

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

APRIL 17, 2017

AGENDA

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

TIME: 9:00 a.m.

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

ITEM:

I.	<u>CALL TO ORDER</u>	Master Page No.
II.	<u>APPROVAL OF AGENDA</u>	1 – 5
III.	<u>APPROVAL OF MINUTES</u>	
	A. Business Meeting for March 27, 2017.	6 – 11
IV.	<u>CONSENT AGENDA</u>	
	A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of March 2017.	12
	B. Receive and File Report of Checks Disbursed in March 2017.	13 – 17
	C. Receive and File Budget Summary for FY 2016-17 Month Ending March 31, 2017.	18
V.	<u>RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT</u>	19 – 49

**BOARD OF RETIREMENT
DISABILITY/BUSINESS MEETING**

APRIL 17, 2017

**AGENDA
PAGE 2**

VI. APPLICATIONS FOR DISABILITY RETIREMENT

- | | | |
|----|--|-----------|
| A. | Application for Non-Service Connected Disability Retirement – Daniel A. Farmer; Case No. 17-003. | 50 – 99 |
| | 1. Application for Non-Service Connected Disability Retirement, dated February 1, 2017. | |
| | 2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Non-service Connected Disability Retirement, dated April 4, 2017. | |
| | 3. Hearing Notice, dated April 10, 2017. | |
| B. | Application for Non-Service Connected Disability Retirement - Kimberly A. Graves; Case No. 16-029. | 100 – 137 |
| | 1. Application for Non-Service Connected Disability Retirement, dated September 6, 2016. | |
| | 2. Medical Analysis and Recommendation, including Supporting Medical Documentation, submitted by County of Ventura, Risk Management, in support of the Application for Non-service Connected Disability Retirement, March 28, 2017. | |
| | 3. Hearing Notice, dated April 4, 2017. | |
| C. | Application for Service-Connected Disability Retirement – Robert J. Garcia; Case No. 15-010. | 138 – 177 |
| | 1. Amended Findings and Decision including Findings of Fact and Conclusions of Law, submitted by Hearing Officer Robert Klepa, dated March 13, 2017. | |
| | 2. Objection to Hearing Officer’s Proposed Findings of Fact, Determination and Recommendations, submitted by Edwin K. Stone, Attorney for Applicant, Robert J. Garcia, dated March 24, 2017. | |
| | 3. Legal Memorandum In Support of the Hearing Officer’s Recommended Decision That Applicant, Robert J. Garcia Be Denied a Service Connected Disability Retirement, submitted by Stephen D. Roberson, Attorney for Respondent, County of Ventura/Risk Management, dated March 28, 2017. | |
| | 4. Hearing Notice, dated April 3, 2017. | |

**BOARD OF RETIREMENT
DISABILITY/BUSINESS MEETING**

APRIL 17, 2017

**AGENDA
PAGE 3**

VI. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

- | | | |
|----|---|-------------|
| D. | Application for Service-Connected and Non-Service Connected Disability Retirement - Josie Y. Garcia; Case No. 13-019. | 178 – 1153 |
| | 1. Administrative Record Volume I. | |
| | 2. Administrative Record Volume II. | |
| | 3. Administrative Record Volume III; including the Hearing Notice dated April 3, 2017. | |
| | 4. Supplemental Member Fact Sheet | |
| E. | Application for Service Connected Disability Retirement – Travis J. Miller; Case No. 15-018. | 1154 – 1272 |
| | 1. Petition for Reconsideration, submitted by David G. Schumaker, Attorney for Applicant, dated March 24, 2017. | |
| | 2. Letter to Sheriff Geoff Dean, submitted by David G. Schumaker, Attorney for Applicant, dated March 23, 2017. | |
| | 3. Letter to Sheriff Geoff Dean, submitted by David G. Schumaker, Attorney for Applicant, dated March 24, 2017. | |
| | 4. Legal Memorandum Filed by Respondent, County of Ventura/Risk Management, In Opposition To Petition For Reconsideration, Filed By Applicant, Travis Miller, received from Stephen D. Roberson, Attorney for Respondent, County of Ventura, dated April 3, 2017. | |
| | 5. Statement from Travis J. Miller, Applicant, dated March 13, 2017. | |
| | 6. Hearing Officer’s Proposed Decision including Findings of Fact and Conclusion, submitted by Hearing Officer Catherine Harris, dated January 16, 2017. | |
| | 7. Objection to Proposed Findings of Fact and Proposed Decision, submitted by David G. Schumaker, Attorney for Applicant, dated January 30, 2016. | |
| | 8. Legal Memorandum In Support of the Hearing Officer’s Recommended Decision That Applicant, Travis Miller, Be Denied A Service-Connected Disability Retirement, submitted by Stephen D. Roberson, Attorney for Respondent, County of Ventura, dated February 27, 2017. | |
| | 9. Hearing Notice, dated March 27, 2017. | |

**BOARD OF RETIREMENT
DISABILITY/BUSINESS MEETING**

APRIL 17, 2017

**AGENDA
PAGE 4**

VII. INVESTMENT MANAGER PRESENTATIONS

- | | | |
|----|---|-------------|
| A. | Receive Annual Investment Presentation, Sprucegrove, Brad Haughey and Arjun Kumar. | 1273 – 1308 |
| B. | Receive Annual Investment Presentation from State Street, John Muir and Julianna Frank. | 1309 – 1373 |

VIII. INVESTMENT INFORMATION

- | | | |
|----|--|-------------|
| A. | NEPC – Tony Ferrara
VCERA – Dan Gallagher, Chief Investment Officer | |
| 1. | Third Quarter 2016 Private Equity Portfolio Review – Corrected Copy.
RECOMMENDED ACTION: Receive and file. | 1374 – 1387 |
| 2. | Preliminary Performance Report for Period Ending March 31, 2016.
RECOMMENDED ACTION: Receive and file. | 1388 – 1396 |

IX. NEW BUSINESS

- | | | |
|----|---|-------------|
| A. | SACRS Business Meeting Agenda Items
RECOMMENDED ACTION: Give direction to voting delegate. | |
| 1. | Materials for May 19, 2017 SACRS Business Meeting. | 1397 – 1488 |
| 2. | Supplemental Information for Bylaws Item. | 1489 – 1490 |
| B. | Recommendation to Approve Trustee McCombs Attendance at CALAPRS Principles of Pension Management for Trustees 2017, Pepperdine University, August 28 – 31, 2017.
RECOMMENDED ACTION: Approve. | |
| 1. | Staff Letter | 1491 |
| C. | Report on ILPA Level I Program, Submitted by Trustee Johnston and Trustee Bianchi. | 1492 |
| D. | Report on CALAPRS Advance Principles of Pension Management for Trustees, Submitted by Trustee Bianchi. | 1493 |

X. INFORMATIONAL

- | | | |
|----|---|-------------|
| A. | Updated VCERA Assets Managed by HarbourVest at September 30, 2016 Report. | 1494 |
| B. | 22 nd Annual NEPC Investment Conference Agenda. | 1495 – 1496 |

**BOARD OF RETIREMENT
DISABILITY/BUSINESS MEETING**

APRIL 17, 2017

**AGENDA
PAGE 5**

X. INFORMATIONAL (continued)

C. NEPC's 2017 April Newsletter.

1497 – 1501

D. 2017 Public Funds Forum Invitation.

1502 – 1503

XI. PUBLIC COMMENT

XII. STAFF COMMENT

XIII. BOARD MEMBER COMMENT

XIV. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

MARCH 27, 2017

MINUTES

DIRECTORS Tracy Towner, Chair, Alternate Safety Employee Member
PRESENT: William W. Wilson, Vice Chair, Public Member
Steven Hintz, Treasurer-Tax Collector¹
Peter Foy, Public Member²
Mike Sedell, Public Member³
Robert Bianchi, Alternate Public Member
Craig Winter, General Employee Member
Arthur E. Goulet, Retiree Member
Will Hoag, Alternate Retiree Member
Ed McCombs, Alternate Public Member

DIRECTORS Chris Johnston, Safety Employee Member
ABSENT:

STAFF Linda Webb, Retirement Administrator
PRESENT: Lori Nemiroff, County Counsel
Henry Solis, Chief Financial Officer
Julie Stallings, Chief Operations Officer
Dan Gallagher, Chief Investment Officer
Karen Scanlan, Accounting Manager I
Chantell Garcia, Retirement Benefits Specialist
Chris Ayala, Program Assistant

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

TIME: 9:00 a.m.

ITEM:

¹ Arrived at 9:07 a.m.

² Arrived at 9:05 a.m.

³ Left at 10:00 a.m.

**BOARD OF RETIREMENT
BUSINESS MEETING**

MARCH 27, 2017

**MINUTES
PAGE 2**

I. CALL TO ORDER

Chair Towner called the Business Meeting of March 27, 2017, to order at 9:00 a.m., in acknowledgement of the service of the late Deanna McCormick.

II. APPROVAL OF AGENDA

MOTION: Approve.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Hoag, McCombs, Sedell, Wilson, Winter, Towner

No: -

Absent: Foy, Hintz, Johnston

III. APPROVAL OF MINUTES

A. Disability Minutes of March 13, 2017

Trustee Goulet said that on the March 13th meeting minutes, Trustee Hintz was listed as present on the first page of the agenda, but was absent until he arrived at 9:07 am. Also, for item V.A., there was no mention of a written statement given by disability applicant and the word "pay" was missing in the comments regarding the publicly available pay schedule in item VI.A.

MOTION: Approve with Corrections.

Moved by Sedell, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Goulet, Hoag, McCombs, Sedell, Wilson, Winter, Towner

No: -

Absent: Foy, Hintz, Johnston

IV. CONSENT AGENDA

A. Approve Regular and Deferred Retirements and Survivors Continuances for the Month of February 2017

B. Receive and File Report of Checks Disbursed in February 2017

C. Receive and File Budget Summary for FY 2016-17 Month Ending February 28, 2017

**BOARD OF RETIREMENT
BUSINESS MEETING**

MARCH 27, 2017

**MINUTES
PAGE 3**

- D. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending January 31, 2017
- E. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Schedule of Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending February 28, 2017

MOTION: Receive and File.

Moved by Goulet, seconded by Sedell.

Vote: Motion carried

Yes: Bianchi, Goulet, Hoag, McCombs, Sedell, Wilson, Winter, Towner

No: -

Absent: Foy, Hintz, Johnston

Trustee Foy arrived at 9:05 a.m.

Trustee Hintz arrived at 9:07 a.m.

V. INVESTMENT MANAGER PRESENTATIONS

- A. Receive Annual Investment Presentation, Adams Street Partners, Scott Hazen and Saguna Malhotra

Scott Hazen and Saguna Malhotra were present on behalf of Adams Street Partners to provide an organizational and investment performance update.

- B. Receive Annual Investment Presentation, HarbourVest, Brett Gordon

Brett Gordon was present on behalf of HarbourVest to provide an organizational and investment performance update.

Chair Towner requested a 10-minute break at 10:00 a.m.

Trustee Sedell left at 10:00 a.m.

The Board returned from break at 10:10 a.m.

- C. Receive Annual Investment Presentation, Pantheon, Susan Long McAndrews, Matt Garfinkle, and Sprague Von Stroh

Susan Long McAndrews, Matt Garfinkle, and Sprague Von Stroh were present on behalf of Pantheon to provide an organizational and investment performance update.

VI. INVESTMENT INFORMATION

- A. NEPC – Allan Martin and Tony Ferrera
VCERA – Dan Gallagher, Chief Investment Officer
1. Preliminary Performance Report for Period Ending February 28, 2017.
RECOMMENDED ACTION: Receive and file.
 2. Third Quarter 2016 Private Markets Review – Private Equity
RECOMMENDED ACTION: Receive and file.

Trustee Goulet said that he was confused by Master Page 137, which stated the Total Value to Paid-In Ratio as \$1.33 million, though VCERA had paid in almost \$252 million; also, the Total Value was incorrectly shown also.

Mr. Ferrera replied that he believed some of the numbers were transposed and he would provide corrections.

3. Publicly Traded Equity Asset Class Structure Review
RECOMMENDED ACTION: Approve recommendation to move Blackrock managed Large Cap and SMid Cap equity index funds pro rata from Dow Jones benchmarked index funds to Russell 1000 and Russell 2500 benchmarked index funds.

Trustee Winter left at 10:55 a.m. and returned at 10:59 a.m.

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

MOTION: Approve Item VI.A.3.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Foy, Goulet, Hintz, Hoag, McCombs, Wilson, Winter, Towner

No: -

Absent: Johnston, Sedell

MOTION: Receive and file items VI.A.1. and VI.A.2.

Moved by Wilson, seconded by Bianchi.

Vote: Motion carried

Yes: Bianchi, Foy, Goulet, Hintz, Hoag, McCombs, Wilson, Winter, Towner

No: -

Absent: Johnston, Sedell

VII. NEW BUSINESS

- A. Proposed Board of Retirement Resolution Pertaining to Regulations for IRS Section 415 – Annual Limits

RECOMMENDED ACTION: Approve

1. Staff Letter
2. Proposed Resolution

Ms. Webb asked the Board to note that the two date references of March 13th, should have read March 27th, and that the Clerk had provided corrected hard copies. Ms. Webb said that as part of VCERA's recent favorable IRS qualification, tax counsel Hanson Bridgett had recommended the Board adopt the presented clarifying amendment. Ms. Webb said VCERA's regulations already provide that differential wage payments be included in the Plan's definition of total compensation, and the Resolution would reinforce that. Ms. Webb said the General Counsel had reviewed the Resolution and recommended adoption. She also said the Resolution needed to be approved by the Board of Supervisors, and that the CEO's office had indicated no anticipated issues with approval.

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

MOTION: Approve.

Moved by Wilson, seconded by Hintz.

Vote: Motion carried

Yes: Bianchi, Foy, Goulet, Hintz, Hoag, McCombs, Wilson, Winter, Towner

No: -

Absent: Johnston, Sedell

- B. SACRS Spring 2017 Voting Proxy

1. Staff Letter

Ms. Webb stated that the Board needed to select a voting delegate for the SACRS 2017 Spring Conference.

Trustee Goulet said that there would be a new Treasurer nominee and he thought that the Board should vote for the new nominee.

Ms. Webb commented that it was not yet known the nominee would be.

Trustee Goulet replied that Mr. Walker had withdrawn and that the new nominee would be running unopposed.

**BOARD OF RETIREMENT
BUSINESS MEETING**

MARCH 27, 2017

**MINUTES
PAGE 6**

Trustee Hoag volunteered to serve as the voting delegate, and Trustee Winter offered to be the alternate.

VIII. INFORMATIONAL

A. Retirement Administrator's Annual Letter to the County of Ventura, Board of Supervisors on Actuarial Valuation Results

IX. PUBLIC COMMENT

None.

X. STAFF COMMENT

Ms. Webb reminded the Board members to turn in their Form 700 if they have not already done so. Ms. Webb asked any Board members still interested in attending the SACRS 2017 Spring Conference and not registered to please let staff know. Ms. Webb informed the Board that there would be a special election to fill the Board's General Member vacancy scheduled for May 30, 2017. Ms. Webb stated that the RFP for Actuarial Audit Services would be posted to VCERA's website on April 3rd. She reminded the Board of a new assembly bill, and all the trustees would now be required to take a sexual harassment class. Staff would be providing a link to an online course that would meet the requirement. Ms. Webb reminded the Board that at the April 17th Board meeting, a photographer would be present for updated photos.

XI. BOARD MEMBER COMMENT

Chair Towner commented that some progress was being made on AB 995.

XII. ADJOURNMENT

At 11:23 a.m., Chair Towner adjourned the meeting in memory of Deanna McCormick.

Respectfully submitted,



LINDA WEBB, Retirement Administrator

Approved,

TRACY TOWNER, Chairman

Disability & Business Meeting Agenda - IV. CONSENT AGENDA

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

MARCH 2017

FIRST NAME	LAST NAME	G/S	DATE OF MEMBERSHIP	TOTAL SERVICE	OTHER SERVICE	DEPARTMENT	EFFECTIVE DATE
REGULAR RETIREMENTS:							
Janice	Cantua	G	1/18/1981	10.66		Courts (deferred)	3/3/2017
Steven	Cargile	S	2/12/1984	33.02		Sheriff's Department	2/8/2017
Wayne	Carpenter	G	3/19/2001	20.10	D=6.0	Health Care Agency (deferred)	2/28/2017
Sean	Cornell	G	8/14/1994	3.80	C=7.6665	Sheriff's Department (deferred)	1/18/2017
Stephen	De Cesari	S	1/23/1977	29.19	B=0.0955	Sheriff's Department	2/25/2017
John	Doss	G	11/5/2006	10.19		Human Services Agency	2/24/2017
Richard	Durant	G	1/2/2007	10.53	D=3.9414	Assessor B=0.0885 (deferred)	2/18/2017
Dixie	Garman	G	11/6/2005	28.83	A=19.1478 B=0.0885	Health Care Agency	12/10/2016
Ellen	Gaynor	G	11/5/2006	5.01		Human Services Agency (deferred)	2/10/2017
Stephen	Houston	G	12/13/1999	12.60		General Services Agency	2/25/2017
Patricia	Hull	G	1/16/2007	10.07		Health Care Agency	2/3/2017
Kevin	Kondru	G	1/26/1980	12.23	C=25.0932	Regional Sanitation District (deferred)	2/3/2017
Gail	Magann	G	6/7/1992	0.30	C=15.2230	Courts (deferred)	2/21/2017
Patricia	Mazuca	G	11/20/1978	21.81	B=0.0386 C=16.4540	Courts (deferred)	3/1/2017
Donna	McMillin	G	7/16/2006	0.87	C=13.5577	District Attorney (deferred)	2/4/2017
Badaoui	Mouderres	G	7/2/1995	4.26	C=0.7427	Air Pollution Control District (deferred)	2/1/2017
Sandra	Nelles	G	6/27/1999	17.76	B=0.1107	Health Care Agency	2/11/2017
Andrew	Ortega	S	2/26/1984	35.21	B=2.4651	Fire Protection District	2/11/2017
Barbara	Payton	S	3/11/1984	33.04		Sheriff's Department	3/11/2017
Christopher	Payton	S	8/14/1994	22.20		Sheriff's Department	3/8/2017
Elizabeth	Porras	G	2/18/1979	38.97	B=1.3808	Courts	2/22/2017
Jackie	Reed	G	3/29/1981	35.79		Sheriff's Department	3/4/2017
Dolores	Reyes	S	2/16/1992	31.78	A=6.8850	Probation Agency	2/25/2017
Carmen	Rojas	G	11/11/1990	1.50	C=24.8840	Human Services Agency (deferred)	2/6/2017
Theresa	Salazar Vital	G	12/3/1995	20.99		Human Services Agency	2/22/2017
Lindsay	Santos	G	2/5/1989	9.32	A=3.46598	Information Services Department (deferred)	3/1/2017
Sandra	Schmitz	G	11/13/2009	7.17	C=20.7830	Library Services	2/26/2017
Guy	Stewart	S	3/8/1987	27.80	A=1.9742	Sheriff's Department	2/11/2017
Theresa	Thomas	G	10/5/1986	30.32		Air Pollution Control District	1/31/2017
Roger	Tousignant	G	1/29/1995	1.15	C=18.63	General Services Agency (deferred)	1/1/2016
Rachel	Viramontes	G	10/9/1983	33.49	B=0.0923	Probation Agency	2/25/2017
Sandra	Ybarra	G	3/1/1992	6.65		Health Care Agency (deferred)	1/24/2017

DEFERRED RETIREMENTS:

Angela	Camacho	G	04/23/2006	10.09		Human Services Agency	03/01/2017
Rhonda	Capra	G	11/26/2000	15.89		Sheriff's Department	02/17/2017
Eddie	Falch	G	07/19/1999	17.16		Health Care Agency	03/11/2017
Timothy	Lackey	G	10/25/2010	6.32		Public Works Agency	02/18/2017
Cristina R.	Martinez	G	05/16/1999	15.47		Health Care Agency	02/17/2017
Ebony	McGee	G	06/01/2010	6.08		Resource Management Agency	03/18/2017
Lisa M.	Mellein	G	11/02/2008	7.32		Child Support Services	03/13/2017
Andrew	Reveles	S	11/07/2010	6.36		Sheriff's Department	03/15/2017
Brian J.	Trushinski	G	12/08/2003	13.14	C= 1.68	Public Works Agency	03/25/2017
Donald E.	Villafana	G	11/19/2006	15.89	A= 4.5033 B= .1154 D= .9843	General Services Agency	02/25/2017
Marc	Weber	S	11/01/1998	18.31		Probation Agency	03/04/2017
Leeann	Wilkie	G	06/05/2005	10.84		Health Care Agency	03/25/2017

SURVIVORS' CONTINUANCES:

Maria De Los Angeles Cisneros
Thomas Debardas
Lucy Garcia
Michelle Kregel
Rita May
Nancy Moser
Marcy Stinnett
Nora Turner

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

Date: Tuesday, April 04, 2017
 Time: 07:51AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 09-17 As of: 4/4/2017

Page: 1 of 5
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
Company: VCERA										
Acct / Sub:	1002		00							
026918	CK	3/1/2017	102661 LORI NEMIROFF	09-17	021770	VO	TRAVEL REIMB	3/1/2017	0.00	1,113.14
026919	CK	3/1/2017	104238 TRACY TOWNER	09-17	021771	VO	TRAVEL REIMB	3/1/2017	0.00	520.08
026920	CK	3/1/2017	990002 ARTHUR E. GOULET	09-17	021772	VO	MILEAGE REIMB	3/1/2017	0.00	36.38
026921	CK	3/1/2017	ADP ADP, LLC	09-17	021773	VO	ADMIN EXP	3/1/2017	0.00	2,665.05
026922	CK	3/1/2017	CS&A CALIFORNIA STRATEGIES & .	09-17	021774	VO	ADMIN EXP	3/1/2017	0.00	2,500.00
026923	CK	3/1/2017	BOFA BUSINESS CARD	09-17	021775	VO	ADMIN/IT/PAS	3/1/2017	0.00	585.07
026924	CK	3/1/2017	BARNEY A.B.U. COURT REPORTING, II	09-17	021776	VO	ADMIN EXP	3/1/2017	0.00	315.00
026925	CK	3/1/2017	EDSI EXECUTIVE DATA SYSTEMS,	09-17	021777	VO	IT	3/1/2017	0.00	780.00
026926	CK	3/1/2017	FEDEX FEDEX	09-17	021778	VO	ADMIN EXP	3/1/2017	0.00	13.92
026927	CK	3/1/2017	CORPORATE STAPLES ADVANTAGE	09-17	021779	VO	ADMIN EXP	3/1/2017	0.00	272.97
026928	CK	3/1/2017	TRI TRI COUNTY OFFICE FURNIT	09-17	021780	VO	ADMIN EXP	3/1/2017	0.00	875.14
026929	CK	3/1/2017	WEST WEST COAST AIR CONDITIOI	09-17	021781	VO	IT	3/1/2017	0.00	75.00
026930	CK	3/1/2017	VOLT VOLT	09-17	021782	VO	ADMIN EXP	3/1/2017	0.00	3,230.14

Date: Tuesday, April 04, 2017
 Time: 07:51AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 09-17 As of: 4/4/2017

Page: 2 of 5
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
026931	CK	3/6/2017	3033984 JOLENE CARGILE	09-17	021783	VO	REFUND CONTRIB	3/6/2017	0.00	445.65
026932	CK	3/8/2017	COMPUWAVE COMPUWAVE	09-17	021784	VO	IT	3/8/2017	0.00	349.00
026933	CK	3/8/2017	CVCS COURT VIDEO CONFERENCE	09-17	021785	VO	ADMIN EXP	3/8/2017	0.00	7,665.89
026934	CK	3/8/2017	MEGAPATH GLOBAL CAPACITY	09-17	021786	VO	IT/PAS	3/8/2017	0.00	603.63
026935	CK	3/8/2017	HARRIS HARRIS WATER CONDITIONII	09-17	021787	VO	ADMIN EXP	3/8/2017	0.00	104.50
026936	CK	3/8/2017	LINEA LINEA SOLUTIONS	09-17	021788	VO	ADMIN/PAS	3/8/2017	0.00	36,487.50
026937	CK	3/8/2017	STAR VENTURA COUNTY STAR	09-17	021789	VO	ADMIN EXP	3/8/2017	0.00	272.26
026938	CK	3/8/2017	SEGAL SEGAL CONSULTING	09-17	021790	VO	ACTUARY FEES	3/8/2017	0.00	36,362.00
026939	CK	3/8/2017	SPRUCE SPRUCEGROVE INVESTMEN	09-17	021791	VO	INVESTMENT FEES	3/8/2017	0.00	60,126.05
026940	CK	3/8/2017	STROUD STROUD DESIGN, INC.	09-17	021792	VO	ADMIN EXP	3/8/2017	0.00	3,956.25
026941	CK	3/8/2017	CALAPRS CALAPRS	09-17	021793	VO	ADMIN EXP	3/8/2017	0.00	3,100.00
026942	CK	3/8/2017	NCPERS NCPERS	09-17	021794	VO	ADMIN EXP	3/8/2017	0.00	1,600.00
026943	CK	3/8/2017	124709 LINDA WEBB	09-17	021795	VO	TRAVEL REIMB	3/8/2017	0.00	895.00

Date: Tuesday, April 04, 2017
 Time: 07:51AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 09-17 As of: 4/4/2017

Page: 3 of 5
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
026944	CK	3/15/2017	990008 ROBERT BIANCHI	09-17	021796	VO	TRAVL/MILG REIM	3/15/2017	0.00	1,068.69
026945	CK	3/15/2017	ACCESS ACCESS INFORMATION MAN.	09-17	021797	VO	ADMIN EXP	3/15/2017	0.00	330.05
026946	CK	3/15/2017	AT&T AT&T MOBILITY	09-17	021798	VO	IT	3/15/2017	0.00	346.18
026947	CK	3/15/2017	FEDEX FEDEX	09-17	021799	VO	ADMIN EXP	3/15/2017	0.00	37.57
026948	CK	3/15/2017	REUTERS THOMSON REUTERS- WEST	09-17	021800	VO	IT	3/15/2017	0.00	357.00
026949	CK	3/15/2017	SHRED-IT SHRED-IT USA	09-17	021801	VO	ADMIN EXP	3/15/2017	0.00	145.86
026950	CK	3/15/2017	TWC TIME WARNER CABLE	09-17	021802	VO	IT	3/15/2017	0.00	294.99
026951	CK	3/15/2017	VOLT VOLT	09-17	021803	VO	ADMIN EXP	3/15/2017	0.00	2,498.50
026952	CK	3/15/2017	VSG VSG HOSTING, INC	09-17	021804	VO	IT	3/15/2017	0.00	19,500.00
026953	CK	3/15/2017	LINEA LINEA SOLUTIONS	09-17	021806	VO	PAS	3/15/2017	0.00	4,125.20
026954	CK	3/21/2017	BRENTWOOD BRENTWOOD IT	09-17	021807	VO	IT	3/21/2017	0.00	9,380.00
026955	CK	3/29/2017	100748 CHRIS JOHNSTON	09-17	021808	VO	TRAVEL REIMB	3/29/2017	0.00	1,331.14
026956	CK	3/29/2017	102661 LORI NEMIROFF	09-17	021809	VO	MILEAGE REIMB	3/29/2017	0.00	83.73
026957	CK	3/29/2017	104238 TRACY TOWNER	09-17	021810	VO	TRAVEL REIMB	3/29/2017	0.00	586.08

Date: Tuesday, April 04, 2017
 Time: 07:51AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 09-17 As of: 4/4/2017

Page: 4 of 5
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
026958	CK	3/29/2017	990002 ARTHUR E. GOULET	09-17	021811	VO	TRVL/MILG REIMB	3/29/2017	0.00	363.84
026959	CK	3/29/2017	990008 ROBERT BIANCHI	09-17	021812	VO	MILEAGE REIMB	3/29/2017	0.00	57.78
026960	CK	3/29/2017	BARNEY A.B.U. COURT REPORTING, II	09-17	021813	VO	ADMIN EXP	3/29/2017	0.00	315.00
026961	CK	3/29/2017	BOFA BUSINESS CARD	09-17	021814	VO	ADMIN/IT/PAS	3/29/2017	0.00	4,671.16
026962	CK	3/29/2017	CS&A CALIFORNIA STRATEGIES & ,	09-17	021815	VO	ADMIN EXP	3/29/2017	0.00	2,500.00
026963	CK	3/29/2017	CHARRIS CATHERINE HARRIS, ESQ.	09-17	021816	VO	ADMIN EXP	3/29/2017	0.00	6,212.50
026964	CK	3/29/2017	KLEPA ROBERT KLEPA	09-17	021817	VO	ADMIN EXP	3/29/2017	0.00	5,810.00
026965	CK	3/29/2017	MF M.F. DAILY CORPORATION	09-17	021818	VO	ADMIN EXP	3/29/2017	0.00	17,064.42
026966	CK	3/29/2017	NEPC NEPC, LLC	09-17	021819	VO	INVESTMENT FEES	3/29/2017	0.00	75,000.00
026967	CK	3/29/2017	NOSSAMAN NOSSAMAN LLP	09-17	021820	VO	LEGAL FEES	3/29/2017	0.00	3,269.90
026968	CK	3/29/2017	SAFEGUARD SAFEGUARD BUSINESS SYS	09-17	021821	VO	ADMIN EXP	3/29/2017	0.00	228.38
026969	CK	3/29/2017	TOWERS TOWERS WATSON DELAWAF	09-17	021822	VO	ADMIN EXP	3/29/2017	0.00	26,333.34
026970	CK	3/29/2017	CORPORATE STAPLES ADVANTAGE	09-17	021823	VO	ADMIN EXP	3/29/2017	0.00	331.76

Date: Tuesday, April 04, 2017
 Time: 07:51AM
 User: 103745

Ventura County Retirement Assn
Check Register - Standard
 Period: 09-17 As of: 4/4/2017

Page: 5 of 5
 Report: 03630.rpt
 Company: VCERA

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
026971	CK	3/29/2017	STATE STATE STREET BANK AND TI	09-17	021824	VO	INVESTMENT FEES	3/29/2017	0.00	218,895.20
026972	CK	3/29/2017	VITECH VITECH SYSTEMS GROUP, IN	09-17	021825	VO	PAS	3/29/2017	0.00	68,897.06

Check Count: 55

Acct Sub Total: 634,984.95

Check Type	Count	Amount Paid
Regular	55	634,984.95
Hand	0	0.00
Electronic Payment	0	0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
Total:	55	634,984.95

Company Disc Total 0.00 Company Total 634,984.95

**VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BUDGET SUMMARY FISCAL YEAR 2016-2017
March 2017- 75.00% of Fiscal Year Expended**

<u>EXPENDITURE DESCRIPTIONS</u>	Adopted 2016/2017 Budget	Adjusted 2016/2017 Budget	Mar-17	Year to Date Expended	Available Balance	Percent Expended
Salaries & Benefits:						
Salaries	\$ 2,370,800.00	\$ 2,512,612.00	\$ 297,978.09	\$ 1,748,807.25	\$ 763,804.75	69.60%
Extra-Help	192,400.00	192,400.00	13,516.14	109,252.02	83,147.98	56.78%
Overtime	3,000.00	3,000.00	29.97	29.97	2,970.03	1.00%
Supplemental Payments	74,400.00	75,322.00	5,000.35	37,346.48	37,975.52	49.58%
Vacation Redemption	131,300.00	191,300.00	0.00	158,731.35	32,568.65	82.98%
Retirement Contributions	432,100.00	437,235.00	54,234.74	306,135.28	131,099.72	70.02%
OASDI Contributions	141,800.00	143,515.00	18,540.69	96,424.56	47,090.44	67.19%
FICA-Medicare	37,800.00	38,202.00	4,336.13	27,793.13	10,408.87	72.75%
Retiree Health Benefit	4,000.00	4,000.00	0.00	3,970.75	29.25	99.27%
Group Health Insurance	194,300.00	197,212.00	26,025.00	145,795.47	51,416.53	73.93%
Life Insurance/Mgmt	1,100.00	1,125.00	129.75	798.34	326.66	70.96%
Unemployment Insurance	2,400.00	2,427.00	298.48	1,739.44	687.56	71.67%
Management Disability Insurance	18,400.00	18,609.00	1,973.09	11,892.79	6,716.21	63.91%
Worker' Compensation Insurance	19,900.00	20,138.00	2,293.46	14,610.36	5,527.64	72.55%
401K Plan Contribution	48,600.00	49,403.00	6,884.26	40,441.54	8,961.46	81.86%
Transfers In	135,500.00	135,500.00	0.00	23,668.92	111,831.08	17.47%
Transfers Out	(135,500.00)	(135,500.00)	0.00	(23,668.92)	(111,831.08)	17.47%
Total Salaries & Benefits	\$ 3,672,300.00	\$ 3,886,500.00	\$ 431,240.15	\$ 2,703,768.73	\$ 1,182,731.27	69.57%
Services & Supplies:						
Telecommunication Services - ISF	\$ 35,400.00	\$ 35,400.00	\$ 3,259.03	\$ 26,550.28	\$ 8,849.72	75.00%
General Insurance - ISF	13,100.00	13,100.00	6,539.50	13,079.00	21.00	99.84%
Office Equipment Maintenance	2,000.00	2,000.00	0.00	475.04	1,524.96	23.75%
Membership and Dues	14,700.00	14,700.00	0.00	13,437.00	1,263.00	91.41%
Education Allowance	8,000.00	8,000.00	0.00	2,000.00	6,000.00	25.00%
Cost Allocation Charges	89,500.00	89,500.00	0.00	44,754.00	44,746.00	50.00%
Printing Services - Not ISF	12,000.00	12,000.00	0.00	1,014.61	10,985.39	8.46%
Books & Publications	3,000.00	3,000.00	272.26	630.35	2,369.65	21.01%
Office Supplies	20,000.00	20,000.00	930.90	10,709.08	9,290.92	53.55%
Postage & Express	60,000.00	60,000.00	11,495.20	46,912.65	13,087.35	78.19%
Printing Charges - ISF	18,000.00	18,000.00	4,149.10	4,157.60	13,842.40	23.10%
Copy Machine Services - ISF	4,500.00	4,500.00	0.00	1,147.20	3,352.80	25.49%
Board Member Fees	13,300.00	13,300.00	1,200.00	7,300.00	6,000.00	54.89%
Professional Services	1,292,100.00	938,200.00	100,955.68	602,812.03	335,387.97	64.25%
Storage Charges	4,200.00	4,200.00	330.05	3,217.86	982.14	76.62%
Equipment	6,000.00	6,000.00	7,665.89	15,331.78	(9,331.78)	255.53%
Office Lease Payments	205,000.00	205,000.00	17,064.42	152,847.56	52,152.44	74.56%
Private Vehicle Mileage	12,500.00	12,500.00	1,465.49	9,559.25	2,940.75	76.47%
Conference, Seminar and Travel	138,400.00	138,400.00	13,322.71	77,687.90	60,712.10	56.13%
Furniture	15,000.00	15,000.00	875.14	1,658.76	13,341.24	11.06%
Facilities Charges	13,300.00	13,300.00	718.00	2,410.00	10,890.00	18.12%
Judgement & Damages	0.00	0.00	0.00	0.00	0.00	#DIV/0!
Transfers In	20,000.00	20,000.00	0.00	2,501.18	17,498.82	12.51%
Transfers Out	(20,000.00)	(20,000.00)	0.00	(2,501.18)	(17,498.82)	12.51%
Total Services & Supplies	\$ 1,980,000.00	\$ 1,626,100.00	\$ 170,243.37	\$ 1,037,691.95	\$ 588,408.05	63.81%
Total Sal, Ben, Serv & Supp	\$ 5,652,300.00	\$ 5,512,600.00	\$ 601,483.52	\$ 3,741,460.68	\$ 1,771,139.32	67.87%
Technology:						
Computer Hardware	\$ 45,000.00	\$ 65,000.00	\$ 535.70	3,881.23	\$ 61,118.77	5.97%
Computer Software	216,000.00	216,000.00	2,218.85	70,361.47	145,638.53	32.57%
Systems & Application Support	449,000.00	474,000.00	26,858.57	264,118.84	209,881.16	55.72%
Pension Administration System	353,000.00	937,100.00	101,722.26	663,481.27	273,618.73	70.80%
Total Technology	\$ 1,063,000.00	\$ 1,692,100.00	\$ 131,335.38	\$ 1,001,842.81	\$ 690,257.19	59.21%
Contingency	\$ 786,000.00	\$ 296,600.00	\$ -	\$ -	\$ 296,600.00	0.00%
Total Current Year	\$ 7,501,300.00	\$ 7,501,300.00	\$ 732,818.90	\$ 4,743,303.49	\$ 2,757,996.51	63.23%



DISCIPLINED INVESTING

International Equities

Ventura County Employees' Retirement Association

APRIL 17, 2017

Brad Haughey, Arjun Kumar

Private & Confidential

Executive Summary

Firm Update

- **Assets under management were \$15.0 billion**
as of December 31, 2016
- **70 clients firm-wide**
 - 5 clients lost in Q4 2016
- **International, Global and U.S. Equity mandates are open** to new investors

Signatory of:



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

Investment Results¹

- **For Q4 2016:**
the Fund's investment return was **+2.7%**
vs. **MSCI EAFE -0.7%**
- **For the 1 Year period**
ending December 31, 2016:
the Fund's investment return was **+12.3%**
vs. **MSCI EAFE +1.0%**
- **Since your inception**
on April 1, 2002 through December 31, 2016:
the Fund's annualized return was **+7.4%**
vs. **MSCI EAFE +5.3%**

Investment Strategy

- As a **bottom-up value investor**, sector and country weightings are a residual of our stock selection process.
- The Fund remains **well diversified** and has holdings in all eleven sectors.
 - The largest sector exposures are Industrials, Financials and Consumer Discretionary.
- The Fund has **holdings in 21 different countries** and has **exposure to 15 different currencies**.
 - The largest country exposures are the U.K., Japan and Switzerland.
- The Fund has **exposure to the Emerging Markets (14.0%)**

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



Investment and Client Services Professionals

An experienced team with a collaborative approach

Name	Title	Education	Years Investment Experience	Years with Sprucegrove/Confed
CRAIG MERRIGAN	Portfolio Manager	B.B.A., M.B.A., CFA	29	29
SHIRLEY WOO	Director and Portfolio Manager	B.A., CFA	29	29
SABU MEHTA	Director, Senior Investment Analyst and Research Director	B.Comm.	29	25
ERIK PARNOJA	Portfolio Manager	B.A., M.B.A., CFA	21	21
ALEX LIMION	Investment Analyst	B.A., M.B.A., CFA	15	15
ARJUN KUMAR	Director and Portfolio Manager	B.A., M.B.A., CFA	14	14
CHRISTOPHER RANKIN	Assistant Portfolio Manager	B.A., B.Sc., CFA	11	13
CHRISTINE MCLEAN	Investment Analyst	B.S.B.A.	12	12
MICHAEL JIANG	Investment Analyst	B.Sc., M.M.I.B., M.B.A.	10	10
MATTHEW BELLIS	Investment Analyst	B.Comm., CFA	9	9
JONATHAN SINGER	Investment Analyst	B.A., CFA	8	8
TASLEEM JAMAL	Vice President, Head of Marketing & Client Services	B.Comm., M.B.A., CFA	18	6
RAFAEL TRICTA	Investment Analyst	B.Comm., M.B.A., CFA	4	4
SEBASTIEN ROY	Vice President, Marketing & Client Services	B.A., CFA	19	3
MATTHEW O'MEARA	Investment Analyst	B.A., M.B.A., CFA	4	2
BRAD HAUGHEY	Vice President, Marketing & Client Services	B.A., B.Comm., CFA	17	2
KYLE KOCH	Investment Analyst	B.Comm., M.B.A.	<1	<1
DAVID KWOK	Investment Analyst	B.Comm., M.B.A.	<1	<1



Foundation of our Investment Philosophy





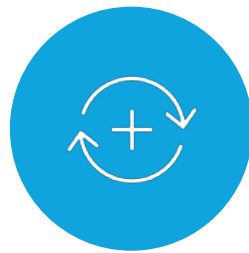
Investment Process

Research

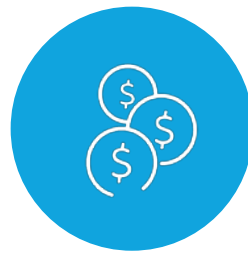
We define quality through five criteria



Above Average
and Consistent
Profitability



Sustainable
Competitive
Advantages



Financial
Strength



Opportunity to
Grow the
Business



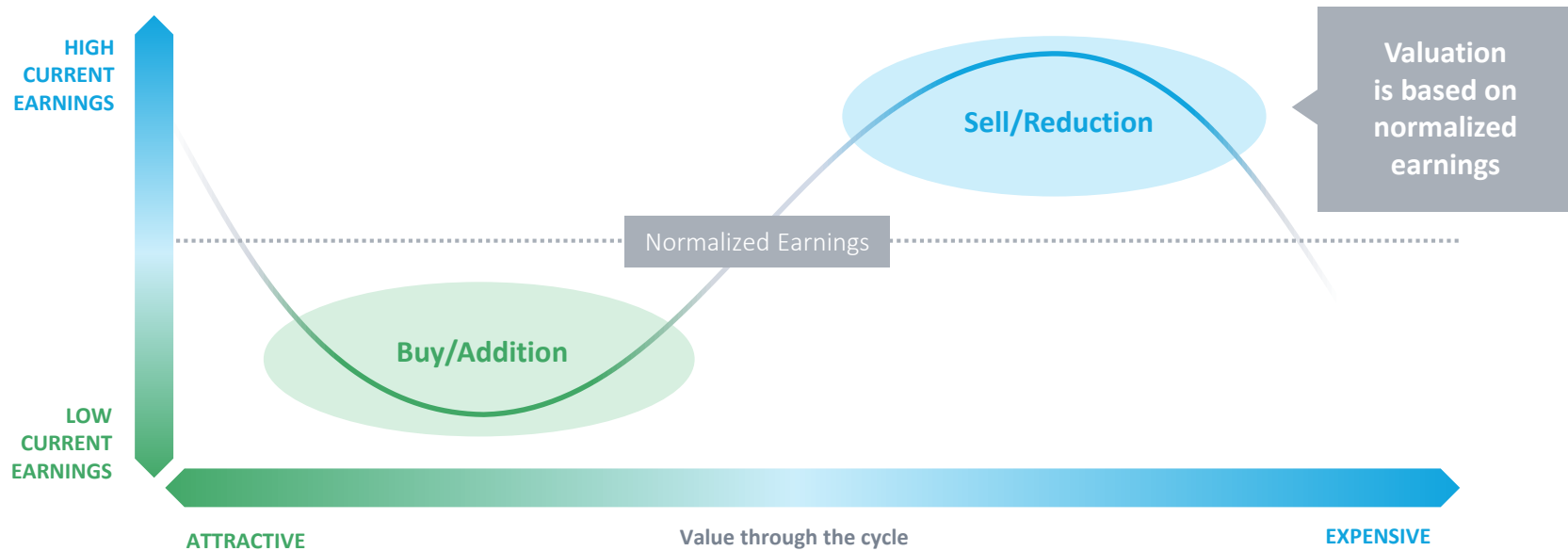
Capable
Management

Margin of safety on quality



Investment Process

Valuation



Margin of safety on valuation

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

Normalized Earnings: Projected ROE * Book Value

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

A close-up photograph of a blue spruce tree, showing the fine needles and branches in shades of blue and green. The background is slightly blurred, creating a bokeh effect.

Performance Review



Annual Performance Results

Sprucegrove U.S. International Pooled Fund

Year	Sprucegrove U.S. International Pooled Fund ¹ (%)	MSCI EAFE ¹ (%)	Difference (%)
1986	45.8	69.6	(23.8)
1987	14.7	24.9	(10.2)
1988	26.3	28.6	(2.3)
1989	27.8	10.8	17.0
1990	(6.8)	(23.2)	16.4
1991	24.0	12.5	11.5
1992	0.4	(11.8)	12.2
1993	36.0	32.8	3.2
1994	6.1	8.0	(1.9)
1995	12.3	11.5	0.8
1996	18.2	6.3	11.9
1997	10.5	1.9	8.6
1998	9.8	20.2	(10.4)
1999	23.2	27.1	(3.9)
2000	2.3	(14.1)	16.4
2001	(5.0)	(21.6)	16.6
2002	(0.8)	(15.9)	15.1
2003	34.5	38.6	(4.1)
2004	25.2	20.3	4.9
2005	14.7	13.5	1.2
2006	30.4	26.3	4.1
2007	6.2	11.2	(5.0)
2008	(42.2)	(43.4)	1.2
2009	36.9	31.8	5.1
2010	19.4	7.8	11.6
2011	(10.3)	(12.1)	1.8
2012	17.7	17.3	0.4
2013	17.5	22.8	(5.3)
2014	(2.9)	(4.9)	2.0
2015	(8.8)	(0.8)	(8.0)
2016	12.3	1.0	11.3
2017 YTD ³	5.7	4.4	1.3
Since inception^{2,3}	11.6	7.8	3.8

Japanese Asset Price Bubble

Technology, Media and Telecom Bubble

Global Financial Crisis

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

² Fund Inception Date: September 30, 1985

³ Period ended February 28, 2017.

