VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

December 15, 2014

AGENDA

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

TIME: 9:00 a.m.

ITEM:

I.	**CALL TO ORDER**	Master Page No.
II.	**APPROVAL OF AGENDA**	1 – 3
III.	**APPROVAL OF MINUTES**	
	A. Business Meeting of November 17, 2014	4 – 16
	B. Disability Meeting of December 1, 2014	17 – 23
IV.	**CONSENT AGENDA**	
	A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of November 2014.	24
	B. Receive and File Report of Checks Disbursed in November 2014.	25 – 34
	C. Receive and File Budget Summary for FY 2014-15 Month Ending October 31, 2014.	35
	D. Receive and File Budget Summary for FY 2014-15 Month Ending November 30, 2014.	36
	E. Receive and File Statements of Fiduciary Net Position, Statements of Changes in Fiduciary Net Position, Investments & Cash Equivalents, and Schedules of Investment Management Fees for the Periods Ending September 30, 2014 and October 31, 2014.	37 – 48

V. STANDING ITEM

A. Receive an Oral Update on Pensionable Compensation and PEPRA.

VI. INVESTMENT MANAGER PRESENTATIONS

A. Receive Annual Investment Presentation, BlackRock, Anthony Freitas, Managing Director, Laura Champion, Vice President, and Cara Barr, Director. (30 Minutes) — 49 – 129

B. Receive Annual Investment Presentation, RREEF, Jay Miller, Director, Portfolio Manager, and Nolan Olsen, Director, Global Client Group. (30 Minutes) — 130 – 193

VII. INVESTMENT INFORMATION

A. NEPC – Allan Martin, Partner

1. Receive and File Preliminary Performance Report Month Ending November 30, 2014 — 194 – 200
   RECOMMENDED ACTION: Receive and File.

2. Memorandum from NEPC on PIMCO, dated December 15, 2014 — 201
   RECOMMENDED ACTION: Receive and File.

3. Global Asset Allocation Review and Asset Allocation Update — 202 – 224
   RECOMMENDED ACTION: Receive and File.

4. Selection of Legal Firm to Review Pantheon Global Secondary Fund V Documents — 225

VIII. ACTUARIAL INFORMATION

A. GASB 67 Presentation: John Monroe, Segal Consulting Presenting via Teleconference
Time: 10:30 a.m.

1. Segal Consulting's GASB 67 Report — 226 – 245
   RECOMMENDED ACTION: Approve.

B. Receipt and Distribution of June 30, 2014 Actuarial Information — 246 – 335

IX. OLD BUSINESS

A. Oral Update from Chair on Cost Estimate to File Amicus Brief in the SDCERA v. County of San Diego Case

B. Oral Update from Chair on General Counsel Position

X. NEW BUSINESS

XI. INFORMATIONAL

XII. PUBLIC COMMENT

XIII. STAFF COMMENT

XIV. BOARD MEMBER COMMENT

XV. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

November 17, 2014

MINUTES

DIRECTORS PRESENT:	Tracy Towner, Chair, Safety Employee Member William W. Wilson, Vice Chair, Public Member Steven Hintz, Treasurer-Tax Collector Mike Sedell, Public Member Peter C. Foy, Public Member Deanna McCormick, General Employee Member Arthur E. Goulet, Retiree Member Chris Johnston, Alternate Employee Member Will Hoag, Alternate Retiree Member
DIRECTORS ABSENT:	Joseph Henderson, Public Member Vacant, General Employee Member
STAFF PRESENT:	Tim Thonis, Interim Retirement Administrator Henry Solis, Chief Financial Officer Lori Nemiroff, Assistant County Counsel Stephanie Caiazza, Program Assistant Chantell Garcia, Retirement Benefits Specialist
PLACE:	Ventura County Employees' Retirement Association Second Floor Boardroom 1190 South Victoria Avenue Ventura, CA 93003
TIME:	9:00 a.m.

ITEM:

I. CALL TO ORDER

Chair Tracy Towner called the Business Meeting of November 17, 2014, to order at 9:01 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve the Agenda.

Moved by Hintz, seconded by McCormick.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

III. APPROVAL OF MINUTES

A. Special Meeting of October 29, 2014.

MOTION: Approve the Minutes.

Moved by Hintz, seconded by Johnston.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

B. Disability Meeting of November 3, 2014.

MOTION: Approve the Minutes.

Moved by McCormick, seconded by Goulet.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of October 2014.

B. Receive and File Report of Checks Disbursed in October 2014.

C. Receive and File Statement of Reserves for FY 2013-14 Month Ending June 30, 2014.

D. Receive and File Budget Summary for FY 2014-15 Month Ending August 31, 2014.

E. Receive and File Budget Summary for FY 2014-15 Month Ending September 30, 2014.

F. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, and Investments & Cash Equivalents for Month Ending August 31, 2014.

MOTION: Approve the Consent Agenda.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

END OF CONSENT AGENDA

V. STANDING ITEM

A. Receive an Oral Update on Pensionable Compensation and PEPRA.

Ms. Nemiroff stated that there was nothing new to report on Pensionable Compensation and PEPRA at this time.

VI. INVESTMENT INFORMATION

A. NEPC – Don Stracke, Senior Consultant.

1. Consideration of an Additional Private Equity Commitment to the Pantheon Global Secondary Fund V.

NEPC recommended a $50 million commitment to the Pantheon Global Secondary Fund V.

MOTION: Table this item until after Item VI.A.2.

Moved by Sedell, seconded by Wilson.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

Following the presentation by Pantheon and discussion between the Board and Mr. Stracke, the following motion was made:

MOTION: Commit $50 million to the Pantheon Global Secondary Fund V.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

2. Pantheon Presentation of Global Secondary Fund V., Matt Garfunkle, Partner, Matthew Jones, Partner, and Sprague Von Stroh, Vice President.

MOTION: Receive and file.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

3. Memorandum from NEPC on PIMCO, dated November 17, 2014.

MOTION: Receive and file.

Moved by Hintz, seconded by Wilson.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

4. PIMCO Organizational Update and Strategy Review, David J. Blair, Senior Vice President, Thomas J. Otterbein, Account Manager, and Sasha Talcott, Vice President.

Mr. Foy left the meeting at 9:54 a.m.

Mr. Sedell left the meeting at 10:07 a.m.

MOTION: Receive and file.

Moved by McCormick, seconded by Hintz.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Johnston, Wilson, Towner
No: -
Absent: Henderson, Sedell, Foy

5. Asset Allocation Update/Workplan Discussion.

Mr. Sedell reentered the meeting at 10:15 a.m.

MOTION: Request that NEPC return with additional information regarding Global Tactical Asset Allocation and credit strategies.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson, Foy

6. Receive and File Investment Summary – Quarter Ending September 30, 2014.

MOTION: Receive and file.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson, Foy

7. Receive and File Preliminary Performance Report Month Ending October 31, 2014.

MOTION: Receive and file.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson, Foy

8. Proposed 2015 Due Diligence Calendar.

   Mr. Foy reentered the meeting at 10:45 a.m.
   MOTION: Approve.

   Moved by Wilson, seconded by Johnston.

   Vote: Motion carried.
   Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
   No: -
   Absent: Henderson

VII. Ventura County Employees' Retirement Information System (VCERIS) Pension Administration Project

A. Memorandum of Understanding with Auditor/Controller.

Ms. Nemiroff noted that the effective date of the document was changed to November 17, 2014, to allow more flexibility for modifications before it is ratified. The signature line of the document was revised to require a signature from the Board of Supervisors, at the County's request. Ms. Nemiroff recommended that, if the Memorandum of Understanding is approved, the Chair should be granted authority to make any non-material changes to the document without returning to the Board for authorization.

Jeff Burgh, Auditor/Controller, was present to discuss this item. Mr. Burgh provided a draft "Scope of Work" for the Board's review, and the Board and Mr. Burgh discussed whether changes needed to be made to the Memorandum of Understanding before it could be approved. The following motion was made:

MOTION: Postpone voting on this matter until a future meeting, with the understanding that work to develop accurate compensation earnable information will continue.

Moved by Hintz, seconded by Foy.

Vote: Motion carried.
Yes: Goulet, Hintz, Foy, Sedell, Wilson, Towner
No: McCormick, Johnston
Absent: Henderson

B. VCERIS Project Quarterly Status Report.

Brian Colker was present on behalf of Linea Solutions, Inc. to provide an update on the VCERIS project.

Mr. Colker informed the Board that roughly 2/3 of the system has been designed, developed, and tested, leaving an estimated 5-6 months of development work for the remaining processes. Mr. Colker reported that the mapping and programming activities for data conversion are complete, and data cleanup has not uncovered any major issues. Once the dates are solidified in the Memorandum of Understanding, Linea and Vitech will update their project plan and produce change orders to be considered by the Board at a future meeting. Mr. Colker noted that the change order numbers listed on the status report reflect the numbering of the Vitech change orders, rather than that of VCERA.

MOTION: Receive and file.

Moved by Hintz, seconded by McCormick.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

C. Monthly Report – October 2014.

MOTION: Receive and file.

Moved by Sedell, seconded by Hintz.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

VIII. OLD BUSINESS

A. PEPRA Compensation Resolution – Ashley Dunning.

1. Letter from Manatt, Phelps, & Phillips, dated November 10, 2014.

2. Draft Resolution.

Ms. Dunning provided a summary of her analysis regarding the definition and determination of pensionable compensation under PEPRA, and concluded that the Board of Retirement has the authority to determine the definition of pensionable compensation, within the law. Ms. Dunning provided a draft resolution for the Board’s review and approval, including a list of requirements and alternative interpretations of normal monthly rate of pay or base pay.

Received public comment from Joe Karahman, SEIU Local #721; Ramon Rubalcava, SEIU Local #721, and Paul Derse, County Executive Office, County of Ventura.

The Board considered the following interpretations of Government Code section 7522.34 subdivision (A) definitions as permitting pay items to be included in Pensionable Compensation if they are:

(i) Within the normal monthly rate of pay only.
(ii) Within the base pay only.
(iii) Within either the normal monthly rate of pay or the base pay of the member.

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

MOTION: Adopt interpretation (ii) of Government Code section 7522.34 subdivision (a) definition as permitting pay items to be included in Pensionable Compensation if they are within the base pay only.

Moved by Wilson, seconded by Foy.

Vote: Motion failed.
Yes: Foy, Sedell, Wilson
No: Johnston, Goulet, Hintz, McCormick, Towner
Absent: Henderson

MOTION: Adopt interpretation (i) of Government Code section 7522.34 subdivision (a) definition as permitting pay items to be included in Pensionable Compensation if they are within the normal monthly rate of pay only.

Moved by Goulet, seconded by McCormick.

Vote: Motion failed.
Yes: Goulet
No: Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
Absent: Henderson

MOTION: Adopt interpretation (iii) of Government Code section 7522.34 subdivision (a) definition as permitting pay items to be included in Pensionable Compensation if they are within either the normal monthly rate of pay or the base pay of the member.

Moved by Johnston, seconded by McCormick.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Sedell, Johnston, Towner
No: Foy, Wilson
Absent: Henderson

<u>MOTION</u>: Adopt the language of the draft Resolution on page 3 in numbered paragraph 2.(c); remove the words "or executive staff" from the paragraph. Moved by Wilson, seconded by Hintz.

Vote: Motion carried.
Yes: Goulet, Hintz, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson

Ms. Dunning agreed to make non-material or grammatical changes to the paragraph as needed.

Mr. Hintz left the meeting at 12:40 p.m.

<u>MOTION</u>: Adopt the language on p.5 of the draft Resolution in paragraph 4(h)(i), modified to define a labor policy or agreement as any of the following: Memorandum of Agreement; a Management, Confidential Clerical and Other Unrepresented Employees Resolution; or other similar document as specifically approved by the VCERA Board of Retirement.

Moved by McCormick, seconded by Goulet.

Vote: Motion carried.
Yes: Goulet, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson, Hintz

<u>MOTION</u>: Adopt the language on p.5 of the draft Resolution in paragraph 4(h)(ii), modified to remove the word "not" from the following sentence: "Identifying a percentage increase in salary, in lieu of a dollar amount, in a labor policy or agreement does [not] comply with this interpretation of a "pay schedule".

Moved by McCormick, seconded by Goulet.

Vote: Motion carried.

Yes: Goulet, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson, Hintz

Ms. Dunning recommended that the Board adopt the language on page 5 of the resolution in paragraph 5, and modify the end of the following sentence: "VCERA Staff will analyze pay codes to determine whether they constitute Pensionable Compensation or not, under this Resolution" to include the phrase "and will bring such determinations to the VCERA Board for action."

Mr. Sedell requested clarification regarding the proposed pay code review process by VCERA staff and the Board's authority to make the final determination of which pay codes meet the criteria.

Ms. Dunning explained that, if this language is adopted, the process will be for staff to review the employer pay codes, identify which pay codes meet the criteria outlined in the resolution, and seek Board approval of such determinations. Ms. Dunning confirmed that the VCERA Board will have discretion to exclude any items that it determines do not meet the criteria, regardless of VCERA staff's determination and recommendation to the Board.

<u>MOTION</u>: Adopt the language on p.5 of the draft Resolution in paragraph 5, and modify the end of the following sentence: "VCERA Staff will analyze pay codes to determine whether they constitute Pensionable Compensation or not, under this Resolution" to include the phrase "and will bring such determinations to the VCERA Board for action".

Moved by McCormick, seconded by Johnston.

Vote: Motion carried.
Yes: Goulet, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson, Hintz

Chair Towner, with the consensus of the Board, further directed Ms. Dunning to replace "VCERA staff" with "VCERA's Retirement Administrator" throughout the draft Resolution.

B. Consideration of Available Options Pursuant to Step #7 of VCERA's Interest Crediting Policy.

1. Letter from Staff.

2. Statement of Reserves for FY 2013-14 Month Ending June 30, 2014.

3. Interest Crediting Policy.

MOTION: Leave $2.7 million of remaining available earnings in the Undistributed Earnings Reserve as a contingency against future deficiencies in interest earnings.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried.
Yes: McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: Goulet
Absent: Henderson, Hintz

IX. NEW BUSINESS

A. Decision on Whether to File Amicus Brief in SDCERA v. County of San Diego.

1. Copy of Complaint for Declaratory Relief.

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

MOTION: Postpone this item until the December 1, 2014 disability meeting.

Moved by Goulet, seconded by Foy.

Vote: Motion carried.
Yes: Goulet, McCormick, Foy, Sedell, Johnston, Wilson, Towner
No: -
Absent: Henderson, Hintz

Mr. Johnston left the meeting at 1:03 p.m.

B. Proposed 2015 Board Calendar.

MOTION: Approve.

Moved by Goulet, seconded by Foy.

Vote: Motion carried.
Yes: Goulet, McCormick, Foy, Sedell, Wilson, Towner
No: -
Absent: Henderson, Hintz, Johnston

C. Trustee Reports, Deanna McCormick, General Employee Member.

1. PIMCO Due Diligence Report.

2. PIMCO Conference Report.

MOTION: Receive and file.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried.
Yes: Goulet, McCormick, Foy, Sedell, Wilson, Towner
No: -
Absent: Henderson, Hintz, Johnston

Mr. Johnston returned to the meeting at 1:04 p.m.

X. INFORMATIONAL

A. Invitation to GMO Asset Allocation Discussion, November 20, 2014, Los Angeles.

B. Loomis Sayles Correspondence – Portfolio Manager Update.

C. Save the Date: Pension Bridge Conference; April 7 – 8, 2015.

XI. PUBLIC COMMENT

None.

XII. STAFF COMMENT

None.

XIII. BOARD MEMBER COMMENT

None.

XIV. ADJOURNMENT

The meeting was adjourned at 1:05 p.m.

Respectfully submitted,

TIM THONIS, Interim Retirement Administrator

Approved,

TRACY TOWNER, Chairman

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

December 1, 2014

MINUTES

DIRECTORS PRESENT:	Tracy Towner, Chair, Safety Employee Member William W. Wilson, Vice Chair, Public Member Peter C. Foy, Public Member Mike Sedell, Public Member Joseph Henderson, Public Member Deanna McCormick, General Employee Member Arthur E. Goulet, Retiree Member Will Hoag, Alternate Retiree Member Chris Johnston, Alternate Safety Employee Member
DIRECTORS ABSENT:	Steven Hintz, Treasurer-Tax Collector Vacant, General Employee Member
STAFF PRESENT:	Tim Thonis, Interim Retirement Administrator Henry Solis, Chief Financial Officer Lori Nemiroff, Assistant County Counsel Stephanie Caiazza, Program Assistant Donna Edwards, Retirement Benefits Specialist
PLACE:	Ventura County Employees' Retirement Association Second Floor Boardroom 1190 South Victoria Avenue Ventura, CA 93003
TIME:	9:00 a.m.

ITEM:

I. CALL TO ORDER

Chair Towner called the Disability Meeting of December 1, 2014, to order at 9:00 a.m.

II. APPROVAL OF AGENDA

MOTION: Approve the Agenda.

Moved by Wilson, seconded by McCormick.

Vote: Motion carried
Yes: Goulet, Henderson, Sedell, McCormick, Johnston, Wilson, Towner
No: -
Absent: Hintz, Foy

III. APPROVAL OF MINUTES

A. Business Meeting of November 17, 2014.

Mr. Sedell requested for more detail be added to the minutes from the business meeting of November 17, 2014, under item VIII.A. PEPRA Compensation Resolution, and for the revised minutes to be considered by the Board at the next meeting.

MOTION: Continue this item at the business meeting of December 15, 2014.

Moved by Wilson, seconded by Sedell.

Vote: Motion carried
Yes: Goulet, Henderson, Sedell, McCormick, Johnston, Wilson, Towner
No: -
Absent: Hintz, Foy

IV. RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT

MOTION: Receive and file the report.

Moved by Wilson, seconded by Johnston.

Vote: Motion carried
Yes: Goulet, Henderson, Sedell, McCormick, Johnston, Wilson, Towner
No: -
Absent: Hintz, Foy

V. APPLICATIONS FOR DISABILITY RETIREMENT

A. Application for Service Connected Disability Retirement, Kostiuchenko, Yevhen (Eugene); Case No. 14-021.

1. Application for Service Connected Disability Retirement and Supporting Documentation.

2. Hearing Notice Served on November 18, 2014.

Paul Hilbun was present on behalf of the County of Ventura Risk Management. Assistant Sheriff Steve DeCesari of the Ventura County Sheriff's Office appeared on behalf of the applicant.

Both parties declined to make a statement.

The following motion was made:

MOTION: Grant the applicant, Yevhen (Eugene) Kostiuchenko, a service connected disability retirement.

Moved by Sedell, seconded by Henderson.

Vote: Motion carried
Yes: Goulet, Henderson, Sedell, McCormick, Johnston, Wilson, Towner
No: -
Absent: Hintz, Foy

The parties agreed to waive preparations of Findings of Fact and Conclusions of Law.

Mr. Goulet expressed his condolences for the loss of Deputy Kostiuchenko.

B. Application for Service Connected Disability Retirement, Hookstra, Maureen; Case No. 12-004.

1. Application for Service Connected Disability Retirement and Supporting Documentation.

2. Hearing Notice Served on October 23, 2014.

Paul Hilbun and Derek Straatsma, Attorney at Law, were present on behalf of County of Ventura Risk Management. The applicant, Maureen Hookstra, was also present.

Both parties declined to make a statement.

Mr. Goulet questioned the absence of written documentation in the record regarding reasonable accommodation and specific job duties.

Mr. Foy entered the meeting at 9:08 a.m.

After discussion by the Board and Risk Management, the following motion was made:

MOTION: Grant the applicant, Maureen Hookstra, a service connected disability retirement.

Moved by Sedell, seconded by Johnston.

Vote: Motion carried
Yes: Henderson, Sedell, McCormick, Johnston, Wilson, Towner
No: Goulet
Absent: Hintz
Abstain: Foy

Mr. Goulet stated that his vote against the motion was not related to the applicant.

The parties agreed to waive preparations of Findings of Fact and Conclusions of Law.

C. Application for Non-Service Connected Disability Retirement, Moten, Urissa; Case No. 13-026.

1. Summary of Evidence, Suggested Findings of Fact and Conclusions of Law, and Recommendation, Submitted by Hearing Officer Deborah Z. Wissley, Dated October 15, 2014.

2. Hearing Notice Served on October 22, 2014.

Paul Hilbun and John I. Gilman, Attorney at Law, were present on behalf of the County of Ventura Risk Management. The applicant, Urissa Moten, was also present.

Mr. Gilman stated that Risk Management had no objection to the adoption of the hearing officer's recommendation. The applicant declined to make a statement.

The following motion was made:

MOTION: Adopt the Hearing Officer's Recommendation and grant the applicant, Urissa Moten, a non-service connected disability retirement.

Moved by McCormick, seconded by Johnston.

Vote: Motion carried

Yes: Goulet, Henderson, Foy, Sedell, McCormick, Johnston, Wilson, Towner
No: -
Absent: Hintz

VI. OLD BUSINESS

A. Decision on Whether to File Amicus Brief in SDCERA v. County of San Diego.

1. Copy of Complaint for Declaratory Relief.

After discussion, the Board agreed that its intention is to hire outside counsel to file an amicus brief in SDCERA v. County of San Diego, provided the cost is reasonable.

The following motion was made:

MOTION: Authorize Chair to seek an estimate of the cost of hiring outside counsel to file an amicus brief in SDCERA v. County of San Diego, and return to the Board with the estimate for approval.

Moved by Goulet, seconded by Wilson.

Vote: Motion carried
Yes: Goulet, Henderson, Foy, Sedell, McCormick, Johnston, Wilson, Towner
No: -
Absent: Hintz

B. Approval of Timeline for VCERIS Project.

Chair Towner informed the Board that the Timeline for VCERIS Project was developed for the Board's approval in lieu of the Memorandum of Understanding that was proposed at the business meeting of November 17, 2014.

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

MOTION: Approve.

Moved by Sedell, seconded by Henderson.

Vote: Motion carried
Yes: Goulet, Henderson, Foy, Sedell, McCormick, Johnston, Wilson, Towner
No: -
Absent: Hintz

Mr. Goulet commended Chair Towner for his time and effort on this item.

VII. NEW BUSINESS

A. Appointment of 2015 Board Chair and Vice Chair.

MOTION: Appoint Mr. Towner as Chair.

Moved by Wilson, seconded by Henderson.

Vote: Motion carried
Yes: Goulet, Henderson, Foy, Sedell, McCormick, Johnston, Wilson, Towner
No: -
Absent: Hintz

MOTION: Appoint Mr. Wilson as Vice Chair.

Moved by Henderson, seconded by Sedell.

Vote: Motion carried
Yes: Goulet, Henderson, Foy, Sedell, McCormick, Johnston, Wilson, Towner
No: -
Absent: Hintz

Chair Towner stated that VCERA's new retirement administrator, Ms. Linda Webb, is scheduled to attend the Board of Retirement meetings of December 15, 2014 and January 5, 2015.

VIII. INFORMATIONAL

A. PIMCO Institute, January 14 – 15, 2015, Newport Beach, CA.

B. Opal Financial Group- Public Funds Summit 2015, January 12 – 14, 2015, Scottsdale, AZ.

C. NEPC 2015 Public Fund Workshop, January 12 – 13, 2015, Phoenix, AZ.

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

None.

XI. BOARD MEMBER COMMENT

Ms. McCormick commented on delayed disability cases on the status report, and the Board discussed several aspects of the disability retirement application process that can lead to delays.

Mr. Johnston expressed interest in acquiring more efficient technology for the distribution and access of board packet materials. Several Board members reported experiencing similar impediments with the software currently in use.

XII. ADJOURNMENT

The meeting was adjourned at 10:00 a.m.

Respectfully submitted,

TIM THONIS, Interim Retirement Administrator

Approved,

TRACY TOWNER, Chairman

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

REPORT OF REGULAR AND DEFERRED RETIREMENTS AND SURVIVORS CONTINUANCES

NOVEMBER 2014

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
REGULAR RETIREMENTS:							
Florida A.	Alvarado	G	5/16/1999	10.00		Health Care Agency	10/17/14
Emie O.	Arruejo	G	11/6/1994	19.70	B=0.09150	Child Support Services	11/01/14
Cheri D.	Barrett	G	04/14/1975	38.70		Child Support Services	10/10/14
Sandra J.	Bickford	G	10/27/1991	22.90		Auditor-Controller	10/11/14
Lucy C.	Chavez	G	02/14/1993	20.20		Human Services Agency	11/01/14
Sivarajan	Chikkiah	G	11/20/1994	20.00	B=0.11073	Public Works	10/24/14
William C.	Elder	S	01/28/2001	11.80		Fire Protection	03/17/13
Wilmer C.	Gaetos	G	12/11/2000	13.80		Information Services Department	10/27/14
Paul J.	Higgason	S	07/17/1983	31.30		Sheriff	10/25/14
Victor M.	Kelley III	G	08/04/1991	23.00		Health Care Agency	10/11/14
Deborah A.	Kerr	G	06/27/1999	19.60	B=0.09590	Health Care Agency	10/31/14
					D=4.25500		
Donald W.	Kingdon	G	11/25/1990	6.90	C=17.27444	Health Care Agency (Deferred)	09/28/14
Angelina	Montoya	G	10/28/1979	35.10	B=0.11230	Health Care Agency	10/18/14
Jeffrey S.	Reagan	S	12/23/1984	1.60	A=1.6	Sheriff (deferred)	09/24/14
Dale E.	Redfield	G	03/14/1982	32.50		Library	10/19/14
Yolanda	Saunders	S	12/23/2011	2.90		District Attorney (Non-member Spouse, deferred)	04/11/14
David W.	Whaley	G	02/26/1979	35.60		Assessor	10/25/14
Michael S.	Wickham	S	03/08/1987	28.50	B=0.87650	Fire Protection	10/06/14
DEFERRED RETIREMENTS:							
Lori	Barth	G	4/10/2005	8.87		Health Care Agency	10/24/2014
Miroslav	Borak	G	12/9/2002	11.93		Child Support Services	11/8/2014
Denise	Carman	G	6/18/2006	6.63		Health Care Agency	10/15/2014
Erin	Conklin	G	10/6/2003	10.60		Health Care Agency	11/7/2014
Wilma	Donovan	G	12/09/2002	11.93		Child Support Services	11/08/2014
Suzanne	Fernandez	G	04/08/2007	6.33		Health Care Agency	10/25/2014
Angela	Field	G	02/06/2000	14.15		Sheriff's Department	10/19/2014
Stella	Herrera	G	07/05/1992	22.02		Child Support Services	11/08/2014
Andy	Hovey	G	01/27/1992	22.78		VRSD	10/28/2014
Daniel	Lopez	G	02/08/2009	5.13		Superior Court	11/13/2014
Cheryl	Lopez	G	10/08/2001	12.94		Superior Court	10/24/2014
Ana	Melgoza	G	07/02/2006	7.88		Board of Supervisors	10/31/2014
Theresa E.	Sabedra	G	04/24/2005	9.52		Assessor	10/31/2014
Arlene C.	Samaniego	G	03/20/2005	10.84		Child Support Services	10/12/2014
Maria D.	Tello	G	07/30/2006	7.84		Health Care Agency	10/30/2014
SURVIVORS' CONTINUANCES:							
Gerald M.	Schneider						
Gene R.	Signor						
Linda G.	Whalen						

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

Ventura County Retirement Assn

Check Register - Standard

Period: 05-15 As of: 12/1/2014

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company:	**VCERA**										
Acct / Sub:	1002		00								
024239	VC	11/6/2014	BARNEY ABU COURT REPORTING INC	05-15	05-15	019108	VO	ADMIN EXP	9/24/2014	0.00	-315.00
									Check Total		**-315.00**
024240	-	024385	Missing								
024386	CK	11/5/2014	102691 CELIA P. BAGAY	05-15		019255	VO	REFUND T2 COL	11/5/2014	0.00	15,236.64
024387	CK	11/5/2014	105359 CYNTHIA M. ESTRADA	05-15		019256	VO	REFUND- CONTRIB	11/5/2014	0.00	41,748.25
024388	CK	11/5/2014	105375 SANDRA K. LEE	05-15		019257	VO	REFUND- CONTRIB	11/5/2014	0.00	20,766.93
024389	CK	11/5/2014	107432 PAMELA A. EICHELE	05-15		019258	VO	REFUND T2 COL	11/5/2014	0.00	20,488.81
024390	CK	11/5/2014	116273 GARY D. WEAVER	05-15		019259	VO	REFUND- CONTRIB	11/5/2014	0.00	34,688.93
024391	CK	11/5/2014	116582 KATIE L. PFEIFFER POLEN	05-15		019260	VO	REFUND- CONTRIB	11/5/2014	0.00	13,758.11
024392	CK	11/5/2014	116847 AMBER C. BELL	05-15		019261	VO	REFUND- CONTRIB	11/5/2014	0.00	26,319.98
024393	CK	11/5/2014	122537 BRUCE M. TANNER	05-15		019262	VO	REFUND- CONTRIB	11/5/2014	0.00	2,061.40
024394	CK	11/5/2014	122617 AMY E. DANIELS	05-15		019263	VO	REFUND- CONTRIB	11/5/2014	0.00	2,323.99
024395	CK	11/5/2014	122939 REYNEIDA C. FELIX	05-15		019264	VO	REFUND- CONTRIB	11/5/2014	0.00	4,093.96
024396	CK	11/5/2014	123320 ROSA G. RAMIREZ	05-15		019265	VO	REFUND- CONTRIB	11/5/2014	0.00	931.42

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
024397	CK	11/5/2014	123588 TAMYKO S. GRAY	05-15		019266	VO	REFUND- CONTRIB	11/5/2014	0.00	6,376.16
024398	CK	11/5/2014	123860 BRANDON S. TITUS	05-15		019267	VO	REFUND- CONTRIB	11/5/2014	0.00	1,215.01
024399	CK	11/5/2014	122796R STATE FARM MUTUAL FUNDS	05-15		019268	VO	ROLLOVER	11/5/2014	0.00	7,190.74
024400	CK	11/5/2014	124086R EDWARD JONES	05-15		019269	VO	ROLLOVER	11/5/2014	0.00	1,043.63
024401	CK	11/5/2014	121064B1R CAPITAL BANK AND TRUST COM	05-15		019270	VO	ROLLOVER	11/5/2014	0.00	57,456.92
024402	CK	11/5/2014	F1510B1 SHANNON M. CONDIE	05-15		019271	VO	DEATH BENEFIT	11/5/2014	0.00	102.02
024403	CK	11/5/2014	F1605B1 ELEANOR RANGEL	05-15		019272	VO	DEATH BENEFIT	11/5/2014	0.00	3,830.95
024404	CK	11/5/2014	F1794S JUDY SIMON	05-15		019273	VO	DEATH BENEFIT	11/5/2014	0.00	2,516.76
024405	CK	11/5/2014	F3721S BILLY J. BUTLER	05-15		019274	VO	DEATH BENEFIT	11/5/2014	0.00	3,255.85
024406	CK	11/5/2014	F8858S LEE A. HESS	05-15		019275	VO	DEATH BENEFIT	11/5/2014	0.00	3,610.14
024407	CK	11/5/2014	F8619 KAREN D. TURSE	05-15		019276	VO	PENSION PAYMENT	11/5/2014	0.00	1,901.38
024408	CK	11/5/2014	XXXXX8816 TERESA PENA	05-15		019277	VO	REFUND- CONTRIB	11/5/2014	0.00	5,479.91
024409	CK	11/5/2014	990007 DEANNA MCCORMICK	05-15		019278	VO	TRAVEL REIMB	11/5/2014	0.00	2,224.96
024410	CK	11/5/2014	ADP ADP LLC	05-15		019279	VO	ADMIN EXP	11/5/2014	0.00	2,611.37

Ventura County Retirement Assn

Check Register - Standard

Period: 05-15 As of: 12/1/2014

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
024411	CK	11/5/2014	BARNEY ABU COURT REPORTING INC	05-15		019280	VO	ADMIN EXP	11/5/2014	0.00	600.00
024412	CK	11/5/2014	CALAPRS CALAPRS	05-15		019281	VO	ADMIN EXP	11/5/2014	0.00	3,100.00
024413	CK	11/5/2014	SACRS SACRS	05-15		019282	VO	ADMIN EXP	11/5/2014	0.00	1,090.00
024414	CK	11/5/2014	TRI TRI COUNTY OFFICE FURNITUR	05-15		019283	VO	ADMIN EXP	11/5/2014	0.00	512.11
024415	CK	11/5/2014	VOLT VOLT	05-15		019284	VO	ADMIN EXP	11/5/2014	0.00	1,583.04
024416	CK	11/5/2014	VSG VSG HOSTING, INC	05-15		019285	VO	PAS	11/5/2014	0.00	19,500.00
024417	CK	11/5/2014	WALTER BNY MELLON INV MGMNT CAYM	05-15		019286	VO	INVESTMENT FEES	11/5/2014	0.00	208,146.70
024418	CK	11/6/2014	F8918 BARBARA J. FLYNN	05-15		019287	VO	PENSION PAYMENT	11/6/2014	0.00	3,034.11
024419	CK	11/6/2014	BARNEY ABU COURT REPORTING INC	05-15		019108	VO	ADMIN EXP	9/24/2014	0.00	315.00
024420	CK	11/13/2014	107131 ANA E. AVILA	05-15		019288	VO	REFUND CONTRIB	11/13/2014	0.00	25,147.87
024421	CK	11/13/2014	119074 MARIO A. MARTINEZ	05-15		019289	VO	REFUND CONTRIB	11/13/2014	0.00	27,997.05
024422	CK	11/13/2014	122960 NAOMI RODRIGUEZ	05-15		019290	VO	REFUND CONTRIB	11/13/2014	0.00	4,104.09
024423	CK	11/13/2014	123067R FMTC	05-15		019291	VO	ROLLOVER	11/13/2014	0.00	1,033.50

Ventura County Retirement Assn

Check Register - Standard

Period: 05-15 As of: 12/1/2014

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
024424	CK	11/13/2014	123095R FIDELITY INVESTMENTS	05-15		019292	VO	ROLLOVER	11/13/2014	0.00	13,758.49
024425	CK	11/13/2014	F0522B1 THE ESTATE OF B. RUBY CUMMI	05-15		019293	VO	DEATH BENEFIT	11/13/2014	0.00	1,061.89
024426	CK	11/13/2014	F0566B1 PAUL P. DEFLORES JR.	05-15		019294	VO	DEATH BENEFIT	11/13/2014	0.00	2,280.83
024427	CK	11/13/2014	F1274B1 THE ESTATE OF MARGOT A. MAI	05-15		019295	VO	DEATH BENEFIT	11/13/2014	0.00	4,210.06
024428	CK	11/13/2014	F2087S LINDA G. WHALEN	05-15		019296	VO	DEATH BENEFIT	11/13/2014	0.00	1,877.36
024429	CK	11/13/2014	F5803B1 THE ANDREW FAMILY TRUST OF	05-15		019297	VO	DEATH BENEFIT	11/13/2014	0.00	146.53
024430	CK	11/13/2014	F3963 AMANDO A. GUTIERREZ	05-15		019298	VO	PENSION PAYMENT	11/13/2014	0.00	2,925.07
024431	CK	11/13/2014	101602 HENRY SOLIS	05-15		019299	VO	REIMBURSEMENT	11/13/2014	0.00	180.00
024432	CK	11/13/2014	107678 DOUGLAS ARNETT	05-15		019300	VO	REIMBURSEMENT	11/13/2014	0.00	2,000.00
024433	CK	11/13/2014	BARNEY ABU COURT REPORTING INC	05-15		019301	VO	ADMIN EXP	11/13/2014	0.00	630.00
024434	CK	11/13/2014	CLIFTON PARAMETRIC CLIFTON	05-15		019302	VO	INVESTMENT FEES	11/13/2014	0.00	32,045.00
024435	CK	11/13/2014	CORPORATE STAPLES ADVANTAGE	05-15		019303	VO	ADMIN EXP	11/13/2014	0.00	112.91
024436	CK	11/13/2014	CUSTOM CUSTOM PRINTING	05-15		019304	VO	ADMIN EXP	11/13/2014	0.00	1,056.40
024437	CK	11/13/2014	GFOA GOVERNMENT FINANCE	05-15		019305	VO	ADMIN EXP	11/13/2014	0.00	420.00

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
024438	CK	11/13/2014	HARRIS HARRIS WATER CONDITIONING	05-15		019306	VO	ADMIN EXP	11/13/2014	0.00	124.50
024439	CK	11/13/2014	IFEBP INT'L FOUNDATION OF EMPLOYI	05-15		019307	VO	ADMIN EXP	11/13/2014	0.00	1,055.00
024440	CK	11/13/2014	INTERGRATE INTEGRATED FIRE & SAFETY	05-15		019308	VO	IT	11/13/2014	0.00	250.00
024441	CK	11/13/2014	MANATT MANATT, PHELPS, PHILLIPS	05-15		019309	VO	LEGAL FEES	11/13/2014	0.00	6,274.08
024442	CK	11/13/2014	MEGAPATH MEGAPATH	05-15		019310	VO	IT/PAS	11/13/2014	0.00	638.46
024443	CK	11/13/2014	PEREA KENNETH A. PEREA	05-15		019311	VO	ADMIN EXP	11/13/2014	0.00	875.00
024444	CK	11/13/2014	REAMS REAMS ASSET MANAGEMENT	05-15		019312	VO	INVESTMENT FEES	11/13/2014	0.00	121,485.00
024445	CK	11/13/2014	VOLT VOLT	05-15		019313	VO	ADMIN EXP	11/13/2014	0.00	725.76
024446	CK	11/13/2014	WESTERN WESTERN ASSET MANAGEMEN	05-15		019314	VO	INVESTMENT FEES	11/13/2014	0.00	185,657.96
024447	CK	11/19/2014	108033 LORI L. BARTH	05-15		019315	VO	REFUND CONTRIB	11/19/2014	0.00	36,592.29
024448	CK	11/19/2014	121015 JEFFREY ALAN AVANTS	05-15		019316	VO	REFUND CONTRIB	11/19/2014	0.00	16,722.14
024449	CK	11/19/2014	121141 TAMARA R. LAPO-CRAFT	05-15		019317	VO	REFUND CONTRIB	11/19/2014	0.00	15,714.81
024450	CK	11/19/2014	122536 CASSANDRA A. SAGO	05-15		019318	VO	REFUND CONTRIB	11/19/2014	0.00	4,521.15

Ventura County Retirement Assn

Check Register - Standard

Period: 05-15 As of: 12/1/2014

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
024451	CK	11/19/2014	F2598B1 BEVERLY S. FAIR	05-15		019319	VO	DEATH BENEFIT	11/19/2014	0.00	3,113.00
024452	CK	11/19/2014	F2598B2 KATHLEEN L. ACKERMAN	05-15		019320	VO	DEATH BENEFIT	11/19/2014	0.00	2,794.83
024453	CK	11/19/2014	F2598B3R CHARLES SCHWAB & CO., INC.	05-15		019321	VO	ROLLOVER	11/19/2014	0.00	3,776.80
024454	CK	11/19/2014	F2682S GERALD M. SCHNEIDER	05-15		019322	VO	DEATH BENEFIT	11/19/2014	0.00	3,243.37
024455	CK	11/19/2014	F4582B1 CAROLYN L. BERG	05-15		019323	VO	DEATH BENEFIT	11/19/2014	0.00	1,460.95
024456	CK	11/19/2014	F4582B2R HEARTLAND BANK	05-15		019324	VO	ROLLOVER	11/19/2014	0.00	1,772.47
024457	CK	11/19/2014	F4582B3 MICHAEL SHANE BAKER	05-15		019325	VO	DEATH BENEFIT	11/19/2014	0.00	1,417.98
024458	CK	11/19/2014	F6668B1 CAROLYN L. BERG	05-15		019326	VO	DEATH BENEFIT	11/19/2014	0.00	186.21
024459	CK	11/19/2014	F6668B2R HEARTLAND BANK	05-15		019327	VO	ROLLOVER	11/19/2014	0.00	180.72
024460	CK	11/19/2014	F6668B3 MICHAEL SHANE BAKER	05-15		019328	VO	DEATH BENEFIT	11/19/2014	0.00	180.72
024461	CK	11/19/2014	ADP ADP LLC	05-15	05-15	019329	VO	ADMIN EXP	11/19/2014	0.00	8,870.13
024461	VC	11/19/2014	ADP ADP LLC	05-15	05-15	019329	VO	ADMIN EXP	11/19/2014	0.00	-8,870.13
									Check Total		**0.00**
024462	CK	11/19/2014	AT&T AT & T MOBILITY	05-15	05-15	019330	VO	IT	11/19/2014	0.00	289.05
024462	VC	11/19/2014	AT&T AT & T MOBILITY	05-15	05-15	019330	VO	IT	11/19/2014	0.00	-289.05
									Check Total		**0.00**

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
024463	CK	11/19/2014	BROWN BROWN ARMSTRONG	05-15		019331	VO	ADMIN EXP	11/19/2014	0.00	2,132.50
024464	CK	11/19/2014	CINTAS CINTAS CORP	05-15		019332	VO	ADMIN EXP	11/19/2014	0.00	130.40
024465	CK	11/19/2014	CMP CMP & ASSOCIATES, INC	05-15		019333	VO	IT/PAS	11/19/2014	0.00	20,455.00
024466	CK	11/19/2014	CUSTOM CUSTOM PRINTING	05-15		019334	VO	ADMIN EXP	11/19/2014	0.00	259.20
024467	CK	11/19/2014	GFOA GOVERNMENT FINANCE	05-15		019335	VO	ADMIN EXP	11/19/2014	0.00	180.00
024468	CK	11/19/2014	SMARTBEAR SMARTBEAR SOFTWARE, INC	05-15		019336	VO	PAS	11/19/2014	0.00	5,542.65
024469	CK	11/19/2014	STATE STATE STREET BANK AND TRUS	05-15		019337	VO	INVESTMENT FEES	11/19/2014	0.00	16,300.21
024470	CK	11/19/2014	TWC TIME WARNER CABLE	05-15		019338	VO	IT	11/19/2014	0.00	481.97
024471	CK	11/19/2014	VITECH VITECH SYSTEMS GROUP INC	05-15		019339	VO	PAS	11/19/2014	0.00	2,500.00
024472	CK	11/19/2014	VOLT VOLT	05-15		019340	VO	ADMIN	11/19/2014	0.00	2,462.40
024473	CK	11/19/2014	ADP ADP LLC	05-15		019329	VO	ADMIN EXP	11/19/2014	0.00	8,870.13
024474	CK	11/19/2014	AT&T AT & T MOBILITY	05-15		019330	VO	IT	11/19/2014	0.00	289.05
024475	CK	11/25/2014	CA SDU CALIFORNIA STATE	05-15		019341	VO	CRT ORDERED PMT	11/25/2014	0.00	1,052.47
024476	CK	11/25/2014	CALPERS CALPERS LONG-TERM	05-15		019342	VO	INSURANCE	11/25/2014	0.00	18,699.79

Ventura County Retirement Assn

Check Register - Standard

Period: 05-15 As of: 12/1/2014

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
024477	CK	11/25/2014	CHILD21 OREGON DEPT OF JUSTICE	05-15		019343	VO	CRT ORDERED PMT	11/25/2014	0.00	171.74
024478	CK	11/25/2014	CHILD5 STATE DISBURSEMENT UNIT (SI	05-15		019344	VO	CRT ORDERED PMT	11/25/2014	0.00	511.00
024479	CK	11/25/2014	CHILD9 SHERIDA SEGALL	05-15		019345	VO	CRT ORDERED PMT	11/25/2014	0.00	260.00
024480	CK	11/25/2014	CVMP COUNTY OF VENTURA	05-15		019346	VO	INSURANCE	11/25/2014	0.00	543,269.39
024481	CK	11/25/2014	FTBCA3 FRANCHISE TAX BOARD	05-15		019347	VO	GARNISHMENT	11/25/2014	0.00	137.26
024482	CK	11/25/2014	IRS6 INTERNAL REVENUE SERVICE	05-15		019348	VO	GARNISHMENT	11/25/2014	0.00	321.00
024483	CK	11/25/2014	IRS7 INTERNAL REVENUE SERVICE	05-15		019349	VO	GARNISHMENT	11/25/2014	0.00	500.00
024484	CK	11/25/2014	REAVC RETIRED EMPLOYEES' ASSOCIA	05-15		019350	VO	DUES	11/25/2014	0.00	4,263.00
024485	CK	11/25/2014	SEIU SEIU LOCAL 721	05-15		019351	VO	DUES	11/25/2014	0.00	295.50
024486	CK	11/25/2014	SPOUSE2 KELLY SEARCY	05-15		019352	VO	CRT ORDERED PMT	11/25/2014	0.00	1,874.00
024487	CK	11/25/2014	SPOUSE3 ANGELINA ORTIZ	05-15		019353	VO	CRT ORDERED PMT	11/25/2014	0.00	250.00
024488	CK	11/25/2014	SPOUSE4 CATHY C. PEET	05-15		019354	VO	CRT ORDERED PMT	11/25/2014	0.00	550.00
024489	CK	11/25/2014	SPOUSE5 SUZANNA CARR	05-15		019355	VO	CRT ORDERED PMT	11/25/2014	0.00	829.00

Ventura County Retirement Assn

Check Register - Standard

Period: 05-15 As of: 12/1/2014

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
024490	CK	11/25/2014	SPOUSE6 BARBARA JO GREENE	05-15		019356	VO	CRT ORDERED PMT	11/25/2014	0.00	675.00
024491	CK	11/25/2014	SPOUSE7 MARIA G. SANCHEZ	05-15		019357	VO	CRT ORDERED PMT	11/25/2014	0.00	104.00
024492	CK	11/25/2014	VCDSA VENTURA COUNTY DEPUTY	05-15		019358	VO	INSURANCE	11/25/2014	0.00	245,369.04
024493	CK	11/25/2014	VCPFF VENTURA COUNTY PROFESSIOI	05-15		019359	VO	INSURANCE	11/25/2014	0.00	70,076.71
024494	CK	11/25/2014	VRSD VENTURA REGIONAL	05-15		019360	VO	INSURANCE	11/25/2014	0.00	6,423.84
024495	CK	11/25/2014	VSP VISION SERVICE PLAN - (CA)	05-15		019361	VO	INSURANCE	11/25/2014	0.00	8,299.50
024496	CK	11/25/2014	100748 CHRIS JOHNSTON	05-15		019362	VO	TRAVEL REIMB	11/25/2014	0.00	990.81
024497	CK	11/25/2014	100917 STEVEN HINTZ	05-15		019363	VO	TRAVEL REIMB	11/25/2014	0.00	1,113.56
024498	CK	11/25/2014	990002 ARTHUR E. GOULET	05-15		019364	VO	TRAVEL REIMB	11/25/2014	0.00	1,100.21
024499	CK	11/25/2014	990007 DEANNA MCCORMICK	05-15		019365	VO	TRAVEL REIMB	11/25/2014	0.00	313.72
024500	CK	11/25/2014	ACCESS ACCESS INFORMATION MANAGE	05-15		019366	VO	ADMIN EXP	11/25/2014	0.00	682.29
024501	CK	11/25/2014	ASSIMA ASSIMA, INC.	05-15		019367	VO	PAS	11/25/2014	0.00	2,328.93
024502	CK	11/25/2014	CORPORATE STAPLES ADVANTAGE	05-15		019368	VO	ADMIN EXP	11/25/2014	0.00	51.35
024503	CK	11/25/2014	MBS MANAGED BUSINESS SOLUTION	05-15		019369	VO	PAS	11/25/2014	0.00	2,738.75

Ventura County Retirement Assn

Check Register - Standard

Period: 05-15 As of: 12/1/2014

Check Nbr	Check Type	Check Date	Vendor ID / Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
024504	CK	11/25/2014	MF M.F. DAILY CORPORATION	05-15		019370	VO	ADMIN EXP	11/25/2014	0.00	15,200.57
024505	CK	11/25/2014	NAPPA NAPPA	05-15		019371	VO	ADMIN EXP	11/25/2014	0.00	450.00
024506	CK	11/25/2014	PIMCO PACIFIC INVESTMENT MGMT CC	05-15		019372	VO	INVESTMENT FEES	11/25/2014	0.00	107,268.08
024507	CK	11/25/2014	PRUDENTIAL PRUDENTIAL INSURANCE	05-15		019373	VO	INVESTMENT FEES	11/25/2014	0.00	198,752.72
024508	CK	11/25/2014	SAFEGUARD SAFEGUARD BUSINESS SYSTEI	05-15		019374	VO	ADMIN EXP	11/25/2014	0.00	200.72
024509	CK	11/25/2014	VOLT VOLT	05-15		019375	VO	ADMIN EXP/PAS	11/25/2014	0.00	933.12

Check Count: 127

Acct Sub Total: 2,344,211.01

Check Type	Count	Amount Paid
Regular	124	2,353,685.19
Hand	0	0.00
Electronic Payment	0	0.00
Void	3	-9,474.18
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	**127**	**2,344,211.01**

Company Disc Total 0.00 **Company Total 2,344,211.01**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET SUMMARY FISCAL YEAR 2014-2015
October 2014 - 33.33% of Fiscal Year Expended

EXPENDITURE DESCRIPTIONS	Adopted 2014/2015 Budget	Adjusted 2014/2015 Budget	Oct-14	Year to Date Expended	Available Balance	Percent Expended
Salaries & Benefits:						
Salaries	$ 1,842,500.00	$ 1,842,500.00	$ 182,434.32	$ 471,030.38	$ 1,371,469.62	25.56%
Extra-Help	62,600.00	62,600.00	6,026.40	24,889.11	37,710.89	39.76%
Overtime	1,000.00	1,000.00	129.28	329.95	670.05	33.00%
Supplemental Payments	59,600.00	59,600.00	5,359.96	14,061.76	45,538.24	23.59%
Vacation Redemption	102,500.00	102,500.00	0.00	6,405.19	96,094.81	6.25%
Retirement Contributions	366,000.00	366,000.00	34,941.74	91,003.56	274,996.44	24.86%
OASDI Contributions	115,600.00	115,600.00	10,465.69	28,697.54	86,902.46	24.82%
FICA-Medicare	29,100.00	29,100.00	2,666.90	6,930.82	22,169.18	23.82%
Retiree Health Benefit	13,300.00	13,300.00	2,092.80	7,673.60	5,626.40	57.70%
Group Health Insurance	182,100.00	182,100.00	17,670.00	46,124.40	135,975.60	25.33%
Life Insurance/Mgmt	1,100.00	1,100.00	112.45	302.42	797.58	27.49%
Unemployment Insurance	2,300.00	2,300.00	220.71	567.62	1,732.38	24.68%
Management Disability Insurance	4,500.00	4,500.00	442.95	1,141.36	3,358.64	25.36%
Worker' Compensation Insurance	13,400.00	13,400.00	1,361.03	3,514.51	9,885.49	26.23%
401K Plan Contribution	33,100.00	33,100.00	2,940.22	7,359.39	25,740.61	22.23%
Transfers In	150,700.00	150,700.00	6,010.80	21,723.54	128,976.46	14.42%
Transfers Out	(150,700.00)	(150,700.00)	(6,010.80)	(21,723.54)	(128,976.46)	14.42%
Total Salaries & Benefits	$ 2,828,700.00	$ 2,828,700.00	$ 266,864.45	$ 710,031.61	$ 2,118,668.39	25.10%
Services & Supplies:						
Telecommunication Services - ISF	$ 37,800.00	$ 37,800.00	$ 3,030.11	$ 11,128.75	$ 26,671.25	29.44%
General Insurance - ISF	12,200.00	12,200.00	0.00	0.00	12,200.00	0.00%
Office Equipment Maintenance	1,000.00	1,000.00	0.00	0.00	1,000.00	0.00%
Membership and Dues	9,500.00	9,500.00	0.00	4,319.00	5,181.00	45.46%
Education Allowance	10,000.00	10,000.00	0.00	2,000.00	8,000.00	20.00%
Cost Allocation Charges	(35,400.00)	(35,400.00)	0.00	0.00	(35,400.00)	0.00%
Printing Services - Not ISF	3,000.00	3,000.00	431.08	754.67	2,245.33	25.16%
Books & Publications	2,500.00	2,500.00	157.42	306.42	2,193.58	12.26%
Office Supplies	20,000.00	20,000.00	1,041.59	2,772.74	17,227.26	13.86%
Postage & Express	59,700.00	59,700.00	3,495.03	16,366.20	43,333.80	27.41%
Printing Charges - ISF	10,000.00	10,000.00	0.00	1,191.20	8,808.80	11.91%
Copy Machine Services - ISF	6,500.00	6,500.00	291.15	291.15	6,208.85	4.48%
Board Member Fees	12,000.00	12,000.00	800.00	3,200.00	8,800.00	26.67%
Professional Services	1,074,000.00	1,074,000.00	87,320.28	283,922.11	790,077.89	26.44%
Storage Charges	5,500.00	5,500.00	0.00	1,033.19	4,466.81	18.79%
Equipment	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Office Lease Payments	186,000.00	186,000.00	15,200.57	60,802.28	125,197.72	32.69%
Private Vehicle Mileage	9,000.00	9,000.00	107.52	607.64	8,392.36	6.75%
Conference, Seminar and Travel	63,000.00	63,000.00	1,519.18	3,757.80	59,242.20	5.96%
Furniture	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Facilities Charges	3,900.00	3,900.00	1,782.00	2,604.47	1,295.53	66.78%
Transfers In	16,000.00	16,000.00	638.32	2,306.94	13,693.06	14.42%
Transfers Out	(16,000.00)	(16,000.00)	(638.32)	(2,306.94)	(13,693.06)	14.42%
Total Services & Supplies	$ 1,495,200.00	$ 1,495,200.00	$ 115,175.93	$ 395,057.62	$ 1,100,142.38	26.42%
Total Sal, Ben, Serv & Supp	$ 4,323,900.00	$ 4,323,900.00	$ 382,040.38	$ 1,105,089.23	$ 3,218,810.77	25.56%
Technology:						
Computer Hardware	$ 32,600.00	$ 32,600.00	$ 100.41	401.72	$ 32,198.28	1.23%
Computer Software	193,000.00	193,000.00	4.99	29,441.15	163,558.85	15.25%
Systems & Application Support	670,200.00	670,200.00	70,606.93	107,424.28	562,775.72	16.03%
Pension Administration System	1,621,400.00	1,621,400.00	474,189.49	580,424.34	1,040,975.66	35.80%
Total Technology	$ 2,517,200.00	$ 2,517,200.00	$ 544,901.82	$ 717,691.49	$ 1,799,508.51	28.51%
Contingency	$ 615,200.00	$ 615,200.00	$ -	$ -	$ 615,200.00	0.00%
Total Current Year	$ 7,456,300.00	$ 7,456,300.00	$ 926,942.20	$ 1,822,780.72	$ 5,633,519.28	24.45%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET SUMMARY FISCAL YEAR 2014-2015
November 2014 - 41.66% of Fiscal Year Expended

EXPENDITURE DESCRIPTIONS	Adopted 2014/2015 Budget	Adjusted 2014/2015 Budget	Nov-14	Year to Date Expended	Available Balance	Percent Expended
Salaries & Benefits:						
Salaries	$ 1,842,500.00	$ 1,842,500.00	$ 122,271.46	$ 593,301.84	$ 1,249,198.16	32.20%
Extra-Help	62,600.00	62,600.00	5,704.32	30,593.43	32,006.57	48.87%
Overtime	1,000.00	1,000.00	0.00	329.95	670.05	33.00%
Supplemental Payments	59,600.00	59,600.00	3,591.08	17,652.84	41,947.16	29.62%
Vacation Redemption	102,500.00	102,500.00	1,610.77	8,015.96	94,484.04	7.82%
Retirement Contributions	366,000.00	366,000.00	24,860.81	115,864.37	250,135.63	31.66%
OASDI Contributions	115,600.00	115,600.00	6,955.29	35,652.83	79,947.17	30.84%
FICA-Medicare	29,100.00	29,100.00	1,808.76	8,739.58	20,360.42	30.03%
Retiree Health Benefit	13,300.00	13,300.00	2,092.80	9,766.40	3,533.60	73.43%
Group Health Insurance	182,100.00	182,100.00	11,970.00	58,094.40	124,005.60	31.90%
Life Insurance/Mgmt	1,100.00	1,100.00	72.66	375.08	724.92	34.10%
Unemployment Insurance	2,300.00	2,300.00	147.74	715.36	1,584.64	31.10%
Management Disability Insurance	4,500.00	4,500.00	896.37	2,037.73	2,462.27	45.28%
Worker' Compensation Insurance	13,400.00	13,400.00	950.89	4,465.40	8,934.60	33.32%
401K Plan Contribution	33,100.00	33,100.00	2,006.91	9,366.30	23,733.70	28.30%
Transfers In	150,700.00	150,700.00	10,843.76	32,567.30	118,132.70	21.61%
Transfers Out	(150,700.00)	(150,700.00)	(10,843.76)	(32,567.30)	(118,132.70)	21.61%
Total Salaries & Benefits	$ 2,828,700.00	$ 2,828,700.00	$ 184,939.86	$ 894,971.47	$ 1,933,728.53	31.64%
Services & Supplies:						
Telecommunication Services - ISF	$ 37,800.00	$ 37,800.00	$ 2,805.26	$ 13,934.01	$ 23,865.99	36.86%
General Insurance - ISF	12,200.00	12,200.00	0.00	0.00	12,200.00	0.00%
Office Equipment Maintenance	1,000.00	1,000.00	269.90	269.90	730.10	26.99%
Membership and Dues	9,500.00	9,500.00	1,925.00	6,244.00	3,256.00	65.73%
Education Allowance	10,000.00	10,000.00	2,000.00	4,000.00	6,000.00	40.00%
Cost Allocation Charges	(35,400.00)	(35,400.00)	0.00	0.00	(35,400.00)	0.00%
Printing Services - Not ISF	3,000.00	3,000.00	1,315.60	2,070.27	929.73	69.01%
Books & Publications	2,500.00	2,500.00	0.00	306.42	2,193.58	12.26%
Office Supplies	20,000.00	20,000.00	164.26	2,937.00	17,063.00	14.69%
Postage & Express	59,700.00	59,700.00	9,033.21	25,399.41	34,300.59	42.55%
Printing Charges - ISF	10,000.00	10,000.00	9,157.68	10,348.88	(348.88)	103.49%
Copy Machine Services - ISF	6,500.00	6,500.00	0.00	291.15	6,208.85	4.48%
Board Member Fees	12,000.00	12,000.00	1,400.00	4,600.00	7,400.00	38.33%
Professional Services	1,074,000.00	1,074,000.00	22,558.41	306,480.52	767,519.48	28.54%
Storage Charges	5,500.00	5,500.00	682.29	1,715.48	3,784.52	31.19%
Equipment	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Office Lease Payments	186,000.00	186,000.00	15,200.57	76,002.85	109,997.15	40.86%
Private Vehicle Mileage	9,000.00	9,000.00	1,348.70	1,956.34	7,043.66	21.74%
Conference, Seminar and Travel	63,000.00	63,000.00	8,944.56	12,702.36	50,297.64	20.16%
Furniture	5,000.00	5,000.00	512.11	512.11	4,487.89	10.24%
Facilities Charges	3,900.00	3,900.00	400.00	3,004.47	895.53	77.04%
Transfers In	16,000.00	16,000.00	1,151.56	3,458.50	12,541.50	21.62%
Transfers Out	(16,000.00)	(16,000.00)	(1,151.56)	(3,458.50)	(12,541.50)	21.62%
Total Services & Supplies	$ 1,495,200.00	$ 1,495,200.00	$ 77,717.55	$ 472,775.17	$ 1,022,424.83	31.62%
Total Sal, Ben, Serv & Supp	$ 4,323,900.00	$ 4,323,900.00	$ 262,657.41	$ 1,367,746.64	$ 2,956,153.36	31.63%
Technology:						
Computer Hardware	$ 32,600.00	$ 32,600.00	$ -	401.72	$ 32,198.28	1.23%
Computer Software	193,000.00	193,000.00	7,871.58	37,312.73	155,687.27	19.33%
Systems & Application Support	670,200.00	670,200.00	46,010.94	153,435.22	516,764.78	22.89%
Pension Administration System	1,621,400.00	1,621,400.00	14,994.78	595,419.12	1,025,980.88	36.72%
Total Technology	$ 2,517,200.00	$ 2,517,200.00	$ 68,877.30	$ 786,568.79	$ 1,730,631.21	31.25%
Contingency	$ 615,200.00	$ 615,200.00	$ -	$ -	$ 615,200.00	0.00%
Total Current Year	$ 7,456,300.00	$ 7,456,300.00	$ 331,534.71	$ 2,154,315.43	$ 5,301,984.57	28.89%

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2014

ASSETS

CASH & CASH EQUIVALENTS	$121,395,456
RECEIVABLES	
ACCRUED INTEREST AND DIVIDENDS	3,635,608
SECURITY SALES	35,700,149
MISCELLANEOUS	6,861
TOTAL RECEIVABLES	39,342,618
INVESTMENTS AT FAIR VALUE	
DOMESTIC EQUITY SECURITIES	118,637,582
DOMESTIC EQUITY INDEX FUNDS	1,193,824,201
INTERNATIONAL EQUITY SECURITIES	358,868,671
INTERNATIONAL EQUITY INDEX FUNDS	259,029,569
GLOBAL EQUITY	434,020,217
PRIVATE EQUITY	97,724,029
DOMESTIC FIXED INCOME - CORE PLUS	616,983,970
DOMESTIC FIXED INCOME - U.S. INDEX	136,750,241
GLOBAL FIXED INCOME	257,330,147
REAL ESTATE	314,010,427
ALTERNATIVES	435,185,821
CASH OVERLAY - CLIFTON	75
TOTAL INVESTMENTS	4,222,364,951
PENSION SOFTWARE DEVELOPMENT COSTS	6,459,436
TOTAL ASSETS	4,389,562,461

LIABILITIES

SECURITY PURCHASES PAYABLE	39,278,995
ACCOUNTS PAYABLE	2,028,477
PREPAID CONTRIBUTIONS	120,149,705
TOTAL LIABILITIES	161,457,176
NET POSITION RESTRICTED FOR PENSIONS	$4,228,105,285

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF FIDUCIARY NET POSITION
OCTOBER 31, 2014

ASSETS

CASH & CASH EQUIVALENTS	$109,043,028
RECEIVABLES	
ACCRUED INTEREST AND DIVIDENDS	4,578,958
SECURITY SALES	32,095,552
MISCELLANEOUS	6,710
TOTAL RECEIVABLES	36,681,220
INVESTMENTS AT FAIR VALUE	
DOMESTIC EQUITY SECURITIES	114,293,084
DOMESTIC EQUITY INDEX FUNDS	1,227,654,353
INTERNATIONAL EQUITY SECURITIES	354,238,047
INTERNATIONAL EQUITY INDEX FUNDS	256,096,260
GLOBAL EQUITY	434,904,507
PRIVATE EQUITY	104,526,496
DOMESTIC FIXED INCOME - CORE PLUS	615,550,357
DOMESTIC FIXED INCOME - U.S. INDEX	138,021,503
GLOBAL FIXED INCOME	256,256,784
REAL ESTATE	313,736,471
ALTERNATIVES	418,969,614
CASH OVERLAY - CLIFTON	88
TOTAL INVESTMENTS	4,234,247,562
PENSION SOFTWARE DEVELOPMENT COSTS	6,459,436
TOTAL ASSETS	4,386,431,247

LIABILITIES

SECURITY PURCHASES PAYABLE	32,831,085
ACCOUNTS PAYABLE	1,279,558
PREPAID CONTRIBUTIONS	100,404,590
TOTAL LIABILITIES	134,515,234
NET POSITION RESTRICTED FOR PENSIONS	$4,251,916,013

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

ADDITIONS	
CONTRIBUTIONS	
EMPLOYER	$34,715,664
EMPLOYEE	12,235,786
TOTAL CONTRIBUTIONS	**46,951,450**
INVESTMENT INCOME	
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	(55,551,136)
INTEREST INCOME	3,721,076
DIVIDEND INCOME	15,231,517
REAL ESTATE OPERATING INCOME, NET	3,859,111
SECURITY LENDING INCOME	29,368
TOTAL INVESTMENT INCOME	**(32,710,065)**
LESS INVESTMENT EXPENSES	
MANAGEMENT & CUSTODIAL FEES	3,392,385
SECURITIES LENDING BORROWER REBATES	(3,288)
SECURITIES LENDING MANAGEMENT FEES	12,761
TOTAL INVESTMENT EXPENSES	**3,401,857**
NET INVESTMENT INCOME	**(36,111,922)**
TOTAL ADDITIONS	**10,839,529**
DEDUCTIONS	
BENEFIT PAYMENTS	55,889,004
MEMBER REFUNDS	834,842
ADMINISTRATIVE EXPENSES	896,261
TOTAL DEDUCTIONS	**57,620,107**
NET INCREASE/(DECREASE)	**(46,780,579)**
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF YEAR	**4,274,885,864**
ENDING BALANCE	**$4,228,105,285**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2014

ADDITIONS	
CONTRIBUTIONS	
EMPLOYER	$54,217,256
EMPLOYEE	19,151,674
TOTAL CONTRIBUTIONS	**73,368,930**
INVESTMENT INCOME	
NET APPRECIATION IN FAIR VALUE OF INVESTMENTS	(39,717,059)
INTEREST INCOME	4,979,904
DIVIDEND INCOME	16,066,867
REAL ESTATE OPERATING INCOME, NET	3,859,111
SECURITY LENDING INCOME	42,518
TOTAL INVESTMENT INCOME	**(14,768,660)**
LESS INVESTMENT EXPENSES	
MANAGEMENT & CUSTODIAL FEES	3,717,274
SECURITIES LENDING BORROWER REBATES	(3,878)
SECURITIES LENDING MANAGEMENT FEES	16,644
TOTAL INVESTMENT EXPENSES	**3,730,041**
NET INVESTMENT INCOME	**(18,498,701)**
TOTAL ADDITIONS	**54,870,230**
DEDUCTIONS	
BENEFIT PAYMENTS	74,714,982
MEMBER REFUNDS	1,302,385
ADMINISTRATIVE EXPENSES	1,822,713
TOTAL DEDUCTIONS	**77,840,080**
NET INCREASE/(DECREASE)	**(22,969,850)**
NET POSITION RESTRICTED FOR PENSIONS	
BEGINNING OF YEAR	**4,274,885,864**
ENDING BALANCE	**$4,251,916,014**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
SEPTEMBER 30, 2014

EQUITY		
DOMESTIC EQUITY		
WESTERN ASSET INDEX PLUS	$118,637,582	$16,001,992
TOTAL DOMESTIC EQUITY	**118,637,582**	**16,001,992**
DOMESTIC INDEX FUNDS		
BLACKROCK - US EQUITY MARKET	1,150,045,795	0
BLACKROCK - EXTENDED EQUITY	43,778,407	1
TOTAL EQUITY INDEX FUNDS	**1,193,824,201**	**1**
INTERNATIONAL EQUITY		
SPRUCEGROVE	185,307,307	0
HEXAVEST	80,620,136	0
WALTER SCOTT	92,941,228	0
TOTAL INTERNATIONAL EQUITY	**358,868,671**	**0**
INTERNATIONAL INDEX FUNDS		
BLACKROCK - ACWIXUS	259,029,569	0
TOTAL INTERNATIONAL INDEX FUNDS	**259,029,569**	**0**
GLOBAL EQUITY		
GRANTHAM MAYO AND VAN OTTERLOO (GMO)	212,724,958	0
BLACKROCK - GLOBAL INDEX	221,295,259	0
TOTAL GLOBAL EQUITY	**434,020,217**	**0**
PRIVATE EQUITY		
ADAMS STREET	63,349,440	0
PANTHEON	10,240,114	0
HARBOURVEST	24,134,475	0
TOTAL PRIVATE EQUITY	**97,724,029**	**0**
FIXED INCOME		
DOMESTIC		
LOOMIS SAYLES AND COMPANY	68,458,434	2,871,997
REAMS	287,873,856	98,711
WESTERN ASSET MANAGEMENT	260,651,680	1,250,145
TOTAL DOMESTIC	**616,983,970**	**4,220,853**
DOMESTIC INDEX FUNDS		
BLACKROCK - US DEBT INDEX	136,750,241	0
TOTAL DOMESTIC INDEX FUNDS	**136,750,241**	**0**
GLOBAL		
LOOMIS SAYLES AND COMPANY	93,359,972	0
LOOMIS ALPHA	41,938,564	0
PIMCO	122,031,611	2,433,431
TOTAL GLOBAL	**257,330,147**	**2,433,431**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
SEPTEMBER 30, 2014

REAL ESTATE		
PRUDENTIAL REAL ESTATE	103,915,047	0
RREEF	7,474,566	0
UBS REALTY	202,620,814	0
TOTAL REAL ESTATE	**314,010,427**	**0**
ALTERNATIVES		
BRIDGEWATER	284,315,450	0
TORTOISE (MLP's)	150,870,371	4,563,752
TOTAL ALTERNATIVES	**435,185,821**	**4,563,752**
CASH OVERLAY - CLIFTON GROUP	**75**	**89,139,107**
IN HOUSE CASH		**5,036,319**
TOTAL INVESTMENTS AND CASH	**$4,222,364,951**	**$121,395,456**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
OCTOBER 31, 2014

EQUITY		
DOMESTIC EQUITY		
WESTERN ASSET INDEX PLUS	$114,293,084	$19,371,128
TOTAL DOMESTIC EQUITY	**114,293,084**	**19,371,128**
DOMESTIC INDEX FUNDS		
BLACKROCK - US EQUITY MARKET	1,182,098,332	0
BLACKROCK - EXTENDED EQUITY	45,556,021	1
TOTAL EQUITY INDEX FUNDS	**1,227,654,353**	**1**
INTERNATIONAL EQUITY		
SPRUCEGROVE	182,213,570	0
HEXAVEST	79,446,792	0
WALTER SCOTT	92,577,685	0
TOTAL INTERNATIONAL EQUITY	**354,238,047**	**0**
INTERNATIONAL INDEX FUNDS		
BLACKROCK - ACWIXUS	256,096,260	0
TOTAL INTERNATIONAL INDEX FUNDS	**256,096,260**	**0**
GLOBAL EQUITY		
GRANTHAM MAYO AND VAN OTTERLOO (GMO)	212,008,712	0
BLACKROCK - GLOBAL INDEX	222,895,794	0
TOTAL GLOBAL EQUITY	**434,904,507**	**0**
PRIVATE EQUITY		
ADAMS STREET	67,249,407	0
PANTHEON	10,105,114	0
HARBOURVEST	27,171,975	0
TOTAL PRIVATE EQUITY	**104,526,496**	**0**
FIXED INCOME		
DOMESTIC		
LOOMIS SAYLES AND COMPANY	68,008,534	3,351,873
REAMS	286,571,170	98,948
WESTERN ASSET MANAGEMENT	260,970,653	2,620,627
TOTAL DOMESTIC	**615,550,357**	**6,071,448**
DOMESTIC INDEX FUNDS		
BLACKROCK - US DEBT INDEX	138,021,503	0
TOTAL DOMESTIC INDEX FUNDS	**138,021,503**	**0**
GLOBAL		
LOOMIS SAYLES AND COMPANY	93,359,972	0
LOOMIS ALPHA	41,825,221	0
PIMCO	121,071,592	5,365,874
TOTAL GLOBAL	**256,256,784**	**5,365,874**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENTS AND CASH EQUIVALENTS
OCTOBER 31, 2014

REAL ESTATE		
PRUDENTIAL REAL ESTATE	103,915,047	0
RREEF	7,200,610	0
UBS REALTY	202,620,814	0
TOTAL REAL ESTATE	**313,736,471**	**0**
ALTERNATIVES		
BRIDGEWATER	274,016,903	0
TORTOISE (MLP's)	144,952,711	4,618,798
TOTAL ALTERNATIVES	**418,969,614**	**4,618,798**
CASH OVERLAY - CLIFTON GROUP	**88**	**67,735,305**
IN HOUSE CASH		**5,880,474**
TOTAL INVESTMENTS AND CASH	**$4,234,247,562**	**$109,043,028**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

EQUITY MANAGERS	
DOMESTIC	
BLACKROCK - US EQUITY	$60,383
BLACKROCK - EXTENDED EQUITY	4,462
WESTERN ASSET INDEX PLUS	62,105
TOTAL	**126,950**
INTERNATIONAL	
BLACKROCK - ACWIXUS	66,873
SPRUCEGROVE	118,188
HEXAVEST	94,213
WALTER SCOTT	208,147
TOTAL	**487,419**
GLOBAL	
GRANTHAM MAYO VAN OTTERLOO (GMO)	306,216
BLACKROCK - GLOBAL INDEX	22,453
TOTAL	**328,669**
PRIVATE EQUITY	
ADAMS STREET	486,628
HARBOURVEST	80,149
PANTHEON	37,500
TOTAL	**604,277**
FIXED INCOME MANAGERS	
DOMESTIC	
BLACKROCK - US DEBT INDEX	23,682
LOOMIS, SAYLES AND COMPANY	71,245
REAMS ASSET MANAGEMENT	233,540
WESTERN ASSET MANAGEMENT	123,553
TOTAL	**452,021**
GLOBAL	
LOOMIS, SAYLES AND COMPANY	72,083
LOOMIS ALPHA	41,786
PIMCO	107,351
TOTAL	**221,220**
REAL ESTATE	
PRUDENTIAL REAL ESTATE ADVISORS	198,753
RREEF	22,388
UBS REALTY	482,787
TOTAL	**703,927**
ALTERNATIVES	
BRIDGEWATER	183,840
TORTOISE	243,760
TOTAL	**427,600**
CASH OVERLAY - CLIFTON	**32,045**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014

SECURITIES LENDING	
BORROWERS REBATE	(3,288)
MANAGEMENT FEES	12,761
TOTAL	9,472
OTHER	
INVESTMENT CONSULTANT	
INVESTMENT CUSTODIAN	8,257
TOTAL	8,257
TOTAL INVESTMENT MANAGMENT FEES	$3,401,857

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2014

EQUITY MANAGERS	
DOMESTIC	
BLACKROCK - US EQUITY	$60,383
BLACKROCK - EXTENDED EQUITY	4,462
WESTERN ASSET INDEX PLUS	62,105
TOTAL	**126,950**
INTERNATIONAL	
BLACKROCK - ACWIXUS	66,873
SPRUCEGROVE	178,131
HEXAVEST	94,213
WALTER SCOTT	208,147
TOTAL	**547,363**
GLOBAL	
GRANTHAM MAYO VAN OTTERLOO (GMO)	403,294
BLACKROCK - GLOBAL INDEX	22,453
TOTAL	**425,747**
PRIVATE EQUITY	
ADAMS STREET	486,628
HARBOURVEST	80,149
PANTHEON	37,500
TOTAL	**604,277**
FIXED INCOME MANAGERS	
DOMESTIC	
BLACKROCK - US DEBT INDEX	23,682
LOOMIS, SAYLES AND COMPANY	71,245
REAMS ASSET MANAGEMENT	233,540
WESTERN ASSET MANAGEMENT	123,553
TOTAL	**452,021**
GLOBAL	
LOOMIS, SAYLES AND COMPANY	72,083
LOOMIS ALPHA	42,217
PIMCO	107,351
TOTAL	**221,651**
REAL ESTATE	
PRUDENTIAL REAL ESTATE ADVISORS	198,753
RREEF	22,388
UBS REALTY	482,787
TOTAL	**703,927**
ALTERNATIVES	
BRIDGEWATER	274,317
TORTOISE	243,760
TOTAL	**518,077**
CASH OVERLAY - CLIFTON	**32,045**

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
SCHEDULE OF INVESTMENT MANAGEMENT FEES
FOR THE FOUR MONTHS ENDED OCTOBER 31, 2014

SECURITIES LENDING	
BORROWERS REBATE	(3,878)
MANAGEMENT FEES	16,644
TOTAL	**12,767**
OTHER	
INVESTMENT CONSULTANT	68,750
INVESTMENT CUSTODIAN	16,467
TOTAL	**85,217**
TOTAL INVESTMENT MANAGMENT FEES	**$3,730,041**

