
Investment Date	October 13, 2017
Reference Date	June 30, 2017
Diligence Time Frame	3 months
Reference Calls	11
Company Financial Characteristics at Acquisition	
Entry Multiple	6.5x
Initial Leverage	4.5x

Description and Value Drivers

Company Description

- Multi-unit franchisee in the value end of the fitness club space with 50+ locations
- Franchise is the fastest growing full-size health club brand in the U.S.
- Run by a CEO known and well respected by a GP within Abbott's network
- Strong potential for future growth through new unit build-out and acquisitions, including internationally

Transaction Overview

- Partial recapitalization of a fundless sponsor-owned asset
- Initial sponsor rolling 70% into the new deal
- Funded by a syndicate of secondary LPs; Abbott is the co-lead
- Favorable fee structure including a multi-tier European carried interest waterfall with a 15% Net IRR preferred return
- Member of the Fund's Advisory Board and the company's Board of Directors

Financial Snapshot

- Resilient business model with a track record of 20%+ same store sales growth
- Attractive purchase price of 6.5x LTM Cash EBITDA, at the low end of comparable transactions
- Attractive free cash flow characteristics with 30%+ EBITDA margins

Growth Opportunities

- Significant whitespace for new unit growth permitted under existing Area Development Agreements
- Select relocations and refurbishments of older units in existing markets with attractive ROIs
- Potential acquisitions of non-institutional franchisees seeking exits
- Marketing and management initiatives to drive premium membership penetration

[1]Project PF has an initial investment vintage year of 2017 and the follow-on investment has a vintage year of 2020. [2]Invested Capital for Project PF excludes a follow-on investment of $3.8 million made in December 2020. All information provided as of the reference date indicated. There is no assurance that Abbott will continue to see similar levels of investment opportunities or execute on any particular investment opportunity in the future. Past performance is not a guide to future results and is not indicative of expected realized returns. See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and performance.

Project Catamaran

Portfolio of growth and buyout investments in the UK and European middle-market companies. Abbott's position as an existing investor in the fund allowed us to leverage our recently completed primary due diligence on the GP's subsequent fund to quickly build conviction around our bid.

Underlying Portfolio Characteristics	
Strategy	Buyouts
Focus	Diversified
Vintage Year	2013
Transaction Characteristics	
ASO Invested Capital	$6.6 million
Maturity	82% funded at closing
Transaction Type	LP Interest
Source	Limited Process
Seller Type	LP
Investment Date	January 31, 2018
Reference Date	June 30, 2017
Diligence Time Frame	1 month
Reference Calls	28
Portfolio Characteristics at Acquisition	
# Portfolio Companies	16
% by Region (by NAV)	100% Europe
Avg. age of Portfolio Companies	1.9 years

Portfolio Driver Descriptions

Company A

- Independent provider of electronic Clinical Outcome Assessment (eCOA) solutions focused on patient-reported outcomes in clinical trials
- Leading position in a sizeable market undergoing significant changes – technology and regulatory

Company B

- UK-based global online retailer for luxury brand items
- Leader in the space, differentiated from certain competitors as inventory risk is minimal

Company C

- Leading provider of Financial and Administration (F&A) software and related Business Process Outsourcing ("BPO") services to small and mid-sized companies
- Strong position in the Nordic region

Company D

- Provider of geographical, mobile and toll-free numbers and associated network capacity for global enterprise customers
- Industry has high barriers to entry given stringent regulatory and compliance requirements

Company E

- Global leader in aviation data and associated technology products offering a subscription-based platform for mission-critical real-time data and intelligence solutions
- Company is building scale

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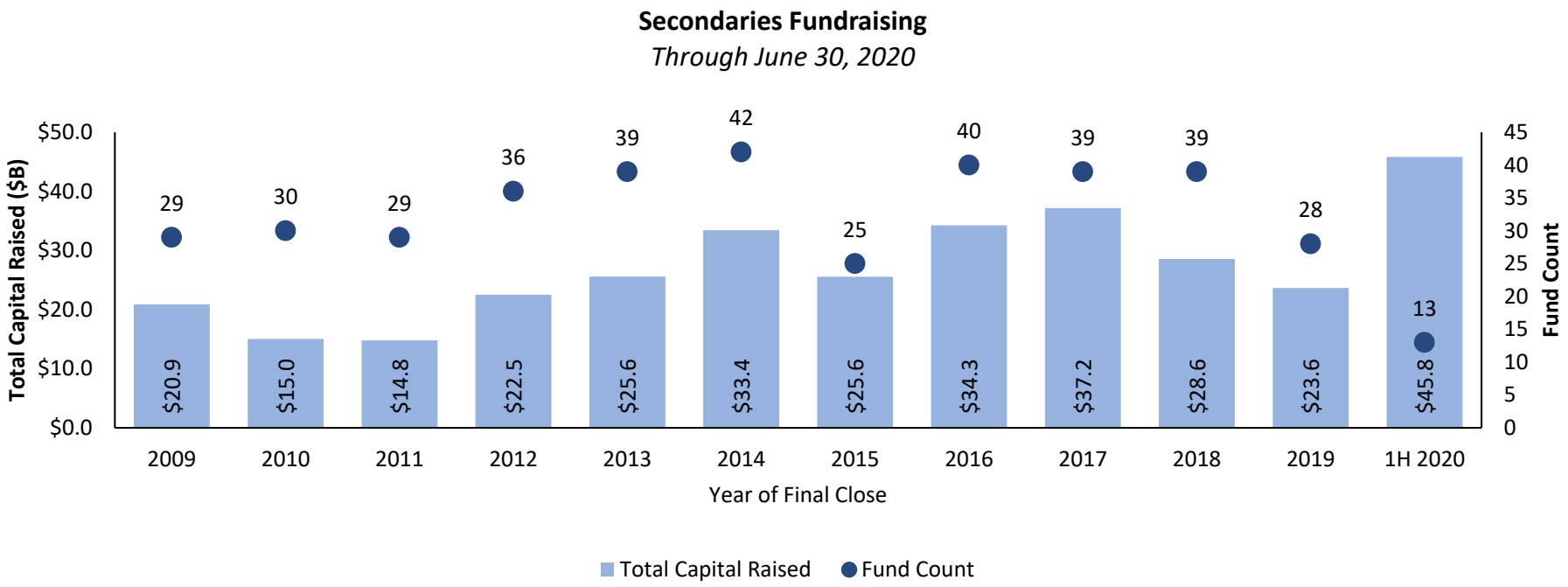
Secondary Fundraising

As of 6/30/2020

- Despite the challenges of COVID-19, fundraising hit record levels for 1H 2020, largely driven by two mega funds that held final closings at $14 billion and $19 billion in the month of June
- According to Greenhill, the ratio of near-term available capital to LTM deal volume spiked in 1H 2020 as a result of the drop in deal activity due to COVID-19



- 2019 fundraising fell slightly from 2018 levels, with a 22% drop in capital raised and a 36% drop in number of funds closed
- According to *Secondaries Investor*, the ratio of dry powder to deal volume fell during 2019, favoring buyers, who can afford to be more selective in deal execution

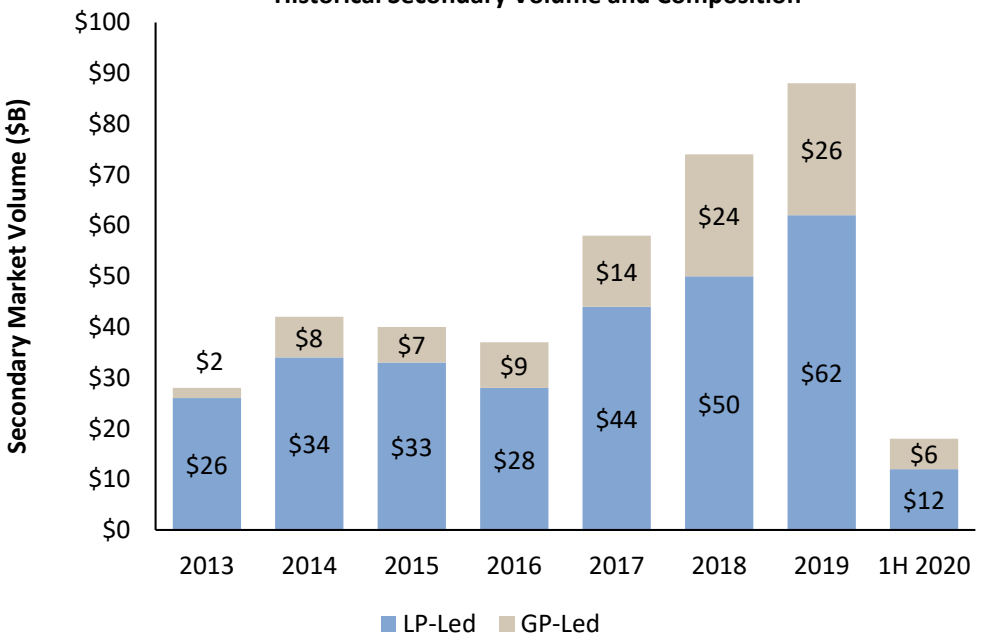
Data Source: PitchBook. Secondaries Fundraising through June 30, 2020; restated data sourced on 8/11/2020; Greenhill Global Secondary Market Trends & Outlook; July 2020. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Secondary Volume

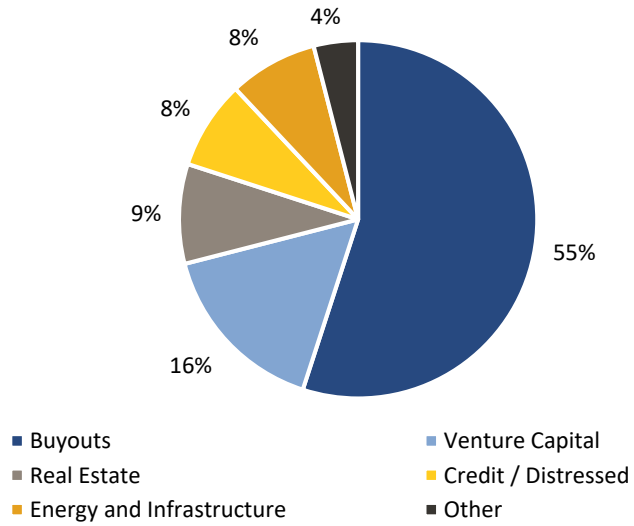
As of 6/30/2020

- Transaction volume totaled $88 billion in 2019, a record high. Slightly more than half of the year's transaction volume occurred in 2H 2019. 1H 2020 transaction volume totaled $18 billion due to the impact of COVID-19, a significant decline from 1H 2019 transaction volume which totaled $42 billion
- GP-led transactions continued to grow in 2019, accounting for $26 billion in transaction volume – a modest uptick from last year's $24 billion, but a $17 billion increase since YE 2016. In 1H 2020 GP-led transactions accounted for 33% of secondary deal volume, which is consistent with the last two calendar years, despite the lower overall deal volume
- Due to market uncertainty, wide bid-ask spreads, and slowed bidding activity, many secondary transactions were put on hold in 1H 2020
- While multi-asset deals dominated the GP-led secondaries space in 2019, single asset transactions gained in popularity – such transactions accounted for 26% of GP-led secondaries transaction value, compared with 4% in 2018
- By GP-led transaction volume, buyouts accounted for a majority of transaction activity in 2019

Historical Secondary Volume and Composition



2019 GP-Led Transaction Volume by Strategy (% of Volume)

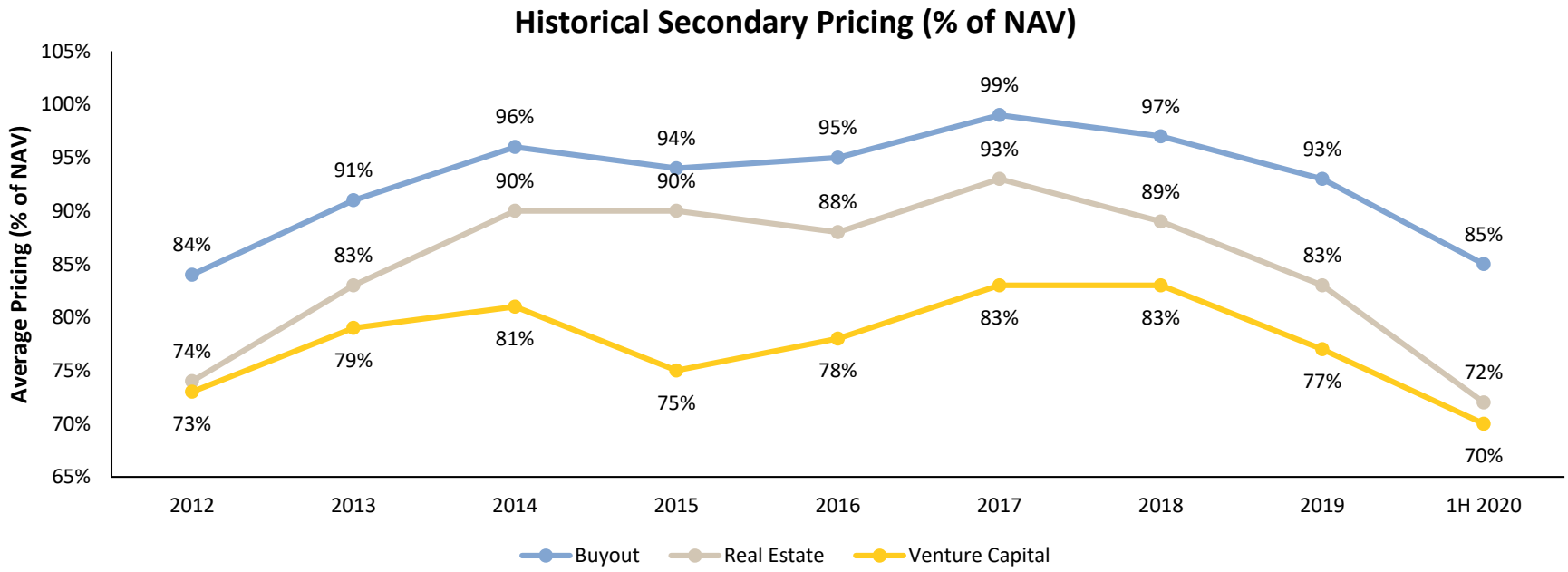


Data Source: Greenhill Global Secondary Market Trends & Outlook; July 2020; Greenhill Global Secondary Market Trends & Outlook; January 2020. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Secondary Market Pricing Evolution Over Time

As of 6/30/2020

- Pricing across buyouts, real estate, and venture capital declined in 1H 2020, driven in part by less activity, slowing distribution activities, and anticipated write-downs due to COVID-19
- Buyout pricing declined by 1,400 basis points as hospitality and retail industries saw massive COVID-19-related losses



- Pricing across buyouts, real estate, and venture capital declined in 2019 despite strong public market performance
- The appetite for pre-crisis funds has softened, and declining pricing for such funds has diluted pricing across all strategies

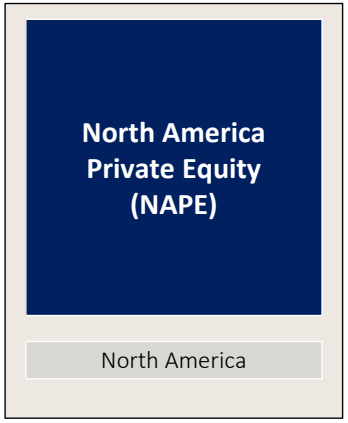
Data Source: Greenhill Global Secondary Market Trends & Outlook; July 2020, Greenhill Global Secondary Market Trends & Outlook; January 2020. For illustrative purposes only. There is no assurance that any trends depicted or described will continue.

Appendix: Abbott's Primary Platform

North America Private Equity

As of 9/30/2020

Portfolio Construction Guidelines



- Buyout and Special Situations funds with a focus on North America
- Funds generally seeking to raise greater than $750 million
- Broad diversification across fund sizes, business sectors, and investment styles

Highlights and Experience

- **1987**: Abbott's first commitment
- **$6.7B**: total amount committed
- **140**: total number of fund commitments
- **39**: number of active advisory board seats
- **$3.1B:** median fund size[1]

Representative Managers[2]

abry partners · AEA · Charlesbank Capital Partners LLC · Clearlake · Flexpoint Ford · Genstar Capital · Great Hill Partners · GTCR · Hellman & Friedman · Insight Partners · LGP · Parthenon Capital Partners · Ridgemont Equity Partners · Riverside · Sentinel Capital Partners · Spectrum Equity · TA Associates

[1] Fund sizes based on commitments made between 10/1/2010 – 9/30/2020. [2]Managers of funds relevant to this strategy and committed to by an Abbott Fund or more than one managed account between 1/1/2015 – 9/30/2020; excluding managers where an Abbott Fund or more than one managed account did not commit, or did not expect to commit, to the manager's most recent fund offering in that strategy. May exclude any Manager where Abbott's most recent investment with that Manager did not qualify as (NAPE). Does not necessarily represent managers that will be considered in the future. Final portfolio will vary from these expectations based on available opportunities. PME(+) presented uses actual (capital weighted) cash flows. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and impact of fees on performance. Diversification does not eliminate the risk of loss.

Europe Private Equity

As of 9/30/2020

Portfolio Construction Guidelines

- Buyout and Special Situation funds with a focus outside North America
- Funds generally seeking to raise greater than $750 million
- Broad diversification across fund sizes, business sectors, geographies, and investment styles

Highlights and Experience

- **1994**: Abbott's first commitment
- **$2.3B**: total amount committed
- **46**: total number of fund commitments
- **12**: number of active advisory board seats
- **$3.2B**: median fund size[1]

Representative Managers[2]

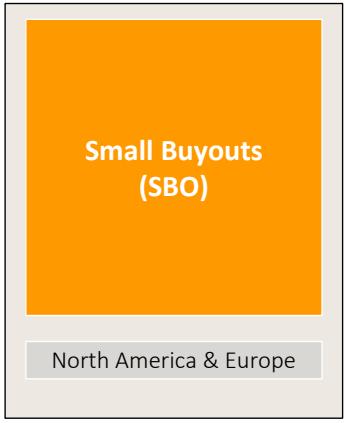
Advent International GLOBAL PRIVATE EQUITY
astorg
BLACKFIN CAPITAL PARTNERS
CAPVEST
CHEQUERS CAPITAL
CVC CAPITAL PARTNERS
eci building successful businesses
EGERIA
Gilde Buy Out Partners
PAI PARTNERS
VITRUVIAN PARTNERS

[1]Fund sizes based on commitments made between 10/1/2010 – 9/30/2020. [2]Managers of funds relevant to this strategy and committed to by an Abbott Fund or more than one managed account between 1/1/2015 – 9/30/2020; excluding managers where an Abbott Fund or more than one managed account did not commit, or did not expect to commit, to the manager's most recent fund offering in that strategy. May exclude any Manager where Abbott's most recent investment with that Manager did not qualify as (EPE). Does not necessarily represent managers that will be considered in the future. Final portfolio will vary from these expectations based on available opportunities. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and impact of fees on performance. Diversification does not eliminate the risk of loss.

Small Buyouts

As of 9/30/2020

Portfolio Construction Guidelines



- Buyout and control-oriented Special Situations funds with a focus on North America
- Funds generally targeting to raise less than $750 million
- Broad diversification across business sectors and investment styles

Highlights and Experience

- **1987**: Abbott's first commitment
- **$1.8B**: total amount committed
- **83**: total number of fund commitments
- **31**: number of active advisory board seats
- **$540M**: median fund size[1]

Representative Managers[2]

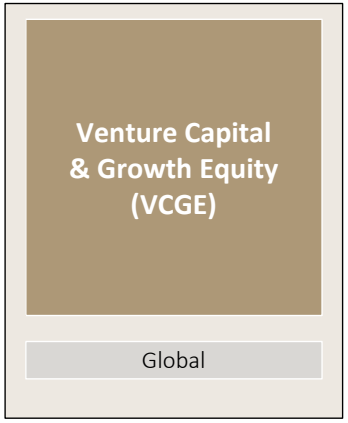
abry partners · AEA · AVEDON · BLUE SEA CAPITAL · Charlesbank CAPITAL PARTNERS LLC · Cressey & Company · GRAYCLIFF PARTNERS · THE HALIFAX GROUP · LIVINGBRIDGE · MASON WELLS · MC PARTNERS · MSOUTH EQUITY PARTNERS · PRAIRIE CAPITAL · PRIMUS · PRIVEQ · RIORDAN, LEWIS & HADEN | Equity Partners · SAW MILL CAPITAL · Serent CAPITAL · SVERICA CAPITAL · TRINITY HUNT PARTNERS

[1]Fund sizes based on commitments made between 10/1/2010 – 9/30/2020. [2]Managers of funds relevant to this strategy and committed to by an Abbott Fund or more than one managed account between 1/1/2015 – 9/30/2020; excluding managers where an Abbott Fund or more than one managed account did not commit, or did not expect to commit, to the manager's most recent fund offering in that strategy. May exclude any Manager where Abbott's most recent investment with that Manager did not qualify as (SBO). Does not necessarily represent managers that will be considered in the future. Final portfolio will vary from these expectations based on available opportunities. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and impact of fees on performance. Diversification does not eliminate the risk of loss.

Venture Capital & Growth Equity

As of 9/30/2020

Portfolio Construction Guidelines



- Venture Capital and Growth Equity funds of all sizes and stages
- Funds pursuing sector-specific, regional or global strategies

Highlights and Experience

- **1987**: Abbott's first commitment
- **$4.6B**: total amount committed
- **191**: total number of fund commitments
- **60**: number of active advisory board seats
- **$593M**: median fund size[1]

Representative Managers[2]

ALLIANCE CONSUMER GROWTH · Battery · Bessemer Venture Partners · crv · e.ventures · GGVCAPITAL · Index Ventures · INSIGHT PARTNERS · KLEINER PERKINS · LEVEL EQUITY · Longitude CAPITAL · MERITECH · OAK HC/FT · PELION VENTURE PARTNERS · SOFINNOVAVENTURES · VERSANT ventures

[1]Fund sizes based on commitments made between 10/1/2010 – 9/30/2020. [2] Managers of funds relevant to this strategy and committed to by an Abbott Fund or more than one managed account between 1/1/2015 – 9/30/2020; excluding managers where an Abbott Fund or more than one managed account did not commit, or did not expect to commit, to the manager's most recent fund offering in that strategy. May exclude any Manager where Abbott's most recent investment with that Manager did not qualify as (VCGE). Does not necessarily represent managers that will be considered in the future. Final portfolio will vary from these expectations based on available opportunities. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See Important Information pages at the back of this document and Abbott's Form ADV Part 2A for disclosures on risk and impact of fees on performance. Diversification does not eliminate the risk of loss.

Team Biographies

Managing Directors

Jonathan D. Roth – Managing Director, President

Mr. Roth has more than 29 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.

Timothy W. Maloney, CPA – Managing Director

Mr. Maloney has more than 20 years of private equity investment experience. He reviews 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. Maloney also serves on several partnership advisory boards. Prior to joining Abbott in 2004, Mr. Maloney was an associate at Frye-Louis Capital Management in Chicago, working on screening and due diligence for venture capital, buyouts and special situations partnerships. Mr. Maloney also worked as a senior analyst at General American Transportation Corporation and at Hewitt Associates as a pension consultant. Mr. Maloney received his B.S. in Accounting from DePaul University, his M.B.A. in Finance from New York University and his C.P.A. from the State of Illinois.

Meredith L. Rerisi – Managing Director

Ms. Rerisi has more than 20 years of private equity investment experience. She reviews 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. Ms. Rerisi also serves on several partnership advisory boards. Ms. Rerisi originally joined Abbott in 1998 and returned in the fall of 2002, following receipt of her M.B.A. Prior to joining Abbott, Ms. Rerisi was an equity analyst at American High Growth Equities Corporation. Ms. Rerisi received her B.S. in Applied Economics and Business Management from Cornell University and her M.B.A. from The Fuqua School of Business at Duke University.

Matthew M. Smith – Managing Director

Mr. Smith has more than 20 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. Mr. Smith also serves on several partnership advisory boards. 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.

Team Biographies

Managing Directors

Leonard C. Pangburn – Managing Director

Mr. Pangburn has more than 15 years of private equity investment experience. He reviews 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. Pangburn also serves on several partnership advisory boards. Prior to joining Abbott Capital in 2005, Mr. Pangburn was a supervisor of global operations at International Fund Services in New York, where he managed and reconciled all aspects of the global security database. Mr. Pangburn received his B.S. in Finance from Bentley University and his M.B.A. from New York University.

Young Lee, CFA – Managing Director

Mr. Lee has more than 16 years of private equity investment experience. He reviews 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. Lee also serves on several partnership advisory boards. Prior to joining Abbott in 2007, Mr. Lee was an associate at The Henry J. Kaiser Family Foundation in Menlo Park, sourcing and leading due diligence on prospective private equity and hedge fund investments. Mr. Lee also worked as a product manager in the Online Business Services Division at Silicon Valley Bank and co-founded a company that matched university-based start-ups with angel investors. Mr. Lee received his B.A. in Economics from Stanford University, his M.B.A. from Columbia University and is a CFA® charterholder.

Jobst Klemme – Managing Director

Mr. Klemme has more than 21 years of private equity investment experience. He reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Mr. Klemme also serves on several partnership advisory boards. Mr. Klemme manages Abbott Capital (Europe), Ltd, Abbott's subsidiary which is authorized and regulated by the UK Financial Conduct Authority and located in London. Mr. Klemme worked for Bethmann Bank AG as Director in its Private Equity Solutions group. Prior to working at Bethmann Bank, he worked at Credit Suisse as Vice President, also in its Private Equity Solutions group. Mr. Klemme received his M.B.A from ESCP Europe and his Bachelor of Arts in Business Administration from Georg-August University Goettingen.

Team Biographies

Managing Directors

Lauren M. Massey, CPA – Managing Director, Chief Administrative Officer

Ms. Massey has more than 29 years of private equity experience. She oversees the firm's fund investment recordkeeping activities, separate account reporting and the calculation of various performance analytics. Prior to joining Abbott in 1995, Ms. Massey was an Audit Manager in the Financial Services Division of Ernst & Young, where she had an asset management industry focus and was responsible for audit planning and management. Ms. Massey received her B.S. in Accounting from the State University of New York at Binghamton, her M.B.A. in Finance and Marketing from New York University, and her C.P.A. from the State of New York.

Paolo Parziale, CPA – Managing Director, Chief Financial Officer

Mr. Parziale has more than 21 years of private equity experience. He oversees the financial accounting and administration of all fund products, including the preparation of all fund financial reports and tax filings as well as Abbott's corporate accounting function. Prior to joining Abbott in 2002, Mr. Parziale was an Audit Senior at Ernst & Young, where he worked on audits of investment management firms and various types of commingled funds. Mr. Parziale received his B.S. in Accounting from St. John's University, his M.B.A. in Finance from New York University and his C.P.A. from the State of New York.

Mary T. Hornby – Managing Director, General Counsel

Ms. Hornby has more than 24 years of private equity experience. She assists the investment team in the review, legal analysis and negotiation of underlying fund investments and directs all legal aspects relating to the formation and maintenance of Abbott's pooled investment funds. In addition, Ms. Hornby assists in the legal aspects of daily operations, including client relationships and contracts, regulatory compliance and internal corporate structuring matters. Prior to joining Abbott in 2004, Ms. Hornby was Counsel and a member of the Private Equity Group at Testa, Hurwitz & Thibeault, LLP, representing investment advisers, funds of funds, public pension plans and other limited partner investors, as well as general partner groups, in all aspects of private equity fund formation. Ms. Hornby received her B.A., magna cum laude, from Boston College and her J.D. from Boston College Law School. She is a member of the Bar of the Commonwealth of Massachusetts.

Compliance

Monique Horton –Chief Compliance Officer

Ms. Horton is responsible for Abbott Capital's compliance program. Prior to joining Abbott Capital in 2019, Ms. Horton worked at Invesco Private Capital, Inc., ACA Compliance Group, and Royalty Pharma. Ms. Horton received her B.A. in Government from Cornell University.

Team Biographies

Investments

Jennie Benza – Principal

Ms. Benza has more than 12 years of private equity investment experience. She reviews 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. Ms. Benza also serves on several partnership advisory boards. Prior to joining Abbott in 2016, Ms. Benza was a Vice President with aPriori Capital Partners (DLJ Merchant Banking Partners). She also worked at Thomas H. Lee Partners and Merrill Lynch as a member of the M&A group. Ms. Benza received her B.S. in Finance & Accounting from New York University and her M.B.A. from the Harvard Business School.

Wolf Witt – Principal

Mr. Witt reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments, with a particular focus on secondary transactions. Prior to joining Abbott in 2018, Mr. Witt was a Director at Zurich Alternative Asset Management ("ZAAM"), the in-house unit managing the alternative investments of Zurich Insurance Group. At ZAAM, Mr. Witt was part of the global private equity team responsible for primary fund investments, co-investments, and secondary investments. Prior to that, Mr. Witt worked at the economic consulting unit of Oliver Wyman (NERA) in the Frankfurt and New York offices. Mr. Witt received his M.A. from the University of St. Gallen (Switzerland). He also studied at HEC Business School (France) and received his M.S. from the CEMS program. Mr. Witt is a CFA charterholder.

Team Biographies

Investments

Arianna Merrill – Vice President

Ms. Merrill reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Prior to joining Abbott Capital in 2018, Ms. Merrill worked at Partners Group where she made investments in private equity funds as well as co-investments, and Top Tier Capital Partners where she focused on investing in venture capital funds. Ms. Merrill received her B.A. in Economics and Political Science from Connecticut College and her M.B.A. from Cornell University.

Brian Susetka – Vice President

Mr. Susetka reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Before joining the investment team in 2014, Mr. Susetka worked on Abbott's operations team for three years. Prior to joining Abbott Capital in 2010, Mr. Susetka worked in financial reporting at AllianceBernstein, where he assisted with the creation and development of custom client reports. Mr. Susetka received his B.S. in Business from the Kelley School of Business at Indiana University.

Jonathan Tubiana – Vice President

Mr. Tubiana reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Prior to joining Abbott Capital in 2009, Mr. Tubiana was an Associate in the European investment team of Altius Associates where he was involved in European due diligence, portfolio analysis, and research activities. Mr. Tubiana received a Master of Science in Management from Grenoble Ecole de Management (France) and his M.B.A. from New York University.

Moritz Turck – Vice President

Mr. Turck reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Mr. Turck operates out of Abbott's subsidiary in London, Abbott Capital (Europe), Ltd. Abbott Capital (Europe), Ltd., is authorized and regulated by the UK Financial Conduct Authority Before joining the investment team in 2017, Mr. Turck was a Senior Associate on the Global Investment Team of Pavilion Alternatives, where he was responsible for evaluating and reviewing private equity managers across the EMEA region, and particularly in Western and Northern Europe. Mr. Turck received his M.S. in Accounting and Finance from Kings College London and his B.A. in Management Studies with French from the University of Nottingham.

Lance Zhou – Vice President

Mr. Zhou reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments, with a particular focus on secondary transactions. Prior to re-joining Abbott in 2019, Mr. Zhou was an Investment Director at Schroder Adveq Management, the private equity arm of Schroders. At Schroder Adveq, Mr. Zhou was part of the global private equity team where he was responsible for leading North American secondary investments. Before joining Schroder Adveq, Mr. Zhou worked at Abbott where he was initially on the fund administration team before migrating to investment management. Mr. Zhou started his career as a Financial Analyst at Citigroup. Mr. Zhou received his B.S. in Business Administration from State University of New York at Geneseo and earned his M.B.A from Columbia Business School. Mr. Zhou is a CAIA charterholder.

Team Biographies

Investments

Declan Feeley – Investment Associate
Mr. Feeley reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Before joining the investment team in 2017, Mr. Feeley worked at Maltese Capital Management. Mr. Feeley received his B.B.A. in Finance from the University of Notre Dame.

Sean Bacon – Investment Analyst
Mr. Bacon reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Before joining Abbott, Mr. Bacon worked as an Analyst at Dyal Capital Partners. Mr. Bacon received his B.S. in Business Administration from Boston University – Questrom School of Business.

Taylor McGinnis, CPA – Investment Analyst
Ms. McGinnis reviews investment opportunities with specific emphasis on analysis and due diligence for prospective investments. Before joining Abbott, Ms. McGinnis worked as an Assurance Associate at PricewaterhouseCoopers. Ms. McGinnis received her M.F.M. in Financial Management and her B.B.A. in Accounting and Business from Texas A&M University, and her C.P.A. from the State of Texas.

Team Biographies

Client Relations & Business Development

Ryan Green – Director

Mr. Green manages and leads Abbott's fundraising and the development of customized private equity solutions. Prior to joining Abbott Capital in 2017, Mr. Green was a Director at LGT Capital Partners, working closely with institutions, consultants, family offices and distribution partners. Mr. Green held a similar role as a member of the institutional sales team at Commonfund and during his tenure at Seasons Capital Management. Before joining Seasons Capital, Mr. Green was a Vice President within the institutional sales desk at DoubleRock. Mr. Green was the co-founder to TrainerLink Inc., a technology start-up and received his B.S. from Rutgers University.

Melanie Jones– Vice President

Ms. Jones assists in all marketing, client services, and business development activities. Prior to joining Abbott Capital in 2020, Ms. Jones was an Associate Director at Commonfund, working in the Relationship Management and Business Development Group. Prior to Commonfund, Ms. Jones was part of the Investor Relations group at Tudor Investment Corporation and Citco Fund Services. Ms. Jones received her B.S. in Business Management from the University of Connecticut.

Daniel Kettner – Vice President

Mr. Kettner assists in all marketing, client services and business development activities. Prior to joining Abbott Capital in 2015, Mr. Kettner was a Vice President at Neuberger Berman, focusing on relationship management with investment consultants. Mr. Kettner previously was a member of the sales team at Aviva Investors North America, and worked at Credit Suisse Asset Management in various capacities. Mr. Kettner received his B.A. in English Literature from Hamilton College and his M.B.A. in Finance from New York University.

Kristin Kunert – Vice President

Ms. Kunert assists in all marketing, client services, and business development activities. Prior to joining Abbott Capital in 2017, Ms. Kunert was an Investor Relations associate at Wilshire Private Markets, a business unit of Wilshire Associates. Ms. Kunert received her B.A. in English Literature from the State University of New York at Buffalo, M.A. in English Literature from the University of Pittsburgh, and her M.B.A. from the SC Johnson Graduate School of Management at Cornell University.

