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Ventura County Employees' Retirement Association

Investment Summary
Quarter Ending June 30, 2015

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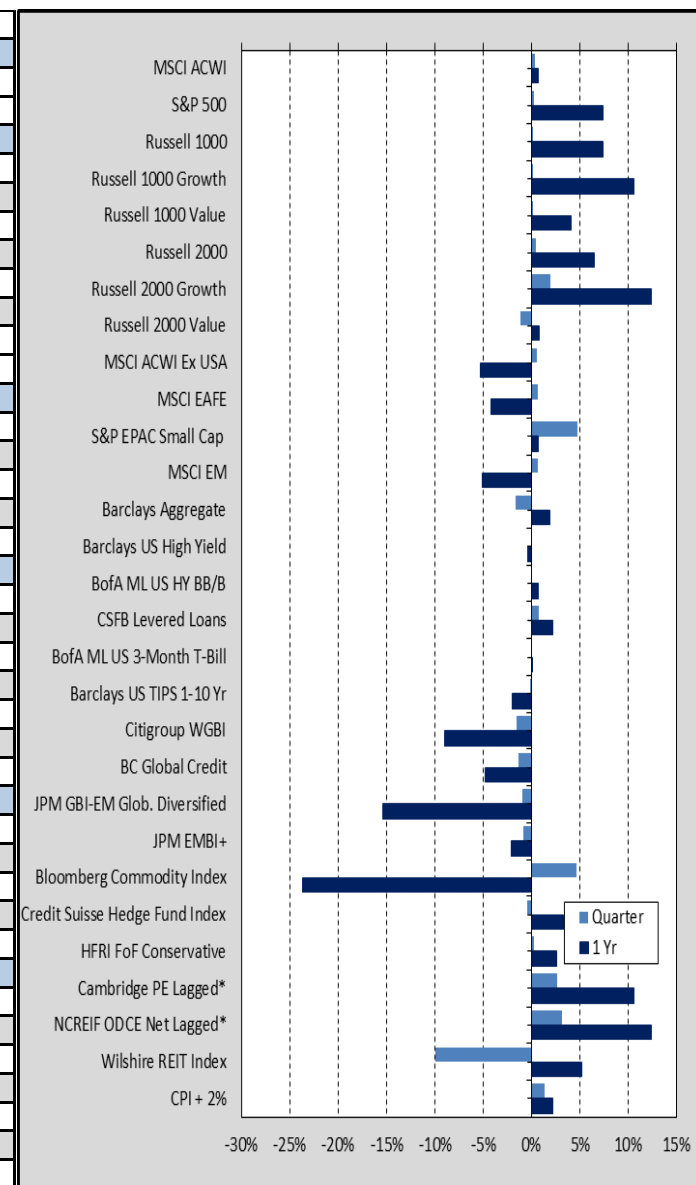
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Market Environment Update and Outlook

- **Second quarter GDP growth rate printed at +2.3%.**
 - Retail sales (ended May) at +1.6% on a year-over-year growth rate basis.
 - The inventory-to-sales ratio at May 31 was flat at 1.4 and has remained relatively flat since early 2010.
 - Corporate profits as a percent of GDP increased in the first quarter to 10.7% from 10.4% in the fourth quarter and remain elevated relative to historical levels.
 - The U.S. trade deficit widened slightly during May.
- **The unemployment rate fell to 5.3% in Q2 from 5.5% in Q1 2014; U-6, a broader measure of unemployment, fell to 10.5% during the second quarter.**
- **The Case-Shiller Home Price Index (as of 4/30) increased slightly to 170.0 from first quarter levels (168.2) and is at levels higher than that of pre-financial crisis levels of 150.92.**
- **Rolling 12-month seasonally adjusted CPI increased to +0.2% from -0.02% at the end of March; Capacity Utilization increased slightly to 77.8% in June.**
- **Fed Funds rate remains at 0.25%, while the 10-year Treasury Yield finished Q2 at 2.4% up 50 basis points from Q1.**
- **The Fed balance sheet declined slightly in Q2 2015, while the European Central Bank balance sheet increased in the same period.**
 - ECB continues asset purchases of €60 billion per month.
- **S&P valuations increased in June remaining above the 10-year and long-term averages**
 - Cyclically adjusted Shiller PE ratio (26.6x) 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 easing.**
 - Currency volatility has seen a sustained uptick since Q1.

Market Environment – Q2 2015 Overview

		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
World Equity Benchmarks						
MSCI ACWI	World	0.3%	0.7%	13.0%	11.9%	6.4%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Equity Benchmarks						
S&P 500	Large Core	0.3%	7.4%	17.3%	17.3%	7.9%
Russell 1000	Large Core	0.1%	7.4%	17.7%	17.6%	8.1%
Russell 1000 Growth	Large Growth	0.1%	10.6%	18.0%	18.6%	9.1%
Russell 1000 Value	Large Value	0.1%	4.1%	17.3%	16.5%	7.0%
Russell 2000	Small Core	0.4%	6.5%	17.8%	17.1%	8.4%
Russell 2000 Growth	Small Growth	2.0%	12.3%	20.1%	19.3%	9.9%
Russell 2000 Value	Small Value	-1.2%	0.8%	15.5%	14.8%	6.9%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
International Equity Benchmarks						
MSCI ACWI Ex USA	World ex-US	0.5%	-5.3%	9.4%	7.8%	5.5%
MSCI EAFE	Int'l Developed	0.6%	-4.2%	12.0%	9.5%	5.1%
S&P EPAC Small Cap	Small Cap Int'l	4.7%	0.7%	16.3%	12.9%	7.7%
MSCI EM	Emerging Equity	0.7%	-5.1%	3.7%	3.7%	8.1%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Domestic Fixed Income Benchmarks						
Barclays Aggregate	Core Bonds	-1.7%	1.9%	1.8%	3.3%	4.4%
Barclays US High Yield	High Yield	0.0%	-0.4%	6.8%	8.6%	7.9%
BofA ML US HY BB/B	High Yield	0.0%	0.7%	6.8%	8.4%	7.2%
CSFB Levered Loans	Bank Loans	0.8%	2.2%	5.3%	5.7%	4.8%
BofA ML US 3-Month T-Bill	Cash	0.0%	0.0%	0.1%	0.1%	1.4%
Barclays US TIPS 1-10 Yr	Inflation	-0.1%	-1.9%	-0.5%	2.4%	3.7%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Global Fixed Income Benchmarks						
Citigroup WGBI	World Gov. Bonds	-1.5%	-9.0%	-2.4%	1.0%	3.1%
BC Global Credit	Global Bonds	-1.3%	-4.8%	2.2%	4.3%	4.2%
JPM GBI-EM Glob. Diversified	Em. Mkt. Bonds (Local)	-1.0%	-15.4%	-3.8%	0.9%	5.9%
JPM EMBI+	Em. Mkt. Bonds	-0.9%	-2.1%	2.8%	6.2%	7.2%
		Qtr.	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Alternative Benchmarks						
Bloomberg Commodity Index	Commodity	4.7%	-23.7%	-8.8%	-3.9%	-2.6%
Credit Suisse Hedge Fund Index	Hedge Fund	-0.5%	3.3%	7.1%	6.2%	5.9%
HFRI FoF Conservative	Fund of Funds	0.2%	2.6%	5.5%	3.6%	2.6%
Cambridge PE Lagged*	Private Equity	2.6%	10.5%	14.4%	15.1%	13.7%
NCREIF ODCE Net Lagged*	Real Estate	3.2%	12.4%	11.6%	13.4%	6.0%
Wilshire REIT Index	REIT	-9.9%	5.2%	9.0%	14.7%	6.9%
CPI + 2%	Inflation/Real Assets	1.4%	2.2%	3.3%	3.9%	4.1%



* As of 3/31/2015

Positives

- **Divergence in monetary policies signaling different investment environments globally**
- **US Economy shows strength relative to other developed markets**
- **ECB monetary easing continues with €60 billion in monthly asset purchases**
 - ECB commits €1.3 trillion in asset purchases in the Eurozone
 - Global risk assets responding positively
 - Negative short dated interest rates in Eurozone
- **Contagion risk from Greece's Euro exit is largely contained**
 - Greece represents only 1.7% of total Eurozone GDP
- **Developed world inflation is low**
 - In US, CPI for all Urban Consumers on a seasonally adjusted basis bounced back to positive territory after posting negative results in Q1

Negatives

- **Geopolitical instability continues to drive volatility**
 - Instability in the Mid-East, Eastern Europe, Greece, China
- **Slowing economic growth in China may have broad implications for many emerging economies**
 - Commodity producers impacted
- **Fed rate hike uncertainty contributed to volatility in domestic markets**
 - Market expecting a slow pace to rate increases
- **Valuations remain above 10 year and long term averages**
 - Developed Equity P/Es above median

Global Equity

- **U.S. equities posted modest gains in the second quarter as global monetary accommodation ramped up.**
- **Small cap stocks outperformed large cap stocks during the quarter, with the Russell 2000 Index returning 0.4% and the Russell 1000 Index returning 0.1%.**
- **International equities outperformed U.S. markets during the quarter, returning 0.5%, as measured by the MSCI ACWI ex-U.S. Index.**
 - Developed markets returned 0.6% as measured by the MSCI EAFE Index. Relatively strong returns were posted by Hong Kong and Japan at +5.6% and +3.1% respectively.
 - Emerging markets returned +0.7% as measured by the MSCI Emerging Markets Index in U.S. dollar terms. Russia and China bolstered the quarter returning +7.6% and +6.0% respectively.

Private Equity

- **New private equity commitments totaled \$101.5 billion in Q2 2015.**
 - Rapid fundraising pace continues for high demand managers.
- **Buyout and growth equity funds raised \$57 billion in Q2 2015.**
 - Very strong Q2 totals driven by one fund which raised \$17 billion.
- **Venture capital raised \$24.6 billion ended June.**
 - At 13% 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.
- **Energy funds raised \$30.1 billion representing 16% of capital raised in Q2.**
 - Investors are opportunistically approaching the energy market dislocation.
- **Asian private equity commitments slowed to total 6% of total funds raised down from 10% in 2014.**
- **European commitments comprised 17% of all new PE commitments in Q2 2015.**
 - 70% of European funds raised were based in the United Kingdom.

Fixed Income

- **The yield curve steepened amid global financial instability in the Eurozone and the Fed's rate hike signaling.**
- **The spread between two and 10-year rates increased to 176 basis points from 138 basis points ended March. Treasury Inflation-Protected Securities, or TIPS, returned -1.1% during the quarter, as measured by the Barclays US TIPS Index.**
- **The Barclays Long Duration Credit Index lost -7.3% as the long end of the curve ended the quarter 57 basis points higher.**
- **Long Treasuries fell -8.3% and investment-grade corporate debt lost -2.9%.**
 - Despite strong earnings and credit fundamentals, the overall performance of US high-grade corporate bonds was hindered by record new issuance, which contributed to 16 basis points of spread widening in the quarter. Issuance has totaled almost \$650 billion year-to-date (with a record issuance of \$155 billion in May). This issuance is over 20% higher than in the first half of 2014.
- **The Barclays 1-3 year Government/ Credit Index returned 0.1% and US high yield bonds were flat returning 0%.**
- **Emerging markets debt continued to slow in local and external currency as yields increased globally.**
 - US dollar-denominated debt, as measured by the JP Morgan EMBI Index, fell 34 basis points; local currency debt fell 96 basis points, according to the JP Morgan GBI-EM Index.
 - Emerging market currencies—in particular, the Mexican peso, Thai baht and Turkish Lira—weakens against the US dollar.

Real Assets/Inflation-Linked Assets

- **Massive energy market dislocation.**
 - Oil prices trending lower.
 - 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.
 - Softness in commodity prices may provide attractive entry point.
- **Timber opportunity set limited but warrants further review**
 - 45% increase in housing starts forecasted; timber prices highly correlated

Commodities

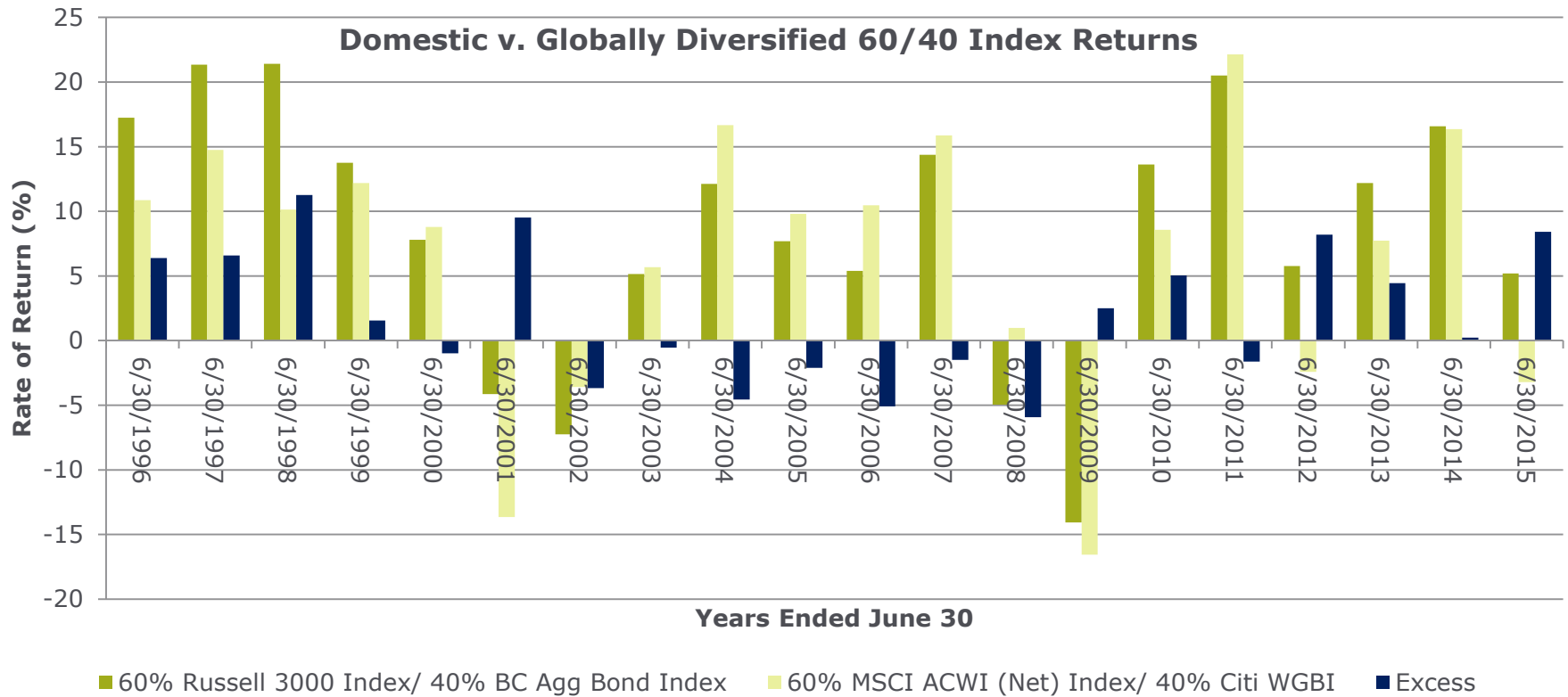
- **Commodities broke their three quarter losing streak with the Bloomberg Commodity Index posting a 4.7% gain.**
 - Energy and agriculture led the way, while industrial metals, precious metals and livestock declined.
 - The Bloomberg WTI Crude Oil Index gained 17.5% for the quarter amid continued declines in rig counts and announced project deferrals, expectations of demand rebounding and lower US output.

Real Estate

- **NEPC continues to be neutral on core real estate in the US 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.**
 - Real estate fundamentals and debt terms are attractive, however valuations are high and the possibility of rising interest rates and the impact on cap rates causes concern.
- **U.S. REITs posted a very weak quarter with a -9.9% return.**
 - FFO multiples are high, at approximately 15x but are decreasing.
 - REITs are trading at a discount to NAV.
- **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 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.

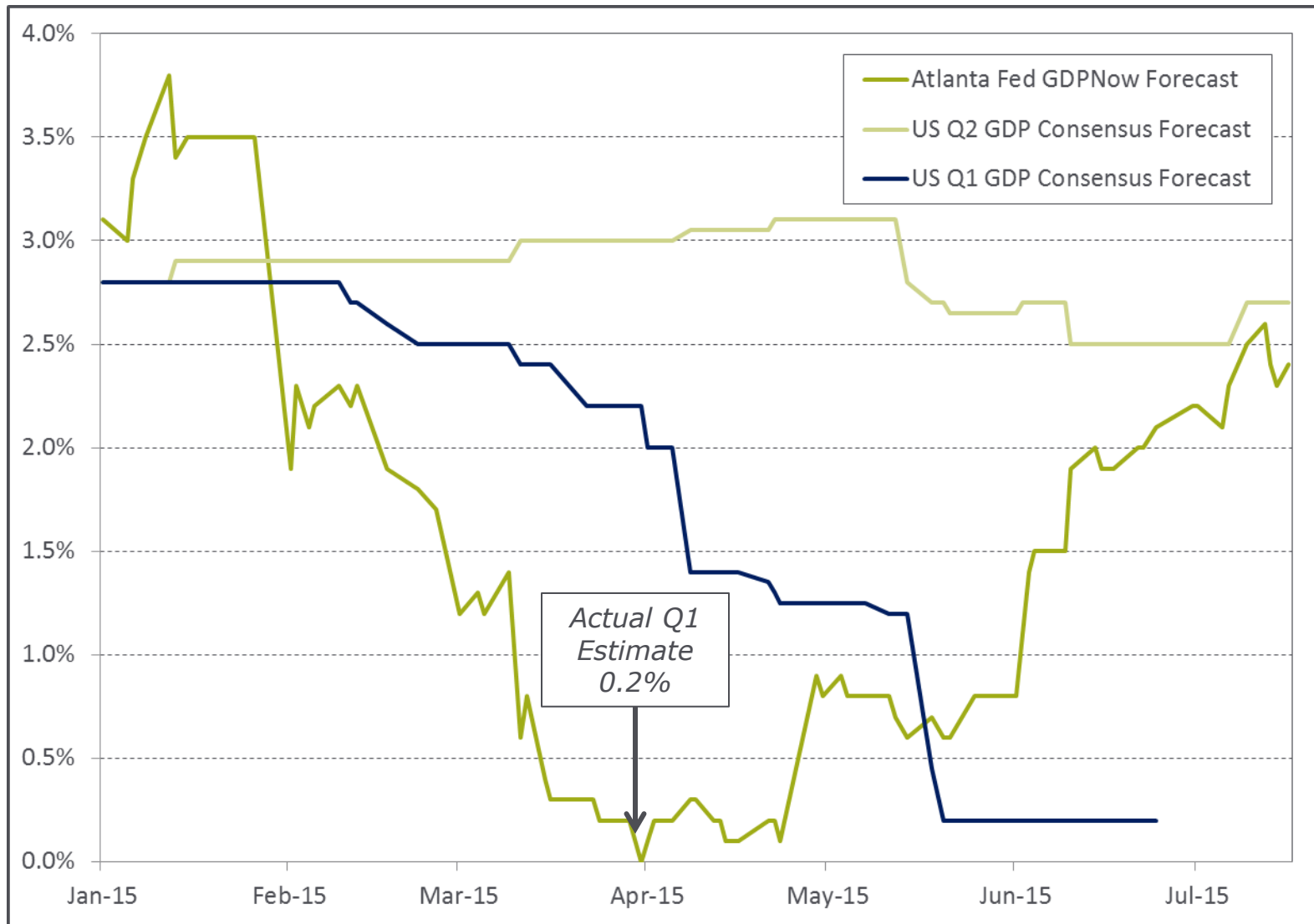
- **Be judicious with risk**
 - Avoid chasing risk for only marginal return enhancements
 - Less liquid opportunities may provide the best risk-adjusted approach, but liquidity needs should be incorporated (e.g., substituting direct lending for high yield)
- **Catalysts are present to drive international equity markets above pre-financial crisis highs**
 - Encourage an equal weight exposure to international developed and US equities
 - If currency hedged, encourage larger international developed equity exposure relative to US equities
- **Question the “traditional” approach; different investment environments require different perspectives of risk and return**
 - A 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)

Domestic vs. Internationally Diversified Index Returns



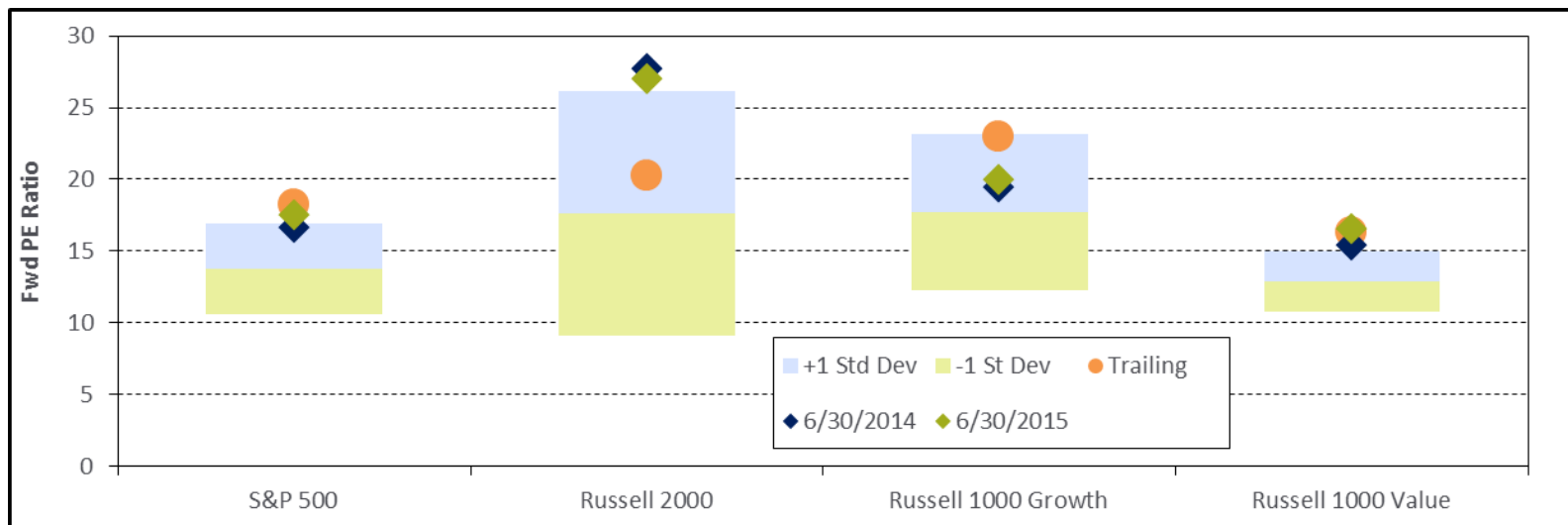
- In the past 20 years domestic focused portfolios have only experienced two periods of greater outperformance; 1998 and 2001

US Economy Appears Poised to Rebound After Lackluster First Quarter

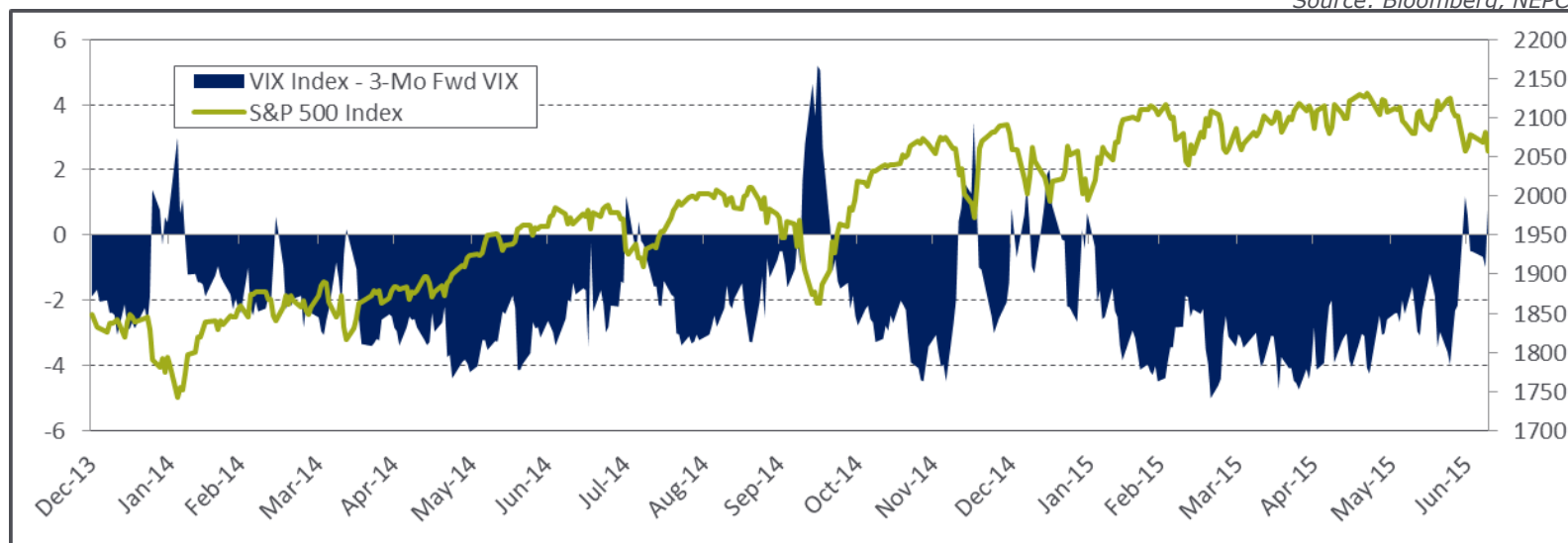


Source: Atlanta Fed, Bloomberg

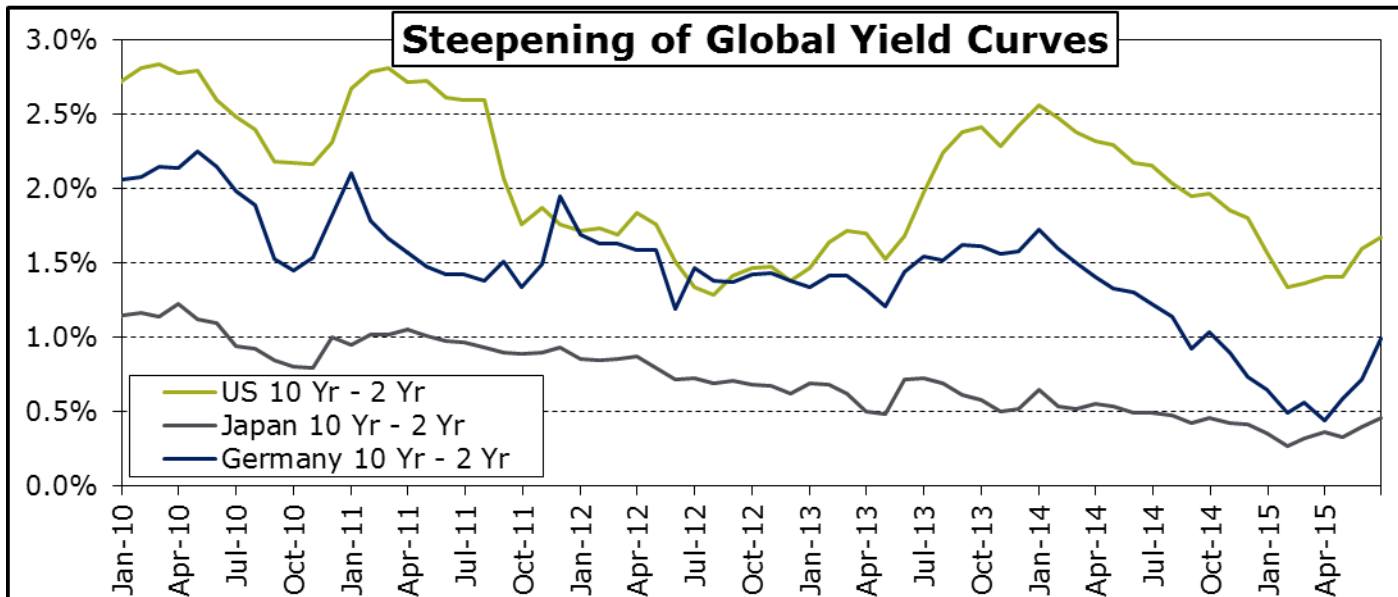
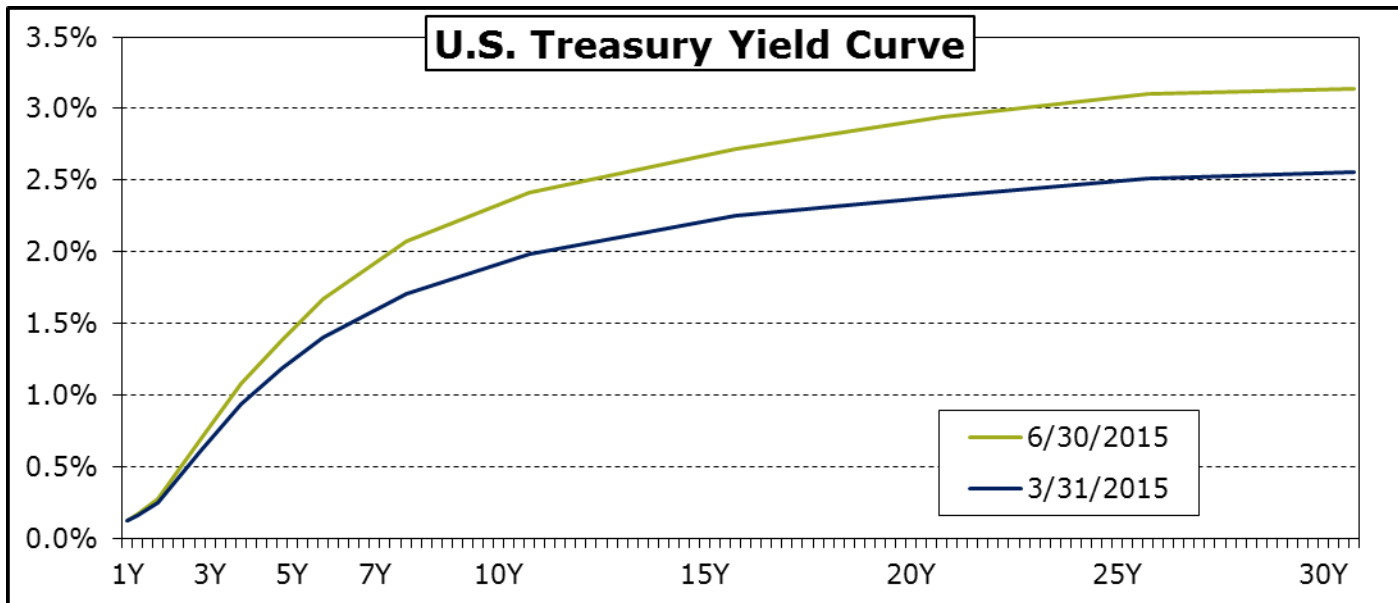
Higher Valuations Supported by Expectations of Low Volatility



