

Investment Policy

I. Introduction

- A. This document sets forth the framework for the management and oversight of the investment assets of the Ventura County Employees' Retirement Association ("VCERA"). The purpose of the Investment Policy is to assist the VCERA Retirement Board (the "Board") in effectively supervising and monitoring the investments of VCERA. Specifically, it will address the following issues:
1. The general goals of the investment program.
 2. The policies and procedures for the management of the investments.
 3. Investment guidelines for asset classes, specific asset allocations, and portfolio rebalancing.
 4. Performance objectives and risk tolerance.
 5. Responsibilities of the Board and VCERA staff, investment consultant, custodian, and investment managers.
- B. The Board establishes this investment policy in accordance with the provisions of the County Employees Retirement Law of 1937 (Government code Sections 31450 et. seq.) and Article XVI, Section 17 of the California Constitution (CERL). VCERA is considered a separate entity and is administered by a Board consisting of nine members, plus three alternates. VCERA's Board and its officers and employees shall discharge their duties as provided for in Government Code Section 31595:
1. Solely in the interest of, and for the exclusive purpose of providing benefits to, participants and their beneficiaries, minimizing employer and employee contributions thereto, and defraying reasonable expenses of administering the system.
 2. With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like aims.
 3. In addition to the statutory requirements, the Board shall seek to diversify the investments of the system so as to maximize risk-adjusted returns.

- C. This policy statement is designed to allow sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure prudence and care are exercised in the execution of the investment program.
- D. With respect to investments, the role of the Board is to ensure VCERA's fiduciary responsibilities are fulfilled, that the asset allocation targets and ranges, investment structure, operation and results of individual portfolios are consistent with investment objectives established for them, and to ensure competence, integrity and continuity in the management of the assets.

II. Investment Policies

- A. The following policies, consistent with the above-described purpose and state government citations, are adopted:
 - 1. The overall goal of VCERA's investment program is to provide plan participants with retirement, disability, death, and survivor benefits as provided for under the County Employees' Retirement Law of 1937.
 - 2. VCERA's assets will be managed on a total return basis. While VCERA recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are expected to be rewarded with compensating returns.
 - 3. VCERA's Investment Policy has been designed to earn the highest possible long-term rate of return consistent with a level of risk that the Board believes is appropriate given the plan's assets and liabilities, funded status, and capital markets outlook. Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification to meet this goal. Investment strategies are considered primarily in light of their impact on total plan assets subject to any restrictions set forth in the County Employees' Retirement Law of 1937 and shall at all times comply with applicable state and federal regulations.
 - 4. All transactions undertaken will be for the sole benefit of VCERA's participants and their beneficiaries and for the exclusive purpose of providing benefits to them; and, minimizing employer and employee contributions to and defraying reasonable administrative expenses of the System.

5. VCERA has a long-term investment horizon generally described as a time period greater than 10 years, and utilizes an asset allocation that encompasses a strategic, long-term perspective of capital markets. It is recognized that a strategic long-term asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of VCERA's investment performance.
6. Investment actions are expected to comply with "prudent person" standards which recognize the importance of diversification of investment risks and opportunities.
7. Invest funds in accordance with asset allocation targets established by the Board.

III. Investment Objectives of the Total Fund

- A. Earn the highest possible long-term rate of return consistent with a level of risk that the Board believes is appropriate given the plan's assets and liabilities, funded status, and capital markets outlook.
- B. Exceed an asset allocation long-term policy weighted index return.

IV. Asset Allocation

- A. This policy is adopted to provide for diversification of assets in an effort to maximize the risk-adjusted investment return of VCERA's investment portfolio consistent with market conditions and the Board's risk tolerance. Asset allocation modeling identifies asset classes VCERA will utilize and the percentage each class represents in the total fund. Due to the fluctuation of market values, positioning within a specified range constitutes compliance with the policy. It is anticipated that an extended period of time may be required to fully implement the asset allocation policy, and that periodic revisions will occur. VCERA's Chief Investment Officer (CIO) and Investment Consultant will monitor and assess the actual asset allocation versus policy and will report investment exposure outside of Board adopted asset allocation ranges.
- B. The portfolio is continually rebalanced to add exposure to underweighted asset classes, and to reduce exposure to overweighted asset classes by VCERA's overlay investment manager. If Board adopted asset class limits are breached, an asset class threshold range rebalancing is evaluated and executed by the CIO in consultation with the overlay manager and the Investment Consultant.

