

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### BUSINESS MEETING

March 17, 2014

### AGENDA

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

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

**ITEM:**

- |  | Master Page No. |
|--|-----------------|
| I. <b><u>CALL TO ORDER</u></b>   |                 |
| II. <b><u>APPROVAL OF AGENDA</u></b>   | 1 - 3           |
| III. <b><u>APPROVAL OF MINUTES</u></b>   |                 |
| A. Disability Meeting of March 3, 2014.  | 4 - 11          |
| IV. <b><u>CONSENT AGENDA</u></b>   |                 |
| A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of February 2014. | 12 - 13         |
| B. Receive and File Report of Checks Disbursed in February 2014.                                       | 14 - 22         |
| C. Receive and File Budget Summary for FY 2013-14 Month Ending February 2014.                          | 23              |
| V. <b><u>STANDING ITEM</u></b>   |                 |
| A. Receive an Oral Update on Pensionable Compensation and PEPRA.                                       |                 |

VI. ANNUAL INVESTMENT PRESENTATIONS

- |   |         |
|---|---------|
| A. Receive Annual Investment Presentation, Harbour Vest – Jeffrey Keay, Managing Director, Gregory Stento, Managing Director, Aris Hatch, Principal. (30 Minutes) | 24 - 55 |
| B. Receive Annual Investment Presentation, Adams Street Partners – Scott Hazen, CFA-Partner, Katherine Wanner, Partner. (30 Minutes)                              | 56 - 81 |
| C. Receive Annual Investment Presentation, Pantheon – Matt Garfinkle, Partner, Sprague Von Stroh, Vice President. (30 Minutes)                                    | 82 - 97 |

VII. INVESTMENT INFORMATION

- |   |           |
|---|-----------|
| A. NEPC – Don Stracke, Senior Consultant.   |           |
| 1. Receive and File Preliminary Performance Report, Month Ending February 28, 2014. | 98 - 106  |
| 2. Receive and File Private Equity Overview.  | 107 - 124 |
| 3. Receive and File Asset Allocation – II   | 125 - 130 |
| 4. PIMCO Update   | 131 - 133 |
| B. VCERA – “Watch List” Discussion – PIMCO.   | 134       |

VIII. OLD BUSINESS

- |  |     |
|--|-----|
| A. Ventura County Employees’ Retirement Information System (VCERIS) Recommendation to Increase Data Conversion Hours – Vitech. |     |
| 1. Recommend Approval for Vice Chairman to sign Letter to Vitech, (Item #2).   | 135 |
| 2. Request for Additional Data Conversion Assistance. <b>RECOMMENDED ACTION: Approve.</b>                                      | 136 |

**IX. NEW BUSINESS**

- A. VCERIS Monthly Report – February 2014. 137  
**RECOMMENDED ACTION: Receive and File.**
- B. Review Draft Executive Search Firm Request for Proposal – Personnel Review Committee. 138 - 145  
**RECOMMENDED ACTION: Approve.**
- C. Authorization to Attend PIMCO Institute 2014, June 5<sup>th</sup> – 6<sup>th</sup> and June 9<sup>th</sup> – 13<sup>th</sup>. **RECOMMENDED ACTION: Approve.** 146 - 149
- D. IRS Tax Determination Letter Update: Next Steps. 150  
**RECOMMENDED ACTION: Receive and File.**
- E. Recommendation to Approve PEPPRA Annual Compensation Limit. **RECOMMENDED ACTION: Approve.** 151 - 161
- F. Distribution of Recommended Ballot; SACRS Election – Spring Conference. **RECOMMENDED ACTION: Approve.** 162 - 163

**X. INFORMATIONAL**

- A. SACRS, Spring Conference- Draft Agenda. 164 - 169

**XI. PUBLIC COMMENT**

**XII. STAFF COMMENT**

**XIII. BOARD MEMBER COMMENT**

**XIV. ADJOURNMENT**

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

## BOARD OF RETIREMENT

### DISABILITY MEETING

March 3, 2014

### MINUTES

**DIRECTORS**

**PRESENT:**

Tracy Towner, Chair, Safety Employee Member  
William W. Wilson, Vice Chair, Public Member  
Steven Hintz, Treasurer-Tax Collector  
Joseph Henderson, Public Member  
Mike Sedell, Public Member  
Tom Johnston, General Employee Member  
Deanna McCormick, General Employee Member  
Arthur E. Goulet, Retiree Member  
Will Hoag, Alternate Retiree Member  
Chris Johnston, Alternate Safety Employee Member

**DIRECTORS**

**ABSENT:**

Peter C. Foy, Public Member

**STAFF**

**PRESENT:**

Tim Thonis, Interim Retirement Administrator  
Lori Nemiroff, Assistant County Counsel  
Stephanie Caiazza and Chris Ayala, Interim Clerk of the Board  
Donna Edwards, Retirement Benefits Specialist  
Chantell Garcia, Retirement Benefits Specialist

**PLACE:**

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

**TIME:**

9:00 a.m.

**ITEM:**

**I. CALL TO ORDER**

Chairman Towner called the Disability Meeting of March 3, 2014, to order at 9:00 a.m.

**II. APPROVAL OF AGENDA**

MOTION: Approve the Agenda.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried.

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick, Wilson, Sedell,  
Towner.

No: -

Absent: Foy.

**III. APPROVAL OF MINUTES**

Business Meeting of February 24, 2014.

Mr. Goulet requested that the Minutes be corrected on Master Page 11, XIII.  
SACR's to SACRS.

MOTION: Approve the Minutes, as amended.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick, Wilson, Sedell,  
Towner.

No: -

Absent: Foy.

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

MOTION: Receive and file the Report.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick, Wilson, Sedell,  
Towner.

No: -

Absent: Foy.

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Consider Application for Service Connected Disability Retirement; Abraham De Leon; Case No. 13-016.

1. Application for Service Connected Disability Retirement and Supporting Documentation.
2. Hearing Notice served on February 21, 2014.

Stephen D. Roberson was present representing the County of Ventura Risk Management along with Paul Hilburn. David G. Schumaker, Attorney at Law, was present representing the applicant. The applicant, Abraham De Leon, was also present.

Both parties declined to make statements.

The following Motion was made:

MOTION: Grant the applicant, Abraham De Leon, a service connected disability retirement.

Moved by Wilson, seconded by T. Johnston.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick, Wilson, Sedell, Towner.

No: -

Absent: Foy.

Both parties agreed to waive Preparation of Findings of Fact and Conclusions of Law.

B. Consider Application for Service Connected Disability Retirement; Michael A. Erickson; Case No. 13-003.

1. Application for Service Connected Disability Retirement and Supporting Documentation.
2. Hearing Notice served on February 20, 2014.

Paul Hilburn was present representing the County of Ventura Risk Management. Anthony R. Strauss, Attorney at Law, was representing the applicant. The applicant, Michael A. Erickson, was also present.

Both parties declined to make statements.

The following Motion was made:

MOTION: Grant the applicant, Michael A. Erickson, a service connected disability retirement.

Moved by Goulet, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick, Wilson, Sedell, Towner.

No: -

Absent: Foy.

Both parties agreed to waive Preparation of Findings of Fact and Conclusions of Law.

C. Consider Application for Non-Service Connected Disability Retirement; Kelly Ryan; Case No. 13-021. Consider

1. Application for Non-Service Connected Disability Retirement and Supporting Documentation.
2. Hearing Notice served on February 21, 2014.

Paul Hilburn was present representing the County of Ventura Risk Management. The applicant, Kelly Ryan, was present.

After statements by both parties and discussion by the Board, the following Motion was made.

MOTION: Grant the applicant, Kelly Ryan, a non-service connected disability retirement.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick, Wilson, Sedell, Towner.

No: -

Absent: Foy.

MOTION: Appointment of alternative job classification Office Assistant III and differential to be paid by VCERA, pursuant to Government Code Section 31725.5.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick,  
Wilson, Sedell, Towner.

No: -

Absent: Foy.

Both parties agreed to waive Preparation of Findings of Fact and Conclusions of Law.

D. Consider Application for Service Connected Disability Retirement; Cheryl M. Means; Case No. 13-020.

1. Application for Service Connected Disability Retirement and Supporting Documentation.
2. Hearing Notice served on February 19, 2014.

Emy Russell was present representing the Superior Court. The applicant, Cheryl M. Means, was present.

Both parties declined to make statements.

The following Motion was made:

MOTION: Grant the applicant, Cheryl M. Means, a service connected disability retirement.

Moved by T. Johnston, seconded by Wilson.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick,  
Wilson, Sedell, Towner.

No: -

Absent: Foy.

Both parties agreed to waive Preparation of Findings of Fact and Conclusions of Law.

## VI. OLD BUSINESS

A. Hearing Officer Recommendation.

**RECOMMENDED ACTION: Approve.**

After an update by the Interim Retirement Administrator and recommendation to enter into contract with Ernest Gould, the following Motion was made:



MOTION: Offer Mr. Gould a position on the Hearing Officer Panel.

Moved by Wilson, seconded by T. Johnston.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick, Wilson, Sedell, Towner.

No: -

Absent: Foy.

VII. NEW BUSINESS

- A. Ventura County Employees' Retirement Information System (VCERIS) Project Change Orders; Brian Colker, Linea Solutions and Tim Thonis, Interim Retirement Administrator.
1. Vitech Change Order
  2. MBS Change Order
  3. Linea Change Order
  4. Recommendation to utilize Linea Solutions resources for VCERIS (PAS) project.

**RECOMMENDED ACTION: Approve.**

After discussion by the Board and Staff, the following Motion was made:

MOTION: Approve MBS and Linea Change orders, with amended "not to exceed" clause included in the Linea change order.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick, Wilson, Sedell, Towner.

No: -

Absent: Foy.

MOTION: Revise Vitech Change Order, Arthur E. Goulet, Retiree Member; Brian Colker, Linea to work together on modification, with issue tabled until the business meeting on March 17<sup>th</sup> 2014.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick,  
Wilson, Sedell, Towner.

No: -

Absent: Foy.

- B. Options for Board Member Claim Processing; Tim Thonis, Interim Retirement Administrator. Recommendation to have Auditor Controller process Board Member Claims.

**RECOMMENDED ACTION: Approve.**

MOTION: To have Auditor Controller process the Board Member Stipends.

Moved by, Goulet, seconded by, Henderson.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick,  
Wilson, Sedell, Towner.

No: -

Absent: Foy.

- C. Request from County Executive Office to conduct studying regarding impacts of Pension Initiative (Letter dated 02/28/2014).

**RECOMMENDED ACTION: Approve.**

Board heard comments from Jim McDermott, representing the Committee for Pension Fairness.

After discussion by the Board and Staff, the following Motion was made:

MOTION: To offer no objections for County Executive Office contracting with The Segal Consulting for actuarial services.

Moved by, Goulet, seconded by, Wilson.

Vote: Motion carried

Yes: Goulet, Hintz, T. Johnston, Henderson, McCormick,  
Wilson, Sedell, Towner.

No: -

Absent: Foy.

VIII. INFORMATIONAL

- A. RREEF Conference
- B. UBS Conference

IX. STAFF COMMENT

Tim Thonis, Interim Retirement Administrator; offered that monthly stipends for January and February will be processed for those Board Members affected. Also for those attending the Manatt conference, there have been preparations made to meet with Black Rock Institutional Trust Company on Thursday March 27<sup>th</sup> at 1:00 p.m.

X. BOARD MEMBER COMMENT

Arthur E. Goulet, Retiree Member, and Chris Johnston, Alternate Safety Employee Member requested that bookmarks be included from now on in the electronic agenda packets.

Mr. Goulet also questioned on why the monthly PAS Report was missing from the aforementioned agenda. Tim Thonis, Interim Retirement Administrator; stated that there was no PAS report in the agenda due to Brian Colker being on Paternity Leave and Kim Zierath out due to illness.

Mr. Thonis also stated that the monthly PAS Report will be included as part of the Business Meeting, scheduled for March 17, 2014.

XI. ADJOURNMENT

The meeting was adjourned at 9:50 a.m.

Respectfully submitted,

  
TIM THONIS, Interim Retirement Administrator

Approved,

\_\_\_\_\_  
William W. Wilson, Vice Chairman

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

FEBRUARY 2014

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
<b>REGULAR RETIREMENTS:</b>							
Goorgen V.	Boghossian	G	7/8/2002	10.40		Health Care Agency (Deferred)	01/10/14
Margaret	Borjon-Miller	G	11/24/1991	15.10	A=2.6545 C=17.990	Superior Courts (Deferred)	12/31/13
Michael S.	Brodie	G	02/23/1997	14.20		Harbor Department	12/06/11
Deborah A.	Brown	G	09/16/2014	6.00	C=5.7270	Health Care Agency (Deferred)	01/30/14
Robert A.	Carson	G	10/07/1989	7.10	C=22.399	Regional Sanitation District (Deferred)	12/31/13
John D.	Ching	G	10/05/1986	3.50	C=19.474	Air Pollution Control District (Deferred)	11/28/13
Kirsten	Croucher	G	09/25/1983	29.50		Health Care Agency	01/10/14
Judith A.	Cunningham	G	10/22/1995	18.60	B=0.1766 E=0.306	Human Services Agency	01/04/14
David T.	Escobar	G	10/07/1989	9.60		Regional Sanitation District (Deferred)	12/14/13
Peter H.	Finie	G	01/30/1977	12.30		Superior Courts (Deferred)	01/08/14
Debra D.	Guite	G	10/09/1994	19.00	B=0.1150	General Services Agency	01/04/14
Arthur S.	Gunderson	G	06/06/1982	9.20	C=23.629	Information Services Department (Deferred)	12/28/13
Randall S.	Joyce	G	05/18/1987	2.30	C=3.3733	Assessor (Deferred)	01/01/14
Teresa L.	Kingman	G	01/27/1985	28.20	B=0.5319	Probation Agency	01/31/14
Denise L.	Lecher	G	04/10/1994	6.20		District Attorney (Deferred)	01/16/14
Geraldito	Legaspi	G	09/01/1991	21.90		Health Care Agency	01/18/14
Alice F.	Lewis	G	12/24/1989	18.40		Health Care Agency	01/18/14
Leni L.	Luna	G	12/10/1989	22.90	B=0.0652	Health Care Agency	01/16/14
Gay L.	Newman	G	11/07/1993	19.50		Human Services Agency	01/16/14
Daniel L.	O'Neill	G	05/20/1984	14.70	C=12.471	Fire Protection (Deferred)	01/03/14
Janis	Parkhurst	G	12/28/1986	5.00		Health Care Agency (Deferred)	01/28/14
Dana E.	Ramirez	G	01/15/1995	17.20		Health Care Agency	02/01/14
Dolores S.	Ramos	G	01/12/1997	15.90		Health Care Agency	01/01/14
Teresa	Rodriguez	G	11/18/1984	29.10	B=0.1120	Health Care Agency	01/03/14
Betty C.	Salinas	G	01/10/1988	26.00	B=0.1151	Human Services Agency	01/04/14
Tracy A.	Salmon	S	01/15/2006	6.30		Sheriff's Department	05/23/12
Amelia L.	Sanchez	G	09/08/1996	16.80		Health Care Agency	01/24/14
Ingrid R.	Scott	G	07/27/08	7.30	A=1.3772 B=0.3639	Health Care Agency	02/01/14
Mary Ann	Teran	G	04/04/1999	14.90	B= 0.0959	Health Care Agency	02/01/14
Kevin	Weathers	G	02/01/2001	12.90		Information Services Department	01/14/14

**DEFERRED RETIREMENTS:**

John A.	Crow	G	10/08/2006	10.41	A=3.94680	General Services Agency	02/14/14
Donald	Kendig	G	03/04/2012	1.93	C=20.75470	Retirement Department	02/04/14
Sandra	Lee	G	07/01/2004	6.04		Human Services Agency	02/10/14
Myers	Melissa Paige	G	02/24/2008	5.93		Superior Court	02/09/14
Dennis M.	Scamardo	G	07/26/1999	14.51		General Services Agency	01/22/14
Heather T.	Souza	G	09/26/2004	8.60		Human Service Agency	02/07/14
My Phuong Thi	Truong	G	08/03/2008	5.20		District Attorney	01/22/14
Kim L.	Uhlich	G	02/13/2005	13.45	A=3.47000	Local Agency Formation Commissior	01/31/14
Nuruddin	Waliany	G	08/27/2006	7.39		Information Technology Services	01/31/14

**SURVIVORS' CONTINUANCES:**

Sheree A. Fitzgerald

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

FEBRUARY 2014

<b>FIRST NAME</b>	<b>LAST NAME</b>	<b>G/S</b>	<b>DATE OF MEMBERSHIP</b>	<b>TOTAL SERVICE</b>	<b>OTHER SERVICE</b>	<b>DEPARTMENT</b>	<b>EFFECTIVE DATE</b>
Susan P.	Guerrero						
Curtis R.	Hansen						
Donald J.	Metz						
Roberta	Nichols						
Jeanne C.	Spiker						
Williford A.	Stovall						

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

Date: Tuesday, March 11, 2014  
 Time: 03:59: PM  
 User: RET10011

## Ventura County Retirement Assn

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 Report: 03630.rpt  
 Company: VCERA

### Check Register - Standard Period: 08-14 As of: 3/11/2014

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post	Ref Closed	Doc Nbr	Invoice Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Acct / Sub:	1002		00								
023365	CK	2/6/2014	102643 MARIA INIGUEZ	08-14	08-14	018175	VO REFUND T2 COL		2/6/2014	0.00	10,601.69
023366	CK	2/6/2014	103982 MICHAEL S. BRODIE	08-14	08-14	018176	VO REFUND T2 COL		2/6/2014	0.00	5,292.18
023367	CK	2/6/2014	115764 JAVIER A. BARRERA	08-14	08-14	018177	VO REFUND		2/6/2014	0.00	64,716.68
023368	CK	2/6/2014	117187 CAROLYN S. WALDEN	08-14	08-14	018178	VO REFUND		2/6/2014	0.00	17,915.46
023369	CK	2/6/2014	119912 KYLE B. YOUNG	08-14	08-14	018179	VO REFUND		2/6/2014	0.00	13,057.18
023370	CK	2/6/2014	121638 APRIL L. HERNANDEZ	08-14	08-14	018180	VO REFUND		2/6/2014	0.00	6,903.15
023371	CK	2/6/2014	123274 BALDEMAR J. MARTINEZ	08-14	08-14	018181	VO REFUND		2/6/2014	0.00	370.83
023372	CK	2/6/2014	F0526B1 JOHN W. CUNNINGHAM	08-14	08-14	018182	VO DEATH BENEFIT		2/6/2014	0.00	3,972.02
023373	CK	2/6/2014	F0636B1 JAMES EATON	08-14	08-14	018183	VO DEATH BENEFIT		2/6/2014	0.00	4,331.30
023374	CK	2/6/2014	F0942B3 JAMES MITCHELL HOLLIS	08-14	08-14	018184	VO DEATH BENEFIT		2/6/2014	0.00	1,909.46
023375	CK	2/6/2014	F2591 ROBERT E. MUMFORD	08-14	08-14	018185	VO PENSION PAYMENT		2/6/2014	0.00	8,639.72
023376	CK	2/6/2014	F3248B1 HOWARD B. HOWELL	08-14		018186	VO DEATH BENEFIT		2/6/2014	0.00	1,293.75
023377	CK	2/6/2014	F3248B2	08-14	08-14	018187	VO DEATH BENEFIT		2/6/2014	0.00	1,293.75

Date: Tuesday, March 11, 2014  
 Time: 03:59: PM  
 User: RET10011

## Ventura County Retirement Assn

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 Company: VCERA

### Check Register - Standard Period: 08-14 As of: 3/11/2014

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post	Ref Closed	Doc Nbr	Invoice Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
			MARC A. HOWELL								
023378	CK	2/6/2014	F3773 WAYNE E. MICHAEL	08-14	08-14	018188	VO PENSION PAYMENT		2/6/2014	0.00	3,700.00
023379	CK	2/6/2014	F4263S SHEREE A. FITZGERALD	08-14	08-14	018189	VO DEATH BENEFIT		2/6/2014	0.00	6,028.92
023380	CK	2/6/2014	F4750 MARISSA B. MANZANO	08-14	08-14	018190	VO PENSION PAYMENT		2/6/2014	0.00	1,122.75
023381	CK	2/6/2014	F6336 BILL A. WOOD	08-14	08-14	018191	VO PENSION PAYMENT		2/6/2014	0.00	1,505.01
023382	CK	2/6/2014	100748 CHRIS JOHNSTON	08-14	08-14	018192	VO TRAVEL REIMB		2/6/2014	0.00	856.27
023383	CK	2/6/2014	990002 ARTHUR E. GOULET	08-14	08-14	018193	VO TRAVEL REIMB		2/6/2014	0.00	56.76
023383	CK	2/6/2014	990002 ARTHUR E. GOULET	08-14	08-14	018194	VO MILEAGE REIMB		2/6/2014	0.00	38.08
023384	CK	2/6/2014	BARNEY ABU COURT REPORTING INC	08-14		018195	VO ADMIN EXP		2/6/2014	0.00	315.00
<b>Check Total</b>										<b>94.84</b>	
023385	CK	2/6/2014	HANSONBRID HANSON BRIDGETT LLP	08-14	08-14	018196	VO LEGAL FEES		2/6/2014	0.00	42.30
023386	CK	2/6/2014	HEXAVEST HEXAVEST INC	08-14	08-14	018197	VO INVESTMENT FEES		2/6/2014	0.00	92,241.66
023387	CK	2/6/2014	MBS MANAGED BUSINESS SOLUTI	08-14	08-14	018198	VO PAS		2/6/2014	0.00	17,867.09
023388	CK	2/6/2014	PIMCO PACIFIC INVESTMENT MGMT	08-14	08-14	018199	VO INVESTMENT FEES		2/6/2014	0.00	102,846.30
023389	CK	2/6/2014	REAMS	08-14	08-14	018200	VO INVESTMENT FEES		2/6/2014	0.00	113,065.00

Date: Tuesday, March 11, 2014  
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## Ventura County Retirement Assn

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 Report: 03630.rpt  
 Company: VCERA

### Check Register - Standard

Period: 08-14 As of: 3/11/2014

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post	Ref Closed	Doc Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
REAMS ASSET MANAGEMENT											
023390	CK	2/6/2014	STATE STATE STREET BANK AND TR	08-14	08-14	018201	VO INVESTMENT FEES	2/6/2014		0.00	24,519.01
023391	CK	2/6/2014	VOLT VOLT	08-14	08-14	018202	VO ADMIN/PAS	2/6/2014		0.00	5,197.25
023392	CK	2/13/2014	117316 STEPHANIE MAE WEST	08-14	08-14	018203	VO REFUND	2/13/2014		0.00	34,502.27
023393	CK	2/13/2014	121787 CHARLES DON SPERRY	08-14	08-14	018204	VO REFUND	2/13/2014		0.00	15,043.33
023394	CK	2/13/2014	122345 SARAH A. LOWDER	08-14	08-14	018205	VO REFUND	2/13/2014		0.00	3,494.38
023395	CK	2/13/2014	123000 REBECCA S. KOCH	08-14		018206	VO REFUND	2/13/2014		0.00	2,914.03
023396	CK	2/13/2014	123178R CHARLES SCHWAB	08-14	08-14	018207	VO ROLLOVER	2/13/2014		0.00	2,413.20
023397	CK	2/13/2014	123255 BREANNA M. MASON	08-14	08-14	018208	VO REFUND	2/13/2014		0.00	1,633.62
023398	CK	2/13/2014	102661 LORI NEMIROFF	08-14		018209	VO TRAVEL REIMB	2/13/2014		0.00	74.40
023399	CK	2/13/2014	ADP ADP INC	08-14	08-14	018210	VO ADMIN EXP	2/13/2014		0.00	8,304.53
023400	CK	2/13/2014	BARNEY ABU COURT REPORTING INC	08-14		018211	VO ADMIN EXP	2/13/2014		0.00	315.00
023401	CK	2/13/2014	BOFA BANK OF AMERICA	08-14	08-14	018212	VO IT	2/13/2014		0.00	614.53



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023402	CK	2/13/2014	CINTAS CINTAS DOCUMENT MANAGE	08-14	08-14	018213	VO	ADMIN EXP	2/13/2014	0.00	260.80
023403	CK	2/13/2014	FEDEX FED EX	08-14	08-14	018214	VO	ADMIN EXP	2/13/2014	0.00	34.60
023404	CK	2/13/2014	HARRIS HARRIS WATER CONDITIONIN	08-14	08-14	018215	VO	ADMIN EXP	2/13/2014	0.00	209.00
023405	CK	2/13/2014	MEGAPATH MEGAPATH INC.	08-14	08-14	018216	VO	IT	2/13/2014	0.00	164.93
023406	CK	2/13/2014	PEREA KENNETH A. PEREA	08-14	08-14	018217	VO	ADMIN EXP	2/13/2014	0.00	7,350.00
023407	CK	2/13/2014	TWC TIME WARNER CABLE	08-14	08-14	018218	VO	IT/PAS	2/13/2014	0.00	478.23
023408	CK	2/13/2014	TORTOISE TORTOISE CAPITAL ADVISOR	08-14	08-14	018219	VO	INVESTMENT FEES	2/13/2014	0.00	192,224.67
023409	CK	2/13/2014	VITECH VITECH SYSTEMS GROUP INC	08-14	08-14	018220	VO	PAS	2/13/2014	0.00	2,500.00
023410	CK	2/13/2014	WALTER WALTER SCOTT & PARTNERS	08-14	08-14	018221	VO	INVESTMENT FEES	2/13/2014	0.00	205,783.14
023411	CK	2/20/2014	121546 WENDY L. FERRER	08-14	08-14	018222	VO	REFUND	2/20/2014	0.00	4,384.40
023412	CK	2/20/2014	121983 WILMINGTON TRUST COMPAN	08-14		018223	VO	ROLLOVER	2/20/2014	0.00	7,645.96
023413	CK	2/20/2014	122373 MELLONIE J. NEWMAN	08-14	08-14	018224	VO	REFUND	2/20/2014	0.00	2,518.16
023414	CK	2/20/2014	F1444S ROBERTA NICHOLS	08-14	08-14	018225	VO	DEATH BENEFIT	2/20/2014	0.00	4,427.97

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023415	CK	2/20/2014	F2888S SUSAN P. GUERRERO	08-14	08-14	018226	VO DEATH BENEFIT		2/20/2014	0.00	5,128.38
023416	CK	2/20/2014	F3763S CURTIS R. HANSEN	08-14	08-14	018227	VO DEATH BENEFIT		2/20/2014	0.00	5,691.68
023417	CK	2/20/2014	F4868S DONALD J. METZ	08-14	08-14	018228	VO DEATH BENEFIT		2/20/2014	0.00	3,518.50
023418	CK	2/20/2014	F5066B1 RUBY JEWELL MITCHELL LIVI	08-14	08-14	018229	VO DEATH BENEFIT		2/20/2014	0.00	5,375.76
023419	CK	2/20/2014	F5645B1 CAROLINE L. SCHULZ	08-14		018230	VO DEATH BENEFIT		2/20/2014	0.00	50.08
023420	CK	2/20/2014	119663 DEBBIE DOWNEY	08-14	08-14	018231	VO MILEAGE REIMB		2/20/2014	0.00	51.96
023421	CK	2/20/2014	AT&T AT & T MOBILITY	08-14	08-14	018232	VO IT		2/20/2014	0.00	306.90
023422	CK	2/20/2014	CINTAS CINTAS DOCUMENT MANAGE	08-14		018233	VO ADMIN EXP		2/20/2014	0.00	114.50
023423	CK	2/20/2014	LOOMIS LOOMIS, SAYLES & COMP, LP	08-14	08-14	018234	VO INVESTMENT FEES		2/20/2014	0.00	177,939.41
023424	CK	2/20/2014	MBS MANAGED BUSINESS SOLUTI	08-14	08-14	018235	VO PAS		2/20/2014	0.00	15,568.75
023425	CK	2/20/2014	SAFEGUARD SAFEGUARD BUSINESS SYST	08-14	08-14	018236	VO ADMIN EXP		2/20/2014	0.00	190.51
023426	CK	2/20/2014	SPRUCE SPRUCEGROVE INVESTMENT	08-14	08-14	018237	VO INVESTMENT FEES		2/20/2014	0.00	58,258.43
023427	CK	2/20/2014	STATE	08-14	08-14	018238	VO INVESTMENT FEES		2/20/2014	0.00	7,941.97

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STATE STREET BANK AND TR											
023428	CK	2/20/2014	THONIS TIM THONIS	08-14	08-14	018239	VO ADMIN EXP		2/20/2014	0.00	13,301.25
023429	CK	2/20/2014	WESTERN WESTERN ASSET MANAGEME	08-14	08-14	018240	VO INVESTMENT FEES		2/20/2014	0.00	175,032.20
023430	CK	2/20/2014	VOLT VOLT	08-14	08-14	018241	VO ADMIN/PAS		2/20/2014	0.00	2,486.11
023431	CK	2/21/2014	105703PC GLENDA JACKSON- PETTY CA	08-14	08-14	018242	VO ADMIN EXP		2/21/2014	0.00	95.97
023432	CK	2/27/2014	CA SDU CALIFORNIA STATE	08-14		018243	VO CRT ORDERED PMT		2/27/2014	0.00	1,175.58
023433	CK	2/27/2014	CALPERS CALPERS LONG-TERM	08-14		018244	VO INSURANCE		2/27/2014	0.00	18,582.42
023434	CK	2/27/2014	CHILD21 OREGON DEPT OF JUSTICE	08-14		018245	VO CRT ORDERED PMT		2/27/2014	0.00	171.74
023435	CK	2/27/2014	CHILD5 STATE DISBURSEMENT UNIT	08-14		018246	VO CRT ORDERED PMT		2/27/2014	0.00	511.00
023436	CK	2/27/2014	CHILD9 SHERIDA SEGALL	08-14		018247	VO CRT ORDERED PMT		2/27/2014	0.00	260.00
023437	CK	2/27/2014	CVMP COUNTY OF VENTURA	08-14	08-14	018248	VO INSURANCE		2/27/2014	0.00	510,972.70
023437	VC	2/27/2014	CVMP COUNTY OF VENTURA	08-14	08-14	018248	VO INSURANCE		2/27/2014	0.00	-510,972.70
023438	CK	2/27/2014	FTBCA3 FRANCHISE TAX BOARD	08-14		018249	VO GARNISHMENT		2/27/2014	0.00	137.26
<b>Check Total</b>										<b>0.00</b>	<b>0.00</b>
023439	CK	2/27/2014	IRS6	08-14		018250	VO GARNISHMENT		2/27/2014	0.00	321.00

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			INTERNAL REVENUE SERVICE								
023440	CK	2/27/2014	IRS7 INTERNAL REVENUE SERVICE	08-14		018251	VO	GARNISHMENT	2/27/2014	0.00	500.00
023441	CK	2/27/2014	SEIU SEIU LOCAL 721	08-14		018252	VO	DUES	2/27/2014	0.00	298.50
023442	CK	2/27/2014	SPOUSE2 KELLY SEARCY	08-14		018253	VO	CRT ORDERED PMT	2/27/2014	0.00	1,874.00
023443	CK	2/27/2014	SPOUSE3 ANGELINA ORTIZ	08-14		018254	VO	CRT ORDERED PMT	2/27/2014	0.00	250.00
023444	CK	2/27/2014	SPOUSE4 CATHY C. PEET	08-14		018255	VO	CRT ORDERED PMT	2/27/2014	0.00	550.00
023445	CK	2/27/2014	SPOUSE5 SUZANNA CARR	08-14		018256	VO	CRT ORDERED PMT	2/27/2014	0.00	829.00
023446	CK	2/27/2014	SPOUSE6 BARBARA JO GREENE	08-14		018257	VO	CRT ORDERED PMT	2/27/2014	0.00	675.00
023447	CK	2/27/2014	VCDSA VENTURA COUNTY DEPUTY	08-14		018258	VO	INSURANCE	2/27/2014	0.00	254,329.60
023448	CK	2/27/2014	VCPFF VENTURA COUNTY PROFESS	08-14		018259	VO	INSURANCE	2/27/2014	0.00	69,465.57
023449	CK	2/27/2014	VCREA RETIRED EMPLOYEES' ASSO	08-14		018260	VO	DUES	2/27/2014	0.00	4,239.00
023450	CK	2/27/2014	VRSD VENTURA REGIONAL	08-14		018261	VO	INSURANCE	2/27/2014	0.00	6,147.34
023451	CK	2/27/2014	VSP VISION SERVICE PLAN - (CA)	08-14		018262	VO	INSURANCE	2/27/2014	0.00	8,362.07

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023452	CK	2/27/2014	990002 ARTHUR E. GOULET	08-14		018263	VO	MILEAGE REIMB	2/27/2014	0.00	38.08
023453	CK	2/27/2014	ACCESS ACCESS INFORMATION MANA	08-14		018264	VO	ADMIN EXP	2/27/2014	0.00	323.15
023454	CK	2/27/2014	BLACKROCK BLACKROCK INSTL TRUST CC	08-14		018265	VO	INVESTMENT FEES	2/27/2014	0.00	179,414.32
023455	CK	2/27/2014	CMP CMP & ASSOCIATES, INC	08-14		018266	VO	IT/PAS	2/27/2014	0.00	37,091.25
023456	CK	2/27/2014	COMPUWAVE COMPUWAVE	08-14		018267	VO	IT	2/27/2014	0.00	522.44
023457	CK	2/27/2014	FEDEX FED EX	08-14		018268	VO	ADMIN EXP	2/27/2014	0.00	135.81
023458	CK	2/27/2014	LINEA LINEA SOLUTIONS	08-14		018269	VO	IT/PAS	2/27/2014	0.00	62,394.45
023459	CK	2/27/2014	MF M.F. DAILY CORPORATION	08-14		018270	VO	ADMIN EXP	2/27/2014	0.00	15,008.26
023460	CK	2/27/2014	PEREA KENNETH A. PEREA	08-14		018271	VO	ADMIN EXP	2/27/2014	0.00	3,150.00
023461	CK	2/27/2014	PRUDENTIAL PRUDENTIAL REAL ESTATE	08-14		018272	VO	INVESTMENT FEES	2/27/2014	0.00	187,551.78
023462	CK	2/27/2014	VOLT VOLT	08-14		018273	VO	ADMIN EXP	2/27/2014	0.00	2,080.71

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023463	CK	2/27/2014	CVMP COUNTY OF VENTURA	08-14		018248	VO	INSURANCE	2/27/2014	0.00	510,972.70
023463	CK	2/27/2014	CVMP COUNTY OF VENTURA	08-14		018274	AD	CANCEL	2/27/2014	0.00	-510,972.70
023463	CK	2/27/2014	CVMP COUNTY OF VENTURA	08-14		018275	VO	INSURANCE	2/27/2014	0.00	510,973.18

**Check Total 510,973.18**

Check Count: 100

**Acct Sub Total: 2,845,404.59**

Check Type	Count	Amount Paid
Regular	99	3,356,377.29
Hand	0	0.00
Electronic Payment		0.00
Void	1	-510,972.70
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
<b>Total:</b>	<b>100</b>	<b>2,845,404.59</b>

