



# Notice of Public Meeting

## The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on **Tuesday, March 23, 2021 at 8:30 A.M.**

In accordance with the Governor's Executive Order N-29-20 (3) the Members of the Board will be participating via Zoom video conference and teleconference. Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning matters within the jurisdiction of the Board. The public can participate and provide comment using the instructions below:

### To Join the Meeting

- To join the meeting via video conference, click here: <https://zoom.us/j/93403247744>
- To join the meeting via telephone, dial: (669) 900-9128, and enter Meeting ID: 934 0324 7744

### Public Comment During the Meeting

Persons wishing to address the Board should follow the steps below:

- If joining via video conference, please use the "raise your hand" feature in Zoom during the Oral Communications from the Public period.
- If joining via teleconference dial in, please dial \*9 to "raise your hand" during the Oral Communications from the Public period.

You will be called on at the appropriate time. At the beginning of your comment, please state your name.

### Public Comment Prior to the Meeting

Persons who wish to address the Board may submit written comments via email to [samcera@samcera.org](mailto:samcera@samcera.org) at least 30 minutes before the start of the Board meeting. Please include your name, agenda item, and your comment. The Board will have the email read into the record and attached to the minutes.

For help joining a Zoom meeting, see: <https://support.zoom.us/hc/enus/articles/201362193>

**PUBLIC SESSION** – The Board will meet in Public Session at 8:30 a.m.

- 1. Call to Order, Roll Call and Miscellaneous Business**
- 2. Oral Communications**
  - 2.1 Oral Communications from the Board
  - 2.2 Oral Communications from the Public
  - 2.3 Retreat Presentations and Discussions (See attached agenda; commences after item 9)
- 3. Approval of the Minutes**
  - 3.1 Approval of Board Meeting Minutes from February 23, 2021
  - 3.2 Approval of Special Board Meeting Minutes from March 8, 2021

# Notice of Public Meeting

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#### **4. Approval of the Consent Agenda\***

- 4.1 Disability Retirements (1)
  - Irene Welker
- 4.2 Survivor Death Benefits
- 4.3 Service Retirements
- 4.4 Continuances
- 4.5 Deferred Retirements
- 4.6 Member Account Refunds
- 4.7 Member Account Rollovers
- 4.8 Member Account Redeposits
- 4.9 Acceptance of Trustees' Reports of Educational Activities
- 4.10 Report on Prepayment of Employer Contributions
- 4.11 Report on Proxy Voting Summary for the Year Ended December 31, 2020
- 4.12 Approval of Resolution Authorizing Agreement with Reicker, Pfau, Pyle & McRoy LLP for the Provision of Legal Consultation Services
- 4.13 Approval to Renew Fiduciary Liability Insurance Policy

#### **5. Benefit & Actuarial Services**

- 5.1 Consideration of Agenda Items, if any, Removed from the Consent Agenda

#### **6. Investment Services**

- 6.1 Report on Preliminary Monthly Portfolio Performance Report for the Period Ended February 28, 2021

#### **7. Board & Management Support**

- 7.1 Approval of and Direction to SamCERA Voting Delegate and Alternate for SACRS Spring 2021 Business Meeting

#### **8. Management Reports**

- 8.1 Chief Executive Officer's Report
- 8.2 Assistant Executive Officer's Report
- 8.3 Chief Investment Officer's Report
- 8.4 Chief Legal Counsel's Report

**CLOSED SESSION** – The Board may meet in closed session prior to adjournment

- C1 Consideration of Disability Items, if any, removed from the Consent Agenda

#### **9. Report on Actions Taken in Closed Session**

# Notice of Public Meeting

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### 10. Adjournment in Memory of the Following Deceased Members:

McHugh, Jean	December 23, 2020	Personnel
Ryan, Estelle	January 29, 2021	Probation
Hudson, Byron	February 9, 2021	Human Services
Halpin, William	February 18, 2021	Coroner's Office
Feriante, Kenneth	February 22, 2021	Sheriff's



Scott Hood, Chief Executive Officer

Posted: March 17, 2021

(\* ALL ITEMS ON THE CONSENT AGENDA ARE APPROVED BY ONE ROLL CALL MOTION UNLESS A REQUEST IS MADE BY A BOARD MEMBER THAT AN ITEM BE WITHDRAWN OR TRANSFERRED TO THE REGULAR AGENDA. ANY ITEM ON THE REGULAR AGENDA MAY BE TRANSFERRED TO THE CONSENT AGENDA. ANY 4.1 ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER CLOSED SESSION; ALL OTHER ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER ITEM 5.1.)

THE BOARD NORMALLY MEETS AT **100 MARINE PARKWAY, SUITE 160**, WHICH IS LOCATED ON THE SE CORNER OF TWIN DOLPHIN & MARINE PARKWAY IN REDWOOD CITY. Detailed directions are available on the "Contact Us" page of the website [www.samcera.org](http://www.samcera.org). *Free Parking is available in all lots in the vicinity of the building. A copy of the Board of Retirement's open session agenda packet is available for review at the SamCERA offices and on our website unless the writings are privileged or otherwise exempt from disclosure under the provisions of the California Public Records Act. Office hours are Monday through Thursday 7 a.m. – 6 p.m.*

IN COMPLIANCE WITH THE CALIFORNIA GOVERNMENT CODE AND THE AMERICANS WITH DISABILITIES ACT: *SamCERA's* facilities and board and committee meetings are accessible to individuals with disabilities. Contact *SamCERA* at (650) 599-1234 at least three business days prior to the meeting if (1) you need special assistance or a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting; or (2) you have a disability and wish to receive the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting in an alternative format. Notification in advance of the meeting will enable *SamCERA* to make reasonable arrangements to ensure full accessibility to this meeting and the materials related to it.



Amended

# Board/Staff Retreat

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March 23, 2021

# BOARD/ STAFF RETREAT AGENDA

- 8:30 a.m. BEGINNING OF REGULAR BOARD MEETING AGENDA**
- 8:45 a.m. RECENT ECONOMIC DEVELOPMENTS AND THE OUTLOOK**  
**PRESENTER:** Luiz Oliveira, San Francisco Federal Reserve Bank
- 9:30 a.m. Break**
- 9:45 a.m. FUNDING METHODOLOGIES AND OPTIONS IN A DECLINING RETURN MARKET**  
**PRESENTERS:** Nick Collier and Craig Glyde, Milliman
- 10:45 a.m. Break**
- 11:00 a.m. THE IMPACT OF COVID-19 ON PORTFOLIO/ASSET CLASS/RELATIVE VALUE**  
**PRESENTER:** Ian Toner, Verus
- 12:00 p.m. LUNCH**
- 12:30 p.m. FUTURE DISCUSSION ON PLAN MATURITY**  
**PRESENTER:** Jeff MacLean, Chief Executive Officer, Verus
- 1:30 p.m. Break**
- 1:40 p.m. SAMCERA ANNUAL ASSESSMENT OF PORTFOLIO FOR 2020**  
**PRESENTER:** Michael Coultrip, SamCERA Chief Investment Officer
- 3:00 p.m. END OF RETREAT**

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

FEBRUARY 23, 2021 – REGULAR BOARD MEETING MINUTES

**2102.1 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. David, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m. via Zoom.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Ben Bowler, Al David, Paul Hackleman, Kurt Hoefer, Katherine O'Malley, and Robert Raw.

Absent: Eric Tashman.

Alternates: Susan Lee and Alma Salas.

Staff: Tariq Ali, Brenda Carlson, Michael Coultrip, Lili Dames, Scott Hood, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Paul Okada, Gladys Smith, and Anne Trujillo.

Consultants and speakers: Joe Abdou and Margaret Jadallah (Verus); Mac Clemmens and Lindsay Hardy (Digital Deployment).

**2102.2.1 Oral Communications from the Board:** Mr. David welcomed Mr. Okada and thanked Ms. Carlson for the outstanding and dedicated service she has provided to SamCERA and the County.

**2102.2.2 Oral Communications from the Public:** Mr. David asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments.

**2102.3.1 Approval of Regular Board Meeting Minutes from January 26, 2021:** Mr. David asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on January 26, 2021. Ms. Arnott noted a typo on agenda item 8.2 which should be corrected to "Retirement Senior Accountant".

**Action:** Ms. Arnott moved to approve the minutes as noted from the Board meeting on January 26, 2021. The motion was seconded by Mr. Raw and carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, and Raw all in favor; none opposed.

**2102.4.0 Approval of the Consent Agenda:** Mr. David asked if there were any items to be removed for discussion from the Consent Agenda. No items were removed.

**Action:** Mr. Hackleman moved to approve the items on the Consent Agenda. The motion was seconded by Mr. Raw and carried with a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, and Raw all in favor; none opposed.

**2102.4.1 Disability Retirements:**

- a) The Board found that **Robert Rosenthal** (1) is permanently incapacitated from the performance of his usual and customary duties as a Group Supervisor II, (2) found that his disability was the result of an injury arising out of and in the course of his employment and (3) granted his application for a service-connected disability retirement.

**2102.4.2 Survivor Death Benefits:** None.

2102.4.3 **Service Retirements:**

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Beaudette, Eileen	January 1, 2021	San Mateo County Health
Buenaventura, Rosauro	December 23, 2020	San Mateo County Health
Cazzalli, Delmy	January 1, 2021	Assessor's Office
Chandler, Tammy	December 27, 2020	Deferred Child Health Services
Cohen, Elisabeth	January 1, 2021	Assessor's Office
De Los Santos, Alex	January 1, 2021	Human Services Agency
DiNapoli, Lorraine	December 4, 2020	Def'd - Public Safety Comm.
Fok, Minnie	January 1, 2021	Child Health Services
Liao, Yuwen	December 3, 2020	San Mateo County Health
Lucett, Matthew	November 14, 2020	Deferred - Sheriff's Office
Oster, Eric	December 22, 2020	Deferred - Sheriff's Office
Wang, Huimin	January 1, 2021	Aging and Adult Services

2102.4.4 **Continuances:**

<b>Survivor's Name</b>	<b>Beneficiary of:</b>
Hekker, Henry	Hekker, Janice
Zahradnik, Catherine	Zahradnik, David

2102.4.5 **Deferred Retirements:**

The Board ratified the actions as listed below for the following members regarding deferred retirements:

<b>Name</b>	<b>Retirement Plan Type</b>
Hannagan, Brooke	G5, Vested - Auto Defer - Code 31700
Kohler, Carly	G7, Vested
Martin, Maricela Segura	G7, Non-vested - Reciprocity
Nardi, Elizabeth	G5, Vested - Auto Defer - Code 31700
Pettit, Stephen M	S5, Vested - Reciprocity
Sebay, Megan	G7, Vested
Spataro, Jenny	G7, Vested
Strandberg, Lindsey	G7, Non-vested - Reciprocity
West, Alison	G7, Non-vested - Reciprocity

2102.4.6 **Member Account Refunds:**

The Board ratified the actions as listed below for the following members regarding refunds:

<b>Name</b>	<b>Retirement Plan Type</b>
Camarena Chavez, Cristian	G7, Non-vested
Carlay, Christopher	G7, Non-vested
Folauoo, Patsy	G4, Vested
Hart, Ashley	G4, Vested
Jacobs, Jay	G4, Vested
Marquez, Jackie	G7, Non-vested

2102.4.7 **Member Account Rollovers:**

The Board ratified the actions as listed below for the following members regarding rollovers:

<b>Name</b>	<b>Retirement Plan Type</b>
Wong, Rodney	S4, Non-vested

2102.4.8 **Member Account Redeposits:** None.

2102.4.9 **Acceptance of Trustees' Reports of Educational Activities:** None.

2102.4.10 **Acceptance of Semi-Annual Compliance Certification Statements for the Period Ended December 31, 2020:** The Board accepted the semi-annual compliance certification statements for SamCERA's non-alternative investment managers, as of December 31, 2020.

2102.4.11 **Acceptance of Preliminary Semi-Annual Financial Report for the Period Ended December 31, 2020 Financials:** The Board accepted the preliminary semi-annual financial report for the period ended December 31, 2020.

2102.4.12 **Acceptance of Preliminary Semi-Annual Budget-to-Actual Report for the Period Ended December 31, 2020:** The Board accepted the preliminary semi-annual budget-to-actual report for the period ended December 31, 2020.

2102.5.1 **Consideration of Agenda Items, if any, Removed from the Consent Agenda:** None.

2102.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended January 31, 2021:** Mr. Coultrip reported that SamCERA's net preliminary return for January was 0.2% bringing the preliminary trailing twelve month return ending January 2021 to 10.1% net, which is above SamCERA's Plan Benchmark return of 9.0% and above SamCERA's Actuarial Assumed Earnings Rate of 6.5%. Mr. Coultrip also answered questions from the Board. This item was informational and for discussion only, no action was taken.

2102.6.2 **Report on Quarterly Investment Performance for the Period Ended December 31, 2020:** Mr. Coultrip reported SamCERA's net 4<sup>th</sup> quarter total return was +9.5%, which was 150 bps higher than the +8.0% policy benchmark return. He noted that much of the out-performance was due to private equity. In addition, international equity, fixed income and absolute return also contributed to performance over the period. Ms. Jadallah and Mr. Abdou presented the 4<sup>th</sup> Quarter 2020 Performance Report and answered questions from the Board. This item was informational and for discussion only, no action was taken.

2102.7.1 **Report on March 23, 2021 Virtual Board-Staff Retreat Planning:** Mr. Hood reviewed the proposed Board-Staff agenda and timeline with the Board. He also provided the Board with a final opportunity to provide additional topics and recommend feedback. This item was informational only, no action was taken.

2102.7.2 **Approval of Resolution Temporarily Suspending Requirement of Nomination Signatures for the June 2021 Election:** Ms. Smith reviewed the upcoming term expirations of the Second, Seventh and Seventh Alternate seats on the Board of Retirement. She informed the Board that due to the current COVID-19 pandemic, staff recommends suspending the requirement to obtain nomination signatures set forth in Regulation 4.5 and the disqualification of candidates for failure to submit the required qualified nomination signatures set forth in Regulation 4.7 for the upcoming June 14, 2021.



**Action:** Mr. Hackleman moved to approve a resolution temporarily suspending the requirement of nomination signatures contained in Regulation Section 4.5 and suspending the disqualification of candidates for failure to submit the required qualified nomination signatures set forth in Regulation 4.7 of Article IV Election of Trustees for the June 14, 2021 election for the Second, Seventh and Seventh Member Alternate seats due to the continued State of Emergency as a result of the threat of COVID-19. The motion was seconded by Ms. Arnott and carried by a vote of 8-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, and Raw all in favor; none opposed.

- 2102.7.3 **Report on Status of Trustee Elections:** Ms. Smith informed the Board that Mr. Hood has reached out to Mr. Canepa's office regarding the expiring Fourth and Sixth appointed seats. She noted the Election is scheduled for June 14, 2021 and that changes will be made to the Election Calendar based on the resolution that had just passed. Mr. Hood and Ms. Smith answered questions from the Board. This item was informational only, no action was taken.
- 2102.7.4 **Presentation of SamCERA Mobile Application by Digital Deployment:** Mr. Ali expressed his excitement for the new SamCERA mobile app. He shared that working with the Digital Deployment Team has been fantastic and he thanked them for all their efforts. He also thanked Ms. Smith, Ms. LeNguyen, Ms. Jeong and Mr. Nagal for all their hard work in developing the new app, as well as Vitech for their support and coordination in the redesign. Mr. Clemmens and Mr. Hardy provided a demo of the new app, thanked Trustees involved in the testing and answered questions from the Board. This item was informational only, no action was taken.
- 2102.8.1 **Chief Executive Officer's Report:** Mr. Hood reported that the employer and employee contribution rates were approved by the Board of Supervisors on February 9, 2021. He also reported that staff is working on updates to a few regulations that will be brought to the Board in the coming months. Mr. Hood shared details on staff's first virtual Staff Retreat. He thanked the Board for their feedback regarding the March Special Board Meeting and informed them that based on responses, the meeting will be held on Monday, March 8<sup>th</sup> at 2:30 p.m.
- 2102.8.2 **Assistant Executive Officer's Report:** Ms. Smith provided the Board with an update on the recruitment for the Senior Retirement Accountant position. She shared that SamCERA did not receive as many applications as anticipated therefore, the recruitment has been extended to March 1<sup>st</sup> and is also being advertised on additional recruitment sites. Ms. Smith informed the Board that SamCERA was contacted by the Deputy Chief of Health Services, Srija Srinivasan, to assist in notifying retirees regarding the COVID vaccination clinic at SFO Long Term Parking. She reported that staff had sent out an email to retirees that were age 65 and older and living in San Mateo County. Lastly, Ms. Smith informed the Board that SamCERA received a heartfelt voicemail message from a member's spouse, expressing his gratitude for the "Certificate of Adjournment" for his late wife. Ms. Trujillo informed Board members about an educational opportunity and reported there were no written public comments received ahead of the meeting.
- 2102.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that staff will be holding annual manager reviews on March 4<sup>th</sup> with Parametric at 8:00 a.m. and Northern Trust at 9:30 a.m.; and April 1<sup>st</sup> with Invesco at 8:00 a.m. and Harrison Street at 10:30 a.m. Mr. Coultrip also reported that SamCERA has received the County's January prepayment and reported how the funds were allocated.
- 2102.8.4 **Chief Legal Counsel's Report:** None.
- C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** None.

