

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

OCTOBER 22, 2018

AGENDA

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

TIME: 9:00 a.m.

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

ITEM:

I.	<u>CALL TO ORDER</u>	Master Page No.
II.	<u>APPROVAL OF AGENDA</u>	1 – 3
III.	<u>APPROVAL OF MINUTES</u>	
	A. Disability Minutes of October 8, 2018.	4 – 11
IV.	<u>CONSENT AGENDA</u>	
	A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of September 2018.	12
	B. Receive and File Report of Checks Disbursed in September 2018.	13 – 15
	C. Receive and File Budget Summary for FY 2018-19 Month Ending September 30, 2018.	16 – 17
	D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Statement of Investments, Cash, and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending September 30, 2018.	18 – 21

**BOARD OF RETIREMENT
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PAGE 2****V. INVESTMENT MANAGER PRESENTATIONS**

- | | | |
|----|--|----------|
| A. | Receive Annual Presentation from Abbott Capital Management, Young Lee and Matthew M. Smith. | 22 – 56 |
| B. | Receive Annual Investment Presentation from Reams Asset Management, Clark W. Holland. | 57 – 82 |
| C. | Receive Annual Presentation from Western Asset Management, Travis Carr, and Ronnie A. Amici. | 83 – 113 |

VI. INVESTMENT INFORMATION

- | | | |
|----|---|-----------|
| A. | NEPC – Allan Martin.
VCERA – Dan Gallagher, Chief Investment Officer. | |
| 1. | CA Govt. Code Section 7514.7 Annual Report.
RECOMMENDED ACTION: Receive and file. | 114 – 121 |
| a. | Staff Letter by CIO, Dan Gallagher. | 122 |
| 2. | Preliminary Performance Report Month Ending September 30, 2018.
RECOMMENDED ACTION: Receive and file. | 123 – 133 |

VII. OLD BUSINESS

- | | | |
|----|---|-----------|
| A. | Review of Draft Amendments to Bylaws for Submission to the County for Review and Discussion.
RECOMMENDED ACTION: Approve. | |
| 1. | Staff Letter. | 134 – 136 |
| 2. | Attachment A. | 137 |
| 3. | Proposed Bylaws (Redline). | 138 – 146 |

VIII. NEW BUSINESS

- | | | |
|----|---|-----|
| A. | Recommendation to Approve Application for Reinstatement to Active Membership Pursuant to GC 31680 & 31680.5 – McGrath, Monica J.
RECOMMENDED ACTION: Approve. | |
| 1. | Staff Letter. | 147 |
| 2. | Request from Ms. McGrath. | 148 |
| 3. | Offer of Employment. | 149 |
| 4. | Medical Clearance. | 150 |
| B. | Report & Recommendation on PEPRA Pensionable Compensation Analysis for Pay Codes Implemented Since January 23, 2017.
RECOMMENDED ACTION: Approve. | |

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VIII. NEW BUSINESS (continued)

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|---|-----------|
| 1. Staff Letter, with Pay Code Analysis. | 151 – 153 |
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| C. SACRS Business Meeting Agenda Items.
RECOMMENDED ACTION: Give Direction to Voting Delegate. | |
| 1. Legislative Proposal Materials for the November 17, 2018 SACRS Business Meeting. | 154 – 200 |
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 | |
| D. Proposed Board of Retirement Meetings Calendar.
RECOMMENDED ACTION: Approve. | |
| 1. Staff Letter. | 201 |
| 2. Proposed Board Meeting Calendar for 2019. | 202 |
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| E. Quarterly Retirement Administrator’s Report for July – September 2018.
RECOMMENDED ACTION: Receive and file. | 203 – 204 |
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| F. Quarterly Chief Investment Officers Report for July – September 2018.
RECOMMENDED ACTION: Receive and file. | 205 |

IX. INFORMATIONAL

X. PUBLIC COMMENT

XI. STAFF COMMENT

XII. BOARD MEMBER COMMENT

XIII. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

OCTOBER 8, 2018

MINUTES

**DIRECTORS
PRESENT:**

William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector
Mike Sedell, Public Member
Robert Bianchi, Public Member
Ed McCombs, Alternate Public Member
Craig Winter, General Employee Member
Maeve Fox, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Chris Johnston, Safety Employee Member

**DIRECTORS
ABSENT:**

Peter C. Foy, Public Member

**STAFF
PRESENT:**

Linda Webb, Retirement Administrator
Lori Nemiroff, General Counsel
Henry Solis, Chief Financial Officer
Dan Gallagher, Chief Investment Officer
Shalini Nunna, Retirement Benefits Specialist
Vickie Williams, Retirement Benefits Manager
Karen Scanlan, Accounting Manager I
Donna Edwards, Retirement Benefits Specialist
Nancy Jensen, Retirement Benefit Specialist
Stephanie Berkley, Retirement Benefit Specialist
Chris Ayala, Program Assistant
Sierra Walsh, Office Assistant III-C

PLACE:

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

TIME:

9:00 a.m.

**BOARD OF RETIREMENT
DISABILITY MEETING**

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ITEM:

I. CALL TO ORDER

Vice-Chair Wilson called the Disability Meeting of October 8, 2018, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

Ms. Webb noted that she had a correction to the agenda, on item VII.B.1. She that the agenda item states that the staff letter was from C.F.O., Henry Solis, when in fact the letter was from her.

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

MOTION: Approve with corrections.

Moved by Bianchi, seconded by Fox.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain:

III. APPROVAL OF MINUTES

A. Business Meeting and Board Retreat of September 24, 2018.

Ms. Webb offered a correction to the minutes, saying that the Board had adjourned in memory of Judy Michaels. She said that the last name was inadvertently misspelled and should have said Mikels.

MOTION: Approve with Correction.

Moved by Bianchi, seconded by Goulet.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, McCombs, Wilson, Winter

No: -

Absent: Foy

Abstain: Johnston, Sedell

Trustees Johnston and Sedell abstained from the vote because they did not attend the Business Meeting and Board Retreat of September 24, 2018.

IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Receive and File.

Moved by Goulet, seconded by McCombs.

**BOARD OF RETIREMENT
DISABILITY MEETING**

OCTOBER 8, 2018

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Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain:

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service-connected Disability Retirement - Young, Gary T.; Case No. 17-011.

1. Application for Service-connected Disability Retirement, filed June 21, 2017.
2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Service-connected Disability Retirement, dated September 21, 2018.
3. Hearing Notice, dated September 25, 2018.

Catherine Laveau was present on behalf of County of Ventura Risk Management. Michael Treger, Attorney at Law, was present on behalf of the applicant. The applicant, Gary T. Young, was also present.

Mr. Treger made a statement saying that he would like the Board to adopt the recommendation by the Risk Management Office staff and doctor involved with the case.

Ms. Laveau declined to make a statement.

Trustee Goulet remarked that the sequence of events regarding the case was of interest to him. He said throughout the year 2016, the applicant was under the care of Orthopedic Surgeon, Dr. Horn, when the applicant returned to full duty until January 2017, when the applicant then went out on a disability because he had exacerbated a previous wrist injury, to which he seen a Dr. Cohen who stated that if he ever had surgery for the injury, he would not be able to continue working as a firefighter. The applicant had surgery on his wrist in February 2017, and later in June 2017 Dr. Cohen told the applicant that he could go back to work because his wrist was no longer an impediment, but instead of returning to work, he filed for a disability retirement in late June 2017. The applicant was able to work except for the wrist injury, and that was resolved as well. Therefore, why should he be eligible for a disability retirement.

Ms. Laveau said that there were still medical restrictions associated with the wrist injury that did not allow Mr. Young to perform the full range of duties as a firefighter, so he had been working as a Fire Captain; however, there was a permanent restriction that would prohibit him from performing all of the safety functions.

Trustee Goulet said that permanent medical restrictions were established by the Qualified Medical Examiner, but the applicant was doing his job before we went on disability for his wrist.

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DISABILITY MEETING**

OCTOBER 8, 2018

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Ms. Laveau said that he was performing a modified version of his job, but not all of the assigned functions.

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

MOTION: Approve Application for Service-Connected Disability Retirement.

Moved by Johnston, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Fox, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain: Goulet

Trustee Goulet said that he was abstaining because over the concern he expressed regarding the applicant's ability to perform his job duties.

- B. Application for Service-connected Disability Retirement - Grant, Jacqueline (Jackie).;
Case No. 17-024.
1. Application for Service-connected Disability Retirement, filed November 16, 2017.
 2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Service-connected Disability Retirement, dated September 24, 2018.
 3. Hearing Notice, dated September 25, 2018.

Catherine Laveau was present on behalf of County of Ventura Risk Management. The applicant, Jacqueline Grant, was also present.

Ms. Grant said that she deferred to the statement she had made in her disability application.

Ms. Laveau declined to make a statement.

Trustee Goulet said that the applicant had previously received a disability retirement in 1992 from the City of Compton, but there was no discussion about it in Risk Management's report or the Medical Examiner's report. He said he would like to know if that was a contributing factor in the Medical Examiner now said was, "cumulative injury". Further, the report contained a statement that said, the County could not accommodate Ms. Grant, but there was no indication of an interactive process or a definitive statement regarding accommodation from the District Attorney's Office. He then said that he believed the report to be incomplete and should not be heard by the Board that day.

Ms. Laveau said the District Attorney's Office did conduct an interactive process, and that the Board needs to consider with disability cases related to safety members was the position requirements for sworn safety officers who were in a position that if they were to return to their

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DISABILITY MEETING****OCTOBER 8, 2018****MINUTES
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usual and customary duty, they would be required to perform all associated duties in emergency situations, unless there was an allowance for them to do lesser, which currently there was not. In regard to Ms. Grant's case, her current work restrictions did not allow for her to perform all functions of her sworn position.

Trustee Goulet said that the Mansberger decision states that the applicant would need to be able to perform only a substantial amount of the duties. He then asked if Risk Management had performed a Mansberger analysis.

Ms. Laveau stated that they had, and one of the duties Ms. Grant was unable to do, but was required to do at all times, was to carry a firearm in public.

Trustee Goulet said Ms. Grant stated she was able to qualify on a shooting range, but could not hold her firearm the two-handed, but could qualify single handed.

Ms. Laveau replied that, Ms. Grant had not been qualified on the shooting range during her time working in a modified duty. Such an allowance would put the County of Ventura in a position of liability if they agreed and would be ignoring a restriction the doctor felt Ms. Grant could not do; this would be a liability not only to Ms. Grant but to the community as well.

Trustee Goulet said that Risk Management's report should have stated if Mansberger was applied and there was still the issue of the previous disability retirement.

Ms. Laveau said that was part of the analysis, and the report did address the fact that Risk Management did not believe she could perform the majority of her essential job functions, which equated to the Mansberger decision. She said that it could be specifically addressed going forward.

Ms. Laveau said that as for the previous disability retirement, even if the report did not specifically address that opinion, this was an employee who had worked a substantial amount of time for the County and the prior disability retirement did not have a bearing on her ability to perform her job duties in her position. It was their belief that there was not any factor related to the prior disability retirement that would alter their current recommendation.

Trustee Goulet said that he had asked Risk Management previously to review any recreational activities that the applicant did on their own time that could have contributed to injuries. In the case where an applicant had been temporarily accommodated, there should have been a discussion of the interactive process and a definitive statement from the agency regarding the possibility of accommodation, which the Board had not received from the District Attorney's Office.

Ms. Laveau said that in every one of the reports, the section titled, "Causation" had been expanded, and when she reviewed the issues relative to causation she had put forth factors that could contribute to the applicant's injuries, and where there had been such factors, it had been provided in the report.

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Trustee Sedell remarked that though he understood Trustee Goulet's concerns, he believed the injury that occurred and was clearly work related and he had also seen the prior disability retirement, which transpired roughly 36 years ago. He did not see a problem in approving Ms. Grant's disability retirement application.

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

MOTION: Approve Application for Service-Connected Disability Retirement.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried

Yes: Bianchi, Fox, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: Goulet

Absent: Foy

Abstain:

VI. OLD BUSINESS

A. Employer-Filed Disability Retirement Application.

RECOMMENDED ACTION: Receive and File.

1. Staff Letter.
2. Application Form.

Ms. Webb informed the Board that an Employer-Filed Disability Retirement Application had been utilized by other retirement systems, but not yet by VCERA.

Trustee Fox asked why has the document not been adopted by the Board of Retirement before.

Ms. Nemiroff said the application did not need to be adopted by the Board because under the California Employees Retirement Law (CERL), if an employer believes that an employee was not fulfilling the duties of their job, they could file for a disability retirement on the employee's behalf, since they are not allowed to terminate them, and VCERA had always had this option. Recently, Risk Management's Office had brought to staff's attention that the form being used was tailored more for an employee who was filing for a disability retirement, and not an employer. So, staff created an application that was designed for this purpose.

Ms. Webb said that the options on page 2 were being clarified. She said the application was a vehicle for the employer to move things along, while still retaining employees' options and rights.

Trustee Johnston said that he would just like to have the application revised so that the employees' options are very clear to them.

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Trustee Winter asked if staff could bring back the application so that the Board could review the revised version.

Ms. Webb said that she would bring it back to the Board for review and discussion.

Trustee Goulet offered a few suggestions to revising application.

VII. NEW BUSINESS

A. Request for Authorization to Conduct On-Site Due Diligence Visits to Prudential and Harbourvest.

RECOMMENDED ACTION: Approve.

1. Staff Letter by C.I.O., Dan Gallagher.

MOTION: Approve Up to Two Trustees and CIO to Attend Due Diligence Trips to Prudential and Harbourvest.

Moved by Sedell, seconded by Goulet.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain:

Ms. Webb reminded the Board the Education & Travel discouraged the same Trustees from attending multiple due diligence meetings.

B. Recommendation for Authorization for Accounting Manager, Karen Scanlan and Sr. Accountant, Nida Williams to Attend the CALAPRS Intermediate Course in Retirement Plan Administration, Glendale, CA, October 17 - 19, 2018.

Recommended Action: Approve.

1. Staff Letter.
2. CALAPRS Intermediate Course in Retirement Plan Admin. Agenda.

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

MOTION: Approve.

Moved by Johnston, seconded by Fox.

Vote: Motion carried

Yes: Bianchi, Fox, Goulet, Hintz, Johnston, McCombs, Sedell, Wilson, Winter

No: -

Absent: Foy

Abstain:

**BOARD OF RETIREMENT
DISABILITY MEETING**

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**MINUTES
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VIII. INFORMATIONAL

A. Article, "Tough Year for Globalists".

Vice-Chair Wilson said that he would like to have this item on the agenda for the next business meeting, so that the Board can hear NEPC's comments on it.

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

Ms. Webb reported that VCERA has just hired a Chief Technology Officer, Leah Oliver, who would start work on November 5th. Also, the Real Estate Committee was making progress and should have a recommendation for the Board soon. Lastly, the Elections Office had certified the General Member Election and Dan Shapiro had won the election and would be starting his term on the Board in January.

XI. BOARD MEMBER COMMENT

Trustee Goulet expressed a technical issue with the Board Books software.

Ms. Webb said that she could have Diligent look into the issue.

XII. ADJOURNMENT

The meeting was adjourned at 9:28 a.m.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,

WILLIAM W. WILSON, Vice-Chairman

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

September 2018

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	BENEFIT SERVICE*	DEPARTMENT	EFFECTIVE DATE
REGULAR RETIREMENTS:						
Joan	Aston	G	08/14/2000	17.87	Child Support Services	08/25/2018
Jose	Avila	G	03/27/2005	12.60	Health Care Agency	08/14/2018
Marilyn	Baca	G	03/30/1980	38.25	Animal Services	09/03/2018
Scott	Barash	G	04/19/1987	31.42	CEO	09/08/2018
Victor	Boswell	S	08/10/1986	3.56	Sheriff's Department (deferred)	08/24/2018
Victoria	Bradley	G	04/14/2002	15.84	Health Care Agency	08/25/2018
Patricia	Caputo	G	07/13/2008	10.07	District Attorney	08/17/2018
Rebecca	Cerda	G	08/01/1993	25.42	Health Care Agency	08/11/2018
Peter	Cervantez	G	09/29/2008	9.15	Public Works Agency (deferred)	09/22/2018
Carrie	Dougherty	G	02/10/1985	15.85	Health Care Agency	09/08/2018
Laurie	Dunning	G	08/26/1984	30.49	Ventura County Library	09/08/2018
Judy	Eubanks	G	10/06/1996	20.50	Human Services Agency	09/07/2018
Valerie	Eybsen	G	08/12/1984	8.96	Information Technology Services (deferred)	09/14/2018
Francisca	Garcia	G	01/03/2006	10.31	General Services Agency	08/22/2018
Caryn	Gray	G	03/21/1999	6.25	Health Care Agency (deferred)	09/04/2018
Jesus	Guzman	G	08/08/1999	19.09	Human Services Agency	09/01/2018
Charlene	Hernandez	G	06/11/1999	14.07	Health Care Agency	08/24/2018
Sharon	Hurault	G	08/05/2001	16.65	Public Works Agency	09/01/2018
Christy	Johnson	G	07/13/2008	10.17	General Services Agency	09/08/2018
Kathryne	King	G	11/20/1994	12.36	Sheriff's Department (deferred)	09/07/2018
Catherine	Krushell	G	09/28/2003	13.94	Ventura County Library	08/26/2018
Joan	Littell	G	02/13/2005	13.07	Health Care Agency	09/01/2018
Laura	Luna	G	07/29/2007	10.23	Health Care Agency	08/11/2018
Ellen	Mastright	G	08/20/1989	28.97	Human Services Agency	09/08/2018
Helen	Molnar	G	01/20/1991	27.63	Resource Management Agency	09/02/2018
Edgar	Morales	G	12/06/1992	7.11	Human Services Agency (deferred)	08/15/2018
Kathleen	Perry	G	10/18/1999	4.47	Human Services Agency (deferred)	08/30/2018
Margaret	Remmen	G	09/07/2008	10.02	Fire Protection District	09/08/2018
Patricia	Rumpza	G	08/05/1990	5.14	Health Care Agency (deferred)	08/07/2018
Teresa	Rush	S	12/12/1999	20.63	Probation Agency	09/08/2018
Ginny	Russell	G	08/19/2002	15.97	Superior Courts	09/01/2018
Christine	Sassen	G	02/25/1996	21.73	Child Support Services	07/26/2018
Ruben	Valenzuela	G	12/06/1981	36.88	Information Technology Services	09/08/2018
Dionisia	Vital	G	08/01/1993	25.16	Health Care Agency	09/01/2018

DEFERRED RETIREMENTS:

David	Brown	G	06/12/2011	7.01 **	County Executive Office	08/11/2018
Mia	Dawley	G	09/16/2012	5.26	Human Services Agency	08/28/2018
Quincy	Knowlton	S	08/07/2005	11.89 *	Sheriff's Department	09/07/2018
Flynn E.	Sylvest	G	07/19/2005	2.26	Human Services Agency	09/20/2018

SURVIVORS' CONTINUANCES:

Saundra	Brewer
John	Mikels
James	Newby
Catherine	Nonnemaker
Viola	Schulze

* = Excludes reciprocal service or service from any previous retirements

** = Member establishing reciprocity

Business Meeting Agenda - IV. CONSENT AGENDA

Date: Monday, October 01, 2018
 Time: 11:16AM
 User: 104164

Ventura County Retirement Assn

Check Register - Standard

Period: 03-19 As of: 10/1/2018

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 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company: VCERA										
Acct / Sub:	10200		000000							
027709	CK	9/5/2018	BRENTWOODI BRENTWOOD IT	03-19	000584	VO	IT	9/5/2018	0.00	13,055.00
027710	CK	9/5/2018	DIGITALDEP DIGITAL DEPLOYMENT	03-19	000585	VO	IT	9/5/2018	0.00	650.00
027711	CK	9/5/2018	EXECUTIVED EXECUTIVE DATA SYSTEMS, INC	03-19	000589	VO	IT	9/5/2018	0.00	585.00
027712	CK	9/5/2018	HARRISWATE HARRIS WATER CONDITIONING	03-19	000586	VO	ADMIN EXP	9/5/2018	0.00	124.50
027713	CK	9/5/2018	NOSSAMAN NOSSAMAN LLP	03-19	000587	VO	LEGAL FEES	9/5/2018	0.00	53,509.95
027714	CK	9/5/2018	SPRUCEGROV SPRUCEGROVE INVESTMENT M	03-19	000588	VO	INVESTMENT FEES	9/5/2018	0.00	67,231.29
027715	CK	9/7/2018	SCANLANKAR KAREN SCANLAN	03-19	000590	VO	REIMBURSEMENT	9/7/2018	0.00	2,000.00
027716	CK	9/12/2018	ADP ADP, LLC	03-19	000591	VO	ADMIN EXP	9/12/2018	0.00	2,963.20
027717	CK	9/12/2018	BANKOFAMER BUSINESS CARD	03-19	000592	VO	ADMIN/IT/INVEST	9/12/2018	0.00	3,859.01
027718	CK	9/12/2018	BROWARMST BROWN ARMSTRONG	03-19	000593	VO	ADMIN EXP	9/12/2018	0.00	22,828.95
027719	CK	9/12/2018	DELLMARKET DELL MARKETING L.P.	03-19	000594	VO	IT	9/12/2018	0.00	3,452.75
027720	CK	9/12/2018	FEDEX FEDEX	03-19	000595	VO	ADMIN EXP	9/12/2018	0.00	20.97
027721	CK	9/12/2018	SBSGROUP VELOSIO	03-19	000596	VO	IT	9/12/2018	0.00	350.00

Business Meeting Agenda - IV. CONSENT AGENDA

Date: Monday, October 01, 2018
 Time: 11:16AM
 User: 104164

Ventura County Retirement Assn

Check Register - Standard

Period: 03-19 As of: 10/1/2018

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

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
027722	CK	9/12/2018	SHREDITUSA SHRED-IT USA	03-19	000597	VO	ADMIN EXP	9/12/2018	0.00	158.46
027723	CK	9/12/2018	STAPLESADV STAPLES ADVANTAGE	03-19	000598	VO	ADMIN EXP	9/12/2018	0.00	81.44
027724	CK	9/12/2018	SUBICASSOC SUBIC & ASSOCIATES, INC	03-19	000599	VO	ADMIN EXP	9/12/2018	0.00	2,068.52
027725	CK	9/12/2018	THOMSONREU THOMSON REUTERS- WEST	03-19	000601	VO	IT	9/12/2018	0.00	461.00
027726	CK	9/12/2018	TIMEWARNER TIME WARNER CABLE	03-19	000600	VO	IT	9/12/2018	0.00	294.99
027727	CK	9/12/2018	VSGHOSTING VSG HOSTING, INC.	03-19	000602	VO	IT	9/12/2018	0.00	62,940.00
027728	CK	9/12/2018	WESTCOASTA WEST COAST AIR CONDITIONIN	03-19	000603	VO	IT	9/12/2018	0.00	75.00
027729	CK	9/19/2018	ABUCOURTRE PERSONAL COURT REPORTERS	03-19	000604	VO	ADMIN EXP	9/19/2018	0.00	315.00
027730	CK	9/19/2018	ATTMOBILIT AT&T MOBILITY	03-19	000605	VO	IT	9/19/2018	0.00	423.88
027731	CK	9/19/2018	GALLAGHERD DAN GALLAGHER	03-19	000606	VO	TRAVEL REIMB	9/19/2018	0.00	1,609.77
027732	CK	9/19/2018	HOAGWILL WILL HOAG	03-19	000607	VO	TRAVEL REIMB	9/19/2018	0.00	805.12
027733	CK	9/19/2018	NEPC NEPC, LLC	03-19	000608	VO	INVESTMENT FEES	9/19/2018	0.00	77,500.00
027734	CK	9/19/2018	VITECHSYST VITECH SYSTEMS GROUP, INC.	03-19	000609	VO	IT	9/19/2018	0.00	71,390.00

Business Meeting Agenda - IV. CONSENT AGENDA

Date: Monday, October 01, 2018
 Time: 11:16AM
 User: 104164

Ventura County Retirement Assn

Check Register - Standard

Period: 03-19 As of: 10/1/2018

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

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
027735	CK	9/26/2018	ABUCOURTRE PERSONAL COURT REPORTERS	03-19	000610	VO	ADMIN EXP	9/26/2018	0.00	600.00
027736	CK	9/26/2018	CDWGOVERN CDW GOVERNMENT	03-19	000611	VO	IT	9/26/2018	0.00	1,164.01
027737	CK	9/26/2018	EDWARDSDON DONNA EDWARDS	03-19	000612	VO	TRAVEL REIMB	9/26/2018	0.00	338.35
027738	CK	9/26/2018	FEDEX FEDEX	03-19	000613	VO	ADMIN EXP	9/26/2018	0.00	32.56
027739	CK	9/26/2018	GOULETARTH ARTHUR E. GOULET	03-19	000614	VO	MILEAGE REIMB	9/26/2018	0.00	42.51
027740	CK	9/26/2018	JENSENNANC NANCY JENSEN	03-19	000615	VO	TRAVEL REIMB	9/26/2018	0.00	289.15
027741	CK	9/26/2018	MFDAILYCOR M.F. DAILY CORPORATION	03-19	000616	VO	ADMIN EXP	9/26/2018	0.00	17,884.87
027742	CK	9/26/2018	NOSSAMAN NOSSAMAN LLP	03-19	000617	VO	LEGAL FEES	9/26/2018	0.00	160.50

Check Count: 34

Acct Sub Total: 409,265.75

Check Type	Count	Amount Paid
Regular	34	409,265.75
Hand	0	0.00
Electronic Payment	0	0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	34	409,265.75

Company Disc Total 0.00 Company Total 409,265.75

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

For the Three Months Ended September 30, 2018 and Year-To-Date - 25% of Fiscal Year Expended

	<i>Adopted 2019 Budget</i>	<i>Adjusted 2019 Budget</i>	<i>September 2018</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Salaries and Benefits						
Regular Salary	\$3,215,800.00	\$3,215,800.00	\$232,446.67	\$681,951.91	\$2,533,848.09	21.21%
Extra-Help/Temporary Services	158,500.00	158,500.00	0.00	10,621.88	147,878.12	6.70%
Supplemental Payments	63,500.00	63,500.00	3,947.29	11,215.71	52,284.29	17.66%
Vacation Redemption	146,800.00	146,800.00	1,099.24	58,902.40	87,897.60	40.12%
Retirement Contributions	546,000.00	546,000.00	34,412.23	112,214.43	433,785.57	20.55%
OASDI Contribution	196,700.00	196,700.00	9,424.21	32,371.09	164,328.91	16.46%
FICA-Medicare	55,500.00	55,500.00	3,408.22	10,795.52	44,704.48	19.45%
Medical Insurance	327,600.00	327,600.00	21,994.00	64,394.00	263,206.00	19.66%
Life Insurance	1,100.00	1,100.00	89.90	263.50	836.50	23.95%
Unemployment Insurance	2,300.00	2,300.00	163.37	468.77	1,831.23	20.38%
Mgmt Disability Insurance	23,500.00	23,500.00	1,499.35	4,379.37	19,120.63	18.64%
Workers Compensation Insurance	23,600.00	23,600.00	1,673.38	5,296.31	18,303.69	22.44%
401K Plan Contribution	81,700.00	81,700.00	5,761.94	17,048.62	64,651.38	20.87%
Total Salaries & Benefits	\$4,842,600.00	\$4,842,600.00	\$315,919.80	\$1,009,923.51	\$3,832,676.49	20.62%
Services & Supplies						
Board Member Stipend	\$13,200.00	\$13,200.00	\$0.00	\$1,100.00	\$12,100.00	8.33%
Other Professional Services	173,800.00	173,800.00	19,477.18	26,000.73	147,799.27	14.96%
Auditing	51,400.00	51,400.00	22,828.95	23,810.44	27,589.56	46.32%
Hearing Officers	50,000.00	50,000.00	0.00	0.00	50,000.00	0.00%
Legal	275,000.00	275,000.00	53,670.45	53,670.45	221,329.55	19.52%
Election Services	12,000.00	12,000.00	0.00	0.00	12,000.00	0.00%
Actuary-Valuation	61,000.00	61,000.00	0.00	0.00	61,000.00	0.00%
Actuary-GASB 67	13,000.00	13,000.00	0.00	0.00	13,000.00	0.00%
Actuary-Misc Hrly Consult	16,000.00	16,000.00	0.00	0.00	16,000.00	0.00%
Printing	33,000.00	33,000.00	0.00	2,360.45	30,639.55	7.15%
Postage	70,000.00	70,000.00	7,959.88	12,144.91	57,855.09	17.35%
Copy Machine	3,000.00	3,000.00	360.36	360.36	2,639.64	12.01%
General Liability	15,100.00	15,100.00	0.00	0.00	15,100.00	0.00%
Fiduciary Liability	86,000.00	86,000.00	0.00	83,609.01	2,390.99	97.22%
Cost Allocation Charges	30,200.00	30,200.00	0.00	0.00	30,200.00	0.00%
Education Allowance	4,000.00	4,000.00	2,000.00	2,000.00	2,000.00	50.00%
Training/Travel-Staff	76,100.00	76,100.00	2,594.58	4,244.58	71,855.42	5.58%
Training/Travel-Trustee	53,500.00	53,500.00	1,283.08	1,411.33	52,088.67	2.64%
Travel-Due Diligence-Staff	7,800.00	7,800.00	1,537.50	1,537.50	6,262.50	19.71%
Travel-Due Diligence-Trustee	13,400.00	13,400.00	805.12	1,894.56	11,505.44	14.14%
Mileage-Staff	4,800.00	4,800.00	70.20	70.20	4,729.80	1.46%
Mileage -Trustee	5,000.00	5,000.00	42.51	192.17	4,807.83	3.84%
Mileage-Due Diligence-Staff	1,000.00	1,000.00	72.27	72.27	927.73	7.23%
Mileage-Due Diligence-Trustee	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00%
Auto Allowance	6,900.00	6,900.00	575.00	1,725.00	5,175.00	25.00%
Facilities-Security	2,700.00	2,700.00	93.87	93.87	2,606.13	3.48%
Facilities-Maint & Repairs	2,300.00	2,300.00	75.00	75.00	2,225.00	3.26%
Equipment-Maint & Repairs	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00%
General Office Expense	10,400.00	10,400.00	224.41	343.15	10,056.85	3.30%
Books & Publications	2,500.00	2,500.00	0.00	554.14	1,945.86	22.17%
Office Supplies	18,000.00	18,000.00	161.83	1,823.27	16,176.73	10.13%
Memberships & Dues	13,500.00	13,500.00	0.00	4,270.00	9,230.00	31.63%
Bank Service Charges	1,500.00	1,500.00	145.24	364.28	1,135.72	24.29%
Offsite Storage	4,800.00	4,800.00	0.00	0.00	4,800.00	0.00%
Rents/Leases-Structures	217,600.00	217,600.00	17,884.87	53,654.61	163,945.39	24.66%
Non-Capital Equipment	23,900.00	23,900.00	0.00	0.00	23,900.00	0.00%
Non-Capital Furniture	15,000.00	15,000.00	0.00	0.00	15,000.00	0.00%
Depreciation /Amortization	1,460,600.00	1,460,600.00	121,716.16	365,148.48	1,095,451.52	25.00%
Total Services & Supplies	\$2,851,000.00	\$2,851,000.00	\$253,578.46	\$642,530.76	\$2,208,469.24	22.54%
Total Sal, Ben, Serv & Supp	\$7,693,600.00	\$7,693,600.00	\$569,498.26	\$1,652,454.27	\$6,041,145.73	21.48%

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

For the Three Months Ended September 30, 2018 and Year-To-Date - 25% of Fiscal Year Expended

	<i>Adopted 2019 Budget</i>	<i>Adjusted 2019 Budget</i>	<i>September 2018</i>	<i>Expended Fiscal Year to Date</i>	<i>Available Balance</i>	<i>Percent Expended</i>
Technology						
Technology Hardware	\$67,100.00	\$67,100.00	\$4,838.24	\$20,286.21	\$46,813.79	30.23%
Technology Hardware Support	0.00	0.00	0.00	3,968.32	(3,968.32)	0.00%
Technology Software	214,600.00	214,600.00	1,768.55	28,352.01	186,247.99	13.21%
Technology Software Support	15,500.00	15,500.00	544.68	2,284.04	13,215.96	14.74%
Technology Systems Support	266,800.00	266,800.00	63,940.00	66,383.75	200,416.25	24.88%
Technology Infrastruct Support	500.00	500.00	0.00	0.00	500.00	0.00%
Technology Application Support	310,400.00	310,400.00	23,504.50	31,269.20	279,130.80	10.07%
Technology Data Communication	55,700.00	55,700.00	4,167.24	10,756.02	44,943.98	19.31%
Total Technology	<u>\$930,600.00</u>	<u>\$930,600.00</u>	<u>\$98,763.21</u>	<u>\$163,299.55</u>	<u>\$767,300.45</u>	<u>17.55%</u>
Congtingency	<u>\$688,100.00</u>	<u>\$688,100.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$688,100.00</u>	<u>0.00%</u>
Total Current Year	<u><u>\$9,312,300.00</u></u>	<u><u>\$9,312,300.00</u></u>	<u><u>\$668,261.47</u></u>	<u><u>\$1,815,753.82</u></u>	<u><u>\$7,496,546.18</u></u>	<u><u>19.50%</u></u>

*Ventura County Employees' Retirement Association
Statement of Fiduciary Net Position
As of September 30, 2018 (Unaudited)*

Assets

Cash & Cash Equivalents	\$208,824,031
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Receivables

Interest and Dividends	3,884,647	
Securities Sold	119,594,549	
Miscellaneous	4,282	
Total Receivables	123,483,477	

Investments at Fair Value

Domestic Equity	1,770,037,187	
Non U.S. Equity	924,699,278	
Global Equity	624,455,589	
Fixed Income	986,298,244	
Private Equity	324,377,143	
Real Estate	419,523,044	
Liquid Alternatives	434,468,249	
Cash Overlay	74,660	
Total Investments	5,483,933,393	

Capital Assets, Net of Accumulated Depreciation & Amortization	12,739,132
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Total Assets	5,828,980,033
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Liabilities

Securities Purchased	133,652,973	
Accounts Payable	1,893,095	
Tax Withholding Payable	3,095,561	
Deferred Revenue (PrePaid Contributions)	132,245,395	
	270,887,024	

Total Liabilities	270,887,024
--------------------------	--------------------

Net Position Restricted for Pensions	\$5,558,093,009
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***Ventura County Employees' Retirement Association
Statement of Changes in Fiduciary Net Position
For The Three Months Ending September 30, 2018 (Unaudited)***

ADDITIONS**Contributions**

Employer	\$45,023,402	
Employee	16,927,024	
Total Contributions	<u>61,950,426</u>	61,950,426

Investment Income

Net Appreciation (Depreciation) in Fair Value of Investments	170,627,244	
Interest Income	4,665,391	
Dividend Income	2,926,226	
Other Investment Income	5,171	
Real Estate Operating Income, Net		
Security Lending Income	296,810	
Total Investment Income	<u>178,520,843</u>	

Less Investment Expenses

Management & Custodial Fees	3,917,469	
Other Investment Expenses	120,566	
Securities Lending Borrower Rebates	246,312	
Securities Lending Management Fees	18,918	
Total Investment Expenses	<u>4,303,265</u>	

Net Investment Income/(Loss)		<u>174,217,577</u>
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Total Additions		236,168,003
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DEDUCTIONS

Benefit Payments	71,690,722	
Member Refunds and Death Benefit Payments	1,151,607	
Administrative Expenses	1,178,146	
Other Expenses	517,042	
Total Deductions	<u>74,537,516</u>	74,537,516

Net Increase/(Decrease)		161,630,487
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Net Position Restricted For Pensions

Beginning of Year		<u>5,396,462,523</u>
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Ending Balance		<u><u>\$5,558,093,010</u></u>
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Ventura County Employees' Retirement Association
Investments, Cash, and Cash Equivalents
As of September 30, 2018 (Unaudited)

	Investments	Cash & Cash Equivalents
Equity		
Domestic Equity		
Blackrock - Russell 1000	\$1,505,409,080	\$0
Blackrock - Russell 2500	67,729,691	0
Western Asset Enhanced Equity Index Plus	196,898,416	23,894,596
Total Domestic Equity	1,770,037,187	23,894,596
Non U.S. Equity		
Blackrock - ACWI ex - US	474,689,685	0
Hexavest	91,686,105	0
Sprucegrove	230,075,924	0
Walter Scott	128,247,564	0
Total Non U.S. Equity	924,699,278	0
Global Equity		
Blackrock - ACWI Index	624,455,589	0
Total Global Equity	624,455,589	0
Fixed Income		
Blackrock - Bloomberg Barclays Aggregate Index	269,705,933	0
Loomis Sayles Multi Sector	79,262,431	2,928,466
Loomis Sayles Strategic Alpha	47,001,422	0
Reams	307,295,031	4,944
Western Asset Management	283,033,427	18,100,094
Total Fixed Income	986,298,244	21,033,504
Private Equity		
Abbott Capital	(34,391)	0
Abbott Secondaries	12,748,689	0
Adams Street	159,065,214	0
Battery Ventures	1,623,398	0
Buenaventure One	12,415,590	0
Buenaventure Two	110,410	0
Carval Investors	7,533,084	0
Clearlake Investors	2,432,220	0
Drive Capital	5,207,167	0
GTCR Fund XII	719,658	0
Harbourvest	79,395,613	0
Insight Ventures	5,002,175	0
Pantheon	38,158,315	0
Total Private Equity	324,377,143	0
Real Estate		
Prudential Real Estate	150,332,587	1,243
UBS Realty	269,190,457	0
Total Real Estate	419,523,044	1,243
Liquid Alternatives		
Bridgewater All Weather	312,911,975	0
Tortoise (MLPs)	121,556,274	2,272,461
Total Liquid Alternatives	434,468,249	2,272,461
Parametric (Cash Equitization)	74,660	39,490,177
State Street Bank and Trust		114,948,459
County Treasury and Bank of America		7,183,591
Total Investments, Cash, and Cash Equivalents	\$5,483,933,393	\$208,824,031

Ventura County Employees' Retirement Association
Schedule of Investment Management Fees
For the Three Months Ending September 30, 2018 (Unaudited)

Equity Managers	
Domestic Equity	
Blackrock - Russell 1000	\$3,250
Blackrock - Russell 2500	19,310
Western Asset Enhanced Equity Index Plus	96,716
Total Domestic Equity	119,276
Non U.S. Equity	
Blackrock - ACWI ex - US	103,959
Hexavest	104,365
Sprucegrove	199,571
Walter Scott	221,882
Total Non U.S. Equity	629,776
Global Equity	
Blackrock - ACWI Index	60,570
Total Global Equity	60,570
Fixed Income Managers	
Blackrock Bloomberg Barclays Aggregate Index	26,351
Loomis Sayles Multi Sector	46,587
Loomis Sayles Strategic Alpha	79,594
Reams Asset Management	133,987
Western Asset Management	131,555
Total Fixed Income	418,073
Private Equity	
Abbott Capital	37,500
Abbott Secondary Opportunities	110,990
Adams Street	457,939
Battery Ventures	65,904
Carval, CVI A Fund	1,667
Clearlake	32,118
Drive Capital	75,000
GTCR XII/A & B	352,617
Harbourvest	359,981
Insight Venture Partners	189,763
Pantheon	137,981
Total Private Equity	1,821,461
Real Estate	
Prudential Real Estate Advisors	147,796
UBS Realty	
Total Real Estate	147,796
Liquid Alternatives	
Bridgewater All Weather	295,811
Tortoise (MLPs)	193,486
Total Liquid Alternatives	489,297
Cash Overlay (Parametric)	74,649
Securities Lending	
Borrower's Rebate	246,312
Management Fees	18,918
Total Securities Lending	265,230
Other	
Investment Consultant (NEPC)	77,500
Investment Custodian (State Street)	79,071
Total Other Fees	156,571
Total Investment Management Fees	\$4,182,699

ABBOTT CAPITAL



VCERA
VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

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

October 2018

Abbott Presenters



Matthew M. Smith – Managing Director

Mr. Smith has 18 years of private equity investment experience. He is responsible for reviewing investment opportunities with specific emphasis on analysis and due diligence for prospective investments and is engaged in the negotiation of business and legal issues, ongoing monitoring of investments and profit realization from distributed securities. Mr. Smith, as Abbott’s ESG Officer, is responsible for building upon the strong foundation Abbott has set in adopting the UN Principles for Responsible Investment and integrating ESG considerations into Abbott’s investment process. In addition, Mr. Smith oversees the operations of Abbott Capital (Europe), Ltd, Abbott’s subsidiary which is authorized and regulated by the UK Financial Conduct Authority and located in London. Prior to joining Abbott in 2000, he was a financial examiner at the Federal Reserve Bank of New York. He also worked for First Trust Washington and Bank of America as a trust officer. Mr. Smith received his A.B. in History and his M.B.A. in Finance from Georgetown University.



