



## AGENDA

### RETIREMENT BOARD MEETING

SECOND MONTHLY MEETING  
March 28, 2018  
9:00 a.m.

Retirement Board Conference Room  
The Willows Office Park  
1355 Willow Way, Suite 221  
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Approve minutes from the February 28, 2018 meeting.

#### ***CLOSED SESSION***

4. The Board will go into closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
  - a. *Peter J. Nowicki v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. C17-01266
  - b. *Contra Costa County Deputy Sheriffs Association, et al., v. Board of Retirement of CCCERA, et al.*, Court of Appeal, 1st Appellate District, Case No. A141913
  - c. *Odette Batis v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. N18-0553

#### ***OPEN SESSION***

5. Presentation from Chief Investment Officer and Verus on updated capital market assumptions and suggested revisions to strategic asset allocation.
6. Consider and take possible action on SACRS Voting Proxy Form.
7. Consider authorizing the attendance of Board:
  - a. Ares 2018 Annual Meeting, April 9-10, 2018, Laguna Niguel, CA.
  - b. SACRS 2018 Spring Conference, May 15-18, 2018, Anaheim, CA.
  - c. IFEBP Washington Legislative Update, May 21-22, 2018, Washington D.C.
8. Miscellaneous
  - a. Staff Report
  - b. Outside Professionals' Report
  - c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.



Meeting Date  
**3/28/18**  
Agenda Item  
**#3**

MINUTES

RETIREMENT BOARD MEETING MINUTES

SECOND MONTHLY MEETING  
February 28, 2018  
9:00 a.m.

Retirement Board Conference Room  
The Willows Office Park  
1355 Willow Way, Suite 221  
Concord, California

Present: Candace Andersen, Scott Gordon, Jerry Holcombe, Louie Kroll, David MacDonald, John Phillips, Gabe Rodrigues, Todd Smithey and Rusty Watts

Absent: Jay Kwon, William Pigeon and Jerry Telles

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Wally Dutkiewicz, Compliance Officer; Anne Sommers, Administrative/HR Manager; Henry Gudino, Accounting Manager; and Colin Bishop, Member Services Manager

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Ed Hoffman	Verus Investments

1. Pledge of Allegiance

The Board, staff and audience joined in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

Gordon was present for subsequent discussion and voting.

**CLOSED SESSION**

The Board moved into closed session pursuant to Govt. Code Section 54956.9(d)(1).

The Board moved into open session.

3.

- a. There was no reportable action related to Govt. Code Section 54956.9(d)(1).
- b. There was no reportable action related to Govt. Code Section 54956.9(d)(1). MacDonald recused himself from this item and was not present for subsequent discussion and voting.
- c. There was no reportable action related to Govt. Code Section 54956.9(d)(1).

**4. Review of total portfolio performance for period ending December 31, 2017**

Hoffman reviewed the fourth quarter summary highlighting the changes that have taken place since December 31, 2017.

He reviewed CCCERA's investment performance for the period ending December 31, 2017 noting the ending market value of the total fund portfolio is \$8,532,697,023. He reviewed the total fund asset allocation vs. the long term target policy. He reported the total fund gross of fees return was 3.3% which fell in line with the policy index for the quarter and the total fund gross of fees return was 14.2% compared to the policy index of 13.8% year to date. He reviewed the total fund risk analysis for 5 years stating the annualized return was 9.71% with a standard deviation of 4.49%. He noted the portfolio is tied to 7% and the expected volatility is 11-12%.

Hoffman reviewed alternatives and the benchmark used noting this is a difficult number to report on quarter to quarter. He noted the S&P 500+4 is a hard benchmark to beat.

Hoffman also reviewed the performance of individual funds as well as their fees.

**5. Presentation from staff and Parametric regarding a potential commitment to Parametric Defensive Equity**

Price gave an overview of the risk diversifying portfolio including the portfolio construction and manager selection process noting the mandate requirements are a low correlation with broad equity market indices, a positive expected rate return in normal market environments, and a high degree of liquidity during periods of equity market stress. He stated the risk diversifying assets are expected to make up 12% of CCCERA's Total Fund assets when fully funded and the recommended \$200mm allocation to Parametric Defensive Equity would make up approximately 2.3% of Total Fund assets.

Andersen was no longer present for subsequent discussion and voting.

Price noted that the strategy is not benchmark defined but behavior defined.

**Parametric** – Ben Lazarus and Jay Strohmaier

Prior to their presentation, Parametric waived the confidentiality disclaimer on the presentation materials noting this is a public meeting and any information discussed will be available to the public.

Lazarus gave an overview of the strategy noting this is a custom strategy. He gave an overview of the firm noting they have \$17.6 billion in AUM in the Volatility Risk Premium (VRP) suite of strategies and 33 public clients that use a similar approach. He also reviewed the portfolio management team.

Strohmaier reviewed the factors that drive the VRP, options as financial insurance, and the relative valuation of options. He reviewed the challenges and the solutions of the Defensive Equity Portfolio noting it can be customized to target specific risk/return profiles and is low cost. He stated the Defensive Equity provides exposure to the VRP through the systematic sale of S&P 500 index Put and Call options.

Lazarus reviewed the portfolio construction, implementation details and potential risks. He also reviewed the expected returns and fees noting the fee schedule includes a discount to CCCERA for being customers.

**6. Consider and take possible action regarding a commitment to Parametric Defensive Equity**

It was M/S/C to make an initial allocation to the Parametric Defensive Equity in the amount of \$200mm. (Yes: Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)

**7. Annual Statement of Compliance with Board Resolutions**

Price reported this is the first Statement of Compliance with Board Resolutions as required by the Investment Policy Statement. He reported the resolutions adopted in 2017 were all asset allocation related and all allocations remained within their range over the year.

**8. Consider and take possible action approving and authorizing the Chief Executive Officer to execute a contract with the Office of Administrative Hearings**

Dunn reviewed the background on the contract with the Office of Administrative Hearings noting that the amount in the previous agreement has been exhausted.

It was M/S/C to approve and authorize the Chief Executive Officer to execute a contract with the Office of Administrative Hearings for a three year period in an amount not to exceed \$150,000. (Yes: Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)

**9. Consider authorizing the attendance of Board:**

- a. It was M/S/C to authorize the attendance of 1 Board member at the 2018 CRCEA Spring Conference, Santa Barbara County, April 16-18, 2018, Santa Barbara, CA. (Yes: Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)
- b. There was no action taken on this item. Angelo, Gordon & Co.'s 2018 Investor Conference, Angelo Gordon & Co., April 17, 2018, New York, NY.
- c. There was no action taken on this item. Portfolio Concepts and Management, International Foundation of Employee Benefit Plans, April 23-26, 2018, Philadelphia, PA.
- d. It was M/S/C to authorize the attendance of 1 Board member at the Annual Institutional Symposium, Dimensional Fund Advisors, April 23-25, 2018, Austin, TX. (Yes: Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)
- e. It was M/S/C to authorize the attendance of 1 Board member at the Siguler Guff & Company's 2018 Annual Conference, Siguler Guff, April 25-26, 2018, New York, NY. (Yes:, Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)
- f. It was M/S/C to authorize the attendance of 2 Board members at the Public Funds Roundtable, Institutional Investor, April 25-27, 2018, Los Angeles, CA. (Yes:, Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)

**10. Miscellaneous**

- (a) Staff Report –

Strohl reported Dutkiewicz served on a panel on public pension system operational compliance at the NAPPA Conference; and CCCERA had an extended manager meeting to discuss their annual goals and progress.

- (b) Outside Professionals' Report -

None

- (c) Trustees' comments –

Phillips reported on the Sit Conference he attended with Rodrigues, Holcombe and Price and said it was fascinating.

Holcombe also reported on the Sit Conference.

It was **M/S/C** to adjourn the meeting. (Yes: Gordon, Holcombe, Kroll, MacDonald, Phillips, Rodrigues, Smithey and Watts)

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Todd Smithey, Chairman

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David MacDonald, Secretary



MEMORANDUM

**Date:** March 28, 2018  
**To:** CCCERA Board of Retirement  
**From:** Timothy Price, Chief Investment Officer  
**Subject:** Annual Asset Allocation and Capital Market Assumption Review

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***Overview***

Every year CCCERA Investment Staff and Verus review capital market assumptions and seek to incrementally adjust CCCERA's asset allocation to capture the most promising opportunities in the prevailing market. As part of this annual exercise, CCCERA Investment Staff and Verus review the size and allocation of each of CCCERA's functional sub-portfolios; liquidity, growth, and risk diversifying. The first step of this annual exercise is to adjust the size of the liquidity sub-portfolio to add a new fourth year of expected benefit payments which occurs during the Annual Funding Plan. Assets not allocated to the liquidity portfolio are available for the growth and risk diversifying portfolios.

This memo outlines this annual asset allocation process, with specific detail on the sizing of the liquidity program.

**Liquidity Sub-portfolio Sizing**

CCCERA's liquidity sub-portfolio has the mandate of storing and disbursing four years' worth of benefit payments on a rolling basis. The liquidity portfolio is fully funded every July through the Annual Funding Plan, which incorporates the receipt of the employer pre-payments. Over the subsequent year the liquidity portfolio disburses benefit payments until the program is replenished again the following July.

The size of the liquidity program is measured in dollars; CCCERA knows the dollar value of expected benefit payments, as projected by CCCERA's actuaries, for the next four years. This is the dollar value targeted every year during the annual review of the asset allocation and capital market assumptions. This dollar value is then converted into a percentage of CCCERA's Total Fund. The current dollar value of the liquidity program is approximately \$1.65bn, and this will fund benefits through June of 2021.

The next tranche of benefit payments (the new "year four," to be funded this upcoming July) has a present value of \$504mm. In order to determine the impact on this year's asset allocation, we discount this tranche at the liquidity sub-portfolio's current yield of 2.1% (by discounting the value of future benefit payments CCCERA harvests the growth of the assets). This gives us an indication of the dollars that we will need to add to the liquidity sub-portfolio in July 2018. The discounted sum of the projected benefit payments totals \$1.96bn for the next four years (July 2018 through June 2022).

Detail of the calculation for the size of the liquidity program is shown below:

February 2018 Liquidity Program Size (\$)	\$1.652 bn
Less March – July 2018 Benefit Payments	<b>\$198 mm</b>
Plus Discounted Year 4	<b>\$504 mm</b>
<b>Expected Liquidity Program Size</b>	<b>\$1.958 bn</b>

Estimating the Total Fund balance by taking the current value and adjusting for future cash flows, we project an expected allocation of 23% for the liquidity sub-portfolio, down from a 27% allocation last year. Detail of the calculation for the percentage of total fund assets required to fund the liquidity program is shown below:

February 2018 Total Fund Market Value	\$8.445 bn
Less March – July 2018 Benefit Payments	<b>\$198 mm</b>
Plus Estimated Employer Pre-Payments	<b>\$290 mm</b>
Projected Total Fund Market Value as of July 2018	<b>\$8.537 bn</b>
Expected Liquidity Program Size as of July 2018	\$1.958 bn
Liquidity Program as a % of Total Fund Assets	<b>22.9%</b>

This expected percentage allocation was used for the asset allocation exercise that will be presented by Verus. Please note that we will fine tune these allocations in the Annual Funding Plan, to be presented in advance of the mid-year rebalancing.

