Verus

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

FIRST QUARTER 2018

FCERA Compliance Evaluation Report

VERUSINVESTMENTS.COM

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Executive Summary
1st Quarter 2018

The purpose of this report is to summarize Verus' evaluation of investment strategies managed on behalf of the Fresno County Employees Retirement Association ("The Association"). Specifically, the purpose of this report is to communicate the ongoing monitoring of compliance with stated investment guidelines.

The Association's portfolio is comprised of both commingled vehicles and separately managed accounts. All separate account investments have specific language within the guidelines for which each manager has committed to follow when managing the Association's investments. In order to obtain assurance that these separate accounts are managed in accordance with respective guidelines for each account, Verus obtains assurances from the compliance department at each investment manager. Enclosed are copies of such assurances.

Investments that are held in a commingled vehicle are typically governed by a partnership agreement or prospectus. The reason for this is that since commingled investment vehicles are designed to accommodate many different investors, only one common document may govern the strategy. For commingled investments Verus verifies compliance with investment guidelines through review of quarterly and/or annual reports, for which they are independently verified by third party accounting firms.

As of March 31, 2018, all managers reported compliance with their respective guidelines.

Jeffrey MacLean
Chief Executive Officer & Senior Consultant

Disclaimer
Verus has exercised all reasonable professional care in the evaluation of each investment manager's compliance to the Investment Policy and Guidelines of the Association as of March 31, 2018. This report is provided to the Board of Trustees in conjunction with our responsibilities under the investment consulting agreement. Our professionals necessarily relied on data provided by third parties to perform our evaluation. Verus makes no claims as to the accuracy of the data used in this evaluation and shall not be held liable for damages caused by errors or omissions in content, except to the extent arising from our sole gross negligence.

Exhibit A

Investment Manager	Investment Vehicle	General Asset Class	Enforcable Guidelines
Aronson + Johnston + Ortiz	Separate Account	Public Market (Equity)	Yes
Artisan Partners	Separate Account	Public Market (Equity)	Yes
Ivy	Separate Account	Public Market (Equity)	Yes
State Street Global Advisors	Commingled Fund	Public Market (Equity)	No
Systematic Financial Management	Separate Account	Public Market (Equity)	Yes
Mondrian Investment Partners Limited (ISC & EM)	Commingled Fund	Public Market (Equity)	No
Research Affiliates	Separate Account	Public Market (Equity)	Yes
Brandywine	Separate Account	Public Market (Fixed Income)	Yes
PIMCO Emerging Markets Debt	Separate Account	Public Market (Fixed Income)	Yes
Loomis Sayles	Separate Account	Public Market (Fixed Income)	Yes
Western Asset Management Company	Separate Account	Public Market (Fixed Income)	Yes
Eaton Vance Senior Loan	Commingled Fund	Public Market (Fixed Income)	No
Eaton Vance Senior Loan Plus	Commingled Fund	Public Market (Fixed Income)	No
State Street Global Advisors TIPs	Commingled Fund	Public Market (Fixed Income)	No
INVESCO	Commingled Fund	Commodities	No
TA Associates IX	Commingled Fund	Real Estate	No
INVESCO Core Real Estate	Commingled Fund	Real Estate	No
Kennedy Wilson	Commingled Fund	Real Estate	No
Gerding Elden Green Cities III	Commingled Fund	Real Estate	No
INVESCO Value-Add Fund V	Commingled Fund	Real Estate	No
IFM	Commingled Fund	Infrastructure	No
Colony Capital Partners DC I & III	Commingled Fund	Private Market	No
The Blackstone Group IV	Commingled Fund	Private Market	No
Angelo Gordon	Commingled Fund	Private Market	No
Landmark	Commingled Fund	Private Market	No
Lonestar	Commingled Fund	Private Market	No
New Mountain I & III	Commingled Fund	Private Market	No
TCW Fund III	Commingled Fund	Private Market	No
Warburg Pincus I, VIII, X, XII	Commingled Fund	Private Market	No
Grosvenor Institutional Partners (Hedge Fund of Funds)	Commingled Fund	Private Market	No
Hamilton Lane VI and IX	Commingled Fund	Private Market	No
Oaktree Opportunities IX	Commingled Fund	Private Market	No
KKR	Commingled Fund	Private Market	No
TSSP Adjacent Opportunities Partners	Commingled Fund	Private Market	No
GSO European Senior Debt Fund	Commingled Fund	Private Market	No
CarVal Credit Value Fund III	Commingled Fund	Private Market	No