Young Lee, CFA – Managing Director

Mr. Lee has 13 years of private equity investment experience. He reviews investment opportunities, with specific emphasis on analysis and due diligence for prospective investments, and is engaged in the negotiation of business and legal issues, ongoing monitoring of investments and profit realization from distributed securities. Mr. Lee also serves on several partnership advisory boards. Prior to joining Abbott in 2007, Mr. Lee was an associate at The Henry J. Kaiser Family Foundation in Menlo Park, sourcing and leading due diligence on prospective private equity and hedge fund investments. Mr. Lee also worked as a product manager in the Online Business Services Division at Silicon Valley Bank and co-founded a company that matched university-based start-ups with angel investors. Mr. Lee received his B.A. in Economics from Stanford University, his M.B.A. from Columbia University and is a CFA® charterholder.

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VCERA Private Equity Program	6
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Private Equity Market Overview	22
Important Information	31

Abbott Overview

Abbott Capital Management, LLC

As of 3/31/2018

Organization

- Founded in 1986; over 30 year track record focused solely on private equity
- Over \$9 billion in AUM, deployed an average of \$850 million annually over prior 5 years
- First customized mandate launched in 1986; first commingled fund raised in 1995
- SEC registered and FCA authorized investment advisers with offices in New York and London
- Stable, multi-generational management team

Experience

- **Relationship Advantage**
 - ✓ Deep **relationships** and **networks** among GPs and LPs
 - ✓ Strong **primary** platform, and specialist portfolios
 - ✓ Demonstrated **capacity** with fund managers
 - ✓ Over 100 advisory board seats
- **Information Advantage**
 - ✓ Proprietary database of information on **over 8,000** funds
 - ✓ **Over 500** primary investments typically reviewed annually
 - ✓ **\$10 billion** in secondary transactions typically reviewed annually
- **Focus Advantage**
 - ✓ Disciplined underwriting standards
 - ✓ Restrained growth in AUM has enabled **access** to capacity constrained managers across client base
 - ✓ Highly **selective** portfolios

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








Abbott's Private Equity-Focused Organization












As of 9/30/2018





Independent team of over 50 professionals dedicated to private equity investing

Investment Team

Managing Directors

	Jonathan Roth Managing Director President <i>27/26 years</i>		Katie Stokel Managing Director Chief Operating Officer <i>32/20 years</i>
	Matthew Smith Managing Director <i>18/18 years</i>		Meredith Rerisi Managing Director <i>17/17 years</i>
	Tim Maloney Managing Director <i>18/14 years</i>		Len Pangburn Managing Director <i>13/13 years</i>
	Young Lee Managing Director <i>14/11 years</i>		

	Martha Cassidy Director <i>34 years</i>		Arianna Merrill Senior Associate <i>8 years</i>		Shaf A. Shaikh Senior Analyst <i>3 years</i>
	Jobst Klemme Director <i>19 years</i>		Jonathan Tubiana Senior Associate <i>11 years</i>		Dan Brown Analyst <i>4 years</i>
	Jennie Benza Principal <i>10 years</i>		Moritz Turck Senior Associate <i>6 years</i>		Declan Feeley Analyst <i><1 year</i>
	Wolf Witt Vice President <i>6 years</i>		Brian Susetka Associate <i>8 years</i>		

	Charles van Horne Managing Director Client Relations <i>33/17 years</i>		Mary Hornby Managing Director General Counsel <i>22/13 years</i>
	Lauren Massey Managing Director Finance & Administration <i>27/23 years</i>		Paolo Parziale Managing Director Corp. & Fund Acct. <i>19/16 years</i>

- One-team philosophy: experienced and diverse perspectives
- Well-resourced investment team of 18 evaluates opportunities across all private equity strategies
- Operations, finance, and client relations team of approximately 40 professionals
- Owner-managed; strong alignment with Investors

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

Years indicated are of total private equity experience / years with Abbott are shown for the Managing Directors only.

VCERA Private Equity Program

VCERA Private Equity Program

Objectives

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

Market Conditions

- Benign market and economic conditions
- High quality general partners in a robust fundraising environment
 - Requires cycle-tested investment judgment to assess quality ships vs. rising tide that is lifting all boats
 - Access and capacity constraints for many sought-after general partners

VCERA Private Equity Program

Key Developments

- In 2017, committed \$150 million both via Abbott-directed commitments and VCERA-initiated commitments
- In 2018,
 - Expect \$177 million of Abbott-directed commitments, of which \$169 million has already been committed
 - VCERA-initiated commitments comprised \$30 million
 - Total \$207 million
- Building a diversified portfolio of high quality managers across
 - North America Buyouts & Special Situations
 - International Buyouts & Special Situations
 - Venture Capital & Growth Equity
- Complemented by VCERA-initiated j-curve mitigating secondary, co-investment, and private debt strategies

2018 Commitments – Abbott-Directed and VCERA-Initiated

8/31/2018

VCERA expects to close on a total of \$206.7 million in 2018

Closed Abbott-Directed Commitments		
Fund	Strategy	VCERA Commitment
The Resolute Fund IV	North America Buyouts & Special Situations	\$20.0
Hellman & Friedman IX ¹	North America Buyouts & Special Situations	\$19.8
GGV VII & Plus, GGV Discovery II	Venture Capital & Growth Equity	\$14.8
Battery Ventures XII, Battery Ventures XII Side Fund	Venture Capital & Growth Equity	\$14.2
Capvest IV	International Buyouts & Special Situations	\$12.8
ECI 11	International Buyouts & Special Situations	\$10.0
M/C Partners VIII	North America Buyouts & Special Situations	\$10.0
Riverside Micro-Cap Fund V	North America Buyouts & Special Situations	\$10.0
ABRY Partners IX (<i>Proposed Commitment</i>)	North America Buyouts & Special Situations	\$8.0
Buenaventure One Commitments ²		\$57.3
Total Closed Abbott-Directed Commitments		\$176.7
Closed VCERA-Initiated Commitments		
Fund	Strategy	VCERA Commitment
Adams Street Partners Co-Investment Fund IV ¹	Secondary, Co-Invest, Private Debt	\$30.0
Total Closed VCERA-Directed Commitments		\$30.0
Grand Total 2018 Commitments		\$206.7

Only investments with a 2018 vintage year have been included. List does not include expected commitments to Abbott-Directed Investments in Astorg VII as well as a VCERA-Initiated Investment in HarbourVest Co-Investment Fund IV as they are expected to become 2019 vintage year funds. ¹Hellman & Friedman IX, and Adams Street Partners Co-Investment Fund IV were not yet closed as of 8/31/2018.

²The VCERA commitment amount for Buenaventure One consists of six commitments. Figures may not sum due to rounding.

Investment Plan and 2019 Pipeline

Looking Ahead

- Update pacing model to reflect then-current conditions, state of the private equity portfolio, and the overall VCERA Plan
- 2019 Pipeline: \$200+ million, which Abbott, in conjunction with the VCERA CIO, will curate according to the pacing model
- ASO II expected to launch in 2019

2019 Pipeline

Venture Capital & Growth Equity	
Sub-Strategy	# of Funds
Early Stage VC	7
Growth Equity	3
Multi-Stage VC	1
Total	11

North American Buyouts & Special Situations	
Sub-Strategy	# of Funds
Lower Middle-Market	4
Middle-Market	10
Upper Middle-Market	1
Total	15

International Buyouts & Special Situations	
Sub-Strategy	# of Funds
Lower Middle-Market	4
Middle-Market	5
Upper Middle-Market	1
Total	10

Potential Investments – Active Due Diligence In Progress

Fund	Strategy
Fund VII	International Buyouts & Special Situations
Fund VI	International Buyouts & Special Situations
Fund IX	North American Buyouts & Special Situations
Fund VIII	North American Buyouts & Special Situations
Fund VII	North American Buyouts & Special Situations
Fund IX	North American Buyouts & Special Situations

Lower Middle-Market typically includes funds that are below \$2 billion in size. Middle-Market typically includes funds that are greater than \$2 billion in size, but lower than \$7 billion in size. Upper Middle-Market typically includes funds that are greater than \$7 billion in size. 2019 Pipeline represents investment opportunities only and an investment decision with respect thereto may not be final. Every investment decision is subject to appropriate due diligence and allocation availability.

VCERA Portfolio Performance as of 12/31/2017

Primary Investments

	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Venture Capital and Growth Equity										
Drive Capital Fund II	08/19/2016	2016	\$15,000,000	\$11,984,305	\$3,018,905	-	\$2,486,747	\$2,486,747	0.82	(28.09%)
Total Venture Capital and Growth Equity			\$15,000,000	\$11,984,305	\$3,018,905	-	\$2,486,747	\$2,486,747	0.82	(28.09%)

	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Buyouts and Special Situations										
Clearlake Capital Partners V	12/22/2017	2018	\$9,950,000	\$9,950,000	-	-	-	-		NA
CVI Credit Value Fund IV	12/31/2017	2017	\$30,000,000	\$28,500,000	\$1,500,000	-	\$1,500,000	\$1,500,000	1.00	0.00%
GTCR Fund XII	09/29/2017	2018	\$30,000,000	\$30,000,000	-	-	(\$171,029) ¹	(\$171,029) ¹		NA
Insight Venture Partners X	10/13/2017	2018	\$25,000,000	\$25,000,000	-	-	(\$223,358) ¹	(\$223,358) ¹		NA
Total Buyouts and Special Situations			\$94,950,000	\$93,450,000	\$1,500,000	-	\$1,105,613	\$1,105,613	0.74	NA

	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Primary Fund of Funds										
Adams Street 2013 Global Fund	06/27/2013	2013	\$75,000,000	\$25,050,000	\$49,950,000	\$4,679,630	\$57,850,635	\$62,530,265	1.25	9.95%
Adams Street 2016 Global Fund	08/16/2016	2016	\$60,000,000	\$50,040,000	\$9,960,000	-	\$11,755,467	\$11,755,467	1.18	45.52%
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	05/21/2010	2010	\$25,500,000	\$4,245,751	\$21,254,249	\$11,784,023	\$18,362,544	\$30,146,567	1.42	11.41%
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	05/21/2010	2010	\$8,500,000	\$1,122,000	\$7,378,000	\$1,507,798	\$9,437,384	\$10,945,182	1.48	11.90%
Adams Street Partnership Fund - 2010 U.S. Fund	05/21/2010	2010	\$42,500,000	\$5,057,500	\$37,442,500	\$20,305,453	\$37,968,757	\$58,274,210	1.56	14.29%
Total Primary Fund of Funds			\$211,500,000	\$85,515,251	\$125,984,749	\$38,276,904	\$135,374,787	\$173,651,691	1.38	12.45%
Total Primary Investments			\$321,450,000	\$190,949,556	\$130,503,654	\$38,276,904	\$138,967,147	\$177,244,051	1.36	12.20%

NA = Not applicable. ¹Negative valuation is a result of accrued expenses and the use of a credit line early in the life of the fund. Past performance is not a guide to future results and is not indicative of expected realized returns. See attached Important Information page and Abbott's Form ADV Part 2a for disclosures on risk and impact of fees on performance.

VCERA Portfolio Performance as of 12/31/2017, continued

Secondary Interests / Co-Investments

Secondary Funds of Funds	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Abbott Secondary Opportunities	12/21/2017	2016	\$25,000,000	\$20,583,031	\$4,779,685	\$1,500,000	\$3,935,268	\$5,435,268	1.14	>1,000%
HarbourVest - Dover Street IX	07/08/2016	2016	\$60,000,000	\$47,400,000	\$12,600,000	\$3,388,361	\$13,563,623	\$16,951,984	1.35	83.93%
HarbourVest - Dover Street VIII	05/30/2013	2012	\$67,500,000	\$8,437,500	\$59,147,454	\$46,566,930	\$42,490,968	\$89,057,898	1.51	22.98%
Pantheon Global Secondary Fund IV	06/24/2010	2010	\$15,000,000	\$5,040,000	\$9,960,000	\$11,535,001	\$4,092,708	\$15,627,709	1.57	14.53%
Pantheon Global Secondary Fund V	02/06/2015	2015	\$50,000,000	\$25,058,491	\$24,941,509	\$4,775,205	\$28,978,421	\$33,753,626	1.35	25.64%
Total Secondary Funds of Funds			\$217,500,000	\$106,519,022	\$111,428,648	\$67,765,497	\$93,060,988	\$160,826,486	1.44	22.49%

Co-Investment Funds	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Adams Street 2010 Direct Fund	05/21/2010	2010	\$8,500,000	\$453,900	\$8,046,100	\$7,693,519	\$5,563,774	\$13,257,293	1.65	12.63%
HarbourVest Partners Co-Investment IV	05/31/2017	2016	\$30,000,000	\$15,675,000	\$14,521,740	-	\$16,355,224	\$16,355,224	1.13	30.39%
Total Co-Investment Funds			\$38,500,000	\$16,128,900	\$22,567,840	\$7,693,519	\$21,918,998	\$29,612,517	1.31	14.22%

	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Total Secondary Interests / Co-Investments			\$256,000,000	\$122,647,922	\$133,996,488	\$75,459,016	\$114,979,986	\$190,439,003	1.42	20.74%
Total Active Portfolio Funds			\$577,450,000	\$313,597,478	\$264,500,142	\$113,735,920	\$253,947,133	\$367,683,054	1.39	15.71%¹
Net IRR									1.39	15.70%²

¹IRR is net of management fees paid to underlying and/or fund of fund managers, but gross of fees paid to Abbott. ²IRR is net of management fees paid to Abbott. Past performance is not a guide to future results and is not indicative of expected realized returns. See attached Important Information page and Abbott's Form ADV Part 2a for disclosures on risk and impact of fees on performance.

Additional Information: VCERA Portfolio Performance as of 6/30/2018

Primary Investments

Venture Capital and Growth Equity	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Battery Ventures XII	02/01/2018	2018	\$9,050,000	\$8,516,050	\$533,950	-	\$450,490	\$450,490	0.84	NM
Battery Ventures XII Side Fund	02/01/2018	2018	\$5,050,000	\$4,999,500	\$50,500	-	\$37,158	\$37,158	0.74	NM
Drive Capital Fund II	08/19/2016	2016	\$15,000,000	\$10,279,103	\$4,724,107	-	\$4,269,465	\$4,269,465	0.90	-11.32%
Total Venture Capital and Growth Equity			\$29,100,000	\$23,794,653	\$5,308,557	-	\$4,757,113	\$4,757,113	0.90	-13.44%

Buyouts and Special Situations	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Clearlake Capital Partners V	12/22/2017	2018	\$9,950,000	\$7,760,847	\$2,189,963	\$2,397	\$2,432,220	\$2,434,617	1.11	NM
CVI Credit Value Fund IV	12/31/2017	2017	\$30,000,000	\$27,000,000	\$3,000,000	\$6,147	\$3,078,210	\$3,084,357	1.03	NM
GTCR Fund XII	09/29/2017	2018	\$30,000,000	\$29,256,000	\$744,000	\$264,502	(\$84,342) ¹	\$180,160	NM ²	NM
Insight Venture Partners X	10/13/2017	2018	\$25,000,000	\$22,250,000	\$2,750,000	-	\$2,502,175	\$2,502,175	0.91	NM
M/C Partners VIII	04/02/2018	2018	\$10,000,000	\$10,000,000	-	-	-	-	-	NA
The Resolute Fund IV	05/02/2018	2018	\$20,000,000	\$20,000,000	-	-	\$75,113	\$75,113	-	NM
Total Buyouts and Special Situations			\$124,950,000	\$116,266,847	\$8,683,963	\$273,045	\$8,003,376	\$8,276,421	0.95	NM

Primary Fund of Funds	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Adams Street 2013 Global Fund	06/27/2013	2013	\$75,000,000	\$21,750,000	\$53,250,000	\$6,236,204	\$65,142,787	\$71,378,991	1.34	11.47%
Adams Street 2016 Global Fund	08/16/2016	2016	\$60,000,000	\$43,050,000	\$16,950,000	\$2,082,389	\$17,882,443	\$19,964,832	1.18	29.61%
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	05/21/2010	2010	\$25,500,000	\$3,174,751	\$22,325,249	\$13,174,585	\$19,602,716	\$32,777,301	1.47	11.90%
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	05/21/2010	2010	\$8,500,000	\$1,122,000	\$7,378,000	\$1,859,844	\$9,857,566	\$11,717,410	1.59	12.46%
Adams Street Partnership Fund - 2010 U.S. Fund	05/21/2010	2010	\$42,500,000	\$5,057,500	\$37,442,500	\$22,779,749	\$38,704,522	\$61,484,271	1.64	14.59%
Buenaventure One, LLC	01/05/2018	2018	\$37,250,000	\$36,714,410	\$535,590	-	\$514,537	\$514,537	0.96	NM
Total Primary Fund of Funds			\$248,750,000	\$110,868,661	\$137,881,339	\$46,132,771	\$151,704,571	\$197,837,342	1.43	13.16%
Total Primary Investments			\$402,800,000	\$250,930,161	\$151,873,859	\$46,405,816	\$164,465,059	\$210,870,876	1.39	12.85%

NA = Not applicable. NM = Not meaningful due to the age of the fund. ¹Negative valuation is a result of accrued expenses and the use of a credit line early in the life of the fund. ²TVPI not meaningful due to the age of the fund, accrued expenses, and the use of credit line early in the life of the fund. **Past performance is not a guide to future results and is not indicative of expected realized returns.** See attached Important Information page and Abbott's Form ADV Part 2a for disclosures on risk and impact of fees on performance.

Additional Information: VCERA Portfolio Performance as of 6/30/2018, continued

Secondary Interests / Co-Investments

Secondary Funds of Funds	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Abbott Secondary Opportunities, L.P.	12/21/2017	2016	\$25,000,000	\$18,790,735	\$6,571,982	\$1,500,000	\$6,109,249	\$7,609,249	1.16	59.51%
HarbourVest - Dover Street IX	07/08/2016	2016	\$60,000,000	\$40,800,000	\$19,200,000	\$4,832,781	\$21,829,815	\$26,662,596	1.39	65.07%
HarbourVest - Dover Street VIII	05/30/2013	2012	\$67,500,000	\$7,762,500	\$59,822,454	\$60,419,800	\$32,377,139	\$92,796,939	1.55	22.80%
Pantheon Global Secondary Fund IV	06/24/2010	2010	\$15,000,000	\$5,040,000	\$9,960,000	\$12,450,001	\$3,354,279	\$15,804,280	1.59	14.41%
Pantheon Global Secondary Fund V	02/06/2015	2015	\$50,000,000	\$19,658,491	\$30,341,509	\$7,200,000	\$34,511,685	\$41,711,685	1.37	23.88%
Total Secondary Funds of Funds			\$217,500,000	\$92,051,726	\$125,895,945	\$86,402,582	\$98,182,167	\$184,584,749	1.47	22.57%

Secondary Interests / Co-Investments

Co-Investment Funds	Initial Closing Date	Vintage Year	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Adams Street 2010 Direct Fund	05/21/2010	2010	\$8,500,000	\$453,900	\$8,046,100	\$8,141,277	\$5,805,977	\$13,947,254	1.73	13.20%
HarbourVest Partners Co-Investment IV	05/31/2017	2016	\$30,000,000	\$9,040,640	\$21,156,100	-	\$23,621,904	\$23,621,904	1.12	16.01%
Total Co-Investment Funds			\$38,500,000	\$9,494,540	\$29,202,200	\$8,141,277	\$29,427,881	\$37,569,158	1.29	13.73%
Total Secondary Interests / Co-Investments			\$256,000,000	\$101,546,266	\$155,098,145	\$94,543,859	\$127,610,048	\$222,153,907	1.43	20.69%
Total Active Portfolio Funds			\$658,800,000	\$352,476,426	\$306,972,004	\$140,949,675	\$292,075,107	\$433,024,783	1.41	16.06%¹

Net IRR 1.41 16.05%²

¹IRR is net of management fees paid to underlying and/or fund of fund managers, but gross of fees paid to Abbott. ²IRR is net of management fees paid to Abbott. Past performance is not a guide to future results and is not indicative of expected realized returns. See attached Important Information page and Abbott's Form ADV Part 2a for disclosures on risk and impact of fees on performance.

VCERA Portfolio Net Performance as of 12/31/2017

VCERA Portfolio – Net Performance						
Period	1 year	2 years	3 years	5 years	7 years	Since inception
VCERA Portfolio	20.21%	15.40%	14.15%	16.01%	15.76%	15.70%
Russell 3000 (PME) +300bps	21.24% + 300bps	17.33% + 300bps	11.82% + 300bps	14.16% + 300bps	13.72% + 300bps	13.89% + 300bps
Difference	(4.03%)	(4.93%)	(0.67%)	(1.15%)	(0.96%)	(1.19%)

Performance primarily driven by commitments made prior to Abbott's appointment as oversight manager in June 2017. Past performance is not a guide to future results and is not indicative of expected realized returns. See attached Important Information page and Abbott's Form ADV Part 2a for disclosures on risk and impact of fees on performance.

California Disclosure Reporting

California Code, Government Code - GOV § 7514.7

Private Equity Investments as of December 31, 2017				
Name of Fund	Address of Fund Manager	Closing Date	Commitment	Vintage Year
Abbott Secondary Opportunities	1290 Avenue of the Americas, 9th Floor, New York, NY 10104	12/21/17	\$25,000,000	2016
Adams Street 2010 Direct Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	5/21/10	\$8,500,000	2010
Adams Street 2013 Global Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	6/27/13	\$75,000,000	2013
Adams Street 2016 Global Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	8/16/16	\$60,000,000	2016
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	5/21/10	\$25,500,000	2010
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	5/21/10	\$8,500,000	2010
Adams Street Partnership Fund - 2010 U.S. Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	5/21/10	\$42,500,000	2010
Clearlake Capital Partners V	233 Wilshire Blvd, Suite 800, Santa Monica, CA 90401	12/22/17	\$9,950,000	2018
CVI Credit Value Fund IV	9320 Excelsior Boulevard, 7th Floor, Hopkins, MN 55343	12/31/17	\$30,000,000	2017
Drive Capital Fund II	629 N. High Street, Columbus, OH 43215	8/19/16	\$15,000,000	2016
GTCR Fund XII	300 North LaSalle Street, Suite 5600, Chicago, IL 60654	9/29/17	\$30,000,000	2018
HarbourVest - Dover Street IX	One Financial Center, Boston, MA 02111	7/8/16	\$60,000,000	2016
HarbourVest - Dover Street VIII	One Financial Center, Boston, MA 02112	5/30/13	\$67,500,000	2012
HarbourVest Partners Co-Investment IV	One Financial Center, Boston, MA 02113	5/31/17	\$30,000,000	2016
Insight Venture Partners X	1114 Avenue of the Americas, 36th Floor, New York, NY 10036	10/13/17	\$25,000,000	2018
Pantheon Global Secondary Fund IV	10 Finsbury Square, 4th Floor, London EC2A1AF	6/24/10	\$15,000,000	2010
Pantheon Global Secondary Fund V	11 Finsbury Square, 4th Floor, London EC2A1AF	2/6/15	\$50,000,000	2015
Total			\$577,450,000	

California Disclosure Reporting, continued

California Code, Government Code - GOV § 7514.7

Name of Fund	Performance and Fee Information												
	As of December 31, 2017 (Since Inception)						For the Year Ended December 31, 2017						
	Contributions	Distributions	Valuation	TVPI	Gross IRR	Net IRR	Distributions	Cash Profit Received ¹	Management Fees ²	Carried Interest Accrued ³	Carried Interest Paid	Other Expenses	Fees & Expenses Paid by Portfolio Cos. ⁴
Abbott Secondary Opportunities	\$4,779,685	\$1,500,000	\$3,935,268	1.14	>1,000.00%	>1,000.00%	\$1,500,000	\$1,163,860	\$60,536	\$80,486	\$0 ⁵	\$352,198	NA
Adams Street 2010 Direct Fund	\$8,046,100	\$7,693,519	\$5,563,774	1.65	18.78%	12.63%	\$2,032,957	\$84,346	\$131,290	\$255,341	\$76,522	\$5,955	\$4,238
Adams Street 2013 Global Fund	\$49,950,000	\$4,679,630	\$57,850,635	1.25	12.82%	9.95%	\$1,570,725	\$138,515	\$611,495	\$275,865	\$0	\$43,389	NA
Adams Street 2016 Global Fund	\$9,960,000	\$0	\$11,755,467	1.18	81.51%	45.52%	\$0	\$0	\$426,045	\$206,649	\$0	\$461,502	NA
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	\$21,254,249	\$11,784,023	\$18,362,544	1.42	14.70%	11.41%	\$3,642,551	\$1,463,674	\$202,125	\$42,521	\$100,762	\$5,490	NA
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	\$7,378,000	\$1,507,798	\$9,437,384	1.48	14.13%	11.90%	\$769,009	\$159,995	\$67,375	\$375	\$0	\$3,680	NA
Adams Street Partnership Fund - 2010 U.S. Fund	\$37,442,500	\$20,305,453	\$37,968,757	1.56	17.34%	14.29%	\$5,911,418	\$2,020,874	\$336,875	\$48,168	\$200,106	\$12,822	NA
Clearlake Capital Partners V	\$0	\$0	\$0	-	NA	NA	\$0	\$0	\$0	\$0	\$0	\$3,670 ⁶	\$0
CVI Credit Value Fund IV	\$1,500,000	\$0	\$1,500,000	1.00	0.00%	0.00%	\$0	\$0	\$1,516	\$0	\$0	\$9,910	\$0
Drive Capital Fund II	\$3,018,905	\$0	\$2,486,747	0.82	NR	(28.09%)	\$0	\$0	\$292,910	\$0	\$0	\$37,593	\$0
GTCR Fund XII	\$0	\$0	(\$171,029) ⁷	-	NA	NA	\$0	\$0	\$112,705	\$0	\$0	\$130,772	\$0
HarbourVest - Dover Street IX	\$12,600,000	\$3,388,361	\$13,563,623	1.35	46.20% ⁸	83.93%	\$2,546,829	\$1,043,418	\$223,187	477,697	\$0	\$328,030	NA
HarbourVest - Dover Street VIII	\$59,147,454	\$46,566,930	\$42,490,968	1.51	25.20%	22.98%	\$17,197,032	\$9,034,483	\$834,971	1,385,601	\$0	\$89,884	NA
HarbourVest Partners Co-Investment IV	\$14,521,740	\$0	\$16,355,224	1.13	26.60% ⁸	30.39%	\$0	\$0	\$137,367	239,658	\$0	\$194,807	\$1,464
Insight Venture Partners X	\$0	\$0	(\$223,358) ⁷	-	NA	NA	\$0	\$0	\$48,611	\$0	\$0	\$4,988	\$0
Pantheon Global Secondary Fund IV	\$9,960,000	\$11,535,001	\$4,092,708	1.57	15.30%	14.53%	\$2,730,000	\$9,083	\$121,501	\$100,012	\$15,076	\$24,803	NA
Pantheon Global Secondary Fund V	\$24,941,509	\$4,775,205	\$28,978,421	1.35	23.90% ⁸	25.64%	\$4,775,205	\$2,105,441	\$500,000	\$543,715	\$0	\$409,826	NA
Total	\$264,500,142	\$113,735,920	\$253,947,133	1.39		15.70%⁹	\$42,675,726	\$17,223,689	\$4,108,509	\$3,656,088	\$392,466	\$2,119,319	\$5,702

NA = Not Applicable.

NR = Information was not reported as of 10/16/2018.

¹Represents amounts included in distributions received during the year that are classified as gain, dividend, interest or income per the fund's distribution notice.

²Management fees may reflect fee waivers in lieu of general partner capital contributions and offsets related to transaction fees, board fees and other items.

³Amounts represent realized and unrealized carried interest allocations for the year ended December 31, 2017.

⁴NA = Not Applicable. Fund of Funds do not have direct portfolio company investments.

⁵Excludes tax distributions.

⁶VCERA's pro rata share was not reported. Amounts represent estimates based on fund level amount reported in the financial statements. Fund level amounts were allocated to VCERA based on VCERA's proportionate share of the fund. Actual allocated amounts may differ and such differences could be material.

⁷Negative valuation is a result of accrued expenses and the use of a credit line early in the life of the fund.

⁸Due to the use of a credit line, gross IRR is lower than net IRR.

⁹IRR is net of management fees paid to Abbott.

Note: Contributions include closing interest payments made by VCERA, if any.

Past performance is not a guide to future results and is not indicative of expected realized returns. See attached Important Information page and Abbott's Form ADV Part 2a for disclosures on risk and impact of fees on performance.

Supplemental Fee Information

Fund of Fund Aggregated Fees, Carried Interest and Expenses of the Underlying Portfolio Funds ¹				
Name of Fund ²	For the Year Ended December 31, 2017			
	Management Fees ³	Carried Interest Accrued ⁴	Carried Interest Paid	Other Expenses
Abbott Secondary Opportunities, L.P.	\$50,838	\$251,045	\$0	\$23,843
Adams Street 2013 Global Fund	\$1,006,207	\$1,650,297	\$156,080	\$192,547
Adams Street 2016 Global Fund	\$473,269	\$95,953	\$0	\$113,024
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	\$293,759	\$745,182	\$130,045	\$65,441
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	\$144,407	\$433,307	\$126,980	\$20,507
Adams Street Partnership Fund - 2010 U.S. Fund	\$502,112	\$1,468,243	\$1,330,038	\$118,303
HarbourVest - Dover Street IX	\$109,880	\$141,711*	*	\$10,775
HarbourVest - Dover Street VIII	\$399,925	\$682,839*	*	\$109,586
Pantheon Global Secondary Fund IV	\$24,574	\$50,191	**	\$52,487**
Pantheon Global Secondary Fund V	\$283,880	\$477,140	**	\$448,183**
Total	\$3,288,850	\$5,995,906	\$1,743,143	\$1,154,694

NR = Information was not reported as of 10/16/2018.

¹With the exception of fund level information for Abbott Secondary Opportunities, L.P. ("ASO"), the information included herein is sourced from data provided by the managers of the funds. Such information has not been independently verified and no representation or warranty, express or implied, is given by or on behalf of Abbott as to the accuracy, fairness, correctness or completeness of the information. Information for portfolio fund investments of ASO was obtained from the December 31, 2017 year-end fee and expense templates that Abbott requested from the underlying portfolio funds. Such amounts were then allocated to VCERA based on VCERA's proportionate share of ASO. If no template was returned, fund level information disclosed in the December 31, 2017 audited portfolio fund financial statements were allocated to VCERA based only on VERA's proportionate share of ASO. Differences between such estimates and actual amounts may exist and such differences could be material.

²Funds that make direct investments were omitted from the list titled "Fund of Fund Aggregated Fees, Carried Interest and Expenses of the Underlying Portfolio Funds" since these funds have no funds on which to report fees.

³Management fees may reflect fee waivers in lieu of general partner capital contributions and offsets related to transaction fees, board fees and other items.

⁴Amounts represent realized and unrealized carried interest allocations for the year ended December 31, 2017.

Note: Fees & Expenses Paid by Portfolio Cos. column not displayed as this information was not reported.

*Fund did not break out carried interest accrued and paid.

**Carried interest paid and other expenses are combined.

Key Takeaways

Summary

- Abbott has worked collaboratively with VCERA Board, Staff, and NEPC since the summer of 2017
- On pace for Abbott-directed commitments of \$177 million through year-end 2018 plus an additional \$30 million with VCERA-initiated commitments
- Fund-of-One structure (Buenaventure) has increased flexibility in VCERA's Private Equity Program
- Abbott provides aggregate reporting for VCERA Private Equity Program, including California reporting requirements
- 2019 expected to be another robust fundraising year with a pipeline of \$200+ million
- Abbott-directed commitments are beginning to draw investment capital
- VCERA-initiated historical commitments continue to develop and mature

Appendix

VCERA Portfolio Performance as of 12/31/2017: Summary

ACTIVE PORTFOLIO

VCERA-Initiated Investments

	Commitment	Unfunded Commitment	Amount Paid-in	Distributions	Valuation	Total Value	TVPI	IRR
Total Venture Capital and Growth Equity	\$15,000,000	\$11,984,305	\$3,018,905	-	\$2,486,747	\$2,486,747	0.82	-28.09%
Total Buyouts and Special Situations	\$30,000,000	\$28,500,000	\$1,500,000	-	\$1,500,000	\$1,500,000	1.00	0.00%
Total Primary Fund of Funds	\$211,500,000	\$85,515,251	\$125,984,749	\$38,276,904	\$135,374,787	\$173,651,691	1.38	12.45%
Total Secondary Funds of Funds	\$192,500,000	\$85,935,991	\$106,648,963	\$66,265,497	\$89,125,720	\$155,391,217	1.46	22.28%
Total Co-Investment Funds	\$38,500,000	\$16,128,900	\$22,567,840	\$7,693,519	\$21,918,998	\$29,612,517	1.31	14.22%
Total Active Portfolio Funds	\$487,500,000	\$228,064,447	\$259,720,457	\$112,235,920	\$250,406,252	\$362,642,172	1.40	15.68%

Abbott-Directed Investments

	Commitment	Unfunded Commitment	Amount Paid-in	Distribution	Valuation	Total Value	TVPI	IRR
Total Buyouts and Special Situations	\$64,950,000	\$64,950,000	-	-	(\$394,387)	(\$394,387)		NM
Total Secondary Funds of Funds	\$25,000,000	\$20,583,031	\$4,779,685	\$1,500,000	\$3,935,268	\$5,435,268	1.14	>1,000%
Total Active Portfolio Funds	\$89,950,000	\$85,533,031	\$4,779,685	\$1,500,000	\$3,540,881	\$5,040,881	1.05	>1,000%

Total Active VCERA Portfolio	\$577,450,000	\$313,597,478	\$264,500,142	\$113,735,920	\$253,947,133	\$367,683,054	1.39	15.71%¹
Net IRR							1.39	15.70%²

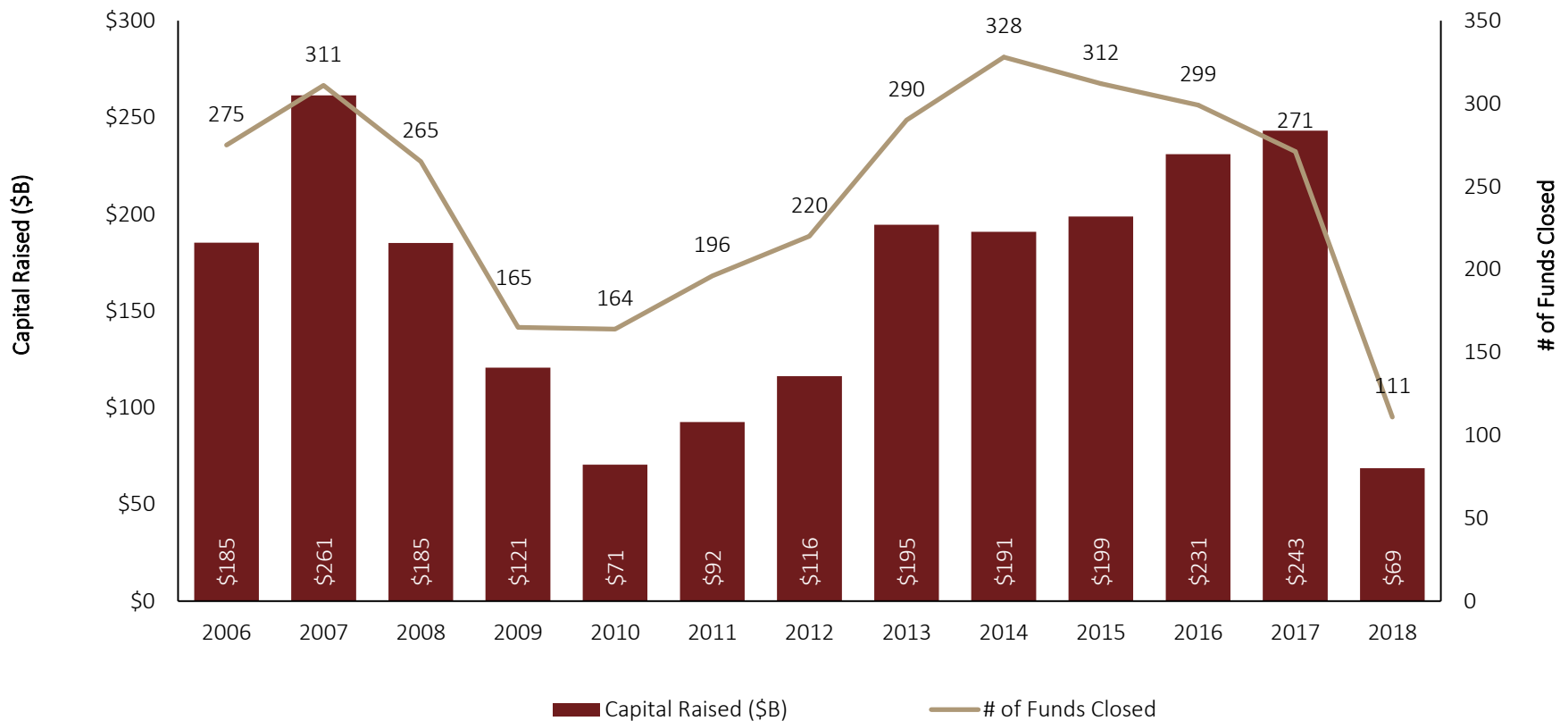
NM = Not meaningful due to the age of the funds. ¹IRR is net of management fees paid to underlying and/or fund of fund managers, but gross of fees paid to Abbott. ²IRR is net of management fees paid to Abbott. Past performance is not a guide to future results and is not indicative of expected realized returns. See attached Important Information page and Abbott's Form ADV Part 2a for disclosures on risk and impact of fees on performance.

Private Equity Market Overview

Private Equity Fundraising

Private equity fundraising in 1H 2018, while strong by historical standards, was down in comparison to record-breaking 2017 levels. According to Pitchbook, 111 U.S. private equity funds raised \$69 billion during the first half of 2018, compared with 204 funds that raised \$181 billion during 1H 2017

U.S. PE Fundraising by Year through June 30, 2018

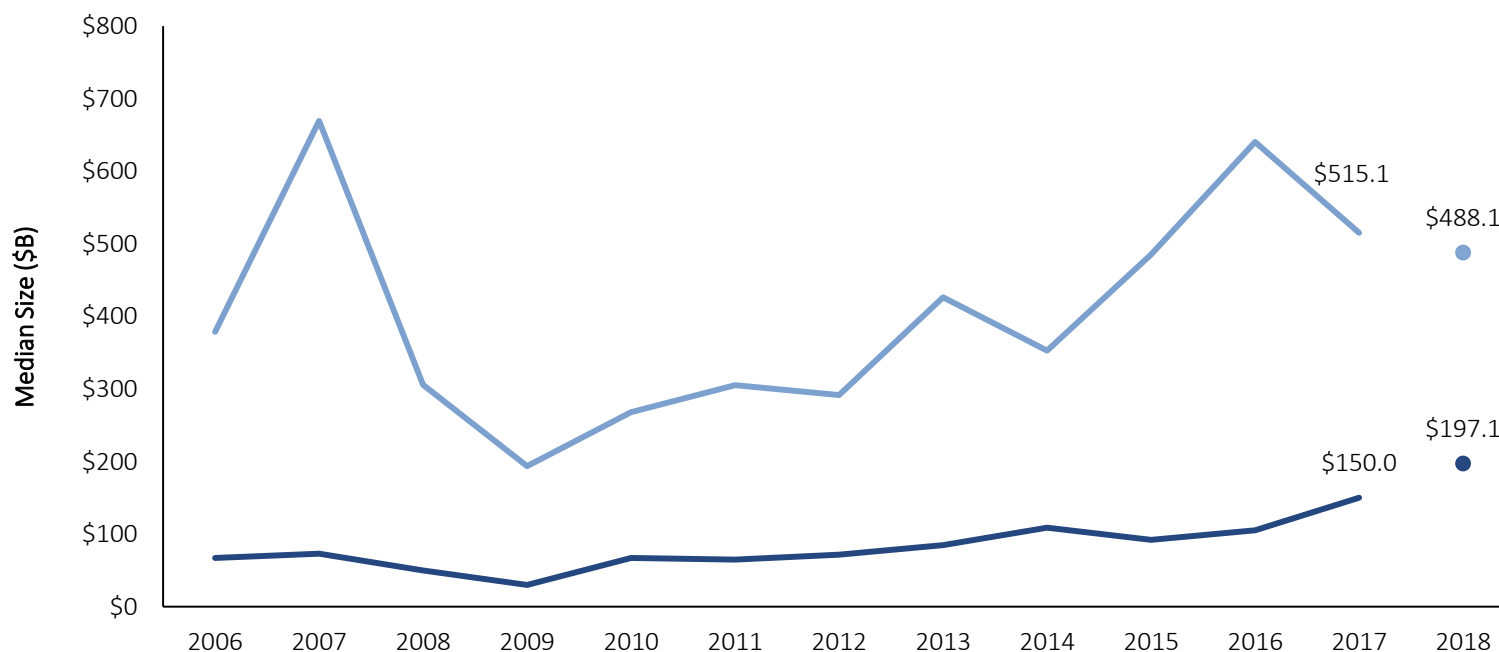


Source: Pitchbook. Data sourced February 2018.