#### **Expected Allocations**

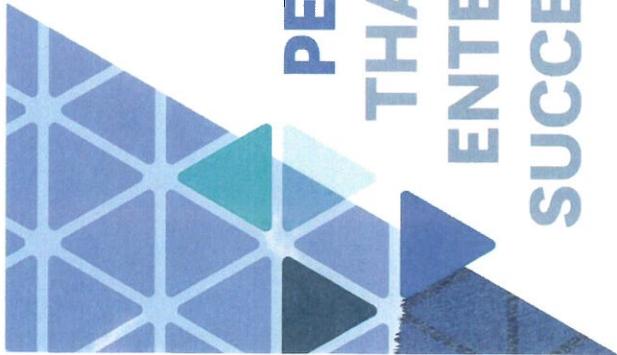
The incremental 4% of assets available to allocate outside of the liquidity program are targeted to increase existing asset classes in the growth portfolio and continue the buildout of the risk diversifying program.

CCCERA Investment Staff and Verus are recommending increases to emerging markets and international developed equity (1% increases to each allocation) in the growth portfolio, but most notably re-classifying the risk-parity allocation from risk diversifying to growth. This is a 5% move from risk diversifying to growth. Additionally, the Board will select an asset mix which sizes the risk diversifying portfolio between 8% and 12% of Total Fund assets, with corresponding reductions in the private equity allocation.

#### **Summary**

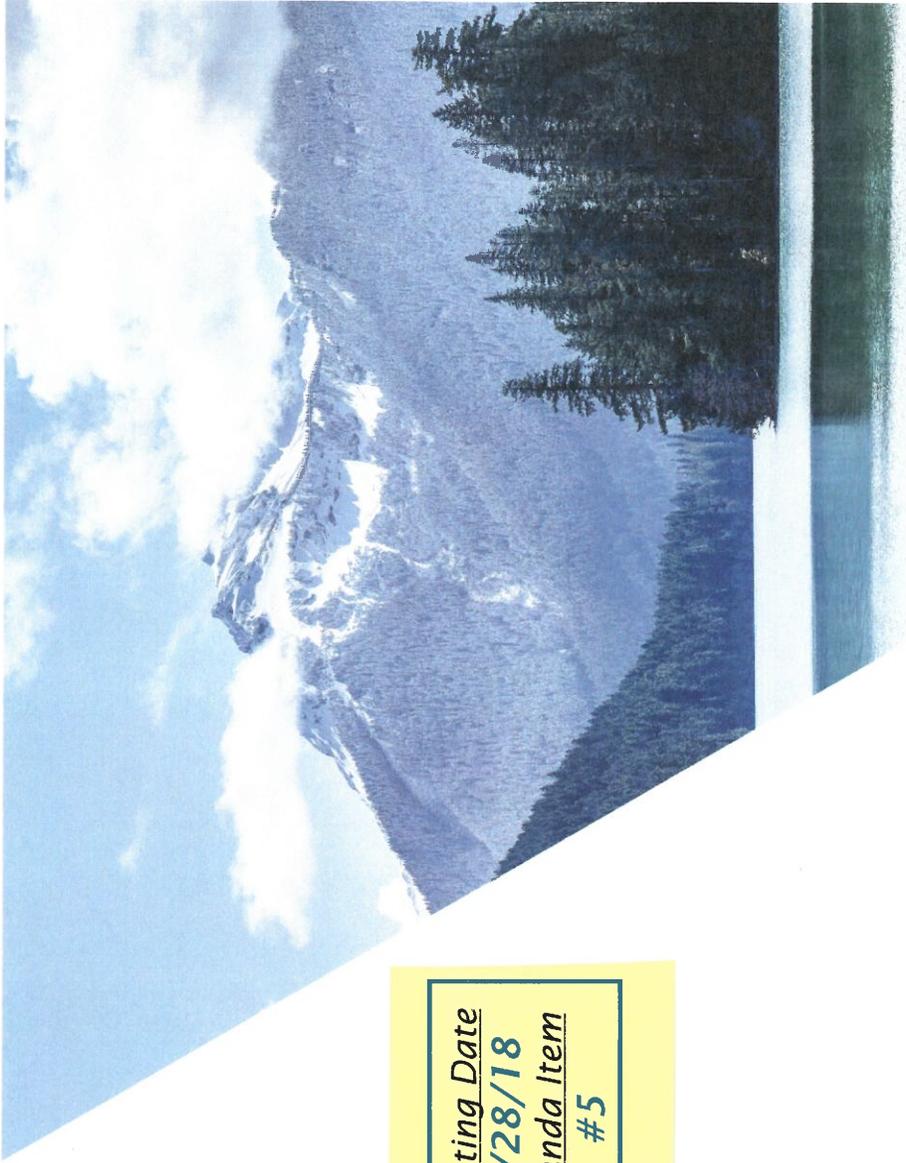
This memo is meant to outline the process for the annual asset allocation and capital market review undertaken by CCCERA Investment Staff and Verus. The liquidity program is sized in dollars because the liability is known and stable, while the growth and risk diversifying portfolios are sized in percentages of Total Fund assets. The conversion of the dollar size of the liquidity portfolio to a percentage of total fund assets may at times give the optics of shrinking or expanding the liquidity portfolio, however the percentage is simply adjusted to match the dollar liability.

This memo is for information purposes only, and no action is required.



**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

Meeting Date  
**3/28/18**  
Agenda Item  
**#5**



MARCH 28, 2018

Asset Allocation Analysis

**Contra Costa County Employees' Retirement Association**

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VERUSINVESTMENTS.COM

SEATTLE 206-622-3700

LOS ANGELES 310-297-1777

SAN FRANCISCO 415-362-3484

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# Executive summary

- When the FFP 4-Yr asset allocation was initially adopted in December 2015, it was agreed that the Plan’s asset allocation would be reviewed annually.
- The objective of the annual review process is not to make large changes to the asset allocation, but rather to:
  1. Adjust the size of the Liquidity sub-portfolio based on projected benefit payments; and
  2. Make small adjustments to the components of the Growth & Risk Diversifying sub-portfolios based on updated CMAs.
- Based on this year’s review, the following changes are being recommended:
  1. Resize the Liquidity sub-portfolio from 27% to 23% based on Staff’s projections;
  2. Decrease the size of the Risk Diversifying sub-portfolio from 12% to 10%;
  3. Recategorize Risk Parity from the Risk Diversifying sub-portfolio to the Growth sub-portfolio; and
  4. Adopt asset allocation “Mix 2”.
- If approved, these allocations will become the Plan’s new long-term targets and will result in a revised implementation plan being presented to the Board at a future meeting.

# Liquidity Sub-Portfolio

# Sizing the allocation

The size of the Liquidity sub-portfolio is estimated to 23% of total plan assets based on the discounted projected benefit payments as a percent of the Total Fund:

A	Total Fund Market Value (2/28/18)	\$8,445,053,862
B	Less March – July benefit payments	(197,750,000)
C	Plus estimated employer pre-payments	290,000,000
D	Projected Total Fund Market Value in July 2018	\$8,537,303,862
E	Yield of Liquidity sub-portfolio <sup>1</sup>	2.115%
F	Discounted projected monthly benefit payments <sup>2</sup>	\$1,958,836,086
G	Size of the Liquidity sub-portfolio = (F) / (D)	22.9%

1: As of December 31, 2017

2: From July 2018 through June 2022

The precision of this exercise is overstated given market fluctuations across the total portfolio and time over which the benefits are paid (i.e. 48 months)

# Risk Diversifying Sub-Portfolio

# Overview

- The role of the Risk Diversifying sub-portfolio is to have assets available for rebalancing to the Growth sub-portfolio (this does not preclude other rebalancing).
- High liquidity, positive returns, and low correlation to the Growth sub-portfolio are desirable characteristics.
- Because illiquid Growth sub-portfolio assets present timing challenges, the focus should be on opportunities that present themselves vis-à-vis liquid Growth sub-portfolio assets.
- For significant market corrections, the Board may exercise discretion to redeploy assets from the Liquidity sub-portfolio into the Growth sub-portfolio within limits.

# Role of risk parity strategies

At the May 24, 2017 Board meeting, the Board authorized a search for risk parity managers to fulfill the targeted 5% allocation in the diversifying sub-portfolio.

Extensive research on the risk parity managers and their strategies along with additional research on the design of the diversifying sub-portfolio concluded that:

- Risk parity offers attractive risk/return characteristics, including the active management of volatility;
- The correlations<sup>1</sup> between risk parity strategies and the growth sub-portfolio generally range from 0.4 to 0.8 with an average of 0.6;
- The desired correlation of the diversifying sub-portfolio with the growth sub-portfolio is 0; so
- While risk parity offers attractive risk/return characteristics, it is not appropriate for the diversifying sub-portfolio but is worthy of consideration in the growth sub-portfolio.

The targeted 5% allocation to risk parity has been retained in this asset allocation study by reallocating it to the growth sub-portfolio.

<sup>1</sup> Based on modeling of 50% AQR 10% vol and 50% PanAgora 10% vol against MSCI ACWI on a rolling 3-yr basis for the 10-yr ending March 31, 2017.

# Growth sub-portfolio liquidity

Liquid Assets	Illiquid Assets	Liquid Assets
— US Large Cap Equity	— Value-add Real Estate	defined as monthly liquidity or better.
— International Developed Equity	— Opportunistic Real Estate	Illiquid Assets
— Emerging Markets Equity	— Private Equity	defined as less frequently than
— REITs	— Private Credit	monthly liquidity.
— Risk Parity		

# Sizing the Risk Diversifying sub-portfolio

A 5<sup>th</sup> percentile annualized return on the liquid Growth sub-portfolio equates to a drawdown of 21.0%.

- All else equal, a 21.0% loss of the liquid Growth sub-portfolio results in a 7.1% Total Fund decline.
- This implies that the allocation to the Risk Diversifying sub-portfolio should be at least 7.1%.

A 5<sup>th</sup> percentile return is statistically expected to happen once in a given 20-year period.

During significant drawdowns, the Board also retains the ability to reallocate a portion of the assets in the Liquidity sub-portfolio.

	Long-Term Policy Targets	
	Total Fund	Proportional
<b>Liquid strategies in Growth sub-portfolio</b>		
US Large	6.0%	17.6%
International Developed REITs	12.0%	35.3%
Emerging Markets	1.0%	2.9%
Risk Parity	10.0%	29.4%
<b>Total</b>	<b>34.0%</b>	<b>100.0%</b>