2102.10 **Adjournment:** Mr. David adjourned the meeting at 11:30 a.m. in memory of the deceased members listed below.

Janatpour, Danna	January 5, 2021	Hospital
Dunn, Peter	January 9, 2021	Assessor's
Cattich, Pamela	January 15, 2021	Planning & Building
Weise, Philip	January 11, 2021	Vocational Rehab
Cooper, Ethel	January 20, 2021	Chope Hospital
Connolly-Overbey, Marilyn	December 19, 2020	Correctional Health
Duterte, Ildefonso	January 11, 2021	Controller's
Webster, Edward	January 21, 2021	General Services
Modica, Frances	January 20, 2021	Mental Health
Waters, Gail	January 21, 2021	Social Services
Sisneros, Tony	January 24, 2021	Pharmacy

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Al David  
Board Chair

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
MARCH 8, 2021 – SPECIAL BOARD MEETING MINUTES

**2103.1.0 Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Mr. David, Chair, called the Special Meeting of the Board of Retirement to order at 2:30 p.m. via Zoom.

**Roll Call:**

Present: Sandie Arnott, Mark Battey, Ben Bowler, Al David, Paul Hackleman, Kurt Hoefer, Katherine O'Malley, Robert Raw, and Eric Tashman.

Absent: None.

Alternates present: Susan Lee and Alma Salas.

Staff: Brenda Carlson, Michael Coultrip, Lili Dames, Scott Hood, Doris Ng, Paul Okada, Gladys Smith, and Anne Trujillo.

Consultants and speakers: Garrett Dinsmore, John Nicolini, and Faraz Shooshani (Verus).

**2103.2.0 Oral Communications from the Public:** Mr. David asked if there was any public comment from those individuals participating on the telephone or via Zoom. There were no public comments.

**2103.C1 Approval of Purchase of Alternative Investment (Confidential Under Gov. Code §54956.81 and §6254.26):** The Board adjourned into Closed Session at 2:32 p.m. to hear Item C1. The meeting was reconvened into Open Session at 3:36 p.m. and Ms. Carlson reported the actions taken by the Board. See Closed Session report under 3.0.

**2103.3.0 Report of Action Taken in Closed Session:** Ms. Carlson reported that the Board approved a motion for a commitment to Genstar Capital Partners X, LP with \$15 million to the main fund and \$5 million to the Opportunities Fund Vehicle. The motion carried with a vote of 7-2 with trustees Battey, Bowler, Hackleman, Hoefer, O'Malley, Raw and Tashman all in favor; Arnott and David opposed.

Ms. Carlson also reported that the Board approved motions for the following commitments: \$20 million to Sustainable Asset Fund III, LP; \$15 million to Strategic Value Special Situations Fund V, LP; and \$10 million to Eclipse Fund IV, LP. The motions were each approved by a vote of 9-0 with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, Raw, and Tashman all in favor; none opposed. No other reportable action was taken.

**2103.4.0 Approval of Provision of Consultative Services to the County Counsel's Office:** Mr. Hood informed the Board of the County Counsel's desire to consult with Mr. Okada during this upcoming year regarding property tax apportionment and redevelopment dissolution. Mr. Hood discussed the terms of services with the Board and requested authority to enter into a Memorandum of Understanding (MOU) with the County Counsel's Office.

**Action:** Mr. Battey moved to authorize the Chief Executive Officer to enter into a Memorandum of Understanding with the Office of the County Counsel for the provision of consultation services. The motion was seconded by Mr. Hackleman and carried with a vote of 9-0, with trustees Arnott, Battey, Bowler, David, Hackleman, Hoefer, O'Malley, Raw, and Tashman all in favor; none opposed.

2103.5.0 **Adjournment:** Mr. David adjourned the meeting at 3:39 p.m.

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Al David  
Board Chair

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
**Board of Retirement**

March 23, 2021

Agenda Items 4.1- 4.9

**TO:** Board of Retirement

**FROM:** Elizabeth LeNguyen, Retirement Benefits Manager



**SUBJECT:** Approval of Consent Agenda Items 4.1 – 4.9

**4.1 Disability Retirements**

- a) Staff recommends that the Board: (1) accept the proposed findings and recommendations of the Hearing Officer, John Simonson, (2) that Irene Welker is permanently incapacitated for the performance of her duties as a Legal Word Processor, (3) that her disability was not a result of an injury/illness arising out of and in the course of his employment, (4) deny her application for a service-connected disability retirement, and (5) confirm its initial grant of a non-service connected disability.

**4.2 Survivor Death Benefits**

None.

**4.3 Service Retirements**

The Board ratifies the service retirement for the individuals listed below as follows:

<b>Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Alzubi, Christian	January 9, 2021	Behavioral Health & Recovery Srvcs
Beasley, Kathleen	January 23, 2021	Library
Cannon, Jill	January 23, 2021	Deferred – District Attorney's Office
Chandler, Tammy	December 27, 2020	Deferred – Family Health
Chang, Paul	February 1, 2021	Deferred – Human Services Agency
Cordell, Dorothy	February 1, 2021	Public Safety Communications
Di-Paola, Virginia	January 28, 2021	Behavioral Health & Recovery Srvcs
Fonseca, Paulina	January 16, 2021	Probation
Gamo, Kay	January 7, 2021	Deferred – San Mateo Co. Health
Gavidia, Dagoberto	January 31, 2021	Human Services Agency
Howard, Cynthia	January 20, 2021	Sheriff's Office
Lavelle, Mary	January 19, 2021	Deferred - Election's Office
Lecaros, Alejandra	January 4, 2021	Deferred – San Mateo Co. Health

Loft, Jennie	December 26, 2020	Deferred – Human Services Agency
Lyssand, Cheryl	January 9, 2021	Superior Court
Mar, Maxine	January 5, 2021	Superior Court
Montalvo, Lilian	January 13, 2021	San Mateo County Health
Nair, Narayan	January 10, 2021	Sheriff's Office
Olshaskie, Robert	December 31, 2020	Deferred - Sheriff's Office
Phung, Helen	January 9, 2021	Family Health
Romero, Esthela	January 31, 2020	San Mateo County Health
Rosenberg, Sherri	January 9, 2021	Human Services Agency
Rosendahl, Sarah	January 12, 2021	Deferred - Board of Supervisors
Salazar, Margarita	January 9, 2021	Probation
Sebay, Cheryl	January 5, 2021	Mosquito & Vector Control District
Serrato, Albert	January 8, 2021	District Attorney's Office
Suzuki, Yumi	January 28, 2021	Deferred – San Mateo Co Health
Swillinger, Timothy	December 12, 2020	Deferred - Environmental Health
Tebo, Norris	January 2, 2021	Probation
Tharayil, Alex	January 9, 2021	Assessor's Office
Torres, Anthony	January 9, 2021	Sheriff's Office
Velez, Carol	January 3, 2021	Human Services Agency
Wilson, John	January 20, 2021	District Attorney's Office
Wong, Arthur W	January 2, 2021	Deferred – Human Services Agency

#### 4.4 Continuances

The Board ratifies the granting of a continuance to the following individuals:

Survivor's Name	Beneficiary of:
DeBono, Karen	Barretta, Steven

#### 4.5 Deferred Retirements

The Board ratifies the deferred retirements as listed below for the following individuals:

Name	Retirement Plan Type
Amezcuca, Cynthia	G7, Vested - Auto Defer - Code 31700
Fernandez, Nicole	G5, Vested - Reciprocity

Garcia, Carolina	G4, Vested - Auto Defer - Code 31700
Macaraeg, Maria	G7, Vested - Auto Defer - Code 31700
Mangiameli, Lyn	G4, Vested - Auto Defer - Code 31700
Paterson, Kyle	S7, Vested - Reciprocity
Perron, David	G5, Vested - Auto Defer - Code 31700
Phy, Heng	G7, Vested - Auto Defer - Code 31700
Tang, Aileen	G7, Non-vested - Reciprocity
Vong, Kammy	G5, Vested - Reciprocity
Williams-Brown, Vanessa	G3, Vested - Auto Defer - Code 31700

#### 4.6 Member Account Refunds

The Board ratifies the refunds as listed below for the following individuals:

Name	Retirement Plan Type
Becerra, Eric	G7, Non-vested
Blanton, Christopher	G5, Non-vested
Edralin, Jeffrey	G4, Non-vested
Fernandez, Christopher	G7, Non-vested
Kelly, Carolyn	G7, Non-vested
Oliveria, Jose	G7, Non-vested
Thomas, Tonya	G7, Vested

#### 4.7 Member Account Rollovers

The Board ratifies the rollovers as listed below for the following individuals:

Name	Retirement Plan Type
Marin, Karen	G7, Non-vested
Thai, Do	G7, Non-vested
Thomas, Tonya	G7, Vested

#### 4.8 Member Account Redeposits

None.

#### 4.9 Acceptance of Trustees' Reports of Educational Activities

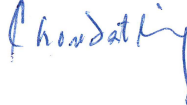
None.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

March 23, 2021

Agenda Item 4.10

**TO:** Board of Retirement

**FROM:** Tat-Ling Chow, Finance Officer 

**SUBJECT:** Report on the County's Prepayment of Employer Pension Contributions for Fiscal Year 2021-2022

**Recommendation**

Accept the report on the County's prepayment of employer pension contributions totaling \$234,965,162 for fiscal year 2021-22.

**Background**

The County's statutory contribution rates for fiscal year 2021-22 were recommended by Milliman Inc. through the 2020 valuation. These rates were subsequently approved by the Board of Retirement and the County of San Mateo Board of Supervisors.

**Discussion**

The prepayment for fiscal year 2021-22 is estimated at \$235 million, based on the adopted contribution rates and the projected annual payroll of the fiscal year. Each year the County prepays its pension contributions via two semi-annual installments with the first installment due in July and the second in January. Installments received will be put into the County Advance Contribution Account.

After each payroll period, the County Controller will notify SamCERA of the County's required contribution for the period based on the actual payroll. SamCERA will then transfer the amount as notified from the County Advance Contribution Account (where the prepayment is temporarily held) to the Employer Contribution Account (where the actual required contribution is recorded). The carrying balance in the County Advance Contribution Account will receive interest at the assumed investment return of 6.5% per annum.

If the overall prepayment received is insufficient to satisfy the annual statutory required contribution, the County will pay the amount still owing. If the overall prepayment exceeds the annual statutory required contribution, the overage will be recorded as a credit for the following year or placed in the County Supplementary Contribution Account as the County directs.




**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

March 23, 2021

Agenda Item 4.11

**TO:** Board of Retirement

**FROM:** Doris Ng, Investment Analyst 

**SUBJECT:** Report on Proxy Voting Summary for the Year Ended December 31, 2020

**Recommendation**

Accept the Proxy Voting Summary Report for the year ended December 31, 2020.

**Background**

Consistent with SamCERA's Investment Policy, investment managers are delegated authority for the voting of proxies. Managers have been providing staff with monthly or quarterly reports on all proxies cast.

The summary report is a more streamlined and robust aggregation of the various reports and shows an overview of the proxy voting conducted by SamCERA's domestic and international equity managers on SamCERA's behalf for the period.

On the summary page, the first table shows statistics of the proposals voted and how they were voted relative to management's or proxy advisor's recommendations. The majority of proposals are typically cast in favor of management's recommendations. In the second table, we drill into the proposals cast against management's or proxy advisor's recommendations by proposal type.

Details of the subset of proposals voted against management's or proxy advisor's recommendations will be provided upon request.

**Discussion**

For the calendar year ended December 31, 2020, there were 75,409 proxy proposals. Of the total proposals, 7.6% were cast against management's recommendation, 88% with management's recommendation and 4.4% not voted. The top three categories of votes cast against management's recommendation were Boards and Directors (46%), Remuneration and Benefits (21%), and Capital Structure, Mergers, Asset Sales and Other Special Transactions (23%). Within the Boards and Directors category, independence, performance and capacity of the directors were some of the common concerns. Within the Remuneration and Benefits category, alignment of shareholder interests, structure of remuneration arrangements, and insufficient information disclosure were some of the common concerns cited in the voting rationales. Lastly, within the Capital Structure, Mergers, Asset Sales and Other Special Transactions category, potential dilution of shareholder interest, anti-takeover potential and giving the board excessive discretion on capital issuance were some of the common concerns.

**Attachment**

Proxy Voting Summary for Calendar Year Ended 12-31-2020

**Year Ended 12/31/2020**

**Proxy Voting Summary Statistics**

Investment Manager <sup>1</sup>	Strategy	Total Proposals	Proposals		FOR Mgmt Rec	AGAINST Mgmt Rec	AGAINST Proxy Advisor Rec <sup>2</sup>
			Not Voted				
Acadian Asset Management	U.S. Managed Volatility	1,983	2		1,828	153	0
Baillie Gifford	International Growth	1,220	54		1,129	37	0
Passive Core	Russell 1000, EAFE, ACWI ex US IMI	65,728	3,242		57,433	5,053	0
Mondrian <sup>3</sup>	International Value	814	16		773	25	3
Mondrian <sup>3</sup>	Emerging Markets Equity Fund, L.P.	696	0		634	62	1
Low Volatility Core	Defensive Equity U.S. Low Volatility	2,208	0		2,027	181	0
QMA <sup>4</sup>	Small Cap Core	2,760	0		2,550	210	189
<b>Grand Total</b>		<b>75,409</b>	<b>3,314</b>		<b>66,374</b>	<b>5,721</b>	<b>193</b>

<sup>1</sup> Note: Information not available for investment manager, D.E. Shaw as related to the Large Cap Core 130/30

<sup>2</sup> Information not available or applicable for all managers.

<sup>3</sup> Voting rationale provided for only select proposals voted against management and/or proxy advisor due to manual process.

<sup>4</sup> Voting rationale may not be provided for proposals voted against management, but consistent with manager's internal proxy voting policy.

**Votes Against Management or Proxy Advisor**


Count of Proposal Type	Investment Manager							Grand Total
	Baillie Gifford	Passive Core	Acadian Asset Management	Low Volatility Core	QMA	Mondrian <sup>2</sup>		
Boards and Directors	12	2306	90	107	108	32	2655	
Capital Structure, Mergers, Asset Sales and Other Special Transactions	15	1240	2	1	6	36	1300	
General Corporate Governance Matters	2	261	1	26	5	8	303	
Remuneration and Benefits	8	1043	26	20	89	12	1198	
Social, Ethical and Environmental Issues		22	34	27	2		85	
Auditors and Audit-Related Issues		181				1	182	
<b>Grand Total</b>	<b>37</b>	<b>5053</b>	<b>153</b>	<b>181</b>	<b>210</b>	<b>89</b>	<b>5723</b>	

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

March 23, 2021

Agenda Item 4.12

**TO:** Board of Retirement

**FROM:** Scott Hood, Chief Executive Officer 

**SUBJECT:** Provision of Consultative Legal Services

**Recommendation**

Approve a resolution authorizing the Chief Executive Officer to enter into an Agreement with Reicker, Pfau, Pyle & McRoy LLP (Reicker Pfau) for the provision of legal consultation services.