Ventura County Employees' Retirement Association

15 December 2014

Table of Contents

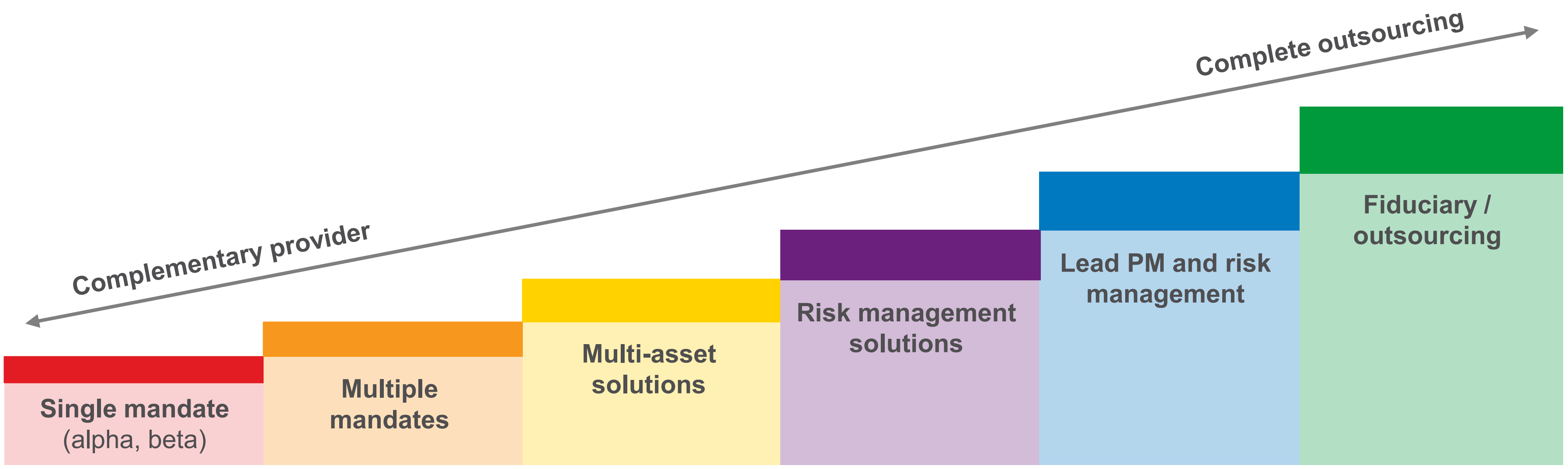
I. BlackRock Update

BlackRock: Clients are our sole focus

We aspire to be the most respected investment and risk manager in the world for clients

- Understand the outcome each client is looking to achieve
- Recognize the core of any investment solution is performance
- Protect our clients' interests through our investments in risk management, analytics and systems

We seek to provide what investors need – from a single asset class mandate to full outsourcing



Firm culture and structure reinforce our client-centric approach

Independent asset manager focused only on clients

- Established in 1988 and public since 1999 (NYSE: BLK)
- Independent Board of Directors
- No proprietary trading
- Group dedicated to corporate governance

Deep understanding of regulatory requirements

- Manage portfolios for clients subject to varied and complex regulatory regimes
- Operate on behalf of investors under more than 50 regulatory authorities worldwide
- Significant experience managing portfolios for official institutions and governments

BlackRock Solutions® foundation for managing risk

- Deliberate, diversified and scaled risk enables us to invest with conviction in pursuit of alpha
- Internally developed risk tools and analysis offered directly to clients as a service
- Reinforces transparency and our responsibility to clients

History of innovation and evolution to better serve investors	
1970s	• Pioneered index and quantitative investing
1980s	• Created the First Term Trust (closed-end fund) • Initiated fixed income and international indexing
1990s	• Created the industry's first target date fund • Introduced exchange-traded funds under World Equity Benchmark Shares (WEBS) brand (now iShares® ETFs)
2000s	• Launched BlackRock Solutions® for risk management and advisory services • Enhanced capabilities by strengthening equities, and adding alternatives, real estate, passive, and scientific investments • Launched Financial Markets Advisory business
2010s	• Engaged by US and European governments for critical risk assessments and banking sector stabilization strategies • Launched BlackRock Investment Institute • Introduced Global Capital Markets desk • Launched first target maturity fixed income ETF • Created an index to track sovereign credit risk (BlackRock Sovereign Risk Index)

Timeline includes history from predecessor entities

Depth of investment resources maximizes performance potential

Organization drives idea and analysis sharing

- 133 investment teams located in 17 countries connect through a common culture and operating platform*
- The BlackRock Investment Institute (BII), our internal investor forum, facilitates sharing and debates insights
- Daily global meeting for BlackRock's 1,900+ investment professionals to discuss markets, portfolio positioning and ongoing trends
- Chief Investment Officers ensure rigorous, deliberate and repeatable investment processes

Investors potential benefit from scale of infrastructure

- Global trading function seeks to enable increased access to liquidity and produces trading efficiencies, improving execution
- Capital Markets Group leverages scale and breadth of platform to help maximize allocations and to seek alpha opportunities in primary markets
- Dedicated Risk & Quantitative Analysis (RQA) professionals partner with portfolio teams to monitor and analyze risk
- Proprietary ***Aladdin***® platform integrates portfolio management, risk analytics, trading and operations

Built to generate alpha

Collective expertise

Investment Research

Daily Global Meeting

BlackRock Investment Institute

Chief Investment Officers

Global infrastructure

Trading

Dedicated Capital Markets

Aladdin®

Risk & Quantitative Analysis

*Data as of 30 June 2014

Positioned to address client needs

Breadth of capabilities enables outcome-based solutions tailored to individual client objectives

$4.52 trillion in assets under management

Equity
$2.4 trillion

- Capabilities across investment styles: index, active fundamental, scientific and absolute return
- Global, regional and sector-specific investing

Fixed Income
$1.3 trillion

- Manage strategies across benchmark types and styles: index, fundamental, model-based and absolute return
- Specialized experts covering all market sectors

Alternatives*
$113 billion

- Specialized capabilities across real estate, private equity, direct hedge funds, fund of hedge funds, infrastructure and renewable power
- Solutions-oriented approach extends to alternatives portfolio construction

Multi-asset
$373 billion

- Outcome focused: target-date, balanced risk factor, and liability-driven investing
- Asset-class agnostic perspective facilitates unbiased market views, advice, and portfolio solutions

Cash
$281 billion

- Recognized as a 'go to' leader in credit and liquidity
- Flexible product range across multiple currencies

Scalable services and infrastructure

Risk Management

- Centralized platform analyzes risk across asset classes
- Leverage for risk management, investment decision support and performance analytics

Advisory

- Advise public and private financial institutions on complex capital markets and balance sheet exposures
- Managed or advised on over $8 trillion in asset and derivative portfolios

Transition Management

- Partner with clients to help save costs and reduce risks when changing investment exposures
- Executed over 3,000 individual transitions with assets totaling $2.3 trillion over the past five years

Securities Lending

- Focus on research, technology and coordination with portfolio management functions that seek to deliver above market returns
- Covers securities in over 30 markets globally

Trading

- More than 50,000 trades per day across equity, fixed income, cash, currency and futures
- 24-hour global coverage across seven trading desks

AUM As of 30 September 2014
* The alternatives AUM may include committed capital, in addition to invested capital, which remains subject to drawdown

II. Holdings and Performance Summary

Ventura County Employees' Retirement Association
Holdings & Performance Summary

As of 30 November 2014

	November 2014 %	FY 2015%	YTD 2014 %	1-Year %	Since Inception %	AUM
Ventura County Employees' Retirement System						
US Equity Market Fund (inception 6/02/2008)	**2.42**	**5.23**	**12.56**	**15.51**	**9.02**	**$1,210,681,373**
Dow Jones U.S. Total Stock Market Index	2.42	5.17	12.49	15.44	8.94	
Tracking Difference	0.00	0.06	0.07	0.07	0.08	
Extended Equity Market Fund (inception 9/30/2002)	**1.29**	**0.41**	**6.61**	**9.74**	**12.84**	**$46,144,931**
Dow Jones U.S. Completion Total Stock Market Index	1.33	0.37	6.59	9.80	12.77	
Tracking Difference	-0.04	0.04	0.02	-0.06	0.07	
ACWI Equity Index Fund (inception 6/27/2012)	**1.71**	**0.17**	**6.63**	**8.43**	**17.78**	**$226,711,462**
MSCI ACWI Net Dividend Return Index	1.67	0.03	6.21	8.04	17.34	
Tracking Difference	0.04	0.14	0.42	0.39	0.44	
ACWI ex-US IMI Index Fund (inception 5/30/2008)	**0.59**	**-5.97**	**-0.37**	**0.66**	**0.71**	**$257,598,969**
MSCI ACWI ex-U.S. IMI Index	0.58	-6.03	-0.60	0.38	0.50	
Tracking Difference	0.01	0.06	0.23	0.28	0.21	

*Returns since inception for periods greater than one year are annualized

Ventura County Employees' Retirement Association Holdings & Performance Summary

As of 30 November 2013

	November 2014 %	FY 2015%	YTD 2014 %	1-Year %	Since Inception %	AUM
Ventura County Employees' Retirement System						
US Debt Index Fund (inception 12/31/1995)	**0.72**	**1.89**	**6.07**	**5.43**	**5.72**	**$139,018,222**
US Equity Market Fund	0.71	1.87	5.87	5.27	5.62	
Tracking Difference	0.01	0.02	0.20	0.16	0.10	

Total AUM	**$1,880,154,958**

*Returns since inception for periods greater than one year are annualized

III. Beta Strategies Update

BlackRock's Beta Strategies Platform

Global leader in Index Equity assets[1]

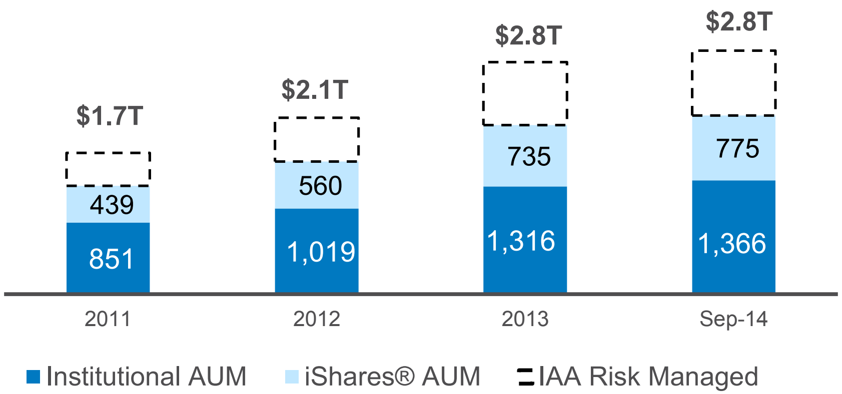
- We seek to deliver consistent performance with precise and reliable outcomes for our clients
- Thousands of skillful and thoughtful decisions made each year for swift response to market trends and client demands

Extensive and flexible platform for beta strategies

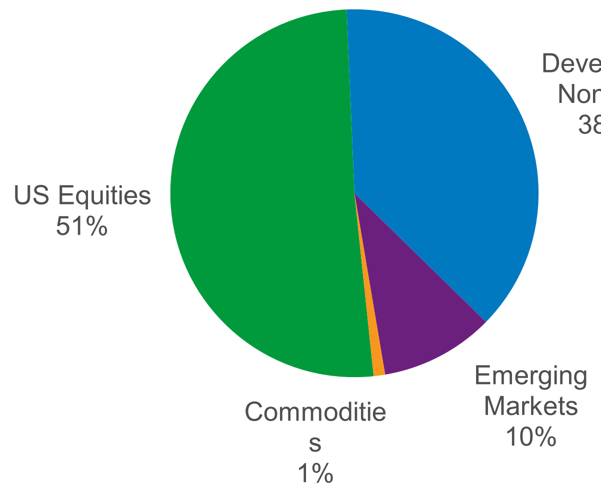
- Over 2,000 funds managed against 650+ benchmarks
- Daily liquidity with T-1 notification (for US equities) and T-2 notification (for non US equities)[2]
- Modular fund structure and asset allocation platform facilitates custom and outcome oriented solutions

Total Beta Strategies risk managed assets of $2.9 trillion USD

In billions USD



Distribution of assets by region of mandate



Source: BlackRock, Inc. and its affiliates (together "BlackRock") as of 30 September 2014
[1] In terms of AUM. Source: Pensions & Investments
[2] Frontier markets commingled fund currently open bi-monthly

BlackRock is a leading global provider of equity index solutions

We have a history of consistent performance and low tracking error

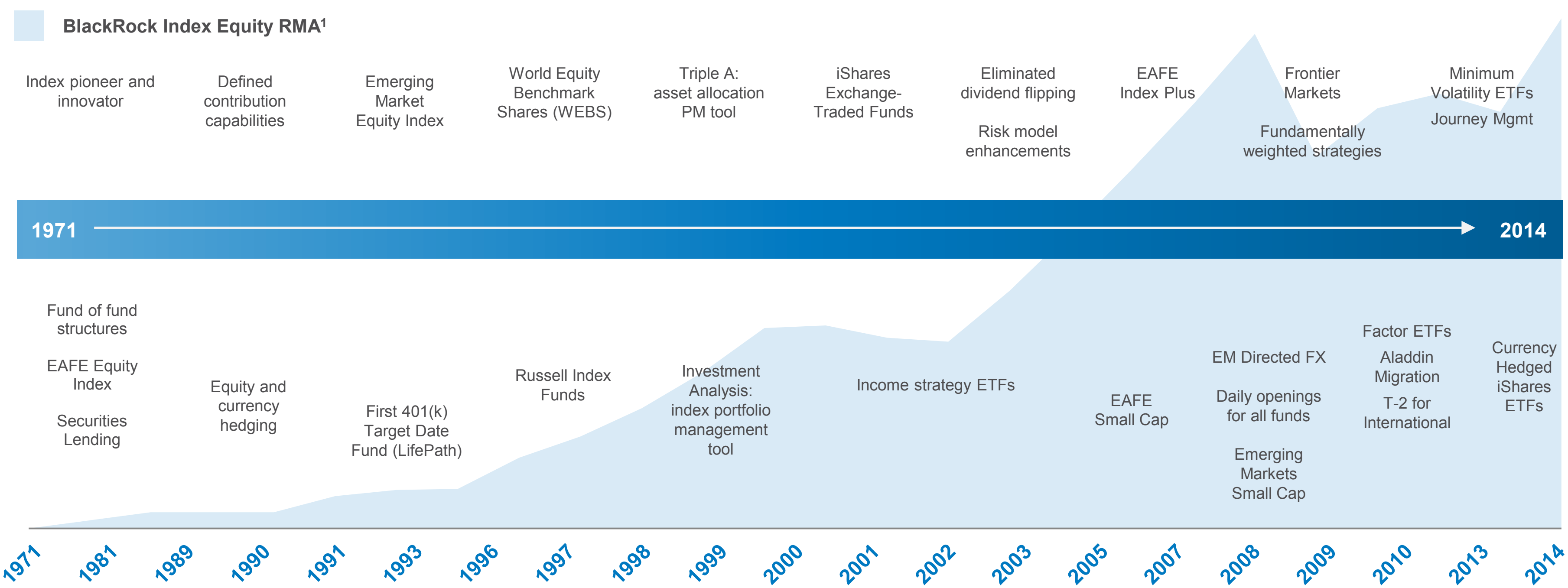
BlackRock's Key Differentiators:		Seek to provide:
Seek performance with precision	We believe skill and ingenuity can lead to precise, reliable outcomes Thousands of decisions each year provide opportunities to preserve value for clients Backed by experienced teams specializing in tax, trading, risk oversight and securities lending	**Consistent returns with low costs**
Clients first	We put clients at the center of our thinking and minimize potential conflicts of interest Scale and diversity of our platform helps lower costs for clients Strive for consistent performance as planned	**Minimal risk at less cost**
Constant evolution	Relentless in our quest to improve beta strategies Rapid and flexible response to trends, new markets and client demands Our scale and technology innovations enhance our ability to deliver consistent performance	**Flexible range of solutions to help meet diverse client needs**

Over 40 years of experience driving beta forward

We constantly reinvest in and reinvent our business so our clients have access to high quality Beta solutions

- Drive the industry forward through our ability to create specialized, innovative investments afforded by our scale and depth of expertise
- Forge new ground for clients — first manager to offer opportunities in equity index developed, emerging, and frontier markets
- Evolve capabilities to continuously deliver on emerging trends — strategic beta, global benchmarking, overlay strategies
- Serve as an index advocate on behalf of clients and as a key partner to index providers seeking our practitioner knowledge

40 years of Beta Strategies — Continual evolution of products, technology and capabilities



[1] Risk Managed Assets (RMA) represents total asset values of the portfolio risks managed by Index Asset Allocation group

Beta strategies continue to be a growing portion of client portfolios

Investors today are enhancing their passive allocations in three ways:

Comprehensive core

- Migrating to broader mandates — segregated index mandates are re-aggregated into one
- Going global — ACWI / ACWI IMI[1] is the fastest growing index strategy
- Moving EM into mainstream — no longer niche; gain EM exposure via global indices

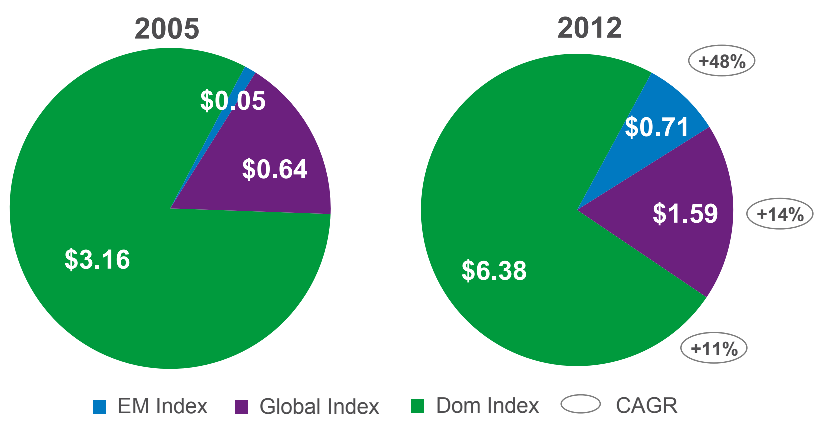
Complementary styles

- Introducing strategic beta as complement to traditional market cap indices
  - Minimum volatility
  - Fundamentally-weighted
  - Factor-based
  - Economic exposure

Custom synthetic overlays

- Implementing synthetic passive exposure over an alpha strategy
- Creating capital efficient, liquid, rebalancing strategies
- Expressing tactical asset allocation views through synthetic beta

Declining home equity bias and increasing global focus[2]

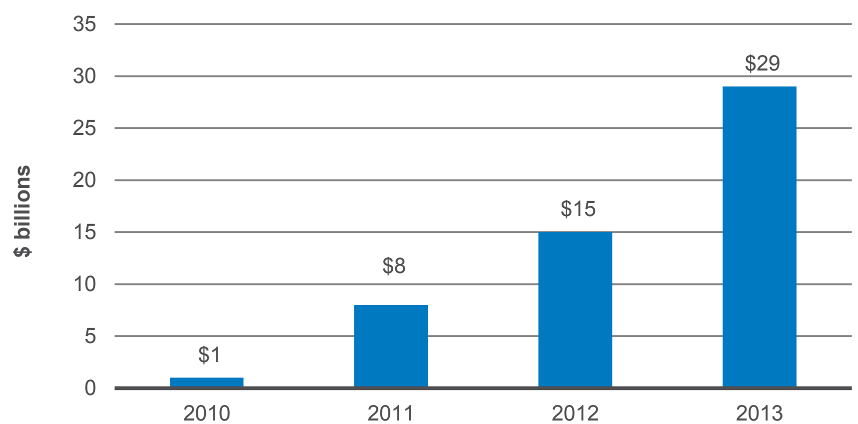


Source: Boston Consulting Group, Strategic Insight, eVestment Alliance, BLK Corporate Strategy estimates. AUM figures represent industry AUM in $ trillions (excl MMFs & Instl Alts)

1 All Country World Index Investable Market Index

2 Represents $ in trillions from perspective of home country investor

Growth in strategic beta over past 4 years



Source: BlackRock strategic beta (non-market cap weighted strategies) assets under management

Beta Strategies: Americas Index Equity

Beta Strategies Leadership

Amy Schioldager
Global Head of Beta Strategies

Americas Index Equity

Alan Mason
Head of Americas Beta Strategies

Institutional

Christopher Bliss, CFA
Head of Institutional Portfolio Management

- North America — **Peter Sietsema, CFA**, Senior Portfolio Manager
- International Developed — **Rachel Aguirre**, Senior Portfolio Manager
- International Emerging — **Matt Waldron, CFA**, Senior Portfolio Manager
- Index Allocation — **Maya Tussing**, Senior Portfolio Manager

Defined Contribution

Amy Whitelaw
Head of DC Portfolio Management

Alternative

Creighton Jue, CFA
Head of Alternative Beta

Research

Matthew Lee, Ph.D.
Head of Research

Index Research

Stephanie Allen
Head of Index Research

Portfolio Management

North America	International Developed	International Emerging	Index Allocation	Defined Contribution	Alternative
+6 Portfolio Managers	+6 Portfolio Managers	+4 Portfolio Managers	+3 Portfolio Managers	+6 Portfolio Managers	+6 Portfolio Managers

Research

Research Officer	Index Analyst
+3 Officers	+7 Analysts

Strategy

Corin Frost, CFA
Global Head of Index Product Strategy

US Strategy

Scott Dohemann, CFA
Head of US Index Strategy

U.S.

Cara Barr
Kristen Dickey
Timothy Murray, CFA
Jerry Sun

EMEA

Andrew Graver*
Jack Mortensen*
Timothy Parsons*
Flora Herries*

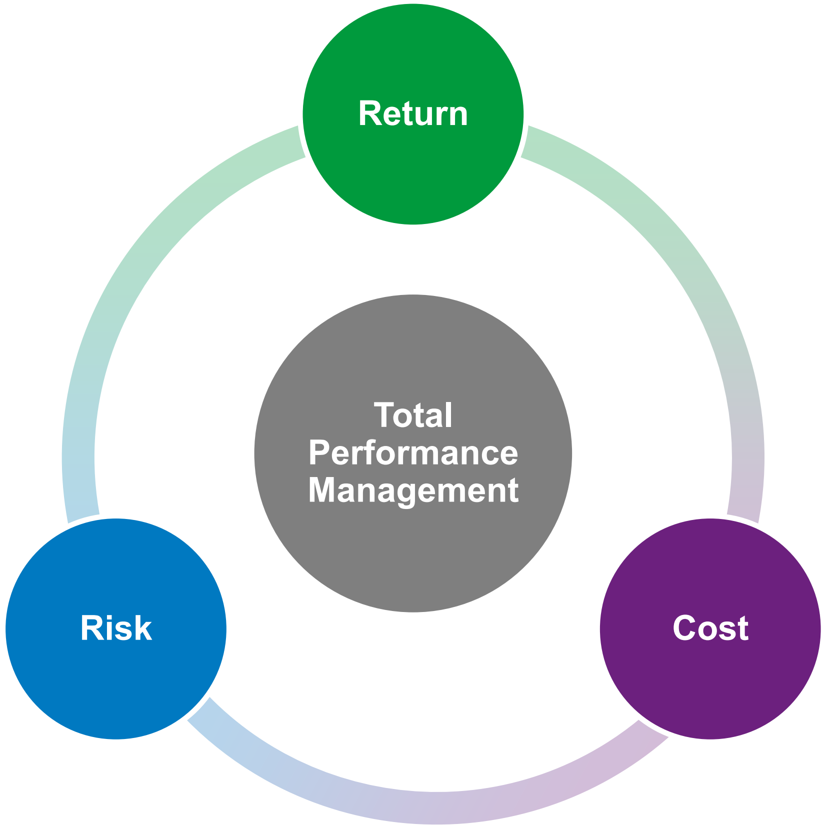
APAC

Ben Garland, CFA*
Colin Zhang*

As of 8 Sept, 2014
* Located outside of the US

Core investment philosophy of total performance management

We believe that superior investment outcomes are best achieved through a disciplined, objective process to manage return, risk and cost



Return

- Performance as planned with value-added portfolio management
- Flexible strategies and solutions

Risk

- Proprietary portfolio & risk management system helps manage investment and operational risk

Cost

- Trading cost integrated into portfolio construction using proprietary transaction cost models
- Transaction costs minimized through internal crossing network
- Focus on best execution for all external trading, including FX

Our index investment management process is anything but passive

Deep expertise and investment skill underpin consistent historical performance

- BlackRock's beta portfolios are managed using a team approach to strategy, portfolio management, research, and trading

The ability to capture gains on hundreds of investment decisions adds up over time

- Portfolio managers' decision-making process involves deciding on corporate actions such as dividends, stock splits, spinoffs, rights offerings, and mergers & acquisitions

Detail-intensive investment decisions in pursuit of performance with precision and reliability

Benchmark Knowledge

- Analysis of forthcoming index changes
- Audit daily updates from index providers
- Develop trade strategies to thoughtfully incorporate index events

Portfolio Construction

- Teams of portfolio managers dedicated by region
- Supported by leading technology and risk models
- Rapid dividend reinvestment and cash equitization

Efficient Trading

- Industry's largest internal market place for crossing
- Best execution sought on all trades
- Economies of scale
- Dedicated trading research team

Performance & Oversight

- Daily review by portfolio managers
- Monthly Investment Review Committee
- Independent Risk & Quantitative Analysis Group

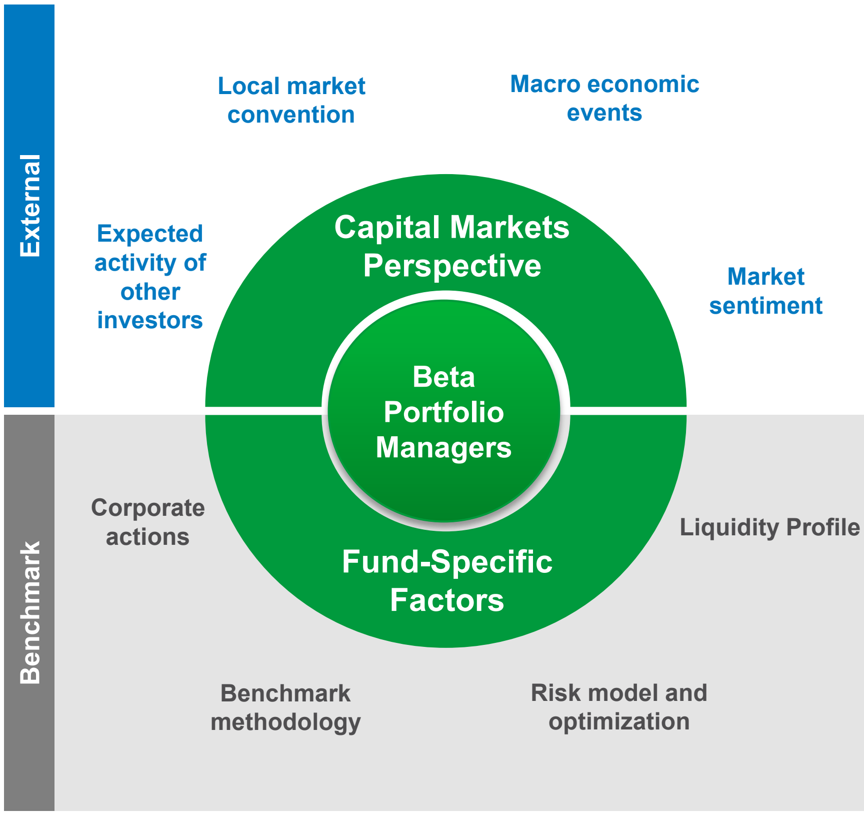
Risk Management

Leverage RQA and BlackRock's proprietary Aladdin® system to help identify, monitor and minimize risk

Factors PMs use to preserve value

Our portfolio managers use skill and ingenuity in pursuit of creating precis and reliable outcomes, and have delivered benchmark returns as planned each year

Beta PMs are experts in the capital markets they transact — actively driving hundreds of decisions each year



PMs evaluate aggregate views, activities, and sentiments of other investors, including:

- Net flows of BLK and other indexers
- Expected activity of profit-motivated investors
- Local market conventions and behaviors
- Macro economic events (Fed announcement, jobs report)
- Company earnings releases
- Market sentiment that could affect rebalancing

PMs have detailed understanding of benchmark changes in context of each Fund:

- Ensure funds are fully invested in light of client flows or dividend payments
- Construct each trade to explicitly trade off risk and cost
- Carefully evaluate corporate actions to help minimize risk and preserve value
- Develop creative trading strategies for less liquid positions
- Partner with index providers regarding benchmark changes

Beta Strategies is Anything but Passive — Google Corporate Action

Background

Google announced a **distribution of new class of non-voting C shares to existing shareholders** of outstanding shares of Class A and Class B common stock

S&P and Russell *originally* planned to **delete the Google Class A** shares from their respective indexes, and **double the weight of the Class C** shares

Impact

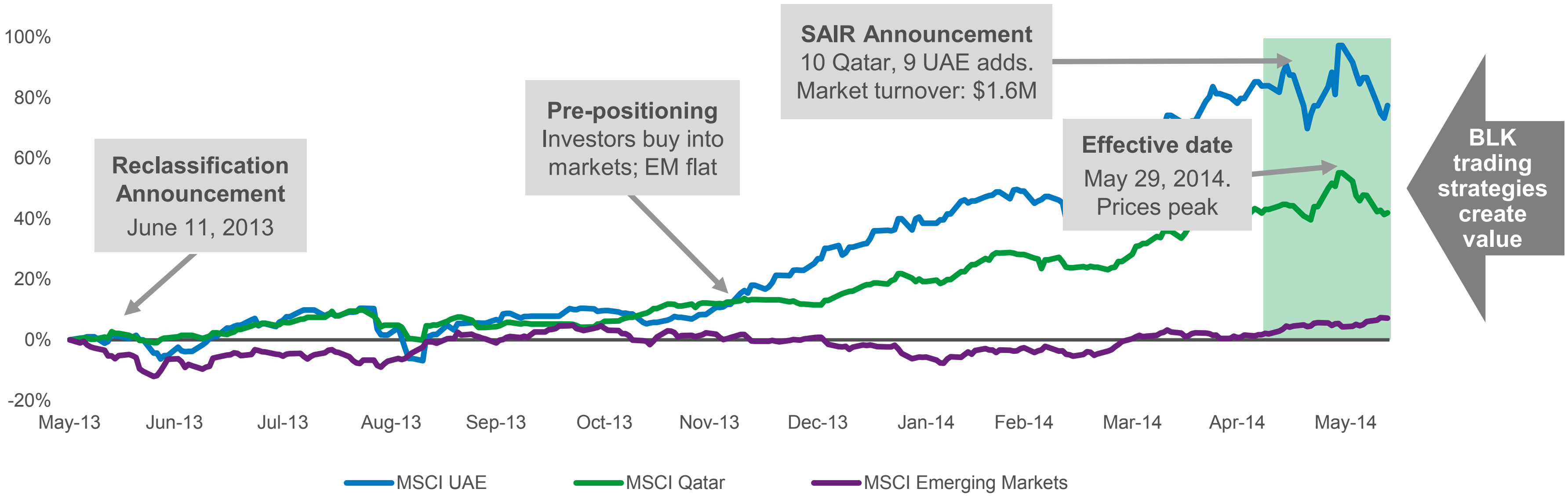
Google represents **~2% in S&P 500 and Russell 1000**. Beta Strategies engaged with indexers and Google on potential risk of original treatment including tracking error, tax implications, and price volatility

Ensuring the interests of our clients and advocating on their behalf are high priorities	Risks considered	Delete Class A Shares *(Original)*	Retain both Class A and C Shares *(Final Decision)*
	Liquidity	✗	✓
	Capital structure	✗	✓
	Capital gains	✗	✓
	Tracking error	✗	✓
	Market impact	✗	✓

BlackRock-driven outcome:

S&P and Russell revised published methodology to maintain both Class A and C for Google, avoiding ***$45 billion*** in unnecessary trading and additional price volatility

Deliberate balancing of risk, return, and costs: UAE and Qatar Reclassification from Frontier to Emerging Markets



Benchmark context

- UAE and Qatar promoted to EM status by MSCI effective May 30th, 2014
- UAE and Qatar to comprise appx 50 bps each in MSCI EM Index
- Net expected buy of ~$1bn in each market was 10 – 15x ADV

Market context

- Significant pre-positioning
- Low liquidity, large trade size
- Operational complexity & immature local market structure

Value Preservation

- Globally, executed ~$1.5 billion in Qatar / UAE trades over several weeks
- Cautious approach to liquidity and risk management
- Generated $55 million in value for BlackRock clients

Russell Reconstitution 2014

One-Way Rebalance Turnover

	2014	2013	2012	2011	2010
Russell 1000	2.17%	2.32%	1.82%	2.69%	3.92%
Russell 2000	10.11%	9.01%	10.05%	10.48%	9.50%

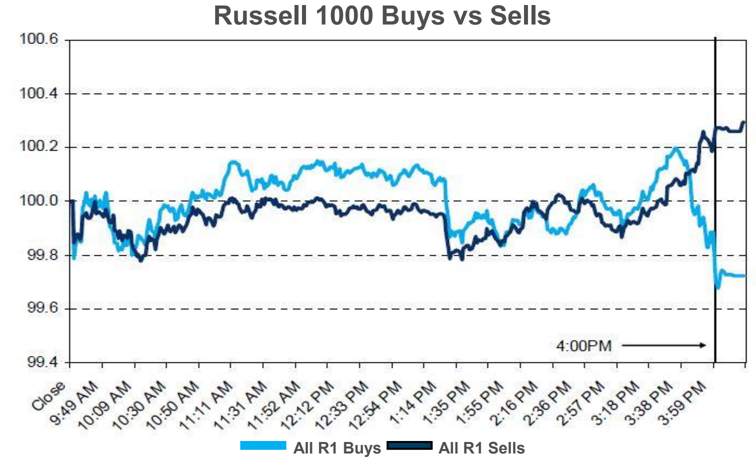
A unique year for Russell reconstitution

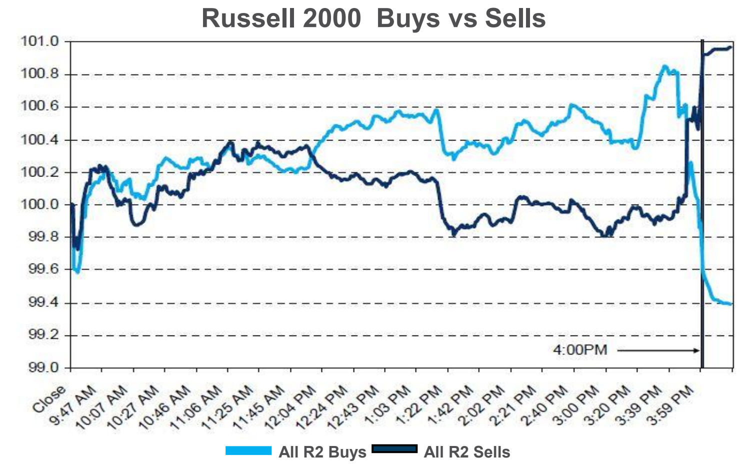
- Late on effective date, performance of both Russell 1000 and 2000 moved in the opposite direction of indexer flows.
- Business Development Companies (BDCs) were removed
  - This resulted in 2 deletions from R1000 at 5 bps turnover, and 33 deletions from R2000 at 1.19% of the index.

2014 BlackRock Fund Performance

- Maintained tight risk controls and captured $10.5 million in value through specific trading strategies.
- Total gross value of our trade was $49.8 billion.
  - Crossed over $12 billion per side (49%) thereby reducing trading costs for BlackRock clients.
- Processed over 160,000 orders in Aladdin vs. an average of 30,000 per day

June 27 Rebalance Trade Intra-day Performance



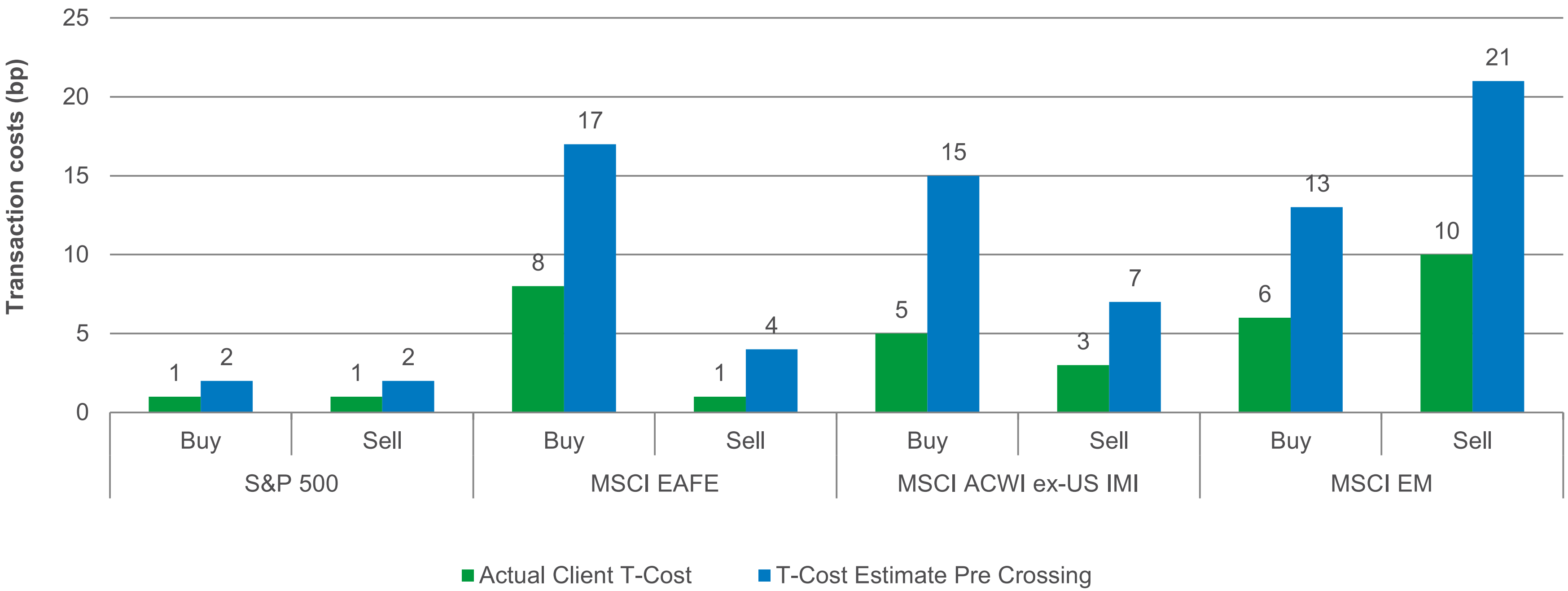


Sources: BlackRock, Russell, Bloomberg, Barclays Capital. Performance calculated on a trade-weight basis.

BlackRock's scale and internal crossing network deliver significantly lower transaction costs

BlackRock transaction costs vs. ex-ante estimates[1]

Average client cost in 2013, as of Dec 31, 2013



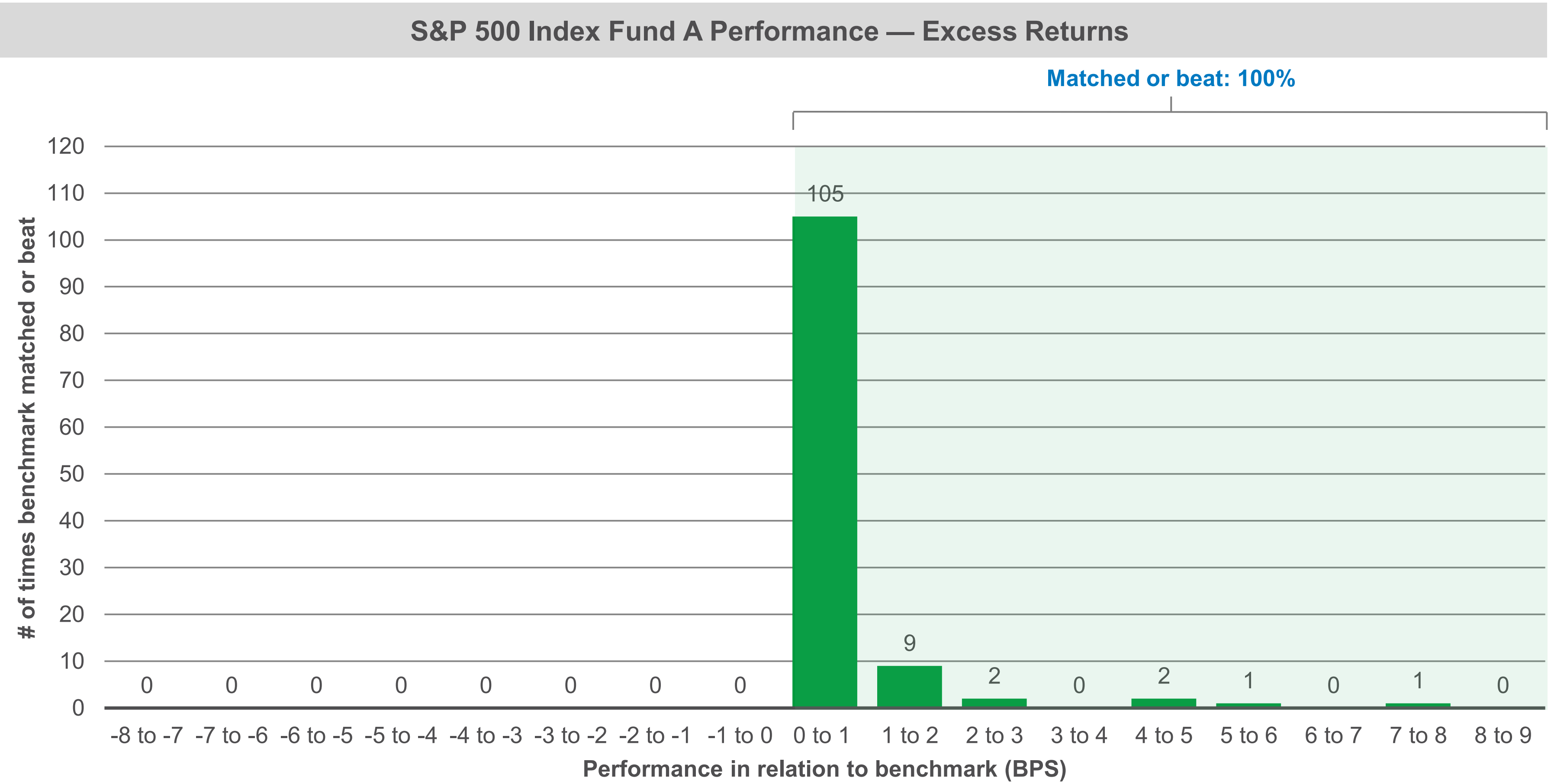
The scale of BlackRock's CTFs and global trading footprint results in reduced T costs:

- On average, we cross approximately 40 – 50% of client flows
- Market trades reflect the industry's most competitive commission rates

[1] Estimated transaction costs includes commissions and taxes based on BlackRock's current standard negotiated rates.
Source: BlackRock. BlackRock Flagship Index Funds shown.

Precision performance, as planned

Over the past 10 years, Beta's S&P 500® Index Equity strategy matched or beat the benchmark 100% of the time



As of 30 September 2014
Source: BlackRock, Inc. and S&P
Past performance is no guarantee of future results

BlackRock's index strategies deliver superior performance

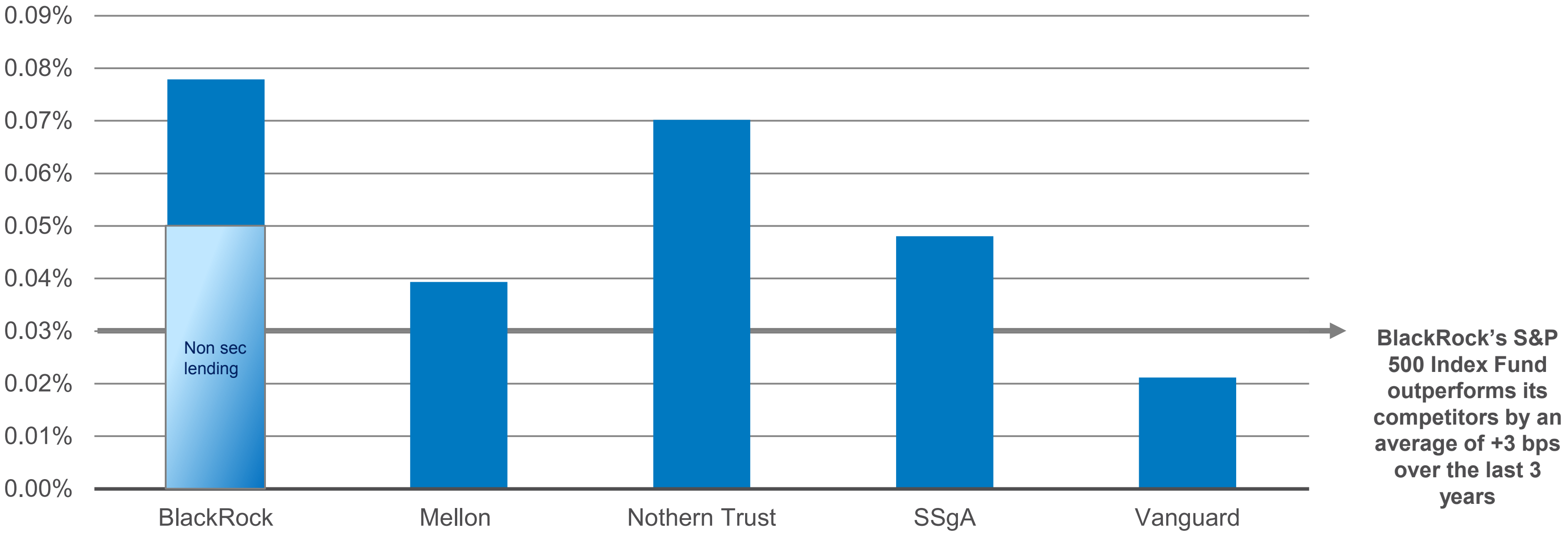
Consistently match or exceed benchmark returns

- Flagship Equity Index Fund has modestly out-performed the S&P 500 every year for 10 years

BlackRock strategies out-perform the competition*

- S&P 500 Index strategies +3 bps
- EAFE Index strategies +4 bps
- Emerging Markets Index strategies +6 bps

Three Year Excess Returns for S&P 500 Index Funds



* Average difference in 3-year annualized returns relative to top competitors by assets: SSGA, Mellon, Vanguard and NTRS as of 3/31/2014. Source: eVestment Alliance

1 SSGA excess return excludes securities lending. Past performance is no guarantee of future results.

Key takeaway
Our approach to Beta: anything but passive

Investors today demand more reliable, precise returns and innovative ways to use beta

BlackRock Beta Strategies' approach is focused on:

People	Performance	Process	Platform	Products
Team combines skill and ingenuity in seeking to enhance outcomes	Seek to provide consistent performance as planned	Rooted in deep understanding of benchmarks and capital markets	Scale and technology innovations enhance ability to deliver consistent performance and minimize costs	Flexible spectrum of solutions featuring more than 1,000 funds covering 350+ benchmarks

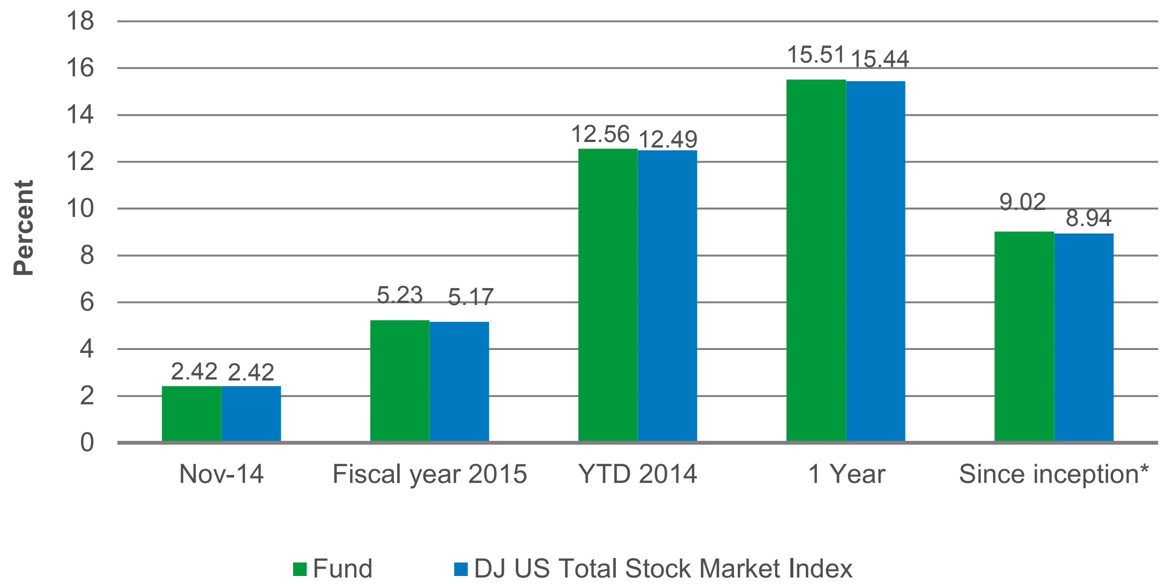
i. Portfolio Review

US Equity Market Fund
Ventura County Employees' Retirement Association

As of 30 November 2014

Account value	$1,210,681,373

Returns since client inception



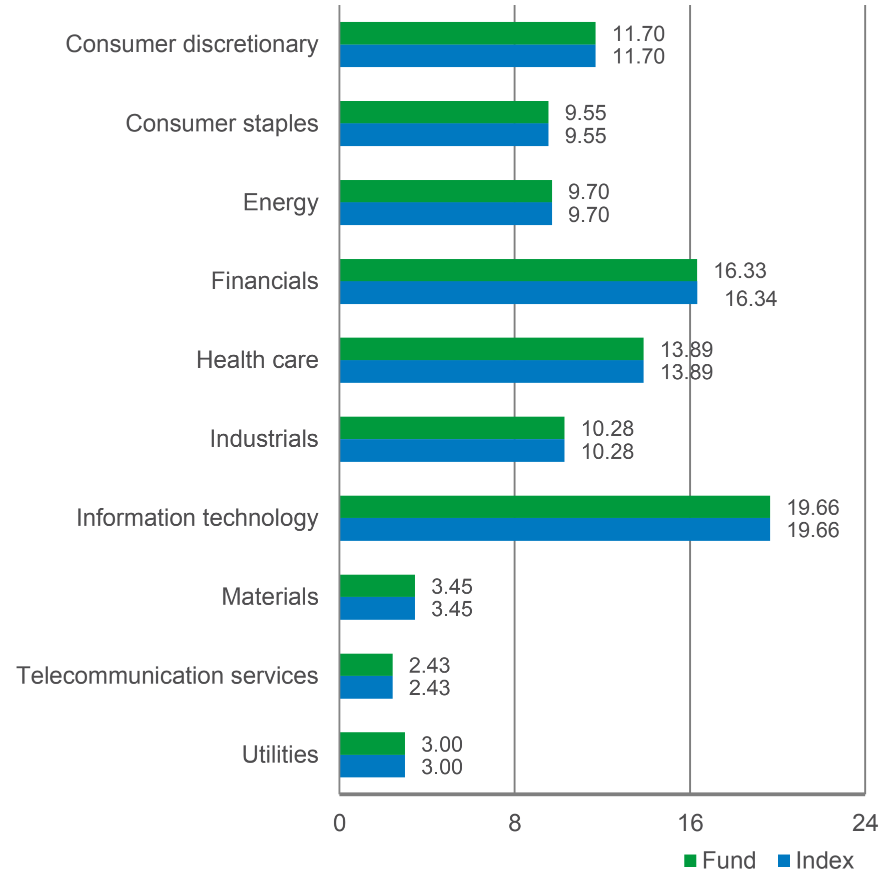
* Returns since inception for periods greater than one year are annualized
Client inception 2 June 2008
Fiscal year end June 30

Equity Index Fund Characteristics

As of 30 September 2014

Characteristics	
Strategy	**S&P 500® Index**
Total fund assets	$63.47B
Number of holdings	502

Top 10 holdings	Fund %	Index %
Apple Inc.	3.44	3.44
Exxon Mobil Corporation	2.29	2.29
Microsoft Corporation	2.18	2.18
Johnson & Johnson	1.72	1.72
General Electric Company	1.47	1.47
Berkshire Hathaway Inc. Class B	1.44	1.44
Wells Fargo & Company	1.41	1.41
Procter & Gamble Company	1.29	1.29
Chevron Corporation	1.29	1.29
JPMorgan Chase & Co.	1.29	1.29



Portions of the above characteristics are based on benchmark data as the portfolio fully replicates benchmark and is for analytical purposes only. Index data may differ to those published by the Index due to different classification criteria. Breakdowns may not sum to total due to rounding, exclusion of cash, STIF, and statistically immaterial factors
Sources: BlackRock, FactSet

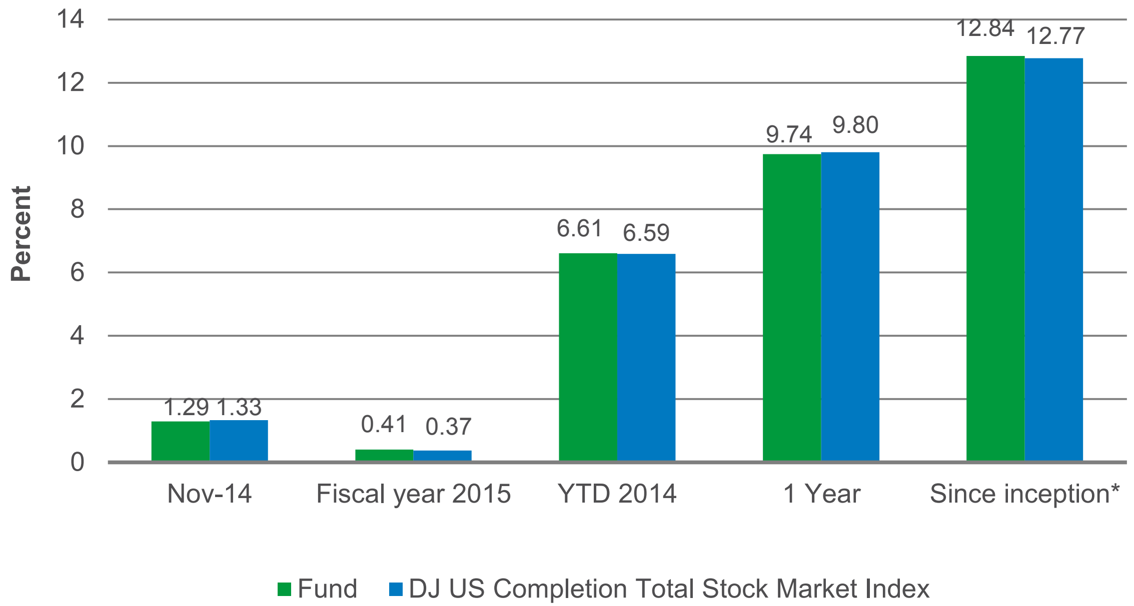
Eq-Idx-A-Ch

Extended Equity Market Fund
Ventura County Employees' Retirement Association

As of 30 November 2014

Account value	$46,144,931

Returns since client inception



ExEqAR-MVP-121015*

* Returns since inception for periods greater than one year are annualized
Client inception 30 September 2002
Fiscal year end June 30

Extended Market Fund Characteristics

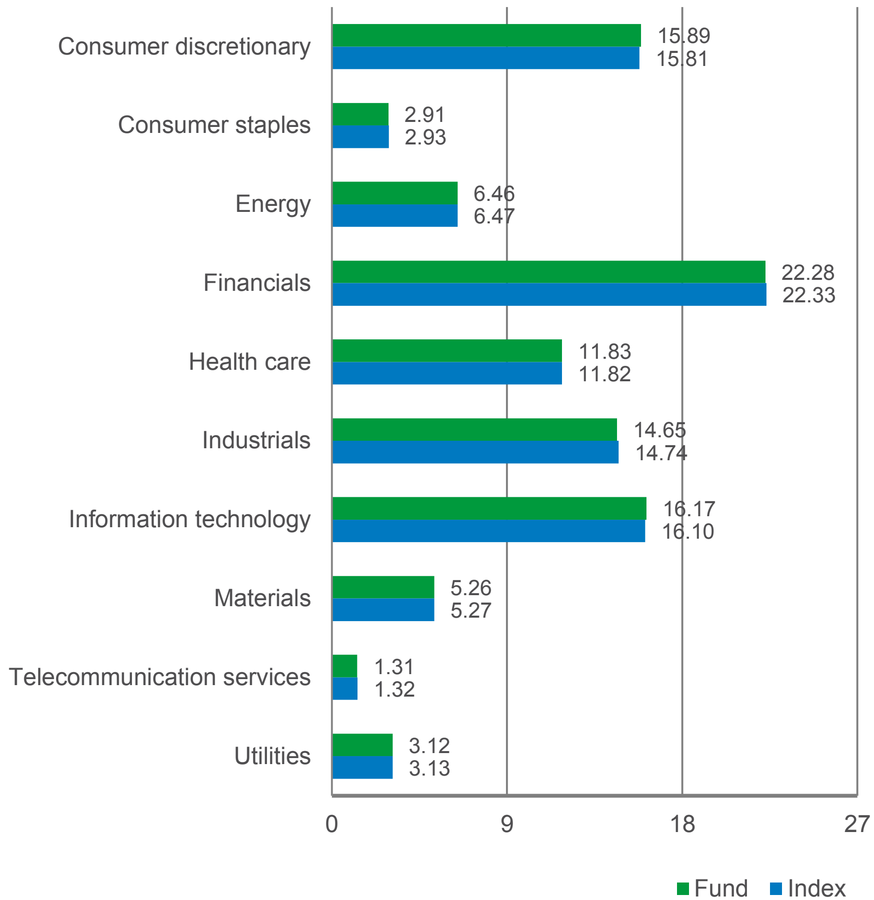
As of 30 September 2014

Characteristics	
Strategy	**Dow Jones US Completion Total Stock Market Index**
Total fund assets	$9.36B
Number of holdings	2,292

Top 10 holdings

	Fund %	Index %
Twitter, Inc.	0.61	0.61
American Airlines Group, Inc.	0.61	0.61
Tesla Motors, Inc.	0.55	0.55
Las Vegas Sands Corp.	0.54	0.55
Illumina, Inc.	0.54	0.54
LinkedIn Corporation Class A	0.51	0.51
Liberty Global Plc Class C	0.51	0.51
HCA Holdings, Inc.	0.51	0.51
Cheniere Energy, Inc.	0.43	0.42
United Continental Holdings, Inc.	0.41	0.41

Ext-Mkt-A-Ch



This information is unaudited and intended for analytical purposes only
Sources: BlackRock, FactSet

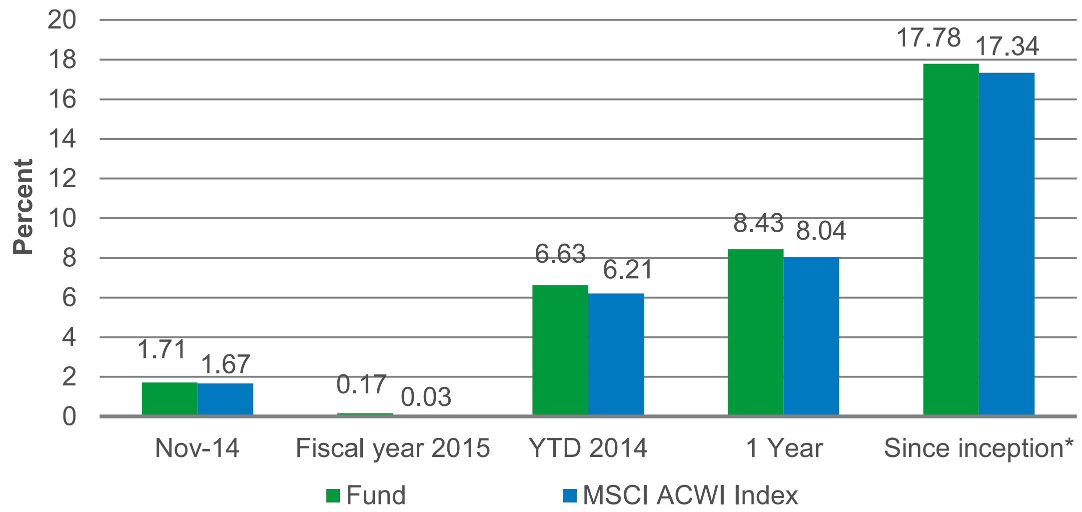
Sector diversification

ACWI Index Fund
Ventura County Employees' Retirement Association

As of 30 November 2014

Account value	$226,711,462

Returns since client inception



FI-MVP-121015*

Returns since inception for periods greater than one year are annualized
Client inception 27 June 2012
Fiscal year end June 30

ACWI Index Fund Characteristics

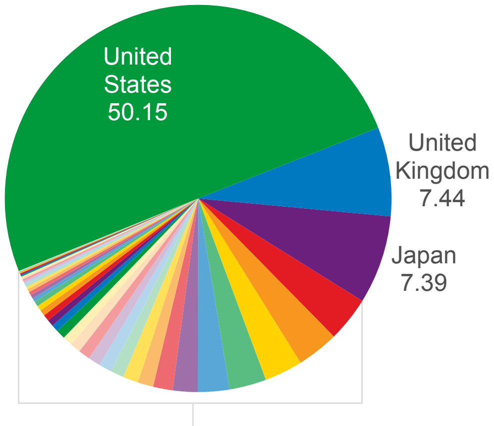
As of 30 September 2014

Characteristics	
Strategy	**MSCI ACWI Index[SM]**
Total fund value	$1.05B
Number of issues	2,480

Top 10 holdings

	Country	Weight (%)
Apple Inc.	United States	1.65
Exxon Mobil Corporation	United States	1.10
Microsoft Corporation	United States	0.99
Johnson & Johnson	United States	0.82
Wells Fargo & Company	United States	0.71
General Electric Company	United States	0.70
Nestle S.A.	Switzerland	0.64
JPMorgan Chase & Co.	United States	0.62
Chevron Corporation	United States	0.62
Procter & Gamble Company	United States	0.62

Country allocation (%)



Canada	3.76	India	0.77	Chile	0.16
France	3.49	Mexico	0.60	Philippines	0.13
Switzerland	3.19	Denmark	0.55	Colombia	0.11
Germany	3.08	Singapore	0.53	Austria	0.07
Australia	2.63	Russia	0.50	Greece	0.07
China	2.09	Belgium	0.44	Portugal	0.07
Korea	1.64	Malaysia	0.43	United Arab Emirates	0.07
Taiwan	1.30	Finland	0.32	Qatar	0.06
Spain	1.28	Norway	0.30	Peru	0.05
Brazil	1.12	Indonesia	0.29	New Zealand	0.04
Sweden	1.08	Thailand	0.26	Czech Republic	0.03
Hong Kong	1.03	Ireland	0.21	Egypt	0.03
Netherlands	0.97	Israel	0.20	Hungary	0.02
Italy	0.90	Poland	0.18	Luxembourg	0.00
South Africa	0.80	Turkey	0.17		

ACWI-Index-A-Ch

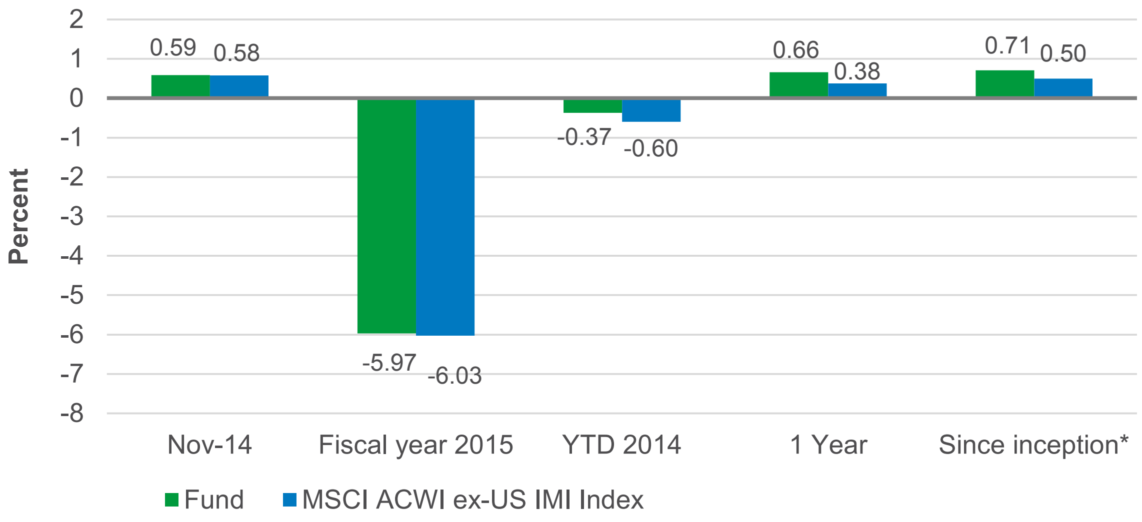
This information is unaudited and intended for analytical purposes only
Sources: BlackRock, FactSet

ACWI ex-US IMI Index Fund
Ventura County Employees' Retirement Association

As of 30 November 2014

Account value	$257,598,969

Returns since client inception



ACWI-MVP-121015*

* Returns since inception for periods greater than one year are annualized
Client inception 30 May 2008
Fiscal year end June 30

BlackRock MSCI ACWI ex-US IMI Index^{SM} Fund A Characteristics

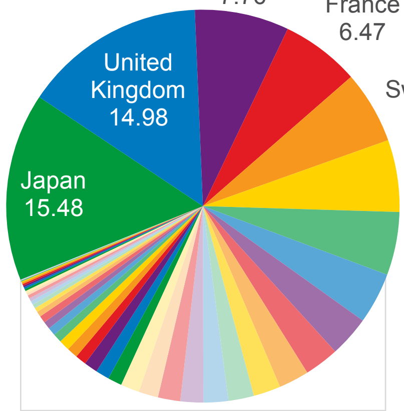
As of 30 September 2014

Characteristics	
Strategy	**MSCI ACWI ex-US IMI^{SM}**
Total fund value	$6.94B
Number of issues in fund	6,132
Number of issues in index	6,039

Top 10 holdings

	Country	Weight (%)
Nestle S.A.	Switzerland	1.12
Novartis AG	Switzerland	1.02
Roche Holding Ltd Genusssch.	Switzerland	0.98
HSBC Holdings plc	United Kingdom	0.92
Toyota Motor Corp.	Japan	0.78
Royal Dutch Shell Plc Class A	United Kingdom	0.71
Total SA	France	0.67
BP p.l.c.	United Kingdom	0.64
Sanofi	France	0.64
Samsung Electronics Co., Ltd.	Korea	0.60

Country allocation (%)



China	4.22	Belgium	0.90	Colombia	0.20
Korea	3.36	Russia	0.90	New Zealand	0.17
Taiwan	2.84	Malaysia	0.89	Portugal	0.16
Spain	2.49	Norway	0.73	Greece	0.14
Sweden	2.24	Finland	0.67	United Arab Emirates	0.14
Brazil	2.10	Indonesia	0.61	Qatar	0.13
Hong Kong	2.04	Thailand	0.59	Peru	0.09
Italy	1.88	Israel	0.44	Egypt	0.08
Netherlands	1.83	Poland	0.35	Czech Republic	0.05
South Africa	1.61	Turkey	0.34	Hungary	0.04
India	1.54	Chile	0.31	Luxembourg	0.00
Singapore	1.16	Ireland	0.27		
Denmark	1.12	Philippines	0.27		
Mexico	1.12	Austria	0.20		

ACWI-ex-US-IMI-A-Ch

This information is unaudited and intended for analytical purposes only
Sources: BlackRock, FactSet

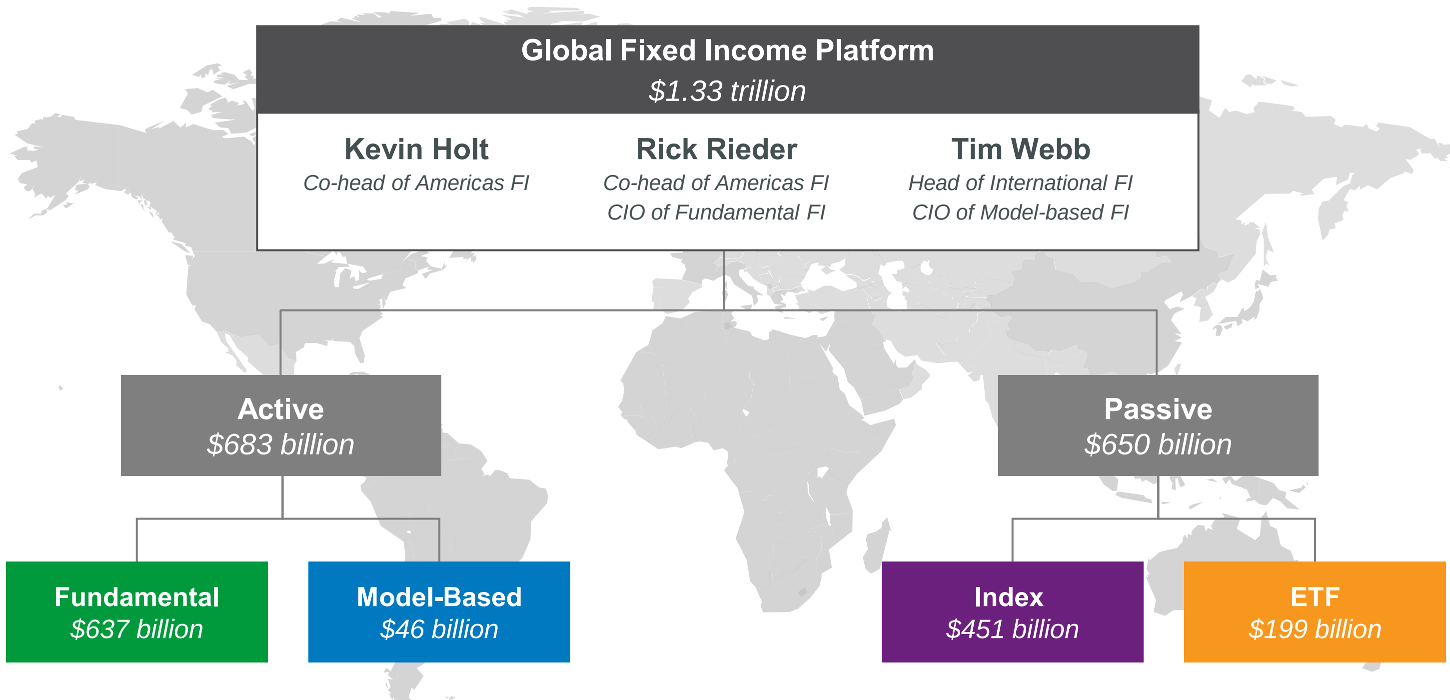
IV. Fixed Income Indexing Update

Global fixed income platform provides greater access to investment opportunities

Benefits of BlackRock's breadth and depth

- **Talent:** 400+ fixed income professionals generate ideas and identify insights to create alpha opportunities
- **Trading:** Global execution platform provides deep market access
- **Technology:** Best-in-class analytics and risk management enables us to better understand and take risk in pursuit of alpha
- **Culture:** Fiduciary commitment to advising and serving clients drives our investment culture

Experienced leadership team oversees portfolio teams with decision-making autonomy



AUM in USD as of 30 September 2014; excludes fixed income alternative assets

BlackRock Model-Based North America Portfolio Solutions Team

The North America portfolio solutions team consists of 25 investment professionals

Scott Radell, CFA, Managing Director, is a Head of US Fixed Income Portfolio Solutions within BlackRock's Model-Based Fixed Income Portfolio Management Group.

Mr. Radell's service with the firm dates back to 2003, including his years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. At BGI, Mr. Radell was the Head of Portfolio Solutions, a group responsible for management and oversight of all US based active fixed income funds. Before founding the Portfolio Solutions Group, he was a portfolio manager responsible for BGI's active investment grade long-only and long/short cross-over portfolios. Prior to joining BGI, Scott served for over seven years as an analyst for corporate bond and Commercial Mortgage Backed Securities for Morgan Stanley Investment Management. Mr. Radell began his career as a fixed income client service and mortgage analysts at BARRA.

Mr. Radell earned a BA degree in quantitative economics and decision sciences from the University of California at San Diego in 1992.

Multi-Sector/Other

Scott Radell	Sr. Portfolio Manager	Multi-Sector
Joel Silva	Sr. Portfolio Manager	Municipals / Canada
Karen Uyehara	Portfolio Manager	Multi-Sector
Tao Chen	Portfolio Manager	Municipal Bonds
Rena Patel	Portfolio Manager	Municipals
Jermaine Pierre	Portfolio Manager	Canada
Jasmita Mohan	Portfolio Manager	Multi-Sector
Shashank Khanna	Jr Portfolio Manager	Canada
Clay Armistead	Portfolio Manager	Securitized Credit
Lip Tong	Portfolio Manager	Canada

Credit

David Dulski	Portfolio Manager	Corporate Credit
Jonathan Graves	Sr. Portfolio Manager	Corporate Credit
Allen Kwong	Portfolio Manager	Corporate Credit
Eric Souders	Portfolio Manager	Corporate Credit
Nicolas Giometti	Jr Portfolio Manager	Corporate Credit
Elya Schwartzman	Portfolio Manager	Corporate Credit
Garrett Herfkens	Portfolio Manager	Corporate Credit
Leo Landes	Portfolio Manager	Corporate Credit
Jesse Kang	Jr Portfolio Manager	Corporate Credit

Rates/Mortgage/EM

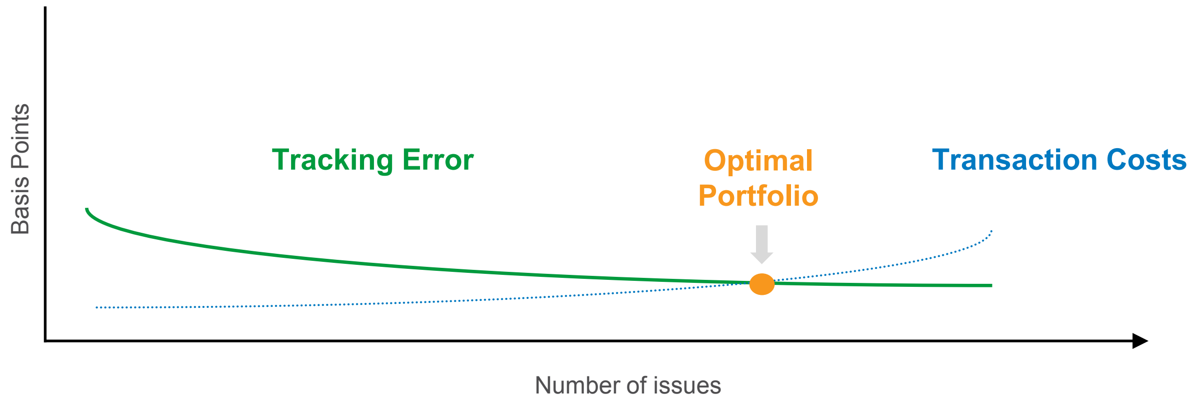
Jay Mauro	Sr. Portfolio Manager	US Government Bonds
Mark Buell	Portfolio Manager	US Government Bonds
Wes George	Portfolio Manager	US Government Bonds
Parry Wang	Portfolio Manager	Agency Mortgages
Daniel Ruiz	Portfolio Manager	Emerging Markets
Gabe Shipley	Portfolio Manager	Emerging Markets

As of 30 September 2014

Fixed Income indexing: different market, different strategy

Quantitative process balances tracking error & transaction costs

- Unlike equities, Fixed Income is not traded on exchanges
- Prohibitive costs, uncertain liquidity, and issue scarcity often makes perfect replication infeasible
- Index process optimizes marginal contribution to tracking error with T-Costs

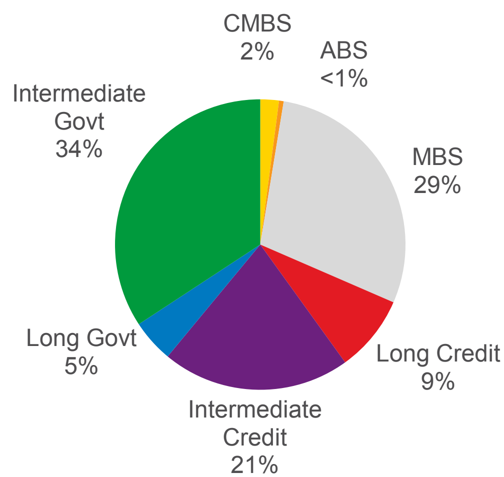


For illustrative purpose only.
Source: BlackRock

Modular Fund Design

BlackRock's modular fund design leverages our scale and facilitates crossing opportunities for clients

Barclays US Aggregate
Issues Fund: 7,219
Issues Benchmark: 8,958



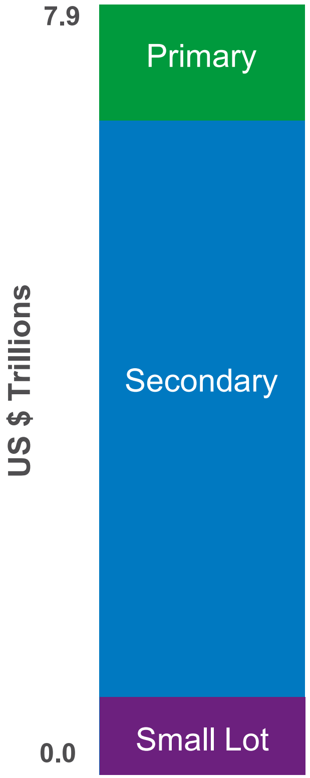
Intermediate Government	Long Government	Intermediate Credit	Long Credit	Mortgage-Backed Securities	Asset-Backed Securities	CMBS
Issues Fund: 289	Issues Fund: 74	Issues Fund: 3,897	Issues Fund: 1,849	Issues Fund: 420	Issues Fund: 160	Issues Fund: 316
Issues B'mark: 821	Issues B'mark: 90	Issues B'mark: 4,045	Issues B'mark: 1,900	Issues B'mark: 420	Issues B'mark: 348	Issues B'Mark: 1,328

Source: BlackRock; data as of 30 September 2014
*12 month ex-ante risk

BlackRock is the Largest Counterparty to Wall Street

Size and scale are a clear competitive advantage in the Fixed Income marketplace

- BlackRock traded $7.9 trillion of fixed income last year
- Globally coordinated trading business leveraging scale across all investment activity for strong pricing power
- The uniqueness of our breadth and depth benefits our trading experience at all levels of execution



Primary Issuance

- BLK Global Capital Markets/Syndicate manages deal structure as well as optimizes allocations
- BLK drives many “issued to manage” deals which result in reduced fees and increased allocations

Secondary Trading

- Pricing power of US$4 trillion annual flow
- Managed trade distribution and optimized execution leverages price discovery, reduces bid/offer spread

Small Lot Trading

- Dedicated unit aggregates firm-wide small lot orders
- Execution benefits from round-lot price improvement

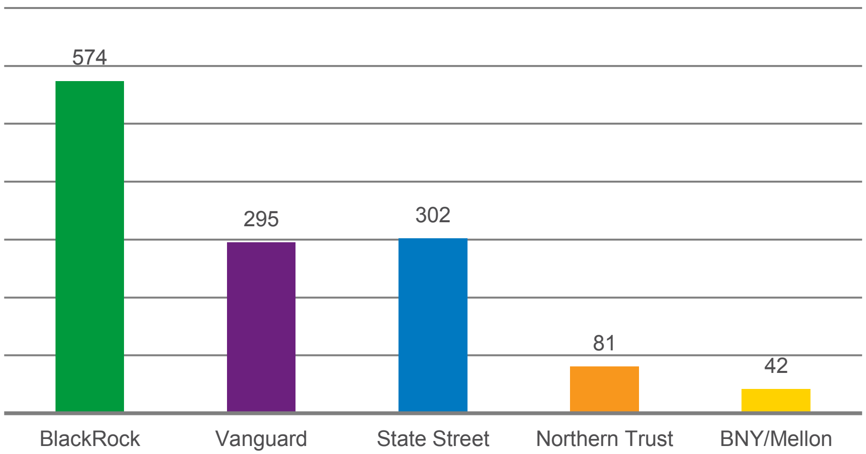
Source: BlackRock; Data as of 31 December 2013

BlackRock's Index Strategies Have Delivered Superior Performance

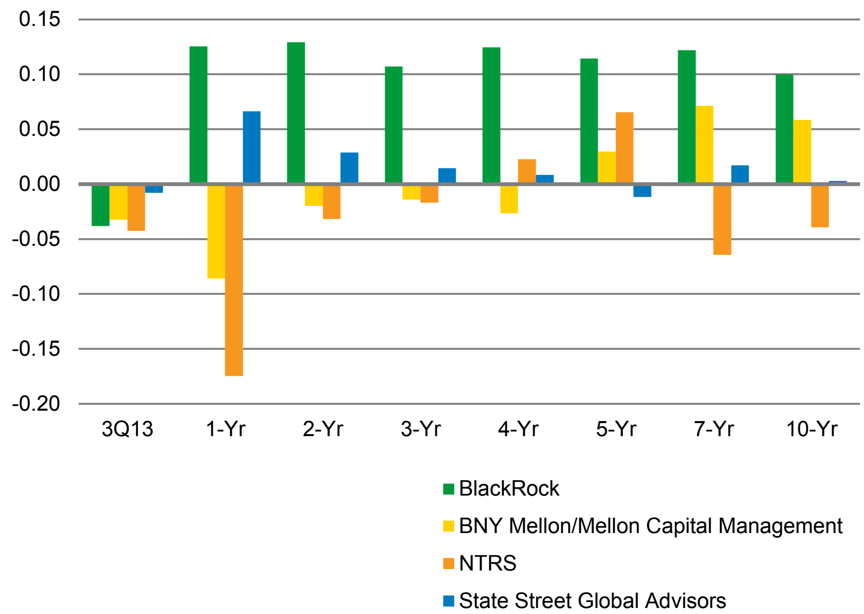
There are four key reasons to pick BlackRock over any other index provider

- Low historical tracking error
- An experienced, stable team
- Low transaction costs from size and scale
- Transparent pricing and no cross subsidization as BlackRock has no custody business

Global Fixed Income Index Market AUM[1]



Excess returns vs. Barclays US Aggregate Index[2]



1 Source: Pension & Investments. All dollar values are in $ millions.; data as of 30 June 2013
2 Source: eVestment; data as of 31 December 2013. Past performance is no guarantee of future results. Indexes are unmanaged and one cannot invest directly in an index.