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



Annualized Performance Results

Sprucegrove U.S. International Pooled Fund

	Q4 2016 (%)	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	10 Years (%)	20 Years (%)	30 Years (%)	Since Inception (%)
Sprucegrove U.S. International Pooled Fund¹	2.7	12.3	1.2	(0.2)	4.0	6.6	2.2	7.8	10.2	11.4
MSCI EAFE	(0.7)	1.0	0.1	(1.6)	4.0	6.5	0.7	4.2	5.6	7.7
Ventura County Employees' Retirement Association (net of fees)²	2.6	11.9	0.9	(0.5)	3.6	6.2	1.7	-	-	7.0
Ventura County Employees' Retirement Association (gross of fees)²	2.7	12.3	1.2	(0.2)	4.0	6.6	2.2	-	-	7.4
MSCI EAFE	(0.7)	1.0	0.1	(1.6)	4.0	6.5	0.7	-	-	5.3

All data as at December 31, 2016

¹ Inception date of Fund: September 30, 1985.

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

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

Assets Under Management: \$184,817,176.94

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

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

Sprucegrove

Sector Weightings/Returns – 1 Year, ending Dec. 31, 2016

Sprucegrove U.S. International Pooled Fund

Sector	Weighting, as at December 31, 2016 ¹ (%)		Performance, 1 Year ending Dec. 31, 2016 ¹ (%)		
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ²	MSCI EAFE	Impact ³
Energy	12.1	5.5	26.6	26.8	+
Materials	13.9	7.9	37.2	24.3	+
Industrials	16.7	14.0	4.3	6.7	-
Consumer Discretionary	14.0	12.5	0.5	(1.3)	+
Consumer Staples	6.5	11.2	11.5	(2.8)	+
Health Care	3.5	10.7	(4.1)	(11.8)	+
Financials	14.3	21.2	11.0	1.4	+
Information Technology	11.1	5.5	19.3	3.6	+
Telecomm. Services	2.1	4.5	(2.3)	(7.3)	+
Utilities	1.9	3.4	11.0	(5.5)	+
Real Estate	1.3	3.7	-	-	
Cash	2.6	-	-	-	
Total	100.0	100.0	12.3	1.0	

Sector allocation is a residual of our bottom-up process

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

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

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

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

Sprucegrove

Impact Stocks – 1 Year, ending December 31, 2016

Sprucegrove U.S. International Pooled Fund

	Country	Sector	Average Weighting (%) [*]	Estimated Contribution (bps)
Top 5 Contributors				
Anglo American ^{**Q1**Q4}	United Kingdom	Materials	1.5	173
Royal Dutch Shell	United Kingdom	Energy	2.8	110
Samsung Electronics ^{**Q1***Q2,Q3}	Korea	Information Technology	2.4	95
Banco Bradesco ^{**Q4}	Brazil	Financials	1.1	84
Weir Group ^{**Q1}	United Kingdom	Industrials	1.2	71
				533
Bottom 5 Contributors				
Travis Perkins ^{***Q1**Q3,Q4}	United Kingdom	Industrials	1.4	(72)
Cobham ^{**Q3}	United Kingdom	Industrials	0.8	(50)
Lloyds Banking Group ^{**Q2,Q3,Q4}	United Kingdom	Financials	1.6	(49)
Novartis ^{**Q1,Q3,Q4}	Switzerland	Health Care	2.3	(38)
Honda Motor ^{**Q3}	Japan	Consumer Discretionary	2.0	(29)
				(238)

**** Addition**

*****Reduction**

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

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



Portfolio Review



Application of the Process - Transaction Summary*

Sprucegrove U.S. International Pooled Fund

New Holdings** / Additions

	Sector	Projected ROE (%)	Normalized P/E (X)
**AIA Group	Financials	15.0	13.8
SNAM	Energy	15.0	14.7
Aggreko	Industrials	18.0	9.5
Travis Perkins	Industrials	12.0	10.3
Richemont	Cons. Disc.	13.0	17.2
Diageo	Cons. Staples	34.0	17.2
Novartis	Health Care	16.0	14.6
Banco Bradesco	Financials	17.0	9.1
Lloyds Banking Group	Financials	12.0	7.1
Canon	Info. Tech.	10.0	12.4
Infosys	Info. Tech.	24.0	14.4
Average		16.9	12.8
MSCI EAFE		11.0	15.0

Eliminations** / Reductions

	Sector	Projected ROE (%)	Normalized P/E (X)
**Singapore Press	Cons. Disc.	10.0	16.6
Anglo American	Materials	12.0	10.7
CRH	Materials	11.0	19.2
Shin-Etsu Chemical	Materials	8.0	22.0
SMC Corp.	Industrials	9.0	23.0
Spirax Sarco	Industrials	23.0	32.1
Yue Yuen	Cons. Disc.	9.0	15.9
Nestlé	Cons. Staples	16.0	26.0
Electrocomponents	Info. Tech	20.0	27.4
Average		13.1	21.4
MSCI EAFE		11.0	15.0

*Transactions for Q4 2016

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

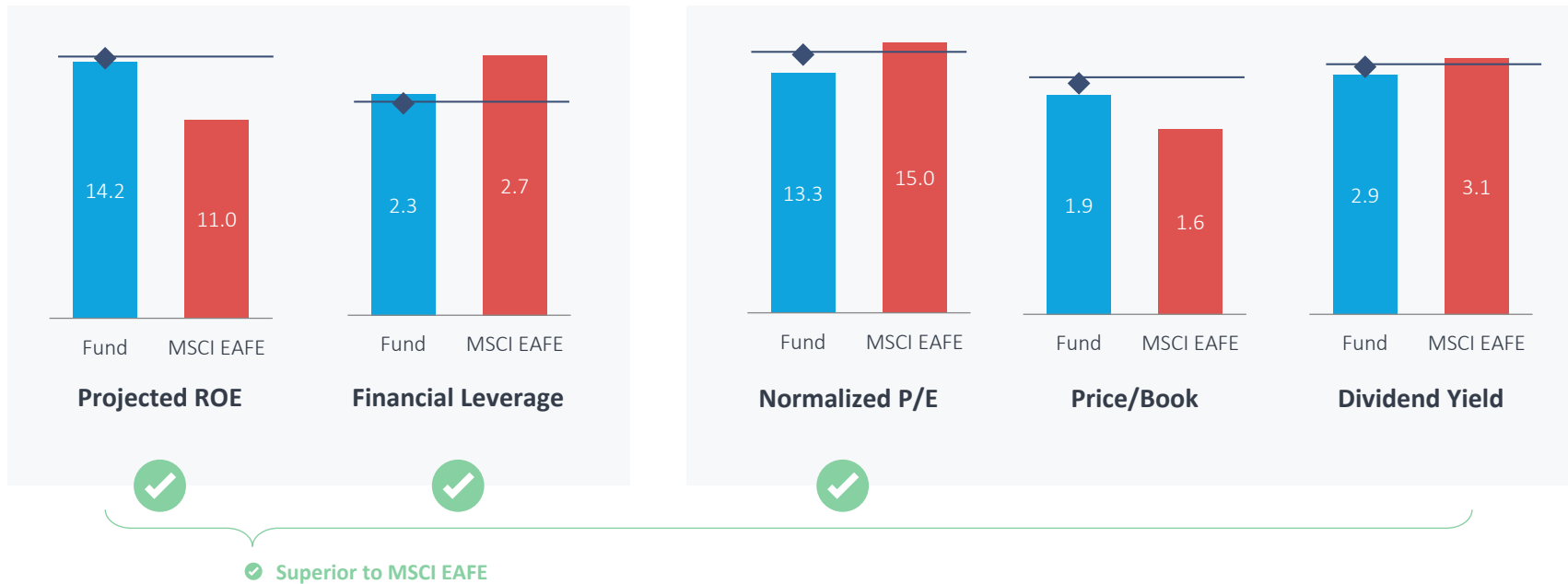
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Portfolio Characteristics as at December 31, 2016

QUALITY

VALUATION



Quality companies at attractive valuations

Financial Leverage weighted average excludes companies in the Financials sector.

◆ Fund's long term average since inception, September 30, 1985

Refer to Performance Footnotes in the appendix for additional details.

A close-up photograph of blue spruce branches, showing the fine needles and brownish stems. The image is slightly blurred in the background, creating a bokeh effect. The overall color palette is a range of blues, from deep navy to light sky blue.

Appendices

Sprucegrove Guiding Principles

Objectives

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

Organization

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

Core Values

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



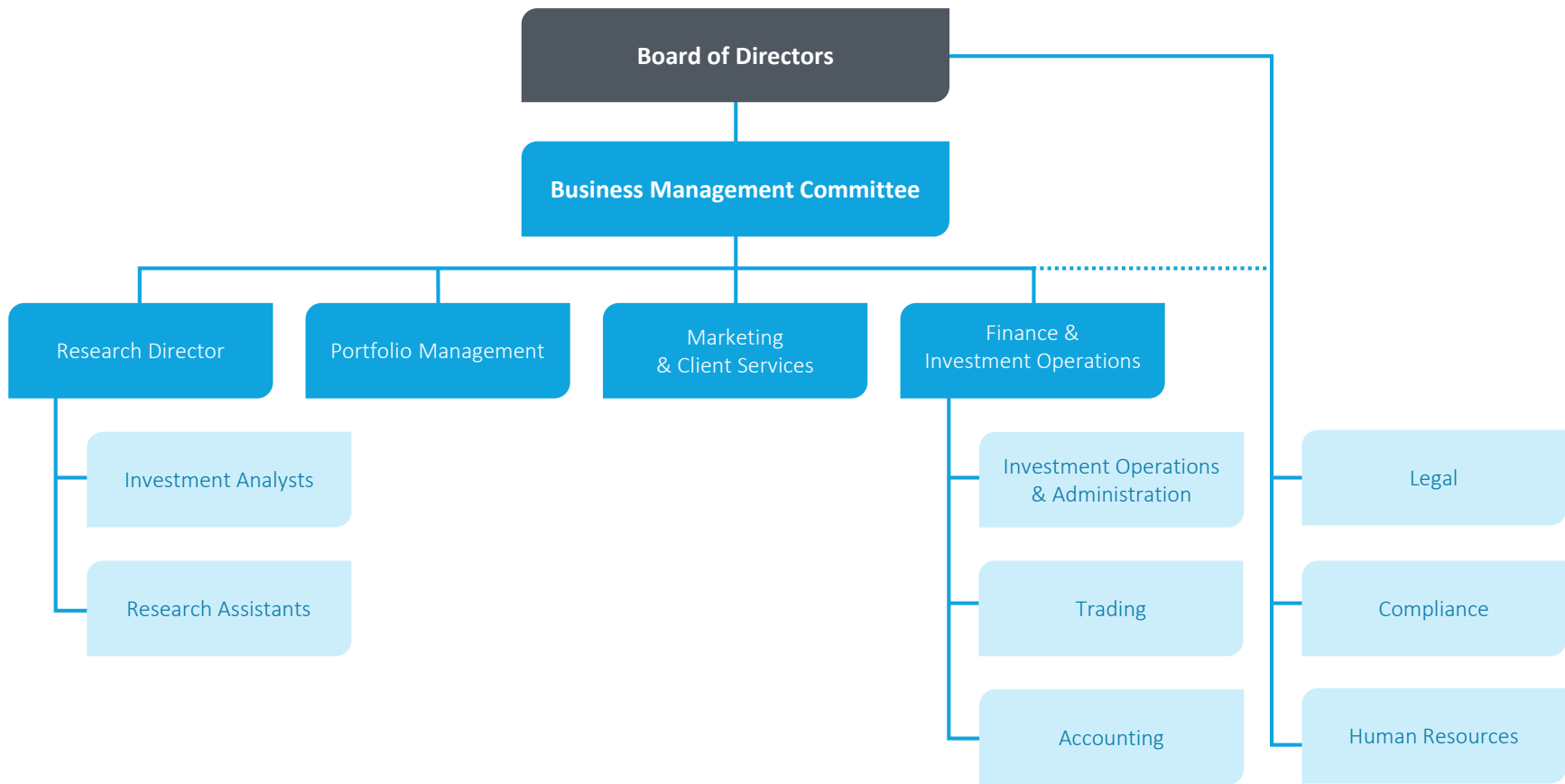
Assets Under Management

December 31, 2016

	\$ USD (millions)	Number of Portfolios	Number of Clients ¹
Pooled Funds			
For Canadian Clients:			
International	3,048.6	1	16
Global	1,486.3	2	17
U.S.	5.9	1	0
For U.S. Clients:			
International	1,640.5	2	24
Separate Accounts			
For Canadian Clients:			
International	202.3	1	1
Global	1,196.0	3	2
For U.S. Clients:			
International	7,426.4	15	10
TOTAL	15,006.0	25	70



Organization





Value in Emerging Market Companies

Sprucegrove U.S. International Pooled Fund

December 31, 2016		Quality				Valuation	
Company	Country	Market Cap. (US\$ Bn)	Projected ROE (%)	Financial Leverage (x)	Normalized P/E (x)	Price/Book (x)	Dividend Yield (%)
Banco Bradesco	Brazil	49	17.0	12.0	9.3	1.6	4.2
China Mobile	China	216	14.0	1.6	10.8	1.5	3.2
GAIL	India	8	20.0	2.0	7.9	1.6	1.2
Hindalco	India	5	10.0	3.7	8.5	0.9	0.6
Infosys	India	34	24.0	1.2	14.5	3.5	2.6
State Bank of India	India	28	11.0	14.4	8.1	0.9	1.4
POSCO	Korea	12	12.0	1.8	3.8	0.5	3.6
Samsung Electronics	Korea	208	14.0	1.4	9.2	1.3	1.6
Copa Holdings	Panama	4	13.0	2.2	16.7	2.2	0.9
Sasol	South Africa	19	17.0	1.9	7.4	1.3	3.7
Tiger Brands	South Africa	5	25.0	1.6	16.6	4.2	2.7
Fund Emerging Markets		53	15.8	1.8*	9.9	1.7	2.4
Total Fund		38	14.2	2.3*	13.3	1.9	2.9
MSCI EM Index		4	12.0	2.6*	12.6	1.5	2.6
MSCI EAFE Index		12	11.0	2.7*	15.0	1.6	3.1

* Excludes Financials

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

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



Top 10 Holdings

Sprucegrove U.S. International Pooled Fund

Stock	Country	Sector	% of Fund	Projected ROE (%)	Financial Leverage ¹ (x)	Normalized P/E (x)	P/B (x)	Dividend Yield (%)
Royal Dutch Shell	U.K.	Energy	3.1	16.0	2.2	8.3	1.3	6.1
Total	France	Energy	2.9	14.0	2.3	10.0	1.4	4.9
Samsung Electronics	Korea	Information Technology	2.6	14.0	1.4	9.2	1.3	1.6
CRH	Ireland	Materials	2.4	11.0	2.5	19.5	2.1	1.9
Novartis	Switzerland	Health Care	2.3	16.0	1.8	14.6	2.3	3.5
Banco Santander	Spain	Financials	2.1	11.0	15.0	7.9	0.9	4.2
Swatch	Switzerland	Consumer Discretionary	2.1	14.0	1.2	11.6	1.6	2.4
United Overseas Bank	Singapore	Financials	2.0	13.0	10.1	7.9	1.0	3.4
Anglo American	U.K.	Materials	1.9	12.0	3.1	10.2	1.2	0.0
SBM Offshore	Holland	Energy	1.9	14.0	4.8	10.4	1.5	1.2
			23.3					
Weighted Average				13.6	2.3	10.9	1.5	3.1
MSCI EAFE				11.0	2.7	15.0	1.6	3.1

All data as at December 31, 2016

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

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Country Allocation & Performance – 1 Year, ending Dec. 31 2016

Sprucegrove U.S. International Pooled Fund

	Weighting, as at December 31, 2016 (%)		Performance, 1 Year ending Dec. 31, 2016 (%)	
	Sprucegrove U.S. International Pooled Fund	MSCI EAFE	Sprucegrove U.S. International Pooled Fund ¹	MSCI
Australia	2.5	7.4	9.5	11.4
Hong Kong	6.6	3.2	4.8	2.3
Japan	12.8	24.1	7.3	2.4
Singapore	5.2	1.2	7.0	1.4
Other	-	0.2	-	-
Pacific	27.1	36.2	7.0	4.2
Finland	1.2	1.0	8.6	(4.7)
France	4.7	10.2	17.6	4.9
Germany	3.1	9.3	8.9	2.8
Holland	4.3	3.3	4.0	4.8
Ireland	2.4	0.5	23.9	(7.1)
Italy	0.6	2.1	(3.5)	(10.5)
Spain	2.1	3.1	11.8	(1.0)
Other	-	1.5	-	-
Eurozone	18.3	31.0	12.0	1.4
Denmark	-	1.6	-	(15.8)
Norway	3.1	0.7	13.9	13.3
Sweden	-	2.8	-	0.6
Switzerland	9.7	8.7	(2.4)	(4.9)
U.K.	22.3	18.3	14.5	(0.1)
Other	-	0.7	-	-
Non-Eurozone	35.0	32.8	9.7	(2.0)
Europe	53.3	63.8	10.5	(0.4)
Brazil	1.3	0.0	105.5	66.2
China	1.7	0.0	(3.4)	0.9
India	3.9	0.0	17.1	(1.4)
Korea	4.0	0.0	43.8	8.7
Panama	0.8	0.0	-	-
South Africa	2.3	0.0	28.4	17.9
Emerging Markets	14.0	0.0	29.6	11.2
Canada	3.0	0.0	39.3	24.6
Cash	2.6	-	-	-
Total	100.0	100.0	Fund: 12.3	EAFE: 1.0

Country allocation is a residual of our bottom-up process

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

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



Historical Rolling Returns

Sprucegrove EAFE – U.S. Client Composite

	Annual (%)		3 Years (%)		5 Years (%)		7 Years (%)		10 Years (%)	
	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE	Sprucegrove	MSCI EAFE
1986	45.8	69.4								
1987	14.7	24.6								
1988	26.3	28.3	28.3	39.4						
1989	27.8	10.5	22.8	20.9						
1990	-6.8	-23.4	14.6	2.8	20.3	18.1				
1991	24.0	12.1	13.9	-1.7	16.4	8.7				
1992	1.3	-12.2	5.4	-9.0	13.6	1.4	17.9	12.3		
1993	37.3	32.6	19.9	9.3	15.5	2.0	16.9	8.5		
1994	6.2	7.8	13.9	7.9	11.3	1.5	15.6	6.2		
1995	12.3	11.2	17.8	16.7	15.5	9.4	13.6	4.1	17.9	13.6
1996	17.9	6.0	12.0	8.3	14.3	8.2	12.3	3.5	15.4	8.4
1997	10.4	1.8	13.5	6.3	16.3	11.4	15.1	7.8	14.9	6.3
1998	9.0	20.0	12.4	9.0	11.1	9.2	13.0	8.8	13.3	5.5
1999	22.3	27.0	13.7	15.7	14.3	12.8	16.1	14.7	12.8	7.0
2000	2.5	-14.2	11.0	9.4	12.2	7.1	11.3	7.8	13.8	8.2
2001	-5.0	-21.4	6.0	-5.0	7.5	0.9	9.6	3.0	10.8	4.5
2002	-1.1	-15.9	-1.2	-17.2	5.1	-2.9	7.6	-1.0	10.6	4.0
2003	34.2	38.6	8.0	-2.9	9.6	-0.1	9.6	2.9	10.3	4.5
2004	24.9	20.3	18.3	11.9	10.0	-1.1	11.6	5.3	12.1	5.6
2005	14.4	13.5	24.2	23.7	12.5	4.6	12.3	4.5	12.3	5.8
2006	30.4	26.3	23.0	19.9	19.8	15.0	13.4	4.4	13.5	7.7
2007	5.0	11.2	16.1	16.8	21.3	21.6	13.8	8.4	12.9	8.7
2008	-42.2	-43.4	-7.5	-7.3	2.5	1.7	6.0	3.4	6.0	0.8
2009	36.6	31.8	-6.1	-6.0	4.3	3.5	11.0	10.3	7.2	1.2
2010	19.6	7.8	-1.9	-7.0	5.3	2.5	9.2	6.4	8.8	3.5
2011	-10.3	-12.2	13.6	7.6	-2.3	-4.7	4.1	1.7	8.2	4.7
2012	18.1	17.3	8.2	3.6	0.0	-3.7	4.6	2.2	10.1	8.2
2013	17.6	22.8	7.6	8.2	15.3	12.4	3.1	1.8	8.7	6.9
2014	-3.5	-4.9	10.2	11.1	7.5	5.3	1.8	-0.5	5.9	4.4
2015	-8.7	-0.8	1.3	5.0	1.9	3.6	8.7	7.8	3.6	3.0
2016	11.4	1.0	-0.6	-1.6	6.5	6.5	5.6	3.8	2.0	0.7
Periods Outperformed	68%		72%		89%		100%		100%	
Number of Years	21 / 31		21 / 29		24 / 27		25 / 25		22 / 22	

All data as at December 31, unless stated otherwise.

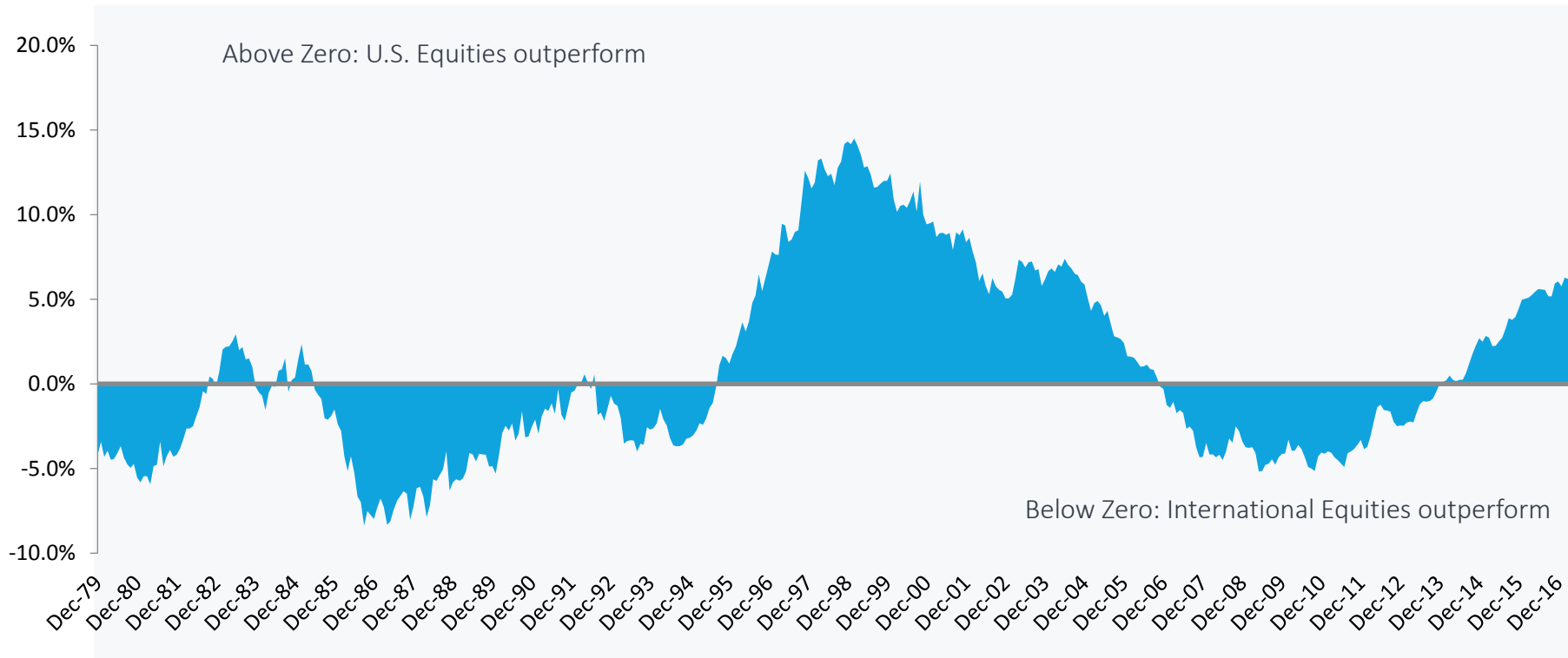
Refer to Performance Footnotes in the appendix for additional details. It should not be assumed that investments made in the future will be profitable or will equal any results shown here. Performance is gross of fees in U.S. dollars.



Why invest outside of the U.S.?

Diversification benefits can be seen from change in market leadership

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



Source: MSCI data; MSCI USA gross Index used for U.S. equities; MSCI EAFE net Index (January 1970 – December 2000) and MSCI ACWI ex-U.S. net Index (January 2001 – March 2017) used for International Equities. In U.S. dollars.

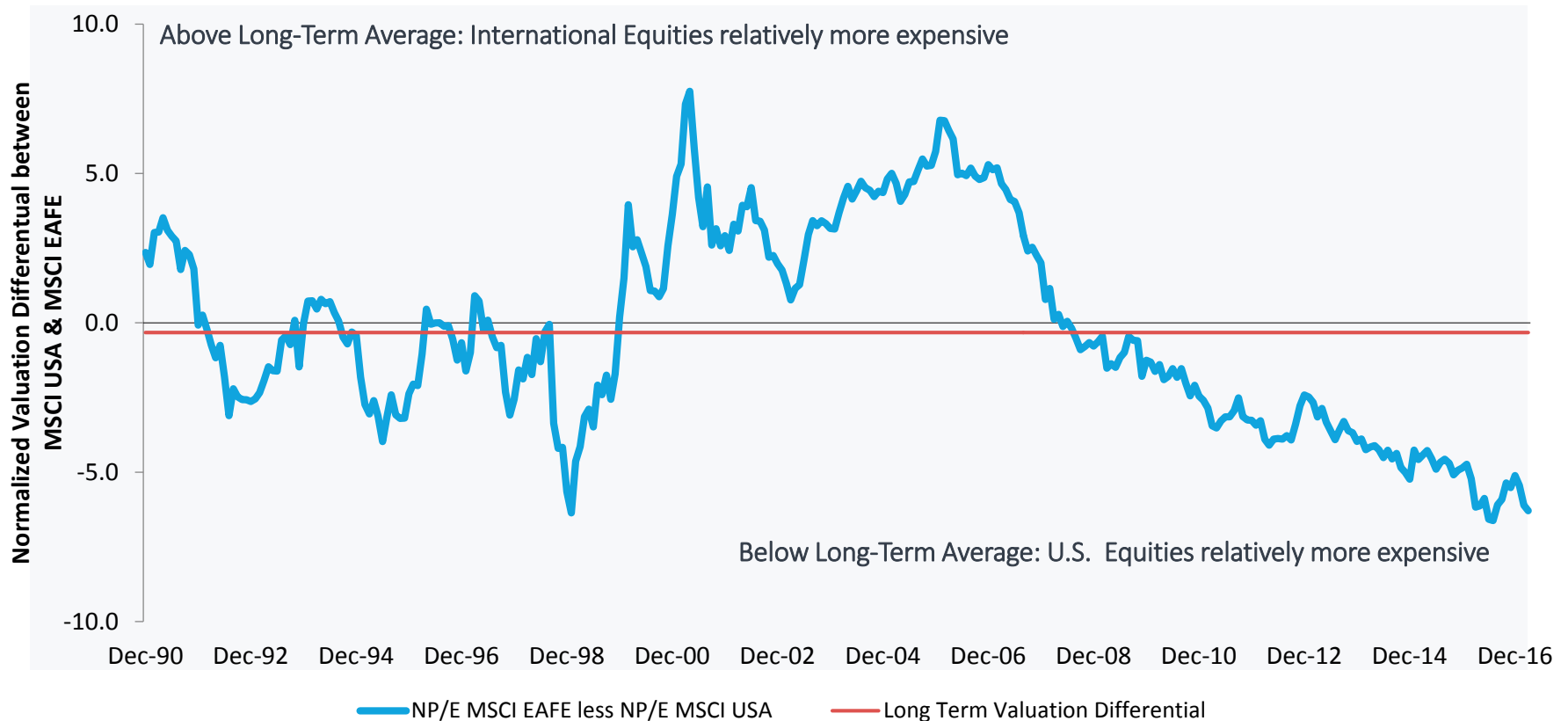
It should not be assumed that investments made in the future will be profitable or will equal any results shown here.

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



International stocks attractive

Normalized P/E of MSCI EAFE relative to MSCI USA



Source: MSCI, Sprucegrove

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

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

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

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



Cumulative total return history for VCERA

Growth of \$100 since inception on April 1, 2002 to March 31, 2017

Value added over and above investment management fees



Source: MSCI, Sprucegrove. In U.S dollars, based on monthly performance. Fund return is net of investment management fees. Monthly dollar value of U.S.\$100 invested on March 31, 2002 through March 31, 2017

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



MSCI EAFE Growth and Value Indices since 2009

Growth index has outperformed over the current cycle



Source: MSCI data price returns. In U.S. dollars. Monthly value of \$100 U.S. invested on April 1, 2009 to December 31, 2016.

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

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

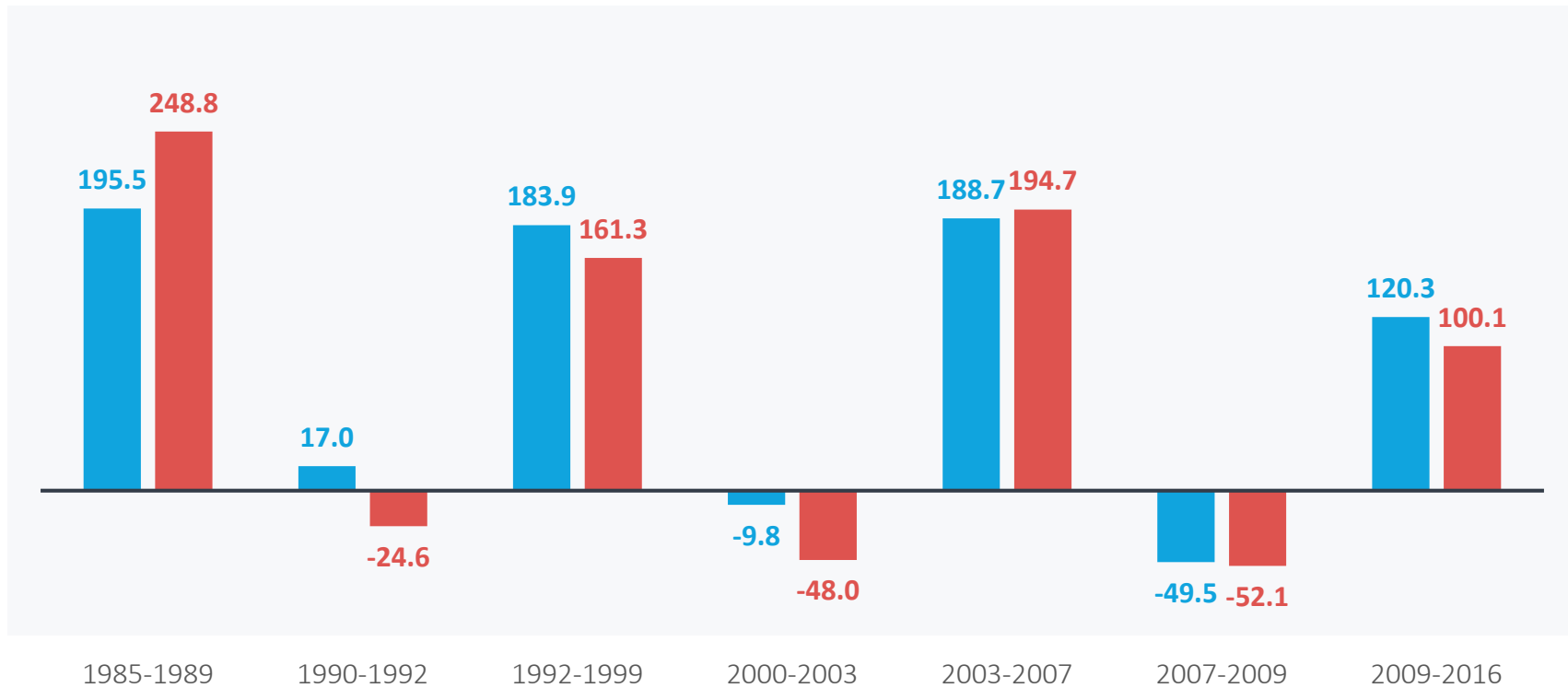


Up and Down Market Cycle Performance

Sprucegrove International – U.S. Clients Composite

Cumulative Returns (%)

■ Sprucegrove ■ MSCI EAFE



Creation date for the Sprucegrove – International U.S. Clients Composite: October 1, 1985

A down market is defined as any group of returns that start and end with negative performing quarters, does not have more than 4 consecutive (1 year) positive quarters and the total combined cumulative return is less than -20%.

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



Historical Sector Weightings

Sprucegrove U.S. International Pooled Fund

Sector	Weightings (%)										
	Sprucegrove U.S. International Pooled Fund										MSCI EAFE
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016
Energy	11.4	9.8	11.3	11.2	11.3	10.1	11.6	10.0	10.0	12.1	5.5
Materials	10.2	10.1	9.6	10.4	11.6	11.4	11.8	11.7	10.8	13.9	7.9
Industrials	13.7	15.9	17.7	18.1	17.4	18.9	19.4	19.0	17.3	16.7	14.0
Consumer Discretionary	16.6	15.7	17.6	18.1	15.0	14.4	13.0	12.4	15.7	14.0	12.5
Consumer Staples	4.8	6.1	4.8	3.5	4.7	4.8	4.6	4.6	5.9	6.5	11.2
Health Care	7.0	11.3	8.7	7.6	9.3	8.1	7.5	6.1	4.8	3.5	10.7
Financials	19.2	9.1	9.3	9.5	9.9	11.0	12.9	15.4	15.5	14.3	21.2
Information Technology	4.3	8.1	11.4	12.4	10.9	12.4	11.4	11.4	10.9	11.1	5.5
Telecomm. Services	5.8	5.3	3.0	3.6	3.1	3.0	2.6	3.0	2.8	2.1	4.5
Utilities	4.7	3.9	2.7	2.8	3.2	3.3	2.9	3.2	3.2	1.9	3.4
Real Estate	-	-	-	-	-	-	-	-	-	1.3	3.7
Cash	2.3	4.7	3.9	2.8	3.6	2.5	2.4	3.2	3.2	2.6	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

All data as at December 31

Refer to Performance Footnotes in the appendix for additional details.



Historical Country Weightings

Sprucegrove U.S. International Pooled Fund

Country	Weightings (%)										MSCI EAFE
	Sprucegrove U.S. International Pooled Fund										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2016
Australia	1.5	1.1	2.3	2.5	2.7	2.8	2.5	2.3	2.4	2.5	7.4
Hong Kong	4.7	4.9	4.2	5.0	5.4	5.4	5.7	6.7	6.8	6.6	3.2
Japan	9.7	20.7	20.2	20.8	20.8	19.5	16.7	15.5	13.8	12.8	24.1
Singapore	4.5	4.1	4.9	5.2	5.6	6.4	6.0	6.6	6.1	5.2	1.2
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
Pacific	20.4	30.8	31.6	33.4	34.5	34.1	30.9	31.1	29.1	27.1	36.2
Finland	0.2	0.7	1.4	0.9	0.0	0.0	0.3	0.8	1.7	1.2	1.0
France	3.9	4.0	3.7	3.0	3.4	3.6	3.6	3.3	3.9	4.7	10.2
Germany	4.0	3.7	3.8	4.2	3.7	4.3	3.4	3.2	4.1	3.1	9.3
Greece	1.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Holland	2.9	1.8	2.7	3.5	4.1	4.1	4.9	4.3	4.2	4.3	3.3
Ireland	7.0	5.2	4.9	4.3	4.5	4.4	4.0	3.5	3.6	2.4	0.5
Italy	4.0	3.2	2.7	2.6	1.0	1.0	1.1	1.0	1.0	0.6	2.1
Spain	1.9	1.5	1.2	1.7	1.6	2.0	2.5	2.6	2.2	2.1	3.1
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Euro Zone	25.2	20.3	20.4	20.3	18.2	19.2	19.7	18.7	20.7	18.3	31.0
Denmark	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.6
Norway	0.3	0.0	0.0	0.0	0.0	0.4	0.8	1.9	2.1	3.1	0.7
Sweden	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.8
Switzerland	11.2	13.3	12.7	11.0	12.0	11.7	11.3	8.8	8.5	9.7	8.7
U.K.	22.6	15.9	17.7	18.7	17.6	18.1	18.9	19.1	20.7	22.3	18.3
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
Non-Euro Zone	34.5	29.2	30.4	29.7	29.7	30.2	31.0	29.8	31.2	35.0	32.8
Europe	59.7	49.5	50.8	50.0	47.9	49.4	50.8	48.5	52.0	53.3	63.8
Brazil	2.4	1.1	1.7	1.5	1.2	0.9	1.5	1.3	0.6	1.3	0.0
China	0.0	0.0	0.4	1.1	1.6	1.7	1.8	2.3	2.3	1.7	0.0
Hungary	1.4	0.7	0.7	0.6	0.4	0.4	0.5	0.3	0.0	0.0	0.0
India	2.4	2.4	2.1	1.3	1.4	1.7	2.9	4.0	4.3	3.9	0.0
Korea	3.1	3.7	3.9	3.8	3.5	3.5	3.3	3.1	3.1	4.0	0.0
Malaysia	0.5	0.9	0.6	0.6	0.4	0.2	0.3	0.4	0.4	0.0	0.0
Mexico	3.6	3.4	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Panama	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8	0.0
South Africa	1.3	0.9	1.8	2.4	2.8	2.5	2.3	2.3	2.1	2.3	0.0
Emerging Markets	14.7	13.1	11.4	11.3	11.2	11.0	12.5	13.6	12.7	14.0	0.0
Canada	2.9	1.9	2.3	2.4	2.8	3.0	3.5	3.6	3.0	3.0	0.0
Cash	2.3	4.7	3.9	2.8	3.6	2.5	2.4	3.2	3.2	2.6	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

All data as at December 31

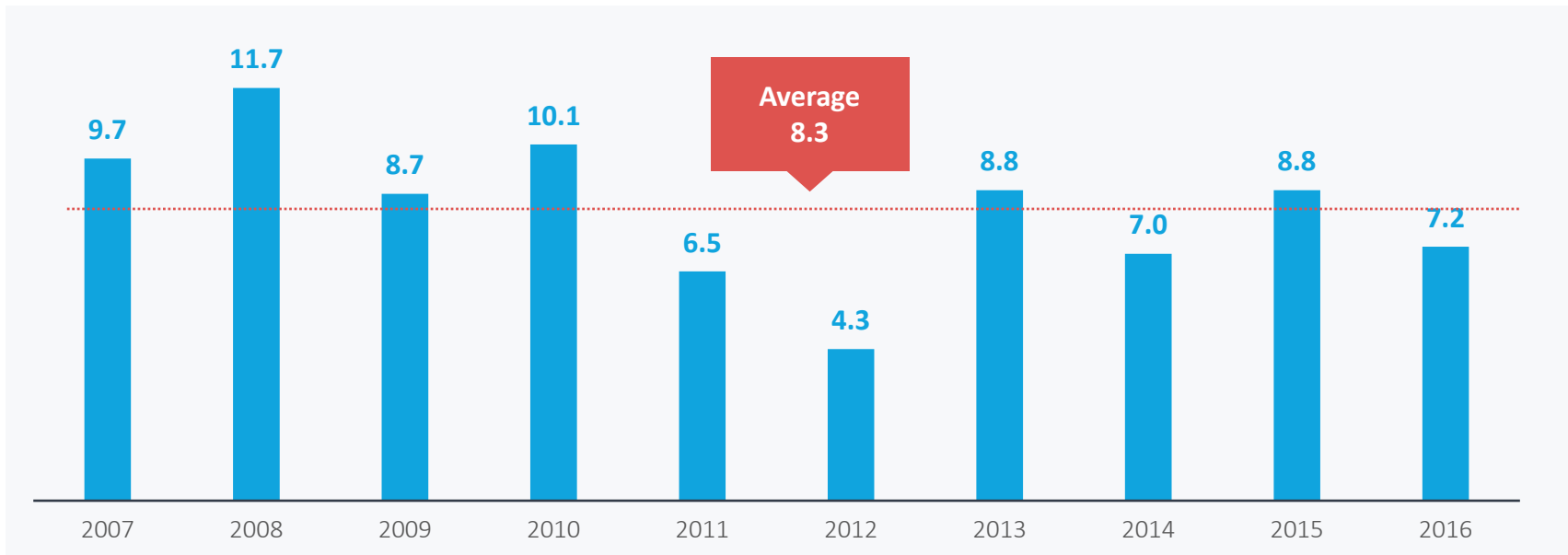
Refer to Performance Footnotes in the appendix for additional details.



Historical Annual Turnover

Sprucegrove U.S. International Pooled Fund

Turnover (%)



Long-term holding period of over 12 years

All data as at December 31

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



Annual Performance Results

Sprucegrove EAFE U.S. Clients Composite

Year ¹	Composite Gross Return \$USD (%)	EAFE \$USD Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	# of Portfolios	Internal Dispersion (%)	Composite Assets (\$M)	Firm Assets (\$M)
2007	5.0	11.2	9.3	9.4	22	5.0	9,573	21,222
2008	(42.2)	(43.4)	18.2	19.2	20	2.2	4,906	11,861
2009	36.6	31.8	21.8	23.6	17	4.4	6,561	15,555
2010	19.6	7.8	24.6	26.2	18	2.8	8,512	19,364
2011	(10.3)	(12.1)	20.5	22.4	18	2.2	7,341	17,788
2012	18.1	17.3	17.8	19.4	18	1.2	8,977	21,421
2013	17.8	22.8	14.2	16.3	20	3.7	10,667	24,583
2014	(3.3)	(4.9)	11.6	13.0	20	2.4	10,046	22,652
2015	(8.7)	(0.8)	11.5	12.5	17	3.8	8,740	17,375
2016 ²	11.4	1.0	12.5	12.5	17	4.2	8,945	14,886

Composite creation date: October 1, 1985

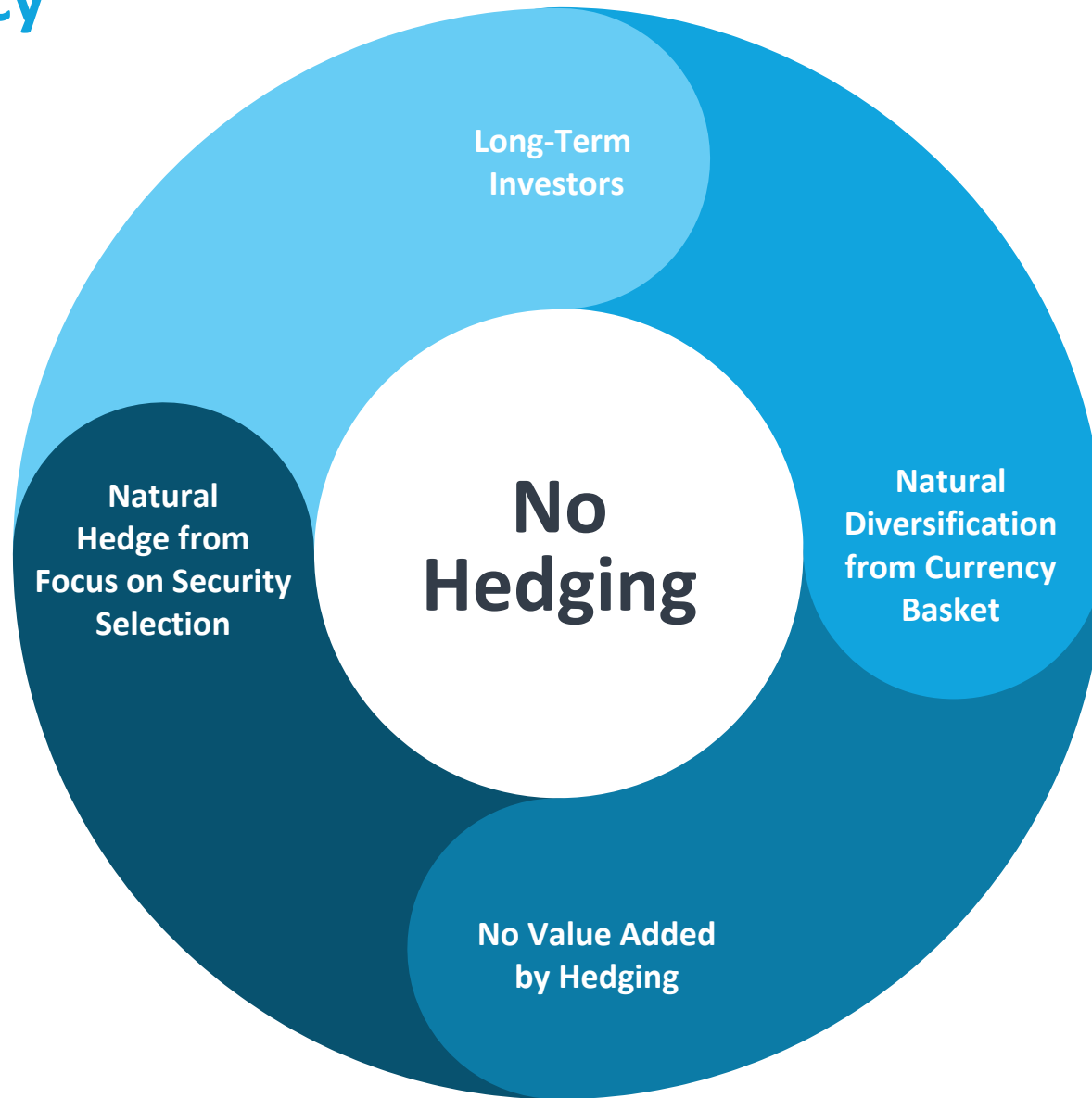
¹ For the years ended December 31

² Preliminary

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

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

Currency





Policy Guidelines

Sprucegrove U.S. International Pooled Fund

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

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



Performance Notes

Sprucegrove Investment Returns

Investment performance returns exclude any investment management fees paid by the investor. Investment advisory fees will reduce stated returns. Performance returns are calculated on a time weighted, total return basis which includes dividend net of withholding taxes and interest income, realized and unrealized gains or losses, transaction costs and other expenses, if any. For example, a 90 basis point investment advisory fee applied to an investment with an annual gross return of 10% will provide a compounded gross return of 10.0% after 1 year and a 61.1% return after 5 years while the compounded net return after investment advisory fees would result in a return of 9.04% after 1 year and a 54.16% after 5 years.