Private Equity Deal Flow

Private equity-led transaction activity remained strong during 1H 2018 driven by record amounts of dry powder and easily accessible debt financing, and is expected to continue to be robust in the second half of the year for the same reasons

Median and Average Buyout/LBO Size by Year through June 30, 2018

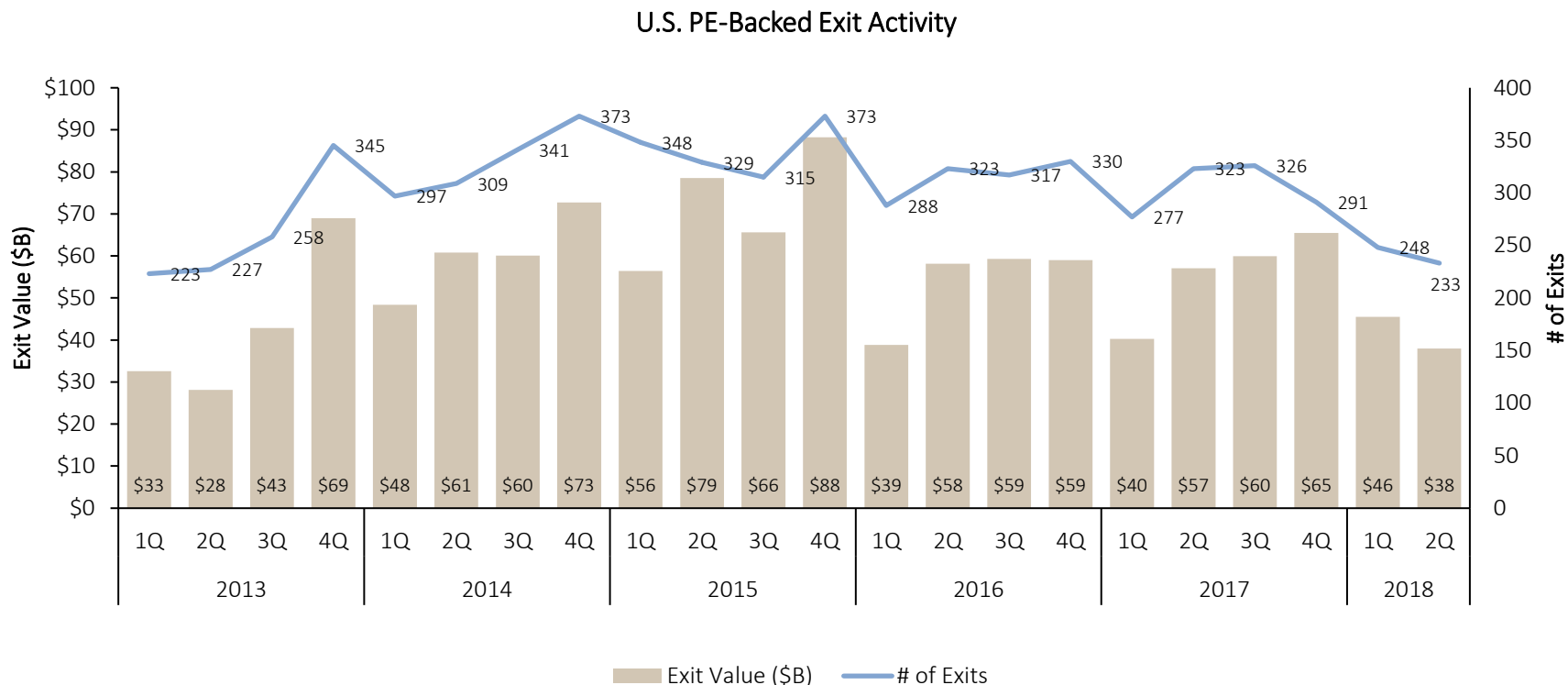


- According to Pitchbook, median deal size for 1H 2018 increased 31% over full-year 2017 primarily due to growing fund sizes and higher purchase price multiples
- The growing interest in larger deals is driving an increase in take-private transactions as well as corporate carve-outs. It is also driving an increase in buy-and-build strategies as M&A enables managers to deploy larger amounts of capital into both new and existing investments

Source: Pitchbook. Data sourced February 2018.

Private Equity Exit Activity

In spite of increasing deal sizes, the number of private equity exits in 1H 2018 was down slightly year-over-year



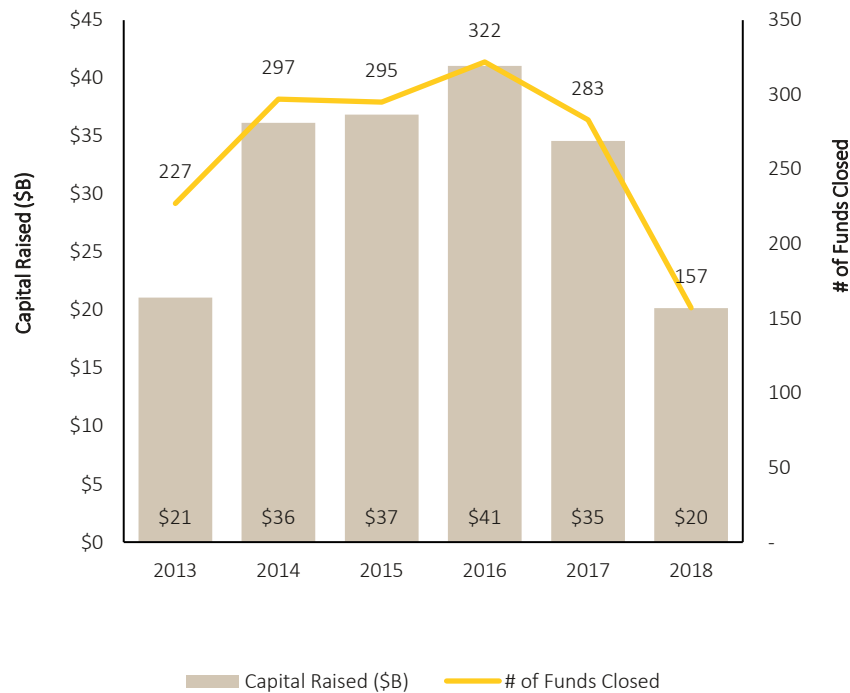
- In general, exit markets remain strong with secondary buyouts, IPOs, and corporate acquisitions presenting clear paths to liquidity for private equity sponsors. We expect these trends to continue into 2H 2018 absent a material change in the economic or financial markets

Source: Pitchbook. Data sourced February 2018.

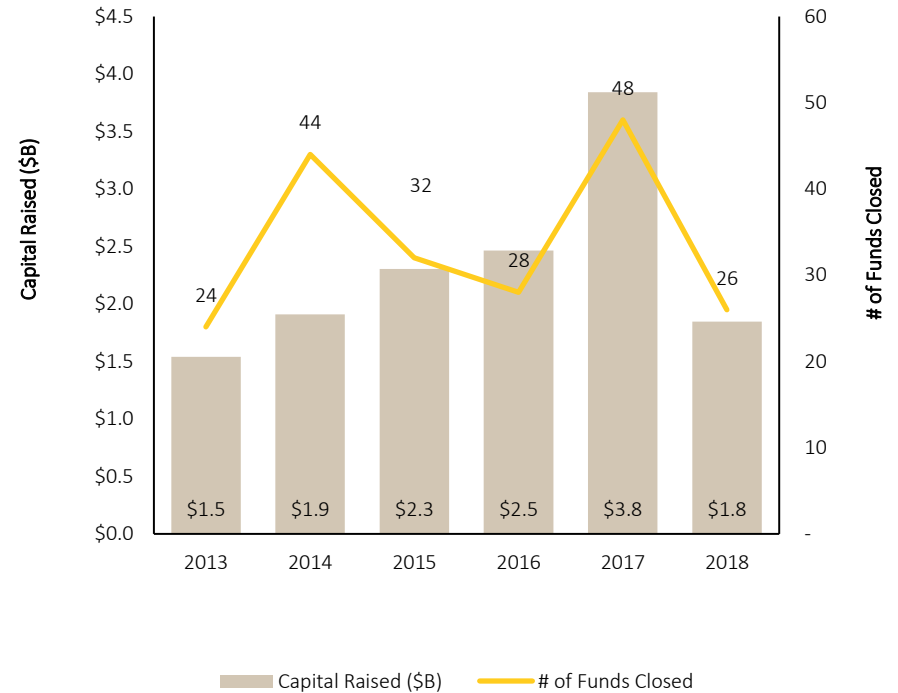
Venture Capital Fundraising

Although venture capital and growth equity fundraising got off to a slow start in 2018, a sharp increase during the second quarter put year-to-date capital raised on a similar pace to that of 2017

U.S. VC Fundraising through June 30, 2018



U.S. VC First-Time Funds Fundraising Activity through June 30, 2018



- According to the National Venture Capital Association (NVCA), 157 venture capital funds raised \$20.2 billion during the first six months of 2018, slightly exceeding 2017 levels when 119 venture capital funds raised \$19.1 billion

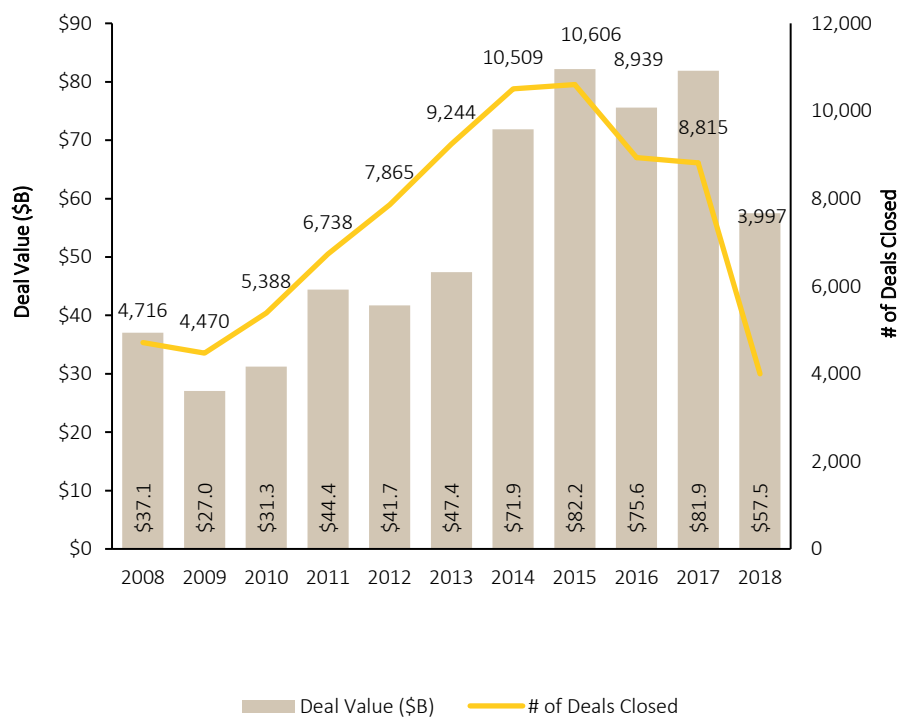
- As of June 30, 2018, first-time funds are on track to exceed 2017 first-time fundraising activity, with 26 funds raising \$1.8 billion compared to \$1.5 billion raised across 15 funds during the same period last year

Source: Pitchbook. Data sourced February 2018.

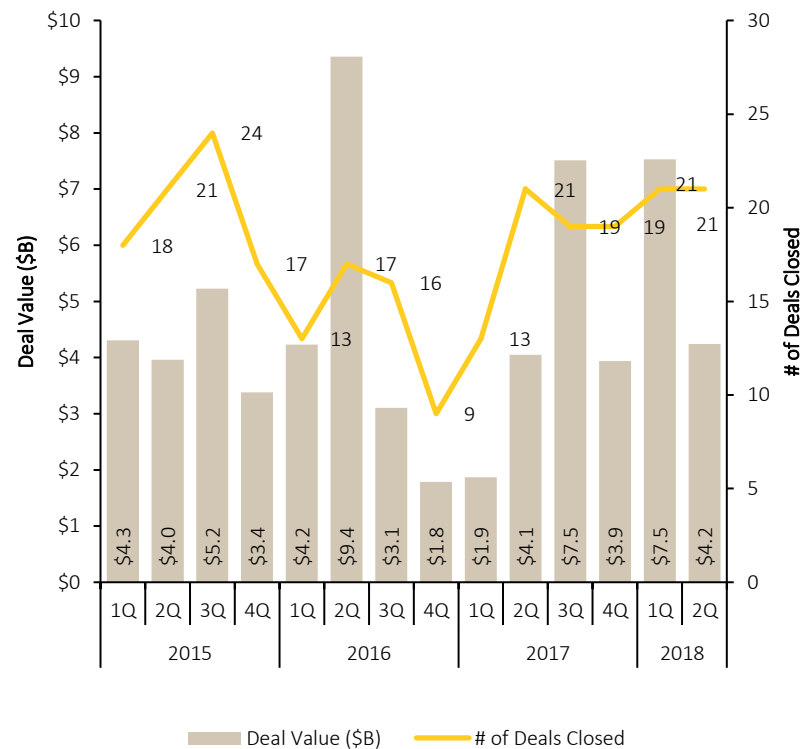
Venture Capital Investing

Sustained fundraising momentum and companies opting to remain private longer have continued to fuel a robust investment environment. 2018 appears to be on pace for yet another record year with more capital invested in a six-month timeframe than seen in any other six-month timeframe in the last decade

U.S. VC Activity through June 30, 2018



U.S. VC Unicorn Activity by Quarter



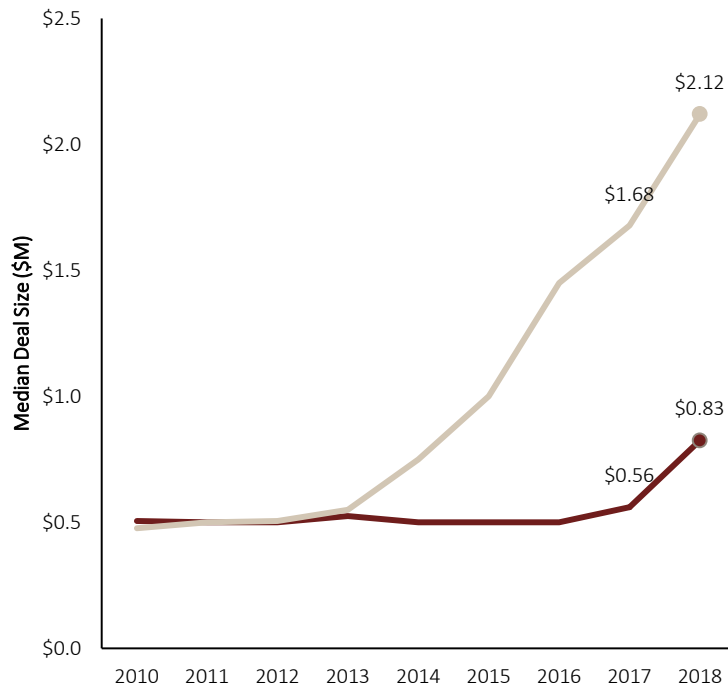
- According to the NVCA, venture capital and growth equity investors deployed \$57.5 billion in 3,997 deals including \$11.8 billion into 42 “unicorns,” or private companies with post-money valuations over \$1 billion; investments in “unicorns” have accounted for 20% of total dollars invested since 2015

Source: Pitchbook. Data sourced February 2018.

Venture Capital Investing

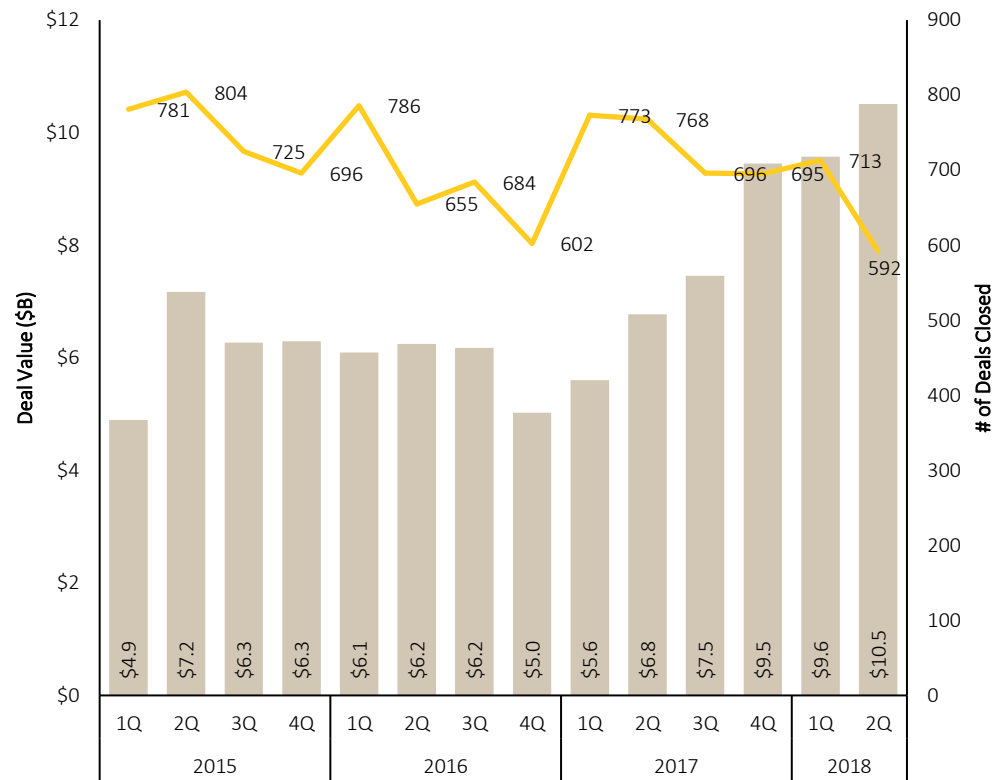
Angel and seed deal sizes are at a decade-high level, with a median size of \$830,000 and \$2.1 million, respectively. Similarly, early-stage investing rose for the seventh straight quarter, reaching \$10.5 billion in Q2 2018, compared to \$6.8 billion during Q2 2017

U.S. VC Angel/Seed Median Deal Size through June 30, 2018



— Angel — Seed

U.S. Early Stage VC Activity by Year

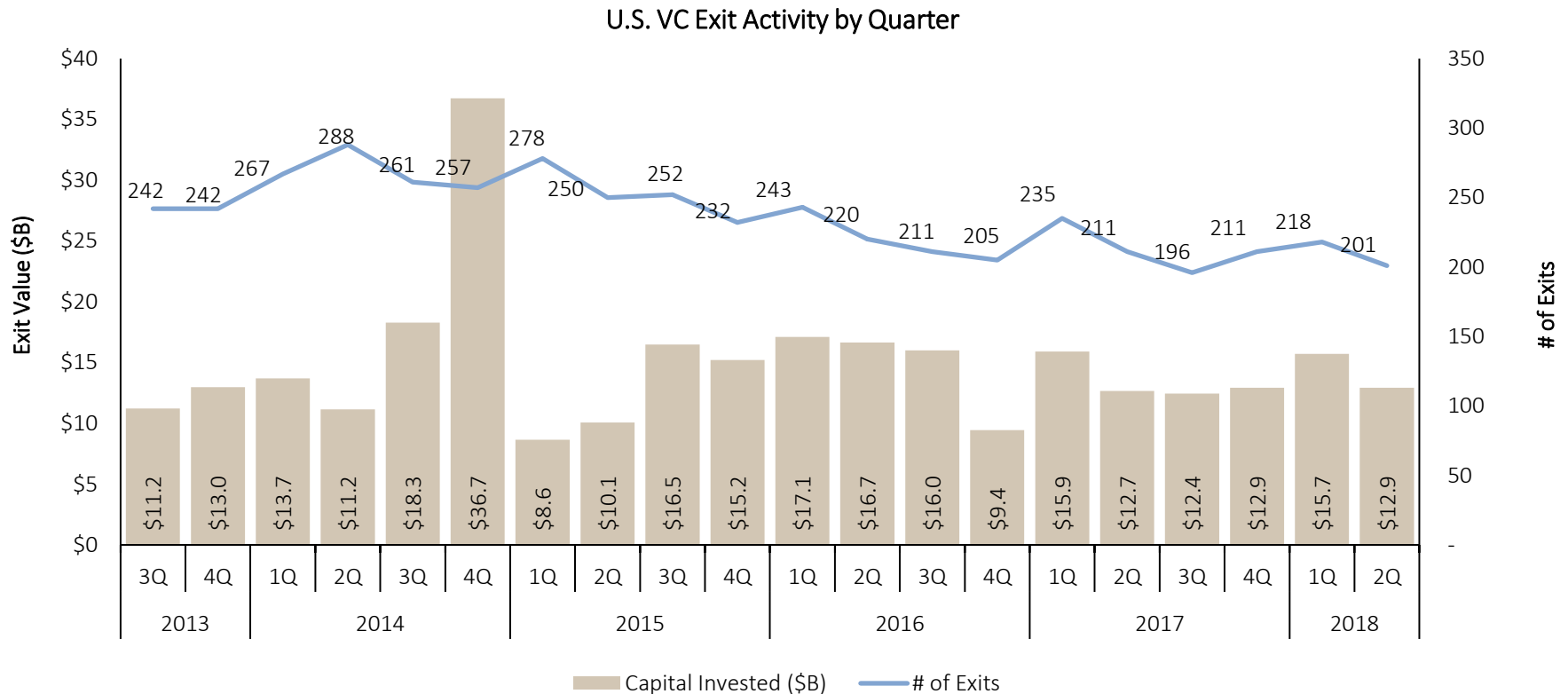


— Deal Value (\$B) — # of Deals Closed

Source: Pitchbook. Data sourced February 2018.

Venture Capital Exit Activity

According to the NVCA, exit activity is on pace to match 2017 levels



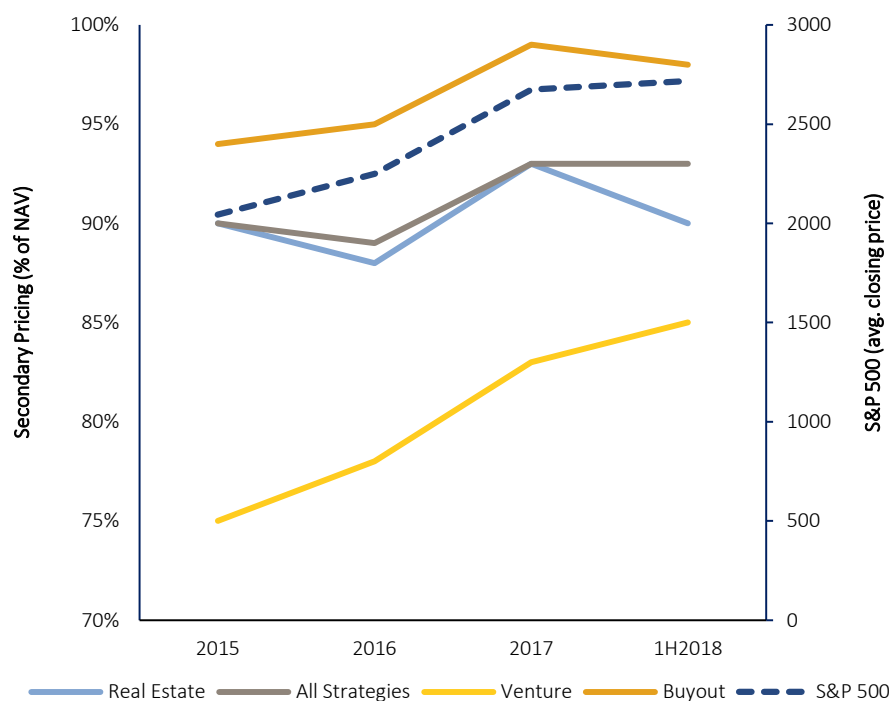
- While pharma & biotech companies have comprised the majority of IPOs recently, information technology companies, in particular enterprise software companies, have been the largest IPOs in 2018
- Two of the largest IPOs of Q2 2018 included DocuSign (\$466 million) and PluralSight (\$311 million), both of which are trading above their IPO price

Source: Pitchbook. Data sourced February 2018.

Secondary Market

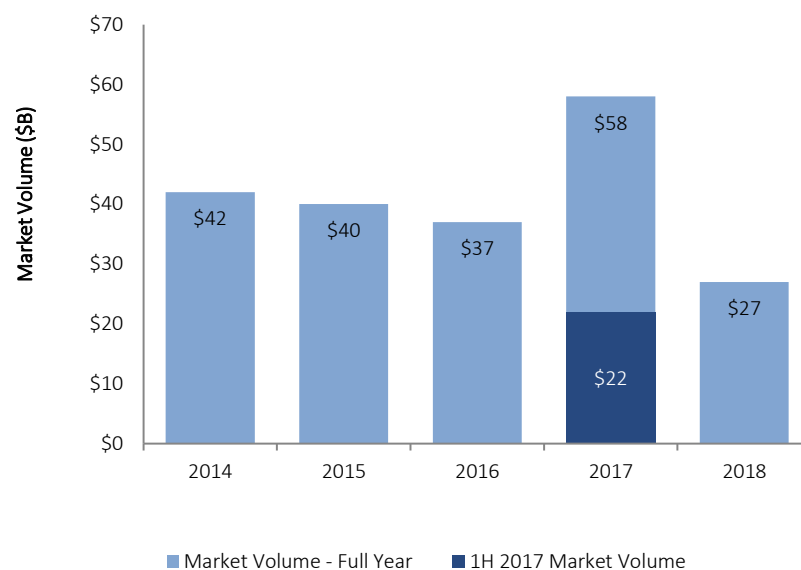
Driven by strong buyer demand and repeat seller activity, the secondary market continued its trend towards higher transaction volumes at continuously high pricing levels during 1H 2018

Historical Pricing by Strategy



- Average pricing for buyout transactions as a percentage of NAV remained relatively stable at 98%, compared with 99% at the end of 2017

Historical Secondary Market Volume through June 30, 2018



- According to secondary advisory firm Greenhill, secondary transaction volume in the first half of 2018 was \$27 billion, a 23% increase over the \$22 billion recorded in 1H 2017
- Abbott believes 2018 will be another year of record volume, likely surpassing the 2017 total transaction volume of \$58 billion

Source: Greenhill, "Secondary Market Trends & Outlook, January 2018."

Important Information

Glossary of Terms

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

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

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

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

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

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

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

Private Debt: Private Debt investments include loans, at various levels of seniority in the capital structure, to companies. This strategy can also include distressed debt investing. Other strategies with shorter average duration and predictable cash flows, such as the purchase of interests in royalty streams associated with intellectual property, could also be considered Private Debt.

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

NAV: Net Asset Value

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

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

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

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

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

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

Important Information

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Performance Information:

Internal Rate of Return (IRR) represents the annualized internal rate of return over the relevant period using Latest Valuation.

Total Value equals Distributions plus Latest Valuation.

Latest Valuation refers to the fair value of net assets as of the report date.

TVPI represents the Total Value over Contributions.

DPI represents Distributions over Contributions.

Net IRR and net multiples are **net** of underlying portfolio fund investment fees and expenses, **net** of fees paid to Abbott as the investment adviser, and **net** of allocations of carried interest to the general partner, if any.

Gross IRR and gross multiples are **net** of underlying portfolio fund investment fees and expenses, but **NOT** net of fees paid to Abbott as the investment adviser, and **NOT** net of allocations of carried interest to the general partner, if any. Where returns are **gross** of Abbott's management fees, actual returns to an individual investor would be further reduced for any fees and expenses not accounted for in the performance calculations.

Unless otherwise noted, composite level and portfolio fund performance metrics presented are **net** of all fees, expenses and carried interest (if any) charged by the general partners of the underlying portfolio funds, but **gross** of any management fees charged by Abbott and carried interest (if any), account level expenses and adjustments resulting from the gains and losses realized upon the sale of distributed stock.

Expenses, management fees and performance fees/carried interest paid by existing or past Abbott Clients may not be comparable to the expenses, management fees and performance fees/carried interest that another or future Abbott Client will pay in respect of its investments and such amounts may be lower or higher than amounts actually paid with respect to investors in prior or subsequent Abbott Funds or paid by discretionary separate account clients.

Results portrayed may reflect the reinvestment of realized proceeds and other earnings by both the Abbott Funds and the underlying portfolio funds. Interim performance data may not accurately reflect the actual current or expected future performance of an Abbott Client. Performance data should not be used to compare returns among private equity funds due to, among other factors, differences in vintage year, investment strategy, investment size, etc. The performance herein has not been calculated, reviewed, verified or in any way sanctioned or approved by the general partners of the portfolio funds. There can be no assurance that any Abbott Client, its portfolio investments and underlying portfolio companies, or the private and public equity and debt markets in general, will perform, or continue to perform, similarly to prior periods, funds, investments, or accounts. It should not be assumed that any fund organized, or investment made, in the future will ultimately be profitable or will equal the performance of the funds, investments, or accounts listed in this presentation.

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

Abbott Fund Performance: Unless otherwise noted, performance metrics are presented **net** to LP. Performance for an individual limited partner in an Abbott Fund may differ from the performance disclosed herein due to varying limited partner closing dates, management fees, strategy allocations, and commitment amounts.

Not Meaningful (NM): With respect to primary investments, Abbott deems only those returns greater than three years of age to be mature enough to provide meaningful performance information.

Important Information

Abbott Composites:

Includes all relevant portfolio fund investments made by Abbott on behalf of discretionary client accounts managed since inception (3/31/1987) either as of the date indicated or through liquidation. (**Note:** not all composites may appear within this presentation.) Composite performance is unaudited and does not represent the actual return of any Abbott Client.

Horizon Performance: Excludes historical co-investments. Returns are shown **gross** and **net** of Abbott's management fees and carried interest (if any).

Vintage Year Performance: Excludes co-investments and investments purchased on the secondary market as the performance of these investments cannot meaningfully be compared based on vintage year. Returns are shown **gross** of Abbott's management fees and carried interest (if any). The application of an annual pro-forma management fee of 0.72% on each portfolio fund in the composite would result in an average impact per year of 1.68% to IRR and 0.18X to TVPI. The pro-forma management fee applied is the equivalent of a 1.0% annual management fee on individual portfolio fund commitments, adjusted to reflect the typical phase-in and phase-down of the management fee over a 15-year period, or if earlier, through such time as the investment was liquidated or sold.

Strategy Performance: Excludes co-investments and investments purchased on the secondary market. Returns are shown **gross** of Abbott's management fees and carried interest (if any).

Market Performance and Indices:

Public Market Equivalent (PME or PME+) analysis is calculated without adjustment for management fee and carried interest paid to Abbott. PME is an internal rate of return calculated as if investor cash flows were used to purchase and sell shares of a public market index. PME+ scales distributions by a constant proportion such that the net remaining investment in the index equals the actual net asset value at the measurement date. PME+ is provided because if a portfolio significantly outperforms the public market index due to a high level of distributions, the net remaining investment in the index may be in a short position. A PME+ return calculation permits the net remaining investment in the index to equal the net asset value of the private equity portfolio at the measurement date. Any PME (or PME+) analysis is based on illiquid and unrealized values which may vary considerably over the life of an investment, thus making this type of comparison more relevant with respect to mature funds (i.e., where net asset value is a small fraction of total distributions). Horizon PMEs are calculated using actual partnership-level daily cash flows; Abbott Fund PMEs are calculated using cash flows between the relevant Abbott Fund and limited partners. Abbott has calculated PME as described in "A Private Investment Benchmark", a 1996 white paper by Austin M. Long III and Craig J. Nickels, and PME+ as described in "Private Equity Benchmarking with PME+", an article published in the Venture Capital Journal (August 2003) by Christophe Rouvinez of Capital Dynamics.

References to market or composite indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that an Abbott Client will achieve returns, volatility or results similar to the index, or that these are appropriate benchmarks to be used for comparison for a private equity investment. The market volatility, liquidity and other characteristics of private equity investments are materially different from publicly-traded securities. In addition, the composite of the index may not reflect the manner in which the Abbott Client portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations or volatility, all of which are subject to change over time. The index returns will generally reflect the reinvestment of dividends, if any, but do not reflect the deduction of any fees or expenses which would reduce returns. An investor cannot invest directly in an index.

- **S&P 500:** Annualized time-weighted total returns of the S&P 500 (represents the 500 most widely-held large cap US stocks on the NYSE or NASDAQ) includes the reinvestment of dividends and income.
- **MSCI World:** Annualized time-weighted total returns of the MSCI World (represents large and mid-cap equity performance across 23 developed markets countries) are based on values provided by MSCI and include the reinvestment of dividends and income.
- **MSCI World Ex-US:** The same as MSCI World, but excluding the United States.
- **NASDAQ Composite:** Annualized time-weighted total returns of the NASDAQ Composite (a broad, market cap-weighted index which includes a large percentage of finance, health care, technology, and consumer services businesses) are based on values provided by NASDAQ and include the reinvestment of dividends.
- **Russell 3000:** Annualized time-weighted total returns of the Russell 3000 (a broad-based, market cap-weighted index of 3,000 U.S.-traded stocks) are based on values provided by Russell Investment Group and include the reinvestment of dividends.
- **Cambridge Secondary Funds Index:** End-to-End returns, provided by Cambridge Associates. The index is a horizon calculation based on data compiled from 206 secondary-focused funds (excluding hard assets funds), including fully liquidated partnerships, formed between 1991 and 2016. Cambridge Associates return data is provided for informational purposes only, is based on only a limited number of private equity funds when compared to the entire private equity industry, and may not reflect a consistent benchmark or basis for comparison for private equity investments. Data sourced from Cambridge Associates is continually updated and subject to change. Cambridge Associates uses the end-to-end or horizon internal rate of return calculation to calculate the official quarterly, annual, and multi-year index figures. The horizon IRR performance calculation is a money-weighted return similar to the since inception IRR; however, it is measuring performance between two points in time. The calculation incorporates the beginning NAV (if any, treated as an inflow), interim cash flows and the ending NAV (if any, treated as an outflow). All interim cash flows are recorded on the mid-period date of the quarter. In order for a fund to be included in a horizon IRR calculation, the fund must have at least one quarterly contribution, distribution or NAV during the time frame being measured. Similar to the since inception IRR, the horizon IRR is annualized for time frames greater than one year.

Private equity investments are highly illiquid and are not suitable for all investors. All investments are subject to risk, including the loss of the principal amount invested. Risks include, among others, those associated with leverage, illiquidity and restrictions on transferability and resale of the investment and the speculative nature of private equity investments in general. Fund of fund risks include dependence on the performance of underlying managers, Abbott's ability to allocate assets incurred at the Abbott Client and underlying portfolio fund levels. Exchange rate fluctuations may affect returns. Diversification will not guarantee profitability or protection against loss. There is no assurance that an Abbott Client's objective will be attained. Performance may be volatile and the value of an investment(s) may fluctuate. Please refer to Abbott's Form ADV, Part 2a for additional risk disclosures.

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Presented to

Ventura County Employees' Retirement Association

October 22, 2018

Presented by:

Clark W. Holland, CFA
Portfolio Manager



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Agenda

Section

- 1 Organizational Updates
- 2 Fixed Income Market Dashboard
- 3 Market Insights and Investment Themes
- 4 Client Relationship Overview
- 5 Performance Review
- 6 Portfolio Characteristics
- 7 Investment Philosophy and Process
- 8 Supplemental Materials



Reams Overview

A trusted investment management partner since 1981

An exclusive focus on U.S. fixed income portfolios for institutional clients and individual investors through separate account and fund vehicles

Long-term client relationships are a result of strong historical performance and attentive client service

The investment team includes 14 investment professionals with an average of 22 years industry experience

Reams Asset Management is a division of Scout Investments, an affiliate of Carillon Tower Advisers (a wholly owned subsidiary of Raymond James Financial, Inc.)



Reams Leadership Team

Investment Committee

Mark M. Egan, CFA (32/28)
Chief Investment Officer
Managing Director

Thomas M. Fink, CFA (32/18)
Managing Director

Robert A. Crider, CFA (41/37)
Managing Director

Operations and Administration

David B. McKinney, JD, CPA (38/20)
President, Reams Division

Daniel P. Spurgeon (22/14)
V.P. Operations

Greg VanDuesen (22/10)
Chief Information Officer

Nancy Morey (37/37)
Director of Portfolio Systems
and Accounting

Structured Products

Stephen T. Vincent, CFA
(27/24)
Portfolio Manager
Structured Products Team Leader

Credit

Todd C. Thompson, CFA (24/17)
Portfolio Manager
Credit Research Team Leader

Client Services

Deanne B. Olson, CFA (21/21)
V.P. Client Services

Sarah M. Couch (16/<1)
Director of Client Services
Client Services Team Leader



Reams Representative Client List

Corporate

American Honda Motor Company
APL Limited
Cummins Inc.
Emerson Electric Company
NCR Corporation
Omaha Public Power District
Southern California Rock Products
VF Corporation

University/Endowment/Foundation

Trustees of Indiana University
University of Kentucky
Purdue University
Regents of the University of Minnesota

Health Care

University of Colorado Health
Gavi, The Vaccine Alliance
Johns Hopkins Health System
NorthShore University HealthSystem
Northwestern Memorial HealthCare
Shirley Ryan AbilityLab

Sub-Advisory

Christian Brothers Investment Services
Jackson National Life
Prudential Retirement Insurance and Annuity Company
Russell Investment Management Company

Non-Profit

American Heart Association
Archdiocese of Miami
Board of Pensions/Presbyterian Church, USA
Chicago Symphony Orchestra
Cleveland Museum of Art
Veterans of Foreign Wars of the U.S.