Valentine Whittaker – Vice President

Mr. Whittaker assists in all marketing, client services, and business development activities. Prior to joining Abbott Capital in 2020, Mr. Whittaker was an Alternatives Director at Schroder Adveq, responsible for fundraising and institutional client service. Mr. Whittaker was a member of the sales team at Capital Dynamics and Brookfield Asset Management. He was a Communications Specialist at Vontobel Asset Management and started his career at JPMorgan Asset Management where he had a variety of investment management roles. Mr. Whittaker received his B.S. in Management from SUNY Old Westbury.

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Coronavirus Outbreak Risks. The recent global outbreak of the 2019 novel coronavirus ("COVID-19"), together with resulting voluntary and U.S. federal and state and non-U.S. governmental actions, including, without limitation, mandatory business closures, public gathering limitations, restrictions on travel and quarantines, has meaningfully disrupted the global economy and markets. Although the long-term economic fallout of COVID-19 is difficult to predict, it has and is expected to continue to have ongoing material adverse effects across many, if not all, aspects of the regional, national and global economies. In particular, the COVID-19 outbreak has already, and will continue to, adversely affect many private equity investments and many of the industries in which private equity managers operate. The ability to operate effectively, including the ability of personnel or service providers and other contractors to function, communicate and travel to the extent necessary to carry out investment strategies and objectives and business, has been, and will continue to be, impaired. Markets are experiencing very high levels of volatility and generally stressed conditions. Businesses across the United States and the world, and across most sectors, are experiencing significant challenges to their revenues and business, which could make it difficult for businesses to continue as a going concern. Unemployment is likely to rise significantly, and reduced revenues may reduce profits or lead to losses. Many governments--federal, state, local, and non-United States--have imposed limitations on businesses and intervened in markets in an effort to ensure they continue to function. It is unclear how long these conditions will continue and, the longer these conditions continue, the risk of a long term adverse effect increases. The extent of COVID-19's impact will depend on many factors, including the ultimate duration and scope of the public health emergency and the restrictive countermeasures being undertaken, as well as the effectiveness of other governmental, legislative and financial and monetary policy interventions designed to mitigate the crisis and address its negative externalities, all of which are evolving rapidly and may have unpredictable results. Even if and as the spread of the COVID-19 virus itself is substantially contained and economies are able to "re-open", it will be difficult to assess what the longer-term impacts of an extended period of unprecedented economic dislocation and disruption will be on future macro-and micro- economic developments, the health of certain industries and businesses, and commercial and consumer behavior.

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With respect to publicly-traded securities, Abbott generally calculates or provides performance using the following indices:

- **S&P 500**: Annualized time-weighted total returns of the S&P 500 (represents the 500 most widely-held large cap US stocks on the NYSE or NASDAQ) includes the reinvestment of dividends and income.
- **MSCI World**: Annualized time-weighted total returns of the MSCI World (represents large and mid-cap equity performance across 23 developed markets countries) are based on values provided by MSCI and include the reinvestment of dividends and income.
- **MSCI World Ex-US**: The same as MSCI World, but excluding the United States.
- **NASDAQ Composite**: Annualized time-weighted total returns of the NASDAQ Composite (a broad, market cap-weighted index which includes a large percentage of finance, health care, technology, and consumer services businesses) are based on values provided by NASDAQ and include the reinvestment of dividends.
- **Russell 3000**: Annualized time-weighted total returns of the Russell 3000 (a broad-based, market cap-weighted index of 3,000 U.S.-traded stocks) are based on values provided by Russell Investment Group and include the reinvestment of dividends.

Private equity indices return data is provided for informational purposes only, is continually updated and subject to change, is based on only a limited number of private equity funds when compared to the entire private equity industry, and does not reflect a consistent benchmark or basis for comparison for private equity investments. Abbott generally calculates or provides private equity performance sourced from the following indices:

- **Cambridge Secondary Funds Index**: End-to-End horizon returns, provided at no cost by Cambridge Associates LLC based on data compiled from over 200 secondary-focused funds (excluding hard assets funds), including fully liquidated partnerships, formed since 1991.
- **Pevara Index**: vintage year since-inception returns, provided by Pevara based on data compiled from over 3,500 global private equity funds, including fully liquidated funds. Funds with a vintage year of prior to 1991 are aggregated into a single benchmark. Pevara and Abbott define vintage year differently; Pevara defines VY as the year the fund made its initial investment while Abbott defines VY as the year the fund made its initial capital call.

Important Information

Where indicated, returns are calculated as a **Public Market Equivalent (PME or PME+)** as described in "A Private Investment Benchmark", a 1996 white paper by Austin M. Long III and Craig J. Nickels, and PME+ as described in "Private Equity Benchmarking with PME+", an article published in the Venture Capital Journal (August 2003) by Christophe Rouvinez of Capital Dynamics. PME analysis/return is calculated without adjustment for management fee and carried interest paid to Abbott. PME is an internal rate of return calculated as if investor cash flows were used to purchase and sell shares of a public market index. PME+ scales distributions by a constant proportion such that the net remaining investment in the index equals the actual net asset value at the measurement date. PME+ is provided because if a portfolio significantly outperforms the public market index due to a high level of distributions, the net remaining investment in the index may be in a short position. A PME+ return calculation permits the net remaining investment in the index to equal the net asset value of the private equity portfolio at the measurement date. Any PME (or PME+) analysis is based on illiquid and unrealized values which will vary considerably over the life of an investment, 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). **Horizon PMEs** are calculated using actual daily cash flows of each portfolio investment; **Abbott Fund PMEs** are calculated using cash flows between the relevant Abbott Fund and its limited partners.

Abbott and Portfolio Investment Performance Information:
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 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.

AUM will not reflect Abbott's reported RAUM due to the inclusion of non-discretionary assets for which Abbott does not provide continuous and regular supervisory or management services and the inclusion of liabilities.

Since Inception refers to an Abbott inception date of March 31, 1987.

Not Meaningful (NM - primary portfolio investments): Abbott deems those returns greater than three years of age from the vintage year to be mature enough to provide meaningful performance information.

Not Meaningful (NM - Abbott Funds): Abbott deems those returns greater than two years of age from the vintage year to be mature enough to provide meaningful performance information.

Not Meaningful (NM - non-primary fund investments): Abbott deems those returns less than one quarter from the initial close date too immature to generate performance metrics.

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 material.

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

The hypothetical and pro forma information herein is for illustrative purposes only and is not indicative of any future performance as it is hypothetical and does not reflect the actual results achieved by Abbott or any of its client accounts or investors. There is no assurance that this information accurately represents the performance that an investor would have achieved had it invested in any included transaction or any Abbott portfolio or that an investor will be able to make any profit or be able to avoid incurring any substantial losses.

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.

Abbott Composites: Unless otherwise noted, the Abbott composites below include all relevant portfolio investments made by Abbott on behalf of its discretionary client accounts (including the Abbott Funds) being managed as of the date indicated or through liquidation. Not all composites may appear within this material. Composite performance is unaudited and does not represent the actual return of any Abbott Client. Composite returns are NOT net of 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 reduced for any such fees and expenses not accounted for in these performance calculations.

- **Abbott Horizon Performance:** Pooled returns for all portfolio investments, shown gross and net of Abbott's management fees and carried interest (if any).
- **Vintage Year Performance:** Unless otherwise noted, pooled returns by vintage year for primary fund investments only since inception. Returns are shown gross of Abbott's management fees and carried interest (if any). The application of an annual pro-forma management fee of 0.72% on each portfolio fund in the composite would result in an estimated average negative impact per year of 1.68% to IRR and 0.18X to TVPI. The pro-forma management fee applied is the equivalent of a 1.0% annual management fee on individual portfolio fund commitments, adjusted to reflect the typical phase-in and phase-down of the management fee over a 15-year period, or if earlier, through such time as the investment was liquidated or sold.
- **Individual Strategy Performance:** Unless otherwise noted, pooled returns by strategy for primary fund investments only. Returns are shown gross of Abbott's management fees and carried interest (if any). The application of an annual pro-forma management fee of 0.72% on each portfolio fund in the composite would result in an estimated average negative impact per strategy of 2.3% to IRR and 0.12X to TVPI. The pro-forma management fee applied is the equivalent of a 1.0% annual management fee on individual portfolio fund commitments, adjusted to reflect the typical phase-in and phase-down of the management fee over a 15-year period, or if earlier, through such time as the investment was liquidated or sold.
- **Abbott Secondaries Horizon Performance**: Pooled returns for all "secondary transactions". Secondary transactions include all purchases since Abbott's inception of portfolio fund interests on the secondary market by the client accounts referenced herein, plus all other transactions deemed suitable for investment by Abbott Secondary Opportunities, LP and its successor funds. Secondary Transactions made following March 2016 solely for clients other than ASO and its successor funds have been excluded. Performance is shown gross and net of a pro-forma management fee. Net performance shown is not net of carried interest payable or paid to Abbott, any other expenses that may be charged to a client account by Abbott, or gains and losses that may be realized by a client account upon the sale by Abbott of distributed stock, if any, but is net of all fees, expenses and carried interest charged by the managers of the underlying portfolio investments and a pro-forma management fee paid to Abbott. The application of an annual pro-forma management fee of 0.75% on each secondary transaction in the composite portfolio of Abbott Secondary Transactions would result in a negative impact to the aggregate composite of 1.59% to IRR, 0.03X to DPI and 0.05X to TVPI. The annual pro-forma management fee applied is the maximum annual effective fee calculated using the management fee schedule for Abbott Secondary Opportunities II applied over 10 years and assuming a three year investment period.

PRELIMINARY MONTHLY PERFORMANCE REPORT

Ventura County Employees' Retirement Association

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

March 31, 2021

Allan Martin, Partner
Dan Hennessy, CFA, CAIA, Senior Consultant
Michael Miranda, CFA, Senior Consulting Specialist
Corey Robinson, CAIA, Consulting Analyst

NEPC

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

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	**7,077,825,616**	**100.0**	**100.0**	**2.5**	**3.5**	**21.6**	**35.8**	**10.6**	**10.9**	**8.8**	**8.3**	**Apr-94**
Policy Index				*1.7*	*3.1*	*20.5*	*36.9*	*11.3*	*11.3*	*9.1*	*8.5*	*Apr-94*
Over/Under				0.8	0.4	1.1	-1.1	-0.7	-0.4	-0.3	-0.2	
60% MSCI ACWI (Net) / 40% FTSE WGBI				*0.8*	*0.4*	*17.1*	*31.3*	*8.4*	*8.9*	*6.3*	*6.7*	*Apr-94*
60% S&P 500 / 40% BBgBarc Aggregate				*2.1*	*2.3*	*16.2*	*31.7*	*12.2*	*11.1*	*9.9*	*8.7*	*Apr-94*
Total Fund ex Parametric	**7,014,456,399**	**99.1**	**--**	**2.6**	**3.8**	**21.6**	**35.0**	**10.4**	**10.7**	**8.7**	**8.3**	**Apr-94**
Total Fund ex Private Equity	**6,268,260,903**	**88.6**	**--**	**1.7**	**2.6**	**19.8**	**36.2**	**9.9**	**10.4**	**--**	**9.3**	**Jan-12**
Policy Index				*1.7*	*3.1*	*20.5*	*36.9*	*11.3*	*11.3*	*9.1*	*10.3*	*Jan-12*
Over/Under				0.0	-0.5	-0.7	-0.7	-1.4	-0.9		-1.0	
Total US Equity	**2,070,969,666**	**29.3**	**25.0**	**3.8**	**6.2**	**32.7**	**62.7**	**17.2**	**16.8**	**13.9**	**10.1**	**Dec-93**
Russell 3000				*3.6*	*6.3*	*33.2*	*62.5*	*17.1*	*16.6*	*13.8*	*10.4*	*Dec-93*
Over/Under				0.2	-0.1	-0.5	0.2	0.1	0.2	0.1	-0.3	
Western U.S. Index Plus	293,176,160	4.1		4.3	5.6	32.0	66.8	16.7	16.6	14.4	8.0	May-07
S&P 500				*4.4*	*6.2*	*29.7*	*56.4*	*16.8*	*16.3*	*13.9*	*9.4*	*May-07*
Over/Under				-0.1	-0.6	2.3	10.4	-0.1	0.3	0.5	-1.4	
Blackrock Russell 1000 Index	1,683,780,624	23.8		3.8	6.1	32.0	60.8	17.4	--	--	16.6	May-17
Russell 1000				*3.8*	*5.9*	*31.8*	*60.6*	*17.3*	*16.7*	*14.0*	*16.5*	*May-17*
Over/Under				0.0	0.2	0.2	0.2	0.1			0.1	
Blackrock Russell 2500 Index	94,012,883	1.3		1.7	10.9	49.7	89.4	15.4	--	--	14.7	May-17
Russell 2500				*1.6*	*10.9*	*49.6*	*89.4*	*15.3*	*15.9*	*12.2*	*14.7*	*May-17*
Over/Under				0.1	0.0	0.1	0.0	0.1			0.0	

Policy Index: Currently, 25% Russell 3000, 20% BBgBarc US Aggregate, 16% MSCI ACWI ex U.S., 10% MSCI ACWI, 15% Russell 3000 Index + 3%, 6% CPI+2%, and 8% 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	**1,131,591,685**	**16.0**	**16.0**	**1.8**	**3.2**	**28.7**	**48.4**	**6.4**	**9.9**	**5.5**	**6.6**	**Mar-94**
MSCI ACWI ex USA				*1.3*	*3.5*	*28.7*	*49.4*	*6.5*	*9.8*	*4.9*	*5.6*	*Mar-94*
Over/Under				0.5	-0.3	0.0	-1.0	-0.1	0.1	0.6	1.0	
MSCI EAFE				*2.3*	*3.5*	*25.8*	*44.6*	*6.0*	*8.8*	*5.5*	*5.2*	*Mar-94*
MSCI ACWI ex USA NR LCL				*3.2*	*6.5*	*24.1*	*41.3*	*8.3*	*10.2*	*7.4*	*--*	*Mar-94*
MSCI EAFE NR LCL				*5.3*	*7.6*	*21.3*	*36.6*	*7.1*	*8.8*	*7.5*	*5.1*	*Mar-94*
BlackRock ACWI ex-U.S. Index	590,400,031	8.3		1.4	3.8	29.9	52.1	6.8	10.1	5.3	3.9	Mar-07
MSCI ACWI ex USA IMI				*1.4*	*3.8*	*29.9*	*51.9*	*6.5*	*9.8*	*5.1*	*3.7*	*Mar-07*
Over/Under				0.0	0.0	0.0	0.2	0.3	0.3	0.2	0.2	
MSCI ACWI ex USA NR LCL				*3.2*	*6.5*	*24.1*	*41.3*	*8.3*	*10.2*	*7.4*	*4.4*	*Mar-07*
Sprucegrove	266,789,421	3.8		2.6	6.0	39.3	55.9	4.4	9.7	5.4	7.4	Mar-02
MSCI ACWI ex USA				*1.3*	*3.5*	*28.7*	*49.4*	*6.5*	*9.8*	*4.9*	*6.8*	*Mar-02*
Over/Under				1.3	2.5	10.6	6.5	-2.1	-0.1	0.5	0.6	
MSCI EAFE				*2.3*	*3.5*	*25.8*	*44.6*	*6.0*	*8.8*	*5.5*	*6.2*	*Mar-02*
MSCI ACWI ex USA NR LCL				*3.2*	*6.5*	*24.1*	*41.3*	*8.3*	*10.2*	*7.4*	*5.9*	*Mar-02*
MSCI EAFE NR LCL				*5.3*	*7.6*	*21.3*	*36.6*	*7.1*	*8.8*	*7.5*	*4.9*	*Mar-02*
Hexavest	95,041,623	1.3		1.9	0.4	13.9	30.5	0.4	3.9	3.3	3.4	Dec-10
MSCI EAFE				*2.3*	*3.5*	*25.8*	*44.6*	*6.0*	*8.8*	*5.5*	*5.7*	*Dec-10*
Over/Under				-0.4	-3.1	-11.9	-14.1	-5.6	-4.9	-2.2	-2.3	
MSCI EAFE NR LCL				*5.3*	*7.6*	*21.3*	*36.6*	*7.1*	*8.8*	*7.5*	*7.4*	*Dec-10*
Walter Scott	179,360,610	2.5		2.0	-1.2	19.9	37.3	12.6	13.2	8.0	8.0	Dec-10
MSCI ACWI ex USA				*1.3*	*3.5*	*28.7*	*49.4*	*6.5*	*9.8*	*4.9*	*5.1*	*Dec-10*
Over/Under				0.7	-4.7	-8.8	-12.1	6.1	3.4	3.1	2.9	
MSCI ACWI ex USA NR LCL				*3.2*	*6.5*	*24.1*	*41.3*	*8.3*	*10.2*	*7.4*	*7.3*	*Dec-10*
MSCI EAFE				*2.3*	*3.5*	*25.8*	*44.6*	*6.0*	*8.8*	*5.5*	*5.7*	*Dec-10*
Total Global Equity	**817,498,706**	**11.6**	**10.0**	**2.7**	**4.7**	**30.0**	**55.1**	**12.5**	**13.6**	**9.2**	**7.4**	**May-05**
MSCI ACWI				*2.7*	*4.6*	*29.7*	*54.6*	*12.1*	*13.2*	*9.1*	*8.0*	*May-05*
Over/Under				0.0	0.1	0.3	0.5	0.4	0.4	0.1	-0.6	
BlackRock MSCI ACWI Equity Index	817,498,706	11.6		2.7	4.7	30.0	55.1	12.5	13.7	--	11.7	Aug-12
MSCI ACWI				*2.7*	*4.6*	*29.7*	*54.6*	*12.1*	*13.2*	*9.1*	*11.3*	*Aug-12*
Over/Under				0.0	0.1	0.3	0.5	0.4	0.5		0.4	

Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value ($)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Private Equity	**809,564,713**	**11.4**	**15.0**	**8.9**	**11.3**	**38.1**	**29.5**	**19.3**	**17.4**	**--**	**16.1**	**Jan-12**
Private Equity Benchmark				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.1*	*19.0*	*Jan-12*
Over/Under				5.1	4.2	2.0	-37.7	-1.3	-2.7		-2.9	
C|A Global All PE (Qtr Lag)				*0.0*	*0.0*	*20.5*	*9.7*	*11.2*	*12.3*	*11.9*	*12.4*	*Jan-12*
Adams Street Global Fund Series	255,460,079	3.6		22.0	22.0	51.1	37.8	22.3	18.2	--	16.0	Jan-12
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*19.1*	*Jan-12*
Over/Under				18.2	14.9	15.0	-29.4	1.7	-1.9		-3.1	
Harbourvest	120,140,944	1.7		0.0	-0.3	25.1	13.8	15.4	16.7	--	18.1	Aug-13
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*17.4*	*Aug-13*
Over/Under				-3.8	-7.4	-11.0	-53.4	-5.2	-3.4		0.7	
Pantheon Global Secondary Funds	52,018,194	0.7		5.5	5.5	20.0	10.2	9.4	13.4	--	11.3	Jan-12
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*19.1*	*Jan-12*
Over/Under				1.7	-1.6	-16.1	-57.0	-11.2	-6.7		-7.8	
Drive Capital Fund II	22,551,218	0.3		0.0	9.4	8.3	22.8	22.4	--	--	-3.2	Sep-16
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*20.0*	*Sep-16*
Over/Under				-3.8	2.3	-27.8	-44.4	1.8			-23.2	
Abbott Secondary Opportunities	14,490,244	0.2		0.0	0.0	25.7	30.4	24.5	--	--	22.4	Jan-18
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*18.9*	*Jan-18*
Over/Under				-3.8	-7.1	-10.4	-36.8	3.9			3.5	
Clearlake Capital Partners V	14,726,452	0.2		17.2	17.2	53.9	33.1	42.9	--	--	41.5	Mar-18
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*19.3*	*Mar-18*
Over/Under				13.4	10.1	17.8	-34.1	22.3			22.2	
Battery Ventures XII	22,080,923	0.3		22.0	22.0	63.2	63.3	20.3	--	--	20.3	Apr-18
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*20.6*	*Apr-18*
Over/Under				18.2	14.9	27.1	-3.9	-0.3			-0.3	
Insight Venture Partners X	48,608,065	0.7		0.7	25.5	79.6	73.7	--	--	--	29.0	May-18
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*21.0*	*May-18*
Over/Under				-3.1	18.4	43.5	6.5				8.0	

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	21,241,170	0.3		0.0	5.6	56.5	56.5	--	--	--	-8.8	Jun-18
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	20.4	*Jun-18*
Over/Under				-3.8	-1.5	20.4	-10.7				-29.2	
Buenaventure One, LLC	78,114,168	1.1		0.0	0.0	17.0	16.9	--	--	--	8.3	Jul-18
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	20.6	*Jul-18*
Over/Under				-3.8	-7.1	-19.1	-50.3				-12.3	
ECI 11	7,664,042	0.1		-6.8	30.2	76.4	68.1	--	--	--	36.2	Dec-18
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	23.5	*Dec-18*
Over/Under				-10.6	23.1	40.3	0.9				12.7	
Buenaventure Two, LLC	789,492	0.0		0.0	0.0	16.7	20.6	--	--	--	42.1	Dec-18
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	23.5	*Dec-18*
Over/Under				-3.8	-7.1	-19.4	-46.6				18.6	
The Resolute Fund IV L.P	24,888,910	0.4		9.2	9.2	48.5	49.3	--	--	--	58.5	Jan-19
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	29.8	*Jan-19*
Over/Under				5.4	2.1	12.4	-17.9				28.7	
GGV Capital VII L.P.	11,058,572	0.2		29.3	29.3	38.2	37.1	--	--	--	4.2	Feb-19
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	26.1	*Feb-19*
Over/Under				25.5	22.2	2.1	-30.1				-21.9	
GGV Discovery II, L.P.	1,892,051	0.0		18.0	18.0	26.3	31.9	--	--	--	12.0	Feb-19
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	26.1	*Feb-19*
Over/Under				14.2	10.9	-9.8	-35.3				-14.1	
Drive Capital Overdrive Fund I	7,713,005	0.1		0.0	12.3	66.6	63.4	--	--	--	26.8	May-19
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	23.6	*May-19*
Over/Under				-3.8	5.2	30.5	-3.8				3.2	
Riverside Micro Cap Fund V, LP	4,815,892	0.1		8.6	6.3	17.1	-0.4	--	--	--	-12.6	May-19
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	23.6	*May-19*
Over/Under				4.8	-0.8	-19.0	-67.6				-36.2	
GGV Capital VII Plus, LP	2,649,275	0.0		9.9	9.9	27.3	27.3	--	--	--	14.2	Jun-19
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	29.3	*Jun-19*
Over/Under				6.1	2.8	-8.8	-39.9				-15.1	

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

Ventura County Employees' Retirement Association

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
Astorg VII L.P.	4,192,087	0.1		8.4	5.6	73.1	51.6	--	--	--	-4.1	Jul-19
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*25.7*	*Jul-19*
Over/Under				4.6	-1.5	37.0	-15.6				-29.8	
M/C Partners Fund VIII LP. Limited Partnership	3,623,907	0.1		4.4	1.1	10.4	2.1	--	--	--	-30.0	Jul-19
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*25.7*	*Jul-19*
Over/Under				0.6	-6.0	-25.7	-65.1				-55.7	
Genstar Capital Partners IX	3,708,321	0.1		9.8	9.8	39.7	32.0	--	--	--	--	Aug-19
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*25.9*	*Aug-19*
Over/Under				6.0	2.7	3.6	-35.2					
Genstar IX Opportunities Fund I	1,782,425	0.0		8.1	7.8	22.1	17.7	--	--	--	12.1	Aug-19
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*25.9*	*Aug-19*
Over/Under				4.3	0.7	-14.0	-49.5				-13.8	
ABRY Partners IX, LP	5,781,735	0.1		0.0	6.1	32.2	-10.2	--	--	--	-15.6	Sep-19
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*28.9*	*Sep-19*
Over/Under				-3.8	-1.0	-3.9	-77.4				-44.5	
Advent International GPE IX LP	5,444,097	0.1		-1.4	19.2	58.6	57.8	--	--	--	29.7	Nov-19
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*28.8*	*Nov-19*
Over/Under				-5.2	12.1	22.5	-9.4				0.9	
Drive Capital Fund III LP	2,207,325	0.0		0.0	-2.1	7.8	-10.9	--	--	--	-8.3	Dec-19
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*27.0*	*Dec-19*
Over/Under				-3.8	-9.2	-28.3	-78.1				-35.3	
Oak HC/FT Partners III LP	14,944,933	0.2		24.8	24.8	45.1	42.6	--	--	--	20.8	Dec-19
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*27.0*	*Dec-19*
Over/Under				21.0	17.7	9.0	-24.6				-6.2	
TA XIII A LP	6,816,522	0.1		4.4	4.4	26.9	12.4	--	--	--	5.1	Dec-19
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*25.9*	*Dec-19*
Over/Under				0.6	-2.7	-9.2	-54.8				-20.8	
Dover Street X, LP	9,829,741	0.1		0.0	-0.5	56.5	40.5	--	--	--	32.8	Feb-20
Russell 3000 + 3%				*3.8*	*7.1*	*36.1*	*67.2*	*20.6*	*20.1*	*17.2*	*27.8*	*Feb-20*
Over/Under				-3.8	-7.6	20.4	-26.7				5.0	

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
Hellman & Friedman CP IX	14,669,074	0.2		3.9	3.8	31.6	1.2	--	--	--	1.2	Apr-20
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	67.2	*Apr-20*
Over/Under				0.1	-3.3	-4.5	-66.0				-66.0	
Clearlake Capital Partners VI	9,455,440	0.1		2.6	2.6	14.6	--	--	--	--	14.6	Jun-20
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	39.5	*Jun-20*
Over/Under				-1.2	-4.5	-21.5					-24.9	
Flexpoint Fund IV	1,537,837	0.0		2.8	2.8	13.8	--	--	--	--	13.8	Jun-20
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	39.5	*Jun-20*
Over/Under				-1.0	-4.3	-22.3					-25.7	
Battery Ventures XIII	6,569,676	0.1		2.9	2.9	5.1	--	--	--	--	5.1	Jun-20
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	39.5	*Jun-20*
Over/Under				-0.9	-4.2	-31.0					-34.4	
Green Equity Investors VIII, L.P.	1,907,379	0.0		0.0	-4.9	--	--	--	--	--	-4.9	Nov-20
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	26.1	*Nov-20*
Over/Under				-3.8	-12.0						-31.0	
CapVest Private Equity Partners IV, SCSp	2,753,726	0.0		16.8	15.8	--	--	--	--	--	18.5	Dec-20
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	12.2	*Dec-20*
Over/Under				13.0	8.7						6.3	
Great Hill Equity Partners VII	729,755	0.0		173.2	173.2	--	--	--	--	--	173.2	Jan-21
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	7.1	*Jan-21*
Over/Under				169.4	166.1						166.1	
Vitruvian Investment Partners IV	158,039	0.0		-42.7	-43.2	--	--	--	--	--	-43.2	Jan-21
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	7.1	*Jan-21*
Over/Under				-46.5	-50.3						-50.3	
CRV XVIII, L.P.	2,550,000	0.0		0.0	--	--	--	--	--	--	0.0	Mar-21
Russell 3000 + 3%				3.8	7.1	36.1	67.2	20.6	20.1	17.2	3.8	*Mar-21*
Over/Under				-3.8							-3.8	

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	**953,248,636**	**13.5**	**15.0**	**-0.7**	**-2.0**	**2.5**	**10.0**	**6.0**	**4.6**	**4.5**	**5.8**	**Feb-94**
BBgBarc US Aggregate TR				*-1.2*	*-3.4*	*-2.1*	*0.7*	*4.7*	*3.1*	*3.4*	*5.2*	*Feb-94*
Over/Under				0.5	1.4	4.6	9.3	1.3	1.5	1.1	0.6	
BlackRock U.S. Debt Fund	173,288,453	2.4		-1.3	-3.4	-2.1	0.8	4.7	3.1	3.5	5.0	Nov-95
BBgBarc US Aggregate TR				*-1.2*	*-3.4*	*-2.1*	*0.7*	*4.7*	*3.1*	*3.4*	*5.0*	*Nov-95*
Over/Under				-0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.0	
Western	296,068,401	4.2		-1.3	-4.3	-0.4	7.0	5.7	4.5	4.8	6.0	Dec-96
BBgBarc US Aggregate TR				*-1.2*	*-3.4*	*-2.1*	*0.7*	*4.7*	*3.1*	*3.4*	*5.0*	*Dec-96*
Over/Under				-0.1	-0.9	1.7	6.3	1.0	1.4	1.4	1.0	
Reams	345,055,521	4.9		-0.2	0.2	5.9	15.2	6.6	4.9	4.4	5.5	Sep-01
Reams Custom Index				*0.0*	*0.0*	*0.2*	*0.3*	*1.6*	*1.5*	*1.9*	*3.5*	*Sep-01*
Over/Under				-0.2	0.2	5.7	14.9	5.0	3.4	2.5	2.0	
BBgBarc US Aggregate TR				*-1.2*	*-3.4*	*-2.1*	*0.7*	*4.7*	*3.1*	*3.4*	*4.3*	*Sep-01*
3-Month LIBOR + 3%				*0.3*	*0.8*	*2.4*	*3.3*	*4.7*	*4.5*	*3.9*	*4.7*	*Sep-01*
Loomis Strategic Alpha	48,476,298	0.7		0.0	0.0	8.1	17.5	4.9	4.9	--	3.6	Jul-13
BBgBarc US Aggregate TR				*-1.2*	*-3.4*	*-2.1*	*0.7*	*4.7*	*3.1*	*3.4*	*3.3*	*Jul-13*
Over/Under				1.2	3.4	10.2	16.8	0.2	1.8		0.3	
3-Month LIBOR + 3%				*0.3*	*0.8*	*2.4*	*3.3*	*4.7*	*4.5*	*3.9*	*4.1*	*Jul-13*
Loomis Sayles Multi Strategy	90,359,963	1.3		-0.2	-0.9	6.5	18.0	6.9	6.8	5.9	6.5	Jul-05
Loomis Custom Index				*-0.8*	*-2.0*	*2.2*	*7.2*	*5.3*	*4.6*	*4.3*	*5.0*	*Jul-05*
Over/Under				0.6	1.1	4.3	10.8	1.6	2.2	1.6	1.5	
BBgBarc US Govt/Credit TR				*-1.5*	*-4.3*	*-2.7*	*0.9*	*5.0*	*3.4*	*3.7*	*4.2*	*Jul-05*
Treasuries	**85,953,015**	**1.2**	**2.0**	**-2.5**	**-7.0**	**-8.1**	**-7.7**	**--**	**--**	**--**	**4.5**	**Apr-19**
Reams 10-Year Treasuries	85,953,015	1.2		-2.5	-7.0	-8.1	-7.7	--	--	--	4.5	Apr-19
BBgBarc US Treasury 7-10 Yr TR				*-2.4*	*-5.7*	*-6.7*	*-5.9*	*5.0*	*2.4*	*4.0*	*4.6*	*Apr-19*
Over/Under				-0.1	-1.3	-1.4	-1.8				-0.1	

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	**158,458,786**	**2.2**	**3.0**	**1.3**	**5.3**	**18.8**	**11.0**	**8.6**	**--**	**--**	**7.9**	**Jan-18**
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				*0.2*	*1.5*	*11.6*	*22.7*	*7.0*	--	--	*6.7*	*Jan-18*
Over/Under				1.1	3.8	7.2	-11.7	1.6			1.2	
CVI Credit Value Fund IV	31,001,928	0.4		2.2	6.7	24.2	6.7	6.9	--	--	6.3	Jan-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				*0.2*	*1.5*	*11.6*	*22.7*	*7.0*	--	--	*6.7*	*Jan-18*
Over/Under				2.0	5.2	12.6	-16.0	-0.1			-0.4	
Monroe Capital Private Credit Fund III	21,485,608	0.3		3.6	3.6	15.5	12.1	--	--	--	11.2	Dec-18
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				*0.2*	*1.5*	*11.6*	*22.7*	*7.0*	--	--	*8.0*	*Dec-18*
Over/Under				3.4	2.1	3.9	-10.6				3.2	
Bluebay Direct Lending Fund III	10,120,127	0.1		0.0	2.6	10.0	9.2	--	--	--	8.9	Apr-19
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				*0.2*	*1.5*	*11.6*	*22.7*	*7.0*	--	--	*7.3*	*Apr-19*
Over/Under				-0.2	1.1	-1.6	-13.5				1.6	
Pimco Private Income Fund	62,806,095	0.9		0.0	4.0	15.4	13.9	--	--	--	10.9	Nov-19
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				*0.2*	*1.5*	*11.6*	*22.7*	*7.0*	--	--	*7.2*	*Nov-19*
Over/Under				-0.2	2.5	3.8	-8.8				3.7	
Bridge Debt Strategies III Limited Partner	23,559,626	0.3		2.7	2.7	19.4	5.3	--	--	--	4.3	Jan-20
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				*0.2*	*1.5*	*11.6*	*22.7*	*7.0*	--	--	*6.1*	*Jan-20*
Over/Under				2.5	1.2	7.8	-17.4				-1.8	
PIMCO Corp Opps Fund III	6,985,402	0.1		0.0	40.9	63.2	--	--	--	--	88.6	May-20
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				*0.2*	*1.5*	*11.6*	*22.7*	*7.0*	--	--	*17.6*	*May-20*
Over/Under				-0.2	39.4	51.6					71.0	
Torchlight Debt Fund VII, L.P.	2,500,000	0.0		0.0	0.0	--	--	--	--	--	0.0	Jan-21
50% BofA ML US HY BB-B Constrained Index/ 50% Credit Suisse Leveraged Loan Index +150bps				*0.2*	*1.5*	*11.6*	*22.7*	*7.0*	--	--	*1.5*	*Jan-21*
Over/Under				-0.2	-1.5						-1.5	

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	**433,905,727**	**6.1**	**8.0**	**0.3**	**0.3**	**-0.7**	**-3.1**	**0.9**	**3.1**	**7.0**	**7.1**	**Mar-94**
NCREIF ODCE Net				*0.0*	*0.0*	*1.4*	*-0.4*	*3.3*	*4.9*	*8.5*	*7.6*	*Mar-94*
Over/Under				0.3	0.3	-2.1	-2.7	-2.4	-1.8	-1.5	-0.5	
Prudential Real Estate	168,998,678	2.4		0.0	0.0	1.7	0.5	4.6	5.8	9.2	5.9	Jun-04
NCREIF ODCE Net				*0.0*	*0.0*	*1.4*	*-0.4*	*3.3*	*4.9*	*8.5*	*6.4*	*Jun-04*
Over/Under				0.0	0.0	0.3	0.9	1.3	0.9	0.7	-0.5	
NCREIF ODCE				*0.0*	*0.0*	*1.8*	*0.2*	*4.2*	*5.8*	*9.4*	*7.4*	*Jun-04*
UBS Real Estate	243,594,337	3.4		0.0	0.0	-2.4	-4.9	-1.1	1.6	5.8	5.9	Mar-03
NCREIF ODCE Net				*0.0*	*0.0*	*1.4*	*-0.4*	*3.3*	*4.9*	*8.5*	*6.6*	*Mar-03*
Over/Under				0.0	0.0	-3.8	-4.5	-4.4	-3.3	-2.7	-0.7	
NCREIF ODCE				*0.0*	*0.0*	*1.8*	*0.2*	*4.2*	*5.8*	*9.4*	*7.6*	*Mar-03*
LaSalle Income + Growth VIII Limited Partnership	21,312,712	0.3		5.8	5.8	-1.5	-14.3	--	--	--	-13.3	Mar-20
NCREIF ODCE Net				*0.0*	*0.0*	*1.4*	*-0.4*	*3.3*	*4.9*	*8.5*	*0.3*	*Mar-20*
Over/Under				5.8	5.8	-2.9	-13.9				-13.6	
NCREIF ODCE				*0.0*	*0.0*	*1.8*	*0.2*	*4.2*	*5.8*	*9.4*	*1.1*	*Mar-20*

Total Real Estate Benchmark: NCREIF ODCE; prior to January 2006, the NCREIF Property Index.
Total Real Assets Benchmark CPI + 4% from inception until 6/30/2019; CPI +2% from 6/30/2019 to present.
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.