- C. Sufficient liquidity will be ensured for payment of VCERA's obligations such as the retirement payroll, capital calls, investment manager fees, etc., and uninvested cash will be deployed to VCERA's investment managers or equitized by VCERA's overlay manager.
- D. The policies and procedures of VCERA's investment program are designed to maximize the probability that the investment goals will be fulfilled. Investment policies will evolve as fund conditions change and as investment conditions warrant.
- E. The Board adopts and implements an asset allocation policy that is predicated on a number of factors, including:
 - 1. The actuarially projected liabilities and benefit payments and the cost to both covered employees and employers.
 - 2. Historical and expected long-term capital market risk and return behavior.
 - 3. The perception of future economic conditions, including inflation and interest rate levels.
 - 4. The risk tolerance of the Board.
 - 5. The relationship between current and projected assets of the Plan and its actuarial requirements.
- F. VCERA's asset class target allocation including ranges and benchmarks is attached by reference only as it will be changed from time to time.
- G. The Board will implement the asset allocation policy through the use of specialized investment managers who will be given full discretion to invest the assets of their portfolios subject to investment guidelines. When appropriate, passively managed index funds, and exchange traded funds (ETFs) will be utilized.
- H. The Board, in recognition of the benefits of commingled funds as investment vehicles (e.g., the potential to diversify more extensively than in a separate account and achieve lower costs) may elect to invest in such funds. The Board recognizes that the policies and practices of such funds will be in accordance with the commingled funds' guidelines and restrictions. Any significant changes in the investment strategies of a fund in which the Board has placed an investment will be promptly reported to the Board.

V. Role of Asset Classes

VCERA's portfolio may include but is not limited to the following portfolio components to fulfill the asset allocation targets and total fund performance goals established elsewhere in this document. Diversification is applicable to the deployment of the assets as a whole and does not preclude the use of concentrated investment styles.

- A. **Publicly Traded Equities** – VCERA anticipates that total returns to equities will be higher than total returns to fixed income securities over the long-run but may be subject to greater volatility as well.
1. **U.S. Large Cap Equities** – This component will provide broadly diversified, core exposure to the U.S. equity market, primarily through holdings in large capitalization companies in commingled index funds.
 2. **U.S. SMid (Small and Mid) Cap Equities** – SMid cap stocks are generally those of companies with a market capitalization up to \$10 billion. Although more volatile than larger capitalization stocks, SMid cap stocks are generally characterized by faster growth and (historically) higher long-term returns. Exposure to this component will be achieved primarily by investing in commingled index funds.
 3. **U.S. Enhanced Index Equities (portable alpha)** – U.S. equity index futures contracts combined with active management of underlying cash using short-duration, high quality fixed income investments provide enhanced equity index exposure.
 4. **Non-U.S. Equities** – This component provides access to major equity markets outside the U.S. and consequently plays a significant role in diversifying VCERA's equity portfolio. This segment may provide exposure to and diversification by developed non-U.S. markets, emerging markets, and frontier markets whose growth and returns are not necessarily synchronized with those of the U.S. Investments may be made in both actively and passively managed commingled funds. Commingled fund managers have full discretion to choose investments across countries, industries, and sectors consistent with the commingled funds' guidelines.

5. **Global Equities** – A further diversifying feature that allows for investment in securities of companies domiciled both in the domestic and international markets through passively managed commingled funds.
- B. **Publicly Traded Fixed Income** – The primary role of the fixed income portfolio is to provide a more stable investment return and to generate income while diversifying VCERA’s investment assets to hedge against significant drawdowns in the equity markets. The fixed income component may include but is not limited to the following:
1. **Core / Core-Plus Fixed Income** – This portfolio will provide core exposure to the U.S. and non-U.S. fixed income markets in publicly traded debt such as U.S. Treasury and government agency bonds, corporate debt, mortgages, asset-backed securities, etc. The portfolio will be largely composed of investment grade issues and may be supplemented by below investment grade and / or non-dollar fixed income investments.
 2. **Unconstrained Fixed Income Portfolios** - To avoid potential fixed income capital losses in a rising interest rate environment, a portion of the U.S. and non-U.S. fixed income exposure are invested with managers with a more flexible mandate to mitigate interest rate risk.
 3. **U.S. Treasury Securities** – This portfolio provides for a dedicated allocation to U.S. Treasury securities to offset some of the risk added by increasing less-liquid private investments exposure; to benefit from any “flight to quality” in times of market distress; and, to serve as a reserve source of liquidity when sufficient liquidity otherwise is not available in the public markets.
- C. **Private Credit** – Private credit investments are often characterized by both higher expected returns and higher credit risk than those generally available in publicly traded fixed income investments in part as indicated by the illiquidity premium. Private credit strategies may include direct lending, opportunistic/niche lending (asset backed/ specialty lending, royalty-backed lending, trade finance, etc.), mezzanine lending, real estate lending, distressed debt, structured credit, etc. Private credit strategies are generally shorter duration, floating-rate, and cash-generating, but are less liquid than publicly traded debt.
- D. **Real Assets** – may consist of investments in real estate, commodities, timber, farmland, agricultural products, inflation linked products, infrastructure, Treasury Inflation Protected

