

The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on Tuesday, March 27, 2012 at 1:00 P.M.

PUBLIC SESSION – The Board will meet in Public Session at 1:00 P.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
3. Approval of the Minutes
4. Approval of the Consent Agenda
(Any items removed from the Consent Agenda for discussion will be inserted into the Regular Agenda and considered in the order chosen by the board chair.)
 - Disability Retirements
 - Jeffrey Kosmala
 - Service Retirements
 - Continuances
 - Deferred Retirements
 - Member Account Refunds
 - Member Account Rollovers
5. Benefit & Actuarial Services
 - 5.1 Consideration of agenda items, if any, removed from the Consent Agenda
6. Investment Services (There is no investment committee meeting this month)
 - 6.1 Acceptance of the Preliminary Monthly Portfolio Performance Report
 - 6.2 Ratification of the execution of agreement with Emergence Capital Partners III L.P.
 - 6.3 Approval of Investment Management Agreement with Baillie Gifford Overseas Limited
7. Board & Management Support Services
 - 7.1 Acceptance of the Monthly Financial Report
 - 7.2 Approval of Amendments to SamCERA's Conflict of Interest Code
 - 7.3 Approval of Estimated Employer Contribution Amount for Fiscal Year 2012/2013
 - 7.4 Discussion of SamCERA's Sources, Uses & Budget for Fiscal Year 2012/2013
 - 7.5 Report on the Status of SamCERA's Annual Board Retreat on April 24 & 25, 2012
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 and appropriate for closed session
9. Report on Actions Taken in Closed Session
10. Adjournment in memory of the following deceased members:

Merritt, Lester	January 6, 2012	Beneficiary of Merritt, Berha
Nelson, Janet	January 18, 2012	Social Services
De La Vega, Bruno	January 31, 2012	Aging & Adults Services
Jensen, Olga	February 8, 2012	Public Health
Alaimo, Robert	February 11, 2012	Public Works
Barauk, Alice	February 14, 2012	Behavioral Health
Howell, Mavis	February 16, 2012	Coroner
Orbeta, Irene	February 19, 2012	Health Services
Woodward, Billie	February 23, 2012	Probation

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***Matters Set for a Time Certain:** Times listed are approximate. In no case will any item be heard before it is scheduled.

Notice of Public Meeting

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Willemsen, Johanna
Pierce, Veronica

February 25, 2012
February 29, 2012

Behavioral Health
Behavioral Health

A handwritten signature in blue ink, appearing to read "S. Hood", is written over the printed name of Scott Hood.

Scott Hood, Acting Chief Executive Officer

Printed: 3/21/12

THE BOARD MEETS AT 100 MARINE PARKWAY, SUITE 160,

WHICH IS LOCATED ON THE SE CORNER OF TWIN DOLPHIN & MARINE PARKWAY IN REDWOOD SHORES.

Detailed directions are available on the "Contact Us" page of the website 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.

San Mateo County Employees' Retirement Association
Minutes of the Regular Meeting of the Board of Retirement

March 27, 2012

Agenda Item 3.0

February 28, 2012 – Board Agenda

- 1.0 Call to Order, Roll Call and Miscellaneous Business
 - 2.0 Oral Communications
 - 2.1 Oral Communications From the Board
 - 2.2 Oral Communications From the Public
 - 3.0 Approval of the Minutes
 - 4.0 Approval of the Consent Agenda

(Any items removed from the Consent Agenda for discussion will be inserted into the Regular Agenda and considered in the order chosen by the board chair.)

 - Disability Retirements
 - Bret Holaday
 - Christine Pepe
 - Kathleen Parkin
 - Chas Mercurio
 - Angela Jabbour
 - Service Retirements
 - Continuances
 - Deferred Retirements
 - Member Account Refunds
 - Member Account Rollovers - Administrative Matter - Resolution authorizing the Chief Executive Officer to execute the second addendum to the maintenance and support agreement for PensionGold Software between the San Mateo County Employees Retirement Association and Levi, Ray and Shoup, Inc.
- 5.0 Benefit & Actuarial Services
- 5.1 Consideration of agenda items, if any, removed from the Consent Agenda
- 6.0 Investment Services **(The Investment Committee will meet on February 28 at 10:00 AM)**
- 6.1 Acceptance of the Preliminary Monthly Portfolio Performance Report
- 6.2 Acceptance of the Quarterly Investment Performance Analysis for Period Ended December 31, 2011
- 6.3 Approval of Investment Management Agreement International Large Cap Growth Manager
Baillie Gifford & Company – EAFE Plus Focus
- 6.4 Approval of Investment Management Agreement International Small Cap Core Manager
Pyramis Global Advisors – Select International Small Cap
- 6.5 Approval of Investment Management Agreement International Large Cap Growth Manager
Eaton Vance Management (Parametrics) – Structures Emerging Markets Equity
- 6.6 Approval of the Investment Committee's Work Plan for Fiscal Year 2012/2013
- 6.7 Discussion and Approval of Potential Alternative Investment
- 7.0 Board & Management Support Services
- 7.1 Acceptance of the Monthly Financial Report
- 7.2 Approval of authorization to enter into an agreement with LRWL, Inc. for Project Manager Services
- 7.3 Approval of the Audit Committee's Plan for Fiscal Year 2012/2013
- 7.4 Introduction of SamCERA's Sources, Uses & Budget for Fiscal year 2012/2013
- 7.5 Annual Review & Reaffirmation of SamCERA's Mission, Goals and Objectives
- 7.6 Annual Review & Reaffirmation of SamCERA's Code of Fiduciary Conduct
- 7.7 Annual Review & Reaffirmation of SamCERA's Conflict of Interest Code
- 7.8 Annual Review & Reaffirmation of SamCERA's Strategic Services Resolution
- 7.9 Annual Review & Reaffirmation of SamCERA's Internal Controls Policy
- 7.10 Annual Review & Reaffirmation of SamCERA's Travel Policy

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- 7.11 Annual Review and Reaffirmation of *SamCERA's* Educational Policy
- 7.12 Annual Review and Reaffirmation of *SamCERA's* Expense Reimbursement Policy
- 7.13 Acceptance of Report on Upcoming Trustee Elections and Appointments

- 8.0 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 and appropriate for closed session
- C2 Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9- One case

- 9. Report on Actions Taken in Closed Session

- 10. Adjournment

February 28, 2012 – Board Minutes

- 0212.1 **Call to Order:** Mr. David, Chair, called the Public Session of the Board of Retirement to order at 1:02 p.m.

- 0212.1 **Roll Call:** *Present:* Ms. Arnott, Mr. David, Mr. Tashman, Mr. Bowler, Ms. Agnew, Mr. Hackleman, Ms. Salas, Ms. Settles, Mr. Spinello and Mr. Murphy. *Excused:* Ms. Kwan Lloyd. *Staff:* Mr. Hood, Mr. Clifton, Ms. Carlson, Ms. Smith, Ms. Dames, Ms. Wong and Ms. Perez. *Consultants:* Mr. Brody, Mr. Thomas and Mr. Shooshani from Strategic Investment Solutions.

- 0212.1 **Miscellaneous Business:** Per Government Code 54954.2, Ms. Carlson requested that an urgent additional matter, that came to the attention of staff after the agenda had been printed, be added to the agenda. Mr. Hackleman moved that Item 6.8 regarding transition management be added to the agenda as per Government Code Section 54954.2. The motion was seconded by Ms. Arnott and carried unanimously.

- 0212.2.1 **Oral Communications From the Board:** Ms. Agnew reported her attendance at the CALAPRS Trustees' Round Table on February 3 in San Jose. Mr. Spinello also attended.

- 0212.2.2 **Oral Communications From the Public:** None.

- 0212.3 **Approval of the Minutes:** Ms. Arnott noted typographical errors within the draft minutes presented in the agenda packet.
Action: Ms. Agnew moved to approve the minutes from the Regular Board of Retirement meeting held on January 24, 2012 with changes noted. The motion was seconded by Ms. Arnott, and carried unanimously.

- 0212.4 **Approval of the Consent Agenda:** Mr. David stated that the disability retirement matters for Ms. Parkin and Ms. Pepe would be removed from the consent agenda.
Action: Ms. Salas moved to approve the following items listed on the consent agenda, as amended. The motion was seconded by Mr. Bowler and carried unanimously.

San Mateo County Employees' Retirement Association
Minutes of the Regular Meeting of the Board of Retirement

Consent Agenda

Disability Retirements

The Board found that Bret Holaday is (1) disabled from performing his usual and customary duties as a Plumber, (2) found that his disability is service-connected and (3) granted his application for a service-connected disability retirement.

The Board found that Angela Jabbour is (1) disabled from performing her usual and customary duties as a Benefits Analyst II, (2) found that her disability is service-connected and (3) granted her application for a service-connected disability retirement.

The Board further deliberated the application for Chas Mercurio and found she is (1) disabled from performing her usual and customary duties as a Financial Services Manager II, (2) found that her disability is service-connected and (3) granted her application for a service-connected disability retirement.

Service Retirements

Member Name	Effective Retirement Date	Department
Yagi, Mandy	December 3, 2011	Aging & Adult Services
Haley, Lisa	December 4, 2011	Def'd from San Mateo Medical Center
Larson, Teresa	December 8, 2011	Def'd from Environmental Health
Demee, Suzanne	December 10, 2011	San Mateo Medical Center
Minor, Kathleen	December 10, 2011	Def'd from Public Health
Maharaj, Sadesh	December 13, 2011	San Mateo Medical Center
Cruz, Alfonso	December 15, 2011	San Mateo Medical Center
Dean, Donna	December 17, 2011	San Mateo Medical Center
O'Rourke, Dennis	December 29, 2011	Def'd from County Manager's Office
Meitz, Nilita	December 30, 2011	Retirement
Stanley, Eric	December 30, 2011	Sheriff's Office
Heisinger, Douglas	December 31, 2011	Parks Department
Scheffler, Mark	December 31, 2011	District Attorney

Continuances

Survivor's Name	Beneficiary of
Bishop, Simone	Bishop, Robert
Espanola, Aurea	Espanola, Angel
Quey, Daniel	Quey, Betty
Wallis, Roy	Wallis, Georgette

Deferred Retirements

Member Name	Retirement Plan Type
Mosaffa, Donya	G4 Vested
Oate, Joseph	G4 Vested - Reciprocity
Merson, Thomas	G4 Vested
Perez, Martha	G4 Vested
Blick, Suzanne	S4 Vested
Chuey, Mandy	G4 Vested

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Deferred Retirements (con't)

Member Name	Retirement Plan Type
Condon, Sharon	G4 Vested
Reed, Mary	G4 Vested – Reciprocity
Garibay, Esther	G4 Vested – Reciprocity

Member Account Refunds

Member Name	Retirement Plan Type
Andrade, Donaldo	G4 Non-vested
Chun, Denise	G4 Non-vested
Gallagher-Gorman, Mary	G4 Non-vested
Johnson, Tamikka	G4 Non-vested
Miller, Brady	G4 Non-vested
McNeil, Nicole	G4 Non-vested
Trust of Lee Buffington	G2 Vested

Member Account Rollovers

Member Name	Retirement Plan Type
Asencio, Deborah	G4 Non-vested
Encinas, Jeffrey	G2 Vested
Haslinger, Karen	QDRO of Haslinger, Brian
Kott, Joseph	G4 Non-vested
Kovacik, Paul	G4 Non-vested
Lam, Patrick	G4 Non-vested

Administrative Matter

Resolution authorizing the Chief Executive Officer to execute the second addendum to the maintenance and support agreement for PensionGold Software between the San Mateo County Employees' Retirement Association and Levi, Ray and Shoup, Inc.

0212.5 **Benefit & Actuarial Services**

0212.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda:**

Consideration of the service-connected disability retirement application of Ms. Christine Pepe was discussed in open session as requested by Ms. Pepe.

Action: Ms. Arnott moved to refer this matter for further consideration by a Hearing Officer. The motion was seconded by Ms. Settles and passed unanimously.

Ms. Agnew was excused for the remainder of the meeting.

0212.6 **Investment Services**

0212.6.1 **Presentation of the Preliminary Monthly Portfolio Performance Report:** Mr. Bowler reported the Investment Committee had received the monthly investment report. With no objections noted, the report was accepted.

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Asset Class	Market Value	1-Month	1-year TTWRR*	5-year TTWRR*
Domestic Equity	914,437,929	5.32	2.76	-0.87
International Equity	365,103,074	4.87	-8.75	-3.60
Total Equity	1,279,541,003	5.18	-0.92	-1.72
Private Equity	11,645,483	0.77	-80.06	
Risk Parity	145,443,060	0.00		
Hedge Fund	67,967,550	0.00		
Fixed Income	590,730,464	1.69	6.66	6.08
Real Estate	142,553,672	0.00	16.91	0.07
Aggregate				
Commodities	68,801,601	4.38		
Cash Equivalents	44,765,428	0.06	0.72	1.06
TOTAL FUND	2,351,447,260	3.26	2.18	0.77
Benchmark		4.14	3.62	2.51

0212.6.2 **Acceptance of the Quarterly Investment Performance Analysis for Period Ended December 31, 2011**

Mr. Bowler reported that the Investment Committee spent time discussing the quarterly report with Mr. Clifton and SIS consultants, Mr. Brody and Mr. Thomas. Mr. Bowler noted there would be close monitoring for the next two to three quarters for underperforming managers. With no objections noted, the report was accepted.

0212.6.3 **Approval of Investment Management Agreement for International Large Cap Growth Manager: Baillie Gifford & Company – EAFE Plus Focus**

Mr. Bowler stated that the Investment Committee has discussed this agreement, in addition to the agreements being considered in items 6.4 and 6.5 and recommended Board approval for all three items, giving, the Board Chair and Vice Chair and Chief Executive Officer authority to execute the agreements.

Action: Ms. Salas moved to adopt a resolution approving the agreement with Baillie Gifford and Company, and authorizing the Board Chair, the Vice Chair and the Chief Executive Officer to execute the agreement. The motion was seconded by Ms. Arnott and carried unanimously.

0212.6.4 **Approval of Investment Management Agreement for International Small Cap Core Manager: Pyramis Global Advisors – Select International Small Cap**

Mr. Bowler reported that the Investment Committee voted to recommend Board approval of this agreement.

Action: Ms. Settles moved to adopt a resolution approving the agreement with Pyramis Global Advisors, and authorizing the Board Chair, the Vice Chair and the Chief Executive Officer to execute the agreement. The motion was seconded by Mr. Bowler and carried unanimously.

0212.6.5 **Approval of Investment Management Agreement for International Large Cap Growth Manager: Eaton Vance Management (Parametrics) – Structures Emerging Markets Equity**

Mr. Bowler reported the Investment Committee voted to recommend Board approval of this agreement.

Action: Mr. Hackleman moved to adopt a resolution approving the agreement with Eaton Vance Management (Parametrics), and authorizing the Board Chair, the Vice Chair and the Chief Executive Officer to execute the agreement. The motion was seconded by Ms. Salas and carried unanimously.

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0212.6.6 **Approval of the Investment Committee's Work Plan for Fiscal Year 2012/2013**

Mr. Bowler reported the Investment Committee discussed and voted to approve the work plan for fiscal year 2012/2013 with the addition of a placeholder date on the calendar for the Investment Committee to further review and discuss *SamCERA's* Investment Policy.

Action: Ms. Settles moved to approve the Investment Committee's work plan for 2012/2013 with the added date for discussion of the Investment policy. The motion was seconded by Mr. Bowler and carried unanimously.

Mr. Clifton noted the schedule for the annual investment manager reviews was attached to the staff report, and stated up to four Board members and two investment committee members could sit in on the reviews.

0212.6.7 **Discussion and Approval of Potential Alternative Investment**

Mr. Bowler reported that Mr. Faraz Shooshani from Strategic Investment Solutions presented the staff report for the potential private equity opportunity to the Investment Committee. The Investment Committee voted to recommend Board approval to proceed with the alternative investment opportunity after legal review and provisions. There were two actions taken on this item.

Action: Mr. Hackleman moved to adopt a resolution authorizing the execution of an agreement with ChrysCapital, and authorizing the Chief Investment Officer to take all actions necessary to initiate, implement and monitor the agreement. The motion was seconded by Mr. Bowler and carried unanimously.

Action: Mr. Hackleman moved to adopt a resolution ratifying the agreement with General Catalyst, subject to approval of counsel and authorizing the Chief Investment Officer to take all actions necessary to initiate, implement and monitor the agreement. The motion was seconded by Ms. Settles and carried unanimously.

0212.6.8 **Transition of International Portfolio (item added to agenda per Government code 54954.2 (b) 2)**

Ms. Carlson explained the addition of this item to the agenda was necessary due to time considerations, and to allow the transition management of the international portfolio to move forward. She reported that the Investment Committee had voted to recommend Board approval of this item. Ms. Carlson further explained there is an existing agreement with BNY ConvergeEx, and Board authorization is required to execute an amendment, a new agreement, and/or additional documents that may be needed. Ms. Carlson and Mr. Clifton answered questions from Board members.

Action: Mr. Bowler moved to authorize the Board Chair, the Vice Chair and the Chief Executive Officer, to take all actions necessary to execute, amend, initiate, implement and monitor the agreement with BNY ConvergeEx, and to provide any documents required to proceed with the execution of this agreement. The motion was seconded by Ms. Settles and carried unanimously.

At this time, Ms. Settles inquired about *SamCERA's* procurement process in relation to the contract with Levi, Ray and Shoup, Inc. approved on the consent agenda. Mr. Hood and Ms. Carlson confirmed that there is a purchasing and RFP process but this particular vendor is a sole source for the Pension Gold program.

0212.7 **Board & Management Support Services**

0212.7.1 **Acceptance of the Monthly Financial Report**

Ms. Wong presented the monthly financial report to the Board. With no objections noted, the report was accepted.

