



**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**

<https://us02web.zoom.us/j/6776938984?pwd=eGRiaDdBR2JlZ3Vsd0xjeHFhWGh3dz09&omn=82718545046>

**May 29, 2025
2:00 p.m.**

- 1. Public Comments**
- 2. Committee Member Comments**
- 3. Minutes of Regular Meeting – February 20, 2025**
- 4. De-risking Strategies – Assumption Rate/Investment Portfolio Allocation**

*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 Plan Committee
CEO Point Mugu Conference Room – 4th Floor
Hall of Administration, Ventura County Government Center
800 S. Victoria Avenue, Ventura, CA 93009

Meeting Minutes for February 20, 2025
2:00 p.m.

Members present

Tabin Cosio
Emily Gardner
Sue Horgan
Jeff Burgh

Members absent

Scott Powers

Also present

Patty Zoll
Patti Dowdy
Amanda Diaz
Andrew Gratt
Jake O' Shaughnessy
Joan Steele
Robyn Jarin
Eric Lee
Ryan Gunderson
Alisa Bennett
Michelle Yamaguchi

The meeting was called to order by Ms. Horgan at 3:43 pm.

1. Public Comments.

- a. No public comments were provided.

2. Committee Member Comments.

- a. No Committee comments were provided.

3. Minutes of Regular Meeting September 12, 2024.

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

Vote: **Motion Carries**

Yes: Unanimous

No: N/A

Absent: Scott Powers

Abstain: Tabin Cosio

4. Principal Semi-Annual Investment Review and De-risking Strategies.

Ms. Patty Zoll, Deferred Compensation Program Manager, gave a brief overview of the current investment report from Principal Global Advisors for the quarter ending December 31, 2024, to the committee, along with an Asset Allocation Analysis. Topics reviewed are the asset allocation overview, market values and flows, and the Plan's

investment performance review. The latter depicts the evaluation criteria pursuant to the Investment Policy Statement (IPS) currently in place for the Supplemental Retirement Plan. Within the parameters of the IPS are allocations that govern asset ranges with regard to cash, fixed income, and equity; currently at 0-25%, 25-55%, and 45-75%, respectively. The Plan's allocation for cash, fixed income, and equity are all within the set ranges at 1%, 39.6%, and 59.4%, respectively. As it stands for the 3-year (2.91%) and 5-year (6.75%) index benchmark, the Plan's objective benchmark criteria for investment results to meet or exceed said index were close to being met for both 3- and 5-year periods which equated to be 2.76% (3 year) and 6.53% (5 year) in Q4 2024. These findings indicate the numbers are trending toward the objective benchmark.

In addition to the overview of the investment report and asset allocation analysis, Ms. Zoll reviewed the de-risking strategies presented before the Committee. This topic was first broached during the September investment review presentation and valuation results discussion where it was suggested that the Committee should potentially move away from the utilization of VCERA's assumption rate (currently 7%) in addition to having the contribution rates reviewed since the Plan will be comprised of fewer equities. It was agreed at this point that the Committee look at the proposed portfolio in order to estimate the rate of return followed by the Plan's actuary pricing the available options and giving results to the Committee for a decision on whether to move away from VCERA's assumption rate. There are three portfolio mixes, as presented by Mr. Eric Lee – Principal Client Portfolio Manager, for review; the current investment portfolio mix of 60/40 and alternative mixes of 40/60 and 50/50. Based on the current allocation and de-risking strategies, the expected rate of return for 10- and 20- is 6.29% and 6.26% respectively. Based on this, the Committee may choose to reduce the rate of return assumption to 6.25% should the current portfolio mix be retained (60/40), as noted by Mr. Ryan Gunderson, CavMac actuary.

Mr. Lee presented the Principal Semi-Annual Investment Review as of the end of Q4 2024. Overall, the U.S. equity markets were mixed for the quarter as evident by growth indexes delivering positive returns and value indexes delivering negative returns. In addition, unemployment remained relatively low, and January's Consumer Price Index (CPI) was a little stronger than expected. Beginning market value of the Plan at the commencement of Q4 2024 stood at \$27.8 million, approximately. Even though contributions were in the neighborhood of \$316,000, withdrawals and gains/losses countered this to help draw the market value at the end of Q4 2024 down to just north of \$27 million. This number reflects the actual allocation of assets in the Plan as mentioned above and is in line with the IPS.

After Mr. Lee's investment review, members from the CavMac actuarial team presented alternative investment return assumption scenarios to the Committee. As mentioned, these scenarios revolve around the Committee breaking from the utilization of VCERA's rate of return assumption and seeing the potential outcome from using a 6.75%, 6.5%, and 6.25% investment return rate assumption. Overall, Ms. Bennett

(CavMac) opined that given the current portfolio composition (60/40), the better return rate of assumption would be 6.25%. This preceded discussion from the Committee as to who is responsible for adjusting the assumption rate and whether this type of action should be performed on an annual basis. Furthermore, Mr. Cosio inquired as to whether or not the 60/40 allocation remains while funding is increased and risk knowing that the assumption rate will not be met. Mr. Lee remarked that no strategy is wrong, essentially, and it comes down to what the Committee is comfortable with going forward. The recommended action items before the Committee are as follows:

1. Decide whether to change the investment portfolio mix and direct staff to update the IPS accordingly.
2. Decide whether to change the assumption rate based on the scenarios provided by CavMac.
3. Decide whether to amend the funding policy to no longer mirror VCERA's methods and assumptions and determine framework for ongoing selection and recommendation of actuarial methods and assumptions.
4. Receive and file the Principal Quarterly Client report.

Though the action items were on the table, Ms. Gardner advised that the Committee wait to have Mr. Powers opinion as to the most financially prudent direction, given his role as the County CFO. Upon that recommendation, a motion was made to continue the agenda item until such opinion and insight can be gleaned from Mr. Powers.

A. Motion to Continue Agenda Item to Include Input from County Chief Financial Officer, Mr. Scott Powers, Can Be Provided.

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

Vote: **Motion Carries**

Yes: Unanimous

No: N/A

Absent: Scott Powers

Abstain:

5. Supplemental Retirement Plan Document Amendments and Summary Plan Description (SPD) Updates.

Ms. Zoll provided an overview of the agenda item for Committee decision regarding the Plan document amendment and SPD updates. The Plan document amendment pertains to the Superior Court of Ventura commencing independent administration of their benefit programs and payroll system functions that had been previously managed by the County of Ventura for court employees. The Plan document currently stipulates that the term "County" is inclusive of the Ventura Superior Court and since this division of managing these functions commenced on December 22, 2024, the Plan document shall be amended to reflect accordingly.

The annual communications and/or benefit application packet for the Safe Harbor Plan is inclusive of the SPD which was last amended in November 2020. The current version of the SPD contains verbiage regarding the Social Security Administration disclosure outlining the impact the Safe Harbor Supplemental Retirement Plan may have on the member's social security benefit; specifically, the Windfall Elimination Provision (WEP) and the Government Pension Offset Provision (GPO). With the enactment of the Social Security Fairness Act of 2023 as of January 5, 2025, the requirement for these disclosures became null and void as the bill eliminated the WEP and GPO which in some instances reduced Social Security benefits for individuals who also receive a pension from an employer that did not withhold Social Security taxes. The WEP and the GPO had a previous impact on former employees who were the recipient of a benefit from the Safe Harbor defined benefit plan.

In addition, other areas within the SPD that require updates are as follows:

1. Verb tense (Safe Harbor members are no longer actively contributing to the Plan)
2. Required Minimum Distribution (RMD) age
3. Age factors used in the benefit calculation examples

The recommended action items before the Committee are as follows: 1) Approve the amendment to the SRP Plan Document to reflect removal of Ventura Superior Court from participating employer and direct staff to prepare Board Letter to the Board of Supervisors for approval of such amendment and 2) Approve the amended SPD.

B. Motion to Approve Supplemental Retirement Plan Document Amendments and Summary Plan Description (SPD) Updates

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

Vote: **Motion Carries**

Yes: Unanimous

No: N/A

Absent: Scott Powers

Abstain:

Ms. Horgan adjourned the meeting at 4:54 pm

Respectfully submitted,



Andrew Gratt
Benefits/Deferred Compensation Personnel Analyst

COUNTY OF VENTURA

MEMORANDUM

HUMAN RESOURCES DIVISION

DATE: May 29, 2025

TO: Supplemental Retirement Plan Committee

FROM: Patty Zoll, Supplemental Retirement Program Manager

SUBJECT: De-Risking Strategies – Assumption Rate/Investment Portfolio Allocation

Background/Discussion

During the September investment review presentation and valuation results discussion, it was suggested that the SRP Committee may want to cease using VCERA's assumption rate as well as analyzing the contribution rates since the plan will have less equities. The suggestion was made to look at the proposed portfolio to estimate the rate of return on those plans and then have the Plan's actuary price the available options and provide results back to the Committee to decide if it is a prudent move to decouple from VCERA's rate.

Mr. Eric Lee, Principal Client Portfolio Manager, has presented the Committee with three portfolio mixes for review. The current investment portfolio mix, as stated in the IPS, is 60/40. The two other proposed investment portfolio mixes are 40/60 and 50/50.

