



**VENTURA COUNTY
SUPPLEMENTAL RETIREMENT PLAN COMMITTEE**
CEO POINT MUGU Conference Room – 4th floor

**Hall of Administration, Ventura County Government Center
800 S. Victoria Avenue, Ventura, CA 93009**

ZOOM: <https://us02web.zoom.us/j/6776938984?pwd=eGRiaDdBR2JlZ3Vsd0xieHFhWGh3dz09&omn=89920615949>

**December 14, 2023
2:00 p.m.**

- 1. Public Comments**
- 2. Committee Member Comments**
- 3. Minutes of Regular Meeting – September 19, 2023**
- 4. Q3 2023 Principal Quarterly Client Report**
- 5. Consideration of IRS Ruling Request**
- 6. Escheatment Process for Unclaimed Safe Harbor SRP Benefits**

*If any accommodations are needed, please contact the Safe Harbor program at **805-654-2620** or by email at:*

Safe.Harbor@ventura.org.

Requests should be made as soon as possible but at least 48 hours prior to the scheduled meeting.

**VENTURA COUNTY
SUPPLEMENTAL RETIREMENT COMMITTEE**

**Point Mugu Conference Room, 4th Floor
Hall of Administration, County Government Center
800 S. Victoria Ave, Ventura CA 93009**

**Meeting Minutes for September 19, 2023
1:30 p.m.**

Members present

Shawn Atin
Kaye Mand
Emily Gardner
Jeff Burgh
Sue Horgan

Members absent

Also present

Patti Dowdy
Patty Zoll
Andrew Gratt
Amanda Diaz
John Garrett
Ryan Gunderson
Katie O'Keefe

Ms. Mand called the meeting to order at 1:31 p.m.

1. Public Comments.

None.

2. Committee Member Comments.

- a. Mr. Burgh advised the Committee of prior commitment and early departure from the meeting.

3. Minutes of Regular Meeting August 8, 2023

Motion to approve: 1. **Ms. Gardner** 2. **Mr. Burgh** **Motion Carries**

- A.** Special motion to move Agenda Item #6, Continued Consideration of IRS Ruling Request, to agenda item #4 for the Committee discussion and action.

Motion to approve: 1. **Mr. Atin** 2. **Ms. Horgan** **Motion Carries**

4. Continued Consideration of IRS Ruling Request

Ms. Patty Zoll, Deferred Compensation Manager, gave a summation of the agenda item that is in front of the Committee for action. At the April 13, 2023, Committee meeting, a letter from Ventura County Employees Retirement Association (VCERA) was presented that was in support of allowing previously ineligible current County employees who contributed to the Safe Harbor Plan and are current VCERA members purchase service credit in VCERA for the time period(s) they were in a position excluded from VCERA membership. This would essentially mean that active employees with Safe Harbor time are able to purchase that time with VCERA when they separate from county

service and elect to convert their Safe Harbor benefit to the SRP 457 DC Plan. In addition, at the April 13, 2023, Committee meeting, Committee members requested that staff reach out to VCERA to garner some idea of the financial impact to the County should this population purchase their available time from VCERA. VCERA has provided some general information for consideration, namely the grand total of all active employees with Safe Harbor time available to them being approximately 1,700. VCERA is actively pursuing an actuarial evaluation impact study to determine an overall cost to the County and the estimated pension reserves transfer increase, should the majority of the 1,700 employees decide to purchase the prior time in Safe Harbor.

Ms. Emily Gardner, County of Ventura Counsel, brought insight into the decision about whether the Committee should be the one who ultimately makes the decision to seek the IRS ruling letter. The reasoning behind this concern, Ms. Gardner states, is that although the Committee has the authority to seek the determination letter based on Committee guidelines, the result of that action will impact more than just the SRP budget, but rather, it will result in adjustments to the retirement rate, thus impacting the County budget. Her legal counsel suggested to send the final decision to the Board of Supervisors for a vote on seeking the IRS ruling. Mr. Atin moved to defer final decision of obtaining the IRS letter to the Board of Supervisors once the Committee has had time to review the fiscal impact and make informed recommendations derived from the information sent from VCERA and their actuarial impact study.

A. Motion to forward VCERA's request for IRS qualification letter on the Safe Harbor plan to the Board of Supervisors with informed Committee recommendation:

Motion to approve: 1. **Ms. Horgan** 2. **Mr. Burgh** **Motion Carries**

5. Review of the June 30, 2023, Actuarial Valuation

Ms. Patty Zoll, Deferred Compensation Manager, provided a quick introduction of Mr. John Garret, Principal and Consulting Actuary, and Mr. Ryan Gunderson, Senior Actuarial Analyst, with Cavanaugh Macdonald Consulting, LLC. Ms. Zoll continued by providing a brief overview of the performance of the Supplemental Retirement Plan (the Plan). An aspect of mention includes the 2022 actuarial recommendation to establish a contribution requirement to the Defined Benefit (DB) Plan. This alteration in contribution requirement was approved by the County of Ventura, Board of Supervisors on December 6, 2022, with an effective implementation in the first pay period of 2023. The aim was to split the cost of amortizing the current unfunded liability while simultaneously garnering sufficient contributions to maintain a reasonable level of stability in future costs. A second aspect of review by Ms. Zoll regarding the Plan pertained to the total participant count decreasing in the past year by roughly 47% though this has increased the liability gain primarily due to converting DB benefits to the SRP Defined Contribution (DC) 457 plan.

Mr. Garret continued the review of the June 30, 2023, Actuarial Valuation of the Plan citing overall positive improvement in regard to the Plan. Moving participants from the DB plan to the DC plan is working out well and is positioning the plan favorably in relation to overall liabilities. Mr. Garret opined that if liabilities continue to decrease to a

level low enough, the Committee may seek to transfer said liabilities to an appropriate insurance company for administration. Mr. Garret assumed the cost incurred by the County to make this transfer may be in the neighborhood of \$6 million. This may be a favorable move by the County to have these liabilities transferred of the books, Mr. Garret suggested.

In more specific terms, Mr. Garret highlighted the approximate investment rate of return (ROR) for the previous plan year and the current plan year. As of June 30, 2022, the investment ROR stood at -13.09%. As of June 30, 2023, the investment ROR stood at +10.51%, justifying Mr. Garret's sentiments regarding the overall positive improvement in the Plan. Mr. Garret pointed out various other items of interest. First, that Part B, C, and D of the Plan have actuarial value rates of return of 4.57%, 4.77%, and 4.86%, respectively. Second, for part B of the Plan, the unfunded actuarial accrued liability fell from \$1.8 to \$1.4 million, approximately, increasing the total funding ration of part B from 94.12% to 94.60%. In reference to part C of the Plan, this closed group is operating above and beyond with decreased total actuarial accrued liability and an increase in funded ratio from 136.54% (June 30, 2022) to 156.21% (June 30, 2023). For part D of the Plan, the unfunded actuarial accrued liability decreased year over year by over 46% from \$46,097.00 to \$24,706.00, increasing the funded ratio by 1% from 97.81% to 98.82%. Part D is on track to be fully funded in the next 2 fiscal years. Remarks by Mr. Ryan Gunderson, Senior Actuarial Analyst, regarding the Governmental Accounting Standards Board Statement No. 67 (GASB 67) were confined to highlighting the ratio of fiduciary net position to total pension liability standing at 89.59% and 1% variations on the assumed long-term expected rate of return on pension plan investments to determine the total pension liability at 6%, 7% (current assumption rate), and 8%.

Closing remarks of this agenda item surrounded the topic of individuals in the Defined Benefit (DB) plan which Deferred Compensation staff is unable to locate, and make contact, in the attempt to convert their benefit in the DB plan to the SRP DC plan. Mr. Atin inquired as to the amount of time we are required to make attempts to reach and communicate with participants regarding the benefit that they have with the County. It was noted that there is no such timeframe within Plan rules that dictates this stipulation. Mr. Garret referenced a provision known as escheatment that pertains to such a provision. In short, escheatment is a legal path the County may take in order to attempt to locate participants however, after certain attempts with no outcome, may deem the participant unable to locate which then forfeits the monies. Mr. Atin agreed that this may be a reasonable approach to successfully transition away from the DB plan completely. Mr. Atin made a motion to have Deferred Compensation staff work with County Counsel on legalities of escheatment and possible incorporation into the Plan.

A. Motion to approve June 30, 2023, Actuarial Valuation and GASB 67 Reporting and advise Deferred Compensation staff to work with County Counsel on legalities of escheatment for Defined Benefit plan participants:

Motion to approve: 1. **Mr. Atin** 2. **Ms. Mand** **Motion Carries**

6. Investment Policy Statement Update

Ms. Zoll provided an overview of the action before the Committee at today's meeting. During the December 2022 SRP Committee meeting, it was noted that the actuarial assumption rate of return in the Investment Policy Statement (IPS) had not been updated. The investment rate of return at that time was 7.75% which was above the 2022 actuarial valuation recommendation of a 7% rate of return on investments. In addition, the asset class weighting was brought into question and the Committee, during the December 2022 meeting, asked third-party consultant, Jake O'Shaughnessy of SageView, the County's Deferred Compensation Committee's advisor, to review the specific target allocation weighting of the trust and provide a recommended weighting based on the 2022 valuation report. Mr. O'Shaughnessy's suggested SRP target asset class weightings based on the 2022 valuation report were cash, fixed income, and equity at 1%, 39%, and 60%, respectively. Mr. Atin inquired as to what the weighting is right now and if it aligns with what is currently in place. Ms. Zoll responded that there is no weighting currently in the Investment Policy Statement but the asset classes do align. These recommendations, along with Eric Lee's, Senior Portfolio Strategist for Principal, suggestion to update several index names in the Objective Benchmark as well due to industry changes, have been proposed. These alterations have been made to the Investment Policy Statement and are before the Committee to approve the updated statement.

A. Motion to approve updated Investment Policy Statement:

Motion made: 1. **Ms. Horgan** 2. **Ms. Mand** **Motion Carries**

Ms. Mand adjourned the meeting at 2:23 p.m.