Public

Arkansas Teacher Retirement System
Employees' Retirement System of Baltimore County
Indiana Public Retirement System
Indiana State Police Pension Trust
Los Angeles Fire & Police Pensions
City of Milwaukee Employees' Retirement System
Montana Board of Investments
City of Oakland Police & Fire Retirement System
San Francisco Bay Area Rapid Transit District
Sonoma County Employees' Retirement Association
Spokane Firefighters' Pension Fund
Ventura County Employees' Retirement Association

Taft-Hartley

Carpenters District Council of Kansas City Pension Fund
Carpenters Pension Fund of Illinois
IBEW 8th District Electrical Pension Trust
ILWU-Pacific Maritime Association
Inter-Local Pension Fund, GCC/IBT
Louisiana Carpenters Regional Council Pension Plan



Reams Fixed Income Products

PRODUCTS

Core Plus	\$6.3 billion
Core	\$0.9 billion
Intermediate	\$0.3 billion
Long Duration	\$3.3 billion
Low Duration	\$3.6 billion
Real Return	\$0.6 billion
Ultra Low Duration	\$0.4 billion
Unconstrained	\$5.3 billion
Total Firm AUM	\$20.7 billion

VEHICLES

Separate Accounts

Institutional Commingled Funds:

- Columbus Core Plus Bond Fund
- Columbus Ultra Low Duration Bond Fund
- Columbus Unconstrained Bond Fund

Institutional Mutual Funds:

- Core Plus
- Core
- Unconstrained

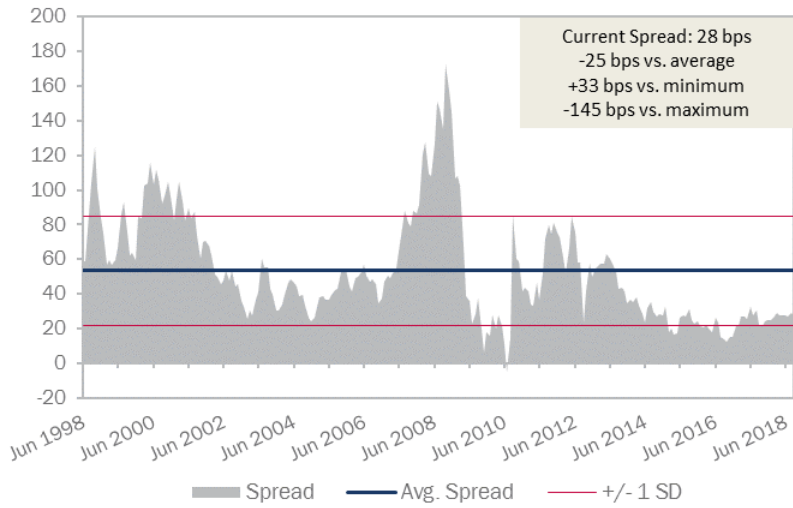
Non-U.S. Fund:

- Raymond James Funds Reams Unconstrained Bond

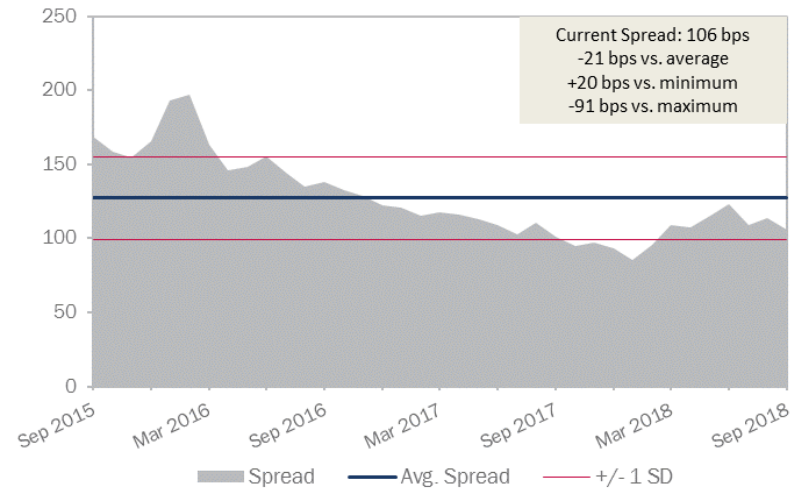


Fixed Income Market Dashboard

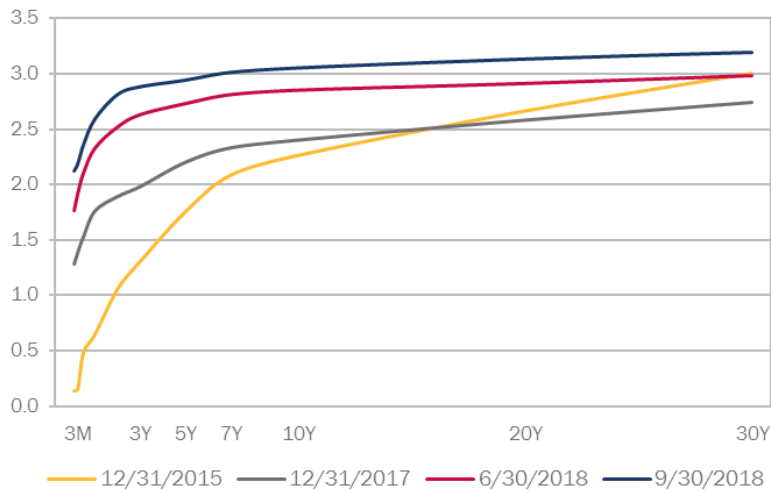
Agency MBS OAS (Basis Points)



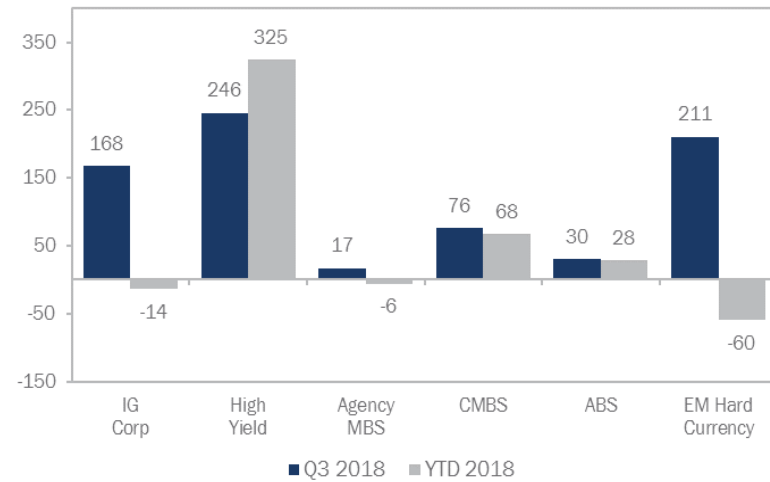
Investment Grade Corporate OAS (Basis Points)



U.S. Treasury Yield Curves (Percent)

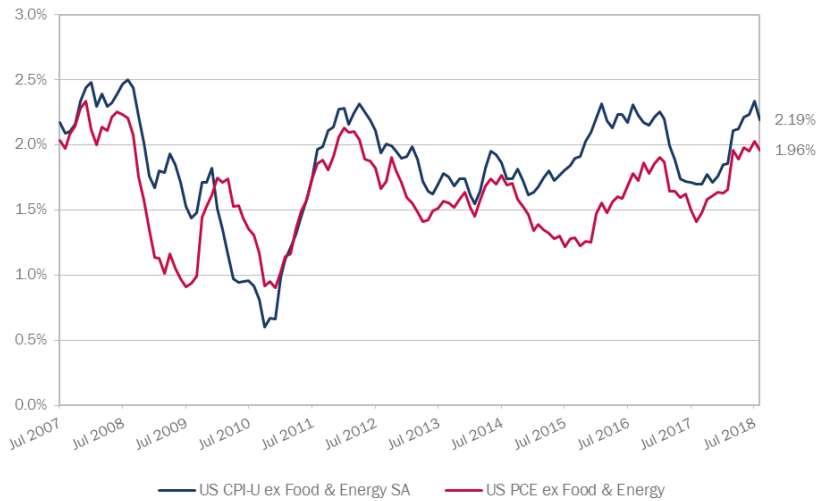


Sector Excess Returns (Basis Points)



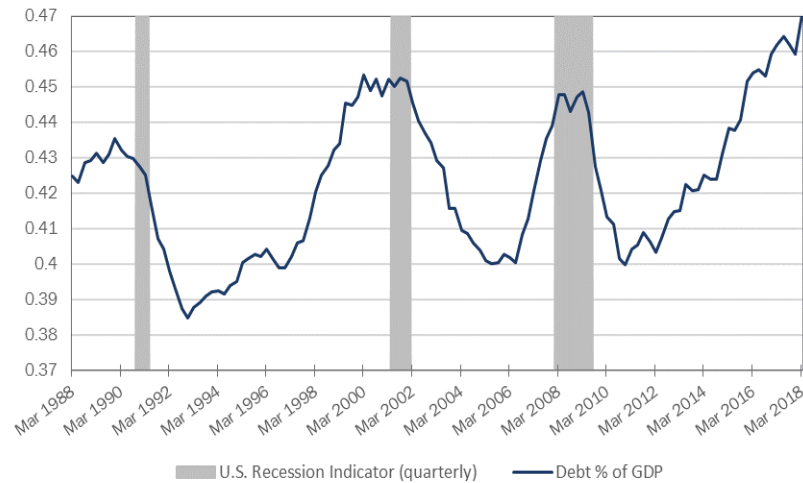
Market Insights

US CPI-U vs. US PCE Deflator (Percent Change YoY)



- With most inflation gauges moving to at least 2%, will the recent upward move keep the Fed more active than expected?

Corporate Debt to GDP (Percent)



- In the post-crisis low rate environment, companies have been incentivized to borrow extensively. We believe many of these more leveraged companies are ill-equipped to deal with significant economic pressures.



Investment Themes

Though the current U.S. economy seems quite strong, we see risks on the horizon

- The Federal Reserve's plan to normalize their balance sheet will accelerate this quarter, and the ramifications of this policy shift could be impactful to credit markets.
- Historically low interest rates encouraged corporate borrowing, damaging credit quality and ratings. We believe many of these more leveraged companies are ill-equipped to deal with significant economic pressures.
- The flattening yield curve, the high proportion of floating rate debt among high yield issuers, and tighter lending conditions in areas such as auto loans have caught our attention as anecdotal risk factors.
- The impact of a tight labor market, the trajectory of inflation, stretched asset prices, and trade barriers remain critical questions.

Geopolitical risks continue, with an increasing focus on emerging markets

- NAFTA has been replaced by USMCA, but an escalating trade skirmish with China could increase the threat of inflation and cripple export volumes.
- Over the past 10 years, QE created tailwinds for emerging markets, but those who are heavily exposed to U.S. dollar based deficits now face headwinds from increased refinancing risks.

We are maintaining our “aggressively cautious” stance on portfolio positioning

- We are charged with investing for a cycle and do not believe in our ability to forecast the future; instead we are positioned to respond to market opportunities as they present themselves.
- The price of protection is low compared to the potential risks.
- We continue to find focused opportunities, most recently in short duration credit and high-quality CMBS.



Investment Objective and Guidelines

Objective

- To maximize risk-adjusted total return by systematically pursuing relative value opportunities throughout all sectors of the fixed income market.

Performance Benchmark

- ICE BAML LIBOR 3-Month Constant Maturity Index

Guidelines

- Average portfolio duration shall be within a range of -3 to 8 years. No restriction on individual holdings.
- No limit on the ratings of individual securities.
- No single credit industry shall exceed 25% of the portfolio at purchase.
- Emerging market securities shall not exceed 30% of the portfolio at purchase.
- Non-U.S. dollar holdings shall not exceed 30% of the portfolio at purchase, including positions hedged and unhedged.
- Futures, forwards, options and swaps (including credit default swaps) may be used to enhance returns, increase liquidity and/or gain exposure to certain instruments or markets in a more efficient way. Borrowing will not be permitted to create leverage in the portfolio. Investments in derivatives will only be used to gain exposure to underlying assets that are otherwise permitted by the investment guidelines.



Relationship Summary

Ventura County Employees' Retirement Association

Relationship Inception	October 1, 2001
Investment Style	Unconstrained Fixed Income
Performance Benchmark	ICE BAML 3-Month LIBOR Index
Financial Data as of September 30, 2018:	
Initial Investment	\$225.7 million
Contributions	\$128.4 million
(Withdrawals)	(\$281.3 million)
Portfolio Gains	\$234.5 million
Portfolio Value	\$307.3 million



Performance Review

For Periods Ending September 30, 2018

	Percent Gain or Loss							
	Quarter Ending	Last 12 Months	Two Years (annualized)	Three Years (annualized)	Five Years (annualized)	Seven Years (annualized)	Ten Years (annualized)	Since Inception* (annualized)
Ventura County Employees' Retirement Association**	(0.14)	(0.73)	0.70	2.43	1.23	2.80	5.89	5.09
Benchmark***	0.57	1.77	1.40	1.10	0.76	1.21	3.19	3.81
Difference	(0.71)	(2.50)	(0.70)	1.33	0.47	1.59	2.70	1.28

* Inception Date: 10/1/2001

**Net of Investment Management Fees (recorded on cash basis)

***The portfolio was managed under a Core Plus mandate from 10/1/2001 - 2/5/2013. Beginning 2/6/2013, the portfolio was transitioned to an Unconstrained mandate. The benchmark consists of the Barclays U.S. Aggregate through 2/5/2013 and the BofA Merrill Lynch 3-Month LIBOR Constant Maturity Index as of 2/6/2013.



Calendar Year Performance

	Percent Gain or Loss									
	Year Ending 2017	Year Ending 2016	Year Ending 2015	Year Ending 2014	Year Ending 2013	Year Ending 2012	Year Ending 2011	Year Ending 2010	Year Ending 2009	Year Ending 2008
Ventura County Employees' Retirement Association*	2.49	5.98	0.30	(3.50)	2.51	9.96	8.44	10.03	33.64	(11.00)
Benchmark**	1.11	0.66	0.23	0.23	(0.52)	4.22	7.84	6.54	5.93	5.24
Difference	1.38	5.32	0.07	(3.73)	3.03	5.74	0.60	3.49	27.71	(16.24)

*Net of Investment Management Fees (recorded on cash basis)

**The portfolio was managed under a Core Plus mandate from 10/1/2001 - 2/5/2013. Beginning 2/6/2013, the portfolio was transitioned to an Unconstrained mandate. The benchmark consists of the Barclays U.S. Aggregate through 2/5/2013 and the BofA Merrill Lynch 3-Month LIBOR Constant Maturity Index as of 2/6/2013.



Performance Review

	3 Year Rolling, Annualized Returns									
	Year Ending 2017	Year Ending 2016	Year Ending 2015	Year Ending 2014	Year Ending 2013	Year Ending 2012	Year Ending 2011	Year Ending 2010	Year Ending 2009	Year Ending 2008
Ventura County Employees' Retirement Association*	3.08	1.03	(0.08)	3.03	7.11	9.66	17.04	9.57	8.70	0.34
Benchmark**	0.67	0.38	(0.02)	1.29	3.79	6.19	6.77	5.90	6.04	5.51
Difference	2.41	0.65	(0.06)	1.74	3.32	3.47	10.27	3.67	2.66	(5.17)

*Gross of Investment Management Fees (recorded on cash basis)

**The portfolio was managed under a Core Plus mandate from 10/1/2001 - 2/5/2013. Beginning 2/6/2013, the portfolio was transitioned to an Unconstrained mandate. The benchmark consists of the Barclays U.S. Aggregate through 2/5/2013 and the BofA Merrill Lynch 3-Month LIBOR Constant Maturity Index as of 2/6/2013.



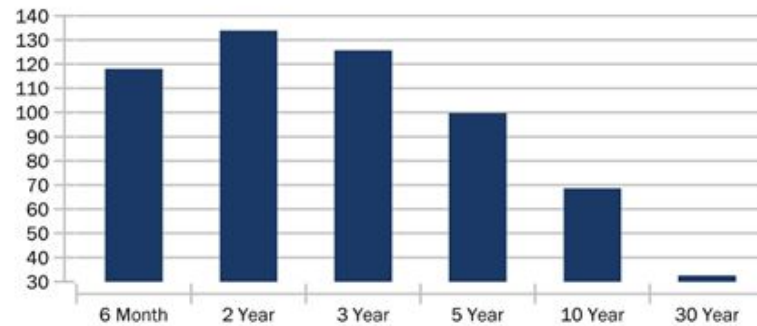
Total Return Detail

Ventura County Employees' Retirement Association: 10/1/2017 - 9/30/2018

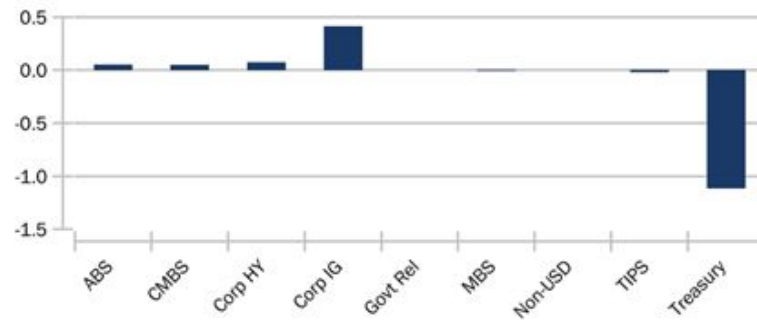
	Portfolio (%)
Total Return	-0.56

Sector	Total Impact
ABS	0.05
CMBS	0.05
Corp HY	0.07
Corp IG	0.41
Govt Rel	0.00
MBS	-0.01
Non-USD	0.00
TIPS	-0.02
Treasury	-1.11
	-0.56

U.S. Treasury Curve Yield Change, Basis Points



Total Sector and Security Impact, Percent



Performance is gross of fees.



Portfolio Characteristics

Columbus Unconstrained Bond Fund: 9/30/2018

	Portfolio		Portfolio
Avg. Duration (Years)	3.1	Treasury	63.0
Avg. Convexity	0.41	Govt Related	0.0
Avg. Yield to Worst (%)	3.3	Mortgage-Backed	7.1
Avg. Maturity (Years)	5.7	Asset-Backed	0.9
Avg. Quality	Aa2	Corporate IG	18.0
		Corporate HY	1.6
		Non-US Dollar	0.0
		Cash and Equivalents	9.4
		Total	100.0
Quality Structure (% of Portfolio)	Portfolio *	Maturity Distribution (%)	Portfolio
AAA	80.2	0 - 1 yr.	6.2
AA	2.4	1 - 3	23.4
A	8.8	3 - 5	25.1
BBB	6.7	5 - 7	7.1
Other	1.8	7 - 10	34.9
Total	100.0	10 - 20	1.8
		20 +	1.5
		Total	100.0
* The methodology used is consistent with client investment guidelines.			
Duration Distribution (Years)	Portfolio		
0 - 1 yr.	0.0		
1 - 3	0.7		
3 - 4	0.4		
4 - 6	1.0		
6 - 8	1.0		
8 +	-0.1		
Total	3.1		



Reams Investment Philosophy

Many investors define risk as volatility or tracking error versus a benchmark

Reams defines risk as permanent loss of principal or the inability to meet investment objectives

Reams Portfolio Management Principles:

- Focus on creating a diversified bond portfolio to outperform over market cycles
 - Stress test/scenario analysis on individual bonds and the overall portfolio
 - More focused on reacting to market opportunities than trying to predict where the market is headed
 - Avoid backward looking risk measures, i.e., “risk budgeting”
 - Borrowing is not used to leverage the portfolios
-

Reams utilizes a proprietary risk analytics and attribution system

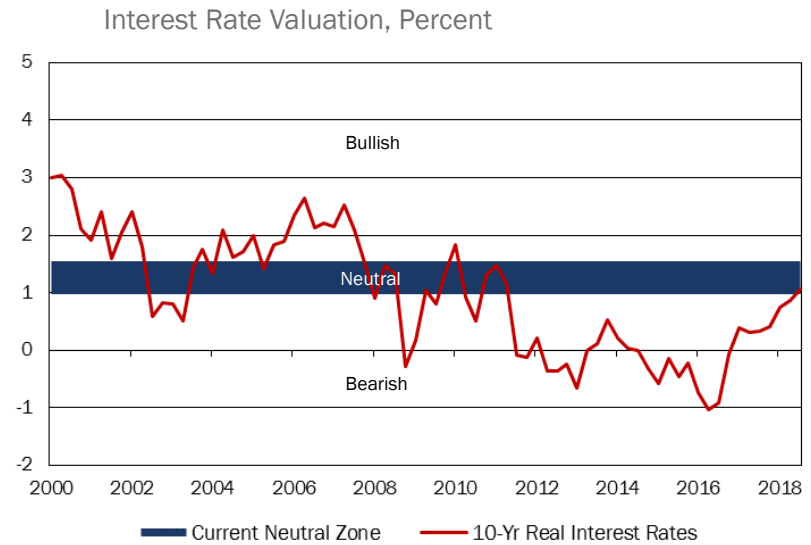


Reams Investment Process

Step One: Duration and Yield-Curve Decision

Goal: Determine whether the bond market is cheap or rich

- Emphasize *real* interest rates and formulate a long term view
- Position portfolio when real rates vary from 1.0% to 1.5% neutral range
- Take advantage of yield curve opportunities



Source: Bloomberg



Reams Investment Process

Step Two: Sector Decision and Bond Selection

Goal: Purchase bonds with the opportunity to offer the highest risk-adjusted returns

- Focus on sectors offering relative value
 - Monitor spreads and price levels
 - Over/under weight sectors based on relative value

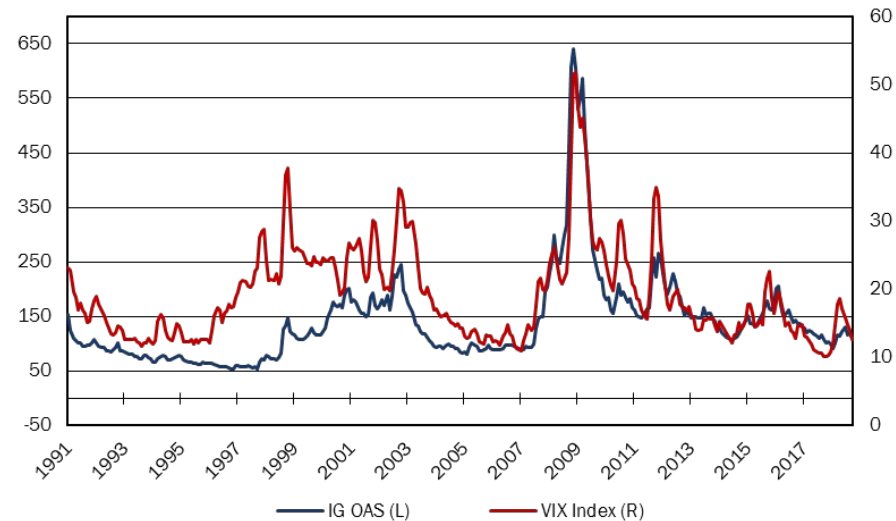
- Select bonds that have the opportunity to perform well in dynamic interest rate and credit environments
 - Use scenario analysis to evaluate possible outcomes
 - Focus on senior positions within the capital structure
 - Evaluate underlying asset values and collateral

- Seek unique opportunities to add value
 - Looking for niche parts of the market overlooked by larger managers

Example of Market Volatility

<ul style="list-style-type: none"> ■ Number of years since 1981 that interest rates have changed at least 1.0%: 36 of 37

Corporate Spreads and Equity Volatility



Reams Investment Process

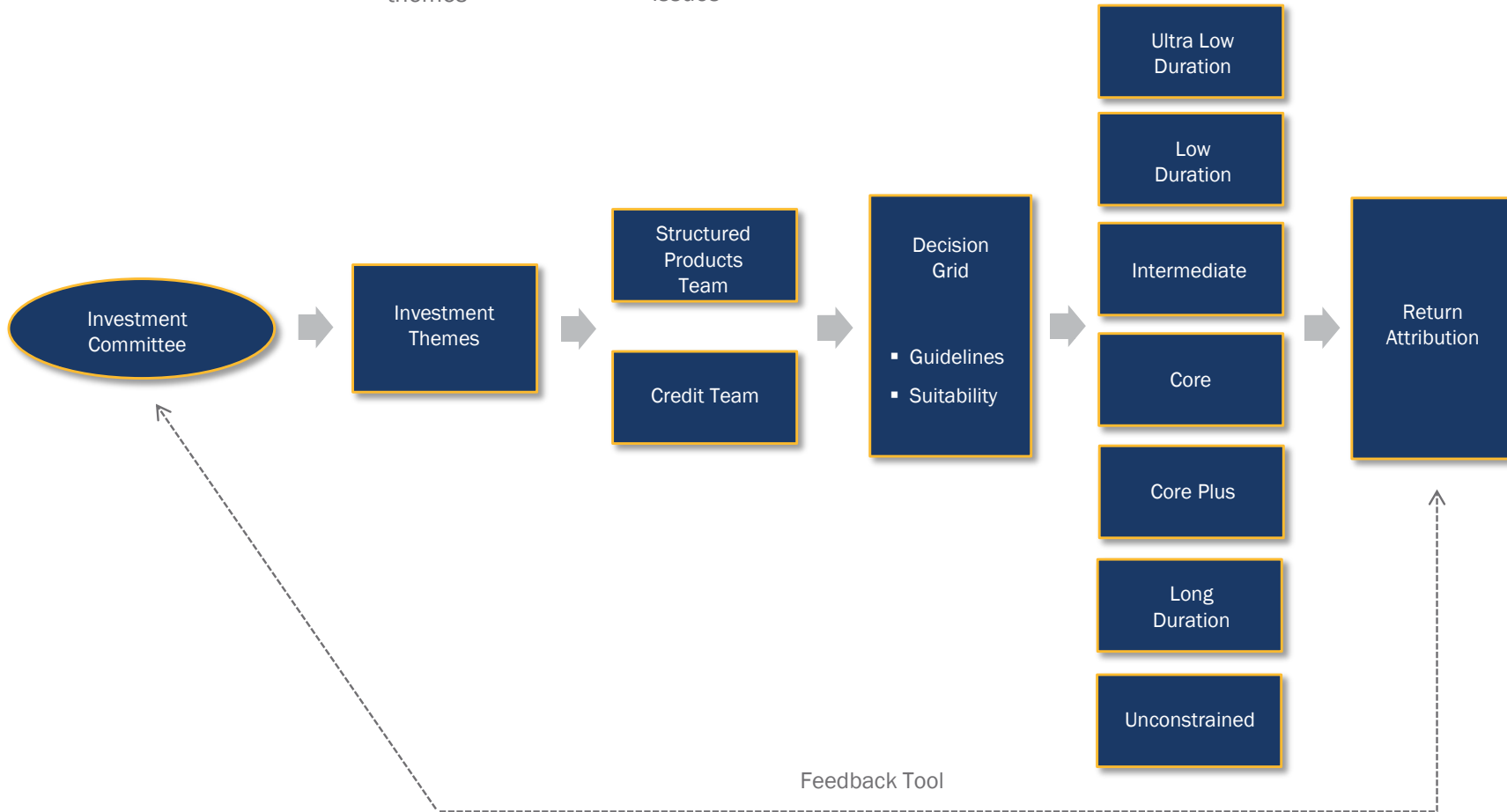
Step Three: Risk Analysis and Control

Goal: Continually measure and control exposure to risk



Reams Investment Process

- Committee formulates strategy with specialists' input
- Output is opportunity set of investment themes
- With strategy set, teams identify individual issues
- Consistent application of themes, tailored to strategy
- Real-time feedback with return attribution



Reams Key Investment Professionals



Mark Egan, chief investment officer, a managing director, and portfolio manager at Reams Asset Management, is the lead portfolio manager of the Carillon Reams Bond Funds. Mark has over 30 years of experience managing fixed income portfolios. Prior to joining Reams in 1990, Mark was a Portfolio Manager at National Investment Services of America. Mr. Egan earned his master's in business administration from the University of Wisconsin – Madison and his bachelor's degree from Marquette University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Tom Fink, a managing director and portfolio manager at Reams Asset Management, is co-portfolio manager of the Carillon Reams Bond Funds. Tom has over 30 years of experience managing fixed income portfolios. Prior to joining Reams in 2000, Tom was a partner with Brandes Fixed Income Partners/Hilltop Capital, and held senior portfolio management roles with Zurich Financial Services in Bermuda and First Wisconsin Asset Management Company. Mr. Fink earned his master's in business administration from the University of Wisconsin – Madison and his bachelor's degree from Marquette University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Bob Crider is a managing director at Reams Asset Management. Bob was a founding partner of Reams and has over 30 years of experience managing fixed income portfolios. Prior to joining Reams in 1981, he worked for Cummins Engine Co., Inc. and the State Teachers Retirement System of Ohio. Mr. Crider earned his master's and bachelor's degrees from Ohio State University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Deanne Olson is vice president of Client Services at Reams Asset Management. In this role, she is responsible for ensuring that Reams' clients receive personalized attention and outstanding client service. Deanne has over 30 years of combined experience in relationship management, administration and community development. Prior to joining Reams in 1997, Deanne was Director of Health Promotion Services at Columbus Regional Hospital. Ms. Olson earned her master's in business administration from Indiana University and her bachelor's degree from Seattle Pacific University. She holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Reams Key Investment Professionals (Cont'd.)



Todd Thompson is a portfolio manager and leads the fixed income credit research team at Reams Asset Management. He is a co-portfolio manager of the Carillon Reams Bond Funds. Todd has 24 years of experience as a fixed income portfolio manager and analyst. Prior to joining Reams in 2001, Todd worked for Conseco Capital Management Company and The Ohio Public Employees' Retirement System. Mr. Thompson earned his master's in business administration from Clemson University and his bachelor's degree from Bob Jones University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Steve Vincent is a portfolio manager and leads the fixed income structured products research team at Reams Asset Management. He is a co-portfolio manager of the Carillon Reams Bond Funds. Steve has 27 years of experience as a fixed income portfolio manager and analyst. Prior to joining Reams in 1994, Steve worked for the Federal Deposit Insurance Corp. and First Security Corporation. Mr. Vincent earned his master's in business administration from Indiana University and his bachelor's degree from Brigham Young University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Clark Holland is a portfolio manager at Reams Asset Management. He is a co-portfolio manager of the Carillon Reams Bond Funds. Clark has 24 years of experience as a portfolio manager, analyst, and client service specialist. Prior to joining Reams in 2002, Clark was a portfolio manager and investment product specialist at Wells Fargo Investment Management Group. Mr. Holland earned his master's in business administration from Rice University and his bachelor's degree from Taylor University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Jason Hoyer is a portfolio manager at Reams Asset Management. Jason has 15 years of experience as a portfolio manager and analyst. Prior to joining Reams in 2015, Jason was a senior credit analyst at 40|86 Advisors and a director in the research department at Fiduciary Management Associates. Mr. Hoyer earned his bachelor's degree from the University of Michigan. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Reams Fixed Income Analysts



Bobby Flynn is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' credit research team. Bobby joined Reams in 2012 and has 6 years of experience in investment research and analysis. Mr. Flynn earned his bachelor's degree in economics from Augustana College. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



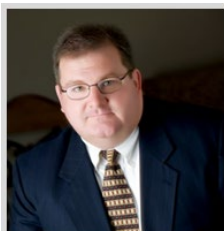
Taylor Harris is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' structured products team. Prior to joining Reams in 2017, he was a laboratory analyst at Bristol-Myers Squibb and Aerotek. Mr. Harris earned his master's and bachelor's degrees from Indiana University.



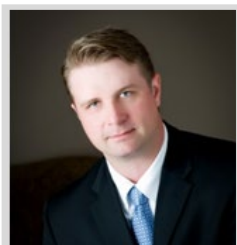
Trey Harrison is a fixed income analyst and actuary at Reams Asset Management. Prior to joining Reams in 2010, Trey was as an asset-liability portfolio manager at 40|86 Advisors, played a lead role in the development of in-house asset-liability profiles for CNO Financial Group's individual statutory entities, and served as a modeling actuary for Unum's Asset-Liability Working Group. Mr. Harrison earned a master's degree from Georgia State's J. Mack Robinson College of Business and a bachelor's degree in finance from Georgia Southern University. He holds the Chartered Financial Analyst (CFA) designation, is an Associate of the Society of Actuaries, and is a member of the CFA Institute.



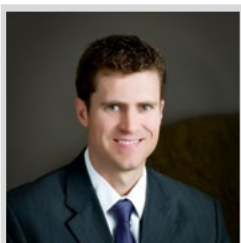
Reams Fixed Income Analysts (Cont'd)



Patrick Laughlin is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' structured products team. Pat has 23 years of experience in investment research and analysis. Prior to joining Reams in 2004, Pat was a portfolio manager at St. Francis Bank and a director at SF Investment Corp. Mr. Laughlin earned his bachelor's degree from the University of Wisconsin – Stevens Point.



Scott Rosener is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' credit team. Scott has 21 years of experience in investment research and analysis. Prior to joining Reams in 2005, Scott was an investment analyst at the Lincoln Financial Group. Mr. Rosener earned his master's and bachelor's degrees from Indiana University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Kevin Salsbery is a fixed income analyst at Reams Asset Management. In this role, he is responsible for security research and trading for Reams' structured products team. Kevin has 17 years of experience in investment research and analysis. Prior to joining Reams in 2004, he was an investment analyst at 40|86 Advisors. Mr. Salsbery earned his bachelor's degree from Taylor University. He holds the Chartered Financial Analyst (CFA) designation and is a member of the CFA Institute.



Important Disclosures

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The bond quality ratings indicated are assigned by credit rating agencies Standard & Poor's, Moody's, and Fitch as an indication of an issuer's creditworthiness. Unless specified by client investment guidelines, the middle of three or highest of two credit quality ratings available from these rating agencies is used. Credit quality is subject to change. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest). Ratings information from Standard & Poor's ("S&P") may not be reproduced. S&P credit ratings are statements of opinion and are not statements of fact or recommendations to purchase, hold, or sell securities, nor do they address the suitability of securities for investment purposes, and should not be relied on as investment advice. S&P does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for errors or omissions (negligent or otherwise). S&P gives no express or implied warranties, including but not limited to any warranties of merchantability or fitness for a particular purpose or use. S&P shall not be liable for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including lost income or profits and opportunity costs) in connection with any use of ratings.

NOT FDIC INSURED/NO BANK GUARANTEE/MAY LOSE VALUE





Ventura County Employees' Retirement Association

October 22, 2018

Veronica A. Amici

Travis M. Carr, CFA



Table of Contents

- I. **About Western Asset**
- II. **Philosophy, Process and People**
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- VI. **Appendix**

About Western Asset

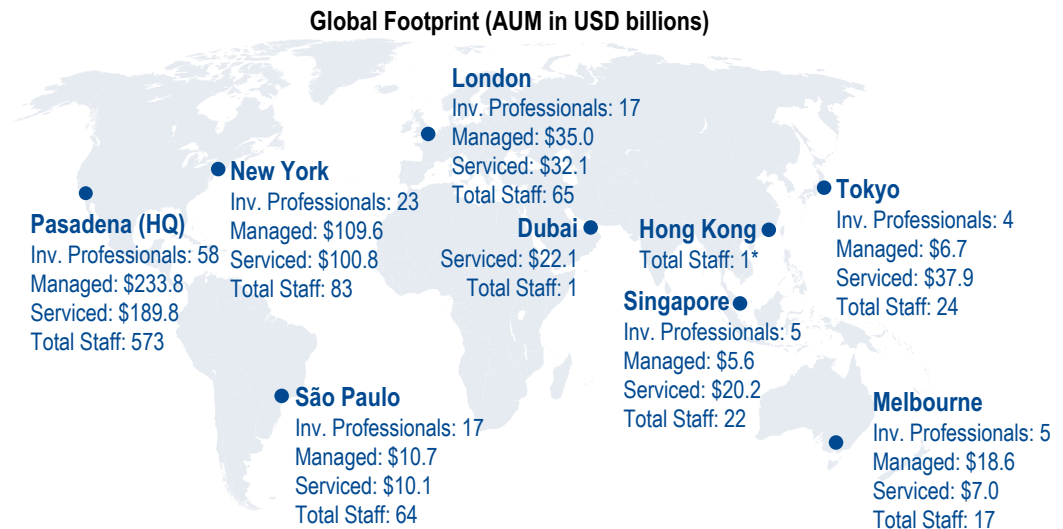
About Western Asset

Western Asset is a globally integrated fixed-income manager, sourcing ideas and investment solutions worldwide.

Western Asset At a Glance	Organizational Pillars	AUM by Sector – Total \$420.0 billion (USD)																				
<ul style="list-style-type: none"> ▪ Founded in 1971. Independent affiliate of Legg Mason since 1986 ▪ Fixed-income value investors ▪ \$420.0 billion (USD) AUM <ul style="list-style-type: none"> – \$367.2 billion (USD) long-term assets – \$52.8 billion (USD) cash and cash equivalent assets ▪ 849 employees 	<ul style="list-style-type: none"> ▪ Clients first ▪ Globally integrated ▪ Team-based ▪ Active fixed-income ▪ Integrated risk management 	<table border="1"> <caption>AUM by Sector – Total \$420.0 billion (USD)</caption> <thead> <tr> <th>Sector</th> <th>AUM (USD)</th> </tr> </thead> <tbody> <tr><td>Global IG Corporate</td><td>102</td></tr> <tr><td>MBS/ABS</td><td>74</td></tr> <tr><td>Sovereign, Treasuries & Agencies</td><td>72</td></tr> <tr><td>Cash & Cash Equivalents</td><td>53</td></tr> <tr><td>Emerging Markets Debt</td><td>43</td></tr> <tr><td>Global High-Yield</td><td>25</td></tr> <tr><td>Local Authority & Municipals</td><td>24</td></tr> <tr><td>Global Inflation-linked</td><td>9</td></tr> <tr><td>Other</td><td>18</td></tr> </tbody> </table>	Sector	AUM (USD)	Global IG Corporate	102	MBS/ABS	74	Sovereign, Treasuries & Agencies	72	Cash & Cash Equivalents	53	Emerging Markets Debt	43	Global High-Yield	25	Local Authority & Municipals	24	Global Inflation-linked	9	Other	18
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Other	18																					

Western Asset’s Deep Global Integration Allows Us to Source Investment Ideas and Investment Solutions Across Regions

Investment Management	<ul style="list-style-type: none"> ▪ 129 investment professionals on five continents and in seven offices ▪ 22 years of average experience ▪ 39 portfolio and quantitative analysts in portfolio operations
Client Service & Marketing	<ul style="list-style-type: none"> ▪ 161 staff dedicated to client service ▪ Specialized teams to meet individual client needs
Risk Management & Operations	<ul style="list-style-type: none"> ▪ Independent risk management function with 35 professionals including 14 PhDs ▪ 391 staff dedicated to globally integrated operations



Source: Western Asset. As of 30 Jun 18
 *Splits time between Hong Kong and Singapore offices

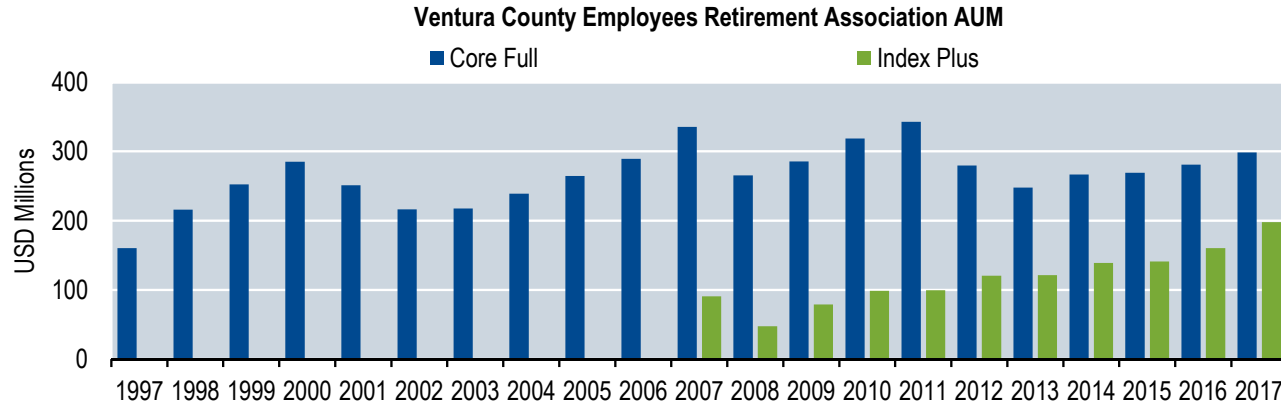


Relationship Summary

Ventura County Employees Retirement Association

September 30, 2018

Ventura County Employees Retirement Association		
Mandate	Core Full Discretion	Index Plus
Initial Funding	\$140,000,000	\$100,000,000
Portfolio Inception	January 2, 1997	May 31, 2007
Market Value	\$292,435,926	\$218,918,197
Investment Objective	Outperform the index while approximating benchmark risk	Outperform the index while controlling portfolio risk
Benchmark	Bloomberg Barclays US Aggregate USD Unhedged Index	S&P 500 Total Return Index USD Unhedged Index
Alpha Target	125 bps	75 bps
Tracking Error Budget	250 bps	150 bps
5-Year Net Return	3.26% (exceeded the Index by 110 bps)	14.61% (exceeded the Index by 67 bps)
Consulting Firm	NEPC	NEPC
Consultant(s)	Allan Martin	Allan Martin
Risk Controls		
	Duration +/- 20% of the benchmark	Maximum one year
	Quality Average portfolio credit quality AA	Average portfolio credit quality AA-
	Diversification Max 10% below IG; Max 20% Non-US	Max 10% below IG; Max 10% non-US with a Max 5% unhedged



Source: Western Asset

About Western Asset – Clients

Committed to excellence in client service

Representative Client List

Corporate	Public / Gov. / Sovereign Wealth	Multi-Employer / Unions	Eleemosynary
American Cast Iron Pipe Company ArcelorMittal USA Inc. Arconic Inc. AT&T Services, Inc. Atmos Energy Corporation Bayer Corporation Campbell Soup Company Caterpillar Inc. Chrysler LLC Clark Enterprises, Inc. CNH Global N.V. Consolidated Communications Holdings, LLC Consolidated Edison Company Of New York, Inc. Consolidated Rail Corporation Deutsche Bank Americas Holding Corp. First Data Corporation Graphic Packaging International Incorporated Hanesbrands Inc. Hawaiian Telcom Highbury Pacific Capital Corp. International Paper Company John Lewis Partnership Pensions Trust Kennametal Lennox International, Inc. Meijer, Inc. Nestle USA, Inc. Nisource, Inc. NXP Semiconductor, Inc. PCS Administration (USA), Inc Pensioenfonds Horeca & Catering Southern California Edison Thomson Reuters ThyssenKrupp North America, Inc Unisys Corporation Verizon Westlake Chemical Corporation Whirlpool Corporation XPO Logistics	Anne Arundel (MD) Retirement Systems Arkansas Local Police and Fire Retirement System California State Teachers' Retirement System City of Grand Rapids City of Orlando City of Phoenix Employees' Retirement System compenswiss East Bay Municipal Utility District ERS of the City of Baton Rouge & Parish of E. BR ERS of the State of Rhode Island Fife Council Pension Fund Firemen's Annuity and Benefit Fund of Chicago Fresno County Employees' Retirement Association Georgia Municipal Association Gloucestershire County Council Government of Bermuda Public Funds Hampshire County Council Indiana State Treasurer's Office Iowa Public Employees' Retirement System Kansas Public Employees Retirement System LA County Employees Retirement Association Louisiana Sheriff's Pension & Relief Fund Marin County Employees' Retirement Association Minnesota State Board of Investment Ohio Police & Fire Pension Fund Oklahoma City Employee Retirement System Oregon Public Employees Retirement System (PERS) Public Employee Retirement System of Idaho Public School Teachers' Pension and Retirement Fund of Chicago Salt River Project Agricultural Improvement and Power District School Employees Retirement System of Ohio State of Ohio Bureau of Workers Compensation Surrey County Council Tennessee Valley Authority Retirement System Ventura County Employees' Retirement Association Washington Metro Area Transit Authority Wichita (KS) Retirement Systems Wyoming Retirement System	1199SEIU Health Care Employees Pension Fund Alaska Electrical Trust Funds Austin Firefighters Relief & Retirement Fund Automotive Machinists Pension Trust Boilermaker Blacksmith National Pension Trust Carpenters District Council of Kansas City Construction Industry Laborers Directors Guild of America-PPHP Heavy & General Laborers' Locals 472/172 IBEW Local 25 IBEW Local No. 9 Iron Workers Local #11 Benefit Funds IUOEE Construction Ind Ret Plan, Locals 302 and 612 Line Construction Benefit Fund National Asbestos Workers National Education Association of the United States New England Healthcare Emp Union, 1199, AFL-CIO New Jersey Transit Operating Engineers Local #428 Trust Funds Pacific Coast Roofers Retail Wholesale & Department Store Union S. Nevada Culinary & Bartenders Pension Trust Fund UA Union Local No. 290 Plumber, Steamfitter & Shipfitter Industry Pension Trust UFCW Union Local 919 W. Washington Laborers Employers Pension Trust	Abilene Christian University American Academy in Rome Baha'i World Centre Commonfund Communities Foundation of Texas Domestic & Foreign Missionary Society ECUSA Glass—Glen Burnie Foundation Saint Louis University Strada Education Network, Inc. Texas Presbyterian Foundation The Diocese of Allentown The Donald B. and Dorothy L. Stabler Foundation The University of Iowa Center for Advancement United Negro College Fund University of Southern California University of Wisconsin Foundation Wallace H. Coulter Foundation Washington State University
			Insurance
			American Contractors Insurance Group Anthem, Inc. Blue Cross Blue Shield of Massachusetts Capital BlueCross Catalina Holdings (Bermuda) Ltd Great-West Life & Annuity Insurance Company Health Care Service Corporation Oil Investment Corporation Ltd.
			Sub-Advisory
			Asset Management One Co., Ltd. AXA Contassur GuideStone Capital Management, LLC Legg Mason, Inc. Morgan Stanley - Global Wealth Management Russell Investment Group SEI Investments Corporation Tokio Marine Asset Management Co., Ltd. (Retail)
		Healthcare	
		Ascension Investment Management Baptist Healthcare System, Inc. Baylor Scott & White Holdings Catholic Health Initiatives CHRISTUS Health Holy Name Medical Center Kaiser Permanente LCMC Health NorthShore University HealthSystem Sisters of Charity of St. Augustine Health System, Inc. St. George Corporation	

As of 31 Aug 18. Please see the Representative Client List Disclosure in the Appendix for more information. All have authorized the use of their names by Western Asset for marketing purposes. Such authorization does not imply approval, recommendation or otherwise of Western Asset or the advisory services provided.