Exhibit A

Investment Manager	Investment Vehicle	General Asset Class	Enforcable Guidelines
OHA Strategic Credit Fund II	Commingled Fund	Private Market	No
GCM Better Futures Fund	Commingled Fund	Private Market	No
Horsley Bridge XI	Commingled Fund	Private Market	No
EQT European Special Situations Debt	Commingled Fund	Private Market	No
Hamilton Secondaries Fund IV	Commingled Fund	Private Market	No
TCG BDC II	Commingled Fund	Private Market	No

AJO 230 SOUTH BROAD STREET, 20TH FLOOR | PHILADELPHIA, PA 19102-4102 | 215.546.7500/7506 FAX | AJOPARTNERS.COM

April 4, 2018

Mr. Michael Kamell, CFA
Verus
2321 Rosecrans Avenue
Suite 2250
El Segundo, California 90245

Re: FRESNO COMPLIANCE

Dear Michael:

We're pleased to certify:

The portfolio managed for the Fresno County Employees' Retirement Association remained in compliance with all investment guidelines from January 1, 2018, to March 31, 2018.

We welcome your questions.

Sincerely,

Joseph F. Dietrick
dietrick@ajopartners.com

srl (EMAIL)

cc: Conor Hinds

A R T I S A N P A R T N E R S

COMPLIANCE WITH INVESTMENT GUIDELINES

Investment Manager Name: Artisan Partners Limited Partnership

Account Name: Fresno County Employees' Retirement Association

Quarter Ending: March 31, 2018

This is to confirm that, to the best of our knowledge, all of Artisan Partners' investment activity during the quarter noted above, on behalf of the Fresno County Employees' Retirement Association (FCERA) non-U.S. growth account has been consistent with the investment policies and restrictions set forth in the Investment Advisory Agreement, Investment Guidelines and Investment Policy Statement effective as of March 13, 2013, as amended March 4, 2015, and that the portfolio is in compliance with those policies and restrictions.

As was previously reported, the following is noted for your information:

On February 22nd, trading inadvertently sold shares of LG Household and Healthcare Ltd ("LG") as part of a multiple account rebalance. This was due to a manual entry error. Upon discovery of the error, trading repurchased the sold shares on February 23. Because the cost of the repurchase was greater than the proceeds of the sale, your account experienced a loss of $18,231.93, which Artisan Partners has reimbursed.

By: Jane Lisheron

Name: Jane E. Lisheron
Title: Compliance Manager
Date: April 4, 2018

Brandywine GLOBAL

Brandywine Global Investment Management LLC
2929 Arch Street, 8th Floor / Philadelphia, PA 19104
800 348 2499 / 215 609 3500 / fax 215 609 3501
brandywineglobal.com

Date: April 12, 2018

To: Verus Advisory, Inc., Investment Consultant to FCERA

From: Brandywine Global Investment Management

RE: FCERA Quarterly Compliance Affirmation

We hereby certify that to the best of our knowledge, the Fresno County Employees Retirement Association's Global Investment-Grade Sovereign portfolio was managed in accordance with investment policies set forth in the Investment Management Agreement dated November 5, 2014 for the quarter ended March 31, 2018, with the exception of any items listed below:

- None.

Best regards,

Steve DePaul/ Brandywine Global Investment Management, LLC
Senior Client Service Associate
2929 Arch Street, 7th Floor / Philadelphia, PA 19104
215 609 3733 /stephen.depaul@brandywineglobal.com

Brian Sullivan
Vice President
Institutional Relationship Management
Ivy Investment Management Company
DIRECT 913 236 2759
btsullivan@ivyinvestments.com
6300 Lamar Avenue
Overland Park, KS 66202

April 10, 2018

Zeca Cardoso
Verus Investments
2321 Rosecrans Avenue, Suite 2250
Los Angeles, CA 90245

RE: Fresno County Employees' Retirement Association

Dear Zeca:

Pursuant to the Agreement between Fresno County Employees' Retirement Association and Waddell & Reed Investment Management Company, Waddell & Reed stands in compliance with mutually agreed upon guidelines as of the first quarter of 2018.

Please let me know if you need any additional information.