Respectfully submitted,



Andrew Gratt
Deferred Compensation Personnel Assistant

COUNTY OF VENTURA

MEMORANDUM

HUMAN RESOURCES DIVISION

DATE: December 14, 2023

TO: Supplemental Retirement Plan Committee

FROM: Patty Zoll, Supplemental Retirement Program Manager

SUBJECT: Principal Semi-Annual Investment Review

Background

Attached is the current investment report from Principal Global Advisors for quarter ending September 30, 2023 (Q-3) and an Asset Allocation Analysis. Included in the report are the asset allocation overview, market values and flows, and the Plan's investment performance review, which illustrates the evaluation criteria pursuant to the *Investment Policy Statement*.

The *Investment Policy Statement* (IPS) set an asset allocation range of 0-25% cash, 25-55% fixed income, and 45-75% equity. The Plan's allocation for cash was within the set range at 1.1%. The fixed-income allocation was within the set range at 39.4%. Equity allocation was also within the set range at 59.5% for Q3-23.

Total 10-year returns of 5.99% fall short of meeting the stated return objective criteria to meet or exceed a 7% return over every 10-year period for Q3-23.

The objective benchmark criteria for investment results to meet or exceed the index benchmark for the 3-year and 5-year periods was not met for both the 3-year and 5-year periods in Q3-23.

Mr. Eric Lee, Senior Portfolio Manager, Principal Custody Solutions, will present the Quarterly Client Report and an Asset Allocation Analysis to the Committee.

Recommended Action Item

- Receive and file the Principal Quarterly Client report and Asset Allocation Analysis.

If you have any questions, please email me at: patty.zoll@ventura.org.

Attachment(s)

- Q3 2023 Principal Quarterly Client Report

County Of Ventura Retirement Plan DB

QUARTERLY CLIENT REPORT

As of September 30, 2023

Agenda

Team overview	3
Market outlook	4
Cash flow	10
Investment policy summary	11
Asset allocation	12
Performance	14
Historical benchmark comparison	23
Important information	27
Portfolio profile	30

Team Overview

Investment advisory team

Eric A. Lee

Sr. Portfolio Strategist

OCIO Solutions

37 Years of industry experience

1 Years of firm experience

Lee.Eric@Principal.com

213-500-0344

Steve Guggenberger

Managing Director – Advisory Services

OCIO Solutions

34 Years of industry experience

1 Years of firm experience

Guggenberger.Steve@Principal.com

763-232-3663

Economic and Market Review

As of September 30, 2023

Q4 2023 key themes

- **Global growth is facing a number of headwinds.**

The global outlook has been troubled by rising rates, oil prices and the U.S. dollar, resulting in investor risk aversion. The U.S. faces a consumer-led downturn, although corporate balance sheet strength should help ensure it is only mild.

- **Inflation is decelerating, albeit slowly, and will end the year above target.**

Global inflation continued to recede, but deep economic slowdowns will be required to reach global central bank inflation targets. Higher oil prices, if sustained, also threaten to undermine anchored inflation expectations.

- **Global monetary tightening cycles are nearing the end, but rate cuts are not imminent.**

As long as economic growth remains above trend, inflation may resurge, forcing continued caution amongst policymakers and delaying policy rate cuts.

- **Equities face limited upside as a 2024 soft landing is already priced in.**

Spiking bond yields are challenging the equity market's soft-landing assumption. With limited prospect of an upgrade to earnings expectations, equity market returns are likely to be muted—particularly until bond yields peak.

- **The global bond sell-off is disruptive but adds much-needed income to fixed income.**

A nuanced approach is required in fixed income. Higher for longer may extend the bond sell-off, but a modest economic downturn means credit spreads can remain fairly tight. Bonds now have been generating meaningful portfolio income.

- **Alternatives provide important diversification against traditional equities and fixed income.**

Until bond yields peak, REITs may remain under pressure. Commodities' strong performance may be sustained. While the less bearish economic outlook suggests infrastructure exposure is less crucial, inflation mitigation is still required.

Economic and Market Review

As of September 30, 2023

After a great first half of the year, U.S. equity markets pulled back during the 3rd quarter

Interest rates were up for the quarter putting pressure on bond returns as well.

	3-month	YTD	1-year	3-year	5-year	10-year
U.S. Equities						
Russell 1000 Value Index	-3.16%	1.79%	14.44%	11.05%	6.23%	8.45%
S&P 500 Index	-3.27%	13.07%	21.62%	10.15%	9.92%	11.91%
Russell 1000 Growth Index	-3.13%	24.98%	27.72%	7.97%	12.42%	14.48%
Russell Midcap Index	-4.68%	3.91%	13.45%	8.09%	6.38%	8.98%
Russell 2000 Index	-5.13%	2.54%	8.93%	7.16%	2.40%	6.65%
Non-U.S. Equities						
MSCI EAFE NTR Index	-4.11%	7.08%	25.65%	5.75%	3.24%	3.82%
MSCI ACWI ex-USA Index	-3.77%	5.34%	20.39%	3.74%	2.58%	3.35%
MSCI Emerging Markets Index	-2.93%	1.82%	11.70%	-1.73%	0.55%	2.07%
Fixed Income						
ICE BofA U.S. Treasury Bill 3-month Index	1.31%	3.60%	4.47%	1.70%	1.72%	1.11%
Bloomberg Aggregate Bond Index	-3.23%	-1.21%	0.64%	-5.21%	0.10%	1.13%
Bloomberg U.S. Corp High Yld 2% Issuer Capped Index	0.46%	5.87%	10.28%	1.75%	2.95%	4.24%
Bloomberg Long-Term Govt/Credit Index	-9.37%	-5.40%	-2.93%	-11.90%	-1.21%	1.94%
Other						
MSCI U.S. REIT Index	-7.32%	-2.89%	1.87%	4.51%	1.62%	4.65%
S&P GSCI® Index	15.98%	7.24%	10.93%	29.49%	5.57%	-2.53%
U.S. Dollar Index	2.67%	1.55%	-5.35%	2.45%	1.36%	2.27%

As of 09/30/2023

Source: FactSet Global. Returns are annualized. **Past performance does not guarantee future results.** Index performance information reflects no deduction for fees, expenses, or taxes. Indices are unmanaged and individuals cannot invest directly in an index. See Important Information for index descriptions.

For Financial Professional/Institutional use only. May not be used with the public. .3177497-012024

Economic and Market Review

As of September 30, 2023

For the quarter, small cap growth was the poorest performing U.S. equity style

Year-to-date, large cap growth continues to lead all U.S. equity styles.

QTD			
	Value	Blend	Growth
Large	-3.2%	-3.1%	-3.1%
Mid	-4.5%	-4.7%	-5.2%
Small	-3.0%	-5.1%	-7.3%

YTD			
	Value	Blend	Growth
Large	1.8%	13.0%	25.0%
Mid	0.5%	3.9%	9.9%
Small	-0.5%	2.5%	5.2%

Current P/E vs. 20-year avg. P/E			
	Value	Blend	Growth
Large	13.7 / 13.7	17.9 / 15.9	24.4 / 19.0
Mid	13.3 / 14.4	15.3 / 16.2	23.7 / 20.4
Small	14.1 / 16.1	19.2 / 20.5	31.1 / 30.0

Current P/E as % of 20-year avg. P/E			
	Value	Blend	Growth
Large	100%	113%	129%
Mid	93%	94%	116%
Small	88%	94%	104%

Source: FactSet Global. Data as of September 30, 2023. **Past performance is not indicative of future returns.** The Morningstar Style Box™ reveals a fund's investment strategy. For equity funds, the vertical axis shows the market capitalization of the stocks owned and the horizontal axis, shows the investment style (value, blend, or growth). Russell 1000 Value - Large Value, Russell 1000 - Large Blend, Russell 1000 Growth - Large Growth, Russell Midcap Value - Mid Value, Russell Midcap - Mid Blend, Russell Midcap Growth - Mid Growth, Russell 2000 Value - Small Value, Russell 2000 - Small Blend, Russell 2000 Growth - Small Growth

For Financial Professional/Institutional use only. May not be used with the public. 3177497-012024

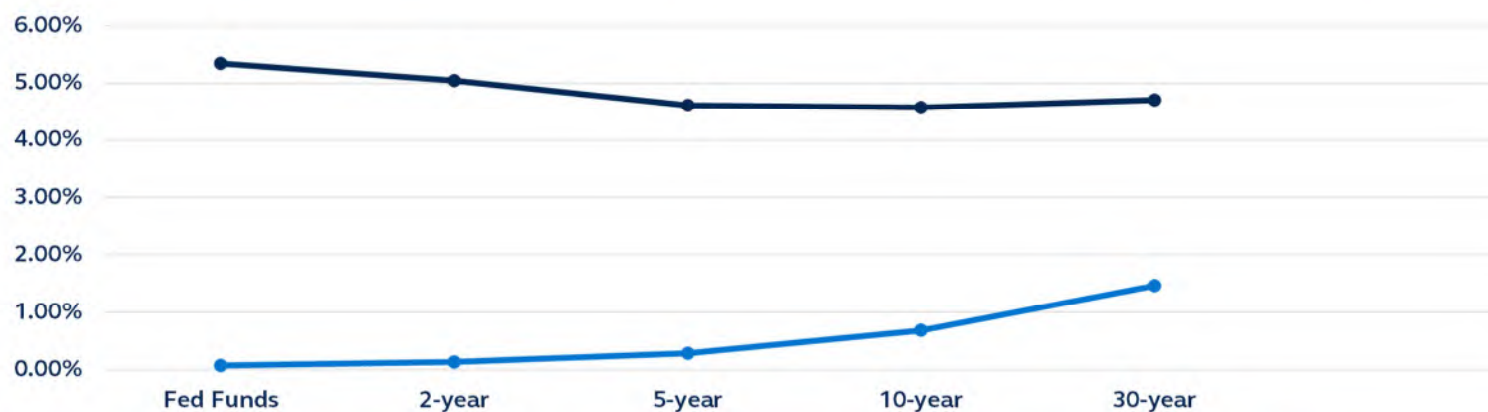
Economic and Market Review

As of September 30, 2023

The history of interest rates

How have interest rates changed in recent years?

