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Ventura County Employees' Retirement Association

Investment Performance Analysis for the period ending March 31, 2015

May 18, 2015

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Market Environment Update and Outlook

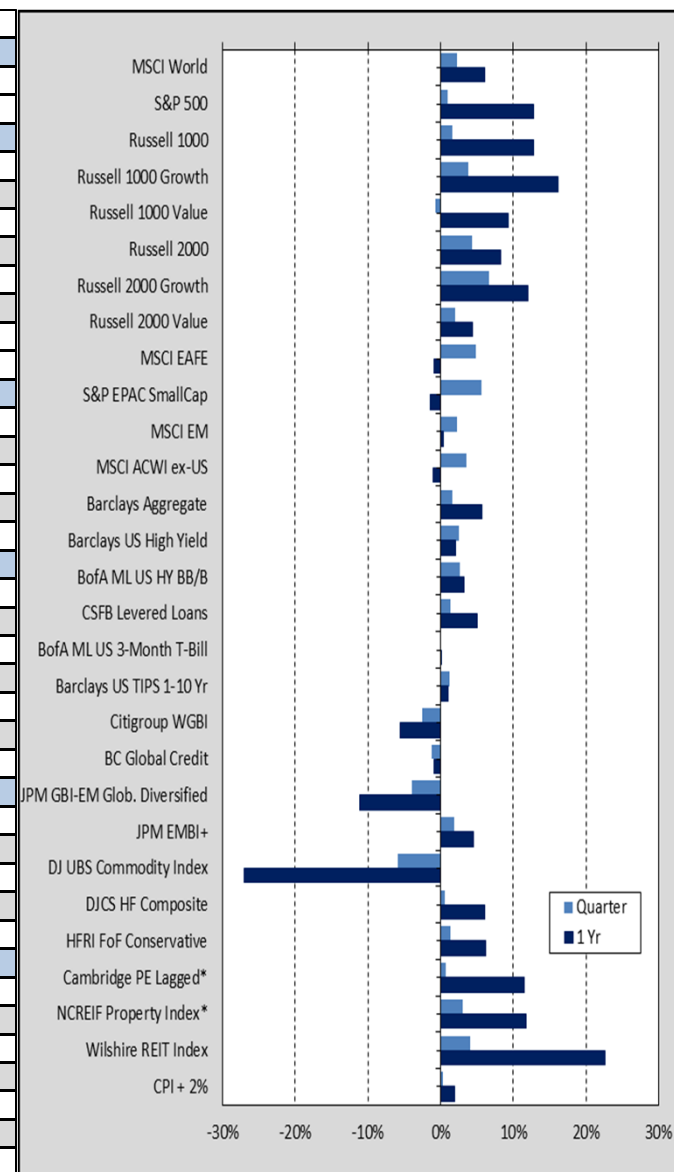


- **First quarter "advance" estimate of GDP growth increased at a weak +0.2% after increasing by +2.2% in the fourth quarter of 2014.**
 - Retail sales ended the first quarter at +0.5% on a year-over-year growth rate basis.
 - The inventory-to-sales ratio increased slightly to 1.4 in February and has remained relatively flat since early 2010.
 - Corporate profits as a percent of GDP declined in the fourth quarter, but remain elevated relative to historical levels.
 - The U.S. trade deficit decreased slightly in February.
- **The unemployment rate fell to 5.5% in Q1, down from 5.8% at the end of December 2014; U-6, a broader measure of unemployment, fell to 10.9% during the first quarter.**
- **The Case-Shiller Home Price Index (as of 2/28) increased slightly to 166.8 from fourth quarter levels and is currently higher than that of pre-financial crisis levels of 150.92.**
- **Rolling 12-month seasonally adjusted CPI decreased to -0.1% from +0.8% at the end of December; Capacity Utilization declined slightly to 77.1% in March.**
- **Fed Funds rate remains at 0.25%, while the 10-year Treasury Yield finished Q1 at 1.94%.**
- **The Fed balance sheet declined slightly in Q1 2015, while the European Central Bank balance sheet increased.**
 - ECB began asset purchases of €60 billion per month.
- **S&P valuations increased in March, remaining above the 10-year and long-term averages**
 - Cyclically adjusted Shiller PE ratio is above the long-term average of 16.4x and above the 10-year average of 22.9x.
- **The U.S. Dollar continues to strengthen against a basket of major currencies as the Fed ends its quantitative easing program and the ECB ramps up its easing program.**

Ventura County Employees' Retirement Association

Market Environment – Q1 2015 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI World	World	2.3%	6.0%	12.2%	10.0%	6.4%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Equity Benchmarks						
S&P 500	Large Core	1.0%	12.7%	16.1%	14.5%	8.0%
Russell 1000	Large Core	1.6%	12.7%	16.5%	14.7%	8.3%
Russell 1000 Growth	Large Growth	3.8%	16.1%	16.3%	15.6%	9.4%
Russell 1000 Value	Large Value	-0.7%	9.3%	16.4%	13.8%	7.2%
Russell 2000	Small Core	4.3%	8.2%	16.3%	14.6%	8.8%
Russell 2000 Growth	Small Growth	6.6%	12.1%	17.7%	16.6%	10.0%
Russell 2000 Value	Small Value	2.0%	4.4%	14.8%	12.5%	7.5%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Equity Benchmarks						
MSCI EAFE	International Developed	4.9%	-0.9%	9.0%	6.2%	5.0%
S&P EPAC SmallCap	Small Cap Int'l	5.6%	-1.5%	11.4%	9.2%	7.1%
MSCI EM	Emerging Equity	2.2%	0.4%	0.3%	1.8%	8.5%
MSCI ACWI ex-US	World ex-US	3.5%	-1.0%	6.4%	4.8%	5.5%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	1.6%	5.7%	3.1%	4.4%	4.9%
Barclays US High Yield	High Yield	2.5%	2.0%	7.5%	8.6%	8.2%
BofA ML US HY BB/B	High Yield	2.7%	3.2%	7.4%	8.4%	7.5%
CSFB Levered Loans	Bank Loans	1.3%	5.0%	5.3%	12.2%	5.0%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.0%	0.1%	0.1%	1.5%
Barclays US TIPS 1-10 Yr	Inflation	1.2%	1.1%	-0.1%	2.9%	4.0%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	-2.5%	-5.5%	-1.6%	3.4%	4.1%
BC Global Credit	Global Bonds	-1.2%	-0.9%	2.8%	4.4%	4.4%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	-4.0%	-11.1%	-3.9%	0.7%	6.3%
JPM EMBI+	Em. Mkt. Bonds	1.9%	4.5%	4.0%	6.6%	8.0%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternative Benchmarks						
DJ UBS Commodity Index	Commodity	-6.0%	-27.1%	-11.6%	-5.8%	-4.9%
DJCS HF Composite	Hedge Fund	0.6%	6.1%	2.4%	4.9%	3.1%
HFRI FoF Conservative	Fund of Funds	1.3%	6.2%	2.8%	4.6%	2.6%
Cambridge PE Lagged*	Private Equity	0.7%	11.5%	15.3%	15.4%	13.6%
NCREIF Property Index*	Real Estate	3.0%	11.8%	11.1%	12.1%	8.4%
Wilshire REIT Index	REIT	4.0%	22.7%	14.0%	15.4%	6.7%
CPI + 2%	Inflation/Real Assets	0.3%	2.0%	3.0%	3.7%	4.1%



* As of 12/31/2014

Positives

- **With Fed asset purchases coming to an end, divergence in monetary policies signals different investment environments globally**
- **ECB monetary easing begins with €60 billion in monthly asset purchases**
 - ECB commits €1.3 trillion in asset purchases in the Eurozone
 - Global risk assets respond positively
 - Negative short dated interest rates in Eurozone
- **Developed world inflation is low**
 - In U.S., CPI for all Urban Consumers on a seasonally adjusted basis was negative in Q1, driven by Energy in January

Negatives

- **Geopolitical instability continues to drive volatility**
 - Instability in the Mid-East, Eastern Europe, Greece
- **Fed rate hike uncertainty contributed to volatility in domestic markets**
 - Timing of Fed rate hike is “dependent on market conditions”
- **Europe continues to see ongoing political and economic growth challenges**
 - Negative currency impact for U.S. investors as USD appreciates
- **GDP decelerated, posting a +0.2% estimated growth rate**
 - Consumer spending decelerated, but still growing
- **Valuations remain above 10-year and long-term averages**
 - Developed Equity P/Es above median

Market Environment

Global Equity

- **U.S. equities advanced in the first quarter as global monetary accommodation ramps up.**
- **Small cap stocks outperformed large cap stocks during the quarter, with the Russell 2000 Index returning +4.3% and the S&P 500 Index returning +1.0%.**
- **International equities outperformed U.S. markets during the quarter, returning +3.5%, as measured by the MSCI ACWI ex-U.S. Index.**
 - Developed markets returned +4.9% as measured by the MSCI EAFE Index; Japan was the top performer returning approximately +10%.
 - Emerging markets returned +2.2% as measured by the MSCI Emerging Markets Index; India and Russia bolstered returns, with Russia returning +18%. Commodity driven markets, such as Brazil, lagged on the back of continued pressure on energy prices.

Private Equity

- **New private equity commitments totaled \$83.1 billion in Q1 2015.**
 - \$83.1 billion represents 23% of total PE raised in 2014 and suggests fundraising in 2015 could equal or exceed the \$350 billion raised in 2014, the most prolific year for fundraising since 2007.
- **Buyout and growth equity fund deal volume in both the U.S. and Europe continues to decelerate.**
 - Buyout and growth equity funds raised \$36.7 billion in the first quarter, with U.S. buyout and growth equity activity experiencing a sharp reduction in Q1.
- **Venture capital raised \$11.8 billion during the quarter.**
 - At 14% of total private equity raised, commitments are just below the 10-year historic relative average and are buoyed by strong IPO and M&A environment in 2014.
- **Energy funds raised \$3.2 billion during the quarter, representing 16% of capital raised.**
 - Investors are opportunistically approaching the energy market dislocation.
- **Asian private equity commitments slowed to total 8% of total funds raised, down from 10% in 2014.**
- **European commitments comprised 14% of all new PE commitments in Q1 2015**
 - 72% of European funds raised were based in the United Kingdom

Fixed Income

- **As yields fell amid declining inflation and monetary easing, global sovereign debt gained in the first quarter.**
- **The spread between 2 and 10-year rates fell 12 basis points to 1.38%; Treasury Inflation-Protected Securities, or TIPS, returned +1.4% during the quarter, as measured by the Barclays U.S. TIPS Index.**
- **The Barclays Long Duration Credit Index gained +3.1%, bolstered by declining Treasury yields.**
- **Agency mortgage-backed securities benefitted from a decrease in mortgage rates in January and March, posting a gain of +1.1% during the quarter.**
- **Investment grade credit spreads continued to widen, ending March at 129 basis points.**
- **High yield bonds returned +2.5% as spreads increased slightly to 433 basis points, up from 429 basis points.**
 - High yield markets were most significantly impacted by the decline of oil prices as Energy makes up approximately 14% of the Barclays U.S. High Yield Bond Index.
- **Emerging markets debt continued to slow in local currency, posting a -4.0% return as measured by the JP Morgan GBI-EM Global Diversified Index.**
 - Hard-currency emerging market debt trumped local currency debt, with the JP Morgan EMBI Global Diversified Index returning +2.0%.
 - After plunging at year-end, Russian debt outperformed as oil prices stabilized and geopolitical tensions cooled.
 - Brazilian debt underperformed amid disappointing growth, high inflation, and concerns around the mismanagement of the state-run oil giant Petrobras.

Real Assets/Inflation-Linked Assets

- **Massive energy market dislocation.**
 - Oil prices stabilized mid-quarter.
 - Private equity and private debt opportunities attractive.
 - Potential for public stressed/distressed credit, equity and commodity plays.

- **OPEC and Saudi Arabia have indicated a willingness to allow lower oil prices to persist in efforts to cement market share and reduce marginal supply.**

- **Select infrastructure opportunities are attractive.**
 - Target opportunistic strategies in niche sub-sectors to take advantage of market dislocations.

- **NEPC continues to believe in the long-term demand drivers in agriculture.**
 - Long-term commodity prices driven by growing emerging market demand.

- **Timber opportunity set limited, but warrants further review.**
 - 45% increase in housing starts forecasted; timber prices highly correlated

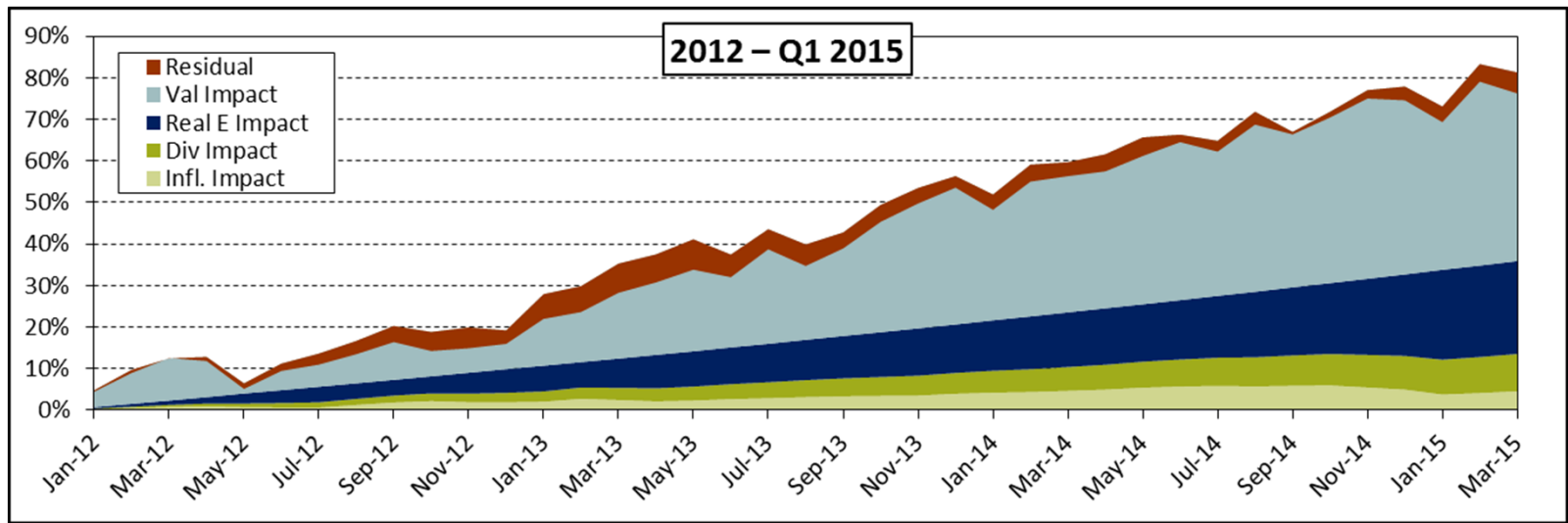
Commodities

- **Commodities continued their losing streak, with the Bloomberg Commodity Index posting a loss (-5.9%) for the third straight quarter.**
 - Volatility in commodities trumped other asset classes, including equities, bonds and the US dollar during the quarter.
 - Brent crude dropped -9.9% in January, then sharply recovered, gaining +14.8% in February, and slipped again in March, losing -12.3%, posting a -9.3% loss in Q1.

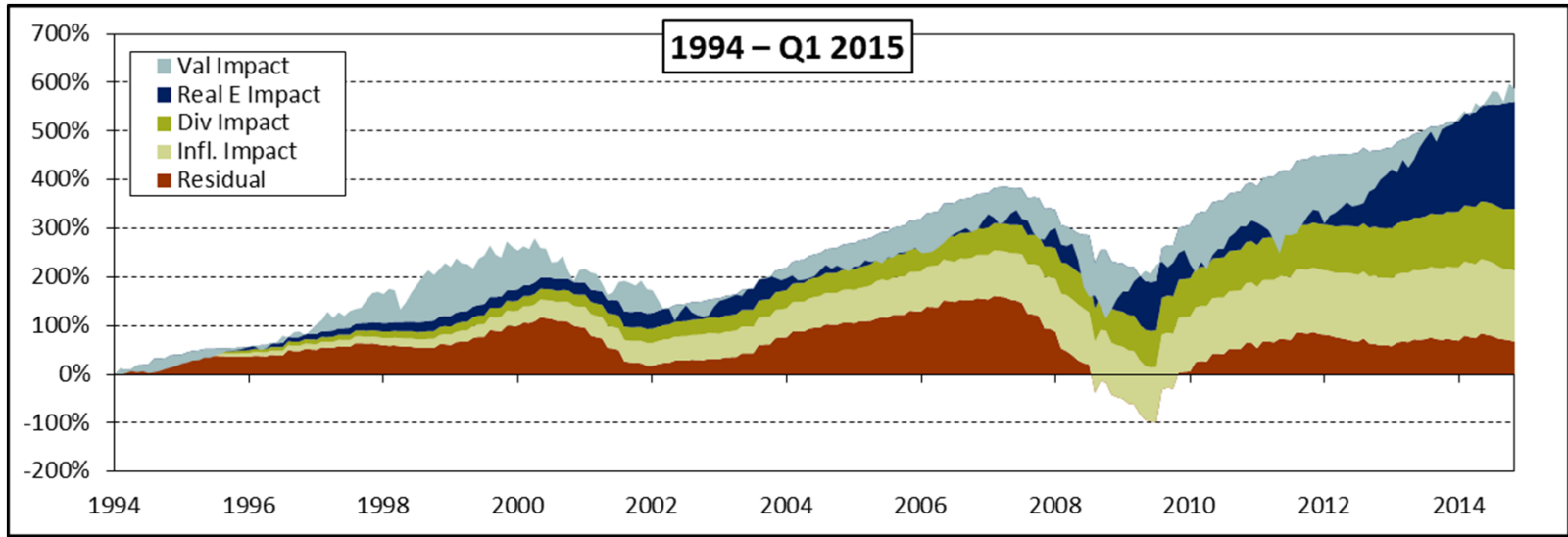
Real Estate

- **NEPC continues to be neutral on core real estate in the U.S. and remains positive on non-core real estate, that is, value-add and opportunistic strategies.**
- **Within U.S. core real estate, strong fundamentals continue to be the story along with attractive income spreads relative to interest rates.**
 - The concerns for U.S. core real estate (and U.S. real estate, broadly) continue to be 1) plentiful capital that is driving up pricing, and 2) the market's expectation for higher future interest rates and their impact on capitalization rates and capital values.
- **U.S. REITs posted a strong quarter with a +4.0% return.**
 - REITs are trading at slight premiums to NAV
 - FFO multiples are up to approximately 18x, remaining considerably above the average of 12.5x since 2000.
- **Overall, the non-core real estate investment environment in the U.S. is normalizing; however, select areas remain attractive.**
- **Europe is viewed as the best place for a marginal dollar of non-core real estate investment.**
 - Europe is emerging from a multi-year recession, but recovery is slow and uneven with global markets experiencing large capital inflows.
 - Banks in EU are still overleveraged and have significant real estate exposure to jettison.

Building Blocks for U.S. Equities

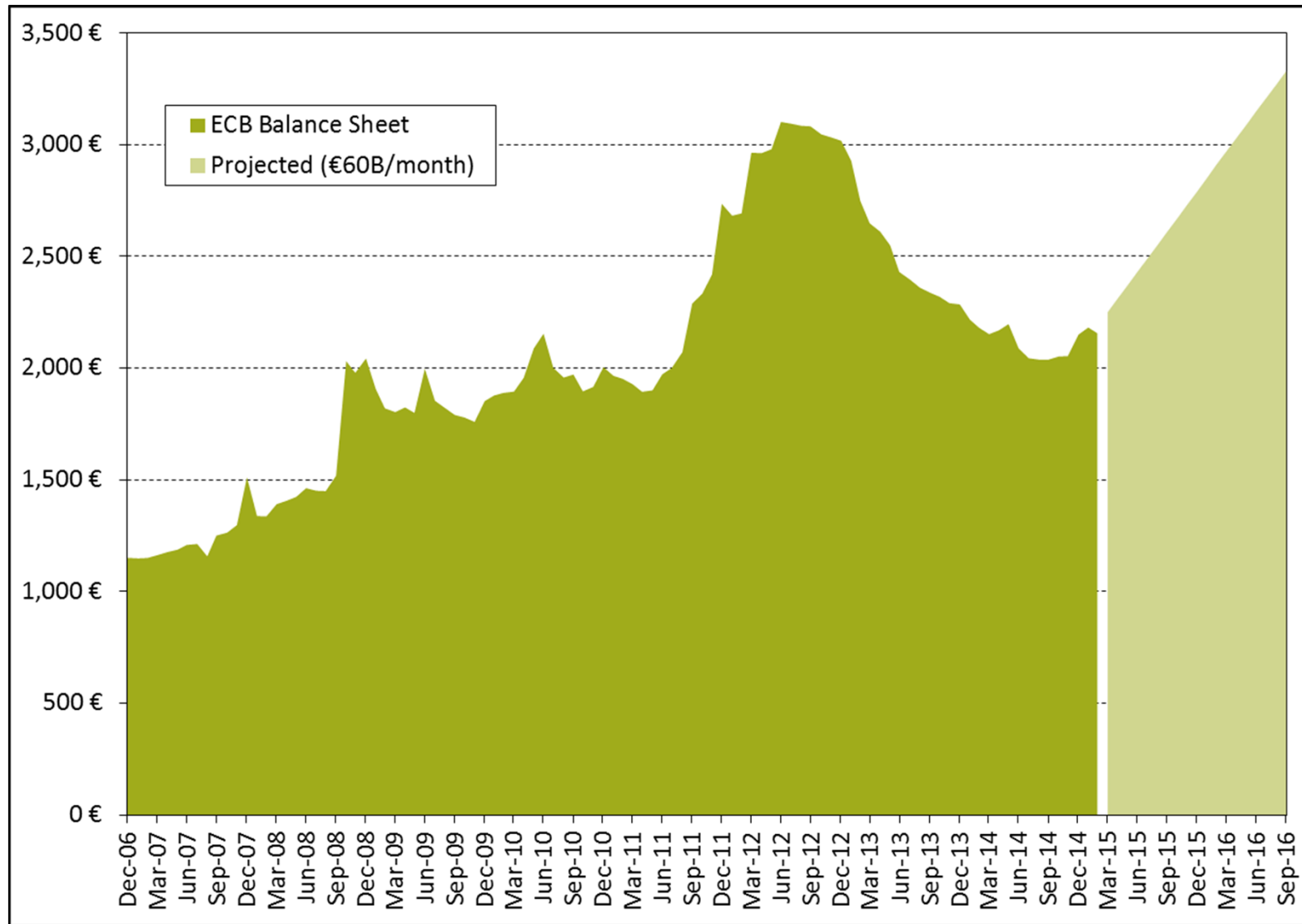


Source: Bloomberg, NEPC

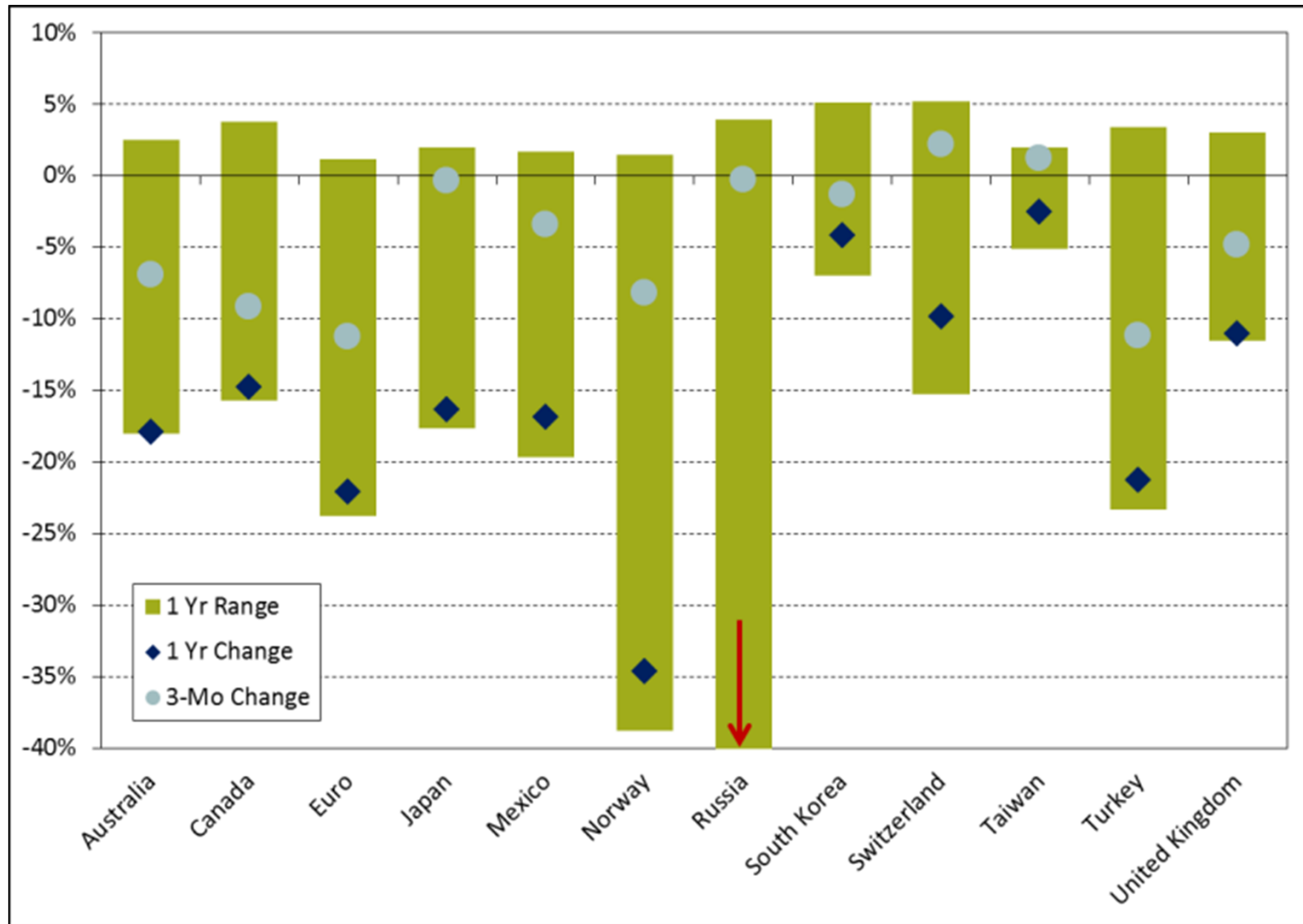


Source: Bloomberg, NEPC

Launch of Quantitative Easing in Eurozone is a New Catalyst for International Equities

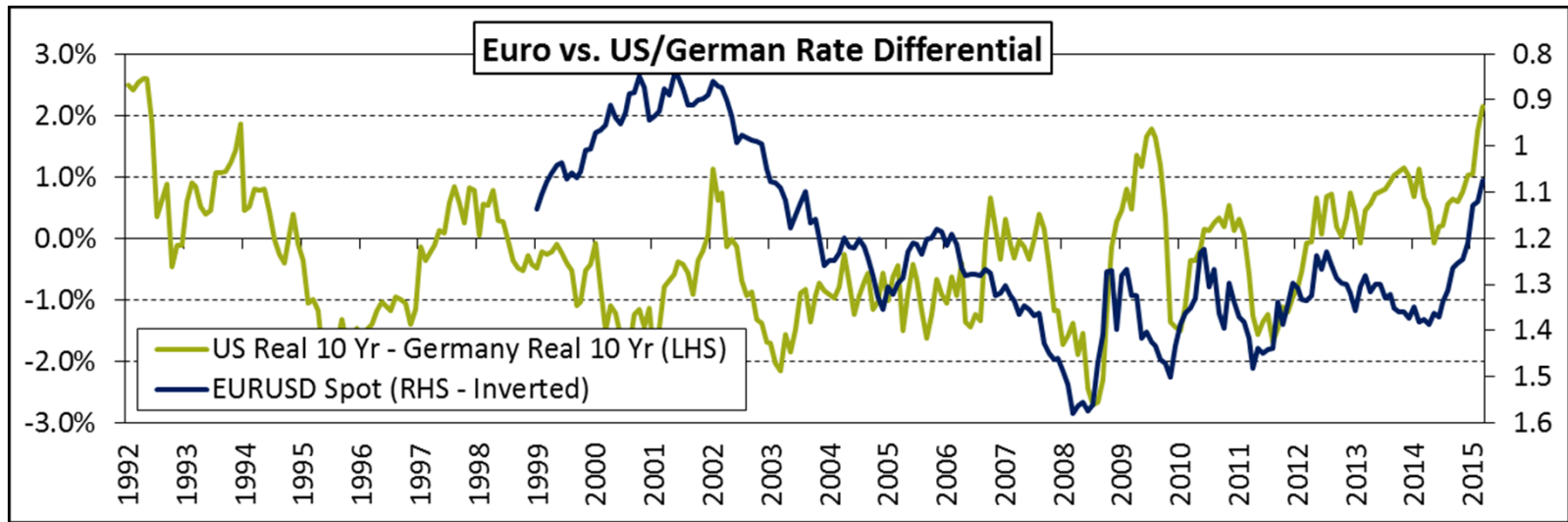


Currencies Have Been Volatile (and mostly negative versus the US Dollar)