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 Assets	**472,755,797**	**6.7**	**6.0**	**0.8**	**0.0**	**11.7**	**23.0**	**3.3**	**4.9**	**--**	**3.8**	**Apr-13**
Real Assets Index				*0.9*	*2.2*	*4.3*	*4.7*	*4.9*	*5.5*	*7.3*	*5.8*	*Apr-13*
Over/Under				-0.1	-2.2	7.4	18.3	-1.6	-0.6		-2.0	
Bridgewater All Weather Fund	371,359,665	5.2		0.0	-2.9	9.5	18.2	6.2	7.3	--	5.6	Aug-13
CPI + 5% (Unadjusted)				*1.1*	*2.9*	*6.6*	*7.7*	*7.1*	*7.2*	--	*6.7*	*Aug-13*
Over/Under				-1.1	-5.8	2.9	10.5	-0.9	0.1		-1.1	
Tortoise Energy Infrastructure	68,849,336	1.0		5.9	18.0	26.0	64.3	-4.7	-1.5	--	-2.4	Apr-13
Tortoise MLP Index				*5.4*	*21.3*	*35.5*	*102.4*	*-1.9*	*0.5*	*-0.6*	*-3.9*	*Apr-13*
Over/Under				0.5	-3.3	-9.5	-38.1	-2.8	-2.0		1.5	
Brookfield Infra Fund IV B LP	24,677,746	0.3		0.0	2.0	5.2	5.2	--	--	--	5.2	Apr-20
CPI + 2% (Unadjusted)				*0.9*	*2.2*	*4.3*	*4.7*	*4.0*	*4.2*	*3.7*	*4.7*	*Apr-20*
Over/Under				-0.9	-0.2	0.9	0.5				0.5	
Harbourvest Real Assets Fund IV L.P.	7,869,050	0.1										
CPI + 2% (Unadjusted)				*0.9*	*2.2*	*4.3*	*4.7*	*4.0*	*4.2*	*3.7*	*4.1*	*Sep-19*
Over/Under												
Overlay	**143,878,885**	**2.0**	**0.0**									
Parametric	66,369,217	0.9										
Abbott Capital Cash	77,509,668	1.1										

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

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PRIVATE EQUITY LIMITED PARTNERSHIP PERFORMANCE

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date[1]	Outstanding Commitment[1]	Call Ratio	Add'l Fees[2]	Distributions to Date	Valuation	Total Value	Net Benefit	IRR	Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
Abbott Secondary Opportunities, LP.	2017	12/21/2017	$25,000,000	$24,599,362	$763,355	98%	--	$18,750,000	$14,490,243	$33,240,243	$8,640,881	21.2%	0.76x	1.35x
Abbott Secondary Opportunities II, LP.	2020	1/31/2020	$25,000,000	--	$25,000,000	--	--	$0	$605,838	$605,838	--	--	--	--
ABRY Partners IX	2019	12/6/2018	$10,600,000	$5,837,353	$4,762,647	55%	--	--	$5,781,736	$5,781,736	($55,617)	-0.9%	--	0.99x
Adams Street 2010 U.S. Fund	2010	5/21/2010	$42,500,000	$37,442,500	$5,057,500	88%	$15,213	$45,476,406	$32,126,606	$77,603,012	$40,145,299	15.2%	1.21x	2.07x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	$25,500,000	$22,962,749	$2,537,251	90%	$1,589	$24,305,483	$15,011,050	$39,316,533	$16,352,195	12.3%	1.06x	1.71x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	$8,500,000	$7,633,000	$867,000	90%	--	$4,596,756	$11,227,773	$15,824,529	$8,191,529	12.8%	0.6x	2.07x
Adams Street 2010 Direct Fund	2010	5/21/2010	$8,500,000	$8,168,500	$331,500	96%	$6,697	$10,468,780	$5,419,957	$15,888,737	$7,713,540	13.2%	1.28x	1.95x
Adams Street 2013 Global Fund	2013	6/27/2013	$75,000,000	$61,350,000	$13,650,000	82%	$10,728	$24,950,902	$98,267,461	$123,218,363	$61,857,635	15.7%	0.41x	2.01x
Adams Street 2016 Global Fund	2016	12/22/2016	$60,000,000	$40,842,000	$19,158,000	68%	--	$4,801,064	$57,041,657	$61,842,721	$21,000,721	20.0%	0.12x	1.51x
Adams Street Co-Investment Fund IV A	2018	9/24/2018	$30,000,000	$20,134,931	$9,960,000	67%	$67,808	--	$23,254,408	$23,254,408	$3,051,669	13.2%	--	1.15x
Advent International GPE IX	2019	5/23/2019	$10,000,000	$4,226,208	$5,773,792	42%	--	$319,600	$5,444,098	$5,763,698	$1,537,490	40.1%	--	1.36x
Astorg VII	2019	12/17/2018	$9,023,694	$3,646,067	$5,377,627	40%	--	--	$3,566,825	$3,566,825	($79,242)	-3.5%	--	0.98x
Battery Ventures XII	2018	2/1/2018	$9,050,000	$7,672,590	$1,377,410	85%	--	--	$13,128,851	$13,128,851	$5,456,261	33.0%	--	1.71x
Battery Ventures XII Side Fund	2018	2/1/2018	$5,050,000	$4,469,755	$580,245	89%	--	--	$8,952,070	$8,952,070	$4,482,315	42.5%	--	2x
Battery Ventures XIII	2020	2/11/2020	$9,240,000	$3,696,000	$5,544,000	40%	--	--	$3,843,852	$3,843,852	$147,852	10.7%	--	1.04x
Battery Ventures XIII Side Fund	2020	2/11/2020	$6,160,000	$2,614,304	$3,545,696	42%	--	--	$2,725,824	$2,725,824	$111,520	13.0%	--	1.04x
Buenaventure One, LLC	2018	1/5/2018	$173,398,500	$70,330,590	$103,067,910	41%	--	$2,878,156	$78,114,186	$80,992,341	$10,661,751	11.8%	0.04x	1.15x
CapVest Equity Partners IV	2019	7/11/2018	$12,967,564	$2,776,892	$10,190,672	21%	--	--	$1,310,840	$1,310,840	--	-100.0%	--	0.47x
Charlesbank Equity Fund X	2020	11/20/2020	$24,000,000	--	$24,000,000	--	--	--	--	--	--	--	--	--
Charlesbank Equity Overage Fund X	2020	11/20/2020	$6,000,000	--	$6,000,000	--	--	--	--	--	--	--	--	--
Clearlake Capital Partners V	2017	12/22/2017	$9,950,000	$9,163,056	$2,180,279	92%	$46,158	$2,797,682	$14,726,450	$17,524,132	$8,314,918	43.9%	0.31x	1.91x
Clearlake Capital Partners VI	2020	1/2/2020	$18,700,000	$9,073,299	$9,681,226	49%	--	$155,933	$9,167,529	$9,323,462	$250,163	7.7%	0.02x	1.03x
CRV XVIII	2020	7/2/2020	$15,000,000	$2,550,000	$12,450,000	17%	--	--	$2,550,000	$2,550,000	--	0.0%	--	1x
CVC Capital Partners VIII	2020	5/22/2020	$21,597,368	--	$21,597,368	--	--	--	--	--	--	--	--	--
Drive Capital Fund II	2016	9/1/2016	$15,000,000	$14,476,970	$526,240	97%	$3,210	--	$22,551,217	$22,551,217	$8,071,037	20.2%	--	1.56x
Drive Capital Fund III	2019	4/5/2019	$7,500,000	$2,262,290	$5,237,710	30%	--	--	$2,207,326	$2,207,326	($54,964)	-5.1%	--	0.98x
Drive Capital Overdrive Fund I	2019	4/5/2019	$7,500,000	$5,167,303	$2,332,697	69%	--	$12,492	$7,713,002	$7,725,494	$2,558,191	39.2%	0x	1.5x
ECI 11	2018	7/5/2018	$9,994,824	$5,458,182	$4,536,642	55%	--	$544,239	$5,554,861	$6,099,100	$640,918	9.7%	0.1x	1.12x
Flexpoint Fund IV-A	2019	7/2/2019	$10,650,000	$1,783,947	$8,866,053	17%	--	--	$1,537,837	$1,537,837	($246,110)	-22.7%	--	0.86x
Flexpoint Overage Fund IV-A	2019	7/2/2019	$3,550,000	--	$3,550,000	--	--	--	($4,747)	($4,747)	--	-100.0%	--	--
Genstar Capital Partners IX	2019	2/21/2019	$7,500,000	$2,944,241	$4,728,882	39%	--	$175,000	$3,708,322	$3,883,322	$939,081	29.0%	0.06x	1.32x
Genstar Capital Partners IX Opportunities Program	2019	2/21/2019	$2,500,000	$1,502,042	$997,958	60%	--	--	$1,782,425	$1,782,425	$280,383	17.8%	--	1.19x
GGV Capital VII	2019	8/15/2018	$10,160,000	$8,432,800	$1,727,200	83%	--	--	$11,058,575	$11,058,575	$2,625,775	31.3%	--	1.31x
GGV Capital VII Plus	2019	8/15/2018	$2,540,000	$2,184,400	$355,600	86%	--	--	$2,649,275	$2,649,275	$464,875	23.1%	--	1.21x
GGV Capital VIII	2020	10/30/2020	$9,180,000	--	$9,180,000	--	--	--	--	--	--	--	--	--
GGV Capital VIII Plus	2020	10/30/2020	$2,295,000	--	$2,295,000	--	--	--	--	--	--	--	--	--
GGV Discovery II	2019	8/15/2018	$2,100,000	$1,501,500	$598,500	72%	--	--	$1,892,050	$1,892,050	$390,550	25.0%	--	1.26x
GGV Discovery III	2020	10/30/2020	$3,825,000	--	$3,825,000	--	--	--	--	--	--	--	--	--
Great Hill Equity Partners VII	2019	6/28/2019	$8,900,000	$1,626,085	$7,273,915	18%	--	$2,458,521	$820,183	$3,278,704	$1,652,619	--	--	2.02x
Green Equity Investors VIII	2019	10/18/2019	$15,000,000	$2,023,598	$12,976,402	13%	--	--	$1,907,378	$1,907,378	($116,220)	-18.1%	--	0.94x
GTCR Fund XII	2017	9/29/2017	$30,000,000	$18,720,000	$11,280,000	62%	--	$4,079,641	$21,241,168	$25,320,809	$6,600,809	22.1%	0.22x	1.35x
GTCR Fund XIII	2020	10/27/2020	$30,000,000	--	$30,000,000	--	--	--	-$19,819	-$19,819	--	-100.0%	--	--
HarbourVest - Dover Street VIII	2013	5/30/2013	$67,500,000	$62,184,954	$5,400,000	92%	$84,954	$80,288,011	$20,324,393	$100,612,404	$38,342,496	19.6%	1.29x	1.62x
HarbourVest - Dover Street IX	2016	12/16/2016	$60,000,000	$48,000,000	$12,000,000	80%	--	$28,577,164	$41,041,749	$69,618,913	$21,618,913	21.7%	0.6x	1.45x
HarbourVest - Dover Street X	2019	5/31/2019	$40,000,000	$9,000,000	$31,000,000	23%	--	$1,379,000	$9,877,454	$11,256,454	$2,256,454	44.5%	--	1.25x
HarbourVest - PRTNS CO INVEST IV L.P.	2017	6/2/2017	$30,000,000	$24,464,388	$5,732,352	82%	--	$7,835,587	$29,114,925	$36,950,512	$12,486,124	14.6%	0.32x	1.51x
HarbourVest - PRTNS CO INVEST V L.P.	2019	7/31/2018	$35,000,000	$24,500,000	$10,500,000	70%	--	--	$31,375,921	$31,375,921	$6,875,921	32.1%	--	1.28x
Hellman & Friedman Capital Partners IX	2019	9/28/2018	$19,800,000	$14,522,712	$5,783,053	73%	--	$696,172	$14,669,077	$15,365,249	$842,537	11.7%	0.05x	1.06x
Insight Venture Partners X	2017	10/13/2017	$25,000,000	$25,093,372	$169,314	100%	--	$2,280,029	$48,608,057	$50,888,086	$25,794,714	42.0%	0.09x	2.03x
M/C Partners VIII	2019	4/2/2018	$10,000,000	$4,009,621	$5,990,379	40%	--	--	$3,623,906	$3,623,906	($385,715)	-10.8%	--	0.9x
Oak HC/FT Partners III	2019	7/31/2019	$15,000,000	$11,226,485	$3,773,515	75%	--	--	$14,944,933	$14,944,933	$3,718,448	55.4%	--	1.33x
Oak HC/FT Partners IV	2021	2/17/2021	$10,000,000		$10,000,000		--	--	--	--	--	--	--	--
Pantheon Global Secondary Fund IV	2010	8/20/2010	$15,000,000	$9,960,000	$2,040,000	66%	--	$13,970,793	$1,763,885	$15,734,678	$5,774,678	13.0%	1.4x	1.58x
Pantheon Global Secondary Fund V	2015	2/26/2015	$50,000,000	$36,616,509	$13,383,491	73%	($162,514)	$18,392,521	$31,819,912	$50,212,433	$13,758,438	10.8%	0.5x	1.37x
Pantheon Global Secondary Fund VI	2018	2/24/2020	$25,000,000	$14,047,805	$11,187,113	56%	--	$38,661	$15,796,468	$15,835,129	$1,787,324	23.2%	0x	1.13x
The Resolute Fund IV	2018	5/2/2018	$20,000,000	$19,500,230	$3,577,547	98%	--	$5,099,201	$24,888,906	$29,988,107	$10,487,877	57.0%	0.26x	1.54x
Riverside Micro-Cap Fund V	2018	8/21/2018	$10,000,000	$4,667,946	$5,332,054	47%	--	--	$4,815,892	$4,815,892	$147,946	3.2%	--	1.03x
TA XIII	2019	5/2/2019	$10,000,000	$6,500,000	$3,500,000	65%	--	$150,000	$6,816,519	$6,966,519	$466,519	12.5%	0.02x	1.07x
Vitruvian Investment Partnership IV	2020	6/3/2020	$21,609,078	$278,517	$21,330,561	1%	--	--	$157,833	$157,833	($120,684)	-88.2%	--	--
Total VCERA Private Equity Program	**--**	***5/21/2010***	***$1,282,841,028***	***$731,845,053***	***$554,440,656***	***57%***	***$73,843***	***$305,477,794***	***$790,996,138***	***$1,096,473,931***	***$365,439,814***	***17.2%***	***0.42x***	***1.5x***

1. Includes recycled/recallable distributions received to date.
2. Add'l Fees represents notional interest paid/(received).
2. Add'l Fees for Pantheon Global Secondary Fund V includes notional interest paid/(received) and management fee rebates paid to VCERA.
Note: Private equity performance data is reported net of fees.
Performance shown is based on 3/31/2021 statement of investments produced by Abbott Capital.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PRIVATE DEBT LIMITED PARTNERSHIP PERFORMANCE

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date[1]	Outstanding Commitment [1]	Call Ratio	Distributions to Date	Valuation	Total Value	Net Benefit	Since Inception		
											IRR	Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
BlueBay Direct Lending III	2019	2/12/2019	$25,000,000	$11,849,228	$13,150,772	47%	$3,075,371	$10,120,127	$13,195,498	$1,346,269	8.5%	0.26x	1.11x
Bridge Debt Strategies III	2019	12/20/2019	$25,000,000	$24,072,665	$927,335	96%	$1,903,159	$23,559,626	$25,462,786	$1,390,121	5.1%	0.08x	1.06x
CVI Credit Value Fund IV	2017	12/31/2017	$30,000,000	$29,100,000	$900,000	97%	$2,106,147	$31,001,928	$33,108,075	$4,008,075	7.1%	0.07x	1.14x
Monroe Capital Private Credit Fund III	2018	9/5/2018	$25,000,000	$21,253,151	$3,746,849	85%	$3,854,026	$21,485,608	$25,339,634	$4,086,483	12.0%	0.18x	1.19x
PIMCO Corporate Opportunities Fund III	2020	1/26/2020	$50,000,000	$3,750,000	$46,250,000	8%	$56,285	$6,985,402	$7,041,687	$3,291,687	88.3%	0.02x	1.88x
PIMCO Private Income Fund	2019	3/25/2019	$55,000,000	$55,000,000	$0	100%	$0	$62,806,095	$62,806,095	$7,806,095	13.8%	0x	1.14x
Torchlight Debt Fund VII	2021	1/25/2021	$25,000,000	$2,500,000	$22,500,000	10%	$0	2,500,000.00	$2,500,000	$0	0.0%	0x	1x
Total VCERA Private Debt Program	**--**		***$235,000,000***	***$147,525,044***	***$87,474,956***	***63%***	***$10,994,988***	***$158,458,786***	***$169,453,774***	***$21,928,730***	***11.2%***	***0.07x***	***1.15x***

1. Includes recycled/recallable distributions received to date.

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

Performance shown is based on 3/31/2021 cash-adjusted market values.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PRIVATE REAL ESTATE LIMITED PARTNERSHIP PERFORMANCE

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date[1]	Outstanding Commitment[1]	Call Ratio	Distributions to Date	Valuation	Total Value	Net Benefit	Since Inception		
											IRR	Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
Lasalle Income & Growth Fund VIII, LP ***Total***	2019	2/26/2020	$100,000,000	$23,261,541	$76,738,459	23%	$0	$21,312,712	$21,312,712	-$1,948,829	-10.5%	0x	0.92x
VCERA Private Real Estate Program	--		***$100,000,000***	***$23,261,541***	***$76,738,459***	***23%***	***$0***	***$21,312,712***	***$21,312,712***	***-$1,948,829***	***-10.5%***	***0x***	***0.92x***

1. Includes recycled/recallable distributions received to date.

Note: Private Real Estate performance data is reported net of fees. Performance shown is based on 3/31/2021 cash-adjusted market values.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PRIVATE REAL ASSETS LIMITED PARTNERSHIP PERFORMANCE

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date[1]	Outstanding Commitment[1]	Call Ratio	Distributions to Date	Valuation	Total Value	Net Benefit	IRR	Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
Brookfield Infrastructure Fund IV, LP	2019	10/21/2019	$50,000,000	$25,917,214	$26,077,229	52%	$2,511,321	$24,677,746	$27,189,067	$1,271,853	5.9%	0.1x	1.05x
Harbourvest Real Assets Fund IV, LP	2019	7/15/2019	$100,000,000	$5,000,000	$95,000,000	5%	$986,842	$7,869,050	$8,855,892	$3,855,892	57.4%	0.2x	1.77x
Total VCERA Private Real Estate Program	**--**		***$150,000,000***	***$30,917,214***	***$121,077,229***	***21%***	***$3,498,163***	***$32,546,796***	***$36,044,959***	***$5,127,745***	***14.4%***	***0.11x***	***1.17x***

1. Includes recycled/recallable distributions received to date.

Note: Private Real Assets performance data is reported net of fees.

Performance shown is based on 3/31/2021 cash-adjusted market values.

Ventura County Employees' Retirement Association

TOTAL FUND

Cash Flow Summary

Month Ending March 31, 2021

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value	Month Return
Abbott Capital Cash	$54,851,045	$84,059,825	-$61,431,177	$22,628,648	$0	$29,975	$77,509,668	0.05%
Abbott Secondary Opportunities	$15,865,241	$625,000	-$2,000,000	-$1,375,000	$0	$4	$14,490,244	0.00%
ABRY Partners IX, LP	$5,781,735	$0	$0	$0	$0	$0	$5,781,735	0.00%
Adams Street Global Fund Series	$205,367,434	$4,800,000	-$96,758	$4,703,242	$0	$45,389,403	$255,460,079	22.02%
Advent International GPE IX LP	$5,166,086	$351,278	$0	$351,278	$0	-$73,268	$5,444,097	-1.38%
Astorg VII L.P.	$3,435,713	$462,000	$0	$462,000	$0	$294,374	$4,192,087	8.35%
Battery Ventures XII	$18,093,916	$0	$0	$0	$0	$3,987,006	$22,080,923	22.04%
Battery Ventures XIII	$4,396,013	$2,020,480	$0	$2,020,480	$0	$153,183	$6,569,676	2.86%
BlackRock ACWI ex-U.S. Index	$581,930,480	$0	$0	$0	-$50,867	$8,469,551	$590,400,031	1.45%
BlackRock MSCI ACWI Equity Index	$795,737,787	$0	$0	$0	-$28,917	$21,760,919	$817,498,706	2.73%
Blackrock Russell 1000 Index	$1,661,761,358	$0	-$40,000,000	-$40,000,000	-$14,448	$62,019,265	$1,683,780,624	3.79%
Blackrock Russell 2500 Index	$92,483,716	$0	$0	$0	-$1,567	$1,529,168	$94,012,883	1.65%
BlackRock U.S. Debt Fund	$175,503,292	$0	$0	$0	-$9,110	-$2,214,838	$173,288,453	-1.27%
Bluebay Direct Lending Fund III	$10,120,127	$0	$0	$0	$0	$0	$10,120,127	0.00%
Bridge Debt Strategies III Limited Partner	$23,529,177	$0	-$590,639	-$590,639	$0	$621,087	$23,559,626	2.71%
Bridgewater All Weather Fund	$371,281,616	$0	$0	$0	-$110,700	$78,049	$371,359,665	0.02%
Brookfield Infra Fund IV B LP	$24,421,040	$906,434	-$649,718	$256,716	$0	-$9	$24,677,746	0.00%
Buenaventure One, LLC	$75,639,192	$4,950,000	-$2,475,000	$2,475,000	$0	-$23	$78,114,168	0.00%
Buenaventure Two, LLC	$764,492	$25,000	$0	$25,000	$0	$0	$789,492	0.00%
CapVest Private Equity Partners IV, SCSp	$860,711	$1,633,895	$0	$1,633,895	$0	$259,120	$2,753,726	16.76%

Ventura County Employees' Retirement Association

TOTAL FUND

	Month Ending March 31, 2021							
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value	Month Return
Clearlake Capital Partners V	$12,564,561	$0	$0	$0	$0	$2,161,891	$14,726,452	17.21%
Clearlake Capital Partners VI	$9,214,216	$0	$0	$0	$0	$241,224	$9,455,440	2.62%
CRV XVIII, L.P.	$750,000	$1,800,000	$0	$1,800,000	$0	$0	$2,550,000	0.00%
CVI Credit Value Fund IV	$30,323,437	$0	$0	$0	$0	$678,491	$31,001,928	2.24%
Dover Street X, LP	$10,272,992	$0	-$443,250	-$443,250	$0	-$1	$9,829,741	0.00%
Drive Capital Fund II	$22,551,218	$0	$0	$0	$0	$0	$22,551,218	0.00%
Drive Capital Fund III LP	$2,207,325	$0	$0	$0	$0	$0	$2,207,325	0.00%
Drive Capital Overdrive Fund I	$7,713,005	$0	$0	$0	$0	$0	$7,713,005	0.00%
ECI 11	$8,640,230	$0	-$398,944	-$398,944	$0	-$577,244	$7,664,042	-6.75%
Flexpoint Fund IV	$1,496,237	$0	$0	$0	$0	$41,600	$1,537,837	2.78%
Genstar Capital Partners IX	$3,377,222	$0	$0	$0	$0	$331,099	$3,708,321	9.80%
Genstar IX Opportunities Fund I	$1,649,234	$0	$0	$0	$0	$133,191	$1,782,425	8.08%
GGV Capital VII L.P.	$8,088,102	$558,800	$0	$558,800	$0	$2,411,670	$11,058,572	29.30%
GGV Capital VII Plus, LP	$2,005,753	$406,400	$0	$406,400	$0	$237,122	$2,649,275	9.94%
GGV Discovery II, L.P.	$1,603,718	$0	$0	$0	$0	$288,333	$1,892,051	17.98%
Great Hill Equity Partners VII	$1,253,763	$372,322	-$2,257,400	-$1,885,078	$0	$1,361,070	$729,755	173.18%
Green Equity Investors VIII, L.P.	$1,907,379	$0	$0	$0	$0	$0	$1,907,379	0.00%
GTCR Fund XII	$21,241,170	$0	$0	$0	$0	$0	$21,241,170	0.00%
Harbourvest	$125,844,570	$0	-$5,703,628	-$5,703,628	$0	$2	$120,140,944	0.00%
Harbourvest Real Assets Fund IV L.P.	$3,855,892	$5,000,000	-$986,842	$4,013,158	$0	$0	$7,869,050	0.00%
Hellman & Friedman CP IX	$14,121,460	$0	$0	$0	$0	$547,614	$14,669,074	3.88%
Hexavest	$93,232,628	$0	$0	$0	-$35,847	$1,808,994	$95,041,623	1.90%
Insight Venture Partners X	$48,536,749	$0	-$248,574	-$248,574	$0	$319,889	$48,608,065	0.66%
LaSalle Income + Growth VIII Limited Partnership	$17,141,229	$3,088,720	$0	$3,088,720	$0	$1,082,763	$21,312,712	5.84%
Loomis Sayles Multi Strategy	$90,500,028	$0	$0	$0	-$28,423	-$140,065	$90,359,963	-0.19%

Ventura County Employees' Retirement Association

TOTAL FUND

	Month Ending March 31, 2021							
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value	Month Return
Loomis Strategic Alpha	$48,476,298	$0	$0	$0	-$16,159	$0	$48,476,298	-0.03%
M/C Partners Fund VIII LP. Limited Partnership	$3,471,195	$0	$0	$0	$0	$152,712	$3,623,907	4.40%
Monroe Capital Private Credit Fund III	$21,258,594	$0	-$536,518	-$536,518	$0	$763,531	$21,485,608	3.60%
Oak HC/FT Partners III LP	$10,491,077	$1,525,648	$0	$1,525,648	$0	$2,928,208	$14,944,933	24.77%
Pantheon Global Secondary Funds	$48,918,540	$3,150,000	-$2,688,277	$461,723	$0	$2,637,932	$52,018,194	5.46%
Parametric	$75,444,251	$0	$0	$0	-$6,572	-$9,075,034	$66,369,217	-12.04%
PIMCO Corp Opps Fund III	$6,985,402	$0	$0	$0	$0	$0	$6,985,402	0.00%
Pimco Private Income Fund	$62,806,095	$0	$0	$0	$0	$0	$62,806,095	0.00%
Prudential Real Estate	$168,998,678	$0	$0	$0	$0	$0	$168,998,678	0.00%
Reams	$345,615,430	$0	$0	$0	-$49,382	-$559,909	$345,055,521	-0.18%
Reams 10-Year Treasuries	$88,129,043	$0	$0	$0	$0	-$2,176,028	$85,953,015	-2.47%
Riverside Micro Cap Fund V, LP	$4,432,527	$0	$0	$0	$0	$383,364	$4,815,892	8.65%
Sprucegrove	$259,934,645	$0	$0	$0	-$75,164	$6,854,776	$266,789,421	2.61%
TA XIII A LP	$5,699,260	$1,000,000	-$150,000	$850,000	$0	$267,262	$6,816,522	4.41%
The Resolute Fund IV L.P	$19,869,406	$3,023,566	-$23,017	$3,000,549	$0	$2,018,954	$24,888,910	9.22%
Torchlight Debt Fund VII, L.P.	$2,500,000	$0	$0	$0	$0	$0	$2,500,000	0.00%
Tortoise Energy Infrastructure	$64,954,159	$0	$0	$0	-$35,859	$3,895,177	$68,849,336	5.94%
UBS Real Estate	$243,594,337	$0	$0	$0	$0	$0	$243,594,337	0.00%
Vitruvian Investment Partners IV	$275,907	$0	$0	$0	$0	-$117,868	$158,039	-42.72%
Walter Scott	$175,768,082	$0	$0	$0	-$111,555	$3,592,528	$179,360,610	1.98%
Western	$299,986,660	$0	$0	$0	-$49,509	-$3,918,259	$296,068,401	-1.32%
Western U.S. Index Plus	$300,395,406	$0	-$20,000,000	-$20,000,000	-$49,147	$12,780,754	$293,176,160	4.26%
Total	**$6,925,087,283**	**$119,759,367**	**-$140,679,742**	**-$20,920,375**	**-$673,226**	**$173,658,708**	**$7,077,825,616**	**2.51%**

DISCLAIMERS & DISCLOSURES

- Past performance is no guarantee of future results.
- Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.
- A "since inception" return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.
- NEPC's preferred data source is the plan's custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered 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.

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

April 19, 2021

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

SUBJECT: REQUEST TO RATIFY STAFF DETERMINATION ON PAY CODES IMPACTED BY THE OCTOBER 12, 2020, RESOLUTION REGARDING ALAMEDA IMPLEMENTATION FOR COMPENSATION EARNABLE AND PENSIONABLE COMPENSATION

Dear Board Members:

On October 12, 2020, the Board of Retirement approved a Resolution regarding Alameda implementation to compensation earnable and pensionable compensation. Section 11 of that Resolution states,

> "*Present impacted pay codes as soon as practicable to the Board to ratify exclusions from compensation earnable and pensionable compensation in compliance with Alameda, and communicate to VCERA participating employers that member contributions are no longer to be taken on such pay codes*."

Staff has reviewed all of the Memorandums of Agreement (MOAs) that describe the impacted pay items in order to understand the nature of each item, and if it is for paid for services performed within or outside of normal working hours. Staff performed further investigations on payments for standby services outside of normal working hours that labor groups asserted should be included because such standby services were/are frequent and mandated. These were determined to be in excess of an employee's regular schedule, and thus excluded from compensation earnable, consistent with determinations made by other CERL systems and upheld in *Alameda* as well as in an earlier appellate court decision involving the Marin County Employees' Retirement Association.[i]

The attached list of pay codes reflects those used for the pay items that are not pensionable under the Resolution's criteria. Note that the list is made up of two categories: Excluded and Situational.

> Excluded: paid for services outside of normal working hours; were included up until October 18, 2020, at which time the Auditor-Controller's office began excluding them as a result of the Board's October 12th Resolution. (VRSD has been excluding since October 10, 2020.)

1190 S. VICTORIA AVENUE, SUITE 200 • VENTURA, CA 93003
PHONE: 805-339-4250 • FAX: 805-339-4269 • WWW.VCERA.ORG

Situational: codes that are includable for normal working hours, but not includable in excess of normal working hours. More specifically, there are three different types of situational codes:

1) Pay codes that have special accumulators attached in VCHRP which determine limits to payments, such as "limited to 80 hours per period" (for those whose regular schedule is fewer than 80 hours per pay period,) "all hours worked," "regular hours plus overtime," etc.;
2) Pay codes that require time reporting codes (TRCs) which employees enter manually on their time sheets, such as "shift differentials" applied to shifts outside normal working hours; and
3) Assignment pay codes that are reported only when a certain assignment is worked; currently such codes are incorrectly reported as compensation earnable when applied to hours outside normal schedule. One example is "Dispatcher Training Bonus" which is additional pay a dispatcher receives when training a new dispatcher; that which is performed in excess of normal schedule should be excluded from compensation earnable.

The Auditor-Controller's office has not yet made any programming changes regarding the situational codes. Our understanding is that their staff has identified the scope of the I.T. configuration changes required, and the VCHRP Steering Committee has approved the funding that will be needed to make those changes.

Thus, staff cannot determine how or when retroactive corrections will be made, as the retroactive application will mirror the point-forward application. In the meantime, situational pay codes continue to be reported by the Auditor as included in compensation earnable. So, staff can neither isolate the total population impacted nor calculate applicable refund amounts.

RECOMMENDATION: RATIFY STAFF DETERMINATION ON PAY CODES IMPACTED BY THE OCTOBER 12, 2020, RESOLUTION REGARDING ALAMEDA IMPLEMENTATION TO COMPENSATION EARNABLE AND PENSIONABLE COMPENSATION.

Sincerely,

Linda Webb
Retirement Administrator

[i] *Alameda County Deputy Sheriff's Assn., et al. v. Alameda County Employees' Retirement Assn., et al.* (2020) 9 Cal.5th 1032, 1103 ("*Alameda*") (rejected both the facial and "as applied" challenges to retirement systems' across-the-board exclusion of on-call/standby from retirement allowances of those retiring after the effective date of new subdivision (b)(3) of section 31461, which "excludes payments for 'additional services rendered outside of normal working hours,' from compensation earnable); *Marin Assn. of Pub. Employees v. Marin Cty. Employees' Retirement Assn.* (2016) 2 Cal.App.5th 674, 680 (upheld retirement system's exclusion of all standby from compensation earnable under section 31461, subd. (b)(3)). Significantly, the court in *Marin* held ""the Legislature did not forbid the employer from providing the specified items to an employee as compensation, only the purely prospective inclusion of those items in the computation of the employee's pension." See generally *City of Pleasanton vs. Board of Administration of the California Public Employees' Retirement System* (2012) 211 Cal.App.4th522 (upheld CalPERS' categorical exclusion from compensation earnable of on-call/standby pay based on the same statutory exclusion that is now in CERL).