MSCI EAFE & World Indices

The Morgan Stanley Capital International (MSCI) EAFE and World Indices are presented as benchmarks for investment performance. The Indices are the arithmetical average, weighted by market value of the performance of companies representing the stock markets of Canada, the U.S., Europe, Australasia, and the Far East. Returns shown assume reinvestment of dividends. The MSCI EAFE Index includes a selection of stocks from 22 developed markets and is designed to measure the equity performance of developed markets, excluding Canada and the United States. MSCI World Index includes the 22 countries that make up the EAFE Index along with Canada and the U.S. Throughout this report MSCI data is provided as a comparative reference only and may not be used in any way without the express permission of MSCI.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com)

S&P 500 Index

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

Specific Recommendations

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

Possibility of Loss

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

GIPS Compliance Notes

Sprucegrove Investment Management Ltd. (Sprucegrove) claims compliance with the Global Investment Performance Standards (GIPS®). Sprucegrove has been independently verified for the periods May 1, 1985 to December 31, 2015. The composites have been examined for the periods May 1, 1985 to December 31, 2015.



Performance Notes (continued)

Definition of the Firm

Sprucegrove is registered in most provinces in Canada as Investment Fund Manager and Portfolio Manager and with the SEC as an Investment Advisor. It manages fully discretionary accounts for fee paying clients. All portfolios with a market value greater than \$15 million are included in a composite.

Composite and Benchmark Definition

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

Composite	Inception Date of Composite	Benchmark
EAFE - Canadian Clients Composite	May 1985	MSCI EAFE Net Index - CAD
Global - Canadian Clients Composite	July 1992	MSCI World Net Index - CAD
U.S. Equities - Canadian Clients Composite	November 2001	S&P 500 Net Index - CAD
EAFE - U.S. Clients Composite	October 1985	MSCI EAFE Net Index – US

Fee Schedules

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

Pooled Fund Accounts			Separate Fund Accounts		
	Assets Managed	Rate		Assets Managed	Rate
First	\$5,000,000.00	0.90%	First	\$25,000,000.00	0.70%
Next	\$10,000,000.00	0.65%	Next	\$25,000,000.00	0.60%
Next	\$25,000,000.00	0.55%	Next	\$25,000,000.00	0.50%
Next	\$35,000,000.00	0.50%	Next	\$225,000,000.00	0.25%
Next	\$225,000,000.00	0.25%	Balance		0.20%
Balance		0.20%			

Past Performance

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

Further Information

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

For more information please contact:

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Manager, Marketing & Client Services
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Ventura County

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SSB-0378



SSB-0234

Contents

Our Company Today

Our Way Ahead

Public Funds Focus

Core Services

Class Actions Overview

Our Company Today



Our Company Today



Our Company Today

Strong Global Enterprise

STATE STREET GLOBAL ADVISORS.

Developing investment strategies designed to optimize the use of client capital

- Proven experience, with approximately \$2.5 trillion assets under management* as of December 31, 2016
- Access to a wide range of investment strategies across the risk/return spectrum
- With approximately \$521 billion* in global ETF assets under management, we have one of the broadest ranges of ETFs in the industry

STATE STREET GLOBAL MARKETS.

Creating access to alpha, insights, liquidity and financing by enhancing portfolio values

- Delivering investment research, foreign exchange trading and securities lending
- Providing liquidity across 36 international markets, with approximately \$3.23 trillion in lendable assets as of December 31, 2016
- \$21.1 trillion in foreign exchange and interbank volume traded in 2016

STATE STREET GLOBAL SERVICES.

Maintaining the inventory of client capital and dividends / interest owing products

- Assets under custody and administration of approximately \$28.8 trillion as of December 31, 2016
- One of the world's leading investment service providers
- Fund accounting and administration, custody, investment operations outsourcing, recordkeeping, performance and analytics, and transfer agency services

STATE STREET GLOBAL EXCHANGE.

Delivering new perspective and insight into risk management and investment strategy

- Integrated solutions across the lifecycle of trades
- Aligning research and advisory, portfolio performance and risk analytics, information and data management to deliver innovation
- Customized and flexible multi-asset class products and services

*This AUM reflects approx. \$30.62 billion (as of December 31, 2016) with respect to which State Street Global Markets, LLC (SSGM) serves as marketing agent; SSGM and State Street Global Advisors are affiliated.

Our Company Today

Industry Leadership

Asset Manager of the Year

Central Banking Publications
2016 Central Banking Awards

Best Data Management Product

Risk.net
2016 Buy Side Technology Awards

Best ETF Service Provider in Asia Pacific and Europe

exchangetradedfunds.com
2016 Global ETF Awards

Custodian of the Year: Japan, Mutual Fund Administrator of the Year: Americas

Custody Risk
2016 Global Awards

No. 1 in Flow Research for Real Money Clients

Euromoney
2016 Foreign Exchange Survey

No. 1 Global Custodian (Global Average Score)

Global Investor/isf
2016 Global Custody Survey

Best Hedge Fund Administrator – Overall (over \$30 billion)

HFMWeek
2016 European Services Awards
2016 Asian Services Awards

Best Securities Financing House and Best Fund Administrator for Pooled Products

Asia Asset Management
2016 Best of the Best Awards

Best Global Securities Lender and Best Global Custodian in Western Europe

Global Finance
World's Best Securities Services Provider Awards 2016

*See Appendix for methodology.

Our Company Today

Strong Global Presence*

33,783 Employees Worldwide*

AUSTRALIA
Melbourne
Sydney

AUSTRIA
Vienna

BELGIUM
Brussels

BRUNEI DARUSSALAM
Jerudong

CANADA
Montreal
Toronto
Vancouver

CAYMAN ISLANDS
George Town, Grand
Cayman

CHANNEL ISLANDS
Saint Peter Port, Guernsey
Saint Helier, Jersey

DENMARK
Copenhagen

FRANCE
Paris

GERMANY
Frankfurt
Munich

INDIA
Bangalore
Chennai
Coimbatore
Mumbai
Pune

IRELAND
Carrickmines
Drogheda
Dublin
Kilkenny
Naas

ITALY
Milan
Turin

JAPAN
Fukuoka
Tokyo

LUXEMBOURG
Luxembourg

MALAYSIA
Kuala Lumpur

NETHERLANDS
Amsterdam

**PEOPLE'S
REPUBLIC
OF CHINA**
Beijing
Hangzhou
Hong Kong

POLAND
Gdansk
Krakow

SINGAPORE
Singapore

SOUTH AFRICA
Cape Town

SOUTH KOREA
Seoul

SWITZERLAND
Zurich

TAIWAN
Taipei City

UNITED ARAB EMIRATES
Dubai

UNITED KINGDOM
Edinburgh
London

UNITED STATES
California
Connecticut
Florida
Georgia
Illinois
Massachusetts
Missouri
New Jersey
New York
North Carolina
Pennsylvania
Texas

*As of December 31, 2016.

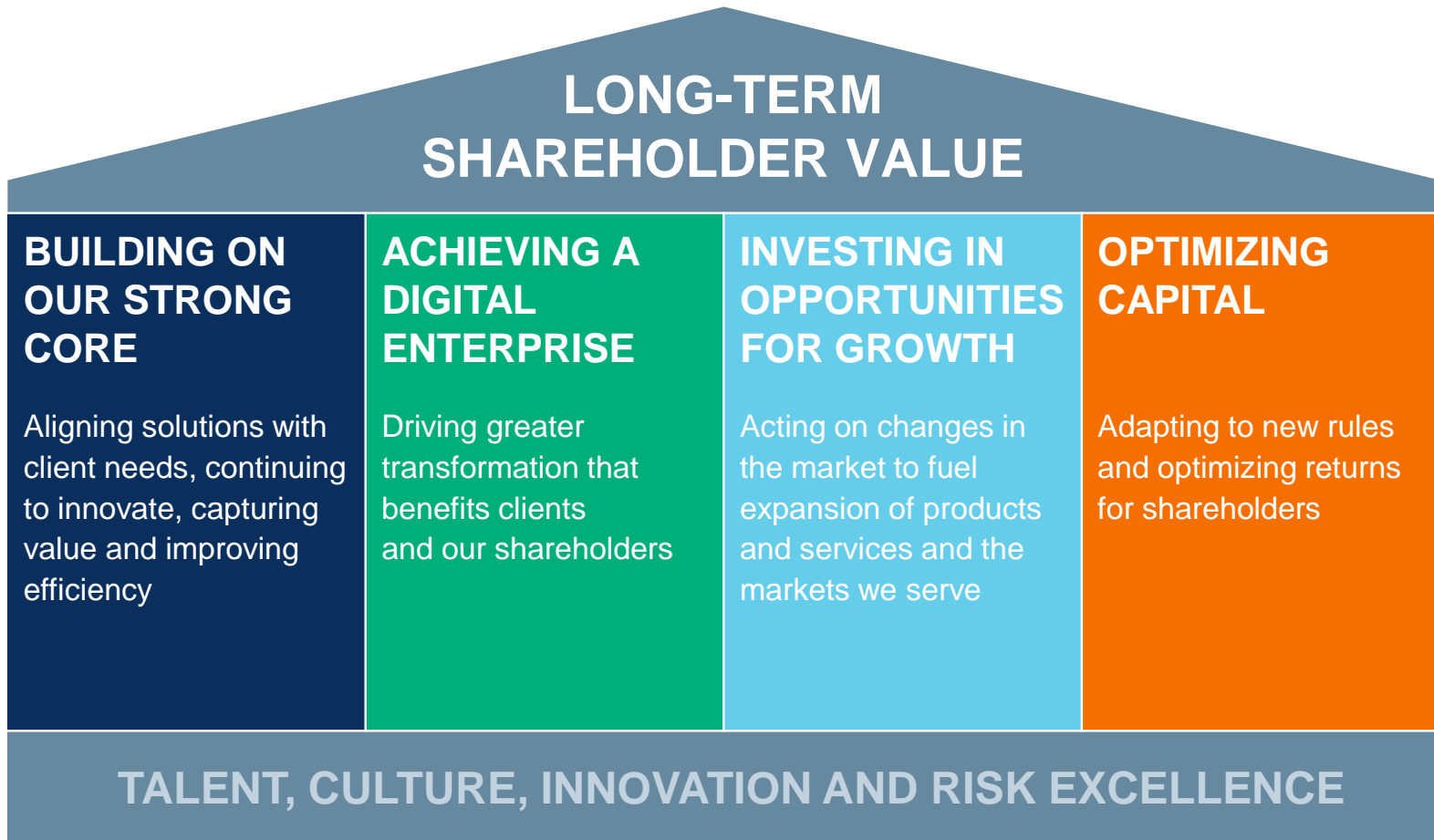
7 LIMITED ACCESS

STATE STREET

Our Way Ahead

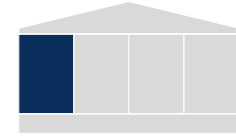


Our Way Ahead



Our Way Ahead

Building on Our Strong Core



Highlights of Our Global Expertise

We're responsible for 11 percent of the world's assets.

Source: State Street and McKinsey Global Institute, Global Capital Markets, December 31, 2015.

This represents State Street's AUCA as a proportion of total global financial assets.

We're the world's largest fund accountant by assets under administration (AuA) and service 40% of all mutual funds in the United States.

Source: Money Management Executive's Mutual Fund Service Guide 2016.

This annual industry survey gathers AuA data from service providers.

We service more alternative assets than any provider globally. We're the top provider of hedge, private equity and real estate fund administration by assets.

Source: eVestment Alternative Fund Administration Survey 2016.

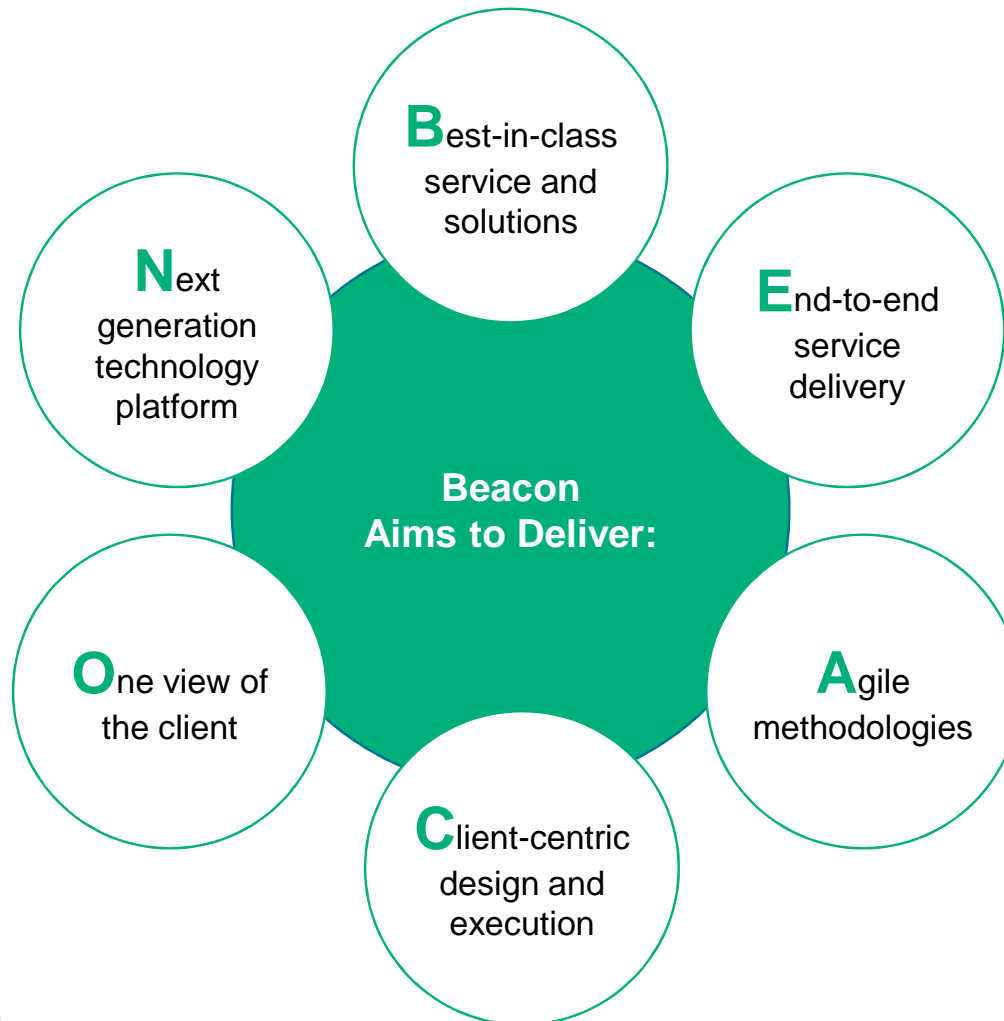
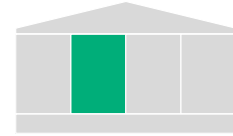
This annual industry survey gathers AuA data from service providers.

SSGA is the third-largest money manager globally.

*Source: P&I Research Center, as of 12/31/2015
This online data resource aggregates data collected by P&I's editorial team through surveys and day-to-day reporting on thousands of money managers and institutional asset owners.*

Our Way Ahead

Capturing the Digital Opportunity: State Street Beacon



State Street Beacon

How We Will Deliver Value



Digital Integration

Data arrives electronically from you and the market

Quicker processing

Better quality and consistency: reduced checks needed

Improved risk excellence with less manual touches



Rapid Processing

Our systems process data real time as it arrives

Updates as trades occur and markets close

Intra-day views and updates for quicker decision-making

Quicker service with delivery on demand



One Source of Truth

Data is stored how you and the market sees it

Integrated view of data across products and services

Flexibility to see the data based on specific needs

Eliminating need to reconcile across sources

Quicker and better quality for information edge



Delivering Insight and Value to You

Addressing your needs in a dynamic environment; including:

Optimizing your operating model: efficient and effective

Managing more complex data: quicker and accurately

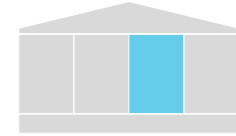
Supporting your growth: business strategy and innovation

Enhancing risk management

Staying ahead of the curve: regulatory and compliance

Our Way Ahead

Investing in Opportunities for Growth



Investments Supported by Secular Growth Trends:

- Globalization
- Retirement Savings
- Regulation & Complexity

Global Services

- Globalizing alternative investment servicing capabilities (technology, global real estate platform, hedge funds)
- Developing solutions to help clients navigate evolving regulatory environment
- Continuing to enhance ETF servicing platform

Global Advisors

- Deepening ETF innovation
- Expanding in U.S. and EMEA retail intermediary distribution
- Targeting the growing global defined contribution trend
- Providing solutions for Official Institutions

Global Markets

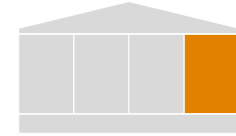
- Expanding FX trading venues (i.e., Street FX, TruCross/FX)
- Advancing Enhanced Custody
- Developing additional currency management solutions

Global Exchange

- Providing data and analytic solutions in support of client front office needs
- Delivering differentiated research & high touch advisory solutions

Our Way Ahead

Optimizing Capital



Investing in Growth

- Focus on strategic initiatives
- Enhance client service with new revenue producing capabilities
- Invest in new technology
- Pursue select small acquisitions to add capabilities, subject to regulatory approval

Returning Capital to Shareholders

- Optimize capital structure in light of new and emerging rules
- Prioritize return to shareholders through common stock purchases and dividends

Balancing investing in business with shareholder returns

Public Funds Focus



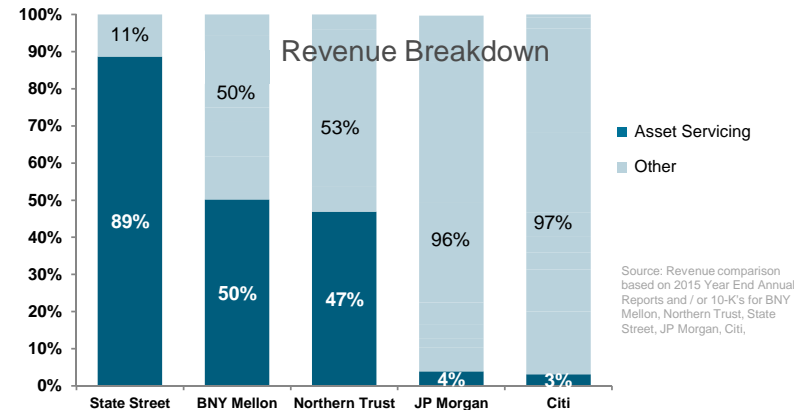
A Low Risk Provider Committed to this Business

Public Fund Expertise ¹		
Asset Size	# of Clients	Total AUCA (US millions)
Below \$500 million	60	\$9,914
\$500 million – \$1 billion	22	\$15,475
\$1 billion – \$5 billion	24	\$52,846
\$5 billion – Up	38	\$2,109,828
Total	144	\$2,188,064

Strong Capital Ratios²

	T1 Capital (Risk-Based)	Total Capital	T1 Common Equity	Estimated Basel III Standardized	Estimated Basel III Advanced
State Street	15.9%	17.2%	15.9%	15.8%	15.9%
Northern Trust	12%	13.5%	11.5%	10.6%	11.5%
BNY Mellon	12.0%	12.3%	10.6%	11.8%	10.6%
JPMorgan Chase	13.5%	14%	13.5%	13.2%	13.5%
Citi	14.0%	15.2%	14.0%	12.7%	14.0%

Commitment to Institutional Investors



¹ State Street internal business reporting

² State Street Bank 10Q 6/30/16: Common equity tier 1 capital, tier 1 capital and total capital ratios as of June 30, 2016 were calculated in conformity with the advanced approaches provisions of the Basel III final rule. Tier 1 leverage ratio as of June 30, 2016 were calculated in conformity with the Basel III final rule.

Northern Trust Company 10Q 6/30/16: Effective with the first quarter of 2015, risk-weighted assets are calculated in accordance with the Basel III Standardized Approach final rules.

BNY 10Q 3/31/16: The CET1, Tier 1 and Total risk-based consolidated regulatory capital ratios are based on Basel III components of capital, as phased-in, and credit risk asset risk-weightings using the U.S. capital rules' advanced approaches framework (the "Advanced Approach"). The leverage capital ratios are based on Basel III's definition of Tier 1 capital, as phased-in, and quarterly average total assets.

JP Morgan bank 6/30/16 10Q: Effective January 1, 2015, the Basel III Standardized RWA is calculated under the Basel III definition of the Standardized approach. Prior periods were based on Basel I (inclusive of Basel 2.5).

Citi bank 10Q 6/30/16: Citigroup's risk-based capital ratios, which reflect full implementation of the U.S. Basel III rules, are non-GAAP financial measures.

Our Public Fund Focus

- Strong market presence
 - We service 17 of the top 35 Public Fund entities in the US*
 - We are a leading investment servicing provider of the public fund market with over 37 percent market share and over \$2 trillion in public fund assets*
- Deep understanding of the public fund market
 - Leverage 20 years of experience to continually enhance our products and services
 - Custody Real Time Reporting
 - Cash Management / Movement Tools
 - Investment Policy Compliance Monitoring
 - Executive Level Online Dashboard
 - Integrated Risk Assessment and Performance Measurement Tools
 - Proprietary Derivative Valuation and Processing through OTC Hub
 - GASB Reporting
 - Corporate Governance Interactive Reporting for Class Actions and Proxy Voting
- Consultative approach
 - Client service professionals provide proactive solutions tailored to the requirements of each client

*Source: Money Market Directory as of 12/31/2015 and internal reporting

Our Objective

To Serve as an Extension of our Client's Staff

Mission

- **Manage All Aspects of the Client Relationship**
 - Coordinate all aspects of the relationship and be your advocate within State Street
 - Responsible for client satisfaction
 - Share best practices and new ideas from extensive relationship network
 - Rise to the occasion to meet all challenges and work collaboratively to ensure we are exceeding your expectations
- **Provide Consistent, Proactive Client Service**
 - Be responsive — “Sunset Rule”
 - Solicit client feedback — annual client survey
 - Ensure backup assistance is always available, without fail
- **Provide timely and accurate reporting**
 - Ensure deliverables are met
 - Get the core right ensuring all downstream reporting is accurate
 - Provide cutting edge tools and technology that deliver information that you can use

Consultative Service Delivery

Helping you push your business to new levels



Intimate Client Knowledge:

- Our dedicated servicing team is able to focus on **your** account allowing them to develop a rich understanding of your unique business requirements and flows
 - From launching new investment strategies to adopting new investment infrastructure, we operate side by side with you from idea creation through to execution helping to ensure your success
-



Dedicated Partnership:

- We strive to be a value added extension of your investment operations and are committed to regular face time both in your shop and hosting in our facilities. Face to face collaboration drives healthy relationships and results.
 - Our hands on leadership team works to ensure you are continually benchmarked against your peers and industry best practices to help ensure you are educated and reaping the benefits of our unique market position and relationships
-



Customized Solutions:

- We strive for continuous improvement in your investment life-cycle and our service delivery to increase straight through processing, reduce risk, and create value.
 - On the following pages you will see a few strong examples of where we have worked closely with our current client base to drive significant value.
-

Kansas City Client Service Team

A Partnership Between You and State Street



Core Services



Discussion of Core Services

Accurate Valuation Facilitates Better Decisions

- **Custody**

- Support from dedicated market specialists
- Full tax reclaim, proxy voting and corporate action support
- Access a broad global custody network supporting investments in 108 markets*, the largest network in the industry

- **Audited Accounting Valuations and Reporting**

- Daily valuation “heritage” and process
- Discipline centered around accuracy
- Standard operating procedures and controls across all clients and asset types supplemented by customized procedures where appropriate
- Comprehensive support for alternative investments including customized reporting options

- **Technology**

- Single real-time, general ledger based multi-currency accounting system
- Access to summarized online data that is easy to access and use
- Comprehensive corporate governance information
- Cash flow management and support

*State Street internal reporting as of 5/31/16

Our Fully Integrated System

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

Information Technology

We are evolving our technology model to meet growing client complexity and deliver superior client service

Our Tenets

- 1 Scalability
- 2 Reliability
- 3 Global Reach
- 4 Continuous Innovation
- 5 Trusted Partnership

Our Mandate

1. Accommodate rapid increases in volume without affecting productivity or response time
2. Deliver consistent levels of excellence on time, every day; Provide uninterrupted, world-class services to our clients every day
3. Deliver capabilities to all major regions of the world
4. Stay ahead of the curve in offering solutions to rapidly-changing business problems and opportunities
5. Understand our clients' future business requirements and offer proactive and responsive service

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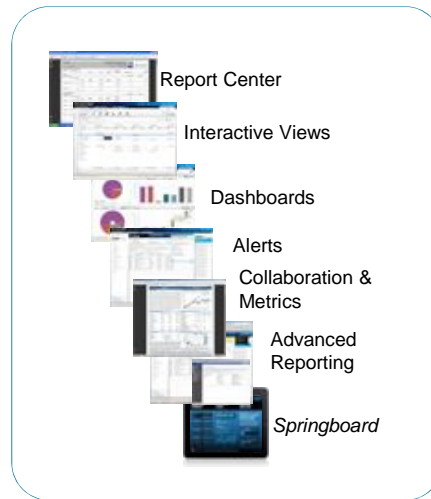
A Single Portal to Access Your Investment Data



Services / Content

- Custody
- Corporate Actions
- Cash
- Accounting
- Securities Lending
- Performance Analytics
- Compliance
- Risk
- Private Equity
- Real Estate
- Hedge Funds
- OTC Derivatives
- Tax Efficiency Calculators
- Recordkeeping
- Reconciliations
- Investor Reference Information
- Over 30 products / services

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- Single, global portal to client data
- Consistent client experience across all services
- Continuous innovation to content, channels, and infrastructure

Client

Sample Needs

- Cash availability, projections
- Intraday cash
- Corporate actions notifications
- Real time trade data
- Security transactions, holdings
- Accounting, general ledger
- Security valuation
- Performance reporting and analysis
- Compliance and risk monitoring
- Middle office transactions, valuations, and positions
- Global markets settlement instruction guide
- Global market and tax information
- Investor reference information

Screenshot provided from my.statestreet.com for illustrative purposes only. No real client data was used.

my.statestreet.com Offers a Secure, Scalable Platform That's Supported Globally

Scalable and Robust*

- 48k+ Logins daily
- 80k+ Users across 7k+ Clients
- Available 24x7x365
- 112k+ Report Requests / Queries Processed daily
- 149k+ Interactive View Requests Services daily
- 24k+ Interactive Spreadsheet Requests daily
- 5 Million+ Web Requests / Pages serviced daily
- Over 30 Products and Services represented

Supported Globally

- Global network of Product Specialists provide business-line expertise and guidance to maximize user productivity
- Focused user adoption program driven by usage metrics
- Remote “screen sharing” feature allows quick resolution to many issues
- Variety of training and education channels available
- Context-sensitive help tool provides instant guidance to users

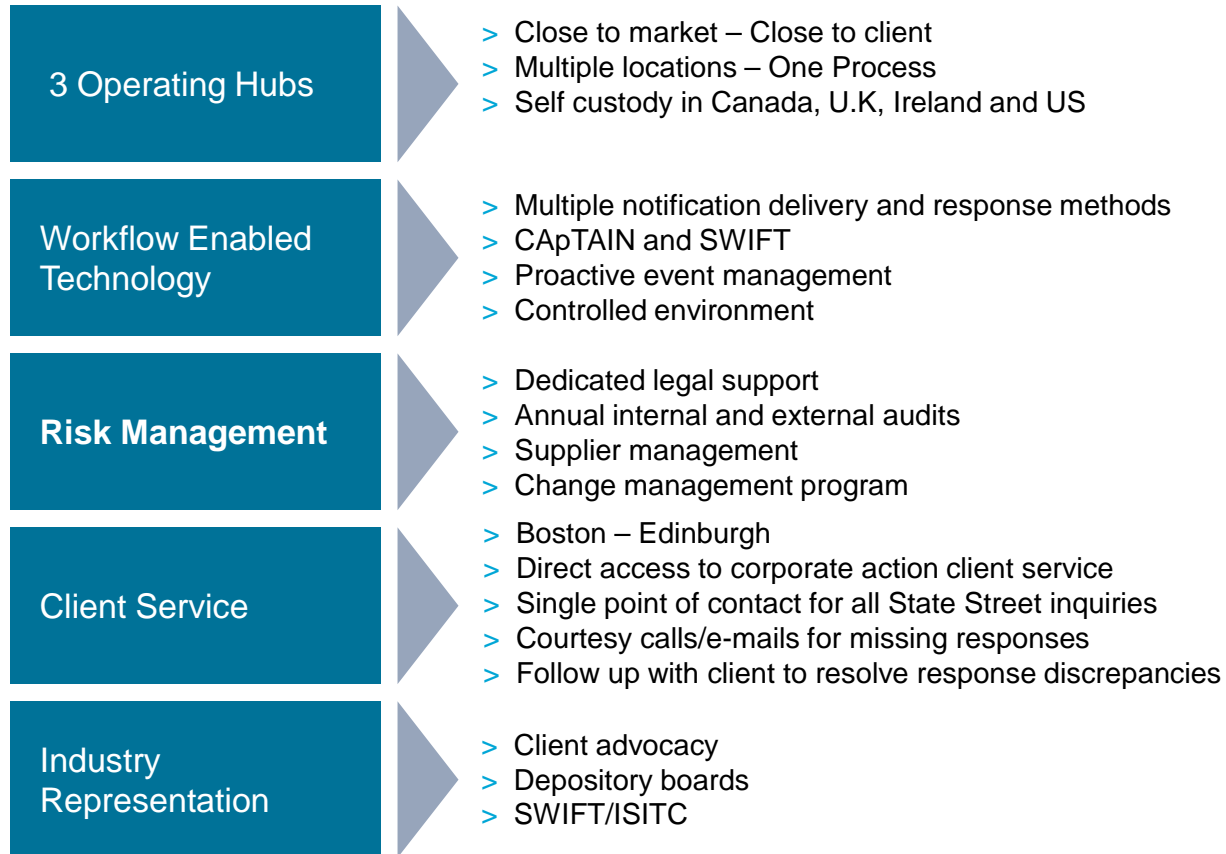
Product Model

- Continuous improvement, client / user centric design

Focused on Security

- Industry-standard web connections using Transport Layer Security protocols
 - Strong User ID Protection, including optional two-factor authentication
- Regular 3rd Party Security Testing, including “white hat” penetration testing
 - Security Entitlement Program based on ISO 27001 / 27002 standards

Corporate Action Delivery Model



Data and Analytics Solutions for Asset Owners



Research & Data

- Research*
- Custom Advisory Work
 - Investable Product Models
 - Model Development and Validation
- Data*
- Data as a Service
 - Operational Control Framework
 - Multi-Source Aggregations
 - Investment Book of Record

Portfolio Construction

- Manager Assessment
- Liability Modeling
- Risk Appetite Setting
- Durations
- Credit Risk
- Trade Cost Analytics
- Trading Support
- Benchmarking and Peer Comparisons

Enterprise Risk

- Exposures
- Sensitivities
- Liquidity
- What-If Scenarios
- Stress Testing
- Transparency
- Risk Decomposition
- Value at Risk

Regulatory & Compliance

- Regulatory*
- GASB, FASB and ERISA
 - Fee Transparency
- Compliance*
- Manager Oversight
 - Audit and Document Retention
 - Data Augmentation and Validation
 - Daily Monitoring and Alerts

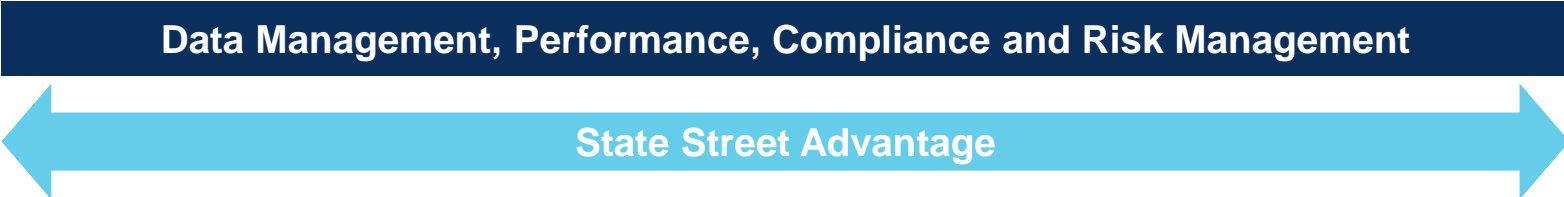
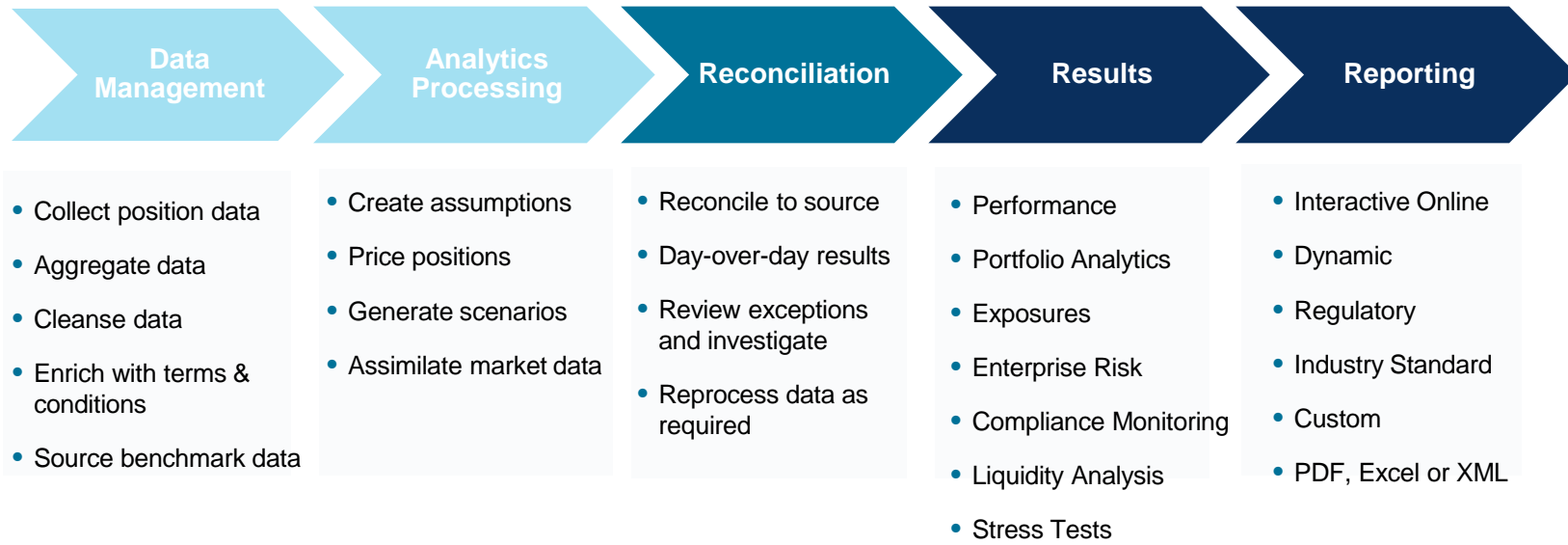


Performance & Attribution

- Fundamental Metrics
- Interactive and Custom Data
- Single- and Multi-Factor Attribution
- Volatility and Risk-Adjusted Returns
- GIPS Support
- Private Equity Index
- Consolidated Board Reporting



End to End Process



Performance Solutions

Complementing Capabilities to Support Asset Owners

Total NAV Performance

- Daily and monthly portfolio level results, based on audited accounting book of record NAVs
- Net or gross, synthetic, multi-currency, pre-tax and post-tax, load and no load returns.
- Variable decimal precision accuracy
- 52 week high/low and growth of \$10,000
- Flexible dissemination to external recipients

Security Level Performance

- Daily, monthly and indicative results, at all levels within the portfolio
- Transaction-based ABOR or IBOR sourced
- Time-weighted and money-weighted
- Alternative investments expertise
- Peer group comparison
- Risk-adjusted performance and ex-post volatility measures
- Executive and board reporting
- Integrated information delivery solutions

Attribution and Analytics

- Fundamental investment characteristics
- Single and multi-factor attribution and decomposition capabilities
- Top-down and bottom up attribution models
- Enhanced passive strategy attribution
- Transparency services
- Robust investment compliance solutions
- Regulatory support
- Integrated information delivery solutions

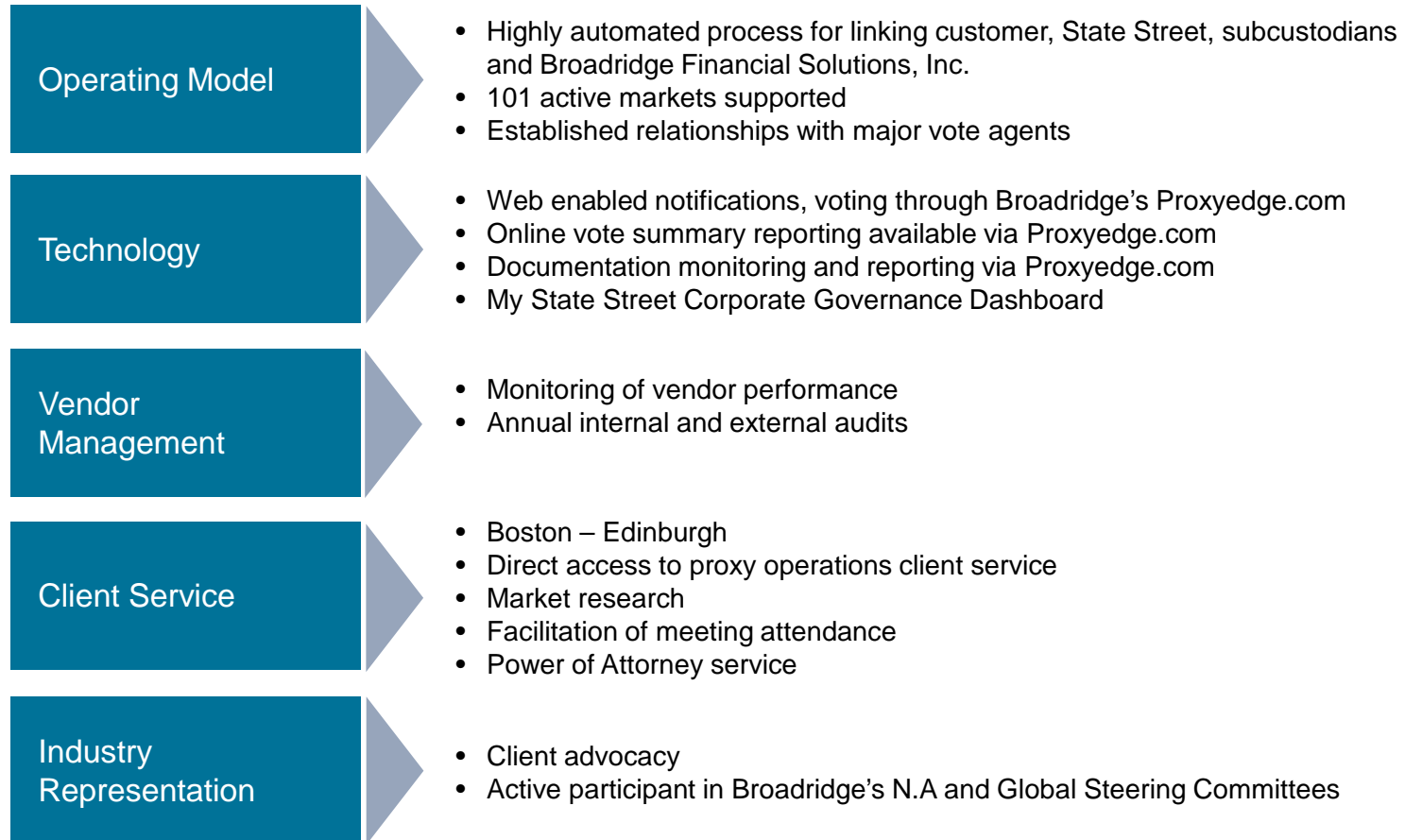
Fully Integrated with State Street Accounting