<b>Company Disc Total</b>	<b>0.00</b>	<b>Company Total</b>	<b>2,845,404.59</b>
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EXPENDITURE DESCRIPTIONS	Adopted 2013/2014 Budget	Adjusted 2013/2014 Budget	Feb-14	Year to Date Expended	Available Balance	Percent Expended
<b>Salaries &amp; Benefits:</b>						
Salaries	\$ 1,725,600.00	\$ 1,725,600.00	\$ 111,295.38	\$ 1,009,386.18	\$ 716,213.82	58.49%
Extra-Help	25,000.00	25,000.00	20,742.84	46,765.62	(21,765.62)	187.06%
Overtime	1,500.00	1,500.00	15,184.47	15,392.13	(13,892.13)	1026.14%
Supplemental Payments	53,700.00	53,700.00	3,473.11	30,800.95	22,899.05	57.36%
Vacation Redemption	87,500.00	87,500.00	33,977.93	103,697.97	(16,197.97)	118.51%
Retirement Contributions	424,800.00	424,800.00	26,735.26	237,915.40	186,884.60	56.01%
OASDI Contributions	107,800.00	107,800.00	9,966.46	63,469.16	44,330.84	58.88%
FICA-Medicare	27,000.00	27,000.00	2,330.86	16,414.59	10,585.41	60.79%
Retiree Health Benefit	16,200.00	16,200.00	1,395.20	10,899.76	5,300.24	67.28%
Group Health Insurance	170,800.00	170,800.00	12,166.00	101,887.08	68,912.92	59.65%
Life Insurance/Mgmt	1,000.00	1,000.00	76.12	641.80	358.20	64.18%
Unemployment Insurance	2,200.00	2,200.00	151.65	1,219.66	980.34	55.44%
Management Disability Insurance	4,200.00	4,200.00	280.69	2,410.23	1,789.77	57.39%
Worker' Compensation Insurance	10,900.00	10,900.00	1,234.36	7,485.18	3,414.82	68.67%
401K Plan Contribution	33,800.00	33,800.00	1,766.70	15,947.08	17,852.92	47.18%
Transfers In	60,800.00	60,800.00	4,809.41	39,858.12	20,941.88	65.56%
Transfers Out	(60,800.00)	(60,800.00)	(4,809.41)	(39,858.12)	(20,941.88)	65.56%
<b>Total Salaries &amp; Benefits</b>	<b>\$ 2,692,000.00</b>	<b>\$ 2,692,000.00</b>	<b>\$ 240,777.03</b>	<b>\$ 1,664,332.79</b>	<b>\$ 1,027,667.21</b>	<b>61.83%</b>
<b>Services &amp; Supplies:</b>						
Telecommunication Services - ISF	\$ 46,600.00	\$ 46,600.00	\$ 3,570.84	\$ 26,992.78	\$ 19,607.22	57.92%
General Insurance - ISF	12,300.00	12,300.00	0.00	6,131.00	6,169.00	49.85%
Office Equipment Maintenance	1,000.00	1,000.00	0.00	313.64	686.36	31.36%
Membership and Dues	9,300.00	9,300.00	0.00	7,820.00	1,480.00	84.09%
Education Allowance	6,000.00	6,000.00	0.00	2,000.00	4,000.00	33.33%
Cost Allocation Charges	57,300.00	57,300.00	0.00	28,619.00	28,681.00	49.95%
Printing Services - Not ISF	6,000.00	6,000.00	0.00	458.05	5,541.95	7.63%
Books & Publications	2,000.00	2,000.00	0.00	957.18	1,042.82	47.86%
Office Supplies	20,000.00	20,000.00	0.00	9,026.15	10,973.85	45.13%
Postage & Express	55,000.00	55,000.00	7,071.66	30,487.62	24,512.38	55.43%
Printing Charges - ISF	12,500.00	12,500.00	2,844.40	2,952.60	9,547.40	23.62%
Copy Machine Services - ISF	7,100.00	7,100.00	0.00	1,621.02	5,478.98	22.83%
Board Member Fees	11,000.00	11,000.00	0.00	5,900.00	5,100.00	53.64%
Professional Services	957,400.00	957,400.00	20,645.93	551,833.94	405,566.06	57.64%
Storage Charges	4,000.00	4,000.00	323.15	3,306.77	693.23	82.67%
Equipment	15,000.00	15,000.00	0.00	468.69	14,531.31	3.12%
Office Lease Payments	186,400.00	186,400.00	15,008.26	117,519.38	68,880.62	63.05%
Private Vehicle Mileage	8,300.00	8,300.00	667.42	6,498.80	1,801.20	78.30%
Conference, Seminar and Travel	65,000.00	65,000.00	823.13	44,453.89	20,546.11	68.39%
Furniture	11,200.00	11,200.00	239.23	9,408.99	1,791.01	84.01%
Facilities Charges	65,200.00	65,200.00	382.48	43,743.46	21,456.54	67.09%
Transfers In	11,300.00	11,300.00	867.21	7,187.06	4,112.94	63.60%
Transfers Out	(11,300.00)	(11,300.00)	(867.21)	(7,187.06)	(4,112.94)	63.60%
<b>Total Services &amp; Supplies</b>	<b>\$ 1,558,600.00</b>	<b>\$ 1,558,600.00</b>	<b>\$ 51,576.50</b>	<b>\$ 900,512.96</b>	<b>\$ 658,087.04</b>	<b>57.78%</b>
<b>Total Sal, Ben, Serv &amp; Supp</b>	<b>\$ 4,250,600.00</b>	<b>\$ 4,250,600.00</b>	<b>\$ 292,353.53</b>	<b>\$ 2,564,845.75</b>	<b>\$ 1,685,754.25</b>	<b>60.34%</b>
<b>Technology:</b>						
Computer Hardware	\$ 22,200.00	\$ 15,200.00	\$ 209.23	6,639.82	\$ 8,560.18	43.68%
Computer Software	46,200.00	36,700.00	9.99	22,899.78	13,800.22	62.40%
Systems & Application Support	419,900.00	451,400.00	44,501.46	240,689.51	210,710.49	53.32%
Pension Administration System	2,494,400.00	2,692,100.00	101,087.37	1,800,746.79	891,353.21	66.89%
<b>Total Technology</b>	<b>\$ 2,982,700.00</b>	<b>\$ 3,195,400.00</b>	<b>\$ 145,808.05</b>	<b>\$ 2,070,975.90</b>	<b>\$ 1,124,424.10</b>	<b>64.81%</b>
Contingency	\$ 695,900.00	\$ 483,200.00	\$ -	\$ -	\$ 483,200.00	0.00%
<b>Total Current Year</b>	<b>\$ 7,929,200.00</b>	<b>\$ 7,929,200.00</b>	<b>\$ 438,161.58</b>	<b>\$ 4,635,821.65</b>	<b>\$ 3,293,378.35</b>	<b>58.47%</b>

# Ventura County Employees Retirement Association

MARCH 2014



# HarbourVest Representatives



## **JEFFREY KEAY**

### **Managing Director, HarbourVest Partners, LLC (Boston)**

Jeff Keay is a managing director who focuses on global secondary investments in both limited partnerships and portfolios of direct investments. He joined HarbourVest in 1999. Jeff is based in Boston and also worked at the Firm's London-based subsidiary. Jeff currently serves on the advisory boards for partnerships managed by ABS Ventures, Avista Capital Holdings, Conway Mackenzie, Edison Venture Fund, Emerald Partners, and Nautic Partners. Prior to joining the Firm, Jeff spent three years at Ernst & Young LLP, where he specialized in the venture capital and financial services industries. His previous experience also includes working at the Financial Accounting Standards Board in Norwalk, CT. Jeff received a BA (cum laude) in Economics and Accounting from the College of the Holy Cross in 1996.



## **GREGORY STENTO**

### **Managing Director, HarbourVest Partners, LLC (Boston)**

Greg Stento joined HarbourVest in 1998 and focuses on partnership investments. Greg also serves on the advisory boards of several private equity partnerships. Greg joined HarbourVest from Comdisco Ventures, where he was a managing director and provided equity and debt capital to startup and emerging growth technology and life sciences companies. Prior to Comdisco, he was a general partner at Horsley Bridge Partners, where he was responsible for making and managing investments in a variety of private equity partnerships and companies. Greg also spent six years in marketing and sales at NCR Corporation, where he focused on information technology solutions for financial institutions. He received a BS (with distinction) from Cornell University in 1982 and an MBA from Harvard Business School in 1989.



## **ARIS HATCH**

### **Principal, Client and Consultant Relations, HarbourVest Partners, LLC (Boston)**

Aris Hatch joined HarbourVest's client relations team in 2008 as a vice president. She focuses on coordinating, monitoring, and enhancing relationships with new and existing North America-based investors and consultants. Aris joined the Firm from Rock Maple Funds, a New York-based asset manager and fund of hedge funds, where she served as a vice president of the client service group responsible for global fund marketing and new business development. Prior to that, she spent four years with Advent International in Boston, where she was responsible for relationship management and fundraising in North America. Aris also served as a market strategy consultant at Ernst & Young LLP in Boston. She received a BA (cum laude) in English from Wellesley College in 1999 and speaks Spanish and Greek.

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Appendix

This document has been prepared for Ventura County Employees Retirement Association, March 2014. It has been prepared on the basis that you are an investment professional, is for the sole use of your organization, and should not be shared with any other parties.

These materials do not constitute an offer to sell or the solicitation of an offer to buy interests in any Fund (the "Fund") or any other investment sponsored by HarbourVest Partners L.P. or its affiliates. Any offering of interests in any Fund will be made solely pursuant to the Private Placement Memorandum of the Fund and subscriptions will be accepted solely pursuant to definitive documentation. Offers and sales of interests in the Fund will not be registered under the laws of any jurisdiction and will be made solely to "qualified purchasers" as defined in the U.S. Investment Company Act of 1940, as amended. These materials are highly confidential and must be read in conjunction with the Private Placement Memorandum of the Fund. These materials do not purport to contain all the information relevant to evaluating an investment in the Fund. See final pages for additional notes. **MASTER PAGE NO.26**



## HarbourVest Overview

# HarbourVest Overview

## Established Firm

- Team formed in 1982
- More than \$40 billion committed to investments over three decades
- Registered investment adviser with the U.S. Securities and Exchange Commission\*
- Independent, employee owned

## Experienced & Stable Team

- Deep team of more than 250 employees
- 28 managing directors with an average firm tenure of 17 years
- More than 80 investment professionals in Boston, Hong Kong, London, Tokyo, Bogotá, and Beijing

## Focus on Private Equity

- Global expertise across all three investment areas: primary partnerships, secondary investments, direct investments
- Comprehensive and specialized programs

## Proven Track Record

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

## Superior Client Service

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

## Strong Risk Controls

- SSAE16 (formerly SAS 70) reports on controls available to clients and their auditors

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

# HarbourVest – Global Private Markets Platform

One of the longest established firms in the industry

## North America

First investment 1978  
\$21.5 billion committed

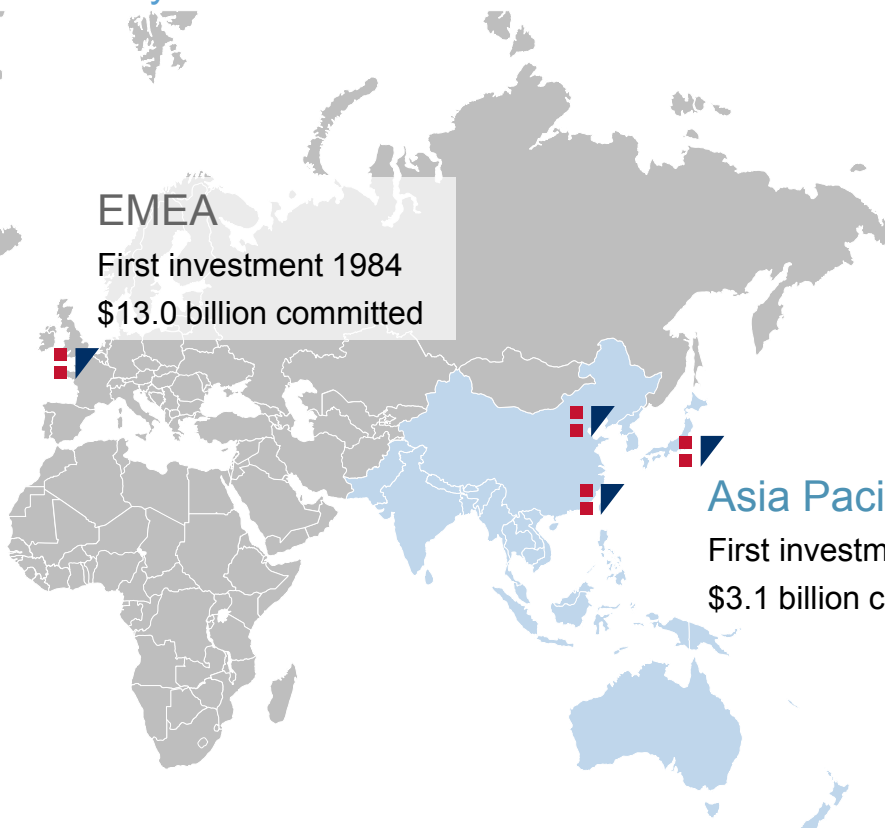


## Latin America

First investment 1994  
\$0.5 billion committed

## EMEA

First investment 1984  
\$13.0 billion committed



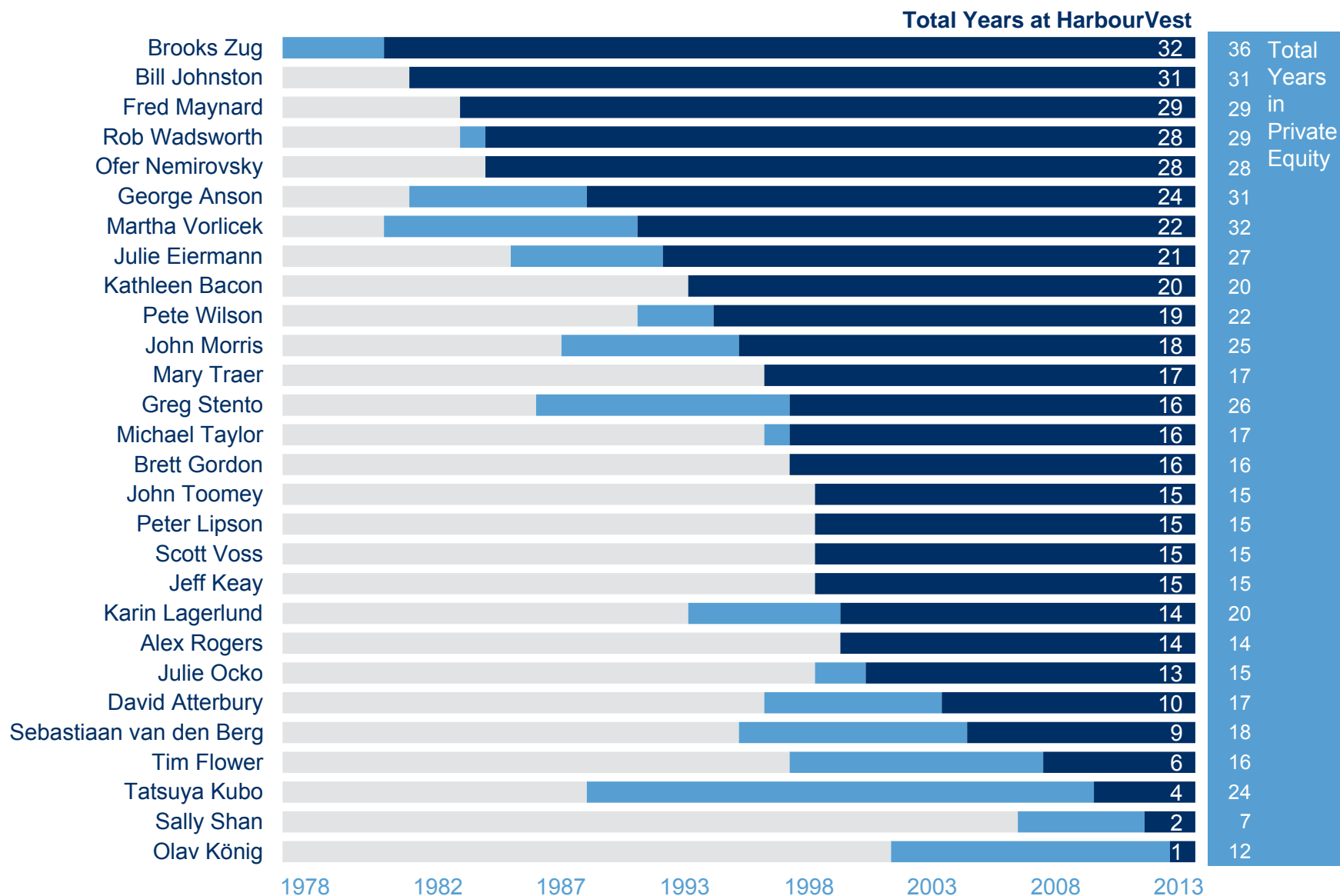
## Asia Pacific

First investment 1984  
\$3.1 billion committed

Expertise across capital structure (equity and debt) and investment types		
<b>PRIMARY</b>	<b>SECONDARY</b>	<b>DIRECT CO-INVEST</b>
\$25 billion committed	\$10 billion committed	\$4 billion committed

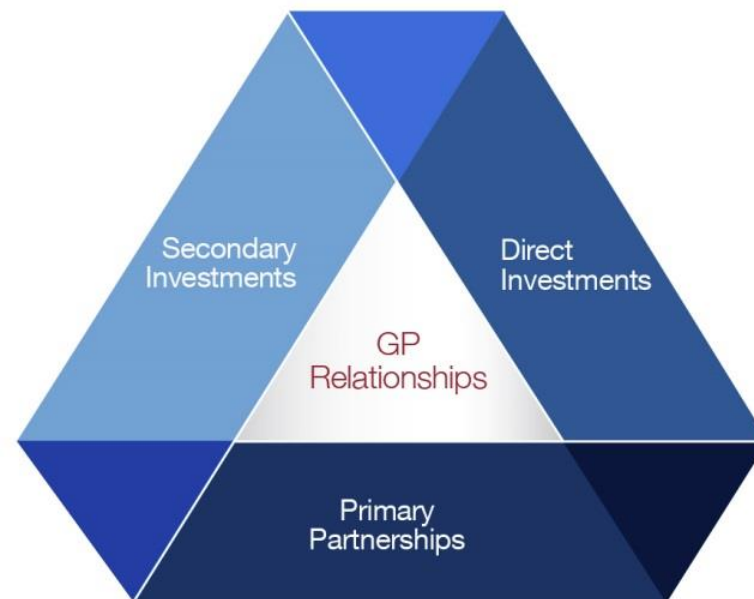
Based on primary, secondary, and direct commitments made by HarbourVest funds  
 Indicates HarbourVest team location

# Longevity with the Firm

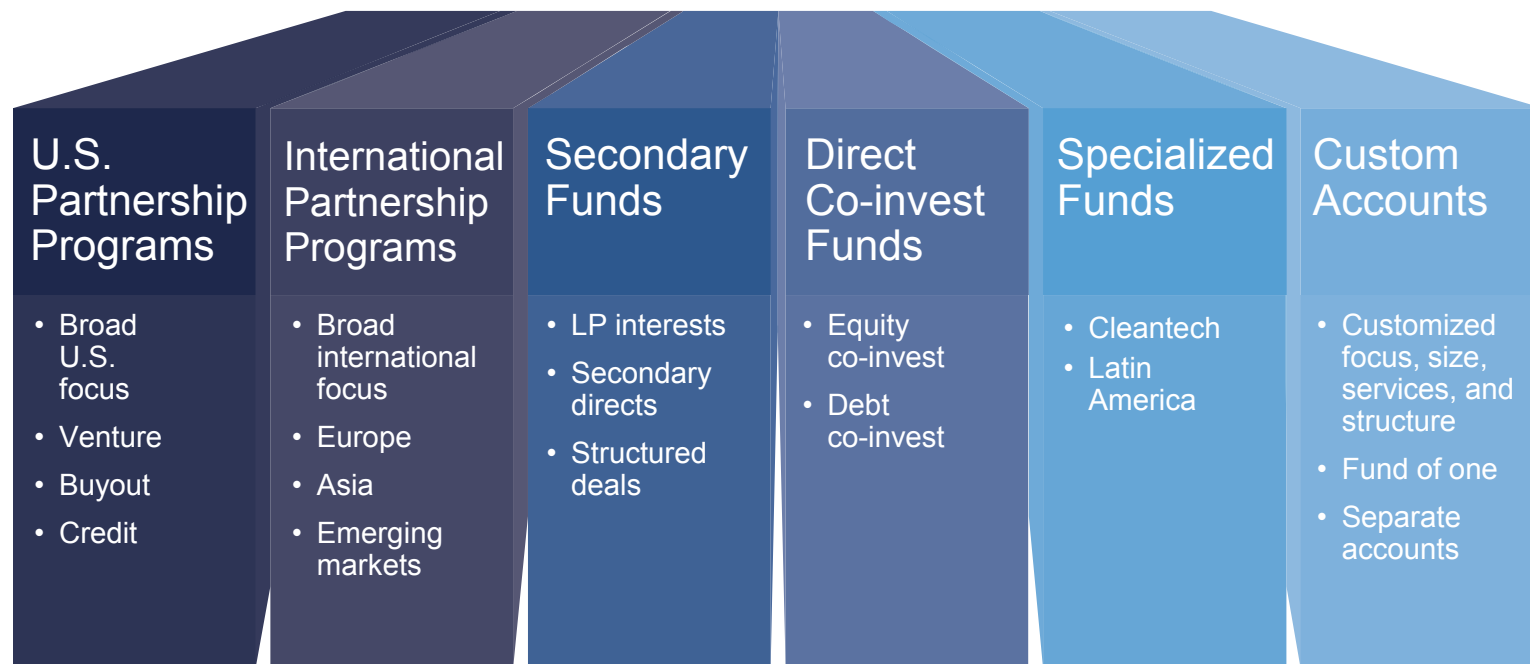


# The HarbourVest Platform – An Integrated Approach

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



# Private Equity Solutions for Varied Investor Needs





# Interactive Investor Dashboard



- Comprehensive view of all of your HarbourVest commitments
- Increased transparency through your effective interest in the portfolio of investments and underlying companies
- Top 10 manager and company holdings
- Ability to view all information as of any quarter end (for the past 2 years)
- Access to this information via the Investor Login website
- Consultants can access client information



# Reporting and Investor Communications Schedule

Communication	Frequency	Contents
<b>Capital call notices</b>	As needed	<ul style="list-style-type: none"> <li>Amount of call and wiring instructions</li> </ul>
<b>Distribution notices</b>	As needed	<ul style="list-style-type: none"> <li>Amount of distribution and largest sources of distribution</li> </ul>
<b>Capital account statements</b>	Quarterly (45-90 days after quarter end)	<ul style="list-style-type: none"> <li>Value of individual investor's capital account</li> <li>Detail on changes in account value from prior period (calls, distributions, gains / losses, expenses)</li> <li>IRRs</li> </ul>
<b>December 31 Estimated Statements</b>	Annually (January) or upon request	<ul style="list-style-type: none"> <li>Estimated December 31 capital account statements based on best information available and relative changes in S&amp;P weighted indices</li> </ul>
<b>Update letters</b>	Bi-annually January / February, July / August	<ul style="list-style-type: none"> <li>Update on the account's activity in prior period</li> <li>Calls, distributions, new investments, and major portfolio developments</li> </ul>
<b>Annual reports</b>	Annually March – May (within 150 days after year end)	<ul style="list-style-type: none"> <li>Portfolio summaries</li> <li>Detailed update on the account's activity in prior period</li> <li>Calls, distributions, new investments, liquidations</li> <li>Major sources of investment gains and losses</li> <li>Fair value of each investment, diversification, major holdings</li> <li>Audited financial statements</li> <li>Capital account values for each investor</li> <li>Market update</li> </ul>
<b>Quarterly reports</b>	As of March, June, and September	<ul style="list-style-type: none"> <li>Quarterly updates on account and portfolio activity throughout the year</li> <li>Within 90-120 days of quarter end</li> </ul>
<b>SSAE 16 report</b>	Annually	<ul style="list-style-type: none"> <li>Type II report to be issued annually</li> </ul>
<b>Annual tax information</b>	Annually May – August	<ul style="list-style-type: none"> <li>Schedules K-1, withholding tax statements and other information necessary to complete each limited partner's tax return</li> </ul>
<b>Annual meeting</b>	Annually Late May	<ul style="list-style-type: none"> <li>Presentations are made available to limited partners who cannot attend</li> <li>Location rotated between Boston and Europe</li> </ul>
<b>Advisory Board meetings</b>	Semi-annually (May and December)	<ul style="list-style-type: none"> <li>Agenda items include any topics / updates requested by members</li> </ul>



## Client Update

# Ventura County Employees' Retirement Association

## Assets Managed by HarbourVest as of September 30, 2013

Funds	NAV Date	Year	Committed Capital	Contributed Capital	Cumulative Distributions	NAV	Total Value	TV/C	Net LP IRR Since Incept
<b>Secondary Funds</b>									
Dover VIII	09/30/13	2011	\$ 67,500,000	7,087,500	1,879,457	9,467,859	11,347,316	1.6x	NM

Grand Totals are based on historic exchange rates on date of actual cash flow. All funds include related AIVs.  
 NAV and Total Value reflect values as of NAV Date, updated for capital calls and distributions through the As of Date. Investor IRRs are as of NAV Date.  
 Grand Total IRR: Since Inception includes each fund as of its NAV Date. 1 year, 3 year and 5 year IRRs are based on the earliest NAV Date.  
 NM: Since the majority of capital has yet to be called from partners, the IRR is not yet meaningful.

# Dover Street VIII

## January 2014

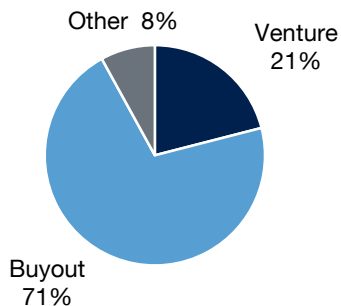
### Portfolio Update

- \$3.6 billion fund size following final closing in June 2013
- Currently 32% committed to 11 deals (6 closed at Sept 30)
- Early investments valued at 1.5x and performing on or ahead of plan
- \$127 million distributed to Partners

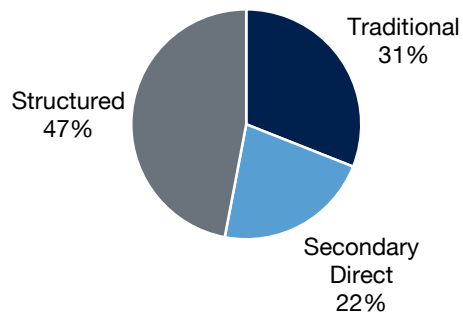
### \$ Millions

As of	Sep 30	Jan 31
Committed to Investments	20%	32%
Committed Capital	\$3,591.5	\$3,591.5
<b>Contributed Capital</b>	<b>\$371.4</b>	<b>\$742.9</b>
<b>% Called</b>	<b>10.5%</b>	<b>21.0%</b>
<b>Distributions</b>	<b>\$100.0</b>	<b>\$127.1</b>
Total Value	\$633.9	

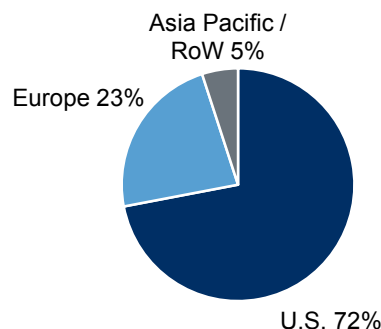
### Stage



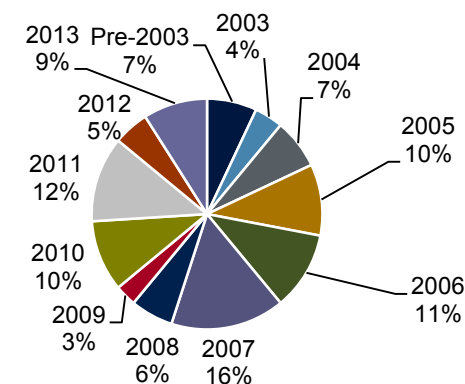
### Transaction Type



### Geography



### Investment Year



Pie charts are based on cumulative cost of company investments as of September 30, 2013  
See final pages for additional notes

# Dover Street VIII Current Portfolio

Deal	Vintage	Stage	Geography	Type	Commitment	D/F	TV/F
Project A	2012	Buyout	U.S.	Structured	\$400.0	0.2x	1.5x
Project B	2012	Buyout	Europe	Traditional	\$44.3	0.3x	2.2x
Project C	2012	Venture	U.S.	Structured	\$32.1	0.0x	2.1x
Project D	2013	Buyout	Europe	Structured	\$133.5	0.0x	1.2x
Project E	2013	Buyout	U.S.	Sec Direct	\$62.2	0.0x	1.0x
Project F	2013	Buyout	Europe	Traditional	\$15.1	0.0x	1.7x
<b>Total at Sept 30, 2013</b>					<b>\$687.2</b>	<b>0.2x</b>	<b>1.5x</b>
Project G*	2013	Buyout	Europe	Traditional	\$257.0		
Project H	2013	Buyout	RoW	Sec Direct	\$133.0		
Project I	2013	Venture	RoW	Sec Direct	\$75.1		
Project J	2013	Buyout	U.S.	Traditional	\$48.0		
Project K	2013	Buyout	U.S.	Traditional	\$11.8		
<b>As of February 1, 2014</b>					<b>\$1,212.1</b>		

TV/F (total value / funded multiple) as of September 30, 2013  
 \* Pending transactions

# Project A

<b>Deal Size</b>	\$746 million
<b>Closed</b>	December 2012
<b>Type</b>	Structured
<b>Seller</b>	Conversus Capital, L.P.

Transaction Dynamic	Transaction Structure	HarbourVest Advantage
<ul style="list-style-type: none"> <li>■ Conversus Capital L.P. (“CCAP”), Euronext-listed private equity vehicle, owned diversified portfolio of over 200 high quality funds well known to HarbourVest</li> <li>■ CCAP adopted permanent harvesting strategy in late 2011 and announced it would explore strategic alternatives to enhance unit holder value in early 2012</li> <li>■ HarbourVest agreed to purchase investment portfolio of CCAP at 15% discount to June 30, 2012 NAV</li> <li>■ Board of CCAP accepted HarbourVest offer as solution that addressed needs of diverse unit holder base</li> </ul>	<ul style="list-style-type: none"> <li>■ Up to 49.9% of existing CCAP unit holders can remain invested in portfolio through an interest in HarbourVest acquisition vehicle</li> <li>■ Guernsey acquisition vehicle structured to acquire assets in tax efficient way and to accommodate rolling CCAP unit holders</li> <li>■ HarbourVest will acquire eight holding partnerships, which hold CCAP investment portfolio, and thus gain an indirect interest in over 200 underlying funds</li> <li>■ HarbourVest will manage run-off of portfolio on behalf of our funds and rolling CCAP unit holders</li> </ul>	<ul style="list-style-type: none"> <li>■ Demonstrated experience in listed private equity sector following 2011 acquisition of Absolute Private Equity (previously listed on Swiss SIX exchange)</li> <li>■ Existing general partner relationships facilitated our ability to diligence large, diversified portfolio in short time frame</li> <li>■ Board supported HarbourVest’s offer and recognized our extensive experience and knowledge of private equity</li> </ul>

# Project G

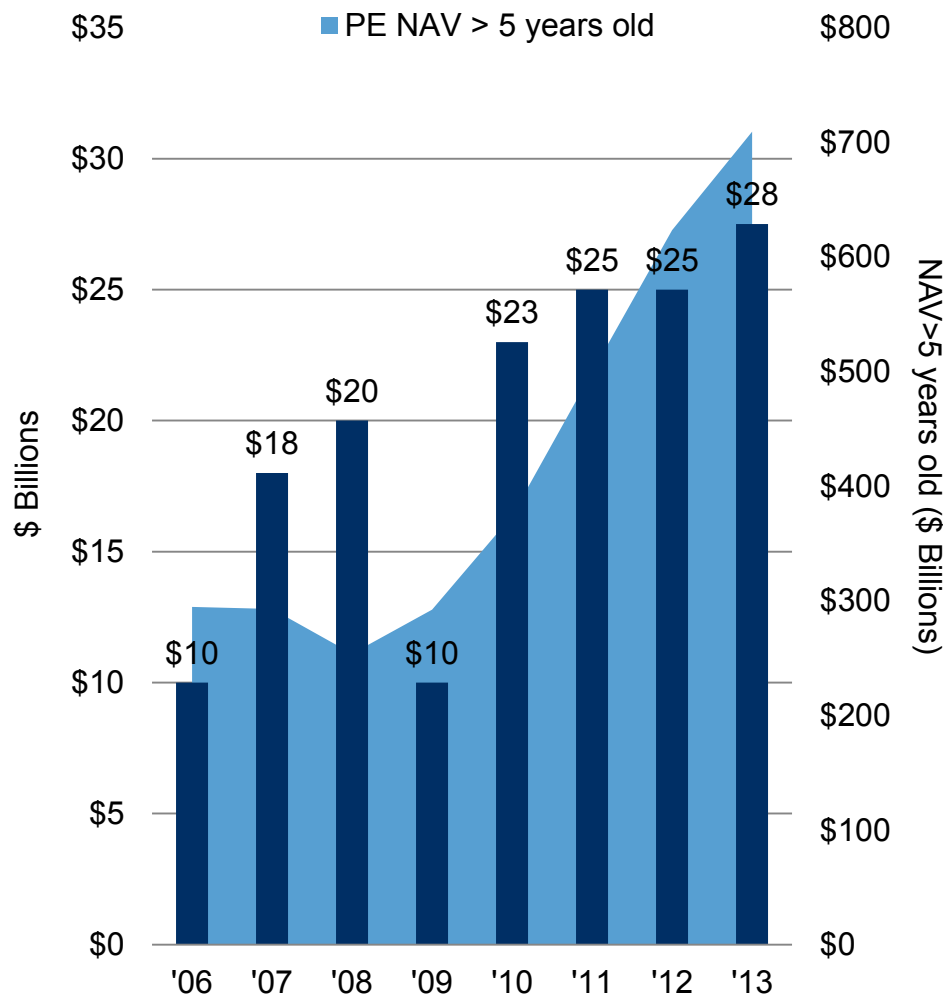
<b>Deal Size</b>	\$370 million
<b>Closed</b>	December 2013 initial close
<b>Type</b>	Traditional
<b>Seller</b>	Multiple sellers

Transaction Dynamic	Transaction Structure	HarbourVest Advantage
<ul style="list-style-type: none"> <li>■ Manager of a European buyout fund engaged adviser to identify potential liquidity options to existing limited partners</li> <li>■ HarbourVest was familiar with the portfolio, which included mature, lowly levered, market-leading companies that showed resiliency through last economic downturn</li> <li>■ HarbourVest presented comprehensive solution to limited partners and was selected as preferred party</li> </ul>	<ul style="list-style-type: none"> <li>■ Purchased interests at small discount to net asset value</li> <li>■ Transacted with more than 45 limited partners, representing more than 50% of the Fund's investors</li> <li>■ Created extension vehicle with limited amount of new capital, partly funded through recycling, to incentivize manager</li> </ul>	<ul style="list-style-type: none"> <li>■ Demonstrated experience in leading transactions of this type and complexity</li> <li>■ Creative and flexible approach to tender offer resulted in solution perceived as fair and equitable to both selling and non-selling investors</li> <li>■ Leveraged HarbourVest platform to gain access to third party general partners for purpose of diligence on manager and assets</li> </ul>