5th Percentile Return of liquid Growth sub-portfolio = -21.0%

Impact to Total Fund of 21.0% decline in liquid Growth sub-portfolio = -7.1%

Based on Verus' 2018 Capital Market Assumptions

# Asset Allocation Analysis

# Portfolio analysis

	Current		Phase 2a		Long-Term		Alt. Mix			Return (10 Yr)	Standard Deviation	Sharpe Ratio
	Portfolio	Target	Target	Target	Alt. Mix 1	Alt. Mix 2	Alt. Mix 3					
US Large	10.9	10.0	6.0	6.0	6.0	5.0	4.0	4.5	15.7	0.15		
US Small	6.5	6.6	-	-	-	-	-	4.4	21.5	0.10		
International Developed	8.5	8.6	12.0	13.0	13.0	13.0	13.0	8.6	18.1	0.35		
Emerging Markets	11.4	10.6	10.0	11.0	11.0	11.0	11.0	7.3	26.6	0.19		
Global Equity	8.8	8.6	-	-	-	-	-	6.3	17.5	0.23		
High Yield Corp. Credit	4.2	5.0	-	-	-	-	-	3.7	11.6	0.13		
Private Equity*	10.7	10.7	12.0	12.0	12.0	11.0	10.0	6.4	25.8	0.16		
Private Credit	1.7	1.9	12.0	12.0	12.0	12.0	12.0	6.9	10.5	0.45		
Core Real Estate	1.5	1.6	-	-	-	-	-	6.0	12.7	0.30		
Value Add Real Estate	3.3	3.3	4.0	5.0	5.0	5.0	5.0	8.0	19.5	0.30		
Opportunistic Real Estate	2.7	3.3	4.0	4.0	4.0	4.0	4.0	10.0	26.0	0.30		
REITs	0.8	1.0	1.0	1.0	1.0	1.0	1.0	6.0	19.5	0.19		
Risk Parity	-	-	5.0	5.0	5.0	5.0	5.0	7.2	10.0	0.50		
<b>Total Growth Portfolio</b>	<b>71.0</b>	<b>71.1</b>	<b>66.0</b>	<b>69.0</b>	<b>69.0</b>	<b>67.0</b>	<b>65.0</b>					
Short-Term Gov't/Credit	20.3	22.0	27.0	23.0	23.0	23.0	23.0	2.5	3.7	0.08		
Cash	2.7	1.4	-	-	-	-	-	2.2	1.2	-		
<b>Total Liquidity Portfolio</b>	<b>23.0</b>	<b>23.4</b>	<b>27.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>	<b>23.0</b>					
Commodities	1.1	1.0	-	-	-	-	-	4.3	15.9	0.13		
US TIPS	1.1	1.0	-	-	-	-	-	2.6	5.5	0.07		
US Treasury	3.8	3.5	3.0	3.0	3.0	3.0	4.0	2.4	6.8	0.03		
Risk Diversifying	-	-	4.0	5.0	5.0	7.0	8.0	4.0	7.9	0.23		
<b>Total Risk Diversifying</b>	<b>6.0</b>	<b>5.5</b>	<b>7.0</b>	<b>8.0</b>	<b>8.0</b>	<b>10.0</b>	<b>12.0</b>					
<b>Total Allocation</b>	<b>100</b>											

As of December 31, 2017

Based on Verus' 2018 Capital Market Assumptions

\*Includes a 3% allocation to Infrastructure (return of 7.1% with a standard deviation of 18.9%)

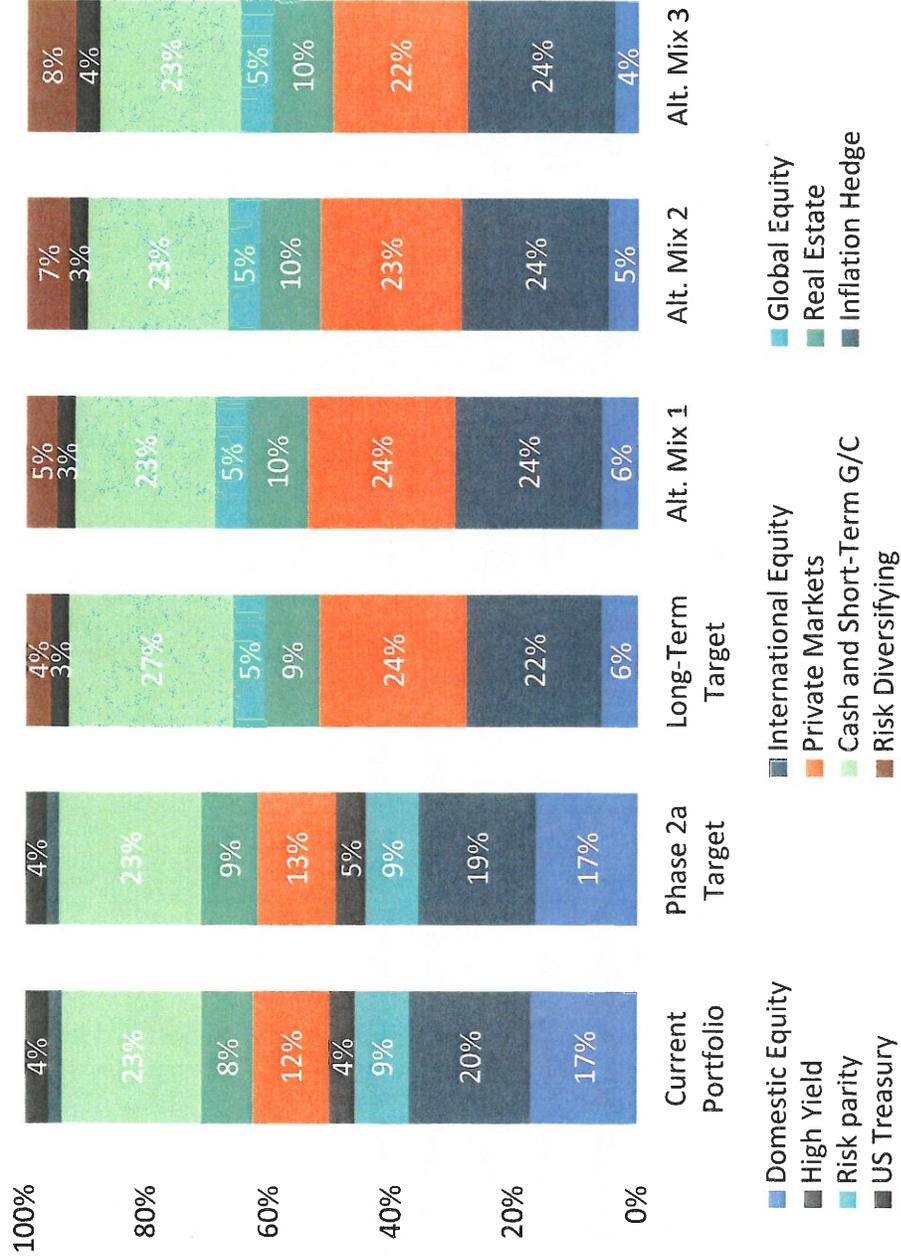
# Portfolio analysis

	Current Portfolio	Phase 2a Target	Long-Term Target	Alt. Mix 1	Alt. Mix 2	Alt. Mix 3
<b>Mean Variance Analysis</b>						
<b>Forecast 10 Year Return</b>	6.0	6.0	6.5	6.6	6.6	6.5
Standard Deviation	12.4	12.3	10.4	10.9	10.7	10.4
Sharpe Ratio	0.36	0.36	0.45	0.45	0.45	0.45
Expected Return less 1 Stnd. Dev.	-6.4	-6.2	-4.0	-4.2	-4.1	-3.9
Expected Return less 2 Stnd. Devs.	-18.7	-18.5	-14.4	-15.1	-14.7	-14.3

As of December 31, 2017  
Based on Verus' 2018 Capital Market Assumptions

# Asset allocation

ASSET ALLOCATION BY ASSET CLASS



As of December 31, 2017

# Risk contribution

RISK CONTRIBUTION BY ASSET CLASS

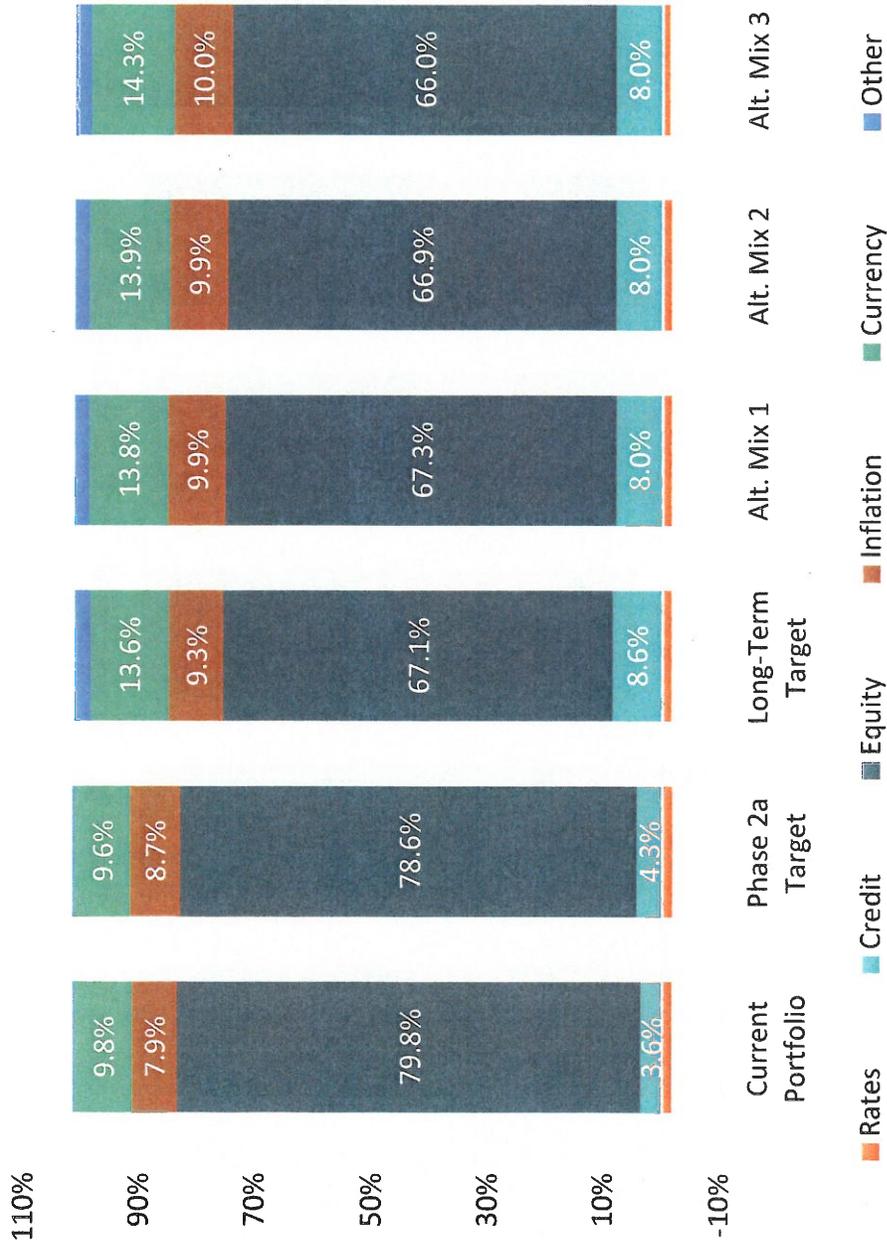


International Equity remains the largest contributor to risk across all portfolios.