Reduce operational risk with straight-through processing

Scale in benchmark processing, including custom blends

Standardized and custom reporting and distribution solutions

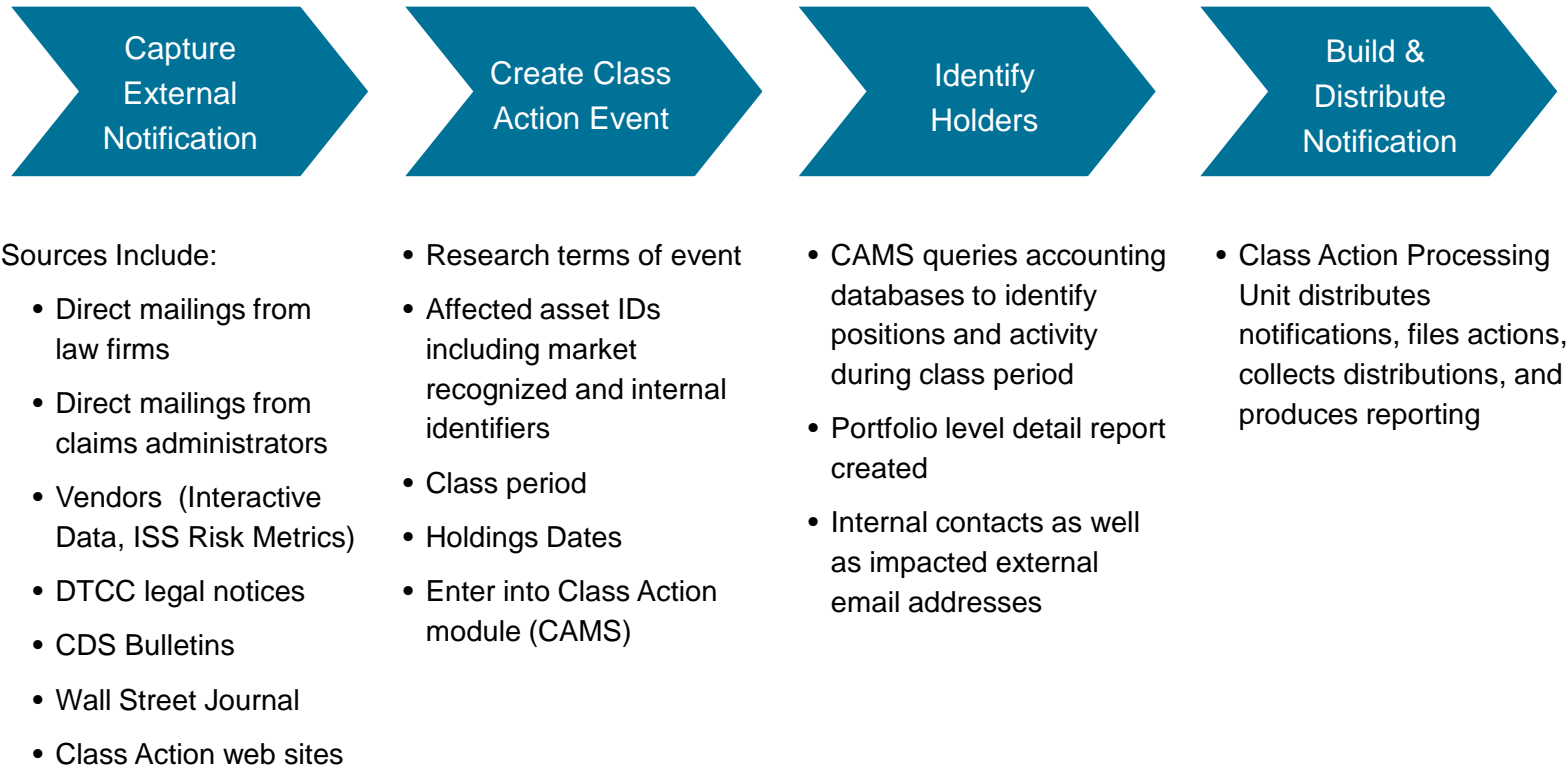
Proxy Service Delivery Model



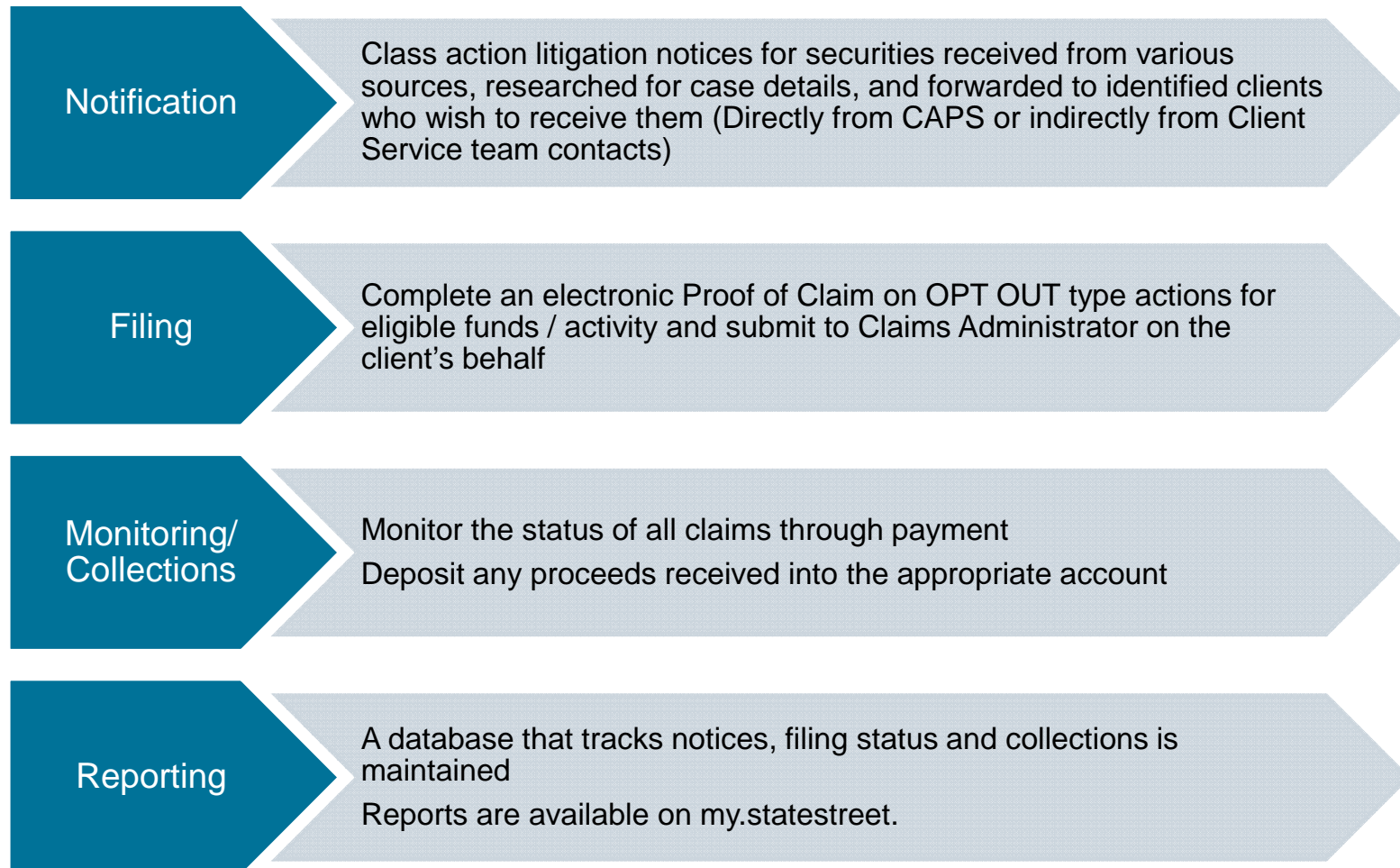
Class Actions Overview



Class Action Process Overview



Service Offering for U.S. Class Actions



Sources of Information

- Primary Vendors
 - Institutional Shareholder Services (ISS)
 - Xcitek / Interactive data
- Notified by over 25 law firms and claims administrators, globally
 - Direct Mailing
 - Emails
 - Phone Calls
 - Web Site Notices
- 2016 Processing Statistics:
 - Received Notice and Researched 615 Actions
 - Actions Researched Included 15,583 Cusips
 - Actions Filed 116
 - Accounts participating in Filings 47,723
 - Transactions in Filing 755,465
 - Physical Checks Received for prior Filings 25,291
 - USD Value Received \$306 million

Domestic Vs. International Markets

- **US and Canada (Notification and Filing Service Available)**
 - Opt Out – Commonly, U.S. and Canada combine all class participants into single litigation and bind all members to the judgment unless members Opt Out of the case by filing an exclusion
- **Non-U.S. and Non-Canadian (Notification Only, unless Opt Out & contingency based legal fees)**
 - Opt In - Most Non-US and Non Canadian litigations are formed by law firms “seeking interest” from injured shareholders who must OPT IN to the case with the specific law firm
 - Multiple law firms can prepare and file separate briefs/ litigations against the same company, competing for judgment awards
 - Funding Agreements required to join litigation is common practice, each agreement is specific to the case and law firms attempting to bring forth the litigation
- **Variations**
 - Australian and Netherlands litigations may be either Opt in or Opt out and may not require a Funding Agreement
 - US BP case being brought to Texas courts is an Opt In/Funding Agreement litigation
 - Starr AIG vs. US (Opt In type but no Funding Agreement)
 - Taiwan requires use of local council, in local language
 - France requires joining a Society in addition to Funding Agreement

Types of Class Action Notifications

- **Objection Date**
 - Notification requiring a client response if the client wishes to object to the proceedings—State Street will pass the notification along to the client
 - If they wish to object they should respond through their own legal council
- **Exclusion Date**
 - Notification requiring a client response if the client does not wish to be included as part of the class—State Street will pass the notification along to the client
 - If they wish to object they should respond through their own legal council
- **Proof of Claim**
 - Notification requiring State Street to submit proof that a fund is eligible to participate and determine the number of shares owned by the client during the action's time period
 - State Street will submit the claim with required backup by the deadline date in accordance with the client's filing instruction

Types of Class Action Notifications

- **Derivative Action**
 - Informational notification only
 - No monetary settlement will be available to the petitioners
 - State Street will forward the notification to our clients
- **Disgorgement Fund Notice**
 - Notification requiring State Street to certify proof that a fund is eligible to participate
 - State Street will submit the certification by the deadline date
 - Usually there is no proof of claim attached to actions with disgorgement notices
- **Informational Notification**
 - Notification informing all interested or eligible parties of specific details of a class action
 - State Street will pass the notification along to the client
 - Informational notifications do not require a response

Filing Process

- Internal forecast report is used to monitor upcoming actions and initiate the filing process
- The Proof of Claim form is reviewed for details on the claim, such as cusips, trading period, transaction types, holding dates
- The pertinent data is extracted and analyzed from the application to create the electronic file, and exceptions are reviewed and removed as necessary
- The completed file is reviewed and approved by Management for accuracy and case specific requirements
- The electronic file is sent in password protected CD format to the claims administrator via UPS
- A paper copy of the signed Proof of Claim form, a receipt confirmation letter, filing entity list, and filing entity summary letter is sent to the claims administrator via UPS
- The receipt letter is either returned or follow up is done using the UPS tracking code to confirm delivery and receipt of the package prior to the established deadline

Monitoring/Collection Process

- Monitoring
 - Review Deficiencies and/or Rejection Notices when received
 - Update Tracking application with new status based upon deficiency letter
 - Research deficiency and/or work to address the rejection notice
 - Respond to claims administrator with management review and approval in the same manner as filing via email or UPS

- Collection
 - Follow-up with claims administrator periodically until receipt of check or wire
 - Process the payment received by crediting client DDA
 - Update reporting for payments (log information into database)

Reporting

- Real time summary reports available via the my.statestreet report center
 - Provides current status of the funds for proof of claim actions
 - Provides status updates for paid events
- Real time Interactive Views via the my.statestreet corporate governance module
 - Notification View
 - Basic case information including when the notice was sent for clients that subscribe to our notification service
 - Status View
 - Basic case for all events where fund(s) have activity regardless of case status or fund status
 - Fund Status View - reached via drill down from status view
 - Provides fund(s) current status in the selected case
 - Transaction View - reached via drill down from fund status
 - Provides transactions and holdings as submitted to the claims administrator for filed events

Ventura County Class Action Statistics

Year	Class Action Amount Received
2007	\$16,237.30
2008	\$33,511.09
2009	\$582,561.81
2010	\$32,221.20
2011	\$169,231.02
2012	\$56,538.07
2013	\$67,646.38
2014	\$236,196.23
2015	\$1,006.73
2016	\$178,948.19
TOTAL	\$1,374,098.02

Glossary of Terms

CDS: Canadian Depository for Securities

Class Action: A Class Action provides a means whereby large numbers of claimants may have their causes involving common questions of fact or law adjudicated in a unitary proceeding. Prior to certification of a class, the court must find a sufficiently large number of class members exist to make joining impractical. Therefore, since all claimants cannot be named parties in the lawsuit, the action is by its very nature a representative proceeding. The named class plaintiff representatives in addition to prosecuting their own claims serve on behalf of and pursue claims belonging to the absent class members. Further, the attorneys and named plaintiffs representing the ostensible plaintiff class assume fiduciary responsibilities to protect the interests of the absent class members

CLAC Reports: CLAC Purchase Report, CLAC Sales Report, and CLAC Position. These reports provide the purchase and sale transactions for class action periods as well as the full position held during the class period

DTCC: Depository Trust and Clearing Corporation

ISS: Institutional Shareholder Services is a vendor that offers class action services through its subsidiary “Securities Class Action Services”

Notice of Proposed Settlement: Notification of the possible terms/proceeds that may occur as a result of the class action

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Thank You



Global Markets

Ventura County Employees' Retirement Association

State Street Securities Finance
Program Review
April 17, 2017



Agenda

VCERA Performance Review

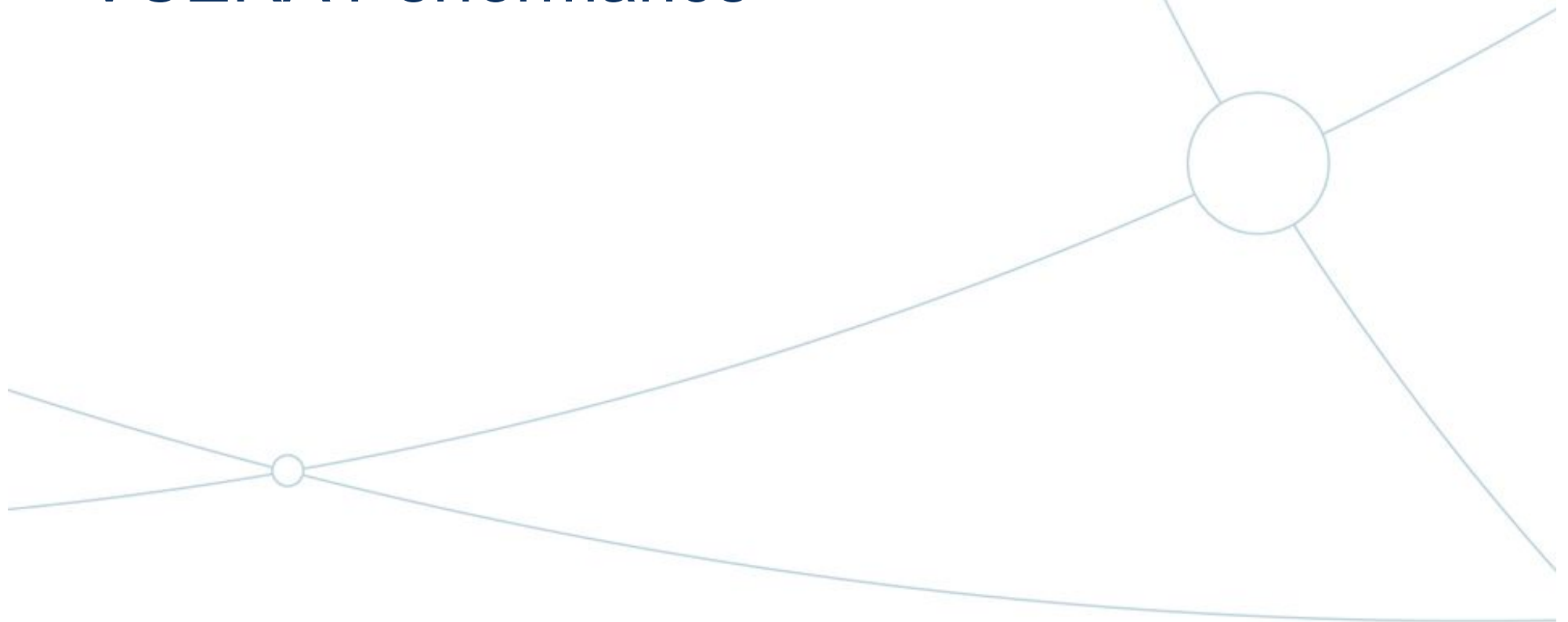
Page 3

Collateral Pool Review

Page 9

Global Markets

VCERA Performance



Relationship Summary

- Our relationship commenced in May 1997
- VCERA has 3 funds in securities lending
 - 2M1N – Western Asset Management
 - 2M2D – Loomis, Sayles & Co. LP
 - 2M2F – Western Asset Management
- Earnings Summary (calendar year)
 - Since Inception ~ \$7.6 million (through 2016)
 - 2017 YTD ~ \$ 35 k (as of 2/28/17)
- Programs
 - U.S. Equity
 - U.S. Corporate Bonds
 - U.S. Government
- Cash Collateral
 - Quality D
- VCERA is indemnified against borrower default

Notes:

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

(2) Data Source: Securities Finance Business Intelligence

VCERA's Securities Lending Performance

Ventura County Employees' Retirement Association

	FY 2015	FY 2016	FYTD 2017
Average Lendable (\$)	507,846,207	441,700,804	412,341,341
Average On Loan (\$)	61,330,875	52,690,892	60,093,347
Utilization	12.1%	11.9%	14.6%
Earnings by Program (\$)			
US Equity & Corp. Bond	80,140	53,861	46,908
US Government & Agency	36,488	55,147	98,308
Non-US Fixed	7,871	7,272	1,703
Total Earnings	124,498	116,280	146,919
Components of Spread (bps)			
Demand Spread	12	7	9
Reinvestment Spread	17	23	42
Net Spread	28	30	51
Return to Lendable (bps)	2.5	2.6	5.3

Notes:

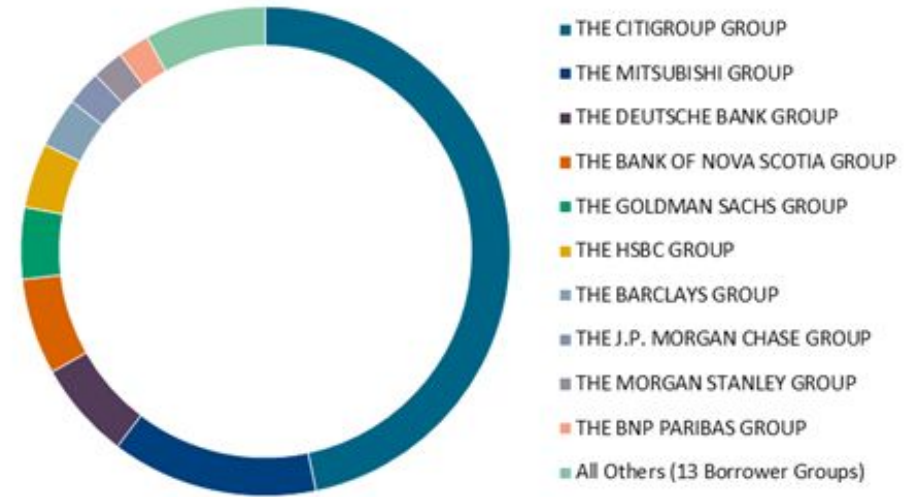
(1) FYTD 2017 data includes July 2016 – February 2017

Borrower Diversification

February 28, 2017

Ventura County Employees' Retirement Association

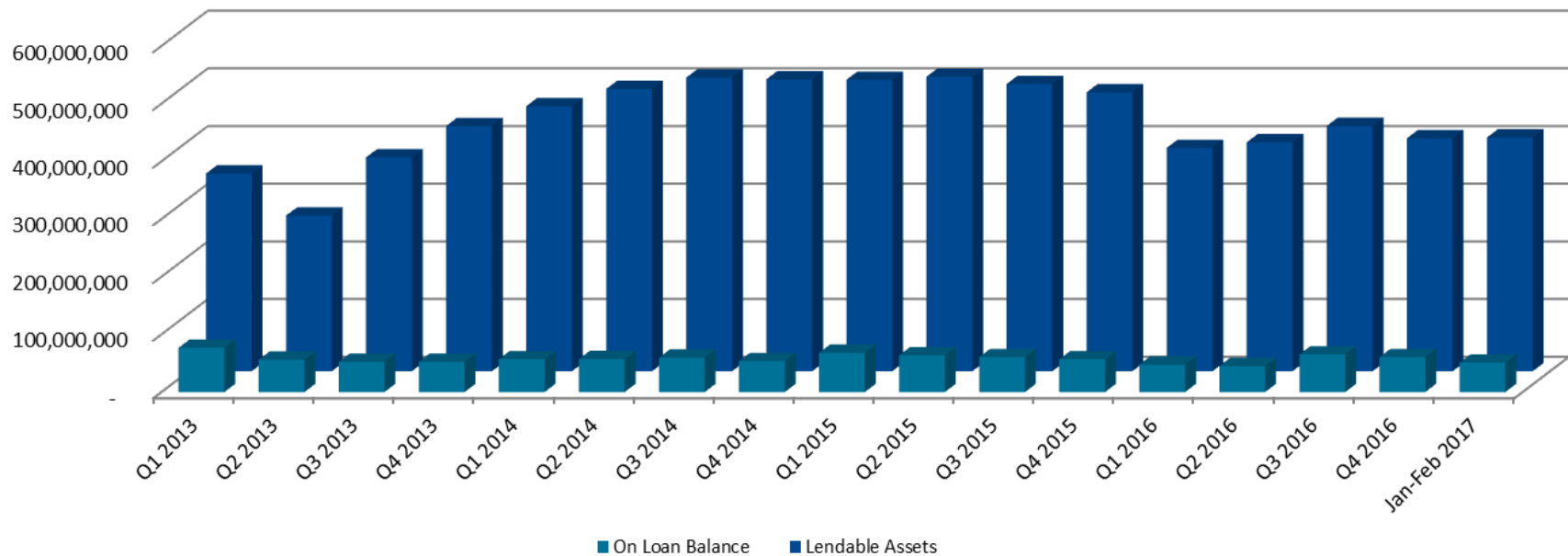
Borrower	Loan Balance (\$)	% of Total
THE CITIGROUP GROUP	22,233,466	47%
THE MITSUBISHI GROUP	6,501,092	14%
THE DEUTSCHE BANK GROUP	3,085,133	6%
THE BANK OF NOVA SCOTIA GROUP	3,031,241	6%
THE GOLDMAN SACHS GROUP	2,249,870	5%
THE HSBC GROUP	2,040,795	4%
THE BARCLAYS GROUP	1,575,488	3%
THE J.P. MORGAN CHASE GROUP	1,099,245	2%
THE MORGAN STANLEY GROUP	994,855	2%
THE BNP PARIBAS GROUP	992,035	2%
All Others (13 Borrower Groups)	3,823,187	8%
Summary	47,626,406	100%



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

Lendable and On Loan Trend

Q1 2013 – Feb 2017



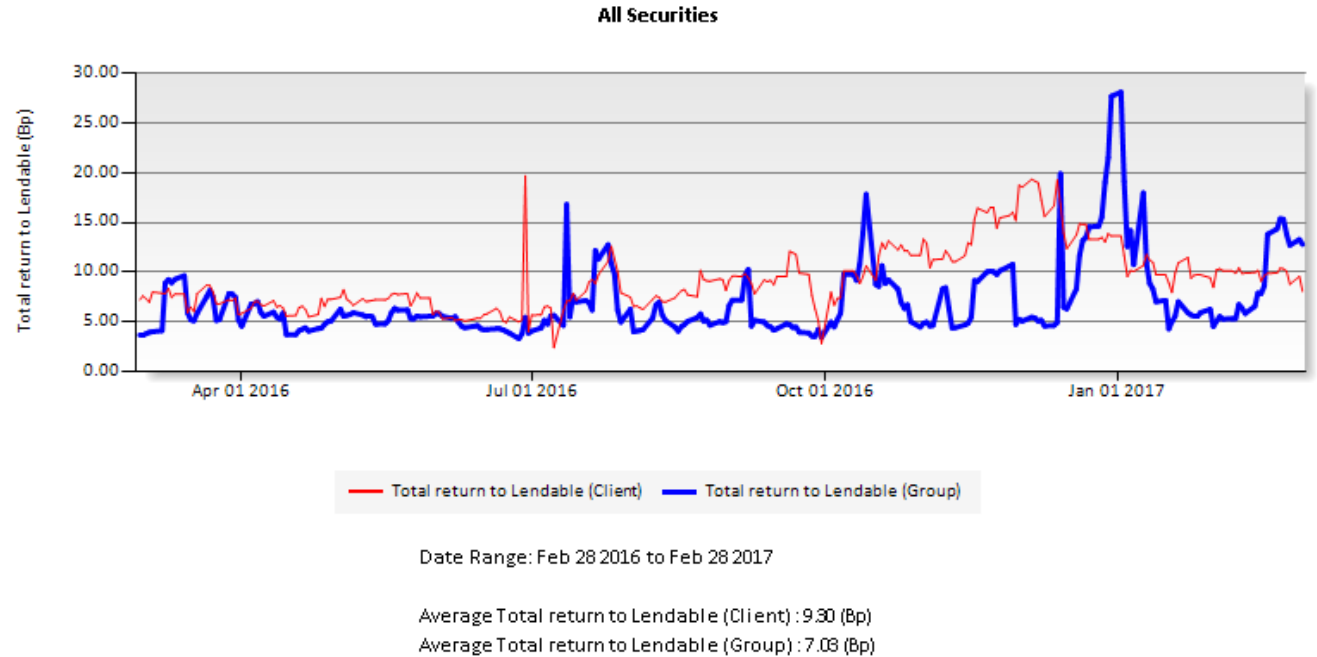
Performance Benchmarking

Demonstrated Results: PerformanceExplorer™ - Return to Lendables

PerformanceExplorer™ provides independent performance benchmarking for securities lending.

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

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

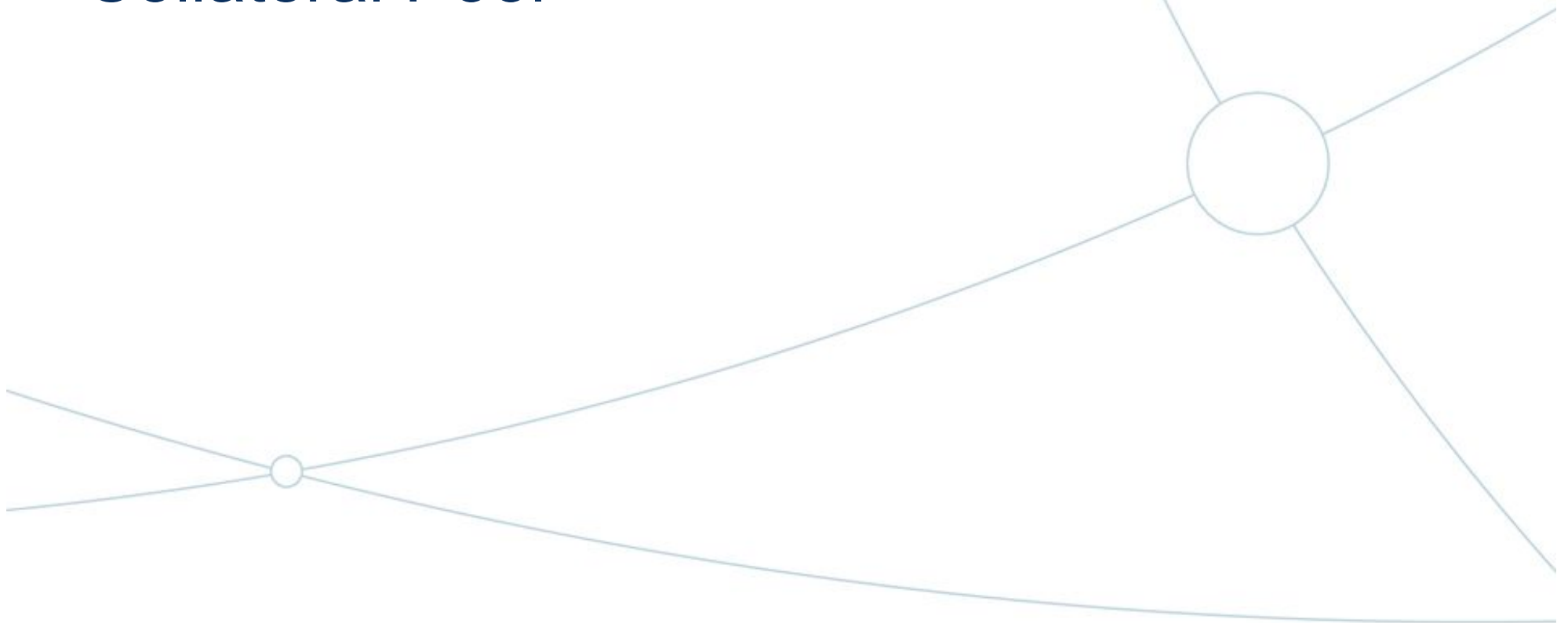


VCERA's average return to lendable of 9.30 bps was 12.7% higher than the peer group level of 7.03bps.

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

Global Markets

Collateral Pool



Quality D Duration

FC4J — Quality D Duration

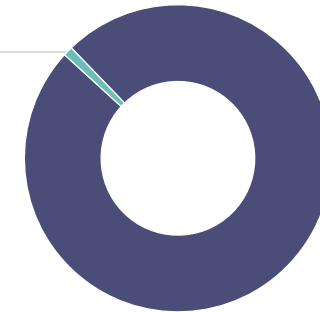
Summary Characteristics

As of February 28, 2017

1-Day Yield ¹	1.49%
Par Position + Uninvested Cash (in millions)	142.07
Floating Rate	99.01
Foreign Issuers ²	27.87
Weighted Average Maturity (WAM) ³	50
Weighted Average Life (WAL) ⁴	3,173
Fund Price as of 2/28/17	0.95
Number of Holdings	6
Liquidity Schedule	% of Fund
Next Business Day (1 Day)	0.99
2–7 Days Liquidity	0.00
8–14 Days Liquidity	0.00
15–21 Days Liquidity	0.00
22–28 Days Liquidity	0.00
29–35 Days Liquidity	0.00
36–60 Days Liquidity	0.00
61–90 Days Liquidity	0.00
Greater than 90 Days Liquidity	99.01
90 DAY LIQUIDITY	0.99

Long-term Ratings	% of Fund
AAA	2.33
AA	77.77
A	6.73
BBB+	—
BBB	—
BBB-	—
BB+	—
BB	—
BB-	—
Short-term Ratings	% of Fund
A-1+/P-1	—
A-1/P-1	—
SPLIT	—
Other	13.17

Money Market Fund
0.99%



Asset-Backed
99.01%

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

¹ 1-Day yield does not include Management Fees

² All YCD's and Repo are being reported as Domestic and thus not included in the % Foreign Issuers

³ Weighted Average Maturity (WAM): aggregation of WAM of underlying securities in fund defined as (1) Floating rate securities: Next Reset Date – Current Date; (2) Fixed Rate: Maturity Date – Current Date defined in days

⁴ Weighted Average Life (WAL): aggregation of WAL of underlying securities in fund defined as (1) Floating rate securities: Expected Maturity Date – Current Date; (2) Fixed Rate: Expected Maturity Date – Current Date (defined in days)

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

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Quality D Collateral Pool Allocation

- December 31, 2010
 - Liquidity Pool ~ \$152.9 (68.9%)
 - Duration Pool ~ \$ 69.0 (31.1%)
- December 31, 2011
 - Liquidity Pool ~ \$ 64.7 (73.7%)
 - Duration Pool ~ \$ 23.0 (26.3%)
- December 31, 2012
 - Liquidity Pool ~ \$ 58.9 (85.6%)
 - Duration Pool ~\$ 9.8 (14.4%)
- December 31, 2013
 - Liquidity Pool ~ \$ 43.5 (84.7%)
 - Duration Pool ~ \$ 7.8 (5.36%)
- December 31, 2014
 - Liquidity Pool ~ \$ 47.9 (89.3%)
 - Duration Pool ~ \$ 5.7 (10.7%)
- December 31, 2015
 - Liquidity Pool ~ \$ 38.4 (91.9%)
 - Duration Pool ~ \$ 3.4 (8.9%)
- February 28, 2017
 - Liquidity Pool ~ \$ 46.9 (96.6%)
 - Duration Pool ~ \$ 1.6 (3.4%)

Quality Investment Fund D

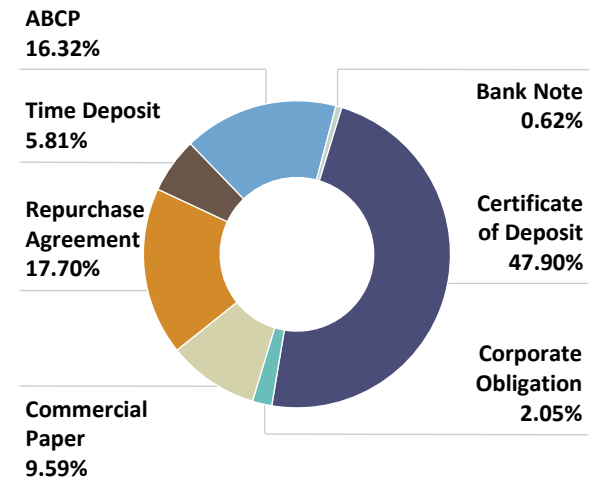
FC14 — Quality D

Summary Characteristics

As of February 28, 2017

1-Day Yield ¹	1.06%
Par Position + Uninvested Cash (in millions)	8,810.12
Floating Rate	49.33
Foreign Issuers ²	21.75
Weighted Average Maturity (WAM) ³	33
Weighted Average Life (WAL) ⁴	90
Fund Price as of 2/28/17	1.00
Number of Holdings	65
Liquidity Schedule	% of Fund
Next Business Day (1 Day)	22.88
2–7 Days Liquidity	5.05
8–14 Days Liquidity	0.00
15–21 Days Liquidity	9.68
22–28 Days Liquidity	0.00
29–35 Days Liquidity	0.00
36–60 Days Liquidity	12.88
61–90 Days Liquidity	12.59
Greater than 90 Days Liquidity	36.91
90 Day Liquidity	63.09

Long-term Ratings	% of Fund
AAA	—
AA	10.22
A	29.81
BBB+	—
BBB	—
BBB-	—
BB+	—
BB	—
BB-	—
Short-term Ratings	% of Fund
A-1+/P-1	8.43
A-1/P-1	44.44
SPLIT	—
Other	7.11



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

¹ 1 Day yield does not include Management Fees

² All YCD's and Repo are being reported as Domestic and thus not included in the % Foreign Issuers

³ Weighted Average Maturity (WAM): aggregation of WAM of underlying securities in fund defined as (1) Floating rate securities: Next Reset Date – Current Date; (2) Fixed Rate: Maturity Date – Current Date defined in days

⁴ Weighted Average Life (WAL): aggregation of WAL of underlying securities in fund defined as (1) Floating rate securities: Expected Maturity Date – Current Date; (2) Fixed Rate: Expected Maturity Date – Current Date (defined in days)

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

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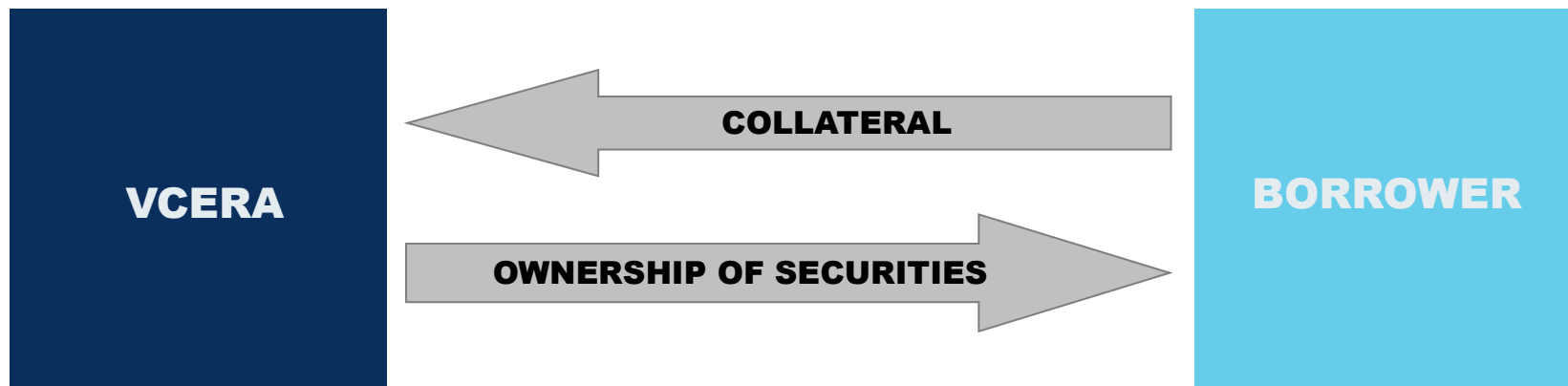
Global Markets

Fundamentals of Securities Lending



Securities Lending

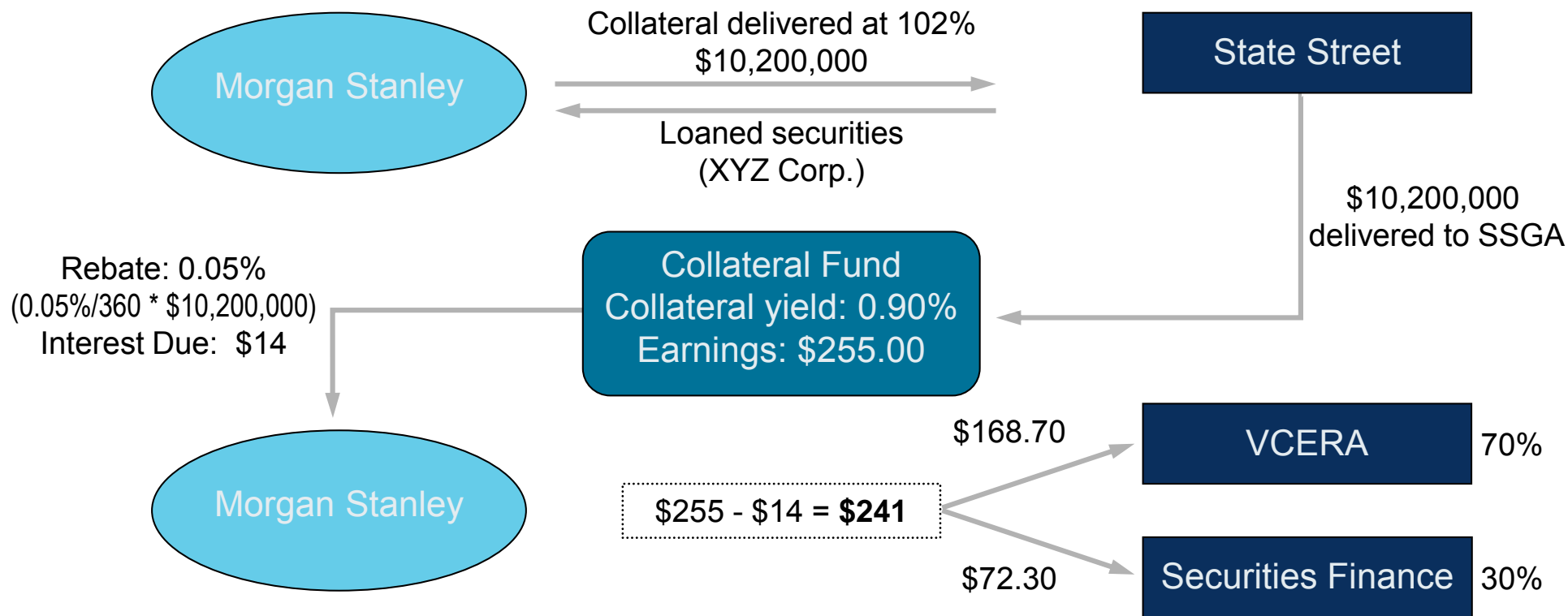
An investment management product where participants generate revenue by temporarily transferring idle securities, in a collateralized transaction, to a borrower.



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

Fundamentals of Securities Finance

One Day Sample Transaction Diagram



Yield – Rebate = **Total Spread**
 $0.90\% - 0.05\% = 0.85\%$ (25 bps)

Yield – Fed Funds Target Rate = **Investment Spread**
 $0.90\% - 0.25\% = 0.65\%$ (15 bps)

Fed Funds Target Rate – Rebate = **Demand Spread**
 $0.25\% - 0.05\% = 0.20\%$ (10 bps)

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

Fundamentals of Securities Lending

How are Earnings Generated?

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

Global Markets

Biography



Biography

John Muir
Vice President
Account Management
Securities Finance



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

Mr. Muir has more than 25 years' experience in the financial services industry focusing on client service and reporting. Prior to assuming his current role, Mr. Muir was a department manager in the Institutional Investor Services division at State Street responsible for the accounting and operations for a large group of strategic public fund clients.

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

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

Global Markets

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THANK YOU!



NEPC, LLC

YOU DEMAND MORE. *So do we.*SM



Ventura County Employees' Retirement Association

Third Quarter 2016 Private Markets Review – Private Equity

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Table of Contents	Page
Summary Letter	1
Trailing Period Returns	6
Portfolio Value	7
Portfolio Value by Lifecycle	8
Portfolio Value by Vintage Year	9
Portfolio Value by Strategy	10
Transaction Summary	11

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- NEPC, LLC uses, as its data source, the Plan's fund manager and custodian bank or fund service company, and NEPC, LLC relies on those sources for all transactions, including capital calls, distributions, income/expense and reported values. While NEPC, LLC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- This Investment Performance Analysis is provided as a management aid for the client's internal use only. Portfolio performance reported in the Investment Performance Analysis does not constitute a recommendation by NEPC, LLC.
- Information in this report on market indices and security characteristics is received from sources external to NEPC, LLC. While efforts are made to ensure that this external data is accurate, NEPC, LLC cannot accept responsibility for errors that may occur.

Q3 2016



March 28, 2017

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

RE: Third Quarter 2016 Private Markets Review – Private Equity

Dear Board of Retirement Members:

We are pleased to present the September 30, 2016 Private Equity Performance Report for the Ventura County Employees' Retirement Association ("VCERA" or the "Plan"). The report provides a variety of performance analyses for the overall portfolio in addition to trailing period performance and performance by investment stage, vintage year, and investment strategy.

VCERA's private equity portfolio experienced a positive quarter, earning a nominal IRR of 3.54% and a one year return of 8.22%. The annualized IRR of the private equity portfolio since inception (May 2010) was 14.32% at quarter end. Since inception, the Total Value to Paid In multiple (current valuation plus cumulative distributions, divided by total capital calls) was 1.33.

The following table presents the status of the VCERA private equity portfolio as of September 30, 2016:

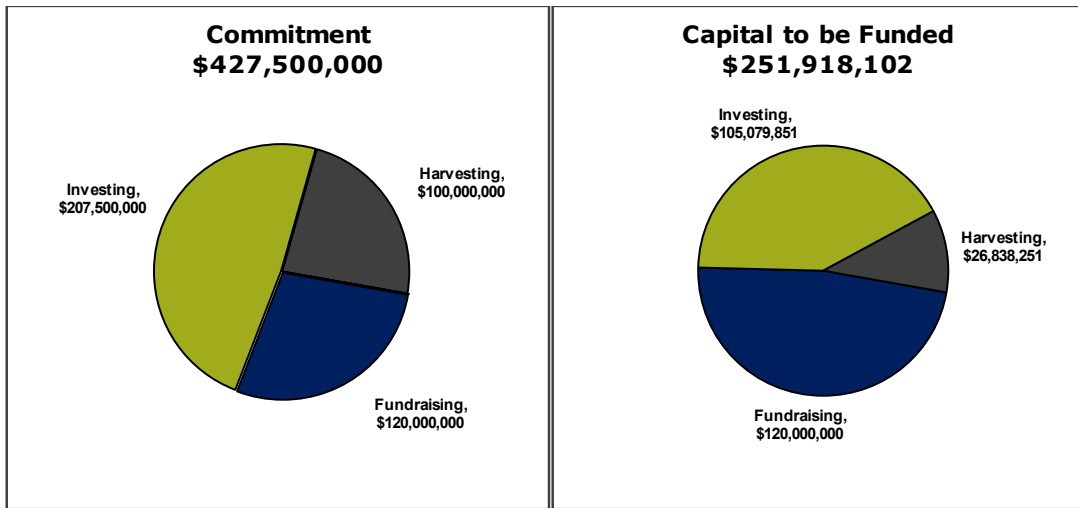
Total Commitments	Terminated Commitments	Paid In Capital	Cumulative Distributions	Reported Value	Call Ratio	Distribution Ratio
\$427,500,000	\$0	\$175,581,898	\$61,311,311	\$171,583,433	41%	0.35

Unfunded Commitment	Market Exposure (Reported Value + Unfunded Commitment)	Total Fund Market Value as of 9/30/2016	Private Equity Target	Reported Value as a % of Total Fund	Market Exposure as a % of Total Fund
\$251,918,102	\$423,501,535	\$4,660,807,695	10%	3.7%	9.1%

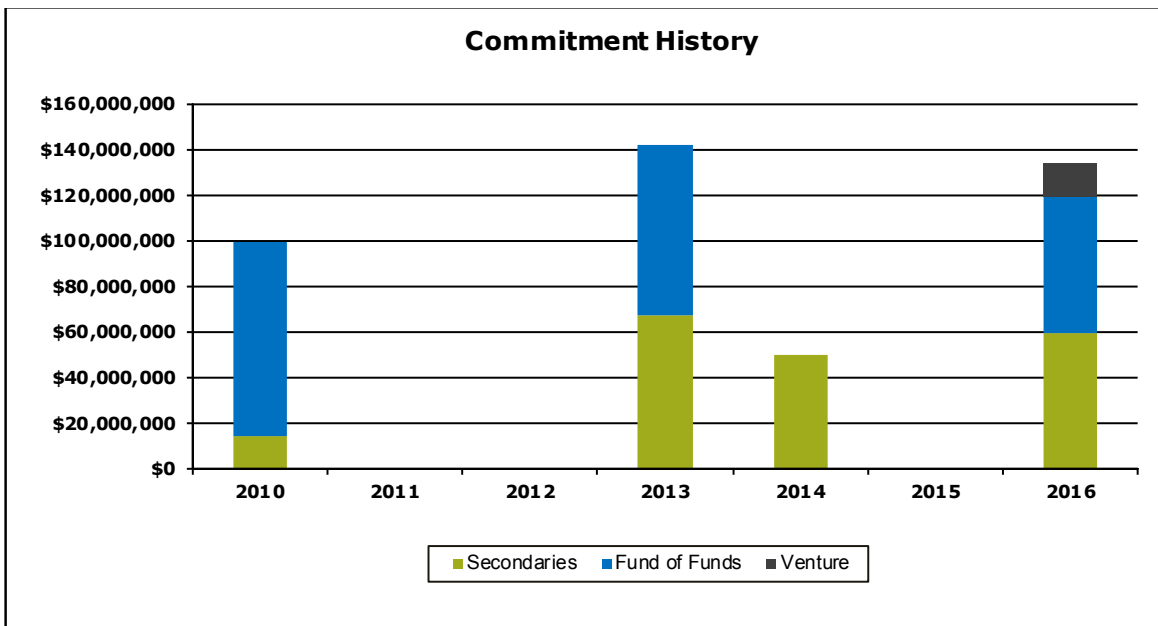
Total Value (Reported Value + Cumulative Distributions)	Total Value To Paid In Ratio	Internal Rate of Return (IRR), Since Inception (May 2010)
\$232,894,744	1.33	14.3%



At quarter end, VCERA had commitments totaling \$427.5 million to 11 private equity funds. Of the 11 funds in the portfolio, 2 are in the fundraising stage, 4 are in the investing stage and 5 are in the harvesting stage. The following charts illustrate the program's current life cycle.