# Size of Private Equity Secondary Market

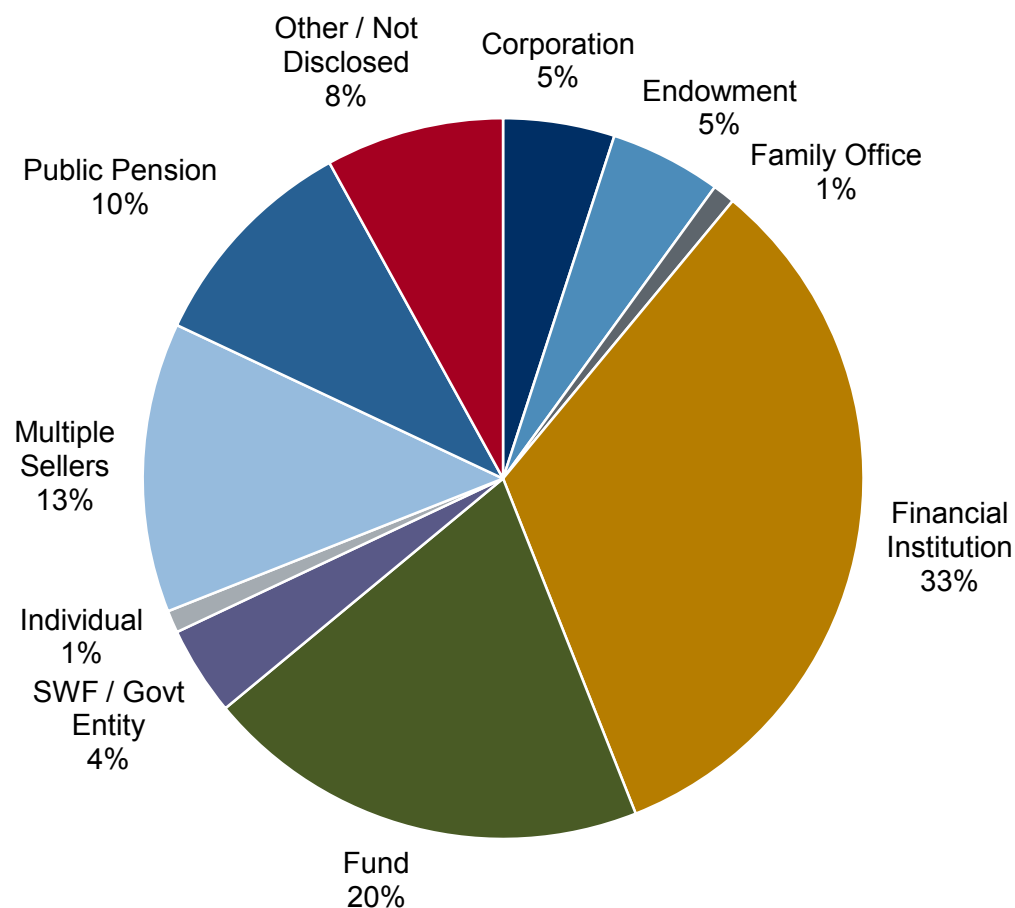
## Deal Volume



- Underpinned by deep base of mature private equity assets, of which 2-4% typically trade per annum
  - Significant room for increased secondary activity
  - Additional \$1.0 trillion in capital commitments raised in last 5 years
- More than 500 sellers approached the market in 2012
- Most SWFs have not yet sold meaningful amount of assets but likely will at some point

# Sellers of Private Equity

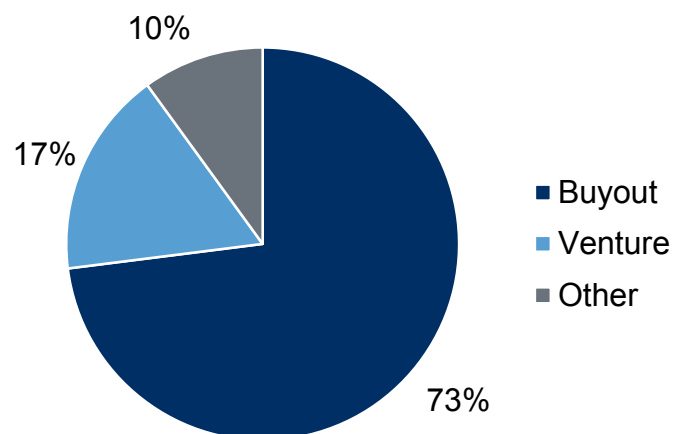
## Breakdown of Sellers in 2013 by Transaction Volume\*



- Broad range of sellers actively utilize secondary market
- Financial Institutions remain the largest source of deal flow
- Increase in volume of fund restructurings and end-of-term solutions

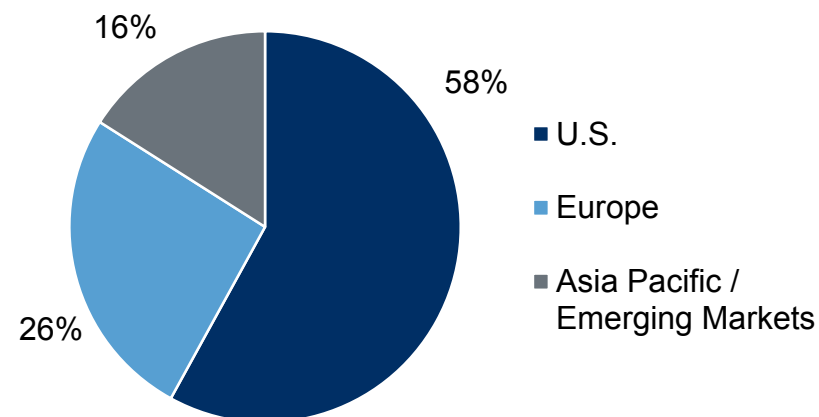
# Profile of Assets for Sale

## Stage\*



- Heavy buyout volume influenced by profile of sellers and primary market weighting
- Buyout funds weighted toward 2005 - 2007 vintages
- Venture funds for sale often past original term

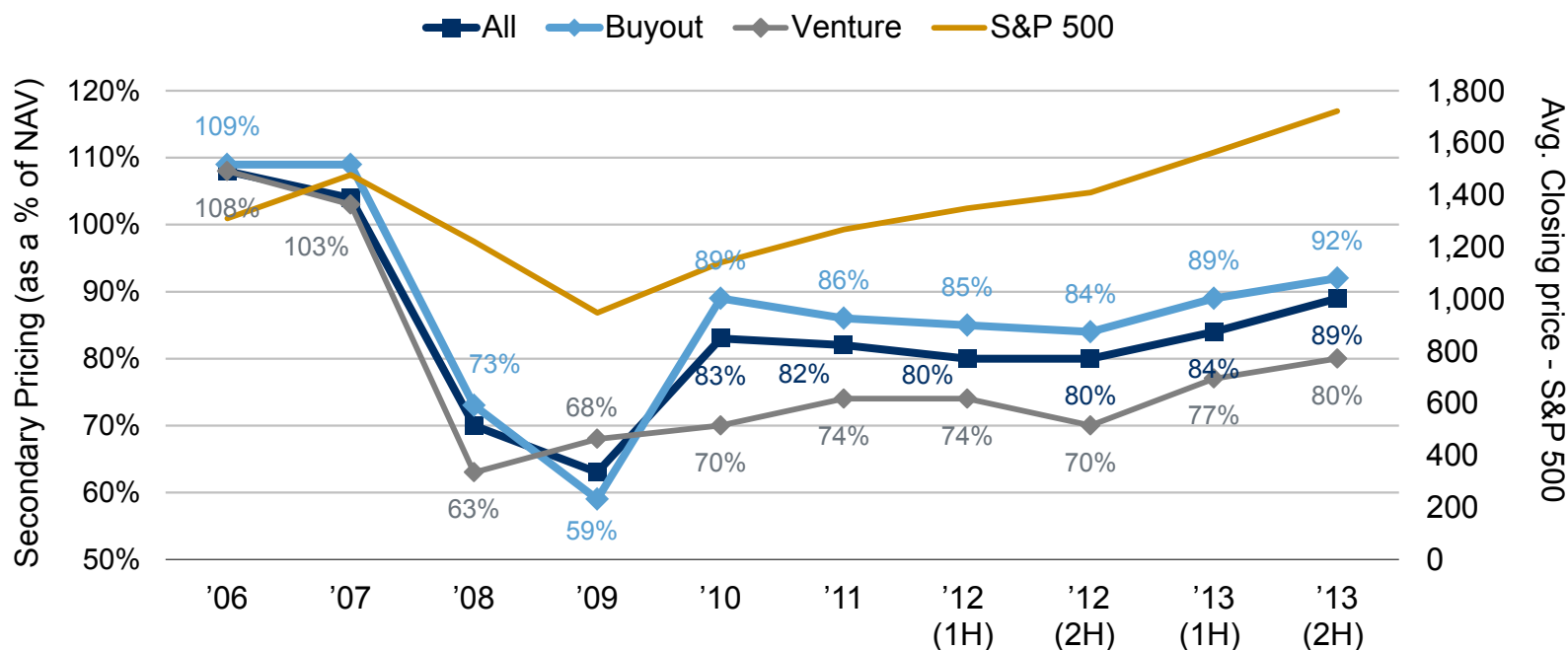
## Geography\*



- U.S. accounts for majority of assets for sale, as expected
- Asia Pacific and Emerging Markets seeing increased deal flow
  - Reflects growing base of mature assets in Asia Pacific and emerging markets
  - May also be impacted by lack of buyer enthusiasm for European assets

# Secondary Market Pricing

- Pricing has been generally stable post credit crisis
- Well established delta between buyout and venture fund pricing
- Despite perceived market efficiency, spreads between high and low bids average approximately 20% of NAV
- Buyers paying up for quality: 60% of all buyout bids greater than 89% of NAV (including some bids at premiums)



\* Source: Cogent Partners

# Dover Street Current Pipeline

Current pipeline has over \$16 billion in opportunities consisting of more than 30 sellers and over 170 interests

Size (M)	Description	Status	HarbourVest Angle
\$250	Portfolio of LP Interests	Under LOI	Deep experience in structured transactions and HarbourVest overlap
\$125	Portfolio of LP Interests	Under LOI	100% overlap with HarbourVest portfolio, experience in complex transactions
\$1,000	Secondary Direct Portfolio	Active Due Diligence	Deep experience in spin-outs and desire work with HarbourVest as primary investors
\$300	Portfolio of LP Interests	Active Due Diligence	Overlap with HarbourVest portfolio
\$250	Portfolio of LP Interests	Active Due Diligence	100% overlap with HarbourVest portfolio
\$100	Secondary Direct Portfolio	Active Due Diligence	Preferred access to GP and experience in complex transactions
\$100	Secondary Direct Portfolio	Active Due Diligence	Deep experience in spin-out transactions
\$1,500	Portfolio of LP Interests	Early Stages	Preferred counterparty given primary program
\$650	Portfolio of LP Interests	Early Stages	Overlap with HarbourVest portfolio
\$400	Portfolio of LP Interests	Early Stages	Preemptive approach secured preferred bidding position
\$300	Secondary Direct Portfolio	Early Stages	Deep experience in spin-out transactions
\$150	Secondary Direct Portfolio	Early Stages	Deep experience in complex transactions
\$125	Secondary Direct Portfolio	Early Stages	Opportunity to acquire 4 asset portfolio together with team that is well known to HarbourVest
\$100	Portfolio of LP Interests	Early Stages	Overlap with HarbourVest portfolio

# Dover Street VIII L.P. – Investment Guidelines

- Primary objective is to provide compelling investment returns through a selected portfolio of private equity investments
- Intends to invest in secondary transactions in venture capital, leveraged buyout, and other private equity assets
  - May invest up to 10% of its capital in strategic primaries
  - May invest up to 5% of its capital in secondary purchases of real estate and infrastructure assets, and debt
- Considers many different types of transactions: traditional limited partner interests, portfolios of direct investments (secondary directs), and structured transactions
- As a result of its investment strategy, the Fund expects to be diversified by geography, stage, industry, vintage year, and type, as appropriate
- Dover VIII makes investments in accordance with its Limited Partnership Agreement
  - HarbourVest has procedures in place to ensure adherence to the Limited Partnership Agreement
    - Designates a senior investment professional as a fund manager for each fund
    - Incorporates a senior investment professional peer review process for each investment
    - Reviews compliance with certain key terms and conditions semi-annually



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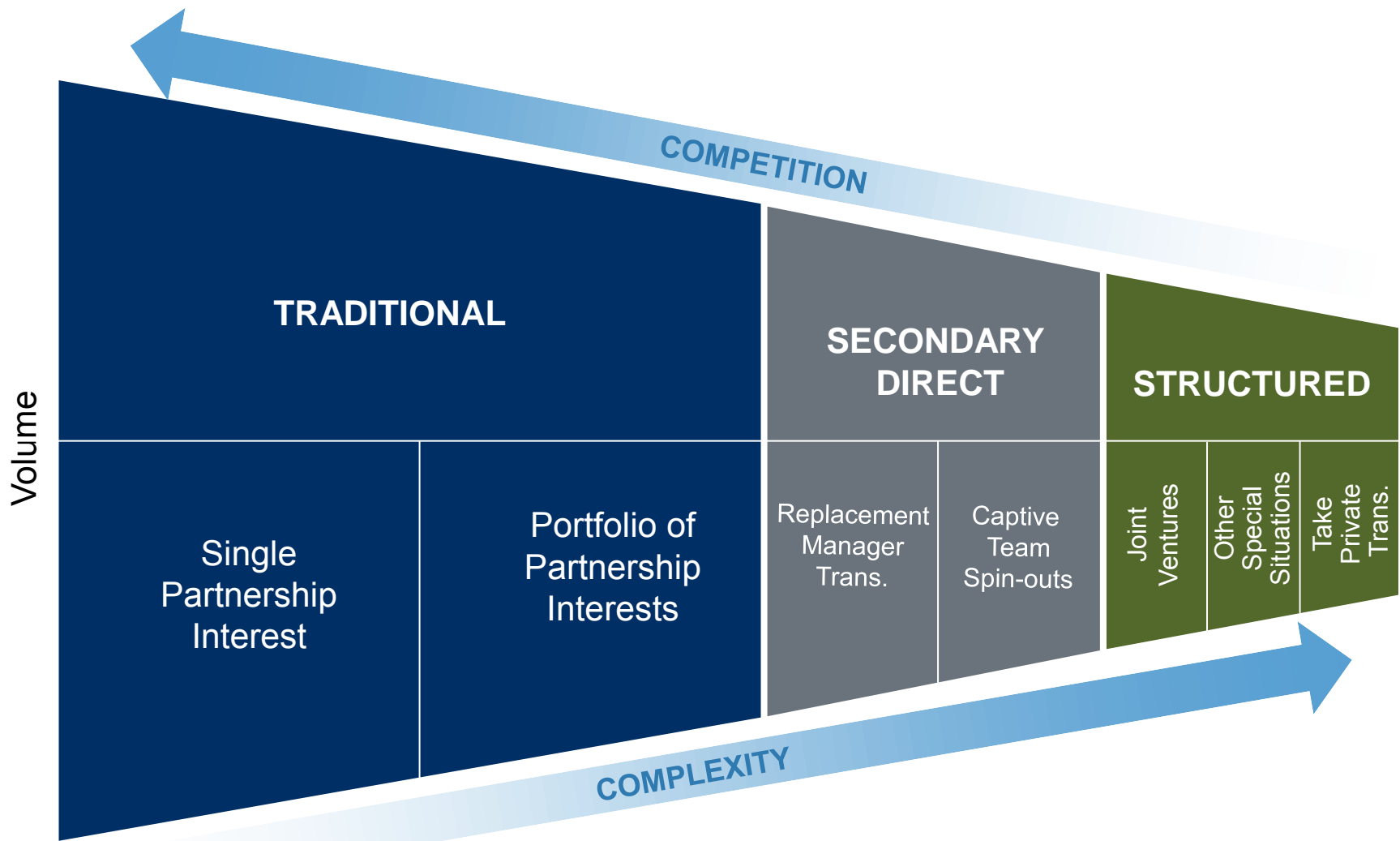
## Appendix



## Secondary Market Overview



# Secondary Market Landscape

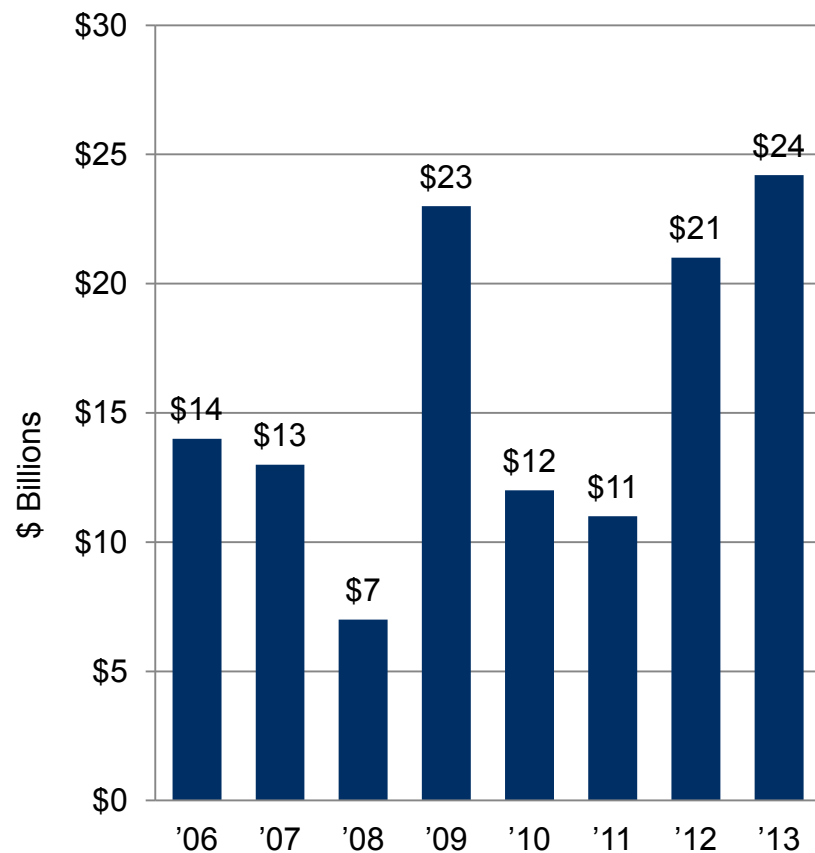


Deal Flow Volume* (\$b)	\$44.7	\$24.3	\$6.0
Number of Sellers	407	88	23

\* HarbourVest deal flow statistics from 2013

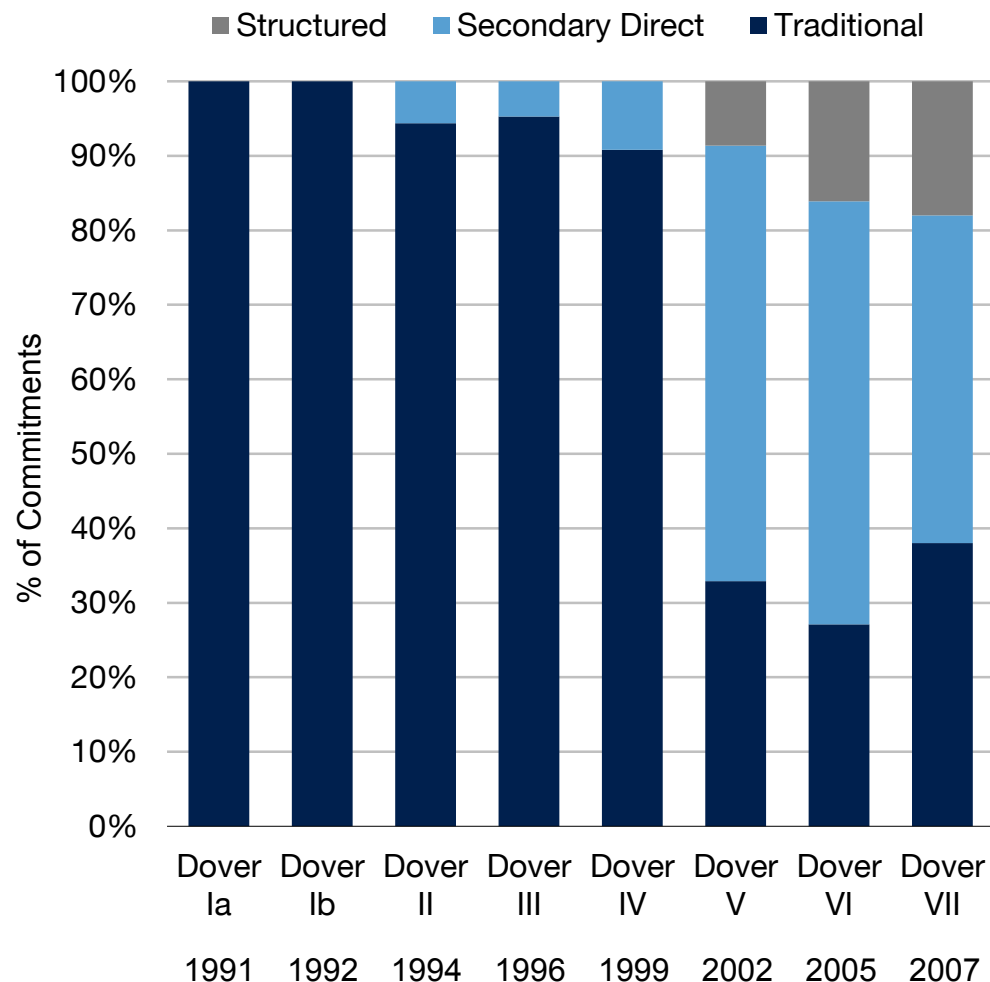
# Secondary Fundraising

## Secondary Fundraising Activity



- Overall strong fundraising environment for secondary funds
  - Demand from limited partners
  - Macro environment contributing to performance
- Some managers oversubscribed while others struggling to raise capital
  - Implies greater selectivity by limited partners
- \$91 billion in funds raised over the last 5 years compared to \$111 billion in deals executed

# Dover Street Portfolio Construction



- Strategy for portfolio construction driven by evolution of the secondary market
- Mix of transaction types designed to provide optimal returns with less risk
- Deep experience across each transaction type\*
  - \$5.0 billion committed to traditional
  - \$3.2 billion committed to secondary directs
  - \$1.8 billion committed to structured transactions

# Strong Global Team

## PRIMARY PARTNERSHIPS

George Anson, Managing Director
Kathleen Bacon, Managing Director
Tatsuya Kubo, Managing Director
John Morris, Managing Director
Julie Ocko, Managing Director
Sally Shan, Managing Director
Greg Stento, Managing Director
Michael Taylor, Managing Director
Sebastiaan van den Berg, Managing Dir.
Scott Voss, Managing Director
Till Burges, Principal
Carolina Espinal, Principal
Ryan Gunther, Principal
Haide Lui, Principal
Mark Nydam, Principal
Amanda Outerbridge, Principal
Chris Walker, Principal
Francisco Arboleda, Vice President
Alex Barker, Vice President
Minjun Chung, Vice President
Shumin Gong, Vice President
Mac Grayson, Vice President
Jaganath Swamy, Vice President
Alex Wolf, Vice President
Lauren Moffatt, Senior Associate
Eric Simas, Senior Associate
Stephen Tamburelli, Senior Associate
Julie Bernodat, Associate
John Pollock, Associate
Saket Puri, Associate
Alice Song, Associate
Dawan Koo, Analyst
Chang Liu, Analyst

## SECONDARY INVESTMENTS

David Atterbury, Managing Director
Tim Flower, Managing Director
Brett Gordon, Managing Director
Jeff Keay, Managing Director
Fred Maynard, Managing Director
John Toomey, Managing Director
Peter Wilson, Managing Director
Valérie Handal, Principal
Mike Pugatch, Principal
Rajesh Senapati, Principal
Greg Ciesielski, Vice President
John Fiato, Vice President
Edward Holdsworth, Vice President
Barbara Quandt, Vice President
Matt Souza, Vice President
Dustin Willard, Vice President
Anthony Ciepiel, Senior Associate
Dominic Goh, Senior Associate
Thomas Joly, Senior Associate
Alastair Seaman, Senior Associate
Elliott Campbell, Associate
Victor Ko, Associate
Justin Lane, Associate
Maria Lohner, Associate

## CLIENT RELATIONS

Olav König, Managing Director
Nate Bishop, Principal
Aris Hatch, Principal
Simon Lund, Principal
Laura Thaxter, Principal

## DIRECT INVESTMENTS

Bill Johnston, Managing Director
Peter Lipson, Managing Director
Ofer Nemirovsky, Managing Director
Alex Rogers, Managing Director
Rob Wadsworth, Managing Director
Corentin du Roy, Principal
Karim Flitti, Principal
Ian Lane, Principal
Alun Lewis, Principal
Claudio Siniscalco, Principal
Kelvin Yap, Principal
Arnold Berner, Vice President
Ryan Jones, Vice President
Craig MacDonald, Vice President
David Zug, Vice President
Matthew Cheng, Senior Associate
Todd DeAngelo, Portfolio Associate
Julien Lajoie-Deschamps, Associate
Lenny Li, Associate
Miras Mami, Associate
Daniel Soli, Associate
Angela Wang, Associate
Donald Zhang, Associate

## HVPE and HSLE

Stuart Howard, Principal
Billy Macaulay, Sr. Portfolio Associate
Hannah Tobin, Principal
Maggie Chan, Vice President
Wladimir Ortega, Vice President
Nhora Otálora, Vice President
Deirdre Whann, Vice President

## SENIOR MANAGEMENT

Brooks Zug, Senior Managing Director
--------------------------------------

## FINANCE AND ADMINISTRATION

Julie Eiermann, Managing Director, Analytics
Karin Lagerlund, Managing Director CFO
Mary Traer, Managing Director CAO
Martha Vorlicek, Managing Director COO
Greg Pusch, SVP, CCO
Jack Wagner, SVP, Treasurer
Monique Austin, VP, U.S. Counsel
Ellen Christy, VP, Director of IT
Tony Cobuzzi, VP, Fund Controller
Cory Cook, VP, Fund Controller
Nick du Cros, VP, U.K. Legal/CO
Kelli Finnegan, VP, Fund Controller
Danielle Green, VP, Compliance Officer
John Nelson, VP, Fund Controller
Sandra Pasquale, VP, Asst. Treasurer
Bruce Pixler, VP, Director of Tax
Igor Rudolf, Vice President, Dir. Inv. Cont.
ACCOUNTING, 39 Professionals
TREASURY, 11 Professionals
IT, 17 Professionals
HR, 6 Professionals
ANALYTICS, 25 Professionals
TAXATION, 15 Professionals
TRADING, 1 Professional
31 Professionals

## SENIOR ADVISORS

John Begg
Philip Bilden
Kevin Delbridge
Ed Kane

# Contact Information

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**(Beijing) Company Limited**

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# Additional Information

On January 29, 1997, the management team of Hancock Venture Partners, Inc. (HVP Inc.) formed a new management company known as HarbourVest Partners, LLC (HarbourVest). Concurrently with the formation of HarbourVest, all of the employees of HVP Inc. became owners and/or employees of HarbourVest. In addition, concurrently with the formation of HarbourVest, HVP Inc. engaged HarbourVest as sub-manager to carry out the terms of its management agreements with the partnerships formed when the management team was employed by HVP Inc. Other than the sub-management agreement, no relationship exists between HarbourVest and HVP Inc. For purposes of this presentation, historical data includes both partnerships managed directly by HarbourVest and its affiliates and partnerships currently managed by HarbourVest as sub-manager to HVP Inc. In addition, historical data includes periods when the partnerships were managed by the management team of HarbourVest when they were employees of HVP Inc.

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

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

1. Net L.P. Internal Rate of Return through the applicable date is the annualized return to limited partners after all fees, operating expenses and carried interest calculated using monthly cash flows to and from limited partners. In this calculation, the final cash flow to limited partners is the fair market value of the limited partners' capital accounts at the applicable date as determined by the General Partner in accordance with the valuation policies in the applicable Partnership Agreement.
2. Gross Portfolio IRR represents the annual return calculated using monthly cash flows from the funds managed by HarbourVest to and from the various partnerships in which the HarbourVest funds invested during the period specified, after the fees, expenses, and carried interest of the underlying partnership investments, but before the fees, expenses, and carried interest charged the HarbourVest Funds. HarbourVest vintage classification is based on year in which capital was first funded to each underlying fund (for primary fund investments) or the year of HarbourVest's purchase (for secondary investments).  
For the purposes of comparing HarbourVest's gross return on European partnership investments to private equity benchmarks on a like basis, IRRs for European investments were calculated by converting U.S. \$ denominated cash flows to euro at historic daily exchange rates. The euro-based IRR is a hypothetical return since certain of the partnership investments were denominated in currencies other than the euro. The IRR calculated based on U.S. \$ cash flows is 15.7%. Non-U.S. / non-European partnership investments are not included because no relevant private equity benchmarks exist. If all non-U.S. partnership investments were included, the HarbourVest Portfolio return would be 13.8% in U.S. dollars. These returns do not represent the returns to limited partners or the aggregate returns of any specific fund.
3. A direct comparison of private equity returns with public index total returns may not be meaningful because the returns presented for venture capital and buyout funds are IRRs (dollar-weighted), while the public index returns are geometric mean returns (time-weighted). Specifically, dollar-weighted returns are affected by the time value of money by application of a discount rate (the IRR), while time-weighted returns are simply the geometric mean of various holding period returns.
4. Europe Composite Criteria: Includes all European partnership investments (primary and secondary) made by HarbourVest and/or by HVP Inc. through HIPEP I, II, III, IV, and V, their companion funds, Global Select, and Dover II, III, IV, V, and VI for the period specified. Investments made after 2007 are not included because they are still actively investing and performance is generally not meaningful during a partnership's early development. If the performance of investments made after 2006 was included, the HarbourVest Portfolio gross IRR would be the same.  
U.S. Composite Criteria: Includes all U.S. partnership investments (primary and secondary) made by HarbourVest and/or by HVP Inc. through Fund III, IV, V, VI, VII, and VIII, their companion funds, and Dover Ia, II, III, IV, V, and VI for the period specified. Investments made after 2007 are not included because they are still actively investing and performance is generally not meaningful during a partnership's early development. If the performance of investments made after 2007 was included, the HarbourVest Portfolio gross IRR would be higher.
5. Vintage years 1993-2007: The ThomsonReuters Database is comprised of 1,381 U.S. private equity partnerships. The HarbourVest portfolio is comprised of 441 U.S. partnerships.
6. Vintage years 1993-2007: The ThomsonReuters Database is comprised of 978 European partnerships. The HarbourVest portfolio is comprised of 238 European partnerships.

Continued on next page.

## Additional Information

7. Net Portfolio IRR represents the annualized return calculated using monthly cash flows from the fund managed by HarbourVest to and from the various partnerships or companies in which the HarbourVest fund invested after all fees, expenses, and carried interest of the HarbourVest fund and any partnerships investments. The fees and expenses of the HarbourVest fund reflect a pro-rata share of the fund's actual fees and expenses, based on the amount that was committed to partnership or direct investments. The direct Net Portfolio IRR reflects deduction of the actual carried interest of the direct investments. The Net Portfolio IRR does not reflect the actual cash flow experience of limited partners; it does not represent the actual net performance of any specific fund or the return to limited partners of such fund. It should be noted that these funds called capital in set increments and/or on set schedules, which was industry standard at the time, and therefore held more cash than is customary today, creating a drag on the Net L.P. IRR.
8. Public market comparison represents performance if the respective index had been purchased and sold at the time of the limited partners' capital calls and distributions, with the remainder held at the date noted. Dividends are not reinvested.
9. The Net L.P. IRRs of HarbourVest's prior secondary funds as of March 31, 2013 (or their date of liquidation) are: Dover Ia 31.5%, Dover Ib 19.0%, Dover II 24.0%, Dover III 31.6%, Dover IV 8.4%, Dover V 19.2%, Dover VI 4.9%, and Dover VII 13.7% (this fund was formed in 2007 and the performance may not yet be meaningful). The Net L.P. IRRs of HarbourVest's prior direct funds as of March 31, 2013 are as follows: 2004 Direct Fund 10.4%, 2007 Direct Fund 6.5%, Fund IV Direct 5.6%, Fund V Direct -3.5%, Fund VI Direct -0.4%, HIPEP II Direct 19.8%, HIPEP III Direct -4.9%, HIPEP IV Direct 13.3%, HIPEP V Direct 1.5%.

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

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

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

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

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

# Ventura County Employees' Retirement Association



March 17, 2014 | Presented by Scott Hazen, CFA and Kathy Wanner



# Confidentiality Statement and Other Important Considerations

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

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

Past performance is not a guarantee of future results. Any reference to “Outperformance” in the Presentation refers to comparisons of performance of the Investments with benchmark private equity fund performance data provided by the Thomson Reuters Private Equity Fund Performance survey. Projections or forward looking statements contained in the Presentation are only estimates of future results or events that are based upon assumptions made at the time such projections or statements were developed or made. There can be no assurance that the results set forth in the projections or the events predicted will be attained, and actual results may be significantly different from the projections. Also, general economic factors, which are not predictable, can have a material impact on the reliability of projections or forward looking statements.

## Adams Street Partners

Adams Street Partners is an employee-owned private equity firm structured to generate exceptional investment returns on a consistent basis. Adams Street operates as one cohesive global team, integrating expertise in three disciplines: primary, secondary and direct investments. As a firm with a long history and a multidisciplinary global platform, we understand the entire private equity landscape and can access the most attractive opportunities. On the following pages, we offer a snapshot of our capabilities — not only as private equity managers but also as professionals dedicated to excellence in serving our investors.

