VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

DISABILITY MEETING

February 2, 2015

AGENDA

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

TIME: 9:00 a.m.

ITEM:

		Master Page No.
I.	**CALL TO ORDER**	
II.	**APPROVAL OF AGENDA**	1 – 3
III.	**APPROVAL OF MINUTES**	
	A. Business Meeting of January 26, 2015.	4 – 13
IV.	**RECEIVE AND FILE PENDING DISABILITY APPLICATION STATUS REPORT**	14 – 51
V.	**APPLICATIONS FOR DISABILITY RETIREMENT**	
	A. Application for Service Connected Disability Retirement, Topolinski, Ronald; Case No. 12-036.	52 – 143
	1. Application for Service Connected Disability Retirement and Supporting Documentation.	
	2. Hearing Notice Served on January 23, 2015.	

V. APPLICATIONS FOR DISABILITY RETIREMENT (continued)

B. Application for Non-Service Connected Disability Retirement, Ramirez, Dana E.; Case No. 14-011. — 144 – 282

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

2. Hearing Notice Served on January 23, 2015.

VI. INVESTMENT INFORMATION

A. Consideration of the Investment in the Pantheon Global Secondary Fund V.
Thomas A. Hickey III and Jonathan S. Lipnick
Presenting via Teleconference
Time: 9:45 a.m.

1. Foley & Lardner LLP Briefing Memo — Attachment A
(Materials to be provided at meeting)

2. Staff letter — 283

VII. OLD BUSINESS

A. Consideration of Engaging Lobbyist to Pursue Proposed CERL Legislation. — Attachments B & C
(Materials to be provided at meeting)

VIII. NEW BUSINESS

A. Recommendation to Add James Cloninger to VCERA's Disability Hearing Officer Panel
RECOMMENDED ACTION: Approve

1. Staff letter — 284

2. Submission from James Cloninger — 285 – 286

3. Referee Services Agreement — 287 – 288

B. Recommendation to Approve Mr. Towner's Attendance at the 2015 Investments Institute, March 9 – 11, 2015, Rancho Mirage, CA. — 289 – 295
RECOMMENDED ACTION: Approve

C. Recommendation to Approve Ms. McCormick's Attendance at the CALAPRS Trustees' Roundtable, February 6, 2015, San Jose, CA. 296
RECOMMENDED ACTION: Approve

D. NEPC Public Funds Workshop Report, Submitted by Trustee Goulet and Trustee McCormick 358 – 359

IX. INFORMATIONAL

A. Asset Allocation Article and Powerpoint, Shared by Trustee McCormick. 297 – 298

1. Asset Allocation Article 299 – 357

2. Global Dynamic Asset Allocation PowerPoint

X. PUBLIC COMMENT

XI. STAFF COMMENT

XII. BOARD MEMBER COMMENT

XIII. ADJOURNMENT

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

BUSINESS MEETING

January 26, 2015

MINUTES

DIRECTORS PRESENT:	Tracy Towner, Chair, Alternate Safety Employee Member William W. Wilson, Vice Chair, Public Member Steven Hintz, Treasurer-Tax Collector Joseph Henderson, Public Member Peter C. Foy, Public Member Mike Sedell, Public Member Deanna McCormick, General Employee Member Craig Winter, General Employee Member Chris Johnston, Safety Employee Member Arthur E. Goulet, Retiree Member Will Hoag, Alternate Retiree Member
DIRECTORS ABSENT:	None.
STAFF PRESENT:	Linda Webb, Retirement Administrator Henry Solis, Chief Financial Officer Lori Nemiroff, Assistant County Counsel Julie Stallings, Retirement Operations Manager Stephanie Caiazza, Program Assistant Chantell Garcia, Retirement Benefits Specialist
PLACE:	Ventura County Employees' Retirement Association Second Floor Boardroom 1190 South Victoria Avenue Ventura, CA 93003
TIME:	9:00 a.m.

ITEM:

I. CALL TO ORDER

Chair Tracy Towner called the Business Meeting of January 26, 2015, to order at 9:01 a.m.

II. APPROVAL OF AGENDA

Chair Towner amended the agenda to remove the following item:

"X.A. Closed Session: Consideration of the purchase of a particular, specific fund investment."

MOTION: Approve the agenda as amended.

Moved by Wilson, seconded by McCormick.

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

III. APPROVAL OF MINUTES

A. Business Meeting of January 5, 2015.

Staff proposed that the minutes be amended to list Trustee Hintz as absent on page 1, to list Trustee Sedell as absent from the vote on Old Business Item XI.2., and to modify the language on page 7 to mention the expected change order for CMP & Associates and to remove the phrase "that are unrelated to the proposed delay" from Mr. Johnston's statement.

Mr. Johnston clarified that his statement excluded the expected change order for CMP & Associates.

MOTION: Approve the minutes as amended.

Moved by Goulet, seconded by McCormick.

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

IV. CONSENT AGENDA

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

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

C. Receive and File Statement of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position, Investments and Cash Equivalents, and Schedule of Investment Management Fees for the Period Ending November 30, 2014.

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

MOTION: Approve the Consent Agenda.

Moved by Henderson, seconded by Hintz.

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

V. STANDING ITEM

Receive an Oral Update on Pensionable Compensation and PEPRA.

Ms. Nemiroff informed the Board of the case Deputy Sheriff's Association of San Diego County v. the County of San Diego, in which it was determined that the benefit formula under PEPRA applies to all new members hired on or after January 1, 2013, even if those members come in under an existing MOU, and that the MOU provisions on the pickups will govern those new employees until the expiration of that contract. Ms. Nemiroff stated that Ventura County is already complying with both of those provisions, and no changes are necessary.

Ms. Nemiroff sought Board direction on whether to continue the Standing Item "Receive an Oral Update on Pensionable Compensation and PEPRA" in light of the progress that was made on pensionable compensation issues in 2014. Ms. Nemiroff stated that, if the standing item were to be discontinued, she would still report to the Board if any new information on these topics became available.

The following motion was made:

MOTION: Discontinue the standing item "Receive an Oral Update on Pensionable Compensation and PEPRA" on future Board agendas.

Moved by Johnston, seconded by Hintz.

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

VI. ACTUARIAL INFORMATION

A. Review and Approval of Annual Actuarial Information Report as of June 30, 2014 - The Segal Company, Paul Angelo and John Monroe.

1. June 30, 2014 Actuarial Valuation Report

2. June 30, 2014 GAS 67 Actuarial Valuation Report

Paul Angelo and John Monroe were present on behalf of The Segal Company to present and review the June 30, 2014 Actuarial Valuation Report and address questions.

Mr. Angelo recommended changes to the report related to the recommended employer contribution rates for General Members. The changes would allow the Unfunded Actuarial Accrued Liability (UAAL) related to COLAs to be distributed among the General Members who are eligible for a COLA.

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

MOTION: Table this item to an upcoming Board meeting, to allow all stakeholders adequate time to review report with revisions.

Moved by Johnston, seconded by Hintz.

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

VII. COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

A. June 30, 2014 Comprehensive Financial Report (CAFR) - Brown Armstrong, Andrew Paulden, Partner.
RECOMMENDED ACTION: Approve

1. Presentation of Audit Results Agenda.

2. Independent Auditor’s Report

3. Auditor’s Report to Management – Year Ending June 30, 2014.

Andrew Paulden was present on behalf of Brown Armstrong Accountancy Corporation to review the June 30, 2014 Comprehensive Financial Report (CAFR) and address questions.

MOTION: Receive and file items 1 – 3.

Moved by Henderson, seconded by Hintz.

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

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

MOTION: Approve the June 30, 2014 Comprehensive Financial Report (CAFR), and authorize the Chair to approve any minor changes as needed.

Moved by Sedell, seconded by Hintz.

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

VIII. INVESTMENT INFORMATION

A. NEPC – Dan LeBeau, Consultant, and Tim McCusker, Chief Financial Officer, and Seth Bancroft, Research Analyst.

1. Preliminary Performance Report Month Ending December 31, 2014.
RECOMMENDED ACTION: Receive and file.

MOTION: Receive and file.

Moved by Henderson, seconded by Johnston.

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

2. 2015 Outlook and Capital Market Observations

IX. OLD BUSINESS

A. VCERA's General Counsel Position

1. Update on the Request for the County of Ventura's Human Resources Department to Conduct a Salary and Other Compensation Survey for VCERA's General Counsel Position.

   Matt Carroll, Assistant County Executive Officer, was present to provide an update on the salary survey that was requested by the Board on January 5, 2015 for VCERA's General Counsel position. Mr. Carroll reported that the request had been received and was assigned to the Classification and Compensation division. Because of a considerable backlog of work in that area, it would take time to perform the work, but the time frame for beginning would more likely be weeks as opposed to months.

2. Consideration of Proposed CERL Legislation, Continued from Business Meeting of December 15, 2014.

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

   MOTION: Pursue engaging a written proposal from a lobbyist to introduce legislation to enable VCERA to be considered a "District" under CERL.

   Moved by Goulet, seconded by McCormick.

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

   Mr. Wilson left the meeting at 11:35 a.m.

B. Updated and Revised Contract for Custodial Services with State Street Bank & Trust
   RECOMMENDED ACTION: Approve

1. Custodian Contract between Ventura County Employees' Retirement Association and State Street Bank and Trust Company, updated and revised as of January 16, 2015.

2. Staff Update on Contract Negotiations with State Street Bank and Trust Company, dated October 29, 2014.

   Ms. Nemiroff provided background and update on this item.

   Following discussion by the Board and Staff, the following motion was made:

MOTION: Approve

Moved by Henderson, seconded by Hintz.

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

C. Recommendation to Approve Application for Reinstatement to Active Membership Pursuant to GC 31680.4 & 31680.5 – Cynthia Cantle

1. Previously Submitted Materials for the Board Meeting of December 15, 2014.

2. Cover letter dated January 26, 2015, submitted by Applicant with requested materials.

3. Attestation from Applicant

4. Physician's Statement

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

MOTION: Approve

Moved by Sedell, seconded by Foy.

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

X. NEW BUSINESS

A. Recommendation to Engage Ashley Dunning with Nossaman Firm to Assist VCERA Staff in Reviewing Items of Pensionable Compensation under PEPRA
RECOMMENDED ACTION: Approve

1. Press Release from Nossaman Firm

2. Engagement Agreement with Nossaman LLP

Ms. Nemiroff provided background on this item, and recommended making the following changes to the Engagement Agreement: Remove the second paragraph on section 14 regarding a retainer signature block for the association, as they are not applicable in this situation, and add the certificate of insurance.

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

MOTION: Approve the Engagement Agreement with Ashley Dunning of Nossaman LLP with the changes proposed by Ms. Nemiroff, grant authority to the Retirement Administrator to authorize a transfer of related files to Nossaman LLP, and grant authority to the Chair to sign the agreement, subject to the approval of the insurance coverage.

Moved by Henderson, seconded by McCormick.

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

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

1. Monthly Report – December 2014
RECOMMENDED ACTION: Receive and File

Trustee Goulet requested that the next update provide the results of the test cases.

Trustee Sedell thanked Chair Towner for his efforts in relation to the pension administration project.

MOTION: Receive and File.

Moved by Hintz, seconded by Sedell.

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

XI. CLOSED SESSION

It is the intention of the Board of Retirement to Meet in Closed Session, Pursuant to Government Code Sections 54957.1(a)(7) and 54956.9 to Discuss the Following Items:

A. **CONSIDERATION OF THE PURCHASE OF A PARTICULAR, SPECIFIC FUND INVESTMENT**

Removed from agenda.

B. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Initiation of Litigation: One case.

After Board discussion, the following motion was made:

MOTION: Cancel the closed session relating to this item.

Moved by Hintz, seconded by Henderson.

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

XII. INFORMATIONAL

A. SACRS Memo- Reminder for Upcoming 2015-16 Board of Directors Elections

B. Save the Date – 2015 Alternatives Investor Day- PIMCO, Thursday, April 30, 2015; Balboa Bay Resort, Newport Beach, CA.

C. Opal's 9th Annual Investment Consultant Forum;
March 10, 2015; New York City, NY.

D. Opal's Annual Real Estate Investors Summit;
March 30 – 31, 2015; Miami, FL

XIII. PUBLIC COMMENT

None.

XIV. STAFF COMMENT

Ms. Webb expressed her appreciation to the Board and staff for their assistance and for welcoming her to VCERA.

XV. BOARD MEMBER COMMENT

Chair Towner informed the Board that he was unable to attend the PIMCO Institute on January 14 – 15, 2015.

Trustee Hoag reported that the Chief Investment Officer recruitment would close on January 26, 2015, and he will keep the Board informed of any further developments on the recruitment.

XVI. ADJOURNMENT

The meeting was adjourned at 11:55 a.m.

Respectfully submitted,

Linda Webb

LINDA WEBB, Retirement Administrator

Approved,

TRACY TOWNER, Chairman

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

February 2, 2015

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

SUBJECT: FOLEY & LARDNER LLP'S REVIEW OF INVESTMENT FUND DOCUMENTS FOR VCERA'S PREVIOUSLY APPROVED $50 MILLION INVESTMENT IN PANTHEON'S GLOBAL SECONDARY FUND V.

Dear Board Members:

At the January 5, 2015 meeting, the Board of Retirement approved the legal agreement with Foley & Lardner LLP for review of investment documents related to the previously approved $50 million investment in Pantheon's Global Secondary Fund V. This review is complete and their briefing memo is provided.

Based on Foley & Lardner's review, and on consultation with Ms. Nemiroff, staff recommends proceeding with the execution of the agreement with Pantheon.

Recommendation:
Authorize Chair Towner or the Retirement Administrator to execute the Pantheon legal agreement and all accompanying agreements, side letters and form necessary to fund the investment.

Sincerely,

Linda Webb

Linda Webb
Retirement Administrator

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February 2, 2015

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

SUBJECT: HEARING OFFICER RECOMMENDATION

Dear Board Members:

Recently, retired Superior Court Judge James Cloninger contacted VCERA and expressed interest in serving on the disability hearing officer panel. Judge Cloninger does not have direct experience in hearing disability matters, but his significant experience hearing a variety of both criminal and civil cases will serve him well as a member of VCERA's hearing officer panel.

Adding an additional qualified hearing officer to the panel provides depth and will help minimize the time frame between when applications are challenged and initial hearing dates are established.

Recommendation:
Offer retired Superior Court Judge James Cloninger a hearing officer contract through June 30, 2015.

VCERA staff will be pleased to respond to any questions you may have on this matter at the February 2, 2015 disability meeting.

Sincerely,

Linda Webb
Retirement Administrator

JAMES P. CLONINGER
4425 POMONA STREET
VENTURA, CALIFORNIA 93003
(805) 407-1319
JCLONINGER@ROADRUNNER.COM

January 3, 2015

The Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, California 93003

Attn: Mr. Tracy Towner, Chairman of the Board

Dear Chairman Towner:

By this letter I am submitting my name to the Board of the VCERA for consideration for appointment as a hearing officer.

I am a member of the State Bar of California. I was admitted to the bar in November of 1979. From January of 1980 to September of 1990 I was a deputy district attorney with the Orange County District Attorney's Office. From September of 1990 to March of 1994 I was a prosecutor in the Ventura County District Attorney's Office.

During my employment as a deputy district attorney, in both Orange and Ventura counties, I handled a wide variety of cases. These included general misdemeanors and felonies, juvenile cases, writs and appeals, sexual assaults, grand jury matters of all types, financial crimes and major frauds, special interest cases and homicides. I was assigned to the Homicide unit for about six years in Orange County. When I ended my employment in Orange County to relocate my family to Ventura County, I was the supervisor of the Writs and Appeals unit in the Orange County District Attorney's Office.

While working as a deputy district attorney I also authored legislation and taught. Most of my teaching was in addition to my duties as a trial lawyer, and generally involved providing instruction to other prosecutors and law enforcement officers, principally concerning the law of homicide, search and seizure issues, and updates on case law. I am one of the authors of a multi-faceted piece of legislation involving criminal law and procedure which was designated as Proposition 115 and enacted by the voters in 1990.

I was appointed to the Municipal Court bench in Ventura County in March of 1994 and to the Ventura County Superior Court the following year. I served on the bench for a little over twenty years, retiring in June of 2014. During my career as a judge I presided over many jury and non-jury civil and criminal trials, handled various calendar assignments and served on the Superior Court appellate panel. As a judge I have handled cases which involved complex and serious issues, including a number of homicides, sexual assault cases, major frauds, and the like. I have extensive experience in receiving and evaluating expert testimony from medical, psychological, psychiatric and other witnesses.

Should the Board choose to employ me as a hearing officer I would do my best to conduct the hearing process with fairness and efficiency.

Very truly yours,

James P. Cloninger

James P. Cloninger

REFEREE SERVICES AGREEMENT

THIS AGREEMENT, to be effective as of the 3rd day of March, 2014, by and between the BOARD OF RETIREMENT (hereinafter referred to as "Board") of the VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (hereinafter referred to as "Association"), and **James P. Cloninger** (hereinafter referred to as "Contractor").

Recitals

Pursuant to the provisions of section 31533 of the Government Code, the Board is authorized to provide for the conduct of hearings by a referee in connection with the determination of applications of members of the Association for disability benefits under the County Employees Retirement Law of 1937 (ch. 3 of div. 4 of tit. 3 of the Government Code).

Contractor has experience with respect to evidentiary hearings, and is a member of the State Bar of California (active membership no. 89062).

The Board intends to retain the services of Contractor as a referee to conduct said hearings.

IT IS THEREFORE AGREED:

Services to be Performed

1. Contractor agrees, when available, to act as a referee in connection with the conduct of hearings and the review of cases pursuant to section 31533 of the Government Code.

2. Such services shall be performed in accordance with the applicable provisions of the County Employees Retirement Law of 1937, as amended, and pursuant to any specific requirements imposed by the Board, and such services shall include, but shall not be limited to, the conduct of hearings, the review of evidence, and the rendering of a written report which shall contain proposed findings of fact, conclusions of law, and a recommended decision provided, however, that said written report shall be rendered within ninety (90) days after the case has been submitted to Contractor and include service of said written report to all parties.

3. Contractor may request an extension from the Board of any time limitation established in this contract, on an individual case basis, when done in writing, and upon a showing of "good cause" as to said request.

4. Contractor shall be familiar with the Association's "Disability Hearing Procedures".

5. The Board is under no obligation to submit cases to the Contractor, but may do so at its pleasure.

Compensation

6. Compensation to Contractor for the above services shall be at the following rates:

(a) If the written report is rendered within ninety (90) days after the case has been submitted, or within any time extension granted by the Board pursuant to paragraph 3 above, Contractor shall be entitled to One Hundred and Seventy-five Dollars ($175.00) per hour;

(b) Contractor shall be compensated for necessary and reasonable travel time to and from Ventura County pursuant to the rate set forth above;

(c) If the written report is not rendered within ninety (90) days from the date the case has been submitted, or within any time extension granted by the Board pursuant to paragraph 3 above, the Board may transfer the case to another referee, in which event the original referee shall not receive any fee for services performed in connection with said case;

(d) If a hearing scheduled before the Contractor is continued or cancelled less than fourteen (14) calendar days before the date agreed upon by all parties, or set by the Board, the Board shall pay to the Contractor the sum of Eight Hundred and Seventy-five Dollars ($875.00) which includes all costs associated with the hearing including, but not limited to, travel, time, mileage reimbursement and other associated hearing costs.

Term of Contract

7. This agreement shall apply for all services provided by the Contractor, performed on or after February 2, 2015, and shall continue through the date of June 30, 2015, at which time it shall terminate. However, either party may terminate this agreement sooner upon ten (10) days written notice to the other party. Any cases pending before the Contractor at the time of termination shall be immediately transferred to the Board. If this agreement is terminated at the request of the Contractor, the Contractor shall not receive any fees for services performed in connection with any cases that are pending as of the effective date of the termination, except those wherein a written report has been provided to the Board. If this agreement is terminated at the request of the Board, the Contractor shall be entitled to the compensation earned prior to the effective date of termination as provided for in this agreement, computed pro rata up to and including that date. The Contractor shall be entitled to no further compensation as of the date of termination.

Dated: ________________________ By: ____________________________________
Tracy Towner, Chairman

Dated: ________________________ By: ____________________________________
James P. Cloninger, Contractor

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February 2, 2015

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

SUBJECT: AUTHORIZATION FOR MR. TOWNER TO ATTEND IFEBP'S INVESTMENT INSTITUTE; MARCH 9-11, 2015

Dear Board Members:

Staff recommends authorization for Mr. Towner to attend IFEBP's Investment Institute being held February 11-15, 2015. The cost to attend is estimated to be $2,400 including event registration, hotel, mileage and other travel related expenses.

VCERA staff will be pleased to respond to any questions you may have on this matter at the February 2, 2015 disability meeting.

