



November 18, 2024

Board of Retirement
Ventura County Employees' Retirement Association
1190 South Victoria Avenue, Suite 200
Ventura, CA 93003

SUBJECT: REQUEST TO APPROVE MONROE'S CHANGE IN CONTROL TRANSACTION WITH WENDEL GROUP AND EXECUTION OF THE REQUESTED CONSENT DOCUMENTS

Attached is an NEPC research memo and a Change In Control Request letter to approve VCERA's private credit manager Monroe Capital's majority acquisition by the Wendel Group and execution of any other associated documents.

Background

VCERA's Board made its first private credit fund commitment to Monroe Capital Private Credit Fund III at its meeting of July 16, 2018, in the amount of \$25 million. At its meeting of October 18, 2021, the Board approved a \$30 million commitment to Monroe's follow-on Fund IV. At its meeting of April 17, 2023, the Board approved a \$25 million commitment to Monroe's Opportunistic Private Credit Fund II.

As disclosed in a press release dated October 22, 2024, Monroe has entered a strategic partnership with the Wendel Group. As noted in both NEPC's research memo and in the accompanying Investor Consent Request letter, the Monroe management team will continue to make all investment decisions and exercise day-to-day authority over the business. The investment committees and operations will continue unchanged, and senior officers are locked-in with retention packages. Monroe's management team will retain 25% ownership in the firm, and the transaction will inject significant capital for Monroe to grow and expand.

NEPC and I believe that the transaction will be beneficial, and so recommend that the Board approve the requested transaction and execution of the enabling Consent document.

THEREFORE, IT IS RECOMMENDED THAT THE BOARD:

- 1. APPROVE THE ATTACHED CONSENT TO CHANGE IN CONTROL ACQUISITION BY THE WENDEL GROUP AND,**
- 2. AUTHORIZE THE BOARD CHAIR OR RETIREMENT ADMINISTRATOR, OR IN THE ABSENCE OF BOTH THE CHIEF INVESTMENT OFFICER TO EXECUTE THE ATTACHED CONSENT AND ANY OTHER ASSOCIATED DOCUMENTS THAT MAY SUBSEQUENTLY BE REQUIRED.**

Respectfully submitted,

Dan Gallagher
Chief Investment Officer