



Financing Solutions – Agency Lending

Ventura County Employees'
Retirement Association

Meet The State Street Team



Henry Disano
MD, Financing Solutions



Samantha Cragan
Officer, Financing Solutions

Financing Solutions: Agency Lending

Customized solutions designed to generate sustainable returns



Ability to restrict individual markets, asset types and securities, or minimum spreads by asset class

- Ability to recall loans over proxy voting or dividend record dates
- Extensive non-cash collateral options to enhance client returns

Cash collateral managed by State Street Global Advisors in pooled or segregated funds or self-managed

Assigned Client Manager provides a central point of contact for all lending inquiries

- Direct access to SSGA, risk and the global trading teams for supply/ demand updates, unique opportunities, and other inquiries



144 borrowers globally, expanding to buy-side managers to increase utilization

13 regional offices with 5 trading desks, specialized by asset class / trade focused to extract additional alpha

Algorithmic trading team that leverages a broad range of market data and technology to optimize returns

Independent benchmarking to analyze performance



Dedicated front office risk teams that solely focus on credit and collateral

- Proprietary borrower rating system and automated collateral validation and security buffers
- Daily stress testing of borrowers and collateral

Independent enterprise risk management vetting and oversight

Indemnification by an AA-rated bank, the joint-highest of any agent lender¹



Connectivity with State Street's custody system that immediately captures trades and corporate actions

Typically, ≈88% of loans² can be reallocated to other clients in our \$5.28tn global pool of lendable assets

- Significantly reduces the need for recalls from borrowers, lowering the risk of settlement fails

Coordinated with operations and custody to quickly resolve issues that may arise

\$5.28 trillion

Lendable Assets Globally
- One of the largest pools in the world

\$293 billion

Active Loans Globally
- One of the largest pools in the world

37

Lendable Markets for equities and fixed income

\$133 billion

Cash Managed by SSGA
- One of the world's largest cash managers

¹Source: S&P Global, June 2023. ²Source: State Street internal data, Jan-Jun 2023. All other State Street data as of July 31, 2023

Securities Lending Program Summary

Structure



- Securities lending program started in 1997
- Earnings since inception: \$9.8M
- Cash: Compass Fund
- Non-Cash: All Forms
- Noncash Collateral approved in 2023 – Currently representing ~56% of overall balances
- Uses State Street Approved Borrower List
- Borrower Default Indemnification
- Revenue Fee Split:
 - 70% VCERA / 30% State Street

Active Fund List

2M1N Western Asset Management
2M2D Loomis, Sayles & Co
2M2F Western Asset Management Company
2M2S Tortoise Capital Advisors
2M2Y Reams – US Treasury Portfolio

Performance data shown represents past performance and is no guarantee of future results
Source: Securities Finance Business Intelligence by Cognos