	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2022	Sept. 30, 2023
Fed Funds	0.07	0.04	2.64	5.34
2-year	0.13	0.28	4.28	5.04
5-year	0.28	0.96	4.09	4.61
10-year	0.68	1.49	3.83	4.57
2- to 10-year spread	0.56	1.21	-0.45	-0.47
30-year	1.46	2.04	3.78	4.70



September 29, 2023	5.34%	5.04%	4.61%	4.57%	4.70%
September 30, 2020	0.07%	0.13%	0.28%	0.68%	1.46%

Source: FactSet. Past performance does not guarantee future results.

For Financial Professional/Institutional use only. May not be used with the public. 3177497-012024

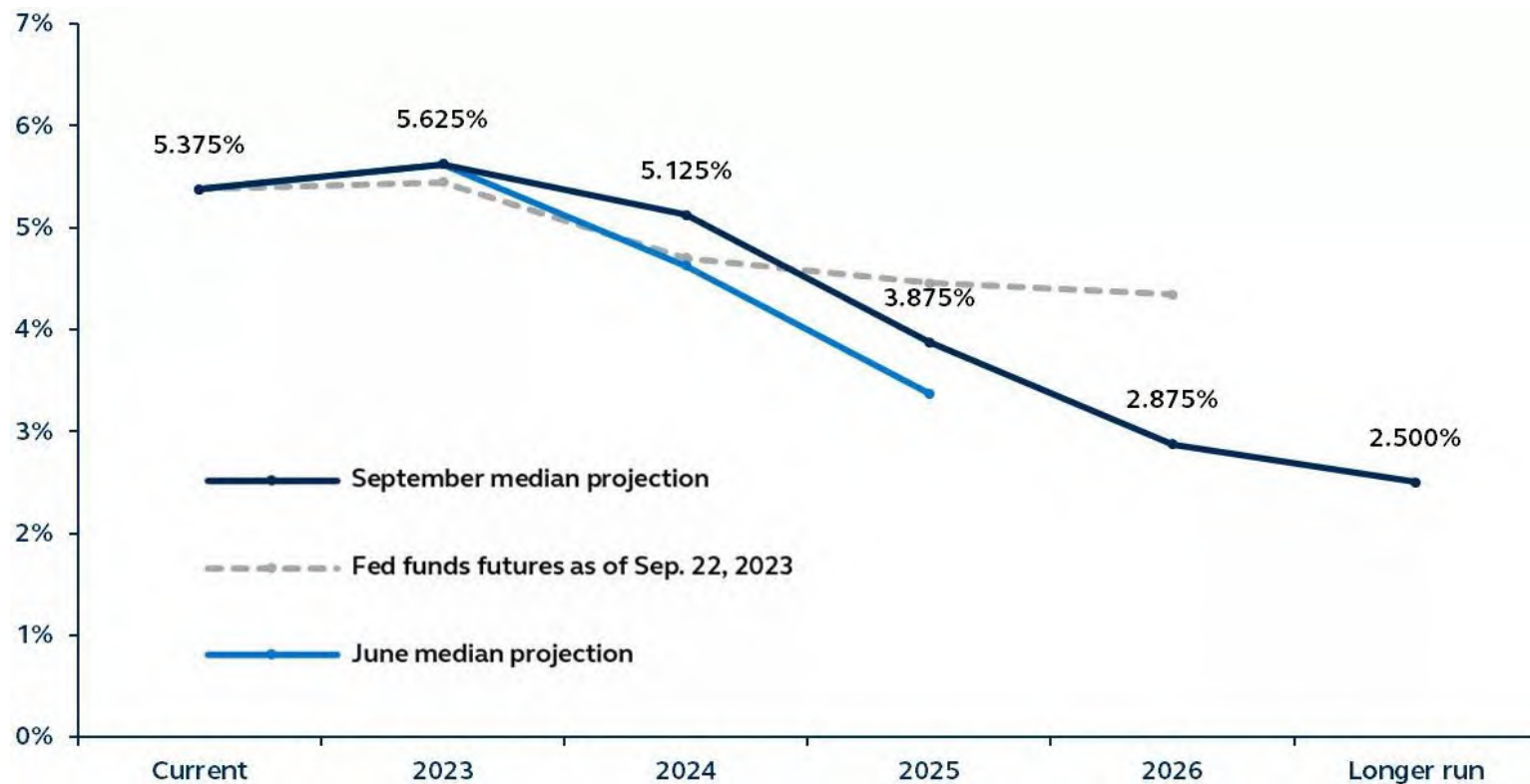
Fed dot plot: The bigger picture

INSIGHT:

The Fed held rates steady at their September meeting, and, as evidenced by the latest dot plot, left the door open for another rate hike this year. However, FOMC member projections are rarely a reliable tracing of the actual Fed policy path, and investors should instead turn their focus to the bigger picture implications of the Fed nearing the end of its year-and-a-half-long tightening cycle.

FOMC median Fed funds rate projections versus market expectations

September 2023 versus June 2023 and current Fed funds futures



Asset Class Returns

As of September 30, 2023

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	YTD
Best ↑	Emerging Markets 18.23%	Small Cap 38.82%	Real Estate 31.78%	Real Estate 4.23%	Small Cap 21.31%	Emerging Markets 37.28%	Cash 1.86%	Large Cap 31.49%	Small Cap 19.96%	Real Estate 46.18%	Commodities 16.09%	Large Cap 13.07%
	Mid Cap 17.88%	Mid Cap 33.50%	Government Treasury 25.07%	Large Cap 1.38%	Mid Cap 20.74%	Intl Stocks 25.03%	Intermediate Bond 0.01%	Mid Cap 26.20%	Large Cap 18.40%	Large Cap 28.71%	Cash 1.50%	Asset Allocation 7.22%
	Real Estate 17.59%	Large Cap 32.39%	Large Cap 13.69%	Asset Allocation 1.28%	High Yield 17.34%	Large Cap 21.83%	Government Treasury -1.84%	Real Estate 25.76%	Emerging Markets 18.31%	Commodities 27.11%	High Yield -11.11%	Intl Stocks 7.08%
	Intl Stocks 17.32%	Intl Stocks 22.78%	Asset Allocation 10.62%	Intermediate Bond 0.55%	Large Cap 11.96%	Mid Cap 16.24%	Intl Bonds -2.15%	Small Cap 25.53%	Government Treasury 17.70%	Mid Cap 24.76%	Intermediate Bond -13.01%	High Yield 5.90%
	Small Cap 16.35%	Asset Allocation 17.56%	Mid Cap 9.77%	Cash 0.03%	Commodities 11.77%	Small Cap 14.65%	High Yield -2.26%	Asset Allocation 22.18%	Asset Allocation 14.73%	Asset Allocation 15.86%	Mid Cap -13.06%	Mid Cap 4.27%
	Large Cap 16.00%	High Yield 7.38%	Intermediate Bond 5.97%	Intl Stocks -0.81%	Emerging Markets 11.19%	Asset Allocation 14.21%	Asset Allocation -2.35%	Intl Stocks 22.01%	Mid Cap 13.66%	Small Cap 14.82%	Intl Stocks -14.45%	Cash 3.80%
	High Yield 15.44%	Real Estate 1.86%	Small Cap 4.89%	Government Treasury -1.21%	Asset Allocation 8.31%	Intl Bonds 10.51%	Large Cap -4.38%	Emerging Markets 18.44%	Intl Bonds 10.11%	Intl Stocks 11.26%	Asset Allocation -15.79%	Small Cap 2.54%
	Asset Allocation 11.31%	Cash 0.06%	High Yield 2.44%	Mid Cap -2.18%	Real Estate 7.24%	Government Treasury 8.53%	Real Estate -4.84%	Government Treasury 14.83%	Intl Stocks 7.82%	High Yield 5.29%	Large Cap -18.11%	Emerging Markets 1.82%
	Intermediate Bond 4.21%	Intermediate Bond -2.02%	Cash 0.02%	Small Cap -4.41%	Intermediate Bond 2.65%	High Yield 7.48%	Small Cap -11.01%	High Yield 14.40%	Intermediate Bond 7.51%	Cash 0.05%	Intl Bonds -18.70%	Real Estate -0.17%
	Intl Bonds 4.09%	Emerging Markets -2.60%	Emerging Markets -2.19%	High Yield -4.55%	Intl Bonds 1.49%	Real Estate 4.18%	Mid Cap -11.08%	Intermediate Bond 8.72%	High Yield 6.20%	Intermediate Bond -1.54%	Emerging Markets -20.09%	Intermediate Bond -1.21%
	Government Treasury 3.56%	Intl Bonds -3.08%	Intl Bonds -3.08%	Intl Bonds -6.02%	Government Treasury 1.33%	Intermediate Bond 3.54%	Commodities -11.25%	Commodities 7.69%	Cash 0.58%	Emerging Markets -2.54%	Small Cap -20.44%	Intl Bonds -3.20%
	Cash 0.09%	Commodities -9.52%	Intl Stocks -4.90%	Emerging Markets -14.92%	Intl Stocks 1.00%	Commodities 1.70%	Intl Stocks -13.79%	Intl Bonds 5.09%	Commodities -3.12%	Government Treasury -4.65%	Real Estate -26.81%	Commodities -3.44%
↓ Worst	Commodities -1.06%	Government Treasury -12.66%	Commodities -17.01%	Commodities -24.66%	Cash 0.27%	Cash 0.84%	Emerging Markets -14.58%	Cash 2.25%	Real Estate -7.90%	Intl Bonds -7.05%	Government Treasury -29.26%	Government Treasury -8.55%

The returns reflect performance of certain indexes as defined below. This information is general in nature and is not intended to be reflective of any specific plan. Cash- FTSE 3-month T-bill, Government Treasury-BBgBarc Long Treasury, Commodities-Bloomberg Commodity Idx, Intermediate Bond-BBgBarc US Agg Bond Idx, High Yield Bond-ICE BofA High Yield Idx, Intl Bonds-Bloomberg Global Aggregate ex USD, Asset Allocation-portfolio assumes the following weights: 60% S&P 500 and 40% BBgBarc US Agg, Large Cap-S&P 500, Mid Cap-S&P Midcap 400, Small Cap-Russell 2000, Intl Stocks-MSCI EAFE (net), Emerging Markets-MSCI EM (net), Real Estate-Wilshire U.S. REIT. **Past performance does not guarantee future results.**