Sincerely,

Linda Webb

Linda Webb
Retirement Administrator

Investments Institute

March 9-11, 2015
The Westin Mission Hills
Rancho Mirage, California

Making sound investment decisions is critical to the long-term sustainability of the employee benefit plans you represent. Arm yourself with the information you need to make these key decisions by attending the Investments Institute. Learn about important topics, including a global economic outlook, best practices in due diligence, analyzing asset allocation and the impact of behavioral finance on decision making.

Who Should Attend

Providing intermediate- to advanced-level sessions for institutional investors of employee benefit plans, the Investments Institute is ideal for:

- Key decision makers
- Individuals involved in setting investment policy
- Trustees from both multiemployer and public sector plans.

Key Takeaways

- Receive the latest information on developments impacting benefit plan investments.
- Learn from your peers and hear what other funds are doing—and why.
- Hear perspectives on the global economy.
- Discuss trends with experts in the field.

Registration Includes

- Valuable take-home materials
- Three continental breakfasts
- Two lunches
- Beverage breaks
- Networking reception

To register, visit www.ifebp.org/investments or call (888) 334-3327, option 2, for more information.

The Westin Mission Hills

Situated in the heart of the Palm Springs valley, the Westin Mission Hills features elegantly decorated guest rooms, three pools, four restaurants and two championship golf courses. Top off a day of learning by exploring one of the many Palm Springs attractions such as Joshua Tree National Park, Palm Springs Art Museum or the Palm Springs Aerial Tram.

The International Foundation has secured a reduced room rate of $244 single/double for attendees. You must book your room through the Foundation by specifying your hotel needs on your registration form.

SUNDAY, MARCH 8

4:00-6:00 p.m.
Registration/Information

MONDAY, MARCH 9

7:00 a.m.-4:15 p.m.
Registration/Information

7:00-8:00 a.m.
Continental Breakfast

8:00-9:15 a.m.
Global Economic Outlook

Hear an industry economic expert's perspective on factors influencing the global economy. Topics include:

- The impact of domestic tax policy and corporate inversion on global investing strategies
- Political trends impacting investments
- Global debt levels
- Which international and emerging markets to watch.

9:30-10:45 a.m.
Fixed Income Investing

This session will focus on what trustees should know and questions they should ask about their funds' fixed income assets, including discussions of:

- Unconstrained bond funds
- Emerging markets
- Bank loans
- Liquidity
- How "all-star" manager career moves impact the stability of funds
- Assessing the substitution of one risk for another
- Understanding the correlation between different fixed income funds
- Customizing risk targets.

11:00 a.m.-12:15 p.m.
Beyond Traditional Equities

This session will discuss both domestic and global equity markets, including the following topics:

- Passive vs. active management strategies
- "Smart beta" and "low volatility" investment strategies
- Ancillary equity investment types:
  - Master limited partnerships (MLPs)
  - Real estate investment trusts (REITs)
  - Exchange-traded funds (ETFs)

12:15-1:30 p.m.
Luncheon

MONDAY, MARCH 9 *(Cont.)*

1:30-2:45 p.m.

Latest Trends in Alternative Investing

This session will provide an update on the latest trends impacting investing in alternative assets—including discussion on fees, expenses and risks. Focused on infrastructure investing, the session will also touch on hedge funds, “liquid alternatives,” real estate, private equity, managed futures and structured products.

3:00-4:15 p.m.

Liquidity Considerations—Understanding the Trade-Offs

With every investment, it is important trustees understand the trade-offs between the risk, potential return, liquidity and volatility of the asset. This session will discuss how to budget your fund’s liquidity and how and when you can use it to your advantage.

4:15-5:15 p.m.

Welcome Reception

(Guests Invited)

TUESDAY, MARCH 10

7:00 a.m.-4:15 p.m.

Registration/Information

7:00-8:00 a.m.

Continental Breakfast

8:00-9:15 a.m.

The Psychology of Investing

Recognizing and understanding individual and group biases in decision making is key to making sound investment decisions. Are you aware of the potential biases you bring to the table? This session will discuss:

- How the framing of information impacts decisions
- How investor behavior impacts the market
- Strategies to lessen psychological influences.

9:30-10:45 a.m.

Too Good to Be True?

This session will focus on best practices in due diligence when evaluating sophisticated investments. Discuss how to be comfortable as a trustee—and examples of when common sense can go a long way. Topics will include:

- What questions to ask if something sounds too good to be true
- What inspired investors to allocate funds to less-than-ethical managers?
- Effective monitoring of investments
  - Examples when a physical visit may be necessary
  - Continual valuation.

11:00 a.m.-12:15 p.m.

Are You Really Diversified?

In an attempt to diversify the assets of the fund, sometimes there can be “overdiversification” with unintended consequences. This session will discuss:

- Correlation between asset classes
- How to assess the portfolio as a whole
- Are fund-of-fund strategies more diversified?

12:15-1:30 p.m.

Luncheon

TUESDAY, MARCH 10 *(Cont.)*

1:30-2:45 p.m.

Asset Allocation

e asset allocation of your de ned bene t plan is important to meet return assumptions and maintain the long-term sustainability of the fund. During this interactive session, you will explore asset allocation options that may challenge your assumed risk appetite. Viewing di erent scenarios based on risk, assumed return, volatility and correlation, you will discuss many ways to meet your fund's return assumption.

3:00-4:15 p.m.

Asset Allocation—Followup Workshop

A followup to the Asset Allocation session, this session will allow you to further apply information learned to di erent real-life scenarios.

WEDNESDAY, MARCH 11

7:00 a.m.-12:00 noon

Registration/Information

7:00-8:00 a.m.

Continental Breakfast

8:00-9:15 a.m. Concurrent Sessions

De□ned Contribution and Hybrid Plans

ere are many unique considerations when implementing and maintaining a de ned contribution or hybrid retirement plan, including:

- Plan design and structure of plan types
- Managing liability
- Investment monitoring
- Participant education.

Public Employer Forum

ere are many unique considerations for those who are involved in policy decisions for public sector retirement plans. Join us for a session that will discuss topics such as:

- Pros and cons of following the latest investment trends
- Internal controls "lessons learned"
- Attraction and retention of sta
- Clear delegation lines between internal and external resources

9:30-10:45 a.m.

Revisiting the Concept of Liability-Driven Investing (LDI)

Even if your fund does not currently use an LDI strategy, it is still important to understand the concepts behind this practice. is session will discuss the latest trends in liability-driven investing, including:

- Immunization
- Derisking
- Rebalancing
- Return harvesting strategies

11:00 a.m.-12:00 noon

Ask the Experts

is session is all about YOU! Bring any outstanding questions from the conference to discuss with a panel of experts in this interactive session.

CONTINUING EDUCATION CREDIT

Programs sponsored by the International Foundation of Employee Bene t Plans are consistently accepted for credit by agencies governing continuing education for license renewal and professional recerti cation. Please note that preapproval by the governing agency is sometimes necessary. It is important therefore to register at least 45 days prior to the program taking place.

CIMA®/CIMC®/CPWA® Credit

e 2015 Investments Institute has been submitted for approval from IMCA. Turn in your yellow continuing education slips at the conclusion of each session to earn the maximum amount of credit.

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² Sqcp+dpgc1bjw cvnj_1_rgm1q dpcc md h_pem1

² Fcjndsj cv_knjcq bp_u1 dpmk jcegqj_rgm1 _1b ctcpwb_w `c1cœrq qgrs_rgm1q

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Form completed by ____________________ Phone ____________________

Investments Institute (#13-1513)

March 9-11, 2015 | Rancho Mirage, California

	Until January 26	After January 26
Member fee*	$1,315	$1,565
Nonmember fee*	$1,615	$1,865

*(Fee includes reception, course materials, continental breakfast and lunch.)

2015 CANCEL POLICY: Early cancel fee is $50/meeting day. Within 30 days of meeting, cancel fee is **50%** of registration fee.

HOTEL

Reservation deadline: February 9, 2015 • Include $350 deposit

SMOKE-FREE PROPERTY

Westin Mission Hills—$244 single/double

# of Adults ________ # of Children ________ ☐ King bed ☐ Two beds

Arrival date __________ Departure date __________

Special requests—describe ____________________

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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

February 2, 2015

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

SUBJECT: AUTHORIZATION FOR MS. MCCORMICK TO ATTEND THE CALAPRS TRUSTEES' ROUNDTABLE ON FEBRUARY 6, 2015 IN SAN JOSE.

Dear Board Members:

Staff recommends authorization for Ms. McCormick to attend the CALAPRS Trustees' Roundtable on February 6, 2015. The cost to attend should not exceed $500.

VCERA staff will be pleased to respond to any questions you may have on this matter at the February 2, 2015 disability meeting.

Sincerely,

Linda Webb

Linda Webb
Retirement Administrator

BARINGS

Central Bang

IN THIS COLUMN, HEAD OF ASSET ALLOCATION MARINO VALENSISE EXPLAINS OUR CURRENT INVESTMENT STRATEGY AND SOME OF THE THINKING BEHIND IT.

This year, leading economists and top bankers will need to pay a bit more to attend the annual World Economic Forum in Davos, Switzerland. Thanks to the Swiss National Bank, the Swiss franc is now 15% more expensive than it was a few days ago, as the bank abruptly removed the ceiling on its currency. The sudden volte-face caught investors by surprise, causing anger and leaving a bad taste in the mouths of market participants. Extreme events such as this often cause collateral damage like the failure of hedge funds and other financial entities. Such damage has yet to fully reveal itself in this case. Contrary to popular belief, Swiss banking is no longer boring.

In the last few years, the willingness and ability of central banks, and governments in general, to suppress volatility and minimize economic and market risk have not been questioned. There has been a strong belief that authorities will not allow excessive market movements, and that they would avoid or manage any sudden changes which would derail economic recovery and employment.

The dramatic fall in the price of oil and – more recently – the sharp rise in the Swiss franc both signal that, in certain situations, market forces are uncontrollable and that even central banks might fail in curbing volatility. The market has already been very anxious about a probable increase in interest rates by the US Federal Reserve, and this had created expectations of higher market volatility. Recent turmoil in the energy and foreign exchange markets has confirmed investors' expectations of a choppier ride in 2015 and a new volatility regime in the coming months.

In terms of economic growth, the new year should be better than the previous one, barring any systemic shocks. The US economy continues to improve, which is evident in its employment data. American real economic growth should be around 3% in 2015, with the country being the main beneficiary of lower energy prices. Things should improve in Japan, while Europe might continue to lag. We expect emerging markets to continue growing at a decent pace; however, growth has recently been under pressure due to some country-specific situations, and the strong US dollar represents a threat to their prosperity.

Global corporate earnings are expected to grow around 9% in 2015, which should make investors happy. However, earnings expectations have deteriorated slightly in the last few months, due in part to the energy sector, which has started to suffer from lower oil prices. The sun has been rising on corporate Japan, which is not only anticipating healthy earnings growth of approximately 12% but is also enjoying upward revisions to earnings.

2015 will be an important year in three key ways.

First, it will be the year in which the US Federal Reserve raises rates. Despite deflationary signals from the fixed income market and some mixed economic data, we are convinced that the Federal Reserve will raise rates between June and September, as employment continues to be strong.

Second, it will be a year of important elections in Europe. This is true not only in Greece but also in Spain, where both the separatist Catalans and the new left-wing party Podemos pose a threat to the political status quo.

Third, it will be the year in which the European Central Bank starts expanding its balance sheet again through "Sovereign Quantitative Easing", which would involve the central bank purchasing the sovereign debt of Eurozone nations.

This is a strategy which works on four different levels: it signals the bank's determination to do 'whatever it takes', it

The dramatic fall in the price of oil and the sharp rise in the Swiss franc both signal that, in certain situations, market forces are uncontrollable and that even central banks might fail in curbing volatility.

adds liquidity to the system, it tries to weaken the euro and it might lead to banks and investors rebalancing portfolios away from government bonds and towards corporate loans and equities.

We continue to be positive on global growth and corporate earnings. We remain positive on the US economy, which has been improving for a while. However, we recognize that a number of potential vulnerabilities exist. Some of them might affect US earnings, such as the strong US dollar and lower energy capital expenditure). Others might affect the US equity market, like the volatility which would follow a rate rise and the impact of too many investors taking positions in US equities. Given the role of the US market in setting the tone for equities globally, we decided to downgrade equities to neutral.

From a country perspective, we confirm our preferred view on Japanese equities. We have downgraded US equities to neutral, bringing this market in line with others such as the UK, Europe and emerging markets.

A key theme for us is the attractiveness of equity income in a world where bond yields have collapsed. This might prompt a portfolio reallocation in favor of dividend-paying equities, particularly in markets where the equities are yielding significantly more than bonds. In our view, Europe is the market which could benefit the most from this trend.

From a sector perspective, we have upgraded Consumer Staples and Consumer Discretionary to neutral, as these sectors should both benefit from greater consumer purchasing power in light of a lower oil price. We have downgraded Healthcare to neutral; the sector has performed well for a prolonged period of time, but might suffer somewhat from the recent move in the Swiss franc.

Marino Valensise
Chairman
Strategic Policy Group
Baring Asset Management, London

BARINGS

250 years of open minds
and uncommon perspectives.

Global Dynamic Asset Allocation

Investment People, Philosophy and Process

January 2015

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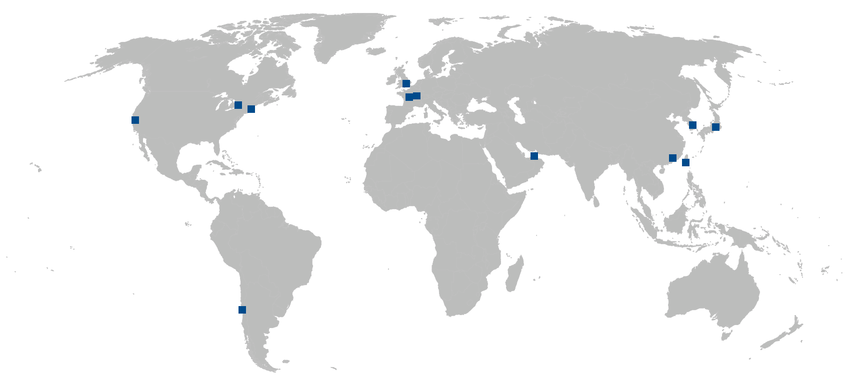


London, Boston, Dubai, Frankfurt, Hong Kong, Paris,
San Francisco, Santiago, Seoul, Taipei, Tokyo, Toronto

As at November 30th, 2014

Global Capabilities

Multi-Asset	Developed Equity	Emerging & Frontier Equity	Fixed Income
Global Dynamic Asset Allocation	International Equity*	Global Emerging Markets	Global Aggregate
Active/Passive Alpha Tilt*	World Equity	China A Equity	Global Government
Active/Passive International Equity*	International Small Cap	ASEAN Frontiers	International Fixed
**Dynamic Emerging Markets	European Small Cap	Frontier Markets	Emerging Market Debt
	Global Resources	MENA	
	Global Agriculture		

Dedication to macro analysis and bottom-up research

*EAFE, ACWI x-US and other benchmarks
** Dynamic Emerging Markets is a Multi-Asset structure focusing on EM Equity and EM Debt

Barings Global Dynamic Asset Allocation

Objectives

- Return
  - CPI + 4% over a market cycle (equity-like returns)
- Risk
  - Volatility no more than 70% of MSCI All Countries World Index
- History
  - CPI + 7% at 54% of equity volatility

Simple building blocks

- ETF’s for equity, credit and commodity exposure
- Direct bonds and cash equivalents
- Currency forwards, limited futures and options
- Long only, liquid, unlevered
- Clear and transparent

We are active managers of risk <u>and</u> asset allocation

Global Dynamic Asset Allocation
Portfolio Fit

GDAA as a means to:

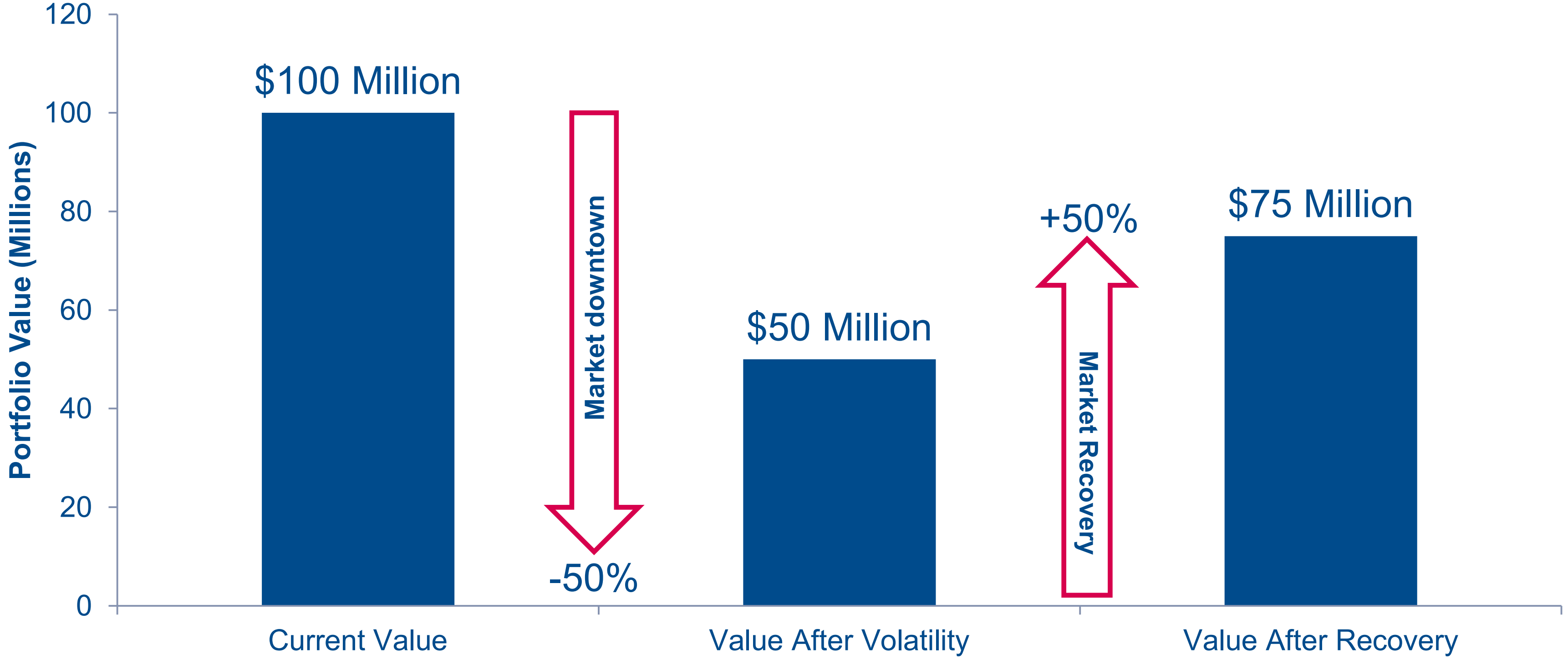
- Manage risk by lowering equity volatility
- Become more opportunistic
- Gain access to additional asset classes
- Diversify:
  - Top down macro research and analysis
  - Non-benchmark, targeted return focus

GDAA portfolio positioning:

- Core holding of risk assets
- "Flex" holding, expanding and contracting risk level
- Liquid Alternative bucket
- Opportunistic component of Custom Target Date funds

Solutions based strategy

Why GDAA?
One disastrous year destroys several years' growth



GDAA strives to buffer equity volatility

Why Dynamic Asset Allocation is Critical
Best and worst performing asset classes

2007		2008		2009		2010		2011		2012		2013	
Emerging Equities	**37.4**	**Overseas Bonds**	**58.1**	**Emerging Equities**	**59.4**	**Gold Bullion**	**33.4**	**Index Linked Gilts**	**23.3**	**European Equities**	**17.8**	**N American Equities**	**28.3**
Gold Bullion	29.6	Gold Bullion	42.8	Asia Ex Japan	53.3	Asia Ex Japan	24.0	UK Gilts	15.6	Asia Ex Japan	17.7	European Equities	25.2
Asia Ex Japan	29.0	UK Gilts	12.8	UK Equities	30.1	Emerging Equities	22.9	Gold Bullion	11.9	Emerging Equities	13.4	Japanese Equities	24.9
European Equities	15.3	Cash	4.7	European Equities	19.4	N American Equities	19.0	Property	8.1	Corporate Bonds	13.3	UK Equities	20.8
Hedge Funds	4.5	European Equities	-24.4	Cash	0.5	UK Gilts	7.2	Asia ex Japan	-13.0	Gold Bullion	0.9	UK Gilts	-3.9
Corporate Bonds	1.8	UK Equities	-29.9	UK Gilts	-1.2	European Equities	5.3	Japanese Equities	-13.1	Index Linked	0.5	Emerging Equities	-4.1
Property	-5.5	Asia Ex Japan	-31.3	Japanese Equities	-5.9	Hedge Funds	5.2	European Equities	-15.2	Cash	0.4	Overseas Bonds	-6.4
Japanese Equities	**-6.5**	**Emerging Equities**	**-35.2**	**Overseas Bonds**	**-9.7**	**Cash**	**0.4**	**Emerging Equities**	**-17.6**	**Overseas Bonds**	**-3.6**	**Gold Bullion**	**-28.7**