Performance

Earnings and Performance

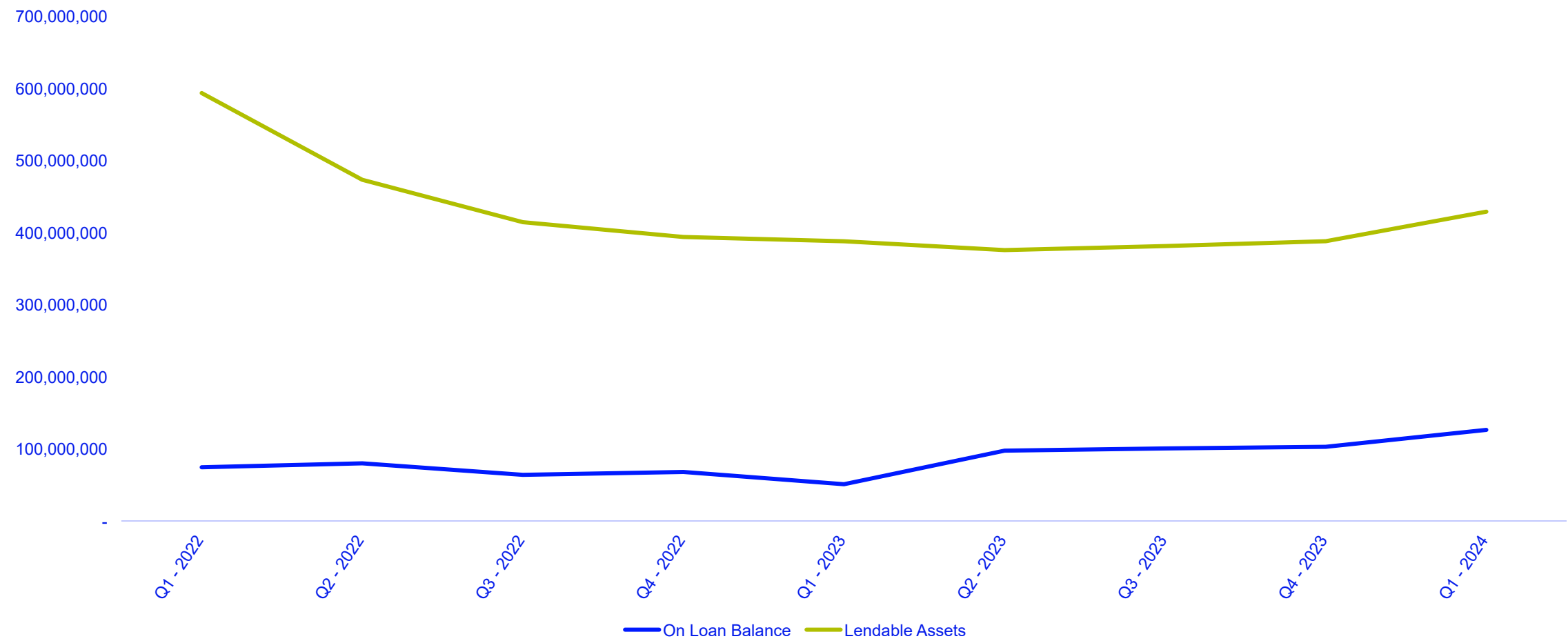
FYTD July 1, 2023 – March 31, 2024

Ventura County Employees' Retirement Association

	FY 2020	FY 2021	FY 2022	FY 2023	FYTD 2024*
Average Lendable (\$)	550,416,362	561,972,232	575,490,112	392,726,289	398,975,748
Average on Loan (\$)	132,623,475	113,760,360	101,276,511	70,046,888	109,751,287
Utilization	24.1%	20.2%	17.8%	17.8%	27.5%
Earnings by Program (\$)					
US Equity & Corp. Bond	94,172	64,662	71,817	97,907	70,908
US Government & Agency	331,310	257,969	178,560	126,741	120,882
Non-US Fixed	8	0	1	215	42
Total Earnings	425,489	322,631	250,378	224,862	191,832
Components of Spread (bps)					
Demand Spread	6	13	14	30	19
Reinvestment Spread	38	27	20	17	29
Net Spread	44	39	34	46	48
Return to Lendable (bps)	7.7	5.7	4.4	5.6	6.3

Performance data shown represents past performance and is no guarantee of future results
Source: Securities Finance Business Intelligence by Cognos
*Data ranges from 7/1/2023 to 3/31/2024

Lendable and On Loan Trend



Performance data shown represents past performance and is no guarantee of future results.
Source: Securities Finance Business Intelligence

Borrower Balances

FYD July 1, 2023 — March 31, 2024

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Borrower External Name	Average Amount On Loan	Average Collateral Amount	% of Total
ING BANK NV	18,819,544.20	18,799,758.51	17%
RBC EUROPE LIMITED	17,906,831.29	18,947,791.72	16%
TD PRIME SERVICES LLC	14,494,464.67	14,817,933.89	13%
DEUTSCHE BANK AG (LONDON BRANCH)	8,878,667.35	8,987,273.22	8%
BANK OF NOVA SCOTIA (NEW YORK BRANCH)	4,806,426.22	4,905,289.28	4%
BARCLAYS CAPITAL INC.	3,829,348.13	3,899,452.63	3%
BNP PARIBAS PRIME BROKERAGE INTERNATIONAL LTD	3,398,471.07	3,433,564.71	3%
GOLDMAN SACHS & CO. LLC	3,280,398.81	3,347,012.27	3%
SOCIETE GENERALE SA (NY BRANCH)	3,097,810.12	3,159,875.76	3%
HEALTHCARE OF ONTARIO PENSION PLAN TRUST FUND	2,758,917.08	2,769,343.80	3%
All Others	28,480,408.00	28,776,205.00	26%
Summary	109,751,286.93	111,843,500.78	100%

Fundamentals of Securities Lending

Fundamentals of Securities Lending

How are Earnings Generated?