Securities (TIPS), inflation-sensitive equities, MLPs, risk parity, etc. These investments offer diversification benefits and target a “real” (after inflation) return.

- E. **Private Equity** – The role of private equity, in general, is to provide a superior risk adjusted rate of return compared to other asset classes and to provide prudent portfolio diversification consistent with risk and return objectives. Private Equity investments are generally long term and illiquid, consist of a broad range of investment opportunities across stages and sectors, and include investments such as leveraged buyouts, venture capital, growth capital, and special situations.

VI. Investment Manager Policy

- A. Managers will have full discretion and authority for determining investment strategy, security selection, and timing subject to investment guidelines. Performance of investment portfolios will be monitored and evaluated on a regular basis relative to benchmark returns, and relative to a peer group of managers with similar investment styles.
- B. Investment actions are expected to comply with “prudent person” standards. Each investment manager will adhere to VCERA’s policies (as outlined in this document) and to comply with those policies. It is each manager’s responsibility to identify policies that may have an adverse impact on performance and notify VCERA and its consultants of any significant issues.
- C. VCERA will also review each investment manager’s adherence to its investment strategy, material changes in the manager’s organization (e.g., personnel changes, new business developments, etc.), and its investment process. The investment managers retained by VCERA will be responsible for informing VCERA and its consultants of any material changes including legal or regulatory actions.
- D. Investment managers shall have discretion to establish and execute transactions through accounts with one or more securities broker/dealer(s) that the manager may select. Managers of publicly traded securities are expected to obtain best execution with respect to portfolio transactions.
- E. Selection Criteria for Investment Managers

Criteria will be established individually for each manager search and evaluation undertaken by VCERA and will be tailored to VCERA's needs in such search. In general, eligible managers will possess attributes including, but not limited to, the following:

1. The firm must be experienced in managing money for institutional clients in the asset class/product category specified.
2. The firm must display a record of stability in retaining and attracting qualified investment professionals, as well as a record of managing asset growth effectively, both in gaining and retaining clients.
3. The firm must demonstrate adherence to the investment style sought, and adherence to the firm's stated investment discipline.
4. The firm's fees must be competitive with industry norms for the product's category.
5. The firm must be willing and able to comply with the "Duties of the Investment Managers" outlined herein.

F. Criteria for Investment Manager Termination

VCERA reserves the right to terminate an investment manager for any reason. Grounds for investment manager termination may include, but are not limited to the following:

1. Failure to comply with investment guidelines for management of the portfolio.
2. Failure to achieve performance objectives.
3. Significant deviation from manager's stated investment philosophy and/or process.
4. Loss of key personnel.
5. Evidence of illegal or unethical behavior by the investment management firm.
6. Lack of willingness to cooperate with reasonable requests by VCERA for information, meetings or other material related to its portfolios.
7. Loss of confidence by the Board in the investment manager.
8. A change in the asset allocation program that necessitates a shift of assets to a different investment style.

The presence of any one of these factors will be carefully reviewed by the Board but will not necessarily result in an automatic termination. VCERA reserves the right to place its investment managers on formal Watch status.

G. A manager may be placed on “Watch” status for:

1. Failure to meet one or more of the standards, objectives, goals, or risk controls as set forth in this policy statement.
2. Violation of ethical, legal, or regulatory standards.
3. Material adverse change in the ownership of the firm or personnel changes.
4. Failure to meet reporting or disclosure requirements.
5. Failure to meet performance objectives or goals.
6. Any actual or potentially adverse information, trends, or developments that the Board feels might impair the investment manager’s ability to deliver successful outcomes for the participants of the plan.