The right asset class at the right time is key

Source: Barings as at December 31st, 2013

What Sets Us Apart

- Multi-asset mandates since 1988, managing Dynamic Asset Allocation portfolios since 2002
- Global macro research capabilities:

Country	Interest Rate
Sector	Credit
Style	Currency
Stock	Commodities

- Wide asset ranges used opportunistically
- 11-person asset allocation team with the resources of a global firm
  – Average manager's investment experience: 21 years
  – Average time with the firm: 11 years
- $13.9B managed by the multi-asset team

Long heritage of top down <u>and</u> multi asset expertise

As at November 30th, 2014

Global Dynamic Asset Allocation
Portfolio Management Structure

GDAA Portfolio Management Team			
Hayes Miller	34	Matthew Whitbread	15

Strategic Policy Group	Yrs. Inv. Exp.
Marino Valensise	26
Hayes Miller (Boston)	34
Khiem Do (Hong Kong)	37
Alan Wilde	29
Christopher Mahon	15
James Ross	29
David Bertocchi	16
Sonja Laud	12
Ken Lambden	28
Hartwig Kos	9

Multi Asset Group	Yrs. Inv. Exp.
Marino Valensise	26
Hayes Miller (Boston)	34
Christopher Mahon	15
Khiem Do (Hong Kong)	37
Hartwig Kos	9
Matthew Whitbread (Boston)	15
Alison Huang	9
Luca Dal Mas	13
Malcolm Herring	35
Sonja Laud	12

Economic Research Sub Group	Avg. Yrs. Inv. Exp.
Christopher Mahon (Chair) 7 team members	20

Asset Class Research Sub Group	Avg. Yrs. Inv. Exp.
Hartwig Kos (Chair) 7 team members	16

Equity Research Sub Group	Avg. Yrs. Inv. Exp.
Hayes Miller (Chair) 7 team members	21

Fixed Income & Currency	Avg. Yrs. Inv. Exp.
Alan Wilde (Chair) 12 team members	20

Global Dynamic Asset Allocation
Alpha Process Overview

Research	Economic Research Sub Group	Asset Class Sub Group	Equity Research Sub Group	Fixed Income & Currency Team

Identifying Opportunities	Strategic Policy Group	Ranking asset classes and identifying themes
Portfolio Construction	Global Multi Asset Group	Setting risk budget Allocating the risk budget, based on SPG scores
Implementation		Choosing the best investments

Research Output

- Economic Research Sub Group
  - 12 month outlook for GDP, inflation, policy for key countries and regions
  - Relative to consensus, searching for surprises
- Asset Class Research Sub Group
  - Calculate risk premia for all major asset classes
  - Guide on assets with best reward-for-risk potential
- Equity Research Sub Group
  - Combine quantitative and fundamental framework for analyzing country and sector equity markets
- Fixed Income & Currency Team
  - Use multi-scenario analysis to find bond and currency markets with best prospects for likely economic environment

Region and Sector Research
Current Outlook from SPG

	AVOID (5)	NOT PREFERRED (4)	NEUTRAL (3)	PREFERRED (2)	STRONGLY PREFERRED (1)
Overall		Credit (IG) Gov't	IL Credit (HY) Cash Equity (2)	Property	
Equities		Canada Singapore	UK / Australia EM Equity MSCI Hong Kong Europe US (2)	Japan	
Sectors		Utilities	Industrials / Materials Financials Info Tech Energy Consumer Disc (4) Consumer Staples (4) Healthcare (2)	Telco	
Bonds		Germany	Canada Australia UK / Japan US	EM Local	
Currency vs. US$		Gold £ EUR JP¥	EM AUS		

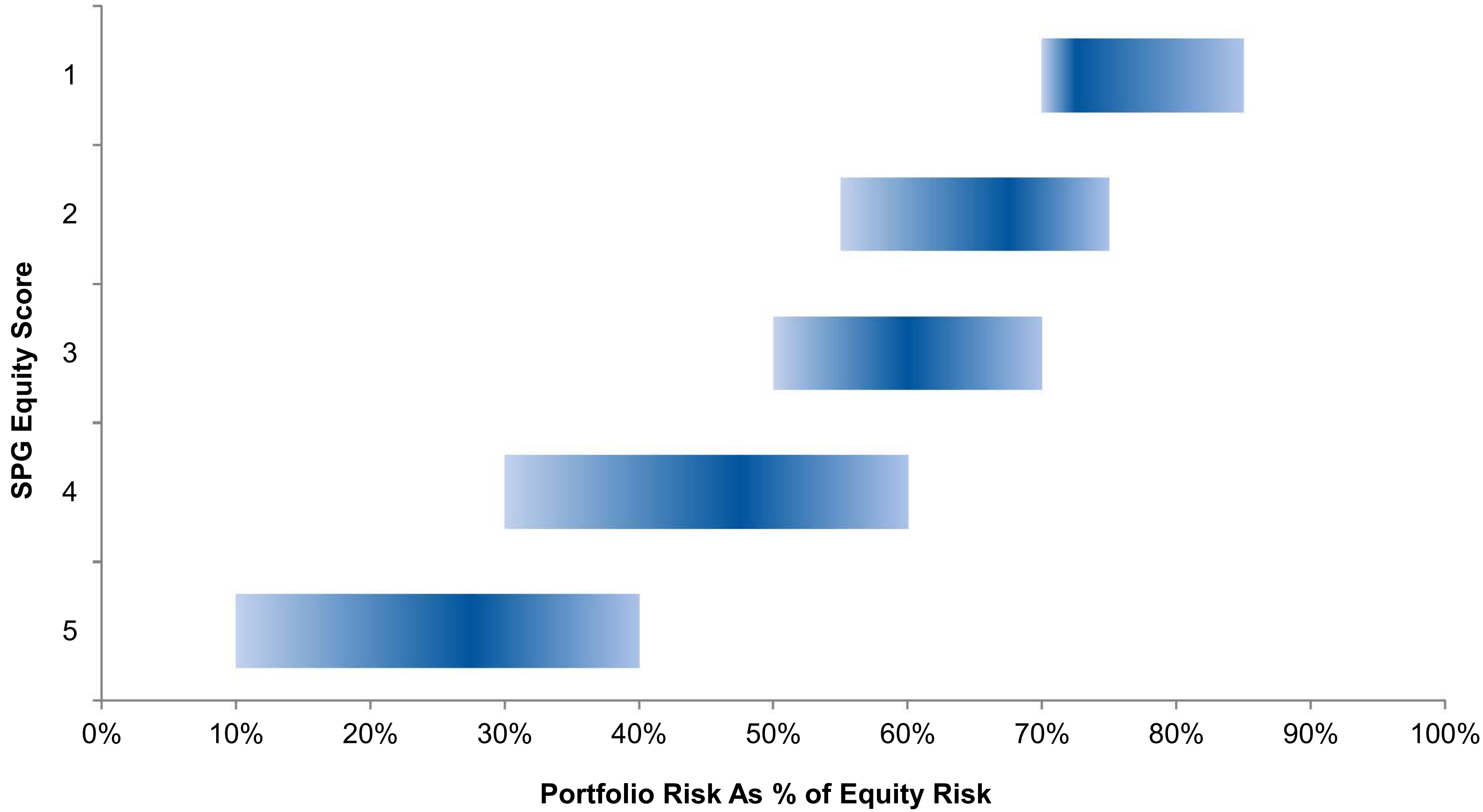
Source: Barings, January 2015
Figures in red show change from previous month

Multi Asset Team
Portfolio Construction

- Determines the optimal level of portfolio risk to reflect SPG views
  - Forecast standard deviation of GDAA portfolio (normally 5% - 13%)
  - Portfolio risk as a % of global equity volatility (normally 25% - 70% of equity risk)
- Evaluate potential allocation changes within the risk framework
- Review of vehicles available to implement those ideas
- "What-if" scenarios in risk model to see impact on
  - Overall risk
  - Risk budget
- Implement tactical changes on an on-going basis
- Trade through Thinkfolio
  - Real-time check against mandate guidelines

Fundamental analysis with risk overlay

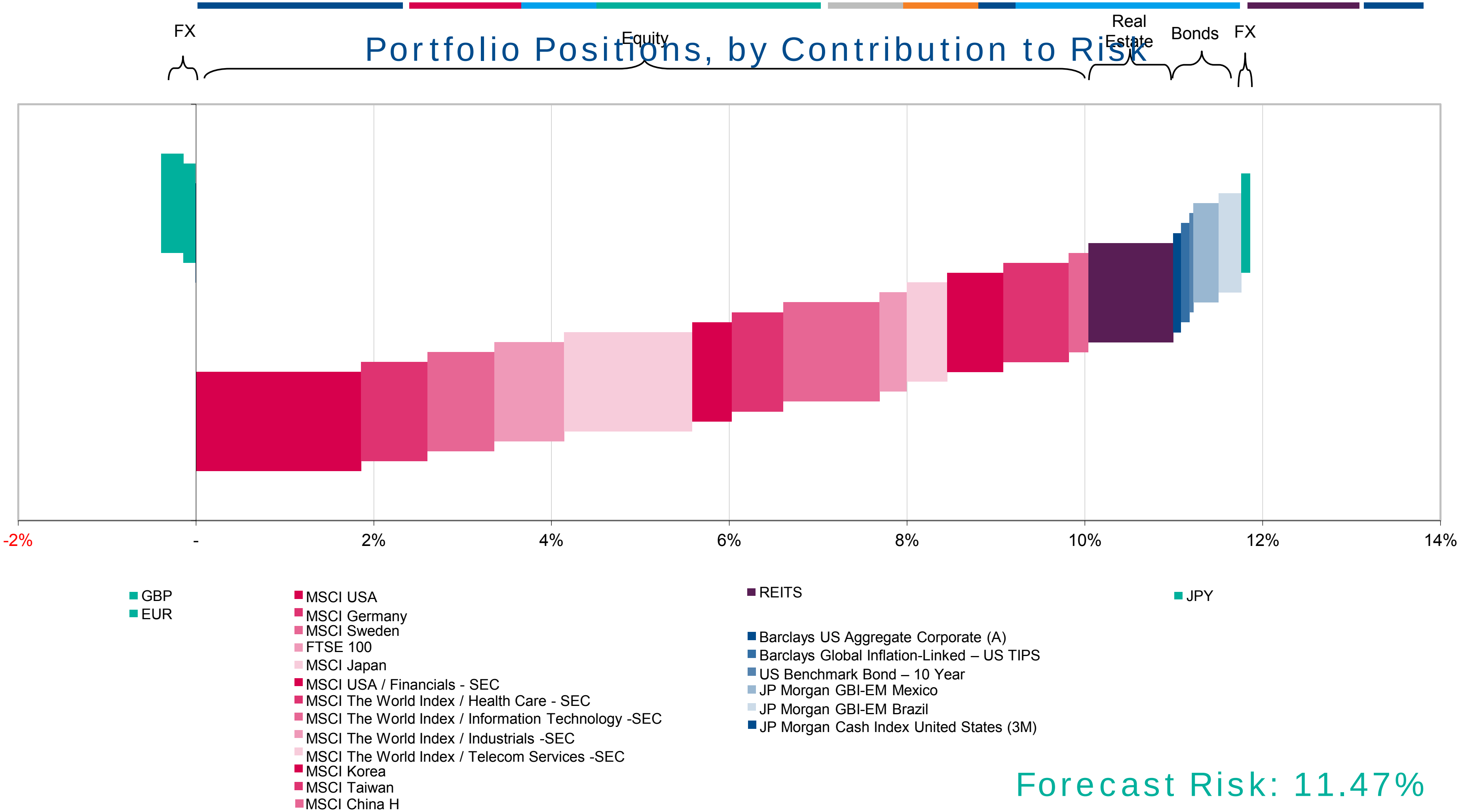
Target Equity Risk Ranges By Equity Score



Actual final portfolio risk level depends on: other asset scores, expectations for volatility and correlation of assets, equity and bond constituents, currency hedge, etc.

Decomposing the Risk Budget
Current GDAA Portfolio

Portfolio Positions, by Contribution to Risk

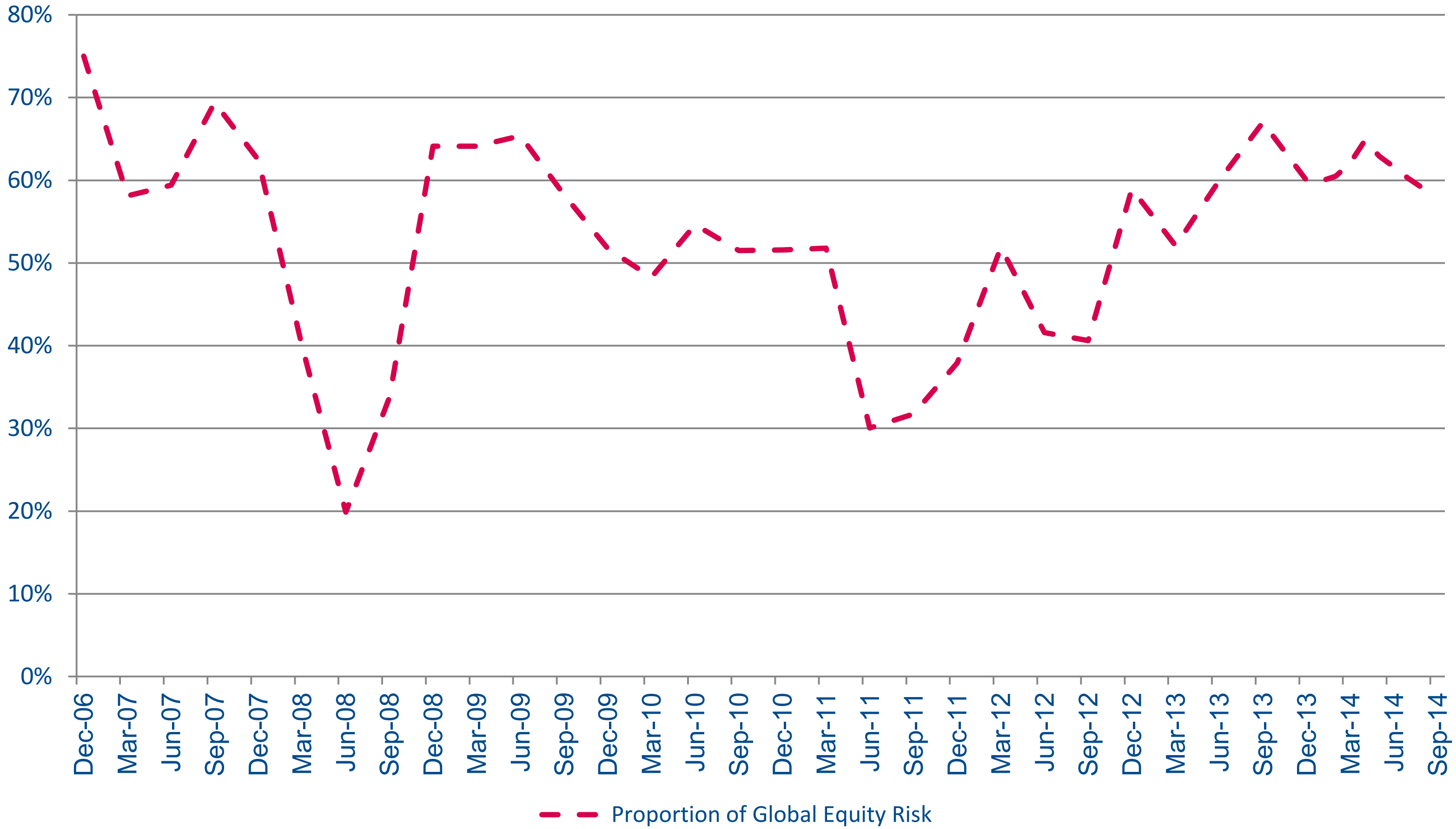


Forecast Risk: 11.47%

We aim to make risks commensurate with convictions

Source: Barings, December 12, 2014. This analysis is based on the Global Dynamic Asset Allocation portfolio targeting US CPI+4%.
*Risk = standard deviation of annualized return from asset allocation derived from monthly historic volatilities and correlations in a seven-year period ending 9/4/13

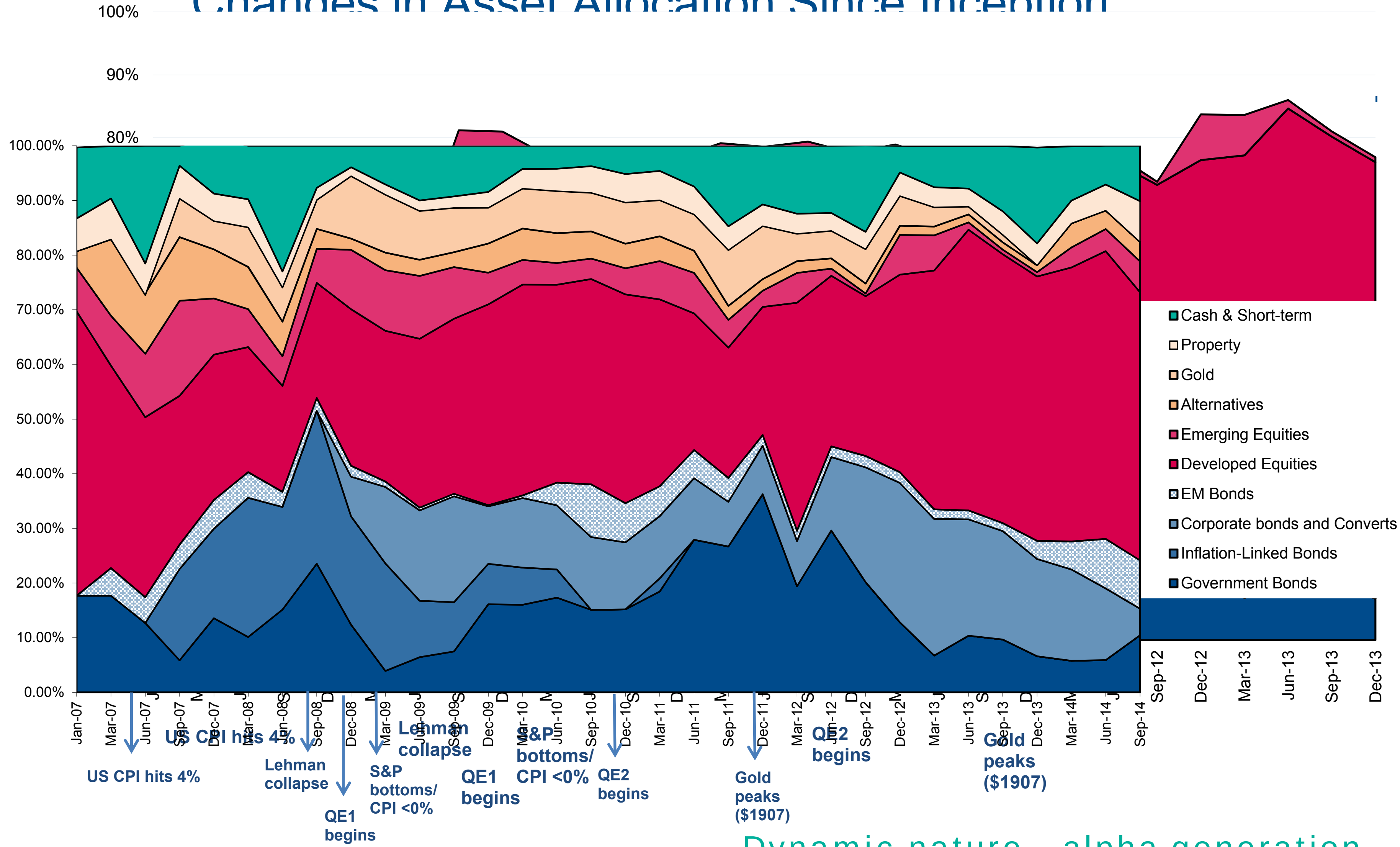
Historic Risk Profile
Ex Ante risk has ranged from 20-70% of equity risk



Average proportion of Global Equity Risk: 54%

We are including allocation information for our UK based Dynamic Asset Allocation product which has a longer track record than the US GDAA product. The exposures in the US product are very similar to the UK product; however the US product is based in US dollar and the UK product is based in Sterling. In addition, the US product holds ETFs whereas, the UK product holds actively managed funds, fund of hedge funds and private equity. Source: Barings, as of September 30, 2014. The information shown on this page is of a representative account (Baring GBP Dynamic Asset Allocation Portfolio) in the Multi Asset: GBP Inflation/ Cash Targeted Solutions: High Return composite notes shown in the Appendix and as such should be considered supplemental information.