Given the investment return assumptions of 6.00% to 6.75% provided by Principal, the actuaries from CavMac have provided five-year projections of contributions for the SRP Parts B, C, and D under alternate investment return/discount rate assumptions of 6.00%, 6.25%, 6.50%, and 6.75%. These results are also compared to the current assumption of 7.00%.

For determining the investment rate assumption, it is important that the Committee, along with the investment consultant, considers how much risk they are willing to take on in the portfolio. If the goal of the Committee is to reduce risk, then the question of how much of an increase in contributions can be afforded, needs to be discussed. Based on the Allocation and De-risking Strategies, provided by Mr. Eric Lee, Client Portfolio Manager with Principal Custody Solutions, the long-term expected rate of return (10-20 years) of the current portfolio is 6.29% and 6.26% respectively. According to the CavMac actuary,

Mr. Ryan Gundersen, if the current portfolio is chosen (60/40), it would be appropriate to reduce the investment return rate assumption to 6.25% to be used in the actuarial valuation. If either of the other portfolios are chosen (50/50 or 40/60), then an investment rate assumption of 6% or 6.15% should be used.

At the February SRP Committee meeting when de-risking strategies were reviewed and discussed, the Committee felt that input from Budget and Finance was imperative before arriving at a decision. The Committee asked staff to discuss this matter with Scott Powers, CFO, and the Budget/Finance team. Recommendations from that meeting in April are presented as action items below.

Provided for the Committee's review in this packet are the Allocation Analysis and De-risking Strategies and the alternate investment return assumption scenarios provided by CavMac.

Recommended Action Items

- Decide whether to maintain the current 60/40 investment portfolio allocation and adopt the 6.25% assumed rate of return, as recommended by Budget and Finance.
- Decide whether to amend the funding policy to no longer mirror VCERA's methods and assumptions and determine framework for ongoing selection and recommendation of actuarial methods and assumptions.

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

Attachment(s)

- Principal Allocation Analysis De-Risking Strategies – February 20, 2025
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Mr. Eric Lee, Principal Client Portfolio Manager, has presented the Committee with three portfolio mixes for review. The current investment portfolio mix, as stated in the IPS, is 60/40. The two other proposed investment portfolio mixes are 40/60 and 50/50.

Given the investment return assumptions of 6.00% to 6.75% provided by Principal, the actuaries from CavMac have provided five-year projections of contributions for the SRP Parts B, C, and D under alternate investment return/discount rate assumptions of 6.00%, 6.25%, 6.50%, and 6.75%. These results are also compared to the current assumption of 7.00%.

For determining the investment rate assumption, it is important that the Committee, along with the investment consultant, considers how much risk they are willing to take on in the portfolio. If the goal of the Committee is to reduce risk, then the question of how much of an increase in contributions can be afforded, needs to be discussed. Based on the Allocation and De-risking Strategies, provided by Mr. Eric Lee, Client Portfolio Manager with Principal Custody Solutions, the long-term expected rate of return (10-20 years) of the current portfolio is 6.29% and 6.26% respectively. According to the CavMac actuary,

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Recommended Action Items

- Decide whether to maintain the current 60/40 investment portfolio allocation and adopt the 6.25% assumed rate of return, as recommended by Budget and Finance.
- Decide whether to amend the funding policy to no longer mirror VCERA's methods and assumptions and determine framework for ongoing selection and recommendation of actuarial methods and assumptions.

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

Attachment(s)

- Principal Allocation Analysis De-Risking Strategies – February 20, 2025
- Alternate Investment Return Assumption Scenarios, provided by CavMac
- County of Ventura Supplemental Retirement Plan Funding Policy of the Committee

COUNTY OF VENTURA

MEMORANDUM

HUMAN RESOURCES DIVISION

DATE: May 29, 2025

TO: Supplemental Retirement Plan Committee

FROM: Patty Zoll, Supplemental Retirement Program Manager

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County of Ventura SRP Allocation Analysis De-risking Strategies

Eric A. Lee

Director, Client Portfolio Manager
213.500.0344

February 20, 2025

Analysis Methodology Overview

Utilize forward-looking returns and projected volatility (risk) for various investable asset classes, along with historical return correlations in order to derive portfolio level expectations.

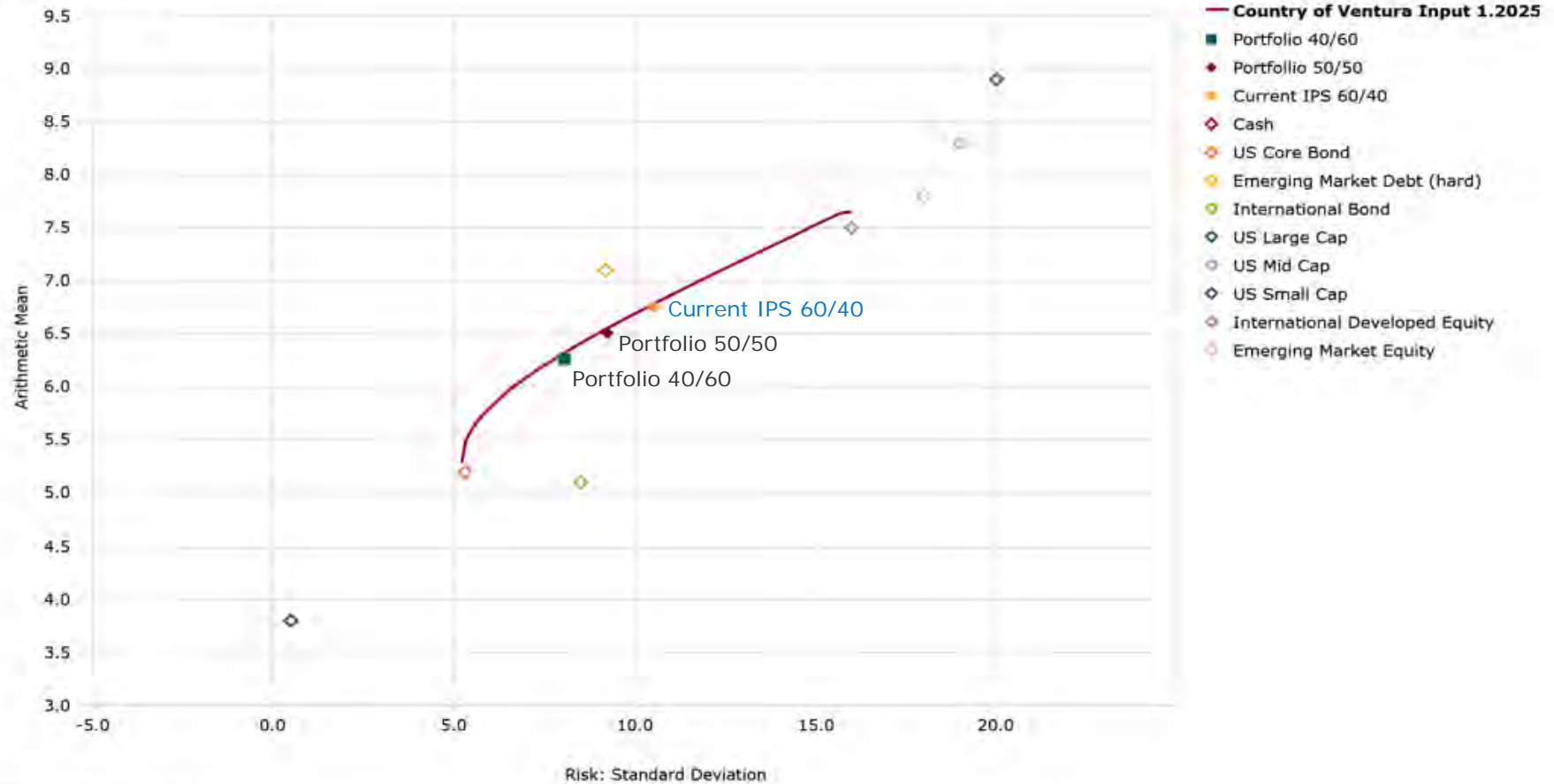
Ex-ante return and risk assumption inputs were sourced from Principal Asset Allocation (PAA). The projected returns and risk values assume a long-term time horizon of approximately 10 years, or at least one “normal” full market cycle.

Methodologies are specific to the particular asset class universe while using a consistent set of assumptions. Equities follow the Black-Litterman (B-L) approach for most markets, or the Dividend Discount Model (DDM) and Internal Rate of Return (IRR) based approached where Black-Litterman is more difficult. For fixed income, a valuation-adjusted IRR-based approach is used.

The objective is to utilize resulting projected risk & return outputs from this forward-looking mean-variance allocation analysis, along with initial market value and future cash flow assumptions to generate simulated portfolio scenario market value outcomes over extended time periods.