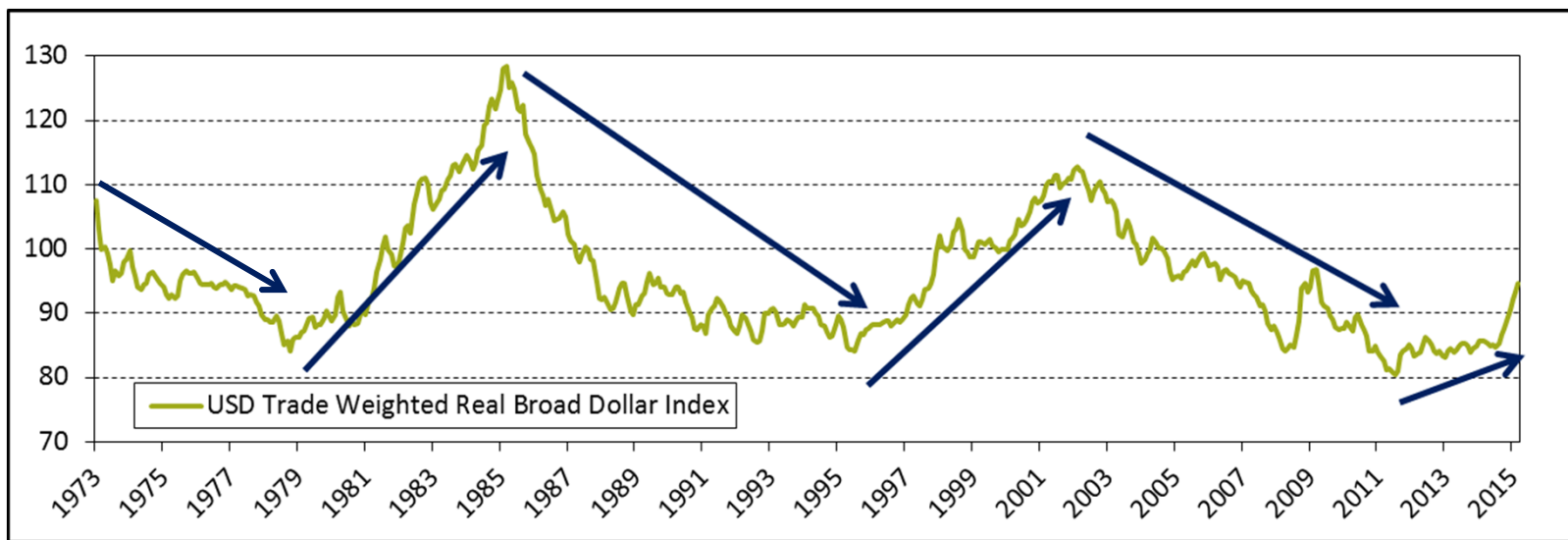


Source: Bloomberg

Currency Pressure Remains; Historic Movements Exhibit Persistence

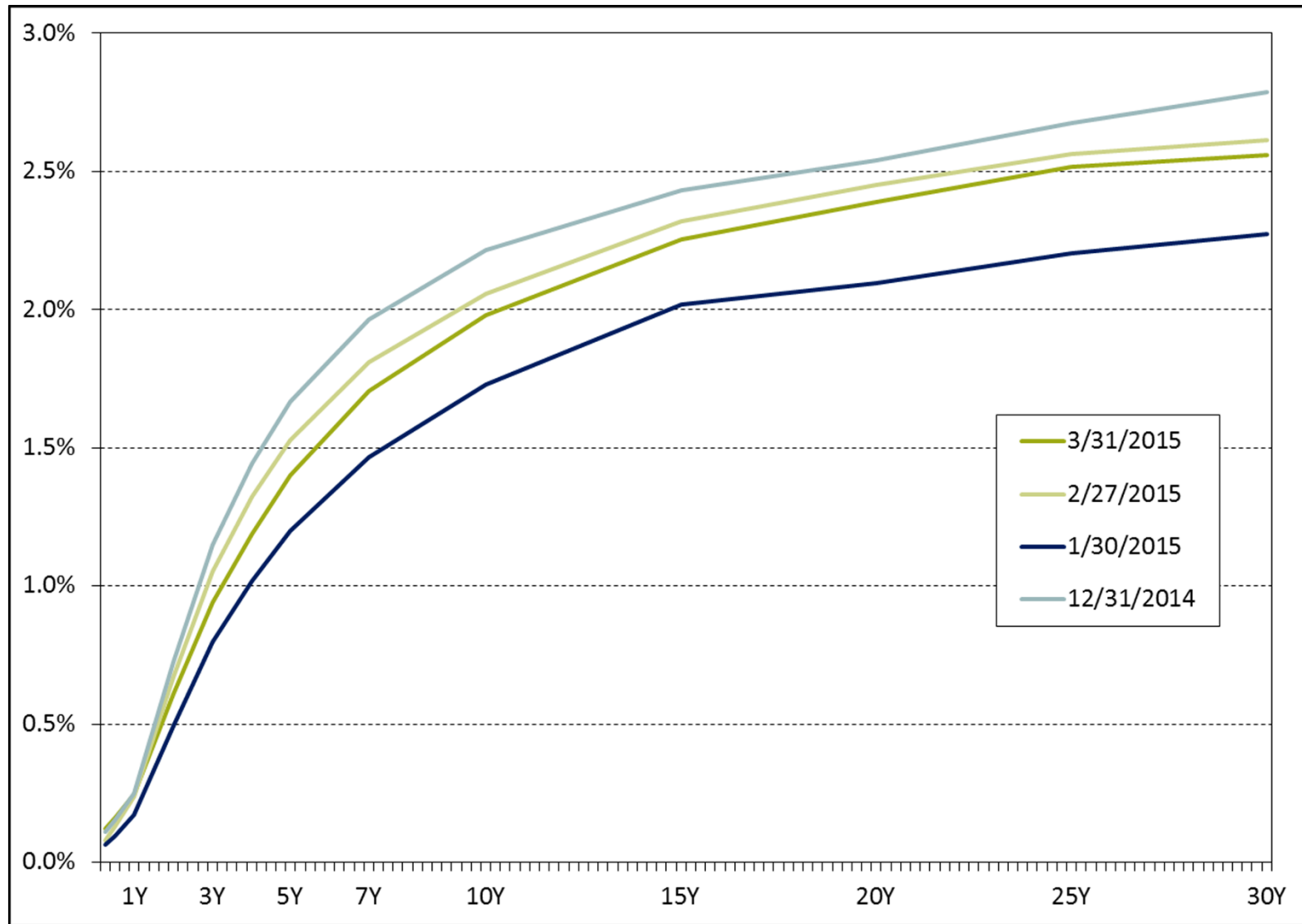


Source: Bloomberg



Source: Bloomberg

Treasury Curve Has Been in Flux - Seesawing in the First Quarter



Source: Bloomberg

- **Be judicious with risk**
 - Avoid chasing risk for only marginal return enhancements
 - Less liquid opportunities may provide the best risk-adjusted approach, but liquidity needs should be incorporated (e.g., substituting direct lending for high yield)

- **Catalysts are present to drive international equity markets above pre-financial crisis highs**
 - Encourage equal exposure to international developed and U.S. equities
 - If currency hedged, encourage larger international developed equity exposure relative to U.S. equities

- **Question the “traditional” approach; different investment environments require different perspectives of risk and return**
 - An expected low return environment may require a fresh perspective
 - Continue to remove traditional portfolio constraints by adding active managers with skill to exploit inefficiencies within and across asset classes (e.g., flexible global equity, global asset allocation, absolute return fixed income)

- **Rethink fixed income portfolio structure in light of current market environment**
 - Use of an unconstrained/multi-sector fixed income portfolio may provide sound diversification and enhanced liquidity
 - Examine if alternatives are available to traditional portfolio positions (e.g., combining cash and long treasuries vs. holding core bond portfolio)

Highlights of First Quarter Happenings at NEPC

NEPC Research

Recent White Papers Posted

- *Six Years Later: A Time for Moderation? NEPC's 2015 Asset Allocation (January 2015)* - NEPC's Asset Allocation Committee
- *A Primer on US Equity REITs and Their Role in an Institutional Investment Portfolio (April 2015)* - Sean Ruhmann, Director of Real Assets Research; Tim Bruce, Director of Traditional Research; Matt Ritter, Research Analyst, Real Assets Research; Larissa Davy, Research Associate, Traditional Research - The NEPC research paper provides an overview of US REITs and examines their place in institutional portfolios.



Professional Staff Updates

- We are also pleased to announce that Aarish Patell has joined NEPC as a Research Consultant located in our Boston, MA office. Aarish will be focusing on private markets research.
- NEPC has also added two new Research Analysts to our hedge fund research team, Christian Pieri and Victoria Margosian.

NEPC Client Recognitions

- We are immensely gratified to consistently achieve your favorable client satisfaction ratings in relation to our peers. Last year, you ranked NEPC #1 among the 10 largest firms in the investment consulting business, as measured by the Greenwich Quality Index (GQI). We remain the only firm among the 10 largest investment consultancies with rankings in the top three in 10 of the last 11 years, according to Greenwich Associates' annual survey of over 1,000 large plan sponsors regarding their investment consulting relationships.¹
- Orange County Employees' Retirement System has won the Government Finance Officers Association's Award for Excellence in Government Finance, for its investment fee transparency and management initiatives.

Upcoming Events

- NEPC's 20th Annual Client Conference – May 19-20, 2015 in Boston at the Boston Convention & Exhibition Center (BCEC)
- Headline Speakers:
 - Liz Ann Sonders, Senior Vice President, Chair of the Investment Committee, Windhaven Investment Management, Inc.
 - Don Yaeger, Sports Journalist
 - Rick Rieder, Chief Investment Officer, Fundamental Fixed Income, BlackRock

- Register at www.nepc.com

¹Source: Greenwich Associates, 2014 Evaluations by U.S. Institutional Investors. Greenwich Associates is an independent research firm. Its rankings do not represent an

endorsement of NEPC. Past performance is no guarantee of future results.

Total Fund Performance

Note: All of the data shown on the following pages is as of March 31, 2015 and reflects the deduction of investment manager fees, unless otherwise noted.



Ventura County Employees' Retirement Association

Total Fund Performance Summary (Net)

	Market Value	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank	Return	Since
Total Fund	\$4,365,835,058	2.0%	73	1.8%	60	6.2%	41	10.3%	16	10.1%	9	6.8%	29	8.3%	Apr-94
<i>Policy Index</i>		2.0%	65	3.1%	20	7.1%	18	10.1%	25	9.7%	30	6.9%	25	8.2%	Apr-94
<i>Allocation Index</i>		1.8%	80	2.5%	41	6.9%	24	9.5%	39	9.2%	45	6.6%	43	--	Apr-94
<i>InvestorForce Public DB > \$1B Net Median</i>		2.2%		2.2%		5.6%		9.3%		9.1%		6.4%		7.8%	Apr-94

For the one-year period ending March 31, 2015, the Fund produced a net investment gain of \$274.6 million, which includes a net investment gain of \$89.2 million in the quarter. Assets increased from \$4.12 billion one year ago to \$4.37 billion on March 31, 2015 with \$31.2 million in net distributions during the year.

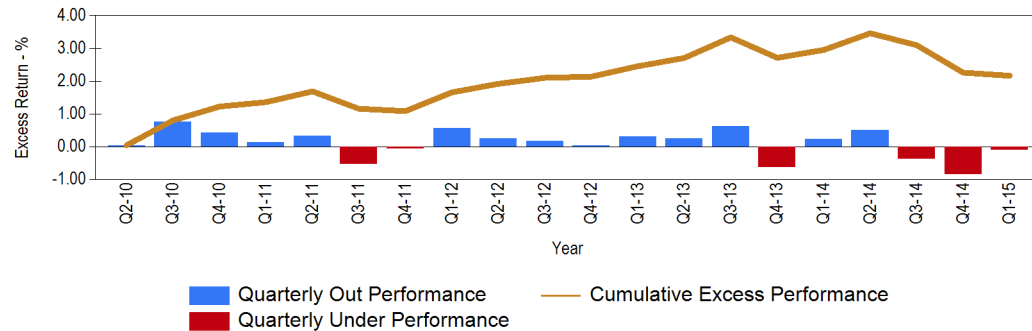
For the one-year period ending March 31, 2015, the Fund returned 6.2%, trailing the policy index by 0.9% and ranking in the 41st percentile of the InvestorForce Public Funds > \$1 Billion Universe (Net of Fees).

For the three-year period ending March 31, 2015, the Fund returned 10.3%, outperforming the policy index by 0.2% and ranking in the 16th percentile of its peers. The Fund's volatility, as measured by standard deviation, ranked in the 71st percentile of its peers, and the risk-adjusted return, or Sharpe Ratio, ranks in the 39th percentile. This means that the Fund has earned more return per unit of risk taken than 61% of its peers.

For the five-year period ending March 31, 2015, the Fund returned 10.1%, outperforming the policy index by 0.4% and ranking in the 9th percentile of its peers. The Fund's volatility ranks in the bottom quartile of its peers over this period, with the Fund's Sharpe Ratio being slightly below the median Fund in the universe.

*Please see the appendix for additional performance disclosures.

Quarterly and Cumulative Excess Performance



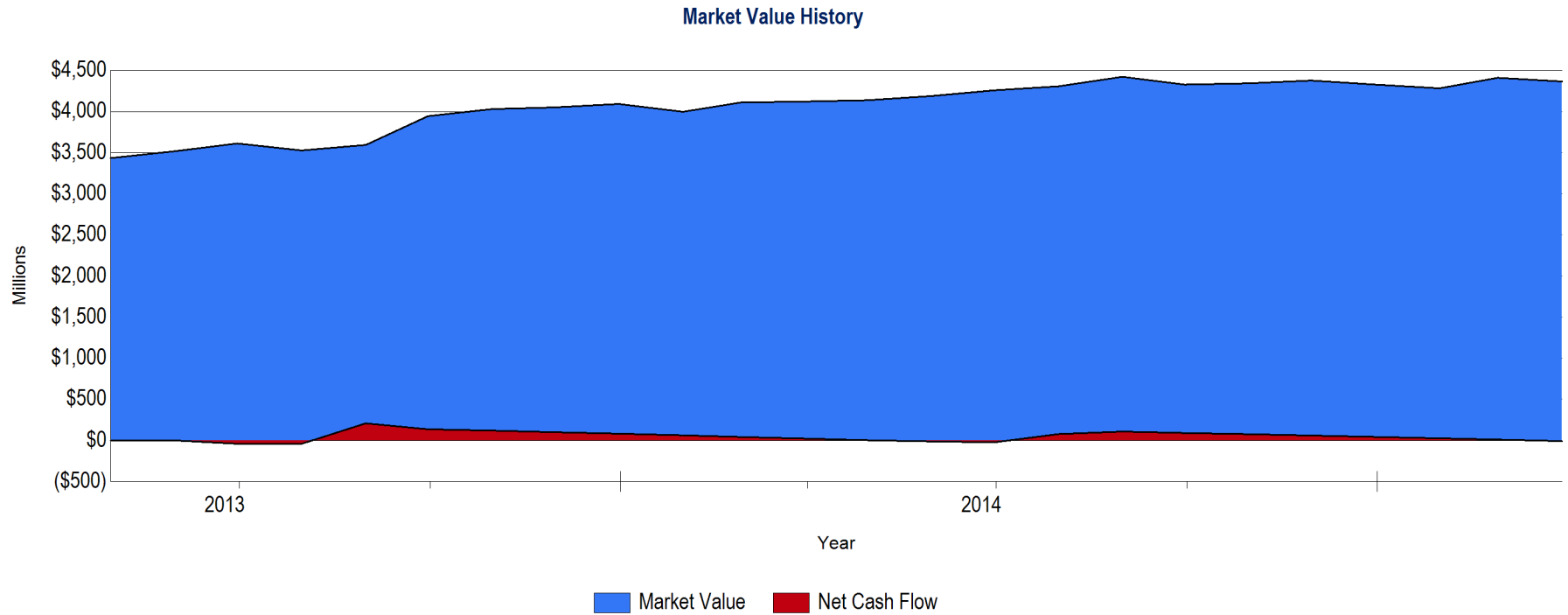
3 Years Ending March 31, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Total Fund	10.3%	16	6.5%	71	1.6	39	2.3	28
Policy Index	10.1%	25	6.4%	66	1.6	40	2.2	45
InvestorForce Public DB > \$1B Net Median	9.3%	--	6.1%	--	1.5	--	2.1	--

5 Years Ending March 31, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Total Fund	10.1%	9	9.1%	84	1.1	52	1.7	48
Policy Index	9.7%	30	8.9%	75	1.1	58	1.6	49
InvestorForce Public DB > \$1B Net Median	9.1%	--	7.9%	--	1.1	--	1.6	--

Total Fund Asset Growth Summary

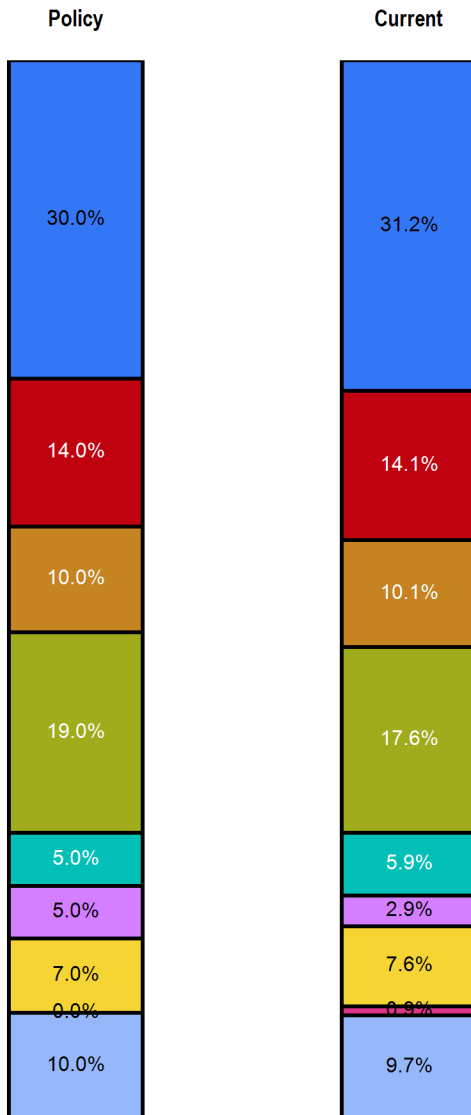


Summary of Cash Flows

Sources of Portfolio Growth	First Quarter	Fiscal Year-To-Date	One Year
Beginning Market Value	\$4,328,232,756	\$4,258,489,574	\$4,122,353,883
Net Additions/Withdrawals	-\$51,572,390	\$15,360,038	-\$31,158,326
Investment Earnings	\$89,174,692	\$91,985,446	\$274,639,500
Ending Market Value	\$4,365,835,058	\$4,365,835,058	\$4,365,835,058

Ventura County Employees' Retirement Association

Total Fund Asset Allocation vs. Policy Targets



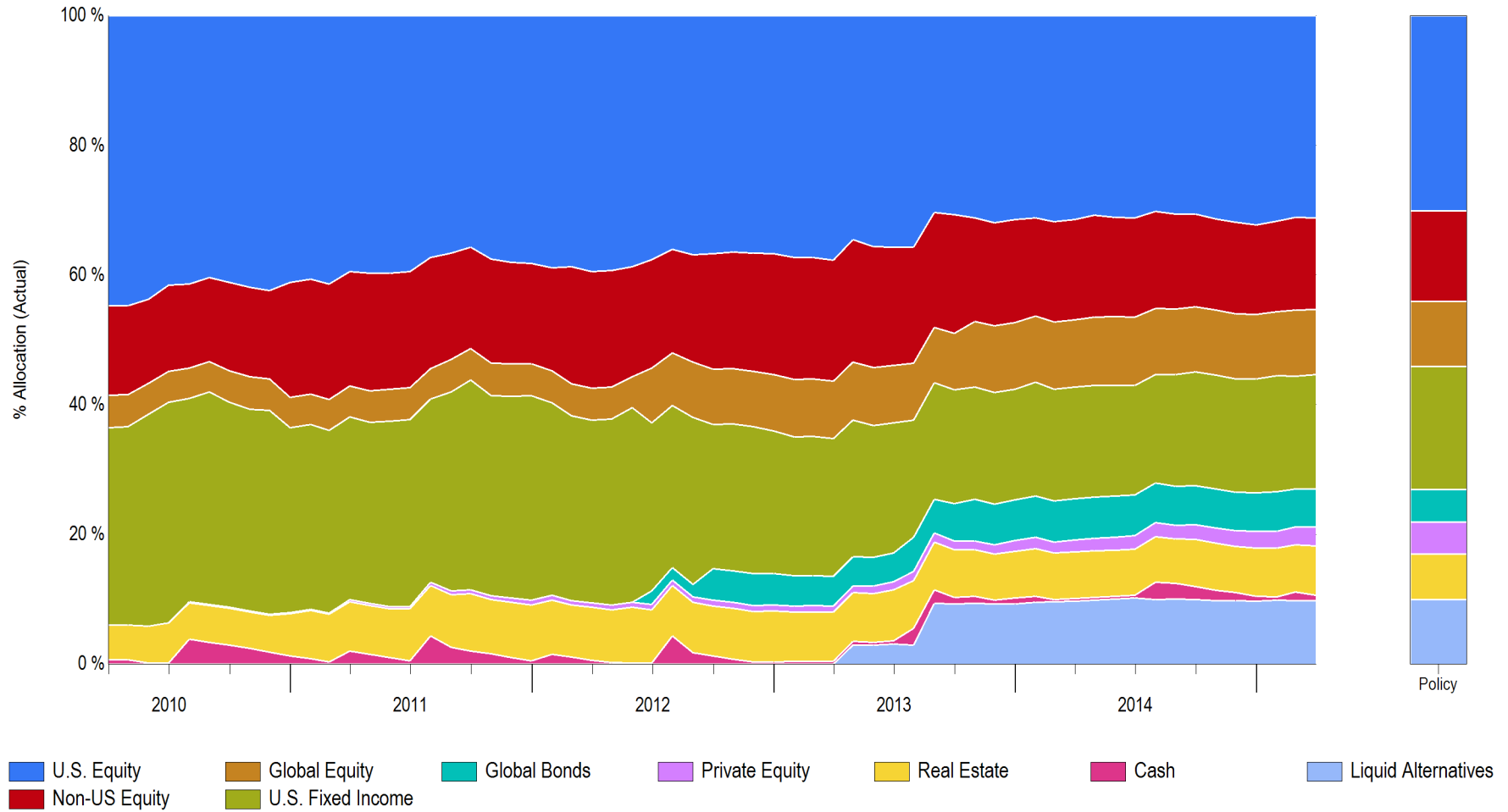
	Current		Policy	Difference *	Policy Range	Within Range
U.S. Equity	\$1,360,896,365	31.2%	30.0%	1.2%	26.0% - 34.0%	Yes
Non-US Equity	\$617,229,438	14.1%	14.0%	0.1%	11.0% - 17.0%	Yes
Global Equity	\$440,946,810	10.1%	10.0%	0.1%	7.0% - 13.0%	Yes
U.S. Fixed Income	\$767,452,669	17.6%	19.0%	-1.4%	15.0% - 23.0%	Yes
Global Bonds	\$258,135,292	5.9%	5.0%	0.9%	3.0% - 7.0%	Yes
Private Equity	\$126,461,444	2.9%	5.0%	-2.1%	3.0% - 7.0%	No
Real Estate	\$330,958,239	7.6%	7.0%	0.6%	4.0% - 10.0%	Yes
Cash	\$38,833,449	0.9%	0.0%	0.9%	0.0% - 3.0%	Yes
Liquid Alternatives	\$424,921,353	9.7%	10.0%	-0.3%	7.0% - 13.0%	Yes
Total	\$4,365,835,058	100.0%	100.0%			

*Difference between Policy and Current Allocation

Cash represents assets in Clifton Group Overlay

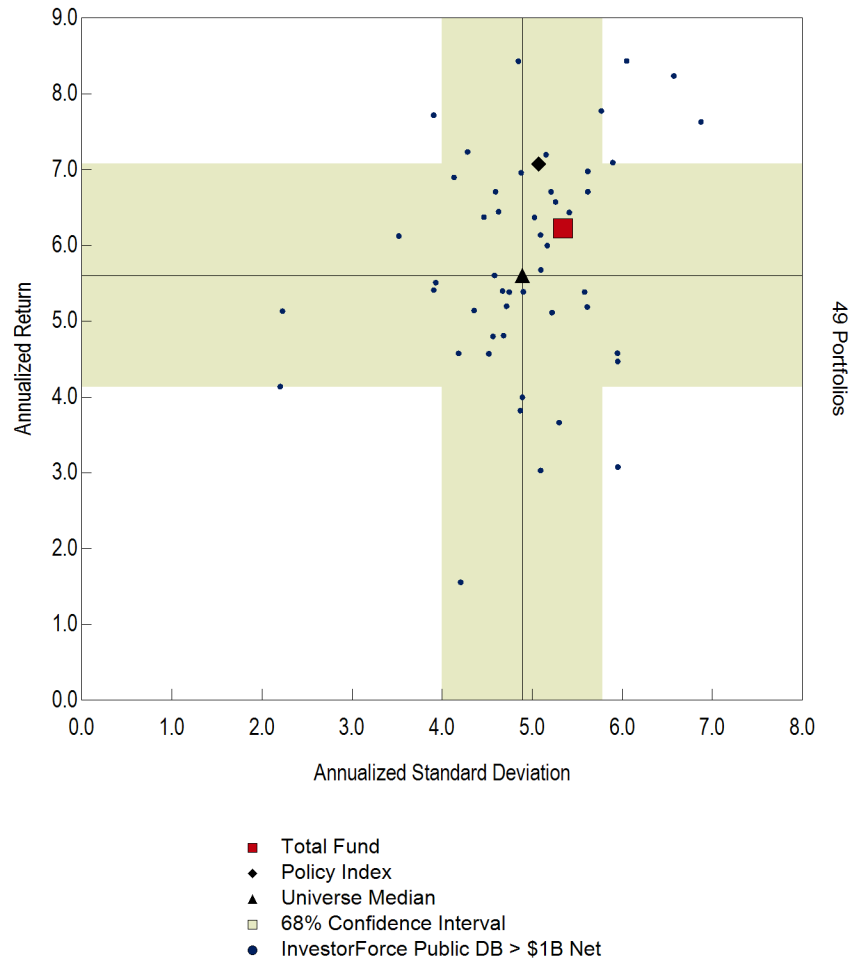
Total Fund Allocation History

**Asset Allocation History
5 Years Ending March 31, 2015**



Total Fund Risk/Return

1 Years Ending March 31, 2015



1 Years Ending March 31, 2015

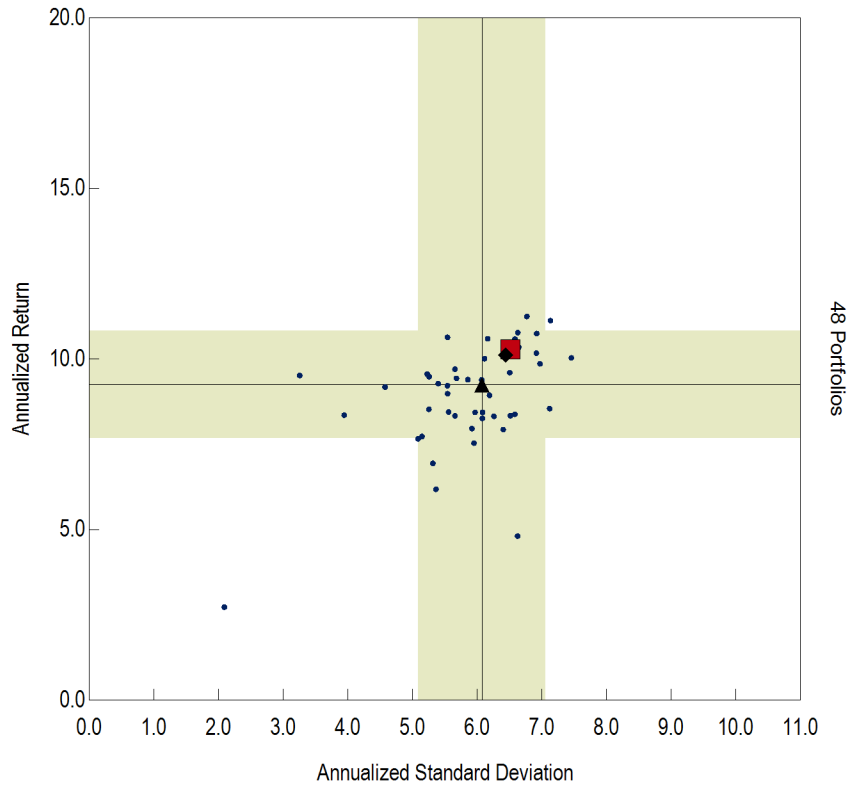
	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	6.2%	41	5.3%	74
Policy Index	7.1%	18	5.1%	56
InvestorForce Public DB > \$1B Net Median	5.6%	--	4.9%	--

1 Years Ending March 31, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	1.2	56	3.6	7
Policy Index	1.4	26	3.7	5
InvestorForce Public DB > \$1B Net Median	1.2	--	2.2	--

Total Fund Risk/Return

3 Years Ending March 31, 2015



- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

3 Years Ending March 31, 2015

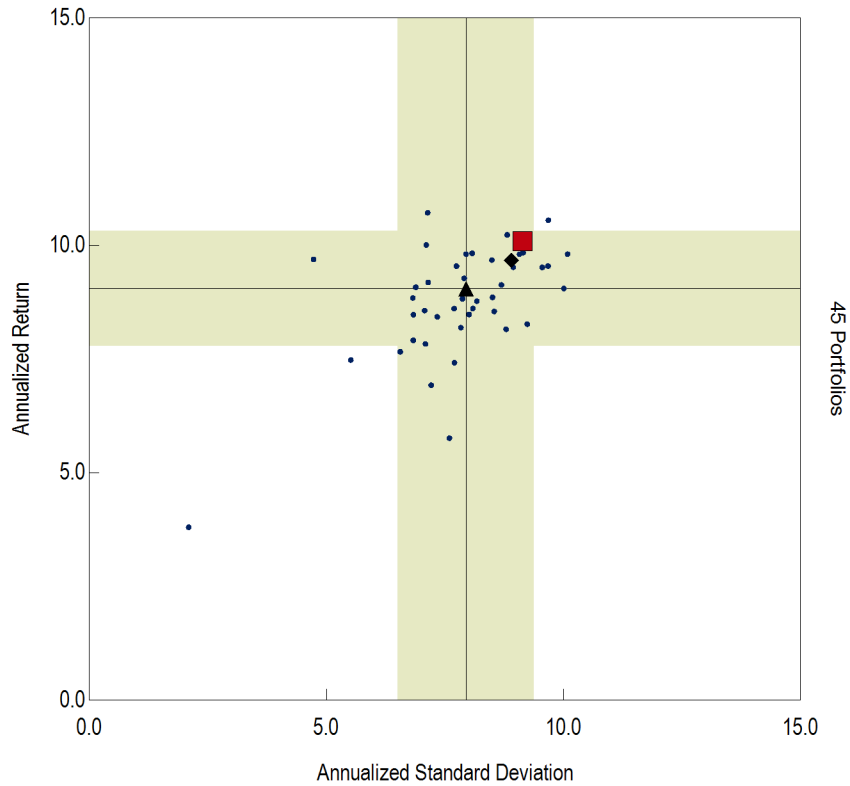
	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	10.3%	16	6.5%	71
Policy Index	10.1%	25	6.4%	66
InvestorForce Public DB > \$1B Net Median	9.3%	--	6.1%	--

3 Years Ending March 31, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	1.6	39	2.4	28
Policy Index	1.6	40	2.2	45
InvestorForce Public DB > \$1B Net Median	1.5	--	2.1	--

Total Fund Risk/Return

5 Years Ending March 31, 2015



- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

5 Years Ending March 31, 2015

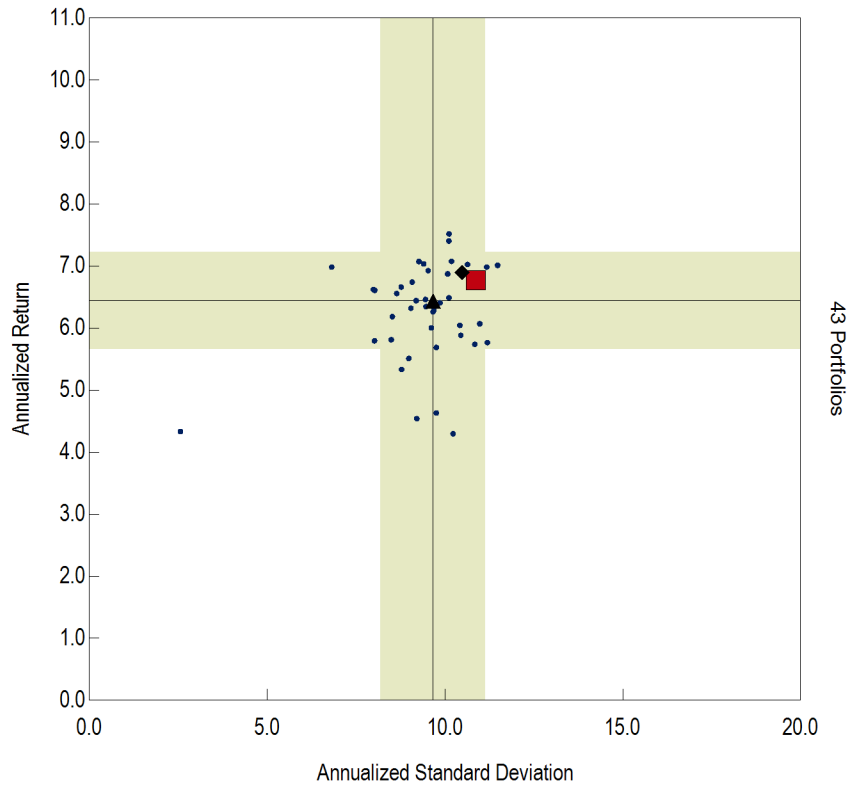
	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	10.1%	9	9.1%	84
Policy Index	9.7%	30	8.9%	75
InvestorForce Public DB > \$1B Net Median	9.1%	--	7.9%	--

5 Years Ending March 31, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	1.1	52	1.7	48
Policy Index	1.1	58	1.7	49
InvestorForce Public DB > \$1B Net Median	1.1	--	1.7	--

Total Fund Risk/Return

10 Years Ending March 31, 2015



- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- InvestorForce Public DB > \$1B Net