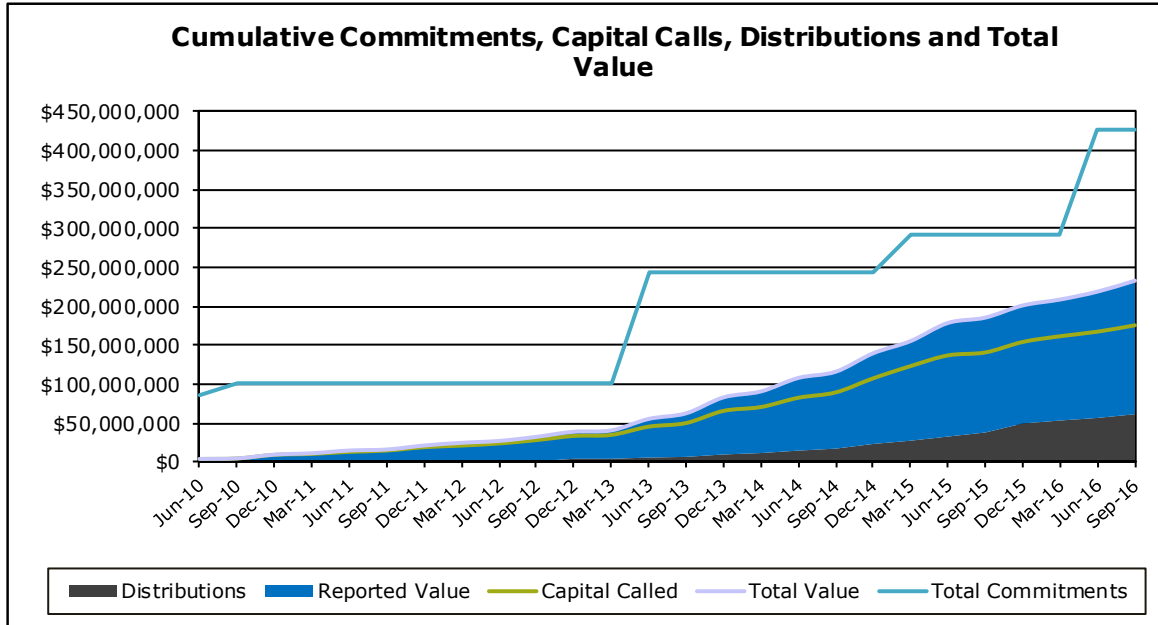


The following chart illustrates the commitment history of the private equity program since inception.

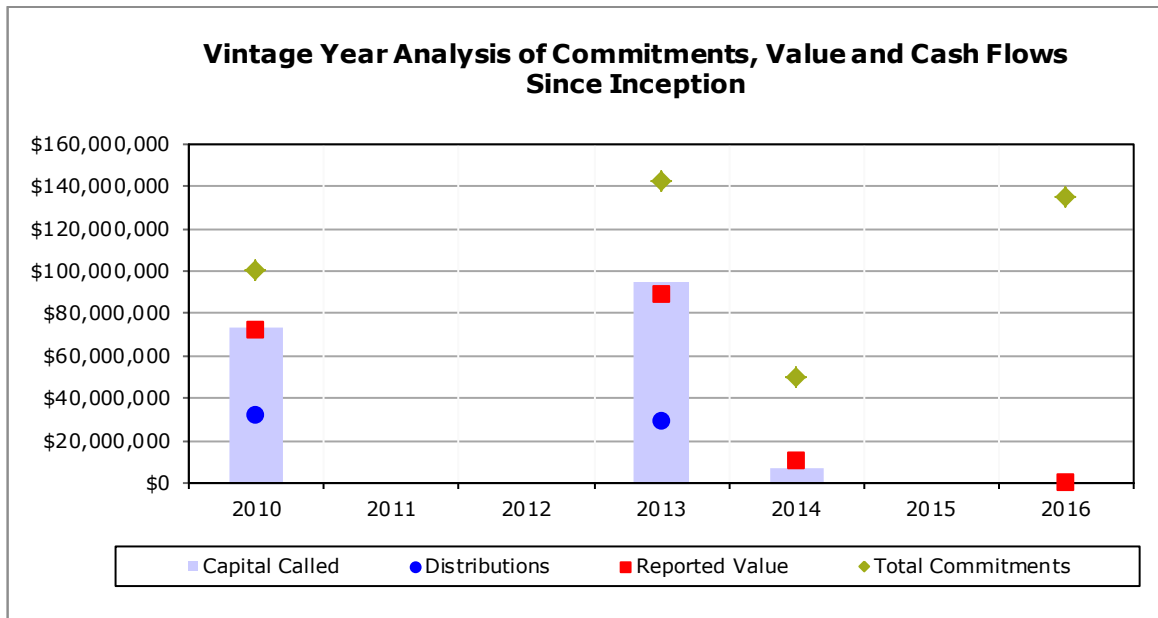




The following chart illustrates the cumulative commitment history, cumulative capital calls, cumulative distributions and reported value of the private equity program since inception.



The following chart provides an analysis of vintage year performance, comparing capital calls to distributions and reported value since inception.

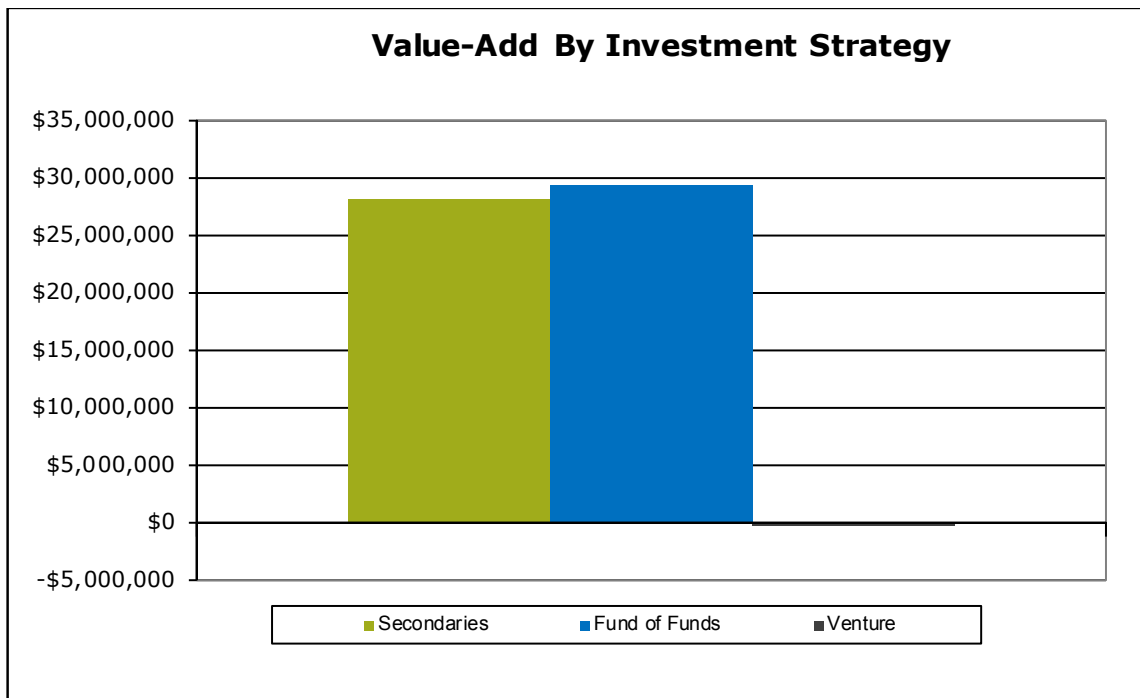




During the third quarter of 2016, the private equity portfolio funded 5 investments and received distributions from 3 funds. The summary of the cash flows is shown below.

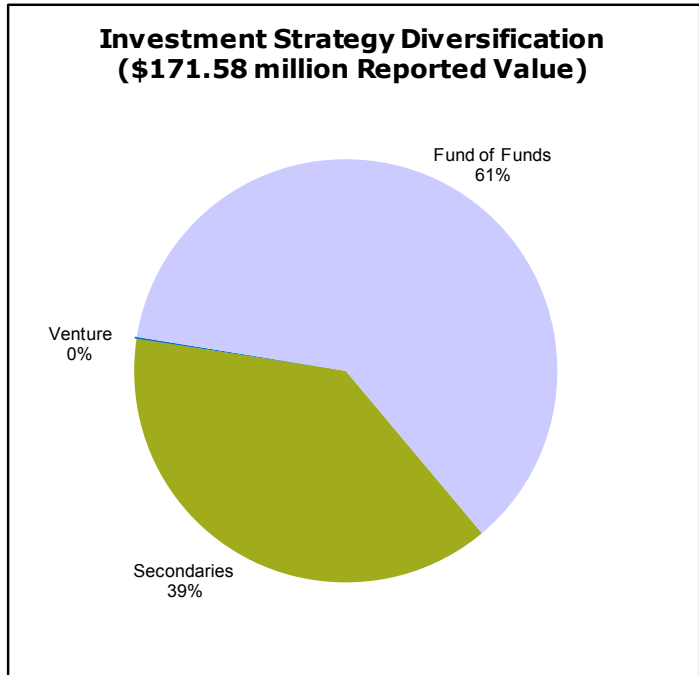
Amount Funded for the Quarter	Number of Funds Calling Capital	Distributions for the Quarter	Number of Funds Making Distributions	Net Cash/Stock Flows for the Quarter
\$8,185,598	5	\$4,735,886	3	\$3,449,712

Since inception, the private equity program has added \$57.33 million in value. The value-add by investment strategy follows: Secondaries, \$28.13 million; and Fund of Funds, \$29.33 million. Venture lost value at (\$0.13) million.





At quarter end, the private equity portfolio was diversified by investment strategy as shown below.



We value the relationship that we have with the Ventura County Employees' Retirement Association and look forward to continued success in the future.

Best regards,

Allan Martin
Partner

Anthony Ferrara, CAIA
Consultant

Ventura County ERA
Executive IRR Summary

9/30/2016

Investment Name	Vintage Year	Commitment Amount	QTD	YTD	1 Year	3 Year	5 Year	Inception
Adams St 2010 Direct Fund	2010	8,500,000	4.28	-1.27	1.60	14.33	13.59	12.81
Adams St 2010 Non-US Dev Mkts Fund	2010	25,500,000	3.85	9.51	12.47	8.64	9.36	8.22
Adams St 2010 Non-US Emg Mkts Fund	2010	8,500,000	3.15	4.26	8.79	15.17	10.99	10.16
Adams St 2010 US Fund	2010	42,500,000	2.81	8.52	9.16	15.74	14.45	14.73
Adams St 2013 Global Fund	2013	75,000,000	3.19	4.06	4.54	5.72		5.14
Adams St 2016 Global Fund	2016	60,000,000						
Drive Capital Fund II	2016	15,000,000	-76.22					-36.41
HarbourVest - Dover Street IX	2016	60,000,000						
HarbourVest - Dover Street VIII	2013	67,500,000	2.84	5.35	8.05	18.67		25.91
Pantheon Global Secondary Fund IV	2010	15,000,000	2.22	1.49	-0.74	7.69	12.67	14.11
Pantheon Global Secondary Fund V	2014	50,000,000	9.77	23.01	23.83			23.42
Total: Ventura County ERA		427,500,000	3.54	6.63	8.22	13.49	14.46	14.32

**Ventura County ERA
Performance Analysis**

9/30/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 Adams St 2010 Direct Fund	2010	8,500,000	7,879,500	620,500	6,697	4,831,957	7,407,542	12,239,499	4,353,302	93%	0.61	1.55	12.81%
2 Adams St 2010 Non-US Dev Mkts Fund	2010	25,500,000	19,545,749	5,954,251	1,589	7,653,243	16,187,723	23,840,966	4,293,628	77%	0.39	1.22	8.22%
3 Adams St 2010 Non-US Emg Mkts Fund	2010	8,500,000	6,111,500	2,388,500	0	314,436	7,747,760	8,062,196	1,950,696	72%	0.05	1.32	10.16%
4 Adams St 2010 US Fund	2010	42,500,000	29,665,000	12,835,000	15,213	10,764,481	34,314,119	45,078,600	15,398,387	70%	0.36	1.52	14.73%
5 Adams St 2013 Global Fund	2013	75,000,000	38,925,000	36,075,000	10,728	2,698,535	39,480,633	42,179,168	3,243,440	52%	0.07	1.08	5.14%
6 Adams St 2016 Global Fund	2016	60,000,000	0	60,000,000	0	0	94,044	94,044	94,044	0%	0.00	0.00	N/A
7 Drive Capital Fund II	2016	15,000,000	366,139	14,633,861	3,210	0	234,579	234,579	-134,770	2%	0.00	0.64	-36.41%
8 HarbourVest - Dover Street IX	2016	60,000,000	0	60,000,000	0	0	178,874	178,874	178,874	0%	0.00	0.00	N/A
9 HarbourVest - Dover Street VIII	2013	67,500,000	55,687,500	11,812,500	84,954	26,738,658	49,490,365	76,229,023	20,456,569	83%	0.48	1.37	25.91%
10 Pantheon Global Secondary Fund IV	2010	15,000,000	9,960,000	5,040,000	0	8,310,001	6,185,350	14,495,351	4,535,351	66%	0.83	1.46	14.11%
11 Pantheon Global Secondary Fund V	2014	50,000,000	7,441,510	42,558,490	-137,480	0	10,262,444	10,262,444	2,958,414	15%	0.00	1.41	23.42%
Total: Ventura County ERA		427,500,000	175,581,898	251,918,102	-15,089	61,311,311	171,583,433	232,894,744	57,327,935	41%	0.35	1.33	14.32%

Ventura County ERA
Lifecycle Performance Analysis

9/30/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
1 Fundraising													
1 Adams St 2016 Global Fund	2016	60,000,000	0	60,000,000	0	0	94,044	94,044	94,044	0%	0.00	0.00	N/A
2 HarbourVest - Dover Street IX	2016	60,000,000	0	60,000,000	0	0	178,874	178,874	178,874	0%	0.00	0.00	N/A
Subtotal: 1 Fundraising		120,000,000	0	120,000,000	0	0	272,918	272,918	272,918	0%	0.00	0.00	N/A
2 Investing													
1 Adams St 2013 Global Fund	2013	75,000,000	38,925,000	36,075,000	10,728	2,698,535	39,480,633	42,179,168	3,243,440	52%	0.07	1.08	5.14%
2 Drive Capital Fund II	2016	15,000,000	366,139	14,633,861	3,210	0	234,579	234,579	-134,770	2%	0.00	0.64	-36.41%
3 HarbourVest - Dover Street VIII	2013	67,500,000	55,687,500	11,812,500	84,954	26,738,658	49,490,365	76,229,023	20,456,569	83%	0.48	1.37	25.91%
4 Pantheon Global Secondary Fund V	2014	50,000,000	7,441,510	42,558,490	-137,480	0	10,262,444	10,262,444	2,958,414	15%	0.00	1.41	23.42%
Subtotal: 2 Investing		207,500,000	102,420,149	105,079,851	-38,588	29,437,193	99,468,021	128,905,214	26,523,653	49%	0.29	1.26	17.24%
3 Harvesting													
1 Adams St 2010 Direct Fund	2010	8,500,000	7,879,500	620,500	6,697	4,831,957	7,407,542	12,239,499	4,353,302	93%	0.61	1.55	12.81%
2 Adams St 2010 Non-US Dev Mkts Fund	2010	25,500,000	19,545,749	5,954,251	1,589	7,653,243	16,187,723	23,840,966	4,293,628	77%	0.39	1.22	8.22%
3 Adams St 2010 Non-US Emg Mkts Fund	2010	8,500,000	6,111,500	2,388,500	0	314,436	7,747,760	8,062,196	1,950,696	72%	0.05	1.32	10.16%
4 Adams St 2010 US Fund	2010	42,500,000	29,665,000	12,835,000	15,213	10,764,481	34,314,119	45,078,600	15,398,387	70%	0.36	1.52	14.73%
5 Pantheon Global Secondary Fund IV	2010	15,000,000	9,960,000	5,040,000	0	8,310,001	6,185,350	14,495,351	4,535,351	66%	0.83	1.46	14.11%
Subtotal: 3 Harvesting		100,000,000	73,161,749	26,838,251	23,499	31,874,118	71,842,494	103,716,612	30,531,364	73%	0.44	1.42	12.65%
Total: Ventura County ERA		427,500,000	175,581,898	251,918,102	-15,089	61,311,311	171,583,433	232,894,744	57,327,935	41%	0.35	1.33	14.32%

Disability & Business Meeting Agenda - VIII. INVESTMENT INFORMATION

Ventura County ERA
Vintage Year Performance Analysis

9/30/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
2010													
1 Adams St 2010 Direct Fund	2010	8,500,000	7,879,500	620,500	6,697	4,831,957	7,407,542	12,239,499	4,353,302	93%	0.61	1.55	12.81%
2 Adams St 2010 Non-US Dev Mkts Fund	2010	25,500,000	19,545,749	5,954,251	1,589	7,653,243	16,187,723	23,840,966	4,293,628	77%	0.39	1.22	8.22%
3 Adams St 2010 Non-US Emg Mkts Fund	2010	8,500,000	6,111,500	2,388,500	0	314,436	7,747,760	8,062,196	1,950,696	72%	0.05	1.32	10.16%
4 Adams St 2010 US Fund	2010	42,500,000	29,665,000	12,835,000	15,213	10,764,481	34,314,119	45,078,600	15,398,387	70%	0.36	1.52	14.73%
5 Pantheon Global Secondary Fund IV	2010	15,000,000	9,960,000	5,040,000	0	8,310,001	6,185,350	14,495,351	4,535,351	66%	0.83	1.46	14.11%
Subtotal: 2010		100,000,000	73,161,749	26,838,251	23,499	31,874,118	71,842,494	103,716,612	30,531,364	73%	0.44	1.42	12.65%
2013													
1 Adams St 2013 Global Fund	2013	75,000,000	38,925,000	36,075,000	10,728	2,698,535	39,480,633	42,179,168	3,243,440	52%	0.07	1.08	5.14%
2 HarbourVest – Dover Street VIII	2013	67,500,000	55,687,500	11,812,500	84,954	26,738,658	49,490,365	76,229,023	20,456,569	83%	0.48	1.37	25.91%
Subtotal: 2013		142,500,000	94,612,500	47,887,500	95,682	29,437,193	88,970,998	118,408,191	23,700,009	66%	0.31	1.25	16.81%
2014													
1 Pantheon Global Secondary Fund V	2014	50,000,000	7,441,510	42,558,490	-137,480	0	10,262,444	10,262,444	2,958,414	15%	0.00	1.41	23.42%
Subtotal: 2014		50,000,000	7,441,510	42,558,490	-137,480	0	10,262,444	10,262,444	2,958,414	15%	0.00	1.41	23.42%
2016													
1 Adams St 2016 Global Fund	2016	60,000,000	0	60,000,000	0	0	94,044	94,044	94,044	0%	0.00	0.00	N/A
2 Drive Capital Fund II	2016	15,000,000	366,139	14,633,861	3,210	0	234,579	234,579	-134,770	2%	0.00	0.64	-36.41%
3 HarbourVest – Dover Street IX	2016	60,000,000	0	60,000,000	0	0	178,874	178,874	178,874	0%	0.00	0.00	N/A
Subtotal: 2016		135,000,000	366,139	134,633,861	3,210	0	507,497	507,497	138,148	0%	0.00	1.37	37.28%
Total: Ventura County ERA		427,500,000	175,581,898	251,918,102	-15,089	61,311,311	171,583,433	232,894,744	57,327,935	41%	0.35	1.33	14.32%

Ventura County ERA
Investment Strategy Performance Analysis

9/30/2016

Investment Name	Vintage Year	Commitment Amount	Paid in Capital	Capital to be Funded	Additional Fees	Cumulative Distributions	Valuation	Total Value	Net Benefit	Call Ratio	DPI Ratio	TVPI Ratio	IRR
Venture													
1 Drive Capital Fund II	2016	15,000,000	366,139	14,633,861	3,210	0	234,579	234,579	-134,770	2%	0.00	0.64	-36.41%
Subtotal: Venture		15,000,000	366,139	14,633,861	3,210	0	234,579	234,579	-134,770	2%	0.00	0.64	-36.41%
Secondaries													
1 HarbourVest - Dover Street IX	2016	60,000,000	0	60,000,000	0	0	178,874	178,874	178,874	0%	0.00	0.00	N/A
2 HarbourVest - Dover Street VIII	2013	67,500,000	55,687,500	11,812,500	84,954	26,738,658	49,490,365	76,229,023	20,456,569	83%	0.48	1.37	25.91%
3 Pantheon Global Secondary Fund IV	2010	15,000,000	9,960,000	5,040,000	0	8,310,001	6,185,350	14,495,351	4,535,351	66%	0.83	1.46	14.11%
4 Pantheon Global Secondary Fund V	2014	50,000,000	7,441,510	42,558,490	-137,480	0	10,262,444	10,262,444	2,958,414	15%	0.00	1.41	23.42%
Subtotal: Secondaries		192,500,000	73,089,010	119,410,990	-52,526	35,048,659	66,117,033	101,165,692	28,129,208	38%	0.48	1.39	21.97%
Fund of Funds													
1 Adams St 2010 Direct Fund	2010	8,500,000	7,879,500	620,500	6,697	4,831,957	7,407,542	12,239,499	4,353,302	93%	0.61	1.55	12.81%
2 Adams St 2010 Non-US Dev Mkts Fund	2010	25,500,000	19,545,749	5,954,251	1,589	7,653,243	16,187,723	23,840,966	4,293,628	77%	0.39	1.22	8.22%
3 Adams St 2010 Non-US Emg Mkts Fund	2010	8,500,000	6,111,500	2,388,500	0	314,436	7,747,760	8,062,196	1,950,696	72%	0.05	1.32	10.16%
4 Adams St 2010 US Fund	2010	42,500,000	29,665,000	12,835,000	15,213	10,764,481	34,314,119	45,078,600	15,398,387	70%	0.36	1.52	14.73%
5 Adams St 2013 Global Fund	2013	75,000,000	38,925,000	36,075,000	10,728	2,698,535	39,480,633	42,179,168	3,243,440	52%	0.07	1.08	5.14%
6 Adams St 2016 Global Fund	2016	60,000,000	0	60,000,000	0	0	94,044	94,044	94,044	0%	0.00	0.00	N/A
Subtotal: Fund of Funds		220,000,000	102,126,749	117,873,251	34,227	26,262,652	105,231,821	131,494,473	29,333,497	46%	0.26	1.29	10.91%
Total: Ventura County ERA		427,500,000	175,581,898	251,918,102	-15,089	61,311,311	171,583,433	232,894,744	57,327,935	41%	0.35	1.33	14.32%

**Ventura County ERA
Transaction Summary
7/1/2016 - 9/30/2016**

Date	Funding	Additional Fees	Cash	Net Cash Flow
Ventura County ERA				
Adams St 2010 Direct Fund				
07/22/2016	42,500.00			42,500.00
08/29/2016			404,960.00	-362,460.00
09/16/2016			355,405.00	-717,865.00
Total: Adams St 2010 Direct Fund				
	42,500.00		760,365.00	-717,865.00
Adams St 2010 Non-US Dev Mkts Fund				
09/22/2016	1,848,749.00			1,848,749.00
09/22/2016			2,096,064.00	-247,315.00
Total: Adams St 2010 Non-US Dev Mkts Fund				
	1,848,749.00		2,096,064.00	-247,315.00
Adams St 2013 Global Fund				
07/05/2016	2,550,000.00			2,550,000.00
Total: Adams St 2013 Global Fund				
	2,550,000.00			2,550,000.00
Drive Capital Fund II				
09/01/2016	366,139.00			366,139.00
09/01/2016		3,210.00		369,349.00
Total: Drive Capital Fund II				
	366,139.00	3,210.00		369,349.00
HarbourVest – Dover Street VIII				
09/07/2016			939,728.00	-939,728.00
09/07/2016	3,375,000.00			2,435,272.00
09/30/2016			939,729.00	1,495,543.00
Total: HarbourVest – Dover Street VIII				
	3,375,000.00		1,879,457.00	1,495,543.00
Total:	8,182,388.00	3,210.00	4,735,886.00	3,449,712.00



Glossary of Terms

A glossary of terms used to evaluate performance is found below.

- Commitment Amount – The amount an investor has committed to invest with the General Partner
- Paid In Capital – The amount an investor has contributed for investments and management fees
- Capital to be Funded – The remaining amount an investor contractually has left to fund its commitments
- Additional Fees – Fees that are outside the capital commitment, also includes interest paid/received due from subsequent closings of the fund
- Cumulative Distributions – The amount an investor has received from realized and partially realized investments
- Valuation – Sum of the fair market value of all investments plus cash
- Call Ratio – Calculated by dividing Amount Funded by Capital Committed
- DPI Ratio - Calculated by dividing Amount Distributed by Amount Funded
- Market Exposure – Calculated by adding Reported Value plus Unfunded Commitments
- Reported Value of Total Fund – Calculated by dividing Reported Value by Total Fund Composite
- Market Exposure as % of Total Fund – Calculated by dividing Market Exposure by Total Fund Composite
- Total Value – Calculated by adding Amount Distributed and Reported Value. Represents the total amount an investor should expect to receive from their investments
- Net Benefit – Calculated by subtracting Total Value by Capital to be Funded plus Additional Fees
- Total Value to Capital Call Ratio – Calculated by dividing Total Value by Amount Funded. Represents the multiple of the overall cash invested that an investor is expected to receive
- IRR - The calculation of the IRR (Internal Rate of Return) takes into consideration the timing of cash contributions and distributions to and from the partnerships, the length of time the investments have been held and the sum of the Reported Value



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Ventura County Employees' Retirement Association

**Preliminary Performance Report
Month Ending March 31, 2017**

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Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Fund	4,825,711,882	100.0	100.0	0.6	4.4	4.4	9.5	12.1	5.4	8.1	5.3	8.0	Apr-94
Policy Index				<u>0.6</u>	<u>4.5</u>	<u>4.5</u>	<u>9.7</u>	<u>11.7</u>	<u>6.2</u>	<u>8.3</u>	<u>5.6</u>	<u>8.0</u>	<i>Apr-94</i>
Over/Under				0.0	-0.1	-0.1	-0.2	0.4	-0.8	-0.2	-0.3	0.0	
Allocation Index				0.6	4.6	4.6	10.2	12.5	5.8	7.8	5.1	--	<i>Apr-94</i>
60% MSCI ACWI (Net)/40% CITI WGBI				0.8	4.7	4.7	5.2	7.3	2.7	4.9	4.0	--	<i>Apr-94</i>
Total Fund ex Parametric	4,771,210,836	98.9	--	0.6	4.4	4.4	8.9	11.6	5.3	8.0	5.2	7.9	Apr-94
Total Fund ex Private Equity	4,642,774,763	96.2	--	0.6	4.5	4.5	9.5	12.2	5.2	7.5	--	8.9	Jan-12
Policy Index				<u>0.6</u>	<u>4.5</u>	<u>4.5</u>	<u>9.7</u>	<u>11.7</u>	<u>6.2</u>	<u>8.3</u>	<u>5.6</u>	<u>9.6</u>	<i>Jan-12</i>
Over/Under				0.0	0.0	0.0	-0.2	0.5	-1.0	-0.8	--	-0.7	
Total US Equity	1,583,544,406	32.8	28.0	0.1	5.8	5.8	15.3	18.4	9.8	13.4	7.3	9.1	Dec-93
Russell 3000				<u>0.1</u>	<u>5.7</u>	<u>5.7</u>	<u>15.0</u>	<u>18.1</u>	<u>9.7</u>	<u>13.1</u>	<u>7.6</u>	<u>9.4</u>	<i>Dec-93</i>
Over/Under				0.0	0.1	0.1	0.3	0.3	0.1	0.3	-0.3	-0.3	
BlackRock Equity Market Fund	1,358,237,620	28.1		0.1	5.8	5.8	15.2	18.2	9.8	13.2	--	7.9	Dec-07
Dow Jones U.S. Total Stock Market				<u>0.1</u>	<u>5.8</u>	<u>5.8</u>	<u>15.1</u>	<u>18.1</u>	<u>9.7</u>	<u>13.1</u>	<u>7.6</u>	<u>7.8</u>	<i>Dec-07</i>
Over/Under				0.0	0.0	0.0	0.1	0.1	0.1	0.1	--	0.1	
Western U.S. Index Plus	170,482,575	3.5		0.2	6.0	6.0	15.0	18.6	10.9	14.3	--	4.8	May-07
S&P 500				<u>0.1</u>	<u>6.1</u>	<u>6.1</u>	<u>14.4</u>	<u>17.2</u>	<u>10.4</u>	<u>13.3</u>	<u>7.5</u>	<u>6.8</u>	<i>May-07</i>
Over/Under				0.1	-0.1	-0.1	0.6	1.4	0.5	1.0	--	-2.0	
BlackRock Extended Equity Index	54,824,212	1.1		-0.1	4.5	4.5	18.4	22.4	7.2	12.6	8.1	11.8	Oct-02
Dow Jones U.S. Completion Total Stock Market				<u>-0.1</u>	<u>4.6</u>	<u>4.6</u>	<u>18.2</u>	<u>22.2</u>	<u>7.0</u>	<u>12.3</u>	<u>8.0</u>	<u>11.7</u>	<i>Oct-02</i>
Over/Under				0.0	-0.1	-0.1	0.2	0.2	0.2	0.3	0.1	0.1	

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

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

CPI+4% and CPI+5% are estimated due to CPI monthly lag.



Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Non-US Equity	758,594,811	15.7	15.0	2.6	7.8	7.8	14.3	14.8	1.6	5.3	1.7	6.3	Mar-94
<i>MSCI ACWI ex USA</i>				2.5	7.9	7.9	13.9	13.1	0.6	4.4	1.4	5.0	Mar-94
Over/Under				0.1	-0.1	-0.1	0.4	1.7	1.0	0.9	0.3	1.3	
<i>MSCI EAFE</i>				2.8	7.2	7.2	13.3	11.7	0.5	5.8	1.1	4.6	Mar-94
<i>MSCI ACWI ex USA Local Currency</i>				2.2	5.2	5.2	17.5	17.3	6.7	9.1	2.8	--	Mar-94
<i>MSCI EAFE Local Currency</i>				2.4	4.7	4.7	18.9	18.0	7.3	10.7	2.3	4.8	Mar-94
BlackRock ACWI ex-U.S. Index	368,954,038	7.6		2.5	8.1	8.1	13.9	13.3	1.0	4.9	1.8	1.8	Mar-07
<i>MSCI ACWI ex USA</i>				2.5	7.9	7.9	13.9	13.1	0.6	4.4	1.4	1.4	Mar-07
Over/Under				0.0	0.2	0.2	0.0	0.2	0.4	0.5	0.4	0.4	
<i>MSCI ACWI ex USA Local Currency</i>				2.2	5.2	5.2	17.5	17.3	6.7	9.1	2.8	2.8	Mar-07
Sprucegrove	200,018,577	4.1		2.4	8.1	8.1	20.7	20.6	1.4	5.7	2.3	7.4	Mar-02
<i>MSCI ACWI ex USA</i>				2.5	7.9	7.9	13.9	13.1	0.6	4.4	1.4	6.3	Mar-02
Over/Under				-0.1	0.2	0.2	6.8	7.5	0.8	1.3	0.9	1.1	
<i>MSCI EAFE</i>				2.8	7.2	7.2	13.3	11.7	0.5	5.8	1.1	5.7	Mar-02
<i>MSCI ACWI ex USA Local Currency</i>				2.2	5.2	5.2	17.5	17.3	6.7	9.1	2.8	5.2	Mar-02
<i>MSCI EAFE Local Currency</i>				2.4	4.7	4.7	18.9	18.0	7.3	10.7	2.3	4.4	Mar-02
Hexavest	84,840,944	1.8		2.7	6.0	6.0	9.5	10.1	1.5	5.4	--	4.0	Dec-10
<i>MSCI EAFE</i>				2.8	7.2	7.2	13.3	11.7	0.5	5.8	1.1	4.2	Dec-10
Over/Under				-0.1	-1.2	-1.2	-3.8	-1.6	1.0	-0.4	--	-0.2	
<i>MSCI EAFE Local Currency</i>				2.4	4.7	4.7	18.9	18.0	7.3	10.7	2.3	7.9	Dec-10
Walter Scott	104,781,253	2.2		3.0	7.6	7.6	8.6	12.3	3.8	5.5	--	4.6	Dec-10
<i>MSCI ACWI ex USA</i>				2.5	7.9	7.9	13.9	13.1	0.6	4.4	1.4	2.8	Dec-10
Over/Under				0.5	-0.3	-0.3	-5.3	-0.8	3.2	1.1	--	1.8	
<i>MSCI ACWI ex USA Local Currency</i>				2.2	5.2	5.2	17.5	17.3	6.7	9.1	2.8	6.6	Dec-10
Total Global Equity	515,088,297	10.7	10.0	1.3	7.0	7.0	14.5	15.4	4.0	7.7	3.3	5.5	May-05
<i>MSCI ACWI</i>				1.2	6.9	6.9	13.9	15.0	5.1	8.4	4.0	6.4	May-05
Over/Under				0.1	0.1	0.1	0.6	0.4	-1.1	-0.7	-0.7	-0.9	
BlackRock MSCI ACWI Equity Index	515,088,297	10.7		1.3	7.0	7.0	14.3	15.6	5.5	--	--	10.4	Aug-12
<i>MSCI ACWI</i>				1.2	6.9	6.9	13.9	15.0	5.1	8.4	4.0	10.0	Aug-12
Over/Under				0.1	0.1	0.1	0.4	0.6	0.4	--	--	0.4	

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total US Fixed Income	929,860,024	19.3	20.0	0.2	1.2	1.2	0.6	3.1	2.6	3.1	5.5	6.0	Feb-94
<i>BBgBarc US Aggregate TR</i>				<i>-0.1</i>	<i>0.8</i>	<i>0.8</i>	<i>-1.7</i>	<i>0.4</i>	<i>2.7</i>	<i>2.3</i>	<i>4.3</i>	<i>5.4</i>	<i>Feb-94</i>
Over/Under				0.3	0.4	0.4	2.3	2.7	-0.1	0.8	1.2	0.6	
BlackRock U.S. Debt Fund	217,023,341	4.5		0.0	0.8	0.8	-1.7	0.5	2.7	2.4	4.4	5.3	Nov-95
<i>BBgBarc US Aggregate TR</i>				<i>-0.1</i>	<i>0.8</i>	<i>0.8</i>	<i>-1.7</i>	<i>0.4</i>	<i>2.7</i>	<i>2.3</i>	<i>4.3</i>	<i>5.2</i>	<i>Nov-95</i>
Over/Under				0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	
Western	285,444,680	5.9		0.2	1.5	1.5	-0.3	2.6	3.7	3.9	5.2	6.2	Dec-96
<i>BBgBarc US Aggregate TR</i>				<i>-0.1</i>	<i>0.8</i>	<i>0.8</i>	<i>-1.7</i>	<i>0.4</i>	<i>2.7</i>	<i>2.3</i>	<i>4.3</i>	<i>5.3</i>	<i>Dec-96</i>
Over/Under				0.3	0.7	0.7	1.4	2.2	1.0	1.6	0.9	0.9	
Reams	303,757,365	6.3		0.2	0.8	0.8	1.5	3.4	1.2	2.5	5.7	5.5	Sep-01
<i>Reams Custom Index</i>				<i>0.1</i>	<i>0.3</i>	<i>0.3</i>	<i>0.7</i>	<i>0.9</i>	<i>0.5</i>	<i>1.0</i>	<i>3.6</i>	<i>4.0</i>	<i>Sep-01</i>
Over/Under				0.1	0.5	0.5	0.8	2.5	0.7	1.5	2.1	1.5	
<i>BBgBarc US Aggregate TR</i>				<i>-0.1</i>	<i>0.8</i>	<i>0.8</i>	<i>-1.7</i>	<i>0.4</i>	<i>2.7</i>	<i>2.3</i>	<i>4.3</i>	<i>4.5</i>	<i>Sep-01</i>
3-Month LIBOR + 3%				0.3	1.0	1.0	3.0	3.9	3.5	3.4	4.1	4.8	Sep-01
Loomis Strategic Alpha	44,961,168	0.9		0.3	1.1	1.1	4.6	6.9	2.6	--	--	2.7	Jul-13
<i>BBgBarc US Aggregate TR</i>				<i>-0.1</i>	<i>0.8</i>	<i>0.8</i>	<i>-1.7</i>	<i>0.4</i>	<i>2.7</i>	<i>2.3</i>	<i>4.3</i>	<i>2.8</i>	<i>Jul-13</i>
Over/Under				0.4	0.3	0.3	6.3	6.5	-0.1			-0.1	
3-Month LIBOR + 3%				0.3	1.0	1.0	3.0	3.9	3.5	3.4	4.1	3.5	Jul-13
Loomis Sayles Multi Strategy	78,673,470	1.6		0.5	2.8	2.8	4.4	8.4	3.8	5.4	6.5	6.6	Jul-05
<i>Loomis Custom Index</i>				<i>-0.1</i>	<i>1.3</i>	<i>1.3</i>	<i>1.7</i>	<i>5.1</i>	<i>3.1</i>	<i>3.6</i>	<i>5.2</i>	<i>5.2</i>	<i>Jul-05</i>
Over/Under				0.6	1.5	1.5	2.7	3.3	0.7	1.8	1.3	1.4	
<i>BBgBarc US Govt/Credit TR</i>				<i>-0.1</i>	<i>1.0</i>	<i>1.0</i>	<i>-2.1</i>	<i>0.5</i>	<i>2.7</i>	<i>2.5</i>	<i>4.3</i>	<i>4.2</i>	<i>Jul-05</i>

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.



Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Real Estate	382,552,273	7.9	7.0	0.0	0.0	0.0	3.2	4.8	9.5	9.5	3.0	7.8	Mar-94
NCREIF ODCE Net				0.0	0.0	0.0	3.7	5.7	10.2	10.6	4.5	8.1	Mar-94
Over/Under				0.0	0.0	0.0	-0.5	-0.9	-0.7	-1.1	-1.5	-0.3	
Prudential Real Estate	135,101,380	2.8		0.0	0.0	0.0	4.2	6.0	10.9	10.9	4.2	6.0	Jun-04
NCREIF ODCE Net				0.0	0.0	0.0	3.7	5.7	10.2	10.6	4.5	7.0	Jun-04
Over/Under				0.0	0.0	0.0	0.5	0.3	0.7	0.3	-0.3	-1.0	
NCREIF ODCE				0.0	0.0	0.0	4.2	6.4	11.1	11.6	5.4	8.0	Jun-04
UBS Real Estate	247,269,383	5.1		0.0	0.0	0.0	2.7	4.3	8.7	8.8	4.6	7.4	Mar-03
NCREIF ODCE Net				0.0	0.0	0.0	3.7	5.7	10.2	10.6	4.5	7.2	Mar-03
Over/Under				0.0	0.0	0.0	-1.0	-1.4	-1.5	-1.8	0.1	0.2	
NCREIF ODCE				0.0	0.0	0.0	4.2	6.4	11.1	11.6	5.4	8.2	Mar-03
RREEF	181,509	0.0		0.0	0.0	0.0	-12.9	-12.3	2.8	9.2	--	-6.1	Sep-07
NCREIF ODCE Net				0.0	0.0	0.0	3.7	5.7	10.2	10.6	4.5	3.8	Sep-07
Over/Under				0.0	0.0	0.0	-16.6	-18.0	-7.4	-1.4		-9.9	
NCREIF ODCE				0.0	0.0	0.0	4.2	6.4	11.1	11.6	5.4	4.7	Sep-07
Total Liquid Alternatives	418,633,906	8.7	10.0	-0.4	3.7	3.7	6.4	15.9	1.5	--	--	5.2	Apr-13
CPI + 4% (Unadjusted)				0.6	2.2	2.2	4.4	6.7	5.2	9.5	--	6.4	Apr-13
Over/Under				-1.0	1.5	1.5	2.0	9.2	-3.7			-1.2	
Bridgewater All Weather Fund	289,772,713	6.0		-0.1	3.1	3.1	4.6	10.8	3.1	--	--	4.6	Aug-13
CPI + 5% (Unadjusted)				0.7	2.5	2.5	5.2	7.7	6.2	--	--	6.3	Aug-13
Over/Under				-0.8	0.6	0.6	-0.6	3.1	-3.1			-1.7	
Tortoise Energy Infrastructure	128,861,194	2.7		-1.2	5.0	5.0	10.7	29.3	-1.8	--	--	3.7	Apr-13
Wells Fargo MLP Index				-0.7	3.7	3.7	10.6	34.7	-4.7	3.4	--	-1.2	Apr-13
Over/Under				-0.5	1.3	1.3	0.1	-5.4	2.9			4.9	
Overlay	54,501,046	1.1	0.0										
Parametric	54,501,046	1.1											

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.

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

Real Estate Valuation is as of 12/31/2016.



March 31, 2017

Ventura County Employees' Retirement Association

Total Fund Performance Detail Net of Fees

	Market Value (\$)	% of Portfolio	Policy %	1 Mo (%)	3 Mo (%)	YTD (%)	Fiscal YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Private Equity	182,937,119	3.8	10.0	1.0	2.2	2.2	9.4	9.2	12.7	13.5	--	13.6	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.3</u>	<u>6.6</u>	<u>6.6</u>	<u>17.6</u>	<u>21.6</u>	<u>12.9</u>	<u>16.5</u>	--	<u>18.5</u>	<i>Jan-12</i>
Over/Under				0.7	-4.4	-4.4	-8.2	-12.4	-0.2	-3.0		-4.9	
Adams Street Global Fund Series	112,481,817	2.3		1.7	1.7	1.7	8.3	7.5	10.7	12.0	--	12.3	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.3</u>	<u>6.6</u>	<u>6.6</u>	<u>17.6</u>	<u>21.6</u>	<u>12.9</u>	<u>16.5</u>	--	<u>18.5</u>	<i>Jan-12</i>
Over/Under				1.4	-4.9	-4.9	-9.3	-14.1	-2.2	-4.5		-6.2	
Harbourvest- Dover Street VIII	48,518,811	1.0		-0.2	4.4	4.4	10.3	11.7	18.6	--	--	18.2	Aug-13
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.3</u>	<u>6.6</u>	<u>6.6</u>	<u>17.6</u>	<u>21.6</u>	<u>12.9</u>	<u>16.5</u>	--	<u>14.9</u>	<i>Aug-13</i>
Over/Under				-0.5	-2.2	-2.2	-7.3	-9.9	5.7			3.3	
Pantheon Global Secondary Funds	21,617,788	0.4		0.0	0.0	0.0	17.5	15.4	10.7	11.1	--	10.2	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.3</u>	<u>6.6</u>	<u>6.6</u>	<u>17.6</u>	<u>21.6</u>	<u>12.9</u>	<u>16.5</u>	--	<u>18.5</u>	<i>Jan-12</i>
Over/Under				-0.3	-6.6	-6.6	-0.1	-6.2	-2.2	-5.4		-8.3	
Drive Capital Fund	318,703	0.0		-18.7	-18.7	-18.7	--	--	--	--	--	-42.5	Sep-16
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.3</u>	<u>6.6</u>	<u>6.6</u>	<u>17.6</u>	<u>21.6</u>	<u>12.9</u>	<u>16.5</u>	--	<u>12.3</u>	<i>Sep-16</i>
Over/Under				-19.0	-25.3	-25.3						-54.8	

Please Note:

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

Drive Capital Fund, funded 9/1/2016



March 31, 2017

Ventura County Employees' Retirement Association
Private Equity Limited Partnership Performance

Fund Name	Vintage Year	Initial Investment Date	Commitment	Capital Called to Date ¹	Outstanding Commitment ¹	Call Ratio	Add'l Fees ²	Distributions to Date	Valuation	Total Value	Net Benefit	IRR	Since Inception	
													Distributions to Paid In Multiple (DPI)	Total Value to Paid In Multiple (TVPI)
Adams Street 2010 U.S. Fund	2010	5/21/2010	\$42,500,000	\$33,277,500	\$9,222,500	78%	\$15,213	\$14,394,035	\$34,297,065	\$48,691,100	\$15,398,387	0.0%	0.43x	1.46x
Adams Street 2010 Non-U.S. Dev. Mkts Fund	2010	5/21/2010	\$25,500,000	\$20,591,249	\$4,908,751	81%	\$1,589	\$8,748,084	\$16,138,382	\$24,886,466	\$4,293,628	6.3%	0.42x	1.21x
Adams Street 2010 Non-U.S. Emg Mkts Fund	2010	1/3/2011	\$8,500,000	\$6,621,500	\$1,878,500	78%	\$0	\$738,789	\$7,833,407	\$8,572,196	\$1,950,696	9.4%	0.11x	1.29x
Adams Street 2010 Direct Fund	2010	5/21/2010	\$8,500,000	\$7,879,500	\$620,500	93%	\$6,697	\$5,925,550	\$6,313,949	\$12,239,499	\$4,353,302	14.4%	0.75x	1.55x
Total Adams Street 2010	2010	5/21/2010	\$85,000,000	\$68,369,749	\$16,630,251	80%	\$23,499	\$29,806,458	\$64,582,803	\$94,389,261	\$25,996,013	10.5%	0.44x	1.38x
Adams Street 2013 Global Fund	2013	6/27/2013	\$75,000,000	\$44,250,000	\$30,750,000	59%	\$10,728	\$3,108,905	\$44,395,263	\$47,504,168	\$3,243,440	4.4%	0.07x	1.07x
Adams Street 2016 Global Fund	2016	12/22/2016	\$60,000,000	\$1,500,000	\$58,500,000	3%	\$0	\$0	\$1,594,044	\$1,594,044	\$94,044	0.0%	0x	1.06x
Drive Capital Fund II	2016	9/1/2016	\$15,000,000	\$523,355	\$14,476,645	3%	\$3,210	\$0	\$391,795	\$391,795	(\$134,770)	0.0%	--	0.74x
HarbourVest - Dover Street VIII	2013	5/30/2013	\$67,500,000	\$57,712,500	\$9,787,500	86%	\$84,954	\$33,410,731	\$44,843,292	\$78,254,023	\$20,456,569	21.8%	0.58x	1.35x
HarbourVest - Dover Street IX	2016	12/16/2016	\$60,000,000	\$4,800,000	\$55,200,000	8%	\$0	\$841,532	\$4,137,342	\$4,978,874	\$178,874	8.0%	--	--
Pantheon Global Secondary Fund IV	2010	8/20/2010	\$15,000,000	\$9,960,000	\$5,040,000	66%	\$0	\$9,090,001	\$5,405,350	\$14,495,351	\$4,535,351	12.8%	0.91x	1.46x
Pantheon Global Secondary Fund V	2015	2/26/2015	\$50,000,000	\$13,391,510	\$36,608,490	27%	(\$87,343)	\$12,568	\$16,199,876	\$16,212,444	\$2,908,277	77.7%	--	1.22x
Total VCERA Private Equity Program	-	5/21/2010	\$427,500,000	\$200,507,114	\$226,992,886	47%	\$35,048	\$76,270,195	\$181,549,765	\$257,819,960	\$57,277,798	12.2%	0.38x	1.29x

1. Includes recycled/recallable distributions received to date.

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

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

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

Performance shown is based on 9/30/2016 NAVs cash-adjusted for cash flows through 03/31/2017.