Efficient Frontier

Efficient Frontier



Asset Mix Statistics

	Arithmetic Mean	Standard Deviation	Sharpe Ratio
Portfolio 40/60	6.26	8.05	0.78
Portfolio 50/50	6.51	9.25	0.70
Current IPS 60/40	6.75	10.53	0.64

Source: Morningstar Direct

Important Information:

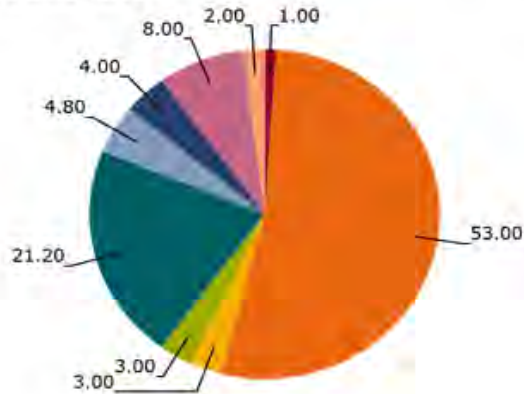
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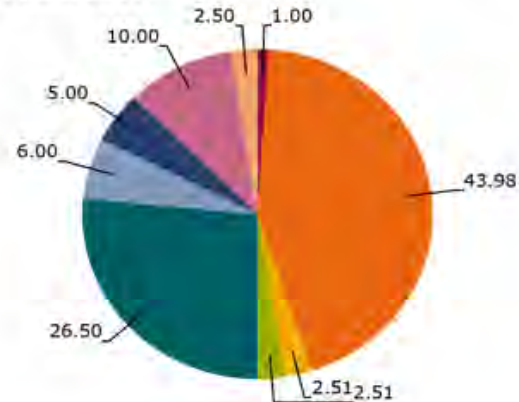
Portfolio Asset Allocation

Composition

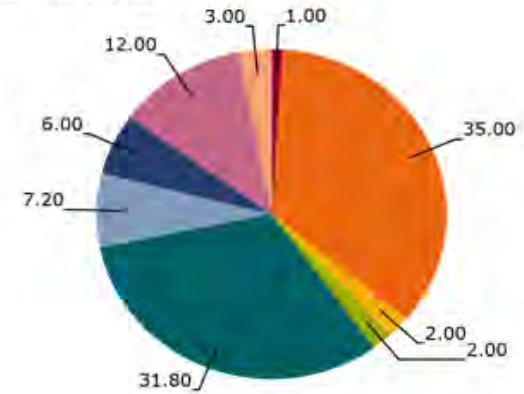
Portfolio 40/60



Portfolio 50/50



Current IPS 60/40



- ◊ Cash
- ◊ International Bond
- ◊ US Small Cap
- ◊ US Core Bond
- ◊ US Large Cap
- ◊ International Developed Equity
- ◊ Emerging Market Debt (hard)
- ◊ US Mid Cap
- ◊ Emerging Market Equity

Composition

	Cash	US Core Bond	Emerging Market Debt (hard)	International Bond	US Large Cap	US Mid Cap	US Small Cap	International Developed Equity	Emerging Market Equity
Portfolio 40/60	1.00	53.00	3.00	3.00	21.20	4.80	4.00	8.00	2.00
Portfolio 50/50	1.00	43.98	2.51	2.51	26.50	6.00	5.00	10.00	2.50
Current IPS 60/40	1.00	35.00	2.00	2.00	31.80	7.20	6.00	12.00	3.00

Source: Morningstar Direct

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Projected Range of Returns

Summary Results

Portfolio Mixes	Potential Outcomes	One Year	Three Year	Five Year	Ten Year	Twenty Year
Portfolio 40/60	Best Case Return	20.37	13.89	12.10	10.30	8.96
	Expected Return	6.26	6.06	6.02	5.99	5.97
	Worst Case Return	-6.12	-1.22	0.40	2.01	3.16
Portfolio 50/50	Best Case Return	22.62	15.19	13.13	11.05	9.56
	Expected Return	6.51	6.24	6.19	6.15	6.13
	Worst Case Return	-7.72	-2.05	-0.21	1.56	2.89
Current IPS 60/40	Best Case Return	25.43	16.70	14.30	11.88	10.15
	Expected Return	6.75	6.41	6.34	6.29	6.26
	Worst Case Return	-9.23	-3.06	-0.91	1.08	2.59

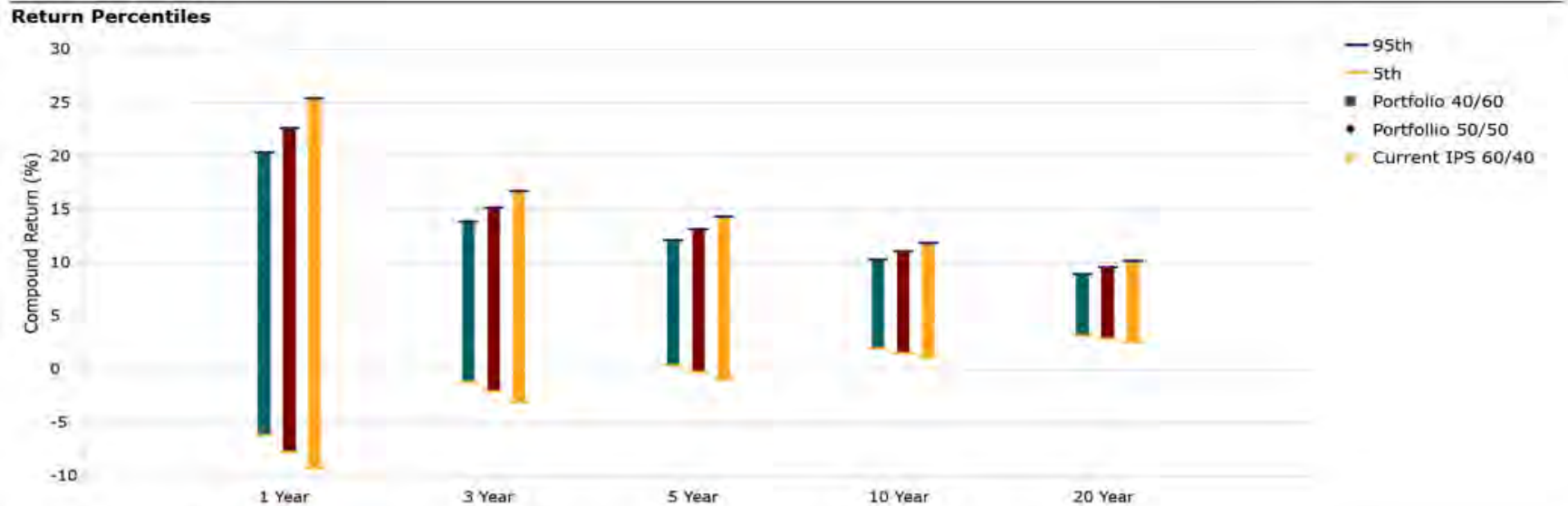
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Analysis Data as of July 2024

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Projected Range of Returns – Best/Worst Case



Return Percentiles		Percentile	
		95th	5th
Portfolio 40/60			
1 Year		20.37%	-6.12%
3 Year		13.89%	-1.22%
5 Year		12.10%	0.40%
10 Year		10.30%	2.01%
20 Year		8.96%	3.16%
Portfolio 50/50			
1 Year		22.62%	-7.72%
3 Year		15.19%	-2.05%
5 Year		13.13%	-0.21%
10 Year		11.05%	1.56%
20 Year		9.56%	2.89%
Current IPS 60/40			
1 Year		25.43%	-9.23%
3 Year		16.70%	-3.06%
5 Year		14.30%	-0.91%
10 Year		11.88%	1.08%
20 Year		10.15%	2.59%