As of December 31, 2017  
Based on Verus' 2018 Capital Market Assumptions

# Risk contribution

RISK CONTRIBUTION BY RISK FACTOR



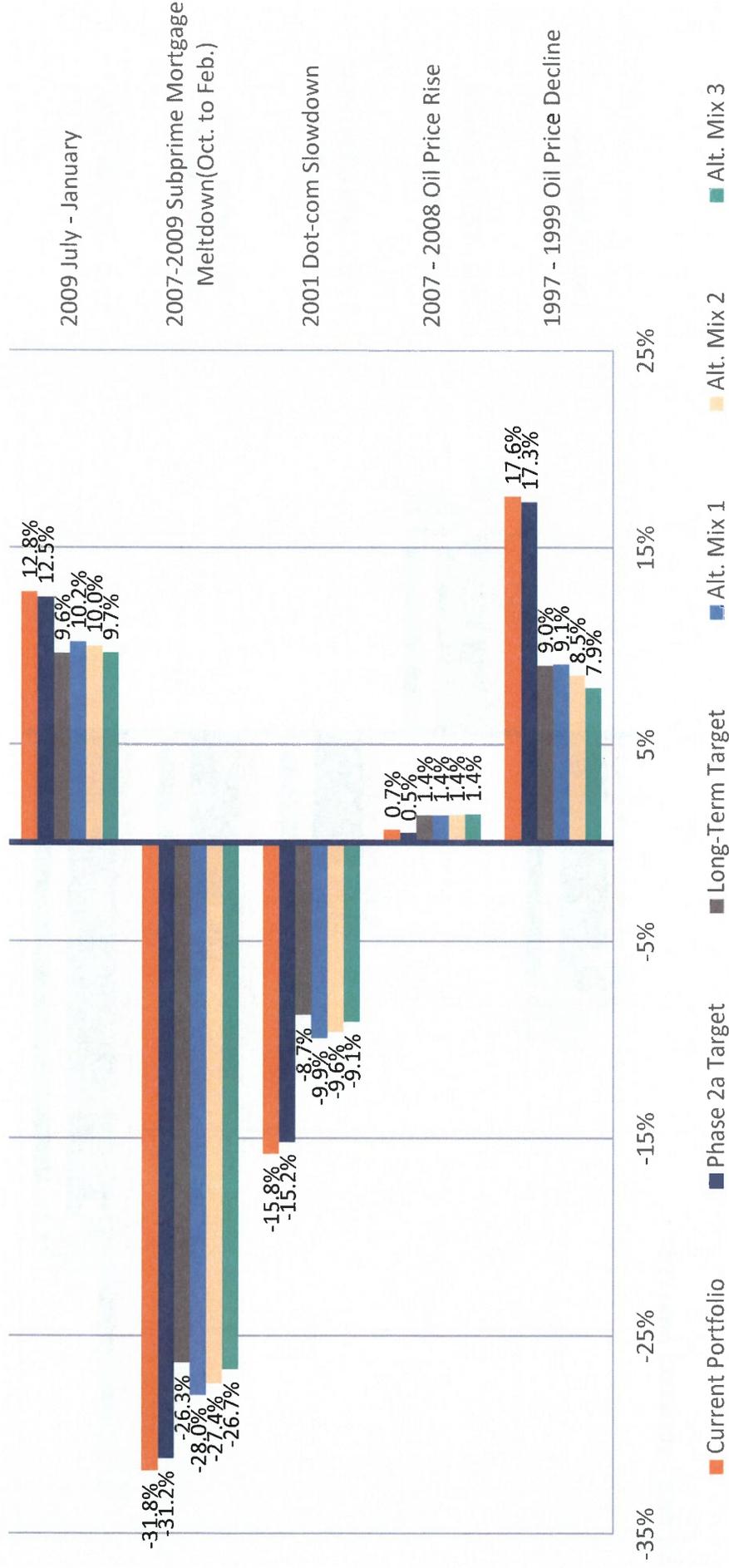
The main drivers behind the notable risk factors are:

- Equity: Domestic, International, and Private Equity
- Currency: International Equity
- Inflation: Real Estate
- Credit: High Yield and Private Credit

As of December 31, 2017  
Based on MSCI BarraOne's 2018 Capital Market Assumptions

# Historical scenario analysis

TAIL RISK – SCENARIO ANALYSIS

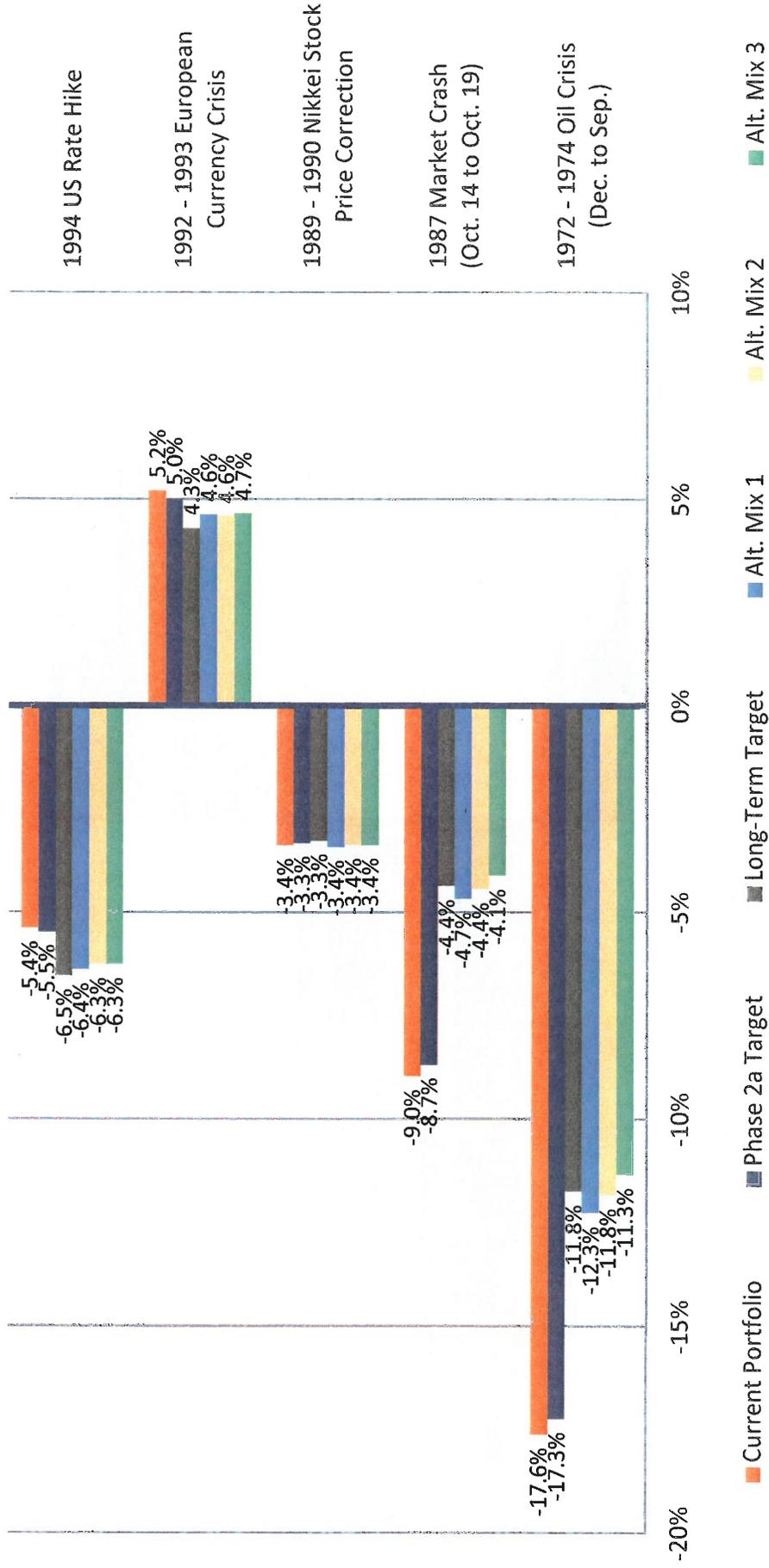


As of December 31, 2017

Scenario analysis based on risk factors in current policy index and computed as hypothetical scenarios using MSCI Barra One

# Historical scenario analysis

TAIL RISK – SCENARIO ANALYSIS

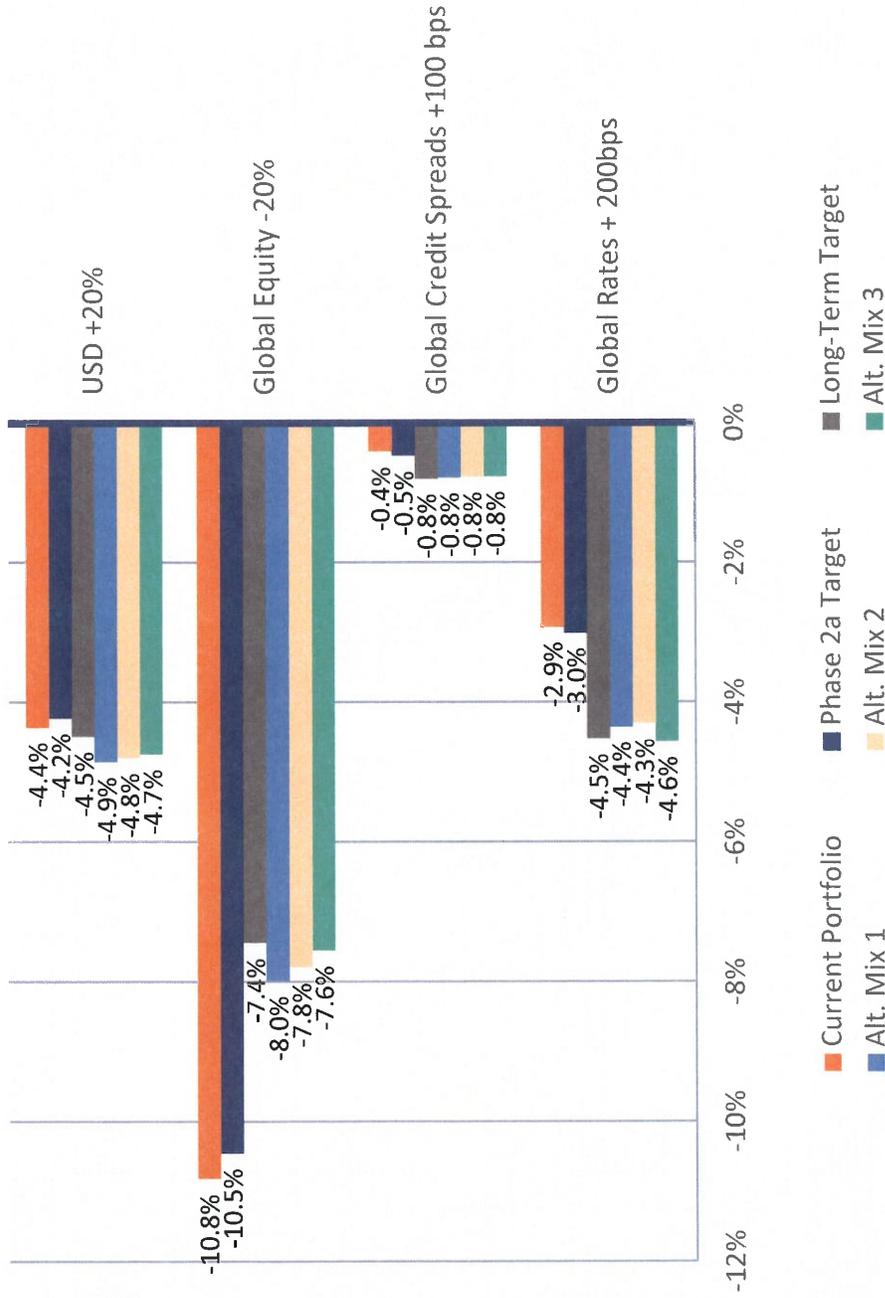


As of December 31, 2017

Scenario analysis based on risk factors in current policy index and computed as hypothetical scenarios using MSCI Barra One

# Stress test

## TAIL RISK – STRESS TEST



BarraOne's risk decomposition analysis can hypothesize how the different portfolios would have performed in certain hypothetical stress tests or historical environments.

This analysis is based on how the risk factors inherent in the current index holdings reacted in those environments.