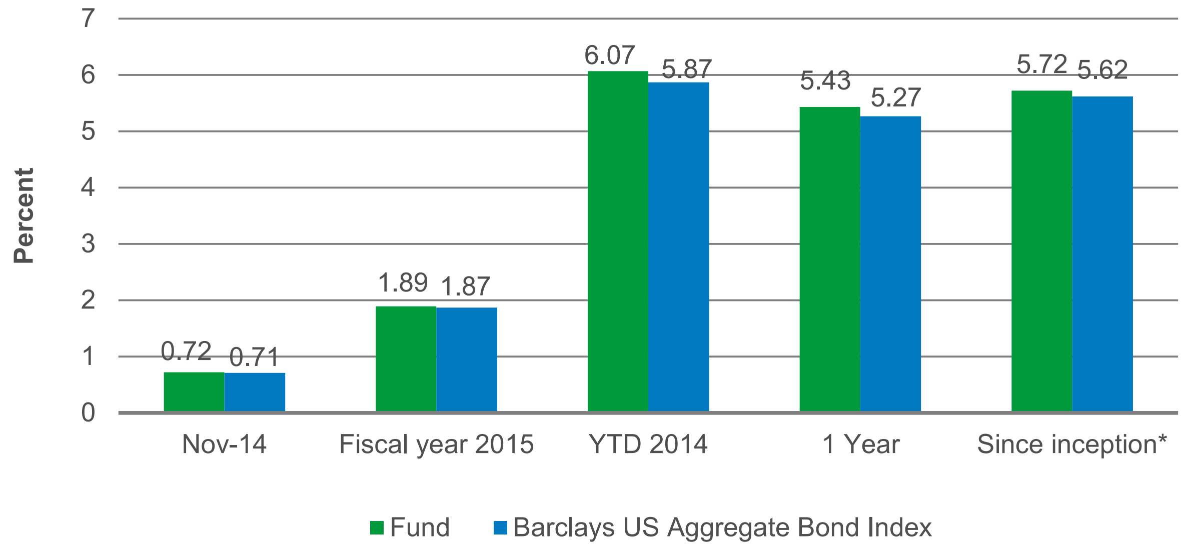
i. Portfolio Review

US Debt Index Fund
Ventura County Employees' Retirement Association

As of 30 November 2014

Account value	**$139,018,222**

Returns since client inception



ACWI-EqAR-MVP-121015*

Returns since inception for periods greater than one year are annualized
Client inception 31 December 1995
Fiscal year end June 30

Portfolio profile

As of 30 November 2014

US Debt Index Fund	US Debt Index Fund	Barclays Aggregate Bond Index
Market value ($B)	6.48	17,552.92
# Issues	7,326	9,054
Characteristics		
Coupon (%)	3.31	3.28
Nominal yield (%)	2.04	2.05
Current yield (%)	3.13	3.10
Yield to maturity (YTM) (%)	2.05	2.06
Weighted avg life (yrs)	7.16	7.22
Effective duration (yrs)	5.03	5.05
Spread duration	3.68	3.72
Option adjusted spread (bps)	40	40
Convexity	-0.03	-0.04
Quality breakdown (mkt val %)		
AAA or above	72.64	72.56
AA	3.79	3.77
A	11.62	11.70
BBB	11.95	11.96
Below BBB	0.01	0.00

	US Debt Index Fund	Barclays Aggregate Bond Index
Sector breakdown (mkt val %)		
Treasury	36.25	35.63
Agencies	3.00	3.39
Financials	7.55	7.60
Industrials	13.79	13.83
Utilities	1.77	1.78
Non-US credit	5.17	5.28
Taxable munis	0.91	1.01
ABS	0.52	0.53
Mortgages	28.37	28.48
Hybrid ARM	0.39	0.37
CMBS	2.07	2.02
Foreign Government	0.00	0.06
Cash	0.20	0.00
Weighted avg life breakdown (mkt val %)		
0-1	0.77	0.34
1-2	13.00	12.14
2-3	10.58	11.84
3-5	31.81	30.89
5-7	17.08	17.53
7-10	13.30	13.61
10-20	3.16	3.24
20-30	9.94	9.99
30+	0.37	0.43

Data is for analytical purposes only. Index data points may differ to those published by the Index due to different classification criteria. Breakdowns may not sum to total due to rounding, exclusion of cash, STIF, and statistically immaterial factors. Past performance is not a reliable indicator of future results.

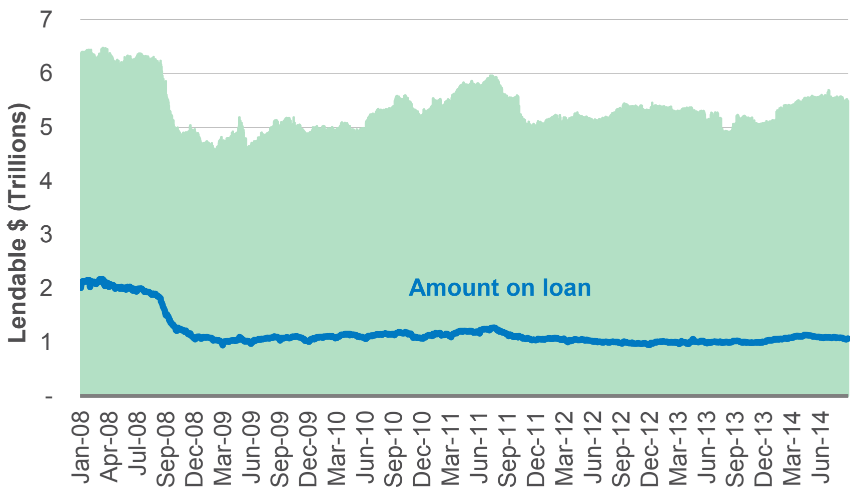
Source: BlackRock

Appendix

i. Securities Lending Program Update

Global Market Update:
Trends in Equity and Fixed Income Supply

Global Fixed Income Market lendable ($)



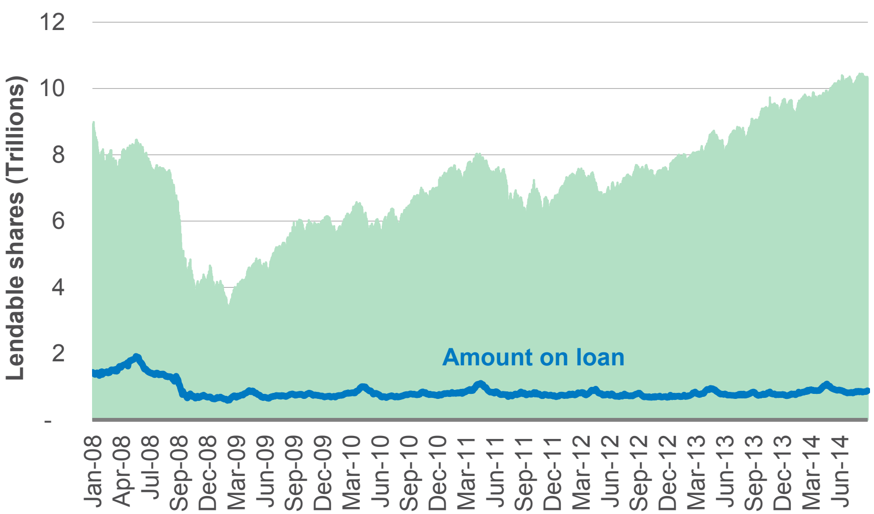
Fixed Income supply trends:

- Fixed Income lenders exited the market dramatically at the height of the credit crisis as investors removed assets from lending programs
- Fixed Income lending spreads have remained relatively low and lenders have been slowly returning

Equity supply trends:

- Equity lenders exited the market in Q4 2008, but lendable assets returned to pre-crisis levels a couple years later
- Lendable shares continued to increase into 2014

Global Equity Market lendable (shares)



Source: Markit (formerly Data Explorers), 1 January 2008 — 22 September 2014. Global markets as defined by Markit
Please refer to slide titled "Important Notes" for additional risk information

Market update:
Regulatory update

Dodd Frank Act (DFA)

- DFA Section 165: New lending limits on a percentage of capital. Quantitative Impact Study likely to delay implementation
- DFA Section 984(b): SEC Transparency Rules. Although DFA mandated that SEC issue regulations by July 2012, SEC should propose rules following the final adoption by FSB of the Shadow Banking recommendations described below.

Financial Stability Board

- FSB Shadow Banking report on Securities Lending was released August 29 2013. Specific recommendations include increased transparency through reporting to regulators, disclosure to fund investors, minimum standards for cash collateral management, and enhancements to daily collateral "mark-to-market" process
- FSB requested further comment on mandatory minimum haircuts on collateral. BlackRock participated with trade associations in the US and Europe to provide industry comments in November 2013. Final recommendations on minimum haircuts expected in Q4 2014
- FSB recommendations do not have the force of law, but most governments are expected to take action to carry out the recommendations over the next few years

European FTT

- A European Financial Transaction Tax (EU FTT) is being considered that would cover Sec Lending and repo trades at up to 10 bps per movement
- BlackRock is working directly and with industry groups to oppose the FTT or at least exclude Sec Lending and repo trades, consistent with current stamp duty rules

Source: BlackRock summary as of 1 September 2014

Securities Lending Performance – 2014 YTD

Account Name	Average Net Assets	Average Assets On-Loan	Average Percent On-Loan	VCERA Income	Net Spread (ann bps)	Fund Yield (ann bps)
Ventura County Employees' Ret Assoc	**1,808,324,424**	**196,561,074**	**10.9%**	**718,028**	**39.9**	**4.3**
US Debt Index Fund	135,666,539	45,991,148	33.9%	73,444	17.5	5.9
Extended Equity Market Fund	45,021,961	10,073,473	22.4%	57,495	62.4	14.0
MSCI ACWI ex-US IMI Index Fund	270,254,418	13,930,963	5.2%	119,607	93.8	4.8
BLK MSCI ACWI Equity Index Fd	218,914,552	12,265,103	5.6%	56,876	50.7	2.8
U.S. Equity Market Fund	1,138,466,954	114,300,387	10.0%	410,606	39.3	3.9

VCERA has earned $5.53 million from lending since 2007:

	2007	2008	2009	2010	2011	2012	2013	2014 YTD
VCERA Income ($)	410,414	854,331	740,459	511,100	689,242	838,020	767,154	718,028
Fund Yield (ann bps)	3.2	6.9	6.8	3.9	4.9	5.3	4.2	4.3

Source: BlackRock. 2014 YTD includes 1/1/2014 – 11/30/2014

VCERA Securities Lending Performance

VCERA Top 10 Securities Lending Assets in 2014 YTD :

Asset Name	Country	Income to VCERA	% of VCERA Income	Spread (BPS)
3D SYSTEMS CORP	US	$18,123	2.53%	571
VISA INC CLASS A	US	$7,790	1.09%	22
VIRNETX HOLDING CORP	US	$7,302	1.02%	1,653
MYRIAD GENETICS INC.	US	$7,073	0.99%	449
SEARS HOLDINGS CORP	US	$6,631	0.93%	583
AT&T INC	US	$6,606	0.92%	22
GOPRO INC CLASS A	US	$6,520	0.91%	3,739
OPKO HEALTH INC.	US	$6,514	0.91%	525
MANNKIND CORP.	US	$6,507	0.91%	751
RESMED INC.	US	$5,986	0.84%	136
Top 10 Assets Overall		**$79,052**	**11.03%**	**102**

Source: BlackRock. 2014 YTD includes 1/1/2014 – 11/30/2014

Cash Collateral Portfolios: VCERA's Exposure

Fund Name	Cash Collateral Reinvestment Fund B	Cash Equivalent Fund II	Term Fund 11	VCERA Funds Sub-Total
MSCI ACWI ex-US IMI Index Fund	2,021,975	11,205,243		**13,227,218**
BLK MSCI ACWI Equity Index Fd	984,340	9,875,392	880,026	**11,739,757**
Extended Equity Market Fund		10,390,608	188,636	**10,579,244**
U.S. Equity Market Fund		133,798,055	15,070,941	**148,868,996**
US Debt Index Fund		45,131,666	1,185,880	**46,317,546**
Cash Collateral Fund Sub-Total	**3,006,314**	**210,400,965**	**17,325,482**	**230,732,761**
11/30/2014 cash fund unaudited NAVs	1.0001	1.0002	1.0000	

Source: BlackRock. Data presented as of 11/30/2014

Cash Equivalent Fund II

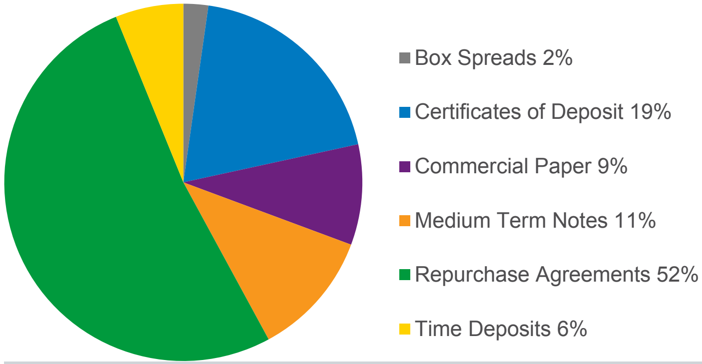
As of 30 November 2014

Fund overview

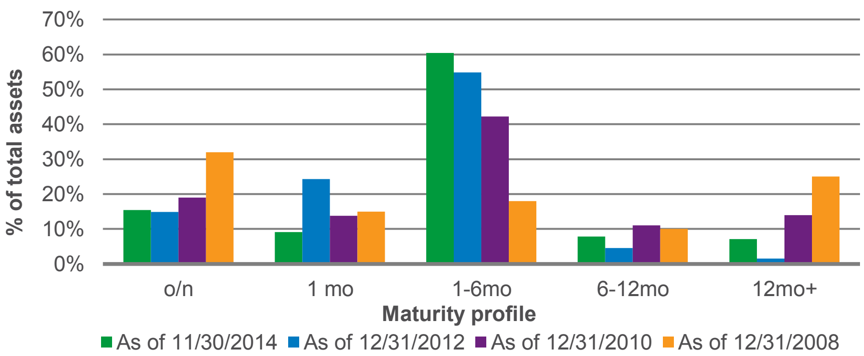
Cash Equivalent Fund II (the "Fund") invests the cash collateral received in connection with loans of securities from certain BlackRock collective investment funds. The objective of this fund is to seek as high a level of current income as is consistent with liquidity and stability of principal and to operate with a stable net asset value of $1.00 per unit.

Fund size	$39,114,647,515
Overnight liquidity[1]	15% of total assets
Securities with maturities < 2 months[3]	56% of total assets
Weighted Average Maturity[4]	37 days

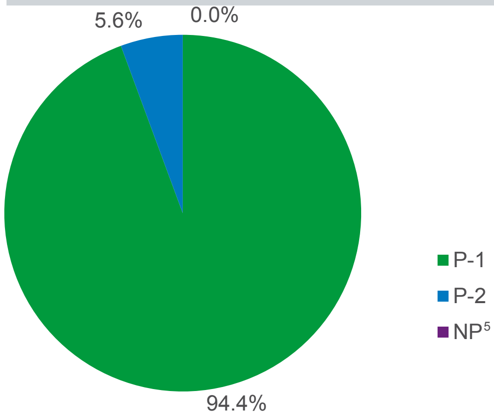
Investment allocation



Portfolio maturity profile



Moody's credit ratings of portfolio holdings[2]



1. Overnight liquidity represents the percentage of fund invested in securities and other assets that mature the following day
2. Portfolio holdings and P-1 issuers that do not have a short-term Moody's rating are included in the "P-1" rating. Some ratings may be implied if the instrument is not explicitly rated. BlackRock's credit team assesses unrated instruments to determine if they are of equivalent credit quality.
3. Includes overnight liquidity
4. Weighted Average Maturity (WAM) is a portfolio's dollar weighted average maturity or exposure to interest rate risk (similar to duration) typically measured in days. For example, in calculating WAM, floating rate assets are measured to their next reset date and fixed rate assets are measured to their final maturity.
5. Allocations may be greater than 0% but round down to zero.

All data as of 30 November 2014; Source: BlackRock

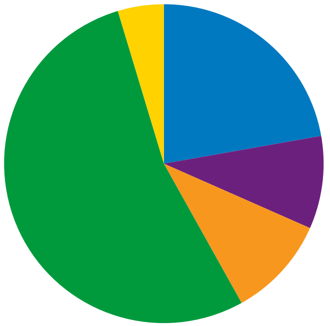
Cash Collateral Reinvestment Fund B

Fund overview

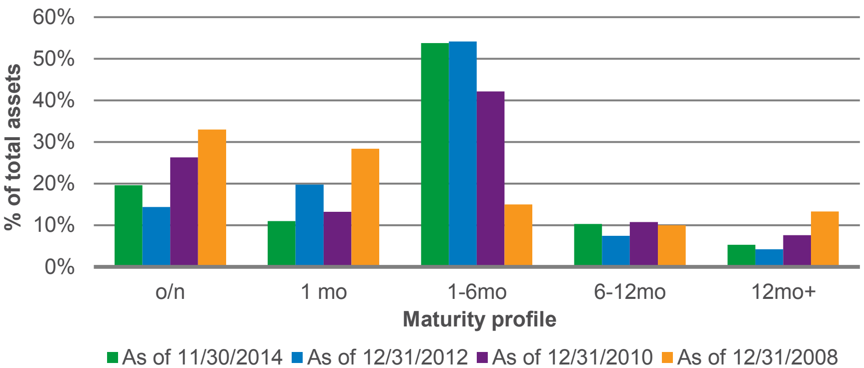
Cash Collateral Reinvestment Fund B (the "Fund") invests the cash collateral received in connection with loans of securities from common trust funds. The objective of this fund is to seek as high a level of current income as is consistent with liquidity and stability of principal and to operate with a stable net asset value of $1.00 per unit.

Fund size	$3,226,339,185
Overnight liquidity[1]	20% of total assets
Securities with maturities < 2 months[3]	58% of total assets
Weighted Average Maturity[4]	38 days

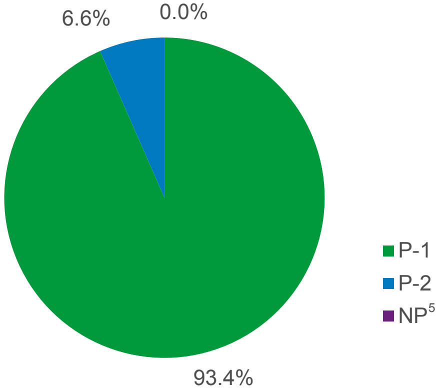
Investment allocation



Portfolio maturity profile



Moody's credit ratings of portfolio holdings[2]



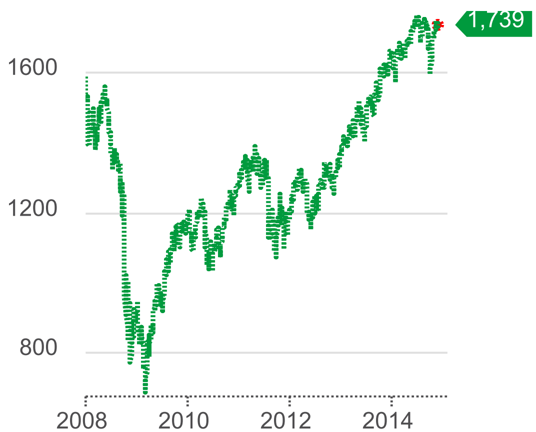
1. Overnight liquidity represents the percentage of fund invested in securities and other assets that mature the following day
2. Portfolio holdings and P-1 issuers that do not have a short-term Moody's rating are included in the "P-1" rating. Some ratings may be implied if the instrument is not explicitly rated. BlackRock's credit team assesses unrated instruments to determine if they are of equivalent credit quality.
3. Includes overnight liquidity
4. Weighted Average Maturity (WAM) is a portfolio's dollar weighted average maturity or exposure to interest rate risk (similar to duration) typically measured in days. For example, in calculating WAM, floating rate assets are measured to their next reset date and fixed rate assets are measured to their final maturity
5. Allocations may be greater than 0% but round down to zero.

All data as of 30 November 2014; Source: BlackRock

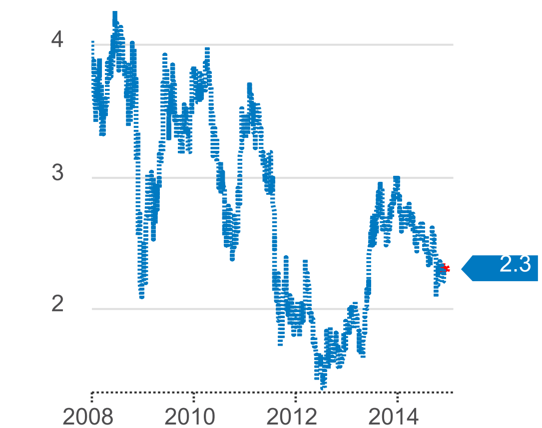
ii. Market Outlook

Global Market Overview

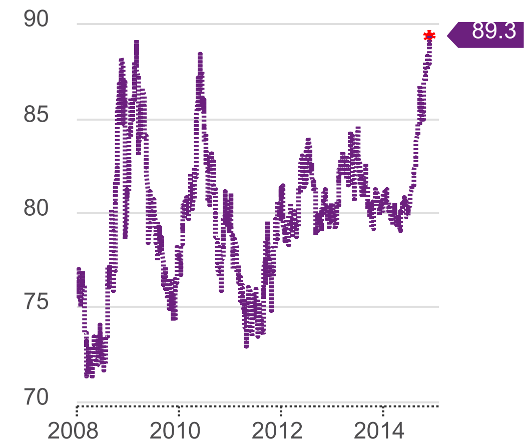
MSCI World Equity Index



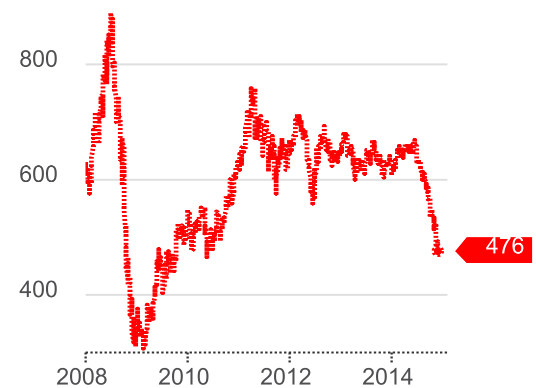
US 10yr Gov't Bond Yield - %



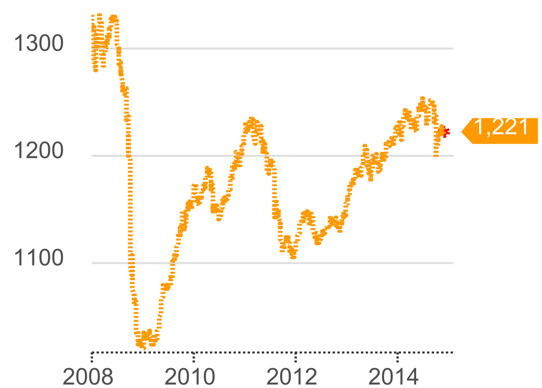
Dollar Index - DXY



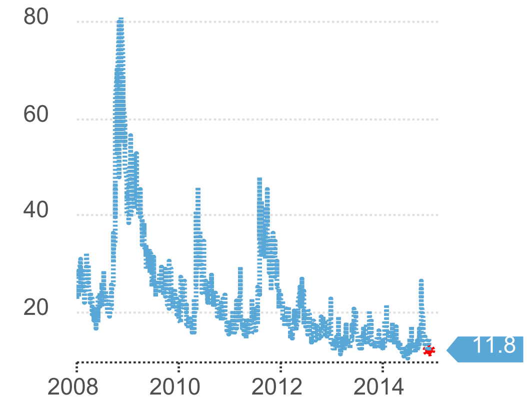
S&P GSCI Spot Commodity Index



HFRX Global Hedge Fund Index



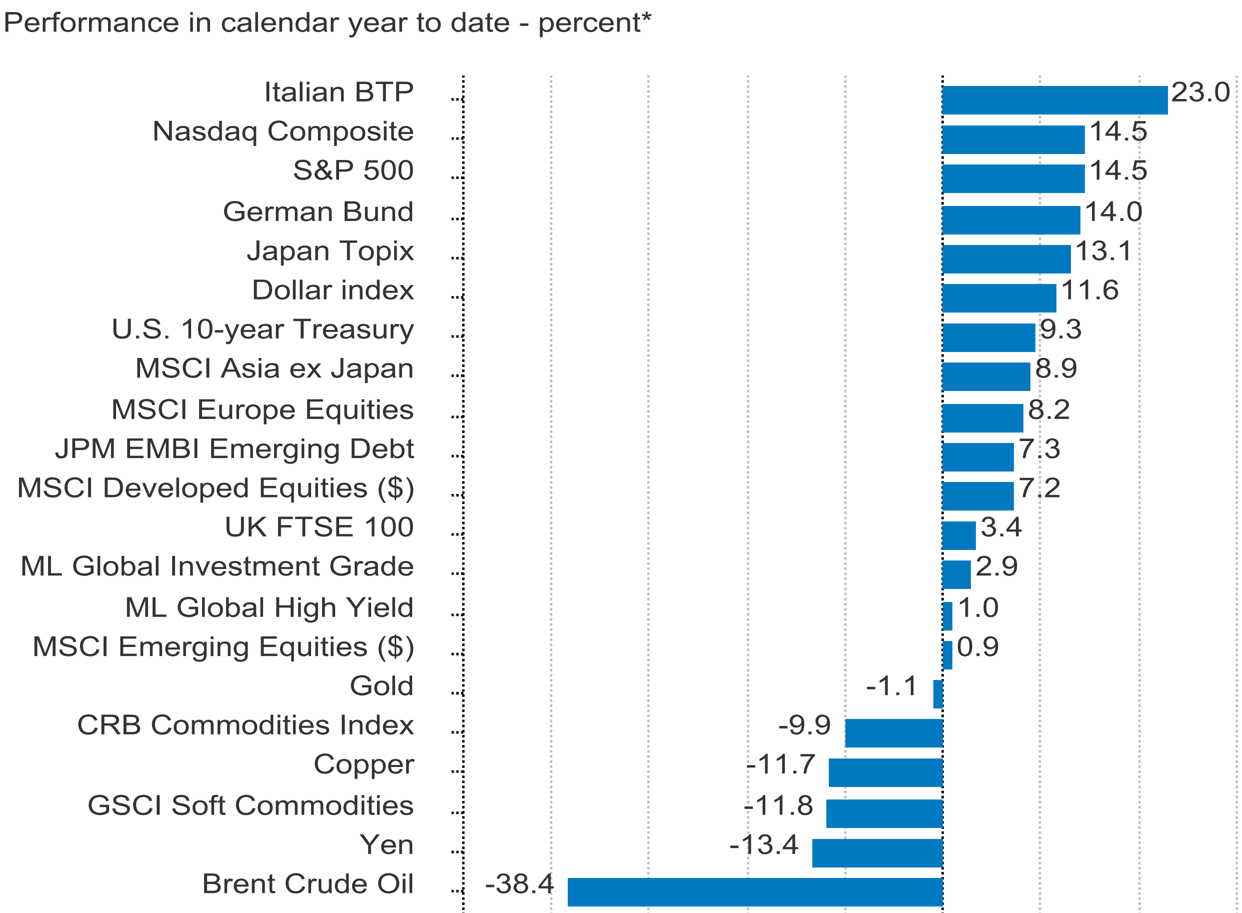
CBOE VIX Volatility Index



Source: Thomson Reuters Datastream, BlackRock Investment Institute 05/12/2014

Performance of Select Global Markets

Asset Performance Year to date

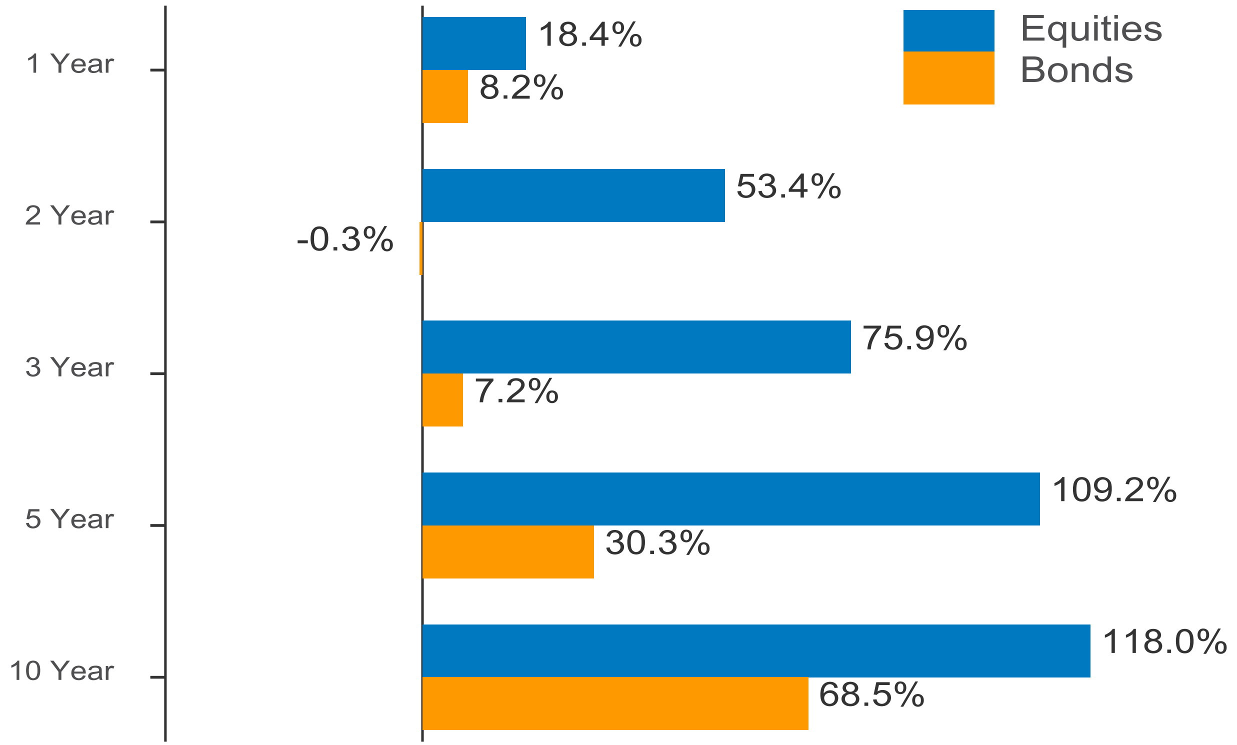


*Total return in local currency except currencies, gold and copper which are spot returns. Government bonds are 10-year benchmark issues

Source: Thomson Reuters Datastream, BlackRock Investment Institute 05/12/2014

U.S. Bond vs. Equity Returns

MSCI US Equities and US 10Y Treasury Returns

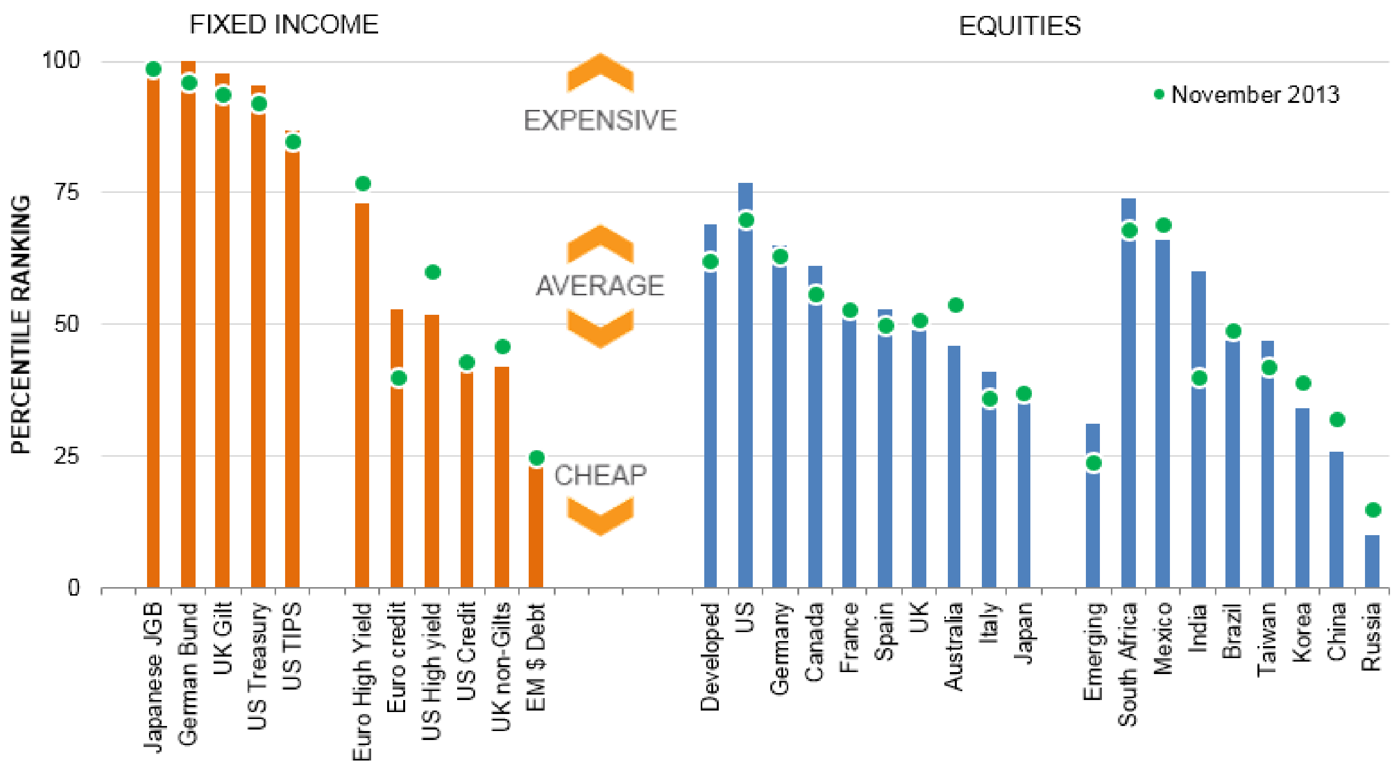


20 Year - Equities: 578%, Bonds: 245%

30 Year - Equities: 2522%, Bonds: 787%

Source: Thomson Reuters Datastream, BlackRock Investment Institute 08/12/2014

Valuation of Assets vs. Historic Norm

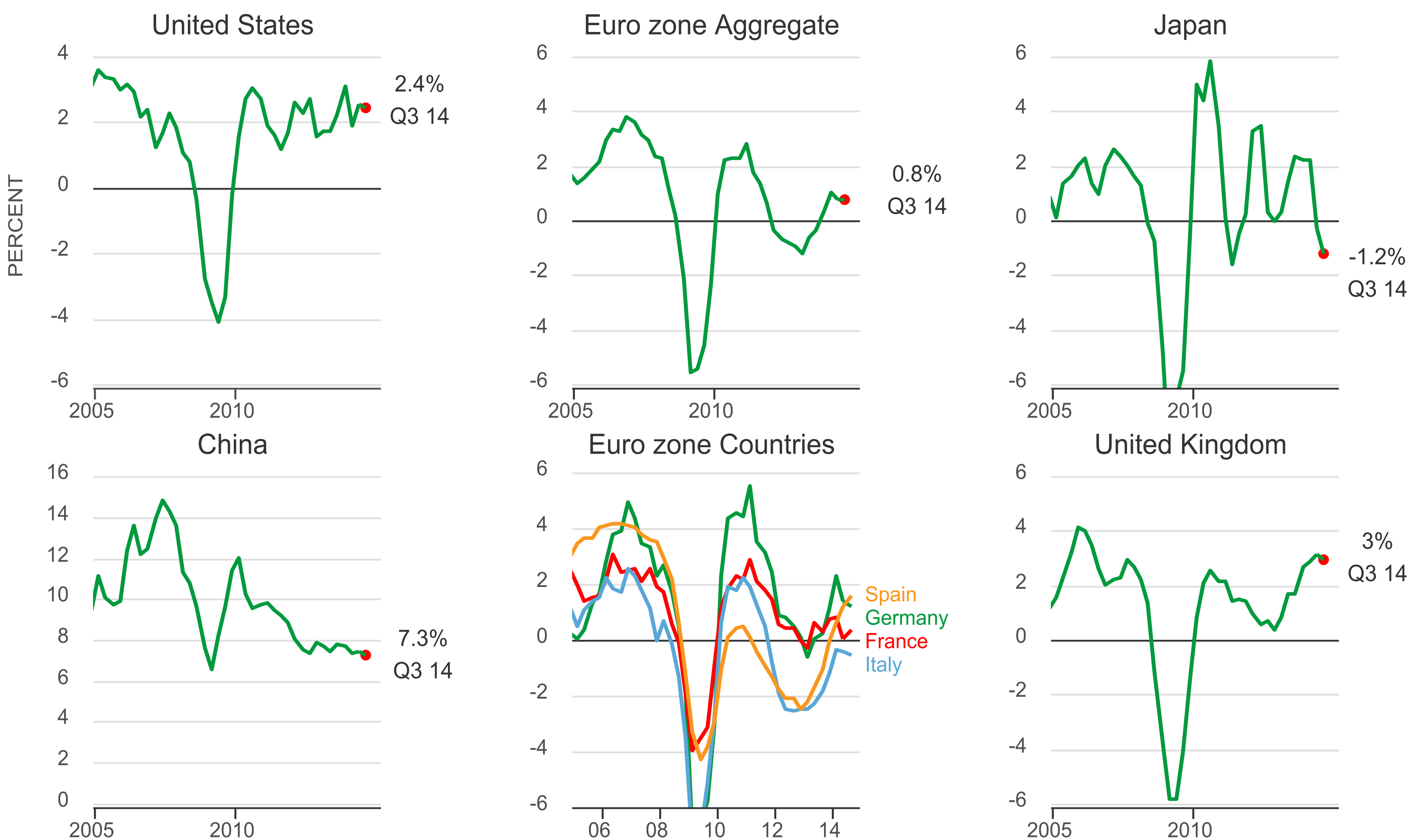


Data as at 28th November 2014

Sources: BlackRock Investment Institute and Thomson Reuters

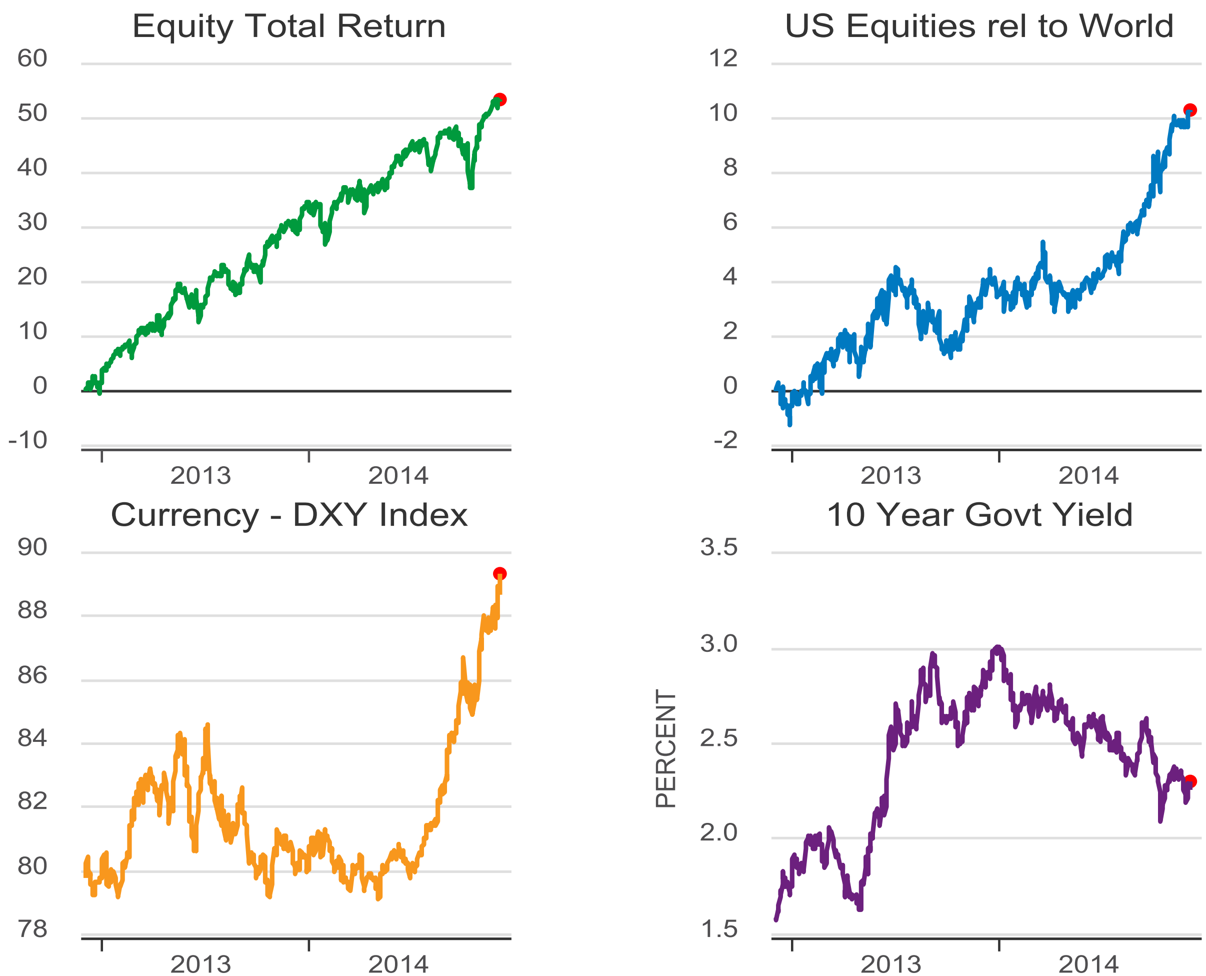
Notes: Chart indicates where the current valuation of each asset stands versus its history using a percentile rank. For example, a valuation that is greater than or equal to 75% of its history is said to be at the 75th percentile rank. Government bonds are 10-year benchmark issues. Credit series are based on Barclays indexes and the spread over government bonds. Treasury Inflation Protected Securities (TIPS) are represented by nominal U.S. 10-year Treasuries minus inflation expectations. Equity valuations are based on MSCI indexes and are an average of percentile ranks versus available history of earnings yield, cyclically adjusted earnings yield, trend real earnings, dividend yield, price to book, price to cash flow and forward 12-month earnings yield. Historical ranges vary from 1969 (developed equities) to 2004 (EM$ Debt).

Real GDP Growth on Previous Year



Source: Thomson Reuters Datastream, National Statistics Offices, BlackRock Investment Institute 08/12/2014

U.S. 2-Year Market Overview

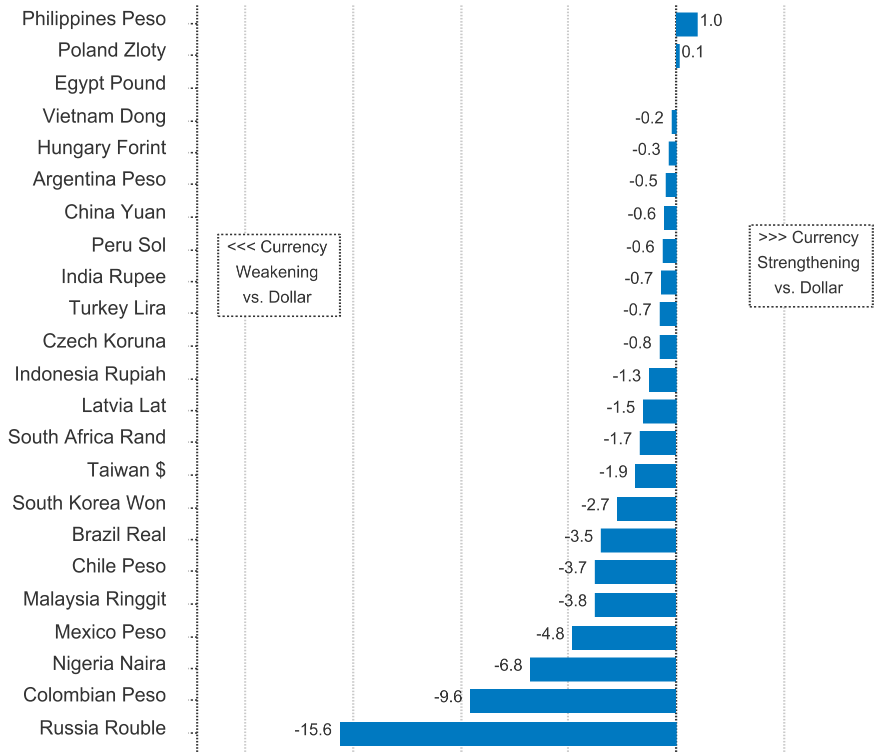


Source: Thomson Reuters Datastream, BlackRock Investment Institute 05/12/2014

Emerging Markets FX Performance

1 Month Emerging FX Performance

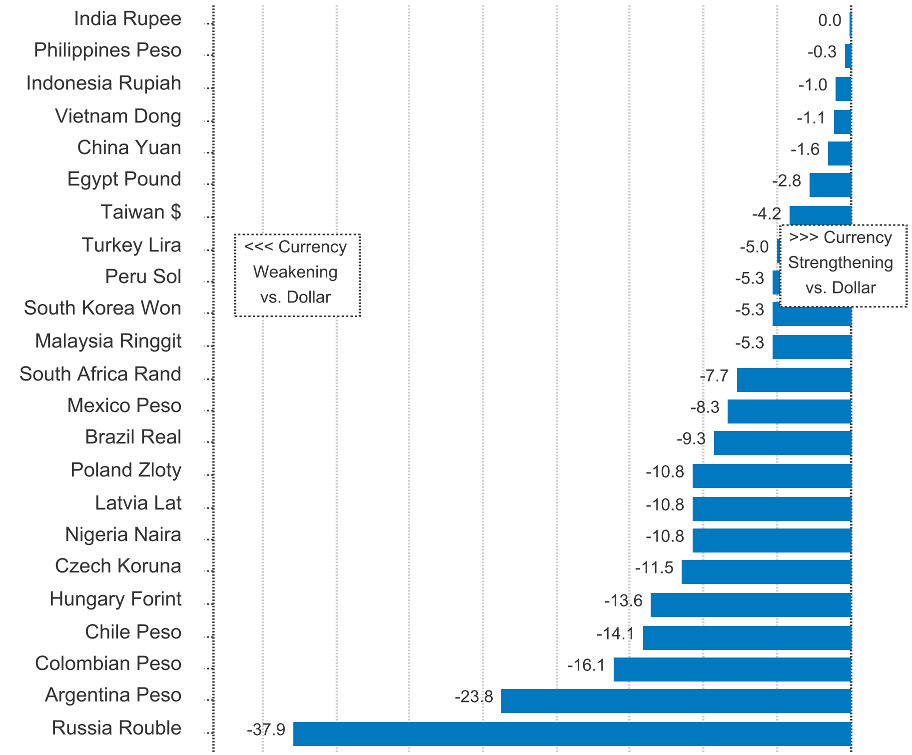
Percent Change in Dollar Spot Rate in Last Month



Source: Thomson Reuters Datastream, BlackRock Investment Institute 05/12/2014

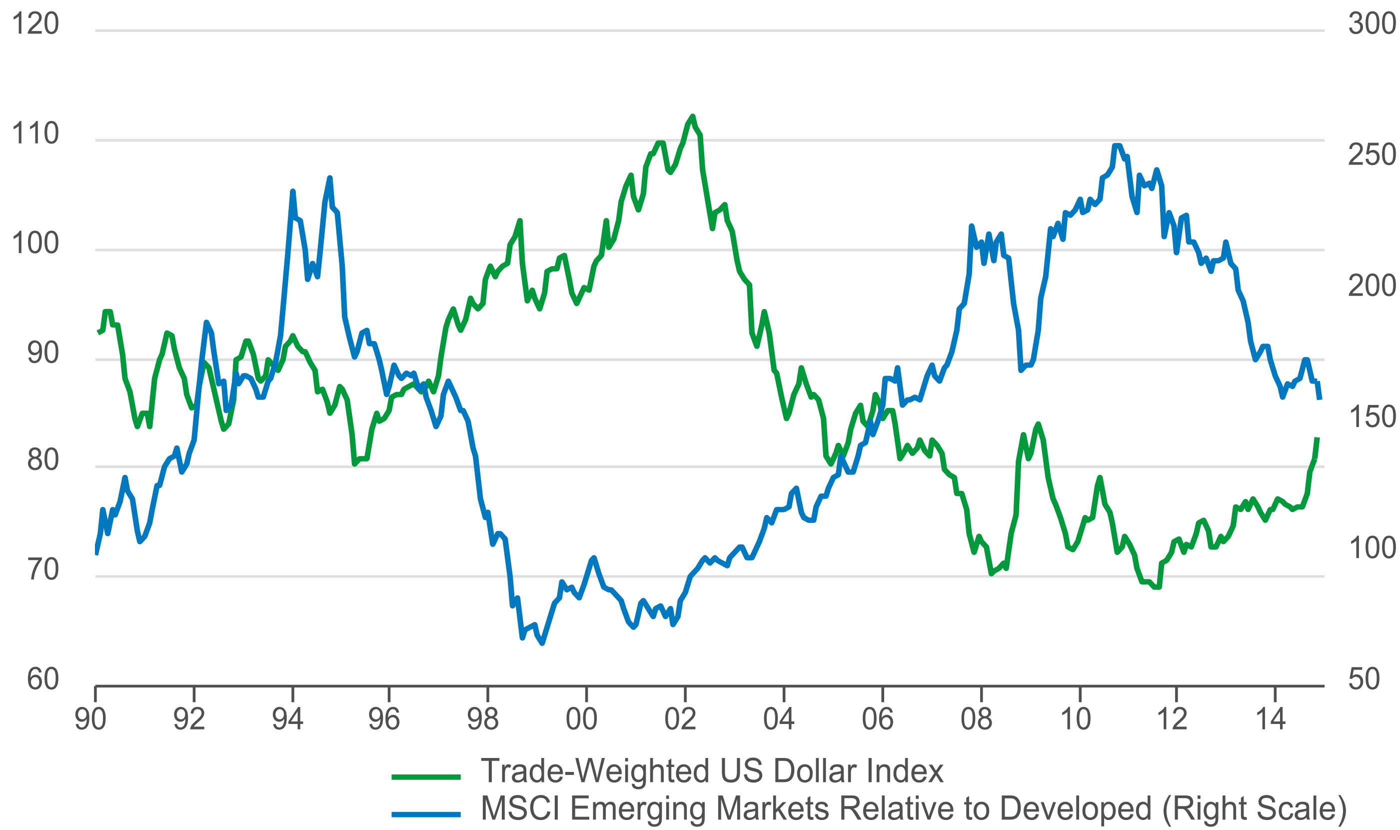
Emerging FX Performance Year to Date

Percent Change in Dollar Spot Rate in Calendar Year



Source: Thomson Reuters Datastream, BlackRock Investment Institute 05/12/2014

Emerging Equities and the Dollar



Source: Thomson Reuters Datastream, MSCI, BlackRock Investment Institute 08/12/2014

iii. Supplemental Performance

US Equity Market Fund
Ventura County Employees' Retirement Association

	U.S. Equity Market Fund	Dow Jones U.S. Total Stock Market Index	Tracking Difference
2008[1]	-7.26%	-7.24%	-0.01%
2009	-26.28	-26.38	0.10
2010	16.10	16.13	-0.03
2011	32.47	32.44	0.03
2012	4.16	3.97	0.19
2013	21.56	21.46	0.10
2014	25.12	25.03	0.09
1 Yr[2]	15.51	15.44	0.07
3 Yrs Annualized	20.88	20.77	0.11
5 Yrs Annualized	16.47	16.37	0.10
Fiscal Year 2015			
Jul	-1.97%	-1.99%	0.02%
Aug	4.19	4.19	0.00
Sep	-2.14	-2.13	-0.01
1st Qtr.	-0.04%	-0.06%	0.02%
Oct	2.79%	2.75%	0.04%
Nov	2.42	2.42	0.00
Dec			
2nd Qtr.			
Jan			
Feb			
Mar			
3rd Qtr.			
Apr			
May			
Jun			
4th Qtr.			
Fiscal YTD	5.23%	5.17%	0.06%
Last 3 months	3.02%	3.00%	0.02%
Last 6 months	7.87	7.83	0.04
Last 9 months	10.94	10.85	0.09
Last 12 months	15.51	15.44	0.07
Cumulative Since Inception	75.26%	74.37%	0.89%
Annualized Since Inception	9.02%	8.94%	0.08%

The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.
As of 1/1/89, fund returns are based on NYSE closing prices. Prior returns were based on composite closing prices.
Prior to September 30, 2001, the benchmark return for the Dow Jones U.S. Total Stock Market Index was the US Equity Market Index.
Between September 30, 2001 and June 18, 2004 the benchmark was the Wilshire 5000.
The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.

BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[1] Account Inception 06/02/08
[2] Performance figures are annualized as of fiscal year-end.

US Equity Market Fund

	U.S. Equity Market Fund	Dow Jones U.S. Total Stock Market Index	Tracking Difference
2004	12.47%	12.41%	0.06%
2005	6.48	6.38	0.10
2006	15.78	15.77	0.01
2007	5.71	5.62	0.09
2008	-36.95	-37.23	0.28
2009	28.19	28.57	-0.38
2010	17.60	17.49	0.11
2011	1.22	1.08	0.14
2012	16.53	16.38	0.16
2013	33.52	33.47	0.06
1 Yr[1]	15.51	15.44	0.07
3 Yrs Annualized	20.88	20.77	0.11
5 Yrs Annualized	16.47	16.37	0.10
10 Yrs Annualized	8.57	8.48	0.09
2014			
Jan	-3.14%	-3.13%	-0.01%
Feb	4.75	4.75	0.00
Mar	0.55	0.52	0.03
1st Qtr.	2.01%	2.01%	0.00%
Apr	0.10%	0.08%	0.02%
May	2.19	2.18	0.01
Jun	2.51	2.53	-0.02
2nd Qtr.	4.86%	4.85%	0.01%
Jul	-1.97%	-1.99%	0.02%
Aug	4.19	4.19	0.00
Sep	-2.14	-2.13	-0.01
3rd Qtr.	-0.04%	-0.06%	0.02%
Oct	2.79%	2.75%	0.04%
Nov	2.42	2.42	0.00
Dec			
4th Qtr.			
YTD 2014	12.56%	12.49%	0.07%
Last 3 months	3.02%	3.00%	0.02%
Last 6 months	7.87	7.83	0.04
Last 9 months	10.94	10.85	0.09
Last 12 months	15.51	15.44	0.07
Cumulative Since Inception[2]	3739.55%	3668.46%	71.09%
Annualized Since Inception	11.39%	11.32%	0.07%

General Notes:
The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.
As of 1/1/89, fund returns are based on NYSE closing prices. Prior returns were based on composite closing prices.
Prior to September 30, 2001, the benchmark return for the Dow Jones U.S. Total Stock Market Index was the US Equity Market Index.
Between September 30, 2001 and June 18, 2004 the benchmark was the Wilshire 5000.
The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.

BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[1] Performance figures are annualized as of period end.
[2] Fund Inception 01/31/81

Extended Equity Market Fund
Ventura County Employees' Retirement Association

	Fund	Dow Jones U.S. Completion Total Stock Market Index[2]	Tracking Difference
2003[1]	23.65%	24.23%	-0.58%
2004	29.73	29.53	0.20
2005	13.85	13.49	0.36
2006	14.50	14.03	0.47
2007	19.41	19.75	-0.34
2008	-11.19	-11.41	0.22
2009	-27.90	-27.54	-0.36
2010	23.98	24.27	-0.29
2011	39.38	39.19	0.19
2012	-1.60	-2.11	0.51
2013	25.57	25.11	0.46
2014	26.89	26.75	0.14
1 Yr[3]	9.74	9.80	-0.06
3 Yrs Annualized	20.41	20.14	0.27
5 Yrs Annualized	18.32	18.03	0.29
7 Yrs Annualized	8.78	8.68	0.10
10 Yrs Annualized	9.74	9.63	0.11
Fiscal Year 2015			
Jul	-4.39%	-4.44%	0.05%
Aug	4.98	4.95	0.03
Sep	-5.10	-5.08	-0.02
1st Qtr.	-4.74%	-4.80%	0.06%
Oct	4.06%	4.04%	0.02%
Nov	1.29	1.33	-0.04
Dec			
2nd Qtr.			
Jan			
Feb			
Mar			
3rd Qtr.			
Apr			
May			
Jun			
4th Qtr.			
Fiscal YTD	0.41%	0.37%	0.04%
Last 3 months	0.03%	0.07%	-0.04%
Last 6 months	4.87	4.83	0.04
Last 9 months	3.10	2.92	0.18
Last 12 months	9.74	9.80	-0.06
Cumulative Since Inception	334.95%	331.41%	3.54%
Annualized Since Inception	12.84%	12.77%	0.07%
Annualized Risk	17.57%	17.49%	0.44%

The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.
The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.

BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[1] Account Inception 09/30/02
[2] Prior to August 31, 2001, the benchmark return for the Dow Jones U.S. Completion Total Stock Market Index was the Extended Equity Market Index. Between September 30, 2001 and June 30, 2004 the benchmark was the Wilshire 4500.
[3] Performance figures are annualized as of fiscal year-end.

Extended Equity Market Fund

	Fund	Dow Jones U.S. Completion Total Stock Market Index[1]	Tracking Difference
1998	7.55%	7.16%	0.39%
1999	32.86	32.68	0.18
2000	-9.12	-9.58	0.46
2001	-6.65	-7.29	0.64
2002	-18.26	-17.80	-0.46
2003	43.36	43.84	-0.48
2004	18.24	17.94	0.30
2005	10.63	10.03	0.60
2006	15.31	15.28	0.03
2007	5.41	5.39	0.02
2008	-38.40	-39.03	0.63
2009	35.02	37.43	-2.41
2010	29.01	28.62	0.39
2011	-3.41	-3.76	0.35
2012	18.47	17.89	0.58
2013	38.27	38.05	0.22
1 Yr[2]	9.74	9.80	-0.06
3 Yrs Annualized	20.41	20.14	0.27
5 Yrs Annualized	18.32	18.03	0.29
7 Yrs Annualized	8.78	8.68	0.10
10 Yrs Annualized	9.74	9.63	0.11
2014			
Jan	-1.91%	-1.81%	-0.10%
Feb	5.42	5.47	-0.05
Mar	-0.69	-0.72	0.03
1st Qtr.	2.69%	2.82%	-0.13%
Apr	-2.47%	-2.57%	0.10%
May	1.51	1.51	0.00
Jun	4.44	4.44	0.00
2nd Qtr.	3.40%	3.29%	0.11%
Jul	-4.39%	-4.44%	0.05%
Aug	4.98	4.95	0.03
Sep	-5.10	-5.08	-0.02
3rd Qtr.	-4.74%	-4.80%	0.06%
Oct	4.06%	4.04%	0.02%
Nov	1.29	1.33	-0.04
Dec			
4th Qtr.			
YTD 2014	6.61%	6.59%	0.02%
Last 3 months	0.03%	0.07%	-0.04%
Last 6 months	4.87	4.83	0.04
Last 9 months	3.10	2.92	0.18
Last 12 months	9.74	9.80	-0.06
Cumulative Since Inception[3]	3760.27%	3489.62%	270.65%
Annualized Since Inception	11.40%	11.16%	0.24%
Annualized Risk	17.93%	17.88%	0.57%

General Notes:
The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.
The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.

BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[1] Prior to August 31, 2001, the benchmark return for the Dow Jones U.S. Completion Total Stock Market Index was the Extended Equity Market Index. Between September 30, 2001 and June 30, 2004 the benchmark was the Wilshire 4500.
[2] Performance figures are annualized as of period end.
[3] Fund inception 01/31/81

ACWI Equity Index Fund
Ventura County Employees' Retirement Association

	Fund	MSCI ACWI Net Dividend Return Index	Tracking Difference
2012[1]	2.82%	2.82%	0.00%
2013	17.09	16.57	0.52
2014	23.32	22.95	0.37
1 Yr[2]	8.43	8.04	0.39
Fiscal Year 2015			
Jul	-1.19%	-1.21%	0.02%
Aug	2.25	2.21	0.04
Sep	-3.22	-3.24	0.02
1st Qtr.	-2.22%	-2.31%	0.09%
Oct	0.72%	0.70%	0.02%
Nov	1.71	1.67	0.04
Dec			
2nd Qtr.			
Jan			
Feb			
Mar			
3rd Qtr.			
Apr			
May			
Jun			
4th Qtr.			
Fiscal YTD	0.17%	0.03%	0.14%
Last 3 months	-0.85%	-0.93%	0.08%
Last 6 months	2.09	1.91	0.18
Last 9 months	5.89	5.54	0.35
Last 12 months	8.43	8.04	0.39
Cumulative Since Inception	48.72%	47.40%	1.32%
Annualized Since Inception	17.78%	17.34%	0.44%
Annualized Risk	8.21%	8.23%	0.17%

The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.
The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.
The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.
BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[1] Account inception 06/27/12
[2] Performance figures are annualized as of fiscal year-end.

MSCI ACWI Equity Index Fund

	Fund	MSCI ACWI Net Dividend Return Index	Tracking Difference
2010[1]	7.78%	7.57%	0.21%
2011	-6.85	-7.35	0.50
2012	16.65	16.13	0.52
2013	23.26	22.80	0.46
1 Yr[2]	8.43	8.04	0.39
3 Yrs Annualized	15.26	14.77	0.49
2014			
Jan	-3.98%	-4.00%	0.02%
Feb	4.87	4.83	0.04
Mar	0.49	0.44	0.05
1st Qtr.	**1.19%**	**1.08%**	**0.11%**
Apr	1.00%	0.95%	0.05%
May	2.19	2.13	0.06
Jun	1.92	1.88	0.04
2nd Qtr.	**5.19%**	**5.04%**	**0.15%**
Jul	-1.19%	-1.21%	0.02%
Aug	2.25	2.21	0.04
Sep	-3.22	-3.24	0.02
3rd Qtr.	**-2.22%**	**-2.31%**	**0.09%**
Oct	0.72%	0.70%	0.02%
Nov	1.71	1.67	0.04
Dec			
4th Qtr.			
YTD 2014	**6.63%**	**6.21%**	**0.42%**
Last 3 months	**-0.85%**	**-0.93%**	**0.08%**
Last 6 months	**2.09**	**1.91**	**0.18**
Last 9 months	**5.89**	**5.54**	**0.35**
Last 12 months	**8.43**	**8.04**	**0.39**
Cumulative Since Inception	**53.94%**	**50.96%**	**2.98%**
Annualized Since Inception	**9.81%**	**9.35%**	**0.46%**
Annualized Risk	**14.58%**	**14.64%**	**0.18%**

General Notes:
The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.
The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.
The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.
BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[1] Fund inception 04/22/10
[2] Performance figures are annualized as of period end.

ACWI ex-US IMI Index Fund
Ventura County Employees' Retirement Association

	Fund	MSCI ACWI ex-U.S. IMI Index	Tracking Difference
2008[1]	-8.18%	-8.26%	0.08%
2009	-30.35	-30.50	0.15
2010	11.44	11.49	-0.05
2011	30.61	30.26	0.35
2012	-14.53	-14.79	0.26
2013	14.20	13.91	0.29
2014	22.58	22.28	0.30
1 Yr[2]	0.66	0.38	0.28
3 Yrs Annualized	10.30	10.00	0.30
5 Yrs Annualized	6.12	5.86	0.26
Fiscal Year 2015			
Jul	-1.11%	-1.11%	0.00%
Aug	0.59	0.57	0.02
Sep	-4.95	-4.95	0.00
1st Qtr.	-5.45%	-5.46%	0.01%
Oct	-1.13%	-1.16%	0.03%
Nov	0.59	0.58	0.01
Dec			
2nd Qtr.			
Jan			
Feb			
Mar			
3rd Qtr.			
Apr			
May			
Jun			
4th Qtr.			
Fiscal YTD	-5.97%	-6.03%	0.06%
Last 3 months	-5.47%	-5.51%	0.04%
Last 6 months	-4.31	-4.38	0.07
Last 9 months	-0.99	-1.23	0.24
Last 12 months	0.66	0.38	0.28
Cumulative Since Inception	4.73%	3.28%	1.45%
Annualized Since Inception	0.71%	0.50%	0.21%
Annualized Risk	21.46%	21.52%	0.19%

The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.

The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.

BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[1] Account Inception 05/30/08

[2] Performance figures are annualized as of fiscal year-end.

ACWI ex-US IMI Index Fund

	Fund	MSCI ACWI ex-U.S. IMI Index	Tracking Difference
2008[1]	-37.07%	-37.48%	0.41%
2009	43.27	43.60	-0.33
2010	12.90	12.73	0.17
2011	-14.05	-14.31	0.26
2012	17.36	17.04	0.32
2013	16.15	15.82	0.33
1 Yr[2]	0.66	0.38	0.28
3 Yrs Annualized	10.30	10.00	0.30
5 Yrs Annualized	6.12	5.86	0.26

2014			
Jan	-4.23%	-4.22%	-0.01%
Feb	5.07	5.07	0.00
Mar	0.28	0.24	0.04
1st Qtr.	0.91%	0.87%	0.04%
Apr	1.18%	1.13%	0.05%
May	1.97	1.90	0.07
Jun	1.77	1.75	0.02
2nd Qtr.	5.01%	4.85%	0.16%
Jul	-1.11%	-1.11%	0.00%
Aug	0.59	0.57	0.02
Sep	-4.95	-4.95	0.00
3rd Qtr.	-5.45%	-5.46%	0.01%
Oct	-1.13%	-1.16%	0.03%
Nov	0.59	0.58	0.01
Dec			
4th Qtr.			
YTD 2014	-0.37%	-0.60%	0.23%
Last 3 months	-5.47%	-5.51%	0.04%
Last 6 months	-4.31	-4.38	0.07
Last 9 months	-0.99	-1.23	0.24
Last 12 months	0.66	0.38	0.28
Cumulative Since Inception	18.82%	16.85%	1.97%
Annualized Since Inception	2.61%	2.35%	0.26%
Annualized Risk	21.40%	21.45%	0.20%

General Notes:
The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.
The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.
The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.
BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[1] Fund Inception 03/20/08
[2] Performance figures are annualized as of period end.

US Debt Index Fund
Ventura County Employees' Retirement Association

	Fund	Barclays U.S. Aggregate Bond Index[2]	Tracking Difference
1996[1]	-1.11%	-1.21%	0.10%
1997	8.14	8.15	-0.01
1998	10.61	10.54	0.07
1999	3.17	3.15	0.02
2000	4.64	4.57	0.07
2001	11.38	11.23	0.15
2002	8.87	8.63	0.24
2003	10.47	10.40	0.07
2004	0.33	0.32	0.01
2005	6.85	6.80	0.05
2006	-0.76	-0.81	0.05
2007	6.21	6.12	0.09
2008	7.32	7.12	0.20
2009	6.15	6.05	0.10
2010	9.61	9.50	0.11
2011	4.03	3.90	0.13
2012	7.56	7.47	0.09
2013	-0.48	-0.69	0.21
2014	4.49	4.37	0.12
1 Yr[3]	5.43	5.27	0.16
2 Yrs Annualized	1.92	1.77	0.15
3 Yrs Annualized	3.12	3.00	0.12
4 Yrs Annualized	3.75	3.63	0.12
5 Yrs Annualized	4.23	4.10	0.13
7 Yrs Annualized	4.93	4.80	0.13
10 Yrs Annualized	4.91	4.79	0.12
Fiscal Year 2015			
Jul	-0.23%	-0.25%	0.02%
Aug	1.09	1.10	-0.01
Sep	-0.62	-0.68	0.06
1st Qtr.	0.23%	0.17%	0.06%
Oct	0.93%	0.98%	-0.05%
Nov	0.72	0.71	0.01
Dec			
2nd Qtr.			
Jan			
Feb			
Mar			
3rd Qtr.			
Apr			
May			
Jun			
4th Qtr.			
Fiscal YTD	1.89%	1.87%	0.02%
Last 3 months	1.03%	1.01%	0.02%
Last 6 months	2.01	1.92	0.09
Last 9 months	3.87	3.77	0.10
Last 12 months	5.43	5.27	0.16
Cumulative Since Inception	186.13%	181.06%	5.07%
Annualized Since Inception	5.72%	5.62%	0.10%
Annualized Risk	3.50%	3.49%	0.09%

[1] Account Inception 12/31/95

[2] 5/31/96 performance difference due to pricing changes in the Barclays Mortgage Index.

The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.

The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.

BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[3] Performance figures are annualized as of fiscal year-end.

US Debt Index Fund

	Fund	Barclays U.S. Aggregate Bond Index[2]	Tracking Difference
1986[1]	5.69%	5.87%	-0.18%
1987	2.52	2.60	-0.08
1988	7.93	7.98	-0.05
1989	14.45	14.44	0.01
1990	8.89	8.96	-0.07
1991	16.03	16.00	0.03
1992	7.37	7.40	-0.03
1993	9.74	9.75	-0.01
1994	-2.94	-2.92	-0.02
1995	18.49	18.47	0.02
1996	3.73	3.63	0.10
1997	9.69	9.65	0.04
1998	8.78	8.69	0.09
1999	-0.83	-0.82	-0.01
2000	11.73	11.63	0.10
2001	8.64	8.44	0.20
2002	10.34	10.26	0.08
2003	4.22	4.10	0.12
2004	4.37	4.34	0.03
2005	2.47	2.43	0.04
2006	4.42	4.33	0.09
2007	7.07	6.97	0.10
2008	5.41	5.24	0.17
2009	6.01	5.93	0.08
2010	6.73	6.54	0.19
2011	7.89	7.84	0.05
2012	4.34	4.21	0.13
2013	-1.93	-2.02	0.09
1 Yr[3]	5.43	5.27	0.16
2 Yrs Annualized	1.92	1.77	0.15
3 Yrs Annualized	3.12	3.00	0.12
4 Yrs Annualized	3.75	3.63	0.12
5 Yrs Annualized	4.23	4.10	0.13
7 Yrs Annualized	4.93	4.80	0.13
10 Yrs Annualized	4.91	4.79	0.12
2014			
Jan	1.52%	1.48%	0.04%
Feb	0.58	0.53	0.05
Mar	-0.19	-0.17	-0.02
1st Qtr.	1.92%	1.84%	0.08%
Apr	0.85%	0.84%	0.01%
May	1.16	1.14	0.02
Jun	0.11	0.05	0.06
2nd Qtr.	2.13%	2.04%	0.09%
Jul	-0.23%	-0.25%	0.02%
Aug	1.09	1.10	-0.01
Sep	-0.62	-0.68	0.06
3rd Qtr.	0.23%	0.17%	0.06%
Oct	0.93%	0.98%	-0.05%
Nov	0.72	0.71	0.01
Dec			
4th Qtr.			
YTD 2014	6.07%	5.87%	0.20%
Last 3 months	1.03%	1.01%	0.02%
Last 6 months	2.01	1.92	0.09
Last 9 months	3.87	3.77	0.10
Last 12 months	5.43	5.27	0.16
Cumulative Since Inception	555.66%	546.55%	9.11%
Annualized Since Inception	6.84%	6.79%	0.05%
Annualized Risk	3.89%	3.89%	0.09%

General Notes:

[1] Fund Inception 06/30/86

[2] 5/31/96 performance difference due to pricing changes in the Barclays Mortgage Index.

The Fund is managed by BTC. The information disclosed herein is for informational purposes only and may not be compliant with the requirements of Department of Labor Rule 404a-5. Plan sponsors and/or administrators seeking the requisite information to comply with Rule 404a-5 should contact their Account Manager.

The Fund is a privately offered collective investment fund maintained by BlackRock Institutional Trust Company, N.A. (BTC) and is available only to certain qualified employee benefit plans and governmental plans and not offered to the general public; a prospectus is not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative.

The Fund's performance is not necessarily an indication of how well the Fund will perform in the future.

BTC, a national banking association operating as a limited purpose trust company, manages the collective investment products and services referred to in this publication and provides fiduciary and trust services to various institutional investors. Funds maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other U.S. Government agency, and are not guaranteed by BTC, BlackRock, Inc. or any of their affiliates.

[3] Performance figures are annualized as of period end.

iv. Presenter Biographies

Presenter Biographies

Anthony R. Freitas, CFA, Managing Director, is a member of the US and Canada Institutional team within BlackRock's Institutional Client Business. He is responsible for developing and maintaining relationships with institutional investors, including public and private pension plans, foundations and endowments.

