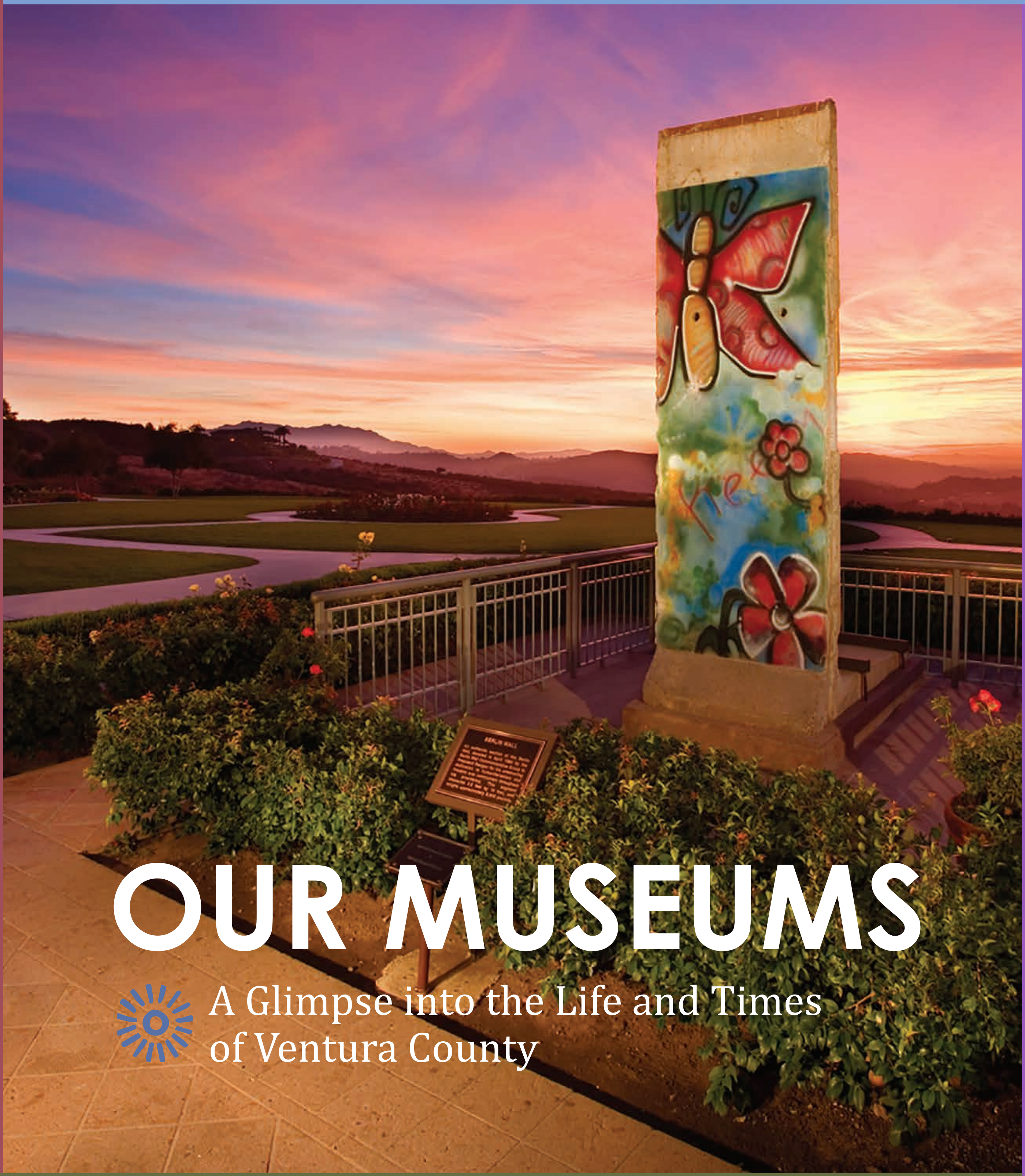
Ventura County Employees' Retirement Association
Annual Comprehensive Financial Report

Pension Trust Fund and Component Unit for the County of Ventura, California
for the Fiscal Year Ended June 30, 2023



OUR MUSEUMS

A Glimpse into the Life and Times of Ventura County

Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023

Pension Trust Fund and Component Unit
for the County of Ventura, California, Ventura County
Superior Court, Ventura County Air Pollution Control District,
Ventura Regional Sanitation District and VCERA

Issued by: Rick Santos, Interim Retirement Administrator

VCERA is committed to you during your public service career and retirement. VCERA offers presentations for new members and those approaching retirement, in-person and virtual consultations, a website with educational material, and a Member Service Portal. When you retire, VCERA ensures consistent distribution of monthly benefits and delivers essential communication to members so they can enjoy the freedom that retirement brings to the fullest.
Please visit www.vcera.org for more information.

1190 South Victoria Avenue, Suite 200, Ventura, CA 93003-6572
805.339.4250 / 805.339.4269 (fax) / www.vcera.org

Ronald Reagan Presidential Library and Museum

The Ronald Reagan Presidential Library is a unique California destination, overlooking beautiful valleys and the Pacific Ocean. Hundreds of historical artifacts and galleries highlight the life and times of America's 40th president, including materials from his tenure as governor. The Simi Valley-based museum features Air Force One, Marine One, a presidential limousine, a section of the Berlin Wall, an F-117 Nighthawk Stealth Fighter, an F-14 jet, an M-1 Abrams tank, a replica of the Oval Office, and much more.

Letter of Transmittal

VCERA
VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
1190 S. VICTORIA AVENUE, SUITE 200 • VENTURA, CA 93003
PHONE: 805-339-4250 • FAX: 805-339-4269 • WWW.VCERA.ORG

December 14, 2023

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

Dear Board of Retirement Trustees and Plan Participants:

I am pleased to present the Ventura County Employees' Retirement Association (VCERA, Association, Fund, or Plan) Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. The report is intended to provide a detailed review of VCERA's financial, actuarial and investment status. VCERA has the duty and authority to administer plan benefits for employees of the County of Ventura and outside participating employers, Ventura County Superior Court, Ventura County Air Pollution Control District, Ventura Regional Sanitation District and VCERA.

VCERA AND ITS SERVICES

VCERA was established in 1947 to provide retirement allowances and other benefits to the general and safety members employed by Ventura County. Subsequently, VCERA expanded its membership program to include the following outside employers:

- Ventura County Superior Court
- Ventura County Air Pollution Control District (APCD)
- Ventura Regional Sanitation District (VRSD)
- Ventura County Employees' Retirement Association

Since its inception, VCERA has been governed by the California Constitution, the County Employees Retirement Law of 1937 (CERL), and the regulations, procedures, and policies adopted by VCERA's Board of Retirement (the Board). The Ventura County Board of Supervisors may also adopt resolutions, as permitted by the CERL, which may affect benefits of VCERA members. As of January 13, 2013, VCERA is also governed by the Public Employees' Pension Reform Act of 2013 (PEPRA). Both the CERL and PEPRA are contained in the California Government Code (GC).

The Board is responsible for the general management of VCERA and for determining VCERA's investment objectives, strategies, and policies. The Board appoints a Retirement Administrator, to whom is delegated the responsibility of overseeing the day-to-day management of VCERA and developing its annual administrative budget. Adoption of the budget is subject to approval by the Board.

FINANCIAL INFORMATION

The independent audit performed by Brown Armstrong Accountancy Corporation states that VCERA's financial statements are prepared by management, presented in conformity with Generally Accepted Accounting Principles (GAAP), and free of material misstatement. Management acknowledges it is responsible for the entire content of this ACFR.

Maintaining appropriate internal controls is the responsibility of management. However, management recognizes that no control or combination of controls can entirely free an organization from all error or misstatement. At their best, controls provide reasonable assurance that such failings do not occur. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; the valuation of cost and benefits requires estimates and judgments by management. VCERA's executive management is confident that VCERA's established controls and the interactions of those controls detect all significant occurrences and prevent noteworthy inaccuracies.

An overview of VCERA's fiscal operations is presented in the Management's Discussion & Analysis (MD&A) Section preceding the financial statements. This transmittal letter, when taken into consideration with the MD&A, provides an enhanced picture of the VCERA's operational activities.

INVESTMENT ACTIVITIES

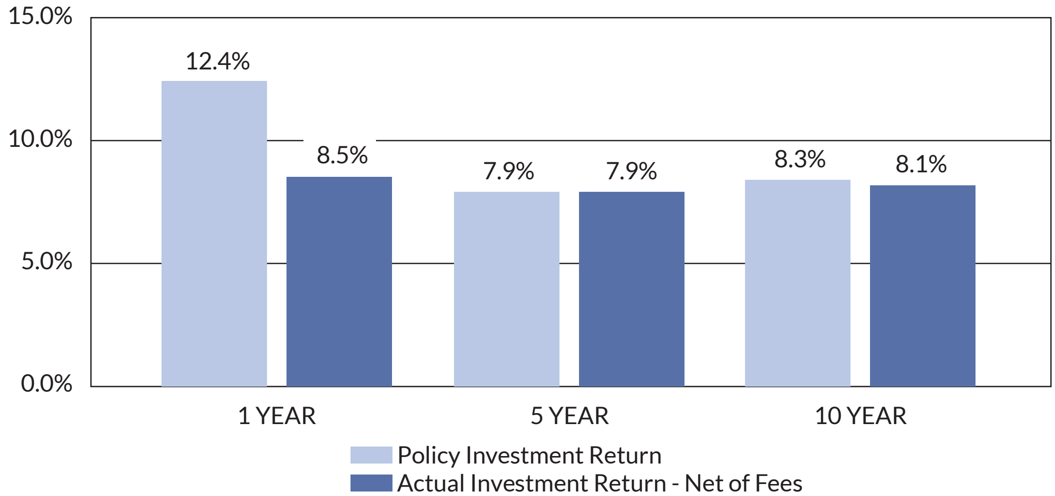
The Board's Investment Policy provides the framework for the management and oversight of VCERA's investments. The Investment Policy establishes VCERA's investment objectives and defines the principal duties of the Board, staff, custodian, investment managers, and consultants. The Board adopted a new asset allocation and corresponding implementation plan in April 2022.

A pension fund's asset allocation policy, implemented in a consistent and disciplined manner, is generally recognized to have the most impact on a fund's performance. The asset allocation process determines a fund's optimal long-term asset class mix (target allocation), which is expected to achieve a specific set of investment objectives.

For the one-year period ended June 30, 2023, VCERA's Total Fund investment portfolio returned 8.5% net-of-fees, underperforming its policy benchmark by 3.9%. The publicly traded U.S. equity portfolio returned 19.1%, outperforming its benchmark by 0.1%. The non-U.S. equity portfolio returned 16.2%, outperforming its benchmark by 3.5%. Global equity returned 17.0%, outperforming its benchmark by 0.5%. Private equity returned (4.3%), underperforming its public market benchmark by 25.3%. Fixed income returned 2.2%, outperforming its benchmark by 2.29%. Private Credit returned 6.1%, underperforming its benchmark by 3.3%. Real Estate returned (10.5%), outperforming its benchmark by 0.2%. Real Assets returned 8.3%, outperforming it benchmark by 3.3%. Over the five-year and ten-year periods ended June 30, 2023, the Total Fund's annualized returns were 7.9% and 8.1%, respectively, with the five-year return in line with its policy benchmark and the ten-year underperforming its benchmark by 0.2%, respectively. The chart below compares the Total Fund's actual and policy investment returns for one, five and ten years.

ACTUARIAL FUNDING STATUS

Pursuant to provisions in the CERL, VCERA engages an independent actuarial firm to perform annual actuarial valuations. A system-wide actuarial valuation (i.e., Experience Study) is performed every three years, at which



time VCERA's economic and non-economic assumptions are updated. Triennial Experience Studies serve as the basis for the underlying assumptions that ultimately trigger changes in member and employer contribution rates necessary to properly fund the system. The latest triennial Experience Study was conducted as of June 30, 2020.

VCERA is funded by member and employer contributions and investment earnings. Normal member contributions are those required to fund a specific annuity at a specified age. Member contribution rates for members who entered VCERA membership prior to January 1, 2013, vary according to a member's benefit tier. The CERL also requires members to pay half the contributions required to fund the cost-of-living adjustment (COLA) benefit, which is affected by changes in both economic and non-economic assumptions.

Liabilities not funded through regular employer and member contributions and investment earnings are the responsibility of the employer. Changes to any of the economic and non-economic assumptions impact employer contribution rates. The employer is responsible for contributing to cover the cost of benefits expected to be accrued in the future and half the cost of the COLA for safety and legacy members. These are "normal cost" contributions. The employer is also responsible for making additional contributions to eliminate any shortfalls in funding (i.e., liabilities) that have accrued in the past, which is known as the Unfunded Actuarial Accrued Liability (UAAL).

PEPRA provisions require equal sharing of normal costs between employers and employees. Employees must pay 50% of the normal cost, but may pay more, if collectively bargained. In January 2013, VCERA established new PEPRA benefit tiers for General and Safety members with membership dates on or after January 1, 2013. Contributions for these tiers are based on a single, flat-rate percentage and are structured in accordance with the required 50/50 cost sharing. A member's age at first membership is not considered.

The June 30, 2023, actuarial valuation determined VCERA's funded ratio to be 97.1% with a recognized UAAL of $230 million. The employer contribution rate will therefore be set equal to 8.5% of payroll for the amortization of the UAAL, plus the normal cost rate of 10.1%, for a total contribution rate of 18.6% of payroll for the 2023-2024 fiscal year.

SIGNIFICANT EVENTS, ACCOMPLISHMENTS, AND OBJECTIVES

The 2022-23 fiscal year saw changes in the operation and administration of the retirement system by the Board and staff. Some of the more significant events and accomplishments of the past year are summarized below:

- Worked with County Auditor-Controller office to accelerate Alameda Decision correction process.
- Collaborate with County on data-scrubbing efforts.
- Expand trustee onboarding and education program.
- Conducted penetration testing to ensure proper data security.
- Successful transition to PrimeGov, VCERA's agenda management software.

OBJECTIVES FOR THE COMING YEAR

- Hire an Interim Retirement Administrator and recruit and hire a Retirement Administrator, due to the August 2023 resignation of Linda Webb.
- Continue to work with County Auditor-Controller's office to accelerate Alameda Decision correction process.
- Finalize Alameda implementation methodology, including corrections, refunds, and policies.
- Expand VCERA's member portal to allow for secure document uploads.
- Mature and grow VCERA IT to support business applications and deliver refined services to members and staff.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded VCERA a Certificate of Achievement for Excellence in Financial Reporting in recognition of our ACFR for the fiscal year ended June 30, 2022. This award recognizes contributions to the practice of government finance exemplifying outstanding financial management. In doing so, they stress practical, documented work that offers leadership to the profession.

A Certificate of Achievement is valid for a period of one year only. Management believes that the current ACFR continues to meet the Certificate of Achievement Program's requirements, and it will be submitted to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this Annual Comprehensive Financial Report in a timely manner is made possible by the dedicated teamwork of VCERA staff under the leadership, dedication, and support of the VCERA Board of Retirement. I am sincerely grateful to the Board and staff, as well as to all of our professional service providers, who work diligently to ensure the successful operation and financial soundness of VCERA.

Respectfully submitted,

Rick Santos, CFA, ASA, MAAA
Interim Retirement Administrator

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Ventura County Employees' Retirement Association
California

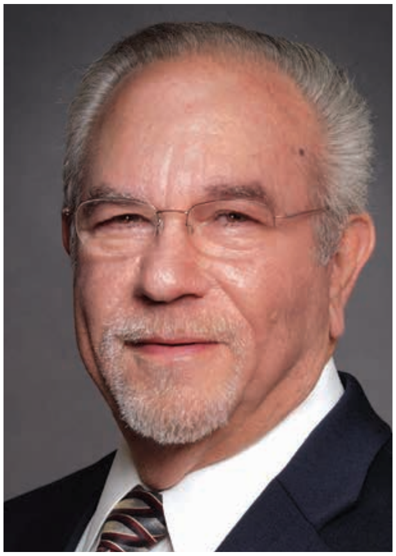
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

Members of the Board of Retirement



MICHAEL SEDELL
Chair
Appointed by Ventura County
Board of Supervisors

ARTHUR E. GOULET
Vice-Chair
Elected by Retired Members

AARON GRASS
Elected by Safety Members

KELLY LONG
Appointed by Ventura County
Board of Supervisors

TOMMIE E. JOE
Appointed by Ventura County
Board of Supervisors

SUE HORGAN
Ex-Officio Member

Members of the Board of Retirement CONTINUED

WILLIAM HOAG
Alternate Elected by
Retired Members

VACANT
Alternate Appointed by Ventura
County Board of Supervisors

VACANT
Appointed by Ventura County
Board of Supervisors

ROBERT ASHBY
Alternate Elected by
Safety Members

JORDAN ROBERTS
Elected by General Members

CECILIA HERNANDEZ-GARCIA
Elected by General Members

2023 Organization Chart

- **BOARD OF RETIREMENT**
  - **LORI NEMIROFF** – General Counsel
    - **PAMELA BOWMAN** – Legal Management
  - **RICK SANTOS** – Interim Retirement Administrator
    - **LA VALDA MARSHALL** – Chief Financial Officer
      - **KARLA MAIRENA** – Accounting Manager
        - **ELDA BOUDAGHIANS** – Sr. Accountant
        - **SUSANA MAGANA** – Sr. Accounting Technician
    - **AMY HERRON** – Chief Operations Officer
      - **CHRIS AYALA** – Board Clerk/HR/Program Asst.
      - **VACANT** – Public Information Officer
      - **ANDREA DONATI** – Office Assistant
      - **VERONICA PINZON** – Office Assistant
      - **SHALINI NUNNA** – Retirement Benefits Manager
        - **DOUGLAS ARNETT** – Retirement Benefits Specialist
        - **TERI CRUZ** – Retirement Benefits Specialist
        - **ANGIE TOLENTINO** – Retirement Benefits Specialist
        - **CHANTELL GARCIA** – Retirement Benefits Specialist
        - **CHRIS OLIVO** – Retirement Benefits Specialist
      - **JOSIAH VENCEL** – Retirement Benefits Manager
        - **NANCY JENSEN** – Retirement Benefits Specialist
        - **STEPHANIE BERKLEY** – Retirement Benefits Specialist
      - **REBEKAH VILLALOBOS** – Retirement Benefits Manager
        - **GINA SIMONELLI** – Retirement Benefits Specialist
        - **CHRISTINA WEBB** – Retirement Benefits Specialist
        - **SIERRA WALSH** – Retirement Benefits Specialist
        - **JACKIE PINEDA** – Retirement Benefits Specialist
        - **LYDIA BAKHOUM** – Retirement Benefits Specialist
        - **SHANA BARROW** – Retirement Benefits Specialist
        - **JESS ANGELES** – Retirement Benefits Specialist
    - **LEAH OLIVER** – Chief Technology Officer
      - **BRIAN OWEN** – Sr. Information Tech. Spec.
      - **MICHAEL SANCHEZ** – Sr. Information Tech. Spec.
      - **MICHELLE HERNANDEZ** – System Administrator
      - **DAVID RODRIGUEZ** – System Administrator
  - **DAN GALLAGHER** – Chief Investment Officer

List of Professional Consultants

ACTUARY
Segal Consulting

CUSTODIAN
State Street Bank and Trust

INDEPENDENT AUDITOR
Brown Armstrong Accountancy Corporation

INVESTMENT CONSULTANT
NEPC, LLC
Abbott Capital Management, LLC

LEGAL COUNSEL
Nossaman, LLP
Hanson Bridgett, LLP
Ice Miller, LLP

TECHNICAL SUPPORT
Automatic Data Processing
Information Technology Services of the County of Ventura
Brentwood IT
Digamax - LimeCyber
Digital Deployment
Gartner
Tyler Technologies
Velosio
Vitech Systems, Inc.
VSG Hosting
WIP, Inc.

Please refer to the Investment Section for a list of Investment Management Fees and Investment Managers on pages 62 and 63, respectively.

Chumash Indian Museum

Located in Thousand Oaks, the Chumash Indian Museum is a physical repository of knowledge of the Chumash people, who populated present-day Ventura County centuries ago. The museum features guided tours, nature hikes, a replica Chumash village and a living history center filled with artifacts of historical and cultural significance. Visitors will step back in time when walking the grounds.

BROWN ARMSTRONG
CERTIFIED PUBLIC ACCOUNTANTS

www.ba.cpa
661-324-4971

INDEPENDENT AUDITOR'S REPORT

To the Board of Retirement and Finance Committee of
Ventura County Employees' Retirement Association
Ventura, California

Report on the Audit of the Basic Financial Statements and Other Information

Opinions

We have audited the accompanying Statement of Fiduciary Net Position of Ventura County Employees' Retirement Association (VCERA), a pension trust fund and fiduciary component unit of the County of Ventura, as of June 30, 2023, the Statement of Changes in Fiduciary Net Position for the fiscal year then ended, and the related notes to the basic financial statements, which collectively comprise VCERA's basic financial statements as listed in the table of contents. We have also audited the Schedule of Cost Sharing Employer Allocations of VCERA as of June 30, 2023, and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense excluding that attributable to employer-paid member contributions (other information) as of and for the fiscal year ended June 30, 2023, specified column totals, listed as other information in the table of contents.

In our opinion, the basic financial statements and other information referred to above present fairly, in all material respects, the fiduciary net position of VCERA as of June 30, 2023, and the respective changes in fiduciary net position for the fiscal year then ended, and the Schedule of Cost Sharing Employer Allocations of VCERA as of June 30, 2023; and the Schedule of Employer Pension Amounts Allocated by Cost Sharing Plan total for all entities of the specified column totals as of and for the fiscal year ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America (US GAAP).

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (US GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Basic Financial Statements and Other Information section of our report. We are required to be independent of VCERA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Basic Financial Statements and Other Information

Management is responsible for the preparation and the fair presentation of the basic financial statements and the other information in accordance with US GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements and the other information that are free from material misstatement, whether due to fraud or error.

In preparing the basic financial statements and other information, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about VCERA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Management is also responsible for maintaining a current plan instrument, including all VCERA plan amendments; administering VCERA; and determining that VCERA's transactions that are presented and disclosed in the basic financial statements and other information are in conformity with the VCERA's plan provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Basic Financial Statements and Other Information

Our objectives are to obtain reasonable assurance about whether the basic financial statements and other information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and US GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS and US GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the basic financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the basic financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VCERA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the basic financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about VCERA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

US GAAP require that the management's discussion and analysis (MD&A) and the required supplementary information (RSI), as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and RSI in accordance with US GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements that collectively comprise VCERA's basic financial statements and other information. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Additional Information

Management is responsible for the additional information included in the Annual Comprehensive Financial Report. The additional information comprises the introductory, investment, actuarial, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the additional information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the additional information and consider whether a material inconsistency exists between the additional information and the basic financial statements and other information, or the additional information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the additional information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited VCERA's June 30, 2022 basic financial statements and other information, and our report dated March 13, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2022, is consistent in all material respects, with the audited basic financial statements and other information from which it has been derived.