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- 0212.7.2 **Approval of Authorization to Enter into an Agreement with LRWL for Project Manager Services**
Mr. Hood reported the contract with L.R. Wechsler, Ltd. (LRWL) to provide project manager services for *SamCERA's* technology modernization project is the result of the RFP process that concluded in January. Mr. Hood went over the five areas of work LRWL will be providing. Board members commented on the item and Mr. Hood responded to questions.
Action: Ms. Salas moved to adopt a resolution authorizing the Chair of the Board of Retirement to execute an agreement with LRWL to provide project manager services. The motion was seconded by Mr. Bowler and carried unanimously.
- 0212.7.3 **Approval of the Audit Committee's Plan for Fiscal Year 2012/2013**
Ms. Wong presented the staff report and asked the Board to review and comment on the audit committee's schedule and plan. Mr. Clifton answered questions and confirmed the compensation amount paid to Board members.
Action: Ms. Arnott moved to approve the Audit Committee's plan for fiscal year 2012/2013. The motion was seconded by Mr. Bowler and carried unanimously.
- 0212.7.4 **Introduction of *SamCERA's* Sources, Uses & Budget for Fiscal year 2012/2013**
Ms. Wong discussed the upcoming budget development process with the Board, and the three budget parts – professional, technology and administrative. She stated that additional staff positions are requested in the FY 2012/2013 budget to assist with the technology modernization project and to provide an additional investment analyst for the new CIO. Ms. Wong said more detailed budget information would be given at the March Board meeting. This item was informational only and no action was taken.
- 0212.7.5 **Annual Review & Reaffirmation of *SamCERA's* Mission, Goals and Objectives**
Mr. Clifton reviewed the mission and goals of *SamCERA* with the Board. After review, there were no amendments made to the mission, goal and objectives.
Action: Ms. Salas moved to reaffirm *SamCERA's* Mission, Goals and Objectives. The motion was seconded by Mr. Bowler and carried unanimously.
- 0212.7.6 **Annual Review & Reaffirmation of *SamCERA's* Code of Fiduciary Conduct**
Mr. Clifton and Ms. Carlson discussed the Code with the Board and the only change noted was an updated effective date for the gift limit. Ms. Carlson also discussed the Form 700 process and due dates.
Action: Mr. Hackleman moved to reaffirm *SamCERA's* Code of Fiduciary Conduct. The motion was seconded by Ms. Settles and carried unanimously.
- 0212.7.7 **Annual Review & Reaffirmation of *SamCERA's* Conflict of Interest Code**
Mr. Clifton said the Conflict of Interest Code was approved in September and there were no changes, however, reaffirmation at this time will keep a consistent calendar of review.
Action: Mr. Tashman moved to reaffirm *SamCERA's* Conflict of Interest Code. The motion was seconded by Ms. Settles and carried unanimously.
- 0212.7.8 **Annual Review & Reaffirmation of *SamCERA's* Strategic Services Resolution**
Mr. Clifton stated this resolution is an important part of the budget process as it outlines what the Board is responsible for, and what is delegated to staff, and it assists the Board in appropriating funds.
Action: Ms. Salas moved to reaffirm *SamCERA's* Strategic Services Resolution. The motion was seconded by Mr. Hackleman and carried unanimously.

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- 0212.7.9 **Annual Review & Reaffirmation of *SamCERA*'s Internal Controls Policy**
Mr. Clifton requested reaffirmation of the policy and stated there were no amendments made. Mr. Clifton explained this policy may be reviewed again as part of the audit process in October.
Action: Mr. Spinello moved to reaffirm *SamCERA*'s Internal Controls Policy. The motion was seconded by Ms. Arnott and carried unanimously.
- 0212.7.10 **Annual Review & Reaffirmation of *SamCERA*'s Travel Policy**
Mr. Clifton went over the policy, which identifies the type of expenditures and process for reimbursement for travel expenses incurred by staff and Board members.
Action: Ms. Arnott moved to reaffirm *SamCERA*'s Travel Policy. The motion was seconded by Ms. Salas and carried unanimously.
- 0212.7.11 **Annual Review and Reaffirmation of *SamCERA*'s Educational Policy**
Mr. Clifton reviewed the educational policy including the dollar limits of the Trustees' educational allowances and the recommended progression of educational events.
Action: Mr. Hackleman moved to reaffirm *SamCERA*'s Educational Policy. The motion was seconded by Ms. Settles and carried unanimously.
- 0212.7.12 **Annual Review and Reaffirmation of *SamCERA*'s Expense Reimbursement Policy**
Mr. Clifton explained this policy had some outdated language referencing a position no longer at *SamCERA*. He requests the policy be amended to substitute "Finance Officer" in place of "Controller" where appropriate in the policy.
Action: Ms. Salas moved to reaffirm *SamCERA*'s Expense Reimbursement Policy, as amended. The motion was seconded by Mr. Spinello and carried unanimously.
- 0212.7.13 **Acceptance of Report on Upcoming Trustee Elections and Appointments**
Ms. Smith reported five seats on the Board of Retirement will expire on June 30, 2012. She reviewed and discussed the election and appointment process with the Board. Ms. Smith stated electronic on-line voting would be implemented for this election.
Action: Ms. Settles moved to accept the report on the upcoming trustee elections and appointment. The motion was seconded by Ms. Salas and carried unanimously.
- 0212.8 **Management Reports**
- 0212.8.1 – 8.2 **Chief Executive Officer/ AEO's Report:** Mr. Hood reviewed the recently published Stanford study and made the document available to the Board members. Board members discussed the report with Mr. Hood and Ms. Carlson, and remarked a response from *SamCERA* addressing inaccuracies may be appropriate. Mr. Hood reported he recently met with Supervisor Pine to give an overview of pension plan and answer questions. Mr. Hood mentioned security staff that is present during Board meeting and introduced the new Sergeant. He further reported that the succession planning committee had met and the County's Human Resources Department had received 42 applications thus far. Mr. Hood noted the Spring *SamCERA* newsletter would soon be going out. He informed the Board about an election notice from SACRS and commented on upcoming events.
- 0212.8.3 **Chief Investment Officer's Report:** Mr. Clifton requested the Board members to fill out their educational request forms and turn them in. He reported on the Clifton Group luncheon and noted that topics of risk parity and cash overlays were discussed. Mr. Clifton reported that staff changes are happening at Pyramis and Aubrey, and handed out a "Flash Report" from INVESCO.
- 0212.8.4 **Chief Legal Counsel's Report:** Ms. Carlson explained that confidential attorney client communication would be found in each Board members' file.

San Mateo County Employees' Retirement Association
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CLOSED SESSION

- C1 **Consideration of disability items, if any, removed from the Consent Agenda and appropriate for closed session**

Action: A motion was made, and seconded, to approve and adopt the findings and recommendation of the Hearing Officer and to deny the service-connected disability retirement application of Ms. Kathleen Parkin. The motion carried. AYE: Trustees Arnott, Bowler, Tashman, Agnew, Spinello and Settles. NO: Trustee Salas. ABSTAIN: Trustees Hackleman and David abstaining. Mr. Dan Maguire, represented the Board in this matter and reported the Board's action in the open session.

- C2 **Initiation of litigation pursuant to subdivision (c) of Government Code Section 54956.9- One case**
No reportable action taken.

0212.9 **Report on Actions Taken in Closed Session:** See reports listed under C1 and C2.

0212.10 **Adjournment in Memory of Deceased Members:** There being no further business, Mr. David adjourned the meeting at 3:30 p.m., in memory of the following deceased members:

Greenwell, Elizabeth	December 10, 2011	Social Services
Laakso, George	December 23, 2011	Public Works
Linale, Rosaling	December 31, 2011	Ben of Linale, George
Earnest, Viola	January 6, 2012	General Hospital
Burnett, Charles	January 8, 2012	Public Works
Bullard, William	January 17, 2012	District Attorney Office
Koelling, Ervin	January 19, 2012	Dept of Public Works
Price, Barbara	January 19, 2012	Superior Court
Eich, Helen	January 22, 2012	Ben of Eich, Henry
Fletcher, Ellen	January 24, 2012	Ben of Fletcher, Lindsay
Narayan, Navindra	January 30, 2012	San Mateo Medical Center

Scott Hood
Assistant Executive Officer

Kristina Perez
Retirement Executive Secretary

San Mateo County Employees' Retirement Association
Minutes of the Special Meeting of the Board of Retirement

March 27, 2012

Agenda Item 3.0

March 15, 2012 – Special Board Agenda

PUBLIC SESSION – The Board will meet in Public Session at 11:30 a.m.

1. Call to Order
2. Roll Call
3. Public Comment
4. Resolution authorizing the Chair to execute an agreement with BlackRock for transition management services for the international portfolios.

CLOSED SESSION - *The Board will meet in Closed Session pursuant to Government Code sections 54956.8 and 6254.26.*

5. Discussion of specific terms of alternative investment shareholder agreement and direction to staff.

OPEN SESSION

6. Report of actions taken in Closed Session
7. Adjournment

March 15, 2012 – Special Board Minutes

1. **Call to Order:** Mr. David, Chair, called the Public Session of the Board of Retirement's Special Meeting to order at 11:34 a.m., March 15, 2012, in *SamCERA's* Board Room.
2. **Roll Call:**
Present: Ms. Arnott, Mr. David, Mr. Bowler, Ms. Agnew, Mr. Spinello, Mr. Hackleman, Ms. Salas
Excused: Ms. Kwan Lloyd, Ms. Settles, Mr. Tashman.
Staff: Mr. Clifton, Ms. Carlson, Mr. Hood, and Ms. Perez.
3. **Public Comment:** None.
4. **Resolution Authorizing the Chair to Execute an Agreement with Blackrock for Transition Management Services for the International Portfolios.**
Mr. Clifton presented the staff report and discussed changes in the transition management plan. He recommended continuing transition management with BlackRock and not BNY ConvergEx as previously discussed with the Board. Board members discussed the transition services with Mr. Clifton.

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Action: Ms. Agnew moved to approve the Resolution Authorizing the Chair to Execute an Agreement with Blackrock for Transition Management Services for the International Portfolios. The motion was seconded by Mr. Hackleman and carried unanimously.

CLOSED SESSION

Mr. David adjourned the special meeting at 11:40 a.m. and the Board met in Closed Session pursuant to Government Code sections 54956.8 and 6254.26 to discuss the terms of an alternative investment.

5. **Discussion of Specific Terms of Alternative Investment Shareholder Agreement and Direction to Staff.**

Mr. David reconvened the special meeting at 12:04 p.m.

OPEN SESSION

6. **Report of Actions Taken in Closed Session**

Ms. Carlson reported there was a motion and a second to continue to go forward with the alternative investment. The motion carried unanimously. Counsel noted on behalf of the Board that the Board discussed the fact there may be in-kind distributions received during the term of the investment and at the conclusion of the investment. It was determined by the Board to be in the best interest of the fund to continue to go forward with this investment, and the risk of receiving in-kind distributions was not a detriment to the fund.

7. **Adjournment:** There being no further business, Mr. David adjourned the special meeting at 12:06 p.m.

Scott Hood
Assistant Executive Officer

Kristina Perez
Retirement Executive Secretary

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Agenda Item 4.0 (a)

To: Board of Retirement

From: Gladys Smith, Retirement Benefits Manager



Subject: Approval of Consent Agenda

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.

Disability Retirements

1. The Board finds that **Jeffery Kosmala** is (1) disabled from performing his usual and customary duties as a Carpenter, (2) finds that his disability is service-connected and (3) grants his application for a service-connected disability retirement.

Service Retirements

1. The Board ratifies the actions as listed below for the following members regarding service retirements:

Member Name	Effective Retirement Date	Department
Ramos, Leticia	January 5, 2012	Def'd from San Mateo Medical Center
Armenta, Cathy	January 6, 2012	Def'd from Treasurer/Tax Collector
Mabubay, Melinda	January 6, 2012	Plan 3 Only
Ho, Maggie	January 7, 2012	Dept. of Child Support Services
Jew, Vanessa	January 7, 2012	Human Services Agency
Sundar, Roshini	January 7, 2012	Dept. of Child Support Services
Schmeidel, Cheryl	January 12, 2012	Plan 3 Only
Gates, Michael	January 13, 2012	San Mateo Medical Center
Gates, Nancy	January 13, 2012	QDRO of Gates, Michael
Torrey, Anthony	January 21, 2012	Probation
Greenberg, Barbara	January 23, 2012	Public Health

Ishida, Jonel	January 22, 2012	Parks
Lunny, Raymond	January 28, 2012	Sheriff's Office
Curran, Florencia	January 30, 2012	Def'd from District Attorney
Devoy, Michael	January 31, 2012	Def'd from District Attorney
Calivo, Kathleen	February 1, 2012	Human Services Agency
Hennen, Patrice	February 1, 2012	QDRO of Hennen, Joseph
Quinlan, Gerald	February 1, 2012	Sheriff's Office

Continuances

The Board ratifies the actions as listed below for the following members regarding continuances:

Survivor's Name	Beneficiary of:
Burnett, Deborah	Burnett, Charles
Giannini, Celeste	Giannini, Roland
Koelling, Betty	Koelling, Ervin
Mack, Stephen	Mack, Joan

Deferred Retirements

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

Member Name	Retirement Plan Type
Durand, Lori	G4 Vested
Zialcita, Patricia	3 Non-vested - Reciprocity

Member Account Refunds

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

Member Name	Retirement Plan Type
Lucero, Gilbert	G4 Non-vested
Mathews, Jeffrey	G4 Non-vested
May, April	Beneficiary of May, Sharen
May, Gina	Beneficiary of May, Sharen
May Joseph	Beneficiary of May, Sharen
Newbury, Jennifer	G4 Vested
Nunez-Avila, Aracela	G4 Vested

Orbeta, Cristina	Beneficiary of Orbeta, Ireneo
Orbeta, Ricardo	Beneficiary of Orbeta, Ireneo
Orbeta, Roberto	Beneficiary of Orbeta, Ireneo
Wenceslao, Priscilla	G4 Vested

Member Account Rollovers

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

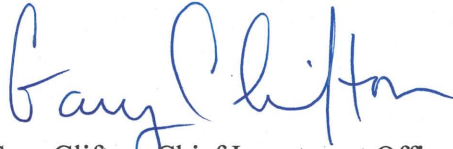
Member Name	Retirement Plan Type
Aguilar, Paolo	G4 Non-vested
Helena, Eric	G4 Non-vested
Leddy, Linda	G2 Vested
Lopez, Marian	G4 Non-vested
Paul, Adam	G4 Non-vested

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Agenda Item 6.1

To: Board of Retirement



From: Gary Clifton, Chief Investment Officer

Subject: Preliminary Monthly Portfolio Performance Report for the Period Ending **February 29, 2011**

COMMENT: This preliminary report is intended to provide the reader with 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. Due to the timing of certain portfolio performance statements, this agenda item does not reflect the monthly performance of all portfolios. As of this writing, monthly performance for Angelo Gordon's PPIP, AQR's risk parity, AQR's hedge fund, most private equity and Invesco's core real estate portfolios have not been reported.

The fund's preliminary return for the trailing twelve months is 3.41%. The twelve-month period is 434 basis points (bps) below the Actuarial Discount Rate of 7.75%. For the same period the total fund return is 77 basis point behind *SamCERA's* Total Plan Policy Benchmark of 4.18%. As a reminder, *SamCERA* should expect to underperform the Total Plan Policy Benchmark in the initial stages of its private equity implementation.

In February, economic and political developments supported a more positive tone for most financial markets. Economic data in the United States was generally stronger than expected, while global economic data was more mixed. Perhaps more importantly, the risk of a global systemic crisis, which weighed on markets in the second half of 2011, has been significantly reduced, due in large part to actions taken by policymakers. The European Central Bank continued with its own version of quantitative easing, reducing pressures on both the banking system as well as sovereign debt markets.

Minutes of the Federal Open Market Committee's (FOMC) January 24-25 meeting, released on February 15, said that several factors are likely to restrain the pace of economic expansion. These include the "slowdown in economic activity abroad, fiscal tightening in the United States, the weak housing market, further household deleveraging, high levels of uncertainty among households and businesses, and the possibility of increased volatility in financial markets until the fiscal and banking issues in the euro area are more fully addressed." These headwinds are expected to ease over time, and the recovery should gradually gain strength, but strains in global financial markets continue to pose significant downside risks.

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Below is an overview of the investment manager performance for selected periods:

Portfolio	Trailing One Month	Trailing Three Months	Trailing Six Months	Trailing Twelve Months
BlackRock Russell 1000	.	10.40%	13.33%	4.92%
D.E. Shaw Investment Management, LLC	5.37%	12.70%	15.36%	7.72%
T. Rowe Price Associates	4.50%	10.94%	14.37%	5.81%
Barrow, Hanley, Mewhinney & Strauss	4.41%	9.52%	13.09%	2.53%
BlackRock Capital Management, Inc.	5.61%	10.37%	10.22%	-1.37%
Large Cap Aggregate	4.86%	10.63%	12.97%	3.29%
The Boston Company	2.85%	11.93%	19.64%	3.86%
Chartwell Investment Partners	5.68%	12.36%	21.28%	8.37%
Jennison Associates	3.82%	8.78%	15.29%	4.01%
Small Cap Aggregate	4.11%	10.52%	17.96%	5.24%
Artio Global Investors	4.99%	9.29%	-1.29%	-10.53%
Mondrian Investment Partners	4.72%	7.15%	5.13%	-1.59%
International Aggregate	4.85%	8.15%	1.99%	-6.03%
Total Equity	4.73%	9.87%	10.27%	0.59%
Aberdeen Asset Management	0.62%	3.53%	4.39%	8.98%
Angelo Gordon	0.00%	9.33%	8.97%	-10.13%
Brigade Capital Management	2.13%	6.03%	6.89%	6.97%
Brown Brothers Harriman	-0.18%	2.07%	4.71%	105.24%
Franklin Templeton	4.80%	11.57%	2.89%	7.86%
Pyramis Global Advisors	0.18%	2.77%	3.24%	8.52%
Western Asset Management	4.26%	3.78%	3.78%	8.61%
Total Fixed Income	1.90%	5.17%	4.32%	7.63%
Private Equity (1)	6.18%	6.31%	-4.50%	-78.82%
AQR's Global Risk Premium (Risk Parity)	4.32%	6.31%	3.81%	8.74%
AQR's Delta Fund (Hedge Fund)	1.92%	1.45%	0.37%	N/A
SSgA/SSARIS Commodity	4.61%	6.03%	-1.52%	N/A
Total Alternative Investments	N/A	N/A	N/A	N/A
Invesco Realty Advisors	0.00%	3.11%	5.29%	16.91%
Cash	0.07%	0.18%	0.27%	0.77%
Total Portfolio	3.54%	7.39%	7.04%	3.41%

(1) As month end, SamCERA has committed to five private equity investments totaling \$80 million.