Prior to joining BlackRock in 2004, Mr. Freitas was with Deutsche Asset Management, most recently as Managing Director and Regional Manager for client service. From 1993 to 2000, he was with Boston Partners Asset Management L.P. Initially a vice president responsible for West Coast client service, he became a Principal in 1995. Mr. Freitas began his career at Callan Associates in 1986 as a pension fund consultant.

Mr. Freitas earned an BA degree in political science from the University of California at Berkeley in 1982 and an MBA in finance from San Francisco State University in 1985.

Laura Champion, Vice President, is a member of the US and Canada Institutional team within BlackRock's Institutional Client Business. She is responsible for developing and maintaining relationships with institutional investors, including public and private pension plans, foundations and endowments.

Ms. Champion's service with the firm dates back to 2011. Before assuming her current responsibilities, Ms. Champion previously worked as a Business Development Associate in iShares within the Private Client Group where she was responsible for developing and maintaining relationships with financial advisors across the retail business. Prior to joining BlackRock in 2011 Laura worked for Bank of America Merrill Lynch in Institutional Equity Research Sales in San Francisco where she focused on developing and maintaining relationships with institutional investors, corporate management teams and research analysts with an emphasis on regional roadshow coordination and marketing.

Ms. Champion received a B.A. in International Relations and French Literature from the University of California Santa Barbara.

Cara Barr, Director, is an Index Equity Strategist within BlackRock's Beta Strategies Group.

Ms. Barr's service at the firm started in 2012 within the Change Management team for Business Operations. Before joining BlackRock, Cara spent seven years at Royal Bank of Canada in the International Wealth Management group spanning the New York, London, Geneva and the Caribbean offices. She was a portfolio manager in Grand Cayman managing assets for RBC's international clients, then a senior manager providing strategic solutions for the portfolio analytics and investment platform. Prior to RBC, Cara was an Research Equity analyst at Merrill Lynch.

Ms. Barr earned a BA (Hons.) degree in psychology from Queen's University and an MBA degree from the University of Toronto.

v. Disclosures

Cash Collateral Funds

For more information

For additional information, including portfolio holdings, please contact your client relationship officer directly or visit us online at www.blackrock.com. A general description of the investment philosophy, risk management and guidelines criteria, as well as specific investment guidelines for short-term investment funds can be found in the Short Term Investment Funds Overview and Guidelines (the “STIF Guidelines”). A copy of the STIF Guidelines, which may be updated from time to time, may be accessed via the following website link: www.blackrockdocuments.com.

Fund manager

BlackRock Institutional Trust Company, N.A. (“BTC”), a national banking association acting as a limited purpose trust company, is the fund's manager and trustee. BTC is a wholly-owned subsidiary of BlackRock, Inc. For more information about BlackRock, please go to www.blackrock.com.

Fund

The Fund is a bank collective investment fund and is maintained and managed by BTC. Collective investment funds known as “group trusts” are available only to certain qualified employee benefit plans and governmental plans and not offered or available to the general public. Accordingly, prospectuses are not required and prices are not available in local publications. The fund is a short term investment fund (STIF) which, in accordance with regulations and the collective fund plan documents, values assets at amortized cost for unitholder transactions. To obtain estimated shadow market value information, please visit www.blackrock.com.

Disclaimers

The Fund is NOT FDIC insured, is NOT an obligation or deposit of, or guarantee by, BTC or its affiliates and involves investment risk, including possible loss of principal.

This information is being provided to you for informational purposes only and does not constitute legal, tax or accounting advice. The information contained herein is believed to be reliable but BTC does not warrant its accuracy or completeness. Information as to ratings is provided from data provided by the relevant nationally recognized statistical ratings organizations and BTC does not warrant the completeness or accuracy of such information. The statements herein are qualified by disclosure documents including without limitation the audited financial statements for the Fund, the STIF Guidelines and “Information About BlackRock Institutional Trust Company, N.A. — 16 Things You Should Know.” This publication is not intended as an offer or solicitation for the purchase or sale of any of the financial investments referred to herein. You should not rely upon this publication in evaluating the merits of investing in the fund. No part of this publication may be reproduced in any manner without BTC’s prior consent.

Information is being furnished to you on a confidential basis as fiduciary of your system to support your internal risk management and/or compliance needs. You agree to treat as confidential such information. Subject as provided below, this information is to be used internally and strictly in connection with these activities. Without BTC’s prior written consent, the information is not to be shared (i) internally, except with key personnel on a “need-to-know” basis in order to support your risk management or compliance activities, or (ii) externally, except to the extent external agents use such information for internal risk management and/or compliance needs or such information is required to be disclosed pursuant to applicable laws and/or regulations or pursuant to subpoena or other court order.

To extent that information is either shared internally on a “needs to know basis” or externally with external agents, then such recipients of such information will be notified by you of the confidential nature of the information, and shall be bound by the same duties and obligations with respect to the information as you are as the recipient. The aforementioned permitted use of the information clearly prohibits any use of such information for investment or trading decisions. If a request is made to make such information public under applicable laws, then you shall use reasonable efforts to give prior notice of any such request so as to permit BTC to seek to obtain a protective order prohibiting or restricting the public disclosure of such information.

Important Notes

THE INFORMATION CONTAINED HEREIN MAY BE PROPRIETARY IN NATURE AND HAS BEEN PROVIDED TO YOU ON A CONFIDENTIAL BASIS, AND MAY NOT BE REPRODUCED, COPIED OR DISTRIBUTED WITHOUT THE PRIOR CONSENT OF BLACKROCK, INC. ("BLACKROCK").

These materials are not an advertisement and are not intended for public use or dissemination. Any investments named within this material may not necessarily be held in any accounts managed by BlackRock. Reliance upon information in this material is at the sole discretion of the reader. Past performance is no guarantee of future results.

This material is for distribution only to those types of recipients as provided below and should not be relied upon by any other persons. This material is provided for informational purposes only and does not constitute a solicitation in any jurisdiction in which such solicitation is unlawful or to any person to whom it is unlawful. Moreover, it neither constitutes an offer to enter into an investment agreement with the recipient of this document nor an invitation to respond to it by making an offer to enter into an investment agreement.

Securities Lending Returns

BlackRock retains a portion of securities lending returns in exchange for managing the program. This fee reflects risk management, as well as the technology and personnel costs of maintaining the lending platform. In addition, BlackRock receives a fee for the management of cash collateral. Actual lending yields and fees for strategies represented may vary. Please note, other administrative costs, including but not limited to, accounting, custody and audit fees, may vary. Investors may receive 50% of securities lending returns and BlackRock retains 50%, except in cases where a client may negotiate a different compensation arrangement. BlackRock may negotiate different securities lending compensation arrangements with our clients depending on a variety of factors, including, but not limited to, the nature and size of the investment and the overall relationship with, and services delivered to, a particular client. Asset spread income is defined as the interest income earned in cash reinvestment funds on collateral balances less the Federal Funds Open Rate. Liability spread income is defined as the difference between the Federal Funds Open Rate and the rebate rate negotiated with the borrower.

Forward Looking Information

This material may contain "forward-looking" information that is not purely historical in nature. Such information may include, among other things, projections, forecasts, estimates of yields or returns, and proposed or expected portfolio composition. Moreover, where certain historical performance information of other investment vehicles or composite accounts managed by BlackRock, Inc. and/or its subsidiaries (together, "BlackRock") has been included in this material and such performance information is presented by way of example only. No representation is made that the performance presented will be achieved, or that every assumption made in achieving, calculating or presenting either the forward-looking information or the historical performance information herein has been considered or stated in preparing this material. Any changes to assumptions that may have been made in preparing this material could have a material impact on the investment returns that are presented herein by way of example.

Forecast

This material is not intended to be relied upon as a forecast, research or investment advice, and is not a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The opinions expressed may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and nonproprietary sources deemed by BlackRock to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. There is no guarantee that any forecasts made will come to pass.

No Recommendation

These materials are neither an offer to sell nor a solicitation of any offer to buy shares in any fund. You may not rely upon these materials in evaluating the merits of investing in any fund that employs any of the strategies referred to herein. Any reference herein to any security and/or a particular issuer shall not constitute a recommendation to buy or sell, offer to buy, offer to sell, or a solicitation of an offer to buy or sell any such securities issued by such issuer.

Money Market Fund

Although a money market fund seeks to preserve the value of one's investment at $1.00 per share, it is possible to lose money by investing in a money market fund. Investment in a money market fund is not similar to making a bank deposit. This investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or by any bank or governmental agency.

Important Notes (cont'd)

Risk

Securities lending involves exposure to certain risks, including cash collateral investment risk (i.e., risk that cash collateral investments, whether in Cash Collateral Funds or otherwise, may not achieve their investment objective, including suffering realized or unrealized loss due to investment performance), "gap" risk (i.e., risk that the return on cash collateral investments is insufficient to pay the rebate fees the Lending Fund or Lending Account has committed to pay to borrowers), liquidity risk (i.e., risk that the cash collateral is invested, directly or through the Cash Collateral Funds, in securities and other instruments that are less liquid than the Lending Fund or Lending Account, which could limit the liquidity available to the Lending Fund or Lending Account for ordinary course transactions), operational risk (i.e., risk of losses resulting from problems in the settlement and accounting process), foreign exchange risk (i.e., risk of a shortfall at default when a cash collateral investment is denominated in a currency other than the currency of the assets being loaned due to movements in foreign exchange rates), and credit, legal, counterparty and market risks. At any particular point in time, investments in the Cash Collateral Funds could comprise a material portion of a Lending Fund's assets.

Investing involves risk, including possible loss of principal. Asset allocation and diversification strategies do not assure a profit and may not protect against loss or effects of market or other economic conditions on asset classes. Diversification among investment options and asset classes may help to reduce overall volatility.

BlackRock makes no representations or warranties as to the accuracy or completeness of the information contained herein, and further nothing contained herein shall be relied upon as a promise by, or representation by, BlackRock whether as to past or future performance results. Past performance is not indicative or predictive of future performance.

These materials are being provided for informational purposes only and are not intended to constitute tax, legal or accounting advice. You should consult your own advisers on such matters. Additional information is available on request. Information contained herein is believed to be reliable but BlackRock does not warrant its accuracy or completeness. Information contained herein represents BlackRock's own opinions. There can be no assurance that the investment objectives of any strategy referred to herein will be achieved. An investment in any strategy referred to herein involves a high degree of risk, including the risk that the entire amount invested may be lost.

Any strategy referred to herein does not give rise to a deposit or other obligation of BlackRock, Inc. or its subsidiaries and affiliates, and is not guaranteed by BlackRock, Inc. or its subsidiaries and affiliates, and is not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency, and may involve investment risks, including possible loss of principal invested.

For ease of reference, "BlackRock" may be used to refer to BlackRock, Inc. and its affiliates, including BlackRock Institutional Trust Company, N.A. BlackRock Institutional Trust Company, N.A. ("BTC"), a national banking association operating as a limited purpose trust company, manages the collective investment products and services discussed in this publication and provides fiduciary and custody services to various institutional investors. A collective investment fund is privately offered: prospectuses are not required. Strategies maintained by BTC are not insured by the Federal Deposit Insurance Corporation or any other agency of the US government, are not an obligation or deposit of, or guaranteed by, BTC or its affiliates.

Strategies include bank collective investment funds maintained and managed by BlackRock Institutional Trust Company, N.A. which are available only to certain qualified employee benefit plans and governmental plans and not offered or available to the general public. Accordingly, prospectuses are not required and prices are not available in local publications. To obtain pricing information, please contact your local service representative. Strategies maintained by BlackRock are not insured by the Federal Deposit Insurance Corporation and are not guaranteed by BlackRock or its affiliates. There are structural and regulatory differences between collective funds and mutual funds that may affect their respective fees and performance.

Important Notes (cont'd)

For recipients in the US: In the US this material is for institutional investors only.

For recipients in the EU: In the EU issued by BlackRock Investment Management (UK) Limited (authorised and regulated by the Financial Conduct Authority). Registered office: 12 Throgmorton Avenue, London, EC2N 2DL. Registered in England No. 2020394. Tel: 020 7743 3000. For your protection, telephone calls are usually recorded. BlackRock is a trading name of BlackRock Investment Management (UK) Limited.

For recipients in Korea: For distribution in Korea for Professional Investors only ("Professional Investors") as defined in the local regulation.

For recipients in Singapore: In Singapore, the information provided is issued by BlackRock (Singapore) Limited (company registration number: 200010143N) for institutional investors only. This information may not be circulated or distributed to any person in Singapore other than (i) to an institutional investor pursuant to Section 304 of the Securities and Futures Act ("SFA") or (ii) otherwise pursuant to and in accordance with the conditions of any other applicable provision of the SFA.

For recipients in Hong Kong: In Hong Kong, the information provided is issued by BlackRock Asset Management North Asia Limited and is only for distribution to "professional investors" (as defined in the Securities and Futures Ordinances (Cap. 571 of the laws of Hong Kong)) and should not be relied upon by any other persons.

For recipients in China: These materials may not be distributed to individuals resident in the PRC or entities registered in the PRC unless such parties have received all the required PRC government approvals to participate in any investment or receive any investment advisory or investment management services

For recipients in Latin America: In Latin America, for Institutional and Professional Investors only (not for public distribution). This material is solely for educational purposes and does not constitute investment advice, or an offer or a solicitation to sell or a solicitation of an offer to buy any shares of any funds (nor shall any such shares be offered or sold to any person) in any jurisdiction within Latin America in which such an offer, solicitation, purchase or sale would be unlawful under the securities laws of that jurisdiction. If any funds are mentioned or inferred to in this material, it is possible that some or all of the funds have not been registered with the securities regulator of Brazil, Chile, Colombia, Mexico, Panama, Peru, Uruguay or any other securities regulator in any Latin American country, and thus, might not be publicly offered within any such country. The securities regulators of such countries have not confirmed the accuracy of any information contained herein. No information discussed herein can be provided to the general public in Latin America.

This document contains general information only and is not intended to be relied upon as a forecast, research, investment advice, or a recommendation, offer or solicitation to buy or sell any securities or to adopt any investment strategy. The information does not take into account your financial circumstances. An assessment should be made as to whether the information is appropriate for you having regard to your objectives, financial situation and needs.

The opinions expressed are as of 11/30/2014 and may change as subsequent conditions vary. The information and opinions contained in this material are derived from proprietary and non-proprietary sources deemed by BlackRock, Inc. and/or its subsidiaries (together, "BlackRock") to be reliable, are not necessarily all inclusive and are not guaranteed as to accuracy. There is no guarantee that any forecasts made will come to pass. Any investments named within this material may not necessarily be held in any accounts managed by BlackRock. Reliance upon information in this material is at the sole discretion of the reader. Past performance is no guarantee of future results.

UIM-0056

Deutsche Asset
& Wealth Management

RREEF America REIT III Review

Third Quarter 2014

Ventura County Employees' Retirement Association
December 15, 2014

Passion to Perform

Confidential – not for public distribution

The preceding is presented for informational purposes by RREEF America L.L.C. on behalf of RREEF America REIT III, Inc. ("RREEF America REIT III", or the "Fund"). This information may not be distributed, circulated, quoted, or otherwise disseminated without the prior consent of RREEF America L.L.C. The information should be read and reviewed in conjunction with the important disclosure information entitled "Important Information" and "Performance Notes" later in these materials. The disclosure information under "Important Information" is applicable to all performance data throughout this presentation. This presentation contains forward-looking statements which should be considered in connection with the statements contained in "Important Information". These forward-looking statements include, but are not limited to, management's plans, projections, objectives, expectations, and intentions, and other similar statements. These statements are based on the current beliefs or expectations of management which are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond management's control. The ability of the Fund to successfully achieve the objectives set forth in the business plans and the initiatives described herein will be dependent, in many cases, upon the availability of financing and a market for real estate assets, each of which is uncertain in the current environment.

The information contained herein is for the confidential use of only those persons to whom it is transmitted by RREEF America L.L.C., or its affiliates and may not be reproduced, provided to others, or quoted, referred to or used for any purpose without the prior written permission of RREEF America L.L.C. Each recipient, as a condition to the provision of this information and by virtue of receipt thereof, agrees not to make a photocopy or other copy or to divulge the contents hereof to any other person (other than a legal, business, investment or tax advisor in connection with obtaining the advice of such person with respect to the investment). Failure to comply with the foregoing may result in irreparable damage to the lenders, shareholders and RREEF America L.L.C., among others.

Table of contents

Section

Appendix

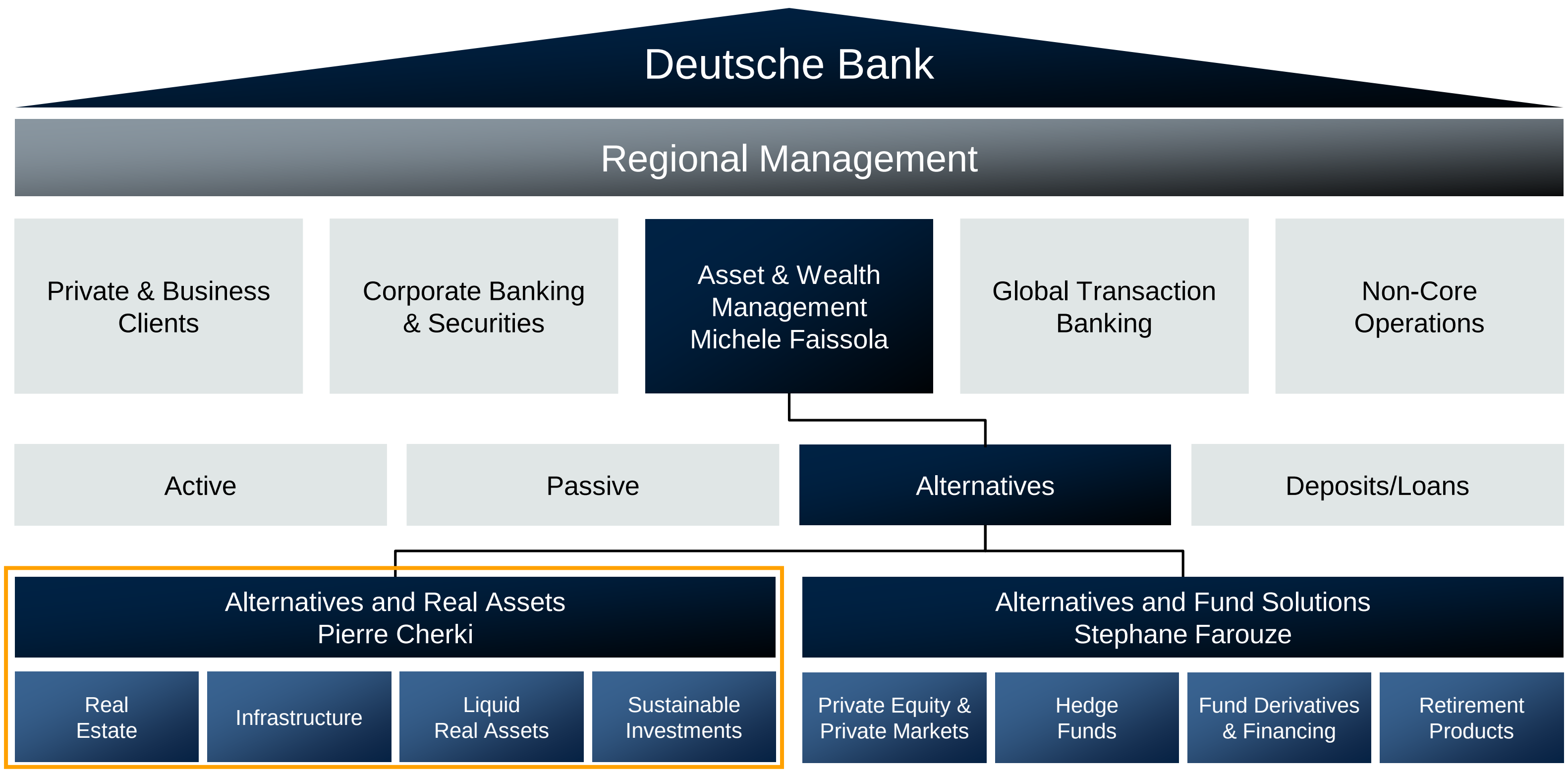
01 Firm Update

Alternatives investment business

Part of Deutsche Bank’s Asset & Wealth Management (“Deutsche AWM”) division

— Strong, demonstrated commitment from DB Group to the alternatives investment business

— Alternatives identified as a key component of growth strategy for AWM

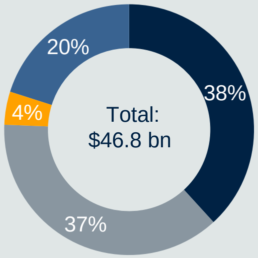


Not all Deutsche AWM products and services are offered in all jurisdictions and availability is subject to local regulatory restrictions and requirements.
As of November 2014.

Global Real Estate Business

Long tenured manager of real estate assets across the private and public investment spectrum and around the globe

Global footprint and AUM (billions)



RE Direct: Americas	$17.9 bn
RE Direct: Europe	$17.5 bn
RE Direct: Asia Pacific	$2.0 bn
RE Securities	$9.4 bn

Real estate business at a glance

— A 40-year investment heritage

— Committed to local market expertise with approximately 450 employees in 22 cities worldwide

— A full service real estate manager with $46.8 /€37.1 billion in assets under management

— 460 institutional clients

— Investors represent more than 20 countries across the Americas, Asia Pacific and EMEA

Our mission is to provide real estate investment management services consistent with our clients' objectives for diversification, preservation of capital and superior long-term risk-adjusted performance.

Numbers may not sum due to rounding. There is no guarantee the investment objective can be achieved.
Source: Deutsche Asset & Wealth Management.
As of September 30, 2014.

Private Real Estate – Americas

Overview

- $17.9 billion in U.S. private real estate AUM[1]
- Nearly 300 institutional clients, including public, corporate, union and foundations/endowments
- Long tenured senior professionals averaging 14 years with the firm and 28 years of industry experience
- Approximately 200 total professionals and staff in 9 offices
- Dedicated teams closed more than $32 billion in purchase and sales transactions since 2006
- Regional asset management organization with nearly 30 asset managers

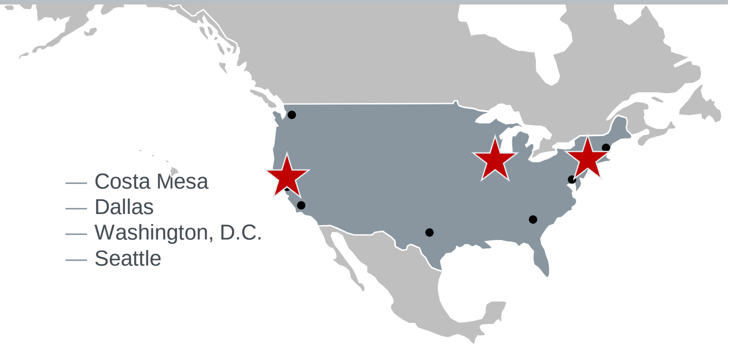
Key Distinctions

- Four decades of experience in U.S. markets
- Seasoned local teams and hands-on approach
- Industry thought leadership through Research & Strategy team
- Long-term outperformance for core real estate

Americas Office Locations

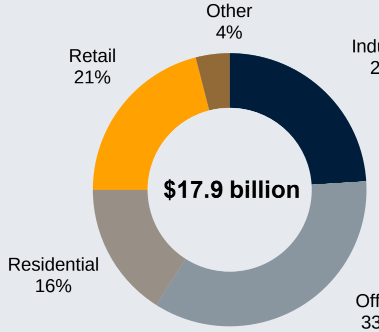
United States

- **Chicago**
- **New York**
- **San Francisco**
- Atlanta
- Boston
- Costa Mesa
- Dallas
- Washington, D.C.
- Seattle

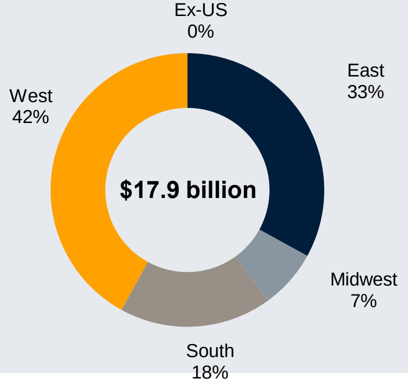


Property Diversification by Sector & Region

By Property Sector



By Region



[1] Includes core, value add and opportunistic direct real estate investments in the Americas. Excludes real estate securities.
Source: Deutsche Asset & Wealth Management. Diversification based on gross asset value by primary use. Numbers may not sum due to rounding
As of September 30, 2014.

Private Real Estate leadership team – Americas

Senior leaders average 14 years with the firm and 28 years with the industry

Head of Real Estate, Americas
Todd Henderson
11 23

Marc Feliciano	Tim Ellsworth	Al Diaz	Laura Gaylord	Jim Carbone	Kevin Howley	Aimee Samford
CIO and Portfolio Management	Transactions	Asset Management	Global Client Group	Retail Products	RREEF America REIT II	COO
9 21	16 31	20 30	12 30	19 34	12 34	16 21

Investment Functions

Asset Management	Central Functions	Fund Finance	Global Client Group	Portfolio Management	Research & Strategy	Transactions
61 employees	26 employees	35 employees	27 employees	42 employees	11 employees	16 employees

Years with firm #   Years with industry #

As of September 30, 2014.

Americas Real Estate – 2014 YTD Highlights

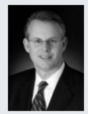
Strong results for performance, capital raising and transaction activity

1 Performance Results	▪ RREEF America REIT III: 1-year net return of 26.9%; 3-year net return of 21.0% ▪ RREEF America REIT II: Total gross and net return performance exceeds NFI-ODCE for trailing 3 and 5 years; continues to deliver top-tier income performance ▪ U.S. Core Private Real Estate Aggregate: Outperforming NFI-ODCE on gross basis for trailing 1, 3, 5, 10, 20 and 30 years
2 Capital Formation	▪ Nearly $17 billion raised (gross) across Alternatives and Real Assets year to date ▪ Approximately $4 billion raised globally across our private real estate products ▪ Real estate debt platform launched in Europe with two separate accounts totaling 1 billion Euros ▪ Approximately $13 billion in gross inflows in Liquid Real Assets (real estate and infrastructure securities) ▪ Americas direct real estate highlights: – RREEF America REIT II: very strong momentum with more than $890 million raised year to date with strong regional and channel diversification, including Europe, Asia Pac and the Middle East – Separate accounts: $400 million in additional allocations from six existing clients – New product launches continue to be a focus, including our new U.S. energy retrofit strategy which had a first close in September
3 Transaction Activity	Americas Transaction Activity ▪ Acquisitions: $2.15 billion in new acquisitions closed with more than $580 million in additional transactions currently under contract or offer pending ▪ Dispositions: $1.46 billion in closed transactions, comprised of 32 property sales ▪ Financings: $1.7 billion in 23 closed debt financing transactions

Results as of September 30, 2014. NFI-ODCE = NCREIF Fund Index Open End Diversified Core Equity. Past performance is not indicative of future results. See "Important Information" for more details. Source: Deutsche AWM.

RREEF America REIT III
Management Team

RREEF America REIT III Board of Directors
Five Independent Directors

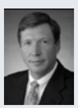


Todd Henderson
11 23

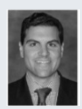
Americas Real Estate Investment Committee

Portfolio Management Team

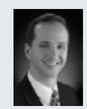
Jay Miller
Lead Portfolio Manager
and Western Region
8 18



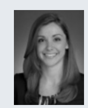
Norton O'Meara
Portfolio Manager
Midwest/Eastern Region
20 29



Mike Nigro
Head of Real Estate
Value Add, Americas
10 18



Joe Cappelletti
Chief Financial Officer
29 29



Megan Martin
Controller
4 8

Portfolio Management Support	Fund Operations	Fund Finance
2 investment professionals	3 investment professionals	3 investment professionals

Years with firm # Years with industry #

Source: Deutsche Asset & Wealth Management. As of September 2014.

02

Economic and Market Update

Certain information in this research report constitutes forward-looking statements. Due to various risks, uncertainties and assumptions made in our analysis, actual events or results or the actual performance of the markets covered by this research report may differ materially from those described. The information herein reflect our current view only, are subject to change and are not intended to be promissory or relied upon by the reader. There can be no certainty that events will turn out as we have opined herein.

U.S. Economy
Key Strategic Themes

- Expect stable to above average Gross Domestic Product ("GDP") growth driven by investment, housing and consumption
- Job growth indicators are very positive despite some excess capacity. We expect this to result in stable tenant demand.
- "Tail risks" remain in Ukraine, Middle East, Hong Kong leading to stable U.S. bond yields
- Inflation expectations remain anchored at 2% or less due in part to dollar strength

Source: Deutsche AWM ARA Research. This information is a forecast and due to a variety of uncertainties, and assumptions made in our analysis, actual events or results or the actual performance of the markets covered may differ from those presented.
As of October 2014.

Real estate performance in different macro environments

Returns rise with strong GDP growth, fall with rising “real” interest rates

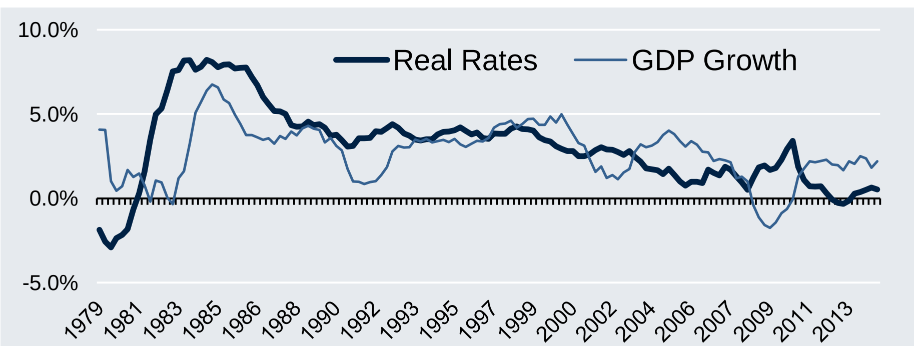
Real estate returns and macro drivers[1] (1978 to 2013)

GDP Growth (2.8% average)

Real Interest Rates (3.0% Average)		Above Average GDP	Below Average GDP
	Below Average Real Rates	13.7% (20%)	11.6% (28%)
	Above Average Real Rates	8.0% (36%)	0.5% (16%)

LTA 8.9%

Historical real rates and GDP (8 qtr MA)[2]



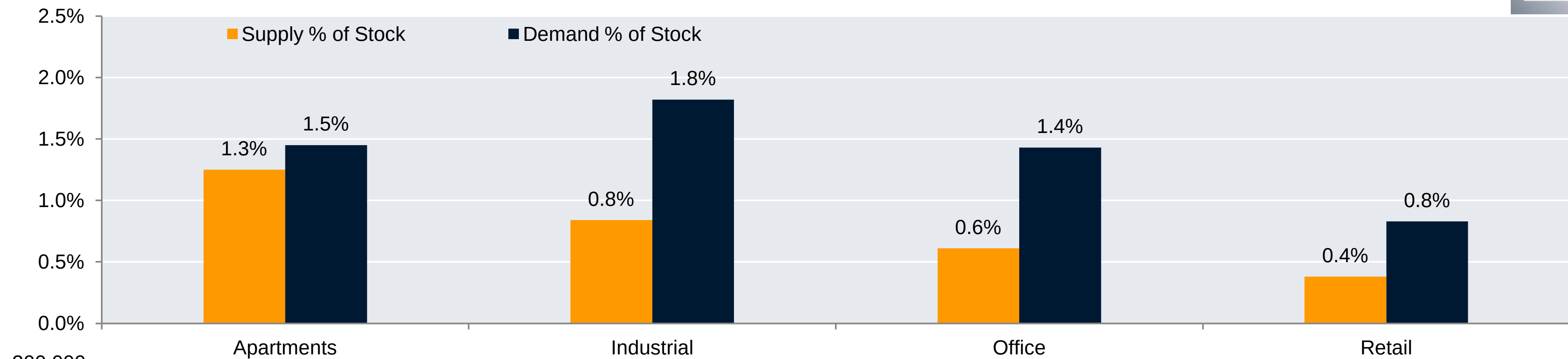
- Real estate performs best when GDP growth is above average and inflation adjusted interest rates (“real” interest rates) are below-average
- Real estate is a weak performer when GDP is below average and real interest rates are above average
- We expect GDP in the range of 2.8% - 3.0% in 2015 with real interest rates remaining below average
- On this basis, it’s reasonable to expect real estate to produce results in line with its long term average.

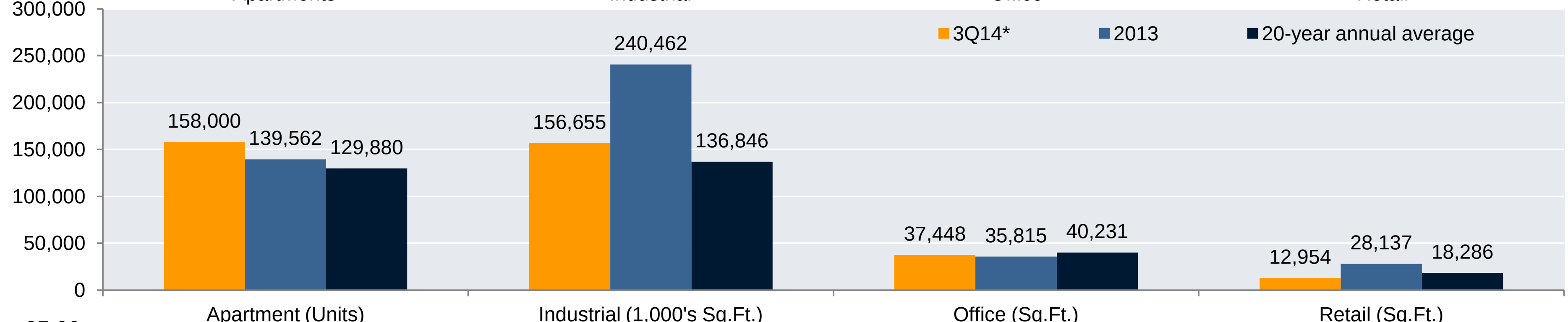
[1] Return scenarios provided by Deutsche AWM's ARA Research team based on data input sourced from NCREIF, U.S. Bureau of Economic Analysis (”BEA”) and U.S. Bureau of Labor Statistics (“BLS”)

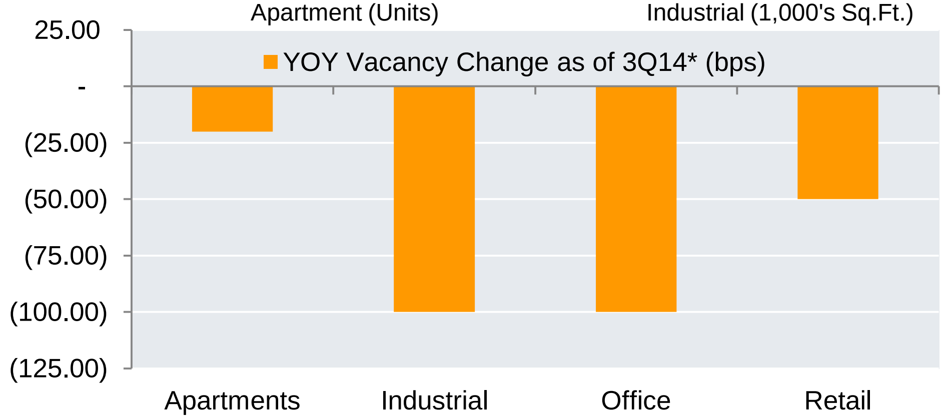
[2] U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, Federal Reserve.

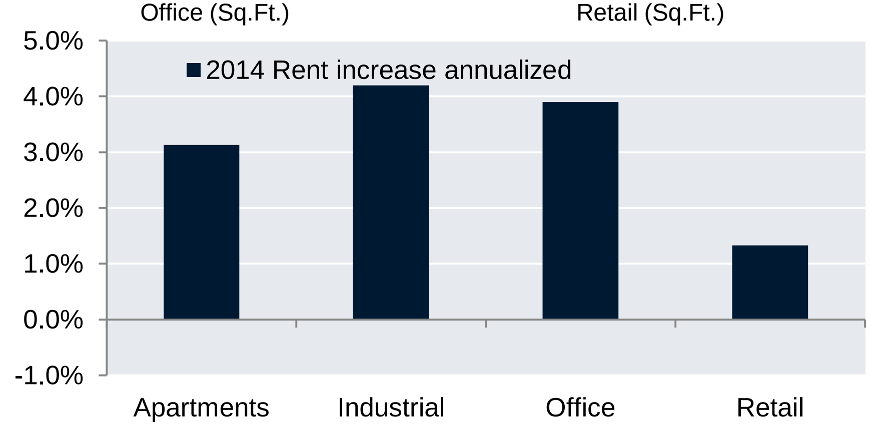
LTA = Long Term Average. This information is for illustrative purposes and is not representative of any individual Deutsche AWM investment or investment strategy. Assumptions made in our analysis, actual events or results may not affect the actual performance of the markets covered and may differ from those presented. As of October 2014.

Recent trends: Real estate fundamentals are strong





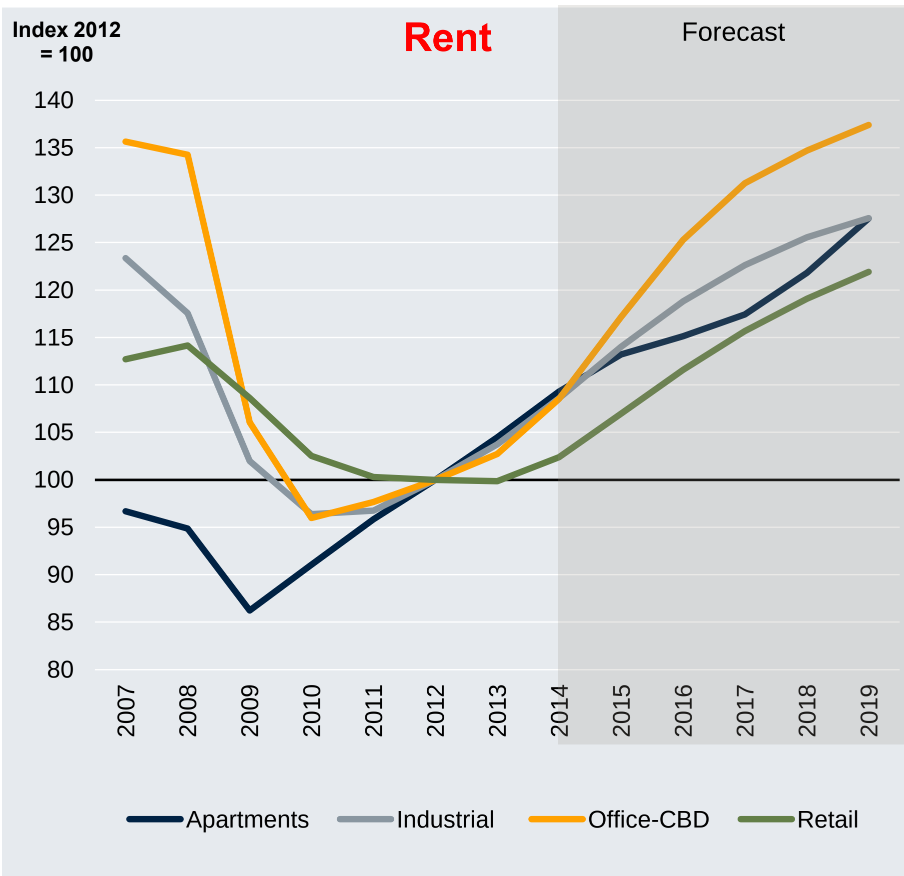


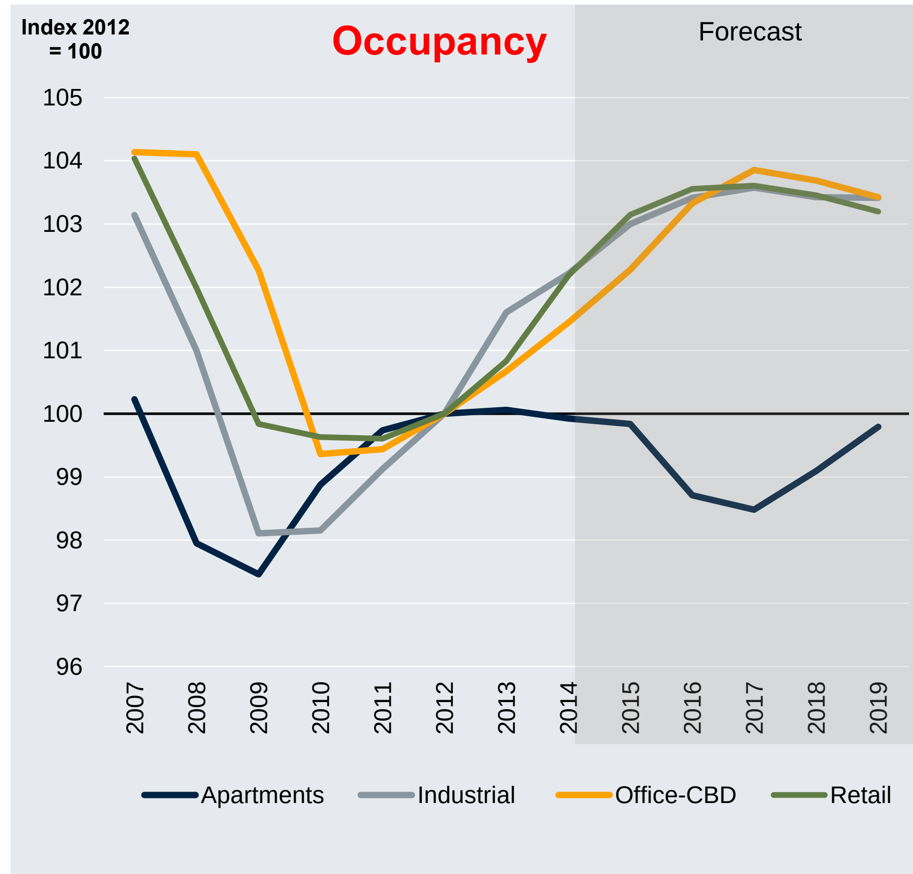


* 2Q14 Demand is Deutsche AWM forecast for Apartments and Retail
Sources: Data provided by CBRE-EA and Deutsche AWM ARA Research. As of October 2014.

Property fundamentals still well below prior peaks

US Rent and Occupancy Levels by Property Sector – Indexed to 2012





Source: Deutsche AWM ARA Research, data as of June 2014.
This information is a forecast and due to a variety of uncertainties, and assumptions made in our analysis, actual events or results may not affect the actual performance of the markets covered may differ from those presented.
As of October 2014.

03

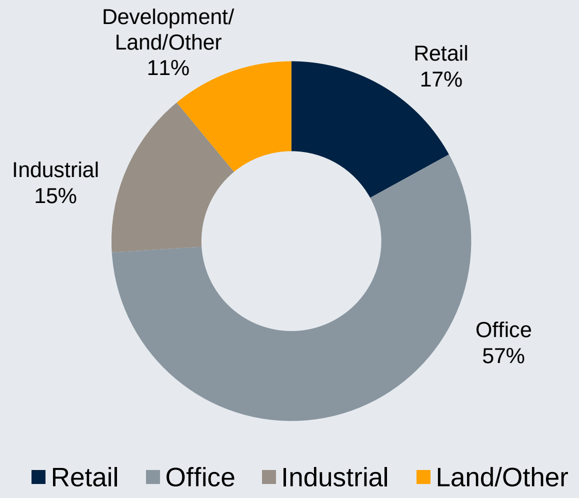
RREEF America REIT III: Fund Update and Performance Highlights

Fund Profile

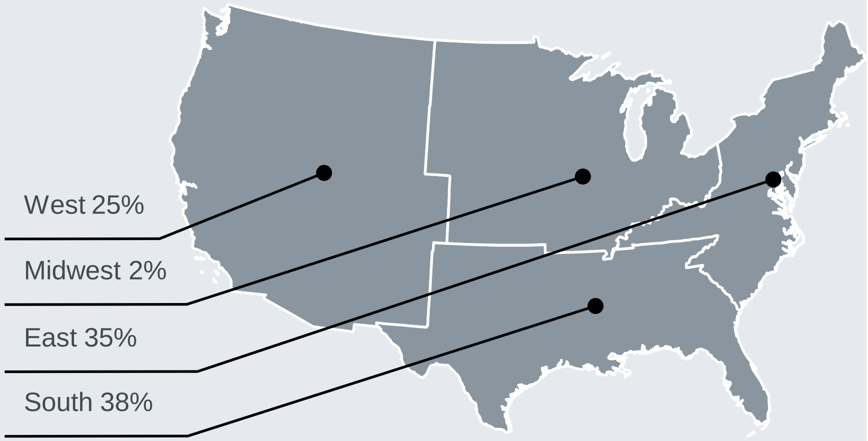
- Open-end value-added fund; inception March 2003
- $657M NAV, $1.0B gross real estate market value[1]
- $472M total debt[2]
- 47% loan to value[3]
- Cash balance of $117M

- 51 investments,12 metro areas
- 6.5 million square feet
- 84 percent quarter-end occupancy[4]
- 117 institutional investors

Sector diversification[5]



Market diversification[5]



[1] Includes the Fund's investments in unconsolidated joint ventures.
[2] Reflects debt marked to market. Excludes debt held in unconsolidated joint ventures.
[3] Loan to value is marked to market debt as a percentage of total gross real estate value. Excludes debt held in unconsolidated joint ventures.
[4] Occupancy is based on leased square feet.
[5] Diversification based on total gross real estate value and primary use of assets. The above charts include the Fund's investment in unconsolidated joint ventures.
As of September 30, 2014. Unaudited.

RREEF America REIT III
Performance Highlights

Performance Highlights

- Net of fee returns
  - 3Q 2014 total return of 5.3%
  - Trailing 12-month total return of 26.9%
  - 3-year total return of 21.0%
- Current loan to value of 47%[1]
- Total gross sales proceeds totaling approximately $754M, retired debt of $314M, and generated $289M in net sales proceeds to the Fund through September 30, 2014
- The Fund produced approximately $30 million in realized and unrealized appreciation during the quarter, predominately due to the sale of *Milpitas Business Park* and unrealized appreciation at the *Domain*.
- Eighteen properties were externally appraised during the quarter for a total gross real estate market value of $303 million, resulting in a 10.1 percent increase from their prior gross real estate market values

Distributions

- The Fund ended 3Q 2014 with a share price of $40.79, or $77.41 adjusted to exclude distributions
- 17% increase over the $66.03 adjusted share price 12 months ago
- Capital distribution of $25 million was paid pro rata to all shareholders on October 31, 2014.
- The Fund exceeded its $265 million shareholder distribution projection for 2014 with $315 million delivered to shareholders in 2014.

RREEF America REIT III continues to execute its Strategic Plan generating the best risk adjusted returns possible while balancing the goal to deliver capital to Shareholders

[1] Loan to value is debt marked-to-market as a percentage of total gross real estate value. Excludes debt held in unconsolidated joint ventures.
Financial summary and performance results are preliminary and unaudited. After fee returns are net of asset management. Individual client returns may vary from the overall fund results. Past performance is not indicative of future results. No assurance can be given as to the actual results. Certain of this information is a forecast and thus subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Deutsche Asset & Wealth Management or the Fund, including, but not limited to, the acts and conduct of third parties and general economic, financial, and political events and conditions. Actual events, conditions or results may differ from those assumed or presented. See “Performance Notes" and "Important Information” for additional information. As of September 30, 2014.

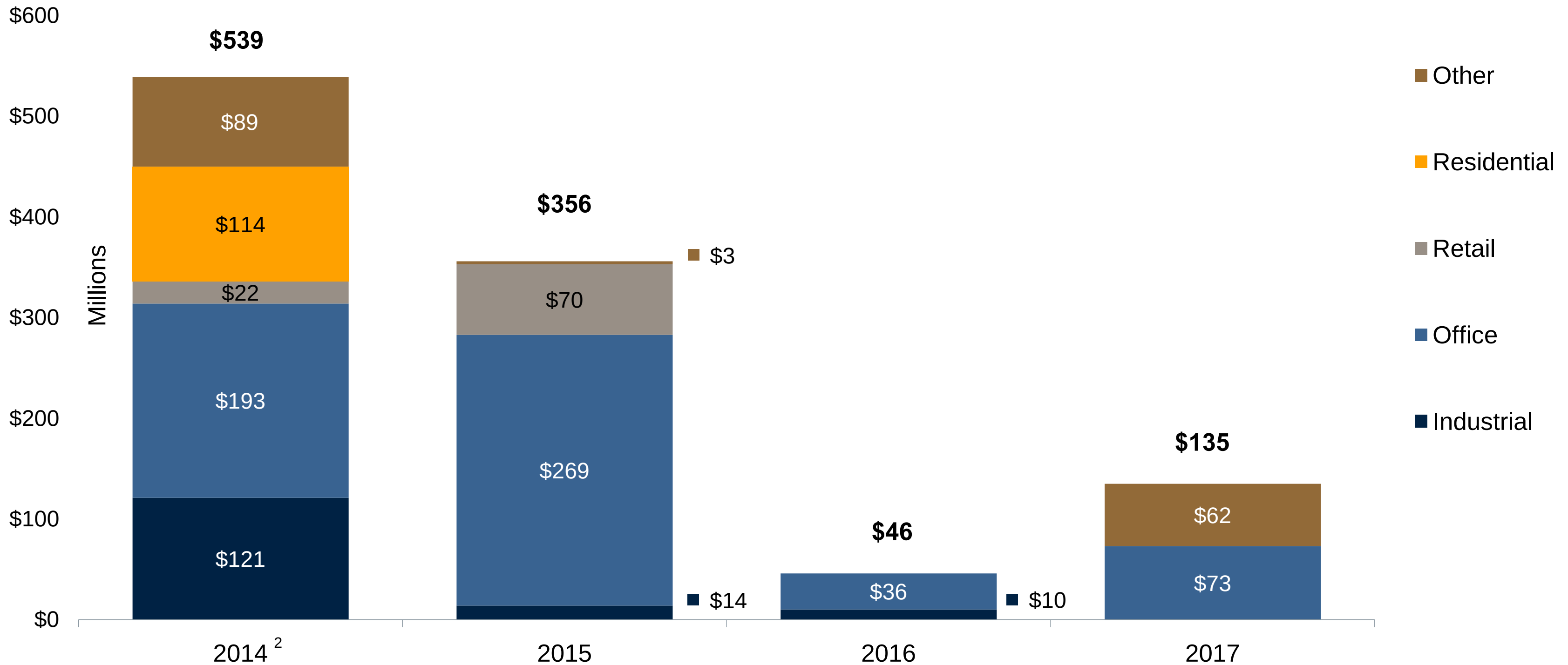
Balance Sheet Snapshot

- $25M of $117M cash balance was distributed on October 31, 2014
- Maintaining cash balance required to fund Strategic Plan
- Fund's overall loan to value ratio <50%
- Subsequent distributions dependent on asset sales and Board of Director's approval

	September 30, 2014
Total Real Estate Investments	$1.007B
Cash	117M
Other Assets	63M
Total Assets	**$1.187B**
Loans Payable[1]	($472M)
Accrued Distribution[2]	(25M)
Other Liabilities	(19M)
Total Liabilities	**($516M)**
Non-controlling Interest in Joint Venture investments	($14M)
Net Asset Value[3]	$657M
Net Asset Value Per Share[4]	$40.79
Loan-to-Value[5]	47%

[1] Based on September 30, 2014 loan balances, reflects debt marked to market. Excludes debt held in unconsolidated joint ventures.
[2] Distribution accrued as of September 30, 2014 and paid on October 31, 2014.
[3] Based upon most recent appraised values adjusted for subsequent capital expenditures which may contain substantial unrealized appreciation and depreciation. See "Performance Notes" for additional information.
[4] NAV divided by number of outstanding shares. The share price does not necessarily represent the price at which a share could be sold. See "Performance Notes."
[5] Loan to value is marked to market debt as a percent of total gross real estate value and excludes debt held in unconsolidated joint ventures.

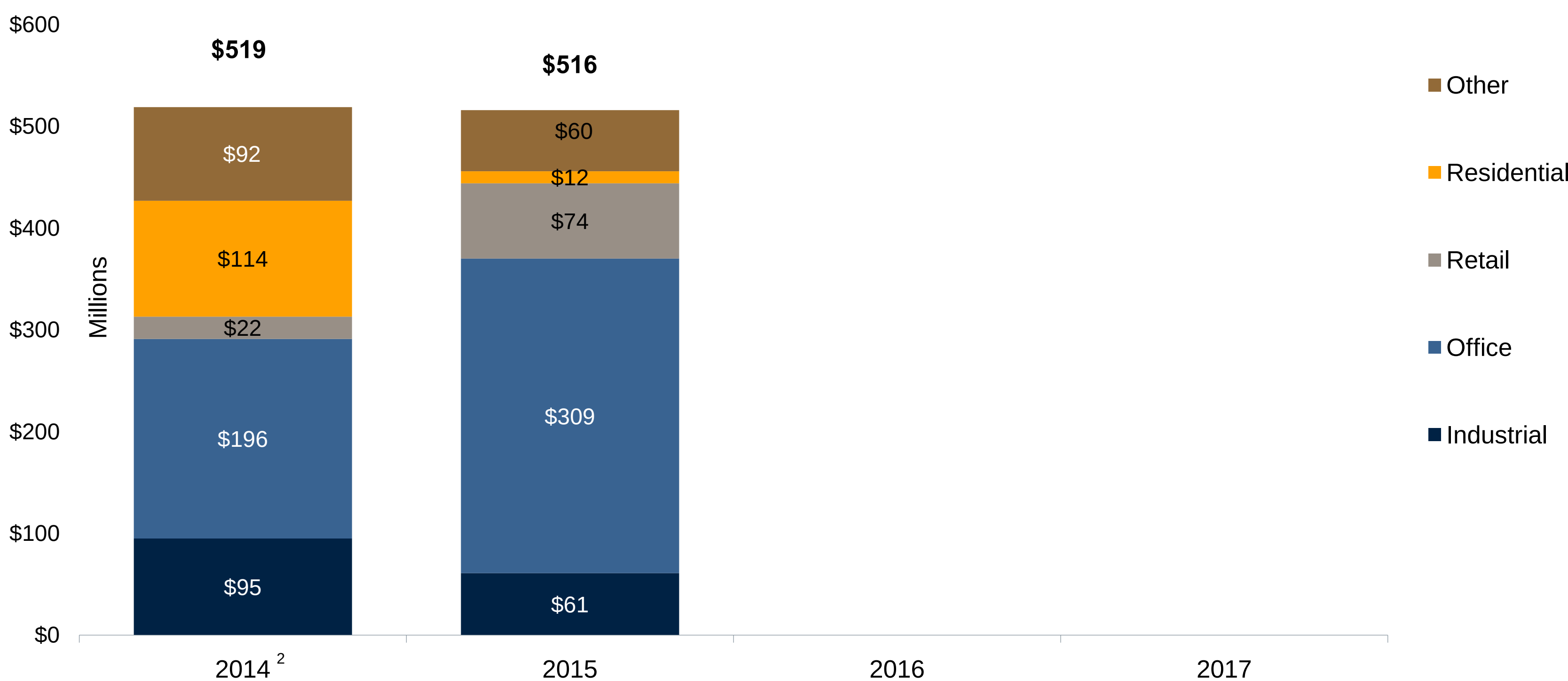
2Q 2014 Projected Sale and Distribution Assumptions Based on Gross Sales Price less Debt[1]



Projected # Sales	26	32	12	9	Total
Projected Distributions[3]	$315 million	$325 million	$150 million	$148 million	$938 million

[1]Represents gross sales prices less debt pay off. Unconsolidated joint ventures are shown at 100% of the joint ventures' gross real estate value less debt pay off.
[2]Includes actual property sales that closed through second quarter 2014.
[3]Represents the Fund's share of distributions to be paid. Based upon projected sales and expenses as well as an assumption that all other items in the business plan are achieved during the period. No assurance can be given that any of the events assumed will occur, or that unanticipated events will not occur. Other assets not scheduled to be sold may be sold. Proceeds of sale will be reduced by fees and expenses which is substantial. This information is a forecast and due to a variety of uncertainties, and assumptions made in our analysis, actual events or results or the actual performance of the markets covered may differ from those presented. Disposition values are projected gross sale proceeds.

3Q 2014 Projected Sale and Distribution Assumptions Based on Gross Sales Price less Debt[1]



Projected # Sales	21	56	0	0	Total
Projected Distributions[3]	$315 million	$340 million	$265 million[4]	$16 million	$936 million

[1]Represents gross sales prices less debt pay off. Unconsolidated joint ventures are shown at 100% of the joint ventures' gross real estate value less debt pay off.
[2]Includes actual property sales that closed through third quarter 2014.
[3]Represents the Fund's share of distributions to be paid. Based upon projected sales and expenses as well as an assumption that all other items in the business plan are achieved during the period.
[4]Projected to be distributed in first quarter 2016.
No assurance can be given that any of the events assumed will occur, or that unanticipated events will not occur. Other assets not scheduled to be sold may be sold. Proceeds of sale will be reduced by fees and expenses which is substantial. This information is a forecast and due to a variety of uncertainties, and assumptions made in our analysis, actual events or results or the actual performance of the markets covered may differ from those presented. Disposition values are projected gross sale proceeds.

2014 Dispositions

- During the third quarter, the Fund sold five assets for total gross sales proceeds of $149 million and $40 million in net proceeds to the Fund. This brought total gross sales proceeds through September 2014 to $754 million and $289 million in net sales proceeds to the Fund.
- Third quarter sales included four investments from the Silicon Valley Portfolio and *805 Middlesex* in Billerica, MA.
- Projected to sell eight assets in the fourth quarter of 2014 which are expected to generate projected total gross sales proceeds of $155 million and $45 million in net sales proceeds to the Fund. This produces a projected $909 million in total gross sales proceeds and $334 million in net sales proceeds to the Fund for calendar year 2014.

	2014 Strategic Plan	3Q 2014 YTD Executed	Projected for the remainder of 2014	Total Projected ending 2014
Number of Dispositions	22	13	8	21
Gross Sales Proceeds	$532 million	$754 million	$155 million	$909 million
Gross Debt Retirement – From Sales	$263 million	$314 million	$76 million	$390 million
RREEF America REIT III – Net Sales Proceeds	$198 million	$289 million	$45 million	$334 million

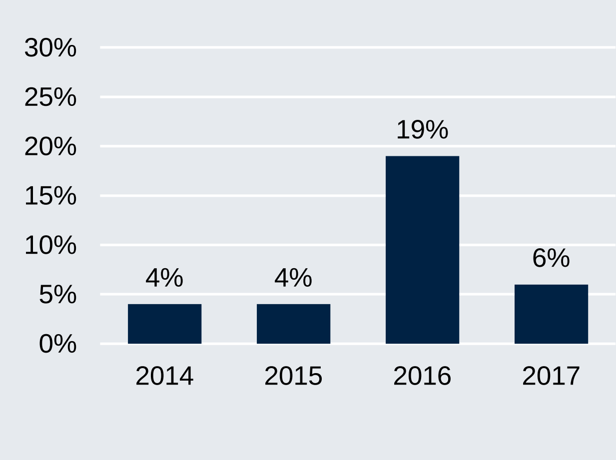
Note: Disposition activity occurred at an accelerated rate as compared to approved Strategic Plan. Realized proceeds did not dramatically exceed projected plan amounts.
Certain of this information is a forecast and thus subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Deutsche Asset & Wealth Management or the Fund, including, but not limited to, the acts and conduct of third parties and general economic, financial, and political events and conditions. Actual events, conditions or results may differ from those assumed or presented. See “Important Information” for additional information.

Leasing Activity

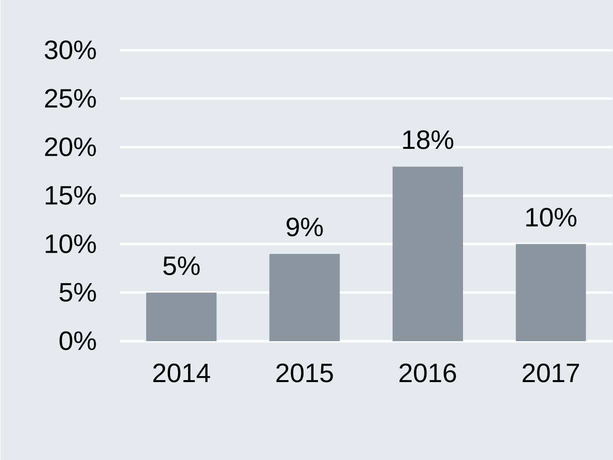
- During the quarter, 18 new and renewal leases were executed within the operating portfolio totaling 231,000 square feet or approximately 4 percent of the total commercial net rentable area. The Fund ended third quarter at 84% occupancy.
- During the trailing twelve months, the Fund executed 89 new and renewal leases within the operating portfolio totaling over 975,000 square feet representing approximately 15 percent of the current total commercial net rentable area.
- For office and industrial expirations, a renewal rate of 60-65 percent is projected, in line with the Fund's historical performance[1].
- For 2014, 9 percent of the office and industrial lease expirations are in Silicon Valley where properties are seeing strong tenant demand and increasing market rents.

Future Lease Maturities[2]

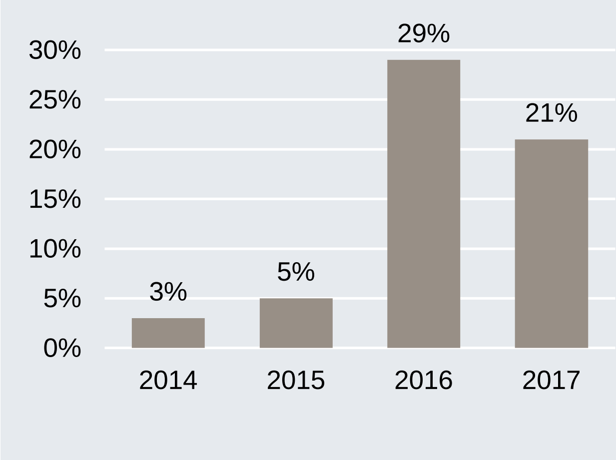
Retail



Office



Industrial



[1]Certain of this information is a forecast and thus subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of Deutsche Asset & Wealth Management or the Fund, including, but not limited to, the acts and conduct of third parties and general economic, financial, and political events and conditions. Actual events, conditions or results may differ from those assumed or presented. See "Performance Notes" and "Important Information" for additional information.

[2]Lease rollover is a percentage of total rentable square feet. 2014 lease maturities include month-to-month roll over. As of September 30, 2014. Unaudited.

NOI and Occupancy Analysis

Trailing 12-MonthSame Store NOI[1,2]	Trailing 12 months as of 3Q 2013 (000's)	3Q 2014 (000's)	% Change	Quarter End Occupancy [1,2,3] 3Q 2013	3Q 2014	% Variance
Industrial	$9,477	$11,108	17%	83%	85%	2%
Office	44,565	42,433	-5%	82%	84%	2%
Retail	9,146	8,992	-2%	92%	89%	-3%
Total Same Store Property NOI	**$63,188**	**$62,533**	**-1%**	**84%**	**85%**	**1%**

Same Store NOI - Actual to Budget[4,5]	3Q 2014 Actual (000's)	3Q 2014 Budget (000's)	% Change
Industrial	$2,938	$2,543	16%
Office	10,569	11,032	-4%
Retail	2,365	2,125	11%
Total Same Store Property NOI	**$15,872**	**$15,700**	**1%**

[1] Excludes assets that were not held from October 1, 2012 through September 30, 2014.
[2] Excludes assets that had a partial disposition anytime during the time frame of October 1, 2012 through September 30, 2014.
[3] Occupancy values are NRA weighted and represent the last quarter of the trailing twelve month period.
[4] Excludes assets that were not held from July 1, 2014 through September 30, 2014.
[5] Excludes assets that had a partial disposition anytime during the time frame of July 1, 2014 through September 30, 2014.
Note: NOI represents income from property operations reduced by expenses from property operations. Silicon Valley Portfolio is represented at 100% ownership. Please see "Performance Notes" and "Important Information" for additional information.

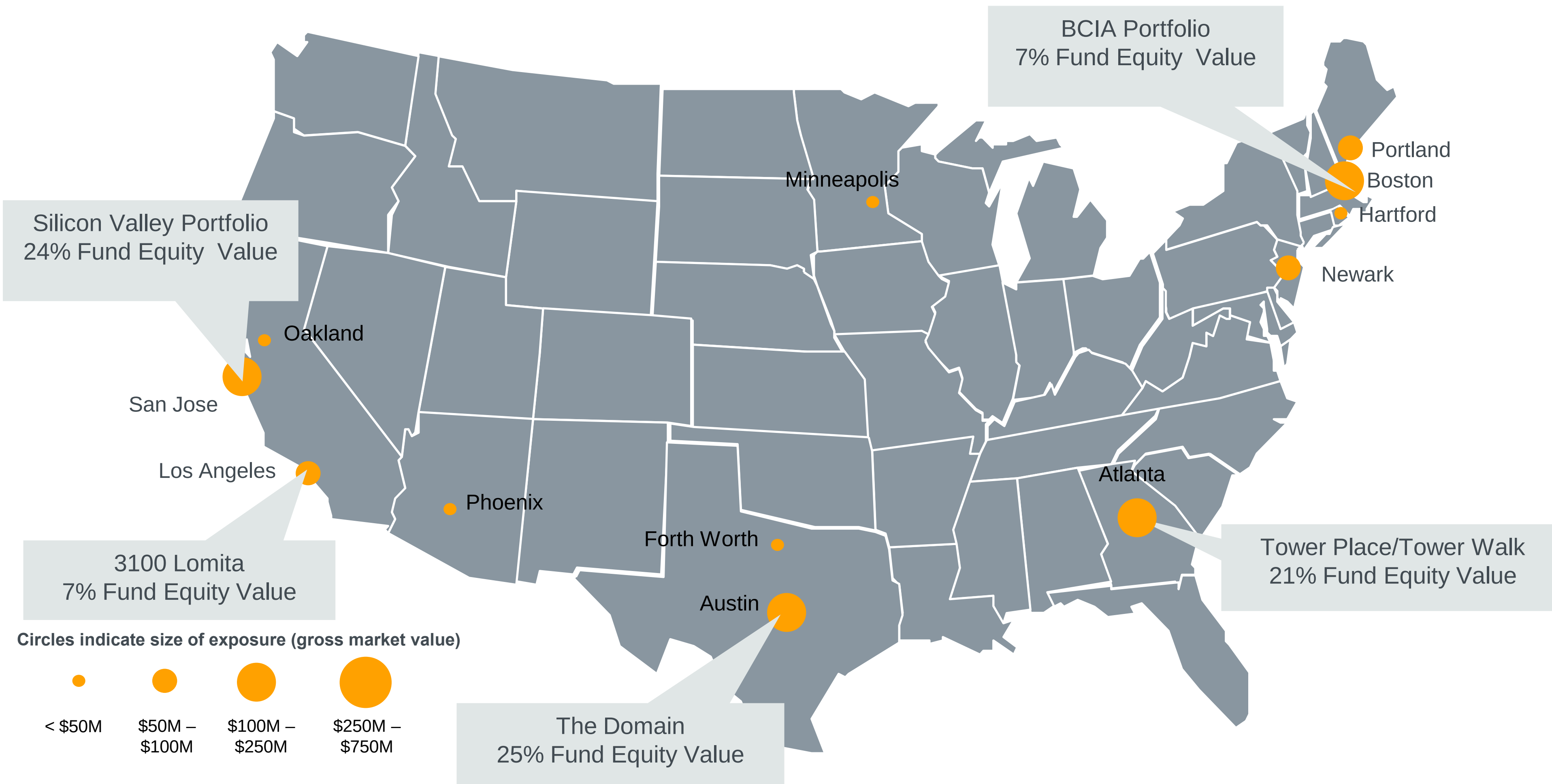
04

RREEF America REIT III: Major Asset Update

The following pages set forth certain information on assets believed to be important to Fund performance. These assets are not necessarily representative of the Fund as a whole and other assets, not illustrated above, may be important to Fund performance. Information on those assets not presented is available upon request. Certain of the information provided, including expected sales and IRRs, is based on numerous forward-looking assumptions and no assurance can be given that the events assumed will occur. The deduction of fees and expenses will reduce returns. See "Summary of Base Case Strategic Plan Cash Flow Assumptions", "Performance Notes" and "Important Information" for further information.

Geographic Concentration

Five major assets comprise 84% of Fund's current equity value and the majority of total projected value



Gross Market Value as of September 30, 2014. Gross market value and equity value shown at 100% except unconsolidated joint ventures which are shown at ownership percentage. Determination of those assets that will drive value is based on numerous forward-looking assumptions and no assurance can be given that the events assumed will occur. No representation is made as to the amount that will actually be received with respect to these assets or an investment in the Fund.

Domain Update
Austin, TX

Property Type:	Mixed-Use
Square Footage / Units:	340,615 square feet
Acquisition Date:	September 2005
Occupancy:	100%
Carry Value:	**$173.8 million**
Since Inception Income:	$32.6 million
Realized Gain:	$16.5 million
Total All In Value:	**$222.9 million**
Cost	$158.7 million
Debt / Loan-to-Value:	$38.5 million / 22%
Equity Value:	**$135.3 million**
Ownership Percentage:	94.7% (59.9% for Domain Parkside II, 64.5% for Domain Parkside III and 47.4% for Domain 2 &7)

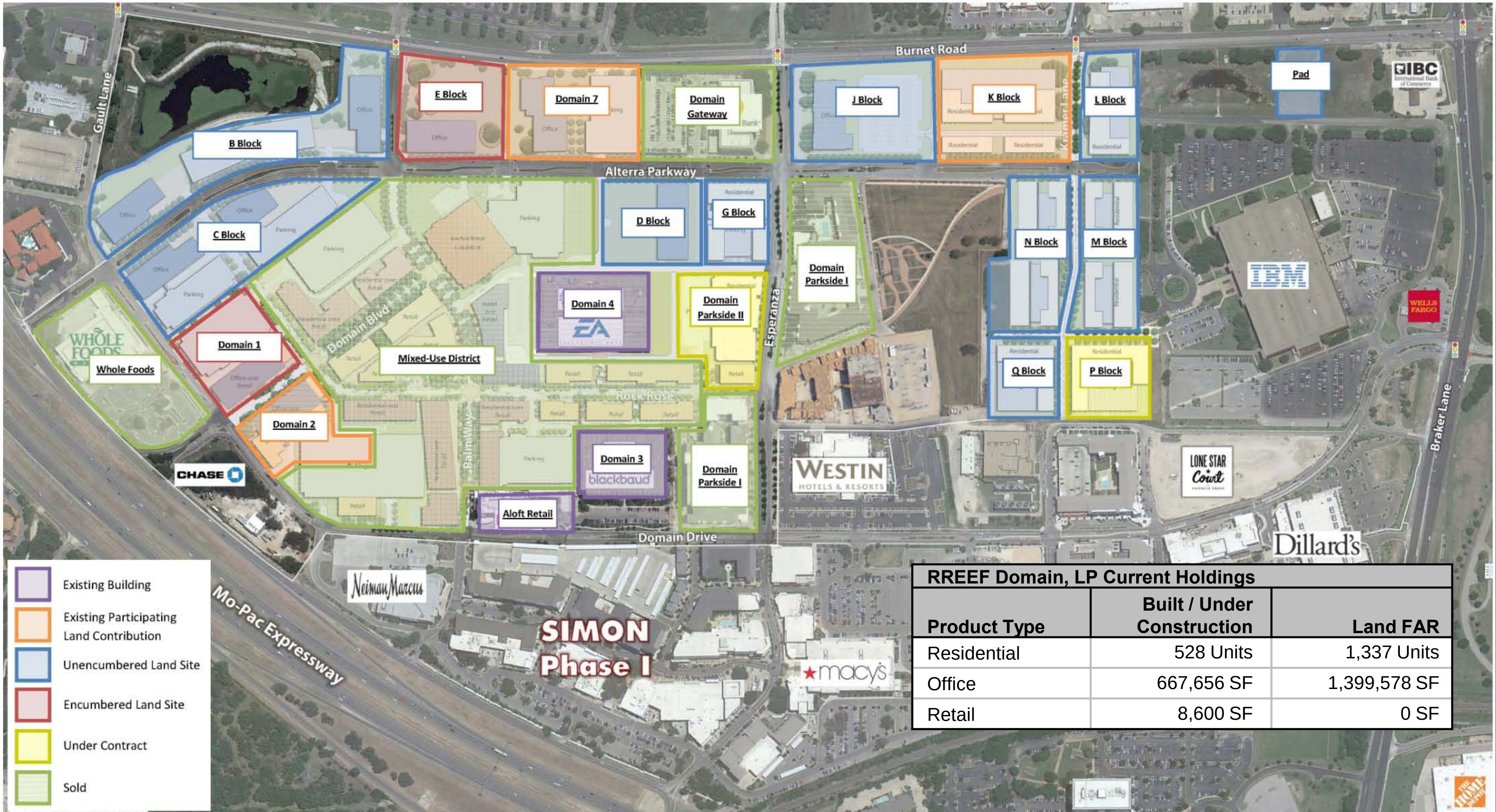
Highlights:

- Closed sales in 2014 totaling $171.9 million, including the Whole Food building for $34.1 million, Domain Parkside I for $88 million, and the Mixed-Use District land for $49.8 million.
- Northwood / Endeavor is under agreement to either purchase or participate in a land contribution venture for the Domain 1 office building at $5.9 million.
- Under contract to sell SRG 3.71 acres of land (P Block) for a 225 room senior living facility. The purchase price is $8,750,000.
- Construction continues on Domain Parkside II, a 212 apartment unit development with 15,000 square feet of ground floor retail. The joint venture partner is responsible for providing all additional equity and all completion and recourse obligations for the project. Construction is scheduled to be complete in October 2014.
- IMT Capital is under contract to purchase Domain Parkside II for $38.5 million with $5 million of hard earnest money deposited.
- Construction continues on Domain 2, an office building development with 114,535 square feet of office space on top of 25,000 square feet of retail, and Domain 7, a 221,973 square foot spec office building. For both Domain 2 & 7, The joint venture partner is responsible for providing all additional equity and all completion and recourse obligations for the project.
  - *Domain 2* - Certificate of occupancy was obtained in September and tenant buildout work is underway. Domain 2 is 100% leased to HomeAway for 11.5 years. HomeAway's lease commenced in September. Initial occupancy is expected to take place in October.
  - *Domain 7* - Certificate of occupancy for Domain 7 is expected to be obtained in November. Domain 7 is 38% pre-leased and 68% committed.
- Construction continues on a third participating land contribution with Columbus Realty, a 316 apartment unit development on 4.5 acres (K Block). The joint venture partner is responsible for providing all additional equity and all completion and recourse obligations for the project. Construction is scheduled to be complete in August 2015
- HFF provided a BOV range for the existing Domain buildings and the remaining undeveloped land resulting in proceeds of between $122.77 million and $141.47 million.

Domain Update

Austin, TX

Site Plan as of 3Q 2014



RREEF Domain, LP Current Holdings		
Product Type	Built / Under Construction	Land FAR
Residential	528 Units	1,337 Units
Office	667,656 SF	1,399,578 SF
Retail	8,600 SF	0 SF

Silicon Valley Update
Silicon Valley, CA

Property Type:	Office & Industrial
Square Footage:	735,638
Acquisition Date:	September 2006
Occupancy:	84.7%
Carry Value:	$169.1 million
Equity Value:	$127.1 million
Debt / Loan-to-Value:	$42.0 million / 24.9%
Ownership Percentage:	51.0%

Highlights:

— The portfolio team continued to execute the Strategic Plan with the dispositions of Tasman Technology Park, several buildings within the San Jose Portfolio and a building in Sunnyvale for a total sales of $144 million.

— Dispositions executed and sales under contract will ***completely retire portfolio debt in 4Q 2014*** (saving $2.7 million in interest expense in 2014). The portfolio loan was placed in June 2013.

— The portfolio team selected buyers for the Mountain View/Macara portfolio with closing projected prior to year end. Additionally, we plan to market Zanker Brokaw ($21 million) and Guadalupe ($24 million) for sale beginning in 4Q 2014.