Other Reporting Required by US GAS

In accordance with US GAS*,* we have also issued our report dated December 14, 2023, on our consideration of VCERA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of VCERA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with US GAS in considering VCERA's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 14, 2023

Management's Discussion and Analysis

The following review of the results of VCERA or the Plan operations and financial condition for the fiscal year ended June 30, 2023, should be read in conjunction with the Letter of Transmittal found in the Introductory Section of this report and with the required financial statements that follow this discussion and analysis.

HIGHLIGHTS

- The Net Position Restricted for Pensions (Net Position) at the close of June 30, 2023 was $7.6 billion. All of the net position is available to meet VCERA's ongoing obligations to plan participants and their beneficiaries.
- VCERA's total Net Position Restricted for Pensions increased by $552.9 million, or 7.9%. The increase for the fiscal year ended June 30, 2023 was primarily driven by positive investment returns.
- Total additions, as reflected in the Statement of Changes in Fiduciary Net Position, for the fiscal year ended June 30, 2023 are $943.5 million. This total is comprised of employer and plan member contributions of $272.5 million, net investment income gain of $670.8 million and net securities lending income of $222 thousand.
- Total deductions, as reflected in the Statement of Changes in Fiduciary Net Position, increased to $390.6 million, or 6.7%, from the prior year.
- VCERA's funded status, as measured by the actuarial value of assets divided by the actuarial value of accrued liabilities, decreased from 97.2% to 97.1%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis are intended to serve as an introduction to VCERA's basic financial statements. The financial statements and required disclosures are prepared in accordance with pronouncements (accounting principles and reporting guidelines) as set forth by the GASB. These pronouncements require certain disclosures and require VCERA to report using the full accrual basis of accounting. VCERA complies with all material requirements of these pronouncements. VCERA's basic financial statements are comprised of the following components:

1. Statement of Fiduciary Net Position
2. Statement of Changes in Fiduciary Net Position
3. Notes to the Basic Financial Statements

The **Statement of Fiduciary Net Position** is a snapshot of account balances at fiscal year-end, indicating the assets available for future payments to retirees and their beneficiaries, and any current liabilities owed.

The **Statement of Changes in Fiduciary Net Position** reflects all the activities that occurred during the year and shows the impact of those activities as additions to or deductions from the Plan. The trend of additions to versus deductions from the Plan will indicate the condition of VCERA's financial position over time.

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position report information about VCERA's activities. These statements include all assets and liabilities using the full accrual basis of accounting, which is similar to the accounting used by private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. All investment gains and losses, both realized and unrealized, are included in the "Investments" line item.

The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position report VCERA's net position restricted for pensions as one way to measure the Plan's financial position. ("Net position" is the difference between assets and liabilities.) Over time, increases and decreases in VCERA's net position are an indicator of whether its financial health is improving or deteriorating. Other factors, such as market conditions, should also be considered in measuring VCERA's overall financial health. Refer to VCERA's basic financial statements following this analysis.

Notes to the Basic Financial Statements ("Notes") are an integral part of the financial reports. The Notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements including a detailed discussion of key policies, programs, investments, and activities that occurred during the year. Refer to the Notes to the Basic Financial Statements Section of this report.

Other information to supplement VCERA's basic financial statements is provided as follows:

> **Required Supplementary Information** presents historical trend information concerning the changes in net pension liability, employer contributions and investment returns, and method and assumptions used to determine the required "actuarially determined contributions." This information is based on actuarial valuations and contributes to the understanding of the changes in the net pension liability of participating employers.
>
> **Other Supplementary Information** includes the Schedules of Administrative Expenses, Investment Expenses and Payments to Consultants. Refer to the Other Supplementary Information Section of this report.
>
> **Other Information** includes Schedules of Employer Pension Amounts Allocated by Cost Sharing Plan and Cost Sharing Employer Allocations, which are presented immediately following the Other Supplementary Information Section of this report.

FINANCIAL ANALYSIS

During the fiscal year, the Plan's assets returned 8.5% (net of fees), higher than the Plan's 7.0% assumed rate of return. The Private Equity portfolio underperformed with a return of (4.3%). The U.S. Equity portfolio gained 19.1%, the Global Equity portfolio gained 17.0%, the Non-U.S. Equity portfolio gained 16.2%, the Private Credit portfolio gained 6.1% and the Fixed Income portfolio gained 2.2%. For other asset class returns, refer to the Schedule of Investment Returns on page 60.

RESERVES

Reserves are not required, nor recognized, under GAAP. These are not shown separately on the Statement of Fiduciary Net Position, but they equate to, and are accounts within, the Fiduciary Net Position restricted for pension benefits and are vital to VCERA's operations.

VCERA's reserves are established from contributions and the accumulation of investment income, after satisfying investment and administrative expenses (see Table on page that follows). Furthermore, VCERA has in place a five-year smoothing methodology for investment gains/(losses). Under GAAP, investments are stated at fair value instead of cost and include the recognition of the unrealized gains and losses in the current period. The difference between the fair value of assets inclusive of the cumulative unrealized gains and losses and the amounts reported from the five-year smoothing methodology (or actuarial value) comprises the Market Stabilization Reserve.

The Board has adopted an interest crediting and excess earnings policy for the Plan to credit semi-annual interest to reserves and to determine the use of excess earnings, if any. On December 31, 2022 and June 30, 2023, all reserve accounts except for Member, Non-Vested Supplemental and Contingency reserve accounts were credited interest at a rate of one-half of the actuarial assumption rate adopted by the Board, currently at 3.50% (7.00% divided by two).

For Member reserves, the Board has established the rate for crediting interest to be set at one-half the rate of the United States 10-year Treasury Note, as quoted in the Wall Street Journal for December 31 and June 30, not to exceed one-half of the actuarial assumption rate adopted by the Board, currently at 3.50%. On December 31, 2022 and June 30, 2023, member accounts were credited interest at a rate of 1.940% and 1.922%, respectively, less than the actuarial assumption rate. The increase in the fair value of investments and increase in benefit payments in the fiscal year ended June 30, 2023, resulted in an increase of $552.9 million in the total reserves as of June 30, 2023.

($ in Thousands) Reserve Account	June 30, 2023	June 30, 2022
Member	$947,972	$888,174
Employer Advance	2,837,574	2,712,188
Retired Member	3,685,528	3,510,987
Vested Fixed Supplemental	151,036	150,247
Non-Vested Supplemental	60	62
Death Benefit	18,595	18,010
Undistributed Earnings	-	-
Contingency	-	-
Market Stabilization	(62,527)	(254,336)
Total Reserves	$7,578,238	$7,025,332

NET POSITION RESTRICTED FOR PENSION BENEFITS

Net Position represents assets held to pay benefits earned by plan members. The Plan's Net Position increased from $7.0 billion to $7.6 billion. Investments increased by approximately $529.1 million, as a result of an increase in the fair value of VCERA's investment portfolio. Current Assets decreased by $30.3 million, mostly attributable to an increase in cash by $11.8 million and decrease in collateral on loaned securities by $50.5 million based on the decreased demand in VCERA's market securities by borrowers. Capital Assets decreased by $1.8 million, representing the amortization/depreciation of leasehold improvements, pension administration system and equipment. Total Liabilities decreased by $55.9 million, due primarily to a decrease in obligations due under the securities lending program.

($ in Thousands)	June 30, 2023	June 30, 2022	Difference	2022-2023 % Change
Current Assets	$228,000	$258,324	$(30,324)	-11.7%
Investments, at fair value	7,426,082	6,897,016	529,066	7.7%
Capital Assets, Net	7,832	9,593	(1,761)	-18.4%
Total Assets	7,661,914	7,164,933	496,981	6.9%
Total Liabilities	83,676	139,601	(55,925)	-40.1%
Net Position Restricted For Pensions	$7,578,238	$7,025,332	552,906	7.9%

ADDITIONS TO AND DEDUCTIONS FROM PLAN NET POSITION

The primary sources of assets to finance VCERA paid benefits are investment income and the collection of employer and member contributions. Fiscal year 2023 results showed a 0.1% decrease in employer contributions and 11.0% increase in member contributions. Net investment income was higher than the prior year by $1.2 billion due to higher than expected investment returns.

VCERA's assets are used primarily for the payment of pension benefits to retired members and their beneficiaries, refunds of member contributions, death benefits and plan administration costs. An increase in the number of retired members and an increase in the average pension benefit payment continued to be primary contributors to the increase in total deductions in fiscal year 2023.

Benefit payments grew by $22.4 million, or 6.4%, in 2023, as the Plan continues, as expected, to experience an increase in retirements. Member refunds and death benefit payments increased from the prior year. Administrative/ Other expenses represent costs of operating the Plan and increased by 1.7% as compared to the prior year.

($ in Thousands)	June 30, 2023	June 30, 2022	Difference	2022-2023 % Change
Employer Contributions	$178,532	$178,688	$(156)	-0.1%
Member Contributions	93,974	84,699	9,275	11.0%
Net Investment Income (Loss)	670,999	(553,406)	1,224,405	221.2%
Total Additions (Declines)	943,505	(290,019)	1,233,524	425.3%
Benefit Payments	372,643	350,244	22,399	6.4%
Member Refunds & Death Benefit Payments	8,694	6,854	1,840	26.8%
Administrative/Other Expenses	9,262	9,104	158	1.7%
Total Deductions	390,599	366,202	24,397	6.7%
Net Increase/(Decrease)	552,906	(656,221)	1,209,127	-184.3%
Fiduciary Net Position Beginning of Year	7,025,332	7,681,553	(656,221)	-8.5%
Fiduciary Net Position at End of the Year	$7,578,238	$7,025,332	$552,906	7.9%

NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

VCERA is subject to the provisions of GASB Statement No. 67 (GASB 67), Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25, and VCERA's participating employers are subject to the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27. These standards require governmental employers to recognize their long-term obligation for pension benefits as a liability on their balance sheets and their annual pension expense as a comprehensive measurement of the annual cost of pension benefits, and requires VCERA to provide note disclosures and required supplementary information related to the Plan's net pension liability (NPL) of participating employers.

NPL represents the excess of the total pension liability (using an entry age cost method, discounted at a rate that reflects the expected return on Plan assets) over fiduciary net position (valued at fair value). It is a measurement of pension liabilities using market assets that provides a consistent and standardized methodology allowing comparability of data and increased transparency of the pension liability across all governmental entities. VCERA has complied with GASB 67 for the fiscal year ended June 30, 2023.

Based on the June 30, 2023 GASB 67 actuarial valuation, the NPL (Asset) of participating employers on a fair value basis is $229.3 million, a decrease of approximately $208.8 million from the prior year. Refer to Note 4 – *Net Pension Liability of Participating Employers* and the *Required Supplementary Information* Sections of this report for further information.

REQUESTS FOR INFORMATION

The financial report is designed to provide the Board of Retirement, VCERA membership, and other interested third parties with a general overview of VCERA's finances and to show accountability for the funds it receives.

Address questions regarding this report and/or requests for additional information to:

Chief Financial Officer, VCERA
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003
vcera.info@ventura.org

Respectfully submitted,

La Valda Marshall, MBA
Chief Financial Officer

Basic Financial Statements

STATEMENT OF FIDUCIARY NET POSITION

AS OF JUNE 30, 2023 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2022

($ IN THOUSANDS)

	June 30, 2023	June 30, 2022
ASSETS		
Cash and Cash Equivalents	$150,195	$138,440
Collateral on Loaned Securities	56,544	107,023
Receivables		
Employer and Plan Member Contributions	4,175	3,545
Securities Sold	11,886	5,411
Accrued Interest and Dividends	4,989	3,892
Other	211	13
Total Receivables	21,261	12,861
Investments at Fair Value		
U.S. and Non-U.S. Equities: Publicly Traded	3,927,318	3,419,187
Private Equity	1,365,269	1,237,710
Fixed Income: Publicly Traded	749,540	845,314
Private Credit	491,399	320,986
Real Assets	892,556	1,073,819
Total Investments at Fair Value	7,426,082	6,897,016
Capital Assets, Net of Accumulated Depreciation and Amortization	7,832	9,593
Total Assets	7,661,914	7,164,933
LIABILITIES		
Payables for Securities Purchased	18,260	23,879
Payables and Other Liabilities	8,872	8,699
Securities Lending	56,544	107,023
Total Liabilities	83,676	139,601
Net Position Restricted for Pensions	$7,578,238	$7,025,332

The accompanying Notes are an integral part of these basic financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE AMOUNTS FOR FISCAL YEAR ENDED JUNE 30, 2022
($ IN THOUSANDS)

	June 30, 2023	June 30, 2022
ADDITIONS		
Contributions		
Employer	$178,532	$178,688
Member	93,974	84,699
Total Contributions	272,506	263,387
Investment Income		
From Investing Activities:		
Net Appreciation in Fair Value of Investments	643,252	(591,168)
Investment Income	72,029	72,397
Total Investing Activity Income	715,281	(518,771)
Less Expenses from Investing Activities	(44,504)	(34,886)
Net Investing Activity Income	670,777	(553,657)
From Securities Lending Activities:		
Securities Lending Income	2,572	481
Less Expenses from Securities Lending Activities:		
Borrower Rebates	(2,254)	(123)
Management Fees	(96)	(107)
Total Expenses from Securities Lending Activities	(2,350)	(230)
Net Securities Lending Income	222	251
Total Net Investment Income	670,999	(553,406)
Total Additions	943,505	(290,019)
DEDUCTIONS		
Benefit Payments	372,643	350,244
Member Refunds & Death Benefits Payments	8,694	6,854
Administrative Expenses	6,838	6,169
Other Expenses	2,424	2,935
Total Deductions	390,599	366,202
Net Increase (Decrease) in Net Position	552,906	(656,221)
NET POSITION RESTRICTED FOR PENSIONS		
Beginning of Year	7,025,332	7,681,553
End of Year	$7,578,238	$7,025,332

The accompanying Notes are an integral part of these basic financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. VCERA is an independent government entity, with its own governing board. The VCERA Board of Retirement is a nine-member body with three alternate positions. The Board consists of five trustees, four appointed and one alternate by the Ventura County Board of Supervisors, four trustees who are elected by the VCERA membership (two general, one safety and one retiree), and the County of Ventura Treasurer, Ex-Officio. The safety and retiree positions have elected alternate members. Except the County Treasurer, Ex-Officio, all trustees serve a three-year term with no limit on the number of terms that can be served. However, due to the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, the County of Ventura (County) determined that VCERA met the requirements of GASB No. 84 and is a fiduciary component unit of the County. As such, they are included as a component unit in the County's financial statements as presented in its ACFR for the fiscal year ended June 30, 2023. The report is available at https:/www.ventura.org/auditor-controllers-office/.

Basis of Accounting. The accompanying financial statements are prepared on the full accrual basis of accounting. Investment income is recognized when earned. Administrative and investment expenses are recorded when incurred. Contributions, benefit payments, and refunds are recorded when due and payable in accordance with the terms of the Plan. The net appreciation (depreciation) in the fair value of investments is recorded as an increase (decrease) in investment income based upon investment valuations.

Investment Valuation. VCERA investments are presented at fair value. The majority of investments held by VCERA at June 30, 2023, are in the custody of, or controlled by, State Street Bank and Trust, VCERA's custodian. VCERA's investments consist of domestic and international fixed income, U.S., non-U.S. and global equities, private equity, private credit and real assets. The diversity of the investment types that VCERA has entered into requires a wide range of techniques to determine fair value. The overall valuation processes and information sources by major asset classifications are as follows:

Fixed Income. Fixed income consists of Global negotiable obligations, which includes U.S. Government and U.S. Government-sponsored agencies' bonds, corporate debt, non-U.S. debt, and securitized offerings backed by residential and commercial mortgages. Certain securities, such as U.S. government bonds, have an active market for identical securities and can typically be valued using the closing or last traded price on a specific date. Other securities that are not as actively traded are valued by pricing vendors, which use modeling techniques that include market observable inputs required to develop a fair value. Typical inputs include recent trades, yields, price quotes, cash flows, maturity, credit ratings and other assumptions based upon the specifics of the asset type.

Private Credit. Private credit is an asset class comprised of higher yielding, illiquid investment opportunities that cover a range of risk/return profiles. This includes debt that is secured and senior in the capital structure with fixed income-like characteristics and distressed debt that has very equity-like risk and returns. Typically, the fair value of all investments is determined by the fund manager in good faith and in compliance with the definition of fair value under GAAP (Financial Accounting Standards Board (FASB) Accounting Standards Codification, Topic 820).

Equities. The majority of the Association's U.S. and non-U.S. equity securities are actively traded on major stock exchanges or over-the-counter. Investments listed or traded on a securities exchange are valued at fair value as of the close of trading on the valuation day. Fair value is determined based on the last reported trade price on the exchange considered to be the primary market for such security. Listed investments that are not traded on a particular day are valued at the last known price deemed best to reflect their fair value. Investments not traded on a securities exchange, but which are traded in any other market or over-the-counter, are valued based on prices obtained from third-party service providers.

Private Equity. Private equity investments are made on a fund-of-funds basis or as a direct investment. The underlying equity fund portfolio consists of securities in portfolio companies as well as marketable securities. Typically, the fair value of all investments is determined by the fund manager in good faith and in compliance with the definition of fair value under GAAP and FASB Accounting Standards Codification, Topic 820. In some circumstances, partnership agreements require reporting financial information and valuations in an accounting standard other than GAAP, such as under International Financial Reporting Standards.

The measure of fair value by the fund manager is typically conducted on a quarterly basis. Marketable securities are valued according to the most recent public market price with appropriate discounts to reflect any contractual or regulatory restriction upon sale. The fair value of each investment as reported does not necessarily represent the amount that may ultimately be realized, since such amounts depend upon future circumstances that cannot reasonably be determined until the position is actually liquidated.

The Fund's evaluation of the fair value of portfolio funds is based on the most recent available valuation information provided to it by the portfolio funds, adjusted for subsequent distributions from and capital contributions to such portfolio funds, if any. The evaluation of the fair value of co-investments is based on the most recent information available at the time of valuation ascribed to such investments by the sponsor partnership. If the manager does not agree with this valuation (i.e., holds different securities than the sponsor partnership, is unable to obtain the sponsor partnership's valuation or has information that results in a different valuation), it may use its own internal evaluation of fair value. The assumptions are based upon the nature of the investment and the underlying business. The valuation techniques vary based upon investment type and involve a certain degree of expert judgment.

Real Assets. Real Assets is comprised of risk parity, Master Limited Partnerships (MLPs), commodities and real estate. Risk parity is comprised of publicly traded equities, commodities and fixed income instruments. Please refer to explanation of Fixed Income and Equities on page 21. MLPs are comprised of publicly traded master limited partnerships. Real estate is held either via a real estate limited partnership or a commingled fund. Real estate investments in a limited partnership or commingled fund are long-term and illiquid in nature. As a result, investors are subject to redemption restrictions, which generally limit distributions and restrict the ability of investors to exit an investment prior to its dissolution or liquidation of the underlying holdings. Interests in limited partnerships and commingled funds are valued by using the net asset value (NAV) of the portfolio. The most significant input into the NAV of such an entity is the value of its investment holdings. These holdings are valued by the general or managing partners on a continuous basis, audited annually and periodically appraised by an independent third party. The valuation assumptions are based upon both market and property specific inputs which are not observable and involve a certain degree of expert judgment.

Receivables. Receivables consist primarily of interest, dividends and investments in transition (i.e., traded but not settled), and contributions owed by the employing entities as of June 30, 2023.

Use of Estimates. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Securities Lending. Cash collateral received in the course of securities lending transactions is recorded as a current asset of VCERA, and the obligation to repay the collateral is recorded as a current liability, in accordance with the requirements of GASB Statement No. 28. In addition, gross earnings received on invested cash collateral are reported as Earnings, and borrower rebates and agent fees are recorded as borrower rebates and management fees, respectively. These earnings, borrower rebates, and management fees amounted to $2,572,000, $(2,254,000) and $(96,000), respectively, for the fiscal year ended June 30, 2023, due to decreased market demand of securities loaned. Non-cash collateral, and the related repayment obligation, is not recorded on the books of the Association, as there is no ability to pledge or sell the collateral absent borrower default. See Note 3 for additional information on securities lending.

Income Taxes. The Internal Revenue Service (IRS) has ruled that plans such as VCERA qualify under Sections 401(a) of the Internal Revenue Code (IRC) and are not subject to tax under present income tax laws. On October 3, 2016, the IRS issued to VCERA a favorable Tax Determination Letter. Accordingly, no provision for income taxes has been made in the accompanying basic financial statements, as the Plan is exempt from federal and state income taxes under provisions of the IRC and the California Revenue and Taxation Code, Section 23701, respectively.

Implementation of GASB Pronouncements

VCERA implemented all applicable new GASB pronouncements for the fiscal year ended June 30, 2023, as required by each statement. The most recent applicable pronouncement(s), effective for the fiscal year ended June 30, 2023, are:

GASB Statement No. 91 – *Conduit Debt Obligations.* The requirements of this statement are effective for reporting periods beginning after December 15, 2021. There was no effect on VCERA's accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The requirements of this statement are effective for reporting periods beginning after June 15, 2022. There was no effect on VCERA's accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements.* The requirements of this statement are effective for reporting periods beginning after June 15, 2022. There was no effect on VCERA's accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84 and a supersession of GASB Statement No. 32. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. There was no effect on VCERA's accounting or financial reporting as a result of implementing this standard.

GASB Statement No. 99 – *Omnibus 2022.* The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for reporting periods beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for reporting periods beginning after June 15, 2023, and all reporting periods thereafter. There was no effect on VCERA's accounting or financial reporting as a result of implementing this standard.

Future GASB include:

GASB Statement No. 100 – *Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62.* The Statement prescribes the accounting and financial reporting for accounting changes and error corrections as follows: Changes in accounting principles and error corrections should be reported retroactively by restating prior periods. Changes to or within the financial reporting entity should be reported by adjusting beginning balances of the current period. Changes in accounting estimates should be reported prospectively by recognizing the change in the current period. If a new pronouncement does not contain specific transition provisions, then the requirements of this Statement for changes in accounting principles should be applied when implementing the new pronouncement. The aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, should be displayed by reporting unit. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format and reconciled to the beginning balances as previously reported to the restated beginning balances. Descriptive information about accounting changes and error corrections, such as their nature should be disclosed. The Plan has not fully judged the impact on this implementation of the statement on the financial statements.

GASB Statement No. 101 – *Compensated Absences.* The requirements of this Statement are effective for reporting periods beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Governments commonly provide benefits to employees in the form of compensated absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). The requirements of this Statement apply to the financial statements of all state and local governments. The Plan has not fully judged the impact on this implementation of the statement on the financial statements.

2. PLAN DESCRIPTION

VCERA was established under the provisions of the GC Sections 31450 et. seq., known collectively as CERL. It is also subject to the California PEPRA, GC Section 7522 et. seq. PEPRA provided lower benefit formulas to employees who became first-time VCERA members on or after January 1, 2013. VCERA operates a cost-sharing, multi-employer defined benefit pension plan (Plan) that includes eligible employees of the County, Ventura County Superior Court, APCD, VRSD, and, since January 1, 2017, certain management employees of VCERA. (The latter four employers are not governed by the County of Ventura's Board of Supervisors.) The Plan is a pension trust fund of the County of Ventura.