**Background**

SamCERA's new Chief Legal Counsel may need from time to time the ability to obtain specialized legal expertise in the areas of benefit administration and investments during his first couple of years serving in his new capacity.

**Discussion**

Alan Blakeboro is a partner with Reicker Pfau, a Santa Barbara law firm with 17 attorneys. Mr. Blakeboro, a graduate of U.C. Berkeley School of Law, serves as the General Counsel for the Santa Barbara County Retirement System (SBCERS). Through SBCERS' agreement with the Reicker Pfau, Mr. Blakeboro has provided general advice and represented SBCERS in litigation and appeals since 1995 and became its Chief Legal Counsel in 2007.

SamCERA's prior Chief Legal Counsel, throughout the years, discussed provisions of the County Employees' Retirement Law and Public Employees' Pension Reform Act with Mr. Blakeboro and has the highest opinion of his expertise and experience. He is a consistent contributor to SACRS and CALAPRS attorney round table discussions and, as such, he would be a valuable resource for our Chief Legal Counsel to discuss difficult issues that may arise from time to time.

In addition, the Reicker Pfau firm has attorneys with experience in private equity and other alternative investment documentation which would be helpful as well to the Chief Legal Counsel.

It is anticipated that the Reicker Pfau firm would only be acting as resource for the Chief Legal Counsel for the first couple of years. The firm's billing rates are competitive at \$400 per hour and the agreement would not exceed \$40,000. The resolution authorizes the Chief Executive Officer to extend the agreement for an additional two years if needed.

**RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO ENTER INTO AN AGREEMENT  
WITH REICKER, PFAU, PYLE & MCROY LLP  
FOR THE PROVISION OF LEGAL CONSULTATION SERVICES**

RESOLUTION 2021-\_\_

**WHEREAS**, the Board adopted a resolution making Government Code section 31529.9 effective for SamCERA, and by such action, the Board is authorized to contract with attorneys in private practice; and

**WHEREAS**, due to the departure of the current Chief Legal Counsel and the transition of responsibilities to the new Chief Legal Counsel, staff recommends that the new Chief Legal Counsel have the ability to utilize specialized legal expertise in the areas of benefit administration and investments during the beginning of his tenure; and

**WHEREAS**, Staff has determined it would be in SamCERA's best interest for Alan Blakeboro of the law firm Reicker, Pfau, Pyle & Mcroy LLP (Reicker Pfau), to provide such legal consultative services to the Chief Legal Counsel due to Mr. Blakeboro's extensive experience being the General Counsel of the Santa Barbara County Employees' Retirement system and his knowledge and expertise in the administration of retirement benefits; and

**WHEREAS**, the Reicker Pfau law firm can also provide the Chief Legal Counsel assistance in the area of alternative investment documentation; and

**WHEREAS**, this Board has determined that it is in the best interest of SamCERA to enter into an agreement with Reicker, Pfau, Pyle & Mcroy LLP to legal services; Therefore, be it

**RESOLVED**, that the Board of Retirement authorizes the Chief Executive Officer to execute an agreement with Reicker, Pfau, Pyle & Mcroy LLP for legal counsel services for an initial term of two years in an amount not to exceed \$40,000. Be it further

**RESOLVED**, the Chief Executive Officer is further authorized to extend the agreement for up to an additional two years and up to an additional \$40,000.

\*\*\*\*\*

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on March 23, 2021.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

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Katherine O'Malley, Board Secretary

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

March 23, 2021

Agenda Item 4.13

**TO:** Board of Retirement

**FROM:** Gladys Smith, Assistant Executive Officer 

**SUBJECT:** Approval to Renew Fiduciary Liability Insurance Policy

**Recommendation**

Authorize the County's Risk Manager to renew fiduciary liability insurance coverage with RLI Insurance Services through May 27, 2022.

**Background**

The Government Code requires SamCERA to defend trustees and staff against claims and litigation which arise from the performance of their duties. Since 1998, the Board has purchased fiduciary liability insurance to help protect the assets of the fund from the expenses and any awards resulting from such litigation because the assets of the retirement fund would be used to provide such defense,.

**Discussion**

Currently, the Board has a fiduciary policy with RLI Insurance Services for \$10 million in coverage, a deductible of \$100,000, and an annual premium of \$62,650. Staff worked with the County Risk Manager and James and Gable Insurance Brokers, Inc. to obtain a continuation of this coverage for \$86,050. The 19.3% increase is due to the increase in assets, participants, funding status and market conditions, which was based on the June 30, 2030 valuation.

For the 18 covered fiduciaries (Board and certain staff), SamCERA will once again be able to pay for a Waiver of Nonrecourse endorsement. The cost is \$450 and will be divided equally by the 18 covered fiduciaries. By law, this cannot be paid by the fund and must be paid personally by each fiduciary. For convenience, SamCERA collects the money from each fiduciary and remits payment to the insurance broker.

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**  
**Board of Retirement**

March 23, 2021

Agenda Item 6.1

**TO:** Board of Retirement

**FROM:** Michael Coultrip, Chief Investment Officer



**SUBJECT:** Preliminary Monthly Portfolio Performance Report for the Period Ended February 28, 2021

**Recommendation**

Accept the preliminary performance report dated February 28, 2021.

**Background**

This preliminary report is intended to provide a high-level view of the portfolio and its trends. It is not intended to provide short-term performance upon which the Board would act. The quarterly performance metrics are not yet available for our private equity, private credit, private real asset, and real estate portfolios. The performance for these portfolios will be reflected in the quarterly performance report generated by Verus.

The attached performance report shows both net and gross of fee returns for the total plan on page one, with net composite returns (pages 2-3) and net manager returns (pages 4-11) also shown.

**Discussion**

The fund's net preliminary return for February was 0.7%, bringing the preliminary trailing twelve-month net return ending February 2021 to 15.3%. The preliminary twelve-month net return is below SamCERA's Plan Benchmark return of 15.4% but above SamCERA's Actuarial Assumed Earnings Rate of 6.5%.

Market volatility continued into February, with a rapid rise in interest rates causing turbulence within (and across sectors) in the U.S. stock market, with value and smaller-company stocks outperforming the general market. The U.S. equity market (measured by the S&P 500 Index) was up 2.8%. Small-cap stocks were up an impressive 6.2%. Developed international equity (as measured by MSCI EAFE) was up 2.2% while emerging markets were up 0.8%.

Economic data was mixed. The revised estimate of 4th quarter real GDP was higher by 4.1% on an annualized basis. Manufacturing continued showing strength, while the labor market continued to show weakness due to COVID-19 impacts. Core consumer price inflation grew 1.3% year-over-year in February, down from 1.4% from the prior period.

The general U.S. fixed income market was lower by 1.4% as interest rates rose (and the yield curve steepened). The 10-year U.S. Treasury yield was higher by 34 basis points during the month and

ended at 1.41% by month-end. High Yield returns were up 0.4% as high-yield credit spreads narrowed.

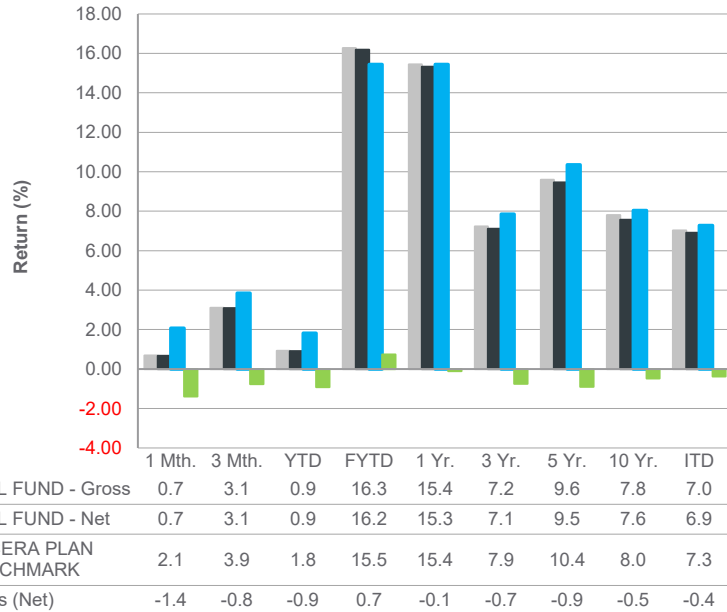
**Attachments**

Northern Trust Monthly Preliminary Performance Report  
Verus Capital Market Update

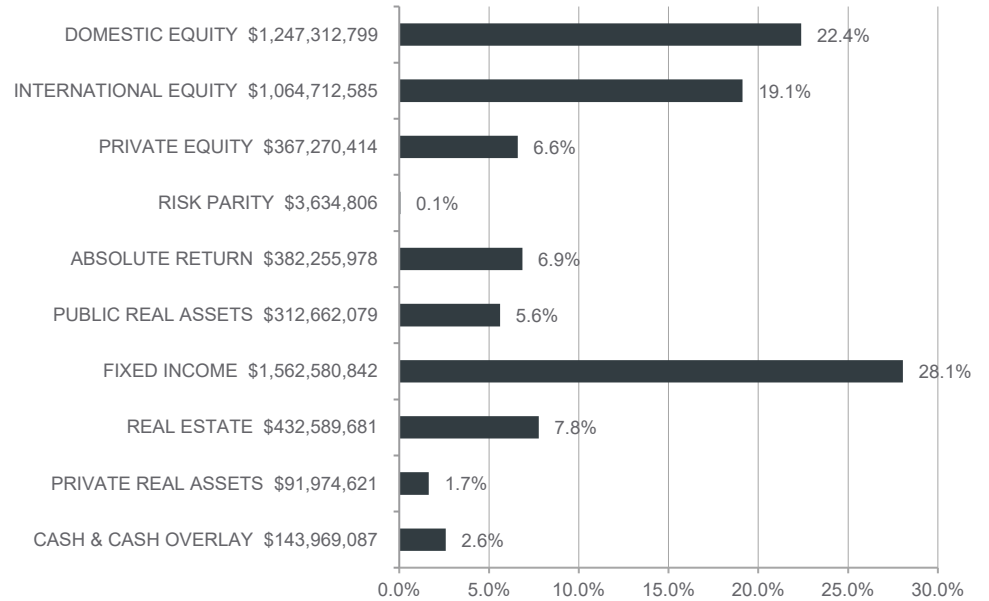
# San Mateo County Composite Return Summary February 28, 2021



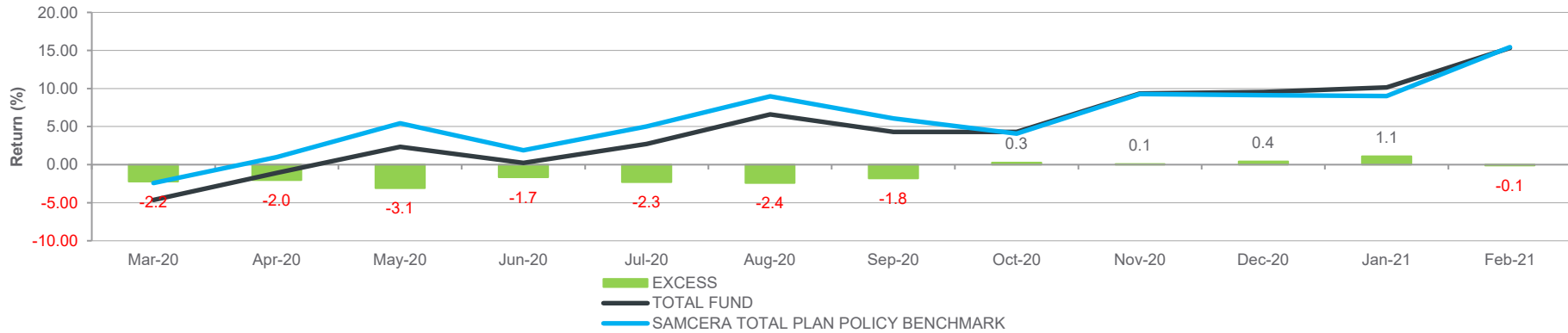
**Total Fund Performance**



**Asset Allocation**



**Rolling Month End Annual Returns**



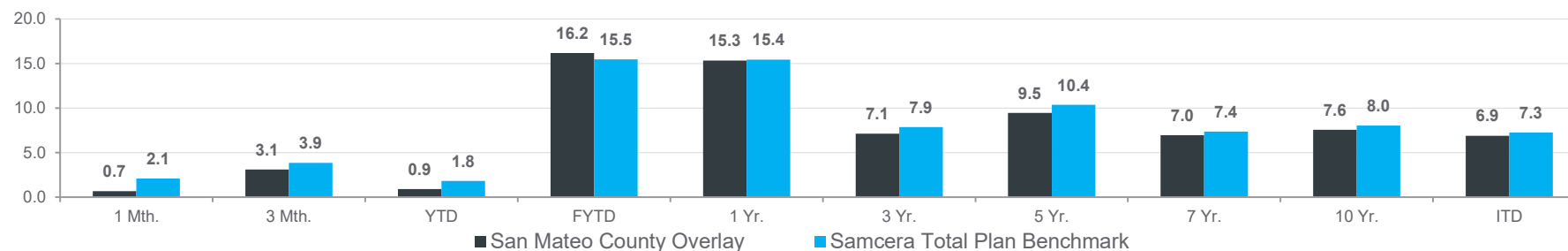


# San Mateo County Composite Return Summary

February 28, 2021



Return Comparison



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County Overlay	5,570,622,002	0.7	3.1	0.9	16.2	15.3	7.1	9.5	7.0	7.6	6.9
Samcera Total Plan Benchmark		2.1	3.9	1.8	15.5	15.4	7.9	10.4	7.4	8.0	7.3
Excess		-1.4	-0.8	-0.9	0.7	-0.1	-0.7	-0.9	-0.4	-0.5	-0.4
San Mateo Ex-Clifton Overlay	5,563,141,247	0.7	3.1	0.9	16.2	15.3	7.0	9.4	6.9	7.5	6.8
Samcera Total Plan Benchmark		2.1	3.9	1.8	15.5	15.4	7.9	10.4	7.4	8.0	7.3
Excess		-1.4	-0.8	-0.9	0.7	-0.1	-0.9	-1.0	-0.5	-0.5	-0.4
Total Equity	2,312,025,383	2.0	6.5	1.9	25.6	28.4	9.8	13.9	9.2	9.7	8.2
Samcera Total Equity Benchmark		2.8	7.5	2.7	26.9	30.3	10.5	15.1	10.5	10.7	8.9
Excess		-0.7	-1.0	-0.8	-1.3	-2.0	-0.7	-1.2	-1.2	-1.0	-0.6
Fixed Income	1,562,580,842	-0.5	0.1	-0.6	4.2	4.2	5.2	5.8	4.4	4.8	5.5
Samcera Fixed Income Benchmark		-0.9	-0.9	-1.4	2.2	3.6	5.8	4.7	3.9	4.0	5.1
Excess		0.5	1.0	0.8	1.9	0.7	-0.6	1.1	0.5	0.8	0.5
Risk Parity	3,634,806	0.0	0.0	0.0	-0.0	-6.6	2.4	5.5	4.3	5.1	5.1
Samcera Risk Parity Benchmark		0.8	3.0	-0.1	16.0	19.3	8.3	10.7	8.4	9.0	9.0
Excess		-0.8	-3.0	0.1	-16.1	-25.9	-5.9	-5.1	-4.1	-3.9	-3.9