For Financial Professional/Institutional use only. May not be used with the public. 3177497-012024

Cash flow

AS OF SEPTEMBER 30, 2023

	Three month	Year to-date	Fiscal year to-date	One year	Three year	Five year	Ten year
Beginning market value	26,301,223	26,350,460	26,301,223	25,375,578	30,062,853	27,051,678	16,094,354
Contributions	12,689	190,118	12,689	201,064	–	–	–
Withdrawals	-758,421	-3,253,874	-758,421	-4,041,896	–	–	–
Net Contributions	–	–	–	–	-8,485,983	-8,896,719	-6,509,279
Gains/loss	-967,178	1,301,607	-967,178	3,053,566	3,011,442	6,433,353	15,003,237
Other	–	–	–	–	–	–	–
Ending market value	24,588,312	24,588,312	24,588,312	24,588,312	24,588,312	24,588,312	24,588,312

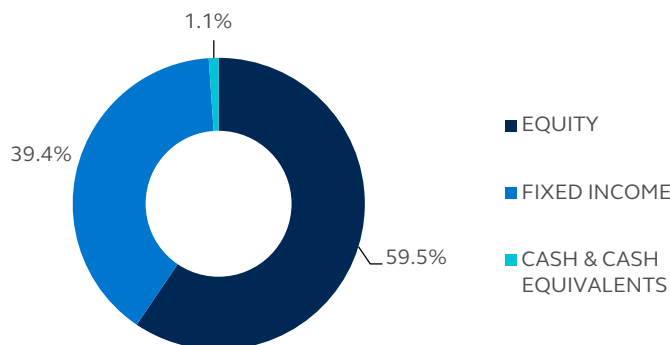
Portfolio inception: December 31, 1999

Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

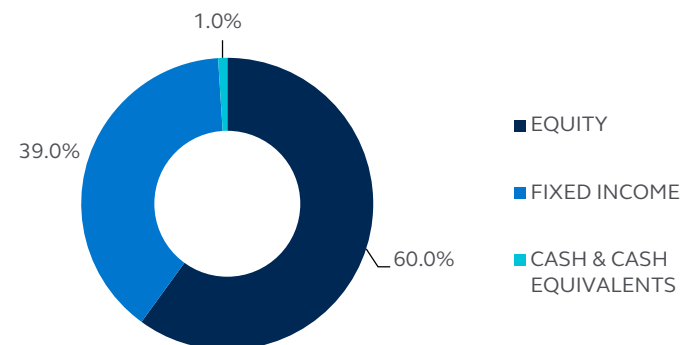
Investment policy summary

AS OF SEPTEMBER 30, 2023

Actual
allocation



Target
allocation



Asset class	Actual allocation		Minimum allocation	Target allocation	Maximum allocation	Variance
EQUITY	14,623,148.26	59.47%	45.00%	60.00%	75.00%	-0.53%
LARGE VALUE	3,878,201.72	15.77%	8.00%	15.90%	23.00%	-0.13%
LARGE GROWTH	3,866,297.27	15.72%	8.00%	15.90%	23.00%	-0.18%
U.S. MID CAP EQUITY	1,775,578.82	7.22%	4.00%	7.20%	12.00%	0.02%
U.S. SMALL CAP EQUITY	1,435,240.33	5.84%	3.00%	6.00%	10.00%	-0.16%
DIVERSIFIED EMERGING MKTS	728,045.04	2.96%	1.00%	3.00%	6.00%	-0.04%
DEVELOPED MARKETS	2,939,785.08	11.96%	6.00%	12.00%	19.00%	-0.04%
FIXED INCOME	9,698,652.02	39.44%	25.00%	39.00%	55.00%	0.44%
INTERMEDIATE BOND	8,693,124.55	35.35%	18.00%	35.00%	54.00%	0.35%
GLOBAL BONDS	1,005,527.47	4.09%	1.00%	4.00%	7.00%	0.09%
CASH & CASH EQUIVALENTS	266,512.55	1.08%	0.00%	1.00%	25.00%	0.08%
MONEY MARKET	266,512.55	1.08%	0.00%	1.00%	25.00%	0.08%
Total market value:	\$24,588,312.83				Policy as amended on:	12/01/2018

For asset allocation purposes and aggregate portfolio performance reporting, asset class category assignments for individual investment options are determined by OCIO Solutions and may differ from the assigned Morningstar category for a given investment.

Asset allocation overview

AS OF SEPTEMBER 30, 2023

Fund	Market value	Actual allocation
U.S. EQUITY	10,955,318.14	44.55%
LARGE VALUE		
PRINCIPAL/BLACKROCK LC VAL IDX CIT N	3,878,201.72	15.77%
LARGE GROWTH		
PRINCIPAL/BLACKROCK LC GR IDX CIT N	3,866,297.27	15.72%
MID-CAP BLEND		
PRINCIPAL/BLACKROCK S&P MIDC IDX CIT N	1,775,578.82	7.22%
SMALL BLEND		
PRINCIPAL/BLACKROCK RUS 2000 IDX CIT N	451,706.26	1.84%
PRINCIPAL/MULTI-MANAGER SC CIT N	983,534.07	4.00%
NON-U.S. EQUITY	3,667,830.12	14.92%
FOREIGN LARGE BLEND		
PRINCIPAL/BLACKROCK INTL EQ IDX CIT N	2,939,785.08	11.96%
DIVERSIFIED EMERGING MKTS		
FIDELITY® EMERGING MARKETS IDX	728,045.04	2.96%
FIXED INCOME	9,698,652.02	39.44%
INTERMEDIATE CORE BOND		
ALLSPRING CORE BOND CIT N	2,808,163.54	11.42%
PRINCIPAL/BLKRK US AGG BD IDX CIT N	3,081,255.85	12.53%
INTERMEDIATE CORE-PLUS BOND		
PRINCIPAL/DODGE & COX INTER BD CIT N	2,803,705.16	11.40%
WORLD BOND		
INVESCO INTERNATIONAL BOND R6	1,005,527.47	4.09%

For asset allocation purposes and aggregate portfolio performance reporting, asset class category assignments for individual investment options are determined by OCIO Solutions and may differ from the assigned Morningstar category for a given investment.

Asset allocation overview

AS OF SEPTEMBER 30, 2023

Fund	Market value	Actual allocation
MONEY MARKET	266,512.55	1.08%
MONEY MARKET		
PRINCIPAL/BLACKROCK S/T INVESTMENT S1	266,512.55	1.08%
Total market value:	\$24,588,312.83	

For asset allocation purposes and aggregate portfolio performance reporting, asset class category assignments for individual investment options are determined by OCIO Solutions and may differ from the assigned Morningstar category for a given investment.

Portfolio performance

AS OF SEPTEMBER 30, 2023

Time weighted returns	Three month	Year to-date	Fiscal year to-date	One year	Three year	Five year	Ten year	Since inception	Inception date
Total portfolio performance (Net)	-3.79%	4.81%	-3.79%	12.08%	3.09%	4.15%	5.99%	4.75%	12/31/1999
County Of Ventura SRP Custom Benchmark	-3.46%	5.11%	-3.46%	12.21%	3.23%	4.53%	6.13%	5.40%	
<i>Excess return</i>	<i>-0.33%</i>	<i>-0.30%</i>	<i>-0.33%</i>	<i>-0.13%</i>	<i>-0.13%</i>	<i>-0.38%</i>	<i>-0.14%</i>	<i>-0.65%</i>	
Morningstar Moderate Allocation 50% - 70% Equity	-2.63%	4.50%	-2.63%	10.54%	4.16%	4.43%	5.45%	4.52%	
<i>Excess return</i>	<i>-1.16%</i>	<i>0.31%</i>	<i>-1.16%</i>	<i>1.54%</i>	<i>-1.07%</i>	<i>-0.28%</i>	<i>0.54%</i>	<i>0.23%</i>	
Asset class return information									
EQUITY	-3.80%	8.87%	-3.80%	19.77%	8.62%	7.12%	9.36%	5.62%	12/31/1999
County of Ventura Equity Composite	-3.66%	9.14%	-3.66%	19.60%	8.74%	7.04%	9.28%	5.98%	
U.S. EQUITY	-3.59%	9.87%	-3.59%	18.54%	9.76%	8.31%	10.73%	10.36%	02/28/2003
S&P 500 Index	-3.27%	13.07%	-3.27%	21.62%	10.15%	9.91%	11.91%	10.38%	
U.S. LARGE CAP EQUITY	-3.13%	12.91%	-3.13%	21.05%	9.76%	9.62%	11.61%	10.42%	02/28/2003
S&P 500 Index	-3.27%	13.07%	-3.27%	21.62%	10.15%	9.91%	11.91%	10.38%	
LARGE VALUE	-3.17%	1.78%	-3.17%	14.40%	11.03%	6.36%	8.52%	8.90%	02/28/2003
Russell 1000® Value Index	-3.16%	1.79%	-3.16%	14.44%	11.05%	6.22%	8.44%	8.92%	
LARGE GROWTH	-3.12%	24.95%	-3.12%	27.69%	7.99%	12.46%	14.49%	11.70%	02/28/2003
Russell 1000® Growth Index	-3.13%	24.98%	-3.13%	27.72%	7.97%	12.41%	14.47%	11.79%	
U.S. MID CAP EQUITY	-4.20%	4.26%	-4.20%	15.49%	12.02%	6.24%	-	6.68%	05/31/2018
S&P MidCap 400 Index	-4.20%	4.27%	-4.20%	15.51%	12.05%	6.06%	-	6.50%	
U.S. SMALL CAP EQUITY	-5.31%	0.83%	-5.31%	8.93%	6.46%	3.27%	7.23%	9.79%	02/28/2003
Russell 2000® Index	-5.13%	2.54%	-5.13%	8.93%	7.16%	2.39%	6.64%	9.52%	
NON-U.S. EQUITY	-4.47%	5.64%	-4.47%	22.83%	4.81%	3.31%	3.83%	6.60%	02/28/2003
MSCI ACWI Ex-U.S. NTR Index	-3.77%	5.34%	-3.77%	20.39%	3.74%	2.58%	3.35%	7.09%	
DEVELOPED MARKETS	-4.74%	6.77%	-4.74%	26.33%	6.11%	3.65%	4.16%	7.10%	02/28/2003
MSCI EAFE NTR Index	-4.11%	7.08%	-4.11%	25.65%	5.75%	3.24%	3.82%	6.93%	
NON-U.S. EMERGING MARKETS EQUITY	-3.42%	1.06%	-3.42%	9.34%	-0.69%	1.72%	2.50%	2.12%	03/31/2010
MSCI Emerging Markets NTR Index	-2.93%	1.82%	-2.93%	11.70%	-1.73%	0.55%	2.07%	2.05%	