VCERA provides service retirement, disability retirement, cost-of-living, death and survivor benefits to its members and their qualified beneficiaries.

Plan Membership. Membership is mandatory for employees with biweekly work schedules of 64 hours or more. General members employed up to and including June 30, 1979, and certain management personnel who entered service prior to October 16, 2001, are designated as Tier 1 members. General members employed after June 30, 1979 through December 31, 2012, are designated as Tier 2 members. Safety members (eligible Sheriff, Probation, and Fire employees) employed through December 31, 2012, are classified as Safety Tier 1 members. New members first employed on or after January 1, 2013 are designated as PEPRA members.

VCERA MEMBERSHIP	2023	2022
Retired Members and Beneficiaries	8,257	8,007
Active Members		
Vested	5,952	5,986
Non-Vested	3,432	3,091
Deferred Members		
Vested	1,491	1,426
Non-Vested	2,594	2,386
Total Memberships	21,726	20,896

Benefit Provisions. State law along with resolutions and ordinances adopted by the Board and Board of Supervisors establish the Plan's benefit provisions and contribution requirements.

Retirement Allowances. In general, all employees with membership prior to January 1, 2013, with ten or more years of service are entitled to an annual retirement allowance beginning at age 50. General members who entered VCERA membership on or after January 1, 2013, with five or more years of service are entitled to an annual retirement allowance beginning at age 52. Safety members who entered VCERA membership on or after January 1, 2013, with five or more years of service are entitled to an annual retirement allowance at age 50. Allowances are based upon members' benefit tiers, ages at retirement, final average compensation, and total years of retirement service credit. All members are eligible to retire at age 70 regardless of years of service.

Disability Benefits. A member who becomes permanently disabled from the performance of duties may be granted a disability retirement allowance by the VCERA Board, payable for life. If the disability is the result of a job-related injury or illness, the member may be granted a service-connected disability retirement. If the disability is not the result of a job-related injury or illness, the member may receive a nonservice-connected disability retirement.

Death Benefits. For a member who dies while in active service, VCERA pays a "basic death benefit" to a surviving spouse or beneficiary, consisting of the member's accumulated contributions and interest plus an amount equal to an average month's salary for every year of completed service, up to six months' salary. If the deceased member was vested, a surviving spouse may elect, in lieu of the basic death benefit, a monthly allowance equal to 60 percent of the monthly retirement allowance to which the deceased member would have been entitled had the member retired with a nonservice-connected disability as of the date of death. For a retired member, the benefits payable to a surviving spouse or other beneficiary depend upon the retirement option selected by the member at the time of retirement and whether the member's retirement was for service, nonservice-connected disability or service-connected disability. In addition, a lump-sum death benefit of $5,000 is also payable to the named beneficiary of a deceased retired member.

Supplemental Benefits. On January 15, 1991, the County Board of Supervisors adopted a resolution to make operative GC Section 31682. Adoption of this section permitted the Board to adopt a resolution to provide a vested supplemental benefit of $108.44 per month to all eligible retirees. Effective March 17, 2003, the Board adopted a resolution providing an additional, non-vested $27.50 per month to eligible retirees receiving the vested supplemental benefit described above. The non-vested supplemental benefit was provided pursuant to GC Sections 31691.1 and 31692 and it was terminated on July 1, 2019, due to depletion of the reserve set aside to fund it.

Cost-of-Living Adjustment. COLA, based upon changes in the Consumer Price Index for the Los Angeles-Long Beach-Anaheim area, of up to 3% per annum are made for all General Tier 1 and Safety retirees. On February 28, 2005, after the County Board of Supervisors established this COLA, the Board adopted regulations pursuant to GC Section 31627 to provide a retiree COLA to general members who were represented by Service Employees International Union (SEIU) Local 721. The "SEIU COLA" is fixed at 2% annually and is primarily funded by member contributions.

Terminations. Effective January 1, 2003, members with less than five years of service may elect to leave their accumulated member contributions on deposit until first eligible to receive benefits in accordance with GC Section 31628.

3. INVESTMENTS

Investment Policy. VCERA, in accordance with state statutes, invests in any form or type of investment, financial instrument, or financial transaction deemed prudent in the informed opinion of the Board. State Street Bank and Trust serves as the master custodian for the majority of VCERA's assets.

While VCERA recognizes the importance of capital preservation, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. The Board's investment policy allows investment to the entire global fixed income market (maturities 1 to 30 years), including treasury and government agency bonds, corporate debt, mortgages, asset-backed securities, private credit and international and emerging markets. The fixed income portfolio is largely comprised of investment-grade issues—rating of BBB- (Standard & Poor's) and Baa3 (Moody's) or higher—and may include, subject to limits, opportunistic investment in non-dollar and high-yield bonds. VCERA's investment policy recognizes that in the long term, equity returns will be greater than fixed income returns, but with expected greater volatility over shorter periods. Both domestic and international equity investing is permitted with exposure, subject to limits, to both the large and small capitalization ranges. Private Equity is also permitted via limited partnerships. Discretion is also permitted to international managers to invest, with limits, opportunistically in emerging market equities. Real estate investing is also allowed with the goal to provide competitive risk-adjusted returns as well as diversification benefits to VCERA's portfolio.

Asset Allocation Policy and Expected Long-Term Rate of Return by Asset Class. The allocation of investment assets within the Plan portfolio is approved by the Board, as outlined in the Investment Policy. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Fund. The table below displays the Board's adopted asset allocation policy as of June 30, 2023 and 2022, respectively.

ASSET CLASS	Actual Allocation 2023	Target Allocation 2023	Actual Allocation 2022	Target Allocation 2022
U.S. Equity	26.9%	26.0%	25.9%	26.0%
Non-U.S. Equity	14.6%	15.0%	13.7%	15.0%
Global Equity	9.9%	9.0%	9.6%	9.0%
Private Equity	17.9%	18.0%	18.5%	18.0%
U.S. Fixed Income	9.8%	8.0%	10.9%	8.0%
Private Credit	6.4%	8.0%	4.2%	8.0%
Real Assets	5.2%	6.0%	7.5%	6.0%
Real Estate	6.5%	8.0%	7.5%	8.0%
Cash and Equivalents	2.8%	2.0%	2.2%	2.0%
Total	100.0%	100.0%	100.0%	100.0%

Note - The asset allocation from the investment consultant will differ from actuary asset allocation. The actuary groups asset classes differently but they represent the same overall grouping noted here. This schedules reflects asset allocation for investment purposes and not actuarial. The actuarial version will usually only change during each triannual study as it remains constant for preparation of the annual actuarial valuation report.

Money-Weighted Rate of Return. For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Time-Weighted Rate of Return. For the fiscal year ended June 30, 2023, the annual time-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.50%. The time-weighted rate of return expresses investment performance, net of investment expense, while offsetting the effects of investment inflows and outflows.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2023 and 2022, the Association had no single issuer that exceeds 5% of the total investments per GASB Statement No. 40 disclosure requirements or any one issuer which represents 5% of more of the total fiduciary net position in accordance with GASB Statement No. 67. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt from the disclosure requirements.

The Association's investment policy does not allow more than 5% of the total portfolio fair value to be invested in any one issuer, and as of June 30, 2023 and 2022, the Association had no issuer that exceeds 5% of the total portfolio fair value.

Custodial Credit Risk. VCERA considers investments purchased with a maturity of 12 months or less to be short-term investments. Although not having a policy that specifically addresses the limiting of custodial credit risk, VCERA, in practice, limits custodial credit risk for deposits by maintaining substantially all cash and short-term investments in external investment pools managed by the County of Ventura and State Street Bank and Trust. All other investment securities are held by State Street Bank and Trust in VCERA's name. Effective July 1, 2021 VCERA no longer maintains a commercial bank account with depository insurance coverage from the Federal Deposit Insurance Corporation (FDIC).

As of June 30, 2023, and 2022, VCERA had the following cash and short-term investments:

($ in Thousands)	June 30, 2023	June 30, 2022
State Street Bank and Trust	$131,116	$126,099
County of Ventura Treasurer's Investment Pool	19,079	12,341
Total	$150,195	$138,440

Credit Risk. VCERA requires its overall weighted fixed income holdings to be rated at a minimum AA by Standard & Poor's (S&P), Aa by Moody's, or AA by Fitch Rating. Aggregated amounts by rating category using S&P ratings are as follows:

($ in Thousands) Rating Category	Assets held at June 30, 2023	Assets held at June 30, 2022
Separate Holdings:		
AAA	$21,609	$23,175
AA	14,373	14,440
A	52,712	45,253
BBB	105,985	93,233
BB	22,536	15,442
B	6,329	6,033
CCC	2,604	11,061
No Rating/Commingled	239,219	155,143
Total Separate Holdings	$465,367	$363,780

($ in Thousands) Rating Category	Assets held at June 30, 2023	Assets held at June 30, 2022
Pooled Investments:		
AAA	$226,320	$263,604
AA	42,569	23,677
A	61,498	95,519
BBB	89,059	172,561
BB	15,555	13,773
B	5,146	4,648
CCC	1,305	1,219
CC	1,901	10,009
No Rating	5,615	98,527
Total Pooled Investments	$448,968	$683,536
Total Portfolio	$914,335	$1,047,316

Note - The Total Portfolio amount does not agree to the Fixed Income amount in the Investment Section of the Statement of Fiduciary Net Position due to one investment classified under "Equities" having fixed income holdings.

Overall, the Plan's fixed income holdings were rated A at June 30, 2023 and 2022.

Interest Rate Risk. VCERA recognizes the importance of managing its exposure to interest rate risk and has developed a policy to limit the duration of VCERA's fixed income portfolio to ±20% of the broad fixed income market as defined by the Bloomberg Barclays U.S. Aggregate Bond Index and Bloomberg Barclays Global Aggregate Bond Index. Duration is an investment's exposure to fair value change arising from a change in interest rates, by investment category. The amounts held at June 30, 2023 and 2022 are as follows:

($ in Thousands) Category	Assets held at June 30, 2023	Duration (Years)	Assets held at June 30, 2022	Duration (Years)
Treasury	$212,188	6.3	$344,618	5.9
Agency	51,835	4.2	17,856	0.9
Mortgage-Backed	154,918	5.1	134,545	3.4
Asset-Backed	64,313	3.7	39,751	1.6
Credit	421,765	5.7	467,041	4.3
Foreign	2,320	-	36,609	5.5
Other	6,995	0.2	6,896	0.3
Total	$914,335	6.6	$1,047,316	7.2

Notes - The duration for the Bloomberg Barclays Aggregate Bond Indices as of June 30, 2023 and 2022, was 6.7 years and 5.8 years, respectively. Also, the Total Portfolio amount does not agree to the amount reported in the Fixed Income investment category of the Statement of Fiduciary Net Position due to one investment classified under "Equities" having fixed income holdings.

Foreign Currency Risk. Foreign Currency Risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. VCERA's authorized managers are permitted to invest in approved countries or regions, as stated in their respective investment guidelines.

The schedule below represents VCERA's exposure to Foreign Currency Risk in U.S. dollars. VCERA is invested in several non-U.S. commingled funds. This means VCERA owns units of commingled funds, and the fund holds actual securities and/or currencies. The values shown include VCERA's pro rata portion of non-U.S. commingled fund holdings.

($ in Thousands) Currency	Fixed Income at June 30, 2023	Equities at June 30, 2023	Fixed Income at June 30, 2022	Equities at June 30, 2022
Australian Dollar	$ -	$61,840	$2,566	$49,511
British Pound	8,463	216,145	2,917	188,710
Canadian Dollar	3,929	117,827	4,705	90,093
Danish Krone	1,000	24,159	-	33,101
Euro	17,186	187,611	6,097	372,759
Hong Kong Dollar	-	45,410	-	48,772
Japanese Yen	(2,640)	282,328	5,924	190,116
Mexican Peso	15,948	6,793	2,277	6,340
New Zealand Dollar	-	1,887	-	1,742
Norwegian Krone	679	6,768	5,866	11,913
South African Rand	(8,372)	7,360	-	10,067
Singapore Dollar	3,034	27,228	-	19,252
South Korean Won	(1,002)	29,626	4,334	37,497
Swedish Krona	(3,338)	26,419	-	25,118
Swiss Franc	4,799	166,494	-	97,702
Other/Emerging Markets	7,405	368,830	22,298	309,486
Total Securities Subject to Foreign Currency Risk	$47,091	$1,576,724	$56,984	$1,492,179

Securities Lending. VCERA, under provisions of state statutes, and its investment policy, authorizes State Street Bank and Trust to act as agent in lending VCERA's securities to broker-dealers and other entities in the form of a loan agreement. Borrowers were required to deliver collateral in an amount equal to not less than 100%, and typically 102%, of the fair value of securities borrowed.

As of June 30, 2023, and 2022, VCERA had no credit risk exposure because the amounts VCERA owed the borrowers exceeded the amounts the borrowers owed VCERA. State Street Bank and Trust indemnified VCERA by agreeing to purchase replacement securities, or return cash collateral, in the event a borrower failed to return a lent security or pay distributions while the security was on loan. VCERA and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested with cash collateral of other qualified tax-exempt plan lenders in a collective investment pool. Because loans were terminable at will, their maturity did not generally match the maturity of the investments made with cash collateral. VCERA cannot pledge or sell collateral securities without borrower default. As of June 30, 2023, and 2022, VCERA had securities on loan with a fair value of $55.5 million and $120.4 million, with collateral of $56.5 million and $107.0 million, respectively.

VCERA's net securities lending income for the fiscal years ended June 30, 2023, and 2022, is as follows:

($ in Thousands)	June 30, 2023	June 30, 2022
Gross Income	$2,572	$481
Expenses		
Borrower Rebates	(2,254)	(123)
Management Fees	(96)	(107)
Net Securities Lending Income	$222	$251

Derivative Financial Instruments. As part of VCERA's investment policy, investment managers are allowed the use of derivatives. Derivatives are financial instruments that derive their value, usefulness, and marketability from an underlying instrument which represents direct ownership of an asset or of an issuer whose payments are based on or "derived" from the performance of an agreed upon benchmark. Values of derivatives change daily. VCERA's managers are required to mark-to-market derivative positions daily. Within VCERA's investment policy, specific guidelines are put forth with investment managers who invest in derivatives. Substitution, risk control, and arbitrage are the only derivative strategies permitted; speculation is prohibited. No contingent features are present. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Gains and losses from derivatives are included in the Statement of Changes in Fiduciary Net Position. For financial reporting purposes, all of VCERA's derivatives are classified as investment derivatives. A further discussion on VCERA's valuation procedures are contained in Note 1, Summary of Significant Accounting Policies. The following types of derivatives are permitted: futures contracts, currency forward contracts, options, and swaps.

Futures. Futures are financial agreements to buy or sell an underlying asset at a specified future date and price. Futures contracts are standardized contracts traded on organized exchanges and they are marked-to-market daily. The futures exchange reduces counterparty credit risk by acting as a central counterparty. It does this by collecting a daily margin payment from one trade participant and crediting it to the other, based on price changes in the underlying asset.

Currency Forwards. A forward contract represents an agreement to buy or sell an underlying asset at a specified future date for a specified price. Payment for the transaction is delayed until the settlement or expiration date. A forward contract is a non-standardized contract that is tailored to each specific transaction. Forward contracts are privately negotiated and are intended to be held until the settlement date. Currency forward contracts are used to control currency exposure and facilitate the settlement of international security purchase and sale transactions.

VCERA's currency forwards analysis for the fiscal years ended June 30, 2023, and 2022, is as follows:

Currency Forwards Analysis as of June 30, 2023 ($ in Thousands)

		Currency Forward Contracts			
Currency	Options	Net Receivables	Net Payables	Swap Agreement	Net Exposure
Australian Dollar	$ -	$ -	$4	$-	$4
Canadian Dollar	-	-	(3)	-	(3)
Yuan Renminbi Offshore	-	-	-	-	-
Czech Koruna	-	-	-	-	-
Euro Currency Unit	-	-	(3)	-	(3)
British Pound Sterling	-	-	(13)	-	(13)
Japanese Yen	-	-	16	-	16
Mexican Peso	-	-	(38)	-	(38)
Sub total	-	0	(37)	-	(37)
U.S. Dollar	45	-	-	284	329
Total	$45	$0	$(37)	$284	$292

Currency Forwards Analysis as of June 30, 2022 ($ in Thousands)

		Currency Forward Contracts			
Currency	Options	Net Receivables	Net Payables	Swap Agreement	Net Exposure
Australian Dollar	$ -	$ -	$31	$ -	$31
Canadian Dollar	-	-	10	-	10
Yuan Renminbi Offshore	-	-	4	-	4
Euro Currency Unit	-	-	6	-	6
British Pound Sterling	-	-	46	-	46
Japanese Yen	-	-	15	-	15
Mexican Peso	-	(9)	5	-	4
Sub total	-	(9)	117	-	108
U.S. Dollar	(392)	-	-	7,006	6,614
Total	$(392)	$(9)	$117	$7,006	$6,722

Option Contracts. An option is a type of derivative security in which a buyer (purchaser) has the right, not the obligation, to buy or sell a specified amount of an underlying security at a fixed price by exercising the option before its expiration date. The seller (writer) has an obligation to buy or sell the underlying security if the buyer decides to exercise the option.

Swap Agreements. A swap is an agreement between two or more parties to exchange a sequence of cash flows over a period of time in the future. No principal is exchanged at the beginning of the swap. The cash flows the counter parties exchange are tied to a "notional" or contract amount. A swap agreement specifies the time period over which the periodic payments will be exchanged. The fair value represents the gains or losses as of the prior marking-to-market, which are functions of general interest rate fluctuations.

The investment derivatives schedule listed below reports the net appreciation (depreciation) in fair value and related fair value amounts as of June 30, 2023, and the notional amounts for derivatives outstanding, classified by derivative type.

Investment Derivatives

Derivative Type ($ in Thousands)	Net Appreciation/ (Depreciation) in Fair Value June 30, 2023	Fair Value June 30, 2023	Notional Value (Dollars)	Notional Shares (Units)
Credit Default Swaps Bought	($555)	($214)	$13,451	-
Credit Default Swaps Written	120	38	1,358	-
Fixed Income Futures Long	(12,648)	-	161,882	-
Fixed Income Futures Short	19,579	-	(197,629)	-
Foreign Currency Futures Long	(420)	-	3,800	-
Futures Options Bought	(1,726)	485	875	-
Futures Options Written	1,579	(440)	(1,491)	-
FX Forwards	(91)	(37)	2,527	-
Index Futures Long	55,903	-	97	-
Index Futures Short	(14)	-	-	-
Pay Fixed Interest Rate Swaps	3,580	1,348	29,279	-
Receive Fixed Interest Rate Swaps	(1,789)	(888)	37,283	-
Total	$63,518	$292	$51,432	-

All investment derivative positions are included as part of investments at fair value on the Statement of Fiduciary Net Position. All changes in fair value are reported as part of Net Appreciation/(Depreciation) in Fair Value of Investments in the Statement of Changes in Fiduciary Net Position.

Counterparty Credit Risk. VCERA is exposed to credit risk on investment derivatives that are traded over-the-counter and are reported in asset positions. Derivatives exposed to credit risk include currency forward contracts and certain swap agreements. To minimize counterparty credit risk exposure, VCERA's investment managers continually monitor credit ratings of counterparties. In addition, collateral provided by the counterparty reduces VCERA's counterparty credit risk exposure. Should there be a counterparty failure, VCERA would be exposed to the loss of the fair value of derivatives that have unrealized gains and any collateral provided to the counterparty, net of applicable netting arrangements. VCERA requires investment managers to have Master Agreements in place to minimize credit risk. Netting arrangements provide VCERA with a legal right of setoff in the event of bankruptcy or default by the counterparty.

The following schedule displays the fair value of investments with each counterpart's S&P, Fitch, and Moody's credit rating by counterparty name alphabetically.

Counterparty Credit Risk Analysis

Counterparty Name ($ in Thousands)	Total Fair Value June 30, 2023	S&P Rating	Fitch Rating	Moody's Rating
Bank of America, N.A.	$ 1	A+	AA	Aa1
BNP Paribas SA	0	A+	A+	Aa3
Goldman Sachs Bank USA	17	BBB+	A	A2
Goldman Sachs CME	622	BBB+	A	A2
JPMorgan Chase Bank N.A.	4	A+	AA	Aa2
UBS CME	739	A+	A+	Aa3
UBS ICE	38	A+	A+	Aa3
Total	$1,419			

Interest Rate Risk. Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Interest Rate Swaps is an example of a derivative investment that is highly sensitive to interest rate changes. These investments are disclosed in the following table, not including holdings within commingled structure.

($ in Thousands) Derivative Type	Notional Value (Dollar)	Notional Shares (Units)	Fair Value June 30, 2023	Investment Maturities (in Years) Less than 1	1-5	6-10	More than 10
Credit Default Swaps Bought	$13,451	-	$(214)	$ -	$(214)	$ -	$ -
Credit Default Swaps Written	1,358	-	38	-	38	-	-
Pay Fixed Interest Rate Swaps	29,279	-	1,348	-	116	251	981
Receive Fixed Interest Rate Swaps	37,283	-	(888)	-	(875)	(13)	-
Total	$81,371	-	$284	$-	$(935)	$238	$981

Fair Value Measurements. VCERA categorizes its fair value measurements of its investments based on the fair value hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are unadjusted quoted prices in active markets for identical assets. Level 2 inputs are quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-derived valuations in which all significant inputs are observable. Level 3 inputs are valuations derived from valuation techniques in which significant inputs are unobservable. The table on the following page depicts the fair value measurements as of June 30, 2023.

Investments and Derivative Instruments Measured at Fair Value as of June 30, 2023

($ in Thousands)		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs
Investments by Fair Value Level	**Total**	**Level 1**	**Level 2**	**Level 3**
Debt Securities				
Asset Backed Securities	45,001	$825	$44,176	$ -
Commercial Mortgage-Backed Securities	44,237	-	44,237	-
Corporate and Other Credit	184,562	-	184,562	-
U.S. Government Agency	147,867	-	147,867	-
Total Debt Securities	421,667	825	420,842	-
Equity Securities				
U.S. Equity	40,688	-	40,688	-
Limited Partnerships	277,972	63,582	-	214,390
Preferred Stock	589	589	-	-
Total Equity Securities	319,249	64,171	40,688	214,390
Collateral from Securities Lending	56,544	-	56,544	-
Total Investments by Fair Value Level	$797,460	$64,996	$518,074	$214,390

Investments Measured at Net Asset Value (NAV)	
Fixed Income	$451,392
Private Credit	491,399
Equity	
U.S.	1,892,046
Non-U.S.	1,116,363
Global	754,113
Real Assets	614,584
Private Equity	1,365,269
Total Investments Measured at NAV	6,685,166
Total Investments	$7,482,626

Investment Derivative Instruments				
Forward Exchange Contracts	$(37)	$(37)	$ -	$ -
Futures Options Contracts	45	45	-	-
Credit Default Swaps	(176)	-	(176)	-
Interest Rate Swaps	460	-	460	-
Total Investment Derivative Instruments	$292	$8	$284	$ -

Note - Values provided by custodian bank and presented based on securities classification. Amounts per asset class, when aggregated, correspond to values as presented in the Statement of Fiduciary Net Position.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements, in their entirety, are categorized based on the lowest level input that is significant to the valuation. VCERA's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. Investments are measured by type of investment as follows:

Debt securities classified in Level 1 of the fair value hierarchy are valued using a market approach using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using the matrix pricing technique and the discounted cash flow method. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Equity securities include domestic common and preferred stock and publicly traded master limited partnerships. Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 of the fair value hierarchy are valued using the matrix pricing technique and the discounted cash flow method. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Equity securities classified in level 3 of the fair value hierarchy are valued using the discounted cash flow method and proprietary pricing information.