# Topics for Discussion

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Adams Street Update

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VCERA Portfolio Review

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Appendix

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# Adams Street Update

## Established Firm

- Over 40 years experience of dedicated private equity investing
- Over \$25 billion committed to private equity investments, **\$9.3 billion for Public Fund clients**
- 100% employee-owned firm
- Signatory for United Nations Principles for Responsible Investing (UNPRI)

## Experienced Team

- Deep team of 120+ employees
- 52 investment professionals in Chicago, London, Menlo Park, Singapore, Beijing and Tokyo
- Global expertise and integration across primary, secondary and direct investing
- Holds over 125 advisory board seats
- Invested in over 625 primary funds, 145 secondary investments and 270 direct investments

## Industry Leader

- 1972- began private equity investing
- 1979- established industry's first private equity fund of funds
- 1986- created dedicated secondary fund
- **1988- began investing on behalf of Public Fund clients**
- 1999- began dedicated research in Asia

## Proven Track Record

- Longest track record in the industry
- Demonstrated portfolio construction process

## Exemplary Client Service

- Dedicated to providing clients with interactive analytical tools and industry data through our ASPIRE risk analytics and performance reporting tool
- Diversified global client base- approximately 300 active, institutional clients
- **57 Public Fund clients**
- Global team dedicated to client service

# The Investment Team

**Bon French – 31 Yrs**  
Chief Executive Officer  
Chicago



**Hanneke Smits – 22 Yrs**  
Chief Investment Officer  
London



**Terry Gould – 25 Yrs**  
Head of Direct Investments  
Chicago



## Fund Investments

### Secondary

<p><b>Jeff Akers</b> 10 Yrs Chicago</p>	<p><b>Troy Barnett</b> 12 Yrs Chicago</p>
<p><b>Charlie Denison</b> 5 Yrs Chicago</p>	<p><b>Joe Goldrick</b> 7 Yrs Chicago</p>
<p><b>**Jason Gull</b> 17 Yrs Chicago</p>	<p><b>Greg Holden</b> 11 Yrs London</p>
<p><b>Eva Huang</b> 5 Yrs Singapore</p>	<p><b>Pinal Nicum</b> 13 Yrs London</p>

### Primary

<p><b>David Arcauz</b> 14 Yrs London</p>	<p><b>Jeff Burgis</b> 12 Yrs Chicago</p>	<p><b>Adam Chenoweth</b> 6 Yrs Chicago</p>
<p><b>Arnaud de Cremiers</b> 12 Yrs London</p>	<p><b>Tom Gladden</b> 13 Yrs Chicago</p>	<p><b>Doris (Yiyang) Guo</b> 6 Yrs Beijing</p>
<p><b>Jim Korczak</b> 14 Yrs Chicago</p>	<p><b>*Kelly Meldrum</b> 23 Yrs Menlo Park</p>	<p><b>Sunil Mishra</b> 6 Yrs Singapore</p>
<p><b>Ross Morrison</b> 9 Yrs London</p>	<p><b>*Sergey Sheshuryak</b> 15 Yrs London</p>	<p><b>Yar-Ping Soo</b> 17 Yrs Singapore</p>
<p><b>*Piau-Voon Wang</b> 18 Yrs Singapore</p>	<p><b>*Kathy Wanner</b> 17 Yrs Chicago</p>	<p><b>Morgan Webber</b> 6 Yrs Chicago</p>

## Direct Investments

### Co-Investments

<p><b>****Dave Brett</b> 26 Yrs Chicago</p>
<p><b>Sachin Tulyani</b> 14 Yrs London</p>
<p><b>Craig Waslin</b> 16 Yrs Chicago</p>

### Venture Capital | Growth Equity

<p><b>Tom Bremner</b> 5 Yrs Chicago</p>	<p><b>Jeff Diehl</b> 13 Yrs Chicago</p>
<p><b>Mike Lynn</b> 10 Yrs Menlo Park</p>	<p><b>Robin Murray</b> 16 Yrs Menlo Park</p>
<p><b>Dave Welsh</b> 14 Yrs Menlo Park</p>	<p><b>Mike Zappert</b> 7 Yrs Menlo Park</p>

### Associates

<p><b>Nicolo Colombo</b> &lt; 1 Yr London</p>	<p><b>Sarah Finneran</b> 2 Yrs Chicago</p>	<p><b>Joel Niekamp</b> 3 Yrs Chicago</p>	<p><b>Kristof Van Overloop</b> 3 Yrs London</p>
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### Associates

<p><b>Dominic Maier</b> 2 Yrs London</p>	<p><b>Chin Bock Seng</b> &lt;1 Yr Singapore</p>	<p><b>Michael Taylor</b> 2 Yrs Chicago</p>	<p><b>Jared White</b> &lt;1 Yr Chicago</p>	<p><b>Ling Jen Wu</b> 4 Yrs Singapore</p>
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### Associates

<p><b>Brian Dudley</b> &lt; 1 Yr Menlo Park</p>	<p><b>Andrew Nesbit</b> 3 Yrs Menlo Park</p>	<p><b>Marisol Ryu</b> 2 Yrs Chicago</p>
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## Investment Analytics and Strategy

### Investment Analytics

<p><b>***Ray Chan</b> 11 Yrs Chicago</p>	<p><b>Earl Richardson</b> 10 Yrs Chicago</p>	<p><b>Toby True</b> 1 Yr Chicago</p>	<p><b>Jian Zhang</b> 1 Yr Chicago</p>
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### Strategy

<p><b>Miguel Gonzalo</b> 13 Yrs Chicago</p>
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Note: Yrs = Years of Private Equity Experience

\* Member of Primary Investment Committee

\*\* Head of Secondary Investments

\*\*\* Head of Advanced Analytics

\*\*\*\* Head of Co-Investments

# Our Investment Philosophy

- Consistent outperformance in private equity requires both selectivity in choosing investments and discipline in building the portfolio
- Top-quartile returns require three critical ingredients:
  - Adherence to a high **global** investment standard and a well-defined portfolio construction discipline
  - **Consistent** weights in the primary portfolio regardless of the underlying fund size
  - **Portfolio diversification** by strategy (primary, secondary and direct investments) and by time, manager, subclass and geography
- Strategic integration through one combined global offering — primary, secondary and direct investments — provides an information advantage that facilitates consistent outperformance



# VCERA Portfolio Review



# Adams Street Partners

## An Integrated Global Offering

**Ventura County Employees' Retirement Association**  
 2010 Global Program - \$85 million  
 2013 Global Fund - \$75 million

	US Fund	Developed Markets Fund	Emerging Markets Fund	Direct Fund
Allocation	\$42.5 m (2010) \$37.5 m (2013)	\$25.5 m (2010) \$18.75 m (2013)	\$8.5 m (2010) \$11.25 m (2013)	\$8.5 m (2010) \$7.5 m (2013)
Geography	US and Canada	Developed Europe and Developed Asia	Asia, Russia, Developing Europe, Latin America, Africa and the Middle East	Predominantly US
Secondary Investments	Target 20-25%	Target 10-15%	Target 5-10%	n/a

- Access to top-performing investments across the entire global private equity opportunity set
- Diversification across five dimensions — strategy (primary, secondary, co-investments and direct), time, manager, subclass and geography
- Annual subscription model allowing investors flexibility in planning their commitments

# A Compelling Platform with Multiple Strategies

A complete list of portfolio investments is available upon request.

## Primary

- Access best GPs coming to market globally over next 3-4 years
- Balance the higher risk/higher reward attributes of venture and emerging market cycles with developed markets buyout strategies

## Secondary

- J-curve mitigation via earlier year cash flows
- VY diversification through purchase of more mature funds
- Greater exposure to known, targeted assets

## Direct VC and Co-Investment

- Ability to capitalize on tactical opportunities and market inefficiencies
- Further utilization of ASP GP network
- Improves overall economic terms



## Contrarian

**Project Hialeah – 2011**  
 \$103m purchase of two out-of-favor funds managed by GP whose long-standing relationship with ASP allowed for development of contrarian view amid lack of competition in market.

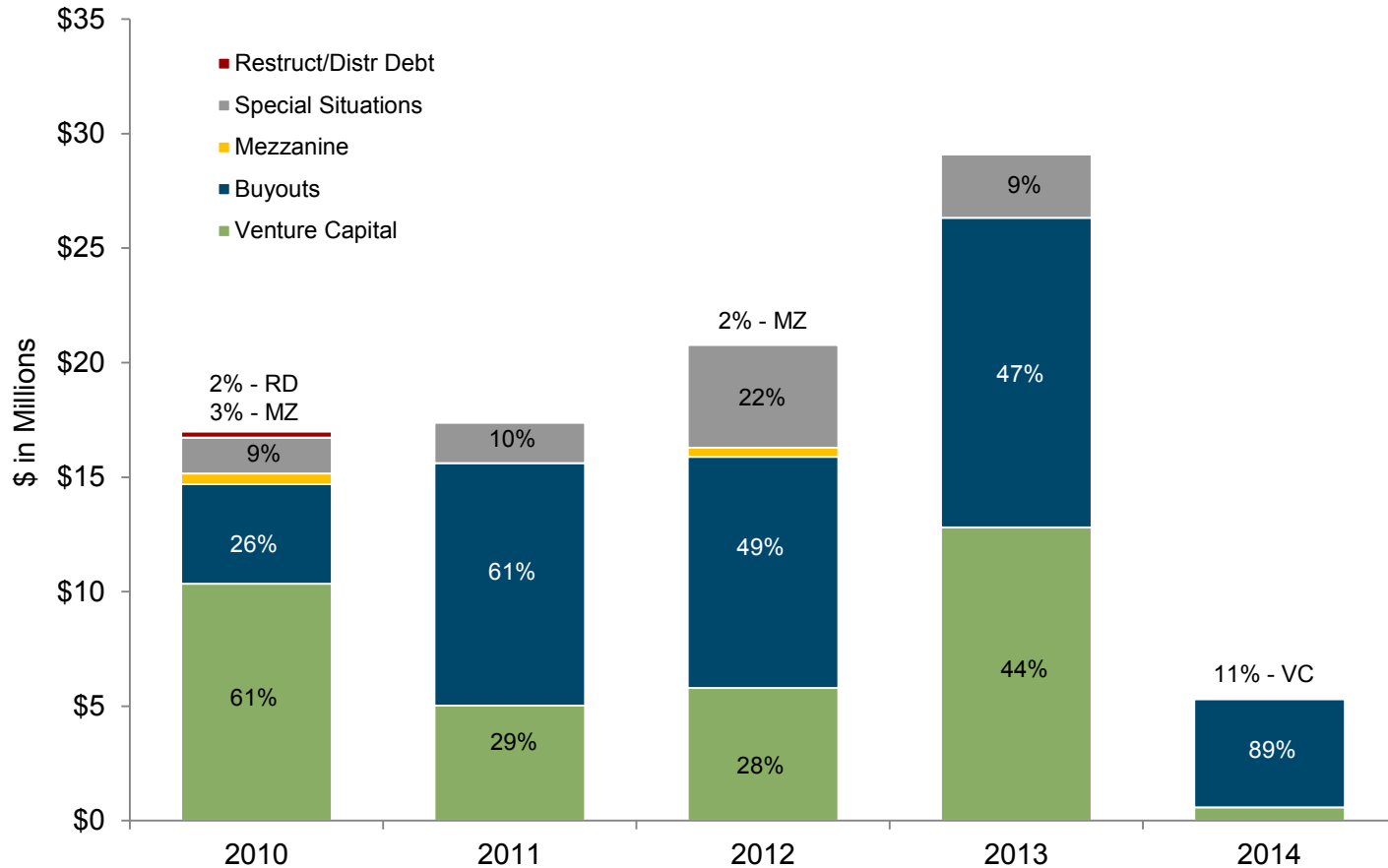
## Growth and Low Leverage

**Project Tape – 2013**  
 EUR23m purchase of European growth equity fund with attractive portfolio of high-growth, market-leading businesses



# Ventura County Employees' Retirement Association

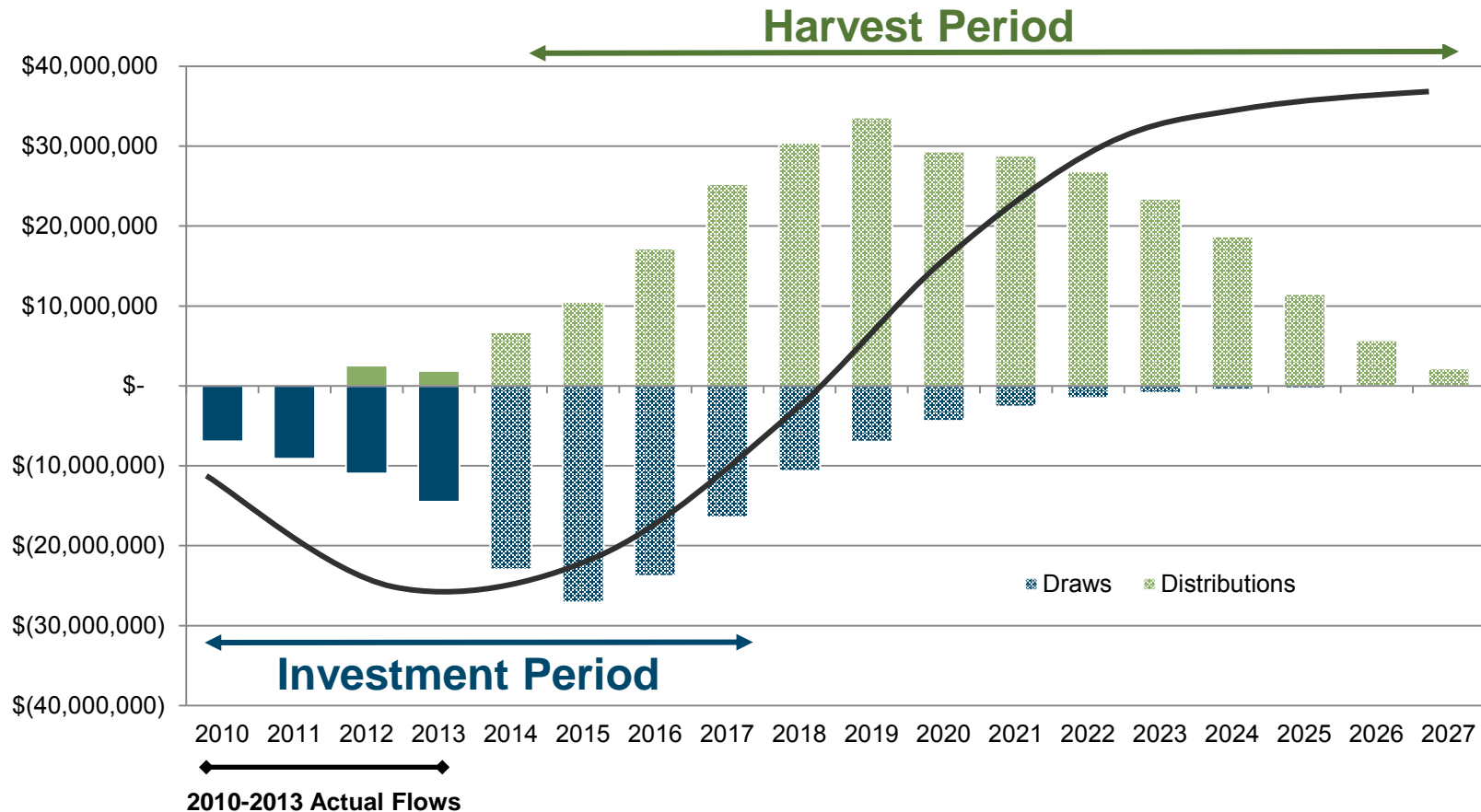
Diversification of Underlying Investment Commitments by Vintage Year  
Total Portfolio as of September 30, 2013



# Ventura County Employees' Retirement Association

## Capital Calls and Distributions Forecast

\$160 Million Subscriptions to 2010 and 2013 ASP Global Programs



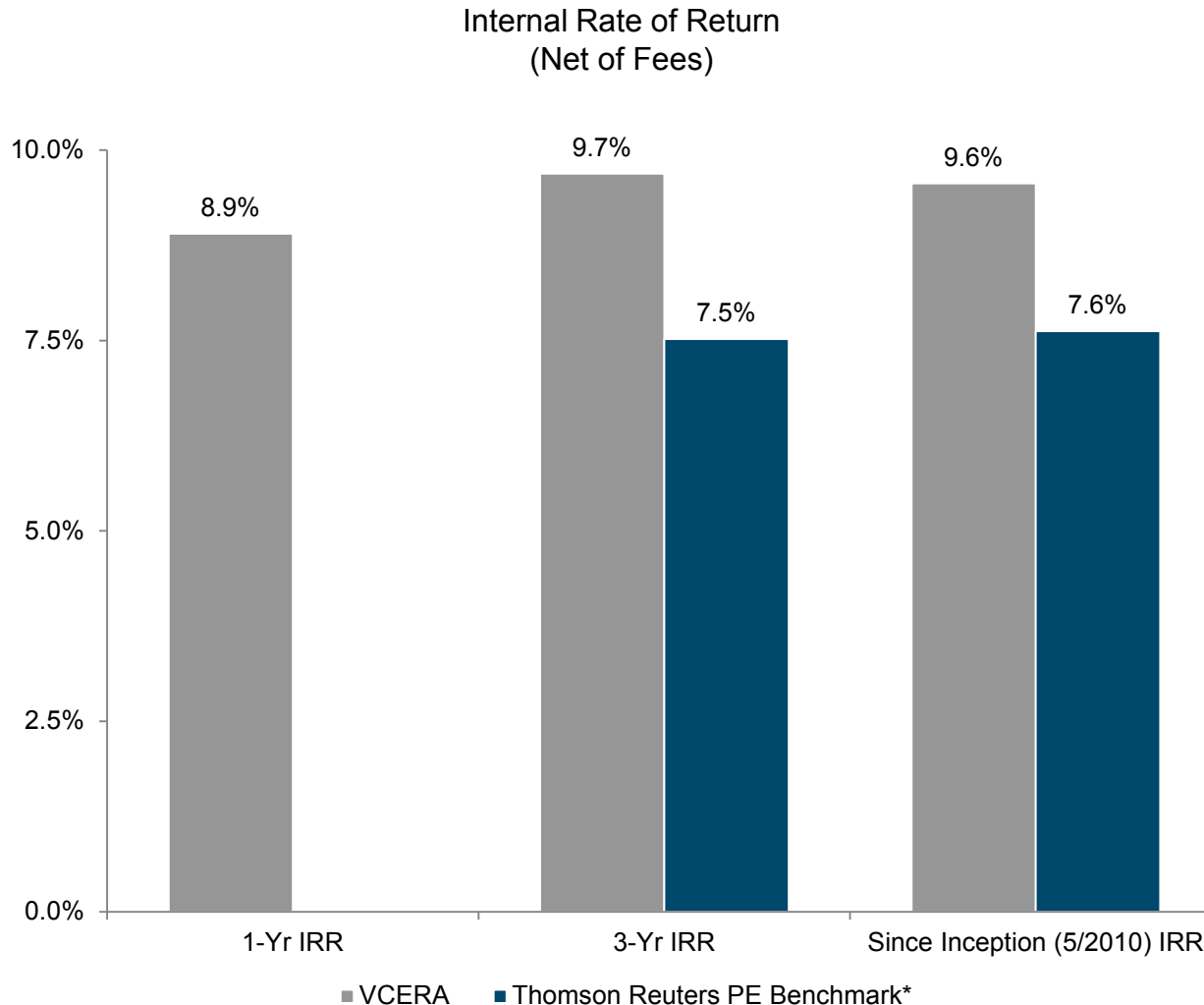
**Activity to date has set foundation for a successful PE program over time.**

Note: Capital Calls and Distributions represent actuals through 12/31/2013. 2014 onward represent forecasts per ASPIRE cash flow model. Actual results can differ meaningfully from forecasts.

# Ventura County Employees' Retirement Association

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

Intra-Period Returns Through September 30, 2013



These returns may not be linked.

\* Based on Thomson Reuters Venture Economics PE data that includes all US and European private equity in vintage years 2010-2013.

# Ventura County Employees' Retirement Association

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

Total Portfolio as of September 30, 2013

	Subscription	Investment Commitments	Amount Drawn	Market Value (NAV)	Distributions Received (D)	Total Value (NAV + D)	Net IRR Since Inception	Total Value / Amount Drawn	Inception Date
<b>ASP 2010 Global Program</b>	<b>\$85,000,000</b>	<b>\$70,660,269</b>	<b>\$31,394,750</b>	<b>\$34,499,845</b>	<b>\$2,552,002</b>	<b>\$37,051,847</b>	<b>10.11%</b>	<b>1.18x</b>	<b>5/2010</b>
- 2010 US Fund	\$42,500,000	\$33,722,447	\$15,172,500	\$17,248,254	\$1,806,816	\$19,055,070	13.11%	1.26x	5/2010
- 2010 Non-US Developed Fund	\$25,500,000	\$22,299,406	\$8,631,750	\$8,866,718	\$745,186	\$9,611,904	7.27%	1.11x	5/2010
- 2010 Emerging Markets Fund	\$8,500,000	\$6,138,416	\$2,371,500	\$2,078,249	\$0	\$2,078,249	-10.52%	0.88x	1/2011
- 2010 Direct Fund	\$8,500,000	\$8,500,000	\$5,219,000	\$6,306,624	\$0	\$6,306,624	10.50%	1.21x	5/2010
<b>ASP 2013 Global Fund</b>	<b>\$75,000,000</b>	<b>\$18,869,954</b>	<b>\$3,300,000</b>	<b>\$3,021,909</b>	<b>\$0</b>	<b>\$3,021,909</b>	<b>n/a *</b>	<b>0.92x</b>	<b>6/2013</b>
<b>ASP Program Participant Total</b>	<b>\$160,000,000</b>	<b>\$89,530,223</b>	<b>\$34,694,750</b>	<b>\$37,521,754</b>	<b>\$2,552,002</b>	<b>\$40,073,756</b>	<b>9.56%</b>	<b>1.16x</b>	

Thru 9/30/2013	Committed / Subscription	Drawn / Committed	Distributed / Drawn
2010 Subscription	83%	44%	8%
2013 Subscription	25%	17%	0%
Total	56%	39%	7%

Activity Since 9/30/2013 (10/1/2013 - 2/28/2014)
<b>Commitments: \$11,420,550</b>
<b>Draws: \$9,741,500</b>
<b>Distributions: \$2,166,920</b>

**Though early in its lifecycle,  
the ASP Global Program has generated positive returns, and  
has already begun returning capital to VCERA**

\* IRR calculation not made for investments less than 1 year old.  
Performance early in a fund's life is not generally meaningful due to fee drag and immature investments.

# Ventura County Employees' Retirement Association

Performance Contributors and Detractors to Date

Total Portfolio as of September 30, 2013

## ■ Contributors

- **Secondary partnership investments in US and Europe** – mature, high quality assets purchased at discount relative to prevailing valuations have performed strongly and are generating early liquidity (+27.7%)
- **Primary investments in venture capital funds** - strong returns in early stage IT focused venture funds have taken advantage of attractive purchase prices, followed by improved exit markets and receptive public markets (+11.7%)
- **Direct Fund** - mix of later stage IT and healthcare venture investments made to date are performing well, with some early exits via IPO and strategic acquisitions driving a late 2013 distribution (+10.5%)

## ■ Detractors

- **Primary buyout funds** – although posting a strong last twelve months, buyouts got off to slower start than other areas of the portfolio. Investments are still in early stages of lifecycle and are exhibiting normal j-curve characteristics (+4.3%)
- **Emerging Markets** – still early in investment lifecycle. No primary commitments made in the EM Fund during calendar year 2010 due to delayed fundraising by GPs we targeted to back, and much less EM secondary volume to mitigate early j-curve effect. (-10.5%)

# Access drives GP Selection

## ASP Strategy across Subclasses

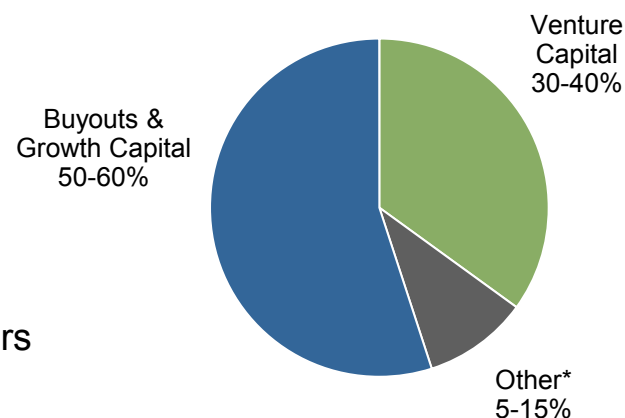
### ■ Buyouts

- Growth opportunities less correlated with GDP
- Experienced operators applying talents to smaller companies
- Less debt dependent strategies
- Export-oriented strategies (European managers)
- Differentiated sourcing models

### ■ Venture Capital

- Focus mostly on Information Technology
- Invest in GPs and companies that access top entrepreneurs
- Focus on limited number of proven investors
- Avoid volatile pre-IPO strategies that are dependent upon strong capital markets to generate attractive returns

### Target Allocations\*\*



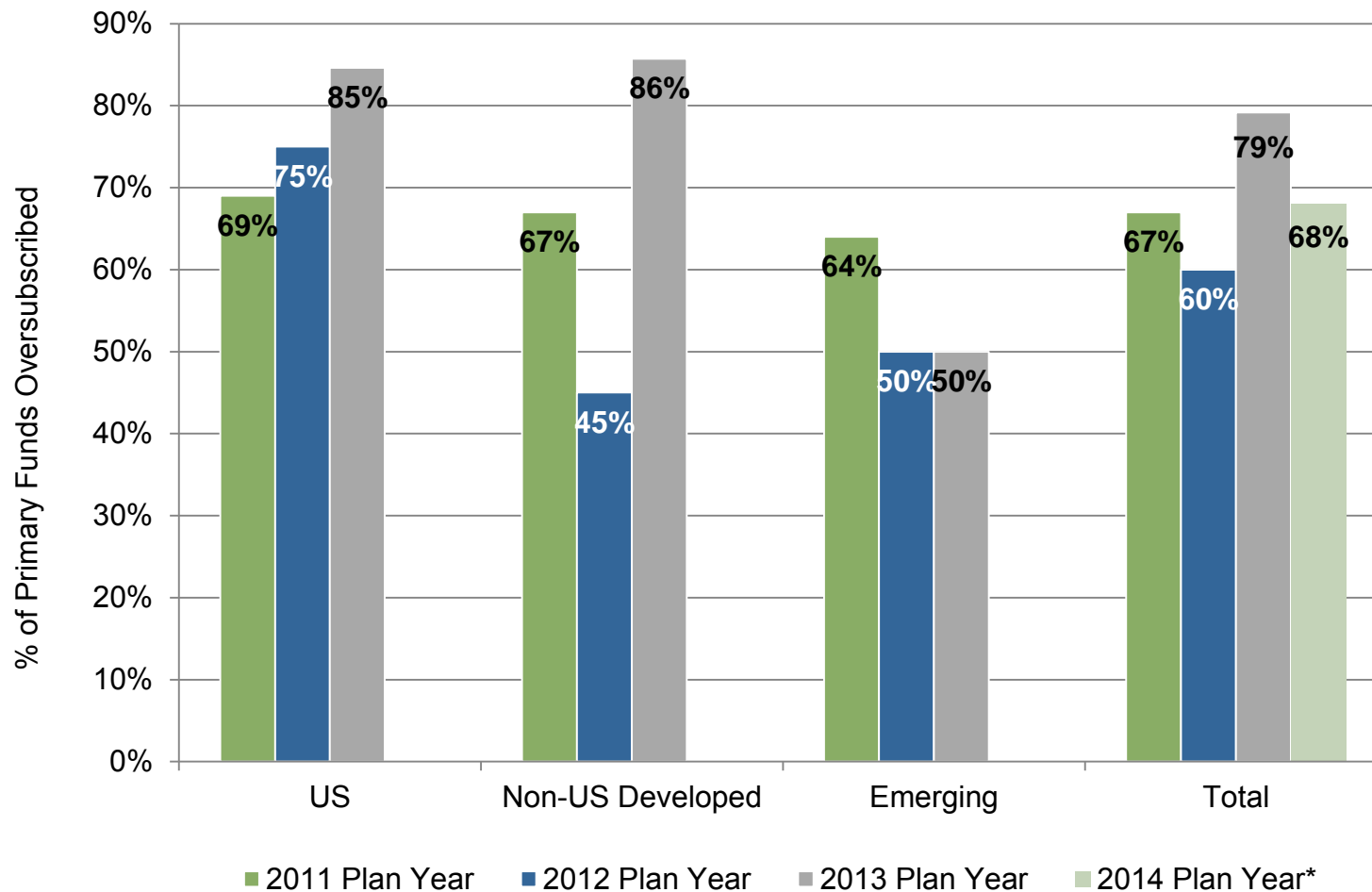
\* Other = Mezzanine, restructuring/distressed debt and special situations.

\*\* Includes primary and direct investments.



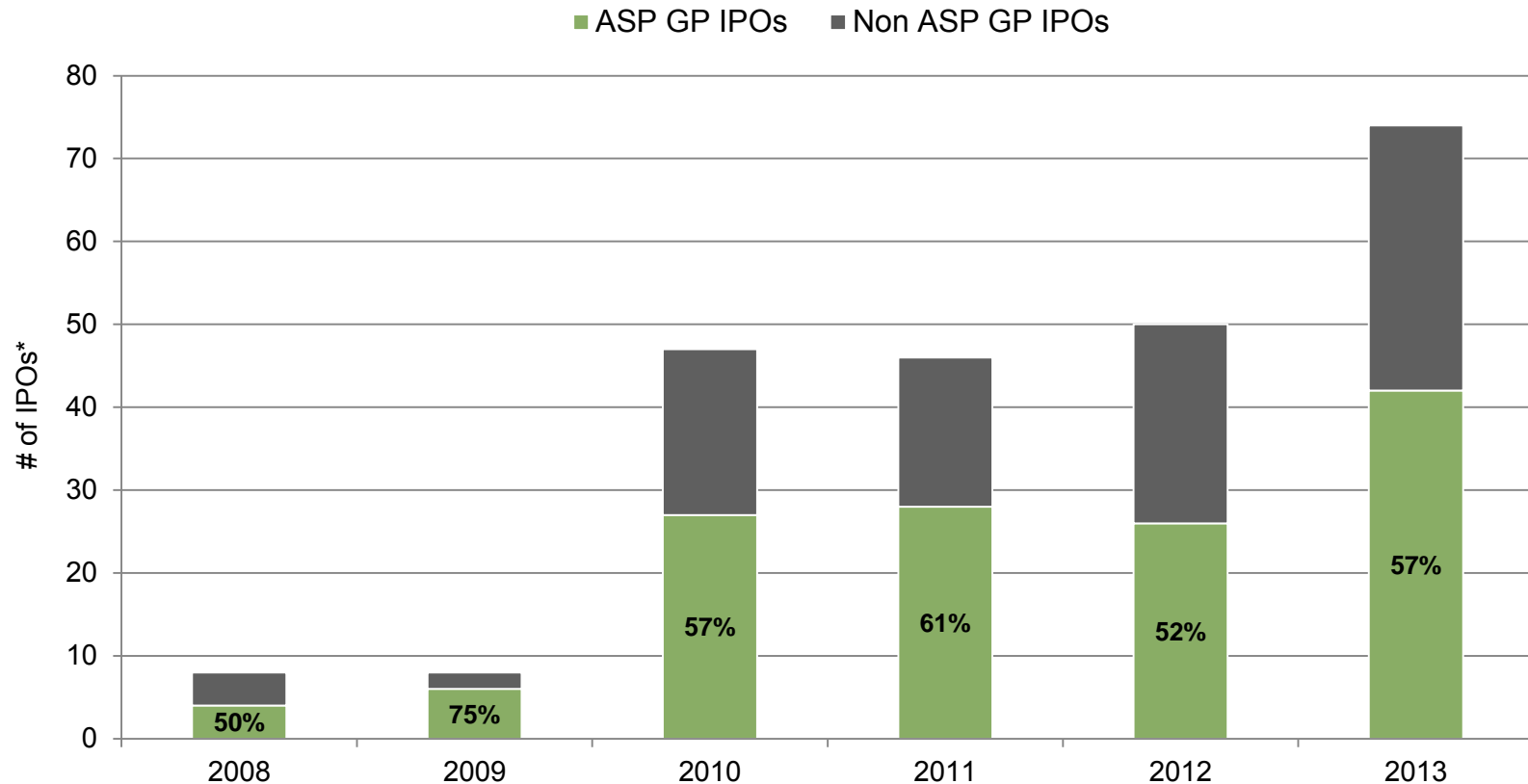
# Access to Best Funds is Important

## ASP Primary Commitments



\* Estimate based on current 2014 Plan.

# Adams Street Has Strong Share of Venture-Backed US IPOs<sup>1</sup>



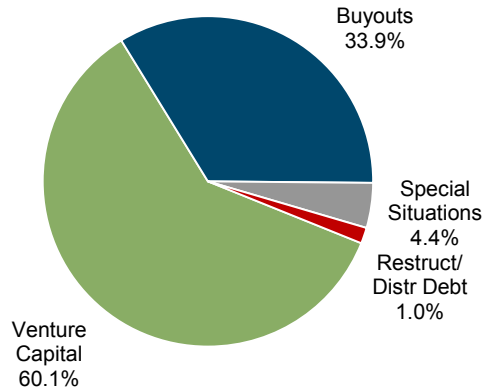
**Adams Street has captured more than 50% of the US venture-backed IPOs while having only invested in ~5% of the venture funds raised**

\* All IPOs of US-based companies going public on any exchange, including exchanges outside the United States, owned by venture capital funds in which Adams Street Partners' Core Portfolios invested on a primary basis. "Core Portfolios" are funds and separate accounts (excluding special mandate funds and non-discretionary separate accounts) of which Adams Street Partners is the general partner, manager or investment adviser (as applicable) and for which Adams Street Partners makes discretionary investments in private equity funds. Core Portfolios include separate accounts no longer with Adams Street Partners.

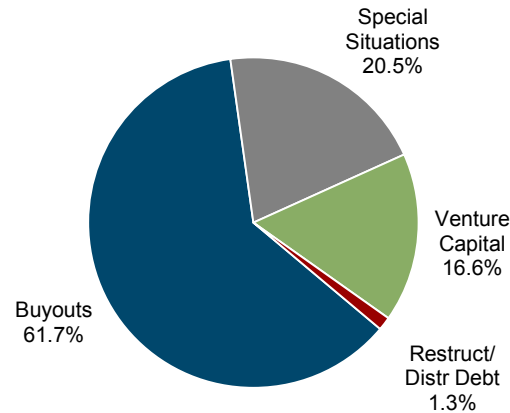
Source: VentureSource

## Diversification of Investment Commitments\* Total Portfolio as of September 30, 2013

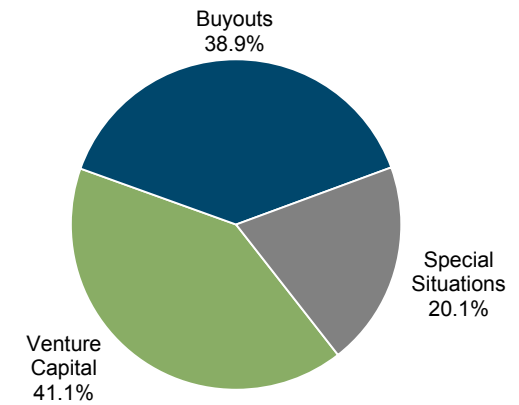
**Primary Partnerships  
by Subclass – US**



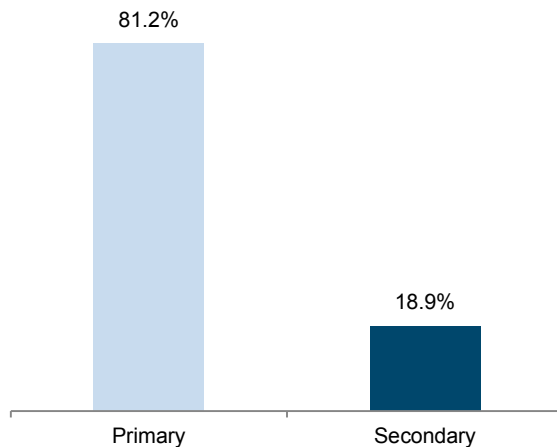
**Primary Partnerships  
by Subclass – Developed**



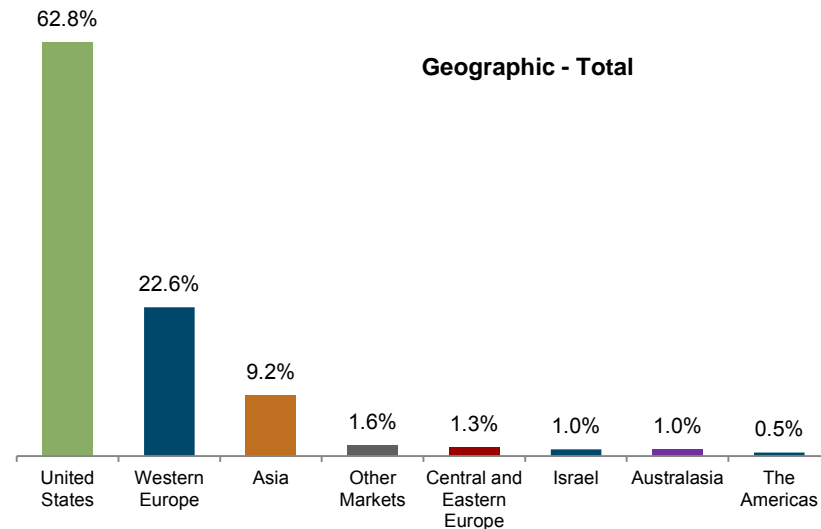
**Primary Partnerships  
by Subclass – Emerging**



**Primaries and Secondaries - Total**



**Geographic - Total**



\* Calculated by applying the participant's respective ownership percentage to the underlying investment commitments.