RECOMMENDED LIST OF PAY CODES FOR BOARD RATIFICATION
PURSUANT TO BOARD RESOLUTION OF OCTOBER 12, 2020

Type of Exclusion	Employer	Earnings Code	Earnings Code Description	Pre-Alameda	Post-Alameda	VCERA Comments
PEPRA	Ventura County	CBN	CBN-CALL BACK RETIREMENT CNA	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	CBR	CBR-CALL BACK CNA RETIREMENT	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	CBS	CBS-CALL BACK STRAIGHT TIME 1.0X	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	CRJ	CRJ-PP CNA CALL BACK RET ADJ	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	CRT	CRT-SHERIFF COURT TIME	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	CSF	CSF-CALL BACK STRAIGHT TIME FCW	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	EHN	EHN-Emergency In-House <40 NOC	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	EHP	EHP-Emergency In-House <40 PM	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	EHR	EHR-Emergency In-House <40 Hours	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	ELC	ELC-ELECTION WORKER PAY	Included	Excluded	One-time ad hoc payments.
PEPRA	Ventura County	HDP	HDP-HOLIDAY DAY OFF PAID SPOAVC	Included	Excluded	Payment made for holiday outside of regular working hours.
PEPRA	Ventura County	HDS	HDS-SHERIFF HOLIDAY ON REG DAY OFF	Included	Excluded	Payment made for holiday outside of regular working hours.
PEPRA	Ventura County	IHN	IHN-IN-HOUSE REGISTRY <40 NOC	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	IHP	IHP-IN-HOUSE REGISTRY <40 PM	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	IHR	IHR-IN-HOUSE REGISTRY <40 HOURS	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	NHO	NHO-4850 NON TAX HOLIDAY RDO-SHF	Included	Excluded	Payment made for holiday outside of regular working hours.

RECOMMENDED LIST OF PAY CODES FOR BOARD RATIFICATION
PURSUANT TO BOARD RESOLUTION OF OCTOBER 12, 2020

PEPRA	Ventura County	RCB	RCB-RETRO CALL BACK STRAIGHT	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	SBP	SBP-STAND BY PAY	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	SSB	SSB-SHERIFF STANDBY PAY	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	Ventura County	STU	STU-STUDENT LOAN PAYMENT	Included	Excluded	Other
PEPRA	Ventura County	ANM	ANM-ANIMAL REGULATION DIFFERENTIAL	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	ARP	ARP-ARMED PREMIUM VCPPOA PVP 8.5%	Included	Situational	Based on the ARP Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	ASN	ASN-ASSIGNMENT BONUS - NURSES	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	B1A	B1A-BILINGUAL LEVEL 1 - CNA	Included	Situational	Based on the NRS Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	B2A	B2A-BILINGUAL LEVEL 2 - CNA	Included	Situational	Based on the NRS Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	B3A	B3A-BILINGUAL LEVEL 3 - CNA	Included	Situational	Based on the NRS Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	CRN	CRN-TRUCK CRANE ASSIGNMENT PAY	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	DFT	DFT-FLOAT NURSE PREMIUM PAY	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	DTN	DTN-DISPATCHER TRAINING BONUS	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	EAT	EAT-SHERIFF MEAL PAY 4/2 SCHEDULE	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	F30	F30-30-YEAR RETIREMENT VCPFA LINE	Included	Situational	Based on the HPP Special Accumulator, which has situational pay codes.
PEPRA	Ventura County	F32	F32-30-YEAR RETIREMENT VCPFA STAFF	Included	Situational	Based on the HPP Special Accumulator, which has situational pay codes.

RECOMMENDED LIST OF PAY CODES FOR BOARD RATIFICATION
PURSUANT TO BOARD RESOLUTION OF OCTOBER 12, 2020

PEPRA	Ventura County	FPA	FPA-Fire Pumps & Accessories 1.5%	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	FTO	FTO-FIELD TRAINING OFFICER BONUS	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	HPP	HPP-HIRT POOL PREMIUM PAY VCPFA	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	HSP	HSP-HOUSE SUPERVISOR PAY VCMC	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	ICD	Inter-Campus Drift Premium	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	JCP	JCP-Jail Cook Premium 5%	Included	Situational	Based on the JCP Spec Accumulator, which includes overtime.
PEPRA	Ventura County	MED	MED-MEDI PICK-UP	Included	Situational	Based on the MDI Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	MHD	MHD-MH INPATIENT DIFFERENTIAL IUOE	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	MIC	Mobile Intensive Care Cert	Included	Situational	Based on the NRS Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	MSC	MSC-OTHER COMPENSATION	Included	Situational	Includable only for services rendered within normal working hours and if paid to all similarly situated members.
PEPRA	Ventura County	NB1	NB1-NURSES CERTIFICATION BONUS 1	Included	Situational	Based on the NRS Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	NB2	NB2-NURSES CERTIFICATION BONUS 2	Included	Situational	Based on the NRS Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	NB3	NB3-NURSES CERTIFICATION BONUS 3	Included	Situational	Based on the NRS Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	NB4	NB4-NURSES CERTIFICATION BONUS 4	Included	Situational	Based on the NRS Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	NB5	NB5-NURSES CERTIFICATION BONUS 5	Included	Situational	Based on the NRS Spec Accumulator, which includes all overtime.
PEPRA	Ventura County	NS1	NS1-NOCS - IUOE 7.5%	Included	Situational	Includable only for services rendered within normal working hours.

RECOMMENDED LIST OF PAY CODES FOR BOARD RATIFICATION
PURSUANT TO BOARD RESOLUTION OF OCTOBER 12, 2020

PEPRA	Ventura County	NS2	NS2-NOCS - 10%	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	NS3	NS3-NOCS - HOSPITAL 15% - CNA	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	NS4	NS4-NOCS - 10% - ADDL PAY	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	NS5	NOCS-12.5% SPOAVC	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	NSM	NSM-NURSE SPECIALTY PAY - MGMT	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	NSP	NSP-NURSE SPECIALTY PAY	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	PCN	PCN-PSYCH CHARGE NURSE VCMC	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	PCP	Charge Nurse Patient Premium	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	PM1	PM1-NIGHT SHIFT - MGMT & CJAAVC	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	PM2	PM2-P.M. SHIFT - 5%	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	PM3	PM3-P.M. SHIFT - HOSPITAL 7.5%	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	PM4	PM4-P.M. SHIFT - 5% - ADDL PAY	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	PRC	PRC-PRECEPTOR PAY RN VCMC	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	RF1	RF1-RETRO INCENTIVE PAY VCPFA FF1	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	RF2	RF2-RETRO INCENTIVE PAY VCPFA FF2	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	RIM	RIM-RETRO INCENTIVES MANAGEMENT	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	RIP	RIP-RETRO INCENTIVES	Included	Situational	Includable only for services rendered within normal working hours.

RECOMMENDED LIST OF PAY CODES FOR BOARD RATIFICATION
PURSUANT TO BOARD RESOLUTION OF OCTOBER 12, 2020

PEPRA	Ventura County	RIS	RIS-RETRO INCENTIVES SAFETY	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	RXM	RXM-RETRO XTRA INCENTIVE MANAGEMENT	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	RXP	RXP-RETRO XTRA INCENTIVES	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	RXS	RXS-RETRO XTRA INCENTIVES SAFETY	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	TAP	TAP-TEMPORARY ASSIGNMENT PREMIUM	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	TWR	TWR-RADIO TOWER PREMIUM - IUOE	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	WCP	WCP-WATCH COMMANDER PREMIUM 5%	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	WKD	WKD-WEEKEND WORKED-CNA	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	WKM	Weekend Worked MGMT	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	WKS	WKS-WEEKEND WORKED SEIU	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	WKV	WKV-WEEKEND WORKED-VCPPOA	Included	Situational	Includable only for services rendered within normal working hours.
PEPRA	Ventura County	XTR	XTR-ONE TIME PAYMENT	Included	Situational	Includable only if paid to all similarly situated members.
ALAMEDA	Ventura County	74	74-EMPLOYEE EMERGENCY ASSIST FUND	Included	Excluded	In-kind payment
ALAMEDA	Ventura County	EAF	EAF-EMPLOYEE ASSISTANCE PROGRAM	Included	Excluded	In-kind payment
ALAMEDA	Ventura County	EEF	EEF-EE ASSISTANCE DONATION	Included	Excluded	In-kind payment
ALAMEDA	Ventura County	EEP	EEP-EE ASSIST DONATION (GROSSUP)	Included	Excluded	In-kind payment

RECOMMENDED LIST OF PAY CODES FOR BOARD RATIFICATION
PURSUANT TO BOARD RESOLUTION OF OCTOBER 12, 2020

PEPRA	VRSD	01NITE	01NITE-(R) NIGHT SHIFT	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	VRSD	R-NITE	R-NITE-(A) RETRO-NIGHT SHIFT	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	VRSD	R-SBHL	R-SBHL-(A) RETRO-STANDBY HOLIDAY	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	VRSD	R-SBSU	R-SBSU-(A) RETRO-STAND BY-SEIU	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	VRSD	R-SBWD	R-SBWD-(A) RETRO-STAND BY WEEK DAY	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	VRSD	R-SBWE	R-SBWE-(A) RETRO-STANDBY WEEK END	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	VRSD	SSTAND	SSTAND-(R) STAND BY-SEIU	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	VRSD	STNDHL	STNDHL-(R) STANDBY HOLIDAY	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	VRSD	STNDWD	STNDWD-(R) STAND BY WEEK DAY	Included	Excluded	Payment for services outside of normal working hours.
PEPRA	VRSD	STNDWE	STNDWE-(R) STANDBY WEEK END	Included	Excluded	Payment for services outside of normal working hours.

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

April 19, 2021

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

SUBJECT: CONTRACT AMENDMENT WITH VITECH TO PURCHASE PREPAID BLOCK OF 2,500 VITECH SUPPORT HOURS

Board Members,

At the March 29, 2021, Board meeting, staff requested authorization to pre-purchase a block of hours; the previous staff letter from Leah Oliver is again provided. At that time, the Board was amenable to staff's request, but wished to see the actual agreement that would be executed by the Retirement Administrator. That agreement has been reviewed by the General Counsel and is provided for your review.

RECOMMENDATION: AUTHORIZE RETIREMENT ADMINISTRATOR TO EXECUTE AN AGREEMENT WITH VITECH FOR THE PRE-PURCHASE OF 2,500 SUPPORT HOURS AT A COST OF $475,000, $95,000 TO BE PAID FROM THE EXISTING FY 2020-21 BUDGET WITH THE REMAINING $380,000 TO BE INCLUDED IN THE FY 2021-22 BUDGET.

Staff will be available to discuss further at the April 19, 2021, Board Meeting.

Respectfully,

Linda Webb
Retirement Administrator

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

March 29, 2021

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

SUBJECT: AUTHORIZATION TO PURCHASE PREPAID BLOCK OF 2,500 VITECH SUPPORT HOURS, TO RECEIVE DISCOUNT

Based on current and projected expenditures for the remainder of Fiscal Year 2020-21 and Fiscal Year 2021-22 respectively, staff is requesting approval for the purchase of a prepaid block of 2,500 support hours from Vitech. Vitech has committed to a lower hourly support rate commencing for the remainder of Fiscal Year 2020-21 to be used over a 3-year term.

The support hours (2,000) will be used primarily in Fiscal Year 2021-22 for regular ongoing support, and significant benefit calculation changes required in V3 and the Member Portal due to the Alameda Court Decision. The remaining 500 support hours are required for the remainder of the current fiscal year based on projected ongoing Vitech support needs.

With the purchase of 2,500 prepaid hours, Vitech has offered a discounted hourly rate of $190 (hourly rate in Fiscal Year 2021-22 is $242) for a total cost of $475,000. This represents a discount of $130,000 (21.5%) based on the hourly rate of $242.

Included in the current fiscal year adopted budget is $282,000 for 1,200 Vitech support hours at an hourly rate of $235 per hour. Subsequently your Board approved the purchase of a prepaid block of 1,000 support hours at a reduced rate of $200 per hour for a total of $200,000. Currently, $82,000 remains uncommitted and would secure an additional 339 hours based on the hourly rate of $242. However, staff estimates a need for an additional 500 hours for the remainder of the current fiscal year. If the Board approves the purchase of the prepaid block at the reduced rate of $190 per hour, the actual cost of the additional 500 hours would be $95,000. Staff believes the shortfall in the current year budget of $13,000 ($282,000 - $200,000 (1,000-hour block) -$95,000 (500-hour block)) can be absorbed in the existing adopted budget.

If VCERA purchases the prepaid block of 2,500 hours, Vitech has committed to invoice the prepaid hours in two installments, the first for $95,000, for 500 support hours, in Fiscal Year 2020-21 and the second for $380,000, for 2000 support hours, in Fiscal Year 2021-22. Any unused hours from the Fiscal Year 2020-21 will carried over and be covered under the 3-year term expiration date.

Staff recommends that your Board approve the purchase of a prepaid block of 2,500 at a significant discounted rate.

<u>RECOMMENDATION</u>: AUTHORIZE RETIREMENT ADMINISTRATOR TO EXECUTE AN AGREEMENT WITH VITECH FOR THE PRE-PURCHASE OF 2,500 SUPPORT HOURS AT A COST OF $475,000, $95,000 TO BE PAID FROM THE EXISTING FY 2020-21 BUDGET WITH THE REMAINING $380,000 TO BE INCLUDED IN THE FY 2021-22 BUDGET.

Staff will be available to discuss further at the March 29, 2021 Business Meeting.

Respectfully,

Leah Oliver
Chief Technology Officer

AMENDMENT NO. 3 TO THE LICENSE, PROFESSIONAL SERVICES, MAINTENANCE AND SUPPORT AGREEMENT BY AND BETWEEN VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION AND VITECH SYSTEMS SUB LLC

This Amendment to License, Professional Services, Maintenance and Support Agreement ("Amendment No. 3"), dated April 6, 2021 (the "Amendment Effective Date"), is entered into by and between Ventura County Employees' Retirement Association and Vitech Systems Sub LLC, a New York limited liability company d/b/a Vitech Systems Group (f/k/a Vitech Systems Group, Inc.); and modifies and amends that certain License, Professional Services, Maintenance and Support Agreement, dated December 30, 2011 (the "Agreement"). Capitalized terms used herein and not otherwise defined herein shall have the respective meanings assigned to such terms in the Agreement.

WHEREAS, the parties to the Agreement modified the Agreement by that certain Amendment dated effective on or around February 27, 2017; and

WHEREAS, the parties to the Agreement modified the Agreement by that certain Amendment dated effective on or around July 7, 2020 ("Amendment No. 2"); and

WHEREAS, the parties to the Agreement desire to further amend the Agreement as provided herein;

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the parties hereto agree as follows:

1. A new subsection of Attachment C-1 is added as follows:

"Licensee agrees to purchase a block of 2,500 hours "(2021 Purchased Hours)" for a total cost of $475,000.00 ($190/hour) to be used for Maintenance and Support Services, and such 2021 Purchased Hours shall expire on April 15, 2024. Should the 2021 Purchased Hours be expended before April 15, 2024, Licensee has the option to purchase an additional block of 1,000 hours (with a new expiration date fifteen (15) months following the purchase of said additional hours block) at the same rate of $190 per hour or pay Time and Materials at the then current rate."

2. The total cost of $475,000.00 will be invoiced in two (2) installments. The first invoice for 500 hours will be billed at $95,000.00 upon execution of this Amendment. The second invoice for 2,000 hours will be billed at $380,000.00 and invoiced on July 1, 2021.

This Amendment No. 3 shall amend and is incorporated into and made part of the Agreement. To the extent that any term or provision of this Amendment No. 3 may be deemed expressly inconsistent with any term or provision in the Agreement, the terms and provisions of this Amendment No. 3 shall control. Except as expressly amended by this Amendment No. 3, all of the terms, conditions and provisions of the Agreement and in Amendment No. 2 are hereby ratified and continue unchanged and shall remain in full force and effect.

IN WITNESS WHEREOF the parties have caused this Amendment No. 3 to be executed in duplicate by their duly authorized officers, who represent that they have the authority sufficient to do so, as of the Amendment Effective Date.

Vitech Systems Sub LLC	**Ventura County Employees' Retirement Association**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

March 29, 2021

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

SUBJECT: RECOMMENDATION TO APPROVE TECHNOLOGY USE & MOBILE DEVICE POLICY AND SURPLUS PROPERTY POLICY

Dear Board Members:

As part of the Board Policy Development Process, each Board policy is to be formally reviewed with varying frequency depending on the policy. Today, staff recommends changes to the existing Mobile Device Policy (including a new title of *Technology Use & Mobile Device Policy*), as well as adoption of a new Surplus Property Policy.

Technology Use & Mobile Device Policy
You will note that staff has included two versions for Board review to reflect a broader scope for overall agency operations, as well as an abbreviated version that is limited to trustee devices and technology use. Overhauled by VCERA's Chief Technology Officer Leah Oliver, both versions provide additional background, precautions, and guidelines, but more importantly, it better protects VCERA's data and assets.

Surplus Property Policy
This policy was developed to provide VCERA staff with specific guidelines for proper disposal of both furniture and electronic equipment. It emphasizes surplus requirements in alignment with the County of Ventura's Surplus Policy but further identifies VCERA specific items such as permitting the trade-in/resale of items back to the vendor and prohibiting the donation/sale of items to staff, trustees or individuals.

RECOMMENDATION: APPROVE PROPOSED TECHNOLOGY USE & MOBILE DEVICE POLICIES AND SURPLUS PROPERTY POLICY

VCERA staff will be pleased to respond to any questions on this matter at the March 29, 2021, meeting.

Sincerely,

Linda Webb
Retirement Administrator

~~VCERA~~ VENTURA COUNT EMPLOYEES' RETIREMENT ASSOCIATION
SURPLUS PROPERTY POLICY

I. Policy

When VCERA property (furniture, electronic, computing equipment or other tangible assets) is no longer needed now or in the foreseeable future, the below documented process for proper disposal is to be followed.

An item is considered surplus when:

- it does not function in whole or in part
- repairs are too expensive or not feasible
- technologically obsolete
- it no longer supports the business needs

II. Scope

i. Furniture/Office Supplies Disposal

The VCERA Retirement Administrator (RA) is responsible for determining with Senior Staff if departmental furniture and office supplies should be retained for future use or are subject to disposal to a vendor trade-in program; ~~transferred to another County Agency;~~ transferred to a County Agency or Department or disposed of through the County of Ventura Surplus procedures. If surplus property is transferred to a County Agency or Department ~~transferred to another County Agency~~ or disposed of through the County's Surplus procedures such that no consideration is received by VCERA, it shall be documented thatthe costs, including administrative costs, of sale or trade-in are equal to or greater than what VCERA could receive if the surplus items were sold or traded in.

ii. Electronic and Computing Equipment Disposal

The VCERA Chief Technology Officer (CTO) is responsible for determining if electronic, computing equipment, computing furniture and accessories should be retained for future use.

If the above listed items are no longer required, disposal must be approved by RA ~~etirementAdministrator~~. Upon receipt of approval the CTO will confirm if the items should be submitted to a vendor trade-in program;~~-~~transferred to a County Agency or Department ~~transferred to another County Agency~~; or disposed of through the County of Ventura Surplus procedures.

III. Guidelines

i. An item is labeled as surplus when furniture, electronics, computing equipment or other tangible assets owned by VCERA, are determined by the RA, CTO, ~~CFO or COO~~Chief Financial Officer (CFO) or Chief Operations Officer (COO) to be obsolete, damaged or no longer required for use by VCERA.

ii. The method used to dispose of surplus property will be determined from the list below, in item ~~number 3~~iii, and approved by the RA and in coordination with Senior Staff. Using the method selected, the disposal of surplus property will be coordinated by ~~respective department designees.~~the ~~COO~~RA.

iii. Surplus property is to be disposed of by one of the following methods:

i. Trade-in/Resale with vendor
~~i.~~ii. Transfer of items to a County Agency or Department
~~ii. Transfer of items to any County of Ventura Department or Agency~~
iii. All computing equipment hard drives, USB storage devices and other media that stores data must be wiped using software or by processes adhering to Department of Defense standards.
    i. If data cannot be sufficiently erased, then the storage device must be physically destroyed and disposal of through eWaste/Recycling ~~in 4~~.
~~iv. Surplus donation to County of Ventura General Services Agency~~
iv. Surplus donation to County of Ventura General Services Agency.
v. Recycle
vi. Dispose

iv. Erased hard drives and rewritable media will be submitted to the County of Ventura's General Services Agency for proper disposal.
v. Disposal of surplus property that has an estimated market value that exceeds $5,000 must be approved by the Board of Retirement.
vi. Proceeds from the resale of surplus equipment to manufacturer/vendor will be via ~~certified check or~~ check and remitted to VCERA's Fiscal Department. ~~to be deposited into VCERA's account~~
vii. Direct selling or donating of surplus equipment to any employee, trustee or individual is strictly prohibited.

IV. Policy Review

VCERA Staff will review this policy at least once every three (3) years to ensure that it remains relevant and appropriate and presented to the Board of Retirement for approval

V. Policy History

The Chief Technology Officer last reviewed this policy on ~~March 24, 2021~~. The Board of Retirement reviewed and approved this policy on ~~March 29~~, 2021.

DRAFT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SURPLUS PROPERTY POLICY

I. Policy

When VCERA property (furniture, electronic, computing equipment or other tangible assets) is no longer needed now or in the foreseeable future, the below documented process for proper disposal is to be followed.

An item is considered surplus when:

- it does not function in whole or in part
- repairs are too expensive or not feasible
- technologically obsolete
- it no longer supports the business needs

II. Scope

1) Furniture/Office Supplies Disposal

The VCERA Retirement Administrator (RA) is responsible for determining with Senior Staff if departmental furniture and office supplies should be retained for future use or are subject to disposal to a vendor trade-in program; transferred to a County Agency or Department or disposed of through the County of Ventura Surplus procedures. If surplus property is transferred to a County Agency or Department or disposed of through the County's Surplus procedures such that no consideration is received by VCERA, it shall be documented that the costs, including administrative costs, of sale or trade-in are equal to or greater than what VCERA could receive if the surplus items were sold or traded in.

2) Electronic and Computing Equipment Disposal

The VCERA Chief Technology Officer (CTO) is responsible for determining if electronic, computing equipment, computing furniture and accessories should be retained for future use.

If the above listed items are no longer required, disposal must be approved by the RA. Upon receipt of approval the CTO will confirm if the items should be submitted to a vendor trade-in program; transferred to a County Agency or Department; or disposed of through the County of Ventura Surplus procedures.

III. Guidelines

3) An item is labeled as surplus when furniture, electronics, computing equipment or other tangible assets owned by VCERA, are determined by the RA, CTO, Chief Financial Officer (CFO) or Chief Operations Officer (COO) to be obsolete, damaged or no longer required for use by VCERA.

4) The method used to dispose of surplus property will be determined from the list below, in item five (5), and approved by the RA and in coordination with Senior Staff. Using the method selected, the disposal of surplus property will be coordinated by the RA.

5) Surplus property is to be disposed of by one of the following methods:

   i. Trade-in/Resale with vendor
   ii. Transfer of items to a County Agency or Department
   iii. All computing equipment hard drives, USB storage devices and other media that stores data must be wiped using software or by processes adhering to Department of Defense standards.
   iv. If data cannot be sufficiently erased, then the storage device must be physically destroyed and disposed of through eWaste/Recycling.
   v. Surplus donation to County of Ventura General Services Agency.
   vi. Recycle
   vii. Dispose

6) Erased hard drives and rewritable media will be submitted to the County of Ventura's General Services Agency for proper disposal.

7) Disposal of surplus property that has an estimated market value that exceeds $5,000 must be approved by the Board of Retirement.

8) Proceeds from the resale of surplus equipment to manufacturer/vendor shall be via check and remitted to VCERA's Fiscal Department.

9) Direct selling or donating of surplus equipment to any employee, trustee or individual is strictly prohibited.

IV. Policy Review

VCERA Staff will review this policy at least once every three (3) years to ensure that it remains relevant and appropriate and presented to the Board of Retirement for approval

V. Policy History

The Chief Technology Officer last reviewed this policy on April 13, 2021. The Board of Retirement reviewed and approved this policy on, April 19, 2021.

DRAFT

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

April 19, 2021

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

SUBJECT: RECOMMENDED AMENDMENTS TO THE VCERA MANAGEMENT EMPLOYEES' RESOLUTION

Dear Board Members:

Background

On March 9, 2021, the Ventura County Board of Supervisors approved a change to the *County Management, Confidential Clerical and Other Unrepresented Employees Resolution* (County Management Resolution) in regard to the maximum number of annual leave hours certain employees may redeem. As Board Chair, and in keeping with past practice, I would recommend that VCERA make similar changes to its Management Employees' Resolution.

Prior to amendment of the County Management Resolution, employees were permitted to redeem 200 hours of leave if they were "hired and covered by" the County Management Resolution before May 23, 2004. Similarly, it provided that employees "hired and covered by" the County Management Resolution on or after May 23, 2004, but before April 6, 2011, could redeem 160 hours. Now, the amendment adopted by Board of Supervisors on March 9, 2021, permits employees to redeem 200 hours of leave if they were "first hired" before May 23, 2004. Similarly, the amendment adopted by the Board of Supervisors permits employees to redeem 160 hours if they were "first hired" on or after May 23, 2004, but before April 6, 2011. (Those hired after April 6, 2011, may redeem 100 hours.)

Under the pre-March 2021 version of the County Management Resolution, employees who were hired prior to 5/23/04 - but not promoted into Management until *after* that date – were not permitted to redeem 200 hours, and thus limited to 160 hours.

VCERA's Management Employees' Resolution language was modeled after the County's Management Resolution and provides for similar criteria for annual leave redemption. The proposed changes are to revise the redemption criteria to align with the County's Management Resolution changes to ensure that VCERA management employees are afforded the same level of annual leave redemption benefits.

The proposed changes also include: 1) deletion of Section 807.5C, which is now obsolete; and 2) added language to provide that VCERA employees who had elected 160 hours for 2021 and are eligible to redeem 200 hours with this proposed change, will be deemed to have elected, and will be paid for, 200 hours of annual leave for 2021. This provision was reviewed with VCERA tax counsel to ensure compliance with IRS constructive receipt rules.

Accompanying this letter are:

- redlined pages reflecting the proposed changes to the VCERA Management Employees' Resolution;
- clean version of those pages; and
- redlined pages of the County's Management Resolution from March 9, 2021.

RECOMMENDATION: ADOPT PROPOSED CHANGES TO THE VCERA MANAGEMENT EMPLOYEES' RESOLUTION

Sincerely,

Mike Sedell
Chair, Board of Retirement

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (VCERA)

Management Employees Resolution

~~January 25~~April 19, 2021

ARTICLE 8
PAID LEAVE

Sec. 801 **PURPOSE**: To provide a leave policy, which prescribes the manner in which leave is accrued and utilized.

Sec. 802 **EXECUTIVE ANNUAL LEAVE ACCRUAL**: Annual leave is earned according to each biweekly pay period of service commencing with the employee's initial anniversary date during his/her latest period of employment by VCERA or, as to individuals who were County employees immediately prior to their appointment as a VCERA employment, then their initial anniversary date with the County (as may have been, or will be as to future hires, adjusted through the provision of prior public service for the purpose of setting an employee's annual leave accrual rate), according to the following schedule provided below. Absence or time not worked and part-time employment shall cause said pay period's accrual of annual leave credits to be reduced on a pro rata basis.

YEARS OF COMPLETED SERVICE	ANNUAL LEAVE ACCRUAL
Less than 5	9.54 hrs = 248.04 hrs/year
5 - 10	11.08 hrs = 288.08 hrs/year
10 - 15	12.62 hrs = 328.12 hrs/year
15 years or more	14.16 hrs = 368.16 hrs/year

Sec. 803 **ANNUAL USAGE**: During the first twenty-six (26) pay periods of employment, employees shall use no less than forty (40) hours of annual leave; and thereafter employees shall use no less than eighty (80) hours of annual leave in each succeeding twenty-six (26) pay periods of employment. While on annual leave or sick leave, an employee shall be compensated and receive benefits at the same rate as if he/she were on the job.

Sec. 804 **MAXIMUM ACCRUAL**: The maximum number of hours that an employee can accumulate shall be 880 hours.

Sec. 805 **ANNUAL LEAVE REDEMPTION**: Effective December 1, 2020, for purposes of making the annual redemption election for 2021 as provided in Sec. 807.5, eEmployees first hired by the County ~~as management employees~~ before May 23, 2004, and who were employed in a County position immediately ~~subsequent~~prior to~~y~~ appointment~~ed~~ as VCERA employees:~~:~~

A. Subject to the provisions in Sec. 807.5, an employee may request

to receive pay in lieu of up to one hundred sixty (160) hours, two

hundred (200) hours for those with five (5) or more years County/VCERA service, per calendar year of annual leave accrual as total compensation as prescribed in Section 811 of this Resolution. A request for redemption shall not be made more than four times per calendar year and the total amount redeemed in a calendar year shall not in total exceed the aforementioned maximums respectively.

B. Redemption requests that are processed outside the normal payroll cycle will be calculated at the pay rate in effect during the prior pay period. The check issue date shall determine the applicable period to credit such redemption for the purpose of determining compliance with this section.

Sec. 806 **ANNUAL LEAVE REDEMPTION**: Effective December 1, 2020, for purposes of making the annual redemption election for 2021 as provided in Sec. 807.5, employees first hired by the County on or after May 23, 2004, but before April 6, 2011, and who were employed in a County position immediately prior to appointment as VCERA employees:~~Employees first hired by the County as management employees on or after May 23, 2004 but before April 6, 2011 who were appointed as VCERA employees immediately thereafter:~~

A. Subject to the provisions in Sec. 807.5, an employee may request to receive pay in lieu of up to one hundred sixty (160) hours per calendar year of annual leave accrual as total compensation as prescribed in Section 811 of this resolution. A request for redemption shall not be made more than four times per calendar year and the total amount redeemed in a calendar year shall not in total exceed the aforementioned maximum.

Sec. 807 **ANNUAL LEAVE REDEMPTION:** Employees hired by VCERA under this Resolution who do not qualify for annual leave redemption under Sections 805 and 806:

A. Subject to the provisions in Sec. 807.5, an employee may request to receive pay in lieu of up to one hundred (100) hours of annual leave accrual at the current base rate of pay. A request for redemption shall not be made more than four times per twelve (12) month period immediately preceding the request. The total of annual leave accrual amount redeemed in a twelve (12) month period shall not in total exceed the aforementioned maximum.

B. Redemption requests that are processed outside the normal payroll cycle will be calculated at the pay rate in effect during the prior pay period. The check issue date shall determine the applicable period to credit such redemption for the purpose of determining compliance with this section.

The VCERA Board reserves the right to modify or eliminate this annual leave redemption benefit at any time.

Sec. 807.5 **ANNUAL LEAVE REDEMPTION LIMITATIONS**

A. Any employee wishing to receive cash in lieu of annual leave hours must submit an irrevocable written election by December 31 of the calendar year prior to the calendar year in which the employee wishes to redeem annual leave hours for cash.

B. After a qualified election is made, employees may request cash-out payments during the calendar year for which the election was made by submitting requests for payment in the ordinary payroll process. An employee may make up to four requests per calendar year for payment in lieu of the combined annual maximum as prescribed in Sections 805-807 of this Resolution as compensation as prescribed in Sec 802 of this Resolution. Only annual leave hours already accrued in the calendar year for which an election is made may be cashed out. Cash-outs for annual leave accrued in a prior calendar are not permitted.

~~B.~~C. Any VCERA employee who was eligible to redeem, and elected to redeem, one hundred sixty (160) hours of annual leave cash-out for the 2021 year, and becomes eligible for two hundred (200) hours of annual leave cash-out for 2021 under this Resolution, will be deemed to have elected, and shall be paid, the maximum annual leave cash-out of two hundred (200) hours for 2021.

~~C. A temporary exception, ending on January 1, 2018, for Tier 1 and Safety and December 31, 2020, Tier II, to the requirements in "A" and "B" above that only annual leave hours already accrued in the calendar year for which an election is made may be cashed out shall apply to employees who submit a Notice of Intent to Resign to the Retirement Administrator, or Board Chair if applicable to the Retirement Administrator, in the calendar year in which the annual leave will be cashed out. As such, if an employee has accrued less annual leave in a calendar year than he/she wishes to cash out at a given time, the employee may cash out annual leave hours carried over a prior calendar year, if and only if the following conditions are met:~~

~~1. At the time the employee made an irrevocable election to receive cash in lieu of annual leave, the employee submitted a Notice of Intent to Resign in the calendar year in which the annual leave will be cashed out.~~

~~2. At the time the employee makes a request for cash out payments to be paid, the employee submits an irrevocable Notice of Resignation on a specified date in the calendar year during which the payment is to be made. (Upon~~

~~resignation, the employee retains the right to retire or choose among other available options under CERL upon separation of employment.~~

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (VCERA)

Management Employees Resolution

April 19, 2021

ARTICLE 8
PAID LEAVE

Sec. 801 **PURPOSE**: To provide a leave policy, which prescribes the manner in which leave is accrued and utilized.

Sec. 802 **EXECUTIVE ANNUAL LEAVE ACCRUAL**: Annual leave is earned according to each biweekly pay period of service commencing with the employee's initial anniversary date during his/her latest period of employment by VCERA or, as to individuals who were County employees immediately prior to their appointment as a VCERA employment, then their initial anniversary date with the County (as may have been, or will be as to future hires, adjusted through the provision of prior public service for the purpose of setting an employee's annual leave accrual rate), according to the following schedule provided below. Absence or time not worked and part-time employment shall cause said pay period's accrual of annual leave credits to be reduced on a pro rata basis.

YEARS OF COMPLETED SERVICE	**ANNUAL LEAVE ACCRUAL**
Less than 5	9.54 hrs = 248.04 hrs/year
5 - 10	11.08 hrs = 288.08 hrs/year
10 - 15	12.62 hrs = 328.12 hrs/year
15 years or more	14.16 hrs = 368.16 hrs/year

Sec. 803 **ANNUAL USAGE**: During the first twenty-six (26) pay periods of employment, employees shall use no less than forty (40) hours of annual leave; and thereafter employees shall use no less than eighty (80) hours of annual leave in each succeeding twenty-six (26) pay periods of employment. While on annual leave or sick leave, an employee shall be compensated and receive benefits at the same rate as if he/she were on the job.

Sec. 804 **MAXIMUM ACCRUAL**: The maximum number of hours that an employee can accumulate shall be 880 hours.