San Mateo County

Summary of Fund Performance With 4 Years

Rates of Return Total

Periods Ending February 29, 2012



STATE STREET

	MKT VAL	1 Month	QTR	6 Month s	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	ITD	INCEPT. DATE
DOMESTIC EQUITY													
BLACKROCK RUSSELL 1000 INDEX FUND	164,269,482	4.39	10.40	13.33	4.50	4.92	13.89	26.33	3.28	1.84	4.67	8.34	04/01/1995
DE SHAW INVESTMENT MGT, LLC	119,392,769	5.37	12.70	15.36	6.60	7.72	14.11					16.89	08/01/2009
<i>RUSSELL 1000</i>		4.39	10.39	13.31	4.46	4.86	13.82	26.25	3.21	1.77	4.63		
T. ROWE PRICE ASSOCIATES	116,683,497	4.50	10.94	14.37	5.83	5.81	13.55					15.72	08/01/2009
<i>S&P 500</i>		4.32	10.11	13.31	4.98	5.12	13.51					15.78	
BARROW HANLEY	163,207,035	4.41	9.52	13.09	0.78	2.53	12.18					15.29	08/01/2009
<i>RUSSELL 1000 VALUE</i>		3.99	10.09	12.84	2.29	2.18	11.72					14.73	
BLACKROCK	171,085,098	5.61	10.37	10.22	-0.21	-1.37	12.66					14.64	08/01/2009
<i>RUSSELL 1000 GROWTH</i>		4.78	10.68	13.76	6.68	7.62	15.96					17.86	
LARGE CAP AGGREGATE	734,637,881	4.86	10.63	12.97	2.91	3.29	12.71	24.96	2.51	0.42	4.16	8.04	04/01/1995
<i>RUSSELL 1000</i>		4.39	10.39	13.31	4.46	4.86	13.82	26.25	3.21	1.77	4.63	8.31	
BOSTON COMPANY ASSET MGT, LLC	52,706,571	2.85	11.93	19.64	5.57	3.86	13.79					17.20	08/01/2009
<i>RUSSELL 2000 VALUE</i>		1.49	9.93	11.81	-1.44	-2.72	11.97					15.53	
CHARTWELL INVESTMENT MGMT	63,260,477	5.68	12.36	21.28	4.50	8.37	23.11	34.35	6.62	4.65		7.17	12/01/2004
<i>RUSSELL 2000 GROWTH</i>		3.29	10.77	12.99	-0.74	2.38	18.14	31.21	7.01	3.93		5.81	
JENNISON ASSOCIATES	106,629,122	3.82	8.78	15.29	1.22	4.01	20.16	33.73				8.68	04/01/2008
SMALL CAP AGGREGATE	222,596,170	4.11	10.52	17.96	3.15	5.24	19.49	35.49	5.69	0.06	5.78	5.42	07/01/1999
<i>RUSSELL 2000</i>		2.39	10.35	12.40	-1.09	-0.15	15.06	29.47	5.75	1.83	7.00	5.99	
DOMESTIC EQUITY AGGREGATE	957,234,051	4.68	10.61	14.15	2.94	3.70	14.10	26.92	3.19	0.42	4.53	7.31	07/01/1995
<i>SAMCERA DOMESTIC EQUITY BENCHMA</i>		3.93	10.39	13.13	3.21	3.74	14.03	26.89	3.73	1.81	5.15		

San Mateo County

Summary of Fund Performance With 4 Years

Rates of Return Total

Periods Ending February 29, 2012



STATE STREET

	MKT VAL	1 Month	QTR	6 Month s	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	ITD	INCEPT. DATE
INTERNATIONAL EQUITY													
ARTIO GLOBAL INVESTOR	180,949,737	4.99	9.29	-1.29	-11.28	-10.53	2.55	15.26	-7.77	-4.76		3.59	12/01/2004
<i>MSCI ACWI ex US GROWTH (GROSS)</i>		5.84	10.87	2.77	-6.24	-4.87	7.97	22.39	-2.53	0.32		6.26	
MONDRIAN INVESTMENT PARTNERS	201,855,493	4.72	7.15	5.13	-3.82	-1.59	7.11	19.59	-1.85	-0.61		6.08	12/01/2004
<i>MSCI ACWI EX US VALUE (GROSS)</i>		5.45	12.33	5.48	-5.88	-6.48	6.21	24.31	-1.93	-0.96		6.09	
TOTAL INTERNATIONAL EQUITY	382,805,230	4.85	8.15	1.99	-7.50	-6.03	4.88	17.47	-4.80	-2.65	6.00	5.58	10/01/1996
<i>MSCI AC WORLD ex US (GROSS)</i>		5.65	11.60	4.10	-6.07	-5.67	7.11	23.33	-2.22	-0.30	8.45	5.57	
TOTAL EQUITY AGGREGATE	1,340,039,281	4.73	9.87	10.27	-0.39	0.59	11.17	23.94	0.69	-0.51	4.76	7.03	04/01/1995
<i>SAMCERA TOTAL EQUITY BENCHMARK</i>		4.51	10.81	10.03	0.02	0.51	11.71	25.72	1.84	1.14	5.83		
PRIVATE EQUITY													
ABRY ADVANCED SEC II LP	5,350,418	13.26	13.26	-5.54	-5.38							-17.02	06/01/2011
ABRY PARTNERS VII LP	2,094,275	4.67	4.67	5.14								5.14	09/01/2011
GENERAL CATALYST GROUP	100,000	0.00										0.00	02/01/2012
REGIMENT CAPITAL FUND	3,052,076	0.00	0.70	2.95								2.95	08/01/2011
SHERIDAN PRODUCTION PARTNERS	2,056,000	0.00	0.00	-15.53	5.88	-75.80						-82.13	11/01/2010
<i>RUSSELL 3000 + 3%</i>		4.48	11.18	14.89	6.07	7.57						17.24	
TOTAL PRIVATE EQUITY	12,652,769	6.18	6.31	-4.50	-3.55	-78.82						-83.83	11/01/2010
<i>PRIVATE EQUITY BENCHMARK</i>		4.48	11.18	14.89	6.07	7.57							
RISK PARITY													
AQR GLOBAL RISK PREM III LP	151,726,680	4.32	6.31	3.81	4.40	8.74						8.74	03/01/2011

San Mateo County

Summary of Fund Performance With 4 Years

Rates of Return Total

Periods Ending February 29, 2012



STATE STREET

	MKT VAL	1 Month	QTR	6 Month s	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	ITD	INCEPT. DATE
TOTAL RISK PARITY	151,726,680	4.32	6.31	3.81	4.40	8.74						8.74	03/01/2011
<i>RISK PARITY BENCHMARK</i>		2.53	6.98	9.21	5.13	6.39							
HEDGE FUND													
AQR DELTA FUND II, L.P.	69,270,600	1.92	1.45	0.67	-0.52							-0.46	06/01/2011
<i>LIBOR + 4%</i>		0.35	1.05	2.11	2.82							3.17	
HEDGE FUND COMPOSITE	69,270,600	1.92	1.45	0.67	-0.52							-0.46	06/01/2011
<i>LIBOR + 4%</i>		0.35	1.05	2.11	2.82							3.17	
COMMODITIES													
SSGA MULTISOURCE ACT COMM NL	71,972,730	4.61	6.03	-1.52								-4.04	08/01/2011
TOTAL COMMODITIES	71,972,730	4.61	6.03	-1.52								-4.04	08/01/2011
<i>DJ-UBS COMMODITY</i>		2.69	1.28	-9.97								-9.08	
DOMESTIC FIXED INCOME													
ABERDEEN ASSET MANAGEMENT	109,595,181	0.62	3.53	4.39	6.60	8.98	8.73	13.35	5.09	4.81	5.24	6.21	06/01/2000
ANGELO GORDON GECC PPI FUND	33,446,358	-0.00	9.33	8.97	-3.88	-10.13	13.58					15.92	12/01/2009
PYRAMIS GLOBAL ADVISORS	109,448,552	0.18	2.77	3.24	5.87	8.52	7.93	11.57	7.43	6.70		6.54	02/01/2006
WESTERN ASSET MGMT	108,072,800	4.26	3.78	3.78	6.23	8.61	9.22	13.92	7.48	6.49		6.04	11/01/2004
<i>BC AGGREGATE</i>		-0.02	1.96	2.73	5.88	8.37	6.63	7.52	6.13	6.37	5.68		
BRIGADE CAPITAL MANAGEMENT	52,519,365	2.13	6.03	6.89	4.74	6.97						10.28	08/01/2010
<i>BC BA INTERMEDIATE HIGH YIELD INDEX</i>		2.19	7.14	8.06	6.60	8.47						10.44	
BROWN BROTHERS HARRIMAN & CO	79,249,989	-0.18	2.07	4.71	10.04	15.24						11.14	08/01/2010
<i>BARCLAYS US TIPS INDEX</i>		-0.38	2.03	4.60	9.80	15.04						11.16	

San Mateo County

Summary of Fund Performance With 4 Years

Rates of Return Total

Periods Ending February 29, 2012



STATE STREET

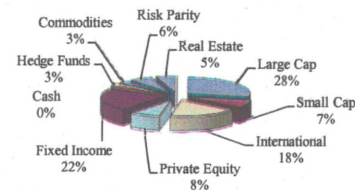
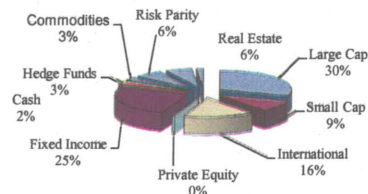
	MKT VAL	1 Month	QTR	6 Month s	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years	ITD	INCEPT. DATE
INTERNATIONAL FIXED INCOME													
FRANKLIN TEMPLETON INVESTMENTS	109,607,403	4.80	11.57	2.89	3.26	7.86						8.25	01/01/2011
<i>BC MULTIVERSE</i>		0.05	2.53	-0.25	2.88	6.52						6.38	
TOTAL FIXED INCOME													
TOTAL FIXED INCOME AGGREGATE	601,939,649	1.90	5.17	4.32	5.28	7.63	9.08	13.30	6.93	6.22	5.86	6.19	01/01/1996
<i>SAMCERA TOTAL FIXED INCOME BENCH</i>		0.12	2.64	2.88	6.30	9.51	7.42	8.05	6.52	6.68	5.84	6.00	
REAL ESTATE													
INVESCO REAL ESTATE	142,552,672	0.00	3.11	5.29	5.29	16.91	16.80	-2.56	-3.05	0.07		5.83	10/01/2004
TOTAL REAL ESTATE AGGREGATE	142,552,672	0.00	3.11	5.29	5.29	16.91	16.80	-2.56	-3.05	0.07	6.88	7.55	01/01/1997
<i>SAMCERA NCREIF NFI ODCE EW (Gross)</i>		0.00	3.02	6.41	6.41	15.04	15.59	-2.51	-3.52	0.08	6.47	7.44	
CASH EQUIVALENTS													
SAMCERA GENERAL ACCOUNT	17,613,516	0.01	0.04	0.06	0.08	0.39	0.29	0.31	0.74	1.60	2.10	2.72	07/01/1999
SAMCERA TREASURY & LAIF	21,711,521	0.07	0.23	0.48	0.64	1.03	1.08	1.15	0.05	0.93	2.04	3.38	07/01/1994
TOTAL CASH AGGREGATE	39,325,037	0.07	0.18	0.27	0.43	0.77	0.90	1.00	0.16	1.00	2.04	2.63	07/01/1999
<i>91 DAY T-BILL</i>		0.00	-0.00	0.00	0.02	0.08	0.11	0.14	0.46	1.32	1.92	2.57	
TOTAL FUND													
TOTAL FUND	2,429,479,418	3.54	7.39	7.04	1.36	3.41	10.75	17.85	2.37	1.60	5.46	6.31	01/01/1996
<i>SAMCERA TOTAL PLAN POLICY BENCHM</i>		3.02	7.82	7.96	2.72	4.18	11.49	19.60	3.51	3.17	6.26	6.61	
<i>ACTUARIAL DISCOUNT RATE</i>		0.62	1.88	3.80	5.10	7.75	7.75	7.75	7.75	7.75	7.89		

San Mateo County Employees' Retirement Association
 Monthly Performance Review
 Period Ending February 29, 2012

Actual versus Target Allocation

Portfolio	Market Value	Allocation		Percentage Rebalance	
		Current	Target *	Off Target	Range
BlackRock Russell 1000	\$164,269,482	6.76%	6.50%	0.26%	±3%
D.E. Shaw Investment Management, LLC	\$119,392,769	4.91%	4.25%	0.66%	±3%
T. Rowe Price Associates	\$116,683,497	4.80%	4.25%	0.55%	±3%
Barrow, Hanley, Mewhinney & Strauss	\$163,207,035	6.72%	6.50%	0.22%	±3%
BlackRock Capital Management, Inc.	\$171,085,098	7.04%	6.50%	0.54%	±3%
Large Cap Aggregate	\$734,637,881	30.24%	28.00%	2.24%	
The Boston Company	\$52,706,571	2.17%	1.75%	0.42%	±3%
Chartwell Investment Partners	\$63,260,477	2.60%	1.75%	0.85%	±3%
Jennison Associates	\$106,629,122	4.39%	3.50%	0.89%	±3%
Small Cap Aggregate	\$222,596,170	9.16%	7.00%	2.16%	
Artio Investment Partners	\$180,949,737	7.45%	9.00%	-1.55%	±3%
Mondrian Investment Partners	\$201,855,493	8.31%	9.00%	-0.69%	±3%
International Aggregate	\$382,805,230	15.76%	18.00%	-2.24%	±3%
Total Equity	\$1,340,039,281	55.15%	53.00%	2.15%	
Aberdeen Asset Management	\$109,595,181	4.51%	3.75%	0.76%	±2%
Angelo Gordon	\$33,446,358	1.38%	1.63%	-0.25%	±2%
Brigade Capital Management	\$52,519,365	2.16%	1.63%	0.54%	±2%
Brown Brothers Harriman	\$79,249,989	3.26%	3.00%	0.26%	±2%
Franklin Templeton	\$109,607,403	4.51%	4.50%	0.01%	±2%
Pyramis Global Advisors	\$109,448,552	4.50%	3.75%	0.75%	±2%
Western Asset Management Company	\$108,072,800	4.45%	3.75%	0.70%	±2%
Total Fixed Income	\$601,939,649	24.77%	22.00%	2.77%	
Private Equity	\$12,802,769	0.53%	8.00%	-7.47%	N/A
AQR Global Risk Premium	\$151,726,680	6.24%	6.00%	0.24%	N/A
AQR Delta Fund (Hedge Fund)	\$69,270,600	2.85%	3.00%	-0.15%	N/A
SSGA/SSARIS Multisource Commodities	\$71,972,730	2.96%	3.00%	-0.04%	N/A
Alternative Investments	\$305,772,779	12.59%	20.00%	-7.41%	
INVESCO Realty Advisors	\$142,552,672	5.87%	5.00%	0.87%	±2%
Cash	\$39,325,037	1.62%	0.00%	1.62%	
Total	\$2,429,629,418	100.00%	100.00%		

* SamCERA is in the process of implementing alternative asset allocations. As the allocation is being implemented, the actual allocation may differ from the target allocation.