# Ventura County Employees' Retirement Association



## Confirmation of Compliance

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



# Appendix

# Investment Professionals

As of March 1, 2014

Name	Office	Title	Years of Private Equity Experience	Degrees and Professional Certifications	Languages
<b>Executive Committee Members</b>					
T. Bondurant French	Chicago	Chief Executive Officer	31	BA, MBA, CFA	
Terry Gould	Chicago	Head of Direct Investments	25	BA, MBA	
Hanneke Smits	London	Chief Investment Officer	23	BBA, MBA	Dutch, French, German
<b>Primary Investment Team</b>					
David Arcauz	London	Partner	14	BA, LL.M, CFA	French, German
Jeffrey Burgis	Chicago	Partner	12	BA, MBA, CPA	
Adam Chenoweth	Chicago	Senior Associate	6	BS, CFA	
Arnaud de Cremiers	London	Partner	12	MA, MS	French
Thomas Gladden	Chicago	Partner	13	BA, MS	
Doris Yiyang Guo	Beijing	Principal	6	BE, CICPA	Mandarin
James Korczak	Chicago	Partner	14	BBA, MBA, CPA	
Kelly Meldrum	Menlo Park	Partner	24	BS, CFA	
Sunil Mishra	Singapore	Partner	7	BE, MBA	Hindi
Ross Morrison	London	Principal	9	BS, ACA	
Sergey Sheshuryak	London	Partner	15	MBA, MS	German, Russian
Yar-Ping Soo	Singapore	Partner	17	BCom, MBA, CFA, CPAA	Cantonese, Hokkien, Malay, Mandarin
Piau-Voon Wang	Singapore	Partner	18	BAcc, CFA	Cantonese, Hakka, Malay, Mandarin
Katherine Wanner	Chicago	Partner	17	BS, MBA	
Morgan Webber	Chicago	Principal	7	BA, MBA	
<b>Secondary Investment Team</b>					
Jeffrey Akers	Chicago	Partner	10	BS, MBA	
Troy Barnett	Chicago	Partner	12	BS, MBA, CFA	
Charles Denison	Chicago	Senior Associate	5	BS	
Joseph Goldrick	Chicago	Principal	8	BBA, MBA	
Jason Gull	Chicago	Partner	17	BA, MBA, CFA	French
Gregory Holden	London	Partner	12	BBA, MBA, CPA	
Eva Chongshan Huang	Singapore	Senior Associate	5	BS	Mandarin
Pinal Nicum	London	Partner	13	BS, ACA	Hindi, Marathi

# Investment Professionals

As of March 1, 2014

Name	Office	Title	Years of Private Equity Experience	Degrees and Professional Certifications	Languages
<b>Direct Investment Team</b>					
Thomas Bremner	Chicago	Principal	5	BS, MBA, CFA	Spanish
Jeffrey Diehl	Chicago	Partner	13	BS, MBA	
Michael Lynn	Menlo Park	Partner	10	BA, MD	
Robin Murray	Menlo Park	Partner	16	BS, MBA, ACA	
David Welsh	Menlo Park	Partner	14	BA, JD	
Michael Zappert	Menlo Park	Principal	7	BA, MS	
<b>Co-Investment Team</b>					
David Brett	Chicago	Partner	26	BS, MBA, CPA	
Sachin Tulyani	London	Partner	14	BE, MBA, CAIA, CFA	Hindi
Craig Waslin	Chicago	Partner	16	BA, MBA, CFA	
<b>Strategy Team</b>					
Miguel Gonzalo	Chicago	Partner	14	BA, MBA, CFA	
<b>Associates</b>					
Nicolo Colombo	London	Associate	<1	BSc, MSc	Italian
Brian Dudley	Menlo Park	Associate	<1	BS	
Sarah Finneran	Chicago	Associate	2	BS	
Dominic Maier	London	Associate	2	BS, ACA	Croatian, Swedish
Andrew Nesbit	Menlo Park	Associate	3	BS	
Joel Niekamp	Chicago	Associate	3	BS	
Marisol Ryu	Chicago	Associate	2	BA	Korean, Spanish
Chin Bock Seng	Singapore	Associate	<1	BAcc	Mandarin
Michael Taylor	Chicago	Associate	2	BA	
Kristof Van Overloop	London	Associate	2	BS, MA, MA	Dutch, French
Jared White	Chicago	Associate	<1	BA	
Ling-Jen Wu	Singapore	Associate	4	BS	Hokkien, Mandarin
<b>Advanced Analytics &amp; Performance Reporting</b>					
Raymond Chan	Chicago	Partner	11	BS, MS, CFA, FRM	Cantonese, Mandarin
Earl Richardson	Chicago	Partner	10	BBA, MS, CFA	
Tobias True	Chicago	Principal	2	BS, MBA, CFA, FRM	
Jian Zhang	Chicago	Principal	1	BS, MS, PhD	Mandarin, Norwegian

# Scott Hazen, CFA

Partner, Chicago



#### EDUCATION:

University of Notre Dame,  
*magna cum laude*, BBA

University of Chicago, MBA

YEARS OF INVESTMENT/  
OPERATIONAL EXPERIENCE:

20

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



# Katherine Wanner

Partner, Chicago



**EDUCATION:**

University of New York at  
Binghamton, BS

Northwestern University,  
*Dean's List*, MBA

**YEARS OF INVESTMENT/  
OPERATIONAL EXPERIENCE:**

26

- Kathy is a Partner and serves on the Adams Street Partners Global Primary Investment Committee, which is responsible for implementing strategy and approving all primary portfolio investments. She focuses on the US portfolio and is responsible for managing relationships with several of Adams Street's managers including Battery Ventures, Cortec, Water Street and Warburg Pincus. Kathy sits on advisory boards for seven private equity firms within the Adams Street Partners portfolio.
- Kathy joined the Private Equity Group in 1998 after five years with the Brinson Partners Financial group, where she was responsible for the revenue cycle, statistical analysis and market research. In addition, she has five years' experience in statistical modeling, reporting, tracking and analysis as a Senior Financial Analyst with Frontier Risk Management/Range Wise, Inc. in Chicago and Morgan Stanley & Company in New York.

PANTHEON



# **Ventura County Employees' Retirement Association**

March 17, 2014

# Agenda

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- > Pantheon Overview
- > Secondary strategy
- > Pantheon Global Secondary Fund IV LP Update
- > Appendices
  - Pantheon Events

# Attendees

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**Matt Garfinkle, Partner** (joined 1999, 16 years of private equity experience)

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

[matt.garfinkle@pantheon.com](mailto:matt.garfinkle@pantheon.com)

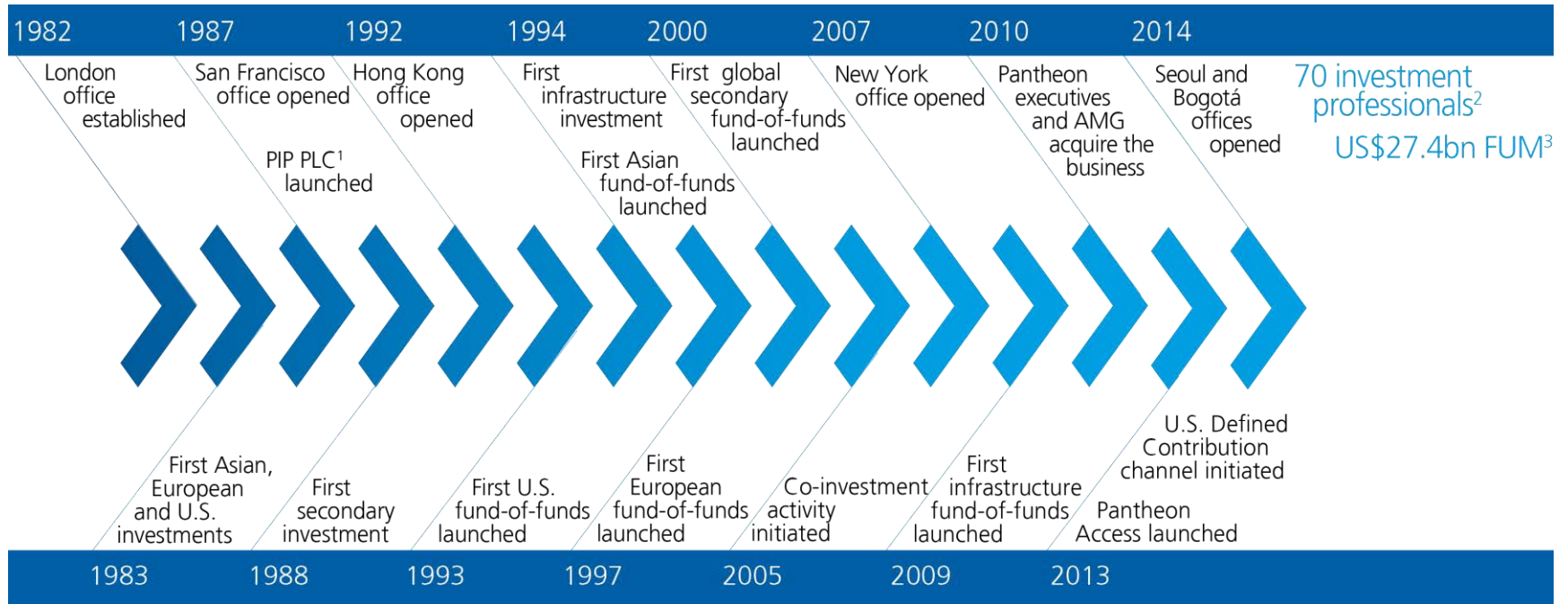


**Sprague Von Stroh, Vice President** (joined 2007, 7 years of private equity experience)

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

[sprague.vonstroh@pantheon.com](mailto:sprague.vonstroh@pantheon.com)

# Investing in private markets assets for over 30 years



## Signatory of PRI



## Endorser of ILPA Private Equity Principles



## European Secondaries House of the Year



## Winner of Asia Asset Management 'Best of the Best Performance award' 2011

<sup>1</sup> Pantheon International Participations PLC

<sup>2</sup> As at 1<sup>st</sup> February 2014

<sup>3</sup> As at 30<sup>th</sup> September 2013

# Pantheon's unique secondary proposition

---

## Differentiated origination & access

- > Global deal origination
- > High selectivity
- > Access to "best in class" General Partners

## Targeted investment strategy

- > Disciplined fund size
- > Real time portfolio tilt
- > Active portfolio construction

## Exhaustive search for value

- > Valuation anomaly focus
- > Asset quality is key
- > Primary access combined with deep analytical tools

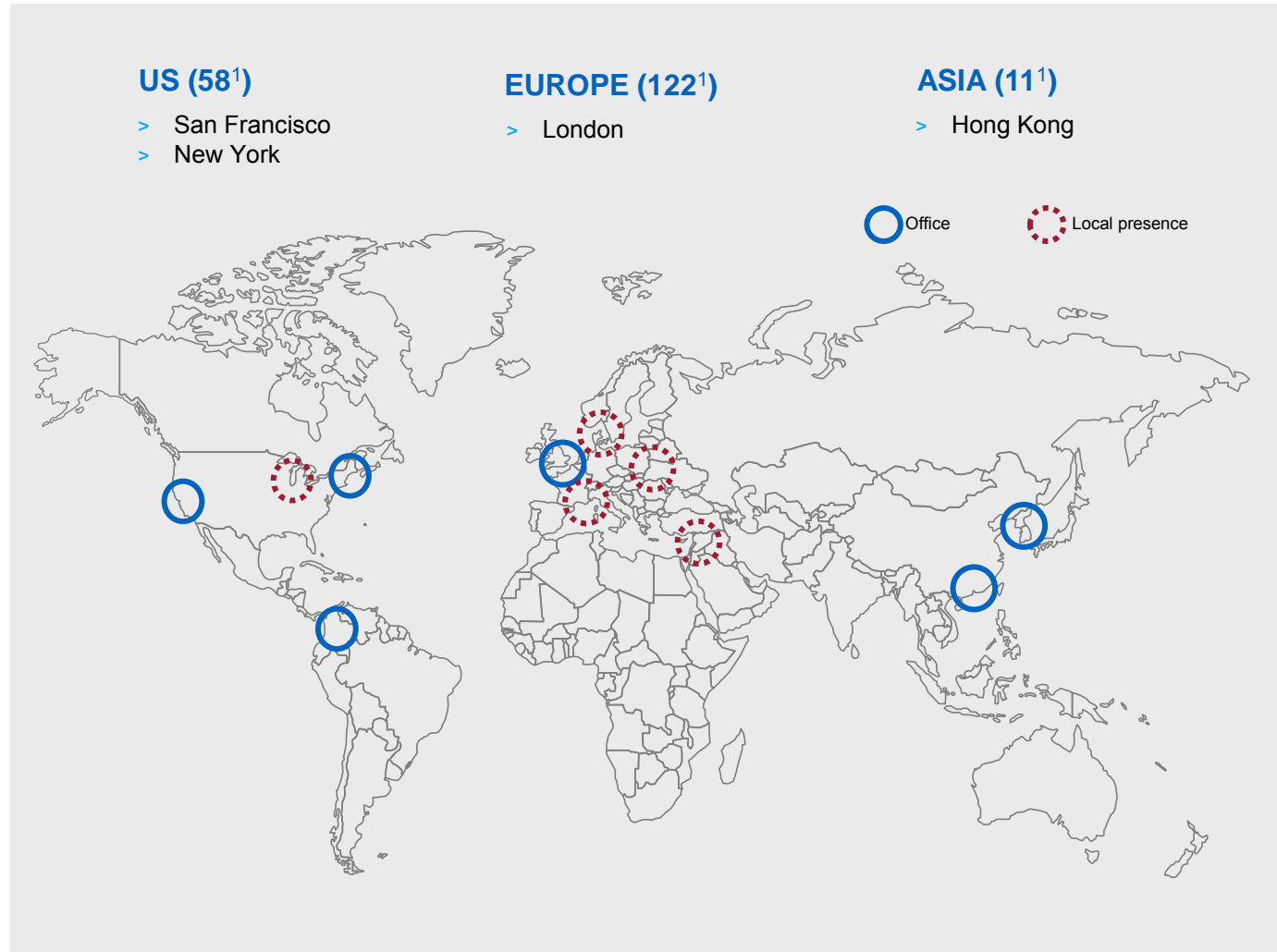
## Pantheon's platform

# Deep and embedded multi-local presence

Differentiated origination & access

Targeted investment strategy

Exhaustive search for value



<sup>1</sup>As at 1<sup>st</sup> February 2014, number of team members located in each region

# Global investment team with deep experience

Differentiated origination & access

Targeted investment strategy

Exhaustive search for value

## Global Secondary Investment Committee



**Matt Garfinkle**  
Partner, San Francisco



**Matt Jones**  
Partner, New York



**Andrew Lebus**  
Partner, London



**Ely Livingstone**  
Partner, London



**Nik Morandi**  
Partner, London



**Rudy Scarpa**  
Partner, New York



**Paul Ward<sup>1</sup>**  
Partner, London



**Brian Buenneke**  
Partner  
San Francisco



**Andrea Echberg**  
Partner  
London



**Brett Johnson**  
Partner  
San Francisco



**Kathryn Leaf Wilmes**  
Partner  
New York



**Brian Lim**  
Partner  
Hong Kong



**Susan Long McAndrews**  
Partner  
San Francisco



**Dennis McCrary**  
Partner  
San Francisco



**Chris Meads**  
Partner  
Hong Kong



**Jeff Miller**  
Partner  
San Francisco



**Helen Steers**  
Partner  
London



**Francesco di Valmarana**  
Partner  
London



**Rob Wright**  
Partner  
London



**Maureen Downey**  
Principal  
San Francisco



**Kevin Dunwoodie**  
Principal  
San Francisco



**Leon Hadass**  
Principal  
London



**Veena Isaac**  
Principal  
New York



**Jaime Londono**  
Principal  
San Francisco



**Imogen Richards**  
Principal  
London



**Alex Scott**  
Principal  
London



**Dushy Sivanithy**  
Principal  
London



**Alex Wilmerding**  
Principal  
Hong Kong



**Erik Wong**  
Principal  
London



**Charles Helmore**  
Investment Director  
London



**Evan Corley**  
Principal  
San Francisco



**Petra Bukovec**  
Vice President  
London



**Tanu Chita**  
Vice President  
London



**Jerome Duthu-Bengtzon**  
Vice President  
London



**Greg Little**  
Vice President  
San Francisco



**Sara Lonergan**  
Vice President  
San Francisco



**Xan Morgan**  
Vice President  
San Francisco



**Jan Pribyl**  
Vice President  
London



**Andrew Sherriff**  
Vice President  
San Francisco



**Toni Vainio**  
Vice President  
Europe



**Charlotte Westley**  
Vice President  
San Francisco

## Global pool of 22 investment associates

**Senior Associates:** Raj Chall, Eric Cheung, Andres Reibel, Ian Roberts, Kunal Sood, Jeremy Weisberg, Ana Maria Zarruk Serrano  
**Associates:** Pierre Garnier, Sid Ghosh, Amir Gupta, Nick Kavanagh, Jonas Meister, Brandon Park, Daniele Pitsch, Charlie Tafoya, Brandon Vu, Richard Wong, Jin Yan  
**Analysts:** Vladimir Balchev, Jamie Hayford, Noé Richard, Curtis Suda

<sup>1</sup> Observer

As at 1<sup>st</sup> February 2014

Those highlighted in blue are professionals focused on secondary investment

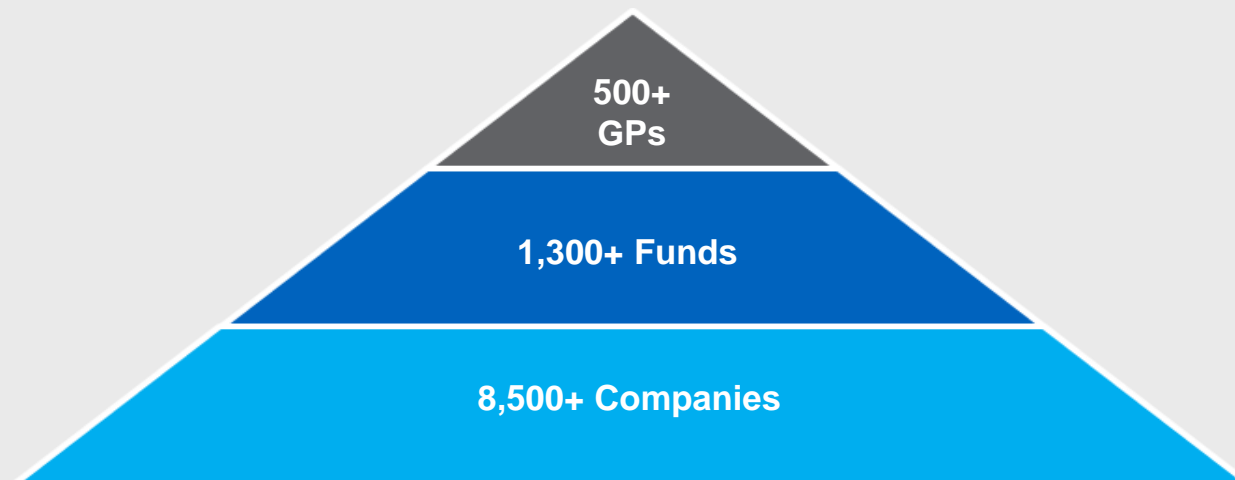


# Comprehensive market coverage

Differentiated origination & access

Targeted investment strategy

Exhaustive search for value



## Privileged information

- > Over the last 3 years, Pantheon has carried out secondary due diligence on over **450 funds**
- > Over the last 3 years, Pantheon has carried out primary due diligence on over **620 funds**
- > Over the last 3 years, Pantheon has attended over **900 AGMs**
- > Pantheon holds **270 advisory board seats**
- > Pantheon **proprietary research** into GP valuation policies and uplifts to NAV at exit

# Pantheon Global Secondary Fund IV Update

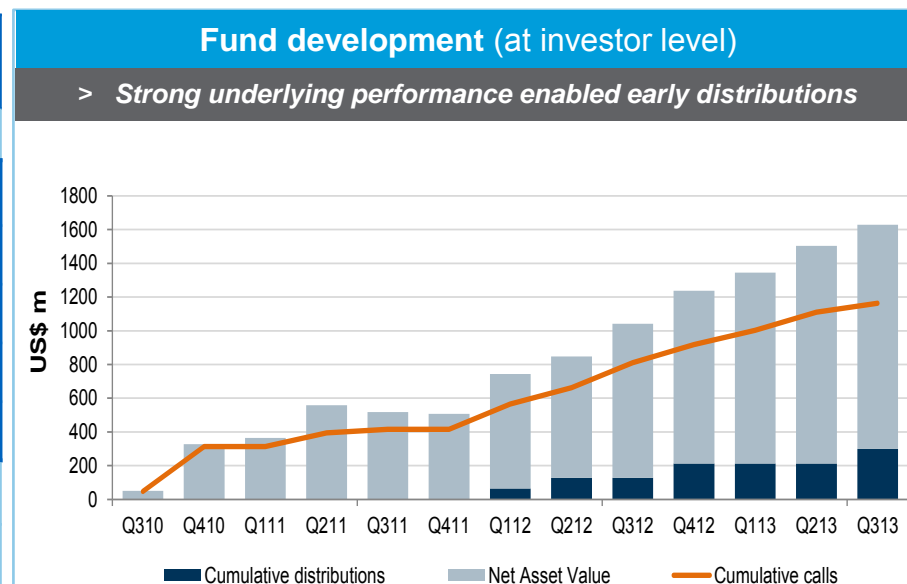


# PGSF IV LP (2010)

## > Ventura County Employees' Retirement Association

- \$15.0 million in Pantheon Global Secondary Fund IV LP

Performance valuation, 30 <sup>th</sup> September 2013		
Fund size	US\$2,156.5m	
	<b>Q213</b>	<b>Q313</b>
Net multiple	1.31 x	1.35 x
Net IRR	22.4%	22.5%
Drawn from investors	52.0%	54.5%
Distributed to paid in ratio	0.19 x	0.26 x
Estimated calls Q1 2014 <sup>1</sup>	2.0%	
Estimated distributions Q1 2014 <sup>1</sup>	2.8%	

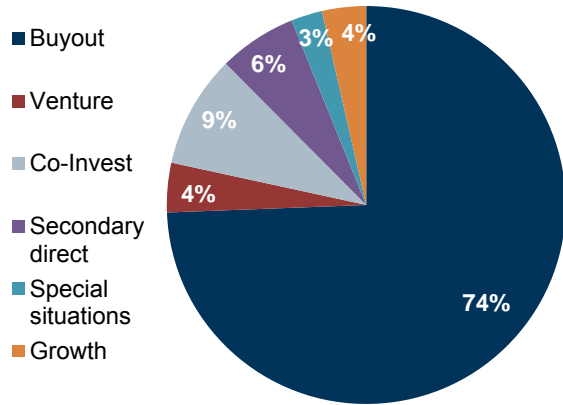


<sup>1</sup> Pantheon estimate (at investor level)

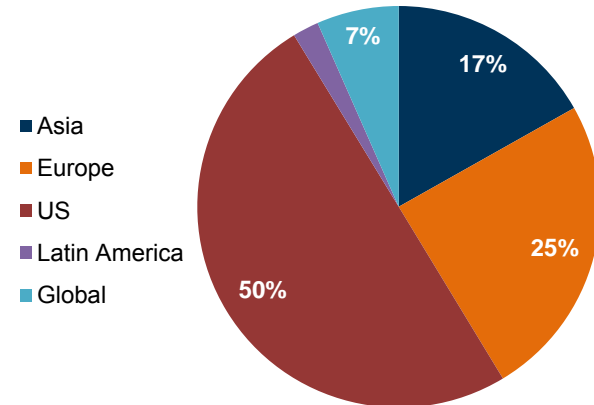
# PGSF IV LP: current diversification

## As at 30<sup>th</sup> September 2013

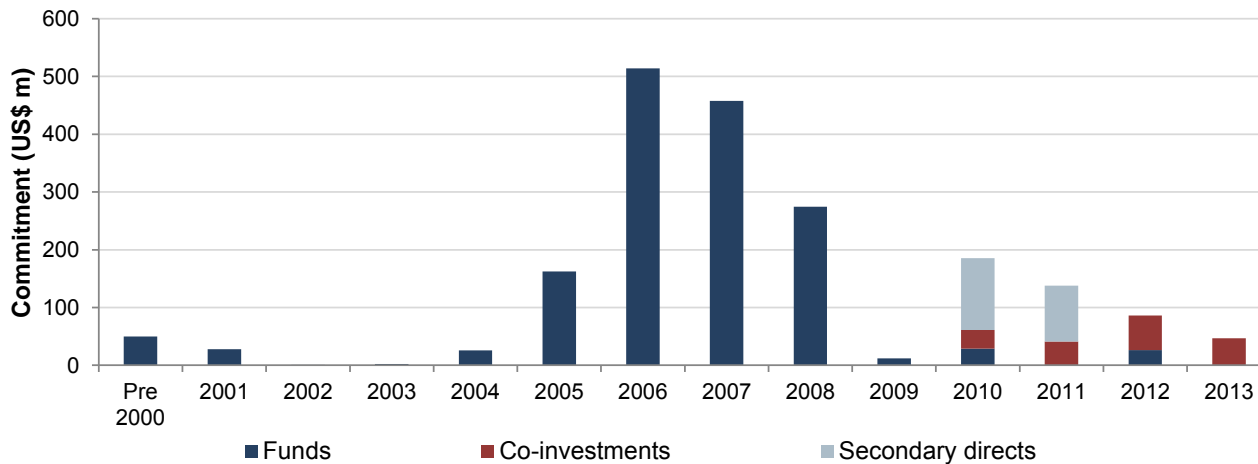
### Stage diversification



### Geographic diversification



### Vintage year diversification








# PGSF IV LP: investment summary

As at 30<sup>th</sup> September 2013

## Investment summary

Year of investment	No.	Commitment		Paid-in/ committed		Distributions	NAV	Total value	Multiple	Gross IRR
		US\$ m	%	US\$ m	%	US\$ m	US\$ m	US\$ m		
2010	8	333	17	270	81	177	230	407	1.51 x	26.7%
2011	5	729	37	605	83	167	614	781	1.29 x	13.7%
2012	17	644	33	487	76	79	602	682	1.40 x	42.6%
2013	8	273	14	214	78	7	248	255	1.19 x	n/a
<b>Total investments</b>	<b>38</b>	<b>1,980</b>	<b>100</b>	<b>1,576</b>	<b>80</b>	<b>430</b>	<b>1,695</b>	<b>2,125</b>	<b>1.35 x</b>	<b>22.9%</b>

## Comment on five largest exposures: 51.1% of NAV

Investment	Investment year	Deal type	PIC	Gross multiple	Gross IRR
Birkin	2011	Portfolio		1.4 x	20.6%
Charlotte	2012	Portfolio		1.4 x	n/a
Carnival	2012	Portfolio		1.4 x	n/a
Elephant	2011	Portfolio		1.0 x	-1.7%
Preston	2011	Secondary direct		1.1 x	4.4%

# VCERA partnership with Pantheon

---

- > **Efficiency:** PGSF IV is fully committed, having put money to work quickly
- > **Early Distributions:** Distributions began after 6 quarters
- > **Performance:** No j-curve, net fund return of 22.5% outperforms benchmark
- > **Strategy:** Value-based investment approach designed to capture opportunities in a dynamic global secondary market
- > **Partnership:** Pantheon greatly values the VCERA relationship and looks forward to VCERA's continual participation in Pantheon's secondary activity

# Appendix



# Pantheon events: Save the date

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**PANTHEON**  
2014 Annual Investor Meeting

**Chicago, Illinois, 11<sup>th</sup> & 12<sup>th</sup> June 2014**



# Disclosure

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NEPC, LLC

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

## Ventura County Employees' Retirement Association

**Preliminary Performance Report  
Month Ending February 28, 2014**

Don Stracke, CFA, CAIA, Senior Consultant  
Allan Martin, Partner,  
Anthony Ferrara, Senior Analyst

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

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

## Total Fund Performance Detail (Net)

## Performance Summary

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Fund</b>	<b>4,110,689,006</b>	<b>100.0</b>	<b>2.9</b>	<b>2.5</b>	<b>1.0</b>	<b>12.6</b>	<b>15.2</b>	<b>9.7</b>	<b>17.1</b>	<b>6.7</b>	<b>8.3</b>	<b>Apr-94</b>
Total Fund ex Clifton	4,094,423,173	99.6	2.8	2.4	0.9	12.3	14.8	9.6	16.7	6.6	8.3	Apr-94
Total Fund ex Private Equity	4,039,245,285	98.3	3.0	2.4	1.0	11.3	13.4	--	--	--	14.0	Jan-12
<b>Total US Equity</b>	<b>1,305,924,663</b>	<b>31.8</b>	<b>4.8</b>	<b>4.1</b>	<b>1.5</b>	<b>19.5</b>	<b>27.3</b>	<b>14.8</b>	<b>24.6</b>	<b>7.3</b>	<b>9.0</b>	<b>Dec-93</b>
Total U.S. Equity Benchmark			4.8	4.2	1.5	18.7	26.8	14.6	24.0	7.8	9.4	Dec-93
Over/Under			0.0	-0.1	0.0	0.8	0.5	0.2	0.6	-0.5	-0.4	
BlackRock Extended Equity Index	44,755,986	1.1	5.4	6.4	3.4	23.5	32.3	15.6	28.1	10.2	13.2	Oct-02
Dow Jones U.S. Completion Total Stock Market			5.5	6.7	3.6	23.6	32.4	15.3	28.0	10.1	13.2	Oct-02
Over/Under			-0.1	-0.3	-0.2	-0.1	-0.1	0.3	0.1	0.1	0.0	
Western U.S. Index Plus	123,006,796	3.0	4.6	3.7	1.3	18.1	25.9	15.4	30.0	--	2.2	May-07
S&P 500			4.6	3.5	1.0	17.4	25.4	14.4	23.0	7.2	5.2	May-07
Over/Under			0.0	0.2	0.3	0.7	0.5	1.0	7.0		-3.0	
BlackRock Equity Market Fund	1,138,161,881	27.7	4.7	4.1	1.5	18.7	26.8	14.6	24.0	--	6.9	Dec-07
Dow Jones U.S. Total Stock Market			4.8	4.1	1.5	18.6	26.7	14.6	23.9	7.9	6.9	Dec-07
Over/Under			-0.1	0.0	0.0	0.1	0.1	0.0	0.1		0.0	

Policy Index: Not available as the Consumer Price Index has not yet been released as of the date of report production

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

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

BlackRock Equity Market Fund Performance is preliminary, valuations between State Street Bank and BlackRock are under review

Report is Preliminary as of report date.