About Western Asset

Public/Multi-Employer Channel Update

August 31, 2018

Business Update

Assets under management (as of 30 Jun 18)

- Total global Public Fund/Multi-Employer AUM of \$35.9 billion (USD)
 - \$31.5 billion (USD) Public Fund assets
 - \$4.4 billion (USD) Multi-Employer assets


Client solutions/conversations


- Attractive opportunities in fixed-income
 - Macro Opportunities
 - Multi-Asset Credit
- Retirements
 - Portfolio Manager Carl L. Eichstaedt, CFA — March 2019
 - Chief Risk Officer Kenneth J. Winston, PhD — December 2018

Upcoming Events

- Western Asset Annual Client Seminar (Pasadena) – October 15-26, 2018

Follow us on social media

 @westernasset

 Western Asset Management

Notable Communications

Noteworthy publications (available at www.westernasset.com)

- The Credit Cycle: Key Signals We Watch by Thomas V. McMahon
- LIBOR: Why It's Ending, Why You Should Care by Thomas V. McMahon
- Market Commentary by CIO Ken Leech
- Trade Wars in the 21st Century: Perspectives From the Frontline by Robert O. Abad
- Emerging Markets Debt: Reaffirming Our Conviction by Chia-Liang Lian, CFA
- ESG Investing in Sovereigns: Navigating the Challenges and Opportunities by Bonnie M. Wongtrakool, CFA and Matt Graves, CFA

Webcast (available at www.westernasset.com)

- Navigating Risk and Reward at this Stage of the Expansion with Deputy CIO Michael C. Buchanan CFA (September 2018)

Recent media appearances (available at www.westernasset.com)

- August 14, 2018: Bloomberg TV: The Appeal of Bonds from Indonesia and China, Desmond Soon
- August 14, 2018: Bloomberg TV: Tapping Into China's Massive Bond Market, Desmond Soon
- July 24, 2018: Bloomberg's The Open: China Trade Tensions and Growth Outlook for the US and Eurozone, Bonnie M Wongtrakool, CFA

Philosophy, Process and People

Investment Philosophy

These are the core beliefs that drive our investment decision-making.

Long-term fundamental value

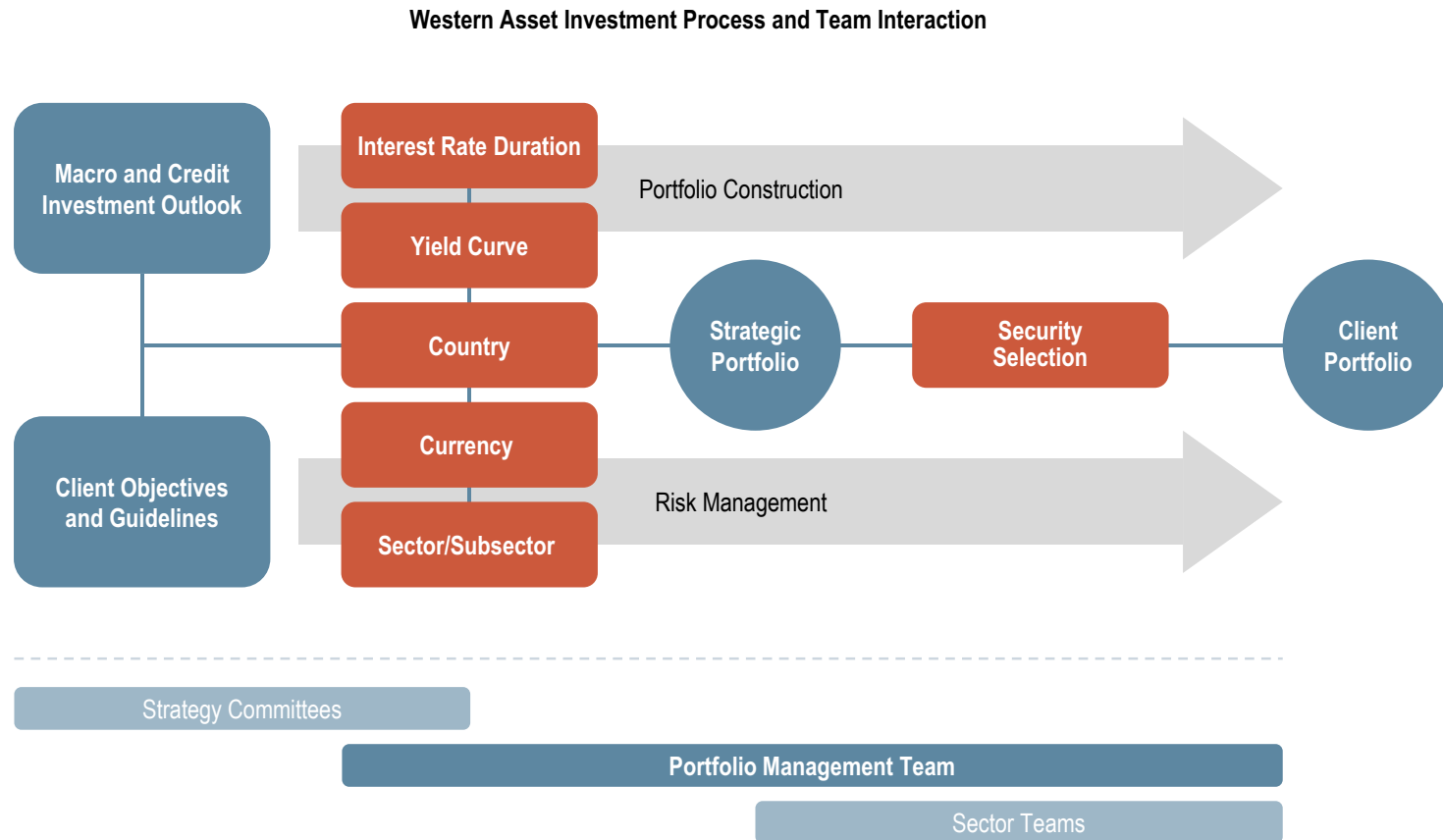
- **Markets often misprice securities.** Prices can deviate from fundamental fair value, but over time, they typically adjust to reflect inflation, credit quality fundamentals and liquidity conditions. Consistently investing in undervalued securities may deliver attractive investment returns.
- **We can systematically identify mispricings.** We believe we can identify and capitalize on markets and securities that are priced below fundamental fair value. We do this through disciplined and rigorous analysis, comparing prices to the fundamental fair values estimated by our macroeconomic and credit research teams around the globe.
- **Our portfolios emphasize our highest convictions.** The greater the difference between our view of fair value and markets' pricing, the bigger the potential value opportunity. The greater the degree of confidence in our view of fundamentals, the greater the emphasis of the strategies in our portfolios.

Multiple diversified strategies

- **We seek diversified sources of returns.** Our objective is to meet or exceed our investors' performance objectives within their tolerances for risk. We seek to diversify investments and add value across interest rate duration, yield curve, sector allocation, security selection, country and currency strategies. We deploy multiple diversified strategies that benefit in different environments so no one strategy dominates performance, helping to dampen volatility.

Investment Process

Our time-tested investment process is designed around our value philosophy and our team-based approach.



People

The US Broad Market Team leverages Western Asset's global investment capabilities.

US Broad Market Team

Portfolio Management

- S. Kenneth Leech**
Portfolio Manager / CIO
- John L. Bellows, PhD, CFA**
Portfolio Manager
- Amit Chopra, CFA**
Portfolio Manager
- Carl L. Eichstaedt, CFA**
Portfolio Manager
- Mark S. Lindbloom**
Portfolio Manager
- Frederick R. Marki, CFA**
Portfolio Manager
- Julien A. Scholnick, CFA**
Portfolio Manager

Derivatives

- Scott M. Beatty, CFA**
Portfolio Manager
- Jim K. Huynh**
Portfolio Manager
- Keith A. Luna, CFA**
Portfolio Manager

Risk Management

- Robert Gingrich, PhD**
Manager of Alternatives &
Derivatives Risk
- Pornatawee Nantamanasikarn, PhD**
Risk Analyst

Product

- Ellen Cammer**
Product Specialist
- Travis M. Carr, CFA**
Product Specialist
- Douglas Wade, CFA**
Product Specialist

Trading

- Nicholas Mastroianni, CFA**
Trader
- Ian J. Smith**
Trader
- Rafael Zielonka, CFA**
Trader

Portfolio Analysis

- Zachary Klein**
Portfolio Analyst
- Jay Lin, CFA**
Portfolio Analyst

Western Asset Investment Team

Investment Management Professionals

- Chief Investment Officer: S. Kenneth Leech
- Deputy CIO: Michael C. Buchanan
- 129 Investment Professionals on five continents and seven offices, as of June 30, 2018
- 22 years of average experience

Major Investment Committees

- Global Investment Strategy Committee
- Global Credit Committee
- US Broad Strategy Committee
- Global Emerging Markets Strategy Committee
- Unconstrained Asset Allocation Committee

Sector and Regional Teams

- | | |
|------------------------------|------------------------------|
| ▪ Global credit | ▪ US |
| ▪ Investment-grade | ▪ Europe |
| ▪ High-yield | ▪ UK |
| ▪ Emerging markets | ▪ Japan |
| ▪ Mortgage- and asset-backed | ▪ Asia |
| ▪ Long duration | ▪ Brazil |
| ▪ US municipal | ▪ Australia /
New Zealand |
| ▪ Liquidity | |
| ▪ Insurance | |

Independent Risk Management Function

- Chief Risk Officer: Ahmet E. Kocagil
- Independent evaluation of strategies and risks
- Market and Credit Risk Committee
- 35 investment risk professionals

As of 30 Sep 18

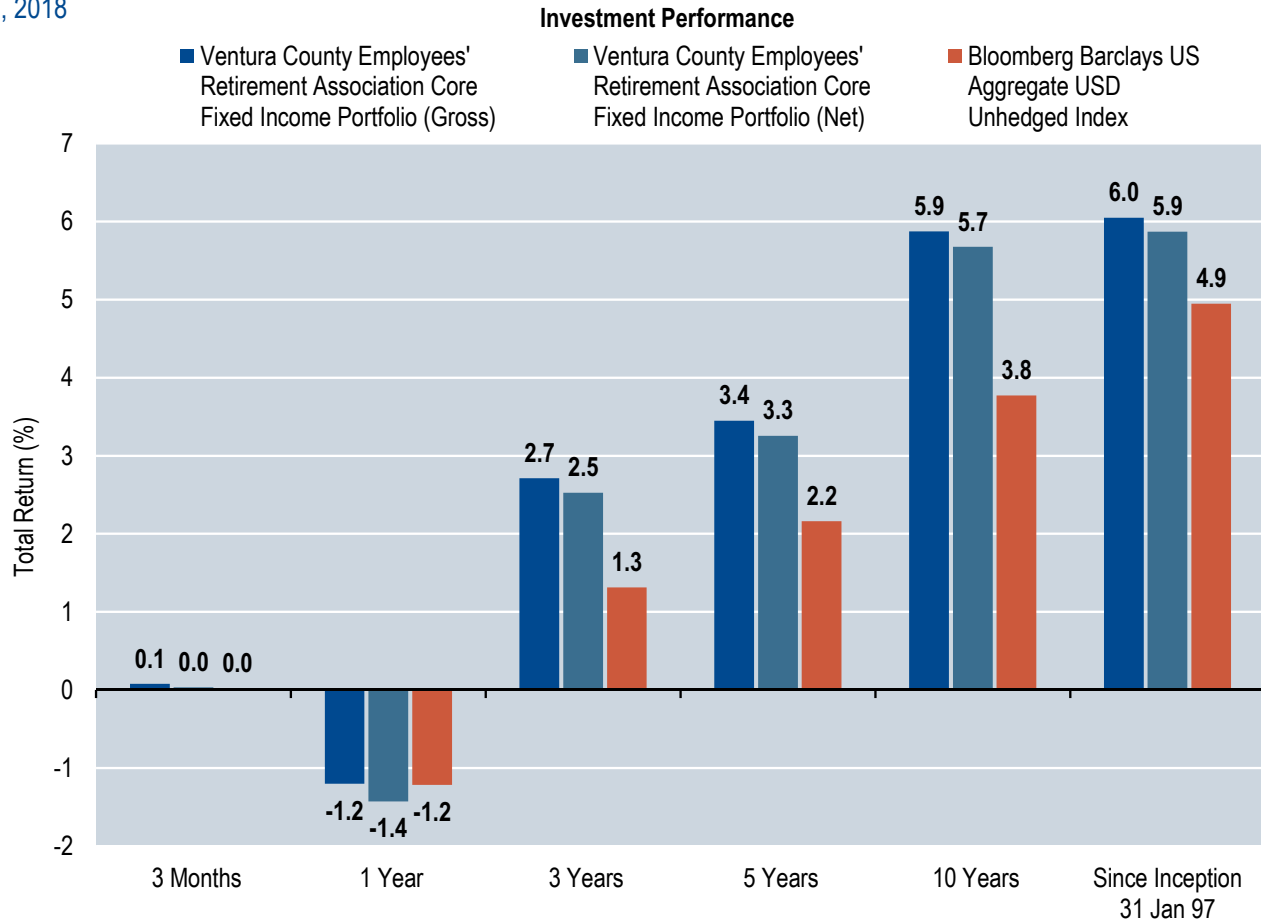


Portfolio Review

Investment Results

Ventura County Employees' Retirement Association Core Fixed Income Portfolio vs. Bloomberg Barclays US Aggregate USD Unhedged Index

September 30, 2018



Source: Bloomberg Barclays, Western Asset

Returns for periods greater than one year are annualized. Returns since inception are as of the indicated close of business day.

Investment Results

Ventura County Employees' Retirement Association Core Fixed Income Portfolio Rolling Performance

December 31, 2017

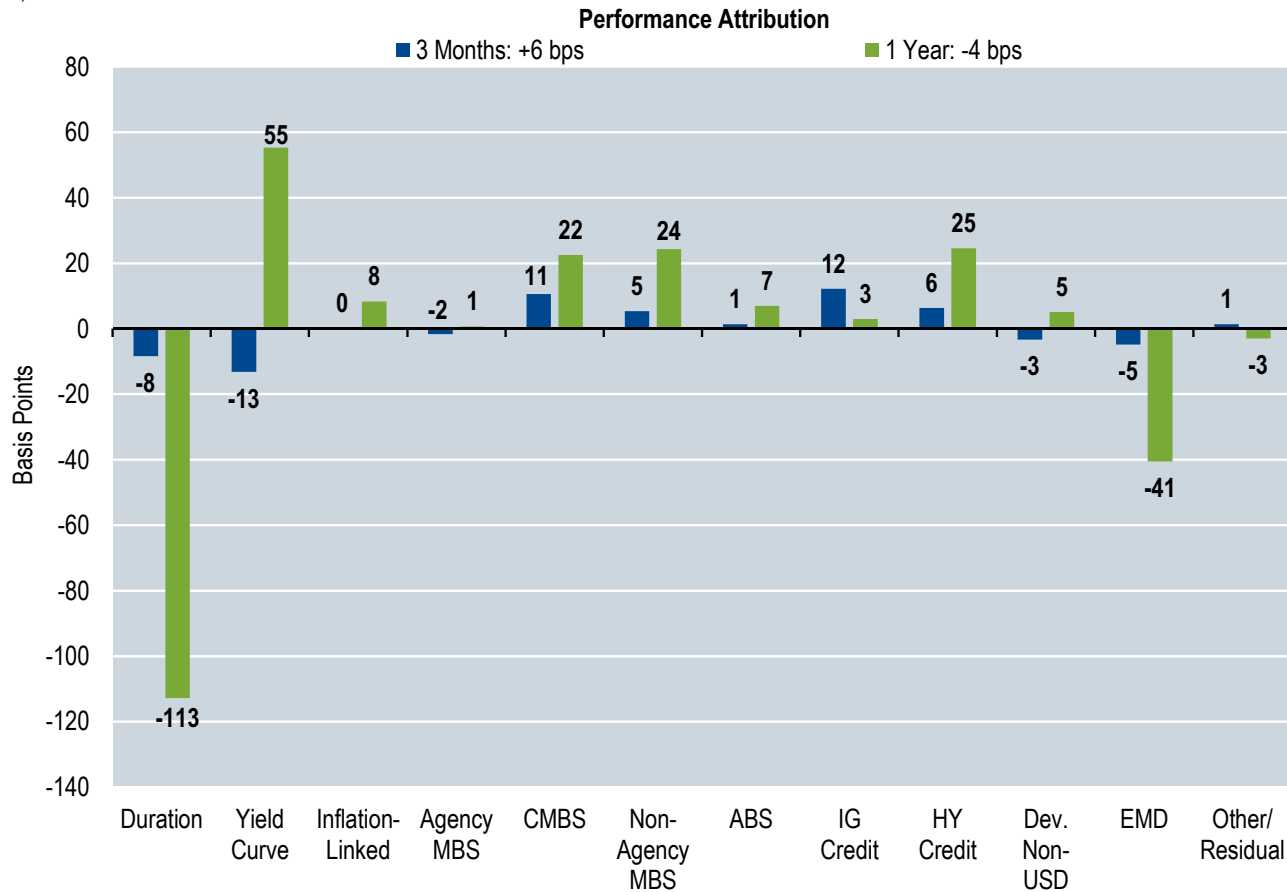
	Annual (%)		3 Years (%)		5 Years (%)		7 Years (%)		10 Years (%)	
	Core Full	US Agg	Core Full	US Agg	Core Full	US Agg	Core Full	US Agg	Core Full	US Agg
31 Dec 1998	8.69	8.69								
31 Dec 1999	-1.46	-0.82								
31 Dec 2000	12.92	11.63	6.54	6.36						
31 Dec 2001	9.16	8.44	6.70	6.28						
31 Dec 2002	9.92	10.26	10.66	10.10	7.73	7.55				
31 Dec 2003	9.27	4.10	9.45	7.57	7.85	6.62				
31 Dec 2004	6.72	4.34	8.63	6.20	9.58	7.71	7.81	6.59		
31 Dec 2005	3.40	2.43	6.44	3.62	7.67	5.87	7.04	5.69		
31 Dec 2006	5.33	4.33	5.14	3.70	6.90	5.06	8.06	6.45		
31 Dec 2007	5.00	6.97	4.57	4.56	5.93	4.42	6.95	5.81	6.83	5.97
31 Dec 2008	-8.69	5.24	0.33	5.51	2.19	4.65	4.25	5.36	4.98	5.63
31 Dec 2009	19.11	5.93	4.52	6.04	4.46	4.97	5.45	4.75	6.99	6.33
31 Dec 2010	11.55	6.54	6.65	5.90	6.05	5.80	5.77	5.10	6.86	5.84
31 Dec 2011	7.50	7.84	12.62	6.77	6.49	6.50	5.88	5.60	6.69	5.78
31 Dec 2012	9.94	4.21	9.65	6.19	7.47	5.95	6.81	5.86	6.70	5.18
31 Dec 2013	-0.95	-2.02	5.39	3.26	9.24	4.44	5.87	4.91	5.65	4.55
31 Dec 2014	7.64	5.97	5.44	2.66	7.05	4.45	6.25	4.77	5.74	4.71
31 Dec 2015	1.02	0.55	2.51	1.44	4.94	3.25	7.80	4.09	5.50	4.51
31 Dec 2016	4.30	2.65	4.28	3.03	4.31	2.23	5.77	3.63	5.39	4.34
31 Dec 2017	6.15	3.54	3.80	2.24	3.58	2.10	5.02	3.20	5.51	4.01
Periods										
Outperformed	75%		89%		81%		93%		91%	
Number of										
Years	15/20		16/18		13/16		13/14		10/11	

Source: Bloomberg Barclays, Western Asset

Returns for periods greater than one year are annualized. Returns since inception are as of the indicated close of business day.

Attribution Analysis

Ventura County Employees' Retirement Association Core Fixed Income Portfolio vs. Bloomberg Barclays US Aggregate USD Unhedged Index
September 30, 2018



Source: Bloomberg Barclays, Western Asset

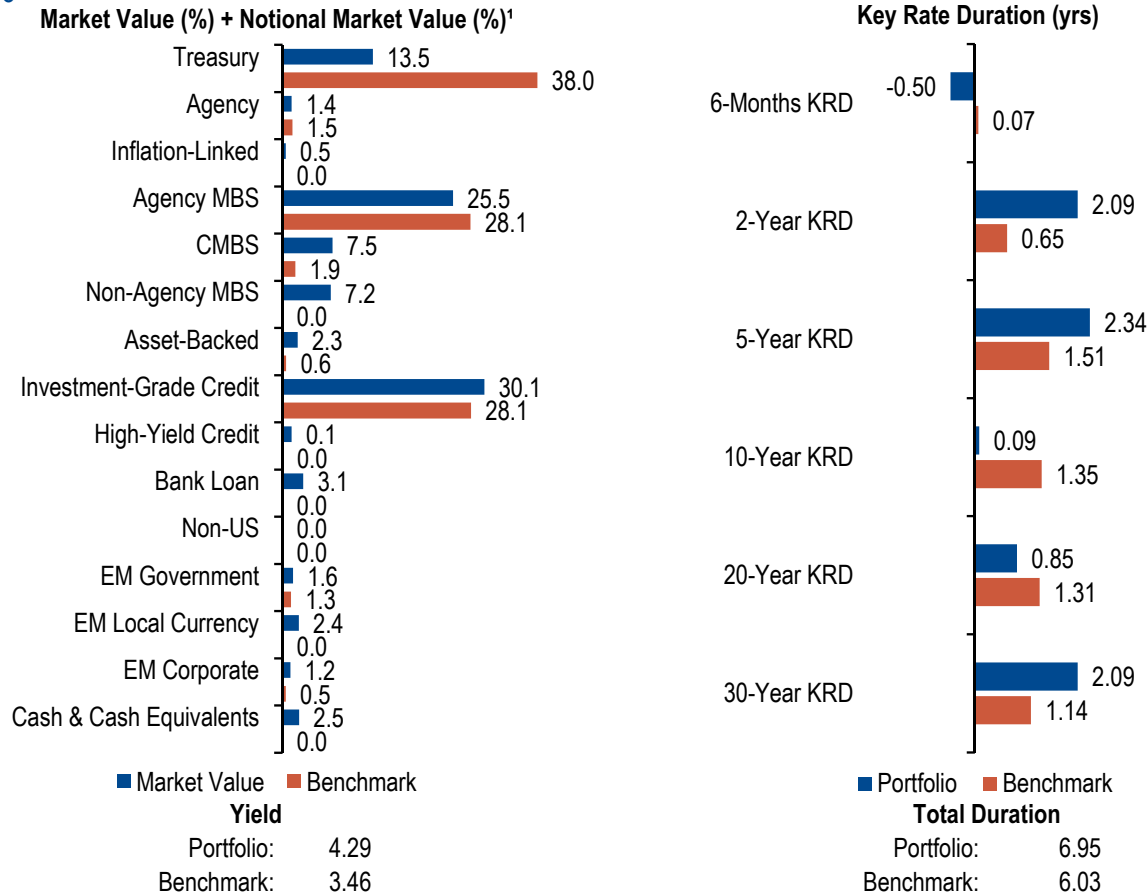
Western Asset believes that attribution is not a hard science, but rather a means of evaluating strategies to determine their relative impact on overall portfolio performance. The intent of the manager, therefore, is critical in the evaluation of different strategies, and the return attribution for any sector or strategy could be over or understated due to its inclusion in another component.

Data may not sum to total due to rounding.

Sector Exposure

Ventura County Employees' Retirement Association Core Fixed Income Portfolio vs. Bloomberg Barclays US Aggregate USD Unhedged Index

September 30, 2018



Source: Bloomberg Barclays, Western Asset

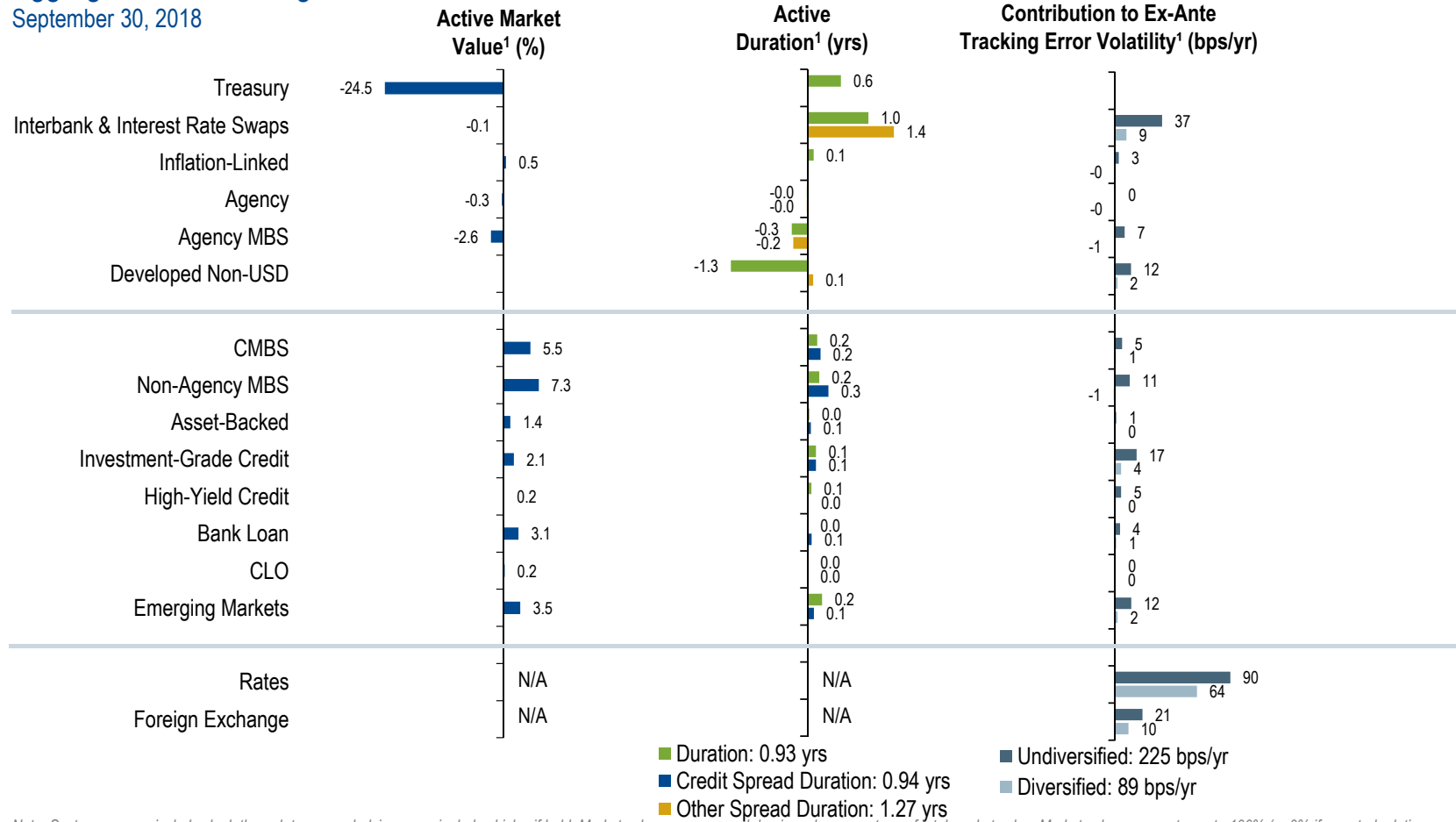
¹Notional market value represents derivatives notional market value excluding interbank derivatives.

Note: Sector exposure includes look-through to any underlying commingled vehicles if held. All weightings are a percentage of total market value. A negative cash position may be reported, which is primarily due to the portfolio's unsettled trade activity. Data may not sum to 100% due to rounding. The benchmark does not provide an allocation to the "Emerging Markets" sector. The emerging market sector allocation shown for the benchmark above is based on Western Asset's emerging market countries definition for comparison purposes..

Portfolio Positioning

Ventura County Employees' Retirement Association Core Fixed Income Portfolio vs. Bloomberg Barclays US Aggregate USD Unhedged Index

September 30, 2018



Note: Sector exposure includes look-through to any underlying commingled vehicles if held. Market values are on a cash basis and a percentage of total market value. Market values may not sum to 100% (or 0% if reported relative to benchmark) due to rounding and cash not being included. Tracking error contribution from each security partition is the residual risk after taking out rates and FX risks at the portfolio level. Reported duration is option adjusted. "Other" Spread Duration is spread duration resulting from spread risk other than credit/default such as break-even inflation, swap spread, and prepayment. "Diversified" tracking error takes into account expected benefits of diversification, while "undiversified" tracking error assumes that all segments of a portfolio are perfectly correlated so that the portfolio is denied the expected benefits of diversification.

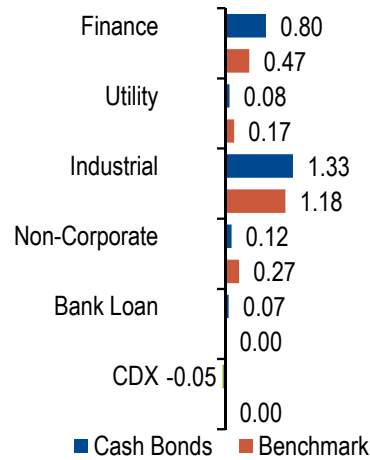
¹Values relative to the index.

Credit Sector Exposure

Ventura County Employees' Retirement Association Core Fixed Income Portfolio vs. Bloomberg Barclays US Aggregate USD Unhedged Index

September 30, 2018

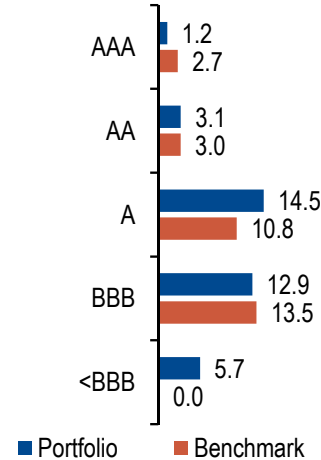
Spread Duration Contribution (yrs)



Credit Spread Duration

Portfolio: 2.34
Benchmark: 2.09

Quality Exposure (%)¹



37.4% of Portfolio

Bloomberg Barclays U.S. Credit Index Excess Returns

	2017	2018*
Finance	3.44%	-0.32%
Utility	3.41%	-0.79%
Industrial	3.49%	0.07%
Non-Corporate	2.78%	0.48%

*As of 30 Sep 18

	2017	2018*
AAA	1.05%	0.15%
AA	2.18%	0.28%
A	2.96%	-0.48%
BBB	4.47%	0.27%
<BBB**	6.10%	3.27%

*As of 30 Sep 18; **Bloomberg Barclays U.S. High-Yield Index

Source: Bloomberg Barclays, Western Asset

Note: Sector exposure includes look-through to any underlying commingled vehicles if held.

Data may not sum to total due to rounding. Includes investment-grade, high-yield, bank loans, emerging market governments and emerging market corporates.

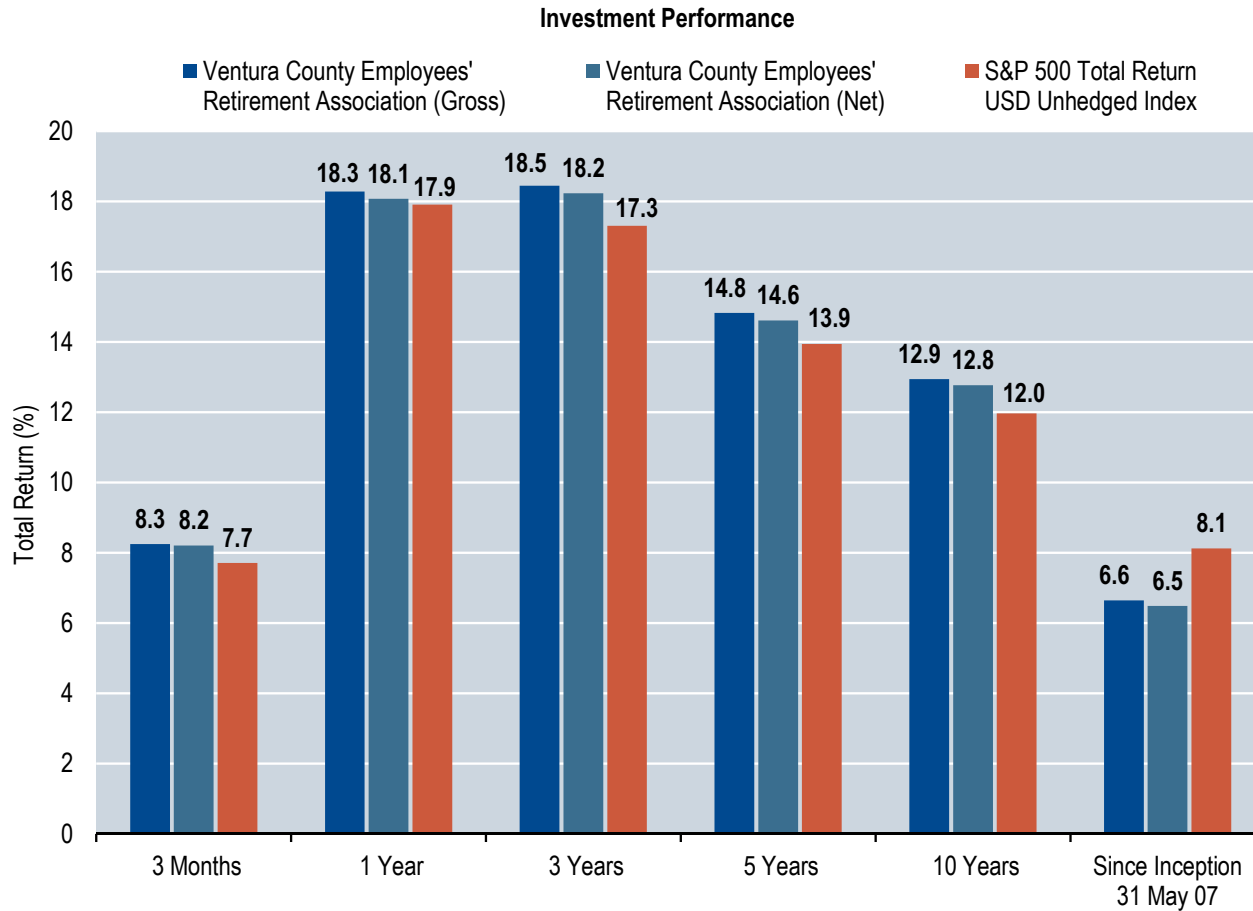
¹All weightings are a percentage of total market value.

Index Plus Review

Investment Results

Ventura County ERA Index Plus vs. S&P 500 Total Return Index USD Unhedged Index

September 30, 2018



Source: Bloomberg Barclays, Western Asset

Returns for periods greater than one year are annualized. Returns since inception are as of the indicated close of business day.

Investment Results

Ventura County ERA Index Plus Rolling Performance

December 31, 2017

	Annual (%)		3 Years (%)		5 Years (%)		7 Years (%)		10 Years (%)	
	Index Plus	S&P 500	Index Plus	S&P 500	Index Plus	S&P 500	Index Plus	S&P 500	Index Plus	S&P 500
12/31/2008	-56.22	-37.00								
12/31/2009	42.68	26.46								
12/31/2010	24.82	15.06	-7.96	-2.86						
12/31/2011	1.16	2.11	21.68	14.11						
12/31/2012	20.96	16.00	15.16	10.87	-0.94	1.66				
12/31/2013	33.16	32.39	17.67	16.18	23.75	17.94				
12/31/2014	14.52	13.69	22.64	20.41	18.42	15.45	5.50	7.27		
12/31/2015	1.35	1.38	15.62	15.13	13.59	12.57	18.94	14.81		
12/31/2016	13.65	11.96	9.67	8.87	16.27	14.66	15.14	12.83		
12/31/2017	23.45	21.83	12.45	11.41	16.74	15.79	14.96	13.76	7.54	8.50
Periods										
Outperformed	70%		88%		83%		75%		0%	
Number of										
Years	7/10		7/8		5/6		3/4		0/1	

Source: S&P, Western Asset

Returns for periods greater than one year are annualized. Returns since inception are as of the indicated close of business day.