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Change in Portfolio Market Value by Manager

Portfolio	Current Month	Prior Month	% Change (1)	Prior Year	% Change (1)
BlackRock Russell 1000	\$164,269,482	\$157,358,872	4.4%	\$254,137,389	-35.4%
D.E. Shaw Investment Management, LLC	\$119,392,769	\$113,306,016	5.4%	\$110,835,385	7.7%
T. Rowe Price Associates	\$116,683,497	\$111,655,839	4.5%	\$110,277,229	5.8%
Barrow, Hanley, Mewhinney & Strauss	\$163,207,035	\$156,308,896	4.4%	\$169,648,680	-3.8%
BlackRock Capital Management, Inc.	\$171,085,098	\$161,992,708	5.6%	\$173,468,616	-1.4%
Large Cap Aggregate	\$734,637,881	\$700,622,331	4.9%	\$818,367,299	-10.2%
The Boston Company	\$52,706,571	\$51,244,304	2.9%	\$50,747,328	3.9%
Chartwell Investment Partners	\$63,260,477	\$59,862,364	5.7%	\$58,376,520	8.4%
Jennison Associates	\$106,629,122	\$102,708,929	3.8%	\$120,744,385	-11.7%
Small Cap Aggregate	\$222,596,170	\$213,815,597	4.1%	\$229,868,233	-3.2%
Artio Investment Partners	\$180,949,737	\$172,352,281	5.0%	\$221,893,970	-18.5%
Mondrian Investment Partners	\$201,855,493	\$192,750,793	4.7%	\$224,431,664	-10.1%
International Aggregate	\$382,805,230	\$365,103,074	4.8%	\$446,325,634	-14.2%
Total Equity	\$1,340,039,281	\$1,279,541,002	4.7%	\$1,494,561,166	-10.3%
Aberdeen Asset Management	\$109,595,181	\$108,916,252	0.6%	\$119,679,902	-8.4%
Angelo Gordon	\$33,446,358	\$33,507,651	-0.2%	\$39,908,551	-16.2%
Brigade Capital Management	\$52,519,365	\$51,424,020	2.1%	\$49,096,485	7.0%
Brown Brothers Harriman	\$79,249,989	\$79,393,967	-0.2%	\$46,355,657	71.0%
Franklin Templeton	\$109,607,403	\$104,585,676	4.8%	\$101,626,367	7.9%
Pyramis Global Advisors	\$109,448,552	\$109,248,149	0.2%	\$90,335,386	21.2%
Western Asset Management Company	\$108,072,800	\$103,654,749	4.3%	\$88,822,715	21.7%
Total Fixed Income	\$601,939,649	\$590,730,464	1.9%	\$535,825,063	12.3%
Private Equity	\$12,802,769	\$11,645,483	9.9%	\$250,000	5021.1%
Risk Parity	\$151,726,680	\$145,443,060	4.3%	\$45,000,000	237.2%
Hedge Funds	\$69,270,600	\$67,967,550	1.9%	-	N/A
Comodities	\$71,972,730	\$68,801,601	4.6%	\$0	N/A
Alternative Investments	\$305,772,779	\$293,857,694	4.1%	\$45,250,000	N/A
INVESCO Realty Advisors	\$142,552,672	\$142,552,672	0.0%	\$122,302,877	16.6%
Cash	\$39,325,037	\$44,765,428	-12.2%	\$102,288,930	-61.6%
Total	\$2,429,629,418	\$2,351,447,260	3.3%	\$2,300,228,036	5.6%

Change in Asset Allocation by Asset Class

	Current Month	Prior Month	Absolute Change	Prior Year	Absolute Change
Total Equity	55.2%	54.4%	0.7%	65.0%	-9.8%
Total Fixed Income	24.8%	25.1%	-0.3%	23.3%	1.5%
Alternative Investments	12.6%	12.5%	0.1%	2.0%	10.6%
Real Estate	5.9%	6.1%	-0.2%	5.3%	0.6%
Cash	1.6%	1.9%	-0.3%	4.4%	-2.8%
Total	100.0%	100.0%		100.0%	

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Aggregate Performance

	Market Value	One Month	Trailing Three Months	Trailing Six Months	Trailing Twelve Months	Fiscal Year to Date (1)	Two Years	Three Years	Five Years	Ten Years
						Eight Months				
Equity Aggregate	\$1,340,039,281	4.73%	9.87%	10.27%	0.59%	-0.39%	11.17%	23.94%	-0.51%	4.76%
Equity Composite Benchmark		4.51%	10.81%	10.03%	0.51%	0.02%	11.71%	25.72%	1.14%	5.83%
Variance		0.22%	-0.94%	0.24%	0.08%	-0.41%	-0.54%	-1.78%	-1.65%	-1.07%
Private Equity Aggregate	\$12,802,769	6.18%	6.31%	-4.50%	-78.82%	-3.55%	N/A	N/A	N/A	N/A
Private Equity Composite Benchmark		4.48%	11.18%	14.89%	7.57%	6.07%	N/A	N/A	N/A	N/A
Variance		1.70%	-4.87%	-19.39%	N/A	-9.62%	N/A	N/A	N/A	N/A
Risk Parity Aggregate	\$151,726,680	4.32%	6.31%	3.81%	8.74%	4.40%	N/A	N/A	N/A	N/A
Risk Parity Benchmark (60/40 Portfolio)		2.53%	6.98%	9.21%	6.39%	5.13%	N/A	N/A	N/A	N/A
Variance		1.79%	-0.67%	-5.40%	N/A	-0.73%	N/A	N/A	N/A	N/A
Hedge Fund Aggregate	\$69,270,600	1.92%	1.45%	0.67%	N/A	-0.52%	N/A	N/A	N/A	N/A
Hedge Fund Benchmark (LIBOR + 4%)		0.35%	1.05%	2.11%	N/A	2.82%	N/A	N/A	N/A	N/A
Variance		1.57%	0.40%	-1.44%	N/A	-3.34%	N/A	N/A	N/A	N/A
Commodities	\$71,972,730	4.61%	6.03%	-1.52%	N/A	N/A	N/A	N/A	N/A	N/A
DJ - UBS Commodity Benchmark		2.69%	1.28%	-9.97%	N/A	N/A	N/A	N/A	N/A	N/A
Variance		1.92%	4.75%	8.45%	N/A	N/A	N/A	N/A	N/A	N/A
Fixed Income Aggregate	\$601,939,649	1.90%	5.17%	4.32%	7.63%	5.28%	9.08%	13.30%	6.22%	5.86%
Fixed Income Composite Benchmark		0.12%	2.64%	2.88%	9.51%	6.30%	7.42%	8.05%	6.68%	5.84%
Variance		1.78%	2.53%	1.44%	-1.88%	-1.02%	1.66%	5.25%	-0.46%	0.02%
Real Estate Aggregate (2)	\$142,552,672	0.00%	3.11%	5.29%	16.91%	5.29%	16.80%	-2.56%	0.07%	6.88%
NCREIF NFI ODCE EW (Gross)		0.00%	3.02%	6.41%	15.04%	6.41%	15.59%	-2.51%	0.08%	6.47%
Variance		0.00%	0.00%	-1.12%	1.87%	-1.12%	1.21%	-0.05%	-0.01%	0.41%
Cash Aggregate	\$39,325,037	0.07%	0.18%	0.27%	0.77%	0.43%	0.90%	1.00%	1.00%	2.04%
91 Day Treasury Bill		0.00%	0.00%	0.00%	0.08%	0.02%	0.11%	0.14%	1.32%	1.92%
Variance		0.07%	0.18%	0.27%	0.69%	0.41%	0.79%	0.86%	-0.32%	0.12%
Total Fund Returns	\$2,429,629,418	3.54%	7.39%	7.04%	3.41%	1.36%	10.75%	17.85%	1.60%	5.46%
Total Plan Policy Benchmark		3.02%	7.82%	7.96%	4.18%	2.72%	11.49%	19.60%	3.17%	6.26%
Variance		0.52%	-0.43%	-0.92%	-0.77%	-1.36%	-0.74%	-1.75%	-1.57%	-0.80%

Performance versus Actuarial Discount Rate

Total Fund Returns	\$2,429,629,418	3.54%	7.39%	7.04%	3.41%	1.36%	10.75%	17.85%	1.60%	5.46%
Actuarial Discount Rate		0.62%	1.88%	3.80%	7.75%	5.10%	7.75%	7.75%	7.75%	7.89%
Variance		2.92%	5.51%	3.24%	-4.34%	-3.74%	3.00%	10.10%	-6.15%	-2.43%

(1) SamCERA's Fiscal Year is 7/1 through 6/30

(2) The Real Estate Aggregate prior to 12/99 includes REIT returns

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Manager & Benchmark Performance

Manager Performance

Portfolio	(1)					One Year	Two Years	Three Years	Four Years	Five Years	Ten Years
	One Month	Trailing Three Months	Trailing Six Months	Trailing Twelve Months	Fiscal Year to Date Eight Months						
BlackRock Russell 1000	4.39%	10.40%	13.33%	4.92%	13.33%	4.92%	13.89%	26.33%	3.28%	1.84%	4.67%
D.E. Shaw Investment Management, LLC	5.37%	12.70%	15.36%	7.72%	15.36%	7.72%	14.11%	N/A	N/A	N/A	N/A
T. Rowe Price Associates	4.50%	10.94%	14.37%	5.81%	5.83%	5.81%	13.55%	N/A	N/A	N/A	N/A
Barrow, Hanley, Mewhinney & Strauss	4.41%	9.52%	13.09%	2.53%	0.78%	2.53%	12.18%	N/A	N/A	N/A	N/A
BlackRock Capital Management, Inc.	5.61%	10.37%	10.22%	-1.37%	-0.21%	-1.37%	12.66%	N/A	N/A	N/A	N/A
Large Cap Aggregate	4.86%	10.63%	12.97%	3.29%	2.91%	3.29%	12.71%	24.96%	2.51%	0.42%	4.16%
The Boston Company	2.85%	11.93%	19.64%	3.86%	5.57%	3.86%	13.79%	N/A	N/A	N/A	N/A
Chartwell Investment Partners	5.68%	12.36%	21.28%	8.37%	4.50%	8.37%	23.11%	34.35%	6.62%	4.65%	N/A
Jennison Associates	3.82%	8.78%	15.29%	4.01%	1.22%	4.01%	20.16%	33.73%	N/A	N/A	N/A
Small Cap Aggregate	4.11%	10.52%	17.96%	5.24%	3.15%	5.24%	19.49%	35.49%	5.69%	0.06%	5.78%
Artio Investment Partners	4.99%	9.29%	-1.29%	-10.53%	-11.28%	-10.53%	2.55%	15.26%	-7.77%	-4.76%	N/A
Mondrian Investment Partners	4.72%	7.15%	5.13%	-1.59%	-3.82%	-1.59%	7.11%	19.59%	-1.85%	-0.61%	N/A
International Aggregate	4.85%	8.15%	1.99%	-6.03%	-7.50%	-6.03%	4.88%	17.47%	-4.80%	-2.65%	6.00%
Total Equity	4.73%	9.87%	10.27%	0.59%	-0.39%	0.59%	11.17%	23.94%	0.69%	-0.51%	4.76%
Aberdeen Asset Management	0.62%	3.53%	4.99%	8.98%	6.60%	8.98%	8.73%	13.35%	5.09%	4.81%	5.24%
Angelo Gordon	0.00%	9.33%	8.97%	-10.13%	-3.88%	-10.13%	13.58%	N/A	N/A	N/A	N/A
Brigade Capital Management	2.13%	6.03%	6.89%	6.97%	4.74%	6.97%	N/A	N/A	N/A	N/A	N/A
Brown Brothers Harriman	-0.18%	2.07%	4.71%	105.24%	10.04%	105.24%	N/A	N/A	N/A	N/A	N/A
Franklin Templeton	4.80%	11.57%	2.89%	7.86%	3.26%	7.86%	N/A	N/A	N/A	N/A	N/A
Pyramis Global Advisors	0.18%	2.77%	3.24%	8.52%	5.87%	8.52%	7.93%	11.57%	7.43%	6.70%	N/A
Western Asset Management Company	4.26%	3.78%	3.78%	8.61%	6.23%	8.61%	9.22%	13.92%	7.48%	6.49%	N/A
Total Fixed Income	1.90%	5.17%	4.32%	7.63%	5.28%	7.63%	9.08%	13.30%	6.93%	6.22%	5.86%
Private Equity	6.18%	6.31%	-4.50%	-78.82%	-3.55%	-78.82%	N/A	N/A	N/A	N/A	N/A
Risk Parity	4.32%	6.31%	3.81%	8.74%	4.40%	8.74%	N/A	N/A	N/A	N/A	N/A
Hedge Funds	1.92%	1.45%	0.37%	N/A	-0.52%	N/A	N/A	N/A	N/A	N/A	N/A
SSgA	4.61%	6.03%	-1.52%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alternative Investments	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
INVESCO Realty Advisors	0.00%	3.11%	5.29%	16.91%	5.29%	16.91%	16.80%	-2.56%	-3.05%	0.07%	6.88%
Cash	0.07%	0.18%	0.27%	0.77%	0.43%	0.77%	0.90%	1.00%	0.16%	1.00%	2.04%
Total	3.54%	7.39%	7.04%	3.41%	1.36%	3.41%	10.75%	17.85%	2.37%	1.60%	5.46%

Benchmark Performance

Russell 1000	4.39%	10.39%	13.31%	4.86%	4.46%	4.86%	13.82%	26.25%	3.21%	1.77%	4.63%
S&P 500	4.32%	10.11%	13.31%	5.12%	4.98%	5.12%	13.51%	N/A	N/A	N/A	N/A
Russell 1000 Value	3.99%	10.09%	12.84%	2.18%	2.29%	2.18%	11.72%	N/A	N/A	N/A	N/A
Russell 1000 Growth	4.86%	10.68%	13.76%	7.62%	6.68%	7.62%	15.96%	N/A	N/A	N/A	N/A
Russell 2000	2.39%	10.35%	12.40%	-0.15%	-1.09%	-0.15%	15.60%	29.47%	5.75%	1.83%	7.00%
Russell 2000 Value	1.49%	9.93%	11.81%	-2.72%	-1.44%	-2.72%	11.97%	N/A	N/A	N/A	N/A
Russell 2000 Growth	3.29%	10.77%	12.99%	2.38%	-0.74%	2.38%	18.14%	31.21%	7.01%	3.93%	N/A
MSCI ACWI ex US (Gross)	5.65%	11.60%	4.10%	-5.67%	-6.07%	-5.67%	7.11%	23.33%	-2.22%	-0.30%	8.45%
MSCI ACWI ex US Growth (Gross)	5.84%	10.87%	2.77%	-4.87%	-6.24%	-4.87%	7.97%	22.39%	-2.53%	0.32%	N/A
MSCI ACWI ex US Value (Gross)	5.45%	12.33%	5.48%	-6.48%	-5.88%	-6.48%	6.21%	24.31%	-1.93%	-0.96%	N/A
Russell 3000 + 3% (Private Equity)	4.48%	11.18%	14.89%	7.57%	6.07%	7.57%	N/A	N/A	N/A	N/A	N/A
60% Russell 3000 / 40% Barclays Aggregate (Risk Parity)	2.53%	6.98%	9.21%	6.39%	5.13%	6.39%	N/A	N/A	N/A	N/A	N/A
LIBOR +4% (Hedge Fund)	0.35%	1.05%	2.11%	N/A	2.82%	N/A	N/A	N/A	N/A	N/A	N/A
DJ - UBS Commodities Index	2.69%	1.28%	-9.97%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Barclays Capital Aggregate	-0.02%	1.96%	2.73%	8.37%	5.88%	8.37%	6.63%	7.52%	6.13%	6.37%	5.68%
Barclays U.S. TIPS Index	-0.38%	2.03%	4.60%	15.04%	9.80%	15.04%	N/A	N/A	N/A	N/A	N/A
BC BA Intermediate High Yield Index	2.19%	7.14%	8.06%	8.47%	6.60%	8.47%	N/A	N/A	N/A	N/A	N/A
Barclays Capital Multiverse Index	0.05%	2.53%	-0.25%	6.52%	2.88%	6.52%	N/A	N/A	N/A	N/A	N/A
NCREIF NFI ODCE EW (Gross)	0.00%	3.02%	6.41%	15.04%	6.41%	15.04%	15.59%	-2.51%	-3.52%	0.08%	6.47%
91 Day Treasury Bill	0.00%	0.00%	0.00%	0.08%	0.02%	0.08%	0.11%	0.14%	0.46%	1.32%	1.92%
SamCERA Plan Policy Benchmark	3.02%	7.82%	7.96%	4.18%	2.72%	4.18%	11.49%	19.60%	3.51%	3.17%	6.26%
SamCERA Actuarial Discount Rate	0.62%	1.88%	3.80%	7.75%	5.10%	7.75%	7.75%	7.75%	7.75%	7.75%	7.89%

(1) SamCERA's Fiscal Year is 7/1 through 6/30
 (2) Refer to page 13 for benchmark details

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Realized & Unrealized Gain / (Loss)

Portfolio	Beginning Book Balance As of 07/01/2011	(1) Realized Gain / (Loss) for the FYTD	Contributions/ (Withdrawals) for the FYTD	Ending Book Balance As of 02/29/2012	Prior Years Accumulated Unrealized Gains / (Loss)	FYTD Unrealized Gains / (Loss)	Ending Market Value As of 02/29/2012
BlackRock Russell 1000	\$116,239,675.42	4,747,118	15,000,000	\$135,986,793.01	\$25,789,141	\$2,493,548	\$164,269,482
D.E. Shaw Investment Management LLC	\$104,437,429.03	2,547,046		\$106,984,474.58	\$7,566,467	\$4,841,827	\$119,392,769
T. Rowe Price Associates	\$90,671,733.96	3,198,823		\$93,870,556.61	\$19,588,947	\$3,223,994	\$116,683,497
Barrow Hanley	\$137,062,910.95	4,549,753	(10,000,000)	\$131,612,664.19	\$35,541,811	(\$3,947,441)	\$163,207,035
BlackRock	\$137,507,026.05	(484,124)		\$137,022,902.42	\$33,938,711	\$123,485	\$171,085,098
The Boston Company	\$42,422,535.09	3,043,461		\$45,465,996.43	\$7,503,042	(\$262,468)	\$52,706,571
Chartwell Investment Partners	\$49,714,955.60	1,707,768		\$51,422,723.25	\$10,820,841	\$1,016,913	\$63,260,477
Jennison Associates	\$96,873,436.26	3,473,943	(15,000,000)	\$85,347,379.63	\$27,187,483	(\$5,905,741)	\$106,629,122
Artio Global Investors	\$176,118,388.40	(10,588,713)		\$165,529,675.59	\$27,844,377	(\$12,424,316)	\$180,949,737
Mondrian Investment Partners	\$199,643,052.53	7,602,464		\$207,245,516.39	\$10,221,090	(\$15,611,113)	\$201,855,493
Aberdeen Asset Management	\$121,263,066.81	6,761,746	(20,000,000)	\$108,024,813.12	\$1,082,815	\$487,554	\$109,595,181
Angelo Gordon	\$30,056,249.00		(3,867,500)	\$26,188,749.00	\$8,809,096	(\$1,551,486)	\$33,446,358
Bridage Capital Management	\$45,000,000.00			\$45,000,000.00	\$5,141,745	\$2,377,620	\$52,519,365
Brown Brothers Harriman	\$47,586,488.24	2,203,317	25,000,000	\$74,789,805.32	\$958,745	\$3,501,439	\$79,249,989
Franklin Templeton Investments	\$102,493,815.00	2,874,959		\$105,368,774.38	\$3,650,077	\$588,552	\$109,607,403
Pyramis Global Advisors	\$81,745,258.37	2,979,775	(10,000,000)	\$74,725,033.69	\$31,162,641	\$3,560,877	\$109,448,552
Western Asset Management Company	\$116,975,047.04	4,857,672	(15,000,000)	\$106,832,719.18	(\$601,561)	\$1,841,642	\$108,072,800
Private Equity (Sheridan & ABRY)	\$3,327,419.00	(256,820)	9,732,170	\$12,802,769.17	\$0	\$0	\$12,802,769
AQR's Global Risk Premium	\$140,000,000.00			\$140,000,000.00	\$0	\$11,726,680	\$151,726,680
AQR's Delta Fund (Hedge Fund)	\$70,000,000.00			\$70,000,000.00	\$0	(\$729,400)	\$69,270,600
SSGA/SSARIS Multisource Commodities	\$0.00		75,000,000	\$75,000,000.00	\$0	-\$3,027,270.46	\$71,972,730
INVESCO Core US Real Estate Fund	\$136,831,829.92	2,318,303		\$139,150,132.86	\$0	\$3,402,539	\$142,552,672
Cash	\$5,273,627.54			\$39,325,037.21	\$0	\$0	\$39,325,037
Total	\$2,051,243,944.21	\$41,536,492.33	\$50,864,669.82	\$2,177,696,516.03	\$256,205,466.60	-\$4,272,564.29	\$2,429,629,418.34