Sincerely,

Brian T. Sullivan

Brian Sullivan

COMPLIANCE CERTIFICATION

DATE: 04/03/2018

LOOMIS ACCOUNT(S): Fresno County Employees' Ret Assn

HY05N1 Fresno County Employees Retirement Association

PERIOD UNDER REVIEW: 1/1/2018 - 3/31/2018

We, Loomis, Sayles & Company, L.P., in our capacity as Investment Manager for the account(s) listed above, hereby attest that during the period under review, to the best of our knowledge and beliefs, the account(s) listed above was (were) in compliance with its (their) investment guidelines and restrictions ("Guidelines") and any other requirements listed below, if applicable, except as noted below.

Additional certification requirements:

HY05N1: Compliance with the Fresno County Employees Retirement Association Investment Policy.

Guideline Violations:

HY05N1 Fresno County Employees Retirement Association - None

The electronic signatures below demonstrate approval of the representations made in this Compliance Certification for the period under review.

Compliance Approval

	Mary Ellen Logee	N/A	04/03/2018

Portfolio Manager(s) Approval

HY05N1	Matt Eagan	Vice President, Portfolio Manager	04/03/2018

Mondrian Emerging Markets Equity Fund, L.P. (the "Fund")

Certification of Compliance with Investment Strategy

for the period from January 1, 2018 to March 31, 2018

The Fund has been in compliance with its Investment Strategy, as fully set forth in the Confidential Information Memorandum of the Fund, during the period described above. Each item of the Investment Strategy is described in the Appendix and initialed as being in compliance.

Mondrian Investment Partners Limited
(as Investment Manager to the Fund)

By: Ginny Chong
Name: GINNY CHONG
Title: SENIOR PORTFOLIO MANAGER
Date: 11 APRIL 2018

Appendix

Mondrian Emerging Markets Equity Fund, L.P.

Investment Strategy Detail	Initial
Securities, Approach and Markets The Fund pursues its investment objective primarily by investing in equity securities of emerging market companies, as described below, that, in the Investment Manager's opinion, are undervalued at the time of purchase based on fundamental value analysis employed by the Investment Manager. Equity securities in which the Fund may invest include, but are not limited to, common stocks, preferred stocks, convertible securities, index related securities, certain non-traditional equity securities, 144A securities and warrants. The Fund may purchase securities of non-U.S. issuers directly or indirectly in the form of American, European or Global depository receipts or other securities representing underlying shares of non-U.S. issuers. The Fund may also purchase other investment funds, including, but not limited to registered funds, unregistered funds and REIT's. Under normal circumstances, the Fund invests at least 80% of its assets in investments of emerging market issuers. The Investment Manager's approach in selecting investments for the Fund is primarily oriented to individual stock selection and is value driven. In selecting stocks for the Fund, the Investment Manager identifies those stocks that it believes will provide capital appreciation over a market cycle, taking into consideration movements in the price of the individual security and the impact of currency fluctuation on a United States domiciled, dollar-based investor. The Investment Manager conducts fundamental research on a global basis in order to identify securities that, in the Investment Manager's opinion, have the potential for long-term capital appreciation. This research effort generally centers on a value-oriented dividend discount methodology with respect to individual securities and market analysis that isolates value across country boundaries. The approach focuses on future anticipated dividends and discounts the value of those dividends back to what they would be worth if they were being received today. In addition, the analysis typically includes a comparison of the values and current market prices of different possible investments. The Investment Manager's general management strategy emphasizes long-term holding of securities, although securities may be sold in the Investment Manager's discretion without regard to the length of time they have been held.	GYC
Emerging Markets Equity Securities The Fund considers an emerging country to be any country that is included in the MSCI EM Index. In addition, any country which is generally recognized to be an emerging or developing country by the international financial community, including the World Bank, as well as any country that is classified by the United Nations or otherwise regarded by its authorities as developing will be considered an emerging country. Almost every nation in the world is included within this group of developing or emerging countries except the United States, Canada, and those in the Morgan Stanley Capital International EAFE Index. In considering possible emerging countries in which the Fund may invest, the Investment Manager places particular emphasis on certain factors, such as economic conditions (including growth trends, inflation rates and trade balances), regulatory and currency controls, accounting standards and political and social conditions.	