For asset allocation purposes and aggregate portfolio performance reporting, asset class category assignments for individual investment options are determined by OCIO Solutions and may differ from the assigned Morningstar category for a given investment. Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

Portfolio performance

AS OF SEPTEMBER 30, 2023

Asset class return information	Three month	Year to-date	Fiscal year to-date	One year	Three year	Five year	Ten year	Since inception	Inception date
FIXED INCOME	-2.96%	-0.22%	-2.96%	2.84%	-4.34%	0.51%	1.34%	3.84%	12/31/1999
County of Ventura Fixed Income Composite	-3.31%	-1.09%	-3.31%	1.32%	-5.37%	-0.10%	0.95%	3.79%	
INTERMEDIATE BOND	-3.00%	-0.31%	-3.00%	1.82%	-4.34%	0.66%	1.51%	3.21%	02/28/2003
Bloomberg U.S. Aggregate Bond Index	-3.23%	-1.21%	-3.23%	0.64%	-5.21%	0.10%	1.13%	2.87%	
INTERMEDIATE CORE BOND	-3.17%	-0.79%	-3.17%	0.97%	-5.03%	0.29%	1.30%	3.11%	02/28/2003
Bloomberg U.S. Aggregate Bond Index	-3.23%	-1.21%	-3.23%	0.64%	-5.21%	0.10%	1.13%	2.87%	
INTERMEDIATE CORE-PLUS BOND	-2.64%	0.68%	-2.64%	3.60%	-2.86%	1.46%	-	1.48%	05/31/2018
Bloomberg US Universal TR USD	-2.88%	-0.62%	-2.88%	1.61%	-4.67%	0.34%	-	0.34%	
GLOBAL BONDS	-2.66%	0.44%	-2.66%	11.67%	-4.80%	-1.21%	-	-1.61%	05/31/2018
Bloomberg Global Aggregate Index	-3.59%	-2.21%	-3.59%	2.24%	-6.93%	-1.62%	-	-1.77%	
CASH & CASH EQUIVALENTS	1.04%	3.41%	1.04%	4.37%	1.72%	1.66%	1.14%	1.80%	12/31/1999
90 Day U.S. Treasury Bill	1.38%	3.80%	1.38%	4.71%	1.78%	1.74%	1.12%	1.67%	
MONEY MARKET	1.07%	4.37%	1.07%	5.37%	2.05%	1.86%	1.23%	1.51%	02/28/2003
90 Day U.S. Treasury Bill	1.38%	3.80%	1.38%	4.71%	1.78%	1.74%	1.12%	1.35%	

Portfolio inception: December 31, 1999

For asset allocation purposes and aggregate portfolio performance reporting, asset class category assignments for individual investment options are determined by OCIO Solutions and may differ from the assigned Morningstar category for a given investment. Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

Calendar year performance

AS OF SEPTEMBER 30, 2023

Time weighted returns	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Total portfolio performance (Net)	-15.12%	11.00%	13.84%	19.66%	-5.82%	14.21%	8.60%	-0.48%	7.61%	20.22%
County Of Ventura SRP Custom Benchmark	-14.84%	11.53%	13.42%	20.02%	-5.04%	14.01%	8.51%	0.01%	7.93%	16.56%
Asset class return information										
EQUITY	-17.07%	21.03%	17.49%	27.91%	-8.16%	21.41%	12.34%	-0.57%	9.37%	31.29%
County of Ventura Equity Composite	-16.82%	21.44%	16.22%	27.76%	-8.20%	21.54%	12.30%	-0.71%	9.21%	30.50%
FIXED INCOME	-12.25%	-2.11%	8.59%	9.14%	-1.34%	3.69%	2.82%	0.60%	6.34%	-2.10%
County of Ventura Fixed Income Composite	-13.06%	-2.20%	7.54%	8.83%	-0.82%	3.54%	2.65%	0.55%	5.97%	-2.02%
CASH & CASH EQUIVALENTS	1.66%	0.08%	0.55%	2.15%	1.73%	1.06%	0.43%	0.19%	0.13%	0.21%
90 Day U.S. Treasury Bill	1.50%	0.05%	0.58%	2.25%	1.86%	0.84%	0.27%	0.03%	0.03%	0.05%

For asset allocation purposes and aggregate portfolio performance reporting, asset class category assignments for individual investment options are determined by OCIO Solutions and may differ from the assigned Morningstar category for a given investment. Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

Fiscal year performance

AS OF SEPTEMBER 30, 2023

Time weighted returns	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Total portfolio performance (Net)	10.86%	-13.73%	25.08%	3.56%	6.14%	7.28%	11.93%	1.35%	3.78%	17.69%
County Of Ventura SRP Custom Benchmark	10.20%	-12.86%	24.45%	4.35%	6.88%	7.28%	11.27%	2.39%	3.94%	15.88%
Asset class return information										
EQUITY	17.50%	-15.14%	43.80%	1.36%	6.11%	12.89%	19.52%	-0.53%	5.60%	24.72%
County of Ventura Equity Composite	17.29%	-14.63%	43.11%	1.25%	5.67%	13.01%	19.55%	-0.28%	5.19%	24.04%
FIXED INCOME	1.41%	-11.36%	1.64%	7.61%	7.66%	-1.22%	0.01%	5.93%	2.08%	4.80%
County of Ventura Fixed Income Composite	-0.47%	-11.14%	0.21%	7.84%	7.85%	-1.05%	-0.31%	6.00%	1.86%	4.37%
CASH & CASH EQUIVALENTS	3.83%	0.23%	0.13%	1.48%	2.11%	1.35%	0.72%	0.27%	0.17%	0.16%
90 Day U.S. Treasury Bill	3.75%	0.19%	0.08%	1.56%	2.30%	1.33%	0.46%	0.14%	0.02%	0.04%

Fiscal year end: June

For asset allocation purposes and aggregate portfolio performance reporting, asset class category assignments for individual investment options are determined by OCIO Solutions and may differ from the assigned Morningstar category for a given investment. Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

Investment performance

AS OF SEPTEMBER 30, 2023

	Average annual total returns							Inception date	Expense ratio (net/gross)	Expense limit expiration date
	Three month	Year to-date	One year	Three year	Five year	Ten year	Since inception			
Large Value										
PRINCIPAL/BLACKROCK LC VAL IDX CIT N	-3.17%	1.78%	14.40%	11.01%	6.34%	8.50%	9.47%	09/29/1992	0.05/0.05	-
Russell 1000® Value Index	-3.16%	1.79%	14.44%	11.05%	6.23%	8.45%	-			
Large Value	-2.52%	1.78%	14.87%	11.84%	6.45%	8.39%				
Large Growth										
PRINCIPAL/BLACKROCK LC GR IDX CIT N	-3.12%	24.95%	27.69%	7.98%	12.45%	14.47%	10.13%	09/28/1992	0.05/0.05	-
Russell 1000® Growth Index	-3.13%	24.98%	27.72%	7.97%	12.42%	14.48%	-			
Large Growth	-3.59%	19.80%	23.46%	4.26%	9.04%	11.63%				
Mid-Cap Blend										
PRINCIPAL/BLACKROCK S&P MIDC IDX CIT N	-4.20%	4.26%	15.49%	11.99%	6.22%	9.02%	10.59%	04/30/1996	0.03/0.03	-
S&P MidCap 400 Index	-4.20%	4.27%	15.51%	12.05%	6.06%	8.94%	-			
Mid Cap Blend	-3.89%	4.04%	14.02%	9.74%	5.67%	8.01%				
Small Blend										
PRINCIPAL/BLACKROCK RUS 2000 IDX CIT N	-5.17%	2.65%	9.09%	7.23%	2.57%	6.80%	7.17%	07/31/1997	0.06/0.06399	-
Russell 2000® Index	-5.13%	2.54%	8.93%	7.16%	2.40%	6.65%	-			
Small Blend	-4.18%	3.06%	12.46%	11.01%	3.70%	6.84%				
Small Growth										
PRINCIPAL/MULTI-MANAGER SC CIT N	-5.38%	-0.03%	8.88%	6.01%	3.60%	8.10%	7.68%	11/15/2013	0.64/0.64	-
Russell 2000® Index	-5.13%	2.54%	8.93%	7.16%	2.40%	6.65%	-			
Small Growth	-6.52%	4.67%	9.12%	2.25%	3.74%	7.78%				
Foreign Large Blend										
PRINCIPAL/BLACKROCK INTL EQ IDX CIT N	-4.74%	6.77%	26.33%	6.10%	3.64%	4.13%	5.74%	09/28/1990	0.05/0.05	-
MSCI EAFE NTR Index	-4.11%	7.08%	25.65%	5.75%	3.24%	3.82%	-			
Foreign Large Blend	-4.48%	5.95%	22.92%	4.33%	2.81%	3.60%				

Category performance and percentile rankings are calculated by Morningstar, are reflective of the peer group assigned by Morningstar, and are shown for comparison purposes. Benchmark indexes shown are determined by OCIO Solutions based on index assignments by Morningstar. Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