As of December 31, 2017  
 Scenario analysis based on risk factors in current policy index and computed as hypothetical scenarios using MSCI Barra One

# Appendix

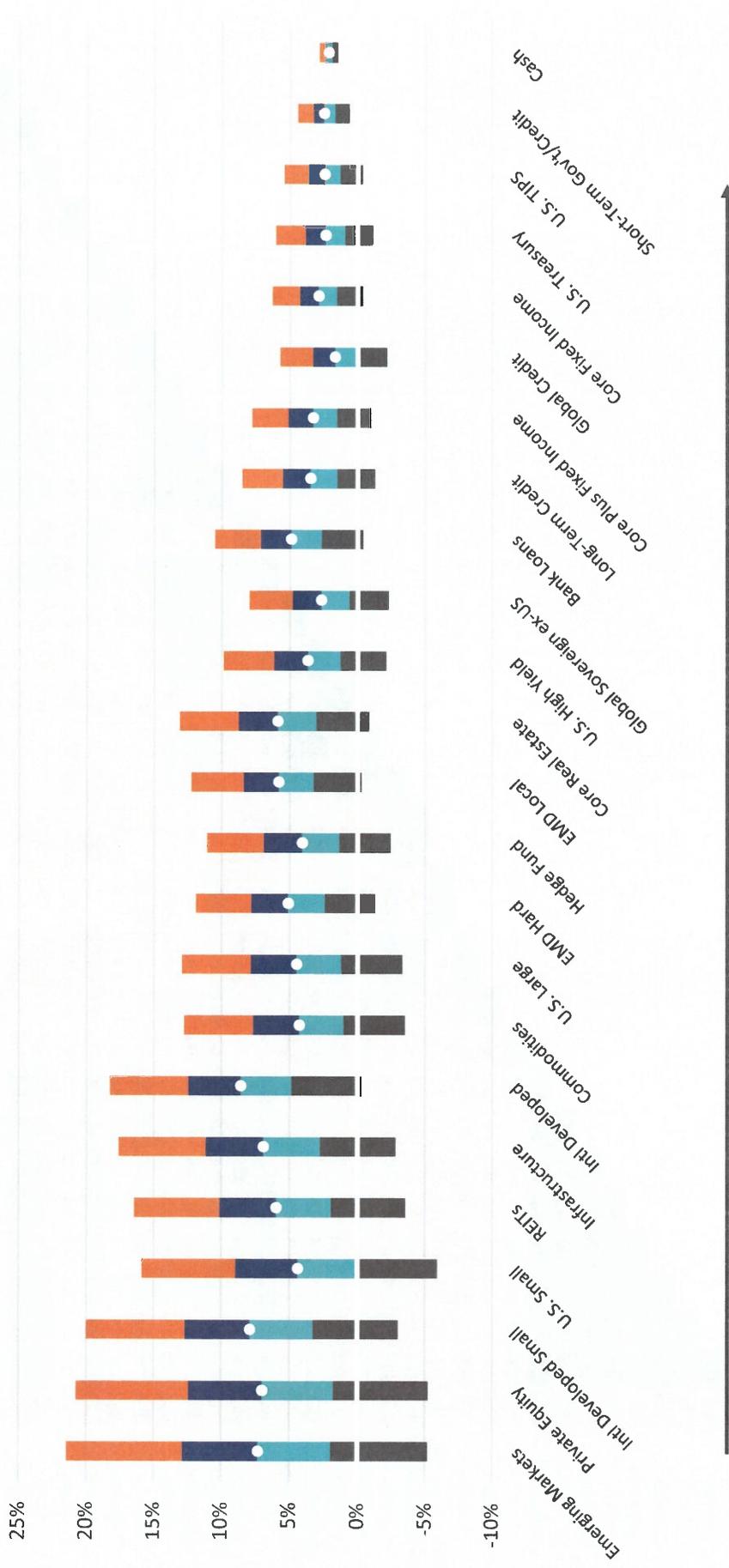
# 10-year return & risk assumptions

Asset Class	Index Proxy	Ten Year Return Forecast Geometric	Arithmetic	Standard Deviation Forecast	Sharpe Ratio Forecast (g)	Sharpe Ratio Forecast (e)	10-Year Historical Sharpe Ratio (g)	10-Year Historical Sharpe Ratio (e)
U.S. Large	S&P 500	4.5%	5.6%	15.7%	0.15	0.22	0.50	0.56
U.S. Small	Russell 2000	4.4%	6.5%	21.5%	0.10	0.20	0.36	0.44
International Developed	MSCI EAFE	8.6%	10.1%	18.1%	0.35	0.44	0.11	0.2
International Developed Hedged	MSCI EAFE Hedged	8.6%	9.8%	16.2%	0.40	0.47	0.21	0.28
International Small	MSCI EAFE Small Cap	7.9%	10.2%	22.7%	0.25	0.35	0.24	0.33
International Small Hedged	MSCI EAFE Small Cap Hedged	7.9%	9.7%	20.1%	0.28	0.37	0.36	0.43
Emerging Markets	MSCI EM	7.3%	10.4%	26.6%	0.19	0.31	0.17	0.28
Global Equity	MSCI ACWI	6.3%	7.7%	17.5%	0.23	0.31	0.27	0.35
Private Equity	Cambridge Private Equity	6.4%	9.3%	25.8%	0.16	0.28	0.93	0.92
Fixed Income								
Cash	30 Day T-Bills	2.2%	2.2%	1.2%	-	-	-	-
U.S. TIPS	BbgBarc U.S. TIPS 5 - 10	2.6%	2.7%	5.5%	0.07	0.09	0.57	0.59
U.S. Treasury	BbgBarc Treasury 7-10 Year	2.4%	2.6%	6.8%	0.03	0.06	0.68	0.70
Global Sovereign ex U.S.	BbgBarc Global Treasury ex U.S.	2.7%	3.2%	9.9%	0.05	0.10	0.30	0.33
Global Sovereign ex U.S. Hedged	BbgBarc Global Treasury ex U.S. Hedged	2.7%	2.8%	3.3%	0.15	0.18	1.23	1.22
Core Fixed Income	BbgBarc U.S. Aggregate Bond	2.9%	3.1%	6.4%	0.11	0.14	1.09	1.08
Core Plus Fixed Income	BbgBarc U.S. Corporate IG	3.3%	3.6%	8.4%	0.13	0.17	0.81	0.81
Short-Term Govt/Credit	BbgBarc U.S. Govt/Credit 1 - 3 year	2.5%	2.6%	3.7%	0.08	0.11	1.36	1.34
Short-Term Credit	BbgBarc Credit 1-3 Year	2.4%	2.5%	3.7%	0.05	0.08	1.05	1.05
Long-Term Credit	BbgBarc Long U.S. Corporate	3.5%	3.9%	9.4%	0.14	0.18	0.64	0.67
High Yield Corp. Credit	BbgBarc U.S. Corporate High Yield	3.7%	4.3%	11.6%	0.13	0.18	0.64	0.67
Bank Loans	S&P/LSTA	4.9%	5.4%	10.5%	0.26	0.30	0.48	0.51
Global Credit	BbgBarc Global Credit	1.7%	2.0%	7.6%	-0.07	-0.03	0.59	0.61
Global Credit Hedged	BbgBarc Global Credit Hedged	1.7%	1.8%	5.0%	0.13	-0.08	1.01	1.00
Emerging Markets Debt (Hard)	JPM EMBI Global Diversified	5.1%	5.9%	12.8%	0.23	0.29	0.74	0.76
Emerging Markets Debt (Local)	JPM GBI EM Global Diversified	5.8%	6.5%	12.1%	0.30	0.36	0.31	0.37
Private Credit	Bank Loans + 200 bps	6.9%	7.5%	10.5%	0.45	0.50	-	-
Other								
Commodities	Bloomberg Commodity	4.3%	5.5%	15.9%	0.13	0.21	-0.33	-0.25
Hedge Funds	HFRI Fund of Funds	4.0%	4.8%	7.9%	0.23	0.33	0.21	0.23
Hedge Fund of Funds	HFRI Fund of Funds	3.0%	3.8%	7.9%	0.10	0.20	0.21	0.23
Hedge Funds - Equity Hedge	HFRI Equity Hedge	4.2%	5.5%	11.1%	0.18	0.30	0.36	0.39
Hedge Funds - Event Driven	HFRI Event Driven	4.5%	5.6%	9.9%	0.22	0.34	0.55	0.57
Hedge Funds - Relative Value	HFRI Relative Value	3.9%	4.5%	6.8%	0.25	0.34	0.89	0.89
Hedge Funds - Macro	HFRI Macro	3.3%	4.7%	8.5%	0.12	0.29	0.43	0.44
Core Real Estate	NCREIF Property	6.0%	6.7%	12.7%	0.30	0.35	0.77	0.75
Value-Add Real Estate	NCREIF Property + 200bps	8.0%	9.7%	19.5%	0.30	0.38	-	-
Opportunistic Real Estate	NCREIF Property + 400bps	10.0%	12.9%	26.0%	0.30	0.41	-	-
REITs	Wilshire REIT	6.0%	7.7%	19.5%	0.19	0.28	0.16	0.28
Infrastructure	S&P Global Infrastructure	7.1%	8.7%	18.9%	0.26	0.34	0.27	0.34
Risk Parity	Risk Parity	7.2%	7.7%	10.0%	0.50	0.55	-	-
Currency Beta	Russell Conscious Currency	2.2%	2.3%	4.4%	0.00	0.02	0.23	0.24
Inflation		2.1%						

Investors wishing to produce expected geometric return forecasts for their portfolios should use the arithmetic return forecasts provided here as inputs into that calculation, rather than the single-asset-class geometric return forecasts. This is the industry standard approach, but requires a complex explanation only a heavy quant could love, so we have chosen not to provide further details in this document – we will happily provide those details to any readers of this who are interested.

# Range of likely 10 year outcomes

10 YEAR RETURN 90% CONFIDENCE INTERVAL



High Volatility Low Volatility

■ 5th to 25th   ■ 25th to 50th   ■ 50th to 75th   ■ 75th to 95th   Expected Return