(1) SamCERA's Fiscal Year is 7/1 through 6/30

San Mateo County Employees' Retirement Association
Monthly Performance Review
Period Ending February 29, 2012

Cash Flows and Fiscal Year to Date Return

Portfolio	Beginning Market Value Balance As of 07/01/2011	(1) Earnings / (Loss) for the FYTD	Contributions/ (Withdrawals) for the FYTD	Ending Market Value Balance As of 02/29/2012	Fiscal Year to Date Return (Portfolio)	Fiscal Year to Date Return (Benchmark)
BlackRock Russell 1000	\$116,239,675	\$4,747,118	\$15,000,000	\$164,269,482	4.50%	4.46%
D.E. Shaw Investment Management, LLC	\$104,437,429	\$2,547,046	\$0	\$119,392,769	6.60%	4.46%
T. Rowe Price Associates	\$90,671,734	\$3,198,823	\$0	\$116,683,497	5.83%	4.98%
Barrow, Hanley, Mewhinney & Strauss	\$137,062,911	\$4,549,753	-\$10,000,000	\$163,207,035	0.78%	2.29%
BlackRock Capital Management, Inc.	\$137,507,026	-\$484,124	\$0	\$171,085,098	-0.21%	6.68%
The Boston Company	\$42,422,535	\$3,043,461	\$0	\$52,706,571	5.57%	-1.44%
Chartwell Investment Partners	\$49,714,956	\$1,707,768	\$0	\$63,260,477	4.50%	-0.74%
Jennison Associates	\$96,873,436	\$3,473,943	-\$15,000,000	\$106,629,122	1.22%	-1.09%
Artio Investment Partners	\$176,118,388	-\$10,588,713	\$0	\$180,949,737	-11.28%	-6.24%
Mondrian Investment Partners	\$199,643,053	\$7,602,464	\$0	\$201,855,493	-3.82%	-5.88%
Aberdeen Asset Management	\$121,263,067	\$6,761,746	-\$20,000,000	\$109,595,181	6.60%	5.88%
Angelo Gordon	\$30,056,249	\$0	-\$3,867,500	\$33,446,358	-3.88%	5.88%
Brigade Capital Management	\$45,000,000	\$0	\$0	\$52,519,365	4.74%	13.20%
Brown Brothers Harriman	\$47,586,488	\$2,203,317	\$25,000,000	\$79,249,989	10.04%	9.80%
Franklin Templeton	\$102,493,815	\$2,874,959	\$0	\$109,607,403	3.26%	2.88%
Pyramis Global Advisors	\$81,745,258	\$2,979,775	-\$10,000,000	\$109,448,552	5.87%	5.88%
Western Asset Management Company	\$116,975,047	\$4,857,672	-\$15,000,000	\$108,072,800	6.23%	5.88%
Private Equity	\$3,327,419	-\$256,820	\$9,732,170	\$12,802,769	-3.55%	6.07%
AQR Global Risk Premium	\$140,000,000	\$0	\$0	\$151,726,680	4.40%	4.40%
AQR Delta Fund (Hedge Fund)	\$70,000,000	\$0	\$0	\$69,270,600	-0.52%	-0.52%
SSGA/SSARIS Multisource Commodities	\$0	\$0	\$75,000,000	\$71,972,730	N/A	N/A
INVESCO Realty Advisors	\$136,831,830	\$2,318,303	\$0	\$142,552,672	5.29%	6.41%
Cash	\$5,273,628	-\$2,867,350	\$36,715,240	\$39,325,037	0.43%	0.02%
Total	\$2,051,243,944	\$38,669,142	\$87,579,910	\$2,429,629,418	1.36%	2.72%

(1) SamCERA's Fiscal Year is 7/1 through 6/30

San Mateo County Employees' Retirement Association

Monthly Performance Review

Period Ending February 29, 2012

Professional Services Fees

Investment Management Fees	Market Value As of 02/29/2012	Estimated 09/30/2010	For the Quarter Ending			Fiscal Year 2011 / 2012	Estimated Annual Fee (1)
			12/31/2010	03/31/2011	06/30/2011		
BlackRock Russell 1000	\$ 164,269,482.25	\$16,500	\$16,700	\$5,567		\$38,767	\$95,000
D.E. Shaw Investment Management, LLC	\$ 119,392,768.61	\$131,000	\$134,900	\$44,967		\$310,867	\$475,000
T. Rowe Price Associates	\$ 116,683,497.42	\$89,000	\$92,500	\$30,833		\$212,333	\$350,000
Barrow, Hanley, Mewhinney & Strauss	\$ 163,207,034.61	\$167,500	\$169,800	\$56,600		\$393,900	\$650,000
BlackRock Capital Management, Inc.	\$ 171,085,098.47	\$180,700	\$180,400	\$60,133		\$421,233	\$675,000
The Boston Company	\$ 52,706,570.68	\$94,400	\$100,400	\$33,467		\$228,267	\$375,000
Chartwell Investment Partners	\$ 63,260,476.98	\$98,900	\$105,000	\$35,000		\$238,900	\$350,000
Jennison Associates	\$ 106,629,122.08	\$197,800	\$195,100	\$65,033		\$457,933	\$775,000
Artio Investment Partners	\$ 180,949,736.98	\$225,400	\$216,200	\$72,067		\$513,667	\$975,000
Mondrian Investment Partners	\$ 201,855,493.33	\$90,900	\$94,100	\$31,367		\$216,367	\$50,000
Aberdeen Asset Management	\$ 109,595,181.25	\$77,000	\$74,600	\$24,867		\$176,467	\$375,000
Angelo Gordon	\$ 33,446,358.44	N/A	N/A	N/A		N/A	\$350,000
Brigade Capital Management	\$ 52,519,365.00	N/A	N/A	N/A		N/A	\$225,000
Brown Brothers Harriman	\$ 79,249,989.13	\$25,200	\$29,100	\$9,700		\$64,000	\$75,000
Franklin Templeton	\$ 109,607,403.09	\$102,700	\$100,100	\$33,367		\$236,167	N/A
Pyramis Global Advisors	\$ 109,448,552.27	\$49,200	\$48,600	\$16,200		\$114,000	\$275,000
Western Asset Management Company	\$ 108,072,799.91	\$78,400	\$76,800	\$25,600		\$180,800	\$425,000
Private Equity	\$ 12,802,769.17	\$0	\$150,000	\$50,000		\$200,000	N/A
AQR' Global Risk Premium (Risk Parity)	\$ 151,726,680.00	\$98,200	\$143,700	\$47,900		\$289,800	N/A
AQR's Delta Fund (Hedge Fund)	\$ 69,270,600.00	\$116,300	\$169,300	\$56,433		\$342,033	N/A
Ssga/SSARIS Commodities	\$ 71,972,729.54	\$74,800	\$70,700	\$23,567		\$169,067	N/A
INVESCO Realty Advisors	\$ 142,552,672.00	\$155,800	\$160,500	\$53,500		\$369,800	\$650,000
Sub-Total	\$2,390,304,381	\$2,069,700	\$2,328,500	\$776,167	\$0	\$5,174,367	\$7,145,000
Investment Consultant Fees							
Strategic Investment Solutions		\$100,000	\$100,000	\$33,333		\$233,333	\$400,000
Global Custodian Fees							
State Street Bank & Trust		\$54,000	\$62,800	\$20,933		\$137,733	\$125,000
Actuarial Consultant Fees							
Milliman, Inc.		\$141,500	\$6,750	\$6,750		\$155,000	\$60,000
Sub-Total		\$295,500	\$169,550	\$61,017	\$0	\$526,067	\$585,000
Total		\$2,365,200	\$2,498,050	\$837,183	\$0	\$5,700,433	\$7,730,000

**San Mateo County
Benchmark History**

Total Plan Policy	1/1/2011	10/1/2010	1/1/2009	5/1/2007	6/1/2000	3/1/1999	9/1/1998	7/1/1996
Russell 1000	27.0%	28.0%	37%	37%	40%	22%	20%	20%
Russell 2000	8.0%	7.0%	9%	9%	10%	15%	15%	15%
S&P 500								5%
Russell 1000 Value						5%	5%	
MSCI ACWI -ex US	18.0%	18.0%	21%	21%	15%			
MSCI EAFE						20%	20%	20%
Barclays Aggregate	11.0%	12.9%	27%	27%	29%	25%	21%	21%
Barclays BBB	3.3%	1.6%						
Barclays TIPS	3.3%	3.0%						
Barclays Multiverse	4.4%	4.5%						
Citigroup Non-US WGBI unhedged						5%	9%	9%
NCREIF ODCE	5.0%	5.0%	6%					
NCREIF Property				6%	6%			
Citigroup 10 Yr Treasury + 2%						8%	10%	10%
Russell 3000 + 3%	8.0%	8.0%						
60% Russell 3000/40% Barclays Agg	6.0%	6.0%						
LIBOR + 4%	3.0%	3.0%						
DJ UBS Commodity	3.0%	3.0%						
	100.0%	100.0%	100%	100%	100%	100%	100%	100%
US Equity	1/1/2011	6/1/2000	3/1/1999	9/1/1998	7/1/1996	1/1/1995		
Russell 1000	77%	80%	52%	50.0%	50.0%	69%		
Russell 2000	23%	20%	36%	37.5%	37.5%	14%		
S&P 500					12.5%	17%		
Russell 1000 Value			12%	12.5%				
	100%	100%	100%	100.0%	100.0%	100%		
International Equity	6/1/2000	1/1/1996						
MSCI ACWI -ex US	100%	100%						
MSCI EAFE		100%						
	100%	100%						
Total Equity	10/1/2010	5/1/2007	6/1/2000	3/1/1999	9/1/1998	1/1/1996		
Russell 1000	50.9%	55.2%	61.5%	35.5%	33.3%	33.3%		
Russell 2000	15.1%	13.5%	15.4%	24.2%	25.0%	25.0%		
S&P 500						8.4%		
Russell 1000 Value				8.0%	8.4%			
MSCI ACWI -ex US	34.0%	31.3%	23.1%					
MSCI EAFE				32.3%	33.3%	33.3%		
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
US Fixed Income	1/1/2011	10/1/2010	7/1/1996					
Barclays Aggregate	62.4%	73.7%	100%					
Barclays BBB	18.8%	9.1%						
Barclays TIPS	18.8%	17.2%						
	100.0%	100.0%	100%					
Global Fixed Income	10/1/2010							
Barclays Multiverse	100%							
Total Fixed Income	1/1/2011	10/1/2010	6/1/2000	3/1/1999	7/1/1996			
Barclays Aggregate	50%	58.6%	100%	83.3%	70%			
Barclays BBB	15%	7.3%						
Barclays TIPS	15%	13.6%						
Barclays Multiverse	20%	20.5%						
Citigroup Non-US WGBI unhedged				16.7%	30%			
	100%	100.0%	100%	100.0%	100%			
Real Estate	1/1/2009	6/1/2000	7/1/1996					
NCREIF ODCE	100%							
NCREIF Property		100%						
Citigroup 10 Yr Treasury + 2%			100%					
Private Equity	10/1/2010							
Russell 3000 + 3%	100%							
Risk Parity	10/1/2010							
Russell 3000	60%							
Barclays Aggregate	40%							
	100%							
Hedge Fund	10/1/2010							
LIBOR + 4%	100%							
Commodities	10/1/2010							
DJ UBS Commodity	100%							

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Agenda Item 6.2

To: Board of Retirement



From: Gary Clifton, Chief Investment Officer

Subject: Emergence Capital Partners III L.P. Private Equity Investment

STAFF RECOMMENDATION: Ratify the execution of an agreement with Emergence Capital Partners III L.P.

Comment: Due to the timing of this investment and in accordance with the authority delegated to the Chair and Staff, the Chair has executed an agreement with Emergence Capital Partners III L.P. This matter is being presented to the Board for its ratification.

Strategic Investment Solution's Faraz Shooshani will be present at the board meeting to review this investment opportunity and to answer the committee's questions. Distributed with this agenda item under a confidential cover is Strategic Investment Solution's Executive Summary.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION 11-12-

RESOLUTION ratifying (1) the execution of an agreement with Emergence Capital Partners III L.P. for Private Equity Investment Management Services and (2) authorizing the Chief Investment Officer to take all actions necessary to initiate, implement and monitor the agreement.

- WHEREAS**, Article XVI, §17 of the Constitution of the State of California vests the Board with "*plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system*"; and
- WHEREAS**, Government Code §31595 vests in the Board ". . . *exclusive control of the investment of the employees retirement fund.*"; and
- WHEREAS**, Government Code §31596.1 (d) authorizes the Board to retain investment managers ". . . *in connection with administration of the Board's investment program . . .*"; and
- WHEREAS**, in August 2010, the Board completed an asset-liability study, which designated 8.0% of the total portfolio to be allocated to private equity investments opportunities; and
- WHEREAS**, the Board's agreement with Strategic Investment Solutions ("SIS") delegates to SIS discretion to source and perform due diligence for private equity investment opportunities; and
- WHEREAS**, the board approved a multi-year private equity implementation plan and charged SIS and staff to begin executing that plan; and
- WHEREAS**, the Board delegated to staff and legal counsel full discretionary authority for all tasks required in the preparation of documentation necessary to effectuate an alternative investment; and
- WHEREAS**, in February 2012, SIS presented to *SamCERA* their due diligence for the Emergence Capital Partners III, L.P. and staff reviewed and prepared the required documentation to subscribe to the investment. Therefore, be it
- RESOLVED** that the Board hereby ratifies the investment and acknowledges that on February 17, 2012, the board chair executed all required documentation, which was approved by staff and counsel, on behalf of the Board. Be it further
- RESOLVED** that the Board hereby designates the Chief Investment Officer as its designee to perform those functions so identified in the investment documentation and hereby authorizes the Chief Investment Officer to take all actions necessary to initiate, implement and monitor assignments, approve payments and provide the Board with timely reports regarding the progress and satisfactory completion of the assignments authorized pursuant to the investment agreement and this resolution.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Agenda Item 6.3

To: Board of Retirement

From: Gary Clifton, Chief Investment Officer

Subject: Approval of Investment Management Agreement (IMA) for an International Developed Markets Large Cap Growth Manager - Baillie Gifford & Company – EAFE Plus Focus

STAFF RECOMMENDATION: Staff recommends that the board authorize the Chair to execute an Investment Management Agreement with Baillie Gifford and Company for an international developed markets large cap growth mandate and for staff to implement that mandate.

COMMENT: In January, the board approved a new version of *SamCERA*'s IMA. In February, the board adopted a resolution, which authorized the chair to execute an IMA with Baillie Gifford subject to staff approval. Subsequent to the meeting staff was under the impression that negotiations had been finalized and requested the chair to execute the IMA. Upon receiving the executed IMA Baillie Gifford conducted a final review and found a clause with which they could not agree. Staff is bringing the IMA with the requested Baillie Gifford amendment back to the board for approval.

Staff and Baillie Gifford agree that the following amendment will satisfy the Manager's concerns and should be acceptable to *SamCERA*. The board approved similar language in other equity manager's IMAs. The language appears in Exhibit B "Investment Objectives, Guidelines and Restrictions."

D. Investment Limitations

The Manager shall not invest more than 5 percent at cost of the assets of ~~any~~ *SamCERA's* portfolio in common stock, preferred stock and other obligations of any one issuing corporation, with the exception of exchange-traded funds where the Manager shall not invest more than 10% in an individual exchange-traded fund at cost.