Source: Bloomberg, NEPC

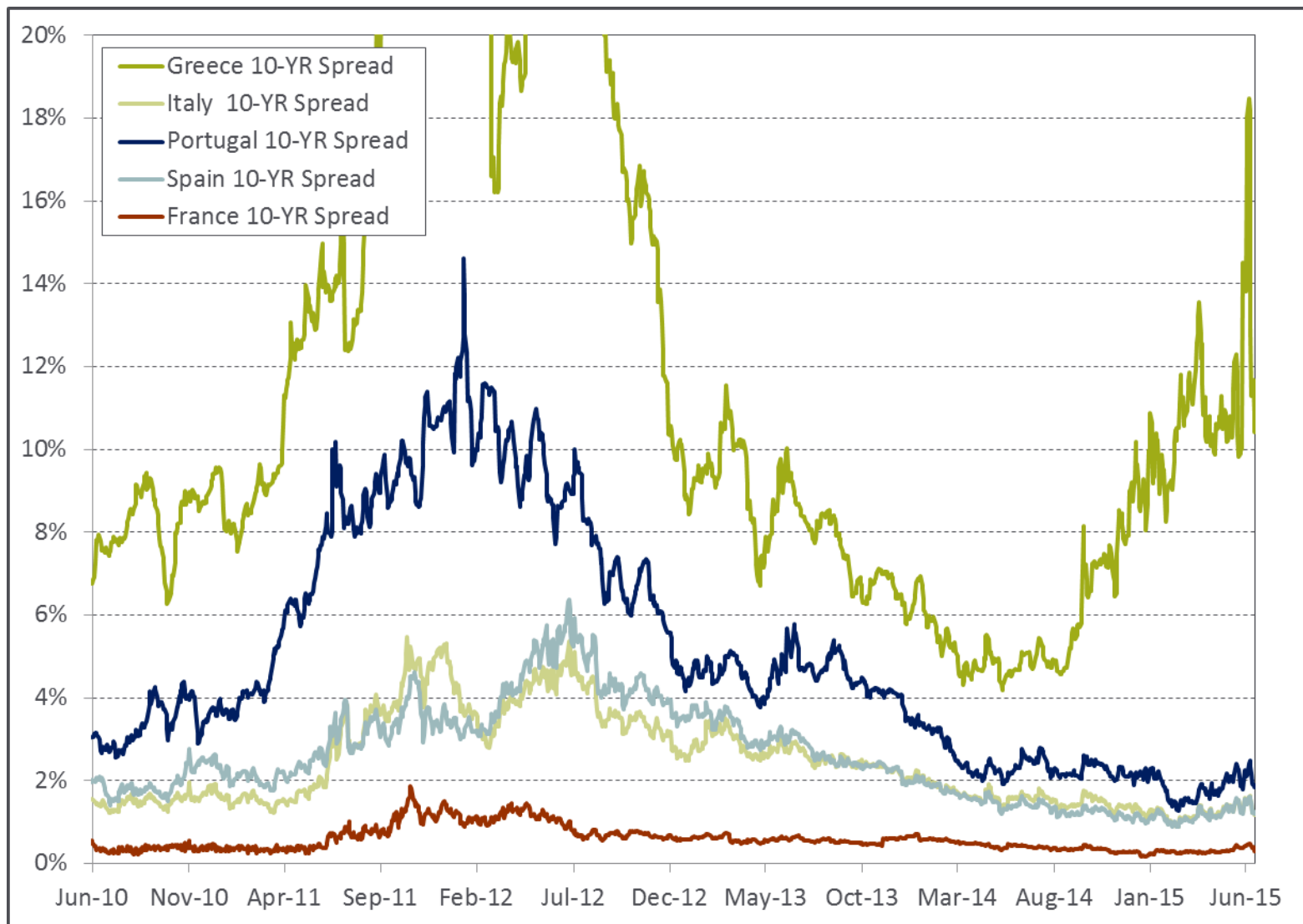


Source: Chicago Board Options Exchange, Bloomberg



Source: Bloomberg, as of 6/30/2015

Contagion Risks Appear Contained – Spread Over German Yields Relatively Unchanged



Source: Bloomberg, NEPC

- **US equities face headwinds but without major concerns**
 - Cautiously optimistic on US economy but Fed rate hike remains on the horizon
 - Dollar strength likely to slow earnings growth and valuations above average
- **Recommend an overweight exposure to developed market equities**
 - Suggest investors opportunistically exploit future volatility to add to the overweight
 - Long-term opportunity remains as earnings improve off cyclical lows in Europe/Japan
 - We continue to recommend a 50% hedge for developed market currency exposure
- **Recommend investors maintain a benchmark neutral weight in emerging market equities**
 - Long-term EM fundamentals remain attractive but risks and divergences across countries are significant
 - Encourage the use of benchmark agnostic investment strategies with a bias towards emerging market countries undertaking both economic and political reforms
- **Encourage investors to shift from benchmark-focused global bond strategies to US duration exposures**
 - Global interest rate volatility enhanced by QE programs and central bank activity
 - Consider a small allocation to long duration treasuries, long gov/credit, or long TIPS to fill US duration exposure
- **Encourage investors to be patient with evolving opportunities in commodity markets as volatility is high**
 - Limited distress so far but credit conditions likely to weaken

NEPC Updates

June 30, 2015

Highlights of Second Quarter Happenings at NEPC

NEPC Research Recent White Papers

- 2015 2nd Quarter Market Thoughts
- *Rising Rates and Implications for Credit Investors* (April 2015) – Seth Bancroft, Senior Research Analyst, Traditional Research
- *Socially Responsible Investing in Action* (May 2015) – Sheila Healy Berube, CFA, Senior Consultant.
- *A Dynamic Approach to Pension Glide Paths* (May 2015) - Christopher A. Levell, ASA, CFA, CAIA, Partner, Client Strategy



NEPC Client Recognitions

- NEPC is pleased to announce that two of our clients recently won *Institutional Investor Intelligence Awards*. Ruth Ryerson, Executive Director at Wyoming Retirement System, was a co-winner of the Executive Director of the Year award, along with Steve Yoakum from Public School and Education Employee Retirement Systems of Missouri. Dave Underwood, Deputy CIO and Portfolio Manager – Equities at Arizona State Retirement System, won the *Institutional Investor Intelligence Award: Innovator*.

NEPC Recognitions

- We are pleased to announce that **NEPC has won two Alternative Investment Awards for 2015** from *Wealth & Finance International*, one for Sustained Excellence in Client Investment Management and the other for Macro Strategy Specialist of the Year – USA. Awards Coordinator Peter Rujgev commented, "The caliber of the 2015 nominees was simply outstanding and this ensured that the judging process was more than a little demanding. Put simply, our winners represent the very best of the best and with such a tremendous amount of competition, it is an honor to acknowledge them and wish them well for another award winning year ahead."

News from NEPC

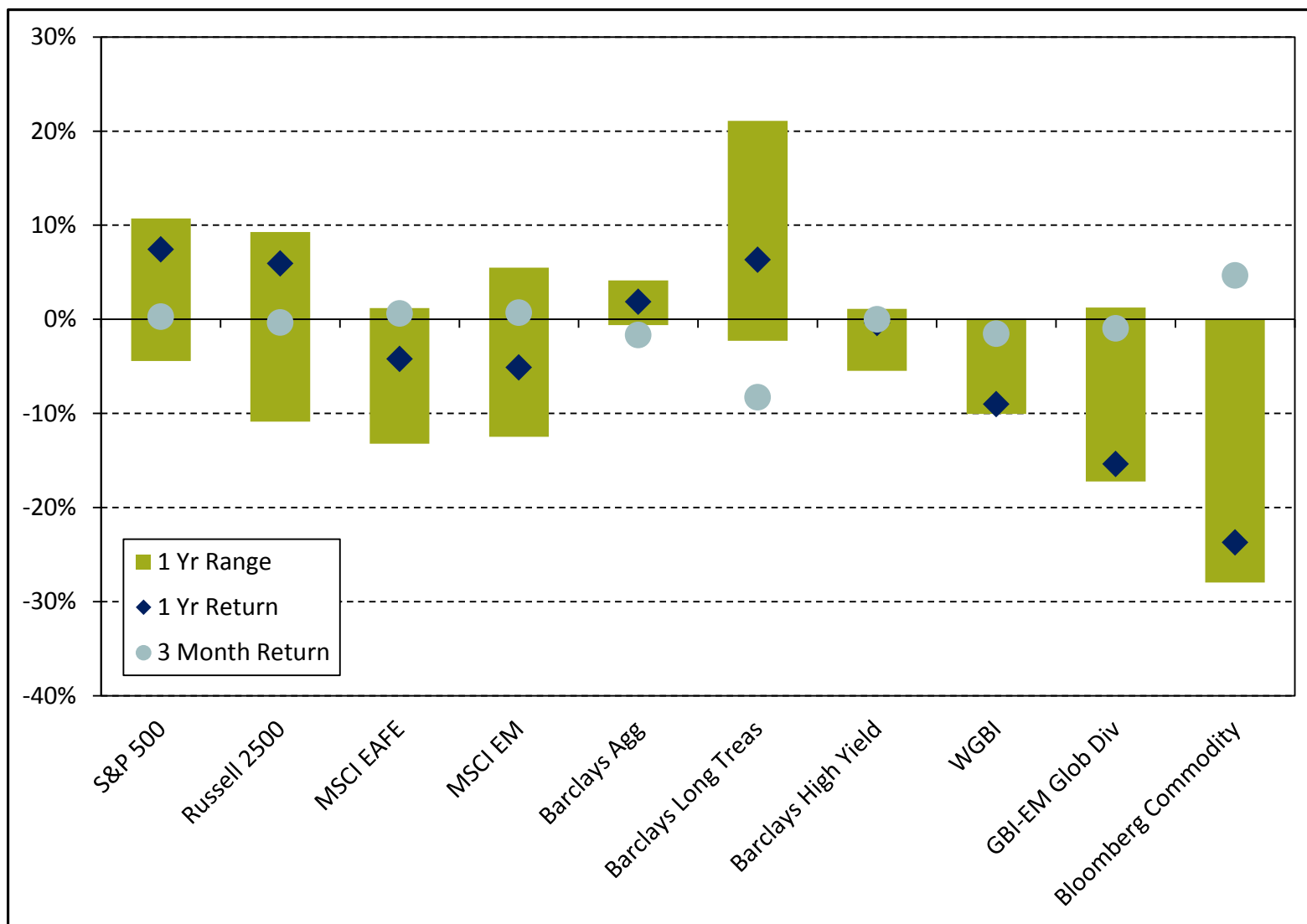
- **Doris Ewing honored by the NASP.** Please join us in congratulating retired NEPC Partner, Doris Ewing, who was honored as the first female African-American Partner of an Investment Consulting Firm at the NASP Women's Legends Tea on June 14 in Chicago. Congratulations Doris!

Recent Events

- **NEPC Clients Invited to the White House.** A diverse group of NEPC clients were invited to the White House on June 16 for the Clean Energy Investment Summit. The goal of the event was to help address the fundraising gap for scalable investments in clean energy and catalyze more institutional investment. Attendees engaged with senior members of the Administration to discuss recent or potential clean energy investments.



Broad Market Performance Summary as of 6/30/2015



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

Total Fund Performance

Note: All of the data shown on the following pages is as of June 30, 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	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank	Return	Since
Total Fund	\$4,338,136,581	-0.1%	72	1.9%	89	1.7%	70	11.0%	26	11.6%	14	6.5%	39	8.2%	Apr-94
<i>Policy Index</i>		0.3%	52	2.3%	66	3.4%	25	11.1%	24	11.2%	22	6.7%	26	8.2%	Apr-94
<i>Allocation Index</i>		0.1%	59	2.0%	88	2.7%	50	10.4%	42	10.7%	41	6.3%	51	--	Apr-94
<i>InvestorForce Public DB > \$1B Net Median</i>		0.3%		2.7%		2.6%		10.2%		10.3%		6.3%		7.6%	Apr-94

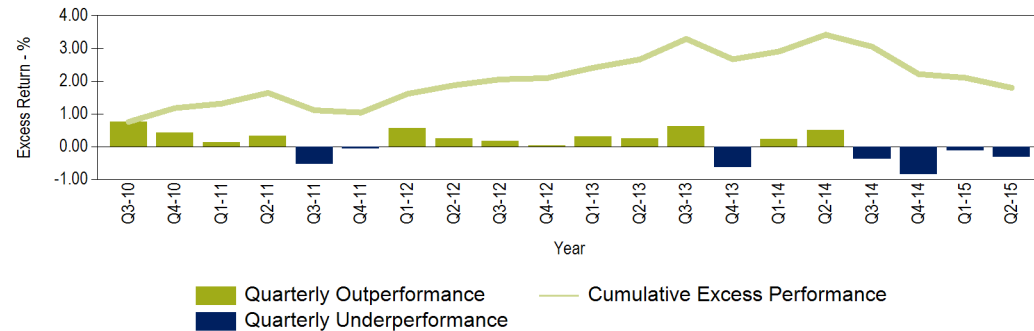
- For the one-year period ending June 30, 2015, the Fund produced a net investment gain of \$95 million, which includes a net investment gain of \$2.7 million in the quarter. Assets increased from \$4.26 billion one year ago to \$4.34 billion on June 30, 2015 with \$15.1 million in net distributions during the year.

- For the one-year period ending June 30, 2015, the Fund returned 1.7%, trailing the policy index by 1.7% and ranking in the 70th percentile of the InvestorForce Public Funds > \$1 Billion Universe (Net of Fees).

- For the three-year period ending June 30, 2015, the Fund returned 11.0%, underperforming the policy index by 0.1% and ranking in the 26th percentile of its peers. The Fund's volatility, as measured by standard deviation, ranked in the 67th percentile of its peers, and the risk-adjusted return, or Sharpe Ratio, ranks in the 49th percentile. This means that the Fund has earned more return per unit of risk taken than 51% of its peers.

- For the five-year period ending June 30, 2015, the Fund returned 11.6%, outperforming the policy index by 0.4% and ranking in the 14th 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 above the median Fund in the universe.

Quarterly and Cumulative Excess Performance



3 Years Ending June 30, 2015

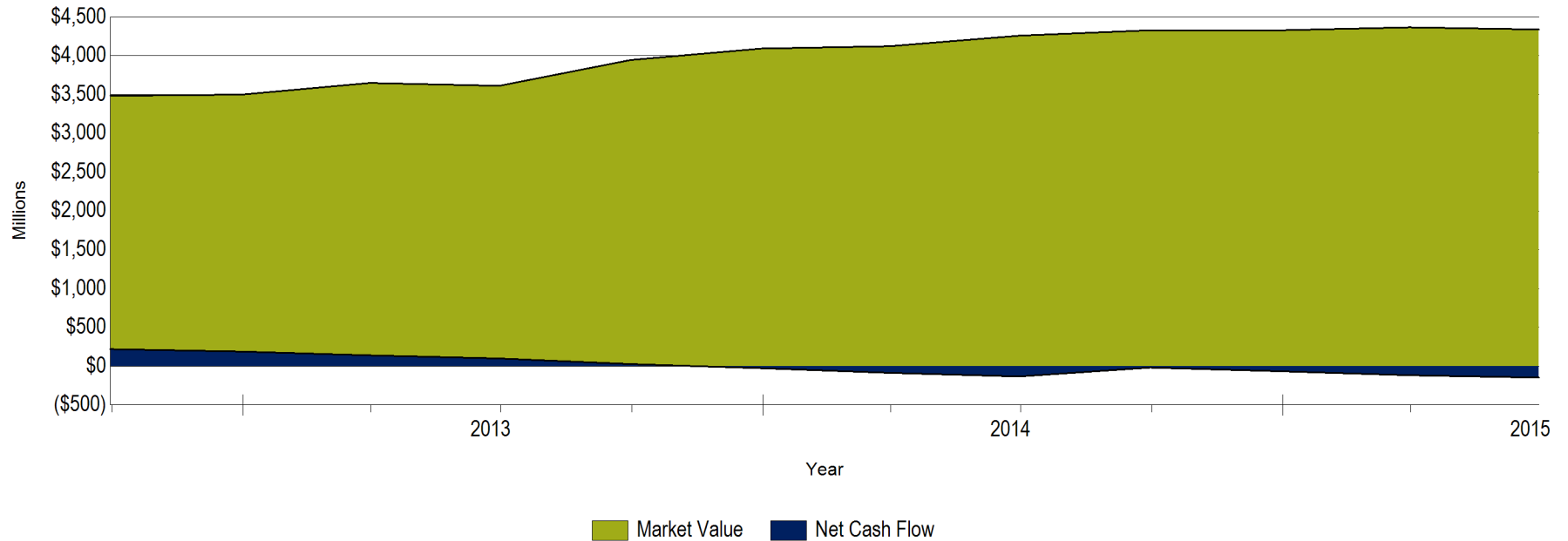
	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Total Fund	11.0%	26	5.6%	67	2.0	49	4.9	18
Policy Index	11.1%	24	5.4%	55	2.0	31	4.9	17
InvestorForce Public DB > \$1B Net Median	10.2%	--	5.3%	--	1.9	--	4.1	--

5 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
Total Fund	11.6%	14	8.6%	87	1.3	45	2.2	28
Policy Index	11.2%	22	8.4%	75	1.3	50	2.1	41
InvestorForce Public DB > \$1B Net Median	10.3%	--	7.6%	--	1.3	--	2.1	--

Total Fund Asset Growth Summary

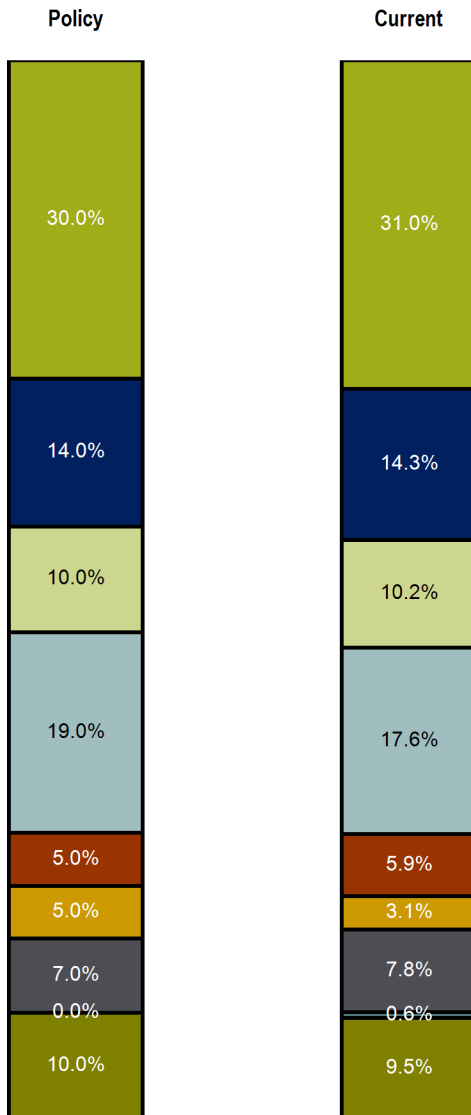
Market Value History
3 Years Ending June 30, 2015



Summary of Cash Flows

Sources of Portfolio Growth	Second Quarter	One Year	Three Years
Beginning Market Value	\$4,365,835,058	\$4,258,489,574	\$3,198,890,219
Net Additions/Withdrawals	-\$30,442,056	-\$15,081,037	-\$148,080,514
Investment Earnings	\$2,743,579	\$94,728,044	\$1,287,326,876
Ending Market Value	\$4,338,136,581	\$4,338,136,581	\$4,338,136,581

Total Fund Asset Allocation vs. Policy Targets



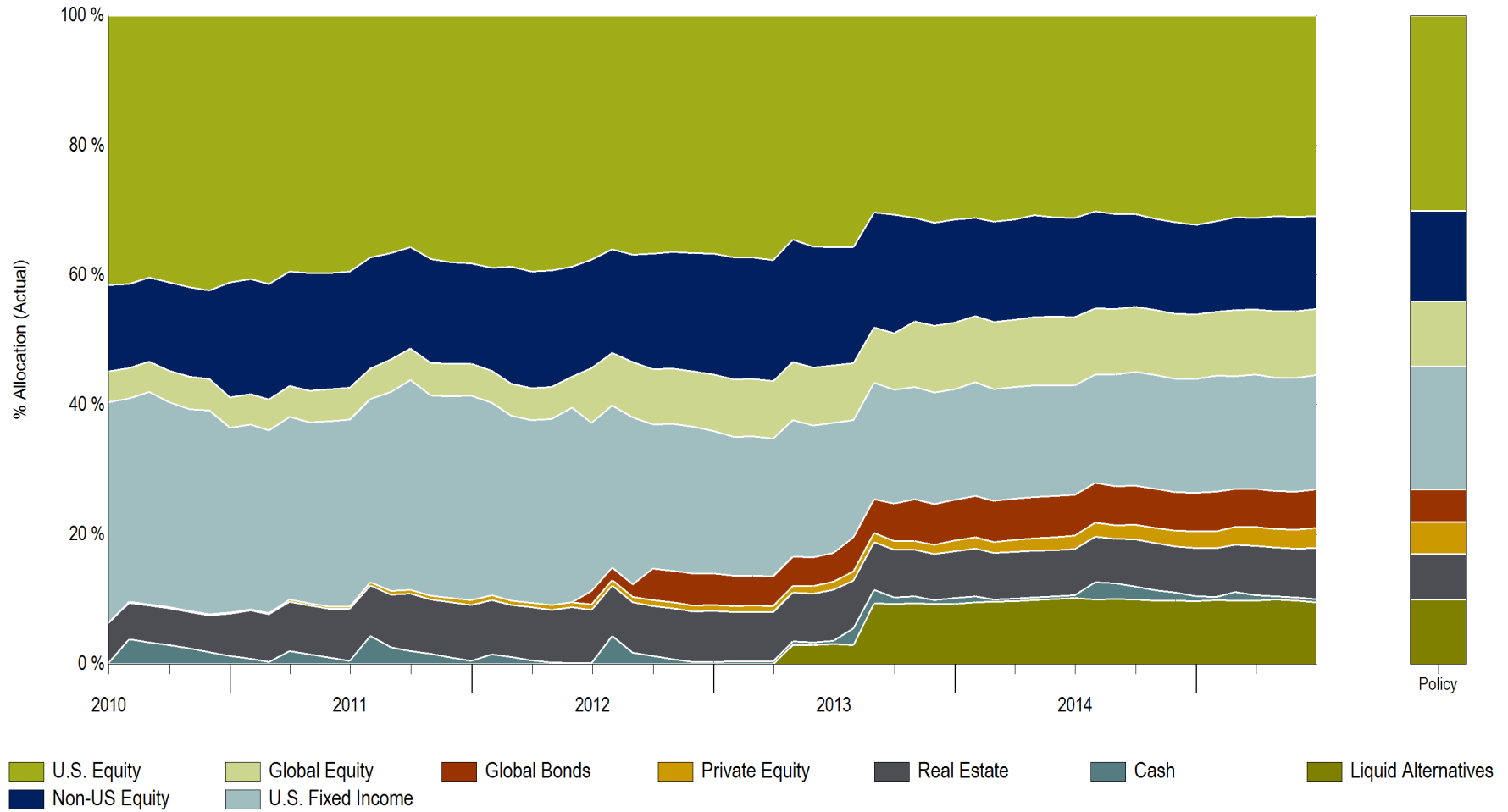
	Current	Current	Policy	Difference *	Policy Range	Within Range
U.S. Equity	\$1,343,602,115	31.0%	30.0%	1.0%	26.0% - 34.0%	Yes
Non-US Equity	\$620,071,941	14.3%	14.0%	0.3%	11.0% - 17.0%	Yes
Global Equity	\$443,040,988	10.2%	10.0%	0.2%	7.0% - 13.0%	Yes
U.S. Fixed Income	\$765,529,929	17.6%	19.0%	-1.4%	15.0% - 23.0%	Yes
Global Bonds	\$254,700,100	5.9%	5.0%	0.9%	3.0% - 7.0%	Yes
Private Equity	\$135,879,198	3.1%	5.0%	-1.9%	3.0% - 7.0%	Yes
Real Estate	\$339,068,878	7.8%	7.0%	0.8%	4.0% - 10.0%	Yes
Cash	\$24,711,809	0.6%	0.0%	0.6%	0.0% - 3.0%	Yes
Liquid Alternatives	\$411,531,622	9.5%	10.0%	-0.5%	7.0% - 13.0%	Yes
Total	\$4,338,136,581	100.0%	100.0%			

*Difference between Policy and Current Allocation

Cash represents assets in Clifton Group Overlay

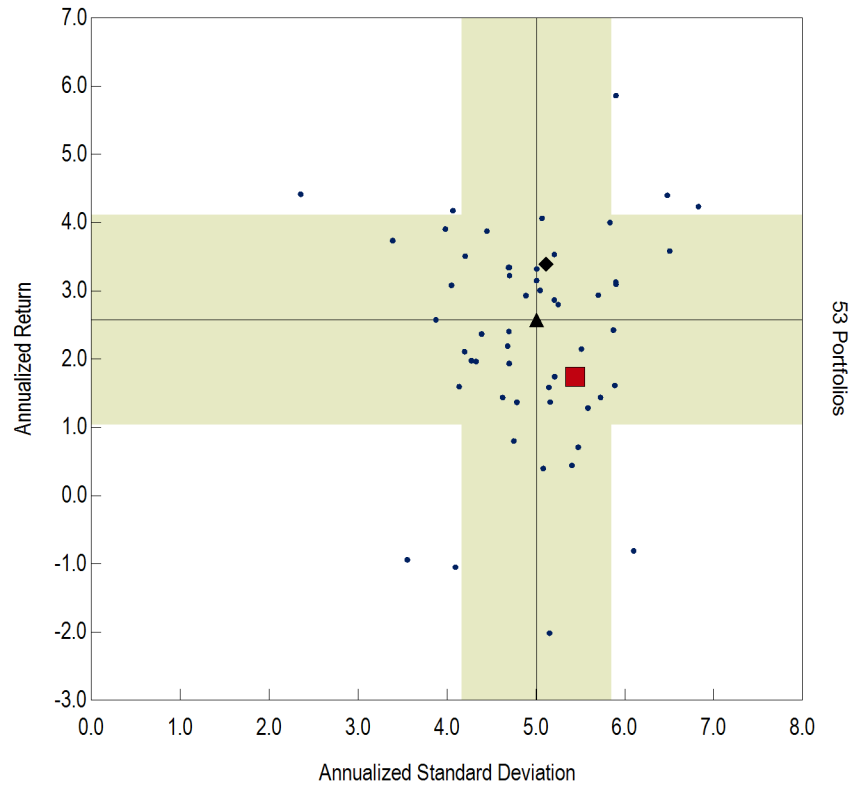
Total Fund Allocation History

Asset Allocation History
5 Years Ending June 30, 2015



Total Fund Risk/Return

1 Years Ending June 30, 2015



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

1 Years Ending June 30, 2015

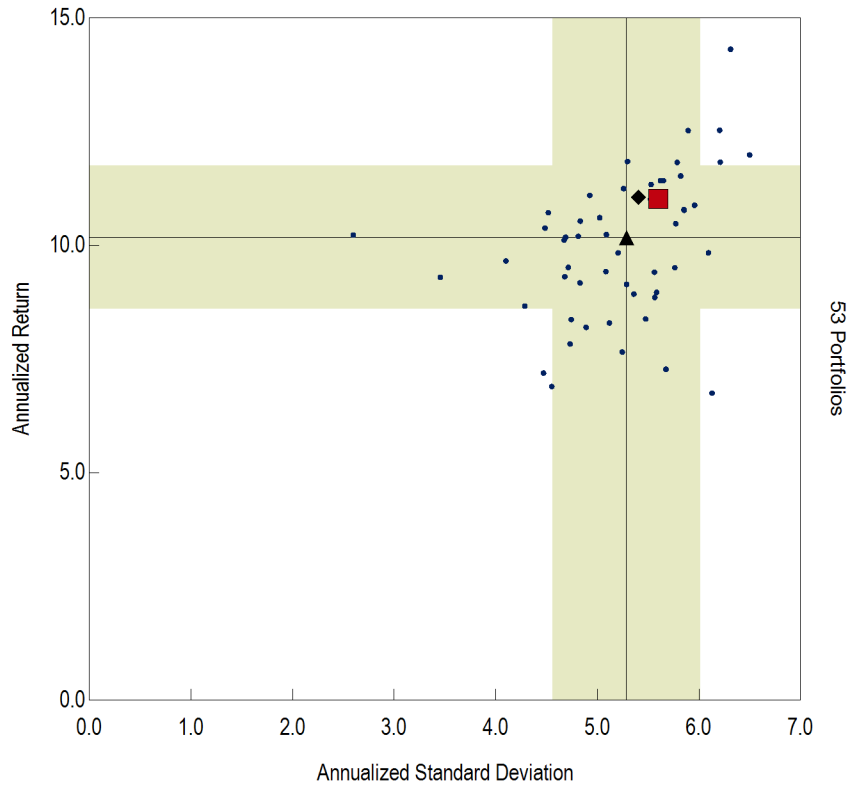
	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	1.7%	70	5.4%	73
Policy Index	3.4%	25	5.1%	57
InvestorForce Public DB > \$1B Net Median	2.6%	--	5.0%	--

1 Years Ending June 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	0.3	73	0.8	66
Policy Index	0.7	31	1.9	9
InvestorForce Public DB > \$1B Net Median	0.5	--	1.0	--