Although this is not an exclusive list, the Investment Manager considers an emerging country equity security to be one that is issued by a company that exhibits one or more of the following characteristics: (1) its principal securities trading market is in an emerging country, as defined above; (2) while traded in any market, alone or on a consolidated basis, the company derives 50% or more of its annual revenues or annual profits from either goods produced, sales made or services performed in emerging countries; (3) the company has 50% of more of its assets located in an emerging country; or (4) it is organized under the laws of, and has a principal office in, an emerging country. The Investment Manager determines eligibility based on publicly available information and inquiries made of the companies. Currently, investing in many emerging countries is not feasible, or may, in the Investment Manager's opinion, involve unacceptable political or governance risks. The Fund focuses its investments in those emerging countries where the Investment Manager considers the economies to be developing and where the markets are becoming more sophisticated.	GYC
Currency, Debt Securities and Cash Currency considerations carry a special risk for a portfolio of international securities. The Fund may invest in securities issued in any currency and may hold foreign currency. Securities of issuers within a given country may be denominated in the currency of another country or in multinational currency units, including the euro. The Investment Manager primarily uses a purchasing power parity approach to evaluate currency risk. In this regard, the Fund may carry out hedging activities, and may invest in forward foreign currency contracts to hedge currency risks associated with the purchase of individual securities denominated in a particular currency. Under normal circumstances, hedging is undertaken defensively back into the base currency of the Fund. Under normal circumstances, no more than 10% of the Fund's assets will be invested in debt securities issued by governments or by their agencies, instrumentalities or political subdivisions, or by corporate entities, all of which may be high-yield, high-risk fixed income securities rated lower than BBB by S&P and Baa by Moody's or, if unrated, considered to be of equivalent quality. In addition, for temporary defensive purposes, the Fund may invest in high-quality debt instruments. To facilitate investment activities, the Fund will generally hold a small portion of its assets in cash or cash equivalent instruments.	GYC

The Investment Manager manages the Fund's assets in accordance with the investment objective and guidelines described in the Confidential Information Memorandum and not in accordance with the individual guidelines of any one investor.

Mondrian International Small Cap Equity Fund, L.P. (the "Fund")

Certification of Compliance with Investment Strategy

for the period from January 1, 2018 to March 31, 2018

The Fund has been in compliance with its Investment Strategy, as fully set forth in the Confidential Information Memorandum of the Fund, during the period described above. Each item of the Investment Strategy is described in the Appendix and initialed as being in compliance.

Mondrian Investment Partners Limited
(as Investment Manager to the Fund)

By: ________________
Name: Ormala Krishnan
Title: CIO of Small Cap
Date: 6th April 2018

Appendix

Mondrian International Small Cap Equity Fund, L.P.

Investment Strategy Detail	Initial
Securities, Approach and Markets The Fund pursues its investment objective primarily by investing in equity securities of non-U.S. small capitalization companies that, in the Investment Manager's opinion, are undervalued at the time of purchase based on fundamental value analysis employed by the Investment Manager. Equity securities in which the Fund may invest include, but are not limited to, common stocks, preferred stocks, convertible securities, index related securities, certain non-traditional equity securities, 144A securities and warrants. The Fund may purchase securities of non-U.S. issuers directly or indirectly in the form of American, European or Global depository receipts or other securities representing underlying shares of non-U.S. issuers. The Fund may also purchase other investment funds, including, but not limited to registered funds, unregistered funds and REIT's. For purposes of investments to be made by the Fund, small capitalization companies will be defined to mean issuers that have a market capitalization of less than approximately $3.5 billion at the time of initial purchase. This level is subject to market movements and is regularly reviewed by the Investment Manager. Under normal circumstances, the Fund will invest at least 50% of its assets in equity securities of small capitalization companies. The Investment Manager's approach in selecting investments for the Fund is primarily oriented to individual stock selection and is value driven. In selecting stocks for the Fund, the Investment Manager identifies those stocks that it believes will provide capital appreciation over a market cycle, taking into consideration movements in the price of the individual security and the impact of currency fluctuation on a United States domiciled, dollar-based investor. The Investment Manager conducts fundamental research on a global basis in order to identify securities that, in the Investment Manager's opinion, have the potential for long-term capital appreciation. This research effort generally centers on a value-oriented dividend discount methodology with respect to individual securities and market analysis that isolates value across country boundaries. The approach focuses on future anticipated dividends and discounts the value of those dividends back to what they would be worth if they were being received today. In addition, the analysis typically includes a comparison of the values and current market prices of different possible investments. The Investment Manager's general management strategy emphasizes long-term holding of securities, although securities may be sold in the Investment Manager's discretion without regard to the length of time they have been held. Investments will be made mainly in marketable securities of companies located in developed countries which may include but are not limited to Australia, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The Fund may hold up to 20% of its assets measured at the time of purchase in securities of emerging market companies.	