10 Years Ending March 31, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	6.8%	29	10.9%	89
Policy Index	6.9%	25	10.5%	82
InvestorForce Public DB > \$1B Net Median	6.4%	--	9.7%	--

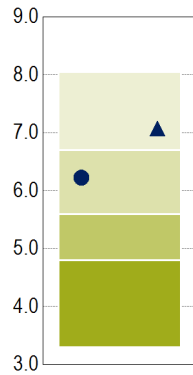
10 Years Ending March 31, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	0.5	67	0.7	64
Policy Index	0.5	49	0.8	45
InvestorForce Public DB > \$1B Net Median	0.5	--	0.8	--

Total Fund Risk Statistics vs. Peer Universe

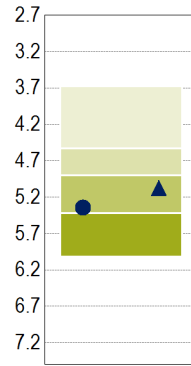
Total Fund vs. InvestorForce Public DB > \$1B Net
1 Year

Anlzd Return



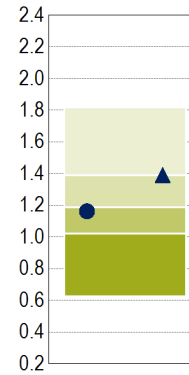
● Total Fund	
Value	6.2
%tile	41
▲ Policy Index	
Value	7.1
%tile	18
Universe	
5th %tile	8.1
25th %tile	6.7
Median	5.6
75th %tile	4.8
95th %tile	3.3

Anlzd Standard Deviation



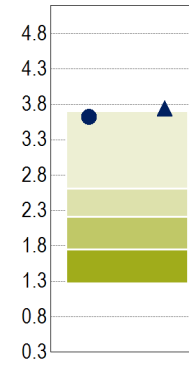
● Total Fund	
Value	5.3
%tile	74
▲ Policy Index	
Value	5.1
%tile	56
Universe	
5th %tile	3.7
25th %tile	4.5
Median	4.9
75th %tile	5.4
95th %tile	6.0

Sharpe Ratio



● Total Fund	
Value	1.2
%tile	56
▲ Policy Index	
Value	1.4
%tile	26
Universe	
5th %tile	1.8
25th %tile	1.4
Median	1.2
75th %tile	1.0
95th %tile	0.6

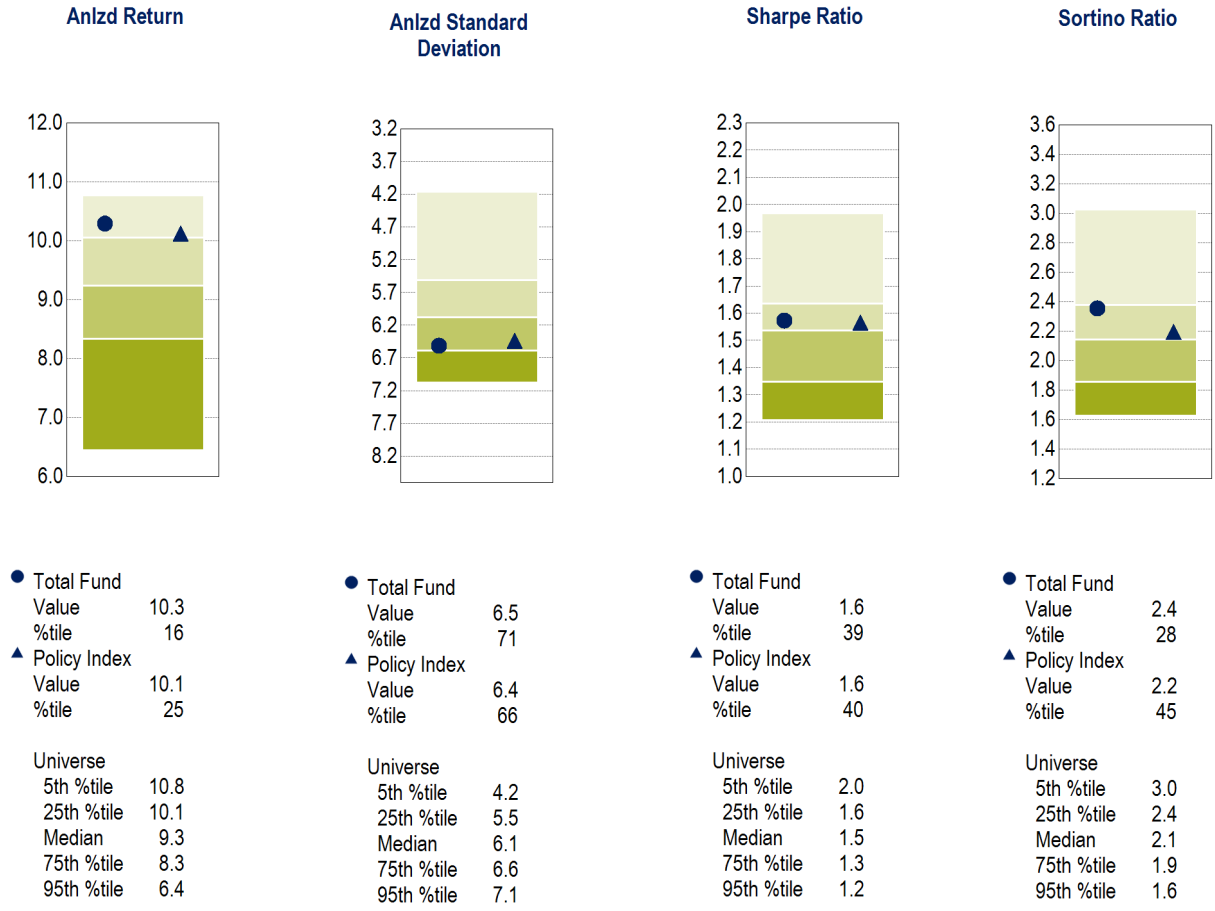
Sortino Ratio



● Total Fund	
Value	3.6
%tile	7
▲ Policy Index	
Value	3.7
%tile	5
Universe	
5th %tile	3.7
25th %tile	2.6
Median	2.2
75th %tile	1.8
95th %tile	1.3

Total Fund Risk Statistics vs. Peer Universe

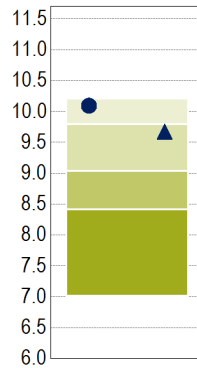
Total Fund vs. InvestorForce Public DB > \$1B Net
3 Years



Total Fund Risk Statistics vs. Peer Universe

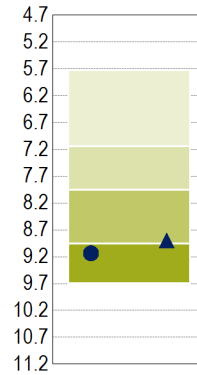
Total Fund vs. InvestorForce Public DB > \$1B Net
5 Years

Anlzd Return



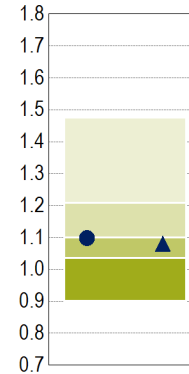
● Total Fund	
Value	10.1
%tile	9
▲ Policy Index	
Value	9.7
%tile	30
Universe	
5th %tile	10.2
25th %tile	9.8
Median	9.1
75th %tile	8.4
95th %tile	7.0

Anlzd Standard Deviation



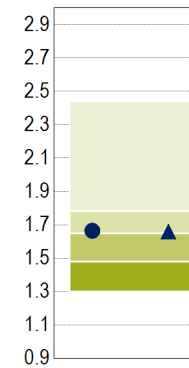
● Total Fund	
Value	9.1
%tile	84
▲ Policy Index	
Value	8.9
%tile	75
Universe	
5th %tile	5.7
25th %tile	7.1
Median	7.9
75th %tile	8.9
95th %tile	9.7

Sharpe Ratio



● Total Fund	
Value	1.1
%tile	52
▲ Policy Index	
Value	1.1
%tile	58
Universe	
5th %tile	1.5
25th %tile	1.2
Median	1.1
75th %tile	1.0
95th %tile	0.9

Sortino Ratio

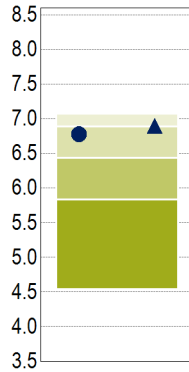


● Total Fund	
Value	1.7
%tile	48
▲ Policy Index	
Value	1.7
%tile	49
Universe	
5th %tile	2.4
25th %tile	1.8
Median	1.7
75th %tile	1.5
95th %tile	1.3

Total Fund Risk Statistics vs. Peer Universe

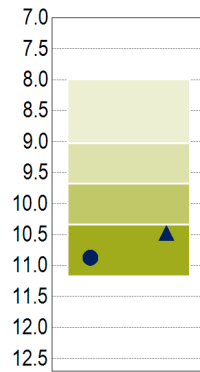
Total Fund vs. InvestorForce Public DB > \$1B Net
10 Years

Anlzd Return



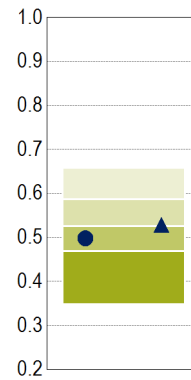
● Total Fund	
Value	6.8
%tile	29
▲ Policy Index	
Value	6.9
%tile	25
Universe	
5th %tile	7.1
25th %tile	6.9
Median	6.4
75th %tile	5.8
95th %tile	4.5

Anlzd Standard Deviation



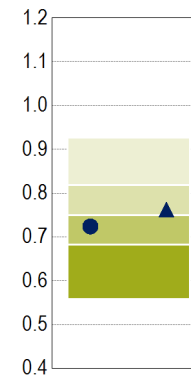
● Total Fund	
Value	10.9
%tile	89
▲ Policy Index	
Value	10.5
%tile	82
Universe	
5th %tile	8.0
25th %tile	9.0
Median	9.7
75th %tile	10.3
95th %tile	11.2

Sharpe Ratio



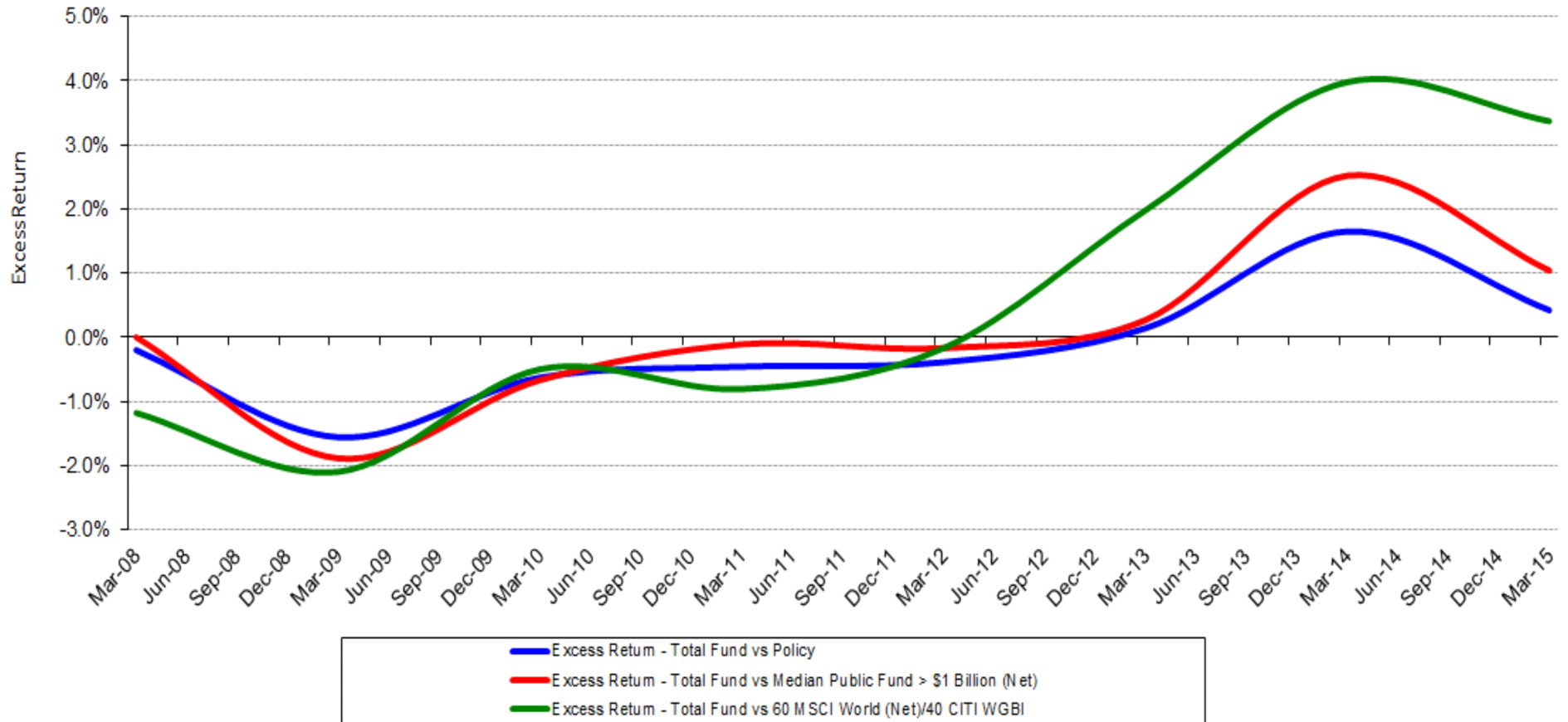
● Total Fund	
Value	0.5
%tile	67
▲ Policy Index	
Value	0.5
%tile	49
Universe	
5th %tile	0.7
25th %tile	0.6
Median	0.5
75th %tile	0.5
95th %tile	0.4

Sortino Ratio



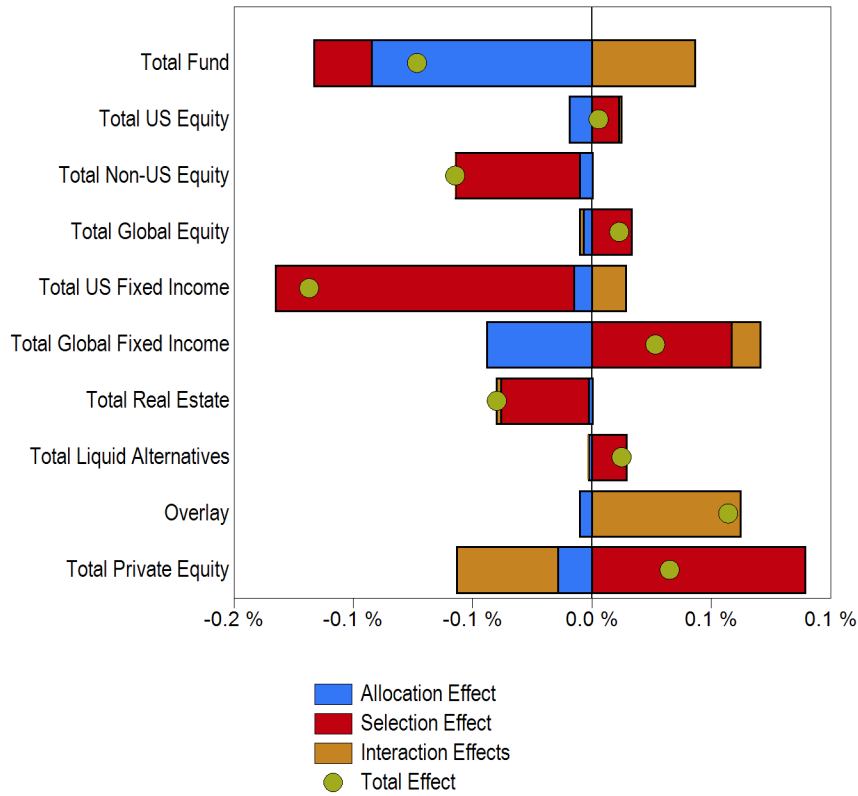
● Total Fund	
Value	0.7
%tile	64
▲ Policy Index	
Value	0.8
%tile	45
Universe	
5th %tile	0.9
25th %tile	0.8
Median	0.8
75th %tile	0.7
95th %tile	0.6

Rolling 5 Year Excess Returns



Total Fund Attribution Analysis

Attribution Effects
3 Months Ending March 31, 2015

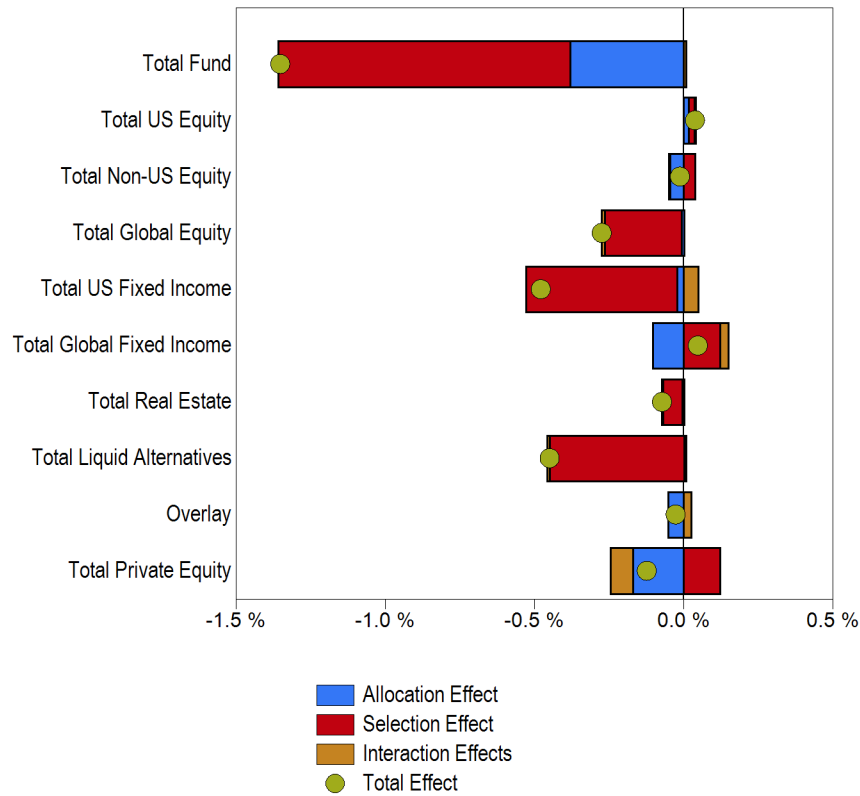


Attribution Summary
3 Months Ending March 31, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	1.9%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Non-US Equity	3.1%	3.5%	-0.4%	-0.1%	0.0%	0.0%	-0.1%
Total Global Equity	2.5%	2.3%	0.2%	0.0%	0.0%	0.0%	0.0%
Total US Fixed Income	1.0%	1.6%	-0.6%	-0.1%	0.0%	0.0%	-0.1%
Total Global Fixed Income	-0.8%	-1.9%	1.1%	0.1%	0.0%	0.0%	0.0%
Total Real Estate	2.9%	3.4%	-0.5%	0.0%	0.0%	0.0%	0.0%
Total Liquid Alternatives	1.7%	1.5%	0.2%	0.0%	0.0%	0.0%	0.0%
Overlay	3.4%	0.0%	3.3%	0.0%	0.0%	0.1%	0.1%
Total Private Equity	4.5%	2.6%	1.9%	0.1%	0.0%	0.0%	0.0%
Total	2.0%	2.1%	-0.1%	0.0%	-0.1%	0.0%	-0.1%

Total Fund Attribution Analysis

Attribution Effects
9 Months Ending March 31, 2015

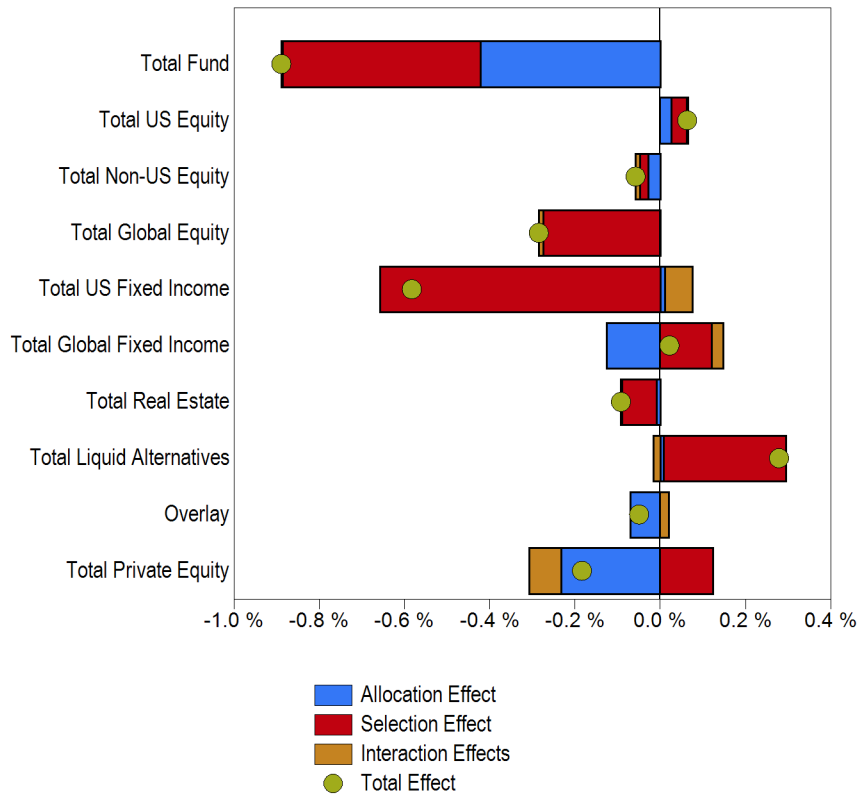


Attribution Summary
9 Months Ending March 31, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	7.1%	7.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Non-US Equity	-5.5%	-5.8%	0.3%	0.0%	0.0%	0.0%	0.0%
Total Global Equity	-2.2%	0.4%	-2.5%	-0.3%	0.0%	0.0%	-0.3%
Total US Fixed Income	1.0%	3.6%	-2.6%	-0.5%	0.0%	0.0%	-0.5%
Total Global Fixed Income	-3.7%	-6.0%	2.3%	0.1%	-0.1%	0.0%	0.0%
Total Real Estate	9.3%	10.2%	-1.0%	-0.1%	0.0%	0.0%	-0.1%
Total Liquid Alternatives	-2.5%	2.0%	-4.6%	-0.4%	0.0%	0.0%	-0.4%
Overlay	5.1%	0.0%	5.1%	0.0%	-0.1%	0.0%	0.0%
Total Private Equity	12.3%	9.4%	2.8%	0.1%	-0.2%	-0.1%	-0.1%
Total	1.8%	3.1%	-1.4%	-1.0%	-0.4%	0.0%	-1.4%

Total Fund Attribution Analysis

Attribution Effects
1 Year Ending March 31, 2015



Attribution Summary
1 Year Ending March 31, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	12.3%	12.2%	0.1%	0.0%	0.0%	0.0%	0.1%
Total Non-US Equity	-1.1%	-1.0%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Total Global Equity	2.7%	5.4%	-2.7%	-0.3%	0.0%	0.0%	-0.3%
Total US Fixed Income	2.4%	5.7%	-3.3%	-0.7%	0.0%	0.1%	-0.6%
Total Global Fixed Income	-1.4%	-3.7%	2.2%	0.1%	-0.1%	0.0%	0.0%
Total Real Estate	12.3%	13.4%	-1.2%	-0.1%	0.0%	0.0%	-0.1%
Total Liquid Alternatives	6.5%	3.9%	2.6%	0.3%	0.0%	0.0%	0.3%
Overlay	2.5%	0.0%	2.4%	0.0%	-0.1%	0.0%	0.0%
Total Private Equity	18.5%	15.6%	2.9%	0.1%	-0.2%	-0.1%	-0.2%
Total	6.2%	7.1%	-0.9%	-0.5%	-0.4%	0.0%	-0.9%

Ventura County Employees' Retirement Association

Total Fund Risk Statistics

1 Year Ending March 31, 2015

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Tracking Error	Rank	Info Ratio	Rank	Anlzd AJ	Rank	Beta
Total Fund	100.0%	6.2%	41	5.3%	74	1.2	0.7%	20	-1.1	84	-1.2%	75	1.0
Policy Index	--	7.1%	18	5.1%	56	1.4	0.0%	1	--	--	0.0%	38	1.0
Total Equity	55.4%	6.9%	42	8.6%	40	0.8	1.3%	3	1.2	14	1.5%	45	1.0
MSCI ACWI	--	5.4%	55	8.5%	37	0.6	0.0%	1	--	--	0.0%	55	1.0
Total US Equity	31.2%	12.3%	36	9.4%	28	1.3	0.1%	1	1.9	4	0.1%	33	1.0
Total U.S. Equity Benchmark	--	12.2%	37	9.4%	28	1.3	0.0%	1	--	--	0.0%	34	1.0
Total Non-US Equity	14.1%	-1.1%	54	8.6%	33	-0.1	1.2%	1	-0.1	57	-0.2%	55	0.9
Total Non-US Equity Benchmark	--	-1.0%	54	9.3%	64	-0.1	0.0%	1	--	--	0.0%	54	1.0
Total Global Equity	10.1%	2.7%	72	9.1%	52	0.3	1.3%	3	-2.0	94	-3.0%	73	1.1
MSCI ACWI	--	5.4%	55	8.5%	37	0.6	0.0%	1	--	--	0.0%	55	1.0
Total Fixed Income	23.5%	1.4%	39	1.6%	6	0.9	2.3%	30	2.2	31	2.8%	52	0.4
Barclays Global Aggregate	--	-3.7%	82	3.6%	48	-1.0	0.0%	1	--	--	0.0%	78	1.0
Total US Fixed Income	17.6%	2.4%	68	1.2%	21	2.0	2.3%	55	-1.4	62	0.8%	23	0.3
Barclays Aggregate	--	5.7%	27	3.0%	67	1.9	0.0%	1	--	--	0.0%	52	1.0
Total Global Fixed Income	5.9%	-1.4%	63	3.1%	29	-0.5	0.9%	8	2.6	21	1.6%	62	0.8
Barclays Global Aggregate	--	-3.7%	82	3.6%	48	-1.0	0.0%	1	--	--	0.0%	78	1.0
Total Real Estate	7.6%	12.3%	--	5.0%	--	2.4	0.5%	--	-2.2	--	0.0%	--	0.9
Total Real Estate Benchmark	--	13.4%	--	5.5%	--	2.5	0.0%	--	--	--	0.0%	--	1.0
Total Liquid Alternatives	9.7%	6.5%	--	8.6%	--	0.8	8.3%	--	0.3	--	0.0%	--	1.7
CPI + 4% (Unadjusted)	--	3.9%	--	1.4%	--	2.8	0.0%	--	--	--	0.0%	--	1.0

Ventura County Employees' Retirement Association

Total Fund Risk Statistics

3 Year Ending March 31, 2015

	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Tracking Error	Rank	Info Ratio	Rank	Anlzd AJ	Rank	Beta
Total Fund	100.0%	10.3%	16	6.5%	71	1.6	0.7%	7	0.3	42	0.1%	40	1.0
Policy Index	--	10.1%	25	6.4%	66	1.6	0.0%	1	--	--	0.0%	49	1.0
Total Equity	55.4%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI	--	10.7%	67	10.6%	37	1.0	0.0%	1	--	--	0.0%	73	1.0
Total US Equity	31.2%	16.7%	38	9.8%	17	1.7	0.3%	1	1.0	5	0.3%	31	1.0
Total U.S. Equity Benchmark	--	16.4%	42	9.8%	16	1.7	0.0%	1	--	--	0.0%	35	1.0
Total Non-US Equity	14.1%	6.9%	87	11.6%	20	0.6	1.3%	1	0.4	76	0.9%	84	0.9
Total Non-US Equity Benchmark	--	6.4%	91	12.5%	53	0.5	0.0%	1	--	--	0.0%	91	1.0
Total Global Equity	10.1%	9.7%	78	10.3%	28	0.9	1.2%	2	-0.8	92	-0.7%	77	1.0
MSCI ACWI	--	10.7%	67	10.6%	37	1.0	0.0%	1	--	--	0.0%	73	1.0
Total Fixed Income	23.5%	3.1%	53	2.4%	7	1.2	2.3%	23	1.4	38	3.1%	53	0.5
Barclays Global Aggregate	--	-0.2%	85	3.9%	32	-0.1	0.0%	1	--	--	0.0%	85	1.0
Total US Fixed Income	17.6%	3.4%	52	2.3%	39	1.5	1.9%	43	0.2	55	1.5%	33	0.6
Barclays Aggregate	--	3.1%	57	2.9%	54	1.1	0.0%	1	--	--	0.0%	81	1.0
Total Global Fixed Income	5.9%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Global Aggregate	--	-0.2%	85	3.9%	32	-0.1	0.0%	1	--	--	0.0%	85	1.0
Total Real Estate	7.6%	10.5%	--	4.3%	--	2.4	1.0%	--	-2.2	--	-0.1%	--	0.8
Total Real Estate Benchmark	--	12.7%	--	5.1%	--	2.5	0.0%	--	--	--	0.0%	--	1.0
Total Liquid Alternatives	9.7%	--	--	--	--	--	--	--	--	--	--	--	--
CPI + 4% (Unadjusted)	--	5.0%	--	1.2%	--	4.1	0.0%	--	--	--	0.0%	--	1.0

Ventura County Employees' Retirement Association

Total Fund Risk Statistics

	5 Year Ending March 31, 2015												
	% of Tot	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Tracking Error	Rank	Info Ratio	Rank	Anlzd AJ	Rank	Beta
Total Fund	100.0%	10.1%	9	9.1%	84	1.1	0.8%	10	0.5	30	0.2%	40	1.0
Policy Index	--	9.7%	30	8.9%	75	1.1	0.0%	1	--	--	0.0%	48	1.0
Total Equity	55.4%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI	--	9.0%	71	14.4%	40	0.6	0.0%	1	--	--	0.0%	72	1.0
Total US Equity	31.2%	15.1%	41	13.5%	27	1.1	0.3%	1	1.0	1	0.2%	34	1.0
Total U.S. Equity Benchmark	--	14.8%	48	13.4%	25	1.1	0.0%	1	--	--	0.0%	37	1.0
Total Non-US Equity	14.1%	5.5%	80	15.5%	26	0.4	1.4%	1	0.5	61	0.9%	78	1.0
Total Non-US Equity Benchmark	--	4.8%	88	16.3%	49	0.3	0.0%	1	--	--	0.0%	86	1.0
Total Global Equity	10.1%	8.8%	73	13.4%	21	0.7	2.3%	6	-0.1	75	0.5%	67	0.9
MSCI ACWI	--	9.0%	71	14.4%	40	0.6	0.0%	1	--	--	0.0%	72	1.0
Total Fixed Income	23.5%	5.3%	43	2.8%	9	1.9	3.2%	35	0.9	30	4.2%	34	0.4
Barclays Global Aggregate	--	2.3%	85	4.8%	30	0.5	0.0%	1	--	--	0.0%	84	1.0
Total US Fixed Income	17.6%	5.5%	38	2.7%	40	2.0	2.0%	41	0.5	38	2.5%	25	0.7
Barclays Aggregate	--	4.4%	57	2.8%	48	1.6	0.0%	1	--	--	0.0%	82	1.0
Total Global Fixed Income	5.9%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Global Aggregate	--	2.3%	85	4.8%	30	0.5	0.0%	1	--	--	0.0%	84	1.0
Total Real Estate	7.6%	12.7%	--	5.4%	--	2.4	1.1%	--	-1.7	--	-0.3%	--	0.9
Total Real Estate Benchmark	--	14.5%	--	5.9%	--	2.4	0.0%	--	--	--	0.0%	--	1.0
Total Liquid Alternatives	9.7%	--	--	--	--	--	--	--	--	--	--	--	--
CPI + 4% (Unadjusted)	--	5.7%	--	1.2%	--	4.8	0.0%	--	--	--	0.0%	--	1.0