Cash collateral is posted by the borrower at the inception of the lending transaction

State Street pays interest (the “rebate”) on the cash to the borrower at a rate that reflects the supply/demand characteristics of the loaned security

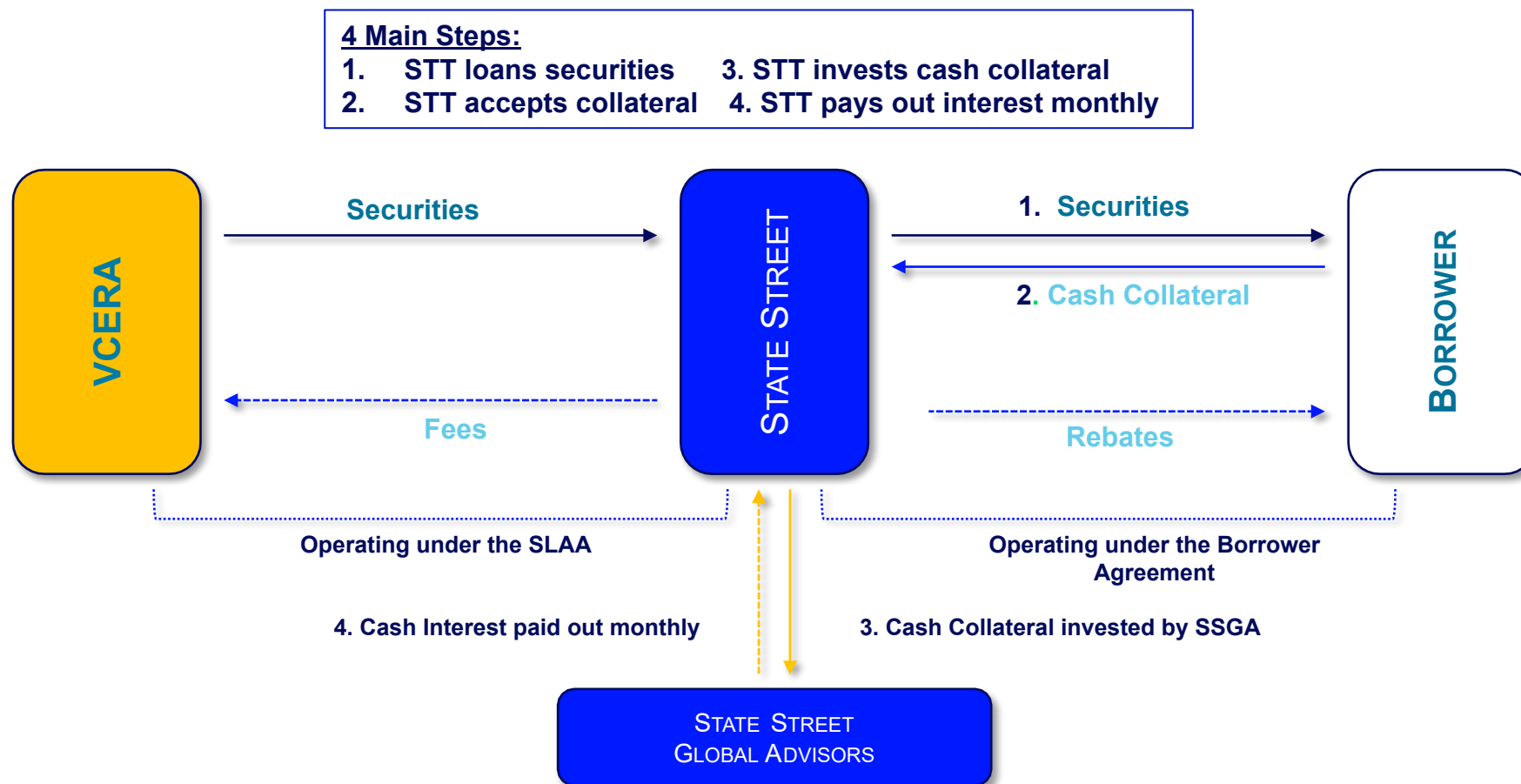
State Street invests this cash collateral according to the VCERA’s investment guidelines