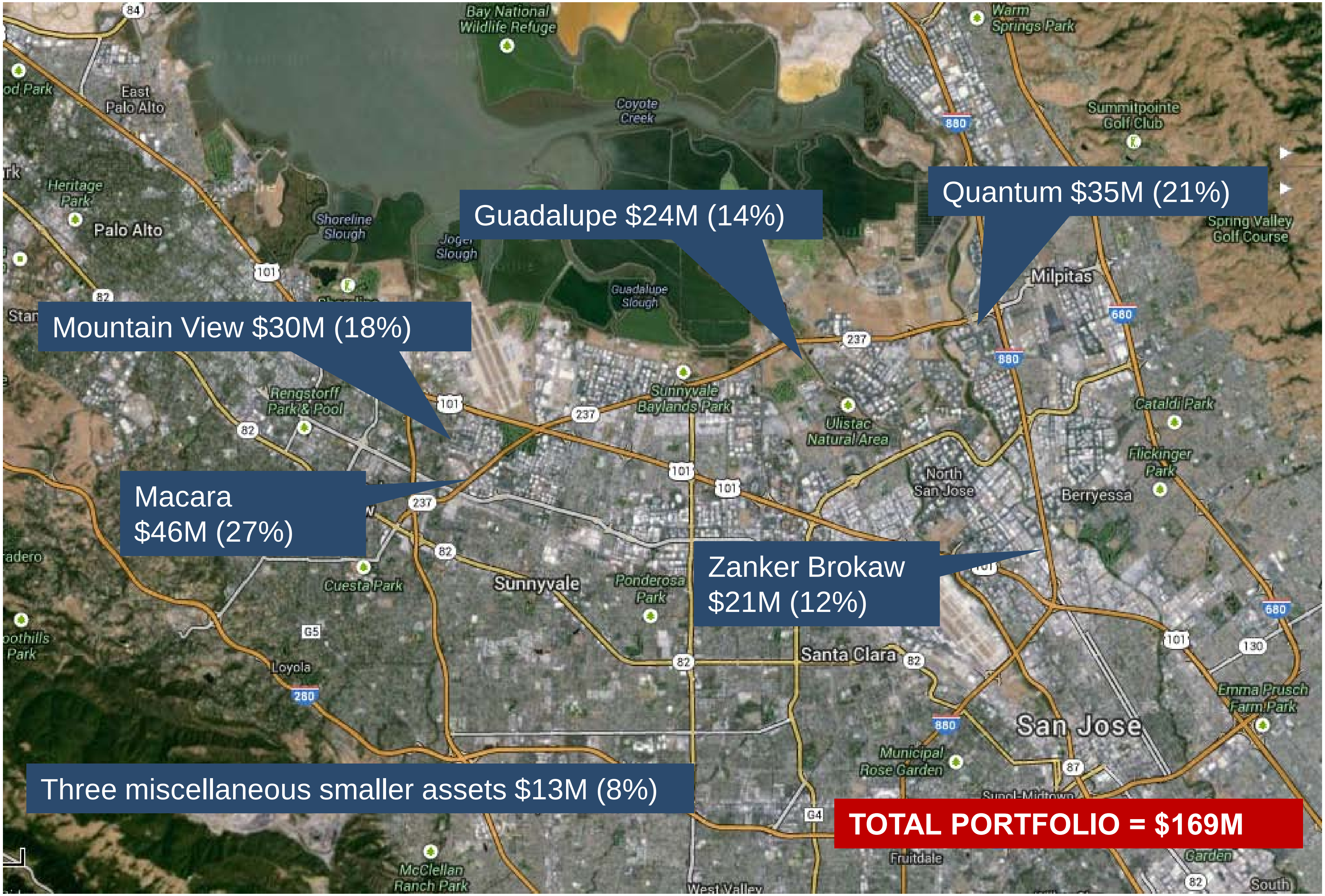
— The portfolio ended third quarter 2014 at 84.7 percent occupancy, down from 89.8 percent at the end of 2Q 2014. Quarter over quarter variance is attributable to over 100K SF of planned vacancy held for sale to value-add buyers or developers.

— Executed 269,000 square feet of new and renewal leases through September 2014.

Note: 100% values are represented for Silicon Valley Portfolio. As of September 30, 2014.

Silicon Valley Update

Silicon Valley, CA



Silicon Valley Update – Tasman Technology Park Sale

Silicon Valley, CA

$38 million Increase from 2012 Projection

Building Size:	608,968
Total Sales Price:	$116 million
Price Per Square Foot:	$190
Total Leasing:	395,000 square feet

— 2012 Situation: 51% occupancy and $55.2 million carry value.

— 2012 Strategic Plan: 4Q 2014 close at $77.6 million sales price.

— Sale generated proceeds of $64.4 million to the venture (The Fund's share is $32.8 million).

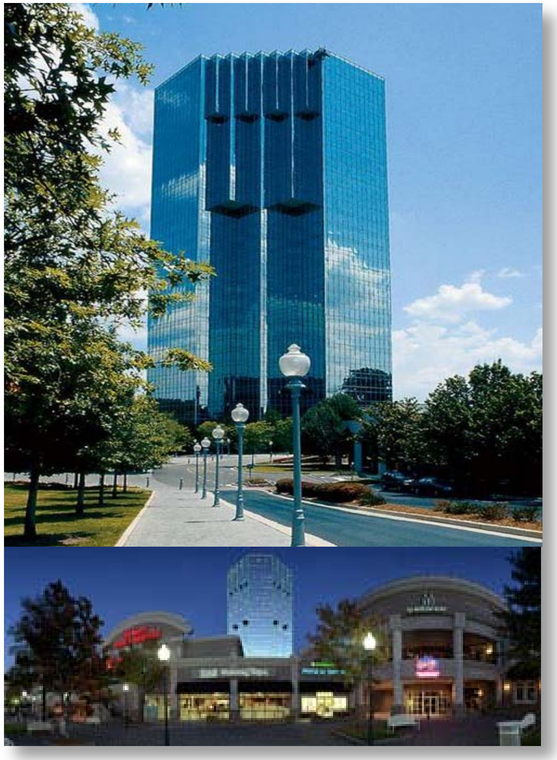
— Leased 395,000 square feet to stabilize property at 98 percent occupancy from a low of 33 percent in January 2009. Leasing included 364K sf to credit tenants FireEye and Micron Technology.

— Successfully marketed the Milpitas location and the property's future direct link to the Bay Area wide mass-transit via BART to provide access to regional workforce via public transportation.

— At $116.0 million or $190 psf, the sale of Tasman Technology represents the largest transaction, by price, price per square foot and size, in the Milpitas market during 2014, and a $38.4 million improvement over 2012 projections.

Tower Place/Tower Walk Update
Atlanta, GA

	Tower Place	Tower Walk
Property Type:	Office	Retail
Square Footage:	613,821 square feet	163,461 square feet
Acquisition Date:	May 2005	May 2005
Occupancy:	92.2%	44.0%
Carry Value:	$135.9 million	$21.8 million
Equity Value:	$96.2 million	$15.1 million
Debt / Loan-to-Value:	$39.7 million / 29.2%	$6.7 million / 30.7%
Ownership Percentage:	98.2%	98.2%



Highlights:

- Signed 1 new and 5 renewal leases at Tower Place totaling 28,286 square feet including a 6 year renewal of PB Americas, an 18,554 square foot tenant expiring at year-end 2014.
- PB is 1 of 3 larger tenants with near-term lease maturities that have been targeted to renew prior to marketing Tower Place for sale. The other 2 are NextGen in 5.7% of the NRA through December 2015 and WPP in 7.5% of the NRA through September 2016. NextGen is very likely to renew . WPP has other offices in Atlanta and is considering various alternatives. including a renewal.
- At Tower Walk, we executed a letter of intent with Roam, an operator of shared office space, for a 7-year lease, which will support Buyer underwriting in 2015 by providing stable cash flow, no downtime, and maintains a redevelopment option. Roam plans to invest over $1 million in the space.

Tower Place/Tower Walk Update
Atlanta, GA

Strategic Plan

— The subdivision of Tower Walk / Tower Place is on schedule to be completed by year-end 2014.

— Preliminary architectural drawings and pricing have been completed for a 327 unit, 20-story apartment building on 2.5 acres.

— 1 to 3 buyers are expected in mid-2015 when the project is anticipated to be sold based on preliminary broker valuations.

- Tower Place - $154 million
- Tower Walk along Piedmont - $13.8 million
- 2.5 acres - $8 million

Tower Place/Tower Walk Update
Atlanta, GA

Looking Ahead

2014 Year to Date Progress vs. 2014 Strategic Plan Projections

	2014 Year to Date Progress	2014 Strategic Plan Projections
Fund Total Return[1]	24.7%	7% - 11%
Number of Dispositions	13	22
Disposition gross sales proceeds	$754 million	$532 million
Distributions[2]	$315 million	$265 million
Share Price **Net of Distributions**	$40.79	$35.78
Share Price **Gross of Distributions**[3]	$77.41	$70.85

[1]Before fees.
[2]Represents the Fund's share of distributions to be paid. Includes a $25 million distribution paid on October 31, 2014. Based upon projected sales and expenses as well as an assumption that all other items in the business plan are achieved during the period.
No assurance can be given that any of the events assumed will occur, or that unanticipated events will not occur. Other assets not scheduled to be sold may be sold. Proceeds of sale will be reduced by fees and expenses, as well as debt which is substantial. This information is a forecast and due to a variety of uncertainties, and assumptions made in our analysis, actual events or results or the actual performance of the markets covered may differ from those presented. Disposition values are projected total gross sales proceeds.
[3]Share price reflects NAV before the capital distributions that began in 4Q12.
As of September 30, 2014.

Looking Ahead

— RREEF America REIT III team remains focused on executing the Fund's Strategic Plan and creating value

— Quarterly Highlights

- Third quarter 2014 return of 5.3% net of fees
- Capital distribution of $25M paid pro rata to all investors on October 31, 2014
- Through third quarter 2014, the Fund delivered a 12-month return of 26.9% net of fees and a 3-year return of 21.0% net of fees

— 2014 Strategic Plan Progress

- Delivered before fees performance returns in excess of the 7.0 to 11.0 percent targets stated in the 2014 Strategic Plan
- Continued to drive capital improvement and leasing programs to stabilize occupancy and maximize net operating income.

Past performance is not indicative of future results. See also “Performance Notes” and “Important Information.” As of September 30, 2014.

A1 Statement of Account

Appendix

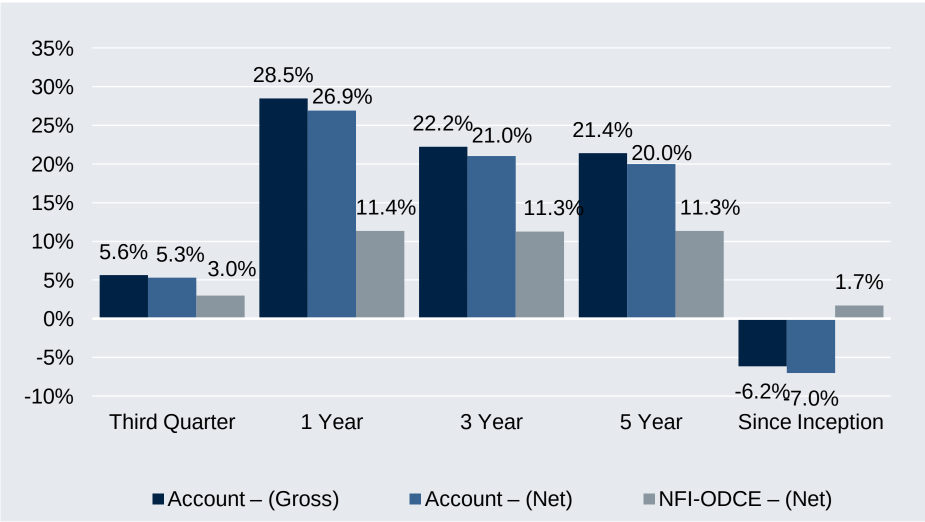
Statement of Account

Ventura County Employees' Retirement Association

RREEF America REIT III – As of September 30, 2014

Account summary	
Inception date	10/01/2007
Total investment	$25,000,000
Change in value[1]	(17,799,390)
Ending net asset value	$7,200,610

Performance Summary



Dividend Yield Since Inception: 0.1%

Distributions summary	
Dividend distributions since inception:	
— Income	$160,764
— Capital and appreciation	6,471,696
Total distributions	$6,632,460
Total reinvested	167,104
Total paid	$6,465,356

Note: All future distributions will be paid on a pro rata basis to all shareholders in the Fund.

Shares outstanding summary	
Beginning share balance:	175,328
Shares issued for additional contributions:	1,208
Ending share balance:	176,536

[1] Investment income plus realized and unrealized gain, net of management fees, paid dividends, and dividends declared at, but reinvested after quarter end.
Total Returns are time-weighted as of September 30, 2014. Past performance is not indicative of future results.

A2

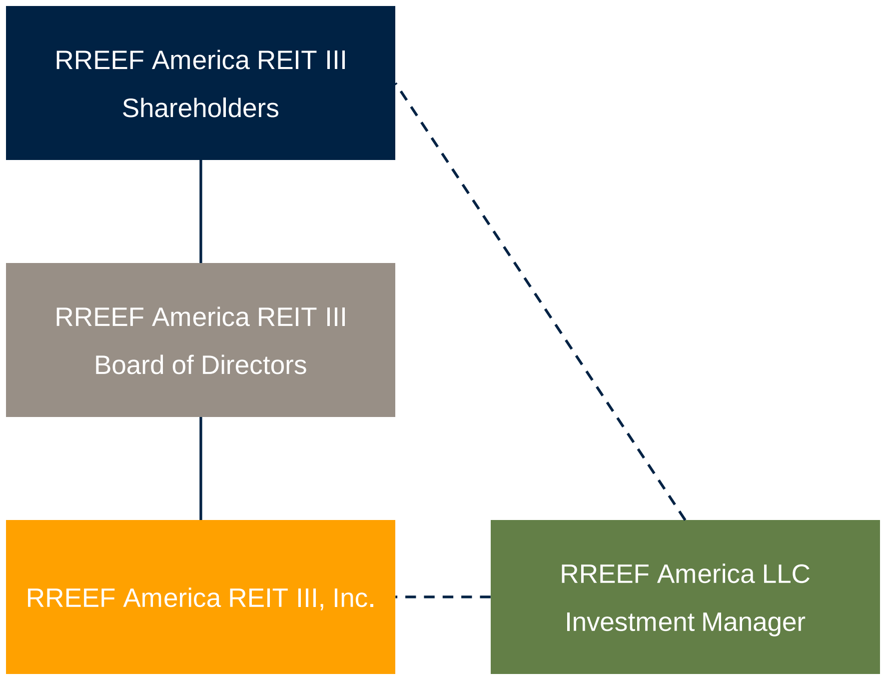
Fund Details

Appendix

Fund Structure & Governance

- Private REIT vehicle
- Overseen by board of directors – five independent and one Deutsche Asset & Wealth Management-related
- All directors are elected annually by the Fund's shareholders
- Board powers include
  - — Approve Strategic Plan
  - — Approve Valuations, Distributions and Redemptions
  - — Approve Quarterly NAV
  - — Approve Dispositions/Financings/Joint Ventures
  - — Hire and Oversee Auditors
  - — Hire/Fire Investment Manager

RREEF America REIT III Structure



List of investments
Office

Name	Metro Area	Acquisition Date	Size (sf/units)	Gross Real Estate Market Value (000's)	Occupancy (%)
North Loop 101 - Phase II	Phoenix, AZ	04/08/04	88,514	$ 12,048	95%
Tower Place*	Atlanta, GA	05/04/05	613,821	135,886	92%
Domain Existing 2 & 5*	Austin, TX	09/29/05	331,998	65,900	100%
One Concord Annex	Concord, CA	10/04/05	2,572	170	66%
15 Trafalgar Square	Nashua, NH	11/08/05	36,706	2,000	54%
175 Paramount	Raynham, MA	11/08/05	27,278	1,700	54%
321 Billerica	Chelmsford, MA	11/08/05	72,050	6,400	75%
410 Amherst	Nashua, NH	11/08/05	68,255	4,800	49%
Farmington Office Park	Farmington, CT	11/08/05	69,525	4,700	65%
Federal	Billerica, MA	11/08/05	217,834	19,600	72%
One Portland Square	Portland, ME	11/08/05	104,938	23,585	100%
Southborough Park	South Portland, ME	11/08/05	106,553	13,009	82%
Two Portland Square	Portland, ME	11/08/05	154,118	30,277	96%
Two Robbins	Westford, MA	11/08/05	59,814	4,600	48%
Andover Tech	Andover, MA	11/08/05	333,711	35,995	99%
15 Crosby	Bedford, MA	11/08/05	70,712	12,500	100%
Somerset Square	Glastonbury, CT	11/08/05	40,759	5,700	100%
35 Parkwood	Hopkinton, MA	11/08/05	159,796	5,600	0%
25 Porter	Littleton, MA	11/08/05	67,167	2,830	32%
Braemar Office Park	Edina, MN	05/04/06	216,944	23,620	91%
Northpointe Business Park*	San Jose, CA	09/01/06	45,848	4,310	0%
Macara*	Sunnyvale, CA	09/01/06	96,066	46,200	100%
Guadalupe*	Santa Clara, CA	09/01/06	128,000	23,900	79%
Quantum*	Milpitas, CA	09/01/06	187,134	35,500	100%
3100 Lomita	Torrance, CA	10/12/06	573,167	80,009	84%
Office - Total	**25 Assets**		**3,873,280 sf**	**$ 600,839**	**83%**

*100% of market value and gross sales price are represented for all joint venture.
As of September 30, 2014.

List of investments
Industrial

Name	Metro Area	Acquisition Date	Size (sf/units)	Gross Real Estate Market Value (000's)	Occupancy (%)
North Loop 101 Business Center	Phoenix, AZ	04/08/04	169,497	$ 27,972	96%
BC Marlborough	Marlborough, MA	11/08/05	134,404	12,119	91%
326 Ballardvalle	Wilmington, MA	11/08/05	293,980	20,400	100%
12 Parkwood	Hopkinton, MA	11/08/05	38,979	2,700	100%
22 Cotton	Nashua, NH	11/08/05	153,697	9,500	72%
200 Bulfinch	Andover, MA	11/08/05	82,541	6,119	42%
472 Amherst	Nashua, NH	11/08/05	98,424	4,000	85%
Griffin Brook	Methuen, MA	11/08/05	145,575	7,300	67%
375 Paramount	Raynham, MA	11/08/05	49,770	7,100	100%
5 Wentworth	Hudson, NH	11/08/05	139,657	6,830	100%
Andover Street	Tewksbury, MA	11/08/05	33,000	1,750	0%
San Jose / Santa Clara*	Santa Clara, CA	09/01/06	19,000	2,800	100%
Zanker/Brokaw*	San Jose, CA	09/01/06	120,402	20,650	94%
Mountainview*	Mountain View, CA	09/01/06	97,076	29,880	100%
Sunnyvale*	Sunnyvale, CA	09/01/06	42,112	5,887	22%
Industrial - Total	**15 Assets**		**1,618,114 sf**	**$ 165,007**	**85%**

*100% of market value and gross sales price are represented for all joint venture.
As of September 30, 2014.

List of investments
Retail

Name	Metro Area	Acquisition Date	Size (sf/units)	Gross Real Estate Market Value (000's)	Occupancy (%)
Collin Creek Shopping Center	Plano, TX	11/17/03	481,232	$ 49,939	98%
Tower Walk*	Atlanta, GA	05/04/05	163,461	21,843	44%
Essex Green	West Orange, NJ	07/06/06	351,370	92,782	97%
Domain Aloft*	Austin, TX	10/14/09	8,617	3,170	100%
Retail - Total	**4 Assets**		**1,004,680 sf**	**$ 167,734**	**89%**

*100% of market value and gross sales price are represented for all joint venture.
As of September 30, 2014.

List of investments
Development/Land/Other

Name	Metro Area	Acquisition Date	Size (sf/units)	Gross Real Estate Market Value (000's)
Three Concord Center	Concord, CA	07/01/03	N/A	$ 2,370
The Domain - Land*	Austin, TX	09/29/05	N/A	61,764
Portland Square Parking	Portland, ME	11/08/05	N/A	8,258
Domain Parkside*	Austin, TX	08/26/11	N/A	118
Domain Parkside II*	Austin, TX	06/21/13	N/A	38,500
Domain 2 & 7*	Austin, TX	07/03/13	N/A	79,335
Domain Parkside III*	Austin, TX	05/02/14	N/A	16,184
Development/Land/Other - Total	**7 Assets**		**N/A**	**$ 206,529**

*100% of market value and gross sales price are represented for all joint venture.
As of September 30, 2014.

Contingent Liabilities

Downtown Sunnyvale

- In September 2009, Wells Fargo and Wachovia (the "Banks") foreclosed on the Downtown Sunnyvale mixed-use project (the “Property”) owned by a joint venture (the “Venture”) between the Fund and developer Peter Pau (“Pau”) and obtained a court-appointed Receiver to take control of Property operations all as part of a foreclosure settlement (the “Settlement”) between the Banks and the Venture. The Settlement requires the Fund to cooperate with the Banks from any claims by Pau. At foreclosure, the project was partially completed with construction roughly 60% complete. The Banks now own the Property pursuant to an August 2011 Trustee Sale. The Receiver was dismissed in May 2012.

- In June 2011, Peter Pau, purporting to act on behalf of himself as well as the ownership joint venture, began a series of lawsuits against the Banks and the Fund, (i) to invalidate the Banks’ acquiring title through the Trustee’s Sale and (ii) unspecified damages related to the Banks’ foreclosure and the foreclosure settlement negotiated by the Banks and the Fund.

- This matter remains stayed as all issues are on appeal. In May 2013, the City Attorney for the City of Sunnyvale asked for an informal update from all parties as to the status of the litigation and the potential for resolution. All parties responded with their latest arguments to the Court, with no new positions. The City has since proposed that the parties engage in settlement discussions. While all parties have agreed to cooperate, Pau has refused to make any settlement demand making settlement unlikely.

- A mediation took place in September involving all the parties. The plaintiff, Pau, offered to settle in return for the defendant Banks selling the Downtown Sunnyvale Project to any of a list of buyers, or pay him $55M. The Banks offered $5M to settle right away, which Pau refused. No demand was made of the Fund. Otherwise, the litigation continues to be stayed pending adjudication of various appeals by the parties.

- In 2013, plaintiff, Peter Pau's first action challenging the Trustee sale to the Banks was dismissed by the trial court, and the California Court of Appeals upheld the dismissal and the Banks were awarded their attorneys’ fees and costs. Mr. Pau's second action remains pending but inactive while Mr. Pau appeals rulings against him in that action. The appeals have been fully briefed and oral arguments on the final appeal are expected before year end.

As of September 30, 2014.

A3 Biographies

Appendix

Presenters

James W. Miller, Jr., Director
+1 (415) 262-7730, james-w.miller@db.com

— Lead Portfolio Manager, RREEF America REIT III: San Francisco

— Joined the Company in 2006 with 10 years of industry experience. Prior to joining, James served as an Executive Vice President in the Corporate Solutions Group at Jones Lang LaSalle. Previously, he worked as an Attorney at Orrick, Herrington & Sutcliffe LLP

— BA in English from University of Virginia; JD from Washington & Lee University

Nolan Olsen, CAIA, Director
+1 (415) 262-2055, nolan.olsen@db.com

— Institutional Investment Specialist, Global Client Group: San Francisco

— Joined the Company in 2013 with 16 years of industry experience. Prior to joining, Nolan served as Director of Marketing at Van Eck Global. Previously, he held senior roles in Marketing at Morgan Stanley Investment Management and was the Founder and Managing Partner at Langschiff Partners, LLC. Earlier, he worked in Institutional Equity Sales at CIBC World Markets, in US Equities at Schonfeld Securities, LLC, and was an Account Executive at NewsEdge Corporation. Nolan began his career as a Sales Trader for FX Spot and Options Markets at American Express Bank

— BA in Economics and Government from St. Lawrence University; Chartered Alternative Investment Analyst; Series 3, 7, 24, 55 and 63 Licenses

RREEF America REIT III
Management team

James W. Miller, Jr., Director

— Lead Portfolio Manager, RREEF America REIT III: San Francisco

— Joined the Company in 2006 with 10 years of industry experience. Prior to joining, James served as an Executive Vice President in the Corporate Solutions Group at Jones Lang LaSalle. Previously, he worked as an Attorney at Orrick, Herrington & Sutcliffe LLP

— BA in English from University of Virginia; JD from Washington & Lee University

Norton F. O'Meara, Director

— Portfolio Manager, RREEF America REIT III: Chicago

— Joined the Company in 1994 with 9 years of industry experience. Prior to joining, Norton served as a Portfolio Manager at VMS Realty. Previously, he was a Development Manager at Fordham Company

— BS in Marketing from Boston College; MBA from Loyola University Chicago

Joseph Cappelletti, CPA, Director

— Chief Financial Officer of RREEF America REIT II & III: Chicago

— Joined the Company in 1985. Prior to his current role, Joseph served as Director of Client Reporting and as Treasurer and Controller of Cabot Industrial Trust (an industrial REIT acquired by Deutsche Bank). Previously, he worked as Asset Management Controller and as a Portfolio Accountant

— BS in Accounting and MBA in Finance from DePaul University; Certified Public Accountant

Michael J. Nigro, PE, Managing Director

— Head of Real Estate Value Add and Development for the Americas: Chicago

— Joined the Company in 2004 with 8 years of industry experience. Prior to joining, Michael served as a Senior Manager at Mesirow Financial Real Estate, where he was responsible for large public-private partnership projects. He began his career as a Project Manager

— BS in Civil Engineering from University of Illinois at Urbana-Champaign; MBA in Finance (with Distinction) from DePaul University; Professional Engineer License

Megan Martin, CPA, Vice President

— Portfolio Accounting Controller, RREEF America REIT III: Chicago

— Joined the Company in 2010 with 4 years of industry experience. Prior to her current role, Megan served as an Assistant Controller. Before joining, she was a Finance Controller at Vestian Group, Inc and a Senior Associate at KPMG, LLP

— BA and MA in Accounting from University of Illinois at Urbana-Champaign; Certified Public Accountant; Real Estate Salesperson License; Women on Wall Street, Deutsche Bank Chapter, Steering Committee Member (2011-2013)

Jas Hodzic, Assistant Vice President

— Portfolio Analyst, RREEF America REIT III and RREEF Property Trust: San Francisco

— Joined the Company in 2008 with 3 years of industry experience. Prior to joining, Jas served as a Real Estate Underwriter at HSBC

— BA in Entrepreneurial Studies and MBA in Finance from The University of New Mexico

RREEF America REIT III
Management team (continued)

Tim Leske, Assistant Vice President

- Portfolio Analyst, RREEF America REIT II & III: Chicago
- Joined the Company in 2006. Prior to his current role, Tim served in Residential Accounting
- BS in Accounting from Aurora University; MBA from Northern Illinois University

Maria Trinh, Assistant Vice President

- Portfolio Analyst, RREEF America REIT III: San Francisco
- Joined the Company in 2004 with 2 years of industry experience. Prior to joining, Maria served as a Research Intern and Portfolio Analyst at AMB Property Corporation
- BA in Urban and Regional Economics from the University of California, Los Angeles; Graduate level coursework in Economic Development and Real Estate at Cornell University; Chinese Language and Culture Program at Nanjing Normal University in China

Michelle Frank, Associate

- Portfolio Analyst, RREEF America REIT II & III: Chicago
- Joined the Company in 1999. Prior to her current role, Michelle served as a Senior Fund Accountant for RREEF Global Fund Finance and as a Senior Analyst for RREEF Client Reporting. Previously, Michelle was a Senior Accountant for RREEF Property Management
- BBA in Finance and MS in Accountancy from Loyola University Chicago

Jordan Grebow, Analyst

- Portfolio Analyst, RREEF America REIT II & III: Chicago
- Joined the Company in 2014. Prior to his current role, Jordan served as an Associate at Newmark Grubb Knight Frank
- BA in Economics from Indiana University

RREEF America REIT III
Board of Directors

Daryl J. Carter – Mr. Carter is the Founder, Chairman and CEO of Avanath Capital Management, LLC, a Southern California based investment firm focused on conventional and affordable multifamily investments. Mr. Carter directs the strategy, investments, and overall operations of the firm. Over the past two years, Avanath has acquired in excess of $300 million in affordable apartment communities nationwide. Mr. Carter is also a Managing Partner of McKinley-Avanath, a property management company focused on the affordable apartment sector, an entity owned jointly by Avanath and McKinley, Inc. Mr. Carter has 32 years of experience in the commercial real estate industry. Previously, he was an Executive Managing Director of Centerline Capital Group (“Centerline”) and head of the Commercial Real Estate Group. Mr. Carter became part of the Centerline team when his company, Capri Capi-tal Finance (“CCF”), was acquired by Centerline in 2005. Mr. Carter co-founded and served as Co-Chairman of both CCF and Capri Capital Advisors (“CCA”). He was instrumental in building Capri to a diversified real estate investment firm with $8 billion in real estate equity and debt investments under management. Prior to Capri, Mr. Carter was Regional Vice President at Westinghouse Credit Corporation in Irvine and a Second Vice President at Continental Bank in Chicago. Mr. Carter holds dual Masters Degrees in Archi-tecture and Management, both received from the Massachusetts Institute of Technology. He received a Bachelor of Science degree in Architecture from the University of Michigan. Mr. Carter is a Trustee of the Urban Land Institute, Executive Committee Member and Vice Chairman of the National Multi Housing Council and a Past Chairman of the Commercial Board of Governors of the Mortgage Bankers Association. Mr. Carter serves on the Visiting Committee of the M.I.T. Sloan School of Management. Mr. Carter also serves as an independent director of three companies, Whitestone REIT (AMEX:WSR), a retail/office REIT, The Olson Company, a Southern California homebuilding company, and RREEF America III, a private REIT.

Alice M. Connell – Ms. Connell is the Co-Founder and Managing Principal of Bay Hollow Associates, LLC, a commercial real estate advisory firm that provides strategic advice with respect to a range of commercial real estate issues: portfolio analysis, asset repositioning, strategic alternatives, debt restructuring, risk mitigation, value retention/recovery, recapitalization and strategic partnering. These services are built upon Ms. Connell's extensive experience as an Institutional Investor in both the private debt capital market as well as in the real estate equity capital markets, and commercial property markets both domestic and international. Over the course of a 30+ year career at TIAA-CREF ("T-C"), Ms. Connell held a series of senior positions in both the commercial mortgage lending and real estate equity investing areas. She is most experienced in both the acquisition as well as in the portfolio strategy and management sides of an Institutional Investor Real Estate Portfolio. She has served as a Trustee of the Urban Land Institute and is a current member of its Audit Committee as well as an Executive Committee member of its Women's Leadership Initiative, a Member of the Real Estate Advisory Committee of the New York State Common Retirement Fund, a member of the Investment Committee of Quilvest REP, and a Member of the Advisory Boards of both Parmenter Realty Partners and Park Madison Partners. In addition, Ms. Connell joined the Board of Apollo Commercial Real Estate Finance ("ARI") in September 2009 and, since November of 2009, has been a director of RREEF America REIT III. In 2013, Ms. Connell joined the Board of the Empire State Realty Trust ("ESRT") as well as joining CBRE Global Investors' Americas Investment Committee where she serves as an Independent Member. She was the Founder and Chair of ULI New York's District Council, a Director of both the Pension Real Estate Association ("PREA") and WX (Women Executives in Real Estate). She was also a Member of the Executive Committee of the Zell-Lurie Real Estate Center of the Wharton School at the University of Pennsylvania. Ms. Connell holds a M.A. degree from New York University and a B.A. degree, magna cum laude, from St. Bonaventure University.

Patricia R. Healy (“Trish”) – Ms. Healy is a co-founder of Hyde Street Holdings, LLC. (“HSH”), a boutique investment firm founded in 1996. As both institutional asset advisor and principal, HSH specializes in the acquisition of opportunistic real estate and/or real estate debt; entities/products and the provision of strategic, operational and financial services in under-optimized companies/situations. Prior to HSH, Ms. Healy was Co-Founder of the Hanford/Healy Companies (1988). Through its five national offices HH provided real estate investment and advisory services, asset management and acted as a principal in the acquisition of loan portfolios and below investment grade portions of securities. It was a rated special servicer. General Motor’s subsidiary, GMAC Commercial Mortgage purchased the Hanford/Healy Companies in September of 1996. Prior to HH Ms. Healy held various senior management positions with real estate and financial firms. She has served on various profit and non-profit boards (including service as the audit chair for the North Carolina Symphony). Currently she serves as Chair of the Green Chair Project. Membership in professional associations include: Lambda Alpha; the American Society of Real Estate Councilors (CRE) and the Urban Land Institute (ULI), in which she has served as a Trustee and Council Chair and is a Governor. For Fiscal Years 2009-2011, Ms. Healy served on ULI’s (World Wide) Executive Committee and is now serving on ULI’s Nominating and Governance Committee. Ms. Healy has an undergraduate (BA) from Tulane University and graduate degrees from Southern Methodist University (MBA) and The American Graduate School of International Management (MIM).

W. Todd Henderson – Todd Henderson is a Managing Director and Head of Real Estate, Americas for Deutsche Asset & Wealth Management’s Alternatives and Real Assets platform, based in New York. Todd joined the Company in 2003 with 12 years of experience in the real estate industry. In his current role, he is responsible for all facets of the direct real estate investment management business in the Americas and also serves on the Alternatives and Real Assets Executive Committee. Currently, he serves as a member of the Board of Directors for RREEF America REIT II, RREEF America REIT III and RREEF Property Trust. Prior to his current role, Todd was the Chief Investment Officer for the Americas real estate investment business and, in this role, was responsible for directing the investment strategy in the Americas.

RREEF America REIT III
Board of Directors (continued)

In his capacity as CIO, he served as Chairman of the Americas Real Estate Investment Committee, and served on the Americas Real Estate Management Committee. From June 2007-March 2009, Todd was responsible for the Company's Value-Added and Development group where he directed a 16-person team managing a $4.5 billion portfolio for multiple clients. While in this role, he formulated the strategy for restructuring the portfolio and the group in response to the global financial crisis. In particular, he led the RREEF America REIT III team in the restructuring of the fund. Prior to joining, Todd was a Director of Acquisitions for The J.E. Robert Company in Washington, D.C., where he was involved in the sourcing, executing and financing of over $6 billion of real estate transactions. Previously, he worked on restructuring and disposing of nonperforming real estate loans at First Gibraltar Bank on behalf of the bank and the Resolution Trust Company (RTC). He holds a BA from the University of North Texas and an MBA from The Wharton School, University of Pennsylvania.

Steven R. LeBlanc – Mr. LeBlanc is the Founding Partner of CapRidge Partners, a fully integrated office investment and ownership company in Austin, Texas. Mr. LeBlanc was with the Teacher Retirement System of Texas from 1998 to 2012 where he oversaw the plan's real assets, private equity and principle investments. His scope of responsibility covered 27% of the entire portfolio with a team of 23 and over $40 billion investment exposure under his management. He also served on the Investment Committee for the $120 billion fund. In the time that Mr. LeBlanc had been with Texas Teachers, he has deployed nearly $30 billion of assets. In 2011, Mr. LeBlanc was invited to testify in front of the Congressional Subcommittee on Capital Markets and Government Sponsored Enterprises on the "Reopening American Capital Markets to Emerging Growth Companies Act of 2011". He has been on Bloomberg Television's Street Smarts and Money Moves as well as a guest host on CNBC's Squawk Box. From 2005 to 2008, he served as Professor - Real Estate at the University of Texas McCombs School of Business in Austin. Mr. LeBlanc led the creation of the $ 6 Billion Private Markets' Strategic Partnership Network. He established the Real Estate Certificate Program for Undergraduate Students at The University of Texas at Austin. Prior to that Mr. LeBlanc was the CEO, President and Board Member of Summit Properties Inc., a $2 Billion real estate investment trust (REIT), which engages in the development, construction, acquisition, and operation of luxury apartment communities in the southeast and mid-Atlantic United States. Prior to joining Summit Properties Inc., Mr. LeBlanc served as President and CEO of Urban Growth Property Trust from 1997 to 1998, where he developed the start up strategic business plan, orchestrated the transition to REIT status and initiated over $300 million in acquisitions and developments focused on owning and developing income-producing land in major urban markets. Mr. LeBlanc also had senior real estate roles at Archstone Communities Trust and was a Senior Partner at Lincoln Property Company. He formerly served as Chairman of the Urban Land Institute District Council in Austin, and on the Board of Trustees of the Real Estate Roundtable, the Investment Advisory Board of the Employee Retirement System of Texas and the Penland School of Crafts and Charlotte Latin School. Mr. LeBlanc received a Bachelor of Business Administration, Real Estate and Finance from the University of Texas at Austin. He also attended the University of Bridgeport School of Law.

Steven G. Rogers – Mr. Rogers is the Founding and Managing Member of Rogers and Associates, LLC ("RA"). Formed in 2011, the firm focuses on providing specialized solutions for principals and institutional owners in the real estate industry and board level advisory work. Prior to RA, Mr. Rogers led Parkway Properties as President and Chief Executive Officer from its early development through its move to the New York Stock Exchange ("NYSE") to where it is today as a member of the S&P 600 Small Cap Index. Mr. Rogers joined Parkway as an Asset Manager in 1983. He was promoted to Vice President in 1988; Senior Vice President in 1991; President in 1993 and CEO in 1997. Additionally, Mr. Rogers was a member of Parkway's Board of Directors from 1996 to 2011. In 1976 Mr. Rogers graduated magna cum laude from the University of Mississippi and went on to complete five years in the U.S. Army. Upon completing his military service, Mr. Rogers attended Harvard Graduate School of Business Administration earning his MBA with first year honors in 1983. His numerous community, political, and business activities include serving as a Director of First Commercial Bank, a de novo bank he helped found in 2000, an Independent Director of Net Lease Alliance, a real estate development services firm in Nashville, TN., and a Trustee for the Walker Family Trust, a private land and investment company. He currently serves as a member of the Urban Land Institute and on the Board of the Boy Scouts of America, Andrew Jackson Council. Mr. Rogers past positions include President for the AJC of Boy Scouts of America, State Chairman for Young Presidents Organization (YPO), Vice Chairman and Trustee for the MS Museum of Art, State Chairman of the National Endowment for the Arts Fund Raiser, two terms on the Board of Trustees of NAREIT including Chairman of the Audit Committee, and the National Advisory Board for the B.B. King Museum.

Americas Real Estate Investment Committee

Marc Feliciano, Managing Director

- Chief Investment Officer of Real Estate, Americas, Head of Portfolio Management, Americas and Member of the Americas Real Estate Management and Investment Committees: Chicago
- Joined the Company in 2005 with 12 years of industry experience. Prior to his current role, Marc served as the Global Head of Risk and Performance Analysis. Before joining, he was a Portfolio Manager at Renascent Capital Management LLC and Co-founder of the Real Estate Derivatives Group at Prebon Yamane Inc. Previously, Marc served as a Senior Analyst and Portfolio Manager at R.D. Capital, LLC and in private and public real estate at Morgan Stanley, Heitman/PRA Securities Advisors and at INVESCO Realty Advisors
- BBA in Accounting and MPA in Taxation from The University of Texas at Austin

James N. Carbone, Managing Director

- Head of Real Estate Retail Products for the Americas, Chief Executive Officer for RREEF Property Trust and Member of the Americas Real Estate Management and Investment Committees: San Francisco
- Joined the Company in 1995 with 15 years of industry experience. Prior to his current role, James served as the Head of Global Business Development for RREEF Alternative Investments. Prior to joining, James began his career in the management, brokerage, development, and disposition/acquisition of commercial real estate
- BA in Economics from University of California, Davis

Pierre Cherki, Managing Director

- Head of Alternatives and Real Assets, Member of the Deutsche Asset & Wealth Management ("Deutsche AWM") Executive Committee, Deutsche AWM Alternatives and Real Assets Executive Committee, and Americas Real Estate Investment Committee: New York
- Joined the Company in 1997. Prior to his current role, Pierre served as the Global Head of the real estate investment business (formerly RREEF Real Estate). Previously, he was responsible for the development of the real estate investment business in Central and Eastern Europe
- BA in Management and Economics from Tel Aviv University; MBA from Kellogg School of Management, Northwestern University

Al Diaz, Managing Director

- Head of Real Estate Asset Management for the Americas and Member of the Americas Real Estate Management and Investment Committees: Chicago
- Joined the Company in 1994 with 10 years of industry experience. Prior to joining, Al held various roles at The Balcor Company including Head of Retail Property Management. Previously, he worked as a Real Estate Broker in Florida
- BA in International Relations from Indiana University; Florida Real Estate Broker License

Americas Real Estate Investment Committee (continued)

Timothy Ellsworth, Managing Director

- Head of Real Estate Transactions for the Americas and Member of the Americas Real Estate Management and Investment Committees: Chicago
- Joined the Company in 1998 with 15 years of industry experience. Prior to his current role, Timothy served as the Head of Real Estate Portfolio Management in the Americas. Before joining, he was Regional Vice President of Acquisitions at Cornerstone Real Estate Advisors. Previously, he worked in Debt and Equity Finance, Asset Management and Investment Sales at General Electric Capital
- BS in Finance from Indiana University

W. Todd Henderson, Managing Director

- Head of Real Estate for the Americas and Member of the Deutsche Asset & Wealth Management Alternatives and Real Assets Executive Committee and Americas Real Estate Management and Investment Committees: New York
- Joined the Company in 2003 with 12 years of industry experience. Prior to his current role, Todd served as the Chief Investment Officer of RREEF Real Estate in the Americas. Before joining, he was Director of Acquisitions for The J.E. Robert Company. Previously, he worked in restructuring and disposing of nonperforming real estate loans at First Gibraltar Bank
- BA from the University of North Texas; MBA from The Wharton School, University of Pennsylvania. Currently serves as a member of the Board of Directors for RREEF America REIT II, RREEF America REIT III, and RREEF Property Trust.

Michael J. Nigro, PE, Managing Director

- Head of Real Estate Value Add and Development for the Americas: Chicago
- Joined the Company in 2004 with 8 years of industry experience. Prior to joining, Michael served as a Senior Manager at Mesirow Financial Real Estate, where he was responsible for large public-private partnership projects. He began his career as a Project Manager
- BS in Civil Engineering from University of Illinois at Urbana-Champaign; MBA in Finance (with Distinction) from DePaul University; Professional Engineer License

Mark G. Roberts, CFA, Managing Director

- Head of Research and Strategy and Member of the Deutsche Asset & Wealth Management Alternatives and Real Assets Executive Committee and Americas Real Estate Investment Committee: New York
- Joined the Company in 2011 with 26 years of industry experience. Prior to joining, Mark served as Global Director of Research at Invesco Real Estate and Director of Construction and Development at Club Corp International
- BA in Architecture from the University of Illinois, Urbana; MS in Real Estate from MIT; CFA Charterholder; Current Past-Chairman of the NCREIF Board; Wrote chapter in Handbook of Alternative Investments; Articles for PREA Quarterly, NCREIF Quarterly, Institute of Fiduciary Education

Americas Real Estate Investment Committee (continued)

James W. Miller, Jr., Director

- Lead Portfolio Manager, RREEF America REIT III: San Francisco
- Joined the Company in 2006 with 10 years of industry experience. Prior to joining, James served as an Executive Vice President in the Corporate Solutions Group at Jones Lang LaSalle. Previously, he worked as an Attorney at Orrick, Herrington & Sutcliffe LLP
- BA in English from University of Virginia; JD from Washington & Lee University

A4

Summary of Strategic Plan Assumptions and GIPS Composite Reports

Appendix

Summary of Strategic Plan Assumptions

- The inputs to the Strategic Plan are based upon a number of factors, including the terms of debt financing, leases in place, property budgets and other property specific matters, as well as assumptions as to macro and micro economic activity. This information is included in detailed sell analyses with respect to each asset. These analyses, which are periodically updated, have been developed by Deutsche Asset & Wealth Management (with input from joint venture partners where applicable), and represent Deutsche Asset & Wealth Management's estimate of the sources and uses of cash with respect to a particular asset, based upon, among other things, assumptions as to developmental and operational costs, the terms and availability of financing, and the anticipated timing and manner of realization upon such asset. These analyses are subject to a review process, which results in the revision of anticipated cash flows or the strategy for an asset, based upon actual or anticipated changes in market conditions, the condition and market for the asset, debt maturities and similar matters
- The cash flows model used to generate certain of the information presented herein, particularly future asset sales, debt financing, and other Fund capital activity. This information constitutes projections, which may or may not be realized. Actual results may differ, perhaps materially, from the information contained herein. See "Performance Notes" for additional information. The Fund model is the result of a detailed "bottom-up" analysis constructed as follows:
  - The projected cash flows start from the beginning of period cash position of the Fund
  - Following that the projected cash flows with respect to each investment set forth in the business plans are input into the model, which aggregates the data for each period indicated
  - The projected timing of dispositions are specific to each asset, with the overall goal of maximizing risk adjusted returns. Proceeds ultimately realized are based upon the capitalization of projected asset income at the time of sale
  - Where applicable, general property level loan refinancing assumptions are utilized based upon loan to value thresholds or projected in-place income
  - The model then calculates the projected total potential distributable cash based upon the terms of Fund level financing, as well as Fund level income and expenses. In more detail:
    - Fund management fees are accounted for and are assumed to be payed on a monthly basis per terms of the board approved management agreement amendment
    - Fund overhead assumptions (audit, tax, insurance, etc.) are consistent with historical expenses
- The sum of all the above items results in RREEF America REIT III's net (distributable) cash position at the end of each given period
- Value per share is calculated based on projected total capital distributions divided by the total outstanding shares of 16,109,897
- Please see the following page for a list of key cash flow model assumptions

This information is a forecast and due to a variety of uncertainties, and assumptions made in our analysis, actual events or results or the actual performance of the markets covered may differ from those presented.

Summary of Strategic Plan Assumptions (continued)

Operating property cash flows	▪ Based on 2014 Deutsche Asset & Wealth Management Management's internal budgets (by property) ▪ Prepared by individual portfolio manager for each property
Development property cash flows	▪ Based on 2014 Deutsche Asset & Wealth Management Management's internal development budgets (by asset) ▪ Prepared by development manager for each asset ▪ Includes recently approved Domain development and operating plan
Asset sale assumptions	▪ Sale recommendations based upon economic, property level, and capital market analysis (includes input from Deutsche Asset & Wealth Management's Research/CIO Group and Investment Committee)
Residual sale proceeds	▪ Exit Cap rate applied to 12-month forward NOI and based on Deutsche Asset & Wealth Management's management assumptions: — Industrial: 7.00% - 10.00% — Office: 6.50% - 10.50% — Retail: 7.00% - 9.00% ▪ Closing costs range between 1.50% - 3.00% of gross residual proceeds before debt paydown
Loan refinancing assumptions	▪ Loans projected to mature before the collateralized asset is sold are projected to be refinanced at market rates
Fund level expenses	▪ 125 basis point asset management fee (annual) based upon Fund net asset value with 10 basis points deferred and 10 basis points subject to 9% internal rate of return ▪ Fund overhead consistent with historical expenses
Cash available for distribution	▪ Ending cash balance of $117 million as of September 30, 2014 ▪ Distributions commenced in January 2013 and are driven by existing cash and potential dispositions ▪ Share price and IRR estimates calculated from projected quarterly cash available for distribution and total outstanding shares

This information is a forecast and due to a variety of uncertainties, and assumptions made in our analysis, actual events or results or the actual performance of the markets covered may differ from those presented.

GIPS® Composite Report

Americas Real Estate – RREEF America REIT III Composite

First Quarter 2014

Americas Real Estate – RREEF America REIT III Composite

First Quarter 2014

Schedule of rates of return and statistics

Year end	Income Return Gross of Fees	Capital Return	Total Return Gross of Fees	Income Return Net of Fees[1]	Total Return Net of Fees[1]	**Total Return NFI-ODCE Gross of Fees[2]**	**Total Return NFI-ODCE Net of Fees[2]**	Total Composite Net Assets End of Period (USD million)	Percent Leveraged End of Period (as a % of composite assets)	Percent of External Valuations End of Period (as a % of composite assets)	Number of Portfolios End of Period	Total Firm Assets End of Period (USD billion)	Total Firm Net Assets End of Period (USD billion)
2003[3]	1.22	7.16	8.43	0.50	7.67	7.30	6.56	$152.8	53.4	0.0	1	$15.1	$10.4
2004	3.94	13.57	17.87	2.07	15.85	13.06	12.01	$366.8	39.2	22.0	1	$17.7	$11.9
2005	3.47	18.33	22.27	0.57	18.98	21.40	20.16	$1,009.4	47.9	12.0	1	$25.1	$16.9
2006	3.30	13.31	16.93	1.14	14.60	16.32	15.27	$1,514.1	49.9	27.1	1	$30.6	$20.5
2007	1.65	16.72	18.58	-0.45	16.28	15.97	14.84	$2,047.1	46.5	16.1	1	$30.0	$20.6
2008	1.68	-46.22	-45.23	1.80	-45.25	-10.01	-10.70	$1,248.9	63.7	100.0	1	$25.2	$15.4
2009	6.79	-66.94	-64.03	5.45	-64.62	-29.76	-30.40	$472.5	83.0	28.9	1	$19.5	$10.6
2010	2.49	6.00	9.04	0.88	7.35	16.36	15.26	$507.2	76.5	12.0	1	$19.4	$10.4
2011	-.10	55.43	55.32	-1.22	53.77	15.99	14.96	$780.0	69.9	19.1	1	$18.2	$11.6
2012	-3.04	27.31	23.70	-3.75	22.85	10.94	9.79	$933.2	51.1	39.5	1	$16.6	$11.1
2013	5.73	10.73	16.93	4.55	15.65	13.94	12.89	$785.7	46.6	20.2	1	$16.3	$11.6
1Q2014	1.82	2.25	4.07	1.54	3.79	2.52	2.29	$750.5	46.2	22.0	1	$16.7	$12.1

1 Net of fees returns are net of investment management and performance-based fees. Actual investment management fees are used.
2 NCREIF benchmark not examined as part of verification.
3 For the period April 1, 2003 through December 31, 2003.
Data shown April 1, 2003 through March 31, 2014.

Americas Real Estate – RREEF America REIT III Composite

First Quarter 2014

Organization and Presentation Standards

Deutsche Asset & Wealth Management - Americas Real Estate (the "Firm") is part of the Alternatives and Real Assets platform of Deutsche Asset & Wealth Management, a division of Deutsche Bank AG. The Firm specializes in creating and managing real estate investment portfolios across the risk spectrum, including private real estate equity, private real estate debt, as well as other blended or specialized strategies for institutional, high net worth and retail investors in the U.S. and abroad.

Portfolios Eligible For The Composites And Types Of Portfolios

All discretionary, fee-paying portfolios are included in at least one composite. Portfolios are considered discretionary if the Firm has sole or primary responsibility for major investment decisions, including acquisitions, dispositions and financing. The existence of client-imposed investment restrictions may not preclude classification of a portfolio as discretionary where such restrictions do not inhibit the Firm from implementing its intended strategy. There is no minimum portfolio asset size requirement for inclusion in a composite and no assets are included in any composite that is not a part of the Firm.

A portfolio is included in a composite in the first full quarter after the first investment is purchased. From 01/01/2002 to 09/30/2010, a portfolio with an investment purchased on the first day of the quarter is included in a composite for that quarter. Effective 10/01/2010, a portfolio with an investment purchased on the first day of the quarter is excluded from a composite for that quarter. A portfolio with its last investment sold on the last day of a quarter is excluded from a composite for that quarter. Effective 01/01/2012, a portfolio with an investment purchased on the first day of the quarter is included in the composite for that quarter. a portfolio with its last investment sold on the last day of a quarter is included in the composite for that quarter.

Americas Real Estate – RREEF America REIT III Composite

The Americas Real Estate – RREEF America REIT III Composite is a value-added, open-end commingled composite structured as a private real estate investment trust (REIT) that seeks to provide institutional investors with highly competitive value-added investment returns. The composite's investment strategy includes the acquisition, physical improvement, market repositioning, active management and sale of well-located apartment, industrial, retail and office properties in major metropolitan markets across the continental United States. The strategy also includes up to 20% opportunistic investments primarily in the form of new development projects. The composite was created in March 2009.   From 01/01/2002 to 09/30/2010, the RREEF Real Estate – RREEF America REIT III Composite was known as the "RREEF America REIT III Composite." This name change is effective 10/01/2010. From 10/01/2010 to 12/31/2012, the Americas Real Estate – RREEF America REIT III Composite was known as the "RREEF Real Estate – RREEF America REIT III Composite." This name change is effective 01/01/2013.

Performance Results

Composite returns are calculated on an asset-weighted basis using beginning of period values adjusted for time-weighted external cash flows. Cash flows are time-weighted so portfolio returns reflect the time assets are actually held in the portfolio. Contributions and distributions are weighted based on the date of cash flow. Returns include cash and cash equivalents, related interest income and when applicable, the reinvestment of income. Income returns are based on accrual recognition of earned income. Capital expenditures are capitalized and included in the cost of the property and are reconciled through the valuation process and reflected in the capital return component. Returns are calculated on a quarterly basis. Annual returns are time-weighted returns calculated by geometrically linking quarterly returns. Income and capital returns may not equal total returns due to compounding effects of linking quarterly returns. Gross returns are presented before asset management and performance fees. Net returns are presented after asset management and performance fees. Gross and Net returns are calculated net of operating and fund expenses incurred on behalf of the underlying portfolios. Returns are calculated net of certain administrative expenses incurred on behalf of the underlying portfolios. Returns are presented and denominated in U.S. Dollars. Returns are presented net of leverage. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. A complete list and description of the Firm's composites is also available upon request.

Americas Real Estate – RREEF America REIT III Composite

First Quarter 2014

Performance Results (continued)

Portfolios may be leveraged utilizing fixed and floating rate debt. Effective 01/01/2009, the impact of marking debt to market, where called for by the client agreement, is included in the performance of the composite. Material use of leverage is defined as the use of debt of any amount on any asset. Material use of derivatives is defined as the use of interest rate swaps and caps, the amount of which totals more than 5% of portfolio assets. Total Firm assets represent the aggregate fair market value of properties under management. Total Firm net assets represent the net asset value of all portfolios under management.

Assets are valued quarterly by the Firm. For both internal and external property valuations, the Firm relies on the application of market discount rates to project future cash flows and capitalized terminal values over the expected holding period. Prior to January 1, 2006, real estate assets were externally appraised by either a tax appraiser or an independent Member of the Appraisal Institute (MAI) at least once every 36 months, unless otherwise not required by a portfolio's Investment Management Agreement and certain properties under development. Effective January 1, 2006, all properties were externally appraised by either a tax appraiser or an independent Member of the Appraisal Institute (MAI) at least once every 36 months. Effective January 1, 2011, assets are externally appraised by either a tax appraiser or an independent Member of the Appraisal Institute (MAI) at least once every 12 months unless client agreements stipulate otherwise, in which case real estate investments are externally appraised at least once every 36 months or per the client agreement if the client agreement requires external valuations more frequently than every 36 months.

Composite dispersion measures represent the consistency of composite performance with respect to the individual portfolio returns within the composite. Composite dispersion is measured by the high and low returns for the periods presented.

Past performance is not indicative of future results. Other methods may produce different results and the results for individual portfolios and for different periods may vary depending on market conditions and the composition of the portfolio. Care should be used when comparing these results to those published by other investment advisers, other investment vehicles and unmanaged indices due to possible differences in calculation methods.

Fees

The REIT earns an annual asset management fee equal to .6% of the aggregate gross fair value of all of the REIT's real estate investments. As of April 1, 2009, the Board of the REIT approved a reduction in the asset advisory fee to .3% of the aggregate fair value of all of the REIT's real estate investments. As of January 1, 2013, the Board of the REIT approved a reduction in the fee up to 125 basis points of the REIT's month-ending net asset value, with 105 basis points paid monthly.

The REIT also earns a performance fee, which is determined at the end of a three year compensation period.   The fee, which is payable in common stock of the REIT and subject to a 50% holdback, is based on 15% of the excess by which the estimated ending equity of the investments exceeds the hurdle value that would result in an 8% real internal rate of return. Pursuant to the amended Investment Management Agreement, effective April 1, 2009, the performance fee is suspended until cumulative investor distributions equal cumulative contributions.   As of January 1, 2013, the Board of the REIT approved a revised performance fee equal to10 basis points deferred until the sale of the final asset and the additional 10 basis points paid upon investors receiving a 9% investment rate of return.

NCREIF Fund Index – ODCE Benchmark

The National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-End Diversified Core Equity (NFI-ODCE) is a fund-level capitalization-weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage.

Compliance Statement

Deutsche Asset & Wealth Management - Americas Real Estate (the "Firm") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods January 1, 2002 through September 30, 2013. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Americas Real Estate - RREEF America REIT III Composite has been examined for the periods January 1, 2002 through September 30, 2013.

Performance Notes

The NCREIF Fund Index - Open End Diversified Core Equity Index (NFI-ODCE), is the first of the NCREIF Fund Database products and is an index of investment returns reporting on both a historical and current basis the results of 33 open-end commingled funds pursuing a core investment strategy, some of which have performance histories dating back to the 1970s. The NFI-ODCE is a fund-level capitalization weighted, time-weighted return index and includes property investments at ownership share, cash balances and leverage (i.e., returns reflect the fund's actual asset ownership positions and financing strategy). The current quarter results are preliminary based on estimated data provided by the fund managers and are therefore subject to change.

The Fund NAV (and accordingly, the Fund share price) is calculated based primarily on values from independent appraisals of real estate assets and Management's estimate of fair market value of the Fund's debt obligations. These values include substantial unrealized appreciation and do not purport to present the net realizable, liquidation or fair value of the Fund as a whole. Please note that 18 of the Fund's 51 assets were externally appraised during third quarter 2014, with the remaining assets held at their prior total gross real estate market value plus capitalized costs. This may distort the results. Differences in valuation cycles and frequency may make the performance results not comparable. Please refer to "Important Information" for further information.

The Fund has substantially completed its restructuring plan. However, there can be no assurance that the Fund will be able to remain in compliance with the terms of its financial obligations, or to obtain additional capital in order to satisfy its liquidity needs.

The financial data herein is based, in part, on management's business plans and budgets as of the date indicated and takes into account such factors and assumptions as management deems relevant including property operations and portfolio level expenses. However, events assumed to occur may not occur, and other events may occur which were not assumed to occur or otherwise taken into account in preparing the data contained herein. Such events could materially affect the analysis. In addition, changes in a number of factors, including (without limitation) global and local economic conditions, the growing global economic crisis, the availability of credit (or lack thereof), the level of interest rates and other credit terms, demand for certain types of investments and a number of other factors may cause the actual results to vary, perhaps significantly, from the financial data contained herein. You and your advisers should consider the impact of current economic conditions, which are unprecedented, in evaluating the information contained herein.

Moreover, the information set forth above speaks only as of the date indicated; it was not revised to take account of events which have occurred subsequent to the date indicated. Accordingly, it may not be representative of values or the amount that may ultimately be received with respect of an investment. No assurance can be given as to the actual events that may occur or the appropriate assumptions to be applied. Net performance results are after asset management and incentive fees. No representation or warranty is made as to the actual amounts that will be distributed with respect to your investment. Information herein includes or is based upon certain "forward-looking statements." These forward-looking statements include, but are not limited to, the plans, projections, objectives, expectations and intentions of the Fund and its advisers and other statements contained herein that are not historical facts. These statements are based on current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond the Fund's control. Actual results may differ materially from these expectations due to changes in, among other things, global, political, economic, business, competitive, market and regulatory factors.

Past performance is not indicative of future results. Net performance results are after asset management and incentive fees. This information includes or is based upon certain "forward-looking statements." These forward-looking statements include, but are not limited to, the plans, projections, objectives, expectations and intentions of the Fund and its advisers and other statements contained herein that are not historical facts. These statements are based on current beliefs or expectations and are inherently subject to significant uncertainties and changes in circumstances, many of which are beyond the Fund's control. Actual results may differ materially from these expectations due to changes in, among other things, global, political, economic, business, competitive, market and regulatory factors. The final NAV and performance results, as revised, will be published following the Fund's quarterly Board of Directors meeting in the Fund's quarterly report and shall supersede in their entirety any estimates contained herein.

Important Information

Deutsche Asset & Wealth Management represents the asset management and wealth management activities conducted by Deutsche Bank AG or any of its subsidiaries. Clients will be provided Deutsche Asset & Wealth Management products or services by one or more legal entities that will be identified to clients pursuant to the contracts, agreements, offering materials or other documentation relevant to such products or services. In the United States Deutsche Asset & Wealth Management relates to the asset management activities of RREEF America L.L.C., and Deutsche Investment Management Americas Inc, in addition to other regional entities in the Deutsche Bank Group.

An investment in real estate involves a high degree of risk, including possible loss of principal amount invested, and is suitable only for sophisticated investors who can bear such losses. The value of shares/ units and their derived income may fall or rise. Any forecasts provided herein are based upon Deutsche Asset & Wealth Management's opinion of the market at this date and are subject to change dependent on the market. Past performance or any prediction, projection or forecast on the economy or markets is not indicative of future performance.

This material was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. It is intended for informational purposes only. It does not constitute investment advice, a recommendation, an offer, solicitation, the basis for any contract to purchase or sell any security or other instrument, or for Deutsche Bank AG or its affiliates to enter into or arrange any type of transaction as a consequence of any information contained herein. Neither Deutsche Bank AG nor any of its affiliates gives any warranty as to the accuracy, reliability or completeness of information which is contained in this document. Except insofar as liability under any statute cannot be excluded, no member of the Deutsche Bank Group, the Issuer or any officer, employee or associate of them accepts any liability (whether arising in contract, in tort or negligence or otherwise) for any error or omission in this document or for any resulting loss or damage whether direct, indirect, consequential or otherwise suffered by the recipient of this document or any other person.

The supplemental information referenced for the U.S. Core real estate leveraged property performance aggregate includes all discretionary and nondiscretionary core real estate portfolios. The performance is calculated according to the National Council Real Estate Fiduciaries property formula and is based on fair value of real estate. The GIPS composite, Americas Real Estate - U.S. Core Composite includes only discretionary core direct real estate portfolios. See the GIPS Core Composite disclosures for details on the return methodology.

Certain Deutsche Asset & Wealth Management products and services may not be available in every region or country for legal or other reasons, and information about these products or services is not directed to those investors residing or located in any such region or country.

From time to time Deutsche Asset & Wealth Management receives information requests from investors or their consultants. This information is available upon request. Please contact us for assistance in this regard. We also have a password-protected client web portal called Client Connect with additional information on the Fund. For access, please contact us or go to www.rreef.com.

NEPC, LLC

YOU DEMAND MORE. *So do we.*SM

Ventura County Employees' Retirement Association

Performance Report
Month Ending November 30, 2014

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

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com
BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO

Total Fund Performance Detail Net of Fees

Performance Summary

	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund	**4,377,853,324**	**100.0**	**1.1**	**0.0**	**7.2**	**0.6**	**8.8**	**13.3**	**11.1**	**6.8**	**8.3**	**Apr-94**
Policy Index			*1.2*	*0.6*	*7.4*	*1.6*	*9.0*	*12.7*	*10.4*	*6.9*	*8.3*	*Apr-94*
Over/Under			-0.1	-0.6	-0.2	-1.0	-0.2	0.6	0.7	-0.1	0.0	
Total Fund ex Clifton	**4,324,732,688**	**98.8**	**1.1**	**-0.1**	**7.3**	**0.7**	**8.9**	**13.1**	**10.9**	**6.8**	**8.3**	**Apr-94**
Total Fund ex Private Equity	**4,272,682,731**	**97.6**	**1.1**	**-0.2**	**7.0**	**0.5**	**8.5**	**--**	**--**	**--**	**12.4**	**Jan-12**
Policy Index			*1.2*	*0.6*	*7.4*	*1.6*	*9.0*	*12.7*	*10.4*	*6.9*	*12.9*	*Jan-12*
Over/Under			-0.1	-0.8	-0.4	-1.1	-0.5				-0.5	
Total US Equity	**1,396,545,350**	**31.9**	**2.4**	**3.0**	**12.6**	**5.2**	**15.5**	**21.2**	**16.8**	**7.9**	**9.2**	**Dec-93**
Total U.S. Equity Benchmark			*2.4*	*3.0*	*12.4*	*5.1*	*15.4*	*20.8*	*16.4*	*8.4*	*9.6*	*Dec-93*
Over/Under			0.0	0.0	0.2	0.1	0.1	0.4	0.4	-0.5	-0.4	
BlackRock Extended Equity Index	46,144,931	1.1	1.3	0.0	6.5	0.4	9.7	20.3	18.3	9.7	12.6	Oct-02
Dow Jones U.S. Completion Total Stock Market			*1.3*	*0.1*	*6.6*	*0.4*	*9.8*	*20.1*	*18.0*	*9.6*	*12.6*	*Oct-02*
Over/Under			0.0	-0.1	-0.1	0.0	-0.1	0.2	0.3	0.1	0.0	
Western U.S. Index Plus	139,719,013	3.2	2.9	3.8	14.8	6.5	17.5	23.0	19.0	--	3.7	May-07
S&P 500			*2.7*	*3.7*	*14.0*	*6.4*	*16.9*	*20.9*	*16.0*	*8.1*	*6.4*	*May-07*
Over/Under			0.2	0.1	0.8	0.1	0.6	2.1	3.0		-2.7	
BlackRock Equity Market Fund	1,210,681,406	27.7	2.4	3.0	12.5	5.2	15.5	20.8	16.4	--	7.8	Dec-07
Dow Jones U.S. Total Stock Market			*2.4*	*3.0*	*12.5*	*5.2*	*15.4*	*20.8*	*16.4*	*8.5*	*7.7*	*Dec-07*
Over/Under			0.0	0.0	0.0	0.0	0.1	0.0	0.0		0.1	

Policy Index: Uses an estimated CPI+4% index due to CPI monthly lag

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

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

CPI+4% is estimated for latest month.

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Non-US Equity	**616,692,376**	**14.1**	**1.0**	**-4.5**	**-0.6**	**-5.4**	**0.4**	**10.4**	**6.4**	**6.0**	**6.7**	**Mar-94**
Total Non-US Equity Benchmark			*0.7*	*-5.1*	*-0.3*	*-5.5*	*0.6*	*9.9*	*5.6*	*6.0*	*5.5*	*Mar-94*
Over/Under			0.3	0.6	-0.3	0.1	-0.2	0.5	0.8	0.0	1.2	
BlackRock ACWI ex-U.S. Index	257,598,978	5.9	0.6	-5.5	-0.5	-6.0	0.5	10.2	6.0	--	1.8	Mar-07
MSCI ACWI ex USA Gross			*0.7*	*-5.0*	*0.1*	*-5.4*	*1.0*	*10.4*	*6.1*	*6.4*	*1.9*	*Mar-07*
Over/Under			-0.1	-0.5	-0.6	-0.6	-0.5	-0.2	-0.1		-0.1	
Sprucegrove	185,512,984	4.2	1.8	-4.3	-0.4	-6.0	0.8	10.9	8.1	6.5	8.3	Mar-02
MSCI EAFE Gross			*1.4*	*-3.9*	*-1.1*	*-5.9*	*0.4*	*12.5*	*6.9*	*5.7*	*7.0*	*Mar-02*
Over/Under			0.4	-0.4	0.7	-0.1	0.4	-1.6	1.2	0.8	1.3	
MSCI ACWI ex USA Gross			*0.7*	*-5.0*	*0.1*	*-5.4*	*1.0*	*10.4*	*6.1*	*6.4*	*7.8*	*Mar-02*
Hexavest	80,507,997	1.8	1.3	-2.3	-0.4	-4.0	0.8	10.4	--	--	5.4	Dec-10
MSCI EAFE Gross			*1.4*	*-3.9*	*-1.1*	*-5.9*	*0.4*	*12.5*	*6.9*	*5.7*	*6.3*	*Dec-10*
Over/Under			-0.1	1.6	0.7	1.9	0.4	-2.1			-0.9	
Walter Scott	93,072,416	2.1	0.5	-3.6	-1.4	-3.8	-1.2	9.4	--	--	4.8	Dec-10
MSCI ACWI ex USA Gross			*0.7*	*-5.0*	*0.1*	*-5.4*	*1.0*	*10.4*	*6.1*	*6.4*	*4.3*	*Dec-10*
Over/Under			-0.2	1.4	-1.5	1.6	-2.2	-1.0			0.5	
Total Global Equity	**441,585,156**	**10.1**	**1.5**	**-1.9**	**4.5**	**-2.0**	**6.1**	**13.4**	**9.8**	**--**	**5.9**	**May-05**
MSCI ACWI Gross			*1.7*	*-0.8*	*6.7*	*0.2*	*8.6*	*15.4*	*10.6*	*7.3*	*7.5*	*May-05*
Over/Under			-0.2	-1.1	-2.2	-2.2	-2.5	-2.0	-0.8		-1.6	
GMO Global Equity	214,873,695	4.9	1.4	-2.9	2.5	-4.2	3.7	12.3	9.4	--	7.1	Apr-05
MSCI ACWI Gross			*1.7*	*-0.8*	*6.7*	*0.2*	*8.6*	*15.4*	*10.6*	*7.3*	*7.5*	*Apr-05*
Over/Under			-0.3	-2.1	-4.2	-4.4	-4.9	-3.1	-1.2		-0.4	
BlackRock MSCI ACWI Equity Index	226,711,461	5.2	1.7	-0.9	6.6	0.1	8.4	--	--	--	--	May-12
MSCI ACWI Gross			*1.7*	*-0.8*	*6.7*	*0.2*	*8.6*	*15.4*	*10.6*	*7.3*	*18.4*	*May-12*
Over/Under			0.0	-0.1	-0.1	-0.1	-0.2					

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

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total US Fixed Income	**762,087,614**	**17.4**	**0.0**	**0.1**	**3.4**	**0.3**	**3.2**	**4.8**	**6.0**	**6.0**	**6.4**	**Feb-94**
Barclays Aggregate			*0.7*	*1.0*	*5.9*	*1.9*	*5.3*	*3.0*	*4.1*	*4.8*	*5.8*	*Feb-94*
Over/Under			-0.7	-0.9	-2.5	-1.6	-2.1	1.8	1.9	1.2	0.6	
Western	266,187,093	6.1	0.5	0.5	7.3	1.6	7.0	5.7	6.7	5.6	6.6	Dec-96
Barclays Aggregate			*0.7*	*1.0*	*5.9*	*1.9*	*5.3*	*3.0*	*4.1*	*4.8*	*5.7*	*Dec-96*
Over/Under			-0.2	-0.5	1.4	-0.3	1.7	2.7	2.6	0.8	0.9	
BlackRock U.S. Debt Fund	139,018,227	3.2	0.7	1.0	6.0	1.9	5.4	3.1	4.2	4.9	5.7	Nov-95
Barclays Aggregate			*0.7*	*1.0*	*5.9*	*1.9*	*5.3*	*3.0*	*4.1*	*4.8*	*5.7*	*Nov-95*
Over/Under			0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.1	0.0	
Reams	284,526,572	6.5	-0.8	-0.4	-2.8	-1.6	-2.7	3.8	5.3	6.3	6.0	Sep-01
Reams Custom Index			*0.0*	*0.1*	*0.2*	*0.1*	*0.2*	*1.7*	*3.3*	*4.4*	*4.7*	*Sep-01*
Over/Under			-0.8	-0.5	-3.0	-1.7	-2.9	2.1	2.0	1.9	1.3	
Barclays Aggregate			*0.7*	*1.0*	*5.9*	*1.9*	*5.3*	*3.0*	*4.1*	*4.8*	*5.0*	*Sep-01*
Loomis Sayles Multi Strategy	72,355,722	1.7	0.0	-0.6	7.7	0.2	8.1	9.0	8.7	--	7.4	Jul-05
Loomis Custom Index			*0.2*	*0.1*	*5.1*	*0.8*	*4.9*	*5.0*	*5.8*	--	*5.8*	*Jul-05*
Over/Under			-0.2	-0.7	2.6	-0.6	3.2	4.0	2.9		1.6	
Barclays Aggregate			*0.7*	*1.0*	*5.9*	*1.9*	*5.3*	*3.0*	*4.1*	*4.8*	*4.9*	*Jul-05*
Total Global Fixed Income	**261,335,056**	**6.0**	**0.0**	**-2.2**	**2.1**	**-2.4**	**2.0**	**--**	**--**	**--**	**1.3**	**Jun-12**
Barclays Global Aggregate			*-0.4*	*-3.1*	*1.3*	*-3.5*	*0.7*	*1.2*	*2.0*	*3.8*	*0.6*	*Jun-12*
Over/Under			0.4	0.9	0.8	1.1	1.3				0.7	
Loomis Sayles Global Fixed Income	92,837,434	2.1	-0.6	-3.3	1.1	-3.6	0.8	--	--	--	1.1	Jun-12
Barclays Global Aggregate			*-0.4*	*-3.1*	*1.3*	*-3.5*	*0.7*	*1.2*	*2.0*	*3.8*	*0.6*	*Jun-12*
Over/Under			-0.2	-0.2	-0.2	-0.1	0.1				0.5	
PIMCO Global Fixed Income	126,407,924	2.9	0.3	-2.2	2.6	-2.4	2.3	--	--	--	-0.5	Sep-12
Barclays Global Aggregate			*-0.4*	*-3.1*	*1.3*	*-3.5*	*0.7*	*1.2*	*2.0*	*3.8*	*-0.8*	*Sep-12*
Over/Under			0.7	0.9	1.3	1.1	1.6				0.3	
Loomis Strategic Alpha	42,089,698	1.0	0.6	0.2	2.7	0.6	3.3	--	--	--	3.1	Jul-13
Barclays Global Aggregate			*-0.4*	*-3.1*	*1.3*	*-3.5*	*0.7*	*1.2*	*2.0*	*3.8*	*1.8*	*Jul-13*
Over/Under			1.0	3.3	1.4	4.1	2.6				1.3	

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

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

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Real Estate	**313,736,471**	**7.2**	**0.0**	**3.0**	**8.3**	**3.0**	**11.0**	**10.2**	**10.8**	**5.4**	**7.6**	**Mar-94**
Total Real Estate Benchmark			0.0	3.2	8.9	3.2	12.4	12.3	12.4	7.1	8.7	*Mar-94*
Over/Under			0.0	-0.2	-0.6	-0.2	-1.4	-2.1	-1.6	-1.7	-1.1	
Prudential Real Estate	103,915,047	2.4	0.0	3.0	8.6	3.0	12.3	11.5	12.5	6.8	4.9	Jun-04
NCREIF-ODCE			0.0	3.2	8.9	3.2	12.4	12.3	12.4	7.1	7.2	*Jun-04*
Over/Under			0.0	-0.2	-0.3	-0.2	-0.1	-0.8	0.1	-0.3	-2.3	
UBS Real Estate	202,620,814	4.6	0.0	2.9	7.6	2.9	9.8	9.4	10.0	6.7	7.1	Mar-03
NCREIF-ODCE			0.0	3.2	8.9	3.2	12.4	12.3	12.4	7.1	7.5	*Mar-03*
Over/Under			0.0	-0.3	-1.3	-0.3	-2.6	-2.9	-2.4	-0.4	-0.4	
RREEF	7,200,610	0.2	0.0	5.3	23.5	5.3	27.0	21.1	20.0	--	-6.9	Sep-07
NCREIF-ODCE			0.0	3.2	8.9	3.2	12.4	12.3	12.4	7.1	2.6	*Sep-07*
Over/Under			0.0	2.1	14.6	2.1	14.6	8.8	7.6		-9.5	
Total Liquid Alternatives	**427,580,072**	**9.8**	**0.4**	**-3.6**	**12.9**	**-1.8**	**13.8**	**--**	**--**	**--**	**15.3**	**Apr-13**
CPI + 4% (Unadjusted)			0.1	0.6	5.3	1.0	5.7	5.6	5.9	6.3	5.2	*Apr-13*
Over/Under			0.3	-4.2	7.6	-2.8	8.1				10.1	
Bridgewater All Weather Fund	279,943,611	6.4	1.1	-1.5	9.8	0.3	9.3	--	--	--	10.7	Aug-13
CPI + 5% (Unadjusted)			0.2	0.8	6.3	1.4	6.7	--	--	--	6.1	*Aug-13*
Over/Under			0.9	-2.3	3.5	-1.1	2.6				4.6	
Tortoise Energy Infrastructure	147,636,461	3.4	-1.0	-7.4	19.2	-5.6	23.6	--	--	--	20.3	Apr-13
Wells Fargo MLP Index			-1.4	-9.1	11.7	-5.1	13.7	16.6	--	--	11.5	*Apr-13*
Over/Under			0.4	1.7	7.5	-0.5	9.9				8.8	

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

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

Total Liquid Alternatives index, the CPI+4% is estimated by carrying the last available month forward

CPI+5% and CPI+4% are estimated by carrying the last available month forward

Real Estate Valuation is as of 9/30/2014.