Source: Morningstar Direct

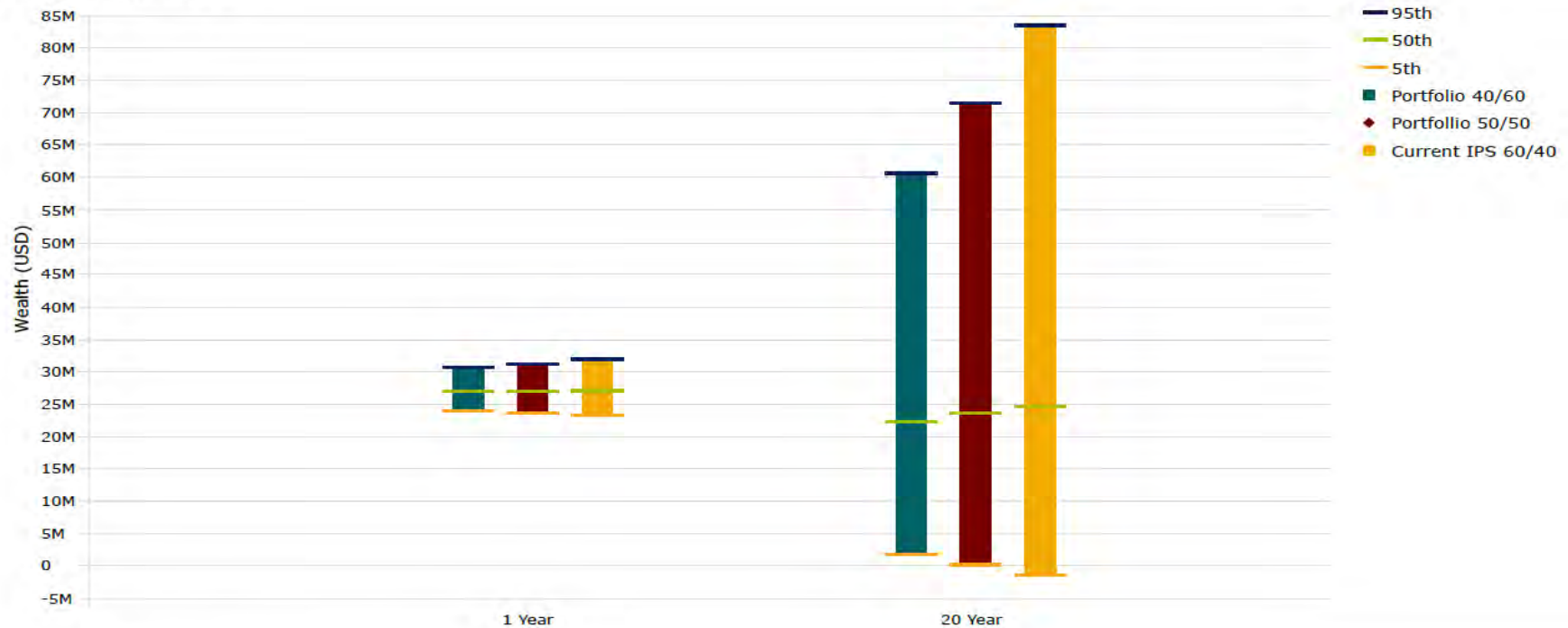
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Projected Plan Market Value

Wealth Percentiles



Wealth Percentiles

	Percentile		
	95th	50th	5th
Portfolio 40/60			
1 Year	30,748,035.80	27,084,114.29	24,103,876.81
20 Year	60,795,941.63	22,421,371.49	1,868,873.56
Portfolio 50/50			
1 Year	31,314,785.68	27,106,173.41	23,701,495.62
20 Year	71,682,745.79	23,677,737.31	225,689.07
Current IPS 60/40			
1 Year	32,019,572.61	27,145,264.59	23,321,866.09
20 Year	83,647,030.81	24,710,176.36	-1,404,051.42

Source: Morningstar Direct

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Appendix

Analysis Inputs - Capital Market Assumptions

Risk & return projections used in the allocation analysis:

Input Summary

Model: Log-Normal

	Arithmetic Mean	Standard Deviation
Cash	3.80	0.50
US Core Bond	5.20	5.30
Emerging Market Debt (hard)	7.10	9.20
International Bond	5.10	8.50
US Large Cap	7.50	16.00
US Mid Cap	8.30	19.00
US Small Cap	8.90	20.00
International Developed Equity	7.50	16.00
Emerging Market Equity	7.80	18.00

Sources: The return and risk inputs shown are Capital Market Assumptions (CMA's) provided by Principal Asset Allocation (PAA) as-of August 2024.

Risk defined as Standard Deviation. Arithmetic Return, i.e., for any given 1-year period during a forward-looking 10-15 year market cycle

Important Information:

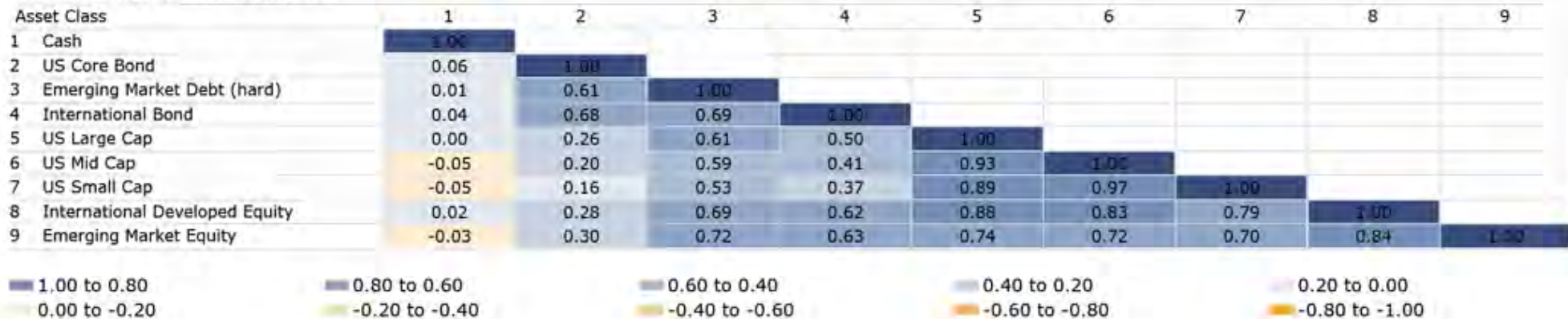
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Analysis Inputs - Correlations Historical Data

15-Year historical market index correlations data used in the allocation analysis:

Asset Class Correlation Matrix

Time Period: 01/01/2009 to 01/01/2024



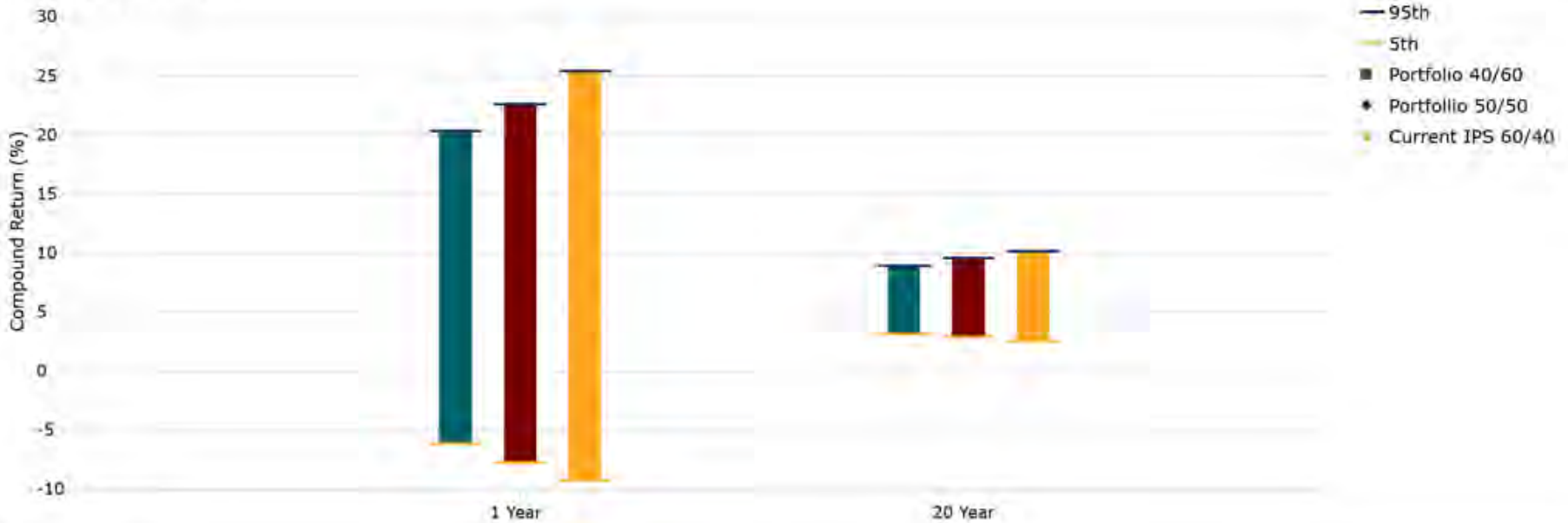
Historical Index Return Sources (Jan 2009-Dec 2023):

- Cash Equivalents – FTSE 3-Month T-Bill Index
- Core Fixed Income – Bloomberg US Aggregate Bond Index
- Emerging Market Debt – JPM EMBI Global TR Index
- International Bond – Bloomberg Global Agg Ex US
- U.S. Large Cap Equity – S&P 500 Index
- U.S. Mid Cap Equity – S&P Mid Cap 400 Index
- U.S. Small Cap Equity – Russell 2000 Index
- Int'l Developed Equity – MSCI EAFE Index (net)
- Int'l Emerging Equity – MSCI EM Index (net)