The difference between the yield on the investment of the cash and the interest paid to the borrower represents the earnings or “spread”

Securities Lending

What is Agency Securities Lending?

State Street lends VCERA unutilized securities to a borrower and receives cash as collateral in exchange.



FC14 – The Compass Fund

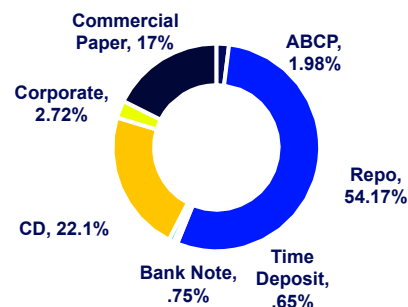
As of March 31, 2024

Summary Characteristics

1-Day Yield ¹	5.67%
Par Position + Uninvested Cash (in millions)	7409.11
Floating Rate %	72.82
Foreign Issuers % ²	26.64
Weighted Average Maturity (WAM) ³	14.7
WAM to Call	14.7
Call v. Mat Spread	0.0
% Callables	1.75
Weighted Average Life (WAL) ⁴	111.83
Fund Price as of 03/28/2024	100.02
Number of Holdings	98.0

Credit Quality Breakdown

Long-term Ratings	% of fund
AAA	-
AA	4.1
A	12.98
BBB	-
Below Investment Grade LT	-
Short-term Ratings	% of fund
A-1+	9.69
A-1	65.33
A-2/A-3	-
Below Investment Grade ST	-
No Rating	% of fund
NR	7.89



ABS Sub Sector

Auto Retail	-	RMBS: AU	-
CMBS	-	RMBS: UK	-
Credit Card	-	RMBS: Other	-
Floor Plan	-	Student Loan	-
Home Equity	-	Other	-

Repo Collateral	% of fund
Treasuries	1.57
Agencies	-
Agency MBS	4.04
Money Markets	0.42
Corporates	6.91
Asset Backed	-
Equities	41.23

Next Business Day	20.63
1 Week Liquidity ^a	21.69
2-30 Days Liquidity	4.91
31-60 Days Liquidity	11.11
61-90 Days Liquidity	3.03
90 Days Liquidity	39.68
91-120 Days Liquidity	25.25
121-150 Days Liquidity	4.75
151-180 Days Liquidity	1.15
181-270 Days Liquidity	23.74
271-360 Days Liquidity	5.42
12-15 Months Liquidity	-
15-18 Months Liquidity	-
18-21 Months Liquidity	-
21-24 Months Liquidity	-
Greater Than 2 Years Liquidity	-
YE 2024 Liquidity	94.58

Floating Rate Index Breakdown	% of fund
FED FUNDS	-
1 MO LIBOR	-
3 MO LIBOR	-
3 MO TBILL	-
FCPR	-
OBFR	38.63
SOFR	34.19
BSBY	-

Floating Rate Reset Buckets	% of fund
Next Business Day	72.82
2-7 Days	-
8-31 Days	-
1-2 Months	-
2-3 Months	-

Source:SSGA Bloomberg. Ratings are from Bloomberg and are S&P. Past performance is not a reliable indicator of future performance. ABCP are asset backed commercial papers.

¹ 1 Day Yield is the Gross Yield. The fund is in USD and the benchmark is the Overnight Bank Funding Rate (OBFR).

² All YCD's are being reported as Domestic and thus not included in the % Foreign Issuers. % Foreign issuers is the % of the fund held in foreign issues (domicile of issuer which represents the issuer's country of incorporation, for repo it's where the counterparty is incorporated).