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fund	4,365,835,058	100.0	100.0	2.0	73	1.8	60	6.2	41	10.3	16	10.1	9	6.8	29	8.3	Apr-94
Policy Index				2.0	65	3.1	20	7.1	18	10.1	25	9.7	30	6.9	25	8.2	Apr-94
Over/Under				0.0		-1.3		-0.9		0.2		0.4		-0.1		0.1	
Allocation Index				1.8	80	2.5	41	6.9	24	9.5	39	9.2	45	6.6	43	--	Apr-94
InvestorForce Public DB > \$1B Net Median				2.2		2.2		5.6		9.3		9.1		6.4		7.8	Apr-94
Total Fund ex Parametric	4,327,001,609	99.1	--	1.9	--	1.8	--	6.3	--	10.2	--	9.9	--	6.7	--	8.2	Apr-94
Total Fund ex Private Equity	4,239,373,614	97.1	--	1.9	77	1.6	66	5.9	47	9.3	48	--	--	--	--	11.4	Jan-12
Policy Index				2.0	65	3.1	20	7.1	18	10.1	25	9.7	30	6.9	25	12.0	Jan-12
Over/Under				-0.1		-1.5		-1.2		-0.8						-0.6	
InvestorForce Public DB > \$1B Net Median				2.2		2.2		5.6		9.3		9.1		6.4		10.8	Jan-12
Total US Equity	1,360,896,365	31.2	30.0	1.9	67	7.1	46	12.3	36	16.7	38	15.1	41	8.0	73	9.1	Dec-93
Total U.S. Equity Benchmark				1.8	68	7.1	46	12.2	37	16.4	42	14.8	48	8.5	61	9.5	Dec-93
Over/Under				0.1		0.0		0.1		0.3		0.3		-0.5		-0.4	
eA All US Equity Net Median				3.2		6.7		10.4		15.8		14.6		8.9		10.7	Dec-93
BlackRock Equity Market Fund	1,171,040,708	26.8		1.8	68	7.1	46	12.3	36	16.4	41	14.8	47	--	--	7.7	Dec-07
Dow Jones U.S. Total Stock Market				1.8	69	7.1	46	12.2	37	16.4	42	14.7	48	8.5	59	7.6	Dec-07
Over/Under				0.0		0.0		0.1		0.0		0.1				0.1	
eA All US Equity Net Median				3.2		6.7		10.4		15.8		14.6		8.9		8.0	Dec-07
Western U.S. Index Plus	140,787,690	3.2		1.2	76	7.3	45	13.2	28	17.4	28	16.4	21	--	--	3.6	May-07
S&P 500				1.0	79	7.1	46	12.7	33	16.1	45	14.5	52	8.0	72	6.2	May-07
Over/Under				0.2		0.2		0.5		1.3		1.9				-2.6	
eA All US Equity Net Median				3.2		6.7		10.4		15.8		14.6		8.9		6.9	May-07
BlackRock Extended Equity Index	49,067,966	1.1		5.3	43	6.7	48	10.3	39	17.4	25	16.0	34	10.3	35	12.8	Oct-02
Dow Jones U.S. Completion Total Stock Market				5.3	44	6.7	48	10.2	39	17.2	29	15.8	37	10.2	36	12.8	Oct-02
Over/Under				0.0		0.0		0.1		0.2		0.2		0.1		0.0	
eA US Small-Mid Cap Equity Net Median				5.0		6.3		9.2		15.5		14.8		9.8		12.2	Oct-02

Color Coding: PERFORMANCE: Green-Over performance, Red-Under performance / Color Coding: RANKS: 1 - 25 Green - Positive Result, 26 - 50 Yellow, 50 - 75 Orange, 76 - 100 Red - Negative Result

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

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

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Non-US Equity	617,229,438	14.1	14.0	3.1	91	-5.5	71	-1.1	54	6.9	87	5.5	80	5.5	57	6.6	Mar-94
<i>Total Non-US Equity Benchmark</i>				3.5	87	-5.8	73	-1.0	54	6.4	91	4.8	88	5.5	61	5.4	Mar-94
<i>Over/Under</i>				-0.4		0.3		-0.1		0.5		0.7		0.0		1.2	
<i>eA All EAFE Equity Net Median</i>				4.9		-4.0		-0.8		9.5		7.3		5.8		6.4	Mar-94
BlackRock ACWI ex-U.S. Index	258,178,876	5.9		3.6	61	-5.8	77	-1.2	75	6.7	78	5.2	85	--	--	1.8	Mar-07
<i>MSCI ACWI ex USA</i>				3.5	63	-5.8	77	-1.0	74	6.4	80	4.8	87	5.5	76	1.4	Mar-07
<i>Over/Under</i>				0.1		0.0		-0.2		0.3		0.4				0.4	
<i>eA ACWI ex-US All Cap Equity Net Median</i>				3.9		-3.3		0.4		8.2		7.3		6.3		2.4	Mar-07
Sprucegrove	184,158,765	4.2		2.0	96	-6.8	77	-3.2	77	7.0	78	6.5	58	5.8	37	8.0	Mar-02
<i>MSCI EAFE</i>				4.9	48	-4.8	61	-0.9	48	9.0	55	6.2	63	4.9	67	6.5	Mar-02
<i>Over/Under</i>				-2.9		-2.0		-2.3		-2.0		0.3		0.9		1.5	
<i>MSCI ACWI ex USA</i>				3.5	78	-5.8	65	-1.0	48	6.4	86	4.8	83	5.5	46	7.1	Mar-02
<i>eA EAFE All Cap Equity Net Median</i>				4.8		-4.0		-1.2		9.2		6.9		5.4		7.6	Mar-02
Hexavest	80,358,439	1.8		3.7	74	-4.3	56	0.0	46	7.6	72	--	--	--	--	4.9	Dec-10
<i>MSCI EAFE</i>				4.9	48	-4.8	61	-0.9	48	9.0	55	6.2	63	4.9	67	5.6	Dec-10
<i>Over/Under</i>				-1.2		0.5		0.9		-1.4						-0.7	
<i>eA EAFE All Cap Equity Net Median</i>				4.8		-4.0		-1.2		9.2		6.9		5.4		6.1	Dec-10
Walter Scott	94,533,357	2.2		3.4	65	-2.6	44	2.5	24	6.2	84	--	--	--	--	4.8	Dec-10
<i>MSCI ACWI ex USA</i>				3.5	63	-5.8	77	-1.0	74	6.4	80	4.8	87	5.5	76	3.5	Dec-10
<i>Over/Under</i>				-0.1		3.2		3.5		-0.2						1.3	
<i>eA ACWI ex-US All Cap Equity Net Median</i>				3.9		-3.3		0.4		8.2		7.3		6.3		5.5	Dec-10

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

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Global Equity	440,946,810	10.1	10.0	2.5	62	-2.2	76	2.7	72	9.7	78	8.8	73	--	--	5.7	May-05
MSCI ACWI				2.3	65	0.4	60	5.4	55	10.7	67	9.0	71	6.4	65	6.7	May-05
Over/Under				0.2		-2.6		-2.7		-1.0		-0.2				-1.0	
eA All Global Equity Net Median				3.0		1.3		6.0		12.1		10.5		7.3		7.7	May-05
BlackRock MSCI ACWI Equity Index	227,794,793	5.2		2.4	64	0.6	58	5.8	52	--	--	--	--	--	--	--	May-12
MSCI ACWI				2.3	65	0.4	60	5.4	55	10.7	67	9.0	71	6.4	65	15.6	May-12
Over/Under				0.1		0.2		0.4									
eA All Global Equity Net Median				3.0		1.3		6.0		12.1		10.5		7.3		16.3	May-12
GMO Global Equity	213,152,017	4.9		2.5	61	-5.0	86	-0.4	84	8.8	85	8.4	76	--	--	6.7	Apr-05
MSCI ACWI				2.3	65	0.4	60	5.4	55	10.7	67	9.0	71	6.4	65	6.7	Apr-05
Over/Under				0.2		-5.4		-5.8		-1.9		-0.6				0.0	
eA All Global Equity Net Median				3.0		1.3		6.0		12.1		10.5		7.3		7.7	Apr-05

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Private Equity	126,461,444	2.9	5.0	4.5	--	12.3	--	18.5	--	16.0	--	--	--	--	--	--	Jul-10
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>2.6</u>	--	<u>9.4</u>	--	<u>15.6</u>	--	<u>19.8</u>	--	<u>18.2</u>	--	--	--	<u>20.6</u>	<i>Jul-10</i>
Over/Under				1.9		2.9		2.9		-3.8							
Adams Street Partners	77,594,905	1.8		3.2	--	10.5	--	16.5	--	14.8	--	--	--	--	--	--	Jul-10
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>2.6</u>	--	<u>9.4</u>	--	<u>15.6</u>	--	<u>19.8</u>	--	<u>18.2</u>	--	--	--	<u>20.6</u>	<i>Jul-10</i>
Over/Under				0.6		1.1		0.9		-5.0							
Panteon Ventures	14,663,333	0.3		2.2	--	5.5	--	12.7	--	12.1	--	--	--	--	--	--	Aug-10
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>2.6</u>	--	<u>9.4</u>	--	<u>15.6</u>	--	<u>19.8</u>	--	<u>18.2</u>	--	--	--	<u>22.2</u>	<i>Aug-10</i>
Over/Under				-0.4		-3.9		-2.9		-7.7							
Harbourvest	34,203,207	0.8		7.9	--	19.1	--	25.9	--	--	--	--	--	--	--	--	May-13
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>2.6</u>	--	<u>9.4</u>	--	<u>15.6</u>	--	<u>19.8</u>	--	<u>18.2</u>	--	--	--	<u>19.9</u>	<i>May-13</i>
Over/Under				5.3		9.7		10.3									

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

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total US Fixed Income	767,452,669	17.6	19.0	1.0	72	1.0	68	2.4	68	3.4	52	5.5	38	6.1	27	6.3	Feb-94
Barclays Aggregate				1.6	46	3.6	22	5.7	27	3.1	57	4.4	57	4.9	49	5.8	Feb-94
Over/Under				-0.6		-2.6		-3.3		0.3		1.1		1.2		0.5	
eA All US Fixed Inc Net Median				1.5		2.1		3.6		3.5		4.7		4.9		5.7	Feb-94
BlackRock U.S. Debt Fund	141,505,104	3.2		1.6	46	3.7	21	5.9	25	3.2	55	4.5	55	5.0	47	5.7	Nov-95
Barclays Aggregate				1.6	46	3.6	22	5.7	27	3.1	57	4.4	57	4.9	49	5.7	Nov-95
Over/Under				0.0		0.1		0.2		0.1		0.1		0.1		0.0	
eA All US Fixed Inc Net Median				1.5		2.1		3.6		3.5		4.7		4.9		5.5	Nov-95
Western	272,269,339	6.2		2.2	23	3.9	17	6.7	15	5.0	33	6.5	29	5.8	30	6.7	Dec-96
Barclays Aggregate				1.6	46	3.6	22	5.7	27	3.1	57	4.4	57	4.9	49	5.7	Dec-96
Over/Under				0.6		0.3		1.0		1.9		2.1		0.9		1.0	
eA All US Fixed Inc Net Median				1.5		2.1		3.6		3.5		4.7		4.9		5.6	Dec-96
Reams	280,328,425	6.4		-0.7	99	-3.1	99	-4.1	99	1.5	81	4.5	55	6.1	26	5.8	Sep-01
Reams Custom Index				0.1	98	0.2	84	0.2	94	1.2	84	3.3	75	4.4	63	4.6	Sep-01
Over/Under				-0.8		-3.3		-4.3		0.3		1.2		1.7		1.2	
Barclays Aggregate				1.6	46	3.6	22	5.7	27	3.1	57	4.4	57	4.9	49	5.0	Sep-01
eA All US Fixed Inc Net Median				1.5		2.1		3.6		3.5		4.7		4.9		5.0	Sep-01
Loomis Sayles Multi Strategy	73,349,802	1.7		2.1	24	1.5	62	5.1	38	6.9	19	7.9	19	--	--	7.3	Jul-05
Loomis Custom Index				1.8	34	2.2	50	4.3	43	4.3	41	5.6	37	--	--	5.8	Jul-05
Over/Under				0.3		-0.7		0.8		2.6		2.3				1.5	
Barclays Aggregate				1.6	46	3.6	22	5.7	27	3.1	57	4.4	57	4.9	49	4.9	Jul-05
eA All US Fixed Inc Net Median				1.5		2.1		3.6		3.5		4.7		4.9		4.9	Jul-05

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

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

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Global Fixed Income	258,135,292	5.9	5.0	-0.8	63	-3.7	59	-1.4	63	--	--	--	--	--	--	0.7	Jun-12
<i>Barclays Global Aggregate</i>				<i>-1.9</i>	<i>82</i>	<i>-6.0</i>	<i>80</i>	<i>-3.7</i>	<i>82</i>	<i>-0.2</i>	<i>85</i>	<i>2.3</i>	<i>85</i>	<i>3.6</i>	<i>84</i>	<i>-0.5</i>	<i>Jun-12</i>
<i>Over/Under</i>				<i>1.1</i>		<i>2.3</i>		<i>2.3</i>								<i>1.2</i>	
<i>eA All Global Fixed Inc Net Median</i>				<i>0.6</i>		<i>-2.4</i>		<i>0.1</i>		<i>3.3</i>		<i>4.7</i>		<i>5.1</i>		<i>3.2</i>	<i>Jun-12</i>
Loomis Sayles Global Fixed Income	90,486,017	2.1		-1.9	85	-6.2	86	-3.8	86	--	--	--	--	--	--	0.0	Jun-12
<i>Barclays Global Aggregate</i>				<i>-1.9</i>	<i>86</i>	<i>-6.0</i>	<i>85</i>	<i>-3.7</i>	<i>86</i>	<i>-0.2</i>	<i>83</i>	<i>2.3</i>	<i>83</i>	<i>3.6</i>	<i>76</i>	<i>-0.5</i>	<i>Jun-12</i>
<i>Over/Under</i>				<i>0.0</i>		<i>-0.2</i>		<i>-0.1</i>								<i>0.5</i>	
<i>eA Global Fixed Inc Unhedged Net Median</i>				<i>0.0</i>		<i>-3.2</i>		<i>-0.7</i>		<i>2.4</i>		<i>4.2</i>		<i>4.5</i>		<i>2.6</i>	<i>Jun-12</i>
PIMCO Global Fixed Income	124,955,057	2.9		-0.8	59	-3.6	55	-1.2	59	--	--	--	--	--	--	-1.0	Sep-12
<i>Barclays Global Aggregate</i>				<i>-1.9</i>	<i>86</i>	<i>-6.0</i>	<i>85</i>	<i>-3.7</i>	<i>86</i>	<i>-0.2</i>	<i>83</i>	<i>2.3</i>	<i>83</i>	<i>3.6</i>	<i>76</i>	<i>-1.8</i>	<i>Sep-12</i>
<i>Over/Under</i>				<i>1.1</i>		<i>2.4</i>		<i>2.5</i>								<i>0.8</i>	
<i>eA Global Fixed Inc Unhedged Net Median</i>				<i>0.0</i>		<i>-3.2</i>		<i>-0.7</i>		<i>2.4</i>		<i>4.2</i>		<i>4.5</i>		<i>1.3</i>	<i>Sep-12</i>
Loomis Strategic Alpha	42,694,218	1.0		1.6	30	2.0	9	3.4	10	--	--	--	--	--	--	3.3	Jul-13
<i>Barclays Global Aggregate</i>				<i>-1.9</i>	<i>86</i>	<i>-6.0</i>	<i>85</i>	<i>-3.7</i>	<i>86</i>	<i>-0.2</i>	<i>83</i>	<i>2.3</i>	<i>83</i>	<i>3.6</i>	<i>76</i>	<i>-0.2</i>	<i>Jul-13</i>
<i>Over/Under</i>				<i>3.5</i>		<i>8.0</i>		<i>7.1</i>								<i>3.5</i>	
<i>eA Global Fixed Inc Unhedged Net Median</i>				<i>0.0</i>		<i>-3.2</i>		<i>-0.7</i>		<i>2.4</i>		<i>4.2</i>		<i>4.5</i>		<i>2.7</i>	<i>Jul-13</i>

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Real Estate	330,958,239	7.6	7.0	2.9	--	9.3	--	12.3	--	10.5	--	12.7	--	5.0	--	7.8	Mar-94
<i>Total Real Estate Benchmark</i>				<u>3.4</u>	--	<u>10.2</u>	--	<u>13.4</u>	--	<u>12.7</u>	--	<u>14.5</u>	--	<u>7.0</u>	--	<u>8.9</u>	<i>Mar-94</i>
Over/Under				-0.5		-0.9		-1.1		-2.2		-1.8		-2.0		-1.1	
Prudential Real Estate	111,362,490	2.6		3.2	--	10.4	--	13.8	--	11.8	--	14.9	--	5.9	--	5.4	Jun-04
<i>NCREIF-ODCE</i>				<u>3.4</u>	--	<u>10.2</u>	--	<u>13.4</u>	--	<u>12.7</u>	--	<u>14.5</u>	--	<u>7.0</u>	--	<u>7.6</u>	<i>Jun-04</i>
Over/Under				-0.2		0.2		0.4		-0.9		0.4		-1.1		-2.2	
UBS Real Estate	213,926,049	4.9		2.7	--	8.7	--	11.1	--	9.6	--	11.6	--	6.4	--	7.4	Mar-03
<i>NCREIF-ODCE</i>				<u>3.4</u>	--	<u>10.2</u>	--	<u>13.4</u>	--	<u>12.7</u>	--	<u>14.5</u>	--	<u>7.0</u>	--	<u>7.9</u>	<i>Mar-03</i>
Over/Under				-0.7		-1.5		-2.3		-3.1		-2.9		-0.6		-0.5	
RREEF	5,669,699	0.1		2.3	--	9.7	--	24.0	--	21.0	--	26.7	--	--	--	-6.1	Sep-07
<i>NCREIF-ODCE</i>				<u>3.4</u>	--	<u>10.2</u>	--	<u>13.4</u>	--	<u>12.7</u>	--	<u>14.5</u>	--	<u>7.0</u>	--	<u>3.4</u>	<i>Sep-07</i>
Over/Under				-1.1		-0.5		10.6		8.3		12.2				-9.5	

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

Ventura County Employees' Retirement Association

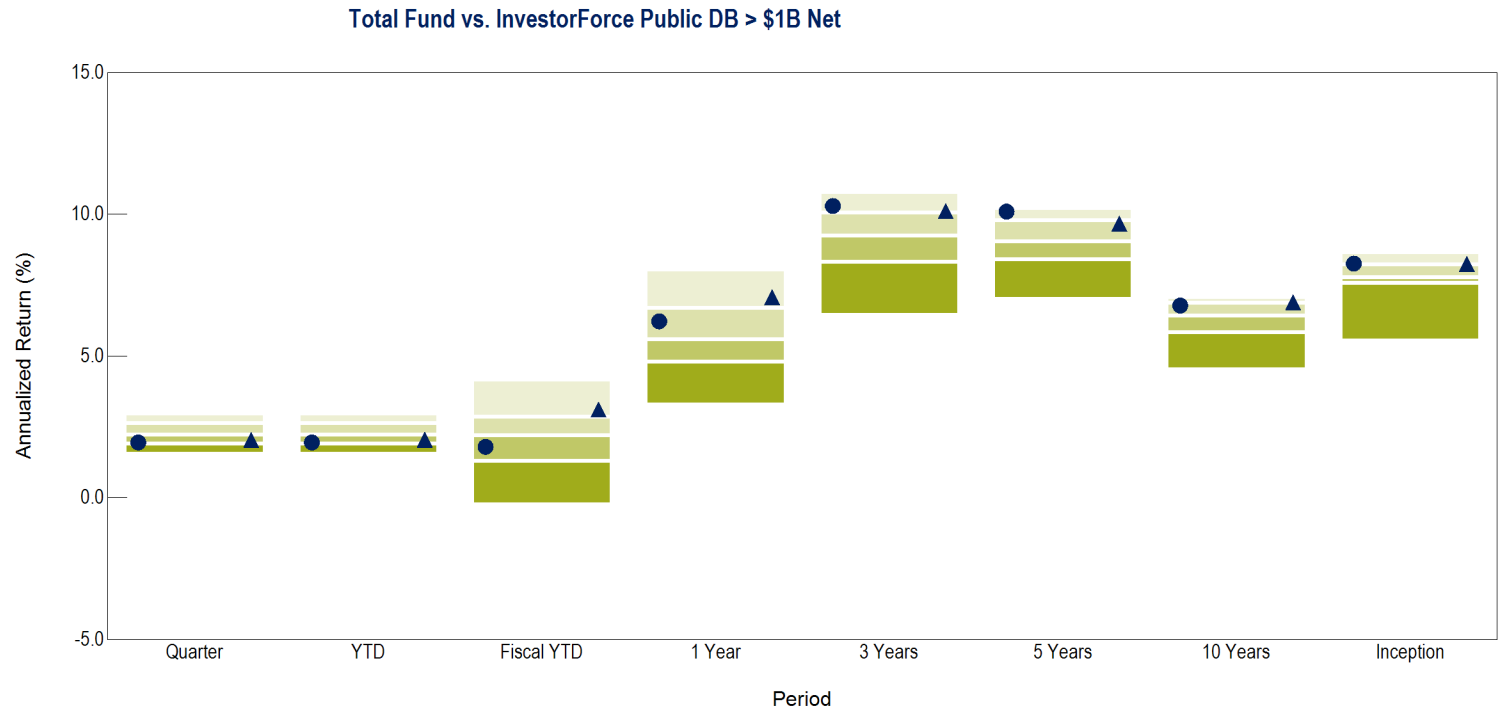
Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Liquid Alternatives	424,921,353	9.7	10.0	1.7	--	-2.5	--	6.5	--	--	--	--	--	--	--	12.1	Apr-13
<i>CPI + 4% (Unadjusted)</i>				<u>1.5</u>	--	<u>2.0</u>	--	<u>3.9</u>	--	<u>5.0</u>	--	<u>5.7</u>	--	<u>6.1</u>	--	<u>4.8</u>	<i>Apr-13</i>
Over/Under				0.2		-4.5		2.6								7.3	
Bridgewater All Weather Fund	284,498,548	6.5		3.7	--	1.9	--	7.6	--	--	--	--	--	--	--	9.5	Aug-13
<i>CPI + 5% (Unadjusted)</i>				<u>1.8</u>	--	<u>2.8</u>	--	<u>4.9</u>	--	--	--	--	--	--	--	<u>5.6</u>	<i>Aug-13</i>
Over/Under				1.9		-0.9		2.7								3.9	
Tortoise Energy Infrastructure	140,422,805	3.2		-2.2	--	-10.5	--	4.3	--	--	--	--	--	--	--	13.4	Apr-13
<i>Wells Fargo MLP Index</i>				<u>-3.7</u>	--	<u>-13.3</u>	--	<u>-0.7</u>	--	<u>10.5</u>	--	--	--	--	--	<u>4.3</u>	<i>Apr-13</i>
Over/Under				1.5		2.8		5.0								9.1	
Overlay	38,833,449	0.9	0.0														
Parametric	38,833,449	0.9															

Overlay performance is not applicable on an individual account level

Ventura County Employees' Retirement Association

Total Fund Return Summary vs. Peer Universe

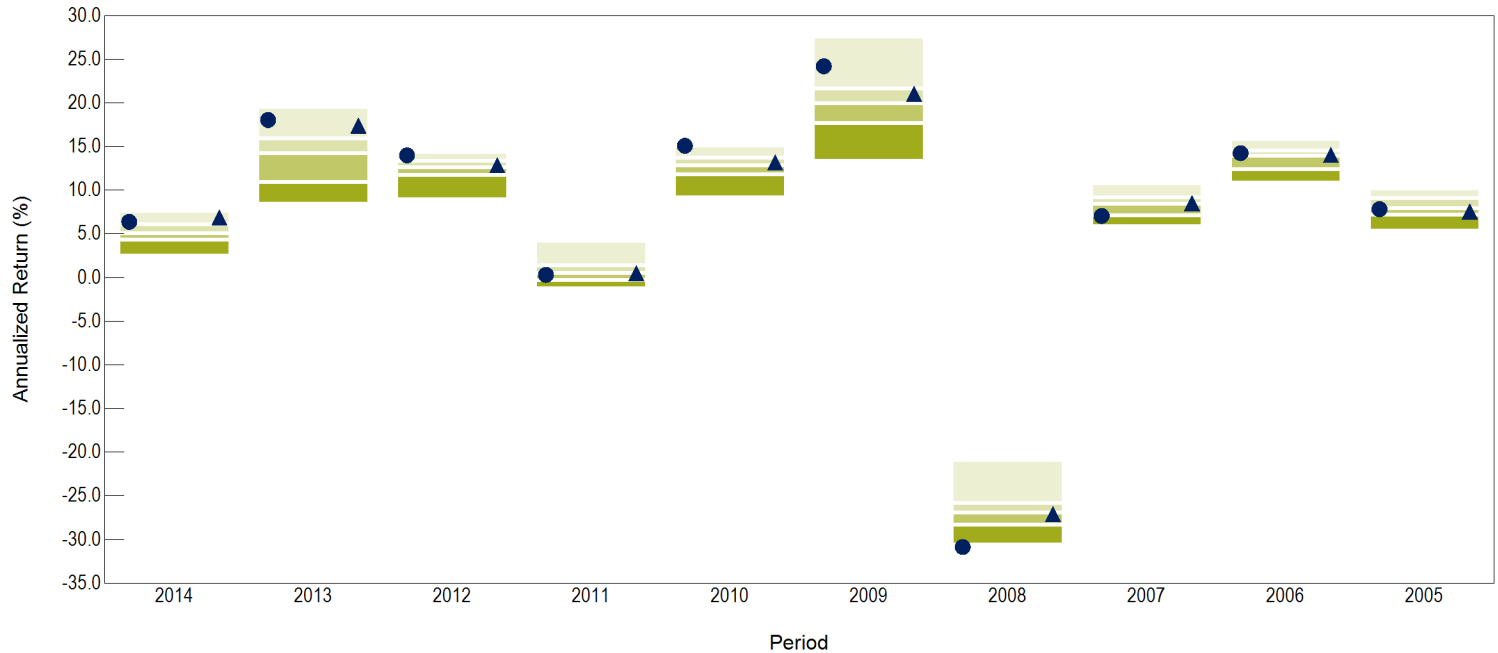


	Return (Rank)													
	Quarter	YTD	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	Inception						
5th Percentile	3.0	3.0	4.2	8.1	10.8	10.2	7.1	8.7						
25th Percentile	2.6	2.6	2.9	6.7	10.1	9.8	6.9	8.2						
Median	2.2	2.2	2.2	5.6	9.3	9.1	6.4	7.8						
75th Percentile	1.9	1.9	1.3	4.8	8.3	8.4	5.8	7.6						
95th Percentile	1.6	1.6	-0.2	3.3	6.4	7.0	4.5	5.6						
# of Portfolios	49	49	49	49	48	45	43	28						
● Total Fund	2.0 (73)	2.0 (73)	1.8 (60)	6.2 (41)	10.3 (16)	10.1 (9)	6.8 (29)	8.3 (22)						
▲ Policy Index	2.0 (65)	2.0 (65)	3.1 (20)	7.1 (18)	10.1 (25)	9.7 (30)	6.9 (25)	8.2 (23)						

Ventura County Employees' Retirement Association

Total Fund Return Summary vs. Peer Universe

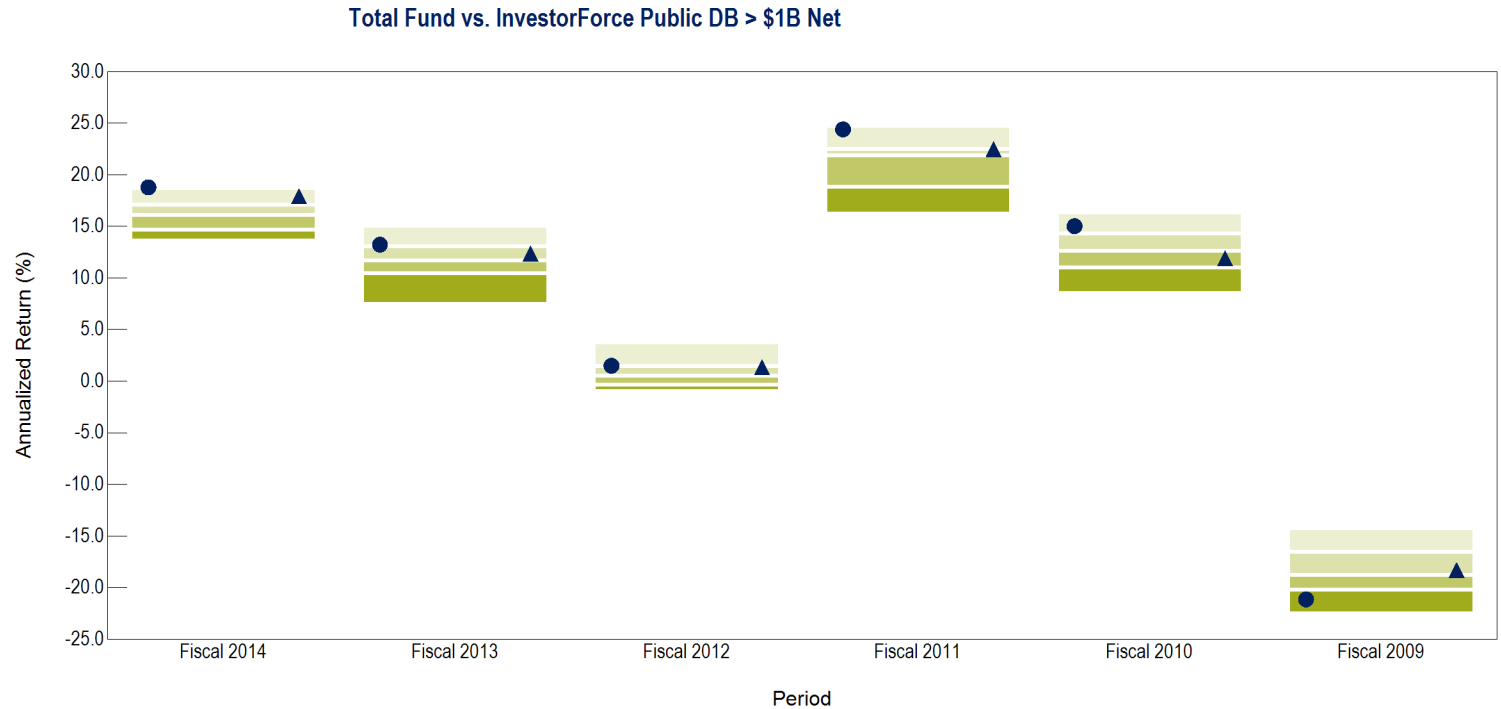
Total Fund vs. InvestorForce Public DB > \$1B Net



	Return (Rank)																			
5th Percentile	7.6	19.5	14.3	4.2	15.1	27.5	-20.9	10.7	15.8	10.2										
25th Percentile	6.1	16.0	13.4	1.5	13.8	21.7	-25.7	9.2	14.6	9.1										
Median	5.1	14.3	12.7	0.6	12.8	20.0	-26.9	8.5	14.0	8.0										
75th Percentile	4.4	11.0	11.8	-0.3	11.8	17.7	-28.3	7.1	12.5	7.2										
95th Percentile	2.6	8.5	9.0	-1.2	9.3	13.4	-30.5	5.9	10.9	5.4										
# of Portfolios	55	48	44	42	41	40	39	39	38	37										
● Total Fund	6.4	(19)	18.0	(10)	14.0	(15)	0.3	(61)	15.1	(6)	24.2	(16)	-30.9	(98)	7.0	(77)	14.2	(41)	7.8	(56)
▲ Policy Index	6.9	(11)	17.4	(13)	12.9	(41)	0.5	(55)	13.2	(44)	21.0	(33)	-27.1	(54)	8.5	(50)	14.0	(50)	7.6	(67)