Total Fund Risk/Return

3 Years Ending June 30, 2015



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

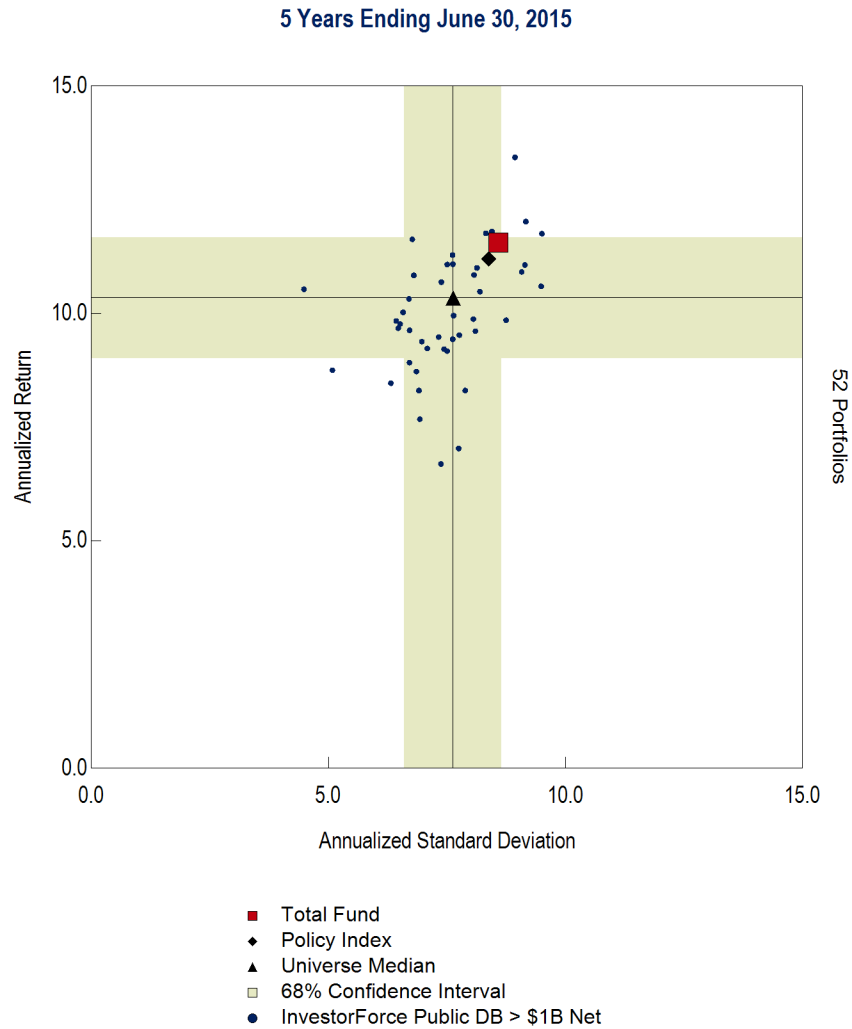
3 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	11.0%	26	5.6%	67
Policy Index	11.1%	24	5.4%	55
InvestorForce Public DB > \$1B Net Median	10.2%	--	5.3%	--

3 Years Ending June 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	2.0	49	4.9	18
Policy Index	2.0	31	5.0	17
InvestorForce Public DB > \$1B Net Median	1.9	--	4.1	--

Total Fund Risk/Return



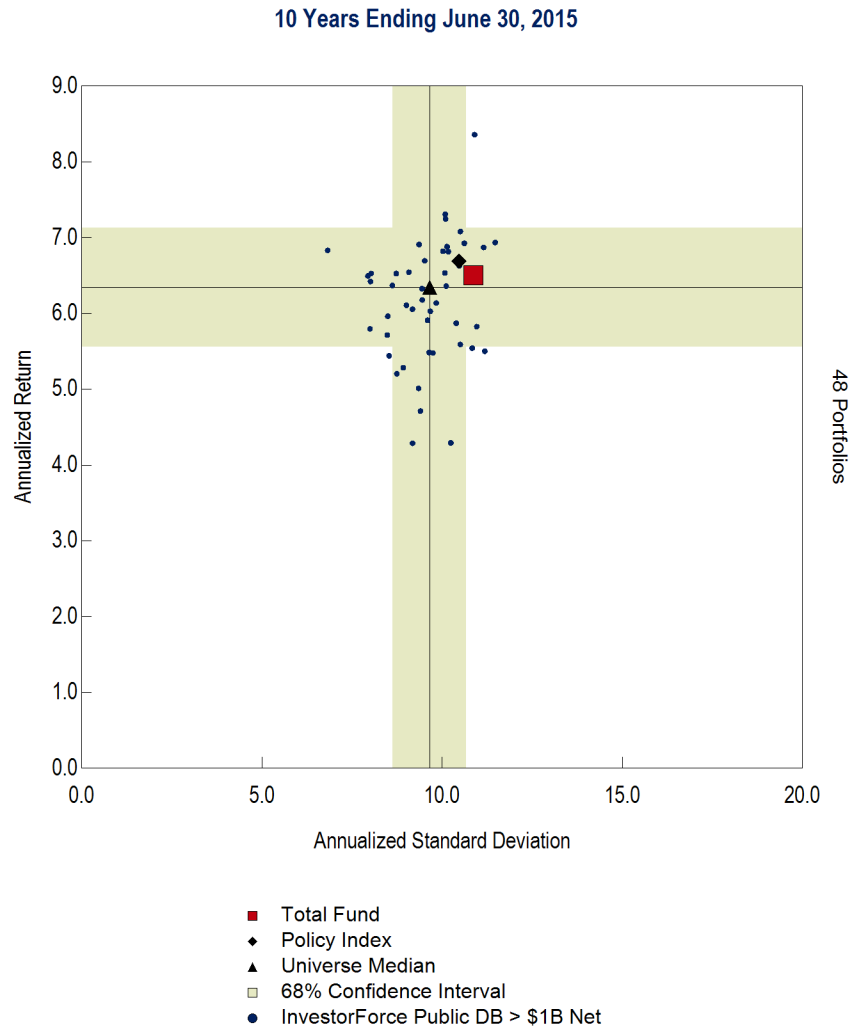
5 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	11.6%	14	8.6%	87
Policy Index	11.2%	22	8.4%	75
InvestorForce Public DB > \$1B Net Median	10.3%	--	7.6%	--

5 Years Ending June 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	1.3	45	2.2	28
Policy Index	1.3	50	2.2	40
InvestorForce Public DB > \$1B Net Median	1.3	--	2.1	--

Total Fund Risk/Return



10 Years Ending June 30, 2015

	Anlzd Ret	Rank	Anlzd Std Dev	Rank
Total Fund	6.5%	39	10.9%	89
Policy Index	6.7%	26	10.5%	77
InvestorForce Public DB > \$1B Net Median	6.3%	--	9.7%	--

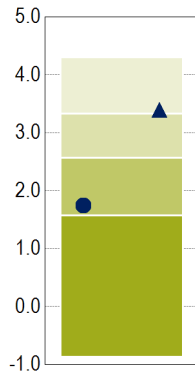
10 Years Ending June 30, 2015

	Sharpe Ratio	Rank	Sortino Ratio	Rank
Total Fund	0.5	71	0.7	62
Policy Index	0.5	52	0.7	49
InvestorForce Public DB > \$1B Net Median	0.5	--	0.7	--

Total Fund Risk Statistics vs. Peer Universe

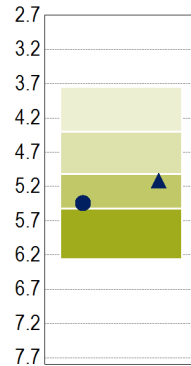
Total Fund vs. InvestorForce Public DB > \$1B Net
1 Year

Anlzd Return



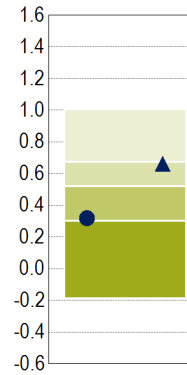
● Total Fund	
Value	1.7
%tile	70
▲ Policy Index	
Value	3.4
%tile	25
Universe	
5th %tile	4.3
25th %tile	3.3
Median	2.6
75th %tile	1.6
95th %tile	-0.9

Anlzd Standard Deviation



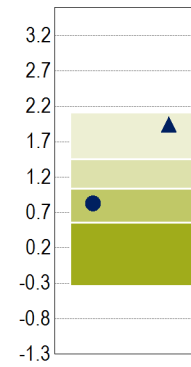
● Total Fund	
Value	5.4
%tile	73
▲ Policy Index	
Value	5.1
%tile	57
Universe	
5th %tile	3.7
25th %tile	4.4
Median	5.0
75th %tile	5.5
95th %tile	6.3

Sharpe Ratio



● Total Fund	
Value	0.3
%tile	73
▲ Policy Index	
Value	0.7
%tile	31
Universe	
5th %tile	1.0
25th %tile	0.7
Median	0.5
75th %tile	0.3
95th %tile	-0.2

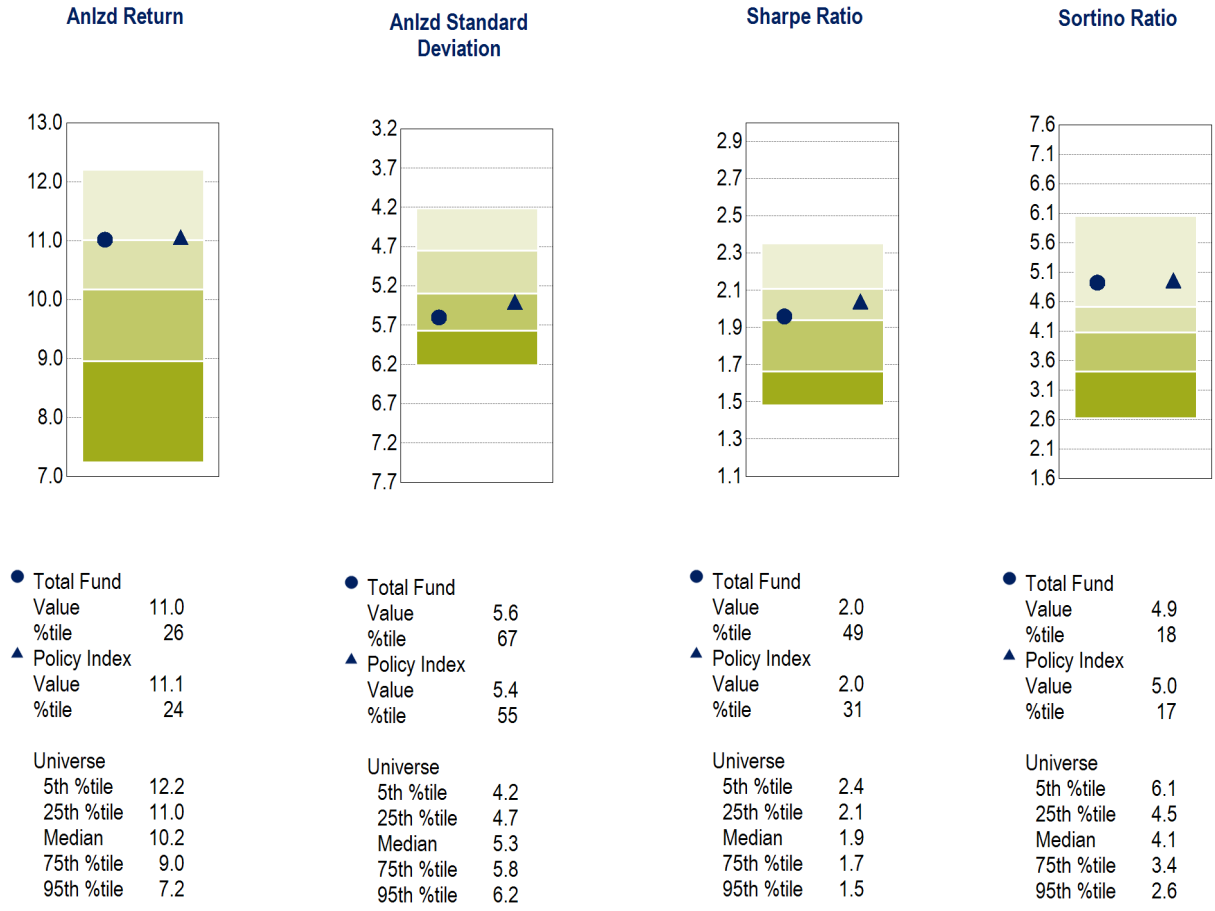
Sortino Ratio



● Total Fund	
Value	0.8
%tile	66
▲ Policy Index	
Value	1.9
%tile	9
Universe	
5th %tile	2.1
25th %tile	1.5
Median	1.0
75th %tile	0.6
95th %tile	-0.3

Total Fund Risk Statistics vs. Peer Universe

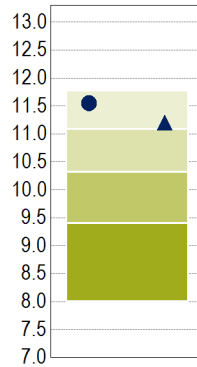
Total Fund vs. InvestorForce Public DB > \$1B Net
3 Years



Total Fund Risk Statistics vs. Peer Universe

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

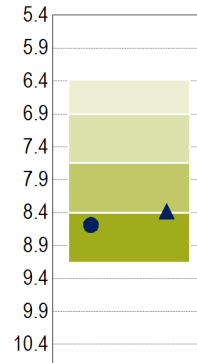
Anlzd Return



● Total Fund	
Value	11.6
%tile	14
▲ Policy Index	
Value	11.2
%tile	22

Universe	
5th %tile	11.8
25th %tile	11.1
Median	10.3
75th %tile	9.4
95th %tile	8.0

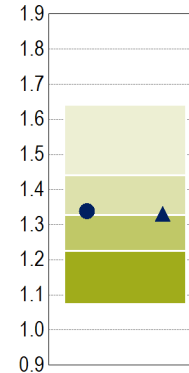
Anlzd Standard Deviation



● Total Fund	
Value	8.6
%tile	87
▲ Policy Index	
Value	8.4
%tile	75

Universe	
5th %tile	6.4
25th %tile	6.9
Median	7.6
75th %tile	8.4
95th %tile	9.2

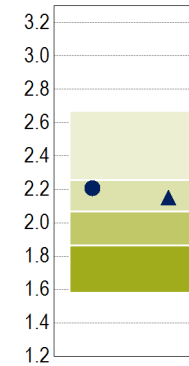
Sharpe Ratio



● Total Fund	
Value	1.3
%tile	45
▲ Policy Index	
Value	1.3
%tile	50

Universe	
5th %tile	1.6
25th %tile	1.4
Median	1.3
75th %tile	1.2
95th %tile	1.1

Sortino Ratio



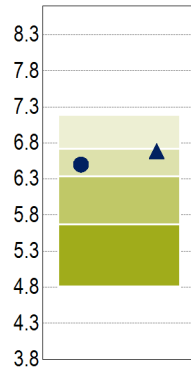
● Total Fund	
Value	2.2
%tile	28
▲ Policy Index	
Value	2.2
%tile	40

Universe	
5th %tile	2.7
25th %tile	2.3
Median	2.1
75th %tile	1.9
95th %tile	1.6

Total Fund Risk Statistics vs. Peer Universe

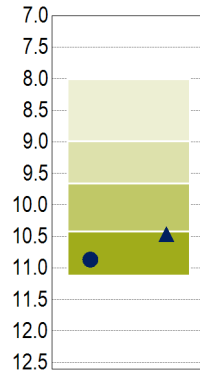
Total Fund vs. InvestorForce Public DB > \$1B Net
10 Years

Anlzd Return



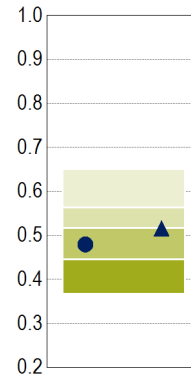
● Total Fund	Value	6.5
	%tile	39
▲ Policy Index	Value	6.7
	%tile	26
Universe		
	5th %tile	7.2
	25th %tile	6.7
	Median	6.3
	75th %tile	5.7
	95th %tile	4.8

Anlzd Standard Deviation



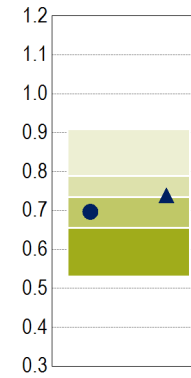
● Total Fund	Value	10.9
	%tile	89
▲ Policy Index	Value	10.5
	%tile	77
Universe		
	5th %tile	8.0
	25th %tile	9.0
	Median	9.7
	75th %tile	10.4
	95th %tile	11.1

Sharpe Ratio



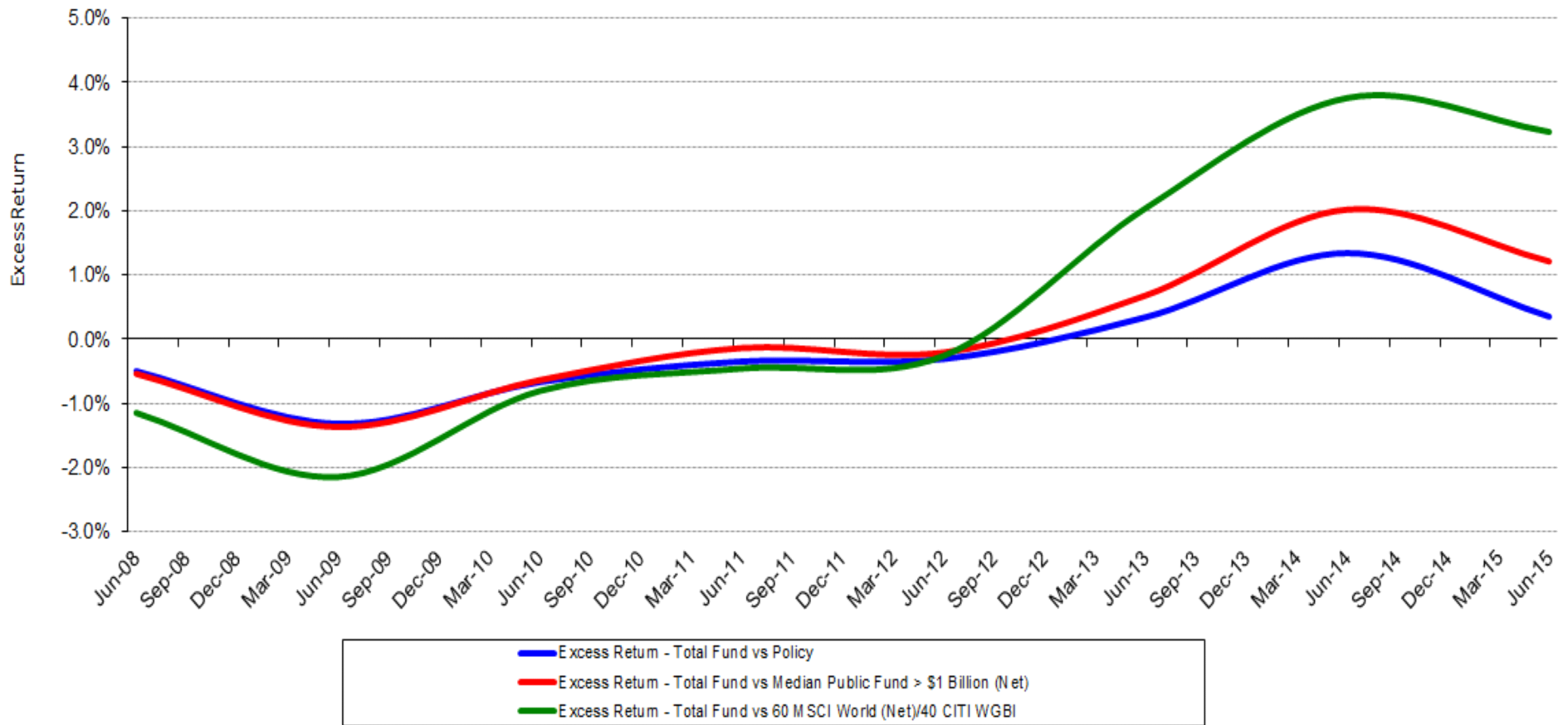
● Total Fund	Value	0.5
	%tile	71
▲ Policy Index	Value	0.5
	%tile	52
Universe		
	5th %tile	0.7
	25th %tile	0.6
	Median	0.5
	75th %tile	0.4
	95th %tile	0.4

Sortino Ratio



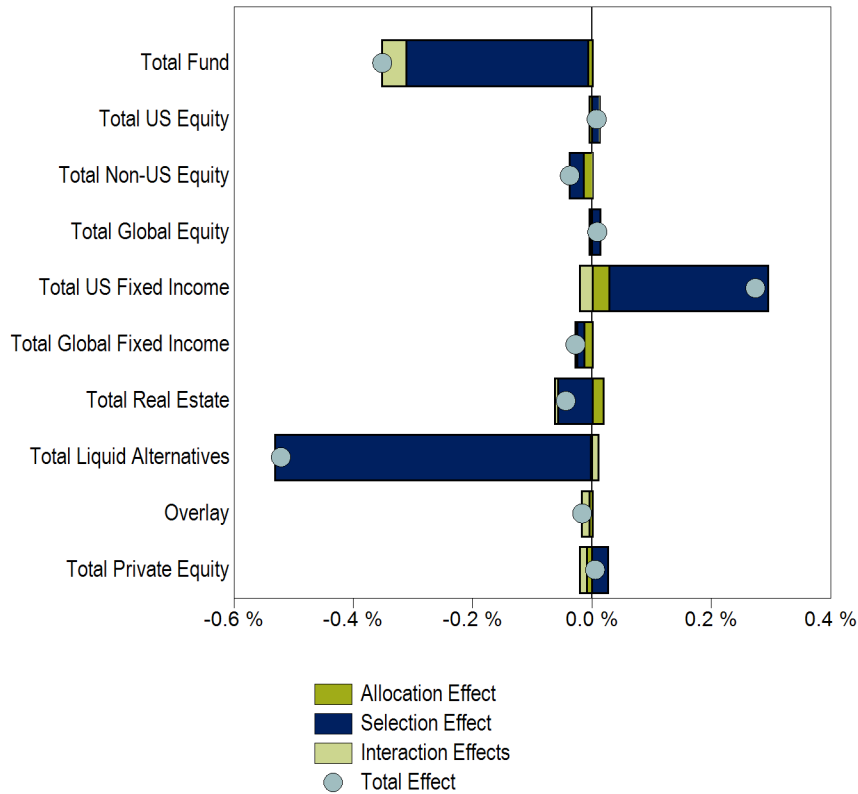
● Total Fund	Value	0.7
	%tile	62
▲ Policy Index	Value	0.7
	%tile	49
Universe		
	5th %tile	0.9
	25th %tile	0.8
	Median	0.7
	75th %tile	0.7
	95th %tile	0.5

Rolling 5 Year Excess Returns- Net of Fees



Total Fund Attribution Analysis

Attribution Effects
3 Months Ending June 30, 2015

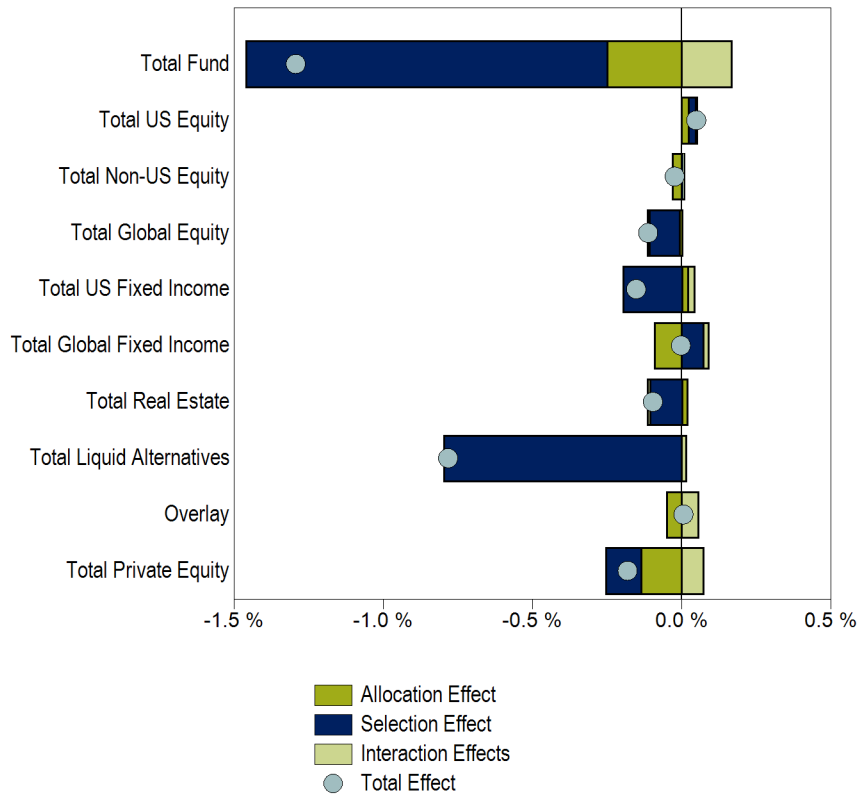


Attribution Summary
3 Months Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Non-US Equity	0.4%	0.5%	-0.2%	0.0%	0.0%	0.0%	0.0%
Total Global Equity	0.5%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Total US Fixed Income	-0.3%	-1.7%	1.4%	0.3%	0.0%	0.0%	0.3%
Total Global Fixed Income	-1.4%	-1.2%	-0.2%	0.0%	0.0%	0.0%	0.0%
Total Real Estate	3.0%	3.8%	-0.8%	-0.1%	0.0%	0.0%	0.0%
Total Liquid Alternatives	-3.2%	2.1%	-5.3%	-0.5%	0.0%	0.0%	-0.5%
Overlay	-0.2%	0.0%	-0.2%	0.0%	0.0%	0.0%	0.0%
Total Private Equity	1.2%	0.7%	0.5%	0.0%	0.0%	0.0%	0.0%
Total	-0.1%	0.3%	-0.4%	-0.3%	0.0%	0.0%	-0.4%

Total Fund Attribution Analysis

Attribution Effects
9 Months Ending June 30, 2015

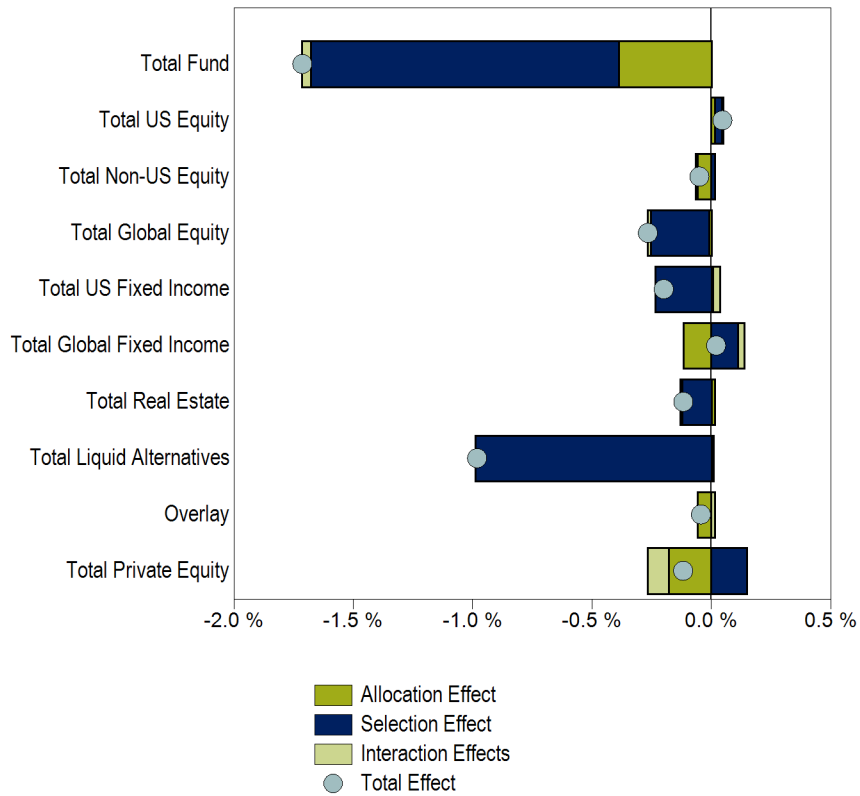


Attribution Summary
9 Months Ending June 30, 2015

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	7.4%	7.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Non-US Equity	0.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Global Equity	2.1%	3.1%	-1.0%	-0.1%	0.0%	0.0%	-0.1%
Total US Fixed Income	0.7%	1.7%	-1.0%	-0.2%	0.0%	0.0%	-0.2%
Total Global Fixed Income	-2.7%	-4.1%	1.4%	0.1%	-0.1%	0.0%	0.0%
Total Real Estate	9.3%	10.8%	-1.6%	-0.1%	0.0%	0.0%	-0.1%
Total Liquid Alternatives	-4.5%	3.2%	-7.7%	-0.8%	0.0%	0.0%	-0.8%
Overlay	3.4%	0.0%	3.4%	0.0%	0.0%	0.1%	0.0%
Total Private Equity	7.3%	9.5%	-2.2%	-0.1%	-0.1%	0.1%	-0.2%
Total	2.9%	4.2%	-1.3%	-1.2%	-0.3%	0.2%	-1.3%

Total Fund Attribution Analysis

**Attribution Effects
1 Year Ending June 30, 2015**



**Attribution Summary
1 Year Ending June 30, 2015**

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total US Equity	7.3%	7.2%	0.1%	0.0%	0.0%	0.0%	0.0%
Total Non-US Equity	-5.1%	-5.3%	0.2%	0.0%	-0.1%	0.0%	-0.1%
Total Global Equity	-1.7%	0.7%	-2.4%	-0.2%	0.0%	0.0%	-0.3%
Total US Fixed Income	0.7%	1.9%	-1.2%	-0.2%	0.0%	0.0%	-0.2%
Total Global Fixed Income	-5.0%	-7.1%	2.1%	0.1%	-0.1%	0.0%	0.0%
Total Real Estate	12.6%	14.4%	-1.9%	-0.1%	0.0%	0.0%	-0.1%
Total Liquid Alternatives	-5.7%	4.1%	-9.8%	-1.0%	0.0%	0.0%	-1.0%
Overlay	5.0%	0.0%	4.9%	0.0%	-0.1%	0.0%	0.0%
Total Private Equity	13.6%	10.2%	3.4%	0.1%	-0.2%	-0.1%	-0.1%
Total	1.7%	3.4%	-1.7%	-1.3%	-0.4%	0.0%	-1.7%

Ventura County Employees' Retirement Association

Total Fund Risk Statistics

1 Year Ending June 30, 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%	1.7%	70	5.4%	73	0.3	0.8%	25	-2.1	99	-1.8%	87	1.1
Policy Index	--	3.4%	25	5.1%	57	0.7	0.0%	1	--	--	0.0%	51	1.0
Total Equity	55.5%	2.3%	45	8.8%	43	0.3	1.6%	2	1.0	26	1.6%	47	1.0
MSCI ACWI	--	0.7%	62	9.0%	47	0.1	0.0%	1	--	--	0.0%	62	1.0
Total US Equity	31.0%	7.3%	46	9.5%	30	0.8	0.1%	1	1.8	5	0.1%	47	1.0
Total U.S. Equity Benchmark	--	7.2%	47	9.5%	30	0.8	0.0%	1	--	--	0.0%	47	1.0
Total Non-US Equity	14.3%	-5.1%	82	10.0%	53	-0.5	1.2%	1	0.1	80	-0.2%	85	0.9
Total Non-US Equity Benchmark	--	-5.3%	84	10.7%	74	-0.5	0.0%	1	--	--	0.0%	83	1.0
Total Global Equity	10.2%	-1.7%	79	9.7%	63	-0.2	1.5%	2	-1.6	93	-2.5%	79	1.1
MSCI ACWI	--	0.7%	62	9.0%	47	0.1	0.0%	1	--	--	0.0%	62	1.0
Total Fixed Income	23.5%	-0.8%	40	1.7%	5	-0.5	2.6%	27	2.5	10	1.7%	57	0.4
Barclays Global Aggregate	--	-7.1%	84	3.5%	43	-2.0	0.0%	1	--	--	0.0%	74	1.0
Total US Fixed Income	17.6%	0.7%	72	1.5%	24	0.4	2.6%	52	-0.5	66	0.1%	53	0.3
Barclays Aggregate	--	1.9%	26	3.3%	68	0.6	0.0%	1	--	--	0.0%	60	1.0
Total Global Fixed Income	5.9%	-5.0%	65	3.0%	19	-1.7	1.1%	9	1.9	29	0.8%	64	0.8
Barclays Global Aggregate	--	-7.1%	84	3.5%	43	-2.0	0.0%	1	--	--	0.0%	74	1.0
Total Real Estate	7.8%	12.6%	--	5.1%	--	2.4	0.9%	--	-2.1	--	0.0%	--	0.9
Total Real Estate Benchmark	--	14.4%	--	5.9%	--	2.5	0.0%	--	--	--	0.0%	--	1.0
Total Liquid Alternatives	9.5%	-5.7%	--	8.7%	--	-0.7	9.0%	--	-1.1	--	-2.5%	--	-0.8
CPI + 4% (Unadjusted)	--	4.1%	--	1.4%	--	2.9	0.0%	--	--	--	0.0%	--	1.0