Investment performance

AS OF SEPTEMBER 30, 2023

	Average annual total returns							Inception date	Expense ratio (net/gross)	Expense limit expiration date
	Three month	Year to-date	One year	Three year	Five year	Ten year	Since inception			
Diversified Emerging Mkts										
FIDELITY® EMERGING MARKETS IDX	-3.42%	1.70%	11.68%	-2.17%	0.33%	2.14%	1.64%	09/08/2011	0.075/0.075	–
MSCI Emerging Markets NTR Index	-2.93%	1.82%	11.70%	-1.73%	0.55%	2.07%	–			
Diversified Emerging Markets	-2.96%	3.99%	13.97%	-0.35%	1.45%	2.09%				
Intermediate Core Bond										
ALLSPRING CORE BOND CIT N	-3.14%	-0.57%	1.29%	-4.90%	0.43%	1.37%	7.17%	01/30/1981	0.2/0.2	–
Bloomberg U.S. Aggregate Bond Index	-3.23%	-1.21%	0.64%	-5.21%	0.10%	1.13%	–			
PRINCIPAL/BLKRK US AGG BD IDX CIT N	-3.21%	-0.99%	0.67%	-5.16%	0.14%	1.15%	2.79%	09/29/2006	0.03/0.03493	–
Bloomberg U.S. Aggregate Bond Index	-3.23%	-1.21%	0.64%	-5.21%	0.10%	1.13%	–			
Intermediate Core Bond	-2.97%	-0.83%	0.77%	-5.02%	0.00%	1.00%				
Intermediate Core-Plus Bond										
PRINCIPAL/DODGE & COX INTER BD CIT N	-2.64%	0.68%	3.62%	-2.87%	1.32%	–	-3.01%	10/09/2020	0.2/0.2	–
Bloomberg U.S. Aggregate Bond Index	-3.23%	-1.21%	0.64%	-5.21%	0.10%	1.13%	–			
Intermediate Core-Plus Bond	-2.85%	-0.51%	1.28%	-4.48%	0.26%	1.32%				
Global Bond										
INVESCO INTERNATIONAL BOND R6	-2.66%	0.44%	11.28%	-4.81%	-1.20%	0.41%	0.62%	01/27/2012	0.71/0.71	–
FTSE WGBI Non-U.S. Index	-5.16%	-3.71%	2.55%	-10.77%	-4.34%	-2.31%	–			
Global Bond	-3.02%	-1.25%	4.13%	-5.42%	-1.61%	-0.72%				
Money Market-Non-40 Act										
PRINCIPAL/BLACKROCK S/T INVESTMENT S1	0.92%	2.81%	3.78%	1.53%	1.60%	1.13%	3.30%	02/29/1988	0.09/0.09	–
ICE BofA U.S. LIBOR 3 Month Index	1.33%	3.69%	4.54%	1.70%	1.86%	1.31%	–			
	–	–	–	–	–	–				

Category performance and percentile rankings are calculated by Morningstar, are reflective of the peer group assigned by Morningstar, and are shown for comparison purposes. Benchmark indexes shown are determined by OCIO Solutions based on index assignments by Morningstar. Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

Statistical summary

AS OF SEPTEMBER 30, 2023

	Three year return	Three year alpha	Three year beta	Three year r-squared	Three year standard deviation	Three year sharpe ratio	Three year tracking error
Large Value							
PRINCIPAL/BLACKROCK LC VAL IDX CIT N	11.01%	-0.04%	1.00%	100.00%	17.59%	0.56%	0.03%
Russell 1000® Value Index	11.05%	–	–	–	17.59%	0.56%	–
Large Value	11.84%	–	–	–	17.86%	0.59%	–
Large Growth							
PRINCIPAL/BLACKROCK LC GR IDX CIT N	7.98%	0.01%	1.00%	100.00%	20.80%	0.38%	0.06%
Russell 1000® Growth Index	7.97%	–	–	–	20.81%	0.37%	–
Large Growth	4.26%	–	–	–	20.99%	0.22%	–
Mid-Cap Blend							
PRINCIPAL/BLACKROCK S&P MIDC IDX CIT N	11.99%	-0.04%	1.00%	100.00%	20.46%	0.55%	0.05%
S&P MidCap 400 Index	12.05%	–	–	–	20.47%	0.56%	–
Mid Cap Blend	9.74%	–	–	–	19.48%	0.47%	–
Small Blend							
PRINCIPAL/BLACKROCK RUS 2000 IDX CIT N	7.23%	0.07%	1.00%	100.00%	22.38%	0.33%	0.08%
Russell 2000® Index	7.16%	–	–	–	22.38%	0.32%	–
Small Blend	11.01%	–	–	–	21.27%	0.50%	–
Small Growth							
PRINCIPAL/MULTI-MANAGER SC CIT N	6.01%	-0.71%	0.91%	94.21%	20.90%	0.28%	5.46%
Russell 2000® Index	7.16%	–	–	–	22.38%	0.32%	–
Small Growth	2.25%	–	–	–	22.48%	0.12%	–

Category performance is calculated by Morningstar, is reflective of the peer group assigned by Morningstar, and is shown for comparison purposes. Benchmark indexes shown are determined by OCIO Solutions based on index assignments by Morningstar. Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

Statistical summary

AS OF SEPTEMBER 30, 2023

	Three year return	Three year alpha	Three year beta	Three year r-squared	Three year standard deviation	Three year sharpe ratio	Three year tracking error
Foreign Large Blend							
PRINCIPAL/BLACKROCK INTL EQ IDX CIT N	6.10%	0.28%	1.04%	98.44%	19.07%	0.30%	2.48%
MSCI EAFE NTR Index	5.75%	–	–	–	18.23%	0.28%	–
Foreign Large Blend	4.33%	–	–	–	18.25%	0.21%	–
Diversified Emerging Mkts							
FIDELITY® EMERGING MARKETS IDX	-2.17%	-0.35%	1.02%	98.44%	18.34%	-0.14%	2.31%
MSCI Emerging Markets NTR Index	-1.73%	–	–	–	17.90%	-0.12%	–
Diversified Emerging Markets	-0.35%	–	–	–	18.21%	-0.04%	–
Intermediate Core Bond							
PRINCIPAL/BLK RK US AGG BD IDX CIT N	-5.16%	0.06%	1.00%	99.93%	6.22%	-1.15%	0.17%
Bloomberg U.S. Aggregate Bond Index	-5.21%	–	–	–	6.20%	-1.16%	–
ALLSPRING CORE BOND CIT N	-4.90%	0.34%	1.00%	99.70%	6.23%	-1.10%	0.34%
Bloomberg U.S. Aggregate Bond Index	-5.21%	–	–	–	6.20%	-1.16%	–
Intermediate Core Bond	-5.02%	–	–	–	6.13%	-1.15%	–
Intermediate Core-Plus Bond							
PRINCIPAL/DODGE & COX INTER BD CIT N	-2.87%	2.29%	0.98%	95.35%	6.24%	-0.76%	1.35%
Bloomberg U.S. Aggregate Bond Index	-5.21%	–	–	–	6.20%	-1.16%	–
Intermediate Core-Plus Bond	-4.48%	–	–	–	6.35%	-1.02%	–

Category performance is calculated by Morningstar, is reflective of the peer group assigned by Morningstar, and is shown for comparison purposes. Benchmark indexes shown are determined by OCIO Solutions based on index assignments by Morningstar. Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

Statistical summary

AS OF SEPTEMBER 30, 2023

	Three year return	Three year alpha	Three year beta	Three year r-squared	Three year standard deviation	Three year sharpe ratio	Three year tracking error
Global Bond							
INVESCO INTERNATIONAL BOND R6	-4.81%	4.27%	0.83%	63.01%	10.95%	-0.59%	6.84%
FTSE WGBI Non-U.S. Index	-10.77%	–	–	–	10.45%	-1.23%	–
Global Bond	-5.42%	–	–	–	7.99%	-0.92%	–
Money Market-Non-40 Act							
PRINCIPAL/BLACKROCK S/T INVESTMENT S1	1.53%	-0.37%	0.40%	11.04%	0.49%	-2.56%	0.21%
ICE BofA U.S. LIBOR 3 Month Index	1.70%	–	–	–	0.60%	-2.09%	–

Category performance is calculated by Morningstar, is reflective of the peer group assigned by Morningstar, and is shown for comparison purposes. Benchmark indexes shown are determined by OCIO Solutions based on index assignments by Morningstar. Returns for periods of less than one year are not annualized. **Past performance is not a reliable indicator of future performance and should not be relied upon to make investment decisions.** It is not possible to invest directly in an index. See Important Information for further details.

Historical benchmark comparison

County Of Ventura SRP Custom Benchmark

Benchmark portfolios

Weight (%)

April 2018

Bloomberg U.S. Aggregate Bond Index	35.0%
S&P 500 Index	31.8%
MSCI ACWI Ex-U.S. NTR Index	15.0%
S&P MidCap 400 NTR Index	7.2%
Russell 2000® Index	6.0%
50% FTSE Non-USD WGBI/30% JPM GBI-EM Global Diversified/20% JPM EMBI Global Dive	4.0%
90 Day U.S. Treasury Bill	1.0%

January 2013

S&P 500 Index	40.0%
Bloomberg U.S. Aggregate Bond Index	39.0%
MSCI ACWI Ex-U.S. NTR Index	10.0%
Russell 2000® Index	10.0%
90 Day U.S. Treasury Bill	1.0%

Historical benchmark comparison

County Of Ventura SRP Custom Benchmark

Benchmark portfolios

Weight (%)

January 2000

S&P 500 Index	40.0%
Bloomberg U.S. Government/Credit Index	39.0%
Russell 2000® Index	10.0%
MSCI EAFE NTR Index	10.0%
90 Day U.S. Treasury Bill	1.0%

Historical benchmark comparison

County of Ventura Equity Composite

Benchmark portfolios	Weight (%)
April 2018	
S&P 500 Index	53.0%
MSCI ACWI Ex-U.S. NTR Index	25.0%
S&P MidCap 400 Index	12.0%
Russell 2000® Index	10.0%
January 2013	
S&P 500 Index	66.7%
Russell 2000® Index	16.7%
MSCI ACWI Ex-U.S. NTR Index	16.7%
January 2000	
S&P 500 Index	66.7%
MSCI EAFE NTR Index	16.7%
Russell 2000® Index	16.7%

Historical benchmark comparison

County of Ventura Fixed Income Composite

Benchmark portfolios	Weight (%)
April 2018	
Bloomberg U.S. Aggregate Bond Index	89.7%
50% FTSE Non-USD WGBI/30% JPM GBI-EM Global Diversified/20% JPM EMBI Global Dive	10.3%
January 2013	
Bloomberg U.S. Aggregate Bond Index	100.0%
January 2000	
Bloomberg U.S. Government/Credit Index	100.0%

Important information

Important information

Alpha - The difference between an investment's actual returns and its expected performance, given its level of risk (as measured by beta).