Managers placed on Watch status shall be notified in writing and be made aware of the reason for the action. Watch status is an optional interim step that may be used to formally communicate dissatisfaction to the investment manager and the potential for termination. Watch status is not a required step in terminating a manager. Managers will remain on Watch status until removed by the Board. The staff and/or the consultant shall report to the Board the progress of any manager remediation activities.

VII. General Guidelines

A. Custody of Assets

Apart from assets invested in commingled funds, the assets of VCERA shall be held in a custody/record keeping account in a master custody bank selected by the Board, located in a national money center and in international sub-custodian banks under contract with the custodian bank. Small operating cash balances may be held and managed by the County of Ventura’s Treasurer’s Office.

B. Derivatives

VCERA's investment managers may be permitted per investment guidelines to use derivative instruments to provide investment exposures and to control or manage portfolio risk. Derivatives are contracts or securities whose returns are derived from the returns of other securities, indices or derivatives. This definition includes but is not limited to collateralized mortgage obligations, futures, forwards, options, options on futures, swaps, swap options, etc.

VCERA's managers are not to utilize derivatives for speculative purposes outside of portfolio guidelines. Examples of appropriate applications of derivative strategies include hedging interest rate and currency risk, portfolio rebalancing and cash equitization, and maintaining exposures to a desired asset class while effecting asset allocation changes.

C. Securities Lending

The Board may authorize the execution of a Securities Lending Program for separate accounts.

VCERA may participate in a securities lending program administered by a lending agent approved by the Board for the purpose of increasing income. The Board, or agent as designated by the Board, shall be responsible for overseeing the securities lending program. The securities lending program shall be established pursuant to a written agreement established between the Board and the lending agent that stipulates the working of the program.

The terms of VCERA's securities lending program should incorporate the following features at a minimum:

1. A description of the allocation queuing system used.
2. Provision for indemnification in case of broker default or failure to return lent securities in a timely manner for securities sales.
3. A list of approved brokers and provisions for the selection/elimination of brokers from the program by the lending agent.
4. Statement of lendable securities, limitation of the percentage and amount of the portfolio available for loan, and provisions for the elimination of securities from the securities lending program by either the lending agent or the CIO.

5. Types and limits of collateral acceptable for loaned securities, and provisions for trueing up collateral deficiencies.
6. The lending agent/VCERA split on the securities lending income.
7. Availability of a securities lending report which details the securities loaned, the collateral used, the broker used, and the income and fees received. The report should break out reinvestment income when reporting revenues.
8. The cash collateral pool should be invested conservatively in high quality short maturity fixed income instruments. Leverage shall not be allowed in the collateral pool.

D. Voting of Proxies

Retained investment managers of publicly traded equities will vote, or cause to be voted, all proxy proposals on an individual basis. The manager's process in dealing with proxy issues should be both thorough and reasonable, and oriented toward achieving maximum long-term shareholder value. The manager is to discharge its fiduciary duty by use of proxy voting policies and procedures solely in the interest of the investors. Each investment manager shall notify their respective custodial banks of their responsibility to forward to the manager all appropriate proxy material. An ongoing review should be done to see that all expected proxies have been received, and if not, the custodian/ subcustodian banks should be directed to vote any proxy it receives in conformance with the manager's instruction on a best-efforts basis. The manager may outsource this service in order to discharge its proxy voting responsibilities in conformance with these guidelines and in conformance with applicable jurisdictional regulations. The manager shall make its voting records available to VCERA upon request.

VIII. Investment Guidelines for Separate Account Managers of Publicly Traded Equities

- A. No securities shall be purchased on margin or sold short.
- B. Managers shall not purchase stock (or securities convertible into stock) of any issuer if the purchase would cause this portfolio to include more than 5% of the outstanding voting stock, or more than 5% in (market) value of all outstanding securities of a single issuer (assuming all shares are converted).

C. Prohibited Transactions

Unless otherwise provided for, the following transactions will be prohibited:

1. Physical commodities, including gold.
2. Speculative or leveraged use of derivatives.
3. Transactions that involve a broker acting as a “principal,” where such broker is also the investment manager who is making the transaction. Any exemption from these guidelines requires prior written approval from the Board. Nonsubstantive or nonmaterial deviations from the guidelines may be approved by the CIO.
4. Buying warrants.
5. Reverse repurchase agreements.