Ventura County Employees' Retirement Association

Total Fund Risk Statistics

3 Year Ending June 30, 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%	11.0%	26	5.6%	67	2.0	0.7%	14	-0.1	79	-0.4%	80	1.0
Policy Index	--	11.1%	24	5.4%	55	2.0	0.0%	1	--	--	0.0%	64	1.0
Total Equity	55.5%	14.4%	46	8.5%	16	1.7	1.4%	2	1.0	17	2.0%	47	1.0
MSCI ACWI	--	13.0%	60	8.7%	30	1.5	0.0%	1	--	--	0.0%	71	1.0
Total US Equity	31.0%	18.0%	46	8.8%	16	2.0	0.3%	1	1.0	6	0.3%	40	1.0
Total U.S. Equity Benchmark	--	17.6%	52	8.7%	15	2.0	0.0%	1	--	--	0.0%	44	1.0
Total Non-US Equity	14.3%	9.3%	96	9.8%	22	1.0	1.1%	1	-0.1	96	0.5%	95	0.9
Total Non-US Equity Benchmark	--	9.4%	95	10.4%	56	0.9	0.0%	1	--	--	0.0%	97	1.0
Total Global Equity	10.2%	11.8%	74	9.0%	41	1.3	1.1%	1	-1.1	91	-1.5%	82	1.0
MSCI ACWI	--	13.0%	60	8.7%	30	1.5	0.0%	1	--	--	0.0%	71	1.0
Total Fixed Income	23.5%	2.2%	56	2.5%	7	0.9	2.4%	26	1.2	42	2.6%	59	0.5
Barclays Global Aggregate	--	-0.8%	84	4.0%	30	-0.2	0.0%	1	--	--	0.0%	86	1.0
Total US Fixed Income	17.6%	2.7%	46	2.3%	39	1.1	1.8%	41	0.4	48	1.5%	34	0.6
Barclays Aggregate	--	1.8%	64	3.0%	53	0.6	0.0%	1	--	--	0.0%	83	1.0
Total Global Fixed Income	5.9%	0.1%	77	3.9%	29	0.0	1.1%	11	0.9	54	0.9%	76	1.0
Barclays Global Aggregate	--	-0.8%	84	4.0%	30	-0.2	0.0%	1	--	--	0.0%	86	1.0
Total Real Estate	7.8%	10.7%	--	4.4%	--	2.4	1.1%	--	-2.3	--	-0.1%	--	0.8
Total Real Estate Benchmark	--	13.1%	--	5.3%	--	2.5	0.0%	--	--	--	0.0%	--	1.0
Total Liquid Alternatives	9.5%	--	--	--	--	--	--	--	--	--	--	--	--
CPI + 4% (Unadjusted)	--	5.4%	--	1.2%	--	4.4	0.0%	--	--	--	0.0%	--	1.0

Ventura County Employees' Retirement Association

Total Fund Risk Statistics

5 Year Ending June 30, 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%	11.6%	14	8.6%	87	1.3	0.8%	12	0.4	33	0.1%	49	1.0
Policy Index	--	11.2%	22	8.4%	75	1.3	0.0%	1	--	--	0.0%	57	1.0
Total Equity	55.5%	--	--	--	--	--	--	--	--	--	--	--	--
MSCI ACWI	--	11.9%	68	13.6%	41	0.9	0.0%	1	--	--	0.0%	72	1.0
Total US Equity	31.0%	17.8%	38	12.6%	24	1.4	0.3%	1	1.0	1	0.2%	31	1.0
Total U.S. Equity Benchmark	--	17.5%	42	12.5%	23	1.4	0.0%	1	--	--	0.0%	33	1.0
Total Non-US Equity	14.3%	8.2%	87	14.9%	26	0.5	1.4%	1	0.3	80	0.8%	85	0.9
Total Non-US Equity Benchmark	--	7.8%	90	15.7%	58	0.5	0.0%	1	--	--	0.0%	89	1.0
Total Global Equity	10.2%	11.7%	72	12.7%	21	0.9	2.2%	6	-0.1	74	0.7%	63	0.9
MSCI ACWI	--	11.9%	68	13.6%	41	0.9	0.0%	1	--	--	0.0%	72	1.0
Total Fixed Income	23.5%	4.5%	52	2.7%	7	1.6	3.2%	35	0.8	40	3.5%	39	0.4
Barclays Global Aggregate	--	2.1%	86	4.8%	30	0.4	0.0%	1	--	--	0.0%	85	1.0
Total US Fixed Income	17.6%	4.8%	40	2.6%	38	1.8	2.0%	40	0.7	36	2.5%	26	0.7
Barclays Aggregate	--	3.3%	60	2.8%	48	1.2	0.0%	1	--	--	0.0%	85	1.0
Total Global Fixed Income	5.9%	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Global Aggregate	--	2.1%	86	4.8%	30	0.4	0.0%	1	--	--	0.0%	85	1.0
Total Real Estate	7.8%	12.3%	--	5.1%	--	2.4	1.0%	--	-2.1	--	-0.2%	--	0.9
Total Real Estate Benchmark	--	14.4%	--	5.9%	--	2.4	0.0%	--	--	--	0.0%	--	1.0
Total Liquid Alternatives	9.5%	--	--	--	--	--	--	--	--	--	--	--	--
CPI + 4% (Unadjusted)	--	5.9%	--	1.2%	--	5.0	0.0%	--	--	--	0.0%	--	1.0

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Fund	4,338,136,581	100.0	100.0	-0.1	72	1.9	89	1.7	70	11.0	26	11.6	14	6.5	39	8.2	Apr-94
Policy Index				0.3	52	2.3	66	3.4	25	11.1	24	11.2	22	6.7	26	8.2	Apr-94
Over/Under				-0.4		-0.4		-1.7		-0.1		0.4		-0.2		0.0	
Allocation Index				0.1	59	2.0	88	2.7	50	10.4	42	10.7	41	6.3	51	--	Apr-94
InvestorForce Public DB > \$1B Net Median				0.3		2.7		2.6		10.2		10.3		6.3		7.6	Apr-94
Total Fund ex Parametric	4,313,424,772	99.4	--	-0.1	--	1.9	--	1.8	--	10.9	--	11.4	--	6.4	--	8.1	Apr-94
Total Fund ex Private Equity	4,202,257,383	96.9	--	-0.1	75	1.8	91	1.5	77	10.2	50	--	--	--	--	10.6	Jan-12
Policy Index				0.3	52	2.3	66	3.4	25	11.1	24	11.2	22	6.7	26	11.2	Jan-12
Over/Under				-0.4		-0.5		-1.9		-0.9						-0.6	
InvestorForce Public DB > \$1B Net Median				0.3		2.7		2.6		10.2		10.3		6.3		10.2	Jan-12
Total US Equity	1,343,602,115	31.0	30.0	0.2	50	2.0	62	7.3	46	18.0	46	17.8	38	7.8	71	9.0	Dec-93
Total U.S. Equity Benchmark				0.1	51	1.9	63	7.2	47	17.6	52	17.5	42	8.3	59	9.4	Dec-93
Over/Under				0.1		0.1		0.1		0.4		0.3		-0.5		-0.4	
eA All US Equity Net Median				0.2		3.0		6.8		17.7		17.1		8.5		10.5	Dec-93
BlackRock Equity Market Fund	1,153,653,122	26.6		0.2	50	2.0	63	7.3	46	17.7	51	17.6	42	--	--	7.4	Dec-07
Dow Jones U.S. Total Stock Market				0.1	51	1.9	64	7.2	47	17.6	52	17.5	42	8.3	58	7.4	Dec-07
Over/Under				0.1		0.1		0.1		0.1		0.1				0.0	
eA All US Equity Net Median				0.2		3.0		6.8		17.7		17.1		8.5		7.7	Dec-07
Western U.S. Index Plus	141,099,179	3.3		0.2	50	1.3	70	7.4	44	18.5	40	19.1	19	--	--	3.5	May-07
S&P 500				0.3	45	1.2	72	7.4	44	17.3	56	17.3	46	7.9	69	6.0	May-07
Over/Under				-0.1		0.1		0.0		1.2		1.8				-2.5	
eA All US Equity Net Median				0.2		3.0		6.8		17.7		17.1		8.5		6.7	May-07
BlackRock Extended Equity Index	48,849,814	1.1		-0.5	71	4.8	49	6.2	48	19.1	41	18.3	38	9.6	31	12.5	Oct-02
Dow Jones U.S. Completion Total Stock Market				-0.5	72	4.8	49	6.2	48	19.0	42	18.1	42	9.6	33	12.5	Oct-02
Over/Under				0.0		0.0		0.0		0.1		0.2		0.0		0.0	
eA US Small Cap Equity Net Median				0.6		4.6		6.0		18.4		17.4		8.8		11.9	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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Non-US Equity	620,071,941	14.3	14.0	0.4	85	3.5	92	-5.1	82	9.3	96	8.2	87	5.5	64	6.6	Mar-94
<i>Total Non-US Equity Benchmark</i>				<i>0.5</i>	<i>83</i>	<i>4.0</i>	<i>88</i>	<i>-5.3</i>	<i>84</i>	<i>9.4</i>	<i>95</i>	<i>7.8</i>	<i>90</i>	<i>5.5</i>	<i>63</i>	<i>5.3</i>	<i>Mar-94</i>
<i>Over/Under</i>				<i>-0.1</i>		<i>-0.5</i>		<i>0.2</i>		<i>-0.1</i>		<i>0.4</i>		<i>0.0</i>		<i>1.3</i>	
<i>eA All EAFE Equity Net Median</i>				<i>1.6</i>		<i>6.7</i>		<i>-2.0</i>		<i>12.8</i>		<i>10.7</i>		<i>6.3</i>		<i>6.7</i>	<i>Mar-94</i>
BlackRock ACWI ex-U.S. Index	261,074,854	6.0		1.1	50	4.7	68	-4.8	76	10.0	70	8.2	87	--	--	1.8	Mar-07
<i>MSCI ACWI ex USA</i>				<i>0.5</i>	<i>65</i>	<i>4.0</i>	<i>77</i>	<i>-5.3</i>	<i>77</i>	<i>9.4</i>	<i>75</i>	<i>7.8</i>	<i>91</i>	<i>5.5</i>	<i>80</i>	<i>1.4</i>	<i>Mar-07</i>
<i>Over/Under</i>				<i>0.6</i>		<i>0.7</i>		<i>0.5</i>		<i>0.6</i>		<i>0.4</i>				<i>0.4</i>	
<i>eA ACWI ex-US All Cap Equity Net Median</i>				<i>1.0</i>		<i>5.5</i>		<i>-1.8</i>		<i>11.7</i>		<i>10.3</i>		<i>6.6</i>		<i>2.8</i>	<i>Mar-07</i>
Sprucegrove	183,233,372	4.2		-0.6	97	1.4	97	-7.4	91	8.8	96	8.6	72	5.6	55	7.8	Mar-02
<i>MSCI EAFE</i>				<i>0.6</i>	<i>83</i>	<i>5.5</i>	<i>73</i>	<i>-4.2</i>	<i>71</i>	<i>12.0</i>	<i>65</i>	<i>9.5</i>	<i>64</i>	<i>5.1</i>	<i>73</i>	<i>6.4</i>	<i>Mar-02</i>
<i>Over/Under</i>				<i>-1.2</i>		<i>-4.1</i>		<i>-3.2</i>		<i>-3.2</i>		<i>-0.9</i>		<i>0.5</i>		<i>1.4</i>	
<i>MSCI ACWI ex USA</i>				<i>0.5</i>	<i>84</i>	<i>4.0</i>	<i>84</i>	<i>-5.3</i>	<i>81</i>	<i>9.4</i>	<i>93</i>	<i>7.8</i>	<i>85</i>	<i>5.5</i>	<i>60</i>	<i>7.0</i>	<i>Mar-02</i>
<i>eA EAFE All Cap Equity Net Median</i>				<i>1.5</i>		<i>6.6</i>		<i>-1.9</i>		<i>12.7</i>		<i>10.5</i>		<i>5.8</i>		<i>7.5</i>	<i>Mar-02</i>
Hexavest	80,481,482	1.9		0.0	91	3.7	91	-4.3	72	9.3	94	--	--	--	--	4.6	Dec-10
<i>MSCI EAFE</i>				<i>0.6</i>	<i>83</i>	<i>5.5</i>	<i>73</i>	<i>-4.2</i>	<i>71</i>	<i>12.0</i>	<i>65</i>	<i>9.5</i>	<i>64</i>	<i>5.1</i>	<i>73</i>	<i>5.5</i>	<i>Dec-10</i>
<i>Over/Under</i>				<i>-0.6</i>		<i>-1.8</i>		<i>-0.1</i>		<i>-2.7</i>						<i>-0.9</i>	
<i>eA EAFE All Cap Equity Net Median</i>				<i>1.5</i>		<i>6.6</i>		<i>-1.9</i>		<i>12.7</i>		<i>10.5</i>		<i>5.8</i>		<i>6.2</i>	<i>Dec-10</i>
Walter Scott	95,282,233	2.2		0.6	63	4.0	77	-2.0	52	7.7	94	--	--	--	--	4.6	Dec-10
<i>MSCI ACWI ex USA</i>				<i>0.5</i>	<i>65</i>	<i>4.0</i>	<i>77</i>	<i>-5.3</i>	<i>77</i>	<i>9.4</i>	<i>75</i>	<i>7.8</i>	<i>91</i>	<i>5.5</i>	<i>80</i>	<i>3.4</i>	<i>Dec-10</i>
<i>Over/Under</i>				<i>0.1</i>		<i>0.0</i>		<i>3.3</i>		<i>-1.7</i>						<i>1.2</i>	
<i>eA ACWI ex-US All Cap Equity Net Median</i>				<i>1.0</i>		<i>5.5</i>		<i>-1.8</i>		<i>11.7</i>		<i>10.3</i>		<i>6.6</i>		<i>5.7</i>	<i>Dec-10</i>

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Global Equity	443,040,988	10.2	10.0	0.5	49	2.9	55	-1.7	79	11.8	74	11.7	72	5.4	88	5.6	May-05
MSCI ACWI				0.3	52	2.7	59	0.7	62	13.0	60	11.9	68	6.4	69	6.6	May-05
Over/Under				0.2		0.2		-2.4		-1.2		-0.2		-1.0		-1.0	
eA All Global Equity Net Median				0.4		3.2		1.8		13.8		13.1		7.2		7.4	May-05
BlackRock MSCI ACWI Equity Index	228,888,257	5.3		0.5	49	2.9	57	1.1	58	13.4	55	--	--	--	--	13.4	Jul-12
MSCI ACWI				0.3	52	2.7	59	0.7	62	13.0	60	11.9	68	6.4	69	13.0	Jul-12
Over/Under				0.2		0.2		0.4		0.4						0.4	
eA All Global Equity Net Median				0.4		3.2		1.8		13.8		13.1		7.2		13.8	Jul-12
GMO Global Equity	214,152,731	4.9		0.5	49	3.0	54	-4.5	88	10.4	82	11.3	76	6.4	69	6.6	Apr-05
MSCI ACWI				0.3	52	2.7	59	0.7	62	13.0	60	11.9	68	6.4	69	6.6	Apr-05
Over/Under				0.2		0.3		-5.2		-2.6		-0.6		0.0		0.0	
eA All Global Equity Net Median				0.4		3.2		1.8		13.8		13.1		7.2		7.4	Apr-05

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Private Equity	135,879,198	3.1	5.0	1.2	--	5.7	--	13.6	--	14.5	--	--	--	--	--	15.1	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.7</u>	--	<u>3.3</u>	--	<u>10.2</u>	--	<u>21.0</u>	--	<u>21.0</u>	--	--	--	<u>21.4</u>	<i>Jan-12</i>
Over/Under				0.5		2.4		3.4		-6.5						-6.3	
Adams Street Partners	82,092,743	1.9		1.0	--	4.3	--	11.7	--	13.4	--	--	--	--	--	14.3	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.7</u>	--	<u>3.3</u>	--	<u>10.2</u>	--	<u>21.0</u>	--	<u>21.0</u>	--	--	--	<u>21.4</u>	<i>Jan-12</i>
Over/Under				0.3		1.0		1.5		-7.6						-7.1	
Pantheon Ventures	13,083,839	0.3		-6.7	--	-4.6	--	-1.5	--	7.3	--	--	--	--	--	7.5	Jan-12
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.7</u>	--	<u>3.3</u>	--	<u>10.2</u>	--	<u>21.0</u>	--	<u>21.0</u>	--	--	--	<u>21.4</u>	<i>Jan-12</i>
Over/Under				-7.4		-7.9		-11.7		-13.7						-13.9	
Harbourvest	40,702,616	0.9		4.8	--	13.1	--	24.8	--	--	--	--	--	--	--	20.8	Jul-13
<i>DJ U.S. Total Stock Market Index + 3%</i>				<u>0.7</u>	--	<u>3.3</u>	--	<u>10.2</u>	--	<u>21.0</u>	--	<u>21.0</u>	--	--	--	<u>19.1</u>	<i>Jul-13</i>
Over/Under				4.1		9.8		14.6								1.7	

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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total US Fixed Income	765,529,929	17.6	19.0	-0.3	40	0.7	37	0.7	72	2.7	46	4.8	40	5.7	26	6.2	Feb-94
Barclays Aggregate				-1.7	79	-0.1	80	1.9	26	1.8	64	3.3	60	4.4	54	5.7	Feb-94
Over/Under				1.4		0.8		-1.2		0.9		1.5		1.3		0.5	
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		5.6	Feb-94
BlackRock U.S. Debt Fund	139,156,682	3.2		-1.7	79	-0.1	80	1.9	23	1.9	62	3.4	59	4.5	51	5.5	Nov-95
Barclays Aggregate				-1.7	79	-0.1	80	1.9	26	1.8	64	3.3	60	4.4	54	5.5	Nov-95
Over/Under				0.0		0.0		0.0		0.1		0.1		0.1		0.0	
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		5.4	Nov-95
Western	267,583,057	6.2		-1.8	81	0.4	56	2.0	21	3.6	32	5.4	34	5.2	33	6.5	Dec-96
Barclays Aggregate				-1.7	79	-0.1	80	1.9	26	1.8	64	3.3	60	4.4	54	5.5	Dec-96
Over/Under				-0.1		0.5		0.1		1.8		2.1		0.8		1.0	
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		5.5	Dec-96
Reams	285,857,316	6.6		1.9	1	1.2	21	-1.2	93	1.4	76	4.1	47	6.0	23	5.8	Sep-01
Reams Custom Index				0.1	22	0.1	69	0.3	82	0.6	91	2.6	76	4.0	63	4.5	Sep-01
Over/Under				1.8		1.1		-1.5		0.8		1.5		2.0		1.3	
Barclays Aggregate				-1.7	79	-0.1	80	1.9	26	1.8	64	3.3	60	4.4	54	4.8	Sep-01
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		4.9	Sep-01
Loomis Sayles Multi Strategy	72,932,875	1.7		-0.7	52	1.4	19	0.8	67	6.3	11	7.5	17	6.9	13	7.0	Jul-05
Loomis Custom Index				-1.1	65	0.8	33	1.1	57	3.2	37	4.9	39	5.5	29	5.5	Jul-05
Over/Under				0.4		0.6		-0.3		3.1		2.6		1.4		1.5	
Barclays Govt/Credit				-2.1	85	-0.3	85	1.7	32	1.8	66	3.5	58	4.4	55	4.5	Jul-05
eA All US Fixed Inc Net Median				-0.6		0.5		1.2		2.4		3.9		4.5		4.6	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	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Global Fixed Income	254,700,100	5.9	5.0	-1.4	61	-2.2	67	-5.0	65	0.1	77	--	--	--	--	0.1	Jun-12
<i>Barclays Global Aggregate</i>				<i>-1.2</i>	<i>57</i>	<i>-3.1</i>	<i>77</i>	<i>-7.1</i>	<i>84</i>	<i>-0.8</i>	<i>84</i>	<i>2.1</i>	<i>86</i>	<i>3.5</i>	<i>84</i>	<i>-0.8</i>	<i>Jun-12</i>
<i>Over/Under</i>				<i>-0.2</i>		<i>0.9</i>		<i>2.1</i>		<i>0.9</i>						<i>0.9</i>	
<i>eA All Global Fixed Inc Net Median</i>				<i>-1.0</i>		<i>-0.1</i>		<i>-2.9</i>		<i>2.8</i>		<i>4.6</i>		<i>4.6</i>		<i>2.8</i>	<i>Jun-12</i>
Loomis Sayles Global Fixed Income	89,353,853	2.1		-1.3	53	-3.2	74	-7.4	85	-0.5	74	--	--	--	--	-0.5	Jun-12
<i>Barclays Global Aggregate</i>				<i>-1.2</i>	<i>53</i>	<i>-3.1</i>	<i>73</i>	<i>-7.1</i>	<i>83</i>	<i>-0.8</i>	<i>79</i>	<i>2.1</i>	<i>80</i>	<i>3.5</i>	<i>77</i>	<i>-0.8</i>	<i>Jun-12</i>
<i>Over/Under</i>				<i>-0.1</i>		<i>-0.1</i>		<i>-0.3</i>		<i>0.3</i>						<i>0.3</i>	
<i>eA Global Fixed Inc Unhedged Net Median</i>				<i>-1.1</i>		<i>-0.6</i>		<i>-4.3</i>		<i>1.9</i>		<i>3.8</i>		<i>4.1</i>		<i>1.9</i>	<i>Jun-12</i>
PIMCO Global Fixed Income	122,727,594	2.8		-1.9	80	-2.6	65	-5.4	61	--	--	--	--	--	--	-1.6	Sep-12
<i>Barclays Global Aggregate</i>				<i>-1.2</i>	<i>53</i>	<i>-3.1</i>	<i>73</i>	<i>-7.1</i>	<i>83</i>	<i>-0.8</i>	<i>79</i>	<i>2.1</i>	<i>80</i>	<i>3.5</i>	<i>77</i>	<i>-2.0</i>	<i>Sep-12</i>
<i>Over/Under</i>				<i>-0.7</i>		<i>0.5</i>		<i>1.7</i>								<i>0.4</i>	
<i>eA Global Fixed Inc Unhedged Net Median</i>				<i>-1.1</i>		<i>-0.6</i>		<i>-4.3</i>		<i>1.9</i>		<i>3.8</i>		<i>4.1</i>		<i>0.6</i>	<i>Sep-12</i>
Loomis Strategic Alpha	42,618,653	1.0		-0.3	31	1.3	26	1.7	7	--	--	--	--	--	--	2.7	Jul-13
<i>Barclays Global Aggregate</i>				<i>-1.2</i>	<i>53</i>	<i>-3.1</i>	<i>73</i>	<i>-7.1</i>	<i>83</i>	<i>-0.8</i>	<i>79</i>	<i>2.1</i>	<i>80</i>	<i>3.5</i>	<i>77</i>	<i>-0.8</i>	<i>Jul-13</i>
<i>Over/Under</i>				<i>0.9</i>		<i>4.4</i>		<i>8.8</i>								<i>3.5</i>	
<i>eA Global Fixed Inc Unhedged Net Median</i>				<i>-1.1</i>		<i>-0.6</i>		<i>-4.3</i>		<i>1.9</i>		<i>3.8</i>		<i>4.1</i>		<i>1.6</i>	<i>Jul-13</i>

Ventura County Employees' Retirement Association

Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Real Estate	339,068,878	7.8	7.0	3.0	--	6.0	--	12.6	--	10.7	--	12.3	--	4.6	--	7.9	Mar-94
<i>Total Real Estate Benchmark</i>				<u>3.8</u>	--	<u>7.3</u>	--	<u>14.4</u>	--	<u>13.1</u>	--	<u>14.4</u>	--	<u>6.8</u>	--	<u>9.0</u>	<i>Mar-94</i>
Over/Under				-0.8		-1.3		-1.8		-2.4		-2.1		-2.2		-1.1	
Prudential Real Estate	114,985,250	2.7		3.3	--	6.6	--	13.9	--	12.2	--	13.9	--	5.7	--	5.6	Jun-04
<i>NCREIF-ODCE</i>				<u>3.8</u>	--	<u>7.3</u>	--	<u>14.4</u>	--	<u>13.1</u>	--	<u>14.4</u>	--	<u>6.8</u>	--	<u>7.8</u>	<i>Jun-04</i>
Over/Under				-0.5		-0.7		-0.5		-0.9		-0.5		-1.1		-2.2	
UBS Real Estate	219,652,656	5.1		2.7	--	5.5	--	11.6	--	9.9	--	11.1	--	6.0	--	7.5	Mar-03
<i>NCREIF-ODCE</i>				<u>3.8</u>	--	<u>7.3</u>	--	<u>14.4</u>	--	<u>13.1</u>	--	<u>14.4</u>	--	<u>6.8</u>	--	<u>8.1</u>	<i>Mar-03</i>
Over/Under				-1.1		-1.8		-2.8		-3.2		-3.3		-0.8		-0.6	
RREEF	4,430,973	0.1		12.0	--	14.5	--	22.9	--	22.2	--	29.0	--	--	--	-4.5	Sep-07
<i>NCREIF-ODCE</i>				<u>3.8</u>	--	<u>7.3</u>	--	<u>14.4</u>	--	<u>13.1</u>	--	<u>14.4</u>	--	<u>6.8</u>	--	<u>3.7</u>	<i>Sep-07</i>
Over/Under				8.2		7.2		8.5		9.1		14.6				-8.2	

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

Ventura County Employees' Retirement Association

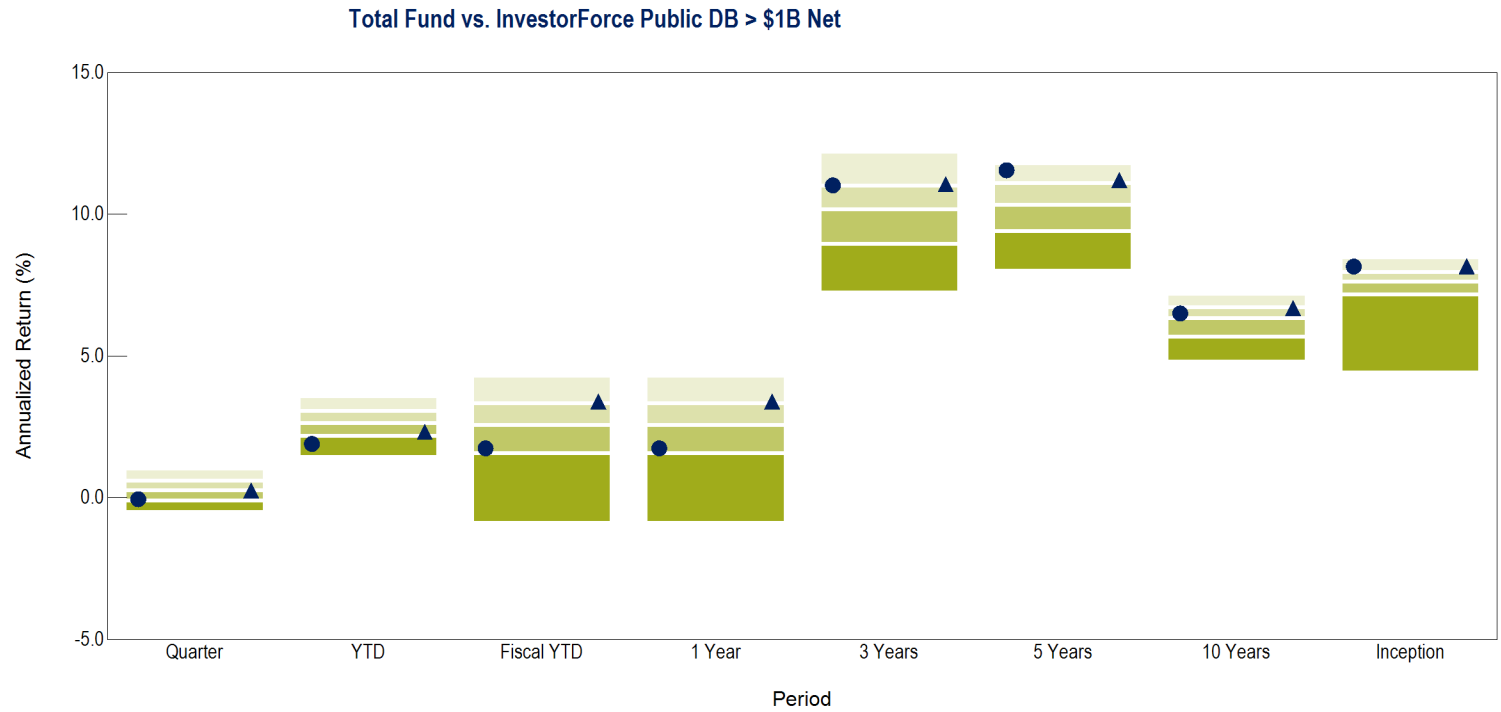
Total Fund Performance Detail (Net)

	Market Value (\$)	% of Portfolio	Policy %	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Return (%)	Since
Total Liquid Alternatives	411,531,622	9.5	10.0	-3.2	--	-1.6	--	-5.7	--	--	--	--	--	--	--	8.9	Apr-13
<i>CPI + 4% (Unadjusted)</i>				<u>2.1</u>	--	<u>3.6</u>	--	<u>4.1</u>	--	<u>5.4</u>	--	<u>5.9</u>	--	<u>6.1</u>	--	<u>5.2</u>	<i>Apr-13</i>
Over/Under				-5.3		-5.2		-9.8								3.7	
Bridgewater All Weather Fund	275,705,737	6.4		-3.1	--	0.5	--	-1.2	--	--	--	--	--	--	--	6.3	Aug-13
<i>CPI + 5% (Unadjusted)</i>				<u>2.3</u>	--	<u>4.1</u>	--	<u>5.1</u>	--	--	--	--	--	--	--	<u>6.2</u>	<i>Aug-13</i>
Over/Under				-5.4		-3.6		-6.3								0.1	
Tortoise Energy Infrastructure	135,825,886	3.1		-3.4	--	-5.5	--	-13.5	--	--	--	--	--	--	--	9.9	Apr-13
<i>Wells Fargo MLP Index</i>				<u>-3.9</u>	--	<u>-6.3</u>	--	<u>-14.7</u>	--	<u>10.7</u>	--	--	--	--	--	<u>3.0</u>	<i>Apr-13</i>
Over/Under				0.5		0.8		1.2								6.9	
Overlay	24,711,809	0.6	0.0														
Parametric	24,711,809	0.6															