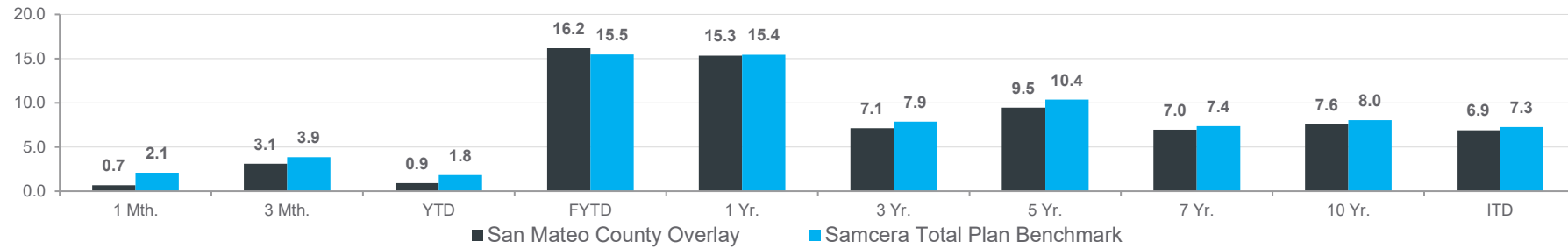


# San Mateo County Composite Return Summary

February 28, 2021



Return Comparison



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Alternatives	749,526,392	-1.5	-0.3	-0.4	34.4	31.7	12.6	10.7	8.9	7.6	0.2
Samcera Alternatives Benchmark		5.9	3.5	5.1	23.5	13.4	10.6	12.3	8.6	8.9	8.3
Excess		-7.4	-3.8	-5.4	10.9	18.3	2.0	-1.6	0.3	-1.3	-8.2
Inflation Hedge	837,226,381	1.2	3.4	2.2	7.6	-1.1	0.4	--	--	--	3.9
SamCERA Inflation Hedge Index		2.5	3.9	2.5	9.2	5.3	3.8	--	--	--	5.4
Excess		-1.3	-0.5	-0.3	-1.6	-6.4	-3.4	--	--	--	-1.5
Cash	143,969,087	0.0	0.1	0.1	0.4	0.6	0.9	0.9	0.7	0.7	1.8
Samcera Cash Benchmark		0.0	0.0	0.0	0.1	0.4	1.5	1.2	0.9	0.6	1.8
Excess		0.0	0.1	0.1	0.3	0.2	-0.6	-0.3	-0.1	0.1	0.0



# San Mateo County Composite Return Summary

February 28, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Equity	2,312,025,383	2.0	6.5	1.9	25.6	28.4	9.8	13.9	9.2	9.7	8.2
Samcera Total Equity Benchmark		2.8	7.5	2.7	26.9	30.3	10.5	15.1	10.5	10.7	8.9
Excess		-0.7	-1.0	-0.8	-1.3	-2.0	-0.7	-1.2	-1.2	-1.0	-0.6
Domestic Equity	1,247,312,799	2.2	5.8	1.3	24.0	27.9	12.0	15.6	11.3	12.0	9.2
Samcera Dom. Equity Benchmark		3.1	7.3	2.7	28.6	35.3	15.0	17.5	12.7	13.3	9.8
Excess		-0.9	-1.5	-1.4	-4.5	-7.4	-2.9	-1.9	-1.4	-1.3	-0.6
Large Cap Equity	1,141,978,771	1.7	4.6	0.4	22.2	27.0	12.3	16.0	12.2	12.5	9.9
Russell 1000		2.9	6.4	2.1	27.0	34.3	15.0	17.4	13.1	13.6	10.5
Excess		-1.2	-1.7	-1.7	-4.8	-7.2	-2.6	-1.4	-0.9	-1.1	-0.6
Blackrock Russell 1000	545,205,950	2.9	6.4	2.0	27.5	35.0	15.2	--	--	--	16.4
Russell 1000		2.9	6.4	2.1	27.0	34.3	15.0	--	--	--	16.1
Excess		0.0	0.0	-0.0	0.5	0.8	0.2	--	--	--	0.2
DE Shaw Commingled Fund	191,297,698	2.0	6.0	-0.8	26.1	30.8	12.8	16.9	--	--	12.9
Russell 1000		2.9	6.4	2.1	27.0	34.3	15.0	17.4	--	--	13.0
Excess		-0.9	-0.3	-2.9	-0.9	-3.5	-2.2	-0.5	--	--	-0.1
Acadian US MGD V-SL	199,929,249	-0.7	2.9	-0.8	13.4	13.0	--	--	--	--	12.9
Russell 1000		2.9	6.4	2.1	27.0	34.3	--	--	--	--	25.4
Excess		-3.6	-3.5	-2.8	-13.6	-21.3	--	--	--	--	-12.4
Panagora Defuseq -SL	205,545,873	0.8	0.6	-1.7	13.1	11.8	--	--	--	--	15.2
Russell 1000		2.9	6.4	2.1	27.0	34.3	--	--	--	--	25.4
Excess		-2.1	-5.7	-3.8	-13.9	-22.5	--	--	--	--	-10.2
Domestic Equity Overlay	0	10.7	37.5	26.6	70.1	--	--	--	--	--	98.4
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.1	--	--	--	--	--	0.1
Excess		10.7	37.4	26.6	70.0	--	--	--	--	--	98.3
Small Cap Equity	105,334,028	8.2	18.7	11.6	45.4	33.3	7.3	11.4	5.8	8.6	6.7
Russell 2000		6.2	21.2	11.6	53.8	51.0	14.9	17.9	10.8	11.9	9.0
Excess		2.0	-2.6	0.0	-8.4	-17.7	-7.5	-6.5	-5.0	-3.3	-2.3



# San Mateo County Composite Return Summary

February 28, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
QMA US Small Cap	105,334,028	8.2	18.7	11.6	45.4	33.3	7.3	--	--	--	10.2
Russell 2000		6.2	21.2	11.6	53.8	51.0	14.9	--	--	--	15.1
Excess		2.0	-2.6	0.0	-8.4	-17.7	-7.5	--	--	--	-4.9
International Equity	1,064,712,585	1.8	7.3	2.7	27.5	28.8	7.1	11.7	6.1	5.7	6.0
SamCERA Custom Hedge Intl		2.3	7.7	2.8	24.9	24.4	5.2	11.1	5.2	4.9	5.4
Excess		-0.5	-0.3	-0.1	2.6	4.4	1.9	0.6	0.9	0.8	0.6
Baillie Gifford	362,528,921	0.4	6.2	1.1	34.2	48.8	14.2	16.6	9.9	--	11.2
MSCI ACWI ex USA Growth		-0.4	5.5	0.3	25.9	33.8	10.3	14.1	8.2	--	--
Excess		0.8	0.7	0.8	8.3	15.0	3.9	2.4	1.7	--	--
Blackrock MSCI ACWI ex US IMI	347,077,268	2.2	8.1	2.3	28.1	--	--	--	--	--	23.8
MS AC WIdxUS IMI Nt		2.2	8.1	2.4	28.2	--	--	--	--	--	24.2
Excess		-0.0	-0.1	-0.1	-0.1	--	--	--	--	--	-0.4
Mondrian Investment Partners	351,688,695	2.5	8.7	3.5	27.9	16.9	2.6	8.1	3.6	4.3	5.4
MSCI ACWI xUSA Value		4.4	10.0	4.2	28.6	18.9	1.3	9.1	2.9	3.2	5.1
Excess		-1.9	-1.4	-0.7	-0.7	-2.0	1.2	-1.1	0.7	1.1	0.2
Currency Hedge Futures	379,087,014	-0.4	0.9	-1.2	6.2	--	--	--	--	--	7.6
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.1	--	--	--	--	--	0.1
Excess		-0.4	0.8	-1.2	6.1	--	--	--	--	--	7.5
Currency Hedge Futures Offsets	379,087,014	-0.0	0.0	0.0	0.0	--	--	--	--	--	0.0
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.1	--	--	--	--	--	0.1
Excess		-0.0	-0.0	-0.0	-0.1	--	--	--	--	--	-0.1
International Equity Overlay	3,417,701	-0.1	10.2	7.5	34.1	--	--	--	--	--	50.4
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.1	--	--	--	--	--	0.1
Excess		-0.2	10.1	7.5	34.0	--	--	--	--	--	50.3
Fixed Income	1,562,580,842	-0.5	0.1	-0.6	4.2	4.2	5.2	5.8	4.4	4.8	5.5
Samcera Fixed Income Benchmark		-0.9	-0.9	-1.4	2.2	3.6	5.8	4.7	3.9	4.0	5.1
Excess		0.5	1.0	0.8	1.9	0.7	-0.6	1.1	0.5	0.8	0.5



# San Mateo County Composite Return Summary

February 28, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Core Fixed Income	1,004,918,142	-1.4	-1.5	-1.9	0.6	3.2	4.9	4.6	4.0	4.3	5.3
BBG Barclays US Aggregate		-1.4	-2.0	-2.2	-0.9	1.4	5.3	3.6	3.5	3.6	4.9
Excess		0.1	0.5	0.3	1.5	1.8	-0.4	1.1	0.5	0.7	0.3
FIAM B Core Bond	265,569,975	-1.6	-1.8	-2.2	0.6	4.0	6.3	4.8	--	--	4.8
BBG Barclays US Aggregate		-1.4	-2.0	-2.2	-0.9	1.4	5.3	3.6	--	--	3.6
Excess		-0.1	0.2	-0.1	1.5	2.6	0.9	1.2	--	--	1.2
Western Total Return	221,604,481	-0.7	-0.2	-1.3	5.3	6.7	4.2	6.3	--	--	4.7
BBG Barclays US Aggregate		-1.4	-2.0	-2.2	-0.9	1.4	5.3	3.6	--	--	3.6
Excess		0.8	1.8	0.8	6.2	5.3	-1.1	2.7	--	--	1.1
Blackrock Inter Gov	0	-0.3	-0.5	-0.5	-0.5	2.2	4.5	--	--	--	3.2
BBG Barclays US Aggregate		-1.4	-2.0	-2.2	-0.9	1.4	5.3	--	--	--	4.2
Excess		1.1	1.5	1.6	0.4	0.9	-0.8	--	--	--	-1.0
DoubleLine	247,489,653	-1.5	-1.2	-1.5	0.3	3.9	--	--	--	--	3.9
BBG Barclays US Aggregate		-1.4	-2.0	-2.2	-0.9	1.4	--	--	--	--	1.4
Excess		-0.1	0.9	0.6	1.2	2.5	--	--	--	--	2.5
NISA Core Bond	235,330,845	-1.8	-2.3	-2.5	-1.1	--	--	--	--	--	0.5
BBG Barclays US Aggregate		-1.4	-2.0	-2.2	-0.9	--	--	--	--	--	0.2
Excess		-0.3	-0.3	-0.3	-0.2	--	--	--	--	--	0.3
Core Fixed Income Overlay	34,923,188	-2.9	-3.7	-3.8	-4.7	--	--	--	--	--	-4.1
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.1	--	--	--	--	--	0.1
Excess		-2.9	-3.7	-3.8	-4.8	--	--	--	--	--	-4.2
Opportunistic Credit	557,662,700	1.3	3.2	2.0	11.7	6.1	5.7	8.3	6.0	6.9	8.5
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	7.0	7.5	5.5	6.4	7.3
Excess		1.2	1.8	1.9	2.8	-3.1	-1.3	0.8	0.5	0.6	1.2
Pimco Private Income	42,506,921	5.8	5.8	5.8	19.3	12.3	--	--	--	--	8.8
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	--	--	--	--	7.9
Excess		5.7	4.4	5.7	10.5	3.1	--	--	--	--	1.0



# San Mateo County Composite Return Summary

February 28, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
AG CREDIT SOL FU LP	11,763,360	9.0	9.0	9.0	24.8	13.8	--	--	--	--	27.3
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	--	--	--	--	6.7
Excess		9.0	7.6	8.9	15.9	4.6	--	--	--	--	20.6
AG CSF ANX DISLOC FD	14,482,721	10.2	10.2	10.2	22.0	--	--	--	--	--	22.1
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	--	--	--	--	--	19.9
Excess		10.1	8.8	10.0	13.1	--	--	--	--	--	2.2
AG Opportunistic Whole Loan	1,969,913	0.0	0.0	0.0	17.2	-9.0	12.6	11.2	--	--	8.1
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	7.0	7.5	--	--	5.5
Excess		-0.1	-1.4	-0.1	8.3	-18.2	5.6	3.7	--	--	2.6
Angelo Gordon	34,270	0.0	10.8	0.0	76.6	47.8	31.1	24.8	19.9	--	18.7
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	7.0	7.5	5.5	--	5.8
Excess		-0.1	9.4	-0.1	67.7	38.6	24.1	17.3	14.4	--	12.9
Blackrock Direct Lending Feede	6,302,980	0.0	0.6	0.6	10.9	10.3	--	--	--	--	1.5
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	--	--	--	--	8.4
Excess		-0.1	-0.9	0.4	2.0	1.1	--	--	--	--	-7.0
Beach Point Select Fund	87,419,882	1.5	6.2	3.7	19.8	13.0	8.5	10.4	--	--	9.0
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	7.0	7.5	--	--	5.9
Excess		1.5	4.8	3.5	10.9	3.9	1.5	2.9	--	--	3.1
Brigade Cap Mngmt	102,056,611	2.0	7.9	5.2	21.1	8.6	5.2	9.9	4.9	6.0	6.5
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	7.0	7.5	5.5	6.4	6.8
Excess		1.9	6.5	5.1	12.2	-0.6	-1.8	2.4	-0.6	-0.3	-0.2
White Oak YSF V	34,447,924	0.6	0.6	0.6	--	--	--	--	--	--	0.6
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	--	--	--	--	--	--	1.4
Excess		0.5	-0.8	0.5	--	--	--	--	--	--	-0.8
White Oak Yield Spec	34,745,123	1.6	1.6	1.6	5.9	5.0	6.0	--	--	--	--
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	7.0	--	--	--	6.2
Excess		1.6	0.2	1.5	-3.0	-4.2	-1.0	--	--	--	--



# San Mateo County Composite Return Summary

February 28, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
PIMCO Div. Income Fund	131,751,082	-1.2	-0.8	-1.6	5.3	2.9	5.7	--	--	--	4.9
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	7.0	--	--	--	5.8
Excess		-1.3	-2.2	-1.7	-3.6	-6.2	-1.3	--	--	--	-1.0
TCP Direct Lending VIII	32,661,007	0.6	2.8	1.9	7.6	8.0	5.3	--	--	--	--
BB Barc BA Intermediate HY Ind		0.1	1.4	0.1	8.9	9.2	7.0	--	--	--	6.7
Excess		0.5	1.3	1.7	-1.3	-1.2	-1.7	--	--	--	--
Franklin Templeton	57,520,906	-0.8	-1.5	-2.0	-1.8	-8.2	-3.2	1.3	0.1	1.9	2.1
BB Barclays Multiverse Index		-1.6	-1.1	-2.5	3.7	4.5	3.9	3.9	2.4	2.6	2.7
Excess		0.9	-0.4	0.5	-5.4	-12.7	-7.0	-2.6	-2.3	-0.7	-0.6
Risk Parity	3,634,806	0.0	0.0	0.0	-0.0	-6.6	2.4	5.5	4.3	5.1	5.1
Samcera Risk Parity Benchmark		0.8	3.0	-0.1	16.0	19.3	8.3	10.7	8.4	9.0	9.0
Excess		-0.8	-3.0	0.1	-16.1	-25.9	-5.9	-5.1	-4.1	-3.9	-3.9
Panagora	3,634,806	0.0	0.0	0.0	0.0	-5.1	3.2	5.8	--	--	4.9
Samcera Risk Parity Benchmark		0.8	3.0	-0.1	16.0	19.3	8.3	10.7	--	--	8.2
Excess		-0.8	-3.0	0.1	-16.0	-24.4	-5.1	-4.9	--	--	-3.3
Alternatives	749,526,392	-1.5	-0.3	-0.4	34.4	31.7	12.6	10.7	8.9	7.6	0.2
Samcera Alternatives Benchmark		5.9	3.5	5.1	23.5	13.4	10.6	12.3	8.6	8.9	8.3
Excess		-7.4	-3.8	-5.4	10.9	18.3	2.0	-1.6	0.3	-1.3	-8.2
Private Equity	367,270,414	-3.5	-2.9	-1.1	58.5	64.7	30.6	23.4	20.8	-0.4	-8.4
Samcera PE Benchmark		12.4	6.5	10.2	48.2	22.1	15.2	18.9	14.9	15.8	16.8
Excess		-15.9	-9.4	-11.3	10.3	42.6	15.4	4.6	5.9	-16.3	-25.3
Absolute Return	382,255,978	0.5	2.8	-0.0	5.1	-4.2	-7.0	-3.4	0.4	--	1.0
Samcera SOFR + 4%		0.3	1.0	0.7	2.7	4.4	5.6	5.3	5.0	--	4.8
Excess		0.2	1.8	-0.7	2.3	-8.6	-12.6	-8.7	-4.6	--	-3.8
AQR Delta XN	18	-0.5	-0.5	-0.5	-0.3	-21.4	-17.3	-10.1	-4.5	--	-2.6
Samcera SOFR + 4%		0.3	1.0	0.7	2.7	4.4	5.6	5.3	5.0	--	4.8
Excess		-0.8	-1.5	-1.1	-3.0	-25.8	-22.9	-15.4	-9.5	--	-7.3