Ventura County Employees' Retirement Association

Total Fund**Cash Flow Summary**

Month Ending March 31, 2017

	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Fees	Net Investment Change	Ending Market Value
Adams Street Global Fund Series	\$111,637,825	\$0	-\$1,065,729	-\$1,065,729	\$0	\$1,909,721	\$112,481,817
BlackRock ACWI ex-U.S. Index	\$359,776,129	\$0	\$0	\$0	-\$32,413	\$9,177,909	\$368,954,038
BlackRock Equity Market Fund	\$1,357,162,740	\$0	\$0	\$0	-\$24,721	\$1,074,880	\$1,358,237,620
BlackRock Extended Equity Index	\$54,863,050	\$0	\$0	\$0	-\$3,575	-\$38,838	\$54,824,212
BlackRock MSCI ACWI Equity Index	\$508,549,978	\$0	\$0	\$0	-\$18,836	\$6,538,319	\$515,088,297
BlackRock U.S. Debt Fund	\$217,113,950	\$0	\$0	\$0	-\$10,567	-\$90,609	\$217,023,341
Bridgewater All Weather Fund	\$289,975,261	\$0	\$0	\$0	-\$93,703	-\$202,549	\$289,772,713
Drive Capital Fund	\$391,795	\$0	\$0	\$0	\$0	-\$73,092	\$318,703
Harbourvest- Dover Street VIII	\$50,558,118	\$675,000	-\$2,631,240	-\$1,956,240	\$0	-\$83,066	\$48,518,811
Hexavest	\$82,545,618	\$0	\$0	\$0	-\$32,447	\$2,295,326	\$84,840,944
Loomis Sayles Multi Strategy	\$78,287,391	\$0	\$0	\$0	-\$25,502	\$386,079	\$78,673,470
Loomis Strategic Alpha	\$44,810,038	\$0	\$0	\$0	-\$14,987	\$151,130	\$44,961,168
Pantheon Global Secondary Funds	\$21,617,788	\$0	\$0	\$0	\$0	\$0	\$21,617,788
Parametric	\$65,206,625	\$6,904,941	-\$17,873,696	-\$10,968,755	-\$5,583	\$263,176	\$54,501,046
Prudential Real Estate	\$135,101,380	\$0	\$0	\$0	\$0	\$0	\$135,101,380
Reams	\$303,065,294	\$0	\$0	\$0	-\$44,220	\$692,071	\$303,757,365
RREEF	\$181,509	\$0	\$0	\$0	\$0	\$0	\$181,509
Sprucegrove	\$195,263,790	\$0	\$0	\$0	-\$61,254	\$4,754,786	\$200,018,577
Tortoise Energy Infrastructure	\$130,326,892	\$0	\$0	\$0	-\$67,115	-\$1,465,699	\$128,861,194
UBS Real Estate	\$247,269,383	\$0	\$0	\$0	\$0	\$0	\$247,269,383
Walter Scott	\$101,690,134	\$0	\$0	\$0	-\$74,266	\$3,091,119	\$104,781,253
Western	\$284,899,611	\$0	\$0	\$0	-\$48,181	\$545,069	\$285,444,680
Western U.S. Index Plus	\$170,183,885	\$0	\$0	\$0	-\$33,810	\$298,690	\$170,482,575
Total	\$4,810,478,185	\$7,579,941	-\$21,570,665	-\$13,990,724	-\$591,179	\$29,224,421	\$4,825,711,882

Information Disclaimer and Reporting Methodology

Information Disclaimer

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

Reporting Methodology

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



SACRS Business Meeting Agenda
Friday, May 19, 2017
10:00 AM - Upon Adjournment
Napa Valley Marriott Hotel
Napa, CA

SACRS Parliamentarian – Lance Kjeldgaard
Sergeant at Arms – Derwin Brown, Los Angeles CERA

1. SACRS System Roll Call
Art Goulet, SACRS Secretary
2. Secretary's Report - Receive and File
Art Goulet, SACRS Secretary
 - A. November 2016 SACRS Business Meeting Minutes
3. Treasurer's Report - Receive and File
Larry Walker, SACRS Treasurer
 - A. July 2016 – February 2017
4. SACRS President Report - No Action
Dan McAllister, SACRS President
5. SACRS Audit Report - Receive and File
Steve Delaney, SACRS Audit Committee Chair
 - A. June 30, 2015 and 2014 Audit
6. SACRS Legislative Committee Update - No Action
Richard Stensrud, SACRS Legislative Committee Chair
 - A. 2017 Legislative Update
7. SACRS Bylaws Committee Report - Vote
Vivian Gray, SACRS Bylaws Committee Chair
 - A. Amendment to Article XI - Standing Committees,
Section 4. Program Committee
 - B. Amendment to Article III – Membership,
Section 7. Membership Code of Conduct

continued



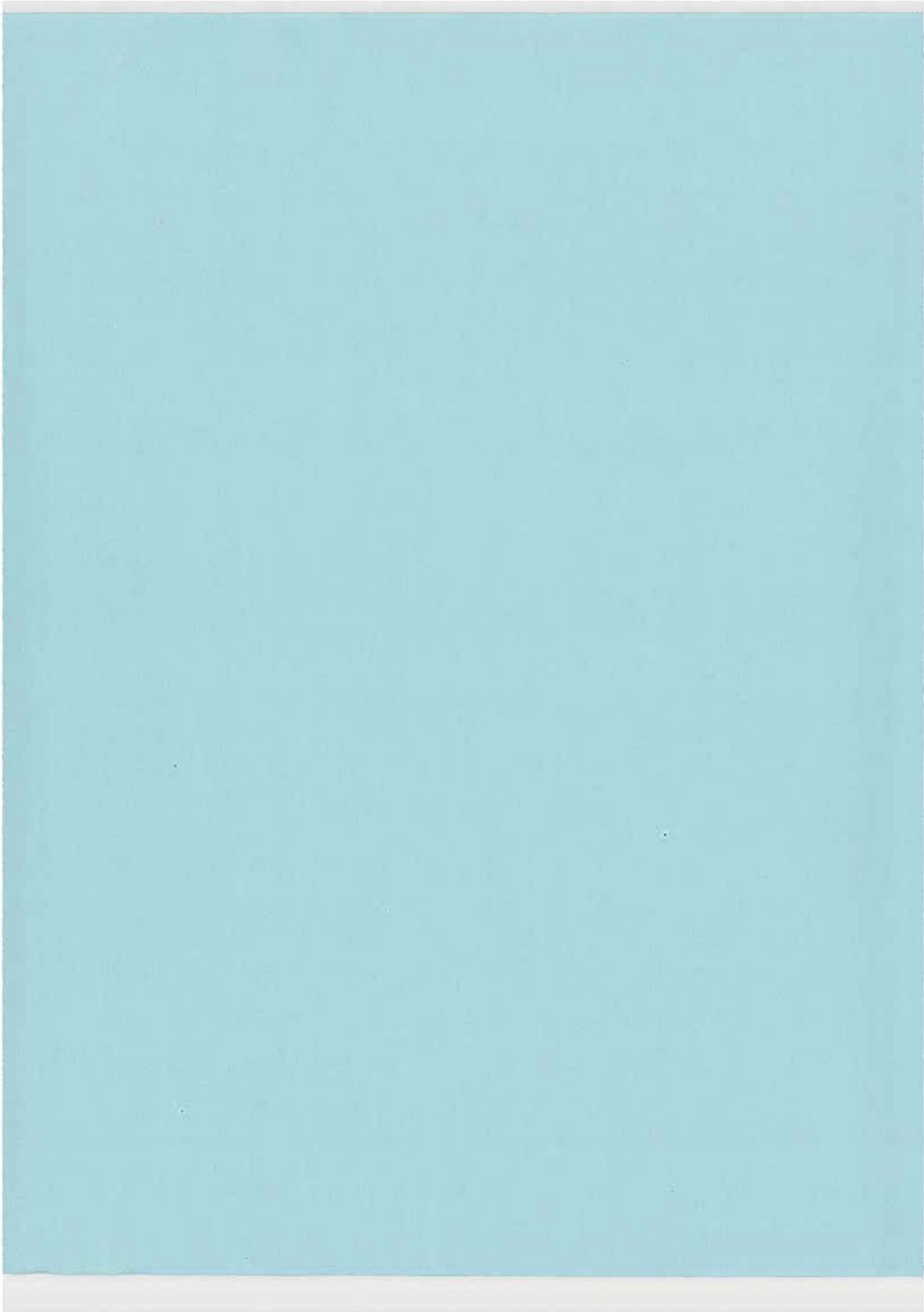
8. SACRS Nomination Committee - 2017-2018 SACRS BOD Elections - Vote
Yves Chery, Nomination Committee Chair

A. SACRS BOD 2017 – 2018 Ballot

9. SACRS Committee & Breakout Reports:

Committee	Chair	Breakout Reports	Representative
Affiliate	Michael Keough	Administrators	James Wilbanks
Audit	Steve Delaney	Attorneys	David Lantzer
Bylaws	Vivian Gray	General Trustees	Yves Chery
Education	Christie Porter	Internal Auditors	Harsh Jadhav
Legislative	Richard Stensrud	Investment Officers	Steve Marsh
Nomination	Yves Chery	Ops & Benefits/ Disability	JJ Popowich
Program	Gabe Rodrigues	Safety Trustees	Tracy Towner

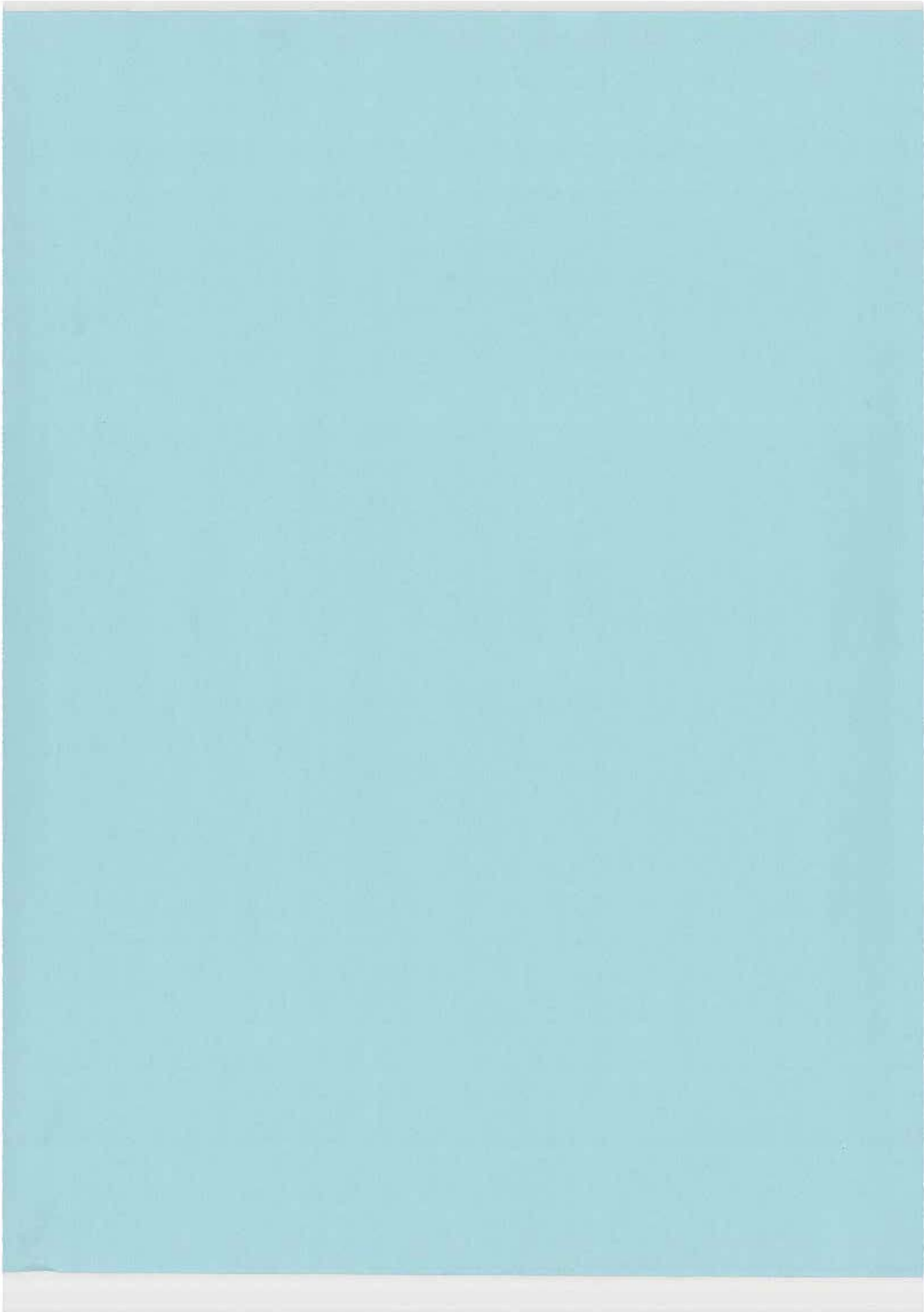
**Next scheduled SACRS Association Business Meeting will be held Friday,
November 17, 2017, at the Hyatt Regency San Francisco Airport, Burlingame, CA.**





I. SACRS System Roll Call
 Art Goulet, SACRS Secretary

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





2. Secretary's Report - Receive and File
Art Goulet, SACRS Secretary

A. November 2016 SACRS Business Meeting Minutes



SACRS Business Meeting Minutes

Friday, November 11, 2016

9:45 a.m.

**Renaissance Resort and Spa, Indian Wells, CA
Crystal Ballroom**

**SACRS Parliamentarian – Lance Kjeldgaard
Sergeant at Arms – Not in attendance**

Meeting to order at 9:51 am

Board members present:

Yves Chery, Gabe Rodrigues, Art Goulet, Dan McAllister, Larry Walker

1. County Roll Call

Art Goulet, SACRS Secretary

9:51 am – 19 Systems present, Sonoma absent

9:56 am – 20 Systems present

2. Secretary's Report – Receive and File

- May 2016 SACRS Business Meeting Minutes

Motion: A motion to receive and file the SACRS Spring 2016 Business Meeting Minutes was made by San Diego.

2nd: Los Angeles

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

No: 0

Absent: Sonoma

Motion Passed

3. Treasurer's Report – Receive and File

Larry Walker, SACRS Treasurer

- SACRS Financials July 1, 2016 – August 31, 2016

Motion: A motion to receive and file the SACRS Treasurers report was made by Contra Costa.

2nd: Santa Barbara

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

No: 0

Motion Passed



4. Board of Director's Report – No Action

Dan McAllister, SACRS President

- Board of Directors Update

5. SACRS Strategic Consultant Report – No Action

Jim Lites, Strategic Consultant

- Projects for 2015-2016

Jim Lites gave a verbal report on the status of the development of the CERL Index project. The draft information will be available to the Legislative committee by the end of November. The committee will review, edit if necessary and then present to Attorneys Breakout for their feedback. Once reviewed, the Legislative Committee will present to the Board for their review. No action was taken.

6. SACRS Legislative Proposals 2017 – Action Item

Richard Stensrud, Legislative Committee Chair

- **Merced #1 – Alternate Retiree Voting.** This measure would modify alternate retiree trustee voting rights allowing for the absence of 2 board members at a meeting to provide additional voting rights to the Alternate Retiree in a case where there is no alternate safety member.

Recommendation: The Committee declined to recommend this proposal for SACRS sponsorship. The Committee found the proposal would impact a single system, and thus did not meet the criteria for SACRS legislative proposals to have multi-systems benefits or impacts.

- **Ventura #1 – Transfers of Leave Balances during Implementation of Independent Operating Authority.** This proposal would clarify that the leave balances may be transferred for any retirement system employees who shift to BOR employment from county employment during implementation of independent operating authority.

Recommendation: Conditionally Approved. This proposal was approved for sponsorship IF the Governor signs AB 1853, which is the current 2016 SACRS-sponsored measure that provides system operating authority. AB 1853 is now pending on the Governor's desk. If the Governor does not sign AB 1853, the Committee's recommendation will be for Ventura to pursue clarification legislation as a single-system effort. The Governor has until September 30th to act upon all 2016 legislation.

Motion: Based on the Parliamentarian's determination, a motion to postpone both legislative proposals indefinitely, due to each of the sponsors of the proposals desire to withdraw their items, was made by San Joaquin.

2nd: San Diego



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

No: 0

Motion Passed

7. SACRS Audit Committee Report – Receive and File

Steve Delaney, SACRS Audit Committee Chair

- SACRS Annual 2014 - 2015 Audit

Motion: A motion to receive and file the Audit Committee report on the annual 2014-2015 Audit was made by Sonoma.

2nd: Contra Costa

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

No: 0

Motion Passed

8. SACRS Nomination Committee – No Action

Yves Chery, Nomination Committee Chair

No Action was taken, verbal update on the schedule of dates and details for the upcoming election.

- Schedule for the Spring 2017 Board of Directors Election

DEADLINE	DESCRIPTION
February 1, 2017	Nominating Committee receives nominations from SACRS membership
March 1, 2017	Nominating Committee submits its recommended ballot to each 1937 Act Board
March 25, 2017	Nominating Committee receives nominations from any 1937 Act Board
April 1, 2017	Nominating Committee submits final ballot to each 1937 Act Board – ballot consists of recommended ballot plus anybody else who is nominated but not recommended by the Nominating Committee (April 1 is a Saturday; next business day applies)



May 19, 2017	Conduct elections during the SACRS Business Meeting (at end of the May 2017 conference)
May 19, 2017	Board of Directors take office for 1 year

9. SACRS Committee & Breakout Reports:

Committee		Breakout Reports	
Affiliate	No report	Administrators	James Wilbanks will be the Spring rep
Audit	Agenda item served as report.	Counsels	Michael Calabrese reported that the meeting was well attended, discussed AB 2833 and appreciated the Administrators taking time to hold a joint discussion during the breakouts.
Bylaws	Vivian Gray discussed potential new bylaws that cover committee charters and code of conduct for members. The committee will forward to the Board as soon as drafts are prepared and then to the membership for consideration at the Spring conference.	Disability	No report
Education	No report as Chairs were not present. However, staff will forward feedback forms to Christie Porter and Kathy Foster for review.	Internal Auditors	No report
Legislative	Agenda item served as report.	Investment Officers	Don Pierce reported that the group



			discussed AB 2833, and would like additional time at the Spring conference to meet.
Nomination	Agenda item served as report.	Operations & Benefits	Los Angeles will be the Spring rep
Program	Gabe Rodrigues thanked the committee members for a great conference. Encouraged attendees to submit potential topics and speaker ideas to the committee for the Spring 2017 conference.	Safety Trustees	No report
		General Trustees	Yves Chery reported that the trustee breakout had great attendance, good session with Sam Austin and Ashley Dunning. Yves Chery and Vivian Gray will be the Spring reps.

10. Adjournment

Motion: A motion to adjourn the meeting at 10:24 am was made by Santa Barbara.

2nd: San Joaquin

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

No: 0

Motion Passed

Next scheduled SACRS Association Business Meeting will be held Friday, May 19, 2017 at the Napa Valley Marriott.





3. Treasurer's Report - Receive and File
Larry Walker, SACRS Treasurer

A. July 2016 – February 2017

**State Association of County Retirement Systems
Balance Sheet
As of February 28, 2017**

	Feb 28, 17
ASSETS	
Current Assets	
Checking/Savings	
1000 · Community 1st Bank - Checking	142,653.92
1001 · BofA Interest Checking 4389	213,962.01
1002 · Community 1st Bank - ICS Account	57,238.19
Total Checking/Savings	413,854.12
Other Current Assets	
1100 · CalTrust - Medium Term	1,123,969.19
1101 · CalTrust - MMA	7,769.72
1102 · CalTrust - GMMA	750,894.86
Total Other Current Assets	1,882,633.77
Total Current Assets	2,296,487.89
TOTAL ASSETS	2,296,487.89
LIABILITIES & EQUITY	
Equity	
32000 · Retained Earnings	2,237,795.50
Net Income	58,692.39
Total Equity	2,296,487.89
TOTAL LIABILITIES & EQUITY	2,296,487.89

**State Association of County Retirement Systems
Budget vs. Actuals
July through February 2017**

	<u>Jul - Feb 17</u>	<u>Annual Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
4100 · Membership Dues				
4101 · Affiliates	203,000.00	215,000.00	(12,000.00)	94.42%
4102 · Non Profit - Organizations	3,000.00	3,000.00	-	100.0%
4103 · Non Profit - Systems	6,000.00	5,000.00	1,000.00	
4104 · Systems - Medium	52,000.00	52,000.00	-	
4105 · Systems - Large	42,000.00	42,000.00	-	80.77%
Total 4100 · Membership Dues	306,000.00	317,000.00	(11,000.00)	96.53%
4200 · Conference Registration				
4201 · Affiliates - Early	295,899.00		295,899.00	
4202 · Affiliates - Regular	97,180.00		97,180.00	
4203 · Affiliates - Late/Onsite	32,010.00		32,010.00	
4204 · Non Profit	620.00		620.00	
4205 · Systems	29,520.00		29,520.00	
4206 · Non-Members	306,960.00		306,960.00	
4207 · Fun Run	1,380.00		1,380.00	
4200 · Conference Registration - Other	-	1,020,000.00	(1,020,000.00)	0.0%
Total 4200 · Conference Registration	763,569.00	1,020,000.00	(256,431.00)	74.86%
4250 · Product Income				
4251 · CERL	50.00			
4252 · Roster	50.00		50.00	
4255 · Magazine Advertising	2,290.00		2,290.00	
4256 · Conference DVDs	225.00		225.00	
4250 · Product Income - Other	65.00	500.00	(435.00)	13.0%
Total 4250 · Product Income	2,680.00	500.00	2,180.00	536.0%
4270 · UC Berkeley Program				
4271 · Registrations	35,000.00	75,000.00	(40,000.00)	46.67%
4272 · Sponsorships	35,000.00	65,000.00	(30,000.00)	53.85%
Total 4270 · UC Berkeley Program	70,000.00	140,000.00	(70,000.00)	50.0%
Total Income	1,142,249.00	1,477,500.00	(335,251.00)	77.31%
Gross Profit	1,142,249.00	1,477,500.00	(335,251.00)	77.31%

State Association of County Retirement Systems
Budget vs. Actuals
July through February 2017

	<u>Jul - Feb 17</u>	<u>Annual Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Expense				
Administrative Fee - SYAI	114,242.93	152,375.00	(38,132.07)	74.98%
Administrative Services	8,905.86	21,000.00	(12,094.14)	42.41%
Audio/Visual Equipment	68,250.00	85,000.00	(16,750.00)	80.29%
Awards	-	1,000.00	(1,000.00)	0.0%
Bank Charges/Credit Card Fees	29,107.42	45,000.00	(15,892.58)	64.68%
Berkeley & Symposium	12,972.84	190,000.00	(177,027.16)	6.83%
BofA Credit Card Holding Account	7,299.44		7,299.44	
CERL	2,187.50	25,000.00	(22,812.50)	8.75%
Commissions & Fees	18,826.00	5,000.00	13,826.00	376.52%
Consulting	18,977.84	42,000.00	(23,022.16)	45.19%
Dues & Subscriptions	3,325.00	3,700.00	(375.00)	89.87%
Hotels	565,279.21	500,000.00	65,279.21	113.06%
Insurance	9,198.32	6,000.00	3,198.32	153.31%
Legal & Professional Fees	35,624.30	25,000.00	10,624.30	142.5%
Legislative Advocacy	36,380.52	55,244.00	(18,863.48)	65.85%
Magazine	7,851.33	25,000.00	(17,148.67)	31.41%
Meals and Entertainment	4,613.38	100,000.00	(95,386.62)	4.61%
Office Expenses	-	1,000.00	(1,000.00)	0.0%
Postage	3,034.69	3,000.00	34.69	101.16%
Program Material	24,215.24	50,000.00	(25,784.76)	48.43%
Speakers	53,145.80	60,000.00	(6,854.20)	88.58%
Stationery & Printing	1,459.89	1,500.00	(40.11)	97.33%
Strategic Facilitator	1,725.00	25,000.00	(23,275.00)	6.9%
Supplies	744.33	1,500.00	(755.67)	49.62%
Taxes & Licenses	10.00	100.00	(90.00)	10.0%
Travel	22,279.25	50,000.00	(27,720.75)	44.56%
Website	44,127.78	189,775.00	(145,647.22)	23.25%
Total Expense	1,093,783.87	1,663,194.00	(569,410.13)	65.76%
Net Ordinary Income	48,465.13	(185,694.00)	234,159.13	-26.1%
Other Income/Expense				
Other Income				

**State Association of County Retirement Systems
Budget vs. Actuals
July through February 2017**

	Jul - Feb 17	Annual Budget	\$ Over Budget	% of Budget
Interest Earned	10,000.02		10,000.02	
Other Income	227.24		227.24	
Total Other Income	10,227.26		10,227.26	
Net Other Income	10,227.26		10,227.26	
Net Income	58,692.39	(185,694.00)	244,386.39	-31.61%





4. SACRS President Report - No Action
Dan McAllister, SACRS President

No printed materials for this item





5. SACRS Audit Report - Receive and File
Steve Delaney, SACRS Audit Committee Chair

A. June 30, 2015 and 2014 Audit

**STATE ASSOCIATION OF
COUNTY RETIREMENT SYSTEMS**

**FINANCIAL STATEMENT
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2015

EXECUTIVE COMMITTEE

Yves Chery
President

Gabe Rodrigues
Vice President

Dan McAllister
Treasurer

Art Goulet
Secretary

Ray McCray
Immediate Past President

Michael Bowman
Affiliate Chair

* * * *

Sulema Peterson,
Shaw / Yoder / Antwih, Inc.
Association Management

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

JUNE 30, 2015

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL SECTION	
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS	3
NOTES TO THE FINANCIAL STATEMENT	4
SUPPLEMENTARY INFORMATION	
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS	7
GRAPHICAL PRESENTATION OF CASH RECEIPTS	8
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS	10
CONFERENCE SUMMARY REPORT	12



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, California

Report on the Financial Statement

We have audited the accompanying statement of cash receipts and disbursements, of the State Association of County Retirement Systems (SACRS) for the fiscal years ended June 30, 2015 and 2014, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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1

James Marta & Company LLP
Certified Public Accountants

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the State Association of County Retirement Systems for the years ended June 30, 2015 and 2014, in accordance with the cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 to the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report, on pages 7 to 12, are presented for purposes of additional analysis and are not a required part of the financial statement.

The Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, on pages 7 to 11 is fairly stated in all material respects in relation to the financial statement as a whole.

The Conference Summary Report, on page 12, has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Restricted Use

This report is intended solely for the information and use of management and the board of directors of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
August 16, 2016

FINANCIAL SECTION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2014-15</u>	<u>2013-14</u>
<u>Cash Receipts</u>		
Dues	\$ 313,500	\$ 318,000
Conference		
Fall	600,200	564,390
Spring	509,860	483,250
Seminars	130,500	145,000
Other Admin Receipts	446	269
Other Conference Receipts	22,065	6,300
Interest	3,688	2,041
Total Cash Receipts	<u>1,580,259</u>	<u>1,519,250</u>
<u>Cash Disbursements</u>		
Conference		
Fall - 2014 and 2013		
Hotel and meals	259,226	328,405
Audio and visual	38,118	36,800
Program materials	22,546	46,591
Spring - 2015 and 2014		
Hotel and meals	-	86,618
Audio and visual	10,000	41,759
Program materials	13,078	35,892
Seminars	212,516	205,617
Conference Administration	18,108	17,136
Prior Year and Other Expenses	81,853	199,830
Total conference disbursements	<u>655,445</u>	<u>998,648</u>
Administration	310,093	274,954
Legislative representation	511	281
Lobbying	81,300	76,375
Newsletters	11,581	-
Committee meetings	2,267	1,911
Special projects	25,255	26,435
Total administration disbursements	<u>431,007</u>	<u>379,956</u>
Total Cash Disbursements	<u>1,086,452</u>	<u>1,378,604</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	493,807	140,646
Cash and Investments, Beginning	<u>1,731,263</u>	<u>1,590,617</u>
Cash and Investments, Ending	<u>\$ 2,225,070</u>	<u>\$ 1,731,263</u>
<u>Supplementary Information</u>		
<u>Cash and Investments at June 30,</u>	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 1,119,080	\$ 1,731,263
Current portion of investments	-	-
Non current portion of investments	<u>1,105,990</u>	<u>-</u>
Total Cash and Investments	<u>\$ 2,225,070</u>	<u>\$ 1,731,263</u>

The accompanying notes are an integral part of this financial statement.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

State Association of County Retirement Systems (SACRS) is a not-for-profit association of 20 California county retirement systems, enacted under the County Employees Retirement Law of 1937. SACRS was formed in the early 1970's to provide forums for disseminating knowledge of, and developing expertise in, the operation of county retirement systems existing under current law, as well as to foster and take an active role in the legislative process. To accomplish SACRS' mission of addressing issues of importance to members, SACRS, contracting with Strategic Local Government Services, provides a variety of association management services, including three magazines a year, membership directory, semi-annual conferences, and oversight of SACRS.org. The Association is supported primarily through membership dues and conference fees.

B. BASIS OF ACCOUNTING

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than generally accepted accounting principles. Under that basis, the only assets recognized are cash and investments, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding dues and obligations for assessments unpaid at the date of the financial statement are not included in the financial statement.

Management has elected to use the cash basis of accounting for this entity given the nature of its receipts and disbursements: revenue is almost always received and earned in the same period (e.g. at the beginning of the year for annual memberships, and shortly prior to events for conference attendance) and most expenses are incurred evenly over the year, with the exception of the billing for the conference hotel expense. Financial results by conference are presented in the Conference Summary Report in the Supplementary Information section of this document.

C. INCOME TAXES

The Association is exempt from federal and state income taxes under Section 501(c)(4) of the Internal Revenue Code and Section 23701f of the California Revenue and Taxation Code.

D. CONTRACTUAL AGREEMENTS

The Association has entered into various contractual agreements for professional services. These agreements include compensation for services rendered to the Association.

E. COMPARATIVE DATA

Comparative data for the prior year have been presented in certain sections of the accompanying financial statement in order to provide an understanding of changes in the Association's financial position and operations.

Since SACRS uses the cash basis of accounting, the timing of events and the ultimate settlement of bills may vary from year to year. For example; the Spring conference costs could be settled by June (by year end) or be extended into the subsequent year. Also the timing of events could affect when payments are made from year to year. Payments after year end will be paid out of the surplus generated out of the prior year conference receipts. So the surplus cash at year end may have future demands for prior expenses. Management prepares a conference summary report that reconciles these payments when settled; this report is presented as supplementary information.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
NOTES TO THE FINANCIAL STATEMENT
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

2. CASH AND INVESTMENTSCash and Cash Equivalents

SACRS considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and had an original maturity of three months or less when purchased. The balance in cash and cash equivalents at June 30 include:

	2015	2014
Bank accounts	\$ 307,529	\$ 619,631
Bank certificates of deposit	57,106	357,634
Money market accounts	754,445	753,998
Total cash and cash equivalents	<u>\$ 1,119,080</u>	<u>\$ 1,731,263</u>

Cash in bank accounts at June 30, 2015 consisted of the following:

	Bank of America	Bank of Sacramento	Total
Per bank	\$ 139,911	\$ 169,642	\$ 309,553
Checks outstanding	(2,024)	-	(2,024)
Deposits in transit	-	-	-
Total bank accounts	<u>\$ 137,887</u>	<u>\$ 169,642</u>	<u>\$ 307,529</u>

Cash in bank accounts at June 30, 2014 consisted of the following:

	Bank of America	Bank of Sacramento	Total
Per bank	\$ 268,311	\$ 343,848	\$ 612,159
Checks outstanding	-	(10,578)	(10,578)
Deposits in transit	-	18,050	18,050
Total bank accounts	<u>\$ 268,311</u>	<u>\$ 351,320</u>	<u>\$ 619,631</u>

Cash balances on interest-bearing accounts held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). The amount in excess of FDIC as of June 30, 2015 and 2014 was \$0 and \$112,159 respectively.

Investments

In March 2015, SACRS invested in the CalTRUST Medium-Term Fund (the "Fund"), depositing \$1,104,130. The balance as of June 30, 2015 presented in the financial statement is \$1,105,990; this balance includes reinvested interest income totaling \$1,860, but does not include changes in fair market value for the year ended June 30, 2015 totaling (\$3). The fair market value of SACRS' investment in the Fund at June 30, 2015 is \$1,105,987. The current portion of the investment account represents underlying securities which are immediately redeemable (e.g. equities), or will mature within one year. The current portion of investments at June 30, 2015 was \$0. The Fund is not rated or insured. Total return on Fund was 0.65% for the year ended June 30, 2015.

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS

NOTES TO THE FINANCIAL STATEMENT

FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

3. CONTRACTS

SACRS has entered into contracts with various hotels to reserve facilities and guest rooms for its upcoming conferences and events. Cancellation fees associated with these contracts vary by date of notice. All hotel contracts specify the total number of guest room nights reserved at a group rate. If guest nights attributed to the convention fall below a specified minimum, SACRS is obligated to pay a room attrition rate for every guest night below the contracted minimum; standard room rates exceed the attrition rate. The organization is also responsible for food and beverage minimums as specified below. Hotel contracts entered into as of the audit date are summarized here:

Conference	Cancellation Fees	Food and Beverage Minimums	Guest Room Nights Reserved	Guest Room Nights Minimum	Rooms Attrition
Fall 2015	\$57,659-\$230,635	\$75,000	990	792	\$229 plus tax
Spring 2016	\$28,432 -\$213,240	\$99,000	842	674	\$226 plus tax
Fall 2016	\$50,544-\$299,674	\$80,000	888	710	\$229 plus tax
Spring 2017	\$28,373-\$283,733	\$100,000	817	654	\$225 plus tax
Fall 2017	\$187,162-\$274,324	\$100,000	995	796	\$219 plus tax
Spring 2018	\$44,868-\$179,473	\$150,000	935	748	\$192 plus tax
Fall 2018	\$55,418-\$286,672	\$100,000	968	774	\$226 plus tax

4. DONATED SERVICES

Directors and officers have made a significant contribution of their time to develop the organization and its programs. No amounts have been recognized in the accompanying statement of cash receipts and disbursements as no cash changed hands as a result of the donated services.

5. SUBSEQUENT EVENTS

SACRS' management has evaluated subsequent events through August 16, 2016, the date which the financial statement was issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statement.

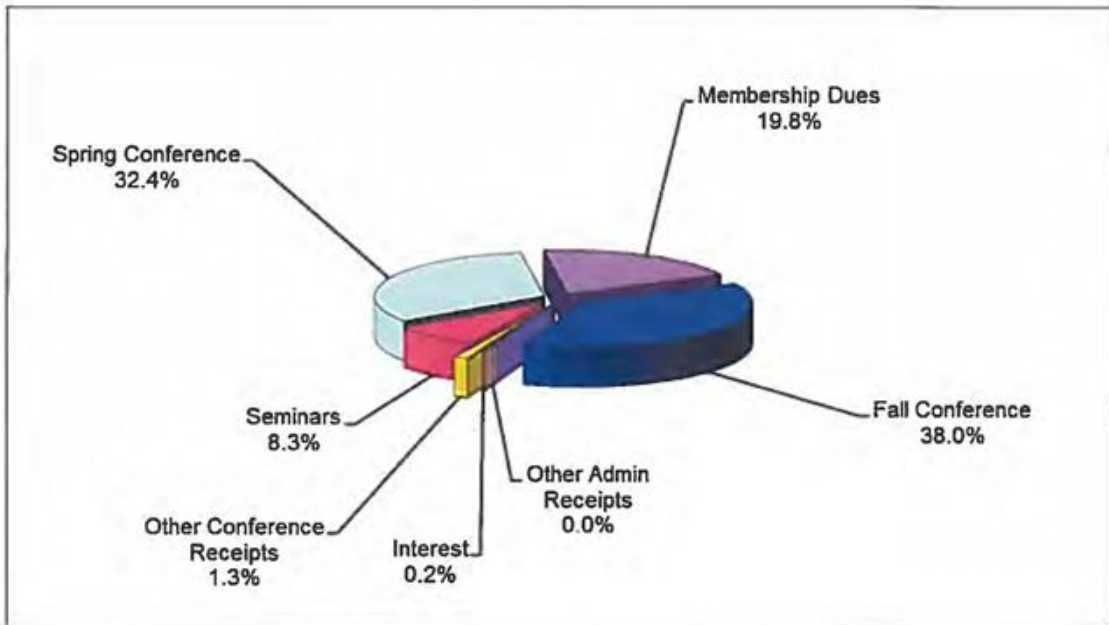
SUPPLEMENTARY INFORMATION

STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
COMBINING STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Conference</u>	<u>Administration</u>	<u>Total</u>
<u>Cash Receipts</u>			
Dues	\$ -	\$ 313,500	\$ 313,500
Conference			
Fall	600,200	-	600,200
Spring	509,860	-	509,860
Seminars	130,500		130,500
Other Admin Receipts	-	446	446
Other Conference Receipts	22,065	-	22,065
Interest	3,688	-	3,688
Total Cash Receipts	<u>1,266,313</u>	<u>313,946</u>	<u>1,580,259</u>
<u>Cash Disbursements</u>			
Conference			
Fall - 2014			
Hotel and meals	259,226	-	259,226
Audio and visual	38,118	-	38,118
Program materials	22,546	-	22,546
Spring - 2015			
Hotel and meals	-	-	-
Audio and visual	10,000	-	10,000
Program materials	13,078	-	13,078
Seminars	212,516	-	212,516
Conference Administration	18,108	-	18,108
Prior Year and Other Expenses	81,853	-	81,853
Total conference disbursements	<u>655,445</u>	<u>-</u>	<u>655,445</u>
Administration	-	310,093	310,093
Legislative representation	-	511	511
Lobbying	-	81,300	81,300
Newsletters	-	11,581	11,581
Committee meetings	-	2,267	2,267
Special projects	-	25,255	25,255
Total administration disbursements	<u>-</u>	<u>431,007</u>	<u>431,007</u>
Total Cash Disbursements	<u>655,445</u>	<u>431,007</u>	<u>1,086,452</u>
Excess (Deficit) of Cash Receipts over Cash Disbursements	610,868	(117,061)	493,807
Cash and Investments, Beginning	<u>1,973,026</u>	<u>(241,763)</u>	<u>1,731,263</u>
Cash and Investments, Ending	<u>\$ 2,583,894</u>	<u>\$ (358,824)</u>	<u>\$ 2,225,070</u>

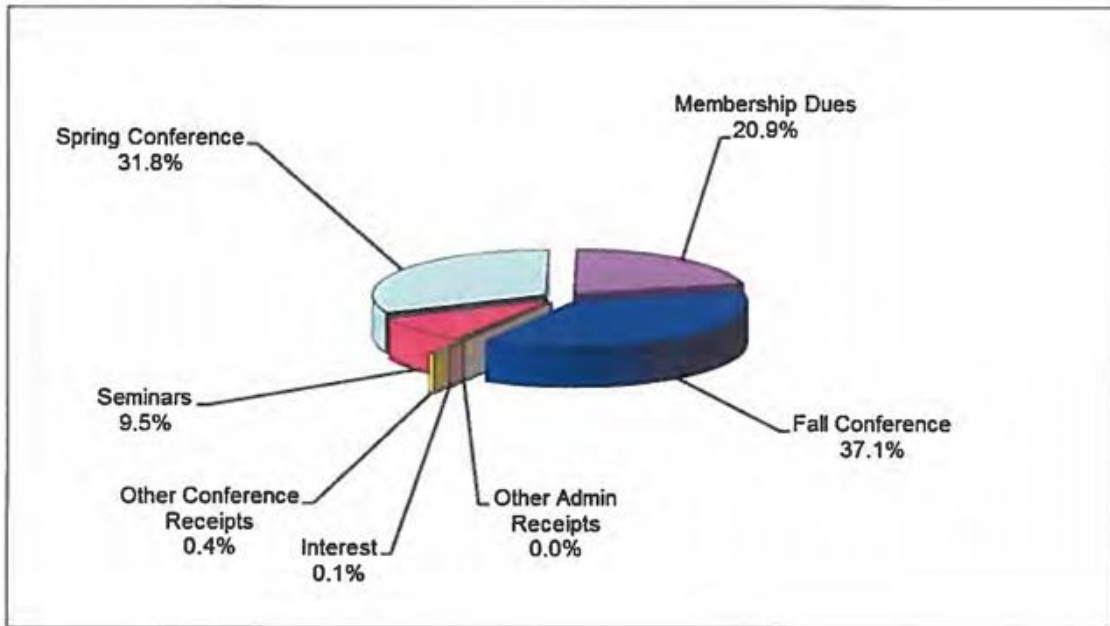
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH RECEIPTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

CASH RECEIPTS BY SOURCE



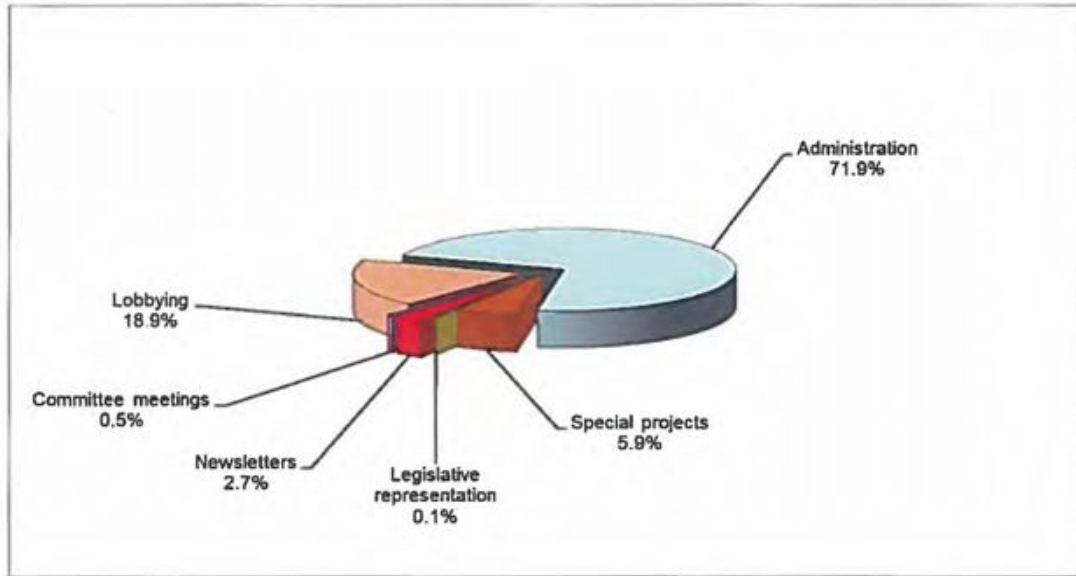
STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH RECEIPTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