Overlay performance is not applicable on an individual account level

Ventura County Employees' Retirement Association

Total Fund Return Summary vs. Peer Universe

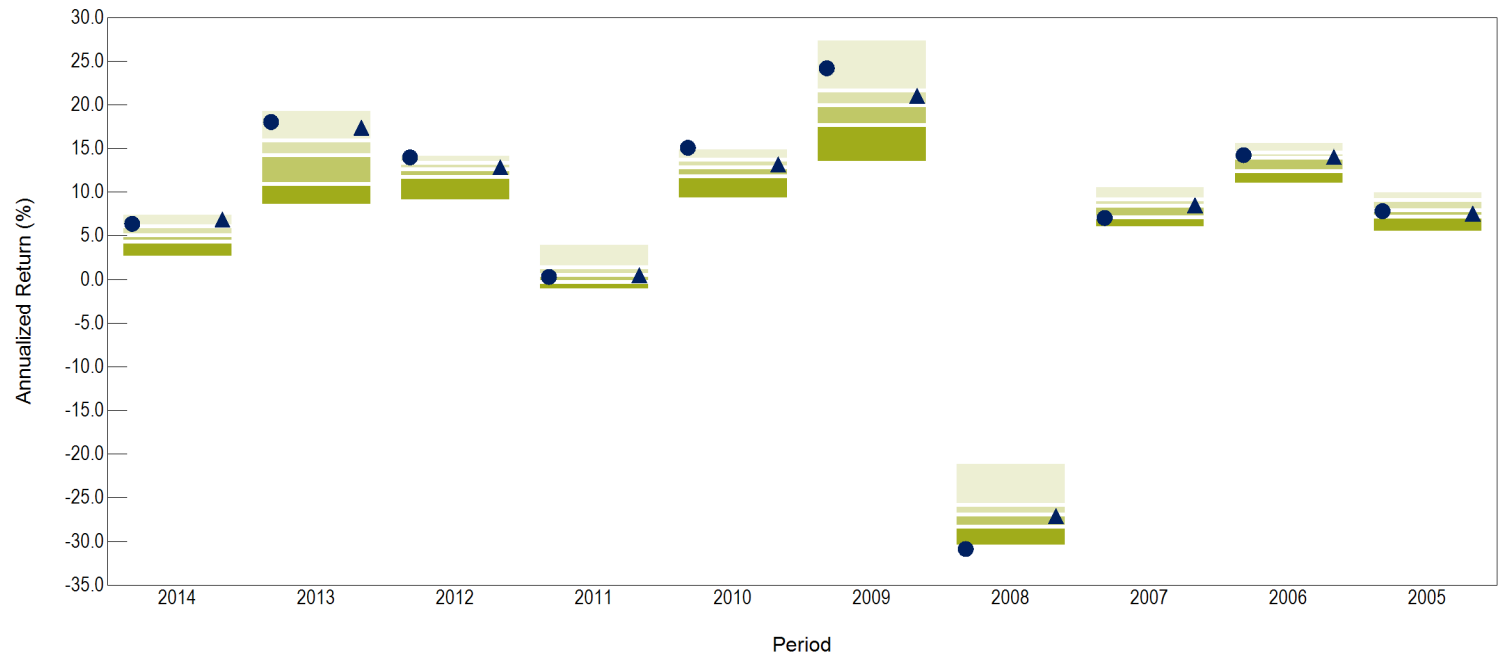


	Return (Rank)															
5th Percentile	1.0		3.6		4.3		4.3		12.2		11.8		7.2		8.5	
25th Percentile	0.6		3.1		3.3		3.3		11.0		11.1		6.7		8.0	
Median	0.3		2.7		2.6		2.6		10.2		10.3		6.3		7.6	
75th Percentile	-0.1		2.2		1.6		1.6		9.0		9.4		5.7		7.2	
95th Percentile	-0.5		1.5		-0.9		-0.9		7.2		8.0		4.8		4.4	
# of Portfolios	53		53		53		53		53		52		48		32	
● Total Fund	-0.1	(72)	1.9	(89)	1.7	(70)	1.7	(70)	11.0	(26)	11.6	(14)	6.5	(39)	8.2	(20)
▲ Policy Index	0.3	(52)	2.3	(66)	3.4	(25)	3.4	(25)	11.1	(24)	11.2	(22)	6.7	(26)	8.2	(19)

Ventura County Employees' Retirement Association

Total Fund Return Summary vs. Peer Universe

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

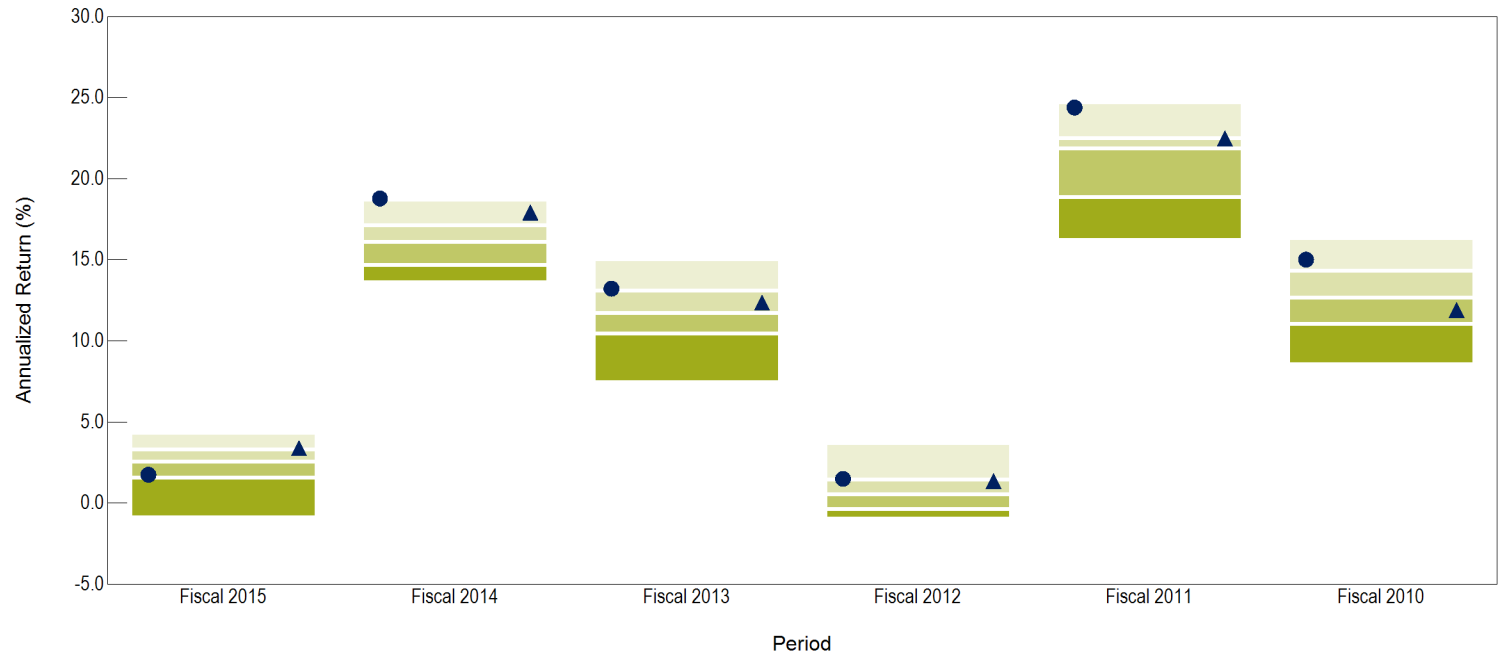


	Return (Rank)																			
5th Percentile	7.6	19.5	14.3	4.2	15.1	27.5	-20.9	10.7	15.8	10.2										
25th Percentile	6.1	16.0	13.4	1.5	13.8	21.7	-25.7	9.2	14.6	9.1										
Median	5.1	14.3	12.7	0.6	12.8	20.0	-26.9	8.5	14.0	8.0										
75th Percentile	4.4	11.0	11.8	-0.3	11.8	17.7	-28.3	7.1	12.5	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

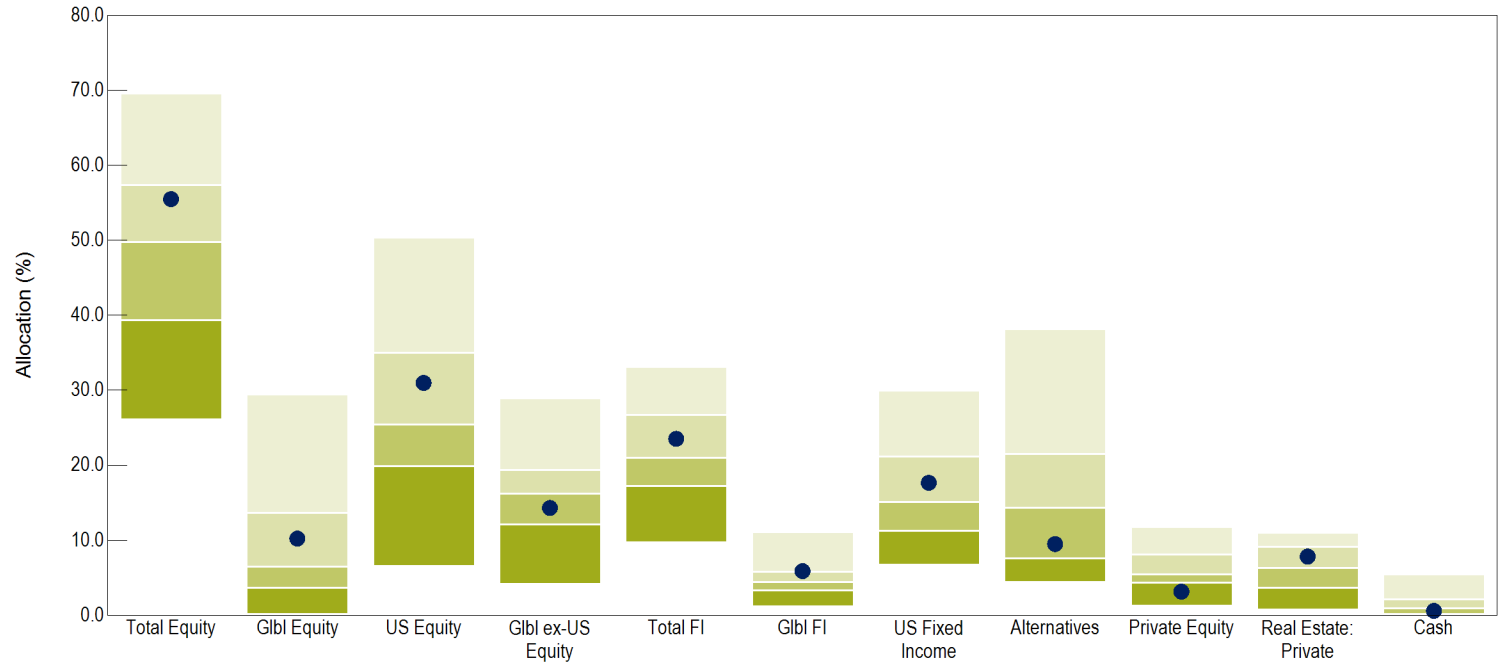
Total Fund vs. InvestorForce Public DB > \$1B Net



	Return (Rank)											
5th Percentile	4.3		18.7		15.0		3.7		24.7	16.3		
25th Percentile	3.3		17.2		13.1		1.5		22.5	14.4		
Median	2.6		16.1		11.8		0.5		21.9	12.7		
75th Percentile	1.6		14.7		10.5		-0.3		18.9	11.1		
95th Percentile	-0.9		13.6		7.5		-0.9		16.3	8.6		
# of Portfolios	53		43		56		41		42	41		
● Total Fund	1.7	(70)	18.8	(5)	13.2	(22)	1.5	(25)	24.4	(10)	15.0	(15)
▲ Policy Index	3.4	(25)	17.9	(17)	12.4	(39)	1.4	(27)	22.5	(30)	11.9	(64)

Total Fund Allocations vs. Peer Universe

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



	Total Equity		Gbl Equity		US Equity		Gbl ex-US Equity		Total FI		Gbl FI		US Fixed Income		Alternatives		Private Equity		Real Estate: Private		Cash	
5th Percentile	69.6	29.5	50.3	29.0	33.1	11.1	30.0	38.1	11.8	11.0	5.5	--	--	--	--	--	--	--	--	--	--	--
25th Percentile	57.5	13.7	35.0	19.4	26.8	5.9	21.2	21.6	8.2	9.2	2.2	--	--	--	--	--	--	--	--	--	--	--
Median	49.8	6.6	25.5	16.3	21.1	4.5	15.1	14.4	5.5	6.4	1.0	--	--	--	--	--	--	--	--	--	--	--
75th Percentile	39.5	3.7	19.9	12.2	17.3	3.4	11.4	7.7	4.4	3.8	0.2	--	--	--	--	--	--	--	--	--	--	--
95th Percentile	26.2	0.3	6.6	4.2	9.8	1.3	6.8	4.5	1.3	0.8	0.0	--	--	--	--	--	--	--	--	--	--	--
# of Portfolios	51	24	50	50	50	25	46	44	42	39	46	--	--	--	--	--	--	--	--	--	--	--
• Total Fund	55.5 (33)	10.2 (35)	31.0 (29)	14.3 (64)	23.5 (41)	5.9 (25)	17.6 (38)	9.5 (69)	3.1 (83)	7.8 (40)	0.6 (55)	--	--	--	--	--	--	--	--	--	--	--

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 DD Committee Rec.	Plan Rec.	Comments	Last Onsite Conducted
BlackRock Equity Market Index	-	-	-	-		10/2013
Western U.S. Index Plus	Bottom Quartile	-	-	-		6/2014
BlackRock Extended Equity Index	-	-	-	-		10/2013
BlackRock MSCI ACWI ex-U.S. Index	-	-	-	-		10/2013
Sprucegrove	Bottom Decile	No	Hold	No Action	3Q 2014 Departure	N/A
Hexavest	Bottom Decile	-	-	-		1/2013
Walter Scott	-	-	-	-		10/2012
BlackRock MSCI ACWI Index	-	-	-	-		10/2013
GMO	-	-	-	-		7/2014
Adams Street	N/A	-	-	-		11/2013
HarbourVest	N/A	-	-	-		3/2014
Pantheon	N/A	-	-	-		1/2015
BlackRock U.S. Debt Fund	Bottom Quartile	-	-	-		10/2013
Western	Bottom Quartile	-	-	-		6/2014
Reams	Top Decile	-	-	-		11/2013
Loomis Sayles Multi-Sector Full Discretion	-	-	-	-		11/2013
Loomis Sayles Global Fixed Income	Bottom Quartile	-	-	-		11/2013
PIMCO Global Fixed Income	Bottom Quartile	No	Watch	No Action	Continued organizational developments	9/2014

Due Diligence Monitor Continued

Investment Options	Performance (Recent Quarter)	Changes/Announcements (Recent Quarter)	NEPC DD Committee Rec.	Plan Rec.	Comments	Last Onsite Conducted
Loomis Sayles Strategic Alpha	-	-	-	-		11/2013
Prudential	N/A	-	-	-		7/2014
RREEF	N/A	-	-	-		7/2013
UBS	N/A	-	-	-		8/2011
Bridgewater	N/A	-	-	-		9/2012
Tortoise	N/A	Yes	No Action	No Action	Organizational Changes	8/2013
Parametric/Clifton	N/A	-	-	-		7/2013

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.

Due Diligence Commentary

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.

Sprucegrove and Peter have since come to an agreement on a financial payout with Peter since he left the firm in September of last year. They reiterated the fact that Peter will have no involvement with the firm going forward and hasn't since his departure. They came to a financial agreement amicably, and Peter currently does not have plans to go to another firm. All of the investment professionals on the team, started their careers at Sprucegrove, ownership is broadly distributed, and they are compensated on the quality of their analysis.

NEPC recommends a due diligence status of HOLD for Sprucegrove as we would like to see performance rebound before removing the Hold recommendation.

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.

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.

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

Manager Changes/Announcements

Tortoise Capital Advisors, LLC

Dave Schulte, Managing Director and co-founder of Tortoise Capital Advisors, left the firm effective June 30, 2015. Mr. Schulte will retain his ownership of the firm and be stepping down from the Investment Committee. The departure will allow Mr. Schulte to focus his efforts on Corridor InfraTrust Management, an affiliate of Tortoise Capital, which he helped co-found in 2011. Joining the Investment Committee will be portfolio managers, Brian Kessens, Robert Thummel, James Mick, and Matthew Sallee, each of whom is also a Managing Director. The four join current Investment Committee members Kevin Birzer (CEO), Zach Hamel, Terry Matlack and Ken Malvey. The Investment Committee will continue to provide investment strategy oversight to the portfolio team, who implements the strategy.

Additionally, Tortoise announced the appointment of new officers for its registered closed-end funds, Tortoise Energy Infrastructure Corp. (TYG), Tortoise MLP Fund, Inc. (NTG), Tortoise Pipeline & Energy Fund, Inc. (TTP), Tortoise Power and Energy Infrastructure Fund, Inc. (TPZ) and Tortoise Energy Independence Fund, Inc. (NDP).

Brad Adams, Managing Director at Tortoise will serve as Chief Executive Officer of each fund.

Matthew Sallee, Managing Director and Portfolio Manager at Tortoise will serve as President of TYG and NTG.

Brian Kessens, Managing Director and Portfolio Manager at Tortoise will serve as President of TTP and TPZ.

Robert Thummel, Managing Director and Portfolio Manager at Tortoise will serve as President of NDP.

Brent Behrens, Director, Financial Operations at Tortoise will serve as Principal Financial Officer and Treasurer of each fund.

Shobana Gopal, Director, Tax at Tortoise will serve as Vice President of each fund.

Nick Holmes, Vice President and Investment Analyst at Tortoise will serve as Vice President of TYG and NTG.

Brett Jergens, Director and Investment Analyst at Tortoise will serve as Vice President of NDP.

Diane Bono, Director and Chief Compliance Officer at Tortoise will serve as Secretary of each fund.

Cameron Willcott, Compliance Associate at Tortoise will serve as Assistant Secretary of each fund.

Despite Mr. Schulte's departure, we remain confident in Tortoise's deep staff and formal additions of Messrs. Kessens, Thummel, Mick, and Sallee to the Investment Committee.

NEPC recommends a due diligence status of No Action as a result.

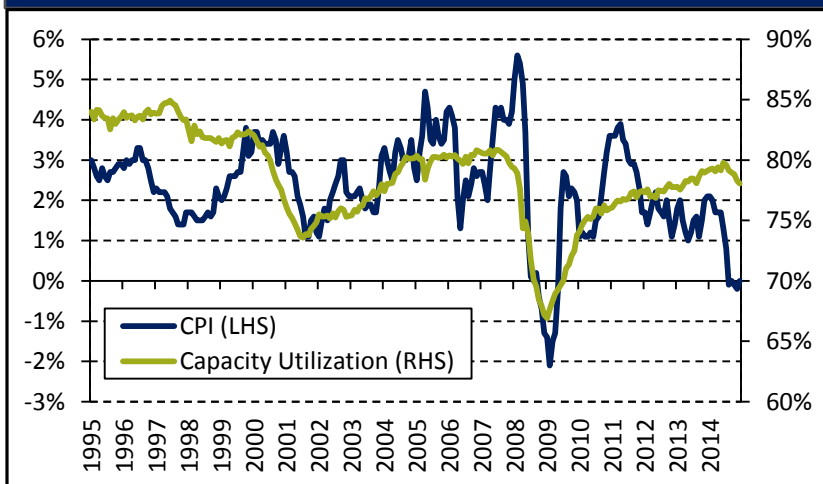
Appendix

Broad Market Performance Summary as of 6/30/2015



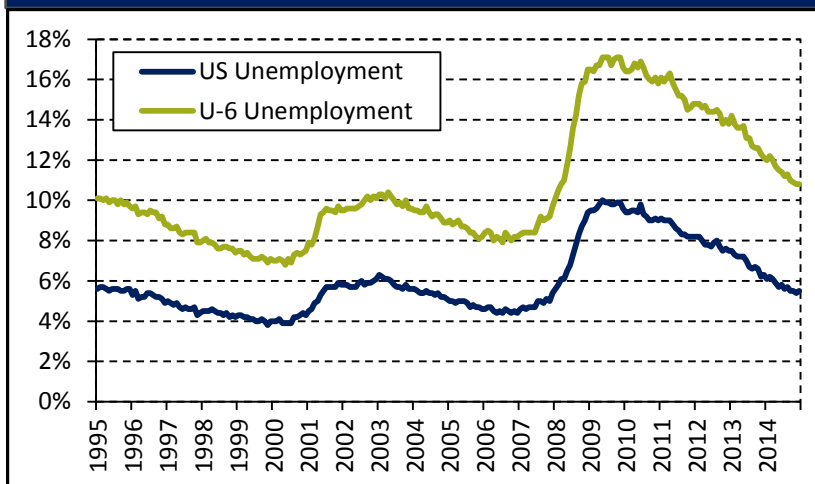
Source: Bloomberg, Standard and Poors, Russell, MSCI, Barclays, Citigroup, JP Morgan
 *1 Yr Range: Represents range of cumulative high/low daily index returns for an investment made one year ago

Inflation has stayed low



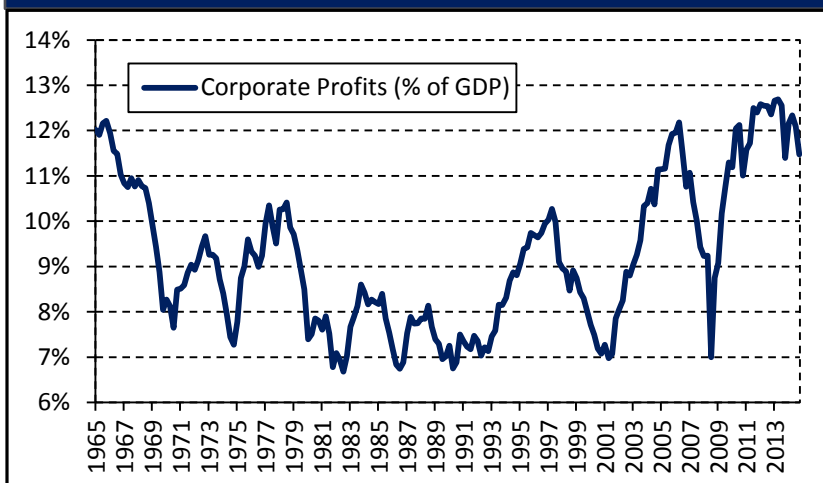
Source: Bloomberg, Federal Reserve, Bureau of Labor Statistics

Unemployment steadily improving



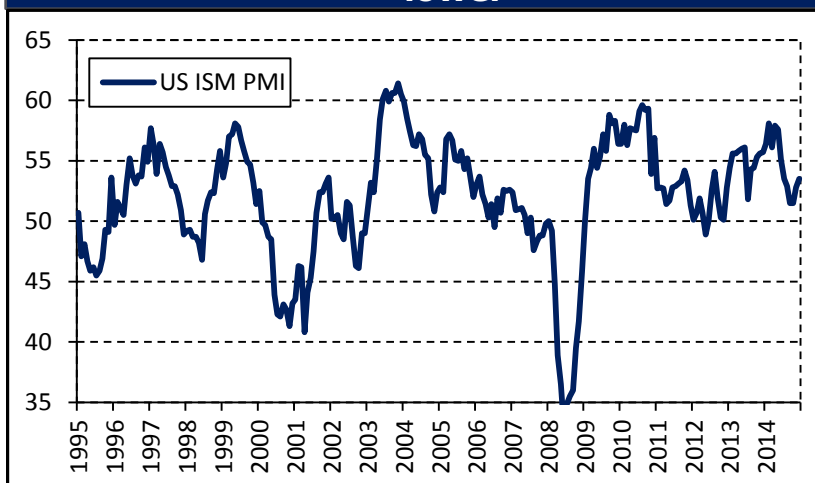
Source: Bloomberg, Bureau of Labor Statistics

Corporate profits at secular highs



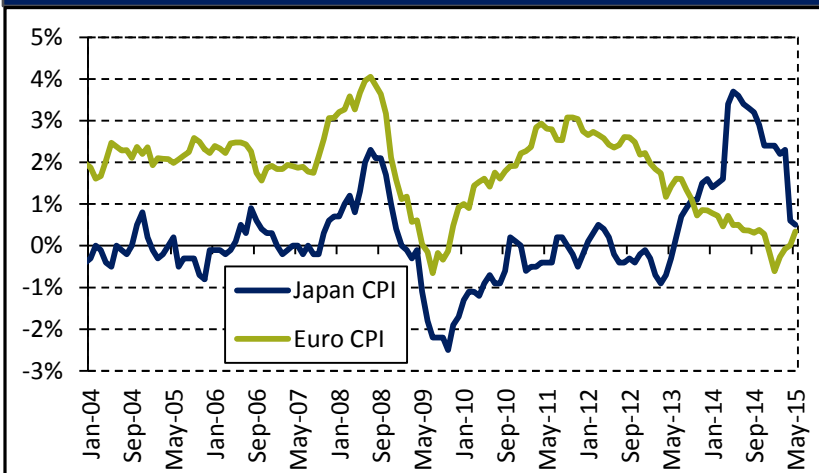
Source: Bloomberg, Bureau of Economic Analysis

Manufacturing above average but trending lower



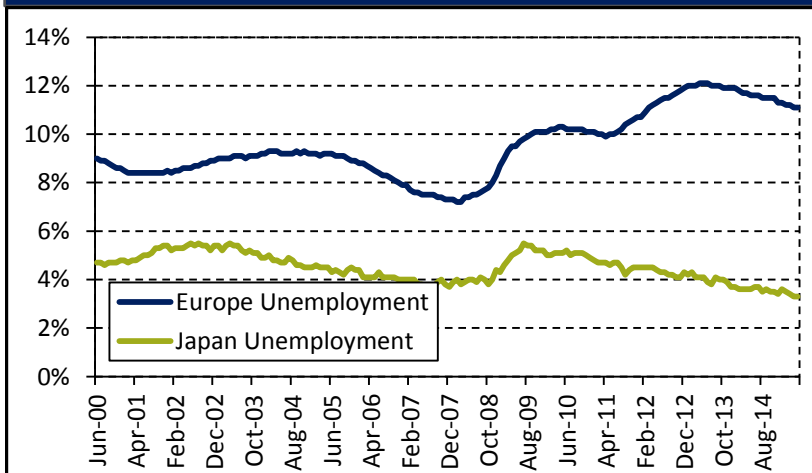
Source: Bloomberg, Institute for Supply Management

Inflation outlook slowly improving



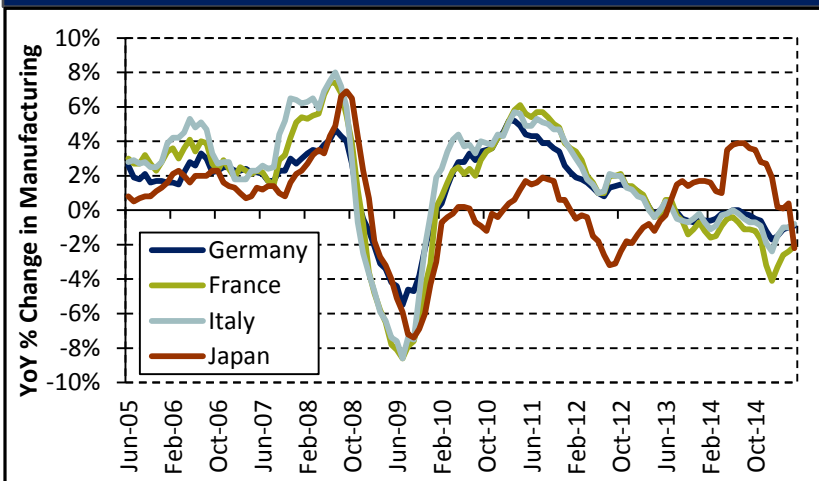
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Europe employment recovery lagging



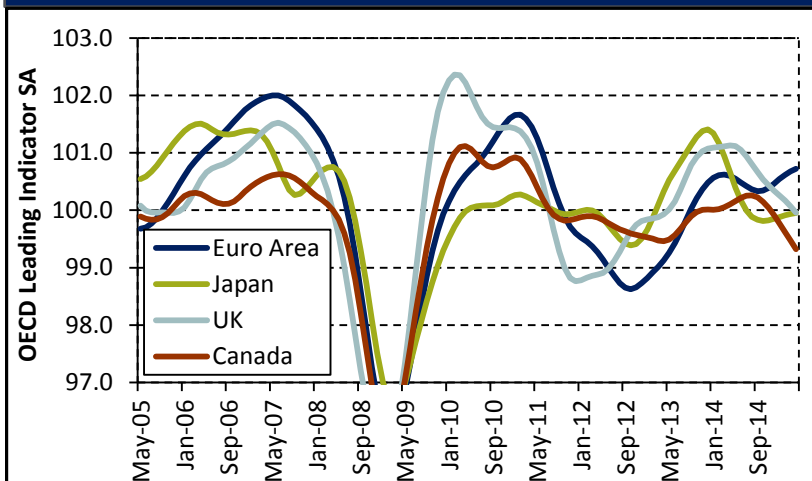
Source: Bloomberg, Japan Ministry of Internal Affairs and Communications, Eurostat