Sec. 805 **ANNUAL LEAVE REDEMPTION**: Effective December 1, 2020, for purposes of making the annual redemption election for 2021 as provided in Sec. 807.5, employees first hired by the County before May 23, 2004, and who were employed in a County position immediately prior to appointment as VCERA employees:

A. Subject to the provisions in Sec. 807.5, an employee may request to receive pay in lieu of up to one hundred sixty (160) hours, two

hundred (200) hours for those with five (5) or more years County/VCERA service, per calendar year of annual leave accrual as total compensation as prescribed in Section 811 of this Resolution. A request for redemption shall not be made more than four times per calendar year and the total amount redeemed in a calendar year shall not in total exceed the aforementioned maximums respectively.

B. Redemption requests that are processed outside the normal payroll cycle will be calculated at the pay rate in effect during the prior pay period. The check issue date shall determine the applicable period to credit such redemption for the purpose of determining compliance with this section.

Sec. 806 **ANNUAL LEAVE REDEMPTION**: Effective December 1, 2020, for purposes of making the annual redemption election for 2021 as provided in Sec. 807.5, employees first hired by the County on or after May 23, 2004, but before April 6, 2011, and who were employed in a County position immediately prior to appointment as VCERA employees:

A. Subject to the provisions in Sec. 807.5, an employee may request to receive pay in lieu of up to one hundred sixty (160) hours per calendar year of annual leave accrual as total compensation as prescribed in Section 811 of this resolution. A request for redemption shall not be made more than four times per calendar year and the total amount redeemed in a calendar year shall not in total exceed the aforementioned maximum.

Sec. 807 **ANNUAL LEAVE REDEMPTION:** Employees hired by VCERA under this Resolution who do not qualify for annual leave redemption under Sections 805 and 806:

A. Subject to the provisions in Sec. 807.5, an employee may request to receive pay in lieu of up to one hundred (100) hours of annual leave accrual at the current base rate of pay. A request for redemption shall not be made more than four times per twelve (12) month period immediately preceding the request. The total of annual leave accrual amount redeemed in a twelve (12) month period shall not in total exceed the aforementioned maximum.

B. Redemption requests that are processed outside the normal payroll cycle will be calculated at the pay rate in effect during the prior pay period. The check issue date shall determine the applicable period to credit such redemption for the purpose of determining compliance with this section.

The VCERA Board reserves the right to modify or eliminate this annual leave redemption benefit at any time.

Sec. 807.5 **ANNUAL LEAVE REDEMPTION LIMITATIONS**

A. Any employee wishing to receive cash in lieu of annual leave hours must submit an irrevocable written election by December 31 of the calendar year prior to the calendar year in which the employee wishes to redeem annual leave hours for cash.

B. After a qualified election is made, employees may request cash-out payments during the calendar year for which the election was made by submitting requests for payment in the ordinary payroll process. An employee may make up to four requests per calendar year for payment in lieu of the combined annual maximum as prescribed in Sections 805-807 of this Resolution as compensation as prescribed in Sec 802 of this Resolution. Only annual leave hours already accrued in the calendar year for which an election is made may be cashed out. Cash-outs for annual leave accrued in a prior calendar are not permitted.

C. Any VCERA employee who was eligible to redeem, and elected to redeem, one hundred sixty (160) hours of annual leave cash-out for the 2021 year, and becomes eligible for two hundred (200) hours of annual leave cash-out for 2021 under this Resolution, will be deemed to have elected, and shall be paid, the maximum annual leave cash-out of two hundred (200) hours for 2021.

D. Annual leave hours used for paid time off will be deducted first from annual leave hours accrued in prior calendar years, and last from annual leave hours accrued in the current calendar year.

E. Employees who are eligible for annual leave redemption and do not make an affirmative election by the end of the calendar year shall be deemed to have irrevocably elected not to redeem annual leave for pay in the subsequent calendar year.

F. Employees who experience an unforeseeable emergency may be permitted to make a new irrevocable election and redeem annual leave hours for cash (or to increase the amount of a previous election) during the calendar year in which the unforeseeable emergency occurs. For these purposes, “unforeseeable emergency” means a severe financial hardship to the employee resulting from an illness or accident of the employee, the employee’s spouse, or a dependent of the employee, loss of the employee’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the participant. The amount of such new election (or increase in a prior election) shall be limited to the amount necessary to satisfy the unforeseeable emergency plus an amount necessary to pay taxes reasonably anticipated as a result

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

April 19, 2021

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

SUBJECT: SEGAL PROPOSED THREE-YEAR SCHEDULE OF FIXED FEES AND HOURLY BILLING RATES FOR ACTUARIAL SERVICES

Dear Board Members:

Please find the attached renewal for actuarial services from Segal, outlining the fees for the next three years, should VCERA choose to extend the original agreement for that period. I have also provided Segal's original Agreement for Actuarial Services for reference. Page 19 of the existing agreement states, *"For later years we would present a schedule of our current rates for review by VCERA prior to the beginning of each year. These rates would go into effect only upon mutual agreement between VCERA and The Segal Company."*

Staff has reviewed the proposed the "Proposed Schedule of Fixed Fees and Hourly Billing Rates" provided by Segal. The fees and rates increase slightly over the next three-year period but appear to modest and reasonable, consistent and in line with the previous increase request approved by the Board in 2018.

RECOMMENDATION: Review and Approve the Provided Proposed Three-Year Schedule of Fixed Fees and Hourly Billing Rates, and Authorize the Retirement Administrator to Execute the Renewal on Behalf of the Board.

I would be happy to answer any questions you may have at the April 19, 2021, meeting.

Sincerely,

Linda Webb
Retirement Administrator

Attachments

Segal

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary
T 415.263.8273
M 415.823.1195
pangelo@segalco.com

180 Howard Street
Suite 1100
San Francisco, CA 94105-6147
segalco.com

April 14, 2021

Ms. Linda Webb
Retirement Administrator
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003

Re: Ventura County Employees' Retirement Association (VCERA)
Proposed Schedule of Fixed Fees and Hourly Billing Rates

Dear Linda:

This letter presents our proposed schedule of fixed valuation fees and hourly billing rates for our services to VCERA, commencing July 1, 2021. As you know, our initial April 1, 2003 Actuarial Services Agreement with VCERA provided for guaranteed rates for three years. For your reference, that agreement provides that "For later years Segal will present a schedule of current rates for review by VCERA prior to the beginning of each year. These rates would go into effect only upon mutual agreement between VCERA and Segal."

Our June 7, 2018 letter proposed fixed fees and hourly billing rates through June 30, 2021. As an aid to future budgeting, this letter proposes three years of fixed fees and hourly billing rates commencing July 1, 2021. We understand that the Board may wish to approve the rates shown only for some shorter period.

Fixed Fee Valuation and Retainer Services

Task	Current: 2020-2021	Proposed: 2021-2022	Proposed: 2022-2023	Proposed: 2023-2024
Actuarial Valuation (includes one meeting)	$63,000	$64,000	$65,000	$66,000
GASB 67 Valuation	$13,000	$13,500	$13,500	$13,500
GASB 68 Valuation	$19,000	$20,000	$20,000	$20,000
June 30, 2020& June 30, 2023 Experience Studies (includes one meeting each)	$48,000			$52,000
General Consulting Services	Time charges			

The increase in the fee for the June 30, 2023 experience study is based on actual time charges for our work on the June 30, 2014 and 2017 experience studies, each of which exceeded $55,000.

Hourly Rates for Additional Services

The table below shows the current rates and the rates we are proposing effective July 1, 2021. These new rates are generally the same as for our other similar California public sector retirement plan clients.

Task	Current: 2020-2021	Proposed: 2021-2022	Proposed: 2022-2023	Proposed: 2023-2024
Principal Actuaries (Angelo)	$550	$560	$570	$580
Reviewing Actuaries	$530	$540	$550	$560
Supervising Actuaries (Calcagno)	$510	$520	$530	$540
Senior Actuarial Analysts	$340 - $500	$350 - $510	$360 - $520	$370 - $530
Actuarial Analysts	$240 - $330	$250 - $340	$260 - $350	$270 - $360
Compliance Consultant	$510	$520	$530	$540
Clerical	No charge	No charge	No charge	No charge

Our signature on the attached agreement renewal form represents our agreement with the proposed fees and a continuation of the rest of the original contract terms as modified by the First and Second Amendments to the Actuarial Services Agreement.

Thank you very much for your consideration of this matter. We greatly appreciate our relationship with you, your staff, and your Board. Please let us know if you need any additional information.

Cordially,

Paul Angelo, FSA
Senior Vice President & Actuary

MYM/hy

Agreement Renewal

The fees described in the Proposed Schedule of Fixed Fees and Hourly Billing Rates letter dated April 14, 2021 shall be effective as of July 1, 2021. All other terms of the original Actuarial Services Agreement as modified by the First and Second Amendments to the Actuarial Services Agreement between VCERA and Actuary shall remain in full force and effect.

EXECUTED AND AGREED TO by the parties by their duly authorized representatives:

THE SEGAL COMPANY (WESTERN STATES), INC. d/b/a SEGAL	VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
By: _____	By: _____
PAUL ANGELO Senior Vice President & Actuary	LINDA WEBB Retirement Administrator
Dated: _____	Dated: _____

Providing insight. Fostering oversight.

SACRS Business Meeting Packet

Friday, May 14, 2021

10:00 AM - Upon Adjournment

SACRS Event Tech Platform

(Link will be sent via email to all registered Attendees. Access is email specific to attendee)

Providing insight. Fostering oversight.

SACRS Business Meeting Agenda
Friday, May 14, 2021
10:00 AM - Upon Adjournment
Online Via SACRS Conference Platform

SACRS Parliamentarian – TBD
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 2020 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File
Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

4. SACRS President Report - No Action
Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

5. SACRS Legislative Committee Update – Action
Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

A. 2021 Legislative Report – No Action
B. SACRS Board of Directors Legislative Proposal – Action

6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice – Action
Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022

7. SACRS Audit Report – Action
Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit

8. SACRS Education Committee Report – No Action
JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback

9. SACRS Program Committee Report – No Action
Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Report

10. SACRS Affiliate Committee Report – No Action
Scott Draper, Algert Global LLC, 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 Spring 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 12, 2021 at the Hollywood Loews Hotel unless Covid-19 restrictions are in place.

Providing insight. Fostering oversight.

1. SACRS System Roll Call
Kathryn Cavness, Mendocino CERA, SACRS Secretary

Providing insight. Fostering oversight.

SACRS Business Meeting Roll Call of the System Membership

System	Delegate	Alternate	Present	Absent
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 2020 SACRS Business Meeting Minutes

Providing insight. Fostering oversight.

SACRS Business Meeting Minutes
Friday, November 13, 2020
9:00 AM - Upon Adjournment
Online Via SACRS Conference Platform

Meeting Called to Order at 9:04 am

SACRS Board of Directors in Attendance: Vivian Gray, President; Roger Hilton, Vice President; Harry Hagen, Treasurer; Kathryn Cavness, Secretary; David McDonald, Board Member; John Kelly, Board Member; and Teri Noble, Affiliate Chair

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1. SACRS System Roll Call
Kathryn Cavness, Mendocino CERA, SACRS Secretary

19 SACRS Member Systems Present
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 and Ventura
Arrived at 9:25 am: Imperial
Absent: Merced

2. Secretary's Report - Receive and File
Kathryn Cavness, Mendocino CERA, SACRS Secretary

A. November 2019 SACRS Business Meeting Minutes

Motion: Los Angeles CERA made motion to approve the minutes as presented.
2nd: San Diego CERA
Yes: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura
No: 0
Absent: Merced, Imperial
Motion Passes 18-0-2

3. Treasurer's Report - Receive and File
Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – August 2020 Financials

B. 2020 – 2021 Annual Budget

Motion: Fresno made a motion to approve the Treasurers report as presented.
2nd: Orange
Yes: Alameda, Contra Costa, Fresno, Kern, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura
No: 0
Absent: Merced, Imperial
Motion Passes 18-0-2

4. SACRS President Report - No Action
Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

Discussion: No action, verbal report given by Vivian Gray, SACRS President

5. SACRS Legislative Committee Update – No Action
Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

A. 2020 Legislative Report – No Action
B. Los Angeles CERA Proposal – No Action

Discussion: Eric Stern and Dave Nelsen gave a verbal report on the SACRS Legislative status, review of written report submitted and discussed the LACERA proposal.
Vivian Gray requested that the System members have an opportunity to submit their positions on the LACERA proposal.
Harry Hatch asked that the request be an informal review and that the voting delegates have an opportunity to go back to their Systems to discuss.
Eric Stern offered to send the Systems a letter of explanation and language detailing the proposal so that the System could report back.
Roger Hilton asked for a turnaround time on the survey, the delegation agreed on a response of December 8.
Vivian Gray offered additional information on the proposal via Barry Lew who would also be available to answer questions System might have.

6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice – No Action
Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Election Notice 2021-2022

Discussion: Dan McAllister gave a verbal and written update on the elections held in August 2020. No action taken, information only.

7. SACRS Audit Report – Action
Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2018-2019 Annual Audit
Carry over item from Spring 2020 Conference that was cancelled due to COVID-19

Motion: Orange made a motion to approve and file the Audit report as presented.
2nd: Kern
Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura
No: 0
Absent: Merced
Motion Passes 19-0-1

8. SACRS Education Committee Report – No Action
JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Fall 2020 Conference Evaluations/Feedback

Discussion: No report

9. SACRS Program Committee Report – No Action
Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Fall Conference Report 2020

Discussion: Verbal report provided by Roger Hilton, feedback on conference was very positive. No action taken, Vivian Gray and Roger Hilton both thanked the Program Committee and Education Committee for their time and dedication to the conference. Suggestions for future conferences can be submitted online at the SACRS website.

10. SACRS Affiliate Committee Report – No Action
Teri Noble, Pathway, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

Discussion: Verbal report on upcoming elections for Affiliate Committee, Fall sessions and volunteers wanted for future committee members.

11. SACRS Bylaws Committee Report – Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Use of SACRS' Intellectual Property

Motion: A motion to approve the Bylaws with the inclusion of Intellectual property was made by Sonoma.
2nd: Marin
Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura
No: 0
Absent: Merced
Motion Passes 19-0-1

B. Termination of Membership

Motion: A motion to approve the Bylaws to include new language on Termination of Membership was made by Sonoma.
2nd: San Bernardino
Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura
No: 0
Absent: Merced
Motion Passes 19-0-1

C. Electronic Meetings

Motion: A motion to approve the Bylaws addition of Electronic Meeting of the Membership was made by San Diego.
2nd: Contra Costa
Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: 0
Absent: Merced
Motion Passes 19-0-1

12. SACRS Fall Conference Breakout Reports – No Action
A representative from each breakout will give report on their meetings.

A. Administrators – Eric Stern gave a verbal update on the Administrators breakout. Leanne Malison has volunteered to moderate the Spring session.
B. Counsel – David Lantzer gave a verbal update on the Attorney's session. No volunteer for the Spring session, please contact SACRS if you'd like to volunteer.
C. Disability/ Operations & Benefits Combo – No Report
D. Internal Auditors – No Report
E. Investment Officers – No Report
F. Safety Trustees – Roger Hilton gave a verbal update on the Safety meeting. Brian Williams has volunteered to moderate the Spring session.
G. General Trustees – Kathryn Cavness gave a verbal update on the Trustees breakout. Mrs. Cavness has also volunteered to serve as moderator in the Spring.

13. Adjournment
Next scheduled SACRS Association Business Meeting will be held Friday, May 14, 2021 at the Long Beach Renaissance or via virtual platform due to Covid-19.

Motion: A motion to adjourn the SACRS Fall 2020 Business meeting at 10:25 am was made by San Diego.
2nd: Orange
Yes: Alameda, Contra Costa, Fresno, Kern, Imperial, Los Angeles, Marin, Mendocino, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura
No: 0
Absent: Merced
Motion Passes 19-0-1

Minutes submitted by;
Kathryn Cavness, SACRS Secretary
Sulema Peterson, SACRS Executive Director

Providing insight. Fostering oversight.

3. Treasurer's Report - Receive and File
Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2020 – January 2021 Financials

12:27 AM
03/01/21
Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Balance Sheet
As of January 31, 2021

	Jan 31, 21
ASSETS	
Current Assets	
Checking/Savings	
1000 · First Foundation Bank-Checking	119,684.24
1001 · BofA Interest Checking 4389	267,053.26
1002 · First Foundation Bank ICS Acct	57,541.01
Total Checking/Savings	444,278.51
Other Current Assets	
1100 · CalTrust - Medium Term	979,692.99
1107 · CalTrust Liquidity Fund	8,223.85
1110 · CAMP-SACRS Liquidity Fund	790,897.39
1201 · Deposits in Transit	-5,337.26
Total Other Current Assets	1,773,476.97
Total Current Assets	2,217,755.48
TOTAL ASSETS	**2,217,755.48**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
2200 · First Foundation Credit Card	1,854.14
Total Credit Cards	1,854.14
Total Current Liabilities	1,854.14
Total Liabilities	1,854.14
Equity	
32000 · Retained Earnings	1,981,948.99
Net Income	233,952.35
Total Equity	2,215,901.34
TOTAL LIABILITIES & EQUITY	**2,217,755.48**

12:40 AM
03/01/21
Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss
July 2020 through January 2021

	Jul '20 - Jan 21
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	236,250.00
4102 · Non Profit - Organizations	3,000.00
4103 · Non Profit - Systems	6,000.00
4104 · Systems - Medium	52,000.00
4105 · Systems - Large	42,000.00
4100 · Membership Dues - Other	3,750.00
Total 4100 · Membership Dues	343,000.00
4200 · Webinar Symposium Registration	350.00
4270 · UC Berkeley Program	
4271 · Registrations	12,000.00
4272 · Sponsorships	23,500.00
4270 · UC Berkeley Program - Other	2,000.00
Total 4270 · UC Berkeley Program	37,500.00
4300 · Fall Conference Registration	
4301 · Affiliates - Early	23,700.00
4302 · Affiliates - Regular	24,150.00
4303 · Affiliates - Late/Onsite	13,600.00
4304 · Non Profit	720.00
4305 · Systems	16,200.00
4306 · Non-Members	16,670.00
4307 · Fun Run	355.00
4308 · Yoga	105.00
4300 · Fall Conference Registration - Other	7,200.00
Total 4300 · Fall Conference Registration	102,700.00
4900 · Interest Earned	5,562.42
Total Income	489,112.42
Gross Profit	489,112.42
Expense	
5000 · Administrative Fee	105,000.00
5001 · Administrative Services	0.00
5003 · Bank Charges/Credit Card Fees	7,219.12
5010 · Berkeley & Symposium	
5015 · Materials/Printing/Design	108.75
5017 · UC Berkeley	-20,301.00
Total 5010 · Berkeley & Symposium	-20,192.25
5020 · Webinar Symposium	
5022 · Webinar Technology	28,700.00
Total 5020 · Webinar Symposium	28,700.00
5040 · Commissions & Fees	150.00
5041 · Consulting	16,162.00
5042 · Dues & Subscriptions	3,885.00
5050 · Fall Conference	

12:40 AM
03/01/21
Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss
July 2020 through January 2021

	Jul '20 - Jan 21
5051 · Audio/Visual	24,521.25
5054 · Hotel	0.00
5055 · Program Material	3,049.07
5056 · Speakers	38,125.00
5050 · Fall Conference - Other	2,012.81
Total 5050 · Fall Conference	67,708.13
5070 · Insurance	4,229.00
5071 · Legal & Professional Fees	22,680.00
5072 · Legislative Advocacy	35,007.00
5080 · Magazine	
5082 · Design/Printing/Etc.	800.00
5083 · Magazine - Other	5,550.00
5080 · Magazine - Other	3,774.58
Total 5080 · Magazine	10,124.58
6010 · Office Expenses / Supplies	-55.47
6011 · Postage & Delivery	4,234.84
6020 · Spring Conference	
6022 · Delivery & Shipping	122.41
6024 · Hotel	
6024.2 · Conference	194.86
6024 · Hotel - Other	-60,000.00
Total 6024 · Hotel	-59,805.14
6026 · Speakers	-210.36
Total 6020 · Spring Conference	-59,893.09
6051 · Taxes & Licenses	10.00
6053 · Technology/AMS/Website	29,960.02
6054 · Travel	231.19
Total Expense	255,160.07
Net Ordinary Income	233,952.35
Net Income	**233,952.35**

10:43 PM
03/24/21
Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2020 through February 2021

	Jul '20 - Feb 21	Budget	$ Over Budget	% of Budget
Income				
4100 · Membership Dues				
4101 · Affiliates	237,500.00	268,750.00	-31,250.00	88.37%
4102 · Non Profit - Organizations	3,250.00	3,000.00	250.00	108.33%
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%
4100 · Membership Dues - Other	3,750.00			
Total 4100 · Membership Dues	344,500.00	371,750.00	-27,250.00	92.67%
4200 · Webinar Symposium Registration	350.00			
4250 · Product Income				
4255 · Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
Total 4250 · Product Income	0.00	2,000.00	-2,000.00	0.0%
4270 · UC Berkeley Program				
4271 · Registrations	13,000.00	100,000.00	-87,000.00	13.0%
4272 · Sponsorships	23,500.00	55,000.00	-31,500.00	42.73%
4270 · UC Berkeley Program - Other	2,000.00			
Total 4270 · UC Berkeley Program	38,500.00	155,000.00	-116,500.00	24.84%
4300 · Fall Conference Registration				
4301 · Affiliates - Early	24,000.00	30,000.00	-6,000.00	80.0%
4302 · Affiliates - Regular	24,150.00	26,250.00	-2,100.00	92.0%
4303 · Affiliates - Late/Onsite	13,600.00	10,000.00	3,600.00	136.0%
4304 · Non Profit	720.00	1,000.00	-280.00	72.0%
4305 · Systems	16,200.00	12,000.00	4,200.00	135.0%
4306 · Non-Members	16,670.00	25,000.00	-8,330.00	66.68%
4307 · Fun Run	355.00	1,000.00	-645.00	35.5%
4308 · Yoga	105.00	100.00	5.00	105.0%
4300 · Fall Conference Registration - Other	7,200.00			
Total 4300 · Fall Conference Registration	103,000.00	105,350.00	-2,350.00	97.77%
4350 · Spring Conference Registration				
4351 · Affiliates - Early	0.00	80,000.00	-80,000.00	0.0%
4352 · Affiliates - Regular	0.00	50,000.00	-50,000.00	0.0%
4353 · Affiliates - Late/Onsite	0.00	17,500.00	-17,500.00	0.0%
4354 · Non Profit	0.00	500.00	-500.00	0.0%
4355 · Systems	0.00	11,250.00	-11,250.00	0.0%
4356 · Non-Members	0.00	127,500.00	-127,500.00	0.0%
4357 · Fun Run	0.00	700.00	-700.00	0.0%
4358 · Yoga	0.00	350.00	-350.00	0.0%
Total 4350 · Spring Conference Registration	0.00	287,800.00	-287,800.00	0.0%
4900 · Interest Earned	4,167.79			
Total Income	490,517.79	921,900.00	-431,382.21	53.21%
	490,517.79	921,900.00	-431,382.21	53.21%
Expense				

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03/24/21
Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2020 through February 2021

	Jul '20 - Feb 21	Budget	$ Over Budget	% of Budget
5000 · Administrative Fee	120,000.00	180,000.00	-60,000.00	66.67%
5001 · Administrative Services	0.00	500.00	-500.00	0.0%
5002 · Awards	0.00	500.00	-500.00	0.0%
5003 · Bank Charges/Credit Card Fees	7,254.72	36,000.00	-28,745.28	20.15%
5010 · Berkeley & Symposium				
5011 · Audio/Visual	0.00	2,200.00	-2,200.00	0.0%
5013 · Hotel	0.00	12,000.00	-12,000.00	0.0%
5014 · Food & Beverage	0.00	13,000.00	-13,000.00	0.0%
5015 · Materials/Printing/Design	108.75	2,900.00	-2,791.25	3.75%
5016 · Travel	0.00	2,500.00	-2,500.00	0.0%
5017 · UC Berkeley	-20,301.00	206,000.00	-226,301.00	-9.86%
Total 5010 · Berkeley & Symposium	-20,192.25	238,600.00	-258,792.25	-8.46%
5020 · Webinar Symposium				
5022 · Webinar Technology	28,700.00			
Total 5020 · Webinar Symposium	28,700.00			
5030 · CERL				
5031 · Materials/Printing/Design	0.00	16,500.00	-16,500.00	0.0%
5032 · Shipping	0.00	1,300.00	-1,300.00	0.0%
Total 5030 · CERL	0.00	17,800.00	-17,800.00	0.0%
5040 · Commissions & Fees	831.00	20,000.00	-19,169.00	4.16%
5041 · Consulting	16,162.00	19,992.00	-3,830.00	80.84%
5042 · Dues & Subscriptions	3,885.00	3,700.00	185.00	105.0%
5050 · Fall Conference				
5051 · Audio/Visual	24,521.25	50,000.00	-25,478.75	49.04%
5053 · Entertainment	0.00	4,000.00	-4,000.00	0.0%
5054 · Hotel	0.00			
5055 · Program Material	3,049.07	10,000.00	-6,950.93	30.49%
5056 · Speakers	38,125.00	50,000.00	-11,875.00	76.25%
5057 · Supplies	0.00	1,000.00	-1,000.00	0.0%
5058 · Travel	0.00	15,000.00	-15,000.00	0.0%
5050 · Fall Conference - Other	2,012.81			
Total 5050 · Fall Conference	67,708.13	130,000.00	-62,291.87	52.08%
5070 · Insurance	4,229.00	5,000.00	-771.00	84.58%
5071 · Legal & Professional Fees	22,680.00	35,000.00	-12,320.00	64.8%
5072 · Legislative Advocacy	35,007.00	60,012.00	-25,005.00	58.33%
5080 · Magazine				
5081 · Delivery & Shipping	0.00	600.00	-600.00	0.0%
5082 · Design/Printing/Etc.	800.00	20,000.00	-19,200.00	4.0%
5083 · Magazine - Other	5,550.00	5,200.00	350.00	106.73%
5080 · Magazine - Other	3,774.58			
Total 5080 · Magazine	10,124.58	25,800.00	-15,675.42	39.24%
6000 · Board & Committees				
6001 · Board of Directors				
6001.1 · Food & Beverage	0.00	5,950.00	-5,950.00	0.0%

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Cash Basis

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
July 2020 through February 2021

	Jul '20 - Feb 21	Budget	$ Over Budget	% of Budget
6001.2 · Printing/Supplies	0.00	2,800.00	-2,800.00	0.0%
6001.3 · Travel - BOD Meetings	0.00	7,700.00	-7,700.00	0.0%
6001.4 · Travel - Miscellaneous BOD	0.00	840.00	-840.00	0.0%
6001.5 · Board Of Directors - Other	0.00	3,000.00	-3,000.00	0.0%
Total 6001 · Board of Directors	0.00	20,290.00	-20,290.00	0.0%
6002 · Legislative Committee Meetings	0.00	250.00	-250.00	0.0%
6003 · Program Committee Meetings	0.00	2,500.00	-2,500.00	0.0%
Total 6000 · Board & Committees	0.00	23,040.00	-23,040.00	0.0%
6010 · Office Expenses / Supplies	-55.47	2,500.00	-2,555.47	-2.22%
6011 · Postage & Delivery	4,497.69	3,000.00	1,497.69	149.92%
6020 · Spring Conference				
6021 · Audio/Visual	22,600.00	50,000.00	-27,400.00	45.2%
6022 · Delivery & Shipping	122.41	3,000.00	-2,877.59	4.08%
6023 · Entertainment	0.00	6,500.00	-6,500.00	0.0%
6024 · Hotel				
6024.1 · Wednesday Night Event	0.00	52,500.00	-52,500.00	0.0%
6024.2 · Conference	194.86			
6024.4 · Hotel - Other	0.00	192,500.00	-192,500.00	0.0%
6024 · Hotel - Other	-60,000.00			
Total 6024 · Hotel	-59,805.14	245,000.00	-304,805.14	-24.41%
6025 · Program Material	0.00	24,500.00	-24,500.00	0.0%
6026 · Speakers	-210.36	50,000.00	-50,210.36	-0.42%
6027 · Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 · Travel	0.00	15,000.00	-15,000.00	0.0%
Total 6020 · Spring Conference	-37,293.09	395,000.00	-432,293.09	-9.44%
6050 · Strategic Facilitator	0.00	10,000.00	-10,000.00	0.0%
6051 · Taxes & Licenses	10.00	50.00	-40.00	20.0%
6053 · Technology/AMS/Website	36,490.97	35,000.00	1,490.97	104.26%
6054 · Travel	231.19	7,500.00	-7,268.81	3.08%
Total Expense	300,270.47	1,248,994.00	-948,723.53	24.04%
	190,247.32	-327,094.00	517,341.32	-58.16%
	190,247.32	**-327,094.00**	**517,341.32**	**-58.16%**

Providing insight. Fostering oversight.

4. SACRS President Report - No Action
Vivian Gray, Los Angeles CERA, SACRS President

A. SACRS President Update

Providing insight. Fostering oversight.

No printed material for this item

Providing insight. Fostering oversight.

5. SACRS Legislative Committee Update – Action

Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA – SACRS Legislative Committee Co-Chairs

A. 2021 Legislative Report – No Action
B. SACRS Board of Directors Legislative Proposal – Action

EDELSTEIN GILBERT ROBSON & SMITH LLC

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd Associate

April 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – April 2021**

Last year, Governor Newsom solemnly pronounced that after expecting record breaking surpluses in 2020, the state was facing a $54 billion deficit. That number was daunting, and comparable to the budget shortfalls experienced at the onset of the Great Recession. That massive deficit never materialized. The Governor and his Department of Finance (DOF) didn't lie or mislead. The nonpartisan and respected Legislative Analyst's Office (LAO) also projected large and growing deficits as a result of the pandemic.

The projections were wrong for two reasons. First, with tax filing deadlines extended, both DOF and the LAO were flying blind without a reliable estimate of how much revenue the state would take in. Last year's budget was adopted before the Governor and the Legislature had the benefit of those estimates.

Secondly, the economic downturn was lopsided, disproportionately impacting low-income Californians forced to leave work during the pandemic. Wealthy Californians largely continued to prosper while stock markets rebounded despite rapid and precipitous falls at the outset of the pandemic. California's tax code leans heavily on high-income residents. While that reliance devastated state revenues during the Great Recession, it has helped spare the state during the pandemic.

Since the projections were off, the 2020 Budget was more conservative than it needed to be. Consequently, Governor Newsom's 2021 Budget was built on a $15.5 billion windfall surplus, and the good news keeps rolling in.

Last week, the Department of Finance reported that the state will receive another $14.3 billion in unexpected surplus revenue. On top of that, $150 billion is coming to California from the $1.9 Trillion American Rescue Plan recently signed by President Biden. While most of this money will go directly to residents and local governments, $26 billion will drop into California's budget. The money must be spent addressing public health issues or the economic fallout from the pandemic, pay for essential workers, backfilling lost tax revenue, or making investments in water, sewer, or broadband infrastructure.

We have a few observations.

That's not a lot of Strings
The $14.3 billion surplus is General Fund revenue which can be spent as the Legislature and Governor see fit. While the $26 billion in federal aid comes with the restrictions mentioned above, they are not very limiting. The Governor and Legislature could argue that any number of spending proposals would mitigate the economic impact of the pandemic, for example. The state has until 2024 to spend the money, and lots of things to spend it on.

Lots of Money, Lots of People Want it
$40 billion in unexpected revenue is a lot. It's easy for lobbyists and their clients to start imagining how to spend it, which is exactly why it's not as much money as it seems. Even before it was clear exactly how much money California would receive from the Federal Government or how much surplus revenue it had to spend, billions of dollars of new spending proposals were floating around the Legislature.

There's a lot of need right now, and no shortage of stakeholders looking to use state revenue to meet it. The Legislature and the Governor will have to figure out which of these requests aligns with their own priorities.

It's Enough Money for the Legislature and Governor to Fight Over
The Governor essentially ruled California via Executive Order and unilateral spending authority granted by the Legislature from March through June last year. While they allowed the situation to persist, it seems to have rubbed many legislators the wrong way. As we've reported previously, frustrated legislators largely won the debate over how to structure the 2020 budget. While they have questioned Governor Newsom on his handling of the pandemic, his handling of unemployment fraud, and his plans for school reopening, they have not truly challenged him since budget negotiations concluded in 2020.

The Legislature could choose to leverage the Governor on how to spend new revenue, but there's reason to think the Legislature will be even more accommodating than they were last year. While it's still not official, Governor Newsom will be facing a recall later this year. Despite their grievances, Democrats in the Legislature will want to defend the Democratic Governor from the Republican-backed recall effort. While there will be give and take over how to use the new money as always, it seems likely the Legislature will help the Governor with his major spending initiatives.

New Attorney General
In December, we reported that the election of Vice President Kamala Harris created a game of political musical chairs when she vacated her US Senate seat. The issue of appointing her successor quickly became fraught with risk for Governor Newsom who was urged by advocates and legislators representing the state's African American, Latino, API, and LGBTQ Californians to appoint a Senator who can represent their communities.

The Governor handled the challenge. The appointment of former Secretary of State Alex Padilla as the first Latino Senator representing California created another vacancy. The Governor appointed Shirley Weber to replace them and serve as California's first African American Secretary of State. Last week, the Governor appointed Assemblymember Rob Bonta to replace Xavier Becerra as Attorney General. Mr. Bonta will be the first Filipino American to hold the position.

March 5, 2021

TO: SACRS Board of Directors

FROM: SACRS Legislative Committee

RE: Sponsorship of SB 634 (Committee on Labor, Public Employment and Retirement)

Similar to last year with AB 2101 (Committee on Public Employment and Retirement), the Legislative Committee is pursuing another omnibus bill to provide technical and clarifying changes to the CERL. You may recall that SACRS' cleanup changes were initially placed into SB 783, then ultimately amended into AB 2101, a bill sponsored by SACRS, CalPERS, and CalSTRS that provided noncontroversial changes to each entity's respective code sections.

This year, the Senate Committee on Labor, Public Employment and Retirement is authoring another omnibus bill for SACRS, CalPERS, and CalSTRS technical cleanup.

After fielding proposals from member systems and deliberating among the legislative committee, several minor cleanup proposals were selected to be amended into SB 634 at the start of the new legislative session.