Attribution Analysis

Ventura County ERA Index Plus vs. S&P 500 Total Return Index USD Unhedged Index

September 30, 2018

	3 Months	1 Year
Ventura County ERA Index Plus	825	1,829
S&P 500 Total Return Index USD Unhedged Index	771	1,791
Excess Return	54	37
Duration	28	77
Yield Curve	-3	37
Agency MBS	19	20
CMBS	8	20
Agency	1	-4
ABS	32	64
IG Credit	7	13
HY Credit	2	10
EMD	13	9
Overlay Costs	-63	-252
Cash	8	39
Other/Residual	3	3

Source: Bloomberg Barclays, Western Asset

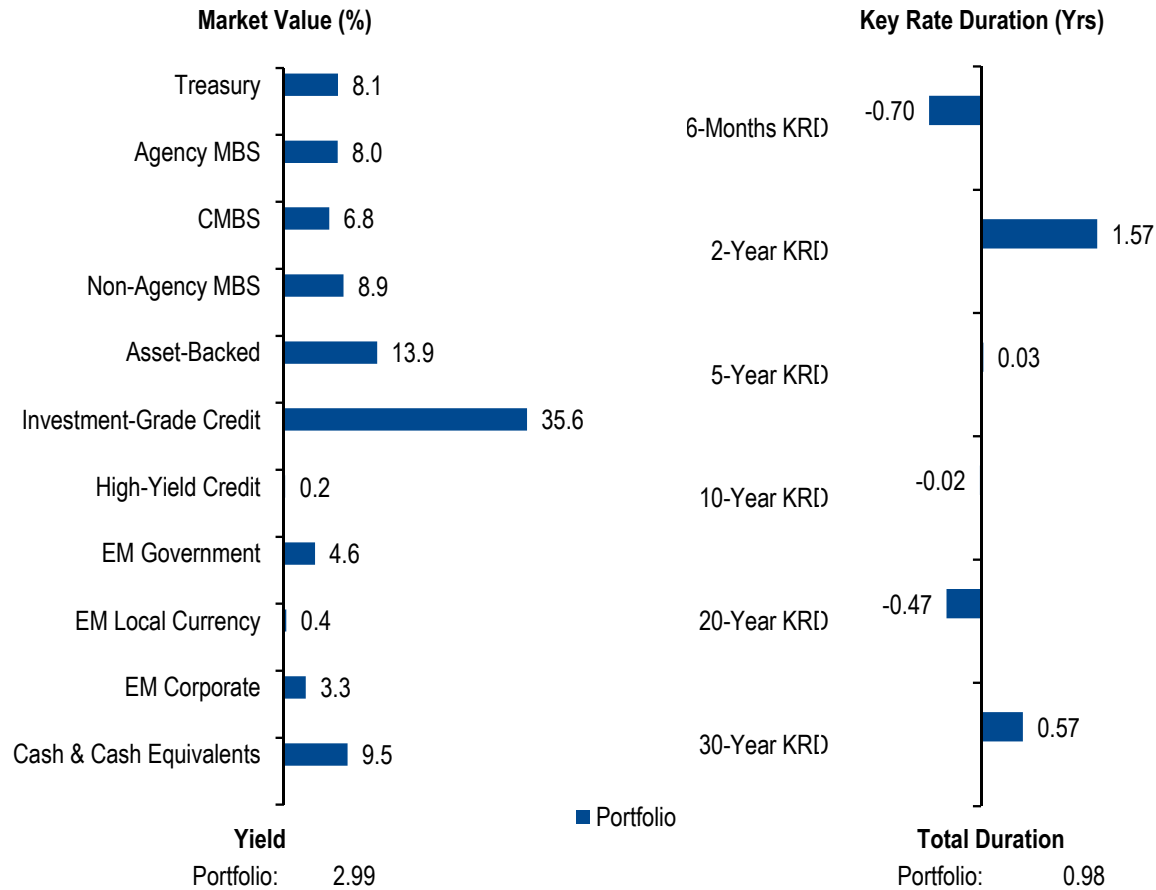
Western Asset believes that attribution is not a hard science, but rather a means of evaluating strategies to determine their relative impact on overall portfolio performance. The intent of the manager, therefore, is critical in the evaluation of different strategies, and the return attribution for any sector or strategy could be over or understated due to its inclusion in another component.

Data may not sum to total due to rounding.

Sector Exposure

Ventura County ERA Index Plus

September 30, 2018



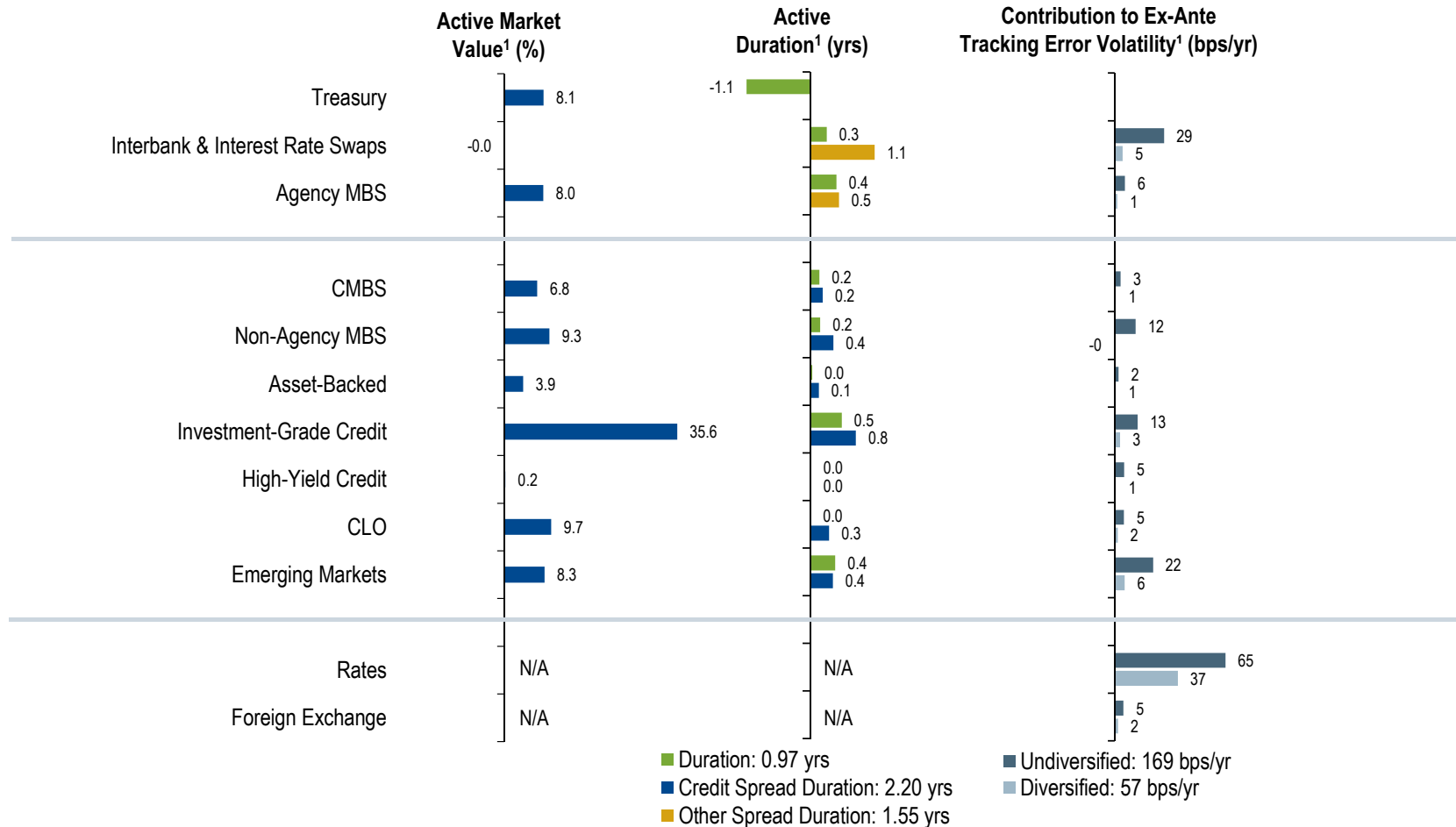
Source: Bloomberg Barclays, Western Asset

Note: Sector exposure includes look-through to any underlying commingled vehicles if held. All weightings are a percentage of total market value. A negative cash position may be reported, which is primarily due to the portfolio's unsettled trade activity. Data may not sum to 100% due to rounding. The benchmark does not provide an allocation to the "Emerging Markets" sector. The emerging market sector allocation shown for the benchmark above is based on Western Asset's emerging market countries definition for comparison purposes..

Portfolio Positioning

Ventura County ERA Index Plus

September 30, 2018



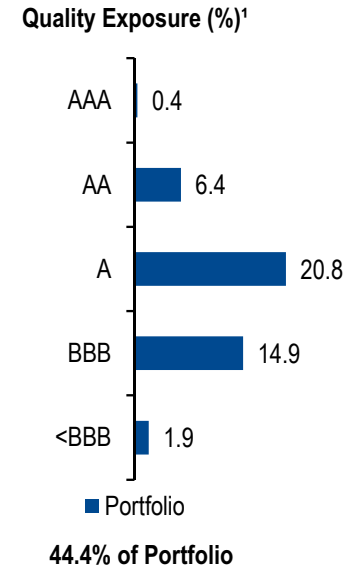
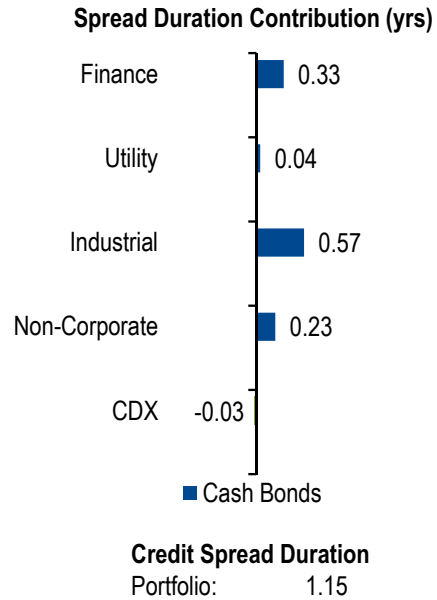
Note: Sector exposure includes look-through to any underlying commingled vehicles if held. Market values are on a cash basis and a percentage of total market value. Market values may not sum to 100% (or 0% if reported relative to benchmark) due to rounding and cash not being included. Tracking error contribution from each security partition is the residual risk after taking out rates and FX risks at the portfolio level. Reported duration is option adjusted. "Other" Spread Duration is spread duration resulting from spread risk other than credit/default such as break-even inflation, swap spread, and prepayment. "Diversified" tracking error takes into account expected benefits of diversification, while "undiversified" tracking error assumes that all segments of a portfolio are perfectly correlated so that the portfolio is denied the expected benefits of diversification.

¹Values relative to the index.

Credit Sector Exposure

Ventura County ERA Index Plus

September 30, 2018



Source: Bloomberg Barclays, Western Asset

Note: Sector exposure includes look-through to any underlying commingled vehicles if held. Data may not sum to total due to rounding.

¹All weightings are a percentage of total market value.

Investment Outlook

Second Half 2018 Global Investment Outlook

Moderate global growth will likely continue

US growth and inflation aided by fiscal stimulus

Divergence of US growth versus globe will likely abate

Escalation of trade tensions poses major risk

Spread sectors should outperform

Emerging markets should provide superior performance

As of 11 Jul 18

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Appendix

Biography



VERONICA A. AMICI

37 Years' Experience

- Western Asset Management Company, LLC – Head of Public/Multi-Employer Relationships, 1993-
- Unisys Corporation – Senior Financial Analyst, 1980-1992
- Gwynedd Mercy University, B.S.



TRAVIS M. CARR

25 Years' Experience

- Western Asset Management Company, LLC – Product Specialist, 2000–
- Pacific Investment Management Company – Senior Associate, 1997-2000
- Royal Thrift & Loan Company – Secondary Market Analyst, 1994–1997
- Home State Financial Corp. – Mortgage Broker, 1993–1994
- University of California, Los Angeles, B.A.
- Chartered Financial Analyst

Note: Western Asset experience reflects current position title and hire date.

Representative Client List Disclosure

The clients listed are invested in a wide range of mandates, and are located in a variety of countries or regions of the United States.

The clients listed in the Corporate company type have portfolios with an AUM of \$32(M) or greater.

The clients listed in the Public company type have portfolios with an AUM of \$65(M) or greater.

The clients listed in the Multi-Employer / Union company type have portfolios with an AUM of \$17(M) or greater.

The clients listed in the Healthcare company type have portfolios with an AUM of \$8(M) or greater.

The clients listed in the Eleemosynary company type have portfolios with an AUM of \$10(M) or greater.

The clients listed in the Insurance company type have portfolios with an AUM of \$18(M) or greater.

The clients listed in the Sub-Advisory company type have portfolios with an AUM of \$15(M) or greater.

Clients that have advised Western Asset of account terminations have been excluded from the lists.

As of 31 Aug 18

30



Risk Disclosure

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CALIFORNIA REPORTING TEMPLATE

Reporting Period: 12/31/2017

CPRA Disclosures (Cal. Govt. Code § 6254.26(b)):

1. Name, address and vintage year of Partnership

Name: Trumbull Property Fund LP (TPF)

Address: 10 State House Square, 15th Floor, Hartford CT 06103

Vintage Year: 1978, converted to partnership structure in 2008

2. Date the investment in Partnership was made by Investor. 03/31/2003

3. Dollar amount of cash contributions made by Investor to Partnership since inception: \$124,000,000

4. Dollar amount of Investor's Distributions from Partnership since inception: \$17,789,760

5. Dollar amount on a fiscal year-end basis of cash distributions received by Investor, and remaining value of Partnership assets attributable to Investor's investment in Partnership

\$ 17,789,760 Distributions and redemptions from inception

\$260,121,445 Account value after fee payable at Dec 31, 2017

\$277,911,205

6. Net internal rate of return ("IRR") of Investor's investment in Partnership since inception:

The Investor's net IRR (after fees) is 7.90%

7. The investment multiple of Investor's investment in Partnership since inception

$(\$277,874,478 / \$124,000,000) = 2.24$

8. Dollar amount of the total management fees and costs paid on an annual fiscal year-end basis by Investor to Partnership \$19,064,766 from inception to December 31, 2017

9. Dollar amount of cash profit received by Investor from Partnership on a fiscal year-end basis

\$108,219,529 of earnings

\$ 65,912,079 of Unrealized and realized gains

\$174,131,608 Total investment earnings

Additional Disclosures (Cal. Govt. Code § 7514.7):

a. Fees and expenses that Investor pays directly to Partnership, General Partner or related parties: For calendar year 2017, advisory fees of \$2,154,153 were deducted and paid from the investor's account to the partnership.

b. Investor's pro rata share of fees and expenses, not included in (a) above, that are paid from Partnership to General Partner or related parties:

The Fund will pay all costs, expenses and fees incurred in operating the Fund (including amounts paid to third parties unaffiliated with the Fund or the Advisor), including costs, expenses and fees incurred for legal, accounting, audit, appraisal and other third-party valuation services, insurance and indemnification, tax and other consulting services (including engineering and environmental consulting), and other costs, expenses and fees incurred in the evaluation, acquisition, financing, leasing, development, management, operation, monitoring and disposition of investments (including such expenses incurred in connection with transactions that are not consummated for any reason). Costs and expenses related to quarterly offerings of Units will be operating expenses paid by the Fund. Operating expenses will include costs incurred in connection with formation of underlying subsidiaries for acquisition of assets. The Advisor will not be reimbursed by the Fund for the Advisor's overhead or employee compensation or for any fees or expenses paid to sub-advisors. In addition, the Fund will reimburse reasonable expenses incurred by members of the Advisory Council. The investor is allocated its pro rata share of the expenses above.

c. Investor's pro rata share of carried interest distributed to General Partner or related parties: Not applicable. There is no carried interest.

d. Investor's pro rata share of aggregate fees and expenses paid by all of the portfolio companies held by Partnership to General Partner or related parties: For calendar year 2017, the investors share of advisory fees paid to the general partner and related parties was \$2,154,153. For calendar year 2017 the investor's share of the Funds general & administrative costs was \$99,440.

e. Gross and net IRR of investment of Partnership since inception:

TPF is an open-end commingled real estate fund with an inception date of January 13, 1978. The TPF gross and net returns from inception to December 31, 2017 are 8.96% and 7.97%, respectively. These returns are time-weighted, leveraged, and include reinvestment of income.

Notes:

The Trumbull Property Fund LP ("TPF" or the "Fund") is an open-end, commingled private real estate portfolio advised by UBS Realty Investors LLC. The REIT-based fund is structured as a limited partnership.

All information furnished in this report is confidential and proprietary information of TPF, its general and limited partners and UBS Realty Investors LLC. This material should not be shared with third parties without the prior written permission of UBS Realty Investors LLC.

Past performance is not indicative of future results. Actual results may be materially different. The material content of this response is based upon information obtained by UBS Realty Investors LLC through December 31, 2017.

CALIFORNIA REPORTING TEMPLATE

Reporting Period: 12/31/17

CPRA Disclosures (Cal. Govt. Code § 6254.26(b)):

1. Name, address and vintage year of Partnership- Name: PGIM Real Estate Address: 7 Giralda Farms Madison, NJ 07940; Vintage Year: 1970
2. Date the investment in Partnership was made by Investor- Investors inception- 3/31/2005
3. Dollar amount of cash contributions made by Investor to Partnership since inception- \$60,000,000
4. Dollar amount of Investor's Distributions from Partnership since inception- \$ 0 See below
5. Dollar amount on a fiscal year-end basis of cash distributions received by Investor, and remaining value of Partnership assets attributable to Investor's investment in Partnership- \$ 0 See below
6. Net internal rate of return ("IRR") of Investor's investment in Partnership since inception- 6.43%

7. The investment multiple of Investor's investment in Partnership since inception- N/A, PRISA SA is an open end fund
8. Dollar amount of the total management fees and costs paid on an annual fiscal year-end basis by Investor to Partnership- Annual period ending 12/31/17 = \$ 1,199,572.20
9. Dollar amount of cash profit received by Investor from Partnership on a fiscal year-end basis- Not applicable, Investor is invested in an insurance company separate account not a limited partnership construct.

Additional Disclosures (Cal. Govt. Code § 7514.7):

- a. Fees and expenses that Investor pays directly to Partnership, General Partner or related parties: n/a
- b. Investor's pro rata share of fees and expenses, not included in (a) above, that are paid from Partnership to General Partner or related parties: n/a
- c. Investor's pro rata share of carried interest distributed to General Partner or related parties: n/a
- d. Investor's pro rata share of aggregate fees and expenses paid by all of the portfolio companies held by Partnership to General Partner or related parties: 0.73%
- e. Gross and net IRR of investment of Partnership since inception: Gross 9.02% Net 7.93%

This investor has elected to reinvest all quarterly distributions since inception as of 12/31/17. As of 12/31/17, the total amount of reinvested capital since inception was: \$ 48,056,259

ABBOTT CAPITAL



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

California Disclosure Reporting
California Code, Government Code - GOV § 7514.7

October 2018

California Disclosure Reporting

California Code, Government Code - GOV § 7514.7

Private Equity Investments as of December 31, 2017				
Name of Fund	Address of Fund Manager	Closing Date	Commitment	Vintage Year
Abbott Secondary Opportunities	1290 Avenue of the Americas, 9th Floor, New York, NY 10104	12/21/17	\$25,000,000	2016
Adams Street 2010 Direct Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	5/21/10	\$8,500,000	2010
Adams Street 2013 Global Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	6/27/13	\$75,000,000	2013
Adams Street 2016 Global Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	8/16/16	\$60,000,000	2016
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	5/21/10	\$25,500,000	2010
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	5/21/10	\$8,500,000	2010
Adams Street Partnership Fund - 2010 U.S. Fund	One North Wacker Drive, Suite 2200, Chicago, IL 60606	5/21/10	\$42,500,000	2010
Clearlake Capital Partners V	233 Wilshire Blvd, Suite 800, Santa Monica, CA 90401	12/22/17	\$9,950,000	2018
CVI Credit Value Fund IV	9320 Excelsior Boulevard, 7th Floor, Hopkins, MN 55343	12/31/17	\$30,000,000	2017
Drive Capital Fund II	629 N. High Street, Columbus, OH 43215	8/19/16	\$15,000,000	2016
GTCR Fund XII	300 North LaSalle Street, Suite 5600, Chicago, IL 60654	9/29/17	\$30,000,000	2018
HarbourVest - Dover Street IX	One Financial Center, Boston, MA 02111	7/8/16	\$60,000,000	2016
HarbourVest - Dover Street VIII	One Financial Center, Boston, MA 02112	5/30/13	\$67,500,000	2012
HarbourVest Partners Co-Investment IV	One Financial Center, Boston, MA 02113	5/31/17	\$30,000,000	2016
Insight Venture Partners X	1114 Avenue of the Americas, 36th Floor, New York, NY 10036	10/13/17	\$25,000,000	2018
Pantheon Global Secondary Fund IV	10 Finsbury Square, 4th Floor, London EC2A1AF	6/24/10	\$15,000,000	2010
Pantheon Global Secondary Fund V	11 Finsbury Square, 4th Floor, London EC2A1AF	2/6/15	\$50,000,000	2015
Total			\$577,450,000	

California Disclosure Reporting, continued

California Code, Government Code - GOV § 7514.7

Name of Fund	Performance and Fee Information						For the Year Ended December 31, 2017						Fees & Expenses Paid by Portfolio Cos. ⁴
	As of December 31, 2017 (Since Inception)						For the Year Ended December 31, 2017						
	Contributions	Distributions	Valuation	TVPI	Gross IRR	Net IRR	Distributions	Cash Profit Received ¹	Management Fees ²	Carried Interest Accrued ³	Carried Interest Paid	Other Expenses	
Abbott Secondary Opportunities	\$4,779,685	\$1,500,000	\$3,935,268	1.14	>1,000.00%	>1,000.00%	\$1,500,000	\$1,163,860	\$60,536	\$80,486	\$0 ⁵	\$352,198	NA
Adams Street 2010 Direct Fund	\$8,046,100	\$7,693,519	\$5,563,774	1.65	18.78%	12.63%	\$2,032,957	\$84,346	\$131,290	\$255,341	\$76,522	\$5,955	\$4,238
Adams Street 2013 Global Fund	\$49,950,000	\$4,679,630	\$57,850,635	1.25	12.82%	9.95%	\$1,570,725	\$138,515	\$611,495	\$275,865	\$0	\$43,389	NA
Adams Street 2016 Global Fund	\$9,960,000	\$0	\$11,755,467	1.18	81.51%	45.52%	\$0	\$0	\$426,045	\$206,649	\$0	\$461,502	NA
Adams Street Partnership Fund - 2010 Non-U.S. Developed Markets Fund	\$21,254,249	\$11,784,023	\$18,362,544	1.42	14.70%	11.41%	\$3,642,551	\$1,463,674	\$202,125	\$42,521	\$100,762	\$5,490	NA
Adams Street Partnership Fund - 2010 Non-U.S. Emerging Markets Fund	\$7,378,000	\$1,507,798	\$9,437,384	1.48	14.13%	11.90%	\$769,009	\$159,995	\$67,375	\$375	\$0	\$3,680	NA
Adams Street Partnership Fund - 2010 U.S. Fund	\$37,442,500	\$20,305,453	\$37,968,757	1.56	17.34%	14.29%	\$5,911,418	\$2,020,874	\$336,875	\$48,168	\$200,106	\$12,822	NA
Clearlake Capital Partners V	\$0	\$0	\$0	-	NA	NA	\$0	\$0	\$0	\$0	\$0	\$3,670 ⁶	\$0
CVI Credit Value Fund IV	\$1,500,000	\$0	\$1,500,000	1.00	0.00%	0.00%	\$0	\$0	\$1,516	\$0	\$0	\$9,910	\$0
Drive Capital Fund II	\$3,018,905	\$0	\$2,486,747	0.82	NR	(28.09%)	\$0	\$0	\$292,910	\$0	\$0	\$37,593	\$0
GTCR Fund XII	\$0	\$0	(\$171,029) ⁷	-	NA	NA	\$0	\$0	\$112,705	\$0	\$0	\$130,772	\$0
HarbourVest - Dover Street IX	\$12,600,000	\$3,388,361	\$13,563,623	1.35	46.20% ⁸	83.93%	\$2,546,829	\$1,043,418	\$223,187	477,697	\$0	\$328,030	NA
HarbourVest - Dover Street VIII	\$59,147,454	\$46,566,930	\$42,490,968	1.51	25.20%	22.98%	\$17,197,032	\$9,034,483	\$834,971	1,385,601	\$0	\$89,884	NA
HarbourVest Partners Co-Investment IV	\$14,521,740	\$0	\$16,355,224	1.13	26.60% ⁸	30.39%	\$0	\$0	\$137,367	239,658	\$0	\$194,807	\$1,464
Insight Venture Partners X	\$0	\$0	(\$223,358) ⁷	-	NA	NA	\$0	\$0	\$48,611	\$0	\$0	\$4,988	\$0
Pantheon Global Secondary Fund IV	\$9,960,000	\$11,535,001	\$4,092,708	1.57	15.30%	14.53%	\$2,730,000	\$9,083	\$121,501	\$100,012	\$15,076	\$24,803	NA
Pantheon Global Secondary Fund V	\$24,941,509	\$4,775,205	\$28,978,421	1.35	23.90% ⁸	25.64%	\$4,775,205	\$2,105,441	\$500,000	\$543,715	\$0	\$409,826	NA
Total	\$264,500,142	\$113,735,920	\$253,947,133	1.39		15.70%⁹	\$42,675,726	\$17,223,689	\$4,108,509	\$3,656,088	\$392,466	\$2,119,319	\$5,702

NA = Not Applicable.

NR = Information was not reported as of 10/16/2018.

¹Represents amounts included in distributions received during the year that are classified as gain, dividend, interest or income per the fund's distribution notice.

²Management fees may reflect fee waivers in lieu of general partner capital contributions and offsets related to transaction fees, board fees and other items.

³Amounts represent realized and unrealized carried interest allocations for the year ended December 31, 2017.

⁴NA = Not Applicable. Fund of Funds do not have direct portfolio company investments.

⁵Excludes tax distributions.

⁶VCERA's pro rata share was not reported. Amounts represent estimates based on fund level amount reported in the financial statements. Fund level amounts were allocated to VCERA based on VCERA's proportionate share of the fund. Actual allocated amounts may differ and such differences could be material.

⁷Negative valuation is a result of accrued expenses and the use of a credit line early in the life of the fund.

⁸Due to the use of a credit line, gross IRR is lower than net IRR.

⁹IRR is net of management fees paid to Abbott.

Note: Contributions include closing interest payments made by VCERA, if any.

Past performance is not a guide to future results and is not indicative of expected realized returns. See attached Important Information page and Abbott's Form ADV Part 2a for disclosures on risk and impact of fees on performance.

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Performance Information:

Internal Rate of Return (IRR) represents the annualized internal rate of return over the relevant period using Latest Valuation.

Total Value equals Distributions plus Latest Valuation.

Latest Valuation refers to the fair value of net assets as of the report date.

TVPI represents the Total Value over Contributions.

DPI represents Distributions over Contributions.

Net IRR and net multiples are **net** of underlying portfolio fund investment fees and expenses, **net** of fees paid to Abbott as the investment adviser, and **net** of allocations of carried interest to the general partner, if any.

Gross IRR and gross multiples are **net** of underlying portfolio fund investment fees and expenses, but **NOT** net of fees paid to Abbott as the investment adviser, and **NOT** net of allocations of carried interest to the general partner, if any. Where returns are **gross** of Abbott's management fees, actual returns to an individual investor would be further reduced for any fees and expenses not accounted for in the performance calculations.

Unless otherwise noted, composite level and portfolio fund performance metrics presented are **net** of all fees, expenses and carried interest (if any) charged by the general partners of the underlying portfolio funds, but **gross** of any management fees charged by Abbott and carried interest (if any), account level expenses and adjustments resulting from the gains and losses realized upon the sale of distributed stock.

Expenses, management fees and performance fees/carried interest paid by existing or past Abbott Clients may not be comparable to the expenses, management fees and performance fees/carried interest that another or future Abbott Client will pay in respect of its investments and such amounts may be lower or higher than amounts actually paid with respect to investors in prior or subsequent Abbott Funds or paid by discretionary separate account clients.

Results portrayed may reflect the reinvestment of realized proceeds and other earnings by both the Abbott Funds and the underlying portfolio funds. Interim performance data may not accurately reflect the actual current or expected future performance of an Abbott Client. Performance data should not be used to compare returns among private equity funds due to, among other factors, differences in vintage year, investment strategy, investment size, etc. The performance herein has not been calculated, reviewed, verified or in any way sanctioned or approved by the general partners of the portfolio funds. There can be no assurance that any Abbott Client, its portfolio investments and underlying portfolio companies, or the private and public equity and debt markets in general, will perform, or continue to perform, similarly to prior periods, funds, investments, or accounts. It should not be assumed that any fund organized, or investment made, in the future will ultimately be profitable or will equal the performance of the funds, investments, or accounts listed in this presentation.

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

Abbott Fund Performance: Unless otherwise noted, performance metrics are presented **net** to LP. Performance for an individual limited partner in an Abbott Fund may differ from the performance disclosed herein due to varying limited partner closing dates, management fees, strategy allocations, and commitment amounts.

Not Meaningful (NM): With respect to primary investments, Abbott deems only those returns greater than three years of age to be mature enough to provide meaningful performance information.

Important Information

Abbott Composites:

Includes all relevant portfolio fund investments made by Abbott on behalf of discretionary client accounts managed since inception (3/31/1987) either as of the date indicated or through liquidation. (**Note:** not all composites may appear within this presentation.) Composite performance is unaudited and does not represent the actual return of any Abbott Client.

Horizon Performance: Excludes historical co-investments. Returns are shown **gross** and **net** of Abbott's management fees and carried interest (if any).

Vintage Year Performance: Excludes co-investments and investments purchased on the secondary market as the performance of these investments cannot meaningfully be compared based on vintage year. Returns are shown **gross** of Abbott's management fees and carried interest (if any). The application of an annual pro-forma management fee of 0.72% on each portfolio fund in the composite would result in an average impact per year of 1.68% to IRR and 0.18X to TVPI. The pro-forma management fee applied is the equivalent of a 1.0% annual management fee on individual portfolio fund commitments, adjusted to reflect the typical phase-in and phase-down of the management fee over a 15-year period, or if earlier, through such time as the investment was liquidated or sold.

Strategy Performance: Excludes co-investments and investments purchased on the secondary market. Returns are shown **gross** of Abbott's management fees and carried interest (if any).

Market Performance and Indices:

Public Market Equivalent (PME or PME+) analysis is calculated without adjustment for management fee and carried interest paid to Abbott. PME is an internal rate of return calculated as if investor cash flows were used to purchase and sell shares of a public market index. PME+ scales distributions by a constant proportion such that the net remaining investment in the index equals the actual net asset value at the measurement date. PME+ is provided because if a portfolio significantly outperforms the public market index due to a high level of distributions, the net remaining investment in the index may be in a short position. A PME+ return calculation permits the net remaining investment in the index to equal the net asset value of the private equity portfolio at the measurement date. Any PME (or PME+) analysis is based on illiquid and unrealized values which may vary considerably over the life of an investment, thus making this type of comparison more relevant with respect to mature funds (i.e., where net asset value is a small fraction of total distributions). Horizon PMEs are calculated using actual partnership-level daily cash flows; Abbott Fund PMEs are calculated using cash flows between the relevant Abbott Fund and limited partners. Abbott has calculated PME as described in "A Private Investment Benchmark", a 1996 white paper by Austin M. Long III and Craig J. Nickels, and PME+ as described in "Private Equity Benchmarking with PME+", an article published in the Venture Capital Journal (August 2003) by Christophe Rouvinez of Capital Dynamics.

References to market or composite indices, benchmarks or other measures of relative market performance over a specified period of time are provided for your information only and do not imply that an Abbott Client will achieve returns, volatility or results similar to the index, or that these are appropriate benchmarks to be used for comparison for a private equity investment. The market volatility, liquidity and other characteristics of private equity investments are materially different from publicly-traded securities. In addition, the composite of the index may not reflect the manner in which the Abbott Client portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations or volatility, all of which are subject to change over time. The index returns will generally reflect the reinvestment of dividends, if any, but do not reflect the deduction of any fees or expenses which would reduce returns. An investor cannot invest directly in an index.

- **S&P 500:** Annualized time-weighted total returns of the S&P 500 (represents the 500 most widely-held large cap US stocks on the NYSE or NASDAQ) includes the reinvestment of dividends and income.
- **MSCI World:** Annualized time-weighted total returns of the MSCI World (represents large and mid-cap equity performance across 23 developed markets countries) are based on values provided by MSCI and include the reinvestment of dividends and income.
- **MSCI World Ex-US:** The same as MSCI World, but excluding the United States.
- **NASDAQ Composite:** Annualized time-weighted total returns of the NASDAQ Composite (a broad, market cap-weighted index which includes a large percentage of finance, health care, technology, and consumer services businesses) are based on values provided by NASDAQ and include the reinvestment of dividends.
- **Russell 3000:** Annualized time-weighted total returns of the Russell 3000 (a broad-based, market cap-weighted index of 3,000 U.S.-traded stocks) are based on values provided by Russell Investment Group and include the reinvestment of dividends.
- **Cambridge Secondary Funds Index:** End-to-End returns, provided by Cambridge Associates. The index is a horizon calculation based on data compiled from 206 secondary-focused funds (excluding hard assets funds), including fully liquidated partnerships, formed between 1991 and 2016. Cambridge Associates return data is provided for informational purposes only, is based on only a limited number of private equity funds when compared to the entire private equity industry, and may not reflect a consistent benchmark or basis for comparison for private equity investments. Data sourced from Cambridge Associates is continually updated and subject to change. Cambridge Associates uses the end-to-end or horizon internal rate of return calculation to calculate the official quarterly, annual, and multi-year index figures. The horizon IRR performance calculation is a money-weighted return similar to the since inception IRR; however, it is measuring performance between two points in time. The calculation incorporates the beginning NAV (if any, treated as an inflow), interim cash flows and the ending NAV (if any, treated as an outflow). All interim cash flows are recorded on the mid-period date of the quarter. In order for a fund to be included in a horizon IRR calculation, the fund must have at least one quarterly contribution, distribution or NAV during the time frame being measured. Similar to the since inception IRR, the horizon IRR is annualized for time frames greater than one year.

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October 22, 2018

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

SUBJECT: CALIFORNIA GOVERNMENT CODE SECTION 7514.7 ANNUAL REPORTING

Dear Board Members:

Presented to the Board are reports meeting the public disclosure requirements for alternative investments under California Government Code Section 7514.7. The private equity report has been compiled and is also included in Abbott's presentation. Reports from open-ended commingled fund real estate managers Prudential and UBS are also included for your review.