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Non-US Equity</b>	<b>636,233,996</b>	<b>15.5</b>	<b>4.9</b>	<b>1.1</b>	<b>0.1</b>	<b>14.9</b>	<b>12.9</b>	<b>4.9</b>	<b>17.3</b>	<b>7.0</b>	<b>7.0</b>	<b>Mar-94</b>
<i>Total Non-US Equity Benchmark</i>			<u>5.0</u>	<u>1.1</u>	<u>0.3</u>	<u>15.6</u>	<u>12.2</u>	<u>4.0</u>	<u>17.3</u>	<u>7.2</u>	<u>5.7</u>	<i>Mar-94</i>
Over/Under			-0.1	0.0	-0.2	-0.7	0.7	0.9	0.0	-0.2	1.3	
BlackRock ACWI ex-U.S. Index	277,321,881	6.7	5.1	1.6	0.6	16.3	13.1	4.4	18.0	--	2.2	Mar-07
<i>MSCI ACWI ex USA</i>			<u>5.0</u>	<u>1.1</u>	<u>0.3</u>	<u>15.6</u>	<u>12.2</u>	<u>4.0</u>	<u>17.3</u>	<u>7.2</u>	<u>1.7</u>	<i>Mar-07</i>
Over/Under			0.1	0.5	0.3	0.7	0.9	0.4	0.7		0.5	
Spurcegrove	186,404,967	4.5	4.9	1.6	0.3	15.6	14.5	6.6	18.5	8.0	8.9	Mar-02
<i>MSCI EAFE</i>			<u>5.6</u>	<u>2.8</u>	<u>1.3</u>	<u>19.5</u>	<u>19.3</u>	<u>6.6</u>	<u>17.6</u>	<u>6.7</u>	<u>7.2</u>	<i>Mar-02</i>
Over/Under			-0.7	-1.2	-1.0	-3.9	-4.8	0.0	0.9	1.3	1.7	
<i>MSCI ACWI ex USA</i>			<u>5.0</u>	<u>1.1</u>	<u>0.3</u>	<u>15.6</u>	<u>12.2</u>	<u>4.0</u>	<u>17.3</u>	<u>7.2</u>	<u>7.8</u>	<i>Mar-02</i>
Hexavest	80,776,429	2.0	4.8	1.5	0.2	15.1	15.9	5.4	--	--	7.0	Dec-10
<i>MSCI EAFE</i>			<u>5.6</u>	<u>2.8</u>	<u>1.3</u>	<u>19.5</u>	<u>19.3</u>	<u>6.6</u>	<u>17.6</u>	<u>6.7</u>	<u>8.2</u>	<i>Dec-10</i>
Over/Under			-0.8	-1.3	-1.1	-4.4	-3.4	-1.2			-1.2	
Walter Scott	91,730,719	2.2	4.2	-1.9	-2.2	8.0	6.5	5.0	--	--	5.8	Dec-10
<i>MSCI ACWI ex USA</i>			<u>5.0</u>	<u>1.1</u>	<u>0.3</u>	<u>15.6</u>	<u>12.2</u>	<u>4.0</u>	<u>17.3</u>	<u>7.2</u>	<u>4.9</u>	<i>Dec-10</i>
Over/Under			-0.8	-3.0	-2.5	-7.6	-5.7	1.0			0.9	
<b>Total Global Equity</b>	<b>425,637,026</b>	<b>10.4</b>	<b>4.8</b>	<b>2.3</b>	<b>0.8</b>	<b>16.1</b>	<b>18.0</b>	<b>9.5</b>	<b>16.7</b>	<b>--</b>	<b>6.0</b>	<b>May-05</b>
<i>MSCI ACWI</i>			<u>4.8</u>	<u>2.4</u>	<u>0.6</u>	<u>16.5</u>	<u>18.2</u>	<u>8.4</u>	<u>19.6</u>	<u>6.9</u>	<u>6.9</u>	<i>May-05</i>
Over/Under			0.0	-0.1	0.2	-0.4	-0.2	1.1	-2.9		-0.9	
GMO Global Equity	211,529,314	5.1	4.8	2.1	0.9	15.6	17.6	10.0	17.6	--	7.5	Apr-05
<i>MSCI ACWI</i>			<u>4.8</u>	<u>2.4</u>	<u>0.6</u>	<u>16.5</u>	<u>18.2</u>	<u>8.4</u>	<u>19.6</u>	<u>6.9</u>	<u>6.9</u>	<i>Apr-05</i>
Over/Under			0.0	-0.3	0.3	-0.9	-0.6	1.6	-2.0		0.6	
BlackRock MSCI ACWI Equity Index	214,107,712	5.2	4.9	2.4	0.7	16.6	18.6	--	--	--	--	May-12
<i>MSCI ACWI</i>			<u>4.8</u>	<u>2.4</u>	<u>0.6</u>	<u>16.5</u>	<u>18.2</u>	<u>8.4</u>	<u>19.6</u>	<u>6.9</u>	<u>22.5</u>	<i>May-12</i>
Over/Under			0.1	0.0	0.1	0.1	0.4					

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

Hexavest is preliminary as of report date

Ventura County Employees' Retirement Association

**Total Fund Performance Detail (Net)**

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total US Fixed Income</b>	<b>708,076,813</b>	<b>17.2</b>	<b>0.9</b>	<b>1.4</b>	<b>1.5</b>	<b>3.4</b>	<b>1.4</b>	<b>5.6</b>	<b>11.4</b>	<b>6.1</b>	<b>6.5</b>	<b>Feb-94</b>
<i>Barclays Aggregate</i>			<u>0.5</u>	<u>1.4</u>	<u>2.0</u>	<u>2.5</u>	<u>0.2</u>	<u>3.8</u>	<u>5.1</u>	<u>4.6</u>	<u>5.9</u>	<i>Feb-94</i>
Over/Under			0.4	0.0	-0.5	0.9	1.2	1.8	6.3	1.5	0.6	
Western	254,093,812	6.2	1.4	2.3	2.6	3.4	1.4	5.6	9.7	5.5	6.7	Dec-96
<i>Barclays Aggregate</i>			<u>0.5</u>	<u>1.4</u>	<u>2.0</u>	<u>2.5</u>	<u>0.2</u>	<u>3.8</u>	<u>5.1</u>	<u>4.6</u>	<u>5.8</u>	<i>Dec-96</i>
Over/Under			0.9	0.9	0.6	0.9	1.2	1.8	4.6	0.9	0.9	
BlackRock U.S. Debt Fund	133,841,537	3.3	0.6	1.5	2.1	2.4	0.1	3.9	5.2	4.6	5.7	Nov-95
<i>Barclays Aggregate</i>			<u>0.5</u>	<u>1.4</u>	<u>2.0</u>	<u>2.5</u>	<u>0.2</u>	<u>3.8</u>	<u>5.1</u>	<u>4.6</u>	<u>5.7</u>	<i>Nov-95</i>
Over/Under			0.1	0.1	0.1	-0.1	-0.1	0.1	0.1	0.0	0.0	
Reams	250,979,910	6.1	0.0	-0.2	-0.3	2.1	2.0	6.5	14.2	6.8	6.6	Sep-01
<i>Reams Custom Index</i>			<u>0.0</u>	<u>0.1</u>	<u>0.0</u>	<u>0.2</u>	<u>0.3</u>	<u>3.7</u>	<u>5.0</u>	<u>4.5</u>	<u>4.9</u>	<i>Sep-01</i>
Over/Under			0.0	-0.3	-0.3	1.9	1.7	2.8	9.2	2.3	1.7	
<i>Barclays Aggregate</i>			<u>0.5</u>	<u>1.4</u>	<u>2.0</u>	<u>2.5</u>	<u>0.2</u>	<u>3.8</u>	<u>5.1</u>	<u>4.6</u>	<u>5.0</u>	<i>Sep-01</i>
Loomis Sayles Multi Strategy	69,161,554	1.7	2.5	3.6	3.3	6.5	2.8	7.5	15.3	--	7.5	Jul-05
<i>Loomis Custom Index</i>			<u>1.0</u>	<u>2.0</u>	<u>2.2</u>	<u>4.2</u>	<u>2.7</u>	<u>5.4</u>	<u>9.0</u>	--	<u>6.0</u>	<i>Jul-05</i>
Over/Under			1.5	1.6	1.1	2.3	0.1	2.1	6.3		1.5	
<i>Barclays Aggregate</i>			<u>0.5</u>	<u>1.4</u>	<u>2.0</u>	<u>2.5</u>	<u>0.2</u>	<u>3.8</u>	<u>5.1</u>	<u>4.6</u>	<u>4.8</u>	<i>Jul-05</i>
<b>Total Global Fixed Income</b>	<b>260,460,715</b>	<b>6.3</b>	<b>1.6</b>	<b>1.9</b>	<b>2.0</b>	<b>4.9</b>	<b>1.1</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>1.9</b>	<b>Jun-12</b>
<i>Barclays Global Aggregate</i>			<u>1.4</u>	<u>1.9</u>	<u>2.5</u>	<u>4.9</u>	<u>1.7</u>	<u>3.0</u>	<u>5.6</u>	<u>4.6</u>	<u>1.5</u>	<i>Jun-12</i>
Over/Under			0.2	0.0	-0.5	0.0	-0.6				0.4	
Loomis Sayles Global Fixed Income	93,708,330	2.3	1.7	2.0	2.3	4.6	1.1	--	--	--	2.3	Jun-12
<i>Barclays Global Aggregate</i>			<u>1.4</u>	<u>1.9</u>	<u>2.5</u>	<u>4.9</u>	<u>1.7</u>	<u>3.0</u>	<u>5.6</u>	<u>4.6</u>	<u>1.5</u>	<i>Jun-12</i>
Over/Under			0.3	0.1	-0.2	-0.3	-0.6				0.8	
PIMCO Global Fixed Income	125,758,380	3.1	1.8	2.1	2.3	4.9	0.7	--	--	--	-1.0	Sep-12
<i>Barclays Global Aggregate</i>			<u>1.4</u>	<u>1.9</u>	<u>2.5</u>	<u>4.9</u>	<u>1.7</u>	<u>3.0</u>	<u>5.6</u>	<u>4.6</u>	<u>-0.5</u>	<i>Sep-12</i>
Over/Under			0.4	0.2	-0.2	0.0	-1.0				-0.5	
Loomis Strategic Alpha	40,994,006	1.0	0.5	0.9	0.3	2.0	--	--	--	--	1.7	Jul-13
<i>Barclays Global Aggregate</i>			<u>1.4</u>	<u>1.9</u>	<u>2.5</u>	<u>4.9</u>	<u>1.7</u>	<u>3.0</u>	<u>5.6</u>	<u>4.6</u>	<u>3.6</u>	<i>Jul-13</i>
Over/Under			-0.9	-1.0	-2.2	-2.9					-1.9	

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

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

Pimco is preliminary as of 2/28/2014

Ventura County Employees' Retirement Association

**Total Fund Performance Detail (Net)**

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Real Estate</b>	<b>293,442,407</b>	<b>7.1</b>	<b>0.0</b>	<b>2.5</b>	<b>0.0</b>	<b>5.3</b>	<b>10.6</b>	<b>11.3</b>	<b>1.9</b>	<b>5.0</b>	<b>7.5</b>	<b>Mar-94</b>
<i>Total Real Estate Benchmark</i>			<u>0.0</u>	<u>3.2</u>	<u>0.0</u>	<u>6.9</u>	<u>14.0</u>	<u>13.6</u>	<u>3.7</u>	<u>7.2</u>	<u>8.6</u>	<i>Mar-94</i>
Over/Under			0.0	-0.7	0.0	-1.6	-3.4	-2.3	-1.8	-2.2	-1.1	
Prudential Real Estate	95,185,595	2.3	0.0	3.4	0.0	7.0	13.8	13.5	2.2	--	4.3	Jun-04
<i>NCREIF-ODCE</i>			<u>0.0</u>	<u>3.2</u>	<u>0.0</u>	<u>6.9</u>	<u>14.0</u>	<u>13.6</u>	<u>3.7</u>	<u>7.2</u>	<u>6.8</u>	<i>Jun-04</i>
Over/Under			0.0	0.2	0.0	0.1	-0.2	-0.1	-1.5		-2.5	
UBS Real Estate	189,646,544	4.6	0.0	2.0	0.0	4.6	9.3	10.1	3.6	6.9	6.9	Mar-03
<i>NCREIF-ODCE</i>			<u>0.0</u>	<u>3.2</u>	<u>0.0</u>	<u>6.9</u>	<u>14.0</u>	<u>13.6</u>	<u>3.7</u>	<u>7.2</u>	<u>7.2</u>	<i>Mar-03</i>
Over/Under			0.0	-1.2	0.0	-2.3	-4.7	-3.5	-0.1	-0.3	-0.3	
RREEF	8,610,268	0.2	0.0	2.8	0.0	7.3	15.6	29.7	-3.7	--	-10.6	Sep-07
<i>NCREIF-ODCE</i>			<u>0.0</u>	<u>3.2</u>	<u>0.0</u>	<u>6.9</u>	<u>14.0</u>	<u>13.6</u>	<u>3.7</u>	<u>7.2</u>	<u>1.5</u>	<i>Sep-07</i>
Over/Under			0.0	-0.4	0.0	0.4	1.6	16.1	-7.4		-12.1	
<b>Total Liquid Alternatives</b>	<b>393,203,832</b>	<b>9.6</b>	<b>3.3</b>	<b>4.9</b>	<b>4.0</b>	<b>12.0</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>15.4</b>	<b>Apr-13</b>
Tortoise Energy Infrastructure	129,601,138	3.2	2.9	9.1	5.2	15.0	--	--	--	--	18.3	Apr-13
Bridgewater All Weather Fund	263,602,694	6.4	3.4	2.9	3.4	--	--	--	--	--	6.9	Aug-13
<i>DJ U.S. Total Stock Market Index + 3%</i>			<u>5.0</u>	<u>4.9</u>	<u>2.0</u>	<u>20.9</u>	<u>30.5</u>	--	--	--	<u>17.5</u>	<i>Aug-13</i>
Over/Under			-1.6	-2.0	1.4						-10.6	

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

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

Total Liquid Alternatives index, the CPI+4% is not available as the Consumer Price Index has not yet been released as of the date of report production

Performance for Clifton Overlay is not meaningful on an individual account basis

Ventura County Employees' Retirement Association

**Total Fund Performance Detail (Net)**

	Market Value (\$)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Overlay</b>	<b>16,265,832</b>	<b>0.4</b>										
Clifton	16,265,832	0.4										
<b>Total Private Equity</b>	<b>71,443,721</b>	<b>1.7</b>	<b>0.0</b>	<b>4.0</b>	<b>-0.1</b>	<b>10.2</b>	<b>12.3</b>	--	--	--	--	<b>Jul-10</b>
<i>DJ U.S. Total Stock Market Index + 3%</i>			<u>5.0</u>	<u>4.9</u>	<u>2.0</u>	<u>20.9</u>	<u>30.5</u>	--	--	--	--	<i>Jul-10</i>
Over/Under			-5.0	-0.9	-2.1	-10.7	-18.2					
Adams Street Partners	45,096,334	1.1	0.0	4.2	0.0	11.5	13.1	--	--	--	--	Jul-10
<i>DJ U.S. Total Stock Market Index + 3%</i>			<u>5.0</u>	<u>4.9</u>	<u>2.0</u>	<u>20.9</u>	<u>30.5</u>	--	--	--	--	<i>Jul-10</i>
Over/Under			-5.0	-0.7	-2.0	-9.4	-17.4					
Panteon Ventures	9,753,934	0.2	0.0	2.5	0.0	4.0	5.6	--	--	--	--	Aug-10
<i>DJ U.S. Total Stock Market Index + 3%</i>			<u>5.0</u>	<u>4.9</u>	<u>2.0</u>	<u>20.9</u>	<u>30.5</u>	--	--	--	--	<i>Aug-10</i>
Over/Under			-5.0	-2.4	-2.0	-16.9	-24.9					
Harbourvest	16,593,453	0.4	-0.2	4.3	-0.3	8.7	--	--	--	--	--	May-13
<i>DJ U.S. Total Stock Market Index + 3%</i>			<u>5.0</u>	<u>4.9</u>	<u>2.0</u>	<u>20.9</u>	<u>30.5</u>	--	--	--	<u>19.7</u>	<i>May-13</i>
Over/Under			-5.2	-0.6	-2.3	-12.2						

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**

**Cash Flow Summary**

Month Ending February 28, 2014

	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Adams Street Partners	\$42,615,659	\$0	\$2,480,683	\$2,480,683	\$0	-\$8	\$45,096,334
BlackRock ACWI ex-U.S. Index	\$263,937,316	\$0	\$0	\$0	-\$24,777	\$13,384,565	\$277,321,881
BlackRock Equity Market Fund	\$1,086,571,954	\$0	\$0	\$0	-\$21,053	\$51,589,927	\$1,138,161,881
BlackRock Extended Equity Index	\$42,453,179	\$0	\$0	\$0	-\$2,984	\$2,302,807	\$44,755,986
BlackRock MSCI ACWI Equity Index	\$204,170,466	\$0	\$0	\$0	-\$8,804	\$9,937,246	\$214,107,712
BlackRock U.S. Debt Fund	\$133,066,452	\$0	\$0	\$0	-\$7,795	\$775,085	\$133,841,537
Bridgewater All Weather Fund	\$254,856,501	\$0	\$0	\$0	-\$88,251	\$8,746,193	\$263,602,694
Clifton	\$36,977,921	-\$21,824,109	\$14,180,919	-\$7,643,191	-\$2,033	-\$13,068,898	\$16,265,832
GMO Global Equity	\$201,883,757	\$0	\$0	\$0	-\$96,951	\$9,645,557	\$211,529,314
Harbourvest	\$16,620,038	\$0	\$0	\$0	\$0	-\$26,585	\$16,593,453
Hexavest	\$77,047,670	\$0	\$0	\$0	-\$31,092	\$3,728,759	\$80,776,429
Loomis Sayles Global Fixed Income	\$92,140,718	\$0	\$0	\$0	-\$23,427	\$1,567,612	\$93,708,330
Loomis Sayles Multi Strategy	\$67,459,407	\$0	\$0	\$0	-\$23,124	\$1,702,147	\$69,161,554
Loomis Strategic Alpha	\$40,767,311	\$0	\$0	\$0	-\$13,665	\$226,695	\$40,994,006
Panteon Ventures	\$9,903,934	-\$150,000	\$0	-\$150,000	\$0	\$0	\$9,753,934
PIMCO Global Fixed Income	\$123,497,413	\$0	\$0	\$0	-\$35,606	\$2,260,967	\$125,758,380
Prudential Real Estate	\$95,185,595	\$0	\$0	\$0	\$0	\$0	\$95,185,595
Reams	\$250,817,046	\$0	\$0	\$0	-\$37,622	\$162,864	\$250,979,910
RREEF	\$8,610,268	\$0	\$0	\$0	\$0	\$0	\$8,610,268
Spurcegrove	\$177,594,880	\$0	\$0	\$0	-\$58,418	\$8,810,087	\$186,404,967
Tortoise Energy Infrastructure	\$125,844,390	\$0	\$0	\$0	-\$77,917	\$3,756,748	\$129,601,138
UBS Real Estate	\$189,646,544	\$0	\$0	\$0	\$0	\$0	\$189,646,544
Walter Scott	\$87,982,494	\$0	\$0	\$0	-\$67,740	\$3,748,225	\$91,730,719
Western	\$250,479,070	\$0	\$0	\$0	-\$44,262	\$3,614,742	\$254,093,812
Western U.S. Index Plus	\$117,535,727	\$0	\$0	\$0	-\$27,876	\$5,471,069	\$123,006,796
<b>Total</b>	<b>\$3,997,665,709</b>	<b>-\$21,974,109</b>	<b>\$16,661,602</b>	<b>-\$5,312,508</b>	<b>-\$693,396</b>	<b>\$118,335,804</b>	<b>\$4,110,689,006</b>



- **The client's custodian bank is NEPC's preferred data source, and NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.**
- **Trailing time period returns are determined by calculating the geometric mean of the holding period returns, from the first full month after inception to the report date. Rates of Return are annualized when the time period is longer than a year. Performance is presented gross and/or net of fees as indicated on each page.**
- **For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.**
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## Ventura County Employees' Retirement Association

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### Private Equity Overview

March 17, 2014

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# In 2013, PE returns mirrored the public equity markets', with US and Europe posting large gains.

- **Global PE generated a 10.2% return for the past year led by strong performance of US and European PE**
- **Buyout returns were 14.7% for the past year**
  - Mega funds returned 17.2% in one year
  - Larger size = higher correlation to public markets
- **Venture capital returns have improved**
  - Late stage has outperformed early stage (& with less risk)
- **10-year return for global PE is 13.4%**
  - Outperforming public equity indices over the long term

All Private Equity	Q3 2013	1 Year	3 Year	5 Year	7 Year	10 Year
Global	3.0%	13.6%	12.6%	8.2%	9.2%	13.4%
United States	3.5%	14.8%	13.8%	9.2%	9.4%	12.9%
Europe	3.4%	13.4%	12.0%	5.8%	9.2%	15.9%
Asia	-0.1%	7.9%	6.7%	9.2%	9.7%	15.9%
Global by Strategy	Q3 2013	1 Year	3 Year	5 Year	7 Year	10 Year
Buyouts	2.9%	14.7%	13.5%	8.8%	10.0%	15.0%
Small (<\$500M)	1.0%	9.6%	11.0%	8.2%	11.2%	16.0%
Medium (\$500M-\$999M)	3.6%	13.7%	11.9%	8.6%	10.9%	15.1%
Large (\$1B-\$4.9B)	2.8%	13.8%	13.2%	8.3%	10.0%	15.1%
Mega (\$5B+)	3.1%	17.2%	15.1%	9.5%	8.8%	14.0%
Venture Capital	3.6%	12.9%	13.4%	7.2%	8.1%	8.4%
Early Stage	2.5%	12.3%	14.9%	7.2%	7.8%	7.6%
Late Stage	4.8%	14.6%	15.5%	11.8%	13.9%	11.8%
Mezzanine	1.9%	10.3%	10.8%	6.7%	8.6%	10.8%
Distressed & Special Situation	3.4%	13.2%	11.0%	8.9%	7.4%	11.8%
Energy	4.2%	12.1%	12.5%	7.9%	12.2%	21.9%
Public Indices	Q3 2013	1 Year	3 Year	5 Year	7 Year	10 Year
Russell 3000	6.3%	21.6%	16.8%	10.6%	6.1%	8.1%
MSCI EAFE	11.6%	23.8%	8.5%	6.4%	2.4%	8.0%
MSCI EM	5.8%	1.0%	-0.3%	7.2%	5.9%	12.8%
Barclays High Yield	2.3%	7.1%	9.2%	13.5%	8.8%	8.9%

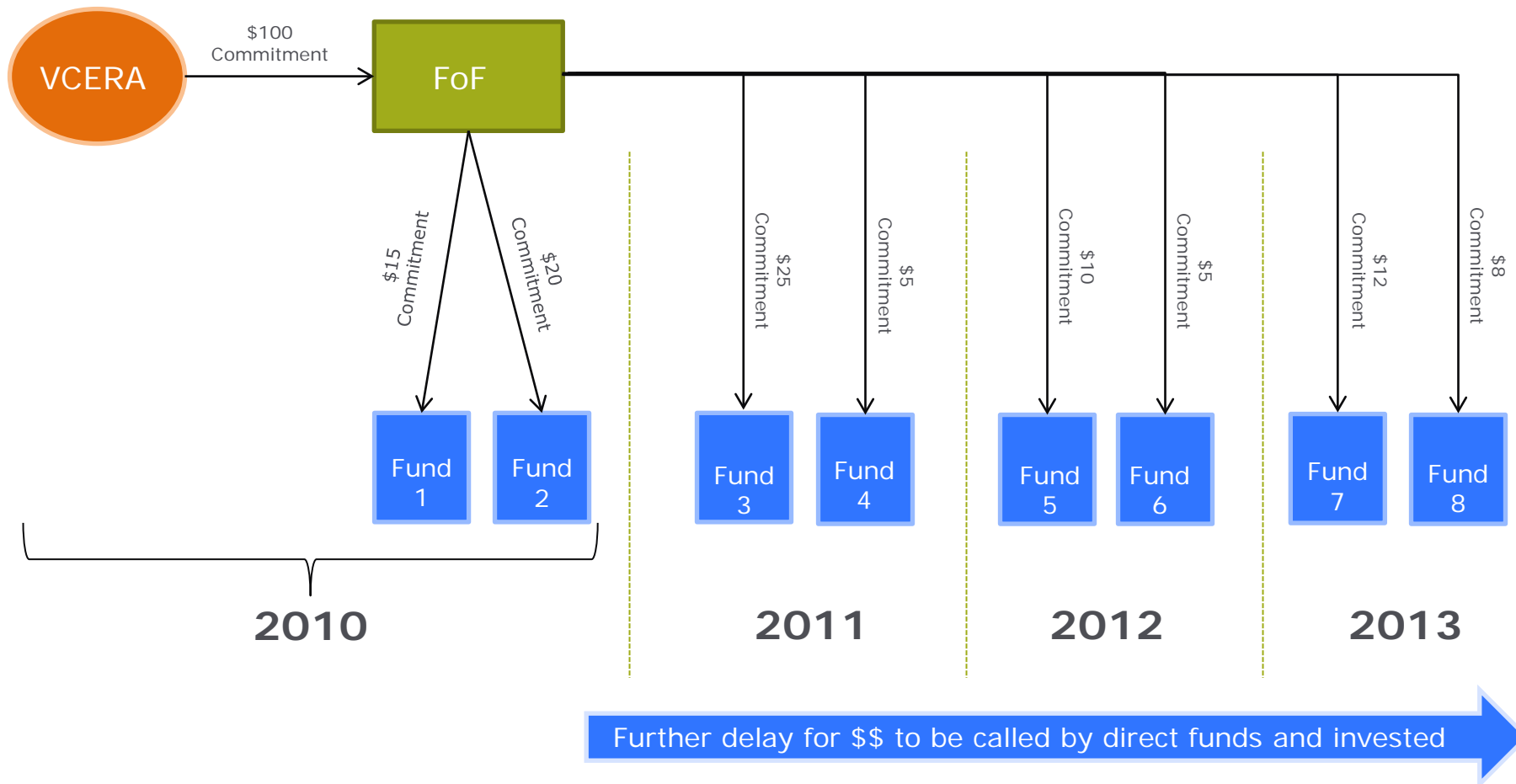
- **Private equity can be used as a return enhancer.**
  - Investors should receive an illiquidity premium due to the drawdown structures utilized in the asset class.
- **Private equity can dampen portfolio return volatility as well.**
  - Private portfolio company re-valuations typically are lagged when compared to public market returns.
- **Thoughtful programs can mitigate key risk associated with a private equity investment program.**
  - Liquidity risk
    - Mitigated through commitment pacing.
    - Strategy selection using “J-Curve” mitigating investment strategies.
  - Macro-economic environment risk
    - Managed through strategy selection.
  - Idiosyncratic manager risk
    - Diversify the manager selection.

**Investing in private equity has many benefits and considerations as part of a larger investment portfolio**

Private Equity Benefits	Private Equity Considerations
<ul style="list-style-type: none"><li>• Historically low correlation to stocks and bonds and should provide correlation benefits to the overall portfolio</li><li>• Offers a spectrum of investment strategies (providing different return and risk expectations) that can be customized to meet different objectives</li><li>• Potential to enhance overall portfolio returns</li></ul>	<ul style="list-style-type: none"><li>• Investments are generally illiquid</li><li>• Limited and imperfect benchmarks exist to gauge investment performance</li><li>• Valuations are fundamentally based on underlying transaction markets which have limited transparency and valuations can lag real-time market valuations</li><li>• Investments outside of the base currency are affected by currency movements</li></ul>

# Fund of Funds Commitment Example

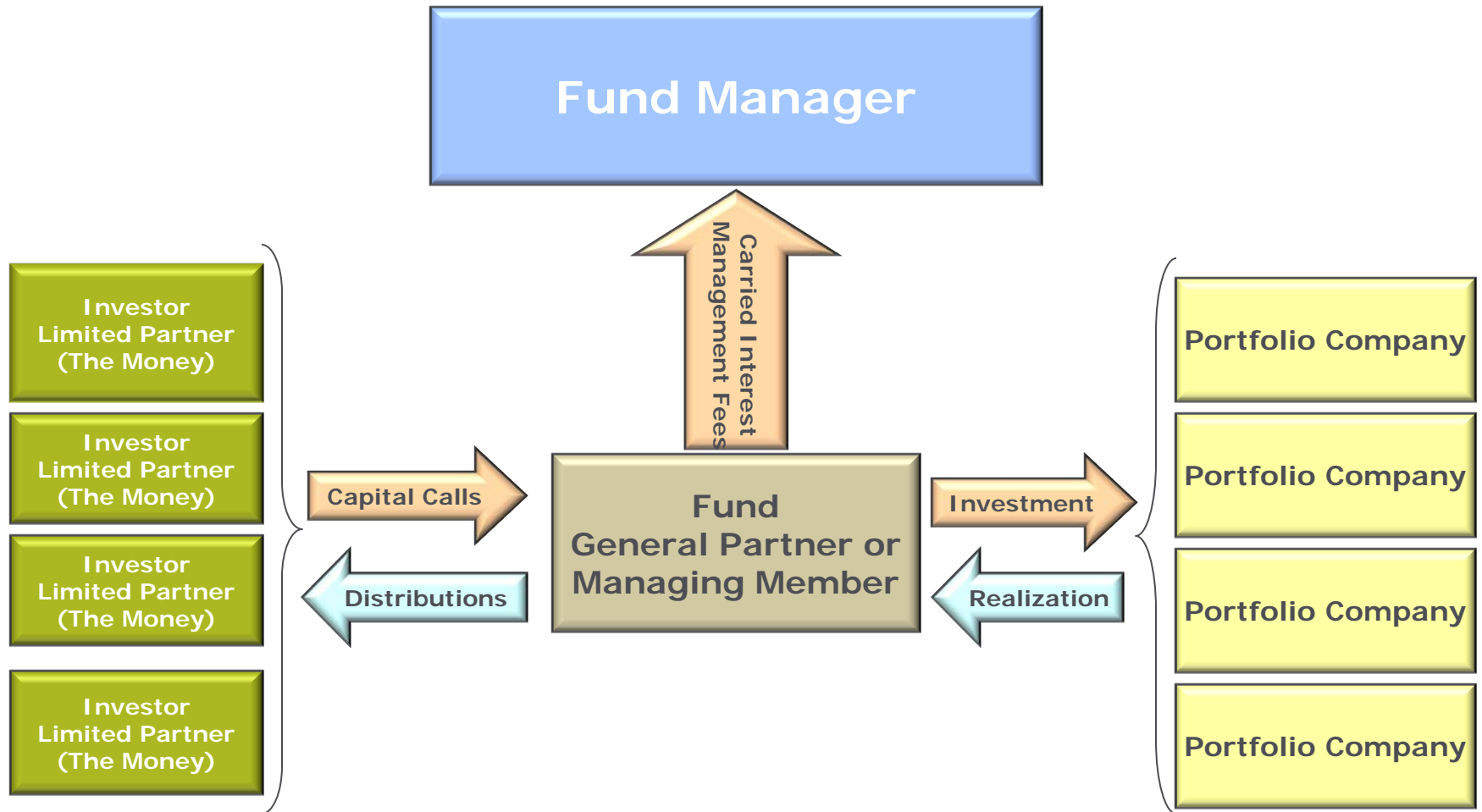
- As we think about commitments to fund of funds, be cognizant of the actual time it takes the plan's commitments to be committed by the FoF managers.
- The fictional example below illustrates how a 2010 vintage year commitment is spread into commitments over the next 2 to 4+ years.



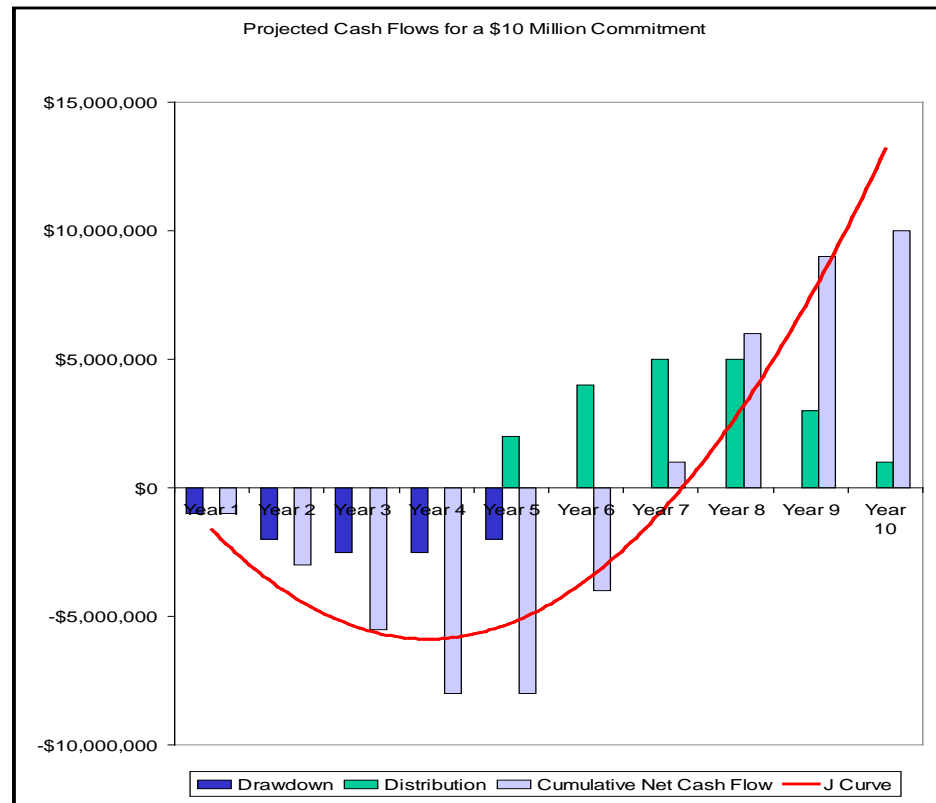
- **Venture Capital**
  - Venture Capital implies early stage financing of rapidly growing companies with an innovative/disruptive business idea for a product or service that is proprietary.
- **Buyouts (Leveraged Buyouts, LBOs, Management Buyouts, MBOs)**
  - Buyout investing provides leveraged capital and business development capital to enable the restructuring of existing business and industries.
- **Mezzanine**
  - An investment strategy involving subordinated debt, (the level of financing senior to equity and below senior debt). Capital supplied by mezzanine financing is used for various situations such as facilitating changes in ownership through leveraged buyouts or recapitalizations, financing acquisitions, or enabling growth. Venture lending and leasing is a subset of mezzanine financing that targets venture backed companies.
- **Distressed**
  - Distressed securities are defined as a security with a current yield of 10% above comparable U.S. Treasury bonds. Investment instruments include publicly traded debt securities, private debt, trade claims, mortgage debt, common and preferred stock and commercial paper. Investments also include turnaround situations and companies with poorly organized capital structures. Long and short positions are commonly used as a technique to lock in profit or reduce risk.
- **Secondaries**
  - Private equity interests are generally purchased at a discount from valuation from motivated owners of private equity interests. The interests purchased are generally venture and buyout interests with limited exposure to unfunded capital commitments.
- **Special Situations**
  - Special situations generally have an open-ended investment objective and are seeking to capitalize on opportunities in a wide variety of sectors. Investments may include energy, project financing and bridge transactions.



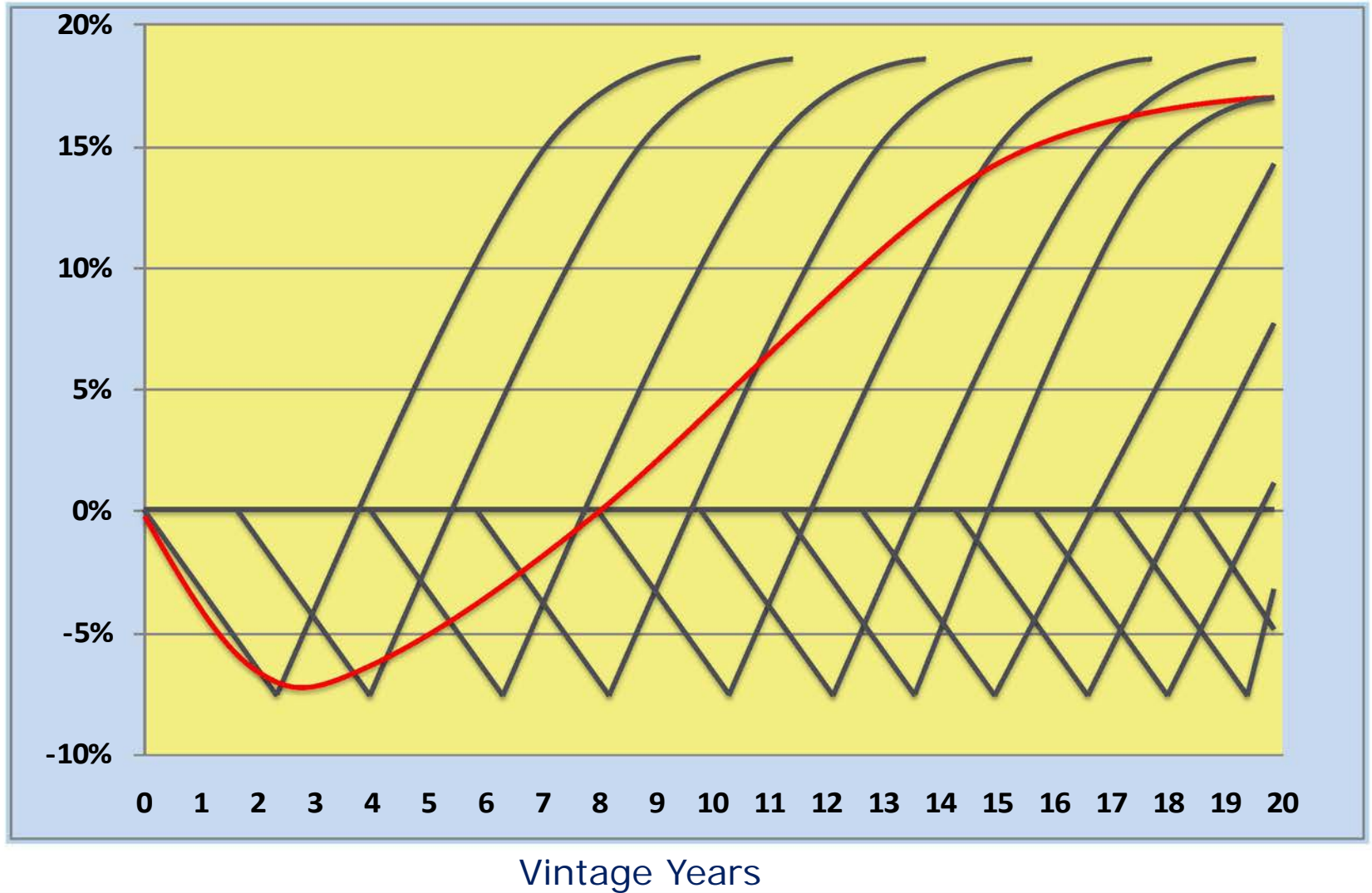
- **Diversify by:**
  - Vintage Year
  - Strategy
  - Manager
- **Individual Partnerships**
  - Can select best in class
  - Can control allocations more precisely
  - More individual manager risk
  - More oversight/time required
  - High minimum investment required
- **Funds-of-Funds**
  - Effective diversification tool, but more “average” returns
  - Potentially better access to top firms
  - Extra layer of fees
- **Combination of the two**



- Years 1-3 returns are negative as values can only be written down, little income is generated and management fees are collected on committed (not invested) base.
- Years 3-5 returns flatten out and gradually turn positive as values are written up to reflect transactions and some income is received.
- Years 5-10 returns spike as assets are sold and accumulated increases in value are reflected, and income is received as businesses become profitable.
- J-Curve should be mitigated in a fully diversified Private Equity program spread across multiple vintage years (example on next slide).