These changes include clarifying that a Board of Retirement may contract with a private physician to provide medical advice as part of the board's duties related to processing disability claims, deleting an obsolete reference to procedures for purchasing additional service, changing incorrect code references, and fixing typos. Along with these changes, the Legislative Committee will continue to review noncontroversial proposals to be added into this vehicle in the coming months.

On a separate track, the Legislative Committee continues to review more substantive CERL amendments for consideration by the Board of Directors for the 2022 legislative session.

The SACRS Legislative Committee is requesting Board of Directors approval for SACRS to formally sponsor SB 634. Thank you for your consideration.

The bill language for SB 634 and a summary matrix of CERL provisions in SB 634 are attached.

SB 634
As Introduced, 2/19/2021

2021 CERL Amendments

Sec	Gov Code	Topic	Issue/Justification
9 14	31530 31732	County Health Officer as Medical Advisor	Updates statutes to conform to existing practices in which many retirement systems currrently use outside, independent medical advisors to evaluate disability claims. Amendments clarify that the county health officer, either directly or through a duly authorized representative, shall advise the board on medical matters. Also clarifies that the board may contract with a physician in private practice under its existing authority to secure the necessary medical service and advice in carrying out its adjudication of disability retirement applications.
10	31565.5	County Office of Education	Fixes incorrect cross references when the Education Code was restructured years ago.
11	31641.8	Service Purchase-Installment Payments	Deletes obsolete section. The payment terms related to pre-tax and after-tax contributions in conformity with federal tax law are generally specified in the contracts that members sign when they elect to make additional contributions.
12 13	31680.2 31680.3	Post-Retirement Employment	Fixes typo/missing words. Section 31680.2 provides that retired members may be reemployed without reinstatement to membership in a position requiring special skills or knowledge for a period of time not to exceed 90 working days or 720 hours in one fiscal year of any other 12-month period. Section 31680.3 provides that the period of time not exceed 120 working days or 960 hours. The current statutes are missing the phrase “a period of time,” similiar to sentence structure in Section 31680.6.
15	31781.2	Survivor benefits	Fixes typo. The word "the" is missing before "guardian."

SENATE BILL No. 634

Introduced by Committee on Labor, Public Employment and Retirement (Senators Cortese (Chair), Durazo, Laird, Newman, and Ochoa Bogh)

February 19, 2021

An act to amend Sections 22011, 22802, 24204, and 26804 of the Education Code, and to amend Sections 20320, 20322, 20324, 31530, 31565.5, 31680.2, 31680.3, 31732, and 31781.2 of, to add Section 21499.1 to, and to repeal Section 31641.8 of, the Government Code, relating to retirement.

LEGISLATIVE COUNSEL'S DIGEST

SB 634, as introduced, Committee on Labor, Public Employment and Retirement. Public employees' retirement.

(1) Existing law, the Teachers' Retirement Law, establishes the State Teachers' Retirement System (STRS) and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, credited service, and age at retirement, subject to certain variations. STRS is administrated by the Teachers' Retirement Board. Existing law requires STRS to pay premiums associated with Medicare Part A for certain retired or disabled members, as specified. Existing law creates the Cash Balance Benefit Program, which is administered by the board, to provide a retirement plan for the benefit of participating employees who provide creditable service for less than 50% of full time.

Existing law applicable to the Defined Benefit Program, for applications and documents requiring a signature, requires that the signature be in a form prescribed by the system.

This bill would apply the above-described requirements regarding signed applications and documents to the Cash Balance Benefit Program and the requirement that STRS pay certain Medicare Part A premiums.

Existing law authorizes a member of STRS who is not retired and who was previously excluded from membership in the Defined Benefit Program request to purchase service credit in the program for certain types of other service. The bill would delete and obsolete cross-reference.

This bill would prohibit a member from purchasing service credit for any school year if the purchase would result in more than one year of service for that school year.

Existing law authorizes a member of STRS who files an application for service retirement to change or cancel their retirement application if specified requirements are met. In this regard, existing law requires a member to return the total gross distribution amount of all payments for any canceled retirement benefit, including a lump-sum payment, as specified.

This bill would extend the requirement to return total gross distribution amount, as described above, to apply to any canceled benefit.

(2) The Public Employees' Retirement Law (PERL) creates the Public Employees' Retirement System (PERS), which is administered by the Board of Administration of the Public Employees' Retirement System. PERL excludes specified appointees, elective officers, and legislative employees from membership in the system unless the person to whom these provisions apply elects to file with the board an election in writing to become a member.

This bill would prescribe the circumstances pursuant to which the start date would be determined for an appointee, elective officer, or legislative employee who elects to become a member of PERS. If the written election is received by the system within 90 days of the applicable appointment, current term, or start date for the position, the bill would require that the effective date be the start date of the appointment, the start date of the term, or the start date of the position. If the election is not received by the system within 90 days, as specified, the effective date would be the first day of the month in which the election is received by the system.

PERL prescribes the circumstances pursuant to which specified payments and benefits may be paid by PERS in connection with the death of a member, among others.

This bill would require that overpayments, issued after the date of death to a member, retired member, or beneficiary, made to or on behalf of any member, retired member, or beneficiary, as specified, be deducted from any subsequent payment or benefit that is payable by PERS as a result of the death.

(3) The County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions for the purpose of providing pension, disability, and death benefits to county and district employees. CERL vests management of the retirement systems created pursuant to its provisions in a board of retirement. CERL requires the county health officer to advise the board on medical matters and, if requested, attend its meetings.

This bill would authorize a county health officer's duly authorized representative to also advise the board of retirement with advice on medical matters.

CERL authorizes a member of a system established under its provision who ceases to be an employee of the county under certain provisions of the Education Code to elect to remain a member of the CERL system.

This bill would correct an obsolete cross-reference in this regard.

CERL provides benefits based upon service credit, defines service for this purpose, and authorizes a member to elect to receive service credit for other forms of public service, as defined, by making contributions. CERL authorizes a member who has elected to make contributions to receive service credit to complete payment, at any time prior to the effective date of the member's retirement, by a lump sum.

This bill would repeal the above-described authority of a member to complete a payment by lump sum.

CERL requires a board of retirement to secure medical, investigatory, and other service and advice as is necessary for the purpose of administering provisions relating to disability retirement.

This bill would authorize the board to contract with a physician in private practice for the medical advice necessary to carry out the purpose of provisions relating to disability retirement.

This bill would make various technical and stylistic changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 22011 of the Education Code is amended to read:

22011. For an application or document requiring a signature, that signature shall be in a form prescribed by the system, including, but not limited to, on paper or made by electronic means. Notwithstanding any other law, an application or document made under this ~~part~~ *part, Part 13.5 (commencing with Section 25900), or Part 14 (commencing with Section 26000)* that is signed and submitted by the person authorized to do so using technology and security measures prescribed by the system shall be deemed to be a signed and valid original document.

SEC. 2. Section 22802 of the Education Code is amended to read:

22802. (a) A member, other than a retired member, who was previously excluded from membership in the Defined Benefit Program may request to purchase service credit for:

(1) Service as a substitute excluded under Section 22602.

(2) Creditable service subject to coverage under the Cash Balance Benefit ~~Program, excluding service credited pursuant to Section 26402,~~ *Program* if the member is currently contributing to the Defined Benefit Program and has terminated all service subject to coverage under the Cash Balance Benefit Program. Upon requesting to purchase service credit under this paragraph, the member shall cease to be eligible for a benefit for the same service or time previously credited under the Cash Balance Benefit Program pursuant to Part 14 (commencing with Section 26000).

(3) Service performed on a part-time basis excluded under Section 22601.5 or Section 22604, other than service credited under paragraph (2).

(4) Adult education service excluded under Section 22603, as it read on December 31, 1995.

(5) Service as a school nurse excluded under Section 22606, as it read on December 31, 1995.

(6) Service performed in a position prior to the date the position was made subject to coverage under the Defined Benefit Program.

(7) Service subject to coverage under the Defined Benefit Program performed while a member of another California public retirement system, provided the member has ceased to be a member

of, and has ceased to be entitled to benefits from, the other retirement system. The member shall not receive credit for the service if the member may redeposit withdrawn contributions and subsequently be eligible for any benefits based upon the same service or based upon other full-time service performed during the same period, from another California public retirement system.

(b) A member who requests to purchase service credit under this part for service performed while excluded from membership under the Defined Benefit Program shall pay all of the required contributions for all or the portion of that service for which the member requests to purchase service credit.

(c) A member ~~may~~ *shall* not request to purchase service credit for service or time described in paragraphs (1) and (3) to (7), inclusive, of subdivision (a) if, after the request, the member would continue to receive credit for the same service or time in the Cash Balance Benefit Program under Part 14 (commencing with Section 26000) or another public retirement system.

(d) A member shall not purchase service credit for any school year if the purchase would result in more than one year of service for that school year.

SEC. 3. Section 24204 of the Education Code is amended to read:

24204. (a) A service retirement allowance under this part shall become effective upon any date designated by the member, provided all of the following conditions are met:

(1) An application for service retirement allowance is filed on a form provided by the system, which is executed no earlier than six months before the effective date of retirement allowance.

(2) The effective date is later than the last day the member earned creditable compensation pursuant to Section 22119.2 or 22119.3.

(3) The effective date is no earlier than one day after the date on which the retirement allowance was terminated under Section 24208.

(4) The effective date is no earlier than one year following the date on which the retirement allowance was terminated under subdivision (a) of Section 24117.

(5) The effective date is no earlier than the date upon and continuously after which the member is determined to the satisfaction of the board to have been mentally incompetent.

(6) The effective date is no earlier than one day after the date upon which the member completes payment of a service credit purchase pursuant to Section 22801, 22820, or 22826, or payment of a redeposit of contributions pursuant to Section 23200, except as provided in Section 22801 or 22829.

(b) A member who files an application for service retirement may change or cancel their retirement application if all of the following are met:

(1) The form provided by the system is received in the system's headquarters office no later than 30 days from the date the member's initial benefit payment for the member's most recent retirement under the Defined Benefit Program is paid by the system.

(2) The member returns the total gross distribution amount of all payments for any canceled ~~retirement~~ benefit, including a lump-sum payment being changed to an annuity, to the system's headquarters office no later than 45 days from the date of the member's initial benefit payment. The member shall be liable for any adverse tax consequences that may result from these actions.

(c) The retirement date of a member who files an application for retirement pursuant to Section 24201 on or after January 1, 2012, shall be no earlier than January 1, 2012.

(d) Nothing in this section shall be construed to allow a member to receive more than one type of retirement or disability allowance for the same period of time by virtue of the member's own membership.

SEC. 4. Section 26804 of the Education Code is amended to read:

26804. Application for a retirement benefit under this part shall be made on a form prescribed by the system. A participant who files an application for a retirement benefit may change or cancel the retirement application if all of the following are met:

(a) The form provided by the system is received in the system's headquarters office no later than 30 days from the date of the ~~member's~~ *participant's* initial benefit payment.

(b) The participant returns the total gross distribution amount *of all payments* for any canceled retirement benefit, including a lump-sum payment being changed to an annuity, to the system's headquarters office no later than 45 days from the date of the ~~participants's~~ *participant's* initial benefit payment. The participant

shall be liable for any adverse tax consequences that may result from these actions.

SEC. 5. Section 20320 of the Government Code is amended to read:

20320. (a) A person directly appointed by the Governor, without the nomination of any officer or board, or directly appointed by the Attorney General, Lieutenant Governor, Controller, Secretary of State, Treasurer, or Superintendent of Public Instruction exempt from civil service under Article VII of the California Constitution, except those appointed pursuant to subdivision (i) of Section 4 thereof, is excluded from membership in this system unless ~~he or she~~ *the person* files with the board an election in writing to become a member. *The election effective date shall be the start date of the current appointment, provided the election is received by this system within 90 days of the applicable start date. If the election is not received by this system within 90 days from the start date, the effective date shall be the first day of the month in which the election is received by this system.*

(b) Upon electing to become a member, the person may further elect at any time prior to retirement to receive service credit for ~~his or her~~ *their* prior, excluded state service by making the contributions as specified in Sections 21050 and 21051.

SEC. 6. Section 20322 of the Government Code is amended to read:

20322. (a) An elective officer is excluded from membership in this system unless the officer files with the board an election in writing to become a member. *The election effective date shall be the start date of the current term, provided the election is received by this system within 90 days of the applicable start date. If the election is not received by this system within 90 days from the start date, the effective date shall be the first day of the month in which the election is received by this system.* Upon electing to become a member, the officer may further elect at any time prior to retirement to receive service credit for ~~his or her~~ *their* prior, excluded service by making the contributions as specified in Sections 21050 and 21051.

(b) As used in this part, "elective officer" includes any officer of the Senate or Assembly who is elected by vote of the members of either or both of the houses of the Legislature, and any

appointive officer of a city or county occupying a fixed term of office, as well as officers of the state or contracting agencies elected by the people, and persons elected to a city council or a county board of supervisors.

(c) Notwithstanding any other provision of subdivision (a) or (b), elected or appointed officers of a county superintendent of schools, school district, or community college district, or of a contracting agency, who serve on public commissions, boards, councils, or similar legislative or administrative bodies are excluded from membership in this system. This exclusion shall only apply to those elected or appointed officers, other than city or county officers, who are first elected or appointed to an office on or after July 1, 1994, or who are elected or appointed to a term of office not consecutive with the term of office held on June 30, 1994. For city or county elected or appointed officers, this exclusion shall only apply to those officers who are first elected or appointed to an office on or after January 1, 1997, or who are elected or appointed to a term of office not consecutive with the term of office held on December 31, 1996. This exclusion shall not apply to persons elected to a city council or county board of supervisors.

(d) Any person holding the office of city attorney or the office of assistant city attorney, whether employed, appointed, or elected, is excluded from the definition of "elective officer" as defined in subdivision (b). This subdivision shall apply only to persons first employed, elected, or appointed on or after July 1, 1994, or following any break in state service while serving in the office if the office was held on June 30, 1994.

(e) In accordance with Section 20125, the board shall be the sole judge of which elected or appointed positions qualify the incumbent as an "elective officer" in this system under this section.

(f) Notwithstanding any other provision of law, with respect to elective officers of contracting agencies, payment by a contracting agency of employer contributions and any other amounts for employer paid benefits under this system shall not be construed as receipt of salary or compensation by the elective officer for purposes of any statutory salary or compensation limitation.

SEC. 7. Section 20324 of the Government Code is amended to read:

20324. (a) An employee of the Senate or the Assembly, or the respective committees thereof, whose salaries or wages are paid from the Senate Operating Fund or the Assembly Operating Fund or the Operating Funds of the Assembly and Senate, shall be deemed a "legislative employee." A legislative employee is excluded from membership in this system unless ~~he or she~~ *the person* files with the board an election in writing to become a member. *The election effective date shall be the start date of the current position, provided the election is received by this system within 90 days of the applicable start date. If the election is not received by this system within 90 days from the start date, the effective date shall be the first day of the month in which the election is received by this system.* The election shall not be required of a legislative employee who was a member of this system on October 1, 1963.

(b) Upon electing to become a member, a legislative employee may further elect at any time prior to retirement to receive service credit for ~~his or her~~ *their* prior, excluded legislative service and ~~he or she~~ *the legislative employee* shall have the option as to how much of that prior legislative service is to be credited. The legislative employee shall make contributions to this system as specified in Sections 21050 and 21051 for the previous service as a legislative employee for which ~~he or she desires~~ *they desire* to receive service credit.

SEC. 8. Section 21499.1 is added to the Government Code, to read:

21499.1. Any overpayment, issued after the date of death to a member, retired member, or beneficiary, made to or on behalf of any member, retired member, or beneficiary, including, but not limited to, contributions, interest, retirement allowance, payments of any kind, or federal or state tax, shall be deducted from any subsequent payment or benefit that is payable by this system as a result of the death.

SEC. 9. Section 31530 of the Government Code is amended to read:

31530. The county health ~~officer~~ *officer, either directly or through a duly authorized representative,* shall advise the board on medical matters and, if requested by the board, shall attend its meetings.

SEC. 10. Section 31565.5 of the Government Code is amended to read:

31565.5. Any member of a system established under this chapter who ceases to be an employee of the county under the provisions of ~~Education Code Section 873~~ *Section 1312 of the Education Code* may elect as authorized in ~~Education Code Section 873.1~~ *Section 1313 of the Education Code* to remain a member of such system.

SEC. 11. Section 31641.8 of the Government Code is repealed.

~~31641.8. Any member who has elected to make contributions pursuant to this chapter by installment payments may, at any time prior to the effective date of his retirement, complete payment thereof by lump sum.~~

SEC. 12. Section 31680.2 of the Government Code is amended to read:

31680.2. (a) Any person who has retired may be employed in a position requiring special skills or knowledge, as determined by the county or district employing ~~him or her, for~~ *them, for a period of time* not to exceed 90 working days or 720 hours, whichever is greater, in any one fiscal year or any other 12-month period designated by the board of supervisors and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend ~~his or her~~ *their* retirement allowance, and no deductions shall be made from ~~his or her~~ *their* salary as contributions to this system.

(b) (1) This section shall not apply to any retired person who is otherwise eligible for employment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

(3) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail, except that

the limit on postretirement employment provided in subdivision (a) to the greater of 90 working days or 720 hours shall remain effective.

SEC. 13. Section 31680.3 of the Government Code is amended to read:

31680.3. (a) Notwithstanding Section 31680.2, any member who has been covered under the provisions of Section 31751 and has retired may be reemployed in a position requiring special skills or knowledge, as determined by the county or district employing the member, for *a period of time* not to exceed 120 working days or 960 hours, whichever is greater, in any one fiscal year and may be paid for that employment. That employment shall not operate to reinstate the person as a member of this system or to terminate or suspend the person's retirement allowance, and no deductions shall be made from the person's salary as contributions to this system.

(b) (1) This section shall not apply to any retired member who is otherwise eligible for reemployment under this section if, during the 12-month period prior to an appointment described in this section, that retired person receives unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment.

(c) Beginning January 1, 2013, if any provision of this section conflicts with the California Public Employees' Pension Reform Act of 2013, the provisions of that act shall prevail.

SEC. 14. Section 31732 of the Government Code is amended to read:

31732. The board shall secure such medical, investigatory and other service and advice as is necessary to carry out the purpose of this article. Notwithstanding Section 31529, the board may contract with an attorney in private practice for the legal services and advice necessary to carry out the purpose of this article. *Notwithstanding Section 31530, the board may contract with a physician in private practice for the medical advice necessary to*

carry out the purpose of this article. It shall pay for such services and advice such compensation as it deems reasonable.

SEC. 15. Section 31781.2 of the Government Code is amended to read:

31781.2. In lieu of accepting in cash the death benefit payable under Section 31781 or 31781.01, the surviving spouse of a member who dies prior to reaching the minimum retirement age and who at the date of the member's death has 10 or more years of service to the member's credit, shall have the option to leave the amount of the death benefit on deposit in the retirement system until the earliest date when the deceased member could have retired had the member lived, and at that time receive the retirement allowance provided for in Section 31765, 31765.1, or 31765.11, whichever is applicable.

If, at the death of the spouse, the spouse is survived by one or more unmarried children of the member, under the age of 18 years, the retirement allowance shall continue to the child or children, collectively, until every child dies, marries, or attains the age of 18 years. If the spouse dies, either before or after the death of the member, without either making the election or receiving any portion of the death benefit, and no part of the death benefit had been paid to any person, prior to the payment of any benefits, the legally appointed guardian of the children shall make the election herein provided for on behalf of the surviving children as, in *the* guardian's judgment, may appear to be in their interest and advantage, and the election so made shall be binding and conclusive upon all parties in interest.

Notwithstanding any other provisions of this section, the benefits otherwise payable to the children of the member shall be paid to those children up to the 22nd birthdays of the children if the children remain unmarried and are regularly enrolled as full-time students in an accredited school as determined by the board.

O

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6. SACRS Nomination Committee - 2021-2022 SACRS Election Notice – Action
Dan McAllister, San Diego CERA, SACRS Nomination Committee Chair

A. SACRS Elections 2021-2022

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March 25, 2021

To: SACRS Trustees & SACRS Administrators/CEO's
From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Director Elections 2021-2022 Elections – Final Ballot

SACRS BOD 2021-2022 election process began January 2021. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2021	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, 2021	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 14, 2021	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference, May 11-14, 2021
May 14, 2021	Board of Directors take office for 1 year (until Spring 2022 Elections)

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.

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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 on Friday, May 14, 2021 during the scheduled business meeting. Access to the business meeting is available on the conference platform, all voting delegates and alternate delegates must be registered for the conference to access link.

SACRS Nominating Committee Final Ballot:

- Vivian Gray, Los Angeles CERA — President
- Kathryn Cavness, Mendocino CERA — Vice President
- Harry Hagen, Santa Barbara, CERS — Treasurer
- Thomas Garcia, Imperial CERS — Secretary
- David MacDonald, MD, Contra Costa CERA — Regular Member
- Vere Williams, San Bernardino CERA — Regular Member

Additional Candidates Submitted:

- John Kelly, Sacramento CERS — Regular Member
- Chris Prevatt, Orange CERS — 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 Dan McAllister, Dan.McAllister@sdcounty.ca.gov or (619) 531-5231.

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee
SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director

Attached: Candidate submissions

Submissions for President

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SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vivian H. Gray
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 300 N. Lake Ave., Ste. 820, Pasadena CA 91101 Email Address: viviangray@aol.com, vgray@lacera.com Phone: 213.440.0142
Name of Retirement System Candidate Currently Serves On	System Name: Los Angeles County Employees Retirement Assoc. (LACERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ General Elected ○ Retiree ○ Other Vice-Chair
Applying for SACRS Board of Directors Position (select only one)	☒ President ○ Vice President ○ Treasurer ○ Secretary ○ Regular Member
Brief Bio	2020 President, SACRS 2018 Chair, LACERA Board of Retirement 2017 Chair, SACRS Bylaws Committee 2019 Vice Chair, SACRS President Elected general member trustee since 2012 35 years of service to Los Angeles County 10 years in Law Enforcement 25 years as an attorney for Los Angeles County 6 years in private law practice Education/Pension Trustee Certificates - 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 Master's Program - NCPERS Public Pension Funding Forum - National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

VIVIAN H. GRAY

300 N. LAKE AVENUE, SUITE 820 ~PASADENA, CA 91101 ~ VGRAY@LACERA.COM

February 23, 2021 **VIA EMAIL**

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister and Members of the Nominating Committee:

I would like to express my desire to be considered for SACRS' President for 2021/2022.

For the past year, I have been humbly honored to serve as SACRS President. 2020 was a very difficult time for everyone. SACRS was no exception. During this time, my thoughts focused on two concepts: Relevance and Sustainability.

Within these two concepts, SACRS was able to remain 'relevant' to the pension community by moving forward in its approach to education and 'sustainable' by building on technological advances in order to continue to provide quality education through different mediums.

Most notably SACRS accomplishments for 2020 include, but are not limited to the following:

- Continued communications with 37 Act systems and administrators through SACRS' website and SACRS Magazine
- Relevant and up to the minute webinars on pensions and investments as impacted by the pandemic
- Presentation of SACRS Spring and Fall conferences in a virtual format without sacrificing quality speakers, presentations or interactions among trustees, affiliates and staff
- Presenting the SACRS Berkeley Education Program in a virtual format with on-demand replays of the classes presented
- Maintaining an active role in the legislative process as it affected county retirement systems

In spite of the pandemic, I am very proud of the work the SACRS Board has accomplished under my leadership. We have been and continue to be productive while remaining relevant and sustainable for the SACRS membership.

I would be honored to serve a second term as President of SACRS. I thank you in advance for your consideration of my candidacy for re-election.

Sincerely,

Vivian Gray

cc: Sulema Peterson, SACRS

Submissions for Vice President

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SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Kathryn Cavness
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 6500 Ridgewood Road, Willits, CA 95490 Email Address: k24u2figure@gmail.com Phone: Home (707) 459-2215; Cell (707) 354-8105; Work (707) 463-4194
Name of Retirement System Candidate Currently Serves On	System Name: Mendocino County Employee Retirement Association (MCERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc.)	Chair Alternate ✓ General Elected Retiree Other _____
Applying for SACRS Board of Directors Position (select only one)	President ✓ Vice President Treasurer Secretary Regular Member
Brief Bio	My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Vice President of the SACRS Board of Directors: • Four years as Secretary for SACRS Board of Directors • Past Chair on the MCERA Board & Current 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

Kathryn Cavness
6500 Ridgewood Road
Willits, CA 95490

February 4, 2021

Dan McAllister, SACRS Nominating Committee Chair
SACRS Nominating Committee

Dear Dan and Nominating Committee Members,

Please accept my letter of intent to run as Vice President in the State Association of County Retirement Systems (SACRS) Board of Directors (BOD) officers' election for the 2021-22. I have had the honor of serving on the SACRS BOD as Secretary since May 2017, which has enhanced my understanding of the value of this organization for all parties involved. Additionally, I have served as Chair of the Mendocino County Employees Retirement Association (MCERA) for the last two years.

My interest in seeking the position of Vice President is to continue working with the highly effective SACRS Board in achieving common goals. My focus will be on adding value for Trustees by expanding growth and positive outcomes, increasing diversity, and providing educational opportunities through boosting attendance at the UC Berkeley Educational Program, and SACRS conferences. I will also continue working to expand participation and membership opportunities in SACRS Committees.

As a General Elected Trustee of the Mendocino County Employee Retirement Association, which is the smallest and most northern rural county system in California, I welcome the opportunity to continue representing the smaller systems as well as all SACRS members.

My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Vice President of the SACRS Board of Directors:

- SARCS Board of Directors Secretary for four years from FY 2017/2018 - FY 2020/2021
- Chair of the MCERA Board for two years through December 2020
- Trustee on the MCERA Auditing Committee
- Public Pension Investment Management Program/
    - Modern Investment Theory & Practice for Retirement Systems
        - UC Berkeley Hass School of Business
- Advanced Principles of Pension Management for Trustees
    - UCLA Anderson School of Management
- Principles of Pension Management for Trustees
    - Pepperdine University, Graziadio Business School
- County of Mendocino District Attorney's Office Administrative Services Manager
- Master's Degree in Business Administration with Emphasis on Finance & Accounting

Sincerely,

Kathryn Cavness,
SACRS BOD Secretary,
Mendocino CERA Trustee

Submissions for Treasurer

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SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Harry E. Hagen
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: P.O. Box 579 Santa Barbara, CA 93102 Email Address: hhagen@co.santa-barbara.ca.us Phone: 805-568-2490
Name of Retirement System Candidate Currently Serves On	System Name: SBCERS (Santa Barbara)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	o Chair o Alternate o General Elected o Retiree X Other: Ex-Officio Member, Vice-Chair
Applying for SACRS Board of Directors Position (select only one)	o President o Vice President X Treasurer o Secretary o Regular Member
Brief Bio	See Attachment

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 $2 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 29-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.

February 22, 2021

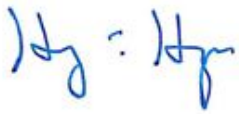
To Dan McAllister, SACRS Nominating Committee Chair,

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 25-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 10 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

Submissions for Secretary

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SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Thomas Garcia
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 107 South B Street, Imperial, CA 92251 Email Address: tgarcia@icso.org Phone: 442-265-2222
Name of Retirement System Candidate Currently Serves On	System Name: Imperial County Employees Retirement System (ICERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ✖ General Elected (**Safety**) ○ Retiree ○ Other _____
Applying for SACRS Board of Directors Position (select only one)	○ President ○ Vice President ○ Treasurer ✖ Secretary ○ Regular Member
Brief Bio	ICERS Board Trustee, elected safety member (2015-Present) Vice Chair ICERS Board (Current) Chair ICERS Board (2016) 25 Years **Public Service** in Law Enforcement with the Imperial County Sheriff's Office: Chief Deputy Sheriff Supervising Deputy Coroner **Education & Training:** Bachelor of Science, Public Administration (Northern Arizona University) Public Pension Investment Management Program, UC Berkeley Hass School of Business Principles of Pension Management, Pepperdine University FBI National Academy (Quantico, VA.) Sherman Block Supervisory Leadership Institute (Cal POST)

Thomas Garcia
107 South B Street
Imperial, CA 92251

February 5th, 2021

SACRS Nominating Committee
SACRS Nominating Committee Chair
Vivian Gray, SACRS President

Nomination Committee,

Please accept this as my letter of intent to run as Secretary in the State Association of County Retirement System (SACRS) Board of Directors (BOD) officers' 2021-22 election. I have served as an elected Board Trustee to the Imperial County Employees Retirement System (ICERS) since 2015. As an ICERS trustee I have fulfilled the duties of Board Chair and current Vice Chair. In addition, as a member of SACRS I have had the honor and privilege to serve as committee member of both the SACRS Legislation and Nomination Committees (2017–present).

In seeking this position, I hope to further my service to SACRS and all members SACRS represents. My motivation will be concentrated on assisting the distinguished SACRS Board in maintaining the legacy of SACRS work and increasing participation of all SACRS members from systems small and large.

I believe my experience with ICERS and SACRS, in conjunction with 25 years of public service as a law enforcement officer, provide me a unique skillset beneficial to SACRS:

- ICERS Board Trustee (past Chair, current Vice Chair)
- Chief Deputy Sheriff, Imperial County Sheriff's Office
- Bachelor of Science in Public Administration (Northern Arizona University)
- Public Pension Investment Management Program/Modern Investment Theory & Practice for Retirement Systems (UC Berkeley Hass School of Business)
- Principles of Pension Management for Trustees (Pepperdine University, Graziadio Executive Center)
- FBI National Academy (Quantico, VA.)
- Sherman Block Supervisory Leadership Institute (Californian Commission on POST)

Sincerely,

Thomas Garcia, Board Trustee (Safety)
Imperial County Employees Retirement System

Submissions for General Member

Providing insight. Fostering oversight.

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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Name of Candidate	Name: David J. MacDonald, MD
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 255 Ramsgate Way, Vallejo, CA 94591 Email Address: dmacdcccera@gmail.com Phone: 510-409-4458
Name of Retirement System Candidate Currently Serves On	System Name: CCCERA
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ **General Elected X** ○ Retiree ○ Other _____
Applying for SACRS Board of Directors Position (select only one)	○ President ○ Vice President ○ Treasurer ○ Secretary ○ **Regular Member X**
Brief Bio	* SACRS Board of Directors, Member – 2020-2021 * Secretary, CCCERA Board of Retirement * Elected general member trustee of CCCERA since 2016 * President, Physicians' and Dentists' of Contra Costa (PDOCC), since 2010 (Union for health care providers working at Contra Costa County). * 16 years serving on the PDOCC Executive Board (including several years as Vice President) prior to being elected President. * 30 years of service to Contra Costa County as a physician working in the Department of Health Services. * Education/Pension Trustee Certificates: - Bachelors of Science, Biology – UC Irvine - Doctor of Medicine – UC Irvine - UC Berkeley (SACRS) – Modern Investment Theory & Practice for Retirement Systems - Wharton Business School – Portfolio Concepts & Management - IFEBP – CAPPP program - CALAPRS Trustee Education – Principles of Pension Governance

David J MacDonald, MD

255 Ramsgate Way
Vallejo, CA 94591
dmacdcccera@gmail.com
510-409-4458 (mobile)

January 26, 2021

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister,

I would like to express my interest in continuing on as a Regular Member of the SACRS' Board of Directors for the 2021/2022 year.

I was elected to the SACRS board in 2020. I am also an elected trustee of the CCCERA Retirement Board (since 2016) and currently serve as CCCERA Board Secretary. I appreciate the level of responsibility entrusted to me in looking after our members' retirement plans. I understand the incredible value of a defined benefit plan for my coworkers and our retirees.

I have a long history of dedicated service to my coworkers and union members and I carry this spirit into my role as an elected trustee. My work with SACRS has meant for further education and inspiration from the SACRS organization via its conferences and programs. SACRS has enhanced my abilities to serve as an effective CCCERA trustee.

I desire to continue my service on the SACRS board. Doing so allows me to further promote, protect and build upon pension programs under CERL for county public employees statewide.

Thank you for your time and consideration.

Sincerely and Respectfully,

David J MacDonald, MD

David J MacDonald, MD

Name of Candidate	Name: JOHN B. KELLY
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1724 GLENBROOK LANE; LINCOLN, CA 95648 Email Address: (916) 342-9279 Phone: INVESTORSCADDIE@GMAIL.COM
Name of Retirement System Candidate Currently Serves On	System Name: SCERS
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ General Elected ○ Retiree ● Other _____
Applying for SACRS Board of Directors Position (select only one)	○ President ○ Vice President ○ Treasurer ○ Secretary ● Regular Member
Brief Bio	• FISCAL/INVESTMENT ADVISOR • 22 YEARS SCERS TRUSTEE • MASTERS OF PUBLIC ADMINISTRATION • FORMER EXECUTIVE BOARD MEMBER

From: John Kelly
To: Sulema Peterson
Subject: Letter of Intent for SACRS Board Position
Date: Friday, January 15, 2021 11:07:42 AM

John B. Kelly, CFP, MPA serving on SCERS; Sacramento County Employee's Retirement System as an Appointed Trustee; Vice President.

Applying as regular member for SACRS.

My interest is to provide enhancements and history for educating and providing networking opportunities for system participants.

Bio:
-24+years on SCERS Board; VP,
-42+years as Independent Registered Investment Advisor,
-12 years as Ca. State employee under the Reagan and Brown administrations,
-3 years on the SACRS Board previously,
-22 years First Tee of Greater Sacramento Board; President 2006-2009,
-2016 induction into the Sacramento Region Golf Hall of Fame,
-produced three publications regarding investment management and retirement planning as 'The Investor's Caddie'.

Thank you for the opportunity and your consideration.

John B. Kelly, CFP, MPA
'Values Based Financial Advisor'
The Investors Caddie, Inc.
investorscaddie@gmail.com
916-342-9279

Providing insight. Fostering oversight.