³ Weighted Average Maturity (WAM): aggregation of WAM of underlying securities in fund defined as (1) Floating rate securities: Next Reset Date – Current Date; (2) Fixed Rate: Maturity Date – Current Date (defined in days)

⁴ Weighted Average Life (WAL): aggregation of WAL of underlying securities in fund defined as (1) Floating rate securities: Expected Maturity Date – Current Date; (2) Fixed Rate: Expected Maturity Date – Current Date (defined in days)

State Street Global Advisors investment management fee is 1.75 bps per annum

Any S&P ratings below BB- or below A-1 as well as Unrated securities are included in the "Other" category

Floating rate % is the % of floating rate securities held in the fund.

Liquidity schedule is the maturity profile of the cash investment.

This material is for the investors in the account or vehicle mentioned above only; this content may not be further disseminated without the express written consent of State Street Global Advisors. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Investing involves risk including the risk of loss of principal. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. Fixed income securities generally present less short-term risk and volatility than stocks but contain interest rate risk (as interest rates raise, fixed income security prices usually fall); issuer default risk; issuer credit risk; liquidity risk; and inflation risk. These effects are usually pronounced for longer-term securities. Any fixed income security sold or redeemed prior to maturity may be subject to a substantial gain or loss.

Financing Solutions: A Valuable Partnership

Securities Finance is a core strategic competency at State Street, with a proven track record of providing our clients a full and comprehensive suite of customizable financing solutions



Risk Excellence

- AA- Credit Rating by S&P
- Dedicated Front Office Risk Team
- Borrower and Repo Default Indemnity
- Operation Risk Support
- Automated Collateral Validation & Security Buffers
- Independent ERM vetting
- Proprietary Borrower Rating System



Client Service

- Responsive Relationship Culture
- Third-Party Lending Solutions
- Daily Reporting & Oversight
- Industry Trends & Performance Reviews
- Thought Leadership
- Quantitative Research Offering
- ESG Focused Initiatives



Custom Solutions

- Robust Infrastructure & Depth of Distribution
- Peer-to-Peer Network
- Direct Access Lending
- FICC SMR Repo Clearing
- SSGA as FICC Repo Counterparty
- Cash Investment Through SSGA
- Integrated Leverage & Liquidity Solutions



Reporting

- MyStateStreet Custom Reporting & Interactive views
- Dedicated Securities Finance Reporting Team
- Dedicated Data Technology Team
- Advent Syncova Platform



Trading & Technology

- Next Generation Trading (NGT)
- Iris & Weblend Platforms
- Cross-Functional Teams & Products
- Dedicated Development Teams for MIS & Risk Reporting
- Information Delivery Investments

Disclaimers and Important Risk Information

This communication is provided only to professional clients or eligible counterparties or their equivalent by State Street Bank and Trust Company or, where applicable and permissible, its bank and non-bank affiliates ("State Street"). State Street Bank and Trust Company is authorized and regulated by the Federal Reserve Board, registered with the Commodity Futures Trading Commission as a Swap Dealer, and is a member of the National Futures Association. State Street Bank International GmbH ("SSBI") is regulated by the European Central Bank ("ECB"), the German Federal Financial Supervisory Authority ("BaFin") and the Deutsche Bundesbank. Details about the extent of SSBI's regulation by the ECB, the BaFin and Deutsche Bundesbank are available from us on request. Products and services described herein may not be available in all jurisdictions or through all State Street entities. Activities described herein may be conducted from offshore. Information provided is of a general nature only and has not been reviewed by any regulatory authority. This communication is intended for general marketing purposes, and the information contained herein has not been prepared in accordance with legal requirements designed to promote the independence of investment research. It is for clients to determine whether they are permitted to receive research of any nature. Market commentary provided by trading desks is not investment research. This communication is not intended to suggest or recommend any transaction, investment, or investment strategy, does not constitute investment research, nor does it purport to be comprehensive or intended to replace the exercise of an investor's own careful independent review and judgment regarding any investment decision.