IX. Investment Guidelines for Separate Account Managers of Publicly Traded Fixed Income

- A. Portfolios must have a credit quality of investment grade or higher, although individual holdings may be below investment grade.
- B. No more than 5% of the market value of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Agency securities.
- C. U.S. dollar-denominated issues of foreign governments, international organizations and U.S. subsidiaries of foreign corporations are permitted up to 20% of the market value of any single portfolio.
- D. No securities shall be purchased on margin or sold short.

X. Private Market Guidelines

Due to the varying nature of these strategies, and the primary use of commingled vehicles, each investment will be subject to the investment guidelines for each respective commingled fund.

XI. Management Control Procedures – Responsible Parties

- A. Duties of the Board

Procedures concerning the oversight of VCERA include the following:

1. The Board shall have discretion to develop and execute VCERA's investment program. In accordance with Government Code Section 31595, only the Board in its sole discretion can delegate its decision-making authority regarding the investment program. Staff will be responsible for the timely implementation and administration of these decisions.
 2. The Board shall review VCERA's investment structure, asset allocation and financial performance annually or more frequently as the need arises. A formal asset liability review will be conducted every 3-5 years. The review will include recommended adjustments to the long-term, strategic asset allocation plan to reflect any changes in pension fund regulations, long-term capital market assumptions and VCERA's financial condition.
 3. The Board shall select and retain qualified investment consultants and a qualified master custodian with the assistance of the CIO.
 4. The Board shall administer VCERA's investments in a cost-effective manner. These costs include, but are not limited to, investment management, consulting, custodial fees, and other administrative costs chargeable to VCERA.
 5. Employ external investment managers who have demonstrated experience, expertise and investment styles consistent with the need for return and diversification. Investment guidelines will be developed for each separate account manager, and investment performance will be monitored against Board approved benchmarks. Each investment manager will manage its portfolio according to a formal contract.
- B. The Board, with the assistance of the CIO and consultants, shall be responsible for taking appropriate action if investment objectives are not being met or if policies and guidelines are not being followed. Reviews for portfolios managed by external managers will focus on:
1. Manager adherence to investment strategies and guidelines.
 2. Material changes in the managers' organizations, such as investment philosophy, personnel changes, acquisitions or losses of major accounts, etc. The managers will be responsible for keeping VCERA advised of any material changes in personnel,

investment strategy, or other pertinent information potentially affecting performance.

C. Duties of the Chief Investment Officer

The duties of the CIO or his/her designate(s) in respect to the management of VCERA's assets will include but are not limited to:

1. Support the Board in the development and approval of Investment Plans, implement and monitor the Plans, and report quarterly on investment activity and more frequently on matters of significance.
2. Regular communication with VCERA's consultants, investment managers, and other vendors; meet with financial organizations, industry peers, trade groups, and prospective investment managers; review and research market and academic literature to remain up to date on markets, trends, and risks of various investment strategies, managers, and products across asset classes that may be of interest and applicability to the Board.
3. Evaluate a wide variety of specific investment products, including alternative investments such as private equity, private credit, real assets, etc., analyzing suitability for VCERA; provide advice to the Board on current and recommended investment strategies and tactics within asset classes, and make recommendations for Board consideration in coordination with the investment consultants.
4. Work closely with the general investment consultant; overlay, active, and index fund managers; and the master custodian bank to rebalance the investment portfolio both between and within asset classes using futures, manager and unallocated cash balances, cash flow, and investment manager redemptions as necessary to ensure sufficient liquidity to pay retirement benefits and make capital calls for private markets investments.
5. Ensure that investment managers conform to the terms of their contracts and that performance monitoring systems are sufficient to provide the Board with timely, accurate and useful information.

6. Gather and timely provide requested information to satisfy all legally required public records disclosure requests from other investors, investment managers, academic institutions, news organizations, data gatherers, etc.

D. Duties of the Investment Consultant(s)

The investment consultant(s) shall:

1. Serve as a fiduciary to VCERA.
2. Conduct studies and make recommendations to the Board and the CIO regarding investment policy documents, procedures, asset allocation, assets and liabilities, and other matters as required.
3. Review and advise the Board on appropriate structure for plan assets (active vs passive, appropriate asset classes, benchmarks, etc.).
4. Assist the Board and VCERA in the selection of qualified investment managers, and assist in the oversight of existing managers, including monitoring changes in personnel and the investment process.
5. Assist the Board and VCERA in the selection of a qualified custodian.
6. Prepare performance reports at the total fund, asset class, and manager, policy and peer group levels both gross and net of fees. Prepare legally mandated annual disclosure reports to be presented to the Board in open meetings. Report significant activity for the portfolio at the total fund, asset class, and manager levels.
7. Provide topical research and education on investment subjects that are relevant to VCERA.