~~Should~~ the aggregate investment by the Manager, on behalf of all of its discretionary accounts, ~~in any one issuing corporation, shall not~~ exceed 5 percent of the outstanding capital stock of ~~that~~ **one issuing** corporation, **which is also held in *SamCERA's* portfolio, the Manager will notify *SamCERA* on a quarterly basis.**

The proposed resolution appears on the following page.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Contract for Investment Management Services
RESOLUTION 11-12-_____

*THIS RESOLUTION, adopted by the Board of Retirement (Board)
of the San Mateo County Employees' Retirement Association (SamCERA), approves
an Agreement between the Board and Baillie Gifford & Company for
an International Developed Markets Growth Equity Mandate*

WHEREAS, Article XVI, §17 of the Constitution of the State of California vests the Board with "*plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system*"; and

WHEREAS, Government Code §31595 vests in the Board "*. . . exclusive control of the investment of the employees retirement fund.*"; and

WHEREAS, Government Code §31596.1 (d) authorizes the Board to retain investment managers "*. . . in connection with administration of the Board's investment program . . .*"; and

WHEREAS, in May 2010, the Board completed an international equity study, which resulted in restructuring the international equity asset class to include a developed markets large cap growth manager and eliminate the straight international growth mandate. The new mandate would be 6.00 % of *SamCERA*'s entire portfolio; and

WHEREAS, following discussion of the criteria and initial screening process for a developed market large cap growth search at the June 21, 2011, Board meeting, ten firms were approved to receive a Request for Information (RFI); and

WHEREAS, on August 23, 2011, the Board considered proposals from those ten firms then three firms, Baillie Gifford & Company, Franklin Templeton Institutional and Gryphon International Investment Corporation were invited to participate in an interview at the September board meeting; and

WHEREAS, on September 27, 2011, the Board interviewed representatives from the three finalists, selecting Baillie Gifford & Company to manage the mandate, which will be funded with approximately \$145 million; Therefore, be it

RESOLVED that the Board hereby approves the contract between the Board and Baillie Gifford & Company for an open term, the Board may terminate the contract on thirty days written notice. Be it further.

RESOLVED that the Board hereby delegates full discretionary authority to Baillie Gifford & Company to manage the assets of the Retirement Fund as allocated by the Board in accordance with the terms of the Agreement and applicable laws governing the conduct of fiduciaries entrusted with the management of public employees' retirement funds. Be it further

RESOLVED that the Board hereby approves the fees as specified in the Fee Agreement of the Investment Management Agreement and authorizes the disbursement of funds as provided for in GC§31596.1 in accordance with *SamCERA*'s internal controls. Be it further

RESOLVED that the Board hereby authorizes the Chair, to execute the Agreement on behalf of the Board. Be it further

RESOLVED that the Board hereby designates the Chief Investment Officer as its designee to perform those functions so identified in the Agreement and hereby authorizes the Chief Investment Officer to take all actions necessary to initiate, implement and monitor assignments, approve payments and provide the Board with timely reports regarding the progress and satisfactory completion of the assignments authorized pursuant to the contract.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Agenda Item 7.1

To: Board of Retirement



From: Chezelle Milan, Retirement Senior Accountant
Mabel Wong, Finance Officer

Subject: Preliminary Monthly Financial Report for the Period Ending February 29, 2012

STAFF RECOMMENDATION: Staff recommends that the board review the attached preliminary financial statements.

COMMENT: The attached preliminary statements fairly represent *SamCERA's* Financial Statements.

Statement of Fiduciary Net Assets

SamCERA's Net Assets Held in Trust for Pension Benefits as of month end, totaled \$2,425,230,621.

Statement of Changes in Fiduciary Net Assets

Net assets held in trust for pension benefits increased by approximately \$66.9 million, month over month. The increase is primarily due to market appreciation in assets.

The following reports are attached to this agenda item:

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Statement of Fiduciary Net Assets (Year to Year YTD Comparative)	2
Statement of Changes in Fiduciary Net Assets (Year to Year YTD Comparative)	3
Cash Flow Statements	4-5
Statement of Fiduciary Net Assets (YTD Monthly Comparative)	6
Statement of Changes in Fiduciary Net Assets (YTD Monthly Comparative)	7

San Mateo County Employees' Retirement Association
Statement of Fiduciary Net Assets - YTD Comparative
February 2012
PRELIMINARY

	February 2012	February 2011
ASSETS		
CASH AND CASH EQUIVALENTS	85,973,433	139,780,719
SECURITIES LENDING CASH COLLATERAL	184,315,176	135,635,356
TOTAL CASH	270,288,609	275,416,074
RECEIVABLES		
Contributions	0	0
Due from Broker for Investments Sold	168,534,602	123,483,622
Investment Income	5,792,754	5,490,642
Securities Lending Income	36,304	71,726
Other Receivable	113,762	113,157
TOTAL ACCOUNTS RECEIVABLES	174,477,421	129,159,147
PREPAID EXPENSE	7,669	7,669
INVESTMENTS AT FAIR VALUE		
Domestic Fixed Income Securities	594,988,966	579,614,595
Domestic Equities	945,984,886	1,040,589,695
International Equities	367,127,969	432,912,149
Real Estate	142,552,672	122,302,877
Private Equities	12,615,505	250,000
Risk Parity	151,726,627	0
Hedge Funds	69,270,565	0
Commodities	71,972,730	0
Held for Securities Lending	0	0
Other Investment	0	0
	2,356,239,921	2,175,669,316
FIXED ASSETS	0	0
LESS ACCUMULATED DEPRECIATION	0	0
	0	0
TOTAL ASSETS	2,801,013,620	2,580,252,207
LIABILITIES		
Investment Management Fees	2,225,978	3,207,844
Due to Broker for Investments Purchased	188,511,697	144,281,556
Collateral Payable for Securities Lending	184,315,176	135,635,356
Other	730,147	659,482
TOTAL LIABILITIES	375,782,999	283,784,238
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	2,425,230,621	2,296,467,969

San Mateo County Employees' Retirement Association
Statement of Changes in Fiduciary Net Assets - YTD Comparative
February 2012
Preliminary

	February 2012	February 2011	
ADDITIONS			
CONTRIBUTIONS			
Employer Contribution	149,081,954	144,064,425	5,017,529
Employee Contribution	30,402,805	31,270,545	(867,740)
TOTAL CONTRIBUTIONS	179,484,759	175,334,970	4,149,789
INVESTMENT INCOME			
Interest and Dividends	32,526,482	24,456,766	8,069,717
Net Appreciation (Depreciation) in fair value of investments	2,249,855	377,674,762	(375,424,907)
Less Investment Expense	(10,719,794)	(7,481,086)	(3,238,708)
Less Asset Management Expense	0	(412,564)	412,564
NET INVESTMENT INCOME	24,056,543	394,237,878	(370,181,335)
SECURITIES LENDING INCOME			
Earnings	279,188	399,558	(120,371)
Less: Securities Lending Expenses	117,230	(107,332)	224,562
NET SECURITIES LENDING INCOME	396,418	292,226	104,192
OTHER ADDITIONS	1,909	56,624	(54,714)
TOTAL ADDITIONS	203,939,629	569,921,698	(365,982,069)
DEDUCTIONS			
ASSOCIATION BENEFITS			
Service Retirement Allowance	80,145,133	75,119,195	5,025,939
Disability Retirement Allowance	10,153,296	9,609,566	543,730
Survivor, Death and Other Benefits	477,000	529,699	(52,699)
TOTAL ASSOCIATION BENEFITS	90,775,429	85,258,460	5,516,970
REFUND OF MEMBER CONTRIBUTIONS	2,447,036	1,868,441	578,595
ADMINISTRATIVE EXPENSE	3,188,242	2,171,056	1,017,186
OTHER EXPENSE	74,130	52,228	21,902
TOTAL DEDUCTIONS	96,484,837	89,350,184	7,134,653
NET INCREASE	107,454,792	480,571,514	(373,116,722)
Net Assets Held in Trust for Pension Benefits:			
Beginning of Period	2,317,775,829	1,815,896,455	
End of Period	2,425,230,621	2,296,467,969	

3/27/2012

San Mateo County Employees' Retirement Association
 CHANGES IN FIDUCIARY NET ASSETS - TRAILING EIGHT MONTHS
 For the Month Ending February 29, 2012
 PRELIMINARY

Agenda Item 7.1

	July 2011	August 2011	September 2011	October 2011	November 2011	December 2011	YTD
ADDITIONS							
CONTRIBUTIONS							
Employee Contribution	2,796,875	3,502,213	3,674,023	3,658,973	3,659,268	5,653,099	22,944,450
Employer Contributions - Regular	5,858,439	7,315,021	7,338,753	7,336,610	7,360,524	11,055,264	46,264,611
Employer Contributions - COLA	3,261,580	4,069,393	4,080,186	4,079,143	4,087,841	6,138,083	25,716,225
Employer Prefunded Contribution	60,704,948	(11,323,486)	(11,387,916)	(11,399,796)	(11,399,337)	61,841,085	77,035,498
TOTAL CONTRIBUTIONS	72,621,842	3,563,141	3,705,046	3,674,930	3,708,296	84,687,530	171,960,784
INVESTMENT INCOME							
Interest and Dividends	2,674,939	4,171,591	4,363,867	3,980,798	4,299,476	5,651,805	25,142,476
Net Appreciation (Depreciation) in fair value of investments	(16,965,881)	(110,856,042)	(135,778,761)	141,339,198	(28,574,223)	(2,336,682)	(153,172,391)
Securities Lending Income	36,093	29,250	32,457	35,914	39,947	35,107	208,767
Other Additions							0
Other Investment Related Expense	(465,397)	(474,387)	(270,222)	(197,381)	(513,027)	(433,838)	(2,354,254)
Securities Lending Expense	3,410	(4,030)	17,788	3,166	26,387	35,196	81,918
TOTAL ADDITIONS	57,905,005	(103,570,478)	(127,929,824)	148,836,624	(21,013,145)	87,639,118	41,867,301
DEDUCTIONS							
ASSOCIATION BENEFITS							
Retiree Annuity	2,577,870	2,603,168	2,606,554	2,607,079	2,615,376	2,603,919	15,613,966
Retiree Pension	6,081,746	6,213,436	6,141,097	6,173,786	6,206,238	6,119,178	36,935,482
Retiree COLA	2,583,422	2,567,502	2,563,624	2,561,767	2,541,841	2,526,785	15,344,942
Retiree Death and Modified Work Benefit	3,579	3,579	3,579	3,579	3,579	3,579	21,475
Active Member Death Benefit	0	0	0	0	0	0	0
Voids and Reissue	0	0	0	0	0	0	0
TOTAL ASSOCIATION BENEFITS	11,246,618	11,387,685	11,314,854	11,346,211	11,367,035	11,253,462	67,915,865
REFUND OF MEMBER CONTRIBUTIONS	193,618	323,124	398,836	314,565	159,181	372,822	1,762,145
ACTUARIAL FEES	32,750	111,250	(2,500)	2,250	2,250	2,250	148,250
CONSULTANT FEES - INVESTMENT (SIS)	33,333	33,333	33,333	33,333	33,333	33,333	199,999
CUSTODIAN FEES - STATE STREET	18,000	18,000	18,000	18,000	26,836	18,000	116,836
INVESTMENT MANAGEMENT FEE - R1000 INDEX	5,628	5,470	5,405	5,566	5,559	5,579	33,208
INVESTMENT MANAGEMENT FEE - ABERDEEN	27,574	23,680	25,719	24,813	24,776	25,000	151,563
INVESTMENT MANAGEMENT FEE - PYRAMIS	16,867	15,879	16,411	16,195	16,324	16,124	97,801
INVESTMENT MANAGEMENT FEE - BROWN BROTHERS	6,306	10,512	8,411	9,622	9,733	9,688	54,271
INVESTMENT MANAGEMENT FEE - FRANKLIN TEMPLETON	35,092	34,924	32,659	34,194	32,460	33,483	202,811
INVESTMENT MANAGEMENT FEE - CHARTWELL	36,804	31,200	30,945	34,590	35,387	34,942	203,867
INVESTMENT MANAGEMENT FEE - D E SHAW	46,529	42,946	41,605	44,717	44,797	45,259	265,853
INVESTMENT MANAGEMENT FEE - T ROWE PRICE	31,601	29,143	28,311	30,810	30,634	30,986	181,485
INVESTMENT MANAGEMENT FEE - BLACKROCK	64,729	58,521	57,473	60,958	59,684	59,739	361,104
INVESTMENT MANAGEMENT FEE - BARROW HANLEY	60,870	53,054	53,621	56,364	56,386	56,970	337,265
INVESTMENT MANAGEMENT FEE - THE BOSTON COMPANY	34,303	30,503	29,627	32,840	33,686	33,816	194,775
INVESTMENT MANAGEMENT FEE - JENNISON ASSOCIATES	76,350	58,429	63,029	64,851	65,953	64,307	392,919
INVESTMENT MANAGEMENT FEE - MONDRIAN	32,441	30,065	28,417	35,043	29,484	29,561	185,011
INVESTMENT MANAGEMENT FEE - ARTIO	82,213	73,789	69,364	73,716	72,260	70,261	441,602
INVESTMENT MANAGEMENT FEE - WESTERN ASSET	27,267	24,934	26,191	25,598	25,490	25,716	155,196
INVESTMENT MANAGEMENT FEE - INVESCO CORE	51,937	51,937	51,937	55,082	52,723	37,440	301,056
INVESTMENT MANAGEMENT FEE - SHERIDAN PRODUCTIONS	0	0	0	150,000	0	0	150,000
INVESTMENT MANAGEMENT FEE - ABRY ADVANCED	0	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - AQR GLOBAL RISK PARITY	48,540	50,082	48,785	46,317	48,177	47,590	289,491
INVESTMENT MANAGEMENT FEE - AQR DELTA FUND	58,322	58,004	57,535	55,371	56,331	56,948	342,511
INVESTMENT MANAGEMENT FEE - SSGA MULTISOURCE	26,087	25,200	23,529	24,114	23,444	23,093	145,466
TOTAL PROFESSIONAL FEE	853,543	870,856	747,804	934,345	785,707	760,086	4,952,341
ADMIN EXPENSE - SALARIES & BENEFITS	151,218	236,478	239,549	240,481	243,659	362,097	1,473,481
ADMIN EXPENSE - SERVICES & SUPPLIES	155,314	109,526	194,865	177,895	191,007	180,387	1,008,995
TOTAL ADMINISTRATIVE EXPENSES	306,532	346,004	434,415	418,376	434,666	542,483	2,482,476
INTEREST FOR PREPAID CONTRIBUTION	0	0	0	0	0	1,502,700	1,502,700
OTHER DEDUCTIONS	31,671	13,151	3,037	9,973	17,966	10,837	86,636
TOTAL DEDUCTIONS	12,631,982	12,940,820	12,898,945	13,023,469	12,764,555	14,442,391	78,702,163
NET INCREASE	45,273,023	(116,511,298)	(140,828,770)	135,813,155	(33,777,699)	73,196,727	(36,834,862)

3/27/2012

San Mateo County Employees' Retirement Association
 CHANGES IN FIDUCIARY NET ASSETS - TRAILING EIGHT MONTHS
 For the Month Ending February 29, 2012
 PRELIMINARY

Agenda Item 7.1

	December YTD 2011	January 2012	February 2012	YTD
ADDITIONS				
CONTRIBUTIONS				
Employee Contribution	22,944,450	3,653,189	3,805,165	30,402,805
Employer Contributions - Regular	46,264,611	7,724,967	7,370,689	61,360,267
Employer Contributions - COLA	25,716,225	4,290,785	4,091,409	34,098,419
Employer Prefunded Contribution	77,035,498	(11,983,098)	(11,429,133)	53,623,268
TOTAL CONTRIBUTIONS	171,960,784	3,685,843	3,838,131	179,484,759
INVESTMENT INCOME				
Interest and Dividends	25,142,476	3,539,064	3,844,942	32,526,482
Net Appreciation (Depreciation) in fair value of investments	(153,172,391)	82,946,470	72,477,686	2,251,765
Securities Lending Income	208,767	31,519	38,902	279,188
Other Additions	0	0	0	0
Other Investment Related Expense	(2,354,254)	(191,605)	(26,463)	(2,572,322)
Securities Lending Expense	81,918	28,837	6,475	117,230
TOTAL ADDITIONS	41,867,301	90,040,128	80,179,672	212,087,101
DEDUCTIONS				
ASSOCIATION BENEFITS				
Retiree Annuity	15,613,966	2,635,642	2,661,917	20,911,525
Retiree Pension	36,935,482	6,222,540	6,281,472	49,439,494
Retiree COLA	15,344,942	2,524,335	2,526,501	20,395,777
Retiree Death and Modified Work Benefit	21,475	3,579	3,579	28,633
Active Member Death Benefit	0	0	0	0
Voids and Reissue	0	0	0	0
TOTAL ASSOCIATION BENEFITS	67,915,865	11,386,096	11,473,469	90,775,429
REFUND OF MEMBER CONTRIBUTIONS	1,762,145	73,926	610,964	2,447,036
ACTUARIAL FEES				
CONSULTANT FEES - INVESTMENT (SIS)	148,250	2,250	1,310	151,810
CUSTODIAN FEES - STATE STREET	199,999	33,333	33,333	266,666
INVESTMENT MANAGEMENT FEE - R1000 INDEX	116,836	17,574	31,072	165,483
INVESTMENT MANAGEMENT FEE - ABERDEEN	33,208	6,391	6,557	46,156
INVESTMENT MANAGEMENT FEE - PYRAMIS	151,563	25,244	25,379	202,186
INVESTMENT MANAGEMENT FEE - BROWN BROTHERS	97,801	16,396	16,418	130,614
INVESTMENT MANAGEMENT FEE - FRANKLIN TEMPLETON	54,271	9,924	9,900	74,095
INVESTMENT MANAGEMENT FEE - CHARTWELL	202,811	34,480	36,154	273,444
INVESTMENT MANAGEMENT FEE - D E SHAW	203,867	37,414	40,246	281,527
INVESTMENT MANAGEMENT FEE - T ROWE PRICE	265,853	47,601	50,712	364,165
INVESTMENT MANAGEMENT FEE - BLACKROCK	181,485	32,566	34,521	248,572
INVESTMENT MANAGEMENT FEE - BARROW HANLEY	361,104	62,331	66,372	489,807
INVESTMENT MANAGEMENT FEE - THE BOSTON COMPANY	337,265	58,507	61,189	456,962
INVESTMENT MANAGEMENT FEE - JENNISON ASSOCIATES	194,775	36,246	37,546	268,567
INVESTMENT MANAGEMENT FEE - MONDRIAN	392,919	68,021	69,881	530,821
INVESTMENT MANAGEMENT FEE - ARTIO	185,011	26,054	22,810	233,876
INVESTMENT MANAGEMENT FEE - WESTERN ASSET	441,602	73,046	76,899	591,547
INVESTMENT MANAGEMENT FEE - INVESCO CORE	155,196	25,457	26,193	206,846
INVESTMENT MANAGEMENT FEE - SHERIDAN PRODUCTIONS	301,056	68,007	52,723	421,785
INVESTMENT MANAGEMENT FEE - AQR GLOBAL RISK PARITY	150,000	0	0	150,000
INVESTMENT MANAGEMENT FEE - AQR DELTA FUND	0	0	0	0
INVESTMENT MANAGEMENT FEE - SSGA MULTISOURCE	289,491	48,480	48,480	386,451
TOTAL PROFESSIONAL FEE	342,511	56,639	56,948	456,098
ADMIN EXPENSE - SALARIES & BENEFITS	145,466	65,311	36,515	247,292
ADMIN EXPENSE - SERVICES & SUPPLIES	4,952,341	851,272	841,158	6,644,772
ADMIN EXPENSE - SALARIES & BENEFITS	1,473,481	261,951	273,319	2,008,751
ADMIN EXPENSE - SERVICES & SUPPLIES	1,008,995	82,446	88,051	1,179,491
TOTAL ADMINISTRATIVE EXPENSES	2,482,476	344,397	361,370	3,188,242
INTEREST FOR PREPAID CONTRIBUTION	1,502,700	0	0	1,502,700
OTHER DEDUCTIONS	86,636	(10,585)	(1,921)	74,130
TOTAL DEDUCTIONS	78,702,163	12,645,106	13,285,040	104,632,309
NET INCREASE	(36,834,862)	77,395,022	66,894,632	107,454,792