# San Mateo County Composite Return Summary

February 28, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Aberdeen Std GARS	79,724,479	-0.9	-0.4	-2.0	5.7	5.5	3.2	2.7	--	--	1.9
Samcera SOFR + 4%		0.3	1.0	0.7	2.7	4.4	5.6	5.3	--	--	5.2
Excess		-1.3	-1.4	-2.6	2.9	1.2	-2.4	-2.6	--	--	-3.3
Graham Global Investment	76,995,742	0.3	1.5	-1.0	6.3	2.7	--	--	--	--	2.5
Samcera SOFR +4%		0.3	1.0	0.7	2.7	4.4	--	--	--	--	4.5
Excess		-0.0	0.5	-1.7	3.5	-1.7	--	--	--	--	-2.0
PIMCO MAARS Fund L.P.	70,286,503	-1.6	2.9	-0.4	0.0	--	--	--	--	--	1.9
Samcera SOFR +4%		0.3	1.0	0.7	2.7	--	--	--	--	--	3.9
Excess		-1.9	1.9	-1.1	-2.7	--	--	--	--	--	-2.0
Acadian MAAR Fund LLC	69,613,509	-0.9	0.9	-2.2	--	--	--	--	--	--	-0.4
Samcera SOFR +4%		0.3	1.0	0.7	--	--	--	--	--	--	1.7
Excess		-1.3	-0.1	-2.9	--	--	--	--	--	--	-2.1
CFM SYS Global Macro Fund	85,635,727	6.9	12.9	6.9	--	--	--	--	--	--	12.4
Samcera SOFR +4%		0.3	1.0	0.7	--	--	--	--	--	--	1.7
Excess		6.6	11.9	6.2	--	--	--	--	--	--	10.8
Inflation Hedge	837,226,381	1.2	3.4	2.2	7.6	-1.1	0.4	--	--	--	3.9
SamCERA Inflation Hedge Index		2.5	3.9	2.5	9.2	5.3	3.8	--	--	--	5.4
Excess		-1.3	-0.5	-0.3	-1.6	-6.4	-3.4	--	--	--	-1.5
Real Estate	432,589,681	0.2	1.8	1.8	2.2	0.3	5.0	--	--	--	6.5
Samcera NCREIF ODCE EW (gross)		0.0	1.4	0.0	1.9	1.6	5.3	--	--	--	6.2
Excess		0.2	0.5	1.8	0.2	-1.3	-0.2	--	--	--	0.3
Invesco Core Real Estate	262,523,773	0.0	1.5	1.5	2.0	-1.9	4.3	6.0	8.1	9.5	7.2
Samcera NCREIF ODCE EW (gross)		0.0	1.4	0.0	1.9	1.6	5.3	6.6	8.6	10.0	7.2
Excess		0.0	0.2	1.5	0.1	-3.5	-0.9	-0.6	-0.5	-0.5	-0.1
Invesco US Val IV	14,947,299	0.0	5.7	5.7	1.8	2.5	9.7	9.2	--	--	10.9
Samcera NCREIF ODCE EW (gross)		0.0	1.4	0.0	1.9	1.6	5.3	6.6	--	--	6.9
Excess		0.0	4.3	5.7	-0.1	0.9	4.4	2.6	--	--	4.0





# San Mateo County Composite Return Summary

February 28, 2021



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
PGIM Real Estate US Debt Fund	84,829,296	0.4	1.6	1.6	2.9	5.0	5.5	--	--	--	4.8
Samcera NCREIF ODCE EW (gross)		0.0	1.4	0.0	1.9	1.6	5.3	--	--	--	5.4
Excess		0.4	0.3	1.6	1.0	3.4	0.3	--	--	--	-0.6
Invesco US VAL V	18,716,432	0.0	5.3	5.3	0.7	1.5	--	--	--	--	3.8
Samcera NCREIF ODCE EW (gross)		0.0	1.4	0.0	1.9	1.6	--	--	--	--	--
Excess		0.0	4.0	5.3	-1.2	-0.1	--	--	--	--	--
Harrison Street Core Property	51,572,881	1.0	1.2	1.2	2.0	3.2	--	--	--	--	2.7
Samcera NCREIF ODCE EW (gross)		0.0	1.4	0.0	1.9	1.6	--	--	--	--	1.3
Excess		1.0	-0.1	1.2	0.1	1.6	--	--	--	--	1.4
Public Real Assets	312,662,079	3.8	8.1	4.2	20.7	1.0	-3.5	--	--	--	--
SamCera Liquid Real Asset Inde		3.8	8.1	4.2	21.2	13.7	2.2	--	--	--	6.1
Excess		-0.0	0.0	-0.0	-0.4	-12.7	-5.8	--	--	--	--
SSGA CST REAL ASSET NL	312,662,079	3.8	8.1	4.2	20.7	12.7	1.6	--	--	--	--
SamCera Liquid Real Asset Inde		3.8	8.1	4.2	21.2	13.7	2.2	--	--	--	4.8
Excess		-0.0	0.0	-0.0	-0.4	-1.0	-0.6	--	--	--	--
Private Real Assets	91,974,621	-0.0	-0.4	-0.2	5.4	-1.2	-1.7	--	--	--	5.9
SamCERA Private Real Asset Idx		7.0	4.2	6.3	16.0	0.8	2.2	--	--	--	5.5
Excess		-7.0	-4.6	-6.6	-10.6	-2.0	-3.9	--	--	--	0.4
Cash Overlay	7,480,754	0.0	0.0	0.0	0.2	--	--	--	--	--	0.3
ICE BofAML US 3-Month Treasury Bill		0.0	0.0	0.0	0.1	--	--	--	--	--	0.1
Excess		0.0	0.0	0.0	0.1	--	--	--	--	--	0.2
General Account	61,817,790	0.0	0.0	0.0	-0.0	0.2	1.5	1.3	1.0	0.8	1.9
County Treasury Pool	26,607,893	0.0	0.2	0.2	1.0	1.5	1.8	1.5	1.2	1.1	2.6
Currency Hedge Cash Overlay	48,062,641	0.0	0.0	0.0	0.1	--	--	--	--	--	0.2



# San Mateo County Composite Return Summary

February 28, 2021



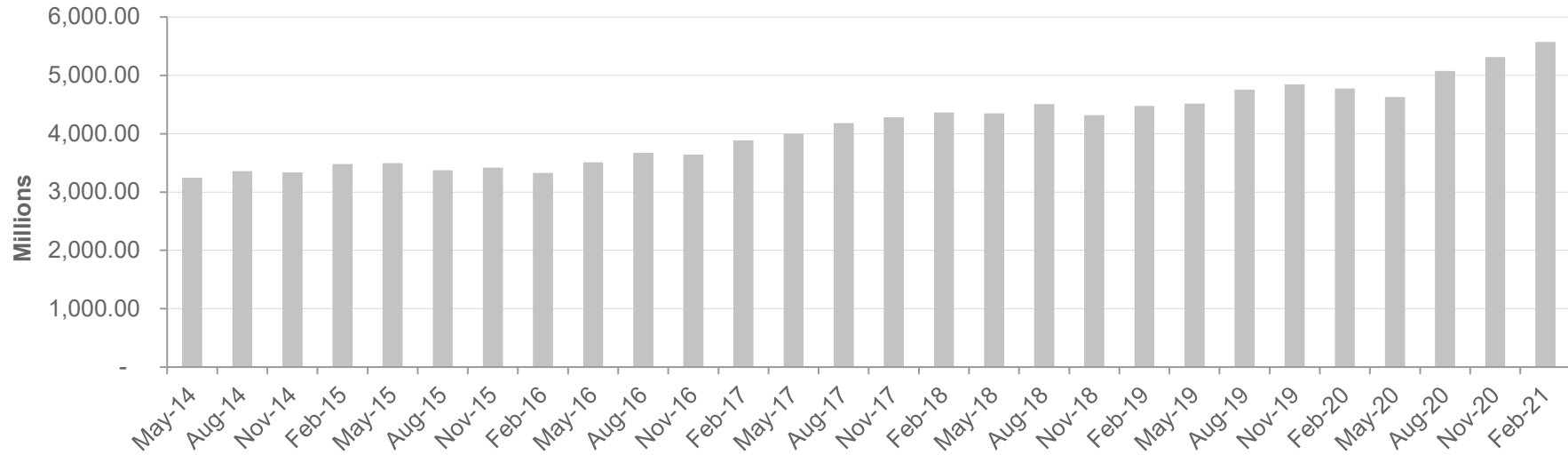
Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County Overlay	5,570,622,002	0.7	3.1	0.9	16.2	15.3	7.1	9.5	7.0	7.6	6.9
Samcera Total Plan Benchmark		2.1	3.9	1.8	15.5	15.4	7.9	10.4	7.4	8.0	7.3
Excess		-1.4	-0.8	-0.9	0.7	-0.1	-0.7	-0.9	-0.4	-0.5	-0.4



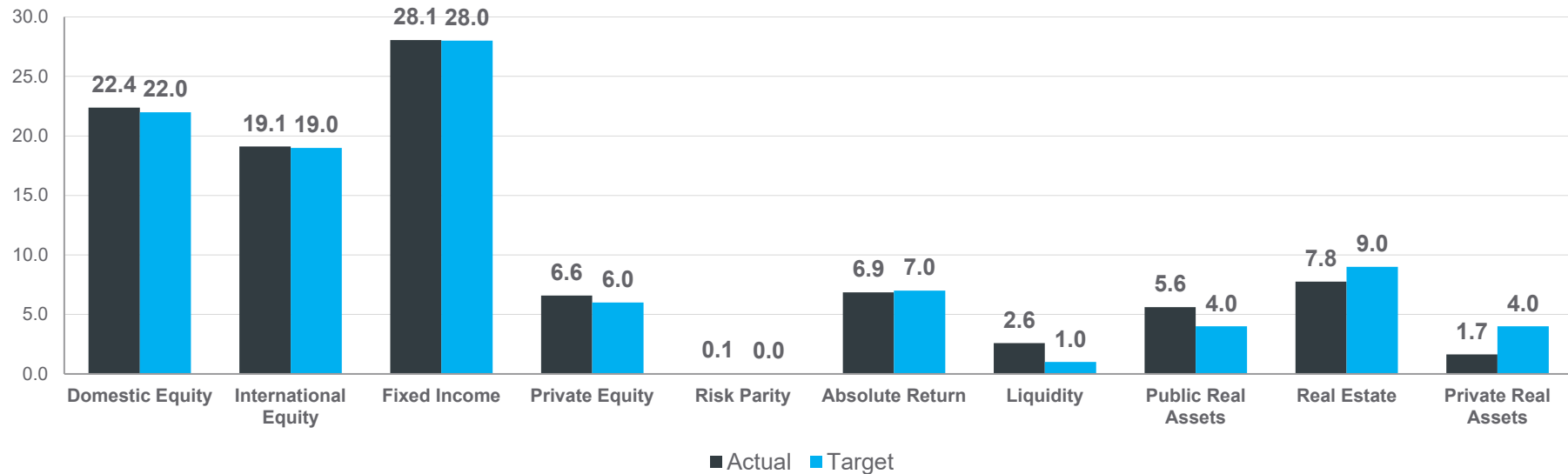
**Record of Asset Growth**

	Three Months	One Year
<b>TOTAL FUND</b>		
Beginning Market Value	5,314,974,626	4,777,376,216
Contributions	149,326,993	753,470,083
Withdrawals	-59,583,318	-774,842,378
Income Received	17,940,443	68,889,080
Gain/Loss	148,617,876	664,888,502
Ending Market Value	5,570,622,002	5,570,622,002