Emerging Markets Equity Securities

The Fund considers an emerging country to be any country that is included in the MSCI EM Index. In addition, any country which is generally recognized to be an emerging or developing country by the international financial community, including the World Bank, as well as any country that is classified by the United Nations or otherwise regarded by its authorities as developing will be considered an emerging country. Almost every nation in the world is included within this group of developing or emerging countries except the United States, Canada, and those in the MSCI EAFE Index.

In considering possible emerging countries in which the Fund may invest, the Investment Manager places particular emphasis on certain factors, such as economic conditions (including growth trends, inflation rates and trade balances), regulatory and currency controls, accounting standards and political and social conditions.

Currency, Debt Securities and Cash

Currency considerations carry a special risk for a portfolio of international securities. The Fund may invest in securities issued in any currency and may hold foreign currency. Securities of issuers within a given country may be denominated in the currency of another country or in multinational currency units, including the euro. The Investment Manager primarily uses a purchasing power parity approach to evaluate currency risk. In this regard, the Fund may carry out hedging activities, and may invest in forward foreign currency contracts to hedge currency risks associated with the purchase of individual securities denominated in a particular currency. Under normal circumstances, hedging is undertaken defensively back into the base currency of the Fund.

Under normal circumstances, no more than 10% of the Fund's assets will be invested in debt securities issued by governments or by their agencies, instrumentalities or political subdivisions, or by corporate entities, all of which may be high-yield, high-risk fixed income securities rated lower than BBB by S&P and Baa by Moody's or, if unrated, considered to be of equivalent quality. In addition, for temporary defensive purposes, the Fund may invest in high-quality debt instruments.

To facilitate investment activities, the Fund will generally hold a small portion of its assets in cash or cash equivalent instruments.

The Investment Manager manages the Fund's assets in accordance with the investment objective and guidelines described in the Confidential Information Memorandum and not in accordance with the individual guidelines of any one investor.

PIMCO

April 26, 2018

Mr. Michael Kamell, CPA, CFA
Senior Consulting Associate
Wurts & Associates
2321 Rosecrans Ave, Suite 2250
El Segundo, CA 90245

Dear Mr. Kamell:

As of quarter-end, March 31, 2018 the portfolio we manage was in compliance with the investment guidelines and policies set forth in your Investment Management Agreement with PIMCO.

Fresno County Employees' Retirement (Account 7967)

- No issues were discovered.

Please contact me at (949) 720-4589 with any questions.

Sincerely,

Art Hastings
Senior Vice President, Head of U.S. Trade and Portfolio

PIMCO

May 25, 2018

Mr. Michael Kamell, CFA
Wurts & Associates
2321 Rosecrans Avenue, Suite 2250
El Segundo, CA 90245

Dear Mr. Kamell:

As requested, Pacific Investment Management Company, LLC ("PIMCO") hereby certifies that to the best of our knowledge and belief, the Research Affiliates Equity Fundamental International portfolio managed on behalf of the Fresno County Employees Retirement Association ("FCERA") complied with all investment guidelines in place as of March 31, 2018.

In addition, PIMCO will continue to provide notification of any known compliance exceptions in the management of the FCERA investment portfolio.

If you have any questions, please contact me directly at (949) 720-4879 or jordan.murphy@pimco.com.

Sincerely,

Jordan Murphy
Vice President, Compliance Officer

Systematic

300 FRANK W. BURR BLVD. 7TH FLOOR TEANECK, NJ 07666
201-928-1982 FAX 201-928-1401
www.sfmlp.com

April 11, 2018

Verus
2321 Rosecrans Avenue, Suite 2250
Los Angeles, CA 90245

Re: Fresno County Employees Retirement System (Account) Investment Guidelines dated September 8, 2010

Dear Sir or Madam:

Systematic Financial Management, L.P. is writing in fulfillment of its responsibility to certify compliance with the Investment Guidelines for the above-referenced Account managed by Systematic.

Systematic is pleased to confirm that it has maintained compliance with the Account's Investment Guidelines during this past calendar quarter. Should you effect any changes to the Investment Guidelines in the coming months, please forward a copy of the revisions at your earliest convenience. For further information regarding Systematic's implementation and monitoring of clients' investment guidelines, as well as other policies and procedures related to our management of clients' accounts, please refer to our Form ADV Part 2A.

Systematic would like to thank you again for the opportunity to provide investment management services to the Account. Should you have any questions or require additional information, please do not hesitate to contact your client service representative.

Sincerely,

Systematic Financial Management, L.P.