Cash collateral received for securities lent is reinvested in investments, such as short-term government and high-quality corporate debt securities. These securities are classified in Level 2 of the fair value hierarchy using prices quoted in active markets for similar securities.

Derivative instruments classified in Level 1 of the fair value hierarchy are valued using a market approach using prices quoted in active markets for those securities. Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates.

Fair Value of investments in commingled fund vehicles of publicly traded securities are expressed as net asset value (NAV) and are provided by custodial banks using the best available pricing sources. Fair Value of investments in real assets (real estate), private credit and private equity funds have been determined by their respective managers using a variety of different techniques, such as liquidity events, market bids, and property and company appraisals. Such fair value measurements are shown in the table that follows as of June 30, 2023.

Investments Measured at Net Asset Value

($ in Thousands) Investment Type	Fair Value	Fair Value Measurement Using: Unfunded Commitments	Redemption Frequency (if Currently Eligible)[1]	Redemption Notice Period
Fixed Income	$451,392		D, M	1-15 days
Private Credit	491,399	460,951	N/E	N/E
Equity				
U.S.	1,892,046		D	1 day
Non-U.S.	1,116,363		D, M	2-30 days
Global	754,113		D	1-2 days
Private Equity	1,365,269	842,153	N/E	N/E
Real Assets	614,584	95,973	D, Q, N/E	0-90 days
Total Investments Measured at NAV	$6,685,166	$1,399,077		

[1] D = Daily, M = Monthly, Q = Quarterly, N/E = Not Eligible

The investment types listed in the previous table were measured at NAV as follows:

Investments in publicly traded equity, fixed income, and the liquid alternative strategies within the Real Assets category are made through commingled fund vehicles. For each commingled fund vehicle, valuations are expressed as a NAV. VCERA's investments in these vehicles are held as undivided interests in these commingled funds, represented as shares or units of ownership. Underlying securities in these commingled funds would be valued at Level 1 or Level 2 of the Fair Value hierarchy.

Real Estate investments within the Real Assets category generate income in addition to capital appreciation. In addition, they serve as a hedge against inflation, and help to diversify the portfolio. VCERA's real estate exposure is obtained through open ended commingled fund equity investment vehicles. These commingled funds are diversified across property types which include office, residential, commercial, industrial, and raw land. Property exposures are held in these vehicles primarily on a direct basis, but they are also achieved through holdings in publicly traded Real Estate Investment Trusts (REITS). As above, for each commingled fund vehicle, valuations are expressed as a net asset value (NAV). VCERA's investments in these vehicles are held as undivided interests in these commingled funds, represented as shares or units of ownership. Underlying holdings in these commingled funds are determined by property appraisals, and as such would be valued at Level 3 of the Fair Value hierarchy.

VCERA's private credit and equity portfolios are globally diversified and consist of holdings in commingled fund of funds in a limited partnership structure. Each fund of funds invests in a diversified set of underlying private credit and equity funds, each of which invests directly in portfolio companies. Underlying strategies include investments in primary, secondary, and co-investments. These investments are diversified across buyout, growth capital, venture capital, and various debt strategies, and further diversified by vintage year. For each limited partnership, valuations are expressed as a net asset value (NAV). VCERA's partnership interests in these vehicles are in proportion to its shares of each respective partnership. Underlying holdings in these limited partnership vehicles would be valued at Level 3 of the Fair Value hierarchy.

Special Purpose Entities. The Private Equity Held for Investment – Separate Accounts is held in the form of limited liability companies Buenaventure One, LLC, and Buenaventure Two, LLC, and are Delaware limited liability companies in accordance with the Delaware Limited Liability Company Act and are qualified tax-exempt under Internal Revenue Code 501(c)(25). In the State of California, Buenaventure One and Buenaventure Two are qualified as tax-exempt under California Revenue and Taxation Code 23701x.

The two limited liability companies were created to hold direct private equity investments as a Fund-of-One to be managed by Abbott Capital Management, LLC (Abbott). No specific dollar amount of investment was committed for these LLCs, as the private equity portfolio is managed in totality and Abbott determines whether the private equity is held directly or through the Fund-of-One.

As of June 30, 2023, the following is a summary of the LLC's financial positions.

Limited Liability Companies Financial Position as of June 30, 2023 ($ in Thousands)	
Assets	$211,180
Less: Liabilities	18
Net Assets	$211,162
Net Income	$3,368

4. NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

The components of the Net Pension Liability (NPL) of the Plan at June 30, 2023 and 2022, were as follows:

($ in Thousands) Net Pension Liability	June 30, 2023	June 30, 2022
Total Pension Liability	$7,807,508	$7,463,430
Plan Fiduciary Net Position	7,578,238	7,025,332
Net Pension Liability (Asset)	$229,270	$438,098
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	97.06%	94.13%

The NPL was measured as of June 30, 2023 and 2022. The Plan's Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuations as of June 30, 2022 and 2021, respectively.

Actuarial Assumptions

One of the general goals of an actuarial valuation is to establish contribution rates that fully fund the Plan's liabilities, and that, as a percentage of payroll, remain as level as possible for each generation of active members. In preparing the actuarial valuation, the actuary employs generally accepted actuarial methods and assumptions to evaluate the Plan's assets, liabilities, and future contributions required. The actuary incorporates member data and financial information provided by the Plan with economic and demographic assumptions made about the future to estimate the Plan's financial condition at a specified point in time. For example, the actuary develops assumptions about future investment returns, future inflation rates, future increases in salaries, expected retirement ages, life expectancy, and other relevant factors. VCERA's actuary calculates actuarially determined contributions every year and reviews with the Board the economic and demographic assumptions of the Plan every three years.

A key element in determining the Plan's liability is the projection of benefits, which is defined as all benefits estimated to be payable through the Plan to current active and inactive members as a result of their past service and their expected future service. The type of benefits provided by the Plan at the time of each valuation are taken into consideration when benefits are projected.

The actuarial assumptions used to determine the TPL as of June 30, 2023 were based on the results of the June 30, 2020 Review of Economic Assumptions and Actuarial Experience Study (Experience Study) adopted by the Board in June 2021. For determining the TPL, the investment return assumption used is net of investment expenses only and is not net of administrative expenses.

The actuarial assumptions used to determine the TPL as of June 30, 2023 were based on the results of the most recent Actuarial Experience Study which covered the period from July 1, 2017 through June 30, 2020. These same assumptions were used to revalue the June 30, 2022 TPL (before the roll forward). The actuarial assumptions were used to prepare the actuarial valuation, which is used to determine contribution rates for funding purposes. Key methods and assumptions used in the latest actuarial valuation and the total pension liability are presented on the following page.

Methods and Assumptions used in Annual Actuarial Valuation and Total Pension Liability:	
Valuation Date	June 30, 2023
Actuarial Assumptions and Methods	The TPLs as of June 30, 2023 and 2022 were determined by actuarial valuations as of June 30, 2022 and 2021, respectively. The actuarial assumptions used were based on the results of an experience study for the period from July 1, 2017 through June 30, 2020 and they are the same assumptions used in the June 30, 2023 and 2022, funding valuations for VCERA. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	General: 3.75% to 10.00% and Safety: 4.00% to 12.00%, varying by service, including inflation and real across-the-board salary increase.
Investment rate of return	7.00% net of pension plan investment expenses, including inflation.
Other assumptions	See analysis of actuarial experience during the period July 1, 2017 through June 30, 2020.

Long-Term Real Rate of Return by Asset Class

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equity	27.69%	5.39%
Small Cap U.S. Equity	3.96%	6.58%
Developed International Equity	16.04%	6.39%
Emerging Market Equity	4.31%	8.60%
Core Fixed Income	5.00%	0.83%
Treasuries	2.00%	0.00%
Real Estate	8.00%	5.01%
Private Equity	16.00%	10.00%
Private Debt/Credit Strategies	6.00%	5.02%
Infrastructure	4.00%	5.89%
Natural Resources	2.00%	11.24%
Absolute Return (Fixed Income)	5.00%	2.17%
Total	100.00%	6.06%

Note - Long-term expected rate of return net of investment expenses: 7.00%. Also, the actuary groups asset classes differently than the investment consultant. While the asset class target allocation does not match the investment consultant's, they are considered the same.

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023 and 2022. The projection of cash flows used to determine the discount rate assumed that Plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to actuarially determined contribution rates. For this purpose, only member and employer contributions that are intended to fund benefits for current Plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future Plan members and their beneficiaries, as well as projected contributions from future Plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability as of both June 30, 2023 and 2022.

The following table presents the Net Pension Liability of participating employers calculated using the current discount rate of 7.00% as of June 30, 2023 and 2022, as well as the Net Pension Liability if the discount rate were 1.00% lower or 1.00% higher.

Sensitivity of Net Pension Liability to Changes in Discount Rate as of June 30, 2023
($ in Thousands)

Net Pension Liability (Asset)	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
June 30, 2023	$1,257,136	$229,270	($620,044)

5. CONTRIBUTIONS

Employer and member contribution rates are approved by VCERA's Board. Contribution rates are actuarially determined using the "Entry Age Actuarial Cost Method." According to this method, the "normal cost" is the level amount that would fund the projected benefit if it were paid annually from date of employment until retirement. The "Entry Age Actuarial Cost Method" is modified so that the employer's total normal cost is expressed as a level percentage of payroll. The level percentage of payroll method is also used to amortize the UAAL. For the June 30, 2020 valuation, the period for amortizing the UAAL is fixed at 15 years and the period for amortizing the future actuarial gains and losses is over its own declining 15-year period. Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with that valuation.

VCERA's employers were required to contribute $178.5 million and $178.7 million in actuarially determined contributions for the fiscal years ending June 30, 2023 and 2022, respectively.

Depending on members' benefit tiers, their contribution rates ranged from 4.52% to 13.21% (without 50/50 cost sharing) and 4.93% to 15.22% (with 50/50 cost sharing), as reflected in the June 30, 2020 actuarial valuation. In addition to the actuarially determined contributions, certain participating employers contribute, pursuant to GC Section 31581.1, a portion of the contributions normally required of General Tier 1 members. These employer-paid member contributions do not become part of the accumulated contributions of the member, but vest in the Employer Advance Reserve. These contributions are included in the employers' total.

6. RESERVES

VCERA's reserves are composed of member contributions, employer contributions, and accumulated investment income. The reserves do not represent the present value of assets needed to satisfy retirements and other benefits as they come due. VCERA's major reserves are as follows:

Member Reserve. Represents the balance of members' accumulated contributions. Additions include member contributions and credited interest; deductions include refunds of members contributions and transfers to Retired Member Reserve upon member retirement.

Employer Advance Reserve. Represents the total employer contributions made on behalf of current active members for future retirement benefits. Additions include employer contributions and interest credited; deductions include transfers to Retired Member Reserve and death benefits.

Retired Member Reserve. Represents total accumulated transfers from Member Reserve and Employer Advance Reserve and interest credited, less benefit payments made to retirees.

Vested Fixed Supplemental Reserve. Represents the funding set aside to pay the vested supplemental retirement benefit of $108.44 monthly to all eligible retirees. Additions include investment income designated by the Board and interest credited; deductions include benefit payments made to eligible retirees.

Non-Vested Supplemental Reserve. Represents the funding set aside to pay the non-vested supplemental retirement benefit of $27.50 monthly to all eligible retirees. This supplemental benefit was terminated on July 1, 2019, due to the depletion of the reserve used to fund this benefit.

Death Benefit Reserve. Represents funds designated to pay death benefits pursuant to GC Section 31789.5. Additions include funding from investment income and interest credited; deductions include benefits paid.

Undistributed Earnings Reserve. Represents funds from current and prior year earnings not previously credited to other Valuation, Non-Valuation, and Supplemental Benefit Reserves in excess of the statutory 1.0% Contingency Reserve.

Contingency Reserve. Represents earnings of the fund in excess of the total interest credited to reserves in an amount up to 1.0% of the total fair value of assets to provide for future deficiencies in interest earnings, losses on investments, and other contingencies pursuant to GC Section 31592.2.

Market Stabilization Reserve. Represents the difference between the current fair value of assets and the actuarial value of assets used to establish the above reserves.

Reserve balances as of June 30, 2023 and 2022, are as follows:

($ in Thousands)

Reserve Account	June 30, 2023	June 30, 2022
Member	$947,972	$888,174
Employer Advance	2,837,574	2,712,188
Retired Member	3,685,528	3,510,987
Vested Fixed Supplemental	151,036	150,247
Non-Vested Supplemental	60	62
Death Benefit	18,595	18,010
Market Stabilization	(62,527)	(254,336)
Total Reserves	$7,578,238	$7,025,332

7. ADMINISTRATIVE EXPENSES

As permitted by GC Section 31580.2(a), the Board adopts an annual budget, financed from investment income, covering the entire expense of Plan administration. The GC provides that administrative expenses incurred in any year are not to exceed the greater of 21/100th of one percent of the accrued actuarial liability for VCERA or $2,000,000, as adjusted annually by the amount of the annual COLA. GC Section 31580.2(b) provides that expenditures for software, hardware and computer technology are not considered a cost of administration. Administrative expenses incurred in fiscal years ended June 30, 2023 and 2022, were within the limits established by the GC.

($ in Thousands)	June 30, 2023	June 30, 2022
Accrued Actuarial Liability (AAL) [1] (June 30, 2022 and 2021)	$7,154,885	$6,747,772
Statutory Limitation for Administrative Expense (AAL x 0.21%)	15,025	14,170
Administrative Expenses Subject to Statutory Limit	6,838	6,169
Excess of Limitation over Actual Administrative Expenses	$8,187	$8,001
Actual Administrative Expenses as a percentage of AAL	0.10%	0.09%

[1] The AAL, as determined by VCERA's actuary each year, is used to calculate the subsequent fiscal year's administrative budget authorization. The AAL as of June 30, 2021 and 2020, was approved by the Board in January 2022 and 2021, respectively, and used to establish the administrative expenditure budgets for the fiscal years ended June 30, 2023 and 2022, as shown in the table.

8. LEASE AGREEMENT

Lease History. VCERA, for the purpose of accommodating the administrative office of the Plan, entered into a lease agreement with the authorized agent for the Landlord. In December 2001, VCERA entered into the first written lease agreement. Effective May 9, 2019, VCERA entered into a ten-year lease extension, effective upon successful completion of tenant improvements, of a commercial lease for office space with the option to renew for two additional five-year periods. It is the eighth-extension amendment. VCERA occupies 10,289 rentable square feet and 9,146 usable square feet. VCERA initially paid a monthly rate of $2.05 per square foot as well as 33.86% of operating expenses and taxes. The monthly Base Rent shall increase annually by 3%. On June 30, 2023, there are 7 years remaining on this lease. The sum of the payments paid for the fiscal year ended June 30, 2023, are $271,209 for base rent and $10,224 for operating expenses and taxes.

Remaining Payments. Payments over the remaining lease term are estimated to be $2,027,000. Annual amounts due under the agreement are as follows:

Fiscal Year Ending:	Amount ($ in Thousands)
2024	$279
2025	288
2026	296
2027	305
2028	315
2029-2030	544
Total	$2,027

9. COMMITMENTS AND CONTINGENCIES

Disability Cases. In the normal course of business, denials of applications for benefits are appealed to the Superior Court. The outcome of these decisions will have no material impact on the financial status of VCERA.

Alameda Decision. On July 30, 2020, the California Supreme Court issued a decision in *Alameda County Deputy Sheriff's Assoc. et al., v. Alameda County Employees' Retirement Association, et al.* referred to as the "Alameda Decision" which impacted VCERA's pension plan. The Supreme Court has determined that certain elements of compensation are not pensionable and must be excluded from the calculation of final average compensation. Some of these elements of compensation have been included in VCERA members' final average compensation and will now be excluded, which may result in reduced benefit allowances. The impact will result in a lower total pension liability and issuance of refunds to members who paid contributions on compensation that is no longer allowed. The VCERA Board of Retirement adopted resolutions in April 2023, finalizing how corrections will be made. The project to make the correction is underway, but the estimated reduction in pension liability and total refund amounts have not yet been determined.

Capital Commitments. VCERA's private equity investment managers identify and acquire investments on a discretionary basis. Each manager's investment activity and discretion is controlled by the contract, subscription agreement, limited partnership agreement and/or other contractual documents applicable to each manager. Such investments are further restricted by the amount of capital allocated or committed to each manager. VCERA has contracted with a private equity consultant to assist in managing a portion of the private equity program, which includes full discretion in manager selection. In addition, the Board retains discretionary control to approve private equity managers and commitment amounts as often as necessary to reflect VCERA's investment preferences, as well as changes in market conditions. The following table lists Outstanding Capital Commitments as of June 30, 2023.

Outstanding Capital Commitments as of June 30, 2023 ($ in Thousands)

Fund Name	Vintage Year	Investment Type	Total Capital Commitment	Outstanding Capital Commitment
Arbour Lane Credit Opp III A	2021	Private Credit	$30,000	$17,200
Bain Capital Special Situations Asia Fund II	2021	Private Credit	25,000	22,500
Blue Bay Direct Lending Fund III	2019	Private Credit	25,000	8,709
Bridge Debt Strategies III	2019	Private Credit	25,000	1,151
Bridge Debt Strategies IV	2021	Private Credit	25,000	839
Crayhill Principal Strategies II	2021	Private Credit	25,000	25,000
Crayhill Principal Strategies III	2023	Private Credit	25,000	10,796
Crescent Cove Opportunity Fund LP	2022	Private Credit	50,000	37,500
Cross Ocean USD ESS Fund IV	2021	Private Credit	50,000	35,263
CVI Credit Value Fund IV	2017	Private Credit	30,000	3,000
CVI Credit Value Fund V	2021	Private Credit	30,000	10,500
Harbourvest Direct Lending	2021	Private Credit	25,000	6,000
HarbourView Royalties Fund I	2023	Private Credit	30,000	15,357
Kennedy Lewis Capital Partners III	2023	Private Credit	30,000	30,000
Monroe Capital Opportunity Fund II	2023	Private Credit	25,000	25,000
Monroe Capital Private Credit Fund III	2018	Private Credit	25,000	3,747
Monroe Capital Private Credit Fund IV	2022	Private Credit	30,000	4,500
Pantheon Credit Opportunity II	2022	Private Credit	50,000	18,591

Outstanding Capital Commitments as of June 30, 2023 ($ in Thousands)

Fund Name	Vintage Year	Investment Type	Total Capital Commitment	Outstanding Capital Commitment
PIMCO Corporate Opportunities Fund III	2020	Private Credit	50,000	5,000
PIMCO Corporate Opportunities Fund IV	2022	Private Credit	100,000	100,000
Torchlight Debt Fund VII	2021	Private Credit	25,000	12,500
Torchlight Debt Fund VIII	2022	Private Credit	40,000	38,000
VWH Partners III LP	2022	Private Credit	50,000	29,798
Abbott Secondaries Opportunities, LP.	2017	Private Equity	25,000	288
Abbott Secondaries Opportunities II, LP.	2020	Private Equity	40,000	17,066
ABRY Partners IX	2019	Private Equity	10,600	3,137
Adams Street 2010 U.S. Fund	2010	Private Equity	42,500	5,058
Adams Street 2010 Non-U.S. Developed Markets Fund	2010	Private Equity	25,500	2,537
Adams Street 2010 Non-U.S, Emerging Markets Fund	2010	Private Equity	8,500	867
Adams Street 2010 Direct Fund	2010	Private Equity	8,500	332
Adams Street 2013 Global Fund	2013	Private Equity	75,000	5,680
Adams Street 2016 Global Fund	2016	Private Equity	60,000	10,615
Adams Street Co-Investment Fund IV	2018	Private Equity	30,000	5,063
Adams Street Co-Investment Fund V	2022	Private Equity	35,000	26,250
Adams StreetGlobal Secondary Fund 7	2022	Private Equity	25,000	19,625
Advent International GPE IX	2019	Private Equity	10,000	649
Advent International GPE X	2022	Private Equity	20,000	15,350
Astorg VII	2019	Private Equity	8,730	503
Astorg VIII	2022	Private Equity	18,406	9,870
Battery Ventures XII	2018	Private Equity	9,050	889
Battery Ventures XII Side Fund	2018	Private Equity	5,050	277
Battery Ventures XIII	2020	Private Equity	9,240	1,460
Battery Ventures XIII Side Fund	2020	Private Equity	6,160	1,035
Battery Ventures XIV	2022	Private Equity	10,000	7,990
BlackFin Financial Services Fund IV	2023	Private Equity	20,257	20,257
Buenaventure One , LLC	2018	Private Equity	289,600	138,089
CapVest Equity Partners IV	2019	Private Equity	12,487	4,262
CapVest Equity Partners V	2021	Private Equity	18,837	18,491
Charlesbank Equity Fund X	2020	Private Equity	24,000	13,535
Charlesbank Equity Overage Fund X	2020	Private Equity	6,000	1,370
Charlesbank Technology Opportunities Fund II	2023	Private Equity	30,000	30,000
Clearlake Capital Partners V	2017	Private Equity	9,950	2,006
Clearlake Capital Partners VI	2020	Private Equity	18,700	522
Clearlake Capital Partners VII	2021	Private Equity	20,000	9,725

Outstanding Capital Commitments as of June 30, 2023 ($ in Thousands)