This communication is not intended for retail clients, nor for distribution to, and may not be relied upon by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to applicable law or regulation. This communication or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of State Street. This communication and the information herein does not constitute investment, legal, or tax advice and is not a solicitation to buy or sell securities or any financial instrument nor is it intended to constitute a binding contractual arrangement or commitment by State Street of any kind. The information provided does not take into account any particular investment objectives, strategies, investment horizon or tax status.

The views expressed herein are the views of State Street as of the date specified and are subject to change, without notice, based on market and other conditions. The information provided herein has been obtained from sources believed to be reliable at the time of publication, nonetheless, we make no representations or assurances that the information is complete or accurate, and you should not place any reliance on said information. State Street hereby disclaims any warranty and all liability, whether arising in contract, tort or otherwise, for any losses, liabilities, damages, expenses or costs, either direct, indirect, consequential, special, or punitive, arising from or in connection with any use of this document and/or the information herein.

State Street may from time to time, as principal or agent, for its own account or for those of its clients, have positions in and/or actively trade in financial instruments or other products identical to or economically related to those discussed in this communication. State Street may have a commercial relationship with issuers of financial instruments or other products discussed in this communication.

This communication may contain information deemed to be forward-looking statements. These statements are based on assumptions, analyses and expectations of State Street in light of its experience and perception of historical trends, current conditions, expected future developments and other factors it believes appropriate under the circumstances. All information is subject to change without notice.

Participating in trading any financial instrument, including but not limited to foreign exchange, equities, futures, fixed income or derivative instruments, or investments in non-liquid or emerging markets, or digital assets, or participating in securities lending, repurchase transactions or other collateral services present risks, which may include but are not limited to counterparty, collateral, investment loss, tax, and accounting risks. Where applicable, returns may increase or decrease as a result of currency fluctuations. Derivatives may be more volatile than the underlying instruments. Certain foreign exchange business, including spot and certain forward transactions, may not be regulated in all jurisdictions. Past performance is no guarantee of future results.

Please contact your State Street representative for further information.

To learn how State Street looks after your personal data, visit: <https://www.statestreet.com/utility/privacy-notice.html>.

© 2024 State Street Corporation – All Rights Reserved

S&P Global®.

The source data is provided by group participants of S&P Global Market Intelligence Securities Finance. The data was from a source believed to be reliable, however, neither State Street Bank and Trust Company nor S&P Global guarantee the accuracy, adequacy or completeness of the information.

Financing Solutions Disclaimer Supplement [2024.01]

Australia: This communication is provided to wholesale clients by State Street Bank and Trust Company (Australian Business Number 70 062 819 630, Australian Financial Services License 239679).

Hong Kong: The activities described herein are undertaken by State Street Bank and Trust Company / State Street Securities Hong Kong Limited, and this communication is intended for distribution to professional investors only (as defined in the Securities and Futures Ordinance).

Japan: This communication is being distributed in Japan by State Street Trust and Banking Co., Ltd. ("SSTB"). SSTB is regulated by the Financial Services Agency of Japan ("FSA"). SSTB is licensed under Article 4 of Banking Act and is registered as Registered Financial Institution with the FSA as Kanto Zaimu-kyokucho (Tokin) No. 648 under Article 33-2 of Financial Instruments and Exchange Act, and also is a member firm of Japan Securities Dealers Association and Japan Investment Advisers Association.

Singapore: State Street Bank and Trust Company, Singapore Branch ("SSBTS"), holds a wholesale bank license issued by the Monetary Authority of Singapore. However, SSBTS is not licensed to carry on this business onshore within Singapore. The activities described herein are undertaken by State Street Bank and Trust Company or State Street Securities Hong Kong Limited in an offshore capacity and not provided within Singapore. In Singapore, this communication is only distributed to accredited or institutional investors as defined in the Securities and Futures Act 2001 and its regulations. This advertisement has not been reviewed by the Monetary Authority of Singapore.

United Kingdom: State Street Bank and Trust Company is authorised and regulated by the Federal Reserve Board of the United States, authorised by the Prudential Regulation Authority ("PRA") and subject to regulation by the Financial Conduct Authority and limited regulation by the PRA. Details about the extent of our regulation by the PRA are available from us on request.