# Correlation assumptions

	Cash	US Large	US Small	Intl Large	Intl Small	Intl Large Hdg	Intl Small Hdg	EM	Global Equity	PE	US TIPS	US Treasury	Sovereign ex US	Global Sovereign ex US Hdg	US Core	US Core Plus	ST Govt/Credit	Short-Term Credit	Long-Term Credit	US HY	Bank Loans	Global Credit	Global Credit Hdg	EMD USD	EMD Local	Commodities	Hedge Funds	Real Estate	REITs	Infrastructure	Risk Parity	Currency Beta	Inflation		
Cash	1.0																																		
US Large	0.3	1.0																																	
US Small	0.2	0.9	1.0																																
Intl Large	0.3	0.9	0.8	1.0																															
Intl Large Hdg	0.4	0.9	0.8	0.9	1.0																														
Intl Small	0.3	0.9	0.8	1.0	0.9	1.0																													
Intl Small Hdg	0.4	0.8	0.8	0.9	1.0	0.9	1.0																												
EM	0.3	0.8	0.7	0.9	0.8	0.9	0.8	1.0																											
Global Equity	0.3	1.0	0.9	1.0	0.9	0.9	0.9	1.0																											
PE	0.2	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.7	1.0																									
US TIPS	0.0	0.2	0.1	0.3	0.1	0.3	0.2	0.4	0.3	0.1	1.0																								
US Treasury	0.1	0.3	0.3	0.2	0.3	0.2	0.3	0.2	0.2	0.2	0.6	1.0																							
Global Sovereign ex US	0.1	0.3	0.1	0.4	0.1	0.4	0.1	0.4	0.4	0.0	0.6	0.5	1.0																						
Global Sovereign ex US Hdg	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.4	0.8	0.4	1.0																					
US Core	0.0	0.0	0.1	0.2	0.0	0.2	0.0	0.2	0.1	0.1	0.8	0.9	0.6	0.7	1.0																				
US Core Plus	0.2	0.4	0.3	0.5	0.4	0.5	0.4	0.5	0.5	0.1	0.7	0.5	0.5	0.4	0.8	1.0																			
ST Govt/Credit	0.3	-0.1	-0.1	0.1	-0.1	0.1	-0.1	0.1	0.0	-0.1	0.6	0.6	0.6	0.5	0.7	0.6	1.0																		
Short-Term Credit	-0.1	0.3	0.3	0.5	0.4	0.5	0.4	0.5	0.4	0.1	0.6	0.2	0.4	0.2	0.5	0.8	0.7	1.0																	
Long-Term Credit	-0.2	0.3	0.2	0.4	0.3	0.4	0.4	0.4	0.4	0.0	0.6	0.5	0.5	0.5	0.8	1.0	0.5	0.6	1.0																
US HY	-0.3	0.7	0.7	0.8	0.7	0.8	0.8	0.8	0.8	0.4	0.5	-0.2	0.3	-0.2	0.2	0.6	0.2	0.6	0.5	1.0															
Bank Loans	-0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.4	0.3	-0.4	0.0	-0.3	0.0	0.4	-0.1	0.5	0.3	0.9	1.0														
Global Credit	0.2	0.6	0.5	0.8	0.6	0.8	0.6	0.8	0.7	0.2	0.7	0.2	0.7	0.2	0.6	0.8	0.5	0.7	0.8	0.8	0.5	1.0													
Global Credit Hdg	-0.2	0.5	0.4	0.6	0.6	0.6	0.6	0.6	0.7	0.6	0.2	0.7	0.3	0.5	0.4	0.7	1.0	0.5	0.8	0.9	0.8	0.6	1.0												
EMD USD	-0.2	0.6	0.5	0.7	0.6	0.7	0.6	0.7	0.7	0.3	0.7	0.3	0.5	0.2	0.6	0.8	0.4	0.7	0.7	0.8	0.6	0.9	0.9	1.0											
EMD Local	0.0	0.6	0.6	0.7	0.6	0.7	0.6	0.8	0.7	0.3	0.6	0.2	0.7	0.1	0.5	0.6	0.4	0.5	0.6	0.7	0.4	0.8	0.7	0.8	1.0										
Commodities	-0.1	0.5	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.7	0.6	0.3	0.4	-0.2	0.4	-0.3	0.1	0.3	0.2	0.4	0.2	0.5	0.5	0.6	0.4	1.0									
Hedge Funds	-0.4	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.5	0.3	-0.3	0.1	-0.2	0.0	0.4	-0.1	0.5	0.3	0.7	0.7	0.6	0.5	0.5	0.6	1.0									
Real Estate	-0.1	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.1	-0.1	0.1	0.0	0.2	0.0	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.3	0.2	0.4	1.0								
REITs	-0.1	0.7	0.7	0.7	0.6	0.7	0.6	0.6	0.7	0.4	0.3	0.0	0.4	0.1	0.3	0.5	0.1	0.3	0.4	0.7	0.5	0.6	0.6	0.6	0.6	0.6	0.6	1.0							
Infrastructure	-0.3	0.8	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.2	0.4	-0.1	0.5	-0.1	0.2	0.5	0.1	0.5	0.7	0.5	0.7	0.5	0.7	0.7	0.7	0.7	0.6	0.6	1.0						
Risk Parity	-0.1	0.5	0.4	0.6	0.4	0.6	0.5	0.6	0.6	0.3	0.7	0.3	0.6	0.3	0.6	0.7	0.5	0.6	0.6	0.6	0.3	0.8	0.7	0.7	0.7	0.6	0.5	-0.1	0.5	0.7	1.0				
Currency Beta	-0.1	0.1	0.2	0.1	0.1	0.0	0.1	0.1	0.1	0.2	-0.2	0.2	0.1	0.0	-0.1	-0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.0	0.1	0.0	0.0	1.0	
Inflation	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1	0.1	0.2	0.1	-0.3	0.0	-0.3	-0.2	-0.1	-0.2	0.0	-0.2	0.3	0.4	0.1	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0

Note: Correlation assumptions are based on the last ten years. Private Equity and Real Estate correlations are especially difficult to model – we have therefore used BarraOne correlation data to strengthen these correlation estimates.

# Date horizon of historical scenario analysis

<b>Scenario</b>	<b>From</b>	<b>To</b>
1972 - 1974 Oil Crisis (Dec. to Sep.)	December 1, 1972	September 30, 1974
1987 Market Crash (Oct. 14 to Oct. 19)	October 14, 1987	October 19, 1987
1989 - 1990 Nikkei Stock Price Correction	December 29, 1989	March 30, 1990
1992 - 1993 European Currency Crisis	September 1, 1992	August 13, 1993
1994 US Rate Hike	January 31, 1994	December 13, 1994
1997 - 1999 Oil Price Decline	January 8, 1997	February 16, 1999
2001 Dot-com Slowdown	March 10, 2001	October 9, 2002
2007 - 2008 Oil Price Rise	January 18, 2007	June 27, 2008
2007-2009 Subprime Mortgage Meltdown(Oct. to Feb.)	October 1, 2007	February 27, 2009
2009 July - January	July 1, 2009	December 31, 2009

Source: MSCI BarraOne

# Notices & disclosures

**Past performance is no guarantee of future results.** *The information presented in this report is provided pursuant to the contractual agreement (the "Contract") by and between the entity named and to which this report or presentation deck is being presented ("Client") and Verus Advisory, Inc. ("Company"). Client is an institutional counter-party and in no event should the information presented be relied upon by a retail investor.*

*The information presented has been prepared by the Company from sources that it believes to be reliable and the Company has exercised all reasonable professional care in preparing the information presented. However, the Company cannot guarantee the accuracy of the information contained therein. The Company shall not be liable to Client or any third party for inaccuracy or in-authenticity of information obtained or received from third parties in the analysis or for any errors or omissions in content.*

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*The material may include estimates, outlooks, projections and other "forward-looking statements." Such statements can be identified by the use of terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative of any of the foregoing or comparable terminology, or by discussion of strategy, or assumptions such as economic conditions underlying other statements. No assurance can be given that future results described or implied by any forward-looking information will be achieved. Actual events may differ significantly from those presented. Investing entails risks, including possible loss of principal. Risk controls and models do not promise any level of performance or guarantee against loss of principal.*

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Meeting Date  
**3/28/18**  
Agenda Item  
**#6**

## SACRS VOTING PROXY FORM

The following are authorized by the \_\_\_\_\_ County Retirement Board to vote on behalf of the County Retirement System at the upcoming SACRS Conference

*(if you have more than one alternate, please attach the list of alternates in priority order):*

\_\_\_\_\_ Voting Delegate

\_\_\_\_\_ Alternate Voting Delegate

These delegates were approved by the Retirement Board on \_\_\_\_ / \_\_\_\_ / \_\_\_\_.

The person authorized to fill out this form on behalf of the Retirement Board:

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

Please send your system's voting proxy by April 1, 2018 to Sulema H. Peterson, SACRS Administrator at [Sulema@sacrs.org](mailto:Sulema@sacrs.org).

**Ares 2018 Annual Meeting**  
The Ritz-Carlton,  
Laguna Niguel, CA

Meeting Date  
**3/28/18**  
Agenda Item  
**#7a.**

**Monday, April 9<sup>th</sup>**

- 2:00pm – 6:00pm: EIF Advisory Board Meeting (Room: Pacific Promenade I-II)
- 6:30pm – 7:30pm: Cocktails/Reception (Room: Terrace Salon Balcony)
- 7:30pm – 9:30pm: Dinner (Room: Terrace Salon)

**Tuesday, April 10<sup>th</sup>**

- 7:00am – 8:00am: Breakfast (Room: Pacific Promenade Lawn)
- 8:00am – 12:00pm: EIF Annual Meeting Presentation (Room: Pacific Promenade I-III)
- 12:00pm – 2:00pm: Lunch (Room: Pacific Promenade Lawn)

The Ritz-Carlton, Laguna Niguel is located at the following address: One Ritz-Carlton Drive, Dana Point, California 92629. The dress code for all AGM events is business casual and no tie is required.

SAVE THE DATE

# SACRS

# 2018 SPRING CONFERENCE



**MAY 15-18, 2018**

Marriott Anaheim | Anaheim, CA



# SACRS 2018 SPRING CONFERENCE

**MAY 15-18, 2018** | Marriott Anaheim | Anaheim, CA



1415 L Street, Suite 1000  
Sacramento, CA 95814

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US POSTAGE  
**PAID**  
CPS

## HOTEL

### MARRIOTT ANAHEIM

700 West Convention Way  
Anaheim, CA 92801  
(714) 750-8000



### CONFERENCE ROOM RATE

\$199 per night (not including  
state/local tax & service fees)  
Reservations must be made by  
April 20, 2018

## GUEST SPEAKERS

### JOHN HICKENLOOPER

Colorado Governor

### DAVID M. RUBENSTEIN

The Carlyle Group, Co-Founder & Co-CEO

### LISA EMSBO-MATTINGLY

Global Asset Allocation Fidelity  
Institutional Investments



Meeting Date

**3/28/18**

Agenda Item

**#7b.**

**REGISTER TODAY!** Visit [SACRS.ORG](http://SACRS.ORG) to register online

# Washington Legislative Update

May 21-22, 2018

The Capital Hilton | Washington, D.C.



#IFWashington

**Register Today and Save!**

Prices will increase \$300 after April 9, 2018.

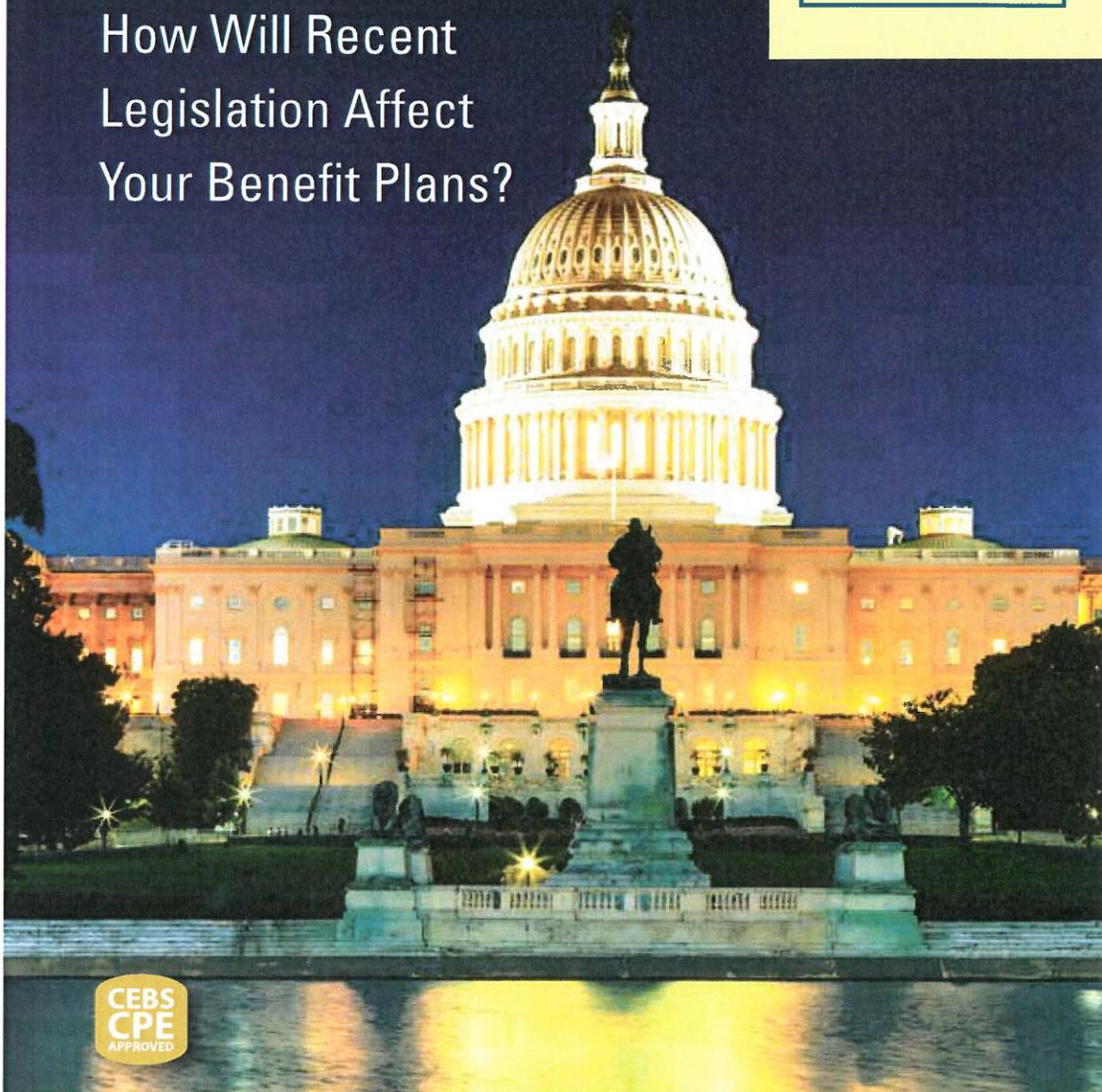
Meeting Date

**3/28/18**

Agenda Item

**#7c.**

How Will Recent  
Legislation Affect  
Your Benefit Plans?