E. Duties of the Investment Managers

The investment managers shall:

1. Provide VCERA with a written agreement to invest within adopted investment guidelines.
2. Provide VCERA with proof of liability and fiduciary insurance coverage.

3. Observe the highest standard of care under the law, but the Board may contractually agree to a lesser standard if deemed an acceptable risk for the investment.
4. Be a SEC-registered investment advisor, a bank, insurance company, or other legal entity recognized as providing demonstrated expertise over a number of years in the management of institutional, tax-exempt assets and a defined investment specialty.
5. Adhere to the investment management style, concepts and principles including but not limited to, developing portfolio strategy, performing research, portfolio management including purchasing and selling securities, and voting proxies as outlined in VCERA's agreements.
6. In VCERA separate accounts, execute all transactions for the benefit of VCERA with brokers and dealers qualified to execute institutional orders on a best execution basis, and, where appropriate, facilitate the recapture of commissions on behalf of VCERA.
7. In VCERA separate accounts, reconcile accounting, transaction and asset summary data with custodian reported valuations, and communicate and resolve any significant discrepancies with the custodian.
8. In VCERA separate accounts, report performance on the portfolio and benchmark for the month, quarter, year-to-date, fiscal year-to-date, 1-year, 3-year, 5-year, 10-year, and since inception annualized returns gross and net of fees. Said report shall also include a discussion of the portfolio's recent strategy and expected future strategy and a statement of compliance with guidelines.
9. Maintain frequent and open communication with the Board through the CIO and investment consultant on all significant matters pertaining to the Investment Plan, including, but not limited to, the following:
 - a. Major changes in the investment manager's investment outlook, investment strategy and portfolio structure.
 - b. Significant changes in ownership, organizational structure, financial condition or senior personnel.

- c. Any changes in the portfolio manager or other personnel assigned to VCERA.
- d. Significant client losses and/or significant losses of assets under management.
- e. All other pertinent issues which the investment manager deems to be of significant interest or material importance.

F. Duties of the Custodian

The Board recognizes that accurate and timely completion of custodial functions is necessary to effectively monitor investment management activity. The custodian's responsibilities for VCERA's investible assets are to:

1. Provide complete global custody and depository services for VCERA designated accounts. Provide a Short-Term Investment Fund (STIF) for investment of any cash not invested by domiciled managers, and to ensure that all available cash is invested.
2. In VCERA separate accounts, provide timely settlement of securities transactions.
3. In VCERA separate accounts, collect all income and principal realizable and properly report it on the periodic statements.
4. In VCERA separate accounts, provide monthly and fiscal year-end accounting statements for the portfolio, including all transactions; these should be based on accurate security values for both cost and market. These reports should be provided within 15 days from month end.
5. Report to VCERA situations where accurate security pricing, valuation and accrued income is either not possible or subject to considerable uncertainty.
6. Provide assistance to VCERA to complete such activities as collection of data and reports to support the annual audit and preparation of the ACFR; data to comply with public records disclosure requests, and a wide variety of other reporting and transactional issues as required by VCERA.
7. Manage a securities lending program to enhance income as may be approved by the Board.

8. Provide other services as required.
9. Act and report in a timely fashion on corporate actions, securities litigation, file claims in any security class action cases where there is an opportunity for VCERA to recover a share of the settlement proceeds, furnish investment managers proxies for voting, etc.

XII. Policy Review & History

This Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

Date	Action	Comments
February 27, 2017	Policy Adopted	
September 28, 2020	Reviewed	Removed that policy designed to generate real rate of return exceeding 4%; Added U.S. Enhanced Index Equities to list of Equities; Updated titles and descriptions of types of Fixed Income; Removed statement that Watch List is normally for a period of six months, and instead that managers will remain on list until removed by the Board; Updated the terms for securities lending; Changed percentage allowed for foreign investments from 10% to 20% of market value of any single publicly traded fixed portfolio Updated the Duties of the Chief Investment Officer; Other minor language and formatting changes
March 28, 2022	Reviewed	Added reference to Article XVI, Section 17 of the California Constitution; Added references to comingled funds; Noted that small operating cash balances may be held and managed by the County of Ventura Treasurer's Office;

		Specified that VCERA separate accounts must be used; Other minor language changes
October 27, 2025	Reformatted	Reformatted based on new policy format adopted by the Board on March 24, 2025