Changes in Asset Allocation Since Inception



Dynamic nature – alpha generation

We are including allocation information for our UK based Dynamic Asset Allocation product which has a longer track record than the US GDAA product. The exposures in the US product are very similar to the UK product, however the US product is based in US dollar and the UK product is based in Sterling. In addition, the US product holds ETFs whereas, the UK product holds actively managed funds, fund of hedge funds and private equity. Source: Barings, as of September 30, 2014. The information shown on this page is of a representative account in the Multi Asset: GBP Inflation/ Cash Targeted Solutions: High Return composite notes shown in the Appendix and as such should be considered supplemental information. Composite contains funds not available in US or to US Investors

Guideline Principles

Guidelines	Allocation Range (%)
Equities/ Convertibles	0 – 75
- of which Emerging Market Equity	0 – 40
Commodities	0 – 15
Bonds	0 – 80
- of which Developed Government bonds (nominal or inflation-linked)	0 – 80
- of which Emerging Market Government Bonds	0 – 15
- of which Investment Grade Corporate Credit	0 – 40
- of which Non-Investment Grade Corporate Credit	0 – 15
Property (through REITS & ETF's)	0 – 30
Cash	0 – 30

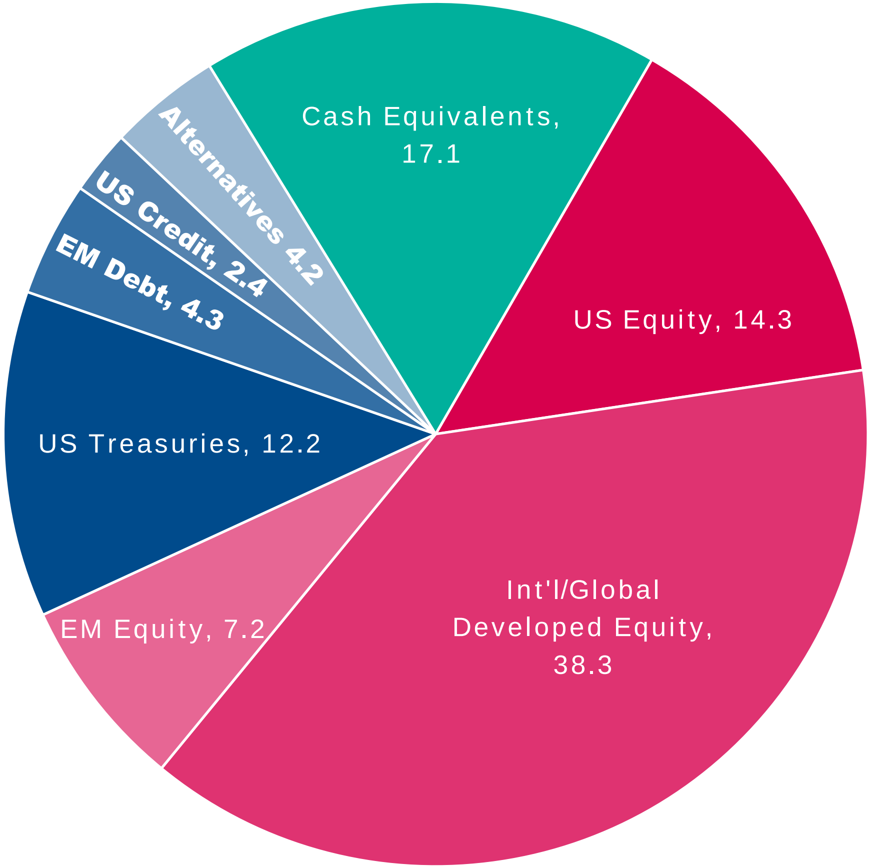
Currency Guidelines	
Min USD Exposure	60%
Max Exposure to each Developed Market Currency – ex-USD*	15%
Max Exposure to each EM currency	5%

Method of Currency Hedging	Forward FX Contracts

Risk Management
Predicted Risk Value at Risk (VaR) 70% of equity volatility
Experienced Risk Actual standard deviation of return
Stress testing Drawdown in market crisis
NO LEVERAGE

Source: Barings
* MSCI AC World Index classifications used to determine developed vs emerging status

Global Dynamic Asset Allocation
Current Positioning



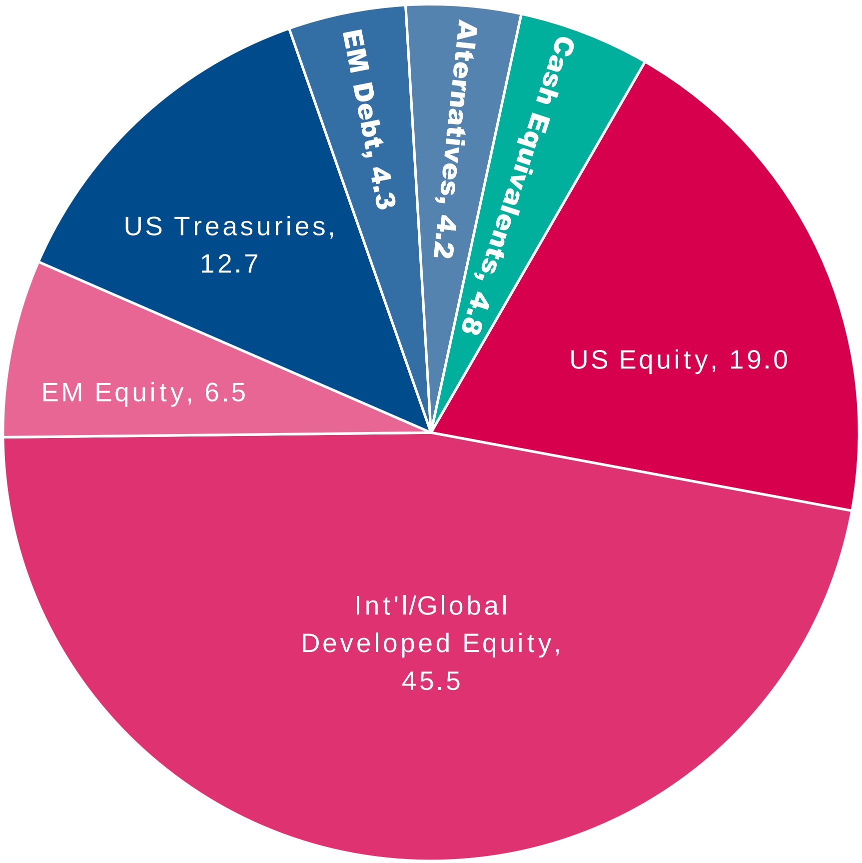
Forecast Risk: 11.47%

US Equity	**14.33**
SPDR S&P 500 ETF	12.26
Vanguard US Financials ETF	2.07
Int'l/Global Developed Equity	**38.29**
iShares S&P Global Industrials ETF	1.56
iShares S&P Global Telecommunications ETF	3.73
iShares S&P Global Technology ETF	6.23
iShares S&P Global HealthCare ETF	5.39
* iShares MSCI Japan ETF	10.69
* iShares Germany ETF	3.12
iShares Sw eden ETF	3.06
* iShares MSCI UK ETF	4.51
EM Equity	**7.24**
iShares MSCI Korea ETF	2.50
iShares MSCI Taiw an ETF	3.78
iShares China ETF	0.96
US Treasuries	**12.15**
UST 2.75% 2/15/2024	7.24
US TIPS 3.375% 4/15/2032	4.91
EM Debt	**4.29**
Mexico 10.0% 12/5/2024	0.82
Mexico 8.0% 12/7/2023	1.02
Mexico 8.5% 11/18/2038	0.86
Brazil 10.0% 1/1/2017	1.59
US Credit	**2.42**
iShares Barclays Int IG Credit ETF	2.42
Alternatives	**4.22**
Vanguard US REIT ETF	4.22
Cash Equivalents	**17.06**

* Currency hedged back to US Dollar

December 12, 2014. The weights in the chart represent a representative account within the Global Dynamic Asset Allocation Composite, and as such should be considered supplemental information to the GIPS notes included in the Appendix. This representative account was chosen by the Firm as a representative account that is deemed to best represent the Firm's management style for the composite.

Global Dynamic Asset Allocation Plus
Current Positioning



Forecast Risk: 13.71%

US Equity	**18.95**
SPDR S&P 500 ETF	13.05
Vanguard US Financials ETF	3.25
Vanguard US Technology ETF	2.65
Int'l/Global Developed Equity	**45.53**
iShares S&P Global Industrials ETF	2.22
iShares S&P Global Technology ETF	8.42
iShares S&P Global Telecommunications ETF	3.74
iShares S&P Global HealthCare ETF	8.05
* iShares MSCI Japan ETF	11.47
* iShares Germany ETF	3.10
iShares Sw eden ETF	3.04
* iShares MSCI UK ETF	5.49
EM Equity	**9.52**
iShares MSCI Korea ETF	3.48
iShares MSCI Taiw an ETF	5.07
iShares China ETF	0.97
US Treasuries	**12.70**
UST 2.75% 2/15/2024	7.85
US TIPS 3.375% 4/15/2032	4.85
EM Debt	**4.32**
Mexico 10.0% 12/5/2024	0.47
Mexico 8.0% 12/7/2023	1.29
Mexico 8.5% 11/18/2038	0.90
Brazil 10.0% 1/1/2017	1.66
Alternatives	**4.23**
Vanguard US REIT ETF	4.23
Cash Equivalents	**4.75**

* Currency hedged back to US Dollar

December 12, 2014. The weights in the chart represent a representative account within the Global Dynamic Asset Allocation Plus Composite, and as such should be considered supplemental information to the GIPS notes included in the Appendix. This representative account was chosen by the Firm as a representative account that is deemed to best represent the Firm's management style for the composite.

Barings Global Dynamic Asset Allocation
Composite Performance

Composite Performance as of December 31, 2014					
	3 Months	6 Months	1 Year	3 Years	Since Inception (6/30/10)
Barings GDAA Composite (gross of fees)	2.1	1.8	4.9	6.8	8.5
CPI +4.0%	1.4	2.8	5.7	5.8	6.1
Relative vs. Gross	0.7	-1.0	-0.8	1.0	2.4

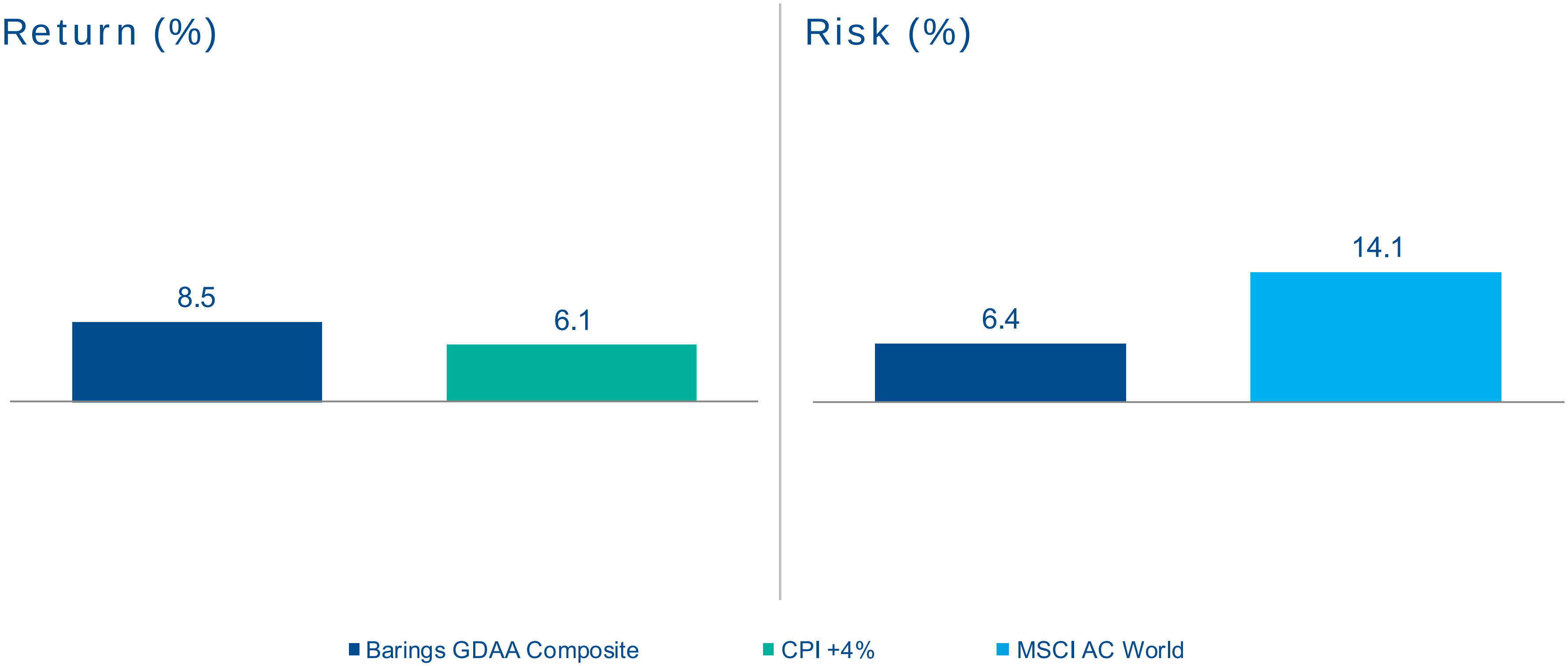
Please see the Appendix for composite description. This supplemental performance information complements the Global Dynamic Asset Allocation Composite as shown in the Appendix.

Barings Global Dynamic Asset Allocation Plus Composite Performance

Composite Performance as of December 31, 2014				
	3 Months	6 Months	1 Year	Since Inception (12/31/12)
Barings GDAA Plus Composite (Gross of Fees)	2.0	1.5	4.9	9.3
CPI + 4.0%	1.4	2.8	5.7	5.6
Relative vs. Gross	0.6	-1.3	-0.8	3.7

Please see the Appendix for composite description. This supplemental performance information complements the Global Dynamic Asset Allocation Broad Composite as shown in the Appendix.

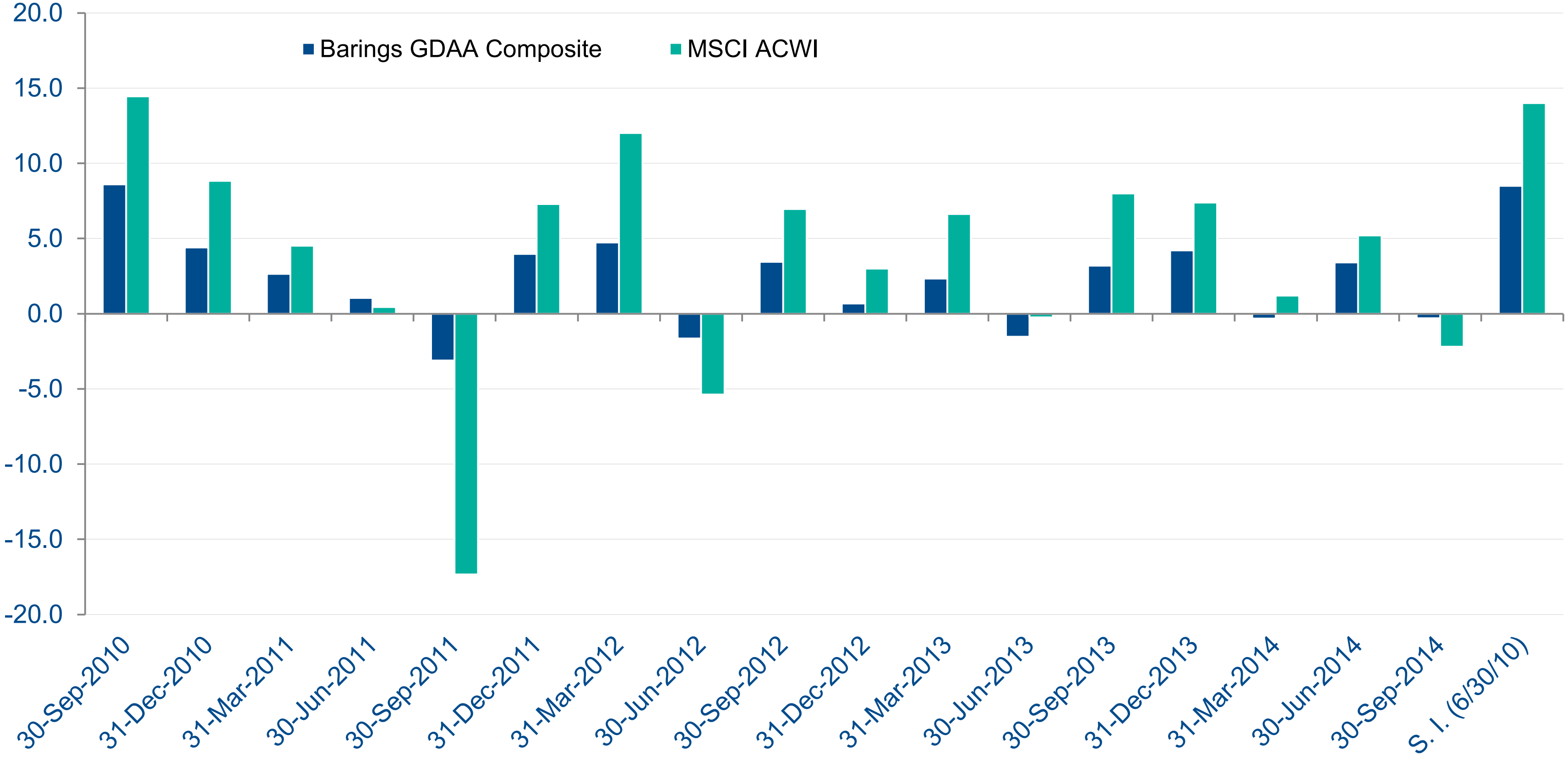
Barings GDAA Composite Return & Risk (USD)
Since Inception (6/30/10 – 9/30/14) Annualized



Source: Barings as at September 30, 2014. Reference to the index is for comparative purposes only. Please see the Appendix for net of fee and composite description. This supplemental performance information complements the Multi Asset USD Targeted Return: CPI+4% Composite as shown in the Appendix. *Risk = Standard deviation of monthly returns over the stated period (annualized).

Barings Global Dynamic Asset Allocation (USD) Composite Performance

Quarterly returns since inception

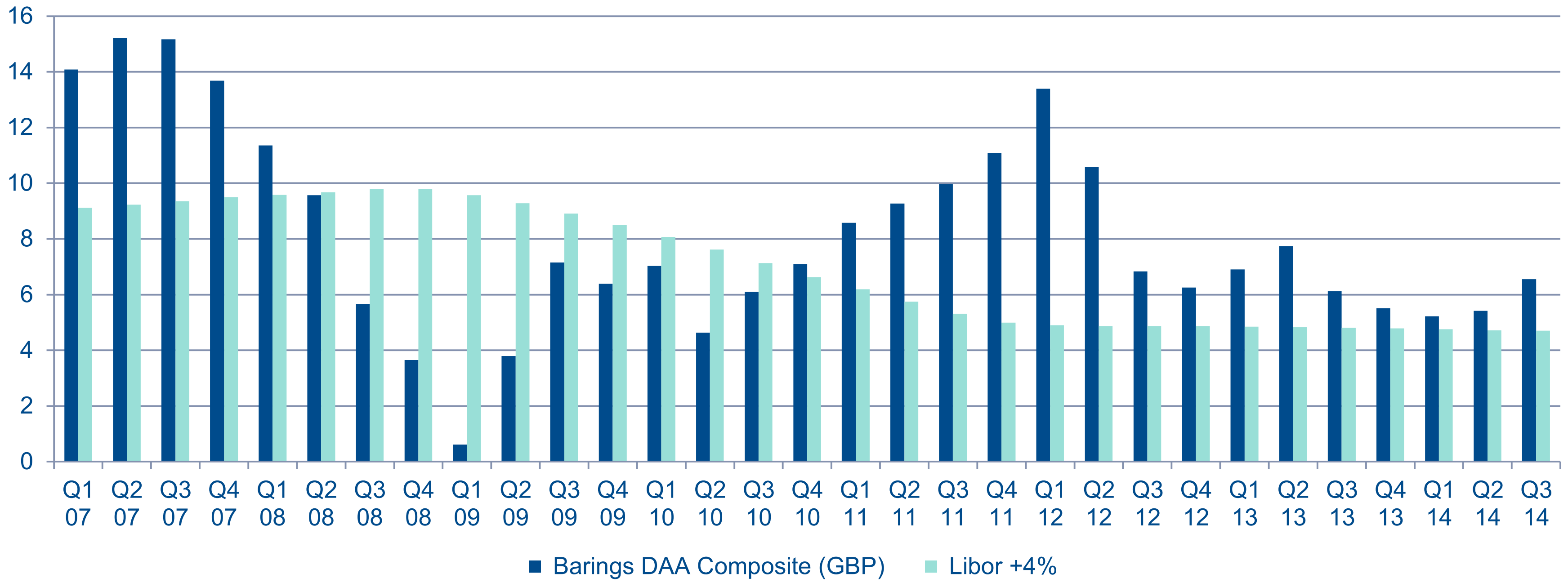


Upside participation <u>and</u> downside protection

Please see the Appendix for net of fee and composite description. Please note Gross of fee performance is presented. See the final page for a description of the impact of fees upon returns. This supplemental performance information complements the Multi Asset USD Targeted Return: CPI+4% Composite as shown in the Appendix.