Manufacturing in Japan has lagged



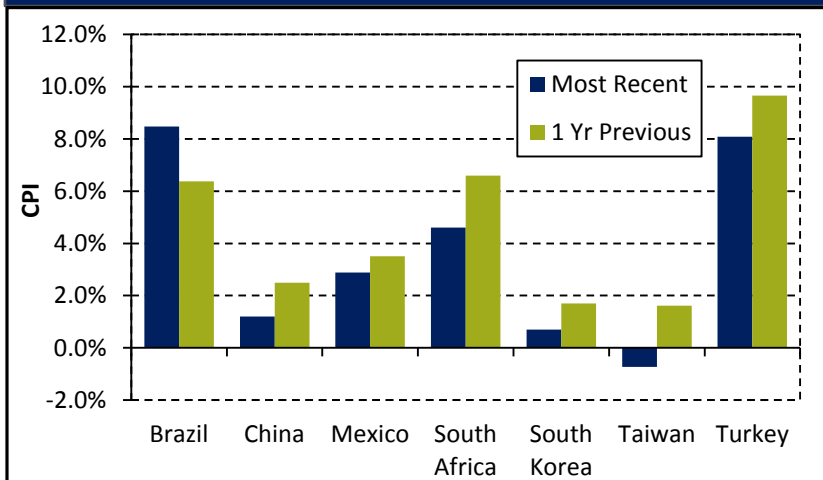
Source: Bloomberg, OECD, Eurostat

Leading indicators neutral to positive



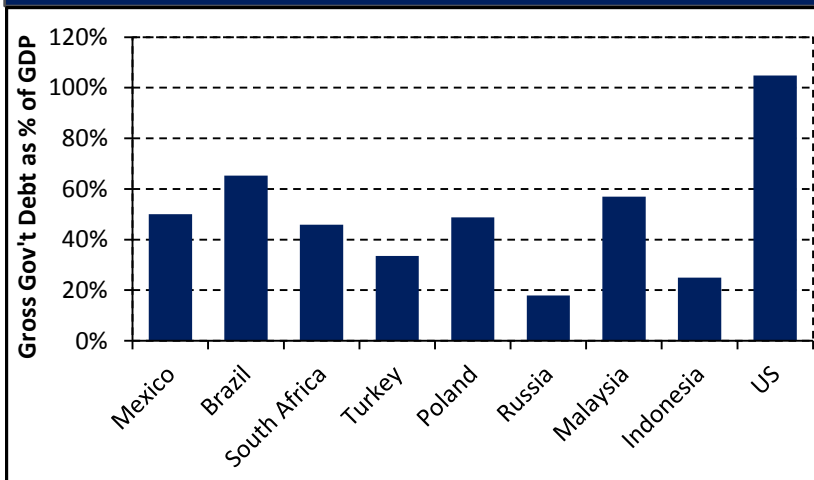
Source: Bloomberg, OECD

EM inflation is varied by country



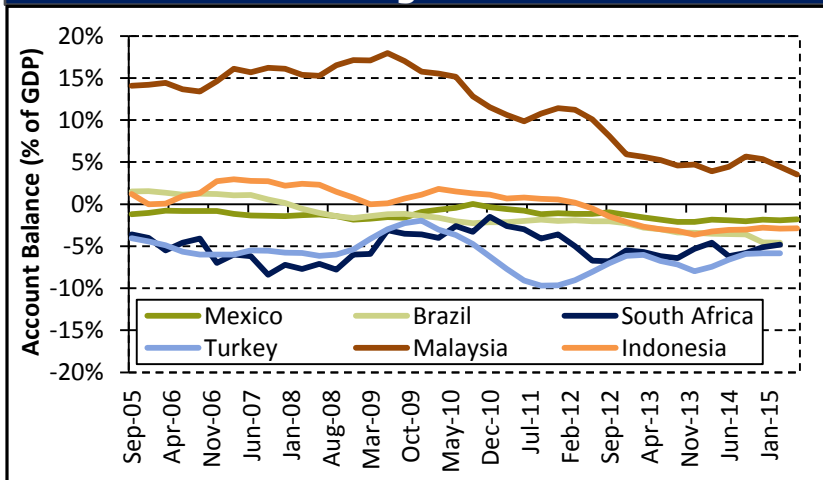
Source: Bloomberg

Relatively healthy Debt/GDP ratios



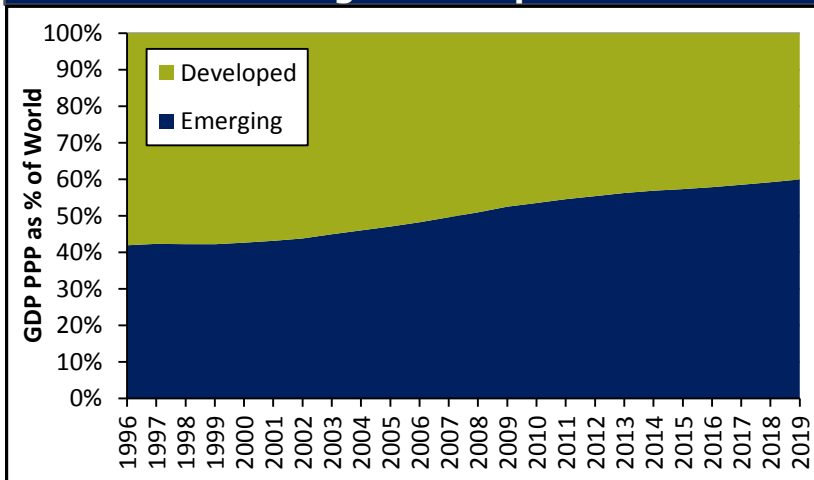
Source: Bloomberg, IMF

Some improvement in account balance challenged countries



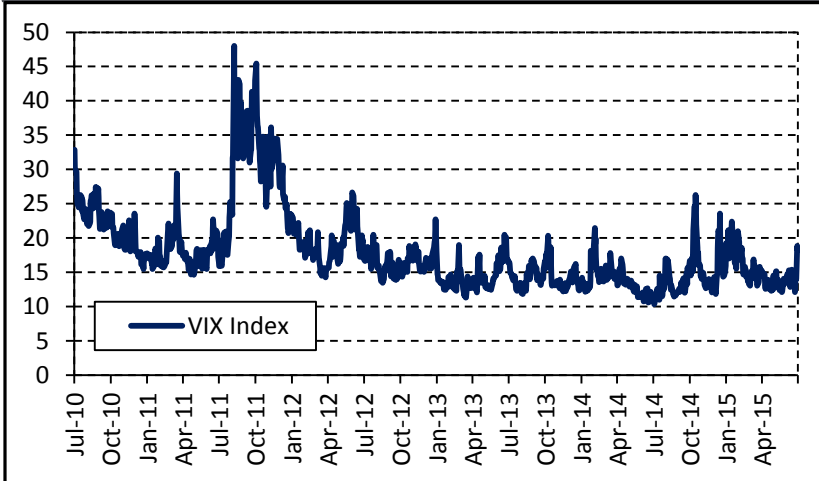
Source: Bloomberg

Emerging economies make up >50% of global output



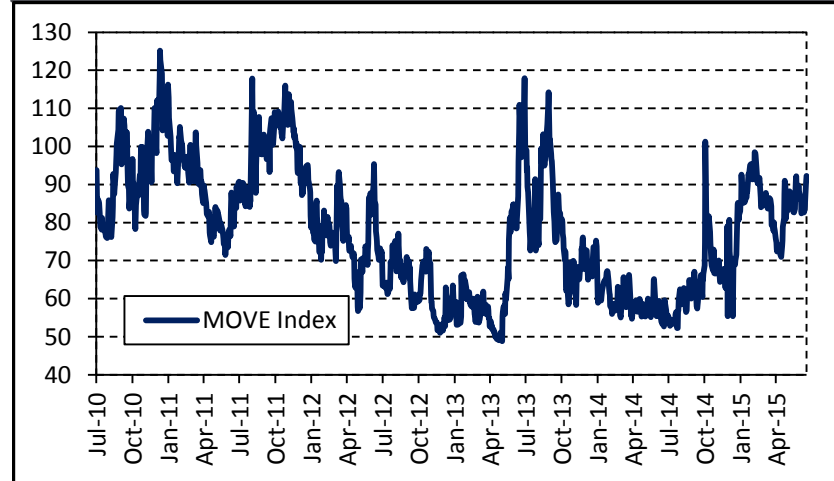
Source: Bloomberg, IMF

Equity volatility remains low



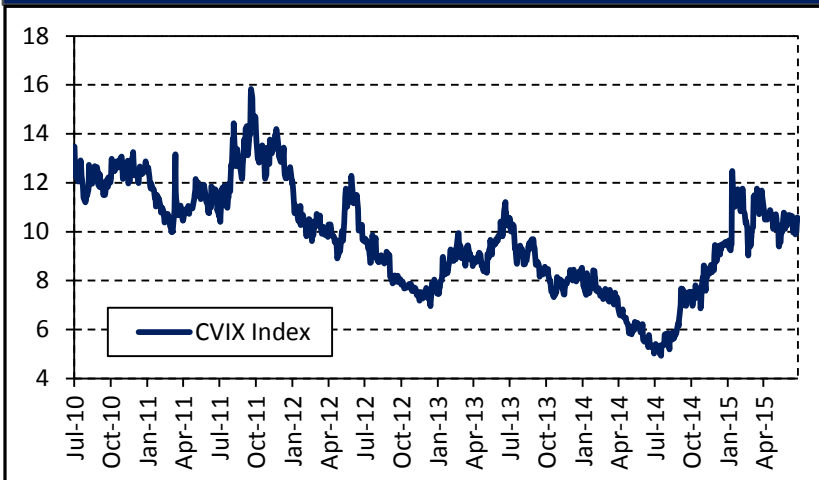
Source: Bloomberg, CBOE

Treasury rates experiencing periods of higher volatility



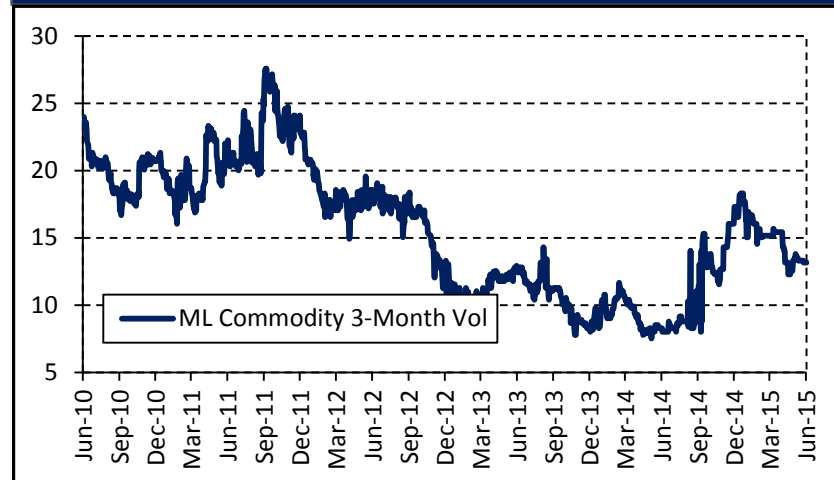
Source: Bloomberg, Merrill Lynch

Sustained uptick in currency volatilities



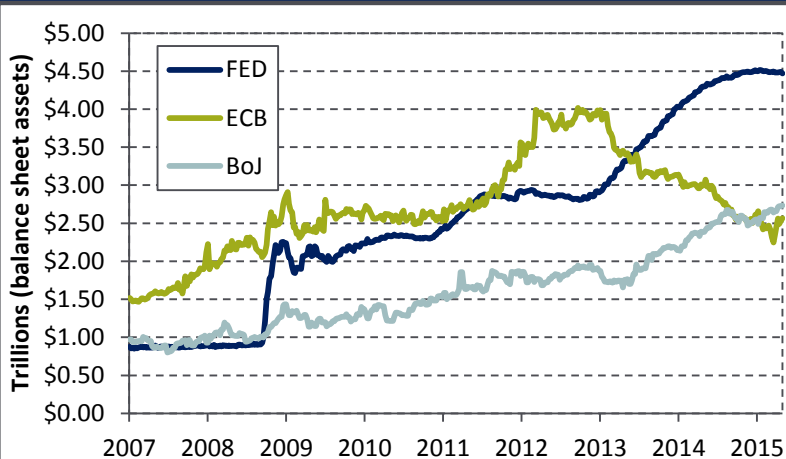
Source: Bloomberg, Deutsche Bank

Commodity pricing volatility has moderated



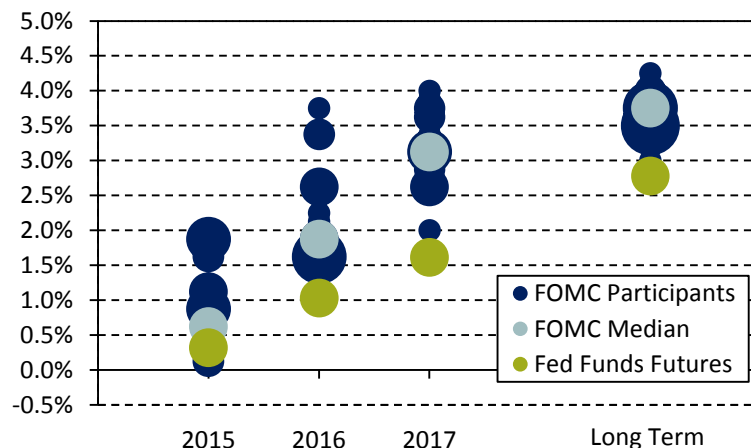
Source: Bloomberg, Merrill Lynch

Major central bank policy divergence



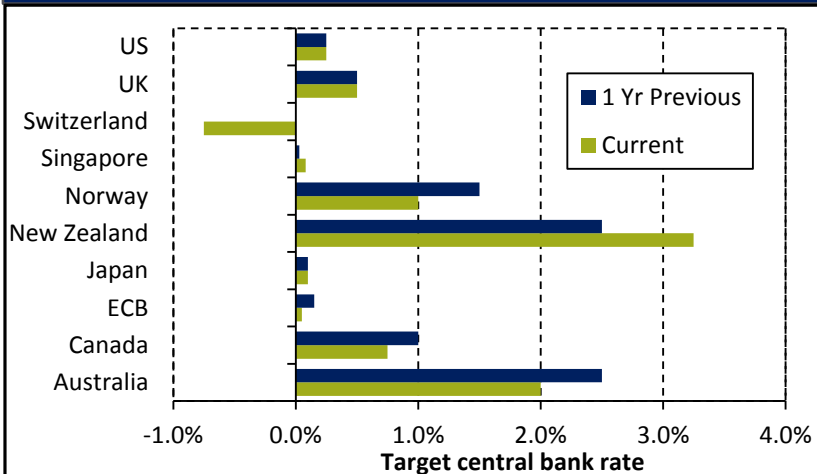
Source: Bloomberg, Federal Reserve, Bank of Japan, ECB, NEPC

Fed's ideal rate of policy firming above market expectations



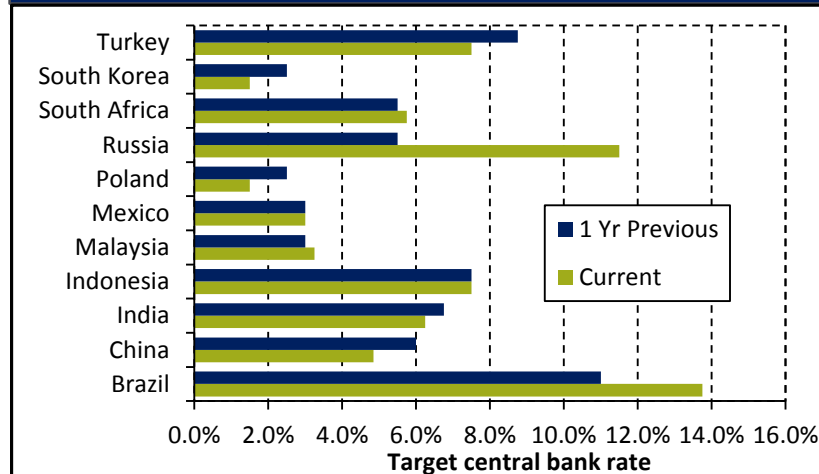
Source: Bloomberg, Federal Reserve, NEPC

Many developed central banks have maintained low interest rates



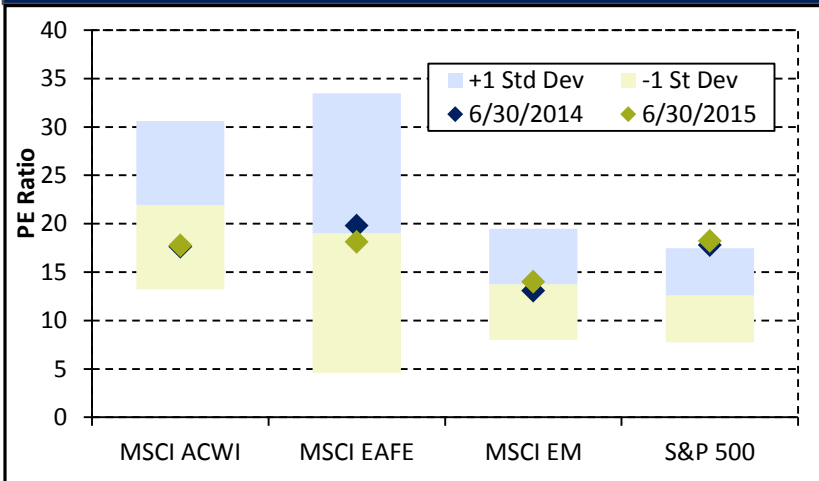
Source: Bloomberg

EM central bank policies have varied by circumstance



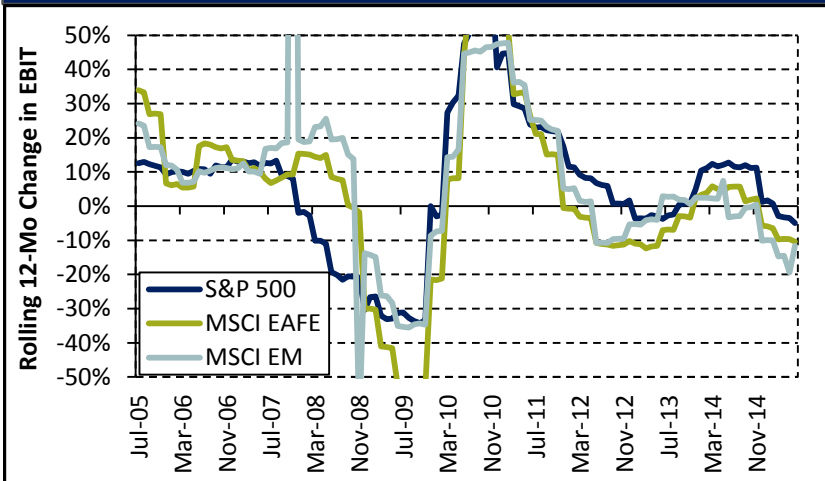
Source: Bloomberg

Global valuations are mixed



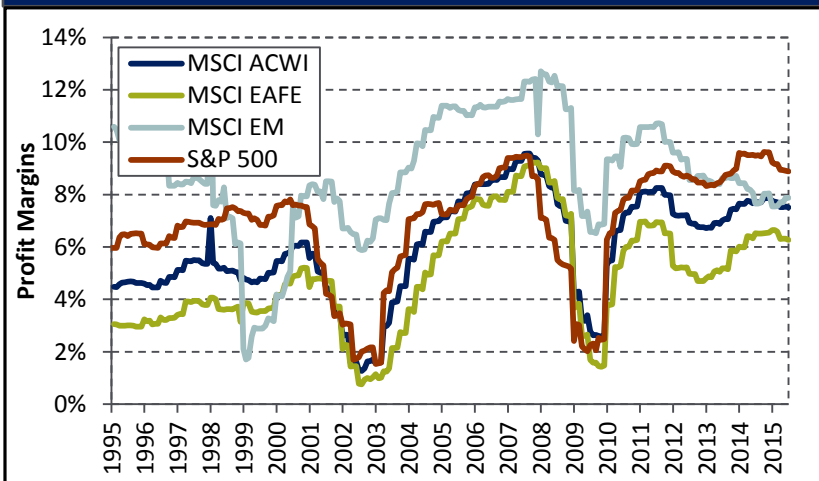
Source: Bloomberg, Standard and Poors, MSCI *MSCI EAFE is ex UK Telecom

Earnings growth trending lower



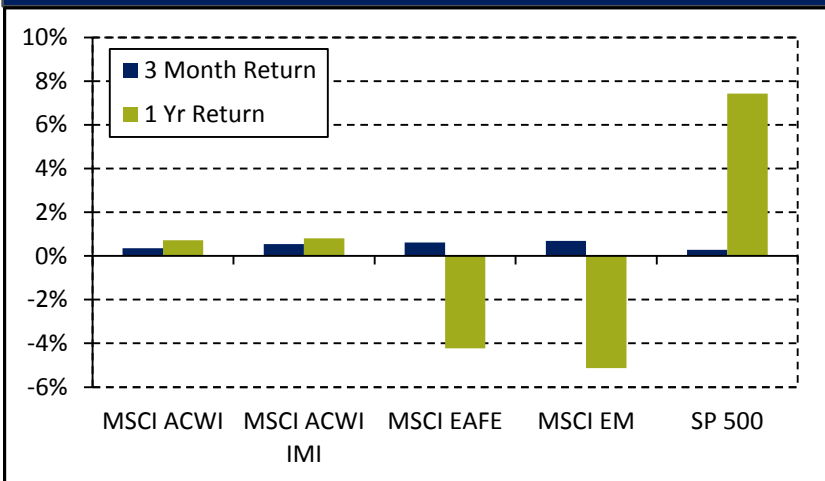
Source: Bloomberg, Standard and Poors, MSCI

Margins elevated, but largely a US story



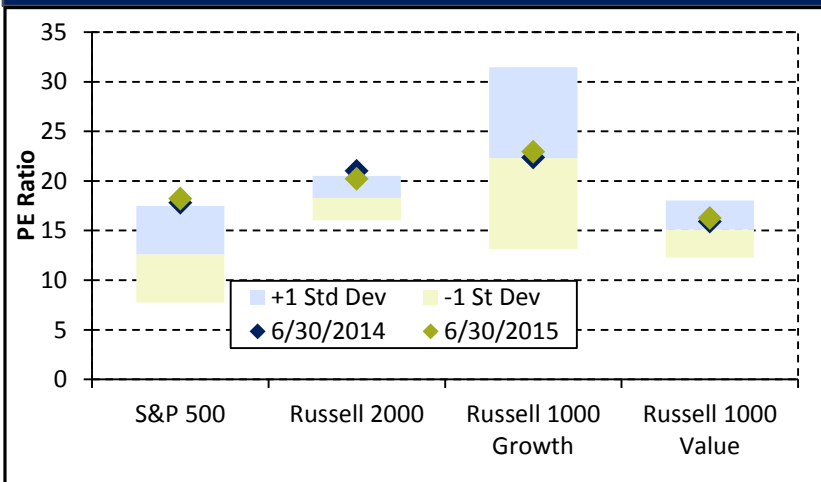
Source: Bloomberg, MSCI

Significant global variance in returns



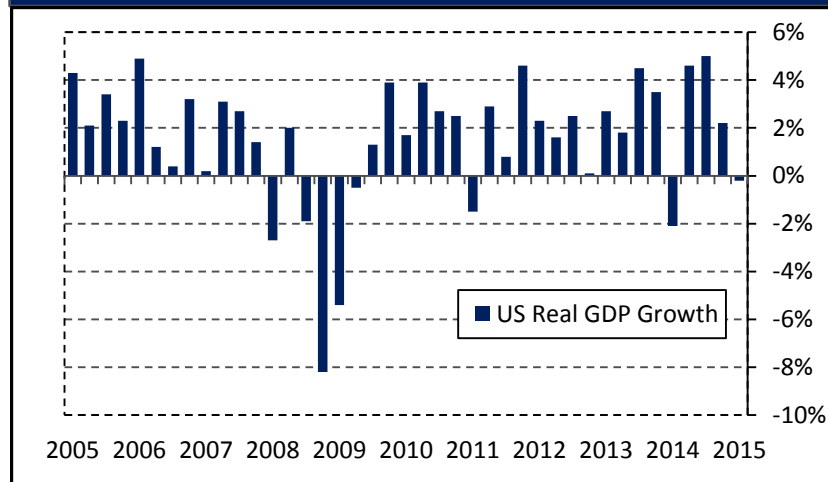
Source: Bloomberg, MSCI

Valuations near or above historical norms



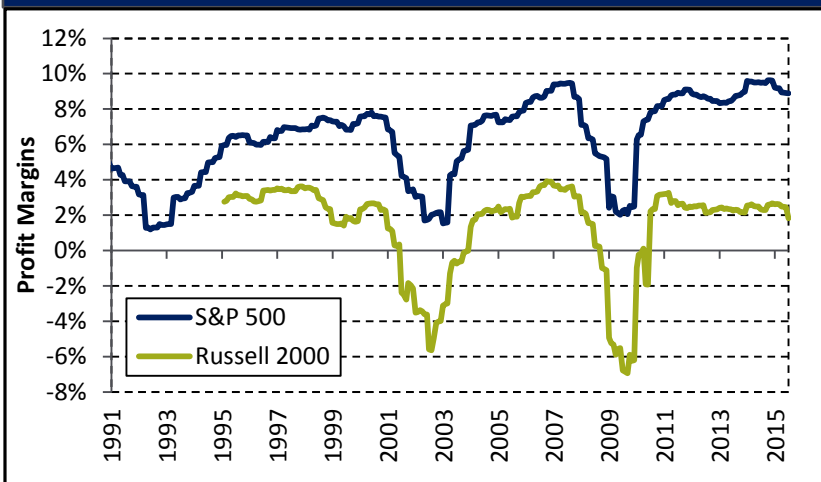
Source: Bloomberg, Standard and Poors, Russell *Russell 2000 PE is index adjusted positive

Growth recovery marked by inconsistency



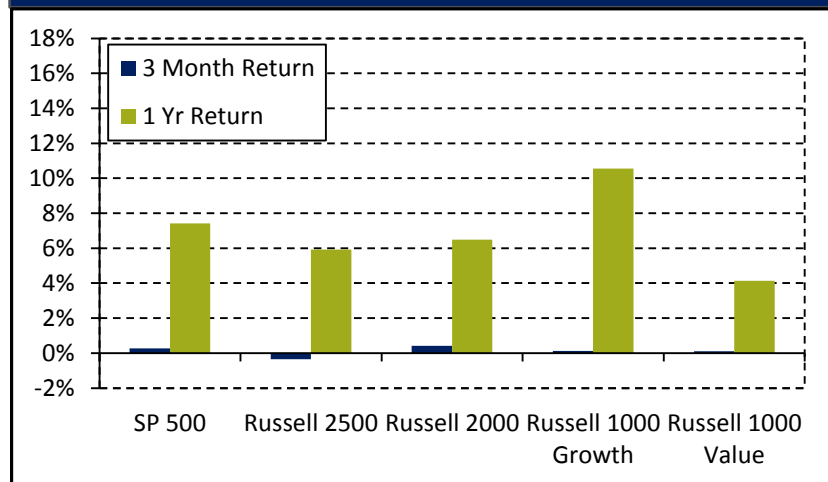
Source: Bloomberg, Bureau of Economic Analysis

Profit margins remain elevated



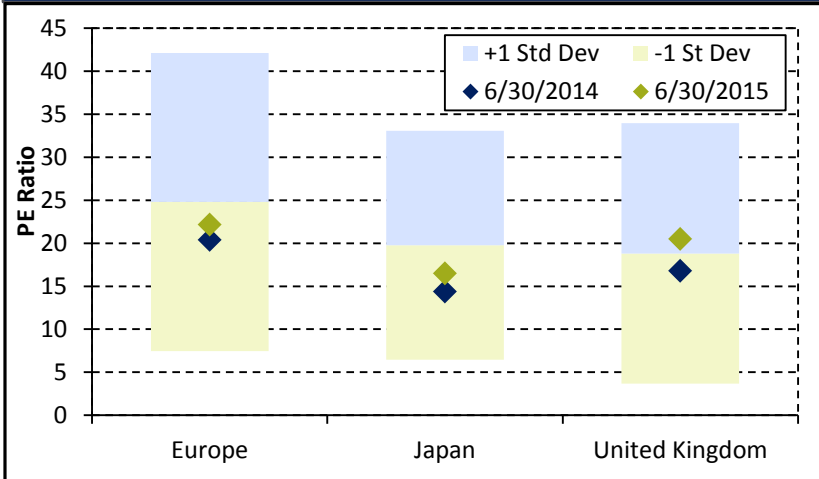
Source: Bloomberg, Standard and Poors, Russell

Trailing performance is positive



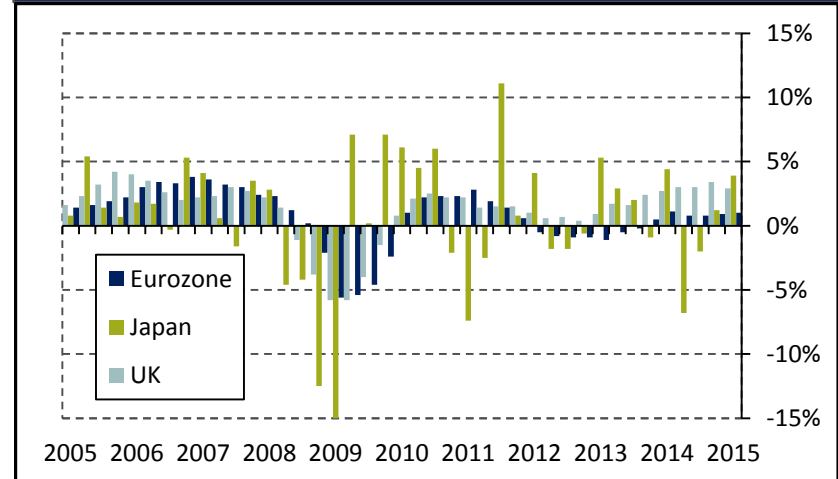
Source: Bloomberg, Standard and Poors, Russell

PEs near historical medians



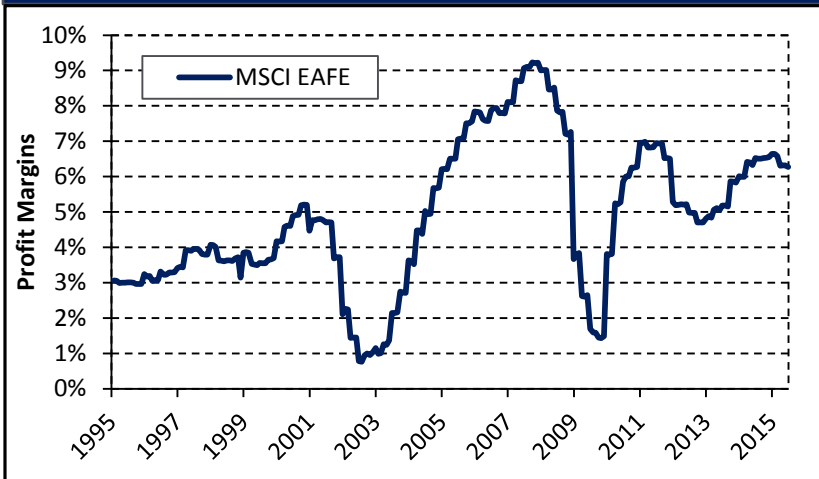
Source: Bloomberg, MSCI, FTSE *UK represented by FTSE 100 Index