Fund Name	Vintage Year	Investment Type	Total Capital Commitment	Outstanding Capital Commitment
CRV XVIII	2020	Private Equity	15,000	2,888
CRV XIX	2022	Private Equity	10,000	7,925
CVC Capital Partners VIII	2020	Private Equity	19,945	8,521
Drive Capital Fund II	2016	Private Equity	15,000	57
Drive Capital Fund III	2019	Private Equity	7,500	1,245
Drive Capital Fund IV	2021	Private Equity	10,000	5,667
Drive Capital Overdrive Fund I	2019	Private Equity	7,500	133
Drive Capital Overdrive Fund II	2021	Private Equity	10,000	5,337
ECI 11	2018	Private Equity	9,776	947
ECI 12	2022	Private Equity	21,084	21,084
Flexpoint Fund IV-A	2019	Private Equity	10,650	4,545
Flexpoint Overage Fund IV-A	2019	Private Equity	3,550	1,007
Genstar Capital Partners IX	2019	Private Equity	7,500	1,157
Genstar Capital Partners IX Opportunities Program	2019	Private Equity	2,500	343
Genstar Capital Partners X	2021	Private Equity	15,000	5,468
Genstar Capital Partners X Opportunities Program	2021	Private Equity	5,000	1,794
Genstar Capital Partners XI	2023	Private Equity	20,000	20,000
GGV Capital VII	2019	Private Equity	10,160	508
GGV Capital VII Plus	2019	Private Equity	2,540	64
GGV Capital VIII	2020	Private Equity	9,180	3,810
GGV Capital VIII Plus	2020	Private Equity	2,295	1,239
GGV Discovery II	2019	Private Equity	2,100	84
GGV Discovery III	2020	Private Equity	3,825	1,893
Great Hill Equity Partners VII	2019	Private Equity	8,900	741
Great Hill Equity Partners VIII	2021	Private Equity	25,000	19,793
Green Equity Investors VIII	2019	Private Equity	15,000	1,699
Green Equity Investors IX	2022	Private Equity	13,300	13,300
GTCR Fund XII	2017	Private Equity	30,000	5,467
GTCR Fund XIII	2020	Private Equity	30,000	14,656
GTCR Fund XIV	2023	Private Equity	20,000	20,000
GTCR Strategic Growth Fund I	2022	Private Equity	10,000	8,578
HarbourVest - Dover Street VIII	2013	Private Equity	67,500	5,400
HarbourVest - Dover Street IX	2016	Private Equity	60,000	7,200
HarbourVest - Dover Street X	2019	Private Equity	40,000	13,900
HarbourVest - Dover Street XI	2023	Private Equity	40,000	37,600
HarbourVest - Co-Investment Fund IV	2017	Private Equity	30,000	5,732
HarbourVest - Co-Investment Fund V	2019	Private Equity	35,000	7,875

Outstanding Capital Commitments as of June 30, 2023 ($ in Thousands)

Fund Name	Vintage Year	Investment Type	Total Capital Commitment	Outstanding Capital Commitment
HarbourVest - Co-Investment Fund VI	2021	Private Equity	35,000	17,500
Hellman & Freidman Capital Partners IX	2019	Private Equity	19,800	537
Hellman & Freidman Capital Partners X	2021	Private Equity	20,000	5,607
Hellman & Freidman Capital Partners XI	2023	Private Equity	20,000	20,000
Insight Ventures Partners X	2017	Private Equity	25,000	855
Jade Equity Investors II	2022	Private Equity	6,700	6,700
Kinderhook Capital Fund 7	2022	Private Equity	10,000	6,390
M/C Partners VIII	2019	Private Equity	10,000	2,353
M/C Partners IX	2022	Private Equity	10,000	10,000
Oak HC/FT Partners III	2019	Private Equity	15,000	1,348
Oak HC/FT Partners IV	2021	Private Equity	10,000	1,440
Oak HC/FT Partners V	2021	Private Equity	10,000	8,630
Pantheon Global Secondary Fund IV	2010	Private Equity	15,000	2,040
Pantheon Global Secondary Fund V	2015	Private Equity	50,000	10,383
Pantheon Global Secondary Fund VI	2018	Private Equity	25,000	7,887
Pantheon Global Secondary Fund VII	2022	Private Equity	25,000	19,151
Pantheon Investors VII	2023	Private Equity	20,000	20,000
Prairie Capital Fund VII	2021	Private Equity	10,800	6,156
The Resolute Fund IV	2018	Private Equity	20,000	2,494
Ridgemont Equity Partners IV	2021	Private Equity	20,000	18,448
Riverside Micro-Cap Fund V	2018	Private Equity	10,000	1,920
Riverside Micro-Cap Fund VI	2021	Private Equity	20,000	14,438
TA XIII	2019	Private Equity	10,000	200
TA XIV	2021	Private Equity	10,000	3,400
TA XV	2023	Private Equity	20,000	20,000
Vitruvian Investment Partnership IV	2020	Private Equity	20,365	3,821
Brookfield Infra Fund IV B	2019	Real Assets	50,000	2,495
HarbourVest Real Assets Fund IV	2019	Real Assets	100,000	44,000
Alterra IOS Venture II LP	2022	Real Estate	35,000	12,490
LaSalle Income and Growth Fund VIII	2019	Real Estate	10,000	36,988
Total Outstanding Commitments			$3,114,537	$1,399,077

10. SUBSEQUENT EVENTS

The Board has approved new commitments of $220 million to the private investments portfolios. New commitments are approved for Adams Street Partners ($25 million), Bridge Debt Strategies ($20 million), HarbourVest Partners ($95 million), PIMCO ($25 million), Pantheon ($55 million).

Management has evaluated subsequent events through December 14, 2023 which is the date the financial statements were issued.

Required Supplementary Information

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

($ IN THOUSANDS)

		June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability						
Service cost		$174,224	$165,664	$152,049	$149,470	$145,338
Interest		521,289	501,493	487,569	466,254	444,176
Changes of benefit terms		-	-	-	-	-
Differences between expected and actual experience		29,901	(23,718)	8,880	17,238	7,838
Changes of assumptions		-	-	122,031		-
Benefit Payments, including refunds of member contributions		(381,337)	(357,098)	(332,965)	(315,624)	(297,119)
Net Change in Total Pension Liability		344,077	286,343	437,564	317,338	300,233
Total Pension Liability - Beginning		7,463,431	7,177,088	6,739,524	6,422,186	6,121,953
Total Pension Liability - Ending (A)		$7,807,508	$7,463,430	$7,177,088	$6,739,524	$6,422,186
Plan Fiduciary Net Position						
Contributions- employer [1]		$178,535	$178,667	$178,628	$214,553	$199,891
Contributions- members [1]		93,971	84,720	79,654	79,277	75,199
Net investment income		670,999	(553,407)	1,849,958	209,235	368,665
Benefit Payments, including refunds of member contributions		(381,337)	(357,098)	(332,965)	(315,624)	(297,119)
Administrative expense		(6,838)	(6,169)	(5,523)	(5,367)	(5,342)
Other		(2,424)	(2,935)	(3,050)	(2,583)	(2,397)
Net Change in Plan Fiduciary Net Position		552,906	(656,222)	1,766,702	179,491	338,897
Plan Fiduciary Net Position - Beginning		7,025,332	7,681,554	5,914,852	5,735,361	5,396,463
Plan Fiduciary Net Position - Ending (B)		$7,578,238	$7,025,332	$7,681,554	$5,914,852	$5,735,360
Net Pension Liability - Ending	A-B=C	$229,270	$438,098	$(504,466)	$824,672	$686,826
Plan fiduciary net position as a percentage of the total pension liability	B/A	97.06%	94.13%	107.03%	87.76%	89.31%
Covered payroll (D) [2]		$905,128	$834,433	$785,121	$768,619	$754,657
Net pension liability as a percentage of covered payroll	C/D	25.33%	52.50%	-64.25%	107.29%	91.01%

Amounts may differ from the June 30, 2023 audited financial statements due to rounding.

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

[2] Covered payroll represents payroll on which contributions to the pension plan are based.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY OF PARTICIPATING EMPLOYERS

($ IN THOUSANDS) CONTINUED

		June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability						
Service cost		$138,877	$132,490	$129,269	$124,408	$122,896
Interest		427,800	405,195	388,936	366,917	355,299
Changes of benefit terms		-	-	-	-	-
Differences between expected and actual experience		26,564	(51,058)	(39,598)	(101,178)	(48,740)
Changes of assumptions		129,009	-	-	234,843	-
Benefit Payments, including refunds of member contributions		(277,718)	(260,745)	(246,403)	(233,695)	(223,532)
Net Change in Total Pension Liability		444,532	225,882	232,204	391,295	205,923
Total Pension Liability - Beginning		5,677,421	5,451,539	5,219,335	4,828,040	4,622,117
Total Pension Liability - Ending (A)		$6,121,953	$5,677,421	$5,451,539	$5,219,335	$4,828,040
Plan Fiduciary Net Position						
Contributions- employer [1]		$197,638	$190,712	$177,830	$175,099	$169,703
Contributions- members [1]		74,089	72,442	69,350	63,679	46,674
Net investment income		445,902	580,526	25,739	88,680	658,581
Benefit Payments, including refunds of member contributions		(277,718)	(260,745)	(246,403)	(233,695)	(223,532)
Administrative expense		(4,881)	(5,524)	(4,474)	(3,854)	(4,045)
Other		(2,815)	-	-	-	-
Net Change in Plan Fiduciary Net Position		432,215	577,411	22,042	89,909	647,381
Plan Fiduciary Net Position - Beginning		4,964,248	4,386,837	4,364,795	4,274,886	3,627,505
Plan Fiduciary Net Position - Ending (B)		$5,396,463	$4,964,248	$4,386,837	$4,364,795	$4,274,886
Net Pension Liability - Ending	A-B=C	$725,490	$713,173	$1,064,702	$854,540	$553,154
Plan fiduciary net position as a percentage of the total pension liability	B/A	88.15%	87.44%	80.47%	83.63%	88.54%
Covered payroll (D) [2]		$736,994	$716,033	$688,233	$665,086	$642,779
Net pension liability as a percentage of covered payroll	C/D	98.44%	99.60%	154.70%	128.49%	86.06%

Amounts may differ from the June 30, 2023 audited financial statements due to rounding.

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

[2] Covered payroll represents payroll on which contributions to the pension plan are based.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

($ IN THOUSANDS)

Fiscal Year Ended June 30	Actuarially Determined Contributions [1]	Actual Employer Contributions [2]	Contribution Deficiency/ (Excess)	Covered Payroll [3]	Contributions as a % of Covered Payroll
2023	$178,535	$178,535	-	905,128	19.72%
2022	178,667	178,667	-	834,433	21.41%
2021	178,628	178,628	-	785,121	22.75%
2020	214,553	214,553	-	768,619	27.91%
2019	199,891	199,891	-	754,657	26.49%
2018	197,638	197,638	-	736,994	26.82%
2017	190,712	190,712	-	716,033	26.63%
2016	177,830	177,830	-	688,233	25.84%
2015	173,269	173,269	-	665,086	26.05%
2014	161,247	161,247	-	642,779	25.09%

[1] All "Actuarially Determined Contributions" through June 30, 2014 were determined as the "Annual Required Contribution" as required by GASB 25 and 27.

[2] Actuarially Determined Contributions exclude employer paid member contributions.

[3] Covered employee payroll represents payroll on which contributions to the pension plan are based.

SCHEDULE OF INVESTMENT RETURNS

Fiscal Year Ended June 30	Annual Money Weighted Rate of Return, Net of Investment Expense
2023	8.50%
2022	(5.43%)
2021	30.40%
2020	2.40%
2019	6.74%
2018	8.92%
2017	12.27%
2016	(2.00%)
2015	1.70%
2014	18.80%

Note - Money-Weighted Rate of Return is calculated as the internal rate of return on pension plan investments, net of investment expenses, adjusting for changing amounts actually invested.

Required Supplementary Information CONTINUED

LATEST ACTUARIAL VALUATION OF PLAN ASSETS AND LIABILITIES

Methods and assumptions used to establish "actuarially determined contribution" rates:	
Valuation Date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level percent of payroll for total unfunded actuarial accrued liability
Remaining Amortization Period	Experience gains and losses are amortized over 15 years. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with that valuation.
Asset Valuation Method	Fair value of assets less unrecognized returns in each of the last ten semi-annual accounting periods. Unrecognized returns are equal to the difference between the actual market return and the expected return on market value and are recognized over a five-year period. The Actuarial Value of Assets is reduced by the value of the of the non-vested supplemental ($27.50) reserve and the statutory contingency reserve.
Actuarial Assumptions:	**June 30, 2021 Valuation (used for the year ended June 30, 2023 ADC)**
Investment rate of return	7.00% net of pension plan administration and investment expenses, including inflation
Inflation rate	2.50%
Real across-the-board salary increase	0.50%
Projected salary increases [1]	General: 3.75% to 10.00% and Safety: 4.00% to 12.00%, varying by service, including inflation and real across-the-board salary increase.
Consumer Price Index (CPI) and Cost of living adjustments (COLA)	CPI Increases of 2.75% per year. Retiree COLA increases of 2.75% per year for both PEPRA and Non-PEPRA General Tier 1 and both PEPRA and Non-PEPRA Safety. For both PEPRA and Non-PEPRA General Tier 2, members represented by SEIU receive a fixed 2.00% COLA that applies to future service after March 2003. Members represented by California Nurses Association (CNA) receive a fixed 2% COLA that applies to future service after July 2023. For both PEPRA and Non-PEPRA General Tier 1 and both PEPRA and Non-PEPRA Safety members that have COLA banks, we assume they receive 3.0% COLA increases until their COLA banks are exhausted and 2.75% thereafter. For both PEPRA and Non-PEPRA General Tier 2 members represented by SEIU and CNA, the fixed 2% COLA increase is not subject to changes in the CPI.
Other Assumptions	Same as those used in the June 30, 2021, funding actuarial valuation.

[1] Includes inflation at 2.75% plus real across-the-board salary increases of 0.50% plus merit and promotion increases that vary by service.

Other Supplementary Information

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2022
($ IN THOUSANDS)

	June 30, 2023	June 30, 2022
Personnel Services:		
Salaries and Wages	$3,694	$3,393
Employee Benefits	1,749	1,659
Total Personnel Services	5,443	5,052
Consultant & Professional Services:		
External Audit Fees	49	47
Legal Consultants	180	160
Professional Services	190	154
Total Consultant & Professional Services	419	361
Operating Expenses:		
Administrative Support	154	112
General Expenses	45	38
Education and Travel	53	25
Transportation	10	9
Facilities Operations	319	301
Insurance	168	125
Printing	74	29
Postage	74	40
Telecommunications	79	77
Total Operating Expenses	976	756
Total Administrative Expenses	$6,838	$6,169

Other Supplementary Information CONTINUED

SCHEDULE OF INVESTMENT EXPENSES

FOR THE FISCAL YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2022
($ IN THOUSANDS)

	June 30, 2023	June 30, 2022
Cash and Short-Term Managers	$190	$195
Equity		
U.S. Equity: Publicly Traded	549	736
Non-U.S Equity: Publicly Traded	2,047	3,091
Global Equity: Publicly Traded	284	337
Private Equity	18,605	16,227
Fixed Income		
Fixed Income: Publicly Traded Core, Unconstrained and Dedicated	1,390	1,644
Private Credit	11,431	3,682
Real Assets		
Real Assets	4,416	3,482
Real Estate	4,025	3,906
Other Investment Fees	1,567	1,586
Total Investment Management Fees	$44,504	$34,886

SCHEDULE OF PAYMENTS TO CONSULTANTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2023 WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2022
($ IN THOUSANDS)

	June 30, 2023	June 30, 2022
Actuarial		
Valuation and Consulting Services	$170	$131
Audit		
External Audit Services	49	47
Legal		
Investment Legal Counsel	466	556
Other Legal Services	180	160
Total Legal	646	716
Management		
Information Technology Consulting	180	559
Total Payments to Consultants	$1,045	$1,453

SCHEDULE OF EMPLOYER PENSION AMOUNTS ALLOCATED BY COST SHARING PLAN

AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2023 ($ IN THOUSANDS)

		Deferred Outflow of Resources					Deferred Inflow of Resources					Pension Expense Excluding That Attributable to Employer-Paid Member Contributions		
Employer/ Nonemployer (special funding situation)	Net Pension Liability	Differences Between Expected and Actual Experience	Net Excess of Projected Over Actual Earnings on Pension Plan Investments (If Any)	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Excess of Actual Over Projected Earnings on Pension Plan Investments (If Any)	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Share of Allocable Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense Excluding that Attributable to Employer-Paid Member Contributions
County of Ventura	$222,505	$31,911	$ -	$50,626	$4,889	$87,426	$13,973	$22,066	$-	$1,846	$37,885	$105,750	$773	$106,523
Ventura County Superior Court	5,423	778	-	1,234	1,274	3,286	341	537	-	3,499	4,377	2,577	(552)	2,025
Ventura County Air Pollution Control District	726	104	-	165	542	811	46	72	-	621	739	345	(56)	289
Ventura Regional Sanitation District	616	88	-	140	30	258	39	61	-	768	868	293	(165)	128
Total	$229,270	$32,881	$ -	$52,165	$6,735	$91,781	$14,399	$22,736	$-	$6,734	$43,869	$108,965	$ -	$108,965

SCHEDULE OF COST SHARING EMPLOYER ALLOCATIONS

($ IN THOUSANDS)

	June 30, 2023		June 30, 2022	
Participating Employer	Allocation of Net Pension Liability (NPL)/(Asset)	Employer Allocation Percentage	Allocation of Net Pension Liability (NPL)/(Asset)	Employer Allocation Percentage
County of Ventura	$222,505	97.049%	$419,341	95.719%
Ventura County Superior Court	5,423	2.365%	13,595	3.103%
Ventura County Air Pollution Control District	726	0.317%	2,002	0.457%
Ventura Regional Sanitation District	616	0.269%	3,160	0.721%
Total	$229,270	100.000%	$438,098	100.000%

Note - Employer allocation percentage is weighted average allocation of General and Safety NPL/(Asset) as each NPL/(Asset) is calculated separately for each participating employer, then combined.

Fillmore Historical Museum

Before Southern Pacific Railroad arrived in the late 1800s, the Fillmore region was populated by livestock and Native Americans. Residential buildings and a train depot popped up to service travelers, but locomotive traffic eventually decreased with the advent of the automobile. The Fillmore Historical Museum preserves the century-old history of Fillmore by maintaining the 1887 Fillmore Depot, the 1905 Hinckley House and the 1919 Rancho Sespe Bunkhouse. In 1974, Southern Pacific closed the Fillmore Depot, but a local teacher purchased it for $1.05 and made it the home of the Fillmore Historical Museum.

Allan Martin
Partner

October 23, 2023

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

Dear Board Members:

The overall objective of the Ventura County Employees' Retirement Association (VCERA) is to ensure continued access to retirement, disability, and survivor benefits for current and future VCERA participants. To ensure a solid foundation for the future of the Fund, VCERA carefully plans and implements an investment program designed to generate superior long-term investment returns, while prudently managing the risk in the portfolio. Investment policy and asset allocation are reviewed by the Board of Retirement, at least annually, and reflect the Fund's actuarial assumptions, accrued liabilities, and economic and investment outlook. The following is a report on the performance of the Fund for the fiscal year ended June 30, 2023, with background on the underlying capital market environment.

Market Review for the Year Ended June 30, 2023

The fiscal year ended June 30, 2023, was one characterized by strong returns in risky assets such as stocks while interest sensitive fixed income, inflation-sensitive assets, commodities, and real estate declined in value. The U.S. economy demonstrated resilience in the face of rapidly rising interest rates, posting moderate GDP growth and exhibiting signs of a healthy labor market. The fiscal year ended with inflation levels increasing 3.1% on a year-over-year basis, which is a notable deceleration from last year's 9.1% increase, although it remains above the Federal Reserve's target inflation rate of 2.0%. In its efforts to combat inflation, over the past fiscal year, the Federal Reserve raised the Fed Funds rate eight times, from a range of 1.50% - 1.75% ending FY 2022 to 5.00% - 5.25% ending FY 2023. Similar actions were taken by central banks globally. With the resilient U.S. economy and decelerating inflation as the backdrop, U.S. stocks posted strong returns of 19.6% as measured by the S&P 500 Index. International developed stocks also had a strong year with a return of 18.8% as measured by the MSCI EAFE Index. Emerging markets stocks underperformed both U.S. and international-developed markets, posting an anemic 1.8% return as measured by the MSCI Emerging Markets Index. Typically considered a safe-haven asset, U.S. high quality fixed income returns posted a second consecutive negative yearly return as the pace of interest rate hikes eroded value in the Bloomberg U.S. Aggregate Bond Index which returned -0.9%.

The VCERA Investment Portfolio

The VCERA total investment portfolio return, net of fees, was 8.5% annualized for the year ended June 30, 2023, underperforming its policy benchmark by 3.9%. The median fund in the Investment Metrics peer group universe of large Public Funds returned 7.7% annually in the same period. The Fund's five-year return net-of-fees for the period ended June 30, 2023, was 7.9% and ranked in the 7th percentile of its peer group (i.e., VCERA's annualized returns were higher than 93% of its peer group in the 5 years ending 6/30/2023). Over the past 10 years, the Fund's return of 8.1% per annum outperformed the fund's target actuarial rate of return of 7.0% and ranks in the 9th percentile of its peer group. The plan's five-year and ten-year volatility, as measured by standard deviation, ranked in the 72nd and 71st percentiles in its peer group, respectively. On a risk-adjusted basis as measured by the Sharpe Ratio, VCERA ranked in the 30th percentile for the five-year period and in the 40th percentile for the ten-year period.

InvMetrics Public Funds Greater than $1 Billion Universe Risk-Return Comparison (Net of Fees)

As strong capital market returns were realized across risky assets such as stocks in the past fiscal year, NEPC continues to be supportive of VCERA's chosen asset allocation which reduces the Fund's volatility risk to meet its actuarial targets more consistently. Lower public equity exposure and broader diversification can help protect portfolios from significant declines, as evidenced by the most recent returns. VCERA's portfolio continues to be positioned to take advantage of contractual income-based investments and Private Equity investments, which have often produced superior risk-adjusted returns over the last decade.

NEPC, LLC serves as VCERA's independent investment consultant, providing VCERA with asset allocation guidance, quarterly economic and investment market updates, performance reviews, and investment manager monitoring and selection advice. In preparing our performance analysis for the Plan, we rely on the accuracy of financial data provided by the Plan's custodian bank and investment managers. Investment performance analysis and comparisons produced by NEPC have been calculated using standard performance evaluation methodologies and are consistent with industry standards, including calculation of returns using a time-weighted rate-of-return methodology based on market values reported by the custodian. The Plan's goals are measured against stated policy objectives, appropriate benchmarks, and comparative universes over multiple time periods. This review process allows the Board to evaluate whether established goals are being achieved on an absolute, relative, and risk-adjusted basis.

Sincerely,

Allan Martin, Partner

Outline of Investment Policies

General

The Board of Retirement (Board) established an investment policy in accordance with the provisions of CERL GC Sections 31450 et. seq. VCERA is considered a separate entity from the County of Ventura and is administered by a Board consisting of nine members plus three alternates. VCERA's Board, officers and employees shall discharge their duties as provided for in GC Section 31595:

- Solely in the interest of, and for the exclusive purpose of, providing benefits to participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the Plan.
- With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like aims.
- Shall diversify the investments of the Plan so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

VCERA's assets are managed on a total return basis. While VCERA recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns.

External professional investment firms manage VCERA's assets. VCERA's staff, along with the investment consultants, monitor managers' activity and assist the Board with the implementation of investment policies and strategies.

Asset Allocation Policy

VCERA has a long-term investment horizon and utilizes an asset allocation that encompasses a strategic long-term perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of VCERA's investment performance.