Barings Dynamic Asset Allocation (GBP)
Composite Performance

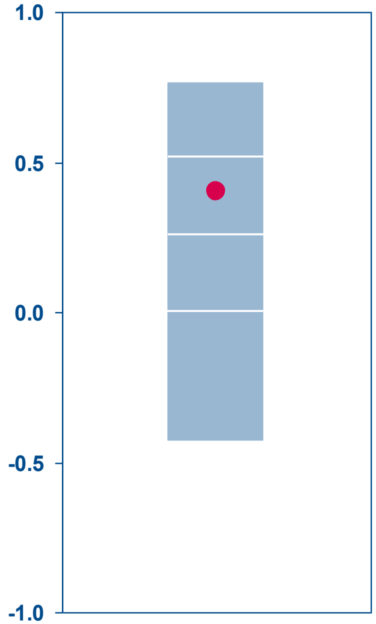
Rolling 3-year returns



We are including performance information for our UK based Dynamic Asset Allocation composite which has a longer track record than the US GDAA product. The exposures in the US product are very similar to the UK strategy; however the US product is based in USD and the UK strategy is based in Sterling. In addition, the US product holds ETF's whereas, the UK product may hold passively managed funds, actively managed funds, direct holdings, fund of hedge funds and private equity. Returns are shown annualized, gross of fees, please see the following page for net of fee and composite description. This supplemental performance information complements the Multi Asset GBP Inflation/Cash Targeted Solutions: High Return Composite presentation as provided. Composite contains funds not offered in the US and not available to US investors.

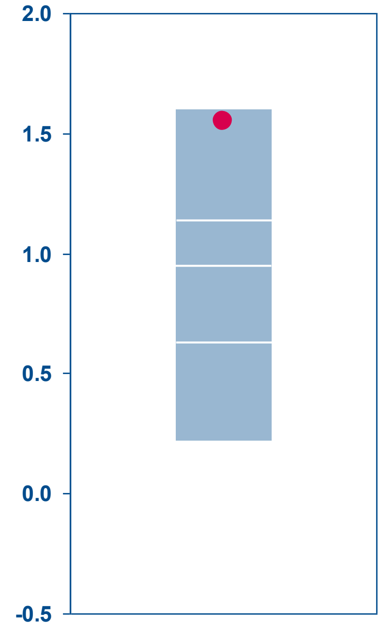
Barings Global Dynamic Asset Allocation Composite Universe & Sharpe Ratio Comparison

Information Ratio



	Since Inception
Percentile Rank	24
Median	0.26
# of Observations	99

Sharpe Ratio Ranking



	Since Inception
Percentile Rank	8
Median	0.95
# of Observations	99

Source: Data is sourced from eVestment Alliance as of September 30, 2014 and shown in the Global Tactical Asset Allocation universe, with 89% of the universe reporting. All results in USD. eVestment Alliance (eA) collects information directly from investment management firms and other sources believed to be reliable. The performance numbers on the chart are of the Global Dynamic Asset Allocation Broad Composite, and as such should be considered supplemental information to the GIPS notes included in the Appendix. Information ratio is measured against the Consumer Price Index while Sharpe ratio is measured against the Citigroup 3-month T-Bill.

Global Dynamic Asset Allocation
Distinguishing Characteristics

EQUITY LIKE RETURN WITH LOW VOLATILITY OBJECTIVE

LONG HERITAGE OF TOP-DOWN AND MULTI-ASSET EXPERIENCE

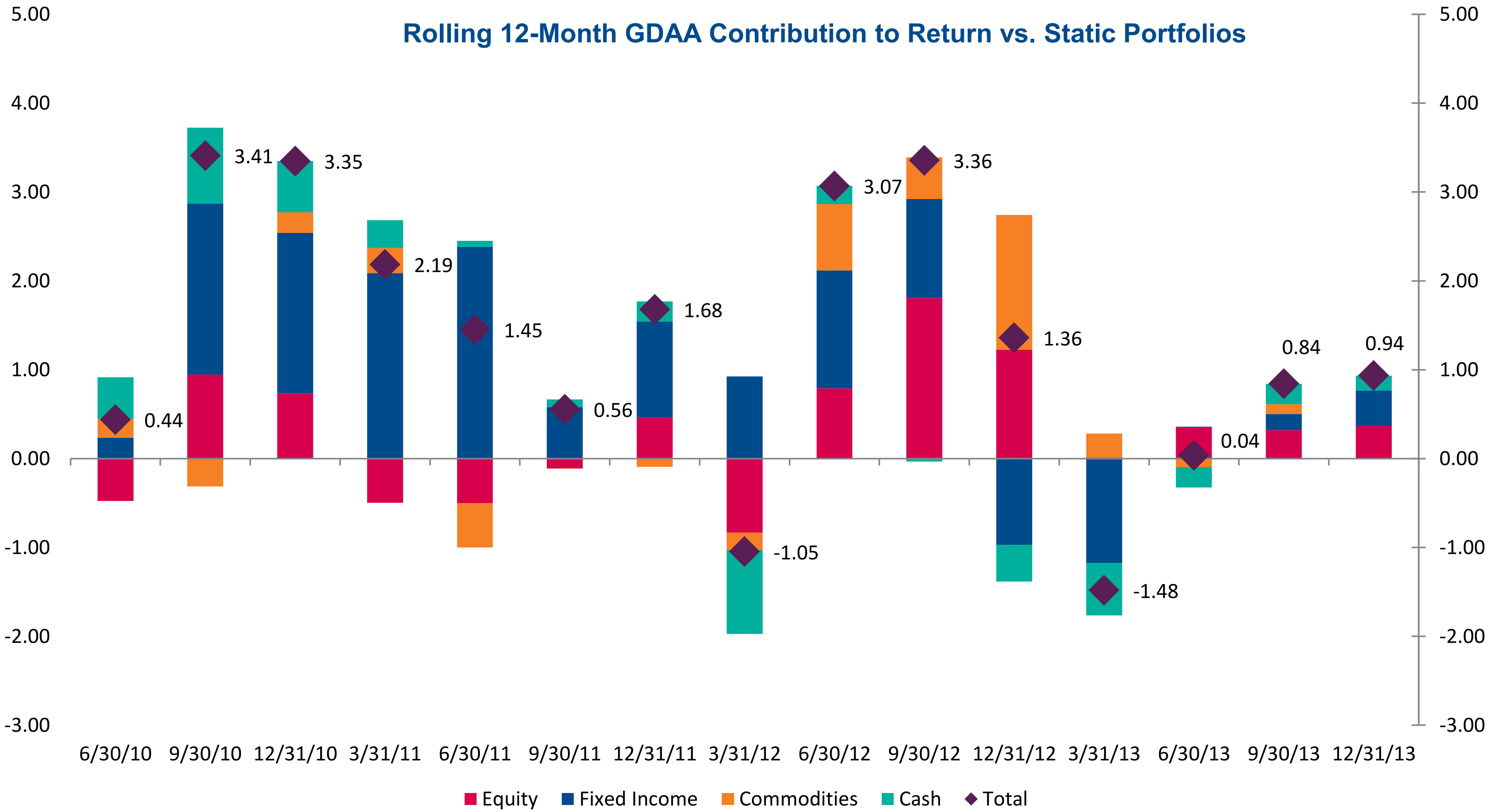
ACTIVE MANAGERS OF RISK AND ASSET ALLOCATION

RIGHT ASSET CLASS AT THE RIGHT TIME

TRANSPARENT AND LIQUID

Does it Work?

GDAA Contribution to Return vs. Static Portfolios



Source: Barings, Factset 6/30/10 to 6/30/13

GDAA Contribution to Return vs. Static Portfolios Disclosure

Source: Barings, Factset, Bloomberg

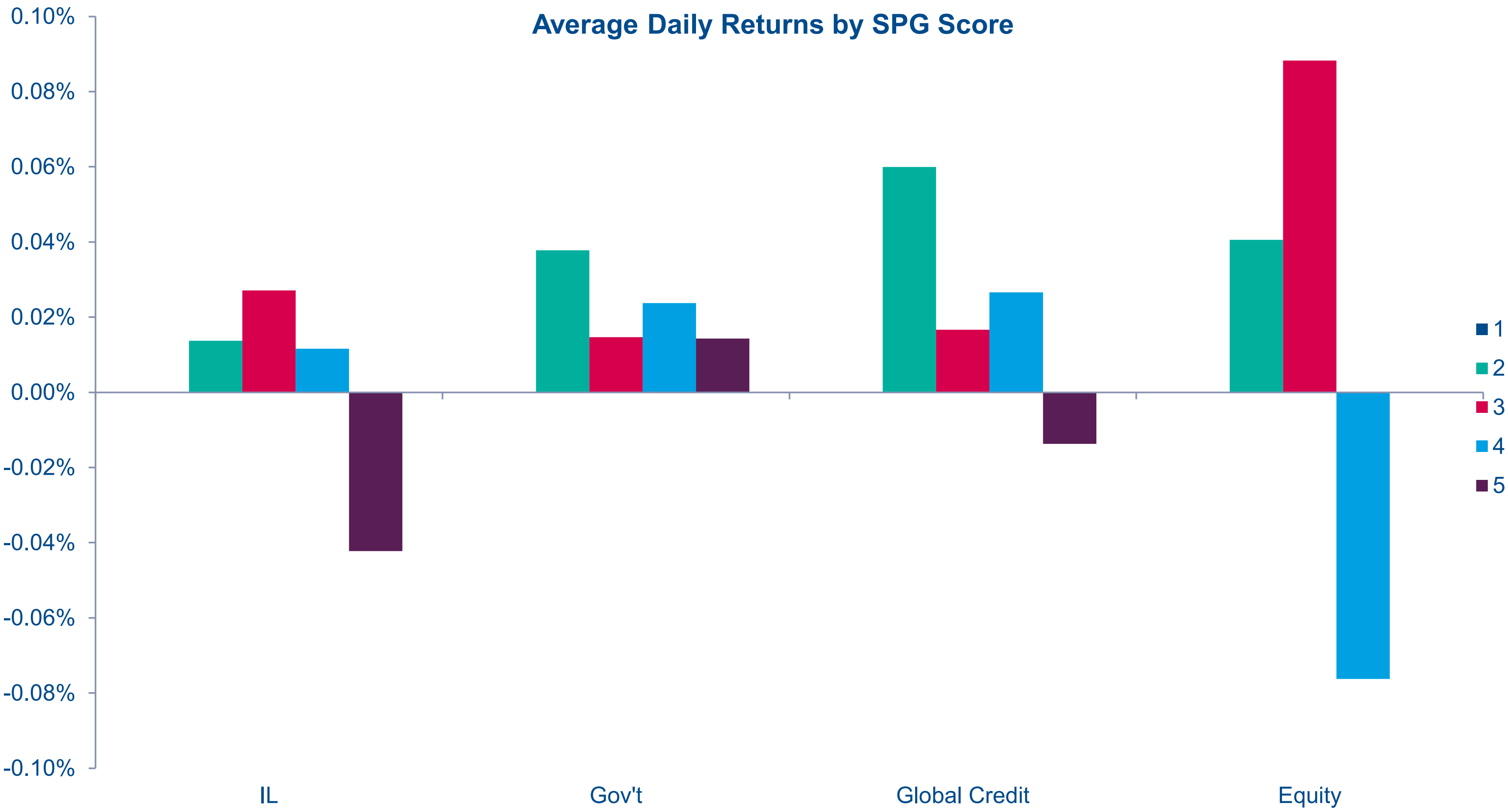
This chart represents the value add or loss from tactical asset allocation decisions and measures the relative performance of a Hypothetical Portfolio against a Modified Representative Account on a quarterly basis for each 12 month rolling period. The Hypothetical Portfolio consists of the holdings of the actual Representative Account within the Multi Asset USD Targeted Return: CPI +4% Composite ("Composite"), which were assumed to be held unchanged or static over a forward rolling 12 month period as of each quarter end. The Hypothetical Portfolio excludes all currency hedges and fixed income maturities during the rolling period. The Modified Representative Account consists of the actual Representative Account within the Composite and also excludes the same hedges and fixed income maturities. The Representative Account was chosen by the Firm as a representative account that is deemed to best represent the Firm's management style for the Composite. Performance presented is gross of fees.

The performance attribution analysis is supplemental to the GIPS-compliant presentation for the Composite included as part of this material. The relative returns presented reflect the returns an investor would have obtained had it invested in the manner shown and does not represent the relative returns that any investor actually attained. The information is based on the assumptions stated above. The contribution to performance above the hypothetical custom benchmark reflects a comparison to a hypothetical benchmark created in hindsight. There is no relationship between the management style of the Composite and the benchmark. The hypothetical benchmark for each time period reflects the 12-month performance of a hypothetical portfolio with static allocations for the entire 12-month period equal to the allocations as of the first day of the stated period. The hypothetical benchmark is not the Composite's benchmark and should not be viewed as an indication of how the Composite is managed. Additionally, the Modified Representative Account does not reflect the full account's performance and, as such, should not be viewed as representative of the performance of the Composite. Please see the GIPS-compliant presentation for the performance of the Composite and its benchmark.

Certain of the assumptions in creating the hypothetical benchmark have been made for modelling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the results shown. Hypothetical returns, such as those of the hypothetical benchmark, have many inherent limitations. Unlike actual performance, it does not represent actual trading or management, and does not take into consideration certain market factors, such as lack of liquidity and may not reflect the impact that certain economic or market factors may have had on the decision-making process. Other periods or representative accounts selected may have resulted in different returns, including losses.

Past performance is not indicative of future results.

Asset Class Scoring



Source: Barings, Factset 3/12/08 to 8/28/14

Asset Class Scoring Disclosure

Source: Barings, Factset

This chart shows each broad security index's absolute performance for each associated score by Barings' Strategic Policy Group (SPG). The scale for Barings' SPG scoring is 1 through 5, with 1 being a positive score and 5 being a negative score. Performance is calculated by taking the average daily return of each security index for all days over the period from March 12, 2008 through August 28, 2014 for each associated score. For example, if the SPG has given Inflation Linked a score of 3 for 50 days during the stated time period, performance is calculated by taking the total absolute performance of the BofA Merrill Lynch Global Governments - Inflation Linked Index over those 50 days divided by 50.

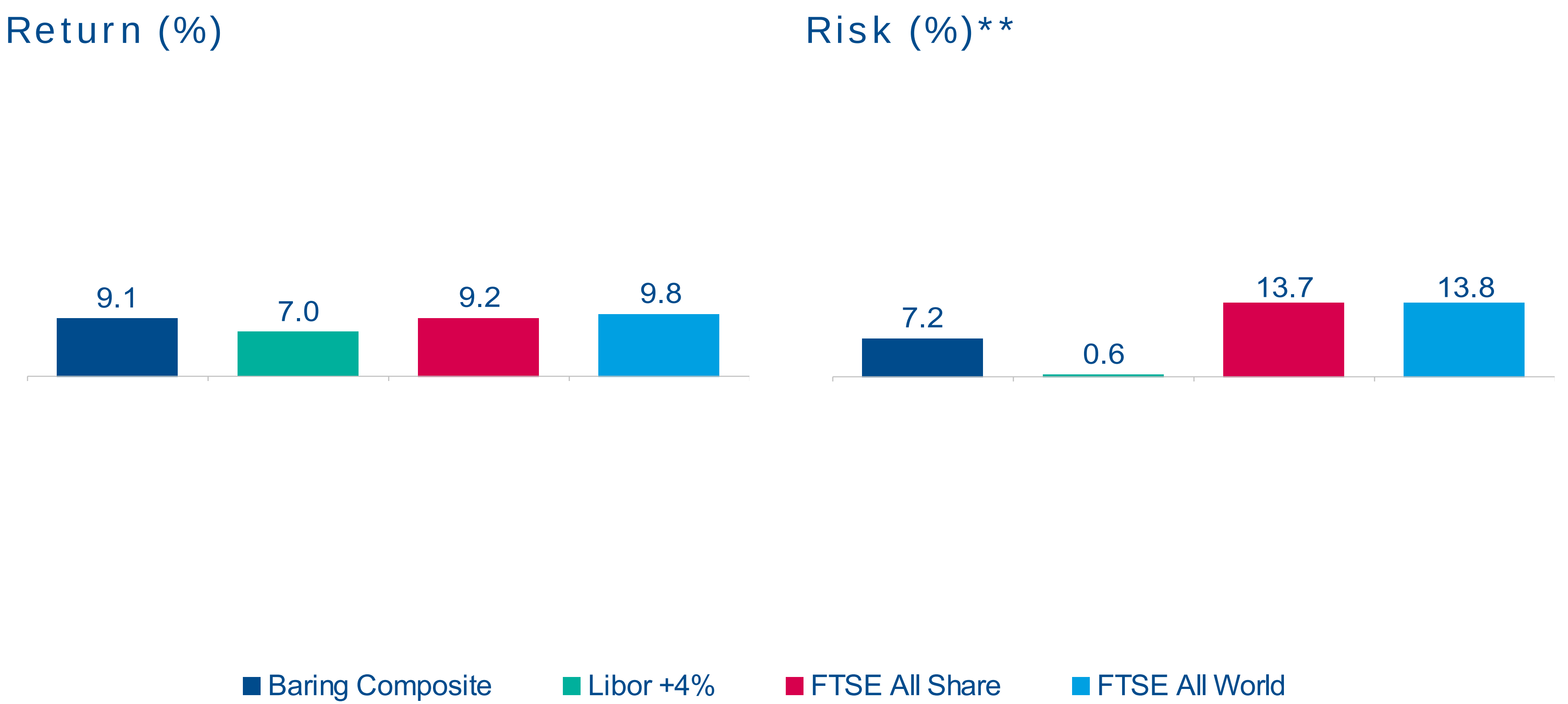
The model performance presented is supplemental to the GIPS-compliant presentation for the Multi Asset USD Targeted Return: CPI +4% composite ("Composite") included as part of this material. The performance presented reflects model performance an investor may have obtained had it invested in the manner shown and does not represent performance that any investor actually attained. The model performance presented is based upon the assumption stated above. Each bar assumes an investment in the index represented by each broad security category for each day the indicated score was given. The returns represent an average of daily index returns and do not assume a continuous investment in any of the indices presented. Investments cannot be made directly in an index. The performance presented begins in January 2005 due to database accessibility of SPG scores. The performance should not be viewed as that of the Composite or of any account managed in the Composite. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Model returns have many inherent limitations and may not reflect the impact that material economic and market factors may have had on the decision-making process if client funds were actually managed in the manner shown. Actual performance may differ substantially from the model performance presented. Changes in the assumptions may have a material impact on the model returns presented.

Inflation Linked (IL) ï BofA Merrill Lynch Global Governments - Inflation Linked
Global Government (Govít) ï BofA Merrill Lynch Global Governments Bond Index II
Global Credit (IG) ï BofA Merrill Lynch Global Broad Market ï Corporates
All Country World Equity (Equity) ï MSCI AC World

Past performance is not indicative of future results.