### Realization of Returns



# VCERA Managers

- **Private Equity Target – 5% \$205m**
- **Adams Street**
  - Committed \$85 million in 2010 - \$31.4 million drawn
  - Committed \$75 million in 2013 - \$3.3 million drawn
- **Harborvest**
  - Committed \$67.5 million in 2013 - \$5.7 million drawn
- **Pantheon**
  - Committed \$15 million - \$8.2 million drawn
- **Summary**
  - Committed \$242.5 million – 5.8%
  - Current market value \$71 million – 1.7%
  - Drawn \$48.6 million – 1.2%

General Firm Information	
<b>General Partner</b>	Adams Street Partners, LLC (“ASP” or “Adams Street” or “the Firm”)
<b>Main Address</b>	One North Wacker Drive, Suite 2200 Chicago, IL 60606

Firm Overview	
<b>Investment Style</b>	Diversified fund of funds (buyout, venture, mezzanine, distressed, special situations, secondaries, co-investments), secondary funds, energy fund of funds, and direct funds
<b>Target Asset Types</b>	Primary and Secondary Private Equity LP Interests, Equity Securities
<b>Target Geographies</b>	Global (US, non-US Developed Markets, Emerging Markets)
<b>Investment Strategy</b>	<ul style="list-style-type: none"> <li>Each year Adams Street Partners raises an annual fund of funds program, consisting of a Direct Venture Fund, a US Partnership Fund, a Non-US Developed Markets Partnership Fund and an Emerging Markets Partnership Fund. The Global Fund provides administrative convenience by investing in pre-determined percentages in the underlying US Fund (50%), Developed Markets Fund (25%), Emerging Markets Fund (15%) and Direct Fund (10%).</li> <li>In addition to the core fund of funds programs, ASP manages separate secondary funds, energy &amp; natural resources funds, co-investment funds and builds customized separate accounts.</li> </ul>
<b>Firm Experience</b>	<ul style="list-style-type: none"> <li>Adams Street’s predecessor firm was founded in 1972 as the growth equity and co-investment group within First National Bank of Chicago. Through a series of corporate events, ASP operated as part of UBS Asset Management until 2001.</li> <li>Following the initiation of a management buyout in 2001, employees of the Firm bought out the remaining stake in 2008. ASP has been 100% employee owned since that date, with 83 individuals holding an equity stake in the Firm.</li> <li>Since its inception, Adams Street Partners has grown to over 100 employees with six global offices in Chicago, London, Menlo Park, Singapore, Beijing and Tokyo.</li> <li>Adams Street has been investing directly into operating companies since 1972 and has been investing in private equity partnerships since 1979.</li> </ul>
<b>Fund Team</b>	<ul style="list-style-type: none"> <li>Bon French and Hanneke Smits, who share responsibility as Chief Investment Officers, average 20 years with the Firm. The 26 Partners average nearly 10 years with the Firm.</li> <li>In addition to the two Chief Investment Officers, there are over 50 investment professionals dedicated to the activities of the funds, encompassing activities such as primary fund investments, secondary fund investments, direct investments, co-investments, strategy and analytics.</li> <li>An Executive Committee and an Operations Committee were formed in 2008 to facilitate the management governance of a growing organization. The Board and the Executive Committee will discuss and recommend the future leadership and reporting structure for the Firm that will be in place upon Bon French’s anticipated retirement in 2017.</li> </ul>
<b>Sourcing Capabilities</b>	<ul style="list-style-type: none"> <li>ASP’s tenure in the industry and the global networks its professionals have built provide the Firm with a large set of investment opportunities.</li> <li>ASP’s deal flow typically generates 400-600 partnership opportunities and over 1,000 direct investment opportunities annually.</li> <li>ASP’s involvement in all aspects of the private equity industry globally (primaries, secondaries, co-investment and direct investing) enable the team to leverage firm-wide relationships developed around the world.</li> </ul>

General Firm Information	
General Partner	HarbourVest Partners, LLC (“HarbourVest” or “the Firm”)
Main Address	One Financial Center 44 <sup>th</sup> Floor Boston, MA 02111

Firm Overview	
Investment Style	Diversified fund of funds (buyout, venture, private debt, distressed, special situations), secondary funds, direct investments in buyout, growth equity and mezzanine transactions, and cleantech investments
Target Asset Types	Primary and Secondary Private Equity LP Interests and Direct Co-Investments
Target Geographies	Global (US, Developed Europe, Eastern Europe, South Africa and Latin America)
Investment Strategy	<ul style="list-style-type: none"> <li>HarbourVest's investment strategy has been developed over the multiple investment, capital market, credit, and macroeconomic cycles of the past three decades.</li> <li>Several strategic elements have been consistently developed over consecutive investment programs, including: leveraging the HarbourVest platform of an integrated approach to private equity through primary, secondary and direct investments; building diversified portfolios across geography, size, stage, and time; applying a disciplined and active approach to investing; utilizing flexible asset allocation; maintaining selectivity.</li> <li>The Firm has raised US funds every three to five years dating back to the 1980s. The HIPEP international program dates back to the 1990s, and funds have been raised every three to five years. HarbourVest's Dover Street secondary line of funds dates back over 20 years and recently closed fund VIII.</li> <li>In addition to the core fund of funds programs named above, HarbourVest has historically done co-investments alongside fund managers. The Firm can co-invest anywhere from \$10 million to \$100 million per transaction.</li> </ul>
Firm Experience	<ul style="list-style-type: none"> <li>HarbourVest Partners is the largest private equity fund of funds manager by amount of capital managed for third parties.</li> <li>The Firm manages approximately \$35 billion in discretionary private equity assets.</li> <li>HarbourVest was founded in 1982 as a subsidiary of John Hancock Insurance, formerly known as Hancock Venture Partners. The two founders, Edward Kane and Brooks Zug, were both members of the corporate finance department at John Hancock before forming Hancock Venture Partners.</li> <li>Today, the Firm is independent and privately owned by 20 individuals including 16 managing directors and four senior advisors.</li> </ul>
Fund Team	<ul style="list-style-type: none"> <li>The HarbourVest team is comprised of more than 250 employees. The 80 investment professionals are spread across Boston, Hong Kong, London, Tokyo, Bogota, and Beijing.</li> <li>HarbourVest is led by 23 managing directors with an average firm tenure of 17 years.</li> <li>The team is divided generally by investment focus (primary, secondary, or direct co-investments).</li> <li>All investments, regardless of type or geographical location, are vetted at weekly staff meetings which are attended by senior members of the Firm from each office and approved by the Investment Committee.</li> </ul>
Sourcing Capabilities	<ul style="list-style-type: none"> <li>HarbourVest evaluates numerous economic and private equity market factors when forming and building a fund-of-funds program.</li> <li>The process begins with sourcing the best private equity partnership opportunities available.</li> <li>The Firm determines the size of each fund raised, as well as the number of managers to whom they expect to make commitments, commensurate with the size of the market and the expected availability of the top managers.</li> <li>HarbourVest maintains a comprehensive database to track managers. The Firm also proactively contacts managers who may not rank high on their target list but are believed to be future top performers.</li> </ul>



General Firm Information	
<b>General Partner</b>	Pantheon Ventures, LP (“Pantheon” or “the Firm”)
<b>Main Address</b>	600 Montgomery Street, 23rd Floor San Francisco, CA 94111

Firm Overview	
<b>Investment Style</b>	Diversified primary fund of funds (buyout, venture, distressed, special situations, growth equity), secondary funds, and direct co-investments
<b>Target Asset Types</b>	Primary and Secondary Private Equity LP Interests
<b>Target Geographies</b>	Global (US, Europe, and Asia/ROW)
<b>Investment Strategy</b>	<ul style="list-style-type: none"> <li>Historically, Pantheon has raised funds of a similar ilk every two to four years.</li> <li>There are four general categories into which most of Pantheon’s funds belong: the US line of funds began in 1993 and these funds are focused on creating a diversified portfolio of high quality private equity funds operating primarily in the US; the European family of funds began in 1997 and are focused on primary and secondary fund investments in buyout, venture capital and special situation vehicles in the UK and Europe; the Asian line of funds began in 1994 with an objective of making primary and secondary fund investments in a diversified basket of underlying funds, primarily in Asia.</li> <li>In addition to the core set of primary fund of funds programs, Pantheon manages a separate family of secondary funds that began in 2000. The Firm has also recently developed a Global Multi-Strategy product.</li> </ul>
<b>Firm Experience</b>	<ul style="list-style-type: none"> <li>Pantheon was founded in 1982 in London and is still headquartered there today.</li> <li>The Firm now has offices in San Francisco, Hong Kong, New York, Seoul and Bogota and manages approximately US \$27 billion.</li> <li>In 2004 the Firm was sold to Russell in what was generally seen as a liquidity event for the founders. In 2008, the management of Pantheon in conjunction with Affiliated Managers Group (NYSE: AMG) executed a management buyout.</li> <li>Today, approximately 30% of the economic interests in Pantheon are held by Pantheon’s senior team members, with the balance of the interest owned by AMG.</li> <li>70 investment professionals within the 185 total employee count are spread across the various Pantheon offices.</li> </ul>
<b>Fund Team</b>	<ul style="list-style-type: none"> <li>Pantheon’s investment teams are divided by geography and strategy, and an investment committee oversees each team.</li> <li>Pantheon has 33 senior investment professionals (those at Partner and Principal level) with an average 16 years of private equity experience who have been at Pantheon for an average of 10 years.</li> <li>The investment committees are as follows, with associated number of partners/principals who sit on the committee: US – 4, Europe – 6, Asia – 5, Global Secondaries – 7, Global Co-investment – 7.</li> <li>The firm continues to grow, having expanded by 40 employees over the last five years.</li> </ul>
<b>Sourcing Capabilities</b>	<ul style="list-style-type: none"> <li>Pantheon’s tenure in the industry and the global networks its professionals have built provide the Firm with a large set of investment opportunities.</li> <li>Pantheon maintains a proprietary database of over 8,000 GPs. Since 2007, over 2,200 GPs have been screened and 178 commitments have been made.</li> <li>The Firm has also held advisory board seats on over 270 funds.</li> </ul>

# Appendix: Alternative Investment Disclaimer

- **Past performance is no guarantee of future results.**
- **Data used to prepare this report was obtained directly from the investment manager(s). While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**
- **This report may contain confidential or proprietary information and is intended only for the designated recipient(s). If you are not a designated recipient, you may not copy or distribute this document.**

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

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



NEPC, LLC

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



## Ventura County Employees' Retirement Association

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### Asset Allocation - II

March 17, 2014

Don C. Stracke, CFA, CAIA, Senior Consultant  
Allan C. Martin, Partner

One Main Street, Cambridge, MA 02142 | TEL: 617.374.1300 | FAX: 617.374.1313 | [www.nepc.com](http://www.nepc.com)

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

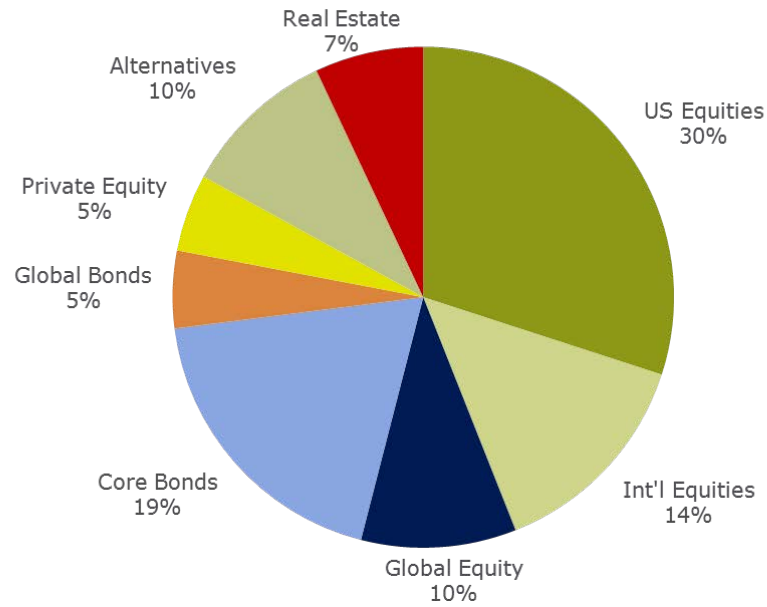
# Asset Allocation

- **Capital markets assumption**
  - Expected Return
  - Expected Risk (Volatility, Standard Deviation)
  - Expected Correlation
- **Project cash flow needs (Contributions – Expenses & Benefits)**
- **Integrate assets and liabilities/spending**
- **Risk Budgeting**
- **Scenario Analysis**
- **Liquidity Analysis**
- **Compare allocation to other programs**

- **Reduce exposure to single risk factor**
  - Equity risk
- **Maintain acceptable return profile**
- **Lower risk level of plan**
  - More equal performance in different economic scenarios
  - Less dramatic draw-downs



### Target Allocation



	5-7 Year		30 Year	
	2013	2014	2013	2014
Expected Return	6.4%	6.2%	7.4%	7.5%
Expected Volatility	12.1%	12.0%	12.1%	12.0%
Sharpe Ratio	0.46	0.39	0.37	0.32
Sortino Ratio	0.64	0.63	0.77	0.80

- **Potential investment areas**
  - Convertibles
  - Infrastructure
  - Expansion of real estate
  - Types of real assets investments
  - Diversified hedge funds
  - Direct private equity
  - GTAA
  - Emerging market debt
  - Opportunistic fixed income
  
- **Implementation items**
  - Active vs. passive allocation
  - Domestic vs. international equity split
  - Global equity vs. domestic and international



**To:** Ventura County Employees' Retirement Association ("VCERA") Board  
**From:** Don Stracke, CFA, CAIA  
**Date:** March 17, 2014  
**Subject:** PIMCO Update

## **Summary**

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As of January 31, 2014, VCERA had approximately \$123 million invested in the PIMCO Global Fixed Income strategy. NEPC has put all PIMCO strategies on WATCH as a result of recent organizational changes. It is important to note that a watch recommendation is our lowest level of concern regarding a manager and that typically a hold recommendation is more akin to most of our clients watch status. Below we discuss the changes and our impressions based on a recent onsite visit conducted by our CIO and the head of our fixed income research team.

PIMCO has a very deep bench, the announced changes do not directly affect the Global Fixed Income strategy, and the restructuring creates a clear division between the management of the business and the investment side of PIMCO. Therefore, we suggest no action at this time, and that NEPC will continue to monitor the situation. Should the board continue to have concerns about PIMCO, we would suggest that they be invited to present to the board in April.

## **Background**

PIMCO recently announced that Mohamed El-Erian, co-CIO and CEO, resigned from the Firm effective mid-March. Mohamed will continue to work alongside team members to aide in the transition of responsibilities until that time. Following his departure in March, he will retain a role, with PIMCO parent Allianz, as a member of the International Executive Committee and will advise the Management Board on global economic and policy issues. In addition to the announcement regarding Mohamed's departure, PIMCO announced the following changes:

- PIMCO founder Bill Gross continues to serve as the firm's CIO
- Andrew Balls and Dan Ivascyn have been appointed to Deputy CIO and will serve as members of the Investment Committee
- Doug Hodge has been appointed CEO. Mr. Hodge was previously the COO of PIMCO
- Jay Jacobs has been appointed President of PIMCO, which is a newly created position
- Craig Dawson has been appointed Head of Strategic Business Management
- Kim Stafford succeeds Jay Jacobs as Head of Talent Management

PIMCO indicated that this decision by Mohamed was made for personal reasons and we have no reason at this time to believe otherwise. This announcement comes on the heels of two other high level changes at PIMCO – one was Mohamed's reassertion as lead PM on the Global Multi Asset Fund in November and the other was the announcement of IC Member and lead PM on the unconstrained bond fund, Chris Dialynas' sabbatical in December.



NEPC felt it was necessary to conduct an on-site due diligence visit in Newport Beach as a result of this announcement. The purpose of the meeting was to gain a greater understanding of the facts regarding both Mr. El-Erian's departure and the restructuring of PIMCO's Investment Committee structure. In addition, we looked to assess any disruption to PIMCO's unique "investment culture" and discuss the Firm's longer-term strategic initiatives and succession plans for CIO, William Gross.

Over the course of the half-day meeting, it was clear there remains a profound sense of disappointment and surprise within PIMCO regarding Mr. El-Erian's departure. Mr. Gross viewed Mr. El-Erian as his successor and during our meeting he expressed a level of sadness and frustration regarding the resignation. Mr. Gross repeatedly stated he does not know why Mr. El-Erian resigned and that Mr. El-Erian came to him in late December and early January and said that "he was not the guy for the job". Over a period of several weeks, Mr. Gross and others attempted to convince Mr. El-Erian to remain at PIMCO but ultimately he chose to resign. Following this decision, PIMCO looked to implement a plan to re-structure the Investment Committee ("IC") and elevate several individuals to the role of Deputy CIO. Interestingly this plan had been developed by Mr. El-Erian over 12 months ago as part of an initiative to restructure the IC and the implementation was simply accelerated following his resignation.

The six individuals elevated to the role of Deputy CIO, Andrew Balls, Dan Ivascyn, Mark Kiesel, Scott Mather, Virginie Maisonneuve, and Mihir Worah all will lead their respective divisions within PIMCO and generally should be viewed as potential CIO successors to Mr. Gross. The CEO, Douglas Hodge and Mr. Gross both emphasized that these newly appointed Deputy CIOs will be carefully evaluated over the coming years and the primary source of measurement will be their investment performance as portfolio managers and the performance of all strategies managed within their respective divisions. This extreme focus on alpha and competition is embraced at PIMCO and in many ways differentiates the Firm from its competitors. The investment culture at PIMCO can be characterized as an intense and competitive environment that has been developed over many decades and we believe will continue with the newly appointed Deputy CIOs. While there may be some level of turnover amongst senior personnel due to the competitive environment, the intense focus on investment performance provides a path forward for a successor to Mr. Gross to be identified in the coming years. We believe PIMCO has properly re-organized their Investment Committee and senior investment personnel to provide clarity to both PIMCO employees and investors regarding a long-term succession plan for Mr. Gross.

In addition to questions regarding CIO succession plans and investment culture, we addressed the restructuring of PIMCO's IC and other portfolio manager changes. These changes include, the departure of Managing Director and Portfolio Manager, Marc Seidner, who is leaving to head GMO's fixed income team, the addition of Tony Crescenzi to the IC, Richard Clarida assuming leadership of PIMCO's annual Secular Forum, the sabbatical of Managing Director Chris Dialynas, and the rehiring of former PIMCO employee Sudi Mariappa, who will return as a Managing Director and Portfolio Manager. We discussed each of these changes with PIMCO and are comfortable with the actions to restructure the IC and reassign Mr. Seidner's responsibilities. With a large and seasoned investment staff, PIMCO has significant depth within their fixed income team and we believe continue to possess the ability to systematically generate alpha.



While Mr. El-Erian's departure has impacted PIMCO as a whole, his resignation directly impacts the management of the Global Multi-Asset Strategy ("GMAF"). Mr. El-Erian was ultimately responsible for the Fund's asset allocation and personally viewed GMAF as a "flagship" PIMCO strategy. PIMCO has since named Deputy CIO, Mihir Worah, as the head of multi-asset strategies and GMAF. We have no concerns regarding the abilities of Mr. Worah to manage GMAF and are very comfortable with him overseeing the strategy. Despite Mr. Worah's investment capabilities, NEPC believes a Client Review due diligence status for GMAF is appropriate to reflect the significant influence Mr. El-Erian had on the Strategy.

Overall, we believe the recent changes will not degrade PIMCO's investment process and capabilities. Due to the volume of personnel changes, we will continue the due diligence status rating of Watch for all PIMCO strategies and Hold for Unconstrained bond strategies. We will look to reevaluate these due diligence ratings in the second quarter of 2014. Please let me know if you have any questions.

Below are NEPC's definitions of recommended actions for managers:

**No Action** - Informational items have surfaced; no action is recommended.

**Watch** - Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.

**Hold** - Serious issues have surfaced to be concerned over; manager cannot be in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.

**Client Review** - Very serious issues have surfaced with a manager; manager cannot be in future searches unless a client specifically requests. Current clients must be advised to review the manager.

**Terminate** - We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot be in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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Ventura, CA 93003-6572  
(805) 339-4250 · Fax: (805) 339-4269  
<http://www.ventura.org/vcera>

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March 17, 2014

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

## **SUBJECT: PIMCO WATCH LIST DISCUSSION**

Dear Board Members:

Mr. Chris Johnston requested that discussion be held regarding the need to place PIMCO on VCERA's "Watch List". VCERA's Investment Policy Statement provides that a manager may be placed on "Watch" status for a number of reasons including, but not limited to:

- Violation of ethical, legal or regulatory standards.
- Material adverse change in ownership of the firm and personnel changes.
- Failure to meet performance objectives or goals.

The organizational changes at PIMCO have been well publicized. Briefly, Mohamed El-Erian, PIMCO's CEO and Co-CIO with Bill Gross, announced earlier this year that he would be leaving the firm in March. Subsequent to Mr. El-Erian's announcement PIMCO reorganized both their Business Management and Portfolio Management divisional structures. Recently, there have been numerous articles implying that the relationship between the two men had become increasingly strained over time.

Managers placed on "Watch" status shall be notified in writing and remain on "Watch" typically for six months. Staff and/or VCERA's Investment Consultant shall provide the Board with monthly reports of the manager's progress in remediating the issue(s). Additionally, the Board may institute a "quiet period" when a service provider such as PIMCO is placed on "Watch". The initiation of any "quiet period" must be recorded in the Board's minutes.

I will be pleased to respond to any questions you may have at the March 17, 2014 business meeting.

Sincerely,



Tim Thonis  
Interim Retirement Administrator

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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Ventura, CA 93003-6572

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March 17, 2014

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

**SUBJECT: VENTURA COUNTY EMPLOYEES' RETIREMENT INFORMATION  
SYSTEM (VCERIS) PROJECT**

Dear Board Members:

**Recommendation:**

Recommend approval for the Vice Chairman to sign Attachment A – Letter to Vitech.

**Background & Discussion:**

As discussed at the March 3<sup>rd</sup>, 2014 Board Meeting, the VCERIS project requires additional hours from Vitech Systems, Inc. to complete the data conversion for the VCERIS project. The Vitech Change Order discussed at the March 3<sup>rd</sup> meeting was not approved.

In further analyzing the Vitech License, Professional Services, Maintenance and Support Agreement (2/27/2012), Staff determined that a change order was not required. Rather, Attachment C-3 (page 51) states as follows: "Should VCERA request additional hours of data conversion assistance, the VENDOR agrees to provide those hours at \$100 per hour". As such, Staff has prepared a letter requesting additional hours to be provided at the agreed upon rate on a time and materials basis, billed monthly.

We will be pleased to respond to any questions you may have on this matter at the March 17, 2014 business meeting.

Sincerely,



TIM THONIS  
Interim Retirement Administrator



BRIAN COLKER  
Linea Solutions, Inc.

Attachment (1)

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003-6572  
(805) 339-4250 • Fax: (805) 339-4269  
<http://www.ventura.org/vcera>

---

March 17, 2014

Mr. Chris Lodge  
Vice President  
Vitech Systems Group, Inc.  
401 Park Avenue South  
New York, New York 10016

**SUBJECT: REQUEST FOR ADDITIONAL DATA CONVERSION  
ASSISTANCE**

Dear Mr. Lodge:

In accordance with Attachment C-3 of the contract between Vendor and VCERA dated 2/27/2012, Vendor is hereby requested to provide an estimated 675 hours of additional data conversion assistance. As provided in said Attachment C-3, payment for such additional data conversion assistance will be at the rate of \$100 per hour.

Payment to Vendor will be made monthly as the additional data conversion work is performed, upon receipt of an invoice from Vendor.

We appreciate your continued assistance on this important project.

Sincerely,

Mr. William Wilson  
Board Vice-Chair



## PROJECT STATUS SUMMARY

<b>Actual Percentage Complete:</b> 51.28%
<b>Planned Percentage Complete:</b> 53.85%

Scope	Schedule	Cost	Risks	Quality
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### Schedule

The project schedule is currently 2.57% behind schedule. There are two primary factors causing the schedule impacts:

- VCERA staffing issues – As previously reported, VCERA has experienced several significant staffing issues which are impacting their ability to provide project resources as scheduled. The project team is closely monitoring the progress of project activities and attempting to identify solutions to minimize schedule impacts. The Board approved the addition of a Linea resource to help with project testing and other avenues of staffing for specific project activities are also being pursued.
- Third party vendor issues – VCERA’s legacy imaging provider, Novanis, was scheduled to start working with the project team to convert VCERA’s images on January 1, 2014. That work did not start as scheduled because Novanis stated their resource would be completing another project and would not be available until February 1, 2014. Activities did start on that date as expected, but the one month delay will likely have an impact on the schedule. The project team is attempting to complete the conversion activities by 3/31/2014 as originally planned, but this will require a significant effort and full cooperation by Novanis, which is not within the project team’s control.

### Risks

There are two project risks that are being closely monitored.

- Plan sponsor payroll transmittal – The plan sponsors are still working on solutions to providing the required payroll transmittal information. The project team is working closely with plan sponsors to complete the process.
- VCERA staffing issues – As stated above, VCERA’s staffing issues are a serious concern. It is critical to the project’s success that the appropriate staff are available to participate in the project activities as scheduled. The project team began onboarding VCERA’s two new project staff, Angie Tolentino and Doug Arnett, in January and their participation in project activities increased in February.

## KEY ACCOMPLISHMENTS LAST MONTH

- Kicked off Segment F – Imaging
- Completed Cycle 8 data conversion extracts. This cycle includes all legacy data from RDBS, RIS and ADP.
- Wrote 82 test cases and executed 103 tests.

**Ventura County  
Employees' Retirement Association**



**REQUEST FOR PROPOSAL**

**Executive Search Firm  
For  
Recruitment**

**Retirement Administrator**

**VCERA Board of Retirement  
February 28, 2014**

**RFP: Executive Search Firm**

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## **SECTION 1: INTRODUCTION**

The Ventura County Employees' Retirement Association (VCERA) is seeking proposals for executive recruitment of a Retirement Administrator and associated consulting activities. The selected consultant will be responsible for creating candidate profiles, a position description, and conducting an executive search to fill the position.

## **SECTION 2: BACKGROUND**

At its meeting on January 27, 2014, the VCERA Board of Retirement appointed a Personnel Committee to issue a Request for Proposal to engage an executive search firm to identify suitable candidates to fill the position of Retirement Administrator. The position is currently vacant due to the resignation of the prior Retirement Administrator, though the duties of the position are being fulfilled by an Interim Retirement Administrator. The Retirement Administrator is accountable for overall administration of the Ventura County Employees' Retirement Association and is charged with managing and overseeing an efficient and cost-effective retirement program. He/she serves as liaison and primary policy advisor to the Board of Retirement.

## **SECTION 3: OVERVIEW OF VCERA**

VCERA is a public agency that was created to administer retirement benefits and operates under the County Employees Retirement Law of 1937. It was established in 1947, following a vote by the people of the County in June 1946. VCERA's membership includes active, deferred, and retired members of two participating employers. There are approximately 16,000 members and beneficiaries served by VCERA, of which 5,900 are retirees and beneficiaries. The Board of Retirement consists of nine members, of whom four are appointed by the County's Board of Supervisors, four are elected by the members of VCERA, and the County's Treasurer is an ex-officio member. There are also two elected alternate members.

Among the Board's responsibilities are determining investment strategies and selecting investment consultants and investment managers, selecting outside actuaries, approving applications for retirement benefits, and reviewing and ruling on disability retirement claims and special cases. The Board's management functions are governed by the applicable provisions of the California Government Code and the by-laws and regulations of VCERA.

The responsibility of the VCERA staff is to provide accounting and counseling for retirement and disability benefits and to give quality information relating to those

benefits. Staff is responsible for assisting the Board in its oversight of the management of the investment program, in accordance with the Board's policies. Additionally, staff is accountable for the financial records and reports including the Comprehensive Annual Financial Report and other fiscal reports, control of the retirement payroll, contributions, accounting and reconciliation of investments. Staff and consultants are currently working on a major information technology upgrade project scheduled to be completed in 2015.

VCERA's portfolio, currently valued at approximately \$4 billion, is invested in a diversified portfolio including domestic and global fixed income, real estate, and private and public equities. The fund realized a positive return of 17 percent for the 12 months ending December 31, 2013. Potential upcoming challenges may include adjustments to VCERA's investment and funding policies in the event of success of a current voter petition that would, among other things, terminate the VCERA plan for new employees.

#### **SECTION 4: GENERAL INFORMATION**

All terms, conditions, requirements and procedures included in the RFP must be met for a response to be qualified as responsive. The proposer is solely responsible for the content of its proposal that best meets the evaluation criteria set forth in the RFP. VCERA reserves the right to waive informalities and minor irregularities in the proposals received. The Board's Personnel Committee will recommend to the Board the most qualified firm and proceed with contract negotiations to enter into a professional services contract. In the event such negotiations are unsuccessful, VCERA reserves the right to conduct negotiations with the second most qualified firm. VCERA reserves the right to award a contract to the firm that best meets the requirements of the RFP and not necessarily to the lowest bidder. The most qualified firm may not be the firm with the lowest cost. The RFP, its addendums, and the proposal of the selected Contractor may become part of any contract initiated by VCERA.

#### **SECTION 5: VCERA'S POINT OF CONTACT**

From the date of issue of this RFP until the executive search firm is selected and the selection is announced, executive search vendors are not permitted to communicate, for any reason, with any VCERA staff or Board member regarding this procurement, except through the Point of Contact named herein and through the formal interview process. For violation of this provision, VCERA shall reserve the right to disqualify the offending vendor from further participation in this procurement.

The Point of Contact for questions and all matters relating to this RFP is:

Name:	Tim Thonis
Title:	Interim Administrator
Address:	1190 South Victoria, Suite 200 Ventura California 93003
Telephone:	805-339-4262
Email:	tim.thonis@ventura.org

Executive search firm proposals are due by 5:00 p.m. on April 4, 2014, and are to be received by the VCERA office, marked to the attention of the above-listed Point of Contact, within this time-frame. It is the responsibility of the executive search firm to ensure that the proposal arrives on or before the time and date written herein. Failure to comply with this provision will result in disqualification of the RFP response.

### **SECTION 6: VENDOR QUESTIONS REGARDING RFP**

Executive search firms may submit questions regarding this RFP in writing to the Point of Contact named above through April 4, 2014. E-mail is the preferred method of communication. All written questions must include the name of the firm and the person submitting the question(s). A compilation of all questions and answers, along with any RFP addenda, will be posted on the VCERA website, [www.Ventura.org/VCERA](http://www.Ventura.org/VCERA), as soon as possible, but no later than April 4, 2014. The identity of the person or firm submitting questions will not be revealed on the website.

### **SECTION 7: SCOPE OF WORK**

1. Assist the Board of Retirement to develop and coordinate a time-bound strategy for carrying out the recruitment, including outreach to encourage applicants to apply.
2. Assist the Board of Retirement to develop a position description.
3. Identify potential contacts and conduct personal outreach recruiting to include posting the position through national channels. Assist the Board of Retirement in preparing and placing advertisements for the position in appropriate industry publications.
4. Review curriculum vitae and resumes for background and qualifications followed by telephone interviews to clarify each applicant's experience and to prepare written summaries of up to 10 candidates with the most promising qualifications for each position.

5. Evaluate candidates for serious consideration (five to six candidates) by conducting in-depth reference checks, subject to candidate approval, with individuals who are or have been in a position to evaluate the candidate's performance on the job.
6. Finalize a process with the Personnel Committee of the Board for interviews and coordinate candidates' participation in interviews.
7. Administer a written performance exercise developed in conjunction with the Personnel Committee at time of interview.
8. Debrief with the Board of Retirement following interviews and identify additional candidates if necessary.
9. Verify selected candidates' educational background, and conduct criminal, financial, media, and civil litigation checks.
10. Notify rejected applicants.
11. Assist the Board of Retirement's Personnel Committee in conducting compensation and relocation negotiations with finalist.
12. Reinitiate a one-time additional executive search for the position with the specifications set forth above, at no fee to VCERA, if the successful candidate leaves, for any reason, the employment of VCERA within one year of placement.

The VCERA Board of Retirement will entertain alternate methodologies in the proposals that achieve VCERA's purpose of obtaining a successful placement.

### **SECTION 8: VENDOR RESPONSE**

Respondents to this RFP should submit responses in the following manner:

1. Four (4) paper copies of the firm's proposal.
2. One electronic copy in portable document format (PDF) .
3. Paper and electronic copies of responses must be received on or prior to the deadline indicated in this RFP.

## **SECTION 9: FORMAT AND CONTENTS OF PROPOSAL**

The information set forth in this section should be included with the proposal:

1. Description of your firm including location and number of years in business, scope of services and qualifications for this project.
2. Names and qualifications of the individuals in your organization who would be leading the project.
3. Framework of services for each deliverable of the project.
4. Project timeline.
5. List of successful Retirement Administrator level placement(s) with public pension plans.
6. List of public pension plan references for which the firm has successfully completed executive level placements.
7. Itemized list of fees and expenses.
8. A clear itemization of any options that are not included in the fees and expenses, provided such options are necessary to carry out this project.
9. The firm is welcome to outline additional services or alternative approaches that it feels are in VCERA's best interest.
10. The firm should commit to use of best efforts to deliver services in accordance with such delivery schedule as is provided in the proposal.