CASH RECEIPTS BY SOURCE

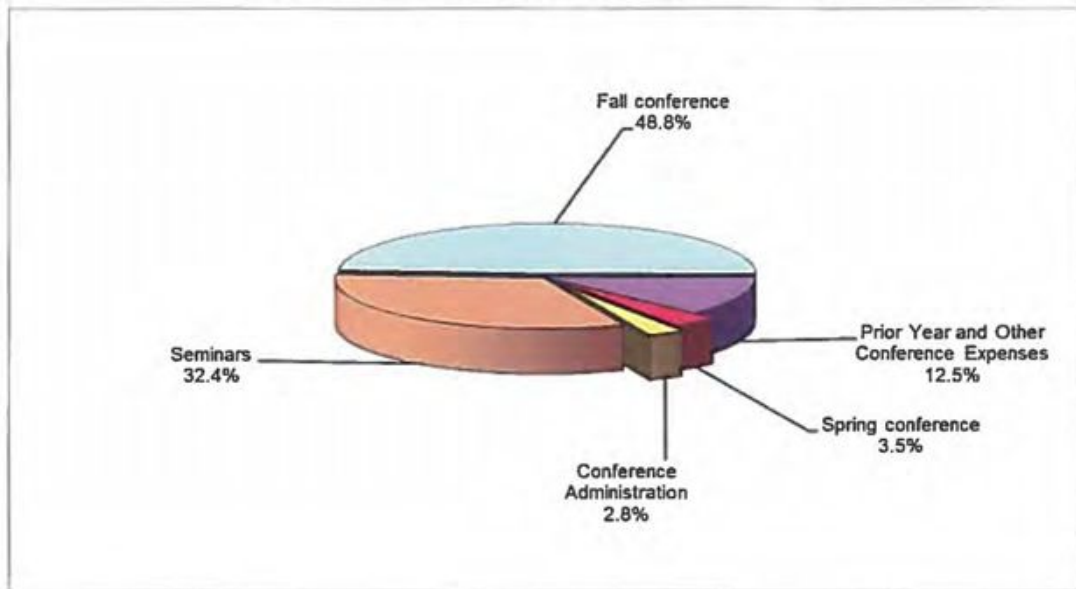


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

ADMINISTRATION CASH DISBURSEMENTS

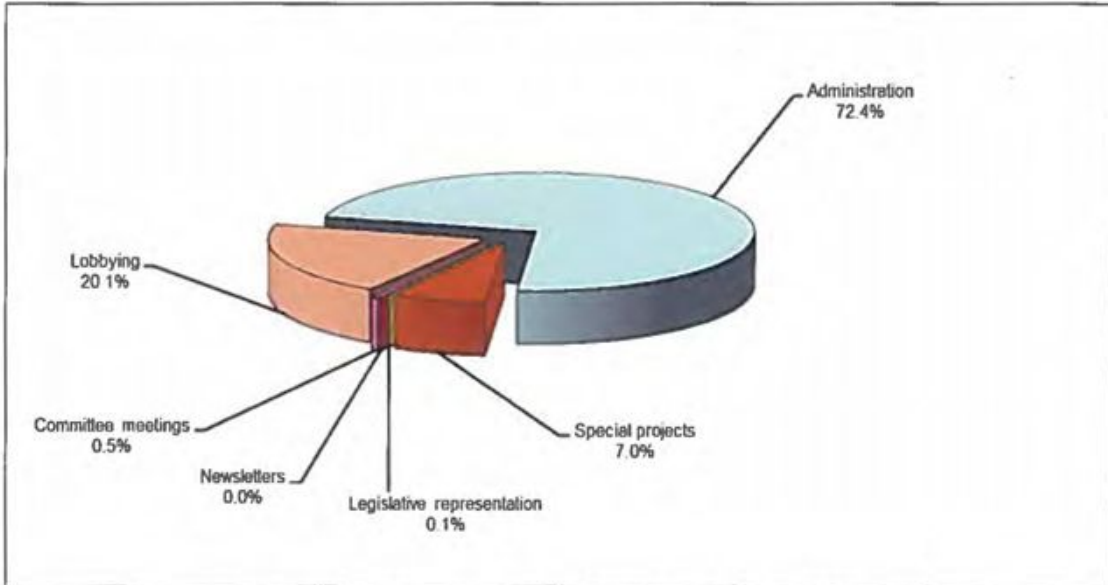


CONFERENCE CASH DISBURSEMENTS

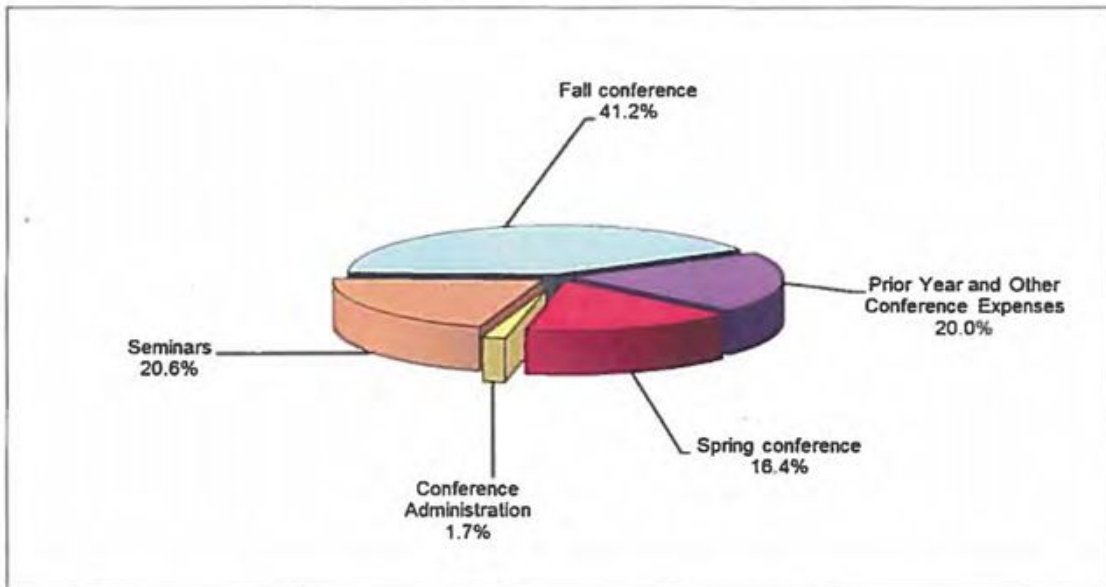


STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
GRAPHICAL PRESENTATION OF CASH DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

ADMINISTRATION CASH DISBURSEMENTS



CONFERENCE CASH DISBURSEMENTS



**STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
CONFERENCE SUMMARY REPORT**

	Spring 2015 <u>Anaheim</u>	Fall 2014 <u>Monterey</u>	Spring 2014 <u>Sacramento</u>	Fall 2013 <u>Indian Wells</u>	Spring 2013 <u>Napa</u>	Fall 2012 <u>Hollywood</u>
Cash receipts						
Conference	\$ 525,675	\$ 600,405	\$ 503,655	\$ 564,440	\$ 536,295	\$ 561,480
Total cash receipts	<u>525,675</u>	<u>600,405</u>	<u>503,655</u>	<u>564,440</u>	<u>536,295</u>	<u>561,480</u>
Cash disbursements						
Hotel and meals	242,932	256,075	154,322	328,405	189,939	257,884
Audio and visual	40,980	38,118	42,031	36,800	36,800	37,725
Program materials	32,726	25,711	42,182	46,851	38,822	44,073
Conference Administration	12,788	10,201	9,322	16,800	13,448	9,131
Other	-	4,466	1,750	-	2,601	-
Total cash disbursements	<u>329,426</u>	<u>334,571</u>	<u>249,607</u>	<u>428,856</u>	<u>281,610</u>	<u>348,813</u>
Net cash provided by conference	<u>\$ 196,249</u>	<u>\$ 265,834</u>	<u>\$ 254,048</u>	<u>\$ 135,584</u>	<u>\$ 254,685</u>	<u>\$ 212,667</u>
Total attendees	604	664	570	631	612	636



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

MANAGEMENT LETTER

To the Management
State Association of County Retirement Systems
Sacramento, CA, 95814

We have recently completed the audit of the financial statement of State Association of County Retirement Systems (SACRS) and have issued our report thereon dated August 16, 2016. In planning and performing our audit of your financial statement for year ending June 30, 2015, we applied generally accepted auditing standards (GAAS) as we considered your internal control over financial reporting as a basis for designing our auditing procedures. We did this for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Although our audit was not designed to provide assurance on the internal control structure and its operation, we noted certain matters that we are submitting for your consideration for the improvement of SACRS' accounting and financial reporting functions. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement. This letter does not affect our report dated August 16, 2016 on the financial statement of the State Association of County Retirement Systems.

Current Year Recommendations

2015-1 Beginning Equity

Observation:

The beginning balance of equity per the books differed from the prior year audited figure by \$7,770. This was due to the auditor's reclassification of prepaid expenses to expense at June 30, 2014, in accordance with the cash basis of accounting.

Recommendation:

While this timing difference between fiscal year 2014 and 2015 will not affect future periods, we recommend that SACRS adjust for the difference so that its financial records match the audit.

Management Response:

In accordance with the auditors' prior year recommendation the Bookkeeper no longer uses the general ledger code for prepaid expense and no adjustment will be recorded for this timing difference.

James Marta & Company LLP

Page 2 of 3

Status of Prior Year Recommendations

2013-1 Classification of Revenue

Observation:

Fall 2013 conference revenues totaling \$9,150 were posted to the "General" Class in QuickBooks. This revenue should have been posted to the "Fall Conference" Class.

Recommendation:

We recommend reclassifying the income as of the original deposit date, similar to our RJE-1.

Management Response:

Bookkeeper identified this item independent of the audit and reclassified accordingly.

Status: Implemented

2013-2 Prepaid-Expenses

Observation:

At June 30, 2014 and 2013, we noted activity in the "Prepaid Expenses" account on QuickBooks. SACRS uses the cash basis of accounting, no accrual of prepaid expenses is necessary.

Recommendation:

While we have detailed our reclassification of the prepaid expenses in RJE-2, we do not recommend adjustment to SACRS' books at this time. All of the underlying transactions are captured on the books, only the timing of the expense recognition will differ slightly from the audit.

Management Response:

Bookkeeper will no longer use the general ledger code for "Prepaid Expenses".

Status: Implemented

2011-2 Cash Management Policy

Observation:

The Cash Management Policy approved by the board on March 10, 2009 states that "one primary bank will have a commercial account for check responsibilities of the association...other three banks will be used for holding the association's reserves." As of June 30, 2011, SACRS had deposits in only two banks: Bank of America and Bank of Sacramento. Deposits with Bank of America were in excess of FDIC insured limits by \$532,212 at June 30, 2011.

Recommendation:

Auditor recommends that accounts be maintained with balances below the federally insured limits – i.e. no more than \$250,000 on deposit per institution. Further, the cash management policy and management's compliance with the policy should be reviewed at least annually by the Treasurer to ensure that the policy represents current facts and circumstances and that cash is being managed consistent with the policy.

Status: Implemented

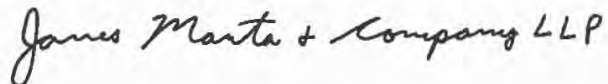
James Marta & Company LLP
Page 3 of 3

We believe that the implementation of these recommendations will provide State Association of County Retirement Systems with a stronger system of internal accounting control while also making its operations more efficient.

Management's responses to our recommendations are described above. We did not audit the Management's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Directors, management, and others within the association and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
August 16, 2016



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

INDEPENDENT AUDITOR'S REPORT

Board of Directors
State Association of County Retirement Systems
Sacramento, CA

In planning and performing our audit of the financial statement of State Association of County Retirement Systems (SACRS) as of and for the years ended June 30, 2015 and 2014, in accordance with auditing standards general accepted in the United States of America, we considered SACRS' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of SACRS' internal control. Accordingly, we do not express an opinion on the effectiveness of SACRS' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted certain matters that we have reported to management of SACRS in a separate letter dated August 16, 2016.

This communication is solely for the information and use of management, the board of directors, and others within the organization and is not intended to be, and should not be, used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
August 16, 2016



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

**COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE**

Board of Directors
State Association of County Retirement Systems
Sacramento, California

We have audited the financial statement of the State Association of County Retirement Systems (SACRS) for years ended June 30, 2015 and 2014, and have issued our report thereon dated August 16, 2016. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 10, 2015, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement. Our audit of the financial statement does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statement IS free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of SACRS solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our report on internal control over financial reporting in a separate letter to you dated August 16, 2016.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

701 Howe Avenue Suite E3, Sacramento, California 95825 Phone: 916-993-9494 Fax: 916-993-9489
e-mail: jmarta@ipmcpa.com www.ipmcpa.com

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Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We follow the AICPA Ethics Standard Rule 201C, in conjunction with this, we annually review with all engagement staff potential conflicts and obtain a conflict certification. In addition, we inquire on each engagement about potential conflicts with staff. We have not identified any relationships or other matters that in the auditor's judgment may be reasonably thought to bear on independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by SACRS is included in Note 1 to the financial statement. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2015. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are typically an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. As the accounting of SACRS is prepared on a cash basis, no estimates are necessary for the preparation of the financial statement.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We are not aware of any sensitive disclosures affecting SACRS' financial statement.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

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Certified Public Accountants

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statement as a whole. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statement taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to SACRS' financial statement or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated August 16, 2016.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with SACRS, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as SACRS' auditors.

We are contracted to prepare the fiscal year 2015 federal Return of Organization Exempt From Income Tax, and related state filings, as well as the calendar year Forms 1099-MISC for SACRS. These returns will be prepared using audited financial data, where applicable, but our preparation of these returns does not constitute an audit. No audit opinion will be issued on the tax returns referred to above.

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This report is intended solely for the information and use of the Board of Directors, and management of State Association of County Retirement Systems and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
August 16, 2016

James Marta & Company LLP
Certified Public Accountants



MANAGEMENT REPRESENTATION LETTER

August 16, 2016

James Marta & Company LLP
Certified Public Accountants
701 Howe Avenue, Suite E3
Sacramento, California 95825

This representation letter is provided in connection with your audit of the statement of cash receipts and disbursements of the State Association of County Retirement Systems (SACRS) for the fiscal year ended June 30, 2015, and the related notes to the financial statement, for the purpose of expressing an opinion on whether the financial statement is presented fairly, in all material respects, in accordance with the cash basis of accounting described in Note 1 to the financial statement.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of August 16, 2016:

Financial Statement

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated July 10, 2015, for the preparation and fair presentation of the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed.
- All events subsequent to the date of the financial statement which requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed.
- We have complied with all contractual agreements, grants, and donor restrictions.
- We have maintained an appropriate composition of assets in amounts needed to comply with all donor restrictions.

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OPERATING UNDER COUNTY EMPLOYEES RETIREMENT LAW OF 1937, GOVERNMENT CODE 31450 ET SEQ. Page 5 of 5

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- We have accurately presented the entity's position regarding taxation and tax-exempt status.
- The bases used for allocation of functional expenses are reasonable and appropriate.
- We have included in the financial statement all assets under the entity's control.
- We have designed, implemented, and maintained adequate internal controls over the receipt and recording of contributions.
- Methods and significant assumptions used by management to determine fair values, their consistency in application, and the completeness and adequacy of fair value information for financial statement measurement and disclosure purposes are appropriate.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statement, such as records, documentation, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statement in accordance with the cash basis of accounting described in Note 1 to the financial statement.
- We have disclosed to you the results of our assessment of the risk that the financial statement may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statement.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statement communicated by employees, former employees, analysts, regulators, or others.
- We have no knowledge of any noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statement and we have not consulted legal counsel concerning litigation or claims.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Supplementary Information in Relation to the Financial Statement as a Whole

With respect to the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report accompanying the financial statement:

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- We acknowledge our responsibility for the presentation of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements in accordance with the cash basis accounting as described in Note 1 to the financial statement. We acknowledge our responsibility for the presentation of the Conference Summary Report which presents all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- We believe the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, and Graphical Presentation of Cash Disbursements, including its form and content, is fairly presented in accordance with the cash basis accounting as described in Note 1 to the financial statement. We believe the Conference Summary Report, including its form and content, is fairly presented and inclusive of all cash receipts and expenses related to a specific regardless of timing of the underlying receipt or disbursement.
- The methods of measurement or presentation have not changed from those used in the prior period.
- When the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report are not presented with the audited financial statement, management will make the audited financial statement readily available to the intended users of the Combining Statement of Cash Receipts and Disbursements, Graphical Presentation of Cash Receipts, Graphical Presentation of Cash Disbursements, and Conference Summary Report no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Additional Representations

- We have reviewed, approved, and taken responsibility for the financial statement and related notes.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statement.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- All disbursements have been properly classified in the financial statement and allocations, if any, have been made on a reasonable basis.
- Deposit and investment risks have been properly and fully disclosed.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- We have disclosed to you all guarantees, whether written or oral, under which SACRS is contingently liable.
- SACRS has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have provided to you our views on reported audit findings, conclusions, and recommendations, as well as planned corrective actions.
- Regarding our tax filings prepared by James Marta & Company LLP:

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- We are responsible for complying with tax filing requirements with the Internal Revenue Service, Franchise Tax Board, and other agencies, as applicable.
- We are responsible for establishing and maintaining effective internal control over compliance.
- We have performed an evaluation of the Association's compliance with tax filing requirements and we are not aware of any instances of noncompliance.
- We have reviewed and approved the tax returns prepared by your office.
- We have made available to you all documentation related to compliance with specified requirements.
- We assume all management responsibilities in regards to the tax filings and have designated an individual in management who possesses suitable skill, knowledge and experience to oversee these services.
- We have performed an evaluation of the adequacy and results of the services performed and assume all management responsibilities.
- We accept responsibility for the results of the services.

Sulema Peterson, SACRS Administrator

Dodie Wishek, SACRS Financial Services

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Client: SACRS - State Association of County Retirement Systems
Engagement: SACRS15 - State Association of County Retirement Systems*
Period Ending: 6/30/2015
Workpaper: 2506 - Adjusting Journal Entry Report

Account	Description	Debit	Credit
Adjusting Journal Entry, JE # 1			
To adjust beginning net assets to prior year ending net assets per the audit.			
2020	Retained Earnings	7,770.00	
1405	Prior Year Expenses		7,770.00
Total		<u>7,770.00</u>	<u>7,770.00</u>





6. SACRS Legislative Committee Update - No Action
Richard Stensrud, SACRS Legislative Committee Chair
2017 Legislative Update

4/10/2017

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Public Pension Legislation

Full Report 4/10/2017

AB 20 (**Kalra D**) Public employee retirement systems: divestment: Dakota Access Pipeline.

Introduced: 12/5/2016

Fiscal: Y

Urgency: N

Status: 1/19/2017 - Referred to Com. on P.E., R., & S.S.

Location: 1/19/2017 - A . P.E.,R. & S.S.

Summary: Would prohibit the boards of administration of the Public Employees' Retirement System and the State Teachers' Retirement System, on and after January 1, 2018, from making additional investments or renewing investments in a company constructing, or funding the construction of, the Dakota Access Pipeline, as defined. This bill would require the boards, on or before July 1, 2018, to liquidate their investments in a company constructing, or funding the construction of, the Dakota Access Pipeline.

AB 52 (**Cooper D**) Public employees: orientation and informational programs: exclusive representatives.

Introduced: 12/5/2016

Fiscal: Y

Urgency: N

Status: 1/19/2017 - Referred to Com. on P.E., R., & S.S.

Location: 1/19/2017 - A . P.E.,R. & S.S.

Summary: Current law, including the Meyers-Milias-Brown Act, the Ralph C. Dills Act, the Trial Court Employment Protection and Governance Act, the Trial Court Interpreter Employment and Labor Relations Act, and the Los Angeles County Metropolitan Transportation Authority Transit Employer-Employee Relations Act, as well as provisions commonly referred to as the Educational Employment Relations Act and the Higher Education Employer-Employee Relations Act, regulates the labor relations of the state, the courts, and specified local public agencies and their employees. This bill would require the public employers regulated by the acts described above to provide all employees an orientation.

4/10/2017

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The bill would also require these public employers to permit the exclusive representative, if applicable, to participate.

AB 283 (**Cooper** D) County employees' retirement: permanent incapacity.

Introduced: 2/2/2017

Last Amended: 3/23/2017

Fiscal: N

Urgency: N

Status: 3/27/2017 - Re-referred to Com. on P.E., R., & S.S.

Location: 3/23/2017 - A . P.E.,R. & S.S.

Summary: The County Employees Retirement Law of 1937 provides that a member who is permanently incapacitated shall be retired for disability despite age if, among other conditions, the member's incapacity is a result of injury or disease arising out of and in the course of the member's employment, and that employment contributes substantially to that incapacity or the member has completed 5 years of service and not waived retirement in respect to the particular incapacity or aggravation thereof, as specified. This bill would require, for purposes of determining permanent incapacity of certain members employed as peace officers, that those members be evaluated by the retirement system to determine if they can perform all of the usual and customary duties of a peace officer, as specified.

AB 512 (**Rodriguez** D) Public employees' retirement: safety members: industrial disability retirement.

Introduced: 2/13/2017

Fiscal: Y

Urgency: N

Status: 3/29/2017 - Action From P.E.,R. & S.S.: Do pass.To APPR..

Location: 3/29/2017 - A . APPR.

Summary: The Public Employees' Retirement Law, until January 1, 2018, provides a state safety member of the Public Employees' Retirement System who retires for industrial disability a retirement benefit equal to the greatest amount resulting from 3 possible calculations. In this regard, the benefit amount is based on an actuarially reduced service retirement, a service retirement allowance, if the member is qualified, or 50% of his or her final compensation,

4/10/2017

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plus an annuity purchased with his or her accumulated contributions, if any. Current law establishes the Public Employees' Retirement Fund, which is appropriated continuously for various purposes, including the payment of benefits. This bill would delete the repeal of these provisions, thereby extending them indefinitely.

AB 526 (**Cooper D**) County employees' retirement: districts: retirement system governance.

Introduced: 2/13/2017

Last Amended: 4/4/2017

Fiscal: N

Urgency: N

Status: 4/5/2017 - Re-referred to Com. on P.E., R., & S.S.

Location: 4/3/2017 - A . P.E.,R. & S.S.

Summary: Would define the Sacramento County retirement system as a district under CERL. The bill would authorize the board to adopt, by resolution, specified administrative provisions that would classify various personnel of the retirement system as employees of the retirement system and not employees of the county. The bill would require the retirement system to notify, and to meet and discuss with, participating employers in the retirement system, the employees of the system, and specified employee organizations, regarding the retirement system's intent to exercise this authority at least 60 days before considering a resolution to make these provisions applicable.

AB 530 (**Cooper D**) Public employment: collective bargaining: peace officers.

Introduced: 2/13/2017

Last Amended: 4/4/2017

Fiscal: Y

Urgency: N

Status: 4/5/2017 - Re-referred to Com. on P.E., R., & S.S.

Location: 4/3/2017 - A . P.E.,R. & S.S.

Summary: Current law requires the Public Employment Relations Board (PERB) to enforce and apply rules adopted by a public agency concerning unit determinations, representation, recognition, and elections. Current law also requires specified complaints to be processed as an unfair practice charge by

4/10/2017

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PERB. Current law does not apply the above provisions to persons who are peace officers, as defined. This bill would expand the jurisdiction of PERB to include resolving disputes and statutory duties and rights of persons who are peace officers, as defined.

AB 561 (**Voepel R**) Sales and use taxes: exclusion: public safety first responder vehicle and equipment: local public employee retirement: employer contributions.

Introduced: 2/14/2017

Last Amended: 3/20/2017

Fiscal: Y

Urgency: N

Status: 4/6/2017 - From committee: Amend, and do pass as amended and re-refer to Com. on P.E., R., & S.S. (Ayes 10. Noes 0.) (April 3).

Location: 4/3/2017 - A . P.E.,R. & S.S.

Summary: Would for any public safety first responder vehicle and any equipment required on a public safety first responder vehicle that is purchased by a local public agency, exclude from the terms "gross receipts" and "sales price," amounts of the gross receipts or sales price in excess of \$300,000. This bill contains other related provisions and other existing laws.

AB 590 (**Medina D**) Public employees' retirement: membership election.

Introduced: 2/14/2017

Fiscal: Y

Urgency: N

Status: 2/27/2017 - Referred to Com. on P.E., R., & S.S.

Location: 2/27/2017 - A . P.E.,R. & S.S.

Summary: The Public Employees' Retirement Law permits a member of the Public Employees' Retirement System (PERS) who is employed by a school employer, the Board of Governors of the California Community Colleges, or the State Department of Education to elect to have specified service excluded from coverage by the Defined Benefit Program of the State Teachers' Retirement Plan and instead be subject to coverage by PERS, as specified. This bill would limit the application of that option to a member of PERS who was employed by a school employer, the Board of Governors of the California Community Colleges, or the State Department of Education within 120 days before the member's date of hire

4/10/2017

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to perform service that requires membership in the Defined Benefit Program of the State Teachers' Retirement Plan.

AB 592 (**Dahle R**) Public employees' retirement: contracting agencies.

Introduced: 2/14/2017

Fiscal: Y

Urgency: N

Status: 4/6/2017 - In committee: Hearing postponed by committee.

Location: 2/27/2017 - A . P.E.,R. & S.S.

Summary: Current law authorizes public agencies to contract with the Board of Administration of the Public Employees' Retirement System to have their employees become members of the Public Employees' Retirement System (PERS) and makes an contracting agency that terminates a contract liable to PERS for any deficit in funding for earned benefits, interest, and reasonable and necessary costs of collection. This bill would authorize a contracting agency to request a calculation of the total costs necessary to terminate its contract with PERS.

AB 679 (**Cooley D**) Public employees' retirement: investments: security loans.

Introduced: 2/15/2017

Fiscal: Y

Urgency: N

Status: 3/2/2017 - Referred to Com. on P.E., R., & S.S.

Location: 3/2/2017 - A . P.E.,R. & S.S.

Summary: PERL grants the Board of Administration of PERS exclusive control of and fiduciary responsibility for the investment of the Public Employees' Retirement Fund, and authorizes the board to enter into specific types of security loan agreements, whereby a legal owner (the lender) agrees to lend specific marketable corporate or government securities for no more than one year, and the lender retains the right to collect from the borrower all dividends, interest, premiums, rights, and other distributions. This bill would require a borrower with respect to any security loan agreement to provide the board with collateral in the form of cash, United States government debt securities, or other specified forms of collateral, and would require that the amount of the collateral be at least 102% of the market value of the loaned securities.

4/10/2017

ctweb.capitoltrack.com/public/publish.aspx?session=17&id=c70cf75e-ed5-4afe-84f1-003674728456**AB 799** (Choi R) Alternate retirement program.

Introduced: 2/15/2017

Fiscal: N

Urgency: N

Status: 2/16/2017 - From printer. May be heard in committee March 18.

Location: 2/15/2017 - A . PRINT

Summary: Current law requires the Department of Human Resources to administer an alternate retirement program for state employees who became state miscellaneous members or state industrial members of the Public Employees' Retirement System between August 11, 2004, and June 30, 2013, inclusive, and who did not make contributions into the system during the 24 months of employment following the date they qualified for membership in the system, as specified. This bill would make a nonsubstantive change to that provision.

AB 825 (Choi R) State employees' retirement.

Introduced: 2/16/2017

Fiscal: N

Urgency: N

Status: 2/17/2017 - From printer. May be heard in committee March 19.

Location: 2/16/2017 - A . PRINT

Summary: Current law, for the purposes of complying with the federal Omnibus Budget Reconciliation Act of 1990, requires the Department of Human Resources to develop and administer a retirement program in which state employees, as defined, who are not covered by social security or by the Public Employees' Retirement System can defer compensation at 7.5% of wages, as specified. This bill would make nonsubstantive changes to that provision.

AB 833 (Allen, Travis R) Public employees' retirement.

Introduced: 2/16/2017

Fiscal: N

Urgency: N

Status: 2/17/2017 - From printer. May be heard in committee March 19.

Location: 2/16/2017 - A . PRINT

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6/13

4/10/2017

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Summary: Current law, the California Public Employees' Pension Reform Act of 2013, establishes various limits on retirement benefits generally applicable to a public employee retirement system, except as specified, and among other things, prescribes limits on service after retirement without reinstatement into the applicable retirement system. This bill would make a nonsubstantive change to that provision.

AB 883 (**Dahle R**) Emergency services: Governor: powers.

Introduced: 2/16/2017

Last Amended: 3/23/2017

Fiscal: Y

Urgency: N

Status: 3/27/2017 - Re-referred to Com. on G.O.

Location: 3/23/2017 - A . G.O.

Summary: The California Emergency Services Act requires the Governor to coordinate the State Emergency Plan and any programs necessary for the mitigation of the effects of an emergency in this state, as specified, and authorizes the Governor to take certain actions, including providing for use of public airports, in accordance with the State Emergency Plan and programs for the mitigation of the effects of an emergency in this state. This bill would additionally authorize the Governor to provide for the use of aviation coordination in accordance with the State Emergency Plan and programs for the mitigation of the effects of an emergency in this state.

AB 946 (**Ting D**) State public retirement systems: divestiture: border wall construction companies.

Introduced: 2/16/2017

Last Amended: 3/28/2017

Fiscal: Y

Urgency: N

Status: 3/28/2017 - From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E., R., & S.S. Read second time and amended.

Location: 3/27/2017 - A . P.E.,R. & S.S.

Summary: Would prohibit the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new

4/10/2017

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investments or renewing existing investments of public employee retirement funds in a border wall construction company, as defined. The bill would require the boards to liquidate investments in a border wall construction company within 12 months of the company contracting or subcontracting to provide work or material for a border wall, as defined.

AB 1243 (**Arambula** D) Public Employees' Retirement System: replacement benefits plan.

Introduced: 2/17/2017

Last Amended: 3/13/2017

Fiscal: Y

Urgency: N

Status: 3/29/2017 - Action From P.E.,R. & S.S.: Do pass.To APPR..

Location: 3/29/2017 - A . APPR.

Summary: Current law establishes in the treasury of each county the county school service fund, for use by the county superintendent of schools to pay all the charges against the fund and to provide for additional apportionments to school districts or community districts under his or her jurisdiction for various expenses. This bill would authorize a county superintendent of schools, for the purpose of paying necessary contributions to the replacement benefit plan, to draw requisitions against the county school service fund and the funds of the respective school districts or other local educational agencies in amounts equal to the total of the contribution required to be paid pursuant to replacement benefit plan provision.

AB 1487 (**Rodriguez** D) Public Employees' Retirement System: limited term appointments.

Introduced: 2/17/2017

Last Amended: 3/28/2017

Fiscal: Y

Urgency: N

Status: 3/28/2017 - From committee chair, with author's amendments: Amend, and re-refer to Com. on P.E., R., & S.S. Read second time and amended.

Location: 3/27/2017 - A . P.E.,R. & S.S.

Summary: The Public Employees' Retirement Law authorizes a public agency and a school employer to contract to make their employees members of PERS.

4/10/2017

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PERL establishes the compensation earnable by members of the system, defined as the member's payrate and special compensation, which includes out-of-class pay for state members. This bill would prohibit an out-of-class appointment by a contracting agency or school employer from exceeding 960 hours each fiscal year. The bill would define "out-of-class appointment" to mean an appointment to an upgraded position or higher classification by the governing body to a vacant position for a limited duration.

SB 32 (**Moorlach** R) California Public Employees' Pension Reform Act of 2018.

Introduced: 12/5/2016

Last Amended: 3/2/2017

Fiscal: Y

Urgency: N

Status: 3/17/2017 - Set for hearing April 24.

Location: 3/8/2017 - S . P.E. & R.

Summary: Would create the Citizens' Pension Oversight Committee to serve in an advisory role to the Teachers' Retirement Board and the Board of Administration of PERS. The bill would require the committee, on or before January 1, 2019, and annually thereafter, to review the actual pension costs and obligations of PERS and STRS and report on these costs and obligations to the public.

SB 200 (**Morrell** R) Public employees' retirement benefits: final compensation.

Introduced: 1/31/2017

Fiscal: N

Urgency: N

Status: 2/9/2017 - Referred to Com. on RLS.

Location: 1/31/2017 - S . RLS.

Summary: The California Public Employees' Pension Reform Act of 2013 provides, for purposes of determining a retirement benefit paid to a person who first becomes a member of a public retirement system on or after January 1, 2013, that final compensation means the highest average annual pensionable compensation earned, as defined, during a period of at least 36 consecutive months, or at least 3 consecutive school years. This bill would make a nonsubstantive change to that provision.

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SB 371 (**Moorlach** R) Local public employee organizations.

Introduced: 2/14/2017

Fiscal: N

Urgency: N

Status: 3/17/2017 - Set for hearing May 8.

Location: 2/23/2017 - S . P.E. & R.

Summary: The Meyers-Milius-Brown Act requires the governing body of a local public agency to meet and confer in good faith regarding wages, hours, and other terms and conditions of employment with representatives of a recognized employee organization. This bill would prohibit an individual who will be covered by a memorandum of understanding between a local public agency and a recognized public employee organization from representing the public agency in negotiations with the recognized employee organization.

SB 454 (**Moorlach** R) Public employees' health benefits.

Introduced: 2/16/2017

Last Amended: 4/6/2017

Fiscal: Y

Urgency: N

Status: 4/6/2017 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on P.E. & R.

Location: 3/2/2017 - S . P.E. & R.

Summary: Would, for state employees who are first employed and become members of the retirement system on or after January 1, 2018, limit the employer contribution for annuitants to 80% of the weighted average of the health benefit plan premiums for an active employee enrolled for self alone, during the benefit year to which the formula is applied, for the 4 health benefit plans with the largest state civil service enrollment, as specified.

SB 525 (**Pan** D) Public employees' retirement.

Introduced: 2/16/2017

Fiscal: Y

Urgency: N

Status: 3/17/2017 - Set for hearing April 24.

4/10/2017

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Location: 3/2/2017 - S . P.E. & R.

Summary: PERL requires a member who is incapacitated, as specified, to be retired for disability in accordance with certain provisions if that member meets specified requirements concerning service. Under PERL, the terms "disability" and "incapacity for performance of duty" are defined, as a basis of retirement, to mean disability of permanent or extended and uncertain duration, as determined by the board, except with respect to certain local safety members. This bill would redefine those terms to specify that the duration of the disability or incapacity must be expected to last at least 12 consecutive months or result in death.

SB 529 (**Nguyen R**) Inspection of public records.

Introduced: 2/16/2017

Fiscal: Y

Urgency: N

Status: 4/4/2017 - Set for hearing April 18.

Location: 3/2/2017 - S . E. & C.A.

Summary: Current law requires filing officers to hold nomination documents and signatures in lieu of filing fee petitions for a specified time. Current law limits public access to these documents and allows only for the public to view them. This bill would require that nomination documents and signatures in lieu of filing fee petitions be furnished promptly upon request, and it would clarify that a member of the public need not request these records pursuant to the California Public Records Act.

SB 599 (**Portantino D**) Public Employees' Medical and Hospital Care Act: Peace Officers Research Association of California Insurance and Benefits Trust.

Introduced: 2/17/2017

Last Amended: 3/23/2017

Fiscal: Y

Urgency: N

Status: 3/31/2017 - Set for hearing April 24.

Location: 3/29/2017 - S . P.E. & R.

Summary: Would authorize the Peace Officers Research Association of California Insurance and Benefits Trust to offer different health benefit plan

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designs with varying premiums in different areas of the state.

SB 671 (**Moorlach** R) County employees' retirement: retirement funds: transfers.

Introduced: 2/17/2017

Last Amended: 3/28/2017

Fiscal: N

Urgency: N

Status: 3/28/2017 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on P.E. & R.

Location: 3/9/2017 - S . P.E. & R.

Summary: CERL authorizes the board of supervisors to authorize the county auditor to make an advance payment of all or part of the county's estimated annual contribution if the payment is made within 30 days after the county's fiscal year begins. Current law also authorizes a district that is a member of the retirement system in the County of San Bernardino to make advance payments, as described above. This bill would specify that the authority to make advance payments, described above, does not prevent the board of supervisors or governing body of a district from making advance payments for the estimated annual county contributions for an additional year or years, for a county or a district, if certain requirements are satisfied.

SCA 1 (**Moorlach** R) Retirement savings plans: funding prohibition: General Fund.

Introduced: 12/5/2016

Fiscal: Y

Urgency:

Status: 1/12/2017 - Referred to Coms. on P.E. & R. and E. & C.A.

Location: 1/12/2017 - S . P.E. & R.

Summary: Would prohibit the state from incurring any liability for payment of the retirement savings benefit earned by program participants in the California Secure Choice Retirement Savings Program. The measure would also prohibit the appropriation, transfer, or encumbrance of moneys in the General Fund for the purposes of the program, including any unfunded liability that the program may incur, unless the appropriation, transfer, or encumbrance is for funding the startup and first-year administrative costs for the program.

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SCA 8

(Moorlach R) Public employee retirement benefits.

Introduced: 2/15/2017

Fiscal: Y

Urgency:

Status: 2/23/2017 - Referred to Coms. on P.E. & R. and E. & C.A.

Location: 2/23/2017 - S. P.E. & R.

Summary: Would permit a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, notwithstanding other provisions of the California Constitution or any other law. The measure would prohibit it from being interpreted to permit the reduction of retirement benefits that a public employee has earned based on work that has been performed, as specified. The measure would define government employer and retirement benefits for the purposes of its provisions.

Total Measures: 27

Total Tracking Forms: 27

4/10/2017 2:33:31 PM





7. SACRS Bylaws Committee Report - Vote
Vivian Gray, SACRS Bylaws Committee Chair

- A. Amendment to Article XI - Standing Committees,
Section 4. Program Committee

- B. Amendment to Article III – Membership,
Section 7. Membership Code of Conduct

SACRS By-Laws

...

Article XI – Standing Committees

...

Section 4 – Program Committee

Program Committee. The Program Committee shall be comprised ~~of not less than four (4) members but not more than eighteen (18) members~~ not more than (25) members from names submitted by the Program Committee Chair, with Board approval, and shall include the Education Committee Chair and Vice Chair and the Affiliate Committee Chair and Vice Chair. The committee shall also include five (5) regular members, three (3) staff members and eleven (11) affiliate members.

The President shall fill mid-term vacancies, with Board approval, ~~within forty-five (45) days of taking office.~~ The President shall appoint the Program Committee Chair, with the approval of the Board, within forty-five (45) days of taking office. The Program Committee Chair shall serve a one (1) year term that expires on the last day of the Spring regular meeting. The President may remove Program Committee members missing twenty-five percent (25%) or more of the Program Committee meetings in any given year, with Board approval. If an Affiliate member changes their firm mid-term, he/she may be subject to committee membership review, with Board approval.

The Program Committee shall be responsible for the planning and development ~~program~~ of the ~~two (2) annual~~ SACRS conferences.

Participation on the committee includes:

Pre-conference planning; brainstorming content and topics for general and concurrent sessions; recruitment of speakers and moderators for all conference sessions. Attend quarterly Program Committee meetings, and as needed.

Participation at conference includes; collection of feedback forms, assisting the moderator with question and answer component during sessions; coordination of the distribution of materials and; participation at networking events.

Length of appointment to committee:

Committee members shall serve in 3 year terms, the terms are on a staggered basis of one (1), two (2) and three (3) year rotation. A committee member may reapply for appointment upon completion of his/her term. Ex-Officio members are exempt from the term limitation process. Terms end at the completion of the Fall Conference.

SACRS By-Laws

Article III – Membership

Section 7 – Membership Code of Conduct

1. **Policy Against Harassment, Discrimination, and Retaliation.** SACRS is committed to providing an environment free from harassment and maintains a strict policy that forbids sexual harassment and other harassment, discrimination and retaliation based on race, color, national origin, ancestry, religion and religious creed, political affiliation, citizenship, sex, gender, gender identity, sexual orientation, age, pregnancy or breastfeeding, medical conditions, marital status, medical condition, physical or mental disability, or any other protected classification under federal, state or local law.
2. **Standard of Decorum and Professionalism.** SACRS members, representatives, family members, and guests are expected to maintain appropriate decorum and professionalism to improve the deliberative process and foster the integrity of the SACRS community. Verbal or non-verbal conduct which has the purpose or effect of affecting a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment will not be tolerated, regardless of whether such behavior amounts to unlawful conduct. Such inappropriate behavior includes, but is not limited to, the use of profanity, threats, offensive gestures, racial slurs, ethnic jokes, posting of offensive statements or pictures, derogatory remarks, insults, epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, assault or other unwelcome physical conduct, or other similar conduct.
3. **Penalties for Violation.** Any person found in violation of the SACRS Code of Conduct by the Board of Directors may, within the discretion of Board of Directors and as permitted by law, be temporarily or permanently barred from attending or participating in any SACRS conference, meeting, function, or event. Any member found in violation of the SACRS Code of Conduct by the Board of Directors may be subject to penalty within the discretion of Board of Directors and as permitted by law, including but not limited to:
 - (a) Warning and/or Censure;
 - (b) Suspension or revocation of the privileges of any member or their designated representatives;
 - (c) Suspension of membership; and,
 - (d) Termination of membership.
4. **Affiliate Guidelines.** Affiliate Members are and remain subject to additional guidelines as have been or may be approved by the Board of Directors.
5. **No Duty.** Although SACRS endeavors to create to create a respectful and welcoming environment for its membership, representatives, and other guests, it does not by this Code of Conduct or any other act, voluntarily assume a duty to do so, except as otherwise required by federal, state, or local law.





8. SACRS Nomination Committee - 2017-2018 SACRS BOD Elections - Vote
Yves Chery, Nomination Committee Chair

A. SACRS BOD 2017 – 2018 Ballot



March 31, 2017

Attn: SACRS Administrators
From: Yves Chery, SACRS Nominating Committee Chair
SACRS Nominating Committee
Re: SACRS Board of Directors Elections 2017-2018 – **FINAL BALLOT**

Per SACRS Bylaws, Article VI ~ Section 2 – Election, Qualification and Term of Office
“The officers of SACRS shall be regular members of SACRS. The officers shall be elected by majority vote of the quorum of delegates and alternate delegates present at the first meeting in each calendar year and shall hold office for one (1) year and until a successor is elected.”

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

“...The Board of any regular member County Retirement System may submit write-in candidates to be included in the Nominating Committee’s final ballot provided the Nominating Committee receives those write-in candidates prior to March 25, 2017. The Nominating Committee will report a final ballot to each regular member County Retirement System prior to April 1, 2017.

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

Listed below is the SACRS’ Nominating Committee recommended Final Slate and all the write-in candidates submitted by the systems. As in the past, a voting delegate may entertain a motion to vote by individual officer positions or by complete slate. Please be sure to authorize your voting delegate to vote either way.

The elections will be held at the upcoming SACRS Spring Conference during the Annual Business meeting on Friday, May 19, 2017 at the Napa Valley Marriott in Napa, California.

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

Continued (Page 1 of 2)



SACRS Nominating Committee Recommended 2017-2018 Final Slate:

President	Dan McAllister, San Diego CERA
Vice President	Gabe Rodrigues, Contra Costa CERA
Treasurer	Harry E. Hagen, Santa Barbara CERA
Secretary	Kathryn Cavness, Mendocino CERA

Write-In Candidates:

Treasurer	Art Goulet, Ventura CERA
Secretary	Art Goulet, Ventura CERA
Treasurer	Harry E. Hagen, Santa Barbara CERA

If you have any questions, please contact me directly at (818) 989-4435 or ychery2013@gmail.com. Thank you for your prompt attention to this timely matter.

Best Regards,

Yves Chery, Los Angeles CERA Trustee
SACRS Nominating Committee Chair

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

(Page 2 of 2)



March 31, 2017

To: All 37 Act Systems
From: Yves Chery, Chair SACRS Nominating Committee
Re: **SACRS NOMINATING COMMITTEE 2017-2018 ELECTION REPORT**

Nominating Committee Members: Yves Chery, Chairperson (LACERA), Louis Fiorino (San Bernardino CERA), Tracy Towner (Ventura CERA), Vivian Gray (LACERA), Deanna McCormick (Ventura CERA) (absent)

For years the SACRS' Nominating Committee has contributed to the stability and continuity of our association and its election process. Given the diversity of the 37 Act Systems and the importance of ensuring the continuity and collegiality of the SACRS' Board in its work to further the mission of SACRS, and encourage greater participation by the membership, the Nominating Committee considered numerous factors in making its recommendation to the 37 Act Systems.

Prior to the February 1, 2017 deadline, the Nominating Committee received 6 letters of interest from SACRS members for 4 open seats on the SACRS' Board of Directors for the 2017-2018 election.

On February 20, 2017 the Nominating Committee received an email from Marin CERA administrator, Jeff Wickman, suggesting that the committee consider diversifying the SACRS' Board of Directors to ensure it reflects the diversity of the overall SACRS' member systems. (See Attachment)

On February 23, 2017 the committee convened via conference call and carefully and thoroughly reviewed all the candidates' information, considered their experience, qualifications, and the following to ensure a broad and diverse representation of the 37 Act memberships on the SACRS' Board of Directors:

- **Size of System – Small, Medium, Large**
- **Location of System – North, Central, South, Urban, Rural**
- **Trustee – Elected, Appointed, Gender**

PRESIDENT

The Nominating Committee recommends, Mr. Dan McAllister, San Diego CERA Trustee for President

Mr. Dan McAllister, San Diego CERA Trustee (Treasurer & Tax-Collector), was the only candidate that submitted a letter of interest for President. MOTION by Yves Chery and seconded by Louis Fiorino to recommend Dan McAllister for President. MOTION PASSED UNANIMOUSLY.

VICE PRESIDENT

The Nominating Committee recommends, Mr. Gabe Rodrigues, Contra Costa CERA Trustee for Vice President

Continued (Page 1 of 3)



Mr. Gabe Rodrigues, Contra Costa CERA Trustee, was the only candidate that submitted a letter of interest for Vice President. MOTION by Yves Chery and seconded by Ms. Gray to recommend Gabe Rodrigues for Vice President. MOTION PASSED UNANIMOUSLY.

The Treasurer and Secretary seats were the only contested positions. After unanimously approving the President and Vice President nominees, the committee considered the two contested seats.

Both of the incumbents of the contested seats (Mr. Larry Walker and Mr. Art Goulet) were from systems in the Southern California Region; however, SACRS current Treasurer, Larry Walker (San Bernardino CERA), was completing his first term on the Board while SACRS current Secretary, Art Goulet (Ventura CERA), was finishing his second term.