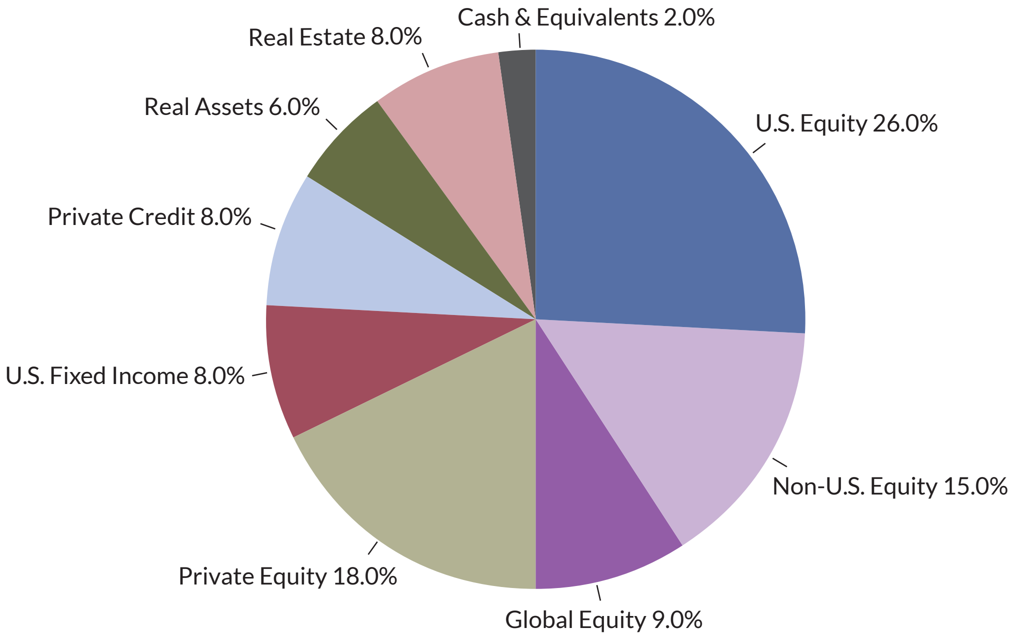
On April 18, 2022, the Board adopted a new allocation and subsequently an implementation plan that was predicated on factors that include:

a. The actuarially projected liabilities, benefit payments, and costs to both covered members and employers.
b. Historical and long-term capital market risk and return behavior.
c. The perception of future economic conditions, including inflation and interest rate levels.
d. The relationship between current and projected assets of the Plan and its actuarial requirements

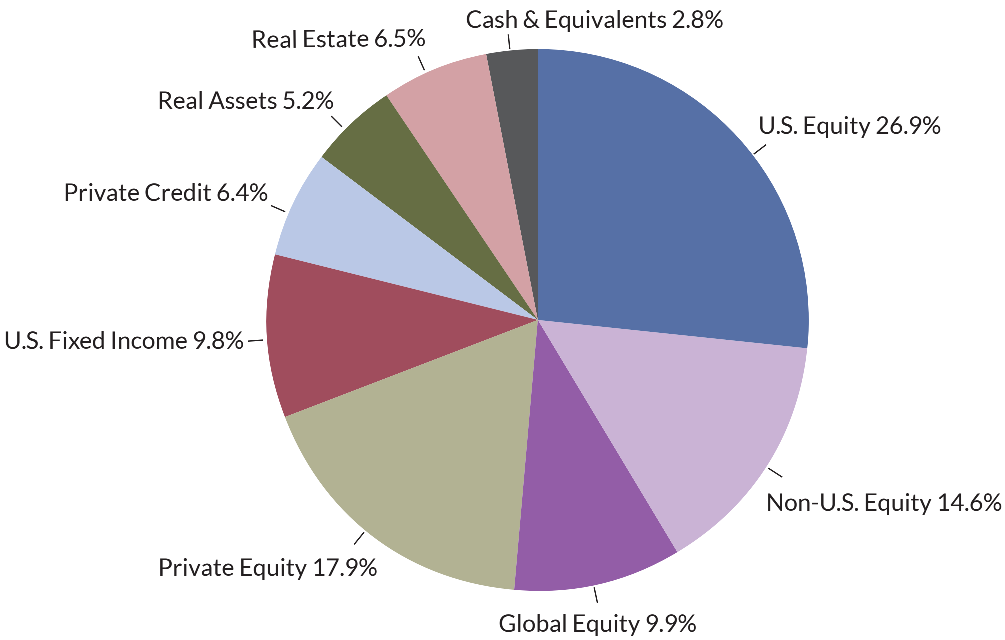
The portfolio is rebalanced, as necessary, to maintain asset allocations within their appropriate ranges.

Target Versus Actual Asset Allocation AS OF JUNE 30, 2023

TARGET *



ACTUAL **



* Represents Allocation targets in place as of June 30, 2023.

** Numbers depicted in the actual chart reflect cash market exposures.
Nominal asset class target exposures are maintained via the overlay rebalancing program.

Investment Summary AS OF JUNE 30, 2023 ($ IN THOUSANDS)

Type of Investment	Fair Value	Percent of Total Fair Value
Cash and Cash Equivalents	$150,195	2.1%
Cash Collateral - Securities Lending	56,544	0.7%
Publicly Traded Fixed Income	749,540	9.8%
Private Credit	491,399	6.4%
Subtotal Fixed Income and Cash	1,447,678	19.0%
U.S. Equity: Publicly Traded	2,056,842	26.9%
Non-U.S. Equity: Publicly Traded	1,116,363	14.6%
Global Equity: Publicly Traded	754,113	9.9%
Private Equity	1,365,269	17.9%
Subtotal Equities	5,292,587	69.3%
Real Assets	397,851	5.2%
Real Estate	494,705	6.5%
Subtotal Real Assets	892,556	11.7%
Total Investments	$7,632,821	100.0%

Schedule of Investment Returns Based on Fair Value

AS OF JUNE 30, 2023

		Annualized	
	Current Year	Three-Year	Five Year
U.S. Equity: Publicly Traded	19.1%	14.0%	11.6%
Current Benchmark: Russell 3000	19.0%	13.9%	11.4%
Non-U.S. Equity: Publicly Traded	16.2%	8.0%	3.7%
Current Benchmark: MSCI ACWI ex U.S.A	12.7%	7.2%	3.5%
Global Equity: Publicly Traded	17.0%	11.4%	8.5%
Current Benchmark: MSCI ACWI	16.5%	11.0%	8.1%
Private Equity	-4.3%	24.8%	18.1%
Current Benchmark: Russell 3000 + 3%	21.3%	16.5%	14.3%
Fixed Income: Publicly Traded Core and Unconstrained	2.2%	-1.5%	2.2%
Current Benchmark: Bloomberg Barclays U.S. Aggregate Index	-0.9%	-4.0%	0.8%
Private Credit	6.1%	12.6%	8.5%
Current Benchmark: 50% ICE BofA US HY BB-B Rated Constrained Index	9.4%	5.0%	4.7%
Real Estate	-10.5%	5.8%	3.8%
Current Benchmark: NCREIF-ODCE	-10.7%	7.0%	5.6%
Real Assets (excluding Real Estate)	8.3%	7.7%	3.5%
Benchmark: Real Assets Index	5.0%	7.9%	6.4%
Total Fund	8.5%	10.1%	7.9%
VCERA Policy*	12.4%	9.2%	7.9%

* Current Benchmarks: 25% Russell 3000 Index, 20% Bloomberg Barclays US Aggregate Bond Index, 16% MSCI ACWI ex U.S., 10% MSCI ACWI, 15% Russell 3000 Index + 3%, 6% CPI + 2% Index, and 8% NCREIF ODCE Real Estate Index

Asset Class Returns are presented using the time-weighted rate of return net of fees. Total Fund performance is calculated based on the weighted average returns.

Largest Equity Holdings (by Fair Value)

AS OF JUNE 30, 2023 ($ IN THOUSANDS)

	Units	Fund Name	Fair Value
1	4,956,010	Blackrock U.S.Russell 1000 Index Fund	$1,802,883
2	25,059,292	Blackrock ACWI Index Fund	754,113
3	33,126,238	Blackrock ACWI IMI ex U.S. IMI Index Fund	566,360
4	5,501,989	Walter Scott and Partners	280,195
5	23,919,130	Sprucegrove Investment Management, LTD	269,808
6	-	Adams Street Partnership	253,633
7	-	Buenaventure One	209,050
8	209,094,328	Western Asset US Enhanced Equity Index Plus	164,795
9	-	HarbourVest	164,321
10	1,316,651	BlackRock U.S. Russell 2500 Index Fund	89,164

Note - Majority of VCERA Equity Investments at June 30, 2023 were held in commingled investment vehicles.
Funds without units represent a Private Equity holding.

Largest Fixed Income Holdings (by Fair Value)

AS OF JUNE 30, 2023 ($ IN THOUSANDS)

	Par	Bonds	Fair Value
1	39,625,000	US TREASURY N/B 02/33 3.500	$38,597
2	37,575,000	US TREASURY N/B 04/28 3.500	36,512
3	15,257,000	US TREASURY N/B 11/27 3.450	14,964
4	10,552,000	US TREASURY N/B 02/48 1.000	10,552
5	10,060,000	US TREASURY N/B 11/27 2.980	9,686
6	7,700,000	US TREASURY N/B 11/52 4.000	7,909
7	5,025,000	US TREASURY N/B 10/24 2.770	4,871
8	4,618,000	US TREASURY N/B 05/48 1.000	4,618
9	4,371,000	US TREASURY N/B 06/30 3.130	3,960
10	4,134,095	US TREASURY N/B 01/33 1.125	3,960

Note - A complete list of portfolio holdings is available upon request.

Schedule of Investment Fees

AS OF JUNE 30, 2023 (WITH COMPARATIVE AMOUNTS FOR JUNE 30, 2022 ($ IN THOUSANDS)

	June 30, 2023	June 30, 2022
Cash and Short-Term	$190	$195
Equity		
U.S. Equity: Publicly Traded	549	736
Non-U.S. Equity: Publicly Traded	2,047	3,091
Global Equity: Publicly Traded	284	337
Private Equity	18,605	16,227
Fixed Income		
Fixed Income: Publicly Traded Core, Unconstrained, and Dedicated	1,390	1,644
Private Credit	11,431	3,682
Real Assets		
Real Assets	4,258	3,482
Real Estate	4,183	3,906
Other Investment Fees	1,567	1,586
Total Investment Management Fees	$44,504	$34,886

Schedule of Commissions:
VCERA's equity exposure is provided through one (1) separate account and six (6) commingled trust fund pooled vehicles. Equity exposure in the separate account is provided through the use of equity index futures contracts for which futures contracts commission charges are immaterial. VCERA buys or sells units in commingled trust fund pooled vehicles for which commissions are also not paid. Therefore, a Schedule of Commissions is not presented.

Investment Managers AS OF JUNE 30, 2023

Equities - U.S.
BlackRock, Inc.
Western Asset Management Company

Equities - Non-U.S.
BlackRock, Inc.
Hexavest
Sprucegrove Investment Management Limited
Walter Scott & Partners, Limited

Global Equity
BlackRock, Inc.

Private Equity
Abbott Capital Management, LLC
Abry Partners, L.P.
Adams Street Partners, LLC
Advent International GPE
Astorg
Battery Ventures
Buenaventure One, LLC
Buenaventure Two, LLC
Capvest Equity Partners, LLC
Charlesbank Capital Partners LLC
Clearlake Capital Partners, L.P.
CRV, LLC
CVC Capital Partners
Drive Capital, LLC
ECI 11 GP, L.P.
Flexpoint, LLC
Genstar Capital Partners, LLC
GGV Capital, LLC
Great Hill Partners, LLC
Green Equity Investors, L.P.
GTCR LLC
HarbourVest Partners, LLC
Hellman & Freidman Capital, LLC
Insight Ventures
Kinderhook Capital
M/C Partners, L.P.
Oak HC/FT Associates, L.P.
Pantheon Ventures (US) L.P.
Prairie Capital, L.P.
The Resolute Fund, L.P.
Ridgemont Equity Partners IV, LP.
TA Associates, L.P.
The Riverside Fund V, LP.
Vitruvian Partners, LLP

Fixed Income
BlackRock, Inc.
Loomis, Sayles & Company, LP
Reams Asset Management Company
Western Asset Management Company

Private Credit
Arbour Lane
Arcmont
Bain Capital
Bridge Investment Group LLC
CarVal Investors, L.P.
Crayhill Capital Management, L.P.
Crescent Cove Opportunities
Cross Ocean
HarbourVest
Harbour View Royalties Fund
Kennedy Lewis Capital Partners
Monroe Capital Management Advisors, LLC
Pantheon Private Debt
Pacific Investment Management Company (PIMCO) LLC
Torchlight. L.P.
VWH Partners

Real Assets
Alterra IOS Venture
Bridgewater Associates, LP
Brookfield Infrastructure Group
HarbourVest Partners, LLC
Tortoise Capital Advisors, L.L.C.

Real Estate
Lasalle, LLC
Prudential Global Investment Management
UBS Realty Investors

Investment Consultant
NEPC, LLC
Abbott Capital Management, LLC

Cash Overlay
Parametric Portfolio Associates, LLC

Custodian
State Street Bank and Trust

Ventura County Agriculture Museum

In its artifacts and displays, the Ventura County Agriculture Museum seeks to preserve the history of the region's farming and ranching legacy by featuring the innovations and people who made it possible. Located in the historic Mill Building in downtown Santa Paula, the museum opened in 2011 to exhibit historical agricultural tools, such as retired tractors and farming implements, to ensure this rich regional history is passed on to the next generation.

Actuarial Information Overview

INTRODUCTION

The actuarial process at VCERA is governed by provisions in CERL GC Section 31450 et seq. Section 31453 requires VCERA to obtain an actuarial valuation of the pension plan at least once every three years. It further requires the VCERA Board of Retirement (Board) to transmit its recommendations related to contribution rates to the Ventura County Board of Supervisors. The Board of Supervisors adopts and adjusts contribution rates in accordance with VCERA's recommendations.

FUNDING POLICY

In February 2018, the Board adopted a new Actuarial Funding Policy (Funding Policy), which requires annual adjustment of the employer contribution rates based on the annual valuation performed by VCERA's actuary. The Funding Policy conforms to the standards mandated in PEPRA. Segal Consulting, the Plan's consulting actuary, performed the most recent actuarial valuation as of June 30, 2022, and recommended changes to the employer and member contribution rates. At its January 2023 meeting, the Board adopted Segal Consulting's June 30, 2022 actuarial valuation report.

CHANGES IN PENSION PLAN ASSUMPTIONS

In addition to the annual valuations, VCERA requires its actuary to review the reasonableness of the Plan's economic and demographic actuarial assumptions every three years. This review, commonly referred to as the investigation of experience or the experience study, is accomplished by comparing actual experience during the preceding three years to what was expected to happen according to the actuarial assumptions. Based on this review, the actuary recommends changes in the assumptions or methodology that will better project benefit liabilities and asset growth. Based on the actuary's recommendations, the Board adopts methods and assumptions to be used in future valuations. At its June 2021 meeting, the Board adopted Segal Consulting's recommendations based on the 2020 Investigation of Experience for Retirement Benefit Assumptions. The Board also adopted a decrease in the discount rate from 7.25% to 7.00%.

MEMBER CONTRIBUTIONS

As part of the experience study, the actuary recommends adjustments to member contribution rates, if necessary, due to changes in the underlying assumptions and methodologies used in calculating member rates for age-based contributory benefit tiers. Therefore, it is expected that the age-based member rates will change no more frequently than every three years, when the actuary reviews the assumptions and methodologies.

For new members under PEPRA, and for other members whose labor contracts provide for single-rate member contribution rates based on 50-50 cost sharing (i.e., County, APCD, VRSD, Ventura County Superior Court and VCERA), the actuary is asked to recommend rates that are one-half the normal cost rate. If there are changes to these total normal cost rates, the actuary recommends new member contribution rates.

Actuarial Information Overview CONTINUED

EMPLOYER CONTRIBUTIONS

The members and employers are responsible for contributing to the cost of benefits to be earned each year. These contributions are known as normal cost contributions. The portion not funded by expected member contributions is the responsibility of the employers and is referred to as the employer normal cost. Employer contributions are reviewed, and changes are recommended each year by the consulting actuary. The actuary recommended new employer normal cost contribution rates for all employers based on the June 30, 2023 valuation; VCERA anticipates that the County will implement these rates between July 1 and September 17, 2024.

The employers are also responsible for contributing funding shortfalls related to liabilities accrued in the past, including changes in the economic and demographic assumptions impacting past service. This portion of the employer's contribution rate is known as the UAAL contribution.

The latest actuarial valuation as of June 30, 2023, decreased the employer normal cost rate from 10.16% to 10.12%. The change in the normal cost contribution rates from year to year is generally due to multiple factors. The employers' required contribution rate to finance the UAAL over a layered 15- to 20-year period increased from 8.07% to 8.44%. Member contribution rates increased for Non-PEPRA General Tier 1 and PEPRA Safety contributing members and decreased for all other members, effective with the 2022 actuarial valuation, due to new assumptions adopted with the 2020 Investigation of Experience.

ACTUARIAL COST METHOD

The entry age normal actuarial cost method is used for both funding requirements and financial reporting purposes. The entry age normal method allocates costs to each future year as a level percentage of payroll, which is ideal for employers to budget for future costs.

AUDITS

VCERA periodically conducts actuarial audits of retirement benefit valuations and experience studies. The last actuarial audit was performed by Gabriel, Roeder, Smith & Company (GRS) of Segal Consulting's 2014 experience study, 2015 economic actuarial assumption review, and 2016 valuation report. Regarding the audit of the experience study, GRS concluded: "The retained actuary's work provides a fair and reasonable assessment of the financial position of VCERA. We are pleased to report that we have found no critical issues in the retained actuary's work."

OTHER ACTUARIAL INFORMATION

Actuarially Determined Contributions: The Schedule of Employer Contributions included in the Required Supplementary Information Section provides 10 years of actuarially determined contributions in relation to the actual contributions provided to the Plan.

Actuarial Methods and Assumptions: A description of the actuarial methods and assumptions for the Plan valuation used by VCERA's actuary are included in this Actuarial Section. In addition, the Financial Section provides a summary of the actuarial methods and significant assumptions used to prepare the valuation report, which determines the Plan's funding requirements. The Financial Section also discusses the actuarial methods and significant assumptions used for financial reporting and required GASB Statement No. 67 disclosures.

Actuarial Information Overview CONTINUED

The following additional information is included in this section:

- Actuary's Certification Letter
- Summary of Actuarial Assumptions and Methods
- Active Member Valuation Data
- Schedule of Retirees and Beneficiaries Added to and Removed from Payroll
- Actuarial Analysis of Financial Experience
- Schedule of Funded Liabilities by Type
- Schedule of Funding Progress
- Summary of Plan Benefits
- Probability of Separation from Active Service

A Summary of Major Plan Provisions for the Pension Plan is available upon request from VCERA.

Segal

180 Howard Street,
Suite 1100
San Francisco, CA 94105-6147
segalco.com

December 12, 2023

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

Re: Ventura County Employees' Retirement Association (VCERA)
June 30, 2023 Actuarial Valuation for Funding Purposes

Dear Members of the Board:

Segal prepared the June 30, 2023 annual actuarial valuation of the Ventura County Employees' Retirement Association (VCERA). We certify that the VCERA valuation was performed in accordance with generally accepted actuarial principles and practices and VCERA's Actuarial Funding Policy that was last reviewed and approved by the Board in 2022. In particular, it is our opinion that the assumptions and methods used for funding purposes meet the parameters set by Actuarial Standards of Practice (ASOPs).

As part of the June 30, 2023 actuarial valuation, Segal received participant data from the Association's staff. This information has not been audited by us, but it has been reviewed and found to be reasonable, both internally and with prior year's information. We did not audit the Association's financial statements. For actuarial valuation purposes, Plan assets are valued at actuarial value. Under this method, the assets used to determine employer contribution rates take into account fair value by recognizing the differences between the total return at fair value and the expected investment return over ten semi-annual accounting periods.

One of the general goals of an actuarial valuation is to establish contribution rates which are expected to fully fund the Association's liabilities and which, as a percentage of payroll, remain as level as possible for each generation of active members. Actuarial funding is based on the Entry Age Cost Method. The employer contribution rate provides for both current cost (normal cost) and a level percentage of payroll to amortize any unfunded actuarial accrued liability (UAAL).

Any changes in the UAAL that arise due to actuarial gains or losses or plan amendments, with the exception noted below, are amortized over separate 15-year declining (or closed) amortization periods. Effective with the June 30, 2012 valuation, any changes in the UAAL that arise due to assumption or method changes are amortized over separate 20-year declining amortization periods. In addition, any changes in the UAAL that arise due to retirement incentives are amortized over separate declining periods of up to 5 years. The progress being

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made towards meeting the funding objective through June 30, 2023 is illustrated in the Schedule of Funding Progress.*

Certain information found in the Notes to Basic Financial Statements and the Required Supplementary Information (RSI) included in the Financial Section was prepared by the Association based on the results of the Governmental Accounting Standards (GAS) Statement No. 67 actuarial valuation as of June 30, 2023 prepared by Segal. For the Financial Section of the Annual Comprehensive Financial Report, Segal provided the Schedule of Changes in Net Pension Liability and Schedule of Employer Contributions as shown in the RSI. A listing of the other schedules prepared by the Association based on the results of the actuarial valuation as of June 30, 2023 for funding purposes is listed below.

1. Summary of Actuarial Assumptions and Methods as of June 30, 2023
2. Active Member Valuation Data
3. Schedule of Retirees and Beneficiaries Added to and Removed from the Rolls
4. Actuarial Analysis of Financial Experience
5. Schedule of Funded Liabilities by Type
6. Schedule of Funding Progress
7. Probability of Occurrence

The valuation assumptions included in the Actuarial Section were adopted by the Retirement Board based on our recommendations following the July 1, 2017 through June 30, 2020 Actuarial Experience Study report dated June 3, 2021. It is our opinion that the assumptions used in the June 30, 2023 valuation produce results which, in the aggregate, anticipate the expected future experience of the Plan. Actuarial valuations are performed on an annual basis. An experience analysis is performed every three years and the next experience analysis is due to be performed after the completion of the June 30, 2023 valuation and assumptions approved in that analysis will be applied in the June 30, 2024 valuation.

In the June 30, 2023 valuation, the ratio of the valuation value of assets to actuarial accrued liabilities decreased slightly from 97.2% to 97.1%. The average employer contribution rate increased from 18.23% of payroll to 18.56% of payroll, and the average member contribution rate increased from 10.49% of payroll to 10.76% of payroll.

* Effective with the June 30, 2020 valuation, the Board approved an adjustment to the remaining amortization periods for certain amortization layers in order to minimize the contribution rate tail volatility associated with the UAAL layers that were to be fully amortized between the 2021 and 2023 valuations (these UAAL layers were first established in 2006, 2007 and 2008) and in the 2029 and 2030 valuations (these UAAL layers were first established in 2014 and 2015). This was done by setting the remaining amortization periods for the 2006, 2007, and 2008 UAAL amortization layers to 4 years and the 2014 and 2015 UAAL actuarial gain/loss amortization layers to 12 years, effective with the June 30, 2020 valuation.