San Mateo County Employees' Retirement Association
Statement of Fiduciary Net Assets - Monthly Comparative
For the Month Ending February 29, 2012

	February 2012	January 2012	Increase/(Decrease)	% of Incr/Decr
ASSETS				
CASH AND CASH EQUIVALENTS	85,973,433	91,683,087	(5,709,654)	-6.23%
SECURITIES LENDING CASH COLLATERAL	184,315,176	125,826,436	58,488,740	46.48%
TOTAL CASH	270,288,609	217,509,523	52,779,086	0
RECEIVABLES				
Contributions	0	0	0	N/A
Due from Broker for Investments Sold	168,534,602	169,358,278	(823,676)	-0.49%
Investment Income	5,792,754	4,540,984	1,251,770	27.57%
Securities Lending Income	36,304	57,261	(20,957)	-36.60%
Other Receivable	113,762	113,812	(50)	-0.04%
TOTAL ACCOUNTS RECEIVABLES	174,477,421	174,070,334	407,087	0.23%
PREPAID EXPENSE	7,669	7,669	0	0.00%
INVESTMENTS AT FAIR VALUE				
Domestic Fixed Income Securities	594,988,966	583,987,563	11,001,403	1.88%
Domestic Equities	945,984,886	905,081,582	40,903,305	4.52%
International Equities	367,127,969	352,942,057	14,185,912	4.02%
Real Estate	142,552,672	142,552,672	0	0.00%
Private Equity	12,615,505	12,109,035	506,471	4.18%
Risk Parity	151,726,627	151,726,627	0	N/A
Hedge Funds	69,270,565	69,270,565	0	N/A
Commodities	71,972,730	68,801,601	3,171,128	4.61%
Held for Securities Lending	0	0	0	N/A
Other Investment	0	0	0	N/A
	2,356,239,921	2,286,471,702	69,768,219	3.05%
FIXED ASSETS	0	0	0	N/A
LESS ACCUMULATED DEPRECIATION	0	0	0	N/A
	0	0	0	0.00%
TOTAL ASSETS	2,801,013,620	2,678,059,227	122,954,393	4.59%
LIABILITIES				
Investment Management Fees	2,225,978	2,156,041	69,938	3.24%
Due to Broker for Investments Purchased	188,511,697	191,020,792	(2,509,095)	-1.31%
Collateral Payable for Securities Lending	184,315,176	125,826,436	58,488,740	46.48%
Other	730,147	719,970	10,177	1.41%
TOTAL LIABILITIES	375,782,999	319,723,239	56,059,760	17.53%
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	2,425,230,621	2,358,335,989	66,894,632	2.84%

San Mateo County Employees' Retirement Association
Statement of Changes in Fiduciary Net Assets - Monthly Comparative
For the Month Ending February 29, 2012

	February 2012	January 2012	
ADDITIONS			
CONTRIBUTIONS			
Employer Contribution	149,081,954	149,048,988	32,966
Employee Contribution	30,402,805	26,597,640	3,805,165
TOTAL CONTRIBUTIONS	179,484,759	175,646,628	3,838,131
INVESTMENT INCOME			
Interest and Dividends	32,526,482	28,681,541	3,844,942
Net Appreciation (Depreciation) in fair value of investments	2,249,855	(70,227,689)	72,477,544
Less Investment Expense	(10,719,794)	(9,852,173)	(867,621)
Less Asset Management Expense	0	0	0
NET INVESTMENT INCOME	24,056,543	(51,398,321)	75,454,865
SECURITIES LENDING INCOME			
Earnings	279,188	240,286	38,902
Less: Securities Lending Expenses	117,230	110,755	6,475
NET SECURITIES LENDING INCOME	396,418	351,041	45,377
OTHER ADDITIONS	1,909	1,768	142
TOTAL ADDITIONS	203,939,629	124,601,115	79,338,514
DEDUCTIONS			
ASSOCIATION BENEFITS			
Service Retirement Allowance	80,145,133	70,007,084	10,138,049
Disability Retirement Allowance	10,153,296	8,877,001	1,276,295
Survivor, Death and Other Benefits	477,000	417,875	59,125
TOTAL ASSOCIATION BENEFITS	90,775,429	79,301,961	11,473,469
REFUND OF MEMBER CONTRIBUTIONS	2,447,036	1,836,072	610,964
ADMINISTRATIVE EXPENSE	3,188,242	2,826,872	361,370
OTHER EXPENSE	74,130	76,050	(1,921)
TOTAL DEDUCTIONS	96,484,837	84,040,955	12,443,882
NET INCREASE	107,454,792	40,560,160	66,894,632
Net Assets Held in Trust for Pension Benefits:			
Beginning of Period	2,358,335,989	2,317,775,829	
End of Period	2,425,230,621	2,358,335,989	

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Agenda Item 7.2

To: Board of Retirement

From: Brenda B. Carlson, Chief Legal Counsel *BBC*

Subject: Amendment to *SamCERA's* Conflict of Interest Code

RECOMMENDATION: Staff recommends that the board adopt a resolution amending *SamCERA's* Conflict of Interest Code.

SUMMARY: Adoption of the attached resolution will amend *SamCERA's* existing Conflict of Interest Code ("COI") to clarify the disclosure requirements for investment consultants as well as other non-substantive technical changes.

BACKGROUND: Last September, the Board adopted amendments to *SamCERA's* COI which created a distinct disclosure category for investment consultants called "Category 4." The COI also noted that the Chief Executive Officer would determine which investment consultant should file a Form 700. Due to the impending filing deadline for the 2011-2012 Form 700, Staff is receiving questions from our consultants regarding these changes and Staff has determined that a minor adjustment be made to Disclosure Category 4.

Category 4 currently reads as follows:

"Persons in this category are those investment consultants have been determined by the Chief Executive Officer to have a requirement to file and such consultant shall disclose all business positions and investments in business entities that are the type in which, under the terms of that consultant's agreement with *SamCERA*, *SamCERA's* trust funds may be invested by that consultant's employer (include securities, real estate and business entities), all income from such business entities, and all interests in real estate co-owned with or purchased from such *SamCERA* business entities."

The proposed change to Category 4 would read as follows (Bolded language is new):

"Those investment consultant firms ("consultant") under contract with *SamCERA* that have been determined by the Chief Executive Officer to be required to file. **Such consultant shall designate those employees who have influence over the investment decisions pertaining to *SamCERA's* portfolio. Employees designated by the consultant** will disclose all investments in business entities that are the type in which *SamCERA's* portfolio may be invested by that consultant (including securities, real estate and business entities) **which may foreseeably be materially affected by their decisionmaking on behalf of *SamCERA***, all income (including gifts and loans) from such business entities, and all interests in real estate co-owned with or purchased from such *SamCERA* business entities."

This change is consistent with Government Code section 87302 which provides that "consultants" are to disclose their reportable investments, business positions, interests in real property, and sources of income *which may foreseeably be materially affected by their decisionmaking on behalf of the agency.*

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

RESOLUTION 11-12-

**RESOLUTION AMENDING THE CONFLICT OF INTEREST CODE FOR THE
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

WHEREAS, the board has adopted a Code of Fiduciary Conduct which requires among other things, that Trustees, the Chief Executive Officer, Consultants, Investment Managers and other professionals retained by the board and SamCERA staff shall comply with the provisions of the California Constitution; the Political Reform Act of 1974, as amended...and all other laws pertinent to the conduct of public pension fund fiduciaries; and

WHEREAS, Government Code §87300 mandates the adoption of a Conflict of Interest Code by independent public agencies; and

WHEREAS, the board, by Resolution 96-97-03, adopted the Conflict of Interest Code provisions of California Fair Political Practices Commission (FPPC) Regulation 18730; and

WHEREAS, Government Code §87306.5 mandates that the board review its designation of employees and disclosure categories from time to time. Therefore, be it

RESOLVED that the board hereby instructs the Chief Executive Officer to provide annual disclosure Form 700s to all trustees and all individuals in the *Designated Positions*. Each individual receiving said form must file the original Form 700 with the Chief Executive Officer who must make and retain a copy and forward the original to the County Clerk. Form 700 must be filed at the times and on the forms prescribed by law. Failure to file statements on time may result in penalties, including but not limited to late fines. Be it further

RESOLVED that the board hereby instructs the Chief Executive Officer to implement a program to provide reasonable assurance that foreseeable potential conflict of interest situations will be disclosed and prevented and to provide each affected person with a clear and specific statement of his or her duties under the Conflict of Interest Code. Be it further

RESOLVED that the board hereby instructs the Chief Executive Officer to supply the necessary forms and manuals, to monitor timely and complete filing compliance, to take action regarding late filings and to report apparent violations of the Conflict of Interest Code to the Board.

RESOLVED that the board hereby redefines *SamCERA's* List of Designated Individuals and Disclosure Categories per FPPC Regulation 18730, to read as follows:

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Board of Retirement

CONFLICT OF INTEREST CODE

The Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code, which may be amended from time to time. The terms of 2 Cal. Code of Regs. 18730, and any amendments to it duly adopted by the FPPC, are hereby incorporated into this Conflict of Interest code.

Each person holding any position listed below must file FPPC Form 700--Statement of Economic Interests disclosing the kinds of financial interest shown for the designated employee's position. Statements must be filed at the times and on the forms prescribed by law. Failure to file statements on time may result in penalties including but not limited to late fines. Each person holding a position who must file a Statements of Economic Interest in accordance with Government Code section 87200 *et seq* and California Code of Regulations shall file in accordance with those statutes, with the proviso that the original statements will be filed with *SamCERA* and with a copy to County Clerk. The County Clerk does not need to forward the Statement of Economic Interest to the Fair Political Practices Commission.

LIST OF DESIGNATED POSITIONS AND APPLICABLE DISCLOSURE CATEGORIES

Government Code section 87200 filers: the following positions which manage public investments for purposes of Government Code section 87200, shall, *in addition* to the disclosures required by Government Code section 87200 *et seq* and California Code of Regulations, disclose:

	Disclosure Category
Trustees and Alternate Trustees	1, 2, 3
Chief Executive Officer	1, 2, 3
Chief Investment Officer	1, 2, 3

Government Code section 87100 filers: Designated *SamCERA* employee positions and employees of consultants, who shall file in accordance with Government Code section 87100:

	Disclosure Category
Assistant Executive Officer	1, 2, 3
Chief Legal Counsel	1, 2, 3
Chief Technology Officer	2
Benefits Manager	2
Finance Officer	2
Investment Consultants	4
Other Consultants	*

* "Investment Consultants" are those ~~employees of investment managers and investment~~ consultants who have been determined by the Chief Executive Officer to perform the same or substantially the same functions as *SamCERA's* Chief Investment Officer, which includes, but is not limited to ~~persons who directing or approving~~ investment transactions, ~~formulating or approving~~ investment policies, and ~~establishing~~ guidelines for asset allocation. "Other Consultants"s are those ~~contractor employees of consultants~~ who have been determined by the Chief Executive Officer to perform the functions of a *SamCERA* employee who pursuant to California Code of regulations section 18700 (a)(2) are required to file statements of economic interests. The Chief Executive Officer shall further determine the applicable disclosure categories.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

DESCRIPTION OF FINANCIAL DISCLOSURE CATEGORIES

Category 1: Persons in this category shall disclose all interest in real property within the boundaries of the County of San Mateo or within two miles outside the boundaries of the County of San Mateo and property located within two miles of any land owned or used by *SamCERA*. Persons are not required to disclose property, such as a home or vacation cabin, used exclusively as a personal residence.

Category 2: Persons in this category shall disclose all business positions, investments in, or income (including gifts and loans) received from business entities that manufacture, provide or sell service and/or supplies of a type utilized by *SamCERA*.

Category 3: Persons in this category shall disclose all business positions and investments in business entities that are the type in which *SamCERA*'s trust funds may be invested (include securities, real estate and business entities), all income (including gifts and loans) from such business entities, and all interests in real estate co-owned with or purchased from such *SamCERA* business entities.

Category 4: Those investment consultant firms ("consultant") under contract with *SamCERA* that have been determined by the Chief Executive Officer to have a requirement to file. Such consultant shall designate those employees who have influence over the investment decisions pertaining to *SamCERA*'s portfolio. Employees designated by the consultant will disclose all investments in business entities that are the type in which *SamCERA*'s portfolio may be invested by that consultant (including securities, real estate and business entities) which may foreseeably be materially affected by their decision making on behalf of *SamCERA*, all income (including gifts and loans) from such business entities, and all interests in real estate co-owned with or purchased from such *SamCERA* business entities.

~~Persons in this category are those investment consultants have been determined by the Chief Executive Officer to have a requirement to file and such consultant shall disclose all business positions and investments in business entities that are the type in which, under the terms of that consultant's agreement with *SamCERA*, *SamCERA*'s trust funds may be invested by that consultant's employer (include securities, real estate and business entities), all income (including gifts and loans) from such business entities, and all interests in real estate co-owned with or purchased from such *SamCERA* business entities.~~

ADOPTED by unanimous vote, February 23, 1999
AMENDED by unanimous vote, February 22, 2000
AMENDED by unanimous vote, February 27, 2001
AMENDED by unanimous vote, February 26, 2002
AMENDED by unanimous vote, March 25, 2003
AMENDED by unanimous vote, February 22, 2005
AMENDED by unanimous vote, January 24, 2006
AMENDED by unanimous vote, February 26, 2008
AMENDED by unanimous vote, July 28, 2009
AMENDED by unanimous vote, March, 2010

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Agenda Item 7.3

To: Board of Retirement



From: Mabel Wong, Finance Officer

Subject: Acceptance of Report on the Prepayment of the County's Contribution for Fiscal Year 2012-2013

STAFF RECOMMENDATION: Staff recommends the Retirement Board accept the report on the prepayment of \$145,461,088 employer contributions for fiscal year 2012/2013.

BACKGROUND: The County Board of Supervisors first authorized prepayment of employer contributions for the fiscal year 1999/2000. In one form or another, the county, as a plan sponsor, has pre-paid contributions every fiscal year since then.

Authority to establish, pay and collect contributions lies in the following Government Code Sections:

Government Code §31453 states, "An actuarial valuation shall be made . . . under the supervision of an actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the **board** shall . . . **recommend to the board of supervisors** such changes in the rates of interest, in the rates of contributions of member, and in county and district appropriations as necessary. . . ."

Government Code §31581 states, ". . .the **board of supervisors** shall, in the preparation and adoption of the county budget, **add** to the appropriation for salaries and wages and include therein an appropriation determined pursuant to Section 31453 . . ."

Government Code §31582 states, "The **county auditor** shall **certify** to the board at the end of each month or at the end of each pay period the total amount of compensation paid to safety members . . . and the total amount of compensation paid to all other members of the retirement association, and auditor shall thereupon transfer from the appropriation to the retirement fund the percentage of the amount determined pursuant to Sections 31453 . . ."

"The **board of supervisors** may **authorize** the county auditor to make an advance payment of all or part of the county's estimated annual contribution to the retirement fund If the advance is only a partial payment . . . transfers from the appropriation to the retirement fund shall be made . . . at the end of each pay period until the total amount for the year is contributed. This amount shall be adjusted at the end of the fiscal year to reflect the actual contribution required for that year."

Discussion: By ongoing resolution, the Board of Supervisors authorized perpetual prepayment of their estimated requirement for employer contributions. As a function of the budgeting and cash flow projection, *SamCERA* staff provides an annual estimate of the advance payment amount.

The contribution rate recommended in the annual actuarial valuation report anticipates that the employer and member contributions would be paid on a biweekly basis, including interest charges at the annual actuarial interest rate (currently 7.75%). By paying the biweekly employer contributions in one lump sum and before the normal biweekly contribution due dates, the advance payment amount is calculated by netting the interest charges built into the biweekly contributions. In other words, the advance payment is discounted by the actuarial interest rate.