Tortoise performance is preliminary

Total Fund Performance Detail Net of Fees

	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Overlay	**53,120,636**	**1.2**										
Clifton	53,120,636	1.2										
Total Private Equity	**105,170,592**	**2.4**	**1.1**	**7.0**	**18.4**	**7.0**	**23.2**	**--**	**--**	**--**	**--**	**Jul-10**
DJ U.S. Total Stock Market Index + 3%			*2.7*	*3.8*	*15.5*	*6.5*	*18.9*	--	--	--	--	*Jul-10*
Over/Under			-1.6	3.2	2.9	0.5	4.3					
Adams Street Partners	68,396,089	1.6	1.7	6.0	18.3	6.0	23.3	--	--	--	--	Jul-10
DJ U.S. Total Stock Market Index + 3%			*2.7*	*3.8*	*15.5*	*6.5*	*18.9*	--	--	--	--	*Jul-10*
Over/Under			-1.0	2.2	2.8	-0.5	4.4					
Panteon Ventures	9,775,115	0.2	-0.1	5.7	19.4	5.7	22.4	--	--	--	--	Aug-10
DJ U.S. Total Stock Market Index + 3%			*2.7*	*3.8*	*15.5*	*6.5*	*18.9*	--	--	--	--	*Aug-10*
Over/Under			-2.8	1.9	3.9	-0.8	3.5					
Harbourvest	26,999,388	0.6	-0.1	10.7	18.5	10.4	24.0	--	--	--	--	May-13
DJ U.S. Total Stock Market Index + 3%			*2.7*	*3.8*	*15.5*	*6.5*	*18.9*	--	--	--	*22.5*	*May-13*
Over/Under			-2.8	6.9	3.0	3.9	5.1					

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

Please Note:

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

Total Fund

Cash Flow Summary

	Month Ending November 30, 2014						
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Adams Street Partners	$67,249,412	$0	$0	$0	$0	$1,146,677	$68,396,089
BlackRock ACWI ex-U.S. Index	$256,096,259	$0	$0	$0	-$23,133	$1,502,718	$257,598,978
BlackRock Equity Market Fund	$1,182,098,332	$0	$0	$0	-$22,261	$28,583,074	$1,210,681,406
BlackRock Extended Equity Index	$45,556,022	$0	$0	$0	-$3,076	$588,910	$46,144,931
BlackRock MSCI ACWI Equity Index	$222,895,794	$0	$0	$0	-$9,224	$3,815,667	$226,711,461
BlackRock U.S. Debt Fund	$138,021,503	$0	$0	$0	-$7,967	$996,724	$139,018,227
Bridgewater All Weather Fund	$276,791,147	$0	$0	$0	-$91,655	$3,152,464	$279,943,611
Clifton	$68,212,231	-$17,218,296	$2,239,782	-$14,978,514	-$5,468	-$113,081	$53,120,636
GMO Global Equity	$212,008,712	$0	$0	$0	-$98,484	$2,864,983	$214,873,695
Harbourvest	$27,033,829	$0	$0	$0	$0	-$34,442	$26,999,388
Hexavest	$79,446,792	$0	$0	$0	-$31,003	$1,061,205	$80,507,997
Loomis Sayles Global Fixed Income	$93,359,972	$0	$0	$0	-$23,209	-$522,537	$92,837,434
Loomis Sayles Multi Strategy	$72,347,364	$0	$0	$0	-$23,922	$8,358	$72,355,722
Loomis Strategic Alpha	$41,825,221	$0	$0	$0	-$14,030	$264,477	$42,089,698
Panteon Ventures	$10,105,112	-$321,506	$0	-$321,506	$0	-$8,491	$9,775,115
PIMCO Global Fixed Income	$126,049,853	$0	$0	$0	-$35,769	$358,071	$126,407,924
Prudential Real Estate	$103,915,047	$0	$0	$0	$0	$0	$103,915,047
Reams	$286,670,118	$0	$0	$0	-$41,816	-$2,143,546	$284,526,572
RREEF	$7,200,610	$0	$0	$0	$0	$0	$7,200,610
Sprucegrove	$182,213,570	$0	$0	$0	-$58,232	$3,299,415	$185,512,984
Tortoise Energy Infrastructure	$149,052,712	$0	$0	$0	-$87,311	-$1,416,251	$147,636,461
UBS Real Estate	$202,620,814	$0	$0	$0	$0	$0	$202,620,814
Walter Scott	$92,577,685	$0	$0	$0	-$68,411	$494,731	$93,072,416
Western	$264,736,436	$0	$0	$0	-$45,773	$1,450,657	$266,187,093
Western U.S. Index Plus	$135,805,095	$0	$0	$0	-$29,965	$3,913,918	$139,719,013
Total	**$4,343,889,644**	**-$17,539,802**	**$2,239,782**	**-$15,300,020**	**-$720,710**	**$49,263,700**	**$4,377,853,324**

NEPC, LLC

To: Ventura County Employees' Retirement Association ("VCERA") Board

From: Don Stracke, CFA, CAIA, Allan Martin, Anthony Ferrara, CAIA

Date: December 15, 2014

Subject: Watch List Update

PIMCO Update:

In March, 2014, VCERA put PIMCO on watch for the global fixed income they manage for the board due to organizational changes. As of the end of November, VCERA had approximately $126 million invested in their Global Fixed Income Strategy, which represented approximately 2.9% of the Total Fund. PIMCO released Total Return fund flow information recently for the month of November. Outflows continued in November in Total Return, totaling $9.5 billion, or approximately 5.5% of fund assets. Redemptions occurred at a slower pace compared to both September and October, which had redemptions of $23.5 billion (10% of Fund assets) and $27.5 billion (14% of Fund assets), respectively. In total, the Total Return Fund experienced net outflows of approximately $60 billion for months of September, October, and November combined; that equates to just over 25% loss in Fund assets. Flows in other asset classes in general vary significantly, but are much smaller than in Total Return. There have been no significant personnel departures, and the performance for the VCERA fund will be reviewed within the monthly flash report. We suggest you maintain PIMCO on the watch list.

Sprucegrove Update:

The VCERA board voted to place Sprucegrove on the watch list in September after Sprucegrove announced that Co-President/Co-Portfolio Manager of the International Equities and International Value Equities strategies, Peter Ellement, resigned from the firm. As of the end of November, Sprucegrove manages approximately $186 million for VCERA in a strategy benchmarked against the EAFE. Over the course of 2014, Sprucegrove has experienced approximately $1 billion in outflows and the product is currently closed. As a comparison they experienced approximately $2 billion in outflows in 2013. They believe that none of the outflows this year were due to Peter Ellement's departure. They cite one client who moved to an out-sourced CIO model, another one that was acquired, and a third moving to a higher alternative allocation as examples. There have been no additional personnel departures since Peter Ellement departed. We suggest that the VCERA board maintain the watch list status for Sprucegrove.

NEPC, LLC

YOU DEMAND MORE. *So do we.*[SM]

Ventura County Employees' Retirement Association

Global Asset Allocation Review
And AA update

December 15th, 2014

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

255 State Street, Boston, MA 02109 | TEL: 617.374.1300 | FAX: 617.374.1313 | www.nepc.com
BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | SAN FRANCISCO

Global Asset Allocation

What is Global Asset Allocation?

- **GTAA strategies provide broadly diversified asset class exposure within one portfolio**
  - Portfolio includes multiple asset classes (e.g. stocks and bonds, real assets, commodities)
  - Can be viewed as instant diversification

- **Products can be designed around different benchmarks**
  - Traditional 60% global stocks/40% global bonds
  - Achieving an absolute/real return target (e.g., CPI + 5%)
  - There is significant differences between different approaches

- **Multi-Asset strategies are a core allocation providing risk balance for the portfolio**
  - Serves as a core liquid asset allocation approach
  - Provides meaningful allocations to risk exposures under-represented in traditional allocations
  - Mitigates exposure to one dominant risk factor and limits potential drawdown risk

- **Thesis benefits from, <u>but is not dependent on</u>, manager skill in identifying over- and under-valued asset classes.**

Why Global Asset Allocation?

- **Global Asset Allocation (GAA) strategies are broadly diversified**
  - Multiple, small asset class decisions rather than one big decision
  - Ability to underweight risky asset classes when risk-premia are unattractive
- **Manager skill can add value through asset class rotation and security selection**
  - Better, more timely exploitation of market opportunities
  - Provides efficient way to diversify the portfolio without having to hire a large number of niche managers
  - Diversifying alpha source
- **Strategies combine top-down asset class selection, portfolio construction & risk management techniques**
- **Tactical asset class weighting can add value above static, strategic allocation by taking advantage of mis-pricings and exploiting relationships between global markets**

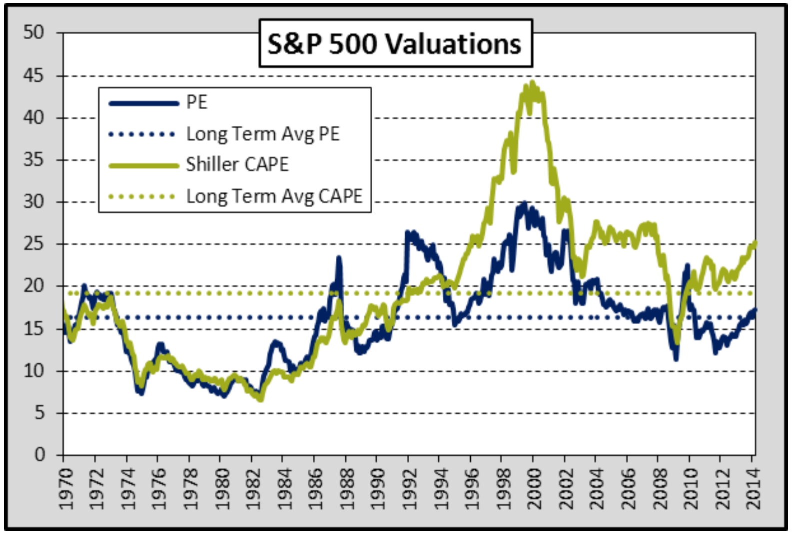
- **NEPC's forecasts—and those of many other industry leaders—are for a subdued outlook in traditional asset classes relative to the past**

- **NEPC expects volatility to continue**

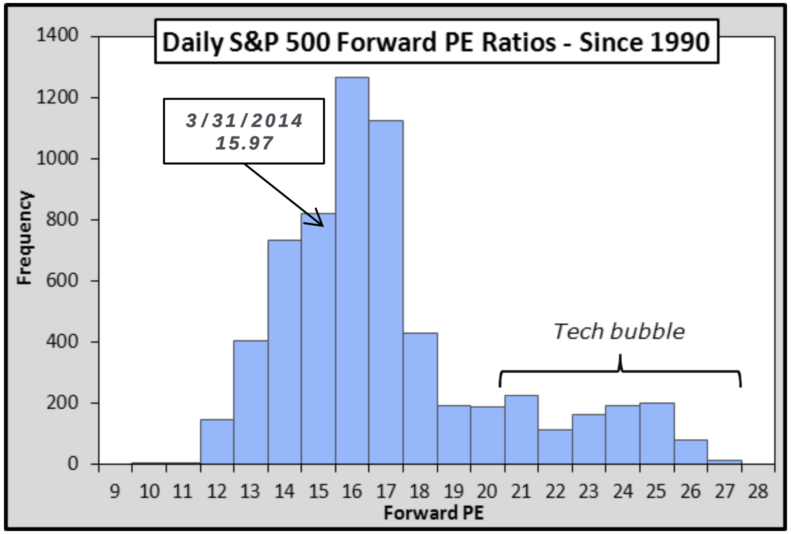
- **Global asset allocation managers can be nimble as we move through an uncertain market**
  - Attempting to protect capital but taking on risk where appropriate and positioning for potential market opportunities

- **Taking full advantage of diversification benefits (risk diversification) can produce a more efficient portfolio, especially in highly volatile markets**

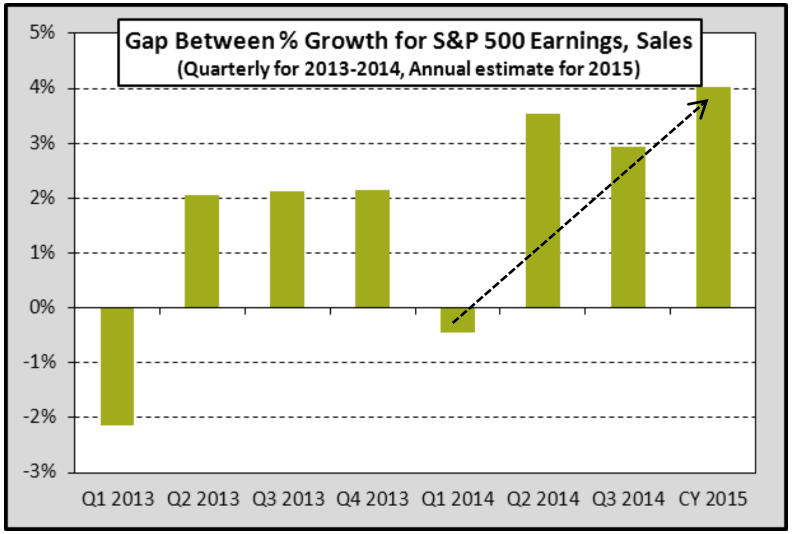
Equity Markets: Poised to Continue or Overly Optimistic



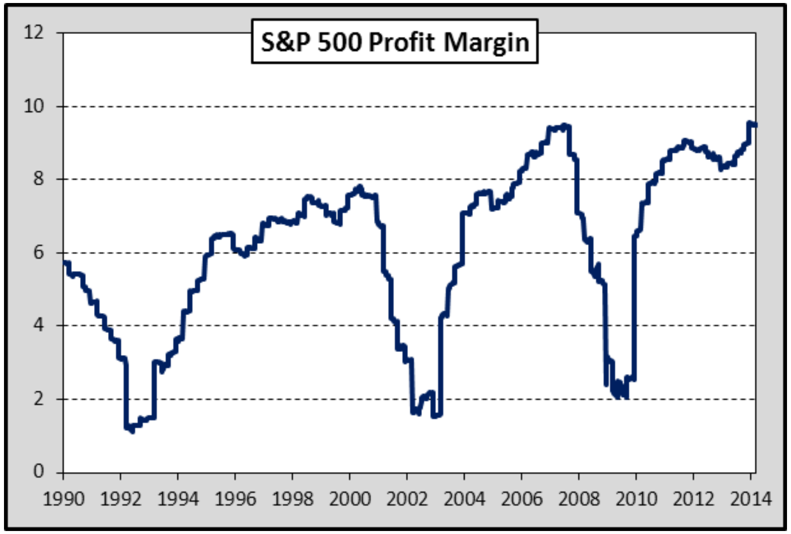
Source: Bloomberg as of 3/31, Long-term averages since 1954



Source: Bloomberg as of 3/31

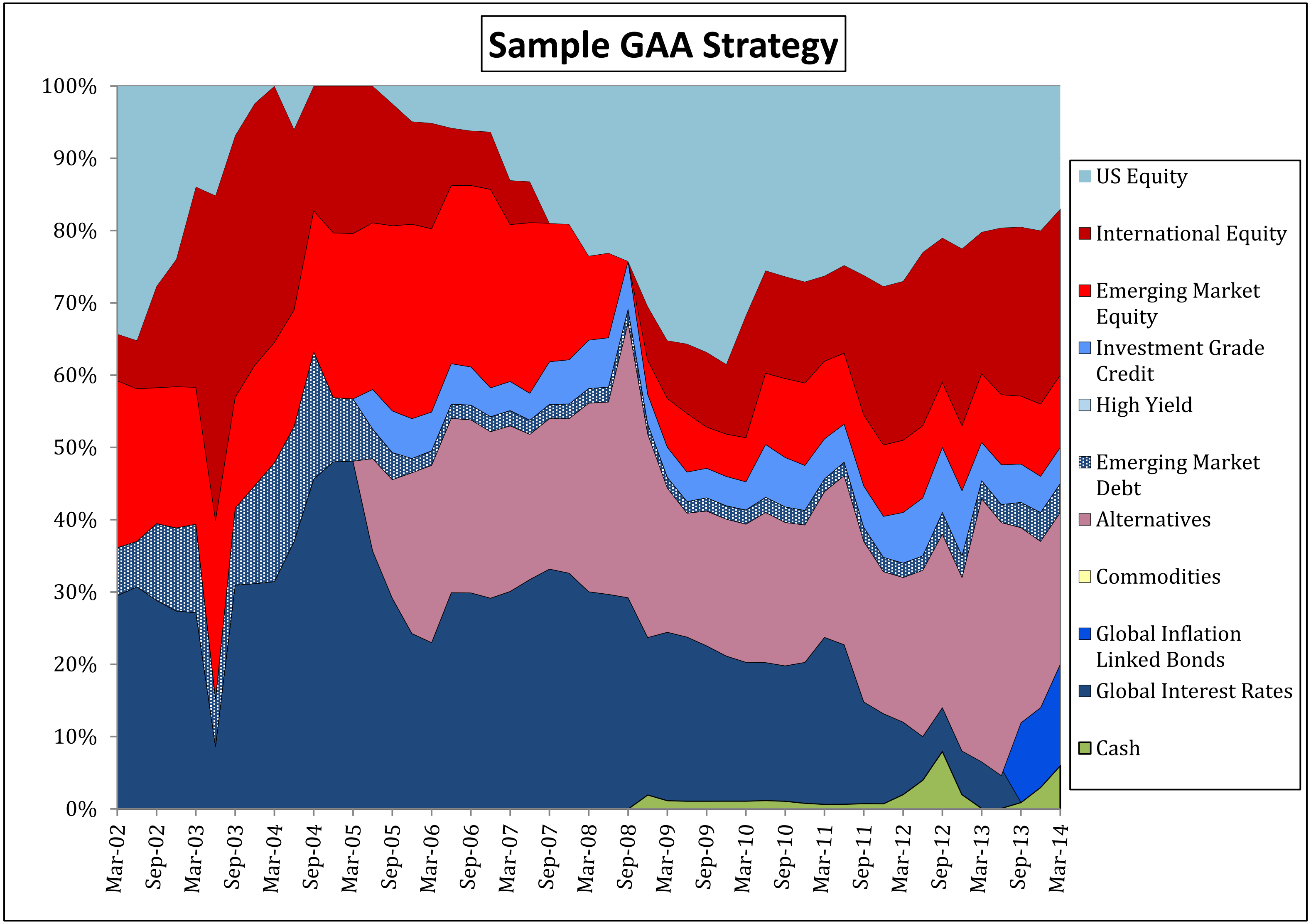


Source: Bloomberg as of 3/31



Source: Bloomberg as of 3/31

GAA Strategies can be Both Defensive and Opportunistic as Risk Premium Decline



NEPC has a Long History of Recommending Multi-Asset Strategies

- **NEPC continues to believe Multi-Asset Strategies are an important input to meet return expectations while diversifying equity risk**
  - NEPC has long supported a focus on risk based implementation to create a balanced mix of risk and factor exposures
  - Diversification still matters, most especially after a period of rising equity markets

- **Compressed return expectations across asset classes flow through to Multi-Asset strategies**
  - A tactical multi-asset approach is not a panacea, but an implementation tool to efficiently take market risk
  - Discipline of tactical based strategies allows for participation in rising markets, while maintaining a defensive position when markets correct
  - The decoupling of portfolio returns from equity risk and economic growth will differentiate returns from equity focused peers

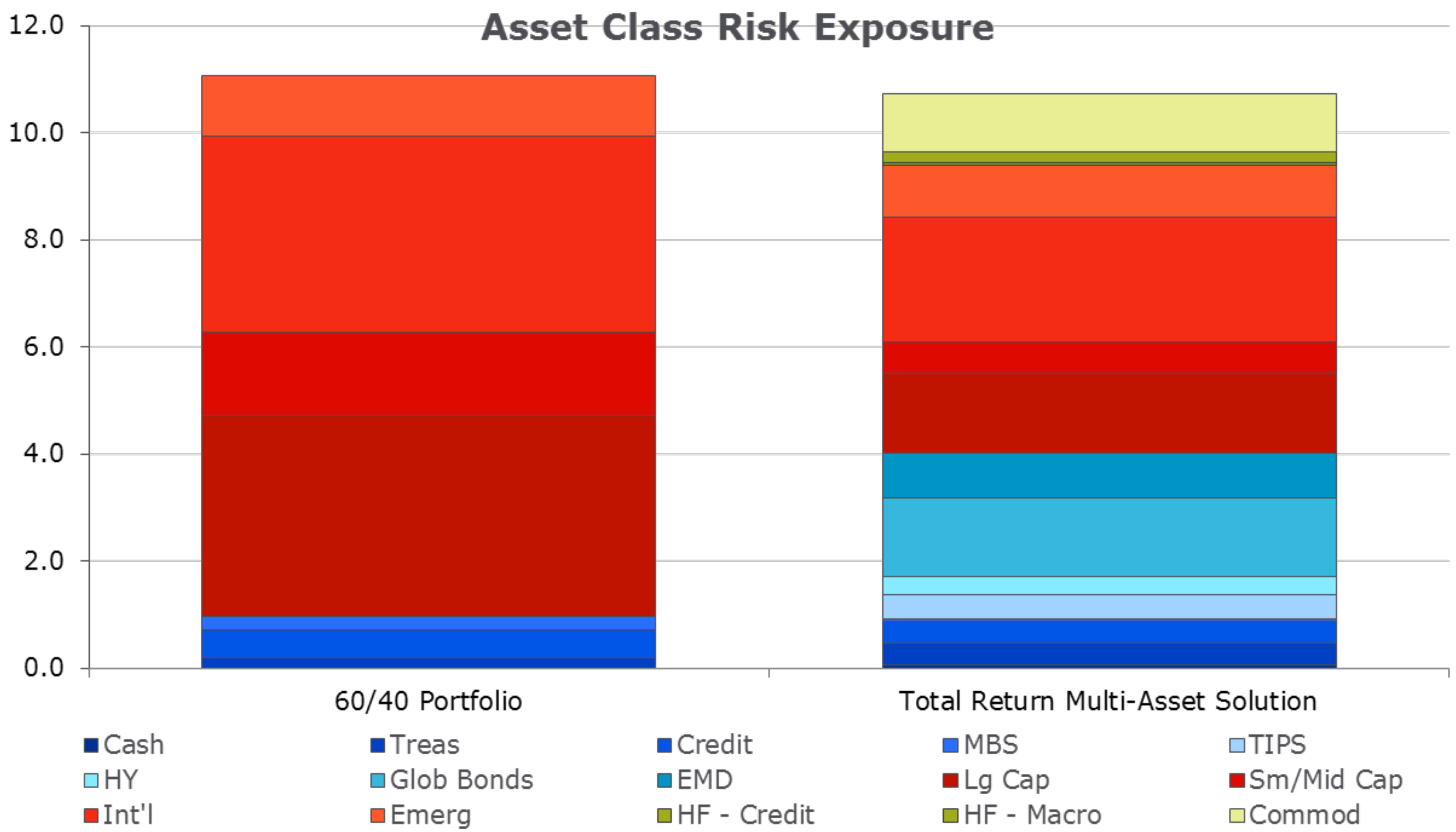
- **Over the last 10 years NEPC has been at the forefront of the industry when discussing the benefits of a multi-asset investment program**
  - Think outside the “benchmark box” when constructing a portfolio
  - Implementation begins with a balanced mix of risk premiums paired with tactical asset allocation strategies
  - Dedicated internal resources focused exclusively on identifying and evaluating multi-asset strategies

Multi-Asset Strategy Experience

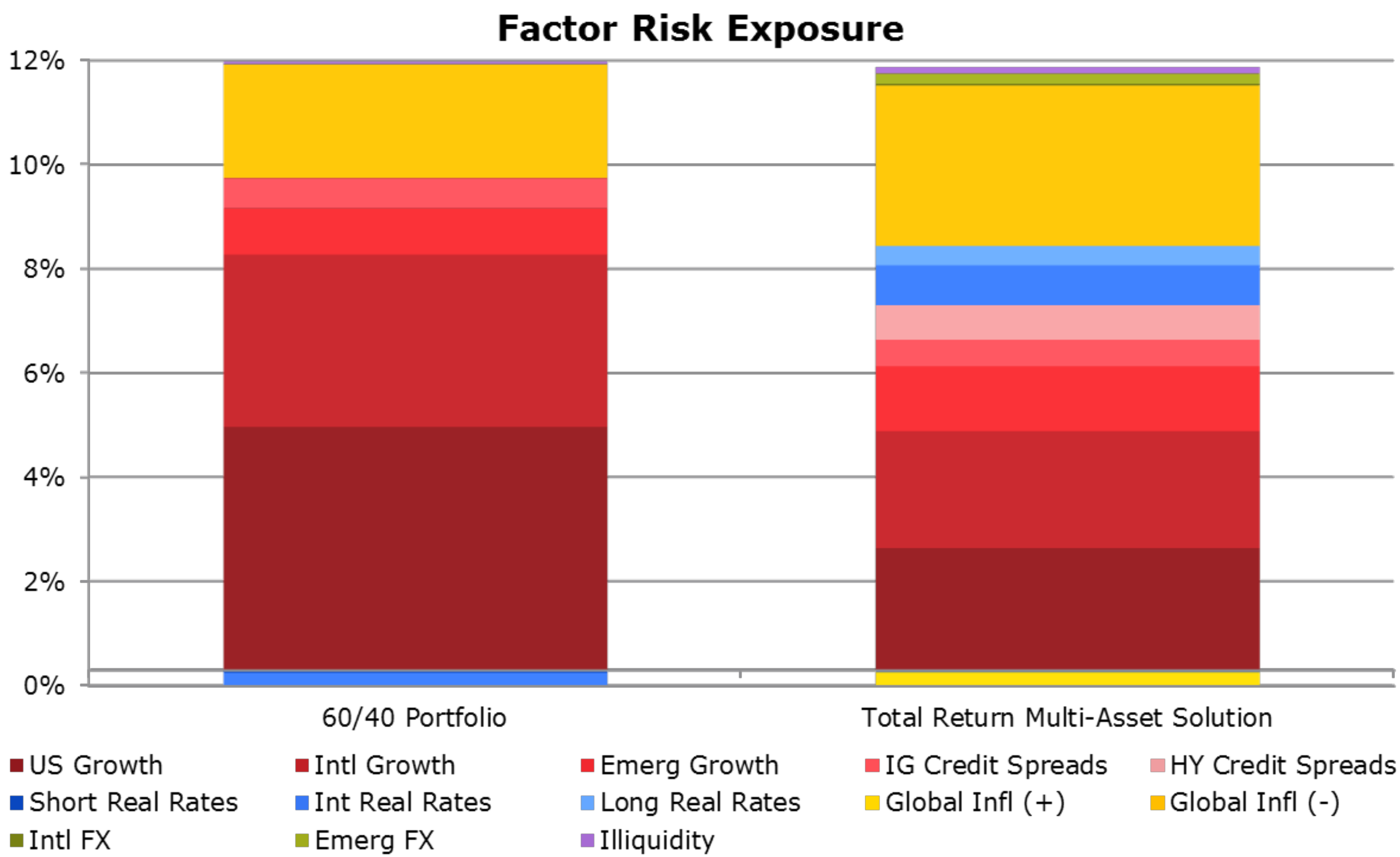
- **Among NEPC clients, Multi-Asset Strategies represent over $34 billion in assets**
  - Nearly 250 clients have an allocation to a multi-asset mandate representing over 75% of our total clients
  - Of those clients, on average they have an allocation to 3 multi-asset strategies
  - Allocations to multi-asset strategies are with over 25 various global investment firms
- **Client-focused solutions with global coverage across the investment manager universe**
  - Primarily focused on Europe and the U.S. but coverage includes both Asia and emerging market domiciled investment firms
  - NEPC size provides unique access to investment manager community and ability to develop customized solutions across geography and strategy
- **Significant exposure and consistent dialogue with a diverse group of global multi-asset managers**
  - GMO
  - Bridgewater
  - Wellington
  - Schroders
  - Newton

- **NEPC offers multiple asset allocation and risk budgeting tools to model implementation options for a multi-asset strategy allocation**
  - Risk tools designed to deliver a multi-asset solution tailored to client risk and return objectives
  - Includes analysis of long-term and short-term correlations to understand alpha relationship with common market risk factors
- **"Risk aware" risk budgeting approach utilized for custom strategy implementation to more closely align active manager exposure to client risk targets**
- **"Factor Risk" analysis can reveal non-intuitive portfolio concentrations**
  - Solely focusing on risk exposure analysis can lead to a false sense of diversification across asset classes
  - Identifying the factor exposures of a multi-asset strategy can improve perspective on how individual strategies fit in a larger multi-asset program
- **Multi-Asset allocations can be designed to meet custom broad market risk and return investment objectives**
  - Ability to construct a multi-asset program with multiple beta and alpha implementation options
  - Examples include a "total return approach", "equity replacement", or "fixed income replacement"

- **Diversified allocation of multiple multi-asset strategies with a volatility target similar to a “traditional” portfolio allocation**
  - Consists of Risk Parity strategies paired with unconstrained GAA strategies to provide a broad multi-asset solution
  - Provides exposure to multiple risk premia while mitigating equity drawdowns

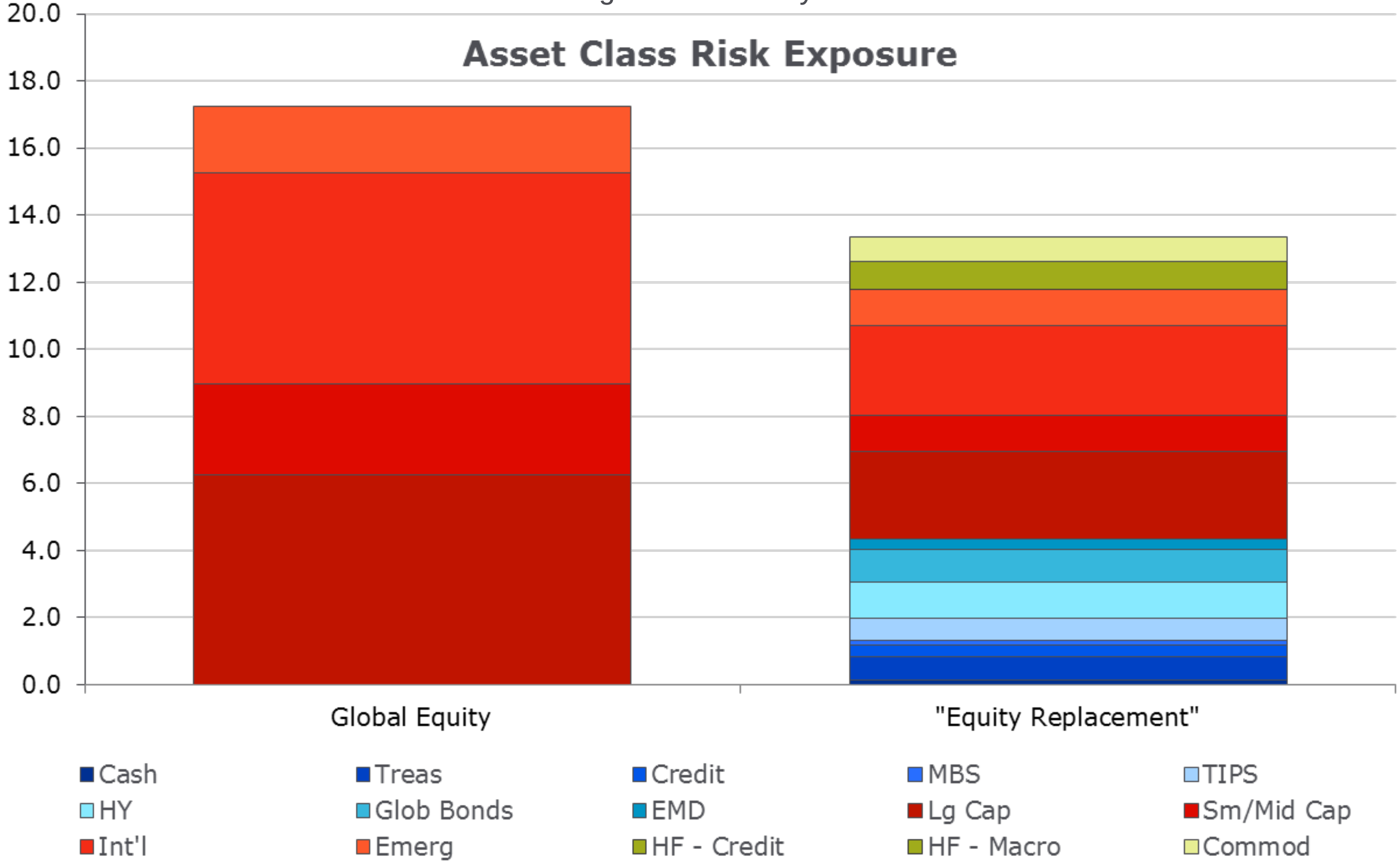


- **Factor exposure analysis reveals a greater growth bias in the portfolio but remains more diversified than a 60/40 portfolio**
  - Illustrates a portfolio with a similar total volatility as a traditional portfolio can provide a more balanced exposure to growth, inflation, and rates
  - Growth exposure in the multi-asset portfolio also proves to be more risk balanced



"Equity Replacement" Multi-Asset Solution

- **Diversified allocation of return oriented multi-asset strategies with a volatility target currently below global equities**
  - Consists of a tactical Risk Parity strategy paired with equity focused GAA strategies
  - Return expectations are subdued across risky asset classes, increasing the importance of tactical asset allocation strategies to identify sources of value



Evaluation of Multi-Asset Strategies

- **NEPC maintains a preferred provider list of multi-asset strategies thoroughly vetted by NEPC Research**
  - Continuous assessment of portfolio construction and risk management techniques
  - A robust risk management process incorporating both quantitative and qualitative factors is essential

- **NEPC has significant experience working with Investment Boards and Clients to detail the benefits of multi-asset strategies**
  - NEPC has conducted many education sessions and seminars to provide a greater comfort and understanding of multi-asset portfolios

- **NEPC has worked extensively with clients to construct broad multi-asset solutions and facilitate investment manager provider searches**
  - Look to offer a flexible approach customized for each investors risk/return profile
  - Client-focused solutions with broad coverage across the investment manager universe

- **Overriding goal is to provide broadly diversified asset class exposure to assets that perform well in diverse economic environments**

- **Global Asset Allocation strategies continue to grow in asset size in both the U.S. and Europe**
  - GAA strategies are utilizing tail-hedging instruments and relative volatility exposures much more extensively
  - Some strategies are incorporating “alternative risk premia” and “smart beta” exposures
  - Industry wide, multi-asset strategies are increasingly being added to strategic asset allocations
  - GAA strategies are making larger resource commitment to build out broad multi-asset capabilities

- **Complement one another as well as the performance of traditional managers**
  - Reasonable correlations between strategies
  - Unique approach to allocating assets and identifying return opportunities
  - Generally provide greater downside protection

- **Represent a broad set of strategies**
  - Tactical/opportunistic asset class rotation (alpha)
  - Long-term strategic beta exposures
  - Real return focus

- **Improve the risk-return profile of the total fund when GTAA is added to the portfolio**
  - Better diversification of risk allocations (less dependence on equity risk)
  - Improved risk/return expectations
  - Diversification benefits
    - Adding new asset classes
    - Complement to existing managers; low correlations

- **Have reasonable fees**
  - Paying appropriately for beta exposure (cheap) and manager alpha (expensive)

- **NEPC therefore generally recommends implementation with 2-3 managers**

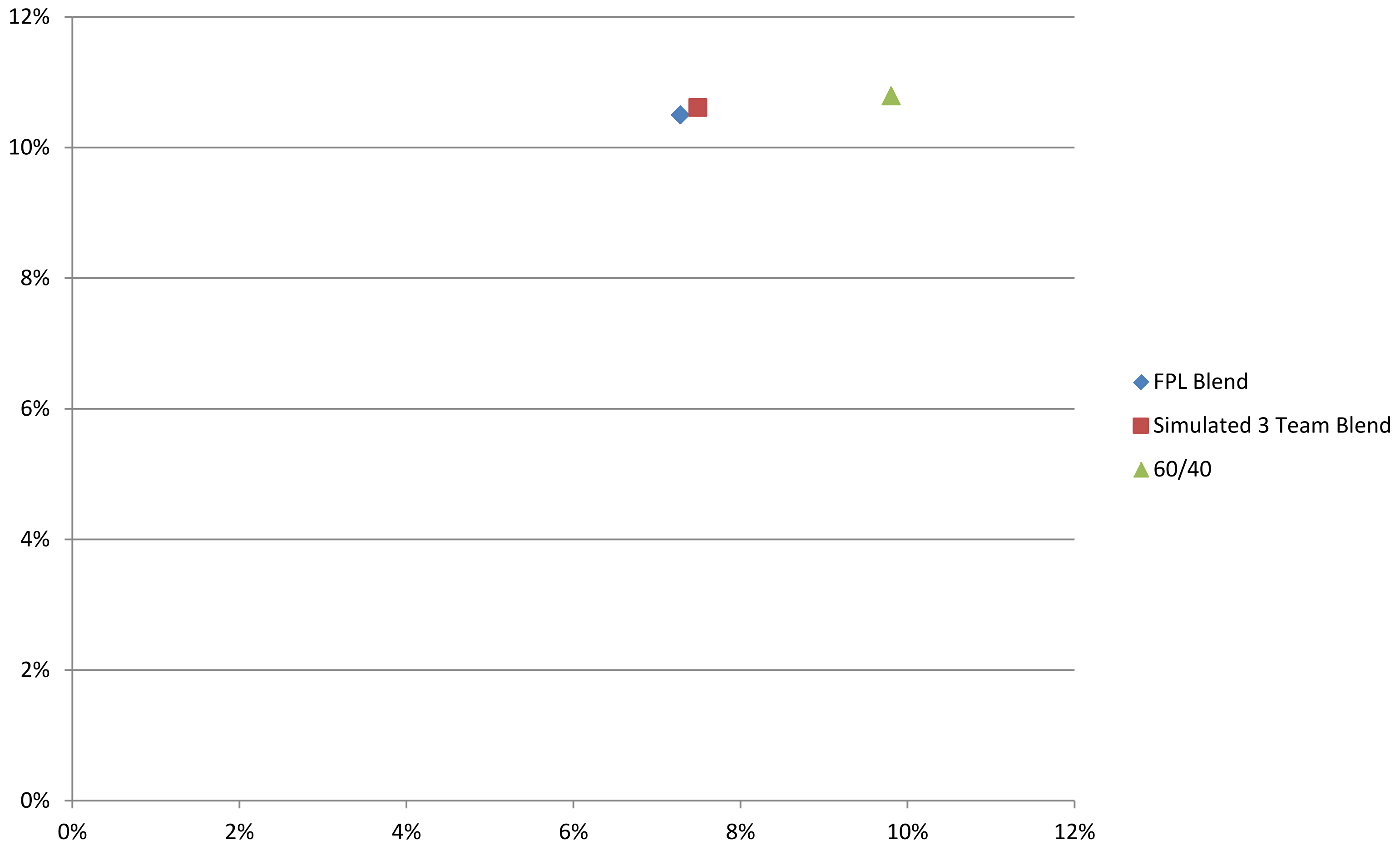
- **Certain asset classes will be helpful to have as long-term strategic exposure for diversification benefits or improved risk balance for the portfolio**
  - Inflation-Linked Bonds
  - Commodities
  - Increased exposure to bonds

- **Other asset classes may move between undervalued & overvalued**
  - High Yield
  - Emerging Markets

- **Global Tactical Asset Allocation managers can provide exposure to these asset classes when they are attractive**

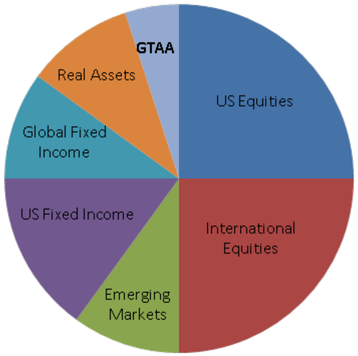
- **Many global managers have benchmarks of approximately 60% equity**
  - Volatility will be largely driven by equity returns
    - Majority of risk budget allocated to equities
  - Exposures will be more diversified and tactical
    - Some will be more global (also most liquid – only trading in developed markets)
    - Others be more focused (emerging markets, niche strategies, etc.)
    - Others will have a strategic tilt (more value oriented)
- **Conservative/Real Return focused strategies are often the least volatile**
  - More fixed income focused
  - Provide a hedge against inflation (and nice portfolio diversification)
  - Will provide exposure to markets potentially not accessed in other parts of the portfolio
    - TIPS
    - Commodities
- **Choosing a preferred manager in each of these strategies produces a well diversified and broad GTAA program**

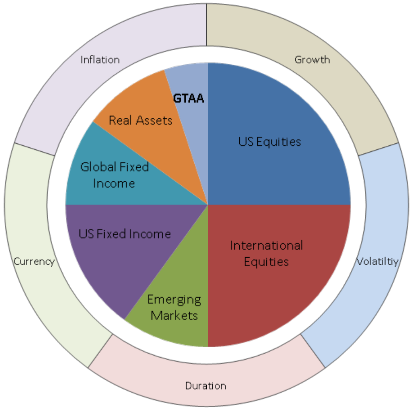
Risk can be reduced with a mix of GAA Managers (Five years ending 9/30/14)



The Difference Between Global Macro & GTAA Products

	Global Tactical Asset Allocation	Global Macro
Fees	Traditional, i.e. no incentive fee	Alternative, i.e. includes an incentive fee
Portfolio Construction	Portfolio is constructed of many dozens of independent positions	Portfolio is constructed of many dozen positions that fit into 4 – 7 main themes
Risk Management	Focused on concentration limits and total notional leverage	Risk Management is focused on not loosing money, (Concentration Limits, VaR Analysis, Stress Tests, Scenario Analysis, and Stop Losses), and is independent of total notional leverage
Trade Sizing	Trades are sized by conviction as a % of total NAV	Trades are sized by what they bring to the portfolio and by the specific downside risk of the individual trade as a % of a risk limit
Use of Non-Fundamental Indicators Like Top-down Momentum Signals	Do not focus on fund flows, market sentiment, or technical indicators	May consider fund flows, market sentiment, an/or technical indicators
Strategy Research & Opportunity Identification	Supply & Demand Top Down Fundamental Focus where the market is going to move	Combination of both technical and fundamental uses to attempt to identify where risk is mispriced in the market
Trade Structure	Straightforward	Complex - Trades within the portfolio are structured to create asymmetric payouts
Added Value	Created through selecting which market beta with which to be exposed in place of cash	Created through capturing trending markets, risk management, and by the asymmetric trade structures both long and short
Upside / Downside Ratio	Low	High
Long Term Beta	High	Low
Dynamic Investment Horizon	No	Yes
Relative Value Spread Trades	No	Yes
Wide Range of Return Drivers	No	Yes





- **GAA strategies can have an important role in client's portfolios**

- **NEPC has long recommended GAA managers**
  - 235 clients have exposure
  - Have had formal recommended list with nine managers for the last five years

- **Less constraints on GAA managers can lead to improved performance through manager skill**
  - Rotating in and out of strategies as they become attractive/overpriced
  - Allocating to asset classes with best expected risk-adjusted returns
  - Freedom to quickly implement opportunistic trades

- **Allocation to a team of GAA managers has less exposure to prolonged equity market drawdowns (reduce dependence on equity for returns)**
  - NEPC generally recommends implementing with 2-3 managers.

- **Allocation to GAA program provides total portfolio with broader diversification**
  - Higher exposure to less risky and under-utilized asset classes
  - Less liquid markets or niche strategies
  - Under-exposed risks (inflation protection)

Asset Allocation Comparison

	City of Fresno*	SBCERA	ASRS	OCERS	AZPSPRS	NMERB	VCERA	OK Tobacco
U.S. Equity	27	13	35	15	16	22	30	25
Non-U.S. Equity	25	15	23	15	14	15	14	15
Global Equity	-	-	-	5	-	-	10	-
Total Equity	**52**	**28**	**58**	**35**	**30**	**37**	**54**	**40**
Domestic Fixed Income	19	2	19	10	5	7	19	28
Credit/Private Debt	6	24	3	10	13	20	-	8
High Yield	6	-	-	-	-	-	-	7
Global Bonds	-	1	-	2	-	-	5	-
Emerging Market Debt	-	6	4	3	3	2	-	-
TIPS	-	-	-	-	-	-	-	-
Total Fixed Income	**31**	**33**	**26**	**25**	**21**	**29**	**24**	**43**
Real Estate	6	9	6	10	10	2	7	8
REITs	4	-	-	-	-	3	-	-
Private Equity	-	16	7	6	10	8	5	-
Absolute Return/Low Vol Equity	-	7	-	7	4	3	-	-
Total Alternatives	**10**	**32**	**13**	**23**	**27**	**16**	**12**	**8**
GTAA/Risk Parity	7	-	-	7	14	10	6	9
Real Assets/Commodities	-	5	4	10	8	7	4	-
Cash	-	2	-	-	2	1	-	-
Total Other	**7**	**7**	**4**	**17**	**24**	**18**	**10**	**9**
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**
As of Sept. 30, 2014:								
Total Assets ($ Millions)	***2,464***	***8,056***	***34,058***	***11,789***	***8,024***	***11,180***	***4,328***	***943***

**Became NEPC Client in 1Q 2013*

Current and Proposed Asset Allocation Mixes

	Current Target	Mix A	Mix B
Large Cap Equities	27%	25%	23%
Small/Mid Cap Equities	3%	3%	3%
Int'l Equities (Unhedged)	12%	12%	10%
Emerging Int'l Equities	2%	4%	2%
Global Equity	10%	8%	8%
Total Equity	**54%**	**52%**	**46%**
Core Bonds	12%	9%	9%
Global Bonds (Unhedged)	5%	2%	2%
Absolute Return Fixed Income	7%	7%	9%
US Credit	0%	2%	2%
Total Fixed Income	**24%**	**20%**	**22%**
Private Equity	5%	6%	6%
Real Estate (Core)	7%	8%	8%
Total Alternatives	**12%**	**14%**	**14%**
Global Asset Allocation	0%	0%	6%
Risk Parity	6%	8%	6%
MLPs	4%	6%	6%
Total Other	**10%**	**14%**	**18%**
Expected Return 5-7 Years	***6.3%***	***6.7%***	***6.5%***
Expected Return 30 Year	***7.6%***	***7.9%***	***7.7%***
Standard Dev of Asset Return	***12.4%***	***12.9%***	***12.3%***
Probability of 5-7 Yr over 7.75%	***39.8%***	***42.9%***	***41.0%***
Sortino Ratio MAR @ 0%	***0.62***	***0.63***	***0.64***
Sharpe Ratio	***0.39***	***0.40***	***0.41***

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
http://www.ventura.org/vcera

December 15, 2014

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

SUBJECT: PANTHEON GLOBAL SECONDARY FUND V

Dear Board Members:

On November 17, 2014, VCERA approved a commitment of $50 million to Pantheon's Global Secondary Fund V (Fund). VCERA recently received the Fund's investment documents and is seeking your Board's direction, or preference, for accomplishing the necessary legal review.

In the past, VCERA has utilized several capable firms to accomplish the work including Foley & Lardner, Reed Smith and Manatt, Phelps and Phillips. If the Board has a preference for a firm to utilize, then a motion to select a firm may be made. Alternatively, the Board may direct staff to make the selection in order to move forward with VCERA's commitment.

VCERA staff will be pleased to respond to any questions you may have on this matter at the December 15, 2014 business meeting.

Sincerely,

Tim Thonis
Interim Retirement Administrator

Ventura County Employees' Retirement Association

Governmental Accounting Standards (GAS) 67
Actuarial Valuation as of June 30, 2014

Segal Consulting
100 Montgomery Street Suite 500 San Francisco, CA 94104-4308
T 415.263.8200 www.segalco.com

December 8, 2014

Board of Retirement
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003-6572

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards (GAS) 67 Actuarial Valuation as of June 30, 2014. It contains various information that will need to be disclosed in order to comply with GAS 67.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Plan. The census and financial information on which our calculations were based was provided by the Retirement Association. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and expectations for the Plan.

We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By:

Paul Angelo, FSA, EA, MAAA, FCA	*John Monroe, ASA, EA, MAAA*
Senior Vice President and Actuary	*Vice President and Actuary*

/bqb
5200550.V22/5325.001

SECTION 1
VALUATION SUMMARY

SECTION 2
GASB 67 INFORMATION

SECTION 3
AICPA SCHEDULES

Purpose

This report has been prepared by Segal Consulting to present certain disclosure information required by Governmental Accounting Standards (GAS) 67 as of June 30, 2014. This valuation is based on:

- The benefit provisions of the Retirement Association, as administered by the Board;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2013, provided by the Retirement Office;
- The assets of the Plan as of June 30, 2014, provided by the Retirement Office;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

- The Governmental Accounting Standards Board (GASB) approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statement 27 and is for employer reporting. Statement 67 is effective with the fiscal year ending June 30, 2014 for Plan reporting and Statement 68 is effective with the fiscal year ending June 30, 2015 for employer reporting. The information contained in this valuation is intended to be used (along with other information) in order to comply with Statement 67.
- It is important to note that the new GASB rules only redefine pension liability and expense for financial reporting purposes, and do not apply to contribution amounts for pension funding purposes. Employers and plans can still develop and adopt funding policies under current practices.
- When measuring pension liability GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as VCERA uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is determined on generally the same basis as VCERA's Actuarial Accrued Liability (AAL) measure for funding. We note that the same is generally true for the Normal Cost component of the annual plan cost for funding and financial reporting.

- The TPL and the Plan's Fiduciary Net Position include liabilities and assets held for the Supplemental Medical ($27.50) Reserve. The TPL only includes a liability up to the amount in the Supplemental Medical ($27.50) Reserve. This is because we understand that the Supplemental Medical ($27.50) benefit is a nonvested benefit and once the reserve is depleted no further benefits would need to be paid.
- The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan's Fiduciary Net Position. The Plan's Fiduciary Net Position is equal to the market value of assets and therefore, the NPL measure is very similar to an Unfunded Actuarial Accrued Liability (UAAL) on a market value basis. The NPL decreased from $995 million as of June 30, 2013 to $553 million as of June 30, 2014 due to the approximately 18% return on the market value of assets during 2013/2014 that exceeded the assumed return of 7.75%. Changes in these values during the last two fiscal years ending June 30, 2013 and June 30, 2014 can be found in Exhibit 3 of Section 2.
- The net pension liability was measured as of June 30, 2014 and 2013. Plan fiduciary net position (plan assets) was valued as of the measurement date while the total pension liability was determined based upon rolling forward the total pension liability from actuarial valuations as of June 30, 2013 and 2012, respectively.
- The discount rates used to determine the TPL and NPL as of June 30, 2014 and 2013 were 7.75% and 7.75%, respectively, following the same assumptions used by the Association in the funding valuations as of June 30, 2013 and June 30, 2012. The detailed derivation of the discount rate of 7.75% used in the calculation of the TPL and NPL as of June 30, 2014 can be found in Exhibit 5 of Section 2.
- Various other information that is required to be disclosed can be found throughout Exhibits 1 through 4 in Section 2.
- Section 3 contains two schedules that the American Institue of Certified Public Accountants (AICPA) recommends be prepared by cost sharing pension plans. These two schedules contain summary information related to GASB 68 and are based on many of the results shown earlier in this report. The first schedule shows the method used for allocating the NPL along with the NPL amounts allocated amongst all of the employers in VCERA. The second schedule is a summary that shows the allocated NPL, deferred outflows and inflows of resources and pension expense by employer. Further information regarding GASB 68 including additional information that employers will need to disclose will be provided in a separate report that is anticipated to be completed during the first quarter of 2015.

Summary of Key Valuation Results

	2014	2013
Disclosure elements for fiscal year ending June 30:		
Service cost	$122,896,442	$118,839,073
Total pension liability	4,828,039,882	4,622,116,813
Plan fiduciary net position	4,274,885,864	3,627,505,467
Net pension liability	553,154,018	994,611,346
Schedule of contributions for fiscal year ending June 30:		
Actuarially determined contributions	$161,247,000	$142,370,000
Actual contributions	$161,247,000	$142,370,000
Contribution deficiency (excess)	0	0
Demographic data for plan year ending June 30:		
Number of retired members and beneficiaries	6,121	5,888
Number of vested terminated members(1)	2,339	2,249
Number of active members	8,210	8,068
Key assumptions:		
Investment rate of return	7.75%	7.75%
Inflation rate	3.25%	3.25%
Projected salary increases(2)	4.50% - 12.50%, varying by service, including inflation	4.50% - 12.50%, varying by service, including inflation

(1) *Includes terminated members with member contributions on deposit.*

(2) *Includes inflation at 3.25% plus real across-the-board salary increase of 0.75% plus merit and promotional increases.*

EXHIBIT 1

General Information – "Financial Statements", Note Disclosures and Required Supplementary Information for a Cost-Sharing Pension Plan

Plan Description

Plan administration. The Ventura County Employees' Retirement Association (VCERA) was established by the County of Ventura in 1947. VCERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.) and the California Public Employees' Pension Reform Act of 2013 or "PEPRA" (California Government Code Section 7522 et. seq.). VCERA is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the safety and general members employed by the County of Ventura. VCERA also provides retirement benefits to the employee members of the Ventura County Courts, Air Pollution Control District, and the Ventura Regional Sanitation District.

The management of VCERA is vested with the VCERA Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the general membership; one member and one alternate are elected by the safety membership, one member and one alternate are elected by the retired members of the Association. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

Plan membership. At June 30, 2014, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	6,121
Vested terminated members entitled to but not yet receiving benefits[1]	2,339
Active members	8,210
Total	16,670

[1] Includes terminated members with member contributions on deposit.

Benefits provided. VCERA provides service retirement, disability, death and survivor benefits to eligible employees. All permanent employees of the County of Ventura or contracting district who work a regular schedule of 64 or more hours per bi-weekly pay period become members of VCERA upon appointment. There are separate retirement plans for safety and general member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and probation. Any new Safety Member who becomes a member on or after January 1, 2013 is designated PEPRA Safety. All other employees are classified as general members. There are four tiers applicable to general members. Those hired prior to June 30, 1979, and certain management personnel who entered service prior to October 16, 2001, are included in Tier 1. Those hired after that date are included in Tier 2. New Members employed after January 1, 2013 are designated as PEPRA Tier 1 or 2.

General members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 52, and have acquired five or more years of retirement service credit.

Safety members prior to January 1, 2013, are eligible to retire once they attain the age of 70 regardless of service or at age 50 and have acquired 10 or more years of retirement service credit. A member with 20 years of service is eligible to retire regardless of age. Safety members who are first hired on or after January 1, 2013, are eligible to retire once they have attained the age of 70 regardless of service or at age 50, and have acquired five or more years of retirement service credit.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

General member benefits for Tier 1 and Tier 2 are calculated pursuant to the provisions of sections 31676.11 and 31676.1, respectively. The monthly allowance is equal to 1/90th of the first $350 of final compensation, plus 1/60th of the excess final compensation times years of accrued retirement service credit times age factor from either section 31676.11 (Tier 1) or 31676.1 (Tier 2). General member benefits for those who are first hired on or after January 1, 2013, are calculated pursuant to the provision California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from section 7522.20(a).

Safety member benefits are calculated pursuant to the provisions of California Government Code Section 31664. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from Section 31664. For those Safety member benefits first hired on or after January 1, 2013, are calculated pursuant to the provision California Government Code Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from section 7522.25(d).

For members with membership dates before January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no final compensation limit on the maximum retirement benefit for members with membership dates on or after January 1, 2013.

The maximum amount of compensation earnable that can be taken into account for 2014 for members with membership dates on or after July 1, 1996 but before January 1, 2013 is $260,000. For members with membership dates on or after January 1, 2013 the maximum amount of pensionable compensation that can be taken into account for 2014 is equal to $115,064 for those enrolled in Social Security ($138,077 for those not enrolled in Social Security). These limits are adjusted on an annual basis. Members are exempt from paying member conributions and employers are exempt from paying employer contributions on compensation in excess of the annual cap.

Final average compensation consists of the highest 12 consecutive months for a Safety or Tier 1 General member and the highest 36 consecutive months for a Tier 2, PEPRA Tier 1 and 2, General and PEPRA Safety member.

The member may elect an unmodified retirement allowance, or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse. An eligible surviving spouse is one married to the member at least two years prior to the date of death and has attained age 55 on or prior to the date of death. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse or named beneficiary having an insurable interest in the life of the member.

VCERA provides an annual cost-of-living benefit to Safety and Tier 1 General member retirees. The cost-of-living adjustment, based upon the Consumer Price Index for the Los Angeles, Riverside, Orange County area, is capped at 3.0%. Certain Tier 2 general member retirees receive a fixed 2% cost-of-living adjustment pursuant to collective bargaining agreements.

The County of Ventura and contracting districts contribute to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from VCERA's actuary after the completion of the annual actuarial valuation. The average employer contribution rate as of June 30, 2014 for 2013-2014 (based on the June 30, 2012 valuation) was 26.63% of compensation.

Members are required to make contributions to VCERA regardless of the retirement plan or tier in which they are included. The average member contribution rate as of June 30, 2014 for 2013-2014 (based on the June 30, 2012 valuation) was 8.53% of compensation.

EXHIBIT 2
Net Pension Liability

The components of the net pension liability are as follows:

	June 30, 2014	June 30, 2013
Total pension liability	$4,828,039,882	$4,622,116,813
Plan fiduciary net position	4,274,885,864	3,627,505,467
Net pension liability	$553,154,018	$994,611,346
Plan fiduciary net position as a percentage of the total pension liability	88.54%	78.48%

The net pension liability was measured as of June 30, 2014 and 2013. Plan fiduciary net position (plan assets) was valued as of the measurement date while the total pension liability was determined based upon rolling forward the total pension liability from actuarial valuations as of June 30, 2013 and 2012, respectively.

Plan provisions. The plan provisions used in the measurement of the net pension liability are the same as those used in the VCERA actuarial valuation as of June 30, 2013. The TPL and the Plan's Fiduciary Net Position include liabilities and assets held for the Supplemental Medical ($27.50) Reserve.

Actuarial assumptions and methods. The total pension liabilities as of June 30, 2014 and June 30, 2013 were determined by actuarial valuations as of June 30, 2013 and June 30, 2012, respectively. The actuarial assumptions used were based on the results of an experience study for the period July 1, 2008 through June 30, 2011. They are the same as the assumptions used in the June 30, 2013 funding actuarial valuation for VCERA and will be used in the June 30, 2014 funding actuarial valuation. The assumptions used in the funding valuations are outlined on page 9 of this report. The only exception is that for GAS 67 purposes, the investment return assumption used is net of investment expenses only and is not net of administrative expenses. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	4.50% to 12.50%, varying by service, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation
Other assumptions	Same as those that will be used in June 30, 2014 funding valuation

The Entry Age Actuarial Cost Method used in VCERA's annual actuarial valuation has also been applied in measuring the Service Cost and TPL with one exception. For purposes of measuring the Service Cost and TPL, we have reflected the same plan provisions used in determining the member's Actuarial Present Value of Projected Benefits. This is different from the version of this method applied in VCERA's annual funding valuation, where the Normal Cost and Actuarial Accrued Liability are determined as if the current benefit accrual rate had always been in effect.

The long-term expected rate of return on pension plan investments was determined in 2012 using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. This information is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	39.00%	6.22%
International equity	21.00%	6.78%
Core Bonds	16.25%	1.06%
Global Bonds	5.00%	1.45%
Real Estate	10.00%	5.05%
Credit Strategies	3.75%	4.18%
Private Equity	5.00%	11.08%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.75% as of both June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employee and employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of both June 30, 2014 and June 30, 2013.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability as of June 30, 2014, calculated using the discount rate of 7.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	**Current Discount Rate (7.75%)**	**1% Increase (8.75%)**
Net pension liability as of June 30, 2014	$1,174,916,133	$553,154,018	$34,576,118

EXHIBIT 3

Schedules of Changes in Net Pension Liability – Last Two Fiscal Years

	2014	2013
Total pension liability		
Service cost	$122,896,442	$118,839,073
Interest	355,299,273	339,999,929
Change of benefit terms	0	0
Differences between expected and actual experience	-48,740,356	-94,020,350
Changes of assumptions	0	0
Benefit payments, including refunds of member contributions	-223,532,290	-209,957,957
Net change in total pension liability	$205,923,069	$154,860,695
Total pension liability – beginning	4,622,116,813	4,467,256,118
Total pension liability – ending (a)	$4,828,039,882	$4,622,116,813
Plan fiduciary net position		
Contributions – employer	$169,703,083	$150,687,842
Contributions – employee	46,674,443	44,463,983
Net investment income	658,579,885	436,638,119
Benefit payments, including refunds of member contributions	-223,532,290	-209,957,957
Administrative expense	-4,044,724	-3,943,727
Other	0	0
Net change in plan fiduciary net position	$647,380,397	$417,888,260
Plan fiduciary net position – beginning	3,627,505,467	3,209,617,207
Plan fiduciary net position – ending (b)	$4,274,885,864	$3,627,505,467
Net pension liability – ending (a) – (b)	$553,154,018	$994,611,346
Plan fiduciary net position as a percentage of the total pension liability	88.54%	78.48%
Covered employee payroll	$642,779,000	$632,146,000
Plan net pension liability as percentage of covered employee payroll	86.06%	157.34%

Notes to Schedule:

Benefit changes: All members with membership dates on or after January 1, 2013 enter the new tiers created by the California Public Employees' Pension Reform Act of 2013 (PEPRA).

EXHIBIT 4

Schedule of VCERA's Contributions – Last Ten Fiscal Years

Year Ended June 30	Actuarially Determined Contributions[1]	Contributions in Relation to the Actuarially Determined Contributions[1]	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2005	$51,792,000	$51,792,000	$0	$475,935,000	10.88%
2006	74,373,000	74,373,000	0	478,053,000	15.56%
2007	86,455,000	86,455,000	0	519,145,000	16.65%
2008	104,429,000	104,429,000	0	551,968,000	18.92%
2009	105,278,000	105,278,000	0	599,173,000	17.57%
2010	97,324,000	97,324,000	0	634,777,000	15.33%
2011	111,585,000	111,585,000	0	654,829,000	17.04%
2012	132,386,000	132,386,000	0	637,037,000	20.78%
2013	142,370,000	142,370,000	0	632,146,000	22.52%
2014	161,247,000	161,247,000	0	642,779,000	25.09%

[1] Actuarially determined contributions exclude employer paid member contributions.

See accompanying notes to this schedule on next page.

Notes to Exhibit 4

Methods and assumptions used to establish "actuarially determined contribution" rates:	
Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of payroll (4.00% payroll growth assumed)
Remaining amortization period	15 years for UAAL as of June 30, 2004. Any changes in UAAL after June 30, 2004 are separately amortized over a 15-year closed period effective with that valuation. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with that valuation.
Asset valuation method	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. The Actuarial Value of Assets is reduced by the value of the supplemental medical benefit reserve and statutory contingency reserve. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.
Actuarial assumptions:	
Investment rate of return	7.75%, net of pension plan administration and investment expenses, including inflation
Inflation rate	3.25%
Real across-the-board salary increase	0.75%
Projected salary increases*	4.50% - 12.50%, varying by service, including inflation
Cost of living adjustments	For General Tier 1 and Safety, 3% (actual increases are contingent upon CPI increases with a 3.00% maximum). For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.
Other Assumptions:	Same as those used in the June 30, 2013 funding actuarial valuation and will be used in the June 30, 2014 funding actuarial valuation.

** Includes inflation at 3.25% plus real across-the-board salary increase of 0.75% plus merit and promotional increases.*

EXHIBIT 5

Projection of Pension Plan's Fiduciary Net Position for Use in Calculation of Discount Rate as of June 30, 2014

($ in millions)

Year Beginning July 1,	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Ending Plan Fiduciary Net Position (f) = (a) + (b) - (c) - (d) + (e)
2013	$3,628	$216	$224	$4	$659	$4,275
2014	4,275	228	247	5	331	4,583
2015	4,583	224	263	5	354	4,893
2016	4,893	219	280	5	378	5,204
2017	5,204	209	298	6	401	5,510
2018	5,510	203	316	6	423	5,814
2019	5,814	150	334	6	444	6,068
2020	6,068	141	352	7	463	6,313
2021	6,313	120	372	7	480	6,534
2022	6,534	133	392	7	497	6,765
2038	8,123	27	665	9	607	8,082
2039	8,082	23	674	9	603	8,025
2040	8,025	20	683	9	598	7,952
2041	7,952	17	690	9	592	7,862
2042	7,862	14	695	9	585	7,758
2087	12,545	0	16	14	971	13,486
2088	13,486	0	13	15	1,044	14,503
2089	14,503	0	10	16	1,123	15,600
2090	15,600	0	7	17	1,208	16,783
2091	16,783	0	6	19	1,300	18,059
2124	190,012	0	0 *	212	14,718	204,518
2125	204,518					
2125 Discounted Value:	48 **					

* Less than $1 M, when rounded.

** $204,518 million when discounted with interest at the rate of 7.75% per annum has a value of $48 M as of June 30, 2014.

EXHIBIT 5

Projection of Pension Plan's Fiduciary Net Position for Use in Calculation of Discount Rate as of June 30, 2014

($ in millions) - continued

Notes:

(1) Amounts may not total exactly due to rounding.

(2) Amounts shown in the year beginning July 1, 2013 row are actual amounts, based on the unaudited financial statements provided by VCERA.

(3) Years 2023-2037, 2043-2086, and 2092-2123 have been omitted from this table.

(4) Column (a): Except for the "discounted value" shown for 2125, none of the projected beginning plan fiduciary net position amounts shown have been adjusted for the time value of money.

(5) Column (b): Projected total contributions include employee and employer normal cost rates applied to closed group projected payroll (based on covered active members as of June 30, 2013), plus employer contributions to the unfunded actuarial accrued liability. Contributions are assumed to occur halfway through the year, on average.

(6) Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of June 30, 2013. The projected benefit payments reflect the cost of living increase assumptions used in June 30, 2013 valuation report and include projected benefits associated with the Supplemental Medical ($27.50) Reserve.

(7) Column (d): Projected administrative expenses are calculated as approximately 0.11% of the projected beginning plan fiduciary net position amount. The 0.11% portion was based on the actual fiscal year 2013/2014 administrative expenses (unaudited) as a percentage of the actual beginning plan fiduciary net position as of July 1, 2013. Administrative expenses are assumed to occur halfway through the year, on average.

(8) Column (e): Projected investment earnings are based on the assumed investment rate of return of 7.75% per annum and reflect the actual timing of benefit payments, which are made at the end of each month.

(9) As illustrated in this Exhibit, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected "cross-over date" when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 7.75% per annum was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

EXHIBIT A

Schedule of Employer Allocations as of June 30, 2014

July 1, 2013 to June 30, 2014
Actual Compensation by Employer and Tier

Employer ID	Employer	General Tier 1 and 2	General Tier 1 and 2 %	Safety Tier	Safety Tier %	Total Compensation	Total %
01	County of Ventura	$435,463,038	91.340%	$166,030,608	100.000%	$601,493,646	93.577%
10	Ventura County Courts	$32,106,371	6.735%	$0	0.000%	$32,106,371	4.995%
11	Ventura County Air Pollution Control Department	$4,421,483	0.927%	$0	0.000%	$4,421,483	0.688%
22	Ventura Regional Sanitation District	$4,757,644	0.998%	$0	0.000%	$4,757,644	0.740%
	Total	$476,748,535	100.000%	$166,030,608	100.000%	$642,779,144	100.000%

Allocation of June 30, 2014 Estimated Net Pension Liability (NPL)

Employer ID	Employer	General Tier 1 and 2	General Tier 1 and 2 %	Safety Tier	Safety Tier %	Total NPL	Employer Allocation Percentage
01	County of Ventura	$230,356,648	91.340%	$300,957,654	100.000%	$531,314,302	96.052%
10	Ventura County Courts	16,984,027	6.735%	0	0.000%	16,984,027	3.070%
11	Ventura County Air Pollution Control Department	2,338,931	0.927%	0	0.000%	2,338,931	0.423%
22	Ventura Regional Sanitation District	2,516,758	0.998%	0	0.000%	2,516,758	0.455%
	Total	$252,196,364	100.000%	$300,957,654	100.000%	$553,154,018	100.000%

Notes:
Actual July 1, 2013 through June 30, 2014 compensation information was provided by VCERA.

The Net Pension Liability (NPL) for each tier is the Total Pension Liability (TPL) minus the Plan Net Position. The Total Pension Liabilty for each tier is obtained from internal valuation results based on the actual particpants in each tier. The Plan Net Position for each tier was estimated by adjusting each tier's internally tracked valuation value of assets (which is used to determine employer contribution rates by tier) by the ratio of the total VCERA plan net position to total VCERA valuation value of assets.
Based on this methodology, any non-valuation reserves (such as the $27.50 Supplemental Medical Benefit) are allocated amongst the tiers based on each tier's valuation value of assets.

The Safety Tier only has one employer (County of Ventura), so all of the NPL for that tier is allocated to the County.

For the two other tiers that have multiple employers, the NPL is allocated based on the actual compensation for each employer in the tier during the period ending on the measurement date within the tier.
- Calculate ratio of employer's compensation to the total compensation for the tier.
- This ratio is multiplied by the NPL for the tier to determine the employer's proportionate share of the NPL for the tier.
- If the employer is in several tiers, the employer's total allocated NPL is the sum of its allocated NPL from each tier.
- Proportionate share of total plan NPL is then the ratio of the employer's total allocated NPL to the total NPL of all employers.
- In this allocation, General Tier 1 and 2 were treated as one tier (combined) consistent with the determination of the Basic UAAL rate in the actuarial valuation.

EXHIBIT B

Schedule of Pension Amounts by Employer as of June 30, 2014

Deferred Outflows of Resources	County of Ventura	Ventura County Courts	Ventura County Air Pollution Control Department	Ventura Regional Sanitation District	Total for All Employers
Differences Between Expected and Actual Experience	$0	$0	$0	$0	$0
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	0	0	0	0	0
Changes of Assumptions	0	0	0	0	0
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	0	431,427	103,022	62,374	596,823
Total Deferred Outflows of Resources	$0	$431,427	$103,022	$62,374	$596,823
Deferred Inflows of Resources					
Differences Between Expected and Actual Experience	$37,932,493	$1,212,553	$166,985	$179,681	$39,491,712
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	290,370,069	9,281,988	1,278,256	1,375,440	302,305,753
Changes of Assumptions	0	0	0	0	0
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	596,823	0	0	0	596,823
Total Deferred Inflows of Resources	$328,899,385	$10,494,541	$1,445,241	$1,555,121	$342,394,288
Net Pension Liability as of June 30, 2013	$955,341,941	$30,538,522	$4,205,569	$4,525,315	$994,611,346
Net Pension Liability as of June 30, 2014	$531,314,302	$16,984,027	$2,338,931	$2,516,758	$553,154,018

EXHIBIT B

Schedule of Pension Amounts by Employer as of June 30, 2014 (continued)

Pension Expense	County of Ventura	Ventura County Courts	Ventura County Air Pollution Control Department	Ventura Regional Sanitation District	Total for All Employers
Proportionate Share of Plan Pension Expense	$67,277,762	$2,150,605	$296,168	$318,685	$70,043,220
Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-139,771	101,037	24,127	14,607	0
Total Employer Pension Expense	$67,137,991	$2,251,642	$320,295	$333,292	$70,043,220

Notes:

Amounts shown in this exhibit excluding the differences between employer contributions and proportionate share of contributions were allocated by employer based on the Employer Allocation Percentage calculated in Exhibit A.

In determining the pension expense:
- Any differences between projected and actual investment earnings on pension plan investments are recognized over a period of five years beginning with the year in which they occur.
- Differences between expected and actual experience and between employer contributions and proportionate share of contributions are recognized over the average of the expected remaining service lives of all employees that are provided with pensions through VCERA determined as of June 30, 2013 (the beginning of the measurement periodn ending June 30, 2014) and is 5.27 years.

The average of the expected remaining service lives of all employees was determined by:
- Calculating each active employees' expected remaining service life as the present value of $1 per year of future service at zero percent interest.
- Setting the remaining service life to zero for each nonactive or retired members.
- Dividing the sum of the above amounts by the total number of active employee, nonactive and retired members.

Only for this initial transition year, the beginning of the year Net Pension Liability as of June 30, 2013 was allocated by using the same Employer Allocation Percentage shown in Exhibit A as of June 30, 2014.

We did not attempt to determine the beginning balances for deferred inflows of resources and deferred outflows of resources as of the beginning of the period for the 2013/14 fiscal year. Per paragraph 137 of GAS 68, these balances are assumed to be zero.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003-6572
(805) 339-4250 • Fax: (805) 339-4269
http://www.ventura.org/vcera

December 15, 2014

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

SUBJECT: DISTRIBUTION OF JUNE 30, 2014 ACTUARIAL VALUATION AND REVIEW

Dear Board Members:

Recommendation:

Accept receipt of the June 30, 2014 Actuarial Valuation and Review (Valuation) and direct staff to provide copies of the Valuation to all employee organizations recognized by the County of Ventura.

Discussion:

Attached is the June 30, 2014 Valuation that summarizes the actuarial data used, establishes the funding requirements for fiscal year 2015-2016 and analyzes the preceding year's actuarial experience. As the Board is aware, a settlement agreement in the VCDSA, SEIU, VCPPOA, et al. v. Board of Retirement lawsuit provides that VCERA shall notify all employee organizations recognized by the County of Ventura of its receipt of the Valuation and shall provide a copy of the Valuation to each such organization at least 25 days prior to the Board taking any action.

Segal Consulting will be present at the January 26, 2015, business meeting to discuss and answer questions related to the June 30, 2014 Valuation. Please attempt to submit any questions that arise during your review of the Valuation to VCERA staff in advance of the January 26th meeting so that Segal Consulting may be prepared to answer your questions at the meeting.

VCERA staff will be pleased to respond to any questions you may have on this matter at the December 15, 2014 business meeting.

Sincerely,

Tim Thonis
Interim Retirement Administrator

Ventura County Employees' Retirement Association

Actuarial Valuation and Review as of June 30, 2014

Segal Consulting

This report has been prepared at the request of the Board of Retirement to assist in administering the Fund. This valuation report may not otherwise be copied or reproduced in any form without the consent of the Board of Retirement and may only be provided to other parties in its entirety. The measurements shown in this actuarial valuation may not be applicable for other purposes.

THE SEGAL GROUP
Founded in 1939

Segal Consulting

100 MONTGOMERY STREET, SUITE 500 SAN FRANCISCO, CA 94104
T 415.263.8200 F 415.376.1167 www.segalco.com

December 8, 2014

Board of Retirement
Ventura County Employees' Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003-6572

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2014. It summarizes the actuarial data used in the valuation, establishes the funding requirements for fiscal 2015-2016 and analyzes the preceding year's experience.

This report was prepared in accordance with generally accepted actuarial principles and practices at the request of the Board to assist in administering the Plan. The census and financial information on which our calculations were based was provided by the Retirement Association. That assistance is gratefully acknowledged.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of John Monroe, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal Consulting, a Member of The Segal Group, Inc.

By:

Paul Angelo, FSA, EA, MAAA, FCA
Senior Vice President and Actuary

John Monroe, ASA, EA, MAAA
Vice President and Actuary

AW/hy

SECTION 1

VALUATION SUMMARY

SECTION 2

VALUATION RESULTS

SECTION 3

SUPPLEMENTAL INFORMATION

SECTION 4

REPORTING INFORMATION

PURPOSE AND SCOPE

This report has been prepared by Segal Consulting to present a valuation of the Ventura County Employees' Retirement Association as of June 30, 2014. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Association, as administered by the Board of Retirement;
- The characteristics of covered active members, terminated vested members, and retired members and beneficiaries as of June 30, 2014, provided by the Retirement Office;
- The assets of the Plan as of June 30, 2014, provided by the Retirement Office;
- Economic assumptions regarding future salary increases and investment earnings; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.

One of the general goals of an actuarial valuation is to establish contributions which fully fund the system’s liabilities, and which, as a percentage of payroll, remain as level as possible for each generation of active members. Annual actuarial valuations measure the progress toward this goal, as well as test the adequacy of the contribution rates.

In preparing this valuation, we have employed generally accepted actuarial methods and assumptions to evaluate the Association’s assets, liabilities and future contribution requirements. Our calculations are based upon member data and financial information provided to us by the Association’s staff. This information has not been audited by us, but it has been reviewed and found to be consistent, both internally and with the prior year’s information.

Please note that the Actuarial Standards Board has adopted Actuarial Standard of Practice (ASOP) No. 4 that provides guidelines for actuaries to follow when measuring pension obligations. For a plan such as that offered by the Retirement Association that may use undistributed excess earnings to provide supplemental benefits, the valuation report must indicate that the impact of any such future use of undistributed excess earnings on the future financial condition of the plan has not been explicitly measured or otherwise reflected in the valuation.

The contribution requirements are determined as a percentage of payroll. The Association’s employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In 2004, the Board elected to amortize the Association’s Unfunded Actuarial Accrued Liability (UAAL) as of June 30, 2004 over a declining 15-year period. Any change in the UAAL after June 30, 2004 is amortized over separate 15-year declining amortization periods.

Ref: Pg. 41

Effective with the June 30, 2012 valuation, any change in the UAAL that arises due to assumption changes is amortized over separate 20-year declining amortization periods. Also, any change in the UAAL that arises due to retirement incentives is annualized over separate declining amortization period of up to 5 years.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2015 through June 30, 2016.

SIGNIFICANT ISSUES IN THIS VALUATION

The following key findings were the result of this actuarial valuation:

Ref: Pg. 10

- The market value of assets earned a return of 18.1% for the July 1, 2013 to June 30, 2014 plan year. The valuation value of assets earned a return of 8.1% for the same period due to the deferral of most of the current year investment gains and the recognition of prior investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.75%. This actuarial investment gain decreased the average employer contribution rate by 0.19% of compensation.