Ventura County Employees' Retirement Association

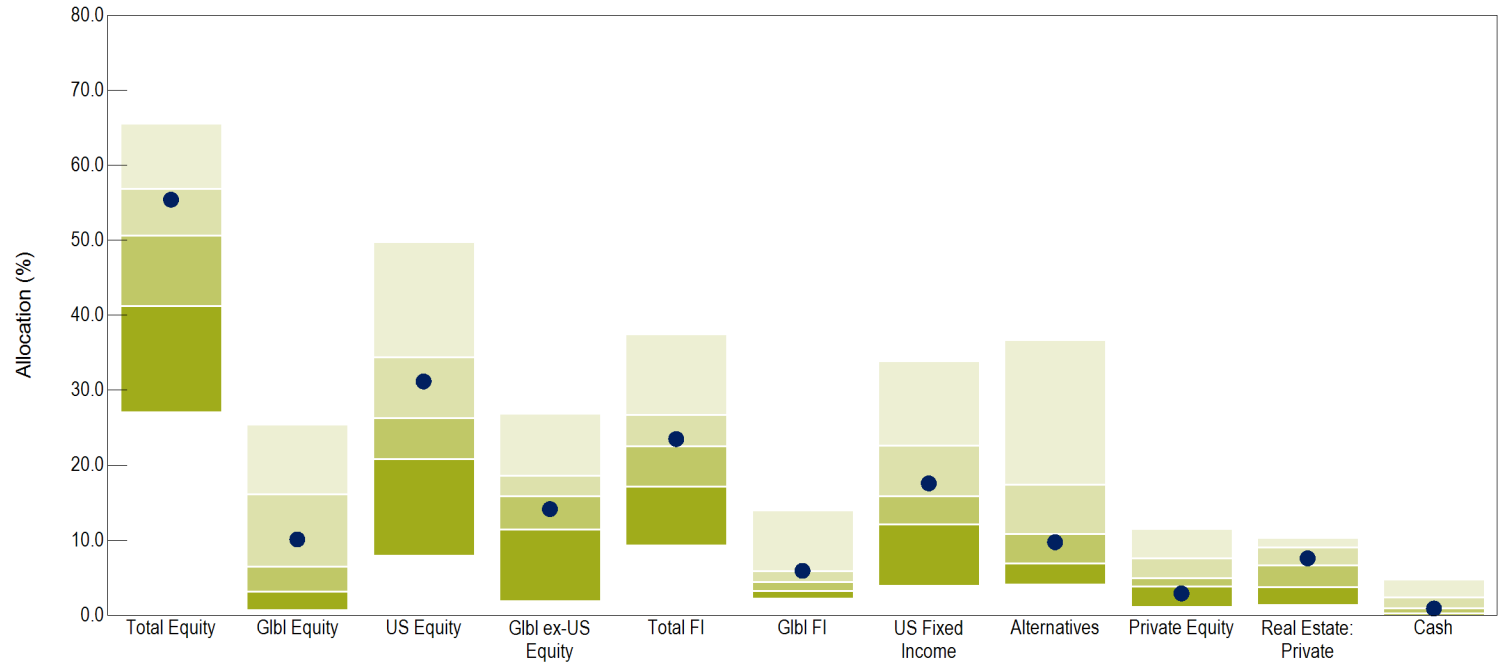
Total Fund Return Summary vs. Peer Universe



	Return (Rank)											
5th Percentile	18.7		15.0		3.7		24.7		16.3		-14.3	
25th Percentile	17.2		13.1		1.5		22.5		14.4		-16.5	
Median	16.1		11.8		0.5		21.9		12.7		-18.7	
75th Percentile	14.7		10.5		-0.3		18.9		11.1		-20.2	
95th Percentile	13.6		7.5		-0.9		16.3		8.6		-22.4	
# of Portfolios	43		56		41		42		41		40	
● Total Fund	18.8	(5)	13.2	(22)	1.5	(25)	24.4	(10)	15.0	(15)	-21.2	(85)
▲ Policy Index	17.9	(17)	12.4	(39)	1.4	(27)	22.5	(30)	11.9	(64)	-18.3	(41)

Total Fund Allocations vs. Peer Universe

Total Plan Allocation vs. InvestorForce Public DB > \$1B Net



	Allocation (Rank)																							
5th Percentile	65.5	25.4	49.7	26.9	37.5	14.0	33.9	36.7	11.5	10.3	4.8	--	65.5	25.4	49.7	26.9	37.5	14.0	33.9	36.7	11.5	10.3	4.8	--
25th Percentile	56.9	16.2	34.5	18.7	26.8	6.0	22.7	17.5	7.7	9.1	2.4	--	56.9	16.2	34.5	18.7	26.8	6.0	22.7	17.5	7.7	9.1	2.4	--
Median	50.7	6.6	26.4	16.0	22.6	4.5	16.0	10.9	5.0	6.8	1.0	--	50.7	6.6	26.4	16.0	22.6	4.5	16.0	10.9	5.0	6.8	1.0	--
75th Percentile	41.3	3.2	20.9	11.5	17.2	3.3	12.2	7.0	3.9	3.8	0.3	--	41.3	3.2	20.9	11.5	17.2	3.3	12.2	7.0	3.9	3.8	0.3	--
95th Percentile	27.1	0.7	8.0	1.9	9.4	2.3	4.0	4.2	1.1	1.5	0.0	--	27.1	0.7	8.0	1.9	9.4	2.3	4.0	4.2	1.1	1.5	0.0	--
# of Portfolios	46	24	45	45	47	27	44	41	39	39	44	--	46	24	45	45	47	27	44	41	39	39	44	--
● Total Fund	55.4	(34)	10.1	(40)	31.2	(28)	14.1	(66)	23.5	(44)	5.9	(28)	17.6	(42)	9.7	(63)	2.9	(81)	7.6	(41)	0.9	(53)	--	

Manager Due Diligence



Due Diligence Monitor

The items below summarize the recent quarter's performance and any changes or announcements from the Plan's managers/products. A "-" indicates there were no material announcements. A "Yes" indicates there was an announcement and a brief summary is provided on the following pages. NEPC's Due Diligence Committee meets every two weeks to review events as they relate to investment managers and determine if any action should be taken (by NEPC and/or by our clients). Events are rated: No Action, Watch, Hold, Client Review or Terminate. NEPC's recommendation in view of the recent quarter's developments (performance, manager events, and any of the longer-term trending data) is refreshed quarterly.

Investment Options	Performance (Recent Quarter)	Changes/Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
BlackRock Equity Market Index	-	-	-	-	
Western U.S. Index Plus	Bottom Quartile	-	-	-	
BlackRock Extended Equity Index	-	-	-	-	
BlackRock MSCI ACWI ex-U.S. Index	-	-	-	-	
Sprucegrove	Bottom Decile	No	Hold	No Action	3Q 2014 Departure
Hexavest	-	-	-	-	
Walter Scott	-	-	-	-	
BlackRock MSCI ACWI Index	-	-	-	-	
GMO	-	-	-	-	
Adams Street	N/A	-	-	-	
HarbourVest	N/A	-	-	-	
Pantheon	N/A	-	-	-	
BlackRock U.S. Debt Fund	-	-	-	-	
Western	Top Quartile	-	-	-	
Reams	Bottom Decile	-	-	-	
Loomis Sayles Multi-Sector Full Discretion	Top Quartile	-	-	-	
Loomis Sayles Global Fixed Income	Bottom Quartile	-	-	-	
PIMCO Global Fixed Income	-	Yes	Watch	No Action	Continued organizational developments
Loomis Sayles Strategic Alpha	-	-	-	-	

Due Diligence Monitor Continued

Investment Options	Performance (Recent Quarter)	Changes/ Announcements (Recent Quarter)	NEPC Due Diligence Committee Recommendations	Plan Recommendation	Comments
Prudential	N/A	-	-	-	
RREEF	N/A	-	-	-	
UBS	N/A	-	-	-	
Bridgewater	N/A	-	-	-	
Tortoise	N/A	-	-	-	
Parametric/Clifton	N/A	-	-	-	

NEPC Due Diligence Committee Recommendation Key	
No Action	Informational items have surfaced; no action is recommended.
Watch	Issues have surfaced to be concerned over; manager can participate in future searches, but current and prospective clients must be made aware of the issues.
Hold	Serious issues have surfaced to be concerned over; manager cannot participate in future searches unless a client specifically requests, but current and prospective clients must be made aware of the issues.
Client Review	Very serious issues have surfaced with an Investment Manager; manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to review the manager.
Terminate	We have lost all confidence in the product; manager would not be recommended for searches and clients would be discouraged from using. The manager cannot participate in future searches unless a client specifically requests. Current clients must be advised to replace the manager.

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

Sprucegrove Investment Management Ltd.

On September 1, 2014, NEPC was notified that Co-President/Co-Portfolio Manager Peter Ellement resigned from the firm. Sprucegrove did not provide transparency into the exact reason for the departure other than there appeared to be some level of conflict between Mr. Ellement and other members of the firm. Shirley Woo will be joined by Arjun Kumar as the Co-Portfolio Managers on the International Equity Fund going forward. Craig Merrigan will become the sole President of the firm.

NEPC recommends a due diligence status of HOLD for Sprucegrove. We do not recommend any action at this time as a result of Mr. Ellement's departure.

PIMCO

NEPC Research placed PIMCO on Client Review in September 2014 following the sudden departure of Founder and CIO Bill Gross. We felt a Client Review status was necessary given that Mr. Gross' departure was significant from both an investment and business standpoint. Since that time, NEPC Research has conducted an extensive due diligence review in order to gather additional information and ultimately formulate a follow-up recommendation to clients. While outflows continue at PIMCO, particularly from the flagship Total Return strategy, redemptions have slowed and performance has not materially suffered. Additionally, with the exception of a few individuals, PIMCO has retained its leading investment professionals throughout the period. We believe the level of business and investment risk associated with PIMCO as a firm has been reduced considerably as time has passed following the departure of Mr. Gross, although some products continue to exhibit a greater degree of uncertainty. Even with the changes summarized below, NEPC Research will continue to closely monitor PIMCO in the coming months.

As our Due Diligence event process outlines, the Client Review status is reassessed 6-12 months after an event occurs. After conducting analysis on PIMCO at both the firm and individual product level, we have made multiple changes to the Due Diligence status. The changes are summarized below:

- PIMCO Firm DD status will move from Client Review to **Watch**
- Total Return and Unconstrained Bond will maintain **Client Review** status
- All other PIMCO products will be upgraded from Client Review to **Watch**

In the months following the departure of Bill Gross, NEPC maintained a consistent dialogue with PIMCO executives, senior investment personnel, and staff. These interactions included two onsite meetings in Newport Beach, a conference call and in-person discussion with CEO Doug Hodge, several product-specific updates, and constant ad-hoc conversations with PIMCO representatives. Through these conversations, we gathered information related to Bill Gross' departure, specifically, the impact on investment performance, internal working environment, PIMCO's approach to managing a high level of redemptions, revenue losses and organizational flexibility, and retention of key professionals. The insight gained from these conversations combined with the actual results in the months after the announcement provide us with a basis on which to make a recommendation.

Below is a summary of manager changes, announcements and due diligence events since the issuance of our last quarterly report.

Manager Changes/Announcements

PIMCO (continued)

PIMCO - Firm Status: In the period beginning January 1, 2014 through March 31, 2015, PIMCO total assets under management fell by approximately \$330 billion. Much of the outflows occurred following Bill Gross's departure and more than half was redeemed from the Total Return strategy. There are signs that asset flows have stabilized outside of Total Return, with several strategies experiencing net inflows in March 2015. In addition, there is no evidence that PIMCO has made any material organizational changes to adjust for the loss in revenue. We believe that PIMCO has a great deal of financial flexibility in this regard through compensation adjustments, employee attrition, and overall financial health. One factor that did not go unnoticed in conversations with members of the investment team is the improvement in the workplace environment since Mr. Gross' departure. By all accounts, it appears the atmosphere is positive and more conducive to a collegial workplace. While it will take time to see if this new PIMCO environment will yield positive results for clients, it is a step in the right direction. For these reasons we are upgrading PIMCO's firm due diligence status to Watch from Client Review.

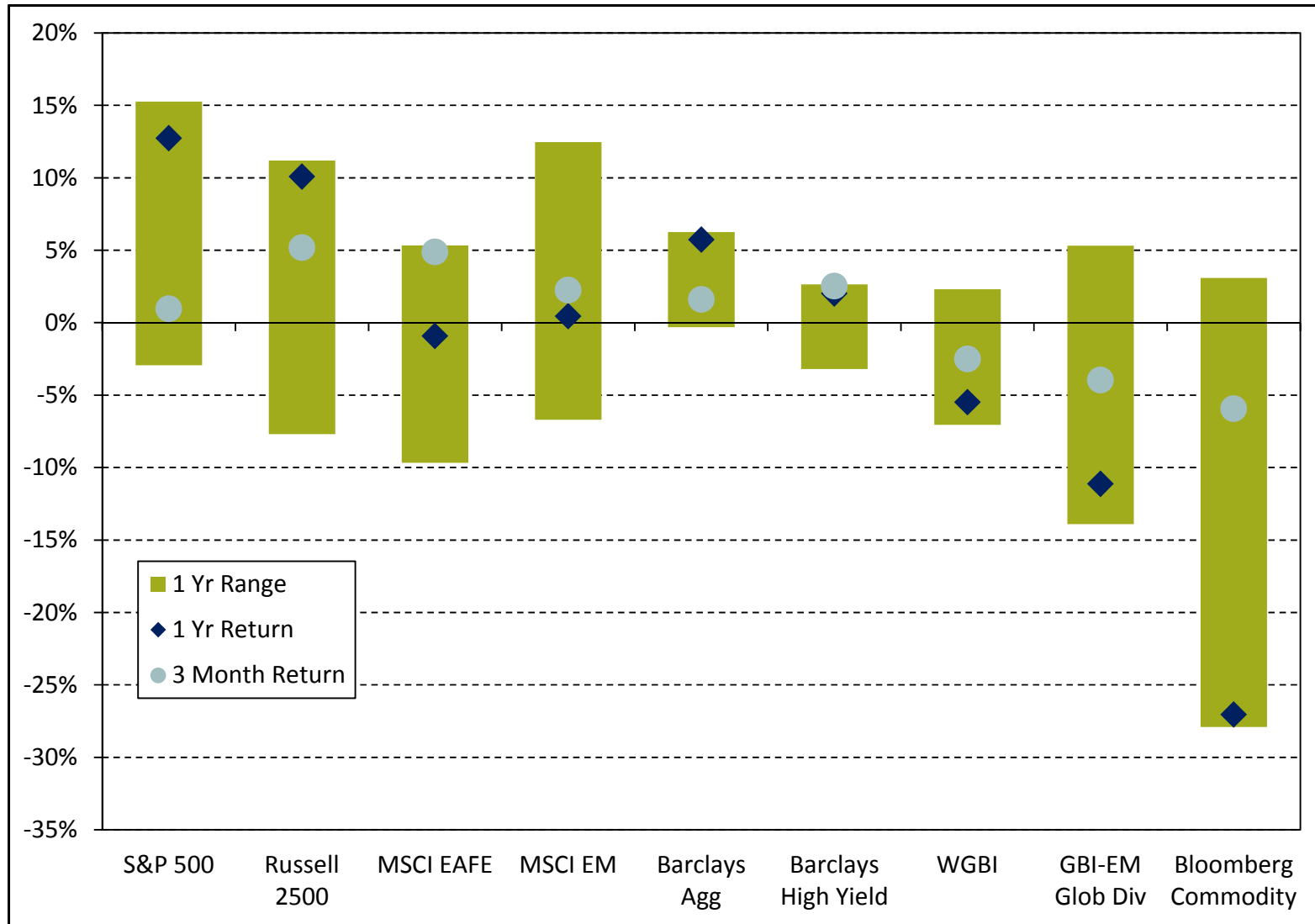
PIMCO strategies excluding Total Return and Unconstrained Bond: The impact of Bill Gross's departure for a majority of PIMCO strategies is much less significant from an investment standpoint. While outflows did occur across the product platform, redemptions tapered off quickly in the months following the announcement and reversed in some cases. While some strategies may continue to feel a residual impact from the organizational changes, we are comfortable with the investment teams and strategies and see little in terms of product-specific risks going forward. All PIMCO strategies, with the exception of Total Return and Unconstrained Bond, will have their Client Review due diligence status rescinded. These strategies will retain a due diligence status of Watch due to the overall PIMCO Firm rating detailed above.

NEPC recommends a due diligence status of WATCH for PIMCO as a firm and for the Global Fixed Income portfolio in which VCERA currently invests.

Appendix: Market Environment; Performance Disclosures



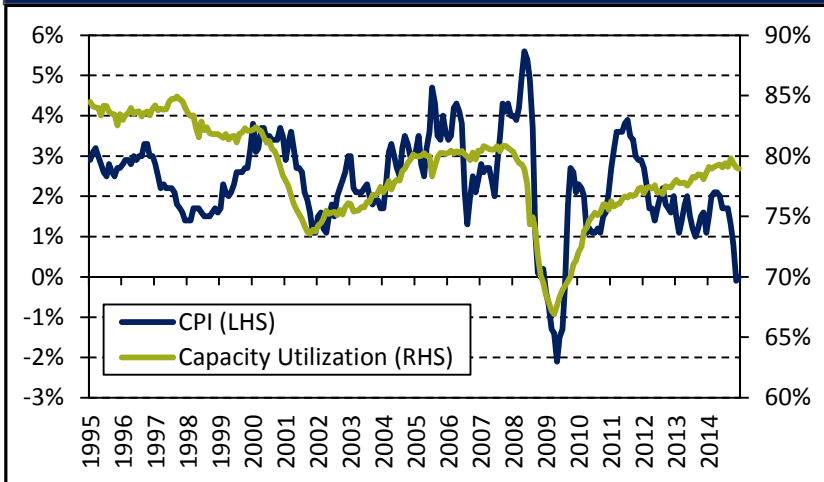
Broad Market Performance Summary as of 3/31/2015



Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan
 *1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago

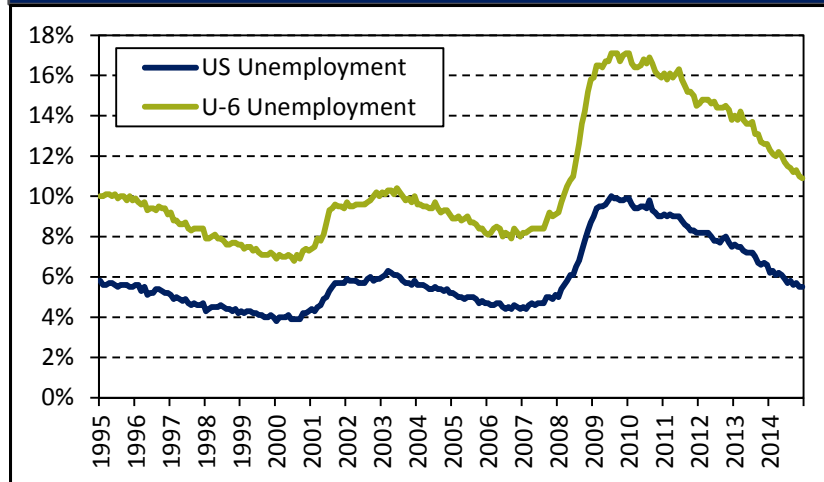
U.S. Economic Indicators

Inflation has stayed low



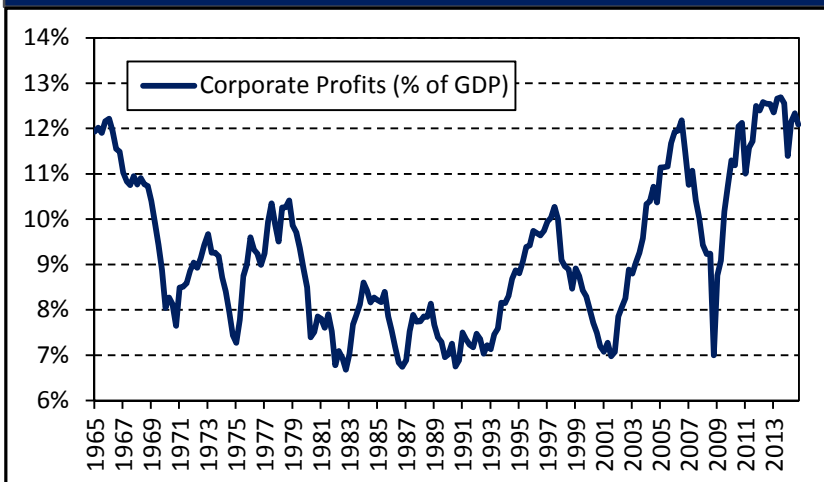
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

Unemployment steadily improving



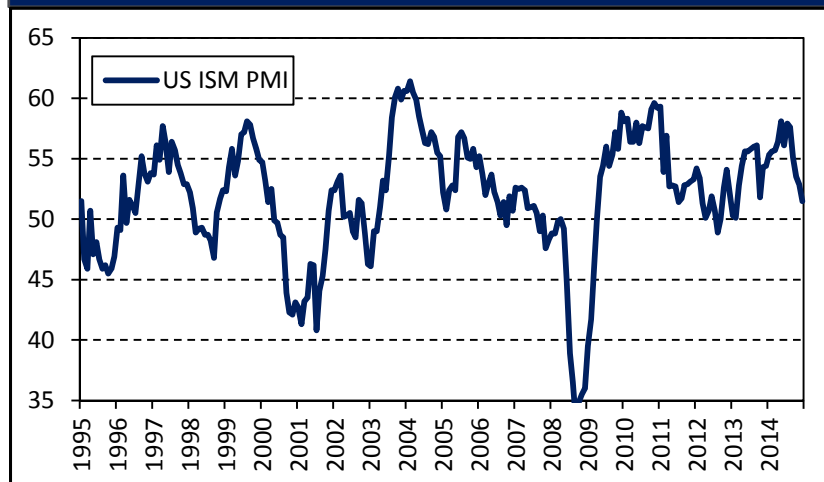
Source: Bloomberg, Bureau of Labor Statistics

Corporate profits at secular highs



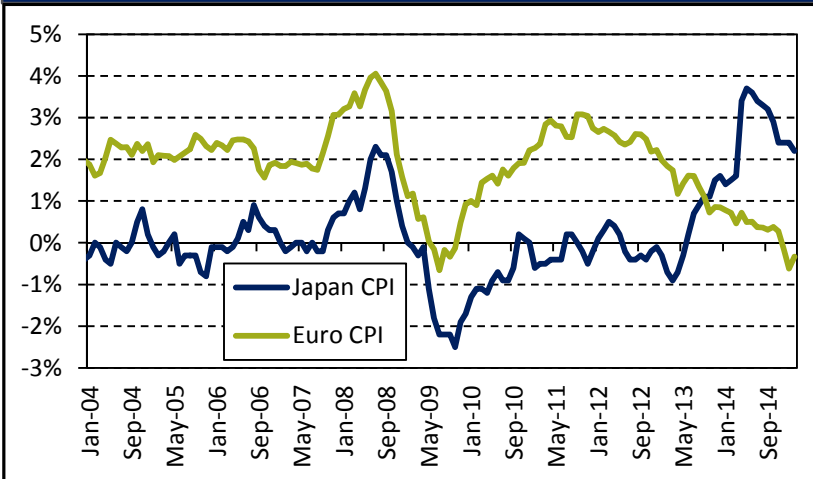
Source: Bloomberg, Bureau of Economic Analysis

Manufacturing above average but trending down



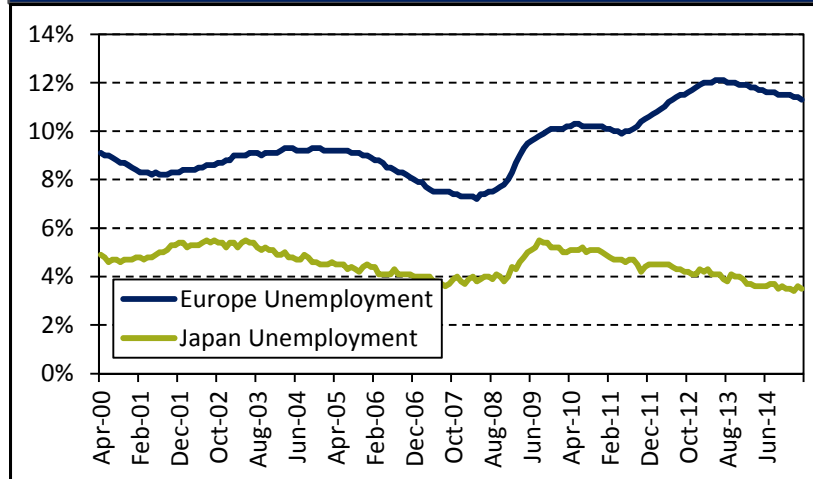
Source: Bloomberg, Institute for Supply Management

Deflation remains a concern



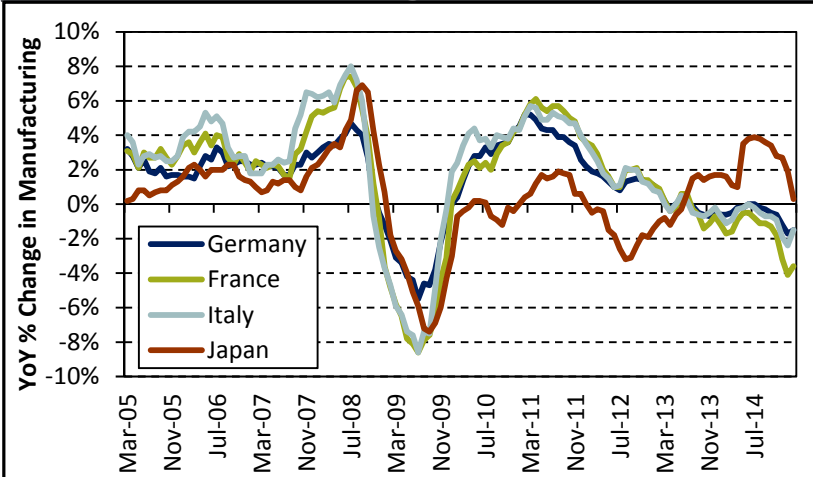
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Europe employment recovery lagging



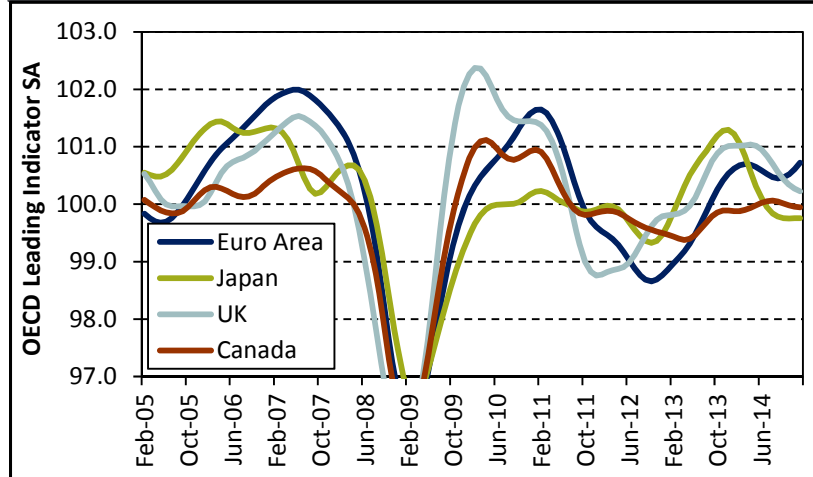
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Manufacturing subdued in Europe but rising off lows