Slow Global Growth



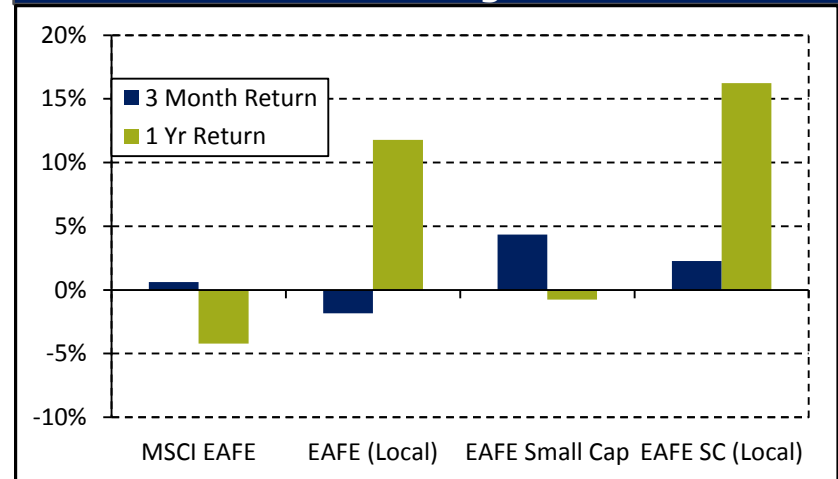
Source: Bloomberg

Margins elevated but not at extremes



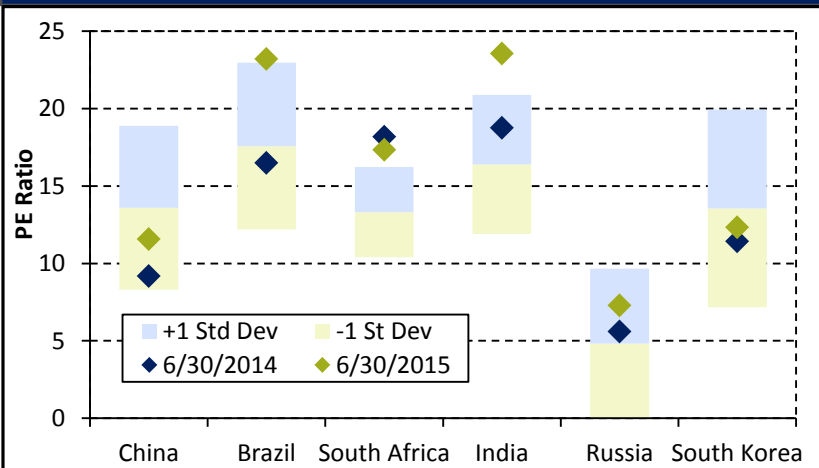
Source: Bloomberg, MSCI

Positive performance muted by dollar strength



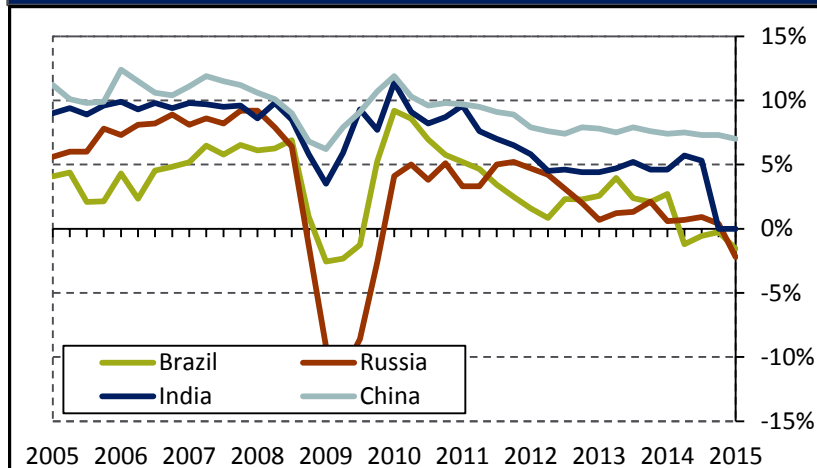
Source: Bloomberg, MSCI

Regional valuations show divergence



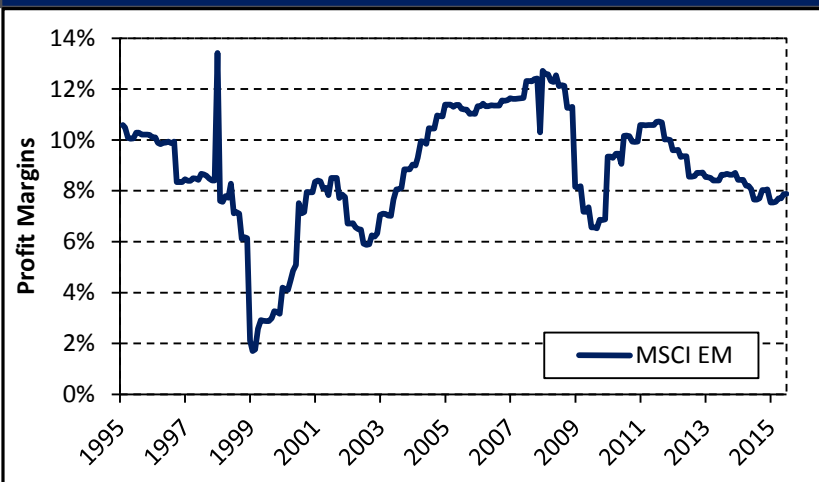
Source: Bloomberg, MSCI

Slowing growth in major economies



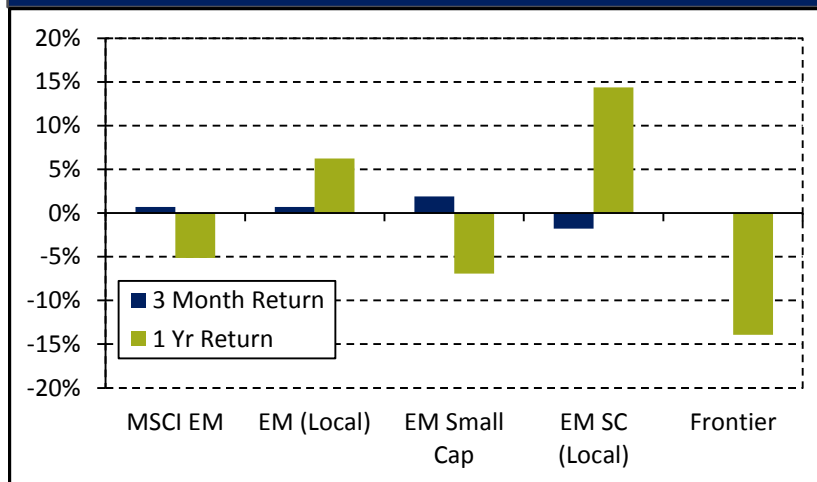
Source: Bloomberg

Profit margins in line with history



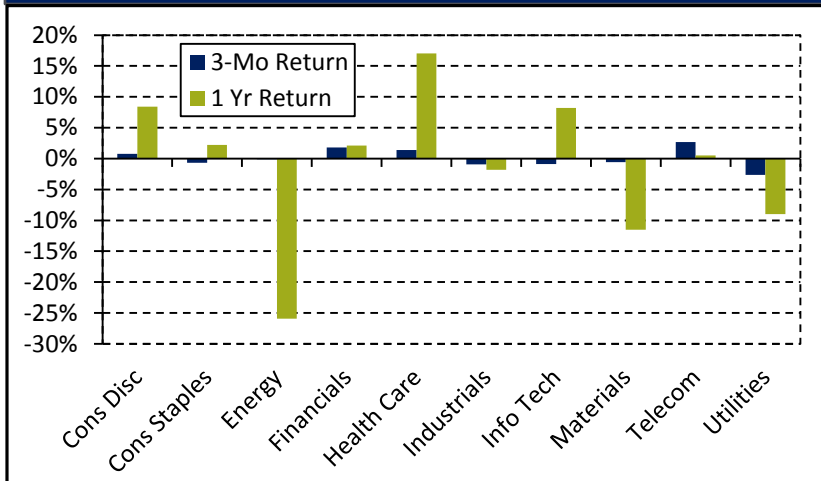
Source: Bloomberg, MSCI

Dollar strength has detracted



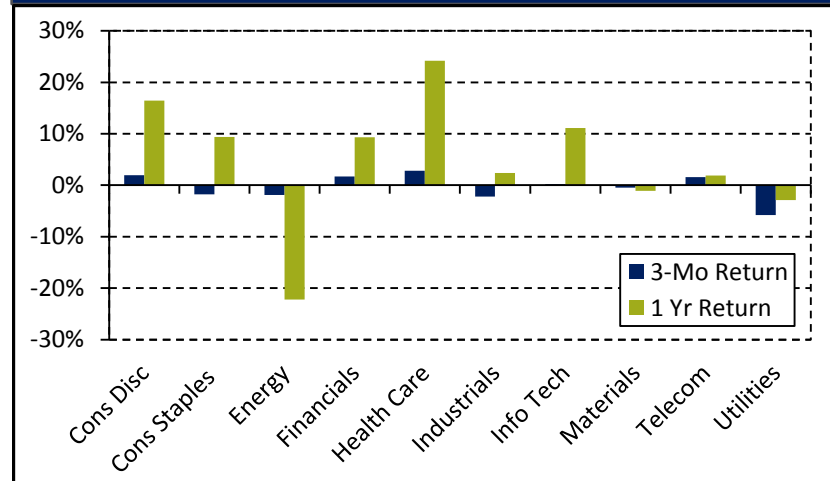
Source: Bloomberg, MSCI

MSCI ACWI returns led by health care rally



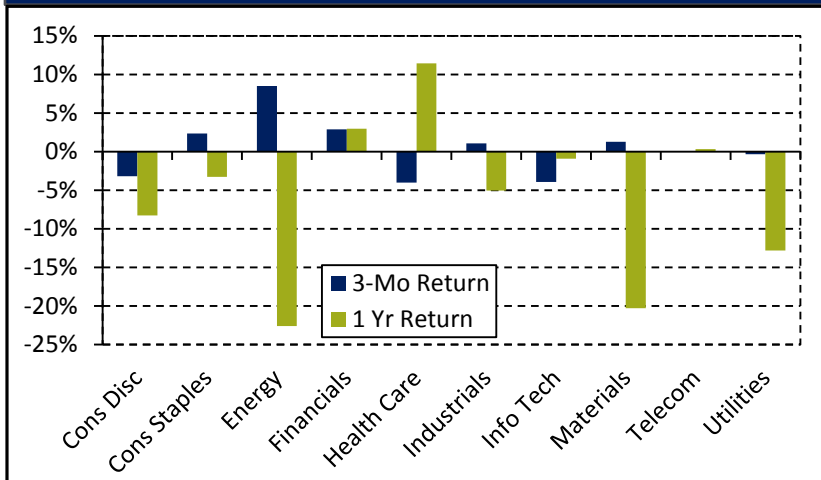
Source: Bloomberg, MSCI

S&P 500 sector returns vary



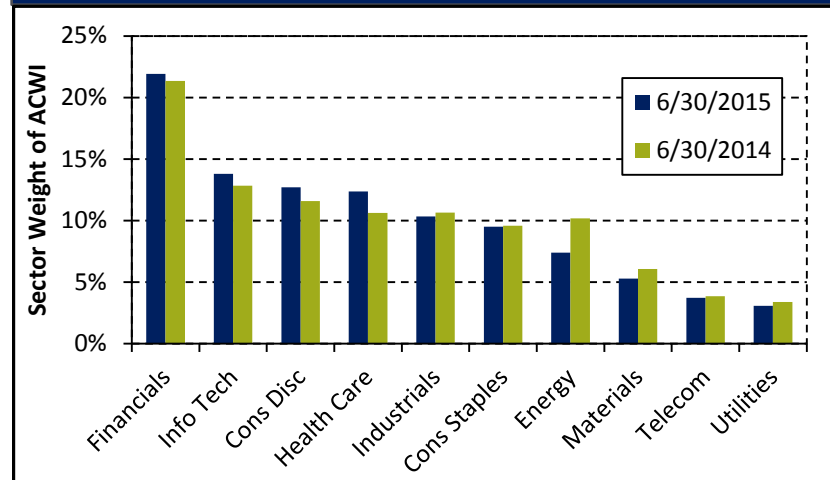
Source: Bloomberg, Standard and Poors

Energy sensitivity especially pronounced in EM



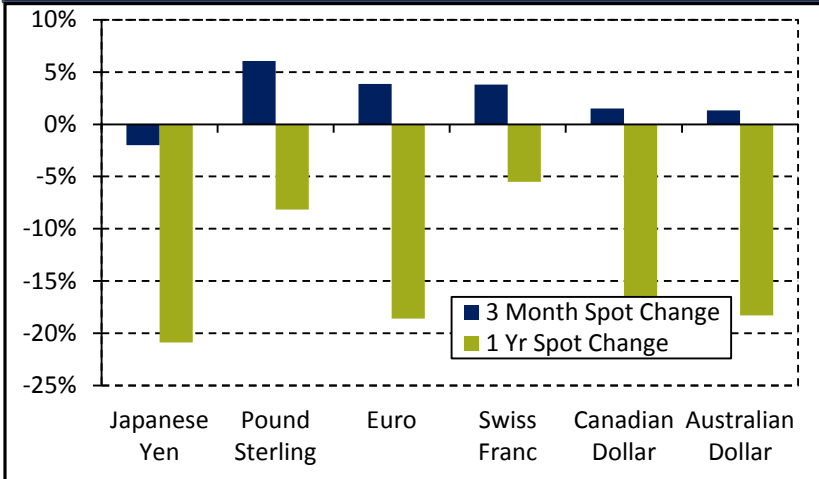
Source: Bloomberg, MSCI

Global energy sector weight has fallen



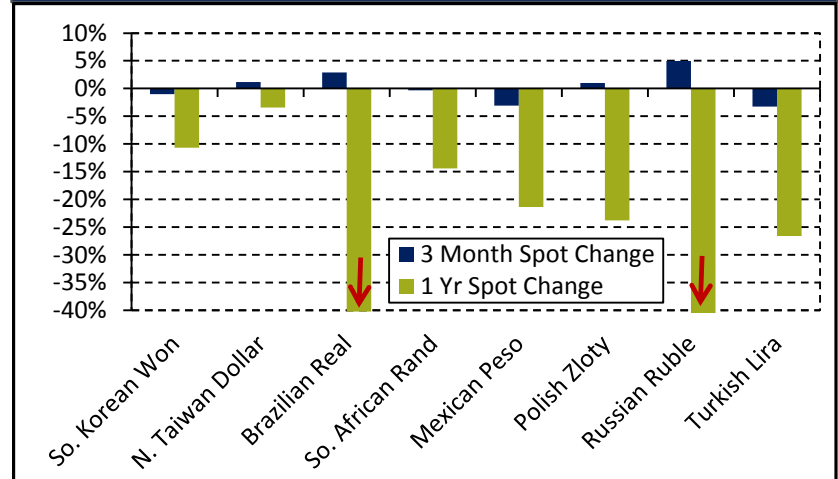
Source: Bloomberg, MSCI

Developed currencies showing recent signs of stabilization versus the dollar



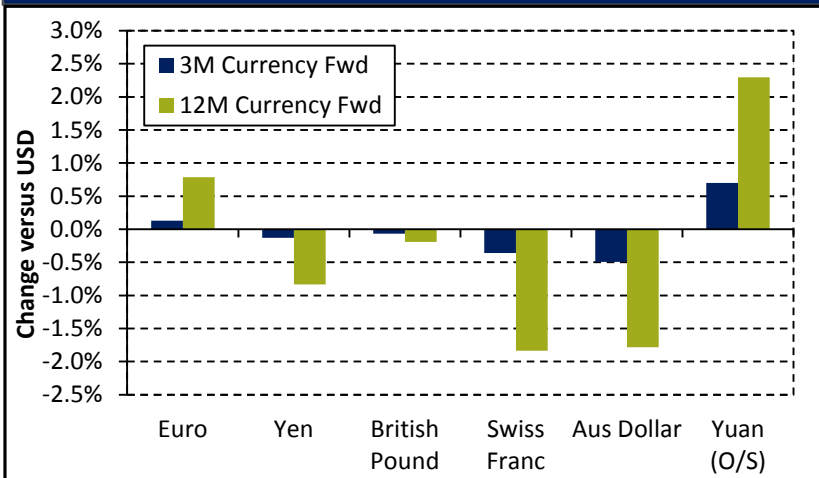
Source: Bloomberg

EM currencies have suffered in unique fashions



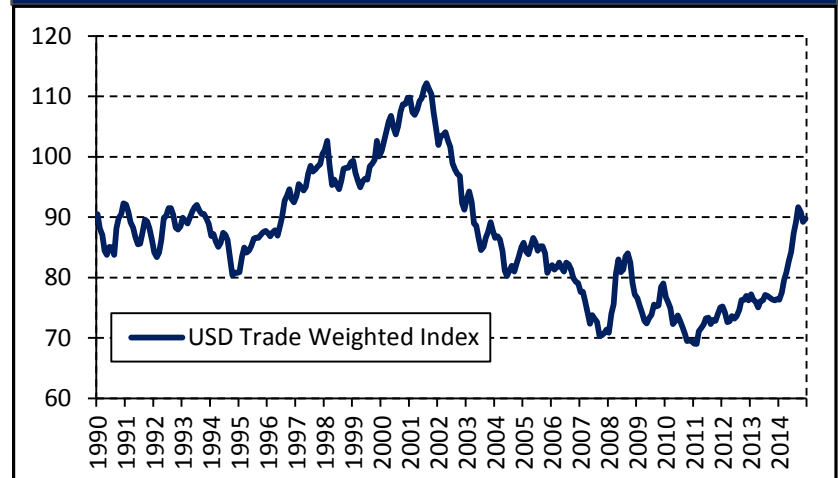
Source: Bloomberg

Yen and GBP expect to decline versus USD



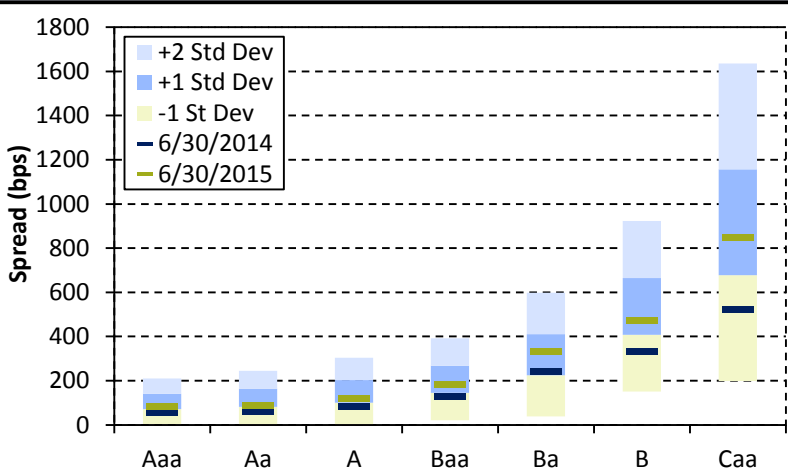
Source: Bloomberg

Recent dollar strength pronounced



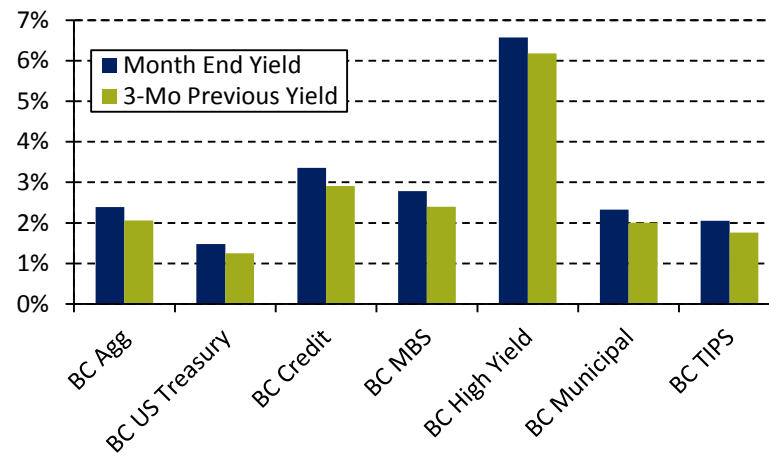
Source: Bloomberg, Federal Reserve

Spreads levels in line with history



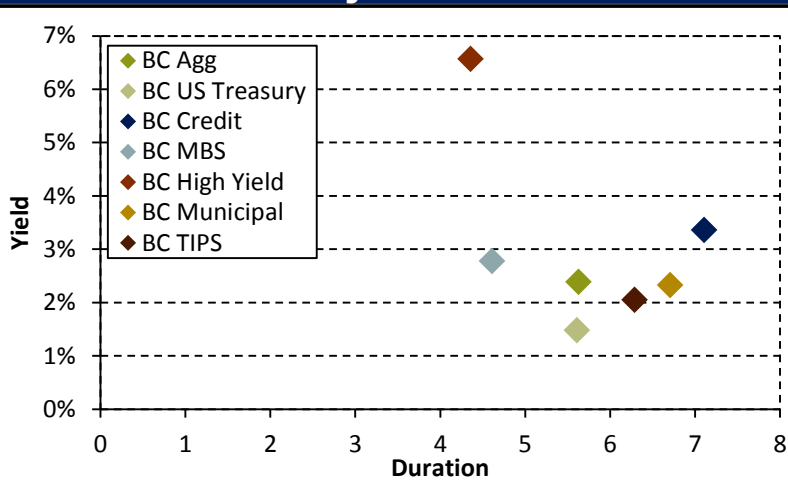
Source: Bloomberg, Barclays

Yields have stayed mostly flat



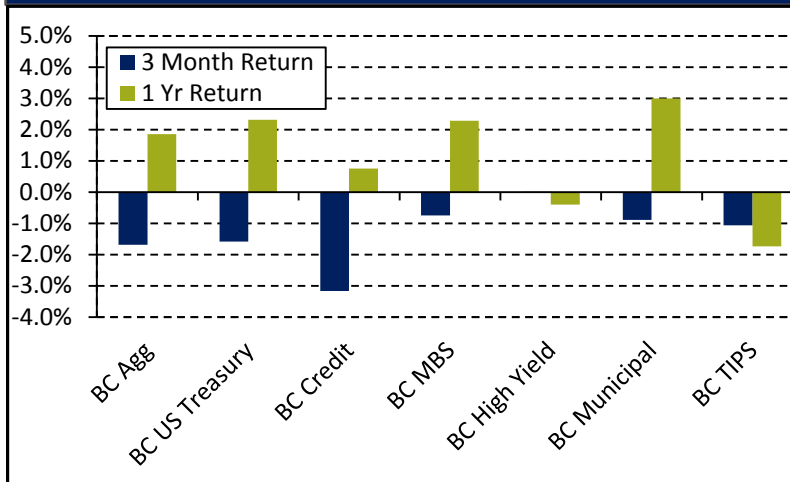
Source: Bloomberg, Barclays

Similar yield/duration tradeoff among major US indices



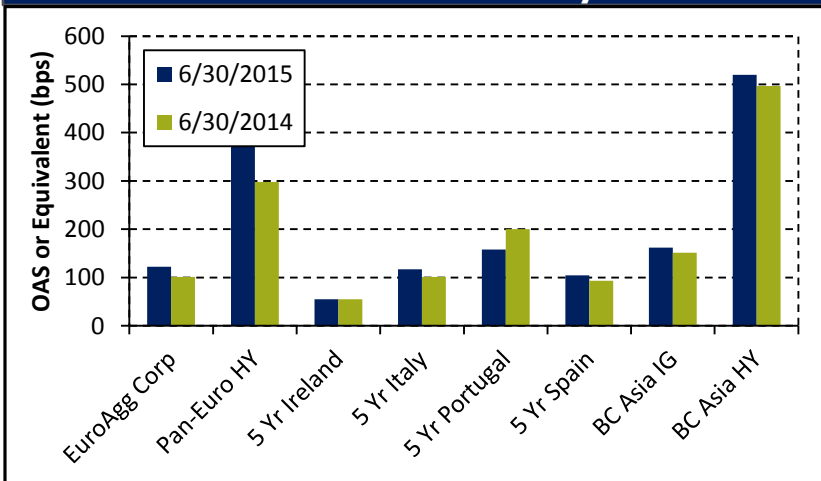
Source: Bloomberg, Barclays

Recent performance muting trailing returns



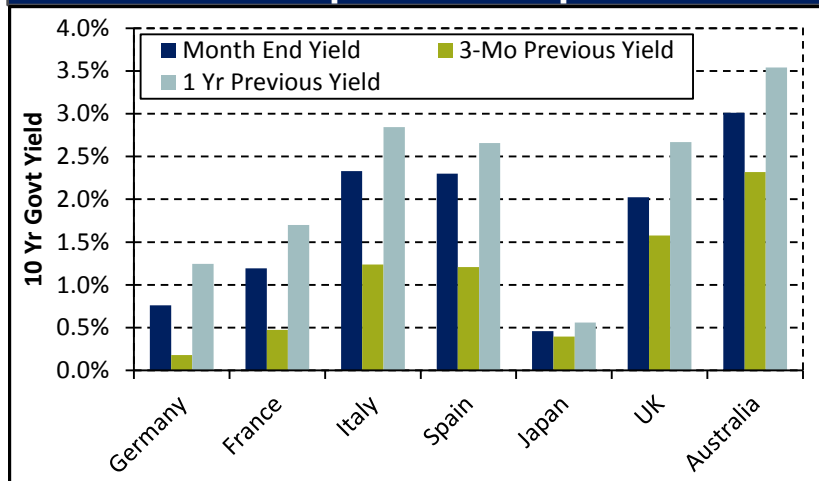
Source: Bloomberg, Barclays

European periphery yields relatively lower versus Germany



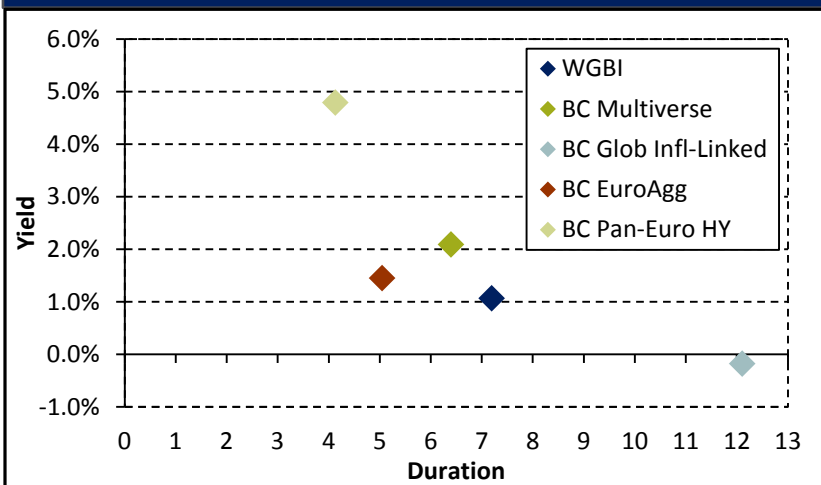
Source: Barclays, Bloomberg, *European periphery spreads are over equivalent German Bund