Ref: Pg. 49
Ref: Pg. 40

- The ratio of the valuation value of assets to actuarial accrued liabilities increased from 79.2% to 82.7%. The Association’s Unfunded Actuarial Accrued Liability (UAAL) decreased from $953 million as of June 30, 2013 to $820 million as of June 30, 2014. This decrease is primarily due to expected changes in the UAAL, lower than expected individual salary increases and lower than expected benefit increases for retirees and beneficiaries offset to some extent by actual contributions less than expected. A complete reconciliation of the Association’s UAAL is provided in Section 3, Exhibit H.

Ref: Pg. 20

- The average employer rate decreased from 29.03% of payroll to 28.11% of payroll. This decrease is primarily due to lower than expected individual salary increases, lower than expected benefit increases for retirees and beneficiaries, the investment gain (on the valuation value of assets) and other experience gains offset to some extent by actual contributions less than expected and lower than expected total payroll growth. A complete reconciliation of the Association’s employer rate is provided in Section 2, Subsection D (see Chart 15).

- The Association approved a three-year phase-in for the change in employer contribution rate due to the changes in economic actuarial assumptions and the actuarial cost method from the June 30, 2012 valuation. For the June 30, 2014 valuation, the phase-in has been completed. Note that the June 30, 2013 results shown in this valuation report do not include the effect of the phase-in.

Ref: Pg. 21

- The average member rate increased from 8.58% of payroll to 8.61% of payroll. A complete reconciliation of the member rate is provided in Section 2, Subsection D (see Chart 16).

Ref: Pg. 5

- As indicated in Section 2, Subsection B of this report, the net unrecognized investment gain as of June 30, 2014 is $310 million (as compared to an unrecognized loss of $6 million in the June 30, 2013 valuation). This investment gain will be recognized in the determination of the actuarial value of assets for funding purposes over the next few years. This means that if the plan earns the assumed rate of investment return of 7.75% per year (net of expenses) on a **market value** basis then the deferred gains will be recognized over the next few years as shown in the footnote to Chart 7.

- The net deferred gains of $310 million represent about 7.3% of the market value of assets. Unless offset by future investment losses or other unfavorable experience, the recognition of the $310 million market gains is expected to have an impact on the Association's future funded ratio and average employer contribution rate. This potential impact may be illustrated as follows:
  - If the net deferred gains were recognized immediately in the valuation value of assets, the funded ratio would increase from 82.7% to 89.2%.
  - If the net deferred gains were recognized immediately in the valuation value of assets, the average employer rate would decrease from 28.11% to about 23.90% of payroll.

Ref: Pg. 73

- As requested by VCERA staff, Appendix C and Appendix D show the employer and member contribution rates based on a 50/50 sharing of Normal Cost for non-PEPRA Tiers. For purposes of these calculations, we have been directed by VCERA to assume that the cessation of member contributions after 30 years of service for non-PEPRA members continues per the County Employees Retirement Law (CERL) and that the cost associated with this provision is to be paid for by employers.

- The actuarial valuation report as of June 30, 2014 is based on financial information as of that date. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan.

Ref: Pg. 22
Ref: Pg. 48-50

- The Governmental Accounting Standards Board (GASB) approved two new Statements affecting the reporting of pension liabilities for accounting purposes. Statement 67 replaces Statement 25 and is for plan reporting. Statement 68 replaces Statement 27 and is for employer reporting. It is important to note that the new GASB rules only redefine pension expense for financial reporting purposes, and do not apply to contribution amounts for actual pension funding purposes. Employers and plans can still develop and adopt funding policies under current practices. Because Statement 68 is not effective until the fiscal year ending June 30, 2015 for VCERA employer reporting, we have continued to include financial reporting information in this report in accordance with Statement 27. Financial reporting information for Statement 67 is provided in a separate report that follows this report.

Impact of Future Experience on Contribution Rates

Future contribution requirements may differ from those determined in the valuation because of:

- Differences between actual experience and anticipated experience;
- Changes in actuarial assumptions or methods;
- Changes in statutory provisions; and
- Differences between the contribution rates determined by the valuation and those adopted by the Board.

Summary of Key Valuation Results (all dollar amounts in thousands)

	June 30, 2014		June 30, 2013[2]	
Employer Contribution Rates: [1]	Total Rate	Estimated Annual Amount[3]	Total Rate	Estimated Annual Amount[3]
General Tier 1	61.89%	$6,190	50.20%	$5,696
General PEPRA Tier 1[4]	N/A	N/A	46.11%	506
General Tier 2	18.07%	37,913	18.68%	39,639
General PEPRA Tier 2	16.63%	1,978	17.03%	539
General Tier 2C[5]	19.16%	43,813	19.65%	47,316
General PEPRA Tier 2C[5]	17.67%	4,233	17.91%	1,405
General Combined	19.43%	94,127	19.96%	95,101
Safety	53.87%	86,233	55.68%	90,249
Safety PEPRA	50.30%	1,913	53.56%	92
Safety Combined	53.79%	88,146	55.68%	90,341
All Categories combined	28.11%	$182,273	29.03%	$185,442
Average Member Contribution Rates: [1][6]	Total Rate	Estimated Annual Amount[3]	Total Rate	Estimated Annual Amount[3]
General Tier 1	9.16%	$916	9.16%	$1,039
General PEPRA Tier 1[4]	N/A	N/A	6.50%	71
General Tier 2	5.78%	12,129	5.78%	12,267
General PEPRA Tier 2	6.92%	823	6.83%	216
General Tier 2C[5]	8.41%	19,231	8.41%	20,253
General PEPRA Tier 2C[5]	9.55%	2,288	9.46%	742
Safety	12.40%	19,849	12.44%	20,163
Safety PEPRA	14.69%	559	16.14%	28
All Categories combined	8.61%	$55,795	8.58%	$54,779

(1) *Before reflection of any member rate that may be "picked-up" by the employer. Contributions are assumed to be paid throughout the year.*

(2) *Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and the actuarial cost method from the June 30, 2012 valuation.*

(3) *Based on projected compensation for each year shown.*

(4) *There are no active members in General PEPRA Tier 1 as of June 30, 2014.*

(5) *Throughout this report, this category represents those Tier 2 members who contribute a negotiated 2.63% of compensation for a fixed 2% COLA pursuant to Government Code 31627 that applies to service after March 2003.*

(6) *The non-refundability factors as of June 30, 2014 are 0.97 for General Tier 1 and Tier 2 (non-PEPRA) and 0.99 for Safety (non-PEPRA) compared to 0.94 for General Tier 1 and Tier 2 (non-PEPRA) and 0.98 for Safety (non-PEPRA) from June 30, 2013.*

Summary of Key Valuation Results (continued) (all dollar amounts in thousands)

	June 30, 2014	June 30, 2013
Funded Status:		
Actuarial accrued liability(AAL)(1)	$4,731,016	$4,575,063
Valuation value of assets (VVA)(1)	3,910,801	3,621,709
Market value of assets (MVA)	4,274,886	3,627,505
Funded percentage on VVA basis (VVA/AAL)	82.66%	79.16%
Funded percentage on MVA basis (MVA/AAL)	90.36%	79.29%
Unfunded actuarial accrued liability (UAAL) on VVA basis	$820,215	$953,354
Unfunded actuarial accrued liability (UAAL) on MVA basis	456,130	947,558
Key Assumptions:		
Interest rate	7.75%	7.75%
Inflation rate	3.25%	3.25%
Across the board salary increase	0.75%	0.75%

(1) *Excludes liabilities and assets held for supplemental medical benefit reserve and statutory contingency reserve.*

Summary of Key Valuation Demographic and Financial Data

	June 30, 2014	June 30, 2013	Percentage Change
Active Members:			
Number of members	8,210	8,068	1.8%
Average age	45.3	45.4	N/A
Average service	11.2	11.2	N/A
Projected total compensation	$648,257,042	$638,763,186	1.5%
Average projected compensation	$78,959	$79,172	-0.3%
Retired Member and Beneficiaries:			
Number of members:			
Service retired	4,452	4,259	4.5%
Disability retired	837	828	1.1%
Beneficiaries	832	801	3.9%
Total	6,121	5,888	4.0%
Average age	69.4	69.1	N/A
Average monthly benefit[1]	$2,897	$2,862	1.2%
Vested Terminated Members:			
Number of terminated vested members[2]	2,339	2,249	4.0%
Average age	46.2	46.1	N/A
Total Members:	16,670	16,205	2.9%
Summary of Financial Data (dollar amounts in thousands):			
Market value of assets	$4,274,886	$3,627,505	17.8%
Return on market value of assets	18.06%	13.51%	N/A
Actuarial value of assets	$3,964,814	$3,633,626	9.1%
Return on actuarial value of assets	9.32%	6.97%	N/A
Valuation value of assets	$3,910,801	$3,621,709	8.0%
Return on valuation value of assets	8.13%	7.00%	N/A

(1) *Excludes monthly benefits for vested fixed supplemental and supplemental medical benefit amounts.*
(2) *Includes terminated members with member contributions on deposit.*

A. MEMBER DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, vested terminated members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the member population has changed over the past ten valuations can be seen in this chart.

CHART 1

Member Population: 2005 – 2014

Year Ended June 30	Active Members	Vested Terminated Members[1]	Retired Members and Beneficiaries	Total Non-Actives	Ratio of Non-Actives to Actives
2005	7,245	1,713	4,314	6,027	0.83
2006	7,403	1,756	4,570	6,326	0.85
2007	7,653	1,864	4,770	6,634	0.87
2008	7,928	2,007	4,914	6,921	0.87
2009	8,045	2,055	5,041	7,096	0.88
2010	8,003	2,040	5,267	7,307	0.91
2011	8,040	2,097	5,481	7,578	0.94
2012	8,019	2,161	5,658	7,819	0.98
2013	8,068	2,249	5,888	8,137	1.01
2014	8,210	2,339	6,121	8,460	1.03

(1) *Includes terminated members with member contributions on deposit.*

Active Members
Plan costs are affected by the age, years of service and compensation of active members. In this year's valuation, there were 8,210 active members with an average age of 45.3, average service of 11.2 years and average compensation of $78,959. The 8,068 active members in the prior valuation had an average age of 45.4, average service of 11.2 years and average compensation of $79,172.

Among the active members, there were none with unknown age.

Inactive Members
In this year's valuation, there were 2,339 members with a vested right to a deferred or immediate vested benefit or entitled to a return of their member contributions versus 2,249 in the prior valuation.

These graphs show a distribution of active members by age and by years of service.

CHART 2

Distribution of Active Members by Age as of June 30, 2014

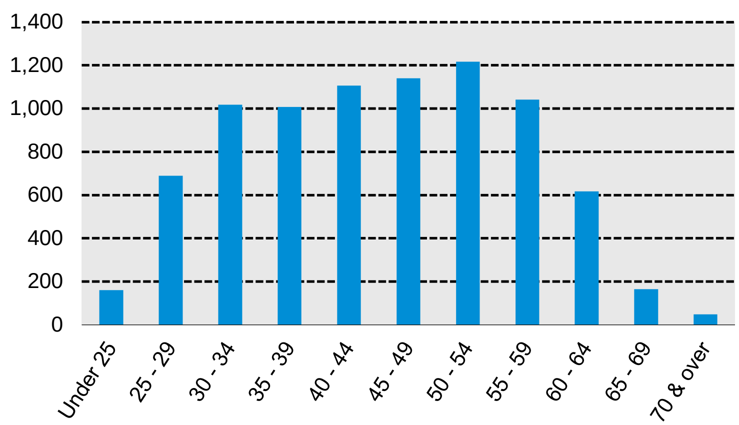
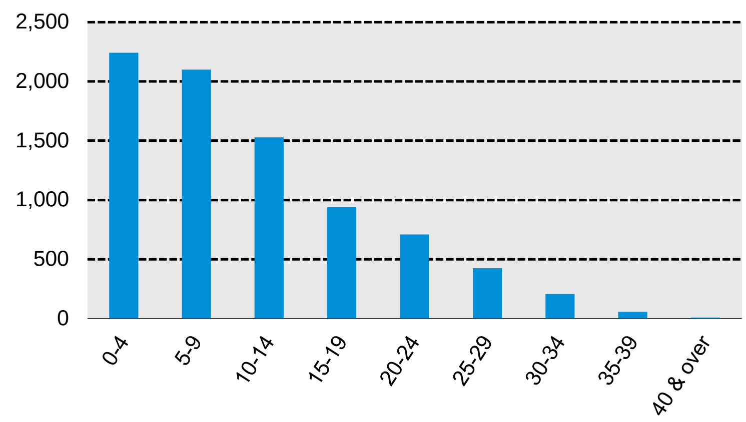


CHART 3

Distribution of Active Members by Years of Service as of June 30, 2014



Retired Members and Beneficiaries

As of June 30, 2014, 5,289 retired members and 832 beneficiaries were receiving total monthly benefits of $17,733,078. For comparison, in the previous valuation, there were 5,087 retired members and 801 beneficiaries receiving monthly benefits of $16,851,966. These monthly benefits exclude benefits for vested fixed supplemental and supplemental medical benefit amounts.

These graphs show a distribution of the current retired members based on their monthly amount and age, by type of pension.

CHART 4

Distribution of Retired Members by Type and by Monthly Amount as of June 30, 2014

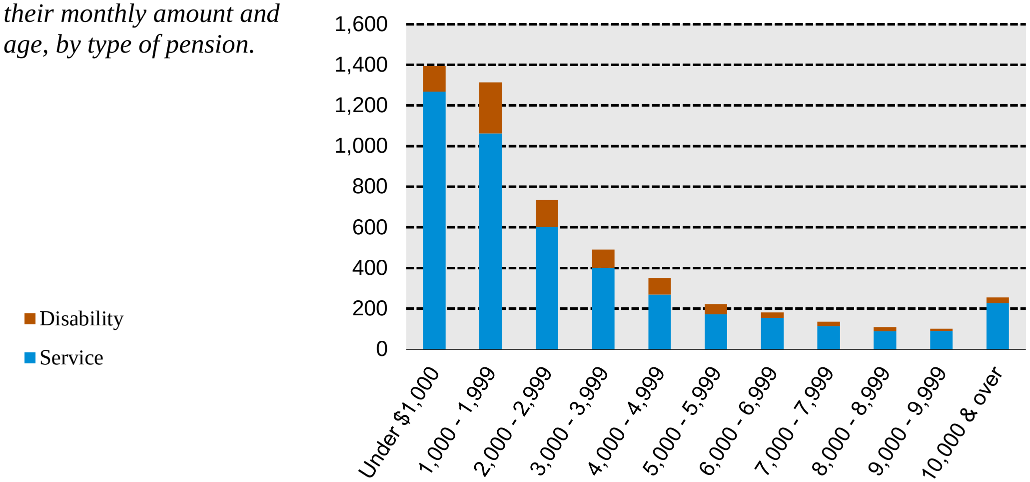
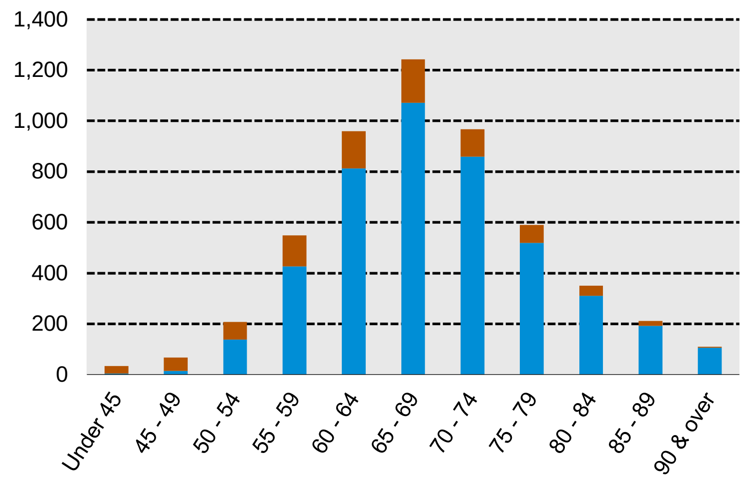


CHART 5

Distribution of Retired Members by Type and by Age as of June 30, 2014



B. FINANCIAL INFORMATION

Retirement plan funding anticipates that, over the long term, both contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. The adjustment toward market value shown in the chart is the “non-cash” earnings on investments implicitly included in the actuarial value of assets. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D and E.

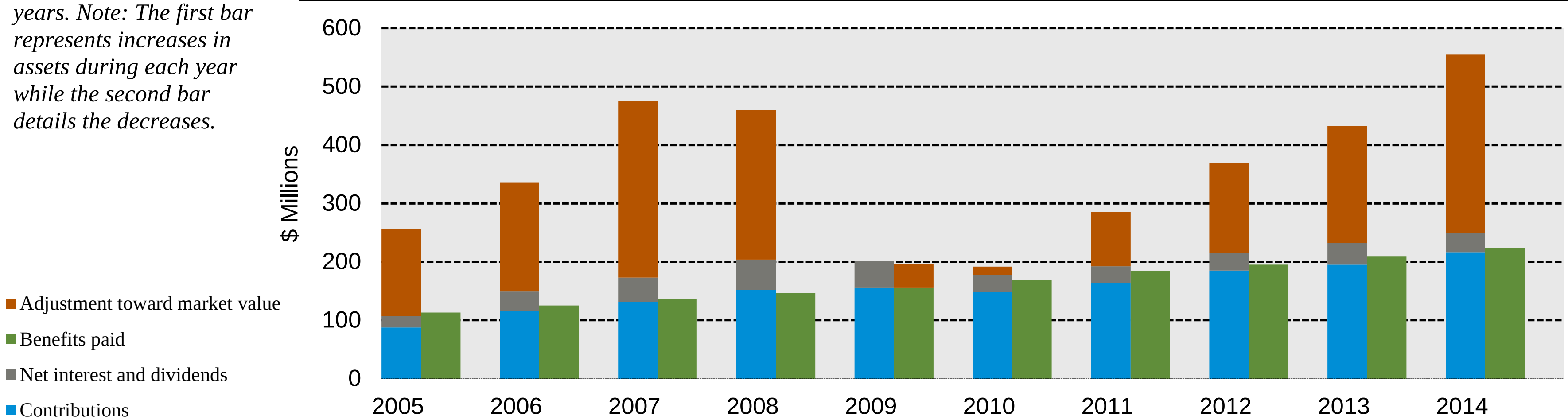
It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board of Retirement has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

The chart depicts the components of changes in the actuarial value of assets over the last ten years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 6

Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended June 30, 2005 – 2014



Segal Consulting

The chart shows the determination of the actuarial and valuation value of assets as of the valuation date.

CHART 7

Determination of Actuarial and Valuation Value of Assets for Year Ended June 30, 2014

		Original Amount	Deferral Percentage	Unrecognized Return*
1.	Market Value of Assets			$4,274,885,864
2.	Calculation of unrecognized return	Original Amount	Deferral Percentage	Unrecognized Return*
	(a) Period ended June 30, 2014	$93,124,979	90.00%	$83,812,481
	(b) Period ended December 31, 2013	264,705,452	80.00%	211,764,361
	(c) Period ended June 30, 2013	66,644,214	70.00%	46,650,950
	(d) Period ended December 31, 2012	101,488,670	60.00%	60,893,202
	(e) Period ended June 30, 2012	83,335,657	50.00%	41,667,829
	(f) Period ended December 31, 2011	(283,550,123)	40.00%	(113,420,049)
	(g) Combined deferred loss as of June 30, 2011**	(63,892,227)	33.33%	(21,297,409)
	(h) Total unrecognized return***			310,071,365
3.	Actuarial Value of Assets: (1) – (2h)			$3,964,814,499
4.	Actuarial Value as percentage of Market Value			92.7%
5.	Non-valuation reserves:			
	(a) Supplemental medical benefit			$10,401,838
	(b) Statutory contingency			43,611,864
	(c) Subtotal			$54,013,702
6.	Valuation Value of Assets: (3) – (5c)			$3,910,800,797

* *Recognition at 10% per six month period over 5 years.*

** *Net deferred loss as of June 30, 2011 was combined and will be recognized over 4.5 years in level semi-annual amounts.*

*** *Deferred return as of June 30, 2014 recognized in each of the next five years:*

(a) Amount Recognized during 2014/2015	*$50,951,497*
(b) Amount Recognized during 2015/2016	*58,050,633*
(c) Amount Recognized during 2016/2017	*113,526,229*
(d) Amount Recognized during 2017/2018	*78,230,508*
(e) Amount Recognized during 2018/2019	*9,312,498*
	$310,071,365

CHART 8

Allocation of Valuation Value of Assets as of June 30, 2014

The calculation of the valuation value of assets from June 30, 2013 to June 30, 2014 by category is provided below:

	Allocated Assets for Funding			
	General			
	Tier I	Tier II	Safety	Total
1. Allocated Assets as of Beginning of Plan Year	$597,855,452	$1,446,404,485	$1,577,448,599	$3,621,708,536
2. Member Contributions	353,158	25,735,219	8,042,950	34,131,327
3. Member Buybacks	234,072	815,820	390,510	1,440,402
4. Employer Pick-up Contributions Credited to Member Account	187,307	6,036,434	4,878,973	11,102,714
5. Employer Contributions	4,100,040	75,826,051	89,776,992	169,703,083
6. Refunds of Member Contributions and Death Benefits Paid	376,761	4,717,384	333,866	5,428,011
7. Retiree Benefit Payments Excluding Supplemental Medical Payments	73,968,041	55,029,918	87,166,509	216,164,468
8. Subtotal (Items 1 + 2 + 3 + 4 + 5 – 6 – 7)	$528,385,227	$1,495,070,707	$1,593,037,649	$3,616,493,583
9. Weighted Average Fund Balance: Item 1 + ½ of (Items 2, 3, 4, 5) – ½ of (Items 6, 7)	563,120,340	1,470,737,596	1,585,243,124	3,619,101,060
10. Earnings Allocated in Proportion to Item 9	45,793,244	119,601,160	128,912,810	294,307,214
11. Valuation Value of Assets (Items 8 + 10)	$574,178,471	$1,614,671,867	$1,721,950,459	$3,910,800,797

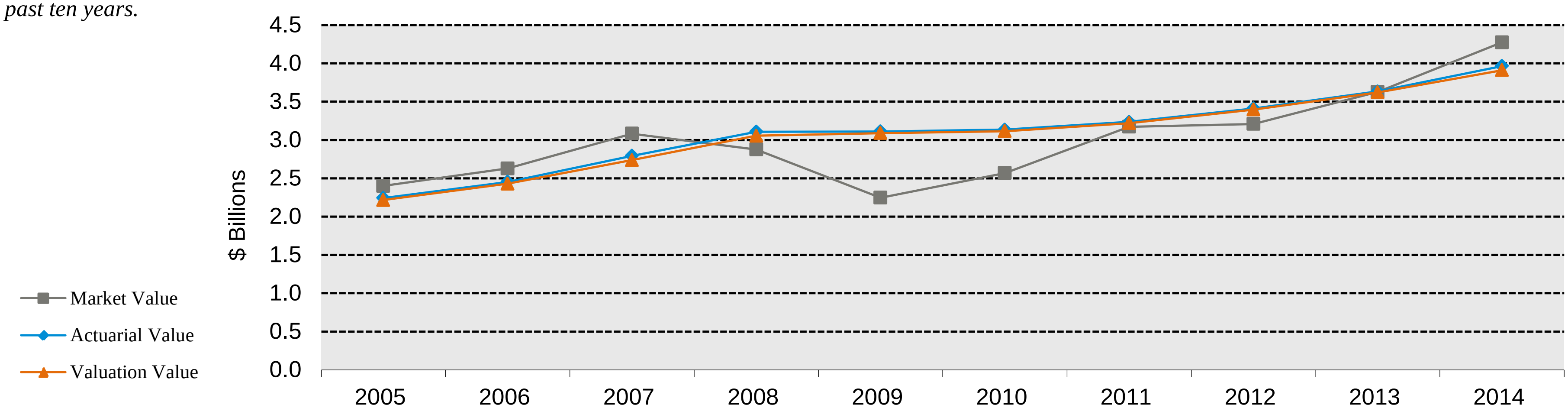
Note: Results may not add due to rounding.

The market value, actuarial value, and valuation value of assets are representations of VCERA's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets, but with less volatility. The valuation value of assets is the actuarial value, excluding any non-valuation reserves. The valuation value of assets is significant because VCERA's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in market value, actuarial value and valuation value over the past ten years.

CHART 9

Market Value, Actuarial Value and Valuation Value of Assets as of June 30, 2005 – 2014



C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain) the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total experience gain was $87.5 million, a $13.8 million gain from investments, a $22.2 million loss from contribution experience and a $95.9 million gain from all other sources. The net experience variation from individual sources other than investments and contribution experience was 2.0% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 10

Actuarial Experience for Year Ended June 30, 2014

1.	Net gain from investments[1]	$13,827,000
2.	Net loss from contribution experience	(22,257,000)
3.	Net gain from other experience[2]	95,914,000
4.	Net experience loss: (1) + (2) + (3)	$87,484,000

(1) *Details in Chart 11.*

(2) *See Section 3, Exhibit H. Does not include the effect of plan or assumption changes, if any.*

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on VCERA's investment policy. For valuation purposes, the assumed rate of return on the valuation value of assets is 7.75% (based on the June 30, 2013 valuation). The actual rate of return on the valuation value of assets for the 2013/2014 plan year was 8.13%.

Since the actual return for the year was greater than the assumed return, the VCERA experienced an actuarial gain during the year ended June 30, 2014 with regard to its investments.

This chart shows the gain/(loss) due to investment experience.

CHART 11

Investment Experience for Year Ended June 30, 2014 – Market Value, Actuarial Value and Valuation Value of Assets

		Market Value	Actuarial Value	Valuation Value
1.	Actual return	$654,535,161	$338,343,729	$294,307,214
2.	Average value of assets	3,623,928,085	3,630,048,152	3,619,101,060
3.	Actual rate of return: (1) ÷ (2)	18.06%	9.32%	8.13%
4.	Assumed rate of return	7.75%	7.75%	7.75%
5.	Expected return: (2) x (4)	$280,854,427	$281,328,732	$280,480,332
6.	Actuarial gain/(loss): (1) – (5)	$373,680,734	$57,014,997	$13,826,882

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial, valuation, and market basis for the last ten years.

CHART 12

Investment Return – Market Value, Actuarial Value and Valuation Value: 2005 – 2014

	Market Value Investment Return		Actuarial Value Investment Return		Valuation Value Investment Return	
Year Ended June 30	Amount	Percent	Amount	Percent	Amount	Percent
2005	$203,080,574	9.19%	$168,122,229	8.05%	$168,122,229	8.16%
2006	238,212,815	9.95	221,191,725	9.88	221,191,725	10.00
2007	458,962,761	17.48	344,644,568	14.06	308,000,514	12.68
2008	(211,806,573)	(6.86)	307,776,354	11.01	310,176,628	11.32
2009	(628,718,568)	(21.86)	5,186,654	0.17	31,242,785	1.02
2010	343,005,717	15.33	43,756,165	1.41	43,756,185	1.42
2011	622,940,028	24.34	121,406,541	3.89	121,406,541	3.91
2012	47,147,363	1.49	184,787,098	5.72	184,909,716	5.75
2013	432,694,392	13.51	237,282,497	6.97	237,282,497	7.00
2014	654,535,161	18.06	338,343,729	9.32	294,307,214	8.13
Total	$2,160,053,670		$1,972,497,560		$1,920,396,034	
Five-Year Average Return		14.20%		5.61%		5.37%
Ten-Year Average Return		7.72%		6.78%		6.64%

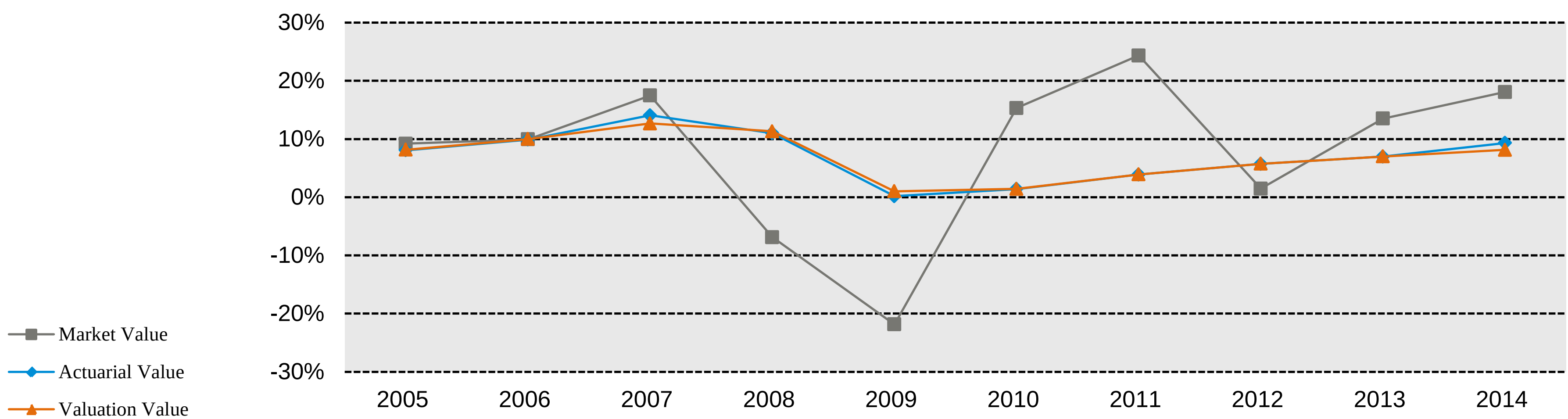
Note: Each year's yield is weighted by the average asset value in that year.

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

This chart illustrates how this leveling effect has actually worked over the years 2005 - 2014.

CHART 13

Market, Actuarial and Valuation Rates of Return for Years Ended June 30, 2005 - 2014



Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net gain from this other experience for the year ended June 30, 2014 amounted to $95.9 million which is 2.0% of the actuarial accrued liability. This gain was mainly due to individual salary increases less than assumed and lower than expected benefit increases for retirees and beneficiaries. See Exhibit H for a detailed development of the Unfunded Actuarial Accrued Liability.

D. EMPLOYER AND MEMBER CONTRIBUTIONS

Employer contributions consist of two components:

Normal Cost	The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is expressed as a level percentage of the member's compensation.
Contribution to the Unfunded Actuarial Accrued Liability (UAAL)	The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative unfunded actuarial accrued liability) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the Association) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the combined annual inflation and "across the board" increases rate of 4.00%. The June 30, 2004 UAAL is being amortized over a 15-year declining period effective June 30, 2004. The change in UAAL that arises due to actuarial gains or losses or due to plan amendments (with the exception of retirement incentives) at each valuation is amortized over its own declining 15-year period. Effective with the June 30, 2012 valuation, any change in UAAL that arises due to changes in actuarial assumptions or methods is amortized over its own declining 20-year period and any change in UAAL due to retirement incentives is amortized over its own declining period of up to 5 years. VCERA's UAAL is determined separately for each tier depending on the assets and liabilities for that tier. Effective with the June 30, 2012 valuation, the Basic UAAL rate has been calculated on a combined basis for both General Tier 1 and General Tier 2. The recommended employer contribution rates determined under this combined methodology are

provided on Chart 14. For reference purposes only, Appendix E shows the employer contribution rates under the previous non-combined methodology.

Appendix C and Appendix D show the employer and member contribution rates based on a 50/50 sharing of Normal Cost for non-PEPRA Tiers. For purposes of these calculations, we have been directed by VCERA to assume that the cessation of member contributions after 30 years of service for non-PEPRA members continues per the County Employees Retirement Law (CERL) and that the cost associated with this provision is to be paid for by members with less than 30 years.

All June 30, 2013 employer contribution rates shown in this report are <u>before</u> reflecting the three-year phase-in of the effect of the changes in economic actuarial assumptions and the actuarial cost method from the June 30, 2012 valuation. For the June 30, 2014 valuation, the phase-in has been completed.

Member Contributions

Non-PEPRA Members

Articles 6 and 6.8 of the 1937 Act define the methodology to be used in the calculation of member basic contribution rates for General members and Safety members, respectively. The basic contribution rate is determined so that the accumulation of a member's basic contributions made in a given year until a certain age will be sufficient to fund an annuity at that age that is equal to 1/120 of Final Average Compensation for General members and 1/100 of Final Average Compensation for Safety members. That age is 55 for General Tier 1 members, 60 for General Tier 2 members and 50 for Safety members. It is assumed that contributions are made annually at the same rate, starting at entry age. In addition to their basic contributions, General Tier 1 and Safety members pay one-half of the total normal cost necessary to fund their cost-of-living benefits. General Tier 2 members eligible for the fixed 2% cost-of-living benefit contribute a negotiated 2.63% of compensation per year. Member contributions accumulate with interest at the lesser of the assumed investment earning rate or the rate on ten year U.S. Treasury notes. Any difference between the assumed investment earning rate and the actual interest crediting rate will be credited to the County Advance reserve. The Non-PEPRA member contribution rates are provided in Appendix A. Please note that the member rates provided in the report are the full rate before reflecting any employer pickup. Also, in calculating the basic member rate, we follow the Board's past practice and have not included any in-service pay redemptions that may potentially increase a member's final average compensation and hence retirement benefit.

PEPRA Members

Pursuant to Section 7522.30(a) of the Government Code, members under PEPRA tiers are required to contribute at least 50% of the Normal Cost. In addition, there are certain additional requirements that would have to be met such as requiring the new employees to pay the contribution rate of "similarly situated employees", if it is greater. (reference: Section 7522.30(c)). We further understand that different rules may have to be applied for collectively bargained employees, non-represented, managerial or other supervisory employees. (reference: Section 7522.30(e)). In preparing the Normal Cost rates in this report, we have assumed that exactly 50% of the Normal Cost would be paid by the new members and we have taken into account in this valuation only the requirements of Section 7522.30(c), but not the requirements of Section 7522.30(e). The only exception to this is that we have also shown the PEPRA Tier 2 with COLA contribution rates including the member COLA contribution rate of 2.63% of compensation based on current bargaining agreements.

Also of note is that based on our discussions with VCERA, we have used the discretion made available by Section 31620.5(a) of AB 1380 to no longer round the PEPRA member's contribution rates to the nearest one quarter of one percent as was previously required by CalPEPRA. This is consistent with established practice for the Non-PEPRA plans and should allow for exactly one-half of the normal cost for the PEPRA plans to be paid by the employees and one-half by the employers. In addition, Section 31620.5(b) of AB 1380 also provides that the "one percent rule" under Section 7522.30(d) does not apply. This section formerly limited the circumstances under which the PEPRA member rate would change.

The PEPRA member contribution rates are provided in Appendix B.

Tier 2 COLA Procedures

This benefit has been valued consistent with the methodologies described in our October 9, 2006 report entitled "Funding Policies and Procedures for General Tier II COLA Benefit".

CHART 14a

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Current Valuation Under Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
General Tier 1 Members	Rate	Estimated Annual Amount(1)	Rate	Estimated Annual Amount(1)	Rate	Estimated Annual Amount(1)
Normal Cost	8.11%	$811	2.43%	$243	10.54%	$1,054
UAAL(2)	9.71%	971	41.64%	4,165	51.35%	5,136
Total Contribution	17.82%	$1,782	44.07%	$4,408	61.89%	$6,190
General Tier 2 Members w/o COLA						
Normal Cost	8.36%	$17,543	0.00%	$0	8.36%	$17,543
UAAL(2)	9.71%	20,370	0.00%	0	9.71%	20,370
Total Contribution	18.07%	$37,913	0.00%	$0	18.07%	$37,913
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.92%	$823	0.00%	$0	6.92%	$823
UAAL(2)	9.71%	1,155	0.00%	0	9.71%	1,155
Total Contribution	16.63%	$1,978	0.00%	$0	16.63%	$1,978
General Tier 2 Members w/COLA						
Normal Cost (3)	8.36%	$19,117	-0.05%	-$115	8.31%	$19,002
UAAL(2)(4)	9.71%	22,204	1.14%	2,607	10.85%	24,811
Total Contribution	18.07%	$41,321	1.09%	$2,492	19.16%	$43,813
General PEPRA Tier 2 Members w/COLA						
Normal Cost (3)	6.92%	$1,658	-0.10%	-$24	6.82%	$1,634
UAAL(2)(4)	9.71%	2,326	1.14%	273	10.85%	2,599
Total Contribution	16.63%	$3,984	1.04%	$249	17.67%	$4,233
All General Members(5)						
Normal Cost	8.25%	$39,952	0.02%	$104	8.27%	$40,056
UAAL	9.71%	47,026	1.45%	7,045	11.16%	54,071
Total Contribution	17.96%	$86,978	1.47%	$7,149	19.43%	$94,127

CHART 14a (continued)

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Current Valuation Under Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
Safety Members	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]
Normal Cost	13.97%	$22,362	4.29%	$6,868	18.26%	$29,230
UAAL	44.50%	71,233	-8.89%	-14,230	35.61%	57,003
Total Contribution	58.47%	$93,595	-4.60%	-$7,362	53.87%	$86,233
Safety PEPRA Members						
Normal Cost	10.60%	$403	4.09%	$156	14.69%	$559
UAAL	44.50%	1,692	-8.89%	-338	35.61%	1,354
Total Contribution	55.10%	$2,095	-4.80%	-$182	50.30%	$1,913
All Safety Members[5]						
Normal Cost	13.89%	$22,765	4.29%	$7,024	18.18%	$29,789
UAAL	44.50%	72,925	-8.89%	-14,568	35.61%	58,357
Total Contribution	58.39%	$95,690	-4.60%	-$7,544	53.79%	$88,146
All Categories Combined[5]						
Normal Cost	9.67%	$62,717	1.10%	$7,128	10.77%	$69,845
UAAL	18.50%	119,951	-1.16%	-7,523	17.34%	112,428
Total Contribution	28.17%	$182,668	-0.06%	-$395	28.11%	$182,273

(1) *Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2014 annual payroll (also in thousands) shown below:*

General Tier 1	$10,004
General Tier 2	209,847
General PEPRA Tier 2	11,899
General Tier 2C	228,670
General PEPRA Tier 2C	23,959
Safety	160,075
Safety PEPRA	3,803
Total	$648,257

(2) *Basic UAAL rates have been calculated on a combined basis for all General Tiers.*

(3) *Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.*

(4) *Includes 0.56% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.*

(5) *These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.*

CHART 14b

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Prior Valuation Under Combined Methodology

	June 30, 2013 Actuarial Valuation[1]					
	BASIC		COLA		TOTAL	
General Tier 1 Members	Rate	Estimated Annual Amount[2]	Rate	Estimated Annual Amount[2]	Rate	Estimated Annual Amount[2]
Normal Cost	8.15%	$925	2.44%	$277	10.59%	$1,202
UAAL[3]	10.20%	1,157	29.41%	3,337	39.61%	4,494
Total Contribution	18.35%	$2,082	31.85%	$3,614	50.20%	$5,696
General PEPRA Tier 1 Members						
Normal Cost	4.70%	$52	1.80%	$19	6.50%	$71
UAAL[3]	10.20%	112	29.41%	323	39.61%	435
Total Contribution	14.90%	$164	31.21%	$342	46.11%	$506
General Tier 2 Members w/o COLA						
Normal Cost	8.48%	$17,997	0.00%	$0	8.48%	$17,997
UAAL[3]	10.20%	21,642	0.00%	0	10.20%	21,642
Total Contribution	18.68%	$39,639	0.00%	$0	18.68%	$39,639
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.83%	$216	0.00%	$0	6.83%	$216
UAAL[3]	10.20%	323	0.00%	0	10.20%	323
Total Contribution	17.03%	$539	0.00%	$0	17.03%	$539
General Tier 2 Members w/COLA						
Normal Cost [4]	8.48%	$20,422	-0.04%	-$97	8.44%	$20,325
UAAL[3][5]	10.20%	24,559	1.01%	2,432	11.21%	26,991
Total Contribution	18.68%	$44,981	0.97%	$2,335	19.65%	$47,316
General PEPRA Tier 2 Members w/COLA						
Normal Cost [4]	6.83%	$536	-0.13%	-$10	6.70%	$526
UAAL[3][5]	10.20%	800	1.01%	79	11.21%	879
Total Contribution	17.03%	$1,336	0.88%	$69	17.91%	$1,405
All General Members[6]						
Normal Cost	8.43%	$40,148	0.04%	$189	8.47%	$40,337
UAAL	10.20%	48,593	1.29%	6,171	11.49%	54,764
Total Contribution	18.63%	$88,741	1.33%	$6,360	19.96%	$95,101

CHART 14b (continued)

Recommended Employer Contribution Rates (Dollar Amounts in Thousands) – Prior Valuation Under Combined Methodology

	June 30, 2013 Actuarial Valuation[1]					
	BASIC		COLA		TOTAL	
Safety Members	Rate	Estimated Annual Amount[2]	Rate	Estimated Annual Amount[2]	Rate	Estimated Annual Amount[2]
Normal Cost	13.96%	$22,627	4.30%	$6,970	18.26%	$29,597
UAAL	42.87%	69,486	-5.45%	-8,834	37.42%	60,652
Total Contribution	56.83%	$92,113	-1.15%	-$1,864	55.68%	$90,249
Safety PEPRA Members						
Normal Cost	11.27%	$19	4.87%	$9	16.14%	$28
UAAL	42.87%	73	-5.45%	-9	37.42%	64
Total Contribution	54.14%	$92	-0.58%	$0	53.56%	$92
All Safety Members[6]						
Normal Cost	13.96%	$22,646	4.30%	$6,979	18.26%	$29,625
UAAL	42.87%	69,559	-5.45%	-8,843	37.42%	60,716
Total Contribution	56.83%	$92,205	-1.15%	-$1,864	55.68%	$90,341
All Categories Combined[6]						
Normal Cost	9.83%	$62,794	1.12%	$7,168	10.95%	$69,962
UAAL	18.50%	118,152	-0.42%	-2,672	18.08%	115,480
Total Contribution	28.33%	$180,946	0.70%	$4,496	29.03%	$185,442

(1) *Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.*

(2) *Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2013 annual payroll (also in thousands) shown below:*

General Tier 1	$11,348
General PEPRA Tier 1	1,099
General Tier 2	212,229
General PEPRA Tier 2	3,163
General Tier 2C	240,822
General PEPRA Tier 2C	7,847
Safety	162,085
Safety PEPRA	171
Total	$638,764

(3) *Basic UAAL rates have been calculated on a combined basis for all General Tiers.*

(4) *Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.*

(5) *Includes 0.53% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.*

(6) *These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.*

The employer contribution rates as of June 30, 2014 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation. They include all changes affecting future costs, adopted benefit changes, actuarial gains and losses and changes in the actuarial assumptions.

Reconciliation of Recommended Employer Contribution Rate

The chart below details the changes in the recommended average employer contribution rate from the prior valuation to the current year's valuation.

The chart reconciles the employer contribution from the prior valuation to the amount determined in this valuation.

CHART 15

Reconciliation of Recommended Average Employer Contribution Rate from June 30, 2013 to June 30, 2014 (Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost[1]
Recommended Average Employer Contribution Rate as of June 30, 2013[4]	29.03%	$185,442
Effect of investment gain[2]	(0.19)%	(1,232)
Effect of difference in actual versus expected contributions due to phase-in and delay in implementation of contribution rates calculated in June 30, 2013 valuation	0.30%	1,945
Effect of difference in actual versus expected individual salary increases	(0.77)%	(4,992)
Effect of difference in actual versus expected total payroll growth	0.45%	2,917
Effect of lower than expected COLA benefit increase for retirees and beneficiaries	(0.51)%	(3,306)
Effect of net other changes[3]	(0.20)%	1,499
Total change	(0.92)%	$(3,169)
Recommended Average Employer Contribution Rate as of June 30, 2014	28.11%	$182,273

(1) *Based on projected payroll for each year.*

(2) *The Association's valuation value of assets earned 8.13% which was greater than the 7.75% assumed rate of return.*

(3) *Other differences in actual versus expected experience including mortality, disability, withdrawal, retirement and in-service redemption experience. Estimated annual dollar cost also reflects change in payroll from prior valuation.*

(4) *Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.*

The member contribution rates as of June 30, 2014 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation.

Reconciliation of Recommended Member Contribution Rate

The chart below details the changes in the recommended average member contribution rate from the prior valuation to the current year's valuation.

The chart reconciles the member contribution from the prior valuation to the amount determined in this valuation.

CHART 16

Reconciliation of Recommended Average Member Contribution Rate from June 30, 2013 to June 30, 2014

(Dollar Amounts in Thousands)

	Contribution Rate	Estimated Annual Dollar Cost[1]
Recommended Average Member Contribution Rate in June 30, 2013 Valuation	8.58%	$54,779
Effect of changes in demographic profile of employee group[2]	0.03%	1,016
Recommended Average Member Contribution Rate in June 30, 2014 Valuation	8.61%	$55,795

(1) *Based on projected payroll for each year.*

(2) *Estimated annual dollar cost also reflects change in payroll from prior valuation.*

E. INFORMATION REQUIRED BY GASB 27

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to the GASB is the historical comparison of the GASB required contributions to the actual contributions. This comparison demonstrates whether a plan is being funded within the range of GASB reporting requirements. Chart 17 below presents a graphical representation of this information for the Plan.

The other critical piece of information regarding the Plan's financial status is the funded ratio. This ratio compares the valuation value of assets to the actuarial accrued liabilities of the plan as calculated under GASB standards. High ratios indicate a well-funded plan with assets sufficient to cover the Plan's actuarial liabilities. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits II, III, and IV.

These graphs show key GASB factors.

CHART 17

Required Versus Actual Contributions

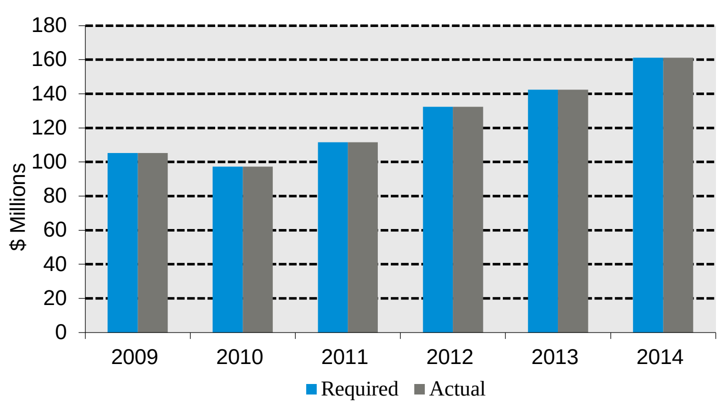
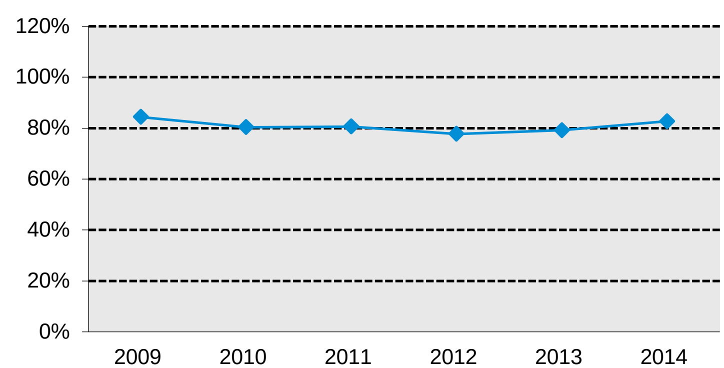


CHART 18

Funded Ratio



F. VOLATILITY RATIOS

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measure since it is based on the current level of assets.

For VCERA, the current AVR is about 6.6. This means that a 1% asset gain/(loss) (relative to the assumed investment return) translates to about 6.6% of one-year's payroll. Since VCERA amortizes actuarial gains and losses over a period of 15 years, there would be a 0.6% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions.

For VCERA, the current LVR is about 7.3. This is about 11% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

This chart shows how the asset and liability volatility ratios have varied over time.

CHART 19

Volatility Ratios for Years Ended June 30, 2009 – 2014

Year Ended June 30	Asset Volatility Ratio	Liability Volatility Ratio
2009	3.5	5.8
2010	3.9	5.9
2011	5.0	6.3
2012	5.1	6.9
2013	5.7	7.2
2014	6.6	7.3

EXHIBIT A

Table of Plan Coverage

i. General Tier 1

Category	Year Ended June 30 2014	Year Ended June 30 2013	Change From Prior Year
Active members in valuation:			
Number	92	109	-15.6%
Average age	60.4	58.7	N/A
Average service	31.6	29.4	N/A
Projected total compensation[1]	$10,004,102	$11,347,554	-11.8%
Projected average compensation	$108,740	$104,106	4.5%
Account balances	$17,403,435	$18,445,454	-5.6%
Total active vested members	92	105	-12.4%
Vested terminated members[2]	58	62	-6.5%
Retired members:			
Number in pay status	1,508	1,539	-2.0%
Average age	74.8	74.2	N/A
Average monthly benefit[3]	$3,481	$3,403	2.3%
Disabled members:			
Number in pay status	115	123	-6.5%
Average age	72.7	72.6	N/A
Average monthly benefit[3]	$2,293	$2,244	2.2%
Beneficiaries:			
Number in pay status	359	367	-2.2%
Average age	79.0	79.1	N/A
Average monthly benefit[3]	$1,551	$1,451	6.9%

(1) *Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.*

(2) *Includes terminated members with member contributions on deposit.*

(3) *Excludes vested fixed supplemental and supplemental medical benefit amounts.*

EXHIBIT A (continued)

Table of Plan Coverage

ii. General Tier 2

Category	Year Ended June 30 2014	2013	Change From Prior Year
Active members in valuation:			
Number	5,825	6,201	-6.1%
Average age	47.3	46.6	N/A
Average service	11.5	10.7	N/A
Projected total compensation[1]	$438,516,507	$453,050,594	-3.2%
Projected average compensation	$75,282	$73,061	3.0%
Account balances	$360,544,571	$344,670,730	4.6%
Total active vested members	4,607	4,564	0.9%
Vested terminated members[2]	1,925	1,902	1.2%
Retired members:			
Number in pay status	2,267	2,062	9.9%
Average age	67.6	67.3	N/A
Average monthly benefit[3]	$1,585	$1,510	5.0%
Disabled members:			
Number in pay status	337	327	3.1%
Average age	62.9	62.1	N/A
Average monthly benefit[3]	$1,436	$1,416	1.4%
Beneficiaries:			
Number in pay status	256	228	12.3%
Average age	67.2	66.5	N/A
Average monthly benefit[3]	$788	$799	-1.4%

(1) *Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and “across the board” salary increases.*

(2) *Includes terminated members with member contributions on deposit.*

(3) *Excludes vested fixed supplemental and supplemental medical benefit amounts.*

EXHIBIT A (continued)

Table of Plan Coverage

iii. PEPRA General Tier 1

Category	Year Ended June 30 2014	Year Ended June 30 2013	Change From Prior Year
Active members in valuation:			
Number	0	18	-100.0%
Average age	N/A	26.3	N/A
Average service	N/A	0.2	N/A
Projected total compensation[1]	N/A	$1,099,121	N/A
Projected average compensation	N/A	$61,062	N/A
Account balances	N/A	$4,521	N/A
Total active vested members	0	0	N/A
Vested terminated members[2]	5	2	150.0%
Retired members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit[3]	N/A	N/A	N/A
Disabled members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit[3]	N/A	N/A	N/A
Beneficiaries:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit[3]	N/A	N/A	N/A

(1) *Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.*

(2) *Includes terminated members with member contributions on deposit.*

(3) *Excludes vested fixed supplemental and supplemental medical benefit amounts.*

EXHIBIT A (continued)

Table of Plan Coverage

iv. PEPRA General Tier 2

Category	Year Ended June 30 2014	Year Ended June 30 2013	Change From Prior Year
Active members in valuation:			
Number	755	235	221.3%
Average age	35.8	35.2	N/A
Average service	0.7	0.2	N/A
Projected total compensation[1]	$35,858,216	$11,009,761	225.7%
Projected average compensation	$47,494	$46,850	1.4%
Account balances	$2,164,512	$207,028	945.5%
Total active vested members	0	0	N/A
Vested terminated members[2]	64	12	433.3%
Retired members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit[3]	N/A	N/A	N/A
Disabled members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit[3]	N/A	N/A	N/A
Beneficiaries:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit[3]	N/A	N/A	N/A

(1) *Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.*

(2) *Includes terminated members with member contributions on deposit.*

(3) *Excludes vested fixed supplemental and supplemental medical benefit amounts.*

EXHIBIT A (continued)

Table of Plan Coverage

v. Safety

Category	Year Ended June 30: 2014	Year Ended June 30: 2013	Change From Prior Year
Active members in valuation:			
Number	1,471	1,502	-2.1%
Average age	41.9	41.2	N/A
Average service	14.6	13.9	N/A
Projected total compensation[1]	$160,074,949	$162,085,238	-1.2%
Projected average compensation	$108,820	$107,913	0.8%
Account balances	$161,930,571	$153,365,442	5.6%
Total active vested members	1,274	1,260	1.1%
Vested terminated members[2]	284	271	4.8%
Retired members:			
Number in pay status	677	658	2.9%
Average age	65.7	65.2	N/A
Average monthly benefit[3]	$7,141	$6,981	2.3%
Disabled members:			
Number in pay status	385	378	1.9%
Average age	63.4	63.1	N/A
Average monthly benefit[3]	$5,044	$4,967	1.6%
Beneficiaries:			
Number in pay status	217	206	5.3%
Average age	67.3	67.3	N/A
Average monthly benefit[3]	$2,805	$2,801	0.1%

(1) *Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and "across the board" salary increases.*

(2) *Includes terminated members with member contributions on deposit.*

(3) *Excludes vested fixed supplemental and supplemental medical benefit amounts.*

EXHIBIT A (continued)

Table of Plan Coverage

vi. PEPRA Safety

Category	Year Ended June 30 2014	Year Ended June 30 2013	Change From Prior Year
Active members in valuation:			
Number	67	3	2133.3%
Average age	28.9	31.8	N/A
Average service	0.7	0.2	N/A
Projected total compensation[1]	$3,803,268	$170,918	2125.2%
Projected average compensation	$56,765	$56,973	-0.4%
Account balances	$335,236	$4,103	8070.5%
Total active vested members	0	0	N/A
Vested terminated members[2]	3	0	N/A
Retired members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit[3]	N/A	N/A	N/A
Disabled members:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit[3]	N/A	N/A	N/A
Beneficiaries:			
Number in pay status	0	0	N/A
Average age	N/A	N/A	N/A
Average monthly benefit[3]	N/A	N/A	N/A

(1) *Calculated by increasing annualized bi-weekly compensation rates as of valuation date by one-half year of inflation and “across the board” salary increases.*

(2) *Includes terminated members with member contributions on deposit.*

(3) *Excludes vested fixed supplemental and supplemental medical benefit amounts.*

EXHIBIT B

Members in Active Service and Projected Average Compensation as of June 30, 2014
By Age and Years of Service

i. General Tier 1

		Years of Service								
Age	**Total**	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & over**
Under 25	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
30 - 34	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
35 - 39	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
40 - 44	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
45 - 49	2	- -	- -	1	1	- -	- -	- -	- -	- -
	$194,294	- -	- -	$175,942	$212,646	- -	- -	- -	- -	- -
50 - 54	9	- -	- -	1	- -	2	2	1	3	- -
	147,943	- -	- -	201,280	- -	$211,322	$191,155	$62,462	$87,597	- -
55 - 59	30	- -	1	3	1	1	1	4	19	- -
	116,189	- -	$171,784	178,404	201,373	226,147	233,843	127,541	84,587	- -
60 - 64	40	- -	- -	2	3	5	5	3	17	5
	93,193	- -	- -	164,931	112,607	150,369	91,708	78,031	73,938	$71,727
65 - 69	7	- -	- -	- -	1	1	1	1	3	- -
	110,587	- -	- -	- -	86,399	130,728	48,878	176,570	110,510	- -
70 & over	4	- -	- -	- -	- -	- -	- -	- -	2	2
	74,129	- -	- -	- -	- -	- -	- -	- -	100,439	47,818
Total	92	- -	1	7	6	9	9	9	44	7
	$108,740	- -	$171,784	$177,471	$139,706	$170,152	$124,841	$109,254	$83,166	$64,896

EXHIBIT B (continued)

Members in Active Service and Projected Average Compensation as of June 30, 2014
By Age and Years of Service

ii. General Tier 2

		Years of Service								
Age	**Total**	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & over**
Under 25	26	26	- -	- -	- -	- -	- -	- -	- -	- -
	$48,523	$48,523	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	318	221	97	- -	- -	- -	- -	- -	- -	- -
	59,347	60,490	$56,745	- -	- -	- -	- -	- -	- -	- -
30 - 34	636	262	313	61	- -	- -	- -	- -	- -	- -
	69,186	69,474	69,322	$67,255	- -	- -	- -	- -	- -	- -
35 - 39	670	172	264	196	38	- -	- -	- -	- -	- -
	71,827	67,634	73,173	73,496	$72,841	- -	- -	- -	- -	- -
40 - 44	758	143	260	209	117	28	1	- -	- -	- -
	76,252	71,486	76,539	78,217	79,158	$70,941	$81,383	- -	- -	- -
45 - 49	842	116	230	223	131	113	27	2	- -	- -
	77,983	69,253	76,719	79,078	86,050	79,925	70,183	$74,767	- -	- -
50 - 54	965	116	229	225	127	150	81	37	- -	- -
	78,668	72,797	74,751	77,984	82,102	81,413	87,417	83,410	- -	- -
55 - 59	878	95	193	171	130	135	98	55	1	- -
	80,042	73,247	75,204	77,296	81,858	82,494	88,521	91,384	$107,570	- -
60 - 64	536	54	122	120	77	86	46	30	1	- -
	77,523	69,920	76,144	75,748	81,847	76,644	85,992	82,791	64,312	- -
65 - 69	151	13	44	30	24	23	12	4	1	- -
	78,172	75,468	70,874	84,033	75,915	78,205	99,121	66,240	108,399	- -
70 & over	45	4	14	12	4	3	5	3	- -	- -
	72,146	83,501	68,955	75,760	60,107	76,818	68,100	75,567	- -	- -
Total	5,825	1,222	1,766	1,247	648	538	270	131	3	- -
	$75,282	$68,097	$73,087	$76,803	$81,381	$79,902	$85,992	$85,780	$93,427	- -

EXHIBIT B

Members in Active Service and Projected Average Compensation as of June 30, 2014
By Age and Years of Service

iii. PEPRA General Tier 2

		Years of Service								
Age	**Total**	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & over**
Under 25	95	95	- -	- -	- -	- -	- -	- -	- -	- -
	$36,725	$36,725	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	196	196	- -	- -	- -	- -	- -	- -	- -	- -
	43,758	43,758	- -	- -	- -	- -	- -	- -	- -	- -
30 - 34	145	145	- -	- -	- -	- -	- -	- -	- -	- -
	48,691	48,691	- -	- -	- -	- -	- -	- -	- -	- -
35 - 39	92	92	- -	- -	- -	- -	- -	- -	- -	- -
	48,447	48,447	- -	- -	- -	- -	- -	- -	- -	- -
40 - 44	69	69	- -	- -	- -	- -	- -	- -	- -	- -
	48,647	48,647	- -	- -	- -	- -	- -	- -	- -	- -
45 - 49	54	54	- -	- -	- -	- -	- -	- -	- -	- -
	52,891	52,891	- -	- -	- -	- -	- -	- -	- -	- -
50 - 54	44	44	- -	- -	- -	- -	- -	- -	- -	- -
	57,742	57,742	- -	- -	- -	- -	- -	- -	- -	- -
55 - 59	40	40	- -	- -	- -	- -	- -	- -	- -	- -
	56,438	56,438	- -	- -	- -	- -	- -	- -	- -	- -
60 - 64	13	13	- -	- -	- -	- -	- -	- -	- -	- -
	58,811	58,811	- -	- -	- -	- -	- -	- -	- -	- -
65 - 69	7	7	- -	- -	- -	- -	- -	- -	- -	- -
	71,400	71,400	- -	- -	- -	- -	- -	- -	- -	- -
70 & over	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total	755	755	- -	- -	- -	- -	- -	- -	- -	- -
	$47,494	$47,494	- -	- -	- -	- -	- -	- -	- -	- -

EXHIBIT B (continued)

Members in Active Service and Projected Average Compensation as of June 30, 2014
By Age and Years of Service

iv. Safety

		Years of Service								
Age	**Total**	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & Over**
Under 25	20	20	- -	- -	- -	- -	- -	- -	- -	- -
	$77,870	$77,870	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	144	95	49	- -	- -	- -	- -	- -	- -	- -
	83,117	79,062	$90,978	- -	- -	- -	- -	- -	- -	- -
30 - 34	227	43	149	35	- -	- -	- -	- -	- -	- -
	96,529	86,537	99,307	$96,979	- -	- -	- -	- -	- -	- -
35 - 39	243	16	77	104	46	- -	- -	- -	- -	- -
	105,401	96,954	102,777	101,913	$120,618	- -	- -	- -	- -	- -
40 - 44	278	13	30	68	125	42	- -	- -	- -	- -
	111,784	100,376	104,752	102,104	114,679	$127,394	- -	- -	- -	- -
45 - 49	241	4	15	50	77	57	37	1	- -	- -
	115,888	105,439	103,750	100,871	117,804	123,231	$127,142	$108,281	- -	- -
50 - 54	198	2	4	10	25	41	73	43	- -	- -
	126,259	125,780	91,793	98,571	113,949	123,270	130,564	138,623	- -	- -
55 - 59	92	4	4	3	9	16	27	22	7	- -
	126,520	131,899	138,981	94,009	99,754	114,073	129,364	130,999	$168,085	- -
60 - 64	28	- -	4	4	3	5	8	1	3	- -
	120,712	- -	140,934	105,387	121,951	106,486	117,380	132,892	141,478	- -
65 - 69	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
70 & over	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total	1,471	197	332	274	285	161	145	67	10	- -
	$108,820	$85,515	$100,464	$100,982	$116,023	$122,897	$128,740	$135,581	$160,103	- -

EXHIBIT B

Members in Active Service and Projected Average Compensation as of June 30, 2014
By Age and Years of Service

v. PEPRA Safety

		Years of Service								
Age	**Total**	**0-4**	**5-9**	**10-14**	**15-19**	**20-24**	**25-29**	**30-34**	**35-39**	**40 & over**
Under 25	19	19	- -	- -	- -	- -	- -	- -	- -	- -
	$54,627	$54,627	- -	- -	- -	- -	- -	- -	- -	- -
25 - 29	31	31	- -	- -	- -	- -	- -	- -	- -	- -
	55,438	55,438	- -	- -	- -	- -	- -	- -	- -	- -
30 - 34	10	10	- -	- -	- -	- -	- -	- -	- -	- -
	51,404	51,404	- -	- -	- -	- -	- -	- -	- -	- -
35 - 39	2	2	- -	- -	- -	- -	- -	- -	- -	- -
	39,250	39,250	- -	- -	- -	- -	- -	- -	- -	- -
40 - 44	2	2	- -	- -	- -	- -	- -	- -	- -	- -
	62,098	62,098	- -	- -	- -	- -	- -	- -	- -	- -
45 - 49	1	1	- -	- -	- -	- -	- -	- -	- -	- -
	85,670	85,670	- -	- -	- -	- -	- -	- -	- -	- -
50 - 54	1	1	- -	- -	- -	- -	- -	- -	- -	- -
	138,077	138,077	- -	- -	- -	- -	- -	- -	- -	- -
55 - 59	1	1	- -	- -	- -	- -	- -	- -	- -	- -
	106,313	106,313	- -	- -	- -	- -	- -	- -	- -	- -
60 - 64	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
65 - 69	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
70 & over	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -
Total	67	67	- -	- -	- -	- -	- -	- -	- -	- -
	$56,765	$56,765	- -	- -	- -	- -	- -	- -	- -	- -

EXHIBIT C

Reconciliation of Member Data – June 30, 2013 to June 30, 2014

	Active Members	Vested Terminated Members[1]	Pensioners	Disableds	Beneficiaries	Total
Number as of June 30, 2013	8,068	2,249	4,259	828	801	16,205
New members	667	75	0	0	72	814
Terminations – with vested rights	-215	215	0	0	0	0
Contributions refunds	-110	-77	0	0	0	-187
Retirements	-201	-91	292	0	0	0
New disabilities	-13	-2	-12	27	0	0
Return to work	23	-22	-1	0	0	0
Died with or without beneficiary	-9	-8	-88	-19	-40	-164
Data adjustments	0	0	2	1	-1	2
Number as of June 30, 2014	8,210	2,339	4,452	837	832	16,670

[1] *Includes terminated members with member contributions on deposit.*

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended June 30, 2014		Year Ended June 30, 2013	
Contribution income:				
Employer contributions	$169,703,083		$150,687,842	
Member contributions	46,674,443		44,463,983	
Contribution income		$216,377,526		$195,151,825
Investment income:				
Interest, dividends and other income	$49,344,497		$50,691,908	
Adjustment toward market value [1]	305,935,366		200,561,615	
Less investment and administrative fees	(16,936,134)		(13,971,026)	
Net investment income		$338,343,729		$237,282,497
Total income available for benefits		$554,721,255		$432,434,322
Less benefit payments		($223,532,290)		($209,957,957)
Change in reserve for future benefits		$331,188,965		$222,476,365

(1) *Equals the "non-cash" earnings on investments included in the Actuarial Value of Assets.*

EXHIBIT E

Summary Statement of Net Assets

	Year Ended June 30, 2014		Year Ended June 30, 2013	
Cash equivalents		$63,604,211		$63,940,819
Pension software development cost		6,459,436		3,443,718
Accounts receivable:				
Member and employer contributions	$5,691,835		$4,487,879	
Accrued interest and dividends	3,358,253		3,537,646	
Securities sold	$23,833,386		24,075,489	
Other	16,979		14,078	
Total accounts receivable		$32,900,453		$32,115,092
Investments:				
Equities	$2,490,857,698		$2,299,255,552	
Fixed income	970,048,742		884,109,813	
Real estate	306,840,325		283,379,695	
Investments received on securities lending	62,402,546		50,542,569	
Others	428,072,939		109,469,955	
Total investments at market value		$4,258,222,250		$3,626,757,584
Total assets		$4,361,186,350		$3,726,257,213
Liabilities:				
Securities lending	($62,402,546)		($50,542,569)	
Security purchases	(21,181,466)		(45,685,949)	
Accounts payable	(2,689,643)		(2,497,655)	
Prepaid contributions	(26,831)		(25,573)	
Total liabilities		($86,300,486)		($98,751,746)
Net assets at market value		$4,274,885,864		$3,627,505,467
Net assets at actuarial value		$3,964,814,499		$3,633,625,534
Net assets at valuation value		$3,910,800,797		$3,621,708,536

EXHIBIT F

Actuarial Balance Sheet

An overview of the Plan's funding is given by an Actuarial Balance Sheet. In this approach, we first determine the amount and timing of all future payments that will be made by the Plan for current participants. We then discount these payments at the valuation interest rate to the date of the valuation, thereby determining their present value. We refer to this present value as the "liability" of the Plan.

Second, we determine how this liability will be met. These actuarial "assets" include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet ($ in 000s)

Assets	**June 30, 2014**	**June 30, 2013**
1. Total valuation value of assets	$3,910,801	$3,621,709
2. Present value of future contributions by members	449,384	444,668
3. Present value of future employer contributions for:		
a. Entry age normal cost	$514,554	524,833
b. Unfunded actuarial accrued liability	820,215	953,354
4. Total current and future assets	$5,694,954	$5,544,564
Liabilities		
5. Present value of benefits for retirees and beneficiaries	$2,646,710	$2,549,515
6. Present value of benefits for vested terminated members	127,447	131,431
7. Present value of benefits for active members	2,920,797	2,863,618
8. Total liabilities	$5,694,954	$5,544,564

EXHIBIT G

Summary of Allocated Reserves

Reserves

	June 30, 2014	June 30, 2013
Member contributions reserve [1]	$611,920,699	$584,474,197
Employer advance reserve [1]	1,886,562,740	1,664,856,154
Offset: Interest crediting shortfall tracking account [1]	(889,356,718)	(824,240,436)
Retiree reserve [1]	2,150,677,421	2,051,529,206
Supplemental death benefit reserve [1]	13,897,630	13,408,521
Vested fixed supplemental ($108.44) reserve [1]	134,434,076	131,680,894
Undistributed earnings [1]	2,664,949	0
Valuation reserves	$3,910,800,797	$3,621,708,536
Supplemental medical ($27.50) reserve [2]	10,401,838	11,916,998
Contingency reserve [2]	43,611,864	0
Total reserves (actuarial value)	$3,964,814,499	$3,633,625,534
Market stabilization reserve [2]	310,071,365	(6,120,067)
Net market value	$4,274,885,864	$3,627,505,467

(1) *Included in valuation value of assets.*

(2) *Not included in valuation value of assets.*

EXHIBIT H

Development of Unfunded/(Overfunded) Actuarial Accrued Liability for Year Ended June 30, 2014

1. Unfunded actuarial accrued liability at beginning of year		$953,354,000
2. Total Normal Cost payable at middle of year		125,613,000
3. Expected employer and member contributions		(237,819,000)
4. Interest (whole year on (1) plus half year on (2) + (3))		66,551,000
5. Expected unfunded actuarial accrued liability at end of year		$907,699,000
6. Actuarial (gain)/loss due to all changes:		
(a) Investment return	$(13,827,000)	
(b) Actual contributions less than expected	22,257,000	
(c) Lower than expected individual salary increases	(56,617,000)	
(d) Lower than expected COLA benefit increase for retirees and beneficiaries	(37,292,000)	
(e) Other experience	(2,005,000)	
Total changes		$(87,484,000)
7. Unfunded actuarial accrued liability at end of year		$820,215,000

Note: Net gain from other experience of $95.9 million (as shown on page 8) is equal to: 6(c) + 6(d) + 6(e).

EXHIBIT I

Table of Amortization Bases

	Date Established	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
General Tier 1	June 30, 2004	Restart of Amortization	$63,394,000	$37,659,000	5	$8,407,000
	June 30, 2005	Actuarial (Gain)/Loss	22,085,000	14,854,000	6	2,811,000
	June 30, 2006	Actuarial (Gain)/Loss	7,048,000	5,219,000	7	861,000
	June 30, 2006	Assumption Change	41,538,000	30,713,000	7	5,068,000
	June 30, 2007	Actuarial (Gain)/Loss	(19,901,000)	(15,864,000)	8	(2,330,000)
	June 30, 2008	Actuarial (Gain)/Loss	(18,128,000)	(15,340,000)	9	(2,036,000)
	June 30, 2009	Actuarial (Gain)/Loss	55,190,000	48,942,000	10	5,946,000
	June 30, 2009	Assumption Change	18,574,000	16,462,000	10	2,000,000
	June 30, 2010	Actuarial (Gain)/Loss	50,018,000	46,022,000	11	5,168,000
	June 30, 2011	Actuarial (Gain)/Loss	36,225,000	34,317,000	12	3,591,000
	June 30, 2012	Actuarial (Gain)/Loss	29,865,000	28,924,000	13	2,840,000
	June 30, 2012	Demographic Assumption Change	38,104,000	38,277,000	18	2,942,000
	June 30, 2012	Economic Assumption Change	19,517,000	19,606,000	18	1,507,000
	June 30, 2013	Actuarial (Gain)/Loss	31,670,000	31,240,000	14	2,895,000
	June 30, 2014	Actuarial (Gain)/Loss	16,119,000	16,119,000	15	1,417,000
				$337,150,000		$41,087,000
General Tier 2	June 30, 2004	Restart of Amortization	$49,731,000	$29,549,000	5	$6,597,000
	June 30, 2005	Actuarial (Gain)/Loss	7,622,000	5,133,000	6	971,000
	June 30, 2006	Actuarial (Gain)/Loss	(9,108,000)	(6,738,000)	7	(1,112,000)
	June 30, 2006	Assumption Change	19,085,000	14,112,000	7	2,329,000
	June 30, 2006	Plan Provision Change	14,731,000	10,885,000	7	1,796,000
	June 30, 2007	Actuarial (Gain)/Loss	(39,508,000)	(31,502,000)	8	(4,626,000)
	June 30, 2008	Actuarial (Gain)/Loss	(34,794,000)	(29,435,000)	9	(3,907,000)
	June 30, 2009	Actuarial (Gain)/Loss	71,253,000	63,179,000	10	7,675,000
	June 30, 2009	Assumption Change	22,696,000	20,118,000	10	2,444,000
	June 30, 2010	Actuarial (Gain)/Loss	47,615,000	43,817,000	11	4,920,000
	June 30, 2011	Actuarial (Gain)/Loss	(6,949,000)	(6,599,000)	12	(691,000)
	June 30, 2012	Actuarial (Gain)/Loss	(18,106,000)	(17,539,000)	13	(1,722,000)
	June 30, 2012	Demographic Assumption Change	29,420,000	29,550,000	18	2,271,000
	June 30, 2012	Economic Assumption Change	32,874,000	33,028,000	18	2,539,000
	June 30, 2013	Actuarial (Gain)/Loss	(23,823,000)	(23,509,000)	14	(2,179,000)
	June 30, 2014	Actuarial (Gain)/Loss	(49,125,000)	(49,125,000)	15	(4,319,000)
				$84,924,000		$12,986,000

EXHIBIT I (continued)

Table of Amortization Bases

	Date Established	Source	Initial Amount	Outstanding Balance	Years Remaining	Payment
Safety	June 30, 2004	Restart of Amortization	$210,319,000	$124,936,000	5	$27,892,000
	June 30, 2005	Actuarial (Gain)/Loss	19,142,000	12,875,000	6	2,437,000
	June 30, 2006	Actuarial (Gain)/Loss	3,418,000	2,521,000	7	416,000
	June 30, 2006	Assumption Change	42,167,000	31,180,000	7	5,145,000
	June 30, 2007	Actuarial (Gain)/Loss	(37,489,000)	(29,880,000)	8	(4,388,000)
	June 30, 2008	Actuarial (Gain)/Loss	(22,443,000)	(18,975,000)	9	(2,519,000)
	June 30, 2009	Actuarial (Gain)/Loss	78,157,000	69,300,000	10	8,419,000
	June 30, 2009	Assumption Change	49,982,000	44,319,000	10	5,384,000
	June 30, 2010	Actuarial (Gain)/Loss	108,448,000	99,804,000	11	11,207,000
	June 30, 2011	Actuarial (Gain)/Loss	8,879,000	8,418,000	12	881,000
	June 30, 2012	Actuarial (Gain)/Loss	(7,501,000)	(7,255,000)	13	(712,000)
	June 30, 2012	Demographic Assumption Change	55,513,000	55,772,000	18	4,287,000
	June 30, 2012	Economic Assumption Change	51,887,000	52,119,000	18	4,006,000
	June 30, 2013	Actuarial (Gain)/Loss	7,588,000	7,485,000	14	694,000
	June 30, 2014	Actuarial (Gain)/Loss	(54,478,000)	(54,478,000)	15	(4,789,000)
				$398,141,000		$58,360,000
Total VCERA	June 30, 2004	Restart of Amortization	$323,444,000	$192,144,000	5	$42,896,000
	June 30, 2005	Actuarial (Gain)/Loss	48,849,000	32,862,000	6	6,219,000
	June 30, 2006	Actuarial (Gain)/Loss	1,358,000	1,002,000	7	165,000
	June 30, 2006	Assumption Change	102,790,000	76,005,000	7	12,542,000
	June 30, 2006	Plan Provision Change	14,731,000	10,885,000	7	1,796,000
	June 30, 2007	Actuarial (Gain)/Loss	(96,898,000)	(77,246,000)	8	(11,344,000)
	June 30, 2008	Actuarial (Gain)/Loss	(75,365,000)	(63,750,000)	9	(8,462,000)
	June 30, 2009	Actuarial (Gain)/Loss	204,600,000	181,421,000	10	22,040,000
	June 30, 2009	Assumption Change	91,252,000	80,899,000	10	9,828,000
	June 30, 2010	Actuarial (Gain)/Loss	206,081,000	189,643,000	11	21,295,000
	June 30, 2011	Actuarial (Gain)/Loss	38,155,000	36,136,000	12	3,781,000
	June 30, 2012	Actuarial (Gain)/Loss	4,258,000	4,130,000	13	406,000
	June 30, 2012	Demographic Assumption Change	123,037,000	123,599,000	18	9,500,000
	June 30, 2012	Economic Assumption Change	104,278,000	104,753,000	18	8,052,000
	June 30, 2013	Actuarial (Gain)/Loss	15,435,000	15,216,000	14	1,410,000
	June 30, 2014	Actuarial (Gain)/Loss	(87,484,000)	(87,484,000)	15	(7,691,000)
				$820,215,000		$112,433,000

EXHIBIT J

Section 415 Limitations

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active participants could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of $160,000 indexed for inflation. That limit is $210,000 for 2014 and 2015. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions. Limits are also affected by the "grandfather" election under Section 415(b)(10).

For Non-PEPRA members, benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

EXHIBIT K
Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial Assumptions: The estimates on which the cost of the Plan is calculated including:

(a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;

(b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;

(c) Retirement rates — the rate or probability of retirement at a given age;

(d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost: The amount of contributions required to fund the cost allocated to the current year of service.

Actuarial Accrued Liability for Actives: The equivalent of the accumulated normal costs allocated to the years before the valuation date.