RECOMMENDATION: RECEIVE AND FILE THE ATTACHED ALTERNATIVE INVESTMENT DISCLOSURE REPORTS

Respectfully submitted,

Dan Gallagher
Chief Investment Officer

H:\investment Mgrs\PRIVATE EQUITY\Abbott\Reports\

PRELIMINARY MONTHLY PERFORMANCE REPORT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

September 30, 2018

Allan Martin, Partner

Anthony Ferrara, CAIA, Consultant

Michael Miranda, CFA, Senior Analyst



VCERA
VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION



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

Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Fund	5,674,573,564	100.0	100.0	0.4	3.4	4.3	8.5	10.6	7.8	8.3	8.1	Apr-94
<i>Policy Index</i>				<u>0.1</u>	<u>3.4</u>	<u>4.6</u>	<u>8.9</u>	<u>10.9</u>	<u>8.5</u>	<u>8.3</u>	<u>8.2</u>	<i>Apr-94</i>
Over/Under				0.3	0.0	-0.3	-0.4	-0.3	-0.7	0.0	-0.1	
60% MSCI ACWI (Net) / 40% CITI WGBI				-0.1	1.9	1.3	5.2	8.7	5.3	6.0	--	<i>Apr-94</i>
60% S&P 500 / 40% BBgBarc Aggregate				0.1	4.6	5.6	10.0	10.8	9.2	8.9	8.4	<i>Apr-94</i>
Total Fund ex Parametric	5,635,279,979	99.3	--	0.4	3.4	4.3	8.6	10.5	7.8	8.2	8.1	Apr-94
Total Fund ex Private Equity	5,235,843,087	92.3	--	0.1	3.3	3.8	8.1	10.4	7.6	--	9.1	Jan-12
<i>Policy Index</i>				<u>0.1</u>	<u>3.4</u>	<u>4.6</u>	<u>8.9</u>	<u>10.9</u>	<u>8.5</u>	<u>8.3</u>	<u>9.8</u>	<i>Jan-12</i>
Over/Under				0.0	-0.1	-0.8	-0.8	-0.5	-0.9		-0.7	
Total US Equity	1,791,876,444	31.6	28.0	0.3	7.4	10.5	17.8	17.2	13.6	12.2	9.6	Dec-93
<i>Russell 3000</i>				<u>0.2</u>	<u>7.1</u>	<u>10.6</u>	<u>17.6</u>	<u>17.1</u>	<u>13.4</u>	<u>12.0</u>	<u>9.9</u>	<i>Dec-93</i>
Over/Under				0.1	0.3	-0.1	0.2	0.1	0.2	0.2	-0.3	
Western U.S. Index Plus	218,737,707	3.9		0.7	8.0	10.4	18.0	18.1	14.5	12.7	6.5	<i>May-07</i>
<i>S&P 500</i>				<u>0.6</u>	<u>7.7</u>	<u>10.6</u>	<u>17.9</u>	<u>17.3</u>	<u>13.9</u>	<u>12.0</u>	<u>8.1</u>	<i>May-07</i>
Over/Under				0.1	0.3	-0.2	0.1	0.8	0.6	0.7	-1.6	
Blackrock Russell 1000 Index	1,505,409,046	26.5		0.4	7.4	10.5	17.8	--	--	--	17.4	<i>May-17</i>
<i>Russell 1000</i>				<u>0.4</u>	<u>7.4</u>	<u>10.5</u>	<u>17.8</u>	<u>17.1</u>	<u>13.7</u>	<u>12.1</u>	<u>17.4</u>	<i>May-17</i>
Over/Under				0.0	0.0	0.0	0.0				0.0	
Blackrock Russell 2500 Index	67,729,691	1.2		-1.5	4.7	10.5	16.3	--	--	--	16.0	<i>May-17</i>
<i>Russell 2500</i>				<u>-1.5</u>	<u>4.7</u>	<u>10.4</u>	<u>16.2</u>	<u>16.1</u>	<u>11.4</u>	<u>12.0</u>	<u>16.0</u>	<i>May-17</i>
Over/Under				0.0	0.0	0.1	0.1				0.0	

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

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

Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Non-US Equity	924,699,272	16.3	15.0	0.6	1.0	-2.2	2.7	10.9	4.8	5.8	6.5	Mar-94
MSCI ACWI ex USA				<u>0.5</u>	<u>0.7</u>	<u>-3.1</u>	<u>1.8</u>	<u>10.0</u>	<u>4.1</u>	<u>5.2</u>	<u>5.3</u>	Mar-94
Over/Under				0.1	0.3	0.9	0.9	0.9	0.7	0.6	1.2	
MSCI EAFE				0.9	1.4	-1.4	2.7	9.2	4.4	5.4	4.9	Mar-94
MSCI ACWI ex USA NR LCL				0.6	1.5	0.3	4.5	10.0	7.7	6.7	--	Mar-94
MSCI EAFE NR LCL				1.4	2.4	1.4	5.1	9.4	7.9	6.7	5.0	Mar-94
BlackRock ACWI ex-U.S. Index	474,689,679	8.4		0.2	0.4	-3.1	2.0	10.4	4.6	5.7	2.8	Mar-07
MSCI ACWI ex USA IMI				<u>0.2</u>	<u>0.4</u>	<u>-3.3</u>	<u>1.8</u>	<u>10.1</u>	<u>4.4</u>	<u>5.6</u>	<u>2.6</u>	Mar-07
Over/Under				0.0	0.0	0.2	0.2	0.3	0.2	0.1	0.2	
MSCI ACWI ex USA NR LCL				0.6	1.5	0.3	4.5	10.0	7.7	6.7	3.5	Mar-07
Sprucegrove	230,075,924	4.1		1.1	0.8	-3.0	2.7	12.2	5.0	6.5	7.6	Mar-02
MSCI ACWI ex USA				<u>0.5</u>	<u>0.7</u>	<u>-3.1</u>	<u>1.8</u>	<u>10.0</u>	<u>4.1</u>	<u>5.2</u>	<u>6.6</u>	Mar-02
Over/Under				0.6	0.1	0.1	0.9	2.2	0.9	1.3	1.0	
MSCI EAFE				0.9	1.4	-1.4	2.7	9.2	4.4	5.4	6.1	Mar-02
MSCI ACWI ex USA NR LCL				0.6	1.5	0.3	4.5	10.0	7.7	6.7	5.5	Mar-02
MSCI EAFE NR LCL				1.4	2.4	1.4	5.1	9.4	7.9	6.7	4.7	Mar-02
Hexavest	91,686,105	1.6		1.0	0.9	-3.1	-0.7	6.5	3.1	--	4.2	Dec-10
MSCI EAFE				<u>0.9</u>	<u>1.4</u>	<u>-1.4</u>	<u>2.7</u>	<u>9.2</u>	<u>4.4</u>	<u>5.4</u>	<u>5.2</u>	Dec-10
Over/Under				0.1	-0.5	-1.7	-3.4	-2.7	-1.3	--	-1.0	
MSCI EAFE NR LCL				1.4	2.4	1.4	5.1	9.4	7.9	6.7	7.8	Dec-10
Walter Scott	128,247,564	2.3		0.5	3.2	2.7	7.8	13.4	6.1	--	6.3	Dec-10
MSCI ACWI ex USA				<u>0.5</u>	<u>0.7</u>	<u>-3.1</u>	<u>1.8</u>	<u>10.0</u>	<u>4.1</u>	<u>5.2</u>	<u>4.0</u>	Dec-10
Over/Under				0.0	2.5	5.8	6.0	3.4	2.0	--	2.3	
MSCI ACWI ex USA NR LCL				0.6	1.5	0.3	4.5	10.0	7.7	6.7	6.9	Dec-10
MSCI EAFE				0.9	1.4	-1.4	2.7	9.2	4.4	5.4	5.2	Dec-10
Total Global Equity	624,455,589	11.0	10.0	0.5	4.4	4.2	10.2	13.7	8.3	7.3	6.4	May-05
MSCI ACWI				<u>0.4</u>	<u>4.3</u>	<u>3.8</u>	<u>9.8</u>	<u>13.4</u>	<u>8.7</u>	<u>8.2</u>	<u>7.2</u>	May-05
Over/Under				0.1	0.1	0.4	0.4	0.3	-0.4	-0.9	-0.8	
BlackRock MSCI ACWI Equity Index	624,455,589	11.0		0.5	4.4	4.2	10.2	13.9	9.1	--	11.2	Aug-12
MSCI ACWI				<u>0.4</u>	<u>4.3</u>	<u>3.8</u>	<u>9.8</u>	<u>13.4</u>	<u>8.7</u>	<u>8.2</u>	<u>10.8</u>	Aug-12
Over/Under				0.1	0.1	0.4	0.4	0.5	0.4	--	0.4	



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Private Equity	438,730,477	7.7	10.0	3.2	3.7	13.1	16.5	13.3	15.2	--	14.7	Jan-12
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>19.0</u>	<i>Jan-12</i>
Over/Under				2.8	-4.2	0.1	-4.6	-7.2	-1.6		-4.3	
<i>Cambridge Associates Global All PE (Qtr Lag)</i>				4.4	4.4	12.7	17.3	11.7	13.2	9.6	13.2	<i>Jan-12</i>
Adams Street Global Fund Series	158,857,692	2.8		4.8	4.8	14.6	19.7	12.6	13.7	--	13.5	Jan-12
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>19.0</u>	<i>Jan-12</i>
Over/Under				4.4	-3.1	1.6	-1.4	-7.9	-3.1		-5.5	
Harbourvest	78,794,085	1.4		6.3	7.2	19.4	20.4	17.2	21.1	--	20.3	Aug-13
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>16.5</u>	<i>Aug-13</i>
Over/Under				5.9	-0.7	6.4	-0.7	-3.3	4.3		3.8	
Pantheon Global Secondary Funds	38,465,959	0.7		5.6	5.6	13.9	16.9	17.2	15.8	--	13.5	Jan-12
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>19.0</u>	<i>Jan-12</i>
Over/Under				5.2	-2.3	0.9	-4.2	-3.3	-1.0		-5.5	
Drive Capital Fund	5,207,167	0.1		0.0	3.1	-1.0	-3.9	--	--	--	-30.8	Sep-16
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>20.9</u>	<i>Sep-16</i>
Over/Under				-0.4	-4.8	-14.0	-25.0				-51.7	
Abbott Secondary Opportunities	12,359,251	0.2		-2.1	21.3	21.3	--	--	--	--	21.3	Jan-18
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>13.0</u>	<i>Jan-18</i>
Over/Under				-2.5	13.4	8.3					8.3	
CVI Credit Value Fund	7,652,303	0.1		1.0	1.3	3.6	--	--	--	--	3.6	Jan-18
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>13.0</u>	<i>Jan-18</i>
Over/Under				0.6	-6.6	-9.4					-9.4	
Clearlake Capital Partners V	2,432,220	0.0		14.8	13.0	--	--	--	--	--	10.3	Mar-18
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>10.9</u>	<i>Mar-18</i>
Over/Under				14.4	5.1						-0.6	
Battery Ventures XII	1,623,398	0.0		-3.5	-5.9	--	--	--	--	--	-5.9	Apr-18
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>12.9</u>	<i>Apr-18</i>
Over/Under				-3.9	-13.8						-18.8	

Please Note:

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



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Insight Venture Partners X	5,002,174	0.1		-0.5	-6.2	--	--	--	--	--	-6.2	May-18
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>12.2</u>	<i>May-18</i>
Over/Under				-0.9	-14.1						-18.4	
GTCR Fund XII	783,932	0.0		-39.4	-38.7	--	--	--	--	--	-38.7	Jun-18
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>8.9</u>	<i>Jun-18</i>
Over/Under				-39.8	-46.6						-47.6	
Buenaventure One, LLC	12,415,590	0.2		0.0	0.0	--	--	--	--	--	0.0	Jul-18
<i>Russell 3000 + 3%</i>				<u>0.4</u>	<u>7.9</u>	<u>13.0</u>	<u>21.1</u>	<u>20.5</u>	<u>16.8</u>	<u>15.3</u>	<u>7.9</u>	<i>Jul-18</i>
Over/Under				-0.4	-7.9						-7.9	
Abbott Capital Cash	115,136,707	2.0										

Please Note:

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



VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION PRIVATE EQUITY LIMITED PARTNERSHIP PERFORMANCE

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date ¹	Outstanding Commitment ¹	Call Ratio	Add'l Fees ²	Distributions to Date	Valuation	Total Value	Net Benefit	IRR	Since Inception	
													Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
Abbott Secondary Opportunities, LP.	2017	12/21/2017	\$25,000,000	\$13,348,706	\$12,014,011	53%	--	\$2,000,000	\$12,359,249	\$14,359,249	\$1,010,543	28.5%	0.15x	1.08x
Adams Street 2010 U.S. Fund	2010	5/21/2010	\$42,500,000	\$37,442,500	\$5,057,500	88%	\$15,213	\$24,284,925	\$37,219,348	\$61,484,271	\$24,026,558	14.1%	0.65x	1.64x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	\$25,500,000	\$22,325,249	\$3,174,751	88%	\$1,589	\$14,463,457	\$18,313,844	\$32,777,301	\$10,450,463	11.5%	0.65x	1.47x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	\$8,500,000	\$7,378,000	\$1,122,000	87%	\$0	\$2,030,308	\$9,687,102	\$11,717,410	\$4,339,410	11.8%	0.28x	1.59x
Adams Street 2010 Direct Fund	2010	5/21/2010	\$8,500,000	\$8,046,100	\$453,900	95%	\$6,697	\$8,862,974	\$5,084,280	\$13,947,254	\$5,894,457	13.0%	1.1x	1.73x
Adams Street 2013 Global Fund	2013	6/27/2013	\$75,000,000	\$56,625,000	\$18,375,000	76%	\$10,728	\$8,075,792	\$66,678,199	\$74,753,991	\$18,118,263	10.6%	0.14x	1.32x
Adams Street 2016 Global Fund	2016	12/22/2016	\$60,000,000	\$21,150,000	\$38,850,000	35%	\$0	\$2,082,389	\$22,082,443	\$24,164,832	\$3,014,832	20.8%	0.1x	1.14x
Battery Ventures XI	2018	2/1/2018	\$9,050,000	\$1,104,100	\$7,945,900	12%	\$0	\$0	\$1,020,640	\$1,020,640	-\$83,460	-22.3%	0x	0.92x
Battery Ventures XII Side Fund	2018	2/1/2018	\$5,050,000	\$616,100	\$4,433,900	12%	\$0	\$0	\$602,758	\$602,758	-\$13,342	-9.3%	0x	0.98x
Buenaventure One, LLC	2018	1/5/2018	\$57,250,000	\$12,415,590	\$44,834,410	22%	--	--	\$12,415,590	\$12,415,590	--	0.0%	--	1x
CapVest Equity Partners IV	2018	7/11/2018	\$12,790,323	--	\$12,790,323	0%	--	--	--	--	--	--	--	--
Clearlake Capital Partners V	2017	12/22/2017	\$9,950,000	\$2,189,963	\$7,760,847	22%	\$46,158	\$2,397	\$2,432,220	\$2,434,617	\$198,496	26.1%	0x	1.11x
CVI Credit Value Fund IV	2017	12/31/2017	\$30,000,000	\$7,500,000	\$22,500,000	25%	--	\$6,147	\$7,618,286	\$7,624,433	\$124,433	4.5%	0x	1.02x
Drive Capital Fund II	2016	9/1/2016	\$15,000,000	\$5,661,809	\$9,341,401	38%	\$3,210	\$0	\$5,207,167	\$5,207,167	-\$457,852	-8.5%	0x	0.92x
ECI 11	2018	7/5/2018	\$9,768,000	--	\$9,768,000	0%	--	--	--	--	--	--	--	--
GGV Capital VII	2018	8/15/2018	\$10,160,000	--	\$10,160,000	0%	--	--	--	--	--	--	--	--
GGV Capital VII Plus	2018	8/15/2018	\$2,540,000	--	\$2,540,000	0%	--	--	--	--	--	--	--	--
GGV Discovery II	2018	8/15/2018	\$2,100,000	--	\$2,100,000	0%	--	--	--	--	--	--	--	--
GTCR Fund XII	2017	9/29/2017	\$30,000,000	\$1,548,000	\$28,547,792	5%	--	\$264,502	\$493,991	\$758,493	-\$789,507	-97.3%	0.17x	0.49x
Insight Venture Partners X	2017	10/13/2017	\$25,000,000	\$5,250,000	\$19,750,000	21%	--	--	\$5,002,175	\$5,002,175	-\$247,825	-17.5%	--	0.95x
HarbourVest - Dover Street VIII	2013	5/30/2013	\$67,500,000	\$60,834,954	\$6,750,000	90%	\$84,954	\$64,366,660	\$26,586,014	\$90,952,674	\$30,032,766	20.7%	1.06x	1.5x
HarbourVest - Dover Street IX	2016	12/16/2016	\$60,000,000	\$25,200,000	\$34,800,000	42%	\$0	\$6,528,406	\$23,984,067	\$30,512,473	\$5,312,473	33.5%	0.26x	1.21x
HarbourVest - PRTNS CO INVEST IV L.P.	2017	6/2/2017	\$30,000,000	\$21,156,100	\$9,040,640	71%	\$0	\$0	\$23,621,904	\$23,621,904	\$2,465,804	11.8%	0x	1.12x
HarbourVest - PRTNS CO INVEST V L.P.	2018	7/31/2018	\$35,000,000	--	\$35,000,000	0%	--	--	--	--	--	--	--	--
Hellman & Friedman Capital Partners IX	2018	9/28/2018	\$19,800,000	--	\$19,800,000	0%	--	--	--	--	--	--	--	--
M/C Partners VIII	2018	4/2/2018	\$10,000,000	--	\$10,000,000	0%	--	--	--	--	--	--	--	--
Pantheon Global Secondary Fund IV	2010	8/20/2010	\$15,000,000	\$9,960,000	\$5,040,000	66%	\$0	\$12,450,001	\$3,194,820	\$15,644,821	\$5,684,821	14.0%	1.25x	1.57x
Pantheon Global Secondary Fund V	2015	2/26/2015	\$50,000,000	\$32,141,509	\$17,858,491	64%	(\$162,514)	\$8,412,603	\$33,234,322	\$41,646,925	\$9,667,930	18.0%	0.26x	1.3x
The Resolute Fund IV	2018	5/2/2018	\$20,000,000	--	\$20,000,000	0%	--	--	\$75,113	\$75,113	--	--	--	--
Riverside Micro-Cap Fund V	2018	8/21/2018	\$10,000,000	--	\$10,000,000	0%	--	--	--	--	--	--	--	--
Total VCERA Private Equity Program	--	5/21/2010	\$780,958,323	\$351,893,680	\$429,808,866	45%	\$6,035	\$153,810,561	\$316,913,530	\$470,724,091	\$118,749,263	14.4%	0.44x	1.34x

1. Includes recycled/recallable distributions received to date.

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

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

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

Performance shown is based on 9/30/2018 recent statement of investments produced by Abbott Capital.



Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total US Fixed Income	999,261,399	17.6	20.0	-0.5	0.1	-1.2	-0.8	2.5	2.4	5.8	5.7	Feb-94
BBgBarc US Aggregate TR				-0.6	0.0	-1.6	-1.2	1.3	2.2	3.8	5.1	Feb-94
Over/Under				0.1	0.1	0.4	0.4	1.2	0.2	2.0	0.6	
BlackRock U.S. Debt Fund	269,705,929	4.8		-0.6	0.0	-1.6	-1.2	1.4	2.2	3.9	5.0	Nov-95
BBgBarc US Aggregate TR				-0.6	0.0	-1.6	-1.2	1.3	2.2	3.8	4.9	Nov-95
Over/Under				0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	
Western	292,447,760	5.2		-0.6	0.1	-2.1	-1.4	2.6	3.3	5.7	5.9	Dec-96
BBgBarc US Aggregate TR				-0.6	0.0	-1.6	-1.2	1.3	2.2	3.8	4.9	Dec-96
Over/Under				0.0	0.1	-0.5	-0.2	1.3	1.1	1.9	1.0	
Reams	307,299,976	5.4		-0.5	-0.1	-0.7	-0.7	2.4	1.2	5.9	5.1	Sep-01
Reams Custom Index				0.2	0.6	1.7	2.1	1.3	0.9	3.3	3.8	Sep-01
Over/Under				-0.7	-0.7	-2.4	-2.8	1.1	0.3	2.6	1.3	
BBgBarc US Aggregate TR				-0.6	0.0	-1.6	-1.2	1.3	2.2	3.8	4.1	Sep-01
3-Month LIBOR + 3%				0.4	1.3	3.9	5.1	4.3	3.9	3.7	4.8	Sep-01
Loomis Strategic Alpha	47,001,422	0.8		0.4	0.7	1.7	2.3	3.4	2.8	--	2.7	Jul-13
BBgBarc US Aggregate TR				-0.6	0.0	-1.6	-1.2	1.3	2.2	3.8	2.2	Jul-13
Over/Under				1.0	0.7	3.3	3.5	2.1	0.6		0.5	
3-Month LIBOR + 3%				0.4	1.3	3.9	5.1	4.3	3.9	3.7	3.9	Jul-13
Loomis Sayles Multi Strategy	82,806,312	1.5		0.2	1.0	-0.8	0.0	4.8	4.4	8.1	6.2	Jul-05
Loomis Custom Index				-0.3	0.7	-0.3	0.1	3.3	3.1	5.4	4.8	Jul-05
Over/Under				0.5	0.3	-0.5	-0.1	1.5	1.3	2.7	1.4	
BBgBarc US Govt/Credit TR				-0.7	0.1	-1.8	-1.4	1.4	2.2	4.0	3.8	Jul-05

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

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

Ventura County Employees' Retirement Association

TOTAL FUND PERFORMANCE DETAIL NET OF FEES

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Total Real Estate	419,513,548	7.4	7.0	0.0	0.0	3.6	5.6	6.4	8.6	3.2	7.8	Mar-94
<i>NCREIF ODCE Net</i>				<u>0.0</u>	<u>0.0</u>	<u>3.8</u>	<u>5.7</u>	<u>7.2</u>	<u>9.3</u>	<u>4.4</u>	<u>8.0</u>	<i>Mar-94</i>
Over/Under				0.0	0.0	-0.2	-0.1	-0.8	-0.7	-1.2	-0.2	
Prudential Real Estate	150,323,091	2.6		0.0	0.0	4.0	5.9	7.4	9.9	4.0	6.1	Jun-04
<i>NCREIF ODCE Net</i>				<u>0.0</u>	<u>0.0</u>	<u>3.8</u>	<u>5.7</u>	<u>7.2</u>	<u>9.3</u>	<u>4.4</u>	<u>7.0</u>	<i>Jun-04</i>
Over/Under				0.0	0.0	0.2	0.2	0.2	0.6	-0.4	-0.9	
<i>NCREIF ODCE</i>				<u>0.0</u>	<u>0.0</u>	<u>4.3</u>	<u>6.5</u>	<u>8.1</u>	<u>10.3</u>	<u>5.4</u>	<u>8.0</u>	<i>Jun-04</i>
UBS Real Estate	269,190,457	4.7		0.0	0.0	3.3	5.5	5.9	7.8	4.5	7.3	Mar-03
<i>NCREIF ODCE Net</i>				<u>0.0</u>	<u>0.0</u>	<u>3.8</u>	<u>5.7</u>	<u>7.2</u>	<u>9.3</u>	<u>4.4</u>	<u>7.2</u>	<i>Mar-03</i>
Over/Under				0.0	0.0	-0.5	-0.2	-1.3	-1.5	0.1	0.1	
<i>NCREIF ODCE</i>				<u>0.0</u>	<u>0.0</u>	<u>4.3</u>	<u>6.5</u>	<u>8.1</u>	<u>10.3</u>	<u>5.4</u>	<u>8.2</u>	<i>Mar-03</i>
Total Liquid Alternatives	436,743,206	7.7	10.0	-0.7	0.6	0.6	3.4	6.4	3.4	--	4.5	Apr-13
<i>CPI + 4% (Unadjusted)</i>				<u>0.4</u>	<u>1.2</u>	<u>5.4</u>	<u>6.4</u>	<u>6.1</u>	<u>6.7</u>	--	<u>6.3</u>	<i>Apr-13</i>
Over/Under				-1.1	-0.6	-4.8	-3.0	0.3	-3.3	--	-1.8	
Bridgewater All Weather Fund	312,911,975	5.5		0.1	-0.3	-0.5	3.6	6.6	4.4	--	4.8	Aug-13
<i>CPI + 5% (Unadjusted)</i>				<u>0.5</u>	<u>1.4</u>	<u>6.2</u>	<u>7.4</u>	<u>7.1</u>	<u>6.6</u>	--	<u>6.6</u>	<i>Aug-13</i>
Over/Under				-0.4	-1.7	-6.7	-3.8	-0.5	-2.2	--	-1.8	
Tortoise Energy Infrastructure	123,831,231	2.2		-2.6	2.8	3.6	2.8	5.8	1.2	--	1.8	Apr-13
<i>Wells Fargo MLP Index</i>				<u>-1.7</u>	<u>5.2</u>	<u>3.6</u>	<u>2.9</u>	<u>3.4</u>	<u>-2.2</u>	--	<u>-1.9</u>	<i>Apr-13</i>
Over/Under				-0.9	-2.4	0.0	-0.1	2.4	3.4	--	3.7	
Overlay	39,293,629	0.7	0.0									
Parametric	39,293,629	0.7										

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

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

Real Estate Valuation is as of 6/30/2018.

Ventura County Employees' Retirement Association

TOTAL FUND

Cash Flow Summary							
Month Ending September 30, 2018							
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Abbott Capital Cash	\$137,136,473	\$2,460,020	-\$24,675,000	-\$22,214,980	\$0	\$215,214	\$115,136,707
Abbott Secondary Opportunities	\$9,729,526	\$2,875,000	\$0	\$2,875,000	\$0	-\$245,275	\$12,359,251
Adams Street Global Fund Series	\$151,548,470	\$0	\$0	\$0	\$0	\$7,309,222	\$158,857,692
Battery Ventures XII	\$1,682,732	\$0	\$0	\$0	\$0	-\$59,334	\$1,623,398
BlackRock ACWI ex-U.S. Index	\$423,619,106	\$50,000,000	\$0	\$50,000,000	-\$41,224	\$1,070,572	\$474,689,679
BlackRock MSCI ACWI Equity Index	\$621,494,235	\$0	\$0	\$0	-\$22,482	\$2,961,355	\$624,455,589
Blackrock Russell 1000 Index	\$1,599,309,410	\$0	-\$100,000,000	-\$100,000,000	-\$12,962	\$6,099,636	\$1,505,409,046
Blackrock Russell 2500 Index	\$68,777,537	\$0	\$0	\$0	-\$1,129	-\$1,047,846	\$67,729,691
BlackRock U.S. Debt Fund	\$221,092,851	\$50,000,000	\$0	\$50,000,000	-\$12,324	-\$1,386,921	\$269,705,929
Bridgewater All Weather Fund	\$312,668,084	\$0	\$0	\$0	-\$98,523	\$243,891	\$312,911,975
Buenaventure One, LLC	\$10,930,590	\$1,485,000	\$0	\$1,485,000	\$0	\$0	\$12,415,590
Clearlake Capital Partners V	\$2,119,050	\$0	\$0	\$0	\$0	\$313,170	\$2,432,220
CVI Credit Value Fund	\$6,078,211	\$1,500,000	\$0	\$1,500,000	\$0	\$74,093	\$7,652,303
Drive Capital Fund	\$5,207,167	\$0	\$0	\$0	\$0	\$0	\$5,207,167
GTCR Fund XII	\$1,293,503	\$0	\$0	\$0	\$0	-\$509,571	\$783,932
Harbourvest	\$75,299,347	\$1,200,000	-\$2,443,294	-\$1,243,294	\$0	\$4,738,031	\$78,794,085
Hexavest	\$90,749,611	\$0	\$0	\$0	-\$34,729	\$936,494	\$91,686,105
Insight Venture Partners X	\$5,029,154	\$0	\$0	\$0	\$0	-\$26,980	\$5,002,174
Loomis Sayles Multi Strategy	\$82,634,726	\$0	\$0	\$0	-\$26,535	\$171,586	\$82,806,312
Loomis Strategic Alpha	\$46,812,510	\$0	\$0	\$0	-\$15,667	\$188,912	\$47,001,422
Pantheon Global Secondary Funds	\$35,854,206	\$600,000	-\$12,603	\$587,397	\$0	\$2,024,356	\$38,465,959
Parametric	\$41,170,971	\$12,603	\$0	\$12,603	-\$4,316	-\$1,889,945	\$39,293,629



Ventura County Employees' Retirement Association

TOTAL FUND

	Month Ending September 30, 2018							Ending Market Value
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change		
Prudential Real Estate	\$150,323,727	\$0	-\$636	-\$636	\$0	\$0	\$150,323,091	
Reams	\$308,825,789	\$0	\$0	\$0	-\$44,663	-\$1,525,813	\$307,299,976	
Sprucegrove	\$227,615,463	\$0	\$0	\$0	-\$67,516	\$2,460,461	\$230,075,924	
Tortoise Energy Infrastructure	\$127,020,617	\$0	\$0	\$0	-\$64,495	-\$3,189,386	\$123,831,231	
UBS Real Estate	\$269,190,457	\$0	\$0	\$0	\$0	\$0	\$269,190,457	
Walter Scott	\$127,551,015	\$0	\$0	\$0	-\$85,999	\$696,549	\$128,247,564	
Western	\$294,250,369	\$0	\$0	\$0	-\$49,056	-\$1,802,609	\$292,447,760	
Western U.S. Index Plus	\$217,284,876	\$0	\$0	\$0	-\$39,842	\$1,452,830	\$218,737,707	
Total	\$5,672,299,783	\$110,132,622	-\$127,131,533	-\$16,998,911	-\$621,461	\$19,272,692	\$5,674,573,564	



Information Disclaimer

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

Reporting Methodology

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





October 22, 2018

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

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

Dear Board Members:

Background

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

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

§31525. Regulations; approval

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

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

§31526. Requisites of regulations

The regulations shall include provisions:

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

(b) For one of the following:

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

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

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

October 22, 2018

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

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

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

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

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

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

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

October 22, 2018

Page 3 of 3

Summary

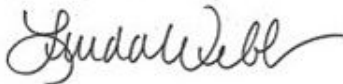
The provided redline document shows the proposed amendments, which fall under the following category reasons:

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

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

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

Sincerely,

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

Linda Webb
Retirement Administrator

ATTACHMENT A

§31527. Permissible provisions in regulations

In its regulations, the board may include the following provisions:

(a) From what warrants deductions of members' contributions shall be made.

(b) For a period of time longer than one year during which a member may redeposit in the retirement fund an amount equal to all of the accumulated normal contributions that he or she has withdrawn, plus regular interest thereon from the date of return to service.

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

(d) For a withdrawal charge against a member who withdraws his or her accumulated contributions. The withdrawal charge shall not exceed the interest credited to the member subsequent to the effective date of the regulation.

(e) For the exemption or exclusion from membership as a peace officer member or as a safety member or from membership altogether, in the discretion of the board, of persons whose tenure is temporary, seasonal, intermittent, or for part time only, or persons whose compensation is fixed at a rate by the day or hour.

(f) For the periodic physical examination, at county expense, of safety members.

(g) The amount of additional deductions from the salaries or wages of members pursuant to Article 15.5 (commencing with Section 31841) or Article 16 (commencing with Section 31861). Such a provision may be adopted in anticipation of, and prior to Article 15.5 (commencing with Section 31841) or Article 16 (commencing with Section 31861) becoming operative in the particular county.

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

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

(j) For the use of recorded telephone communications for the processing of authorized transactions affecting a member's account, if the board approves procedures adequate to protect the member and the system. These procedures shall include adequate validation and authentication of member identity and permanent retention of recorded communication.

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

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

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

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BYLAWS AND REGULATIONS

ARTICLE I. ADMINISTRATION

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

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

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

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

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

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

ARTICLE II. MEETINGS

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

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

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

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

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

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

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

ARTICLE III. MEMBERSHIP

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

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

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

ARTICLE IV. COMPENSATION EARNABLE

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

ARTICLE IV. CONTRIBUTIONS

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

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

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

REDEPOSIT OF CONTRIBUTIONS WITHDRAWN & DEDUCTION OF PAST DUE CONTRIBUTIONS

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

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

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

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

ARTICLE VI. SWORN STATEMENT

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

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

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

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

ARTICLE VIII. DISABILITY RETIREMENT HEARING PROCEDURES

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

ARTICLE IXIII.

ARTICLE VIII. AMENDMENTS

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

ARTICLE IX. ARTICLE IX. REPEALS

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

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

William

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

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

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



October 8, 2018

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

SUBJECT: REINSTATEMENT TO ACTIVE MEMBERSHIP: MONICA J. MCGRATH

Dear Board Members,

Staff recommends that VCERA retired member, Monica J. McGrath, be reinstated to active membership, pursuant to Government Code Sections 31680.4 & 31680.5. Ms. McGrath has filed her application for reinstatement pursuant to Section 31680.4, and has provided a medical determination indicating she is not incapacitated for the duties assigned, and a letter indicating an offer of full-time employment.

Staff will be pleased to answer any questions you may have on this item at the Disability meeting of October 8, 2018.

Sincerely,

A handwritten signature in black ink that reads "Linda Webb". The signature is written in a cursive style.

Linda Webb
Retirement Administrator

Monica J. McGrath

2838 Golf Villa Way • Camarillo, CA 93010
Phone: 805-40-7423 • mcgrathmonica9@gmail.com

RECEIVED

SEP 24 2018

Date: September 21, 2018

VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

Board of Retirement
Ventura County Employees Retirement

Dear Retirement Board Members,

I am requesting reinstatement to active VCERA membership. I retired with a service retirement on October 8, 2016 after 29 years with the Ventura County Sheriff's Office. Since that time I have not received unemployment insurance related to public sector service. I am submitting a doctor's note indicating that I am not incapacitated in any way to perform the duties of the position as Undersheriff of Ventura County. My hire date will be effective the first day of the pay period following board approval for reinstatement. Pay period 25 (November 18-December 01, 2018).

My first day of employment will be November 18, 2018.

Sincerely,



Monica J. McGrath



VENTURA COUNTY SHERIFF'S OFFICE

- **GEOFF DEAN**
Sheriff
- **GARY PENTIS**
Undersheriff
- **BILL AYUB**
Assistant Sheriff
- **ERIC DOWD**
Assistant Sheriff

800 SOUTH VICTORIA AVENUE, VENTURA, CA 93009 PHONE (805) 654-2380

RECEIVED

SEP 24 2018

September 21, 2018

VENTURA COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

Monica McGrath
2838 Golf Villa Way
Camarillo, CA 93010

Dear Ms. McGrath:

This letter confirms that the Ventura County Sheriff's Office has extended an offer of employment to you as Undersheriff with a start date of November 18, 2018.

Please let me know if you need any additional documentation as you proceed in the process of suspending your current VCERA retirement.

Monica, Sheriff's Office employees are looking forward to having you on board once again!

Sincerely,

Tracey F. Pirie
Sheriff's Bureau Manager
Human Resources/Records

SPECIAL SERVICES
(805) 383-8791 Fax (805) 389-6549

PATROL SERVICES
(805) 494-8260 FAX (805) 494-8295

DETENTION SERVICES
(805) 654-2305 FAX (805) 654-3500

SUPPORT SERVICES
(805) 654-5134 FAX (805) 677-8715

Visit Us on the Web
www.vcsd.org

MEDICAL EXAMINATION REPORT – Peace Officer

POST 2-253 (Rev 12/2012)

SECTION 2. EVALUATION REPORT

Instructions to the Physician:

- This section is to be completed and submitted to the hiring department.
- The hiring department will maintain the Medical Evaluation Report page in the individual's background investigation file. Do not include medical information on this page.

Medical Evaluation Report

Candidate's Name Monica McGrath

Birth Date 9-14-62 Last 4 digits of Social Security Number 9518

On 10-9-18, I completed a pre-employment medical screening evaluation
(DATE OF EVALUATION)
on the above-named peace officer candidate, in accordance with California Government Code Section 1031(f)
and POST Commission Regulation 1954. Based on the results and findings of that evaluation:

I certify that the candidate is medically suitable to perform the peace officer duties and responsibilities as defined and provided by the hiring department either without any accommodations, or provided that the specified work restrictions, limitations, or reasonable accommodations can be implemented. (Describe any work restrictions, limitations, or reasonable accommodation requirements on the following page.)

I cannot certify that the candidate is medically suitable to perform the peace officer duties and responsibilities as defined and provided by the hiring department.

Physician's Signature [Signature] 039939/CA

Printed Name, Medical License Number, and Contact Information:
ROBERT STERLING, MD
K AIMEE FULLER, PhD, C-FNP, RN
EMPLOYEE HEALTH SERVICES #1150
800 S. VICTORIA AVE
VENTURA, CA 93000
TELEPHONE (805) 654-3813



October 22, 2018

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

SUBJECT: STAFF REPORT AND ANALYSIS OF ADDITIONAL PAY CODES UNDER PEPRA & BOARD RESOLUTION ON PENSIONABLE COMPENSATION

Dear Board Members:

Background

In October 2015, the VCERA Board of Retirement took action on pensionability of individual pay codes pursuant to its November 2014 resolution interpreting "pensionable compensation" under Government Code section 7522.34. That action identified pay codes to be included in, and excluded from, "pensionable compensation" applicable to VCERA members who first join the retirement system (without reciprocity) on or after January 1, 2013.

The Resolution further instructs that the Retirement Administrator is responsible for analyzing new pay codes to determine whether they constitute pensionable compensation or not under the Resolution, and later bring such determinations to the VCERA Board for action.

Since the last occasion the Board took action on pay codes, 17 codes have been added by the County of Ventura, and one code has been added by the Ventura Regional Sanitation District (VRSD).

Analysis Summary

For the County of Ventura's pay codes, our analysis indicates that of the seventeen (17) codes, five (5) meet the criteria of pensionable compensation and twelve (12) do not.

For VRSD's single pay code, our analysis indicates that it meets the criteria of pensionable compensation.

A list of these codes are listed on the following page, with VCERA's analysis of whether the codes meet the criteria for pensionable compensation and the reason.

Summary of New Code Analysis

COUNTY OF VENTURA			
Code	Description	Analysis	Reason
R4H	Retro 4850 Non-Tax 4 Hr OT	Meets Criteria	Compensation for overtime worked as defined in Section 207(k) for Title 29 of the USC
NRA	Nurses Retention Prem Adjustment	Meets Criteria	This code is to process adjustments for Nurses Retention Premium, which is included in pensionable compensation.
JCP	Jail Cook Premium 5%	Meets Criteria	All jail cooks regularly assigned to the Food Services Division are eligible for this payment. Thus, is for regularly assigned normal or essential job functions of an identifiable subgroup of similarly situated members within this group or class of employment.
TFH	Thomas Fire Hourly NonFLSA	Meets Criteria	Included in normal monthly rate of pay
TFS	Thomas Fire Salary	Meets Criteria	Included in normal monthly rate of pay
FCU	Flex Credit SEIU F/T	Does Not Meet Criteria	In-kind conversion and excluded allowance
FCE	Flex Credit IUOE F/T	Does Not Meet Criteria	In-kind conversion and excluded allowance
TWR	Radio Tower Premium	Does Not Meet Criteria	Payment for specific task when task is performed. By definition, not for regularly assigned normal or essential job functions, nor available to all similarly situated members of the same group or class of employment.
DSP	VCDSA 2017 Comp Payout	Does Not Meet Criteria	Compensation for unused compensatory time off
FCV	Flex Credit VEA F/T	Does Not Meet Criteria	In-kind conversion and excluded allowance
FCA	Flex Credit CJAAVC F/T	Does Not Meet Criteria	In-kind conversion and excluded allowance
VAX	CNRCPT Taxable Adjustment	Does Not Meet Criteria	Tax adjustment code
VXF	CNRCPT Taxable Adj w/o FICA	Does Not Meet Criteria	Tax adjustment code
FCN	Flex Credit CNA F/T	Does Not Meet Criteria	In-kind conversion and excluded allowance
XXX	Settlement Payment	Does Not Meet Criteria	One-time ad-hoc payment
FCS	Flex Credit SPOAVC F/T	Does Not Meet Criteria	In-kind conversion and excluded allowance
FCD	Flex Credit VCDSA F/T	Does Not Meet Criteria	In-kind conversion and excluded allowance
VENTURA REGIONAL SANITATION DISTRICT (VRSD)			
Code	Description	Analysis	Reason
01CMPT	(R) Comp Time Taken	Meets Criteria	Included in normal monthly rate of pay

PEPRA Pensionable Compensation Analysis Recommendations

Page | 3

Corrective Action

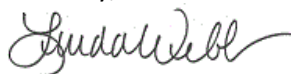
At implementation of Code JCP, the Auditor-Controller's office made a preliminary determination that this code was not pensionable for PEPRA members. However, this has been resolved and they now agree with VCERA staff that the item indeed meets the criteria for inclusion in pensionable compensation.

Staff recommends corrective action to include JCP in pensionable compensation from inception of the pay code. This will require the Auditor-Controller's office to complete payroll adjustments to include JCP as pensionable for PEPRA members currently and retroactively.

RECOMMENDATION: APPROVE AND ADOPT STAFF RECOMMENDATIONS REGARDING THE INCLUSION IN OR EXCLUSION FROM PENSIONABLE COMPENSATION THE SPECIFIC PAY CODES PROVIDED IN ATTACHMENT A, EFFECTIVE ON THE INITIAL DATES OF PAYMENT BY THE EMPLOYER, IN SUPPORT OF, AND AS ADDENDUMS TO, THE BOARD RESOLUTION OF NOVEMBER 2014 REGARDING PENSIONABLE COMPENSATION DETERMINATIONS.

Staff will be happy to answer any questions at the October 22, 2018 business meeting.

Sincerely,



Linda Webb
Retirement Administrator



SACRS Business Meeting Packet

Friday, November 16, 2018

10:00 AM - Upon Adjournment

Renaissance Indian Wells Resort & Spa



SACRS Business Meeting Agenda
Friday, November 16, 2018
10:00 AM - Upon Adjournment
Renaissance Indian Wells Hotel and Spa
Indian Wells, CA

SACRS Parliamentarian – Lance Kjeldgaard
Sergeant at Arms – Bob Goodchild, San Diego CERA

1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary

2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. May 2018 SACRS Business Meeting Minutes

3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

- A. July 2018 – August 2018 Financials

4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

- A. SACRS President Update

5. SACRS Legislative Committee Update - Vote

Vacant, SACRS Legislative Committee Chair

- A. 2018 Legislative Report – No Action
- B. Orange CERS Proposal – NO ACTION **ITEM WITHDRAWN**

6. SACRS Nomination Committee - 2019-2020 SACRS Election Notice – No Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

- A. SACRS Election Notice 2019-2020

7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

- A. SACRS Audit Committee Update



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

- A. SACRS Fall Conference Evaluations 2018

9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

- A. SACRS Fall Conference Report 2018

10. SACRS Affiliate Committee Report – No Action

Lesley Nettles, Fairview Capital, SACRS Affiliate Committee Chair

- A. Affiliate Committee Update

11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

- A. Bylaws Committee Update

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees

13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA.



1. SACRS System Roll Call

Kathryn Cavness, Mendocino CERA, SACRS Secretary



1. SACRS System Roll Call

Kathryn Cavness, SACRS Secretary

System	In Attendance	Absent	Delegate/Alternate Name
Alameda			
Contra Costa			
Fresno			
Imperial			
Kern			
Los Angeles			
Marin			
Mendocino			
Merced			
Orange			
Sacramento			
San Bernardino			
San Diego			
San Joaquin			
San Mateo			
Santa Barbara			
Sonoma			
Stanislaus			
Tulare			
Ventura			
Total			



2. Secretary's Report - Receive and File

Kathryn Cavness, Mendocino CERA, SACRS Secretary

- A. May 2018 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes
Friday, May 18, 2018
10:00 AM - Upon Adjournment
Anaheim Marriott
Anaheim, CA

SACRS Parliamentarian – Lance Kjeldgaard
Sergeant at Arms – Bob Goodchild, San Diego CERA

Meeting called to order at 10:10 am by Dan McAllister, SACRS President.

SACRS Board of Directors in Attendance: Dan McAllister, President, Gabe Rodrigues, Vice President, Harry Hagan, Treasurer, Kathryn Cavness, Secretary, Ray McCray, Past President and Lesley Nettles, Affiliate Chair

1. SACRS System Roll Call

Kathryn Cavness, SACRS Secretary

20 SACRS Member Systems Present

Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Merced, Orange, Sacramento, San Bernardino, San Diego, San Joaquin, San Mateo, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

2. Secretary's Report - Receive and File

Kathryn Cavness, SACRS Secretary

A. November 2017 SACRS Business Meeting Minutes

Motion: San Diego CERA made motion to approve the minutes as presented.

2nd: Alameda CERA

Yes: All

No: 0

Motion Passes 20-0

3. Treasurer's Report - Receive and File

Harry Hagen, SACRS Treasurer

A. July 2017 – February 2018 Financials

Received and Filed. No roll call taken, San Diego CERA requested that the membership receive and file report. No opposition was noted, all agreed verbally.



4. SACRS President Report - No Action

Dan McAllister, SACRS President

A. SACRS President Update

Discussion: No action, verbal report given by Dan McAllister, SACRS President

5. SACRS Legislative Committee Update - Vote

Tracy Towner, SACRS Legislative Committee Chair

A. 2018 Legislative Update – No Action

B. SB 1270 (Videk) – Vote

SACRS membership will need to vote to sponsor this legislation

Discussion: Report was provided by Trent Smith, SACRS Legislative Advocate on behalf of Chair. Trent gave a verbal overview of the legislative issues for 2018 and presented the SB 1270 (Videk) language to the membership. The Tulare County Retirement System has sponsored SB 1270 by Senator Andy Vidak who represents Tulare County in the State Senate. This bill would allow any CERL Board to hire, dismiss, and set compensation for Assistant Administrators and Chief Investment Officers upon agreement with Board of Supervisors in that county. This authority already exists for a number of systems which have been given this statutory authority on a case-by-case. This bill would eliminate the need to go back to the Legislature every time a county and a retirement system agree to this practice.