[www.ifebp.org/washington](http://www.ifebp.org/washington)

International Foundation   
OF EMPLOYEE BENEFIT PLANS  
Education | Research | Leadership

# Washington Legislative Update

May 21-22, 2018  
The Capital Hilton  
Washington, D.C.



PROGRAM AT A GLANCE			
Monday, May 21			
7:30-8:45 a.m.	Keynote Breakfast Session: 2018 Political Landscape		
9:00-10:30 a.m.	ACA Today and Tomorrow		
10:45 a.m.- 12:15 p.m.	Retirement Plans Today and Tomorrow		
12:15-1:45 p.m.	Luncheon Session: Mental Health and Substance Abuse		
2:00-3:15 p.m.	Single Employer Challenges and Opportunities	Multiemployer Challenges and Opportunities	Public Sector Challenges and Opportunities
Tuesday, May 22			
7:30-8:45 a.m.	Breakfast Session: Public Service Award Presentation		
9:00-10:15 a.m.	Regulatory Panel	Legislative Update for Apprenticeship Programs	
10:30-11:45 a.m.	Legal and Fiduciary Update	Labor and Employment Update	
11:45 a.m.- 1:15 p.m.	Luncheon Session: Entitlement Reform		
1:30-2:45 p.m.	Communicating With Stakeholders		

**Please note that session topics and speakers may change based on evolving and late-breaking issues of importance to Foundation members.**

**Visit [www.ifebp.org/washington](http://www.ifebp.org/washington) for updates.**

# Washington Legislative Update

May 21-22, 2018  
The Capital Hilton  
Washington, D.C.

Tax reform, pension legislation and efforts to repeal the Affordable Care Act, combined with changes in many government regulations, are affecting plan sponsors and the benefits industry. No doubt the activity and actions of the executive, legislative and regulatory branches of government require your attention. Attend the Washington Legislative Update to stay informed of the evolving agenda in the Beltway and to understand when and how changes may impact your plans and plan participants. Developed in partnership with an elite group of Washington insiders, this conference features topics of relevance, expert speakers and the most up-to-date information . . . it's your pipeline to what's happening on the Hill.

## Who Should Attend

This program is designed for those who need to understand the legal, legislative and regulatory environment surrounding employee benefits. The content is designed for trustees, administrators and plan professionals who work with the following types of plans:

- Multiemployer
- Single Employer
- Public Sector

## Benefits of Attending

- Access a direct pipeline to what's happening on the Hill and in the key agencies.
- Take away creative ideas and solutions that work.
- Understand the issues, trends and future direction of the industry from expert speakers.
- Prepare for the future and learn how your plans will be affected by recently enacted and proposed legislation and regulations.
- Network with peers facing similar challenges.
- Have your voice heard—The conference is scheduled to end at 3:15 on Monday and 2:45 on Tuesday, allowing you time to meet with your elected representatives . . . make your appointments now!

# Washington Legislative Update

May 21-22, 2018

## SUNDAY, MAY 20, 2018

4:00-6:00 p.m.

Registration

## MONDAY, MAY 21, 2018

7:00-7:30 a.m.

Registration

7:30-8:45 a.m.

Keynote Breakfast Session: 2018 Political Landscape

Charlie Cook, editor and publisher of the Cook Political Report, will share his reflections and insights on the evolving political environment in D.C. With an eye toward the issues that matter most to our members—the economy, jobs, tax reform, health care and retirement—you'll benefit from his experience and candid assessment of what's happening and what may lie ahead as we head into the midterm elections.

9:00-10:30 a.m.

ACA Today and Tomorrow

Representatives of the International Foundation Government Liaison Committee will discuss the current and future status of ACA and health benefits. Topics include:

- Status of repeal-and-replace efforts
- Tax reform and what wasn't included
- Threats to the employer-sponsored system
- Market activity with carriers, providers and the future of the exchanges.

10:45 a.m.-12:15 p.m.

Retirement Plans Today and Tomorrow

Representatives of the International Foundation Government Liaison Committee will discuss the current and future status of retirement plans. Topics include:

- Update on MPRA
- Tax reform and what wasn't included
- Status of new flexible plan design options
- Recent and proposed retirement legislation and regulations
- Threats to the employer-sponsored system

# Washington Legislative Update

May 21-22, 2018

## MONDAY, MAY 21, 2018

12:15-1:45 p.m.

### Luncheon Session: Mental Health and Substance Abuse

Join us for this lunch session which will feature a discussion on mental health and substance abuse including what is being done to address this crisis and what further measures should be taken.

2:00-3:15 p.m.

Concurrent Sessions

### Single Employer Challenges and Opportunities

This session will address the legislative and regulatory issues of unique interest to those who work with single employer plans. Join your peers to hear the latest issues that impact your sector and discuss matters of common interest.

### Multiemployer Challenges and Opportunities

This session will address the legislative and regulatory issues of unique interest to those who work with multiemployer plans. Join your peers to hear the latest issues and discuss matters of common interest.

### Public Sector Challenges and Opportunities

This session will address the legislative and regulatory issues of unique interest to those who work with public sector plans. Join your peers to hear the latest issues and discuss matters of common interest.

*The course content and materials were useful for both my roles as an appointed trustee and as a benefits manager for a single employer. The organization of the materials in the booklets of the slide presentations was great. I choose to attend because of the International Foundation's reputation of education.*

**Georgette V. Hampton**  
Chicago Transit Authority

# Washington Legislative Update

May 21-22, 2018

## TUESDAY, MAY 22, 2018

7:00-7:30 a.m.

Registration

7:30-8:45 a.m.

Breakfast Session: Public Service Award Presentation

9:00-10:15 a.m.

Concurrent Sessions

Regulatory Panel

Representatives from the key agencies with oversight for the benefits industry have been invited to share their regulatory agendas and enforcement activities/priorities and answer your questions.

### Legislative Update for Apprenticeship Programs

This session will address issues of importance to those who work with apprenticeship programs including:

- 29 CFR 30
- EEOC regulations
- Executive order to expand apprenticeship
- Drug testing
- Task force on apprenticeship



# Washington Legislative Update

May 21-22, 2018

## TUESDAY, MAY 22, 2018

10:30-11:45 a.m.

Concurrent Sessions

### Legal and Fiduciary Update

This session will focus on your responsibilities, obligations and liabilities as a plan fiduciary in light of:

- Recent and proposed legislation
- Key legal decisions
- Emerging issues

### Labor and Employment Update

This session will update you on key issues in the area of labor and employment including:

- Paid leave
- Prevailing wage
- Harassment
- Right-to-work

11:45-a.m.-1:15 p.m.

### Luncheon Session: Entitlement Reform

With tax reform in place and looming deficits, the call for entitlement reform is on the rise. This session will feature a discussion on entitlements and the prospects for reform.

1:30-2:45 p.m.

### Communicating With Stakeholders

Building on the key takeaways from each conference session, this finale will summarize the key issues and offer strategies to consider with your stakeholders following your experience in D.C. including:

- What should we be doing next?
- Stakeholders' roles and responsibilities
- Key messages and strategies

*The Washington Legislative Update has always been a great information tool for me.*

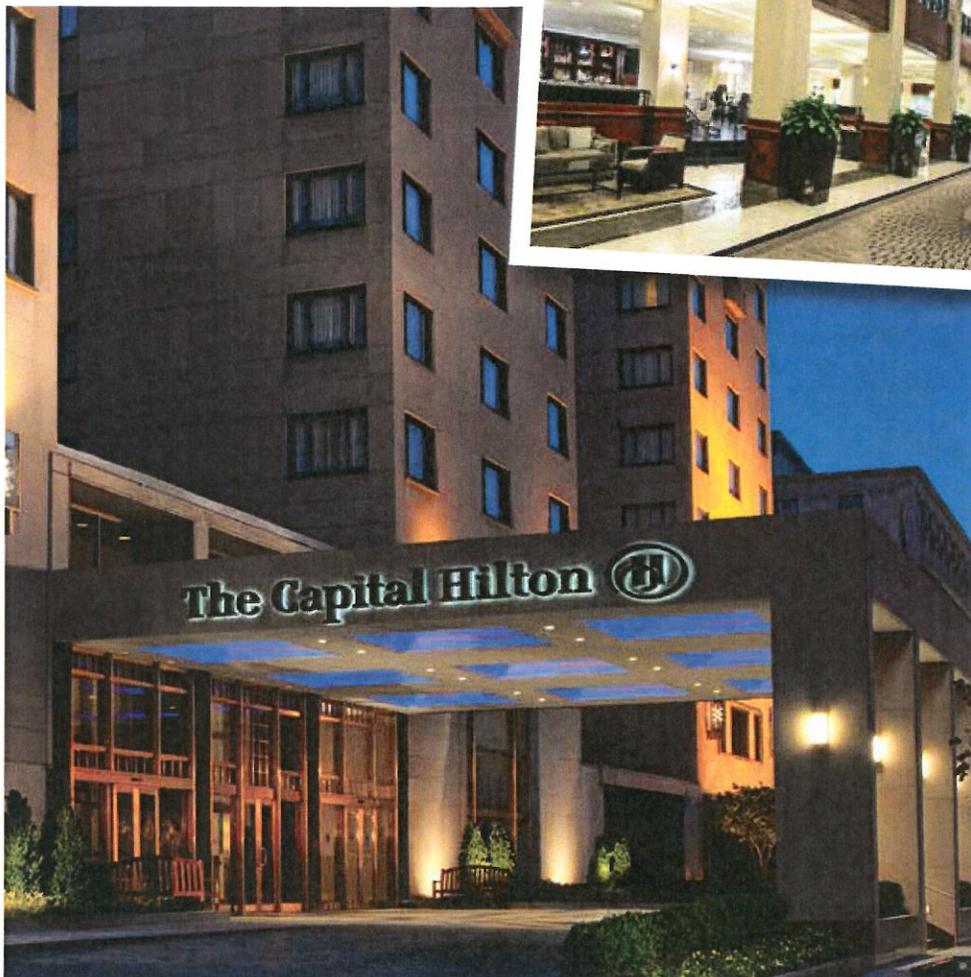
**Larry Tolbert**  
Trustee, Local 47

# Hotel Information

## The Capital Hilton

Combining style, historical character and an enviable location, the Capital Hilton is the place to stay when visiting Washington D.C. It is conveniently located just blocks from the capital's best attractions including The White House, the National Mall, and a multitude of museums. Recognized on the National Register of Historic Places, this downtown Washington D.C. hotel is located near three Metro Subway stations. With comfortable rooms and suites, a great restaurant, health club and day spa, the hotel offers all you need for an unforgettable trip to D.C.