Source: Morningstar Direct

Projected Range of Returns – Best/Worst Case

Return Percentiles



Return Percentiles

	Percentile	
	95th	5th
Portfolio 40/60		
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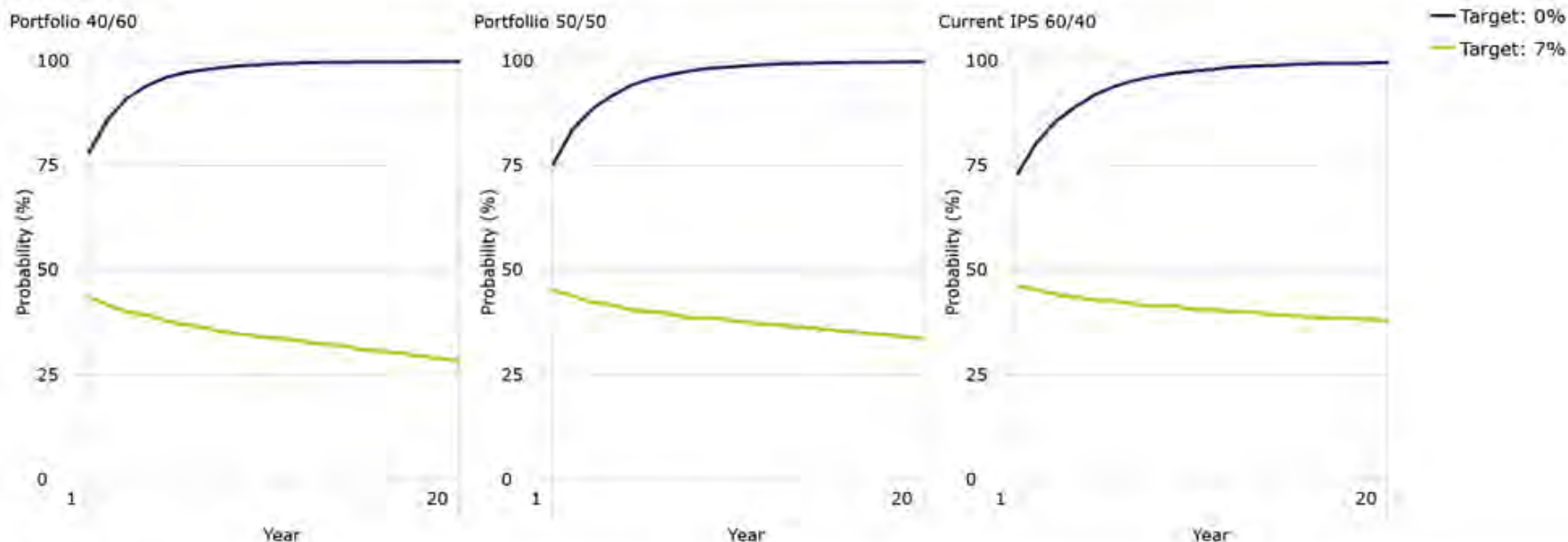
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Probability of Target Return Over Time

Target Return



Target Return

	Target Return	
	0%	7%
Portfolio 40/60		
1 Year	77.86%	43.72%
20 Year	99.97%	28.46%
Portfolio 50/50		
1 Year	75.27%	45.25%
20 Year	99.93%	33.74%
Current IPS 60/40		
1 Year	72.93%	46.28%
20 Year	99.78%	38.15%

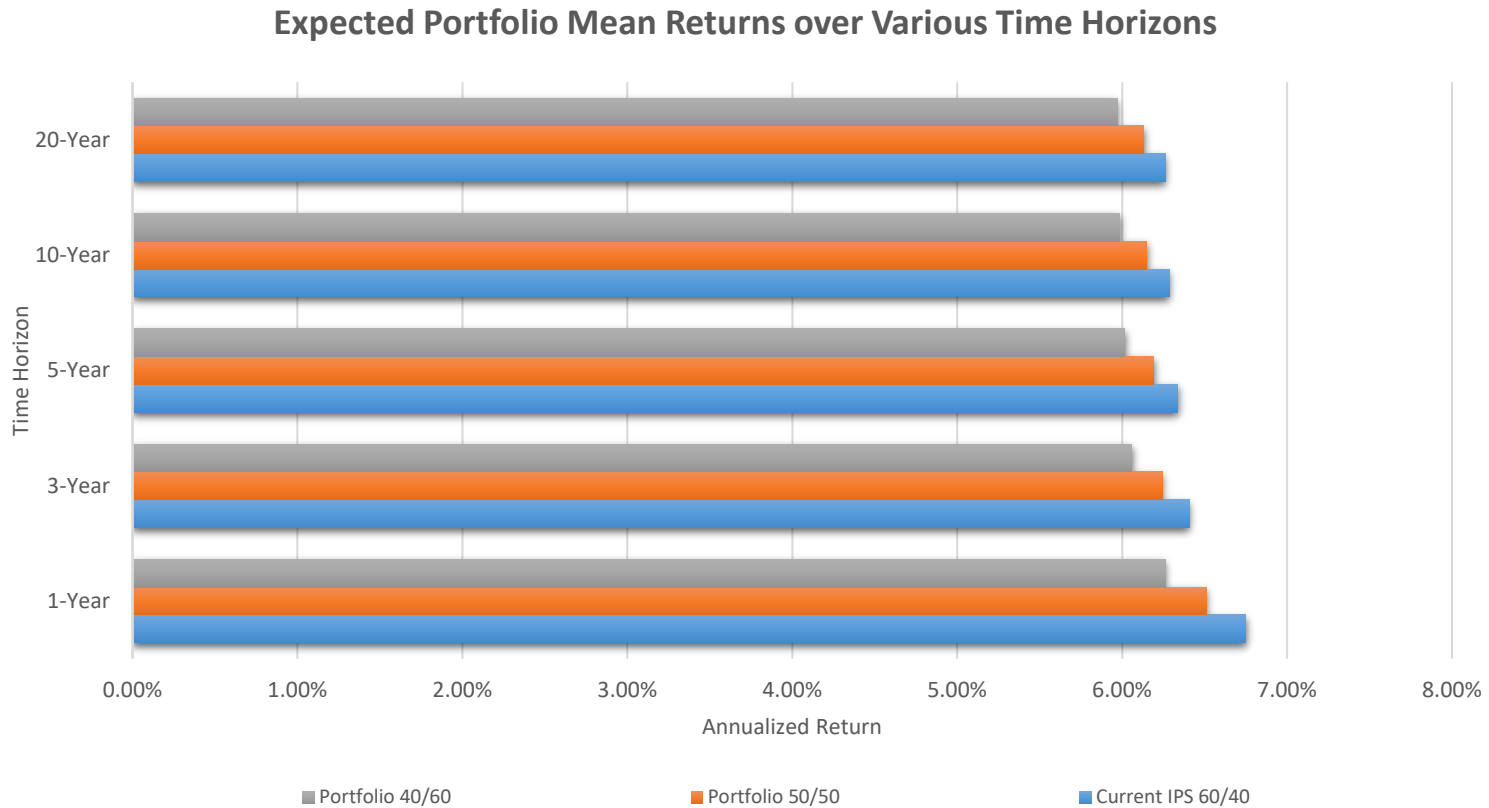
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Projected Average Returns Over Time Horizon



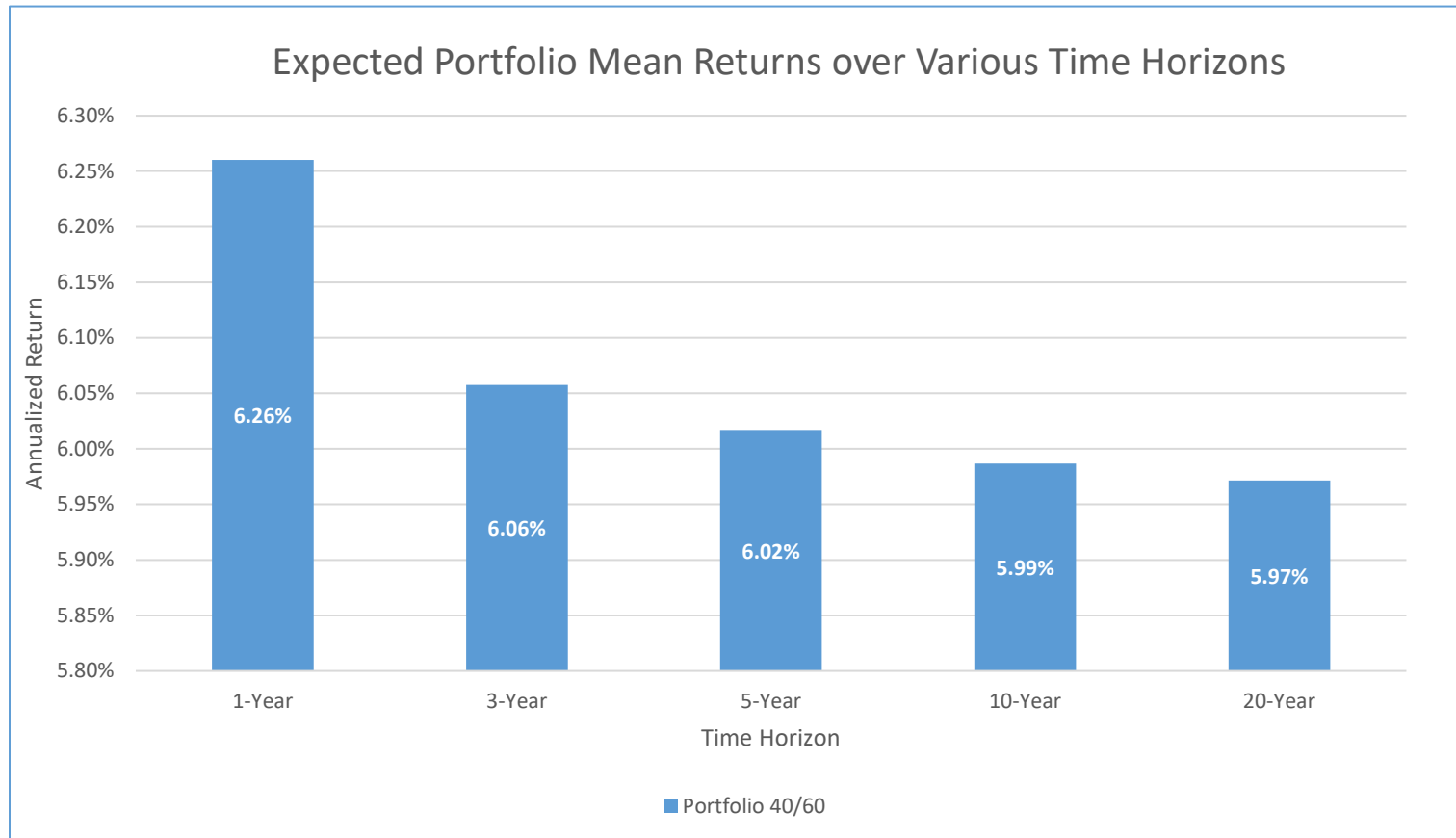
Portfolio Mix	1-Year	3-Year	5-Year	10-Year	20-Year
Portfolio 40/60	6.26%	6.06%	6.02%	5.99%	5.97%
Portfolio 50/50	6.51%	6.24%	6.19%	6.15%	6.13%
Current IPS 60/40	6.75%	6.41%	6.34%	6.29%	6.26%