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Under the asset smoothing method, the total unrecognized investment loss is $62.5 million as of June 30, 2023. This investment loss will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years. The deferred loss of $62.5 million represents about 0.8% of the market value of assets as of June 30, 2023. Unless offset by future investment gains or other favorable experience, the recognition of the $62.5 million market loss is expected to have an impact on the Association's future funded percentage and contribution rate requirements. This potential impact may be illustrated as follows:

- If the net deferred losses were recognized immediately and entirely in the valuation value of assets, the funded ratio would decrease from 97.1% to 96.3%.
- If the net deferred losses were recognized immediately and entirely in the valuation value of assets, the average employer contribution rate would increase from 18.56% to 19.15% of payroll.

The actuarial calculations were completed under the supervision of Molly Calcagno, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Sincerely,

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President & Actuary

Molly Calcagno, ASA, MAAA, EA
Senior Actuary

JY/jl

Summary of Actuarial Assumptions and Methods

As of June 30, 2023

Actuarial Assumptions and Methods
Recommended by the Actuary and adopted by the Board of Retirement.

Actuarial Cost Method
Entry age normal.

Actuarial Asset Valuation Method
Five-year smoothing of fair value.

Amortization of Gains and Losses
Experience gains and losses are amortized over 15 years. Effective June 30, 2012, any changes in UAAL due to actuarial gains or losses or due to plan amendments (with the exception of a change due to retirement incentives) will be amortized over a 15-year closed period effective with that valuation (up to a 5-year closed period for retirement incentives). Any change in UAAL due to changes in actuarial assumptions or methods will be amortized over a 20-year closed period effective with that valuation.

In April 2020, the Board directed the Actuary to adjust the remaining amortization periods for certain amortization layers in order to minimize the contribution rate tail volatility associated with the UAAL layers that were first established in 2006, 2007, 2008, and in 2014 and 2015. Effective with the 2020 actuarial valuation, the remaining amortization periods for the 2006, 2007, and 2008 UAAL amortization layers were set to 4 years and those for the 2014 and 2015 UAAL actuarial gains/loss amortization layers were set to 12 years.

Investment Rate of Return
7.00% per annum; 4.50% real rate of return and 2.50% inflation.

Projected Salary Increases
3.75% – 12.00% varying by service. Includes inflation at 2.50%, “across the board” increases of 0.50%, plus merit and longevity increases.

Terminations of Employment Rates
0.5% to 13.5%

Cost-of-Living Adjustments
0-3% COLA for General Tier 1 and Safety members tied to the change in Consumer Price Index. Flat 2% COLA for eligible General Tier 2 (Legacy) and General Tier 8 (PEPRA) members represented by SEIU.

Expectation of Life After Retirement
General Members: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020. Safety Members: Pub-2010 Safety Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.

Expectation of Life After Disability

General Members: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020. Safety Members: : Pub-2010 Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2020.

Expectation of Life All Beneficiaries

Pub-2010 General Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2020.

Date of Adoption

June 7, 2021

Active Member Valuation Data

Valuation Date	Plan Type	Member Count	Annual Salary	Average Annual Salary	Percent Increase/ (Decrease) In Average Salary	Average Age	Average Service
June 30, 2023	General	7,828	$734,293,867	$93,804	5.04%	45.0	9.9
	Safety	1,556	206,748,242	132,872	1.52%	40.6	13.5
	Total	9,384	$941,042,109	$100,282	4.26%	44.2	10.5
June 30, 2022	General	7,576	$676,584,766	$89,306	-0.52%	45.1	10.1
	Safety	1,501	196,457,846	130,885	3.79%	41.1	14.2
	Total	9,077	$873,042,612	$96,182	-0.12%	44.3	10.6
June 30, 2021	General	6,967	$625,451,916	$89,773	3.55%	45.8	11.0
	Safety	1,524	192,184,175	126,105	3.85%	41.3	14.3
	Total	8,491	$817,636,091	$96,294	3.61%	44.9	11.5
June 30, 2020	General	7,090	$614,684,741	$86,697	3.42%	45.8	10.8
	Safety	1,554	188,696,801	121,427	0.86%	41.1	14.2
	Total	8,644	$803,381,542	$92,941	2.90%	44.9	11.4
June 30, 2019	General	7,153	$599,646,399	$83,831	2.23%	45.7	10.7
	Safety	1,543	185,755,638	120,386	2.14%	41.1	14.2
	Total	8,696	$785,402,037	$90,318	2.22%	44.9	11.3
June 30, 2018	General	7,086	$581,080,493	$82,004	2.74%	45.8	10.7
	Safety	1,525	179,734,722	117,859	1.00%	41.1	14.2
	Total	8,611	$760,815,215	$88,354	2.43%	44.9	11.3
June 30, 2017	General	7,128	$568,947,112	$79,819	4.05%	45.7	10.5
	Safety	1,508	175,970,274	116,691	3.86%	41.3	14.6
	Total	8,636	$744,917,386	$86,257	3.96%	45.0	11.2
June 30, 2016	General	7,015	$538,141,938	$76,713	2.25%	45.7	10.5
	Safety	1,494	167,857,742	112,355	0.41%	41.5	14.8
	Total	8,509	$705,999,680	$82,971	1.45%	45.0	11.2
June 30, 2015	General	6,778	$508,504,947	$75,023	3.34%	46.1	10.6
	Safety	1,521	170,200,899	111,901	5.02%	41.5	14.3
	Total	8,299	$678,705,846	$81,782	3.57%	45.3	11.4
June 30, 2014	General	6,672	$484,378,825	$72,599	-0.01%	46.2	10.5
	Safety	1,538	163,878,217	106,553	-1.17%	41.4	14.0
	Total	8,210	$648,257,042	$78,959	-0.27%	45.3	11.2

Schedule of Retirees and Beneficiaries Added to and Removed from Payroll

Fiscal Year Ended June 30	Retirees and Beneficiaries: At Beginning of Year	Added	Removed	At End of Year	Added to Payroll (in 000s)	Removed from Payroll (in 000s)	Total Retiree Payroll (in 000s)	Percent Increase in Payroll	Average Annual Allowance
2023	8,007	463	(213)	8,257	$32,088	($9,689)	$372,643	6.40%	$45,131
2022	7,751	470	(214)	8,007	$31,210	($8,686)	$350,244	6.87%	$43,742
2021	7,521	471	(241)	7,751	$26,648	($9,061)	$327,720	5.67%	$42,281
2020	7,280	446	(205)	7,521	$26,148	($8,790)	$310,133	5.93%	$41,236
2019	7,038	442	(200)	7,280	$28,243	($7,756)	$292,775	7.52%	$40,216
2018	6,766	467	(195)	7,038	$22,900	($6,193)	$272,288	6.54%	$38,688
2017	6,539	372	(145)	6,766	$20,489	($6,327)	$255,581	5.87%	$37,774
2016	6,338	396	(195)	6,539	$18,570	($5,574)	$241,419	5.69%	$36,920
2015	6,121	398	(181)	6,338	$16,977	($6,658)	$228,423	4.73%	$36,040
2014	5,888	394	(161)	6,121	$17,698	($4,832)	$218,104	6.27%	$35,632

Actuarial Analysis of Financial Experience ($ IN THOUSANDS)

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Prior Valuation Unfunded (Excess Funded) Accrued Liability	$211,721	$506,731	$703,736	$774,862	$746,981	$744,326	$813,043	$875,827	$820,215	$953,354
Salary Increases Greater (Less) Than Expected	(23,096)	(304)	27,129	6,418	(2,944)	(4,839)	35,441	(19,801)	17,095	(56,617)
Asset Return (Greater) Less Than Expected	35,836	(263,070)	(243,314)	8,603	88,043	(55,696)	(24,707)	42,251	(81,080)	(13,827)
Other Experience Factors	5,635	(31,636)	(95,623)	(86,147)	(57,218)	(85,320)	(79,451)	(85,234)	(98,405)	(62,695)
Change In Actuarial Assumptions	-	-	114,803	-	-	148,510	-	-	218,002	-
Ending Valuation Unfunded (Excess Funded) Accrued Liability	$230,096	$211,721	$506,731	$703,736	$774,862	$746,981	$744,326	$813,043	$875,827	$820,215

Schedule of Funded Liabilities by Type ($ IN THOUSANDS)

Aggregate Actuarial Accrued Liabilities for:								
Valuation Date	Active Member Contrib.	Retired Member Contrib.	Active Members (Employer Financed Portion)	Total Liabilities	Actuarial Value of Assets	Active Member Contrib.	Retired Member Contrib.	Active Member Employer Financed
June 30, 2023	$947,972	$3,685,528	$3,237,301	$7,870,801	$7,640,765	100%	100%	92.89%
June 30, 2022	888,174	3,510,987	3,092,166	7,491,327	7,279,606	100%	100%	93.15%
June 30, 2021	859,467	3,280,460	3,014,958	7,154,885	6,648,154	100%	100%	83.19%
June 30, 2020	825,923	3,123,805	2,798,044	6,747,772	6,044,036	100%	100%	74.85%
June 30, 2019	793,803	2,963,427	2,682,158	6,439,388	5,664,526	100%	100%	71.11%
June 30, 2018	758,314	2,768,422	2,603,022	6,129,758	5,382,777	100%	100%	71.30%
June 30, 2017	725,090	2,561,943	2,416,363	5,703,396	4,959,070	100%	100%	69.20%
June 30, 2016	683,571	2,417,426	2,297,759	5,398,756	4,585,713	100%	100%	64.62%
June 30, 2015	647,597	2,269,555	2,261,005	5,178,157	4,302,330	100%	100%	61.26%
June 30, 2014	611,921	2,150,677	1,968,418	4,731,016	3,910,801	100%	100%	58.33%

Schedule of Funding Progress ($ IN THOUSANDS)

Actuarial Valuation Date	Valuation Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll [1] (c)	UAAL as an Unfunded (Overfunded) Percentage of Covered Payroll [(b-a)/c)]
June 30, 2023	$7,640,705	$7,870,801	$230,096	97.08%	$941,042	24.45%
June 30, 2022	7,279,606	7,491,327	211,721	97.17%	873,043	24.25%
June 30, 2021	6,648,154	7,154,885	$506,731	92.92%	817,636	61.98%
June 30, 2020	6,044,036	6,747,772	703,736	89.57%	803,382	87.60%
June 30, 2019	5,664,526	6,439,388	774,862	87.97%	785,402	98.66%
June 30, 2018	5,382,777	6,129,758	746,981	87.81%	760,815	98.18%
June 30, 2017	4,959,070	5,703,396	744,326	86.95%	744,917	99.92%
June 30, 2016	4,585,713	5,398,756	813,043	84.94%	706,000	115.16%
June 30, 2015	4,302,230	5,178,157	875,927	83.08%	678,706	129.06%
June 30, 2014	3,910,801	4,731,016	820,215	82.66%	648,257	126.53%

[1] Based on the expected covered payroll

Summary of Plan Benefits (AS OF JUNE 30,2023)

Summarized below are some of the more significant provisions of CERL that are presently applicable to VCERA.

Membership

All permanent employees of the County of Ventura or contracting district scheduled to work 64 or more hours per biweekly pay period become members of VCERA upon appointment. There are separate benefit tiers for safety and general member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and probation. Any new safety member hired on or after January 1, 2013, is designated as a PEPRA member and is subject to the provisions of the PEPRA found in GC 7522 et seq. and Assembly Bill (AB) 197 of 2012. All other employees are classified as general members. Those hired prior to June 30, 1979, and certain management personnel who entered service prior to October 16, 2001, are included in General Tier 1. Employees hired after that date are included in General Tier 2. Any new general member hired on or after January 1, 2013, is designated as a PEPRA member and is subject to the provisions of GC 7522 et seq. and AB 197 of 2012.

Vesting

A member is vested upon accruing five years of retirement service credit under VCERA or via combined service under VCERA and a reciprocal retirement system.

Employer Contributions

The County and contracting districts contribute to the Plan based upon actuarially determined contribution rates adopted by the Board. Employer contribution rates are adopted annually based upon recommendations received from VCERA's actuary after the completion of the annual actuarial valuation.

Member Contributions

All members are required to make contributions to VCERA, regardless of the benefit tier in which they are included. The contribution rate applicable to the member is applied to total pensionable earnings, which includes base pay and additional pay items allowable by law. The employer, as a result of provisions contained in individual collective bargaining agreements, may pay a portion of the member's contribution.

Contributions are deducted from the member's biweekly payroll check and credited to the member's account. Interest is credited to the member's account semiannually on June 30 and December 31 based upon the total contributions on deposit. Upon separation from service, a member may elect a refund of all accumulated contributions and interest credited.

Service Retirement Benefit

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

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

The retirement benefit a member will receive is based upon age at retirement, final average compensation, years of retirement service credit and benefit tier. Safety member benefits are calculated pursuant to the provisions of GC Section 31664 for those members hired prior to January 1, 2013. The monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit multiplied by the age factor from GC Section 31664. For those safety members first hired on or after January 1, 2013, benefits are calculated pursuant to the provision of GC Section 7522.25(d). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement service credit multiplied by the age factor from GC Section 7522.25(d).

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

The maximum monthly retirement allowance is 100% of final compensation.

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

At retirement, a member may elect an unmodified retirement allowance or an optional modified retirement allowance. The Unmodified Option provides the highest monthly benefit to the retiree and a 60% continuance to an eligible surviving spouse, registered domestic partner, or minor child(ren). An eligible surviving spouse or registered domestic partner is one married or registered to the member for at least one year prior to the retirement date. There are four modified options the member may choose. Each modified option requires a reduction in the unmodified retirement allowance to allow the member the ability to provide certain benefits to a surviving spouse, registered domestic partner, minor child(ren), or named beneficiary who has an insurable interest in the life of the member.

Cost-Of-Living Adjustment

VCERA provides an annual cost-of-living adjustment (COLA) to Safety and General Tier I retirees. The COLA is based on the Consumer Price Index for the Los Angeles-Long Beach-Anaheim area (with 1982-84 as the base period) and is capped at 3.0%. General member retirees who were represented by SEIU and accrued service after March 15, 2003 receive a fixed 2% COLA pursuant to bargaining agreements.

Summary of Plan Benefits CONTINUED

Disability Retirement Benefits

VCERA provides disability retirement benefits for a service-connected or nonservice-connected injury or disease. To qualify for a disability retirement, the member must be permanently incapacitated from the performance of duty. A member may be retired with a service-connected disability regardless of years of retirement service credit. The monthly allowance for a service-connected disability retirement is equal to 50% of final average compensation, but not less than the member would have received for a regular service retirement, if eligible. Upon the death of a member receiving a service-connected disability allowance, the surviving spouse married to the member at the time of retirement, or eligible minor child(ren), shall receive a 100% continuance of the benefit.

A member must have a minimum of five years of retirement service credit to qualify for a nonservice-connected disability retirement. The General member benefit payable for a nonservice-connected disability is equal to 90% of one-sixth of final compensation for each year of service not to exceed one-third of final compensation. For Safety members, the nonservice-connected disability retirement benefit payable is 90% of one-fifth of final compensation, not to exceed one-third of final compensation.

Active Member Death Benefits

If the member has less than five years of retirement service credit, the death benefit consists of the member's accumulated retirement contributions, plus one month's salary for each completed year of service up to six months' salary (Basic Death Benefit).

If the member has completed five years of service and has an eligible surviving spouse or minor child(ren), the beneficiary may elect (a) a refund of the member's accumulated contributions, plus one month's salary for each year of completed service up to a maximum of six months' salary, or (b) a monthly retirement allowance equal to 60% of the deceased member's earned benefit if he/she had retired with a nonservice-connected disability at the time of death, or (c) a combined benefit consisting of the Basic Death Benefit plus a monthly allowance reduced by the actuarial equivalent of the Basic Death Benefit. If there is no eligible surviving spouse or minor child(ren), the benefit paid to the named beneficiary will be that described in (a) above.

If a member dies in service as the result of a job-related injury or illness, an eligible surviving spouse or minor child(ren) may be eligible for a monthly benefit equal to 100% of the deceased member's earned benefit at the time of death.

Retired Member Death Benefits

If the member retired for service or with a nonservice-connected disability, the benefit payable to an eligible surviving spouse would be an amount equal to 60% or 100% (dependent upon the option the member selected at retirement) of the member's unmodified retirement allowance. If the member retired with a service-connected disability retirement, the surviving spouse would receive a 100% continuance of the unmodified retirement allowance. If there is no eligible surviving spouse or registered domestic partner, benefits may be payable to a minor child(ren).

In addition, a lump-sum death benefit of $5,000 is also payable to the named beneficiary or the estate of a deceased retired member.

Probability of Separation from Active Service (IN PERCENTAGES)

Age Nearest	Rates of Mortality	Rates of Disability	Rates of Retirement Non PEPRA		Rates of Retirement PEPRA
			Less Than 30 Years of Service	30 or More Years of Service	
General Members - Male					
20	0.0004	0.0001	0.0000	0.5000	0.0000
25	0.0002	0.0001	0.0000	0.5000	0.0000
30	0.0003	0.0002	0.0000	0.5000	0.0000
35	0.0004	0.0004	0.0000	0.5000	0.0000
40	0.0006	0.0008	0.0000	0.5000	0.0000
45	0.0009	0.0012	0.0000	0.5000	0.0000
50	0.0013	0.0019	0.0200	0.0200	0.0000
55	0.0019	0.0024	0.0450	0.0500	0.0400
60	0.0028	0.0031	0.1050	0.1400	0.0900
65	0.0041	0.0041	0.3000	0.4500	0.2000
70	0.0061	0.0045	0.2500	0.2500	0.5500
General Members - Female					
20	0.0001	0.0001	0.0000	0.5000	0.0000
25	0.0001	0.0001	0.0000	0.5000	0.0000
30	0.0001	0.0002	0.0000	0.5000	0.0000
35	0.0002	0.0004	0.0000	0.5000	0.0000
40	0.0003	0.0008	0.0000	0.5000	0.0000
45	0.0005	0.0012	0.0000	0.5000	0.0000
50	0.0008	0.0019	0.0200	0.0200	0.0000
55	0.0011	0.0024	0.0450	0.0500	0.0400
60	0.0017	0.0031	0.1050	0.1400	0.0900
65	0.0027	0.0041	0.3000	0.4500	0.2000
70	0.0044	0.0045	0.2500	0.2500	0.5500

General Members Years of Service	Withdrawal [1]
Less than 1	0.1350
5	0.0500
10	0.0350
15	0.0275
20 & Over	0.0175

[1] No termination is assumed after a member is first assumed to retire.

Probability of Separation from Active Service CONTINUED

Age Nearest	Rates of Mortality	Rates of Disability	Rates of Retirement Non PEPRA		Rates of Retirement PEPRA
Safety Members - Male			Less Than 30 Years of Service	30 or More Years of Service	
20	0.0004	0.0003	0.0150	0.0150	0.0000
25	0.0003	0.0006	0.0150	0.0150	0.0000
30	0.0004	0.0024	0.0150	0.0150	0.0000
35	0.0004	0.0038	0.0150	0.0150	0.0000
40	0.0005	0.0052	0.0150	0.0150	0.0000
45	0.0007	0.0084	0.0150	0.0150	0.0000
50	0.0010	0.0112	0.0200	0.0200	0.0400
55	0.0015	0.0252	0.2000	0.3700	0.2000
60	0.0023	0.0586	0.3500	0.3500	0.3000
65	0.0035	0.0000	1.0000	1.0000	1.0000
70	0.0066	0.0000	1.0000	1.0000	1.0000
Safety Members - Female					
20	0.0002	0.0003	0.0150	0.0150	0.0000
25	0.0002	0.0006	0.0150	0.0150	0.0000
30	0.0002	0.0024	0.0150	0.0150	0.0000
35	0.0003	0.0038	0.0150	0.0150	0.0000
40	0.0004	0.0052	0.0150	0.0150	0.0000
45	0.0006	0.0084	0.0150	0.0150	0.0000
50	0.0008	0.0112	0.0200	0.0200	0.0400
55	0.0011	0.0252	0.2000	0.3700	0.2000
60	0.0014	0.0586	0.3500	0.3500	0.3000
65	0.0020	0.0000	1.0000	1.0000	1.0000
70	0.0039	0.0000	1.0000	1.0000	1.0000

Safety Members Years of Service	Withdrawal [1]
Less than 1	0.1000
5	0.0250
10	0.0150
15	0.0095
20 & Over	0.0050

[1] No termination is assumed after a member is first assumed to retire.

Mullin Automotive Museum

The Mullin Automotive Museum has one obsession—20th-century French automotive design—that reflects the passion of its founder, Peter Mullin, a collector of worldwide vintage automobiles. The Oxnard-based museum's permanent exhibit, L'epoque Des Carrossiers ("The Art and Times of the French Coachbuilders"), features more than 30 stunning vehicles that prove car making was once an art form. In addition to sculpture and artifacts, guests will see French automobiles deemed by connoisseurs to be "the best of the best," such as the 1936 Bugatti Type 57SC Atlantic and the 1937 Talbot-Lago T150-C SS "Goutte d'Eau." This museum is a rare gem of Ventura County.

Statistical Information Overview

The objective of the Statistical Information Overview Section is to provide historical perspective, context, and detail to assist in utilizing the Basic Financial Statements, Notes to the Basic Financial Statements, and Supplementary Information to understand and assess the status of the Pension Plan administered by VCERA as of the fiscal year end. This section also includes multi-year trends of financial and operating information to facilitate comprehensive understanding of how VCERA's financial position and performance has changed over time. More specifically, the financial and operating information provides contextual data of VCERA's changes in fiduciary net position, benefits, refunds, contribution rates and retirement benefits. The financial and operating trend information is located on the following pages.

The Statistical Information provided here is divided into two main categories: Financial Trends Information and Operating Information.

Financial Trends Information is intended to assist readers in understanding how VCERA's financial position has changed over time:

- *Changes in Pension Plan Fiduciary Net Position* presents additions by source, deductions by type, and the total change in fiduciary net position for each year.
- *Pension Benefit Expenses by Type* presents benefit and member refunds and lump-sum death benefits deductions by type of benefit (e.g. Service and Disability Retirement from General and Safety Plans).