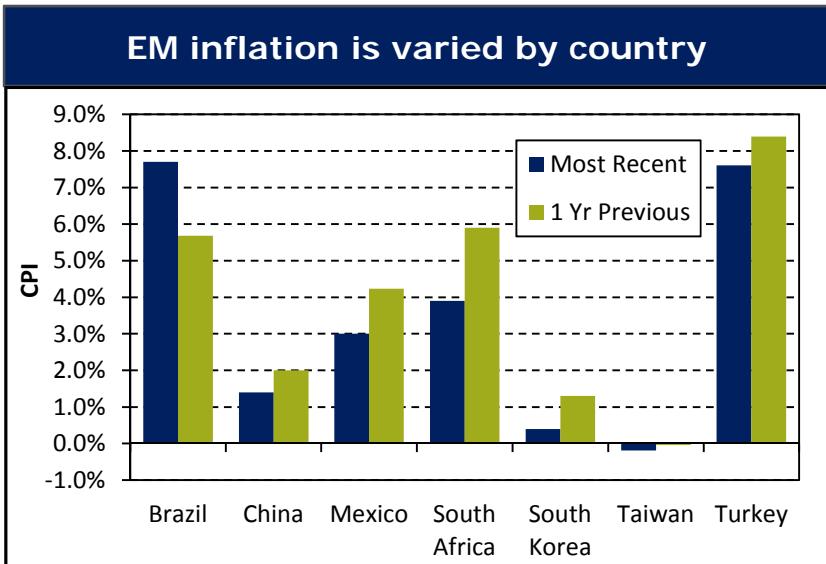
Source: Bloomberg, OECD, Eurostat

Leading indicators neutral to positive

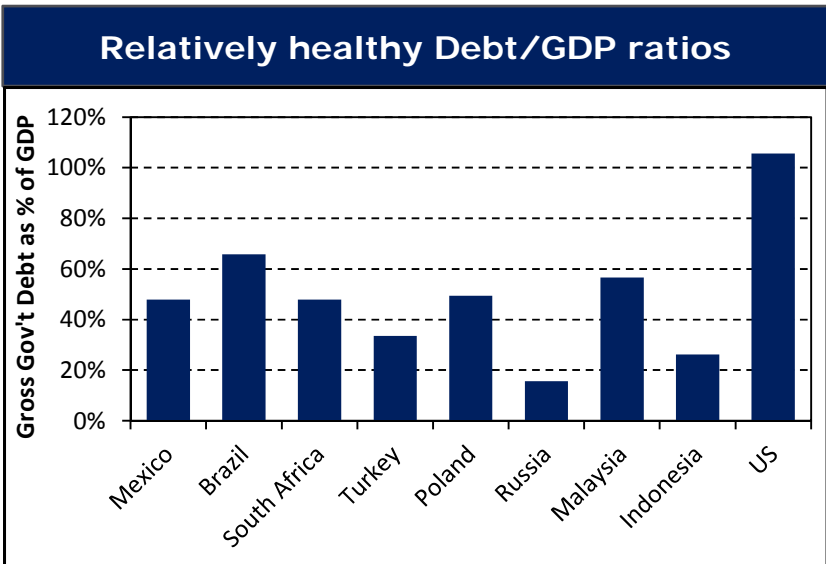


Source: Bloomberg, OECD

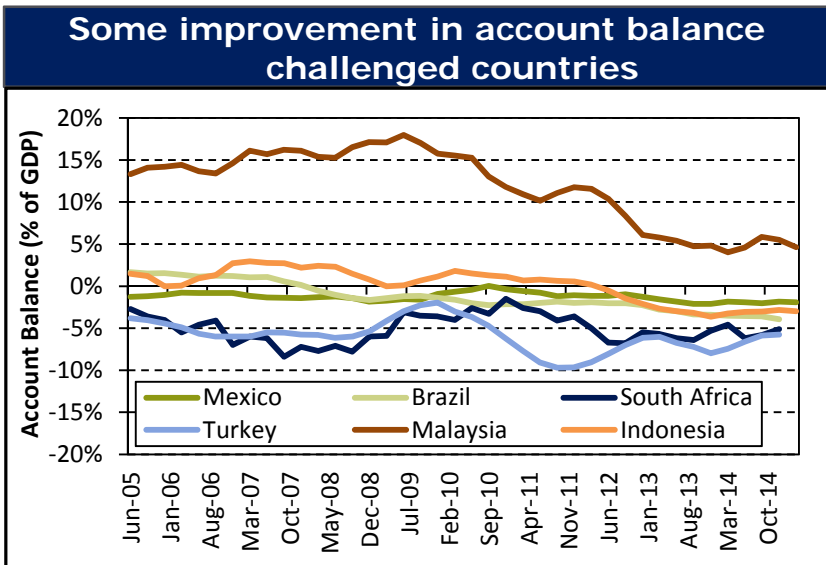
Emerging Market Economic Indicators



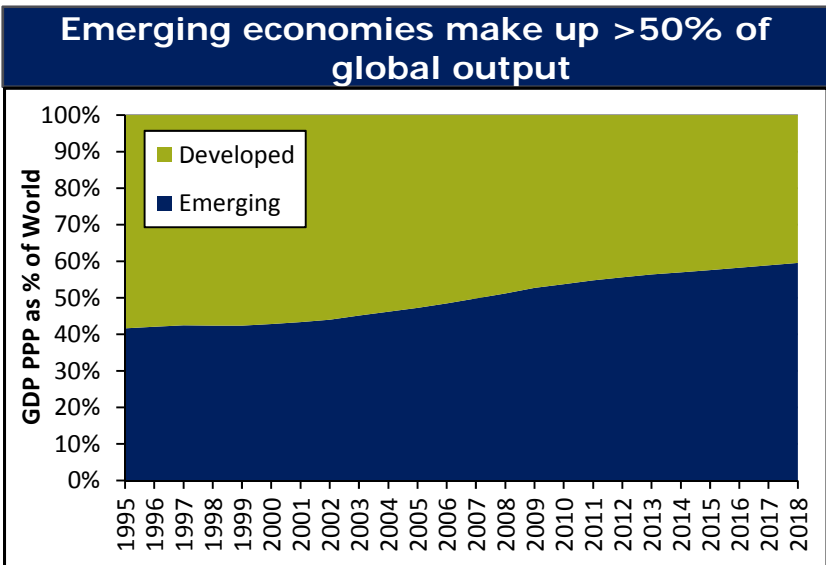
Source: Bloomberg



Source: Bloomberg, IMF



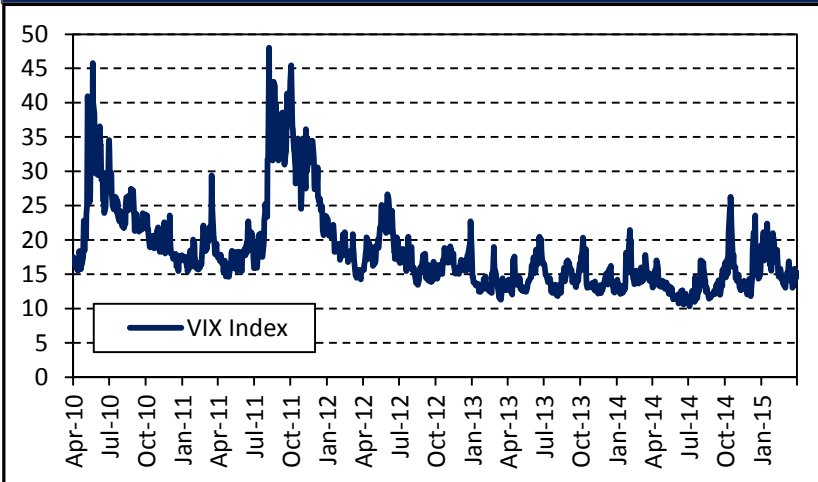
Source: Bloomberg



Source: Bloomberg, IMF

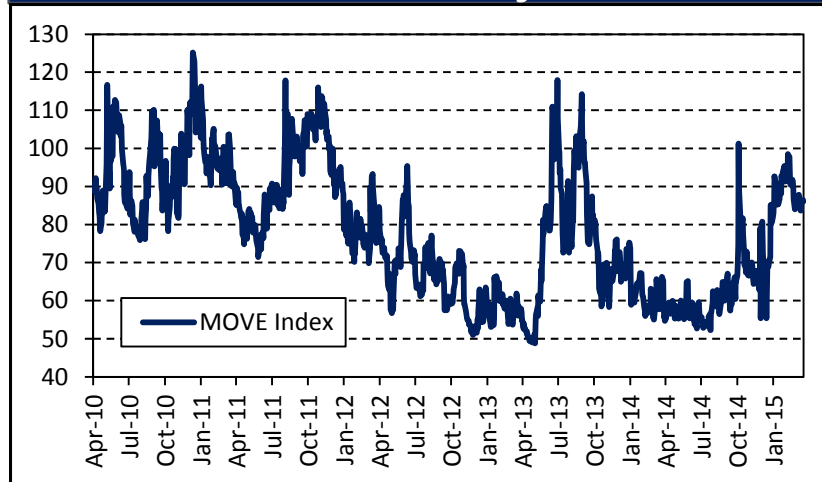
Volatility

Equity volatility remains low



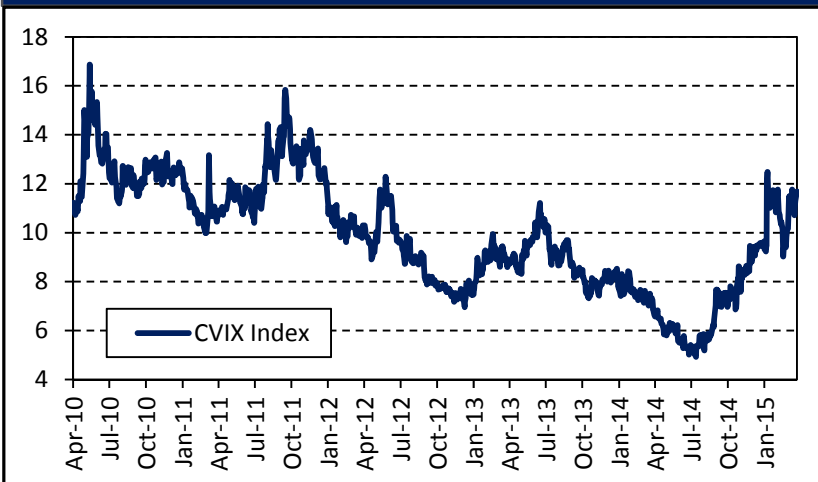
Source: Bloomberg, CBOE

Treasury rates experiencing higher volatility



Source: Bloomberg, Merrill Lynch

Recent uptick in currency volatilities



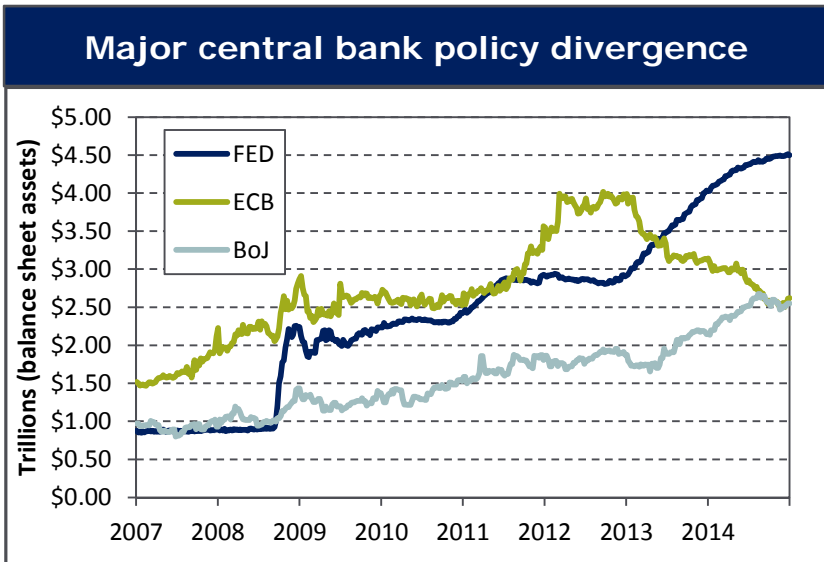
Source: Bloomberg, Deutsche Bank

Commodity pricing volatility has increased

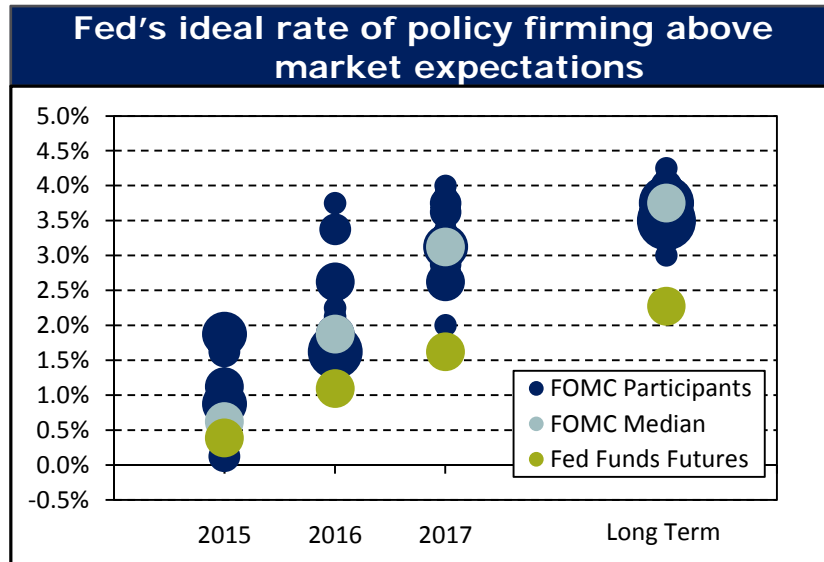


Source: Bloomberg, Merrill Lynch

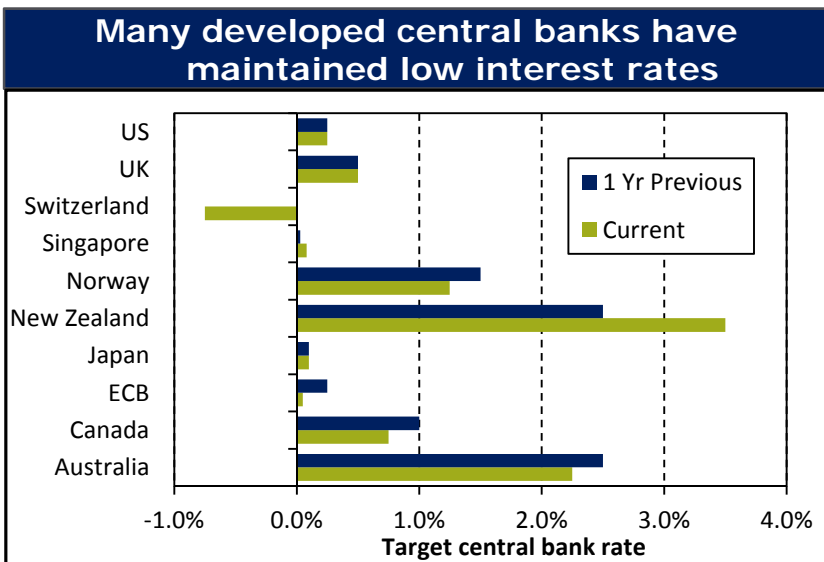
Central Banks



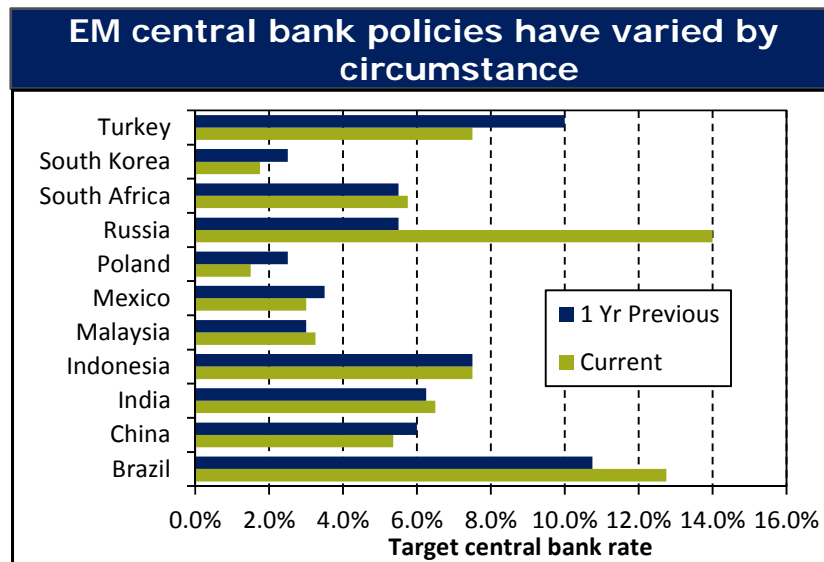
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC



Source: Bloomberg, Federal Reserve, NEPC

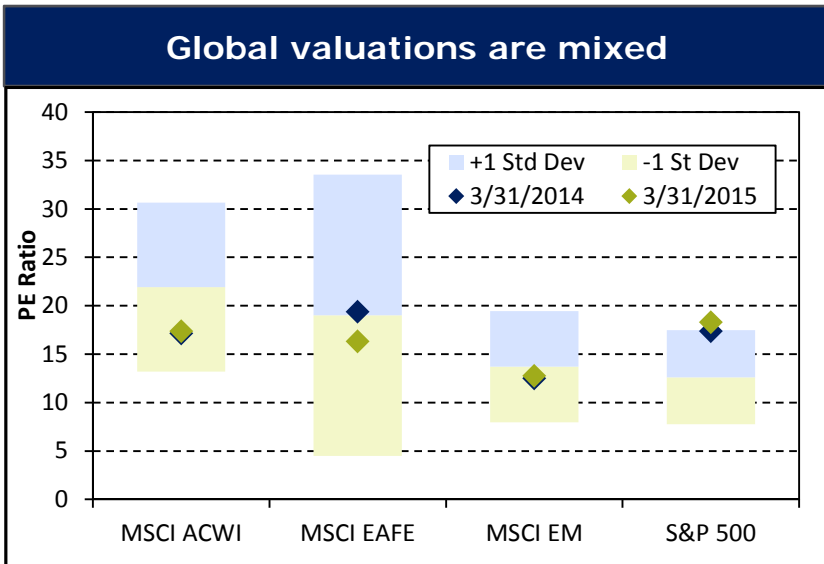


Source: Bloomberg

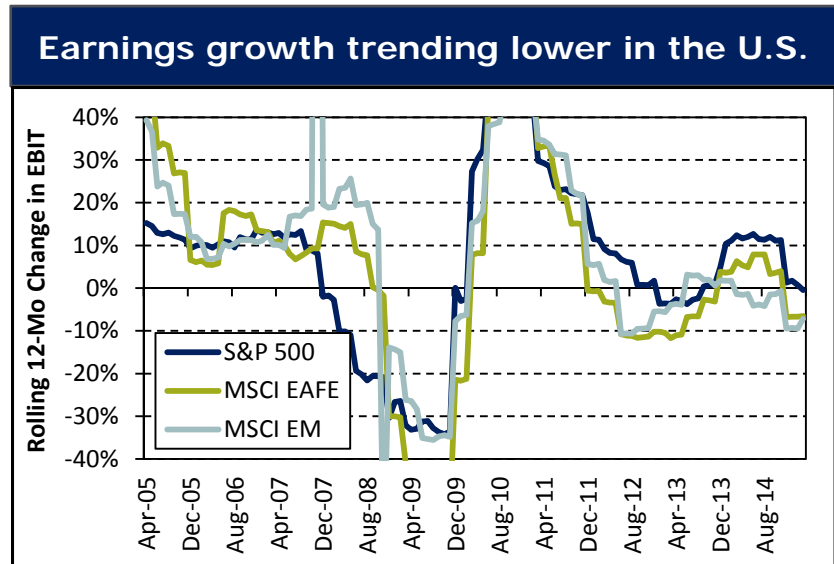


Source: Bloomberg

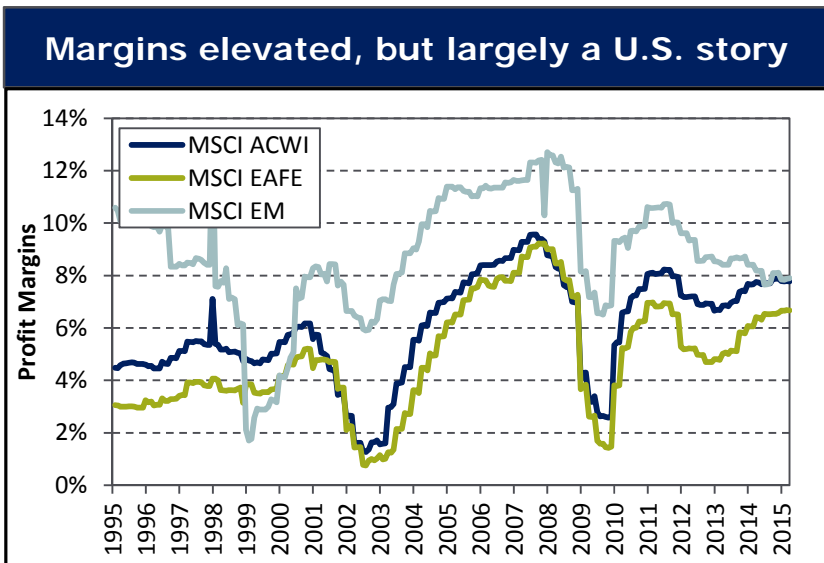
Global Equity



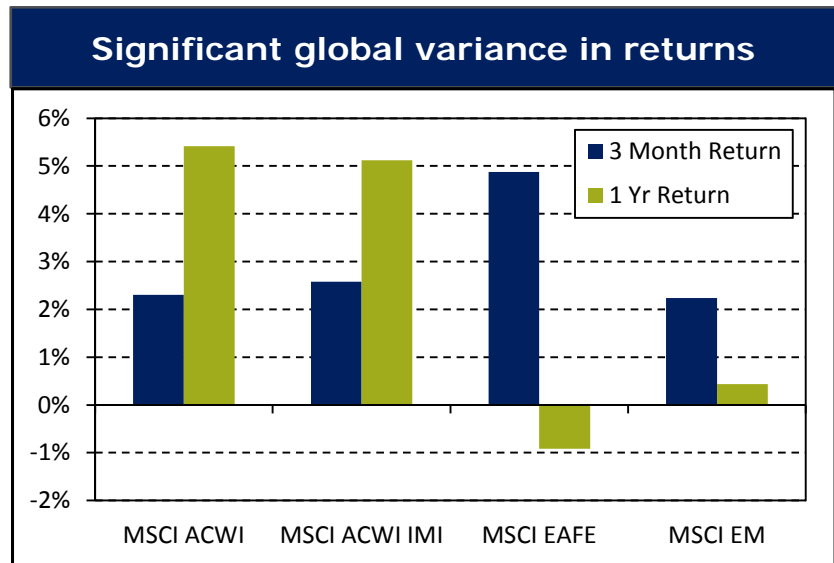
Source: Bloomberg, Standard and Poors, MSCI *MSCI EAFE is ex UK Telecom



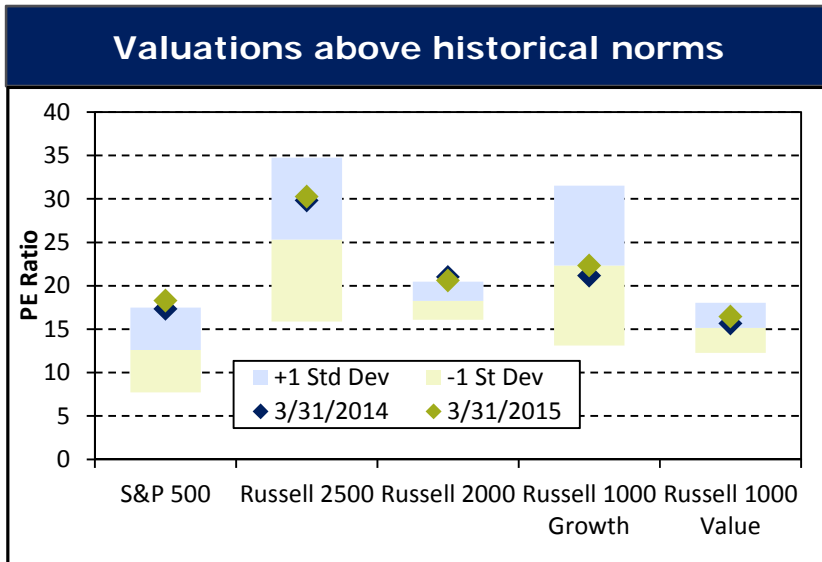
Source: Bloomberg, Standard and Poors, MSCI



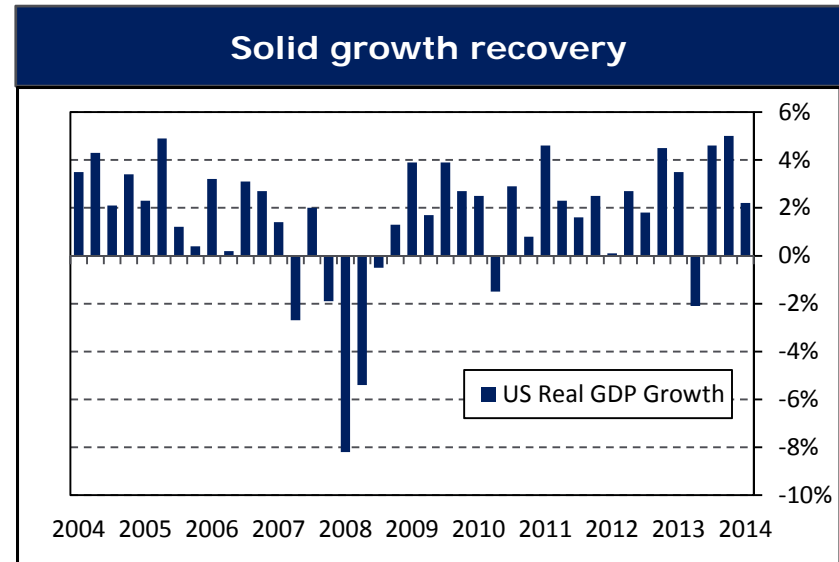
Source: Bloomberg, MSCI



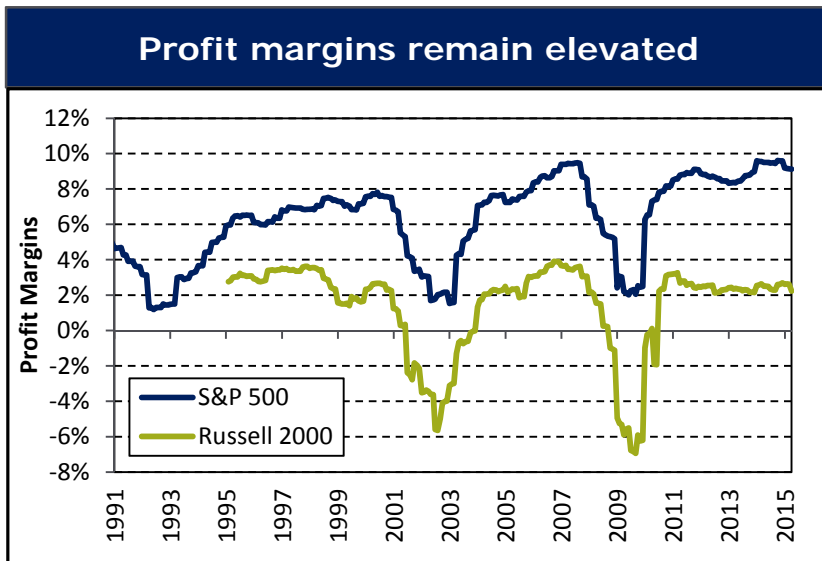
Source: Bloomberg, MSCI



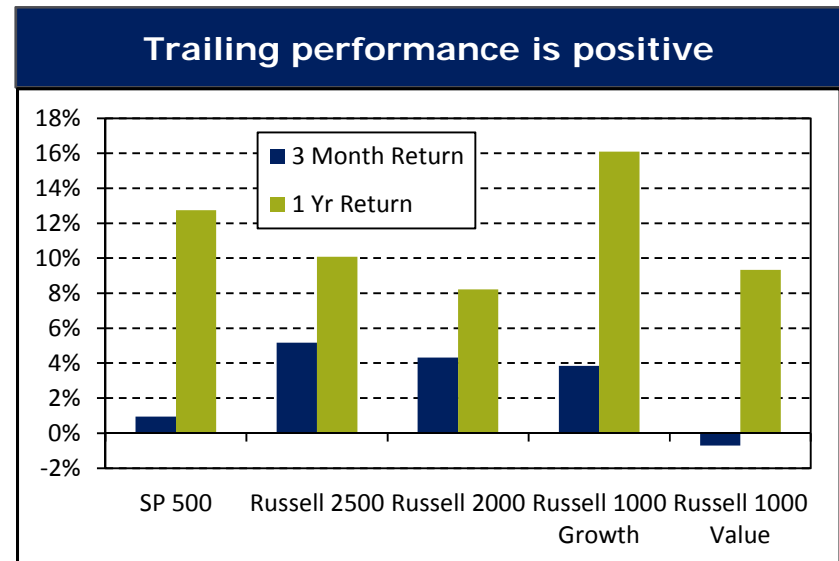
Source: Bloomberg, Standard and Poors, Russell *Russell 2000 PE is index adjusted positive



Source: Bloomberg, Bureau of Economic Analysis

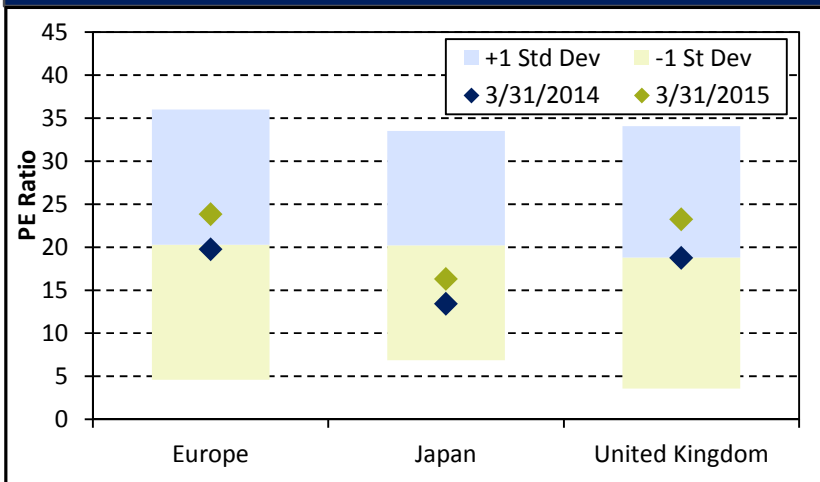


Source: Bloomberg, Standard and Poors, Russell



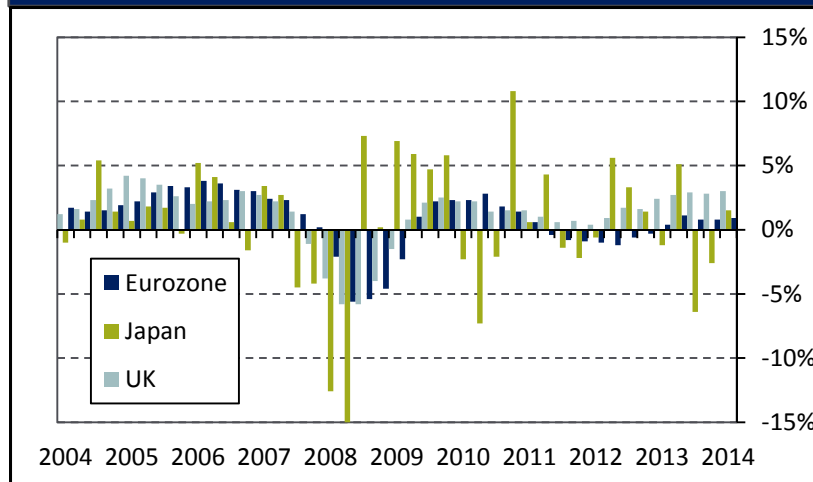
Source: Bloomberg, Standard and Poors, Russell

PEs near or below historical medians



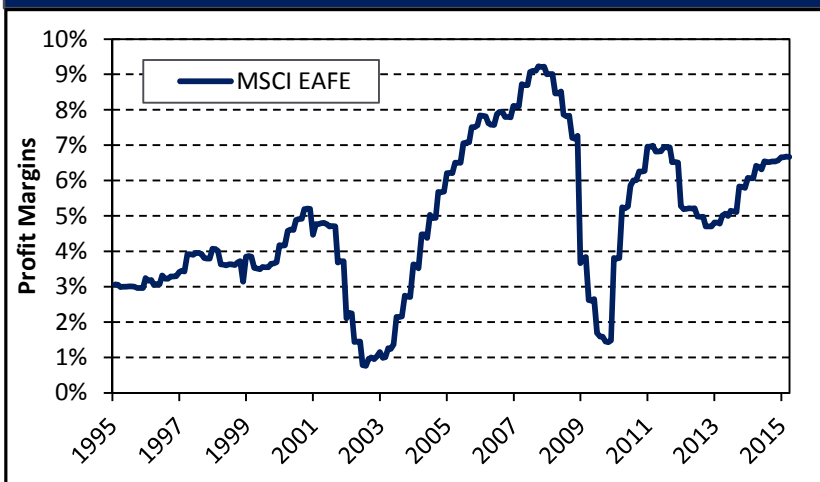
Source: Bloomberg, MSCI, FTSE *UK represented by FTSE 100 Index