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vere Williams
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 8379 Icicle Drive, Pinon Hills, CA 92372 Email Address: verevlw@aol.com Phone: 760.486.6311
Name of Retirement System Candidate Currently Serves On	System Name: San Bernardino County Employees' Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ General Elected
Applying for SACRS Board of Directors Position (select only one)	○ Regular Member
Brief Bio	I was elected to SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment Committees. My community involvement includes serving on the governing Boards of the Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. I am a past president of the San Bernardino County Association of African-American Employees and currently serves as treasurer for the Hispanic Employees Alliance. I have earned an MBA in Information Management/Accounting and has completed certification on Retirement System Management courses at UCLA, Pepperdine and Wharton. I have been an enrolled Agent for over 20 years along with over 25 years working in the finance department at Arrowhead Regional Medical Center. I have been trained in conflict resolution and have completed various workshops and seminars on organization dynamics and interplay. I am currently a member of the SACRS Audit Committee. A guiding quote – **"I always wondered why somebody didn't do something about that, then I realized I was somebody**." – Lily Tomlin

March 1, 2021 VIA Email

Dan McAllister,

SACRS Immediate Past President/ Nominating Committee Chair

SACRS Nominating Committee

Dear Mr. Immediate Past President/Nominating Committee Chair McAllister,

Please accept this letter as my letter of intent to be a candidate for the position of Regular Member in SACRS Board of Directors Elections 2021-2022.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). Seated on the SBcera's Board in January 2015, I attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts and/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 the 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 the 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 (both as formal seminars and networking opportunities.) Additionally, I would seek to encourage even greater participation from the trustees and staff of the 37 Act Systems. I strongly believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending only a few sessions. Over the years, I have served on the governing Boards of the Teamsters Local 1932, the Working Assembly of Governmental Employees and other organizations. Currently, I am a member of the SACRS Audit committee.

I would like very much to contribute, based on my education and experience, to SACRS - a superlative organization: "*Providing insight. Fostering oversight*."

I thank you in advance for your kind consideration and support. It would be a high honor for me to be elected to serve as a Regular Member on the SACRS Board for the 2021-2022 term.

Please find attached the completed SACRS nomination form.

Respectfully,

Vere Williams

Vere Williams, MBA

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS

Providing insight. Fostering oversight.

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Chris Prevatt
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1625 E. Appleton St. #3H, Long Beach, CA 90802 Email Address: Prevatt.c@gmail.com cprevatt@ocers.org Phone: 714-290-44428
Name of Retirement System Candidate Currently Serves On	System Name: Orange County Employees Retirement System
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ General Elected ○ Retiree ○ Other _____
Applying for SACRS Board of Directors Position (select only one)	○ President ○ Vice President ○ Treasurer ○ Secretary ○ Regular Member
Brief Bio	Chris is an Elected General Member of OCERS. His full-time position is with the Orange County Health Care Agency since 1997. He also serves as Second Vice President of the Orange County Employees Association which represents approximately 18,000 public employees in Orange County, CA. Chris has served on the OCEA Board since 2006. In addition to his service with OCERS and OCEA, Chris has more than 20 years' experience serving on multiple non-profit boards of directors at the state and local level. Chris has participated in SACRS Conferences since 2013 and served/participated on the Bylaws and Legislative Committees.

SACRS
Attn: Dan McAlister
Nominations Committee

February 22, 2021

Dear Dan,

I am writing to declare my intent to run for election as a Regular Member of the SACRS Board of Directors for the 2021-2022 term. I have included with this letter the required application form.

Regards,

Chris Prevatt
Elected General Member Trustee
Orange County Employees Retirement System

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Serving the Active and Retired Members of:

CITY OF SAN JUAN CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY CEMETERY DISTRICT

ORANGE COUNTY CHILDREN & FAMILIES COMMISSION

ORANGE COUNTY DEPARTMENT OF EDUCATION (CLOSED TO NEW MEMBERS)

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

ORANGE COUNTY FIRE AUTHORITY

ORANGE COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

ORANGE COUNTY PUBLIC LAW LIBRARY

ORANGE COUNTY SANITATION DISTRICT

ORANGE COUNTY TRANSPORTATION AUTHORITY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

TRANSPORTATION CORRIDOR AGENCIES

UCI MEDICAL CENTER AND CAMPUS (CLOSED TO NEW MEMBERS)

February 23, 2021

By email to Dan.McAllister@sdcounty.ca.gov and Regular Mail

Mr. Dan McAllister
SACRS Nominating Committee Chair
SACRS
1225 8th Street, Suite 550
Sacramento, CA 95814

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2021-2022

Dear Mr. McAllister:

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

On February 16, 2021, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Christopher Prevatt, for one of the two Regular Member Director positions on the SACRS Board of Directors, and directed me to submit this nomination to the SACRS Nominating Committee.

Accordingly, please accept this letter as **OCERS' nomination of OCERS Trustee, Christopher Prevatt, for election to the position of Regular Member Director at the 2021-2022 SACRS Board of Directors Election to take place on May 14, 2021.**

Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information.

Thank you.

Best regards,

Steve Delaney
Chief Executive Officer

cc: Sulema H. Peterson, SACRS Administrator (by email to sulema@sacrs.org)

02-26-21

Dear Nomination Committee,

Chris Prevatt is running for the Regular Board Member on the SACRS Board. Chris has held many positions at OCERS including Chair and is a Board member at the Orange County Employees Association (OCEA). Working in these roles he has gained a wealth of knowledge and would be a good hard working board member for SACRS. Please accept this letter as my recommendation for Chris Prevatt as Regular Board Member.

Thank you,

Roger Hilton

SACRS and OCERS Board Member

Providing insight. Fostering oversight.

7. SACRS Audit Report – Action
Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS 2019-2020 Annual Audit

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, 2020 AND 2019

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, 2020

BOARD OF DIRECTORS

Vivian Gray
President

Roger Hilton
Vice President

Harry Hagen
Treasurer

Kathryn Cavness
Secretary

Dan McAllister
Immediate Past President

Teri Noble
Affiliate Chair

John Kelly
Board Member

David MacDonald
Board Member

*** * * ***

Sulema Peterson
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2020 AND 2019

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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, 2020 and 2019, 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.

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, 2020 and 2019, 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

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 23, 2020

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

	2019-20	2018-19
Cash Receipts		
Dues	$ 364,000	$ 372,250
Conference		
Fall	628,070	616,640
Spring	2,670	590,110
Seminars	35,000	118,500
Other Admin Receipts	2,190	2,980
Other Conference Receipts	2,450	-
Interest	61,108	63,668
Total Cash Receipts	1,095,488	1,764,148
Cash Disbursements		
Conference		
Fall - 2018 and 2017		
Hotel and meals	270,132	307,724
Audio and visual	56,477	52,180
Program materials	83,553	102,702
Spring - 2019 and 2018		
Hotel and meals	257,419	81,224
Audio and visual	12,121	48,498
Program materials	14,449	80,389
Seminars	231,947	243,450
Conference Administration	50,808	27,228
Prior Year and Other Expenses	-	162,462
Total conference disbursements	976,906	1,105,857
Administration	365,517	375,233
Legislative representation	-	237
Lobbying	60,012	71,627
Newsletters	15,893	-
Committee meetings	49,944	27,315
Special projects	17,690	17,458
Total administration disbursements	509,056	491,870
Total Cash Disbursements	1,485,962	1,597,727
Excess (Deficit) of Cash Receipts over Cash Disbursements	(390,474)	166,421
Cash and Investments, Beginning	2,372,422	2,206,001
Cash and Investments, Ending	$ 1,981,948	$ 2,372,422
Supplementary Information		
Cash and Investments at June 30,	2020	2019
Cash and cash equivalents	$ 1,006,628	$ 1,195,688
Non current portion of investments	975,320	1,176,734
Total Cash and Investments	$ 1,981,948	$ 2,372,422

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, 2020 AND 2019

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 Sulema Peterson & Associates, 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.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. COMPARATIVE DATA (CONTINUED)

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.

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:

	2020	2019
Bank accounts	$ 208,515	$ 409,088
Money market accounts	798,113	786,600
Total cash and cash equivalents	$ 1,006,628	$ 1,195,688

Cash in bank accounts at June 30, 2020 consisted of the following:

	First Foundation	Bank of America	Total
Per bank	$ 319,175	$ 8,493	$ 327,668
Checks outstanding	(126,442)	-	(126,442)
Deposits in transit	7,289	-	7,289
Total bank accounts	$ 200,022	8,493	$ 208,515

Cash in bank accounts at June 30, 2019 consisted of the following:

	Bank of America	Community First Bank	Total
Per bank	$ 297,541	$ 89,588	$ 387,129
Deposits in transit	-	21,959	21,959
Total bank accounts	$ 297,541	111,547	$ 409,088

Cash balances on interest-bearing accounts held in banks are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). There was $69,175 and $47,541 in excess of FDIC coverage as of June 30, 2020 and 2019, respectively.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2020 AND 2019

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the "Fund"), depositing $1,104,130. The fair value balance as of June 30, 2020 and 2019 presented in the financial statement is $975,320 and $1,176,734; respectively. This balance includes reinvested interest income totaling $48,586 and $62,336, 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, 2020 and 2019 was $0. The Fund is not rated or insured. Total return on the Fund for the years ended June 30, 2020 and 2019 was 1.94% and 2.43%, 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 2020*	$49,194-$408,276*	$80,000	890	700	$226 plus tax
Spring 2021	$174,603-$279,364	$150,000	1145	916	$239 plus tax
Fall 2021	$184,462-$332,031	$165,000	1145	916	$239 plus tax
Spring 2022	$135,682-$421,365	$150,000	1185	948	$229 plus tax
Fall 2022	$136,762-$288,524	$150,000	1145	916	$249 plus tax
Spring 2023	$224,848-$404,726	$170,000	1145	916	$247 plus tax
Fall 2023	$123,832-$397,665	$150,000	1185	948	$209 plus tax

*Conference cancelled and cancellation fees waived due to COVID-19 Pandemic

SACRS received a refund of the Spring 2020 conference deposit in July 2020 in the amount of $60,000.

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 October 23, 2010, 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, 2020

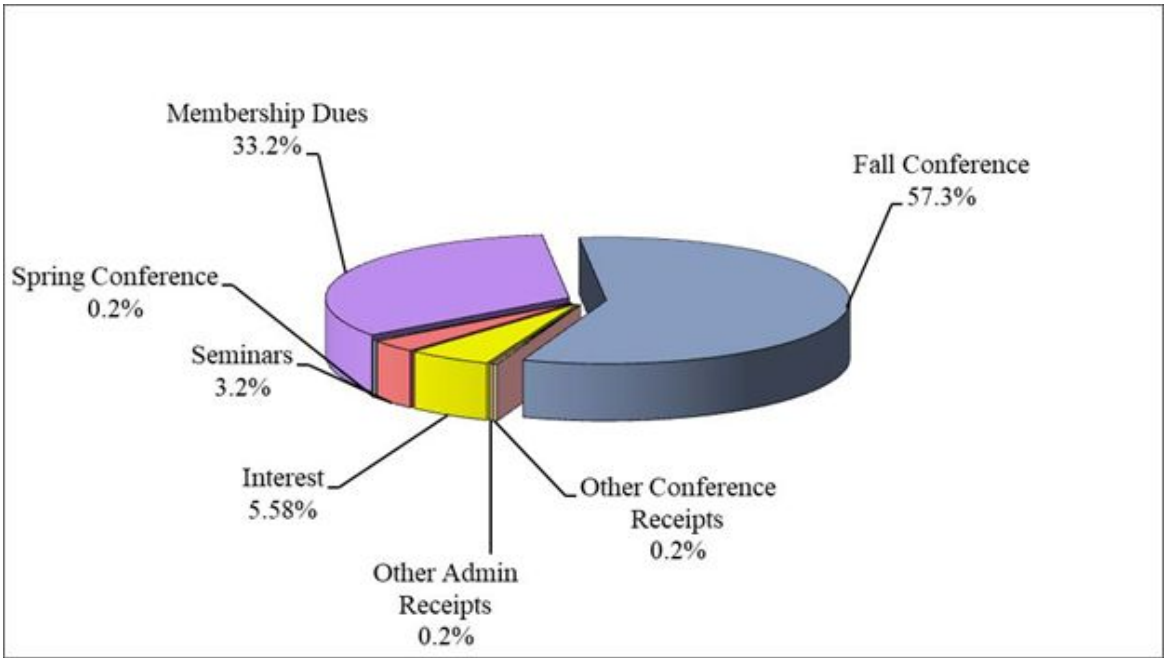
	Conference	Administration	Total
Cash Receipts			
Dues	$ -	$ 364,000	$ 364,000
Conference			
Fall	628,070	-	628,070
Spring	2,520	-	2,520
Seminars	35,000		35,000
Other Admin Receipts	-	2,340	2,340
Other Conference Receipts	2,450	-	2,450
Interest	61,108	-	61,108
Total Cash Receipts	729,148	366,340	1,095,488
Cash Disbursements			
Conference			
Fall - 2018			
Hotel and meals	270,132	-	270,132
Audio and visual	56,477	-	56,477
Program materials	83,553	-	83,553
Spring - 2019			
Hotel and meals	257,419	-	257,419
Audio and visual	12,121	-	12,121
Program materials	14,449	-	14,449
Seminars	231,947	-	231,947
Conference Administration	50,808	-	50,808
Total conference disbursements	976,906	-	976,906
Administration	-	365,517	365,517
Lobbying	-	60,012	60,012
Newsletters	-	15,893	15,893
Committee meetings	-	49,944	49,944
Special projects	-	17,690	17,690
Total administration disbursements	-	509,056	509,056
Total Cash Disbursements	976,906	509,056	1,485,962
Excess (Deficit) of Cash Receipts over Cash Disbursements	(247,758)	(142,716)	(390,474)
Cash and Investments, Beginning	3,320,984	(948,562)	2,372,422
Cash and Investments, Ending	$ 3,073,226	$ (1,091,278)	$ 1,981,948

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CASH RECEIPTS BY SOURCE

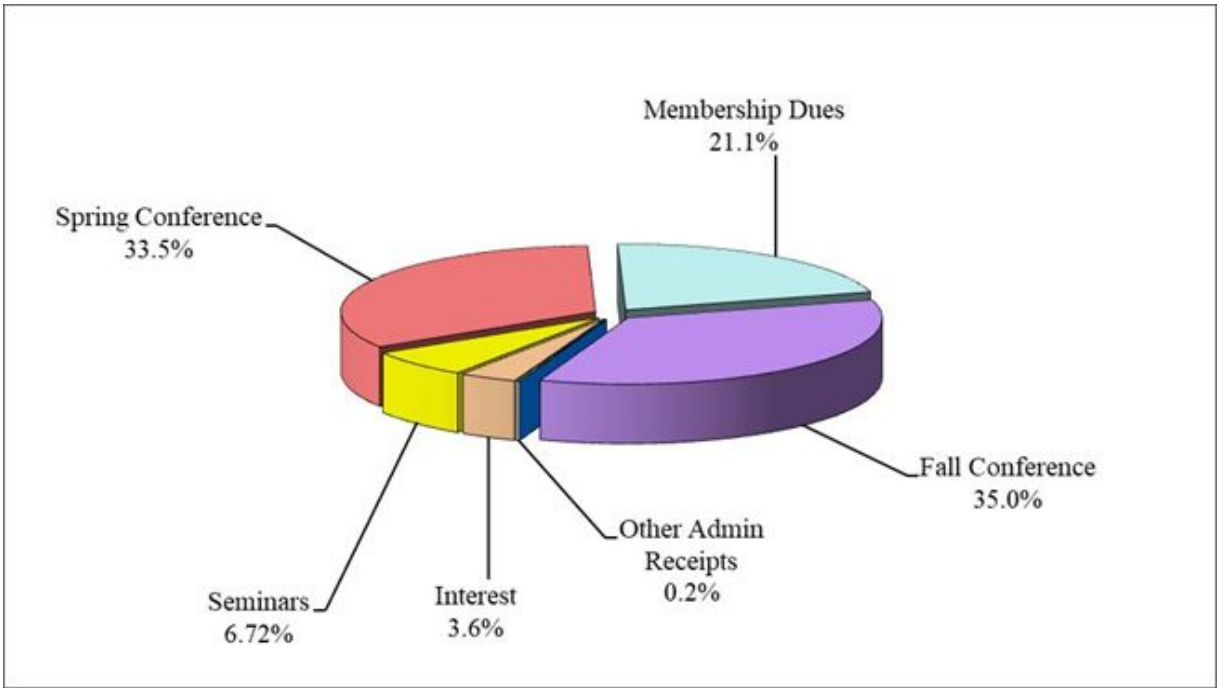


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

GRAPHICAL PRESENTATION OF CASH RECEIPTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

CASH RECEIPTS BY SOURCE

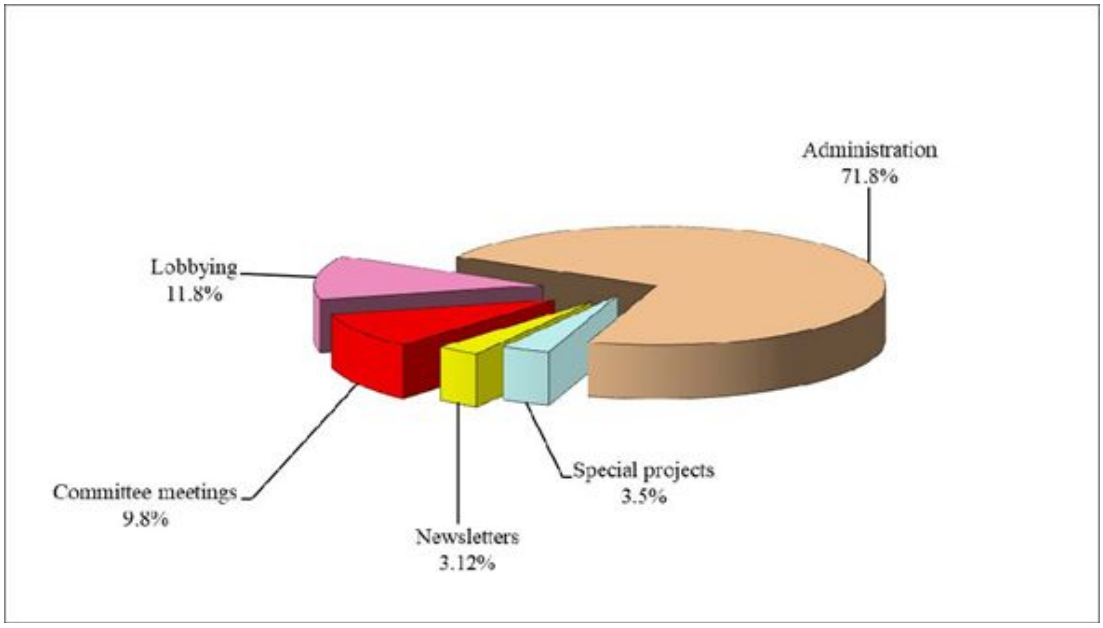


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

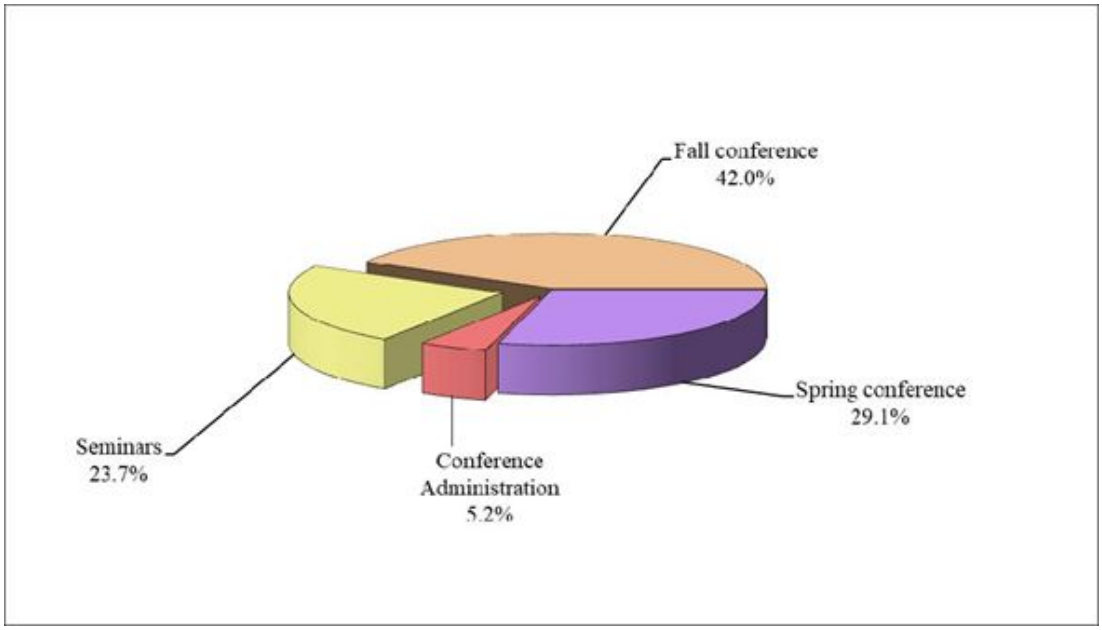
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS

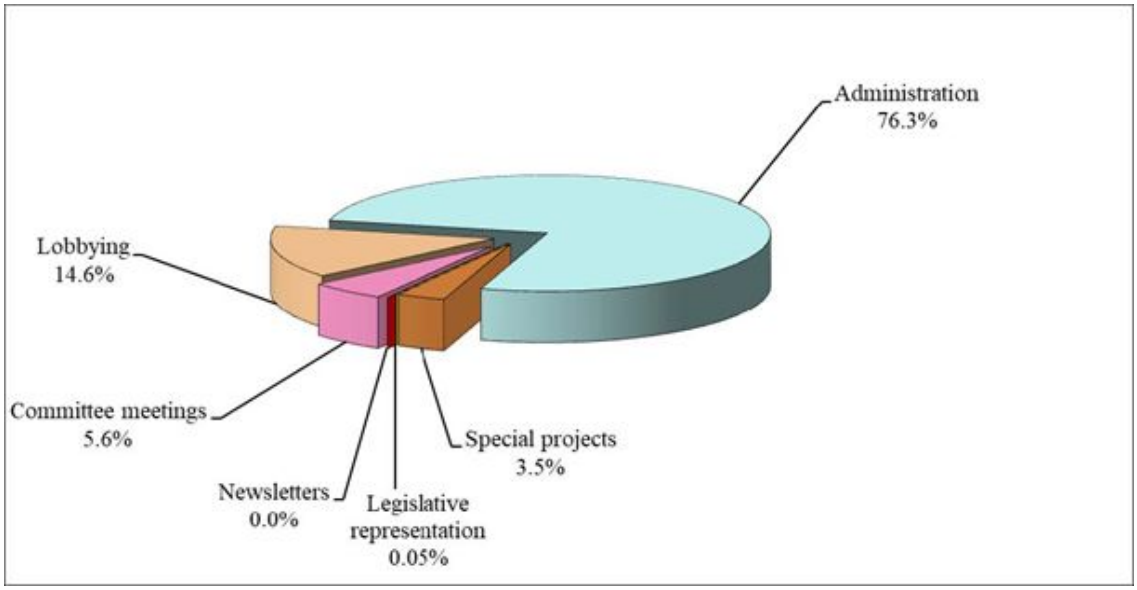


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

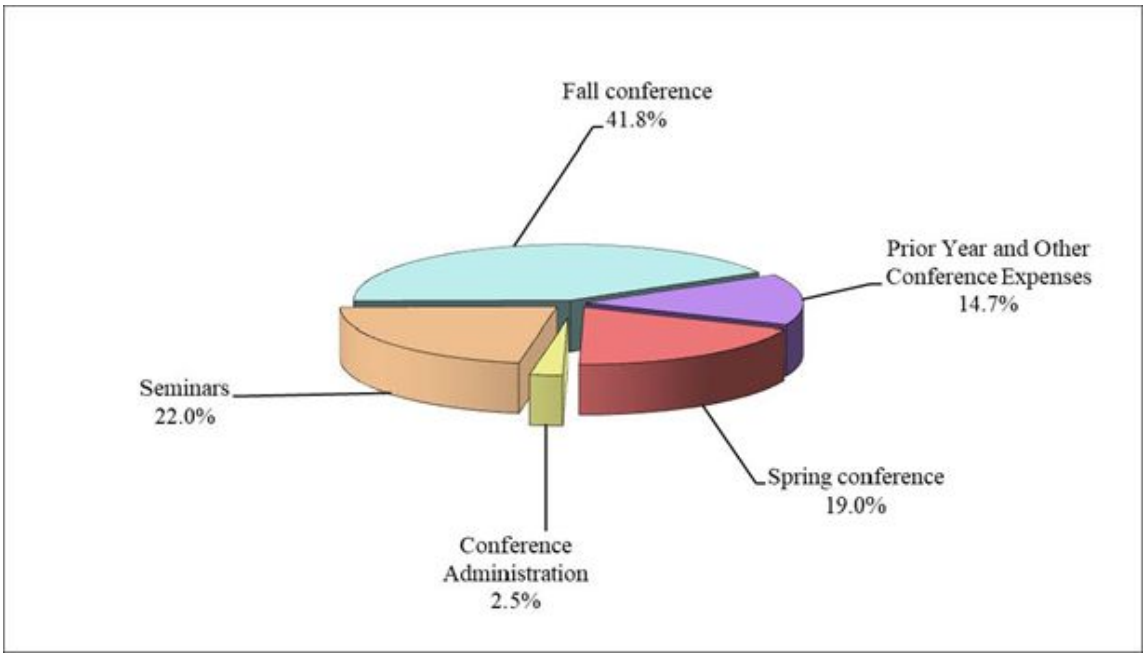
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

CONFERENCE SUMMARY REPORT

	Spring 2020 Online	Fall 2019 Indian Wells	Spring 2019 Lake Tahoe	Fall 2018 Indian Wells	Spring 2018 Anaheim	Fall 2017 San Francisco
Cash receipts						
Conference	$ -	$ 639,270	$ 592,590	$ 591,530	$ 546,750	$ 581,490
Total cash receipts	-	639,270	592,590	591,530	546,750	581,490
Cash disbursements						
Hotel and meals	-	296,927	195,278	312,670	152,017	304,155
Audio and visual	6,155	52,180	57,731	52,180	40,300	43,826
Program materials	-	39,552	42,342	32,086	20,909	26,722
Program Speakers	-	74,458	3,974	74,457	35,159	50,363
Conference Administration	-	17,818	14,094	9,634	7,183	11,333
Total cash disbursements	6,155	480,935	313,419	481,027	255,568	436,400
Net cash provided by conference	$ (6,155)	$ 158,335	$ 279,171	$ 110,503	$ 291,182	$ 145,090
Total attendees	-	742	590	588	599	603

James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited the financial statement of the State Association of County Retirement Systems (SACRS) for years ended June 30, 2020 and 2019, and have issued our report thereon dated October 23, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 4, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement. Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement is free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of SACRS solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our report on internal control over financial reporting in a separate letter to you dated October 23, 2020.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

701 Howe Avenue Suite E3, Sacramento, California 95825 Phone: 916-993-9494 Fax: 916-993-9489
e-mail: jmarta@jpmcpa.com www.jpmcpa.com

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by SACRS is included in Note 1 to the financial statement. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are typically an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. As the accounting of SACRS is prepared on a cash basis, no estimates are necessary for the preparation of the financial statement.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We are not aware of any sensitive disclosures affecting SACRS' financial statement.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements as a result of out audit procedures.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. See Attachment I for adjustments provided by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to SACRS' financial statement or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 23, 2020.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SACRS, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SACRS' auditors.

We are contracted to prepare the fiscal year 2020 federal Return of Organization Exempt From Income Tax, and related state filings, as well as the calendar year Forms 1099-MISC for SACRS. These returns will be prepared using audited financial data, where applicable, but our preparation of these returns does not constitute an audit. No audit opinion will be issued on the tax returns referred to above.

James Marta & Company LLP
Certified Public Accountants

This report is intended solely for the information and use of the Board of Directors, and management 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
October 23, 2020

James Marta & Company LLP
Certified Public Accountants

Adjusting Journal Entries:

Account	Description	Debit	Credit
Adjusting Journal Entry JE # 1			
To back out unrealized gain/loss recognized in prior years			
2100	Unrealized Gain (Loss)	74,256.00	
3200	Retained Earnings		74,256.00
Total		**74,256.00**	**74,256.00**
Adjusting Journal Entry JE # 3			
PBC AJE to remove liability account			
2150	Refund Liability	2,500.00	
1000	First Foundation Bank-Checking		2,500.00
Total		**2,500.00**	**2,500.00**

Reclassifying Journal Entries:

Reclassifying Journal Entry JE # 2			
PBC RJE to record cash transfer in the correct period			
1000	First Foundation Bank-Checking	250,000.00	
1100	CalTrust - Medium Term		250,000.00
Total		**250,000.00**	**250,000.00**

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MANAGEMENT REPRESENTATION LETTER

October 23, 2020

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the statement of cash receipts and disbursements of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2020 and 2019, and the related notes to the financial statement, for the purpose of expressing an opinion on whether the financial statement is presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 23, 2020:

Financial Statement

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 4, 2019, for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.

- We have accurately presented the entity's position regarding taxation and tax-exempt status.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statement all assets under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others when the fraud could have a material effect on the financial statement.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statement communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statement and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Supplementary Information in Relation to the Financial Statement as a Whole

With respect to the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report accompanying the financial statement:

- We acknowledge our responsibility for the presentation of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements in accordance with the cash basis accounting as described in Note 1 to the financial statement. We acknowledge our responsibility for the presentation of the Conference Summary Report which presents all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- We believe the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, including its form and content, is fairly presented in accordance with the cash basis accounting as described in Note 1 to the financial statement. We believe the Conference Summary Report, including its form and content, is fairly presented and inclusive of all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report are not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Additional Representations

- We have reviewed, approved, and taken responsibility for the financial statement and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statement.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- All disbursements have been properly classified in the financial statement and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- We have disclosed to you all guarantees, whether written or oral, under which SACRS is contingently liable.
- SACRS has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.

- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- Regarding our tax filings prepared by James Marta & Company LLP:
  - We are responsible for complying with tax filing requirements with the Internal Revenue Service, Franchise Tax Board, and other agencies, as applicable.
  - We are responsible for establishing and maintaining effective internal control over compliance.
  - We have performed an evaluation of the Association's compliance with tax filing requirements and we are not aware of any instances of noncompliance.
  - We have reviewed and approved the tax returns prepared by your office.
  - We have made available to you all documentation related to compliance with specified requirements.
  - We assume all management responsibilities in regards to the tax filings and have designated an individual in management who possesses suitable skill, knowledge and experience to oversee these services.
  - We have performed an evaluation of the adequacy and results of the services performed and assume all management responsibilities.
  - We accept responsibility for the results of the services.

Sulema H. Peterson

Sulema Peterson, SACRS Executive Director

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

MANAGEMENT LETTER

To the Management
State Association of County Retirement Systems
Sacramento, CA, 95814

We have recently completed the audit of the financial statement of State Association of County Retirement Systems (SACRS) and have issued our report thereon dated October 23, 2020. In planning and performing our audit of your financial statement for year ending June 30, 2020, we applied generally accepted auditing standards (GAAS) as we considered your internal control over financial reporting as a basis for designing our auditing procedures. We did this for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Although our audit was not designed to provide assurance on the internal control structure and its operation, we noted certain matters that we are submitting for your consideration for the improvement of SACRS' accounting and financial reporting functions. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement. This letter does not affect our report dated October 23, 2020 on the financial statement of the State Association of County Retirement Systems.

701 Howe Avenue Suite E3, Sacramento, California 95825 Phone: 916-993-9494 Fax: 916-993-9489
e-mail: jmarta@jpmcpa.com www.jpmcpa.com

Current Year Recommendations

2020-1 Unrealized Gain/Loss

Observation:
Management has been recording unrealized gains and losses on investments in a liability account on the financial statements for the past few years. As a result, we had an audit adjustment of $74,256 to agree beginning equity to the prior year audit. In addition, the current year unrealized gain of $60,099 had to be moved from the liability account to the income statement.

Recommendation:
We recommend that the prior year's cumulative unrealized gain/loss be recorded to equity and all future unrealized gain/loss be recognized on the income statement.

Management Response:
Management will implement the recommendation upon approval of the Treasurer and Board of Directors. Management will consider recognizing interest earned on the income statement in "Interest revenue" rather than the "Unrealized gain/loss". Upon approval of the Board of Directors, management will work with the auditors in applying the corresponding adjustments/journal entries.

The current financial statement account structure was developed and approved in prior fiscal years and the recommendation is a change from that financial accounting structure in an effort to be more consistent with the cash basis of accounting. No recommendations were made in the prior years.

Prior Year Recommendations

None

We believe that the implementation of these recommendations will provide State Association of County Retirement Systems with a stronger system of internal accounting control while also making its operations more efficient.

Management's responses to our recommendations are described above. We did not audit the Management's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, and others within the association and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 23, 2020

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of State Association of County Retirement Systems (SACRS), as of and for the years ended June 30, 2020 and 2019 the related notes to the financial statement, which collectively comprise the State Association of County Retirement Systems' basic financial statement, and have issued our report thereon dated October 23, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered SACRS' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control. This report is an integral part of an audit performed in accordance with auditing standards generally accepted in the United States of America in considering the entity's internal control. Accordingly, this communication is not suitable for any other purpose.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
October 23, 2020

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8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Evaluations/Feedback

Providing insight. Fostering oversight.

No printed material for this item

Providing insight. Fostering oversight.

9. SACRS Program Committee Report – No Action
Roger Hilton, Orange CERS, SACRS Program Committee Chair

A. SACRS Annual Virtual Spring 2021 Conference Report

Providing insight. Fostering oversight.

No printed material for this item

Providing insight. Fostering oversight.

10. SACRS Affiliate Committee Report – No Action
Scott Draper, Algert Global LLC, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

Providing insight. Fostering oversight.

No printed material 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 material for this item

Providing insight. Fostering oversight.

12. SACRS Spring 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 material for this item

Providing insight. Fostering oversight.

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, November 12, 2021 at the Hollywood Loews Hotel unless Covid-19 restrictions are in place.

Providing insight. Fostering oversight.