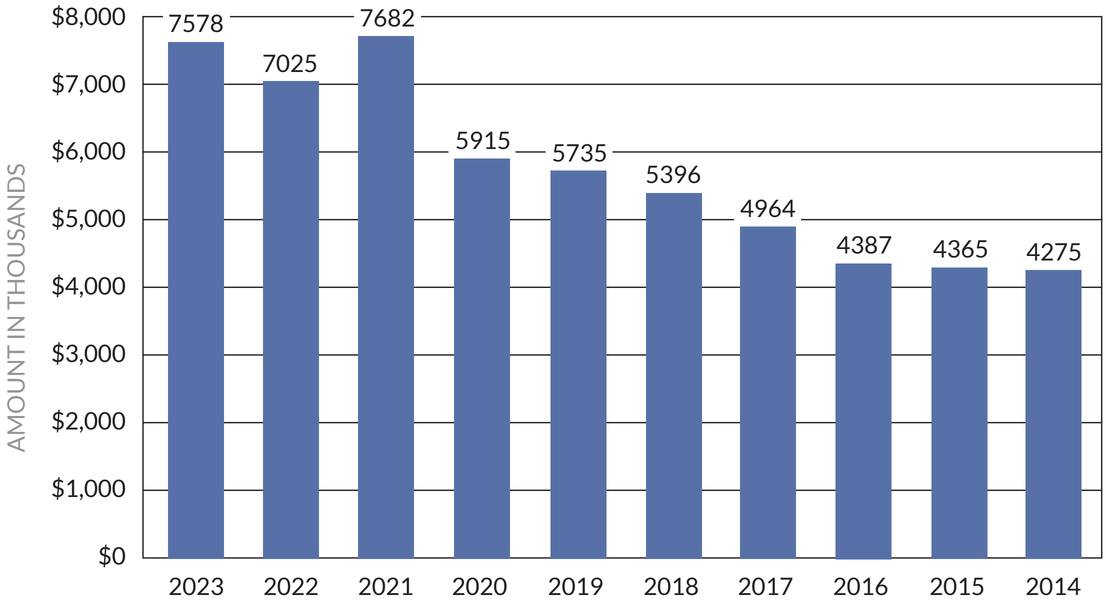
Operating Information provides contextual information about VCERA's operations and membership to assist readers in using financial statement information to comprehend and evaluate VCERA's fiscal condition:

- *Active and Deferred Members* provides membership statistics for active vested and non-vested members as well as deferred members.
- *Retired Members by Type of Pension Benefit* presents benefit information for the current year by benefit type and dollar levels.
- *Schedule of Average Monthly Benefit Payments* reflects the number of newly retired members, average monthly benefit and average final salary, shown in five-year increments.
- *Participating Employers and Active Members* presents the employers and their corresponding covered employees.
- *Employer Contribution Rates* is also provided as additional information.

Changes in Pension Plan Fiduciary Net Position
LAST TEN FISCAL YEARS (IN THOUSANDS)

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
ADDITIONS										
Employer Contributions	$178,532	$178,688	$178,628	$214,553	$199,891	$197,683	$190,759	$177,710	$175,099	$169,703
Member Contributions	93,974	84,699	79,654	79,277	75,199	74,044	72,395	69,470	63,679	46,674
Net Investment Income	670,999	(553,406)	1,849,958	209,236	368,665	445,902	580,526	25,739	88,681	658,580
Total Additions	943,505	(290,019)	2,108,240	503,066	643,755	717,629	843,680	272,919	327,459	874,957
DEDUCTIONS										
Benefits	372,643	350,244	327,720	310,133	292,775	272,288	255,581	241,419	228,423	218,105
Administrative	6,838	6,169	5,523	5,367	5,342	4,881	5,524	4,474	3,854	4,045
Member Refunds & Death Payments	8,694	6,854	5,246	5,491	4,344	5,430	5,164	4,984	5,272	5,428
Other Expenses	2,424	2,935	3,050	2,583	2,397	2,815	-	-	-	-
Total Deductions	390,599	366,202	341,539	323,574	304,858	285,414	266,269	250,877	237,549	227,578
Change In Pension Plan Fiduciary Net Position	$552,906	$(656,221)	$1,766,701	$179,492	$338,897	$432,215	$577,411	$22,042	$89,910	$647,379

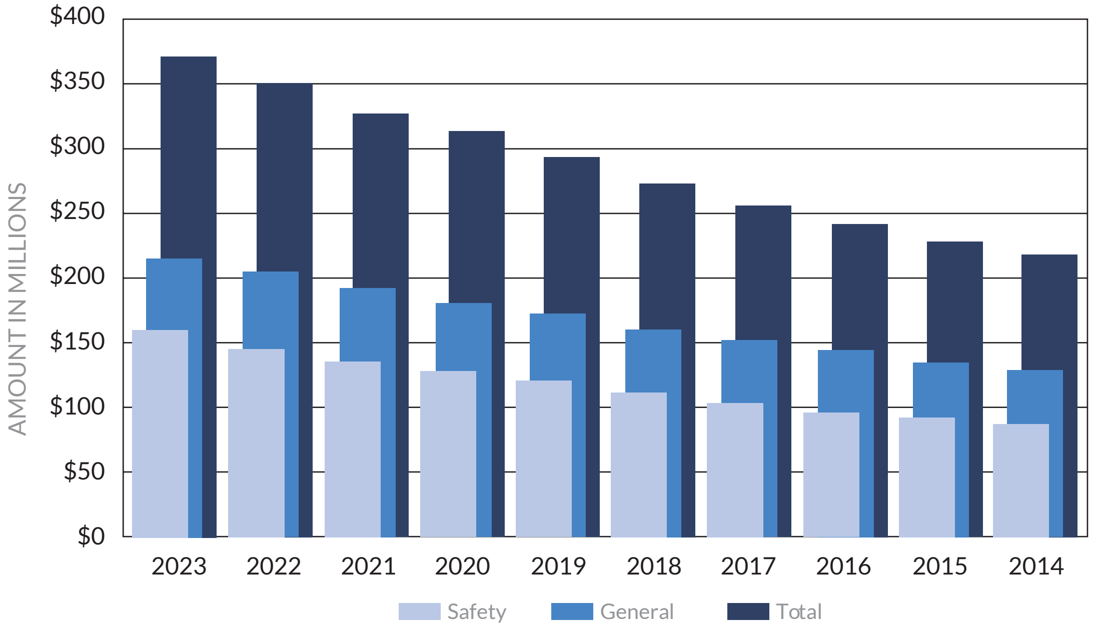
Total Plan Net Position



Schedule of Pension Benefit Expenses by Type LAST TEN FISCAL YEARS (IN THOUSANDS)

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Service Retirement										
General	$189,431	$179,052	$168,127	$159,000	$150,543	$139,476	$131,107	$125,219	$116,593	$110,052
Safety	109,098	100,750	93,433	87,717	81,736	75,110	69,332	62,618	61,918	58,404
Total	298,529	279,802	261,560	246,717	232,279	214,586	200,439	187,837	178,511	168,456
Disability Retirement										
General	10,124	9,500	9,682	9,921	9,853	10,065	9,945	9,966	9,711	10,172
Safety	35,827	34,102	32,223	31,226	30,072	28,479	26,753	26,895	24,426	24,332
Total	45,951	43,602	41,905	41,147	39,925	38,544	36,698	36,861	34,137	34,504
Survivor Continuances										
General	15,285	14,967	13,363	12,435	11,763	11,180	10,660	9,894	9,335	9,141
Safety	12,878	11,873	10,893	9,834	8,808	7,978	7,784	6,827	6,440	6,003
Total	28,162	26,840	24,256	22,269	20,571	19,158	18,444	16,721	15,775	15,144
Total Retired Members										
General	214,840	203,519	191,171	181,357	172,159	160,721	151,712	145,079	135,639	129,365
Safety	157,803	146,725	136,549	128,776	120,616	111,567	103,869	96,340	92,784	88,739
Total	372,643	350,244	327,720	310,133	292,775	272,288	255,581	241,419	228,423	218,104
Member Refunds & Death Benefits										
General	7,765	6,059	4,776	4,958	3,929	5,082	4,634	4,160	4,703	5,094
Safety	929	795	470	533	415	348	530	824	569	334
Total	$8,694	$6,854	5,246	$5,491	$4,344	$5,430	$5,164	$4,984	$5,272	$5,428

Pension Benefit Payments



Active and Deferred Members LAST TEN FISCAL YEARS

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Active Vested										
General	4,768	4,798	4,763	4,709	4,681	4,562	4,594	4,619	4,632	4,699
Safety	1,184	1,188	1,199	1,198	1,205	1,200	1,207	1,231	1,245	1,274
Active Non-vested										
General	3,060	2,778	2,204	2,381	2,472	2,524	2,534	2,396	2,146	1,973
Safety	372	313	325	356	338	325	301	263	276	264
Total Active Members										
General	7,828	7,576	6,967	7,090	7,153	7,086	7,128	7,015	6,778	6,672
Safety	1,556	1,501	1,524	1,554	1,543	1,525	1,508	1,494	1,521	1,538
Deferred Members										
General	3,674	3,403	3,106	2,853	2,695	2,570	2,484	2,332	2,140	2,052
Safety	411	409	385	365	346	339	325	307	301	287
Total	13,469	12,889	11,982	11,862	11,737	11,520	11,445	11,148	10,740	10,549

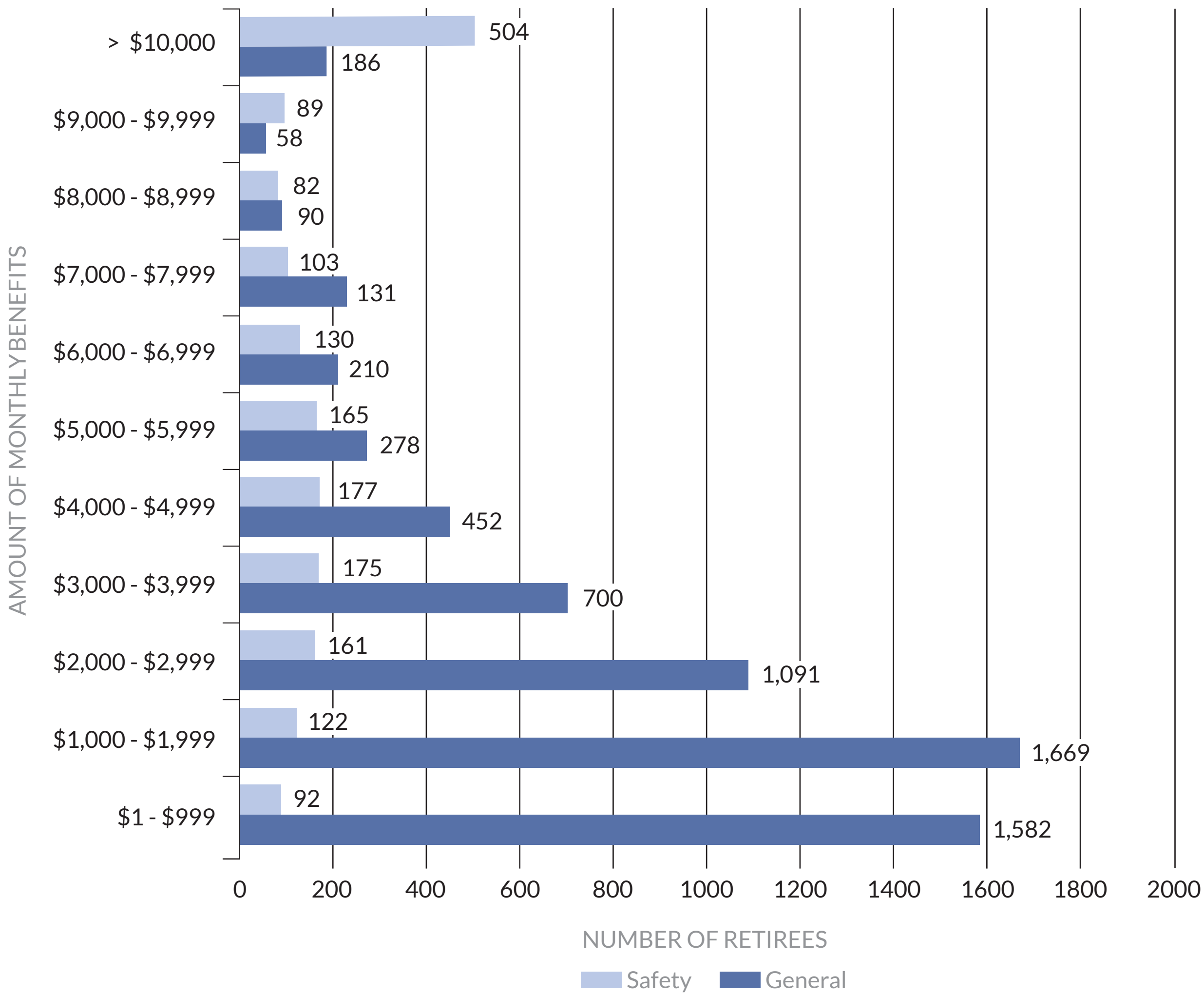
Retired Members by Type of Pension Benefit AS OF JUNE 30,2023

Amount of Monthly Benefit	Number of Retirees	Type of Retirement [1]		
		A	B	C
General Members				
$1 - $999	1,582	1,189	60	333
$1,000 - $1,999	1,669	1,285	181	203
$2,000 - $2,999	1,091	902	76	113
$3,000 - $3,999	700	589	43	68
$4,000 - $4,999	452	408	15	29
$5,000 - $5,999	278	254	3	21
$6,000 - $6,999	210	192	1	17
$7,000 - $7,999	131	123	2	6
$8,000 - $8,999	90	83	2	5
$9,000 - $9,999	58	56	-	2
> $10,000	186	178	3	5
Totals	6,447	5,259	386	802
Safety Members				
$1 - $999	92	62	21	9
$1,000 - $1,999	122	85	4	33
$2,000 - $2,999	161	85	26	50
$3,000 - $3,999	175	71	40	64
$4,000 - $4,999	177	84	44	49
$5,000 - $5,999	165	46	71	48
$6,000 - $6,999	130	37	64	29
$7,000 - $7,999	103	50	29	24
$8,000 - $8,999	92	51	22	19
$9,000 - $9,999	89	55	20	14
> $10,000	504	393	82	29
Totals	1,810	1,019	423	368
Grand Total	8,257	6,278	809	1,170

[1] Type of Retirement:

A - Service Retiree
B - Disability Retiree
C - Beneficiary/Continuant/Survivor

Retired Members Receiving Benefits AS OF JUNE 30,2023



Schedule of Average Monthly Benefit Payments 2020-2023

Years of Credited Service	5-9	10-14	15-19	20-24	25-29	30+
Retirees - 2023						
General Members						
Average Monthly Benefit	$994	$2,026	$2,952	$4,089	$4,089	$6,071
Average Final Average Salary	$6,626	$8,141	$8,770	$9,377	$8,416	$9,295
Number of Active Members Who Retired	54	42	47	49	31	73
Safety Members						
Average Monthly Benefit	$1,816	$1,798	$3,928	$5,073	$8,237	$9,100
Average Final Average Salary	$9,898	$5,963	$10,493	$9,398	$13,014	$15,750
Number of Active Members Who Retired	7	3	6	11	33	39
Retirees - 2022						
General Members						
Average Monthly Benefit	$1,156	$2,127	$2,837	$4,022	$5,304	$5,913
Average Final Average Salary	$7,304	$7,955	$7,834	$9,036	$11,204	$9,991
Number of Active Members Who Retired	52	65	50	45	48	76
Safety Members						
Average Monthly Benefit	$2,008	$2,860	$4,510	$6,856	$8,465	$11,264
Average Final Average Salary	$12,507	$10,833	$8,552	$9,869	$11,796	$14,837
Number of Active Members Who Retired	2	3	5	15	24	40
Retirees - 2021						
General Members						
Average Monthly Benefit	$1,081	$2,205	$2,754	$4,037	$4,909	$6,780
Average Final Average Salary	$6,754	$8,215	$8,003	$9,328	$8,979	$10,985
Number of Active Members Who Retired	39	60	50	49	33	56
Safety Members						
Average Monthly Benefit	$2,240	$2,136	$3,033	$6,242	$8,843	$10,027
Average Final Average Salary	$9,556	$8,506	$8,557	$10,650	$13,174	$13,812
Number of Active Members Who Retired	5	3	5	12	7	39
Retirees - 2020						
General Members						
Average Monthly Benefit	$942	$1,864	$2,699	$3,649	$4,561	$6,033
Average Final Average Salary	$6,798	$7,242	$8,190	$7,860	$8,916	$10,325
Number of Active Members Who Retired	46	64	60	39	43	47
Safety Members						
Average Monthly Benefit	$1,823	$3,719	$4,332	$4,880	$7,655	$12,147
Average Final Average Salary	$9,108	$8,187	$8,696	$9,401	$10,979	$14,423
Number of Active Members Who Retired	5	4	5	3	12	26

Schedule of Average Monthly Benefit Payments 2016-2019

Years of Credited Service	5-9	10-14	15-19	20-24	25-29	30+
Retirees - 2019						
General Members						
Average Monthly Benefit	$905	$1,825	$2,687	$3,726	$4,365	$5,980
Average Final Average Salary	$5,902	$7,409	$7,911	$8,863	$7,880	$8,959
Number of Active Members Who Retired	52	85	57	28	34	54
Safety Members						
Average Monthly Benefit	$909	$2,728	$3,017	$5,322	$6,922	$10,802
Average Final Average Salary	$6,131	$9,110	$7,417	$9,607	$10,095	$12,919
Number of Active Members Who Retired	4	3	4	15	15	37
Retirees - 2018						
General Members						
Average Monthly Benefit	$991	$1,835	$2,659	$3,599	$4,475	$5,706
Average Final Average Salary	$6,062	$7,191	$7,523	$7,879	$8,515	$9,118
Number of Active Members Who Retired	44	70	50	55	49	55
Safety Members						
Average Monthly Benefit	$2,519	$2,788	$4,046	$5,236	$9,104	$10,750
Average Final Average Salary	$5,585	$8,754	$8,497	$9,129	$12,452	$13,089
Number of Active Members Who Retired	2	10	4	7	22	34
Retirees - 2017						
General Members						
Average Monthly Benefit	$999	$1,757	$2,801	$3,527	$3,798	$5,141
Average Final Average Salary	$6,018	$6,627	$8,185	$7,476	$7,088	$8,344
Number of Active Members Who Retired	33	55	37	37	30	45
Safety Members						
Average Monthly Benefit	$1,650	$2,785	$3,926	$5,354	$8,868	$9,405
Average Final Average Salary	$9,830	$9,696	$8,890	$10,097	$11,750	$12,047
Number of Active Members Who Retired	3	4	3	5	12	24
Retirees - 2016						
General Members						
Average Monthly Benefit	$902	$1,694	$2,608	$3,433	$4,168	$5,455
Average Final Average Salary	$5,427	$6,493	$7,835	$7,326	$7,225	$8,215
Number of Active Members Who Retired	35	54	30	31	29	46
Safety Members						
Average Monthly Benefit	$1,621	$2,329	$4,491	$5,430	$8,605	$8,504
Average Final Average Salary	$9,830	$7,789	$8,710	$9,975	$11,254	$11,425
Number of Active Members Who Retired	3	3	6	6	17	35

Schedule of Average Monthly Benefit Payments 2014-2015

Years of Credited Service	5-9	10-14	15-19	20-24	25-29	30+
Retirees - 2015						
General Members						
Average Monthly Benefit	$1,094	$1,835	$2,535	$3,156	$4,737	$5,969
Average Final Average Salary	$6,296	$6,725	$6,716	$6,941	$8,200	$7,913
Number of Active Members Who Retired	34	57	36	54	27	30
Safety Members						
Average Monthly Benefit	$2,288	$2,843	$6,112	$4,199	$7,827	$11,376
Average Final Average Salary	$8,230	$8,843	$11,928	$7,873	$11,778	$13,039
Number of Active Members Who Retired	4	6	2	7	13	14
Retirees - 2014						
General Members						
Average Monthly Benefit	$1,222	$1,823	$2,194	$3,114	$4,208	$5,176
Average Final Average Salary	$6,626	$6,614	$6,219	$6,737	$7,475	$7,127
Number of Active Members Who Retired	40	66	36	48	26	21
Safety Members						
Average Monthly Benefit	$2,599	$4,138	$4,444	$4,864	$7,305	$12,835
Average Final Average Salary	$8,760	$10,770	$10,378	$9,755	$11,132	$14,645
Number of Active Members Who Retired	7	5	2	3	6	13

Participating Employers and Active Members LAST TEN FISCAL YEARS

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
County of Ventura										
General Members	7,402	7,154	6,527	6,582	6,640	6,607	6,654	6,552	6,319	6,212
Safety Members	1,556	1,501	1,524	1,554	1,544	1,525	1,508	1,494	1,521	1,538
Total	8,958	8,655	8,051	8,136	8,184	8,132	8,162	8,046	7,840	7,750
Participating Agencies (General Membership)										
Ventura Regional Sanitation District	44	52	64	79	76	68	63	66	68	69
Ventura County Superior Court	334	323	331	383	388	362	361	352	345	345
Ventura County Air Pollution Control District	43	42	40	41	43	44	45	45	46	46
Ventura County Employees' Retirement Association	5	5	5	5	5	5	5	-	-	-
Total	426	422	440	508	512	479	474	463	459	460
Total Active Membership										
General Members	7,828	7,576	6,967	7,090	7,152	7,086	7,128	7,015	6,778	6,672
Safety Members	1,556	1,501	1,524	1,554	1,544	1,525	1,508	1,494	1,521	1,538
Total	9,384	9,077	8,491	8,644	8,696	8,611	8,636	8,509	8,299	8,210

Employer Contribution Rates LAST TEN FISCAL YEARS

Year	Tier 1	Tier 2	PEPRA Tier 1	PEPRA Tier 2	Safety	PEPRA Safety
County of Ventura and Other Participating Agencies with 50/50 Sharing of Normal Cost						
June 30, 2023	24.56%	13.85%	N/A	13.80%	34.51%	31.34%
June 30, 2022	23.57%	14.31%	N/A	14.49%	37.61%	35.17%
June 30, 2021	24.26%	14.83%	N/A	14.94%	39.78%	37.32%
June 30, 2020	25.75%	17.04%	N/A	17.09%	55.20%	52.89%
June 30, 2019	24.70%	16.09%	N/A	16.12%	54.60%	52.19%
June 30, 2018	24.40%	16.54%	N/A	16.39%	55.66%	53.49%
June 30, 2017	23.85%	16.80%	N/A	16.67%	54.56%	52.77%
June 30, 2016	22.61%	16.80%	N/A	16.63%	53.87%	50.30%
June 30, 2015	49.49%	17.36%	46.11%	17.03%	52.79%	53.56%
June 30, 2014	37.35%	18.42%	28.36%	16.15%	54.57%	48.99%
Other Participating Agencies without 50/50 Sharing of Normal Cost						
June 30, 2023	25.55%	15.02%	N/A	13.80%	N/A	N/A
June 30, 2022	24.27%	15.53%	N/A	14.49%	N/A	N/A
June 30, 2021	24.76%	16.12%	N/A	14.94%	N/A	N/A
June 30, 2020	26.05%	18.40%	N/A	17.09%	N/A	N/A
June 30, 2019	25.66%	17.36%	N/A	16.12%	N/A	N/A
June 30, 2018	25.34%	17.88%	N/A	16.39%	N/A	N/A
June 30, 2017	24.34%	18.18%	N/A	16.67%	N/A	N/A
June 30, 2016	22.93%	18.07%	N/A	16.63%	N/A	N/A
June 30, 2015	50.20%	18.68%	46.11%	17.03%	N/A	N/A
June 30, 2014	37.35%	18.42%	28.36%	16.15%	N/A	N/A

Note - Prior to 2015 employer rates were the same for all participating employers.