Growth dispersion pronounced



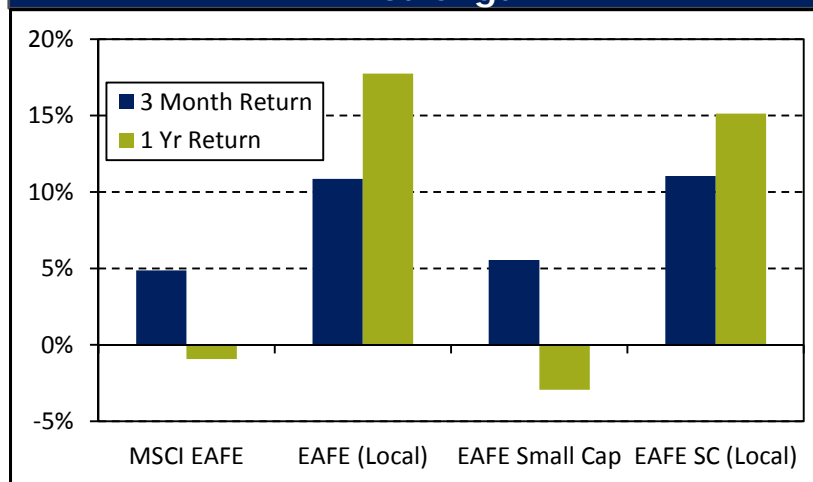
Source: Bloomberg

Margins elevated but not at extremes



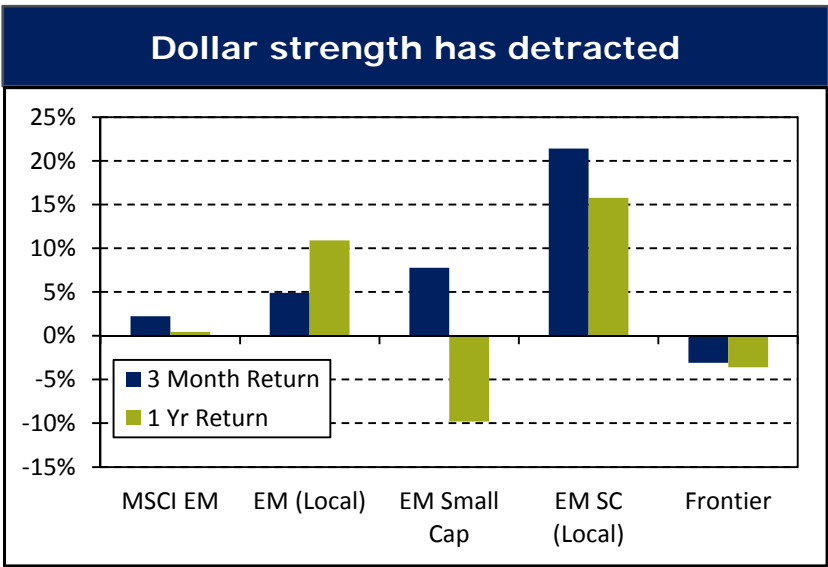
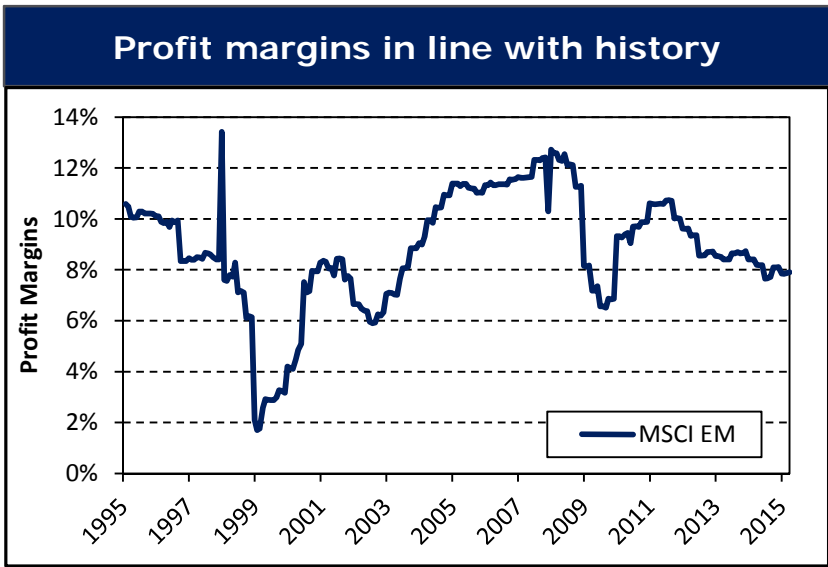
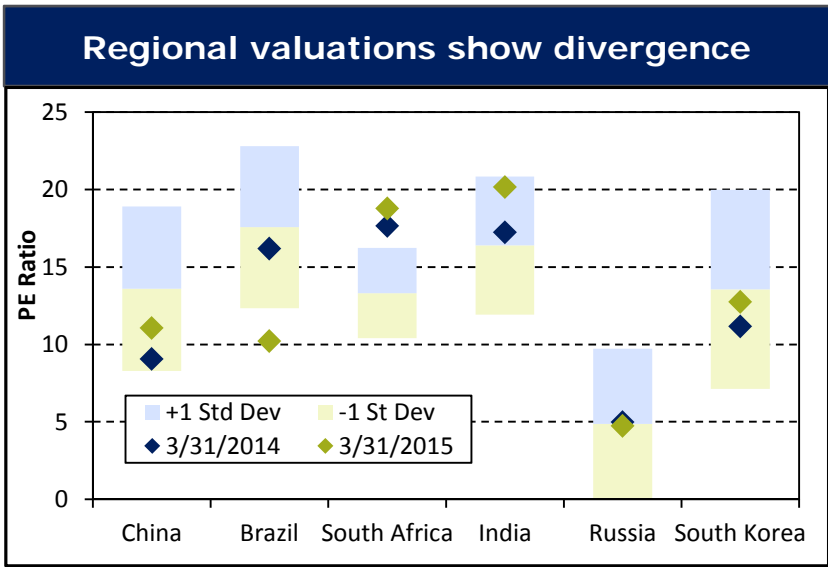
Source: Bloomberg, MSCI

Positive performance muted by dollar strength

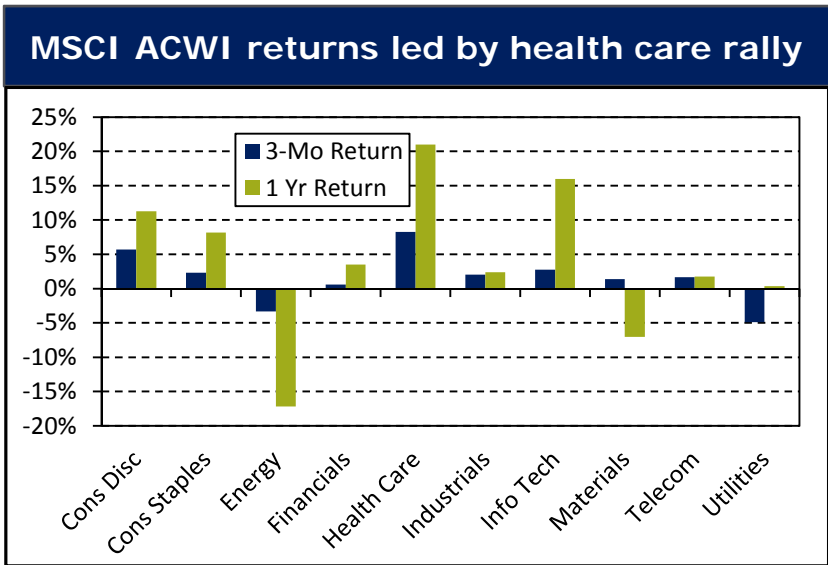


Source: Bloomberg, MSCI

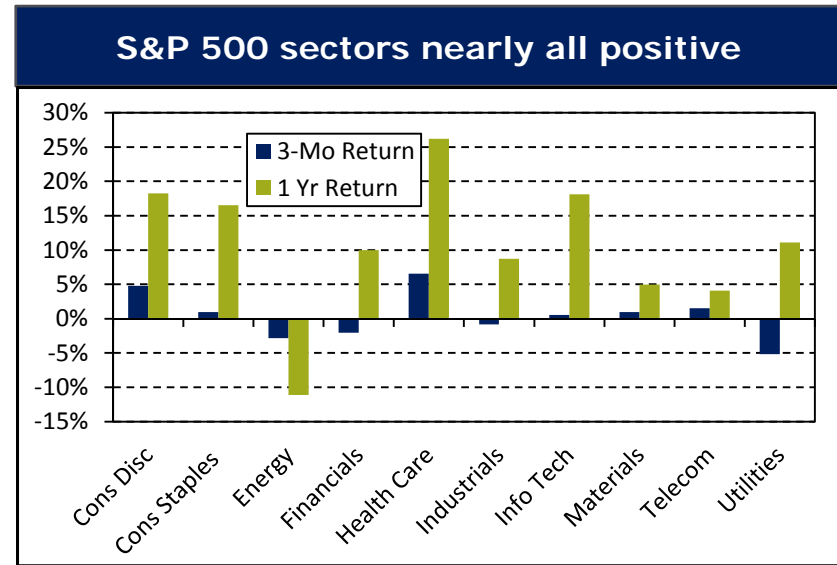
Emerging Markets Equity



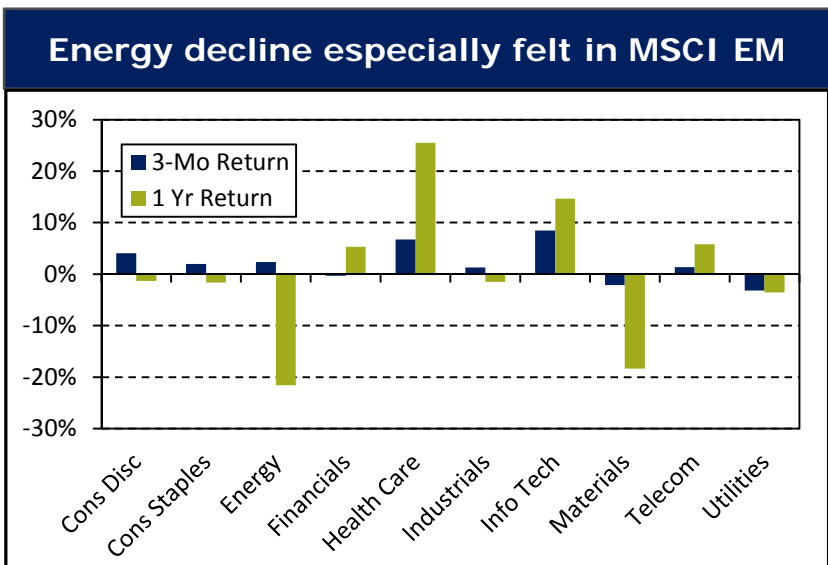
Global Equity by Sector



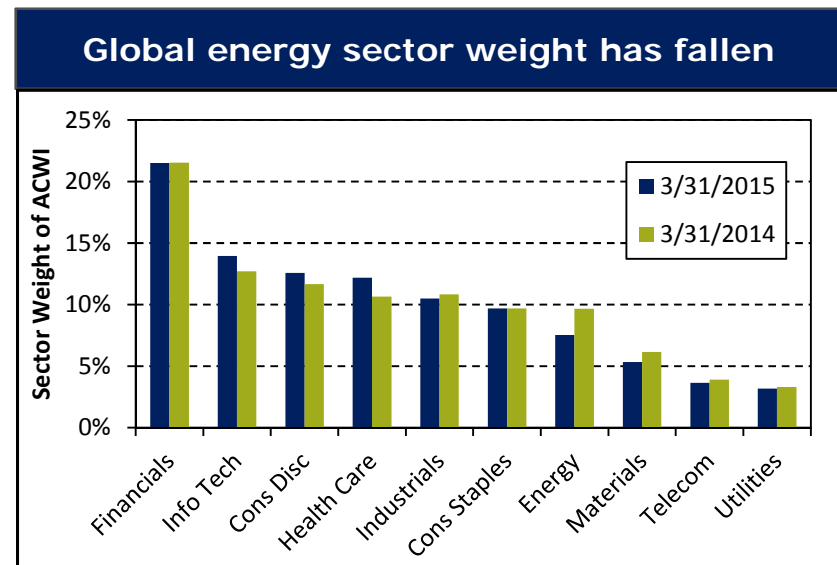
Source: Bloomberg, MSCI



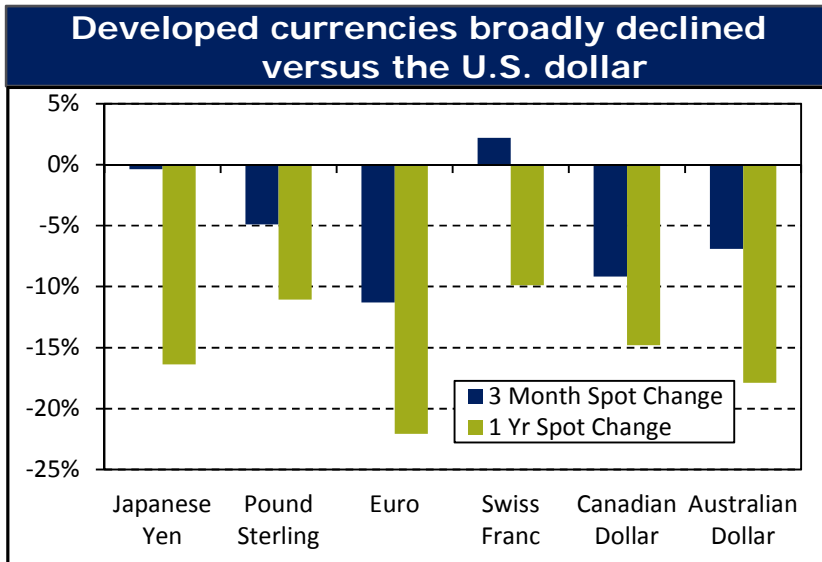
Source: Bloomberg, Standard and Poors



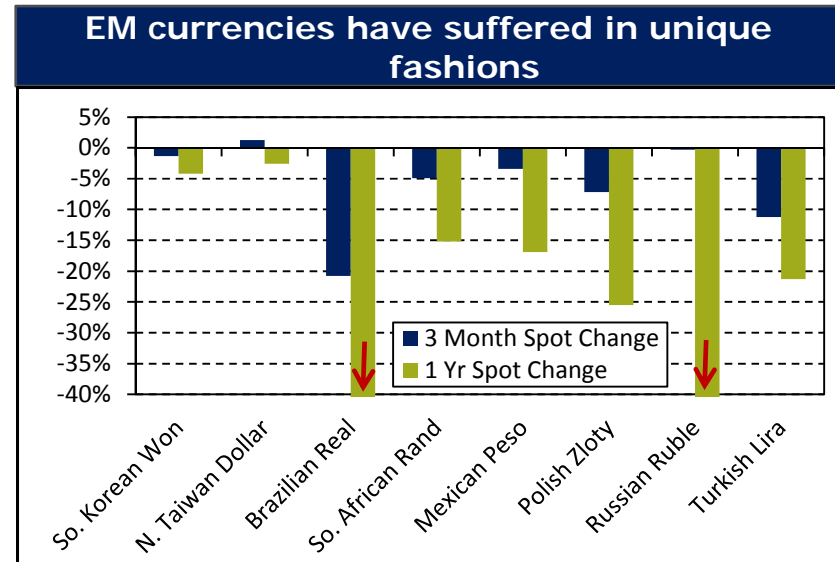
Source: Bloomberg, MSCI



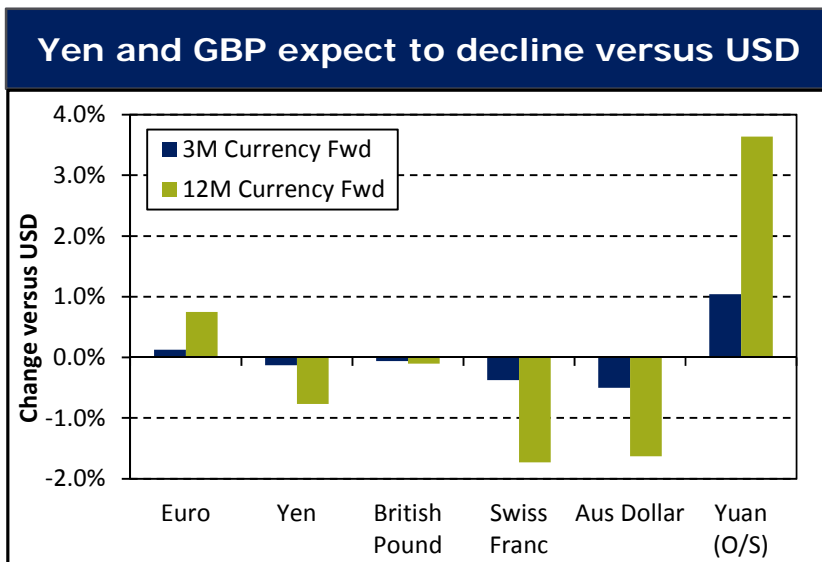
Source: Bloomberg, MSCI



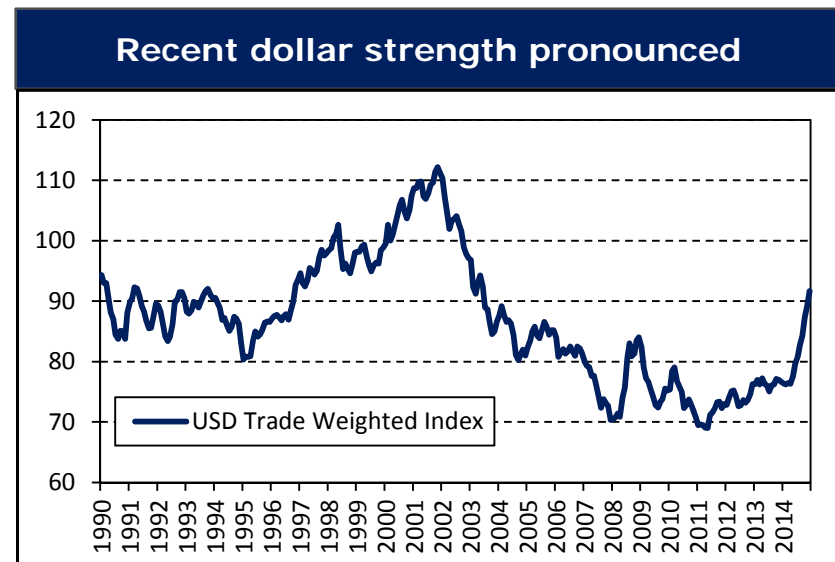
Source: Bloomberg



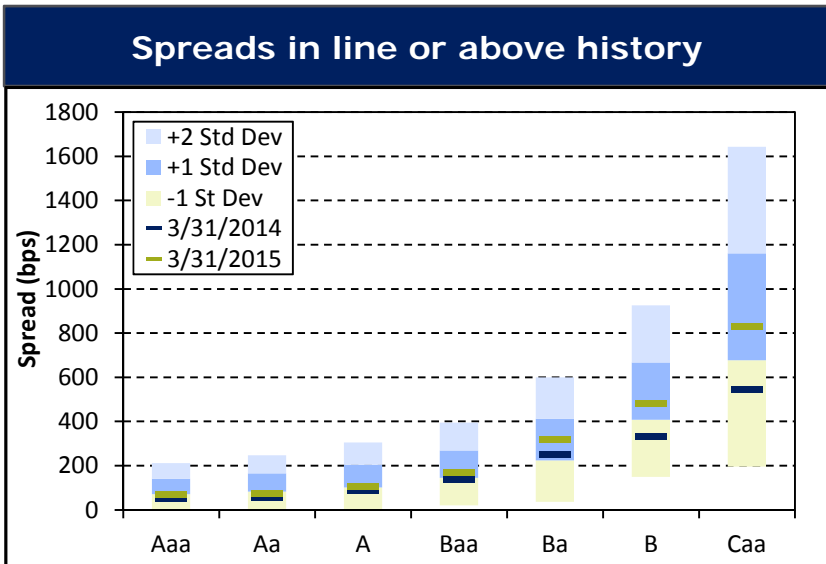
Source: Bloomberg



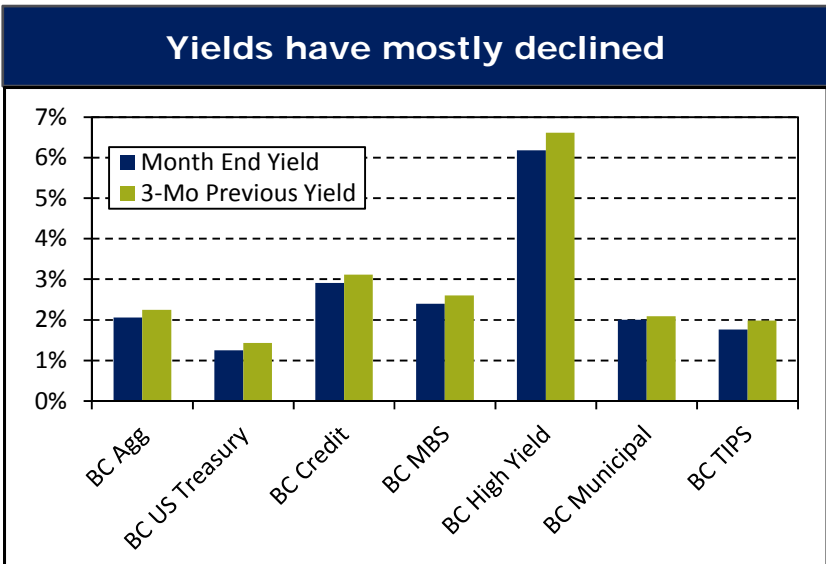
Source: Bloomberg



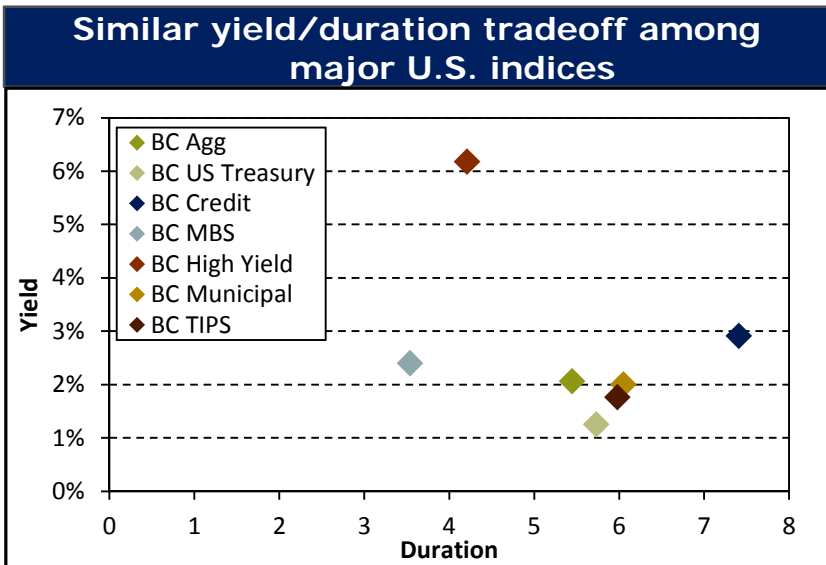
Source: Bloomberg, Federal Reserve



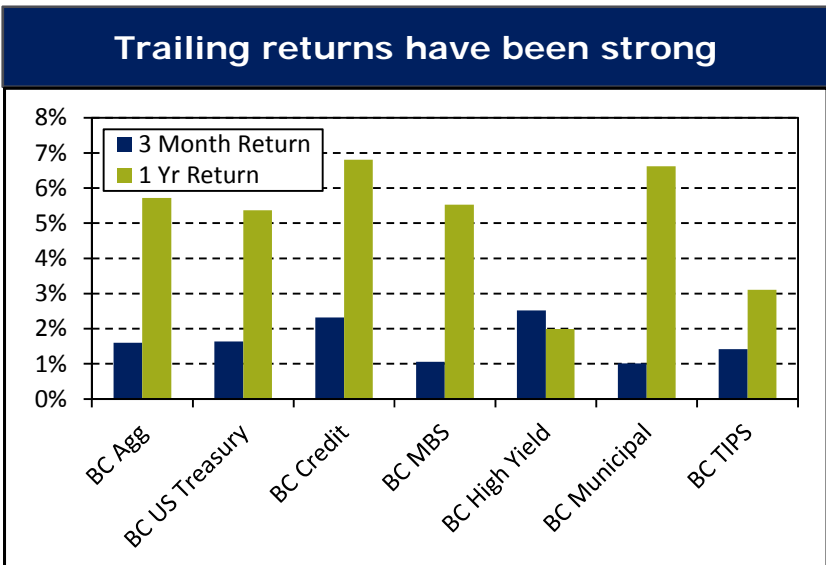
Source: Bloomberg, Barclays



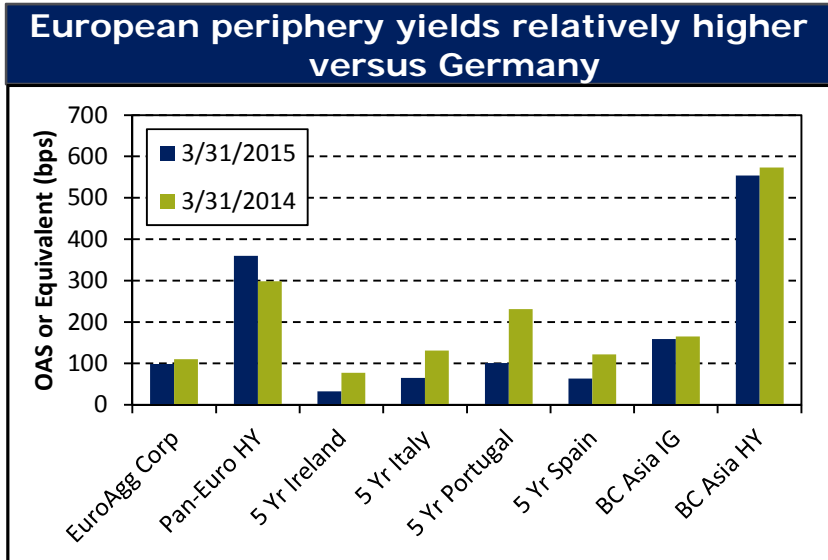
Source: Bloomberg, Barclays



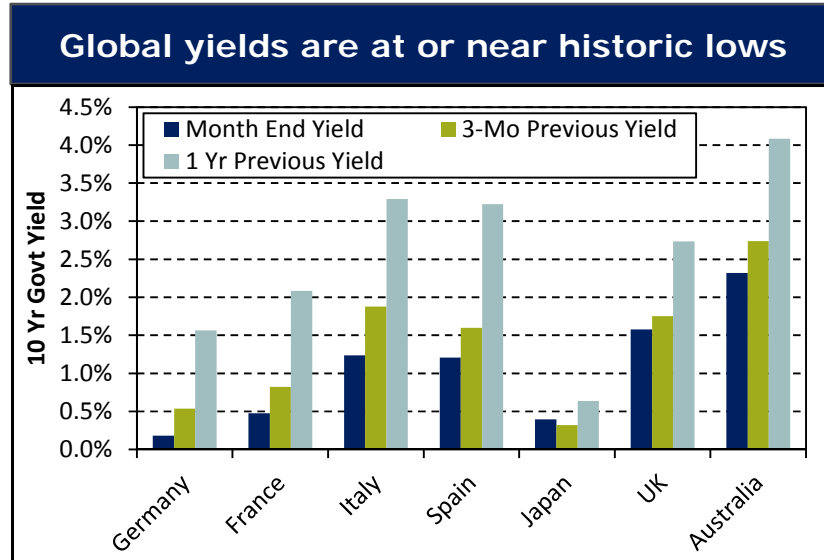
Source: Bloomberg, Barclays



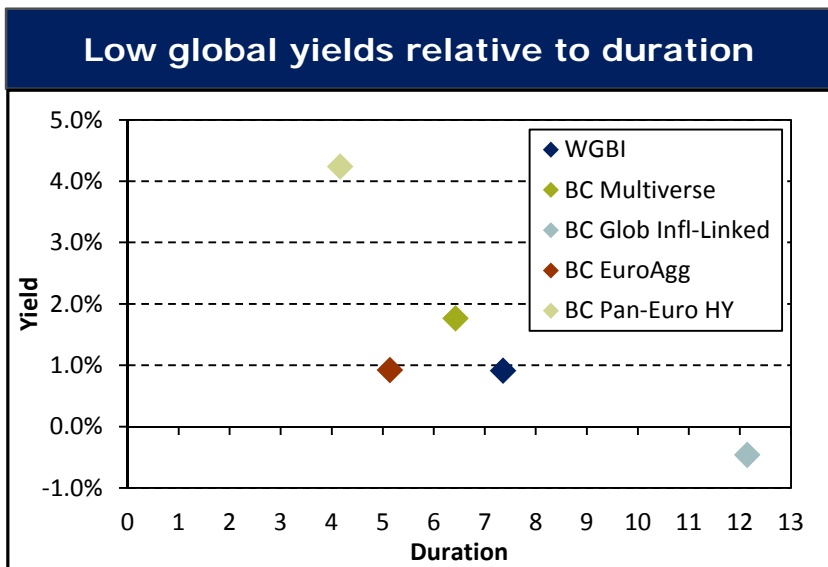
Source: Bloomberg, Barclays



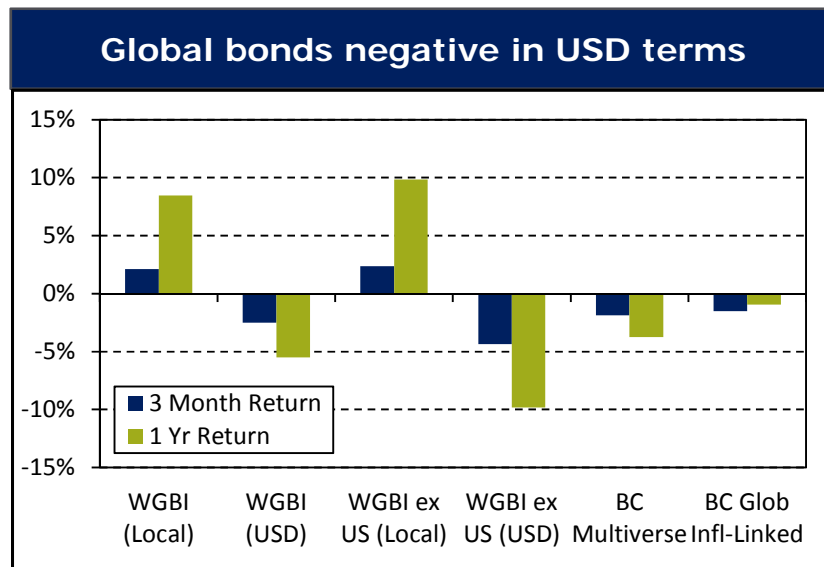
Source: Barclays, Bloomberg. *European periphery spreads are over equivalent German Bund