**Net Asset Values Over Time (\$000)**

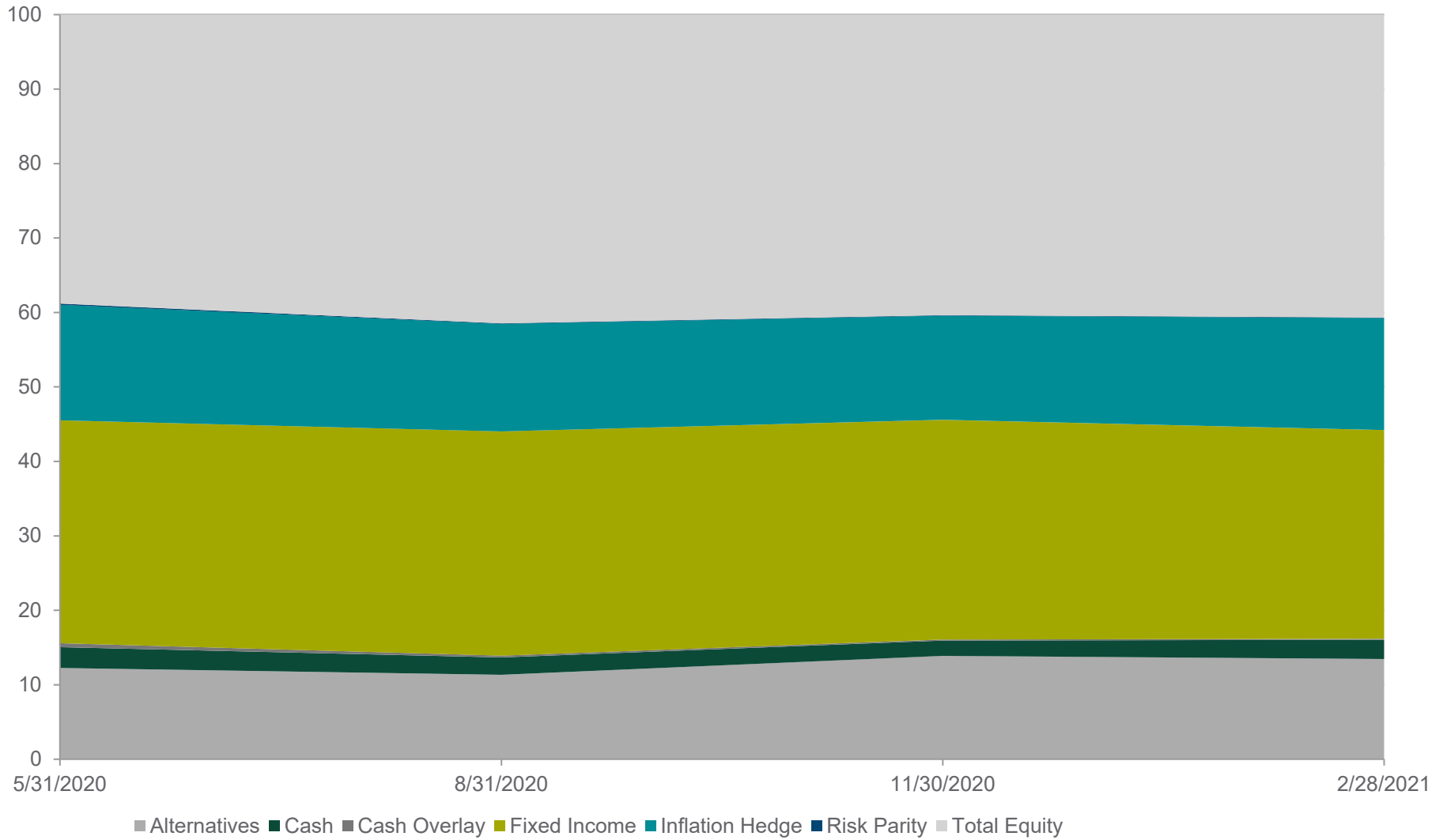


**Actual vs Target Weights**

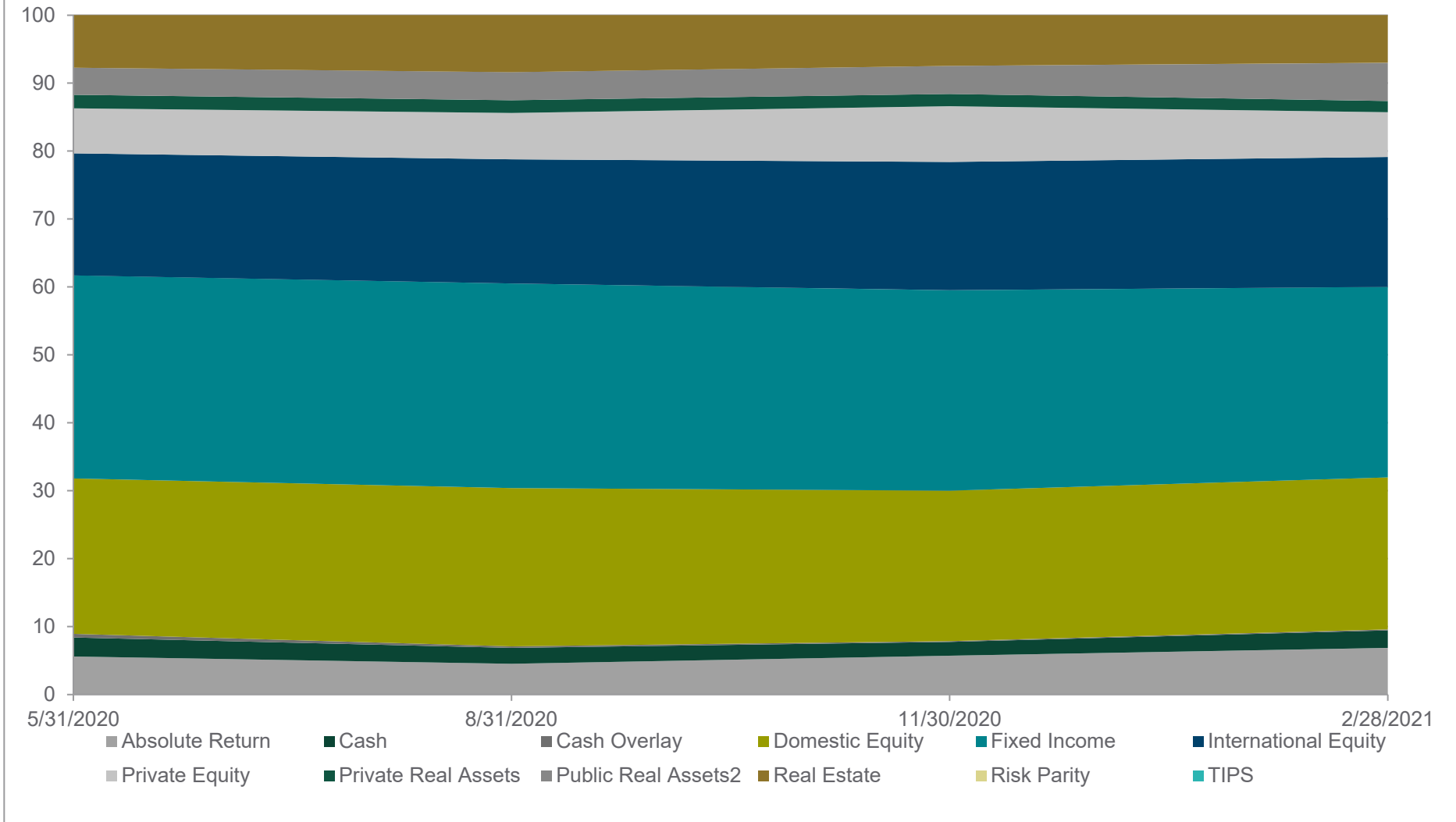


	Min	Actual	Target	Deviation	Max
<b>Domestic Equity</b>	20.0	22.4	22.0	0.4	24.0
<b>International Equity</b>	17.0	19.1	19.0	0.1	21.0
<b>Fixed Income</b>	26.0	28.1	28.0	0.1	30.0
<b>Private Equity</b>	4.0	6.6	6.0	0.6	8.0
<b>Risk Parity</b>	0.0	0.1	0.0	0.1	0.0
<b>Absolute Return</b>	5.0	6.9	7.0	-0.1	9.0
<b>Liquidity</b>	0.0	2.6	1.0	1.6	2.0
<b>Public Real Assets</b>	2.0	5.6	4.0	1.6	6.0
<b>Real Estate</b>	7.0	7.8	9.0	-1.2	11.0
<b>Private Real Assets</b>	2.0	1.7	4.0	-2.3	6.0

Asset Allocation over Time



### Sub-Asset Class Allocation Over Time



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**PERSPECTIVES  
THAT DRIVE  
ENTERPRISE  
SUCCESS**

FEBRUARY 2021  
Capital Markets Update



# Market commentary

## U.S. ECONOMICS

- Officials in Washington neared agreement on a \$1.9 trillion economic relief package, which will include \$1,400 payments for most citizens, \$300 per week in additional unemployment benefits until September 6<sup>th</sup>, and \$350 billion in aid for state and local governments.
- Nonfarm payrolls surprised to the upside, as payrolls increased by 379k in February - expectations were for a monthly increase of 200k. Gains were made predominantly in the leisure and hospitality sector, which accounted for 94% of new jobs in February. Despite the continued recovery in the labor market, nonfarm payrolls remain about 9.5 million jobs short of the prior peak in February of 2020.
- The University of Michigan's Consumer Sentiment Index dropped from 79.0 to 76.8 over the month. The decrease was attributed mainly to a decline in the number of consumers who reported they were anticipating a much stronger economy over the upcoming six months.

## U.S. EQUITIES

- The S&P 500 Index rose 2.8% over the month. The top-performing Energy (+22.7%) sector holds a small weight in the index but still buoyed the overall index from losses within the relatively heavily-weighted Health Care (-2.1%) and Consumer Staples (-1.4%) sectors.
- The S&P 500 Price Index closed the month at 3811, above its 50-, 100- and 200-day moving averages, indicating that there has been an upward price trend over the past six months.
- Historically-low interest rates have helped to justify lofty equity valuations and that support eroded this month as real interest rates rose. Nominal Treasury yields picked up over the period, while breakeven inflation rates remained rangebound.

## U.S. FIXED INCOME

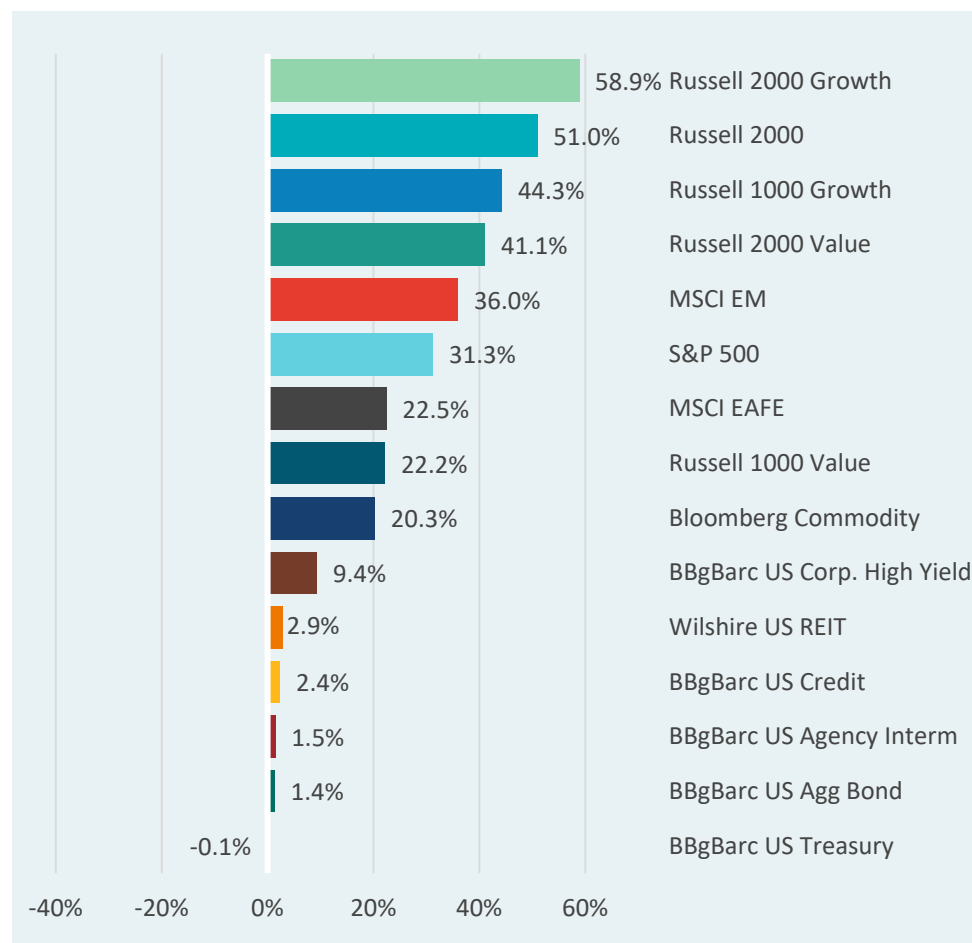
- In the Semiannual Monetary Policy Report, Fed Chair Powell said that despite positive news in hospitalizations and ongoing vaccinations the economic recovery remains uneven and far from complete. Powell added that the path ahead to normal conditions is highly uncertain, and risks remain to the downside.
- Ten-year U.S. Treasury yields rose 33 basis points, as a broad selloff in bonds was triggered in part by expectations for a post-pandemic reignition of inflation.
- Core consumer price inflation, which excludes food and energy prices, grew 1.3% year-over-year in February, down from 1.4% in the prior period. The February CPI print missed expectations, but some investors expect positive inflation surprise looking ahead.

## INTERNATIONAL MARKETS

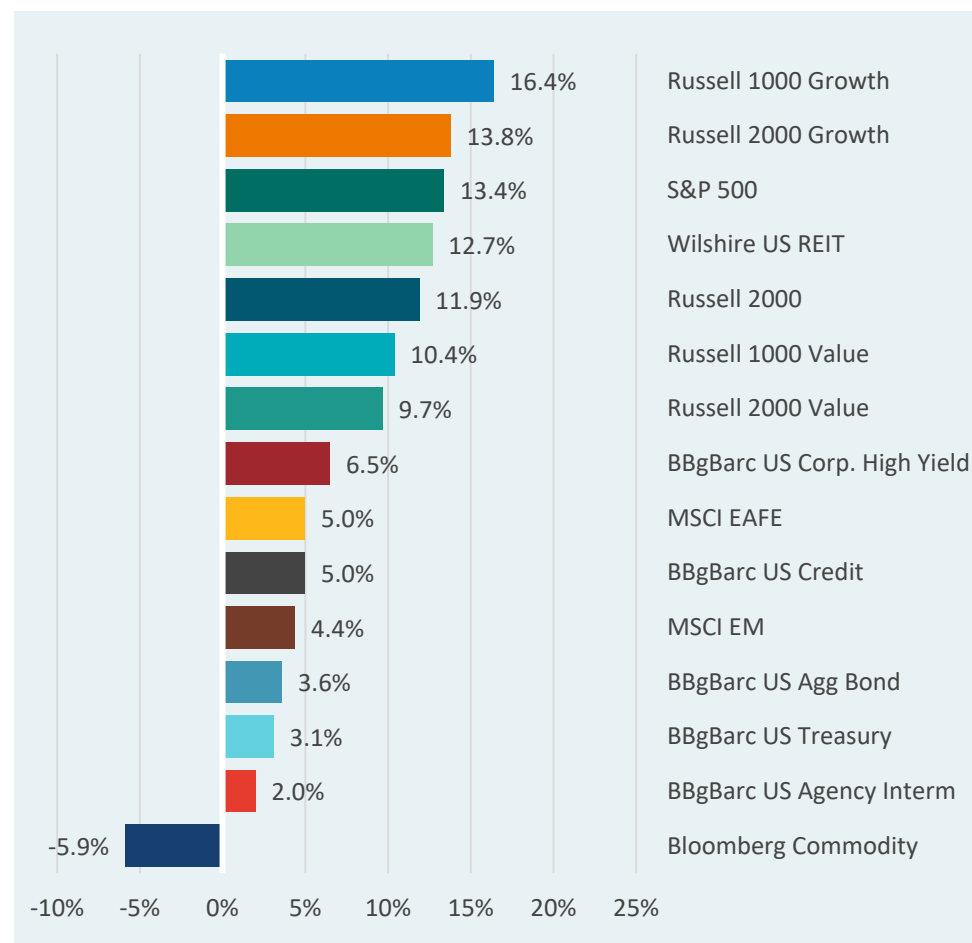
- Governments continued to increase their borrowing to finance a plethora of coronavirus-related spending packages, and that issuance tested the resolve of central banks managing yield curve targets. The 10-year Japanese government bond yield increased 11 basis points to 0.16%, just 4 bps from the top end of the Bank of Japan's current target range for the 10-year yield, which is within 20 basis points of 0.00%.
- Sovereign bonds yields rose across the board in the emerging markets. The JPM EMBI Global Div (-2.6%) and JPM GBI-EM Global Div (-2.7%) both posted material losses.
- The U.S. dollar strengthened +1.7% against the Japanese Yen over the month and helped unhedged U.S. investors in Japanese equities (MSCI Japan +1.5%).

# Major asset class returns

ONE YEAR ENDING FEBRUARY



TEN YEARS ENDING FEBRUARY



\*Only publicly traded asset performance is shown here. Performance of private assets is typically released with a 3- to 6-month delay.

Source: Morningstar, as of 2/28/21

Source: Morningstar, as of 2/28/21

# U.S. large cap equities

- The S&P 500 Index increased 2.8% in February, putting the index in the black for the year. The sectors that contributed most to the index's returns were the financial, communication services and energy sectors. The top performing sectors were the energy (+22.7%) and financial (+11.5%) sectors.
- At month-end the one-year forward P/E ratio of the S&P 500 Index was 21.1, above its 5- and 10-year averages of 17.7 and 15.8. Per FactSet, the consumer discretionary (33.5x) sector was priced the highest relative to one-year forward expected earnings.
- While equities have motored ahead, they have done so at higher levels of implied volatility. Implied volatility remains high relative to history and the CBOE VIX Index has not dropped below 20 since late February last year. The VIX closed the month at 28.0, which was 22.7% higher than the 3-year average.
- The financials sector gained 11.5% in February, supported by expanding net interest margins driven by rising rates. Financials (as a cyclical sector) tend to perform well in advance of economic recovery as businesses begin to finance investments in capital expenditures and other inputs.