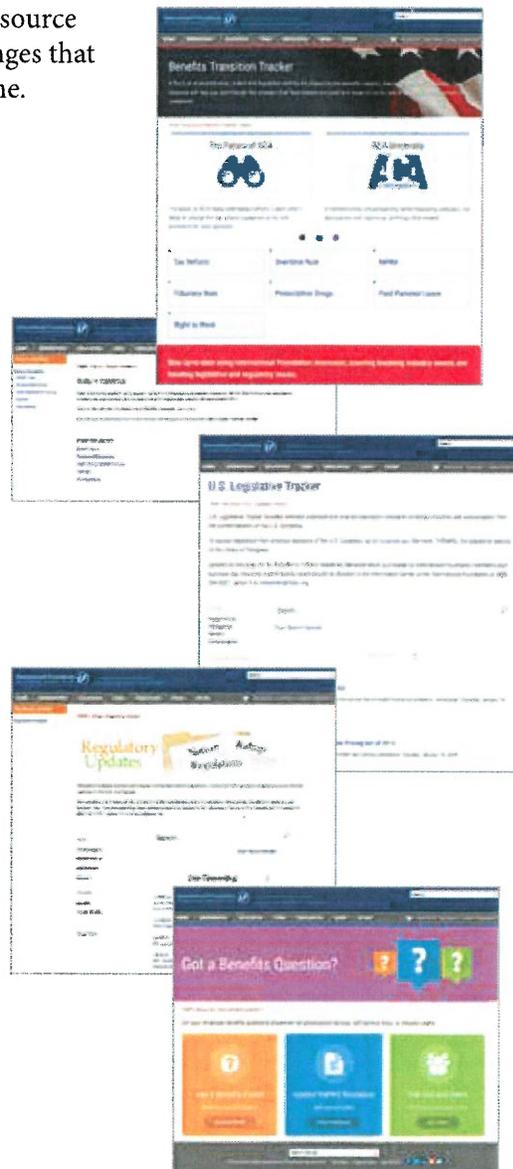
The International Foundation has secured a rate of \$332 single/double occupancy through April 23, 2018. You will be charged a \$400 deposit upon registration. Please specify your hotel requirements on the registration form.



# International Foundation Resources

The International Foundation provides more than just objective conferences. Turn to the Foundation for timely, relevant news, education and information. Check out some of our most popular resources below.

- **Benefits Transition Tracker**—Online resource that will help you sort through the changes that have already occurred and those to come.  
[www.ifebp.org/transitiontracker](http://www.ifebp.org/transitiontracker)
- **Today's Headlines**—The most urgent, need-to-know benefit news culled from thousands of sources, delivered to your inbox each business day.  
[www.ifebp.org/headlines](http://www.ifebp.org/headlines)
- **U.S. Legislative Tracker**—Selected proposed and enacted legislation related to employee benefits and compensation from the current session of the U.S. Congress.  
[www.ifebp.org/legislation](http://www.ifebp.org/legislation)
- **Regulatory Updates**— Quick access to employee benefit regulations, rulings and other guidance released by governmental agencies.  
[www.ifebp.org/regulatoryupdates](http://www.ifebp.org/regulatoryupdates)
- **Got a Benefits Question?**— Get your employee benefits questions answered via personalized service, self-service tools or industry peers.  
[www.ifebp.org/info](http://www.ifebp.org/info)



## REGISTRATION INCLUDES

Breakfasts • Lunches • Beverage breaks

## CONTINUING EDUCATION CREDIT

Programs sponsored by the International Foundation of Employee Benefit Plans are consistently accepted for credit by agencies governing continuing education for license renewal and professional recertification. Please note that preapproval by the governing agency is sometimes necessary. It is important therefore to register at least 45 days prior to the program taking place. Note: Requests made for continuing education credit do not guarantee administration of credit. For further information on continuing education credit, please call (262) 786-6710, option 2.



Educational sessions at this program may qualify for CEBS continuing professional education (CPE) credit. Visit [www.cebscpe.org](http://www.cebscpe.org) for additional information.

## REGISTRATION POLICIES

- See our policies regarding your registration/cancellation/refund/record retention/photo release and privacy at [www.ifebp.org/policies](http://www.ifebp.org/policies).
- Cancellation/transfer requests must be in writing and are subject to a fee of \$50 per meeting day for cancellations and \$50 for transfers.
- Cancellation fee is 50% of registration fee for registrations canceled within 30 days of meeting.
- Cancellations received on or after the opening day of a program are subject to forfeiture of all registration fees.

For more information regarding administrative policies such as complaint and refund, please contact Registrations at (262) 786-6710, option 2, or [edreg@ifebp.org](mailto:edreg@ifebp.org).

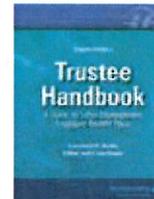
## RELATED READING

### Trustee Handbook: A Guide to Labor-Management Employee Benefit Plans, Eighth Edition

by Lawrence R. Beebe

**New!** The essential reference tool for trustees, administrators and others who serve multiemployer benefit plans, this book includes a collection of practical chapters including:

- DOL and IRS: ERISA Enforcement Responsibilities
- Accounting and Auditing
- Health Benefit Self Funding
- Selecting an Investment Manager.



(International Foundation)

2017. Item #7761. \$128 (Members: \$85). Price includes shipping/handling.

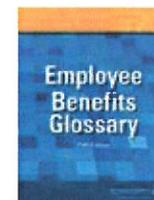
[www.ifebp.org/trusteehandbook](http://www.ifebp.org/trusteehandbook)

### Employee Benefits Glossary, 13th Edition

This practical, comprehensive glossary has been substantially expanded to include over 4,000 terms commonly used by employee benefits trustees and professionals. More than 700 terms are new, and many others have been updated to reflect changing government policies and evolving interests. (International Foundation)

2016. Item #7570. \$65 (Members: \$49). Price includes shipping/handling.

[www.ifebp.org/glossary](http://www.ifebp.org/glossary)



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#FWashington

# REGISTRATION/2018

## Washington Legislative Update (12-1812)

International Foundation  
OF EMPLOYEE BENEFIT PLANS 

Customer Information (Please print clearly)

Source code **1812 W**

Individual ID# or CEBS® ID# \_\_\_\_\_

Full first name \_\_\_\_\_ M.I. \_\_\_\_\_ Last name \_\_\_\_\_

Employer \_\_\_\_\_

Title \_\_\_\_\_

Address \_\_\_\_\_  Business  Home

City \_\_\_\_\_ State/Province \_\_\_\_\_ Country \_\_\_\_\_ ZIP/Postal code \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_

Last 4/3 digits of SSN/SIN \_\_\_\_\_ Date of birth (mm/dd/yyyy) \_\_\_\_\_

See policies regarding registration/cancellation/refund/record retention/photo release and privacy at [www.ifebp.org/policies](http://www.ifebp.org/policies).

**Not a Member? Join Now and Save!** Visit [www.ifebp.org/join](http://www.ifebp.org/join) for current rates.

Individual \$325  Organizational \$1,025

### Registration Information

Organization representing \_\_\_\_\_

Organization # \_\_\_\_\_

 Special assistance?  
 Yes  No

Badge name \_\_\_\_\_ Badge title \_\_\_\_\_

Special dietary requirements—specify \_\_\_\_\_

Form completed by \_\_\_\_\_ Phone \_\_\_\_\_

**Washington Legislative Update** (12-1812)

**May 21-22, 2018 | Washington, D.C.**

**Until April 9**

**After April 9**

Member fee .....  \$1,225

\$1,525

Nonmember fee .....  \$1,445

\$1,745

**CANCEL POLICY:** Early cancel fee is \$50/meeting day. Within 30 days of meeting, cancel fee is 50% of registration fee.

### Hotel

**Reservation deadline: April 23, 2018 • Include \$400 hotel deposit.**

**The Capital Hilton**  \$332 single/double

# of Adults \_\_\_\_\_ # of Children \_\_\_\_\_  King bed  Two beds

Arrival date \_\_\_\_\_ Departure date \_\_\_\_\_ Special requests—describe \_\_\_\_\_

### Related Reading

**Trustee Handbook, Eighth Edition** \$128 (Members: \$85)  
Item #7761 (Price includes shipping and handling.) Additional information at [www.ifebp.org/bookstore](http://www.ifebp.org/bookstore).

**Employee Benefits Glossary, 13th Edition** \$75 (Members: \$49)  
Item #7570 (Price includes shipping and handling.) Additional information at [www.ifebp.org/bookstore](http://www.ifebp.org/bookstore).

### Continuing Education Credit

\$25 continuing education service charge due at time of registration (if applicable).

The International Foundation will apply for CE credit based on requests indicated below.

**CEBS CPE (NO FEE)**  
Visit [www.cebscpe.org](http://www.cebscpe.org)  
for additional information.

Actuary  Attorney  CFP  CIMA  CPA  Insurance producer\*

PHR/SPHR/GPHR  SHRM-CP/SHRM-SCP  Other, specify \_\_\_\_\_

Licensed in the state of \_\_\_\_\_

License/NPN/BAR/CPA # \_\_\_\_\_

\*Preapproval of programs/seminars is required in ALL insurance states. This process can take up to 90 days. Late requests could preclude insurance producers from earning credit. **Note: Request made for CE on this form does not guarantee administration of credit.**

### Payment Must Accompany Order

Make check payable to International Foundation.

Check # \_\_\_\_\_ \$ \_\_\_\_\_

Credit card # \_\_\_\_\_

Exp. date \_\_\_\_\_

Cardholder's name (print) \_\_\_\_\_

### Registration/Order Summary

Membership fee \$ \_\_\_\_\_

Conference fee \$ \_\_\_\_\_

Hotel deposit (\$400) \$ \_\_\_\_\_

Book(s) \$ \_\_\_\_\_

Continuing education fee (\$25) \$ \_\_\_\_\_

**Total (U.S. funds) \$ \_\_\_\_\_**



[www.ifebp.org](http://www.ifebp.org)



Secure fax  
(262) 364-1818



International Foundation  
P.O. Box 689954,  
Chicago, IL 60695-9954



Questions, e-mail  
[edreg@ifebp.org](mailto:edreg@ifebp.org), or  
phone (888) 334-3327, option 2.



## SESSION TOPICS

- 2018 Political Landscape
- ACA Today and Tomorrow
- Retirement Plans Today and Tomorrow
- Mental Health and Substance Abuse
- Challenges and Opportunities for Single Employer, Multiemployer and Public Plans
- Regulatory Panel
- Legislative Update for Apprenticeship Programs
- Labor and Employment Update
- Entitlement Reform
- Communicating With Shareholders



## Register Today and Save!

Prices will increase \$300 after April 9, 2018.

Visit [www.ifebp.org/washington](http://www.ifebp.org/washington) to register, or call (888) 334-3327, option 2, for more information.

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**Priority Code: 1812 W**