Appendix

Does our solution work?
Barings DAA Composite Return & Risk (GBP)
Since Inception (12/31/02 – 9/30/14) Annualized

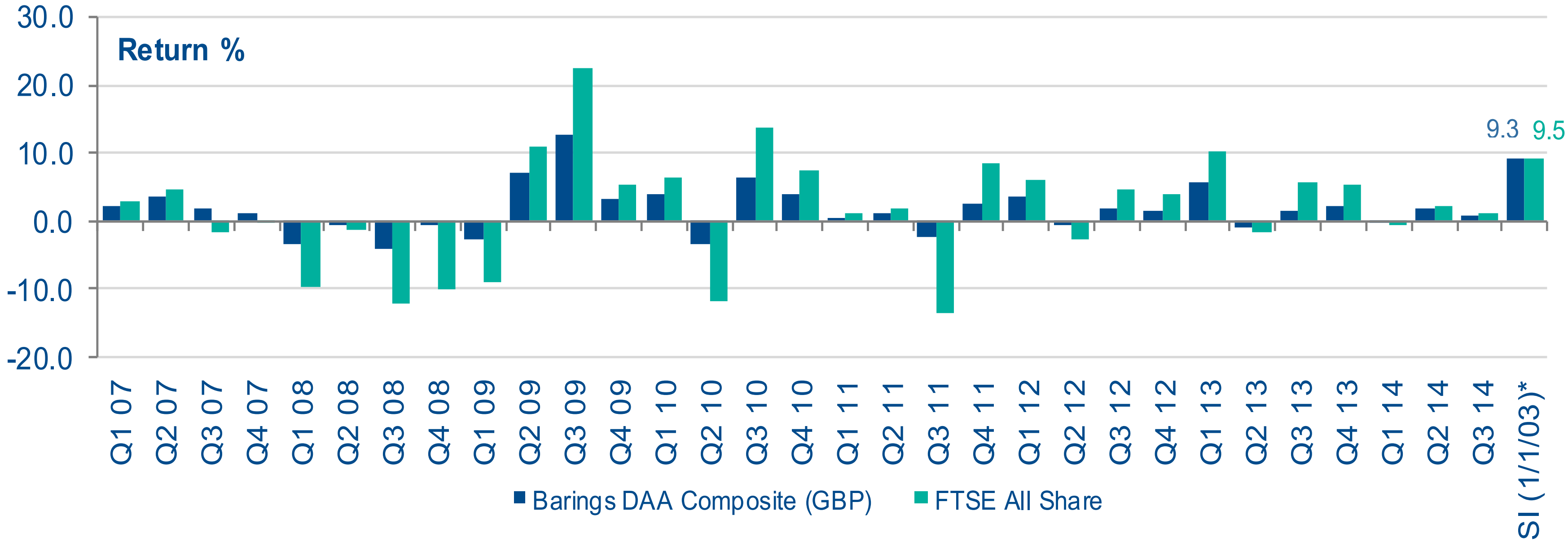


Past performance is no indication of current or future performance.

Source: Barings as at September 30, 2014. Reference to the index is for comparative purposes only. The composite returns should be considered as supplemental information which complements the Multi Asset GBP Inflation/Cash Targeted Solutions: High Return Composite presentation as provided in appendix. **Risk = Standard deviation of monthly returns over the stated period (annualized)

Barings Dynamic Asset Allocation (GBP) Composite Performance

Quarterly Returns



Upside participation and downside protection

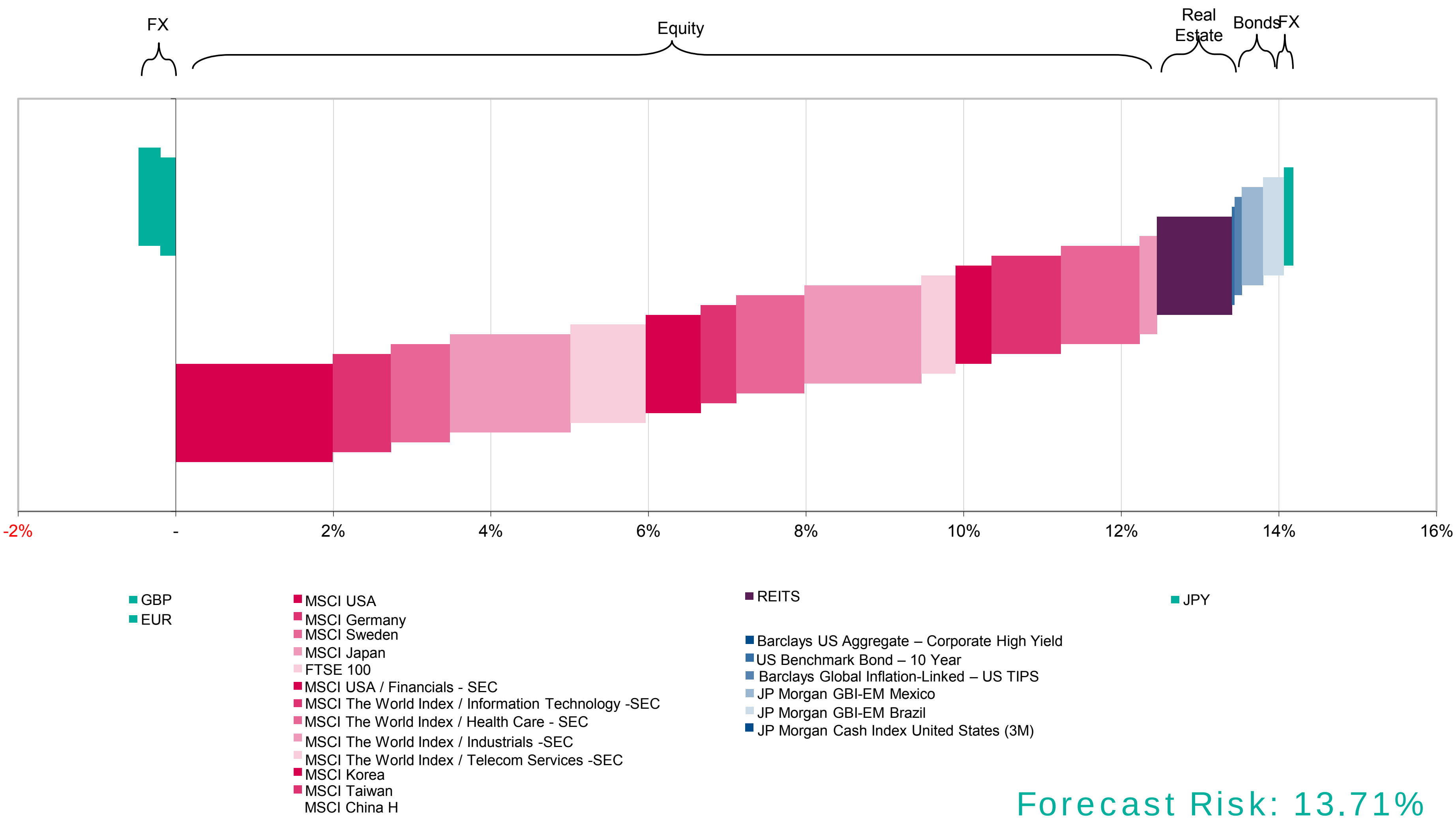
We are including performance information for our UK based Dynamic Asset Allocation composite which has a longer track record than the US GDAA product. The exposures in the US product are very similar to the UK strategy; however the US product is based in USD and the UK strategy is based in Sterling. In addition, the US product holds ETF's whereas, the UK product may hold passively managed funds, actively managed funds, direct holdings, fund of hedge funds and private equity. Returns are shown gross of fees, please see the following page for net of fee and composite description. This supplemental performance information complements the Multi Asset GBP Inflation/Cash Targeted Solutions: High Return Composite presentation as provided. Composite contains funds not offered in the US and not available to US Investors. *The Since Inception return is annualized from 12/31/02 –9/30/14.

US GDAA and UK DAA

- Similarities:
  - Strategic Policy Group driven
  - Similar process across the Globe for all versions of Dynamic Asset Allocation
  - Asset class ranges
  - Forecast risk (absolute and as a % of equity risk)
- Differences:
  - US vs. UK asset home bias
  - USD vs. GBP currencies
  - Indexed assets (US ETFs) vs. Active funds (UK)
  - US <u>excludes</u> Hedge FOF, private equity products

The UK DAA product is not available in the US or to US investors and is only presented to demonstrate process across the Global Multi Asset Groups.

Global Dynamic Asset Allocation Plus
Decomposing the Risk Budget
Current Portfolio

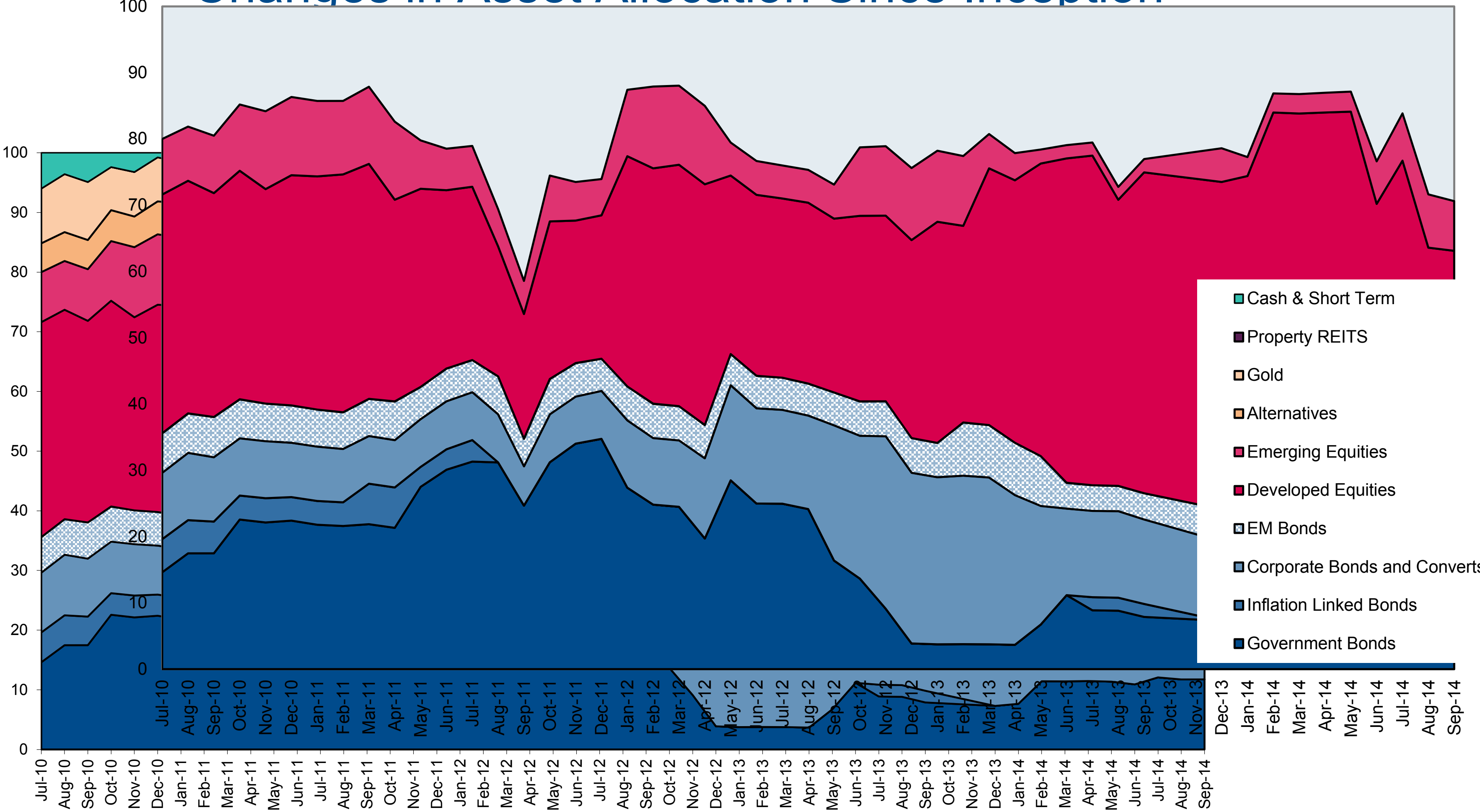


Forecast Risk: 13.71%

We aim to make risks commensurate with convictions

Source: Barings, December 12, 2014. This analysis is based on the Global Dynamic Asset Allocation Plus portfolio targeting US CPI+4%.
*Risk = standard deviation of annualized return from asset allocation derived from monthly historic volatilities and correlations in a seven-year period ending 9/4/13.

Changes in Asset Allocation Since Inception



Dynamic nature – alpha generation

Government Bonds Inflation Linked Bonds Corporate Bonds and Converts EM Bonds Developed Equities
Emerging Equities Alternatives Gold Propertt REITS Cash & Short Term

Source: Barings, as of September 30, 2014. This supplemental performance information complements the Global Dynamic Asset Allocation Composite as shown in the Appendix. Inception: June 30, 2010.

Representative Client List
North America

- Alexander Proudfoot Companies
- Aston Asset Management
- Bernadine Franciscan Sisters
- Bertelsmann, Inc.
- California PERS
- Calvert County Sheriff’s Department Pension Plan
- Calvert County Employees Retirement Plan
- Charlotte Firefighters’
- City of East Providence Fire & Police Pension Plan
- City of Dallas
- Colorado PERA
- Curian Capital, LLC
- Excel Funds Management Inc.
- Houston Municipal Employees' Pension System
- Investors Group iProfile
- Ironworkers' Mid-America Pension Fund
- Kansas PERS
- Kentucky TRS
- Local Union #226 IBEW Open End Pension Trust Fund
- MassMutual
- Miami University Foundation
- New York State Common Fund
- New York Teamsters
- Oklahoma Police Pension and Retirement System
- PERSIdaho
- Teacher Retirement System of Texas
- Teamsters Local 210 Affiliated Pension Trust Fund
- Tennessee Consolidated Retirement System
- Virginia Pooled OPEB Trust Fund

Clients named are those who consent solely to disclosure of their name for the purposes of marketing to other existing and potential institutional clients. By disclosure of their names, such clients neither approve nor disapprove nor endorse our services, products or performance. December 2014

Representative List of our Clients And Partners Around the World

Europe & Middle East

- Allfunds Bank
- Allianz
- BAWAG
- BNP
- Citi
- Commerzbank
- Cortal Consors
- Deutsche Bank
- Generali
- Julius Baer
- Pictet
- Standard Chartered
- UBS

Asia

- Bank of China
- Bank of China Investment Management (PRC)
- Cathay Life
- Citi
- Chinatrust
- First Commercial Bank
- Hang Seng Bank
- HSBC
- National Council for Social Security Fund (PRC)
- Standard Chartered Bank
- Sun Life Asia
- Zurich Life

UK

- Aberdeen City Council
- Aberystwyth University
- BAA Pension Scheme
- Devon County Council
- Doosan Babcock Energy Pension Scheme
- Dorset County Council
- Friends Provident
- Fuller Smith & Turner Pension Plan
- Hargreaves Lansdown
- Highlands & Islands Airports Pension Scheme
- Sharp
- Old Mutual
- Wiltshire County Council
- Zurich International

Korea

- Hana Financial Group
- Hanwha Life
- Hi Asset Management
- Hyundai Securities
- KB Financial Group
- Korea Post
- Korea Teachers Credit Union
- Korea Teachers Pension
- Kyobo Life
- MetLife Insurance of Korea
- Mirae Asset Securities
- National Pension Service
- Samsung Life
- Samsung Securities
- Shinhan Financial Group

Japan

- Bridgestone Pension Fund
- Hiroshima Bank
- Hitachi Pension Fund
- Ichiyoshi Securities
- ING Life Japan
- Panasonic Pension Fund
- Sanyo Rengo Pension Fund
- Shinsei Bank
- Sumitomo Mitsui Trust Bank
- Sumitomo Rubber Rengo Pension Fund
- Taisho Pharmaceutical Group Pension Fund
- Tokyo Electron Pension Fund
- Toyota Motor Pension Fund

Clients named are those who consent solely to disclosure of their name for the purposes of marketing to other existing and potential institutional clients. By disclosure of their names, such clients neither approve nor disapprove nor endorse our services, products or performance. November 2014

Fees

- Barings' standard investment advisory fee for a separate or commingled* account in the Global Dynamic Asset Allocation strategy is 0.65%.

- Minimum account size:
  - Mutual Fund** $1 million
  - Commingled Fund $5 million
  - Segregated Account $25 million

- Commingled Fund expenses, include custody, fund administration, audit and tax preparation fees. All are disclosed in the offering memorandum and annual financial statements. Barings has voluntarily limited the Fund's total expenses to 10 basis points and will reimburse the fund for any expenses incurred in excess of this limitation. Costs embedded in underlying investments such as ETFs are reflected in the performance of these investments.

*Barings Global Dynamic Asset Allocation commingled fund was established under an LLC structure and is available to all types of investors that meet both qualified purchaser and accredited investor criteria. The Fund commenced investment operations on June 22, 2010.
**A similarly managed strategy is available as a mutual fund. The mutual fund has broader asset allocation ranges and therefore different actual asset allocations. The difference in asset allocation could potentially produce a greater degree of volatility and risk.

Investment Professionals

Marino Valensise, CFA

Head, Global Multi Asset Group
Chairman of the Strategic Policy Group

Location: London
Investment Experience: 26 Years

Marino is Barings' Head of Global Multi Asset Group, Chairman of the Strategic Policy Group (SPG) and co-manager of the Baring Dynamic Asset Allocation Fund. Marino joined Baring Asset Management in 1999 as Head of Credit and was subsequently promoted to the Head of the Fixed Income and Currency Team in January 2003 then to Chief Investment Officer in 2007, a position he held for seven years. Prior to joining Barings, Marino spent five years with Commerz International Capital Management in Frankfurt where he was Head of Fixed Income Portfolio Management. His previous experience includes positions with Amex Bank Ltd and Banca di Roma. Marino holds a degree in Business Law from the Universita LUISS in Rome and received an MSc in Business Economics from the Universita di Roma. He was awarded the International Securities Market Association Diploma in 1994 and the Investment Management Certificate in 1999. He became a CFA charterholder in 1997.

James Ross

Director of Investment Process

Location: London
Investment Experience: 29 Years

James joined Barings as Director of Investment Process in September 2013. In this role, James is responsible for overseeing the investment processes across Barings' range of products, amongst other management responsibilities. He is also a member of Barings' Investment Committee. Prior to joining Barings, James worked for 12 years at AllianceBernstein where he held a number of roles in the Investment Department, most recently as Head of Senior Portfolio Managers for Global Growth Equities. Before then, James spent ten years in a number of research roles at ABN AMRO Hoare Govett and, before then, was an analyst at James Capel. James has an MA in English from St Andrews University.

Investment Professionals

C. Hayes Miller, CFA

Investment Director
Head, North American Multi-Asset
Global Multi Asset Group

Location: Boston
Investment Experience: 34 Years

Hayes is responsible for managing Multi Asset products in North America, which include the Active Passive range of international equity portfolios and the Global Dynamic Asset Allocation strategy. Hayes has been a member of the Strategic Policy Group (SPG), the company's global macro research and asset allocation team since 2000, and is also the chair of SPG Equity Research Sub Group. In this capacity he has been responsible for the development and maintenance of the country and sector screening models used by the SPG, as well as models for risk budgeting and style allocation. Hayes was instrumental in creating our Active Passive international equity product range which he continues to manage. Hayes joined Barings in 1994 as a Portfolio Manager with responsibility for Global Equities. Prior to joining Barings, Hayes worked in international investment research in London and New York. He began his career as an investment consultant with Meidinger, now part of William M. Mercer. Hayes has a B.A. in Political Science from Vanderbilt University and a M.S. in Banking and Financial Management from Boston University. He was awarded the CFA designation in 1989 and is FINRA Series 7 and 24 registered. He is a frequent guest on CNBC and Bloomberg TV.

Matthew S. Whitbread, CFA, CAIA

Investment Manager
Global Multi Asset Group

Location: Boston
Investment Experience: 15 Years

Matthew is an Investment Manager in the Global Multi Asset Group. He is the co-investment manager of the Global Dynamic Asset Allocation strategy and also assists with Multi Asset products in North America, which include the Active/Passive range of International Equity portfolios. Matthew joined Barings in November 2011 from FundQuest Incorporated where he was a Portfolio Manager. Prior to this he worked at Pyramis Global Advisors as a Senior Portfolio Analyst for over two years. He also spent six years at MFS Investment Management where he started as a Corporate Actions Specialist before becoming an Equity Research Associate. Matthew began his career at Investors Bank and Trust where he spent a year as a Mutual Fund Custody Accountant. Matthew has a Bachelor of Science in Economics and Finance from Boston College and was awarded the CFA designation in 2005. He has also been awarded the Chartered Alternative Investment Analyst (CAIA) and Financial Risk Manager (FRM) designations.

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

February 2, 2015

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

Dear Board Members:

On January 12 and 13, De McCormick and I attended the NEPC 2015 Public Funds Workshop in Tempe, AZ. Following is our report.

Seventeen NEPC client funds were in attendance. Each fund shared statistics such as assumption rate, funded ratio, performance, and asset allocation. It was interesting to note that it was not unusual for client funds located in other states to have assumption rates of 7.75% or higher while, at 7.75%, VCERA was the highest in California. In addition to statistics, the various fund representatives described accomplishments, goals, and pressing issues.

NEPC's 2015 outlook was presented by Tim McCusker, NEPC's CIO. He is the same gentleman who spoke at our Board's January 26 meeting, at which he delivered an abbreviated version of the same presentation. His knowledge of the subject matter was very obvious, as was his ability to respond to questions, including calling up relevant slides from his presentation to support his answers.