Global yields are at or near historic lows despite recent uptick



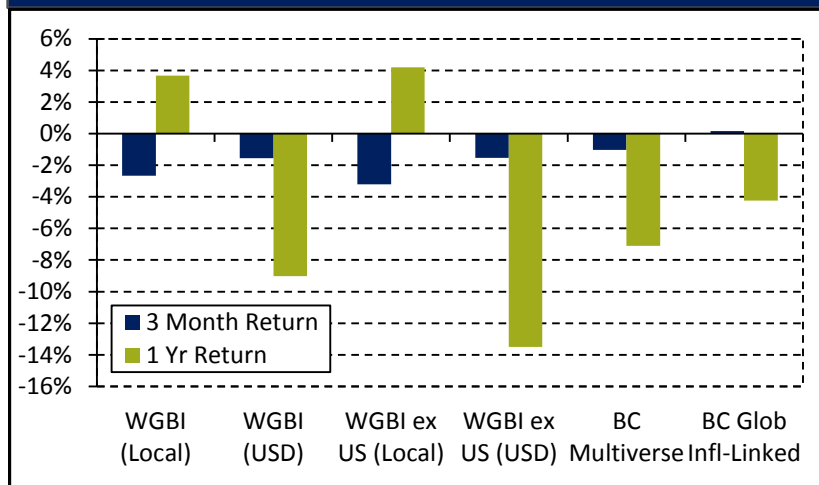
Source: Bloomberg

Low global yields relative to duration



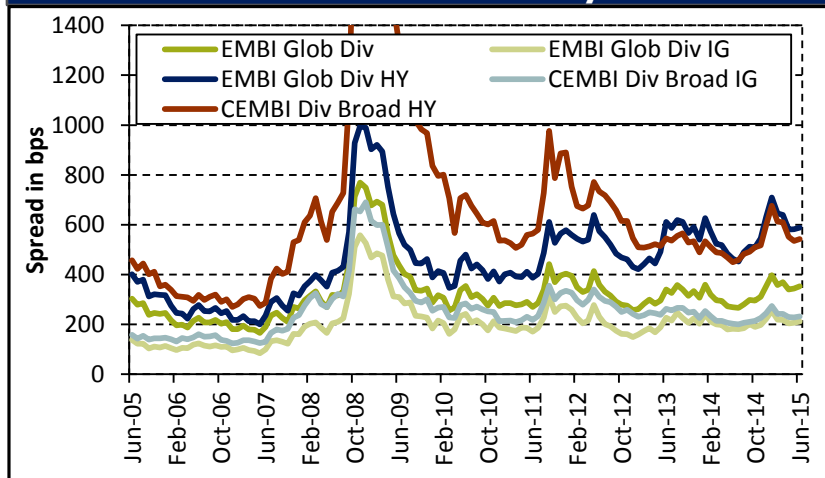
Source: Bloomberg, Citigroup, Barclays

Global bonds negative in USD terms



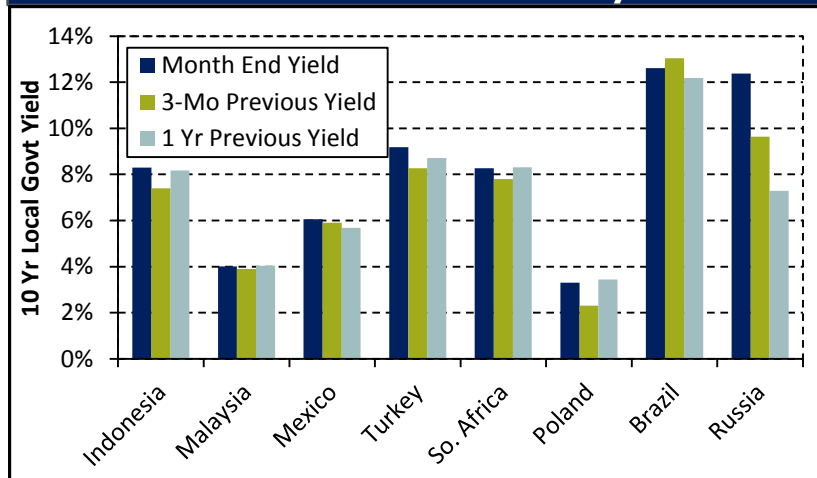
Source: Bloomberg, Citigroup, Barclays

Spreads have compressed slightly, still in line with history



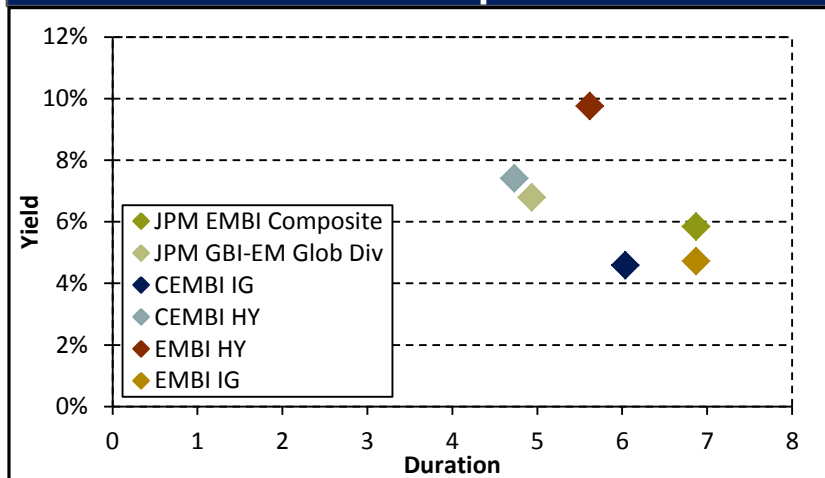
Source: Bloomberg, JP Morgan

Emerging market bond yield changes have varied directionally



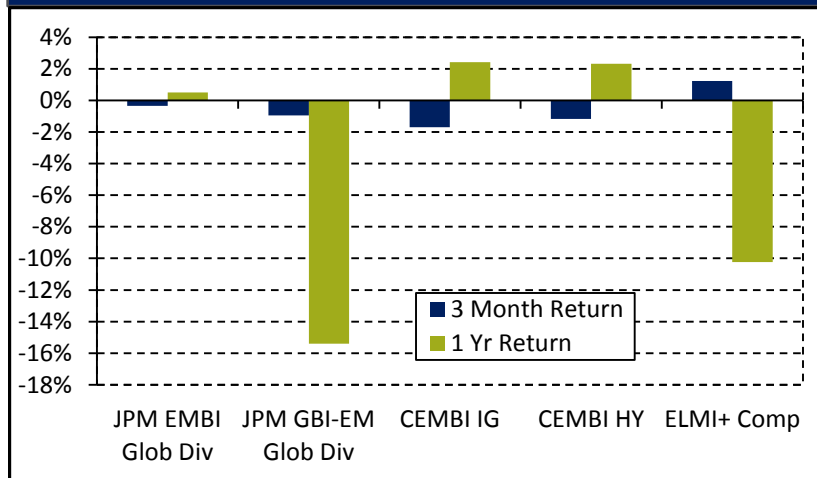
Source: Bloomberg

EM yields higher versus global counterparts



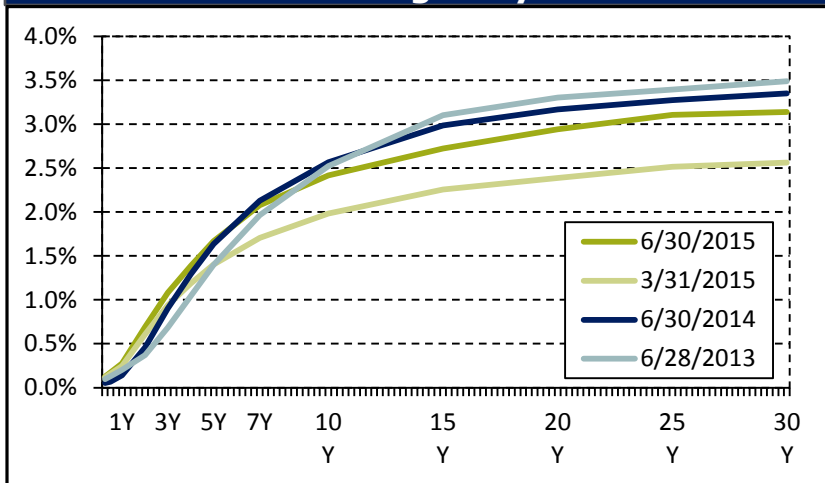
Source: Bloomberg, JP Morgan

Currency effect pronounced in EMD returns



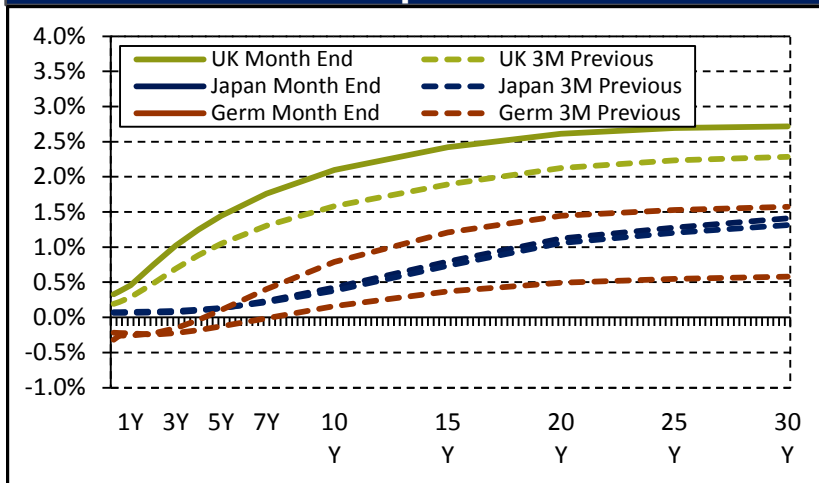
Source: Bloomberg, JP Morgan

Treasury yield curve moderately higher during the year



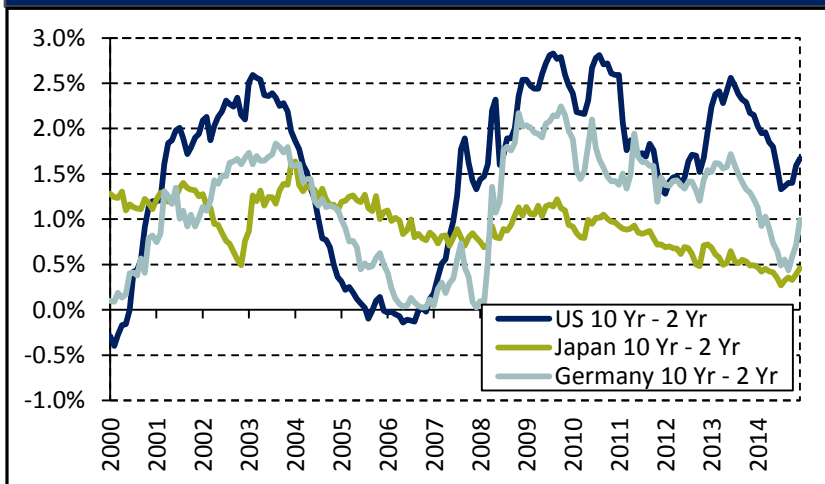
Source: Bloomberg

German and UK curves have shifted upwards



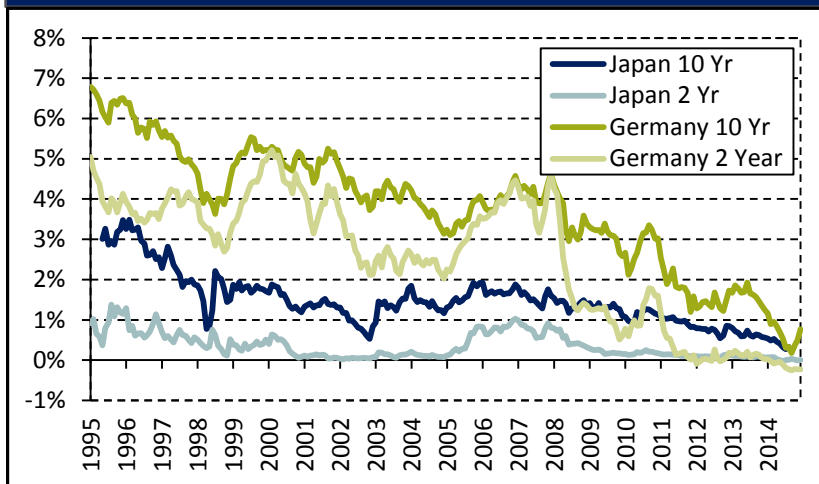
Source: Bloomberg

Global yield curves have flattened



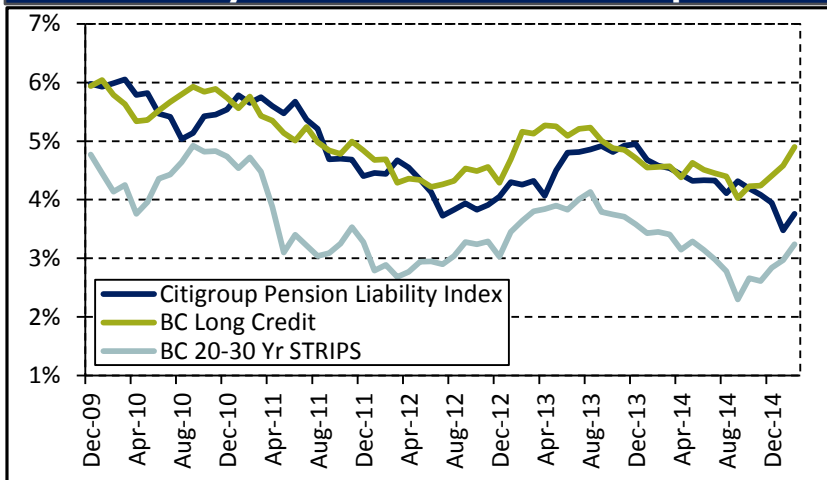
Source: Bloomberg

Global yields have trended lower over long term



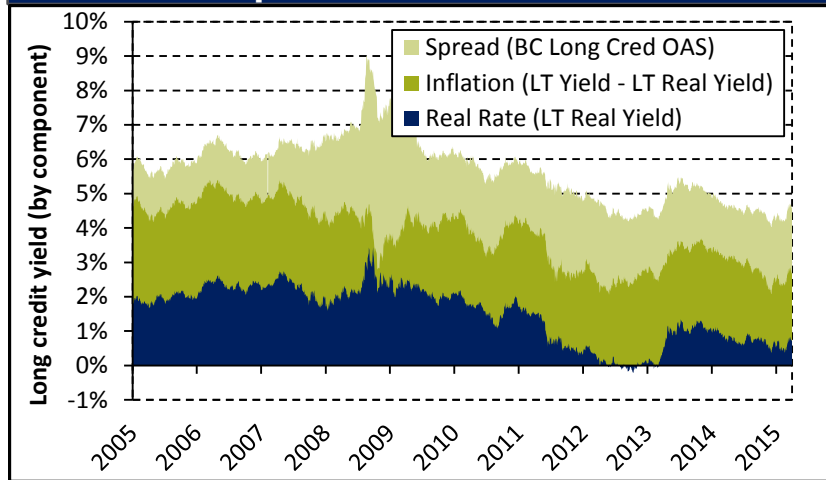
Source: Bloomberg

Long duration yields have fallen over last few years even with recent uptick



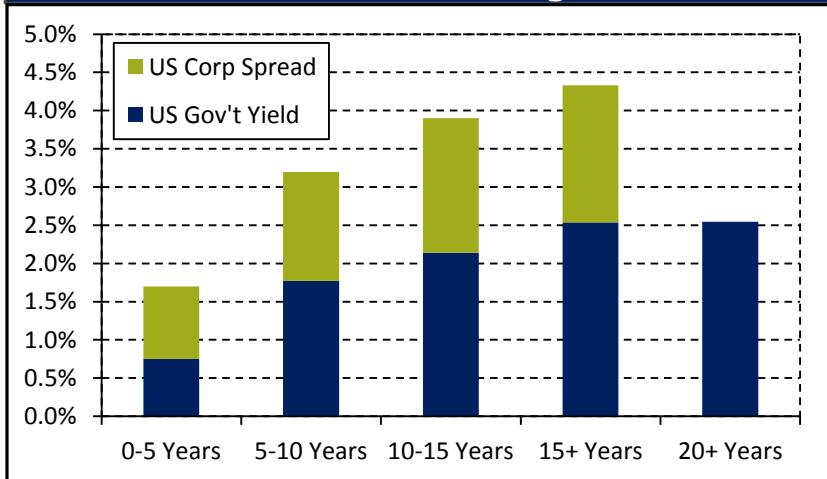
Source: Bloomberg, Citigroup, Barclays

Lower yields driven by low inflation expectations and real rates



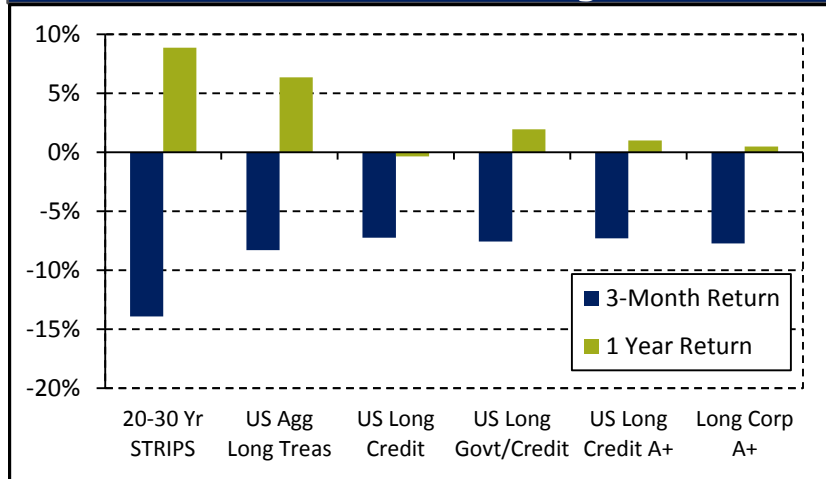
Source: Bloomberg, US Treasury, Barclays, NEPC

Yields are low but spreads remain near historic averages



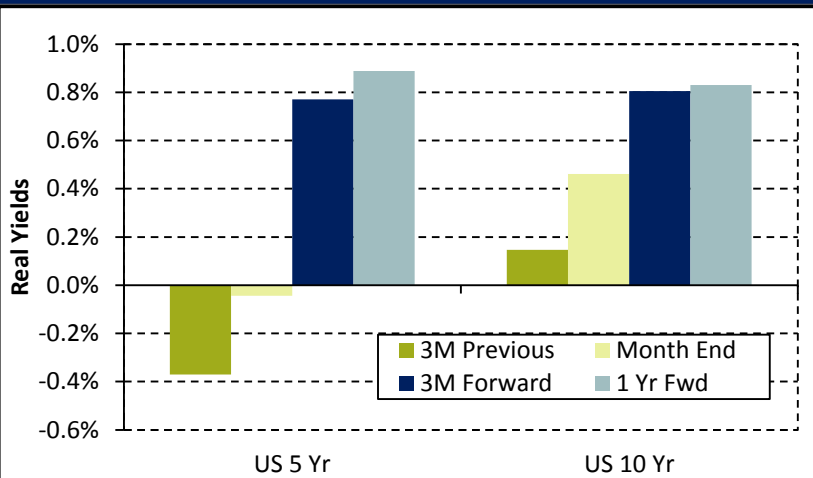
Source: Bloomberg, BofA Merrill Lynch, Barclays *No index for 20+ year corporate

Recent rise in rates have pushed long duration returns negative



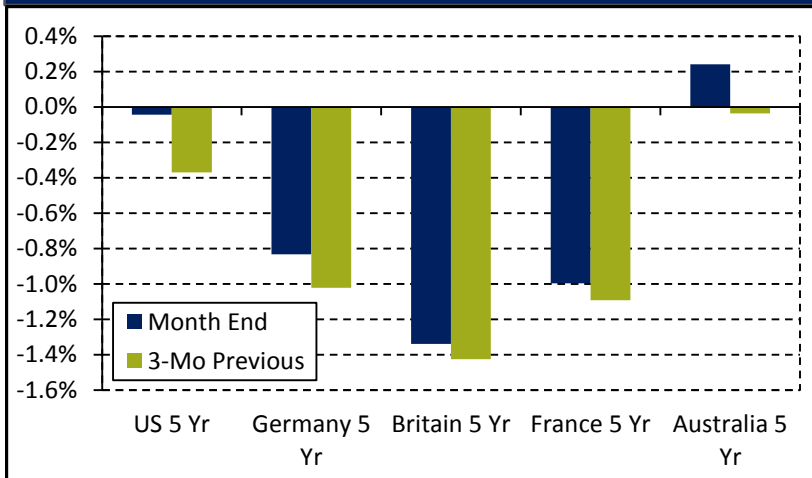
Source: Bloomberg, Barclays

US real yields have risen slightly



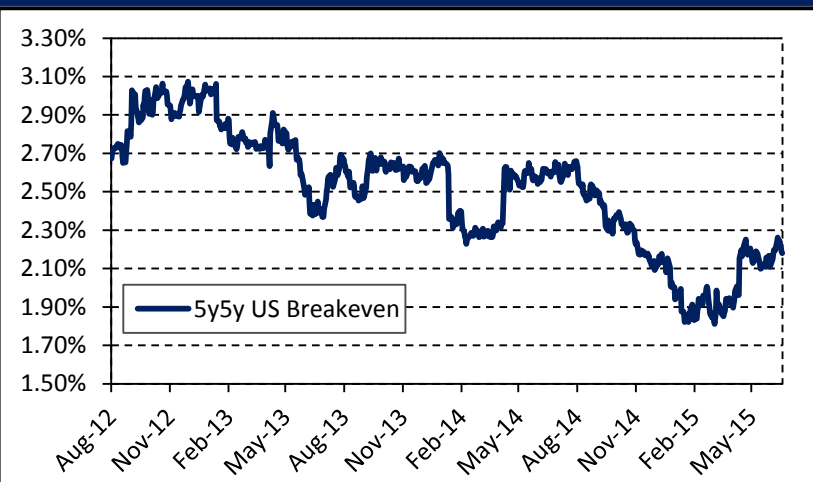
Source: Bloomberg

Global real yields are flat to negative



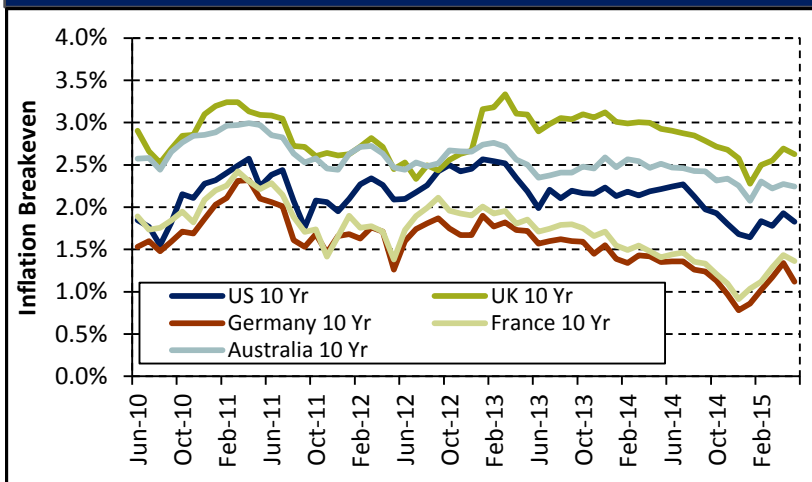
Source: Bloomberg

US inflation expectations on downward trend



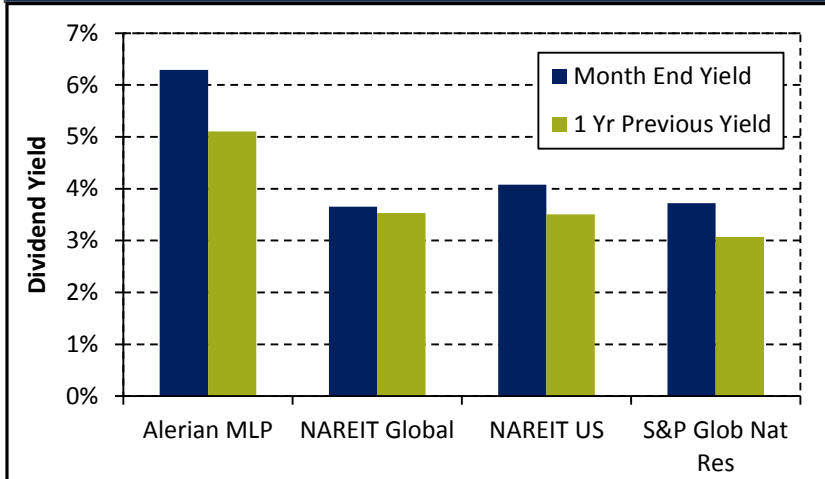
Source: Bloomberg

Global inflation expectations remain subdued



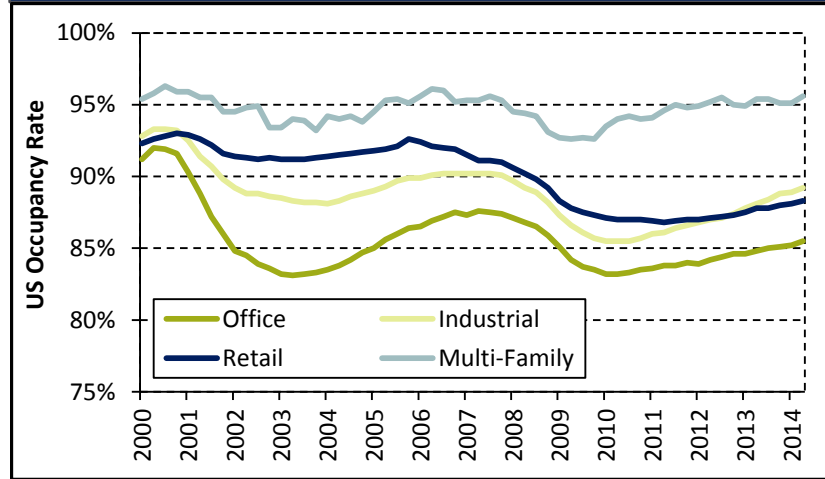
Source: Bloomberg

Yields slightly higher relative to last year



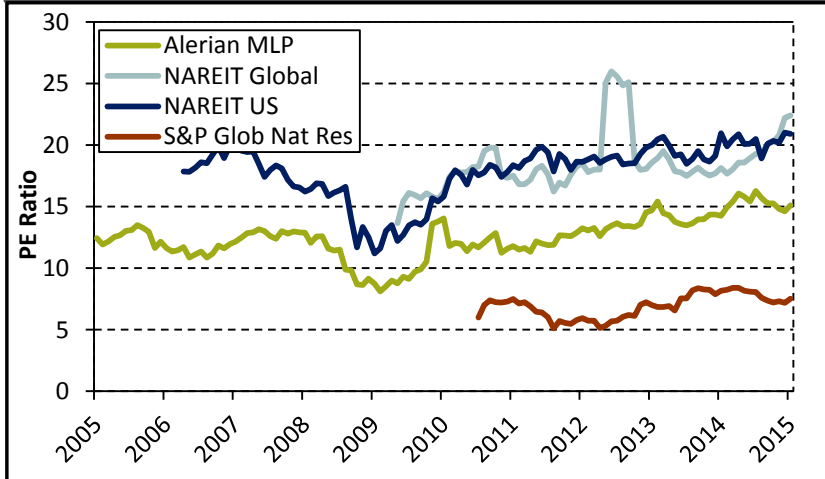
Source: Bloomberg, Alerian, Nareit, Standard and Poors

Gradual recovery in occupancy rates



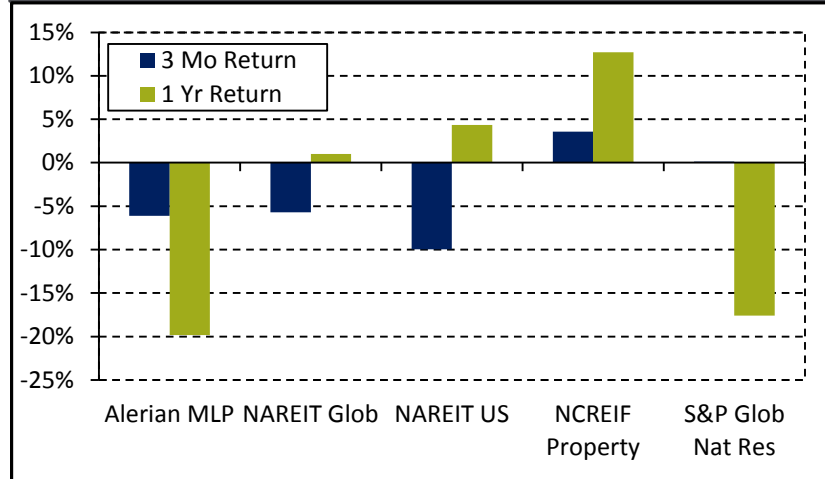
Source: Bloomberg, CB Richard Ellis

PE Ratios near or above averages



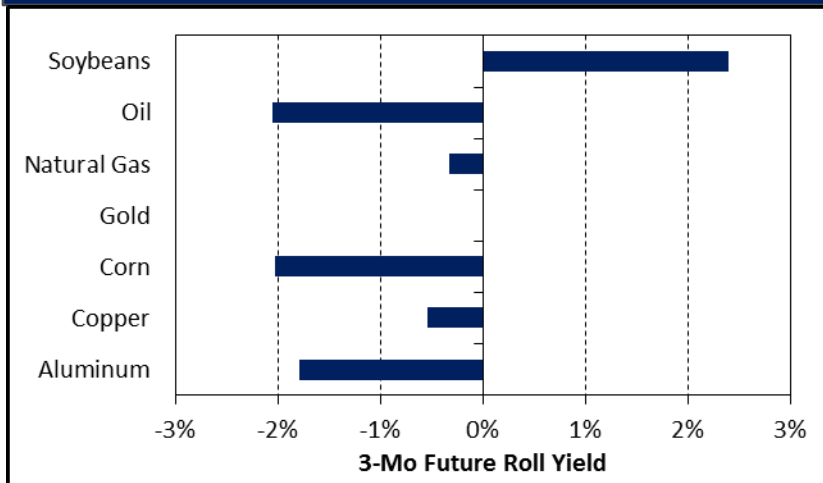
Source: Bloomberg, US Census Bureau

Recent REIT selloff has cut into long rally



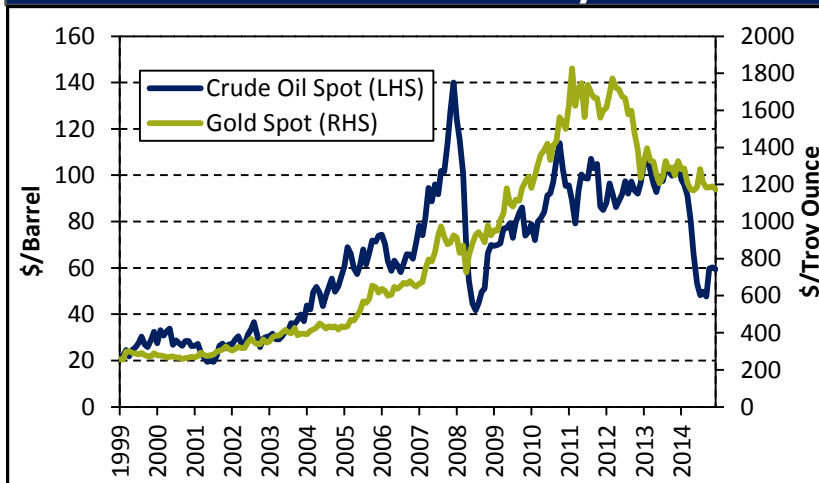
Source: Bloomberg, Alerian, Nareit, Standard and Poors

Negative roll yields in major commodity futures



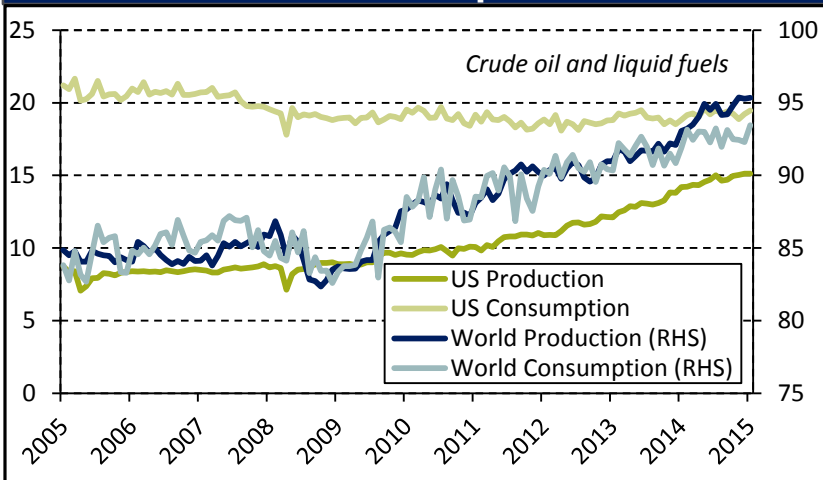
Source: Bloomberg

Precipitous fall in oil prices with slight recent recovery



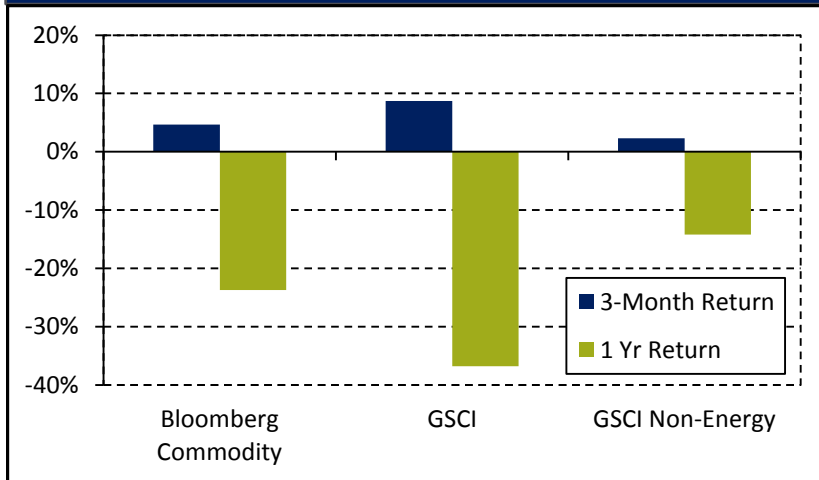
Source: Bloomberg

US fuel production closing gap with consumption



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

Commodity indices flat recently after oil-induced decline



Source: Bloomberg, Standard and Poors

- **Past performance is no guarantee of future results.**
- **The goal of this report is to provide a basis for monitoring financial markets. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.**
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