Actuarial Accrued Liability for Pensioners: The single sum value of lifetime benefits to benefits to existing pensioners. This sum takes account of life expectancies appropritate to the ages of the pensioners and the interest that the sum is expected to earn beofre it is entirely paid out in benefits.

Unfunded/(Overfunded) Actuarial Accrued Liability:	The extent to which the actuarial accrued liability of the Plan exceeds (or is exceeded by) the assets of the Plan.
Amortization of the Unfunded/ (Overfunded) Actuarial Accrued Liability:	Payments made over a period of years equal in value to the Plan’s unfunded or overfunded actuarial accrued liability.
Investment Return:	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the market gains and losses to avoid significant swings in the value of assets from one year to the next.
Payroll or Compensation:	Compensation Earnable and Pensionable Compensation expected to be paid to active members during the twelve months following the valuation date. Only Compensation Earnable and Pensionable Compensation that would possibly go into the determination of retirement benefits are included.

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us:

1.	Retired members as of the valuation date (including 832 beneficiaries in pay status)		6,121
2.	Members inactive during year ended June 30, 2014 with vested rights[1]		2,339
3.	Members active during the year ended June 30, 2014		8,210

The actuarial factors as of the valuation date are as follows (amounts in 000s):

1.	Normal cost		$125,640
2.	Present value of future benefits		5,694,954
3.	Present value of future normal costs		963,938
4.	Actuarial accrued liability[2]		4,731,016
	Retired members and beneficiaries	$2,646,710	
	Inactive members with vested rights[1]	127,447	
	Active members	1,956,859	
5.	Valuation value of assets[2] ($4,274,886 at market value as reported by Retirement Association)		3,910,801
6.	Unfunded actuarial accrued liability		$820,215

[1] *Includes terminated members with member contributions on deposit.*

[2] *Excludes liabilities and assets held for supplemental medical benefit reserve and statutory contingency reserve.*

EXHIBIT I (continued)

Summary of Actuarial Valuation Results

The determination of the recommended average employer contribution is as follows (amounts in 000s):	Dollar Amount	% of Payroll
1. Total normal cost	$125,640	19.38%
2. Expected employee contributions	-55,795	-8.61%
3. Employer normal cost: (1) + (2)	$69,845	10.77%
4. Amortization of unfunded actuarial accrued liability	112,428	17.34%
5. Total recommended average employer contribution: (3) + (4)	$182,273	28.11%
6. Projected compensation	$648,257	

EXHIBIT II

Supplementary Information Required by GASB 27 – Schedule of Employer Contributions

Plan Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2009	$105,278,000	$105,278,000	100.0%
2010	97,324,000	97,324,000	100.0%
2011	111,585,000	111,585,000	100.0%
2012	132,386,000	132,386,000	100.0%
2013	142,370,000	142,370,000	100.0%
2014	161,247,000	161,247,000	100.0%

EXHIBIT III

Supplementary Information Required by GASB 27 – Schedule of Funding Progress

Actuarial Valuation Date	Valuation Value of Assets[1] (a)	Actuarial Accrued Liability (AAL)[2] (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b) - (a) / (c)]
06/30/2009	$3,090,148,000	$3,663,701,000	$573,553,000	84.34%	$634,777,000	90.36%
06/30/2010	3,115,984,000	3,877,443,000	761,459,000	80.36%	654,829,000	116.28%
06/30/2011	3,220,388,000	3,995,352,000	774,964,000	80.60%	637,037,000	121.65%
06/30/2012	3,397,360,000	4,373,227,000	975,867,000	77.69%	633,848,000	153.96%
06/30/2013	3,621,709,000	4,575,063,000	953,354,000	79.16%	638,764,000	149.25%
06/30/2014	3,910,801,000	4,731,016,000	820,215,000	82.66%	648,257,000	126.53%

(1) *Excludes assets for supplemental medical benefit reserve and statutory contingency reserve.*

(2) *Excludes liabilities held for supplemental medical benefit reserve and statutory contingency reserve.*

EXHIBIT IV

Supplementary Information Required by GASB 27

Valuation date	June 30, 2014
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of payroll (4.00% payroll growth assumed)
Remaining amortization period	15 years for UAAL as of June 30, 2004. Any changes in UAAL after June 30, 2004 are separately amortized over a 15-year closed period effective with that valuation. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with that valuation.
Asset valuation method	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. The Actuarial Value of Assets is reduced by the value of the supplemental medical benefit reserve and statutory contingency reserve. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.
Actuarial assumptions:	
Investment rate of return	7.75%[(1)]
Projected salary increases	4.50% - 12.50%[(2)] varying by service
Cost of living adjustments	For General Tier 1 and Safety, 3% (actual increases are contingent upon CPI increases with a 3.00% maximum). For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment not subject to CPI increases that applies to future service after March 2003.

Plan membership:	
Retired members and beneficiaries receiving benefits	6,121
Terminated members entitled to, but not yet receiving benefits[(3)]	2,339
Active members	8,210
Total	16,670

(1) *Includes inflation at 3.25%.*
(2) *Includes inflation at 3.25%, "across the board" increases of 0.75%, plus merit and longevity increases. See Exhibit V for these increases.*
(3) *Includes terminated members with member contributions on deposit.*

EXHIBIT V

Actuarial Assumptions and Methods

Actuarial Assumptions

Post – Retirement Mortality Rates:

Healthy:	For all Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year.
Disabled:	For General Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set forward five years for males and seven years for females.
	For Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year.
	The RP-2000 mortality tables projected with Scale AA to 2010 and adjusted by the applicable set backs and set forwards shown above reasonably reflect the projected mortality experience as of the measurement date. The additional projection to 2025 is a provision for future mortality improvements.
Beneficiaries:	Beneficiaries are assumed to have the same mortality as a General Member of the opposite sex who has taken a service (non-disability) retirement.
Member Contribution Rates:	For General Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year weighted 35% male and 65% female.
	For Safety Members: RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year weighted 80% male and 20% female.

Termination Rates Before Retirement:

	Rate (%) Mortality			
	General		Safety	
Age	Male	Female	Male	Female
25	0.03	0.01	0.03	0.01
30	0.04	0.02	0.04	0.02
35	0.06	0.03	0.06	0.03
40	0.09	0.04	0.09	0.04
45	0.10	0.07	0.10	0.07
50	0.13	0.10	0.13	0.10
55	0.19	0.19	0.19	0.19
60	0.40	0.39	0.40	0.39
65	0.79	0.76	0.79	0.76

All pre-retirement deaths are assumed to be non-duty related.

Termination Rates Before Retirement (continued):

Age	Rate (%) Disability General[1]	Rate (%) Disability Safety[2]
25	0.02	0.14
30	0.04	0.26
35	0.08	0.48
40	0.13	0.90
45	0.21	1.16
50	0.40	1.98
55	0.56	3.40
60	0.69	4.60
65	0.90	0.00
70	1.00	0.00

(1) 40% of General disabilities are assumed to be duty disabilities and the other 60% are assumed to be ordinary disabilities.

(2) 90% of Safety disabilities are assumed to be duty disabilities and the other 10% are assumed to be ordinary disabilities.

Termination Rates Before Retirement (continued):

Rate (%)

Withdrawal (Less than Five Years of Service)*

Years of Service	General	Safety
0	15.00	12.00
1	10.00	6.00
2	8.00	5.50
3	7.00	5.00
4	6.00	4.00

Withdrawal (Five or More Years of Service)*

Age	General	Safety
20	6.00	4.00
25	6.00	4.00
30	5.70	3.40
35	4.90	2.40
40	3.90	1.40
45	2.90	0.70
50	2.20	0.20
55	1.70	0.00
60	1.20	0.00
65	1.00	0.00
70	0.00	0.00

* The greater of a refund of member contributions and a deferred annuity is valued when a member withdraws.

No withdrawal is assumed after a member is first assumed to retire.

Retirement Rates:

Age	General Tier 1 and 2	PEPRA General Tier 1 and 2	Safety	PEPRA Safety
40	0.00	0.00	1.00	0.00
41	0.00	0.00	1.00	0.00
42	0.00	0.00	1.00	0.00
43	0.00	0.00	1.00	0.00
44	0.00	0.00	1.00	0.00
45	0.00	0.00	1.00	0.00
46	0.00	0.00	1.00	0.00
47	0.00	0.00	1.00	0.00
48	0.00	0.00	1.00	0.00
49	0.00	0.00	1.00	0.00
50	3.00	0.00	2.00	4.00
51	3.00	0.00	2.00	2.00
52	4.00	2.00	4.00	5.00
53	4.00	2.00	6.00	8.00
54	6.00	3.00	18.00	18.00
55	6.00	5.00	25.00	20.00
56	7.00	5.00	20.00	20.00
57	8.00	6.00	20.00	18.00
58	10.00	7.00	18.00	18.00
59	10.00	8.00	25.00	30.00
60	14.00	10.00	25.00	30.00
61	18.00	12.50	30.00	30.00
62	22.00	20.00	40.00	50.00
63	20.00	20.00	50.00	50.00
64	25.00	20.00	50.00	50.00
65	35.00	25.00	100.00	100.00
66	35.00	30.00	100.00	100.00
67	35.00	30.00	100.00	100.00
68	25.00	30.00	100.00	100.00
69	20.00	30.00	100.00	100.00
70	20.00	50.00	100.00	100.00
71	20.00	50.00	100.00	100.00
72	20.00	50.00	100.00	100.00
73	20.00	50.00	100.00	100.00
74	40.00	50.00	100.00	100.00
75	100.00	100.00	100.00	100.00

Retirement Age and Benefit for Deferred Vested Members:	For deferred vested members, we make the following retirement assumption: General Age: 58 Safety Age: 54 We assume that 50% and 65% of future General and Safety deferred vested members, respectively, will continue to work for a reciprocal employer. For reciprocals, we assume 4.50% compensation increases per annum.
Future Benefit Accruals:	1.0 year of service per year.
Unknown Data for Members:	Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.
Definition of Active Members:	All active members of VCERA as of the valuation date.
Percent Married:	70% of male members and 50% of female members are assumed to be married at pre-retirement death or retirement. There is no explicit assumption for children's benefits.
Age of Spouse:	Female (or male) spouses are 3 years younger (or older) than their spouses.
Net Investment Return:	7.75%, net of investment and administration expenses.
Member Contribution Crediting Rate:	3.25% (Actual increase is based on projected long term ten-year Treasury rate).
Consumer Price Index:	Increase of 3.25% per year; retiree COLA increases due to CPI are subject to a 3.0% maximum change per year for General Tier 1 and Safety. For General Tier 2, SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March 2003.

In-Service Redemptions:

Non-PEPRA Formulas

The following assumptions for in-service redemptions pay as a percentage of final average compensation are used:

General Tier 1	8.00%
General Tier 2	3.50%
Safety	7.50%

For determining the cost of the basic benefit (i.e., non-COLA component), the cost of this pay element is currently recognized in the valuation as an employer only cost and does not affect member contribution rates.

PEPRA Formulas

None

Salary Increases:

Annual Rate of Compensation Increase

Inflation: 3.25% per year; plus "across the board" salary increases of 0.75% per year; plus the following promotional and merit increases:

Years of Service	General	Safety
Less than 1	5.00%	8.50%
1	3.75	6.25
2	3.00	4.75
3	2.50	4.00
4	2.00	3.00
5	1.50	2.50
6	1.00	2.00
7	1.00	1.50
8	0.75	1.25
9	0.50	1.00
10	0.50	0.75
11	0.50	0.75
12	0.50	0.75
13	0.50	0.75
14	0.50	0.75
15	0.50	0.75
16	0.50	0.50
17	0.50	0.50
18	0.50	0.50
19	0.50	0.50
20 and Over	0.50	0.50

Increase in the Internal Revenue Code Section 401(a)(17) Compensation Limit:	Increase of 3.25% per year from the valuation date.
Increase in Section 7522.10 Compensation Limit:	Increase of 3.25% per year from the valuation date.

Actuarial Methods

Actuarial Cost Method:	Entry Age Actuarial Cost Method. Entry Age is the age at the member's hire date. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are based on costs allocated as a level percentage of compensation, as if the current benefit formulas have always been in effect (i.e., "replacement life").
Actuarial Value of Assets:	Market value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. Deferred gains and losses as of June 30, 2011 have been combined and will be recognized in equal amounts over a period of four and a half years from that date.
Valuation Value of Assets:	Actuarial Value of Assets reduced by the value of the supplemental medical benefit reserve and statutory contingency reserve.
Amortization Policy:	The UAAL, (i.e., the difference between the Actuarial Accrued Liability and the Valuation Value of Assets), as of June 30, 2011 shall continue to be amortized over separate 15-year period amortization layers based on the valuations during which each separate layer was previously established. Any new UAAL as a result of actuarial gains or losses identified in the annual valuation as of June 30 will be amortized over a period of 15 years. Any new UAAL as a result of change in actuarial assumptions or methods will be amortized over a period of 20 years. Unless an alternative amortization period is recommended by the Actuary and accepted by the Board based on the results of an actuarial analysis:

i) with the exception noted in ii., below, the increase in UAAL as a result of any plan amendments will be amortized over a period of 15 years;

ii) the increase in UAAL resulting from a temporary retirement incentive, including the impact of benefits resulting from additional service permitted in Section 31641.04 of the 1937 CERL (Golden Handshake), will be funded over a period of up to 5 years.

The UAAL will be amortized over “closed” amortization periods so that the amortization period for each layer decreases by one year with each actuarial valuation.

The UAAL will be amortized as a level percentage of payroll so that the amortization amount in each year during the amortization period shall be expected to be a level percentage of covered payroll, taking into consideration the current assumption for general payroll increase.

If an overfunding exists (i.e., the total of all UAAL becomes negative so that there is a surplus), such surplus and any subsequent surpluses will be amortized over an “open” amortization period of 30 years. Any prior UAAL amortization layers will be considered fully amortized, and any subsequent UAAL, will be amortized over 15 years as the first of a new series of amortization layers.

These amortization policy components will apply separately to each of VCERA’s UAAL cost groups.

Changes in Actuarial Assumptions and Methods:

There have been no changes in actuarial assumptions or methods since the previous valuation.

EXHIBIT VI
Summary of Plan Provisions

This exhibit summarizes the major provisions of the VCERA included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Membership Eligibility:	All regular employees of the County of Ventura or contracting district, scheduled to work 64 or more hours biweekly, are eligible to become a member of the Retirement Association subject to classification below:
General Tier 1	All General members with membership dates before June 30, 1979, plus Deputy Sheriff trainees and certain executive management with membership dates before January 1, 2013.
General Tier 2	All General members with membership dates on or after June 30, 1979 and before January 1, 2013, except as noted above for General Tier 1.
Safety	All Safety members with membership dates before January 1, 2013.
PEPRA General Tier 1	Deputy Sheriff trainees with membership dates on or after January 1, 2013 and before April 17, 2014.
PEPRA General Tier 2	All General members with membership dates on or after January 1, 2013, except as noted above for PEPRA General Tier 1.
PEPRA Safety	All Safety members with membership dates on or after January 1, 2013.
Final Compensation for Benefit Determination:	
General Tier 1 and Safety	Highest consecutive twelve months of compensation earnable (§31462.1)(FAC1).
General Tier 2	Highest consecutive thirty-six months of compensation earnable (§31462)(FAC3).
PEPRA General Tier 1, PEPRA General Tier 2 and PEPRA Safety	Highest consecutive thirty-six months of pensionable compensation (§7522.32) (FAS3).

Compensation Limit:

General Tier 1, General Tier 2 and Safety	For members with membership dates on or after July 1, 1996, Compensation Earnable is limited to Internal Revenue Code Section 401(a)(17). The limit for the Plan Year beginning July 1, 2014 is $260,000. The limit is indexed for inflation on an annual basis.
PEPRA General Tier 1, PEPRA General Tier 2 and PEPRA Safety	Pensionable Compensation is limited to $115,064 for 2014 ($138,077, if not enrolled in Social Security). The limit is indexed for inflation on an annual basis.

Service: Years of service. (Yrs)

Service Retirement Eligibility:

General	Age 50 with 10 years of service, or age 70 regardless of service, or after 30 years, regardless of age (§31672).
Safety	Age 50 with 10 years of service, or age 70 regardless of service, or after 20 years, regardless of age (§31663.25).
PEPRA General	Age 52 with 5 years of service (§7522.20(a)) or age 70 regardless of service (§31672.3).
PEPRA Safety	Age 50 with 5 years of service (§7522.25(d)) or age 70 regardless of service (§31672.3).

Benefit Formula:

	Retirement Age	Benefit Formula
General Tier 1 (§31676.11)	50	(1.24%xFAC1 – 1/3x1.24%x$350x12)xYrs
	55	(1.67%xFAC1 – 1/3x1.67%x$350x12)xYrs
	60	(2.18%xFAC1 – 1/3x2.18%x$350x12)xYrs
	62	(2.35%xFAC1 – 1/3x2.35%x$350x12)xYrs
	65 or later	(2.61%xFAC1 – 1/3x2.61%x$350x12)xYrs

	Retirement Age	Benefit Formula
General Tier 2 (§31676.1)	50	(1.18%xFAC3 – 1/3x1.18%x$350x12)xYrs
	55	(1.49%xFAC3 – 1/3x1.49%x$350x12)xYrs
	60	(1.92%xFAC3 – 1/3x1.92%x$350x12)xYrs
	62	(2.09%xFAC3 – 1/3x2.09%x$350x12)xYrs
	65 or later	(2.43%xFAC3 – 1/3x2.43%x$350x12)xYrs

	Retirement Age	Benefit Formula
PEPRA General Tier 1 and PEPRA General Tier 2 (§7522.20(a))	52	(1.00%xFAS3 x Yrs)
	55	(1.30%xFAS3 x Yrs)
	60	(1.80%xFAS3 x Yrs)
	62	(2.00%xFAS3 x Yrs)
	65	(2.30%xFAS3 x Yrs)
	67 or later	(2.50%xFAS3 x Yrs)

	Retirement Age	Benefit Formula
Safety (Non-Integrated) (§31664)	50	(2.00%xFAC1xYrs)
	55	(2.62%xFAC1xYrs)
	60 or later	(2.62%xFAC1xYrs)

	Retirement Age	Benefit Formula
PEPRA Safety (§7522.25(d))	50	(2.00%xFAS3xYrs)
	55	(2.50%xFAS3xYrs)
	57 or later	(2.70%xFAS3xYrs)

Maximum Benefit:

General Tier 1, General Tier 2 and Safety	100% of Highest Average Compensation (§31676.1, §31676.11, §31664)
PEPRA General Tier 1, PEPRA General Tier 2 and PEPRA Safety	None

Ordinary Disability:

General Tier 1, General Tier 2, PEPRA General Tier 1 and PEPRA General Tier 2

Eligibility	Five years of service (§31720).
Benefit Formula	1.5% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 65, but total benefit cannot be more than one-third of Final Compensation (§31727).

Safety and PEPRA Safety

Eligibility	Five years of service (§31720).
Benefit Formula	1.8% per year of service. If the benefit does not exceed one-third of Final Compensation, the service is projected to 55, but total benefit cannot be more than one-third of Final Compensation (§31727.2).

Line-of-Duty Disability:

All Members

Eligibility	No age or service requirements (§31720).
Benefit Formula	50% of the Final Compensation or 100% of Service Retirement benefit, if larger (§31727.4).

Pre-Retirement Death:

All Members

Less than Five Years of Service	Refund of employee contributions with interest, plus one month’s compensation for each year of service to a maximum of six month’s compensation (§31781). 50% of Final Compensation or 100% of Service Retirement benefit, if larger, payable to spouse if Line-of-Duty death (§31787).

	An additional lump sum benefit of one-year of compensation is paid if Line-of-Duty death for Safety member (§31787.6).
	OR
Five or More Years of Service	60% of the greater of Service Retirement or Ordinary Disability Retirement benefit payable to surviving eligible spouse (§31765.1, §31781.1), in lieu of above.
	An additional lump sum benefit of one-year of compensation is paid if Line-of-Duty death for Safety member (§31787.6).
Death After Retirement:	
All Members	
Service Retirement or Ordinary Disability Retirement	60% of member's unmodified allowance continued to eligible spouse (§31760.1). In addition, there is a $5,000 lump sum benefit payable to member's beneficiary (§31789.3). An eligible spouse is a surviving spouse who was married to the member at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31760.2, §31785.1).
Line-of-Duty Disability	100% of member's allowance continued to eligible spouse (§31786). In addition, there is a $5,000 lump sum benefit payable to member's beneficiary (§31789.3). An eligible spouse is a surviving spouse who was married to the member at least two years prior to the date of death and has attained age 55 on or prior to the date of death (§31786.1).
Withdrawal Benefits:	
Less than Five Years of Service	Refund of accumulated employee contributions with interest (§31628) or entitled to earned benefits commencing at anytime after eligible to retire (§31629.5).
Five or More Years of Service	If contributions left on deposit, entitled to earned benefits commencing at any time after eligible to retire (§31700).
Post-retirement	
Cost-of-Living Benefits:	
General Tier 1, Safety, PEPRA General Tier 1 and PEPRA Safety	Future changes based on Consumer Price Index to a maximum of 3% per year, excess "banked" (§31870.1).

General Tier 2 and PEPRA General Tier 2	SEIU members receive a fixed 2% cost-of-living adjustment, not subject to changes in the CPI, that applies to future service after March, 2003. This benefit has been valued consistent with the methodologies described in our October 9, 2006 report entitled “Funding Policies and Procedures for General Tier II COLA Benefit”.
Supplemental Benefit:	A supplemental benefit in the amount of $108.44 per month is paid to retirees and their survivors.
Member Contributions:	Please refer to Appendix A for the specific rates.
General Tier 1	
Basic	Provide for an average annuity at age 55 equal to 1/120 of FAC1 (§31621.1).
Cost-of-Living	Provide for one-half of future cost-of-living costs.
General Tier 2	
Basic	Provide for an average annuity at age 60 equal to 1/120 of FAC3 (§31621).
Cost-of-Living	Provide for a fixed 2% cost-of-living increase for SEIU members that applies to service after March 2003 (§31627). The contribution rate is currently a negotiated 2.63% of compensation.
Safety	
Basic	Provide for an average annuity at age 50 equal to 1/100 of FAC1 (§31639.25).
Cost-of-Living	Provide for one-half of future cost-of-living costs.
PEPRA General Tier 1	Provide for 50% of total Normal Cost.
PEPRA General Tier 2	Provide for 50% of total Normal Cost. In addition, for General Tier 2 with COLA members, the current member COLA contribution rate of 2.63% of compensation has been reflected.
PEPRA Safety	Provide for 50% of total Normal Cost.
Other Information:	For Non-PEPRA members hired after November 1974, they will pay a contribution corresponding to a General and Safety member hired at entry age 36 and 27, respectively. Non-PEPRA Safety members with 30 or more years of service are exempt from paying member contributions. The same applies for Non-PEPRA General members hired on or before March 7, 1973.

Plan Changes:	There have been no changes in plan provisions since the previous actuarial valuation that had a material impact on plan liabilities.
Plan Provisions Not Valued:	The Board of Retirement has approved a Supplemental Medical Benefit. This benefit is funded from Undistributed Excess Earnings, paid from a reserve that is not included in the Valuation Value of Assets and is subject at all times to the availability of funds. The Supplemental Medical Benefit is $27.50 per month and is payable to virtually all retirees and beneficiaries.

NOTE: *The summary of major plan provisions is designed to outline principle plan benefits as interpreted for purposes of the actuarial valuation. If the Association should find the plan summary not in accordance with the actual provisions, the Association should alert the actuary so they can both be sure the proper provisions are valued.*

Appendix A

Member Contribution Rates for Non-PEPRA Members

General Tier 1 Members' Contribution Rates from the June 30, 2014 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

	Basic		COLA		Total	
Entry Age	First $350	Over $350	First $350	Over $350	First $350	Over $350
15	3.32%	4.98%	1.18%	1.77%	4.50%	6.75%
16	3.32%	4.98%	1.18%	1.77%	4.50%	6.75%
17	3.38%	5.07%	1.20%	1.80%	4.58%	6.87%
18	3.44%	5.17%	1.23%	1.83%	4.67%	7.00%
19	3.51%	5.26%	1.24%	1.87%	4.75%	7.13%
20	3.57%	5.36%	1.27%	1.90%	4.84%	7.26%
21	3.64%	5.46%	1.29%	1.94%	4.93%	7.40%
22	3.71%	5.56%	1.31%	1.97%	5.02%	7.53%
23	3.77%	5.66%	1.34%	2.01%	5.11%	7.67%
24	3.84%	5.77%	1.37%	2.04%	5.21%	7.81%
25	3.91%	5.87%	1.39%	2.08%	5.30%	7.95%
26	3.99%	5.98%	1.41%	2.12%	5.40%	8.10%
27	4.06%	6.09%	1.44%	2.16%	5.50%	8.25%
28	4.13%	6.20%	1.47%	2.20%	5.60%	8.40%
29	4.21%	6.31%	1.49%	2.24%	5.70%	8.55%
30	4.28%	6.42%	1.52%	2.28%	5.80%	8.70%
31	4.36%	6.54%	1.55%	2.32%	5.91%	8.86%
32	4.44%	6.66%	1.57%	2.36%	6.01%	9.02%
33	4.52%	6.78%	1.60%	2.40%	6.12%	9.18%
34	4.60%	6.90%	1.63%	2.45%	6.23%	9.35%
35	4.68%	7.02%	1.67%	2.50%	6.35%	9.52%
36	4.77%	7.15%	1.69%	2.54%	6.46%	9.69%
37	4.85%	7.28%	1.73%	2.59%	6.58%	9.87%
38	4.94%	7.41%	1.75%	2.63%	6.69%	10.04%
39	5.03%	7.55%	1.79%	2.68%	6.82%	10.23%

General Tier 1 Members' Contribution Rates from the June 30, 2014 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

	Basic		COLA		Total	
Entry Age	**First $350**	**Over $350**	**First $350**	**Over $350**	**First $350**	**Over $350**
40	5.13%	7.69%	1.82%	2.73%	6.95%	10.42%
41	5.22%	7.83%	1.85%	2.78%	7.07%	10.61%
42	5.32%	7.98%	1.89%	2.83%	7.21%	10.81%
43	5.42%	8.13%	1.93%	2.89%	7.35%	11.02%
44	5.53%	8.29%	1.96%	2.95%	7.49%	11.24%
45	5.64%	8.46%	2.01%	3.01%	7.65%	11.47%
46	5.75%	8.62%	2.04%	3.06%	7.79%	11.68%
47	5.85%	8.77%	2.07%	3.11%	7.92%	11.88%
48	5.95%	8.93%	2.12%	3.17%	8.07%	12.10%
49	6.04%	9.06%	2.15%	3.22%	8.19%	12.28%
50	6.11%	9.17%	2.18%	3.26%	8.29%	12.43%
51	6.17%	9.25%	2.19%	3.29%	8.36%	12.54%
52	6.21%	9.31%	2.20%	3.31%	8.41%	12.62%
53	6.22%	9.33%	2.21%	3.31%	8.43%	12.64%
54 & Over	6.18%	9.28%	2.20%	3.29%	8.38%	12.57%

Interest:	7.75%
COLA:	3.00%
COLA Loading:	35.49%
Mortality:	RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year, weighted 35% male and 65% female.
Salary Increase:	See Exhibit V.

Note: All members hired after November 1974, will pay a contribution corresponding to entry age 36. These rates are determined before any pickups by the employer.

General Tier 2 Members' Contribution Rates from the June 30, 2014 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

	Basic Only			Basic Only	
Entry Age	**First $350**	**Over $350**	**Entry Age**	**First $350**	**Over $350**
16	2.73%	4.09%	38	4.07%	6.11%
17	2.78%	4.17%	39	4.15%	6.22%
18	2.83%	4.24%	40	4.22%	6.33%
19	2.88%	4.32%	41	4.30%	6.45%
20	2.94%	4.41%	42	4.37%	6.56%
21	2.99%	4.49%	43	4.45%	6.68%
22	3.05%	4.57%	44	4.53%	6.80%
23	3.11%	4.66%	45	4.62%	6.93%
24	3.16%	4.74%	46	4.71%	7.06%
25	3.22%	4.83%	47	4.79%	7.19%
26	3.28%	4.92%	48	4.89%	7.33%
27	3.34%	5.01%	49	4.98%	7.47%
28	3.40%	5.10%	50	5.07%	7.60%
29	3.47%	5.20%	51	5.15%	7.73%
30	3.53%	5.29%	52	5.24%	7.86%
31	3.59%	5.39%	53	5.31%	7.96%
32	3.66%	5.49%	54	5.37%	8.05%
33	3.73%	5.59%	55	5.40%	8.10%
34	3.79%	5.69%	56	5.42%	8.13%
35	3.86%	5.79%	57	5.41%	8.12%
36	3.93%	5.89%	58	5.61%	8.42%
37	4.00%	6.00%	59 & over	5.82%	8.73%

Interest:	7.75%
COLA:	SEIU members contribute a negotiated 2.63% for a fixed 2% COLA pursuant to Government Code 31627.
Mortality:	RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year, weighted 35% male and 65% female.
Salary Increase:	See Exhibit V.

Note: All members hired after November 1974, will pay a contribution corresponding to entry age 36. These rates are determined before any pickups by the employer.

Safety Members' Contribution Rates from the June 30, 2014 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
15	7.69%	4.28%	11.97%
16	7.69%	4.28%	11.97%
17	7.69%	4.28%	11.97%
18	7.69%	4.28%	11.97%
19	7.69%	4.28%	11.97%
20	7.69%	4.28%	11.97%
21	7.69%	4.28%	11.97%
22	7.83%	4.37%	12.20%
23	7.98%	4.45%	12.43%
24	8.13%	4.54%	12.67%
25	8.29%	4.62%	12.91%
26	8.44%	4.71%	13.15%
27	8.61%	4.79%	13.40%
28	8.77%	4.89%	13.66%
29	8.94%	4.98%	13.92%
30	9.11%	5.08%	14.19%
31	9.29%	5.18%	14.47%
32	9.48%	5.28%	14.76%
33	9.67%	5.39%	15.06%
34	9.84%	5.49%	15.33%
35	10.02%	5.59%	15.61%
36	10.21%	5.69%	15.90%
37	10.41%	5.80%	16.21%
38	10.62%	5.91%	16.53%
39	10.84%	6.04%	16.88%
40	11.05%	6.16%	17.21%
41	11.26%	6.27%	17.53%
42	11.45%	6.39%	17.84%

Safety Members' Contribution Rates from the June 30, 2014 Actuarial Valuation
(Expressed as a Percentage of Monthly Payroll)

Calculated Under Recommended Assumptions

Entry Age	Basic	COLA	Total
43	11.62%	6.48%	18.10%
44	11.76%	6.56%	18.32%
45	11.88%	6.62%	18.50%
46	11.93%	6.65%	18.58%
47	11.94%	6.65%	18.59%
48	11.84%	6.60%	18.44%
49 & Over	11.59%	6.46%	18.05%

Interest:	7.75%
COLA:	3.00%
COLA Loading:	55.72%
Mortality:	RP-2000 Combined Healthy Mortality Table projected with Scale AA to 2025 set back one year, weighted 80% male and 20% female.
Salary Increase:	See Exhibit V.

Note: All members hired after November 1974, will pay a contribution corresponding to entry age 27. These rates are determined before any pickups by the employers.

Appendix B
Member Contribution Rates for PEPRA Members

	Basic	COLA	Total
General Tier 2 without COLA	6.92%	0.00%	6.92%
General Tier 2 with COLA	6.92%	2.63%[1]	9.55%
Safety	10.60%	4.09%	14.69%

The PEPRA member contribution rate is 50% of the Normal Cost.

[1] *General Tier 2 members with COLA are required to pay COLA contributions of 2.63% of compensation based on current bargaining agreements.*

Note: It is our understanding that in the determination of pension benefits under the PEPRA tier formulas, the compensation that can be taken into account for 2014 is $115,064. (For an employer that is not enrolled in Social Security, the maximum amount is $138,077) (reference Section 7522.10). These amounts should be adjusted for changes to the Consumer Price Index for All Urban Consumers after 2014 (reference Section 7522.10(d)).

Appendix C

Employer Contribution Rates (Dollar Amounts in Thousands) Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers – Current Valuation Under Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
General Tier 1 Members	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]
Normal Cost[2]	7.72%	$772	2.50%	$250	10.22%	$1,022
UAAL[3]	9.71%	971	41.64%	4,165	51.35%	5,136
Total Contribution	17.43%	$1,743	44.14%	$4,415	61.57%	$6,158
General Tier 2 Members w/o COLA						
Normal Cost	7.09%	$14,878	0.00%	$0	7.09%	$14,878
UAAL[3]	9.71%	20,370	0.00%	0	9.71%	20,370
Total Contribution	16.80%	$35,248	0.00%	$0	16.80%	$35,248
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.92%	$823	0.00%	$0	6.92%	$823
UAAL[3]	9.71%	1,155	0.00%	0	9.71%	1,155
Total Contribution	16.63%	$1,978	0.00%	$0	16.63%	$1,978
General Tier 2 Members w/COLA						
Normal Cost [4]	7.09%	$16,213	-0.05%	-$115	7.04%	$16,098
UAAL[3][5]	9.71%	22,204	1.14%	2,607	10.85%	24,811
Total Contribution	16.80%	$38,417	1.09%	$2,492	17.89%	$40,909
General PEPRA Tier 2 Members w/COLA						
Normal Cost [4]	6.92%	$1,658	-0.10%	-$24	6.82%	$1,634
UAAL[3][5]	9.71%	2,326	1.14%	273	10.85%	2,599
Total Contribution	16.63%	$3,984	1.04%	$249	17.67%	$4,233
All General Members[6]						
Normal Cost	7.09%	$34,344	0.02%	$111	7.11%	$34,455
UAAL	9.71%	47,026	1.45%	7,045	11.16%	54,071
Total Contribution	16.80%	$81,370	1.47%	$7,156	18.27%	$88,526

Appendix C (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers – Current Valuation Under Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
Safety Members	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]
Normal Cost[7]	11.80%	$18,889	4.68%	$7,491	16.48%	$26,380
UAAL	44.50%	71,233	-8.89%	-14,230	35.61%	57,003
Total Contribution	56.30%	$90,122	-4.21%	-$6,739	52.09%	$83,383
Safety PEPRA Members						
Normal Cost	10.60%	$403	4.09%	$156	14.69%	$559
UAAL	44.50%	1,692	-8.89%	-338	35.61%	1,354
Total Contribution	55.10%	$2,095	-4.80%	-$182	50.30%	$1,913
All Safety Members[6]						
Normal Cost	11.77%	$19,292	4.67%	$7,647	16.44%	$26,939
UAAL	44.50%	72,925	-8.89%	-14,568	35.61%	58,357
Total Contribution	56.27%	$92,217	-4.22%	-$6,921	52.05%	$85,296
All Categories Combined[6]						
Normal Cost	8.27%	$53,636	1.20%	$7,758	9.47%	$61,394
UAAL	18.50%	119,951	-1.16%	-7,523	17.34%	112,428
Total Contribution	26.77%	$173,587	0.04%	$235	26.81%	$173,822

(1) *Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2014 annual payroll (also in thousands) shown below:*

General Tier 1	$10,004
General Tier 2	209,847
General PEPRA Tier 2	11,899
General Tier 2C	228,670
General PEPRA Tier 2C	23,959
Safety	160,075
Safety PEPRA	3,803
Total	$648,257

(2) *The total employer rate has been adjusted by 0.37% to account for the cost associated with the cessation of member contributions after 30 years of service.*

(3) *Basic UAAL rates have been calculated on a combined basis for all General Tiers.*

(4) *Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.*

(5) *Includes 0.56% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.*

(6) *These aggregated rates are provided for informational purposes only as we understand that the intent is to implement the tier specific rates, if possible.*

(7) *The total employer rate has been adjusted by 1.13% to account for the cost associated with the cessation of member contributions after 30 years of service.*

Appendix D

Member Contribution Rates Based on 50/50 Sharing of Normal Cost for Non-PEPRA Tiers

	Basic		COLA		Total	
	First $350	**Over $350**	**First $350**	**Over $350**	**First $350**	**Over $350**
General Tier 1	5.03%	7.44%	1.62%	2.41%	6.65%	9.85%
General Tier 2 without COLA	4.81%	7.09%	0.00%	0.00%	4.81%	7.09%
General Tier 2 COLA	4.81%	7.09%	2.63%(1)	2.63%(1)	7.44%	9.72%
Safety	10.99%	10.99%	4.36%	4.36%	15.35%	15.35%

(1) *General Tier 2 members with COLA are required to pay COLA contributions of 2.63% of compensation based on current bargaining agreements.*

Appendix E

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Current Valuation Under Non-Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
General Tier 1 Members	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]
Normal Cost	8.11%	$811	2.43%	$243	10.54%	$1,054
UAAL[2]	369.07%	36,922	41.64%	4,165	410.71%	41,087
Total Contribution	377.18%	$37,733	44.07%	$4,408	421.25%	$42,141
General Tier 2 Members w/o COLA						
Normal Cost	8.36%	$17,543	0.00%	$0	8.36%	$17,543
UAAL[2]	2.13%	4,470	0.00%	0	2.13%	4,470
Total Contribution	10.49%	$22,013	0.00%	$0	10.49%	$22,013
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.92%	$823	0.00%	$0	6.92%	$823
UAAL[2]	2.13%	253	0.00%	0	2.13%	253
Total Contribution	9.05%	$1,076	0.00%	$0	9.05%	$1,076
General Tier 2 Members w/COLA						
Normal Cost [3]	8.36%	$19,117	-0.05%	-$115	8.31%	$19,002
UAAL[2][4]	2.13%	4,871	1.14%	2,607	3.27%	7,478
Total Contribution	10.49%	$23,988	1.09%	$2,492	11.58%	$26,480
General PEPRA Tier 2 Members w/COLA						
Normal Cost [3]	6.92%	$1,658	-0.10%	-$24	6.82%	$1,634
UAAL[2][4]	2.13%	510	1.14%	273	3.27%	783
Total Contribution	9.05%	$2,168	1.04%	$249	10.09%	$2,417
All General Members						
Normal Cost	8.25%	$39,952	0.02%	$104	8.27%	$40,056
UAAL	9.71%	47,026	1.45%	7,045	11.16%	54,071
Total Contribution	17.96%	$86,978	1.47%	$7,149	19.43%	$94,127

Appendix E (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Current Valuation Under Non-Combined Methodology

	June 30, 2014 Actuarial Valuation					
	BASIC		COLA		TOTAL	
Safety Members	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]	Rate	Estimated Annual Amount[1]
Normal Cost	13.97%	$22,362	4.29%	$6,868	18.26%	$29,230
UAAL	44.50%	71,233	-8.89%	-14,230	35.61%	57,003
Total Contribution	58.47%	$93,595	-4.60%	-$7,362	53.87%	$86,233
Safety PEPRA Members						
Normal Cost	10.60%	$403	4.09%	$156	14.69%	$559
UAAL	44.50%	1,692	-8.89%	-338	35.61%	1,354
Total Contribution	55.10%	$2,095	-4.80%	-$182	50.30%	$1,913
All Safety Members						
Normal Cost	13.89%	$22,765	4.29%	$7,024	18.18%	$29,789
UAAL	44.50%	72,925	-8.89%	-14,568	35.61%	58,357
Total Contribution	58.39%	$95,690	-4.60%	-$7,544	53.79%	$88,146
All Categories Combined						
Normal Cost	9.67%	$62,717	1.10%	$7,128	10.77%	$69,845
UAAL	18.50%	119,951	-1.16%	-7,523	17.34%	112,428
Total Contribution	28.17%	$182,668	-0.06%	-$395	28.11%	$182,273

(1) *Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2014 annual payroll (also in thousands) shown below:*

General Tier 1	$10,004
General Tier 2	209,847
General PEPRA Tier 2	11,899
General Tier 2C	228,670
General PEPRA Tier 2C	23,959
Safety	160,075
Safety PEPRA	3,803
Total	$648,257

(2) *Basic UAAL rates have not been calculated on a combined basis for all General Tiers.*

(3) *Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.*

(4) *Includes 0.56% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.*

Appendix E (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Prior Valuation Under Non-Combined Methodology

	June 30, 2013 Actuarial Valuation[1]					
	BASIC		COLA		TOTAL	
General Tier 1 Members	Rate	Estimated Annual Amount[2]	Rate	Estimated Annual Amount[2]	Rate	Estimated Annual Amount[2]
Normal Cost	8.15%	$925	2.44%	$277	10.59%	$1,202
UAAL[3]	277.05%	31,440	29.41%	3,337	306.46%	34,777
Total Contribution	285.20%	$32,365	31.85%	$3,614	317.05%	$35,979
General PEPRA Tier 1 Members						
Normal Cost	4.70%	$52	1.80%	$19	6.50%	$71
UAAL[3]	277.05%	3,045	29.41%	323	306.46%	3,368
Total Contribution	281.75%	$3,097	31.21%	$342	312.96%	$3,439
General Tier 2 Members w/o COLA						
Normal Cost	8.48%	$17,997	0.00%	$0	8.48%	$17,997
UAAL[3]	3.04%	6,452	0.00%	0	3.04%	6,452
Total Contribution	11.52%	$24,449	0.00%	$0	11.52%	$24,449
General PEPRA Tier 2 Members w/o COLA						
Normal Cost	6.83%	$216	0.00%	$0	6.83%	$216
UAAL[3]	3.04%	96	0.00%	0	3.04%	96
Total Contribution	9.87%	$312	0.00%	$0	9.87%	$312
General Tier 2 Members w/COLA						
Normal Cost [4]	8.48%	$20,422	-0.04%	-$97	8.44%	$20,325
UAAL[3][5]	3.04%	7,321	1.01%	2,432	4.05%	9,753
Total Contribution	11.52%	$27,743	0.97%	$2,335	12.49%	$30,078
General PEPRA Tier 2 Members w/COLA						
Normal Cost [4]	6.83%	$536	-0.13%	-$10	6.70%	$526
UAAL[3][5]	3.04%	239	1.01%	79	4.05%	318
Total Contribution	9.87%	$775	0.88%	$69	10.75%	$844
All General Members						
Normal Cost	8.43%	$40,148	0.04%	$189	8.47%	$40,337
UAAL	10.20%	48,593	1.29%	6,171	11.49%	54,764
Total Contribution	18.63%	$88,741	1.33%	$6,360	19.96%	$95,101

Appendix E (continued)

Employer Contribution Rates (Dollar Amounts in Thousands) For Reference Purposes Only – Prior Valuation Under Non-Combined Methodology

	June 30, 2013 Actuarial Valuation[1]					
	BASIC		COLA		TOTAL	
Safety Members	Rate	Estimated Annual Amount[2]	Rate	Estimated Annual Amount[2]	Rate	Estimated Annual Amount[2]
Normal Cost	13.96%	$22,627	4.30%	$6,970	18.26%	$29,597
UAAL	42.87%	69,486	-5.45%	-8,834	37.42%	60,652
Total Contribution	56.83%	$92,113	-1.15%	-$1,864	55.68%	$90,249
Safety PEPRA Members						
Normal Cost	11.27%	$19	4.87%	$9	16.14%	$28
UAAL	42.87%	73	-5.45%	-9	37.42%	64
Total Contribution	54.14%	$92	-0.58%	$0	53.56%	$92
All Safety Members						
Normal Cost	13.96%	$22,646	4.30%	$6,979	18.26%	$29,625
UAAL	42.87%	69,559	-5.45%	-8,843	37.42%	60,716
Total Contribution	56.83%	$92,205	-1.15%	-$1,864	55.68%	$90,341
All Categories Combined						
Normal Cost	9.83%	$62,794	1.12%	$7,168	10.95%	$69,962
UAAL	18.50%	118,152	-0.42%	-2,672	18.08%	115,480
Total Contribution	28.33%	$180,946	0.70%	$4,496	29.03%	$185,442

(1) *Before reflecting three-year phase-in of the effect of the changes in economic actuarial assumptions and actuarial cost method from the June 30, 2012 valuation.*

(2) *Amounts are in thousands, assumed to be paid throughout the year, and are based on June 30, 2013 annual payroll (also in thousands) shown below:*

General Tier 1	$11,348
General PEPRA Tier 1	1,099
General Tier 2	212,229
General PEPRA Tier 2	3,163
General Tier 2C	240,822
General PEPRA Tier 2C	7,847
Safety	162,085
Safety PEPRA	171
Total	$638,764

(3) *Basic UAAL rates have not been calculated on a combined basis for all General Tiers.*

(4) *Reflects General Tier 2 member COLA contribution rate of 2.63% based on current bargaining agreements.*

(5) *Includes 0.53% in COLA UAAL costs attributed to the first two years of service accrued for the fixed 2% COLA pursuant to Government Code 31627.*

5328634v1/05325.002

Ventura County Employees' Retirement Information System
Project Status Report
Month Ending: November 2014

Reporting to: Board of Retirement | Report Date: 12/02/14
Written by: Brian Colker

PROJECT STATUS SUMMARY

Actual Percentage Complete: 70.55%*	
Planned Percentage Complete: 75.46%*	

**Note: The updated Sprint Schedule went into effect with the approval of the PEPRA change order. The completion percentages have been adjusted to take into account the updates and changes per the new sprint schedule.*

Scope	Schedule	Cost	Risks	Quality

Schedule

The project schedule is 4.91% behind schedule. The two primary factors causing the schedule impacts are:

- VCERA staffing issues – Over the course of the project staffing issues negatively impacted the project schedule. Currently the project is adequately staffed, but the project schedule was impacted. Linea and VCERA management will continue to closely monitor on-going resource levels to determine any further delays to the project.
- Third party vendor issues – Vitech and County IT continue to conduct system testing and are still targeting the end of the year to have all testing completed.

Risks

There are two project risks that are being closely monitored.

- Plan sponsor payroll transmittal –VCERA and the Auditor-Controller's office are continuing to negotiate the schedule for completion of the transmittal file and testing phases. It has been agreed that the work will be completed without an official Memorandum of Understanding. The project team will determine the impacts to the project schedule and prepare a revised project plan for the Board as soon as the schedule has been finalized.
- VCERA staffing issues –There has been no change to this risk. The project team is continuing to attempt to reduce the current schedule impacts and to prevent additional impacts.

KEY ACCOMPLISHMENTS LAST MONTH

- Continued design, development, and testing activities for Segment H functionality:
    - Disability
    - Active Death Processing
    - Retired Death Processing
    - DRO Processing – Alt Payee
    - 1099R Processing
- Wrote 344 test cases and executed 227 tests.
- Completed Data Conversion Cycle 10

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

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

December 15, 2014

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

SUBJECT: RECOMMENDATION FOR MS. McCORMICK'S ATTENDANCE AT THE 2015 PENSION BRIDGE CONFERENCE, APRIL 7- 8, 2015, SAN FRANCISCO.

Dear Board Members:

Staff recommends approval for Ms. McCormick to attend the 2015 Pension Bridge Conference in San Francisco, April 7-8, 2015. The cost to attend is estimated to be $1,350 including event registration, hotel, air fare and other travel related expenses.

VCERA staff will be pleased to respond to any questions you may have on this matter at the December 15, 2014 business meeting.

Sincerely,

Tim Thonis
Interim Retirement Administrator

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

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

December 15, 2014

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

SUBJECT: RECOMMENDATION FOR MR. GOULET, MR. SEDELL AND MR. WILSON TO ATTEND THE 6TH ANNUAL NEPC PUBLIC FUND WORKSHOP; JANUARY 12 – 13, 2015, TEMPE, ARIZONA

Dear Board Members:

Staff recommends approval for Mr. Goulet, Mr. Sedell and Mr. Wilson to attend NEPC's 2015 Public Fund Workshop in Tempe Arizona, January 12-13, 2015. The aggregate cost to attend is estimated to be $2,750 including hotel, meals, air fare and other travel related expenses.

VCERA staff will be pleased to respond to any questions you may have on this matter at the December 15, 2014 business meeting.

Sincerely,

Tim Thonis
Interim Retirement Administrator

NEPC, LLC

2015 Public Funds Workshop
Monday and Tuesday, January 12 and 13

Tempe Mission Palms
60 East Fifth Street
Tempe, AZ 85281

Workshop Agenda — January 12-13

Monday, January 12

6:30am-7:45a:	Breakfast (at your leisure) in the cloister
7:45am:	Adjourn to meeting room
8:00a-9:30a:	**Opening Remarks/Fund Introductions** Rhett Humphreys of NEPC to provide opening remarks, followed by participants introducing their Fund and current key strategic initiatives
9:30a–10:30a:	**NEPC 2015 Capital Markets Update and Asset Allocation Thoughts** Tim McCusker, NEPC
10:30a–10:45a:	Break
10:45a–11:45a:	**Public Plan Trends, Threats and Challenges** Hank Kim, NCPERS
11:45a–12:45p:	**Investing in a Low Return World** How to take smart risks, layout while returns are lower, focus in investment Chris Levell, NEPC
12:45p–1:45p:	LUNCH
1:45p–2:45p:	**European Credit Opportunities** Alternative Opportunities in Europe Sean Ruhmann and Neil Sheth of NEPC to lead a client panel (client(s) TBD)
2:45p–3:45p:	Credit Spreads in Different Monetary Regimes **(tentative topic)** Clients are worried about credit and conditions. Spreads will stay low in a changing interest rate regime
3:45p–4:00p:	Break

4:00p-5:00pm: **Fee Policy, Analysis and Rationalizing Fees for Alternative Investments**
Cost effective fee management.
Sean Gill, NEPC (client participants to include Girard Miller, OCERS; Bob Jacksha, NMERB)

5:00pm: Closing Remarks

5:45p: Cocktails

6:15p: Dinner – (Daniel Ivascyn, Group CIO from PIMCO—Mike Manning, NEPC to run a Q & A session)

Tuesday, January 13

6:30am-7:45am: Breakfast (at your leisure) in the cloister
7:45am: Adjourn to meeting room

8:00a-8:45a: **Asia Private Equity: Transformational Capital for the Transitional Decade**
Melissa Ma, Co-Founder and Managing Partner of Asia Alternatives

8:45a-9:30a: **Client Panel on Investing in Asia**
Chris Hill/Sean Gill, NEPC (client participants TBD)

9:30a-9:45a: Break

9:45a-10:30a: **Risk Management in a Dynamic World**
Panel (Bridgewater to moderate?) on Tail Risk hedging, Smart Beta, Defensive Equity, Currency Risk (Don Pierce, SBCERA-Intelligent Rebalancing)

10:15a–11:30a: **SPONSOR PANEL – Investments/Operations/Political Environment/Challenges**
Kevin Leonard, NEPC will moderate a panel (client participants TBD)

11:30a: Concluding Remarks
Kevin Leonard, NEPC

12:00pm: Box lunch (seating available in the courtyard)

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

December 15, 2014

Board of Retirement
Ventura County Retired Employees' Association
1190 S. Victoria Ave., Suite 200
Ventura, CA 93003-6572

Subject: Potential Legislation

Dear Board Members:

In furtherance of the Board's discussion about the possibility of seeking legislation to give the Board authority over the job descriptions and compensation of VCERA's upper level employees, I have attached a draft of a bill that would accomplish that goal.

Actually, the bill is quite simple, since all of the groundwork was done by OCERS and SBCERA when they ran their bills previously. CCCERA's recent successful legislation (SB 673) is somewhat different in that all staff working for that system will be CCCERA employees, not just upper level management. SB 673 goes into effect on January 1, 2015.

As you'll note, section 1 of the bill adds VCERA to the definition of "district" in CERL. This does not make VCERA a "special district" within the ordinary meaning of that term. The purpose of the addition to the definition is solely to enable those who are employees of VCERA, rather than county employees, to participate in the retirement system.

If the Board chooses to seek an author to carry a bill such as the attached, I suggest it be vetted by Harvey Leiderman to insure that I haven't missed anything. Mr. Leiderman played a key role in drafting the OCERS bill in 2002, and the CCCERA bill in 2014, so he would be aware of any other provisions of CERL that might need to amended as well.

I would be happy to answer any questions regarding this subject.

Sincerely,

Arthur E. Goulet

Arthur E. Goulet
Retiree Member

Attachment

SECTION 1. Section 31468 of the Government Code is amended to read:

31468. (a) "District" means a district, formed under the laws of the state, located wholly or partially within the county other than a school district.

(b) "District" also includes any institution operated by two or more counties, in one of which there has been adopted an ordinance placing this chapter in operation.

(c) "District" also includes any organization or association authorized by Chapter 26 of the Statutes of 1935, as amended by Chapter 30 of the Statutes of 1941, or by Section 50024, which organization or association is maintained and supported entirely from funds derived from counties, and the board of any retirement system is authorized to receive the officers and employees of that organization or association into the retirement system managed by the board.

(d) "District" also includes, but is not limited to, any sanitary district formed under Part 1 (commencing with Section 6400) of Division 6 of the Health and Safety Code.

(e) "District" also includes any city, public authority, public agency, and any other political subdivision or public corporation formed or created under the constitution or laws of this state and located or having jurisdiction wholly or partially within the county.

(f) "District" also includes any nonprofit corporation or association conducting an agricultural fair for the county pursuant to a contract between the corporation or association and the board of supervisors under the authority of Section 25905.

(g) "District" also includes the Regents of the University of California, but with respect only to employees who were employees of a county in a county hospital, who became university employees pursuant to an agreement for transfer to the regents of a county hospital or of the obligation to provide professional medical services at a county hospital, and who under that agreement had the right and did elect to continue membership in the county's retirement system established under this chapter.

(h) "District" also includes the South Coast Air Quality Management District, a new public agency created on February 1, 1977, pursuant to Chapter 5.5 (commencing with Section 40400) of Part 3 of Division 26 of the Health and Safety Code.

(1) Employees of the South Coast Air Quality Management District shall be deemed to be employees of a new public agency occupying new positions on February 1, 1977. On that date, those new positions are deemed not to have been covered by any retirement system.

(2) No retirement system coverage may be effected for an employee of the South Coast Air Quality Management District who commenced employment with the district during the period commencing on February 1, 1977, and ending on December 31, 1978, unless and until the employee shall have elected whether to become a member of the retirement association established in accordance with this chapter for employees of Los Angeles County or the retirement association established in accordance with this chapter for employees of San Bernardino County. The election shall occur before January 1, 1980. Any employee who fails to make the election provided for herein shall be deemed to have elected to become a member of the retirement association established in accordance with this chapter for the County of Los Angeles.

(3) The South Coast Air Quality Management District shall make application to the retirement associations established in accordance with this chapter for employees of Los Angeles County and San

Bernardino County for coverage of employees of the South Coast Air Quality Management District.

(4) An employee of the South Coast Air Quality Management District who commenced employment with the district during the period commencing on February 1, 1977, and ending on December 31, 1978, and who has not terminated employment before January 1, 1980, shall be covered by the retirement association elected by the employee pursuant to paragraph (2). That coverage shall be effected no later than the first day of the first month following the date of the election provided for in paragraph (2).

(5) Each electing employee shall receive credit for all service with the South Coast Air Quality Management District. However, the elected retirement association may require, as a prerequisite to granting that credit, the payment of an appropriate sum of money or the transfer of funds from another retirement association in an amount determined by an enrolled actuary and approved by the elected retirement association's board. The amount to be paid shall include all administrative and actuarial costs of making that determination. The amount to be paid shall be shared by the South Coast Air Quality Management District and the employee. The share to be paid by the employee shall be determined by good faith bargaining between the district and the recognized employee organization, but in no event shall the employee be required to contribute more than 25 percent of the total amount required to be paid. The elected retirement association's board may not grant that credit for that prior service unless the request for that credit is made to, and the required payment deposited with, the elected retirement association's board no earlier than January 1, 1980, and no later than June 30, 1980. The foregoing shall have no effect on any employee's rights to reciprocal benefits under Article 15 (commencing with Section 31830).

(6) An employee of the South Coast Air Quality Management District who commenced employment with the district after December 31, 1978, shall be covered by the retirement association established in accordance with this chapter for employees of San Bernardino County. That coverage shall be effected as of the first day of the first month following the employee's commencement date.

(7) Notwithstanding paragraphs (2) and (4) above, employees of the South Coast Air Quality Management District who were employed between February 1, 1977, and December 31, 1978, and who terminate their employment between February 1, 1977, and January 1, 1980, shall be deemed to be members of the retirement association established in accordance with this chapter for the employees of Los Angeles County commencing on the date of their employment with the South Coast Air Quality Management District.

(i) "District" also includes any nonprofit corporation that operates one or more museums within a county of the 15th class, as described by Sections 28020 and 28036 of the Government Code, as amended by Chapter 1204 of the Statutes of 1971, pursuant to a contract between the corporation and the board of supervisors of the county, and that has entered into an agreement with the board and the county setting forth the terms and conditions of the corporation's inclusion in the county's retirement system.

(j) "District" also includes any economic development association funded in whole or in part by a county of the 15th class, as described by Sections 28020 and 28036 of the Government Code, as amended by Chapter 1204 of the Statutes of 1971, and that has entered into an agreement with the board of supervisors and the county setting forth the terms and conditions of the association's inclusion in the county's retirement system.

(k) "District" also includes any special commission established in the Counties of Tulare and San Joaquin as described by Section 14087.31 of the Welfare and Institutions Code, pursuant to a contract between the special commission and the county setting forth the terms and conditions of the special commission's inclusion in the county's retirement system with the approval of the board of supervisors and the board of retirement.

(*l*) (1) "District" also includes the retirement system established under this chapter in Orange County.

(2) "District" also includes the retirement system established under this chapter in San Bernardino County at such time as the board of retirement, by resolution, makes this section applicable in that county.

(3) "District" also includes the retirement system established under this chapter in Contra Costa County.

(4) "District" also includes the retirement system established under this chapter in Ventura County

Section 2. Section 31522.5 of the Government Code is amended to read:

31522.5. (a) In a county in which the board of retirement has appointed personnel pursuant to Section 31522.1, the board of retirement may appoint an administrator, an assistant administrator, a chief investment officer, senior management employees next in line of authority to the chief investment officer, subordinate administrators, senior management employees next in line of authority to subordinate administrators, and legal counsel.

(b) Notwithstanding any other provision of law, the personnel appointed pursuant to this section may not be county employees but shall be employees of the retirement system, subject to terms and conditions of employment established by the board of retirement. Except as specifically provided in this subdivision, all other personnel shall be county employees for purposes of the county's employee relations resolution, or equivalent local rules, and the terms and conditions of employment established by the board of supervisors for county employees, including those set forth in a memorandum of understanding.

(c) The compensation of personnel appointed pursuant to this section shall be an expense of administration of the retirement system, pursuant to Section 31580.2.

(d) The board of retirement and board of supervisors may enter into any agreements as may be necessary and appropriate to carry out the provisions of this section.

(e) Section 31522.2 is not applicable to any retirement system that elects to appoint personnel pursuant to this section.

(f) This section shall apply only in Orange County.

(g) This section shall apply to the retirement system established under this chapter in San Bernardino County at such time as the board of retirement, by resolution, makes this section applicable in that county.

(h) This section shall apply to the retirement system established under this chapter in Ventura County at such time as the board of retirement, by resolution, makes this section applicable in that county.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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

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

December 15, 2014

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

SUBJECT: REINSTATEMENT TO ACTIVE MEMBERSHIP; CYNTHIA CANTLE

Dear Board Members,

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

VCERA staff members will be pleased to answer any questions you may have on this item at the business meeting of December 15, 2014.

Sincerely,

Tim Thonis
Interim Retirement Administrator

December 15, 2014

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

Dear Members of the Board of Retirement:

I hereby respectfully request reinstatement as an active employee of the County of Ventura, filling a position as Board of Supervisor's Chief of Staff, effective January 5, 2015.

As instructed by your staff, I have attached a copy of the offer of employment, the draft job description and a letter from my physician stating that I am capable of fulfilling the duties required.

I appreciate your favorable consideration of this request, and I look forward to once again becoming an active and contributing employee serving the citizens of Ventura County.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Cynthia Cantle

Cynthia Cantle
465 Gridley Road
Ojai, CA
805-640-9598

From the Desk of **STEVE BENNETT**
SUPERVISOR, FIRST DISTRICT
(805) 654-2703
FAX: (805) 654-2226
E-mail:steve.bennett@ventura.org

BOARD OF SUPERVISORS
COUNTY OF VENTURA

GOVERNMENT CENTER, HALL OF ADMINISTRATION
800 SOUTH VICTORIA AVENUE, VENTURA, CALIFORNIA 93009

November 30, 2014

Cynthia Cantle
465 Gridley Road
Ojai, CA 93023

Dear Cynthia,

I am pleased to extend to you an offer of employment as my Board of Supervisor's Chief of Staff.

Cordially,

Steve Bennett

Steve Bennett
Supervisor, First District

I have read the job description for Board of Supervisors Chief of Staff and confirm that Cynthia S. Cantle is physically capable of performing the job as described.

Mary E. Dial MD

Dr. Mary E. Dial, MD

11/24/14

Date

Hi Tim,

Hope this finds you well. This is just a quick note to see if we can welcome you at IMN's renowned *Winter Forum on Real Estate Opportunity & Private Fund Investing*, between Jan. 21st – 23rd, 2015 at the Montage, Laguna Beach, CA.

The largest event of its kind on the West Coast, with 1000+ senior executives in attendance, it is largely considered to be the best CRE deal-making event in the country. The forum offers real estate investors strategic insights into the current regulatory and market environment.

You may qualify for a complimentary pass, however all passes are subject to IMN's approval based on availability. If interested, please let me know so that I may expedite the approval process.

I would be happy to get on a quick call to address any concerns you have. Thank you for your consideration, I look forward to hearing from you soon.

Below is partial listing of companies represented at the 2014 event.

Warm regards,
Sahadev Shivarthy | Director – Investor Relations
Information Management Network (IMN)
a Euromoney Institutional Investor PLC company
225 Park Avenue South, 7th Floor | New York, NY 10003
t: (212) 224-3521 | c: (845) 667-2025

my Linked in profile

DC Ask me about DirectConnect: IMN's exclusive online networking platform

(Please note: due to the overwhelming interest for this event, receipt of this email does not guarantee complimentary access to the program. Thank you in advance for your patience and understanding.)

A Partial Listing of Companies Represented at January 2014 event:

4Terra Investments	First West Capital Corp.	Palisades Equity Partners
ABP Capital, LLC	Focus Management Group	Parametric Portfolio Associates/Eaton Vance
Ackman-Ziff Real Estate Group	Foremost Communities	Paramount Lodging Advisors
Adler Realty Investments, Inc.	Forge Capital Partners, LLC	Parmenter Realty Partners
AEI Consultants	Fortress Investment Group	Parse Capital, LLC
AEW Capital Management, L.P.	Fox and Hounds Properties	Partner Energy
Affordable Housing Investment Partners of Marcus & Millichap	Fox River Partners	Partner Engineering and Science
Aileron Capital Management	Fox Rothschild LLP	Partners Capital Solutions
Ajlan & Bros Group	Frandzel Robins Bloom & Csato	Pathfinder Partners, LLC
Akin Gump Strauss Hauer & Feld	Freestone Real Estate Opportunities, L.P.	Peachtree Hotel Group
Allen Matkins	GE Capital Real Estate	Pennant Management
Allstate Investments, LLC	GEM Realty Capital, Inc.	Perth Advisors
AmCap, Inc.	Gemini Capital	Phillips Edison & Company
American Asset Corp	George Smith Partners	PIMCO
American Development Group,	Gerrity Group, LLC	Pintar Investment Company

American Homes 4 Rent	Gibson, Dunn & Crutcher LLP	Pircher, Nichols & Meeks
American Real Estate Partners	GlobeSt.com	PNL Companies
American Realty Advisors	Godfrey & Kahn, S.C.	Pontus Capital
AMG Realty Group LLC	Goldman Sachs	Portfolio Advisors, LLC
Amstar Group, LLC	Goodwin Procter LLP	Prana Investments
Andell, Inc.	Green Oak Real Estate	Precise Associates Inc.
Arc Capital Partners, LLC	Greenberg Traurig, LLP	Precision Boomerang
Arcturus Group	GreenOak Real Estate	Preferred Capital
Ares Management LLC	Greystar Real Estate Partners,	Premier America
Argent Management	Greystone Servicing Corporation, Inc.	Prescott Realty Group, Inc.
Argosy Real Estate	Griffin Capital	Primestor Development, Inc
Arixa Capital Advisors, LLC	GTIS Partners	Principal Real Estate Investors
Arnall Golden Gregory LLP	H/2 Partners	Procopio Cory Hargreaves & Savitch LLP
Artemis Real Estate Partners	Hackman Capital Partners, LLC	Proskauer Rose LLP
Artis Advisors LLC	HAI Advisors LLC	Province Group
Astrum Investment Management	Hana Asset Trust	PRP, LLC
Atalaya Capital Management LP	HARBOR REAL ESTATE INVESTMENTS LLC	Prudential Real Estate Investors
Atlantic American Partners	Harbor Real Estate Partners	PwC
Austin (TX) Police Retirement System	Harrison Street	Quantinal Capital Advisors
AVP Advisors, LLC	Harvard University	R.W. Baird & Co.
Axcel Development Group	Hawkins Way Capital	R.W. Selby & Co., Inc.
Axis Development Group	Haynes and Boone, LLP	Rabobank
B.H. Management, Inc.	HG Capital, LLC	Randall Martin
B.H. Properties	High Rock Land Company, LLC	Randolph Street Realty Capital
Baldwin & Sons, LLC	Highbridge Principal Strategies	Raymond James
Ballard Spahr	Hilco Real Estate	RCLCO
Bank of America Merrill Lynch	Hill International, Inc.	Realty Mogul, Co.
Bank of the West	Holthouse Carlin & Van Trigt	Realty Pilot, LLC
Beacon Pointe Advisors	HomeStar Companies	Red Cedar Residential
Beijing Eiseley Capital Management	Hoving Capital	RedBrook Capital Partners, LLC
Benedict Canyon Equities	Hylant Group	Redwood Real Estate Partners
Berkadia	ICO Group of Companies	REEis
BFIM	IHP Capital Partners	Regent Properties
Big Ocean LLC	Imperial Capital	REIT Investment Group
BioRealty, Inc.	Independence Capital Partners	Related Companies
Bixby Land Company	Inland Institutional Capital Partners	Rendina Companies
BKD, LLP	In-Rel Properties, Inc.	Rentv.com, Inc.
BlackRock	InSight Capital Partners LLC	Reven Housing REIT, Inc.
Blackstone	Integratec Services	Revere Property Group
Blackwood	Integrated Capital	Reznick Capital Markets Securities, LLC
Blue Mountain Homes	Interwest Capital Corporation	Rialto Capital Advisors
BofI Federal Bank	Invesco Real Estate	Rising Realty Partners
Bolour Associates	Investors Capital Group LLC	RMA, Inc.
Borstein Enterprises	Iris Environmental	Robinson Development Group
Boys & Girls Clubs of Capistrano Valley	Irvine Company	ROC Seniors
Bridge Investment Group Partners	Isles Ranch Partners, LLC	Rockwood Capital, LLC
Bridgeport Investments	iStar Financial	Rosemont Realty
Bridgeway Partners	J.P. Morgan	Rosen Consulting Group
Brooks Capital Management	Jacksonville Police & Fire Pension Fund	Rothstein Kass
Buie Stoddard Group LLC	James Investment Partners	RSI Asset Management, LLC
Cain White Group	JCR Capital	RTI Capital, LLC
Calkain Companies	JCR Companies	Russell Investments
Cannae Partners	JCRA Financial LLC	RW Baird
Cantor Fitzgerald	Jenny Scharfeld Consulting	RW Kline Companies
Canyon Capital Realty Advisors	JH Real Estate Partners Inc.	Sabal Financial Group, L.P.
Capital Cove Asset Management	JH Stark Companies	Sack Properties
Capital Cove Financial	JMB Financial Advisors LLC	Sage Realty

Capital Hall Partners	John Burns Real Estate Consulting	San Bernardino County Employees Retirement Association
Capital One Bank	Johnson Capital	Santa Ynez Band of Chumash Indians
Capital Source Bank	Jones Lang LaSalle	Sares Regis Group
CapitalSource	JPMorgan Investment Management Inc.	Schulte Roth & Zabel LLP
Capmark Investments LP	JW Development	Segal Rogerscasey
Capri Capital Partners, LLC	Kajaine Capital	Sequoian Investments
Capstone Advisors, Inc.	Kaplan Voekler Cunningham & Frank, PLC	Seward & Kissel LLP
CarVal Investors	Karlin Real Estate	Shashi Group, LLC
Cassidy Turley	Katten Muchin Rosenman	Sheldon Development
Castlelake	KBS Capital Advisors	Sheppard Mullin Richter & Hampton LLP
CBRE	KBS Realty Advisors	Shopoff Realty Investments
CBRE Global Investors	Keller Williams Realty	Sierra Pacific Realty/ Fusion network
Center Street Lending Corporation	Kelley Drye & Warren	SilverPortalCapital.com
Centerra Capital	Kelly Capital	Silverstein Properties, Inc.
CenterSquare Investment Management	Kennedy Wilson	Singerman Real Estate
Cerberus California, LLC	Key Property Services, LLC	Situs
Cervenka & Lukes Capital Partners	Keystone	Sonnenblick Development, LLC
Chicago Policemen's Annuity & Benefit Fund	Kilbourne Group	Southwest Value Partners
Chicago Title Company	Kimball, Tirey & St. John LLP	Spurs Capital LLC
China Association of Small and Medium Enterprises, of CAST	Knipp Contracting	Squar Milner Peterson Miranda & Williamson LLP
Church Pension Group	Kor Group	SR Commercial
CIM Group	Koss Resource	SSG Realty Partners
CIP Real Estate	KPMG LLP	Standard Global
City National Bank	Lancaster Group Inc	Starwood Property Trust
Clarion Partners	Land Advisors Capital	Strada Investment Group II, LLC
Clay Cove Capital	Land Advisors Organization	Strategic Holdings, LLC
Clear Capital LLC	Land Banking & Development	Strategic Realty Capital, LLC
Cohen Financial	LandCap Investment Partners	Stroock & Stroock & Lavan, LLP
CohnReznick LLP	Landmark Partners	Sumitomo Mitsui Banking Corporation
Coldwell Banker Commercial Saunders Ralston Dantzler Realty	Langan Treadwell Rollo	SunCal
Cole Real Estate Investments	LaSalle Investment Management	Sydell Group, Ltd.
Colony AMC	Latham & Watkins LLP	TAB Bank
Colony American Homes	Laurus Corporation	Tabibian & Associates
Colony Capital, LLC	Law & Associates/Land Veritas	Target Rock Partners
Community Builders Group	LBA Realty LLC	TDP, Bay Area Partners, LLC
Connorex-Lucinda, LLC	LBG Realty Advisors, LLC	Teacher Retirement System of Texas
Consultant	LCN Capital Partners	TEDxOnBoard
Contrarian Capital Management,	Lever Capital Partners	Ten Capital Management
Convergent Capital Partners	Lewis Operating Corp.	Terra Capital Partners
Convermat Capital	Liberty Group	Texas Permanent School Fund
Cooley LLP	Lincoln Property Company	The Bascom Group, LLC
Core Trust Capital Partners	Lincoln Street Capital LLC	The Blackstone Group
Cornerstone Real Estate Advisers	LLJ Ventures	The Carlyle Group
Cornerstone Wealth Management	Lone Oak Fund, LLC	The CenterCap Group, LLC
Cortland Capital Market Services	Long Market Property Partners	The Concord Group, LLC
Cortland Fund Services	Los Angeles City Employees' Retirement System (LACERS)	The Exchange Block LLC
Cost Segregation Servcies, Inc.	Lowe Enterprises, Inc.	The Laramar Group, LLC
Cowboy and Company, LLC	LRES Corp	The Magellan Group, Inc.
Cox Castle & Nicholson LLP	LStar Management	The Muller Company
CRE Radio	Lubert-Adler Partners, LP	The Pollin Group, LLC
Crescent Bay Holdings, LLC	Macquarie Capital (USA) Inc.	The Robert Mayer Corporation
CrossHarbor Capital Partners,	Madison Title Agency LLC	The Royal Bank of Scotland
Crown Advisors, Inc.	Mamey Investment Corporation	The Shopoff Group LP

Crown Realty & Development	Manatt, Phelps & Phillips, LLP	The Swig Company
Cruzan Monroe	Mark IV Capital	The TerraCotta Group
Cunningham Development Company, Inc.	Marketing Consultant	The Wolff Company
Cushman & Wakefield	Maxwelle	The Yucaipa Companies
CYPRESS Office Properties, LLC	Mayer Brown LLP	THG, LLC
D2 Realty Services, Inc.	McCarthy Cook & Co.	Thorofare Capital
Dalfen America Corp.	McGladrey LLP	TIAA CREF
Dansk Investment Group, Inc.	Menlo Equities	Torrey Capital Group
David Clinton Pension Advisors	Mercer	Transwestern
Debtwire	Mesa West Capital, LLC	Trefethen Advisors
Desjardins, Fédération des Caisses du Québec	Metrostudy, A Hanley Wood Company	Trigild
Deutsche Bank	Meyers Research LLC, a Kennedy Wilson Company	TriMont Real Estate Advisors
Develop Michigan	MIG Real Estate, LLC	Tristan Capital Partners
Digital Realty Trust	Milbank, Tweed, Hadley & McCloy	TruAmerica MultiFamily
DivcoWest Real Estate Services	Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.	True Investments
DLA Piper	Miracle Mile Advisors, LLC	Turner Development
DLC Residential	Mission Capital Advisors	Turner Real Estate Investments
DLJ Real Estate Capital Partners	Mission Pacific Land Company	TwinRock Partners
Donahue Schriber Realty Group	Morgan Browning Capital	U.S. Best Repair Service, Inc.
Doral Bank	Morgan Stanley	U.S. Securities and Exchange Commission
Douglas Wilson Companies	Morgan Stanley Real Estate	UCLA Investment Company
DRA Advisors, LLC	Morgan Stanley Wealth Management	Union bank
Drawbridge Realty Trust	Morris, Manning & Martin, LLP	United Security Investors
Deutsche Bank	Morrison & Foerster LLP	Universe Holdings
Eagle Group Finance, L.P.	Moss Adams Capital LLC	Urbana Varro, LLC
Eastdil Secured	Moss Adams LLP	US-China Real Estate Investment Center
EB5Investors.com	Moss Group	Varde Partners
Edgewood Realty Partners, LLC	MUFG Union Bank	VAREP
Eisner Kahan	Muir Alternative Investment Management	W.M. Grace Companies
EisnerAmper, LLP	Mutual of Omaha Bank	Walnut Street Opportunity Fund
Encore Capital Management	MWest Holdings	Walton Asset Management
Encore Housing Opportunity Fund	National REIA	Walton Street Capital, LLC
Equity Resource Investments	Nelson Brothers Professional Real Estate	Washington Holdings
Equity Stake	NES Financial	Waypoint Homes
Ernst & Young LLP	Net Lease Capital Advisors	Wells Fargo Bank N.A.
Essex Property Trust	Newmark Grubb Knight Frank	Wells Fargo Commercial Real Estate
ETCO Homes	Noble Investment Group, LLC	West Coast Real Estate Ventures
Ethika Investments	Nomura Holding America Inc.	Westbrook Partners
EVOLVE	North Star Realty Finance	Westbrook Properties
EVOQ Properties	Northern Trust	WESTCAP CORP
EY Global Services Limited	NorthStar Realty Finance Corp.	Western National Properties
Fairfield Residential	Northwood Investors	Westpac Campus Communities,
Farallon Capital Management,	Oak Pass Capital Management	Westport Capital Partners LLC
Farco Homes	OAK SKY Capital	White Oak Real Estate
Felix / Weiner Consulting Group	Oaktree Real Estate Finance, LLC	Wilshire Finance Partners
Fenway Properties	OneWest Bank N.A.	Wilson Meany
Fident Capital	OPG Funds Management Group	Wood Partners
Financial Compound	Opus Bank	Woodbine Investment Corporation
First American Title Insurance Company	ORG Property Management	Woodbridge Capital Partners
First Key Lending, LLC	Paladin Realty Partners, LLC	Woodside Group
First Republic Bank	Palisades Capital Realty Advisors	Worcester Investments
		Yardi Systems, Inc.
		Zephyr Partners

Deutsche Asset
& Wealth Management

Save the Date

2015 Americas Real Assets Client Conference

Laguna Cliffs Marriott Resort & Spa
Dana Point, California
March 17-19, 2015

SAVE THE DATE

Please plan on joining Deutsche Asset & Wealth Management's real assets team for our 17th annual client educational conference in beautiful Dana Point, California on March 17-19.

Commencing with a welcome reception and dinner on Tuesday, March 17, the event will feature a series of educational presentations and discussions, including:

- Outlook on global and U.S. economies
- Investment perspectives on domestic and overseas property markets
- Portfolio construction views and transaction market trends
- Update on the liquid real assets markets
- Assessing the infrastructure space
- Investor meetings for RREEF America REIT II and RREEF America REIT III
- Breakout discussion for separate account clients

Most importantly, we look forward to the opportunity of spending time with you and hearing your thoughts on the role real assets is playing in your portfolios, and the challenges and opportunities you see in the year ahead.

We look forward to seeing you in southern California!

Laura Gaylord

Managing Director, Global Client Group

Formal Invitation and Agenda to Follow