## **SECTION 10: TERMS AND CONDITIONS**

Any contract resulting from the acceptance of a proposal shall contain, at a minimum, all applicable provisions of this RFP. At its option, VCERA may take either of the following actions in order to form an agreement between VCERA and the selected firm:

1. Accept a proposal by issuing a written "Notice of Award" to the selected firm, which incorporates the proposal documents by reference and accepts all portions of the



firm's proposal. This "Notice of Award" will represent a contractual obligation, and will be executed by both VCERA and the selected firm.

2. Enter into negotiations in an effort to reach a mutually satisfactory agreement, which represents a contractual obligation and will be executed by both VCERA and the selected firm. This agreement will be based on proposal documents, the submitted proposal and the associated negotiations.

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

1190 South Victoria Avenue, Suite 200  
Ventura, CA 93003-6572

(805) 339-4250 • Fax: (805) 339-4269  
<http://www.ventura.org/vcera>

---

March 17, 2014

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

**SUBJECT: AUTHORIZATION FOR MR. SOLIS'S ATTENDANCE AT THE  
PIMCO INSTITUTE 2014; JUNE 5-6, 2014 AND JUNE 9-13,  
2014; NEWPORT BEACH**

Dear Board Members:

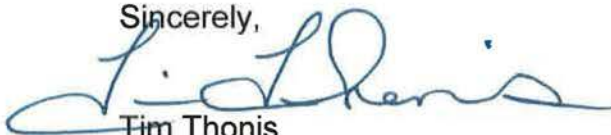
Staff recommends authorization for Mr. Solis to attend the PIMCO Institute 2014, Two-day and Five-day seminar, in Newport Beach on June 5<sup>th</sup> and 6<sup>th</sup> and June 9<sup>th</sup> through 13<sup>th</sup>. While much time is invested in investments from an investor perspective, little time is invested from an operational perspective. Operationally, staff needs to understand these complex investment instruments that are held and being invested in and how they are to be accounted for. VCERA continues to expand and add complex investments to its portfolio and staff is required to understand these investments in order to account for them appropriately and to insure they are reflected accurately in the financial statements.

PIMCO offers these seminars annually and are limited exclusively to PIMCO clients. The two day seminar focuses on investment fundamentals across major asset classes and factors to consider in constructing diversified portfolios. The five day seminar focuses on advanced investment concepts and includes portfolio simulation exercise.

The cost to attend is estimated to be \$1,600 including, hotel, meals and other travel-related expenses.

I will be pleased to respond to any questions you may have on this matter at the March 17, 2014 business meeting.

Sincerely,



Tim Thonis  
Interim Retirement Administrator



## PIMCO Institute 2014

### **Two-day Seminar**

**5-6 June**

**16-17 October**

### **Five-day Seminar**

**9-13 June**

**20-24 October**

### **PIMCO Headquarters**

Conference Center  
650 Newport Center Drive  
Newport Beach, CA 92660

### **Where academic perspective meets real world insight...**

We invite you to attend the 2014 PIMCO Institute Client Education Seminars at our new global headquarters in Newport Beach. These seminars, designed exclusively for PIMCO clients, provide important insights for identifying and capitalizing on investment opportunities across the global capital structure. Sessions emphasize both academic and real world perspective through an engaging mix of lectures, panel discussions and a dynamic portfolio simulation.

Whether you're a seasoned professional, in mid-career, or new to the industry, we believe that the PIMCO Institute Client Education Seminars offer a rewarding opportunity to deepen your understanding of the global capital markets.

Please select the seminar that interests you most to secure your seat today. We look forward to your participation.

### Two-day Seminar

5-6 June

[Register](#)

16-17 October

[Register](#)

This two-day seminar focuses on investment fundamentals across major asset classes, while also addressing specific factors for investors to consider in constructing well diversified portfolios.

#### Topics include:

Term Structure of Interest Rates, Equity Metrics and Portfolio Theory

Introduction to Mortgage- and Asset-Backed Securities

Investing Across the Capital Structure

Real Return Strategies

Fixed Income, Equity Benchmarks and Portfolio Structures

Asset Allocation: A Risk Factor Based Approach

### Five-day Seminar

9-13 June

[Register](#)

20-24 October

[Register](#)

The five-day seminar emphasizes content consistent with advanced academic study and incorporates a dynamic, team-based portfolio simulation exercise.

#### Topics include:

Portfolio Management Simulation Exercise

Outlook for Global Financial Policy and Capital Markets

Credit Markets and Capital Structure

Evolution of Derivative Instruments

Equity Portfolio Construction

Critical Issues in Asset Allocation

Emerging Markets: Issues and Opportunities

Understanding Factor Based Risk Metrics

Managing Inflation Exposure

Role of Alternatives and Absolute Return Investing

State of the Housing Market

### Combined Seven-day Seminar

5-13 June


[Register](#)

16-24 October

[Register](#)

### By invitation only

Before making any non-refundable travel plans, please wait to receive a confirmation email from the PIMCO Institute. To maintain an optimum level of interaction between presenters and participants, space is limited and we request the registration of only one representative per organization. If your organization wishes to add a participant, please submit the individual's name and, if an opening becomes available, we will contact the individual.

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# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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---

March 17, 2014

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

## **SUBJECT: IRS TAX DETERMINATION – THE NEXT STEPS**

Dear Board Members:

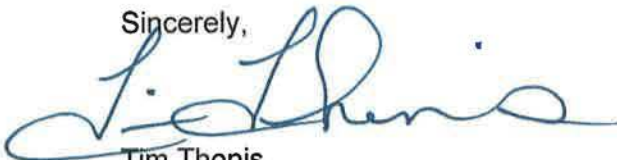
On March 11, 2014, several VCERA staff members participated in Hanson Bridgett's '37 Act Client Webinar titled "Next Steps: IRS Determination Letters and VCP Compliance Statements." Thirteen other SACRS member retirement systems participated in the program. Hanson Bridgett attorneys emphasized that the favorable tax determination letters received by VCERA and other retirement systems remain effective until January 31, 2016, so long as:

- Systems continue to operate in compliance with IRS rules.
- Systems continue to provide support to the adoption of AB 2473 (formerly AB 431) that amends the '37 Act for various tax compliance issues.
- Systems review and prepare a schedule for the adoption of Model Regulations that reaffirm and clarify existing plan operational issues including compensation limits, normal retirement age and rollover provisions for member contributions.
- Systems work through SACRS on a compliance process to review annual IRS changes impacting plan operations.
- Systems begin preparations for the January 31, 2016 tax determination process filing deadline.

One may safely argue that the work requirement for VCERA's 2016 filing begins in 2014. Significant resources will be required to implement the proposed Model Regulations and to conduct the necessary ongoing compliance work throughout this year. Soon thereafter 2016 tax determination filing work will need to commence.

I will be pleased to respond to any questions you may have at the March 17, 2014 business meeting.

Sincerely,



Tim Thonis  
Interim Retirement Administrator

# VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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---

March 17, 2014

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

## **SUBJECT: PEPRA ANNUAL COMPENSATION LIMIT**

Dear Board Members:

### **Recommendations:**

1. Adopt the 2014 annual compensation limits for PEPRA members of \$115,064 for General PEPRA members and \$138,077 for Safety PEPRA members.
2. Consider policy options for future annual PEPRA member compensation limit adjustments.

### **Background:**

The California Public Employees' Pension Reform Act (PEPRA) limits the pensionable compensation used in the calculation of retirement benefits. Specifically, the PEPRA statutes set an initial limit of the Social Security maximum, or 120% of the maximum for member plans not integrated with Social Security. VCERA General member plans are integrated with Social Security, while the Safety member plans are not integrated. Additionally, PEPRA instructs "retirement systems" to adjust the compensation limit annually for inflation based upon annual changes to the Consumer Price Index for All Urban Consumers.

### **Discussion:**

In 2013, the PEPRA compensation limits were \$113,700 for integrated plans and \$136,440 for non-integrated plans. The California Actuarial Advisory Panel (CAAP) issued, in November 2013, a letter detailing its calculation of the 2014 PEPRA compensation limits (Attachment #1). The CAAP serves as an advisory organization only, but intends to publish the PEPRA calculation adjustment for California public retirement systems annually. In 2014, the PEPRA compensation limits will be \$115,064 for plans integrated with Social Security and \$138,077 for non-integrated plans, respectively. If adopted, VCERA staff will provide the information to the Auditor/Controller since contributions will cease on compensation in excess of the limits.

PEPRA ANNUAL COMP. LIMIT

March 17, 2014

Page 2 of 2

Going forward, VCERA needs to develop a mechanism to manage the annual compensation limit adjustments. Staff has identified three policy options for the Board's consideration:

- a. Direct staff to identify the annual adjustments to the PEPRA compensation limits and submit the adjustments to the Board for approval (similar to current process followed for retired member COLA adjustments).
- b. Develop a separate Board Policy for adjusting the PEPRA compensation limits and Auditor/Controller notification. Specifically, staff would be directed to review the CAAP letter, and if in concurrence, provide the limit to the Auditor/Controller. No annual Board action would be required unless staff disagreed with the CAAP adjustment.
- c. Incorporate the PEPRA compensation limits review, approval and notification requirements into the VCERA Retirement Administrator Charter "Benefits Administration" section (Attachment #2). Annual Board action would only be required if the Administrator disagreed with the CAAP adjustment.

**Conclusion:**

Annual compensation limits are an integral part of the PEPRA plans, and VCERA will need to develop policies and procedures to incorporate the expected annual compensation limit changes

I will be pleased to respond to any questions you may have on this matter at the March 17, 2014 business meeting.

Sincerely,



Tim Thonis  
Interim Retirement Administrator

Attachments



**STATE OF CALIFORNIA****California Actuarial Advisory Panel**

Alan Milligan  
Chief Actuary  
California Public Employees'  
Retirement System  
Chairperson

November 26, 2013

RE: PEPRA Pension Compensation Limit (Code Section 7522.10)

Paul Angelo  
Senior Vice President  
and Actuary  
The Segal Company  
Vice Chairperson

To Whom It May Concern:

John Bartel  
President  
Bartel Associates

Pursuant to a request from a Public Agency, the California Actuarial Advisory Panel (the Panel) is publishing this letter to provide a calculation of the Pension Compensation Limits for the Calendar Year 2014.

Leslie Finertie  
Senior Actuary  
MyVal Center

**Background:**

Harold A. Loeb  
Principal and Consulting  
Actuary  
Buck Consultants

Pursuant to Government Code Section 7507.2(b), the responsibilities of the Panel include "Replying to policy questions from public retirement systems in California" and "Providing comment upon request by public agencies". On November 5<sup>th</sup>, 2013, members of the Panel received a request from a public retirement system (the San Joaquin County Employees' Retirement Association) to compute and publish the annual compensation limit for 2014 prescribed by the California Public Employees' Pension Reform Act of 2013 (PEPRA), as amended by Senate Bill No. 13 (SB 13). This request was made to address a concern that minor calculation or rounding differences could result in different systems calculating slightly different pension compensation limits.

Rick Reed  
Chief Actuary  
California State Teachers'  
Retirement System

The Panel has agreed to calculate the dollar amounts of the pension compensation limits for 2014, as we believe that the use of a uniform compensation limit will provide administrative benefits to California's public retirement systems. However, as the Panel is an advisory body only (Government Code Section 7507.2(e) states that "The opinions of the California Actuarial Advisory Panel are nonbinding and advisory only"), the Panel encourages each system to independently review the calculation of the pension compensation limits contained in this letter.

Graham Schmidt  
Consulting Actuary  
Cheiron

**Analysis:**

SB 13 amended Section 7522.10 of the Government Code as follows:

*7522.10. (a) On and after January 1, 2013, each public retirement system shall modify its plan or plans to comply with the requirements of this section for each public employer that participates in the system.*

State Controller's Office  
Division of Accounting and Reporting  
P.O. Box 942850, Sacramento, CA 94250  
Phone: 916-327-4144 Fax: 916-323-4807

California Actuarial Advisory Panel



Alan Milligan  
Chief Actuary  
California Public Employees'  
Retirement System  
Chairperson

Paul Angelo  
Senior Vice President  
and Actuary  
The Segal Company  
Vice Chairperson

John Bartel  
President  
Bartel Associates

Leslie Finertie  
Senior Actuary  
MyVal Center

Harold A. Loeb  
Principal and Consulting  
Actuary  
Buck Consultants

Rick Reed  
Chief Actuary  
California State Teachers'  
Retirement System

Graham Schmidt  
Consulting Actuary  
Cheiron

*(b) Whenever pensionable compensation, as defined in Section 7522.34, is used in the calculation of a benefit, the pensionable compensation shall be subject to the limitations set forth in subdivision (c).*

*(c) The pensionable compensation used to calculate the defined benefit paid to a new member who retires from the system shall not exceed the following applicable percentage of the contribution and benefit base specified in Section 430(b) of Title 42 of the United States Code on January 1, 2013:*

*(1) One hundred percent for a member whose service is included in the federal system.*

*(2) One hundred twenty percent for a member whose service is not included in the federal system.*

*(d) (1) The retirement system shall adjust the pensionable compensation described in subdivision (c) based on the annual changes to the Consumer Price Index for All Urban Consumers: U.S. City Average, calculated by dividing the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September in the calendar year preceding the adjustment by the Consumer Price Index for All Urban Consumers: U.S. City Average, for the month of September of the previous year rounded to the nearest thousandth. The adjustment shall be effective annually on January 1, beginning in 2014.*

The maximum pensionable compensation specified under Section 430(b) of Title 42 of the United States Code for 2013 is \$113,700<sup>1</sup>. For public pension system members who are new members under PEPRA and whose service is included in the federal Social Security system, their compensation used to calculate a defined benefit and their member contributions are limited to this amount (\$113,700) during calendar year 2013. For new members whose service is not included in the federal system, the limit is 120% of this amount (\$136,440).

The Consumer Price Indices for All Urban Consumers (CPI-U) U.S. City Average for the months of September 2012 and 2013 are as follows<sup>2</sup>:

- September, 2013: 234.149
- September, 2012: 231.407

<sup>1</sup> <http://www.ssa.gov/oact/cola/cbb.html>

<sup>2</sup> <http://data.bls.gov/timeseries/CUUR0000SA0>

California Actuarial Advisory Panel



Alan Milligan  
Chief Actuary  
California Public Employees'  
Retirement System  
Chairperson

Paul Angelo  
Senior Vice President  
and Actuary  
The Segal Company  
Vice Chairperson

John Bartel  
President  
Bartel Associates

Leslie Finertie  
Senior Actuary  
MyVal Center

Harold A. Loeb  
Principal and Consulting  
Actuary  
Buck Consultants

Rick Reed  
Chief Actuary  
California State Teachers'  
Retirement System

Graham Schmidt  
Consulting Actuary  
Cheiron

The annual change, computed by dividing the 2013 Index by the 2012 Index, rounded to the nearest thousandth is as follows:

- $234.149 \div 231.407 = 1.012$

Applying this annual adjustment to the 2013 limits yields the following limits for calendar year 2014:

- $\$113,700 \times 1.012 = \$115,064$  (included in federal system)
- $\$136,440 \times 1.012 = \$138,077$  (not included in federal system)

**Conclusion:**

The calculations described above indicate the use of a compensation limit for new PEPRA members for Calendar Year 2014 of \$115,064 for members participating in the federal system (7522.10(c)(1) limit) and \$138,077 for members not participating in the federal system (7522.10(c)(2) limit). The Panel intends to provide similar calculations in future years. The contents of this letter are nonbinding and advisory only, and we encourage each public retirement system to independently evaluate these calculations.

Sincerely,

Alan Milligan, FSA, FCA, MAAA  
Chair, California Actuarial Advisory Panel

cc: Panel members:

- Paul Angelo, Vice Chair
- John E. Bartel
- Leslie Finertie
- Harold A. Loeb
- Rick Reed
- Graham Schmidt

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION****RETIREMENT ADMINISTRATOR CHARTER****I. Introduction**

- 1) The Board will appoint a Retirement Administrator who will serve at its pleasure. The Retirement Administrator is the most senior executive of VCERA and is subject to the Ventura County Management Resolution and is exempt from Ventura County civil service rules. This charter sets out the roles and responsibilities of the Retirement Administrator.

**II. Duties and Responsibilities**Leadership and Policy Analysis

- 2) The Retirement Administrator will provide leadership for VCERA staff in implementing the programs necessary to achieve the mission, goals and objectives established by the Board. The Retirement Administrator will manage the day-to-day affairs of VCERA in accordance with policies established by the Board, and may delegate duties to senior management and staff as necessary.
- 3) The Retirement Administrator will provide support to the Board and its committees in establishing all governance, administrative and operational policies of the Board including identifying and analyzing issues requiring Board policy, and providing well-supported policy recommendations for consideration by the Board or its committees. The Retirement Administrator may advise the Board on investment policy matters, but primary responsibility for such recommendations rests with the investment consultant.
- 4) The Retirement Administrator will be responsible for ensuring that all administrative and operational policies of the Board, excluding governance and investment policies, are properly implemented.

Governance

- 5) The Retirement Administrator will:
  - a) Recommend to the Board policies to help ensure appropriate governance practices;
  - b) Assist the Board in implementing its governance policies, charters, and bylaws; and
  - c) Assist the Board in coordinating Board member education and travel arrangements.

- 6) The Retirement Administrator will carry out the following duties for the Board:
- a) Coordinate meetings, agendas, schedules and presentations for both Board and committee meetings in accordance with the Brown Act;
  - b) Maintain minutes of Board meetings and notes for committee meetings;
  - c) Sign the minutes of Board meetings upon approval of the Board;
  - d) Sign subpoenas;
  - e) Under the direction of the Chair or, in the Chair's absence, the Vice-Chair, sign all resolutions and policies adopted by the Board.

#### Investments

- 7) The Retirement Administrator will:
- a) Advise the Board on investment matters;
  - b) Monitor, from an administrative perspective only, that the investment consultant is fulfilling the terms of its contract with VCERA; and
  - c) Execute the portfolio rebalancing policy of the Board.

#### Benefits Administration

- 8) The Retirement Administrator will:
- a) Recommend to the Board, as necessary, policies and staffing to ensure effective administration of member benefits;
  - b) Ensure accurate payment of benefits to members, and address problems or errors in accordance with established policies and procedures;
  - c) In consultation with medical evaluators and counsel, schedule disability applications to the Board for its consideration;
  - d) Maintain accurate records of member accounts; and
  - e) Ensure delivery of high standards of service to members including calculations and counseling.

#### Operations

- 9) The Retirement Administrator will:
- a) Recommend to the Board, as appropriate, Board policies and staffing designed to help ensure effective operations;

- b) Develop and recommend a Business Plan to the Board, as well as updates to the Plan as necessary;
- c) Recommend the annual operating budget to the Board;
- d) Execute agreements and authorize payments related to the administration of VCERA, consistent with the operating budget;
- e) Account for and ensure appropriate collection, deposit, and distribution of funds as required;
- f) Implement internal operational controls;
- g) Ensure the appropriate design, acquisition, implementation, and maintenance of all technological systems required to administer VCERA;
- h) Maintain the records of VCERA in a permanent and readily accessible format;
- i) Maintain an effective working relationship with plan sponsors and other constituency groups.

#### Finance, Actuarial and Accounting

10) The Retirement Administrator will:

- a) Prepare the Comprehensive Annual Financial Report for approval by the Board;
- b) Implement appropriate internal financial controls to safeguard the assets of VCERA;
- c) With the assistance of the Chief Financial Officer, coordinate the annual financial audit;
- d) Coordinate the actuarial valuation, actuarial experience studies, and actuarial audits; and
- e) Per Government Code Section 31597.1, adopted by the Board of Supervisors on May 19, 1981, before December 31 of each year, file in the office of the County Auditor and with the Board of Supervisors a sworn statement as part of the Comprehensive Annual Financial Report, which will exhibit the financial condition of VCERA at the close of the preceding fiscal year and its financial transactions for the year ending on that day.

#### Human Resources

11) The Retirement Administrator will:

- a) Hire, manage and terminate senior management and staff; and

- b) Develop training and job development programs for VCERA staff as approved in the annual budget.

#### Legislation and Litigation

- 12) The Retirement Administrator will:
  - a) Recommend legislative proposals to be considered by the Board;
  - b) Coordinate with legal counsel all legal proceedings involving VCERA;
  - c) In consultation with legal counsel, provide recommendations to the Board concerning settlement or other legal action involving VCERA; and
  - d) Develop and implement plans to comply with court rulings or new legislation.

#### Communications

- 13) The Retirement Administrator will:
  - a) Ensure effective and timely communications with stakeholders on matters relating to the administration of VCERA. Such communications may include press releases, newsletters, presentations, and internet communications; and
  - b) Act as official spokesperson for VCERA. The Retirement Administrator will, however, discuss with the Chair any public relations matters that are potentially sensitive or controversial to determine the most appropriate response and to determine whether the Retirement Administrator or the Chair should act as spokesperson on the matter.

#### Appointment of Service Providers

- 14) The Retirement Administrator will cause the necessary due diligence to be performed for the following retained service providers:
  - a) The actuary;
  - b) The actuarial auditor;
  - c) The independent financial auditor;
  - d) The master trust/plan custodian;
  - e) Legal counsel;
  - f) Human resource consultants;
  - g) Information systems technology providers;

- h) Hearing Officers; and
- i) Other service providers.

The Retirement Administrator will provide the Board with appropriate recommendations, in accordance with the Service Provider Selection Policy.

- 15) The Retirement Administrator may execute contracts with service providers, other than investment managers, where the amount does not exceed \$100,000, consistent with the operating budget and other policies of the Board, provided that the Board has not specifically retained the authority to hire such service providers, and the Retirement Administrator may execute a contract entered into by VCERA with an investment manager, or greater than \$100,000, when signature authority is delegated by the Board in an open meeting.

### **III. Monitoring and Reporting**

- 16) The Retirement Administrator will provide the Board with relevant, appropriate and timely information to enable it to properly carry out its oversight responsibilities with respect to the benefit administration function of VCERA. Furthermore, the Retirement Administrator will apprise the Board in a timely manner of all significant issues, problems, or developments pertaining to VCERA, and provide recommended courses of action as appropriate.
- 17) The Retirement Administrator will:
  - a) Review all administrative and operational policies of VCERA on a regular basis to ensure they are being followed and continue to meet the needs of VCERA;
  - b) Monitor the funded status of VCERA and all issues that may reasonably have a significant impact on such status;
  - c) Review the findings of the annual financial audit, and of any internal audits that may be performed;
  - e) Assist the Board in the review of the activities and performance of the actuary, independent financial auditor, investment consultant, legal counsel, and master trust/plan custodian on a regular basis;
  - f) Monitor and evaluate the activities and performance of senior management and staff;
  - g) With the assistance of the Chief Financial Officer, monitor the accuracy and timeliness of all payments due to and payable by VCERA;
  - h) Monitor VCERA's compliance with applicable laws and regulations concerning the benefit administration function; and



- i) In conjunction with Board counsel and outside counsel, monitor the status of all legal proceedings involving VCERA and report to the Board as appropriate.

#### **IV. Review**

- 18) The Board will review this charter at least once every three (3) years to ensure that it remains relevant and appropriate.

#### **V. History**

- 19) The Board last reviewed and approved this charter on May 6, 2013. This charter was originally adopted by the Board on June 2, 2003.

## SACRS MEMORANDUM

**To:** SACRS Trustees & SACRS Administrators/CEO's  
**From:** Ray McCray, SACRS Immediate Past President, Nominating Committee Chair  
 SACRS Nominating Committee  
**Re:** SACRS Board of Director Elections – Recommended Ballot - 2014-2015 BOD  
 Elections

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SACRS BOD 2014-2015 Election process began January 2014. Please review the following timeline and distribute the recommended ballot to your Board of Trustees, per the bylaws:

DEADLINE	DESCRIPTION
Monday, February 3, 2014	Nominating Committee receives nominations from SACRS membership
Monday March 3, 2014	Nominating Committee submits its recommended ballot to each 1937 Act Board
Tuesday, March 25, 2014	Nominating Committee receives nominations from any 1937 Act Board
Tuesday, April 1, 2014	Nominating Committee (NC) submits final ballot to each 1937 Act Board – ballot consists of NC's recommended ballot plus anybody else who is nominated but not recommended by the NC
Friday, May 16, 2014	Conduct elections during the SACRS Business Meeting (at end of the May 2014 conference)
Friday, May 16, 2014	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VI ~ Section 2 – Election, Qualification and Term of Office

“The officers of SACRS shall be regular members of SACRS. The officers shall be elected by majority vote of the quorum of delegates and alternate delegates present at the first meeting in each calendar year and shall hold office for one (1) year and until a successor is elected.”

Per SACRS Bylaws, Article VI ~Section 4 - Officer Elections

“...The Board of any regular member County Retirement System may submit write-in candidates to be included in the Nominating Committee's final ballot provided the Nominating Committee receives those write-in candidates prior to March 25th. The Nominating Committee will report a final ballot to each regular member County Retirement System prior to April 1.

The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's recommended ballot and final ballot to each trustee and placing the election of SACRS Officers on his or her Board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee..."

Below is the recommended ballot/slate, as in the past, a voting delegate may entertain a motion to vote by individual officer positions or by complete ballot/slate. Please be sure to authorize your voting delegate to vote either way.

The elections will be held at the SACRS Spring Conference May 13-16, 2014, at the Sacramento Sheraton Grand Hotel, Sacramento, California. Elections will be held during the Annual Business meeting on Friday, May 16th, 2014 at 10 a.m.

Please distribute the recommended ballot/slate to all standing/eligible board members for approval and authorization for your voting delegate. As stated above, Administrators are required to send acknowledgement of completion to our office at [sulema@sacrs.org](mailto:sulema@sacrs.org)

SACRS Nominating Committee Recommended Nominees/Candidates for SACRS BOD 2014-2015 Elections:

President	Yves Chery, Los Angeles CERA
Vice President	John Kelly, Sacramento CERS
Treasurer	Dan McAllister, San Diego CERA
Secretary	Zandra Cholmondeley, Santa Barbara CERS

If you have any questions or require assistance, please contact me directly at (209) 468-2163 or [raym1@sbcglobal.net](mailto:raym1@sbcglobal.net) . Thank you for your prompt attention to this timely matter.

Sincerely,

*Raymond McCray*

Raymond McCray, San Joaquin County  
SACRS Nominating Committee Chair

CC: SACRS Board of Directors  
SACRS Nominating Committee Members  
Sulema H. Peterson, SACRS Administrator



# SACRS Spring CONFERENCE

MAY 13-16, 2014

SHERATON GRAND SACRAMENTO • SACRAMENTO

\*Please check [sacrs.org](http://sacrs.org) for updates

## Tuesday, May 13, 2014

### Golf Tournament

Haggin Oaks

3645 Fulton Avenue, Sacramento, CA 95821

Americas most awarded golf facility, Haggin Oaks Golf Complex boasts two championship golf courses, a world-class teaching facility with over 15 golf professionals, more than 10 different junior, senior, group and private programs and a 100 stall, lighted driving range that includes over 100 stalls five practice greens and two bunkers. The driving range at Haggin Oaks is so popular that it stays open 24-hours-a-day during summer hours.

Contact: Kristin Hamlin, Step Stone Global for sponsorship opportunities and to register. [khamlin@stepstoneglobal.com](mailto:khamlin@stepstoneglobal.com)

3:00 PM - 6:30 PM	<b>Registration</b>
1:00 PM - 3:00 PM	<b>Safety Breakout</b> Moderator: Fred Tan, Santa Barbara CERS
3:00 PM - 5:00 PM	<b>New Trustee Breakout</b> GASB - Focus on implementation/impact on staff
3:00 PM - 5:00 PM	<b>Ethics Training</b> Speakers: Ashley Dunning, Manatt, Phelps and Phillips Michael Toumanoff, Manatt, Phelps and Phillips
3:00 PM - 5:00 PM	<b>Disability/Ops Breakout</b> Application timeliness
5:30 PM - 6:30 PM	<b>SACRS Reception</b>



# SACRS Spring CONFERENCE

MAY 13-16, 2014

SHERATON GRAND SACRAMENTO • SACRAMENTO

\*Please check [sacrs.org](http://sacrs.org) for updates

## Wednesday, May 14, 2014

6:45 AM - 7:45 AM	<p><b>SACRS Yoga</b></p> <p>Want to impress your benefits manager when you go back to the office? Participate in the SACRS Wellness Sessions! Yoga with SACRS is open to all levels, from beginner to expert. Although yoga poses are physical exercise, they have the added benefit of bringing great balance to the mind, body and spirit. A morning yoga session is a great way to energize before our busy conference day.</p> <p><i>*Professional Yoga instructor will lead class, no fee to participate for conference attendees &amp; guests, pre-registration required, towels and water will be available, and all participants must submit a waiver prior to class.</i></p>
7:30 AM - 9:00 AM	<b>SACRS Breakfast</b>
8:00 AM - 6:00 PM	<b>Registration</b>
8:30 AM - 9:00 AM	<p><b>General Session</b></p> <p>Welcome &amp; Awards</p> <p>Panel:</p> <p>Doug Rose, SACRS President</p> <p>Honor Guard</p> <p>Bob Stracke - Affiliate Emeritus Award</p>
9:00 AM - 10:00 AM	<p><b>General Session</b></p> <p>Forthcoming Consumption Boom—The future 15</p> <p>Vikram Mansharamani discusses his research on the future “15”- the emerging countries to benefit are not the “usual suspects” and the impact will be more dramatic globally with respect to energy, healthcare, education, agriculture and demographics.</p> <p>Speaker: Vikram Mansharamani, PhD</p>
10:00 AM - 10:30 AM	<b>SACRS Networking Break</b>
10:30 AM - 11:30 AM	<b>General Session</b>
11:40 AM - 12:40 AM	<p><b>General Session</b></p> <p>Political Initiatives, pollsters and Future of DB Plans</p> <p>Speakers:</p> <p>Keith Brainard, NASRA</p> <p>Amy Brown, Public Retirement Journal</p>
12:40 PM - 1:45 PM	<b>SACRS Lunch</b>
2:00 PM - 5:00 PM	<b>CONCURRENT SESSIONS</b>
<p><b>Administrators Breakout</b></p> <p>Moderator: Vince Brown, Alameda CERA</p>	
<p><b>Affiliate Breakout</b></p> <p>Moderator: Susan Marshall, Baring Asset Mgt</p>	



# SACRS Spring CONFERENCE

MAY 13-16, 2014

SHERATON GRAND SACRAMENTO • SACRAMENTO

\*Please check [sacrs.org](http://sacrs.org) for updates

## Wednesday, May 14, 2014 *Continued*

**Attorney Breakout**

Moderator: Jeff Berk, Sonoma CERA

**Disability Breakout**

Moderator: TBD

**Internal Auditors Breakout**

Moderator: Harsh Jadhav, Alameda CERA

**Investment Breakout**

Moderator: Don Pierce, San Bernardino CERA

**IT Breakout**

Moderator: TBD

**Ops/Benefit Breakout**

Moderator: TBD

**Trustee Breakout**

Moderator: John Kelly, Sacramento CERS & SACRS Secretary

4:30 PM - 5:30 PM

**SACRS Legislative Committee Meeting**

Speaker: Richard Stensrud, Committee Chair





# SACRS Spring CONFERENCE

MAY 13-16, 2014

SHERATON GRAND SACRAMENTO • SACRAMENTO

\*Please check [sacrs.org](http://sacrs.org) for updates

## Thursday, May 15, 2014

6:45 AM - 7:45 AM	<p><b>SACRS 5K Fun Run/Walk</b></p> <p>Don't miss SACRS 5K Fun Run/Walk! Enjoy the cool Sacramento morning with an invigorating walk, jog or run with fellow SACRS conference attendees along an easy 5K (3.1 miles) course around the Capitol. New to the SACRS Wellness Sessions, the 5K Fun Run/Walk is a great way for SACRS conference attendees and guests to come together and get moving before the day's educational sessions. All participants receive a SACRS Fun Run/Walk T-Shirt, water and a snack at the end of the Run/Walk.</p> <p><i>*Registration is \$10 per person, the course is flat and paved, direction signs will be along course along with pocket maps, pre-registration required, and all participants must submit a waiver prior to Run/Walk.</i></p>
7:30 AM - 8:45 AM	<b>SACRS Breakfast</b>
8:00 AM - 6:00 PM	<b>Registration</b>
8:45 AM - 9:00 AM	<p><b>General Session</b></p> <p>Welcome</p> <p>Speaker: Doug Rose, SACRS President</p>
9:00 AM - 10:00 AM	<p><b>General Session</b></p> <p>The Game of Thrones and the Game of Markets</p> <p>Investment and portfolio decisions made during periods of great political uncertainty should be approached differently than those same decisions made during periods of mere risk. Drawing examples from history and popular culture, Hunt shows how what Keynes called The Newspaper Beauty Contest and modern game theorists call The Common Knowledge Game shapes market behaviors in unexpected yet predictable ways.</p> <p>Speaker: Ben Hunt, Salient Partners</p>
10:00 AM - 10:30 AM	<b>SACRS Networking Break</b>
10:30 AM - 11:30 AM	<p><b>General Session</b></p> <p>PCA Real Returns</p>
11:30 AM - 12:45 PM	<b>SACRS Lunch</b>
1:00 PM 2:00 PM	<p><b>General Session</b></p> <p>Technology Disrupters &amp; What It Means For Us</p> <p>The impact technology has in the marketplace and how it is disrupting titans everywhere - media, retail, transport, travel, etc. - the stocks we all own.</p> <p>Speaker: Kate Mitchell, Scale Venture Partners</p> <p>Moderator: Patricia Pabst, San Joaquin CERA</p>
2:00 PM - 2:30 PM	<b>SACRS Networking Break</b>



# SACRS Spring CONFERENCE

MAY 13-16, 2014

SHERATON GRAND SACRAMENTO • SACRAMENTO

\*Please check [sacrs.org](http://sacrs.org) for updates

## Thursday, May 15, 2014 *Continued*

2:30 PM - 3:30 PM	<b>CONCURRENT SESSIONS</b>
<b>Concurrent Session A</b> Investment: Emerging Markets	
<b>Concurrent Session B</b> Operations/Disability	
<b>Concurrent Session C</b> The Economics/Impact of Climate Change & Natural Capital Investing	
3:40 PM - 5:00 PM	<b>CONCURRENT SESSIONS</b>
<b>Concurrent Session A</b> SACRS 2014 Legislative Update Speakers: Richard Stensrud, Sacramento CERS Jim Lites, SACRS Consultant Mike Robson, SACRS Lobbyist Trent Smith, SACRS Lobbyist	
<b>Concurrent Session B</b> SACRS Movie	
4:30 PM - 5:30 PM	<b>SACRS Education Committee Meeting</b>
5:30 PM - 6:30 PM	<b>SACRS Reception</b>





# SACRS *Spring* CONFERENCE

**MAY 13-16, 2014**

SHERATON GRAND SACRAMENTO • SACRAMENTO

\*Please check [sacrs.org](http://sacrs.org) for updates

## Friday, May 16, 2014

7:30 AM - 8:30 AM	<b>SACRS Breakfast</b>
8:45 AM - 9:45 AM	<b>General Session</b>
9:45 AM - 10:00 AM	<b>Break</b>
10:00 AM - Upon Adj	<b>SACRS Business Meeting</b> SACRS Board of Directors
Upon Adj	<b>SACRS BOD Meeting</b> SACRS Board of Directors