Motion: San Diego CERA made a motion to support the SB 1270 (Videk) language presented.

2nd: Marin CERA

Yes: Alameda, Contra Costa, Fresno, Imperial, Kern, Los Angeles, Marin, Mendocino, Orange, San Bernardino, San Diego, San Joaquin, Santa Barbara, Sonoma, Stanislaus, Tulare and Ventura

No: San Mateo

Abstain: Merced and Sacramento

Motion Passes 17-1-2

6. SACRS Nomination Committee - 2018-2019 SACRS BOD Elections - Vote

Ray McCray, Nomination Committee Chair

A. SACRS BOD 2018 – 2019 Ballot

Motion: San Diego CERA made a motion to accept the recommended slate –

- Dan McAllister, San Diego CERA, President



- Vivian Gray, Los Angeles CERA, Vice President
- Harry Hagen, Santa Barbara CERS, Treasurer
- Kathryn Cavness, Mendocino CERA, Secretary
- Roger Hilton, Orange CERS, General
- Chris Cooper, General

2nd: Fresno

Yes: All

No: 0

Motion Passes 20-0

7. SACRS Audit Report – No Action

Steve Delaney, SACRS Audit Committee Chair

A. SACRS Audit Committee Update

Discussion: No report, next audit period will begin end of fiscal year June 30, 2018.

8. SACRS Education Committee Report – No Action

Christie Porter, SACRS Education Committee Chair

A. SACRS Spring Conference Evaluations 2018

Discussion: Report was provided by Sulema Peterson on behalf of Chair. Onsite evaluations were positive overall, online evaluations will be available for attendees that would like to submit electronically. A full report will be submitted to the board on behalf of the committee in June.

9. SACRS Program Committee Report – No Action

Gabe Rodrigues, SACRS Program Committee Chair

A. SACRS Spring Conference Report 2018

Discussion: A verbal update was provided by Gabe Rodrigues, Gabe thanked the committee members for a great conference. Encouraged attendees to submit potential topics and speaker ideas to the committee for the Fall 2018 conference.

10. SACRS Affiliate Committee Report – No Action

Lesley Nettles, SACRS Affiliate Committee Chair

A. Affiliate Committee Update

Discussion: A verbal update was provided by Lesley Nettles, Affiliate Committee Chair. Lesley reported that the group had a great turn out for their breakout, kudos to Don Pierce for his assistance coordinating the “Speed Dating” concept with the system CIO’s. The Affiliate membership appreciated everyone that participated.



11. SACRS Bylaws Committee Report – No Action

Vivian Gray, SACRS Bylaws Committee Chair

A. Bylaws Committee Update

Discussion: Vivian Gray thanked the Bylaws committee for their efforts towards amending the bylaws to include two new board of directors.

12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators – Scott Jarvis reported a great session and Dominic Brown, Kern CERA will serve as the Fall moderator.
- B. Counsel – Michael Calabrese reported that they had a great attendance, good discussion and they did not assign a moderator for Fall conference.
- C. Disability/ Operations & Benefits Combo – Carlos Barrios reported a great meeting for the combo session and that Kathy Regalia, Sacramento CERS will serve as the Fall moderator.
- D. Internal Auditors – No Report
- E. Investment Officers – Donald Pierce reported that the session was well attended, good discussion and appreciated the co-session with the affiliate breakout. Don has volunteered to serve as the Fall moderator.
- F. Safety Trustees – Gabe Rodrigues reported that the Safety group had a Medical Trust presentation, good attendance and they did not assign a moderator for Fall conference.
- G. General Trustees – Vivian Gray reported that the Trustee session was well attended, Rich White moderated a lively discussion and the session ended with a roundtable discussion amongst the Trustees. The group did not assign a volunteer for the Fall conference.

Other Items:

At completion of the meeting, Bylaws Chair and new Vice President, Vivian Gray, invited Roger Hilton, Orange CERS and Chris Cooper, Marin CERA to say a few words to the membership. Roger Hilton and Chris Cooper then introduced themselves, gave some background on their current roles at their retirement systems and thanked the membership for its support and both gentlemen are looking forward to serving as board members.

13. Adjournment

Meeting adjourned at 10:57 am by Dan McAllister, SACRS President



Next scheduled SACRS Association Business Meeting will be held Friday, November 16, 2018 at the Indian Wells Renaissance Hotel and Spa in Indian Wells, CA.

Minutes respectfully submitted by:

Kathryn Cavness, SACRS Secretary

Sulema Peterson, SACRS Administrator



3. Treasurer's Report - Receive and File

Harry Hagen, Santa Barbara CERS, SACRS Treasurer

A. July 2018 – August 2018 Financials

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**Balance Sheet**

As of August 31, 2018

	<u>Aug 31, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · First Foundation Bank-Checking	231,422.04
1001 · BofA Interest Checking 4389	239,749.45
1002 · First Foundation Bank ICS Acct	<u>57,367.37</u>
Total Checking/Savings	528,538.86
Other Current Assets	
1099 · CalTrust - BlackRock TempFund	7,939.75
1100 · CalTrust - Medium Term	1,135,517.03
1104 · CalTrust - BlackRock FedFund	764,420.61
1201 · Deposits in Transit	<u>20,480.00</u>
Total Other Current Assets	<u>1,928,357.39</u>
Total Current Assets	<u>2,456,896.25</u>
TOTAL ASSETS	<u><u>2,456,896.25</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Unrealized Gain (Loss)	<u>18,799.40</u>
Total Other Current Liabilities	<u>18,799.40</u>
Total Current Liabilities	<u>18,799.40</u>
Total Liabilities	18,799.40
Equity	
32000 · Retained Earnings	2,194,804.37
Net Income	<u>243,292.48</u>
Total Equity	<u>2,438,096.85</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,456,896.25</u></u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**Profit & Loss**

August 2018

	<u>Aug 18</u>
Ordinary Income/Expense	
Income	
4100 · Membership Dues	
4101 · Affiliates	107,500.00
4102 · Non Profit - Organizations	750.00
4103 · Non Profit - Systems	1,500.00
4104 · Systems - Medium	20,000.00
4105 · Systems - Large	24,000.00
Total 4100 · Membership Dues	<u>153,750.00</u>
4270 · UC Berkeley Program	
4272 · Sponsorships	2,000.00
Total 4270 · UC Berkeley Program	<u>2,000.00</u>
4300 · Fall Conference Registration	
4301 · Affiliates - Early	93,840.00
4304 · Non Profit	360.00
4305 · Systems	6,240.00
4306 · Non-Members	37,380.00
4307 · Fun Run	270.00
Total 4300 · Fall Conference Registration	<u>138,090.00</u>
4900 · Interest Earned	47.65
Total Income	<u>293,887.65</u>
Gross Profit	293,887.65
Expense	
5000 · Administrative Fee - SYAi	14,616.61
5003 · Bank Charges/Credit Card Fees	4,007.70
5010 · Berkeley & Symposium	
5011 · Audio/Visual	2,159.70
5013 · Hotel	889.27
Total 5010 · Berkeley & Symposium	<u>3,048.97</u>
5041 · Consulting	1,666.00
5050 · Fall Conference	
5055 · Program Material	1,029.58
Total 5050 · Fall Conference	<u>1,029.58</u>
5072 · Legislative Advocacy	4,718.80

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS**Profit & Loss**

August 2018

	<u>Aug 18</u>
6000 - Board & Committees	
6001 - Board of Directors	
6001.1 - Food & Beverage	1,463.57
6001.2 - Printing/Supplies	877.39
6001.3 - Travel - BOD Meetings	89.76
Total 6001 - Board of Directors	<u>2,430.72</u>
6002 - Legislative Committee Meetings	48.85
6003 - Program Committee Meetings	84.89
Total 6000 - Board & Committees	<u>2,564.46</u>
6010 - Office Expenses / Supplies	384.87
6011 - Postage & Delivery	1,231.95
6020 - Spring Conference	
6025 - Program Material	42.15
6028 - Travel	1,211.73
Total 6020 - Spring Conference	<u>1,253.88</u>
6053 - Technology/AMS/Website	54.98
6054 - Travel	3,871.45
Total Expense	<u>38,449.25</u>
Net Ordinary Income	<u>255,438.40</u>
Net Income	<u><u>255,438.40</u></u>

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
 July through August 2018

	Jul - Aug 18	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4100 - Membership Dues				
4101 - Affiliates	217,500.00	268,750.00	-51,250.00	80.93%
4102 - Non Profit - Organizations	2,000.00	3,000.00	-1,000.00	66.67%
4103 - Non Profit - Systems	6,000.00	6,000.00	0.00	100.0%
4104 - Systems - Medium	48,000.00	52,000.00	-4,000.00	92.31%
4105 - Systems - Large	36,000.00	42,000.00	-6,000.00	85.71%
Total 4100 - Membership Dues	309,500.00	371,750.00	-62,250.00	83.26%
4250 - Product Income				
4252 - Roster	0.00	0.00	0.00	0.0%
4254 - Website Job Board	0.00	500.00	-500.00	0.0%
4255 - Magazine Advertising	0.00	2,000.00	-2,000.00	0.0%
Total 4250 - Product Income	0.00	2,500.00	-2,500.00	0.0%
4270 - UC Berkeley Program				
4271 - Registrations	5,000.00	75,000.00	-70,000.00	6.67%
4272 - Sponsorships	9,500.00	50,000.00	-40,500.00	19.0%
Total 4270 - UC Berkeley Program	14,500.00	125,000.00	-110,500.00	11.6%
4300 - Fall Conference Registration				
4301 - Affiliates - Early	113,220.00	180,000.00	-66,780.00	62.9%
4302 - Affiliates - Regular	0.00	90,000.00	-90,000.00	0.0%
4303 - Affiliates - Late/Onsite	0.00	40,000.00	-40,000.00	0.0%
4304 - Non Profit	360.00	1,000.00	-640.00	36.0%
4305 - Systems	6,600.00	26,000.00	-19,400.00	25.39%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
 July through August 2018

	Jul - Aug 18	Budget	\$ Over Budget	% of Budget
4306 - Non-Members	50,730.00	255,000.00	-204,270.00	19.89%
4307 - Fun Run	320.00	1,000.00	-680.00	32.0%
Total 4300 - Fall Conference Registration	171,230.00	593,000.00	-421,770.00	28.88%
4350 - Spring Conference Registration				
4351 - Affiliates - Early	0.00	175,000.00	-175,000.00	0.0%
4352 - Affiliates - Regular	0.00	75,000.00	-75,000.00	0.0%
4353 - Affiliates - Late/Onsite	1,280.00	33,000.00	-31,720.00	3.88%
4354 - Non Profit	0.00	1,000.00	-1,000.00	0.0%
4355 - Systems	1,200.00	22,500.00	-21,300.00	5.33%
4356 - Non-Members	0.00	230,000.00	-230,000.00	0.0%
4357 - Fun Run	0.00	1,000.00	-1,000.00	0.0%
Total 4350 - Spring Conference Registration	2,480.00	537,500.00	-535,020.00	0.46%
4900 - Interest Earned	81.88			
Total Income	497,791.88	1,629,750.00	-1,131,958.12	30.54%
Gross Profit	497,791.88	1,629,750.00	-1,131,958.12	30.54%
Expense				
5000 - Administrative Fee - SYAi	29,233.22	175,267.01	-146,033.79	16.68%
5001 - Administrative Services	0.00	3,000.00	-3,000.00	0.0%
5002 - Awards	0.00	1,000.00	-1,000.00	0.0%
5003 - Bank Charges/Credit Card Fees	5,838.06	45,000.00	-39,161.94	12.97%
5010 - Berkeley & Symposium				
5011 - Audio/Visual	2,159.70	1,500.00	659.70	143.98%
5012 - Delivery & Shipping	0.00	0.00	0.00	0.0%
5013 - Hotel	13,858.95	12,000.00	1,858.95	115.49%
5014 - Food & Beverage	0.00	0.00	0.00	0.0%
5015 - Materials/Printing/Design	378.88	1,500.00	-1,121.12	25.26%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
 July through August 2018

	Jul - Aug 18	Budget	\$ Over Budget	% of Budget
5016 - Travel	0.00	350.00	-350.00	0.0%
5017 - UC Berkeley	0.00	180,000.00	-180,000.00	0.0%
Total 5010 - Berkeley & Symposium	16,397.53	195,350.00	-178,952.47	8.39%
5030 - CERL				
5031 - Materials/Printing/Design	0.00	20,000.00	-20,000.00	0.0%
5032 - Shipping	0.00	3,500.00	-3,500.00	0.0%
Total 5030 - CERL	0.00	23,500.00	-23,500.00	0.0%
5040 - Commissions & Fees	6,100.00	20,000.00	-13,900.00	30.5%
5041 - Consulting	3,332.00	20,000.00	-16,668.00	16.66%
5042 - Dues & Subscriptions	0.00	3,700.00	-3,700.00	0.0%
5050 - Fall Conference				
5051 - Audio/Visual	0.00	40,300.00	-40,300.00	0.0%
5052 - Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
5053 - Entertainment	0.00	0.00	0.00	0.0%
5054 - Hotel				
5054.1 - Wednesday Night Event	0.00	75,000.00	-75,000.00	0.0%
5054.2 - Conference	0.00	0.00	0.00	0.0%
5054.3 - Food & Beverage	0.00	0.00	0.00	0.0%
5054 - Hotel - Other	0.00	275,000.00	-275,000.00	0.0%
Total 5054 - Hotel	0.00	350,000.00	-350,000.00	0.0%
5055 - Program Material	1,029.58	30,000.00	-28,970.42	3.43%
5056 - Speakers	0.00	50,000.00	-50,000.00	0.0%
5057 - Supplies	0.00	1,000.00	-1,000.00	0.0%
5058 - Travel	0.00	4,000.00	-4,000.00	0.0%
Total 5050 - Fall Conference	1,029.58	477,800.00	-476,770.42	0.22%
5070 - Insurance	0.00	6,000.00	-6,000.00	0.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
 July through August 2018

	Jul - Aug 18	Budget	\$ Over Budget	% of Budget
5071 - Legal & Professional Fees	3,139.00	25,000.00	-21,861.00	12.56%
5072 - Legislative Advocacy	9,437.60	56,901.00	-47,463.40	16.59%
5080 - Magazine				
5081 - Delivery & Shipping	0.00	0.00	0.00	0.0%
5082 - Design/Printing/Etc.	0.00	20,000.00	-20,000.00	0.0%
5080 - Magazine - Other	401.36			
Total 5080 - Magazine	401.36	20,000.00	-19,598.64	2.01%
6000 - Board & Committees				
6001 - Board of Directors				
6001.1 - Food & Beverage	1,418.57	2,500.00	-1,081.43	56.74%
6001.2 - Printing/Supplies	877.39	2,500.00	-1,622.61	35.1%
6001.3 - Travel - BOD Meetings	445.72	15,000.00	-14,554.28	2.97%
6001.4 - Travel - Miscellaneous BOD	365.51	1,000.00	-634.49	36.55%
6001 - Board of Directors - Other	0.00	1,500.00	-1,500.00	0.0%
Total 6001 - Board of Directors	3,107.19	22,500.00	-19,392.81	13.81%
6002 - Legislative Committee Meetings	88.01	250.00	-161.99	35.2%
6003 - Program Committee Meetings	136.30	400.00	-263.70	34.08%
6004 - Nominating Committee	0.00	0.00	0.00	0.0%
6000 - Board & Committees - Other	17.64			
Total 6000 - Board & Committees	3,349.14	23,150.00	-19,800.86	14.47%
6010 - Office Expenses / Supplies	2,213.21	2,500.00	-286.79	88.53%
6011 - Postage & Delivery	2,327.38	3,200.00	-872.62	72.73%
6020 - Spring Conference				
6021 - Audio/Visual	0.00	45,000.00	-45,000.00	0.0%
6022 - Delivery & Shipping	0.00	2,500.00	-2,500.00	0.0%
6023 - Entertainment	343.72	0.00	343.72	100.0%

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
Profit & Loss Budget vs. Actual
 July through August 2018

	<u>Jul - Aug 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
6024 - Hotel				
6024.1 - Wednesday Night Event	56.68	75,000.00	-74,943.32	0.08%
6024.2 - Conference	134,705.91			
6024.3 - Food & Beverage	10,000.00			
6024 - Hotel - Other	5,710.97	275,000.00	-269,289.03	2.08%
Total 6024 - Hotel	150,473.56	350,000.00	-199,526.44	42.99%
6025 - Program Material	1,060.97	30,000.00	-28,939.03	3.54%
6026 - Speakers	0.00	50,000.00	-50,000.00	0.0%
6027 - Supplies	0.00	1,000.00	-1,000.00	0.0%
6028 - Travel	7,708.16	3,000.00	4,708.16	256.94%
Total 6020 - Spring Conference	159,586.41	481,500.00	-321,913.59	33.14%
6051 - Taxes & Licenses	0.00	100.00	-100.00	0.0%
6053 - Technology/AMS/Website	6,709.97	15,000.00	-8,290.03	44.73%
6054 - Travel	5,404.94	25,000.00	-19,595.06	21.62%
Total Expense	254,499.40	1,622,968.01	-1,368,468.61	15.68%
Net Ordinary Income	243,292.48	6,781.99	236,510.49	3,587.33%
Net Income	243,292.48	6,781.99	236,510.49	3,587.33%



4. SACRS President Report - No Action

Dan McAllister, San Diego CERA, SACRS President

A. SACRS President Update



Providing insight. Fostering oversight.

No Printed Materials For This Item



5. SACRS Legislative Committee Update - Vote Vacant, SACRS
Legislative Committee Chair

- A. 2018 Legislative Report – No Action
- B. Orange CERS Proposal – NO ACTION - ITEM WITHDRAWN



EDELSTEIN GILBERT ROBSON & SMITH^{LLC}

Donald B. Gilbert Michael R. Robson Trent E. Smith Jason D. Ikerd ^{Associate}

State Association of County Retirement Systems 2018 Legislative Update September 14, 2018

The Legislature adjourned its 2017-2018 Legislative Session just before midnight on August 31, having passed 1,562 bills to the Governor in the final months of the legislative session. The Governor has until September 30 to sign or veto all the bills before him. At the time of this writing, the Governor has yet to act on about half of the bills before him.

Members of the Legislature, in the meantime, have returned to their districts to campaign for re-election, travel, meet with constituents and begin preparing for the 2019 Legislative Session. The Legislature will return briefly on December 3 to swear-in members elected in November.

The following is a brief recap of the 2018 Legislative Session as it applies to the State Association of County Retirement Systems (SACRS).

SACRS Sponsored Legislation

SB 1270 (Vidak) -- County Retirement System Personnel –Signed by Governor

At the 2018 Spring Meeting, SACRS voted to co-sponsor SB 1270 with the Tulare County Retirement System. SB 1270 is authored by Senator Andy Vidak and would authorize a county retirement board to appoint an assistant administrator and chief investment officer to serve at the pleasure of the appointing board. This authority would be granted subject to the approval and adoption of a resolution by the relevant County Board of Supervisors for that system.

SB 1270 is consistent with the long-standing SACRS goal of providing retirement boards the tools needed to best manage and recruit talented and skilled employees in order to protect the assets of retirees and to fulfill the fiduciary responsibility of the retirement systems. SB 1270 is structured so that retirement boards and the boards of supervisors work collaboratively in this regard.

There are already five county retirement systems with this authority granted by the Legislature. SB 1270 puts in place a statutory mechanism that will save future retirement systems and counties from coming back to the Legislature each time a local agreement on these personnel matters is made.

Governor Brown signed this bill into law on July 16.

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September 14, 2018
Page Two

Other County Retirement Legislation

AB 2076 (Rodriguez) – LACERA – Signed by Governor

This bill will authorize LACERA to correct a prior board decision determining the date of retirement for a member permanently incapacitated for disability that was made between January 1, 2013, and December 31, 2015, and was based upon an error of law existing at the time of the decision. The bill would further authorize a member seeking correction under these provisions to file an application with the board no later than one year from the date these provisions become operative.

Governor Brown signed this bill into law on July 16.

SB 866 and SB 846 – Budget Trailer Bill and Trailer Bill Cleanup – KCERA

The Legislature passed and the Governor signed a budget trailer bill that, among other things, required the Kern County Hospital to enroll all new hires in the Kern County Employee Retirement Association (KCERA). That bill, SB 866, was negotiated by the public employee union representing hospital workers in Kern County, the Legislature, and the Governor's office in the final days leading to adoption of the state budget and had no substantive public review. It became apparent to KCERA, after the fact, that the wording in the newly adopted law could jeopardize KCERA's tax status with the Internal Revenue Service.

KCERA's General Counsel, Executive Director, and outside counsel reached out to the legislative team to seek guidance and help on how to rectify this problem during the short window remaining in the 2018 Legislative Session.

We helped by providing strategic guidance on working with the public employee union and brought the issue to the attention of the Governor's Office and the Legislative Leadership. We were able to secure important phone calls between KCERA and staff within the Governor's office. Further, KCERA provided us with a suggested legislative fix that we shared with the Assembly and Senate budget staff and the Governor's office.

Working with the KCERA team, we were able to secure a budget trailer cleanup bill that was heard in committees of both houses and voted on the floors of each house -- all within the course of just one month. We are pleased to report that SB 846 is currently awaiting action by the Governor and we expect it will be signed.

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Retirement Legislation of Interest

AB 1912 (Jones-Sawyer) – JPA Liability for Retirement

As originally introduced, this bill would have required member agencies of a Joint Powers Agency to be jointly and severally liable for the retirement obligations of its employees. This bill arose out of the dissolution of a JPA in Los Angeles that resulted in the JPA's insolvency and inability to pay retirement contributions to PERS. As it passed the Assembly, it applied to all JPA's contracting with a retirement system. AB 1912 was strongly opposed by cities, counties and special districts and it did not appear likely that it would pass the Senate policy committee. Prior to the hearing in the Senate Public Employment and Retirement Committee (PE&R), an agreement was made to amend the bill to require proportional liability for JPA's that become insolvent. With that amendment, local government associations removed their opposition and the bill passed both policy committees and the Senate. At the time of this writing, the bill is awaiting action by the Governor.

AB 3084 (Levine) – OPEB Funding

This bill would have required all state and local retirement systems to describe contribution, funding and investment progress of other post-employment benefits (OPEB) in the audited financial statements of the system. The SACRS Legislative Committee opposed this bill due to the fact that most OPEB plans are sponsored and financed by an entity other than the retirement system and it would be inappropriate and confusing to make the retirement system responsible for reporting on OPEB liabilities. Armed with that information, we successfully lobbied the author to remove the reporting obligation placed on retirement systems. The amended bill passed its first policy committee but was held in the Assembly Appropriations Committee due to the cost on the government employer.

Pension Reform

The 2018 Legislative Session commenced concurrently with the release by the League of California Cities' Retirement System Sustainability Study. This report gained a lot of media and public attention and highlights local government's concern that funding for pensions is impacting funding for existing services. This report, and others like it, help drive legislative efforts on pension reform.

The 2018 Legislative Session yielded a handful of introduced bills that would be labeled "pension reform" by the authors and proponents. Generally, these bills are characterized as a means to reduce or eliminate long-term pension liabilities of government agencies. These bills tend to try to change public retirement from defined

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September 14, 2018
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benefit programs to defined contribution programs and are typically introduced by Republicans. Most of these bills do not even get set for hearings. Below, however, are bills that were heard, voted on, and defeated in legislative committees.

SB 1031 (Moorlach) – Cost of Living Adjustments

This bill would prohibit a cost of living adjustment to beneficiaries or survivors if the unfunded liability for that retirement system is greater than 20 percent. Senator Moorlach is an Orange County Republican who believes that his efforts are in the long-term interest of public employees. This bill was supported by the Orange County Cities Association and opposed by a coalition of public employee unions. It failed on a 1-3 vote in committee.

SB 1149 (Glazer) – PERS Defined Contribution Plan

This bill would create an optional defined contribution plan for new state employees who are eligible to become members of PERS and who choose not to make contributions into the defined benefit program under PERL.

Senator Glazer, a Democrat from Contra Costa County, argued that his bill recognizes the changing demographic nature of the state workforce, who are now trending younger and less likely to spend their whole career in state civil service. He believes these employees want and need portable retirement benefits.

SB 1149 was opposed by a coalition of public employee unions and it failed passage in the Senate PE&R Committee on a 1-3 vote.

SCA 8 (Moorlach) – Constitutional Amendment: Benefit Reductions

This constitutional amendment would allow a government employer, including a county, to reduce retirement benefits on work not yet performed. This would mean that the employee's defined benefit could be changed mid-career. Senator Moorlach argued that he is protecting retirees from the actions of a judge who may do something worse in the case of an insolvent retirement system. The public employees opposed the bill arguing that benefits can be reduced through bargaining. The bill failed passage in the Senate PE&R Committee on August 13 on a 2-3 vote.

SCA 10 (Moorlach) – Constitutional Amendment: Voter Approval of Benefits

This constitutional amendment would prohibit any government employer from approving a retirement benefit increase unless that increase is approved by a two-thirds vote of the electorate of that government jurisdiction. This bill was heard in committee on August 13. Senator Moorlach argued that this method of approving benefits works in San Francisco and should work for the state. The public employee unions argued that this undermines collective bargaining. The bill failed on a 2-3 vote.

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November Election

The November election will be held on November 6. While there are a lot of California Congressional seats “in play” for the General Election that could tip the balance of power in Washington DC, there will be no partisan shakeup in the California Legislature. Nor will Republicans gain any statewide elected offices.

Most political pundits agree that the only statewide partisan seat that is competitive will be the race for Insurance Commissioner which pits Democrat State Senator Ricardo Lara against former Insurance Commissioner Steve Poizner who is no longer registered with a political party.

Governor

It is widely expected that the current Lt. Governor, Democrat Gavin Newsom, will prevail in the race for Governor against Republican John Cox. If that occurs, this will be the first time since the 1990 election that a new Governor will be from the party of the departing Governor.

Legislature

As noted above, there are only a handful of competitive legislative seats. The only electoral suspense will be whether Democrats in the Senate regain the two-thirds supermajority that it lost in 2018 and whether Democrats in the Assembly hold or build on their existing supermajority.

We look forward to discussing all of this and more at the SACRS Conference in November.

COMPLETE

Collector: Web Link 1 (Web Link)
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Last Modified: Tuesday, September 04, 2018 2:55:14 PM
Time Spent: 03:56:50
IP Address: 12.52.174.18

Page 1

Q1 Title of Issue:

Compensation of Board Members

Q2 Retirement Association/System:

Orange County Employees Retirement System

Q3 Contact Person:

Gina M. Ratto

Q4 Contact e-mail:

gratto@ocers.org

Q5 Contact Phone #:

(714) 558-6221

Q6 Description of issue:

The amount of the stipend paid to appointed members and the retiree member of the board of retirement for attendance at meetings of the board and committees has remained the same (\$100 per meeting) and has not been adjusted (not even for inflation) for at least 20 years.

Q7 Recommended solution:

Amend Government Code section 31521 to increase the per meeting stipend to \$200 per meeting, to be adjusted annually.

Q8 Specific language that you would like changed in, or added to, '37 Act Law, and suggested code section numbers:

Amend section 31521 so that it reads as follows: "The board of supervisors may provide that the fourth and fifth members, and in counties having a board consisting of nine members or nine members and an alternate retired member, the fourth, fifth, sixth, eighth, ninth, and alternate retired members, and in counties having a board of investments under Section 31520.2 , the fifth, sixth, seventh, eighth, and ninth members of the board of investments, shall receive compensation at a rate of not more than two hundred dollars (\$200) for a meeting, or for a meeting of a committee authorized by the board, for not more than five meetings per month, adjusted annually by the amount of the adjustment approved by the board in accordance with Article 16.5 of this chapter (commencing with Section 31870), together with actual and necessary expenses for all members of the board."

Q9 Why should the proposed legislation be sponsored by SACRS rather than by your individual retirement association/system?

Because all county retirement systems stand to benefit from the amendment.

Q10 Do you anticipate that the proposed legislation would create any major problems such as conflicting with Proposition 162 or create a problem with any of the other 19 SACRS retirement associations/systems?

No.

Q11 Who will support or oppose this proposed change in the law?

Some county retirement systems may support this proposed change in the law. Some county retirement systems may oppose this proposed change in the law.

Q12 Who will be available from your retirement association/system to testify before the

Legislature? Gina M. Ratto, OCERS General Counsel



6. SACRS Nomination Committee - 2019-2020 SACRS Election Notice – No Action

Ray McCray, San Joaquin CERA, SACRS Nomination Committee Chair

A. SACRS Election Notice 2019-2020



November 16, 2018

To: SACRS Trustees & SACRS Administrators/CEO's
 From: Ray McCray, SACRS Immediate Past President, Nominating Committee Chair
 SACRS Nominating Committee
 Re: SACRS Board of Director Elections 2019-2020 Elections

SACRS BOD 2019-2020 election process will begin **January 2019**. Please review the following timeline and distribute to your Board of Trustees.

DEADLINE	DESCRIPTION
March 1, 2019	Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations prior to the first Business Day after March 1 of each calendar year. Nominations shall not be accepted from the floor on the day of the election.
March 25, 2019	The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25
May 10, 2019	Nomination Committee to conduct elections during the SACRS Business Meeting at the Spring Conference (May 7-10, 2019)
May 10, 2019	Board of Directors take office for 1 year

Per SACRS Bylaws, Article VIII, Section 1. Board of Director and Section 2. Elections of Directors:

Section 1. Board of Directors. The Board shall consist of the officers of SACRS as described in Article VI, Section 1, the immediately Past President, and two (2) regular members.

- A. Immediate Past President. The immediate Past President, while he or she is a regular member of SACRS, shall also be a member of the Board. In the event the immediate Past President is unable to serve on the Board, the most recent Past President who qualifies shall serve as a member of the Board.
- B. Two (2) Regular Members. Two (2) regular members shall also be members of the Board.

Section 2. Elections of Directors. Any regular member may submit nominations for the election of a Director to the Nominating Committee, provided the Nominating Committee receives those nominations prior to the first Business Day after March 1 of each calendar year. Nominations shall not be accepted from the floor on the day of the election.

The Nominating Committee will report a final ballot to each regular member County Retirement System prior to March 25.

The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee's recommended ballot and final ballot to each trustee and



placing the election of SACRS Directors on his or her board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee.

Director elections shall take place during the first regular meeting of each calendar year. The election shall be conducted by an open roll call vote, and shall conform with Article V, Sections 6 and 7 of these Bylaws.

Newly elected Directors shall assume their duties at the conclusion of the meeting at which they are elected, with the exception of the office of Treasurer. The incumbent Treasurer shall co-serve with the newly elected Treasurer through the completion of the current fiscal year.

Interested candidates should submit their letter of intent and the form included in this letter to the Nomination Committee no later than the cut-off dates listed in the schedule.

The elections will be held at the SACRS Spring Conference May 7-10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA. Elections will be held during the Annual Business meeting on Friday, May 10, 2019.

If you have any questions, please contact me at Ray McCray, raym1@sbcglobal.net or (209) 417-4472.

Thank you for your prompt attention to this timely matter.

Sincerely,

Ray McCray

Ray McCray, San Joaquin CERA Trustee
SACRS Nominating Committee Chair

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



**SACRS Nomination Submission Form
SACRS Board of Directors Elections 2019-2020**

All interested candidates must complete this form and submit along with a letter of intent. **Both the form and the letter of intent must be submitted no later than March 1, 2019.** Please submit to the Nominating Committee Chair at raym1@sbcglobal.net AND to SACRS at sulema@sacrs.org. If you have any questions, please feel free to contact Sulema Peterson at SACRS at (916) 441-1850.

Name of Candidate	
Candidate Contact Information (Please include – Phone Number, Email Address and Mailing Address)	
Name of Retirement System Candidate Currently Serves On	
Current Position On Candidates Retirement Board (Chair, Alternate, Retiree, General Elected, Etc)	
Applying for SACRS Board of Directors Position (select only one)	<ul style="list-style-type: none"> <input type="radio"/> President <input type="radio"/> Vice President <input type="radio"/> Treasurer <input type="radio"/> Secretary <input type="radio"/> Regular Member
Brief Bio	



7. SACRS Audit Report – No Action

Steve Delaney, Orange CERS, SACRS Audit Committee Chair

A. SACRS Audit Committee Update



Providing insight. Fostering oversight.

No Printed Materials For This Item



8. SACRS Education Committee Report – No Action

JJ Popowich, Los Angeles CERA, SACRS Education Committee Chair

A. SACRS Fall Conference Evaluations 2018



No Printed Materials For This Item



9. SACRS Program Committee Report – No Action

Vivian Gray, Los Angeles CERA, SACRS Program Committee Chair

A. SACRS Fall Conference Report 2018



Providing insight. Fostering oversight.

No Printed Materials For This Item



10. SACRS Affiliate Committee Report – No Action

Lesley Nettles, Fairview Capital, SACRS Affiliate Committee Chair

A. Affiliate Committee Update



Providing insight. Fostering oversight.

No Printed Materials For This Item



11. SACRS Bylaws Committee Report – No Action

Johanna Fontenot, Los Angeles CERA, SACRS Bylaws Committee Chair

A. Bylaws Committee Update



No Printed Materials For This Item



12. SACRS Fall Conference Breakout Reports – No Action

A representative from each breakout will give report on their meetings.

- A. Administrators
- B. Counsel
- C. Disability/ Operations & Benefits Combo
- D. Internal Auditors
- E. Investment Officers
- F. Safety Trustees
- G. General Trustees



13. Adjournment

Next scheduled SACRS Association Business Meeting will be held Friday, May 10, 2019 at the Resort at Squaw Creek, Lake Tahoe, CA.



October 22, 2018

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

SUBJECT: BOARD OF RETIREMENT MEETING CALENDAR FOR 2019

Dear Board Members:

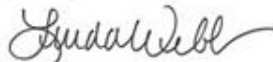
Near the end of each calendar year, the Board of Retirement adopts a meeting schedule for the following year. This schedule reflects provisions in the bylaws (last modified in 1999) that the Board meet on the 1st and 3rd Mondays of each month. The bylaws provide for meetings to be scheduled differently if approved by a majority of the Board. August is traditionally the "dark" month with no scheduled meeting and the Board has a retreat in September or October.

The meeting frequency can create difficulty when legal holidays or other factors trigger meetings on consecutive Mondays. As with the 2018 calendar, staff recommends avoiding consecutive Monday meetings to allow for better efficiency and preparation time when bringing the Board items for consideration. Bearing these factors in mind, staff has drafted the provided 2019 Board meeting calendar.

Staff will be happy to answer any questions at the October 22, 2018 business meeting.

RECOMMENDATION: APPROVE THE PROPOSED 2019 BOARD CALENDAR

Sincerely,



Linda Webb
Retirement Administrator



2019 PROPOSED BOARD OF RETIREMENT MEETING CALENDAR

JANUARY						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

MARCH						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
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27	28	29	30	31		

NOVEMBER						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Disability Meeting
 Business Meeting
 Holiday
 Combined Disability & Business Meeting



October 22, 2018

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

SUBJECT: QUARTERLY RETIREMENT ADMINISTRATOR'S REPORT FOR THE PERIOD OF JULY - SEPTEMBER 2018

Dear Board Members:

In compliance with VCERA's Monitoring & Reporting Policy, this report will include information regarding travel, training, key meetings and media communications, as well as other key issues for July through September of 2018. In some cases, this report contains not only activity of the Retirement Administrator, but of the VCERA staff as a whole.

General

Perhaps the most significant organizational accomplishments in the third quarter of 2018 were the hiring of the new VCERA Communications Officer and completing interviews for the hiring of the VCERA Chief Technology Officer (final candidate selection occurred in October). Both of these positions have taken a great deal of time and effort to fill, and I am confident we have made outstanding selections for both positions.

Josiah Vencel started as the Communications Officer on September 4th. He previously served in a similar role at Kern County Employees Retirement Association (KCERA), and is already working diligently on various projects, including website updates, member self-service portal (MSS) launch, and preparing the first edition of the new VCERA Vibes newsletter.

We look forward also to welcoming our new Chief Technology Officer (CTO), Leah Oliver, who is scheduled to start on November 5th. Leah has worked in the Ventura County IT Services Division since 2009, most recently managing a skilled personal computing team of 11 staff who support a minimum of 2500 users across 16 County agencies and city entities.

The testing of new security enhancements related to the Member Self-Service (MSS) portal is complete, and MSS was launched to VRSD on October 1st. So far, there are no known issues; so, if none are identified, larger groups of the member population will be added in the coming months.

Q3 2018 Report

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Throughout the 3rd quarter, staff continued to work through specific issues related to disability retirement. Examples include the research and preparation regarding a recommendation for a disability retiree's re-examination, implementing the Board's instruction regarding a disability retiree's concerns over the County's processing of her case, researching disability procedures among VCERA's CERL colleagues, and other related issues.

ONGOING OR CYCLICAL WORK IN 3RD QUARTER:

- Staff continued to work closely with CBRE and the real estate committee on securing office space for VCERA in anticipation of the conclusion of our current office lease.
- Annual work to submit data and information to Segal to be used in the preparation of the annual actuarial valuation. Staff also completed work to coordinate the Board's annual retreat.
- With Elections, coordinated the process for the General member elected position.

Travel & Training

During the 3rd quarter, I attended the CALAPRS Administrators' Institute in Carmel in September.

Board/Policy/Compliance

Staff developed proposed amendments to the VCERA bylaws for Board consideration, and also worked specifically on issues related to IRS 401(a)(9) compliance. Research was done with our CERL colleagues to compare policies, approaches, etc. for items such as implementation of model regulation provisions, due diligence report posting practices, reciprocity forms and procedures, and other similar topics.

Media

Staff responded to media inquiries during the 3rd quarter related to Tracy Towner's Civil Service Commission appeal process and the vacancy of the Alternate Safety Trustee position. Staff also provided information to the press related to the election process for the recently-completed General elected position.

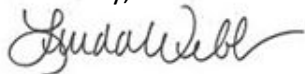
Key Meetings

For the two filled vacancies, I spoke to the HR panel to provide Ideal Candidate Statements to help the process. Interviews for both the Communications Officer and Chief Technology Officer were extensive and time consuming during the quarter.

In addition to many meetings internally related to the topics already mentioned, several key meetings took place with staff members of the Auditor-Controller's Office regarding payroll transmittal and pending corrections. This reached a key point on September 17th when we met the Auditor-Controller and Chief Deputy Amy Herron proposed a plan for elimination of the data correction backlog by the end of FY 018-19.

Please contact me with any questions you may have regarding this quarterly report.

Sincerely,



Linda Webb
Retirement Administrator



October 22, 2018

SUBJECT: CHIEF INVESTMENT OFFICER'S QUARTERLY REPORT FOR THE PERIOD JULY THROUGH SEPTEMBER 2018

Dear Board Members:

Below is a summary of third quarter 2018 investment activity.

Private investment:

- \$87 million new commitments by Abbott Capital across seven funds
- Of the above, \$20 million in two investments by the Fund of One
- \$30 million commitment to Adams Street Co-Investment Fund IV
- \$25 million commitment to Monroe Capital Private Credit Fund III

Investment presentations by:

- Walter Scott
- Hexavest
- NEPC Fixed Income Asset Class Review
- NEPC Direct Lending Private Credit Review

2018 Board Retreat

- Cathie Wood, CIO and CEO Ark Investments- "Disruptive Innovation: Big Ideas of 2018"
- Dr. Bryan Kelly, Yale Professor and Vice President AQR, "My Data is Bigger than Yours"-
- Gavin Scott, author, screen writer, broadcaster, "Age of Exodus"
- NEPC Performance reports for periods ending June 30, 2018 (quarterly report); July 31, 2018 and August 31, 2018 (monthly reports)

On-site investment due diligence visits:

- Completed with no due diligence concerns: Hexavest, Montreal; Sprucegrove, Toronto
- Scheduled: Harbourvest, Boston; Prudential, Madison, NJ

Other:

- Response from Tortoise regarding the article, "California Finds Plains Exploration Guilty in 2015 Oil Spill"
- On-site Due Diligence reports for Loomis Sayles and NEPC

Respectfully submitted,

Dan Gallagher
Chief Investment Officer