Beta - An investment's sensitivity to market movements.

R-Squared - Ranges from 0 to 100 and reveals how closely an investment's returns track those of a benchmark index.

Standard Deviation - Measures how much an investment's returns are likely to fluctuate.

Sharpe Ratio - Measures how an investment balances risks and rewards. The higher the Sharpe ratio, the better the investment's historical risk-adjusted performance.

Excess Return - The difference between a manager's return and the return of an external standard such as a passive index.

Tracking Error - The standard deviation or volatility of excess returns.

Percentile rankings are based on total returns in accordance with the appropriate Morningstar peer group. Returns shown for periods of less than one year are not annualized. All returns displayed here are after Total Investment Expense of the investment option. Investment options are subject to investment risk. Shares or unit values will fluctuate and investments, when redeemed, may be worth more or less than their original cost.

Important information

Before investing, carefully consider the investment option objectives, risks, charges, and expenses. Contact a financial professional or visit principal.com for a prospectus or, if available, a summary prospectus containing this and other information. Please read it carefully before investing.

This report is prepared solely for existing client use and not for any other purpose.

Past performance is not indicative of future performance or a guarantee of future return. Investing involves risk, including the potential loss of some or all invested capital, and may yield results that are significantly different from that shown herein.

The information in this report should not be considered investment, legal, accounting, or tax advice. Appropriate counsel, financial professionals or other advisors should be consulted for advice on matters pertaining to investment, legal, accounting, or tax obligations and requirements.

The information in this report has been derived from sources believed to be accurate. Information derived from third-party sources, although believed to be reliable, has not been independently verified.

No legal liability or obligation shall arise by reason of the use of this report, or any errors or omissions contained herein.

The information in this report speaks as of the applicable date thereof, or the date as may be specified in the respective materials herein. Principal has no obligation to update any of the information provided herein.

Index and/or other benchmarks are referred to for comparative purposes only; they are not necessarily intended to parallel the risk or investment approach of the portfolios included.

This report may contain "forward-looking" information that is not purely historical in nature. Such forward-looking information may include, among other things, projections and forecasts regarding potential future events that may occur (collectively, "Projections"). There is no assurance, guarantee, representation, or warranty being made as to the accuracy of any Projections. Nothing contained herein may be relied upon as a guarantee, promise, forecast, or a representation as to future performance.

Investing involves risk, including possible loss of principal.

Asset allocation and diversification does not ensure a profit or protect against a loss. Equity investment options involve greater risk, including heightened volatility, than fixed-income investment options. Fixed-income investments are subject to interest risk; as interest rates rise their value will decline. International and global investing involves greater risks such as currently fluctuations, political/social instability, and differing accounting standards. These risks are magnified in emerging markets.

Portfolio performance

AS OF SEPTEMBER 30, 2023

County of Ventura Retirement Plan

Portfolio Profile (As of September 30, 2023)

60% Equity (31.8% Large Cap, 7.2% Mid Cap, 6.0% Small Cap, 15% International)

35% Core Fixed Income

4% International & Emerging Market Bond

1% Cash

Fund	Asset Class	Target Allocation	Current Allocation	Market Value	Expense Ratio	Revenue Share
Equities:		60.0%	59.5%			
Principal / BlackRock Large Cap Value Index CIT N	Large Cap Value	15.90%	15.77%	\$ 3,878,202	0.040%	0.000%
Principal / BlackRock Large Cap Growth Index CIT N	Large Cap Growth	15.90%	15.72%	\$ 3,866,297	0.040%	0.000%
Principal / BlackRock S&P MidCap Index CIT N	Mid Cap Core	7.20%	7.22%	\$ 1,775,579	0.030%	0.000%
Principal / Multi-Manager Small Cap CIT N *	Small Cap Core	4.00%	4.00%	\$ 983,534	0.640%	0.000%
Principal / BlackRock Russell 2000 Index CIT N	Small Cap Core	2.00%	1.84%	\$ 451,706	0.040%	0.000%
Principal / BlackRock International Equity Index CIT N	Foreign Large Core	12.00%	11.96%	\$ 2,939,785	0.050%	0.000%
Fidelity Emerging Markets Index	Emerging Markets	3.00%	2.96%	\$ 728,045	0.075%	0.000%
Fixed Income:		39.0%	39.4%			
Principal / Dodge & Cox Intermediate Bond CIT N	Core Bond Plus	11.30%	11.40%	\$ 2,803,705	0.190%	0.000%
Allspring Core Bond CIT N	Core Bond	11.30%	11.42%	\$ 2,808,164	0.200%	0.000%
Principal / BlackRock U.S. Aggregate Bond Index CIT N	Core Bond	12.40%	12.53%	\$ 3,081,256	0.040%	0.000%
Invesco International Bond R6	International Bond	4.00%	4.09%	\$ 1,005,527	0.710%	0.000%
Cash:		1.0%	1.1%			
Principal / BlackRock ST Investment CIT S1	Money Market	1.00%	1.08%	\$ 266,513	0.090%	0.000%
		100.0%	100.0%	\$24,588,313	0.129%	0.000%
Market Value of Assets:						\$ 24,588,313
Annualized Weighted Average Net Fund Manager Expense Estimate:					0.129%	\$ 31,677
Discretionary Management and Trustee Annual Fee Estimate:					0.300%	\$ 73,765
Annualized Net Fund Manager Expense Estimate:					0.429%	\$ 105,442

* Managers include: 25% Invesco Small Cap Growth; 50% JP Morgan Small Cap Equity; and 25% Goldman Sachs Small Cap Value

Glossary

Account:	Client account holding assets under Principal Global Investors discretionary authority.
Expense Ratio:	Fee charged at the fund level for investment management and administrative services.
Net Fund Manager Expense:	Calculated by subtracting any Revenue Share of a fund from its Expense ratio.
Revenue Share:	Shareholder servicing fees received by Principal from an affiliated or unaffiliated mutual fund and credited to the Account. These fees are not in addition to fees already being charged at the fund level and do not result in an increased payment by the Account.

Important information

Investing involves risk, including possible loss of principal. Past performance is no guarantee of future results and should not be relied upon to make an investment decision.

The information presented has been derived from sources believed to be accurate; however, we do not independently verify or guarantee its accuracy or validity. Any reference to a specific investment or security does not constitute a recommendation to buy, sell, or hold such investment or security, and does not take account of any investor's investment objectives or financial situation and should not be construed as specific investment advice, a recommendation, or be relied on in any way as a guarantee, promise, forecast or prediction of future events regarding an investment or the markets in general. The opinions and predictions expressed are subject to change without prior notice.

OCIO solutions and LDI solutions are provided by Investment Solutions, an advisory team within Principal Asset ManagementSM. Principal Asset Management leads global asset management at Principal®.

Custody and trust services are provided by Principal Bank®, Member FDIC, and/or Principal Trust Company®. These services are provided under the trade name Principal® Custody Solutions. Principal Trust Company is a trade name of Delaware Charter Guarantee & Trust Company.

When Principal Custody Solutions is providing investment management services, Principal Custody Solutions serves as the investment manager or discretionary trustee but leverages the investment expertise of Principal Asset Management. Customers may also contract directly with Principal Asset Management for investment management services. In those instances, Principal Custody Solutions serves solely in a custodial or trustee capacity. Please refer to your underlying service agreements for details.

Principal Global Investors, LLC is registered with the U.S. Commodity Futures Trading Commission (CFTC) as a commodity trading advisor (CTA), a commodity pool operator (CPO) and is a member of the National Futures Association (NFA). Principal Global Investors advises qualified eligible persons (QEPs) under CFTC Regulation 4.7. Insurance products and plan administrative services provided through Principal Life Insurance Company®.

Principal Life Insurance Company, Principal Global Investors®, Principal Bank, and Principal Trust Company are members of the Principal Financial Group®, Des Moines, Iowa 50392.

© 2023, Principal Financial Services, Inc. Principal®, Principal Financial Group®, and Principal and the logomark design are registered trademarks of Principal Financial Services, Inc., a Principal Financial Group company, in the United States and are trademarks and services marks of Principal Financial Services, Inc., in various countries around the world.

3005721-022024

Investment and Insurance products are:
Not Insured by the FDIC or Any Federal Government Agency
Not a Deposit or Other Obligation of, or Guaranteed by, Principal Bank or Any Bank Affiliate
Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested

COUNTY OF VENTURA

MEMORANDUM

HUMAN RESOURCES DIVISION

DATE: December 14, 2023

TO: Supplemental Retirement Plan Committee

FROM: Patty Zoll, Supplemental Retirement Program Manager

SUBJECT: Continuation of IRS Ruling Consideration

Background

In the Supplemental Retirement Plan (SRP) committee meeting on April 13, 2023, the Committee was presented with a letter of support from VCERA to the County of Ventura on the issue of pursuing an IRS Plan Qualification Letter for the Safe Harbor Plan.

Patti Dowdy, Employee Benefits Manager, presented the committee with a memo outlining the background of the issues and the pros and cons of pursuing the IRS Plan Qualification Letter.