No printed material for this item

CONFERENCE AGENDA AT A GLANCE

SACRS ANNUAL SPRING CONFERENCE

MAY 11-14,2021

TUESDAY, MAY 11

1:00PM – 3:00PM **ETHICS TRAINING FOR TRUSTEES AND STAFF**
SPEAKERS: *Ashley Dunning and Peter Mixon, Nossaman, LLP*

3:00PM – 5:00PM **SEXUAL HARASSMENT PREVENTION TRAINING FOR LOCAL AGENCY OFFICIALS (AB1661)**
SPEAKERS: *John Kennedy and Allison Callaghan, Nossaman LLP*

3:00PM – 5:00PM **DISABILITY/OPERATIONS**

5:30PM – 6:30PM **SACRS WELCOME RECEPTION**

WEDNESDAY, MAY 12

7:00AM – 8:00AM **SACRS VIRTUAL FUN RUN**

8:45AM – 9:00AM **GENERAL SESSION - WELCOME**
SPEAKER: *Vivian Gray, SACRS President*

9:00AM – 10:00AM **GENERAL SESSION - INVESTMENT**
SPEAKER: *David Kelly, JP Morgan*

10:00AM – 10:30AM **SACRS NETWORKING BREAK**

10:30AM – 11:30AM **GENERAL SESSION - A CIO PERSPECTIVE IN A TIME OF DISRUPTION**
SPEAKERS: *Daryn Miller, Kern CERA; Steve Sexauer, San Diego CERA; and Steve Davis, Panelist, CIO, Sacramento CERS*
MODERATOR: *Ian Toner, CIO, Verus Investments*

11:30AM – 12:30PM **GENERAL SESSION**
SPEAKER: *David Rubenstein, The Carlyle Group*

12:30PM – 1:45PM **SACRS NETWORKING LUNCH**

2:00PM – 4:30PM **BREAKOUT SESSIONS**

- **Ops/Benefits & Disability Breakout**
- **Affiliate Breakout**
  MODERATOR: *Scott Draper, Affiliate Committee Chair*
- **Attorney Breakout**
- **Internal Auditors Breakout**
  MODERATOR: *Harsh Jadhav, Alameda CERA*
- **Administrators Breakout**
- **Investment Breakout** *Closed Session
  MODERATOR: *Tim Price, Contra Costa CERA*
- **Trustee Breakout**
  SPEAKER: *Von Hughes, PIMCO*
- **Safety Breakout**
  MODERATOR: *Brian Williams, Sonoma CERA*

4:30PM – 5:30PM **SACRS LEGISLATIVE COMMITTEE MEETING**
SPEAKERS: *Eric Stern, Sacramento CERS and Dave Nelsen, Alameda CERA*

5:45PM – 6:45PM **SACRS ANNUAL WEDNESDAY NIGHT EVENT**

THURSDAY, MAY 13

7:00AM – 8:00AM **SACRS WELLNESS SESSION – VIRTUAL YOGA**

8:45AM – 9:00AM **GENERAL SESSION WELCOME, VOLUNTEER AWARDS**
SPEAKER: *Vivian Gray, SACRS President*

THURSDAY, MAY 13 *(continued)*

9:00AM – 10:00AM **GENERAL SESSION**
SPEAKER: *Mohamed El-Erian, Allianz*
MODERATOR: *Sam Austin, NEPC*

10:00AM – 10:30AM **SACRS NETWORKING BREAK**

10:30AM – 11:30AM **GENERAL SESSION**
SPEAKER: *Seema Hingorani, Morgan Stanley*

11:30AM – 12:30AM **GENERAL SESSION**
SPEAKER: *Steve Westly, The Westly Group*

12:30PM – 1:45PM **SACRS NETWORKING LUNCH**

2:00PM – 3:00PM **CONCURRENT SESSIONS**

- **Concurrent Session A**
  Double Bottom Line: Investing in your Community-Education on How it can be Done in your Asset Allocation
  SPEAKERS: *Nancy Pfund, Founder and Managing Partner of DBL Partners; Brian Barney, CFA, Parametric Managing Director; and Andrew Brausa, Senior Vice President, Brookfield's Private Equity Group*
- **Concurrent Session B**
  Legal updates and a Discussion on the Alameda Decision
  SPEAKER: *Ashley Dunning, Mossman*
- **Concurrent Session C**

3:00PM – 3:30PM **SACRS NETWORKING BREAK**

3:30PM – 4:30PM **CONCURRENT SESSIONS**

- **Concurrent Session A**
  What Now for China's Public and Private Equity Markets?
  SPEAKERS: *Christian McCormick, Allianz Global Investors; and Xiang Fan, Goldman Sachs*
  MODERATOR: *Molly Murphy, Orange CERS*
- **Concurrent Session B**
  Legislative Update 2021
  SPEAKERS: *Trent Smith, Mike Robson and Bridgett McGowan, SACRS Lobbyists*
- **Concurrent Session C**

4:30PM – 5:30PM **SACRS EDUCATION COMMITTEE MEETING**
SPEAKER: *JJ Popowich, SACRS Education Committee Chair*

4:30PM – 5:30PM **SACRS NOMINATING COMMITTEE MEETING**
SPEAKER: *Dan McAllister, SACRS Nominating Committee Chair*

5:30PM – 6:30PM **SACRS RECEPTION**

FRIDAY, MAY 14

8:30AM – 8:45AM **GENERAL SESSION WELCOME**
SPEAKER: *Vivian Gray, SACRS President*

8:45AM – 9:45AM **GENERAL SESSION - COVID-19 UPDATE**

9:45AM – 10:00AM **SACRS NETWORKING BREAK**

10:00AM – ADJ **SACRS BUSINESS MEETING**
SPEAKERS: *SACRS Board of Directors*

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

April 19, 2021

SUBJECT: CHIEF INVESTMENT OFFICER'S QUARTERLY REPORT FOR THE PERIOD JANUARY THROUGH MARCH 2021

Dear Board Members:

Below is a summary of first quarter 2021 investment activity.

Private investment:

- $10 million private equity commitment to Oak HC/FT Partners IV
- $20 million private equity commitment to 2021 Genstar Funds
- $20 million private equity commitment to Hellman & Friedman X
- $10.8 million private equity commitment to Prairie VII
- $23.1 million private equity commitment to Buenaventure I
- $30 million private credit commitment to CarVal Investors Credit Value Fund V

Investment presentations:

- Adams Street Partners Annual VCERA Board Presentation:
  - Annual Programs: 2010 U.S. Fund; 2010 Non-U.S. Developed Fund; 2010 Emerging Markets Fund; 2010 Direct Fund; 2013 Global Fund; 2016 Global Fund
  - Co-Investment Fund IV
- CarVal: Credit Value Fund IV; Credit Value Fund V
- HarbourVest Annual VCERA Board Presentation:
  - Secondary Funds of Funds: Dover Fund VIII; Dover Fund IX; Dover Fund X
  - Co-Investment Fund IV; Co-Investment Fund V
  - Real Assets Fund IV
- NEPC:
  - December 2020, January and February 2021 preliminary monthly investment performance reports; and 2020 Q4 quarterly investment performance report
  - 2021 NEPC Capital Markets Asset Class Assumptions (February 2021)
  - CarVal Credit Value Fund V Research Report
  - 2021 VCERA Asset-Liability Study
- Pantheon Annual VCERA Board Presentation:
  - Secondary Funds of Funds: PGSF IV; PGSF V; PGSF VI
- Prudential (PGIM): PRISA- U.S. Core Real Estate Fund Annual Presentation
- UBS: Trumbull Property Fund- U.S. Core Real Estate Fund Annual Presentation

Other:

- CIO report on U.S. Executive Order 13959 To Divest Certain Securities Investments Supporting Chinese Military
- CIO recommendation of assignment of Parametric contract from Eaton Vance to Morgan Stanley
- CIO recommendation to commit $30 million to CarVal CVF V

Respectfully submitted,

Daniel P. Gallagher

Dan Gallagher
Chief Investment Officer

1190 S. VICTORIA AVENUE, SUITE 200 • VENTURA, CA 93003
PHONE: 805-339-4250 • FAX: 805-339-4269 • WWW.VCERA.ORG

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March 25, 2021

To: SACRS Trustees & SACRS Administrators/CEO's
From: Dan McAllister, SACRS Immediate Past President, Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Director Elections 2021-2022 Elections – Final Ballot

SACRS BOD 2021-2022 election process began January 2021. Please provide the final ballot and voting instructions to your Board of Trustees and Voting Delegates.

DEADLINE	DESCRIPTION
March 1, 2021	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, 2021	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 14, 2021	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference, May 11-14, 2021
May 14, 2021	Board of Directors take office for 1 year (until Spring 2022 Elections)

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.

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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 on Friday, May 14, 2021 during the scheduled business meeting. Access to the business meeting is available on the conference platform, all voting delegates and alternate delegates must be registered for the conference to access link.

SACRS Nominating Committee Final Ballot:

- Vivian Gray, Los Angeles CERA — President
- Kathryn Cavness, Mendocino CERA — Vice President
- Harry Hagen, Santa Barbara, CERS — Treasurer
- Thomas Garcia, Imperial CERS — Secretary
- David MacDonald, MD, Contra Costa CERA — Regular Member
- Vere Williams, San Bernardino CERA — Regular Member

Additional Candidates Submitted:

- John Kelly, Sacramento CERS — Regular Member
- Chris Prevatt, Orange CERS — 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 Dan McAllister, Dan.McAllister@sdcounty.ca.gov or (619) 531-5231.

Thank you for your prompt attention to this timely matter.

Sincerely,

Dan McAllister

Dan McAllister, San Diego CERA Trustee
SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Executive Director

Attached: Candidate submissions

Submissions for President

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SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vivian H. Gray
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 300 N. Lake Ave., Ste. 820, Pasadena CA 91101 Email Address: viviangray@aol.com, vgray@lacera.com Phone: 213.440.0142
Name of Retirement System Candidate Currently Serves On	System Name: Los Angeles County Employees Retirement Assoc. (LACERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ General Elected ○ Retiree ○ Other Vice-Chair
Applying for SACRS Board of Directors Position (select only one)	☒ President ○ Vice President ○ Treasurer ○ Secretary ○ Regular Member
Brief Bio	2020 President, SACRS 2018 Chair, LACERA Board of Retirement 2017 Chair, SACRS Bylaws Committee 2019 Vice Chair, SACRS President Elected general member trustee since 2012 35 years of service to Los Angeles County 10 years in Law Enforcement 25 years as an attorney for Los Angeles County 6 years in private law practice Education/Pension Trustee Certificates - 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 Master's Program - NCPERS Public Pension Funding Forum - National Assoc. of Corporate Directors (NACD) Board Leadership Fellow

VIVIAN H. GRAY

300 N. LAKE AVENUE, SUITE 820 ~PASADENA, CA 91101 ~ VGRAY@LACERA.COM

February 23, 2021 **VIA EMAIL**

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister and Members of the Nominating Committee:

I would like to express my desire to be considered for SACRS' President for 2021/2022.

For the past year, I have been humbly honored to serve as SACRS President. 2020 was a very difficult time for everyone. SACRS was no exception. During this time, my thoughts focused on two concepts: Relevance and Sustainability.

Within these two concepts, SACRS was able to remain 'relevant' to the pension community by moving forward in its approach to education and 'sustainable' by building on technological advances in order to continue to provide quality education through different mediums.

Most notably SACRS accomplishments for 2020 include, but are not limited to the following:

- Continued communications with 37 Act systems and administrators through SACRS' website and SACRS Magazine
- Relevant and up to the minute webinars on pensions and investments as impacted by the pandemic
- Presentation of SACRS Spring and Fall conferences in a virtual format without sacrificing quality speakers, presentations or interactions among trustees, affiliates and staff
- Presenting the SACRS Berkeley Education Program in a virtual format with on-demand replays of the classes presented
- Maintaining an active role in the legislative process as it affected county retirement systems

In spite of the pandemic, I am very proud of the work the SACRS Board has accomplished under my leadership. We have been and continue to be productive while remaining relevant and sustainable for the SACRS membership.

I would be honored to serve a second term as President of SACRS. I thank you in advance for your consideration of my candidacy for re-election.

Sincerely,

Vivian Gray

cc: Sulema Peterson, SACRS

Submissions for Vice President

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SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Kathryn Cavness
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 6500 Ridgewood Road, Willits, CA 95490 Email Address: k24u2figure@gmail.com Phone: Home (707) 459-2215; Cell (707) 354-8105; Work (707) 463-4194
Name of Retirement System Candidate Currently Serves On	System Name: Mendocino County Employee Retirement Association (MCERA)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc.)	Chair Alternate ✓ General Elected Retiree Other _____
Applying for SACRS Board of Directors Position (select only one)	President ✓ Vice President Treasurer Secretary Regular Member
Brief Bio	My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Vice President of the SACRS Board of Directors: • Four years as Secretary for SACRS Board of Directors • Past Chair on the MCERA Board & Current 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

Kathryn Cavness
6500 Ridgewood Road
Willits, CA 95490

February 4, 2021

Dan McAllister, SACRS Nominating Committee Chair
SACRS Nominating Committee

Dear Dan and Nominating Committee Members,

Please accept my letter of intent to run as Vice President in the State Association of County Retirement Systems (SACRS) Board of Directors (BOD) officers' election for the 2021-22. I have had the honor of serving on the SACRS BOD as Secretary since May 2017, which has enhanced my understanding of the value of this organization for all parties involved. Additionally, I have served as Chair of the Mendocino County Employees Retirement Association (MCERA) for the last two years.

My interest in seeking the position of Vice President is to continue working with the highly effective SACRS Board in achieving common goals. My focus will be on adding value for Trustees by expanding growth and positive outcomes, increasing diversity, and providing educational opportunities through boosting attendance at the UC Berkeley Educational Program, and SACRS conferences. I will also continue working to expand participation and membership opportunities in SACRS Committees.

As a General Elected Trustee of the Mendocino County Employee Retirement Association, which is the smallest and most northern rural county system in California, I welcome the opportunity to continue representing the smaller systems as well as all SACRS members.

My education and professional experience provides qualifications ideally suited for taking on the responsibilities of Vice President of the SACRS Board of Directors:

- SARCS Board of Directors Secretary for four years from FY 2017/2018 - FY 2020/2021
- Chair of the MCERA Board for two years through December 2020
- Trustee on the MCERA Auditing Committee
- Public Pension Investment Management Program/
    - Modern Investment Theory & Practice for Retirement Systems
        - UC Berkeley Hass School of Business
- Advanced Principles of Pension Management for Trustees
    - UCLA Anderson School of Management
- Principles of Pension Management for Trustees
    - Pepperdine University, Graziadio Business School
- County of Mendocino District Attorney's Office Administrative Services Manager
- Master's Degree in Business Administration with Emphasis on Finance & Accounting

Sincerely,

Kathryn Cavness,
SACRS BOD Secretary,
Mendocino CERA Trustee

Submissions for Treasurer

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SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Harry E. Hagen
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: P.O. Box 579 Santa Barbara, CA 93102 Email Address: hhagen@co.santa-barbara.ca.us Phone: 805-568-2490
Name of Retirement System Candidate Currently Serves On	System Name: SBCERS (Santa Barbara)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	o Chair o Alternate o General Elected o Retiree X Other: Ex-Officio Member, Vice-Chair
Applying for SACRS Board of Directors Position (select only one)	o President o Vice President X Treasurer o Secretary o Regular Member
Brief Bio	See Attachment

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 $2 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 29-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.

February 22, 2021

To Dan McAllister, 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 25-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 10 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

Submissions for Secretary

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SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Thomas Garcia
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 107 South B Street, Imperial, CA 92251 Email Address: tgarcia@icso.org Phone: 442-265-2222
Name of Retirement System Candidate Currently Serves On	System Name: Imperial County Employees Retirement System (ICERS)
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ✖ General Elected (**Safety**) ○ Retiree ○ Other _____
Applying for SACRS Board of Directors Position (select only one)	○ President ○ Vice President ○ Treasurer ✖ Secretary ○ Regular Member
Brief Bio	ICERS Board Trustee, elected safety member (2015-Present) Vice Chair ICERS Board (Current) Chair ICERS Board (2016) 25 Years **Public Service** in Law Enforcement with the Imperial County Sheriff's Office: Chief Deputy Sheriff Supervising Deputy Coroner **Education & Training:** Bachelor of Science, Public Administration (Northern Arizona University) Public Pension Investment Management Program, UC Berkeley Hass School of Business Principles of Pension Management, Pepperdine University FBI National Academy (Quantico, VA.) Sherman Block Supervisory Leadership Institute (Cal POST)

Thomas Garcia
107 South B Street
Imperial, CA 92251

February 5th, 2021

SACRS Nominating Committee
SACRS Nominating Committee Chair
Vivian Gray, SACRS President

Nomination Committee,

Please accept this as my letter of intent to run as Secretary in the State Association of County Retirement System (SACRS) Board of Directors (BOD) officers' 2021-22 election. I have served as an elected Board Trustee to the Imperial County Employees Retirement System (ICERS) since 2015. As an ICERS trustee I have fulfilled the duties of Board Chair and current Vice Chair. In addition, as a member of SACRS I have had the honor and privilege to serve as committee member of both the SACRS Legislation and Nomination Committees (2017–present).

In seeking this position, I hope to further my service to SACRS and all members SACRS represents. My motivation will be concentrated on assisting the distinguished SACRS Board in maintaining the legacy of SACRS work and increasing participation of all SACRS members from systems small and large.

I believe my experience with ICERS and SACRS, in conjunction with 25 years of public service as a law enforcement officer, provide me a unique skillset beneficial to SACRS:

- ICERS Board Trustee (past Chair, current Vice Chair)
- Chief Deputy Sheriff, Imperial County Sheriff's Office
- Bachelor of Science in Public Administration (Northern Arizona University)
- Public Pension Investment Management Program/Modern Investment Theory & Practice for Retirement Systems (UC Berkeley Hass School of Business)
- Principles of Pension Management for Trustees (Pepperdine University, Graziadio Executive Center)
- FBI National Academy (Quantico, VA.)
- Sherman Block Supervisory Leadership Institute (Californian Commission on POST)

Sincerely,

Thomas Garcia, Board Trustee (Safety)
Imperial County Employees Retirement System

Submissions for General Member

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SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: David J. MacDonald, MD
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 255 Ramsgate Way, Vallejo, CA 94591 Email Address: dmacdcccera@gmail.com Phone: 510-409-4458
Name of Retirement System Candidate Currently Serves On	System Name: CCCERA
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ **General Elected X** ○ Retiree ○ Other _____
Applying for SACRS Board of Directors Position (select only one)	○ President ○ Vice President ○ Treasurer ○ Secretary ○ **Regular Member X**
Brief Bio	* SACRS Board of Directors, Member – 2020-2021 * Secretary, CCCERA Board of Retirement * Elected general member trustee of CCCERA since 2016 * President, Physicians' and Dentists' of Contra Costa (PDOCC), since 2010 (Union for health care providers working at Contra Costa County). * 16 years serving on the PDOCC Executive Board (including several years as Vice President) prior to being elected President. * 30 years of service to Contra Costa County as a physician working in the Department of Health Services. * Education/Pension Trustee Certificates: - Bachelors of Science, Biology – UC Irvine - Doctor of Medicine – UC Irvine - UC Berkeley (SACRS) – Modern Investment Theory & Practice for Retirement Systems - Wharton Business School – Portfolio Concepts & Management - IFEBP – CAPPP program - CALAPRS Trustee Education – Principles of Pension Governance

David J MacDonald, MD

255 Ramsgate Way
Vallejo, CA 94591
dmacdcccera@gmail.com
510-409-4458 (mobile)

January 26, 2021

SACRS Nominating Committee
Mr. Dan McAllister, Chair

Dear Mr. McAllister,

I would like to express my interest in continuing on as a Regular Member of the SACRS' Board of Directors for the 2021/2022 year.

I was elected to the SACRS board in 2020. I am also an elected trustee of the CCCERA Retirement Board (since 2016) and currently serve as CCCERA Board Secretary. I appreciate the level of responsibility entrusted to me in looking after our members' retirement plans. I understand the incredible value of a defined benefit plan for my coworkers and our retirees.

I have a long history of dedicated service to my coworkers and union members and I carry this spirit into my role as an elected trustee. My work with SACRS has meant for further education and inspiration from the SACRS organization via its conferences and programs. SACRS has enhanced my abilities to serve as an effective CCCERA trustee.

I desire to continue my service on the SACRS board. Doing so allows me to further promote, protect and build upon pension programs under CERL for county public employees statewide.

Thank you for your time and consideration.

Sincerely and Respectfully,

David J MacDonald, MD

David J MacDonald, MD

Name of Candidate	Name: JOHN B. KELLY
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1724 GLENBROOK LANE; LINCOLN, CA 95648 Email Address: Phone: (916) 342-9279 INVESTORSKADDIE@GMAIL.COM
Name of Retirement System Candidate Currently Serves On	System Name: SCERS
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ Chair ○ Alternate ○ General Elected ○ Retiree ● Other _____
Applying for SACRS Board of Directors Position (select only one)	○ President ○ Vice President ○ Treasurer ○ Secretary ● Regular Member
Brief Bio	• FISCAL/INVESTMENT ADVISOR • 22 YEARS SCERS TRUSTEE • MASTERS OF PUBLIC ADMINISTRATION • FORMER EXECUTIVE BOARD MEMBER

From: John Kelly
To: Sulema Peterson
Subject: Letter of Intent for SACRS Board Position
Date: Friday, January 15, 2021 11:07:42 AM

John B. Kelly, CFP, MPA serving on SCERS; Sacramento County Employee's Retirement System as an Appointed Trustee; Vice President.

Applying as regular member for SACRS.

My interest is to provide enhancements and history for educating and providing networking opportunities for system participants.

Bio:
-24+years on SCERS Board; VP,
-42+years as Independent Registered Investment Advisor,
-12 years as Ca. State employee under the Reagan and Brown administrations,
-3 years on the SACRS Board previously,
-22 years First Tee of Greater Sacramento Board; President 2006-2009,
-2016 induction into the Sacramento Region Golf Hall of Fame,
-produced three publications regarding investment management and retirement planning as 'The Investor's Caddie'.

Thank you for the opportunity and your consideration.

John B. Kelly, CFP, MPA
'Values Based Financial Advisor'
The Investors Caddie, Inc.
investorscaddie@gmail.com
916-342-9279

Providing insight. Fostering oversight.

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Vere Williams
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 8379 Icicle Drive, Pinon Hills, CA 92372 Email Address: verevlw@aol.com Phone: 760.486.6311
Name of Retirement System Candidate Currently Serves On	System Name: San Bernardino County Employees' Retirement Association
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	○ General Elected
Applying for SACRS Board of Directors Position (select only one)	○ Regular Member
Brief Bio	I was elected to SBcera's Board in January 2015 and has served on the Administrative, Audit and Investment Committees. My community involvement includes serving on the governing Boards of the Teamsters Local 1932, California State Conference of the NAACP, Working Assembly of Governmental Employees (WAGE) and other organizations. I am a past president of the San Bernardino County Association of African-American Employees and currently serves as treasurer for the Hispanic Employees Alliance. I have earned an MBA in Information Management/Accounting and has completed certification on Retirement System Management courses at UCLA, Pepperdine and Wharton. I have been an enrolled Agent for over 20 years along with over 25 years working in the finance department at Arrowhead Regional Medical Center. I have been trained in conflict resolution and have completed various workshops and seminars on organization dynamics and interplay. I am currently a member of the SACRS Audit Committee. A guiding quote – **"I always wondered why somebody didn't do something about that, then I realized I was somebody**." – Lily Tomlin

March 1, 2021 VIA Email

Dan McAllister,

SACRS Immediate Past President/ Nominating Committee Chair

SACRS Nominating Committee

Dear Mr. Immediate Past President/Nominating Committee Chair McAllister,

Please accept this letter as my letter of intent to be a candidate for the position of Regular Member in SACRS Board of Directors Elections 2021-2022.

I am a Trustee with the San Bernardino County Employees' Retirement Association (SBcera). Seated on the SBcera's Board in January 2015, I attended my first SACRS conference that year. I found the sessions to be very informative and educational with the presenters being experts and/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 the 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 the 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 (both as formal seminars and networking opportunities.) Additionally, I would seek to encourage even greater participation from the trustees and staff of the 37 Act Systems. I strongly believe in getting involved as demonstrated by my volunteering to lead a CALAPRS Roundtable after attending only a few sessions. Over the years, I have served on the governing Boards of the Teamsters Local 1932, the Working Assembly of Governmental Employees and other organizations. Currently, I am a member of the SACRS Audit committee.

I would like very much to contribute, based on my education and experience, to SACRS - a superlative organization: "*Providing insight. Fostering oversight*."

I thank you in advance for your kind consideration and support. It would be a high honor for me to be elected to serve as a Regular Member on the SACRS Board for the 2021-2022 term.

Please find attached the completed SACRS nomination form.

Respectfully,

Vere Williams

Vere Williams, MBA

SBcera Board of Directors – General Elected Member

cc: Sulema Peterson, SACRS

Providing insight. Fostering oversight.

SACRS Nomination Submission Form
SACRS Board of Directors Elections 2021-2022

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, 2021.** Please submit to the Nominating Committee Chair at Dan.McAllister@sdcounty.ca.gov AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 701-5158.

Name of Candidate	Name: Chris Prevatt
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	Mailing Address: 1625 E. Appleton St. #3H, Long Beach, CA 90802 Email Address: Prevatt.c@gmail.com cprevatt@ocers.org Phone: 714-290-44428
Name of Retirement System Candidate Currently Serves On	System Name: Orange County Employees Retirement System
List Your Current Position on Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	o Chair o Alternate o General Elected o Retiree o Other _____
Applying for SACRS Board of Directors Position (select only one)	o President o Vice President o Treasurer o Secretary o Regular Member
Brief Bio	Chris is an Elected General Member of OCERS. His full-time position is with the Orange County Health Care Agency since 1997. He also serves as Second Vice President of the Orange County Employees Association which represents approximately 18,000 public employees in Orange County, CA. Chris has served on the OCEA Board since 2006. In addition to his service with OCERS and OCEA, Chris has more than 20 years' experience serving on multiple non-profit boards of directors at the state and local level. Chris has participated in SACRS Conferences since 2013 and served/participated on the Bylaws and Legislative Committees.

SACRS
Attn: Dan McAlister
Nominations Committee

February 22, 2021

Dear Dan,

I am writing to declare my intent to run for election as a Regular Member of the SACRS Board of Directors for the 2021-2022 term. I have included with this letter the required application form.

Regards,

Chris Prevatt
Elected General Member Trustee
Orange County Employees Retirement System

ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

Serving the Active and Retired Members of:

CITY OF SAN JUAN CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY CEMETERY DISTRICT

ORANGE COUNTY CHILDREN & FAMILIES COMMISSION

ORANGE COUNTY DEPARTMENT OF EDUCATION (CLOSED TO NEW MEMBERS)

ORANGE COUNTY EMPLOYEES RETIREMENT SYSTEM

ORANGE COUNTY FIRE AUTHORITY

ORANGE COUNTY IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

ORANGE COUNTY PUBLIC LAW LIBRARY

ORANGE COUNTY SANITATION DISTRICT

ORANGE COUNTY TRANSPORTATION AUTHORITY

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

TRANSPORTATION CORRIDOR AGENCIES

UCI MEDICAL CENTER AND CAMPUS (CLOSED TO NEW MEMBERS)

February 23, 2021

By email to Dan.McAllister@sdcounty.ca.gov and Regular Mail

Mr. Dan McAllister
SACRS Nominating Committee Chair
SACRS
1225 8th Street, Suite 550
Sacramento, CA 95814

Re: NOMINATION FOR SACRS BOARD OF DIRECTORS ELECTION 2021-2022

Dear Mr. McAllister:

As a regular member of SACRS, the Orange County Employees Retirement System (OCERS) is entitled, under the SACRS Bylaws, Article VIII, Section 2, to submit nominations for the election of directors for the SACRS Board of Directors.

On February 16, 2021, the OCERS Board of Retirement met and took action to nominate OCERS trustee, Christopher Prevatt, for one of the two Regular Member Director positions on the SACRS Board of Directors, and directed me to submit this nomination to the SACRS Nominating Committee.

Accordingly, please accept this letter as **OCERS' nomination of OCERS Trustee, Christopher Prevatt, for election to the position of Regular Member Director at the 2021-2022 SACRS Board of Directors Election to take place on May 14, 2021.**

Please do not hesitate to contact me at (714) 558-6222 if you have any questions or require additional information.

Thank you.

Best regards,

Steve Delaney
Chief Executive Officer

cc: Sulema H. Peterson, SACRS Administrator (by email to sulema@sacrs.org)

02-26-21

Dear Nomination Committee,

Chris Prevatt is running for the Regular Board Member on the SACRS Board. Chris has held many positions at OCERS including Chair and is a Board member at the Orange County Employees Association (OCEA). Working in these roles he has gained a wealth of knowledge and would be a good hard working board member for SACRS. Please accept this letter as my recommendation for Chris Prevatt as Regular Board Member.

Thank you,

Roger Hilton

SACRS and OCERS Board Member

EDELSTEIN GILBERT ROBSON & SMITH LLC

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd Associate

April 1, 2021

TO: State Association of County Retirement Systems

FROM: Edelstein Gilbert Robson & Smith, LLC

RE: **Legislative Update – April 2021**

Last year, Governor Newsom solemnly pronounced that after expecting record breaking surpluses in 2020, the state was facing a $54 billion deficit. That number was daunting, and comparable to the budget shortfalls experienced at the onset of the Great Recession. That massive deficit never materialized. The Governor and his Department of Finance (DOF) didn't lie or mislead. The nonpartisan and respected Legislative Analyst's Office (LAO) also projected large and growing deficits as a result of the pandemic.

The projections were wrong for two reasons. First, with tax filing deadlines extended, both DOF and the LAO were flying blind without a reliable estimate of how much revenue the state would take in. Last year's budget was adopted before the Governor and the Legislature had the benefit of those estimates.

Secondly, the economic downturn was lopsided, disproportionately impacting low-income Californians forced to leave work during the pandemic. Wealthy Californians largely continued to prosper while stock markets rebounded despite rapid and precipitous falls at the outset of the pandemic. California's tax code leans heavily on high-income residents. While that reliance devastated state revenues during the Great Recession, it has helped spare the state during the pandemic.

Since the projections were off, the 2020 Budget was more conservative than it needed to be. Consequently, Governor Newsom's 2021 Budget was built on a $15.5 billion windfall surplus, and the good news keeps rolling in.

Last week, the Department of Finance reported that the state will receive another $14.3 billion in unexpected surplus revenue. On top of that, $150 billion is coming to California from the $1.9 Trillion American Rescue Plan recently signed by President Biden. While most of this money will go directly to residents and local governments, $26 billion will drop into California's budget. The money must be spent addressing public health issues or the economic fallout from the pandemic, pay for essential workers, backfilling lost tax revenue, or making investments in water, sewer, or broadband infrastructure.

We have a few observations.

1127 11TH Street SUITE 1030 Sacramento, CA 95814 (916) 443-6400 FAX (916) 443-6445

www.egrslobby.com

That's not a lot of Strings
The $14.3 billion surplus is General Fund revenue which can be spent as the Legislature and Governor see fit. While the $26 billion in federal aid comes with the restrictions mentioned above, they are not very limiting. The Governor and Legislature could argue that any number of spending proposals would mitigate the economic impact of the pandemic, for example. The state has until 2024 to spend the money, and lots of things to spend it on.

Lots of Money, Lots of People Want it
$40 billion in unexpected revenue is a lot. It's easy for lobbyists and their clients to start imagining how to spend it, which is exactly why it's not as much money as it seems. Even before it was clear exactly how much money California would receive from the Federal Government or how much surplus revenue it had to spend, billions of dollars of new spending proposals were floating around the Legislature.

There's a lot of need right now, and no shortage of stakeholders looking to use state revenue to meet it. The Legislature and the Governor will have to figure out which of these requests aligns with their own priorities.

It's Enough Money for the Legislature and Governor to Fight Over
The Governor essentially ruled California via Executive Order and unilateral spending authority granted by the Legislature from March through June last year. While they allowed the situation to persist, it seems to have rubbed many legislators the wrong way. As we've reported previously, frustrated legislators largely won the debate over how to structure the 2020 budget. While they have questioned Governor Newsom on his handling of the pandemic, his handling of unemployment fraud, and his plans for school reopening, they have not truly challenged him since budget negotiations concluded in 2020.

The Legislature could choose to leverage the Governor on how to spend new revenue, but there's reason to think the Legislature will be even more accommodating than they were last year. While it's still not official, Governor Newsom will be facing a recall later this year. Despite their grievances, Democrats in the Legislature will want to defend the Democratic Governor from the Republican-backed recall effort. While there will be give and take over how to use the new money as always, it seems likely the Legislature will help the Governor with his major spending initiatives.

New Attorney General
In December, we reported that the election of Vice President Kamala Harris created a game of political musical chairs when she vacated her US Senate seat. The issue of appointing her successor quickly became fraught with risk for Governor Newsom who was urged by advocates and legislators representing the state's African American, Latino, API, and LGBTQ Californians to appoint a Senator who can represent their communities.

The Governor handled the challenge. The appointment of former Secretary of State Alex Padilla as the first Latino Senator representing California created another vacancy. The Governor appointed Shirley Weber to replace them and serve as California's first African American Secretary of State. Last week, the Governor appointed Assemblymember Rob Bonta to replace Xavier Becerra as Attorney General. Mr. Bonta will be the first Filipino American to hold the position.

California Association of Public Retirement Systems

CALAPRS

EDUCATION · COMMUNICATION · NETWORKING

Program Announcement

Advanced Principles of Pension Governance for Trustees

June 7, 9 & 11, 2021
8:30 a.m. - 11:00 a.m.

Featuring select, abbreviated sessions from CALAPRS' popular educational program for experienced public pension fund trustees

Register

This course is about building trustee skills and strengthening board governance. Pension trustees have many opportunities to learn about the disciplines required to run a pension system: institutional investing, actuarial science, benefits law, etc. But another highly important area of knowledge is the business of being a trustee and of contributing to a well-functioning board.

The CALAPRS Advanced Principles of Pension Governance course exposes veteran trustees to the most effective pension management thinking to help them enhance their service to their retirement systems.

To continue CALAPRS' mission of providing education for trustees during these unprecedented times, we have arranged with our faculty of subject-matter experts to present abbreviated versions of several key educational topics from our regular in-person program in an online format:

- **Policy-Focused Boards** – Tom Iannucci, Cortex Consulting
- **Economics Update & Forecast** – Dr. Jerry Nickelsburg,

Professor, UCLA Anderson School of Management

- **Good Governance and the Investment Team** – Steve Sexauer, Chief Investment Officer, San Diego County Employees' Retirement Association
- **Advanced Actuarial Principles** – Paul Angelo, Senior VP & Actuary, Segal & Todd Tauzer, VP & Actuary, Segal

To learn more about the topics above, who should attend, and the program structure, download the flyer below.

Download the Program Flyer & Schedule

Registration is open to any current trustee from a CALAPRS member retirement system and must be submitted online at www.calaprs.org by May 31, 2021.

Pricing to attend the full virtual program (all 3 days) is $650 per trustee.

Register Now

Quick Links

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Contact CALAPRS

575 Market Street, Suite 400
San Francisco, CA 94105
P: 415.764.4860
F: 415.764.4915
info@calaprs.org
www.calaprs.org