After weighing all the above factors, including Marin CERA's suggestion to broaden and diversify the representation on the Board, the committee voted to recommend the incumbent Larry Walker as Treasurer and a non-incumbent, Kathryn Cavness, the current Vice Chairwoman of Mendocino CERA as SACRS' Board Secretary

On March 3, 2017 the Nominating Committee's nominee for Treasurer, Larry Walker, withdrew his name to allow Mr. Goulet the opportunity to serve as SACRS' Treasurer. Moreover, Mr. Goulet did not accept Mr. Walker's gracious gesture of suggesting that he considers the Treasurer's position. (See Attachments)

On March 30, 2017, the committee reconvened via conference call to review all the candidates' information for the vacant Treasurer seat, make a recommendation for the Treasurer position, and prepare a final ballot for the 37 Act Systems.

The committee received two letters of interest for Treasurer. One from, Harry E. Hagen, Santa Barbara CERA Trustee (Treasurer and Tax-Collector) and another from, Tarrell V. Gamble, Alameda CERA Trustee.

TREASURER

The Nominating Committee recommends, Mr. Harry E. Hagen, Santa Barbara CERA Trustee for Treasurer

While Mr. Gamble was considered, the committee recommends Harry E. Hagen, Santa Barbara CERA Trustee (Treasurer and Tax-Collector). Mr. Hagen who is the Treasurer and Tax-Collector of Santa Barbara CERA is a Certified Public Accountant (CPA), Certified Public Finance Officer (CPFO), Certified Fixed Income Practitioner (CFIP), and Advanced Certified Public Funds Investment Manager (ACPFIM) and chairman of Santa Barbara CERA.

MOTION by Mr. Fiorino and seconded by Ms. Gray to recommend Harry E. Hagen for Treasurer. MOTION PASSED UNANIMOUSLY.

Continued (Page 2 of 3)



SECRETARY

The Nominating Committee recommends, Ms. Kathryn Cavness, Mendocino CERA Trustee for Secretary

Ms. Kathryn Cavness and Mr. Art Goulet were the only candidates who submitted a letter of interest for SACRS' Board Secretary.

Mr. Art Goulet, a trustee from Ventura CERA, who is currently finishing his second term as SACRS' Board Secretary is seeking a third term. Ms. Kathryn Cavness, the Vice Chairwoman of Mendocino CERA, is seeking her first term.

Currently, the bylaws do not preclude any SACRS' Board of Directors from seeking the same position beyond two terms, but historically, SACRS Board of Directors serve for two terms in one seat, then continues to the next seat, until she/he becomes President or resigns from the SACRS' Board. This process allows the Board Member the opportunity to learn and grow while serving on the Board of Directors. However, Mr. Art Goulet has no desire to advance to the next seat, the Treasurer; instead, he wishes to run for a third term as Secretary. **(See Attachment)**

The Nominating Committee voted (3-1) to recommend Ms. Kathryn Cavness, the Vice chairwoman of Mendocino CERA. In addition to possessing the retirement board experience and qualification, Ms. Cavness would broaden and expand the representation on the SACRS' Board, as she is from a rural, relatively small, Northern California County Retirement System. Further, Ms. Cavness would be the **only woman on the SACRS' Board for the upcoming year, and the first since 2015.**

MOTION by Ms. Gray and seconded by Mr. Fiorino to recommend Ms. Kathryn Cavness for Secretary. [Louis Fiorino – YES (San Bernardino CERA), Vivian Gray – YES (LACERA), Tracy Towner – NO (Ventura CERA), Yves Chery – YES (LACERA). VOTE (3 – 1) MOTION PASSED.

The elections will be held at the SACRS Spring Conference during the Annual Business meeting on Friday, May 19, 2017 at the Napa Valley Marriott in Napa, California. Should you have any questions, please contact me directly at (818) 989-4435 or ychery2013@gmail.com. Thank you!

Best Regards,

Yves Chery, Los Angeles CERA Trustee
SACRS Nominating Committee Chair

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

(Page 3 of 3)



Yves Chery <ychery2013@gmail.com>

SACRS Nominating Committee Feedback

1 message

Wickman, Jeff <JWickman@marincounty.org>
To: Yves Chery <ychery2013@gmail.com>

Mon, Feb 20, 2017 at 9:52 AM

Yves Chery

SACRS Immediate Past President

Nominating Committee Chair

SACRS Board of Directors Nominating Committee

Dear Yves,

At their February 8, 2017 meeting the Board of Retirement for the Marin County Employees' Retirement Association (MCERA) reviewed your memorandum regarding the 2017-2018 SACRS Board of Directors election process. On behalf of the Board I want to thank you for providing the opportunity to consider and potentially nominate qualified candidates for the Board of Directors.

At the end of the discussion, the MCERA Board Chair directed me to provide you with some feedback that they would like the Nominating Committee to consider. The MCERA Board believes that the composition of the Board of Directors should reflect the diversity of the overall SACRS member systems. SACRS member systems are broadly dispersed throughout California and vary greatly in size. One thing that all member systems have in common is they are composed of genders and races that represent the broad population within the specific jurisdiction. The MCERA Board of Retirement encourages the Nominating Committee to consider all these factors when deciding on the final ballot that will be presented to the voting member systems.

Please feel free to contact me directly if you have any questions.

Jeff Wickman

Retirement Administrator

Marin County Employees' Retirement Association

One McInnis Parkway, Suite 100

San Rafael, CA. 94903

jwickman@marincounty.org

415-473-3733 Office

415-473-4179 Fax

Email Disclaimer: <http://www.marincounty.org/main/disclaimers>

Larry Walker
POB 968
Chino, CA 91708
larry@larrywalker.us
909-628-8000

Yves Chery
Chair, Nominating Committee, SACRS
ychery2013@gmail.com
[delivered as e-mail attachment]

March 3, 2017

Subj: Withdrawal of candidacy for SACRS Treasurer

Dear Yves:

Pursuant to our discussions during the past few days, this is a notice of withdrawal of my candidacy for the position of Treasurer of SACRS for 2017-18. As laid out below, I strongly believe that Art Goulet should replace me on the ballot for that position.

I have thoroughly enjoyed this past year as a member of the SACRS Board of Directors. We have made substantial accomplishments in the area of leading the management of our organization, including the improvement of our information systems and our web presence. We have also established a very positive working relationship among board members, staff, and local systems. I am committed to doing whatever I can to assure that that effort continues.

Looking at the Nominating Committee's proposed list of candidates, I believe the committee responded to a very important issue, that of diversity in the representation of our organization's members. We have no women on the board, and only one board member from Northern California. The committee's action remedies that situation. I have the impression, however, that the Nominating Committee action may have also awakened negative aspects of SACRS history, in particular negative feelings from 2015.

I support the nomination of Kathryn Cavness. I do not know her, but I trust the committee's judgement, and her addition to the board should be a positive. It should not become a battlefield on which ghosts of the past are revived and old battles re-fought. The issue is simply whether Art Goulet or Larry Walker should give way to accommodate the new board member. On this I disagree with the Nominating Committee. I will step back.

I note that the Committee's hands were tied by the fact that each of us nominated ourselves for a specific position. The committee could not therefore take what I believe would be the best course of action — nominate Art Goulet for Treasurer, and Kathryn Cavness for Secretary. My withdrawal paves the way to remedy that situation.

Yesterday, at my request, SBCERA nominated Art Goulet for Treasurer. I propose that you formally seek Art's consent to serve in that capacity. Assuming that he agrees, the Nominating Committee will be in a position to add Art's name to their recommended ballot as part of their final ballot process in late March. I do not withdraw with joy or celebration. However, I volunteered for this position with the goal of making SACRS a better organization, and I now believe that withdrawing in this moment will help avoid a controversy that would be as pointless as it is potentially destructive.

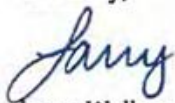
It comes down to this: on one hand, we can stand by and watch another conference overshadowed by a competition in which there is little difference in the candidates, but in which normally constructive leaders fall prey to the temptation to cast opponents as incapable or dishonest, even treacherous, and demand that each system take a side, however uncomfortable the situation. On the other hand, we can take a simple action that places virtually the same group onto the Board of Directors with very little antagonism on the part of anyone (other than whatever has gone on already.)

I urge the second course, and this withdrawal sets the table for the accomplishment of that strategy. My hope is that Art will accept this gesture for what it is – an effort to accomplish the best for our organization. My goal is that 2017-18 will be a year of accomplishment and fulfillment for SACRS, and not another cleanup year spent patching up relationships that have been needlessly damaged.

If there is any further procedural step that I need to undertake in order to accomplish the action outlined above, please so notify me at your convenience.

Thank you for your leadership.

Sincerely,



Larry Walker
Treasurer, SACRS

Cc: Dan McAllister President, SACRS
Sulema Peterson Administrator, SACRS



March 6, 2017

To: All 37 Act Systems
From: Yves Chery, Chair SACRS Nominating Committee
Re: Withdrawal of Treasurer Candidate for SACRS BOD

On Friday, March 3, 2017, Larry Walker, the Nominating Committee's nominee for the position of Treasurer of SACRS for 2017-2018 withdrew his name for consideration from the upcoming elections.

This development in the election process necessitated the Nominating Committee, with guidance from SACRS' legal counsel, to inform you of this matter to ensure that the election process remains fair, transparent and consistent with our bylaws.

Therefore, the Treasurer's position is now open. Interested candidates should submit their letter of interest and brief bio to the Nominating Committee prior to March 25, 2017.

Additionally, in accordance with our bylaws, the Boards of the regular members may also submit a write-in candidate for the Treasurer's position (or any other office). All submissions must be made prior to March 25, 2017.

The Nominating Committee will report a final slate to all 37 Act Systems prior to April 1, 2017. The elections will be held at the SACRS Spring Conference during the Annual Business meeting on Friday, May 19, 2017 at the Napa Valley Marriott in Napa, California.

If you have any questions, please contact me directly at (818) 989-4435 or ychery2013@gmail.com. Thank you for your prompt attention to this important matter.

Best Regards,

Yves Chery, Los Angeles CERA Trustee
SACRS Nominating Committee Chair

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



Yves Chery <ychery2013@gmail.com>

SACRS Treasurer

1 message

Artgou@aol.com <Artgou@aol.com>
To: ychery2013@gmail.com

Fri, Mar 24, 2017 at 11:05 AM

Yves,

Please remove my name as a write-in candidate for Treasurer, as nominated by SBCERA.

Larry Walker did not talk to me before he convinced the SBCERA Board to nominate me. He did that and withdrew his nomination because he graciously sought to dampen the controversy you caused.

My goal is to be re-elected Secretary despite your actions.

Art

January 31, 2017

Mr. Yves Chery
Chairman
Nominating Committee
State Association of County Retirement Systems

Dear Mr. Chery,

This is to officially submit my name for consideration by the Nominating Committee for the office of SACRS President.

When I first ran for the Presidency one year ago, I pledged to continue to help move our organization forward with strong, inclusive leadership. I also spoke of my experiences and accomplishments as San Diego County Treasurer-Tax Collector; and of serving as a Trustee on the San Diego County Employees Retirement Association (SDCERA) Board and two successful terms as Board Chair.

Over the past three years it has been my distinct honor and pleasure to serve on the SACRS Board. The first two years as Treasurer and this year as President. During this year our Board has worked closely together to establish and implement goals that will improve our levels of customer service to our members. Some of the key goals include:

1. Re-branding SACRS with a fresh new logo and look
2. Re-building our website to create more interactive capabilities for members
3. Presenting high quality speakers and topics of interest at each of our conferences
4. Building attendance at the SACRS Berkeley Education program through stronger marketing efforts
5. Reaching out to each '37 Act systems to determine what we can do to build Trustee and staff attendance at SACRS fall and spring conferences.

I am proud of the work our board has accomplished this year under my leadership. It has been a productive year for our Board and we have made a difference for the SACRS membership. Ours has been a team effort and one that can point to positive developments.

SACRS is a special organization and one that must continue to provide educational forums for disseminating knowledge and information to Trustees and system staffs from all '37 Act counties in California. Additionally, SACRS must take an active role in the legislative process as it affects county retirement systems. As SACRS President for the coming year, I will continue to work collaboratively with the SACRS Board and Trustees and system staff statewide to ensure that our educational programs and conferences continue to be of the highest quality.

With your support and nomination, I would be honored to serve a second term as President of SACRS. Thank you in advance for your careful and positive consideration of my candidacy for re-election.

Sincerely,

Dah McAllister
President

To: Yves Chery, SACRS Nomination Committee Chairperson
From: Gabe Rodrigues, CCCERA and SACRS VP
Re: 2017-2018 SACRS Elections

Mr. Chery,

I am requesting that my name be included on the 2017-2018 SACRS Nomination Slate for the position of Vice President at the upcoming elections in May 2017.

The past two years as the SACRS Vice President has been a most enjoyable and rewarding journey. It has not only given me the opportunity to work with some of the best and brightest individuals in the Public Pension and Institutional Investment communities, but it has also given me the ability to give back to our members who are made up of good, hardworking public servants.

I have been the Chairperson for three successful SACRS Conferences as well as a contributing member of the SACRS Board of Directors. With the knowledge and experience I have gained from overseeing the conferences and working with our esteemed and highly qualified Board members, Program Committee members and the Shaw/Yoder/Antwih Inc. staff, I feel qualified as well as motivated to be a successful Vice President. My goals are to keep moving SACRS forward as a premier public pension organization by reaching out to our members and understanding what our organization can do for them. My focus will be on our Spring and Fall Conferences, the UC Berkeley Educational Program, our upcoming new website and branding launch and any new, needed legislation.

It would be an honor to serve as the 2017-2018 SACRS Vice President.

Sincerely,
Gabe Rodrigues
CCCERA Safety Trustee

Education:

- Bachelor of Arts In Management – Saint Mary's College at Moraga, California
- MBA in Marketing Management – California State University, Hayward

Public Pension Trustee Certificates:

State Association of Public Retirement Systems - SACRS:

- Modern Investment Theory & Practice for Retirement Systems - U.C. Berkeley

California Association of Public Retirement Systems – CALAPRS:

- Principles of Pension Management - Stanford University
- Advanced Principles of Pension Management – UCLA

International Foundation of Employee Benefit Plans – IFEBP:

- Portfolio Concepts and Management – Wharton School of Business
- Certificate of Achievement in Public Plan Policy I
- Certificate of Achievement in Public Plan Policy II
- International an Emerging Market Investing
- Trustees Masters Program

National Conference on Public Employees Retirement Systems – NCPERS:

- Trustee Educational Seminar
- Public Pension Funding Forum - Yale University

March 17, 2017

To Yves Cherry, Chair, SACRS Nominating Committee

I would like to submit my letter of interest in running for the SACRS Board of Directors position of Treasurer. I am the current Treasurer-Tax Collector-Public Administrator for the County of Santa Barbara. I was first elected in 2010 and am currently serving in my second four-year term.

I believe I am well qualified for the position based upon my educational and work experience. I have a Bachelor of Arts degree in Business Economics from UCSB and a certificate in Public Treasury Management from USC. I also hold the following professional designations: Certified Public Accountant (CPA), Certified Public Finance Officer (CPFO), Certified Fixed Income Practitioner (CFIP), and Advanced Certified Public Funds Investment Manager (ACPFIM).

I am a 20-year employee of Santa Barbara County and the current Chair of the Santa Barbara County Employees Retirement System. I have served as the ex-officio member of SBCERS for 6 years. I was also an alternate member to the Board for eight years as the Assistant Treasurer-Tax Collector-Public Administrator.

Should you have any questions, please don't hesitate to call me directly.

Thank you for your consideration. I look forward to your positive decision in regards to my expression of interest in becoming SACRS Treasurer.

Harry E. Hagen, CPA, CPFO, CFIP, ACPFIM
Treasurer-Tax Collector-Public Administrator-Public Guardian
County of Santa Barbara
(805) 568-2490
hhagen@co.santa-barbara.ca.us

Kathryn Cavness

(707) 459-2215
k24u2figure@gmail.com

January 29, 2017

SACRS Nominating Committee
1415 L St., Suite 1000,
Sacramento, CA 95814

Dear Nominating Committee:

Please consider my request to run for secretary in the State Association of County Retirement Systems (SACRS) Board of Directors upcoming election. Currently, I am a Trustee and Vice Chair of the Mendocino County Employee Retirement Association (MCERA) as well as a member of the MCERA audit committee. My educational background and professional experience has provided me with a strong financial background ideally suited for taking on the responsibilities of Secretary of the SACRS Board of Directors.

As a public employee, I have been serving as the Senior Department Analyst for the County of Mendocino District Attorney's Office since 2008. My position encompasses budget and finance administration for the DA's Office, as well as providing grant management for the DA's Victim Advocacy programs, the Mendocino County's Behavioral Health Court, and the Mendocino County Community Corrections Partners AB109 Realignment efforts to decrease recidivism.

Additional responsibilities include:

- SACRS Educational Committee Member

My educational background consists of a Master's Degree in Business Administration as well as an abundance of investment management opportunities while serving on the MCERA Board including:

- Principles of Pension Management for Trustees, Graziadio Business School, Pepperdine University
- Advanced Principles of Pension Management for Trustees, UC Davis

Sincerely,

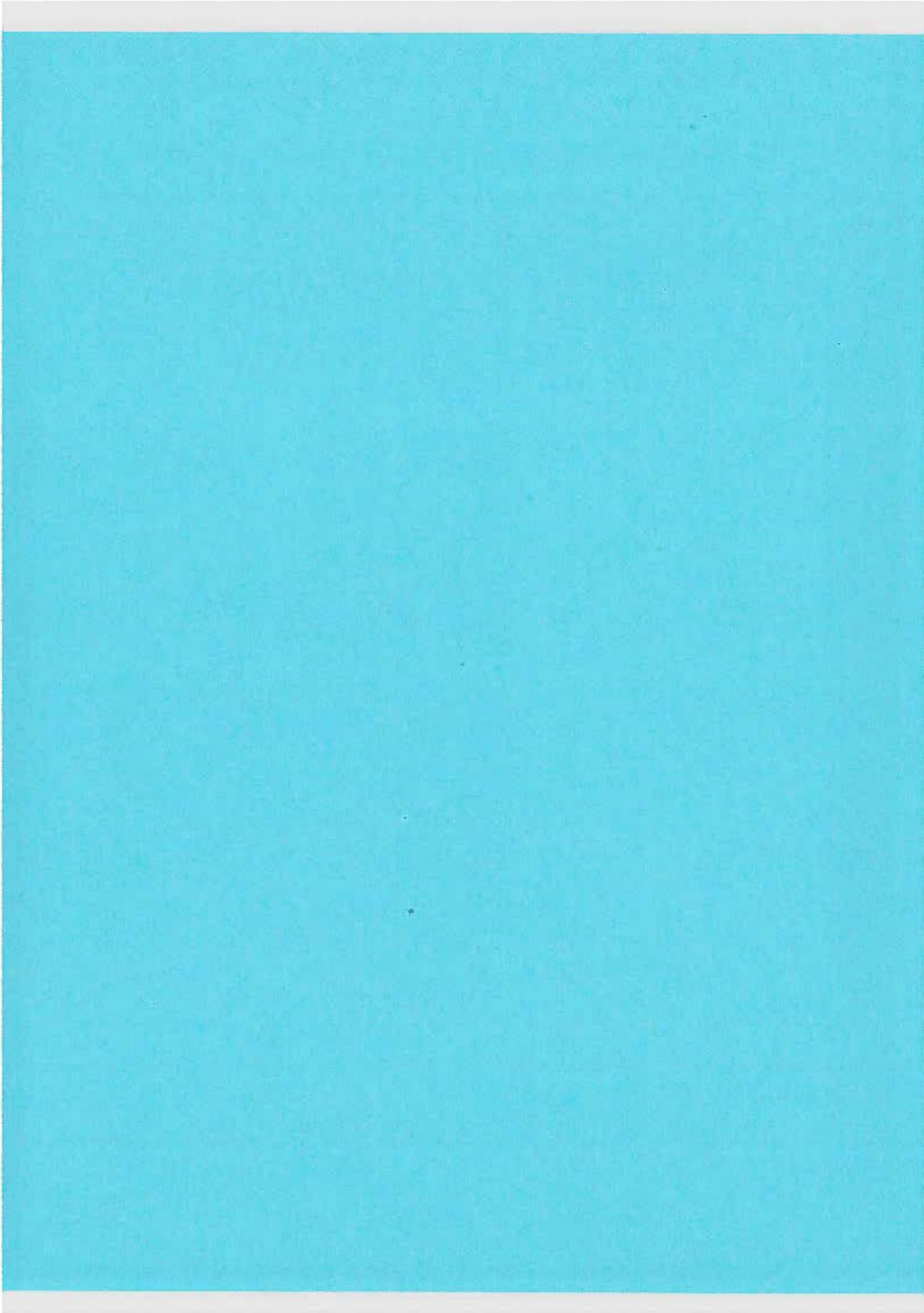
Kathryn Cavness

Art Goulet
artgou@aol.com

I am the current SACRS Secretary, first elected in 2015. I am also the Retired Member Trustee of the Ventura County Employees Retirement Association, having recently completed the second year of my fourth term. Every time I have run for the position, I have run unopposed. I am a Past President of the Retired Employees Association of Ventura County (REAVC), after having served 10 years as President. I also serve as the Legislative Chair for the California Retired County Employees Association (CRCEA) and have been a member of the SACRS Legislative and Audit Committees for 12 and 5 years, respectively.

I have Bachelor of Civil Engineering and Master of Public Administration Degrees, and varied public service and private consulting experience, including more than 22 years as County Director of Public Works. While Director of Public Works, I progressed through the offices of the County Engineers Association of California (CEAC), culminating as President. I was also named County Engineer of the year during my career, and received the Circle of Service Award twice from the California State Association of Counties.

I have a reputation for hard work, doing my homework, and being prepared to make meaningful contributions. I have put that reputation to work as Secretary of SACRS for the past year, and would appreciate being nominated again, so I can continue to do so.





9. SACRS Committee & Breakout Reports:

Committee	Chair	Breakout Reports	Representative
Affiliate	Michael Keough	Administrators	James Wilbanks
Audit	Steve Delaney	Attorneys	David Lantzer
Bylaws	Vivian Gray	General Trustees	Yves Chery
Education	Christie Porter	Internal Auditors	Harsh Jadhav
Legislative	Richard Stensrud	Investment Officers	Steve Marsh
Nomination	Yves Chery	Ops & Benefits/ Disability	JJ Popowich
Program	Gabe Rodrigues	Safety Trustees	Tracy Towner





**Next scheduled SACRS Association Business Meeting will be held Friday,
November 17, 2017, at the Hyatt Regency San Francisco Airport, Burlingame, CA.**

Tue 4/11/2017 1:24 PM

Sulema Peterson <Sulema@shawyoderantwih.com>

RE: SACRS Biz Mtg 2017 Spring Packet

Folks,

Clarification to the SACRS Biz Mtg packet....we received a question regarding the SACRS proposed Bylaw amendments for Article III-Membership – Section 7.

Section 7 is new/currently does not exist in Article III. We did not “red-line” the text.

Apologies for any confusion, please feel free to contact our office if you need additional clarification.

Thank you and have a great day!

~Sulema

SACRS By-Laws

... Article III – Membership

... Section 7 – Membership Code of Conduct

1. Policy Against Harassment, Discrimination, and Retaliation. SACRS is committed to providing an environment free from harassment and maintains a strict policy that forbids sexual harassment and other harassment, discrimination and retaliation based on race, color, national origin, ancestry, religion and religious creed, political affiliation, citizenship, sex, gender, gender identity, sexual orientation, age, pregnancy or breastfeeding, medical conditions, marital status, medical condition, physical or mental disability, or any other protected classification under federal, state or local law.

2. Standard of Decorum and Professionalism. SACRS members, representatives, family members, and guests are expected to maintain appropriate decorum and professionalism to improve the deliberative process and foster the integrity of the SACRS community. Verbal or non-verbal conduct which has the purpose or effect of affecting a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment will not be tolerated, regardless of whether such behavior amounts to unlawful conduct. Such inappropriate behavior includes, but is not limited to, the use of profanity, threats, offensive gestures, racial slurs, ethnic jokes, posting of offensive statements or pictures, derogatory remarks, insults, epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, assault or other unwelcome physical conduct, or other similar conduct.

3. Penalties for Violation. Any person found in violation of the SACRS Code of Conduct by the Board of Directors may, within the discretion of Board of Directors and as permitted by law, be temporarily or permanently barred from attending or participating in any SACRS conference, meeting, function, or event. Any member found in violation of the SACRS Code of Conduct by the Board of Directors may be subject to penalty within the discretion of Board of Directors and as permitted by law, including but not limited to:

- (a) Warning and/or Censure;
- (b) Suspension or revocation of the privileges of any member or their designated representatives;
- (c) Suspension of membership; and,
- (d) Termination of membership.

4. Affiliate Guidelines. Affiliate Members are and remain subject to additional guidelines as have been or may be approved by the Board of Directors.

5. No Duty. Although SACRS endeavors to create to create a respectful and welcoming environment for its membership, representatives, and other guests, it does not by this Code of Conduct or any other act, voluntarily assume a duty to do so, except as otherwise required by federal, state, or local law.

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>

April 17, 2017

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

SUBJECT: AUTHORIZATION FOR TRUSTEE MCCOMBS TO ATTEND THE CALAPRS PRINCIPLES OF PENSION MANAGEMENT FOR TRUSTEES, AUGUST 28 - 31, 2017 AT PEPPERDINE UNIVERSITY

Dear Board Members:

Trustee McCombs has requested approval to attend the CALAPRS "Principles of Pension Management for Trustees" program being held August 28th – 31th, 2017 at Pepperdine University in Malibu, CA. This training will fulfill a portion of the 24 hours of required education in a trustee's first two years, per the education policy, and will also fulfill the required ethics training for Mr. McCombs as well.

The registration cost of \$2,500 includes lodging and meals. Staff recommends approval of \$2,600 to allow for mileage and incidentals.

VCERA staff will be pleased to respond to any questions you may have at the April 17, 2017 disability & business meeting.

Sincerely,



Linda Webb
Retirement Administrator

March 17, 2017

VCERA Board,

During March 6 – 8, 2017, Robert Bianchi and I attended the Institutional Limited Partners Association (ILPA) Level One Program presented by the University Chicago Booth School of Business. The program was held in San Francisco, CA. The program was intensive, but like most introductory courses, was plentiful on content and moved quickly covering many Private Equity subjects. We compared and contrasted several evaluation tools that can only help us better evaluate proposed VCERA PE investments:

1. IRR – compared the rates of return for a large sampling of PE and VC over a couple of decade's worth of Burgiss LP data.
2. Multiples of Investment Capital – Compared and contrasted with IRR
3. PME – Public Market Equivalent was employed with variations of Beta

Each instructor was a recognized expert in their field bringing a wealth of academic and/or business knowledge:

Steven Kaplan, University of Chicago and PE practitioner:

- Private equity overview
- Fundraising
- Evaluating a PE fund
- PE strategies for pension funds

David Parrish, Partner, Jackson Walker LLP:

- Legal aspects of PE funds

Ilya Strebulaev, Stanford Graduate School of Business:

- Private equity and risk

Jared Thear, Deloitte & Touche LLP:

- PE reporting and accounting

Scott Meadow, University of Chicago and PE practitioner:

- Cash flow and profit formula
- Valuation for VC and PE
- Leveraged buyouts
- Financial engineering/leverage

We found the course to be very informative and surprising as to what we don't understand when we invest in private equity. We recommend this course for all VCERA trustees.

Chris Johnston

Robert Bianchi

Summary Report CALAPRS Advance Principles of Pension Management for Trustees

On Wednesday March 29th I attended the CALAPRS Advanced Principles of Pension Management for Trustees that ran through midday Friday March 31st at the fairly new and pleasantly accommodating UCLA Luskin Conference center located on the main UCLA campus. Last year I greatly benefited by my attendance at the Pepperdine University Level I training for Trustees. Similar to the Pepperdine venue, I found this UCLA training event to be well organized, staffed with outstanding instructors and extremely beneficial to my role as a VCERA Trustee. The "Earth as a big blue marble" perspective was employed to teach us about the Pension Business Model and discuss the elements necessary to be an effective Trustee. But the discussion did not remain at 41,000 km above the earth; once we defined and discussed the generalities of the Pension Business Model and the elements necessary to be an effective Trustee, then our lead instructor Tom Iannucci, President of Cortex Applied Research located in Toronto, brought in a Senior Economist Jerry Nickelsburg, an attorney Chris Waddell, a CIO from Sonoma Jim Failor and our very own (and extremely talented) actuary Paul Angelo as experts to drill deeper into their areas of expertise. Well-orchestrated; the training began with generalities, swooped into specifics and then in the final hours Tom came back to lead a discussion that pulled all the trainings segments together.

I left Friday afternoon with many "takeaways"; below are just a handful:

- 1) The Trustee's duty as a fiduciary, in awareness of agency and other risks, is foremost a duty to the plan beneficiaries. But the beneficiary is not a customer. Of the three key players in the Pension Business (Beneficiary, Settlor/Sponsor and Trustee) the Trustee is the only player who wears the "Fiduciary Hat".
- 2) We compared the Pension business with eight other types of businesses. Although we found the Pension business to be most like the Insurance Business (writing a promise and delivery on that promise), together we agreed that the Pension business had a bit of all eight businesses and was unique.
- 3) The actuary warned us about Agency risk. And, taught us that changing the discount rate should be done (if it is going to be done) when the board discusses the actuary assumptions (prior to the compilation of the actuary study).
- 4) Pensions are best served by a Strong Board and a Strong Staff (VCERA is blessed to have both)
- 5) Continued education is the foundation of both a strong board and a strong staff.
- 6) A policy focused board stays out of the weeds through delegation and manages risks through the continued reliance on quality advisors
- 7) Fund Liability is the fund liability.

As I continue to learn, I continue to further recognize that VCERA is blessed with a strong staff and a strong board.



Robert Bianchi

VCERA Trustee

Ventura County Employees' Retirement Association investor summary



Ventura County Employees' Retirement Association Assets Managed by HarbourVest as of September 30, 2016

Funds	NAV Date	Year	Committed Capital	Contributed Capital	Cumulative Distributions	NAV	Total Value	TV/C	Net LP IRR Since Incept		
									1 YR	3 YR	
Global											
Dover VIII	09/30/16	2011	\$ 67,500,000	55,687,500	26,738,658	49,490,365	76,229,023	1.4x	25.9%	8.1%	18.7%
Dover IX	09/30/16	2015	\$ 60,000,000	0	0	178,874	178,874	0.0x	NM	NM	NM
Total:			\$ 127,500,000	55,687,500	26,738,658	49,669,239	76,407,897	1.4x	26.1%	8.5%	18.8%

Grand Totals are based on historic exchange rates on date of actual cash flow. All funds include related AIVs.

NAV and Total Value reflect values as of NAV Date, updated for capital calls and distributions through the As of Date. Investor IRRs are as of NAV Date.

Grand Total IRR: Since Inception includes each fund as of its NAV Date. 1 year, 3 year and 5 year IRRs are based on the earliest NAV Date.

NM: Since the majority of capital has yet to be called from partners, the IRR is not yet meaningful.

Monday, May 8, 2017

1:30 PM - 3:00 PM	<p>Pre-Conference Workshop (Optional)</p> <p>We will be holding an optional Pre-Conference Workshop the day before the conference at NEPC's office, 255 State Street, 12th floor, Boston, MA. We are offering the sessions below - you may select one to attend.</p> <p>Option 1: Investments 101</p> <p>In this session, NEPC will review the core building blocks of a strategic asset allocation and the challenge investors face in the current investment environment to meet their long-term goals and objectives. We will explore the evolving use of traditional asset classes, alternative investment strategies, and private market exposures as investors look to achieve their long-term return targets in a low-return world.</p> <p>Option 2: Private Equity A to Z</p> <p>In this session, NEPC will review our approach to building a private equity strategic plan for clients. What assumptions go into the planning, and how can the plan change year to year? We will also give an overview of some areas of the private equity and debt universe to discuss what to expect from different strategies (venture, buyout, etc.) from an investment approach perspective, and from a risk/return expectation..</p>
3:00 PM - 5:00 PM	<p>Welcome Reception</p> <p>For those arriving the day before the conference, we will be holding a Welcome Reception at NEPC's office, 255 State Street, 12th floor, Boston, MA. If you plan to attend the Welcome Reception, please be sure to RSVP during the registration process.</p>

Tuesday, May 9, 2017

8:30 AM - 9:30 AM	<p>Registration / Breakfast</p>
9:30 AM - 10:00 AM	<p>Welcome and State of the Firm</p> <p>Michael P. Manning, CFA, CAIA Managing Partner, NEPC, LLC</p>
10:00 AM - 11:00 AM	<p>Admiral James Stavridis, USN (Ret.)</p> <p>NATO's 16 Supreme Allied Commander Europe and 15 Commander of the U.S. European Command (2009-2013), Head of U.S. Southern Command (2006-2009), Dean of The Fletcher School of Law and Diplomacy at Tufts University</p>
11:00 AM - 11:15 AM	<p>Break</p>
11:15 AM - 12:00 PM	<p>The Battle For Growth – Within and Across Nations</p> <p>Timothy F. McCusker, CFA, CAIA, FSA Chief Investment Officer, Partner, NEPC, LLC</p>
12:00 PM - 1:00 PM	<p>Lunch</p>
1:00 PM - 2:00 PM	<p>Concurrent Sessions I</p> <p>A. Asset Allocation Glide Path Management in a Rising Rate Environment B. Building a Better Portfolio with Beta Groups C. Impact Investing: Exploring Thematic Areas D. Is Patience Being Rewarded in Private Equity and Venture Capital?</p>
2:00 PM - 2:15 PM	<p>Break</p>
2:15 PM - 3:15 PM	<p>Concurrent Sessions II</p> <p>A. Are You Getting the Most Out of Your Credit Portfolio Today? B. Defined Contribution Trends C. Hedge Funds: The Next Episode D. Niche Investment Ideas Through NEPC's Discovery Platform</p>
3:15 PM - 3:30 PM	<p>Break</p>
3:30 PM - 4:30 PM	<p>Tali Sharot</p> <p>Author, Neuroscientist and Authority on Human Behavior</p>

4:30 PM - 5:30 PM	Cocktail Reception The reception will be held at the InterContinental - join us for some cocktails and light hors d'oeuvres. If you plan to attend the Cocktail Reception, please be sure to RSVP during the registration process.
5:30 PM - 8:00 PM	Group Dinners We will be organizing group dinners with our staff following the Cocktail Reception - restaurants will be within walking distance from the InterContinental. If you would like to attend dinner, please be sure to RSVP during the registration process. Additional details will be communicated closer to the event.

Wednesday, May 10, 2017

8:00 AM - 8:30 AM	Breakfast
8:30 AM - 9:30 AM	Rupal J. Bhansali Chief Investment Officer, International & Global Equities Portfolio Manager, Ariel Investments
9:30 AM - 9:45 AM	Break
9:45 AM - 10:45 AM	Concurrent Sessions A. Building and Managing Discretionary Portfolios at NEPC B. Equities: Thinking Outside the Style Box C. Hedge Funds: The Next Episode (<i>repeat</i>) D. Is Patience Being Rewarded in Private Equity and Venture Capital? (<i>repeat</i>)
10:45 AM - 11:00 AM	Break
11:00 AM - 11:30 AM	Quick Hit Concurrent Sessions I A. Are All Emerging Markets Created Equal? B. The Strange Side of Markets C. What Inning Are We in for Real Estate?
11:30 AM - 11:35 AM	Break
11:35 AM - 12:05 PM	Quick Hit Concurrent Sessions II A. #AsiaCalling B. Capitalizing on Uncertainty: An Overview of Global Macro Investing C. Unique Strategies in the Private Real Assets Space
12:05 PM - 12:45 PM	Lunch
12:45 PM - 1:45 PM	A Debate on U.S. Equities: Buy or Sell?
1:45 PM - 2:00 PM	Closing Remarks



NEPC NEWSLETTER

APRIL 2017

Daniel,

Here is a brief monthly update on the financial markets and some highlights we thought you might be interested in.

Financial Markets

US equities went out like a lamb in March after coming in like a lion at the beginning of the year. Domestic stocks fell broadly in the aftermath of the GOP's failure to repeal and replace Obamacare as investors questioned the likelihood and efficacy of future tax reforms in light of the ongoing political gridlock. Equities recovered towards the end of the month with the S&P 500 eking out a modest gain of 0.1%. Small cap stocks fared similarly with growth generally outpacing value, and information technology and consumer discretionary sectors leading performance. International equities, bolstered by robust manufacturing data and an uptick in inflation in Europe, outperformed domestic stocks with the MSCI EAFE Index returning 2.8% last month. [**MORE...**](#)

Latest Index Returns

NEPC NAMED AMONG TOP-RANKED U.S. INSTITUTIONAL INVESTMENT CONSULTANTS

We are excited to announce that Greenwich Associates, a global market intelligence and advisory firm, named NEPC among the top institutional investment consulting firms for 2016. NEPC earned a Greenwich Quality Leader award for Overall U.S. Investment Consulting among Large Consultants from funds with assets greater than \$250 million in total plan assets.

[Click here for the announcement.](#)

FOLLOWING THE RECENT ANNOUNCEMENT OF THE ADDITION OF TWO NEW PARTNERS TO OUR PRIVATE WEALTH PRACTICE, WE CONTINUE TO GROW THE TEAM WITH THE HIRING OF THREE NEW CONSULTANTS

The Private Wealth Group has added six new employees in the first quarter alone. As we continue to enhance this business, we are pleased to announce three additional hires to augment the firm's private wealth practice. Stacey Flier, Senior Consultant, and Consultants Isabelle Campbell and Brandon Jones join NEPC from CTC | myCFO. They are based in NEPC's Portland, OR, office. They report to KC Connors, NEPC Partner and Director of the Private Wealth Team.

[Click here for the press release.](#)

Please join us in welcoming Stacey, Isabelle and Brandon!

NEPC USES PFAROE TO IMPROVE COLLABORATION AND EFFECTIVENESS OF ASSET-LIABILITY MANAGEMENT STRATEGIES

We are excited to announce that Rush University Medical Center has selected the PFaroe Platform offered by NEPC, enabling more effective teamwork on risk analysis and plan decision making.

[Read RiskFirst's announcement here.](#)

Upcoming Events



Our conference agenda, including pre-conference workshops, break-out sessions and evening activities is now available. In addition to our exceptional keynote speakers, this year's conference provides opportunities to learn about asset allocation and investment ideas across the market spectrum. Monday afternoon's workshops will include education on *Private Markets and an Investments 101* session. Register before May 2, 2017!

[Learn More](#)

NEPC in the Press

- SYS Con Media. [*Rush University Medical Center and NEPC use RiskFirst's PFaroe to Improve Collaboration and Effectiveness of Asset-Liability Management Strategies.*](#) [Paul Kenney, JR, CFA.](#)
- FundFire. [*NEPC Taps Rival for Further Three Hires in Wealth Buildout.*](#)
- Money Management Report. [*Consultants, Asset Managers Tout Holistic Approach In Carbon Footprint Analysis.*](#) [Dulari Pancholi, CFA, CAIA, Senior Research Consultant](#) and [Kelly Regan, Senior Consultant.](#)
- Institutional Investor. [*NEPC Shares Top Ranking in Consultants Survey by Greenwich Associates.*](#)
- FundFire. [*NEPC, Pavilion, Segal Marco Named Top Large U.S. Consultants.*](#) [Steve Charlton, CFA, CAIA, Partner, Director of Consulting Services.](#)
- Pensions & Investments. [*Corporate Pension Plans Push Demand for Treasury STRIPS.*](#) [Phill Nelson, CFA, Director of Asset Allocation.](#)

[Read More News](#)

NEPC Conference Presentations and Speaking Opportunities

NEPC's 2017 April Newsletter

- **[Kristine Pelletier, Senior Consultant](#)**, will speak at the TEXPERS conference on April 10-12 in Austin, TX, and at the Opal Annual Impact Investment Forum on a panel, "Breaking Down ESG Strategies and SRI Strategies," on April 23-25 in Boca Raton, FL.
- **[Mike Manning, Managing Partner](#)**, and **[Christine Loughlin, CFA, CAIA, Partner](#)**, will speak at the Utility Pension Fund Study Group Conference on April 23-25 in Orlando, FL.
- **[KC Connors, CFA, CAIA, Partner](#)**, **[Tim McCusker, FSA, CFA, CAIA, Chief Investment Officer, Partner](#)**, **[Christine Loughlin, CFA, CAIA, Partner](#)**, **[Dave Moore, ARM, CEBS, CPCU, Partner](#)**, and **[Tim Bruce, Director of Traditional Research, Partner](#)**, will speak at the Spring 2017 Healthcare Treasurers' Roundtable on April 26-28 in Phoenix, AZ.
- **[Sean Gill, CFA, CAIA, Partner, Director of Private Markets Research](#)**, will moderate a panel, titled "Sector-Focused Investing," at the Institutional Investor Private Equity Summit on April 25 in Los Angeles.
- **[Allan Martin, Partner](#)**, will speak at the Institutional Investor Public Funds Roundtable on April 26-28 in Los Angeles.
- **[Kristi Hanson, CFA, Director of Taxable Research, Partner](#)**, and **[Brandon Parrish, CFA, CAIA, Consultant](#)**, will present at the IPI NYC Conference on May 23-24 in New York.

NEPC Gives Back

Basketball teams made up of Boston's working professionals, including two NEPC teams, participated in the Annual Year Up Basketball Tournament funding-raising event. **[Year Up](#)**, is a nonprofit connecting low-income young adults with companies looking for talent. The program is a one-year intensive training program providing hands-on skills development, coursework eligible for college credit, corporate internships, and wraparound support.



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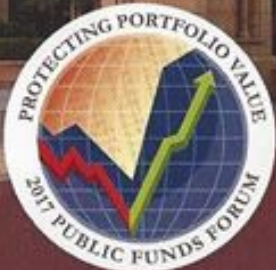
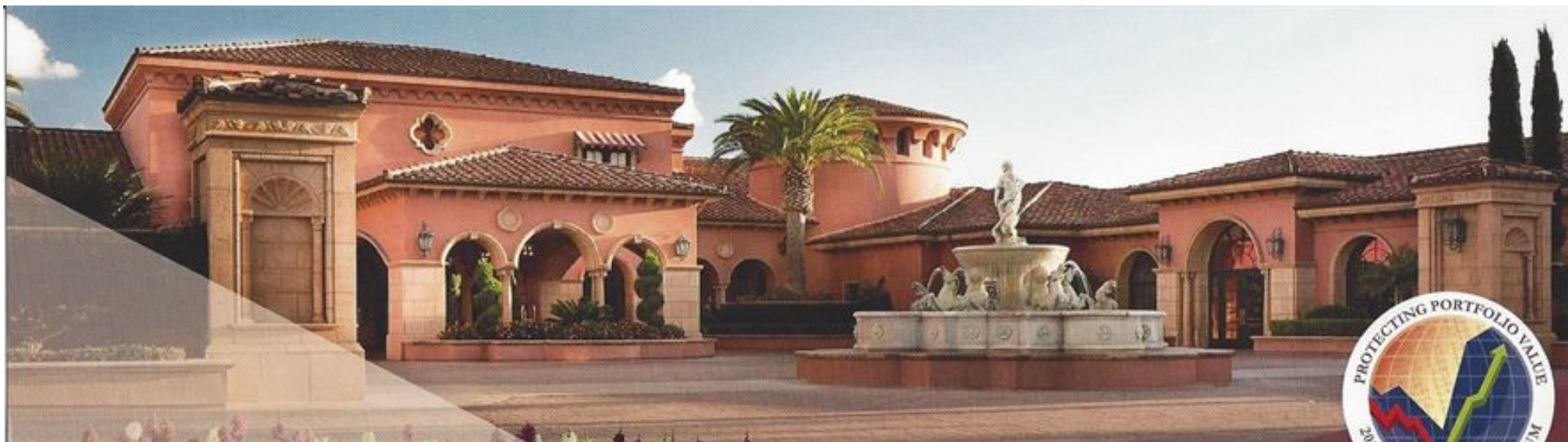
discretionary basis. We service 349 retainer relationships¹, representing assets of \$954 billion¹ with approximately \$54 billion in alternative assets², from our offices in Boston, Atlanta, Charlotte, Chicago, Detroit, Las Vegas, Portland and San Francisco. We encourage your comments and feedback, as well as any inquiries you may have about our firm or our consulting services. ¹statistics as of 3/31/2017, ²statistics as of 12/31/2015.

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You are cordially invited to attend the ninth annual Public Funds Forum, an invitation-only educational conference designed to train public fund representatives on practices to protect and maximize portfolio assets, create long-term value, and best fulfill fiduciary duties. Up to 14 hours of MCLE and CPE credits pending.

For more information and to register, visit www.PublicFundsForum.com.

Join us for three days of informative sessions and networking activities with experts who will cover topics ranging from methods for improving portfolio assessment, identification of market indicators, manager selection, risk management, fulfillment of fiduciary duties, global investment strategies, and approaches for maximizing portfolio returns.

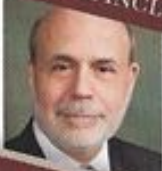
The registration fee for the conference is \$835.* To receive an early bird discounted room rate of \$335, please contact the Fairmont Grand Del Mar at 1-800-257-7544 before May 15, 2017, and reference the Public Funds Forum.

*Upon request and as legally permissible, conference fees may be waived subject to applicable gift and gratuity limitations.

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