Note: 1-Year figures are arithmetic mean; all other time periods shown are geometric (i.e., annualized compounded) mean return.

Important Information:

The forward-looking Capital Market assumptions and resulting forecasted returns contained here do not represent a guaranteed rate of return. Principal Financial Group makes no representation or warranty regarding the accuracy of this data nor guarantees the projected return estimates provided herein. This is not an offer to sell shares of any of the funds referenced. That can only be done through the applicable Prospectus. Past performance is no indication of future results; obtain and review fund prospectuses before making investment decisions.

Projected Average Time Horizon Returns – 40/60



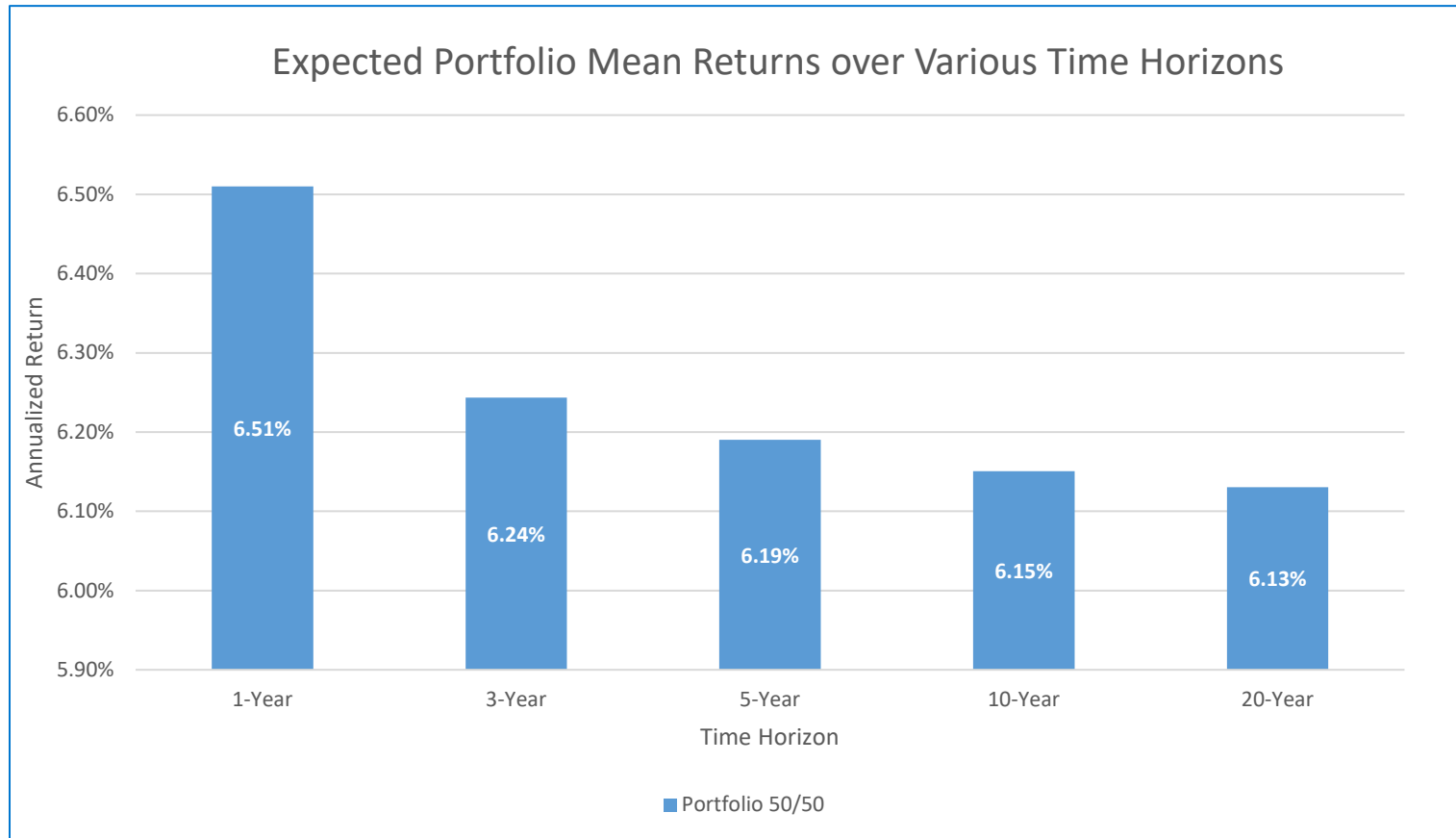
Portfolio Mix	1-Year	3-Year	5-Year	10-Year	20-Year
Portfolio 40/60	6.26%	6.06%	6.02%	5.99%	5.97%

Note: 1-Year figures are arithmetic mean; all other time periods shown are geometric (i.e., annualized compounded) mean return.

Important Information:

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Projected Average Time Horizon Returns – 50/50



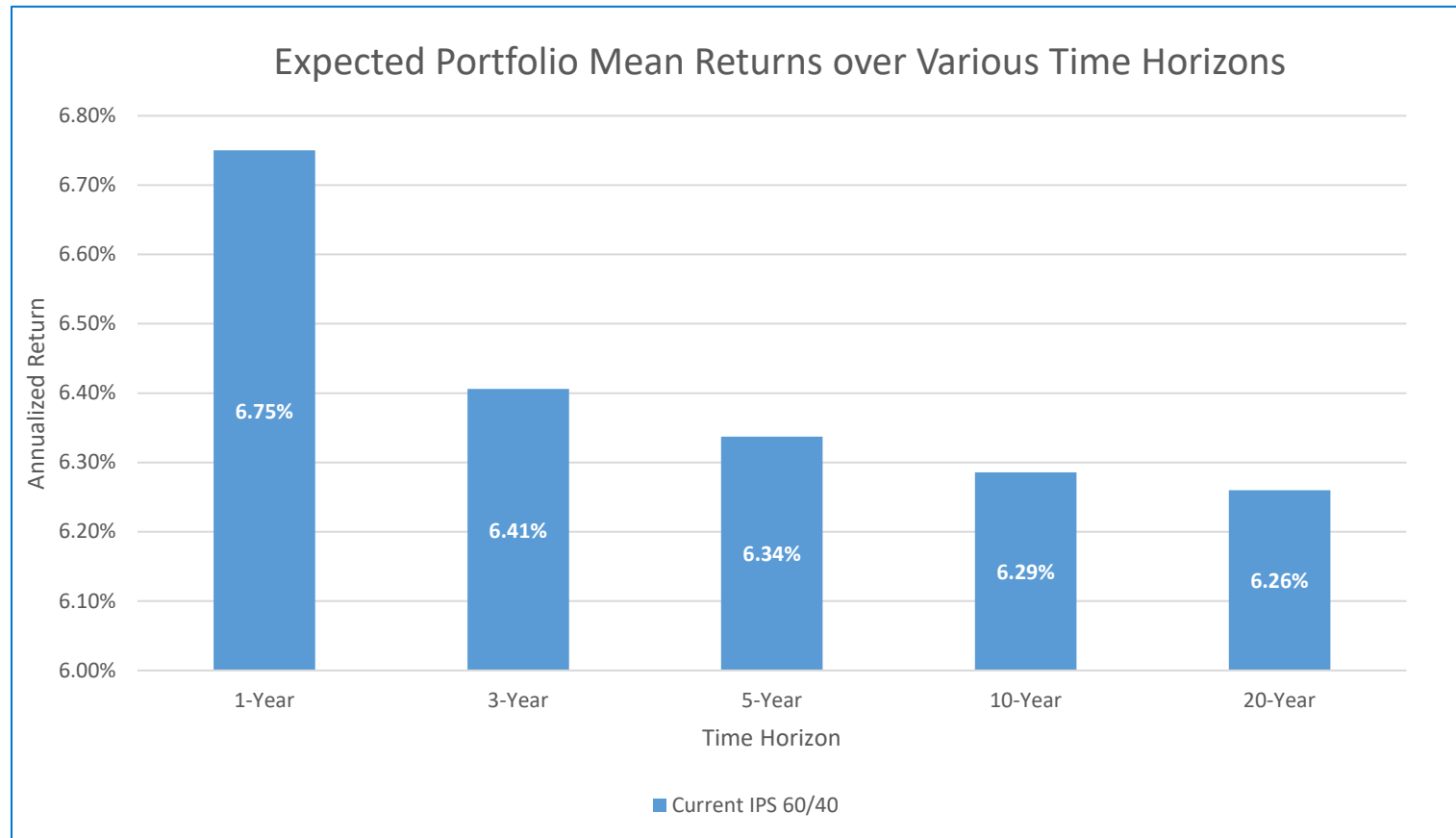
Portfolio Mix	1-Year	3-Year	5-Year	10-Year	20-Year
Portfolio 50/50	6.51%	6.24%	6.19%	6.15%	6.13%