Source: Bloomberg

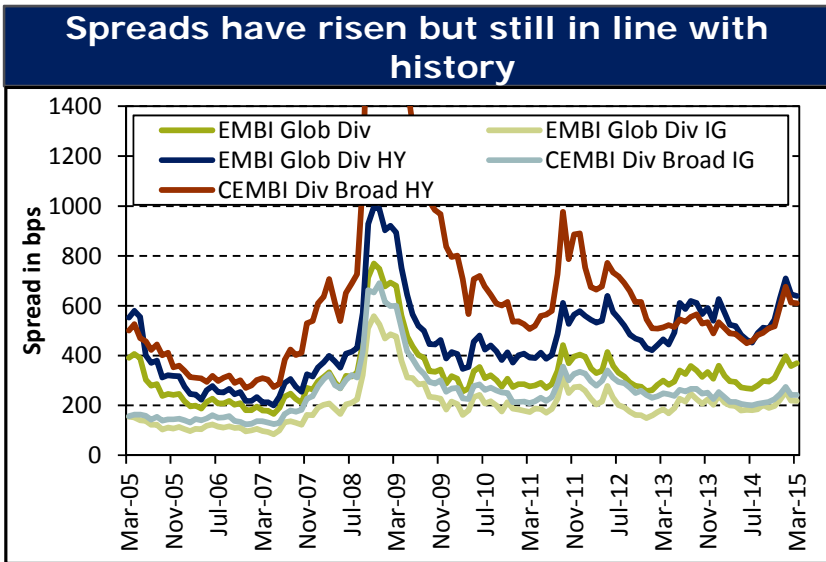


Source: Bloomberg, Citigroup, Barclays

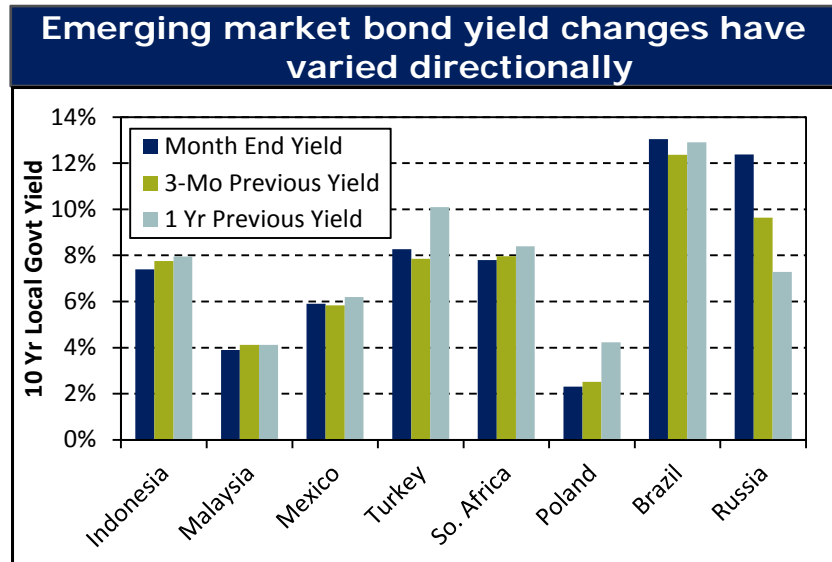


Source: Bloomberg, Citigroup, Barclays

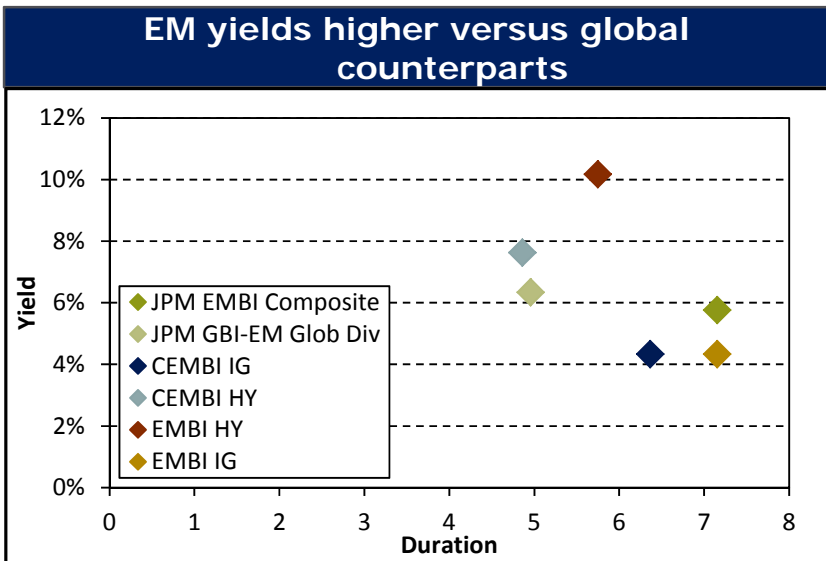
Emerging Markets Fixed Income



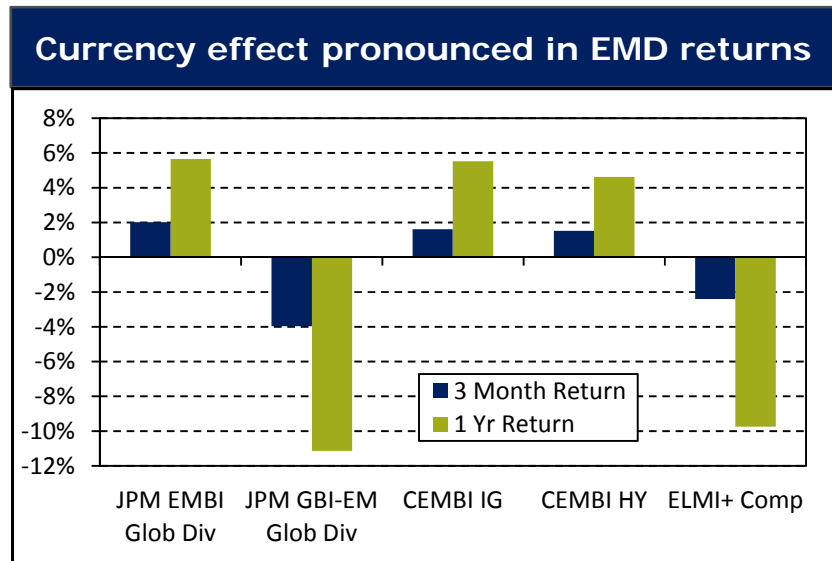
Source: Bloomberg, JP Morgan



Source: Bloomberg

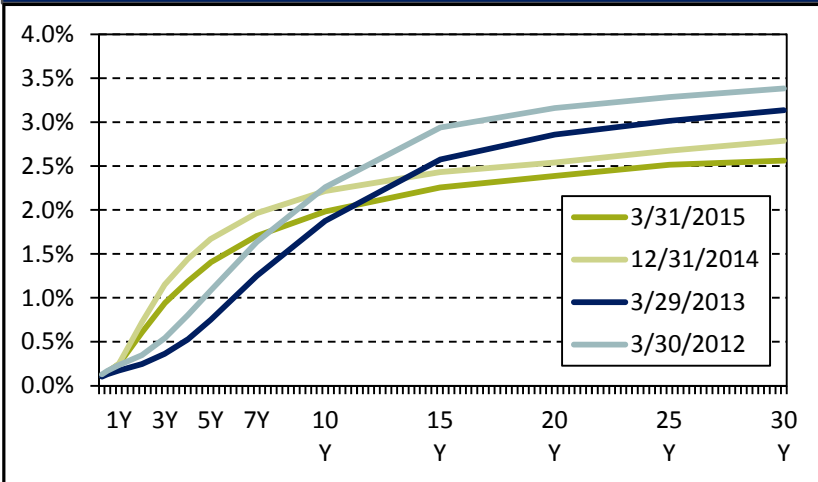


Source: Bloomberg, JP Morgan



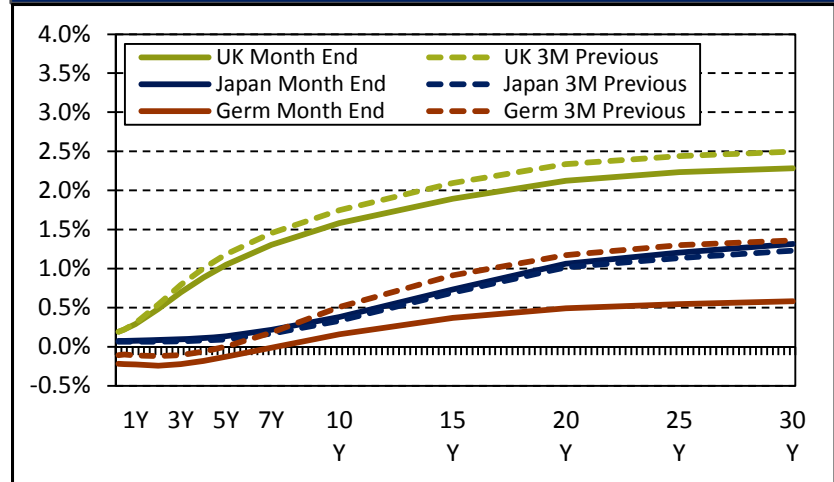
Source: Bloomberg, JP Morgan

Treasury yields lower but some steepness remains



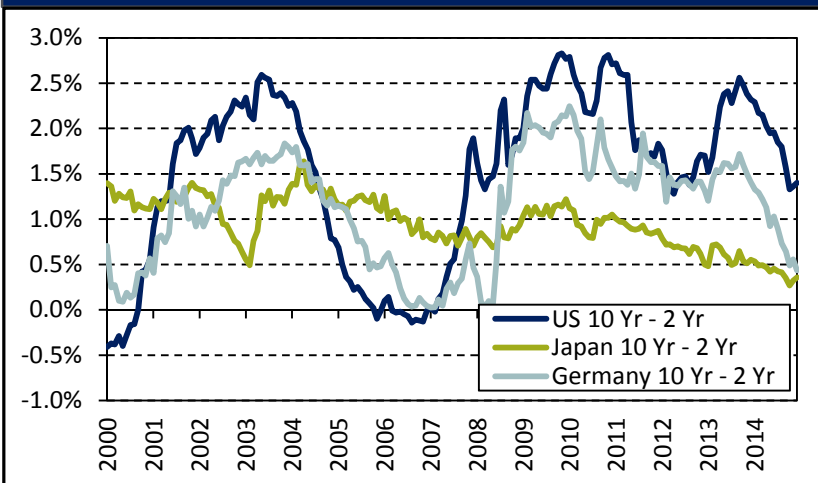
Source: Bloomberg

Significant compression in German Bund curve



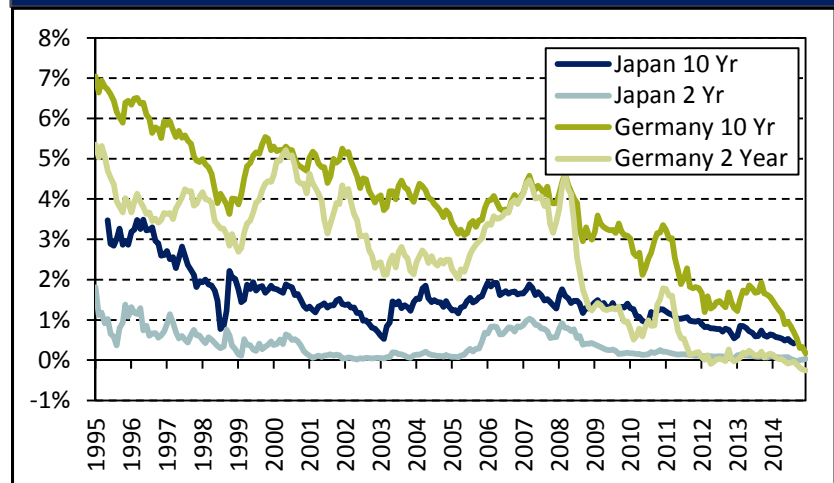
Source: Bloomberg

Global yield curves have flattened



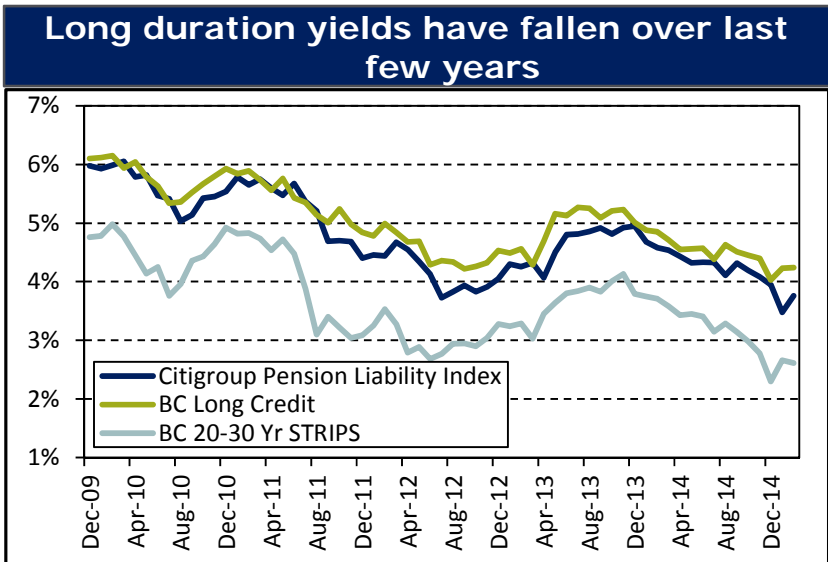
Source: Bloomberg

Global yields trending lower

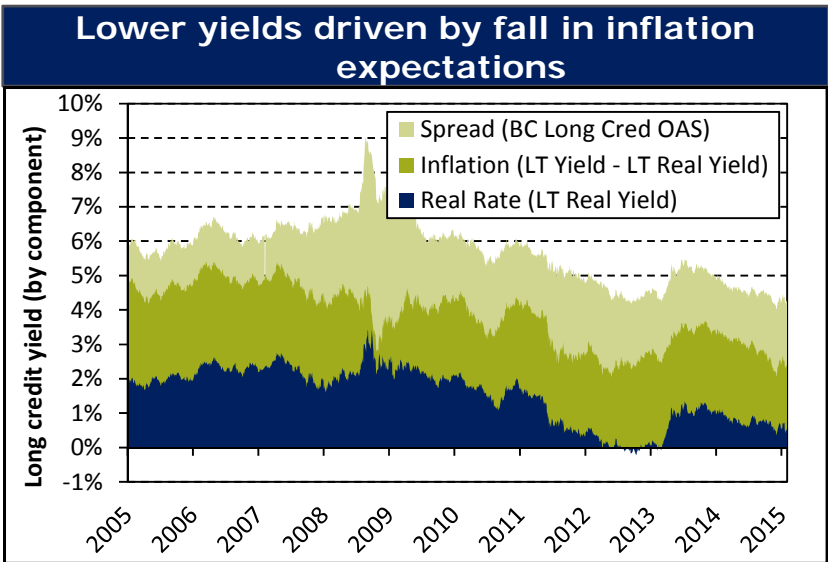


Source: Bloomberg

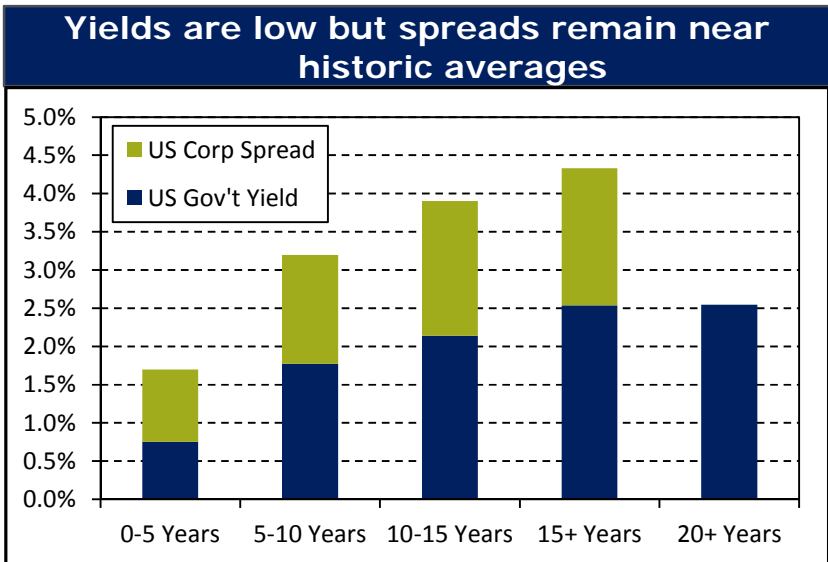
Long Rates and Liability



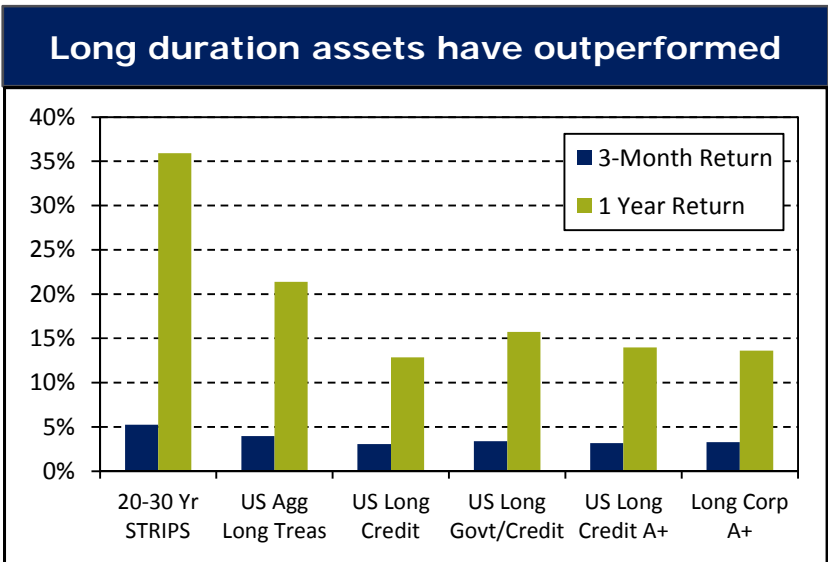
Source: Bloomberg, Citigroup, Barclays



Source: Bloomberg, US Treasury, Barclays, NEPC

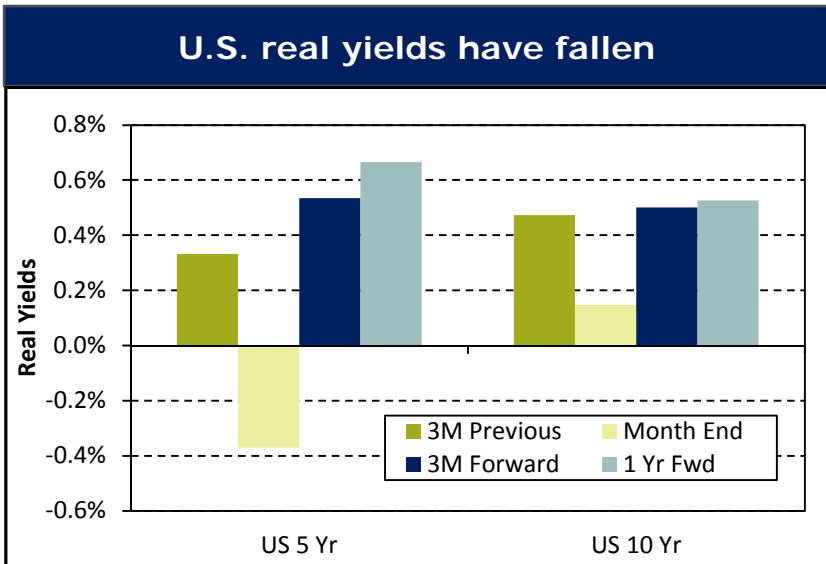


Source: Bloomberg, BofA Merrill Lynch, Barclays *No index for 20+ year corporate

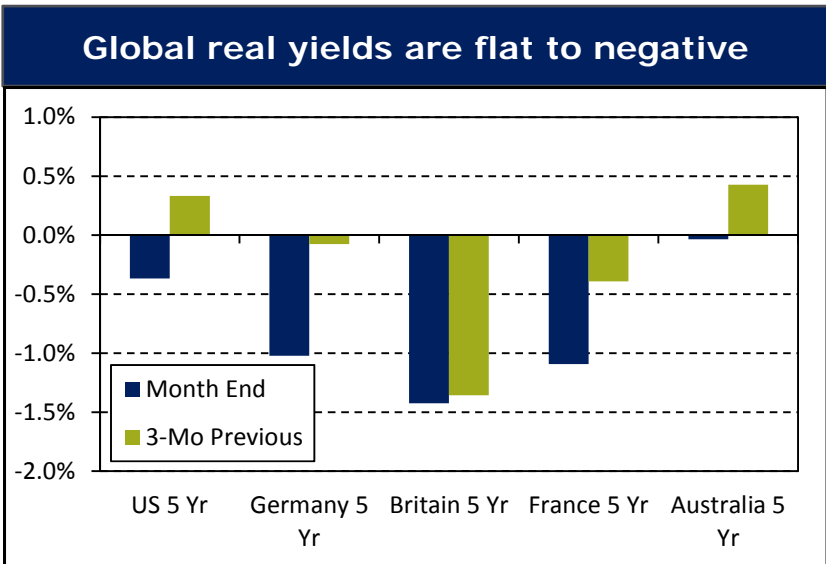


Source: Bloomberg, Barclays

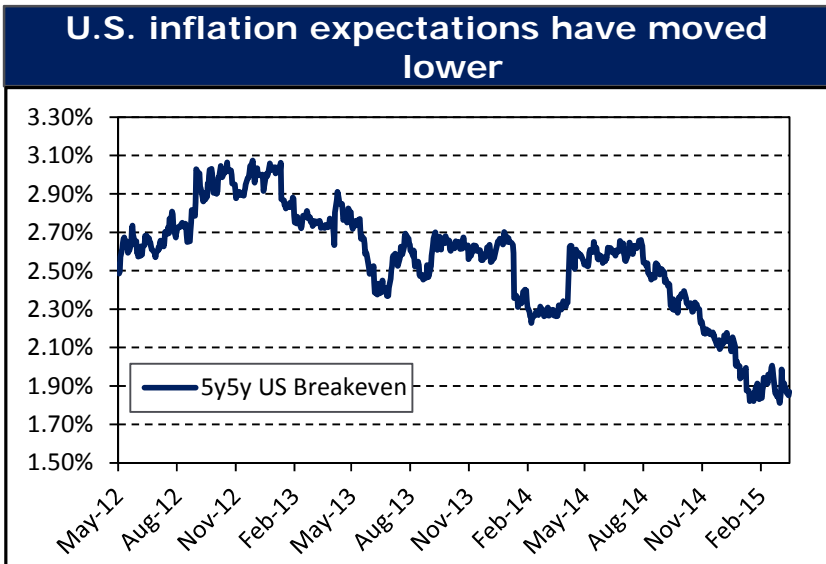
Inflation and Real Rates



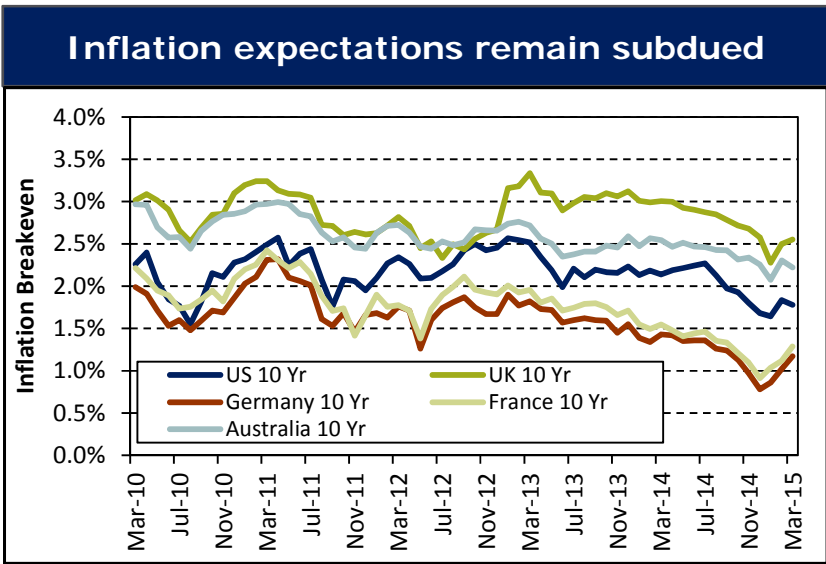
Source: Bloomberg



Source: Bloomberg

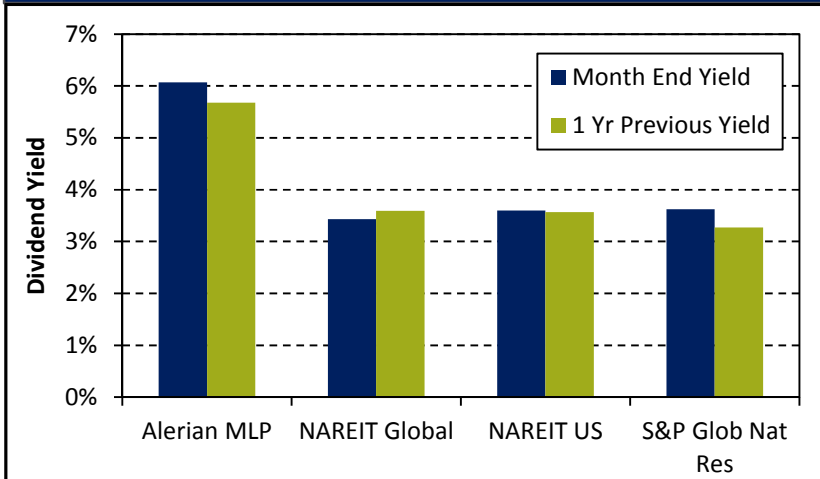


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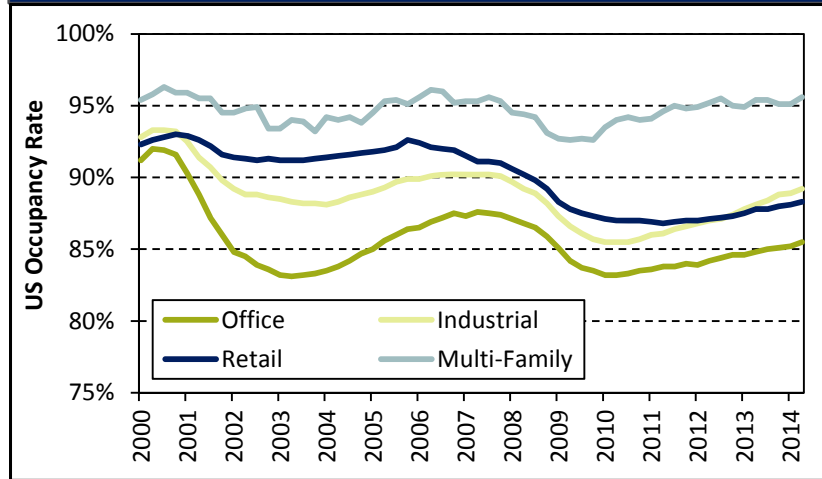
Source: Bloomberg

Yields at similar levels relative to last year



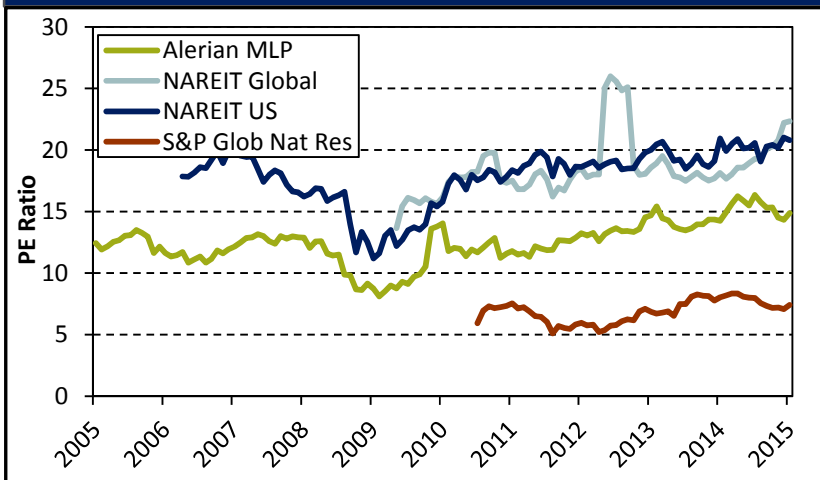
Source: Bloomberg, Alerian, Nareit, Standard and Poors

Slow recovery in occupancy rates



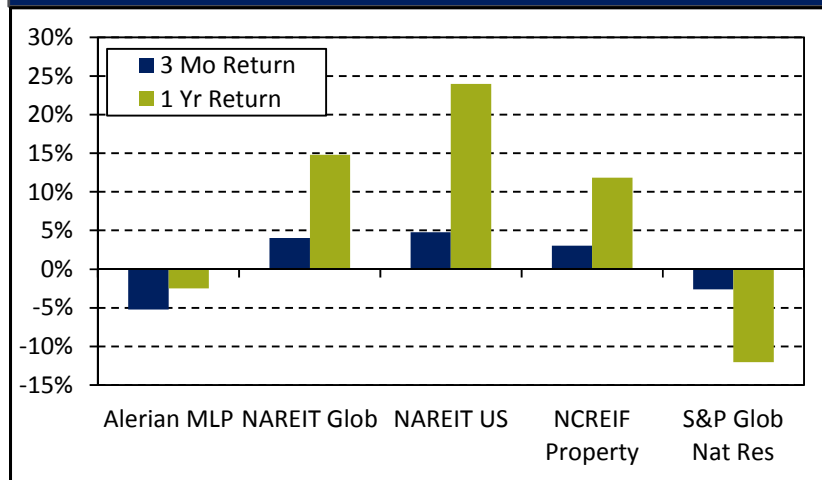
Source: Bloomberg, CB Richard Ellis

PE Ratios near or above averages



Source: Bloomberg, US Census Bureau

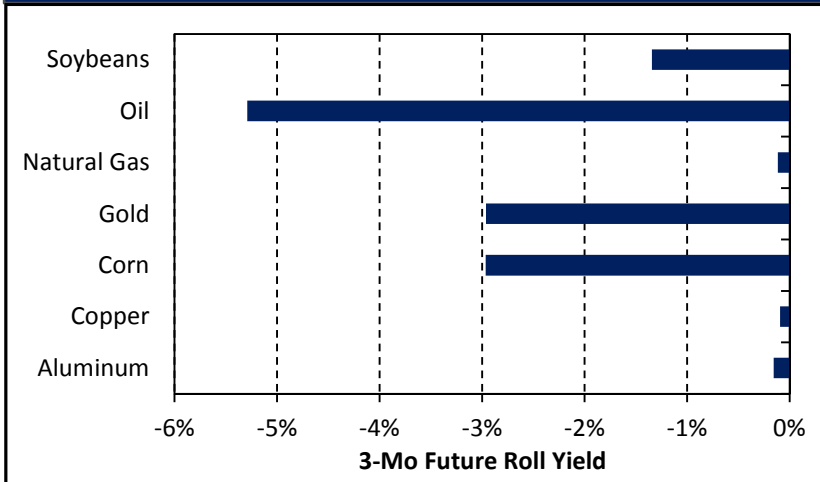
REITs have rallied globally



Source: Bloomberg, Alerian, Nareit, Standard and Poors

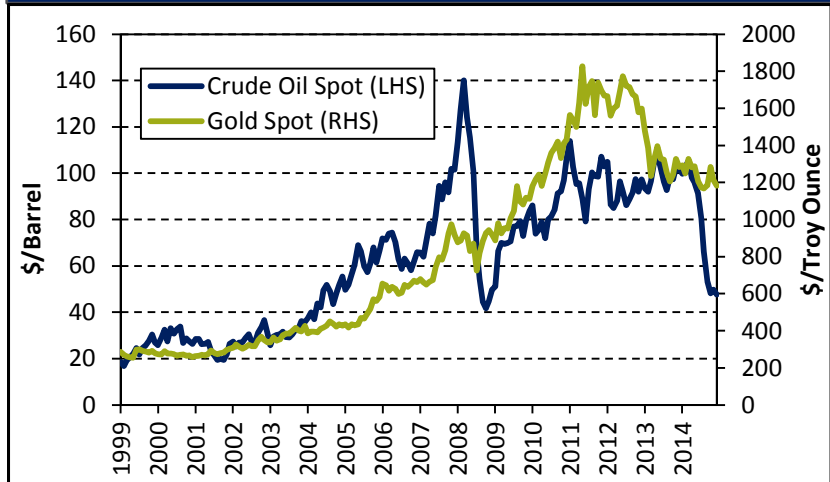
Commodities

Contango in major energy commodities



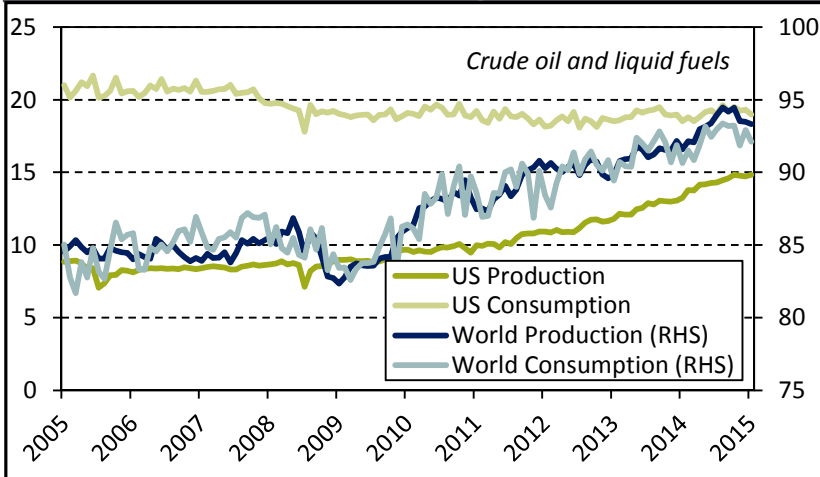
Source: Bloomberg

Precipitous fall in oil prices



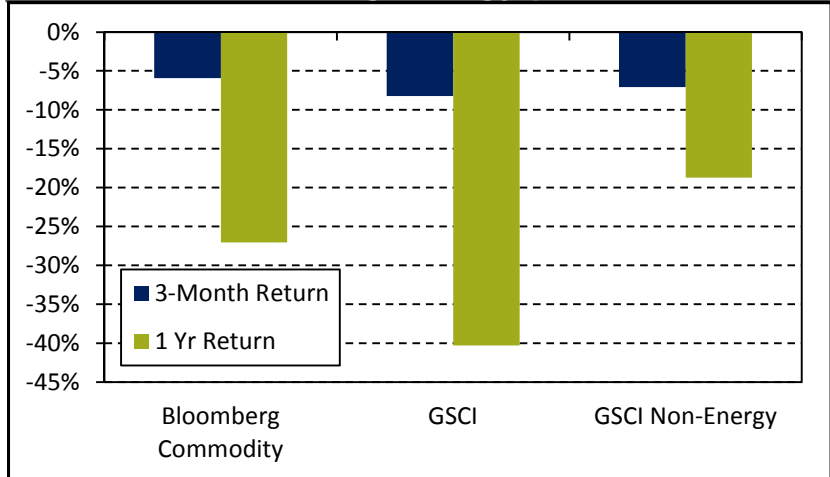
Source: Bloomberg

U.S. fuel production closing gap with consumption



Source: Bloomberg, US Department of Energy *Crude oil and liquid fuels

Commodity indices dragged lower by falling energy prices



Source: Bloomberg, Standard and Poors

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- **Trailing time period returns are determined by geometrically linking the holding period returns from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of fees as indicated.**
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