Hank Kim, Executive Director of NCPERS, spoke about trends, threats, and challenges facing public pension plans. He pointed out that threats to public plans are national, and well funded and orchestrated. One NCPERS approach to combating the threats is to support creation of defined benefit plans for all workers (similar to that already authorized in California, but not yet implemented), restoring the old three legged stool for retirement (DB plan, personal savings, and Social Security). Another was to create a public pension plan defense tool kit.

Chris Levell, an NEPC partner, talked about the challenge of investing in a low return world. He compared several portfolio approaches; traditional 60/40, Risk Parity and the endowment model, the latter emphasizing the highest allocation to alternatives. He projected the following expected 30 year returns: 60/40 – 6.6%, Risk parity – 7.3%, and the endowment model – 8.4%

Next was a short panel on the global and market implications of lower oil prices. The conclusion was that the implications will be significant, but that there will be winners and losers.

Winding up the day were panels on European credit opportunities (this presentation was made prior to the ECB's announced stimulus package) and cost effective fee management, especially for alternative investments. The most dynamic speaker on the credit panel was Girard Miller, the CIO at OCERS. He pointed out that NEPC-vetted lenders have been very disciplined, which is positive but, as a result, capital is deployed slowly. OCERS has also ventured into an Asian credit fund, and is looking at a domestic energy lending fund, which is projecting a 12% return. The panel on fees was interesting, but not particularly conclusive. The bottom line was that good active management was worth the price, but that fees needed to be aggressively negotiated. OCERS has a quite detailed fee policy.

The primary initial emphasis the following morning was on investment in Asia. The first speaker was high on China, despite its slowdown. She referred to the "new norm", which is lower growth but over a much larger base. She also felt that China's new leadership was dedicated to reforms; financial, state (opening state-owned enterprises to mixed ownership), and social, and was making progress. While not quite as "high" on Japan, she felt "Abenomics" has been successful, and progress is still being made in transforming the economy from stagnant to growth. The subsequent panel addressed how to invest in Asia, and why Asia presents an opportunity. It has 60% of the world's population, 30% of global GDP, 25% of global financial markets, and 30% of emerging markets, so there is opportunity for grwth, as well as exploitation of inefficiencies.. They did feel, however, at least in the near term, a local team is key to success. They also felt there substantial opportunities in Asian private equity.

The balance of the morning's panels addressed risk management and other challenges. Don Pierce, CIO of SBCERA, discussed their total risk management approach and smart rebalancing. As our trustee Wilson opined on January 26, they have a host of managers and their efforts are staff intensive. However, their goal appears to be to give up some returns in up markets while reducing losses in down markets. Other participants talked about tail risk hedging, smart beta, defensive equity, and currency risk. The final panel talked about investment, operational, and political environment challenges (in particular, efforts to eliminate or substantially reduce public pension benefits).

If you have any questions, please contact us.

Respectfully,

Arthur E. Goulet
RetireeTrustee

De McCormick
General Member Trustee

ATTACHMENT A

FOLEY
FOLEY & LARDNER LLP

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MEMORANDUM

CLIENT-MATTER NUMBER
097540-0109

TO: Linda Webb, Retirement Administrator

CC: Lori Nemiroff, Assistant County Counsel

FROM: Thomas A. Hickey, III
Jonathan S. Lipnick

DATE: January 30, 2015

RE: Proposed $50 Million Investment in Pantheon Global Secondary Fund V, L.P.[1]

A. FUND STRUCTURE AND INVESTMENT ADVISER:

1. Pantheon Global Secondary Fund V, L.P. is a Delaware limited partnership (the "Fund) formed on December 9, 2013. Pantheon will establish Pantheon Global Secondary Fund V Feeder, L.P., a Guernsey limited partnership (the "Feeder") acting as a feeder to the Fund and may form one or more additional feeder funds or parallel funds.

2. The general partner of the Fund will be PGSF V GP, LLC a Delaware limited liability company (the "General Partner").

3. Pantheon Ventures (US) LP, a Delaware limited partnership is the investment adviser (the "Investment Adviser"). The Investment Adviser is registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act").[2] The Investment Adviser will provide investment management services to the Fund and be responsible for, among other things, identifying and appraising investment opportunities within the current objectives and policies of the Fund, and providing such related advice, research and assistance as the General Partner may from time to time request.

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[1] Foley & Lardner LLP has prepared this summary memorandum in connection with VCERA's proposed investment in the Fund. We have only reviewed the documents VCERA provided and are not opining on the nature or investment potential. Unless otherwise identified, capitalized terms used in this Briefing Memorandum have the same definition as described in the Fund documents. .

[2] IARD #: 153425.

4. Pantheon Partners Participation, L.P. ("PPP") serves as the investment vehicle through which the General Partner and the Affiliate LPs may make their Capital Commitment to the Fund.

5. Pantheon 2013 CV, L.P. is the founder partner (the "Founder Partner") and may receive the carried interest payments on behalf of the General Partner.

6. The minimum Fund commitment is $10 million, subject to lesser amounts at the discretion of the General Partner.

B. INVESTMENT OBJECTIVE AND STRATEGY:

1. The Fund will target primarily private equity assets and pools of capital with private equity-like characteristics, including a diversified global portfolio of appropriately priced, mature and high–quality private equity assets.

2. The Fund will invest in secondaries of private equity assets, in addition to portfolios of direct company assets; co-investment portfolios; hybrid/mixed fund and direct portfolios; and GP recaps and team spin-outs.

3. Investments may include hedging transactions intended to mitigate foreign currency or interest rate exposure or to hedge the risk of holding public securities held or distributed by portfolio funds.

C. FIDUCIARY DUTY:

1. The Investment Adviser is a registered investment adviser under the Advisers Act and agrees to maintain its registration until the Fund is dissolved.

2. The General Partner and the Investment Adviser acknowledge that, if and to the extent that assets of the Fund constitute "plan assets" subject to ERISA under the Final Regulations, the General Partner and the Investment Adviser are subject to the standard of care of a fiduciary of an employee benefit plan under ERISA with respect to a Limited Partner that is a benefit plan subject to Title I of ERISA and the General Partner shall carry out its duties to the Fund with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims (the "ERISA Standard").

D. CAPITAL CONTRIBUTIONS, ADDITIONAL LIMITED PARTNERS, TRANSFERS AND WITHDRAWALS:

1. Capital Contributions. Capital Contributions will be made on a pro rata and an "as needed" basis with a minimum of five business days' prior written notice to the limited partners.

2. Additional Limited Partners. Investors admitted after the Initial Closing Date must contribute to the Fund an amount necessary to equalize the amount drawn down from all Limited Partners, including Capital Contributions intended to cover Management Fees, organizational expenses and partnership expenses, and pay interest for the period beginning on the date of the original commitment, such that any additional limited partners will be deemed to have been admitted to the Fund as of the Initial Closing Date.

3. Transfers and Withdrawals. Transfers and withdraws will not be allowed without the prior approval of the General Partner, which approval shall not be unreasonably withheld.

E. MANAGEMENT FEES, CARRIED INTEREST, LOOKBACK AND MANAGEMENT FEE OFFSET:

1. Management Fees. The Fund will pay quarterly in advance an annual management fee (the “Management Fee”) to the Investment Adviser commencing as of the date on which a definitive written agreement, letter of intent or memorandum of understanding has been entered into regarding the subscription or purchase of the Fund’s first investment (the “Management Fee Commencement Date”), in an amount equal to 1% per annum of Commitments to the Fund as of the Final Closing Date, provided that commencing on the fifth anniversary of the end of the first accounting period after the Management Fee Commencement Date and in respect of each year following, the Management Fee will be reduced to 90% of the amount paid in the previous year. The General Partner may reduce or waive the management fees of certain investors, including affiliates of the general partner.

2. Carried Interest will be paid to the Founder Partner as a percentage of the distributions in excess of the preferred return, with a full catch-up (See Section F below).

3. Lookback. If after the Fund is liquidated, the aggregate of the Founder Partner’s distributions exceed the amount of its total carried interest allocation, the General Partner will return the excess to the limited partners; provided that such payment will not exceed the carried interest actually received (less any taxes paid thereon).

4. Management Fee Offset. The amount of any director’s fees, consulting fees, transaction fees, finders’ fees, brokerage fees, investment banking fees or break-up fees or equivalent compensation, received by the Advisor or the General Partner or other members of the Pantheon Group that are attributable to the commitment by the Fund, from any company or other entity in which the Fund has an interest, (other than direct reimbursement of the out-of-pocket expenses of such member) shall be offset against and reduce the amount of the Management Fee payment next due the Investment Adviser.

F. DISTRIBUTIONS:

1. Distributions. Distributions of investments, dividends or interest income earned on investments will be distributed as soon as reasonably practicable provided that the

Fund may retain a portion to make payments of portfolio interests; satisfy liabilities (including management fees), to make reserves for contingent liabilities, to make reserves from clawback liabilities for portfolio funds.

2. Distribution waterfall. The share of each Limited Partner's distributions will be divided between such Limited Partner (other than the LPs that are Affiliates of the General Partner (the "Affiliate LPs")) and the Founder Partner as follows: (1) 100% until the cumulative amount distributed to such Limited Partner is equal to the total amount of capital contributions of such Limited Partner; (2) 100% to provide an 8% compounded annual return on unreturned capital contributions to such limited partner; (3) 100% to the Foundation Partner until it receives 10% of the total distributions as described under 2 above & this clause 3; and (4) 90% to such Limited Partner and 10% to the Foundation Partner, taking into account any tax distributions made to the Foundation Partner as described below.

3. Tax Distributions: The Foundation Partner may receive cash distributions to the extent that distributions of carried interest received by the Foundation Partner are not sufficient to pay any of its or its beneficial owners actual or estimated income or capital gains tax when due. Any tax distribution to the Foundation Partner will be deducted from any future carried interest payments to the Foundation Partner.

G. ALLOCATION: Allocation. Once Pantheon Global Secondary Fund IV has completed its commitment program, Pantheon Group shall allocate private equity secondary opportunities between the Fund and other clients of, or investment entities with which, Pantheon Group has an investment mandate on a fair and equitable basis consistent with, and subject to, the fiduciary and contractual duties of the Pantheon Group to each such person. Subject to, and in furtherance of, the foregoing, the Pantheon Group shall use its reasonable endeavors to allocate private equity secondary investment opportunities pro rata based on the strategic allocations of each such client to private equity secondaries; provided, however, that Pantheon Group may deviate on a case by case basis in order to reflect specific circumstances or, with the approval of the Advisory Committee, modify the methodology set forth therein and provided further that any allocation of investment opportunities pursuant to the methodology described above shall not preclude a good faith determination by the Pantheon Group that some or all of an investment opportunity is unsuitable for the Fund or exceeds an appropriate amount for the Fund, whether or not any other client or fund managed or advised by any member of Pantheon Group is taking up all or part of its allocable share of the investment opportunity or any excess arising as a result of the Fund or such other client(s) declining all or part of their allocable share of such investment opportunity.

H. INTERNATIONAL INVESTMENT COMMITTEE, KEY PERSONS AND KEY PERSON EVENT:

1. International Investment Committee. The International Investment Committee ("IIC") contains five members and is responsible for the management and global coordination of Pantheon's investment processes, as well as the second stage review of

all new investment opportunities for all funds and clients of Pantheon that have successfully passed a first stage of review in the product group Investment Committees.

2. The Investment Adviser has a global team of 70 investment professionals, with 22 focused on secondary investments for the Fund.

3. Each of Elly Livingstone, Matt Garfunkle, Matthew Jones, Andrew Lebus, Nik Morandi, Rudy Scarpa and Paul Ward (or such additions or successors approved from time to time by the Advisory Committee) shall be a key person ("Key Person").

4. Key Person Event. A Key Person Event shall mean (i) any time any three (3) Key Persons or any two (2) of Elly Livingstone, Rudy Scarpa and Paul Ward cease to (A) remain as an employee, consultant, member, manager, partner, director or similar capacity of the Advisor or an Affiliate of the Investment Adviser; or (B) devote such of their time as the General Partner or the Investment Adviser deems to be reasonably necessary to conduct the business of the Fund or the obligations of the Investment Adviser in relation to the Fund, or (ii) any time during the Commitment Period, the current and former directors, officers, employees, members and partners of the Investment Adviser and its Affiliates (and their respective successors, heirs and assigns, trustees and beneficiaries), and including AMG London Holdings Corp., a Delaware corporation, no longer have the right to receive (directly or indirectly) at least fifty percent (50%) of the total Carry Distributions attributable to the Partnership.

I. BORROWING, INVESTMENT CONSTRAINTS AND SUCCESSOR FUNDS:

1. Borrowing. For long-term debt, the Fund may at any time borrow up to an aggregate amount of the lesser of uncalled Commitments or 25% of total Commitments. For short-term debt (defined as a bridging facility of 365 days or less), the Fund may at any time borrow up to an aggregate amount of the lesser of uncalled Commitments or 15% of total Commitments to fund future capital calls. The Fund may incur long-term debt and short-term debt simultaneously, for a total indebtedness at any time of up to an aggregate amount of the lesser of uncalled Commitments or 40% of total Commitments

2. Investment Constraints. Except with the consent of the Advisory Committee, the Fund will not make a commitment if, as a result, (a) more than 5% of aggregate Commitments are committed or contributed to any single Portfolio Company; (b) more than 15% of aggregate Commitments are committed to Portfolio Partnerships managed or advised by any single fund manager; (c) the Over-Commitment Limit would be exceeded. For these purposes, these tests will be measured by reference to total Commitments as of the Final Closing Date. In addition, the Fund will not make a commitment if, as a result, more than 10% of the aggregate Commitments would be paid as the purchase price of, or committed to be contributed with respect to Co-Investments or, separately, Primary Investments.

3. Successor Funds. Until the earlier of the end of the Investment Period, the date upon which two-thirds of the commitments of the Fund have been invested or otherwise

reserved for investments, or termination date of the Fund, Pantheon will not close a successor secondary fund without the consent of the Advisory Committee.

J. TAXES AND UBTI:

1. The Fund will be treated as a partnership for US federal income tax purpose. The Feeder will be treated as a corporation for US federal tax purposes.

2. US tax-exempt investors in the Fund should anticipate that an investment in the partnership may generate UBTI. The Fund may borrow money to fund its investments and does not have any restrictions on realization of UBTI.

K. ORGANIZATIONAL EXPENSES AND FUND EXPENSES:

1. Organizational Expenses. The Fund will be responsible for all expenses incurred in connection with the formation of and sale and marketing of interests in the Fund (including legal fees and expenses of counsel to the Fund and reasonable travel expenses), up to a predetermined cap on such organizational expenses. Neither the Fund nor the investors will bear the cost of any placement fees in connection with the offering; provided that the Fund may pay such fees so long as the amount paid for such fees is credited against the Management Fee.

2. Fund expenses. The Fund will be responsible for its pro rata share of all fees and expenses related to the origination, identification and investigation of investments (whether or not consummated) and the negotiation, acquisition, restructuring, reinvestment, liquidation and sale or other disposition of investments (including with respect to the managing out of in-kind distributions received by the Fund). The Fund, any Parallel Funds and any Feeder Funds will also be responsible for all fees and expenses related to their own operation and administration, including Management Fees, expenses of outside counsel, tax advisers, auditors, administrators, brokers, depositaries, custodians, placement agents (other than the fees of placement agents), annual investor meeting expenses, any litigation expenses, the expense of communicating with investors, the costs of reports and accounts, the costs of any conduit entities to hold investments, repayment of borrowing or indebtedness of the Fund in any form, interest or other expenses related to borrowings or indebtedness of the Fund in any form, satisfaction of obligations or expenses with respect to guarantees of or by the Fund or with respect to any portfolio interest, registration fees and introduction fees, reasonable travel and other out of pocket expenses, and any taxes or other governmental charges levied against them.

L. COMMITMENT PERIOD, SUSPENSION OF COMMITMENT PERIOD, TERM AND DISSOLUTION:

1. Commitment Period. The commitment period of the Fund (the "Commitment Period") will expire on the earliest of (i) the fifth anniversary of the date of the first commitment by the Fund; (ii) the dissolution of the Fund; (iii) the date of removal of the

General Partner; or (iv) such other date as the General Partner in its absolute discretion determines.

2. Suspension of Commitment Period. Ninety days after the date of a Key Person Event, the Commitment Period shall, if not already expired, automatically be suspended unless the Advisory Committee shall have approved replacement Key Persons within such ninety day period. If the Commitment Period is suspended, a Majority Interest of Limited Partners may elect to reinstate the Commitment Period at any time prior to such time as the Commitment Period would have otherwise terminated.

3. Term. The term of the Fund will be twelve (12) years from the Initial Closing Date, which term may be extended at the discretion of the General Partner for up to three additional one-year periods and thereafter by the General Partner with the consent of a Majority Interest of Limited Partners. The Fund may be terminated earlier in certain circumstances, including upon the insolvency, dissolution or liquidation of the General Partner; and in the event of removal of the General Partner for "Cause".

4. Dissolution. Upon dissolution of the Fund at the expiration of the Fund term or for any other cause, the affairs of the Fund will be wound up and the Fund will be liquidated. The net proceeds of liquidation will be distributed first to third-party creditors of the Fund, second to the General Partner or Investment Adviser for any amounts the Fund owes it and third to the Partners in the manner described above under "Distributions."

M. GP REMOVAL FOR CAUSE AND GP REMOVAL WITHOUT CAUSE:

1. GP Removal for Cause. The General Partner may be removed for Cause upon the election and approval of at least 66 2/3% in interests of the Limited Partners. "Cause" shall constitute (i) any criminal act by the General Partner punishable by imprisonment, (ii) any act by the General Partner or the Advisor that constitutes a material breach (which breach is not cured within ninety (90) days of the General Partner or the Investment Adviser becoming aware of such breach), (iii) any act that constitutes gross negligence, fraud, or willful misconduct on behalf of the General Partner or the Investment Adviser, (iv) any act by the General Partner or the Investment Adviser that constitutes a breach of its fiduciary duty to the Fund or to the Limited Partners or (v) an act or event which makes it impossible for the General Partner or the Investment Adviser to perform its duties, in each case described in clauses (i) through (v) as determined by a court of competent jurisdiction or as admitted by the General Partner or the Investment Adviser in a settlement of any lawsuit related thereto (or any such act described in clauses (i), (ii), (iii) or (iv) above committed by a Key Person with respect to the Fund and such Key Person has not been removed from active participation in the activities of the Fund within 60 days of the General Partner or the Investment Adviser becoming aware of such act).

2. GP Removal without Cause. A Majority Interest of Limited Partners may elect in writing to remove the General Partner as the general partner of the Fund.

N. PLACEMENT AGENT: No specific placement agent was indicated in the materials provided, however Item 14 of the Form ADV indicates that certain placement agents were engaged by the Fund as well as other third-party referral agents.

O. INDEMNIFICATION:

1. None of the General Partner, the Founder Partner, the Investment Adviser, any of their respective affiliates, directors, officers, partners, members or employees, or affiliates of the foregoing and any persons nominated on behalf of the Fund to be directors of Portfolio Companies or Portfolio Funds (each, an "Indemnified Person") will be liable to the Fund or to the Limited Partners for any act or omission by it to the extent permitted by law. The Fund will indemnify each Indemnified Person for any liability, loss or damage incurred by such Indemnified Person in connection with the Fund's activities, except for any liability, loss or damage resulting from, inter alia, (i) such Indemnitee's (x) breach of the ERISA Standard, if applicable; (y) fraud, willful misconduct, gross negligence, bad faith, or material breach; or (z) criminal activity if such Indemnitee had reasonable cause to believe such activity was unlawful; or (ii) any internal dispute involving only the General Partner, the Advisor and their Affiliates (other than the Fund).

2. To the fullest extent permitted by law, the Fund shall also indemnify any Indemnitee, solely out of the Fund's assets, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action by or in the right of the Fund to procure a judgment in its favor by reason of the fact that such Indemnitee is or was an agent of the Fund, against any Loss incurred by such Indemnitee in connection with the defense or settlement of such action, except to the extent any such Loss was the result of such Indemnitee's (i) breach of the ERISA Standard, if applicable; (ii) fraud, willful misconduct, gross negligence, bad faith, or material breach; or (iii) criminal activity if such Indemnitee had reasonable cause to believe such activity was unlawful.

3. Members of the Advisory Committee and any Limited Partner appointing a member of the Advisory Committee (an "Advisory Committee Indemnitee") shall be indemnified and held harmless to the fullest extent permitted by law except to the extent any such Loss was the result of an act or failure to act by such Advisory Committee Indemnitee made or not made, as the case may be, in bad faith.