As a reminder to the Committee, it was recently determined by VCERA legal counsel that VCERA members who previously participated in the Safe Harbor Plan can purchase service credit in VCERA for the time period(s) they were in a position excluded from VCERA membership, provided that they have rolled over their Safe Harbor Plan service to the County's SRP 457 DC Plan. Current active employees who have had previous contributions to Safe Harbor are not eligible to rollover their benefit to the SRP 457 DC Plan until they separate from County service. This now means that active employees with Safe Harbor time can purchase that time with VCERA when they separate from service and elect to convert their Safe Harbor benefit to the SRP 457 DC plan.

A ruling from the IRS that the Safe Harbor Plan qualifies under section 401(a) would provide the final piece needed to meet section 31482.5 of the California Employees Retirement Law (CERL) that allows members to participate in both CERL and a public employer's supplemental retirement plan.

During the committee's discussion on April 13, 2023, it was requested that VCERA provide a fiscal impact study so the committee could review the following:

- The impact on a sampling of Safe Harbor participants – comparing their prior service purchase cost now versus at the time of their retirement.

- The impact to the County of the estimated pension reserves transfer.

The Committee requested a continuance on the issue to request and review the fiscal impact provided by VCERA.

The Committee met again on August 8, 2023, to review the fiscal impact study provided by VCERA. Although VCERA presented scenarios on a sampling of employees based on data provided by staff, the Committee still felt that they do not have a clear picture of the estimated pension reserves transfer increase, should the majority of the 1,700 employees decide to purchase the prior time in Safe Harbor. The Committee expressed concern with the overall financial impact to the County.

The Committee requested more information from VCERA that includes:

- The total amount of the pension reserve transfer for all eligible Safe Harbor members
- The impact on the retirement rate to the County assuming the majority of eligible Safe Harbor members seek the purchase of the prior service credit based on two assumptions:
 - A retirement age of 52 for Safety members
 - A retirement age of 59 for general employees

The Committee moved to postpone a decision until additional information could be obtained from VCERA.

During the September 19, 2023, Committee meeting, an update from VCERA was shared that they are actively pursuing an actuarial evaluation impact study to determine an overall cost to the County and the estimated pension reserves transfer increase, should the majority of the 1,700 employees decide to purchase the prior time in Safe Harbor. At this time, Emily Gardner, County Counsel, expressed concern that the Committee is not the appropriate body to make this decision. She stated that although the Committee has the authority to seek the IRS determination letter based on its guidelines, the result of that action will impact more than just the SRP budget, but rather, it will result in adjustments in the retirement rate, thus impacting the County budget. There is a question as to whether the Committee has the power to determine whether a certain group of employees should be eligible for benefits through VCERA or whether that should be a Board of Supervisors decision.

She suggested that this issue be sent to the Board of Supervisors for their review. The Committee voted to forward VCERA's request for the IRS determination letter on the Safe Harbor Plan to the Board of Supervisors. When staff and Counsel have the actuarial study from VCERA, then a Board letter can be written laying out all the information and the fiscal impact.

Discussion

On September 26, 2023, staff received communication from VCERA that the cost of an actuarial study to answer the questions regarding the increase to the UAAL and impact on the employer contribution rates will total \$20,000-\$25,000. VCERA indicated that they would pay the cost of the actuarial study, meaning that the cost would not be direct-billed to the County but instead, would essentially be absorbed into other administrative costs that the County pays for indirectly via the employer rate/UAAL. Staff inquired if VCERA could invoice SRP for payment of the study, so funds would be pulled from the SRP budget and would not be absorbed into other administrative costs that the County pays or impact the UAAL.

It was also indicated that the total project timeline, including VCERA staff time to prepare the data that is needed by the actuary to run the study, will span two to three months. Staff informed VCERA that the decision to proceed with the actuarial study would need to be decided by the SRP Committee. Currently, the study is on hold until VCERA receives the Committee's decision.

The Committee has been very cautious to act on VCERA's request to obtain an IRS qualification letter and is prudent to consider the larger impact such action would have on the County budget in the future. The Committee has discussed forwarding this decision to the Board but has acknowledged that a Board letter would need to include detailed information as to the cost.

It is the recommendation of staff that the Committee discuss and fully explore their role in the decision to impart additional benefits to a class of employees not previously granted those benefits and the overall fiscal impact to the County budget and future retirement rate.

Recommended Action Item

Decide whether or not to provide consent to VCERA to begin the actuarial study and determine the method to facilitate payment for the required study.

COUNTY OF VENTURA

MEMORANDUM

HUMAN RESOURCES DIVISION

DATE: December 14, 2023

TO: Supplemental Retirement Plan Committee

FROM: Patty Zoll, Supplemental Retirement Program Manager

SUBJECT: California Escheatment Process

Background

In 2021, a deferred compensation plan type was rolled out for the Supplemental Retirement Plan (SRP) to provide a more portable, accessible benefit for employees and to reduce the County's overall liability for providing the retirement benefit. At this time, there were 11,076 inactive members entitled to but not yet receiving a benefit. During the past 2 years, tremendous efforts have been made to reach the inactive members and get their benefit paid. As of June 30, 2023, the inactive member total has been reduced to 5,463.

During the September 2023 meeting of the SRP Committee, the actuaries from Cavanaugh Macdonald Consulting (CMC) presented the findings of the 2023 valuation report. As a result of the presentation, the topic of 'unable to locate' inactive members came up in discussion. John Garrett, Principal Actuary with CMC, referenced the escheatment process as a legal path that the County can take to surrender the unclaimed benefits to the State, thereby releasing the County of their liability. In the context of retirement accounts, escheatment is the reversion of unclaimed or abandoned assets to the State in accordance with their escheat and unclaimed property statutes. The Committee showed interest in this process and instructed staff to work with Counsel on the legalities of escheatment and the possible incorporation into the SRP.

Discussion

The SRP Plan Document does not currently allow for the escheatment process. County Counsel has commented that the escheatment/forfeiture rules are extremely complicated and would require outside consultation with specialty tax counsel.

Recommended Action

Decide whether or not to engage outside counsel to research and provide an opinion on the Escheatment process for the Safe Harbor Supplemental Retirement Plan.

Attachment:

- Informational item - *"What should you do if the retirement account holder can't be located?"*

What Should You Do if the Retirement Account Holder Can't Be Located?

Susan Diehl

ERISA plans have a procedure that is typically followed by financial institutions if a participant is "lost." But what do you do in a non-ERISA 403(b) or under an IRA if the participant can't be found... below is a series of Qs and As centering on escheatment that address some of the issues and some ways they can be resolved!

Q1: What does it mean to escheat assets?

A1: In the context of retirement accounts, escheatment is the reversion of unclaimed or abandoned assets to the state in accordance with their escheat and unclaimed property statutes.

Q2: When is an account eligible for escheatment to the state?

A2: The escheatment rules for non-ERISA accounts are subject to the state laws of the trustee/custodian. Each state has its own set of requirements, which can typically be found on the website for the state's unclaimed property program via the state treasury department. The state requirements for escheatment of retirement assets can vary. Generally, the account must be inactive for a specific "dormancy period", and the participant must either reach a specified age or distributable event.

Because of the DOL's interpretation of ERISA preemption, accounts subject to ERISA can generally only be escheated at the direction of the courts after considering the state's escheat laws as they apply to a specific case. If a plan has been abandoned, the DOL's abandoned plan program can be used to appoint an administrator to terminate the plan. In these cases, and when missing participants impede a plan's termination process, it has been an acceptable practice to escheat the assets of a missing participant under the state's unclaimed property statute.

Q3: Can assets be escheated in-kind?

A3: Typically, yes, but again this could vary from state to state.

Q4: Does escheating assets to the State require a 1099-R?

A4: Yes. PenServ contacted the IRS to confirm that a 1099-R be issued at escheatment and they agreed. Additionally, in their 2015 report, the IRS Information Reporting Program Advisory Committee (IRPAC) indicated the committee believed IRA assets escheated to state governments are distributions includable in gross income, and should be reported on Form 1099-R. IRPAC stated that escheated distributions reported on Form 1099-R would hasten recovery of the money from the state, because it would trigger a deficiency notice from IRS to the taxpayer if they file their annual tax return without including the escheated distribution as part of their taxable income.

Q5: Does tax withholding apply to the escheated distribution?

A5: Yes. This was made clear in the 2015 IRPAC report as well. Remember that withholding applies unless the taxpayer waives it, and since they are missing waiving is not an option.

Q6: What code should be used in box 7 to report the distribution on the 1099-R?

A6: There is no clear guidance as to specific reporting codes at this time. In our discussions with the IRS, we suggested that the age-based distribution code be used (either 1 or 7), and they agreed that would be acceptable. This may change in the future however, since one of the 2015 IRPAC recommendations was that the IRS create a new Form 1099-R distribution code for Box 7, titled "IRA Assets Escheated to State." The IRPAC report indicates IRA assets escheated to state governments are distributions includable in gross income.

Q7: Are escheated distributions eligible for rollover once claimed by the participant?

A7: No formal guidance has been issued on whether reclaimed assets are eligible for rollover. When we posed this question to the IRS the answer we received was yes, provided they are rolled over within 60 days of receipt. It is important to note that in this case, the taxpayer actually did not receive the distribution until after the state contacted them, not when the distribution was made to the state.

Q8: If IRA assets escheated to the state consisted of property, and the state subsequently sold the property and is now holding cash, can the taxpayer roll the cash back to the IRA? (Keep in mind that the IRA rollover rules contain a restriction that when rolling over property, the same property must be rolled over to the receiving IRA within 60 days.)

A8: Since no formal guidance has been issued, once again we went to the IRS, and their answer was yes. Though on its surface this violates the IRA regulations, their position is that the taxpayer DID NOT sell the property (the state did!), so if the financial institution can buy back the same property that was sold, this is "an equitable solution."

Q9: Will the IRS issue guidance regarding escheatment?

A9: Yes. It is our understanding that this has been a topic of discussions within the organization, and that they are preparing to issue guidance sometime in the future.

Susan D. Diehl, CPC, QPA, ERPA, is President, PenServ Plan Services, Inc. and Chair of the NTSA Communications Committee.

Opinions expressed are those of the author, and do not necessarily reflect the views of NTSA or its members.