Note: 1-Year figures are arithmetic mean; all other time periods shown are geometric (i.e., annualized compounded) mean return.

Important Information:

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Projected Average Time Horizon Returns – 60/40



Portfolio Mix	1-Year	3-Year	5-Year	10-Year	20-Year
Current IPS 60/40	6.75%	6.41%	6.34%	6.29%	6.26%

Note: 1-Year figures are arithmetic mean; all other time periods shown are geometric (i.e., annualized compounded) mean return.

Important Information:

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Important Information

The risks associated with derivative investments include that the underlying security, interest rate, market index, or other financial asset will not move in the direction the Investment Adviser and/or Sub-Advisor anticipated, the possibility that there may be no liquid secondary market, the risk that adverse price movements in an instrument can result in a loss substantially greater than a fund's initial investment, the possibility that the counterparty may fail to perform its obligations; and the inability to close out certain hedged positions to avoid adverse tax consequences.

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 rate risk; as interest rates rise their value will decline. International and global investing involves greater risks such as currency fluctuations, political/social instability and differing accounting standards. These risks are magnified in emerging markets. Fixed-income and asset allocation investment options that invest in mortgage securities are subject to increased risk due to real estate exposure. Small and mid-cap stocks may have additional risks including greater price volatility.

Each index-based investment option is invested in the stocks or bonds of the index it tracks. Performance of indexes reflects the unmanaged result for the market segment the selected stocks or bonds represents. There is no assurance an index-based investment option will match the performance of the index tracked.

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Ventura County SRP Part B Projection Results Under Alternate Investment Return Assumption Scenarios
(\$ in Thousands)

7.00% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$26,147	\$24,862	\$1,285	\$433
6/30/2027	26,256	25,063	1,193	431
6/30/2028	26,321	24,213	2,108	535
6/30/2029	26,375	24,672	1,703	505
6/30/2030	26,423	25,065	1,358	480

6.75% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$26,915	\$24,862	\$2,053	\$514
6/30/2027	27,015	25,004	2,011	520
6/30/2028	27,068	24,173	2,895	623
6/30/2029	27,111	24,661	2,450	592
6/30/2030	27,146	25,083	2,063	568

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$768	\$0	\$768	\$81
759	(59)	818	89
747	(40)	787	88
736	(11)	747	87
723	18	705	88

6.50% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$27,724	\$24,862	\$2,862	\$595
6/30/2027	27,812	24,945	2,867	610
6/30/2028	27,854	24,135	3,719	713
6/30/2029	27,884	24,653	3,231	683
6/30/2030	27,905	25,108	2,797	659

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$1,577	\$0	\$1,577	\$162
1,556	(118)	1,674	179
1,533	(78)	1,611	178
1,509	(19)	1,528	178
1,482	43	1,439	179

6.25% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$28,577	\$24,862	\$3,715	\$680
6/30/2027	28,653	24,886	3,767	702
6/30/2028	28,681	24,099	4,582	805
6/30/2029	28,697	24,650	4,047	775
6/30/2030	28,703	25,139	3,564	752

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$2,430	\$0	\$2,430	\$247
2,397	(177)	2,574	271
2,360	(114)	2,474	270
2,322	(22)	2,344	270
2,280	74	2,206	272

6.00% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$29,477	\$24,862	\$4,615	\$765
6/30/2027	29,538	24,826	4,712	796
6/30/2028	29,552	24,065	5,487	898
6/30/2029	29,552	24,652	4,900	870
6/30/2030	29,542	25,177	4,365	847

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$3,330	\$0	\$3,330	\$332
3,282	(237)	3,519	365
3,231	(148)	3,379	363
3,177	(20)	3,197	365
3,119	112	3,007	367

Ventura County SRP Part B Projection Results Under Alternate Investment Return Assumption Scenarios
(\$ in Thousands)

7.00% Investment Return Assumption					
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC as % of DB Payroll	Employer ADC as % of 457 Payroll
6/30/2026	\$26,147	\$24,862	\$1,285	2.63%	2.87%
6/30/2027	26,256	25,063	1,193	2.53%	2.77%
6/30/2028	26,321	24,213	2,108	3.11%	3.35%
6/30/2029	26,375	24,672	1,703	2.81%	3.05%
6/30/2030	26,423	25,065	1,358	2.58%	2.82%

6.75% Investment Return Assumption					
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC as % of DB Payroll	Employer ADC as % of 457 Payroll
6/30/2026	\$26,915	\$24,862	\$2,053	3.34%	3.39%
6/30/2027	27,015	25,004	2,011	3.28%	3.33%
6/30/2028	27,068	24,173	2,895	3.83%	3.88%
6/30/2029	27,111	24,661	2,450	3.53%	3.58%
6/30/2030	27,146	25,083	2,063	3.28%	3.33%

\$ Change from Baseline				
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC as % of DB Payroll	Employer ADC as % of 457 Payroll
\$768	\$0	\$768	0.71%	0.52%
759	(59)	818	0.75%	0.56%
747	(40)	787	0.72%	0.53%
736	(11)	747	0.72%	0.53%
723	18	705	0.70%	0.51%

6.50% Investment Return Assumption					
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC as % of DB Payroll	Employer ADC as % of 457 Payroll
6/30/2026	\$27,724	\$24,862	\$2,862	4.07%	3.92%
6/30/2027	27,812	24,945	2,867	4.05%	3.90%
6/30/2028	27,854	24,135	3,719	4.58%	4.43%
6/30/2029	27,884	24,653	3,231	4.26%	4.11%
6/30/2030	27,905	25,108	2,797	4.00%	3.85%

\$ Change from Baseline				
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC as % of DB Payroll	Employer ADC as % of 457 Payroll
\$1,577	\$0	\$1,577	1.44%	1.05%
1,556	(118)	1,674	1.52%	1.13%
1,533	(78)	1,611	1.47%	1.08%
1,509	(19)	1,528	1.45%	1.06%
1,482	43	1,439	1.42%	1.03%

6.25% Investment Return Assumption					
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC as % of DB Payroll	Employer ADC as % of 457 Payroll
6/30/2026	\$28,577	\$24,862	\$3,715	4.83%	4.46%
6/30/2027	28,653	24,886	3,767	4.85%	4.48%
6/30/2028	28,681	24,099	4,582	5.36%	4.99%
6/30/2029	28,697	24,650	4,047	5.03%	4.66%
6/30/2030	28,703	25,139	3,564	4.75%	4.38%

\$ Change from Baseline				
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC as % of DB Payroll	Employer ADC as % of 457 Payroll
\$2,430	\$0	\$2,430	2.19%	1.59%
2,397	(177)	2,574	2.31%	1.71%
2,360	(114)	2,474	2.24%	1.64%
2,322	(22)	2,344	2.21%	1.61%
2,280	74	2,206	2.16%	1.56%

6.00% Investment Return Assumption					
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC as % of DB Payroll	Employer ADC as % of 457 Payroll
6/30/2026	\$29,477	\$24,862	\$4,615	5.62%	5.02%
6/30/2027	29,538	24,826	4,712	5.68%	5.08%
6/30/2028	29,552	24,065	5,487	6.16%	5.56%
6/30/2029	29,552	24,652	4,900	5.82%	5.22%
6/30/2030	29,542	25,177	4,365	5.53%	4.93%

\$ Change from Baseline				
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC as % of DB Payroll	Employer ADC as % of 457 Payroll
\$3,330	\$0	\$3,330	2.98%	2.15%
3,282	(237)	3,519	3.14%	2.31%
3,231	(148)	3,379	3.04%	2.21%
3,177	(20)	3,197	3.00%	2.17%
3,119	112	3,007	2.94%	2.11%