P. REPORTS AND VALUATION:

1. Records. Proper and complete books of account and records of the business of the Fund shall be kept under the supervision of the General Partner at the Fund's principal office or at such other place as designated by the General Partner. The General Partner shall give notice to each Partner of any changes in the location of such books and records. Such books and records shall be open to inspection by any Partner, or its designated representative, upon reasonable notice at any time during business hours for any purpose reasonably related to the Partner's interest as a Partner of the Fund.

2. Reports. Within 120 days after the end of each fiscal quarter, the Fund will distribute unaudited financial reports to its Limited Partners, and within 210 days after the end of each fiscal year, the Fund will distribute audited financial reports to its Limited Partners.

3. Valuation. Such reports will include fair market valuations of the assets of the Fund as of the respective reporting dates, based on the valuations reported by the general partner of the relevant Portfolio Funds, where available. All other securities will be valued as follows: (i) valuations of direct investments in quoted Portfolio Companies will be based on the closing bid price for such securities on the relevant trading day; and (ii) valuations of direct investments in Portfolio Companies with no active public market will be based on fair market value as determined by the General Partner.

Q. ADVISORY COMMITTEE:

1. From time to time, the General Partner shall appoint members to a board of advisors (the “Advisory Committee”) consisting of members selected from among the Limited Partners and investors in any Parallel Fund or Feeder Fund.

2. Members of the Advisory Committee shall receive reimbursement for any reasonable out-of-pocket travel expenses incurred in connection with their attendance at meetings of the Advisory Committee (including, without limitation, reasonable expenses for airfare, ground transportation, lodging, meals and related gratuities). The Advisory Committee shall have the authority to engage independent legal counsel at the expense of the Fund to advise it as to any matters relating to its duties as set forth herein. All expenses related to the Advisory Committee shall be borne pro rata based on aggregate capital commitments by the Partnership and any Parallel Fund.

3. The Advisory Committee shall be authorized to consult with the General Partner and to review the operations and affairs of the Fund with the Partners, including but not limited to: (i) reviewing and approving or disapproving conflicts of interest required to be submitted to the Advisory Committee by the General Partner; (ii) reviewing, at the request of the General Partner or the Advisory Committee, the valuation methodology being applied by the General Partner; and (iii) reviewing and approving or disapproving investments in excess of the investment constraints described above.

R. SIGNIFICANT RISK FACTORS:

1. The interests are highly illiquid and should only be acquired if a significant period of time and risk inherent in such investment is clearly understood.

2. The Fund will be managed and advised by the Investment Adviser and the success of the Fund will depend on the skill and expertise of the General Partner and Investment Adviser.

3. Investments in portfolio companies of underlying funds involve a high degree of risk from little or no operating history, unproved technology, and numerous other issues associated with venture investing.

4. Investments in underlying funds with leverage may create returns with above-standard losses as a result of decreased capital associated with such leverage.

5. Many funds are currently in the market for secondary positions and pricing and availability associated with such interests may significantly change.

6. Global market investing raises issues associated with currency exchange rate fluxuations, exchange control regulations, lack or reporting or modified reporting results, inflations risks, governmental regulations or lack of regulations.

7. The Investment Adviser and General Partner currently manage a number of funds-of-funds and separate accounts and will have many possible conflict of interest issues that arise including investing in funds or portfolios companies that are currently owned or managed by affiliates of the Investment Adviser and General Partner.

8. The Fund may engage in hedging transactions as described above. These transactions can result in overall poor performance and higher risk of loss.

S. AUDITOR: PwC LLP, KPMG LLP or another firm of independent certified public accountants of comparable standing selected by the General Partner.

T. LEGAL COUNSEL: Morgan, Lewis & Bockius LLC.

U. ADMINISTRATOR AND DEPOSITARY:

1. Pantheon has initially selected State Street Bank and Trust Company to act as the initial administrator to the Fund.

2. The General Partner may appoint one or more depositaries from time to time.

V. PRIME BROKER AND CUSTODIAN: Not stated.

ATTACHMENT B

NOSSAMAN LLP | Memorandum

TO: Board of Retirement
Ventura County Employees' Retirement Association

FROM: Clothilde Hewlett, Senior Policy Advisor
Pamela C. Loomis, Senior Policy Advisor

DATE: January 30, 2015

RE: Proposal for Legislative Advocacy Services

Nossaman LLP (Nossaman) proposes to provide the following legislative advocacy and consulting services to the Ventura County Employees' Retirement Association (VCERA) for the 2015 Legislative Session, as directed by VCERA:

- Direct advocacy for VCERA's sponsored legislation, including lobbying legislators and staff, providing testimony at legislative hearings, pursuing amendments, and otherwise representing VCERA's positions and issues before the state Legislature and the Governor's Office;

- Preparation and transmittal of background information, fact sheets, white papers, letters of sponsorship/support, and other materials as required, to support the successful passage of VCERA's sponsored legislation;

- Organization of at least one day of meetings for VCERA representatives with elected representatives, key legislative committee members and staff, and Administration officials;

- Regular communication with VCERA, including scheduled conference calls to provide status reports, assess legislative options, develop strategies, and otherwise discuss objectives and outcomes; and

- In addition to the services listed above, Nossaman will assist VCERA with the preparation of all required Fair Political Practices Commission (FPPC) lobbying disclosure reports, to be paid separately to Nossaman's compliance personnel at their hourly rates, not to exceed $600 per quarter.

For the aforementioned services, excluding the FPPC reporting, Nossaman proposes a flat monthly fee of $5,000 through the end of September 2015, barring significant opposition to VCERA's sponsored legislation. The fee shall cover all professional staff time, clerical support and basic office expenses required to implement the legislative and advocacy services encompassed herein. In the event that VCERA's sponsored legislation encounters opposition that requires increased advocacy efforts by Nossaman, we propose that the flat monthly fee be increased by $3,000 to a total of $8,000, but only after a discussion and agreement with VCERA. We also propose that the retainer agreement may be cancelled by either party, without cause, upon 30 days' written notice, in order to ensure accountability.

Our resumes are enclosed, and detailed information on Nossaman's Public Policy Practice Group is at http://www.nossaman.com/publicpolicy. We look forward to the opportunity to represent VCERA this legislative session.

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Practice Areas & Industries

- Public Policy Law
- Native American Affairs
- Energy
- Foreign Corrupt Practices Act
- Real Estate

Clothilde V. Hewlett | Partner

Clothilde Hewlett is a public policy attorney and national leader on diversity who applies a powerful blend of negotiation and facilitation to forward her clients' interests on the development of major projects. Ms. Hewlett assists clients with policy issues in California and at the federal level, across several industries, from clean technology, water, and infrastructure. She also assists clients to obtain government funding and contracts. Ms. Hewlett facilitates the creation of public-private partnerships in the areas of transportation, infrastructure, clean technology, and real estate by assisting with the integration of legal and political issues.

Ms. Hewlett also has significant investigative and criminal litigation experience. Her successful approach to communicating the client perspective to government officials, legislators, the media, and the general public is attributed to her significant public service experience at the state level in Sacramento and at the county and city levels in the Northern California Bay Area.

Ms. Hewlett served as a peace officer and special prosecutions investigator for the San Francisco District Attorney's office. As an Assistant District Attorney, she prosecuted high profile special prosecutions and career criminal cases. She was Director of Moral Character Determinations for the State Bar of California managing the investigation and litigation of admission to practice law in California, and also served as San Francisco Police Commissioner for the City and County of San Francisco.

She has served under California governors Deukmejian and Davis, specifically as a member of the California Council on Criminal Justice, Undersecretary of the State and Consumer Services Agency, and as Interim Director of the Department of General Services. As Undersecretary and Interim Director of the Department of General Services, Ms. Hewlett was responsible for the State's real estate, information technology, clean technology, and procurement and implemented procurement reform for agencies throughout California.

She has been repeatedly honored both for her public sector service and for her leadership in business and community circles.

Professional Affiliations

Sacramento Kings, Co-Chair, Community Advisory Council
California Bar Foundation, Member of Board of Directors
Black Women Lawyers of Northern California (BWLNC)
San Francisco 49'ers Foundation, Member of Board of Directors
Soka University of America, Member of Board of Trustees
University of Southern California, Annenberg Center on Communication Leadership & Policy (CCLP), Member of Advisory Board
Wells Fargo, Member of Community Advisory Board
Women's Foundation of California, Former Vice Chair of the Governing Board of Directors
Bar Association of San Francisco Foundation, Former Member of Board of Directors
Legal Momentum, Former Member of Board of Directors
California Science Center Foundation, Former Member of Board of Trustees
University of California, Berkeley Alumni Association, Former Member of Board of Directors

Awards & Honors

National Diversity Council "Most Powerful and Influential Women of California Award," 2013
Named to *The Recorder*'s list of "2012 Women Leaders in Law," 2012
Bar Association of San Francisco, Award of Merit, 2011
Cal Alumni Association (CCA), University of California, Berkeley, "Excellence in Service Award" recipient, 2010
Inducted into the "Forever Influential Honor Roll" by the *San Francisco Business Times*, 2010

Named one of the "Most Influential Women in Business" in the Bay Area by the *San Francisco Business Times,* 2006, 2008
San Francisco League of Women Voters, Women Who Could Be President Award, 2008
Wiley Manuel Law Foundation Legal Pioneer Award, 2006
National Coalition of 100 Black Women, Women Leading Change Award, 2005
Berkeley Journal of African-American Law & Policy, Adhama Award, 2005
Los Angeles African-American Chamber of Commerce Small Business Advocate of the Year Award, 2003
National Association of Women Business Owners, San Francisco Chapter, President's Award, 2003
California State Senate and Assembly Resolution for exemplary service, 2003
California State Small Business and Disabled Veteran Business Enterprise Executive Leadership Award, 2002
California Black Chamber of Commerce Small Business Award, 2001
Association of Northern California Black Women Lawyer's Outstanding Achievement Award, 2000
Latino Journal's Excellence in Public Service Award, 2000
Commission on the Status of Women Leadership Against Domestic Violence Award, 1999
Hearst Journalism Award, 1995
San Francisco Police Department Award for Bravery, 1994

Speaking Engagements

Speaker, "The Staying Power of the Status Quo – The Challenge to Eliminating Bias in the Legal Profession," California Political Attorneys Association, Olympic Valley, CA September 6, 2014
Panelist, "Can Women of Color Have It All?" Boalt Women of Color Attorney Network, San Francisco, March 19, 2014
Speaker, "When She Speaks Leadership Series," Self-Promotion for the Professional Woman, Hanson Bridgett LLP, San Francisco, November 21, 2013
Speaker, "Women Leaders, Lessons Learned on the Journey," Leadership California, San Francisco, July 28, 2013
Speaker, "Legislative Counselors, Lobbyists and Election Law Lawyers," Bar Association of San Francisco, April 22, 2013
Panelist, "Renewable Energy and Public Policy in California," Bar Association of San Francisco, April 3, 2013

Education

J.D., University of California, Berkeley, 1979
California Law Review, Member
B.A., University of California, Berkeley, 1976
California Law Review, Member

Admitted

California

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Practice Areas & Industries

- Public Policy Law
- Clean Tech
- Energy
- Healthcare
- Telecommunications
- Utilities

Pamela C. Loomis | Senior Policy Advisor

Pam Loomis is a public policy attorney and expert on California legislative and regulatory processes, who utilizes an effective blend of communication, negotiation, and political strategy to forward her clients' interests. She provides legislative and regulatory solutions for clients across several industries, including clean tech, energy, healthcare and telecommunications. Ms. Loomis facilitates favorable public policy outcomes for her clients through a powerful combination of her twenty years of experience working with state government and excellent bi-partisan relationships with legislators, Administration officials, and their staff.

Prior to coming to Nossaman, Ms. Loomis was the Director of Governmental Affairs for the California Public Utilities Commission, where she effectively utilized her relationships in the Legislature to advance the Commission's positions on the Renewable Portfolio Standard, electricity rate structuring reform, broadband infrastructure development, water ratemaking, railroad safety oversight, licensing of limousines and charter buses, telecommunications universal service programs and funds, and the state budget.

Prior to her work at the CPUC, Ms. Loomis was the Capitol Director for the Vice Chair of the Senate Energy, Utilities and Communications Committee during the 2001 state energy crisis and beyond. She worked on legislation relating to direct access, electricity standby charges, the CPUC's reasonableness review of utility bilateral contracts for electricity, power plant siting, and distributed generation.

Ms. Loomis also served as Legislative Director for two other state Senators, as well as a Policy Consultant for the Senate Republican Caucus. As leadership staff, she helped to develop caucus positions on housing, insurance, judiciary, taxation and transportation issues.

Representative Work

California's Independent Telecommunications Companies. Ms. Loomis serves as the chief Legislative Advocate for this diverse coalition of 13 small telephone companies serving rural California, by providing political advice, strategy and messaging development, and legislative and administrative advocacy in support of CITC's public policy priorities. In 2012, she played a key role in the successful passage of SB 379 (Fuller) modifying rate-of-return regulation of small telephone companies by the CPUC, thereby preserving millions of dollars in federal funding. Most recently, Ms. Loomis successfully led a lobbying coalition of interested parties on behalf of CITC to extend universal service high-cost support for both large and small telephone companies until January 1, 2019.

Virtual Radiologic (vRad). Ms. Loomis provides legislative advocacy services to this national teleradiology company that utilizes telehealth software solutions to deliver quality analyses from radiology specialists to California hospitals and physician groups. In 2014, she worked with a team of Nossaman attorneys and lobbyists to negotiate legislative language with the Administration to bring an outdated law into alignment with the advancement of telehealth technologies.

SVTC Solar. Ms. Loomis advised and advocated for a Silicon Valley manufacturing facility seeking state matching funds for a $30 million grant from the Department of Energy to develop an advanced solar photovoltaic manufacturing development facility in San Jose.

Professional Affiliations

State Bar of California, Member
Environmental Law Section
The Conference of California
Public Utility Counsel, Member

Institute of Governmental
Advocates, Member
Capitol Network, Member

Education

J.D., University of the Pacific, McGeorge School of Law, with distinction, 2003
B.A., University of California, Davis, 1992

Admitted

California

ATTACHMENT C

SCHOTT & LITES
A D V O C A T E S

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January 29, 2014

Mr. Art Goulet
Trustee, Ventura County Employees Retirement Association
1190 S. Victoria Avenue, Suite 200
Ventura, CA 93003

Dear Mr. Goulet:

Schott & Lites Advocates, LLC is pleased to submit the enclosed proposal to provide legislative advocacy services on behalf of the Ventura County Employees Retirement Association. Our firm has a long history of representation of public agencies and county retirement system interests in particular. With our long-term experience, knowledge of the California legislative arena and climate, and regular interaction with retirement policy stakeholders, we would be able to fulfill your state advocacy needs in a high-quality manner.

As our proposal will show, Schott & Lites possesses the experience and history to ably represent the Ventura County Employees Retirement System. We enjoy strong and successful working relationships in both the Legislative and Executive branches of state government based upon years of working in the retirement policy arena. Schott & Lites would be honored to participate with the Ventura County Employees Retirement Association in bringing your proposal forward.

We look forward to the opportunity to discuss our proposal with you in further detail. Should you desire any additional information regarding our qualifications not otherwise contained herein, please do not hesitate to advise us.

Sincerely,

Jim Lites
Partner

SCHOTT & LITES

ADVOCATES

Introduction

Since the practice was established in 1973, Schott & Lites Advocates has provided comprehensive legislative advocacy and association management services to diverse private and public sector clients. Typically, our services include comprehensive public policy consulting, strategic planning and advocacy, and administrative management. We regularly engage in issue strategy development, legislative management, and direct Legislative and Administrative branch advocacy, including state agencies, departments, commissions and boards, as well as other constitutional officers. Our expertise includes a keen understanding of the balance between industry needs and public sector roles and responsibilities. We are often recognized within the California Legislature and Administration as the honest broker on behalf of public agencies seeking to execute their functions as efficiently as possible in the most cost-effective manner. We value this reputation and employ this approach to advocacy for all of our clients and welcome the opportunity to do so for the Ventura County Employees Retirement Association.

Our experience provides us with a breadth of understanding of the Executive and Legislative branches of California state government. We have effectively served the needs of retirement policy interests for decades. We work often with various other related stakeholders including advocates for individual association members and their constituencies, and partners in related organizations to achieve our policy objectives. Our on-going experience and style of direct engagement will serve the Ventura County Employees Retirement Association well with effective legislative advocacy services.

At Schott and Lites Advocates, we understand the importance of good communication. We provide written, electronic, and oral communications, including presentations in Sacramento and out-of-town, as desired by the client. We also make it a high priority to function at all times as a team. All of our staff are well-versed on issues of importance to our clients, so that if and when the entirety of our staff is called upon to work on an issue, even with little or no notice, we are prepared to engage in efforts immediately. We endeavor to be accessible at all times, understanding the critical, and at times urgent, nature of legislative engagement. We regularly encourage our clients to come to Sacramento and spend time in the Capitol advocating with us.

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Schott & Lites Experience

Schott & Lites Advocates has represented the State Association of County Retirement Systems (SACRS) for over 20 years. SACRS was already a client when Jim Lites joined the firm in 1998 and served as their lobbyist for 11 years through 2008. Currently, Schott & Lites serves as the consultant to SACRS, managing the Legislative Committee's agenda, minutes and scheduling. Schott & Lites also provides all legislative tracking services for SACRS. With respect to SACRS-sponsored legislation, Schott & Lites prepares the written background materials for use in advocacy efforts. With years of experience in the 1937 Act policy arena, Schott & Lites has a keen understanding of the relationships between SACRS, individual systems, plan sponsors, employee organizations and the Legislature.

Schott & Lites has also represented individual SACRS systems as legislative advocates, including the Orange County Employees Retirement System (OCERS), the Marin County Employees Retirement Association, and the San Diego County Employees Retirement Association (SDCERA). Each engagement was for a specific legislative need, including independent district legislative authorization. On behalf of OCERS, Schott & Lites successfully worked to enact AB 1992/Ch. 74, Statutes of 2002, which granted independent district status to OCERS management. In 2008, legislation on behalf of SDCERA to authorize independent district status was unsuccessful, as local San Diego employee organizations were unable to reach an accord with SDCERA on a pathway to establish independent district status. The failure of this legislation underscored the requirement for a comprehensive local agreement among employee organizations on the nature and structure of independent district status for 1937 Act systems.

Today, with the new responsibilities upon boards of retirement mandated by the Public Employees Pension Reform Act of 2012 (PEPRA) to manage and limiting pension spiking activities, independent district status is an important structural tool. Boards of retirement need to have a measure of independence from the plan sponsor if this role is to be carried out effectively as envisioned by the proponents of PEPRA. The Contra Costa County Employees Retirement Association enacted SB 673/Ch. 244, Statutes of 2014, showing the current willingness of the Legislature and the Governor to provide this tool to county retirements boards when local agreement exists. While plan sponsors may not always share the enthusiasm for county retirement system independence, the Legislature and Administration are very aware of the challenges facing boards of retirement absent independent district authority.

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Schott & Lites Proposed Services

On Behalf of the Ventura County Employees Retirement Association (VCERA), Schott & Lites proposes the following services:

- Secure legislative authorship of the proposal;
- Work with VCERA staff to prepare written background and advocacy materials;
- Work with VCERA officials to actively advocate for passage of the proposal;
- Engage retirement policy stakeholder groups regarding the proposal;
- Provide active communications to VCERA officials on the status of the proposal and related topics. Communications can consist of any method desired by VCERA, including email, telephone and formal written communications;
- Advocacy within the Governor's office prior to, and during the bill signing period following the close of 2015 legislative session.
- Legislative communications, including amendments and other related legislative proposals as desired by VCERA.
- Preparation of Lobbyist Employer disclosure reports for VCERA review, as required by the California Political Reform Act of 1974.

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The Schott & Lites Team

Schott & Lites proposes Jim Lites serve as lead advocate on behalf of VCERA. Jim would be assisted by Ms. Lina Bernal, who would provide the legislative communications service to VCERA. As needed, other members of the Schott & Lites team will be available to assist on advocacy of the proposal.

Jim Lites, through years of service to SACRS, is recognized as among the experts in the California legislative arena on retirement and 1937 Act policy. Jim has been a presenter at the SACRS conference on many occasions and has been invited to speak to other retirement policy stakeholder organizations on current topics and legislation.

Fee for Service

Schott & Lites proposes to provide legislative advocacy services to VCERA for a monthly retainer of **$2,500**. This fee will be all-inclusive and no other expenses will be charged, except for travel outside of Sacramento, as directed by VCERA.

Conclusion

Schott & Lites believes we are among the most qualified legislative advocacy options available to VCERA for this service and your policy proposal. We know well and understand the retirement policy stakeholder community, and are particularly familiar with 1937 Act county independent district dynamics. We are confident we can navigate the legislative landscape for VCERA on this proposal and would be honored to have the opportunity to serve you.