**S&P 500 PRICE INDEX**



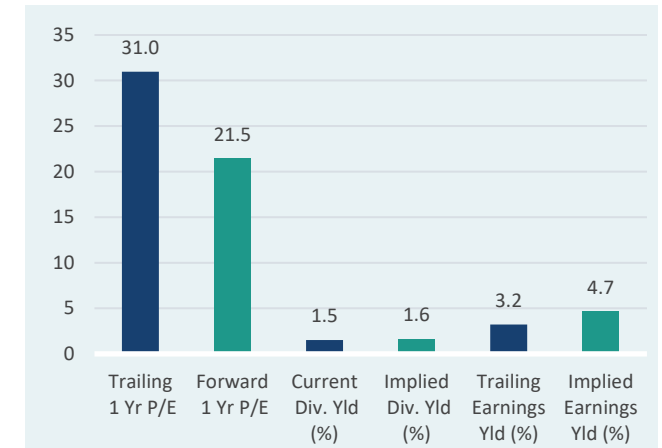
Source: Bloomberg, as of 2/28/21

**IMPLIED VOLATILITY (VIX INDEX)**



Source: CBOE, as of 2/28/21

**S&P 500 VALUATION SNAPSHOT**

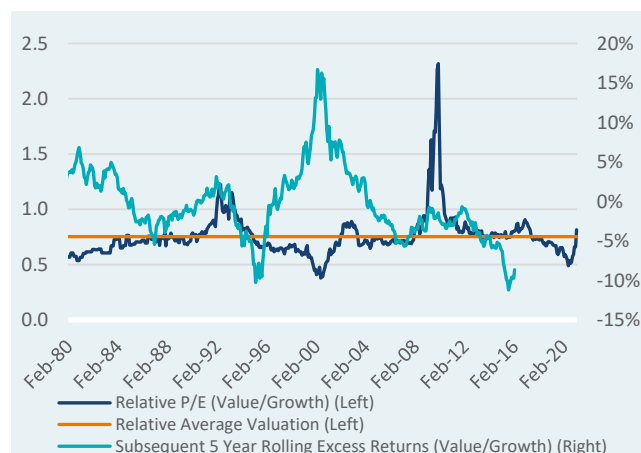


Source: Bloomberg, as of 2/28/21

# Domestic equity size and style

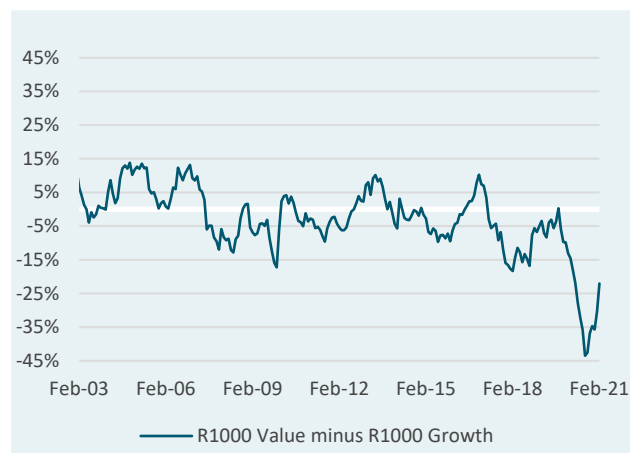
- Small-cap equities extended their outperformance over large-cap equities to a sixth consecutive month. The Russell 2000 Index returned 6.2% while the Russell 1000 Index only rose 2.9%. Year-to-date, small-cap equities (+11.6%) have outperformed their large cap peers (+2.1%) by a significant margin.
- Momentum factor investing, where investors buy stocks that have been outperforming and sell those that have been underperforming lagged the broad S&P 500 Index by -4.5%.
- Value stocks outperformed growth stocks with the Russell 3000 Value Index up 6.3% versus 0.2% for the Russell 3000 Growth Index. Value's outperformance was likely fueled by optimism for a return to normal as investors look toward "re-opening" names.
- The S&P 500 High Dividend Index outperformed the S&P 500 Growth Index by 9.0% in February. Higher duration (growth) stocks tend to do better in lower interest rate environments while low duration (often high dividend) stocks do better when inflation expectations and rates rise.

**VALUE VS. GROWTH RELATIVE VALUATIONS**



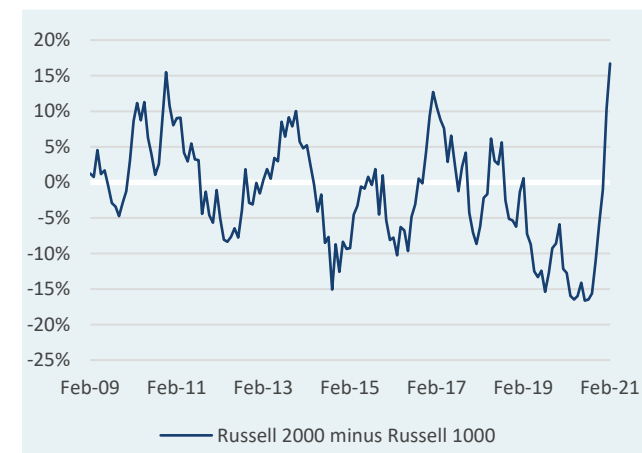
Source: FTSE, Bloomberg, as of 2/28/21

**VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE**



Source: FTSE, Bloomberg, as of 2/28/21

**SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE**

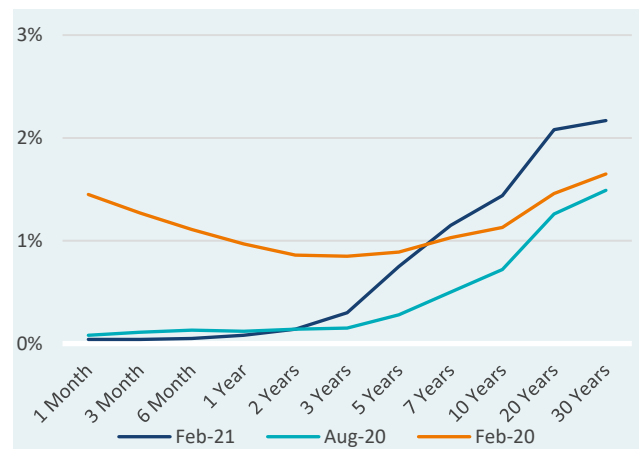


Source: FTSE, Bloomberg, as of 2/28/21

# Fixed income

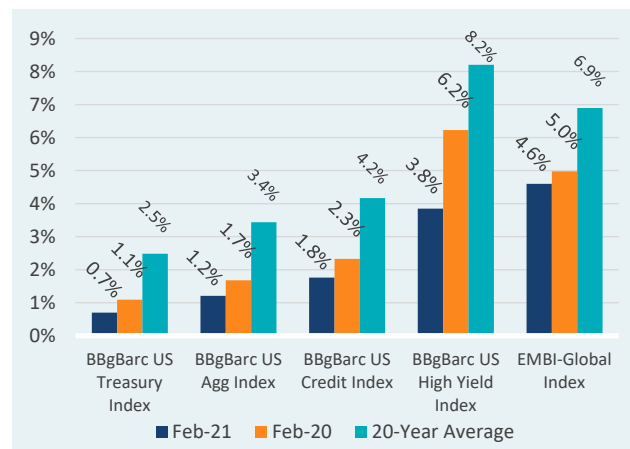
- Priced inflation, as measured by the 5-year breakeven inflation rate rose to its highest level in almost a decade at 2.4%, meaning the market is pricing inflation to average that growth rate over the next five years. Realized inflation has remained subdued relative to priced inflation thus far – the most recent headline CPI print indicated just 1.7% year-on-year growth.
- The European Central Bank slowed its emergency bond buying to \$20.3B in the last week of February, the lowest number in four weeks. ECB Executive Board member Fabio Panetta said the recent increase in yields is “unwelcome and must be resisted”, leading economists to believe the ECB will step up and increase bond buying to reign in yields.
- The ICE Bank of America US High Yield Index option-adjusted spread tightened 27 basis points and ended the month at 3.57%, the lowest level since the beginning of the pandemic.
- Long-duration Treasuries (-5.6%) were one of the worst performing asset classes. The 30-5-year term spread expanded to 1.42%, its widest point since October 2015.

**U.S. TREASURY YIELD CURVE**



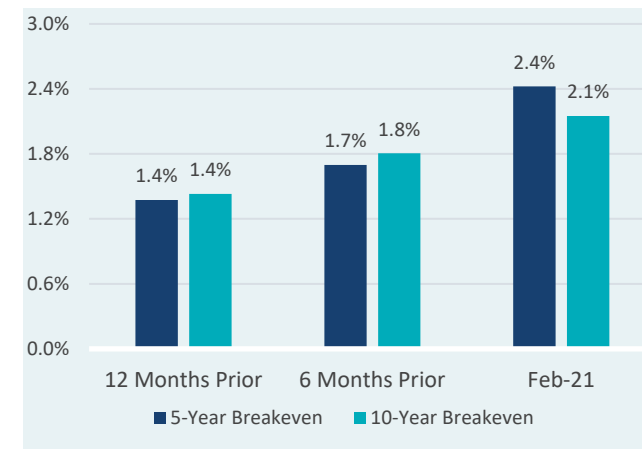
Source: Bloomberg, as of 2/28/21

**NOMINAL YIELDS**



Source: Morningstar, as of 2/28/21

**BREAKEVEN INFLATION RATES**

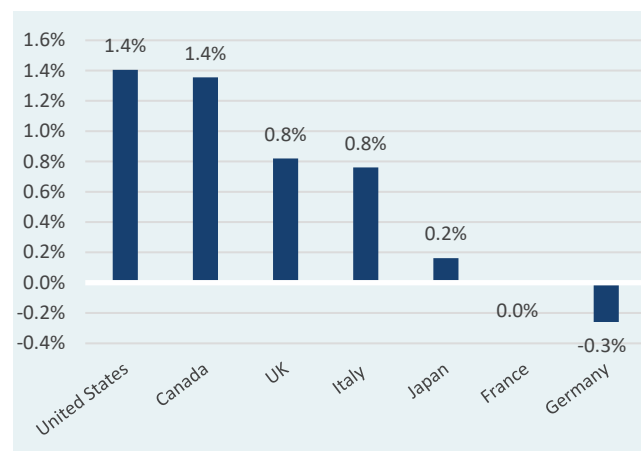


Source: Bloomberg, as of 2/28/21

# Global markets

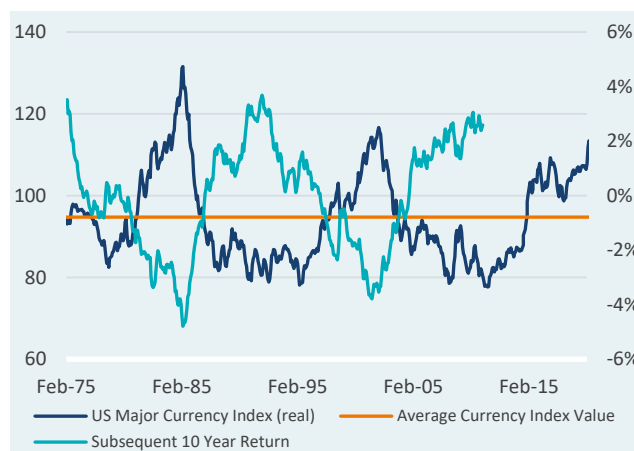
- International developed equities (MSCI EAFE +2.2%) outperformed emerging market equities (MSCI EM +0.8). Strong returns in the United Kingdom (MSCI U.K. +3.6%) and mainland Europe (MSCI Europe +2.4%) drove international developed equity outperformance.
- The British Pound rallied +1.8% amid a backdrop of positive news on vaccinations. Britain has had one of the more effective vaccination campaigns in part due to importing over 8 million doses from the EU in February as well as seeing an uptick in domestic production of vaccines.
- Johnson & Johnson’s Covid-19 vaccine was cleared for emergency use, making it the third vaccine to be made broadly available in the U.S. Globally, the number of global vaccine dose administrations climbed from 100 to over 257 million. At the current pace of around 8.2 million doses per day, it would take approximately 3.7 years to cover 75% of the global population.
- The Biden Administration is conducting a review of U.S. trade policy toward China. President Biden’s team has said it will use “all available tools” to fight China’s trade practices, which it views as unfair.

**GLOBAL SOVEREIGN 10-YEAR YIELDS**



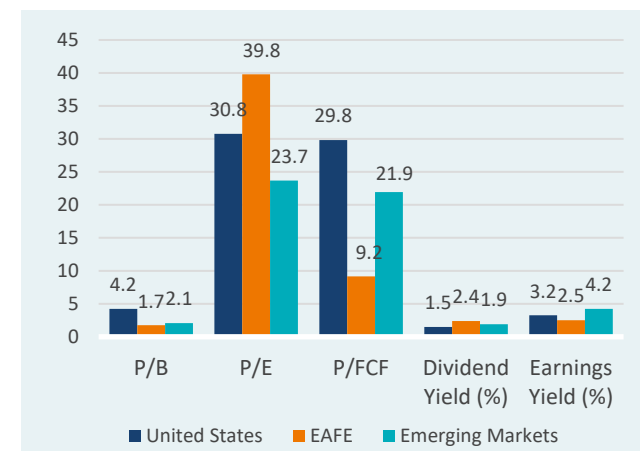
Source: Bloomberg, as of 2/28/21

**U.S. DOLLAR MAJOR CURRENCY INDEX**



Source: Federal Reserve, as of 2/28/21

**MSCI VALUATION METRICS (3-MONTH AVG)**



Source: Bloomberg, as of 2/28/21

# Commodities

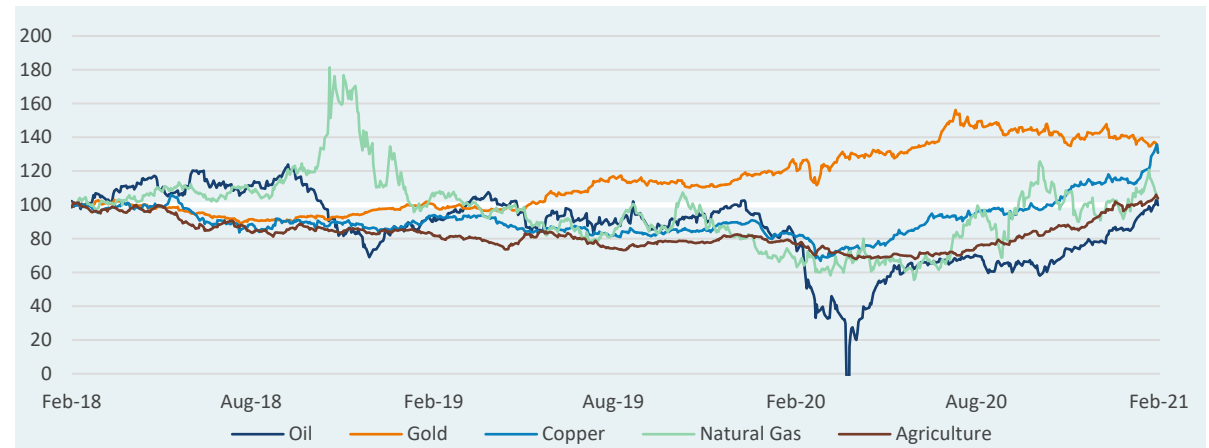
- The Bloomberg Commodity Index gained +6.5% over the month. All the major components of the commodities basket saw a positive return except for precious metals which slid -5.5% lower. The largest contributions to returns for the index came from the energy (+15.4%) and industrial metals (+10.1%) sectors.
- Spot lumber prices continued to soar and are now up 257.5% from the lows seen during the trough of the pandemic. Lumber price inflation has been supported by a very strong U.S. housing market, which has been underpinned by historically low mortgage rates.
- The Bloomberg Energy Sub-Index continued its bull run and was up 15.4% over the month of February. The decision from OPEC+ to keep production relatively steady, along with an optimism for a recovery in oil demand surrounding the COVID-19 vaccine rollout, pushed the Brent crude oil futures curve into its most backwardated term structure since the beginning of the pandemic.
- Industrial metals (+10.1%) outperformed the overall commodities index, supported by a rising tide of wagers on a robust global economic recovery, and on a potentially massive U.S. infrastructure spending bill later in the year.

## INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	6.5	9.3	9.3	20.3	0.3	3.5	(5.9)
Bloomberg Agriculture	3.8	8.7	8.7	35.9	2.7	1.6	(5.3)
Bloomberg Energy	15.4	21.7	21.7	(7.5)	(11.2)	(2.1)	(13.8)
Bloomberg Grains	0.7	8.3	8.3	38.5	3.3	0.6	(5.0)
Bloomberg Industrial Metals	10.1	10.2	10.2	41.9	4.0	10.9	(3.0)
Bloomberg Livestock	3.3	4.8	4.8	(3.4)	(8.5)	(6.2)	(4.9)
Bloomberg Petroleum	17.5	25.9	25.9	0.2	(6.3)	3.6	(9.5)
Bloomberg Precious Metals	(5.5)	(7.0)	(7.0)	16.5	9.5	6.8	(0.1)
Bloomberg Softs	9.2	9.4	9.4	18.5	(1.1)	(0.9)	(9.8)

Source: Morningstar, as of 2/28/21

## COMMODITY PERFORMANCE



Source: Bloomberg, as of 2/28/21

# Appendix



# Periodic table of returns

BEST ↑

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	YTD	5-Year	10-Year
Small Cap Value	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	15.2	22.2	16.4
Small Cap Equity	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	11.6	21.1	13.8
Commodities	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	21.0	9.3	17.9	13.6
Small Cap Growth	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	20.0	8.3	17.4	11.9
Large Cap Value	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	18.3	5.1	15.2	10.4
Emerging Markets Equity	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.4	14.0	3.9	14.2	9.7
Large Cap Equity	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.0	10.3	2.1	12.0	9.0
Hedge Funds of Funds	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	7.8	1.5	10.2	6.5
International Equity	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	7.5	1.2	9.7	5.0
60/40 Global Portfolio	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	4.6	0.2	5.9	4.4
Cash	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	2.8	0.0	5.7	3.6
Real Estate	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	0.5	0.0	3.6	3.4
Large Cap Growth	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	0.5	-0.8	3.5	0.6
US Bonds	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-2.2	1.1	-5.9

↓ WORST

- Large Cap Equity
- Large Cap Value
- Large Cap Growth
- Small Cap Equity
- Small Cap Value

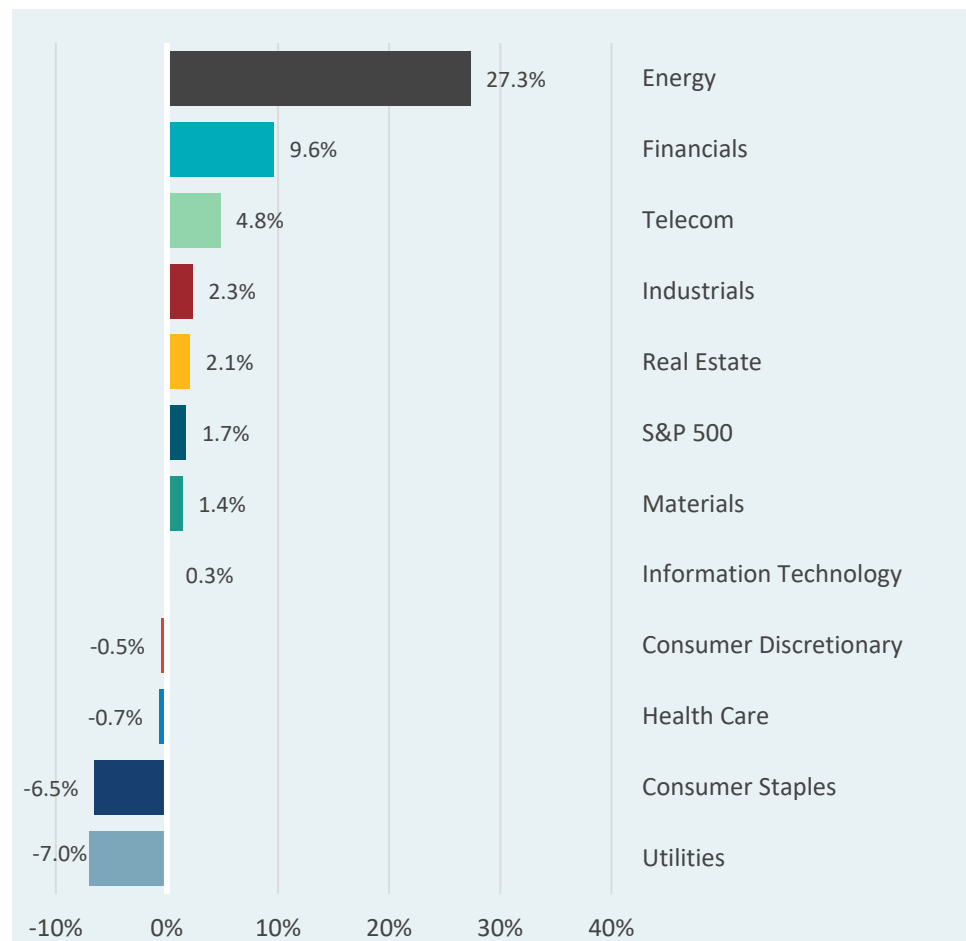
- Small Cap Growth
- International Equity
- Emerging Markets Equity
- US Bonds
- Cash

- Commodities
- Real Estate
- Hedge Funds of Funds
- 60% MSCI ACWI/40% BBgBarc Global Bond

Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BBgBarc US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, BBgBarc Global Bond. NCREIF Property Index performance data as of 12/31/20.

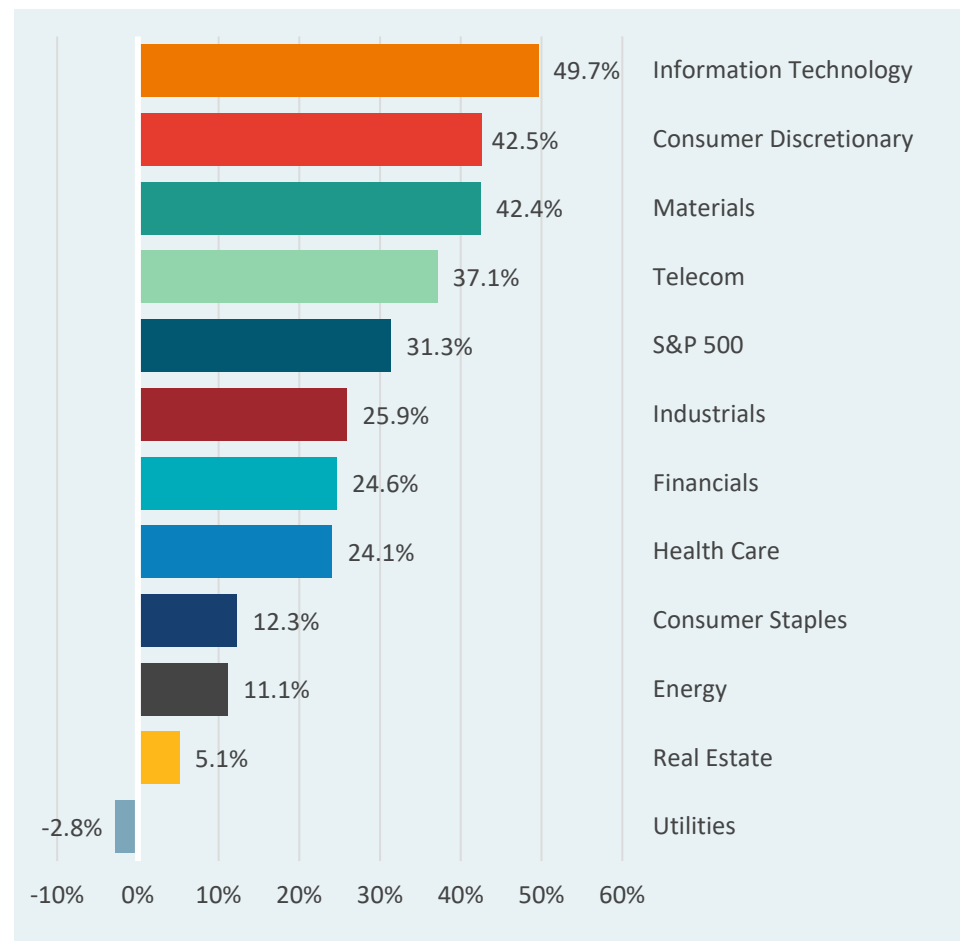
# S&P 500 sector returns

QTD



Source: Morningstar, as of 2/28/21

ONE YEAR ENDING FEBRUARY



Source: Morningstar, as of 2/28/21

# Detailed index returns

## DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Core Index</b>							
S&P 500	2.8	1.7	1.7	31.3	14.1	16.8	13.4
S&P 500 Equal Weighted	6.1	5.2	5.2	32.9	12.4	15.2	12.5
DJ Industrial Average	3.4	1.4	1.4	24.4	9.8	16.1	12.5
Russell Top 200	1.9	0.9	0.9	33.6	15.5	17.9	14.1
Russell 1000	2.9	2.1	2.1	34.3	15.0	17.4	13.6
Russell 2000	6.2	11.6	11.6	51.0	14.9	17.9	11.9
Russell 3000	3.1	2.7	2.7	35.3	15.0	17.4	13.4
Russell Mid Cap	5.6	5.3	5.3	36.1	13.7	15.9	12.3
<b>Style Index</b>							
Russell 1000 Growth	(0.0)	(0.8)	(0.8)	44.3	21.0	22.2	16.4
Russell 1000 Value	6.0	5.1	5.1	22.2	8.2	12.0	10.4
Russell 2000 Growth	3.3	8.3	8.3	58.9	18.9	21.1	13.8
Russell 2000 Value	9.4	15.2	15.2	41.1	10.1	14.2	9.7

## INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
MSCI ACWI	2.3	1.9	1.9	30.2	10.3	14.2	8.8
MSCI ACWI ex US	2.0	2.2	2.2	26.2	5.4	11.2	4.8
MSCI EAFE	2.2	1.2	1.2	22.5	4.6	9.7	5.0
MSCI EM	0.8	3.9	3.9	36.0	6.4	15.2	4.4
MSCI EAFE Small Cap	2.6	2.3	2.3	31.2	5.2	11.7	7.8
<b>Style Index</b>							
MSCI EAFE Growth	(0.3)	(1.7)	(1.7)	28.0	9.0	12.0	7.0
MSCI EAFE Value	4.8	3.9	3.9	16.0	(0.1)	7.2	3.0
<b>Regional Index</b>							
MSCI UK	3.6	3.3	3.3	9.2	(0.1)	4.7	2.7
MSCI Japan	1.5	0.5	0.5	28.4	5.2	11.3	6.1
MSCI Europe	2.4	1.7	1.0	20.3	4.2	8.8	4.7
MSCI EM Asia	0.9	5.3	5.3	45.7	10.1	17.7	7.7
MSCI EM Latin American	(3.0)	(9.5)	(9.5)	(6.0)	(7.8)	7.0	(4.2)

## FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Broad Index</b>							
BBgBarc US TIPS	(1.6)	(1.3)	(1.3)	5.8	6.1	4.3	3.6
BBgBarc US Treasury Bills	0.0	0.0	0.0	0.4	1.6	1.2	0.7
BBgBarc US Agg Bond	(1.4)	(2.2)	(2.2)	1.4	5.3	3.6	3.6
<b>Duration</b>							
BBgBarc US Treasury 1-3 Yr	(0.1)	(0.0)	(0.0)	1.7	2.9	1.8	1.3
BBgBarc US Treasury Long	(5.6)	(9.0)	(9.0)	(6.0)	8.8	4.2	6.9
BBgBarc US Treasury	(1.8)	(2.8)	(2.8)	(0.1)	5.0	2.6	3.1
<b>Issuer</b>							
BBgBarc US MBS	(0.7)	(0.6)	(0.6)	1.5	4.1	2.6	2.9
BBgBarc US Corp. High Yield	0.4	0.7	0.7	9.4	6.6	9.0	6.5
BBgBarc US Agency Interm	(0.6)	(0.6)	(0.6)	1.5	3.4	2.1	2.0
BBgBarc US Credit	(1.7)	(2.9)	(2.9)	2.4	6.6	5.5	5.0

## OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
<b>Index</b>							
Bloomberg Commodity	6.5	9.3	9.3	20.3	0.3	3.5	(5.9)
Wilshire US REIT	3.3	3.8	3.8	2.9	8.8	5.7	12.7
CS Leveraged Loans	0.7	1.9	1.9	5.7	4.2	4.6	5.0
Alerian MLP	7.8	14.1	14.1	(3.3)	(8.4)	(1.8)	(1.5)
<b>Regional Index</b>							
JPM EMBI Global Div	(2.6)	(3.6)	(3.6)	0.9	4.5	5.9	5.9
JPM GBI-EM Global Div	(2.7)	(3.7)	(3.7)	3.7	0.6	5.5	1.1
<b>Hedge Funds</b>							
HFRI Composite	4.1	5.0	5.0	20.6	7.1	7.7	4.5
HFRI FOF Composite	2.6	1.5	1.5	13.9	5.1	5.7	3.4
<b>Currency (Spot)</b>							
Euro	(0.1)	(0.8)	(0.8)	10.5	(0.2)	2.2	(1.3)
Pound Sterling	1.8	2.3	2.3	9.5	0.5	0.1	(1.5)
Yen	(1.7)	(3.1)	(3.1)	1.2	0.1	1.2	(2.6)

Source: Morningstar, HFRI, as of 2/28/21

# Detailed private market returns

## Comparison to public market index returns

Private Equity Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Private Equity FoFs & Secondary Funds	12.3	12.2	10.4	11.9
Global Private Equity Direct Funds *	20.4	16.2	14.8	14.6
U.S. Private Equity Direct Funds *	21.0	17.6	15.0	16.0
Europe Private Equity Direct Funds *	18.6	14.2	16.3	12.7
Asia Private Equity Direct Funds *	19.9	14.3	13.8	13.3

Public Index Time-weighted Returns				
MSCI World	10.4	7.7	10.5	9.4
S&P 500	15.1	12.3	14.1	13.7
MSCI Europe	(0.8)	(0.6)	4.2	4.3
MSCI AC Asia Pacific	11.2	4.3	9.1	5.6

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	0.5	6.6	7.9	12.2

Public Index Time-weighted Returns				
FTSE NAREIT Equity REIT	(18.2)	0.2	3.9	7.9

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt **	3.7	6.4	8.2	10.2

Public Index Time-weighted Returns				
S&P / LSTA U.S. Leveraged Loan 100 Index	1.7	3.4	4.1	4.1

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Nature Resources ***	(20.2)	(7.5)	(2.8)	(0.0)
Global Infrastructure	6.6	8.5	10.7	9.6

Public Index Time-weighted Returns				
S&P Global Natural Resources	(9.5)	(2.8)	6.7	0.2
S&P Global Infrastructure	(13.9)	(1.4)	4.5	5.5

Source: Pooled IRRs are from Thompson Reuters C/A and Time-weighted Returns are from Investment Metrics, as of September 30<sup>th</sup>, 2020. All returns in U.S. dollars.

\* Includes Buyout, Growth Equity and Venture Capital.

\*\* Includes Control-Oriented Distressed, Credit Opportunities, Senior Debt and Subordinated Capital.

\*\*\* Includes Private Equity Energy, Timber and Upstream Energy & Royalties.

# Notices & disclosures

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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
**Board of Retirement**

March 23, 2021

Agenda Item 7.1

**TO:** Board of Retirement

**FROM:** Scott Hood, Chief Executive Officer 

**SUBJECT:** Approval of SACRS Voting Delegate and Alternates for the SACRS Spring 2021 Business Meeting and direction to Voting Delegate

**Recommendation**

Staff recommends the Board designate Robert Raw as the Voting Delegate and Scott Hood, CEO as the First Delegate Alternate to cast SamCERA's votes at the SACRS Spring 2021 Virtual Conference.

Staff further recommends that the Board provide direction to the Voting Delegate that is in the best interest of SamCERA.

**Background**

Prior to each SACRS conference the retirement boards are asked to select the individuals from each county system who are authorized to serve as voting delegate and alternate voting delegates at the conference business meeting.

**Discussion**

SamCERA normally selects the highest-ranking board officer who will attend the conference as the voting delegate. Delegates can be either trustees or staff. We typically recommend the CEO be the final alternate.

At the time of Board packet mailing, the SACRS business meeting packet was not available. It is anticipated that this material will be received before the April Board meeting. The Board will have the opportunity to discuss the business meeting topics and provide direction to the Voting Delegate.

The business meeting will occur on the last morning of the conference, at 10:00 a.m., Friday, May 14, 2021.