Ventura County SRP Part C Projection Results Under Alternate Investment Return Assumption Scenarios
(\$ in Thousands)

7.00% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$259	\$403	(\$144)	\$0
6/30/2027	237	391	(154)	0
6/30/2028	215	365	(150)	0
6/30/2029	193	360	(167)	0
6/30/2030	171	354	(183)	0

6.75% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$262	\$403	(\$141)	\$0
6/30/2027	240	390	(150)	0
6/30/2028	217	364	(147)	0
6/30/2029	195	357	(162)	0
6/30/2030	173	350	(177)	0

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$3	\$0	\$3	\$0
3	(1)	4	0
2	(1)	3	0
2	(3)	5	0
2	(4)	6	0

6.50% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$265	\$403	(\$138)	\$0
6/30/2027	242	389	(147)	0
6/30/2028	220	362	(142)	0
6/30/2029	197	354	(157)	0
6/30/2030	175	346	(171)	0

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$6	\$0	\$6	\$0
5	(2)	7	0
5	(3)	8	0
4	(6)	10	0
4	(8)	12	0

6.25% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$268	\$403	(\$135)	\$0
6/30/2027	245	388	(143)	0
6/30/2028	222	360	(138)	0
6/30/2029	199	351	(152)	0
6/30/2030	176	342	(166)	0

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$9	\$0	\$9	\$0
8	(3)	11	0
7	(5)	12	0
6	(9)	15	0
5	(12)	17	0

6.00% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$271	\$403	(\$132)	\$0
6/30/2027	248	387	(139)	0
6/30/2028	224	358	(134)	0
6/30/2029	201	349	(148)	0
6/30/2030	178	338	(160)	0

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$12	\$0	\$12	\$0
11	(4)	15	0
9	(7)	16	0
8	(11)	19	0
7	(16)	23	0

Ventura County SRP Part D Projection Results Under Alternate Investment Return Assumption Scenarios
(\$ in Thousands)

7.00% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$2,092	\$2,040	\$52	\$56
6/30/2027	2,045	2,005	40	44
6/30/2028	1,993	1,946	47	50
6/30/2029	1,935	1,961	(26)	0
6/30/2030	1,872	1,968	(96)	0

6.75% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$2,133	\$2,040	\$93	\$100
6/30/2027	2,084	2,000	84	90
6/30/2028	2,029	1,981	48	51
6/30/2029	1,969	2,042	(73)	0
6/30/2030	1,904	2,050	(147)	0

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$41	\$0	\$41	\$44
39	(5)	44	46
36	35	1	1
34	81	(46)	0
32	82	(51)	0

6.50% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$2,175	\$2,040	\$135	\$145
6/30/2027	2,124	1,995	129	137
6/30/2028	2,067	2,018	49	52
6/30/2029	2,004	2,125	(120)	0
6/30/2030	1,936	2,135	(198)	0

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$83	\$0	\$83	\$89
79	(10)	89	93
74	72	3	2
69	164	(94)	0
64	167	(103)	0

6.25% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$2,219	\$2,040	\$179	\$191
6/30/2027	2,165	1,990	175	186
6/30/2028	2,106	2,055	51	54
6/30/2029	2,041	2,210	(169)	0
6/30/2030	1,970	2,221	(251)	0

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$127	\$0	\$127	\$135
120	(15)	135	142
113	109	4	4
106	249	(143)	0
98	253	(155)	0

6.00% Investment Return Assumption				
Fiscal Year Ending	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
6/30/2026	\$2,265	\$2,040	\$225	\$239
6/30/2027	2,208	1,985	223	236
6/30/2028	2,146	2,094	52	55
6/30/2029	2,078	2,297	(219)	0
6/30/2030	2,005	2,310	(305)	0

\$ Change from Baseline			
Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Actuarial Liability	Employer ADC in \$
\$173	\$0	\$173	\$183
163	(20)	183	192
153	148	5	5
143	336	(193)	0
133	342	(209)	0

COUNTY OF VENTURA SUPPLEMENTAL RETIREMENT PLAN FUNDING POLICY OF THE COMMITTEE

I. Objective

The objective of the Committee's Funding Policy is to ensure the actuarial soundness of the Plan while providing stability in required contributions. The Committee established the Funding Policy as a means to provide the actuary with the framework for selection and recommendation of the actuarial methods and assumptions utilized in the actuarial valuations of each Part. The Committee's intention is to employ the methods and assumptions as utilized in the Ventura County Employees' Retirement Association (VCERA) where appropriate and reasonable.

II. Policy

For all plans, the valuation results will apply to the fiscal year beginning one year after the valuation date (e.g., the June 30, 2009 valuation results apply to the fiscal year beginning July 1, 2010 and ending June 30, 2011.)

a. Part B – Safe Harbor Retirement Benefits

Part B membership consists of temporary and part-time employees not covered under VCERA or Social Security. In order to provide contribution stability, the actuary will use methods and assumptions that consider the demographics of current and future participants and the expectation of economic experience for salary growth, payroll growth and investment returns. The Committee currently has accepted the following method and assumption recommendations of the actuary.

Actuarial Cost Method - Entry Age Normal Cost Method. Along with use of this method, active members are assumed to have annual salary increase similar to the expected increase in base wages of VCERA general employees and rates of mortality, turnover and retirement as assumed for general employees under VCERA.

Actuarial Value of Assets - The asset value used for development of the required contribution uses a smoothing technique intended to dampen the impact of market volatility on valuation results. The current technique recognizes a portion of the difference between the actual and the expected market value of assets based on the actuarially assumed investment rate of return. The amount recognized each year is 20% of the difference between the actual market value and expected market value.

Amortization of Unfunded Actuarial Accrued Liability (UAAL) - The excess of the total actuarial accrued liability over the actuarial value of Plan assets is called the unfunded actuarial accrued liability. The UAAL is composed of an initial base amount with a new base established each year equaling the difference between the expected and actual UAAL on the valuation date. The

initial base is equal to the expected UAAL as of June 1, 2012 and is amortized over 13-year period (15 years as of the June 30, 2010 method changes). Each new base is amortized over a closed 15-year period as a level dollar amount. The actuary may recommend the combination of certain amortization bases to add stability to the amortization cost.

b. Part C – Early Retirement Benefits

Part C membership consists entirely of retirees. Contribution stability will be primarily driven by asset performance and mortality experience. Cash flow should be monitored to assess the expected erosion of Plan assets. Amortization period adjustments will be the lever to assist with moderating the negative cash flow.

Actuarial Cost Method – Part C has no active members and therefore does not use a specific funding method.

Actuarial Value of Assets - The asset value used for development of the required contribution uses a smoothing technique intended to dampen the impact of market volatility on valuation results. The current technique recognizes a portion of the difference between the actual and the expected market value of assets based on the actuarially assumed investment rate of return. The amount recognized each year is 20% of the difference between the actual market value and expected market value.

Amortization of Unfunded Actuarial Accrued Liability (UAAL) - The excess of the total actuarial accrued liability over the actuarial value of Plan assets is called the unfunded actuarial accrued liability. The UAAL is amortized over a 10-year period closed as of June 30, 2010 as a level dollar amount.

c. Part D – Elected Department Head Retirement Benefits

Part D membership consists of a closed group of active members and retirees. Actuarial valuations are performed on an individual basis and in aggregate. Contribution stability will be modest and will be driven by asset performance and the experience of the individual active members and retirees. Amortization period adjustments will be the lever to assist with moderating the eventual negative cash flow.

Actuarial Cost Method - Entry Age Normal Cost Method. Along with use of this method, active members are assumed to have annual salary increase similar to the expected increase in base wages of VCERA general employees and rates of mortality, turnover and retirement as assumed for general employees under VCERA.

Actuarial Value of Assets - The asset value used for development of the required

contribution uses a smoothing technique intended to dampen the impact of market volatility on valuation results. The current technique recognizes a portion of the difference between the actual and the expected market value of assets based on the actuarially assumed investment rate of return. The amount recognized each year is 20% of the difference between the actual market value and expected market value.

Amortization of Unfunded Actuarial Accrued Liability (UAAL) - The excess of the total actuarial accrued liability over the actuarial value of Plan assets is called the unfunded actuarial accrued liability. The UAAL is amortized over a 15-year period closed as of June 30, 2010 as a level dollar amount.

III. Metrics

The primary metric used to assess the effectiveness of the funding policy will be the trend in required funding and the secondary measure is the funded ratio (the ratio of the actuarial value of assets to the actuarial accrued liability).

IV. Goals

The goal of the funding policy is to minimize volatility in the required funding of all Parts of the Plan while maintaining steady improvement of the funded ratio.

V. Actions

The Committee will annually assess the trend in employer contribution rates and the funding progress of each Part. This will be either through the performance of full annual valuation or an update of prior year valuation results using actual asset experience and expected liabilities.

After the review of appropriate actuarial information, the Committee may make modifications to the valuation methods and assumptions or this policy as deemed necessary to maintain the actuarial soundness of the Plan.

Adopted by the Committee on 9/23/2020.

Signed: Kaymond
Chairman, County of Ventura SRP Committee