Upon receipt, the advance payment is credited to the advance county contribution account. The employer's required contribution is transferred from the advance contribution account to the county advance reserve as it becomes due. Government Code §31582 mandates that the due dates are the end of each pay period, which is biweekly for the County of San Mateo. Each period the Auditor/Controller certifies the employee payroll and attests to the required employer contribution amount. Retirement staff verifies the required contribution, and in the event of an advance payment, transfers the monies as described above. Each biweekly period the remaining balance of the advance payment account is credited at the actuarial assumption rate. If the advance payment is exhausted prior to satisfying the required contributions, the county will transfer monies from the general fund to *SamCERA's* trust account to satisfy its obligations as they become due. If the advance payment is in excess of required reserves, the excess will be credited to the county on the first pay date of the next fiscal year.

Attachment One is county payroll staff's estimate of the 2012/2013 payroll by plan type (General, Safety and Probation/Safety). The estimate includes two negotiated salary increases for CNA and PDA. The Memoranda of Understanding (MOU) for some employee unions will be negotiated during the fiscal year and the estimate does not include an increase in current pay levels. Using the most recent payroll and projecting it forward, we arrive at an estimate of \$436,636,281 for next fiscal year's total payroll. This payroll estimate is approximately \$2.4 million lower than that for the current fiscal year.

Attachment Two utilizes the payroll estimate and the adopted 2012/2013 actuarial contribution rates, by plan type, to determine the Average Earnings, Normal Cost and Unfunded Actuarial Accrued Liability (UAAL) based on the proportion of eligible compensation by plan.

Attachment Three is the schedule used to estimate the required contributions and discounts them to the first pay date. Normal Cost and UAAL contribution rates are discounted by 7.75%, which reflects the earnings rate recommended by the actuary based on the June 30, 2011, Actuarial Valuation. **The calculations result in an advance payment estimate of \$145,461,088 due on 07/13/2012. This contribution is marginally less than the estimated contribution of \$146 million for the current fiscal year.** This information will be provided to the Controller who in turn will recommend to the Board of Supervisors that it transfer \$145,461,088 on July 13, 2012, from the county general fund to the San Mateo County Employees' Retirement Association Trust Fund as an advance payment of the required county contributions for fiscal year 2012/2013.

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

March 27, 2012

Attachment One

Agenda Item 7.3

ESTIMATE OF BI-WEEKLY PAYROLL *

FOR SCHEDULE 013-12 TO SCHEDULE 012-13																
Schedule	G1	G2	G3	G4	G5	P1	P2	P4	P5	P6	S1	S2	S4	S5	S6	TOTAL
<u>2012</u>																
014	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
015	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
016	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
017	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
018	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
019	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
020	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
021	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
022	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
023	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
024	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
025	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
026	200,649.25	3,560,753.89	437,533.82	9,301,641.32	269,919.15	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,792,386.65
<u>2013</u>																
001	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
002	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
003	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
004	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
005	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
006	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
007	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
008	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
009	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
010	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
011	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,357.30	254,784.69	705,332.34	6,533.45	302.19	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,794,681.06
012	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,365.53	255,221.33	707,081.21	6,533.45	308.57	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,796,881.18
013	200,682.49	3,561,409.14	437,533.82	9,303,206.11	269,960.28	3,365.53	255,221.33	707,081.21	6,533.45	308.57	32,961.19	644,365.11	1,369,434.33	4,818.62	-	16,796,881.18
TOTAL	5,217,312.68	92,588,119.34	11,375,879.32	241,863,016.60	7,018,432.61	87,306.26	6,625,275.22	18,342,138.57	169,869.70	7,869.70	856,990.94	16,753,492.86	35,605,292.58	125,284.12	-	436,636,280.51

*Notes: Base estimates for Sch 013 of 2012, PPE 06/23/12, are based on actual payroll for Sch005 PPE 03/3/12.
 - Est. sch001 amount for C.N.A includes 2013 estimated increases of 2% (Effective 1/6/13)
 - Est. sch012 amount for PDA includes 2013 estimated increases effective 5/30/13 of 1% - 4% tied to property tax growth

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Attachment Two

Agenda Item 7.3

Employer Contribution Rate Detail
County Only

Recommended Rates
3.50% inflation, 7.75% interest, and a 5.20% salary increase assumption

GENERAL

	<u>Tier 1</u>		<u>Tier 2</u>		<u>Tier 3</u>		<u>Tier 4</u>		<u>Tier 5</u>	
	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>
Normal Cost	10.55%	\$ 550,000	10.38%	\$ 9,611,000	7.69%	\$ 875,000	9.53%	\$ 23,050,000	8.70%	\$ 611,000
Contribution to UAAL	<u>18.89%</u>	<u>\$ 985,000</u>	<u>18.96%</u>	<u>\$ 17,555,000</u>	<u>18.51%</u>	<u>\$ 2,106,000</u>	<u>18.80%</u>	<u>\$ 45,470,000</u>	<u>16.41%</u>	<u>\$ 1,152,000</u>
Total	29.44%	\$ 1,535,000	29.34%	\$ 27,166,000	26.20%	\$ 2,981,000	28.33%	\$ 68,520,000	25.11%	\$ 1,763,000
Payroll		\$ 5,217,000		\$ 92,588,000		\$ 11,376,000		\$ 241,863,000		\$ 7,018,000

SAFETY

	<u>Tier 1</u>		<u>Tier 2</u>		<u>Tier 4</u>		<u>Tier 5</u>		<u>Tier 6</u>	
	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>
Normal Cost	27.69%	\$ 237,000	19.83%	\$ 3,322,000	18.46%	\$ 6,573,000	15.21%	\$ 19,000	14.75%	\$ -
Contribution to UAAL	<u>48.51%</u>	<u>\$ 416,000</u>	<u>52.42%</u>	<u>\$ 8,782,000</u>	<u>51.63%</u>	<u>\$ 18,383,000</u>	<u>40.16%</u>	<u>\$ 50,000</u>	<u>40.16%</u>	<u>\$ -</u>
Total	76.20%	\$ 653,000	72.25%	\$ 12,104,000	70.09%	\$ 24,956,000	55.37%	\$ 69,000	54.91%	\$ -
Payroll		\$ 857,000		\$ 16,753,000		\$ 35,605,000		\$ 125,000		\$ -

PROBATION

	<u>Tier 1</u>		<u>Tier 2</u>		<u>Tier 4</u>		<u>Tier 5</u>		<u>Tier 6</u>	
	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>	<u>% of Payroll</u>	<u>Annual Amount</u>
Normal Cost	29.49%	\$ 26,000	21.57%	\$ 1,429,000	18.80%	\$ 3,448,000	13.97%	\$ 24,000	14.45%	\$ 1,000
Contribution to UAAL	<u>18.82%</u>	<u>\$ 16,000</u>	<u>24.46%</u>	<u>\$ 1,620,000</u>	<u>23.94%</u>	<u>\$ 4,391,000</u>	<u>21.62%</u>	<u>\$ 37,000</u>	<u>21.62%</u>	<u>\$ 2,000</u>
Total	48.31%	\$ 42,000	46.03%	\$ 3,049,000	42.74%	\$ 7,839,000	35.59%	\$ 61,000	36.07%	\$ 3,000
Payroll		\$ 87,000		\$ 6,625,000		\$ 18,342,000		\$ 170,000		\$ 8,000

Average Rate for the total group:	34.52%	Normal Cost:	11.40%	UAAL:	23.12%	Total:	34.52%
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	Average Earnings	RATIO	projected payroll	Estimated FY Pay	RATIO
GP1	200,666	1.19%	5,217,313	5,217,312.68	1.20%
GP2	3,561,082	21.20%	92,588,119	92,588,119.34	21.21%
GP3	437,534	2.61%	11,375,879	11,375,879.32	2.61%
GP4	9,302,424	55.39%	241,863,017	241,863,016.60	55.41%
GP5	269,940	1.61%	7,018,433	7,018,432.61	1.61%
S1	32,961	0.20%	856,991	856,990.94	0.20%
S2	644,365	3.84%	16,753,493	16,753,492.86	3.84%
S4	1,369,434	8.15%	35,605,293	35,605,292.52	8.16%
S5	4,819	0.03%	125,284	125,284.12	0.03%
S6	-	0.00%	-	-	0.00%
P1	3,358	0.02%	87,306	87,306.26	0.02%
P2	254,818	1.52%	6,625,275	6,625,275.22	1.52%
P4	705,467	4.20%	18,342,139	18,342,138.57	4.20%
P5	6,533	0.04%	169,870	169,869.70	0.04%
P6	303	0.00%	7,870	7,869.70	0.00%
	16,793,703			436,458,541	
Total projected payroll (as of 03/15/2012)	436,636,281		436,636,281		

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Attachment Three

Agenda Item 7.3

Prepayment of Employer Contributions
(County Only)
2012-2013 Fiscal Year
PRE-PAYMENT MADE AT THE END OF THE 1st PAY PERIOD

Discount Rate = 7.75% Inflation Rate = 3.50%

Pay Period	Biweekly Payroll Estimate(1)	Normal Cost Contribution Rate	UAAL Contribution Rate	Discount Factor	Total Biweekly Normal Cost Discounted	Total Biweekly UAAL Contrib. Discounted	Total Biweekly Contribution Discounted	Total Prepayment	Date Pay Period Ends
1	\$16,793,703	11.3999%	23.1234%	1.00000000	\$1,914,462	\$3,883,269	\$5,797,731	145,461,088	07 07 12
2	\$16,793,703	11.3999%	23.1234%	0.99713321	\$1,908,973	\$3,872,137	\$5,781,110		07 21 12
3	\$16,793,703	11.3999%	23.1234%	0.99427464	\$1,903,501	\$3,861,036	\$5,764,537		08 04 12
4	\$16,793,703	11.3999%	23.1234%	0.99142427	\$1,898,044	\$3,849,967	\$5,748,011		08 18 12
5	\$16,793,703	11.3999%	23.1234%	0.98858206	\$1,892,602	\$3,838,930	\$5,731,533		09 01 12
6	\$16,793,703	11.3999%	23.1234%	0.98574801	\$1,887,177	\$3,827,925	\$5,715,102		09 15 12
7	\$16,793,703	11.3999%	23.1234%	0.98292208	\$1,881,767	\$3,816,951	\$5,698,718		09 29 12
8	\$16,793,703	11.3999%	23.1234%	0.98010425	\$1,876,372	\$3,806,009	\$5,682,381		10 13 12
9	\$16,793,703	11.3999%	23.1234%	0.97729450	\$1,870,993	\$3,795,098	\$5,666,090		10 27 12
10	\$16,793,703	11.3999%	23.1234%	0.97449280	\$1,865,629	\$3,784,218	\$5,649,847		11 10 12
11	\$16,793,703	11.3999%	23.1234%	0.97169913	\$1,860,281	\$3,773,369	\$5,633,650		11 24 12
12	\$16,793,703	11.3999%	23.1234%	0.96891348	\$1,854,948	\$3,762,552	\$5,617,499		12 08 12
13	\$16,793,703	11.3999%	23.1234%	0.96613581	\$1,849,630	\$3,751,765	\$5,601,395		12 22 12
14	\$16,793,703	11.3999%	23.1234%	0.96336610	\$1,844,327	\$3,741,010	\$5,585,337		01 05 13
15	\$16,793,703	11.3999%	23.1234%	0.96060433	\$1,839,040	\$3,730,285	\$5,569,325		01 19 13
16	\$16,793,703	11.3999%	23.1234%	0.95785049	\$1,833,768	\$3,719,591	\$5,553,359		02 02 13
17	\$16,793,703	11.3999%	23.1234%	0.95510453	\$1,828,511	\$3,708,928	\$5,537,439		02 16 13
18	\$16,793,703	11.3999%	23.1234%	0.95236645	\$1,823,269	\$3,698,295	\$5,521,564		03 02 13
19	\$16,793,703	11.3999%	23.1234%	0.94963622	\$1,818,042	\$3,687,693	\$5,505,735		03 16 13
20	\$16,793,703	11.3999%	23.1234%	0.94691381	\$1,812,830	\$3,677,121	\$5,489,951		03 30 13
21	\$16,793,703	11.3999%	23.1234%	0.94419921	\$1,807,633	\$3,666,580	\$5,474,213		04 13 13
22	\$16,793,703	11.3999%	23.1234%	0.94149239	\$1,802,451	\$3,656,068	\$5,458,519		04 27 13
23	\$16,793,703	11.3999%	23.1234%	0.93879333	\$1,797,284	\$3,645,587	\$5,442,871		05 11 13
24	\$16,793,703	11.3999%	23.1234%	0.93610201	\$1,792,131	\$3,635,136	\$5,427,267		05 25 13
25	\$16,793,703	11.3999%	23.1234%	0.93341840	\$1,786,994	\$3,624,715	\$5,411,709		06 08 13
26	\$16,793,703	11.3999%	23.1234%	0.93074249	\$1,781,871	\$3,614,324	\$5,396,194		06 22 13
Total	\$436,636,281	11.3999%	23.1234%		\$48,032,527	\$97,428,561	\$145,461,088		
Rate					(Discounted)	(Discounted)	(Discounted)		
Contribution		\$49,776,000	\$100,965,000						
		(Undiscounted)	(Undiscounted)						
				Average Discount Factor	0.96497361	0.96497361	0.96497361		

(1) County only payroll. Excludes Special District.

19-Mar-12

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Agenda Item 7.4

To: Board of Retirement



From: Mabel Wong, Retirement Finance Officer

Subject: Discussion of *SamCERA's Sources, Uses, and Budget Report* for Fiscal Year
2012/2013

COMMENT: Staff will provide an oral report to update the status of *SamCERA's* FY 2012/2013
budgets.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 27, 2012

Agenda Item 7.5

To: Board of Retirement

From:  Scott Hood Acting Chief Executive Officer

Subject: Report on the Status of *SamCERA*'s Annual Board Retreat on April 24 & 25, 2012

Staff will provide an oral report on the status of the April 2012 Board Retreat.

Agenda & Presenters

Board / Staff Retreat

April 24 & 25, 2012



San Mateo County Employees' Retirement Association

SamCERA

BOARD / STAFF RETREAT AGENDA
Day One—Tuesday, April 24, 2012

<u>TIME</u>	<u>TOPIC</u>	<u>SPEAKER</u>
8:30 a.m.	<ul style="list-style-type: none"> • Coffee and Refreshments 	
9:00 a.m.	<ul style="list-style-type: none"> • Welcome 	David Bailey, Chief Executive Officer, <i>SamCERA</i>
9:15 a.m.	<ul style="list-style-type: none"> • SamCERA Portfolio Update. Review of current investment goals and objectives and how other retirement systems are evolving. What risks do each of our investments address? Do any mandates deserve a larger or smaller allocation? Have our expectations for the performance of the current allocation been born out in recent bull and bear markets? What can we expect the near and long term futures to hold? 	Gary Clifton Chief Investment Officer, <i>SamCERA</i> Patrick Thomas & _____ Strategic Investment Solutions
10:30 a.m.	<ul style="list-style-type: none"> • Break 	
10:45 a.m.	<ul style="list-style-type: none"> • Continuation of SamCERA Portfolio Update. 	
12 Noon	<ul style="list-style-type: none"> • Lunch 	
1:15 p.m.	<ul style="list-style-type: none"> • Assumed Earnings Rates • How GASB Changes will Affect SamCERA and Its Employers 	Nick Collier, Principal, Consulting Actuary, Milliman, Inc.
2:30 p.m.	<ul style="list-style-type: none"> • Open Discussion 	
3:00 p.m.	<ul style="list-style-type: none"> • Break 	
3:15 p.m.	<ul style="list-style-type: none"> • Beginning of Regular Board Meeting Agenda 	
5 p.m. (approx.)	<ul style="list-style-type: none"> • End of Day One 	

BOARD / STAFF RETREAT AGENDA
DAY TWO—WEDNESDAY, APRIL 25, 2012

<u>TIME</u>	<u>TOPIC</u>	<u>SPEAKER</u>
8:30 a.m.	<ul style="list-style-type: none"> • Coffee and Refreshments 	
9:00 a.m.	<ul style="list-style-type: none"> • Trading Costs Report 	<p style="text-align: center;">Brian Greene Vinod Pakianathan Zeno Consulting Group</p>
10:00 a.m.	<ul style="list-style-type: none"> • Break 	
10:15 a.m.	<ul style="list-style-type: none"> • Infrastructure Investing. Global, domestic and local. Educational presentation and discussion. 	<p style="text-align: center;">TBD J.P. Morgan</p>
11:15 a.m.	<ul style="list-style-type: none"> • Open Discussion 	
12 noon	<ul style="list-style-type: none"> • Lunch (Board and <i>SamCERA</i> Staff) 	
1:15 p.m.	<ul style="list-style-type: none"> • Determining Permanent Disability 	<p style="text-align: center;">Gladys Smith <i>SamCERA</i> Benefits Manager Dr. Henry Brodtkin <i>SamCERA</i> Medical Advisor Brenda Carlson, Chief Legal Counsel</p>
2:00 p.m.	<ul style="list-style-type: none"> • New FPPC Regulations Regarding Gifts 	
3:00 p.m.	<ul style="list-style-type: none"> • Break 	
3:15 p.m.	<ul style="list-style-type: none"> • Status of <i>SamCERA's</i> Technology Transitions 	<p style="text-align: center;">Tariq Ali, <i>SamCERA</i> Chief Technology Officer, Ben Lott Project Management Team Leader</p>
4:00 p.m.	<ul style="list-style-type: none"> • Open Discussion 	
4:45 p.m.	<ul style="list-style-type: none"> • End of Retreat 	